



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 30 September 2022

MTN is a pan-African mobile operator with the strategic intent of '**Leading digital solutions for Africa's progress**'. We have 285 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 14.3%
 - Group voice revenue up by 2.7%
 - Group data revenue up by 33.2%
 - Group fintech revenue up by 12.9%
- Group earnings before interest, tax, depreciation and amortisation (EBITDA) up by 14.7%
- Group EBITDA margin up to 45.3% (from 45.0%)
- MTN South Africa (MTN SA) service revenue up by 3.5%, with an EBITDA margin of 39.5% (from 41.6%)
- MTN Nigeria service revenue up by 20.7%, with an EBITDA margin of 53.6% (from 52.6%)
- Subscribers increased by 6.8% to 284.9 million
- Active data subscribers increased by 14.9% to 135.4 million
- Active Mobile Money (MoMo) customers increased by 23.3% to 63.0 million
- MoMo volume of transactions increased by 32.7% to 9.5 billion
- Medium-term guidance maintained

Unless otherwise stated, financial and non-financial growth rates are presented on a constant currency basis and are year-on-year (YoY, 9M to September 2022 versus 9M to September 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 are a count of all subscribers at a point in time that had a revenue-generating event in the specified period (90 days) prior to that point in time and during the past 30 days had data usage greater than or equal to five megabytes. MoMo users are 30-day active users.

Group President and CEO Ralph Mupita comments:

Continued resilience and operational execution in difficult trading conditions

"MTN Group remained resilient in the first nine months of 2022 under difficult macroeconomic, geopolitical and regulatory conditions, delivering a solid operational and financial performance.

Growth in data traffic and fintech transaction volumes continued to be strong, demonstrating that structurally higher demand for data and fintech services in our markets was sustained during this challenging period. Data traffic was up 39.7% to 8 836.4 PB and the number of transactions through our fintech ecosystem was up 32.7% to 9.5 billion, as we continued to drive digital and financial inclusion across our markets.

The rise in energy, food prices and general inflation, as well as interest rates, continued to put pressure on consumers and our business. Weakening local currencies and the limited availability of dollars in many markets added further pressure to operating margins and to our efforts to secure planned capital expenditure.

The regulatory environment was also challenging, with SIM registration regulations affecting key markets such as Nigeria and Ghana. The work to support and accelerate these initiatives is continuing: we are encouraged by the recovery in MTN Nigeria's performance following a tough Q2 2022, when the impact of NIN-SIM linkage regulations was felt more acutely.

The introduction of new taxes and levies in key fintech markets such as Ghana, Benin and Cameroon – along with price reductions on person-to-person transfers and withdrawals in Côte d'Ivoire to maintain our competitive position – slowed the momentum of revenue growth in the short term. We remain focused on our work to drive ecosystem expansion, which underpins our strategic targets and ambitions for fintech given the structurally strong demand we see for financial services in our markets.

Against this backdrop, we put in place proactive measures to mitigate the risks in our trading environment. We are executing on initiatives, including selective price reviews, to sustain our commercial momentum. We have also continued to invest in our networks and platforms, with accelerated capital expenditure in key markets and areas to support growth as well as manage supply chain and foreign currency risks. We continually engage with our partners and suppliers to safeguard the resilience of our networks.

More specifically, we have made good progress in implementing our network resilience plan in South Africa to mitigate the impact of persistent power cuts, which affect network availability and our operations.

Our expense efficiency programme and working capital initiatives have also been accelerated to cushion the effects of elevated inflation on our business and safeguard cash flows. Importantly, we have made some critical liability management interventions to further strengthen our balance sheet resilience and financial flexibility. We are well positioned to navigate the current volatility and deliver on our medium-term growth ambitions.

Solid financial and operational performance in Q3 2022

Overall service revenue was delivered in line with our medium-term targets and grew by 14.3%. MTN Group sustained positive operating leverage in the period with EBITDA up by 14.7%, representing an improvement in the EBITDA margin of 0.3 percentage points (pp) to 45.3%, supported by disciplined cost control. Our expense efficiency programme delivered R2.8 billion of savings in the year-to-date (YTD).

MTN Group Limited

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Growth in the period was supported by solid contributions from our larger operations where data underpinned service revenue growth. MTN SA service revenue grew by 3.5%, impacted by loadshedding and concessions to support the Cell C recapitalisation. MTN Nigeria's solid commercial momentum underpinned service revenue growth of 20.7%, with acceleration in Q3 2022 while our regions sustained topline growth in double-digits.

We connected more people to our network, with overall subscriber numbers up by 6.8% YoY to 284.9 million. This was despite the increased technical churn in MTN Nigeria brought about by new SIM registration regulations. That impact was offset by the acceleration in gross connections as we ramped up capacity to manage SIM registration and NIN enrolment. We anticipate a moderation in churn in Q4, and recovery in MTN Nigeria's subscriber base in line with our expectations for 2022.

In MTN Ghana we also made solid progress and continued to work on re-registering our customers in line with SIM regulations. We are deploying resources and collaborating with regulators in Ghana to accelerate re-registration and ensure a speedy completion of the exercise.

Structurally higher demand for data and fintech services

Work to drive an industry-leading connectivity business progressed well and we recorded voice revenue growth of 2.7%. The strong data revenue growth of 33.2% delivered in the period was underpinned by a 14.9% YoY increase in active data users and robust data traffic growth of 39.7%.

We are encouraged that demand for data is being sustained at structurally higher levels. To support this, we deployed R23.8 billion of Capex in the period to sustain our second-to-none networks and technology platforms, prioritising the coverage and capacity of our 4G networks and the rollout of 5G sites. In Nigeria we rolled out 218 5G sites and in SA 483 5G sites, bringing the total 5G sites rolled out for the Group to the end of Q3 to 824 sites.

In our platforms, fintech revenue rose by 12.9% YoY with MoMo active monthly users up by 23.3% YoY and the volume of transactions processed through our platform up by 32.7% in Q3 2022 YoY to 9.5 billion transactions.

We are encouraged by the overall strength of our fintech ecosystem with solid momentum in the underlying KPIs across our e-commerce and payments, BankTech, remittances and joint venture (JV) InsurTech verticals, as well as the build out of agents, merchants and MoMo app adoption by our subscribers.

*MoMo PSB operations in Nigeria continued to gain traction, with strong growth in the registered wallet base, demonstrating good underlying momentum. In Q3 2022, we focused on further strengthening IT systems and interfacing with the Nigeria Inter-Bank Settlement System (NIBSS). The primary focus for MoMo PSB remains to grow the user base and scale basic services, targeting the sizeable unbanked segment in Nigeria. We will then evolve into more advanced services over time, aligning with **Ambition 2025**.*

Strong balance sheet and liquidity positions

Group leverage of 0.5x (versus 0.4x at 30 June 2022) remained comfortably within covenant limits. Our holding company (Holdco) leverage of 0.8x at 30 September 2022 was slightly improved against the 30 June 2022 level and well within our medium-term target. We maintained a strong liquidity position, with headroom of R59.2 billion (R22.4 billion in cash, and R36.8 billion in committed undrawn facilities) at 30 September 2022.

