MTN Group
Capital markets day
May 2019
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Welcome, objectives and introductions
## Agenda

<table>
<thead>
<tr>
<th>Time</th>
<th>Presentation</th>
<th>Key speakers</th>
</tr>
</thead>
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<tr>
<td>08:30</td>
<td>Welcome</td>
<td>Rob Shuter</td>
</tr>
<tr>
<td>08:40</td>
<td>Business overview and strategy</td>
<td>Rob Shuter &amp; Ralph Mupita</td>
</tr>
<tr>
<td>09:55</td>
<td>Growth opportunities</td>
<td>Jens Schulte-Bockum</td>
</tr>
<tr>
<td>10:40</td>
<td>Break</td>
<td></td>
</tr>
<tr>
<td>10:55</td>
<td>Fintech</td>
<td>Serigne Dioum</td>
</tr>
<tr>
<td>11:25</td>
<td>Digital</td>
<td>David Gilarranz</td>
</tr>
<tr>
<td>11:55</td>
<td>Technology &amp; sourcing</td>
<td>Charles Molapisi &amp; Dirk Karl</td>
</tr>
<tr>
<td>12:40</td>
<td>Lunch</td>
<td></td>
</tr>
<tr>
<td>13:20</td>
<td>MTN South Africa</td>
<td>Godfrey Motsa</td>
</tr>
<tr>
<td>14:05</td>
<td>MTN Nigeria</td>
<td>Ferdi Moolman</td>
</tr>
<tr>
<td>14:50</td>
<td>Panel discussion on the regions</td>
<td>Ebenezer Asante, Karl Toriola &amp; Ismail Jaroudi</td>
</tr>
<tr>
<td>15:20</td>
<td>Break</td>
<td></td>
</tr>
<tr>
<td>15:30</td>
<td>Risk &amp; regulatory</td>
<td>Felleng Sekha, Ralph Mupita, Michael Fleischer</td>
</tr>
<tr>
<td>15:55</td>
<td>Nigeria investment case</td>
<td>Yewande Sadiku (Nigerian Investment Promotion Commission) &amp; Bolaji Balogun (Chapel Hill)</td>
</tr>
<tr>
<td>16:30</td>
<td>Leveraging our people assets</td>
<td>Paul Norman</td>
</tr>
<tr>
<td>17:00</td>
<td>Closing remarks</td>
<td>Rob Shuter</td>
</tr>
</tbody>
</table>
MTN at a glance
MTN at a glance

Service revenue of

R125 billion

233 million subscribers

79 million active data users

27 million active MoMo users

19k employees

Our vision is to lead the delivery of a bold new digital world

Our belief is that everyone deserves the benefits of a modern connected life

35.9% EBITDA margin

+ 22% Data revenue

+46.8% Fintech revenue

21 markets in Africa and the Middle East

Numbers at December 2018
Our telco subsidiaries – contribution to EBITDA

- MTN South Africa: 34%
- MTN Nigeria: 35%
- SEAGHA: 17%
- WECA: 9%
- MENA: 5%

- MTN Ghana
- MTN Uganda
- MTN Rwanda
- MTN Zambia
- MTN South Sudan
- MTN Cameroon
- MTN Ivory Coast
- MTN Benin
- MTN Guinea-Conakry
- MTN Guinea-Bissau
- MTN Congo-Brazzaville
- Lonestar Cell
- MTN Liberia
- MTN Syria
- MTN Yemen
- MTN Afghanistan
- MTN Sudan

Numbers at December 2018
A compelling **investment** case

**Strong position in the right markets**
- High growth MEA region
- In 3 of 4 largest economies
- Top two positions in all markets

**Exciting demographic opportunity**
- Fast growing youthful population
- Low data, fintech and digital adoption
- Enterprise and wholesale opportunity

**Attractive return profile**
- Demographics drive revenue
- Efficiencies improve margins
- Smart capex moderates investment

**Well positioned for the long term**
- Portfolio optimisation
- Sustainable leverage
- Progressive dividend policy

**Clear strategy**

**Executed by a strong and experienced management team**

**Enhanced risk and regulatory framework**
Incorporating the Digital Operator in BRIGHT

- **B**: Best customer experience
- **R**: Returns and efficiency focus
- **I**: Ignite commercial performance
- **G**: Growth through data and digital
- **H**: Hearts and minds
- **T**: Technology excellence

**Voice**

**Enterprise**

**Wholesale**

**Data**

**Digital**

**Fintech**
2019 Q1 progress

1. Solid operational performance

2. Group double-digit service revenue growth

3. MTN SA and MTN Nigeria achieved service revenue targets

4. Asset realisation programme on track

5. Group board evolution and the establishment of an International Advisory Board
Key take-aways for the day

1. A compelling and attractive investment case

2. Uniquely positioned to capture growth in our markets

3. Asset realisation programme to simplify portfolio and support de-gearing of holdco debt

4. Enhanced risk and regulatory framework in place

5. Strong and experienced management team focused on delivering shareholder value
Many global industry headwinds do not apply to emerging markets.

Global mobile revenue projections (US$ bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Developed</th>
<th>Developing</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>1 051</td>
<td>403</td>
</tr>
<tr>
<td>2020</td>
<td>1 080</td>
<td>426</td>
</tr>
<tr>
<td>2025</td>
<td>1 094</td>
<td>443</td>
</tr>
</tbody>
</table>

Mobile operator capex projections (US$ bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Global capex</th>
<th>Global monthly data traffic</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>157</td>
<td>12</td>
</tr>
<tr>
<td>2018</td>
<td>160</td>
<td>19</td>
</tr>
<tr>
<td>2019</td>
<td>155</td>
<td>29</td>
</tr>
<tr>
<td>2020</td>
<td>153</td>
<td>41</td>
</tr>
</tbody>
</table>

Global EBITDA margin (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Developed</th>
<th>Developing</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>30%</td>
<td>33%</td>
</tr>
<tr>
<td>2015</td>
<td>33%</td>
<td>34%</td>
</tr>
<tr>
<td>2016</td>
<td>35%</td>
<td>35%</td>
</tr>
<tr>
<td>2017</td>
<td>35%</td>
<td>35%</td>
</tr>
<tr>
<td>2018</td>
<td>36%</td>
<td>36%</td>
</tr>
</tbody>
</table>

Source: GSMA_The mobile economy 2018
Emerging markets have lower internet adoption

<table>
<thead>
<tr>
<th></th>
<th>Developing</th>
<th>Developed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Africa</td>
<td>Asia</td>
</tr>
<tr>
<td>Service revenue (US$ bn)</td>
<td>52</td>
<td>431</td>
</tr>
<tr>
<td>Service rev. CAGR (%)</td>
<td>4.0%</td>
<td>0.2%</td>
</tr>
<tr>
<td>Smartphone penetration (%)</td>
<td>33%</td>
<td>61%</td>
</tr>
<tr>
<td>Mobile internet (%)</td>
<td>23%</td>
<td>40%</td>
</tr>
<tr>
<td>EBITDA margin (%)</td>
<td>40%</td>
<td>34%</td>
</tr>
<tr>
<td>CAPEX (US$ bn)</td>
<td>10</td>
<td>81</td>
</tr>
<tr>
<td>CAPEX intensity (%)</td>
<td>19%</td>
<td>19%</td>
</tr>
</tbody>
</table>

Source: GSMA, Ovum and Analysis Mason.
There are 3 categories of **megatrends** operators need to address

<table>
<thead>
<tr>
<th>Efficiency trends</th>
<th>Growth trends</th>
<th>Ecosystem innovation trends</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed &amp; mobile convergence</td>
<td>Connectivity and media convergence</td>
<td>New interfaces – voice, AR, VR</td>
</tr>
<tr>
<td>Digital inside for efficiency</td>
<td>Time for operator 5G</td>
<td>Open source</td>
</tr>
<tr>
<td>Market consolidation</td>
<td>Network as a platform</td>
<td>Digital disruptor brands</td>
</tr>
<tr>
<td>Infrastructure sharing</td>
<td>Data monetisation</td>
<td>AI enhancing telecoms industry</td>
</tr>
<tr>
<td>Incremental innovations in existing tech</td>
<td>Platform business model</td>
<td>Alternative connectivity platforms</td>
</tr>
<tr>
<td>Separation of infrastructure and service</td>
<td>Expansion into advanced enterprise services</td>
<td>Next 1bn subscribers</td>
</tr>
<tr>
<td>layers</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Impact on MTN**
Building a BRIGHTER, more sustainable MTN everywhere you go
How we manage the business

Group President & CEO
Rob Shuter

CFO
Ralph Mupita

COO
Jens Schulte-Bockum

CEO Nigeria
Ferdi Moolman

CEO South Africa
Godfrey Motsa

VP: MENA
Ismail Jaroudi

VP: WECA
Karl Toriola

VP: SEAGHA
Ebenezer Asante

Chief Reg & Corporate Affairs
Felleng Sekha

CEO Nigeria
Ferdi Moolman

Chief Human Resources
Paul Norman

Average numbers of years combined experience

- MTN experience
- Telecom experience

MTN experience: 9
Telecom experience: 16

Chief Legal Counsel
Michael Fleischer

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A compelling **investment** case

