



# Financial results

## 3rd Quarter 2022

### Sonatel Group

with you, for you

sonatel



# Glossary

1. **IFRS:** the indicators presented in this document have been established in accordance with IFRS standards. Q3 2021 numbers have been restated in the same format.

## 2. The impact of IFRS 16 mainly concerns:

- **Lease liabilities:** these liabilities were previously disclosed off balance sheet in the Schedules to the consolidated financial statements. Under IFRS 16, they are recognised in the balance sheet (i) as assets representing the right to use the asset, according to the valuation approach required by IFRS 16 and (ii) as liabilities.
- **Operating expense of leasing contracts:** this expense was previously included in indirect costs. Under IFRS 16, it is replaced by an amortization charge and an interest charge.
- **Ebitdaal:** (EBITDA after Leases) is an indicator of financial profitability that takes into account depreciation and interest charges related to lease agreements. It replaces the adjusted EBITDA
- **ECapex:** The eCAPEX corresponds to (i) tangible and intangible investments excluding telecommunications licences and financed assets, (ii) less the sale prices of the intangible and tangible assets transferred.



# Summary

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# Key Numbers and Messages



# Growing results in Q3 despite the difficult geopolitical situation in the sub-region and soaring inflation

## Key financial figures

**Revenues**  
**1;080 Billion**

Revenue growth thanks to the contribution of all countries, particularly driven by Data (+24.5%).

**+9.7%**  
yoy

**EBITDAaL**  
**463.0 billion**  
**@ 42.9% rate**

Growth of 7.6% in yoy thanks to the increase in revenues.

**42.9%**  
Revenues  
+7.6% yoy

**18.5%**  
Revenues  
+5.8% yoy

**Net income**  
**200.3 Billion**

Growth driven by the increase in Ebitdaal and a relatively controlled level of depreciation.

