



MTN Group results presentation

for the year ended 31 December 2023

Leading digital solutions for Africa's progress



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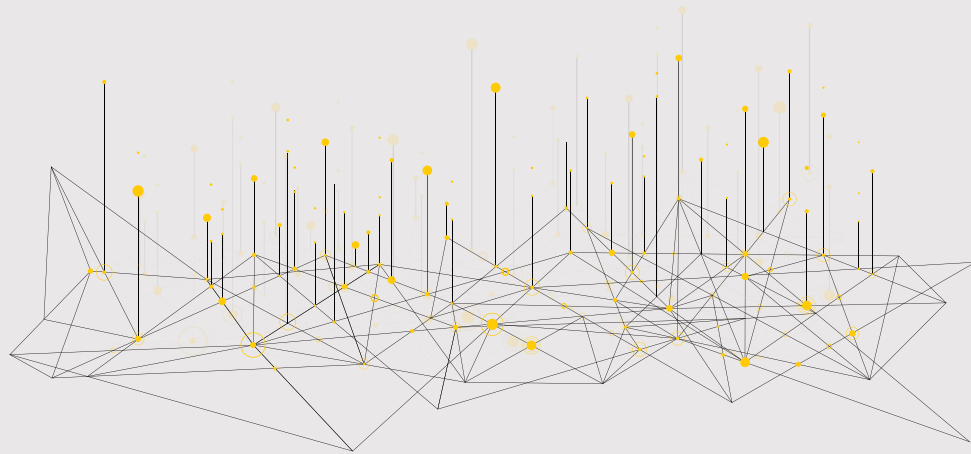
Agenda

01 FY 23 Highlights

02 Operational & strategic review

03 Financial review

04 Outlook and priorities

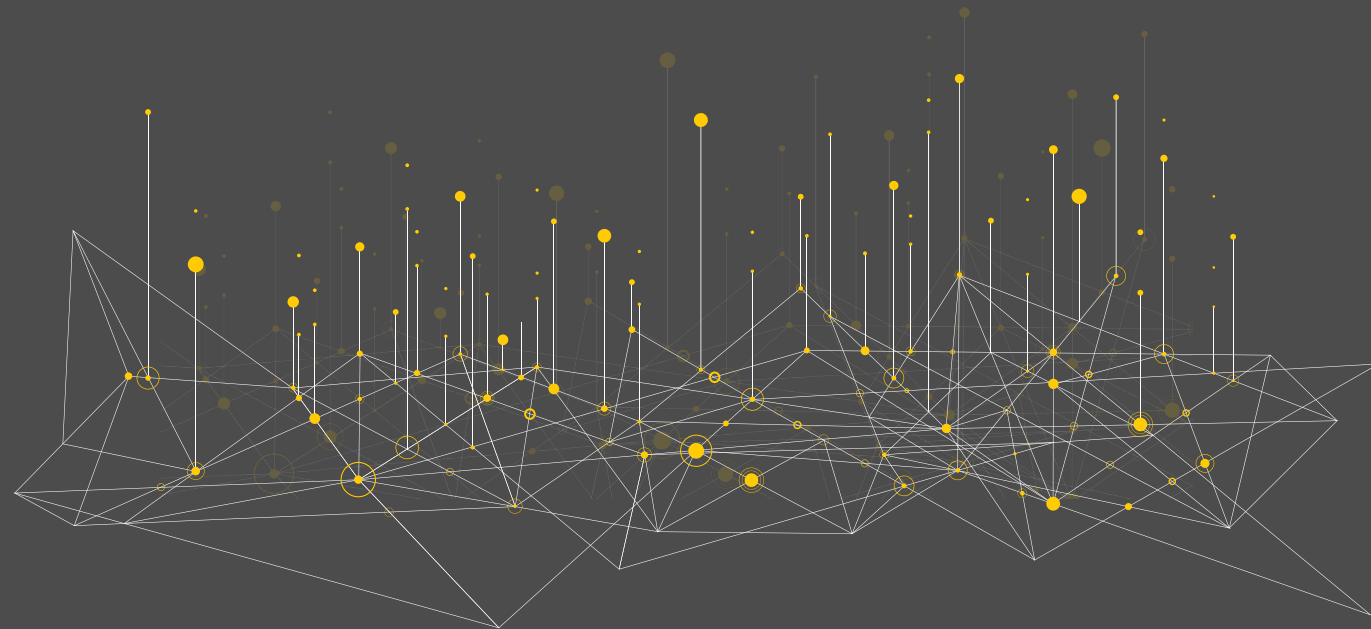


01

FY 23 Highlights

Ralph Mupita

Group President and CEO





Overview | FY 23

Resilient underlying performance

Navigating a challenging external environment



- Blended inflation of 16.7% in our markets
- FX volatility & paucity | Naira devaluation
- Ongoing geopolitical tensions | Sudan conflict

Solid commercial execution



- User growth: +9.3% active data users | +5.0% fintech users
- Data traffic +35.4%[^]
- Fintech TX vol +32.2%

Financial resilience



- R2.6bn expense efficiencies delivered in 2023
- Net-debt/EBITDA of 0.4x | Holdco leverage of 1.4x
- Healthy liquidity headroom of R44.1bn

Good progress on strategic priorities



- Mastercard commercial and \$200m equity investment deals in fintech
- Fibre separations | Africa50 JV: Project East2West (E2W)
- Portfolio optimisation - Afghanistan exit completed



Highlights | financial

Execution excellence supported resilient financial performance / Capex (ex-leases) of R41.1bn

Growth		Earnings		Balance sheet		Returns	
Service revenue	+13.5%* R210.1bn	EBITDA	+9.8%* R90.4bn	Group leverage	0.4x	OpFCF [^]	R45.9bn
Data revenue	+23.0%* R84.0bn	EBITDA margin	-1.2pp* 40.9%	Holdco leverage	1.4x	Adjusted ROE	+0.2pp# 24.4%
Fintech revenue	+21.8%* R21.0bn	Adjusted HEPS	-9.5% 1 203 cents	USD:ZAR debt mix	23:77	Dividend per share	330cps

* Denotes constant currency information after pro forma adjustments, throughout this presentation

[^] Operating free cash flow before spectrum and licences / # Compared to restated 2022

02

Operational & strategic review

Ralph Mupita

Group President and CEO





South Africa

Performance underpinned by significant advancement of network resilience



Market context

- Loadshedding
- ZAR deterioration | Inflation of 5.1%
- Continued pressure on disposable income



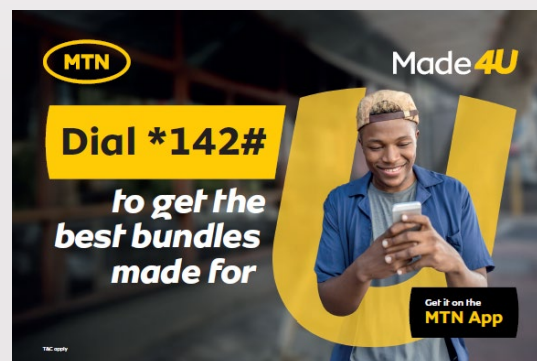
Key activities

- R10.1bn capex | Network resilience progressed ahead of schedule
- Price optimisation initiatives
- Commercial initiatives to manage pressures in prepaid



Solid results

- Improved network availability and NPS | ~95% availability
- Subscribers +2.4% | Active data users +8.0% | Data traffic +27.7%
- Progressive improvements in voice and prepaid | Encouraging Q4 exits





Nigeria

Strong underlying operating momentum / FX and inflation impacted results / FX revision and restatements



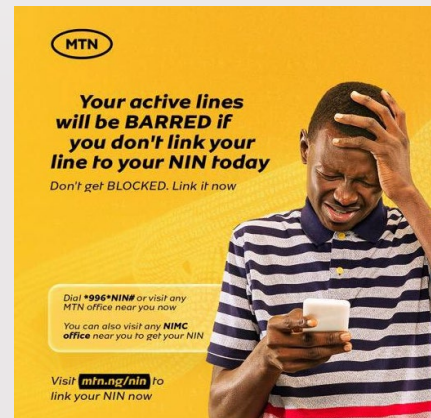
Market context

- Naira devaluation | Inflation of 24.5%
- Fuel subsidy removal
- NIN-SIM registration | VAT on leases



Key activities

- CVM and price optimisation initiatives
- R12.7bn capex | Additional spectrum
- MoMo PSB acceleration plan



Solid results

- Service revenue acceleration in Q4 | FX revisions/restatements
- Subscribers +5.3% | Active data users +12.7% | Data traffic +44.9%
- Good MoMo PSB momentum in Q4 | Active wallets +165% to 5.3m





Markets

Robust overall growth, with increased contribution to Group – led by MTN Ghana

SEA



+17.4%*
service revenue

+24.3%*
data revenue

- Subscribers +7.5% to 39.2m
- Double-digit service revenue growth in MTN Uganda, with resilient margin
- Solid MTN Rwanda given increased regulation and competition | Own 4G network launched
- Fintech contributed 28.0% to SEA service revenue

WECA



+13.5%*
service revenue

+24.7%*
data revenue

- Service revenue growth ahead of inflation
- Strong MTN Ghana | Data revenue +51.3%*, fintech +46.4%*
- MTN Côte d'Ivoire navigating regulatory/competitive challenges | Solid results from MTN Cameroon
- Fintech contributed 18.2% to WECA service revenue

MENA



-8.7%*
service revenue

-9.6%*
data revenue

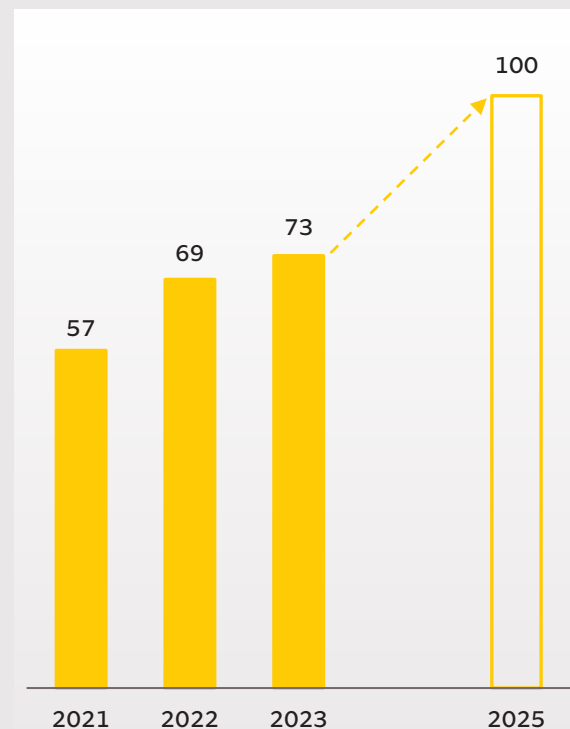
- MTN Afghanistan sale completes exit of Mid-East consolidated subsidiaries
- Performance impacted by ongoing conflict in Sudan
- JV earnings from Irancell, +27.9%* | Impacted by internet disruptions
- Snapp reached 4.7m daily rides in Iran (2022: 3.7m)