**Strong position in the right markets**
- High growth MEA region
- In 3 of 4 largest economies
- Top two positions in all markets

**Exciting demographic opportunity**
- Fast growing youthful population
- Low data, fintech and digital adoption
- Enterprise and wholesale opportunity

**Attractive return profile**
- Demographics drive revenue
- Efficiencies improve margins
- Smart capex moderates investment

**Clear strategy**

**Well positioned for the long term**
- Portfolio optimisation
- Sustainable leverage
- Progressive dividend policy

Executed by a strong and experienced management team

Enhanced risk and regulatory framework
Strong position in the right markets

Forecast mobile revenue CAGR (2016-2020) by region (%)

<table>
<thead>
<tr>
<th>Region</th>
<th>CAGR (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sub-Saharan Africa</td>
<td>7%</td>
</tr>
<tr>
<td>Latin America</td>
<td>4%</td>
</tr>
<tr>
<td>CIS</td>
<td>3%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>2%</td>
</tr>
<tr>
<td>MENA</td>
<td>2%</td>
</tr>
<tr>
<td>Europe</td>
<td>0%</td>
</tr>
<tr>
<td>North Africa</td>
<td>-2%</td>
</tr>
</tbody>
</table>

Source: GSMA intelligence
We are **#1 or #2** across our markets

<table>
<thead>
<tr>
<th></th>
<th>South Africa</th>
<th>Nigeria</th>
<th>Iran</th>
<th>Uganda</th>
<th>Ghana</th>
<th>Cameroon</th>
<th>Ivory Coast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market position</td>
<td>2/4</td>
<td>1/4</td>
<td>2/3</td>
<td>1/8</td>
<td>1/9</td>
<td>1/4</td>
<td>2/3</td>
</tr>
<tr>
<td>Subscriber market share</td>
<td>31%</td>
<td>50%</td>
<td>43%</td>
<td>54%</td>
<td>51%</td>
<td>47%</td>
<td>33%</td>
</tr>
</tbody>
</table>

Numbers at December 2018
## GDP Growth and Urbanisation

GDP growth and urbanisation in our regions supports opportunity.

### Compound Annual Real GDP\(^1\) Growth 2015 - 2025

<table>
<thead>
<tr>
<th>Region</th>
<th>Growth 2015 - 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia</td>
<td>5,3</td>
</tr>
<tr>
<td>Egypt</td>
<td>4,6</td>
</tr>
<tr>
<td>North Africa</td>
<td>3,8</td>
</tr>
<tr>
<td>World</td>
<td>3,5</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>3,3</td>
</tr>
<tr>
<td>Middle East</td>
<td>2,5</td>
</tr>
<tr>
<td>United States</td>
<td>2,0</td>
</tr>
<tr>
<td>Latin America and the Caribbean</td>
<td>2,0</td>
</tr>
<tr>
<td>Europe</td>
<td>1,8</td>
</tr>
<tr>
<td>Brazil</td>
<td>1,3</td>
</tr>
</tbody>
</table>

\(^1\) Measured at PPP level

### Compound Annual Urban Population Growth 2015 - 2025

<table>
<thead>
<tr>
<th>Region</th>
<th>Growth 2015 - 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sub-Saharan Africa</td>
<td>4,0</td>
</tr>
<tr>
<td>North Africa</td>
<td>2,1</td>
</tr>
<tr>
<td>Western Asia (Middle East)</td>
<td>2,1</td>
</tr>
<tr>
<td>Asia</td>
<td>2,0</td>
</tr>
<tr>
<td>Egypt</td>
<td>1,9</td>
</tr>
<tr>
<td>World</td>
<td>1,8</td>
</tr>
<tr>
<td>Latin America and the Caribbean</td>
<td>1,2</td>
</tr>
<tr>
<td>Brazil</td>
<td>1,0</td>
</tr>
<tr>
<td>United States of America</td>
<td>1,0</td>
</tr>
<tr>
<td>Europe</td>
<td>0,3</td>
</tr>
</tbody>
</table>
A compelling **investment** case

**Strong position in the right markets**
- High growth MEA region
- In 3 of 4 largest economies
- Top two position in all markets

**Attractive return profile**
- Demographics drive revenue
- Efficiencies improve margins
- Smart capex moderates investment

**Clear strategy**
- BRIGHT

**Exciting demographic opportunity**
- Fast growing youthful population
- Low data, fintech and digital adoption
- Enterprise and wholesale opportunity

**Well positioned for the long term**
- Portfolio optimisation
- Sustainable leverage
- Progressive dividend policy

**Executed by a strong and experienced management team**

Enhanced risk and regulatory framework
Fast **growing** and youthful populations with low data adoption

<table>
<thead>
<tr>
<th>Year</th>
<th>Population (millions)</th>
<th>Population below 24</th>
<th>GDP per capita PPP ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>SSA 1 050</td>
<td>1 379</td>
<td>3 900</td>
</tr>
<tr>
<td></td>
<td>MENA 514</td>
<td>325</td>
<td>8 000</td>
</tr>
<tr>
<td>2021</td>
<td>SSA 717m</td>
<td>30%</td>
<td>8 500</td>
</tr>
<tr>
<td></td>
<td>MENA 717m</td>
<td>32%</td>
<td>60 000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>SSA</th>
<th>MENA</th>
<th>China</th>
<th>US</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smartphone penetration</td>
<td>23%</td>
<td>52%</td>
<td>76%</td>
<td>83%</td>
</tr>
<tr>
<td>Mobile internet</td>
<td>23%</td>
<td>41%</td>
<td>59%</td>
<td>76%</td>
</tr>
<tr>
<td>Mobile ARPU ($)</td>
<td>4.6</td>
<td>9.5</td>
<td>9</td>
<td>43</td>
</tr>
</tbody>
</table>

Note: 1 Population across all MTN opcos. 2 SSA market statistics Sources: World Bank, IMF, IndexMundi, AfDB, GSMA, Ovum, Analysis Mason and MTN
Nascent digital services; underpenetrated mobile financial services

<table>
<thead>
<tr>
<th></th>
<th>SSA</th>
<th>MENA</th>
<th>China</th>
<th>US</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV</td>
<td>36%</td>
<td>95%</td>
<td>95%</td>
<td>96%</td>
</tr>
<tr>
<td>Pay TV</td>
<td>9%</td>
<td>65%</td>
<td>61%</td>
<td>79%</td>
</tr>
<tr>
<td>Netflix/iQiyi</td>
<td>0%</td>
<td></td>
<td>30%</td>
<td>17%</td>
</tr>
<tr>
<td>Whatsapp/WeChat/FB</td>
<td>18%</td>
<td>67%</td>
<td>73%</td>
<td>66%</td>
</tr>
<tr>
<td>Banking</td>
<td>19%</td>
<td>45%</td>
<td>66%</td>
<td>76%</td>
</tr>
<tr>
<td>Digital payments</td>
<td>20%</td>
<td>23%</td>
<td>56%</td>
<td>74%</td>
</tr>
<tr>
<td>Momo/Alipay/Paypal</td>
<td>7%</td>
<td>15%</td>
<td>22%</td>
<td>15%</td>
</tr>
</tbody>
</table>

Sources: World bank, IMF, IndexMundi, AfDB, GSMA, Ovum, Analysis Mason, McKinsey, PwC, and MTN
We have access to six value pools, creating growth & value potential

Voice
Maturing, large pool

~2%^
R240bn

Data
Inflection to explosive growth

~20%^
R265bn

Digital
Unique EM opportunity

~50%^~
R25bn

Fintech
Transformational opportunity

~50%^~
R90bn

Enterprise
SME and converged services

~15%^~
R245bn

Wholesale
Explosive traffic growth

~30%^~
R55bn

Note: Excludes Iran. ^ 2021 market pools and 3 year organic CAGR. Source: MTN Group Strategy market sizing
A compelling **investment** case

**Clear strategy**

- **Strong position in the right markets**
  - High growth MEA region
  - In 3 of 4 largest economies
  - Top two position in all markets

- **Exciting demographic opportunity**
  - Fast growing youthful population
  - Low data, fintech and digital adoption
  - Enterprise and wholesale opportunity

- **Attractive return profile**
  - Demographics drive revenue
  - Efficiencies improve margins
  - Smart capex moderates investment

- **Well positioned for the long term**
  - Portfolio optimisation
  - Sustainable leverage
  - Progressive dividend policy

**Executed by a strong and experienced management team**

**Enhanced risk and regulatory framework**
Our financial **framework** to drive value creation

- Service revenue growth
- EBITDA margin growth
- Lower capex intensity
- Higher cash ratio

- • Consumer voice
  • Mobile data
  • Fintech and digital
  • Enterprise and wholesale
- • Cost control
  • Operating leverage
  • Digitalisation
- • Scale advantages
- • Accelerating FCF
  • Working capital efficiencies
  • Asset realisation programme

Further strengthening the balance sheet (2,0x – 2,5x)
Progressive dividend policy (10% – 20% growth)
Improving returns (ROE >20%)
Service **revenue** opportunities - data, digital and fintech

**Service revenue by services offered**
(Rm) 2018

- **Voice** 59%
- **Data** 23%
- **Digital** 3%
- **Fintech** 6%
- **SMS** 2%
- **Other** 5%

