

# 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 2023

MTN is a pan-African mobile operator with the strategic intent of **'Leading digital solutions for Africa's progress'**.

We have 291 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 15.6% (15.1%\*), supported by:
  - voice revenue growth of 6.6% (4.7%\*);
  - data revenue up by 26.9% (27.6%\*); and
  - acceleration in fintech revenue of 11.5% (17.9%\*).
- Total subscribers increased by 5.2% to 290.6 million.
- Active data subscribers up by 11.9% to 140.4 million.
- Active Mobile Money (MoMo) users up by 5.2% to 61.7 million.
- Data traffic increased by 19.3% to 3 221.26 PB.
- Fintech transaction volumes increased by 38.8% to 4.1 billion.

\* Constant currency information after accounting for the impact of the pro forma adjustments as defined.

Rm	1Q 23	1Q 22	% change reported	% change constant currency
<b>Group service revenue</b>	<b>52 831</b>	45 697	15.6%	15.1%
– South Africa	<b>10 108</b>	9 974	1.3%	1.3%
– Nigeria	<b>21 744</b>	17 308	25.6%	20.4%
<b>Group EBITDA<sup>^</sup></b>	<b>24 264</b>	22 335	8.6%	11.0%
– South Africa	<b>4 554</b>	4 889	-6.9%	-6.9%
– Nigeria	<b>11 627</b>	9 475	22.7%	17.7%
<b>Group EBITDA margin</b>	<b>43.7%</b>	46.4%	-2.7 pp	-1.6 pp
– South Africa	<b>36.1%</b>	39.9%	-3.8 pp	-3.8 pp
– Nigeria	<b>53.3%</b>	54.6%	-1.3 pp	-1.3 pp
<b>Capex (ex-leases)</b>	<b>6 375</b>	7 048	-9.5%	
– Capex intensity	<b>11.5%</b>	14.7%		

<sup>^</sup>Excludes gain on disposal of SA towers (R16 million) and impairment of Afghanistan PPE and intangibles (R181 million).

**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 2023 versus 3M to March 2022).**

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 which 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.

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## Group President and CEO Ralph Mupita comments:

### **Navigating a difficult operating environment**

*“MTN’s resilient business model and operational execution enabled us to continue to successfully navigate difficult macroeconomic, geopolitical and regulatory conditions in Q1 2023.*

*The blended inflation across our footprint remained elevated and averaged 18.5% in Q1 2023, compared to 11.5% in Q1 2022. Interest rates increased during the period as central banks acted to curb inflation. Higher inflation and interest rates weighed on consumers’ spending power and impacted business activity.*

*Local currencies generally weakened against the dollar, and foreign exchange availability was limited in several of our key markets affecting the pace of capital expenditure and our ability to upstream dividends and management fees.*

*Over and above reduced economic activity in South Africa, MTN South Africa’s (MTN SA) network availability remained under pressure due to ongoing power outages across the country: there were approximately 90 days of loadshedding in Q1 2023 compared to 14 days in Q1 2022.*

### **Solid operational execution**

*Against this challenging backdrop we continued to implement proactive measures to sustain top-line growth and mitigate against inflationary pressures. In support of these interventions, we invested R6.4 billion in our networks and platforms in Q1. This to support the structurally higher demand we see in our markets for data (traffic up 19.3% YoY) and fintech (transaction volumes up 38.8% YoY).*

*MTN SA advanced the comprehensive network resilience plan, with improving network availability as we exited the quarter. The teams upgraded additional sites with batteries and started piloting solar solutions on a limited number of sites as well as deploying additional security solutions where there is high risk of theft or vandalism.*

*Overall service revenue grew by 15.1%\* and was in line with our medium-term target. MTN Nigeria, MTN Ghana and MTN Uganda delivered double-digit service revenue growth. MTN SA delivered positive service revenue growth (up 1.3%) against the severe impacts of loadshedding in the quarter.*

*Group EBITDA increased by 11.0%\*, with an EBITDA margin of 43.9%\* (Q1 2022: 45.5%\*) that was impacted by higher inflation across our markets in addition to increased costs associated with site rollouts in Nigeria and Ghana, as well as our network resilience plan in South Africa. We remained focused on our expense efficiency programme to contain the effects of higher inflation in the period.*

*Our Q1 results were underpinned by solid commercial execution, which drove growth of 5.2% in our overall subscriber base to 290.6 million, despite headwinds such as loadshedding in South Africa and SIM registration in Ghana. Active data subscribers and MoMo users were up 11.9% (to 140.4 million) and 5.2% (to 61.7 million) respectively.*

### **Balance sheet and liquidity positions**

*The Group leverage of 0.3x as at 31 March 2023 (31 December 2022: 0.3x) remained comfortably within our loans covenant limit. Holding company (Holdco) leverage – while slightly up to 0.9x (31 December 2022: 0.8x) due mainly to foreign exchange movements – was also well within our medium-term target. We maintained a strong liquidity position, with headroom of R57.2 billion (R20.5 billion in cash, and R36.7 billion in committed undrawn facilities) as at 31 March 2023.*

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*We upstreamed cash of R1.6 billion from our operating companies in the first three months of 2023. In addition we repatriated R987 million of localisation proceeds from MTN Nigeria in Q1.*

*The Group elected for a scrip dividend option for the FY 22 dividend at MTN Nigeria's 18 April 2023 Annual General Meeting (AGM). This will increase the Group's effective shareholding from 75.6% to 76.2% after finalisation. We believe this will provide a more favourable short-term store of value for our investment as we manage the nearer-term challenges in upstreaming cash from the country. Using the same rationale, the Group will consider a scrip dividend option from MTN, Ghana conditional upon its approval at the upcoming AGM on 30 May 2023.*

## **Strategic progress**

*We continued the process of engagement, on a bespoke basis, with select potential strategic minority investors into the Group fintech business. We are well progressed on engagements on commercial agreements that are aimed at ensuring that any strategic minority investment also supports the acceleration of growth of our fintech platform. We anticipate the conclusion of this process during Q2 2023.*

*Aligned with MTN's portfolio optimisation focus within our **Ambition 2025** strategy, the Company continuously assesses our investments, with the aim of improving returns and reducing risk. In line with this focus, MTN Group is evaluating an orderly exit of three operations in West Africa over the medium-term; namely MTN Guinea-Bissau, MTN Guinea-Conakry and MTN Liberia. In this regard, the Group has received an offer for our equity interests in these Opcos, from Axian Telecom, which is being evaluated.*

