



MTN Group
Transcript of presentation of FY2025 annual
results
Monday 16 March 2026



Video

Decisions are made in real time. Transactions happen in an instant. Progress moves at the pace of now. From 1994, we've pursued one mission. To empower everyone, everywhere with the benefits of a modern, connected life. To drive Africa forward. By giving a voice to the unheard. Putting the internet into everyone's hands. To empower the unbanked. Open doors to commerce and reshape industries that transform realities. From a single nation to an entire continent, we have become part of everyday life, woven into the fabric of culture. We are everywhere you go. Because progress isn't just about technology. It's about people. People who dream, build, people who push forward, no matter the odds. Because when people move, Africa moves forward. And this is only the beginning. Africa's story is still being written. And together, we're building a future of hope, dignity and opportunity for all Africans.

Thato Motlanthe

Good afternoon to everybody and welcome to our 2025 full-year financial results. My name is Thato Motlanthe, and I look after Group Investor Relations. Welcome to all of those who've come into the room in the Innovation Centre and all those who are on our platforms, YouTube, LinkedIn, and particularly our MTN colleagues across our markets who make all of this possible.

Before we get into the order of business for today, let's just run through the usual housekeeping. First of all, you should be seeing a slide of our disclaimer and safe harbour. That covers the presentation for today. And for those physically in the room, please note that our emergency exits are at the top left, and another to my right.

For connectivity, you should be seeing the WiFi details. I'll just give you a second to connect if you haven't already. And then on the social networks, if you plan to share some of the updates online, please do use our hashtag, which is #MTNAnnuals25. You can tag our corporate accounts @MTNGroup on X and @MTN on LinkedIn. There's also a QR code for the full results booklet on display.



Finally, and this is the good stuff, those who are here physically, we do have refreshments afterwards. Please do join us. And as we turn to the business of the day, today's presentation is covered under the theme 'Accelerating Impact, Empowering Africa'. So, this really comes at an important time for MTN. As we look at the 2025 results, we also think about the impact that MTN makes on our nation states and the peoples of the continent, and it really gives us inspiration as we move forward and the many things that we look forward to doing.

With that context in mind, let me just turn to today's agenda. You'll see on the screen, we'll run through the usual order with a little bit of a tweak. We'll start with the FY25 highlights that Ralph will run through, and he'll also cover some operational and strategic highlights. Tsholo, who is our CFO, will come and do the financial performance before handing back to Ralph. He'll run us through a strategy transition to *Ambition 2030*, before he concludes with some priorities that we have for the year.

Just a reminder for all of those who are on the platforms, particularly the webcast, please do use that platform for Q&A. Just post them on that platform and they will be read out. And as we get into the business of the day, it is my pleasure to welcome our Group President and CEO, Ralph Mupita. Thank you.

Ralph Mupita

Thato, thanks very much, and good afternoon to all of you who've joined us here at 14th Avenue, our home here at MTN, and those who are joining us on the various media platforms, and to the MTNers who have delivered the results that Tsholo and I have the pleasure to share with the broader investment community, media, as well as broader stakeholders. I trust you've had an opportunity to work through the SENS. It's quite a detailed document, quite a lot of financial analysis there, as well as the annual financial statements.

And I wanted to start off by talking to you about the five key messages that are embedded within our financial results. The first is that we've had **excellent commercial performance**, which has been led by MTN Nigeria and MTN Ghana. There's been broader performance coming through some of the Opcos. We've seen a really good turnaround in a market like Zambia, strong results coming into Cameroon. So, a very strong commercial performance driven by us focusing on driving leading customer experience.

Today you've got to fight for the customer and supported by material investments that we've made into our networks. Close on to R38 billion ex-leases is the amount of capex we've put into our networks. And so, the commercial performance has been excellent. We've had a relatively benign macro in the last 12 months. We saw currencies quite stable and actually strengthen in some



regard, particularly the cedi. The naira also pulled back from the very high devaluation levels it was at, and we saw inflation start to moderate across markets. So, the underlying strong commercial performance translated into very strong financial results, as Tsholo will share, **strong earnings, strong free cash flow and returns** above our own guidance.

The third message is around **shareholder remuneration** and starting with last year's dividend, the board has declared 500 cents per share as dividend. We had indicated in our open policy framework for dividends of 2025 and before, that we would do a minimum of 370 cents. So, through the strong cash generation that we've been able to deliver, we're pleased that we're able to declare the 500 cents, so that's 45% above the prior dividend of 345 cents. We are also announcing, with the results and the SENS, an enhanced shareholder remuneration framework that encompasses both cash dividends and share buybacks, and I'll come back to that a little bit later.

Number four, at the end of 2025 we came to the end of **Ambition 2025**. We're looking to the next five years and are announcing that we are pivoting to **Ambition 2030**, which is essentially streamlining the execution that we had, but fundamentally still the same strategy that is driven by an investment case that says there is a significant digital and financial inclusion opportunity across our markets.

And the fifth message is that we are reaffirming our **medium-term guidance**. We've made tweaks to the return metric as well as to leverage metrics, which I'll come to a little bit later.

So, in terms of **commercial momentum**, we crossed the 300 million subscriber mark. We ended the year just over 307 million subscribers across our markets, seeing very strong net additions, particularly in the second half of the year. So, H2 much stronger than H1. We saw that growth not only subscribers, but also in active data subscribers. This is the data era, and we're seeing data subscriber growth.

So, coming back to subscribers, we were pretty much adding in the last five years 10 million subscribers per year. That's been very pleasing for us to see that growth being sustained. And you can see there in the data traffic, which gives you a sense of the demand for our solutions, that that's grown at about 27%, 24.7 petabytes of data that have come through in our network in 2025.

On the fintech side, again, strong growth. Monthly active users just shy of 70 million. It's quite impressive to see the transaction value that is moving through that platform, US\$500 billion of transaction value. And when you look at it on a constant currency basis, it's increased by just under 38%; on a reported basis it is more like 55%. So, a lot of transactions that are going through the MTN network. So, a very strong commercial performance in 2025.



That translated into very strong **financial results**. If I start with service revenue, and Tsholo will break down the service revenue bearers a little later, the 22.7% constant currency service revenue growth is the best that we've had since 2008. So, it's been a long time coming to see the level of growth at those pleasing levels and materially well above our own guidance and also well above inflation. Inflation across our markets was more around the order of about 13% on a blended basis. So, almost 10% headroom of service revenue delivered against the blended inflation in our markets.

Now focusing on earnings, which were very strong: adjusted headline earnings per share up 67% at 1,359 cents per share. And then operating free cash flow also coming on strong, showing growth of almost 82%. And our return metric, which we've used up to 2025, above our guidance of 25%. So, very pleasing to see that. And the dividend declared, which will be paid in April, is 500 cents per share.

Now to the **enhanced shareholder remuneration framework**, which has been some time a work in progress. In 2024 when we had the challenges in Nigeria of the rapidly devaluing naira and escalating inflation and the impact that had on our leases and we went into negative equity, we set forward our five-point plan. At that stage, we had conversations with the investment community that at the point in time when we had restored distributable reserves in Nigeria and that we were confident that we were able to procure dollars for dividend repatriation, we would come back to the market with an enhanced shareholder remuneration framework, which is what we announced with our results.

And this medium-term shareholder remuneration framework has a couple of elements that I hope I can describe clearly to you. The first is that we're looking at an annual distribution of 40% to 60% of equity free cash flow as shareholder remuneration. Within that construct, we're going to have a minimum cash dividend of 40% of that equity free cash flow. And we will look to a further 20%, which could be as cash dividends, or as part of a buyback programme.

In terms of that buyback programme, the Board has approved a buyback programme over a three-year period of R6 billion. We will look opportunistically to acquire our shares and permanently



cancel those shares. And if you look at where our share price is today, and you look at the shares outstanding, that's approximately 1.7 billion, for those who want to round up, 2% of outstanding shares that would look with that programme. And obviously, once we complete, we can have a relook of whether we want to further increase that programme. And obviously, we want to execute all of this within our capital allocation framework, which we've further simplified to have four pillars, which I'll talk to a little bit later.

