



MTN Group
H1 2025 Results
Presentation transcript
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Thato Motlanthe

Good afternoon to everybody. My name is Thato Motlanthe and I look after investor relations for the MTN Group. And it's my privilege and my pleasure today to invite you and welcome you to the presentation of our interim results for the period ended 30 June 2025. A very warm welcome to everyone who's joined us, all the guests that have joined us at the MTN Innovation Centre. And that includes people from the capital markets, people from the media, and of course, the MTNers across our markets and across the continent.

We're also on the usual platforms that we broadcast on. So today, we're broadcasting live on our YouTube channel, the LinkedIn channel, CNBC Africa, Business Day TV, and we welcome you all on the online channels as well. So, just as we get into the presentation, we usually start with the usual housekeeping, and you'll see on the screen that you've got the disclaimer and safe harbour slide, and that really just covers the presentation from that perspective.

In terms of health and safety, just to remind you, we've got an emergency exit to my right and one to the back of the auditorium. And then if you just get out your phones and your devices, you'll see that you've got the social media details on the screen. Our hashtag for the presentation is #MTNInterims25 and our social media handles are @MTNGroup. You'll see on the slide that you now have the QR codes for Wi-Fi access and you can use your devices now and that should linger a little bit on the screen to snap and get online.

The best part, for those who are in the auditorium today, is the refreshments that are available after the presentation. They'll be offered after the presentation in the usual place outside of the auditorium.

So, as we move on to the business of the day, I think as we gather to reflect on our results, it's worth looking back and talk about where we've come from. So, over the past three decades, MTN has grown to serve close to 300 million subscribers, and that's across 16 markets. So, to my colleagues and me, that kind of scale represents purpose. Purpose that says we want to keep people connected, we want to keep services as affordable as possible, and basically we're helping to drive the growth of the economies and the markets that we serve in.

So, as we go through today's announcement, I think we reflect upon that and the challenges that we've seen in the first half. It affects many businesses, including MTN, but I think we've been able to demonstrate once again the resilience of this business. As we continue in terms of our presentation you'll see the resilience of the business, the sustained momentum of our business performance and obviously the clear sense of purpose with which we execute on what we do on a daily basis.



So, this is how we are positioning the business and you'll see from the announcements that we did today we're positioning the business for sustained growth going forward. And Ralph and Tsholo will talk to you through how we think about these issues. So, with that, let me just get into today's agenda. Ralph Mupita, our Group President and CEO, will come up onto the stage and cover some highlights, as well as the operational and strategic review. Tsholofelo Molefe, our Group CFO, will then come up and do a financial review. And then Ralph will come back and give us some thoughts on how we think about the outlook and our prospects.

In terms of the admin for the day, if you're on the webcast and you're asking questions, please use that platform to ask questions, which we'll facilitate in terms of the Q&A after the presentation. So, we thank you once again for joining us for this presentation. And I think without further ado, let me welcome Ralph to the stage, our Group President and CEO. Thank you.

Ralph Mupita

Thanks very much, Thato. You said the highlights would be drinks after the presentation. I thought it would be Tsholo and myself! Thanks very much to all of you who have joined us here at 14th Avenue. And to our shareholders and stakeholders more broadly who join us on the virtual platforms, we trust that you've had the opportunity to look at our SENS that we released this morning. Two separate documents, one detailing the financial performance of the company and the operations and other matters, and the second taking a view on strategy, the context of our strategy and how we are beginning to think beyond 2025. And I'll touch on some of those elements. So, we trust that you've started to digest all of that information, and the presentation that Tsholo and I will make in the next 45 minutes or so will give you more colour on the performance.

I'd like to first thank the MTNers, 17,000 across 16 markets, who have been hard at work over the last six or so months in a very challenging macro. I think all of us know that we are operating in a very uncertain and volatile geopolitical context and that has a second-order effect into the markets that we operate in. And without those 17,000 MTNers, I don't think we would have had these set of results, a pretty clean set of financial results that Tsholo will share. And we are very pleased with the progress that the company has made in the six months to the end of June.

We see five key messages in terms of where the business is. Starting off with the point that we have a very robust performance in the first half, good commercial execution across our markets, and a disciplined approach to allocating capital. We allocated just under R21 billion equivalent of capex across our markets, pushing quite a lot in Nigeria, so that pushed our capex intensity closer to 19%, so slightly above our range of 15% to 18%. But this was intentional in the context of Nigeria as we had tariff increases which we then promised to the authorities that we'll do a lot of work



improving the quality of experience in order to balance the tariff increases that we would have benefited from.

In Ghana also, the capex number is buoyed a little bit by currency appreciation, something we hardly talk about in emerging markets, appreciation. So that's what's been behind the capex profile which Tsholo will talk to. We've had a very stable macro in the period. In Nigeria, the naira was pretty much at ₦1,500 odd. Inflation is coming down. In Ghana, you saw that you had a strengthening of the currency. The cedi was more than 15 to the dollar. Now it's 10 and the rand was pretty well behaved. So, the operational execution quality that is always in the business is now being highlighted by a macro that is more conducive and more supportive, and hence the robust H1 set of results.

So, looking at the topline, and Tsholo will take us into more detail, very strong topline growth that we achieved, 22%. Medium-term guidance up until the upgrade that we've given now, kind of think of it as 15%. So, quite a bit of headroom above our usual guidance. Fintech, we're pleased that the ecosystem continues to expand and we're seeing good traction on progress around the structural separations. More work to be done in the second half.

And then on Nigeria again, we had a five-point plan that we committed to stakeholders that we would execute after the challenges of Q1 of last year. We said there are five priorities. We can't control the macro, but we are going to be very disciplined in terms of working through it. And thanks to Karl, Modupe, Ayham, the broader team, as well as the board of Nigeria, for staying focused on the execution. I think we're seeing the progress.

On current assumptions about macro and how we're seeing the performance of the business as we exit Q3, we think we're going to get back. We're going to close the negative equity position. It helps us build out the distributable reserves. Those distributable reserves allow us to pay dividends. So, the dividend-paying capacity for Nigeria has been brought forward to what we had said to you in Q1.

And the final point is that we have enhanced the guidance. At the Group level we have increased the topline. South Africa, we've made the guidance a bit wider to deal with the competitive issues that we're seeing, particularly in the prepaid, and I'll explain that a little later.

Tsholo will cover the financials, but maybe just to pick on some of the salient points. The growth obviously has been powered by the two structural growth trends that we see in the business – data and fintech. And the data revenue was very strong. Part of it obviously supported by the growth



that we've seen from Nigeria which had a service revenue growth of 54% and saw a very strong growth both in data and in fintech.

On the earnings side, it's pleasing to see the earnings trajectory bounce back. Adjusted headline earnings at 657 cents, really good growth that is bringing us back to where we think we should be post the challenges of last year. The balance sheet continues to be very resilient and it's supported by the capital allocation framework that we have. And Tsholo will take us into the detail of that. And then on the returns, it's pleasing to see the operating free cash flow again grow back. I think we are very encouraged. Lots of work done also around working capital from Tsholo and the team and the finance teams. We really appreciate all the work. So, a very pleasing set of results that I'll ask Tsholo to talk to a little bit later.

