# MTN Group

# Transcript of Q3 trading update

# Monday 9 November 2026

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**Roy Mutooni**

Good day to everyone and thank you for joining us to discuss the MTN Group trading update for the nine months ended September 2026. My name is Roy Mutooni, I look after Investor Relations at the MTN Group. On the call with me this afternoon, I've got Ralph Mupita, who's our Group President and CEO; Tsholofelo Molefe, who's our Group CFO; and Ferdi Moolman, who's our MTN SA CEO.

Our trading update was published this morning on the JSE, and it's posted on our website. If you haven't had a chance to look at it yet, you'll find it on our investor relations page. I trust you've also seen the Q3 releases from our listed operating companies, who published results over the last few weeks.

In terms of the agenda for today, the running order of the call will be as usual. Ralph will get us underway with an overview of the operational performance, he'll be followed by Tsholo with an overview of our financial highlights, and then Ralph will come back to wrap up with a few key focus areas as well as outlook comments.

We'll then move into Q&A, and I encourage you to send your questions in advance on the webcast platform, and I will read those out towards the end of the call.

Finally, a reminder that this call is scheduled for about an hour, at which point we'll close the call. And with that, let me hand over to Ralph.

**Ralph Mupita**

Thank you, Roy, and good afternoon to everybody. Thanks for joining us from your various locations. Before we begin, I'd just like to ask you to note the disclaimer on this slide two, in particular as it relates to forward-looking statements.

Our headline is clear, growth re-accelerated through the third quarter, margins expanded, and cash generation was strong.

Let me unpack this in the six key messages for the nine months to the 30 September 2026. First, the Group delivered a strong performance. Service revenue grew by 17.2%, and by 16.6% in the third quarter. Importantly, growth accelerated every month from May to exit September at 18.1% service revenue growth. EBITDA grew faster than revenue, up 22.9%, lifting the Group EBITDA margin by 2.8 percentage points to 47.9%, despite the high energy costs that we had across our markets.

Second, EBITDA growth accelerated in the third quarter in several of our key markets. Compared with the second quarter growth rates, Q3 EBITDA growth stepped up in Nigeria to 32.8%, in Ghana to 42.1%, in South Africa to 7%, Rwanda to 26.9%, and Zambia to 54.2%.

Third, fintech improved through the period. Reported fintech revenue grew by 12.7%, held back by the suspension of Airtime Advance in Nigeria in Q2 and the beginning of Q3. Excluding Airtime Advance, MoMo revenue grew by 18.5%, and accelerated to 19.9% in the third quarter. Our advanced services grew by 32.4%, and fintech transaction value rose by 36.9% to US$512.5 billion.

Fourth, cash generation and the balance sheet are strong, which Tsholo will cover. We generated free cash flow of R22.4 billion. Our operations upstreamed R21.4 billion to the holding company, up 80% on a year ago, and the net debt to EBITDA was 0.2 times.

Fifth, we've commenced our share buyback programme, and it's progressing. We executed R2 billion of the three-year, R6 billion programme that we announced at the half year.

And sixth, the IHS transaction remains on track. We have received IHS shareholder approvals, Nigerian regulatory and COMESA approvals. The South African Competition Tribunal, ECOWAS, and CEMAC approvals are the ones outstanding, and we still expect completion before the end of 2026.

In terms of **commercial momentum**, we saw it sustained across our markets. Subscribers increased by 7.2%, to 322.9 million. Active data subscribers grew by 9.6% to just under 182 million. We saw data traffic rising by 27.3%, with quarterly traffic rising from 6 800 petabytes in Q1, to more than 8 400 petabytes in Q3.

In fintech, MoMo monthly active users increased by 9.3%, to 70.3 million, with the slight dip in the third quarter reflecting the platform migration that is ongoing in Nigeria. Transaction volumes rose by 20.1%, to 20.3 billion, and as I mentioned earlier on the transaction value grew by 36.9%, reflecting greater usage and the continued maturing of our ecosystem.

This growth was broad-based across the portfolio. Of the 21.7 million subscribers we added over the year, Nigeria contributed 9.3 million, and the SEA+ region just over 6.0 million, with Ghana adding 3.9 million. Francophone Africa added 2.4 million, and our joint

ventures added 1.2 million. The South African base was 1.1 million lower, reflecting the deliberate reset of our prepaid base.