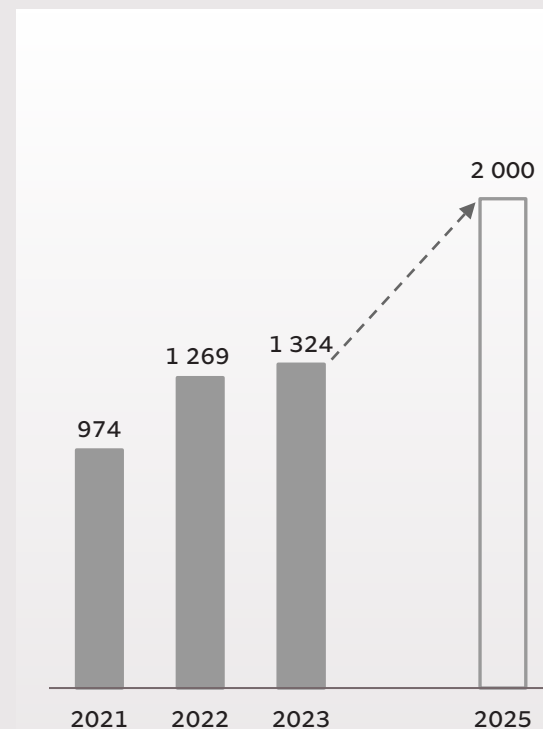
Fintech ecosystem expansion

TX volume up +32.2% YoY / TX value up 47.4% YoY to US\$272.1bn*

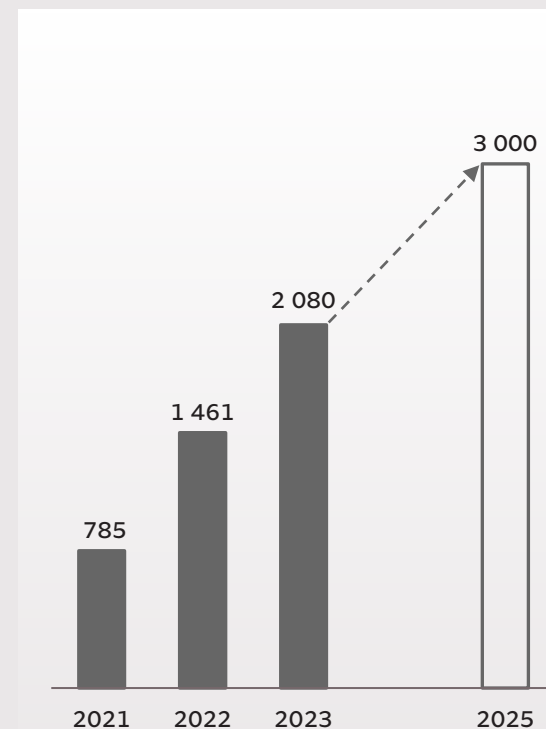
MoMo MAU (m)



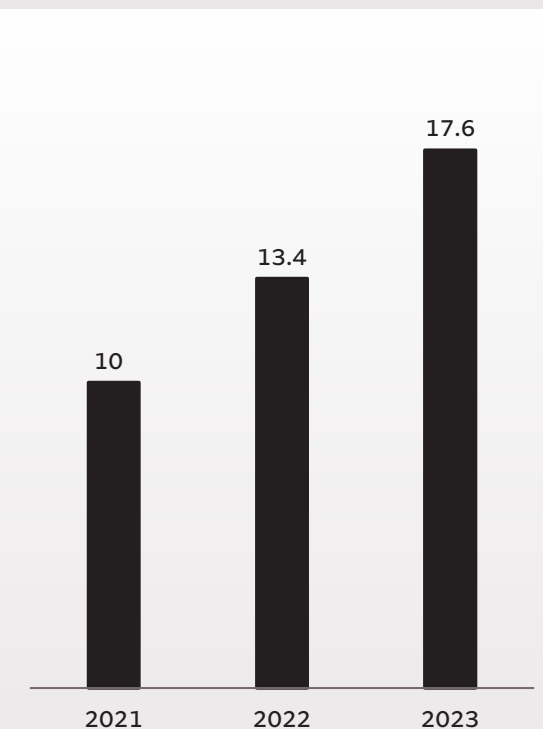
Agents ('000)



Merchants ('000)



TX volume (bn)



- **Renewed contract on Ericsson Converged Wallet (ECW) Platform**
- **Finalised commercial and minority equity investment partnerships with Mastercard**



Accelerate portfolio transformation

ARP progress hampered by market volatility | Portfolio transformation initiatives well progressed

ARP | R19.6bn of target achieved to date

Realisations & other

- Jumia, BICS, aYo, & other – R5.0bn
- SA tower transaction – R6.4bn
- Mastercard – up to \$200m

Localisations

- Nigeria IPO – R4.2bn
- Ghana, Uganda & Zambia localisations – R4bn

Progress to date

- Platform minority investments
- Digital group
 - MEIH
 - IIG

- Further sell-downs
 - Nigeria ~11%
 - Ghana ~7%
 - Uganda ~7%
 - Cameroon ~10%

Future focus

Portfolio transformation

- All conditions precedent met for MTN Afghanistan exit
- Offer received for MTN Guinea-Bissau & MTN Guinea-Conakry

- Irancell managed for value

> R25 billion targeted over the medium term

**Simplify the portfolio
& reduce risk**



Creating shared value

Significant economic value added across our markets of ~R159bn



Doing for planet

"We are committed to protecting our planet and achieving net zero emissions by 2040"

- Reduce GHG emissions — **~13.1%[^]** — **Net Zero by 2040**
- Improve energy efficiency
- Water management



Doing for people

"We are committed to driving digital and financial inclusion and diverse society"

- Broadband coverage — **~89.2%⁺** — **95% by 2025**
- Reduce cost to communicate
- Diversity & inclusion — **40%[◇]** — **50%[◇] women representation by 2030**



Doing it right

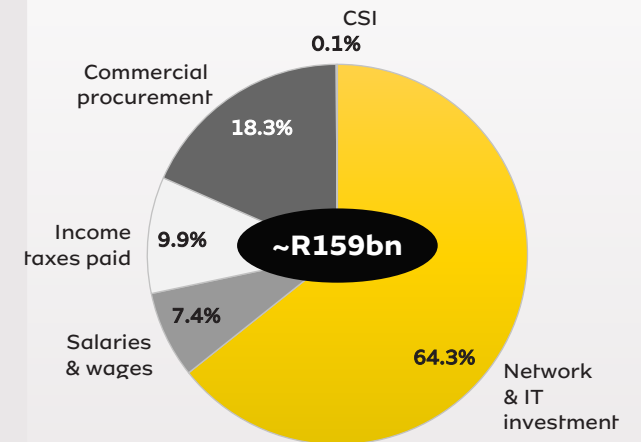
"We are committed partners to stakeholders to create and protect value"

- Enhance reputation and trust with stakeholders[#]
- Digital human rights
- Responsible procurement and supply chain



Doing for growth

"We are committed to boosting inclusive economic growth on the continent"
















Further reduced the cost to communicate, lowering the blended cost of data by ~9% across our markets

[^] 41.8% including MTN South Africa driven by changes in TowerCo
⁺ percentage population with broadband coverage | [◇] Women representation in overall workforce | [#] Reputation Index Survey score of 80 vs target of 75



Progress against our medium-term guidance

Results delivered broadly in line with our medium-term targets

 KPI	 Target	 Performance
Service revenue growth	 Group: 'at least mid-teens'  South Africa: 'mid-single-digit'  Nigeria: 'at least 20%'	13.5%*  2.5%  22.1%* 
Accelerate fintech platform growth	>20% service revenue contribution	10.0% 
Holdco leverage	<1.5x faster non-rand deleveraging	1.4x 
Asset realisation	> R25 billion	R19.6bn 
Adjusted ROE	Improvement towards 25%	24.4% 

03

Financial review

Tsholofelo Molefe
Group CFO





Significant items impacting reported results

Macro impacts



1. FX volatility

- Naira devaluation | FX losses in Nigeria of R21.0bn
- Stronger average rand exchange rate vs Opco's
 - Negative impact on reported growth rates vs constant currency
- Weaker closing rand vs USD & EUR
 - Negative impact on Holdco net debt

2. Rising inflation

- Upward pressure on opex
- Hyperinflation accounting applied to MTN Ghana results

Other impacts



1. MTN Nigeria restatement on 2022 (including translation)

- 2022 equity position reduced by R2.7bn
 - Opening equity reduced by R2.4bn
 - PAT reduced by R0.4bn (and EPS by 17 cents)
- Net effects of restating lease liabilities, deferred tax liabilities and RoU assets

2. Impairment of PPE and intangibles

- MTN Afghanistan – R0.9bn
- MTN Sudan – R0.7bn



Group income statement

Resilient underlying financial performance / MTN Nigeria FX revision and restatement impacted earnings

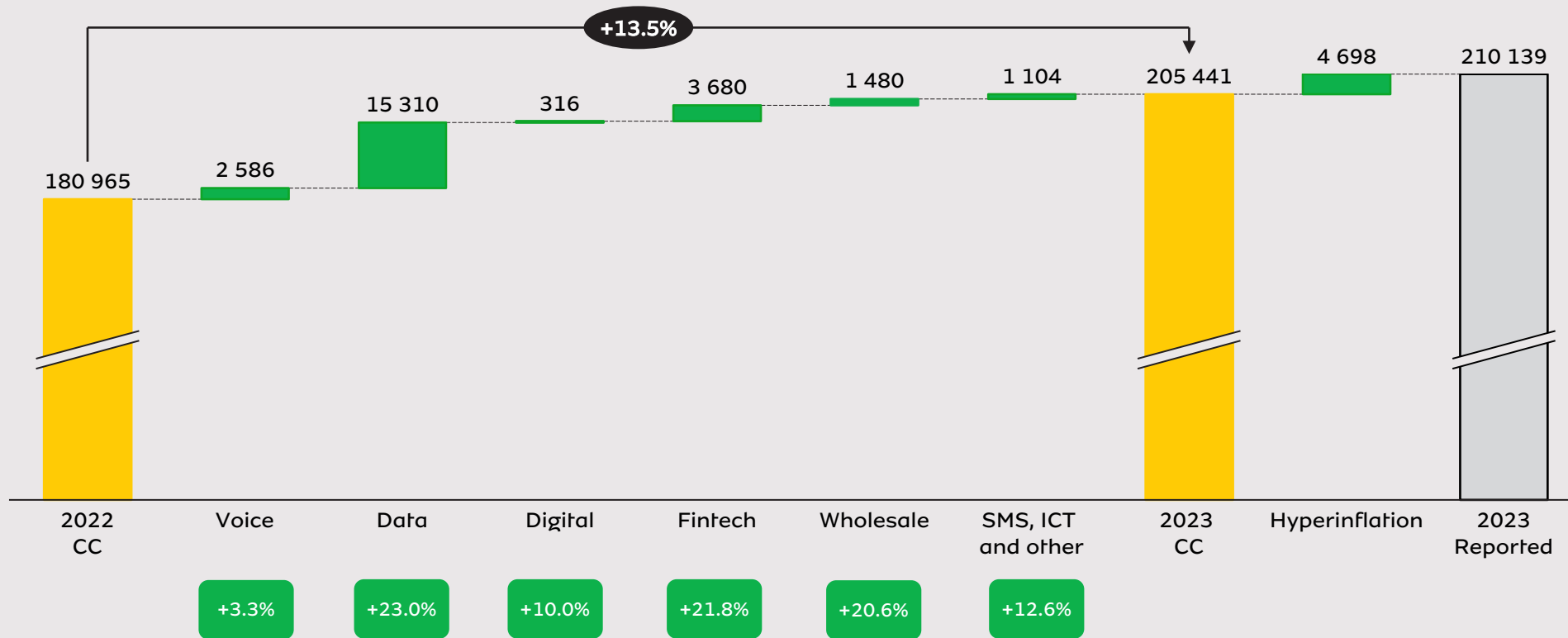
(Rm)	2023	Restated 2022	% change reported	% change constant currency
Revenue	221 056	207 003	6.8	13.0
Service revenue	210 139	196 493	6.9	13.5
EBITDA before once-off items	90 350	90 814	(0.5)	9.8
Once-off items	(1 570)	(977)		
Depreciation, amortisation and goodwill impairment	(42 268)	(35 241)	19.9	
EBIT	46 512	54 596	(14.8)	7.4
Net finance cost	(39 069)	(18 326)	113.2	Naira devaluation
Hyperinflationary monetary gain	744	1 251	(40.5)	
Share of results of associates and joint ventures after tax	3 581	3 369	6.3	
Profit before tax	11 768	40 890	(71.2)	
Income tax expense	(7 751)	(17 036)	(54.5)	Sudan non-deductible costs Unrecognised deferred tax asset Withholding tax
<i>Group effective tax rate (GETR)</i>	65.9%	41.7%		
Profit after tax	4 017	23 854	(83.2)	
Non-controlling interests	75	(4 817)	-	MTN Nigeria & MTN Sudan losses Hyperinflation in MTN Ghana
Attributable profit	4 092	19 037	(78.5)	
EPS (cents)	227	1 054	(78.5)	
HEPS (cents)	315	1 137	(72.3)	
Adjusted HEPS (cents)	1 203	1 329	(9.5)	



