

## MTN Group Limited

(Incorporated in the Republic of South Africa)

(Registration number 1994/009584/06)

(Share code MTN)

(ISIN: ZAE000042164)

(MTN or the Group)

## MTN - CONDENSED CONSOLIDATED FINANCIAL RESULTS AND INTERIM DIVIDEND UPDATE FOR THE SIX MONTHS ENDED 30 JUNE 2022

### Highlights

- Group service revenue grew by 12.8% (14.8%\*)
  - Group data revenue up by 33.1% (35.9%\*)
  - Group fintech revenue up by 9.9% (14.0%\*)
- Earnings before tax, depreciation and amortisation (EBITDA) (before once-off items) grew by 13.7% (15.1%\*)
- EBITDA margin (before once-off items) up 0.5 percentage points (pp) to 45.3% (up 0.3pp\* to 45.3%\*)
- Basic earnings per share (EPS) at 445 cps, up 200.7%
- Reported headline earnings per share (HEPS) at 567 cps, up 46.5%; non-operational impacts decreased HEPS by 94 cps
- Holding company (Holdco) net debt down to R28.4 billion (from R30.1 billion); leverage improved to 0.8x from 1.0x in December 2021
- Return on equity (ROE) improved by 4.6pp to 24.2%
- Capital expenditure (Capex) of R28.3 billion including IFRS 16 leases (R17.1 billion, with capex intensity of 17.5%, under IAS 17)
- Subscribers increased by 5.5% year-on-year (YoY) to 281.6 million
- Active Mobile Money (MoMo) customers increased by 24.0% (YoY) to 60.7 million
- MoMo volume of transactions up 31.5% YoY to 6.0 billion
- MoMo value of transactions up 1.0% (11.7%\*) YoY to US\$116.3 billion
- No interim dividend declared (H1 2021: 0), minimum ordinary DPS of 330 cents for FY 22

*\* Constant currency information after accounting for the impact of the pro forma adjustments as defined and included throughout this Stock Exchange News Service of the JSE Limited (JSE) (SENS) announcement.*

### Group President and CEO Ralph Mupita comments:

“During the first half of 2022, we delivered a resilient performance under challenging global and regional macroeconomic and geopolitical conditions. Rising energy, food, general inflation and interest rate conditions have put pressures on disposable incomes, operating and capital expenditure.

The conflict in Ukraine and China's "zero-COVID" policy have impacted supply chains and to mitigate risk, we accelerated capital expenditure in some of our key markets such as Nigeria and Ghana. In addition to the macroeconomic challenges, in South Africa we had power supply constraints from loadshedding that affected network availability in the period.

Notwithstanding these challenges, MTN achieved mid-teens service revenue growth, an expansion of EBITDA margins, strong underlying operating free cashflow growth and return on equity.

We continued to invest in accelerating broadband coverage during H1 2022, with our capex deployment of R17.1 billion supporting gross capital formation of the countries that we operate in, as well as increasing digital inclusion. We have also continued to reduce the cost to communicate, zero-rating sites and bringing down the blended cost of data across our markets by 22.5% YoY.

The work to structurally separate the fintech business from the Global System for Mobile Communication (GSM) business within the operations progressed well, and the implementation of inter-company agreements and necessary regulatory approvals are tracking in line with expectations.

We made good progress on the faster deleveraging of our balance sheet, with the consolidated net debt-to-EBITDA ratio remaining stable at 0.4x (December 2021: 0.4x) and the Holdco leverage strengthening to 0.8x (December 2021: 1.0x)."

## Prospects and guidance

The uncertainty in the global macroeconomy is expected to persist for the remainder of the year, with an elevated inflation trajectory and continued pressure on currencies in most markets. These dynamics, along with the flux in global geopolitics also points to continued variability in our supply chains.

We are however encouraged by the resilient performance sustained by the business in H1 2022 in the increasingly volatile operating environments across our markets. We have clear plans to manage some of the impacts and risks driven by the global and regional macro conditions.

## Guidance

We believe that the business is well-positioned to navigate the prevailing market conditions. The structurally higher growth opportunities in our markets support our medium-term objective to drive sustained growth through the execution of our **Ambition 2025** strategy.

We maintain our medium-term guidance, including to deliver at least mid-teens Group service revenue growth, with Holdco leverage maintained below 1.5x.

For and on behalf of the board

MH Jonas  
Group Chairman

RT Mupita  
Group President

TBL Molefe  
CEO Group CFO

10 August 2022  
Fairland

Date of release 11 August 2022  
Lead sponsor  
Tamela Holdings Proprietary Limited

Joint sponsor  
JP Morgan Equities (SA) Proprietary Limited

#### Short-form announcement

This short-form announcement is the responsibility of the directors and represents only a summary of the information contained in the full interim financial results. Consequently, it does not contain full or complete details. Any investment decisions made by investors and/or shareholders should be based on consideration of the full interim financial results published as a whole and investors and/or shareholders are encouraged to review the full interim financial results as follows:

On MTN's website at: <https://www.mtn.com/investors/financial-reporting/interimresults/> and on SENS on the JSE's website at:  
<https://senspdf.jse.co.za/documents/2022/jse/isse/MTN/H122result.pdf>.

This announcement is itself not reviewed or audited but is extracted from the underlying unmodified reviewed information by the external joint auditors of MTN, being PricewaterhouseCoopers Inc. and Ernst and Young Inc., available for inspection at MTN's registered office including the external joint auditors' unmodified limited assurance report prepared in terms of ISRE 2410 at no charge, and at the offices of our sponsors from 09:00 to 16:00 weekdays.

The directors of MTN take full responsibility for the preparation of this announcement and ensuring that the financial information has been correctly extracted from the underlying reviewed information.

Copies of the full interim financials may be requested by emailing [investor.relations@mtn.com](mailto:investor.relations@mtn.com) or calling 083 912 2300.

*Any forward-looking financial information disclosed in this results announcement, including the dividend guidance, is the directors' responsibility and has not been reviewed or audited or otherwise reported on by our external joint auditors.*

Certain information presented in these results constitutes pro forma financial information and constant currency financial information. The responsibility for preparing and presenting the pro forma financial information and constant currency financial information and for the completeness and accuracy of the pro forma financial information and constant currency financial information is that of the directors of MTN. This is presented for illustrative purposes only. Because of its nature, the pro forma financial information and constant currency financial information may not fairly present MTN's financial position, changes in equity, and results of operations or cash flows. This pro forma financial information has not been audited or reviewed or otherwise reported on by our external joint auditors.