

sonatel

## Financial Results

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Q1 2022



# Glossary

This presentation contains information that may be deemed to be forward-looking.

Regarding the outlook, although the Company believes that these statements and information are based on reasonable assumptions at the date of publication of this press release, they are by their nature subject to risks and uncertainties, which could give rise to a difference between the actual figures and those indicated or implied in these declarations and information.

Sonatel cannot guarantee or be responsible for the accuracy, completeness, consistency and effectiveness of any of the statements or information given in this press release relating to forecast data.

# 1

## Highlights



# Key Financial figures

## Turnover

**350.4**

XOF Billion  
+11.5%

## EBITDAaI

**144.8**

XOF Billion  
+9.5%

## Operating cash flow

**108.2**

XOF Billion  
+15.2%

## Net result

**62.7**

XOF Billion  
+13.9%

## CAPEX

**36.6**

XOF Billion  
-4.2%

Double-digit growth in turnover, i.e. +11.5% (XOF +36.2 billion) compared to 2021 thanks to Retail revenues, in particular data, voice and the recovery of Wholesale, which offset the drop in financial services products.

EBITDA grew by 9.5% or XOF +12.6 billion thanks to the performance on revenues mitigated by a significant increase in expenses.

The net result is up by +13.9% thanks to the good operating margin reinforced by better control of financial expenses.

The investment program is behind schedule due to the difficulties of mobile deployment in Mali.

A positive impact on the OpCF which grows by +15.2% in YoY higher than the growth of the Ebitda

## Ebitdaal ratio

41.3%  
-0.8 pts

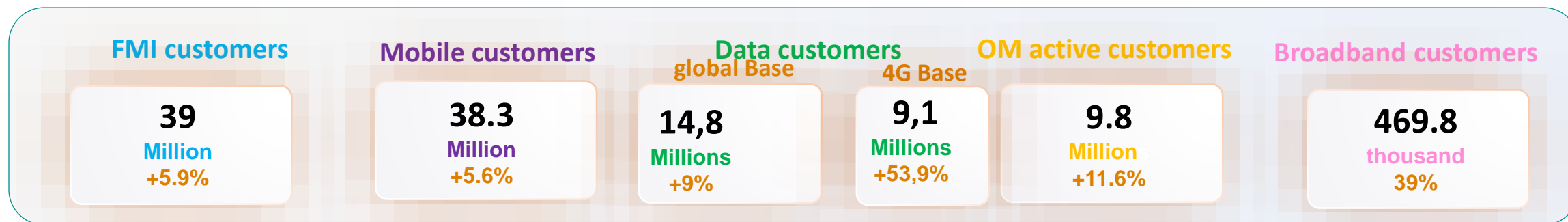
## Net margin

17.9%  
+0,4 pts

## Capex rate

10.4%

# Key Operational figures



Growth of customer bases at Group level thanks to a good commercial dynamic

**Growth of the FMI base +5,9%** : Performance driven by all countries thanks to the continued good momentum in recruitment.

**Growth of the mobile data base +9%** : Continued development of very high-speed fixed and mobile around 4G/4G.

**Growth of the Orange Money base +11,6%** : Thanks to good commercial momentum at Group level. Strong competition on the market which explains the -3.7% delay compared to the budget at Group level, particularly in Sierra Leone (276Kcustomers), Guinea (129Kcustomers) and Senegal (70Kcustomers).

**Good performance of the very high-speed fixed base** in YoY, in Senegal in particular, around Fiber, LTE/FDD and TDD offers.

**Data  
penetration**  
38.8%  
+2.9 pts

**orange money  
penetration**  
25.7%  
+1.8 pts

# 2

## Highlights per country







Good performance in turnover driven mainly by wholesale thanks to hubbing and retail to a lesser extent with the increase in voice, data, research and consulting services, mitigated by the sharp drop in Orange Money revenues. Growth of all operational indicators despite aggressive competition. 4G base up sharply by nearly 1.4 million customers over 1 year. Capex up mainly relating to radio access, transport, transmission and FTTH.

## FMI customers

12.2

Million

+11.7%

## Mobile customers

11.6

Million

+11%

## Data customers

Global Base

5.1

Millions

+8.1%

4G Base

4.4

Millions

+46.1%

## OM active customers

3

Million

+4.8%

## Broadband customers

380.6

Thousand

42.1%

- Promotional campaign for CAN 2021 football and celebration of the victory of the Senegal team
- Arrival of new Fintechs on the Mobile money market
- Launch of a pico credit offer
- Sonatel, Orange and SES launch the first O3b mPOWER satellite connectivity gateway in Senegal
- Foundation sponsorship activities:
  - Donation to Senegal of the 1st Reference Geriatrics Center outside Dakar
  - Equipment of the Abass Ndao hospital for better cataract care
- Digital transformation and digital inclusion: Sonatel Academy celebrates its 3rd promotion of 700 learners
- Renewal of certifications:
  - Quality ISO 9001 V2015, Environment ISO 14001 V2015, Health, Safety and Quality of life at work ISO 45001 V2018, energy ISO 50001 version 2018
  - COPC and IFACI

## CAPEX

9.9

Billion

+53.6%

## Market share

58%

+3.3 pts

2G / 3G / 4G / 4G+

Mali



Solid financial and operational performance in Mali despite an unstable political situation marked by repeated attacks on Orange Mali sites. Growth mainly driven by retail, particularly voice and data, despite the drop noted on orange money, impacted by the new prices following the strengthening of competition. Investments still timid in Q1 2022 with a drop of 6.6% compared to 2021 in connection with the ECOWAS embargo making it difficult to transport equipment.

