

## MTN Group Limited

(Incorporated in the Republic of South Africa)

(Registration number 1994/009584/06)

(Share code MTN)

(ISIN: ZAE000042164)

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

## Audited Group financial statements for the year ended 31 December 2023 and declaration of dividend

MTN is a pan-African mobile operator with the strategic intent of **‘Leading digital solutions for Africa’s progress’**. We have 295 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 6.9% (13.5%\*) to R210.1bn (2022: R196.5bn)
- EBITDA (before once-off items) down by 0.5% (9.8%\*) to R90.5bn (2022: R90.8bn)
- EBITDA margin lower by 3.0 percentage points (pp) to 40.9% (1.2 pp\* lower to 41.5% \*)
- Basic earnings per share (EPS) decreased by 78.5% to 227cps (2022: restated 1 054cps)
- Reported headline earnings per share (HEPS) down by 72.3% to 315cps (2022: restated 1 137cps); non-operational impacts decreased HEPS by 888cps
- Holding company (Holdco) leverage improved to 1.4x (December 2021: 0.8x)
- Adjusted return on equity (ROE) increased by 0.2pp to 24.4% (restated 2022: restated 24.2% )
- Total subscribers increased by 2.0% to 294.8 million
- Final dividend declared of 330cps (2022: 330cps)

*\* 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) results announcement (“Annual Financial Results”).*

*Any forward-looking financial information disclosed in these Annual Financial Results including the dividend guidance, has not been reviewed or audited or otherwise reported on by our external auditor.*

*Certain information presented in these Annual Financial 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 these Annual Financial Results has been reported on by the Group’s auditor (Ernst & Young Inc) who has issued auditor’s assurance reports thereon and their unmodified auditor’s assurance reports prepared in terms of ISAE 3420 are available for inspection upon request to [Investor.Relations@mtn.com](mailto:Investor.Relations@mtn.com) at the Company’s registered office.*

*The pro forma financial information presented in the Annual Financial Results for the period ended 31 December 2023, and the comparable period has been prepared excluding the impact of impairment of goodwill, PPE, and associates, impairment loss on remeasurement of disposal group, net loss (after tax) on disposal of SA towers, profit or loss on disposal of PPE and intangible assets, hyperinflation (excluding impairments), impact of foreign exchange losses and gains, IFRS 2 Charge due to Ghana localisation, Disinvestments, Deferred tax asset remeasurement in Mauritius and other non-operational items (collectively the “Pro forma adjustments”) and constitutes pro forma financial information to the extent that it is not extracted from the segmental information included in the audited*

consolidated annual financial statements for the year ended 31 December 2023 (Annual Financial Statements). This pro forma financial information has been presented to eliminate the impact of the Pro forma adjustments from the Annual Financial Statements to achieve a comparable year-on-year (YoY) analysis. The Pro forma adjustments have been calculated in terms of the Group accounting policies disclosed in the Annual Financial Statements.

Constant currency information has been presented to remove the impact of movement in currency rates on the Group's results and has been calculated by translating the prior financial reporting period's results at the current period's average rates. The measurement has been performed for each of the Group's currencies, materially being that of the US dollar and Nigerian naira. The constant currency growth percentage has been calculated based on the prior period constant currency results compared to the current year results. In addition, in respect of MTN Irancell, MTN Sudan and MTN South Sudan the constant currency information has been prepared excluding the impact of hyperinflation. The economies of Sudan, South Sudan and Iran were assessed to be hyperinflationary for the period under review and hyperinflation accounting was applied.

## Group President and CEO Ralph Mupita comments:

### Resilient operating result amid macroeconomic and geopolitical challenges

"The MTN Group sustained a resilient performance in 2023, with solid underlying operating momentum and pleasing progress in our key strategic initiatives during a period characterised by geopolitical and macroeconomic headwinds. The sharp devaluation of the Naira during the period impacted our reported results for both MTN Nigeria and MTN Group. We continued to invest in our business and execute on our Ambition 2025 strategy given the sustained structural high demand for data and fintech services evident across our markets. Data traffic across our operations grew at 26.3% (35.4% excluding JVs) while fintech transaction volumes grew at 32.2% in the period.

### Solid operational execution and performance

We deployed R41.1 billion of capex (ex-leases) to support the focused execution of our **Ambition 2025** strategy. The progress of MTN South Africa's (MTN SA) network resilience plan was a key success in the year, which significantly improved network availability and supported commercial initiatives, despite ongoing loadshedding. By the close of 2023, MTN SA had achieved network availability of approximately 95% ahead of schedule, with availability of approximately 98% on the cohort of sites where resilience investment had been completed.