We added 15.9 million active data users, led by Nigeria with 6.1 million, and 6.0 million MoMo monthly active users, with SEA+ the largest contributor at 2.7 million.

Beyond our three largest markets, the broader portfolio made an improving contribution. MTN Côte d'Ivoire has sustained its turnaround, with service revenue up 16.1%, data revenue was up 45.4%, and EBITDA was up 27.5%.

MTN Uganda had a tougher quarter. It added 2.9 million customers, and fintech growth accelerated to 13.3% in the third quarter, but unauthorised public Wi-Fi resellers drew usage away from mobile data. We are working with the authorities and the rest of the industry to address this, and restore data growth, and MTN Uganda expects an EBITDA margin of around 50% for FY 2026.

Let me now turn to our key operations, starting with **South Africa**.

Service revenue was flat in the third quarter and grew by 1% for the nine months, but the consumer business improved on the second quarter. Prepaid is turning. The decline in prepaid revenue narrowed from 3.2% in Q2 to 2.4% in Q3. Prepaid data revenue growth accelerated from 5% to 6.3%, and the Q3 recharges were 3.1% higher than in Q2, and prepaid monthly data usage rose by 28.9% to 5.2 gigabytes.

Consumer postpaid grew by 5% in Q3, up from 4.3% in the second quarter, and data now accounts for 50.5% of service revenue in South Africa.

Enterprise and wholesale slowed in the quarter. Enterprise revenue grew by 1.8% in Q3, against 4.4% for the nine months, on lower bulk SMS and mobile advertising revenue, and wholesale grew by 3.9% against 10.4%, on lower traffic from major wholesale customers.

We also continue to see pressure in voice, which declined by 10.5%, with interconnect revenue down 20.4% after the cuts in mobile termination rates, and in digital and fintech, which declined by 10.2% and 15.3% respectively. The latter, largely because of the XtraTime reset.

We have deliberately reset the prepaid base and XtraTime, our airtime advance service prioritising the quality of the base over the short-term volume. Prepaid subscribers fell by 829 000 in the quarter to 27.4 million, but the prepaid ARPU rose by 6% quarter-on-quarter, to just under 65 rand, fewer but more valuable customers. Prepaid ARPU was also 2.8% higher year-on-year. Consumer postpaid subscribers grew by 6.1%, to 4.8 million.

Turning to profitability, the third quarter was MTN South Africa's strongest earning quarter for the year. EBITDA grew by 7%, EBITDA margin rose to 38.1%, up 3.6 percentage points year-on-year, and 2.2 points on the second quarter, as the structural cost intervention started to take effect.

Over the nine months, network and IT costs were five percentage points lower, marketing spend was reduced, and doubtful debts fell by 16.2. This is against headwinds from the XtraTime reset, softer service revenue, commissions and bulk SMS costs, as well as the share scheme charge.

Excluding immaterial tower disposal losses, the margin has improved every quarter this year, from 32.6% in Q1, 35.9% in Q2 and 38.1% in Q3. We would not annualise the third quarter, though. About 0.8 percentage points of the 3.6 percentage points came from lower device revenues, which were down 21.5%. And seasonally stronger device sales would dilute the fourth quarter margin. For the full year we continue to expect an EBITDA margin within our 35 to 37% range.

Our performance in South Africa is not at the level of our ambitions, but we believe the business is likely bottoming. Our cost base is leaner, the customer base healthier and our margins stronger. The recovery will be recharge-led: cash recharges – excluding repayments – continue to grow, as the reset normalises. We expect this to show increasingly in reported service revenue.

In the fourth quarter, we'll complete the XtraTime reset and simplifying the portfolio. For the full year, we continue to expect service revenue growth below our low-to-mid single-digit medium-term guidance.

On Cell C, MTN SA and Cell C have engaged extensively on the terms of their long- standing arrangement, which has not reached agreement on certain terms at this point in time. These will be addressed through the mechanism provided for in the parties' agreement, while engagement on the terms of relationships going forward continues. We are also

engaging ICASA on the amended End User and Subscriber Service Charter regulations, which are due to take effect in January 2027.

Moving on to **Nigeria**, MTN Nigeria published its results on 30 October. Service revenue grew by 23.5% in the nine months, and by 19.7% in the third quarter, accelerating each month to 21.6% in September, and the EBITDA margin was 56.9%. Both are within guidance.