So, let's just get into the operations. Firstly, South Africa. I think South Africa at the macro level, I think there's not too much to say. Growth remains sluggish across South Africa. I think we all aspire for growth to be at least 3%. When you sit in the BLSA-type forums, [the question is] what is it that will get us to growth that is labour-absorbing and the right levels of growth? So, we're still seeing very muted growth. The currency has been pretty stable, inflation is very low. The key standout feature for us is the competitive intensity. Both ourselves, Telkom, Vodacom, I think going at it in terms of the prepaid market. And as we had signalled at the beginning of the year that we were going to have a fairly tough Q1 and Q2 in South Africa from our perspective. Charles and team have been taking on a bit more of an aggressive approach towards that competitive context, and hence the logic of what you'll see in terms of the guidance that we've put out.

So, the activities have all been fashioned around price optimisations. We're looking at device strategies, partnering around devices. Because the key thing is we ultimately want a data-capable handset in the hands of every single South African. We ideally want to be able to switch off 2G networks in due course, because the capex we're investing is to support data traffic and data monetisation. And in the period we deployed R3.2 billion of capex, and the network resilience and the quality remains super strong.

Service revenue at 2.3%. Inside that 2.3%, you'll see a print of 4.3% for data. Data in Q2 was better than the overall for H1. It was about 4.8%, if my memory is correct. So, seeing some momentum in data, both for prepaid and postpaid. And the initiatives that we spoke to you about that we will take on regionalisation of offers, looking at the various regions, we spoke to you about where we're seeing competitive intensity per region. That work is ongoing. But for the half, we saw 2.3%, and this was pretty much in line with what we had expected.



Nigeria have already released their results, and much of what I have on the slide. You'd all appreciate the macro context that I set out, a much more benign macro. Liquidity is there if you want the dollars, willing buyer, willing seller. It is available at 1,500 odd. And we're seeing inflation pressures really easing. The MPC, the policy is very clear, very clear communication from the CBN. I think it's bringing a lot of confidence into that market.

A standout feature from a regulatory perspective has really been around the SIM registration, around third-party agents, and Karl and Modupe covered that. Key activities have been implementing the 50% tariff increases. As we said, at the end of Q1, that the benefits of the tariff increases, we should start seeing into Q2. And that came in in the way that we've seen the service revenue growth at 54%.

From a margin perspective, we also benefited from the renegotiation of the IHS and ATC tower deals last year. So, we're now benefiting from those, and some of those discounts that we discussed are beginning to flow through and will support the enhanced guidance that was communicated where we are now seeing EBITDA margins of at least 50%-plus for the year. And looking broader than this year, medium term, you start to see that the margins between the 50% to 53% re-establishing the EBITDA guidance that we had before the challenging macro conditions of last year.

As I said, we accelerated capex in Nigeria. Why? We made commitments to the NCC that we would deal with all the issues of quality of service where there were uplink and downlink issues, dropped calls, etc. We went and we've agreed with the NCC on a clusterised approach of measuring QOS. In Nigeria they call it QOE, quality of experience. It's the same thing as quality of service. So, I said to Karl, let's put all the capex in for QOS and for capacity. So, therefore you see the Nigeria capex intensity a little bit elevated. The Nigeria capex in H2 will moderate back towards more the guidance level.

But what did we see there? Very strong data monetisation. Data traffic coming at 41%, service revenue coming quite strongly at 54%, and in that, data growing much more strongly. Voice also had a good performance in Nigeria, and we've sustained the network leadership that we always seek in a market like Nigeria.

Looking at the rest of the portfolio in terms of the markets, the key thing is we've seen sustained commercial performance. In particular, a standout is the active data growth that is growing ahead in a region like SEA, well ahead of subscriber base. So, subscribers grew 6.5%, active data subscribers just under 17%. And then on WECA, a similar dynamic. Subscribers are quite muted,



but with handset strategies and our offers, we're seeing more people actively using the internet, and there you see a 13% growth in the WECA region.

Also on MoMo, active users growing in SEA, 9.4%, and also in WECA, 3.8%. I think what is quite interesting about the markets is if you look at the total number of active subscribers, more than 50% of our subscribers more generally in those markets are fintech subscribers, Ghana and Uganda obviously standing out as markets there.

The key fintech story is continuing to scale the ecosystem plus progress with structural separation where we have focused on Uganda, Ghana and for the balance of the year we'll also talk about Nigeria. What do I pull out of these results? The advanced services, which are the future-proof products that we believe will sustain growth and profitability over the medium term, these grew at 42%. So, we're talking about payments, remittance and banktech-type products. These are the ones that have sustained. And the transaction volume is a very pleasing \$212 billion through our network. So, continuing to see the ecosystem and our fintech business progressing.

We also wanted to update you as stakeholders on what we've been focused on from a regulatory and legal perspective. And we put some commentary in our SENS document on both domains. So, starting with regulatory, SIM registration. Karl would have spoken to you about third-party agent new SIM registration which we are adhering to, so that's been an area of focus for us. I spoke about quality of service, but you have a quality-of-service set of issues across various markets. For example, in Rwanda there were quality-of-service issues that we had to deal with, specifically in Kigali, where the 3G cells were shrinking and creating a quality-of-experience set of issues. So, we put a bit more capex there to ensure that we're meeting the quality of service as it's a licence obligation.

Taxation policies, this is a big topic by the so-called G6, the six biggest operators on the continent, which we are part of. And we've been beginning to talk to the authorities as a single voice to say if we want to build and drive a digital economy across Africa that really lifts the people, we have to think about taxation policies in particular, because there are taxes that become a disincentive for let's say bringing in handsets into a market, etc. And also, we've been dealing with closing tax matters, prior year tax matters, as Tsholo will talk about, in a market like Uganda.

On the legal side, there are three specific developments that we put in our SENS that I would just like to talk to you about. The first one is the Turkcell matter. The Turkcell matter has been ongoing. There's been quite a lot of media commentary about it. And I think, as we said in the SENS, the Supreme Court of Appeal upheld our view that the matter needed to be heard under Iranian law,



so that was upheld. But EAC got a favourable ruling around jurisdiction, and we've gone to appeal that to the Constitutional Court. We'll see how that develops.

ATA cases, there are five of them. They started in 2019/2020 and Lele and Okyerebea, our legal team, are dealing with that and more recently on the Chand and Davis matter, they've amended their complaints. They amended the complaint on the 6th of August and we have time to file a motion to dismiss. So, in that case, the merits of the cases have not yet been determined. All the arguments are around jurisdiction. Cases in the US have to argue jurisdiction, and once you're passed that, you go into merits discovery. So, we are still at all cases still pretty much there.

Today we also updated the market that our US counsel was approached by the United States Department of Justice. We said we're willing to engage. They've asked for a request of information, and that request of information is really about two markets. That's really Afghanistan and Iran. And we've started a process of voluntarily engaging with them. And we're not being accused of any wrongdoing. And so, this matter as it develops, we will update the market on in the near future.

So, before I hand over to Tsholo, I just wanted to comment again on the very strong H1, pleasing to see pretty much a lot in the green. On SA, as I mentioned earlier on, we've revised the guidance in a way to reflect the competitive dynamics and what we're seeing today. So, just to provide a bit more clarity around the service revenue guidance. The previous service revenue guidance was 'mid-single digits', and I think as the market that you are, you probably read it as 4% to 6%, because we haven't been explicit about that. But I think 'mid-single digits' sounds like that.

