Transcript of

MTN Group

Capital Markets Day

Session 2 – Platforms

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**Nastassia Arendse**
So, what we've heard about is a strategy that remains anchored in MTN's core purpose of enabling digital and financial inclusion, but also evolving the operating model to reflect on changing customer needs, emerging tech, as well as the new growth opportunities. So, we're going to move on with the programme. And in this segment, we are going to be hearing from the leaders that are driving our growth strategy, particularly within the platforms.

And we're going to begin with the first of three platforms, and that is Connectivity. It is the foundation upon which everything else is built, enabling access, powering digital services, and of course, connecting millions of individuals and customers across the continent. To take us through how MTN is scaling data, accelerating home connectivity, and empowering enterprises, ladies and gentlemen please welcome to the stage MTN Group Chief Commercial Officer Selorm Adadevoh.

**Selorm Adadevoh**
Y'ello, everyone. Great to see all of you and great to be here today. It's an honour to be in front of you today. I'm going to build on from where Ralph left off and walk you through the Connectivity business, talking about our three priorities and how we're seeking to execute on our plans to 2030. Some of you may be surprised not to see voice here under connectivity. Our three priorities are 'scale data', 'accelerate home', and 'empower enterprises'.

Now, let me just talk a little bit about voice. Voice, obviously, is our flagship product and service, which has delivered significant value over the last 30-plus years. Today, voice contributes about 30% of our total revenue. But we're seeing, on a forward basis, declines in its contribution towards our total revenue. However, with things like voice, AI agents popping up recently, and a demand for some of these services, it has been thrown some sort of lifeline. However, by 2030, we'll still expect voice to be much less than 30% and Tsholo will talk a little bit more about that.

In terms of our core growth drivers, 'scale data', 'accelerate home' and 'empower enterprises' give us quite a lot of excitement. And if you're not already excited after Ralph's presentation, I'm hoping that by the end of the day, you'll be extremely excited. There's a lot more to come, and I'll walk you through the first layer of this.

Why is '**scale data**' so important to us? And why do we see so much opportunity over the next five years? Less than 30% of Africans in Sub-Saharan Africa today access the internet. Today, we have about 90% coverage, but within that we still have a 65% usage gap. And that presents in itself a fundamental opportunity for us to bring internet services to the continent.

Structurally, there is demand. We're seeing traffic patterns growing. If you look at 2020 to 2025, there was a 400% increase in data consumption. That's a fundamental structural driver of growth. However, some of this is driven by evolving customer behaviour. We're seeing youth: close to 70% of the population are under the age of 30. The way we think about this opportunity, though, is to continue to sustain the demand for traffic requires quite a bit of investment. And it's quite key that we're able to define the basis for investment on monetisation and margin management.

We look at KPIs such as data yield, which allows us a discipline around capital that basically says, for my incremental traffic, I need to generate an incremental revenue to justify that investment. And that gives us the capital discipline that we need. But that does not necessarily give us the margin management that we look at as well. So, fundamentally, we also look at our cost of production, what it takes to deliver a gigabyte of data, and what it takes to compensate for that gigabyte of data from our revenue equation using pricing to support our balance sheet and the health of the investment into data.

That gives us the economics that allows us sustainability going forward. I was making a joke recently that my grandma used to say to me, ‘Selorm, if you have a bucket with a hole in it, increasing the size of the bucket doesn't give you any more water’. So, fundamentally, before we scale data, we need to get the economics right. And that's what we're doing with these KPIs to manage data yield and the margins.

The next slide sets the ambition. Over the next five years, we expect to **grow our active data users** by somewhere between 60 to 70 million on the chart that you see. Again, a lot of this will be driven by the youth that are coming online. But if you think about our business today, smartphone penetration in the upper 60%, active data user penetration upper 50%. So, there is a gap. Bridging that gap is the first opportunity to convert marginal users or dual-SIM users into smartphone active users. They already exist on our networks. They already have the device but are not using data.

The second opportunity are the non-users who do not have smartphones at all. Today we have 300 million plus customers, of which about 175 million are active data users. There is a gap of at least 100 million. We all know that there is an affordability challenge for devices. So, that second point on accelerating and growing 4G smartphone devices will get us there. But there is a challenge. Customers can't afford to buy a smartphone. And there are a number of initiatives that we've put in place to try to address this challenge.

The first is to work with ODMs, device manufacturers, to design devices that are fit for purpose for the continent and for the pockets of our customers. What we do here is we think about the screen size, 4.5 inch, 4 inch. We think about the processing capacity. We think about the memory size. And we say, what does a typical African customer need? And how can we design down to suit that customer? Of course, ODMs today are looking at profitability. They're looking at high-end devices because the margins on those devices are a lot more attractive. But our goal is to lead digital solutions for Africa's progress. And we have a different problem to solve than may be the priority of ODMs.

The third is to actually work with different organisations to think about different ways to finance devices that may be out of range from a pricing perspective for the customer. Today, we don't have all the instruments around credit that exist in other markets, but we have a lot of data from Fintech and from our mobile networks. And we're able to use that to create credit relationships and profiles for these customers to be able to partner to finance them. And in fact, last year, about 20% to 25% of new smartphones on our network came from device financing.

There's a third element, which is driving usage. And we're seeing some very interesting trends when it comes to driving usage. If you look at 2020 to 2025, there's been a significant shift in the behaviours of our customers when it comes to what they do on the internet. Social media and messaging were primarily the bulk of what customers did five years ago. Today, we're seeing new trends. We're seeing gaming, we're seeing video streaming, and we're also seeing e-commerce. All the work that Serigne and the team are doing on Fintech, driving the behaviour of online commerce, and that's driving significant growth on the commerce side.

Gaming, again, we think about the youth and what they do on a daily basis, and that's become a significant segment for us. We've seen gaming as one of the big drivers going forward, as well as streaming. You think about user-generated videos, TikTok, Instagram, and what we do on Facebook as well, but also other platforms that are gaining significant traction within our consumer base.