We executed our liability management plans in September 2022, successfully completing a cash tender offer to early settle US\$300 million in Eurobond notes with a 2024 maturity date. We also completed an upsized SA bond auction of R2.6 billion, which further advanced our priority to optimise the currency mix of our debt and mitigating refinance risk by smoothing and lengthening our debt maturity profile.

In support of this, we upstreamed dividends and management fees amounting to R2.1 billion from our operating companies in Q3 2022, bringing the YTD total to R11.5 billion at 30 September 2022. While no cash was upstreamed from Nigeria during Q3, we received R1.5 billion of cash from MTN Nigeria post the period-end – bringing the YTD total cash upstreamed from Nigeria to R6.0 billion.

Portfolio transformation update

As part of an orderly exit from the Middle East, in August 2022 we announced that we had received a binding offer for our shares in MTN Afghanistan. In this regard, MTN Dubai Limited and M1 New Ventures Limited (M1) entered into agreements in which M1 will acquire all the issued shares in MTN Afghanistan for a gross consideration of US\$35 million. The transaction is subject to various conditions precedent including the conclusion of a transition agreement and regulatory approvals. The 49% non-controlling minority financial investment in Irancell continues to be managed for value within the MTN portfolio.

On 19 October 2022, we updated the market that our discussions in South Africa had terminated regarding a proposed acquisition of the entire share capital of Telkom for shares or cash and shares. Discussions were terminated as we could not agree to mutual satisfaction with the counterparty on the way forward.

MTN SA remains well positioned to capture growth in the consumer, enterprise and wholesale markets and deliver on its medium-term guidance.

Group medium-term guidance maintained

As we look ahead, we expect macroeconomic and geopolitical volatility to present headwinds as we navigate the final quarter of 2022. As MTN Group, we are encouraged by the continued resilience of our business. We remain focused on executing **Ambition 2025**, driving accelerated growth, implementing measures to contain inflationary pressures in our markets, further deleveraging the Holdco balance sheet and unlocking value for our stakeholders. Our Capex guidance for 2022 is unchanged at R35.3 billion and we maintain Group medium-term guidance."

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.

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

MTN Syria results have been disclosed up to February 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, 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's constant currency results compared to the current year's 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.

Managing in an elevated inflation environment

Global macroeconomic and geopolitical volatility spurred accelerated inflation across our markets in the period. The blended inflation rate in MTN markets rose to 15.4% by end-September 2022, compared to 9.1% at the start of the year. To moderate the expected impacts on our business, we took deliberate actions, which we articulated with our interim 2022 results.

To safeguard our **commercial** operations, we accelerated our customer value management (CVM) efforts focusing on personalised offers to customers. We are streamlining promotions and rationalising our offerings where necessary to help manage churn and optimise effective pricing.

We continue to selectively review our pricing, especially in markets where inflation is high. We are also in discussions with regulators in markets such as South Africa, Nigeria, Ghana, Uganda and Côte d'Ivoire regarding market pricing where appropriate, to support continued investment and the industry's long-term sustainability. This is in addition to hyperinflation markets such as South Sudan and Sudan, where we engage with regulators on ongoing price reviews.

In terms of the **supply chain**, we continued to hone our comprehensive risk mitigation strategies that have been in place for many years, and which position us well to withstand the disruptions. Leveraging our scale, we work with partners for advance purchase orders, to safeguard the capacity, resilience and rolling coverage for critical spares for our networks and operations. We are driving for more local currency pricing for IT and network expenditure.

From a **network** perspective, we are engaged with our towerco partners in markets such as Nigeria, Rwanda, Ghana, Uganda, SA, Cameroon, Côte d'Ivoire and Zambia to renegotiate some tower agreements. Our focus is on ensuring terms that will cushion the business from inflationary and foreign currency volatility pressures, as well as optimise arrangements around power to promote MTN net zero commitment delivery.

In South Africa, we are well-progressed in executing the power resilience plan to combat the effects of persistent power cuts. We have implemented phases 1 and 2 of the three-phase plan and anticipate completing phase 3 by the end of Q2 2023.

The momentum in our **financial resilience** initiatives is firmly entrenched. We are accelerating our expense efficiency programme with a continued focus on savings in our network and sales and distribution costs. In Q3 we realised efficiencies of R930 million across the Group, bringing the YTD total to R2.8 billion. The total costs to revenue ratio was 54.8%, slightly better than the 55.0% of the year prior.

In terms of our working capital optimisation initiatives, we concluded the agreement to sell part of MTN SA's receivables book to a commercial bank in October 2022, releasing R1 billion. We are continuing to explore other avenues to release cash. These include supply chain financing in South Africa and other markets.

In September 2022, we executed liability management of our 2024 maturity Eurobonds and early-settled US\$300 million in non-rand debt from existing US dollar cash balances. We raised R2.6 billion of long-term rand-denominated bonds in a SA debt capital markets bond auction, within or tighter than price guidance. We were also pleased to have completed the update of our DMTN programme for the latest JSE debt-listing requirements and regulatory updates; and increased the programme size to R35 billion, from R20 billion.

These interventions will help to smooth and lengthen our debt maturity profile, thus mitigating refinancing risk and improve our ratio of non-rand to rand-denominated debt. As at 30 September 2022, the Holdco ratio of non-rand to rand-denominated debt improved to 37:63 (June 2022: 42:58).

Our balance sheet is thus resilient, with a healthy liquidity position, providing us with the flexibility to continue executing on our medium-term strategy as well as withstand shocks and enable us to take advantage of opportunities that may arise. We remain guided by our disciplined capital allocation framework, which provides the guardrails to our growth and value-creation ambitions.

Operational review

MTN SA

MTN SA recorded a strong performance for the nine months to September 2022. **Service revenue** grew by 3.5% YoY, with a resilient Q3 growth rate of 2.2% YoY given the pressures in its trading environment and loadshedding experienced in the period. The performance was underpinned mainly by growth in data of 13.5%, on the back of increased data traffic.

This result was delivered against high inflation, rising interest rates, unemployment and unprecedented loadshedding, which negatively impacted the overall network availability and some business functions. Despite this tough environment, in which inflation rose to 7.5% by September 2022 (from 5.7% in January 2022), MTN SA's focus on commercial and operational execution, helped to drive further market share gains which underpinned a solid overall performance.