*As at 31 March 2023, the combined subscriber base of the three Opcos represented approximately 6.1 million of the Group's total 291 million subscribers, and contributed 0.7% to EBITDA.*

*As we are at an early stage of deliberations, we emphasise that any process of this nature will entail extensive engagements with stakeholders who will be appropriately informed as and when the evaluation process has materially progressed.*

*The process to exit Afghanistan in an orderly fashion through the sale of MTN's entire shareholding to a wholly-owned subsidiary of M1 remains on track, with regulatory engagements well progressed.*

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

*We maintain our capex guidance for 2023 at R37.4 billion, cognisant of the potential impact of volatility in local exchange rates against the dollar as well as our work to accelerate MTN SA's comprehensive network resilience plan, which is a key focus in the coming quarters to materially improve network availability in H2 2023.*

*As we manage the ongoing challenges in our trading environment, and the near-term impacts on our top-line and margin evolution, we maintain our medium-term guidance. We will remain focused on implementing the initiatives to continue expanding our connectivity and platform ecosystems in order to sustain growth in the business, as well as executing on our **Ambition 2025** strategic priorities."*

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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.*

*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.*

## Operational review

### Listed Opcos' published Q1 2023 results

The published Q1 results of our listed Opcos can be viewed at:

- **MTN Nigeria:**  
<https://www.mtn.ng/about-us/investor/financial-reporting/quarterly-results/>
- **MTN Ghana:**  
<https://mtn.com.gh/investors/>
- **MTN Uganda:**  
<https://www.mtn.co.ug/investors/financial-reports/>
- **MTN Rwanda:**  
<https://www.mtn.co.rw/investors-financial-reporting/>

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## MTN SA

MTN SA's performance was resilient in Q1 against a trading environment that remained challenging. The economy remained under pressure with rising inflation and ongoing volatility in the rand against the dollar. Inflation averaged 7.0% in the quarter (Q1 2022: 5.8%) – above the upper limit of the South African Reserve Bank (SARB) target range of 3-6% – putting additional pressure on our customers and business operations. In an effort to contain this, the SARB hiked interest rates by an additional 0.5pp in the period, following 3.0pp of hikes in 2022.

The extent of power outages in the country remained elevated with 90 days of loadshedding during the quarter, compared to 14 in Q1 2022. This heavily disrupted network availability, on a YoY basis, which affected MTN SA's growth trajectory; especially in its voice segment.

In this context, MTN SA achieved relatively resilient **service revenue** growth of 1.3%, with voice (down 16.0%) being the key drag on overall performance. In the tough trading environment, MTN SA grew the total number of **subscribers** by 4.1% YoY to 35.9 million.

**Data** continued to be a key growth driver for the business, contributing 47.9% to MTN SA's total service revenue in Q1. Mobile data revenue grew by 9.0% YoY, on the back of an 11.2% increase in active data users to 19.3 million and 19.5% growth in data traffic.

MTN SA further lowered the overall cost to communicate for its customers with the effective data tariff reduced by 8.7% YoY in the quarter; helping to drive improvements in access, affordability and engagement. An active prepaid data subscriber consumed an average of 2.7GB per month, up 3.2% YoY in Q1 2023. An active postpaid data subscriber used approximately 13.8GB per month, an increase of 17.6%.

The number of residential subscribers grew by 88.8% to 77k in Q1, helping to advance MTN SA's '**own the home**' strategy. This remains a key focus area for the business underpinned by FWA and FTTH technologies.

Service revenue in the **prepaid** consumer business unit (CBU) was 5.0% lower reflecting the ongoing pressure on consumers and the impacts of persistent loadshedding, which had a particularly significant impact on voice revenues. Within the overall mix, the prepaid data performance was encouraging and held up reasonably well with revenue growth of 8.6%.

**Postpaid** CBU service revenue held up reasonably well and increased by 3.3%. While the performance in postpaid voice remained under pressure due to loadshedding and data substitution, the overall result was supported by an increased uptake in data-oriented packages despite deteriorating consumer spending and credit conditions in the market.

The **enterprise** business unit (EBU) delivered robust double-digit service revenue growth of 11.4% underpinned by growth in data and new contracts acquired in ICT.

The **wholesale business** grew service revenue by 14.9% as national roaming continued to scale. MTN SA also saw an encouraging increase in traffic on its network from Telkom, as this segment of national roaming also grew steadily.

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The **fintech** business continued to progress, with approximately 1.1 million monthly active MoMo users as at 31 March 2023, representing growth of 31.8% YoY. MTN SA focused on scaling its fintech ecosystem, including payments availability at more than 27 000 retail points.

MTN SA also drove engagement through a combination of innovative and relevant financial solutions such as utilities payments and increasing other value-added services (betting, forex, equities, gaming). This was in addition to lending services (personal and micro loans) and finalising the launch of the recently SARB-approved international remittance. We expect this to drive increased app adoption and reduced subscriber churn over time.

The impacts of loadshedding – which slowed the top-line and increased opex – were a key contributor to MTN SA's softer **EBITDA** in Q1 (6.5% lower); representing a contraction of 3.7pp in EBITDA margin to 36.2%, including the once-off gain on disposal of SA towers in the period. Excluding the effect of this once-off gain, EBITDA margin would have been 36.1%. The higher management fee to the Group, as previously guided to the market, had a negative impact of 0.7ppt on the reported EBITDA margin.

## Network resilience plan update

We commenced the rollout of our comprehensive network resilience plan in H2 2022 and the work to upgrade key sites continued in the Q1 2023. This included, a new project was launched in terms of which MTN is directly driving the rollout of resilience in Johannesburg, given the urgency of the programme.

The deployment incorporates the upgrade of rectifiers, additional battery capacity (to allow for a minimum of six hours of battery autonomy) and a mix of static and mobile generators. MTN SA is also piloting solar solutions on a limited number of sites. In addition, where there are higher risks of theft or vandalism, additional security solutions are being deployed, and active infrastructure changes (including replacement of copper cabling with aluminium) are being implemented.

