



# MTN Group Limited

(Incorporated in the Republic of South Africa)  
(Registration number 1994/009584/06)  
(Share code MTN)  
(ISIN: ZAE000042164)  
(MTN or the Company or the Group)

## Quarterly update for the period ended 31 March 2022 and B-BBEE annual compliance report

MTN is a pan-African mobile operator with the strategic intent of **'Leading digital solutions for Africa's progress'**. We have 276 million customers in 19 markets and are inspired by our belief that everyone deserves the benefits of a modern connected life.

### Highlights

- Group service revenue grew by 15.9%
  - Group voice revenue up by 2.6%
  - Group data revenue up by 37.3%
  - Group fintech revenue up by 21.2%
- Group earnings before interest, tax, depreciation and amortisation (EBITDA) up by 21.1%
- Group EBITDA margin improved to 46.4% (from 44.2%)
- MTN South Africa service revenue up by 4.6%, with an EBITDA margin of 39.9% (from 39.8%)
- MTN Nigeria service revenue up by 22.0%, with an EBITDA margin of 54.6% (from 53.1%)
- Subscribers increased by 3.2% to 276.2 million, impacted by new SIM registration regulations in Nigeria (excluding Nigeria, subscribers were up by 3.9%)
- Active data subscribers increased by 13.1% to 125.6 million
- Active Mobile Money (MoMo) customers increased by 25.9% to 58.7 million
- MoMo value of transactions up by 12.6% to US\$59.9 billion (up by 18.9% in constant currency)
- Medium-term guidance is maintained

**Unless otherwise stated, financial and non-financial growth rates are presented on a constant currency basis and are year-on-year (YoY, 3M to March 2022 versus 3M to March 2021). To enable like-for-like comparability, all growth rates for non-financials have been restated to exclude MTN Syria and MTN Yemen, which were deconsolidated from 25 February 2021 and 31 October 2021 respectively.**

*Service revenue excludes device and SIM card revenue. Data revenue is mobile and fixed access data and excludes roaming and wholesale. Fintech includes MoMo, insurance, airtime lending and e-commerce. Active data users is a count of all subscribers at a point in time which had a revenue generating event in the specified period of time (90 days) prior to that point in time and also during the past 30 days had data usage greater than or equal to 5 megabytes. MoMo users are 30-day active users.*

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## Group President and CEO Ralph Mupita comments:

### Challenging operating environment

*"The MTN Group delivered a solid Q1 2022 performance, with double-digit service revenue growth and the expansion of EBITDA margins supported by the focused execution of our **Ambition 2025** strategy.*

*This was delivered in a challenging macroeconomic environment in which we continued to navigate the impacts of COVID-19. Many of our markets have also experienced rising inflation and interest rates, and pressure on consumer spending driven by recent global events impacting food and energy prices in particular.*

*Monetary and fiscal positions in many of the countries we operate in were challenged during the period, resulting in currency weakness against the US dollar. Additionally supply chains experienced disruptions, and to mitigate the risks of network rollout we accelerated capital expenditure in the quarter under review.*

*In South Africa, loadshedding from the national grid has impacted network availability and we have to increase investment in batteries ahead of the winter period when we anticipate that the risk of loadshedding may remain high.*

### Solid financial and operational performance in Q1

*MTN Group's service revenue came in ahead of medium-term targets and grew by 15.9%. Group EBITDA increased by 21.1%, with the EBITDA margin expanding by 2.2 percentage points (pp) to 46.4%. This performance was supported by service revenue growth at our large operations, which was delivered in line with medium-term targets, and the disciplined execution of our expense efficiency programme.*

*In the quarter, the Group grew subscriber numbers by 3.2% YoY to 276.2 million, which was impacted by new SIM registration regulations in Nigeria. Excluding this impact, subscribers increased by 3.9%. MTN Nigeria, however, added 1.7 million subscribers during Q1, demonstrating good momentum on the 1 million in net additions reported for Q4 2021. MTN Nigeria is assisting with providing IT hardware resources to support the National Identity Management Commission (NIMC) with accelerating National Identity Number (NIN) validations.*

*In driving our industry-leading connectivity business, we recorded voice revenue growth of 2.6%. Data revenue grew by 37.3% driven by structurally higher demand for data services evidenced by the growth in data usage and active data users of 45.4% and 13.1% YoY, respectively.*

*In terms of our platforms, fintech revenue rose by 21.2% YoY. MoMo active monthly users grew by 25.9% YoY and the volume of transactions processed through our fintech platform was up 32.5% in Q1 2022 YoY to 2.9 billion transactions. The value of transactions increased by 12.6% YoY to US\$59.9 billion (up 18.9% in constant currency). New commission-earning rules were implemented in Ghana during Q3 2021 to improve margins, which impacted transaction value. Adjusting for this, the underlying transaction value grew by 34.0% in constant currency terms.*

*The number of active merchants accepting MoMo payments increasing by 46.8% YoY to 765 211 and the total value of MoMo merchant payments rose by 125.2% YoY to US\$4.3 billion. The total value of remittances grew by 7.4% YoY to US\$573.9 million in Q1 2022; in addition, we facilitated a total loan value of US\$280.4 million, a 27.8% increase YoY. At the end of Q1 2022, our InsurTech platform had 17.4 million registered aYo policies, reflecting growth of 37.8% YoY.*

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*In April 2022, our fintech subsidiary in Nigeria received final approval of a MoMo Payment Service Bank (PSB) licence from the Central Bank of Nigeria (CBN). This will enable us to invest in the launch and rollout of PSB and offer a broader range of services in line with the CBN's guidelines. We are committed to supporting the government of Nigeria to fulfil its agenda of driving digital and financial inclusion. We plan to commercially launch PSB services before the end of Q2 2022.*

## **Strong balance sheet and liquidity positions**

*The further deleveraging of our balance sheet is progressing well. Group leverage of 0.3x, was down from 0.4x as at 31 December 2021, comfortably within covenant limits. Holding company (Holdco) leverage remained within our medium-term target and improved further to 0.9x, from 1.0x as at 31 December 2021. We maintained a strong liquidity position, with headroom of R53.2 billion (R20.6 billion in cash, and R32.6 billion in committed undrawn facilities) as at 31 March 2021.*

*We upstreamed dividends and management fees amounting to R2.9 billion in Q1, including R643 million from Nigeria. Post the period-end, we upstreamed an additional R708 million of proceeds from the MTN Nigeria Series 1 public offer. This is a key milestone in the execution of our asset realisation programme (ARP), as we pursue our commitment to further localise the shareholding in MTN Nigeria.*

*We were pleased to note Moody's Investor Services' recent upgrade, on 6 April 2022, to our credit rating outlook to 'stable' from 'negative' reflecting our strong financial performance and reduction in leverage.*

