Airtel Africa plc

Results for the year ended 31 March 2023

11 May 2023

Continuing to unlock growth, delivering double digit revenue growth and a resilient margin.

Highlights

Operating key performance indicators (KPIs)

- Total customer base grew by 9.0% to 140.0 million, as the penetration of mobile data and mobile money services continued to rise, driving a 16.9% increase in data customers to 54.6 million and a 20.4% increase in mobile money customers to 31.5 million.
- Constant currency ARPU growth of 7.4% was largely driven by increased usage across voice, data and mobile money.
- Mobile money transaction value increased by 41.3%, with Q4'23 annualised transaction value exceeding $102bn in constant currency.

Financial performance

- Revenue in constant currency grew by 17.6%, with revenues growing by 11.5% to $5,255m in reported currency.
- While each segment's reported currency revenue growth was impacted by currency devaluation, they all delivered double-digit constant currency revenue growth. Across the Group mobile service revenue grew by 16.2% in constant currency, driven by voice revenue growth of 11.8% and data revenue growth of 23.8%. Mobile money revenue grew by 29.6% in constant currency.
- Underlying EBITDA increased by 17.3% in constant currency, and 11.4% in reported currency to $2,575m, with an underlying EBITDA margin of 49.0%, reflecting the resilience of our operating model despite inflationary cost pressures.
- Profit after tax was $750m, a decrease of only $5m, after including a higher foreign exchange and derivative losses of $245m.
- Basic EPS at 17.7 cents was up by 5.2% due to higher operating profits and exceptional items gain on deferred tax credit recognition in Kenya, the DRC and Tanzania partially offset by higher foreign exchange and derivative losses. EPS before exceptional items was 13.6 cents, a reduction of 15.0%, largely due to higher foreign exchange and derivative losses of $245m. EPS before exceptional items and excluding foreign exchange and derivative losses was 20.6 cents, up by 13.4%.

Capital allocation

- Capex increased by 14.0% to $748m, in line with our guidance, as we continue to invest for future growth. Additionally, we acquired spectrum in Nigeria, the DRC, Tanzania, Zambia and Kenya during the year.
- In July 2022, the Group prepaid $450m of outstanding external debt at HoldCo. The remaining debt at HoldCo is now $550m, falling due in May 2024. Cash at the holding companies was $398m. Leverage was at 1.4x in March 2023, broadly stable despite $500m of spectrum investment during the year.
- The Board has recommended a final dividend of 3.27 cents per share, making the total dividend for FY'23 5.45 cents per share, an increase of 9% in line with our progressive dividend policy.

Sustainability strategy

- The Group's inaugural Sustainability Report was published in October 2022, reflecting commitment to sustainability and detailing progress against the long-term goals as outlined in the sustainability strategy.
- UNICEF partnership launched across 6 of our markets providing educational resources, free of charge, to more than 250,000 children this year on our way to reaching one million children by 2027.
- The Group's ambition to achieve net zero by 2050 has progressed. We published our Scope 1, 2 and 3 baseline GHG footprint in October 2022 and in May 2023 announced our detailed plans to achieve over 60% reduction in Scope 1 and 2 emissions intensity by 2032.

Olusegun Ogunsanya, chief executive officer, on the trading update:

"Over the last year, the operating environment has been challenging in many ways, yet our strategic focus on providing reliable, affordable and accessible services across our markets has enabled us to sustain our top-line growth momentum. The resilience of our underlying EBITDA margins has shown the effectiveness of our operating model, despite significant inflationary and foreign exchange pressures. Strong customer and ARPU growth over the year demonstrates that demand for our services remains very strong and gives us the confidence to continue investing to support our future growth potential. Over the year, we invested $500m on additional spectrum, including 5G, across many of our OpCos which, combined with our capex, will underpin our growth ambitions. Despite this investment, and driven by a disciplined capital allocation policy, our balance sheet remains strong and has been further de-risked over the last year by the prepayment of $450m HoldCo debt in July last year. Currencies across our footprint have been under pressure, and the impact from the revaluation of our foreign currency denominated liabilities provided some headwinds in the last financial year. While currency devaluation is not in our control, we have plans to continue to mitigate its impact by growing our revenues at a faster pace than devaluation, with double-digit revenue growth in reported currency delivered this year and as we continue to reduce our foreign currency exposure across our balance sheet.

Our six-pillar strategy continues to provide the basis for stakeholder value creation by facilitating continued expansion of our services to enhance both digital and financial inclusion across Africa. This strategy will continue and will be underpinned by our sustainability strategy as articulated in our Sustainability Report published in October 2022.

I am pleased with this year's performance and wish to thank all our customers, business partners, governments and regulators for their support and our employees for their consistent contribution to the business' success. The macro-economic outlook remains volatile, but we are well positioned to deliver against the growth opportunities these markets offer, with a continued focus on margin resilience."

Alternative performance measures [1]
(Year ended)

Description	Mar-23 $m	Mar-22 $m	Reported currency change	Constant currency change
Revenue	5,255	4,714	11.5%	17.6%
Underlying EBITDA	2,575	2,311	11.4%	17.3%
Underlying EBITDA margin	49.0%	49.0%	(3) bps	(14) bps
EPS before exceptional items ($ cents)	13.6	16.0	(15.0%)	
Operating free cash flow	1,827	1,655	10.4%	

(1) Alternative performance measures (APM) are described on page 51.

GAAP measures
(Year ended)

Description	Mar-23 $m	Mar-22 $m	Reported currency change
Revenue	5,255	4,714	11.5%
Operating profit	1,757	1,535	14.5%
Profit after tax	750	755	(0.6%)
Basic EPS ($ cents)	17.7	16.8	5.2%
Net cash generated from operating activities	2,208	2,011	9.8%

Airtel Africa plc ("Airtel Africa" or "Group") annual financial information contained in this report is drawn from Airtel Africa plc's audited annual consolidated financial statements for the years ended 31 March 2023 and 31 March 2022, prepared in accordance with the requirements of the Companies Act 2006 and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and approved for use in the United Kingdom (UK) by the UK Accounting Standards Endorsement Board (UKEB). Quarterly information is drawn from unaudited IAS 34 financials of respective periods. Comparative period figures have been regrouped/reclassified to conform with current year grouping/classification.

About Airtel Africa

Airtel Africa is a leading provider of telecommunications and mobile money services, with a presence in 14 countries in Africa, primarily in East Africa and Central and West Africa.

Airtel Africa offers an integrated suite of telecoms solutions to its subscribers, including mobile voice and data services as well as mobile money services, both nationally and internationally. We aim to continue providing a simple and intuitive customer experience through streamlined customer journeys.

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Conference call

Management will host an analyst and investor conference call at 12:00pm UK time (GMT) on Thursday 11 May 2023, including a Q&A session.

To receive an invitation with the dial in numbers to participate in the event, please register beforehand using the following link:

Conference call registration link

Simon O'Hara
Group company secretary
Airtel Africa plc

Key consolidated financial information

Description	Unit of measure	Year ended				Quarter ended			
		Mar-23	Mar-22	Reported currency change %	Constant currency change %	Mar-23	Mar-22	Reported currency change %	Constant currency change %
Profit and loss summary									
Revenue [1]	**$m**	**5,255**	**4,714**	**11.5%**	**17.6%**	**1,341**	**1,222**	**9.7%**	**18.6%**
Voice revenue	$m	2,491	2,358	5.6%	11.8%	619	611	1.2%	9.4%
Data revenue	$m	1,787	1,525	17.2%	23.8%	469	397	18.1%	28.0%
Mobile money revenue [2]	$m	692	553	25.1%	29.6%	176	147	20.1%	28.9%
Other revenue	$m	437	407	7.5%	13.2%	116	102	13.4%	22.0%
Expenses	$m	(2,694)	(2,413)	11.6%	18.0%	(686)	(616)	11.4%	20.3%
Underlying EBITDA [3]	**$m**	**2,575**	**2,311**	**11.4%**	**17.3%**	**659**	**608**	**8.3%**	**17.2%**
Underlying EBITDA margin	%	49.0%	49.0%	(3) bps	(14) bps	49.1%	49.7%	(63) bps	(58) bps
Depreciation and amortisation	$m	(818)	(744)	9.9%	16.4%	(220)	(188)	17.0%	26.3%
Operating exceptional items [4]	$m	0	(32)	(100.0%)	(100.0%)	-	(32)	(100.0%)	(100.0%)
Operating profit	**$m**	**1,757**	**1,535**	**14.5%**	**20.1%**	**439**	**390**	**12.6%**	**22.1%**
Net finance costs [5]	$m	(723)	(403)	79.3%		(204)	(112)	82.4%	
Non-operating exceptional items[6]	$m	-	92	(100.0%)		-	82	(100.0%)	
Profit before tax	**$m**	**1,034**	**1,224**	**(15.5%)**		**233**	**360**	**(35.4%)**	
Tax	$m	(445)	(471)	(5.5%)		(105)	(122)	(13.6%)	
Tax - exceptional items [7]	$m	161	2	8373.4%		99	2	5101.1%	
Total tax charge	$m	(284)	(469)	(39.5%)		(6)	(120)	(95.0%)	
Profit after tax	**$m**	**750**	**755**	**(0.6%)**		**227**	**240**	**(5.5%)**	
Non-controlling interest	$m	(87)	(124)	(30.0%)		(32)	(50)	(37.1%)	
Profit attributable to owners of the company - before exceptional items	$m	512	602	(15.1%)		106	171	(38.1%)	
Profit attributable to owners of the company	**$m**	**663**	**631**	**5.2%**		**195**	**190**	**2.8%**	
EPS - before exceptional items	cents	13.6	16.0	(15.0%)		2.8	4.6	(38.0%)	
Basic EPS	cents	17.7	16.8	5.2%		5.2	5.1	2.9%	
Weighted average no of shares	million	3,752	3,754	(0.1%)		3,750	3,753	(0.1%)	
Capex	$m	748	656	14.0%		291	224	29.6%	
Operating free cash flow	$m	1,827	1,655	10.4%		368	384	(4.1%)	
Net cash generated from operating activities	$m	2,208	2,011	9.8%		511	512	(0.3%)	
Net debt	$m	3,524	2,941			3,524	2,941		
Leverage (net debt to underlying EBITDA)	times	1.4x	1.3x			1.4x	1.3x		
Return on capital employed [8]	%	23.3%	22.3%	101 bps		23.4%	22.1%	128 bps	
Operating KPIs									
ARPU	$	3.3	3.2	1.8%	7.4%	3.2	3.2	(0.0%)	8.1%
Total customer base	million	140.0	128.4	9.0%		140.0	128.4	9.0%	
Data customer base	million	54.6	46.7	16.9%		54.6	46.7	16.9%	
Mobile money customer base	million	31.5	26.2	20.4%		31.5	26.2	20.4%	

(1) Revenue includes inter-segment eliminations of $152m for year ended 31 March 2023 and $129m for the prior period.

(2) Mobile money revenue post inter-segment eliminations with mobile services was $540m for year ended 31 March 2023, and $424m for the prior period.

(3) Underlying EBITDA includes other income of $13m for year ended 31 March 2023, and $10m for the prior period.

(4) Operating exceptional items of $32m in the year ended 31 March 2022 consists of a $12m provision for expected settlement of a contractual dispute in which one of the Group's subsidiaries is a party and $20m costs of agreeing historical spectrum fees in one of the Group's subsidiaries.

(5) Net finance costs of $723m, has increased $320m from the prior period largely due to higher foreign exchange and derivative losses of $245m mainly comprised of a $67m loss on derivatives and higher foreign exchange losses arising from the revaluation of balance sheet liabilities (a loss of $82m on devaluation of the Nigerian Naira, and other devaluation losses of $96m mainly arising from the Kenyan and Ugandan Shilling and Malawian and Zambian Kwacha).

(6) Non-operating exceptional items in the previous period include a gain of $111m on the sale of telecommunication tower assets in the Group's subsidiaries in Madagascar, Malawi, Rwanda and Tanzania, partially offset by costs of $19m on prepayment of $505m of bonds.

(7) Tax exceptional items in the year ended 31 March 2023 reflect the recognition of a deferred tax credit of $117m in Kenya, $25m in the Democratic Republic of the Congo and $19m in Tanzania, respectively.

(8) Return on capital employed (ROCE): The group has revised the computation of ROCE by grossing up the 'equity attributable to owners of the company' for put option provided to minority shareholders. The previous period ROCE has also been restated for this change.

Financial review for year ended 31 March 2023

Revenue in reported currency grew by 11.5%, with constant currency revenue growth of 17.6% partially offset by currency devaluation. The slowdown in revenue growth from the previous year was due to a loss of tower sharing revenues following the sale of towers in Madagascar, Malawi and Tanzania in the second half of the year and NIN-related[1] barring of voice services in Nigeria. Excluding these, the growth would have been approx. 21% in constant currency. Total revenue for mobile services and mobile money services combined grew in Nigeria by 20.3%, East Africa by 17.4% and Francophone Africa by 12.7%, respectively.

Revenue growth was recorded across all reporting segments, with mobile services revenue for the Group up by 16.2%, reflecting Nigeria growing by 20.3%, East Africa by 13.4% and Francophone Africa by 11.9%, respectively. Double digit revenue growth was recorded in both key services: voice revenue grew by 11.8% and data revenue by 23.8%. Mobile money revenue grew by 29.6% in constant currency, driven by 32.6% growth in East Africa and 20.3% growth in Francophone Africa.

Net finance costs increased by $320m, largely due to higher foreign exchange and derivative losses of $245m. This increase mainly comprised a $67m loss on derivatives and higher foreign exchange losses arising from the revaluation of balance sheet liabilities (a loss of $82m on devaluation of the Nigerian naira, and other devaluation losses of $96m mainly arising from the Kenyan and Ugandan shilling, Malawian and Zambian kwacha).

Total tax charges were lower by $185m mainly due to the recognition of a deferred tax credit of $117m in Kenya, $25m in the DRC and $19m in Tanzania. Non-controlling interests was down $37m due to the buy-back of minorities in Nigeria and lower minority allocation charges in Tanzania, partially offset by the increase in Airtel Money minority shareholdings.

EPS before exceptional items was 13.6 cents, a reduction of 15.0% largely because of higher foreign exchange and derivative losses of $245m. Basic EPS at 17.7 cents was up by 5.2% due to higher operating profits and exceptional items gain on deferred tax credit recognition in Kenya, the DRC and Tanzania partially offset by higher foreign exchange and derivative losses. EPS before exceptional items and excluding foreign exchange and derivative losses increased by 13.4%.

Our balance sheet has also been further de-risked by continued localisation of our debt into the OpCos and continued debt reduction in HoldCo, following the $450m HoldCo bond prepayment in July 2022. Leverage at 1.4x in March 2023 was broadly stable despite $500m spectrum investment during the year.

In terms of outlook, long-term opportunities remain attractive for us. Whilst mindful of currency devaluation and repatriation risks, we continue to work actively to mitigate all our material risks and deliver value for all our stakeholders.

GAAP measures

Revenue

Revenue grew by 11.5% to $5,255m in reported currency and by 17.6% in constant currency. The differential in growth rates was due to an average currency devaluation between the periods, mainly in the Central African franc (11.7%), which is largely pegged to the Euro, the Nigerian naira (6.1%), the Kenyan shilling (9.4%), the Ugandan shilling (4.9%) and the Malawian kwacha (22.6%), in turn partially offset by appreciation in the Zambian kwacha (8.8%). The revenue growth of 17.6% in constant currency growth was driven by both customer base growth of 9.0% and ARPU growth of 7.4%.

Mobile services revenue grew by 16.2% in constant currency supported by growth across the regions: Nigeria up by 20.3%, East Africa by 13.4% and Francophone Africa by 11.9%, respectively. Mobile services revenue growth was driven by both voice and data services, voice revenue grew by 11.8% and data revenue by 23.8%. Mobile money revenue grew by 29.6%, driven by 32.6% growth in East Africa and 20.3% in Francophone Africa.

The slowdown in revenue growth from the previous year was due to a loss of tower sharing revenues following the sale of towers in Madagascar, Malawi and Tanzania in second half of the year and NIN-related barring of voice services in Nigeria. Excluding these, the growth would have been around 21% in constant currency.

[1] National identification number (NIN)

Operating profit

Operating profit increased by 14.5% in reported currency to $1,757m as a result of strong revenue growth and continued improvements in operating efficiency in East Africa and Francophone Africa.

