

IMPAXIS Group – Corporate Finance & Investment Banking

“Sonatel Bonds 6.50% 2020-2027”

Teaser

Approved by CREPMF with the Visa : EOP/20-01

June 2020

This “Teaser” is a document intended to present the transaction contemplated by SONATEL S.A (the “Company”) in order to raise capital on the regional financial market of the WAMU by issuing a corporate bond investors, individuals and professionals, eligible to this capital market.

IMPAXIS SECURITIES (“IMPAXIS”), a licensed and regulated investment bank and broker by the CREPMF, has been mandated by the Company as sole Arranger & Bookrunner for this transaction approved by the CREPMF with the Visa EOP/20-01 (the “Transaction”).

This Teaser was prepared by IMPAXIS on the basis of (i) public information or provided by the Company and (ii) financial forecasts deemed to be reasonable. It does not constitute an information memorandum in accordance with the CREPMF instruction on public offering within the WAEMU

Investment Grade Corporate Bond issue @ 6.5% per year



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Key Terms

- **Issuer: SONATEL**
- **Rating:** Investment Grade AA- and w-2
- **Size: 100 Billion XOF**
- **Coupon: 6.5%/year**
- **Term: 7 years** including 2 years grace period on the repayment of the capital
- **Currency: FCFA or XOF** (pegged to EUR)
- **Amortization:** semi annual beginning from Year 3
- **Coupon payment:** semi annual
- **Tax:** Taxes that will apply depend on the investor's place of residence
- **Use of funds:** Financing 2020 CAPEX plan in Senegal
- **Liquidity of the securities:**
 - Listing on the BRVM (Abidjan SE)
 - Refinancing option with Central Bank (BCEAO)
- **Legislation:** OHADA/ MFR

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Key Investment Rationale

A Blue-Chip back in the market!

Largest private company in the WAEMU region

- Largest corporate listed on BRVM (c.XOF 1700bn as of 31/12/2019, c.35% of the market)
- A recurring revenue over XOF 1000bn per year with an EBITDA of c. XOF 500bn

A low credit risk in an uncertain economic environment

- Best rating for a Corporate (1)
- A solid financial structure (gearing < 25% and Net Debt/EBITDA << 0.5x)
- Strong cash generation and debt service capacity (DSCR >> 5.0x)

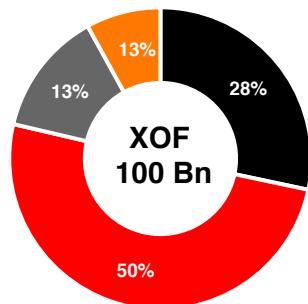
A strong governance

- Highly reputable shareholders (ORANGE Group and the State of Senegal)
- An experienced team in the TMT sector (Africa, Middle East and Europe)

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Use of proceeds

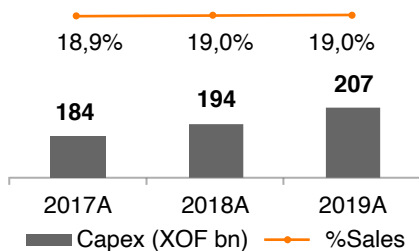
- Financing of 2020 CAPEX in Senegal ("Senegal Scope"*)



- Fixed Network
- Mobile Network
- Others
- Frequencies

- A Group with a strong culture of investment

CAPEX Evolution



An Outstanding Issuer

- Leader in the WAEMU TMT sector
- Present in 5 countries (Senegal, Mali, Guinea, Guinea-Bissau and Sierra Leone)
- #1 in each of its 5 operating markets
- 32.7 million FMI customers as of 31/12/2019 (+10% growth vs. 2018)
- +6.9 millions mobile money users



FYE - 31/12 - €m	2017A	2018A	2019A
Revenue	638	670	713
Growth	7,5%	5,0%	6,3%
EBITDA	294	310	316
Margin	46,1%	46,2%	44,3%
Net Income	133	133	129
Margin	20,8%	19,8%	18,1%
Equity	470	471	469
Financial Debt ⁽²⁾	143	173	201
Net Debt ⁽²⁾	49	63	58
Free Cash Flow ⁽³⁾	174	183	180

Subscription period & Securities allocation scheme

Subscription period

- From June 15th to July 15th, 2020

Investors universe:

- Institutional investors and individuals established or not in the WAEMU zone

Securities allocation scheme

- FIFO independently of the type of investors



Sole Arranger & Bookrunner

Ababacar DIAW – CEO

77 740 96 32 / adiaw@impaxiscapital.com

Khadija Ndiaye – Head Sales & Trading

77 365 10 66 / khadija.ndiaye@impaxis-securities.com