*We continued to invest in our 'second-to-none' networks and technology platforms, deploying R7.0 billion of capex in Q1. We were pleased to secure permanent high-demand spectrum in MTN South Africa (MTN SA) and paid R3.3 billion in April 2022 for the mid-band allotment of spectrum. This will enable us to ramp up investment to increase coverage, including 5G offering, and to support data traffic growth.*

## **MTN Group achieves level 1 B-BBEE contributor status**

*We are pleased that, in a major transformation milestone, MTN Group has for the first time achieved level 1 broad-based black economic empowerment (B-BBEE) contributor status. This is up from level 2 in 2020. The rating, dated 10 May 2022, was for the financial year ended 31 December 2021. MTN SA maintained its level 1 contributor status, for the third year running.*

## **Group medium-term guidance maintained**

*Looking ahead, we anticipate that our markets will be impacted by the global trends of higher interest rates and energy and food price inflation. Geopolitical volatility exacerbated by the conflict in Ukraine is further impacting these trends and affecting currencies, asset prices and supply chains.*

*On current macroeconomic and operating assumptions, we anticipate these factors to slightly moderate our EBITDA margin evolution in the short term. This is particularly when considering the additional investment in Nigeria to accelerate NIN enrolment and verification, the launch of PSB services in Nigeria and higher energy related expenses where we have pass-through costs in Towerco agreements.*

*We remain focused on executing our **Ambition 2025** strategy to drive growth, continue implementing our expense efficiency programme, deleverage the Holdco balance sheet faster and unlock value for our stakeholders. Our capex guidance for financial year 2022 is unchanged at R34.4 billion and we are maintaining our Group enhanced medium-term guidance framework."*

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*The Group's results and segmental report are presented in line with the Group's operational structure. The Group's underlying operations are clustered as follows: South Africa (SA), Nigeria, the Southern and East Africa (SEA) region, the West and Central Africa (WECA) region and the Middle East and North Africa (MENA) region and their respective underlying operations.*

*The SEA region includes Uganda, Zambia, Rwanda, South Sudan, Botswana (joint venture-equity accounted), eSwatini (joint venture-equity accounted) and Business Group. The WECA region includes Ghana, Cameroon, Côte d'Ivoire, Benin, Congo-Brazzaville, Liberia, Guinea-Conakry and Guinea-Bissau. The MENA region includes Iran (joint venture-equity accounted), Sudan and Afghanistan.*

*In line with the Group's strategy announced in March 2021, MTN Ghana results have been reported under the WECA region effective 1 January 2021 (previously included in the SEAGHA region). Prior year numbers have been restated for SEA and WECA accordingly.*

*Although Iran, Botswana and eSwatini form part of their respective regions geographically and operationally, they are excluded from their respective regional results because they are equity accounted for by the Group.*

*MTN Syria results have been disclosed up to February for 2021; as a result of loss of control effective February 2021, following MTN Syria being placed under judicial guardianship. MTN Yemen results have been disclosed up to end of October 2021, as a result of MTN's decision to exit the operation.*

*Certain information presented in this quarterly update constitutes pro forma financial information. The responsibility for preparing and presenting the pro forma financial information and for the completeness and accuracy of the pro forma financial information is that of the directors of MTN. This is presented for illustrative purposes only. Because of its nature, the pro forma financial information may not fairly present MTN's financial position, changes in equity, and results of operations or cash flows. It has not been audited or reviewed or otherwise reported on by our external joint auditors. The financial information on which this quarterly update is based, including constant currency information, has not been reviewed and reported on by MTN's external auditors. Constant currency information has been presented to remove the impact of movement in currency rates on the Group's results and has been calculated by translating the prior financial reporting period's results at the current period's average rates. The measurement has been performed for each of the Group's currencies, materially being that of the US dollar and Nigerian naira. The constant currency growth percentage has been calculated based on the prior period constant currency results compared to the current year results. In addition, in respect of MTN Irancell, MTN Sudan and MTN South Sudan the constant currency information has been prepared excluding the impact of hyperinflation. The economies of Sudan, South Sudan and Iran were assessed to be hyperinflationary for the period under review and hyperinflation accounting was applied.*

*This quarterly update may contain forward looking information. Any forecast information on which the quarterly update may be based has not been reviewed or reported on by the Group's external auditors.*

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## Navigating an increasingly volatile macroeconomic environment

We continue to navigate the impacts of COVID-19 in our markets with our response plan in place which focuses on the same areas that we have extensively reported on previously. These areas are **social** (our people, communities and stakeholders); **commercial** (including our customers); **network and supply chain**; and **funding and liquidity**.

We have seen an increase in macroeconomic volatility with rising fuel and food inflation, as well as local currency depreciation, feeding into many of our markets and compounding the pressure being felt by consumers. The Russia-Ukraine war has exacerbated these effects with additional stress on supply chains.

In terms of social impacts, we are working on interventions and support in addition to our ongoing programmes. To safeguard our operations, we continue to manage inflationary risks through our expense efficiency programme and disciplined capital allocation. We had to increase pricing slightly in some markets, such as South Africa, to ensure the sustainability of the business. We will continue to offer competitive, quality services to our customers.

In terms of supply chain, comprehensive risk mitigation strategies have been in place for a number of years. We continue to enhance these to ensure that orders for equipment and supplies are secured early, with enhancements to procurement agreements to ensure availability across all our markets. These include discussions with our Towerco partners to manage the resilience of our networks; we have put in place plans to advance capex and fuel orders.

We have reduced foreign debt in our markets and at Holdco, which remains a focus, to insulate our balance sheet from exchange rate volatility. Deleveraging is a core objective of **Ambition 2025** and we have also built up a strong liquidity position to provide us with flexibility to withstand any further shocks.

## Operational review

### MTN South Africa

**MTN SA** recorded a healthy performance in Q1 with service revenue increasing by 4.6% in line with our medium-term guidance. This result was supported by solid commercial and operational execution yielding service revenue growth in all the core business units: the prepaid consumer business unit (CBU) up 1.5%; the postpaid CBU up 4.4%; the enterprise business unit (EBU) up 23.1%; and the wholesale business up 1.9%.

This performance shows the resilience of the business, against the backdrop of a challenging macroeconomic environment, with a rapidly rising unemployment rate, and increased pressure on consumer disposable income. This environment has contributed to a notable shift in customer spending patterns and greater competition for share of the consumer's wallet.

MTN SA closed the quarter with a total of 34.5 million **subscribers**, an increase of 7.1%, driven by higher gross additions. The postpaid subscriber base continued to expand, with an increase of 7.4% to 7.5 million on the back of solid growth in integrated voice and data-centric plans. There was a 7.0% increase in prepaid subscribers to 27.0 million.