Net finance costs

Net finance costs were $723m, an increase of $320m largely due to higher foreign exchange losses of $178m and higher derivative losses of $67m as a result of foreign exchange movements. The higher foreign exchange losses arose from the revaluation of balance sheet liabilities (including current and non-current borrowings and lease liabilities) following certain currency devaluations across most of our OpCos, including a loss of $82m on the devaluation of the Nigerian naira, and other devaluation losses of $96m mainly arising from the Kenyan and Ugandan shilling and Malawian and Zambian kwacha. Net finance costs (excl. foreign exchange and derivative losses) were $385m, an increase of $75m, largely driven by higher interest on lease liabilities. Interest costs on market debt were broadly flat.

The Group's effective interest rate increased to 7.7% from 5.6% in the prior period, largely driven by an increase in base rates, increase in local currency OpCo debt and the repayment of HoldCo bond, which had lower rate.

Taxation

Total tax charges were lower by $185m mainly due to the recognition of a deferred tax credit of $117m in Kenya, $25m in the DRC and $19m in Tanzania. Excluding exceptional items, tax was lower by $26m mainly due to the lower profit before tax on account of higher foreign exchange and derivative losses.

Profit after tax

Profit after tax was $750m, down by 0.6%, as growth in operating profit was offset by higher foreign exchange and derivative losses of $245m. Profit after tax excluding foreign exchange and derivative losses was up by 21.2%.

Basic EPS

Basic EPS was 17.7 cents, up by 5.2% from 16.8 cents in prior period. This increase was mainly due to higher operating profits and exceptional items gain on deferred tax credit recognition in Kenya, the DRC and Tanzania partially offset by higher foreign exchange and derivative losses.

Net cash generated from operating activities

Net cash generated from operating activities was $2,208m, up by 9.8% largely driven by higher operating profit which was partially offset by higher tax payments on the increased local profits and withholding tax on dividends by subsidiaries. While in some markets we faced instances of shortage of foreign currency within the local monetary system, we benefited from a broad geographical diversification which enables access to liquidity, with limited impact on the Group requirements.

Alternative performance measures[2]

Underlying EBITDA

Underlying EBITDA was $2,575m, an increase of 11.4% in reported currency and 17.3% in constant currency, driven by strong revenue growth. Underlying EBITDA margins were largely flat at 49.0% despite inflationary cost pressures, a drop of 3 basis points in reported currency and 14 basis points in constant currency. We continue to work towards mitigating the inflationary cost pressures through various cost initiatives.

Foreign exchange had an adverse impact of $281m on revenue, and $133m on underlying EBITDA, as a result of currency devaluations. Average currency devaluations between the periods were mainly in the Central African franc (11.7%), the Nigerian naira (6.1%), the Kenyan shilling (9.4%), the Ugandan shilling (4.9%) and the Malawian kwacha (22.6%), in turn partially offset by appreciation in the Zambian kwacha (8.8%).

With respect to currency devaluation sensitivity, on a 12-month basis, a 1% currency devaluation across all currencies in our OpCos would have a negative impact of $51m on revenues, $31m on underlying EBITDA and $23m on finance costs

[2] See alternative performance measures (APM) on page 51

(excluding derivatives). Our largest exposure is to the Nigerian naira, for which a 1% devaluation would have a negative impact of $22m on revenues, $12m on EBITDA and $7m on finance costs (excluding derivatives).

Refer to the risk factors section for detailed disclosure on the currency devaluation risk posed to the Group.

Effective tax rate

The effective tax rate was 38.8%, compared to 39.0% in the prior period, due to profit mix changes amongst the OpCos. The effective tax rate is higher than the weighted average statutory corporate tax rate of approx. 33%, largely due to the profit mix between various OpCos and withholding taxes on dividends by subsidiaries.

Exceptional items

No operating exceptional items were incurred in the current year. Operating exceptional items in the previous period consists of a $12m provision for expected settlement of a contractual dispute in which one of the Group's subsidiaries is a party and $20m costs of agreeing historical spectrum fees in one of the Group's subsidiaries.

Non-operating exceptional items in the previous period include a gain of $111m on the sale of telecommunications tower assets in the Group's subsidiaries in Tanzania, Malawi, Madagascar and Rwanda, partially offset by one off costs of $19m (including applicable premium paid) on the early repayment of $505m bonds in March 2022.

The tax exceptional item in current period related to the recognition of a deferred tax credit of $117m in Kenya, $25m in the DRC and $19m in Tanzania.

EPS before exceptional items

EPS before exceptional items was 13.6 cents, a reduction of 15.0% largely as a result of higher foreign exchange and derivative losses of $245m. Excluding foreign exchange and derivative losses, the EPS before exceptional item was 20.6 cents, an increase of 13.4%.

Operating free cash flow

Operating free cash flow was $1,827m, up by 10.4%, as higher underlying EBITDA more than offset increased capital expenditure. Capital expenditure during the period increased $92m due to planned network expansion and investments into the PSB and data center opportunity in Nigeria.

Leverage

Leverage at 1.4x net debt/underlying EBITDA, was broadly stable despite $500m of spectrum investment during the year. Our balance sheet has also been further de-risked by continued localisation of our debt into the OpCos – now almost 60% of our OpCos debt is in local currency – and continued debt reduction in HoldCo. In July 2022, the Group prepaid $450m of external debt at HoldCo. The remaining debt at HoldCo is now $550m, falling due in May 2024. Cash at the holding companies was $398m.

Other significant updates

Nigeria 2100MHZ license renewal

On 9th May 2023, we announced that our Nigerian subsidiary, Airtel Networks Limited ('Airtel Nigeria'), has made a payment of NGN58.7bn ($127.4m), payable to the Nigerian Communications Commission (NCC), to renew its 2x10MHz 2100 MHz spectrum licence. Once renewed, the licence will be valid for a period of 15 years following the expiry of the previous licence (30 April 2022).

This investment to renew the licence reflects our continued confidence in the opportunity inherent across the Nigerian market, supporting the local communities and economies through furthering digital inclusion and connectivity.

IFC loan facility

On 6 December 2022, we announced the signing of a new $194m facility with International Finance Corporation ('IFC'), a sister organisation of the World Bank and a member of the World Bank Group. The new financing facility is in line with Airtel Africa's strategy to increase debt within its operating companies.

The facility has a tenor of eight years, it is largely in local currency, and will be used to support our operations and investments in the Democratic Republic of Congo, Kenya, Madagascar, Niger, Republic of the Congo and Zambia, providing a more diversified access to local funding.

As part of IFC's loan facility, we committed to comply with the applicable requirements of IFC performance standards on social and environmental sustainability and has put in place a dedicated environmental and social action plan. This will further underpin the Group's commitment to transforming lives across the communities in which we operate and provide clarity on how the Group can help address inequality and support economic growth in these communities.

First sustainability-linked loan facility

On 10 August 2022, the Group announced the signing of a $125m revolving credit facility with Citi through its branch offices/subsidiaries in sub-Saharan Africa. This facility is in line with our strategy to raise debt in our local operating companies and will include both local currency and US dollar denominated debt. The facility has a tenor up to September 2024 and will be used to support our operations and investments in four subsidiaries. The facility provides potential interest rate savings in exchange for achieving social impact milestones relating to digital inclusion and gender diversity, with a focus on rural areas and women, and aligning with the Group's sustainability strategy, launched in October 2021. The facility further strengthens the Group's commitment to transforming lives across the communities which we serve.

Nigeria 4G and 5G spectrum acquisition

On 9 January 2023, we announced that Airtel Networks Limited ('Airtel Nigeria') had purchased 100 MHz of spectrum in the 3500 MHz band and 2x5 MHz of 2600 MHz from the Nigerian Communications Commission (NCC) for a gross consideration of $317m, paid in local currency. This additional spectrum will support our investments in network expansion for both mobile data and fixed wireless home broadband capability, including 5G rollout, providing significant capacity to accommodate our continued strong data growth in the country and exceptional customer experience.

Airtel Nigeria is Airtel Africa's largest market, with significant growth potential. The company led the industry in providing affordable 4G services across the country following the deployment of a fully modernised network which facilitated a four-fold increase in data traffic over the last three years. The penetration of data customers in Nigeria remains low, providing significant opportunity for future growth.

The acquisition of 5G spectrum will underpin our growth strategy by enabling the launch of higher speed connectivity to enhance customer service and accelerate digitalisation for consumers, enterprises and the public sector. The key benefits of 5G will include higher speeds, lower latency, significant network capacity as well as an improved user experience. Furthermore, the deployment of 5G will accelerate the availability and efficiency of fixed wireless access products across the country, contributing towards Airtel Nigeria's progress in meeting the National Broadband Plan targets. The acquisition of 2600 MHz spectrum will complement our already strong spectrum position in the market to enhance network capacity and future-proof our growth opportunity.

Other spectrum acquisitions

During the year, we acquired the following additional spectrum across our OpCos:

In October 2022, Airtel Tanzania plc purchased 110 MHz spectrum spread across the 2600 MHz (2 blocks of 2x15MHz) and 3500 MHz bands from the Tanzania Communications Regulatory Authority (TCRA) for a gross consideration of $60m.

Airtel Zambia purchased 60 MHz of additional spectrum in October 2022 spread across the 800 MHz and 2600 MHz bands from the Zambia Information and Communications Technology Authority (ZICTA), for a gross consideration of $29m, payable in local currency. Further, we acquired an additional 40 MHz of spectrum in the 2600 band for $12m in November 2022.

In July 2022, Airtel Kenya Networks Limited purchased 60 MHz of additional spectrum in the 2600 MHz band from the Communications Authority of Kenya, for a gross consideration of $40m, for a period of 15 years.

Airtel DRC purchased 58 MHz of additional spectrum, spread across 900 MHz, 1800 MHz, 2100 MHz and 2600 MHz bands, for a gross consideration of $42m in June 2022. The licence for paired spectrum in the 2100 MHz band comes up for renewal in September 2032. All the other licences continue until July 2036.

Launch of inaugural Sustainability Report

The publication of Airtel Africa's inaugural Sustainability Report on 27 October 2022 follows the launch of the Group's sustainability strategy in October 2021. The report reflects the Group's firm commitment to sustainability and details the business' progress against the goals outlined in the sustainability strategy. The report adheres to international best-practice ESG reporting standards, including the Global Reporting Initiative (GRI) Standards and TCFD recommendations.

The publication of the report constitutes an important step forward in enhancing the non-financial information transparency of the Group. The report provides accurate and verified Scope 1, 2 and 3 baseline emissions and total energy consumption.

Reducing our Scope 1 and 2 emissions in the near-term and commit to net zero by 2050

Airtel Africa is committed to achieving net zero GHG emissions by 2050. Following publication of our Scope 1, 2 and 3 emissions in the Sustainability Report in October 2022, the Group has identified a detailed range of initiatives that will enable the reduction of Scope 1 and 2 emissions intensity by over 60% by 2032 and enable a net zero ambition by 2050. We are undertaking a detailed technical and feasibility study to accurately define the optimal deployment schedule for Scope 1 and 2 decarbonisation initiatives. This work is led by a cross-functional taskforce which reports into the Sustainability Committee and is advised by the Carbon Trust, the leading environmental agency.

We have published details of our baseline calculations, our plans to reduce of Scope 1 and 2 emissions intensity and our management of this important goal on our corporate website www.airtel.africa.

In addition, we disclosed that Scope 3 emissions account for over 80% of our total GHG emissions. We will establish our Scope 3 decarbonisation strategy by working together with our partners and suppliers in the coming years to reduce emissions across our value chain. This follows a detailed consultation with our tier one partners who account for 78% of our Scope 3 emissions in Q4'23. We also undertook a detailed analysis of the of the results from an ESG self-assessment questionnaire (ESG SAQ) which was sent to our top 100 suppliers and vendors (by procurement spend) in September 2022 to gather information on their ESG standards, processes and policies. With the response rate of 79%, we are confident that we will establish a robust decarbonisation strategy for Scope 3 emissions.

Uganda listing obligation

Under Article 16 of Uganda's National Telecom Operator ('NTO') licence, Airtel Uganda limited is obliged to comply with the sector policy, regulations and guidelines requiring the listing of part of its shares on the Uganda Stock Exchange. The current Uganda Communications (Fees & Fines) (Amendment) Regulations 2020, creates a public listing obligation for all NTO licensees, and specifies that 20% of the shares of the operator must be listed within two years of the date of the effective date of the licence. This imposed a listing requirement by 15 December 2022 on Airtel Uganda. In April 2022, the company applied for an extension of time to list the shares, which was granted by the Regulator thereby extending the deadline to 16 December 2023. Preparatory steps are underway by Airtel Uganda and its advisors to comply with this deadline.

NIN: SIM linkage implementation in Nigeria

Following a directive issued by the Nigerian Communications Commission (NCC) on 7 December 2020 to all Nigerian telecom operators, all our customers were required to provide their valid National Identification Numbers (NINs) to update SIM registration records, with a final deadline of 31 March 2022.

In April 2022, the voice services for 13.6 million customers were barred due to non-submission of NIN information. As of March 2023, 6.4 million customers (47%) have subsequently submitted their NINs and 3.5 million customers (26%) have been fully verified and unbarred. Revenue growth for the year ended 31 March 2023 was impacted by the effect of barring outgoing voice calls in Nigeria for those customers who had not submitted their NINs. We estimate that this resulted in the loss of approx. $110m of revenues in the period, providing a drag on revenue growth of almost 2.4% at Group level (impact of 6% in Nigeria).

We continue to work closely with the regulator and impacted customers to help them to comply with the registration requirements, making every effort to minimise disruption and ensure affected customers can continue to benefit from full-service connectivity as soon as possible, in line with our aim to drive increased connectivity and digital inclusion across Nigeria.

Nigeria mobile money operationalisation

On 29 April 2022, we announced that the Central Bank of Nigeria ('CBN') had confirmed that SmartCash Payment Service Bank Limited ('SmartCash'), had received final approval for a full Payment Service Bank ('PSB') licence, affording the Group the opportunity to deliver a full suite of mobile money services in Nigeria. This news followed our announcement of 26 April 2022 that the CBN had also awarded our subsidiary, Airtel Mobile Commerce Nigeria Ltd, with a full super-agent licence, allowing the business to create an agency network that can service the customers of licensed Nigerian banks, payment service banks and licenced mobile money operators in Nigeria.

During the period we launched SmartCash, our Nigerian mobile money offering, initially in Lagos, before rolling out further across the country. One of our key commitments is to guarantee data privacy and security controls across the business to build trust and confidence in the brand. In that light, we have focussed our investments on the IT infrastructure and business systems and processes to ensure we meet this commitment. This investment, combined with our continued focus on the expansion of the distribution network, will drive increased access to financial services for underserved communities in Nigeria.

$450m early bond redemption

On 8 July 2022, the Group announced the settlement of a cash tender offer, redeeming $450m of the $1bn of 5.35% guaranteed senior notes due 2024 ('Notes'). An aggregate principal amount of $450m of notes was accepted for purchase for a total of $463m. All Notes accepted for purchase were cancelled ahead of their maturity in May 2024. This early redemption was made out of the Group's cash reserves and is in line with our strategy of reducing external foreign currency debt at a Group level.

Dividend payment timetable

The board has recommended a final dividend of 3.27 cents per share for the financial year ended 31 March 2023, payable on 26 July 2023 to shareholders recorded in the register at the close of business on 23 June 2023.

Last day to trade shares cum dividend	21 June 2023
Shares commence trading ex-dividend	22 June 2023
Record date	23 June 2023
Currency election date	10 July 2023
Payment date	26 July 2023

Information on additional KPIs

An investor relations pack with information on the additional KPIs and balance sheet is available to download on our website at www.airtel.africa/investors

Strategic overview

The Group provides telecoms and mobile money services in 14 emerging markets of sub-Saharan Africa. Our markets are characterised by huge geographies with relatively sparse populations, high population growth rates, high proportions of youth in the population, low smartphone penetration, low data penetration and relatively unbanked populations. Unique mobile user penetration across the Group's footprint is around 47%, and banking penetration remains under 50%. These indicators illustrate the significant opportunity still available to Airtel Africa to enhance both digital and financial inclusion in the communities we serve, enriching and transforming their lives through digitalisation, whilst at the same time growing our revenues profitably across each of our key services of voice, data and mobile money.

