



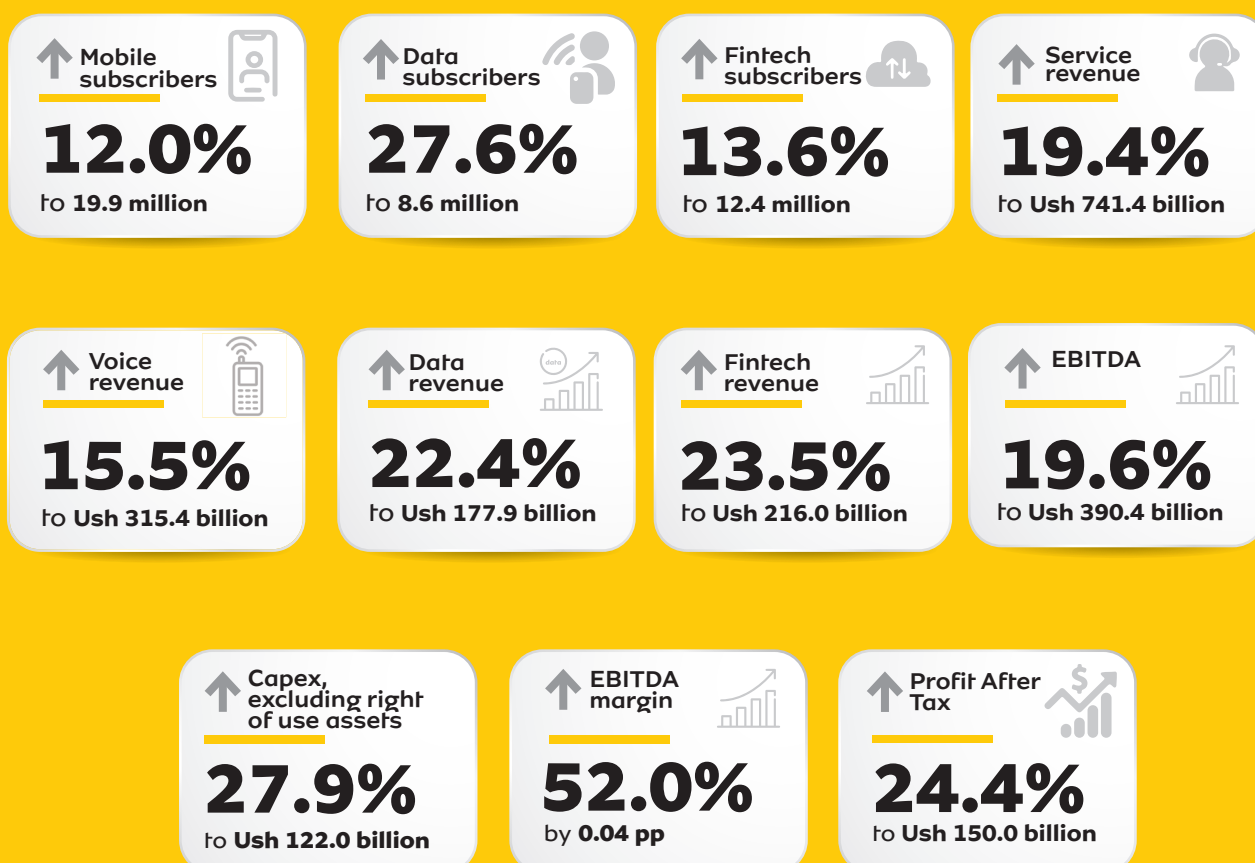
MTN Uganda Limited

**Unaudited Financial Results for the
Quarter ended 31 March 2024**



MTN Uganda Limited (MTN Uganda) today announces its unaudited results for the quarter ended **31 March 2024**.

Salient features:



***Unless otherwise stated, financial and non-financial growth rates are presented on a year-on-year basis (YoY, 3M to 31 March 2024 versus 3M to 31 March 2023)**

Service revenue excludes device and SIM card revenue. Data revenue is mobile and fixed access data and excludes roaming and wholesale. Fintech includes MoMo, insurance, airtime lending and e-commerce. Active mobile users is a count of all subscribers at a point in time which had a revenue generating event in the specified period of time (90 days) prior to that point in time. Active data users is a count of subscribers who during the past 30 days had data usage greater than or equal to 5 megabytes. Active fintech users is a count of subscribers who have transacted on the platform during the past 30 days.