Service revenue in the **prepaid** consumer business unit (CBU) grew by 0.4%, with **postpaid** CBU increasing by 4.2%. The **enterprise** business unit (EBU) continues to deliver strong double-digit growth of 19.7%. Furthermore, the wholesale business delivered 0.7% growth despite revenue concessions on the Cell C national roaming agreement geared to enabling the conclusion of their recapitalisation.

In the nine months to September 2022, MTN SA grew its **subscriber** base by over 800 000 to 35.9 million, an increase of 8.1% YoY. This was driven by higher gross additions and improved customer value proposition fostering customer retention. Demand for integrated voice and data-centric plans led to postpaid subscriber numbers expanding by 10.4% to 8.0 million. Prepaid subscribers increased by 7.5% to 27.9 million.

Data continued to lead the business, contributing 45.4% to MTN SA's total service revenue. Mobile data revenue grew by 13.3% YoY, with growth of 11.2% YoY for Q3, on the back of a 36.4% increase in data traffic and a 11.7% increase in active data users to 18.8 million.

MTN SA continued the work to make data more accessible and affordable, reducing the effective data tariff by 23.4% YoY. This has helped to stimulate higher usage. An active prepaid data subscriber now consumes an average of 2.7GB a month, up 9.0% YoY. An active postpaid data subscriber uses nearly 13.5GB per month, an increase of 20.9%.

Consumer postpaid service revenue increased by 4.2% YoY and by 2.6% for Q3 YoY, on an increased uptake in data-oriented packages. This growth was delivered despite deteriorating consumer spending and credit conditions in the market.

As anticipated, the **consumer prepaid** business remained strained, with service revenue growth of 0.4% YoY and -1.2% for Q3 YoY as consumers felt the impact of economic pressure and job losses. This was further exacerbated by persistent loadshedding, which had a significant impact on voice.

In our 'own the home' strategy, MTN SA remains focused on accelerating growth. This is underpinned by MTN SA's best network, which currently leverages 4G fixed LTE, Tarana Air Fibre, 5G FWA and FTTH. Acceleration in this segment over the medium term will be driven by leveraging both FWA and FTTH technologies. MTN SA will, thus, continue to invest in both technologies to advance its 'own the home' plans, while remaining committed to deliver on its medium-term guidance.

The **enterprise business** recorded an increase in service revenue of 19.7% YoY and 17.8% for Q3 YoY, mainly supported by robust growth in the core mobile business from strong data product propositions. The growth in the enterprise business was driven by a recovery in connectivity.

Wholesale revenue increased by 0.7%, thanks to the national roaming deals with Cell C and Telkom. In September 2022, Cell C concluded its recapitalisation, significantly improving its financial position. Based on this, MTN SA assessed that it is now appropriate to recognise revenue for national roaming services on an accrual basis of accounting. Revenue from Cell C related to BTS rental remains on a cash basis of accounting.

The national roaming agreement with Telkom, aligned with the Group's work to monetise investments in networks, took effect on 1 November 2021. Off a low base, it gained traction in the nine months to 30 September 2022, increasing its contribution to revenue and scaling steadily.

The performance of the **fintech** business was encouraging, with approximately 5.4 million registered MoMo users and 1.1 million monthly active users by 30 September 2022, representing growth of 136%. We continue to grow the business by providing a mix of innovative and relevant digital and financial solutions including payments at 27 000 retail points, utilities' payments, gaming as well as digital services. Furthermore, there has been an increase in app adoption resulting in 2.5 million downloads in the nine months to September 2022.

In the tough macro-environment, MTN SA sustained growth of 0.7% in **EBITDA** demonstrating its resilience, supported by commercial execution and continued cost efficiencies. The EBITDA margin contracted by 1.4pp to 40.2%, which includes once-off gain on disposal of SA towers.

Excluding the gain, the EBITDA margin would have been 39.4% (down 2.1 pp). This is within the medium-term guidance and achieved against the continued impact of higher cost of sales relating to increased device sales during the period, as well as increased operating expenditure (Opex) associated with network resilience interventions.

In response to the socio-economic challenges in South Africa, MTN SA adopted the theme '*Empowering communities to drive economic delivery and job creation*'. The flagship of the campaign was the Naga Lipudi Career, Science and Resource Centre. Through this campaign, MTN SA upskilled young people by offering career guidance on jobs that are future-fit and driving the awareness and uptake of the MTN Online School portal. The campaign concluded with the handing over of a multi-media centre to the Mogale City beneficiaries.

The macroeconomic pressures experienced in Q3 – including loadshedding, inflation, deteriorating exchange rates and rising interest rates – are expected to continue straining consumer spending, thus impacting performance in Q4.

Restrictions on electricity supply are anticipated to remain challenging, affecting MTN SA's Q4 service revenue outlook. To mitigate against these negative impacts and to ensure the quality of customer connectivity, MTN SA is well-progressed in rolling out a comprehensive network resilience plan, which includes additional batteries, generators and enhanced security at sites.

MTN SA is focused on accelerating the expansion in its high-growth business areas and executing on its overall expense efficiency programme to deliver strong EBITDA and cash flow growth. The Opco has also successfully concluded an agreement to sell part of its receivables book to a commercial bank in October 2022, releasing R1 billion.

MTN Nigeria

MTN Nigeria published its Q3 2022 results on 28 October 2022, delivering a strong overall performance in a challenging operating environment.

Service revenue grew in line with medium-term guidance of at least 20%. This was on the back of a strong recovery in Q3 2022, as the business continued to manage the impact of the NCC's directive on NIN-SIM registration on the base. Growth was broad-based across key revenue lines.

Voice revenue grew by 4.5%, maintaining a steady recovery as more customers were reactivated, and gross connections continued to ramp up. This was supported by CVM initiatives, which managed churn and drove increased usage from the existing base.

Data revenue rose by 50.1% on increased subscribers and data usage. This was sustained by an aggressive 4G network expansion and enhanced quality and capacity of the network. Both supported rising data traffic as the drive to convert existing subscribers on the 3G network to 4G, as well as smartphone penetration, continued.

As a result, data traffic grew by 70.6% YoY, with 4G accounting for 78.6% of overall traffic, while data usage (MB per user) rose by 52.2%. In addition, the number of smartphones on the network continued to increase, with the addition of about 4.4 million in the nine months, bringing smartphone penetration to 52.0%.

In terms of fixed broadband penetration, MTN Nigeria added over 430 000 users, bringing the user base to 1.1 million. The business continued to advance its home broadband strategy with the commercial launch of the 5G network, providing coverage in key cities in the six geopolitical regions. Consequently, MTN Nigeria deployed 5G routers delivering an average download speed of 470 megabits per second and creating experiences that position MTN Nigeria as the broadband service provider of choice.

