

### Sonatel consolidated results for 2017 fiscal year

#### Sonatel Group maintains good operating and financial performance

Dakar, February 19, 2018 - In 2017, Sonatel Group consolidated its operational and financial performance, reinforced by the integration of the new subsidiary Orange Sierra Leone, despite a competitive, regulatory and tax environment becoming harder and harder.

#### Sustained investments

The group has strengthened its trajectory of profitability and its strong commercial positions in all the countries thanks to the realized important investments: **XOF 334 billions in the year among which XOF 150 billions in conformance with purchase of licenses 4G and renewals of concession (in Senegal and in Mali)**. These investments strongly contributed to the improvement of the customer experience, to the strengthening of the operational excellence, in pursuit of the efforts on the quality of technical service and in the strengthening of the policy of development of customer loyalty.

#### Good commercial momentum and recovery of the customer base growth

The group has maintained its leadership in all its markets thanks to the preservation of the dynamics of recruitment and to the resumption of the growth of the customer base, in spite of the intensification of the competition and the contraction of the conditions of identification.

The preservation of this good commercial momentum, , in particular on the mobile recruitment (**recovery of the growth of the subscriber base by + 8.7% in 2017 against a decline of -1.3% in 2016**), allowed a control of the churn reflected by market share gains in all the countries (Guinea +4.6 points, Senegal +2.2 points, Mali +1.7 points, Bissau +1.1 points).

The Group's customer base at December 31, 2017 amounted to **30.2 million, increasing by 8,7 %**, among which 28,7 millions (9,6 %) on the historic perimeter (except Orange Sierra Leone).

This growth is mainly pulled by the mobile subscriber base (29,7 millions), due to the revision of the prepaid offer and the good dynamics of recruitment of the 4G in Senegal

and in Mali, and in extension of the cover in Guinea (the actions of animations around the new covered localities).

The good momentum of turnover remains sustained thanks to the development of mobile data usage, the Orange Money business and value-added services (VAS). Thus, we note an acceleration in the growth of mobile data users (9.2 million or + 30.8 %% compared to 2016), Orange Money's financial services (4.4 million, an increase of 34.7%)

## 2017 Financial results

Acceleration of the growth of revenue and improvement of the operating returns

- The enhanced contribution of growth drivers (nexw lines of business) in the group's activity

The group's consolidated turnover amounted to XOF 972.9 billion in 2017, up 7.5%, despite the negative impact of the depreciation of the guinea franc (GNF) and Leone.

This growth of turnover is pulled by the development of mobile activity, itself pulled by the uses of the mobile data, value-added services and services of Orange Money. On the historic perimeter (Except Sierra Leone), the growth accelerated to become established, at comparable base, at 5,3 % with regard to 2016 is an improvement of 1,5 points (4,8 % in 2016).

Subsidiaries abroad contributed slightly more than half to the Group's consolidated turnover and the integration of Orange Sierra Leone into the scope of consolidation strengthened the group's growth despite a slight dilutive effect on EBITDA.

- The improvement of the operational profitability trajectories

Following the growth of revenue, the trajectories of profitability improved, were reflected by the resumption of the growth of the EBITDA, at comparable base, of 3,2 % against a reduction in 1,7 % recorded in 2016, in spite of the impact of bills of exchange, new fiscal measures (Mali) and unfavorable regulatory decisions (Bissau, Sierra Leone).

- The net income of the group falls by 6.3%, passing to XOF 202,2 billion.

In spite of the improvement of the EBITDA, the net income of the group falls in 2017, impacted by:

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- the significant bills of exchange and
- the strong growth of the amortizations consecutive to the important investments realized during the last 3 years (nearly XOF 800 billion including the costs of licenses 4G, the renewal of the various concessions and the acquisition in Sierra Leone), to strengthen the fundamental of the leadership of the group in a context of digital transformation in acceleration. These investments allow already besides in 2017, an acceleration of the revenue growth and the EBITDA on the historic perimeter (except Orange Sierra Leone).

## Sonatel Group contributes to the creation of wealth in its countries of presence

The group continues to remain a leading player of the creation of wealth in all its countries of presence and particularly in Senegal.

It contributed for more than **XOF 502 billion** to the the budgetary recipes of the countries of presence.

In conformance with the development of the local private sector, the activities of the group generated for the benefit of the local companies more than **XOF 247 billion of turnovers**.

In conformance with the balance of payments, the group contributed to it positively in all its countries of presence through the balances of traffic representing net exports exports for more than **XOF 160 billion**.

Finally, in terms of employment, the group 's activities generated **more than 3,500 direct jobs and more than 100,000 indirect jobs** thanks to extensive commercial distribution, subcontracting and various dynamic partnerships.

## The public-spirited commitment of the group Sonatel in all its countries of presence

In these contributions in the economic development and in the creation of jobs and wealth in all its countries of presence, it is advisable to add actions carried out in the field of the Corporate social responsibility of Company.

Indeed, aware(conscious) of its driving role in the digital ecosystem everywhere where he(it) is present, the group Sonatel also bustles in the emergence of incubators. So, after CTIC in **Senegal** and CREATAEM in **Mali**, the incubator Saboutech was inaugurated in **Guinea** where hundred schools was so connected to the 3G within the framework of the program of access of high schools to the digital world.

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It is also in this frame which **Sonatel Academy**, the **1st free school of coding in western Africa**, was created in Senegal. The objective is to train young people, job-seekers and under-represented profiles, in the technical jobs by the digital technology and to allow them, through **this vocational training**, to become integrated into the labor market or to create their own activity.

Also, in partnership with her Orange foundation, in **Senegal** as in **Guinea** were inaugurated the first **Digital Houses**, to educate more girls and return the more and more autonomous women.

Besides, the foundations of the group Sonatel pursue the implementation of the program " **Village project** " which contributes to the opening up of localities moved(put) back by the construction of a health center, a school and a water source. So, in **Senegal**, after Thicatt Woloff in 2015 and SOB2 2017, the 3rd Village project was developed to **Mbakhna**, in the region of Matam, and will be inaugurated in 2018. In **Mali**, two new villages were realized to **Kérouané** and to **N' Tentou** whereas in **Guinea**, it is **Kenendé** who laid the 1st stone of its infrastructures after Wallia in 2016.

## Outlook 2018

The group Sonatel anticipated and realized the essential investments to prepare the future, but intends to pursue its efforts of investment and adaptation to an environment which continues its transfer, with structuring evolutions of the telecommunications sector on all the perimeter.

This politics will be pursued to improve the offer of an incomparable experience to his customers and to support better its dynamics of conquest and its leadership in all the countries of presence. This is the way the group intends to **strengthen its investments and to revitalize its actions around the Data Mobile, the value-added services, the financial services motive and services to corporates and to States**. New **Datacenter** of Senegal (the biggest of western Africa), inaugurated in June, 2017, should play a driving role in this strategy as well as the **deployment of the customer access by fiber (optical fiber)** (Residential FTTx and Business) and **the extension of the 4G** which is going to continue in Senegal, in Guinea Bissau and in Mali.

The group will pursue its **projects of transformation and adaptation** of its cost structure to strengthen its **dynamics of profitable organic growth** and **face the important and structuring evolutions** of its competitive, regulatory, fiscal environment, in transformation and which hardened a lot.

Finally, the group Sonatel is going to continue the implementation of its Strategic plan " **Horizons 2020** ", to support States for a digital emergence of territories and to strengthen its public-spirited commitment through its policy of Corporate social responsibility

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