The operating environment was more supportive. The naira was stable, FX liquidity improved and average inflation moderated to 15.4%, although energy and diesel costs remained elevated.

Part of the third quarter improvement reflects easier comparative and the resumption of Airtime Advance in July, but the momentum is more than base effects. With the first quarter tariff increase now largely in the base, growth rose every month through the quarter, driven by underlying demand, usage and execution.

Subscribers increased by 10.9% to just under 95 million, with 3.2 million mobile net additions in the third quarter, up from 2.7 million in Q2. Active data users rose by 12% to 57 million and data traffic grew by 30.1%. In the third quarter data revenue grew by 31.4%, voice by 9.3%. For the nine months, data revenue grew by 35.6%, digital by 24.1% and voice by 10.9%.

We continue to roll out the network with capex of R10.2 billion, excluding leases, and home broadband supported by a fibre-to-the-home leadership. This is an increasingly important growth driver for our business in Nigeria.

Fintech revenue in Nigeria declined by 26.6%, due to the suspension of Airtime Advance in the second quarter. The service resumed in July under a new multi-partner model. Q3 Airtime Advance revenue was 77.9% higher than Q2 and MTN Nigeria expects it to return to pre-suspension levels before the end of the year.

**MTN Ghana** sustained a strong performance. Service revenue grew by 33.5% in the nine months, up from 32.3% at the half, supported by moderate inflation of 5.2% and a more stable cedi in the third quarter, which improved predictability and eased cost pressures.

Growth was broad-based. Data revenue grew by 44.7%. Data now accounts for 58.1% of total service revenue, up from 53.6% a year ago. Digital revenue grew by 97.7%, Mobile Money by 24.4% and voice by 7.2%, while active data users increased by 16% to 22 million. EBITDA grew by 40.7%, and the margin expanded by 3.2 percentage points to 61.6%.

We accelerated capex to R3.8 billion, excluding leases, more than doubled the number of homes passed, and completed the structural separation of the fintech business.

Turning to fintech. **Fintech** revenue grew by 12.7%, mainly held back by the suspension of Airtime Advance in Nigeria in the second quarter. Together with lower interest on float balances in Ghana and election-related disruptions in Uganda earlier in the year, this weighed on profitability, with the fintech EBITDA margin at 41.7% compared to 44.3% last year.

Excluding Airtime Advance, MoMo revenue grew by 18.5%. Basic services revenue grew by 11.5%, while advanced services grew by 32.4% and now contribute 37.4% of MoMo revenue excluding Airtime Advance, and this is up 3.9 percentage points.

The ecosystem continues to deepen. Active agents are up 7.5% to 1.4 million. Active merchants are up 19.4%, to 2.5 million. Merchant payment values grew by 16.5% to US$19.6 billion. Loan values facilitated across marketplace lending and MoMo Advance rose by 80.1%, to US$4.2 billion, driven by Ghana, Uganda and Cameroon.

Remittance values grew by 15.7%, to US$5.5 billion, helped by proactive management of informal routes and partner liquidity and direct management of international money transfer traffic.

Bringing this all together, we've made good progress against our **medium-term** guidance. Group service revenue at 17.2% is in line with our target of at least high teens, and Nigeria's 23.5% is within our guidance of at least low 20%s. South Africa at 1% and fintech at 12.7% are below our ranges for the reasons I have outlined. Group leverage at 0.2 times is well within our target of one times or lower, and return on capital employed of 32.5%, is within our high 20s to low 30s range.

Let me hand over to Tsholo to take us through the financial review.

**Tsholofelo Molefe**

Thank you Ralph and good day everyone. I'll take you through the financial results for the nine months before handing back to Ralph for the outlook. So, as usual, I'll refer to constant currency growth rates, unless otherwise stated. These remove the impact of currency movements, and for Iran, Sudan and South Sudan, the effect of hyperinflation accounting.

So, if I can start with the key financial messages that we would like to leave you with.

Firstly, strong underlying growth, operating leverage and cash generation continue to support our capital allocation. As said, we've seen service revenue growth of 17.2% to R176 billion and EBITDA growing by 22.9%, with a margin up 2.8 percentage points to 47.9%.

On a reported basis, service revenue grew by 9.9% and EBITDA by 17.7%. The difference here reflects a rand that was, on average, about 10% stronger against the US dollar, which lowered the rand value of results from our operations outside South Africa.