Fintech revenue increased by 21.6%, and growth was broad-based across Xtratime (airtime lending product, up 20.6%) and core fintech services (wallet and agency business, up 232.0%). Our fintech active users rose by 68.7% YoY to 11.2 million, of which 1.8 million represent active MoMo wallets (down 29.4% in Q3 2022). However, registered MoMo wallets increased by more than two times to 9.9 million in Q3 2022, demonstrating the underlying momentum in the ecosystem.

In addition, we expanded our Mobile Money (MoMo) agent network by adding over 21k active agents in Q3 2022, bringing the total number to approximately 188k. The agent network continued to play a pivotal role in our MoMo ecosystem and helped to drive growth in the total volume of transactions by 112.2% YoY.

During Q3 2022, MTN Nigeria moderated commercial activities and prioritised improving control systems. This resulted in short-term pressure on our active base in Q3 2022 as the NIBSS interface was temporarily suspended. More sustainable growth in active wallets should resume once NIBSS is reopened and MTN Nigeria drives initiatives to grow its base. It is anticipated that NIBSS will be reopened in Q4.

In addition, MTN Nigeria expanded its MoMo agent network by adding over 21 000 active agents in Q3 2022, bringing the total number to approximately 188 000. The agent network continued to play a pivotal role in the MoMo ecosystem and helped to drive growth in the total volume of transactions by 112.2% YoY.

Overall, MoMo PSB continued to make steady progress in its operations. The current focus is to grow the user base and scale basic services, targeting the sizeable unbanked segment in the country. Over time, MoMo PSB will leverage its market-leading distribution to evolve the mix towards more advanced services across fintech verticals, in line with **Ambition 2025**.

Digital revenue grew by 32.2% as penetration of our digital products continued to deepen, driven by user journey optimisation and increased usage from our active base. Rich Media, Mobile Advertising and Content VAS drove revenue growth.

The active user base rose by 66.4% YoY to 9.6 million, led by instant messaging platform ayoba, with approximately 5.1 million active users, up 75.5%. MTN Nigeria continued to expand the features of ayoba beyond messaging to include gaming, music and other entertainment benefits with rich local content. This helped to drive a higher active user base.

Revenue from the **enterprise** business was up by 49.5%, underpinned by onboarding of new customers across segments and the uptake of enhanced services. The business is actively pursuing its goal of accelerating the uptake of enterprise platforms (internet of things and cloud), creating additional value for customers and enabling them to innovate while remaining profitable.

MTN Nigeria made good progress with its expense efficiency programme, realising cost savings resulting from disciplined capital allocation. The **cost of sales** increased by 23.8% off a low base in the prior year, which was depressed by the suspension of new SIM sales and activations by the regulator and lower device purchases during that period, and the impact of growing gross connections in the current year.

Opex increased by 15.1% on higher lease rental costs impacted by naira depreciation, higher dollar CPI, the acceleration in site rollout and rising energy costs. However, the impact of the escalation of diesel prices in Nigeria is mitigated in most of MTN Nigeria's tower contracts, resulting in a negative EBITDA margin impact of about 0.4pp.

Overall, **total expenses** increased by 18.1%, below the service revenue growth rate and inflation rate in Nigeria. Consequently, MTN Nigeria recorded EBITDA growth of 23.1% and **EBITDA** margin expansion by 1.0pp to 53.6%, supported by improved operating leverage.

Southern and East Africa (SEA)

The **SEA region** delivered service revenue growth of 10.9% YoY with solid growth of 12.7% for Q3 2022 YoY. This was supported by sustained topline growth in most markets, notwithstanding the challenging trading conditions, where the blended inflation in SEA reached 1.3% in September 2022, compared to 0.6% at the start of the year. The region continued to deliver strong growth in data revenue, up 24.6%, and fintech revenue, which grew by 26.8%. The SEA region increased subscriber numbers by 3.3% YoY to 35.9 million.

MTN Uganda, which published Q3 2022 on 1 November 2022, recorded an improved performance, with service revenue up by 11.6% YoY and a robust performance in Q3 2022 with growth of 14.7%. The performance was driven by a healthy increase in the subscriber base by 9.2% YoY, an improvement in the momentum of voice revenue which was down 2.2%, but showed a pleasing recovery in Q3 2022, up 3.3% YoY (versus a decline of 4.9% in Q2).

Growth in MTN Uganda was also boosted by sustained double-digit revenue growth in both data revenue (up 29.8%), supported by higher active data users and traffic, and fintech (up 23.4%), driven by growth in fintech subscribers and transaction activity.

MTN Uganda's EBITDA margin, which was 0.9pp lower at 50.8%, remained within target and was impacted by higher inflation and network costs related to increased site rollout.

MTN Rwanda released its Q3 2022 results on 1 November 2022 and grew service revenue by 21.4%, driven by growth across the key revenue segments, with voice revenue up by 5.6%, data revenue up by 15.9% and fintech revenue 52.9% higher. MTN Rwanda reported an EBITDA margin of 48.8%, down 1.5pp. This was impacted mainly by the higher cost of sales, due to the higher uptake of 4G, as well as an increase in the charge paid into the Community-based Health Insurance from 2.5% to 3.0%.

Overall, the SEA portfolio reported a 0.6pp decrease in the blended EBITDA margin to 45.5% for the nine months to 30 September 2022 due to higher inflation in the markets and increased network costs due to site rollouts.

The performance of our associate investment in eSwatini reflected the continued pressure on voice and data in a tough economic environment, amid increased competition and pressure on disposable incomes. The operation is driving aggressive data offers to grow market share. Pleasingly, MTN eSwatini is delivering a strong fintech performance, supported by basic services and a good uptake in MoMo loans and MoMo pay services.

West and Central Africa (WECA)

The **WECA region** delivered double-digit service revenue growth of 12.8% YoY and 9.7% for Q3 2022 YoY despite intense competition and challenging trading conditions, where blended inflation rose to 16.5% from 8.0% (excluding Ghana, inflation has been stable at 5.1%) at the start of the year.

Data revenue growth of 29.9% was a key driver of overall performance while fintech revenue, which was up by 5.6%, remained resilient despite the pressure of regulatory taxes and aggressive pricing from competitors in key markets. The region's performance benefited from an 8.8% increase in the subscriber base to 72.0 million and improved cost efficiencies.

MTN Ghana published its Q3 2022 results on 31 October 2022. The Opco maintained solid growth momentum in the quarter in a challenging macroeconomic and operating environment, characterised by rising inflation, a weaker exchange rate and the increasing cost of fuel and utilities.

Service revenue grew by 28.3% YoY and 26.1% for Q3 2022 YoY, with voice up 22.8% due to the expansion of its subscriber base and various CVM initiatives; while data was up by 45.2%, supported by an increase in active data users and usage.