The Group continues to invest in its network and distribution infrastructure to enhance both mobile connectivity and financial inclusion across our countries of operation. In particular, we continued to invest in expanding our 4G network footprint to increase data capacity in our networks to support future business growth, as well as deploying new sites, especially in rural areas, to enhance coverage and connectivity.

We describe our 'Win with' strategy through six strategic pillars. Our customers lie at the core of our strategy, through our fundamental purpose around transforming lives.

Our focus on digitalisation, of both our products and services and our internal systems and processes, increasingly functions as a catalyst, or an 'accelerator', for each of our strategic pillars.

Underpinning the Group's business strategy for growth is our sustainability strategy which supports our well-established corporate purpose of transforming lives and our continued commitment to driving sustainable development and acting as a responsible business. We launched our sustainability strategy in October 2021, setting out our goals and commitments to foster financial inclusion, bridge the digital divide, and serve more customers in some of the least penetrated telecommunication markets in the world. Our sustainability strategy is at the heart of everything we do, shaping how we reduce our environmental impact, drive equitable digital and financial inclusion, create rewarding jobs, and help build the vital education services that are critical for lifting millions of families out of poverty. It is also aligned with UN Sustainable Development Goals (UN SDGs), and we developed our long-term goals and the targets to demonstrate how we plan to achieve these goals. This structure ensures we have absolute clarity around the contribution we can make to the UN SDGs and how we can help to address inequality and support economic growth across Africa. We reported against progress we have made in our inaugural Sustainability Report 2022.

This year, we continued to make strong progress across each of our core strategic pillars: 'Win with technology' (to reflect the importance of IT capabilities and technology in reaching our customers, this year we renamed this pillar from 'Win with network' to 'Win with technology'), 'Win with distribution', 'Win with data', 'Win with mobile money', 'Win with cost' and 'Win with people'.

Win with technology

The Group remains focused on delivering a best-in-class service, expanding 4G networks and preparing for future 5G demand by investing in 5G spectrum in its key markets. Reaching underserved communities is a key priority for us, and we continue to increase rural coverage through new site rollouts, additional spectrum and new technology investments across our markets – despite inflationary challenges during the year.

As part of ensuring we are ready for 5G demand, in addition to purchasing spectrum, we grew our fibre infrastructure and tested our 5G capabilities. After exploring the potential for additional third-party revenue streams, we have invested in data centres to further support digital inclusion across our markets. We continued to strengthen our fibre business, which is now delivering encouraging revenue growth. During the period we have added a further 6k km of fibre, with a total of 70.5k km of fibre now deployed and we continued to improve our fibre provision in metro, intercity, and international networks, including through cost-effective partnerships and co-investment programmes. Additionally, we expanded our international data capacity via submarine cables by 36% to 1,297Gbps through a combination of adding additional routes and capacity.

Overall, the capacity investment has resulted in a 41.2% increase in data capacity – reaching 23,900+ terabytes (TB) per day, with peak hour data utilisation at 47.4% allowing for increased network resilience and an enriched service continuity.

The Group has continued to invest in spectrum across a number of markets which will underpin its growth ambitions. In Nigeria, we acquired 5G spectrum in the 3500 MHz band, and also added to our 2600 MHz spectrum. In our other OpCos, we acquired spectrum in Tanzania, Zambia, Kenya, the DRC and the Seychelles. These allocations will help us to maximise network capacity and coverage.

Capital expenditure related to investment activities during the period was $748m, excluding spectrum acquisitions and licence renewals.

Win with distribution

Sub-Saharan Africa is characterised by low penetrated markets, with unique subscriber penetration at 47%. The Group's strategy is to build assured availability of service through the deployment of exclusive retail footprint and ensuring sufficient resourcing to drive revenue generation at each distribution site.

We continue to strengthen our exclusive channel of kiosks/mini-shops and Airtel Money branches along with multi-brand outlets in both urban and rural markets. We provide a simplified and enhanced Know Your Customer (KYC) app to provide a seamless customer onboarding experience. These have enabled us to add customers, resulting in customer base growth of 9.0 %, and helped us grow voice revenue by 11.8% in constant currency.

The Group continued its investment in strengthening our distribution network infrastructure, with a focus on rural distribution networks. During the period, the Group expanded its exclusive franchise stores, adding around 9,000 kiosks and mini shops (taking the total to almost 62,000 kiosks) across our footprint. The Group also added more than 52,700 activating outlets, up by 21%.

Win with data

The Group continued to invest in the expansion of our 4G network, adding significant data capacity to the network at only marginal cost, expanding both home broadband and enterprise business services to greater leverage the 4G network capacity; growing data ARPU and data revenue. We continue to focus on increasing smartphone sales through the expansion of our network of smartphone device selling outlets.

Our improved 4G network supported our drive to increase smartphone penetration, data customer penetration and the uptake of larger data volumes, resulting in greater data consumption per customer. Smartphone penetration was up by 2.1 percentage points to 36.3% and our data customer base grew by 16.9%, now representing 39.0% of our total customer base.

Data usage per customer reached 4.4 GB per month (from 3.4 GB) led by an increase in smartphone penetration and expansion of our home broadband and enterprise customers. This helped us to grow data revenue by 23.8% in constant currency. Growing 4G penetration and the data usage of customers helped us to grow data ARPU by 9.3%. 4G data usage constituted 76.9% of total data usage on the network in Q4'23 with 4G data usage per customer reaching 7.6 GB per month, up by 29.6% in Q4'23.

Win with mobile money

The Group has continued to drive financial inclusion. The low penetration of traditional banking services across our footprint leaves a large number of unbanked customers whose needs can be largely fulfilled through mobile money services. We aim to drive the uptake of Airtel Money services in all our markets, harnessing the ability of our profitable mobile money business model to enhance financial inclusion in some of the most 'unbanked' populations in the world.

During the period, we launched SmartCash in Nigeria. Services were initially made available at selected retail touchpoints, and operations are now being expanded gradually across the country.

We continued to expand our exclusive distribution channel of Airtel Money branches (AMBs) and kiosks to ensure availability of services to customers even in the rural areas. The number of kiosks and mini shops increased by 17% and Airtel Money branches by almost 12%. Further, non-exclusive channel of mobile money agents expanded by 44%. Our distribution expansion and enhanced offerings helped drive 20.4% growth in our mobile money customer base, now serving 31.5 million customers, which represents 22.5% of our total customer base.

Along with data, mobile money continues to be one of our fastest growing services, delivering revenue growth of 29.6% in FY’23. It is an increasingly important part of our business, delivering $102bn of Q4’23 annualized transaction value and accounting for 13.1% of total revenue in Q4’23.

Mobile money ARPU increased by 6.8% in constant currency over the period, driven by increased transaction values and higher contributions from cash transactions, P2P transfers and mobile services recharges through Airtel Money.

Win with cost

The telecom industry continues to get impacted by macro-economic factors in our key markets. Despite the impact of inflationary pressure across the Group and significant fuel price increase in Nigeria, our ‘Win with cost’ initiatives have supported the resilience of our profitability.

Our operating cost model is focused on enhancing cost efficiency through changes in the operating design and digitalisation initiatives. We embrace robust cost discipline and continuously seek to improve our processes to reduce operating costs, delivering one of the highest EBITDA margins in the industry. We also use the latest technology to optimally design our networks and improve our capital expenditure efficiency; enabling us to build large incremental capacities at lower marginal cost.

We are undertaking various cost efficiency initiatives to mitigate the headwinds, relating mainly to: (i) working with towercos to invest more in energy efficient equipment (including in lithium batteries and solar equipment), (ii) enhance grid connectivity, (iii) transmission re-routing to optimise lease line capacity and (iv) shift towards digital recharges, especially through Airtel Money to reduce commission pay-outs.

Win with people

Our values and culture continue to be critical to our ability to deliver on our business strategy and this is underpinned by a strong governance culture. Airtel Africa ways of working help us work together to build sustainable people engagement.

We measure employee engagement and sentiment through an engagement survey. Our engagement score increased upwards to 81% (up by 2 percentage points). Overall, our teams were positive and aligned to our values/ ethics, collaboration with cross functional teams and customer focus. We have commenced work to focus on key opportunity areas and remain committed to listening to what is important to our people, including having an open door policy, quarterly townhalls at the Group and OpCo level, and one-on-one engagements with our employees.

Over the last years, our talented and diverse people continue to demonstrate incredible adaptability, dedication, and resilience to deliver business results. We recognise the importance of having diverse teams in light of the diverse communities we serve across our 14 OpCos. Gender diversity and inclusion remains a key focus area and we are continuously striving to make further progress on this important agenda. Gender diversity within our organisation is currently as 26% and we had an increase of different nationalities to 39. We have placed additional focus on accelerating the recruitment and promotion by merit of female talent within the business.

Assessing our current capabilities and how we are equipped to prepare our workforce for the future is at the focus of our learning and development plans. Building leadership capability and strong functional expertise guided by our way of working framework is a key driver of our performance and how we do business. Examples of our capability development programmes include Airtel Africa mobility programme and ‘Women in tech’ programme which will help us accelerate leadership and functional expertise.

At Airtel Africa, we have a have a high performance culture that is based on simple and consistent metrics that drive business priorities. This is aligned to our reward philosophy where individual employees implement business strategy through key results areas and where reward is based on a ‘pay for performance’ philosophy.

We continue to act in ways to improve people's lives: from our employees to those in the communities we serve.

Financial review for the year ended 31 March 2023

Nigeria – Mobile services

Description	Unit of measure	Year ended				Quarter ended			
		Mar-23	Mar-22	Reported currency change	Constant currency change	Mar-23	Mar-22	Reported currency change	Constant currency change
Summarised statement of Operations									
Revenue	**$m**	**2,128**	**1,878**	**13.3%**	**20.3%**	**543**	**507**	**7.1%**	**18.7%**
Voice revenue [1]	$m	1,053	985	6.9%	13.4%	262	268	(2.4%)	8.2%
Data revenue	$m	884	734	20.4%	27.8%	230	194	18.5%	31.3%
Other revenue [2]	$m	191	159	20.2%	27.5%	51	44	14.1%	26.4%
EBITDA	**$m**	**1,099**	**1,043**	**5.3%**	**11.8%**	**284**	**285**	**(0.3%)**	**10.5%**
EBITDA margin	%	51.6%	55.5%	(390) bps	(389) bps	52.3%	56.1%	(387) bps	(387) bps
Depreciation and amortisation	$m	(344)	(268)	28.6%	36.9%	(97)	(71)	35.0%	49.6%
Operating exceptional items	$m	-	-	0.0%	0.0%	-	-	0.0%	0.0%
Operating profit	**$m**	**719**	**770**	**(6.6%)**	**(1.0%)**	**177**	**208**	**(15.0%)**	**(5.8%)**
Capex	$m	293	249	17.7%	17.7%	126	67	88.5%	88.5%
Operating free cash flow	$m	806	794	1.5%	10.0%	158	218	(27.5%)	(13.3%)
Operating KPIs									
Total customer base	million	48.4	44.4	9.0%		48.4	44.4	9.0%	
Data customer base	million	23.8	20.3	17.3%		23.8	20.3	17.3%	
Mobile services ARPU	$	3.8	3.8	0.8%	7.0%	3.8	3.9	(3.4%)	7.0%

(1) Voice revenue includes inter-segment revenue of $1m in the year ended 31 March 2023 and $1m in the prior period. Excluding inter-segment revenue, voice revenue was $1,052m in year ended 31 March 2023 and $984m in the prior period.

(2) Other revenue includes inter-segment revenue of $2m in the year ended 31 March 2023 and $2m in the prior period. Excluding inter-segment revenue, other revenue was $189m in year ended 31 March 2023 and $157m in the prior period.

In reported currency, Nigeria revenue grew by 13.3% to $2,128m and 20.3% in constant currency. Strong growth in both voice and data contributed to revenue growth, driven mainly by overall customer base growth of 9.0% and data customer base growth of 17.3%. ARPU grew by 7.0%, largely driven by higher data and other revenue. Q4'23 revenue growth at 18.7% was lower compared to 23.1% in Q3'23 mainly due to a shortage of cash in the country as a result of the demonetisation initiative, which impacted our cash recharges (50% of total recharges are cash based).

Voice revenue increased by 13.4% in constant currency, largely driven by customer base growth of 9.0% supported by voice ARPU growth of 0.9%. The barring of outgoing calls for customers who had not submitted their NINs had an adverse impact on voice revenue. A total of 13.6 million customers were originally barred, out of which 6.4 million customers (47%) have subsequently submitted their NINs and 3.5 million customers (26%) have been fully verified and unbarred. We estimate that this resulted in the loss of approx. $110m of revenues in year ended 31 March 2023, providing a drag on revenue growth of 6% in Nigeria.

Data revenue increased by 27.8% in constant currency, driven by both data customer base growth of 17.3% and data ARPU growth of 9.9%. Over the last year, we have enhanced our 4G network with ample data network capacity to provide high speed data to our customers with almost 100% of our sites now on 4G and data capacity increase of 27.5%. This has contributed to 4G data customer growth of 27.6%. Data usage per customer increased by 24.8% facilitating continued data ARPU growth. Data usage per customer reached 5 GB per customer per month from 4 GB per customer per month in the previous period. In Q4'23, 4G data usage per customer increased to 9.5 GB per month (up by 46.5%) from 6.5 GB per customer per month in prior period. 4G data usage now contributes to 80.4% of total data usage on our network.

Other revenues grew by 27.5% in constant currency, with the main contribution coming from the growth in value added services revenue, led by airtime credit services.

Nigeria mobile services EBITDA was $1,099m, up by 11.8% in constant currency. The EBITDA margin declined to 51.6% from 55.5% due to an increase in operating costs arising from inflationary pressures, particularly related to the fuel costs. The EBITDA margin in Q4'23 stabilised at 52.3% from 52.1% in Q3'23.

Operating free cash flow was $806m, up by 10.0%, due to the expansion of EBITDA partially offset by higher capex spend in current period.

East Africa - Mobile services[1]

Description	Unit of measure	Year ended Mar-23	Year ended Mar-22	Year ended Reported currency change	Year ended Constant currency change	Quarter ended Mar-23	Quarter ended Mar-22	Quarter ended Reported currency change	Quarter ended Constant currency change
Summarised statement of operations									
Revenue	**$m**	**1,508**	**1,395**	**8.1%**	**13.4%**	**380**	**349**	**8.6%**	**18.0%**
Voice revenue [2]	$m	836	783	6.8%	12.2%	204	196	3.9%	12.9%
Data revenue	$m	537	457	17.6%	22.8%	140	118	18.5%	28.6%
Other revenue [3]	$m	135	155	(12.8%)	(7.8%)	36	35	2.3%	10.9%
Underlying EBITDA	**$m**	**753**	**672**	**12.1%**	**17.5%**	**193**	**171**	**12.7%**	**22.3%**
Underlying EBITDA margin	%	49.9%	48.1%	177 bps	174 bps	50.7%	48.9%	182 bps	179 bps
Depreciation and amortisation	$m	(260)	(230)	12.8%	17.8%	(70)	(58)	20.4%	29.4%
Operating exceptional items	$m	0	(32)	(100.0%)	(100.0%)	-	(32)	(100.0%)	(100.0%)
Operating profit	**$m**	**456**	**385**	**18.5%**	**24.5%**	**112**	**73**	**53.7%**	**68.6%**
Capex	$m	256	259	(1.0%)	(1.0%)	97	110	(11.6%)	(11.6%)
Operating free cash flow	$m	497	413	20.4%	29.2%	96	61	56.2%	84.5%
Operating KPIs									
Total customer base	million	62.7	57.2	9.7%		62.7	57.2	9.7%	
Data customer base	million	21.9	18.3	19.9%		21.9	18.3	19.9%	
Mobile services ARPU	$	2.1	2.1	0.4%	5.3%	2.0	2.0	(1.0%)	7.6%

(1) The East Africa business region includes Kenya, Malawi, Rwanda, Tanzania, Uganda and Zambia.

(2) Voice revenue includes inter-segment revenue of $1m in the year ended 31 March 2023 and $1m in the prior period. Excluding inter-segment revenue, voice revenue was $835m in year ended 31 March 2023 and $782m in the prior period.

(3) Other revenue includes inter-segment revenue of $11m in the year ended 31 March 2023 and $9m in the prior period. Excluding inter-segment revenue, other revenue was $124m in year ended 31 March 2023 and $146m in the prior period.