On **earnings quality**, EBITDA growth outpaced service revenue growth, and our expense efficiency programme absorbed higher energy costs. The exception was fintech, where the EBITDA margin was 41.7% compared to 44.3% in the same period last year, largely because of the Airtime Advance suspension in Nigeria.

On capital allocation, we saw free cash flow reaching R22.4 billion for the nine months, and we upstreamed R21.4 billion, which was up 80% compared to R11.9 billion a year ago. This enabled us to settle our Eurobond, which matured in October, of US$500 million and we also were able to repurchase approximately R2 billion in shares under the buyback programme, while maintaining our targeted debt levels.

We saw Group service revenue increasing and this growth was broad-based, and well ahead of our blended inflation of 9.5%.

Data remains our largest growth engine, growing by 28.2% to almost R89 billion and now it accounts for 50 percent of our Group service revenue. Fintech revenue grew 12.7% to R22.6 billion, and as Ralph mentioned, excluding Airtime Advance, MoMo revenue grew by 18.5%.

The Group EBITDA margin expanded from 45.1% to 47.9%, reflecting operating leverage and the benefit of our EEP programme.

Now, if I look at **quarterly trends**, growth accelerated in Q3 after the dip in Q2. Service revenue growth was 21.1% in Q1, 14% in Q2, and 16.6% in quarter three. The first quarter was boosted by price increases in Nigeria. Q2 dipped as those increases moved into the base, and Airtime Advance in Nigeria was suspended. In Q3, we saw recovery, which was also supported by Benin, Congo-Brazzaville and Sudan, the restoration of fintech services in Nigeria and the customer value management initiatives in Ghana.

Data revenue followed a similar pattern, growing by 35.4% in the first quarter, then 23.8% in quarter two, before improving to 26.4% in quarter three. Fintech revenue was up 20% in the first quarter, it dipped to 7% in the second quarter and improved in third quarter, reaching an 11.6% increase. Importantly, the EBITDA margin improved every quarter, from 47.6% in quarter one, reaching 47.7% in the second quarter and now at 48.2% in the quarter under review.

Turning now to our three largest operations, we saw margins improving in **Nigeria, Ghana and in South Africa** excluding the share scheme provision, despite the softer service revenue growth against a higher base.

In South Africa specifically, we saw service revenue growth of 1% compared to 2% in the prior period. The reported EBITDA margin was 35.5%, which was down 0.4 percentage points. So, excluding the MTN SA employee share scheme, EBITDA declined by 0.7%, with the margin reaching 37.8%.

In MTN Nigeria, service revenue grew 23.5% against a high base of 57.1% last year, which benefited from the tariff adjustments. The EBITDA margin expanded by 5.4 percentage points, from 51.5%, to 56.9%, which is within the guidance.

In MTN Ghana, service revenue grew 33.5%, against 35.9% in the prior period. EBITDA increased by 40.6%, and the margin expanded by 3.2 percentage points to 61.6%, driven largely by strong revenue growth, disciplined cost management and operating leverage.

The quarterly view shows the direction of travel as well. You'll see in South Africa service revenue was flat in quarter three, but the margin improved every quarter, reaching 38.1% in the third quarter.

In Nigeria, service revenue growth moved from 41.7% in the first quarter, which included the tariff adjustment, to 13.2% in Q2, before recovering to almost 20% in the third quarter, 19.7% to be exact. The margin improved each quarter, from 55.3% to 56.5% in the second quarter, and reaching 58.7% in quarter three.

With Ghana, service revenue growth was 35.7% in the first quarter, 29.2% in quarter two, and 35.7% in the third quarter, with the margin between 61.2% and 62.3% throughout the period.

Now, if we move on to the **rest of the portfolio**, our SEA+ region grew service revenue by 19.7% to R25.1 billion, ahead of the region's blended inflation of 18.2%. The EBITDA margin was 44.1%, 1.7 percentage points lower than a year ago as MTN South Sudan and MTN Sudan remained exposed to macroeconomic, currency as well as operational pressures. MTN Rwanda grew service revenue by 20% and EBITDA by 29.1%, while MTN Uganda grew service revenue by 8.5%, with an EBITDA margin of 51.1%, down 2.7 percentage points, as unauthorised public Wi-Fi resellers drew usage away from mobile data, as we indicated earlier.