**27.3%**  
Revenues  
+9.5% yoy

**Operating Cash Flow**  
**294.9 Billion**

Growth thanks to strong margin performance despite sustained investment program

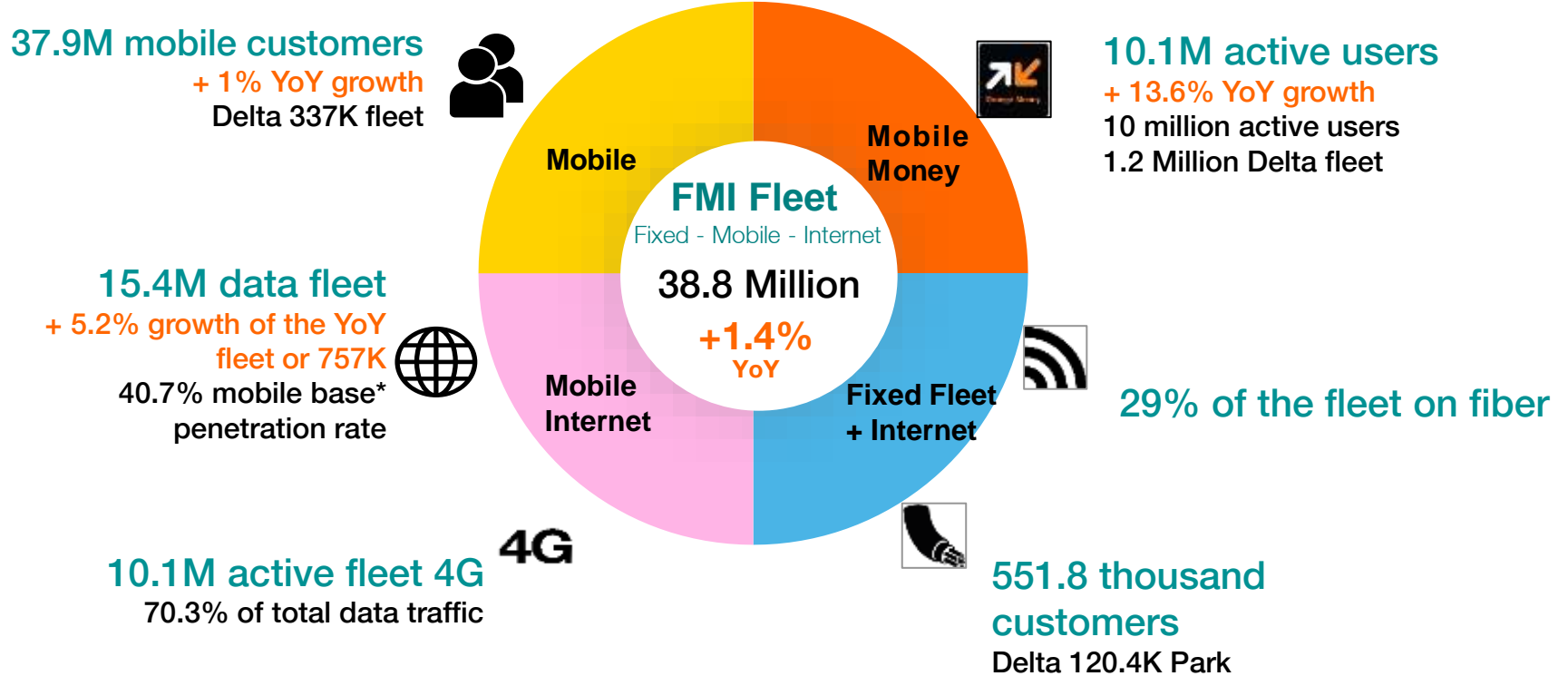
**15.5%**  
Revenues  
+4.4% yoy

**eCapex**  
**168.1 Billion**

Continued investments to support the acceleration of Very High Speed, densification and network expansion.

# Good operational performance in YoY with the growth of all fleets

Key operational figures



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## Situation by country of presence



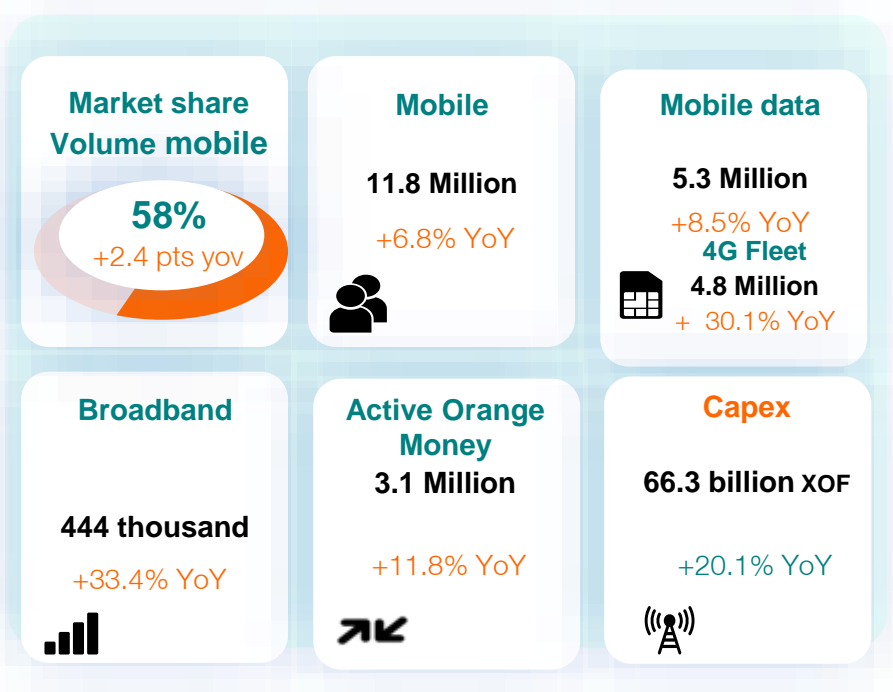
YoY sales growth of +3% driven mainly by retail, notably mobile data, fixed and wholesale (hubbing, consulting engineering) which offset the decline in Orange Money revenues.

Operational indicators growing YoY despite increasingly aggressive competition. The 4G fleet grows by more than 1.1 million customers. CAPEX on the rise focusing on 2G/3G radio access, LTE (4G), fiber, energy, environment and service platforms.



Senegal

- Rising prices for basic necessities
- Strong competition on mobile money
- Good performance of mobile, fixed and wholesale broadband revenues.





Sales grew YoY by +0.9% despite a difficult Q3, driven mainly by mobile and fixed networks that cover the decrease in international inflow and Orange Money (good resistance despite the tariff cut).