We expect to see usage go from where we are today, 14 gigabytes at the end of Q1, to about double that size going forward. And we're seeing this as a general trend on the continent as a whole. You would have seen about a three to four times growth in the previous five years. So, we expect to continue to see quite good growth.

But how do we tap into this opportunity, this trend that we're gifted by the youth? Our content-led approach is that solution, and that's the catalyst to bring content and to drive usage among our base. Different solutions for streaming, lifestyle services. Today, education is largely online. A lot of education content is gamified. We're seeing solutions that are locally produced, that customers are consuming today on some of these platforms. However, there is a gap in the market for hyper-local and local content that these global platforms are not addressing.

Ralph talked about this not being in competition with the Netflixs of the world. Our ambition is to connect the ecosystem and to bring local and hyper-local content into our environment. And that's what MTN One TV is designed to accomplish.

The second thing is local producers have no local distribution. This platform allows us to bring a solution of distribution and aggregation to local producers. That changes the investment case for local content investments. So, our belief is if we get this right, and we should get this right, that you will see investments in production. We're seeing a thriving production industry in Nigeria and some of our other markets as well. And we believe this brings all of that together. It also reduces our dependence on bringing significant volumes of traffic through Mazen's pipes on undersea cables if we allow local production and consumption to grow. And that also affects the economics of the overall business.

Now, let me take you to our next opportunity, '**accelerating the home**'. Ralph already talked about how significant this is for us. It gives us significant opportunity today. Today, we estimate 70 to 90 million households addressable on the continent. And these households do not have high-speed internet as we speak. Again, our ambition is to solve that problem and to deliver high-speed internet services to 70 to 90 million homes addressable.

Today, we're at about 2.8 million. Most of you may look at this number and think, we saw a number of 10 million some time ago. What has changed? So, let me address that before I go into our ambition forward. A few years ago, we defined home to include mobile broadband. Our decision today, as Ralph mentioned earlier, is that fixed networks reflect more the behaviours of customers when it comes to high-speed internet. And the limited mobility also reflects better on fixed networks. So, this 2.8 million excludes mobile broadband. And that's the difference between the numbers you had seen before and what these numbers represent.

Our goal, though, is to increase that number somewhere in the eight times range to get to 20 million-plus across our markets. We expect to use different technology types to do that to achieve about a 30% penetration into the addressable base that I mentioned earlier. And of course, Nigeria, South Africa, Ghana and Uganda are the key markets that will drive the scale of this ambition forward. But this is not just going to happen on its own. Let me share a few trends that we're seeing and why home is so important.

Again, in the West, we're seeing 80% to 90% of data consumption on smartphones delivered through Wi-Fi networks. Africa has the fastest opportunity growth on international bandwidth, but we're also seeing consumption in households to be 10x, 15x, and in some cases up to 20x what it is on mobile. So, a significant opportunity for growth, but it does require the investment and the diligence to deliver operationally.

So, how are we doing this to ensure that the investment delivers the right return profile for the economics to be positive for us? First of all, we have a variety of technologies to deliver, FTTH, FWA, and complementary access technologies. So, how we think about FTTH, of course, dense urban areas, premium customer base, very reliable solution, but of course it requires a premium to justify the investment. Less dense, suburban areas, 5G, FWA, fixed wireless access, and that allows us to be fast to reach the customer. And over time, when the economic profile justifies a different technology, we can migrate into FTTH.

There are other areas that are less dense, and the economic case and the viability becomes a lot more challenging than the first two areas. Here, we look at complementary technologies. LEO, for example, allows us to penetrate the rural areas. We can also use technologies on licensed bands. We're doing this in South Africa today. And there are other technologies that may come up online as we continue to evolve. This allows us to put capital discipline as an anchor in our decision-making on how we execute on home.

Operationally, we need to develop a model. Most successful home deployments have a model. And my grandma used to say to me, you can't just be born and start walking. You need to go through the steps, crawl, and start walking. And I promise you that will be the last quote from my grandmother. We look at a variety of KPIs. Homes passed, the cost per homes passed, homes connected, the cost per homes connected, the conversion ratios of our homes passed into homes connected. That gives us the licence to monetise that investment. And those ratios allow us to gain confidence in returning the profile that justifies the investments. And we're doing quite well if we compare ourselves to these more advanced markets, Latam and Asia.

We're building an operational excellence framework that will be MTN's way of delivering home, and our goal is to use the economic framework here to actually build something we can replicate in new markets and accelerate the scale. To go from 2.8 to 20 million, it would require an operational engine that's working at peak performance, and that's what we're putting in place to be able to deliver that.

Let me bring the presentation quickly to an end by ending on enterprise, how we '**empower enterprises**'. Today, we see a massive opportunity in converged solutions. We've built some solutions in South Africa, where 15% of enterprise revenue today comes from converged. Converged represents something like five times our fixed and mobility, where today over 80% of our enterprise revenue comes from. In Côte d'Ivoire, we have about 20% of enterprise revenue, again, that comes from converged solutions. Replicating the success of the models here across our business gives us an opportunity to increase enterprise revenue by somewhere in the two to three times range going forward.

A significant driver of enterprise growth is SMEs as a segment. Today, we have 12% of the SME base and that delivers close to half our total enterprise revenue. We see continued opportunity in this space. And if you look at the verticals on products in terms of unified communications, cyber security, there are great growth opportunities in all these segments. From an industry sector perspective, trade and commerce, agriculture, services constitute a significant industry opportunity, and that gives us an approach that allows us to start to think about some fundamentals. Aligning vertically to these industries that have very unique needs and require specific propositions will allow us to start to gain traction in delivering converged solutions.

Moving away from infrastructure into solutions will also start to lead us into more sophisticated propositions. And the role we play within these operations and customers will also change over time. But we can't do that without fixing certain basics. What it will take to win: talent, for starters, is absolutely critical. And of course, really thinking about the technology solutions and how we build a base for those solutions would also matter quite significantly. But capability and localisation, making sure the relevance of the solutions make sense for these offerings, will be quite important.