On the Francophone side, we continue to see its improving trajectory, with service revenue up 9.4%, to R26.1 billion, comfortably ahead of blended inflation of 2.4%. The EBITDA margin expanded by 0.6 percentage points to 36.5%. MTN Côte d'Ivoire sustained its turnaround, with service revenue up 16.1% and the EBITDA margin up 3.4 percentage points to 39.6%, leading the region's margin expansion. MTN Cameroon grew service revenue by 11.4%, with data revenue up 24.4%.

If we move on to the **balance sheet**, we invested R28.8 billion rand in capex, excluding leases, compared to R27.9 billion last year, with capex intensity of 15.9% against 16.8% last year. This included accelerated investments that we made in Nigeria, Côte d'Ivoire, Uganda as well as in Ghana. For the full year, we do expect the capex to remain within our envelope of between US$2 billion and US$2.5 billion for the year. Cash upstreaming to the Group, as I said, up 80% to R21.4 billion, from R11.9 billion a year ago. The balance sheet remains strong. Group net debt to EBITDA at 0.2 times, well within our targeted range, and liquidity headroom of R42.8 billion rand. After the period-end, we settled the Eurobond as I indicated, which matured in mid-October. With that, I'll hand over back to Ralph to discuss the outlook and priorities.

**Ralph Mupita**

Thanks very much, Tsholo. And in wrapping up, our focus areas are clear: to sustain commercial momentum across the entire portfolio; to deliver the MTN SA prepaid recovery; to execute on our fintech commercial and strategic priorities and the Nigeria Airtime Advance rebuild. Also, to maintain our capital and cost disciplines and provide sufficient liquidity, particularly as we are looking to complete the IHS acquisition.

We are encouraged by our year-to-date performance. The structural demand for data and fintech services continues to underpin the MTN investment case and our medium-term growth. The Group remains well positioned to deliver on its medium-term guidance: Group service revenue of at least high teens, return on capital employed in the high 20s to low 30s, and a Group leverage of one times or lower.

In short, growth re-accelerated through the third quarter, margins expanded, cash generation was strong, and MTN SA is moving in the right direction. With that, thanks very much, and Roy, back to you for the Q&A.

**Roy Mutooni**

Ralph and Tsholo, thank you very much for that overview. We can jump straight into the Q&A. I'd like to start with a few questions for South Africa, as Ferdi is here with us in the room: in summary, what makes you comfortable that this SA service revenue will re-accelerate? Can you be more specific on the drivers for the improvement in SA EBITDA margin?

**Ferdi Moolman**

So let me address the question by talking about quality versus quantity of subscribers, and I think we've mentioned this quite a few times. So one of the things you'll see we reported is an increase in ARPU, but what this also does is it also assists with the drop in cost.

So when we look at quality versus quantity, this is not just on the prepaid base, but also on the postpaid base, as the quality of the subscriber improves, your bad debt ratio, for example, also improves, so you'll see an decrease in the cost. It's a purposeful reset also of the base.

So there's a lot of focus on getting the KYC up to the standards, and I'm sure you're aware that ICASA released draft regulations, they call them numbering regulations, but if you read them, it's more or less around KYC, and what needs to happen in the market with

KYC. So we are in support of this directionally. There are some challenges with the regulation, but we are working with ICASA to come up with a regulation that we believe is practical and can be employed and can be done in the market.

Other growth areas also as you're aware, we are resetting XtraTime. We basically cleaned up the base as best as we can, and we're now starting to push XtraTime again. So that'll start contributing to the prepaid base also.

On the enterprise side, you would see a flat Q2 to Q3 on enterprise. Enterprise does have some seasonality in it, so there is reference that we made to mobile advertising. There is some seasonality in mobile advertising. So, as an example, you have Black Friday coming up in November, you have the end-of-year seasonality coming at the end of the year, so you'll see an increase in mobile advertising. And we also purposefully looked at implementing a treat your customer fairly on mobile advertising as well, aligned with some of the regulations that have come into play.

And on the wholesale base, the wholesale is not just impacted by MVNOs or by the Cell C relationship, but there was also a mobile termination reset that took place at the end of June of this year/beginning of July, where the rate was dropped by two cents per minute.

Also on the cost base, I did address some of the impact in costing, on focusing on quality of subscribers, where I spoke about the improvement of the debt base on postpaid specifically, and then of course as we start pushing less and less SIMs, as we stop driving for quantity as opposed to quality, you push less SIMs in the market, and that cost also then reduces over time. The other cost savings come from more sustainable on the network side, on the higher side, etc.

