

## MTN Group Limited

(Incorporated in the Republic of South Africa)

(Registration number 1994/009584/06)

(Share code MTN)

(ISIN: ZAE000042164)

(MTN or Company or the MTN Group or the Group)

## Summary audited Group financial statements for the year ended 31 December 2022, dividend declaration and changes to the board

MTN is a pan-Africa mobile operator with the strategic intent of **Leading digital solutions for Africa's progress**. We have 289.1 million customers in 19 markets and are inspired by our belief that everyone deserves the benefits of a modern connected life.

### Highlights

- Group service revenue grew by 14.4% (15.3%\*) to R196.5bn (2021: R171.8bn)
  - Group data revenue up by 30.4% (32.2%\*) to R73.7bn (2021: R56.5bn)
  - Group fintech revenue up by 8.6% (14.3%\*) to R17.3bn (2021: R15.9bn)
- EBITDA (before once-off items) grew by 12.4% (14.3%\*) to R90.8bn (2021: R80.8bn)
- EBITDA margin marginally lower by 0.6 percentage points (pp) to 43.9% (0.2pp\* lower to 44.0%\*)
- Basic earnings per share (EPS) increased by 40.4% to 1 071cps (2021: 763cps)
- Reported headline earnings per share (HEPS) up by 16.9% to 1 154cps; non-operational impacts decreased HEPS by 159cps
- Holding company (Holdco) leverage improved to 0.8x (December 2021: 1.0x)
- Return on equity (ROE) improved by 3.8pp to 23.4%
- Subscribers increased by 6.1% year-on-year (YoY) to 289.1 million
- Final dividend declared of 330cps (2021: 300cps)

*\* 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.*

*Any forward-looking financial information disclosed in this results announcement 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, including constant currency financial information, constitutes pro forma financial information. The responsibility for preparing and presenting the pro forma financial information as well as the completeness and accuracy of such information is that of the directors of the Company. This is presented for illustrative purposes only. Because of its nature, the pro forma financial information may not fairly present MTN's financial position, changes in equity, and results of operations or cash flows. The pro forma financial information and selected constant currency financial information contained in this announcement has been reported on by the Group's joint auditor (Ernst & Young Inc) who has issued reporting accountants' report thereon and their unmodified reports prepared in terms of ISAE 3420 are available for inspection at the Company's registered office on weekdays from 09:00 to 16:00.*

Group President and CEO Ralph Mupita comments:

*Operating resilience and growth in challenging macroeconomic conditions*

*"MTN delivered a solid operating and financial performance in 2022, as we continued to execute on our Ambition 2025 strategy. We are pleased with the business' continued resilience under challenging global and regional macroeconomic conditions.*

*Macroeconomic conditions across the markets were mostly impacted by rising and elevated inflation as well as broad-based weakening of local currencies against the US\$. The average blended inflation rate in our markets was 15.1% in 2022 compared to 11.5% in 2021. Coupled with higher interest rates, consumers felt pressure on disposable incomes while enterprises optimised expenditure and capital investment during the period.*

*In South Africa, operating conditions were significantly impacted by the national grid power availability that worsened in the second half of the year. Globally, ongoing geopolitical volatility, supply chain constraints driven by China's zero COVID-19 policy and exchange rate volatility also added pressure to operating margins.*

*Against this backdrop, we are pleased that the structurally higher demand for data and fintech was sustained, with data traffic and fintech transactions volume through our ecosystem increasing by 32.6% and 33.9% respectively. To support this growth, we invested R38.2 billion in our networks and platforms in 2022 - with a capex intensity of 18.5% - as we also accelerated capex in key markets in order to mitigate supply chain and foreign currency risks.*

*Alongside this continued investment, we put in place proactive commercial, expense efficiency, supply chain, network and financial resilience interventions to mitigate the increased volatility in our operating environment. This enabled us to achieve mid-teen service revenue growth in line with guidance, stable EBITDA margin, ROE expansion and reduced Holdco leverage that remains well within guidance.*

*Outlook and medium-term guidance*

*In the context of the ongoing macroeconomic and geopolitical volatility, we remain focused on executing our Ambition 2025 strategy. We will continue to implement our measures to navigate inflationary pressures and drive accelerated growth, further deleveraging the Holdco balance sheet and unlocking value for our stakeholders.*

*Although the macroeconomic conditions are anticipated to remain challenging in the near-term and risks remain elevated in our key markets of South Africa, Nigeria and Ghana, we maintain our medium-term (three to five year) guidance.*

*However, given the higher-than-expected power and network security costs as well as a re-assessment of the management fee agreement with the Group, we are revising the targeted range for MTN SA's EBITDA margin to 37-39% (previously 39-42%).*

*We target capex of R37.4 billion for FY 23 to be invested in coverage, capacity and the resilience of our networks, as well as driving the growth of our platforms over the medium-term. Our target for capex intensity over the medium term remains in the 15-18% range."*

#### Declaration of final ordinary dividend

Notice is hereby given that a gross final dividend of 330 cents per share for the period to 31 December 2022 has been declared and will be paid out of revenue reserves. The number of ordinary shares in issue at the date of this declaration is 1 884 269 758 (including 2 775 926 treasury shares held by MTN Holdings, the 1 434 152 shares held by the 2016 MTN ESOP trust and 76 835 378 shares held by MTN Zakhele Futhi).