In summary, let me bring the Connectivity presentation to an end. There are a number of things that would allow us to unlock growth and deliver results. The first of which, incrementally over the next five years, 40 to 50 million new mobile users. Second, 60 to 70 million new active data users. And then third, in terms of our home ambitions, 20 to 30 million homes connected. And finally, growing our enterprise business two to three times.

We're excited about these opportunities. Our pivot on the youth, our pivot on home, and ensuring the acceleration there give us a lot of excitement, but also the confidence that we will grow this business significantly and unlock growth and deliver results over the next five years. I will now hand over to the next speaker, Serigne. Ladies and gentlemen, thank you very much.

**Nastassia Arendse**
Thank you Selorm for sharing those perspectives around MTN's Connectivity business. Now, Selorm, I must say to you, I've attended many Capital Markets Days, and this may be the first time we've seen an investment case that's not only supported by market data, but also grandmother wisdom. So, we love it. And judging by the reaction in the room, I think the grandmother may have been a persuasive source here. So, we do appreciate those anecdotes.

So, what we've heard here is, you know, the fact that Connectivity growth is being driven by data adoption, expanding lifestyles, but also not forgetting that growing demand for reliable broadband and enterprise solutions.

We now turn to what has become one of MTN's most exciting growth engines, and that is Fintech. Over the past decade, MTN has built one of Africa's largest financial services ecosystems. The opportunity now lies in deepening engagement, broadening services and accelerating monetisation.

With that said, I'm going to welcome on stage MTN Group Fintech CEO Serigne Dioum. He's going to walk us through the MoMo ecosystem, including the market opportunities, the current performance, as well as Fintech's roadmap to 2030. But he'll also take a moment to explain to you how yesterday's exciting announcement is a step change for the business. Ladies and gentlemen, please welcome Serigne Dioum to the stage.

**Serigne Dioum**
Good morning, everyone. Ralph introduced ***Ambition 2030*** and talked to you about ‘One MTN. Three Platforms’. Selorm presented to you the Connectivity platform and I'm going to take you through the Fintech platform.

So, we started almost two decades ago and our ambition was very simple. It was to help people to move money safely. But we have done much more and today we help families to receive money from the diaspora. We help merchants to receive payments. We help entrepreneurs to get more working capital by getting credit from us. And we help partners to participate more in the digital economy.

And the story I'm going to tell you today is more than a Fintech story. It is about how we help to accelerate Africa's growth by allowing more people to participate in the digital economy. And I'm going to explain to you how as MTN, we are best positioned to capture the opportunity that lies ahead of us in terms of Fintech.

Before I talk about the future, I'm going to take a pause and talk to you about what we have achieved since we've started our Fintech journey. We have built **one of the largest fintech platforms in Africa**. I hope that you're all convinced about that. And also, back in 2021, when I introduced to you our fintech business, I introduced to you Kafui. So Kafui is one of our customers whose life has been changed by MoMo services. She now participates more. She's closer to her family, sending money, receiving money, but she can also pay bills, buy airtime, and do so many things with our fintech services.

And we have so many Kafuis around the countries where we are operating. And beyond Kafui and beyond consumers, I'm going to talk to you about what we do for one of our merchants. And I'm calling her Miriam. So, Miriam has a small business, but we help her to receive payments. We help her to increase her working capital by giving her capital. But we help her to grow, because we expose her services within our platform to more people digitally.

And that is what we do for so many partners, so many merchants. We have more than two million of them across our footprint. And we do the same with our agents, we do the same with our partners. And also, most importantly, is the impact that we have been having for African people. In 2025, we moved more than US$22 billion from the cash economy to the digital economy just for last year.

And every day, when you wake up, before you go to bed, we help more than one million people. We empower more than one million people to take a loan from us. Some of them are taking a loan to buy tomatoes or vegetables in bulk to sell them and create more value for themselves, for their families. Some of them are paying hospital bills, saving lives by taking a loan from us. And also we help create more than that, we created more than 1.4 million agents and that is more than two million jobs because most of the agents have one or two people working for them.

And very importantly, we also create connections between our partners and our broader ecosystem. So, only last year, we processed more than one billion API calls. That means that we process more than one billion times we help people, our partners, to get access to our 70 million customers to propose to them their services. So, this is bringing us to get into the platform era, which I will talk to you about later. So, we've created big impact since we've started.

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And also, the business we've created has generated a lot of value. Last year, we generated more than R28.8 billion as revenue. We also processed more than half a trillion dollars in transaction value. We also processed more than 23 billion transactions.

But our journey started back in 2009 with very simple services, sending money to each other, paying bills. And back in 2015, we started doing merchant payments, allowing merchants to accept a payment and to digitalise cash transactions and cash and use cases. Later, when we introduced ***Ambition 2025***, we introduced our BankTech offers and API platforms that I talked about earlier.

And we have expanded our ecosystem, and we are now fully a platform business, and we are moving to what we call an AI-digital-first platform. And I will talk to you about that a bit more in detail later. So, we have created a scaled business. We have diversified our verticals from wallet to payment to international remittance to lending to insurance and now we are moving to a digital-first AI-native platform.

So, we have done all of that and by doing that, we have built unique assets and we have licences in more than 14 markets. We leverage MTN connectivity assets that have been built over the time with more than 300 million customers. We're yet to get all of them to be Fintech customers. We as MTN have among the most trusted brand in Africa. And also, most importantly, we have the best people who know Africa and who know fintech also. And we have an agent distribution network of more than 1.4 million across our footprint.

One fintech can build products and services, but it is very difficult to scale them. And we are able to do that by leveraging the assets that we have built over the years, not only from Fintech, but from our MTN overall business. And that is very important and I will show you in the next slide how we will leverage these assets to be able to tap into the broader fintech opportunity.

We have built a very scale business. But I'm more excited because the opportunity we see ahead of us is even bigger. So, in the next five years, we think that the fintech opportunity, the fintech revenue pool will be multiplied by 13 times. Despite all we have done, only 10% of transactions have been digitalised. More than 90% of transactions today are cash based. So, we can say cash is still king. And also, only 4% of the adult population have access to credit. So, that gives you the potential we have, the potential that fintech represents in Africa in the coming years. So, in the next slides, I will show you how MTN is the best positioned to capture that opportunity and our **transformation journey**. So, we started with what we call the access stage, where our ambition was to get people to formal financial services and to be able to register to mobile money, to send money to others, to pay bills, to buy airtime with us. Later, we moved to the payment stage where we started digitalising payment, helping more than two million people receive payment from Mobile Money.

