

sonatel

Financial Results  
Q1 2019



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# summary



#1 Q1 2019 Key figures



#2 Highlights per country



#1

# Key figures Q1 2019

Sonatel  
Q1 2019 Financial results



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# Warning

Changes are reported against Q1 2018 results.

# Operational figures



30.6

Million

+0.4%

**FMI subscribers**  
(Fixed lines + Mobile + Internet)

30.1

Million

+0.3%

**Mobile subscribers**  
(voix, sms et SVA)

11.2

Million

+15.1%

**Data Mobile subscribers**  
(Internet Mobile)

5.9

Million

+21.8%

**Orange Money subscribers**

190.5

thousand

+20.5%

**Internet subscribers**  
(ADSL + Fibre + Flybox +Wimax)

Evolution of the base despite the slow down in recruitment in Mali following the cessation of bonuses from activation and refocusing of base management around value.

Good performance of growth relays (Data Mobile and Orange Money) in terms of penetration of mobile subscribers base.

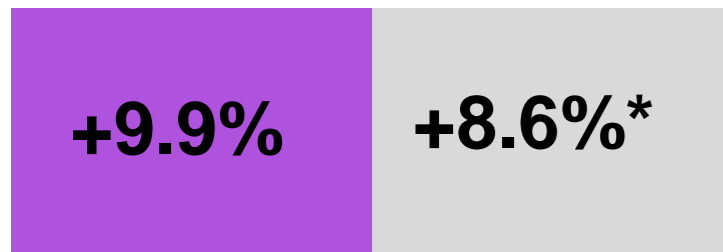
Growth resumption of Broadband Internet with the introduction of fiber in Senegal and Mali.

# Financial figures



270.1

Billion XOF



Turnover

117.6

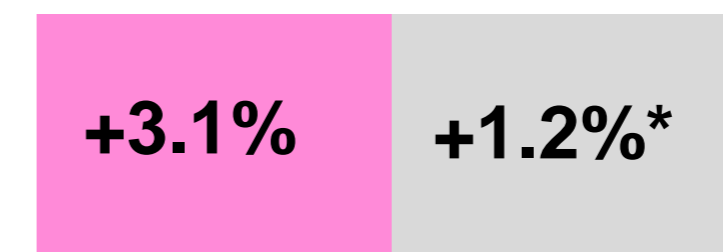
Billion XOF



Ebitda

49.8

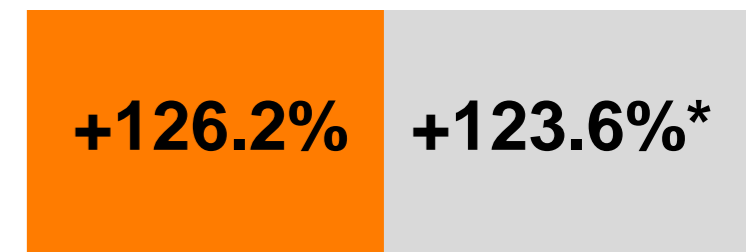
Billion XOF



Net income

37.8

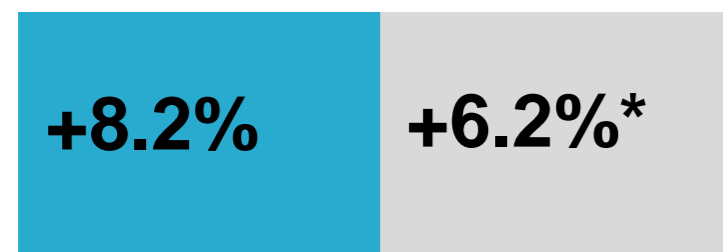
Billion XOF



CAPEX

80.5

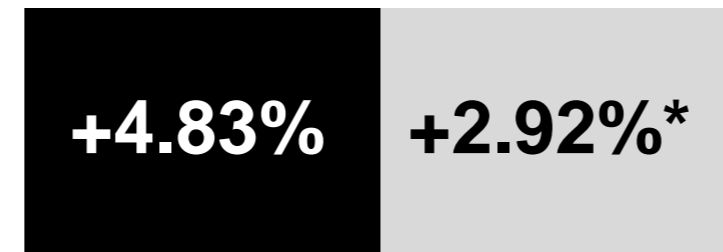
Billion XOF



Operating results

75.1

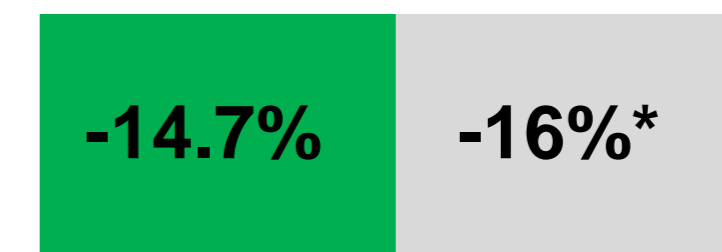
Billion XOF



Ordinary activities results

79.8

Billion XOF



Free cash flow

Solid revenue growth (+24.2 billion XOF) compared to Q1 2018, with a positive contribution of all countries. Turnover growth mainly on retail (Data, Mobile Voice and Orange Money).