MTN SA's drive to grow mobile data revenue led to data traffic growth of 46.7% and a 14.1% increase in active data users to 17.3 million. This underpinned a 14.3% increase in overall **mobile data** revenue.

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Data was made more affordable in the quarter with a 22.8% YoY reduction in the effective data tariff. An active prepaid data subscriber now consumes an average of 4.0GB of data a month, up 37% YoY, and an active postpaid data subscriber uses nearly 11.8GB per month, an increase of 20%.

The **consumer postpaid** business delivered a resilient performance with service revenue growth of 4.4% benefiting from data-oriented packages.

The strong growth in data revenue also supported the **consumer prepaid** business' performance with service revenue up by 1.5%. Pressure from the offset of voice substitution remains a challenge and MTN SA continues to focus on ERM optimisation initiatives to reduce this impact. MTN SA's prepaid segment was also impacted by economic pressure, including job losses, particularly in the lower-income consumer segment.

The **enterprise business** recorded a 23.1% increase in service revenue, driven by sustained growth in data deals, Bulk SMS and the ICT business. The core mobile business continues to gain market share, with sustained distribution channel expansion and strong products propositions. In 2021, MTN SA was appointed as a service provider to the national government under the national treasury transversal contracts, enabling an expansion of our mobile service offerings to public sector entities through the leveraging of MTN's strong network quality.

**Wholesale** revenue increased by 1.9%, supported by national roaming deals with Cell C and Telkom. For Cell C, revenue recognition remains on a cash basis as Cell C works towards its recapitalisation. MTN SA recognised R643 million (down 4.7% YoY) in national roaming revenue from Cell C and a balance of R400 million remained unrecognised, as at 31 March 2022.

The new multi-year national roaming agreement with Telkom, which came into effect on 1 November 2021, continues to scale steadily and MTN SA is focused on further enablement of infrastructure sharing through our investment in the expansion of network capacity.

The performance of the **fintech** business was encouraging with approximately 5.0 million registered MoMo users and 840 043 monthly active users by 31 March 2022. MTN SA also progressed work on MoMo partnerships to accelerate the growth of the business. The platform continues to grow transactions driven by innovative and relevant solutions.

MTN SA reported **EBITDA** of R4.9 billion (up 3.7% YoY) with a slight increase in the EBITDA margin to 39.9% (up 0.1pp), supported by a solid service revenue performance and disciplined execution of the expense efficiency programme.

Network availability and quality has been affected by loadshedding from the national grid, as well as ongoing theft and vandalism of towers since Q4 2021. To mitigate these impacts, MTN SA rolled out a comprehensive resilience plan including additional batteries, generators and enhanced security features. We are committed to ensuring the quality of our customers' connectivity experience.

Pleasingly, MTN SA secured high-demand spectrum to support the expansion of 4G and 5G services, with total permanent spectrum holdings rising from 76MHz to 176MHz and payment of R3.3 billion was made in April 2022 for mid-band spectrum. The spectrum has been allotted for a 20-year period on a technology-neutral basis.

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Since the award of temporary spectrum in 2020, MTN SA has ramped up its investment to increase network coverage, improve speeds and enhance the overall customer experience. MTN SA has also invested in an expansion drive into rural and peri-urban areas and a major 5G rollout, reaching a population coverage of 15%.

MTN SA will continue to use the spectrum to expand 4G and 5G connectivity, as well as capacity, to entrench its position as South Africa's best network while further enhancing rural, peri-urban, and urban network coverage. The spectrum allocation will allow for greater value for customers, supporting a lower cost to communicate as we work to bridge the digital divide.

MTN SA retained its top position as the country's **most valuable brand** in the 2022 Brand Finance South Africa survey. For the eighth consecutive year, MTN SA maintained its leadership position with its brand value increasing by 34% to R59.8 billion.

In mid-April 2022, the province of KwaZulu-Natal (KZN) in South Africa felt the effects of heavy rainfall causing floods in many parts of KZN. In addition to the impact on lives and livelihoods, the floods caused extensive damage to infrastructure and power outages. A total of more than 500 MTN sites were down in the province. MTN SA activated contingency plans and has since restored to full capacity around 90% of the affected sites. We continue to work to fully restore connectivity.

To support the people and municipalities in KZN hit the hardest by the floods, MTN SA donated a total of R1 million in of food parcels and blankets. To assist families and friends to keep in touch during this difficult time, MTN SA also provided free three-day SMS bundles to over seven million customers in KZN.

MTN SA's performance outlook will be shaped by macroeconomic conditions in the country such as loadshedding as well as current global macroeconomic uncertainties which are expected to add to inflationary pressures, including on costs and availability of food and fuel. This will further impact consumer spending power and patterns.

MTN SA is focused on accelerating its high-growth business areas, with ongoing emphasis on the overall expense efficiency programme to deliver strong EBITDA and cash flow growth.

## MTN Nigeria

**MTN Nigeria** recorded a solid Q1 2022 performance, tracking positively against its medium-term targets, with 22.0% growth in service revenue and the expansion of EBITDA margins. This was delivered through solid commercial momentum and execution in challenging trading conditions.

**Voice** revenue grew by 8.6%, driven by an increase in gross connections and higher usage from the active SIM base. This was enabled by expanded customer acquisition touchpoints, rural telephony initiatives and an enhanced customer value management (CVM) toolkit, reducing the impact of the SIM registration and activation restrictions.



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**Data** revenue rose by 54.0%, maintaining the accelerated growth trajectory through growth in the subscriber base and data usage. This was sustained by an aggressive 4G network expansion and enhanced quality and capacity of our network to support rising data traffic. Data traffic rose by 84.8% YoY and usage (MB per user) was up by 69.8%.

In addition, MTN Nigeria added about a million new smartphones to its network in Q1, bringing smartphone penetration to 50.0%. The 4G network now covers 71.7% of the population, up from 70.3% in December 2021.

Home broadband penetration remains a focus for MTN Nigeria, reaching over 775 000 users, up by over 160 000 in Q1. The goal is to Own the Home through differentiated value propositions, creating experiences that position MTN Nigeria as the broadband service provider of choice. This will be achieved by leveraging its unique assets and capabilities to capture a significant share of market growth.

**Fintech** revenue rose by 46.7% on the back of the growing adoption of fintech services and an expanded user base. The MoMo agent network continues to widen with more than 800k registered agents and over 166k active agents (agents who perform a minimum of 10 revenue-generating transactions within 30 days).

Having established a significant foundation of registered agent network, the focus is now on scaling the active base. Agent services have been extended to include card withdrawal services by deploying point of sales (POS) terminals to the agent network. This has contributed to growing total volume of transactions to over 56.1 million, up 132.7% YoY, by more than 10.7 million active users (up 135.2%).