More broadly, the business' customer base was resilient ending 2023 at 295 million (up 2.0%), despite the adverse effects of SIM registration regulations in key markets, supporting robust service revenue growth of 13.5%\*.

In terms of service revenue growth in our larger markets, MTN Nigeria was up by 22.1%\*, MTN South Africa (MTN SA) by 2.5% and MTN Ghana by 35.0%\*. Adjusting for conflict-affected MTN Sudan, the Group's service revenue growth for 2023 would have been 14.1%\*.

Active data customers increased by 9.3% to 149.7 million, with data traffic up by 26.3% (up 35.4% excluding JVs). MoMo active users increased by 5.0% to 72.5 million, impacted by a strategic shift in focus to wallet customers in Nigeria and base clean ups in Côte d'Ivoire and South Africa. The momentum in volume and value of MoMo transactions remained strong and were up by 32.2% and 47.4%\*, respectively. This underpinned strong advanced service revenue growth of 54.8%\*.

Group EBITDA increased by 9.8%\* YoY. The EBITDA margin of 41.5%\* (2022: 42.7%\*), was affected largely by higher inflation and the effects of foreign currency devaluations. The extent of these impacts were moderated through delivery of our expense efficiency programme, which realised savings of R2.6 billion for the year – exceeding our 2023 target of R1.5 billion."

## Medium-term guidance

The elevated and ongoing volatility in our operating context presents increased headwinds on our business and material uncertainty to our outlook. We are, however, encouraged by the underlying resilience and momentum in our business, as well as the relevance of our Ambition 2025 strategy to capture the structural growth opportunities in our markets.

Consequently, despite the short-term pressures on the business, we maintain our overall medium-term guidance framework with a simplification of the fintech measure, as outlined below:

**Group service revenue:** 'at least mid-teens' percentage growth in constant currency terms (unchanged).

**MTN SA service revenue:** mid-single-digit percentage growth from MTN SA (unchanged).

**MTN Nigeria service revenue:** 'at least 20%' growth in constant currency terms (unchanged).

**Fintech revenue:** 'high-20% to low-30%' growth in constant currency terms (from 'at least 20%' of Group service revenue contribution by 2025). This framing has been simplified and aligned to the other revenue guidance metrics.

**Holdco leverage:** target ratio over the medium term of 'below 1.5x', with increased focus on faster reduction of non-ZAR borrowings and optimising debt mix (unchanged).

**Adjusted ROE:** improvement towards 25% (unchanged).

## 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 2023 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 518 089 treasury shares held by MTN Holdings, the 441 494 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:	Friday, 22 March 2024
Last day to trade cum dividend:	Tuesday, 16 April 2024
First trading day ex dividend:	Wednesday, 17 April 2024
Record date:	Friday, 19 April 2024
Payment date:	Monday, 22 April 2024

No share certificates may be dematerialised or re-materialised between Wednesday, 17 April 2024 and Friday, 19 April 2024, both days inclusive. On Monday, 22 April 2024 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 Monday, 22 April 2024.

For and on behalf of the board

MH Jonas

RT Mupita

TBL Molefe

Group Chairman

Group President

CEO Group CFO

#### [FY 2024 trading update teleconference](#)

MTN will be hosting a teleconference on Monday 25 March 2024 at 15:30 CAT where we will be unpacking the Group's annual results. To participate, please register here:

<https://themediiframe.com/mediiframe/webcast.html?webcastid=1ZYYK13I>

The accompanying slides will be made available on the MTN website from 15:00 CAT.

#### **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 Statements. Consequently, it does not contain full or complete details. The Annual Financial Statements have been audited by the Company's external auditors, Ernst & Young Inc., who have expressed an unqualified audit opinion. Copies of the Annual Financials Statements may also be requested from the Group Company Secretary by emailing [cosecqueries@mtn.com](mailto:cosecqueries@mtn.com) or calling 011 912 3000.

Any investment decisions made by investors and/or shareholders should be based on consideration of the Annual Financial Statements as a whole as the information in this announcement does not provide all the details and investors and/or shareholders are encouraged to review the Annual Financial Statements as follows:

The Annual Financial Statements are available through the JSE cloudlink at: <https://senspdf.jse.co.za/documents/2024/JSE/ISSE/MTN/MTNFY23.pdf> and on MTNs website at: [https://www.mtn.com/financial-results/?report\\_cat=annual-results](https://www.mtn.com/financial-results/?report_cat=annual-results).

25 March 2024

Fairland

Lead sponsor:

Tamela Holdings Proprietary Limited

Joint sponsor:

J.P. Morgan Equities (SA) Proprietary Limited