The growth in fintech revenue of 10.4% was slower due to the implementation of the e-levy in May 2022 and the Opco's 25% reduction in person-to-person (P2P) transaction fees. Encouragingly, there was some resilience in the active MoMo user base (up 16.3% YoY), cash-out services (up 15.9%) and advanced service offerings (up 17.7% YoY).

EBITDA increased by 37.2% YoY with a corresponding margin accretion of 3.8pp to 58.3%, aided by the expense efficiency initiatives and the strong topline growth.

MTN Côte d'Ivoire came under pressure, with service revenue down by 1.3% YoY and 5.3% for Q3 2022 YoY. This was largely a result of the 35.0% decline in fintech revenue amid intensified competition in the market since H2 2021. The sustained robust performance of data, through accelerated data penetration and usage, alleviated the impact of the decline in fintech revenue on service revenue.

In Q4 2021, MTN Côte d'Ivoire implemented zero-rating of P2P transactions as well as price reductions for withdrawals in response to competitive pressures and to accelerate user and usage growth. Since then, this has aided in driving fintech user growth of 23.6% YoY and transaction volume by 113.0%. As a result of the solid user and usage growth, and as the effects of price reductions will be lapped in the fourth quarter, we anticipate that fintech revenue should start returning to growth by the end of Q4 2022, as we hurdle the price cuts implemented towards the tail end of Q3 2021.

Encouragingly, the Opco maintained its competitive advantage, growing market share. The EBITDA margin declined by 0.7pp to 34.8%, impacted by the pressure on the topline, although mitigated by good cost containment.

MTN Cameroon sustained its market leadership in a competitive and challenging environment, recording service revenue growth of 9.2% YoY and 6.1% for Q3 2022 YoY. This result was supported by growth in active data users owing to CVM initiatives and education campaigns reflecting growth in data revenue, up 23.1%. Fintech revenue grew by 13.0% as advanced services continued to grow and digital revenue was up by 30.6% due to an increase in rich media services. The EBITDA margin declined by 1.8pp to 34.5%, impacted by provisions for taxes on MoMo transfers and withdrawals. The quarterly trajectory in margin is improving, underpinned by topline growth and initiatives to optimise costs.

WECA delivered a blended EBITDA margin of 41.6%, up by 1.8pp, largely because of MTN Ghana's strong performance and benefiting from strict cost control measures. Excluding MTN Ghana, the WECA markets grew service revenue by 4.6% and reported a 1.3pp decline in EBITDA margin to 30.7%, 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 63.3% YoY and 54.3% in Q3 2022 YoY (excluding MTN Irancell) under persistently challenging trading conditions. Growth in voice revenue (up by 41.1%) and the continued expansion in active data users leading to strong data revenue (up by 103.3%) supported the region's overall performance. The total number of subscribers (excluding MTN Irancell) was 14.9 million.

MTN Sudan increased service revenue by 159.0%, underpinned by growth in voice (up by 118.8%) and data (up by 226.7%) revenue on the back of tariff increases. The EBITDA margin declined by 0.2pp to 50.8%, impacted by inflationary pressure on costs but mitigated by strong growth in revenue.

MENA reported a blended EBITDA margin of 41.9%, up by 3.1pp, boosted by the strong revenue growth.

MTN Irancell, our equity-accounted JV, delivered solid results through strong commercial and operational execution. Service revenue grew by 35.1%, supported by increased data revenue. The EBITDA margin expanded by 4.2pp to 43.5%, driven by revenue growth and expense efficiencies.

The restrictions on international traffic related to the current protests in Iran are impacting the availability of services to customers and may affect the performance of the business in Q4 2022. The MTN Group digital human rights policy has been shared with Irancell, in line with how we engage where MTN is a minority shareholder.

The **Iran Internet Group's (IIG)** Group's ride-hailing app, Snapp, remained the market leader, ranking among the top ride-hailing apps globally with over 3.4 million daily rides. Snapp Box is the leading last-mile delivery network in the country. Market-leading food delivery app Snappfood orders grew by 44% YoY to almost 240K daily orders. Snapp Market orders grew by 45% YoY and it remains the leading supermarket delivery app in the country.

Building the largest and most valuable fintech platform

We are scaling and accelerating our fintech ecosystem across our markets, driving recurring usage with a focus on new product launches to grow advanced services. Overall **fintech service revenue** grew by 12.9% YoY and 11.5% in Q3 2022 YoY.

In Q3 2022, we recorded a 32.7% increase in **transaction volumes** to 9.5 billion transactions, with **transaction value** up by 12.1% to US\$166.7 billion.

While Ghana was impacted by the introduction of the e-levy and the 25% reduction in P2P fees, we are encouraged by the recovery in trend, particularly in September 2022, which is evidence of the fundamental resilience of the fintech business in Ghana.

In MTN Uganda, our second largest MoMo market by service revenue, continued to see strong ecosystem growth where total transaction volume and value increased by 30.7% and 46.8% respectively. We are focused on accelerating advanced services in the business over the medium term. We are pleased with the resilience and continued growth in both activity levels and revenue in the business as this performance was delivered despite a new entrant to the market.

In Côte d'Ivoire, the decline in service revenue was impacted by intense competition which saw us reduce P2P and withdrawals pricing. We are encouraged by notable user growth for the nine months to 30 September 2022 and the ongoing recovery in the ecosystem. Fintech users increased by 23.6% and transaction volume by 113.0% in the market in Q3 2022 YoY, and we anticipate that fintech service revenue should return to positive growth in the next couple of quarters.

Excluding MTN Ghana and MTN Côte d'Ivoire, impacted by the aforementioned items, fintech revenue grew 21.4% YoY.

For MTN Nigeria, we noted the short-term pressure on active wallets as the business proactively moderated commercial activity in Q3 2022 to enhance control systems. This will enable MoMo PSB to reopen the NIBSS interfaces, expected in Q4, and expand the transaction channels to customers. Encouragingly, the number of registered wallets more than doubled to 9.9 million, which makes us optimistic about the underlying momentum in the ecosystem in that market.

The overall momentum in our fintech business remains robust, with strong growth in our **payments and e-commerce** ecosystem, as we leveraged our strong distribution footprint. The number of active merchants accepting MoMo payments increased by 64.4% to over 1.0 million and the total value of MoMo merchant payments rose by 64.9% to US\$10.8 billion.

In **BankTech**, we facilitated a total loan value of US\$1.0 billion, a 57.9% YoY increase, as we capitalised on our scaled mobile wallet business and customer footprint.

The total value of **remittances** grew by 8.8% YoY to US\$1.7 billion in Q3 2022 (up 42.6% YoY, excluding Ghana). The result was underpinned by strong growth in international remittances where we have increased the number of outbound corridors to 87 (up 81.0%) and inbound partnerships to 449 (up 64.0%).