MTN Nigeria's fintech subsidiary received final approval of a MoMo PSB licence from the CBN. This will enable the operating company (Opco) to invest in the launch and rollout of PSB and offer a broader range of services, with a planned commercial launch before the end of Q2 2022.

**Digital** revenue grew by 37.4% as penetration of digital products continued to deepen, driven by increased usage from the active base. Digital subscriptions were up by 164.1% YoY to 7.4 million, with ayoba accounting for 45% of the subscriptions and Rich Media accounting for 55%.

Revenue from digital services was driven by Rich Media, Mobile Advertising and Content VAS. The **y'ello** Digital Platforms are being transformed into a one-stop destination that caters to all consumer segments.

Revenue from the **enterprise** business rose by 34.0%, underpinned by the onboarding of new customers across segments and the uptake of our enhanced services. The enterprise business is transitioning from product to platform while leveraging core mobile and fixed connectivity to serve customers across all segments better.

MTN Nigeria has commenced executing programmes to digitise and transform micro, small and medium enterprises (MSMEs) in Nigeria. Key among these is developing a cloud technology marketplace to empower, educate and enrich MSMEs. The goal is to drive further adoption of enterprise platforms (internet of things and cloud), creating additional value for our customers and enabling them to innovate while remaining profitable.

MTN Nigeria progressed with the expense efficiency programme and remained disciplined with capital allocation. As a result, the Opco contained the 18.3% increase in operating expenses below the rate of inflation in Nigeria. This was achieved despite the continued effects of naira depreciation on lease rental costs and acceleration in site rollout. Consequently, MTN Nigeria's ability to drive operating leverage has enabled EBITDA growth of 25.7% and the expansion of EBITDA margin by 1.5pp to 54.6%.



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## Southern and East Africa (SEA)

The **SEA region** delivered service revenue growth of 12.7% for the quarter, supported by top-line growth in most markets despite challenging trading conditions including muted economic recovery and higher inflation. The region's performance reflected strong growth in data revenue (up 35.6%) and fintech revenue (up 26.8%). The SEA region increased subscriber numbers by 2.8% YoY to 34.8 million.

**MTN Uganda** recorded service revenue growth of 11.1%. This was driven by solid growth in data revenue (up 45.1%) and fintech revenue (up 21.0%) resulting from increased usage and subscriber base growth. Voice revenue (down 4.6%) was adversely impacted by customers' disposable incomes coming under pressure from rising inflation. Despite the tough trading conditions, the Opco delivered EBITDA margin expansion of 0.4pp to 51.6% on the back of revenue growth and the effective implementation of expense efficiencies.

**MTN Rwanda** delivered strong service revenue growth of 24.5%, supported by healthy growth in fintech revenue (up 56.8%), data revenue (up 13.2%) and voice revenue (up 11.8%). MTN Rwanda reported an EBITDA margin of 47.7%, down 3.7pp. This was impacted mainly by higher data cost of sales from higher 4G uptake as well as the introduction of an outsourced modernised Network Operating Centre to manage the monitoring of our network, boost the user experience and reduce the volume of customer complaint calls.

Overall the SEA portfolio reported a 1.3pp decrease in the blended EBITDA margin to 46.0% in Q1 2022.

The results of our associate investment in eSwatini reflected increased pressure on voice and data in a challenging economic environment, amid increased competition and return-to-office work, which reduced demand for data. Plans are in place to accelerate demand through CVM and competitive offers.

## West and Central Africa (WECA)

Despite the challenging trading environment, the **WECA region** delivered a pleasing performance for the quarter with service revenue growth of 17.0%. The strong performance was enabled by an uptake of data services. Fintech revenue remained resilient despite aggressive pricing strategies from competitors in some markets. The region's performance also benefited from a 8.2% increase in the subscriber base to 70.2 million. WECA delivered a blended EBITDA margin of 43.5%, up by 2.3pp, mainly driven by MTN Ghana.

**MTN Ghana's** Q1 performance is testament to the resilience of the business to withstand a challenging macroeconomic environment including increases in fuel prices and general inflation as well as local currency depreciation.

Service revenue grew by 34.7%, largely attributable to growth in voice, data and fintech. This performance was underpinned by the continued execution of the **Ambition 2025** strategy and sustained investments to support improvements in service quality and the expansion of network capacity and coverage.

An increase in active data users and usage led to an increase of 65.3% in data revenue. Fintech revenue grew by 27.1%, supported by higher active MoMo users. The EBITDA margin increased by 5.0pp to 59.7% on the back of the strong growth in the topline and the implementation of the expense efficiency programme.

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**MTN Côte d'Ivoire's** performance came under pressure with service revenue slightly down by 0.7% largely impacted by the decline in fintech revenue (down 38.4%) due to zero-rating of person-to-person (P2P) and price reductions for withdrawals driven by intensified competition in the market during H2 2021. This helped to accelerate user and usage growth in Q4 2021, with that momentum continuing Q1 2022 during which over 506 000 users were added in Côte d'Ivoire. The business remains on a strong foundation to grow over the medium term.

The decline in fintech revenue in Q1 was mitigated by a strong performance in data revenue, which grew by 24.9%, underpinned by initiatives to accelerate data penetration and usage. Encouragingly, the Opco continued to gain value share in the market. The EBITDA margin declined by 1.3pp to 33.0% due to the decline in the topline while maintaining the same commissions to the distribution network in fintech.

**MTN Cameroon** recorded service revenue growth of 12.9% in a challenging environment where the Opco leads on market and value share. This performance was supported by sustained growth in active data users and ongoing CVM initiatives which led to growth in data revenue (up 30.8%). Revenue growth in fintech (up 19.9%) and digital (up 28.1%) also aided overall service revenue growth. The EBITDA margin declined by 2.7pp to 33.7%, impacted by management fees and provisions for taxes on MoMo transfers and withdrawals.

Excluding MTN Ghana, the WECA markets grew service revenue by 6.7%, which remained ahead of blended inflation of 4.7%, with a 1.8pp decline in EBITDA margin to 31.5% in Q1 2022 largely reflecting the pressure in MTN Côte d'Ivoire and MTN Cameroon.

## Middle East and North Africa (MENA)

The **MENA region** delivered a strong performance with service revenue growth of 83.4% (excluding MTN Irancell) notwithstanding tough macroeconomic conditions including currency devaluation, inflationary impacts, sustained higher oil prices and higher food prices as well as food shortages. The region's performance was mainly supported by strong growth in data revenue and an increase in active data users. The total number of subscribers (excluding MTN Irancell) was 15.2 million.

**MTN Sudan** increased service revenue by 261.9%, underpinned by growth in voice (up 200.8%) and data (up 387.9%) revenue on the back of increased voice and data prices. The EBITDA margin expanded by 17.4pp to 51.4%, driven by strong growth in revenue as well as savings in maintenance costs.