In East Africa, mobile services revenue grew by 8.1% in reported currency, and 13.4% in constant currency. The differential in growth rates was due to average currency devaluation of the Kenyan shilling, Ugandan shilling and Malawian kwacha, partially offset by an appreciation in the Zambian kwacha. Current year was impacted by the loss of tower sharing revenues (c.$21m) following the sales of towers in Tanzania and Malawi which is reflected in the 7.8% decline in other revenues over the period. Revenue growth, excluding the site sharing revenue impact of tower sales, was 15.2% for the period.

Voice revenue grew by 12.2% in constant currency, driven by both customer base growth of 9.7% and voice ARPU growth of 4.1%. The customer base growth of 9.7% was supported by the expansion of our network, enhanced coverage, and distribution infrastructure. Site count increased by 9.2% and activating outlets increased by 22.3%. Voice usage per customer increased by 10.0% to 384 minutes per customer per month resulted in voice ARPU growth of 4.1%. Total minutes on the network increased by 18.5% to 279.0 billion minutes.

Data revenue grew by 22.8% in constant currency, largely driven by both data customer base growth of 19.9% and data ARPU growth of 9.2%. The expansion of our 4G network and ample data network capacity helped us to grow both the data customer base and data usage. 90.4% of our total sites in East Africa are on 4G as compared with 85.8% in prior period. 47.3% of our total data customer base is on 4G which contributes to 70.9% of total data usage (in Q4'23). Data usage per customer increased by 28.3%, resulting in data ARPU growth of 9.2%, and data usage per customer reached 4.2 GB per customer per month from 3.3 GB per customer per month. In Q4'23, 4G data usage per customer increased to 6.5 GB per month from 5.5 GB per customer per month (up by 18.4% from the prior period).

Mobile services underlying EBITDA increased to $753m, up 17.5% in constant currency. Underlying EBITDA margin improved to 49.9%, an improvement of 174 basis points in constant currency, as a result of revenue growth and improved operating efficiencies.

Operating free cash flow was $497m, up by 29.2% in constant currency, largely due to expansion of underlying EBITDA.

Francophone Africa – Mobile services[1]

Description	Unit of measure	Year ended				Quarter ended			
		Mar-23	Mar-22	Reported currency change	Constant currency change	Mar-23	Mar-22	Reported currency change	Constant currency change
Summarised statement of operations									
Revenue	**$m**	**1,090**	**1,033**	**5.5%**	**11.9%**	**282**	**258**	**9.3%**	**12.1%**
Voice revenue [2]	$m	607	594	2.2%	8.8%	154	148	4.2%	7.1%
Data revenue	$m	366	334	9.6%	16.2%	98	84	16.9%	19.7%
Other revenue [3]	$m	117	105	10.9%	15.3%	30	26	13.8%	15.8%
EBITDA	**$m**	**476**	**425**	**12.0%**	**18.2%**	**124**	**109**	**13.9%**	**16.9%**
EBITDA margin	%	43.7%	41.2%	255 bps	236 bps	44.0%	42.2%	179 bps	182 bps
Depreciation and amortisation	$m	(190)	(199)	(4.7%)	1.7%	(47)	(46)	1.2%	4.3%
Operating exceptional items	$m	-	-	0.0%	0.0%	-	-	0.0%	0.0%
Operating profit	**$m**	**252**	**194**	**29.9%**	**35.5%**	**67**	**54**	**25.2%**	**28.0%**
Capex	$m	151	114	32.5%	32.5%	57	40	40.7%	40.7%
Operating free cash flow	$m	325	311	4.5%	12.7%	67	69	(1.8%)	3.0%
Operating KPIs									
Total customer base	million	28.9	26.8	7.8%		28.9	26.8	7.8%	
Data customer base	million	8.9	8.2	9.4%		8.9	8.2	9.4%	
Mobile services ARPU	$	3.3	3.4	(2.9%)	3.0%	3.3	3.3	1.4%	4.0%

(1) The Francophone Africa business region includes Chad, Democratic Republic of the Congo, Gabon, Madagascar, Niger, Republic of the Congo, and Seychelles.

(2) Voice revenue includes inter-segment revenue of $3m in the year ended 31 March 2023 and $2m in the prior period. Excluding inter-segment revenue, voice revenue was $604m in year ended 31 March 2023 and $592m in the prior period.

(3) Other revenue includes inter-segment revenue of $3m in the year ended 31 March 2023 and $1m in the prior period. Excluding inter-segment revenue, other revenue was $114m in year ended 31 March 2023 and $104m in the prior period.

In Francophone Africa, mobile services revenue grew by 5.5% in reported currency and 11.9% in constant currency. The differential in growth rates was driven primarily by the 11.7% devaluation of the Central African franc.

Voice revenue increased by 8.8% in constant currency, mainly driven by customer base growth of 7.8%. With continued investments in network expansion and distribution infrastructure, total sites increased by 9.2% and activating outlets increased by 12% (exclusive outlets increased by 20%). Voice usage per customer grew by 10.1% to 150 minutes per customer per month thereby resulting in an 19.5% growth in total voice minutes on our network.

Data revenue increased by 16.2% in constant currency, driven by both customer base growth of 9.4% and data ARPU growth of 7.8%. We continue to expand our 4G network, with 69.0% of our sites in Francophone Africa on 4G (up from 65.3% in prior period) and data capacity on our network increased by 60.5%. Total data usage increased by 57.8% primarily driven by an increase in data usage per customer by 46.3% to 3.5 GB per customer per month compared with 2.4 GB in the prior period. As of Q4'23, 54% of the data customer base is on 4G, contributing to 72.4% of total data usage. Q4'23 4G data usage per customer increased to 5.6 GB per month (up by 18.4%) compared with 4.7 GB per customer per month.

Mobile services EBITDA at $476m, increased by 18.2% in constant currency. EBITDA margin improved to 43.7%, an improvement of 236 basis points in constant currency. However, the current year had a one-time opex benefit of approx. $19m in the first half, resulting in a normalized EBITDA margin for FY'23 of 42.0% - an improvement of 68 basis points in constant currency.

Operating free cash flow was $325m, increased by 12.7%, driven by the expansion in EBITDA and partially offset by higher capex.

Mobile services

Description	Unit of measure	Year ended				Quarter ended			
		Mar-23	Mar-22	Reported currency change	Constant currency change	Mar-23	Mar-22	Reported currency change	Constant currency change
Summarised statement of operations									
Revenue [1]	**$m**	**4,721**	**4,294**	**9.9%**	**16.2%**	**1,205**	**1,112**	**8.4%**	**17.3%**
Voice Revenue	$m	2,491	2,358	5.6%	11.8%	619	611	1.2%	9.4%
Data Revenue	$m	1,787	1,525	17.2%	23.8%	469	397	18.1%	28.1%
Other Revenue	$m	443	411	7.6%	13.4%	117	104	13.4%	22.1%
Underlying EBITDA	**$m**	2,329	2,140	8.8%	14.9%	602	564	6.7%	15.6%
Underlying EBITDA Margin	%	49.3%	49.8%	(51) bps	(57) bps	50.0%	50.8%	(79) bps	(71) bps
Depreciation & Amortization	$m	(794)	(697)	13.9%	20.6%	(213)	(176)	21.3%	31.0%
Operating Exceptional Items	$m	0	(32)	(100.0%)	(100.0%)	-	(32)	(100%)	(100%)
Operating Profit	**$m**	1,428	1,348	5.9%	11.6%	358	335	7.0%	16.2%
Capex	$m	700	621	12.7%	12.7%	280	217	29.0%	29.0%
Operating Free Cash Flow	$m	1,629	1,519	7.2%	15.8%	322	347	(7.2%)	7.2%
Operating KPIs									
Mobile voice									
Customer base	million	140.0	128.4	9.0%		140.0	128.4	9.0%	
Voice ARPU	$	1.5	1.6	(3.5%)	2.1%	1.5	1.6	(7.7%)	(0.2%)
Mobile data									
Data customer base	million	54.6	46.7	16.9%		54.6	46.7	16.9%	
Data ARPU	$	3.0	2.9	3.5%	9.3%	2.9	2.9	1.6%	10.1%

(1) Mobile service revenue after inter-segment eliminations was $4,715m in year ended 31 March 2023 and $4,290m in the prior year.

Overall mobile services revenue increased to $4,721m, up by 9.9% in reported currency, while growth in constant currency was 16.2%. Revenue growth was recorded across all regions and key services: Nigeria up by 20.3%, East Africa by 13.4% and Francophone Africa by 11.9%.

Voice revenue grew by 11.8% in constant currency, driven by both customer base growth of 9.0% and voice ARPU growth of 2.1%. Revenue growth for the first half of the year was slightly impacted by the effect of barring outgoing calls in Nigeria for those customers who had not submitted their National Identity Numbers ('NINs'). We continue to invest in our network to increase coverage, while also expanding our distribution infrastructure to drive further customer base growth.

Our continued expansion of network and distribution infrastructure helped drive customer additions. Voice usage per customer increased by 5.9%, resulting in Voice ARPU growth of 2.1%. Voice usage per customer increased to 272 minutes per customer per month from 257 minutes per customer per month and total minutes on the network increased by 16.0%.

Data revenue grew by 23.8% in constant currency, driven by strong growth in customer base of 16.9% and data ARPU growth of 9.3%. Revenue growth was recorded across all regions: Nigeria grew by 27.8%, East Africa by 22.8% and Francophone Africa by 16.2%. Data customer base growth of 16.9% resulted from the further expansion of our 4G network with 90.3% of total sites on 4G, up from 87.6% (almost 100% of sites in 6 OpCos are now on 4G). Total customers reached 54.6 million with 4G customers of 26.5 million, contributing to 48.5% of the total data customer base. Data usage per customer increased 29.1% driving data ARPU growth of 9.3%. Data usage per customer reached 4.4 GB per customer per month up from 3.4 GB per customer per month in the prior period. Q4'23 data usage per customer increased to 4.6 GB per month (up by 26.6%) and 4G data usage per customer at 7.6 GB per month from 5.9 GB per customer per month (up by 29.6%).

Mobile services underlying EBITDA was $2,329m, and grew by 14.9% in constant currency with an underlying EBITDA margin of 49.3%, declining 57 basis points in constant currency. The reduction in underlying EBITDA margin was due to an increase in operating costs in Nigeria reflecting energy price inflation.

Operating free cash flow was $1,629m, up by 15.8%, due to the expansion of underlying EBITDA partially offset by higher capex.

Mobile money[1]

Description	Unit of measure	Year ended Mar-23	Year ended Mar-22	Reported currency change	Constant currency change	Quarter ended Mar-23	Quarter ended Mar-22	Reported currency change	Constant currency change
Summarised statement of operations									
Revenue [2]	**$m**	**692**	**553**	**25.1%**	**29.6%**	**176**	**147**	**20.1%**	**28.9%**
Nigeria	$m	0	0	-	-	0	0	-	-
East Africa	$m	531	411	29.1%	32.6%	135	111	22.1%	32.7%
Francophone Africa	$m	161	142	13.4%	20.3%	41	36	13.3%	16.3%
EBITDA	**$m**	344	281	22.4%	26.4%	88	74	19.0%	27.9%
EBITDA Margin	%	49.8%	50.8%	(107) bps	(123) bps	49.8%	50.2%	(45) bps	(38) bps
Depreciation & Amortization	$m	(17)	(14)	25.6%	31.6%	(5)	(4)	29.2%	38.2%
Operating Profit	**$m**	318	256	24.2%	28.0%	81	68	18.6%	27.2%
Capex	$m	33	25	29.5%	29.5%	7	5	34.7%	34.7%
Operating Free Cash Flow	$m	311	256	21.7%	26.1%	81	69	17.3%	27.4%
Operating KPIs									
Mobile money customer base	million	31.5	26.2	20.4%		31.5	26.2	20.4%	
Transaction value	$bn	88.6	64.4	37.4%	41.3%	24.3	16.8	44.5%	53.5%
Mobile money ARPU	$	2.0	1.9	3.1%	6.8%	1.9	1.9	(1.3%)	5.9%

(1) Mobile money consolidates the results of mobile money operations from all operating entities within the Group. Airtel Money Commerce BV (AMC BV) is the holding company for all mobile money services for the Group, and as of 31 March 2023, it consolidates mobile money operations from eleven OpCos, currently excluding operations in Nigeria, Tanzania and Republic of the Congo. It is our management's intention to continue work to transfer all these remaining mobile money operations into AMC BV, subject to local regulatory requirements.

(2) Mobile money service revenue post inter-segment eliminations with mobile services was $540m in the year ended 31 March 2023 and $424m in the prior year.

Mobile money revenue of $692m increased 25.1% in reported currency and 29.6% in constant currency. The constant currency growth was partially offset by average currency devaluations, mainly in the Central African franc (11.7%), the Ugandan shilling (4.9%) and the Malawian kwacha (22.6%), in turn partially offset by the appreciation in the Zambian kwacha (8.8%). Revenue growth of 29.6% was driven by both East Africa (up 32.6%) and Francophone Africa (up 20.3%). In Nigeria, mobile money services (SmartCash) was launched in June 2022. Our focus in the period has been to invest in the platform technology as well as the business systems and processes to ensure confidence and reliability in the platform. In addition, our continued investment into the agent network continues to gain traction, driving encouraging progress on customer acquisition over the last quarter.

Constant currency revenue growth of 29.6% was largely led by customer base growth of 20.4%. The continued investment in distribution infrastructure of exclusive channels of Airtel Money branches and kiosks, as well as the expansion of mobile money agents, helped us in driving strong customer growth.

The mobile money customer base reached 31.5 million, an increase of 20.4% and mobile money customer base penetration reached 22.5%, an increase of 2.1 percentage points. The expansion of distribution enhanced transaction value per customer by 16.4%, resulting in mobile money ARPU growth of 6.8%. Mobile money ARPU growth was largely driven by an increase in transaction values and higher contributions from cash transactions, merchant payments and mobile service recharges through Airtel Money.

Our mobile money transaction value grew by 41.3% and Q4'23 annualised transaction value crossed $102bn in constant currency. Q4'23 transaction value per customer reached $260 per month, an increase of 26.1% in constant currency. Mobile money revenue now accounts for 13.2% of total Group revenue for the year.

Mobile money EBITDA increased to $344m, up by 26.4% in constant currency. The drop in mobile money EBITDA margin was largely due to additional spend in Nigeria PSB related to the launch of SmartCash.