And after that, we started getting into a platform business, where we offered more than basic services. We started giving lending to our customers. We started connecting partners using our API platform. And also, we started enabling e-commerce. Now we are moving to what we call the intelligence stage, where we are leveraging AI to do a couple of things.

First thing is what we call AI for our customers, for our merchants, for our partners. We have been using AI to better target our customers, to better manage our distribution network. But today we also use it for fraud detection to protect our customers more. And we are also using AI to be more efficient in terms of exploiting and managing our platforms. And the third one is AI with our people. With the people we have, we think that AI can help us, for each of us, to do much more using AI, and we have a full programme to help us implement that. And also, I will talk about how we will also leverage the Alipay platform, which is an AI-native platform as well.

So, **how are we going to really win** in Africa when it comes to Fintech in the next five years? We have a strategy that can be summarised in this slide. Our ambition is to create seamless digital and financial solutions that empower individuals and businesses to thrive. And also, we are building Africa's largest future together. We are unlocking growth and opportunity for everyone, consumers, merchants.

And we want to become a digital-first platform. So, Ralph talked about it earlier. Every day, he's putting pressure on me, talking about why everyone is not using the app. And we are working on really delivering to our customers an app experience which is first in class, world-class. But also, we are working to help people to move from USSD to the app. And our ambition is for each of our customers who has a smartphone to interact with us using the app.

And also, we will be defending or deepening our leadership in the markets where we are operating already, and I will talk about that later. And how are we going to do that? First of all, technology is very important and it is in the centre of our strategy. And we don't intend only to improve our technology platform, technology ecosystem. We really want to leapfrog. And I will show you later how we are going to do that.

BankTech has the largest growth potential for us in the next coming years, and I will show you how we will accelerate access to credit, but also how we will be climbing more into the value chain when it comes to BankTech. I will also show you the other verticals: payment, international remittance, how are we going to continue scaling them further.

I'm confident that we as MTN will be able to execute against our strategy because of the people we have. And that is very important. I will show you the management team later, but we also have the best people who understand fintech, who understand the continent, and we have identified how we need to also improve the team to be better positioned to deliver against our strategy. Execution will also be key. Our strategy is very clear. What we need is to be excellent when it comes to execution, and we are working towards that.

So, I will start by talking to you about **technology**. As I introduced earlier, technology is in the centre of our strategy because it is the biggest enabler for us. So, we're going to implement our technology transformation with three more changes. The first one, which is the most important one, is what we announced yesterday – a partnership with Ant International (Alipay). So, Alipay has built one of the best and sophisticated fintech platforms across the world. And it is used by more than two billion people across the world. So, partnering with Alipay will help us to deliver the best digital customer experience in the continent to our customers.

We will also benefit from an operating model framework that has been proven to be very successful to how we can deepen our ecosystem. And also it will help us to get people that understand more AI, understand more about the fintech platform that will help our own people to also be ready to use the platform to deliver a better customer experience in Africa. So, we are very excited about the partnership with Alipay and we think that it will change the way we deliver services to our customers, and also the customer experience we will be delivering to our customers.

The second change is around API. So, I talked about API earlier, that last year we processed more than one billion financial service API calls. But we think that we need to improve that platform to allow for our partners to integrate to us faster, simpler, and more seamlessly. And that is ongoing. The last one, which is very important also, is team augmentation. So, we are augmenting our technology and product team so that we will be able to really leverage the Alipay platform to deliver world first-in-class customer experience and value propositions across our markets.

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And the outcome will be that we will be offering our customers in each of our markets a support app that will be an engagement platform that will help us to engage much better with our customers, more frequently with our customers. Instead of engaging once every week, every month with customers, we will be engaging with customers several times on a daily basis. So, technology is very important and it will be the key enabler for us in the next five years to deliver against our strategy.

**BankTech evolution**. I talked about it earlier. We believe that BankTech has a great potential and we have already built a very successful and scaled BankTech business, but the opportunity is so big that we need to do things differently to be able to accelerate our journey and to position ourselves. So, how are we going to do that? First of all, we'll be accelerating the implementation of our BankTech lending roadmap across our footprint. We will be providing access to more people when it comes to credit. We will provide more credit access to more people, but also we will be repositioning ourselves when it comes to the BankTech lending value chain.

So, Ralph talked about licences earlier. Where needed, we will be augmenting our licence to be able to use our own licence to deliver loans to our customers, but also to lend against balance sheet. So, we will be doing it in a controlled way, making sure that we control the risk, but this is ongoing and we have started working in a couple of markets already. And we think that it will help us to capture the lending opportunity, which is still very big in Africa.

**Payment.** So, as I said earlier, last year we helped to move more than US$22 billion from cash-based transactions to digital payment transactions. But we think that the opportunity is bigger than that. If you look at our customer base, fewer than 15% are paying to our two million merchants. We can increase that. If you look at payment transactions in general, in our markets more than 90% is still cash-based.

We think that we can accelerate adoption for our customers to pay digitally to our merchants. We think that we will be able to get more merchant SMEs to accept the payment with us and that will really deepen our payment game. Also we'll be leveraging our Mastercard partnership. We have started already and will continue to rally for our customers to get access to international commerce.

**International remittance**. So, international remittance is also one of the biggest opportunities. If you look at it closely, more than 80% of international remittance transactions are still going through informal channels. And also, it will be growing to US$500 billion by 2035. So, the opportunity is very big. Over the years, we've built unique assets and operating models that we think will allow us to capture the value of remittance in the coming years.

So, only last year, we processed more than US$6 billion remittance transactions. And also, we have started internalising most of the value chain in terms of remittance. Imagine tomorrow, you have a Ugandan who lives in London. He will be able to download what we call 'diaspora wallet' and to transact as if he was still in Uganda. And it will help us to control the remittance value chain and to be more inclusive with our customers who are not in our countries but in the diaspora but still need to be connected to their families back home.

