

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 2024

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

We have 288 million customers in 18 markets and are inspired by our belief that everyone deserves the benefits of a modern connected life.

Highlights

- Group service revenue decreased by 18.8% (up 11.1%*)
 - Voice revenue decreased by 32.2% (down 1.4%*)
 - Data revenue decreased by 14.7% (up 20.2%*)
 - Fintech revenue increased by 11.4% (up 25.0%*)
- Total subscribers increased by 1.0% to 287.6 million
- Active data subscribers up by 7.8% to 149.2 million
- Active Mobile Money (MoMo) monthly active users (MAU) up by 6.2% to 65.5 million
- Data traffic increased by 36.2% to 4 359PB
- Fintech transaction volumes increased by 18.3% to 4.8 billion and transaction value up by 11.2%* to US\$72.3 billion

* Constant currency information after accounting for the impact of the pro forma adjustments as defined and included throughout this Stock Exchange News Service of the JSE Limited (JSE) (SENS) announcement.

Rm	1Q 24	1Q 23	% change reported	% change constant currency
Group service revenue	42 901	52 831	(18.8%)	11.1%
– South Africa	10 413	10 108	3.0%	3.0%
– Nigeria	10 269	21 744	(52.8%)	31.8%
Group EBITDA[^] (before once-off items)	17 295	24 265	(28.7%)	3.9%
– South Africa [#]	4 519	4 554	(0.8%)	(0.8%)
– Nigeria	4 090	11 627	(64.8%)	(1.9%)
Group EBITDA margin	37.9%	43.7%	(5.8 pp)	(2.5 pp)
– South Africa [#]	34.9%	36.1%	(1.2 pp)	(1.2pp)
– Nigeria	39.5%	53.3%	(13.8 pp)	(13.8 pp)
Capital expenditure (capex, IFRS 16)	8 996	14 806		
– Capex (ex-leases)	5 385	6 375		
– Capex intensity (ex-leases)	11.8%	11.5%		

[^]Group earnings before interest, tax, depreciation and amortisation.

[#]Excludes any once-offs including gains and losses on disposals.

Unless otherwise stated, financial and non-financial growth rates are presented on a constant currency basis and are year-on-year (YoY, three months to March 2024 versus three months to March 2023).

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 who 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 5 megabytes. MoMo users are 30-day active users. Non-financial numbers included in this quarterly update are reported excluding Afghanistan in the base year following the Group's exit in February 2024. MTN Afghanistan results have been disclosed up to February for 2024 as a result the 2023 comparatives include the results for the two months ending February 2023.

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Group President and CEO Ralph Mupita comments

Resilient performance in a challenging macro

“The macro environment in first quarter of 2024 remained challenging with ongoing high inflation as well as local currency devaluations in some of our key markets. Although still elevated, we are encouraged by the abating trend in the blended rate of inflation across our footprint, which reduced to 13.7% in Q1 2024; compared to 18.5% in Q1 2023 and 15.4% in Q4 2023. In Nigeria, we saw strong underlying commercial momentum in the business, despite the financial impacts of the sharp devaluation of the naira and continued elevated inflation during the period.

Global geopolitical tensions remained elevated and a factor impacting our performance. This included the ongoing civil war in Sudan, which severely affected network availability and revenue generation in our business in that market. We were also impacted by cable cuts that resulted in downtime for significant subsea cables connecting the African continent, particularly in West Africa.

Operational execution and performance

We invested capex (ex-leases) of R5.4 billion year-to-date (YTD) in our networks and platforms, with a capex intensity of 11.8% in the period. We drove data traffic and fintech transaction volumes growth of 36.2% (up 32.2% excluding JVs) and 18.3% respectively.

The Group delivered an increase in service revenue of 11.1%, driven by steady growth from MTN South Africa (MTN SA, up 3.0%); as well as strong performances in MTN Nigeria (up 31.8%*), MTN Ghana (up 32.4%*) and MTN Uganda (up 19.4%*). Excluding MTN Sudan (down 83.2%*), which remains impacted by civil war conflict conditions, the Group service revenue growth in Q1 would have been 13.3%*.*

Our subscribers increased by 3.0 million to 287.6 million. Base growth was hampered by subscriber registration regulations in Ghana and Nigeria, as well as a decline in subscribers in Sudan amidst the ongoing conflict. Active data subscribers were up by 7.8% (to 149.2 million), supporting increased traffic and data revenue growth.

MoMo active users increased by 6.2% to 65.5 million (up 8.1% to 62.2 million, excluding OTC) as advanced services continued their strong growth trajectory with a 63.3% YoY growth relative to basic services (up 16.9%* YoY). Rwanda, Uganda, and Nigeria were the main contributors to the 40.1% increase of active merchants to 2.2 million in Q1. Transaction volume and value increased by 18.3% and 11.2%* respectively, supporting the 25.0%* YoY growth achieved in service revenue.*

Overall Group EBITDA increased by 3.9%. The EBITDA margin declined by 2.5pp* to 38.1%* (Q1 2023: 40.6%*), impacted by upward pressure on costs due to inflation and forex depreciation mainly in Nigeria, network resilience costs and electricity tariff escalations in MTN SA and the impact on operations from the conflict in Sudan. Through the execution of our expense efficiency programme, we realised efficiencies of R430 million in Q1.*

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Balance sheet and liquidity positions

The Group net-debt-to-EBITDA ratio of 0.5x, as at 31 March 2024 (31 December 2023: 0.4x), remained well within our loan covenant limit of 2.5x. Our net interest cover of 5.6x, was also within covenant thresholds. Holding company (Holdco) leverage, at 1.7x (31 December 2023: 1.4x), was impacted by foreign exchange movements and lower upstreaming from operations.

We upstreamed cash totalling R718 million from our operating companies (Opcos) in, which is a seasonally softer quarter. Despite the headwinds, we continue to maintain a healthy liquidity position, with headroom of R39.1 billion as at 31 March 2024.