The improvements seen so far in the Johannesburg clusters where resilience has progressed, even during continuous Stage 6 loadshedding, provide some encouragement regarding the plan to rollout the new design across the network. High priority sites in key provinces are expected to be completed in H2 2023, with the balance of the regions and network being completed in H1 2024.

## MTN SA outlook

The remainder of H1 2023 will continue to present headwinds to the MTN SA business, with macroeconomic and loadshedding impacts on service revenue progression and costs. A number of initiatives are in place and are being executed to navigate the prevailing conditions, including innovative commercial offerings, cost optimisation as well as investments into the resilience of the MTN SA network and business.

The postpaid price increases, effective from April 2023, should help to drive improved top-line growth in the business and mitigate inflationary impacts on the MTN SA business. This tariff increase will help to mitigate the decline in voice and improve data performance in the remainder of the year.

MTN SA is driving growth through bundle rationalisation, improved phone and upgrade plans as well as enhanced digital plans. There are also a number of initiatives underway to optimise pricing, including price-ups in selective prepaid plans and other portfolios.

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It is anticipated that these interventions will be supported by improved network availability, enabled by the comprehensive network resilience plan. MTN SA targets a recovery in top-line growth and improving EBITDA margin towards the medium-term guidance by H2 2023.

## MTN Nigeria

MTN Nigeria published detailed Q1 results on 27 April 2023 and drove strong commercial momentum in a challenging operating environment to deliver a strong financial performance in the period. In addition to higher inflation and interest rates as well as challenges with the availability of hard currency liquidity, the Nigerian economy was also impacted by the Central Bank of Nigeria's redesign and introduction of new naira notes from 15 December 2022. The limited availability of new notes resulted in cash shortages, which impacted customers' ability to recharge through physical channels and transact within the MoMo agent network.

**Service revenue** grew by 20.4%\* – in line with medium-term guidance – supported by growth across key revenue segments of voice, data, fintech and digital services. The mobile subscriber base increased by 9.4% to 76.8 million.

**Voice** revenue grew by 7.2%\* underpinned by revamped voice propositions and enhanced CVM initiatives. This result was achieved despite the impact of cash shortages on customer spending patterns in Q1.

**Data** revenue rose by 40.0%\* on increased subscribers (+14.7%) and data usage (+31.3%) enabled by the sustained investment in 4G and 5G network expansion. Data traffic grew by 50.3% YoY, with our 4G network covering 79.3% of the population.

MTN Nigeria added 169k home broadband users in Q1, bringing the user base to 1.4 million, supported by the deployment of 5G fixed wireless access devices, mobile broadband solutions and fibre-to-the-home connectivity.

**Fintech** revenue grew by 8.5%\*, driven by growth in the wallet and agency business but moderated by the impact of cash shortages, which affected Xtratime and transactions on the OTC platform. Despite the challenges, over 40k active agents were added in Q1, bringing the total number to approximately 264k. The agent network is pivotal to the MoMo ecosystem, bringing the service closer to customers.

**Digital** revenue grew by 42.8%\* as the active user base rose by 58.4% YoY to 11.7 million, led by instant messaging platform ayoba, which added over 1.5 million users and ended the quarter with approximately 6.7 million active users. MTN Nigeria continued to expand its rich media services portfolio through recent partnerships with Amazon and Apple, to bring Amazon Prime Video and Apple Music, respectively, to MTN Nigeria's customers.

Revenue from the **enterprise** business rose by 57.1%\*, led by the mobile and fixed connectivity services and underpinned by the onboarding of new customers across segments and the uptake of enhanced services.

**Opex** increased by 29.2%\* on higher consumer price index adjustments on lease rental costs, foreign exchange availability, naira depreciation, the acceleration in site rollout and rising energy costs. This was mitigated by the cost savings realised from the expense efficiency programme. Consequently, MTN Nigeria recorded **EBITDA** growth of 17.7%\* with EBITDA margin 1.3pp\* softer to 53.3%\*.

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## Southern and East Africa (SEA)

The **SEA region** delivered service revenue growth of 17.7%\* YoY, supported by sustained top-line growth in most segments and an increase in subscriber numbers by 7.0% YoY to 37.2 million. The blended inflation in SEA averaged 13.3% in Q1 2023, compared to 8.6% in Q1 2022. Encouragingly, the month-on-month trend in inflation eased slightly in key markets such as Uganda and Rwanda. SEA continued to report strong growth in data revenue (+22.9%\*) and fintech revenue (+24.4%\*).

**MTN Uganda**, which published Q1 results on 4 May 2023, recorded service revenue growth of 15.9%\* YoY, underpinned by solid voice growth (up 8.8%\*) and strong momentum in the data (+25.8%\*) and fintech (+20.7%\*) segments. Voice revenue growth benefitted from increased customer engagement and usage, enabled by continued customisation of the value proposition, as well as reduced subscriber churn. The subscriber base grew by 11.6% to 17.8 million.

Data revenue was supported by strong growth in active data users and data usage, and fintech revenue was driven by the strong performance in payments service, as well as the recovery in the savings and lending portfolio.

MTN Uganda's EBITDA margin remained within target with a 0.3pp\* improvement to 51.9%\*. This was delivered despite higher inflation, through continued operational efficiencies and disciplined capital allocation.

**MTN Rwanda**, which published Q1 results on 5 May 2023, grew service revenue by 14.8%\*. Although voice revenue softened by 1.1%\* due to lower voice pricing as the Opco drove increased affordability, top-line growth was driven by the continued positive momentum in data revenue (+20.7%\*) and fintech revenue (+39.4%\*).

MTN Rwanda reported EBITDA growth of 9.5%\* with an EBITDA margin of 45.8%\* (down 1.9pp\* YoY). This was impacted mainly by higher cost of sales due to the higher uptake of 4G services from the wholesale service provider. EBITDA margins should improve in H1 2023 driven by the implementation of our expense efficiencies as well as the roll out of MTN Rwanda's own 4G network.

Overall, the SEA portfolio reported a 0.1pp\* increase in the blended EBITDA margin to 46.1%\* for Q1 due to higher inflation in the markets and increased network and commissions and distribution costs.

## West and Central Africa (WECA)

The **WECA region** delivered double-digit service revenue growth of 10.8%\*, with overall subscribers up by 2.7% to 72.6 million, despite difficult trading conditions, where the average blended inflation rose to 19.8% in Q1 2023, from 8.3% in Q1 2022. Excluding Ghana, WECA inflation was stable in the period, at 5.2%.