So, what we're saying now it's 'low- to mid-single digits'. So, we still are aiming to get towards the top-end, but we have widened to reflect where we are today. You see we're 2.3%. It's not saying that we believe we are going to see the performance sustain there. We're just being realistic with where we are for a 2.3% print. It means that we're slightly lower than the 4%.

On the margin side, we've said we're going to bring the margin down slightly. I think the way to read that is that we're taking a bit of investment to, particularly in the prepaid market, to fight back around distribution and incentive. We have to do that tactically and we're not going to do it on a sustained basis. So, we're giving ourselves a little bit of headroom in the near term. But the medium to longer term, we really believe we can get back. The key area of focus is really around prepaid. So, with that, let me pass over to Tsholo. I'll come back with the outlook and priorities for the balance of the year. Over to Tsholo.

Tsholofelo Molefe



Thank you very much, Ralph, and good afternoon to everyone joining us this afternoon for the results. We are really delighted to be presenting a very strong set of financial results for H1 2025, really underpinned by our focused execution as well as disciplined capital allocation. Let me just start by giving you an overview of our key financial messages that we'd like to leave you with, and these are the things I will unpack as I do the presentation.

The first point that I would like to note is that we've seen a very pleasing momentum in our key financial metrics, highlighted by acceleration in both topline growth, margin expansion as well as other financial KPIs.

Secondly, you will see improvement in our quality of earnings. This was delivered through good execution and in the context of more stable macroeconomic conditions in our key markets. Notably, we saw better stability in local exchange rates as well as easing inflation trends.

The third message is that we maintained a laser focus on ongoing execution of our expense efficiency programme, and we delivered R1.5 billion in savings in the first half and cumulatively R5.3 billion since we started in 2024. Our free cash flow growth was robust as well in the period, and I will unpack this further. But in brief, it reflects the turnaround in profits and the success of our cash management initiatives.

And finally, we sustained the health of our balance sheet and the financial flexibility that is really central to our operational as well as strategic execution. It also ensures that we remain on solid footing, responding effectively to evolving market conditions.

If I then move on to the next slide, taking a closer look at the positive momentum in our financial results, you can see across several key performance indicators that we've seen a good improvement on a sequential basis from Q1 to Q2. So, this underscores really the translation of our operational execution into tangible business results.

And just to highlight a few key ones on the slide here, in terms of topline, you will realise that service revenue growth accelerated in the second quarter to 24.9% growth compared to 19.8% in the first quarter. And in this regard, we had good broad-based performance across several of our Opcos, notably in MTN Nigeria.

EBITDA also improved in the second quarter, with margin ticking up to 44.3% in the second quarter versus 44% in the first quarter, underlying the disciplined focus on efficiencies in support of our topline acceleration. In terms of our leverage ratios, these remained within comfortable



thresholds. And you can see that consolidated net debt to EBITDA improved in Q2, coming down to 0.5x, while Holdco leverage remained stable at 1.5x.

Of course, this was supported by the improved cash upstreaming from the Opcos. That was also much stronger when you look at the profile. And you will see that we saw an improvement in the second quarter to R6.3 billion from R1.9 billion, and I'll give you more colour later. So, in a nutshell, I think this also provides a good overview of the impetus in our financial trajectory, and I will move on now to review the different elements of our financial results.

So, as we turn to the details of our financial performance on the summary here, you will see that service revenue growth on a reported basis grew by 23.2%, while in constant currency it was up 22.4%, ahead of our medium-term guidance that we provide to the market. Reported EBITDA advanced by a pleasing 60.6% and by 42.3% in constant currency, really reflecting both strong revenue momentum but also margin expansion achieved through rigorous cost management. This enabled a 7.1 percentage point improvement in our constant currency EBITDA margin to 44.2%, up from 37.1% same period last year.

So, with respect to other key movements, net finance costs, as you can see, declined 69.1% to approximately R7.1 billion, which was really testament also to the prudent management of our balance sheet and the benefits of lower FX impacts that we saw mainly in Nigeria and Ghana. In the table, you will also see an increase in income tax to about R9 billion. And this was mainly as a result of the turnaround in our profits before tax to R21.3 billion from a loss position that we reported last year.

Beyond that, you see the tax line was also impacted by the reversal of the deferred tax asset and a settlement with the revenue authorities in Uganda that Ralph referred to earlier on. You would note that the non-controlling interest line also swung from positive to negative year on year, and this was primarily due to the turnaround in MTA Nigeria to profitability.

At the bottom line then you'll see that earnings per share as well as headline earnings per share were up by more than 200% and 300% respectively, resulting in the underlying growth in our adjusted headline earnings by about 76% to now 657 cents per share. I will talk you through more of the earnings performance later, but this strong growth was reflected also in the improvement in our adjusted return on equity, which reached 21.5% from 20.2% in the same period last year.

Now, if I move on to the analysis of our group service revenue, I noted already the 22% growth in constant currency. And you'll see that the main contributors to this were the strong momentum in data within our connectivity platform, as well as fintech as we continue to work to scale our



platform business. As I run you through the chart, please remember that these are presented in constant currency. And I will highlight the main drivers here.

So, data revenue rose by 34%, driven largely by higher data traffic, underpinned by continued investment of our network and execution of our commercial strategies. Data accounts now for 45% of total group service revenue in the period, up from 40.9% in the first half of last year. Voice revenue increased 11.6%, really boosted again by MTN Nigeria on the back of price increases, but looking across the portfolio, overall demand for voice was resilient in the first half with traffic up 11% year on year. The other key drivers were fintech revenue, which grew by 24.9%, mainly in Ghana, Uganda, as well as Rwanda, and I'll provide more colour again in a later slide.

If I now walk you through some of our larger Opcos, and I'll start with MTN South Africa, the performance was resilient in the first half, amid competitive pressure, as well as pressure from the economic environment as a whole. MTN SA service revenue grew by 2.3%, led by growth in consumer postpaid, wholesale, as well as enterprise segments. Data revenue grew by 4.3% in the first half with some good momentum in the second quarter, accelerating to 4.8% compared to an increase of 3.9% reported in the first quarter.

Most of you would be aware of the pressure that we're experiencing on the voice segment in South Africa, in the South African market, and the revenue from MTN SA was 2.2% lower, this is being managed by the business, and again, there is some encouragement in the second quarter trend, where the rate of decline somewhat abated to 2% versus 2.3% in the first quarter.

Digital service revenue declined by 2.1%, impacted by lower prepaid recharges, but wholesale revenue increased by 3.1%, mainly due to growth in fixed data. Although fintech revenue in South Africa eased by 2.4%, there was encouraging growth in insurance services, and the Opco has now launched new propositions to accelerate advanced services. Other service revenue, which incorporates enterprise, ICT, as well as bulk SMS, was also higher at 7.8%, really driven by new enterprise client acquisitions in this space.