**Service revenue** R125bn

**Service revenue by top opcos and regions**
(Rm) 2018

- **South Africa** 29%
- **Nigeria** 30%
- **SEAGHA** 18%
- **WECA** 16%
- **MENA** 7%

**Service revenue** R125bn

**Iran revenue**: R11.6bn
**Iran EBITDA**: R4.2bn
Driving capital efficiencies while building a world class network

**Capex (Rm)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Capex intensity*</th>
<th>Capex*</th>
<th>Capex for digital, GlobalConnect and ERP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>23.8%</td>
<td>35,268</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>23.7%</td>
<td>31,460</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>19.3%</td>
<td>26,017</td>
<td></td>
</tr>
<tr>
<td>2019 guidance</td>
<td>1635</td>
<td>26,426</td>
<td></td>
</tr>
</tbody>
</table>

**2018 Capex allocation (%)**

- **Radio and infrastructure**: 63%
- **Transmission**: 13%
- **IT systems**: 19%
- **Core network**: 3%
- **Other capex**: 2%

**Sites rolled out**

- **3G**: 8,583 sites
- **4G**: 8,611 sites

**2019 guidance**

- **3G**: 8,295 sites
- **4G**: 7,257 sites

* IAS17
A strong balance sheet getting stronger

Holdco net debt, mix of debt and leverage

<table>
<thead>
<tr>
<th></th>
<th>2017 H2</th>
<th>2018 H1</th>
<th>2018 H2</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD/EUR</td>
<td>54,4%</td>
<td>51,4%</td>
<td>51,6%</td>
</tr>
<tr>
<td>ZAR</td>
<td>45,6%</td>
<td>48,6%</td>
<td>48,4%</td>
</tr>
</tbody>
</table>

2021 ambitions

- Reducing holdco net debt
- Maintaining holdco leverage within target range
- Improving debt mix
- Dividend covered by operating cashflow by 2021
- Increasing opco debt

Holdco leverage

- 2017 H2: 2,7x
- 2018 H1: 2,9x
- 2018 H2: 2,3x

Group leverage

- 2017 H2: 1,3x
- 2018 H1: 1,6x
- 2018 H2: 1,3x
Asset realisation will support further balance sheet strength

<table>
<thead>
<tr>
<th>Subsidiaries</th>
<th>Telco associates &amp; JVs</th>
<th>E-commerce portfolio (carrying value° – R5bn)</th>
<th>Tower companies (carrying value° – R25bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SA &amp; Nigeria</td>
<td>Irancell</td>
<td>Jumia</td>
<td>IHS</td>
</tr>
<tr>
<td>SEAGHA</td>
<td>eSwatini</td>
<td>MEIH</td>
<td>ATC Uganda</td>
</tr>
<tr>
<td>WECA</td>
<td>Mascom</td>
<td>IIG</td>
<td>ATC Ghana</td>
</tr>
<tr>
<td>MENA</td>
<td>BICS and aYo</td>
<td>Travelstart/Amadeus</td>
<td>ATC loan</td>
</tr>
</tbody>
</table>

**Assets**
- SA & Nigeria
- SEAGHA
- WECA
- MENA
- Irancell
- eSwatini
- Mascom
- BICS and aYo
- Jumia
- MEIH
- IIG
- Travelstart/Amadeus
- IHS
- ATC Uganda
- ATC Ghana
- ATC loan

**Q2 2019 Progress**
- Nigeria listing completed. Public offer when market conditions are conducive
- Nigeria redemption of pref shares US$315m in progress
- Zambia localisation in progress
- Mascom disposal in progress for H1 2019 US$300m
- BICS contract renewal
- Jumia IPO completed, fair value as at 24 May 2019 US$348m (carrying value US$152m at 31 December 2018)
- ATC loan buy out agreed for US$61m

◊ Carrying value accounted for in the 2018 financial statements should not be considered to be reflective of the fair values of the companies or the estimated proceeds
Improving **returns** for shareholders

**Historical performance**

<table>
<thead>
<tr>
<th>Year</th>
<th>ROE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>13.4%</td>
</tr>
<tr>
<td>2017</td>
<td>12.7%</td>
</tr>
<tr>
<td>2018</td>
<td>11.5%</td>
</tr>
</tbody>
</table>

**Target**

\[
\text{ROE} = \frac{\text{Adjusted headline earnings}}{\text{Equity attributable to equity holders of the company}}
\]

**Key drivers of return improvement**

- EBIT expansion
- Stable depreciation and amortisation for network
- Asset realisation programme
- Reduce finance costs

**20% over medium term (3 – 5 years)**
Capital allocation priorities over the medium term

1. **Organic growth**
   Improving capex intensity post IFRS 16 implementation

2. **Stabilise leverage**
   - Target holdco leverage of 2.0x to 2.5x
   - Rebalance the holding company debt mix - target rand debt to > 60% of total debt

3. **Return cash to shareholders through dividend**
   Within our progressive dividend policy of 10% to 20% off a base of 500 cents per share in 2018

4. **Selective mergers and acquisitions**
   Opportunities aligned to the investment case, subject to strict risk and financial criteria

5. **Share repurchases or special dividends**
   Only considered when other capital allocation priorities have been met
Thank you
Growth opportunities
Voice today

Customers:
233 million subscribers

Revenue:
R82.2 billion in 2018, growth of 7.3%*

Established:
Customer value management
Bundle offering

The opportunity and growth drivers

The opportunity:
R240bn

Market growth drivers:
- People penetration
- Population growth
- Price elasticity
- Fast adoption of youth

Our ambition

Ultra-rural site roll-out

Personal pricing with AI

Coverage advantage in high population/voice usage growth areas

Distribution transformation

Why MTN?

Best and largest networks

Largest distribution footprint

Growing market shares

Investing analytics and AI

*Constant currency

Note: Excludes Iran. 2021 market pools and 3 year organic CAGR. Source: MTN Group Strategy market sizing
**Voice decline in MTN markets is lower than global benchmarks**

**Total addressable mobile voice opportunity, 2019-2021**

(R bn)

<table>
<thead>
<tr>
<th>Region</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>1,249</td>
<td>1,117</td>
<td>973</td>
</tr>
<tr>
<td>Asia</td>
<td>912</td>
<td>786</td>
<td>647</td>
</tr>
<tr>
<td>South America</td>
<td>859</td>
<td>736</td>
<td>591</td>
</tr>
<tr>
<td>North America</td>
<td>248</td>
<td>246</td>
<td>238</td>
</tr>
<tr>
<td>Europe</td>
<td>235</td>
<td>202</td>
<td>171</td>
</tr>
</tbody>
</table>

**3 year CAGR**

- **Africa**: -12%
- **Asia**: -16%
- **South America**: -17%
- **North America**: -2%
- **Europe**: -15%

**Voice opportunity drivers benchmark, 2019 -2021**

<table>
<thead>
<tr>
<th>Region</th>
<th>2019</th>
<th>3 year CAGR</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>1320</td>
<td>2%</td>
<td>1386</td>
</tr>
<tr>
<td>Asia</td>
<td>4585</td>
<td>1%</td>
<td>4662</td>
</tr>
<tr>
<td>South America</td>
<td>428</td>
<td>1%</td>
<td>436</td>
</tr>
<tr>
<td>North America</td>
<td>366</td>
<td>1%</td>
<td>372</td>
</tr>
<tr>
<td>Europe</td>
<td>743</td>
<td>0%</td>
<td>745</td>
</tr>
</tbody>
</table>

**Population growth (mn)**

- **Africa**: 1,320 to 1,386, 2%
- **Asia**: 4,585 to 4,662, 1%
- **South America**: 428 to 436, 1%
- **North America**: 366 to 372, 1%
- **Europe**: 743 to 745, 0%

**Market penetration (%)**

- **Africa**: 48% to 51%, 3%
- **Asia**: 67% to 68%, 1%
- **South America**: 71% to 72%, 1%
- **North America**: 84% to 85%, 1%
- **Europe**: 87% to 87%, 0%

**MOU (min)**

- **Africa**: 82 to 105, 29%
- **Asia**: 330 to 376, 12%
- **South America**: 138 to 207, 33%
- **World**: 300 to 336, 11%
- **Europe**: 283 to 292, 3%

Note: **MTN markets exclude Iran. Source: Ovum, GSMA intelligence, World Bank data, Group Strategy market sizing**
Protect & grow **voice** through customer value management

**From**
- Mass segments
- Carpet bombing
- Gross additions

**To**
- Micro segments
- Targeted offers
- Base management

**Key CVM achievements**

- **Net incremental revenue generated via CVM**
  - $165m (2.25%)**

- **CVM Academy**
  - 1300+ hours accredited training

- **Scale up CVM programme**
  - from 35 to 150 people

- **Standardised CVM platforms**
  - 18 opcos

- **Inbound marketing**
  - 6 opcos

- **45 commercial programmes**
  - 12 opcos
**Data** is our core medium-term growth driver

---

### Data today
- **Customers:** 79 million active data users
- **Revenue:** R28.5 billion in 2018, growth of 22%*
- **Coverage:** 105 million smartphones
  - 86% 2G population
  - 68% 3G coverage
  - 33% 4G coverage

---

### The opportunity and growth drivers
- **The opportunity:** R265bn

#### Market growth drivers:
- Low data penetration
- Coverage > 60%
- Poor fixed networks
- Exponential demand

---

### Our ambition
- **200 million** active data subscribers
- **66%** data penetration

**Ubiquitous** data coverage

Growing our footprint and connecting the unconnected through CHASE

---

### Why MTN?
- Largest data networks
- Cross-sell into voice base
- CHASE strategy
- Pioneer in low cost data technology

*Constant currency

Note: Excludes Iran. 2021 market pools and 3 year organic CAGR. Source: MTN Group Strategy market sizing
We will target two key segments to capture the data opportunity.