Abbreviations:

- EBITDA- Earnings before interest, tax, depreciation and amortization
- Capex- Capital expenditure
- PAT- Profit after tax
- pp- Percentage points

MTN Uganda's Chief Executive Officer Message



Sylvia Mulinge
CEO, MTN Uganda

MTN Uganda sustained a positive trajectory across all business segments amidst heightened pressure on key macroeconomic indicators. Average YoY inflation subsided to 3.2% in the quarter (Q1 2023: 9.5%), although it accelerated sequentially from the Q4 2023 average of 2.5%, driven by higher energy, fuel and utilities inflation. The Uganda shilling depreciated by 2.7% against the US dollar in the quarter, following a relatively stable full year 2023 which registered a 1.8% depreciation. In this context, we are pleased with the strong operational and strategic execution delivered in the period, which enabled us to exceed our medium-term targets of mid-teens revenue growth and margin stability.

Our service revenue grew by 19.4%, underpinned by strong double-digit growth in voice (up 15.5%), data (up 22.4%) and fintech (up 23.5%) revenues. We delivered a 19.6% expansion in EBITDA, supported by a disciplined focus on expense efficiencies which helped to maintain our EBITDA margin at 52.0%.

Our robust financial result was further driven by a solid commercial performance with subscribers up by 12.0% to 19.9 million, as we navigated the SIM-registration regulations in the market. Active data subscribers and fintech users were up by 27.6% and 13.6%, respectively.

To accelerate core connectivity, we invested a total of Ush 122.0 billion focusing on strategic network enhancements particularly on 4G LTE. We also increased our fiber deployment and 5G coverage as we enriched our home broadband proposition.

As a result, we increased our 4G population coverage by a further 4.5pp YoY to 85.2%. We are proud of the recognition bestowed on MTN Uganda at the MWC Barcelona 2024 conference for having the **fastest network in Uganda** and fastest LTE network in Africa. This is a testament to the continued investment in the network to ensure an incrementally better experience for our customers.

Underpinned by the capacity and quality of our network, we deepened smart phone penetration by 5.9pp to 40.6%, also supported by our strategic device financing partnerships. Increased smartphone usage has enabled us to drive a digital lifestyle through application. This quarter, on My MTN app, we launched **Tesa deals**, an online marketplace to support the entrepreneurial activities of our youthful base while on the MoMo app, we launched an online ticketing service offering a suite of tools designed to improve event management.

MTN Uganda was the official telecommunications partner for the 19th Non-Aligned Movement (NAM) and G77 + China Third South Summits; a demonstration of our commitment to nation state partnership in line with our **Ambition 2025** strategy. Our collaboration with the Government of Uganda encompassed the provision of strategic advisory and technical advice for branding the two summits to position Uganda as a choice destination for trade and investment and provision of all telecommunication requirements for the meetings.

We are especially pleased to have been recognized as the **Best Employer of the Year 2023** by the Federation of Uganda Employers, winning the Gold category award. Our initiatives to support employee diversity and inclusion and continued improvement in our employee engagement were recognized for this achievement. Our women in workforce hit 51% in 2023 and our women in leadership increased to 38.6%. We are grateful for this achievement and will continue to ensure that MTN Uganda remains the employer of choice.

In line with our ambition to create shared value, we supported 118 women entrepreneurs under the **Advancing Women Entrepreneurs** programme demonstrating our commitment to empowering women in business across the country. With this initiative, our representation of women suppliers doubled to 15% in 2024, a feat we are proud of. MTN strives to conduct business that supports long-term sustainability of the societies in which we operate.

We are pleased with the performance achieved this quarter and for the support received from all the stakeholders of the business particularly our customers, staff and regulators. We remain focused on maintaining the growth momentum and ensuring EBITDA margin resilience, in line with our **Ambition 2025** objectives.