Outlook and priorities

Our trading environment is anticipated to remain challenging in the near-term, with inflation remaining elevated in some of our key markets, local currencies under pressure and the civil war in Sudan expected to continue. The medium to longer-term structural growth opportunities for data adoption and financial inclusion remain strong and as such, we will continue to be guided by our capital allocation framework, manage near-term risks and remain focused on executing on our strategic priorities to deliver on our medium-term guidance.

MTN SA will continue to execute on its priorities, including execution of device initiatives within the trade and price-ups in prepaid and fixed-wireless access (FWA), to drive the recovery in its service revenue and EBITDA margin towards medium-term guidance ranges by the end of Q4 2024.

MTN Nigeria is focused on maintaining its commercial momentum, accelerating service revenue growth, unlocking operational efficiencies, and strengthening the balance sheet to improve the profitability of the business. Further detail on this is on page 5.

MTN Ghana will continue to focus on achieving operational excellence, which will help safeguard its margins and drive sustained bottom-line growth in the medium to long term.

In our platforms, we will leverage partnerships to accelerate ecosystem growth and ramp up commercial monetisation. We will also continue the work to bring in further minority investments into our platforms. The commercial initiatives with Mastercard will ramp up in Q2 2024, with sequential launches across markets through the remainder of the year.

We will continue to explore further localisations in key markets of Uganda and Ghana over the next few quarters, as we look to meet regulatory requirements in those markets.

We will continue to drive the efficiencies in our business to maintain our balance sheet flexibility and drive return accretion. In particular, we are working to accelerate expense efficiencies, in terms of which we target R7-8 billion over the next three years. We also remain focused on cash upstreaming from our Opcos and anticipate an improving trend in cash received from our markets in coming quarters. This will support efforts to return Holdco leverage back to within the 1.5x guidance over the medium term.

We revise down our anticipated capex (ex-leases) deployment for 2024 to R28-33 billion, largely due to a reduction in expected spend by MTN Nigeria. We remain focused on our strategy execution to deliver on our medium-term guidance”.

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Any forward-looking financial information disclosed in this quarterly update has not been reviewed or audited or otherwise reported on by our external auditor.

Certain information presented in this quarterly update constitutes pro forma financial information and constant currency information. This pro forma financial information and constant currency information has not been audited or reviewed or otherwise reported on by MTN's external auditor. The responsibility for preparing and presenting the pro forma financial information and constant currency information for the completeness and accuracy of the pro forma financial information and constant currency information is that of the directors of MTN. This is presented for illustrative purposes only. Because of its nature, the pro forma financial information and constant currency financial information may not fairly present MTN's financial position, changes in equity, and results of operations or cash flows.

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.

The Group's quarterly update is 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.

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Outcomes of MTN Nigeria's Extraordinary General Meeting (EGM)

MTN Nigeria's EGM was convened on 30 April 2024 in order to articulate the management team's plans to address the negative net asset position as reported in the audited financial statements for the period ending 31 December 2023.

The MTN Nigeria Board approved the implementation of initiatives geared towards safeguarding the business fundamentals and prospects. These initiatives include: (i) pursuing regulated tariff increases through engagements with authorities; (ii) driving margin recovery through accelerated top-line growth, with a focus on executing on the expense efficiency programme; (iii) optimising capex deployment targeting capex intensity in the upper single digits; (iv) reducing US\$ exposure with a focus on MTN Nigeria's outstanding letters of credit (LC) obligations; and (v) exploring strategic options to manage its tower lease obligations.

The full notice, along with more detail on the abovementioned initiatives, can be viewed at: <https://www.mtn.ng/investors/announcements/>.

Operational review

Listed Opcos' published Q1 2024 results

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

- **MTN Nigeria:**
https://www.mtn.ng/investors/financial-reporting/?report_cat=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 South Africa

MTN SA's Q1 performance was resilient in a challenging operating environment. Economic growth remained muted, with the IMF having recently downgraded its 2024 growth outlook to below 1%. More encouragingly, inflation showed signs of abating, with Q1 averaging 5.4% (Q1 2023: 7.0%), within the top-end of the South African Reserve Bank (SARB) target range of 3-6%.

There was also an improvement in the frequency and severity of power outages, with a total of 83 days of loadshedding experienced during the quarter, compared to 90 days in Q1 2023. MTN SA's investment in resilience has yielded excellent results, notably the significant improvement in network availability.

In this context, MTN SA achieved solid **service revenue** growth of 3.0%, with all key business segments showing positive momentum from 2023. In a tough and competitive trading environment, MTN SA grew the total number of subscribers by 3.3% YoY, to 37.1 million.

With the significant improvement in network availability compared to Q1 2023 and a greater bundle consumption of voice compared to data, the decline in total outgoing **voice** revenue improved to -5.0%; compared to declines of 16.0% in Q1 2023 and 9.8% in Q4 2023.

The development of **data** revenue was impacted by the initiatives implemented to recover legacy Xtratime data advance balances through data bundles. This partly resulted in relatively muted data revenue growth of 2.5%. Data continued to be a key growth driver for the business and showed strong underlying momentum as active data users grew by 6.1% to 20.4 million YoY.

Advancing the residential strategy remains a key focus area for the business, underpinned by FWA and FTTH technologies. In addition to new Super Data offers in prepaid, MTN SA also launched new FTTH products in Q1. In addition, the business refreshed its postpaid FWA Home Internet and Mobile Internet propositions, with good uptake from customers. This underpinned growth of 34.8%, to 895k YoY, in the number of residential subscribers – including customers making use of MiFi dongles to access connectivity.

These initiatives supported overall data traffic growth of 41.7%. FWA Home Internet – which was priced aggressively in the market to accelerate penetration – was the main driver of this traffic growth. MTN SA's mobile data traffic growth (excluding FWA) was 26.5%.