Just moving to the **operational results**, let me start off with South Africa. And I wanted to start with the market context of **South Africa**. There are three points in market context that I would like to highlight. I think the South African consumer has been in an okay shape. Let's not say the South African consumer is in a great shape or a bad shape. Let's just say okay. But the consumer behaviour that we've been seeing is that actually there's a lot of disposable income that's now going into areas such as online gambling or gaming, if you want to call it that.

And we think that this is probably a structural change and we're seeing it across several markets where this is becoming more prevalent. So, it isn't a once-off. It's actually structural. As I said, the SA consumer has not been in bad shape. But the competitive intensity that we've seen in the prepaid market, which we spoke about last year, we saw it continuing into the final couple of quarters of 2025.

So, the story of MTN SA is one of two sides. There is firstly the SA prepaid, where it's under pressure. We saw service revenue there, degrowth of 4.4%. It makes up 52% of service revenue. So, when you have degrowth there, you've got to climb quite a bit to end up at 2% service revenue, because the consumer postpaid business and enterprise all have grown pretty strongly.

So, that's a market where we said with our H1 results in August that we foresaw a couple of quarters where the initiatives that we want to bring in mostly at a commercial level, sales and distribution will take us a couple of quarters before we start to see green shoots or getting back into growth. And I think you can anticipate that Q1 and Q2 will still be difficult for MTN SA as those initiatives start to gain traction. And Ferdi, Yolanda, Dineo and the broader team have their eyes very fixed on ensuring that we do see this prepaid recovery.

As I mentioned, postpaid, enterprise, wholesale pretty much where we expected it to be. The pressure is on prepaid and therefore it's a focus for us. We did put in sufficient capex, just under R7 billion of capex, order of magnitude 13% to sales, which is in line with peers. And the network has had some investment, so we thought that that level of investment is sufficient to maintain a high-quality network. So, those are the key points I'd like to make around South Africa.



Coming to **Nigeria**, Nigeria released results a couple of weeks ago, and many of you have digested those results, and a fantastic set of results. And again, starting with the macro, a couple of key callouts. I think the first is the tariff increase that came at the back end of Q1. We started to see it flow through into Q2 results and so forth. Inflation started to moderate more broadly. The naira was a lot more stable. In fact, it did appreciate against the dollar. Oil prices were in the 60s. And we'd also renegotiated the IHS contract at that time.

And all those benefits from that five-point plan flowed through, supported by commercial execution, to deliver the stellar results that Nigeria put in, 55% service revenue growth, very strong growth in terms of data, and free cash flow generation has been very strong. We put a lot of capex into the network. We had committed to the authorities that we would also be dealing with quality-of-service issues. The *quid pro quo* to get the tariff increase was to ensure that Nigerian consumers are experiencing high-quality data networks.

So, our focus, you'll see that the capex intensity in Nigeria is at the top end of the range, closer to like 19%. A lot of that was to deal with QoS in several clusters, Abuja and other areas, where we had picked up that there was improvement needed around the quality of service, quality of data. But very pleasing results coming out of Nigeria.

Just talking to **Markets** more broadly, again, as I mentioned, this is a broad-based set of delivery from across the markets. A big part of SEA is Uganda, you can see that the subscriber growth is close on to 10%. Again, very strong Q3 and Q4 coming through. Good growth in active data subscribers as well as on our Mobile Money platforms, our fintech platforms. And a similar dynamic that we see in WECA, growth in WECA. A little bit of pressure, particularly in Côte d'Ivoire, but Côte d'Ivoire for us has now become a business where we're starting to see the connectivity business improve. Still some challenges on the fintech business but overall the WECA results – which also have embedded in them the Ghana results – coming out are pretty strong.

Talking about **fintech**, as I mentioned, good growth. Close on 70 million monthly active users. You have a transaction value that's close to US\$500 billion. What has been pleasing is that the advanced services continue to grow quite rapidly at 40.5% service revenue growth. We've always said that the future of this business is going to be the advanced services. The basic services, yes, they remain important, but if you look three to five years out, you have to have a strong base of the advanced services, payments and e-commerce, banktech, and so forth, remittance. Those are the services that will stand us in good stead to sustain a good investment story for the fintech business.



Creating shared value has always been a key pillar and a differentiator for MTN. The way we express it and measure it is around our eco-responsibility, which is mainly around the role of reducing greenhouse emissions; sustainable societies, broadband coverage, as well as having diversity – there we're targeting women in the workforce – and good governance. On eco-responsibility, good progress on Scope 1 and Scope 2. So, quite strong performance in terms of greenhouse gas reduction. Part of that 48% is some SA emissions that have moved into Scope 3. All our measures are on a Scope 1 and Scope 2 basis.

Broadband coverage, just a smidgen off our target of 95%. We did decelerate rural connectivity in Nigeria in 2024 and a little bit of 2025. We'll really catch up. That's the real delta there in terms of the 94% versus the 95%, so pretty much there. And good progress around diversity and inclusion. Some of you will well remember when the 45% women representation at the beginning of the strategy was 39%. So, pretty much adding one percentage point every year into the workforce in terms of women representation. And we're still maintaining our target to 2030 of 50%. So, we're making good progress.

There's always narrative around the cost of data, and I guess that narrative will be permanently with us. But when you look at effective rate per gigabyte, that's actually come down just over 14% on a blended basis across our markets, so giving a lot more value to our customers as well.

Just against **the guidance** before I hand over to Tsholo, we were pretty pleased with the delivery against guidance as of the end of last year. As I mentioned, SA, we're at the bottom end of our guidance range, that's why we have it as amber. Fintech advanced services growing strongly, but the basic services were a little bit lower, so we marked ourselves there amber.

On asset realisation, amber, because we didn't hit the R25 billion target. But I think there's good rationale for not hitting that. Two big asset realisations were in the original targets. The one was selling Nigeria further down, there was another 11% still to go, so we didn't do that for good reason that we communicated last year. And then obviously IHS, we have had a strategic re-pivot on IHS. So, if you take those out, I think on the asset realisation, a job well done by the teams that are focused on that. So, with this, let me pass on to Tsholo and I'll be back to talk to you about strategy and outlook.

Tsholofelo Molefe

Thank you very much, Ralph. Good afternoon everyone joining us. We are very pleased to present a very **strong financial set of results** for the full year 2025. And before I do that, I just want to take you through some of the **key messages** that are coming out of these financial results, and I'll unpack the themes as I walk you through the presentation.



The first point to make here for us is that we've seen a very sustained momentum across all the key financial metrics for 2025, and this was really reflected in the strong top line growth, margin expansion, and a broad-based improvement across our financial KPIs. We saw further improvement in the quality of our earnings, also supported by a more stable macroeconomic environment in several of our key markets.

The second point here is that we kept a very strong focus on our expense efficiency programme, and this resulted in a delivery of R3.6 billion in the year, exceeding the target that we had set for ourselves, demonstrating the ongoing structural benefits that have come with the programme.

Thirdly, as you can see, our free cash flow generation has strengthened materially during the year, and I will unpack this later, but in short, it also reflects the improved profitability as well as tighter working capital management and a continued focus on our cash discipline across the Group. The fourth highlight here, as Ralph indicated, is really on our return on equity, which surpassed our medium target of 25%, reaching 25.6%.

And finally, we sustained the healthy balance sheet and financial flexibility that remains central to our operational resilience and our strategic execution. I think with that context then, let me just take you through the salient points firstly in terms of the summary of our group financial statement, **P&L**. To call out just a few on this slide here, Group service revenue on a reported basis grew 22.9%, reaching R218.5 billion. And in constant currency, we saw a similar trend at 22.7%, which was firmly ahead of our medium-term guidance as well. And this really underscores the robust top-line performance across our African footprint.

Reported EBITDA increased by 64% on a reported basis with pleasing growth of 36.8% in constant currency and this really reflected the strong revenue momentum as well as we continued with our margin expansion achieved also through disciplined cost management. In constant currency, our EBITDA margin improved to 44.5% which was a 5.4 percentage point improvement. And this really translated into a meaningful earnings before interest and tax, which more than doubled year on year. From a constant currency perspective, from an EBIT perspective, we achieved 61%.