Key financial highlights

Ush (in millions)	Q1 2024	Q1 2023	YoY
Total Revenue	750,493	627,928	19.5%
Service Revenue	741,370	621,112	19.4%
Voice	315,418	272,990	15.5%
Data	177,858	145,269	22.4%
Fintech	215,964	174,838	23.5%
<i>Mobile money</i>	209,674	166,805	25.7%
<i>Xtra time</i>	6,290	8,033	-21.7%
Other Revenue	41,253	34,831	18.4%
Others income	-	55	-
Expenses	360,845	301,572	19.4%
EBITDA	390,408	326,411	19.6%
EBITDA Margin	52.0%	52.0%	0.0 pp
Depreciation & Amortization	117,817	104,912	12.3%
EBIT	272,591	221,499	23.1%
EBIT Margin	36.3%	35.3%	1.0 pp
Net Finance Costs	56,702	52,710	7.6%
Profit Before Tax (PBT)	215,889	168,789	27.9%
Taxation	65,863	48,143	36.8%
Profit After Tax (PAT)	150,026	120,646	24.4%
Earnings Per Share	6.7	5.4	24.4%
<i>PAT Margin</i>	20.0%	19.2%	0.8 pp
Capex	122,037	95,434	27.9%
<i>Capex Intensity</i>	16.3%	15.2%	1.1 pp
Non-Financials ('000)			
Overall Mobile Subscribers	19,902	17,769	12.0%
Data Subscribers	8,567	6,715	27.6%
Fintech Subscribers	12,357	10,879	13.6%

Note

- Voice revenue includes interconnect and outbound roaming voice
- Data revenue includes outbound roaming, fixed and mobile data
- Digital revenue excludes bulk SMS and USSD services
- Fintech revenue includes MTN Xtra-time and mobile financial services
- CAPEX (IAS 17) excludes right of use assets.
- Other service revenue includes inbound roaming data, SMS, USSD, Information and Communications Technology (ICT) & infrastructure and device

Operational review

Solid performance driven by strong performance in data and fintech

We delivered a robust performance in Q1 2024, growing our service revenue by 19.4% driven by solid growth in our voice, data and fintech business units.

Voice revenue grew by 15.5% driven by strong subscriber acquisition of 2.1 million net additions YoY, coupled with rigorous customer value management (CVM) initiatives, which drove increased adoption of our personalised propositions targeting both on-net and off-net customers. Voice revenue contribution to service revenue declined to 42.5% (Q1 2023: 44.0%) in favour of stronger growth revenue verticals.

Data revenue increased by 22.4% supported by a 27.6% growth YoY in active subscribers. This was further driven by acceleration of MB per sub by 31.6% due to the improved network performance post the acquired spectrum deployment. Our smartphone penetration increased by 5.9 pp to 40.6% supported by improved device and bundle affordability. Our data traffic increased by 68.0%, with growing 4G traffic contribution of 76.4% (Q1 2023: 68.3%).

To support our **own the home** ambition, we deployed fiber extensively in key cities and set up 303 5G strategic sites as we position MTN as the home broadband provider of choice in a competitive market. We have doubled our active home broadband subscribers and registered notable revenue growth in the quarter. Data revenue contribution to service revenue increased to 24.0% (Q1 2023: 23.4%).

Fintech revenue registered 23.5% growth anchored by an increase of 1.5 million fintech subscribers YoY who drove transaction volume growth in our ecosystem. In the period, the volume of transactions grew by 26.6% to 970.6 million and value by 17.8% to Ush 33.9 trillion. This reflected a strong recovery in our loans and savings portfolio within advanced services, as well as resilience in revenue from basic services supported by MoMo float enhancement to our agents. Our agent base grew by 11.7% to 183k, while the number of merchants within our ecosystem rose by 18.7% to 318k, in the quarter. Fintech revenue contribution to service revenue increased to 29.1% (Q1 2023: 28.1%).

Digital revenue grew by 22.0% supported by increased engagement and growing appreciation of the content value added services we offer. Our digital subscribers increased by 34.3% to 2.3 million led by 444k additions on the ayoba super app. Digital revenue contribution to service revenue held steady at 0.4%.

EBITDA grew by 19.6% supported by strong revenue performance and continued cost optimization of our business operations, in line with our expense efficiency programme. As a result, our EBITDA margin held steady at 52.0%, above our medium-term target of 50%.

Capex invested (ex-leases) increased by 27.9% as we frontloaded our network investment requirements focusing on 4G LTE and 5G. This resulted in a higher capex intensity, increasing by 1.1pp to 16.3%, while **depreciation and amortization** increased by 12.3% as a result of higher right of use assets accrued from additional investment.

Profit after tax for the period increased by 24.4% to Ush 150.0 billion with a margin of 20%, an improvement from 19.2% in the previous year.