Data revenue growth of 20.8%\* was a key driver of overall performance with active data subscribers increasing 12.8% to 33.2 million. Fintech revenue was also robust and increased by 19.6%\* despite the impacts of regulatory taxes and pricing competition in key markets.

**MTN Ghana**, which published Q1 results on 27 April 2023, delivered a strong overall performance in the first quarter of 2023, with a 23.2%\* YoY increase in service revenue, supported by growth in voice, data and fintech. MTN Ghana also grew its subscriber base to 27.4 million with active data and MoMo subscribers growing by 8.4% and 15.9% respectively.



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Fintech revenue (+24.4%\*) continued its recovery from the impact of the implementation of the e-levy in May 2022 and the subsequent 25% reduction in person-to-person (P2P) transaction fees. The recovery was underpinned by growth in cash-out revenue (+75.2%) and advanced services revenue (+46.4%).

EBITDA increased by 16.6%\* YoY with a corresponding margin decline of 3.2pp to 56.3%\*, due to inflationary pressures.

**MTN Côte d'Ivoire's service** revenue increased by 5.0%\*, largely underpinned by 19.6%\* growth in data revenue, despite the impacts of network and platform disruptions due to unreliable electricity supply. Fintech revenue continued its recovery with a second consecutive quarter of positive growth (up by 7.3%\*), underpinned by transaction volume growth of 45.9%

The EBITDA margin declined by 4.2pp\* to 28.9%\*, impacted by pricing pressures as well as macro challenges including local currency devaluation and higher inflation.

**MTN Cameroon** reported service revenue growth of 7.8%\* and maintained leading market share in a challenging and highly competitive environment. CVM initiatives drove solid growth in data (+16.5%\*) and fintech (+12.8%\*) revenue, despite increased pricing competition in the market. The EBITDA margin for MTN Cameroon improved by 0.3pp\* to 34.0%\* due to cost optimisation initiatives.

WECA reported a blended EBITDA margin of 38.1%\*, down by 1.7pp\*. Excluding MTN Ghana, the WECA markets grew service revenue by 5.5%\* and reported a 2.3pp\* decrease in EBITDA margin to 29.2%\*, reflecting the pressure in MTN Côte d'Ivoire.

## Middle East and North Africa (MENA)

The **MENA region** performed well, with service revenue growth of 73.6%\* YoY under challenging trading conditions. Strong growth in voice (+51.9%\*) and data revenue (+94.8%\*) supported the region's overall performance. The total number of subscribers (excluding MTN Irancell) grew by 1.0% to 15.3 million, with active data subscribers increasing by 11.8% to 5.4 million.

In difficult conditions, **MTN Sudan** increased service revenue by 133.8%\*, underpinned by growth in voice (+102.0%\*) and data (+157.3%\*) revenue on the back of tariff increases. The EBITDA margin declined by 1.0pp\* to 50.6%\*, impacted by inflationary pressure on costs but mitigated by strong growth in revenue and expense efficiency initiatives.

MENA reported a blended EBITDA margin of 44.3%\*, up by 5.6pp\*, boosted by the strong revenue growth.

**MTN Irancell**, our equity-accounted JV, delivered service revenue growth of 33.8%\*, supported by increased data revenue. The restrictions on international traffic related to protests in Iran adversely impacted the availability of services to customers and the performance of the business. The EBITDA margin declined by 1.0pp\* to 41.8%\*, driven by high inflation.

The **Iran Internet Group (IIG)** continued its strong performance in 2023. Ride-hailing app Snapp remained the market leader, ranking among the top ride-hailing apps globally and reaching 4.3 million daily rides. Last-mile delivery service Snappbox also remained the market leader with almost 350 000 daily orders. Food delivery app Snappfood grew revenue by 77% YoY.

Within Middle East Internet Holding (MEIH), ride-hailing service Jeeny continued its strong growth with almost 100 000 daily rides.

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## Building the largest and most valuable fintech platform

We scaled and accelerated our fintech ecosystem across our markets, driving recurring usage with a focus on new product launches to grow advanced services. Overall **fintech revenue** grew by 17.9%\* YoY in Q1, reflecting a steady continuation in quarterly growth acceleration.

In Q1, we recorded a 38.8% increase in **transaction volumes** to 4.1 billion transactions, with **transaction value** up by 64.6% to US\$65.7 billion.

### Key markets

We are encouraged by the recovery in trend in **MTN Ghana** after the impact of the introduction of the e-levy and the subsequent 25% reduction in P2P fees. Fintech revenue grew 24.4%\* in Q1 underpinned by growth in cash-out revenue and advanced services revenue.

**MTN Uganda**, our second largest MoMo market by service revenue, continued to see strong ecosystem growth where total transaction volume and value increased by 26.5% and 35.5% respectively and the number of merchants doubled to 268k. We are focused on accelerating advanced services in the business over the medium-term.

In **Côte d'Ivoire**, we were encouraged by the strong growth in merchants (+177.8%) and agents (14.8%) in the quarter, reflecting the ongoing recovery in the ecosystem. Transaction volume and value increased by 45.9% and 26.0% YoY respectively and this supported the 7.3%\* growth in fintech revenue delivered by MTN Côte d'Ivoire.

At **MTN Nigeria**, we increased active wallets by 58.1% to 3.2 million in Q1 following the reopening of the Nigerian Interbank Settlement System (NIBSS) interface for inbound and outbound transfers. Cash shortages in Nigeria had an impact on the growth in fintech users during the period but we were encouraged by the recovery in trend towards the end of the quarter.

### Key verticals

The overall momentum in our fintech business remained 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 103.3% to more than 1.6 million and the total value of MoMo merchant payments rose by 41.3% YoY to US\$3.7 billion.

In **BankTech**, we facilitated a total loan value of US\$336.9 million, a 69.9% YoY increase, as we capitalised on our scaled mobile wallet business and customer footprint.

The total value of **remittances** grew by 36.5% YoY to US\$550.4 million in Q1. This was driven by strong growth in international remittances where we have increased the number of outbound corridors to 105 (up 75.0%) and inbound partnerships to 451 (up 33.0%).