Mixed performance of the operational indicators with a good growth of fixed Broadband and Orange Money fleets but a decrease in the number of mobile and mobile data customers (embargo impact and loss of sites in the North). The 4G fleet grew + 700,000

CAPEX customers down 18.8% with the delay in deployment due to the ECOWAS embargo.



Mali

- Lifting of ECOWAS sanctions on 03 July following embargo
- Sharp rise in food and fuel prices (+49% on diesel and +34% on gasoline)
- Increase of acts of vandalism on the technical sites of Orange Mali (25 sites vandalized, 5 sites fallen in areas of total insecurity)

Market share  
Volume mobile

56%

+ 1.2 pt  
YoY

Mobile

12.5 Million

-1.5% YoY



Mobile data

4.8 Million

-5.4% YoY



4G Fleet

2.9 Million

+35.9% YoY

Broadband

82.7 thousand

+26.8% YoY



Active Orange  
Money

3.7 Million

+29.2% YoY



Capex

47.8 billion XOF

-18.8% YoY



Sales growth of 6.5% mainly driven by mobile data, B2B solutions and voice. Withdrawal of Orange Money and Wholesale revenues following tax measures (change from 13% TAF to 18% VAT), regulatory (reduction of the national interco tariff by 50%) and commercial (new Orange money tariff schedule).

Strengthening of subscriber bases, notably on Data (4G), Orange money and fixed broadband.

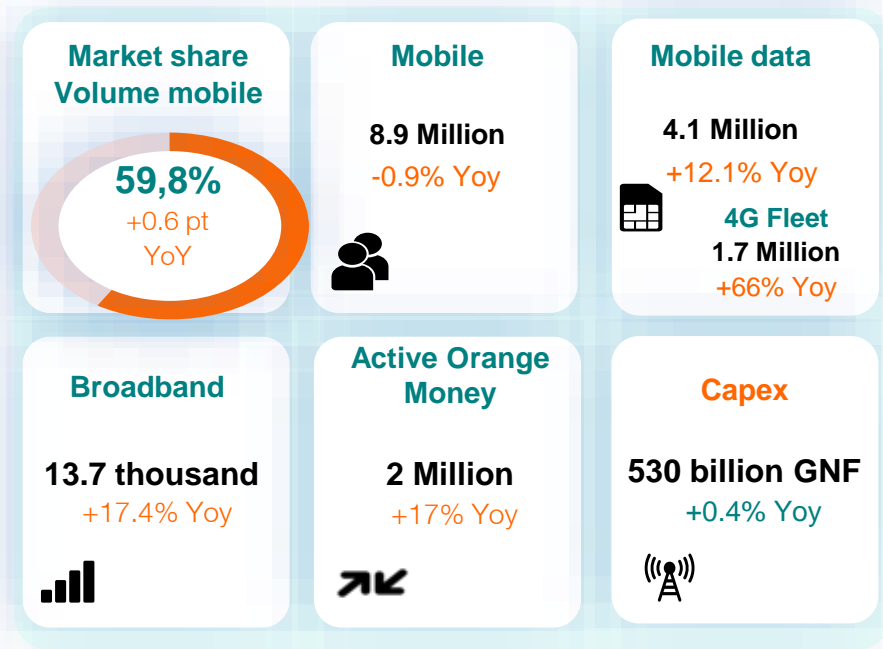
Capex stables Vs YOY



Climate of uncertainty about political transition

- Inflation at +12.5% and appreciation of the Guinean franc
- Start of several audits by the regulator
- Deployment of 200 sites and coverage of 113 new locations
- Orange Money exceeds 2 million active customers