Outlook

The first three months of the year saw a slight increase in macro headwinds, particularly inflation, prompting a hike in the central bank rate by 0.75% to contain the pressure on near-term economic performance. These headwinds are expected to remain in the near term with Bank of Uganda projecting inflation to trend up further to a range of 5.5-6.0% over the year, which may impact our customers. We recognize the impact of these risks on our operating environment and as such, we continue to implement business resilience measures to deliver on our medium-term guidance.

Looking ahead, in our connectivity business, our focus remains on executing key commercial strategies to drive customer acquisition to sustain our voice revenue growth. On the data front, we will continue with rigorous CVM strategies to drive engagement and usage, supported by ongoing investment to drive data traffic. Our continued investment will also support our priority to meet our quality of service and other licence obligation requirements.

In fintech, our **wesotinge** one loan suite campaign has given us a head start leading growth of our Fintech business through the savings and loan product. We have also enhanced our merchant onboarding, focusing on quality acquisitions, encouraging FMCG cashless adoption and addressing bottlenecks in the ecosystem by launching merchant loans to bridge liquidity gaps. We will also continue to leverage our partnership with Mastercard to broaden our service offering (especially advanced services) and scope of financial inclusion, as we enable our users to easily conduct secure and convenient transactions.

This quarter, we will continue the work to address our localisation requirement to explore a further sell-down of the 7% shareholding to the public to broaden our shareholder base.

We maintain our medium-term guidance of delivering mid-teen service revenue growth, stable EBITDA margins above 50% and maintaining capex (ex-leases) intensity at mid-teen levels as we support our growth prospects.

Unaudited summary financial statements for the quarter ended 31 March 2024

Summary Statement of Comprehensive Income

	March 2024	March 2023
	Shs'000	Shs'000
Revenue from contracts with customers	750,492,539	627,928,185
Other income	-	54,959
EBITDA	390,408,172	326,410,868
Depreciation and Impairment of property, plant and equipment	(47,149,884)	(49,431,807)
Depreciation of right of use assets	(48,015,033)	(38,966,891)
Amortization of intangible assets	(22,652,354)	(16,513,847)
Operating profit	272,590,901	221,498,683
Finance income	13,060,110	12,830,679
Finance costs	(69,762,161)	(65,540,494)
Profit before tax	215,888,850	168,788,868
Income tax expense	(65,862,616)	(48,143,162)
Profit for the year	150,026,235	120,645,706
Other comprehensive income for the year net of tax	-	-
Total comprehensive income for the year	150,026,235	120,645,706

Summary Statement of Financial Position

	March 2024	March 2023
	Shs'000	Shs'000
Assets		
Non-Current assets	2,818,906,307	2,434,684,764
Current assets	2,141,189,363	1,693,358,767
Total Assets	4,960,095,670	4,128,043,531
Equity		
Ordinary share capital	22,389,044	22,389,044
Retained earnings	1,141,856,085	1,003,094,063
Total Equity	1,164,245,129	1,025,483,107
Liabilities		
Non-Current liabilities	1,264,035,395	1,132,057,523
Current liabilities	2,531,815,146	1,970,502,901
Total liabilities	3,795,850,541	3,102,560,424
Total Equity and Liabilities	4,960,095,670	4,128,043,531

Summary Statement of Cash Flows

	March 2024	March 2023
	Shs'000	Shs'000
Operating activities		
Net cash generated from operating activities	279,653,102	238,605,927
Investing activities		
Net cash used in investing activities	(117,641,164)	(75,390,249)
Financing activities		
Net cash used in Financing activities	(82,726,608)	(56,976,248)
Movement in cash at bank and in hand	79,285,330	106,239,430
At start of year	238,465,185	191,914,736
Increase	79,285,330	106,239,430
Exchange losses on cash at bank and in hand	(1,191,847)	1,358,995
At end of year	316,558,668	299,513,161



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About MTN Uganda

MTN Uganda is one of Africa's largest providers of communications services, connecting approximately 19.9 million people in communities across the country with each other and the world. Guided by a vision to lead the delivery of a bold new digital world, MTN Uganda's leadership position in coverage, capacity and innovation has remained constant since its launch in 1998. MTN Uganda is part of the MTN Group – a multinational telecommunications group, which operates in 19 countries in Africa and the Middle East.