Our **InsurTech** platform (aYo), within our strategic alliance, had a decline of 3.4% YoY in the number of active policies due to a shift in our approach to focus on a higher average revenue per policy and new revenue streams as well as the termination of loyalty policies in certain markets.

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 and further country rollouts.

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## Scaling our FibreCo ambitions

In Q1, MTN GlobalConnect (MTN GC) grew external revenue by 17.0% YoY to US\$83.6 million, with mobility revenue up by 15.5%. MTN GC signed fixed connectivity infrastructure deals valued at US\$2.8 million.

MTN GC rolled out over 2 000 km of new fibre in Q1 2023. This brings our total inventory of proprietary fibre to over 107 000km as at 31 March 2023.

The performance of the fixed connectivity segment was driven by the introduction of Internet Protocol Transit (IPT) International Gateways (IGWs) in South Africa and Nigeria, as well as the launch of the IPT product Looking Glass Portal.

To meet the growing demand for international connectivity in our markets, in line with our FibreCo plans, MTN GC Kenya and Zambia made noteworthy progress through digital connectivity initiatives.

External wholesale mobility revenues grew by 15.5% YoY in Q1, backed by a five-year messaging deal with a global hyper scaler, increased mission-critical SMSes processed on the platform to authenticate mobile users and resilient performance from international voice delivered against a negative global trend. MTN GC also partnered with key global mobile networks and opened 1.2k new services to make international roaming more affordable for MTN's subscribers across Africa.

During the quarter, MTN GC attained MEF 3.0 Carrier Ethernet services certification, ensuring that our digital connectivity solutions adhere to the highest industry standards and deliver best-in-class connectivity solutions to drive network transformation to power the African digital economy.

## Update on regulatory and legal considerations

### MTN Ghana SIM registration

The national SIM card re-registration exercise in Ghana continued. Following the disconnection of approximately 5.8 million customers, by 16 April 2023 MTN Ghana had reconnected about two million of these SIMs (after the impacted subscribers completed the second phase of bio-capture).

In a letter dated 20 March 2023, the NCA directed all operators to disconnect all numbers that had not completed their Stage 2 registration by 31 March 2023. In response to this, MTN Ghana disconnected an additional 37.1k SIMs in March 2023, bringing the total disconnected SIMs per the regulatory directive to 5.8 million.

In a subsequent letter dated 13 April 2023, the NCA further directed that all disconnected SIMs should be delinked from the SIM registration database effective 17 April 2023. Consequently, 3.8 million of our disconnected SIMs have been delinked from the SIM registration database.

MTN Ghana is committed to the national SIM re-registration exercise and will continue to deploy resources and work with the regulator to accelerate SIM re-registration for all subscribers.

## Conflict in Sudan

In mid-April 2023, fighting broke out in Sudan. We are monitoring the situation very closely and, as MTN, we extend our sincere condolences to the families and communities affected by the conflict in the country. Our priority is to ensure the safety and well-being of our employees, customers, partners and the communities we serve in Sudan.

# MTN Group Limited

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The situation on the ground has led to a scarcity of basic goods, fuel shortages and difficulties in securing cash due to the closure of banks. Network availability has also been affected, with levels dipping as a result of grid power shortages and challenges in refilling fuel tanks. Additionally, power failures at infrastructure providers are causing interruptions to international links, impacting international calls, roaming services, and ISP services.

Despite these challenges, MTN remains committed to providing essential communication services while prioritising the safety of all stakeholders. The Company is actively monitoring the situation in Sudan and sincerely hopes for a swift and peaceful resolution to the crisis.

MTN Sudan contributed 3.3% to Group EBITDA in Q1 2023.

## Outlook

Amid ongoing macroeconomic and geopolitical challenges and regulatory developments, MTN Group's resilient business model, strong balance sheet and disciplined strategy execution position the Company for accelerated growth and relevance to 2025.

We anticipate that trading conditions across markets will remain challenging for the remainder of 2023 and we will continue to execute on our proactive measures to manage the near-term challenges and risks.

Within this environment of elevated inflation, implementing selective price increases across the portfolio remains a critical priority to ensure that operations generate sufficient cash flows to fund future capital expenditure needed for building world class networks. We will continue to have the necessary engagements with the regulatory authorities on such needed increases.

## South Africa

In South Africa, the postpaid tariff increases that became effective in April 2023 will underpin improved top-line growth in coming quarters. This will be further underpinned by the work that is already underway to rationalise bundles and optimise pricing in selective prepaid bundles.

Our network resilience plan in the market is anticipated to deliver increased off-grid power and materially improve network availability. We anticipate that the combination of improved network availability, acceleration of Cell C moving traffic onto the MTN network and selective price optimisation initiatives will result in improved service revenue development in H2 2023.

## Nigeria

MTN Nigeria will focus on enhancing network capacity, accelerating 4G, 5G and rural coverage, as well as driving home broadband to sustain growth in data traffic. The business has started to recover from the effects of cash shortages in the economy that impacted the Q1 performance, laying a solid foundation for growth in the remainder of the year as recharges and other transaction activity normalises. We will continue to engage the regulatory authorities on tariff increases.

For MoMo PSB in Nigeria, the business is focused on developing the agent and merchant ecosystem that will support growth of the wallet base, and position MoMo PSB to be a material contributor to the growth of the Group fintech business over the medium-term.

# MTN Group Limited

Quarterly update for the period ended 31 March 2023

## Ghana

In Ghana, the macroeconomic outlook remains uncertain with elevated inflationary pressures and other macroeconomic risks. There are signs of key trends starting to level out and reverse which would be positive for the business in the remainder of 2023. Recent tariff increases should support faster growth in the coming quarters, and the traction in the fintech recovery should provide additional support.

## Financial resilience

The financial resilience we have built into our business provides us with the flexibility to manage the current risks in our trading environment, while continuing to drive our **Ambition 2025** strategy. To contain the effects of inflation on our business, we are implementing various initiatives including the renegotiation of major contracts with our partners.

We also remain focused on opportunities for liability management of our non-rand debt, should market conditions allow, in line with our capital allocation framework.

## Strategic priorities

On our strategic priorities, we will continue the work to finalise the agreements with selective strategic partners to introduce a potential minority equity investment into the Group fintech structure. We are also in the early stages of exploring the potential orderly exit of the Group from MTN Guinea-Bissau, MTN Guinea-Conakry and MTN Liberia. We will update all stakeholders as appropriately on the progress of this process. Finally, we are well-progressed on our exit of Afghanistan, which we anticipate to be completed in H2 2023.