An active prepaid subscriber consumed an average of 3.3GB per month (up 22.4%); an active postpaid subscriber consumed an average of 21.9GB per month (up 55.0%). Within this, a postpaid mobile user increased data consumption by 22.7% to 12.9GB per month. MTN SA is revising its above-the-line and CVM data bundle portfolios (including FWA) in Q2, to improve effective pricing.

Service revenue in **consumer prepaid** was 1.1% higher, reflecting the ongoing financial pressure on consumers and the impacts of macroeconomic factors on disposable income. Within the overall mix, XtraTime service fees showed strong growth at 52.2%, impacting somewhat on data growth although voice revenue has showed better resilience given the improved network availability and quality.

We are encouraged by the growth in **consumer postpaid** with the strong operational performance during Q1 impacted by a base clean-up during Q4 2023 and once-off releases in the prior reporting period. Postpaid service revenue increased by 2.9% during the period.

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The **enterprise** business delivered robust double-digit service revenue growth of 10.1% underpinned by growth in data, Bulk SMS and new contracts acquired in ICT.

The **wholesale** business held steady, with service revenue up by 0.8% (including incoming voice) supported by ongoing revenues from MTN SA's national roaming customers.

The **fintech** business continued to progress, with total revenue up by 57.9% (including Xtratime), underpinned by strong MoMo revenue growth from a low base. This was driven by the ongoing expansion of the product portfolio, including lending services (personal and micro loans) and international remittance.

EBITDA grew by 3.6% in the quarter, representing an expansion of 0.3pp in EBITDA margin to 36.5%, including the once-off gain on disposals. Excluding the effect of these once-off gains, EBITDA margin was 34.9% (1.2pp lower). As noted in the FY 2023 Group results release, MTN SA is front-loading the investment into the device market to support its revenue acceleration initiatives. This cost investment had a negative impact on EBITDA margin in Q1, although this is anticipated to abate in H2.

Network resilience plan completed, unwind of power as a service (PaaS) agreement

MTN SA has successfully completed the roll out of its network resilience plan. This deployment incorporated 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 deployed, and active infrastructure changes implemented.

MTN SA and IHS have reached a mutual agreement to unwind the PaaS agreement entered into in June 2022. The parties agreed – given the high levels of uncertainty around loadshedding in South Africa, which required a significant acceleration in capital investment on resilience – that it would be beneficial to both parties for MTN SA to take back the operations of backup power on its portfolio of sites.

The unwind is expected to be largely cost neutral for MTN SA and the impact has been considered in terms of the business' medium-term guidance. The tower lease agreement entered into with IHS remains in place, and IHS will continue to own and operate the tower infrastructure in South Africa.

MTN SA outlook

The remainder of the year is anticipated to continue to present macro headwinds to the MTN SA's service revenue and cost development, driven by elevated inflation and interest rates, as well as the impacts from the ongoing geopolitical volatility.

Several initiatives are underway and are being executed to navigate the prevailing conditions. These include price-ups in prepaid plans and other portfolios, as well as revision of data bundle portfolios (including FWA) in Q2, to improve effective pricing. The investment into the device market to support MTN SA's revenue acceleration initiatives is anticipated to continue in Q2, before abating in H2. This will continue to weigh on EBITDA margin in the short term.

Overall, these interventions – supported by improved network availability and expense efficiencies – are expected to underpin the recovery in MTN SA's top-line growth and EBITDA margin towards the medium-term guidance by Q4 2024.

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MTN Nigeria

MTN Nigeria released its Q1 results – published on 29 April 2024 – against the backdrop of rising inflation, ongoing naira volatility and the impact of the industry-wide directive of the Nigerian Communications Commission (NCC) for a full barring of subscriber lines not linked to their National Identity Number (NIN).

Service revenue grew by 31.8%*, ahead of average inflation in Q1, helped by some favourable base effects, but underscored the continued demand for data, voice and digital services.

Voice revenue grew by 14.3%*, supported by increased usage by customers. This growth was attributable to the successful implementation of CVM initiatives and revamped voice propositions.

Data revenue rose by 53.5%* due to improved data bundle offerings, wider network coverage and enhanced capacity. MTN Nigeria acquired additional 2 600MHz spectrum in September 2023, which enabled more efficient deployment of additional capacity to the network. Data traffic grew by 40.6% YoY, underpinned by data usage (GB per user) growth of 28.5% to 10.1GB.

Fintech revenue grew marginally by 0.3%*, impacted by the NIN requirement for Know Your Customer (KYC) validation, impacting approximately a million active wallets. Active MoMo PSB wallets declined by 566k to 4.8 million as a result of the KYC requirement and delays in Central Bank of Nigeria approvals for some commercial initiatives.

Growing adoption and increased activity within the fintech ecosystem drove a 25.6% YoY rise in transaction volume. MTN Nigeria ended the quarter with 232.3k MoMo agents, including OTC agents, reflecting a decline of 94.4k in the period. Excluding OTC transaction, there were 189.6k active MoMo agents. MTN Nigeria added over 75k merchants in Q1, bringing the total number of merchants within the ecosystem to over 400k.

The focus of MoMo PSB remains on driving consumer education and awareness, leveraging the distribution network and expanding the bouquet of offering from basic to advanced services to boost adoption and monetisation.

Digital revenue grew by 88.9%*, as the increased adoption of digital products continued to grow with user journey optimisation, revamped digital offers and the growth in the active base by 43.0%, to 16.7 million. ayoba recorded a 27.3% YoY growth to 8.5 million active monthly users.

Service revenue from the **enterprise** business rose by 52.7%*, due to increased uptake of services, particularly mobile and fixed connectivity services.