<table>
<thead>
<tr>
<th>Segments</th>
<th>Value</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue opportunity</strong></td>
<td>Established</td>
<td>Emerging</td>
</tr>
<tr>
<td></td>
<td>50%</td>
<td>30%</td>
</tr>
<tr>
<td><strong>% of population</strong></td>
<td>20%</td>
<td>40%</td>
</tr>
<tr>
<td><strong>Customer today</strong></td>
<td>Largely the customers of today</td>
<td>Connecting our customers in to the mobile internet world</td>
</tr>
<tr>
<td></td>
<td>Already on data-capable handsets</td>
<td>In peri-urban or rural areas, still on basic handsets</td>
</tr>
<tr>
<td></td>
<td>Largely in metropolitan areas</td>
<td>Unique CHASE strategy to capture</td>
</tr>
</tbody>
</table>
CHASE connecting the unconnected

**COVERAGE**
Ensure sufficient data coverage in rural low-income areas

**HANDSETS**
Increase affordability and access to data-enabled devices

**AFFORDABILITY**
Increase data service affordability

**SERVICE BUNDLING**
Simplify bundling and selling of data and services to ensure relevance

**EDUCATION**
Enhance digital literacy and awareness of the potential of digital services
Coverage - sufficient data coverage in rural low-income areas

Population coverage

- 86% 2G
- 68% 3G
- 33% 4G

Additional population covered in 2018

- Pop (m)
- 2G: 9
- 3G: 58
- 4G: 59

U900 rollout

- 8,483 U900 sites deployed
- 3G population coverage growth of over 58 million people

Ubiquitous data coverage
**Handsets - innovating low-cost technologies**

**Driving smartphone sales**

Sales at informal **telco markets**

**Focused** and **structured** approach

Currently in progress in **86 telco markets**

Targeting rollout in 10 opcos with **180 markets**

**MTN $20 “smeature” phone**

**World first**

45,000 units sold in first 3 weeks

Rollout in:

- South Africa
- Benin
- Kenya
- Zimbabwe
- Uganda
- Rwanda
- Tanzania
- Nigeria

**Develop $20 smartphone**

Android 3G smartphone launch by Sep 2019
Flattening the price curve...

Reducing data prices in our markets

…..while ensuring data profitability

* Fully allocated production cost
Service bundling - improving data usage with enhanced value propositions

Average usage per subscriber

<table>
<thead>
<tr>
<th>Country</th>
<th>Jan-18 (MB/subs)</th>
<th>Jan-19 (MB/subs)</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td>1310</td>
<td>1583</td>
<td>21%</td>
</tr>
<tr>
<td>Nigeria</td>
<td>1064</td>
<td>1381</td>
<td>30%</td>
</tr>
<tr>
<td>Ghana</td>
<td>1983</td>
<td>2241</td>
<td>13%</td>
</tr>
</tbody>
</table>

Integrated bundles for high value customers

Youth bundles

CVM initiatives

Nigeria
Cameroon

Nigeria
Ghana
Uganda
Cameroon

Nigeria
Ghana
South Africa
Ivory Coast
Cameroon
Education - key focus for 2019

Achieved in 2018

- Electronic voucher distribution (EVD) platform

2019 step-change initiatives

- Right-SIM-right-settings
- Free data environment
- #MTNBrighterLives MISTT

8 training modules

- The internet
- WhatsApp
- Youtube
- Google
- Facebook
- Wikipedia
- Cost
- Safety

Cost: $19.00
Enterprise

everywhere you go
Grow market share in high growth segment

Enterprise today

Revenue:
R13,4 billion in 2018, growth of 8,4%*

Streamlining:
Under-indexed market share

Identified segments and products portfolio

Enabled group-wide collaboration, implemented “MTN way” of selling

The opportunity and growth drivers

The opportunity:

R245bn

Market growth drivers:

- Mobile-first trend
- Underserved SMEs
- Unified comms and IoT
- ICT adoption growing

Our ambition

Preferred connectivity solution partner for enterprise within the MTN footprint

Accelerate growth through segmented products

Defining a channel strategy

Establish MTN way of selling

Why MTN?

Best network in most markets

Largest fixed network (core/transmission)

Strong partnership network

Bundle ICT and connectivity

*Constant currency

Note: Excludes Iran. 2021 market pools and 3 year organic CAGR. Source: MTN Group Strategy market sizing
Enterprise opportunity is highly concentrated in a few markets

Top 6 enterprise revenue by market, 2018 (R m)

- South Africa: 4,152
- Nigeria: 3,766
- Ivory Coast: 691
- Cameroon: 526
- Ghana: 477
- Uganda: 329

Top 5 market enterprise revenue by product, 2018 (R bn) (excluding MTN SA)

- Mobile voice and data: 4.9
- ICT and fixed: 0.7
Ensuring the right **product portfolio** for each segment

2018 Segment revenue mix

**Technology enablers**

- Automated provisioning
- Customer journey maps
- CRM
- Order management
- Billing & revenue assurance

SME

- Mobility: 90%
- Fixed Connectivity: 8%
- UC/ IoT/ Cloud: 2%

Large enterprise

- Mobility: 55%
- Fixed Connectivity: 35%
- UC/ IoT/ Cloud: 10%
<table>
<thead>
<tr>
<th>Enterprise business priorities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Small and medium enterprise</strong></td>
</tr>
<tr>
<td><strong>Large enterprise</strong></td>
</tr>
<tr>
<td><strong>Partnerships</strong></td>
</tr>
<tr>
<td><strong>Product</strong></td>
</tr>
<tr>
<td><strong>Fulfilment, assurance and billing</strong></td>
</tr>
</tbody>
</table>
Wholesale

everywhere you go
Build scale **Pan-African** infrastructure group

**Wholesale today**

- **Revenue:** R2.8 billion revenue, growth at 63.7%*
- **Connectivity:** Delivered 120G of connectivity
  - Building YellowConnect platform
  - Concluded national wholesale agreements
- **Set up:** GlobalConnect org, self-funding

---

**The opportunity and growth drivers**

**The opportunity:**

**R55bn**

**Market growth drivers:**

- Capacity demand huge
- Satellite to fibre migration
- Managed MPLS need
- Efficiency drive voice/sms

---

**Our ambition**

- **Unlock** revenue and savings in opcos
- **Build** leading connectivity platform in Africa
- **Significant** traffic growth
- **Monetise** existing assets

---

**Why MTN?**

- **Already largest infra player**
- **Scale for terrestrial build**
- **Local presence for sales and service**
- **Hub supported by own traffic**

---

*Constant currency

Note: Excludes Iran. 2021 market pools and 3 year organic CAGR. Source: MTN Group Strategy market sizing
Solid performance of MTN GlobalConnect in 2018

**Revenue**
- Target achieved
- Fuelled by external sales

**EBITDA**
- Ahead of budget
- Growth ahead of revenue
- Effective opex management

**Capex**
- 500 Gbps dry fibre finalized with Liquid Telecom
- Roaming signalling & VAS hub project initiated
- Submarine cables upgrade 100x10G capacity on WACS

**Cashflow**
- Self-funded since start up
- Effective working capital management

Unlocking revenue and savings in opcos
Develop the most complete backbone in Africa – traffic growth
Leverage scale and opportunities with **Y’ello** connect mobile hubs

- **Voice**
  - Intra MTN traffic
  - Regional & international traffic

- **Messaging**
  - Application-to-person

- **Roaming**
  - From 12 000 to 650 agreements from 2019 onward

From fully fragmented approach...

...to centralised management of routing, quality control

- Verticalising key domains in platforms
- Increasing revenues & quality while reducing costs
- New services & innovations
- Rapid rollouts
- Advanced monitoring & fraud management
- Quick troubleshooting
- One Group, one contract
Opco mobile national *wholesale* opportunities

**South Africa**
- Telkom roaming deal
- CellC roaming deal

**Iran**
- Spectrum lease deal with RighTel, the third mobile operator
Thank you

everywhere you go
Fintech opportunity
Our fintech business is a significant driver of value

Fintech today

Customers: 27m active users in 14 operations
Revenue: R7.8 billion in 2018, growth of 46.8%*
Usage: R1 trillion transaction value 6 800 transactions processed a minute
Ecosystem: 2.9 million insurance policies, Open API, MoMoPay, Mowali, MoMoKash

The opportunity and growth drivers

The opportunity: ~R90bn

The market growth drivers:
- Low banking penetration
- Large cash economies
- Airtime to e-money
- Enabling regulation

Our ambition

60 million active MoMo users
#1 fintech in Africa
Live 18 countries
Deep fintech product portfolio
$1 - $1,30 ARPU

Why MTN?