Regional Performance (mobile services and mobile money services combined)

Nigeria

Description	Unit of measure	Year ended				Quarter ended			
		Mar-23	Mar-22	Reported currency change	Constant currency change	Mar-23	Mar-22	Reported currency change	Constant currency change
Revenue	**$m**	**2,128**	**1,878**	**13.3%**	**20.3%**	**543**	**507**	**7.1%**	**18.7%**
Voice Revenue	$m	1,053	985	6.9%	13.4%	262	268	(2.4%)	8.2%
Data Revenue	$m	884	734	20.4%	27.8%	230	194	18.5%	31.3%
Mobile Money Revenue	$m	0	0	-	-	0	0	-	-
Other Revenue	$m	191	159	20.2%	27.5%	51	44	14.1%	26.4%
EBITDA	**$m**	**1,091**	**1,042**	**4.7%**	**11.1%**	**281**	**285**	**(1.2%)**	**9.5%**
EBITDA Margin	%	51.3%	55.5%	(424) bps	(423) bps	51.8%	56.1%	(434) bps	(435) bps
Operating KPI									
ARPU	$	3.8	3.8	0.8%	7.0%	3.8	3.9	(3.4%)	7.0%

East Africa

Description	Unit of measure	Year ended				Quarter ended			
		Mar-23	Mar-22	Reported currency change	Constant currency change	Mar-23	Mar-22	Reported currency change	Constant currency change
Revenue	**$m**	**1,931**	**1,717**	**12.5%**	**17.4%**	**487**	**436**	**11.7%**	**21.4%**
Voice Revenue	$m	836	783	6.8%	12.2%	204	196	3.9%	12.9%
Data Revenue	$m	537	457	17.6%	22.8%	140	118	18.5%	28.6%
Mobile Money Revenue	$m	530	411	29.0%	32.6%	135	111	22.1%	32.7%
Other Revenue	$m	131	152	(13.5%)	(8.6%)	34	34	1.3%	10.4%
Underlying EBITDA	**$m**	**1,030**	**881**	**16.9%**	**21.8%**	**264**	**228**	**15.8%**	**25.8%**
Underlying EBITDA Margin	%	53.3%	51.3%	202 bps	193 bps	54.1%	52.2%	190 bps	189 bps
Operating KPI									
ARPU	$	2.7	2.5	4.4%	9.0%	2.6	2.6	1.9%	10.7%

Francophone Africa

Description	Unit of measure	Year ended				Quarter ended			
		Mar-23	Mar-22	Reported currency change	Constant currency change	Mar-23	Mar-22	Reported currency change	Constant currency change
Revenue	**$m**	**1,201**	**1,131**	**6.2%**	**12.7%**	**310**	**282**	**9.8%**	**12.6%**
Voice Revenue	$m	607	594	2.2%	8.8%	154	148	4.2%	7.1%
Data Revenue	$m	366	334	9.6%	16.2%	98	84	16.9%	19.7%
Mobile Money Revenue	$m	161	142	13.4%	20.3%	41	36	13.3%	16.3%
Other Revenue	$m	115	104	10.5%	15.1%	30	26	13.8%	15.8%
EBITDA	**$m**	**560**	**500**	**12.0%**	**18.3%**	**145**	**127**	**14.3%**	**17.2%**
EBITDA Margin	%	46.6%	44.2%	242 bps	220 bps	46.9%	45.1%	185 bps	185 bps
Operating KPI									
ARPU	$	3.7	3.7	(2.2%)	3.8%	3.6	3.6	1.9%	4.5%

Consolidated performance

Description	UoM	Year ended- March 2023					Year ended- March 2022				
		Mobile services	Mobile money	Unallocated	Eliminations	Total	Mobile services	Mobile money	Unallocated	Eliminations	Total
Revenue	**$m**	**4,721**	**692**	**(0)**	**(158)**	**5,255**	**4,294**	**553**	**(0)**	**(133)**	**4,714**
Voice revenue	$m	2,491		(0)	(0)	2,491	2,358		(0)	(0)	2,358
Data revenue	$m	1,787		-	(0)	1,787	1,525		-	(0)	1,525
Other revenue	$m	443		-	(6)	437	411		-	(4)	407
Underlying EBITDA	**$m**	**2,329**	**344**	**(98)**	**0**	**2,575**	**2,140**	**281**	**(110)**	**0**	**2,311**
Underlying EBITDA margin	%	49.3%	49.8%			49.0%	49.8%	50.8%			49.0%
Depreciation and amortization	$m	(794)	(17)	(7)	-	(818)	(697)	(14)	(33)	-	(744)
Operating exceptional items	$m	-	-		-	-	(32)	-	-	-	(32)
Operating profit	**$m**	**1,428**	**318**	**11**	**0**	**1,757**	**1,348**	**256**	**(69)**	**0**	**1,535**

Risk factors

The Group's business and industry in which it operates together with all other information contained in this document, including, in particular, the risk factors are summarised below. Additional risks and uncertainties relating to the Group that are currently unknown to the Group, or those the Group currently deem immaterial may individually or cumulatively also have a material adverse impact on the Group's business, results of operations and financial position.

Summary of principal risks

1. We operate in a competitive environment with the potential for aggressive competition by existing players, or the entry of new players, which could both put a downward pressure on prices, adversely affecting our revenue and profitability.
2. Failure to innovate through simplifying the customer experience, developing adequate digital touchpoints in line with changing customer needs and competitive landscape could lead to loss of customers and market share.
3. An inability to invest and upgrade our network and IT infrastructure could affect our ability to compete effectively in the market.
4. Cybersecurity threats through internal or external sabotage or system vulnerabilities could potentially result in customer data breaches and/or service downtimes.
5. Adverse changes in our external business environment and macro-economic conditions such as supply chain disruptions, increase in global commodity prices and inflationary pressures could lead to a significant increase in our operating cost structure while also negatively impacting the disposable income of consumers. These adverse economic conditions therefore not only put pressure on our profitability but also on customer usage for our services.
6. Shortages of skilled telecommunications professionals in some markets and the inability to identify and develop successors for key leadership positions could both lead to disruptions in the execution of our corporate strategy.
7. Our internal control environment is subject to the risk that controls may become inadequate due to changes in internal or external conditions, new accounting requirements, delays, or inaccuracies in reporting.
8. Our telecommunications networks are subject to the risks of technical failures, aging infrastructure, human error, wilful acts of destruction or natural disasters.
9. We operate in diverse and dynamic legal, tax and regulatory environment. The group makes every effort to comply with its legal and regulatory obligations in all its operating jurisdictions in line with the group's risk appetite. However, we are continually faced with uncertain and constantly evolving legal and regulatory requirements in some of the markets where we operate.
10. Our multinational footprint means we are constantly exposed to the risk of adverse currency fluctuations and the macroeconomic conditions in the markets where we operate. We derive revenue and incur costs in local currencies where we operate, but we also incur costs in foreign currencies, mainly from buying equipment and services from manufacturers and technology service providers. That means adverse movements in exchange rates between the currencies in our OpCos and the US dollar could have a negative effect on our liquidity and financial condition. In some markets, we face instances of limited supply of foreign currency within the local monetary system. This not only constrains our ability to fully benefit at Group level from strong cash generation by those OpCos but also impacts our ability to make timely foreign currency payments to our international suppliers.

    Given the severity of this risk, specifically in some of our OpCos, Group management continuously monitors the potential impact of this risk of exchange rate fluctuations based on the following methodology:

    a) Comparing the average devaluation of each currency in the markets in which the Group operates against US dollar on 3-year and 5-year historic basis and onshore forward exchange rates over a 1-year period.

    b) If either of the above devaluation is higher than 5% per annum, management selects the highest of these exchange rates.

c) Management then uses this exchange rate to monitor the potential impact of using such rate on the Group's income statement so that the Group can actively monitor and assess the impact on the Group's financials due to exchange rate fluctuations.

Based on the above-mentioned methodology, the weighted average yearly potential devaluation of the basket of currencies in which the Group is exposed is estimated to be in the range of 7% to 8%.

With respect to currency devaluation sensitivity, on a 12-month basis, a 1% currency devaluation across all currencies in our OpCos would have a negative impact of $51m on revenues, $31m on EBITDA and $23m on finance costs (excluding derivatives). Our largest exposure is to the Nigerian naira, for which a 1% devaluation would have a negative impact of $22m on revenues, $12m on EBITDA and $7m on finance costs (excluding derivatives).

This does not represent any guidance and is being used solely to illustrate the potential impact of further currency devaluation on the Group for the purpose of exchange rate risk management. The accounting under IFRS is based on exchange rates in line with the requirements of IAS 21 'The Effect of Changes in Foreign Exchange' and does not factor in the above-mentioned devaluation.

Based on above-mentioned specific methodology, for the identified OpCos, management evaluates specific mitigation actions based on available mechanisms in each of the geographies. For further details on such mitigation action refer to the risk section of the Annual Report.

Forward looking statements

This document contains certain forward-looking statements regarding our intentions, beliefs or current expectations concerning, amongst other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the economic and business circumstances occurring from time to time in the countries and markets in which the Group operates.

These statements are often, but not always, made through the use of words or phrases such as "believe," "anticipate," "could," "may," "would," "should," "intend," "plan," "potential," "predict," "will," "expect," "estimate," "project," "positioned," "strategy," "outlook", "target" and similar expressions.

It is believed that the expectations reflected in this document are reasonable, but they may be affected by a wide range of variables that could cause actual results to differ materially from those currently anticipated.

All such forward-looking statements involve estimates and assumptions that are subject to risks, uncertainties and other factors that could cause actual future financial condition, performance and results to differ materially from the plans, goals, expectations and results expressed in the forward-looking statements and other financial and/or statistical data within this communication.

Among the key factors that could cause actual results to differ materially from those projected in the forward-looking statements are uncertainties related to the following: the impact of competition from illicit trade; the impact of adverse domestic or international legislation and regulation; changes in domestic or international tax laws and rates; adverse litigation and dispute outcomes and the effect of such outcomes on Airtel Africa's financial condition; changes or differences in domestic or international economic or political conditions; the ability to obtain price increases and the impact of price increases on consumer affordability thresholds; adverse decisions by domestic or international regulatory bodies; the impact of market size reduction and consumer down-trading; translational and transactional foreign exchange rate exposure; the impact of serious injury, illness or death in the workplace; the ability to maintain credit ratings; the ability to develop, produce or market new alternative products and to do so profitably; the ability to effectively implement strategic initiatives and actions taken to increase sales growth; the ability to enhance cash generation and pay dividends and changes in the market position, businesses, financial condition, results of operations or prospects of Airtel Africa.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser. The forward-looking statements contained in this document reflect the knowledge and information available to Airtel Africa at the date of preparation of this document and Airtel Africa undertakes no obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on such forward-looking statements.

No statement in this communication is intended to be, nor should be construed as, a profit forecast or a profit estimate and no statement in this communication should be interpreted to mean that earnings per share of Airtel Africa plc for the current or any future financial periods would necessarily match, exceed or be lower than the historical published earnings per share of Airtel Africa plc.

Financial data included in this document are presented in US dollars rounded to the nearest million. Therefore, discrepancies in the tables between totals and the sums of the amounts listed may occur due to such rounding. The percentages included in the tables throughout the document are based on numbers calculated to the nearest $1,000 and therefore minor rounding differences may result in the tables. Growth metrics are provided on a constant currency basis unless otherwise stated. The Group has presented certain financial information on a constant currency basis. This is calculated by translating the results for the current financial year and prior financial year at a fixed 'constant currency' exchange rate, which is done to measure the organic performance of the Group. Growth rates for our reporting regions and service segments are provided in constant currency as this better represents the performance of the business.

Airtel Africa plc
Results for the year ended 31 March 2023
Consolidated Financial Statements

Consolidated Statement of Comprehensive Income

(All amounts are in US$ millions; unless stated otherwise)

	Notes	For the year ended 31 March 2023	31 March 2022
Income			
Revenue	**5**	5,255	4,714
Other income		13	10
		5,268	**4,724**
Expenses			
Network operating expenses		1,027	817
Access charges		410	407
License fee and spectrum usage charges		241	244
Employee benefits expense		287	297
Sales and marketing expenses		243	224
Impairment loss on financial assets		14	5
Other operating expenses		471	451
Depreciation and amortisation		818	744
		3,511	**3,189**
Operating profit		**1,757**	**1,535**
Finance costs		752	441
Finance income		(29)	(19)
Other non-operating income		-	(111)
Share of profit from associate and joint venture accounted for using equity method		(0)	(0)
Profit before tax		**1,034**	**1,224**
Income tax expense	**7**	284	469
Profit for the year		**750**	**755**
Profit before tax (as presented above)		**1,034**	**1,224**
Less: Exceptional items (net)	**6**	-	(60)
Underlying profit before tax		**1,034**	**1,164**
Profit after tax (as presented above)		**750**	**755**
Less: Exceptional items (net)	**6**	(161)	(62)
Underlying profit after tax		**589**	**693**

	Notes	For the year ended 31 March 2023	31 March 2022
Profit for the year (continued from previous page)		**750**	**755**
Other comprehensive income ('OCI')			
Items to be reclassified subsequently to profit or loss:			
Loss due to foreign currency translation differences		(350)	(4)
Tax expense on above		(3)	(3)
Share of OCI of associate and joint venture accounted for using equity method		-	1
Net loss on net investments hedge		-	(8)
		(353)	(14)
Items not to be reclassified subsequently to profit or loss:			
Re-measurement loss on defined benefit plans		(0)	(0)
Tax credit on above		0	0
		(0)	(0)
Other comprehensive loss for the year		**(353)**	**(14)**
Total comprehensive income for the year		**397**	**741**
Profit for the year attributable to:		**750**	**755**
Owners of the Company		663	631
Non-controlling interests		87	124
Other comprehensive loss for the year attributable to:		**(353)**	**(14)**
Owners of the Company		(341)	(12)
Non-controlling interests		(12)	(2)
Total comprehensive income for the year attributable to:		**397**	**741**
Owners of the Company		322	619
Non-controlling interests		75	122
Earnings per share			
Basic	**8**	17.7c	16.8c
Diluted	**8**	17.7c	16.8c

Consolidated Statement of Financial Position

(All amounts are in US$ millions; unless stated otherwise)

	Notes	As of 31 March 2023	As of 31 March 2022
Assets			
Non-current assets			
Property, plant and equipment	**9**	2,295	2,214
Capital work-in-progress	**9**	212	189
Right of use assets		1,497	1,109
Goodwill	**10 & 11**	3,516	3,827
Other intangible assets		813	632
Intangible assets under development		399	2
Investment accounted for using equity method		4	6
Financial assets			
- Investments		0	0
- Derivative instruments		9	3
- Others		34	7
Income tax assets (net)		1	22
Deferred tax assets (net)		337	222
Other non-current assets		151	134
		9,268	**8,367**
Current assets			
Inventories		15	3
Financial assets			
- Derivative instruments		4	3
- Trade receivables		145	123
- Cash and cash equivalents	**12**	586	638
- Other bank balances	**12**	131	378
- Balance held under mobile money trust		616	513
- Others		142	124
Other current assets		259	215
		1,898	**1,997**
Total assets		**11,166**	**10,364**

	Notes	As of	
		31 March 2023	31 March 2022
Liabilities			
Current liabilities			
Financial liabilities			
- Borrowings	**13**	945	786
- Lease liabilities		395	323
- Derivative instruments		5	9
- Trade payables		460	404
- Mobile money wallet balance		582	496
- Others		533	376
Provisions		83	121
Deferred revenue		183	162
Current tax liabilities (net)		194	220
Other current liabilities		192	176
		3,572	**3,073**
Net current liabilities		**(1,674)**	**(1,076)**
Non-current liabilities			
Financial liabilities			
- Borrowings	**13**	1,233	1,486
- Lease liabilities		1,652	1,337
- Put option liability		569	579
- Derivative instruments		43	-
- Others		147	88
Provisions		21	20
Deferred tax liabilities (net)		108	114
Other non-current liabilities		13	18
		3,786	**3,642**
Total liabilities		**7,358**	**6,715**
Net Assets		**3,808**	**3,649**
Equity			
Share capital	**14**	3,420	3,420
Reserves and surplus		215	82
Equity attributable to owners of the company		**3,635**	**3,502**
Non-controlling interests ('NCI')		173	147
Total equity		**3,808**	**3,649**

The consolidated financial statements of Airtel Africa plc (company registration number: 11462215) were approved by the Board of directors and authorised for issue on 10 May 2023 and were signed on its behalf by:

For and on behalf of the board of Airtel Africa plc

Olusegun Ogunsanya

Chief Executive Officer

10 May 2023

Consolidated Statement of Changes in Equity

(All amounts are in US$ millions; unless stated otherwise)

	Equity attributable to owners of the company								
	Share Capital		Reserve and Surplus						
	No of shares[4]	Amount	Retained earnings	Transactions with NCI reserve	Other components of equity	Total	Equity attributable to owners of the company	Non-controlling interests (NCI)	Total equity
As of 1 April 2021	**6,839,896,081**	**3,420**	**2,975**	**(594)**	**(2,396)**	**(15)**	**3,405**	**(52)**	**3,353**
Profit for the year	-	-	631	-	-	631	631	124	755
Other comprehensive loss	-	-	(0)	-	(12)	(12)	(12)	(2)	(14)
Total comprehensive income/(loss)	**-**	**-**	**631**	**-**	**(12)**	**619**	**619**	**122**	**741**
Transaction with owners of equity									
Employee share-based payment reserve	-	-	(1)	-	3	2	2	-	2
Purchase of own shares	-	-	-	-	(6)	(6)	(6)	-	(6)
Transactions with NCI	-	-	-	(348)	(1)	(349)	(349)	153	(196)
Dividend to owners of the company	-	-	(169)	-	-	(169)	(169)	-	(169)
Dividend (including tax) to NCI[1]	-	-	-	-	-	-	-	(76)	(76)
As of 31 March 2022	**6,839,896,081**	**3,420**	**3,436**	**(942)**	**(2,412)**	**82**	**3,502**	**147**	**3,649**
Profit for the year	-	-	663	-	-	663	663	87	750
Other comprehensive income/ (loss)	-	-	(0)	-	(341)	(341)	(341)	(12)	(353)
Total comprehensive income /(loss)	**-**	**-**	**663**	**-**	**(341)**	**322**	**322**	**75**	**397**
Transaction with owners of equity									
Employee share-based payment reserve	-	-	(2)	-	6	4	4	-	4
Purchase of own shares	-	-	-	-	(11)	(11)	(11)	-	(11)
Transactions with NCI[2][3]	-	-	-	13	-	13	13	3	16
Dividend to owners of the company (refer to Note 4(a))	-	-	(195)	-	-	(195)	(195)	-	(195)
Dividend (including tax) to NCI[1]	-	-	-	-	-	-	-	(52)	(52)
As of 31 March 2023	**6,839,896,081**	**3,420**	**3,902**	**(929)**	**(2,758)**	**215**	**3,635**	**173**	**3,808**

(1) Dividend to NCI include tax of $3m (March 2022: $4m).