#### FMI customers

**12.7**

Million

-1.6%

#### Mobile customers

**12.6**

Million

-1.7%

#### Data customers

Global Base

**4.8**

Millions

-1.9%

4G Base

**2.5**

Millions

+61.3%

#### OM active customers

**3.4**

Million

+15.6%

#### Broadband customers

**64.8**

Thousand

26.5%

- Economy impacted by ECOWAS and UEMOA sanctions
- Fixing the costs of the national MTR at 2.5 XOF/min for 2022/2023 and decreasing over the following years
- Provisional suspension of the seizure of accounts and obtaining a 4-month grace period following the fine of 115 billion in the REMACOTEM case
- Continued destruction of technical sites with loss of revenue
- Renewal of QSE certification on ISO 9001 V2015, ISO 14001 V2015 and ISO 45001 V2018 standards

#### CAPEX

**16.3**

Billion

-6.6%

Market share

**54.6%**

-2.7 pts

2G / 3G / 4G / 4G+





Revenue growth momentum driven by Retail but slowed by the entry into force of the new general tax code, new regulatory measures and constraints related to subscriber identification. On the other hand, good performance in profitability thanks to the continuation of efforts to optimize direct and indirect costs. Investments in Q1 2022 mainly relate to the Network, Service platforms and Orange Energy, despite the delay in the mobile deployment schedule.

## FMI customers

**8.7**  
Million  
-2.4%

## Mobile customers

**8.7**  
Million  
-2.4%

Data customers  
Global Base 4G Base

**3.8**  
Million  
+15.7%

**1.3**  
Million  
+72.9

## OM active customers

**1.9**  
Million  
+10.7%

## Broadband customers

**12.4**  
Thousand  
27.4%

- Uncertain political environment and inflation at 12.3%
- Entry into force of the new general tax code
- New tax of 3% on mobile money revenues and requirement for joint validation (ARPT – BCRG) of offers
- Launch of self-cancellation and PIN code reset on Orange money
- Launch of the Health Caravan by the Orange Guinea Foundation
- New regulator measures:
  - Cancellation of the 20GNF fee on the Onnet minute and the requirement to restore bonuses
  - Reduction of the national interconnection tariff by 50%
  - Requirement to lower the retail Offnet rate by 120GNF (-18%)
  - Elimination of the billing of customer calls to call centers

## CAPEX

**93.8**  
GNF Billion  
-38.2%

## Market share



2G / 3G / 4G / 4G+



Continued good momentum in Q1 2022. Revenue growth driven mainly by voice, data and orange money Consolidation of volume and value leadership with an increase of more than 38% in the mobile subscriber base thanks to a good commercial momentum favored by the extension and strengthening of network coverage.

## FMI customers

**1.2**  
Million  
+38%

## Mobile customers

**1.2**  
Million  
+38.2%

## Data customers

Global Base

**385.1**  
Thousand  
+39.6%

4G Base

**230.3**  
Thousand  
+72.9%

## OM active customers

**278.7**  
Thousand  
+66.9%

## Broadband customers

**8.6**  
Thousand  
12.1%

- Coup attempt on February 1, 2022
- Lifting of the blocking of Orange accounts relating to the fine of 3 billion
- Proposed 0.5% tax on Orange Money withdrawal fees
- Continuation of the network modernization and extension plan
- Project to extend the network of Orange Money kiosks

## CAPEX

**1.3**  
Billion  
-53.4%

## Volume market share



2G / 3G / 4G / 4G+



Good performance linked to growth in the customer base linked to good commercial momentum. Revenue growth driven by Retail mitigated by the drop in Wholesale with the impact of call reduction.

Profitability up thanks to revenue performance combined with savings on direct costs .

Drop in CAPEX with a positive impact on Free Cash Flow. Crossing the bar of 4 million mobile subscribers, including more than 658,000 active on 4G.

### FMI customers

**4.1**  
Million  
+31.3%

### Mobile customers

**4.1**  
Million  
+31.2%

### Data customers

#### Global Base

**864.1**  
Thousand  
+57.6%

#### 4G Base

**658.4**  
Thousand  
+44.2%

### OM active customers

**1.3**  
Million  
+12%

### Broadband customers

**3.4**  
Thousand  
+114.9%

- Appointment of a new Chief Executive Officer on March 1, 2022
- Crossing the bar of 4 million mobile customers and maintaining leadership in all regions with a 19 pt lead over the 2nd competitor
- Commercial events over the quarter around the CAN
- Good performance on Orange Money and mobile Data
- New voice tariffs of the main competitor following the new floor price of the regulator SLL300/min On-net, SLL400/min Off-net
- Entry into force of the new surcharge on On-net and Off-net traffic
- Application submitted to the regulator for the acquisition of the FTTH license

### CAPEX

**60.6**  
SSL Billion  
-7.6%

### Market share



2G / 3G / 4G / 4G+



A world map with orange borders for all countries, set against a teal background. The map is centered on the Atlantic Ocean.

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Thanks!