## Medium-term guidance maintained

Our capex guidance for 2023 remains unchanged at R37.4 billion, cognisant of the potential impact of volatility in local exchange rates against the dollar as well as our work to accelerate MTN SA's comprehensive network resilience plan, which is a key focus in the coming quarters to materially improve network availability in H2 2023.

As we manage the ongoing challenges in our trading environment, and the near-term impacts on our top-line and margin evolution, we maintain our medium-term guidance. We will remain focused on implementing the initiatives to continue expanding our connectivity and platform ecosystems in order to sustain growth in the business, as well as executing on our **Ambition 2025** strategic priorities.

# MTN Group Limited

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The full financial results are available on the MTN's website at:

[https://www.mtn.com/investors/financial-results/?report\\_cat=quarterly-results](https://www.mtn.com/investors/financial-results/?report_cat=quarterly-results)

## Q1 trading update teleconference

MTN will be hosting a telecon on Thursday, 11 May 2023 where we will be unpacking the Group's trading update for the quarter ended 31 March 2023. To participate, please register

<https://www.corpcam.com/MTN11052023>.

11 May 2023

Fairland

### Lead sponsor

J.P. Morgan Equities (SA) Proprietary Limited

### Joint sponsor

Tamela Holdings Proprietary Limited

# MTN Group Limited

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## Abbreviations

<b>Business Group</b>	Consists of internet service providers in Namibia, Kenya and Botswana
<b>CBU</b>	Consumer business unit
<b>CVM</b>	Customer value management
<b>EBU</b>	Enterprise business unit
<b>FTTH</b>	Fibre to the Home
<b>FWA</b>	Fixed wireless access
<b>GB</b>	Gigabyte
<b>Holdco leverage</b>	Holdco net debt (including MTN GC)/SA EBITDA + cash upstreaming
<b>KPI</b>	Key performance indicators
<b>Opco</b>	Operating company
<b>Opex</b>	Operating expenditure
<b>OTC</b>	Over the counter
<b>PB</b>	Petabyte
<b>PSB</b>	Payment services bank
<b>SIM</b>	Subscriber Identity/Identification Module

# MTN Group Limited

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## SUBSCRIBERS

('000)

Country	1Q 22	2Q 22	3Q 22	4Q 22	1Q 23
<b>South Africa</b>	34 509	35 346	35 878	36 538	<b>35 924</b>
Postpaid	7 526	7 808	7 971	8 277	<b>8 460</b>
Prepaid	26 982	27 537	27 908	28 261	<b>27 464</b>
<b>Nigeria</b>	70 185	74 156	74 099	75 635	<b>76 751</b>
<b>SEA</b>	34 769	34 831	35 897	36 497	<b>37 210</b>
Uganda	15 920	16 255	16 701	17 170	<b>17 769</b>
Rwanda	6 468	6 585	6 792	6 816	<b>6 919</b>
Zambia	7 297	6 812	7 117	7 112	<b>7 031</b>
South Sudan	2 198	2 309	2 387	2 484	<b>2 540</b>
Botswana (joint venture)	1 831	1 831	1 834	1 834	<b>1 862</b>
eSwatini (joint venture)	1 055	1 039	1 067	1 081	<b>1 089</b>
<b>WECA</b>	70 202	70 423	72 033	72 619	<b>72 133</b>
Ghana	27 081	27 759	28 499	28 603	<b>27 447</b>
Cameroon	10 288	10 607	10 596	10 681	<b>10 817</b>
Côte d'Ivoire	15 346	15 488	16 173	16 356	<b>16 641</b>
Benin	7 051	7 104	7 277	7 565	<b>7 843</b>
Guinea-Conakry	4 546	3 427	3 338	3 189	<b>3 179</b>
Congo-Brazzaville	3 204	3 288	3 336	3 308	<b>3 278</b>
Liberia	1 875	1 928	1 975	2 047	<b>2 056</b>
Guinea-Bissau	811	821	838	870	<b>871</b>
<b>MENA</b>	66 541	66 864	66 992	67 821	<b>68 615</b>
Iran (joint venture)^	51 353	51 814	52 114	52 747	<b>53 268</b>
Sudan	9 215	9 109	8 839	9 042	<b>9 313</b>
Afghanistan	5 973	5 941	6 040	6 033	<b>6 034</b>
<b>Total subscribers</b>	<b>276 206</b>	<b>281 620</b>	<b>284 900</b>	<b>289 112</b>	<b>290 633</b>



# MTN Group Limited

Quarterly update for the period ended 31 March 2023

## ARPU

(Local currency)

Country	1Q 22	2Q 22	3Q 22	4Q 22	1Q 23
<b>South Africa</b>	93.26	93.79	91.84	94.20	<b>88.65</b>
Postpaid	133.46	132.63	129.86	128.30	<b>125.57</b>
<i>Postpaid (excluding telemetry)</i>	267.75	265.89	260.97	260.90	<b>258.83</b>
Prepaid	70.35	70.56	68.93	71.31	<b>64.67</b>
<b>Nigeria</b>	2 080.55	2 094.90	2 158.60	2 352.80	<b>2 319.20</b>
<b>SEA</b>					
Uganda	10 841.00	11 027.00	11 280.00	11 537.00	<b>11 504.00</b>
Rwanda	2 474.87	2 603.60	2 756.86	2 656.00	<b>2 676.06</b>
Zambia	31.59	35.74	38.92	38.73	<b>37.26</b>
South Sudan	2 514.13	2 421.96	2 414.51	3 221.95	<b>3 395.93</b>
Botswana (joint venture)	65.00	67.00	68.79	70.00	<b>73.87</b>
eSwatini (joint venture)	108.78	111.02	111.79	112.45	<b>103.09</b>
<b>WECA</b>					
Ghana	29.08	28.04	27.86	32.05	<b>33.16</b>
Cameroon	2 209.00	2 209.00	2 221.61	2 346.39	<b>2 286.73</b>
Côte d'Ivoire	1 797.27	1 789.24	1 753.89	1 745.25	<b>1 587.74</b>
Benin	2 974.19	2 998.52	3 113.17	2 921.05	<b>2 927.70</b>
Guinea-Conakry	17 382.42	18 181.79	22 337.09	21 181.23	<b>21 418.38</b>
Congo-Brazzaville	3 158.30	2 985.23	3 210.28	3 204.97	<b>3 123.89</b>
Liberia	3.67	3.89	3.91	4.07	<b>3.91</b>
Guinea-Bissau	1 011.21	1 100.04	995.12	1 024.87	<b>925.94</b>
<b>MENA</b>					
Iran (joint venture)	379 010.89	432 089.91	477 165.10	406 324.57	<b>485 376.07</b>
Sudan	802.86	1 070.64	1 353.30	1 673.01	<b>1 866.96</b>
Afghanistan	156.86	165.66	169.08	164.48	<b>162.33</b>