Group service revenue

Healthy topline result, impacted by conflict in Sudan | Service revenue +14.1%*, ex-MTN Sudan

(Rm) constant currency



CC - constant currency | Group service revenue excludes device and SIM revenue

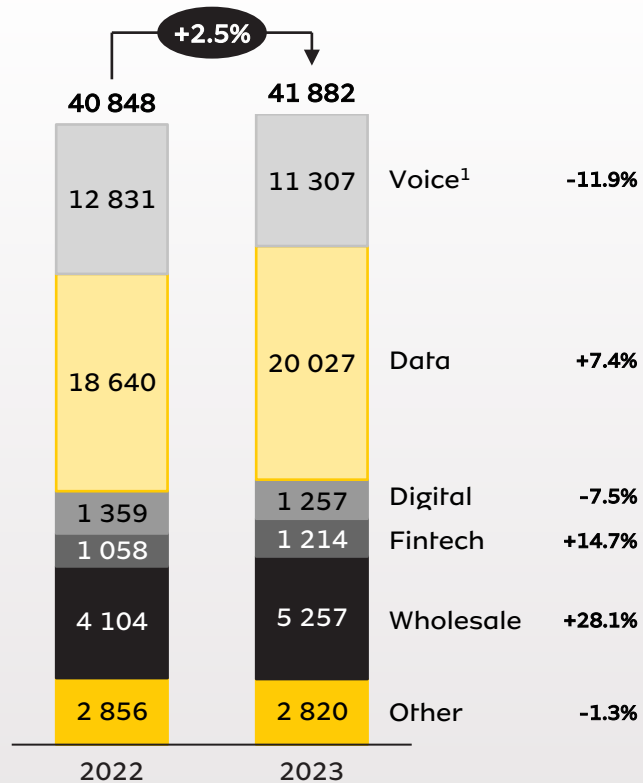


South Africa

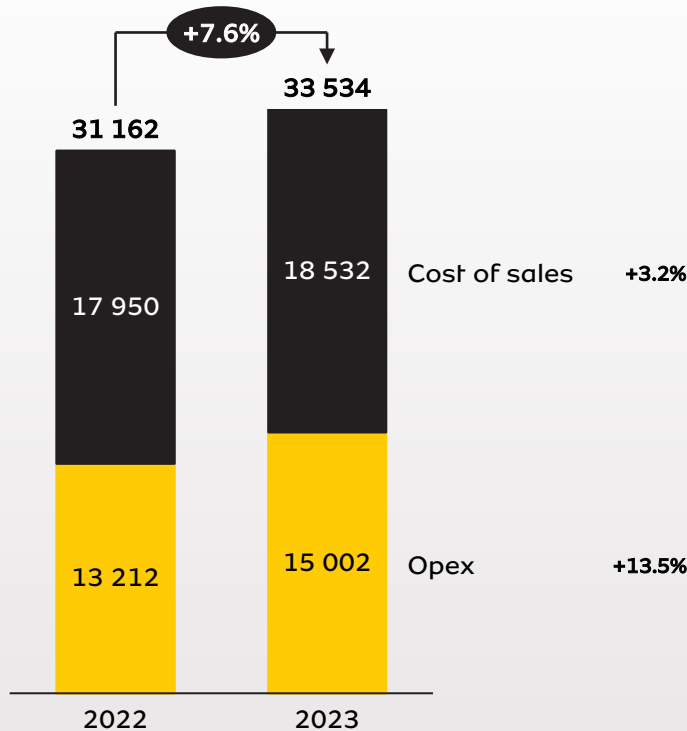
Encouraging underlying momentum in topline / Higher power and resilience costs / R1.1bn in expense efficiencies

(Rm)

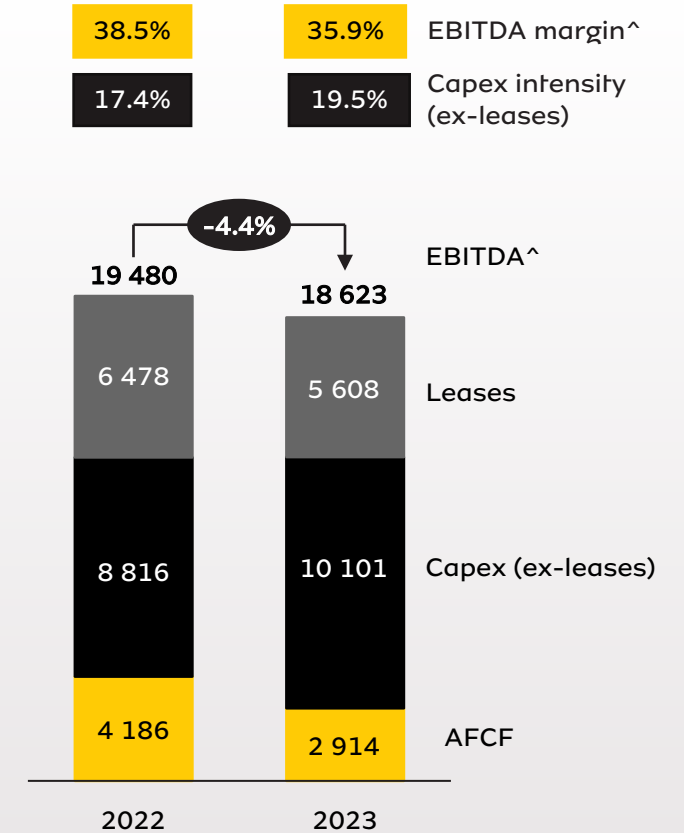
Service revenue



Expenses



EBITDA and Capex



¹ Outgoing voice revenue at -12.1% / Adjusted free cash flow (AFCC) - EBITDA less Capex
[^] Adjusted for Gain on disposal of SA Towers of R76m (2022: R371m); includes impact of VSP of R162m

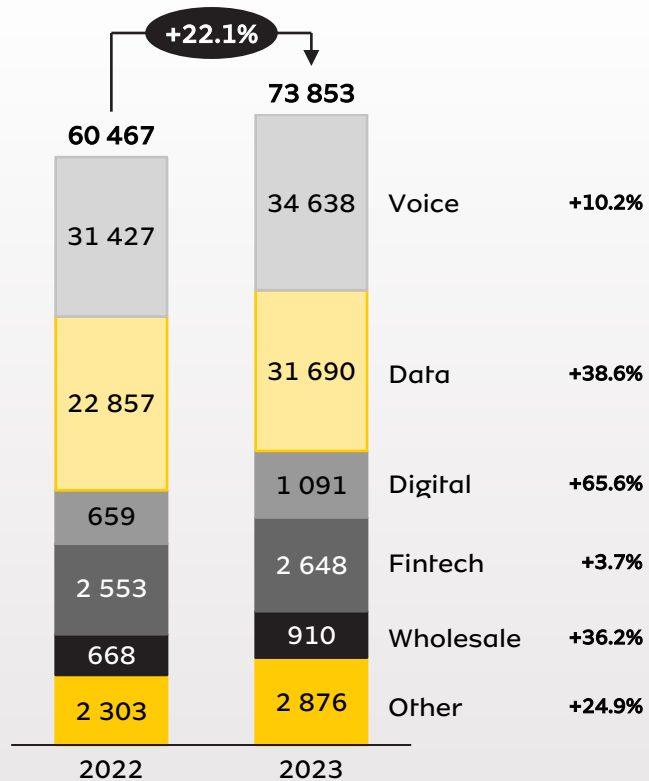


Nigeria

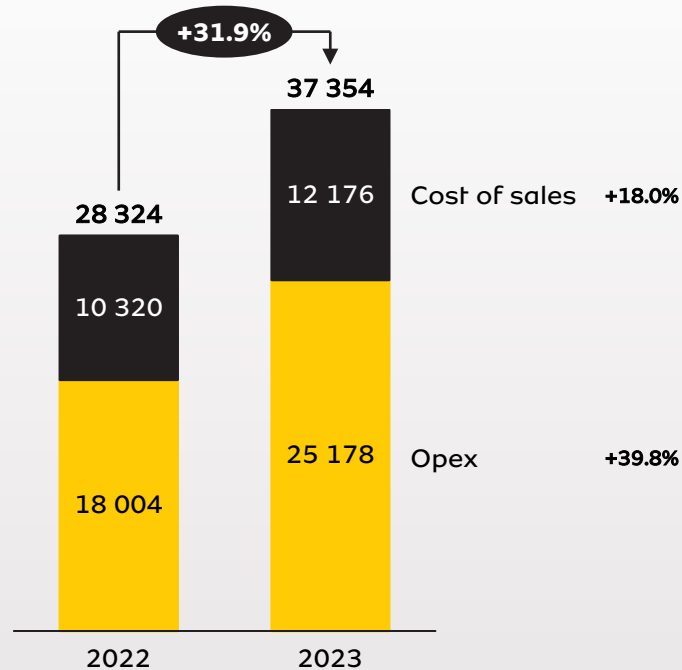
Strong service revenue / Cost increases driven by significant devaluation of the naira and inflation