Already a large fintech with 27m customers
Ubiquitous USSD channel
Repurpose mobile distribution
Extensive data sets

*Constant currency
Note: Excludes Iran. 2021 market pools and 3 year organic CAGR. Source: MTN Group Strategy market sizing
Our **fintech** business is already at scale...

- Live in 14 markets
- 27 million active monthly users
- R 7,8 billion revenue
- R 1 trillion transactions in 2018
...and is evolving into fintech platform enabling the entire ecosystem

1 Scale MoMo basics
- Further scale P2P transfers
  - customer acquisition
  - Strengthen and leverage GSM distribution network
- Launch new key markets
- Digitise airtime sales

2 Develop ecosystem
- Enable payment by adding merchants & enterprises (MoMoPay)
- Accelerate merchant acquisition
- Digitise international remittances leveraging distribution & reach
- Enable interoperability (Mowali)

3 Fintech platform
- Open the MTN fintech ecosystem (MoMoAPI)
- Create a digital marketplace (MoMoMarket)
- Leverage data to develop banktech capabilities and portfolio
- Scale the insurtech business
Accelerating MoMo basics by leveraging our assets

- Drive user adoption
- Build distribution network
- Geographic expansion
- Digitise airtime sales

Fintech today (2018)
- 27 m Active users
- 378 k Agents
- 14 Active markets
- 20% Airtime sales via MoMo

Our ambition
- 60 m Active users
- One distribution network for GSM and fintech
- 18 Active markets
- 60% Airtime sales via MoMo
We still have further **opportunity** to accelerate

Fintech subscriber penetration of mobile subscribers since fintech launch

% Safaricom M-Pesa benchmark

Notes: ¹MTN fintech launch date is selected as the year fintech became a main focus of the opco and the initial market uptake began. Source: MTN internal data, Safaricom, Delta Partners analysis
In addition, MoMo will launch in four of our markets this year.

<table>
<thead>
<tr>
<th>Opco</th>
<th>2023 market fee revenue potential¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nigeria</td>
<td>R15,1 bn</td>
</tr>
<tr>
<td>• Launch pending regulation</td>
<td></td>
</tr>
<tr>
<td>South Africa</td>
<td>R12,4 bn</td>
</tr>
<tr>
<td>• Launch Q2 2019</td>
<td></td>
</tr>
<tr>
<td>Sudan</td>
<td>R7,7 bn</td>
</tr>
<tr>
<td>• Launch pending regulation</td>
<td></td>
</tr>
<tr>
<td>Afghanistan</td>
<td>R1,0 bn</td>
</tr>
<tr>
<td>• Launch Q3 2019</td>
<td></td>
</tr>
</tbody>
</table>

Notes: ¹Total 2023 addressable revenue in respective markets; Source: Delta Partners analysis
Enable **payments** by adding merchants and enterprises

**Fintech today (2018)**
- **MoMoPay**
  - 102 k Active users

- **Capture the enterprise segment**
  - 10 k Corporate accounts

- **Digitise international remittances**
  - R54 m Transaction value

- **Enable interoperability**
  - Mowali is live

**Our ambition**
- Digitise the African payments space
- Leverage GSM business to scale enterprise
- Digitise the African remittance market
- Help build the African mobile switch

---

1 Mowali - joint venture between Orange Group and MTN Group – two of Africa’s largest mobile operators and mobile money providers, to enable interoperable payments across the African continent.
Participating in **verticals** is key to becoming an end-to-end platform

**Our ambition**
- Stimulate fintech ecosystem by opening key assets across opcos
- Empower merchant with ecommerce and access
- Scale the platform
- Internal scoring
- Become a financial service market place
- Scale the Insurtech business via strategic partnerships and aYo

**Fintech today (2018)**
- MoMoAPI: Live in Uganda
- MoMo-Market: Pilot planning in Ghana
- Banktech: Dispersed 100k loans per day
- Insurtech: 3 million insurance policies written
Open MTN intech ecosystem by offering:
• Payment-as-a-service
• Channel-as-a-service
• Data-as-a-service
• Authentication-as-a-service

MTN and 3rd party products will be sold via MoMo app

Open the fintech ecosystem to drive innovation...

...and evolve into an end-to-end fintech platform
**Evolving into a platform allows us to capture the opportunity**

<table>
<thead>
<tr>
<th>Scale MoMo basics</th>
<th>Develop ecosystem</th>
<th>Fintech platform</th>
</tr>
</thead>
<tbody>
<tr>
<td>P2P transfers</td>
<td>Payments</td>
<td>MoMoMarket</td>
</tr>
<tr>
<td>1,4 bn</td>
<td>11,5 bn</td>
<td>28,7 bn</td>
</tr>
<tr>
<td>Cash out</td>
<td>Remittances</td>
<td>Banktech</td>
</tr>
<tr>
<td>14,5 bn</td>
<td>4,3 bn</td>
<td>22,1 bn</td>
</tr>
<tr>
<td>Airtime</td>
<td></td>
<td>Insurtech</td>
</tr>
<tr>
<td>7,2 bn</td>
<td></td>
<td>5,8 bn</td>
</tr>
</tbody>
</table>

**Total addressable market:** ~ R90 bn

Notes:  
1. Transfers includes P2P, remittances & cash out; Banktech includes lending and saving;  
2. Insurance revenues calculated at a flat fee of 20% on premiums;  
3. eCommerce revenues are based on a 9% transaction fee; Source: GSMA, World Bank, IMF, Ovum, Euromonitor; Delta Partners analysis.
As well as fundamentally impact our **core business**

<table>
<thead>
<tr>
<th>Secure revenue growth</th>
<th>Fintech today (2018)</th>
<th>Core business impact</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5% to 30% contribution to opco revenues</td>
<td>Diversify revenue</td>
</tr>
</tbody>
</table>
| Control GSM cost of sales | 20% of airtime sold through Mobile Money | • Reducing cost of sales  
• Gross margin increase |
| Reduce customer churn | 39% (exclude Nigeria & MENA) of GSM base is active MFS user | • MFS RGS30 churn is below 1%  
• Secure/grow GSM market share |
| Capex light & cashflow intensive | Capex / revenue (0%) | Improve cash flow |
Fintech is a significant **driver of value**

Fintech companies by valuation\(^1,2,3,4\)

<table>
<thead>
<tr>
<th>Company</th>
<th>Revenue (R bn)</th>
<th>Subs (m)</th>
<th>EV/Rev</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alipay</td>
<td>218</td>
<td>267,0</td>
<td>8,0</td>
<td>Lower multiple likely driven by AliPay strategic partnership investment at a discount</td>
</tr>
<tr>
<td>Similar business model as MTN fintech end-state</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comparable company multiples suggest an MTN fintech valuation of R79bn</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Good comparable given region &amp; business model</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High multiples driven by growth potential</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EcoCash represented by Cassava SmarTech figures as at January 2019; Source: MTN internal data, Hyperion data, CapIQ, Bloomberg, Company financial results, press clippings</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EV/Rev</td>
<td>107</td>
<td>900,0</td>
<td>16,9</td>
<td></td>
</tr>
<tr>
<td>Revenue (R bn)</td>
<td>218</td>
<td>267,0</td>
<td>8,0</td>
<td></td>
</tr>
<tr>
<td>Subs (m)</td>
<td>80,0</td>
<td>15,0</td>
<td>8,5</td>
<td></td>
</tr>
<tr>
<td>Notes: 1 Calculated based on average EV/revenue of comparable companies, adjusted for outliers multiples greater than 20; 2 Financials based on latest financial statements release or latest transaction if not a listed company. Revenue figures are aligned to date of latest valuation for private companies 3 USD:ZAR exchange rates vary per company based on date of latest transaction/financial reporting year-end. 4 Enterprise value as at May 10 2019 with FY18 revenue for listed companies, EcoCash represented by Cassava SmarTech figures as at January 2019; Source: MTN internal data, Hyperion data, CapIQ, Bloomberg, Company financial results, press clippings</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Thank you
Digital drives new revenues and data adoption

Digital today

Revenue:
R3,9 billion in 2018, growth impacted by VAS optimisation

Launched:
Ayoba IM SuperApp
MusicTime! in MTN South Africa
Mobile advertising platform

The opportunity and growth drivers

The opportunity:
R25bn

Market growth drivers:
• Data adoption growing
• Demand for services
• Fast adoption of youth
• OTT service gap

Our ambition

40 million active subscriptions

Build own services
&
customise for our markets

Build a platform business to enable our customers to access traditional OTT services

Why MTN?