Looking now at the expense profile, total costs overall were down 5.8%, mainly due to a reduction in cost of sales of 15%. And this was due to lower device cost of sales in the period on the back of reduced sales in prepaid but as well as off-balance sheet device-financing initiatives to support the postpaid segment. Operating expenditure increased by 6.8% and this included increases in provisions relating to the performance share plan as a result of the share price movement. If we include these impacts, opex was broadly flat year on year, really highlighting the ongoing efforts in terms of our cost management programme.



Consequently, EBITDA decreased by 3.9% on a reported basis and was down 3.6% if we excluded these once-off items. This resulted in a steady year-on-year EBITDA margin of 36.5%. MTN SA also launched some initiatives to accelerate the topline and continues to work on its expense efficiency programme to support the profitability.

And then in terms of capex, MTN SA capitalised about R3.2 billion in the first half excluding leases, with capex intensity of 12.6% and trending in line with our guidance to the market. We had indicated that the capex in SA was expected to be lower this year following the completion of our network resilience programme that was completed in the previous year.

Now, if I move on to MTN Nigeria briefly, which was reported on the 30th of July this year, just to recap the performance: service revenue increased by 54.1% year-on-year, demonstrating broad-based momentum here from all segments. Data led to this topline result, where revenue rose by 68.5% and voice was also very strong, growing by 39.9%. In addition to strong execution by the team, the performance as you know by now was also boosted by price increases and these were implemented mostly in the second quarter, especially for data.

Expenses were about 19% up in aggregate, below local inflation as well as below topline development. And this really underscores the impact of ongoing expense efficiencies in the business, including the benefits of the renegotiated tower leases that we concluded last year. It also reflects the benefits of a more stable macroeconomic environment, such as the local exchange rates, as well as easing inflation.

So, on the back of all this, EBITDA grew by a phenomenal 118%, and the margin expanded by 14.7 percentage points to 50.4%. MTA Nigeria's capex increased quite substantially to R7.3 billion, as Ralph indicated earlier. If you recall, we had reduced capex in Nigeria last year. And we've now started to accelerate network investment to enhance network capacity, coverage, as well as quality of service. And there's a bit of front loading here, but we do anticipate that there will be a normalisation in the second half, which should really benefit the free cash flow generation in MTN Nigeria.

Now just zooming on to some of our markets performance, the two key regions, SEA and WECA, reported strong overall performance. They both showed top-line growth ahead of their respective blended inflation rates. Starting with the SEA region, you will see on the left-hand side, service revenue expanded by 21.9%, with data up 41.4% and fintech up 21.7%. And SEA's EBITDA margin improved by 3.1 percentage points at 48.1%.



Within SEA we have MTN Uganda, which continued on a positive overall trajectory, albeit with voice revenue impacted by the regulatory mobile termination rate cuts. Service revenue, however, expanded by 13.3%, supported by strong growth in data and fintech, with EBITDA margin up 2.2 percentage points to 53.7%. It is also worth calling out within SEA, MTN Zambia, albeit still small within the region, which is really showing early signs of recovery as we continue to put some investments in to sustain this.

Now in terms of the WECA region, on your right-hand side, service revenue rose by 17%, led by a 29.5% increase in data and a 26.4% uplift in fintech revenue. Combined EBITDA margin improved by 4.0 percentage points to 45.8%. MTN Ghana within WECA delivered service revenue growth of 39.9%, and EBITDA margin expansion of 2.5 percentage points to 58.5%. They reported results also in July, again worth calling out the continued robust performance of this business, which now contributes meaningfully to the Group overall.

Elsewhere in the WECA region, a couple of opcos also worth calling out are MTN Cameroon, which reported good results and positive momentum, as well as MTN Côte d'Ivoire, where the benefit of the work that we've been doing there to recover the performance is starting to yield some results. So overall, I would say it was a very strong financial outcome for these markets as well in the period.

Now if I briefly move on to the fintech segment, as you can see, we achieved growth in service revenue, as I indicated, of 24.9% against the backdrop of increased competition across some of the markets. The results were also primarily driven by strong performance coming from Ghana, Uganda, as well as Rwanda. And within this segment, the MoMo revenue, which is the mobile money revenue which excludes airtime advance, rose by 25.6%. And this was supported by significant acceleration in advanced services, which grew 42%, which now contributes overall 28% from 25% last year.

Basic services, as you can see, went up 18.8%. Airtime advances grew by 21% overall, and this segment is still contributing to the overall growth of the fintech platform as we prioritise scaling the advanced services faster. In terms of EBITDA margin for this segment, this was also a pleasing outcome, and the profitability of the business is striking ahead of the mid- to upper-30% range that we have communicated previously.

Now, moving on to our Group expenses, we are really pleased with the overall cost management within the Group, which supports the strong financial results that we are reporting today. So, total expenses growth was contained to 5.5% in constant currency, with cost of sales down marginally by 0.4%. And this was largely due to lower device cost of sales in South Africa, as I mentioned



earlier. The Group operating expenses increased by 10.4% in constant currency, mainly driven by network as well as staff costs, and this was achieved against blended average inflation rate of 14% across the portfolio.

Once more, it is worth noting that the relative stability in our external environment also assisted, resulting in reduced impacts from FX volatility and inflationary pressures. In terms of our EEP on the right-hand side, I noted earlier that we realised R1.5 billion and cumulatively we've been able to achieve R5.3 billion against a target that we've given of R7 billion to R8 billion over three years from 2024. So, we're quite comfortable that we are on a path to achieve that. MTN Nigeria accounting for 78% of the savings and incorporating savings particularly from the renegotiated tower leases as I indicated. So, on the whole, we are well positioned and tracking well to meet our target as I indicated.

Now if I can move on to our adjusted headline earnings performance and recon. As I mentioned earlier, the improved commercial results and stable macro drove a 232% increase in attributable earnings per share to 539 cents, which was a really strong recovery from the loss of 409 cents in the first half of 2024. The main item impacting our H1 2025 was an impairment loss of 104 cents coming from Sudan operations in terms of Sudan impairment.

After accounting for this and other small adjustments, our headline earnings per share rose by 352% to 645 cents, moving from a loss of 256 cents last year. Headline earnings was also impacted by several non-operational factors amounting to a net of 12 cents, and these are listed in the table, as you can see. Adjusted headline earnings per share growth was therefore 76% to 657 cents, after making all these adjustments from a non-operational item perspective.

Now turning on to our capex profile, as we said, we've accelerated capex mainly from Nigeria. We spent about R20.8 billion excluding leases, representing a capex intensity of 19% and slightly above our targeted capex intensity of 15% to 18%. The increase in expenditure, as I indicated, was largely driven by the acceleration in Nigeria as well as the impact of the stronger Ghana cedi against the rand, which also drove higher capex in our reporting currency.

In addition to the investment made in Nigeria, which represent 35% of the total envelope, we also saw MTN South Africa contributing 15% of the capex, and the WECA region about 39%, of which the majority of that came from Ghana. We are also committed, as we've indicated, to allocate our capital in a disciplined manner with a focus really on maximising returns for shareholders and also sustaining the long-term value creation.



Just to move on to our free cash flow in the next slide, you will see that our operating free cash flow was robust at a 106% increase to R20.5 billion before spectrum and licence acquisitions, reflecting the strength of our underlying business and our cash management initiatives. This was achieved on the back of a stronger reported EBITDA performance as you see there and despite the acceleration in capex that I just spoke about.