Below the line, you will notice that our finance costs declined by about 53%, reflecting firstly prudent balance sheet management and lower FX impacts that we saw particularly in Nigeria where we saw the stability of the naira during the year against the dollar. There were also gains from the appreciation of the Ghana cedi in the year and the underlying finance charges therefore excluding FX impact grew by 6.7% year on year.



The tax expenses were up by just over 190%, and this was mainly reflecting our much-improved profitability, but there were also impacts from a non-deductible expense perspective and some unrecognised deferred tax assets in the main. Non-controlling interest, also a significant improvement due to the recovery mainly of MTN Nigeria. And then at the bottom line you see attributable profit increasing to R20.3 billion, reinforcing the recovery in the earnings and the profitability across the Group. And I mentioned the return on equity as well, where we saw an improvement year on year of 6.9pp to 25.6%.

Now, if I move on to the next slide here, just very important to show the pleasing sequential progression that we saw in our financial key metrics as we progressed into the second half of the year. I think just to call out a few KPIs here very briefly, you'll see our service revenue growth accelerating to 23% in the second half from 22.4% in the first half. And then EBITDA increased in the second half with margins remaining robust, supported by ongoing cost discipline that I mentioned earlier.

And then in terms of leverage, you'll see that the consolidated net debt to EBITDA improved further to 0.3x by the year-end, while HoldCo leverage reduced to 1.3x by the year-end, both comfortably within our targeted thresholds. This was also supported by very strong cash generation and upstreaming from the Opcos, which accelerated from R8.2 billion in the first half to R9.2 billion in the second half, totalling R17.4 billion for the full year.

Now, if I can turn briefly to our two large markets, starting with **South Africa**, overall we saw a service revenue increase of 2% largely supported by the growth in data, wholesale, as well as enterprise. And this comes at the back of a highly competitive environment in the market, particularly in prepaid. Data revenue grew by 4.5% year on year, while voice declined by 4.2%, which was consistent with the competitive pressures that I mentioned in the South Africa voice market, especially on prepaid. And again, as Ralph indicated, there's plans in place to make sure that we turn this around. But as we always say, it's not a quick fix. These things take time, but the team is well underway to make sure that we make the right progress here.

Within the other service revenue bucket, you can see that we saw an increase of 3.1%, and this includes wholesale revenue that grew by 2.5%, as well as enterprise ICT and bulk SMS growing by 8.5%. Enterprise on its own grew quite significantly by just over 13%. EBITDA declined by approximately 10% here, with margins reducing from 37.4% to 34.6%, and this was impacted by higher share-based payments due to the share price movements on the staff cost line; excluding these, EBITDA margin would have been around 35.8% and opex increase of just over 4% year on year. But I must say that MTN SA did a very good job in terms of keeping the expense growth in check, and I will share that later on as I talk about our group expenses.



In terms of capital expenditure, MTN South Africa spent about R6.8 billion during the year with capex intensity of 13.4%. And the reduction is following the conclusion of the network resilience programme that we had back in 2024. So, for SA, the Opco continues to implement the initiatives that are needed to get back on track.

If I can move on to **MTN Nigeria** briefly, most of you will have seen the results. It's safe to say that we've seen a very strong set of results from Nigeria with service revenue up 54%, data growing by 74%, and voice also performing strongly, growing by 42%. Alongside operational execution, you'd recall the phased pricing revisions that were implemented during the year and which provided a meaningful boost to service revenue growth. And most of these benefits came through in the second half of the year.

And then on the back of the top line growth, we saw EBITDA margin more than doubling as well, over 100%. And as a result, we saw an EBITDA margin expansion of 13.6pp to almost 53%. And in terms of capital expenditure, MTN accelerated investments to R11.9 billion during the year. You'd recall that in 2024, they had reduced capex by almost 53% due to the macroeconomic environment. So, we're really delighted with the turnaround we're seeing in Nigeria, particularly with the resumption of the dividend and the cash upstreaming to Group.

So, just turning on to the **fintech** business briefly, we saw service revenue increase by 23.2% in 2025, with advanced services around 40%. And this aligns with our strategy to grow the segment faster, which has increased its contribution of total fintech revenue to now 29% from 25% last year. And this really supports the stickiness and overall quality of our ecosystem, including the benefits to profitability and the cash flow that we see. So, in that regard we've seen also EBITDA margin improvement in fintech of 2.1pp to 42.8%.

I just want to touch briefly on the rest of the **Markets** portfolio, which I think is important. You will see that we're still reporting in terms of SEA and WECA, and as we have communicated going forward, we'll be reporting in terms of Francophone and SEA Ghana, as well as the rest of the South Eastern African regions. So, in terms of the broader markets, I think the key call-out here is to indicate that both SEA as well as WECA grew their service revenue above inflation and also saw a margin expansion. You will notice that SEA service revenue increased by 21% against blended inflation for the region of 12%, driven by strong growth in data as well as fintech. And then the EBITDA margin growing to 47.5%.

And within the portfolio, we've got MTN Uganda that grew service revenue at around 13.5pp to R17.7 billion, and with margin improvement of 1.6pp. When we move to WECA, you'll see that they



also grew service revenue by 18.5% versus blended inflation of 8.9%. MTN Ghana once again within the WECA region led the performance with growth in service revenue of 35.9% and a margin improvement of 3.2pp, reaching 60% EBITDA margin overall. So, it is fair to say that overall the Markets portfolio also produced brilliant results.

And I think it's also worth mentioning some of the markets within our portfolio where we've seen an improvement. For instance, we've seen strong results coming from Cameroon, Côte d'Ivoire on the connectivity side, Sudan, South Sudan, Zambia, as well as Rwanda, where these Opcos have shown a pleasing turnaround and trajectories in their financial performance.

Just moving on to the **Group expenses** which were well managed again during the financial year, well below our blended inflation environment. As you can see, we saw total Group expenses growing by 9.3%. And looking at the composition of the expenses, you will see that cost of sales increased by 4.5%, and this reflects in part the lower device cost of sales particularly in South Africa as the business continued to optimise their device strategies as well as reduce the exposure to lower margin revenues.

Operating expenditure increased by 13%, which was also slightly below blended inflation, driven mainly by employee expenses, largely due to increase in the share-based payments as a result of the share price appreciation. We also saw an increase on the network-related cost as we continue to invest in network quality as well as capacity. But I think importantly, these are also below blended inflation overall.

We also delivered R3.6 billion in savings during the year, taking our cumulative achievement to R7.4 billion over the three-year period since we started on EEP 2.0 in 2024. So, this is reflected in our total cost to revenue ratio, which improved from 61% in 2024 to 55.6% in this financial year. And the majority of the savings, approximately 64% of those, came from network and IT as we continue to drive our focus on structural efficiencies. And we also saw, from a by-market perspective, a significant contribution coming from Nigeria, largely due to the lease renewals, and as I indicated, a portion coming from MTN South Africa as well.

Just to move on to our **earnings per share**, and if I can walk you through the reconciliation to adjusted headline earnings per share. Starting at the top, you'll see that our attributable earnings per share improved meaningfully in the year 2025, reflecting the strong recovery in operating performance, particularly in Nigeria, alongside a more stable macro environment relative to the prior year.



Reported attributable earnings per share for the year was 1,113 cents compared to a loss position in the previous financial year. The most significant adjustment here related to impairment charges primarily associated with goodwill, property plant and equipment, and associates, which amounted to 157 cents per share in this year. You would have seen from the MTN Ghana results as well and associated Group announcement at the time the effects of an IFRS 16 adjustment relating to the prior year for the Group. This related to 12 cents per share, and it was largely due to the hyperinflationary impacts that rolled up to Group.