Service bundling with data
Billing/charging relationship
Local knowledge and presence
Customer insights

Note: Excludes Iran. 2021 market pools and 3 year organic CAGR. Source: MTN Group Strategy market sizing
Digital life for advanced market user

Share of time spent

Source: Radio Free Mobile, Nielsen, Google, e-marketer, Pewinternet.org, comScore, NetMarketShare

Smartphone Q2 2019
- Gaming: 20%
- Social networking: 20%
- Instant messaging: 21%
- Media consumption: 22%
- Browsing: 5%
- Other: 10%

Smartphone Q3 2016
- Gaming: 23%
- Social networking: 23%
- Instant messaging: 15%
- Media consumption: 9%
- Browsing: 8%
- Other: 20%

78
Building a **digital** ecosystem to capture the R25bn opportunity

### Building our own OTT services

#### Media
- Over The Top Services
- Locally relevant content
- Mass market appeal
- Brighter for MTN Mobile Customers

#### Messaging
- Over The Top Service
- Design to meet local needs
- Evolving as a Super App
- Brighter for MTN Mobile Customers

#### Mobile advertising
- MTN's Mobile Customer Base
- Expanding into OTT Services users
- Regional add network
- Integrating to other add networks

### Platform capabilities
- Payment
- Customer single view
- BI & analytics
- Identity
- Ads targeting
- Open API

### Partners
- [Spotify](#)
- [Netflix](#)
- [Orange Money](#)
- [WhatsApp](#)
- [PayPal](#)
- [Jumia](#)
Media services focused on local content

- Offering a best-in-class digital experience
- Music streaming service
- Highly curated locally relevant content
- Targeted value propositions
- Unique features to MTN GSM customers

Made brighter by MTN
Media services

[locally relevant highly curated content]

[MusicTime!]

[music timer w/data bundle for MTN mobile customers]

[sachet pricing offering mass market value]
Instant **messaging app** is built for our markets

- Advanced communications app
- Localised for SSA & MENA consumer needs
- Under an independent “OTT brand”
- Unique features for MTN GSM customers
Messaging services

- [customer-inspired features including local language support]
- [SMS support expanding community beyond smartphone users]
- [advanced messaging features as well as MoMo integration]
Advanced messaging evolution to Africa’s super app
The digital market evolution supports our digital strategy.

Africa mobile broadband connections:

- **2018**: 560m
- **2021**: 841m

Smartphone adoption:

- **2018**: 30%
- **2021**: 55%

Average data users:

- **7 to 14 days connected**

Note: 1 GSMA Intelligence, 2 Markets sample data
Thank you

everywhere you go
Technology and Sourcing
Technology leadership - our 2018 achievements

Best experience
- 95% of 4G mobile data sessions >3Mbps
- 99,99% recharge success
- 99,99% billing accuracy

Lower drop call ratio
- 0,31% dropped call rates

#1 & #2 network NPS
- #1 Network NPS leadership in 9 OPCOS
- Uganda
- Nigeria
- South Africa
- Iran
- Cameroon
- Ghana
- Ivory Coast
Lower capex despite exponential growth in traffic

Total capex (R bn)/ Total data traffic (PB)

- R35 bn
- R31 bn
- R26 bn
- R28 bn

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Capex (R bn)</th>
<th>2G Data</th>
<th>3G Data</th>
<th>4G Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>R35 bn</td>
<td>67%</td>
<td>28%</td>
<td>6%</td>
</tr>
<tr>
<td>2017</td>
<td>R31 bn</td>
<td>75%</td>
<td>19%</td>
<td>6%</td>
</tr>
<tr>
<td>2018</td>
<td>R26 bn</td>
<td>68%</td>
<td>27%</td>
<td>4%</td>
</tr>
<tr>
<td>2019</td>
<td>R28 bn</td>
<td>986 PB</td>
<td>6%</td>
<td>+-70%</td>
</tr>
</tbody>
</table>

- Total data traffic (PB) growth:
  - 2G: +70%
  - 3G: +70%
  - 4G: +70%

- Capex breakdown:
  - 2G: 6%
  - 3G: 19%
  - 4G: 75%
Network growth - more technologies on existing physical sites

Incremental sites from 2016 - 2019 ('000)

<table>
<thead>
<tr>
<th>Year</th>
<th>2G</th>
<th>3G</th>
<th>4G</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>52.5</td>
<td>38.6</td>
<td>14.1</td>
<td>95.2</td>
</tr>
<tr>
<td>2019</td>
<td>62.9</td>
<td>59.4</td>
<td>34.1</td>
<td>156.4</td>
</tr>
</tbody>
</table>

- 2G: +11
- 3G: +20
- 4G: +20

Number of sites '000s

Physical sites 2016: 54.7
Physical sites 2019: 66.8

**Population coverage** - enabling data growth with more 3G and 4G coverage

Total population coverage (m)

<table>
<thead>
<tr>
<th>Year</th>
<th>2G</th>
<th>3G</th>
<th>4G</th>
<th>Incremental pop. covered over 5 years ('000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>526.2</td>
<td>325.7</td>
<td>97.7</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>564.6</td>
<td>461.0</td>
<td>247.3</td>
<td>+209</td>
</tr>
<tr>
<td>2021</td>
<td>574.9</td>
<td>534.4</td>
<td>314.5</td>
<td>+217</td>
</tr>
</tbody>
</table>

Incremental pop. covered over 5 years ('000)
2019 capex envelope – doing more with less to increase capacity

**Optimise capacity**
- New logical sites rollout (#) 33,7k
- New U900 sites rollout (#) 8,7k
- New 4G sites with 4x4 MIMO (#) 5,1k
- New active antennas rollout (#) 2,9k

**Introduce new & advanced technologies**
- Incremental NLD fibre length (km) 6,0k
- RAN modernisation on 4,000 sites
- Modernise 8,574 antennas

**Increase backbone**
- New 4G sites with 4x4 MIMO (#) 5,1k
- New active antennas rollout (#) 2,9k

**Future-proof the network**

---

1. Sum of sites by band deployed (G900, G1800, U900, 2100, L800, L900, L1800, L2100, L2600, L3500)
Re-farming - rural coverage

U900

Number of sites (m)

- 27.8 (2018)
- 400 (2021)

Efficient increase in 3G coverage

Rural rollout

- $1.5m funding partnership
- Expanding service providers
- OPEN RAN partners
- Innovative business models
- revenue share and capex

- 400
- ~Approx. 5,000
- 2018
- 2020
## Spectrum - re-farming to lower costs

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Current spectrum usage</th>
<th>1 to 3 years</th>
<th>3 to 5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>900 MHz</td>
<td>2G 3G 4G</td>
<td>2G 3G 4G</td>
<td>2G 3G 4G</td>
</tr>
<tr>
<td>1800 MHz</td>
<td>2G 4G</td>
<td>2G 4G</td>
<td>2G 4G</td>
</tr>
<tr>
<td>2100 MHz</td>
<td>3G 4G</td>
<td>3G 4G</td>
<td>3G 4G</td>
</tr>
</tbody>
</table>

### Benefits of re-farming

- **Cost efficiencies**
- **Increase capacity**, data speeds and performance
- Improve in-building **quality of service**
- Avoid acquisition of **additional costly spectral assets**
Technology evolution - RAN architecture

**BTS site architecture**
- Separate 2G, 3G and 4G RAN infrastructure

**Single RAN architecture**
- Single base station unit providing LTE functionality, replacing legacy 2G and 3G base stations at every site

**Multi-standard RAN**
- (starting 2018 with SA modernisation)
  - Single multi-purpose platform, simultaneously supporting multiple radio access technologies

~20% of sites across MTN footprint on BTS architecture

[~80%] of sites across MTN footprint on single RAN architecture

New site build and modernisation of legacy BTS sites to be done on MS-RAN architecture
OXyGEN Programme 2019 – 2023 - Enabling a digital operator

agile Operations  digital eXperience  enabling Growth  Enterprise and connected workplace  second to none Network
### Digital

**MADAPI**
- API Management Platform (Digital Enablement)

**FinTech**

### BSS Transformation

**ICT Services**
- Security, Cloud, IoT

**Digital Workplace**

### EBU

**UCC**

**Mobility**

**IT Services**
- Connectivity

**Siyakhula**

### Network

**Spectrum Management**

**Network Sharing**

**All IP Transport**

### Operations

**Centralised Operations Management**

**Global operations of Global platforms, centralised tools and SOC.**

**Operation 3.0**
- Automate and Transform Operation and Maintenance
- Managed Services Transformation
- NOC to SOC Transition

### Digital Products & Services

**MTN Unified Cloud**
- Core and Transport Network Transformation (NFV & SDN)
- 5G Network Readiness & Implementation

### Marshall Plan

**EVA**

**Enterprise Value Analytics**

### COP

**CAPEX and OPEX Optimisation Plan**

**Engaged and collaborative Vendor partners**

### Number 1 Tech Team:
- Highly Skilled, Diverse & Customer centric
Leverage network and IT convergence to lower costs

Allows for bundled sourcing at technology or geo/regional level

Allows for long-term and sustainable cost efficiency drive

Allows for partner roadmap alignment, joint innovation, predictable pipeline and therefore proactive cost optimisation
New global sourcing & supply chain strategy: an 18-month journey

Actions taken to substantially reduce unitary costs and match best market practices

- Procurement transformation
- Center-led organization
- New sourcing programme
- Category management expertise
- Analytics & IT platforms refresh
- Working capital programme

Actions taken to substantially reduce unitary costs and match best market practices
Key achievements - what have we delivered so far

Launch of new sourcing programme

<table>
<thead>
<tr>
<th>Category</th>
<th>Centrally addressed spend$^1$</th>
<th>Total financial savings</th>
<th>Unit price$^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td>RAN</td>
<td>- 54%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Core &amp; IN</td>
<td>- 37%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transmission</td>
<td>- 10%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Working capital programme

- 60%

Days of inventory$^3$

- 20%

Category mgmt.