The dividend will be subject to a maximum local dividend tax rate of 20% which will result in a net dividend of 264 cents per share to those shareholders who bear the maximum rate of dividend withholding tax of 66 cents per share. The net dividend per share for the respective categories of shareholders for the different dividend tax rates is as follows:

■ 0%	330.00 cents per share
■ 5%	313.50 cents per share
■ 7.5%	305.25 cents per share
■ 10%	297.00 cents per share
■ 12.5%	288.75 cents per share
■ 15%	280.50 cents per share

These different dividend tax rates are a result of the application of tax rates in various double taxation agreements as well as exemptions from dividend tax.

MTN's tax reference number is 9692/942/71/8. In compliance with the requirements of Strate, the electronic settlement and custody system used by the JSE Limited, the salient dates relating to the payment of the dividend are as follows:

Declaration date:	Monday, 13 March 2023
Last day to trade cum dividend:	Monday, 3 April 2023
First trading day ex dividend:	Tuesday, 4 April 2023
Record date:	Thursday, 6 April 2023
Payment date:	Tuesday, 11 April 2023

No share certificates may be dematerialised or re-materialised between Tuesday, 4 April 2023 and Thursday, 6 April 2023, both days inclusive. On Tuesday, 11 April 2023 the dividend will be transferred electronically to the bank accounts of certificated shareholders who make use of this facility. Shareholders who hold dematerialised shares will have their accounts held by the Central Securities Depository Participant or broker credited on Tuesday, 11 April 2023.

## Board changes

We previously announced the following change to the Board during the reporting period:

- Swazi Tshabalala resigned as an independent non-executive director effective 25 May 2022.
- Tim Pennington was appointed as an independent non-executive director effective 1 August 2022.
- Nicky Newton-King was appointed as an independent non-executive director effective 1 January 2023.

In addition, Paul Hanratty will step down as an independent non-executive director on 30 April 2023, to focus on his executive responsibilities. Paul has been an independent non-executive director since 2016 and has served as the Chairman of the Finance and Investment Committee. He has also served on the Audit and the Risk and Compliance Committees. His contribution to the Company's M&A transactions, its funding strategies, as well as enhancing the execution of *Ambition 2025*, has been invaluable.

## Evolution from the Independent Advisory Board (IAB) to an open-architected stakeholder forum

In light of the evolution and strengthening of the Board since 2019, and the 3-year term of the IAB coming to an end, MTN has made the decision to evolve the structure of the IAB into an open-architected stakeholder engagement forum.

The evolution to this forum will support and build on the external stakeholder engagements already undertaken by the Group Chairman, Group President & CEO and the Board, with former members of the IAB and other experts remaining available to provide counsel on nation states issues as and when required.

For and on behalf of the board

MH Jonas  
Group Chairman

RT Mupita  
Group President

TBL Molefe  
CEO Group CFO

## 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 annual financial results announcement (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 financial results as a whole and investors and/or shareholders are encouraged to review the financial results as follows:*

On MTNs website at: [https://www.mtn.com/financial-results/?report\\_cat=annual-results](https://www.mtn.com/financial-results/?report_cat=annual-results) and on SENS on the JSEs website at: <https://senspdf.jse.co.za/documents/2023/JSE/ISSE/MTN/MTNFY22.pdf> .

*The financial results are the responsibility of the directors and have been extracted from the audited annual financial statements. The annual financial statements have been audited by the Company's joint external auditors, PricewaterhouseCoopers Inc. and Ernst & Young Inc., who have expressed an unqualified audit opinion. The audit opinion containing key audit matters, together with the underlying annual financial statements, can be found on MTN's website [Link [mtn.com/investors/financialreporting/annual-results](http://mtn.com/investors/financialreporting/annual-results)]. The financial results are also available for inspection at our registered offices, at no charge, and at the offices of our sponsors from 09:00 to 16:00 weekdays. Copies of the financials results may also be requested by emailing [investor.relations@mtn.com](mailto:investor.relations@mtn.com) or calling 083 912 2300.*

13 March 2023  
Fairland

Lead sponsor:  
J.P. Morgan Equities (SA) Proprietary Limited

Joint sponsor:  
Tamela Holdings Proprietary Limited