Ebitda up 7.3 billion XOF compared to Q1 2018 thanks to the improvement in direct margin despite the increase in indirect costs. Significant improvement in operating income and net income.

Free Cash down on acceleration of investment program at Q1 2018



#2

# Country highlights







Re-election of the outgoing President of the Republic for a 5 year term. Continued business momentum reflected by robust revenue and EBITDA growth. Crossing the bar of 2 million monthly users of Orange Money Services. Accelerated pace of investment deployment / Q1 2018.

- Re-election of the outgoing President of the Republic for a five-year term
- Publication of the 2018 financial results for the Sonatel Group (25 February), welcomed by the stock market (+ 19% over the share price / December 2018)
- Confirmation of Orange's leadership in Q4 2018 in Senegal in the fixed, mobile and internet markets (publication ARTP T4 2018)
- Strong growth of operational and financial indicators
- Passing the bar of 2 Million Active Users (30 Days) of Orange Money Services
- Enlargement of the competitive field (start-up announcement of the Sirius Telecom MVNO hosted by TIGO)
- Launch of the PE2022 business project

## Network

2G  
3G  
4G  
4G+

## Position

leader



## Volume market share\*







Unstable security situation in the north extending to the southern part of the country. Maintaining strong commercial positions in volume and value (publication from regulatory ). Strong improvement of 3G coverage. Deployment of THD around LTE (4G, TDD) and fiber solutions. Strengthening regulatory and tax pressure.

- Degradation of the security situation in central and northern areas
- Legislative elections scheduled for the first half of 2019.
- Important improvement of 3G coverage: 65% (end of 2018).
- 4G+ launched in Bamako end of December and TDD deployed in Bamako.
- Launch of FTTx fiber customers including both residential and B2B.
- Redesign of Data offer (abundance) following the improvement in the 3G network coverage.
- Maintaining a good level of Voice and Data QoS through sustained broadband investments (4G, 4G +, FO ...)

## Network

2G  
3G  
4G  
4G+

## Position

leader



## Volume market share\*

53%



2G / 3G concession renewal, 4G frequencies obtained and deployment of the 3rd 3G frequency carrier. Consolidation of strong commercial positions resulting in outstanding operational and financial achievements (revenue and EBITDA growth). Development of the Orange Money business.

- Signature of the license agreement on March 14, 2018: 2G / 3G license renewal and 4G license granted; settlement of the first installment
- Deployment of the 3rd 3G frequency carrier to improve customer experience
- Strong operational and financial performance (including favorable currency effect)
- Tightening customer identification requirements
- Maintained momentum on merchant payment (launch of merchant payment by QR Code)
- Orange Finance Mobile Guinea succeeded in the GSMA conformity audit on mobile money.

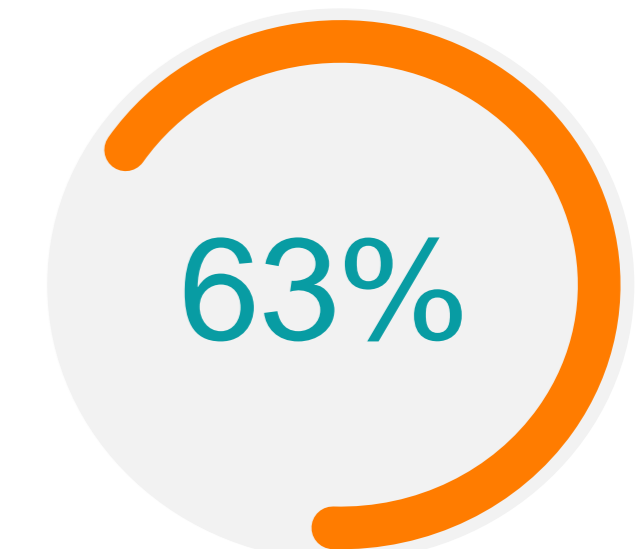
Network

Position

Volume market share\*

2G  
3G  
4G

leader







Evolution of the political context with the holding of legislative elections. Consolidation of leadership supported by good business momentum (mobile data and Orange Money). Strong financial indicators despite the economic gloom resulting from prolonged impact the failure of the 2018 Cashew campaign.

- Legislative elections held on March 10, 2019, victory of the ruling party. The installation of the new parliament is scheduled for April 18, 2019
- Annual growth of financial indicators despite difficult economic environment
- The major network projects are engaged (SWAP IN, Backbone, deployment 2019, SDM, ACE cable, ...)
- New taxes: stamps on contracts, 1% result at the town hall
- Orange Money Merchant Payment Launch

## Network

2G  
3G  
4G

## Position

leader



## Volume market share\*

56%



Official launch of 4G with over 4000 users. Good growth in financial results based on good commercial performance and good control of indirect costs.

- Signature of new roaming agreements with Senegal, Benin, Guinea Bissau, Luxembourg and Nigeria.
- Launch 4G: promotion organized on March 27th.
- Taxation: Discussion in progress between Orange SL and NATCOM (regulator). Effort to solicit the intervention of the highest authorities of the State in the request of the NRA (National Revenue Authority) to impose bonuses on free calls.
- Continued depreciation of SLL against Dollars and Euro.

Network

Position

Volume market share\*

2G  
3G  
4G

second

42%