Our **InsurTech** platform with our JV aYo, closed the nine-month period with 18.0 million registered aYo policies, reflecting an increase of 21.6% YoY. The number of active policies declined by 35.3% YoY due to a shift in our approach to focus on a higher average revenue per policy and new revenue streams, particularly in Uganda and Zambia, 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.

In terms of partnerships, our JV with Sanlam reached a significant milestone when it closed on 1 November 2022, following the fulfilment of all conditions precedent as well as competition and regulatory approvals across the markets in which we operate.

As reported with our H1 2022 results, we commenced on a bespoke basis, engagement with select potential strategic investors in the Group fintech business. The process has progressed well, and we are in the second phase of engagements toward binding offers for minority investment. We anticipate being in a position to update the market in early Q1 2023 on the progress made. We remain focused on ensuring that any strategic minority investment delivers commercial value that accelerates the growth of our fintech platform and reveals inherent value in the business.

Scaling our FibreCo ambitions

MTN GlobalConnect (MTN GC) is progressing well on its FibreCo ambitions as it scales its Fixed Connectivity and Wholesale Mobility services across the African continent. MTN GC continues to expand its footprint and now has subsidiaries in five African countries.

For the nine-month period ending 30 September 2022, MTN GC signed fixed external infrastructure deals to the value of US\$28.2 million. External revenue grew by 16.9% YoY to US\$247.9 million, with Mobility revenue up by 18.3%.

Building scale infrastructure assets across Africa remained a key priority as MTN GC expanded terrestrial fibre into its markets. We rolled out approximately 5 000 km of new fibre in Q3 2022, bringing our inventory of proprietary fibre to a total of over 105 000 km at 30 September 2022. In Zambia, MTN GC rolled out nationwide fibre connecting Zambia with six neighbouring countries.

MTN GC's Wholesale Mobility platforms continued to scale at pace during Q3 2022. International voice revenue grew 25.7% YoY on the back of growth in voice minutes by 12.1% to 1 billion in the quarter. Messaging revenue was up 17.6%, driven by a 51.5% increase in SMSes processed on our platform to 820 million. We also launched over 200 roaming services during the quarter including Voice over LTE between MTN SA and AT&T in the US, with roaming traffic levels now above pre-pandemic levels.

With a focus on enhancing global customer experience, MTN GC launched Customer Success Centres in Ghana and Kenya in October 2022, insourcing its network operations centre and establishing a new service operations centre. This is the first step of MTN GC's phased investment, which forms part of expansive plans for the region, in-housing and onshoring its support operations. The centres mark a key milestone in expanding of MTN GC's business on the African continent.

Update on regulatory and legal considerations

SIM registration in Nigeria

As updated in its Q3 2022 release on 28 October 2022, MTN Nigeria continued to implement the interventions put in place to moderate the impact of the NIN-SIM linkage regulation on revenue and the anticipated increase in churn during Q3 2022.

At 30 September 2022, about 10.5 million of those initially restricted from making outgoing calls submitted their NINs for verification, of which 3.8 million were reactivated.

MTN Nigeria continued to ramp up gross connections and rollout NIN recovery offers to offset the impact of churn. As a result, the average daily gross connection was 48.1% above the pre-directive level, partly driven by the cohort of subscribers who were initially restricted. Combined with increased usage from the existing base, these supported an acceleration in the service revenue growth recovery and mitigated the impact of churn on the base.

As MTN Nigeria continues to engage its affected subscribers, drive NIN enrolment for subscribers who do not yet have a NIN and support NIMC in addressing capacity challenges, we believe that mitigating actions will recover MTN Nigeria's subscriber base in line with our broad expectations for 2022.

MTN Ghana SIM registration

The national SIM card re-registration exercise in Ghana continues following the earlier deadline of 30 September 2022 communicated by the Ministry of Communication and Digitalisation. To this end, MTN Ghana had registered 15.2 million subscribers using the Ghana National ID by the end of September 2022, with approximately 5.6 million yet to complete their registration with the second phase of bio-capture, after going through the first phase of the exercise.

On 17 October 2022, the Ministry of Communication and Digitalisation announced that all services with the exception of USSD services for SIM cards that have not completed their registration should be blocked from 1 November 2022. However, the regulator through a meeting on 31 October 2022 has asked that this directive be placed on hold until the National Communications Authority (NCA) provides further information or guidance.

MTN Ghana is working with the regulator and has deployed extensive resources to ensure the speedy completion of the registration exercise.

Outlook

The MTN Group continues to demonstrate the resilience of its business model as it withstands the prevailing macroeconomic and regulatory conditions in our markets. We anticipate inflationary pressures and foreign currency volatility to remain challenging for our customers, supply chains and our business in the final quarter of 2022.

With South Africa's on-grid power likely to remain constrained, MTN SA's resilience plan will alleviate some of the impacts on network availability and other business functions in that market.

The focus in Nigeria will be on the coverage and capacity of the network to accommodate rising demand for data and expand rural coverage and home broadband. We will continue to ramp up gross connections and drive NIN-SIM linkage, growing the subscriber base to offset the impact of a potential increase in churn.

As we navigate some of the short-term regulatory headwinds in the fintech operating environment, we will focus on continuing to scale our ecosystem, including accelerating growth in active wallets for MoMo PSB. We are on track to relaunch NIBSS inbound and outbound offerings in Q4 2022.

We are excited by the momentum and prospects of our fintech business, reflected in the strong trajectory in transaction volumes, users, agents and merchants. This lays the foundation to grow the advanced services across our BankTech, InsurTech, remittances and payment and e-commerce verticals.

The second phase of our engagements with select potential strategic investors for binding offers for minority investment into MTN Group fintech is progressing and we anticipate concluding the process and getting to an outcome in early Q1 2023.

Overall, we will continue to implement our interventions to steer through the current challenging macroeconomic conditions, focusing on executing on our commercial initiatives, managing supply chains, safeguarding our networks and further strengthening our financial resilience. In this regard our expense efficiency programme and working capital initiatives are paramount, along with our enduring focus on balance sheet flexibility and strong liquidity position.

We will continue to invest in our network to meet growth ambitions, cognisant also of foreign currency volatility and potential disruptions to supply chains. We plan to spend a total of R35.3 billion in Capex in 2022, unchanged from previous guidance, maintaining Capex intensity within our target range of 15–18%.

We have agreed a strategic alliance agreement with Microsoft to accelerate digital and cloud transformation, working towards a shared vision of driving Africa's growth. The agreement will help to enable MTN's strategic priority of supporting governments, customers and businesses of all sizes using the versatility of Microsoft platforms, solutions and capabilities to accelerate value creation. It centres on transforming and modernising MTN's communications and technology infrastructure, along with harnessing both organisations' capabilities, to build the largest and most valuable platform business with a clear focus on Africa.