So, from a cash flow perspective, there was an outflow of R22 billion towards capex investment guided by our value-based capital allocation. After spectrum and licences, as well as accounting for net interest and taxes paid, we generated a pleasing net free cash flow of R6.7 billion, which was up almost fourfold compared to the previous financial year.

Let me just conclude with an overview of our leverage as well as liquidity profile. Starting on the left-hand side of the slide, you will see that our consolidated group leverage net debt to EBITDA improved to 0.5x as at the end of this period, compared to 0.7x at the end of December, with Holdco leverage remaining steady at 1.5x. And the proportion of non-ZAR debt at the holding company level was now approximately 17%, remaining well within our medium-term upper limit that we guided of 40% for foreign currency denominated borrowings. Of course, this also helps us to minimise the forex volatility risk.

Also pleasing was the cash upstreamed from our Opcos, in total R8.2 billion in the first half, including R3.6 billion coming from Ghana and R1.6 billion from South Africa and the balance coming from various other markets. It has also underpinned our liquidity headroom, which stood at R39 billion with healthy cash balances as well as committed undrawn facility.

Now turning to the right-hand side of the slide, in terms of our maturity profile, this is something that we review on an ongoing basis and manage quite actively. And we're really grateful for the support of the debt markets in terms of our funding activities, which we believe signals confidence in MTN's financial position during trying times as well.

We raised R1.8 billion during the first half under the Domestic Medium-Term Note programme to refinance maturities for the year, and we continue to explore the options to settle the remaining Eurobond which matures towards the end of next year, 2026. So, we will update you on this as and when appropriate as we do work to look at options there. So, overall, we are comfortable with the shape of our balance sheet and we are within comfortable thresholds in terms of resilience and flexibility of our financial profile.

So, just in summary, we have a strong momentum in our financial performance with an acceleration in our topline underpinning the robust growth in our earnings as well as cash flows.



And we are committed to continue to deliver value for our stakeholders through prudent financial management as well as disciplined capital allocation to be able to drive growth and returns for our shareholders. With that, I will end here and hand over to Ralph.

Ralph Mupita

Thanks very much, Tsholo. To close off, just to look at the outlook and priorities that we have in the near term and over the medium term. The macro outlook, I won't spend too much time on this, you have your own data sets in terms of what you're looking at, but I guess it's clear that we'll continue to operate in an environment of uncertainty and volatility. The trade tariffs that are at play, and these have transmission mechanisms that ultimately impact the business.

But what we have seen is an improved macro in some key markets. Stability in Nigeria, improvement in Ghana, pretty stable. And that's been helpful to see the operational performance translate into financial results. These forecasts, you will have your own, we take these from Standard Bank, IMF, etc. But our sense is that particularly in our key markets, the macro will continue to be fairly stable.

The regulatory environment is evolving. I think particularly in South Africa, we've always been on this point that to really drive investment in digital economy, actually market consolidation is necessary. And I think some of the developments in the near term are encouraging as we look over the medium term.

Our priorities have not changed. I won't go through each and every one of them. Coming back to South Africa, we're going to continue to focus on growing the business. The revised guidance is just extending the lower end of the range to reflect the reality, but the top end of the range remains in place. So, we're saying that in the near term, that's how you should see the range is a little bit wider, but the team's aspirations are always to be at the top end.

Nigeria, just sustain the metronomic execution that the team are deploying in that market, sustaining network leadership and investing sufficiently and importantly for us to make sure that we deal with the QOE issues and work with the NCC and the industry more. There's momentum in the markets cluster. The heavy lifting is done by Ghana and Uganda and both markets delivered a quality set of results. I think if you take the tax settlement out of Uganda, I think you see an underlying very strong performance there.

I mentioned accelerating the fintech strategy. Structural separations will be of focus for us. We've got through the shareholder process in Uganda, working through the regulators. We're going through the same process in Ghana this month. Nigeria, we'll come to that Q3, Q4.



Tsholo spoke about all our initiatives around expense and capital efficiency. And then on the balance sheet side, as to Tsholo's concluding comments, it's very resilient, and the cash upstreaming that has come up is giving us comfort that the Holdco, we have enough cash balances for all the needs from a capital allocation point of view as a group.

As I said, one key data point is the improving position of the negative equity and the distributable reserve position in Nigeria. It's been very encouraging. And if we sustain the execution with the macro, we kind of pull forward the anticipation of Nigeria coming back to dividend paying.

As you'd have seen in our SENS announcement, the second SENS announcement had to start off with the context of strategy. As we get towards the end of 2025, the board and the management team have been deliberating how does the world look three to five years out, and how do we need to align ourselves to the opportunities that we continue to see around the demands for data and fintech services across our African markets.

That strategic review was concluded in July and was done within the context of assessing the global macro, the geopolitical landscape, technology, and competitive contexts. And the board came to the point and resolved that the strategy remains the right strategy. We must continue to execute within that. So, I think from a strategic perspective, you won't see us coming into 2026 saying too much has changed. It's just about being metronomic and executing.

There are a couple of areas that we want to double down. And we talk sometimes, yes, the executive talk about pivots. But understand that the strategy remains the same one. And saying as we move towards 2030, we envision seeing a business in MTN that has connectivity as a platform, fintech as a platform and digital infrastructure. That's the world we're evolving to, but we're going to go through that evolution in a very deliberate and considered way and making sure that we preserve value through all of that process.

And if we do that, we are going to position ourselves as best to capture the opportunities in Africa and remain at the forefront of driving digital solutions for Africa's progress. So, within that context of a strategic review, we have announced management changes. I think the key feature is that the same team that has been executing is still the same team that we've appointed to take the strategy forward. Some people have been moved around in terms of different roles, but the aim is still to create value as we look three to five years out. And that's how we're thinking about operating and leadership. And I won't go through all the details, as you'd have seen it.



I think from a strategy perspective, we're also affirming that the investment case for MTN remains one of growth. Obviously, we've got to balance growth for our investors who are looking for both growth and income. So, we're very minded about where in the priority order dividends stack up. We've always said number one is we deploy capital to organic growth. Number two, we want to pay down the debt. I think when we resolve the US, the outstanding Eurobonds that are coming for maturity next year, then the mismatch of debt to our earnings disappears. And I think at that point, we can reassess the capital allocation framework and see how the pecking order looks.

We're not there yet, but I think you can well anticipate that number two point. Today we're down to a stock of \$500 million of debt. That was \$2 billion in 2019. So, there's been a lot of work to really improve the balance sheet and actually de-lever and reduce that mismatch. So, we're still saying capital allocation for us is still going to be focused on capturing the growth opportunities as we go beyond 2025.

And why do we believe in that investment case? It's the exciting demographics, a youthful continent, and we see it in the consumption of data products. We have a large and leading scale, predominantly number one across our markets, and in a few markets number two, and we want to push and improve on those. And we believe that we are well positioned, particularly as we focused on allocating all our resources and focus on a pan-African basis. And we think that the return profile will continue to improve over the medium term. So, ours remains post the strategic review that we believe that there is still plenty of growth out there and that compelling African growth story remains intact.