**Roy Mutooni**
Thanks, Ferdi. This one's for you, Ralph. Can you give us any update on the IHS transaction and the outstanding approvals and how come there have not been any public hearings from the Competition Commission or Competition Tribunal?

**Ralph Mupita**
The dates that I can share is we are at the Tribunal on the 17th. It was originally meant to be last Friday, the 6th. The Tribunal asked us to move it to the 17th so we'll be there on the 17th, and obviously, if there are any intervening parties, if we just talk to South Africa, that would have come through initially at the CompCom, ahead of going to the Tribunal.

We've put forward a set of 'FRAND' conditions: fair, reasonable and non-discriminatory terms that I think one would imagine in an open access telco model parties would look to see it being in place. I guess, there's been limited intervention, up to now, because we've met those conditions, which third parties would be keen to ensure that there's no discriminatory behaviour in favour of MTN in this case.

So, as we've said, the approvals that are outstanding are substantially ECOWAS and we're working through that. There's also the CEMAC, as well as the Competition Tribunal here in South Africa, which will be heard on the 17th.

**Roy Mutooni**
Thank you, Ralph. This one's for you, Tsholo. Upstreaming nearly doubled to R21.4 billion. How much of that is linked to working capital movements, or the timing of Opco dividends? Would you be able to give us a sustainable run rate, and the order of use, buybacks, dividends, IHS or deleveraging?

**Tsholofelo Molefe**
Firstly, just to clarify, our upstreaming is based on the dividends that are declared by the operating companies. As the major shareholder, we get that cash upstreaming. But I think to address the point, probably you want to ask about free cash flow. Free cash flow was strong during the period, and we've seen it also in H1. It's primarily due to strong underlying performance. The working capital levels have remained similar to H1 levels, but we expect that to improve in the last quarter as per normal due to seasonality.

**Roy Mutooni**
Thanks, Tsholo. Maybe Ralph, you can answer this one. Excluding SA, Nigeria, Ghana, Uganda from the Group, maybe speak a little bit about the margins for the rest of the markets, and whether any of the markets stand out from a medium-term perspective?

**Ralph Mupita**
We're pretty excited about Côte d'Ivoire. It is a large economy. On a GDP basis, depending on cocoa sales, it's a similar size to Ghana. We think that this is a market where we should anticipate a much higher contribution to the business. So what we're seeing now in the growth, particular on the connectivity business (we still have some pressures in the fintech business), but the connectivity business is growing very strongly. We're putting capex to work there and we're seeing the growth coming through. So, pretty excited about that

market in terms of an increased contribution and therefore adding to earnings and cash flow over time.

The other one would be Cameroon, it's a business in a good market position, and again can do a bit of heavy lifting.

Benin has been a market with asymmetric regulatory conditions. These are being resolved now and we thank the authorities for levelling the playing field for us there. Many moons ago, Benin was one of the highest cash repatriates to the Group, when you looked at management fees and dividends. So if we can restore that business going into next year, that should also be exciting.

So those will be three businesses that I would highlight as part of the portfolio that can over time continue to contribute, not just to earnings, but to the overall, what we call cash position, and these are businesses where we think over time the margins can improve.

**Roy Mutooni**
Thanks, Ralph. To Ferdi, can you provide some colour on the competitive environment in South Africa and can you help us understand the issues with the Cell C contract, and how important it is in the mix for MTN Group?

**Ferdi Moolman**
Can we perhaps start with Cell C and just make two comments. Obviously, we're sticking to the statement we made in terms of where we are with the contract itself. But the relationship for us with Cell C is very important. We value the long-standing partnership and we will work towards a position where both parties get commercially viable basis for us to go forward. The second point is there must be clear understanding about customer service, and that the customer will not be impacted at all as the process continues.

Then, in terms of the competitive environment, it's still very competitive in the prepaid environment. We will focus on the direction we're going in, which is principally focusing on quality subscribers, as opposed to just bringing volume in. We believe this is a sustainable way going forward, it'll give us sustainable revenue growth, clear cash flow, and also it won't inflate our expenses.

In terms of the other channels, we still believe there's a lot of opportunity in the enterprise space. We also believe there're a lot of opportunities in the home base, where we believe we can grow substantially.

**Roy Mutooni**
Thanks, Ferdi. This one's for you, Ralph. Given the low inflation in places like Ghana and even your blended inflation has come down. What impact do you think that will have on your medium-term guidance?