(Rm) constant currency

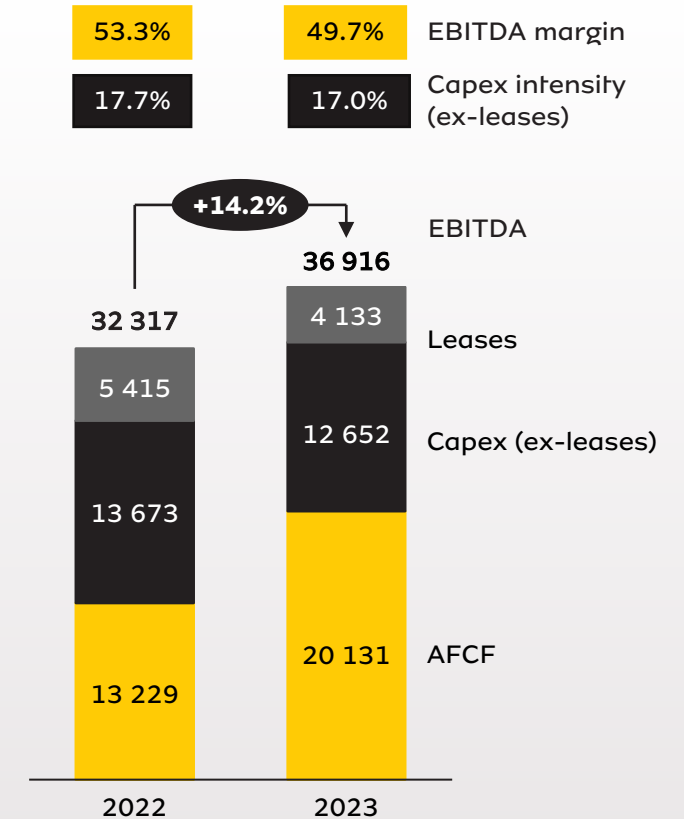
Service revenue



Expenses



EBITDA and Capex



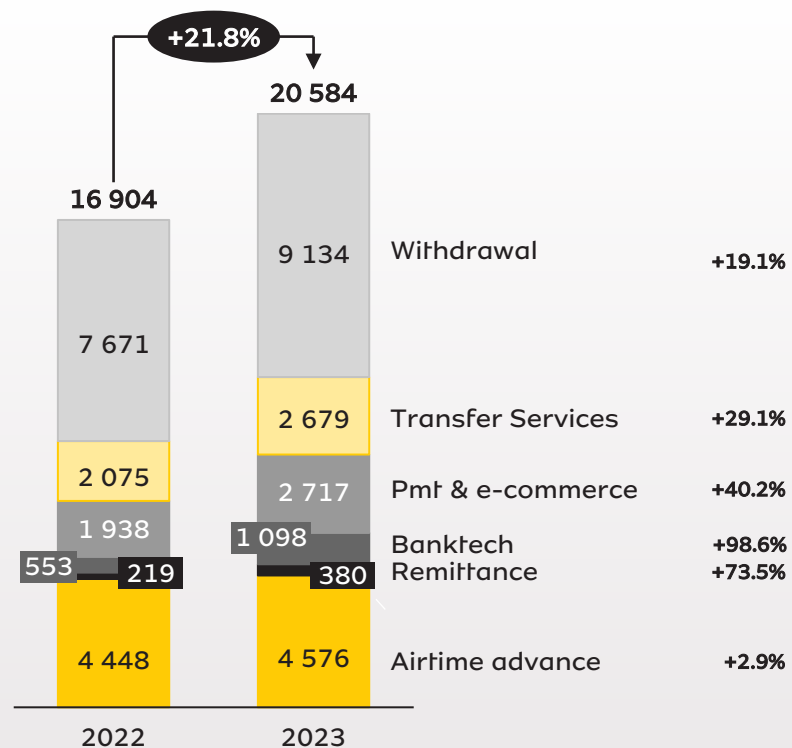


Fintech revenue breakdown

Strong growth in advanced services revenue, +54.8%

(Rm) constant currency

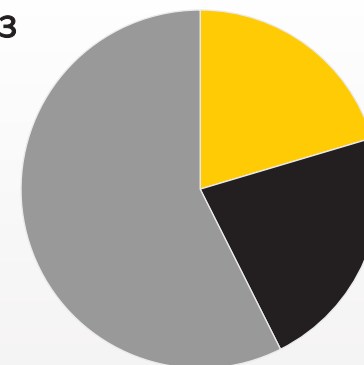
Revenue



- Sustained strong topline momentum, particularly advanced services
- Supported by robust fintech ecosystem growth
- Laying foundation for sustainable margins and cash flow profile

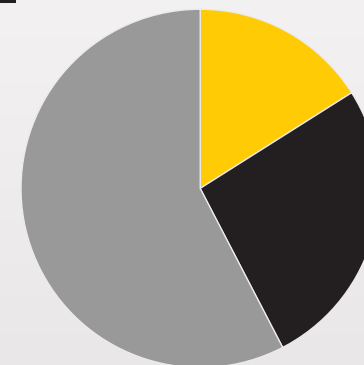
Fintech revenue contribution by services offered

2023



Advanced services	20.4%
Airtime advance	22.2%
Basic services	57.4%

2022



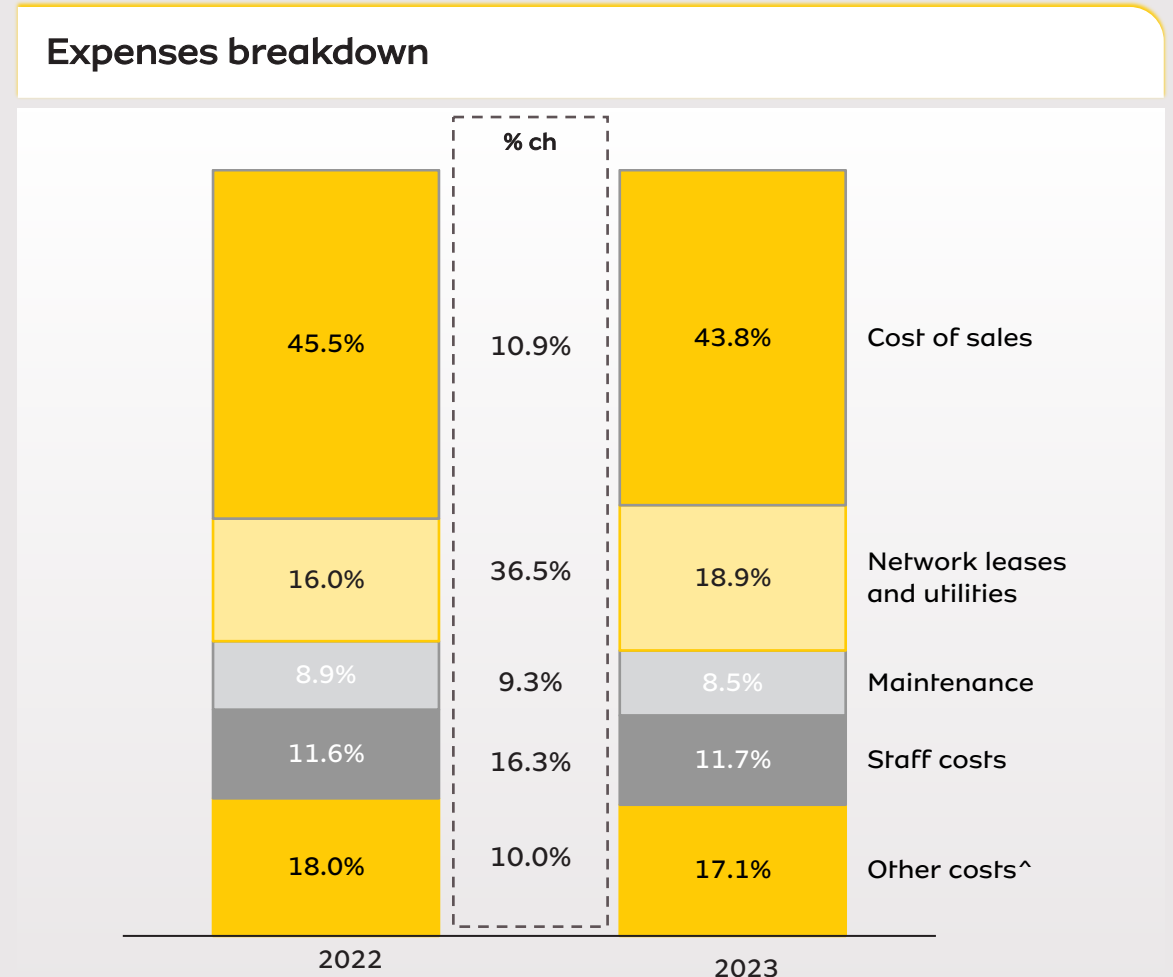
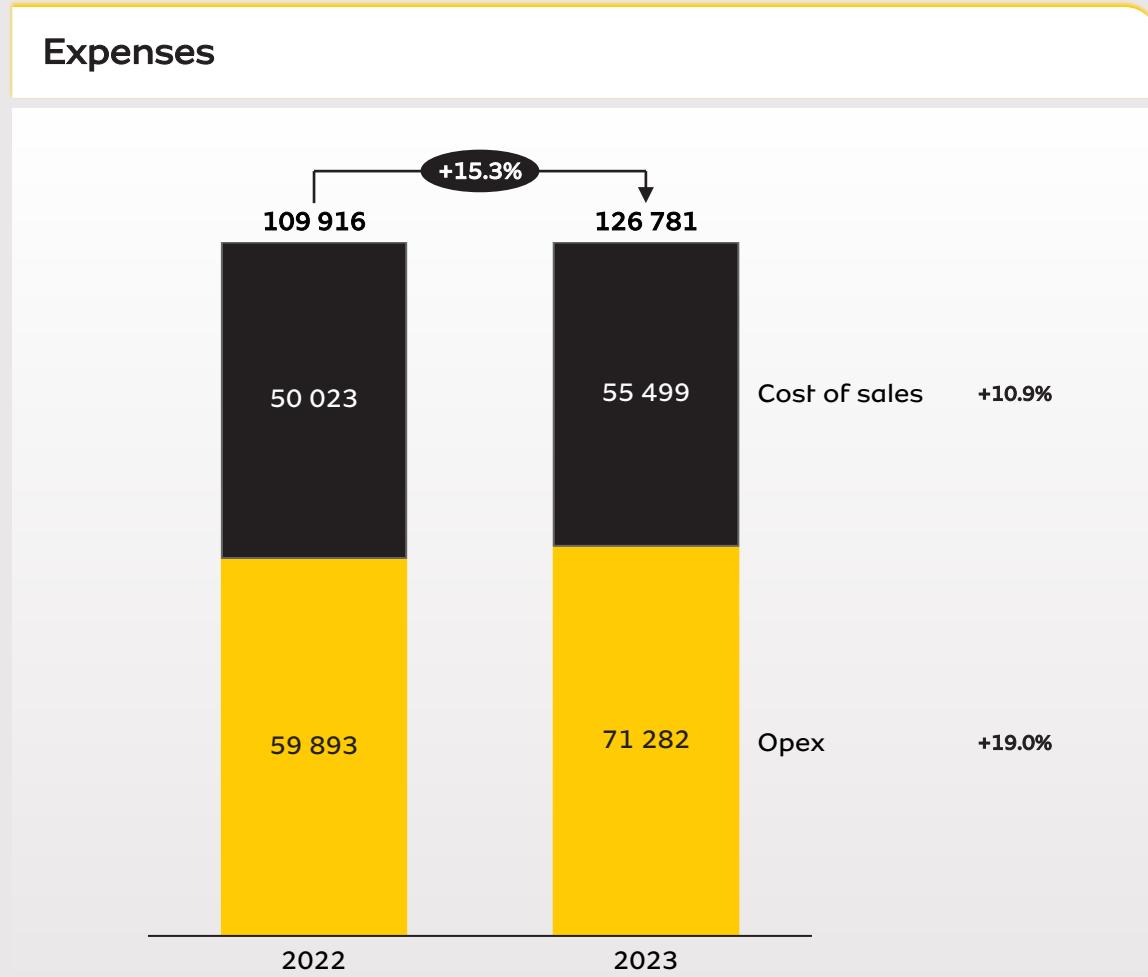
Advanced services	16.0%
Airtime advance	26.3%
Basic services	57.7%