Also, here I'm giving a few **other opportunities** that we think that will be the next wave of growth when it comes to fintech. So, I've explained how we will continue scaling payment, international remittance, lending that will be providing us the immediate growth for the next five years. But we also have services we are working on that will be the next generation of growth.

To execute against our strategy, we are relying on the **leadership** when it comes to Fintech, and I have a very diverse skilled team from different parts of the world. We take people from where we think that we can, when it comes to having the relevant skills and to be able to integrate to our teams. And we think that with this team, we will be able to deliver against our strategy. But I would like to emphasise something. As Fintech, we are successful not just because we leverage our Fintech team. Every single MTNer participates in that journey. From Connectivity, Digital Infrastructure and Fintech, we are one team and it is what makes the difference compared to others.

And here I'm giving examples of three **markets**, which are among the best fintech markets in Africa, starting with Ghana. So, we've scaled Ghana. And also, what is important and interesting is that we have developed a centre of excellence in some of the markets with different services. Ghana, for example, we've scaled lending, BankTech. We've also scaled the same in Uganda. I talked earlier about how that across our footprint, only 15% of our customers are paying with Mobile Money. But in Rwanda, you can see that it is more than 60%.

So, we are working on making every single success in one country become a global success. And we have been successful on most of what we are doing. It's just a matter of maturity when it comes to who started first. But if you look at lending, it is scaling in Uganda, in Ghana, in other countries. Payment has scaled in Rwanda and also is scaling in other countries. And it is also how we make sure that we use different teams to serve all our customers globally.

As I explained, **winning in Nigeria** will be very important for us in the next five years. So, we do acknowledge that we are not where we should be in Nigeria. But for us, we learned a lot in the last five years in Nigeria. And we do understand why we didn't deliver against our expectation. First of all, the licence has some gaps and doesn't allow us to do international remittance, doesn't allow us to do lending and some sort of payment.

Secondly, we didn't have the right platform to win in Nigeria. And also, thirdly, you have some digital native fintechs that got the licence before us and scaled, the like of OPay and PalmPay. But the opportunity is still big when it comes to fintech in Nigeria. You have a population of more than 200 million people. Payment is still cash, more than 90%. Lending credit is underpenetrated. And as MTN, we have a customer base of more than 80 million people. And now we have the Alipay platform that we've started deploying and it will be live in the coming weeks. And we think that with that platform, we'll be able to deliver the best value proposition in country when it comes to fintech.

And also we've augmented our team to make sure that we have the right team to win. Very soon, we'll be announcing the new CEO for Nigeria when it comes to Fintech. And also, we are pursuing a dual strategy. That means that we think that in the north, we have a lot of more underbanked or unbanked customers, and we think that we can leverage our connectivity assets there more to bring those people into the formal financial service space. And we have started already.

So, the strategy we have in Nigeria, we call it a research strategy. We have already started implementing it. We have started seeing some benefit and I'm very excited to really continue implementing the strategy and we are sure that it will deliver meaningful results for us and to capture the value of full potential of Fintech when it comes to Nigeria.

So, our ***Ambition 2030*** Fintech part will allow us first of all to accelerate our advanced services. So, by 2030, advanced services will be much more than basic services, more than 50%. That will position our business to be more sustainable. And it will be much more difficult to disrupt us. Secondly, we will be also delivering with a very attractive margin, which will be low 40%s still, and also our capex intensity will be less than 10%. We have started investing more in technology, with the Alipay platform, augmenting our team. And that will deliver attractive economics from the Fintech business.

To **summarise**, we've talked to you first about how we have scaled the fintech business to become one of the largest fintech platforms in Africa. Secondly, we've talked to you about how we're going to scale the advanced services further. Thirdly, we talked to you about how we are going to expand our ecosystem further. Fourth, we've explained to you that we are going to win in Nigeria and how we are going to do that. And we are going to maintain our leadership and deepen our leadership in countries where we are already successful.

All of that will deliver between 40 and 50 million more active customers additional to our base by 2030. We will also add more than two million merchants. We'll be doubling our merchant base by

2030. And we will be increasing the participation of advanced services within the revenue mix. And this really gets us very excited. We've done a lot, but it's like we are starting a new journey in Fintech because of the transformation we are going through to deliver these values to you in the next five years. Thank you very much.

**Nastassia Arendse**

Thank you, Serigne. And what we've taken away from that conversation is that the focus is now on building a richer ecosystem, increasing customer engagement, and not forgetting to create that sustainable value through financial inclusion at scale. So, typically we would break for lunch now. But we've adjusted that time a little just to accommodate with the presentations, that Q&A engagement.

So, we're going to move on with the rest of the programme. We are going to get to the third strategic platform and that is Digital Infrastructure. I would like to welcome to the stage the CEO for MTN Group Digital Infrastructure, Mazen Mroué. And here's what you can expect from him. So, he's going to unpack the infrastructure that is going to be underpinning MTN's strategy. He'll talk about fibre expansion, TowerCo ownership, including AI-enabled data centres. Ladies and gentlemen, please welcome Mazen Mroué.

**Mazen Mroué**

Good morning, everyone. I'm here to present the third strategic platform for MTN Group. It's a growth engine within the ***Ambition 2030***, focusing on the details on how we intend to unlock growth and deliver sustainable results. Again, to remind ourselves that Digital Infrastructure is one of the three platforms. We've seen how Selorm and Serigne are very much excited. For me, I'm super excited. And the reason for that is the open-access philosophy and model in Digital Infrastructure present for us a strong investment case underpinned by three structural drivers.

And back to the excitement, we've seen how MTN internal plans to grow the Connectivity business that speak directly to the first driver about how we are going to benefit from the embedded demand base, supported by the 300 million-plus subscribers and ambition to grow the internal business or the connectivity business, leveraging from the internal wholesale model. And that's creating predictable contracted revenue streams.