MTN Nigeria recorded **EBITDA** decline of 1.9%*, impacted by the combined effects of naira depreciation, higher consumer price index (CPI) and energy costs on lease rental, as well as the introduction of the VAT on tower leases resulted in higher operating expenses. The EBITDA margin declined to 39.5%*. Adjusting for the effects of naira depreciation on margin (negative 11.6pp), the EBITDA margin for Q1 would have been 51.0%*.

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Southern and East Africa (SEA) region

The **SEA region** delivered service revenue growth of 17.8%* YoY, supported by sustained growth in voice (up 10.2%*), data (up 26.1%*) and fintech (up 24.7%*). Total subscribers increased by 7.3% to 39.2 million with active data subscribers increasing by 20.0% to 15.3 million and MoMo active users increasing by 7.3% to 21.5 million. The blended inflation in SEA averaged 6.3% in Q1, compared to 13.3% in Q1 2023.

MTN Uganda published its Q1 results on 9 May 2024 and reported service revenue growth of 19.4%* YoY, underpinned by strong momentum in voice (up 15.6%*), data (up 22.5%*) and fintech (up 23.6%*). The subscriber base grew by 12.0% to 19.9 million.

Voice revenue benefited from increased adoption of personalised propositions targeting both on-net and off-net customers. Data revenue was supported by a 27.6% growth in active subscribers, further driven by the acceleration of megabytes per user by 31.6% due to improved network performance post the acquired spectrum deployment. Data traffic increased by 68.0%.

Fintech revenue growth was driven by a strong recovery in the loans and savings portfolio within advanced services, as well as resilience in revenue from basic services supported by MoMo float enhancement to our agents.

MTN Uganda's EBITDA increased by 25.0%*, underpinned by strong top-line growth and continued cost optimisation. The EBITDA margin held steady at 52.0%*.

MTN Rwanda, which published Q1 results on 7 May 2024, reported service revenue growth of 2.2%* impacted by the cut in mobile termination rates (MTR), which negatively impacted voice (down 23.4%*) and data (flat). Fintech revenue increased by 26.4%* YoY. Excluding the impact of MTR, service revenue growth would have been 8.0%*. The subscriber base grew by 7.0% YoY growth in the subscriber base to 7.4 million.

Voice was severely impacted by the aforementioned introduction of zero MTR, while data pricing also came under pressure as MTN Rwanda defended its market position amidst increased competitive intensity. Active data subscribers grew by 13.6% to 2.5 million subscribers, supported by initiatives to drive smartphone penetration, which reached 29.2% (Q1 2023: 23.5%).

The fintech performance was supported by the 16.8% YoY growth in MoMo active users, as well as the robust growth of advanced services revenue (up 52.9%*).

MTN Rwanda's EBITDA declined by 10.6%* with an EBITDA margin of 40.0%* (down 5.8pp* YoY). This resulted largely from the zero MTR policy and aggressive pricing in the market. Excluding the effects of the regulatory MTR cuts, EBITDA would have been up by 2.5%* YoY.

Overall, the SEA portfolio reported a flat blended EBITDA margin of 45.6%* (Q1 2023: 45.5%*).

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West and Central Africa (WECA) region

The **WECA region** delivered service revenue growth of 11.6%* largely driven by data (up 26.2%*) and fintech (up 23.4%*). Total subscribers increased by 0.3% to 72.3 million with active data subscribers increasing by 10.8% to 36.7 million and active MoMo users increasing by 3.4% to 34.0 million.

The average blended inflation for the region abated to 11.8% over the period, from 19.8% in 2023, as Ghana subsided from an elevated level. Excluding Ghana, WECA inflation was 4.1% for the period (Q1 2023: 5.2%).

MTN Ghana, which published Q1 results on 30 April 2024, delivered service revenue growth of 32.4%* supported by data (up 59.9%*) and fintech (up 31.2%*). Mobile subscribers increased by 1.2%, impacted by the SIM re-registration exercise completed in 2023. This brought the total number of subscribers to 27.8 million by the end of Q1.

Voice revenue growth was broadly flat with 0.8%* YoY growth, impacted by pending regulatory approvals in support of our ongoing price optimisation initiatives. The growth in data was supported by the implementation of pricing initiatives in Q4 2023 and a 6.0% YTD (since December 2023) increase in megabytes consumed per active user per month, which consequently led to a 16.3% YoY growth in data traffic over the period.

MTN Ghana's fintech performance was underpinned by growth in the active user base and driven by growth in cashout services, P2P and advanced services.

EBITDA increased by 31.6%* YoY, with a relatively stable margin of 55.9%* (0.4pp lower) in the context of high inflation, which impacted fuel, rent and utilities.

MTN Côte d'Ivoire's service revenue decreased by 2.0%*, largely underpinned by 7.6%* growth in data revenue. Performance was impacted by the regulation allowing the extension of unused data to roll-over to the next month, as well as the large-scale undersea fibre cuts in March 2024. Fintech revenue (up 1.7%*) was affected by lower MAU, which declined by 27.5% YoY. Initiatives are in place to address customer churn through an improved agent, merchant and customer app, with enhanced security.

The regulatory environment in Cote d'Ivoire remains challenging and engagements with the relevant authorities are ongoing to address the impact of increased price-based competition in the sector.

The EBITDA margin increased by 7.3pp* to 36.2%*, supported by strong execution on the expense efficiency programme.

MTN Cameroon reported solid service revenue growth of 15.3%* notwithstanding socio-economic headwinds, rising inflation and disruptions caused by the undersea fibre cuts. CVM initiatives continued to drive growth in voice (up 3.8%*), data (up 21.4%*) and fintech (up 37.0%*) revenue, despite increased pricing competition in the market. The EBITDA margin for MTN Cameroon improved by 6.3pp* to 40.3%* due to strong topline growth and expense efficiency.