This is a slide that is four or five years old, well now it looks like six years old, that we said for us is an indirect validation of our view in terms of the demand. When you look on the left-hand side, this data traffic, 282 petabytes in the first quarter of 2019. It's now 2,000 in the period. Fintech transaction volumes in a quarter has increased from \$1.3 billion to \$5.5 billion. So, the demand is still there. We have not plateaued. There's still a lot of growth to invest and monetise, and hence the strategic perspective that we must take.

In conclusion, as I mentioned, one of the five key areas, we've enhanced the guidance. At the Group service revenue growth level, the mid-teens is now at least high teens. That's because of what we see in the near to medium term as the prospects of delivering on a constant currency basis higher service revenue, the service revenue that's higher and above inflation. We always need to see our service revenue having, you know, meaningful headroom above inflation, obviously because of the risk profile of the markets we're operating in.



South Africa, low to mid-single digits. What we've done is kept the top end the same and just pulled it back to reflect the competitive context we find ourselves, particularly around prepaid. Nigeria came out with both 2025 single-year guidance, given that we are executing better than we had thought in the first quarter of this year, and issued 2025 guidance as well as medium-term guidance, re-establishing the medium-term guidance framework that we had before the rapid devaluation of the naira. And everything else remains the same.

The board to date feels still pretty comfortable at maintaining the minimum dividend of 370 for full year. The board will be deliberating that between November and February next year to look at that number. But from where we are, we're still keeping that commitment to stakeholders. Ladies and gentlemen, thank you very much for paying attention to Tsholo and me. Tsholo used the word 'phenomenal' around one of the KPIs. And I said to her in the dry run yesterday, a CFO doesn't use the word 'phenomenal'. But we said we'll use it today. Thank you. I think these are phenomenal results from a perspective of the momentum that we've seen in the first half of the year. Thanks very much. And Thato, I'll bring you to stage to coordinate the Q&A.

Thato Motlanthe

Thanks so much, Ralph and Tsholo, for that overview. We'll get into the Q&A now and just to remind those who are on the webcast to submit your questions on there and I'll read them out. But as usual, we will start here.

Louise Pillay

Hi everyone. It's Louise Pillay from Investec. I have a few questions on South Africa as per normal. If you can comment on your market share ambitions in South Africa specifically and how you will achieve that. It appears based on your guidance that you will continue to lose service revenue market share compared to your peer service revenue guidance ambitions.

The second question is around strategic initiatives within the SA business and a review of some of the line items. Maybe if you can comment on network as a service. It seems you have missed some of your Ambition 2025 targets you set almost five years ago. Can we expect a review of your wholesale roaming agreements with Telkom and Cell C? And then I guess the third question is, you specifically mentioned scaling of FWA and FTTH in SA. How will this be achieved, organically or inorganically? Thank you.

Ralph Mupita

Four questions from one person. Louise, the four question special. Shall we answer that?

Thato Motlanthe



Go ahead. Thanks, Ralph.

Ralph Mupita

Yeah, let's frame the guidance. I'll give it another go at this. So, at the service revenue, we said that we're just widening the lower end of the range to reflect realistically where we are today. We're 2.3%. But as we compete, for sure we're pushing towards. And on the margin side, what we're basically saying is that we're going to put a bit more investment into kind of on the distribution end. So, for example, and we've already done this, we've changed ongoing commission, the so-called OGR. Our OGR levels are lower than Vodacom and Telkom. So, we said to Charles, please go ahead. Just look at OGR in terms of the distribution.

You all understand how the distribution structures work in South Africa. So, we're the lowest OGR. So, if somebody else is offering you a higher OGR as you're a dealer, and MTN is number three, that can't keep us competitive, even though we're trying to protect margins. So, we're pushing, we're investing a bit more at the dealer and at the distribution end in South Africa. I think you'll start to see that come through.

So, the lower end of the range is saying we are showing reality, because if I said to you, Louise, we're doing 4% to 6%, I haven't showed that today, have I? So, let's just lower that range. But the top remains. So, let us see how these costs of sales investments improve our market shares, yes or no. So, we are still aspiring for healthy market share. We still aspire for 30% to 35% of all net additions in the market. That aspiration has not changed. We're just wanting to be realistic around the competitive dynamics that we're seeing.

So, there's a lot of work around let's say distribution around devices. The device strategy is quite granular. We have device partners who are bringing devices and attaching the SIM and we don't have the cost of that, but we are also investing in devices. So, our aspirations remain around you know maintaining or actually growing market share, not the other way around, to be clear. I think the other point, and you must remind me because you had four questions. What was the second question again? Sorry?

Louise Pillay

Network as a service.

Ralph Mupita

Yeah, network as a service. Look, network as a service, my discussion with Charles, and this discussion will now move from Charles to Ferdi and Yolanda, is I think we have to think about the dynamics of an SA market in terms of MVNOs. So, South Africa right now, if you think about it



strategically and you step back, there are two fully invested networks in MTN and Vodacom. Two fully invested networks, okay? High quality and all of that. Telkom, with respect, have a portion of their network, and then they roam a little bit on us and on Vodacom. And then you have these MVNOs that are coming on, the banks, etc.

So, I'm not disappointed that we're missing that target, because actually, if we don't think about it strategically long term, you're putting all this capex and you're having all these MVNOs a bit like OTTs. They don't put the capex in, but they can go and give you much cheaper data than you yourself, the generator of that data, who has got the cost of production, can. So, I'm very happy to miss that because ultimately you could find yourself where Europe found itself. Go and look at the Netherlands, okay? You look at the Netherlands ten or 15 years ago, the MVNOs wrecked the market on retail pricing. So, Charles missing that, that's okay. You can mark me as red. But strategically we are not thinking about it.

So, we will go and look for the retail business, but we have a walkaway point where the pricing does not have sufficient headroom at the cost of production. We say, hey, Charles, just like leave it. Okay? We're not going to. Strategically, you need to understand that's how we're thinking about it. Because if you're not careful, you'll have a Netherlands effect. Jens, our former colleague, saw that happen live when he was in Vodafone Europe. So, on that point, I need to share some of the questions with Tsholo. Tsholo, which of those two remaining questions do you want to take?

Tsholofelo Molefe

Which one was there?

Thato Motlanthe

We'll ask Louise to repeat them, the second two. I think it was FWA.

Ralph Mupita

Oh, FWA. I can take that one. So, let me finish on the FWA. Look, we'll push on FWA. We have spectrum. As long as we have sufficient spectrum and we can get the quality almost fibre-like to a home, we'll do that. We're looking at the outdoor units, how they can help us with spectral efficiency. That we will invest to the extent that unlike Nigeria where they have 100 megahertz of 3500 spectrum, we don't have as much. But between the 2600 and 3500 we'll make a plan.

And then FTTH, in our view, and we've been consistent so we won't make it up, that FTTH medium to long term there must be some sort of consolidation opportunity that will come in one way or the other. We're not going to be building, allocating capital, we're going to have a fibre overbuild in this



country before you know it. So, that's our position. And you saw Charles and team have really pushed home as one of our highlights for the period. So, we'll continue to invest in that way.

Thato Motlanthe

Yeah, so just in the interest of efficiency, there are a couple of questions that were covered by Louise's question, but just to dovetail on that, and maybe a question for Tsholo, do you expect capex to sales – this is South Africa – to decrease significantly in the midterm given the guidance that was provided? And then back to Ralph, the second question, how do you think about pricing in South Africa in terms of your medium-term guidance outlook? So, just on capex to sales.