Group expenses

Cost pressures from higher network costs, particularly FX and CPI in Nigeria BTS lease rentals

(Rm) constant currency



[^] Other costs include professional fees, marketing & advertising and provisions

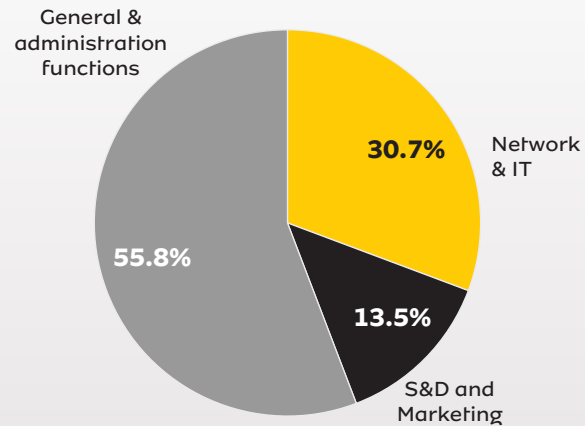


Measures to curb macro impacts

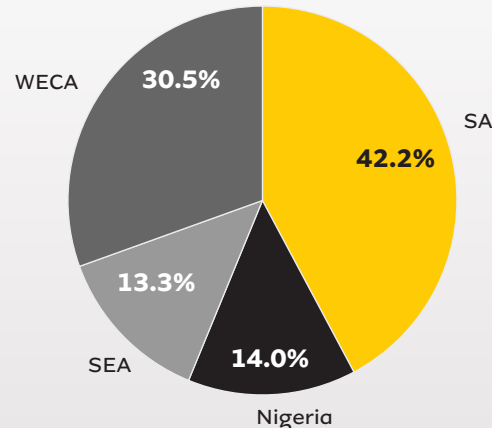
Ongoing expense efficiencies: R2.6bn (vs R1.5bn target for FY 23) | Group EBITDA margin of 41.5%*

Expense efficiency programme

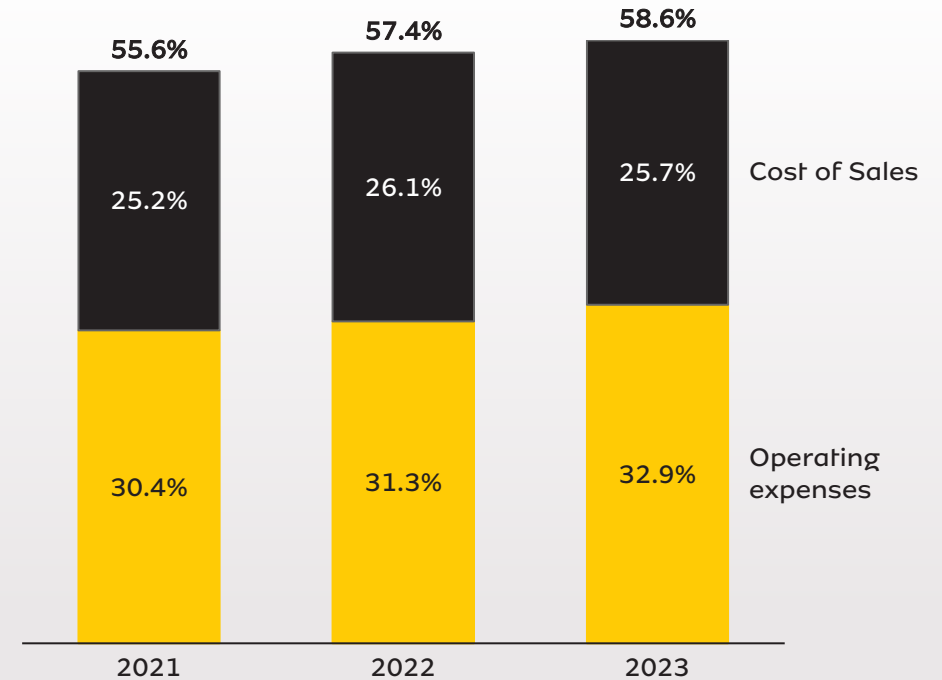
Savings realised by area



Savings realised by region



Total costs to revenue contribution



EEP 2.0: R7-8bn additional efficiencies over 3 years (from 2024 onwards)



- Network – review of operate and maintenance contracts
- Renegotiation of contract terms with major vendors
- Decommissioning of legacy IT
- Accelerate simplification of products and processes
- Staff costs optimisation
- Optimisation of commissions and distribution channels



Finance costs

Material impact from forex losses, mainly in Nigeria

Net finance costs

Rm	2023	2022
Net interest paid	8 239	5 846
Finance costs – leases	7 662	6 425
Net finance costs before FX	15 901	12 271
Net forex losses / (gains)	23 168	6 055
Net finance cost	39 069	18 326
<i>Average cost of debt[^]</i>	12.2%	9.3%

Forex losses / (gains)

Rm	2023	2022
Head offices	999	2 743
South Africa	453	(32)
Ghana	208	193
Nigeria	20 975	2 841
Zambia	528	52
Other	5	258
Net forex losses/(gains)	23 168	6 055

[^] Based on net interest paid



Adjusted HEPS

Resilient underlying result in challenging conditions, with 9.5% decrease in Adjusted HEPS

(R'cents)	Reported 2023	Restated 2022	% change
Attributable EPS	277	1 054	(78.5)
Impairment of goodwill, PPE and associates	40	44	
Impairment loss on remeasurement of disposal groups	50	70	
Net gain (after tax) on disposal of SA towers	(3)	(22)	
Net profit on disposal of property, plant and equipment and intangible assets	1	(9)	
Basic HEPS	315	1 137	(72.3)
Hyperinflation (excluding impairments)	150	(125)	
Impact of foreign exchange (gains) and losses	715	209	
<i>MTN Nigeria foreign exchange losses / (gains)^</i>	593	80	
<i>Other foreign exchange losses / (gains)</i>	122	129	
IFRS 2 charge arising from Ghana localisation	-	4	
Deferred tax charge	-	65	
Divestments (sell-down)	-	24	
Other non-operational items	23	15	
Adjusted HEPS (excluding non-operational items)	1 203	1 329	(9.5)

[^] Included in the Nigeria foreign exchange losses of 593 cents is 561 cents, which relates to the fx losses incurred since the unification of fx markets from mid-June 2023.

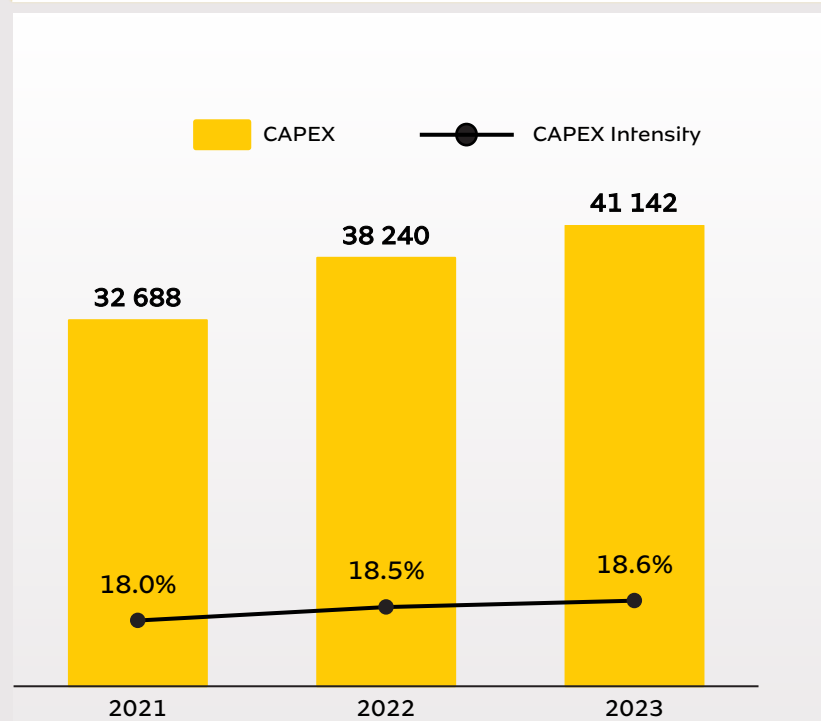


Capex (ex-leases)