(2) 'Transaction with NCI reserves' increased due to reversal of put option liability by $16m for dividend distribution to put option NCI holders. Any dividend paid to the put option NCI holders is adjustable against the put option liability based on the put option arrangement.

(3) 'Transaction with NCI reserves' was reduced and NCI was increased by $3m i.e. NCI's proportionate share of the consideration for transfer of SMARTCASH Payment Service Bank Limited from the control of AMC BV to Airtel Networks Limited. For details, refer to note 4(b).

(4) Includes ordinary and deferred shares, refer to Note 14.

Consolidated Statement of Cash Flows

(All amounts are in US$ Millions; unless stated otherwise)

	For the year ended	
	31 March 2023	31 March 2022
Cash flows from operating activities		
Profit before tax	**1,034**	**1,224**
Adjustments for -		
Depreciation and amortization	818	744
Finance income	(29)	(19)
Finance cost	752	441
Share of profit of associate and joint venture accounted for using equity method	(0)	(0)
Other non-operating income adjustment	-	(111)
Other non-cash adjustments[1]	2	(6)
Operating cash flow before changes in working capital	**2,577**	**2,273**
Changes in working capital		
Increase in trade receivables	(45)	(18)
(Increase) / decrease in inventories	(13)	4
Increase in trade payables	9	34
Increase in mobile money wallet balance	120	64
(Decrease) / increase in provisions	(32)	14
Increase in deferred revenue	37	27
Increase in other financial and non financial liabilities	92	50
Increase in other financial and non financial assets	(140)	(144)
Net cash generated from operations before tax	**2,605**	**2,304**
Income taxes paid	(397)	(293)
Net cash generated from operating activities (a)	**2,208**	**2,011**
Cash flows from investing activities		
Purchase of property, plant and equipment and capital work-in-progress	(779)	(717)
Proceeds from sale of tower assets	-	171
Purchase of intangible assets and intangible assets under development	(502)	(22)
Maturity of deposits with bank	350	301
Investment in deposits with banks[2]	(126)	(388)
Proceeds from sale of tower subsidiary (net of cash acquired)	-	79
Investment joint venture	(0)	-
Dividend received from associate	2	-
Interest received	29	19
Net cash used in investing activities (b)	**(1,026)**	**(557)**
Cash flows from financing activities		
Proceeds from sale of shares to non-controlling interests	-	550
Acquisition of non-controlling interests	-	(164)
Purchase of own shares by ESOP trust	(8)	(6)
Proceeds from issue of shares to non-controlling interests	-	2
Proceeds from borrowings	906	973
Repayment of borrowings	(1,018)	(2,115)
Repayment of lease liabilities	(279)	(251)
Dividend paid to non-controlling interests	(75)	(48)
Dividend paid to owners of the Company	(195)	(169)
Interest on borrowings and lease liabilities and other finance charges	(400)	(370)
Outflow on maturity of derivatives (net)	(49)	(9)
Net cash used in financing activities (c)	**(1,118)**	**(1,607)**
Increase/(decrease) in cash and cash equivalents during the year (a+b+c)	64	(153)
Currency translation differences relating to cash and cash equivalents	(70)	(3)
Cash and cash equivalent as at beginning of the year	847	1,003
Cash and cash equivalents as at end of the year (refer to Note 12)[3]	**841**	**847**

1. For the year ended 31 March 2023 and 31 March 2022, this mainly includes movement in trade receivables impairment and other provisions.
2. Includes investments in deposits with original maturity of more than 3 months and deposits placed against certain borrowings. These are included within other bank balances in the consolidated statement of financial position.
3. Includes balance held under mobile money trust of $616m (2022: $513m) on behalf of mobile money customers which are not available for use by the Group.

Notes to Consolidated Financial Statements

(All amounts are in US$ Millions; unless stated otherwise)

1. Corporate information

Airtel Africa plc ('the company') is a public company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales (registration number 11462215). The registered address of the company is First Floor, 53/54 Grosvenor Street, London, W1K 3HU, United Kingdom. The company is listed on the London Stock Exchange (LSE) and on the Nigerian Stock Exchange (NGX). The company is a subsidiary of Airtel Africa Mauritius Limited ('the parent'), a company registered in Mauritius. The registered address of the parent is c/o IQ EQ Corporate Services (Mauritius) Ltd., 33, Edith Cavell Street, Port Louis, 11324, Mauritius.

The company, together with its subsidiary undertakings (hereinafter referred to as 'the Group') has operations in Africa. The principal activities of the Group, its associate and its joint venture consist of the provision of telecommunications and mobile money services.

2. Basis of preparation

The results for the year ended 31 March 2023 are an abridged statement of the full annual report which was approved by the Board of Directors and signed on its behalf on 10 May 2023. The consolidated financial statements within the full annual report are prepared in accordance with the requirements of the Companies Act 2006 and International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and approved for use in the United Kingdom (UK) by the UK Accounting Standards Endorsement Board (UKEB).

The financial information set out above does not constitute the company's statutory accounts for the years ended 31 March 2023 and 2022, but is derived from those accounts. Statutory accounts for March 2022 have been delivered to the Registrar of Companies and those for 2023 will be delivered following the company's annual general meeting.

The financial information included in this release announcement does not itself contain sufficient information to comply with IFRS. The company will publish full financial statements that comply with IFRS, in June 2023.

All the amounts included in the financial statements are reported in United States dollars, with all values rounded to the nearest millions ($m) except when otherwise indicated. Further, amounts which are less than half a million are appearing as '0'.

The accounting policies as set out in the following paragraphs of this note have been consistently applied by all the Group entities to all the periods presented in these financial statements.

3. Going concern

These consolidated financial statements have been prepared on a going concern basis. In making this going concern assessment, the Group has considered cash flow projections to June 2024 (going concern assessment period) under both base and reasonable worst-case scenarios taking into considerations its principal risks and uncertainties including a reduction in revenue and EBITDA and a significant devaluation of the various currencies in the countries in which the Group operates including the Nigerian Naira. As part of this evaluation, the Group has considered available ways to mitigate these risks and uncertainties and has also considered committed undrawn facilities of $525m expiring beyond the going concern assessment period, which will fulfil the Group's cash flow requirement under both the base and reasonable worst-case scenarios.

Having considered all the factors above impacting the Group's businesses, the impact of downside sensitivities, and the mitigating actions available including a reduction and deferral of capital expenditure, the directors are satisfied that the Group has adequate resources to continue its operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

4. Significant transactions/new developments

a) The directors recommended and shareholders approved a final dividend of 3 cents per ordinary share for the year ended 31 March 2022, which was paid on 22 July 2022 to the holders of ordinary shares on the register of members at the close of business on 24 June 2022.
An interim dividend of 2.18 cents per share was also approved by the Board on 26 October 2022, which has been paid on 08 December 2022.

b) In April 2022, one of the Airtel Mobile Commerce BV's (AMC BV) subsidiaries, SMARTCASH Payment Service Bank Limited ('SMARTCASH'), received the final approval from the Central Bank of Nigeria for a full Payment Service Bank license affording it the opportunity to deliver a full suite of mobile money services in Nigeria.
Later in August 2022, in line with the directions of the Central Bank of Nigeria, SMARTCASH was transferred to Airtel Networks Limited (a subsidiary of Airtel Africa Group, outside the perimeter of AMC BV Group). Airtel Africa Group has agreed with non-controlling investors to compensate them for their respective potential loss of value by way of transferring additional AMC BV shares equivalent to the value of SMARTCASH on the prescribed trigger event date (subject to a cap of 5% of the value of AMC BV Group), which will only be payable in the event that SMARTCASH does not again form part of the AMC BV Group perimeter or the non-controlling investors do not own a direct shareholding in SMARTCASH based on regulatory approvals, by the prescribed trigger event date.

Given that the proposal to compensate the non-controlling investors is agreed, for their economic value loss due to exclusion of SMARTCASH (which they were entitled to before the transfer of SMARTCASH to Airtel Nigeria Limited) based on the future fair value of SMARTCASH on the prescribed trigger event date, Airtel Africa Group continues to recognise non-controlling interest w.r.t. net assets of SMARTCASH.

c) In June 2022, the Group announced the acquisition by Airtel Congo RDC S.A, a subsidiary of the Group, of 58 MHz of additional spectrum spread across the 900, 1800, 2100, and 2600 MHz bands for a gross consideration of $42m. An amount of $20m pertaining to the 900, 1800 and 2100 MHz bands has been capitalized as an intangible Asset and $22m pertaining to the 2600 MHz bands is carried as intangible asset under development since these bands are not yet available for use (expected to be available for use by June 2023).

d) On 7 July 2022, BAIN (one of the Group's subsidiaries) completed the early redemption of $450m of its $1 Billion of 5.35% Guaranteed Senior Notes due in 2024 for a consideration of $463m. The consideration included accrued interest up to the date of redemption and early redemption cost.

e) In July 2022, the Group announced the acquisition by Airtel Kenya, a subsidiary of the Group, of 60 MHz of additional spectrum in the 2600 MHz band from the Communications Authority of Kenya, for a gross consideration of $40m. The spectrum is valid from July 2022 for a period of 15 years. This cost has been capitalised as an intangible asset.

f) In October 2022, the Group announced the acquisition by Airtel Tanzania, a subsidiary of the Group, of 110 MHz of additional spectrum spread across the 2600 MHz (2 blocks of 2x15MHz) and 3500 MHz bands from the Tanzania Communications Regulatory Authority (TCRA) for a gross consideration of $60m. The spectrum is being carried as an intangible under development, since it is not available for use yet (expected to be available for use by August 2023).

g) In October 2022, the Group announced the acquisition by Airtel Zambia, a subsidiary of the Group, of 60 MHz of additional spectrum spread across the 800 MHz and 2600 MHz bands from the Zambia Information and Communications Technology Authority (ZICTA), for a gross consideration of $29m which has been capitalized as an intangible asset.

h) In December 2022 the Group paid $317m (in Nigerian Naira) to acquire 100 MHz of spectrum in the 3500MHz band and 2x5MHz of 2600MHz band from the Nigerian Communications Commission. The 2600MHz and 3500MHz spectrum licenses are valid for a period of 10 years from January and July 2023 respectively. The spectrum has been carried as an intangible under development, since it is not yet available for use (expected to be available for use by July 2023).

i) During the year, Airtel Nigeria, a subsidiary of the Group, was offered renewal of 2100 MHz spectrum license by Nigerian Communications Commission (NCC) for a gross consideration of $127m, which was accepted by Airtel Nigeria. This cost was capitalized as an intangible asset and is being amortised over the useful life of the spectrum of 15 years. A corresponding liability was created for the amount payable for the renewal which has been subsequently paid in April 2023.

5. Segmental Information

The Group's segment information is provided on the basis of geographical clusters and products to the Group's chief executive officer (chief operating decision maker - 'CODM') for the purposes of resource allocation and assessment of performance.

The Group's reporting segments till 31 March 2022 were as follows:

Nigeria- Comprising operations in Nigeria;

East Africa – Comprising operations in Kenya, Uganda, Rwanda, Tanzania, Malawi and Zambia;

Francophone Africa – Comprising operations in Niger, Gabon, Chad, Congo B, the DRC, Madagascar and Seychelles.

Owing to significant growth in the Group's Mobile Money business and a corresponding change in the organization structure combined with changes in information provided to the CODM for the allocation of resources and the assessment of performance, with effect from April 2022, the Group has identified Mobile Money as a new operating and reportable segment. Thus, the segments for the Group are now:

Nigeria Mobile Services – Comprising of mobile service operations in Nigeria;

East Africa Mobile Services – Comprising of mobile service operations in Kenya, Uganda, Rwanda, Tanzania, Malawi and Zambia;

Francophone Africa Mobile Services – Comprising of mobile service operations in Niger, Gabon, Chad, Congo B, the DRC, Madagascar and Seychelles;

Mobile money services*- Comprising of mobile money services across the Group including the recently launched payment service bank in Nigeria.

*Mobile money services segment consolidates the results of mobile money operations from all operating entities within the Group. Airtel Money Commerce BV (AMC BV) is the holding company for all mobile money services for the Group, and as of 31 March 2023, it consolidates mobile money operations from eleven OPCOs, currently excluding operations in Nigeria, Tanzania, and Congo Brazzaville. It is management's intention to continue work to transfer all these remaining mobile money services operations into AMC BV, subject to local regulatory requirements.

Each segment derives revenue from the respective services housed within each segment, as described above. Expenses, assets and liabilities primarily related to the corporate headquarters and centralized functions of the Group are presented as Unallocated Items.

The amounts reported to CODM are based on the accounting principles used in the preparation of the financial statements. Each segment's performance is evaluated based on segment revenue and segment result.

The segment result is Underlying EBITDA (i.e. earnings before interest, tax, depreciation and amortization before exceptional items). This is the measure reported to the CODM for the purpose of resource allocation and assessment of segment performance. During the year ended 31 March 2023, EBITDA is equal to underlying EBITDA since there are no exceptional items pertaining to EBITDA.

Consequent to the change in reportable segments during the period, comparative information has also been restated in line with the revised segments.

Inter-segment pricing and terms are reviewed and changed by the management to reflect changes in market conditions and changes to such terms are reflected in the period in which the changes occur.

The 'Eliminations' column comprises inter-segment revenues eliminated upon consolidation.

Segment assets and segment liabilities comprise those assets and liabilities directly managed by each segment. Segment assets primarily include receivables, property, plant and equipment, capital work in progress, right-to-use assets, intangibles assets, inventories and cash and cash equivalents. Segment liabilities primarily include operating liabilities. Segment capital expenditure comprises investment in property, plant and equipment, capital work in progress, intangible assets (excluding licenses) and capital advances.

Investment elimination upon consolidation and resulting goodwill impacts are reflected in the 'Eliminations' column.

Summary of the segmental information and disaggregation of revenue for the year ended and as of 31 March 2023 is as follows:

	Nigeria Mobile Services	East Africa Mobile Services	Francophone Africa Mobile Services	Mobile Money Services	Others (Unallocated)	Eliminations	Total
Revenue from external customers							
Voice revenue	1,052	835	604	-	-	-	2,491
Data revenue	884	537	366	-	-	-	1,787
Mobile money revenue(1)	-	-	-	540	-	-	540
Other revenue(2)	189	124	114	-	10	-	437
	2,125	**1,496**	**1,084**	**540**	**10**	**-**	**5,255**
Inter-segment revenue	3	12	6	152	4	(177)	-
Total revenue	**2,128**	**1,508**	**1,090**	**692**	**14**	**(177)**	**5,255**
Underlying EBITDA	1,099	753	476	344	(97)	-	2,575
Less:							
Depreciation and amortisation	344	260	190	17	7	-	818
Finance costs							752
Finance income							(29)
Share of profit of associate and joint venture accounted for using equity method							(0)
Profit before tax							**1,034**
Other segment items							
Capital expenditure	293	256	151	33	15	-	748
As of 31 March 2023							
Segment assets	2,634	2,255	1,599	945	25,485	(21,752)	11,166
Segment liabilities	2,193	2,393	2,359	742	12,839	(13,168)	7,358
Investment accounted for using equity method (included in segment assets above)	-	-	4	-	-	-	4

(1) Mobile money revenue is net of inter-segment elimination of $152m mainly for commission on sale of airtime. It includes $103m pertaining to East Africa mobile services and balance $49m pertaining to Francophone Africa mobile services.

(2) Other revenue includes messaging, value added services, enterprise, site sharing and handset sale revenue.