WECA reported a 21.1%* increase in EBITDA and a blended EBITDA margin of 41.1%*, up by 3.2pp*. Excluding MTN Ghana, the WECA markets reported a 2.8pp* increase in the blended EBITDA margin to 32.0%*.

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Middle East and North Africa (MENA) region

The **MENA region's** service revenue declined by 54.6%* YoY due to the ongoing conflict in Sudan and the disposal of the MTN Afghanistan in February 2024. The total number of subscribers (excluding Irancell) decreased by 38.8% to 5.7 million, with active data subscribers decreasing by 54.2% to 1.6 million.

MTN Sudan service revenue declined by 83.2%* YoY, as the situation in-country remained volatile. EBITDA recorded a loss of R179 million, impacted by the ongoing civil war, which severely hampered network availability, as well as inflationary pressure on costs. These effects were mitigated through revenue recovery initiatives underpinned by restoration of the network where it was safe to do so, as well as expense efficiencies.

MENA reported a blended EBITDA margin of 3.8%*, down from 42.7%*, reflecting the impact of lower service revenue and from Sudan and disposal of MTN Afghanistan.

MTN Irancell, our minority-held and equity-accounted JV, delivered service revenue growth of 51.8%*, supported by increased data usage. The EBITDA margin remained flat at 41.9%* as costs were impacted by high inflation and currency devaluation.

The **Iran Internet Group** continued its strong performance in Q1 to March 2024. Ride-hailing app Snapp remained the market leader, ranking among the top ride-hailing apps globally and reaching 5 million daily rides compared to 4.1 million rides in 2023. Last-mile delivery service Snappbox also remained the market leader with revenue up 92% YoY and daily orders increasing by 27% YoY to almost 420k. Food delivery app Snappfood grew revenue by 108% YoY and remained the largest player in the country.

Scaling our platforms

Building the largest and most valuable fintech platform

Fintech revenue increased by 25.0%* YoY driven by Ghana, Cameroon and South Africa. Advanced services (up 63.3%*) continue to accelerate with strong growth relative to basic services (up 16.9%*). The contribution of advanced services to total MoMo revenue rose to 30.1% (up 6.6pp).

Active MoMo users increased by 6.2% YoY to 65.5 million; excluding OTC customers in Nigeria, we closed at 62.2 million representing a growth of 8.1% YoY; largely driven by Ghana, Uganda, South Africa, Rwanda and Benin.

Active agents were 9.3% lower to 1.2 million, as we focused our distribution efforts to prioritise the recruitment and retention of higher-quality agents. Active merchants – a key driver of our advanced services strategy – grew by 40.1% to 2.2 million; with Rwanda and Uganda being key drivers of merchant additions in Q1.

The development of our overall fintech ecosystem continued to exhibit strength and resilience with a 18.3% increase in **transaction volumes** to 4.8 billion transactions, and **transaction value** up by 11.2%* to US\$72.3 billion.

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Key fintech verticals

Our **payments and e-commerce** ecosystem performed strongly and grew revenue growth by 44.6%* YoY, supported by the growth in merchants and unique-payer activity. The total value of MoMo merchant payments rose by 32.6%* YoY to US\$4.7 billion.

In **BankTech**, we facilitated a total loan disbursement value of US\$371.7 million, representing YoY growth of 17.4%*. The growth was underpinned by the maturity of partner-led lending products and the launch of new products in our key markets. Uganda and Ghana were the key drivers of the performance driving growth in both total loan disbursement and unique users utilising the service.

The total value of **remittances** sustained its strong momentum and increased by 63.5%* YoY to US\$883 million in Q1. This was driven by growth in the number of active corridors as well as improved customer experience and focused digital marketing activities. Outbound corridors grew by 237% to 155 and inbound corridors rose by 75% to 583.

Our **InsurTech** platform aYo, within our strategic alliance, reported growth in registered aYo policies by 12.4% to 23.9 million. Positive performance has been contributed by the SA device insurance book and stronger focus on high priority markets.

Ayoba

In Q1, our super app platform ayoba grew its user base by 33.7% YoY to 35 million MAU. This growth is attributed to the higher adoption and retention rates achieved, fuelled by an enhanced user experience in the communication suite. We also enhanced our content offering that includes music, channels and games. Nigeria, our largest market, reached 8.5 million MAU, growing users by 27.3% YoY.

In the quarter, ayoba's focus was on launching new B2B services and continuing to ramp up commercial monetisation through display ads, premium sales and payments.

Our MAU base outside the traditional MTN GSM footprint grew to 11.3 million, a 78.1% YoY growth highlighting platform's ability to scale as an OTT.

Bayobab (MTN GlobalConnect)

Bayobab is a digital ecosystem enabler, providing wholesale telecom services through its Communication Platforms and Fibre networks. Q1 presented significant challenges, including the conflict in Sudan, local currency volatility and the well-documented cable cuts, which resulted in downtime for eight significant subsea cables connecting the African continent. The impacts from these cuts included major simultaneous outages on the west coast of Africa of four main cables, which we successfully restored within a few days. This was achieved using its existing redundant capacity links, as well as the newly installed Equiano cable.

MTN Group Limited

Quarterly update for the period ended 31 March 2024

In this context, Bayobab delivered a resilient financial performance with consolidated total revenue of US\$138.2 million (down 3.9%, YoY), of which external revenue was US\$79.0 million (down 6.7%). The Communication Platforms' external revenue declined YoY by 6.5%, impacted by the Sudan conflict and naira devaluation (which affected traffic and pricing). The Fibre segment's external revenue was 8.2% lower impacted by cable cuts and as some contracts came to completion.

During the quarter, Bayobab secured new fixed connectivity infrastructure deals amounting to US\$5.3 million, which supported the performance. In February 2024, we also landed the 2Africa cable – stretching 45 000km across Lagos, Nigeria – which marked the fourth successful 2Africa landing.