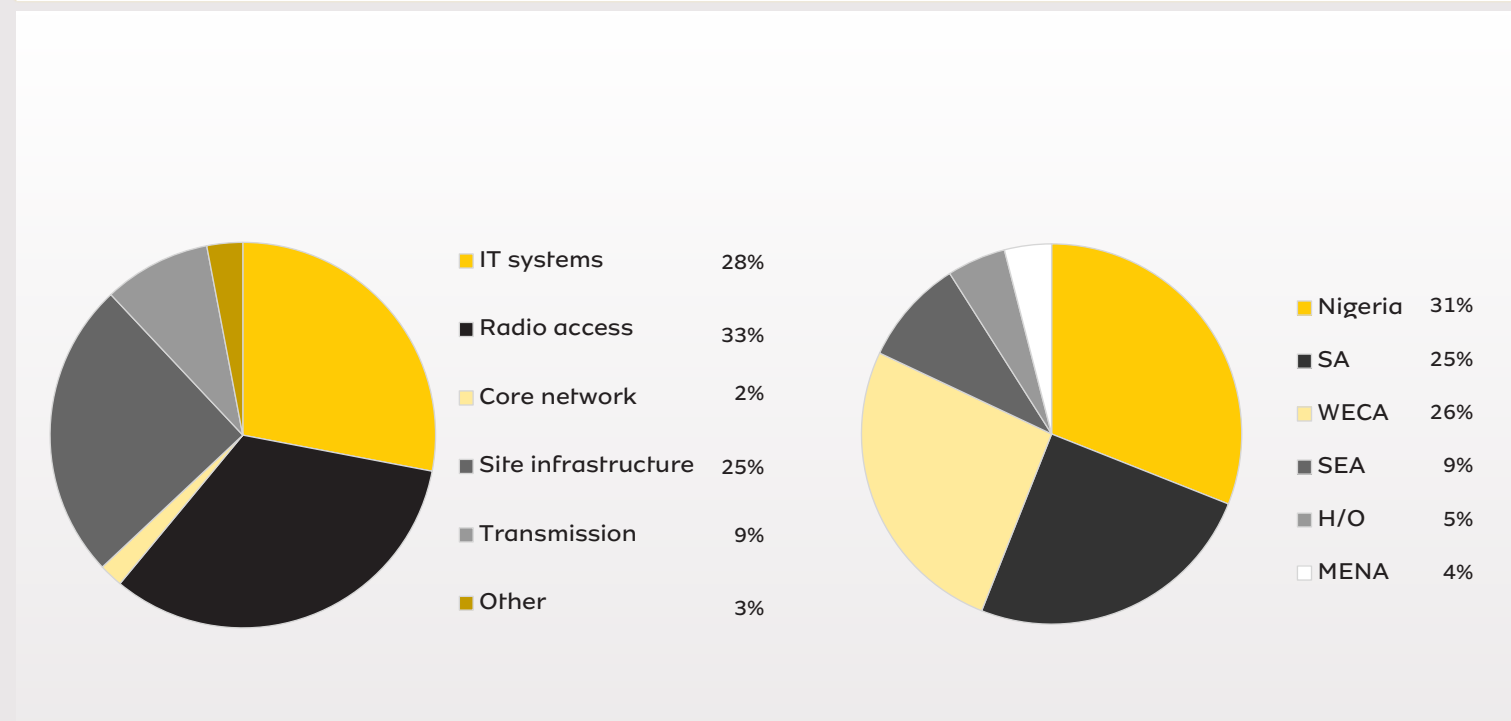
Includes R2.7bn of capitalised costs from ECW contract / Capex of R38.4bn excl ECW contract

(Rm)

Capex (ex-leases)



capex segmentation across operations and regions

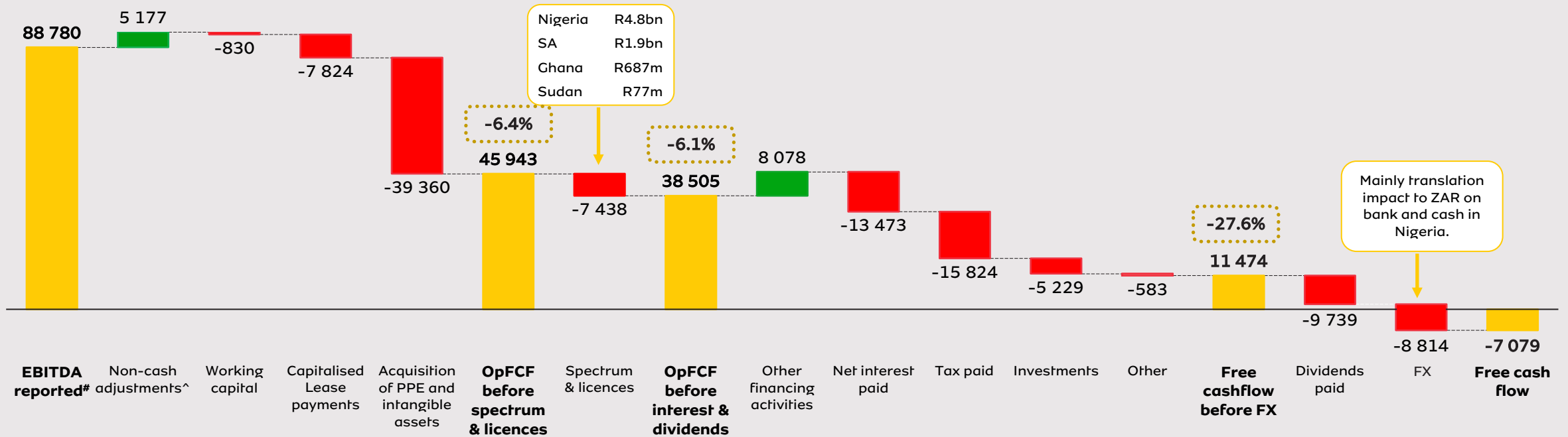




Statement of cash flows

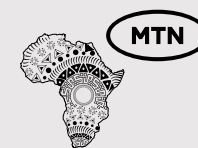
Resilient OpFCF (before spectrum acquisitions), -6.4% YoY | Impacted by pressure on EBITDA and higher capex

(Rm)



EBITDA reported includes the following once-offs - PPE impairment of Afghanistan (R900m), PPE impairment in Sudan (R746m), Gain on disposal of SA Towers (R76m) and hyperinflation.

^ Since EBITDA is our starting point and includes both cash (e.g. revenue and costs) and non-cash (e.g. provisions) items, an adjustment is required in the waterfall to exclude the impact of non-cash items.

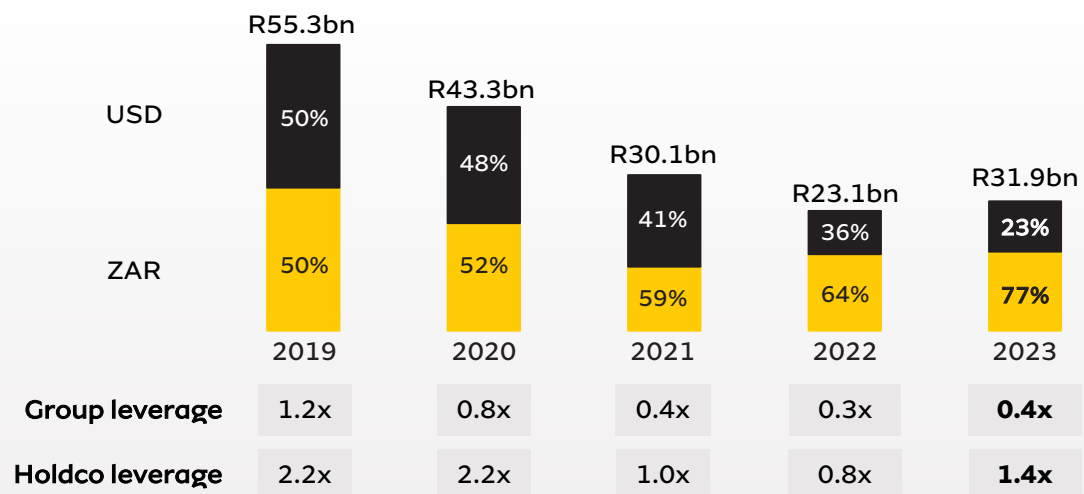


Leverage and liquidity profile

Healthy Group ND/EBITDA of 0.4x | Good debt mix, part early-settlement of \$353m of Eurobonds

(Rbn)

Holdco Net Debt

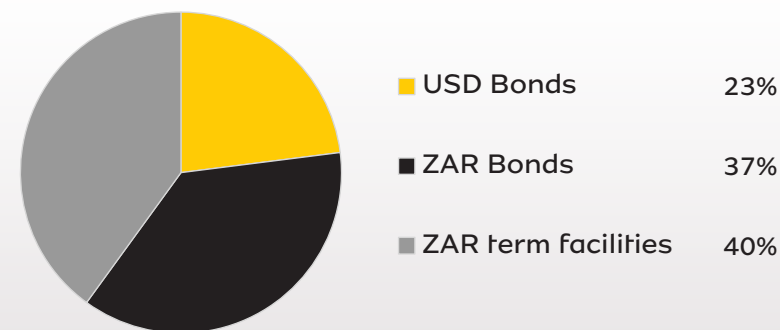
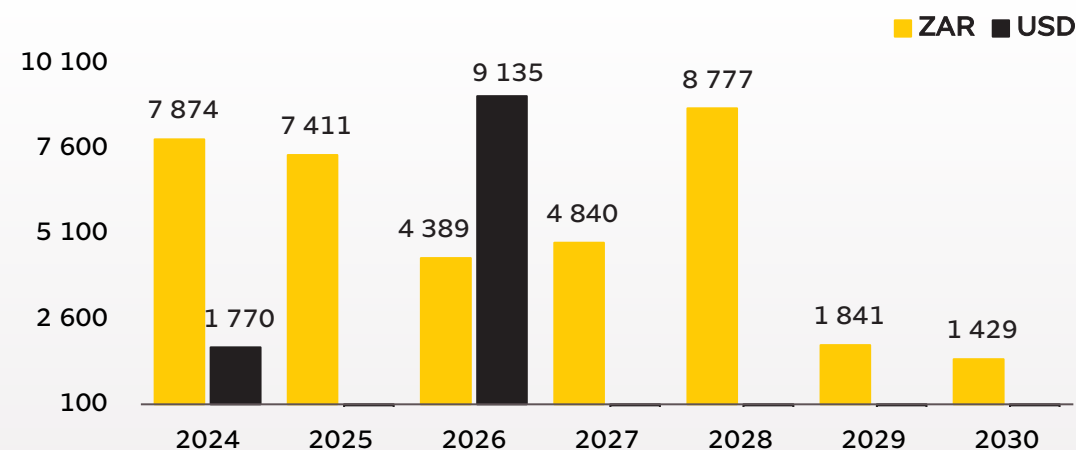


Other key numbers (2023):

Cash upstreaming:	R13.4bn
HoldCo cash balances:	R16.9bn
HoldCo net det:	R31.9bn
Liquidity headroom:	R44.1bn

(Rm)