**MTN Irancell**, our equity-accounted joint venture, delivered solid results through strong commercial execution of various initiatives. Service revenue grew by 26.6%, supported by increased data revenue. The EBITDA margin expanded by 3.6pp to 42.8% driven by strong-revenue growth and expense efficiencies.

This result was delivered in a challenging environment where the Russia-Ukraine war is impacting the growth and economic development of the country. While the GDP of the country stands to benefit from the increased oil and gas prices, rising inflation will place pressure on the consumer.

The **Iran Internet Group's** ride-hailing app, Snapp, remained the market leader, ranking among the top ride-hailing apps globally with over three million daily rides. Snapp Box is the leading last-mile delivery network in the country. Market-leading food delivery app Snappfood orders grew by 61.0% YoY to almost 260 000 daily orders. Snapp Market orders grew by 88.9% YoY and remains the leading supermarket delivery app in the country.

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## Building the largest and most valuable fintech platform

We continue to scale and accelerate our fintech ecosystem across our markets with a 32.5% increase in transaction volumes to 2.9 billion transactions in Q1, with the value of transactions up by 12.6% to US\$59.9 billion (up 18.9% in constant currency). This includes the impact of new commission-earning rules which were implemented in Ghana during Q3 2021, adjusting for which, underlying transaction value growth would have been 34.0% in constant currency terms.

We responded to competitive pressures in Côte d'Ivoire by reducing P2P and withdrawals pricing, which affected service revenue development. However, we are encouraged by the user growth recovery we have seen in Q1 2022 in that market. We remain confident of our recovery plan in Côte d'Ivoire where we anticipate fintech service revenue to be back in growth by Q4 2022 driven by user growth and the launch of advanced services. Overall fintech service revenue grew by 21.1% in Q1 2022. We are driving recurring usage with a focus on new product launches to grow advanced services in line with our strategy.

There was strong traction in growing our payments and e-commerce ecosystem, leveraging our strength in distribution. The number of active merchants accepting MoMo payments increased by 46.8% to 765 211 and the total value of MoMo merchant payments rose by 125.2% US\$4.3 billion. We will continue the roll-out of self-onboarding of merchants to entrench the momentum and growth in our payments and e-commerce vertical.

We facilitated a total loan value of US\$280.4 million, a 27.8% YoY increase, taking advantage of our scaled mobile wallet business and customer footprint. The total value of remittances grew by 7.4% YoY to US\$573.9 million in Q1 2022.

At the end of Q1 2022, our InsurTech platform had 17.4 million registered aYo policies, reflecting growth of 37.8% YoY. Active policies reduced by 31.1% YoY due to a shift in the strategy to focus on a higher average revenue per policy and new revenue streams, particularly in Uganda, resulting in the termination of free policies. Active policy growth was also impacted by platform migration and integration challenges as we shifted to a proprietary infrastructure. In the year ahead we anticipate a return to growth in active paid policies with higher average revenue per policy.

The final approval of a MoMo PSB licence in Nigeria by the CBN will enable us to invest in the launch, before the end of Q2 2022, and rollout of PSB and offer a broader range of services. In terms of partnerships, our joint venture (JV) with Sanlam is undergoing regulatory approvals across the various markets we operate in and we anticipate launching the JV in early H2 2022.

## Asset realisation programme (ARP) and portfolio transformation

Our ARP aims to reduce debt, simplify our portfolio, reduce risk and improve returns. MTN's broader portfolio transformation plan is to accelerate these goals in line with our focus on pan-Africa, support our shared value objectives and structure the business to unlock value.

To date, the Group has received net proceeds of R708 million, post the period-end, from the Series 1 MTN Nigeria public offer. For the sale of MTN SA passive tower infrastructure, we are expecting to receive R5.2 billion in net proceeds from the transaction in Q2 2022.

# MTN Group Limited

Quarterly update for the period ended 31 March 2022

The further localisation of MTN Ghana is in progress and we have increased our localisation from 17.5% to 18.7% in Q1, with new participation from some local pension funds. The Group has received cash proceeds of R272 million from this transaction. Post the quarter-end, we concluded a transaction to localise a further 5% of MTN Ghana, bringing the total localisation to 23.7%. We are committed to deepen local participation to achieve 30% localisation for MTN Ghana.

We continue to explore options to exit Afghanistan in an orderly manner.

## Update on regulatory and legal considerations

### High-demand radio frequency in South Africa

To support its 4G and 5G expansion drive, in March 2022, MTN SA secured high-demand radio frequency spectrum in the Independent Communications Authority of South Africa's (ICASA) landmark auction. This increased MTN SA's total permanent spectrum holdings from 76MHz to 176MHz.

MTN secured 2 x 10MHz of 800MHz, 4 x 10MHz of 2 600MHz and 4 x 10MHz of 3 500MHz for R5.2 billion, comparing favourably with global benchmark averages. This was the first time in 17 years that ICASA had released spectrum on a permanent basis, allotting it for 20 years on a technology-neutral basis. A payment of R3.3 billion was made in April 2022, for the mid-band spectrum. A payment of R1.9 billion is expected to be made in Q3 2022 for the low-band spectrum.

MTN SA will use the spectrum to expand 4G and 5G connectivity and capacity and further enhance rural, peri-urban and urban network coverage. The spectrum will also support our work to lower the cost to communicate.

### SIM registration in Nigeria

Following the Nigeria Communications Commission's (NCC) directive on 4 April 2022 that all operators in Nigeria should restrict outgoing calls for subscribers whose SIMs are not associated with NINs, MTN Nigeria implemented the directive on approximately 19 million affected subscribers at that date. However, subscribers whose outgoing calls were restricted for non-submission of their NINs require their NINs to be verified before being reactivated.

As at 25 April 2022, about 8.7 million of those restricted submitted their NINs for verification, of which approximately 1.2 million have been reactivated, many of whom are high-value customers. Outgoing voice revenue from the subscribers who are yet to be reactivated therefore contributed approximately 7.8% of total service revenue based on financial year 2021 for MTN Nigeria.

In terms of how general traffic trends have evolved since the implementation of the directive, MTN Nigeria saw a drop in traffic following its compliance with the directive. However, as we execute our NIN recovery initiatives, there has been a gradual turnaround as the affected subscribers are reconnected to resume voice calls. Data revenue has continued a steady increase but has currently not fully compensated for the decline in voice revenue of restricted subscribers. Encouragingly, there has been an acceleration in new connections.

MTN Nigeria continues to engage affected subscribers while providing hardware support for the NIMC to accelerate the verification of NINs submitted. It has taken significant steps to help drive NIN enrolment for subscribers who do not yet have a NIN, deploying over 4 200 points of enrolment across the country. MTN Nigeria has also provided multiple channels to enable customers to submit their NIN for verification and linkage.