Summary of the segmental information and disaggregation of revenue for the year ended and as of 31 March 2022 is as follows:

	Nigeria Mobile Services	East Africa Mobile Services	Francophone Africa Mobile Services	Mobile Money Services	Others (Unallocated)	Eliminations	Total
Revenue from external customers							
Voice revenue	984	782	592	-	-	-	2,358
Data revenue	734	457	334	-	-	-	1,525
Mobile money revenue(1)	-	-	-	424	-	-	424
Other revenue(2)	157	146	104	-	-	-	407
	1,875	**1,385**	**1,030**	**424**	**-**	**-**	**4,714**
Inter-segment revenue	3	10	3	129	-	(145)	-
Total revenue	**1,878**	**1,395**	**1,033**	**553**	**-**	**(145)**	**4,714**
Underlying EBITDA	1,043	672	425	281	(110)	-	2,311
Less:							
Depreciation and amortisation	268	230	199	14	33	-	744
Finance costs							441
Finance income							(19)
Other non-operative Income, (net)							(111)
Share of profit of associate and joint venture accounted for using equity method							(0)
Exceptional items pertaining to operating profit	-	32	-	-	-	-	32
Profit before tax							**1,224**
Other segment items							
Capital expenditure	249	259	114	25	9	-	656
As of 31 March 2022							
Segment assets	2,247	1,886	1,485	776	27,396	(23,426)	10,364
Segment liabilities	1,438	2,450	2,358	588	14,458	(14,577)	6,715
Investment accounted for using equity method (included in segment assets above)	-	-	6	-	-	-	6

(1) Mobile money revenue is net of inter-segment elimination of $129m mainly for commission on sale of airtime. It includes $85m pertaining to East Africa mobile services and balance $44m pertaining to Francophone Africa mobile services.

(2) Other revenue includes messaging, value added services, enterprise, site sharing and handset sale revenue.

Geographical information disclosure based on location of statutory entity of non-current assets (PPE, CWIP, ROU, Intangible assets including goodwill and intangible assets under development):

	As of	
	31 March 2023	**31 March 2022**
United Kingdom	0	1
Nigeria	2,379	1,670
Netherlands (including goodwill)	3,464	3,773
Others	2,889	2,529
Total	**8,732**	**7,973**

6. Exceptional items

Underlying profit before tax excludes the following exceptional items:

	31 March 2023	31 March 2022
Profit before tax	**1,034**	**1,224**
Add: Exceptional items		
- Gain on sale of tower assets [1]	-	(111)
- Spectrum fee agreement cost [2]	-	20
- Bond prepayment cost [3]	-	19
- Provision for settlement of contractual dispute [4]	-	12
	-	**(60)**
Underlying profit before tax	**1,034**	**1,164**

(1) Represents the gain on the sale of telecommunication tower assets during the year ended 31 March 2022 in the Group's subsidiaries in Tanzania, Rwanda, Madagascar, and Malawi, as part of the Group's strategic asset monetisation programme recognised in other non-operating income.

(2) Represents cost of agreeing historical spectrum fees during the year ended 31 March 2022 in one of the Group's subsidiaries recognised in license fees and spectrum usage charges.

(3) Comprises cost of prepaying $505m bonds during the year ended 31 March 2022 with original maturity of March 2023 recognised in finance costs.

(4) Represents provision for expected settlement of a contractual dispute recognised during the year ended 31 March 2022 in which one of the Group's subsidiaries is a party recognised in other operating expenses.

Underlying profit after tax excludes the following exceptional items:

	For the year ended	
	31 March 2023	31 March 2022
Profit after tax	**750**	**755**
-Exceptional items (as above)	-	(60)
- Tax on above exceptional items	-	(2)
- Deferred tax asset recognition [1]	(161)	-
	(161)	**(62)**
Underlying profit after tax	**589**	**693**

(1) During the year ended 31 March 2023, the Group has recognised new deferred tax assets in Airtel Kenya. Airtel Kenya had carried forward losses and temporary differences on which deferred tax was not previously recognised. Considering Airtel Kenya's profitability trends, that tax losses have recently been utilised and on the basis of forecast future taxable profits, the Group has determined that it is now probable that taxable profits will be available against which the tax losses and temporary differences can be utilised. Consequently, the deferred tax asset recognition criteria are met, leading to the recognition of an additional deferred tax asset of $117m during the year ended 31 March 2023 in Airtel Kenya. Additionally, the Group has also trued up deferred tax assets in Airtel Tanzania and Airtel DRC amounting to $19m and $25m respectively on deductible temporary differences based on updated probability of future taxable profits in these subsidiaries.

Profit attributable to non-controlling interests include benefit of $10m and $33m during the year ended 31 March 2023 and 2022 respectively, relating to the above exceptional items.

7. Income Tax

	For the year ended	
	31 March 2023	31 March 2022
Current tax	408	347
Deferred tax	(124)	122
Income tax expense	**284**	**469**

8. Earnings per share ('EPS')

	For the year ended	
	31 March 2023	**31 March 2022**
Profit for the year attributable to owners of the Company	663	631
Weighted average ordinary shares outstanding for basic EPS(1)	3,751,665,898	3,754,179,962
Basic EPS	**17.7c**	**16.8c**

The details used in the computation of diluted EPS:	For the year ended	
	31 March 2023	**31 March 2022**
Profit for the year attributable to owners of the Company	663	631
Weighted average ordinary shares outstanding for diluted EPS(1)(2)	3,756,867,853	3,760,109,303
Diluted EPS	**17.7c**	**16.8c**

(1) Deferred shares have not been considered for EPS computation as they do not have right to participate in profits.

(2) The difference between the basic and diluted number of shares at the end of March 2023 being 5,201,955 (March 2022: 5,929,341) relates to awards committed but not yet issued under the Group's share-based payment schemes.

9. Property, plant and equipment (‘PPE’)

The following table presents the reconciliation of changes in the carrying value of PPE for the year ended 31 March 2023 and 31 March 2022:

	Leasehold Improvements	Building	Land	Plant and Equipment(2)	Furniture & Fixture	Vehicles	Office Equipment	Computer	Total	Capital work in progress(3)
Gross carrying value										
Balance as of 1 April 2021	**50**	**46**	**27**	**2,858**	**37**	**24**	**45**	**676**	**3,763**	**166**
Additions / capitalization	1	0	2	543	28	0	14	38	626	653
Disposals / adjustments (1)	(0)	(0)	(2)	(285)	(2)	(2)	(4)	(1)	(296)	(627)
Foreign currency translation impact	(2)	1	(1)	(71)	(1)	(0)	0	(10)	(84)	(3)
Balance as of 31 March 2022	**49**	**47**	**26**	**3,045**	**62**	**22**	**55**	**703**	**4,009**	**189**
Additions / capitalization	3	-	0	614	17	0	15	51	700	735
Disposals / adjustments (1)	0	-	-	(20)	(3)	(0)	(3)	(5)	(31)	(700)
Foreign currency translation impact	(3)	(4)	(1)	(390)	(6)	(0)	(6)	(53)	(463)	(12)
Balance as of 31 March 2023	**49**	**43**	**25**	**3,249**	**70**	**22**	**61**	**696**	**4,215**	**212**
Accumulated Depreciation										
Balance as of 1 April 2022	**44**	**17**	**1**	**936**	**15**	**22**	**27**	**635**	**1,697**	**-**
Charge	1	3	0	364	10	0	9	31	418	-
Disposals / adjustments (1)	0	(0)	(1)	(241)	(2)	(2)	(3)	(3)	(252)	-
Foreign currency translation impact	(1)	0	(0)	(56)	(0)	(0)	(1)	(10)	(68)	-
Balance as of 31 March 2022	**44**	**20**	**0**	**1,003**	**23**	**20**	**32**	**653**	**1,795**	**-**
Charge	1	2	-	374	13	0	13	32	435	-
Disposals / adjustments (1)	(0)	-	-	(18)	(3)	(0)	(1)	(5)	(27)	-
Foreign currency translation impact	(3)	(3)	(0)	(222)	(3)	(0)	(5)	(47)	(283)	-
Balance as of 31 March 20223	**42**	**19**	**-**	**1,137**	**30**	**20**	**39**	**633**	**1,920**	**-**
Net carrying value										
As of 1 April 2021	6	29	26	1,922	22	2	18	41	2,066	166
As at 31 March 2022	5	27	26	2,042	39	2	23	50	2,214	189
As at 31 March 2023	7	24	25	2,112	40	2	22	63	2,295	212

(1) Related to the reversal of gross carrying value and accumulated depreciation on retirement of PPE and reclassification from one category of asset to another.
(2) Includes PPE secured against the Group's Borrowings outstanding of $44m and $50m as at 31 March 2023 and 31 March 2022 respectively.
(3) The carrying value of capital work-in-progress as of 31 March 2023 and 2022 mainly pertains to plant and equipment.

10. Goodwill

The following table presents the reconciliation of changes in the carrying value of Goodwill for the year ended 31 March 2023 and 31 March 2022:

	Goodwill
Balance as of 1 April 2021	**3,835**
Foreign currency translation impact	(8)
Balance as of 31 March 2022	**3,827**
Foreign currency translation impact	(311)
Balance as of 31 March 2023	**3,516**

11. Impairment review

As disclosed in note 5, during the year, the Group re-assessed its operating segments which resulted in Mobile Money Services becoming a new operating segment of the Group. In line with this change, for the purposes of impairment testing, Mobile Money Services was identified as an additional new group of CGUs. The new group of CGUs for impairment testing purposes are Nigeria Mobile Services, East Africa Mobile Services, Francophone Africa Mobile Services and Mobile Money Services (previously Nigeria, East Africa and Francophone). Goodwill was reallocated to the four group of CGUs based on the relative values of each group of CGUs, which resulted in goodwill being reallocated from Nigeria Mobile Services, East Africa Mobile Services and Francophone Africa Mobile Services to the Mobile Money group of CGUs. Consequently as at 01 April 2022, goodwill of $1,295m was reallocated to the new group of CGUs i.e., Mobile Money Services.

The carrying amount of goodwill is attributed to the following groups of CGUs:

	As of	
	31 March 2023	**31 March 2022**
Nigeria Mobile Services	900	1,275
East Africa Mobile Services	927	1,835
Francophone Africa Mobile Services	503	717
Mobile Money Services	1,186	-
	3,516	**3,827**

The Group tests goodwill for impairment annually on 31 December. The carrying value of Goodwill as of 31 December 2022 was $901m, $951m, $497m and $1,200m for Nigeria Mobile Services, East Africa Mobile Services and Francophone Africa Mobile Services and Mobile Money Services, respectively. The recoverable amounts of the above group of CGUs are based on value-in-use, which are determined based on ten-year business plans that have been approved by the Board.

Whilst the Board performed a long-term viability assessment over a three-year period, for the purposes of assessing liquidity the Group has adopted a ten-year plan for the purpose of impairment testing due to the following reasons:

- The Group operates in emerging markets where the telecommunications market is underpenetrated when compared to developed markets. In these emerging markets, short-term plans (for example, five years) are not indicative of the long-term future prospects and performance of the Group.
- The life of the Group's regulatory telecom licences and network assets are at an average of ten years, the spectrum renewals happen for a period of ten years or more and in general the replacement of technology happens after a similar duration, and
- The potential opportunities of the emerging African telecom sector, which is mostly a two-three player market with lower smartphone penetration.

Accordingly, the Board approved that this planning horizon reflects the assumptions for medium to long-term market developments, appropriately covers market dynamics of emerging markets and better reflects the expected performance in the markets in which the Group operates.

While using the ten-year plan, the Group also considers external market data to support the assumptions used in such plans, which is generally available only for the first five years. Considering the degree of availability of external market data beyond year five, the Group has performed sensitivity analysis to assess the impact on impairment of using a five-year plan. The results of this sensitivity analysis demonstrate that the initial five-year plan with appropriate changes including long-term growth rates applied at the end of this period does not result in any impairment and does not impact the headroom by more than 6% in any of the group of CGUs as compared to the headroom using the ten-year plan. Further, the Group is confident that projections for years six to ten are reliable and can demonstrate its ability, based on past experience to forecast cash flows accurately over a longer period. Accordingly, the Board has approved and the Group continues to follow a consistent policy of using an initial forecast period of ten years for the purpose of impairment testing.

In assessing the Group's prospects, the directors considered 5G cellular network potential in the markets in which the Group operates The Group's first endeavour is to secure spectrum for 5G launch and roll out 5G network in key markets. During the financial year, the Group secured 5G spectrum in Nigeria, Kenya, Zambia and Tanzania and will selectively launch 5G services in these markets. Given the relatively low 4G customer penetration in the countries where it operates, the Group will continue to focus on its strategy to expand its data services and increase data customer penetration by leveraging and expanding its leading 4G network.

The nominal cash flows used in the impairment tests reflect the Group's current assessment of the impact of climate change and associated commitments the Group has made. Based on the analysis conducted so far, the Group is satisfied that the impact of climate change does not lead to an impairment as at 31 December 2022 and is adequately covered as part of the sensitivities disclosed below.

The nominal cash flows beyond the planning period are extrapolated using appropriate long term terminal growth rates. The long term terminal growth rates used do not exceed the long term average growth rates of the respective industry and country in which the entity operates and are consistent with internal/external sources of information.

The inputs used in performing the impairment assessment at 31 December 2022 were as follows:

Assumptions	**Nigeria Mobile Services**	**East Africa Mobile Services**	**Francophone Africa Mobile Services**	**Mobile Money Services**
Pre-tax Discount Rate	33.38%	23.01%	21.07%	26.10%
Capital expenditure (as % of Revenue)	6% - 23%	8% - 20%	9% -26%	1%-5%
Long term growth rate	7.64%	7.30%	7.35%	7.47%

At 31 December 2022, the impairment testing did not result in any impairment in the carrying amount of goodwill in any group of CGUs.

The key assumptions in performing the impairment assessment were as follows:

Assumptions	**Basis of assumptions**
Discount rate	Nominal discount rate reflects the market assessment of the risks specific to the group of CGUs and estimated based on the weighted average cost of capital for respective CGUs.
Capital expenditures	The cash flow forecasts of capital expenditure are based on experience after considering the capital expenditure required to meet coverage and capacity requirements relating to voice, data and mobile money services.
Growth rates	The growth rates into perpetuity used are in line with the nominal long-term average growth rates of the respective industry and country in which the entity operates and are consistent with the internal / external sources of information.

At 31 December 2022, the impairment testing did not result in any impairment in the carrying amount of goodwill in any group of CGUs. The results of the impairment tests using these rates show that the recoverable amount exceeds the carrying amount by $1,342m for Nigeria Mobile Services (54%), $1,593m for East Africa Mobile Services (66%), $1,512m for Francophone Africa Mobile Services (105%) and $2,688m for Mobile Money Services (198%). The group therefore concluded that no impairment was required to the Goodwill held against each groups of CGUs.

Sensitivity in discount rate and capital expenditure

Management believes that no reasonably possible change in any of the key assumptions would cause the difference between the carrying value and recoverable amount for any cash generating unit to be materially different from the recoverable value in the base case. The table below sets out the breakeven pre-tax discount rate for each group of CGUs, which will result in the recoverable amount being equal with the carrying amount for each group of CGUs:

	Nigeria Mobile Services	East Africa Mobile Services	Francophone Africa Mobile Services	Mobile Money Services
Pre tax Discount Rate	46.89%	32.34%	33.37%	55.00%

The table below presents the increase in isolation in absolute capital expenditure as a percentage of revenue (across all years of the impairment review) which will result in equating the recoverable amount with the carrying amount for each group of CGUs:

Assumptions	Nigeria Mobile Services	East Africa Mobile Services	Francophone Africa Mobile Services	Mobile Money Services
Capital expenditure (as a % of revenue)	6.21%	8.15%	8.89%	20.24%

No reasonably possible change in the terminal growth rate would cause the carrying amount to exceed the recoverable amount.

12. Cash and bank balances

Cash and cash equivalents

	As of	
	31 March 2023	**31 March 2022**
Balances with banks		
- On current accounts	248	267
- Bank deposits with original maturity of three months or less	272	281
Cheques on hand	1	-
Balance held in wallets	64	89
Cash on hand	1	1
	586	**638**

Other bank balances

	As of	
	31 March 2023	**31 March 2022**
-Term deposits with banks with original maturity of more than three months but less than 12 months	117	220
-Margin money deposits (1)	14	158
-Unpaid dividend	0	0
	131	**378**

(1) Margin money deposits represent amount given as collateral for legal cases and/or bank guarantees for disputed matters and deposit against derivative contracts. As at 31 March 2022 these also included deposits given against borrowings in one of the Group's subsidiaries.