In addition, the parties will also execute a carrier agreement which will position MTN as a major provider of terrestrial connectivity to support Microsoft's Africa-based expansion plans.

Despite the near-term uncertainties in our operating environment, we are confident that the structurally higher demand for data and fintech services is intact, supporting our medium-term growth outlook. We remain focused on executing our **Ambition 2025** strategy to drive growth, deleverage the Holdco balance sheet faster and unlock value. We maintain our Group medium-term guidance.

Abbreviations

KPI:	Key performance indicators
SIM:	Subscriber Identity/Identification Module
Business Group:	Consists 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
PB:	Petabyte
NIN:	National Identification Number
FFTH:	Fibre to the Home
FWA:	Fixed wireless access
MBB:	Mobile broadband

04 November 2022

Fairland

Lead sponsor

Tamela Holdings Proprietary Limited

Joint sponsor

JP Morgan Equities (SA) Proprietary Limited

**Subscribers
('000)**

Country	1Q 21	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22	3Q 22
South Africa	32 214	32 450	33 185	34 995	34 509	35 346	35 878
Postpaid	7 008	7 039	7 221	7 359	7 526	7 808	7 971
Prepaid	25 206	25 411	25 963	27 635	26 982	27 537	27 908
Nigeria	71 512	68 921	67 542	68 471	70 185	74 156	74 099
SEA	33 790	34 423	34 748	35 118	34 769	34 831	35 897
Uganda	14 667	14 932	15 295	15 716	15 920	16 255	16 701
Rwanda	6 162	6 475	6 428	6 435	6 468	6 585	6 792
Zambia	8 374	8 295	8 260	8 056	7 297	6 812	7 117
South Sudan	1 829	1 937	1 966	2 062	2 198	2 309	2 387
Botswana (joint venture)	1 764	1 784	1 792	1 815	1 831	1 831	1 834
eSwatini (joint venture)	995	999	1 006	1 034	1 055	1 039	1 067
WECA	64 912	65 525	66 179	68 112	70 202	70 423	72 033
Ghana	24 982	24 866	25 223	25 350	27 081	27 759	28 499
Cameroon	10 062	9 984	10 241	10 608	10 288	10 607	10 596
Côte d'Ivoire	13 601	13 715	13 681	14 636	15 346	15 488	16 173
Benin	5 975	6 273	6 429	6 820	7 051	7 104	7 277
Guinea-Conakry	4 561	4 897	4 693	4 827	4 546	3 427	3 338
Congo-Brazzaville	3 135	3 132	3 230	3 195	3 204	3 288	3 336
Liberia	1 731	1 768	1 845	1 875	1 875	1 928	1 975
Guinea-Bissau	865	889	837	801	811	821	838
MENA	65 323	65 410	65 154	65 702	66 541	66 864	66 992
Iran (joint venture)^	49 206	49 417	49 569	50 385	51 353	51 814	52 114
Sudan	9 817	9 714	9 433	9 213	9 215	9 109	8 839
Afghanistan	6 299	6 279	6 152	6 105	5 973	5 941	6 040
Total subscribers	267 750	266 728	266 809	272 398	276 206	281 620	284 900

^ Includes Wimax

ARPU (Local currency)							3Q 22
Country	1Q 21	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22	
South Africa	97.03	97.53	98.08	97.70	93.26	93.79	91.84
Postpaid	135.04	129.04	131.52	137.55	133.46	132.63	129.86
<i>Postpaid (excl Telemetry)</i>	263.73	256.75	262.14	276.38	267.75	265.89	260.97
Prepaid	74.54	76.44	75.85	74.53	70.35	70.56	68.93
Nigeria	1 643.34	1 808.99	1 931.02	2 088.00	2 080.55	2 094.90	2 158.60
SEA							
Uganda	10 886.00	11 086.00	10 929.00	11 071.00	10 841.00	11 027.00	11 280.00
Rwanda	2 101.65	2 290.81	2 334.90	2 439.07	2 474.87	2 603.60	2 756.86
Zambia	26.67	28.80	30.83	31.72	31.59	35.74	38.92
South Sudan	2 657.40	2 849.86	2 609.51	2 557.32	2 514.13	2 421.96	2 414.51
Botswana (joint venture)	74.42	76.90	71.75	86.00	65.00	67.00	68.79
eSwatini (joint venture)	117.46	112.91	101.58	98.30	108.78	111.02	111.79
WECA							
Ghana	23.25	24.77	25.66	28.46	29.08	28.04	27.86
Cameroon	2 007.00	2 116.00	2 186.00	2 212.00	2 209.00	2 209.00	2 221.61
Côte d'Ivoire	1 999.08	1 962.30	2 131.63	1 932.78	1 797.27	1 789.24	1 753.89
Benin	3 057.79	3 075.76	3 126.70	3 130.76	2 974.19	2 998.52	3 113.17
Guinea-Conakry	18 217.32	17 201.81	17 260.37	18 036.13	17 382.42	18 181.79	22 337.09
Congo-Brazzaville	3 171.99	3 217.25	3 309.07	3 370.31	3 158.30	2 985.23	3 210.28
Liberia	3.14	3.34	3.34	3.59	3.67	3.89	3.91
Guinea-Bissau	1 500.73	1 618.16	1 385.13	1 189.95	1 011.21	1 100.04	995.12
MENA							
Iran (joint venture)	309 633.00	333 205.00	360 107.28	367 010.00	379 010.89	432 089.91	477 165.10
Sudan	214.71	410.34	572.30	627.09	802.86	1 070.64	1 353.30
Afghanistan	146.14	152.75	165.90	156.72	156.86	165.66	169.08

ARPU (US dollar)							
Country	1Q 21	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22	3Q 22
South Africa	6.45	6.91	6.74	6.26	6.06	6.01	5.41
Nigeria	4.08	4.41	4.69	5.03	4.99	5.01	5.04
SEA							
Uganda	2.97	3.05	3.08	3.11	3.06	2.97	2.94
Rwanda	2.11	2.29	2.31	2.38	2.40	2.53	2.64
Zambia	1.23	1.28	1.68	1.83	1.78	2.07	2.40
South Sudan	14.84	7.54	6.40	6.18	5.82	5.33	3.94
Botswana (joint venture)	6.62	6.85	6.24	7.20	5.74	5.51	5.41
eSwatini (joint venture)	7.81	7.70	6.95	6.30	7.07	7.11	6.58
WECA							
Ghana	3.99	4.25	4.24	4.57	4.27	3.54	2.95
Cameroon	3.70	3.88	3.93	3.86	4.00	3.60	3.45
Côte d'Ivoire	3.68	3.59	3.83	3.37	3.07	2.91	2.71
Benin	5.63	5.63	5.62	5.46	5.09	4.88	4.80
Guinea-Conakry	1.81	1.75	1.77	1.91	1.94	2.09	2.59
Congo-Brazzaville	5.84	5.89	5.95	5.88	5.40	4.86	4.95
Liberia	3.14	3.34	3.34	3.59	3.67	3.89	3.91
Guinea-Bissau	2.76	2.96	2.49	2.08	1.73	1.79	1.54
MENA							
Iran (joint venture)	1.30	1.52	1.60	1.55	1.55	1.75	1.81
Sudan	0.99	1.00	1.29	1.43	1.67	1.88	2.36
Afghanistan	1.89	1.95	1.97	1.66	1.63	1.89	1.90