# MTN Group Limited

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## MTN Ghana e-levy

On 29 March 2022, Ghana's parliament approved the Electronic Transfer Levy Bill. From 1 May 2022, a 1.5% e-levy will apply to selected electronic transactions of more than GHS100 per customer per day on Mobile Money, bank transfers, merchant payments and inward remittances.

The levy is a reduction from the 1.75% communicated previously through the 2022 Budget Statement and Economic Policy of Ghana. To reduce the impact of the levy on customers, from May 2022, MTN Ghana is reducing fees on P2P transactions by 25%.

## MTN Ghana classification as a significant market power

Following the National Communications Authority's (NCA) 2020 classification of MTN Ghana as a significant market power, the Opco has now implemented four of the seven 'SMP remedies' being national roaming. MTN Ghana remains in constructive discussions with the NCA on the outstanding remedies.

## Outlook

We are encouraged by the healthy performance delivered across our markets in Q1 2022, despite challenging macroeconomic conditions and new regulatory developments. Looking ahead, our markets will be impacted by rising inflation, currency volatility, increased pressure on disposable income for consumers and further potential supply chain disruptions.

In this context, our medium-term outlook remains supported by the structurally higher demand for data and fintech services and MTN is uniquely positioned to capture that growth. Our priority is to execute on the **Ambition 2025** strategy to drive this growth as well as deleverage the Holdco balance sheet faster and unlock value, as we manage the rising risks and macroeconomic uncertainties we are seeing.

We are focused on accelerating growth in MTN SA and MTN Nigeria as we drive to be the industry-leading connectivity business. In addition to the macroeconomic pressures, MTN SA remains impacted by the continued disruptions to power supply from Eskom and the residual effects of the recent floods in the KZN province. The SA prepaid consumer is under pressure, but we remain committed to drive overall service revenue growth in line with our medium-term guidance for MTN SA.

The focus in Nigeria will be on driving ongoing growth in the subscriber and revenue base in the context of prevailing SIM registration restrictions, as well as launching PSB services. While the EBITDA margin may be impacted in the near-term by these effects, we anticipate continued growth in service revenue of 'at least 20%', as per our medium-term guidance.

Within fintech, during Q1, we implemented new mobile money taxes in Benin and Cameroon; we also made further P2P pricing adjustments in response to ongoing competition in Côte d'Ivoire to continue to stimulate user and usage growth. We also implemented the e-levy tax in Ghana and adjusted our pricing to limit the impact on usage in that market.

While these factors will have an impact on our performance, we remain on course to fulfil our fintech ambitions and our mission to drive financial inclusion by leveraging our platform data and capabilities. The final award of the PSB licence in Nigeria is a major milestone and will be key in driving our fintech growth over the medium term. We are planning the commercial launch of PSB services before the end of Q2 2022.

# MTN Group Limited

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On current macroeconomic conditions and operating assumptions, rising inflation in our markets and specific interventions and operational investment in markets like Nigeria (NIN enrolments and the launch of PSB services), are anticipated to slightly dampen our EBITDA margin expansion in the near-term.

The expense efficiency programme is ongoing and supporting the overall profitability of the business. We will thus continue to execute on this programme to complement our topline growth in achieving our objective to drive further EBITDA margin expansion and return improvement over the medium term.

In terms of some of our key strategic programmes, the work to structurally separate our fintech and fibre businesses is ongoing and remains on track.

To achieve the accelerated growth across our operations, the investment in sustaining our 'second-to-none' networks and platforms will remain a priority. To support our objectives, we plan to spend R34.4 billion in capex in financial year 2022, which is unchanged from our previous guidance.

With the outlook for global economic growth remaining uncertain amid the increased geopolitical volatility, we will remain focused on delivering on our strategy and maintaining our position as a partner of choice to stakeholders across our markets. Our strategy is robust and we have adequate adaptability and resilience built into our operating model to weather the uncertainties. We maintain our enhanced Group medium-term guidance.

## **B-BBEE annual compliance report – MTN Group and subsidiaries: MTN Group achieves Level 1 B-BBEE contributor status**

We are pleased that, in a major transformation milestone, MTN Group has for the first time achieved level 1 B-BBEE contributor status. This is up from level 2 in 2020. The rating, dated 10 May 2022, was for the financial year ended 31 December 2021. The B-BBEE contributor status for MTN Group considers both the South African operating entities as well as the South African group function. MTN SA maintained its level 1 contributor status, for the third year running.

In accordance with paragraph 16.21(g) and Appendix 1 to Section 11 of the JSE Listings Requirements and Section 13G(2) of the Broad Based Black Economic Empowerment Act, the Company's B-BBEE compliance certificate and compliance report is available on the Company's website at <https://www.mtn.com/investors-shareholders/?tablink=b-bbee-certificate>.

# MTN Group Limited

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## Abbreviations

SIM:	Subscriber Identity/Identification Module
Business Group:	Consist of internet service providers in Namibia, Kenya and Botswana
Towerco:	Tower companies
Holdco leverage:	Holdco net debt (including MTN GC)/SA EBITDA + cash upstreaming
PSB:	Payment service bank
CVM:	Customer value management
ERM:	Effective rate per minute
MB:	Megabyte
GB:	Gigabyte