Guinea

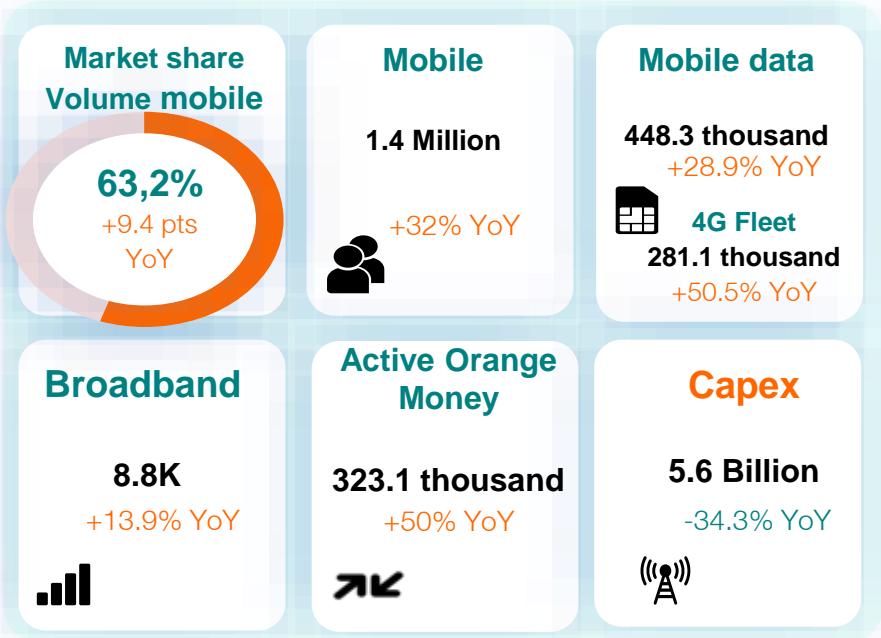


Revenue up 16.7% driven by mobile, Orange Money and fixed.  
 Very good sales momentum with high-growth YoY operating indicators.  
 Increase of the Park 4G of 94 thousand customers.  
 Lower level of investment after 2021 efforts.



Bissau

- Parliamentary elections postponed until December 2022
- High Inflation: General price increase (fuel, public transport, essential products, etc.)
- Relaunch of the project of privatization of the historical operator.

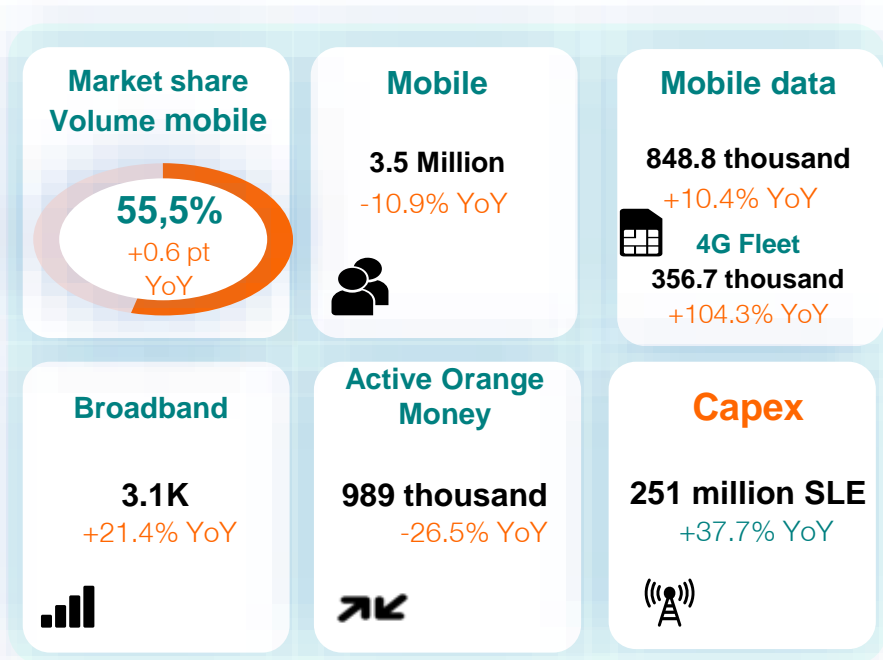


Strong sales growth of 15.7% driven by mobile and Orange Money, despite the decline in Wholesale (MTR decrease).

Operational indicators Data and Orange Money growing YoY. Growth of 4G fleet of 182 thousand customers.

CAPEX up 37.7% in connection with the extension and strengthening of network coverage.

- Commissioning of 18 new sites to support growth
- Construction of the new Datacenter in Bo
- Difficult macro-economic context: inflation +30%, fuel price rise +150% and devaluation of Leone - 35% vs USD and Euro





**Thank you**  
**Jerejef**  
**i ni tché**  
**Djarama**  
**Obrigado**  
**Thank you**