



Leadership Insights - CFO

We delivered a robust set of results which were in-line with set targets and underlined our business resilience and execution strength. Value creation was a key driver for us. Our objective is to enhance the finance function as a centre for “value creation” within the business operation which understands and communicates how the company creates and protects value today, and how it will do so in the future

Q: In view of the operating environment, which financial outcomes best reflect MTN's performance and strategic execution in 2025?

A

MTN recorded an excellent financial performance, marked by disciplined commercial execution and driven by robust fintech and data revenue, stable voice revenue and tactical capital allocation.

Notable outcomes from our 2025 performance include an increase in 4G population coverage to 88.6% (2024:87.9%) while our 5G population coverage increased to 19.0% (2024: 15.3%). Strategic investments in connectivity in 2025 were reflected in a rise in Capex intensity from 13.2% to 15.2%, with a total capital expenditure of UGX 834.6 billion, of which UGX 549.4 billion excludes leases. This investment facilitated the deployment of 365 new sites and expansion of fibre coverage by an additional 52.1% to a total of 27,037 kilometres.

Our financial highlights below summarise the key financial and operational metrics, demonstrating our unchanged **commitment to driving industry-leading connectivity operations.**

Andrew Bugembe
Chief Financial Officer

We are pleased to report that our profit after tax rose by 5.8% to UGX 678.8 billion from UGX 641.5 billion despite our UGX 110.9 billion one-off tax settlement with the URA. Our normalised profit after tax without the tax impact reflects a growth of 23.1% to UGX 789.7 billion. We delivered an EBITDA increase of 17% to UGX 1.9 trillion, while the EBITDA margin remained above the 50% target and medium-term guidance at 53.8%.

For the financial year ending 2025, the value of the total dividend paid out to our shareholders for the FY 2025 is UGX 643.7 billion, a 27.2% increase from UGX 506.0 billion in 2024.

This dividend approach for 2025 represents a payout of 94.8% of MTN's 2025 profit after tax and is aligned with our policy on returning at least 75% of annual profits after tax as dividends.

Overall, Uganda's stable macroeconomic conditions in 2025 provided a stable operating environment for the execution of our investment strategy, with annual headline inflation at 3.6% and core inflation at 3.9%, alongside the projected improvement of Uganda's economy by 6.5% according to Bank of Uganda's monetary policy reports.

Metric / KP	2025	2024	% change and notes
Service Revenue	UGX 3.6 tn	UGX 3.1 tn	13.4% Derived from robust fintech and data revenue, and a stable voice contribution
Voice Revenue	UGX 1.3 tn	UGX 1.3 tn	1.0% Overall growth adversely impacted by the revised mobile terminal rates
Fintech Revenue	UGX 1.1 tn	UGX 947.5 bn	17.3% As a result of deploying a range of customer propositions while reviewing existing offerings to align with customer preferences
Data Revenue	UGX 1.0 tn	UGX 811.8 bn	28.8% Supported by strategic network capacity densification and fibre footprint expansion
Profit after Tax	UGX 678.8 bn	UGX 641.5 bn	5.8% Reflecting impact of the one-off tax settlement with the URA following a transfer pricing audit review for the period 2012 to 2024
Adjusted Profit after Tax	UGX 789.7 bn	UGX 641.5 bn	23.1% Normalized profit after tax for 2025
Dividend	UGX 643.7 bn	UGX 506.0 bn	27.2% Driven by resilient profit after tax and commitment to enhancing shareholder value
EBITDA Margin	53.8%	52.2%	1.6pp Effective expense efficiency strategy
Capital Expenditure	UGX 549.4 bn	UGX 418.0 bn	31.4% Value-driven capital allocation

Q: What principles guided MTN's capital allocation approach to organic growth through well-invested networks and digital platforms while maintaining financial discipline?

A

Capital allocation at MTN is a deliberate balance between funding day-to-day operations, investing for future growth, and returning cash to shareholders. Our sustained operational efficiency and strong strategic execution enabled us to prioritise our investments in core network capacity, site modernisation, smartphone penetration and targeted site rollouts.