13 May 2022

Fairland

### Lead sponsor

Tamela Holdings Proprietary Limited

### Joint sponsor

JP Morgan Equities (SA) Proprietary Limited



# MTN Group Limited

Quarterly update for the period ended 31 March 2022

<b>Subscribers</b>					
<b>('000)</b>					
Country	1Q 21	2Q 21	3Q 21	4Q 21	<b>1Q 22</b>
<b>South Africa</b>	<b>32 214</b>	<b>32 667</b>	<b>33 516</b>	<b>34 995</b>	<b>34 509</b>
Postpaid	7 008	7 256	7 553	7 359	<b>7 526</b>
Prepaid	25 206	25 411	25 963	27 635	<b>26 982</b>
<b>Nigeria</b>	<b>71 512</b>	<b>68 921</b>	<b>67 542</b>	<b>68 471</b>	<b>70 185</b>
<b>SEA</b>	<b>33 790</b>	<b>34 423</b>	<b>34 748</b>	<b>35 118</b>	<b>34 769</b>
Uganda	14 667	14 932	15 295	15 716	<b>15 920</b>
Rwanda	6 162	6 475	6 428	6 435	<b>6 468</b>
Zambia	8 374	8 295	8 260	8 056	<b>7 297</b>
South Sudan	1 829	1 937	1 966	2 062	<b>2 198</b>
Botswana (joint venture)	1 764	1 784	1 792	1 815	<b>1 831</b>
eSwatini (joint venture)	995	999	1 006	1 034	<b>1 055</b>
<b>WECA</b>	<b>64 912</b>	<b>65 525</b>	<b>66 179</b>	<b>68 112</b>	<b>70 202</b>
Ghana	24 982	24 866	25 223	25 350	<b>27 081</b>
Cameroon	10 062	9 984	10 241	10 608	<b>10 288</b>
Côte d'Ivoire	13 601	13 715	13 681	14 636	<b>15 346</b>
Benin	5 975	6 273	6 429	6 820	<b>7 051</b>
Guinea-Conakry	4 561	4 897	4 693	4 827	<b>4 546</b>
Congo-Brazzaville	3 135	3 132	3 230	3 195	<b>3 204</b>
Liberia	1 731	1 768	1 845	1 875	<b>1 875</b>
Guinea-Bissau	865	889	837	801	<b>811</b>
<b>MENA</b>	<b>65 323</b>	<b>65 410</b>	<b>65 154</b>	<b>65 702</b>	<b>66 541</b>
Iran (joint venture)^	49 206	49 417	49 569	50 385	<b>51 353</b>
Sudan	9 817	9 714	9 433	9 213	<b>9 215</b>
Afghanistan	6 299	6 279	6 152	6 105	<b>5 973</b>
<b>Total subscribers</b>	<b>267 750</b>	<b>266 945</b>	<b>267 140</b>	<b>272 398</b>	<b>276 206</b>

^ Excludes Wimax.

# MTN Group Limited

Quarterly update for the period ended 31 March 2022

<b>ARPU</b>					<b>1Q 22</b>
<b>(Local currency)</b>					
Country	1Q 21	2Q 21	3Q 21	4Q 21	
<b>South Africa</b>	97.03	98.50	98.44	97.70	<b>93.26</b>
Postpaid	135.04	132.05	131.82	137.55	<b>133.46</b>
Postpaid (excluding telemetry)	263.73	255.51	254.94	276.38	<b>267.75</b>
Prepaid	74.54	76.44	75.85	74.53	<b>70.35</b>
<b>Nigeria</b>	<b>1 643.34</b>	<b>1 808.99</b>	<b>1 931.02</b>	<b>2 088.00</b>	<b>2 080.55</b>
<b>SEA</b>					
Uganda	10 886.00	11 086.00	10 929.00	11 071.00	<b>10 841.00</b>
Rwanda	2 101.65	2 290.81	2 334.90	2 439.07	<b>2 474.87</b>
Zambia	26.67	28.80	30.83	31.72	<b>31.59</b>
South Sudan	2 657.40	2 849.86	2 609.51	2 557.32	<b>2 514.13</b>
Botswana (joint venture)	74.42	76.90	71.75	86.00	<b>65.00</b>
eSwatini (joint venture)	117.46	112.91	101.58	98.30	<b>90.46</b>
<b>WECA</b>					
Ghana	23.25	24.77	25.66	28.46	<b>29.08</b>
Cameroon	2 007.00	2 116.00	2 186.00	2 212.00	<b>2 209</b>
Côte d'Ivoire	1 999.08	1 962.30	2 131.63	1 932.78	<b>1 797.27</b>
Benin	3 057.79	3 075.76	3 126.70	3 130.76	<b>2 974.19</b>
Guinea-Conakry	18 217.32	17 201.81	17 260.37	18 036.13	<b>17 382.42</b>
Congo-Brazzaville	3 171.99	3 217.25	3 309.07	3 370.31	<b>3 158.30</b>
Liberia	3.14	3.34	3.34	3.59	<b>3.67</b>
Guinea-Bissau	1 500.73	1 618.16	1 385.13	1 189.95	<b>1 011.21</b>
<b>MENA</b>					
Iran (joint venture)	309 633.00	333 205.00	360 107.28	367 010.00	<b>379 010.89</b>
Sudan	214.71	410.34	572.30	627.09	<b>802.86</b>
Afghanistan	146.14	152.75	165.90	156.72	<b>156.86</b>

# MTN Group Limited

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<b>ARPU (US dollar)</b>					
Country	1Q 21	2Q 21	3Q 21	4Q 21	<b>1Q 22</b>
<b>South Africa</b>	6.45	6.91	6.74	6.26	<b>6.06</b>
<b>Nigeria</b>	4.08	4.41	4.69	5.03	<b>4.99</b>
<b>SEA</b>					
Uganda	2.97	3.05	3.08	3.11	<b>3.06</b>
Rwanda	2.11	2.29	2.31	2.38	<b>2.40</b>
Zambia	1.23	1.28	1.68	1.83	<b>1.78</b>
South Sudan	14.84	7.54	6.40	6.18	<b>5.82</b>
Botswana (joint venture)	6.62	6.85	6.24	7.20	<b>5.74</b>
eSwatini (joint venture)	7.81	7.70	6.95	6.30	<b>5.88</b>
<b>WECA</b>					
Ghana	3.99	4.25	4.24	4.57	<b>4.27</b>
Cameroon	3.70	3.88	3.93	3.86	<b>3.78</b>
Côte d'Ivoire	3.68	3.59	3.83	3.37	<b>3.07</b>
Benin	5.63	5.63	5.62	5.46	<b>5.09</b>
Guinea-Conakry	1.81	1.75	1.77	1.91	<b>1.94</b>
Congo-Brazzaville	5.84	5.89	5.95	5.88	<b>5.40</b>
Liberia	3.14	3.34	3.34	3.59	<b>3.67</b>
Guinea-Bissau	2.76	2.96	2.49	2.08	<b>1.73</b>
<b>MENA</b>					
Iran (joint venture)	1.30	1.52	1.60	1.55	<b>1.55</b>
Sudan	0.99	1.00	1.29	1.43	<b>1.67</b>
Afghanistan	1.89	1.95	1.97	1.66	<b>1.63</b>

<b>Fintech KPIs</b>	1Q 21	2Q 21	3Q 21	4Q 21	<b>1Q 22</b>	Reported % change	Constant currency % change
<b>Transactions (Tx)</b>							
Tx volume (bn)	2.2	2.4	2.6	2.8	<b>2.9</b>	32.5	32.5
Value of tx (US\$bn)	53.2	62.0	60.3	64.0	<b>59.9</b>	12.6	18.9
<b>Wallet</b>							
Active MoMo users (m)	46.6	48.9	51.1	56.9	<b>58.7</b>	25.9	25.9
Active MoMo agents	823 484	855 701	913 949	974 001	<b>1 048 955</b>	27.4	27.4
<b>Payments and e-commerce</b>							
Active merchants	521 164	581 514	626 033	785 147	<b>765 211</b>	46.8	46.8
GMV (US\$bn)	2.0	2.7	3.3	5.3	<b>4.3</b>	113.0	125.2
<b>Banktech</b>							
Loan value (US\$m)	231.5	280.0	290.7	300.7	<b>280.4</b>	21.1	27.8
<b>Remittance</b>							
Total value (US\$m)	552.3	539.4	540.7	632.7	<b>573.9</b>	3.9	7.4
<b>Insurtech</b>							
Active aYo policies (m)	6.3	6.3	6.2	6.3	<b>4.3</b>	(31.1)	(31.1)
Registered aYo policies (m)	12.6	13.6	14.8	16.1	<b>17.4</b>	37.8	37.8