Tsholofelo Molefe

I mean the capex is 12.6% now. We will obviously review relative to the revised guidance, what is the acceptable range. It will definitely be below the 15% to 18% that we guided at Group. We think obviously it will be below that initially, but we'll obviously go through the business planning process now and just firm up the numbers and we'll communicate later on in the year.

Ralph Mupita

I think on the pricing side in SA you've got to think about it, prepaid, postpaid. Postpaid, the pricing regime has been quite clear. You know, there's annual and the market's quite comfortable with that. It looks more like developed markets kind of pricing. And on the prepaid side, I think we took a step which we believe is the right medium- to long-term one, that even on the prepaid side, you have to price up to reflect the inflationary costs, as you see prepaid pricing up in other markets. So, we'll still continue.

Pricing in the prepaid is obviously quite granular. 'My town offers', all of those kind of things, So you can't have a general statement on it. But I think the direction of travel over the medium term is you do need to pass some of the inflation on to the customers because obviously there's a big capex that needs to be financed there.

Thato Motlanthe

Thanks, Ralph. Just checking on the hands. Myuran.

Myuran Rajaratnam

Thank you, it's Myuran Rajaratnam from MIBFA. A question on capital intensity. Many of your major Opcos are guiding medium-term capex coming down. The intensity is coming down. What gives you the confidence that this is happening? Is it the technology is getting better? Is it getting cheaper because it's open source or something like that? Or is it the fact that you are now better



endowed with spectrum than previously? Is it a mixture of these things? Is there something else? Maybe some thoughts on that, please.

Ralph Mupita

Yeah, our framework has been clear. At a Group level, we see 18% to 15%. So, the direction of travel is down towards 15% over the medium term is what you need to think about. I mean, I guess there's a combination of factors that are market-specific, so you can't make a general statement. In a market like Nigeria, as an example, lots of spectrum. They've got good spectrum real estate. But we're also pushing FTTH in Nigeria. So, there's a big race to own the home in Nigeria, and we are taking a FWA and FTTH approach.

Big clusters in Ikoyi. There we're putting fibre. FWA elsewhere. So, Nigeria's dynamic will be different from Ghana. Ghana, they don't have 5G spectrum, so they're putting a lot of fibre. So, they have very little FWA. They're putting fibre, because the 3,500 spectrum has not been made available. So, you have to look at market by market. But if you aggregate it, I think the direction is down as a function of spectrum.

And also, the technology actually is improving capacity. These things called massive MIMO. So, some of our OEMs provide technology that helps boost capacity with the same RAM network. So, there are multiple factors, but I think the main thing is the direction of travel is your 18% to 15%. We're at a bit higher end. I think some of our peers are much lower, but we're saying that's because where we are, we're still seeing growth.

Thato Motlanthe

Thanks. Just checking in the room again if there are hands. Okay, just maybe a few questions from the webcast. Maybe a question here that covers a few relating to the DoJ investigation. Can you provide more colour on the DoJ investigation? Does it relate to the same issues as the ATA cases, Anti-Terrorism Act cases? What sort of information has the DoJ requested? And can you give us what are the next steps?

Ralph Mupita

We were as comprehensive as we can be [in the SENS] with this kind of investigation. Through our lawyers, there was a request for the information and we said we would collaborate. The request for information is related to our previous market of Afghanistan for prior years and Iran. So, that has been their request. We are talking to them. They have not accused us of any wrongdoing. And that's as far as we can disclose to you right now because anything else to your point around 'is it related to this', that would be speculation. So, we won't go into that speculation. I think the SENS is very factual and complete.



Thato Motlanthe

Thanks, Ralph. Some questions for Tsholo. In light of the significant increase in operating free cash flow, as well as the commentary around Nigeria generating positive equity quicker than expected, how does the MTN management and the board think about share buybacks? Is there an opportunity to introduce buybacks in the second half of 2025, especially given the recent sell-off of the stock price? I think that's today's sell-off.

Tsholofelo Molefe

Yeah, I mean this is a question that always comes up. And I think we've always said for us we see share buyback as a sustainable thing. We don't believe it's something that we should do once off. But we really engaged with the board in terms of what is the best way in terms of retaining returns to shareholders. And it is one of the things that we are looking at. It's certainly number five on our priority list, and not number three. But we're doing work and we will communicate at the end of the year in terms of how we think about sustainable glide path for returns to shareholders.

Ralph Mupita

Yeah, just to build on to Tsholo's comment, I did elaborate a little bit on how we think about the batting order for reduction of debt. As we assess where Nigeria comes out in this ability to repatriate, that whole batting order we'll have to review, and where do we have share buybacks. Today, as we sit at the bottom, I think in time when we look, we will look holistically at orders and when one would do buybacks. We're not close to them. Let's be clear to stakeholders. But for now, it remains there, because we're allocating capital to principally the top three in terms of organic growth, debt reduction, and dividend payments.

Thato Motlanthe

I think just on the point, there's another question, Tsholo. Funding plans for the Eurobonds, how do you think about the expiry from next year?

Tsholofelo Molefe

Yeah, I think I did cover it in my presentation. So, we are doing some work. We've already said that we want to settle the bonds or reduce them to a de minimis balance. These, the last one, 2026, expires next year. So, we will communicate as appropriate before the end of this financial year.

Thato Motlanthe

Thanks, Tsholo. A question on some other markets. Will you get inflationary price increases in Nigeria and Ghana over the next year?



Ralph Mupita

I can't say that. I'm not God. So, I think we have the continuing discussions with the authorities around inflation. So, I think what you need to take into is the process we go through. So, we have discussed in Nigeria the need to be able to pass on inflation. We've got the 50%. The process of tariff increases in Nigeria is actually regulated and in the Act. So, the Act has to change. The NCA Act has to change. But those dialogues are ongoing and I guess when we make a development.

In Ghana, we're already in a process, multi-years, because of our SMP regulation, we are defined as dominant in Ghana. And therefore, we can't push pricing down to enable the number two and number three to operate. And we've had sequential years of being able to pass on pricing quite effectively. So, there are no concerns really around Ghana. I guess the focus in Nigeria, Karl, Modupe and Ayham will be focused on the engagements at an industry level to have much more formulaic tariff adjustment regime in Nigeria.

Thato Motlanthe

Thanks. Just checking in the room if there's another hand.

Myuran Rajaratnam

Thanks. A question for Tsholo. You know, your expense efficiency programme is going well, but right now you're seeing good top-line growth. And maybe it's normal for companies to take their foot off their pedal when it comes to expense efficiency when revenue growth is coming in bundles of growth, right? So, how do we make sure that the expensive efficiency programme is still stuck to by the MTNers?

Tsholofelo Molefe

Yeah, so gosh, it's quite a rigorous programme. I always have to thank all the MTNers for all the efforts that they make because we're really on top of it on an ongoing basis. And I think if I use Ralph's analogy, it's like nails that are growing. You always have to prune them, just to make sure that they're not sticking out. So, we believe that expense efficiency, even when you're doing well, has to be an ongoing focus, and really looking at the structural, more structural and sustainable savings.