Outlook

We anticipate that the prevailing geopolitical and macroeconomic conditions will continue to impact our business in the near term. However, the underlying operational momentum in our business remains strong, supported by our financial resilience and balance sheet flexibility. We expect to deploy capex of R28-33 billion in FY 2024 (revised down from R35-39 billion, previously) and maintain our medium-term guidance.

We are implementing interventions to safeguard the business and support our medium-term growth outlook. MTN SA is doing work to accelerate growth and improve profitability, underpinned by its resilience plan, which has significantly improved network availability.

MTN Nigeria is accelerating its commercial initiatives, including pricing optimisation and engaging with authorities to secure voice and data tariff increases. Along with the potential positive outcomes from ongoing renegotiations of towerco agreements, these activities are geared to restoring MTN Nigeria's profitability and resolving its negative equity position.

In the Markets portfolio, growth is being underpinned by strong performances in key markets like MTN Ghana and MTN Uganda; while the turnaround work is ongoing in other markets impacted by increased competitive intensity and regulatory interventions.

In our platforms, we will continue to scale the fintech ecosystem and leverage partnerships, including with Mastercard, to accelerate growth and commercial monetisation. We are also prioritising the accelerated monetisation of ayoba, as we continue to scale digital advertising.

We will continue to explore further localisations in key markets of Uganda and Ghana over the next few quarters, as we look to meet regulatory requirements in those markets.

Our financial resilience provides us with the flexibility to weather the short-term macro headwinds on our business, as well as the foundation to continue executing our **Ambition 2025** strategy. To sustain this, we target R7-8 billion in expense efficiencies over the next three years and will maintain our focused discipline on our capital allocation framework. We will maintain our focus on capturing the growth opportunities in our markets and unlocking value for stakeholders.

MTN Group Limited

Quarterly update for the period ended 31 March 2024

Q1 2024 trading update teleconference

MTN will be hosting a teleconference today, Tuesday, 14 May 2024, where we will be unpacking the Group's trading update for the quarter ended 31 March 2024. To participate, please register here:

<https://registrations.corpcam.com/mtn/registrationb.aspx?e=&pname=MTN14052024>

The accompanying data sheets can be found at:

https://www.mtn.com/financial-results/?report_cat=quarterly-results

14 May 2024

Fairland

Lead sponsor

Tamela Holdings Proprietary Limited

Joint sponsor

J.P. Morgan Equities (SA) Proprietary Limited

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Quarterly update for the period ended 31 March 2024

Abbreviations

Business Group:	Consist of internet service providers in Namibia, Kenya and Botswana
CPI:	Consumer Price Index
CVM:	Customer value management
GB:	Gigabyte
GSM:	Global System for Mobile communication
FWA:	Fixed wireless access
FTTH:	Fibre to the Home
Holdco leverage:	Holdco net debt (including MTN GC)/SA EBITDA + cash upstreaming
JV:	Joint Venture
MB:	Megabyte
NPS:	Net Promoter Score
OTC:	Over the counter
OTT:	Over the top
P2P:	Peer-to-peer
PB:	Petabyte
PSB:	Payment service bank
SIM:	Subscriber Identity/Identification Module
Towerco:	Tower companies

MTN Group Limited

Data sheets for the quarter ended 31 March 2024

SUBSCRIBERS

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Country	1Q 23	2Q 23	3Q 23	4Q 23	1Q 24
South Africa	35 924	36 739	36 798	37 431	37 094
Postpaid	8 460	8 641	8 997	9 089	9 279
Prepaid	27 464	28 098	27 801	28 342	27 815
Nigeria	76 751	77 122	77 645	79 663	77 749
WECA	72 133	72 737	71 304	72 751	72 317
Ghana	27 447	27 302	25 840	26 798	27 785
Cameroon	10 817	11 069	11 051	11 291	11 452
Côte d'Ivoire	16 641	16 699	16 981	16 988	16 236
Benin	7 843	8 116	7 780	7 710	7 304
Guinea-Conakry	3 179	3 297	3 281	3 419	3 172
Congo-Brazzaville	3 278	3 376	3 507	3 502	3 459
Liberia	2 056	2 061	2 106	2 204	2 080
Guinea-Bissau	871	816	758	838	830
SEA	37 210	37 708	38 715	39 246	39 939
Uganda	17 769	18 080	19 017	19 458	19 902
Rwanda	6 919	6 977	7 170	7 261	7 405
Zambia	7 031	7 085	6 950	6 886	6 866
South Sudan	2 540	2 565	2 580	2 711	2 872
Botswana (joint venture)	1 862	1 908	1 936	1 880	1 859
eSwatini (joint venture)	1 089	1 092	1 062	1 050	1 035
MENA#	62 581	61 374	59 273	59 890	60 461
Iran (joint venture)^	53 268	53 191	53 945	54 189	54 760
Sudan	9 313	8 183	5 778	5 700	5 700
Total subscribers	284 599	285 679	284 185	288 979	287 561

Excludes MTN Afghanistan.

MTN Group Limited

Data sheets for the quarter ended 31 March 2024

ARPU

(Local currency)