# MTN Group Limited

Quarterly update for the period ended 31 March 2023

## ARPU

(US dollar)

Country	1Q 22	2Q 22	3Q 22	4Q 22	1Q 23
<b>South Africa</b>	6.06	6.01	5.41	5.34	<b>5.00</b>
<b>Nigeria</b>	4.99	5.01	5.04	5.28	<b>5.03</b>
<b>SEA</b>					
Uganda	3.06	2.97	2.94	2.94	<b>3.09</b>
Rwanda	2.40	2.53	2.64	2.49	<b>2.44</b>
Zambia	1.78	2.07	2.40	2.31	<b>1.91</b>
South Sudan	5.82	5.33	3.94	5.07	<b>4.48</b>
Botswana (joint venture)	5.74	5.51	5.41	5.49	<b>5.63</b>
eSwatini (joint venture)	7.07	7.11	6.58	6.38	<b>5.82</b>
<b>WECA</b>					
Ghana	4.27	3.54	2.95	2.40	<b>2.69</b>
Cameroon	4.00	3.60	3.45	3.63	<b>3.75</b>
Côte d'Ivoire	3.07	2.91	2.71	2.70	<b>2.60</b>
Benin	5.09	4.88	4.80	4.52	<b>4.80</b>
Guinea-Conakry	1.94	2.09	2.59	2.47	<b>2.51</b>
Congo-Brazzaville	5.40	4.86	4.95	4.95	<b>5.12</b>
Liberia	3.67	3.89	3.91	4.07	<b>3.91</b>
Guinea-Bissau	1.73	1.79	1.54	1.58	<b>1.52</b>
<b>MENA</b>					
Iran (joint venture)	1.55	1.75	1.81	1.47	<b>1.62</b>
Sudan	1.67	1.88	2.36	2.89	<b>3.16</b>
Afghanistan	1.63	1.89	1.90	1.86	<b>1.83</b>

## FINTECH KPIs SUMMARY

	1Q 22	2Q 22	3Q 22	4Q 22	1Q 23	Reported % change	Constant currency % change
<b>Transactions (Tx)</b>							
Tx volume (bn)	2.9	3.1	3.5	3.9	<b>4.1</b>	38.8	38.8
Value of tx (US\$bn)	59.9	56.4	50.4	54.6	<b>65.7</b>	9.8	64.6
<b>Wallet</b>							
Active MoMo users (m)	58.7	60.7	63.0	69.1	<b>61.7</b>	5.2	5.2
Active MoMo agents (m)	1.05	1.09	1.16	1.27	<b>1.33</b>	27.1	27.1
<b>Payments and e-commerce</b>							
Active merchants	765 211	946 249	1 029 122	1 460 709	<b>1 555 831</b>	103.3	103.3
GMV (US\$bn)	4.3	3.6	2.9	3.0	<b>3.7</b>	(13.6)	41.3
<b>Banktech</b>							
Loan value (US\$m)	280.4	341.7	416.5	377.9	<b>336.9</b>	20.2	69.9
<b>Remittance</b>							
Total value (US\$m)	573.9	540.1	536.4	568.2	<b>550.4</b>	(4.1)	36.5
<b>Insurtech</b>							
Active aYo policies (m)	4.3	4.4	4.0	4.3	<b>4.2</b>	(3.4)	(3.4)
Registered aYo policies (m)	17.4	17.9	18.0	20.5	<b>21.3</b>	22.9	22.9

# MTN Group Limited

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## AVERAGE EXCHANGE RATES

			ZAR:LC strengthening/ (weakening) %
<b>ZAR: local currency</b>	<b>1Q 23</b>	1Q 22	
Nigerian naira	<b>26.03</b>	27.14	(4.1)
Iranian rial	<b>16 921.11</b>	15 861.21	6.7
Ghanaian cedi	<b>0.69</b>	0.44	56.8
Cameroonian franc	<b>34.41</b>	38.01	(9.5)
Ugandan shilling	<b>210.13</b>	230.18	(8.7)
South Sudanese pound	<b>42.55</b>	28.11	51.4
Sudanese pound	<b>33.22</b>	31.38	5.9

			LC:USD strengthening/ (weakening) %
<b>USD: Local currency</b>	<b>1Q 23</b>	1Q 22	
South African rand	<b>17.70</b>	15.38	(15.1)
Nigerian naira	<b>461.16</b>	417.30	(10.5)
Iranian rial	<b>299 999.28</b>	243 877.63	(23.0)
Ghanaian cedi	<b>12.26</b>	6.78	(80.8)