# MTN Group Limited

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## Average exchange rates

ZAR: local currency	<b>1Q 22</b>	1Q 21	ZAR:LC strengthening/ (weakening) %
Nigerian naira	<b>27.14</b>	26.80	1.3
Iranian rial	<b>15 861.21</b>	15 822.88	0.2
Ghanaian cedi	<b>0.44</b>	0.39	12.8
Cameroonian franc	<b>38.01</b>	36.19	5.0
Ugandan shilling	<b>230.18</b>	244.26	(5.8)
South Sudanese pound	<b>28.11</b>	11.94	135.4
Sudanese pound	<b>31.38</b>	9.30	237.4

  

USD: Local currency	<b>1Q 22</b>	1Q 21	LC:USD strengthening/ (weakening) %
South African rand	<b>15.38</b>	14.96	(2.8)
Nigerian naira	<b>417.30</b>	402.63	(3.6)
Iranian rial	<b>243 877.63</b>	237 935.87	(2.5)
Ghanaian cedi	<b>6.78</b>	5.83	(16.3)

# MTN Group Limited

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## Service revenue

Rm

Country	1Q 21	2Q 21	3Q 21	4Q 21	1Q 22	Reported % change	Constant currency % change
<b>South Africa</b>	<b>9 535</b>	<b>9 717</b>	<b>9 934</b>	<b>10 260</b>	<b>9 974</b>	<b>4.6</b>	<b>4.6</b>
<b>Nigeria</b>	<b>14 372</b>	<b>14 075</b>	<b>14 704</b>	<b>16 792</b>	<b>17 308</b>	<b>20.4</b>	<b>22.0</b>
<b>SEA</b>	<b>4 336</b>	<b>3 849</b>	<b>4 052</b>	<b>4 507</b>	<b>4 369</b>	<b>0.8</b>	<b>12.7</b>
Uganda	1 979	2 012	2 082	2 392	<b>2 330</b>	17.7	11.1
Rwanda	616	652	700	759	<b>758</b>	23.1	24.5
Zambia	492	487	644	729	<b>668</b>	35.8	9.2
South Sudan	1 201	648	554	593	<b>583</b>	(51.5)	14.3
Business Group	48	50	72	34	<b>30</b>	(37.5)	(37.5)
<b>WECA</b>	<b>11 536</b>	<b>11 349</b>	<b>11 952</b>	<b>12 945</b>	<b>12 555</b>	<b>8.8</b>	<b>17.0</b>
Ghana	4 499	4 558	4 672	5 402	<b>5 320</b>	18.2	34.7
Cameroon	1 731	1 717	1 805	1 953	<b>1 858</b>	7.3	12.9
Côte d'Ivoire	2 253	2 126	2 326	2 151	<b>2 127</b>	(5.6)	(0.7)
Benin	1 497	1 493	1 564	1 684	<b>1 644</b>	9.8	15.4
Guinea-Conakry	362	328	374	428	<b>415</b>	14.6	(0.2)
Congo-Brazzaville	828	762	846	927	<b>809</b>	(2.3)	2.8
Liberia	248	253	270	319	<b>310</b>	25.0	22.0
Guinea-Bissau	118	112	95	81	<b>72</b>	(39.0)	(35.7)
<b>MENA</b>	<b>2 071</b>	<b>1 523</b>	<b>1 655</b>	<b>1 288</b>	<b>1 172</b>	<b>(43.4)</b>	<b>83.4</b>
Syria	308	–	–	–	–	(100.0)	0.0
Sudan	634	421	539	626	<b>713</b>	12.5	261.9
Yemen	593	570	574	187	–	(100.0)	0.0
Afghanistan	536	532	542	475	<b>459</b>	(14.4)	3.8
<b>Joint ventures</b>							
Iran	1 435	1 608	1 736	1 818	<b>1 813</b>	26.3	26.6
Botswana	283	274	301	278	<b>280</b>	(1.1)	2.7
eSwatini	107	106	109	109	<b>106</b>	(0.9)	(1.4)
Equity accounting exclusion	(1 825)	(1 988)	(2 146)	(2 205)	<b>(2 199)</b>		
<b>Head offices, GlobalConnect and eliminations</b>	<b>411</b>	<b>129</b>	<b>654</b>	<b>189</b>	<b>378</b>		
<b>Total</b>	<b>42 261</b>	<b>40 642</b>	<b>42 951</b>	<b>45 981</b>	<b>45 755</b>	<b>8.3</b>	<b>15.9</b>
Hyperinflation	(300)	(656)	617	325	<b>(58)</b>		
<b>Total including hyperinflation</b>	<b>41 961</b>	<b>39 986</b>	<b>43 568</b>	<b>46 306</b>	<b>45 697</b>	<b>8.9</b>	<b>15.9</b>

# MTN Group Limited

Quarterly update for the period ended 31 March 2022

## EBITDA margin

Country	1Q 21 %	2Q 21 %	3Q 21 %	4Q 21 %	<b>1Q 22 %</b>	Constant currency %
<b>Group</b>	45.8*	43.6^	45.4	43.1	<b>46.4</b>	46.4
<b>South Africa</b>	39.8	42.9	42.1	31.5	<b>39.9</b>	39.9
<b>Nigeria</b>	53.1	53.2	51.6	54.2	<b>54.6</b>	54.6

\* Excludes gain on disposal of BICS (R1.2 billion), loss of derecognition of MTN Syria (R6.3 billion) and COVID-19 donations (R0.4 billion).

^ Excludes a reduction in the loss of derecognition of MTN Syria (R2.0 billion), fair value gain on acquisition of aYo (R0.5 billion), impairment loss on MTN Yemen PPE and Intangible assets (R0.7 billion), and increase in COVID-19 donations (R0.1 billion).

## Capital expenditure

Rm

	1Q 21	2Q 21	3Q 21	4Q 21	<b>1Q 22</b>	<b>Estimated 2022</b>
IFRS 16	6 442	8 406	8 268	16 269	<b>10 512</b>	<b>44 011</b>
IAS 17	4 001	7 566	6 461	14 659	<b>7 048</b>	<b>34 400</b>