**Ralph Mupita**
That's a great question, and I think Stephen and team would have probably addressed this on their own call: inflation is in single digits in Ghana at the moment. Our own views and reading through forecasts is that over the medium term that's potentially likely to be early-mid-teens. Our medium-term guidance is three to five years. But what you've seen in Ghana is that you actually went to hyperinflation, so close to the 40s, and quite materially came back to the low single digits.

So, the way we look at it is that we assess at the beginning of the year the three-to-five-year outlook when we normally do our three-year planning processes, which will complete this month. You can anticipate that if inflation remains much lower, which obviously is a good thing, that the service revenue guidance, we may look to adjust that, but we want to have a look at it with a three-to-five-year lens, on what that would be. When you look at the margin at 61 plus, that a very good margin, but we wouldn't pencil that in for the medium term. We think that the margin, even if inflation comes down, the margin that we currently have remains good guidance.

Looking at Nigeria, I think our guidance remains, we're comfortable with that, inflation is 15-odd. We want to earn service revenue growth a couple of percentage points above inflation, and so Nigeria for us remains. The only outlier is if we had very sustained high energy costs for a period of time, that might eat away at the margin, and we've given the margin sensitivity before.

I won't touch on South Africa, I think that one's pretty straightforward. So I think if we do look at a change in guidance, we would want to let the full year come and pass, as we start also looking at the year ahead. It's more likely on the service revenue, rather than the margin. The margin, we think, guidance there, Ghana, will remain pretty much in place.

**Roy Mutooni**
Thanks, Ralph. This one's for you, Tsholo. How confident are you of your CMD capex envelope guidance of US$2 to 2.5 billion, for annual capex, to be spent between 2026 to 2030.

**Tsholofelo Molefe**
We maintain that guidance of US$2 billion, to two and a half billion. Of course, we will assess on an annual basis. As we've always said, that strategically there are areas that we will support, such as connecting the home, continue to win in data across the market. I think those are the key areas, and we will look to see, once we have now completed the IHS transaction, what maintenance requirements are available. So we will continue to update as and when, but we retain the guidance at this point.

**Roy Mutooni**
Thanks, Tsholo. Ralph, are you still considering potential East African expansion opportunities? What markets outside of your current footprint look attractive for greenfield, or brownfields expansion?

**Ralph Mupita**
You make a statement in a newspaper interview about long, long term, where might you be? That was a long, long-term statement, not even a medium-term statement. I think we have our hands pretty full at the moment with the kind of organic stuff, as well as IHS. It's a statement I made about the medium to long term, five years plus out. So, I wouldn't say there's anything that's out there in East Africa that would be calling on any of our capital at the moment. That's all I can say for now.

**Roy Mutooni**
Thanks, Ralph. Tsholo, this one's for you. How are you thinking about capital market activity after paying down the 2026 international bond, and would you be able to update us on your bond issuance plans, following the redemption of the 2026 Eurobond?

**Tsholofelo Molefe**
On your first question, as we've indicated, we have a capital allocation framework that has served us well, and we continue. We updated you with the revised framework at the CMD, so we still maintain that, number one investing in areas of growth across our platforms. Secondly, continuing to maintain a healthy balance sheet, and number three is a shareholder remuneration, and fourth, we will continue to look at M&A selectively, to the

extent that we are comfortable that there is return accretion, and based on a robust risk assessment criteria. I think on your second question, as we've indicated, we will obviously assess when is the right time to come to market, and we will update you accordingly.

**Roy Mutooni**
Thanks, Tsholo. Ferdi, this is the last question. How should we look at SA margins from here? What are the key drivers that could push margins towards the top or bottom of the guidance range? Would you prioritise margin preservation over growth and market share gains?

**Ferdi Moolman**
There's still a lot of work that we are doing, especially on the programme that we call 'Fit to Win', which is our cost initiative. A lot of the initiatives go into 2027, and as we said before, this is not just a matter of cutting costs, this is a matter of getting sustainable efficiencies in the network. So we're still going to, and a lot of the margin growth that you saw this year relates to that. I reflected on this earlier, when I spoke about the bad debt as an example of this, and there's still work that we are busy doing, especially on the bad debt side. We're busy working with the small and medium enterprises now. So, we will still see some cost, large cost initiatives, coming through, also specifically on the network side.