- >900 to 33

# Hardware RAN configurations

NOTE: Values excluding Iran OpCo

$^1$Centrally addressed spend: Spend addressed by Group

$^2$Weighted Unit Price Book reduction: Unit Price Book reduction by category

$^3$Commercial Inventory (e.g. RAN, CORE & IN, Transmission) weighted by total sourceable spend
Delivering on innovation - SA network modernisation & 5G readiness

**MTN SA capex intensity & sites**

- **Capex Intensity**
  - 28% in 2015
  - 28% in 2016
  - 27% in 2017
  - 21% in 2018

- **# Sites**
  - 20K in 2015
  - 24K in 2016
  - 30K in 2017
  - 35K in 2018

- **New sourcing**

**Key volume deliverables**

- **Doing more**
  - Refresh of **100%** of the network & antenna replacement

- **With less**
  - Catering for **30%** capacity increase
  - Only **3** standard configurations across the whole SA network

- **Wholesale** growth and **RAN** sharing included

# Sites: 2G + 3G + 4G

Going forward
Network managed services - doing better with less!

We re-opened contracts in key markets before expiry

Managed services transformation

- Stricter SLA\(^1\) to guarantee business service levels
- Standardized operating model
- Baseline cost reduction
- Currency and inflation controls

Outlook – planned network optimisation

- Baseline cost reduction:
  - Tier 3 Afghanistan: \(\checkmark\) \(-23\%\)
- Continuous improvement ratio:
  - Cluster: \(\uparrow\) 2% to 10%
- Local currency coverage:
  - SA Nigeria: \(\uparrow\) 100%

Achievements

\(^1\)SLA: Service level agreements
Vendor risk management **pro-active** steering of the vendor portfolio

- **RAN & Transmission**
  - 63% Chinese
  - Balanced split of vendor profile
  - Others: Western, US, other Asian vendors

- **CORE**
  - 72% Chinese
  - Focus on Western vendors

**Group-wide vendor spend base**

**Spare parts**
- Guaranteed yearly spares run rate

**Support**
- Resource availability in case of potential service disruption

**Licences buffer**
- Guaranteed licence capacity in case of potential disruption
Thank you
MTN
South Africa
MTN South Africa at a glance - 2018

Population: 58m
Inflation: 4.8%
GDP growth: 2.2%

31.2 million subscribers
13.6 million active data users
2.4 million active RMS users

+4.2% Service revenue
+12.7% Data revenue
R15.7bn EBITDA

*Numbers at December 2018 excl. IoT
*Source: Trading Economics - 2019
Strong and experienced management team

Chief Executive Officer
Godfrey Motsa

Sales and Distribution
Philip Besimiire

Customer Service
Natasha Abed

Finance
Sandile Ntsele

Transformation & Strategy
Marco Gagiano

Technology
Giovanni Chiarelli

People
Tebogo Maenetja

Legal and Regulatory
Graham de Vries

Corporate Affairs
Jacqui O'Sullivan

Risk & Compliance
Riaan Wessels

Consumer
Mapula Bodibe

Enterprise
Wanda Matandela

Wholesale
Quintus De Beer

Digital
Ernst Fonternel

Fintech
Felix Kamenga

Enterprises
## Competitor landscape

<table>
<thead>
<tr>
<th>Market players</th>
<th>Subscriber share (%)</th>
<th>Value share (%)</th>
<th>Key competitive positioning</th>
</tr>
</thead>
</table>
| vodacom #1     | 47,0                 | 49,3           | • Market leader  
                 |                      |                | • Premium brand |
| MTN #2         | 30,5                 | 32,1           | • The “Official Challenger”  
                 |                      |                | • Best intersection of quality and price  
                 |                      |                | • #1 NPS  
                 |                      |                | • Number 1 Network |
| Cell #3        | 15,4                 | 12,4           | • Customer champion - value for money perception  
                 |                      |                | • Distribution ownership through Blue Label |
| Telkom Mobile #4 | 7,1                 | 6,2            | • Disruptor – data first  
                 |                      |                | • Super value and innovation  
                 |                      |                | • Widest fibre footprint |

Numbers at December 2018  
Source: Group bi-directional methodology for calculating market share; Company websites
Tracking against **BRIGHT** – Solid progress

### Focus areas

- **B**
  - #1 NPS
- **R**
  - Service revenue growth
  - Improving EBITDA margin
  - Stable capex
- **I**
  - Postpaid growth
  - Prepaid stability
  - EBU turnaround
- **G**
  - Data pricing
  - Digital services recovery
  - Mobile Money*
- **H**
  - Leadership
    - Regulatory pressures
      - Data
      - New spectrum
  - #1 Network NPS
  - Siyakhula (Billing transformation)

### Tracking

- **B**
- **R**
- **I**
- **G**
- **H**
- **T**

* Launch in July
Delivery of **turnaround** on track -2018

**Strong network**

+1 134 3G sites

+2 821 4G sites

+90% 4G population coverage

**CBU postpaid successful turnaround**

**Net connections**

<table>
<thead>
<tr>
<th>Year</th>
<th>Cell</th>
<th>Telkom Mobile</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>44k</td>
<td>110k</td>
</tr>
<tr>
<td>2016</td>
<td>-276k</td>
<td>227k</td>
</tr>
</tbody>
</table>

R8,7 billion service revenue YoY

16,3% growth in service revenue

31% growth in data revenue

**Building a scalable wholesale business**

+133% growth in wholesale revenue

Numbers at December 2018
Prepaid impacted by **pricing transformation** in the short term

01 Reduction in out of bundle data rates:

- From **99 cents – R2** to **29 cents – 49 cents**
- From **out of bundle as default** to **blocked out of bundle**

MTN chops out-of-bundle prepaid data rates to 29c/MB

02 Bundle adoption:

- Prepaid in bundle users - up **1 million** from a year ago
- ~**4 million** CVM 30 day active customers
**Enterprise turnaround plan progress**

- New experienced leadership team
- Drive sales performance per segment
- Further improve product portfolio
- Optimise business processes
- Focus on the core telco first

**Enterprise revenue trend (%)**

- H1 18: -14,0%
- FY 18: -11,3%
- Q4 18: -9,6%
Growth opportunities – 5 out of 6 curves are growing

**Data**
- +1.2 million to 13.6 million active data users
- R12.9 billion data revenue
- Penetration potential

**Wholesale**
- Network scale – mobile and fixed
- Double-digit revenue growth
- Strong leadership
- Opportunity for expansion

**Enterprise**
- -11% to R5.3 billion EBU revenue
- Under-indexed market share
- Potential market share opportunity

**Fintech**
- Launch MoMo in July
- Revamp telco insurance business
- Scaling Xtratime – 9 million unique users

**Digital**
- -14.4% to R1.5 billion digital revenue
- Subscription model optimised to improve customer experience
- Build digital platforms and expand services

*Excludes Telemetry, numbers at December 2018*
New **growth** area - fintech opportunity

# Better than cash

**Market size**
- 17m people aged 16+ unbanked
- 3m+ migrant workers using cash
- 30m+ MTN customer size

**Optimised efficiencies**
- Distribution cost reduction
- Digital services – wallets

**Technology**
- Ericsson converged wallet platform (ECW)
- Tried and tested across 14 markets

**Regulatory**
- Bank led model – Ubank
- Reserve bank support

**Core products**
- Send money & airtime recharges
- Merchant & bill payments
Medium-term guidance

- **Service Revenue**: Mid-single-digit growth
- **EBITDA margins**: Improving EBITDA margins
- **2019 Capex**: R8.9 billion

- **B**: 
- **R**: 
- **I**: 
- **G**: 
- **H**: 
- **T**: 

MTN
Thank you
MTN Nigeria

everywhere you go
MTN Nigeria at a glance - 2018

- **Population**: 194m
- **Inflation rate**: 11.4%
- **GDP growth**: 2.4%

- **58.2 million** subscribers
- **18.7 million** active data users
- **0.7 million** active RMS users

**Revenue Growth**:
- Service revenue: +17.2%*
- Data revenue: +40.1%*
- Fintech revenue: +32.3%*

1 NBS (December 2018)
2 NBS (Q4 2018)
3 Modernised definition of active subscribers is more conservative than old one: exclusion of incoming SMS, incoming ONNET Calls and Airtime refill from RGS Definition.
* Constant currency
Our management team

Chief Executive Officer
Ferdi Moolman

Chief Finance Officer
Adekunle Awobodu

Executive: Human Resources
Esther Akinnukawe

Chief Operating Officer
Mazen Mroue

Chief Risk and Compliance
Cyril Illok

Executive: Corporate Relations
Tobechukwu Okigbo

Company Secretary
Uto Ukpanah

Chief Information Officer
Randy Bikraj

Exec, Sales and Distribution
Adekunle Adebiyi

Chief Technical Officer
Mohammed Rufai

General GM, Customer Experience
Kolawole Oyeyemi

Chief Enterprise Business Officer
Lynda Saint-Nwafor

Chief Marketing Officer
Rahul De

Executive, Customer Services
Ugonwa Nwosu

Executive, Transformation Office
Olubayo Adekanmbi

GM, Mobile Financial Services
Usoro Usoro
## Competitive Landscape

<table>
<thead>
<tr>
<th>Market players</th>
<th>Subscriber share (%)</th>
<th>Key competitive positioning</th>
</tr>
</thead>
</table>
| #1 MTN         | 50.0                  | • Leading operator in voice and wholesale leased line  
|                |                       | • Largest physical distribution network  
|                |                       | • Most expansive network coverage  
|                |                       | • Widest range of spectrum holdings (5G ready)  |
| #2            | 27.1                  | • Cheap data  
|               |                       | • Focus on 4G coverage  
|               |                       | • Focus on device connection  
|               |                       | • Early adopters of OTT data offerings  |
| #3            | 14.5                  | • Cheap data  
|               |                       | • Network quality improving  
|               |                       | • No public financial information  |
| #4 9mobile etisalat | 8.4                  | • Low network investment over the last few years  
|               |                       | • Losing market share  
|               |                       | • Good network quality  |