After adjusting for impairments and other disposal-related items, basic headline earnings per share increased to 1,274 cents, representing a very strong year-on-year improvement. However, you will see that our headline earnings per share was still impacted by some non-operational items, and therefore, as we adjust for this, we saw an increase to 1,359 cents per share on our adjusted headline earnings per share, which was an increase of 67%.

Just briefly on our **capital expenditure**, our business continues to grow, so it's important that we continue to invest for growth. We spent R38.5 billion, translating to a capex intensity of 17%. The increase in capex was primarily driven by the accelerated network deployment that mainly came from Nigeria as the business accelerated investment this year, as I mentioned earlier, in addition to Ghana as well, particularly also bolstered by the stronger Ghana cedi against the rand.

From a geographic perspective, the majority of the investment was directed towards the broader markets with SEA and WECA making up a total of 47% together in terms of total to Group spend, and the balance of that coming from Nigeria, which was 31%. And by category, the major capex deployment was coming from our networks and 25% of that coming from IT systems in the main.

Moving on to the **free cash flow**, let me now just turn to how we have fared, and this is the most pleasing result as well relative to historical trend. In 2025, you will notice that operating free cash flow before spectrum and licence payments increased by almost 82% to R57 billion, underpinned by a significant improvement in EBITDA, disciplined working capital management, and a continued focus on our cash generation across the Group. This improvement in our free cash flow generation was also delivered against a tick-up in our capital investment, which I mentioned previously.

In the second half of the year, we also accelerated some efforts in terms of working capital management, where we improved debtor collection across our markets and continue to optimise on our inventory and payables. And in South Africa, specifically, we advanced our cash release initiatives, including the ongoing handsets receivables financing, as well as supply chain financing initiatives. After accounting for spectrum and licences as well as interest and taxes, we saw a



consolidated free cash flow for the Group up to R26.9 billion, almost R27 billion. This was an increase of more than four times relative to the previous year.

As Ralph noted earlier on about the enhanced shareholder remuneration framework, which will really be based on our equity-free cash flow, we paid about R5.3 billion in dividends to non-controlling interest, but this also included a R2.5 billion wind-up dividend relating to Zakhele Futhi. And this resulted in our equity-free cash flow growth of just over 380% to around R22 billion. So, on the whole, this represents very strong recovery in terms of cash generation compared to the prior year and really provides us with a solid foundation in terms of deleveraging our dividends and ongoing investment for growth.

Now, talking to the next slide, which is really around our **leverage and liquidity profile**. It's important to highlight that we have been really focused around balance sheet management. We've seen consolidated net debt to EBITDA improving to 0.3x from 0.7x in the same period last year, and this reflects strong recovery in EBITDA, improved cash generation, and disciplined balance sheet management.

At the holding company level, our Holdco leverage is now at 1.3x, which is below the 1.5x that we've guided to the market. And even our Group leverage is way below our covenant limits. In terms of currency mix, our non-ZAR debt at Holdco level stood at approximately 16%, which is well below our medium-term threshold of 40% for the foreign currency-denominated borrowings. Cash upstreaming, as I indicated, R17.4 billion, supported the improved leverage at Holdco, but also our liquidity headroom, which now increased to R43 billion, with closing cash balances of R20 billion for the year.

Turning to the right-hand side of the slide, the maturity profile of our debt at Holdco is now well staggered over the next years, helping us to mitigate the refinancing risk. Our immediate focus here is also continuing to refinance the maturities that are coming through in 2026. We manage our debt profile very proactively and continue to benefit from strong access and support from the debt market. And really thank you to some of our lenders for the partnerships that we've had over the years. So, we are very comfortable with where we are from a balance sheet perspective.

Lastly, before I hand over to Ralph, I think it is important to just highlight in terms of where we are, following our Ambition 2025 and as we move into 2030, which Ralph will take you through. I think to summarise, we're really encouraged to see the pleasing set of results firstly for 2025. We've delivered sustained momentum broadly across all the elements of our key financial KPIs and earnings, very good quality earnings as well as attractive free cash flow generation and a healthy financial profile from a balance sheet perspective.



We've had a **framework** that always aimed at looking at service revenue above inflation, so growing in real terms. And what we had from a medium-term guidance perspective was growth in the high teens with improved margins and earnings and a disciplined capital allocation approach, really focusing on driving attractive free cash flows as well as reduced leverage. And I think as we can see these numbers here, suffice to say that our average service revenue growth has grown at almost 17%, which over the years is above our blended average of about 14%.

Had we not done all the EEP initiatives that we've done, given the shocks that we've had, we probably would not have been able to be as resilient as we could have been as a business. So, we have seen an improvement in our returns to shareholders with ROE progression of about 8.6pp and an average capex intensity of 17.6% overall over the five years. With that, I will hand over to Ralph.

Ralph Mupita

Tsholo, thanks very much. I trust that Tsholo has given you a flavour of what's detailed in our SENS and our annual financial statements in terms of the results, and I think you will agree that overall the results delivered were quite pleasing. Before we take Q&A, two more sections, one on strategy as we move towards 2030, and then priorities and outlook.

We set out a **strategy** at the back end of 2019 going into 2020, looking at structural growth opportunities that we saw, having looked and assessed where is the continent in terms of digital adoption, where is the African continent in terms of financial inclusion. And so, that structural growth thesis has been the underpin for Ambition 2025. And as you see on the charts, some metrics that show you the kind of growth that we delivered. Subscribers, we're now at over 300 million. We started off, if we rebase to exclude the markets that we've exited in the period, order of magnitude 10 million per year subscribers coming into the base. Active data subscribers: more or less 12 million active net additions coming in who are regularly using data. And also we've seen, as I mentioned, good growth in terms of fintech, just shy of 70 million monthly active users there.

Tsholo has spoken about EEP, the progress that we've made. So, we had two sets of EEP. We talk internally that expenses are like nails. They need trimming from time to time. And so anticipate that we'll have ongoing expense initiative programmes. But during the period, quite pleased with the progress that we've made. And as Tsholo has mentioned, the return progression has been pleasing.

And our asset realisation programme I mentioned earlier, we didn't execute on IHS for very good reasons post their listing. And we've had a strategic pivot to bring back these towers. At the time



we set out our strategy, some of you will remember that the valuation of our share of IHS was R30 billion at that time. And obviously, with the market conditions and revision of strategy, we did not execute that.

And then Nigeria, further sell down in Nigeria. Market conditions were not appropriate in 2023, 2024, and even 2025. We also assessed the situation with the changes in the tax code in Nigeria and decided that we wouldn't progress with a further sell-down. Certainly at this stage we feel that's the right strategy. And some of you have seen the Nigerian share price re-rate.

I think probably the biggest job done is really the job to materially improve the quality of the balance sheet. We used to have 48% of the debt hard currency, almost 50% of our debt was hard currency. And we brought it down to 16%, as well as the Holdco leverage well below. So broadly, if you look at our strategic intent in terms of 2025, we can say when you look at it in the rounds, we've been able to deliver what we promised to our shareholders. And this year as we exit 2025, you can see the quality of the results and the commercial execution therein.

We still think that the themes of structural data and fintech inclusion underpin the future of MTN and the markets we operate in over the next five years. We started just at the end of COVID tracking these cohorts of data. What's data traffic? Because it's giving us a sense of demand. What's happening with fintech transaction volumes? Because it's also telling us a story about how customers are engaging with our services and new customers are coming onto our platforms.

In 2019, 282 petabytes in the network. It is now 2,234, almost an eight-times increase, showing you that there is structural demand and growth across our markets. Similar average transaction volumes per quarter, 1.3 billion. Now it is just under 6 billion, so that's like four and a half times. So, the thesis that says there is growth opportunities, the kind of growth that we delivered last year, the data showing us that that remains on track.

The Group Board spent quite a considerable amount of time last year doing a comprehensive review of the strategy and looking forward to the next five years to say how should we think about the strategy. I think a couple of key call-outs here. Firstly, the Board endorsed the strategy as being the right one. And the focus for us was to integrate certain pivots that we were seeing around customer behaviour use of technology, where AI is going, and related. But the strategy remained the right one and we needed to focus on executing with those pivots.