The second driver for us, we are well positioned as a pan-African infrastructure business, capturing demand that's coming from cloud adoption, AI, and digitisation across the continent. And the third driver, back to the open access, drive third-party growth that enables us, from one side, to monetise our infrastructure from third parties. At the same time, it creates a platform for investors to directly co-invest in our programmes.

In addition to the three structural drivers, there are also **four key advantages** for our Digital Infrastructure strategy. One, the FibreCo structure in the form of an integrated business, backed up by the backbone that has been built during the last 30 years by MTN across all the markets with access to subsea cables, with direct investment in at least six of those cables in collaboration with international consortiums like Meta and Google. It creates an opportunity for us to continue expanding our reach beyond the MTN footprint. And that's what we have already established, at least nine incorporated FibreCos in nine markets, and two of them are currently outside of the MTN Connectivity footprint.

The second advantage, we strongly believe we are also well positioned to co-participate in growing the Africa data centre business, leveraging the growth that we see in this space that we think, according to all reports, the data centre business is anticipated to grow between 2% to 5% during the next five to 10 years. And for sure, that will be enabled through strategic partnerships we decided to pursue to reduce the pressure on our balance sheets and cash flows.

The third driver, we are unlocking value from TowerCos, subject to the approval that we are anticipating and we are working on for the IHS transaction, creating value-realisation benefits for MTN and for all customers. And fourth, we are well aligned on the strong demand that is continuing to be expected from cloud adoption, digitisation, from IT workloads across the continent.

For executing the strategy, we need a **solid team**. We are proud we have assembled an experienced team driving those three interventions across the three areas of Digital Infrastructure within the ***Ambition 2030***, including the fibre, the data centre, and potentially the towers. Our Digital Infrastructure **journey** is going to evolve from what we have today as three separate pillars, subject to the TowerCo or the IHS transaction to be concluded. We have three pillars creating at this stage opportunities for revenue diversification and leveraging existing partnerships. We are moving into having, in five years from now, fully integrated AI-enabled infrastructure, generating multiple revenue streams across the structure; aiming to grow revenue on average between 7% to 10%, with margins expanding between 50% to 55%. And all those can only be delivered, again, with strong partnerships, moving and shifting from pure commercial relationship to co-investment models. And the reason for that is the direct benefits on our financials in terms of reducing the pressure on balance sheets and definitely the scalability where we can execute simultaneously in multiple markets with agility.

In addition to that, the **integrated platform** is the second biggest differentiator. I spoke about the open access. It's one key differentiator for our strategy. The second biggest differentiator is the integrated structure that we are putting on the ground, combining the FibreCo with the Data Centre Company and leveraging the TowerCo in the future. All those three assets together create a distinctive story for growth, providing reliable, resilient propositions for the players or for the customers who are looking to use our infrastructure, leveraging the open-access model.

When we look at the FibreCo, our fibre footprint is expected to grow or increase from what we have currently of around 140,000 kilometres, increased by three times during the next five years, backed up by subsea capacity that is important to connect the African continent to the rest of the world. We expect the subsea capacity to be doubled.

And with the Data Centre Co plan, the aim is to complete the build and the construction, starting with the ambition of having 80 to 150 megawatts, which is a scalable ambition, leveraging joint venture opportunities that currently we're putting in place, aiming to capture the demand that we see strongly in our footprints and across the continent, making sure that we are aligned with the overall growth that we see in the data centre business across the African continent.

TowerCo could present the other pillar, which is really a complement to the other two pillars to provide and generate an integrated approach where it can cement and improve our integrated proposition when it comes to the overall commercialisation.

Also, we see that our Digital Infrastructure strategy is well supported by the **regulatory ambitions** and priorities. On the FibreCo case, we see again the open access provides a need for lowering the cost, which is really important to ensure that there is an efficient deployment of all capital put in place.

In the Data Centre Co, data sovereignty and AI governance expectations and priorities from the regulators present a strong case to generate local demand.

And across the towers, we see that the push from the regulators for efficient utilisation really drives the multi-tenant expectations, which adds more value to the business to make it more sustainable in the medium to long term. And the coverage targets that the regulators are putting for all telcos across the footprint in Africa also presents another supporting factor for the TowerCo business.

I want to go into a bit of detail on the three areas that are part of ***Ambition 2030*** for Digital Infrastructure, starting with the **FibreCo**. Africa currently has around 18% of the overall world population but less than 1% share of global fibre infrastructure. So, it's clear there is a huge gap and we are well positioned as a Pan-African leader telecommunication company to fill that gap in the medium to long term. And that's why it's the right time to restructure ourselves and move and continue the investment that we started, leveraging the open-access model and the integrated approach that I spoke about.

So, we believe with this ambition, it's an opportunity for us to continue the work that we started with the structural separation of our fibre assets in selected markets; to support the open-access model; and definitely backed up by the subsea capacity; and leveraging the partnership that we announced three years back with Africa50 to complete the Project East2West fibre that creates another level of resilience and complements the overall fibre footprint that we are aiming to complete, creating a much greater level of resilience, redundancy, and capacity.

On **Data Centre Co**, again, we see that the demand continues to grow. We cannot sit idle. We have already agreed internally on the best approach to participate, knowing that this business continues to grow between three to five times. And looking at the capacity relative comparison between us and the rest of the world, it's clear there is huge potential in this space. And our approach is governed by three drivers.

One, really focus on greenfield, do it in partnerships, and start from the markets where we already exist and there is a high demand. And potentially, we can scale this to other markets the moment we really put in the right foundation and we start showing real results. We look at the data centre business as a real estate business and that should be driven by demand-led structure. So, we don't sit on idle properties or real estate. That's why there is a balanced approach between putting the right structure, acquisition of the land, having the right partners, and having the effective commitment from customers so that we can really ensure scalability and monetisation moving at the same time.

And most importantly to mention here, we are not alone in thinking about the data centre business on the continent. But what is differentiating us, we are not only providing real estate. We are not providing an apartment or a house. We are providing a complete infrastructure suite, starting with connectivity, leveraging the fibre footprints, with the subsea capacity, with the access to the satellites. All those together provide a huge amount of advantage to the hyperscalers, who are looking to have end-to-end solutions for hosting their own systems and solutions in the continent.