Fintech KPIs	1Q 21	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22	3Q 22	9M	9M
								Reported	Constant
								% change	currency
								% change	% change
Transactions (Tx)									
TX volume (bn)	2.2	2.4	2.6	2.8	2.9	3.1	3.5	32.7	32.7
TX value (US\$bn)	53.2	62.0	60.3	64.0	59.9	56.4	50.4	(5.0)	12.1
Wallet									
Active MoMo users (m)	46.6	48.9	51.1	56.9	58.7	60.7	63.0	23.3	23.3
Active MoMo agents	823 484	855 701	913 949	974 001	1 048 955	1 086 214	1 164 156	27.4	27.4
Payments & e-commerce									
Active merchants	521 164	581 514	626 033	785 147	765 211	946 249	1 029 122	64.4	64.4
GMV (US\$bn)	2.0	2.7	3.3	5.3	4.3	3.6	2.9	35.0	64.9
Banktech									
Loan value (US\$m)	231.5	280.0	290.7	300.7	280.4	341.7	416.5	29.5	57.9
Remittance									
Total value (US\$m)	552.3	539.4	540.7	632.7	573.9	540.1	536.4	1.1	8.8
Insurtech									
Active aYo policies (m)	6.3	6.3	6.2	6.3	4.3	4.4	4.0	(35.5)	(35.5)
Registered aYo policies (m)	12.6	13.6	14.8	16.1	17.4	17.9	18.0	21.3	21.3

Average exchange rates

This data is for 9 months

ZAR: local currency	3Q 22	3Q 21	ZAR:LC strengthening/ (weakening) %
Nigerian naira	26.34	27.91	(5.6)
Iranian rial	15 722.58	15 499.63	1.4
Ghanaian cedi	0.50	0.40	25.0
Cameroonian franc	38.53	37.54	2.6
Ugandan shilling	229.91	246.15	(6.6)
South Sudanese pound	30.54	45.59	(33.0)
Sudanese pound	33.82	23.69	42.8

USD: Local currency	3Q 22	3Q 21	LC:USD strengthening/ (weakening) %
South African rand	15.98	14.56	(9.8)
Nigerian naira	421.43	408.12	(3.3)
Ghanaian cedi	7.88	5.90	(33.6)
Iranian rial	252 408.83	226 463.45	(11.5)

Service revenue
Rm

Country	1Q 21	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22	3Q 22	9M Reported % change	9M Constant currency % change
South Africa	9 535	9 717	9 934	10 260	9 974	10 071	10 147	3.5	3.5
Nigeria	14 372	14 075	14 704	16 792	17 308	17 840	20 006	27.8	20.7
SEA	4 336	3 849	4 052	4 507	4 369	4 450	4 929	12.3	10.9
Uganda	1 979	2 012	2 082	2 392	2 330	2 339	2 574	19.3	11.6
Rwanda	616	652	700	759	758	818	956	28.7	21.4
Zambia	492	487	644	729	668	722	897	40.9	6.8
South Sudan	1 201	648	554	593	583	578	490	(31.3)	9.3
Business Group	48	50	72	34	30	(7)	12	(79.4)	(79.5)
WECA	11 536	11 349	11 952	12 945	12 555	11 665	11 978	3.9	12.8
Ghana	4 499	4 558	4 672	5 402	5 320	4 539	4 406	3.9	28.3
Cameroon	1 731	1 717	1 805	1 953	1 858	1 818	1 910	6.3	9.2
Côte d'Ivoire	2 253	2 126	2 326	2 151	2 127	2 121	2 199	(3.8)	(1.3)
Benin	1 497	1 493	1 564	1 684	1 644	1 617	1 692	8.8	11.7
Guinea-Conakry	362	328	374	428	415	361	441	14.4	(7.6)
Congo-Brazzaville	828	762	846	927	809	783	874	1.2	2.5
Liberia	248	253	270	319	310	356	393	37.4	25.3
Guinea-Bissau	118	112	95	81	72	70	63	(36.9)	(35.1)
MENA	2 071	1 523	1 655	1 288	1 172	1 361	1 670	(19.9)	63.3
Syria	308	–	–	–	–	–	–	(100.0)	–
Sudan	634	421	539	626	713	830	1 088	65.1	159.0
Yemen	593	570	574	187	–	–	–	(100.0)	–
Afghanistan	536	532	542	475	459	531	582	(2.4)	0.9
Joint ventures									
Iran	1 435	1 608	1 736	1 818	1 813	2 143	2 405	33.1	35.1
Botswana	284	274	301	278	280	233	290	(6.5)	(5.6)
eSwatini	107	106	109	109	106	108	110	0.6	0.8
Equity accounting exclusion	(1 825)	(1 988)	(2 146)	(2 205)	(2 199)	(2 484)	(2 805)		
Head offices, GlobalConnect and eliminations	411	129	654	189	378	502	905		
Total	42 261	40 642	42 951	45 981	45 755	45 890	49 635	12.3	14.3
Hyperinflation	(300)	(656)	617	325	(58)	879	1 352		
Total including hyperinflation	41 961	39 986	43 568	46 306	45 697	46 769	50 987	14.3	14.3

EBITDA margin

Country	1Q 21 %	2Q 21 %	3Q 21 %	4Q 21 %	1Q 22 %	2Q 22 %	3Q 22 %	9M Constant currency %
Group	45.8*	43.6^	45.4	43.1	46.4	44.1#	45.4^o	45.3
South Africa	39.8	42.9	42.1	31.5	39.9	39.5	39.0	39.5#
Nigeria	53.1	53.2	51.6	54.2	54.6	52.6	53.6	53.6

* 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).

Excludes gain on disposal of SA towers (R261 billion), impairment of Afghanistan PPE and intangibles (R435 million) and IFRS 2 Charge from localisation in Ghana (R85 million).

^o Excludes additional impairment of Afghanistan PPE and intangibles (R97 million).

Capital expenditure

Rm

	1Q 21	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22	3Q 22	Esti- mated 2022
IFRS 16	6 442	8 406	8 268	16 269	10 512	17 835	10 369	51 554
IAS 17	4 001	7 566	6 461	14 659	7 048	10 030	6 759	35 316