They supported the point that there is an enduring investment case out there around digital and financial inclusion and that we want to focus all our resources on the African continent. We are calling out a further simplification of the strategy and saying we're looking at it from three



platforms. We're looking at connectivity across all our markets as a platform, as we are with fintech, and now increasingly looking also at digital infrastructure. And we'll be allocating capital across those businesses in line with the returns and the growth prospects that we'll see going forward.

As I said we're seeing our customers are increasingly wanting an amplified experience. So, you'll see that even in our capex, it will evolve where the share of capex in that 15% to 18% will be more IT than network to reflect the investment in much stronger customer experience. And as I mentioned, technologies such as AI are going to be with us over the next three to five years as well. And we need to have an operating model that enables us to capture these structural growth opportunities and deliver value. We're not doing it for the sake of doing it. We obviously want to deliver value for our stakeholders.

We are framing, as I said, under the three pillars, but importantly, the purpose of the company remains the same. We're not changing anything there. Our purpose is really to deliver leading digital solutions for Africa's progress. We want to situate our own strategy into the progress of the nation states that we operate in. We think that that's a resilient and a sustainable approach on how to take forward our own strategy. So, we're talking about platforms of choice for consumers, for homes and businesses. And under each of those platforms, we're calling out some very specific strategic priorities, and where we are going to be deploying capital to invest.

Scaling data for us is not just providing the raw data but building the digital services that sit on top of connectivity. Currently, our customers are doing about just over 12GB data usage per month. And our customers are US\$2 to \$3 average revenue per user. You go to India, same US\$2 to \$3, 30GB. Why? Because there are services being offered that enable the customers not only to pay for the data, but the services that sit on it. So, embedded in scaled data is also our aspiration for digital services.

Accelerating home, we think there is a significant opportunity in home over the next five years. A lot of the investment in the last three decades has been about mobility. But over time, we think that home is where a predominant amount of the workload is. COVID was a bit of a wake-up call for all of us about networks and investments and the ability for our customers to be connected to the internet. And we see a material home opportunity of 20 to 30 million homes connected by MTN using different technologies, fixed wireless access where we have the spectrum and the network capacity and where we see the near-term opportunity to be deploying FTTH.

So, we are taking a technology-agnostic approach to connecting homes. The right technology that will generate the right economics is the technology. We're not particularly precious about a specific



technology. It's the one that will give the customer the right experience and we are able to be able to monetise.

We're also calling out enterprises for the next three to five years. The enterprise opportunity in South Africa is being meaningfully harvested. We still think there's some growth there. But on the rest of the continent, we still believe we are right at the beginning. And we're not talking about the multinationals and large enterprises, but the small medium enterprises who we can bring to them technology that enables them to be able to meet their own aspirations. Think of the ladies in the market when you travel to Ghana or Nigeria, selling tomatoes or clothes, whatever it may be. That gives them a sense of living. Technology on the phone should be a real enabler. That's a big opportunity that we want to tap into.

Fintech, the strategy being clear, there is not something completely new. In fintech, it's really about executing the priorities that we've set about growing and expanding the ecosystem and accelerating the advanced services. On digital infrastructure, beyond fibre, we're calling out data centres. Our approach will be different. It will be one that's fit for purpose. It's not what you're seeing in the developed North or in China. But we think that with workloads that are coming out of our networks and our consumers, businesses that we operate, we need to be positioning ourselves quite thoughtfully around how we can deploy capital.

And we put 'unlock tower value' because the IHS transaction is still subject to the various approvals. But if we get those approvals, it will fit in as that third box under digital infrastructure. All of these platforms really require delivery across three key drivers. Customer experience, we think today, it's important to have a great network and great technologies, but the customer must experience your service as leading. So, we're talking about leading customer experience.

We will leverage AI for growth. AI will evolve as electricity evolved after Michael Faraday invented electricity. No one knew all the use cases. Our use cases will come. And we want to be positioned in a way that AI is enabling us to leapfrog like mobile was a leapfrog for Africa from fixed lines. There is a potential here for a leapfrogging if we are smart and allocate our capital judiciously and smartly to the opportunities that come.

And then obviously creating shared value. If you operate in Africa, you must be linked in deeply with the nation states that you operate in. And we think that the shared value framework is the one that will enable us to sustain and maintain our positions as being a partner of progress for all the nation states that we operate in.



We're streamlining next to the strategy, the **capital allocation framework**. I've just got four pillars now. One is really around the organic growth. We'll continue to invest sufficiently to have leading network and IT positions. So, order of magnitude, think 15% to 18% of capex to sales. It's not a target but just think of it as the way that we think about sustaining an investment.

The healthy financial profile. We want strong balance sheets. Strong balance sheets enable us to withstand shocks but also to take advantage of opportunities as and when they come.

We spoke to the shareholder remuneration framework, a framework going forward framed on equity-free cash flow, 40% to 60% combination of cash dividends and buybacks done opportunistically. And we've been clear about the amount we spend on buybacks to the maximum over the next three years. And we do think value-accretive inorganic opportunities will remain our capital allocation framework.

In the way we have assessed the IHS opportunity, it fits into that fourth bucket. It has to be value-accretive, and it adds to a meaningful expansion of the investment case. So, if you are to judge it, you need to judge it under that pillar four. So, this is the simplified capital allocation framework that we'll use to discipline ourselves in how we deploy capital across the businesses.

We think the **investment case** substantially remains the same, which is there are structural growth opportunities across our markets. We as MTN are uniquely positioned with the scale that we have, the assets that we have. And Tsholo took you through the financial framework for generating value. And we're adding to it with this compelling shareholder remuneration framework to thank the shareholders for deploying capital. We think that becomes a really important part of our financial framework. And as I said, creating shared value remains the underpin of how we lock ourselves in with the nation states that we operate in.

So, we will have an opportunity I think on or around the 10th of June we're having a Capital Markets Day. It will be held here – I think you should anticipate the invites – where we will delve into all of these areas in a lot more details and give you the confidence we have about our ability to execute the strategy and deliver value over the next three to five years.

So, just a few points on **outlook** and priorities, and just starting with the outlook. We had a very benign macro relatively last year, but I think as we've started this year, there are obviously a lot of global uncertainties. There are conflicts in the Middle East. The European conflict in Ukraine and Russia is ongoing. There are conflicts on the African continent as we speak today, whether it's in Sudan or other areas. So, we're alive to these macro conditions and how we need to manage and operate in them.



More recently, obviously, we've seen quite a lot of volatility around oil prices, as well as all the issues that you are all familiar with, with regards to what are the second-order effects of some of the conflict in the Middle East, and energy prices in particular. We also remain focused on managing an evolving regulatory environment. We operate in multiple countries. The regulatory context is not the same across all of the markets, so we have to remain nimble across the evolving regulatory environment in terms of regulatory context.

And with such a macro backdrop, how are we thinking about the year ahead? And I'd like to make five key call-outs. The first is maintaining resilience in this global macro. And what does this specifically mean for us at MTN? The balance sheet, ensuring balance sheet strength and resilience. The choices we make about capital expenditure, we always keep an eye on how do we remain resilient with the balance sheet. Supply chains, we understand as this big build out of AI, chipsets are in short supply, we're getting more expensive. We are spending time thinking about the supply chain, which components of technology are critical, and what the choices and the trade-offs we need to make in terms of meeting our supply chain needs within the context of a finite investment that we can afford. And as I said, we'll continue to look at the expenditure. So, maintaining the resilience that we've shown over time during this period will be key.

The second is sustaining the commercial momentum across our markets that we've seen. And as Tsholo has said, sometimes we have internal markets that we say need close monitoring, that need to improve. So, a market like Zambia jumped out of close monitoring. We're seeing Côte d'Ivoire showing good gains. Cameroon is growing. We want all our markets to be contributing to the overall results. There are several countries outside of Nigeria, South Africa and Ghana, and those have to deliver results in line with Group expectations.

South Africa, as I mentioned, big priority around SA prepaid. It's 52% of service revenue. We have to get that into growth to be within our guidance range for service revenue and EBITDA margins. So, that remains a focus.