As you are aware, we also busy updating our BSS stack. So as the BSS stack becomes more operational, that will also become far more cost efficient, and all of those expenses are sustainable sort of efficiencies, going forward. So quite comfortable that there's still a lot of runway there. Sorry, what was the other question in terms of?

**Roy Mutooni**
Would you prioritise margin?

**Ferdi Moolman**
No, what I think it's a mixture of everything. To get margin expansion, you need both topline growth and cost efficiencies, and I think in the margin, in the market where we are, you've got to focus on everything. You can't focus on the one, and not on the other one. The reality, for example, is if we do push something like handsets, you'll see the cost, the gross margin go down, but you'll see an increase in revenue, more sustainable revenue. So there's always a balance between these things, but I think it's both topline as well as expenses and cost of sale as well as opex expenses, and obviously as well as the cost of

equipment depreciation, and things like that. So it's both, I wouldn't prioritise either one of the two.

**Roy Mutooni**
Okay, there's two new questions that have come in, both for you, Ralph. First of all, the growth in fintech in Nigeria seems encouraging after launching the platform. How is the platform performing, and how do you see the fintech opportunity in Nigeria? And then I'll combine that with, can you provide an update on tariff increases in Nigeria?

**Ralph Mupita**
Let's start with the latter. I think we've been clear that, with the elections coming up the discussion on tariff increases is not one that, I think, will get us too far, to be honest. With the authorities, we've spoken about talking after the elections about where we are, particularly now that we've had to pick up the burden of elevated energy costs. We also have quite onerous quality of service obligations to meet, etc. So, I think that one is a matter that's much more a Q2 discussion of exactly where we are. But I think we can give you comfort as investors, that the conversations are ongoing about, what is the right form of pricing regimes, because there are developments across the rest of the continent. Some have floor prices, some have full deregulation on pricing, etc. So that discussion is very much alive. But we wouldn't want to give you any commitment right now about exactly when we think we will make progress.

On fintech, yes, we've migrated from ECW, which is a platform that served us well, and actually, all the other markets are still on ECW, Ericsson Converged Wallet platform, and we've moved to Alipay. The cutover was pretty much, as these cutovers go, I think it went well. There's still some customers on the fintech platform, who are on the old platform, so we're migrating these as we go along, launched a new app. So all of that is kind of foundational work for us, as we still remain excited about the fintech opportunity.

We've spoken about the other areas that we focused on in Nigeria. The structural separation, we're engaging the CBN around that. And then obviously the point that we raised earlier in the year, that the PSB licence is quite limiting in the capabilities. So you do need to move up the ladder in terms of full licensing. We've spoken about our desire to get a regional banking licence, and we've made the right applications and processes. So all of that stuff is sitting with the Central Bank of Nigeria.

**Roy Mutooni**
Thanks, Ralph. And the last question for you, Ferdi. Could you give us some more colour on the End User and Subscriber Service Charter regulations, due to take effect early the new year?

**Ferdi Moolman**
Yes, so as you are aware, ourselves and Vodacom have taken ICASA to court. So I don't think it'll be appropriate for me to discuss the details of what's it is in there, suffice to say that ICASA has reached out to everybody in the market. They have engaged us, and we are hopeful and encouraged that we will find a solution for the regulation within this year. We're still hoping we could find a resolution for it.

**Roy Mutooni**
Thanks, and sorry, there's one more question that's just come in. How are you thinking about Ghana in relation to Orange's plans to enter the market, and similarly on OPay's rumoured intention to compete in Ghana on fintech?

**Ralph Mupita**
Look, competition is always good, it keeps you on your toes. In Ghana the team is doing an excellent job, but competition comes in and we welcome that. We think we have a strong business there. We've pretty much 80% plus of all the data...the network traffic. So they'll have to build sites, and so forth we're not particularly perturbed, but competition is good.

**Roy Mutooni**
Thanks, Ralph. That's all the questions. Would you like to wrap up?

**Ralph Mupita**
I thank the investors for your continued support to the investment case. Any questions that you may have after this call, please send them to Roy and the team, and we'll endeavour to answer them as quickly as possible. And some of you will see in the variety of conferences, some of them are happening this week and before the end of the year, and if there are any material developments, obviously would get back to you as investors. Thanks very much.

**Roy Mutooni**
Thanks everyone for your time and your attention. You may disconnect the call.
*Edited for accuracy*

END OF TRANSCRIPT