So, we're comfortable with the work that we're doing now. I mean the renegotiation of leases in Nigeria and other markets, renegotiation with other vendors. There's still work that we need to do on IT commissioning. We started the work. We're continuing the sales and distribution commission structure. So, it's an ongoing initiative in our view that we need to continue to be at.

Ralph Mupita



It's in people's KPIs. That's what helps.

Thato Motlanthe

Thanks, Tsholo. Back to South Africa. Can you explain why SA wholesale revenue has been slower? Is it not benefiting from the rapid expansion of the likes of Capitec Connect and Cell C's roaming agreement with MTN?

Ralph Mupita

Yeah, look the wholesale, as I said, it's predominantly Cell C. I think the Cell C roaming revenue we're getting is pretty much what we expected. There's nothing there to see. And we're pretty happy with the work Charles and team have done to stabilise the Cell C relationship. There were times in the past we were talking about revenue recognition for Cell C.

Telkom, I guess we're getting a decent share. We always want a little bit more on the rev share there. And Capitec sits on top of Cell C. They're not directly with us. So, that is an economic arrangement between Cell C and Capitec. We are kind of the wholesaler, so we don't see all that's coming through there. But the traffic, total traffic that is going through to wholesale, Charles, remind me if I'm... It's about 25% of your total network. Yeah. And stayed pretty much the same that 25% of the petabytes that we have in the markets are going on the wholesale so it stayed pretty stable. We haven't seen anything that's shot out in terms of demands. That's why you see the revenue profile also being pretty steady. We're not getting more petabytes for lower revenue there.

Thato Motlanthe

Thanks, Ralph. Just another question on SA. I think you touched on it earlier, but it's quite specific on SA prepaid. What are you going to be doing to accelerate SA prepaid going forward? And are you able to give a comment on how the Eastern Cape floods impacted your network there, particularly in prepaid?

Ralph Mupita

Yeah, let me answer that one. Obviously the floods, let me start, would have been a factor that affected all. And we look at our prepaid almost on a weekly basis, and we saw the dip obviously because people can't get to sites and fix them because it's difficult. I think it's a dynamic that would have affected us more generally. On the prepaid side, as I said, in terms of the medium-term guidance adjustment, we're going to put a bit more investment onto the distribution side to drive that top-line growth. That's why you see the margin impact that we think will be there in the near term.



So, we're going to have to take that fight to the market. Commissions, distribution, etc. It's the nature of the market that we have in South Africa. So, that's what will help us. Products, Charles has done a fantastic job to prune the product portfolio, town offers, looking at regional offers, etc. They're pretty much in good shape. The CVM engines are working well in terms of offers.

The big issue is at the distribution end because pretty much we have the leading network quality. So, there's nothing wrong with the network. Charles and team have done a fantastic job on network and network resilience. So, that can't be an issue. And, you know, we put capex, moderate capex. We still have very high levels of availability. So, it's that distribution.

And what happens in South Africa, which doesn't happen anywhere else, is between the MNO and the customer, there's a whole distribution infrastructure that sits there. So, what you call prepaid is not really prepaid, because there's somebody in the middle. In many ways, prepaid is postpaid in South Africa. It's prepaid everywhere else. So, that distribution is where it is.

And then you look at the competitive intensity. A couple of provinces, that's where we know... We've said there are two provinces where that intensity is very, very strong. So, we'll respond, we will respond. And that's why we're guiding the margin coming down because we're putting the cost of sales. OGR. Let's make our OGR more competitive because there's a bit of a gap. And then commissions. And I think that will drive the topline.

Thato Motlanthe

Thanks, Ralph. Just a question for Tsholo. Overall capex across your Opcos, the intensity was quite high in half one. Are you front-loading capex, or are you expecting to have a capex heavy year in 2025, which will impact your free cash flow generation?

Tsholofelo Molefe

Yeah, I think we indicated that we front-loaded MTN Nigeria specifically, but we see an easing off in particular in Nigeria, probably in the second half, and that should improve the free cash flow generation. However, overall, we've actually increased our guidance in total for the year, we said R33 billion to R38 billion. And part of that was obviously also accounting for the impacts of FX translation on a reported basis.

Thato Motlanthe

Thanks, Tsholo. And there's a question here on 5G. I'm not sure if it's market specific. Let's just talk about it in terms of the Group context. How do you think about 5G rollout and how it will impact the business going forward?

**Ralph Mupita**

Look, we'll deploy 5G where it makes sense. I don't think we have an approach where we want to cover the whole country in 5G. 4G is a very good technology, and actually to be able to discern between 4G and 5G, unless you're a machine, it's actually quite difficult. But we know 5G is important, so we'll deploy it selectively, where we think we can monetise it. Obviously in 4G, in many of our markets, we're coming to a peak of coverage. So, it will be selective and deployed where we think we can monetise it. You won't find a 5G national coverage. It's too much investment in terms of how you'll be able to monetise that. So, we'll be quite selective and actually, focus it on FWA. So, where we see the FWA opportunity, we have sufficient spectrum, we say that's how we'll attack the home. But it goes market by market. You also have obviously 2600 and under bands that can help you with it, so it's not just exclusively the conventional 5G frequencies.

Thato Motlanthe

And then just maybe related to that, a question which is, I think, strategic and financial. How do you think about capex and capex intensity with the growing entrance of Starlink and other LEO providers into your markets?

Ralph Mupita

Yeah, I think it's early days yet, and we are striking up partnerships where they make sense. We spoke about Zambia, etc. There's a need there. If you look at the geography of Zambia, it's a very sparsely populated country, hilly and so forth. So, partnership with a non-terrestrial operator makes an absolute amount of sense. But the way we think about it is that with non-terrestrial networks, there are quite compelling partnership opportunities we know will compete in parts.

But we haven't had the thought process that that should influence capex. We still see this glide path 15% to 18% over time. We're not putting any satellites up, but we will look at partnerships. Backhaul is almost a no-brainer case, particularly in some of the jurisdictions. But then in some jurisdictions, it won't make sense. But it shouldn't be influencing the way we think about capex intensity.

Thato Motlanthe

Thanks, Ralph. As we wind up, just checking if there's a last question in the room. Just a reminder that you can get some refreshments after this call. We will be seeing quite a few of you over the next few weeks in terms of the results roadshow. So, you've got the opportunity to ask questions there. And if you do have questions in the meantime, please do contact us in the Investor Relations team. Ralph, I'll give you the last word.

Ralph Mupita



Thanks very much for taking the time to spend with Tsholo and me and Thato and the broader management team. We have Charles here, Ferdi and Dineo. Selorm is here, Kholekile. The leadership team of MTN are also here. And we're pretty pleased with what we've done in H1. We're seeing that momentum being with us. The macro we can't control, but if the macro stays more broadly the same, I think you should anticipate a similar kind of performance, because we see and feel the momentum that we have operationally in the business.

So, thanks very much. And as Thato said, many of you we will see on the roadshow over the next couple of weeks, both South Africa and internationally. And any further questions, you have Thato's number and WhatsApp. You can get to him very quickly. Thank you very much.

Thato Motlanthe

Email, please. Thank you.

Edited for accuracy

END OF TRANSCRIPT