Fintech, it's a story of execution against commercial and strategic objectives. We're not debating strategy. We are focused on the execution side.

And then finally, completing the IHS transaction. That is obviously subject to shared approvals and getting through all the regulatory approvals. We've commenced engagements around some of the regulatory approvals to soft sound and engage with the third-party customers of IHS. But obviously the formal engagements with authorities, both regulatory and shareholders, we



anticipate that a general meeting will probably be called by IHS in May to get through the shareholder vote.

We had also anticipated that today we'll be sharing with you the *pro forma* effects of our results and IHS. I think IHS just released results now. So, once we have their results, as soon as practically possible, we will share those *pro forma* effects. We won't wait until Q1 trading update. As soon as we've done the work out of cycle, we'll be able to share what those *pro forma* effects are. As we said, we believe that the deal is value accretive also at earnings and cash flow level, and we remain convinced of that. But we must put that in a form that you can all consume and be equally convinced as we are that this is a deal that fits into Ambition 2030 and will ultimately deliver value.

Finally, **medium-term guidance**, as I mentioned, much of it remains the same. We didn't want to change too many things. So, you can see there that the guidance is largely the same. What have we changed? Returns, ROE changes to return on capital employed. And we feel that that is a better measure. And even our LTI going forward will have a ROCE ex ante measure that you'll see. This you will see in due course. So, that's ensuring that what we say to you as an executive team that we have meaningful amounts of the LTIs focused on delivering returns and ensuring returns above the cost of capital.

We're also focusing on net debt to EBITDA now, just again to simplify. And even with the IHS transaction, remember that the debt is not at the Holdco. It will be in a subsidiary once we conclude, so that's actually a more meaningful measure of where we'll be. And we're calling out that we want to be less than 1x. We are 0.3x at the moment, but we believe that given our profile in the markets we operate in, we want to be judicious and remain below the 1x for leverage.

Ladies and gentlemen, thank you for spending just over an hour listening to Tsholo and I. And I think it was a little bit more extended because we wanted to talk about strategy. But I'll call Thato on stage and Tsholo, and we're happy to take your questions. Thank you.

Thato Motlanthe

Thank you very much, Ralph. Thanks very much, Tsholo, for a comprehensive coverage of our results and the strategy transition. We'll probably do Q&A for 30 minutes, just to make sure that we get you to the refreshments. Of course, we will engage with you over the next couple of weeks, so we've got some time to discuss in more detail. So, let's start with the Q&A.

Nathi Ndlovu

Thank you. Nathi Ndlovu from TechCentral. Ralph, you touched lightly on the effect of the RAM shortage on supply chains. I think there are two aspects to it. The first is that in South Africa you



are subsidising devices at the low-cost end. Are you absorbing those costs or how else are you responding? And then in terms of networking equipment and how far your capex will go in the coming year, how are you managing that risk?

Ralph Mupita

Yeah, on the devices in SA, Ferdi is in the room, let him answer. It's early days at the moment and we have an annual capex envelope that's approved by the Board. What we normally do is we allow the Opcos before Q1 to spend 70%. But the other 30% we hold back, so that we want to assess what is happening. But what we're saying to our teams is, yes, we are looking at... In fact, chipsets are just one category that we're looking at. There's a few. SIM cards are another category where the prices have gone up quite a bit over the last couple of months.

So, basically, in the near term we're saying let's make the choices within an envelope. There's an envelope of affordability. And we're asking our teams to make choices within that, prioritise. So, it's something that we are looking at now. It's not only specific to MTN. It's a global issue. It's a real global issue. And I don't know whether... Charles is not here. And Amit is sitting at the back there. He's super technical, so we should try and get a mic to Amit.

Amit Mehta

Thanks, Ralph. In terms of the chipsets, we're not seeing a drastic shortage, but we're seeing the price of compute going up significantly, largely due to the better returns on the AI chipset. So, we see a constraint. The way our capital allocation works is we early-release the previous year. So, 25% of our total capex is made available in October for the following year. And normally we order long lead items in advance.

So, servers are one of those long lead items, because normally it's taking six to eight weeks, because they're built for our specific needs. And we've done that already at the end of last year. So, now it's just delta, which we're not seeing as an issue. So, delivery is not an issue. It's just the price has gone up. And as Ralph said, we are looking at prioritisation of what's key and what's non-key, and obviously allocating accordingly.

Ralph Mupita

Ferdi?

Ferdi Moolman

So, generally, I'm not sure what exact handsets you were referring to, but in the market itself, depending on the price of the product, you'll follow what the market does in terms of do we subsidise, do we push specific handsets in the market. We've got a number of programmes as well



with some vendors and the structure of the handset might work differently with some, especially the lower-end handsets. These are the handsets I think we launched sometime this year, the low-end 5G handset where we have a partner involved that jointly takes it.

And then we also do some off-balance sheet financing for our handsets as well. So, generally, we see what happens in the market. What is the demand in the market? Do we want to push 4G or 5G handsets in? We haven't seen a substantial increase in the handset pricing yet. I think as Amit had said, we just anticipate that there could be a shortage, so we're planning for whatever we would need to do.

Thato Motlanthe

Thanks, Ferdi. Jono?

Jono Bradley

Jono Bradley from Absa. Firstly, congrats on a great set of results. Three questions from me, please. So, just on the fintech minority stake sale to Mastercard, have the numbers sort of changed? The valuation I think at the time was around US\$5.2 billion, up to US\$200 million from Mastercard. So, has there been any change in that? And are you still looking to sell further minority stakes once this deal closes?

The second question is just comments around the East Africa expansion that I saw a few headlines on. Could you maybe give some colour on how that could look, what sort of opportunities you would be looking for? Is that GSM or fintech?

And then just lastly on the SA business, I think you flagged a slowdown in XtraTime sales. So, just what is the penetration level of XtraTime in SA and what's the level that you'd be looking for?

Ralph Mupita

So, on that third question, Ferdi, you'll pick it up. Let me pick up the first two. So, absolutely, on the fintech side nothing has changed. We're still working with Mastercard towards the US\$200 million. We've been focusing on getting the structural separations out. They're complex. Let's be clear. Because you're carving out the financials, you've got to go through to shareholders, you've got to create a structure that's tax efficient. It's got to go through all the regulators. And I'm glad to say that in Ghana that's done, so thanks to the teams and the authorities and the stakeholders who've enabled us to do that.

Uganda, we've far progressed. We're now in the regulatory phases. Nigeria, there will be at the ACM a structure being proposed for the full carve-out of what is the fintech business there, or



MoMo PSB, YDFS. It goes to the shareholder vote in the April AGM. Once we've done these three, which are probably the most complex, we should run through much more quickly. So, no change in valuation. No change in the US\$200 million. Mastercard are aware of the processes that we're going through, and that's taking a bit more time. And they've been very supportive. And actually I think they reached out to Serigne a few weeks ago to say, how do we help with all the regulatory approvals? So, nothing has changed there.

On East Africa, I think you're reading too much of the press. What we basically said to the press was that over time, that's three to five years out, we'll look at the portfolio. And the portfolio is quite heavily weighted in West Africa. And actually if you take a five-to-10 year view and you're wanting to find another 50 to 100 million customers, you're going to have to be quite mature in East Africa.

That's not today. This is a five-10 year view. So, we don't have any plans. On the M&A side, the IHS transaction is just going to consume us for the next two to three years. So, when you read those articles, read them with a level of healthy scepticism about what can be executed. This is a discussion with a journalist about what life could look like in a decade's time. But in a decade's time, maybe we do want a stronger East African footprint. We just don't have the capacity or the capital to pursue it right now. Ferdi.

Ferdi Moolman

I thought perhaps to just give you a bit of a broader view on prepaid. We're really looking at prepaid from a number of vantage points. The one is more the portfolio itself. So, this we talk to data yield, data pricing, bundles, this type of thing, the customer journey. Then, as you said, we were looking at what we call resetting of our XtraTime. And then we're looking at productivity of the channel itself and how we manage this.