# MTN Group Limited

Quarterly update for the period ended 31 March 2023

## REVENUE

Rm

Country	1Q 22	2Q 22	3Q 22	4Q 22	1Q 23	Reported % change	Constant currency % change
<b>South Africa</b>	12 243	12 536	12 480	13 381	<b>12 624</b>	3.1	3.1
<b>Nigeria</b>	17 351	17 880	20 054	21 975	<b>21 829</b>	25.8	20.6
<b>SEA</b>	4 416	4 498	5 013	5 415	<b>5 345</b>	21.0	17.7
Uganda	2 341	2 357	2 605	2 823	<b>2 991</b>	27.8	16.6
Rwanda	771	824	966	966	<b>955</b>	23.9	14.1
Zambia	689	745	938	944	<b>763</b>	10.7	5.7
South Sudan	585	579	492	669	<b>623</b>	6.5	61.8
Business Group	30	(7)	12	13	<b>13</b>	(56.7)	(58.1)
<b>WECA</b>	12 603	11 715	12 023	11 938	<b>12 708</b>	0.8	10.7
Ghana	5 335	4 553	4 418	3 725	<b>4 187</b>	(21.5)	23.3
Cameroon	1 864	1 827	1 918	2 118	<b>2 219</b>	19.0	7.8
Côte d'Ivoire	2 137	2 131	2 209	2 441	<b>2 475</b>	15.8	4.8
Benin	1 650	1 624	1 695	1 799	<b>1 953</b>	18.4	7.2
Guinea-Conakry	420	365	447	436	<b>427</b>	1.7	(15.8)
Congo-Brazzaville	812	786	876	911	<b>938</b>	15.5	4.6
Liberia	312	359	395	441	<b>436</b>	39.7	21.1
Guinea-Bissau	73	70	65	67	<b>73</b>	0.0	(8.8)
<b>MENA</b>	1 177	1 367	1 677	1 991	<b>2 168</b>	84.2	73.7
Sudan	716	834	1 093	1 389	<b>1 576</b>	120.1	133.8
Afghanistan	461	533	584	602	<b>592</b>	28.4	3.1
<b>Joint ventures</b>							
Iran	1 865	2 181	2 451	2 066	<b>2 353</b>	26.1	33.8
Botswana	283	236	294	285	<b>287</b>	1.4	(2.0)
eSwatini	110	113	114	117	<b>112</b>	1.8	1.8
<b>Equity accounting exclusion</b>	(2 258)	(2 530)	(2 859)	(2 468)	<b>(2 752)</b>		
<b>Head offices, GlobalConnect and eliminations</b>	375	506	903	1 002	<b>746</b>		
<b>Total</b>	48 165	48 502	52 150	55 702	<b>55 420</b>	15.1	15.0
Hyperinflation	(58)	882	1 359	301	<b>121</b>		
<b>Total including hyperinflation</b>	48 107	49 384	53 509	56 003	<b>55 541</b>	15.5	15.0

# MTN Group Limited

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## SERVICE REVENUE

Rm

Country	1Q 22	2Q 22	3Q 22	4Q 22	1Q 23	Reported % change	Constant currency % change
<b>South Africa</b>	9 974	10 071	10 147	10 656	<b>10 108</b>	1.3	1.3
<b>Nigeria</b>	17 308	17 840	20 006	21 869	<b>21 744</b>	25.6	20.4
<b>SEA</b>	4 369	4 450	4 929	5 354	<b>5 287</b>	21.0	17.7
Uganda	2 330	2 339	2 574	2 793	<b>2 959</b>	27.0	15.9
Rwanda	758	818	956	955	<b>945</b>	24.7	14.8
Zambia	668	722	897	925	<b>747</b>	11.8	6.6
South Sudan	583	578	490	668	<b>623</b>	6.9	62.2
Business Group	30	(7)	12	13	<b>13</b>	(56.7)	(58.1)
<b>WECA</b>	12 555	11 665	11 978	11 877	<b>12 669</b>	0.9	10.8
Ghana	5 320	4 539	4 406	3 704	<b>4 173</b>	(21.6)	23.2
Cameroon	1 858	1 818	1 910	2 113	<b>2 212</b>	19.1	7.8
Côte d'Ivoire	2 127	2 121	2 199	2 425	<b>2 468</b>	16.0	5.0
Benin	1 644	1 617	1 692	1 794	<b>1 951</b>	18.7	7.4
Guinea-Conakry	415	361	441	432	<b>423</b>	1.9	(15.6)
Congo-Brazzaville	809	783	874	906	<b>934</b>	15.5	4.5
Liberia	310	356	393	437	<b>435</b>	40.3	21.5
Guinea-Bissau	72	70	63	66	<b>73</b>	1.4	(7.6)
<b>MENA</b>	1 172	1 361	1 670	1 982	<b>2 158</b>	84.1	73.6
Sudan	713	830	1 088	1 382	<b>1 569</b>	120.1	133.8
Afghanistan	459	531	582	600	<b>589</b>	28.3	3.0
<b>Joint ventures</b>							
Iran	1 813	2 143	2 405	2 020	<b>2 288</b>	26.2	33.8
Botswana	280	233	290	282	<b>284</b>	1.3	(2.2)
eSwatini	106	108	110	113	<b>106</b>	0.0	0.0
<b>Equity accounting exclusion</b>	(2 199)	(2 484)	(2 805)	(2 415)	<b>(2 678)</b>		
<b>Head offices, GlobalConnect and eliminations</b>	378	502	905	1 004	<b>744</b>		
<b>Total</b>	45 755	45 890	49 635	52 742	<b>52 710</b>	15.2	15.1
Hyperinflation	(58)	879	1 352	298	<b>121</b>		
<b>Total including hyperinflation</b>	45 697	46 769	50 987	53 040	<b>52 831</b>	15.6	15.1

# MTN Group Limited

Quarterly update for the period ended 31 March 2023

## EBITDA MARGIN

Country	1Q 22	2Q 22	3Q 22	4Q 22	1Q 23	Constant
	%	%	%	%	%	currency
<b>Group</b>	46.4	44.1 <sup>#</sup>	45.4 <sup>∅</sup>	40.1 <sup>~</sup>	<b>43.7<sup>^</sup></b>	43.9
<b>South Africa</b>	39.9	39.5	39.0	35.7	<b>36.1</b>	36.1
<b>Nigeria</b>	54.6	52.6	53.6	52.1	<b>53.3</b>	53.3

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

<sup>∅</sup> Excludes impairment of Afghanistan PPE and intangibles (R97 million).

<sup>~</sup> Excludes gain on disposal of SA towers (R112 million) and impairment of Afghanistan PPE and intangibles (R221 million).

<sup>^</sup> Excludes gain on disposal of SA towers (R16 million) and impairment of Afghanistan PPE and intangibles (R181 million).

## CAPITAL EXPENDITURE

Rm

	1Q 22	2Q 22	3Q 22	4Q 22	1Q 23
IFRS 16	10 699 <sup>~</sup>	17 822 <sup>~</sup>	10 705 <sup>~</sup>	17 568 <sup>~</sup>	<b>14 806</b>
IAS 17	7 048	10 030	6 759	14 403	<b>6 375</b>

<sup>~</sup> 2022 IFRS 16 capex has been restated to reflect contract modification in existing lease agreements for RAN (Radio Access Network) sharing agreements in MTN South Africa.