Country	1Q 23	2Q 23	3Q 23	4Q 23	1Q 24
South Africa	88.65	90.04	89.25	94.63	89.26
Postpaid	125.57	124.92	122.37	121.95	117.31
<i>Postpaid (excluding telemetry)</i>	258.83	260.43	259.25	262.99	255.61
Prepaid	64.67	65.63	64.78	70.16	65.08
Nigeria	2 319.20	2 404.80	2 497.80	2 788.40	3 018.30
WECA					
Ghana	33.16	38.04	41.85	44.63	46.23
Cameroon	2 286.73	2 360.42	2 393.59	2 542.02	2 500.61
Côte d'Ivoire	1 587.74	1 582.43	1 500.85	1 476.13	1 544.73
Benin	2 927.70	2 794.35	2 772.66	2 818.35	2 862.18
Guinea-Conakry	21 418.38	18 811.47	17 835.57	16 616.71	14 042.07
Congo-Brazzaville	3 123.89	3 241.63	3 318.65	3 248.51	3 186.41
Liberia	3.91	4.00	3.88	3.86	3.73
Guinea-Bissau	925.94	1 003.80	870.55	1 116.84	1 181.31
SEA					
Uganda	11 504.00	11 273.00	11 640.00	11 833.00	12 318.00
Rwanda	2 676.06	2 790.22	2 970.67	2 677.85	2 529.18
Zambia	37.26	40.53	44.22	45.61	31.15
South Sudan	3 395.93	3 486.93	3 929.99	3 738.19	4 407.07
Botswana (joint venture)	73.87	68.63	68.00	67.46	65.00
eSwatini (joint venture)	103.09	102.00	105.76	112.42	105.94
MENA[#]					
Iran (joint venture)	485 376.07	536 406.00	586 336.00	595 972.11	718 760.00
Sudan	1 866.96	1 351.98	1 046.99	1 359.32	467.27

[#] Excludes MTN Afghanistan.

MTN Group Limited

Data sheets for the quarter ended 31 March 2024

ARPU

(US dollar)

Country	1Q 23	2Q 23	3Q 23	4Q 23	1Q 24
South Africa	5.00	4.79	4.82	5.05	4.74
Nigeria	5.03	4.69	3.24	3.36	2.18
WECA					
Ghana	2.69	3.24	3.61	3.73	3.67
Cameroon	3.75	3.90	3.96	4.17	4.14
Côte d'Ivoire	2.60	2.61	2.48	2.42	2.56
Benin	4.80	4.62	4.59	4.62	4.74
Guinea-Conakry	2.51	2.21	2.10	1.95	1.65
Congo-Brazzaville	5.12	5.36	5.49	5.33	5.27
Liberia	3.91	4.00	3.88	3.86	3.73
Guinea-Bissau	1.52	1.66	1.44	1.83	1.96
SEA					
Uganda	3.09	3.03	3.15	3.12	3.18
Rwanda	2.44	2.45	2.49	2.15	1.96
Zambia	1.91	2.15	2.27	1.97	1.23
South Sudan	4.48	3.78	3.92	3.56	3.43
Botswana (joint venture)	5.63	5.03	5.11	5.05	4.76
eSwatini (joint venture)	5.82	5.43	5.71	6.01	5.63
MENA#					
Iran (joint venture)	1.62	1.41	1.56	1.57	1.82
Sudan	3.16	2.32	1.84	1.74	0.45

Excludes MTN Afghanistan.

FINTECH KPIs SUMMARY

	1Q 23	2Q 23	3Q 23	4Q 23	1Q 24	Reported % change	Constant currency % change
Transactions (Tx)							
Tx volume (bn)	4.1	4.2	4.4	4.9	4.8	18.3	18.3
Value of tx (US\$bn)	65.7	69.5	68.5	68.4	72.3	10.1	11.2
Wallet							
Active MoMo users (m) excl. OTC	57.5	56.7	58.2	63.3	62.2	8.1	8.1
Active MoMo users (m) incl. OTC	61.7	60.5	63.5	72.5	65.5	6.2	6.2
Active MoMo agents (m)	1.33	1.28	1.29	1.34	1.21	(9.3)	(9.3)
Payments and e-commerce							
Active merchants	1.56	1.54	1.84	2.08	2.18	40.1	40.1
GMV (US\$bn)	3.7	3.9	4.3	4.2	4.7	28.2	32.6
BankTech							
Loan value (US\$m)	337.9	381.3	574.4	605.5	371.7	10.0	17.4
Remittance							
Total value (US\$m)	550.4	931.9	935.7	930.4	883.3	60.5	63.5
InsurTech							
Active aYo policies (m)	4.2	4.5	4.3	4.1	3.7	(10.8)	(10.8)
Registered aYo policies (m)	21.3	22.1	22.8	23.5	23.9	12.4	12.4

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Data sheets for the quarter ended 31 March 2024

AVERAGE EXCHANGE RATES

ZAR: local currency	1Q 24	1Q 23	ZAR:LC
			strengthening/ (weakening) %
Nigerian naira	72.61	26.03	178.9
Iranian rial	21 065.63	16 921.11	24.5
Ghanaian cedi	0.67	0.69	(2.9)
Cameroonian franc	32.11	34.41	(6.7)
Ugandan shilling	205.14	210.13	(2.4)
South Sudanese pound	66.84	42.55	57.1
Sudanese pound	58.91	33.22	77.3

USD: local currency	1Q 24	1Q 23	LC:USD
			strengthening/ (weakening) %
South African rand	18.81	17.70	(6.3)
Nigerian naira	1 364.70	461.16	(195.9)
Iranian rial	397 110.58	299 999.28	(32.4)
Ghanaian cedi	12.59	12.26	(2.7)