On all three of these, we believe we're doing quite well. Just on XtraTime specifically, you referred to penetration. We use a number of KPIs to look at the health of the base itself. One is penetration, and this was sitting beyond, I think, 40% at one stage. We've been able to bring it down to an acceptable level that we feel we're ready to start pushing XtraTime. Again, some of the other metrics that we look at within XtraTime would relate to the time of the repayment of the XtraTime, so percentage of the advance you give. How long does it take to be repaid? We've seen some huge positive movement on this also.

So, on XtraTime, I think we're at the stage or very close to the stage to really start pushing on XtraTime again. Of course, the actual challenge is not where does your matrix sit, but who do you identify and how much do you advance? So, this is where the data analytics and the CVM campaign



comes in far more. So, as Ralph had said, we probably see a bit of challenge this quarter, maybe into next quarter, and then we will start seeing a substantial ramp up. Thanks.

Thato Motlanthe

Thanks, Ferdi. Let's take one more in the room before we go to the webcast. Down here. It's Louise.

Louise Pillay

Hi, everyone. It's Louise Pillay from Investec. I have a few questions. On your returns on capital employed guidance, can you maybe comment on the thinking around the specific target? I guess, what's the current base to work from? And if you can comment market by market, which markets are currently generating returns below WACC? I assume this is South Africa. And for these markets, can we assume that your capex intensity will be lower than the other Opcos? How geared is this returns profile metric to capex intensity? And for any potential acquisitions, will you only be considering targets within this ROCE range?

The other maybe top and tail on that is the data centres. You've mentioned that you've got a co-investment structure with potential partners. How significant could this investment be? And will this be in your current capex budget? And how will this be funded, debt versus equity, if significant? And then I guess I have to ask a final question on SA, please. Prepaid regulatory side of things. How are you positioning for the End User Subscriber Service Charter and data expiry risk? Thanks.

Ralph Mupita

Louise, you're coming to the breakfast tomorrow, right? Can I pick up on your big ones, and what I don't pick up, let's deal with them tomorrow? Let's talk about return on capital employed. We're a capital-intensive business. And I'll ask Tsholo to join here. Currently on return on capital employed, it's mid to high 20s exit point for 2025. So, we're calling out high 20s, early 30s. So, we're really at that mid-point, kind of the high 20s. And so, we'll have a range.

It's really to reflect that it's not just equity that we need to deliver a return on. It needs to be also on our total asset base. So, you could take return on invested capital. And we did a lot of work. And I'll ask Tsholo to join. Return on invested capital, single country operator, it makes sense. It's simplest. We're in multiple jurisdictions, and you wouldn't realistically be able to hand on heart say, I will deliver this because of the complexities there.

And so to your big questions, it's already above 25%, 26% as of the end of last year, and we're calling out high 20s to 30s as our target. So, we want to improve that profile going forward is the first. Tsholo, I don't know if you want to add on that one.



Tsholofelo Molefe

Yeah, I think Ralph has covered. We considered a number of factors, and exactly one of them was also we're in a multi-jurisdictional environment, very volatile environment as well. So, that was the factor. We considered whether we should use return on investment capital. We ended with ROCE based on the work that we've done as well in terms of global practice. And we believe that it does give us a view of a capital-intensive business still growing, but obviously needing to show reasonable returns over time. So, that's what it gives us.

And I think maybe on your second question, I think safe to say most of our markets are generating returns above weighted average cost of capital. There's probably one or two small markets that are not in addition to South Africa, but yeah. And I don't know if you want to touch on the data centre one?

Ralph Mupita

Yeah, let me start with South Africa. You can take the data centre one, Tsholo.

Tsholofelo Molefe

Just to finish off your question, on the data centre one, obviously, we've always said that when we go into this space, we will be looking to partner, going in with obviously partnerships, looking at equity capital, because it's not something that we would be able to absorb on our balance sheet. So, that's how we are thinking about it.

Ralph Mupita

Yeah, on South Africa, it's below the cost of capital. That's clear. And that's why the job that Ferdi, Dineo and Yolanda and the broader team have is there's a top line, which is continuing to grow postpaid enterprise. Let's get prepaid into growth. And I think that deals with that. But there's quite a lot of work to be done also on leases. ATC leases, they're quite expensive, more expensive than IHS actually. So, there's work to be done there on the balance sheet end to get that return above as well.

South Africa has got quite a bit of a debt stack. That's quite historic. The question of what do you repatriate to Group in terms of dividend versus interest payments, that's the work the team also has to do. So, it is both top-line and bottom-line that needs work over the next two to three years. And that's why when we came out in August last year we said, there's a two-to-three-year fix to get returns above the cost of capital. You see we're putting meaningful capex in, but the number is more R7 billion, not R10 billion plus. It's unaffordable until we can get that return above the cost.

Thato Motlanthe



Thanks. Louise, we might catch up on the other ones tomorrow. Let me just go on to the webcast. Let me just ask three slightly different questions. The first one, on Iran. Can you please give us an update on if the network is up and running? Who is the CEO? And what happens to investment in the Irancell if the war ends or escalates? Or the regime changes? We'll just keep it at that.

Ralph Mupita

Oh, that's a lot of thoughts. I think to that question, maybe just a couple of factual points. So, we have a minority stake in Iran, 49%. If you double click on that and look at this year's financials, our net assets, it's 4% of net assets. It's a small part of the business. On earnings, adjusted HEPS, it's about 7%. We have about R2 billion of outstanding loans and dividends that have been rolled up. So, its financial contribution to the Group is actually quite small. So, I think that's the first point.

The second point, in line with the fact that we don't control it, we're a minority, is that the appointment of a CEO is made by the majority shareholders there. The normal sequence is we get consulted around the change of CEO. So, very early in January, that didn't happen. So, we did protest that you've changed the CEO, we know you're in control, but historically you've asked us, because we have sanctions and other processes that we want to check. So, we weren't happy about all of that and we did formally protest.

So, as we speak today, we don't have any MTN secondees in Iran. In fact, we haven't had since the beginning of January. So, they're all in South Africa and in Lebanon, three of them. So, there's like zero. So, the network is up or not, we don't know because we don't operate there and we don't have a way of knowing. And we're not participating in board activities for some time there. So, that's the context. In an environment where we could exit, as you know, there are US and other sanctions. Iran is ringfenced out of SWIFT, and all the payments networks since May 2018. So, you can't put money in, you can't take money out in compliance with sanctions, which is our priority number one.

So, in an environment where we could exit, we will exit. And I think you saw what happened in Syria. The sanctions got lifted. And now we're busy finalising a settlement agreement. It's not a lot of money, but we'll now be able to actually exit Syria because we had to abandon. Abandoning legally is not very helpful because you're still the owners of the shares. So, we often hear people say, just abandon. Yeah, you can abandon in a way that then causes you more harm than you would anticipate. So, it's a very complicated and tricky situation. We're trying to manage it best we can.

Thato Motlanthe

Thanks, Ralph. Another couple of questions. Please advise what the outcome of the Cell C wholesale pricing review was in December 2025. And then a second question. Please give guidance on the Opcos whose margins have the highest exposure to rising global oil prices.



Ralph Mupita

Okay, Ferdi. While Ferdi is getting the mic, the markets that have diesel pass-through will be the ones most exposed to rising global prices. So, wherever you have a pass-through, I think we have pass-throughs in Ghana, Nigeria. So, those are the ones where the tower company just passes through what they are picking up basically at the pump. So, those would be the two large markets. But importantly, for Q1, it would be based on the exit of last year. So, if there was going to be an impact, let's say in Nigeria, you'd only pick it up in Q2. So, the sequencing of the quarters and how those contracts are designed is also important. So for now, Nigeria's Q1, even where oil is right now, shouldn't be...In Nigeria, the other impact is the Dangote refinery is picking up steam. So, rather than simply just watching Nigeria, the global Brent and WTI prices, if you want to look at all of those, look at the diesel pump price in Nigeria that's coming out of Dangote refinery. And what they've done now is they've taken out a lot of export licences in Nigeria to mitigate that impact, to try and bring more of local refining capacity into the market. Ferdi?