Maturity Profile

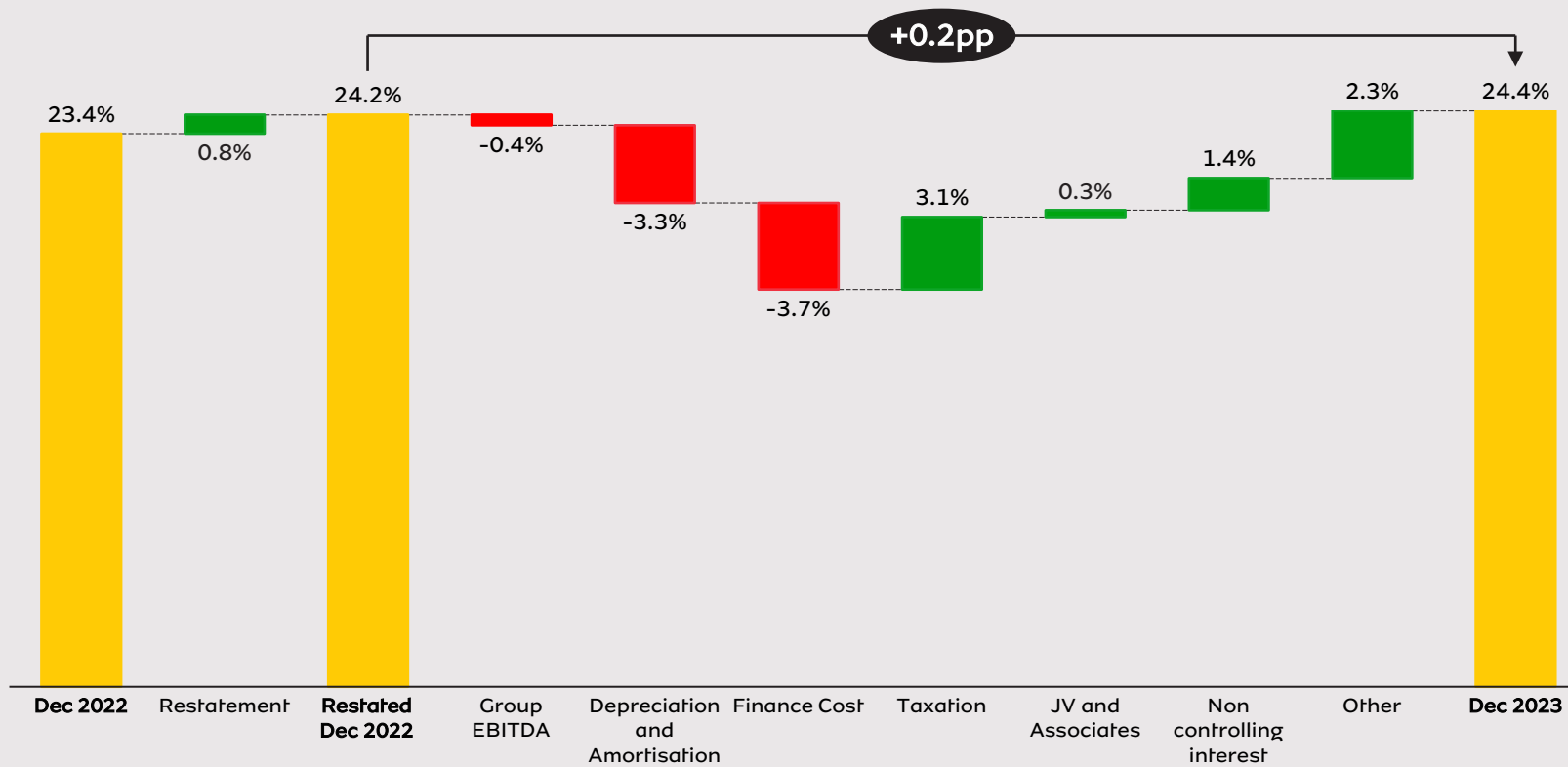




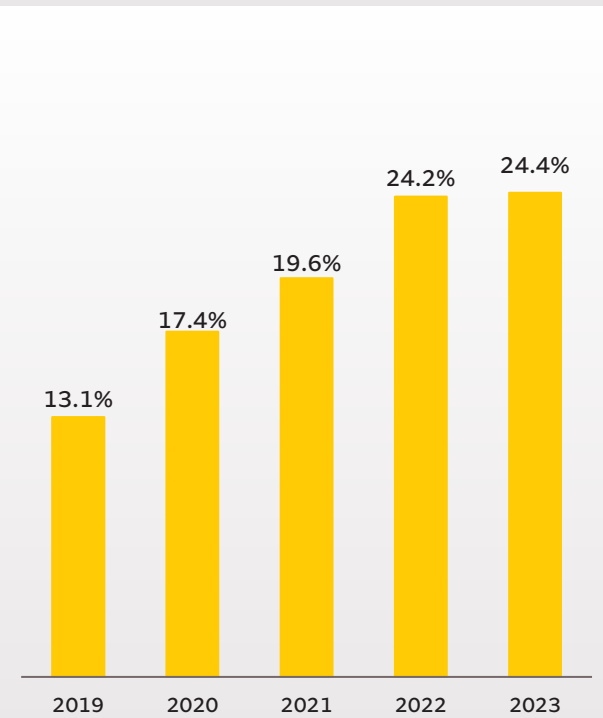
Improving returns

ROE supported by resilient operational performance and decrease in equity

(Rm)



5-year ROE profile (restated)

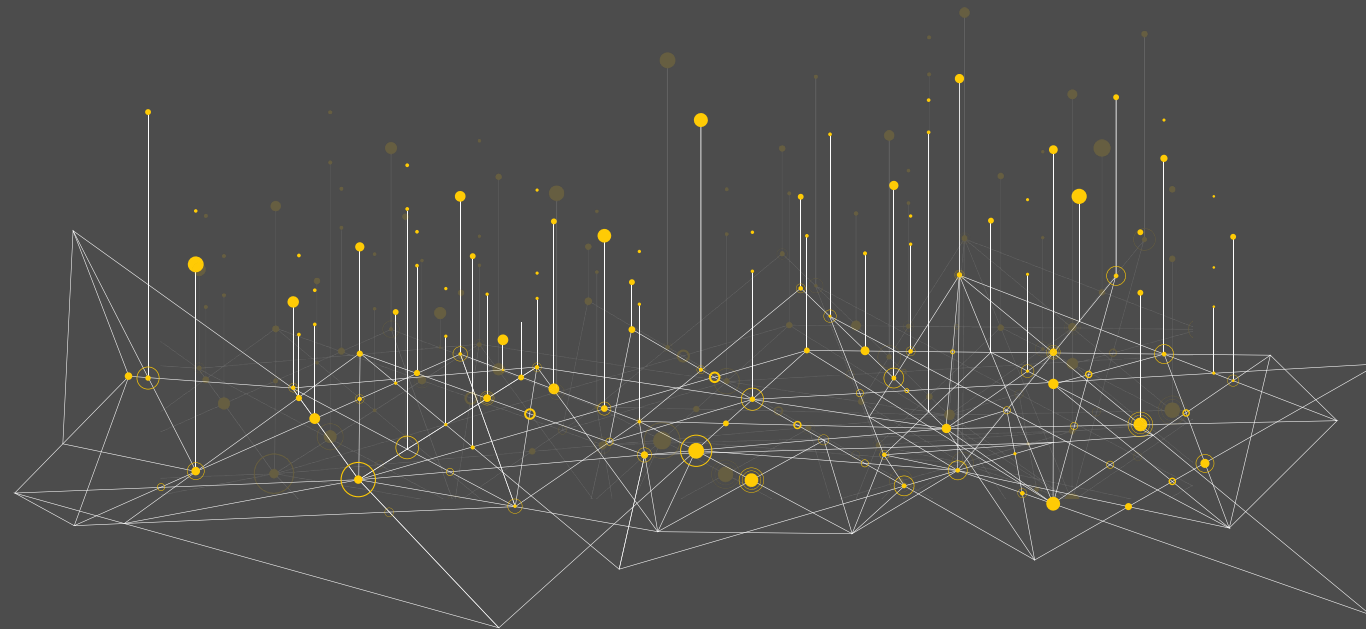


04

Outlook and priorities

Ralph Mupita

Group President and CEO





Macro context into 2024

Headwinds remain, particularly naira volatility

Inflation



- Elevated in key markets
- Moderating trends in some markets
- Effects on margins

Exchange rates / FX paucity



- Naira volatility
- Constrained availability of FX
- Impact on lease liabilities

Regulatory



- Ongoing engagements on tariff increases
- Managing SIM-registration regulations
- Localisations

Geopolitics



- > 60 elections globally
- In our markets: SA, Ghana, Rwanda
- Ongoing regional conflicts, including in Sudan

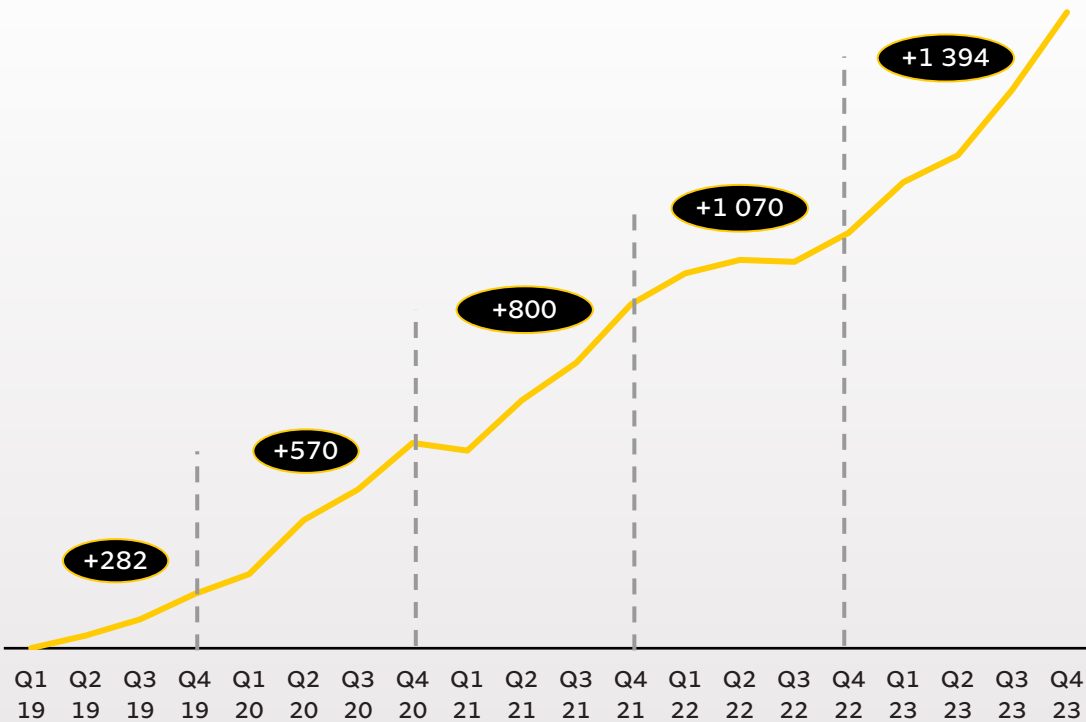


Structurally higher demand for data & fintech

MTN's investment case and medium-term growth outlook is underpinned by structural demand

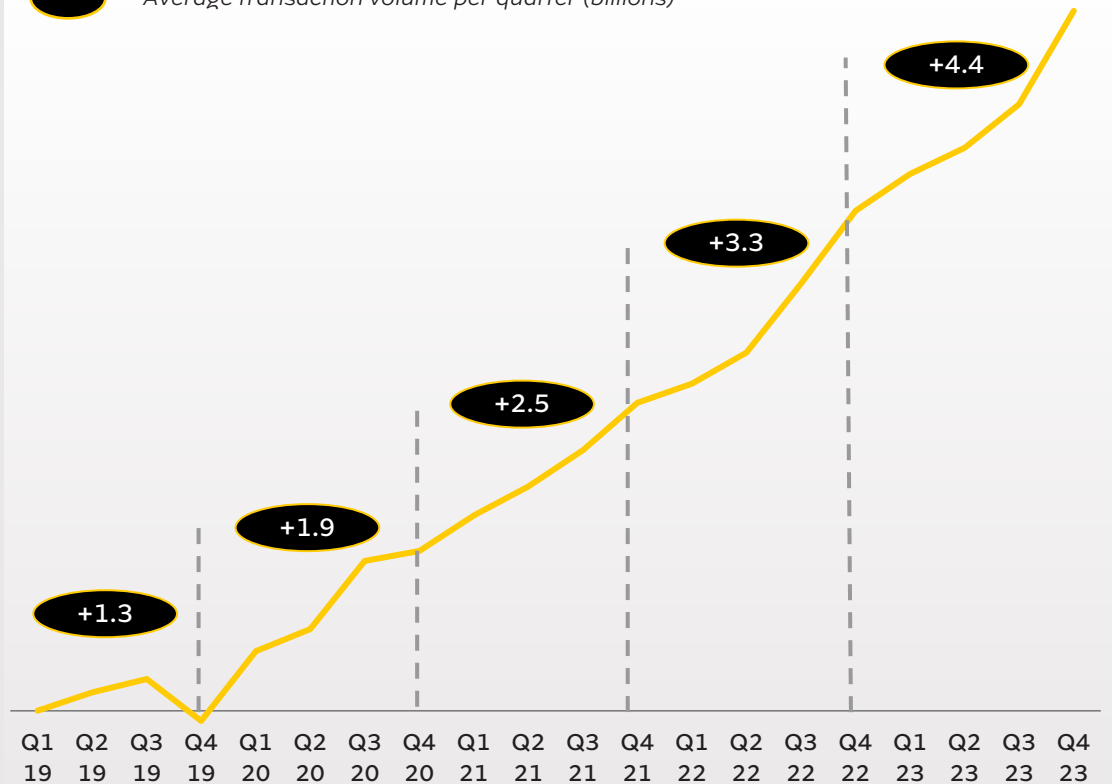
Data traffic

Average data traffic per quarter (Petabytes)



Fintech transaction volume

Average transaction volume per quarter (billions)



The charts above denote each measure indexed to 100 in Q1 19 and illustrated how ensuing quarters have developed relative thereto.