MTN Group Limited

Data sheets for the quarter ended 31 March 2024

REVENUE

Rm

Country	1Q 23	2Q 23	3Q 23	4Q 23	1Q 24	Reported % change	Constant currency % change
South Africa	12 624	12 793	12 664	13 726	12 966	2.7	2.7
Nigeria	21 829	21 984	14 768	15 689	10 347	(52.6)	32.3
WECA	12 708	14 515	14 877	14 939	15 050	18.4	11.7
Ghana	4 187	5 240	5 600	5 744	5 753	37.4	32.5
Cameroon	2 219	2 470	2 521	2 695	2 749	23.9	15.6
Côte d'Ivoire	2 475	2 690	2 575	2 562	2 604	5.2	(1.9)
Benin	1 953	2 100	2 158	1 898	2 013	3.1	(3.9)
Guinea-Conakry	427	409	392	377	311	(27.2)	(31.6)
Congo-Brazzaville	938	1 049	1 099	1 095	1 074	14.5	6.8
Liberia	436	475	462	484	452	3.7	(2.4)
Guinea-Bissau	73	82	70	84	94	28.8	20.5
SEA	5 345	5 743	6 003	5 832	5 849	9.4	18.0
Uganda	2 991	3 209	3 429	3 555	3 659	22.3	19.5
Rwanda	955	1 036	1 033	914	882	(7.6)	2.3
Zambia	763	923	955	824	731	(4.2)	17.0
South Sudan	623	562	572	539	577	(7.4)	45.3
Business Group	13	13	14	–	–	(100.0)	(100.0)
MENA	2 168	1 325	1 348	1 267	659	(69.6)	(54.6)
Sudan	1 576	669	631	608	161	(89.8)	(83.2)
Afghanistan	592	656	717	659	498	(15.9)	1.0
Bayobab	2 743	3 203	2 298	3 233	2 633	(4.0)	(9.4)
Joint ventures							
Iran	2 353	2 162	2 381	2 469	2 840	20.7	50.8
Botswana	287	299	286	295	296	3.0	1.6
eSwatini	112	110	113	116	108	(3.8)	(3.8)
Equity accounting exclusion	(2 752)	(2 571)	(2 780)	(2 880)	(3 244)		
Head offices and eliminations	(1 997)	(2 231)	(1 305)	(1 751)	(1 682)		
Total	55 420	57 332	50 653	52 935	45 822	(17.3)	10.7
Hyperinflation	121	330	255	4 010	(149)		
Total including hyperinflation	55 541	57 662	50 908	56 945	45 673	(17.8)	10.7

MTN Group Limited

Data sheets for the quarter ended 31 March 2024

SERVICE REVENUE

Rm

Country	1Q 23	2Q 23	3Q 23	4Q 23	1Q 24	Reported % change	Constant currency % change
South Africa	10 108	10 323	10 562	10 889	10 413	3.0	3.0
Nigeria	21 744	21 839	14 672	15 598	10 269	(52.8)	31.8
WECA	12 669	14 462	14 679	15 018	14 988	18.3	11.6
Ghana	4 173	5 221	5 574	5 719	5 729	37.3	32.4
Cameroon	2 212	2 463	2 509	2 680	2 735	23.6	15.3
Côte d'Ivoire	2 468	2 679	2 566	2 551	2 592	5.0	(2.0)
Benin	1 951	2 096	2 015	2 036	2 009	3.0	(4.0)
Guinea-Conakry	423	404	388	373	306	(27.7)	(32.2)
Congo-Brazzaville	934	1 045	1 094	1 091	1 071	14.7	6.9
Liberia	435	474	463	484	452	3.9	(2.2)
Guinea-Bissau	73	80	70	84	94	28.8	20.5
SEA	5 287	5 657	5 916	5 741	5 777	9.3	17.8
Uganda	2 959	3 157	3 377	3 496	3 615	22.2	19.4
Rwanda	945	1 024	1 020	903	873	(7.6)	2.2
Zambia	747	902	933	803	712	(4.7)	16.3
South Sudan	623	561	572	539	577	(7.4)	45.3
Business Group	13	13	14	–	–	(100.0)	(100.0)
MENA	2 158	1 322	1 346	1 263	655	(69.6)	(54.6)
Sudan	1 569	668	631	607	160	(89.8)	(83.2)
Afghanistan	589	654	715	656	495	(16.0)	1.0
Bayobab	2 743	3 203	2 294	3 231	2 630	(4.1)	(9.5)
Joint ventures							
Iran	2 288	2 125	2 327	2 413	2 778	21.4	51.8
Botswana	284	296	285	292	293	3.2	1.8
eSwatini	106	105	108	112	104	(1.7)	(1.7)
Equity accounting exclusion	(2 677)	(2 526)	(2 719)	(2 817)	(3 175)		
Head offices and eliminations	(1 999)	(2 229)	(1 162)	(1 893)	(1 683)		
Total	52 710	54 577	48 307	49 847	43 049	(18.3)	11.1
Hyperinflation	121	327	253	3 997	(148)		
Total including hyperinflation	52 831	54 904	48 560	53 844	42 901	(18.8)	11.1

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Data sheets for the quarter ended 31 March 2024

EBITDA MARGIN

Country	1Q 23	2Q 23	3Q 23	4Q 23	1Q 24	Constant currency
	%	%	%	%	%	%
Group	43.7 [#]	43.6 [∅]	41.1 [*]	34.7 [^]	37.9[~]	38.1
South Africa	36.1	36.1	37.1	34.7	34.9	34.9
Nigeria	53.3	52.9	47.8	42.1	39.5	39.5

[#] Excludes gain on disposal of SA towers (R16 million) and impairment of Afghanistan PPE and intangibles (R181 million).

[∅] Excludes gain on disposal of SA towers (R37 million), impairment of Afghanistan PPE and intangibles (R204 million) and Impairment loss on Sudan assets due to war (R207 million).

^{*} Excludes gain on disposal of SA towers (R13 million), impairment of Afghanistan PPE and intangibles (R297 million).

[^] Excludes gain on disposal of SA towers (R10 million) and impairment of Afghanistan PPE and intangibles (R217 million).

[~] Excludes gain on disposal of SA towers (R5 million), impairment of Afghanistan PPE and intangibles (R146 million), profit on disposal of Afghanistan (R920 million) and profit on sale of Cell Captive Company (R212 million).

CAPITAL EXPENDITURE

Rm

	1Q 23	2Q 23	3Q 23	4Q 23	1Q 24	Estimated 2024 Rbn
IFRS 16	14 806	18 958	10 157	19 701	8 996	38.0 – 43.0
Capex (ex-leases)	6 375	10 857	8 934	14 976	5 385	28.0 – 33.0