And that also presents another opportunity for governments and for enterprises. And that also presents a big opportunity for Selorm when he spoke about empowering enterprises. Because we strongly believe that up the value chain, what you see here on the table, that is going to be driven by the enterprise team to fulfil the demand that's coming from the cloud and the applications and the other services.

And again, let me put it in a bold statement here. The approach that we are taking, we are building the new data centre in partnership, again, reducing the pressure on our financials, de-risking, as well accelerating and creating scalability advantages.

When it comes to the **towers**, and again, subject to the approvals that we are currently actively working towards. Ten years back, we decided to sell our towers. We didn't have the expertise, and we maintained equity in IHS. We didn't have the right expertise to run the TowerCo. But now we have seen that there is a huge opportunity to buy back and not only to acquire the towers, but also to leverage from the talent that has been built by the IHS teams.

And for that, we believe there is a huge amount of synergy that is already identified, and we are preparing ourselves from day one to have the right team directly responsible to drive all those synergies. And I know there is a question in your mind, what are the benefits? And here, when we talk about the benefits, it's not only the benefit for MTN. Because I want to speak the TowerCo language. We have customers. MTN is one of the customers. And the benefits are a lot.

Examples vary from operational to strategic. Example, if we have on average a 1.5 tenancy ratio at this stage, that means there are operationally multiple teams, multiple vendors accessing the same site for maintenance. That's a basic opportunity where there is an opportunity to optimise. From security, passive infrastructure, generators, batteries, ending up with the active maintenance, all those together. And many times we find the same vendor, the same team is being contracted more than one time. That's operationally.

Another example of other opportunities, we speak about the scale of combined procurement advantages. Another example we see is currently there is no incentive enough for the TowerCos to work on the direct cost pass through when it comes to the power. Because at the end, the telcos or the customers are paying the bill. In our approach here, there are much stronger incentives for us to invest in alternative energies that can create an additional factor to reduce the cost and create much more reliable infrastructure for the future. And many other examples.

Ending with another example, the sites by themselves in many of our footprints are equipped with generators and batteries but only feeding into the sites and feeding in fragmented ways to the active equipment. So, there is another opportunity to start thinking about power as a service as another strategic opportunity that can be added on the top of the TowerCo business.

And finally, we took a bold step recently to go beyond just the traditional pillars to start thinking what can we do on top of our networks **leveraging AI evolutions.** We decided to invest in ODC along with other international players to bring solutions that can be hosted at the network edge by simply proposing and installing GPUs, cost-effective solutions that can run workloads that can really address enterprise needs.

And again, this is a unique opportunity for our enterprise teams under Selorm to monetise and create new revenue streams, leveraging the existing infrastructure that's currently only connecting customers, but becoming a pool to generate additional revenue by hosting AI workloads on the top of the network.

So, **our ambition by 2030** is going to be governed by several factors. A few of them are on screen. On the non-financial side, our plan to triple our fibre footprint, to double our subsea capacity, to build as phase one scalable data centre demand. And that demand we can see is going to grow, providing capacity internally and the Pan-African demand that we can see, and as well for the hyperscalers who are looking to come and expand their own services across the continent. Financially, again, our aim is to grow digital infrastructure revenue on average 7% to 10%, with margins varying between 50% to 55%.

And **to recap**, all the information that I have just shared with you is summarised in these five statements.

One, we're building a **differentiated, integrated, open-access platform**. There are many players on the continent who are playing in different ways, but there are very few that have that integrated proposition or structure in place. And MTN is one of them, and we are at the leading edge.

Our **Pan-African fibre infrastructure** is going to continue to deliver scalable capacity and resilience. And will continue to be a demand-led model, leveraging all the partnerships that we have already put in place, all the consortiums that we are participating in.

Our **greenfield data centre strategy** is well positioned to capture the ongoing demand and scalable enough to go beyond just the capacity that I have shown on the previous slides in multiple markets, starting from the markets we already exist in and where we see high demand.

And number four, our **TowerCo approach** in terms of owning these assets creates a significant amount of economics, efficiencies and value to the overall consolidated business of MTN Group and for our customers as well who are benefiting from the infrastructure leveraging the open-access model.

And finally, our **bold investments in AI RAN** speak to the fact that we are continuing to play a leadership role in bringing the latest cost-effective technologies and hosted at the edge level to present a strong business case for our enterprise business to run additional services on the top of our active equipment.

Ladies and gentlemen, thank you for your attention. I'm looking forward to the Q&A.

**Nastassia Arendse**
Thank you, Mazen. So, we've had three gentlemen on the floor this morning who were very excited, and they highlighted that at the outline of their presentations. And there are some very exciting questions to match that excitement that you showed on stage. So, gentlemen, if I can have you on stage.

There are quite a lot of questions that have come through. So, in the interest of time, I'm going to try and manage it as best as I can. So, online, I'm going to take two questions, and in the room, I'm going to take two. But I do want to mention that this is not the only opportunity you have to be able to engage with the leaders you're going to see here. There are different parts of the programme where we will again open the floor for that Q&A engagement and during the networking session.

So, if you have a question, please raise your hand, give me your name and the organisation that you're representing, and then fire off your question.

**Nadim Mohamed**
Nadim Mohamed from Standard Bank. Just a question for Serigne on Fintech. I just would like to better understand your strategy with Alibaba in Nigeria. Are you looking to become more of a neo bank similar to some of your competitors like OPay and PalmPay in the market?

**Serigne Dioum**

Thank you very much for the question. So, I think the 'friendship' between neo bank/fintech is narrowing more and more. And I think for us, the most important things is what services are we going to provide to our customers to fulfil the needs and demands that we have in Nigeria. And in Nigeria, we have a banking licence, which is called a PSB licence. But as I explained in my presentation, we are seeing some gaps. So, we cannot do lending today directly. We cannot participate in international remittance directly. And there are some other services that we cannot do.