Ferdi Moolman

In terms of the diesel in SA, in South Africa, we do the power-as-a-service ourselves, so we will pick up any exposure on the diesel side. We've been engaging broader government around this as well. We do have two refineries that I think are still up and running. And then in the margin that we gave you, we built in some concerns around diesel already, so we do have a bit of a margin in terms of that we anticipated increases in diesel prices.

On Cell C, what we were able to negotiate was an above-inflation increase on the pricing. And then the contract also allows us to discuss other issues with them. So, we are still in discussions with them around technology and volumes and pricing as well. But that's ongoing at the moment. So, the one at the end of last year that was concluded gave us above-inflation increase on the price.

Thato Motlanthe

Let me just check if there're hands in the room. Quite a few.

Myuran Rajaratnam

Yeah, hi. It's Myuran from Metal Industries. Just first a comment on MTN. If you just take a step back and look at you guys for the last five, six years, you made it a much better quality company. So, well done on that. Whether it's the expense efficiency programme, whether it's the hard currency ratio, debt ratios, you've managed to convince the regulators for price-ups when currencies fall out of bed. And also getting IHS back in the fold. That's a 180-degree pivot, but it's a great deal from where Metal Industries sits. So, thank you for that. Well done to you and the team for that. That's just a comment first.



The second bit is, as a shareholder, we are greedy people. You've shown me that your equity free cash flow, you're going to give us 40% to 60% of that, right? Now, equity free cash flow, after giving minority dividends out, includes everything you have to pay, capex, interest, tax, costs. There's nothing left to pay. So, why only 40%, Ralph? Is it because you're assuming the IHS deal happens and therefore you will de-gear with that? Or is it going to somebody's pocket?

Ralph Mupita

There are no pockets to go to, other than to shareholders, to be honest. I think Tsholo expresses it best. Obviously, where we are now, we also have to anticipate IHS coming into the fold. So, the way we planned and thought through about this shareholder remuneration, we had to run ahead and see what that would do. Tsholo, I don't know if you want to add to that?

Tsholofelo Molefe

Yeah. I did anticipate that question, by the way. So, I think the way you should look at it, it's a cash dividend, 40% minimum. And as we said, we will consider a share buyback based on predetermined criteria, which would be the additional 20%. So, if we don't need to do a buyback, there will be additional returns to shareholders or acceleration of the debt. I think that's how you should look at it. Of course, from a Group perspective, there are strategic investments that we probably need to think about at Group level, including, as Ralph says, the debt repayment. So, those are the things I think you must think about. 60% to 40% maximum.

Thato Motlanthe

Thanks, Tsholo. I think I saw a couple of hands. We'll start with Nadim.

Nadim Mohamed

Hi. Nadim Mohamed from Standard Bank Securities. Just two questions from my side, very short ones. If I look at your three-platform strategy, you seem to have a nascent opportunity in fintech and digital infrastructure. Now that your balance sheet is de-gearred, would you look to do more acquisitions or to bolt onto the different ecosystems and infrastructure sets that you have in Africa just to accelerate the growth in those areas?

And then secondly, just a question on SA. I noticed that the medium-term guidance is still 35% to 37% for EBITDA margins. That seems to be quite a long way off from where we are in Q4. Could you give us any colour on how you plan to get there? Thank you.

Ralph Mupita



Yeah, I'll try and respond quickly. I think the three-platform strategy enables us to do exactly what you said, which is you can look at an opportunity on a platform-by-platform basis. You don't have to take the connectivity business opportunity-wise if the fintech is compelling enough itself. So, it gives us the flexibility to manoeuvre and say, in this market, this is the best way to arrange ourselves. We will look at that over time.

Just on a M&A basis, you've got IHS, so that's going to consume a lot of time and capital. All other opportunities that come along the way would need to be meaningful and value-accretive, whether it's fintech, digital infra, or on connectivity.

On SA, our point is, first of all, meet and beat the guidance before you change them. The Q4 deceleration, as we said, we took a bit of painful medicine, i.e. cut the airtime advance that is being taken into the market. That's going to be actually quite painful. Secondly, a bit of sales and distribution investment that's eating away at the margin. And that's why we said there's a couple of quarters to come before the impacts will come through.

So, we did anticipate the question that says, look at Q4, but Q4 has got some idiosyncrasies there. As I said, that's where the painful medicine was taken on airtime advance as well as investment in distribution. You're not going to see that margin there in Q1 at the level we want it to be. I think at the back end of Q2, maybe, certainly by Q3, if I look at the plans that Ferdi and team have. So, SA will be tough for a couple more quarters, to be clear.

Thato Motlanthe

Thank you, Ralph. There was another hand up there.

Admire Mavolwane

Admire, Terra Partners. Just two questions. Can you have an update on the DoJ issue, as well as there has been reports of complaints by DRC that MTN is operating illegally in the DRC, I think probably from the Rwanda network. What will be the implications? Because they've said they've taken that to international arbitration and stuff. Do we expect a fine? What are normally how those issues are resolved? Thank you.

Ralph Mupita

Yeah. Thanks, Admire, for your questions. Let me respond to them. DoJ, the investigation is ongoing and our voluntary cooperation is ongoing. So, we have been cooperating with them for information requests. Our lawyers meet them in the United States. So, that is ongoing. So, there's no material development to share, otherwise we would have put it in the SENS, to be clear.



Yes, we are aware of the issues in Rwanda. As you're probably aware, there is a protocol between Rwanda and the DRC for both countries around signal spillage. At the border, a signal can only travel so far. It works both ways. Our understanding is that in Rwanda, the authorities did write in November of last year to the DRC authorities to say, can we meet to discuss signal spillage? Us as Group don't operate in the DRC. So, our understanding is that those conversations are happening.

Thato Motlanthe

Thanks, Ralph. Let me just take the last two questions online. Since your earlier announcement on IHS, how comfortable are you about the timeline of the deal?

Ralph Mupita

The timeline is difficult to determine precisely because you've got to go through regulatory approvals and you can't force these. But we anticipate that this should be from announcement order of magnitude about six months...six to seven months is the expected time to clear everything. Obviously that's not a precise timeline, but that's the timeline we're working towards.

Thato Motlanthe

Then maybe just the last question. Will you still be paying semi-annual dividends? If yes, will the H1 pay-out be roughly similar to H2?

Ralph Mupita

It's an annual dividend. There's no semi-annual. So, that's why we said annual distribution.

Thato Motlanthe

All right let's close it then. Again, apologies in advance. We did have a lot to say in terms of the strategy and the evolution to Ambition 2030. Maybe Ralph, final words?

Ralph Mupita

Yeah, just two final words, or three. Firstly, to thank all of you for paying attention in what was a bit of a long presentation. But as Thato has mentioned, we had strategy evolution to talk through as well. Secondly, some of the questions that we may have not answered, either write in to our IR desk, or we will pick up these questions in roadshows. Tsholo and I will be on roadshows with Thato here in SA, the UK and the US over the next two weeks or so. So, we look forward to those engagements in the various jurisdictions.

The final point is, with some sadness and almost tears in my eyes, to say that this is Thato's last results presentation. And Thato has been a stalwart of investor communication for the last seven years. He's decided to move offshore. I'm not so sure it's the most interesting place to go. So, when



he did tell us that he was leaving, I was almost in tears to say, what have we done wrong? We felt like the jilted... Tsholo and I said, what have we done wrong? But anyway, we're wishing him well in his new endeavours. He starts there 1st of April.

But that also gives us an opportunity to welcome Roy Mutooni, who will be joining us 1st of April. Some in the investment community, you know of him. He'll be joining us 1st of April. So, you'll see a much more elderly, more handsome version to Thato in time to come. But I wanted to use this opportunity to express my gratitude on behalf of MTNers and I'm sure the investment community on the fantastic work that Thato has done for us the last seven years. Well done, Thato. Thank you so much. And for those who are staying, please join us for drinks and refreshments outside. Thank you.

Edited for accuracy

END OF TRANSCRIPT