Source: Group bi-directional methodology for calculating market share; Company websites
Tracking against BRIGHT

**B**
- #1 NPS
- Service level at 91% from lows of 46%

**R**
- Double-digit service revenue growth
- Improving EBITDA margin
- Improving capex processes

**I**
- Personalised offerings/CVM
- EBU transformation

**G**
- Data pricing
- Mobile Money launch*
- Expand digital services

**H**
- Listing by introduction
- Resolution of CBN matter
- AGF matter outstanding

**T**
- #1 network NPS
- Smart capex
- Improving availability

---

* Applied for a PSB licence
Strong **performance** supported by voice and data growth

**Subscribers**

+5.9 million to 58.2 million total subscribers

+4.5 million to 18.7 million active data users

**Investment**

R6.9 billion capex

+2,342 3G sites

+1,338 4G sites

**Growth drivers**

+18.7%* voice revenue

+40.1%* data revenue

+56.3% data traffic

*constant currency
Growth opportunities

Voice
- 20 million Nigerians live in places where MTN is the sole service provider
- Floor price on voice
- Low data penetration
- Low coverage gap

Data
- Low data penetration
- 4G coverage is < 50%
- Low smartphone penetration
- Youngest population in Africa
- Pricing flexibility

Enterprise
- Enterprise is mobile centric
- Unserved large SME market
- Low level of ICT adoption
- Increasing focus on core activities
- Fragmented service providers

Wholesale
- Huge capacity demand
- Satellite to fibre migration
- Fast growth in digital services
- Carrier of carriers

Digital
- Increasing data adoption
- Increasing awareness of digital services
- OTT service gap
- Relevant local content availability

Fintech
- Low level of banking penetration
- Large cash economy
- Limited traditional banks footprint in rural areas
- Enabling regulation
- Proven high propensity for digital services
Fintech and digital present a key opportunity

- **Population**: 190m (263m by 2030)
- **High digital optimism**: No. 1 in the world (ahead of India, UAE, Morocco in Google Barometer)
- **1st in mobile-first access**: No. 1 most mobilized in the world, >90% traffic from mobile
- **Telco GDP contribution**: 10% (enabling possibilities across other industries)

- Higher optimism about their future
- Increased urbanization
- Earlier access to the internet
- Peer-to-peer content sharing

Mean age of population <18 -50%

Banked 40%
Unbanked 60%
Key regulatory developments

Issues resolved

**Spectrum**
NCC approved:
- Usage of 700MHz spectrum acquired from NBC
- MTN to optimise 1800MHz spectrum nationwide
- Transfer of Visafone’s 800MHz spectrum to MTN

**Financial services**
- CBN issued Guidelines for Payment Service Banks
- CBN issued Super Agent approval-in-principle to MTN

**Customer**
- NCC issued directives on State-by-State QoS reporting
- NCC issued a determination retaining voice MTR other than for new entrants & LTE operators, existing international termination rate also retained

**Other**
- NCC approved disconnection of MNOs and clearing houses for failure to settle undisputed interconnect debt
Medium-term guidance

Service Revenue

EBITDA margins

2019 Capex

Double-digit growth

Improving EBITDA margins

R7.8 billion

B R I G H T
Regions at a glance

SEAGHA

43,7 million subscribers

+20,4%* service revenue

WECA

30,6 million subscribers

-5,0%* service revenue

MENA

24,1 million subscribers

+20,4%* service revenue

Numbers at December

* Constant currency
Thank you
Leveraging our people assets
Our philosophy to drive productivity and business results

Based on the Deloitte Well-being framework
Our philosophy has yielded improved attraction and retention

Top telco employer of choice across the continent¹

Highest employee engagement score since 2007²

Positive employee NPS – doubled YoY²

People productivity above global telco benchmarks

- Revenue/FTE, subscriber/FTE, profit/FTE

Improved talent attraction and retention

- Attracting senior leadership from leading ICT firms across growth areas

- Voluntary attrition is low across the Group at 3.7% in 2018

1 – Careers in Africa Top 100 2018
2 – MTN Willis Towers Watson GCA Survey 2018
Moving towards a digital operator

Shifting talent demands for growth

Bespoke learning academies

Agile, high performance model

Aligning incentives
Key elements of our total *rewards* structure

- **01** Fixed package
- **02** Short term incentive
- **03** Long term incentive
Short term incentive aligns with financial and strategic performance

Weightings:
- Group CEO and CFO: 70%
- Tier 1 CEOs and VPs: 60%
- Other group exco members: 50%

Weightings:
- Group CEO and CFO: 30%
- Tier 1 CEOs and VPs: 40%
- Other group exco members: 50%
Long term incentive drives long-term sustainability

- Ensure that we also manage the business for the long term
- Annual allocations are made based on a multiple of the fixed package
- Vest after 3 years
- Performance would be adjudicated 3 years after the allocation
Elements of LTI

Based on **four equal elements**

- Cumulative operating free cash flow
- Total shareholder return
- Allocation based on *tenure*
- Return on average capital employed
**Pay mix**

**Group President & CEO**

- **Below Threshold**: 50% Fixed, 50% STI, 100% LTl
- **At Threshold**: 0% Fixed, 100% STI, 100% LTl
- **At Target**: 100% Fixed, 100% STI, 100% LTl
- **Above Target**: 200% Fixed, 200% STI, 200% LTl

**Group CFO**

- **Below Threshold**: 44% Fixed, 44% STI, 100% LTl
- **At Threshold**: 100% Fixed, 100% STI, 0% LTl
- **At Target**: 100% Fixed, 100% STI, 100% LTl
- **Above Target**: 175% Fixed, 175% STI, 175% LTl

**Group COO**

- **Below Threshold**: 44% Fixed, 44% STI, 100% LTl
- **At Threshold**: 100% Fixed, 100% STI, 0% LTl
- **At Target**: 175% Fixed, 175% STI, 175% LTl
- **Above Target**: 175% Fixed, 175% STI, 175% LTl

**CEO Nigeria and South Africa**

- **Below Threshold**: 31% Fixed, 31% STI, 100% LTl
- **At Threshold**: 100% Fixed, 100% STI, 100% LTl
- **At Target**: 125% Fixed, 125% STI, 125% LTl
- **Above Target**: 140% Fixed, 140% STI, 140% LTl
Summary

Strategic workforce planning to attract and retain key talent for the core and growth areas of the business

Aligned incentives at Group and Opco to enable execution of key strategic and financial goals

Philosophy aims to leverage our people assets and improve productivity

Aligned incentives with shareholder returns
Thank you
Closing remarks
A compelling **investment** case

**Strong position in the right markets**
- High growth MEA region
- In 3 of 4 largest economies
- Top two positions in all markets

**Exciting demographic opportunity**
- Fast growing youthful population
- Low data, fintech and digital adoption
- Enterprise and wholesale opportunity

**Attractive return profile**
- Demographics drive revenue
- Efficiencies improve margins
- Smart capex moderates investment

**Well positioned for the long term**
- Portfolio optimisation
- Sustainable leverage
- Progressive dividend policy

**Clear strategy**

- **B**: Strong position in the right markets
- **R**: Attractive return profile
- **I**: Exciting demographic opportunity
- **G**: Well positioned for the long term
- **H**: Executed by a strong and experienced management team
- **T**: Enhanced risk and regulatory framework

**Executed by a strong and experienced management team**

**Enhanced risk and regulatory framework**
### Enhanced medium-term guidance

<table>
<thead>
<tr>
<th>Service revenue</th>
<th>Group Double-digit growth</th>
<th>South Africa Mid-single-digit growth</th>
<th>Nigeria Double-digit growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA margins</td>
<td>Improving margins</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group capex intensity</td>
<td>Improving post implementation of IFRS 16</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Holdco leverage</td>
<td>2,0x – 2,5x</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asset realisation</td>
<td>&gt; R15bn excluding IHS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted ROE</td>
<td>Improving to &gt; 20% from 11,5% in 2018</td>
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</tr>
<tr>
<td>Dividend</td>
<td>500 cents in 2018, growing 10% to 20% per year</td>
<td></td>
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</tr>
</tbody>
</table>
Key take-aways for the day

1. A compelling and attractive investment case

2. Uniquely positioned to capture growth in our markets

3. Asset realisation programme to simplify portfolio and support de-gearing of holdco debt

4. Enhanced risk and regulatory framework in place

5. Strong and experienced management team focused on delivering shareholder value
Thank you