A compelling African growth story

Exciting demographic opportunity

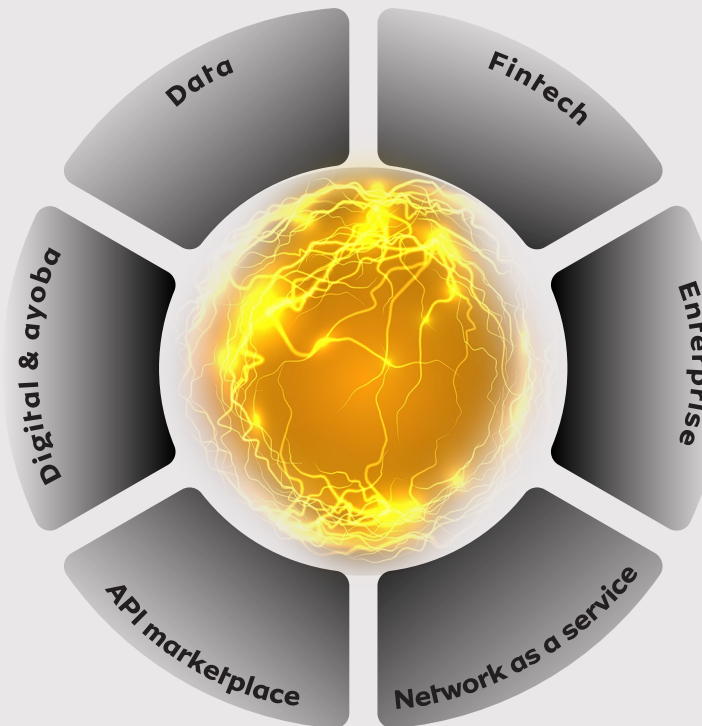


- Fast-growing, youthful population
- Low data, fintech and digital adoption
- Partner in socioeconomic development of our regions

Well positioned for the long term



- Accelerated digitisation of Africa
- Portfolio transformation enhances risk/return profile
- Exposing value in infrastructure assets and platforms



Africa's leading and scale connectivity & infrastructure business

- #1 or #2 subscriber share in all our markets
- Well-invested networks/platforms
- Enterprise, wholesale and infrastructure sharing opportunities



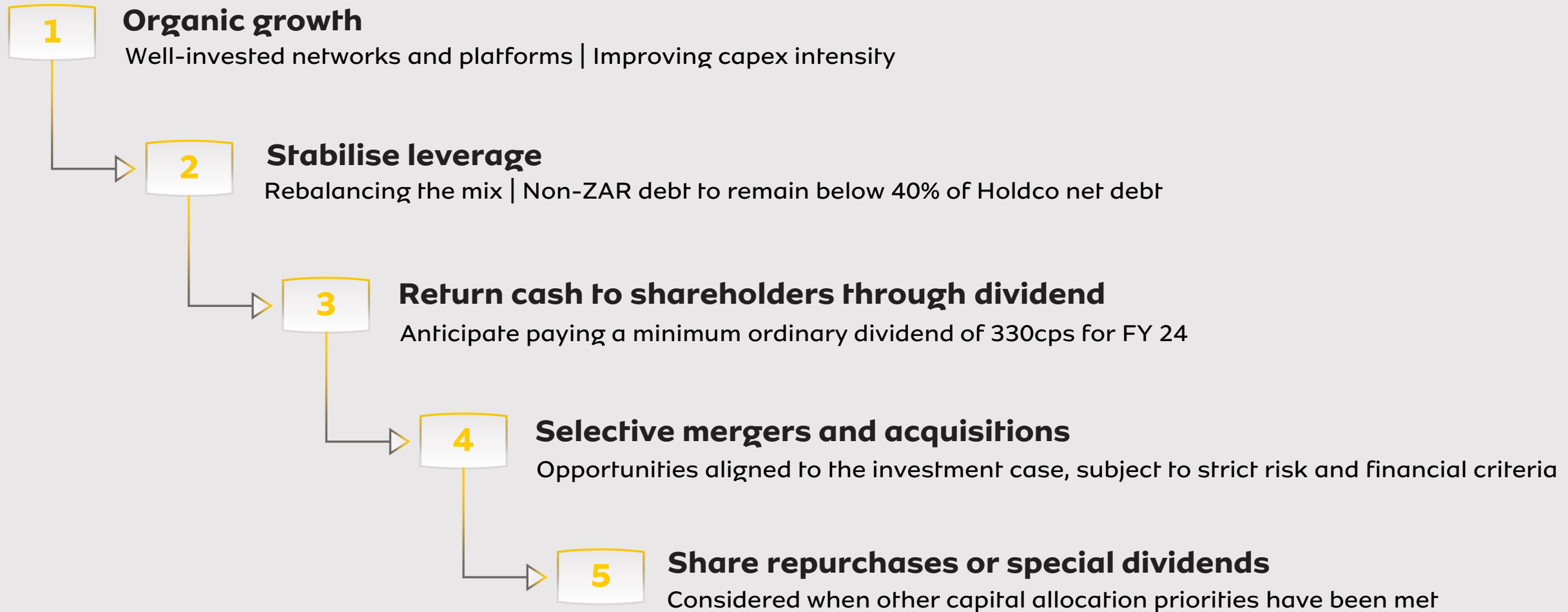
Attractive return profile

- Accelerating growth outlook
- Attractive cash flow and ROE profile
- Balance sheet flexibility, faster non-rand deleveraging



Capital allocation framework

Resilient performance and strategy execution underpinned by disciplined capital allocation





Our priorities

Short-term outlook remains challenging / We remain focused on executing our strategy

Sustain operational momentum



- Complete MTN SA network resilience, sustain prepaid momentum
- Recover MTN Nigeria earnings profile | Manage FX impacts
- Sustain commercial momentum in Markets cluster
- Price optimisation and tariff increases

Accelerate platforms strategy



- Fintech ecosystem growth, leverage Mastercard partnership
- FibreCo structural separations and Project E2W
- Monetisation of ayoba platform
- Platform minority investments

Drive expense and capital efficiencies



- Progress EEP | R7-8bn target over 3 years
- Focus on towerco contracts
- Capex efficiency initiatives
- ROE accretion

Strengthen balance sheet



- Accelerate cash upstreaming
- Manage debt profile
- Strengthen MTN Nigeria balance sheet, resolve negative equity position
- Sustain balance sheet resilience



Medium-term guidance framework

Committed to delivering on our medium-term guidance

KPI



Service revenue growth





Holdco leverage

Asset realisation

Adjusted ROE

Target



-  Group: 'at least mid-teens'
-  South Africa: 'mid-single-digit'
-  Nigeria: 'at least 20%'
-  Fintech: 'high-20% to low-30%'

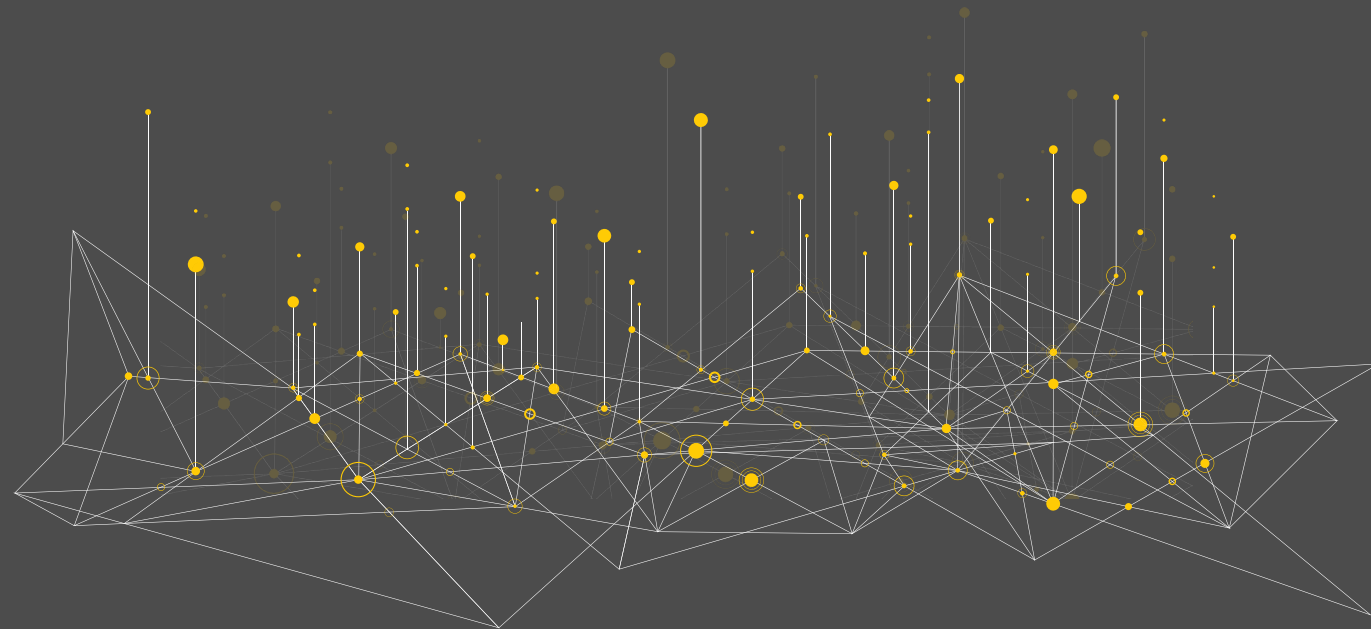
≤ 1.5x | faster non-ZAR deleveraging

> R25 billion

Improvement towards 25%

Minimum ordinary dividend of 330cps for FY 24

Q&A



Thank you