So, we are in the process of augmenting our licence to be able to provide those services and become an ecosystem of services for our customers. And OPay and others, I'm not sure if they're positioning themselves as a neo bank, but what is sure is that they're proposing services that are aggregated through a super app such as what we are going to provide to our customers. But we think that the platform we have will have a much better way of proposing it to our customers. Also taking into account the deeper ecosystem we already have in Nigeria, with MTN Nigeria, we think that those together will help us to be better positioned in that market.

**Nastassia Arendse**
I'm going to take a question online: What is the plan for transitioning away from 2G/3G, if you have to take a view? Do you think MTN Group will be able to move on to 4G/5G only by 2030?

**Selorm Adadevoh**
Thanks for the question, quite an interesting one. I feel tempted to get Charles to join me on stage. So, the way we think about our network infrastructure today, 2G is still a technology that we see as quite relevant into the future. There are different types of services that continue to run on 2G. Obviously from a consumer standpoint, that's becoming less and less relevant. But from a regulatory standpoint, 2G does have some legacy and some residual value that we're trying to preserve.

3G, on the other hand, has an economic equation that's not very promising for us. So, the focus today for us is really on 3G shutdown. And we have identified a number of markets that we are trying to work through to try to migrate that, agree with regulators to put in place a plan for 3G shutdown. We should have quite a robust plan between now and 2030 to shut down some of our 3G networks, but there's a lot of work that's required on the regulatory side. From a technology and commercial basis, we actually do have readiness in some of our markets, but from a regulatory standpoint, that's not necessarily in place.

The final piece of that is a device compatibility, where we need to shift the final legacy of our 3G devices onto 4G, and then we can free up that space. We can also leverage the spectrum much better in markets where we have the ability to leverage spectrum across different bands or neutrality to give us a lot more benefits on the technology side and to drive 4G usage. So that's absolutely part of the plan, but there are some limitations we need to work through. Thank you.

**Nastassia Arendse**
All right. Sir, you have the microphone. Please give us your name and organisation.

**Sunil Varghese**
The name is Sunil Varghese from the PIC. Just a point of clarification on your announcement with Alipay and Ant. Can you clarify, can you use the Alipay on your USSD platform, or do you need to have a smartphone? And then if it is the latter, how does one differentiate from a Google Pay or Apple Pay, etc.? And wouldn't it be better to have more of an open access? Thank you.

**Serigne Dioum**
Thank you for the question. So, with our Alipay platform, the way we are deploying it, it is why also I talked about augmenting the team. So, we are taking the best of Alipay platform, but we are adapting it to our markets. So, in our markets, USSD is still relevant. So, for example, what we are launching in Nigeria, we'll be offering the app channel, but also still the USSD channel. So, the USSD customers will be able to get access to services through USSD, but we will be pushing, as I said, for everyone who has a smartphone to engage with us using the app. But to answer your question, it allows USSD channels.

**Nastassia Arendse**
Okay, Mazen, this might be for you. So, the question is: Given how the IHS deal is likely to be structured, what are the benefits that the Opcos are going to get post deal? And are the operating leases likely to be amended to, let's say, local FX-based? If not, why not?

**Mazen Mroué**
Thank you very much. And again, this is subject to the approvals that we are currently working on with different stakeholders. So, when we say Opcos here, again, I need to repeat the approach that we're taking is that this transition will be run independently to create an equivalent room for quality services to all the existing customers, including MTN and others. So, the same amount of benefit that is going to apply for a customer one will apply to the customer two.

An example of those benefits, I think I spoke about some of them, and the biggest opportunity there is to accelerate the process to find alternatives or infuse the infrastructure with alternative energy supply that can really speak directly to the direct cost pass-through to the customers. Also another angle which is more on the operational side on how we can really combine and consolidate and optimise some of the operational activities on the site by looking at the different players who are really operationally involved in the maintenance of the sites.

Another example is how can we really bring an opportunity for the existing active equipment on the sites to allow active sharing where we can enable much more pool of revenue monetisation for the existing customers. So, these are just a few examples, but as I said in my presentation, there is more than 12. We have identified more than 12 different distinctive value unlock opportunities and we are well positioned to kick them immediately, we have the approvals, and many of them have direct impact benefits to the end customer or to the customers.

**Nastassia Arendse**
Okay. So in the interest of time, can I squeeze in one last question?

**Hasnen Varawalla**
Thank you very much. I'm very conscious of the last question just before lunch. This is Hasnen Varawalla from Absa. In the presentations today, both on Fintech as well as on Digital Infrastructure, you did speak about introducing new partners, financial partners, into both those businesses. I'm presuming that's both for technology as well as risk-sharing, as well as financing. Is that a first step towards MTN considering actually separately listing these businesses, the Fintech and the Digital Infrastructure business, as some of your competitors have chosen to do?

**Ralph Mupita**
This is a shareholder question. Look, the thing that's driven our thinking is, the Connectivity business, we can fund that growth completely from operating cash flows and the mix of debt that we may have in the market. So, that does not require really any third party. This is how we're going to connect the homes and all of that. I think on the other two platforms, I think on Fintech, we already said that we're open to minority shareholding all the way up to 30%.

On the Digital Infra, it's capex heavy, it's capital heavy. So, you've heard the framing of phase one of data centres, 80 to 150MW. We'll be a minority shareholder in that business, as an example. So, we're looking for capability as well as capital within our finite envelope. So, you can quite see in those numbers, we will be a minority. So, the issue of listing is not something that's front and centre for us.

I mean, obviously, we're watching it. We think the real important thing is to capture the opportunities that we're speaking about right now. And then, if we ever have an opportunity it becomes the right thing to do, we would look at it at that particular point in time. We have listed businesses before. Listing businesses is not a panacea to value unlock. So, what is more important for us is to capture the value, and if it's captured within MTN, I'm sure many of you will say that's good enough.

So, we are not driven by deadlines of 'we must now IPO', I mean, we're still doing the structural separations. We want to mature the business, we want to capture the value, and you might even do it prematurely. So, we want to be super clear that that is not our intent. These things may happen in time to come, but we're not driven by IPO timelines.

**Nastassia Arendse**
Gentlemen, thank you so much for your time.

*End of session 2.*
*Edited for accuracy.*

END OF TRANSCRIPT