In 2025, our investment focus shifted towards higher-margin digital services, deeper reach in rural areas and deliberate deployment of our capex in high-return capital projects such as regional network upgrades. Stabilising our mobile money platform and achieving superior voice clarity and data speeds were as important in 2025. We also remained committed to our goal to extend into underserved areas and to deliver the benefits of a modern connected life to the never-before-connected.

As we extended coverage, our collaboration with UCC remained critical to enabling us to contribute our financial resources towards digital literacy and equitable access to communications technology. In line with our regulatory obligations to contribute 2% of our annual revenue to the Universal Service and Access Fund, we made a UGX 54.3 billion contribution to facilitate the growth of telecommunication services in Uganda.

By leveraging MTN Group partnerships, we optimised Capex through renegotiated savings and procurement synergies driven by the Global Sourcing and Supply Chain function based in Dubai. This approach facilitated efficient scaling of infrastructure development.

Our commitment to advancing Uganda's digital inclusion agenda also shaped our investment priorities. We applied our financial resources to support the sale of 102,439 smartphones through our *M-Kabode Supa* initiative and contributed to Uganda's 22% year-on-year smartphone penetration growth in 2025.

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Anchored in the principle of disciplined capital allocation, we focused on prudent investment and strong cash flow generation to deliver sustainable value for our shareholders

Q: How did MTN's tax policy evolve in 2025, and what impact has this had on your overall performance?

A

MTN upheld a transparent and compliant tax policy in 2025, with the conviction that responsible taxation is essential to national development. Our relationship with the Uganda Revenue Authority rests on trust, amicability, and collaboration, reinforcing our reputation as a responsible corporate citizen.

We retained our position as Uganda's largest taxpayer, contributing UGX 1.6 trillion in 2025. The URA acknowledged this commitment by awarding MTN the *Highest Revenue Contribution Award*, reflecting total tax remittances of UGX 2.4 trillion for the financial years 2022/2023 to 2024/2025.

Additionally, we followed a settlement-focused approach to URA disputes, resolving a twelve-year transfer pricing review with a one-off UGX 110.9 billion payment. Despite this settlement, our profit after tax grew by 5.8% year-on-year. To safeguard financial sustainability, we submitted an Advance Pricing Agreement application to the URA to align future treatment of intercompany charges and protect MTN's financial value.

Awards and Recognition



FiRe Awards
Overall Winner:
Integrated
Report



EMEA Finance
Best Local Currency
Bond in Africa



CFO East Africa
CFO of the Year
Uganda

Q: What is your outlook for 2026?

A

Our strategic ambition is to streamline MTN's business into three platforms of voice and data, fintech and mobile money to harness the opportunities from financial inclusion and bridge the digital divide. This focus will allow MTN to diversify investments while consolidating its position as Uganda's digital partner of choice.

Our robust financial profile, characterised by resilient cash flows and a flexible balance sheet, is a basis for the prudent execution of our business strategy to continue investing in the delivery of long-term shared value to all stakeholders and enhancing consistent modern connectivity to our customers.

It will be important that our capital allocation prioritises devoting resources to infrastructure that strengthens core connectivity. We will continue to make conscious investments in our voice proposition by enhancing our bundle offerings. We intend to boost our data revenue by sustaining our device financing proposition and fibre network expansion in line with the objectives of the National Development Plan IV.

Sustainability and success for MTN's finance function will be defined by the function's depth of integration as a strategic decision-making partner, as it continues its transition from record-keeping to being a strategic partner. Rather than simply explaining commercial outcomes after the fact, we aim to guide key decisions and drive value-driven choices. On that front, we will build the competencies of our teams and emphasise adaptability in Uganda's dynamic market.

In 2026, the finance function will be transformed by AI-powered real-time processes that combine automation, analytics and predictive intelligence to improve revenue assurance, Capex optimisation, working capital and customer profitability.

Our customers can be confident in our firm resolve to focus on creating shared value. Through our promising mobile and fibre-to-the-home initiatives, gradual transition into a financial services provider and establishment of cloud and data centres, we are poised to deliver sustainable financial value to all Ugandans.