For the purpose of the statement of cash flows, cash and cash equivalents are as follows:

	As of	
	31 March 2023	**31 March 2022**
Cash and cash equivalents as per statement of financial position	586	638
Balance held under mobile money trust	616	513
Bank overdraft	(361)	(304)
	841	**847**

13. Borrowings

Non-current

	As of	
	31 March 2023	31 March 2022
Secured		
Term loans	43	50
Less: Current portion (A)	(8)	(50)
	35	**-**
Unsecured		
Term loans[2]	964	655
Non- convertible bonds[1][2]	554	1,015
	1,518	**1,670**
Less: Current portion (B)	(320)	(184)
	1,198	**1,486**
	1,233	**1,486**

Current

	As of	
	31 March 2023	31 March 2022
Secured		
Term loans	1	-
	1	**-**
Unsecured		
Term loans[2]	255	248
Bank overdraft	361	304
	616	**552**
Current maturities of long-term borrowings (A+B)	**328**	**234**
	945	**786**

(1) Includes impact of fair value hedges

(2) Includes debt origination costs

14. Share capital

	As of	
	31 March 2023	31 March 2022
Authorised shares		
3,758,151,504 Ordinary shares of $0.50 each (March 2022: 3,758,151,504)	1,879	1,879
3,081,744,577 Deferred shares of $0.50 each (March 2022:3,081,744,577)	1,541	1,541
	3,420	**3,420**
Issued, Subscribed and fully paid-up shares		
3,758,151,504 Ordinary shares of $0.50 each (March 2022: 3,758,151,504)	1,879	1,879
3,081,744,577 Deferred shares of $0.50 each (March 2022: 3,081,744,577)	1,541	1,541
	3,420	**3,420**

Terms/rights attached to equity shares

The company has following two classes of ordinary shares:

- Ordinary shares having par value of $0.50 per share. Each holder of equity shares is entitled to cast one vote per share and carry a right to dividends.
- Deferred shares of $0.50 each. These deferred shares are not listed and are intended to be cancelled in due course. No share certificates are to be issued in respect of the deferred shares. These are not freely transferable and would not affect the net assets of the company. The deferred shareholders shall have no right to receive any dividend or other distribution or return whether of capital or income. On a return of capital in a liquidation, the deferred shareholders shall have the right to receive the nominal amount of each deferred share held, but only after the holder of each Other share (i.e. shares other than the deferred shares) in the capital of the company shall have received the amount paid up on each such Other share held and the payment in cash or in specie of £100,000 (or its equivalent in any other currency) on each such Other shares held. The company shall have an irrevocable authority from each holder of the deferred shares at any time to purchase all or any of the deferred shares without obtaining the consent of the deferred shareholders in consideration of the payment of an amount not exceeding one US cent in respect of all of the deferred shares then being purchased.

15. Contingent liabilities and commitments

Contingent liabilities	**As of**	
	31 March 2023	**31 March 2022**
(a) Taxes, Duties and Other demands (under adjudication / appeal / dispute)		
-Income tax	16	18
- Value added tax[(1)]	20	30
-Customs duty & Excise duty	9	9
-Other miscellaneous demands	5	6
(b) Claims under legal and regulatory cases including arbitration matters [(2)(3)]	82	82
	132	**145**

There are uncertainties in the legal, regulatory and tax environments in the countries in which the Group operates and there is a risk of demands, which may be raised based on current or past business operations. Such demands have in the past been challenged and contested on merits with the relevant authorities and appropriate settlements agreed.

The reduction of $13m in contingent liabilities during the year ended 31 March 2023 is primarily due to a change in the likelihood of outflow of resources from possible to remote related to the 2016 VAT matter on the sale of towers.

The company and its subsidiaries are currently and may become, from time to time, involved in a number of legal proceedings, including inquiries from, or discussions with, governmental authorities that are incidental to their operations. As of 31 March 2023, the Group's key contingent liabilities include the following:

(1) Value Added Tax (VAT)

VAT Audit 2016

In July 2016, one of the subsidiaries in the mobile services business made a payment to another subsidiary engaged in passive infrastructure services for all invoices raised since 2013 for rendering tower services. The subsidiary claimed the input VAT charged on these invoices.

During the desktop VAT audit conducted by the tax authorities for 2016, the above-mentioned VAT credit was denied alleging that the VAT credit was time barred. Based on the VAT rules, the mobile services subsidiary is of the view that the time limitation for claiming input VAT starts from the year in which payment is made against the invoice. Since the payment was made in 2016, the time limit for claiming input credit (by 31 December of following year) had not lapsed.

In October 2016, the mobile services subsidiary received a notice of recovery and proceeded to make the 10% deposit in order to initiate litigation. The subsidiary submitted a comprehensive letter to the authorities in October 2017, for which a response is awaited from the tax authorities. An amount of $8m is included within contingent liabilities in respect of this matter. No provision has been created against this claim.

Claims under legal and regulatory cases including arbitration matters

(2) One of the subsidiaries of the Group is involved in a dispute with one of its vendors, with respect to invoices for services provided to a subsidiary under a service contract. The original order under the contract was issued by the subsidiary for a total amount of Central African franc (CFA) 473,800,000 (approximately $1m). In 2014, the vendor-initiated arbitration proceedings claiming a sum of approximately CFA 1.9 billion (approximately $3m). In mid-May 2019, the lower courts imposed a penalty of CFA 35 billion (approximately $59m), based on which certain banks of the subsidiary were summoned to release the funds. The subsidiary immediately lodged an appeal in the Supreme Court for a stay of execution which was granted. Subsequently, the vendor filed an appeal before the Common Court of Justice and Arbitration (CCJA). Quite unexpectedly, in April 2020, the CCJA lifted the Supreme Court stay of execution. In May 2021, the Commercial Division of the High Court maintained new seizures carried out by the Vendor. The subsidiary appealed and the Court of Appeal determination on the seizures is pending as of April 2022. In March 2022 the CCJA interpreted its judgment of March 2019 to indicate that the daily penalty could not be maintained after its ruling dated 18 November 2018.

Separately, in December 2020 the subsidiary initiated criminal proceedings against the vendor for fraud and deceitful conduct. In February 2021, the investigating judge issued an order to cease the investigation which was appealed by the Subsidiary. In March 2022, the Court Appeal quashed the investigative judge order and allowed the investigation into the Vendor to resume. Testimony in the criminal investigation case happened on 26 April 2022 in front of the criminal court of appeal where the honorable judge has further re-examined the facts from the representatives of the subsidiary against this case. The court will provide a further update on the upcoming proceedings in due course.

As per the law no civil action can be initiated against the subsidiary while criminal proceedings are ongoing. On 30 November 2022 subsidiary was notified that plaintiff has appealed in the court of cassation against the stay of execution dated 30 May 2022. Subsidiary has filed its response on 26 January 2023. The Group still awaits the Supreme court ruling on the merits of the case, and until that time has disclosed this matter as a Contingent Liability for $59m (included in the closing contingent liability). No provision has been made against this claim.

(3) One of the subsidiaries of the Group is involved in a dispute with one of its distributors, with respect to alleged unpaid commissions, bonuses and benefits, totaling approximately $11m, over a period of around 11 years of its business relationship with the subsidiary. In March 2012, the distributor filed a claim against the subsidiary in the High Court. On 4 October 2016, the High Court ruled against the subsidiary and ordered to pay the claimed amount of approximately $11m to the distributor. On 5 October 2016, the subsidiary filed an appeal in the Court of Appeal against the order of the High Court, which on 24 July 2020 was ruled against the subsidiary. On 7 August 2020, the subsidiary filed an appeal against the decision of the Court of Appeal, in the Supreme Court. Record of appeal has been transmitted to the Supreme Court and briefs of argument are currently being prepared.

Despite the strength of the subsidiary's line of defense, as both the High Court and Court of Appeal have ruled against the subsidiary, it is appropriate to disclose this matter as contingent liability for $11m, pending the decision of the Supreme Court. No provision has been made against this claim.

In addition to the individual matters disclosed above, in the ordinary course of business, the Group is a defendant or co-defendant in various litigations and claims which are immaterial individually.

Guarantees:

Guarantees outstanding as of 31 March 2023 and 31 March 2022 amounting to $9m and $8m respectively have been issued by banks and financial institutions on behalf of the Group. These guarantees include certain financial bank guarantees which have been given for sub-judice matters and the amounts with respect to these have been disclosed under capital commitments, contingencies and liabilities, as applicable, in compliance with the applicable accounting standards.

Commitments

Capital commitments

The Group has contractual commitments towards capital expenditure (net of related advances paid) of $313m and $295m as of 31 March 2023 and 31 March 2022 respectively.

16. Related Party disclosure

a) List of related parties

i) Parent company

Airtel Africa Mauritius Limited

ii) Intermediate parent entity

Network i2i Limited
Bharti Airtel Limited
Bharti Telecom Limited

iii) Ultimate controlling entity

Bharti Enterprises (Holding) Private Limited. It is held by private trusts of Bharti family, with Mr. Sunil Bharti Mittal's family trust effectively controlling the company.

iv) Associate:

Seychelles Cable Systems Company Limited

v) Joint Venture:

Mawezi RDC S.A.

vi) Other entities with whom transactions have taken place during the reporting period

a. Fellow subsidiaries

Nxtra Data Limited
Bharti Airtel Services Limited
Bharti International (Singapore) Pte Ltd
Bharti Airtel (UK) Limited
Bharti Airtel (France) SAS
Bharti Airtel Lanka (Private) Limited
Bharti Hexacom Limited

b. Other related parties

Airtel Ghana Limited (till October 2021)
Singapore Telecommunication Limited

vii) Key Management Personnel ('KMP')

a. Executive director

Olusegun Ogunsanya (since October 2021)
Raghunath Venkateswarlu Mandava (till September 2021)
Jaideep Paul (since June 2021)

b. Non-Executive directors

Sunil Bharti Mittal
Awuneba Ajumogobia
Douglas Baillie
John Danilovich
Andrew Green
Akhil Gupta
Shravin Bharti Mittal
Annika Poutiainen
Ravi Rajagopal
Kelly Bayer Rosmarin
Tsega Gebreyes (since October 2021)

c. Others

Olusegun Ogunsanya (till September 2021)
Jaideep Paul (till May 2021)
Ian Ferrao
Michael Foley
Razvan Ungureanu
Luc Serviant

Daddy Mukadi
Neelesh Singh (till December 2022)
Ramakrishna Lella
Olivier Pognon (till October 2021)
Edgard Maidou (since October 2021)
Rogany Ramiah
Stephen Nthenge
Vimal Kumar Ambat (till October 2022)
Ashish Malhotra (till June 2022)
Vinny Puri
C Surendran (from August 2021 to December 2022)
Olubayo Adekanmbi (from December 2021 to November 2022)
Anthony Shiner (since May 2022)
Apoorva Mehrotra (since October2022)

In the ordinary course of business, there are certain transactions among the group entities and all these transactions are on arm's length basis. However, the intra-group transactions and balances, and the income and expenses arising from such transactions, are eliminated on consolidation. The transactions with remaining related parties for the years ended 31 March 2023 and 2022 respectively, are described below:

The summary of transactions with the above-mentioned parties is as follows:

	For the year ended											
	31 March 2023						31 March 2022					
Relationship	**Parent company**	**Intermediate parent entity**	**Fellow subsidiaries**	**Joint Venture**	**Associates**	**Other related parties**	**Parent company**	**Intermediate parent entity**	**Fellow subsidiaries**	**Joint Venture**	**Associates**	**Other related parties**
Sale / rendering of services	-	13	77	-	-	-	-	13	59	-	-	0
Purchase / receiving of services	-	16	59	-	0	-	-	19	54	-	0	0
Rent and other charges	-	1	-	-	-	-	-	1	-	-	-	-
Guarantee and collateral fee paid	-	3	-	-	-	-	-	6	-	-	-	-
Purchase of assets	-	3	-	-	-	-	-	-	2	-	-	-
Dividend Paid	109	-	-	-	-	-	95	-	-	-	-	-
Dividend Received	-	-	-	-	2	-	-	-	-	-	-	-

The outstanding balance of the above-mentioned related parties are as follows:

Relationship	Parent company	Intermediate parent entity	Fellow subsidiaries	Joint venture	Associate	Other related parties
As of 31 March 2023						
Trade payables	-	12	31	-	1	-
Trade receivables	-	4	46	-	-	-
Corporate guarantee fee payable	-	1	-	-	-	-
Guarantees and collaterals taken (including performance guarantees)(1)	-	2,000	-	-	-	-
Reimbursement asset	-	10	-	-	-	-
As of 31 March 2022						
Trade payables	-	10	33	-	0	-
Trade receivables	-	5	36	-	-	-
Corporate guarantee fee payable	-	3	-	-	-	-
Guarantees and collaterals taken (including performance guarantees)	-	2,000	-	-	-	-
Reimbursement asset	-	25	-	-	-	-

(1) This guarantee (200% of the bond amount) relates to the $1 Bn USD non-convertible bonds with original maturity of 2024. The Group has prepaid a portion of these bonds and the outstanding amount as on 31 March 2023 is $550m (31 March 2022: $1,000m). In accordance with the legal and regulatory requirements pertaining to these bonds, the guarantee amount can be reduced only once these are paid in full and thus the full guarantee amount (based on issued value of guarantee) is disclosed.

(c) Key management compensation

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the group, directly or indirectly, including any director, whether executive or otherwise. For the group, these include executive committee members. Remuneration to key management personnel were as follows:

	For the year ended	
	31 March 2023	**31 March 2022**
Short-term employee benefits	10	10
Performance linked incentive	4	3
Share-based payment	1	2
Other long-term benefits	2	2
Other benefits	1	1
	18	**18**

17. Fair Value of financial assets and liabilities

The category wise details as to the carrying value, fair value and the level of fair value measurement hierarchy of the group's financial instruments are as follows:

		Carrying value as of		Fair value as of	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
Financial assets					
FVTPL					
Derivatives					
- Forward and option contracts	Level 2	4	2	4	2
- Currency swaps and interest rate swaps	Level 2	9	3	9	3
- Cross currency swaps	Level 3	-	1	-	1
Other bank balances	Level 2	4	16	4	16
Investments	Level 2	0	0	0	0
Amortised cost					
Trade receivables		145	123	145	123
Cash and cash equivalents		586	638	586	638
Other bank balances		127	362	127	362
Balance held under mobile money trust		616	513	616	513
Other financial assets		176	131	176	131
		1,667	**1,789**	**1,667**	**1,789**
Financial liabilities					
FVTPL					
Derivatives					
- Forward and option contracts	Level 2	5	2	5	2
- Currency swaps and interest rate swaps	Level 2	0	0	0	0
- Cross currency swaps	Level 3	43	7	43	7
- Embedded derivatives	Level 2	0	1	0	1
Amortised cost					
Long term borrowings - fixed rate	Level 1	554	1,015	540	1,016
Long term borrowings - fixed rate	Level 2	227	267	210	264
Long term borrowings - floating rate		452	204	452	204
Short term borrowings		945	786	945	786
Put option liability	Level 3	569	579	569	579
Trade payables		460	404	460	404
Mobile money wallet balance		582	496	582	496
Other financial liabilities		680	464	680	464
		4,517	**4,225**	**4,486**	**4,223**

The following methods/assumptions were used to estimate the fair values:

- The carrying value of bank deposits, trade receivables, trade payables, short-term borrowings, other current financial assets and liabilities approximate their fair value mainly due to the short-term maturities of these instruments.
- Fair value of quoted financial instruments is based on quoted market price at the reporting date.
- The fair value of non-current financial assets, long-term borrowings and other financial liabilities is estimated by discounting future cash flows using current rates applicable to instruments with similar terms, currency, credit risk and remaining maturities.

- The fair values of derivatives are estimated by using pricing models, wherein the inputs to those models are based on readily observable market parameters. The valuation models used by the Group reflect the contractual terms of the derivatives (including the period to maturity), and market-based parameters such as interest rates, foreign exchange rates, volatility etc. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement and inputs thereto are readily observable.
- The fair value of the put option liability to buy back the stake held by non-controlling interest in AMC BV is measured at the present value of the redemption amount (i.e. expected cash outflows). Since, the liability will be based on fair value of the equity shares of AMC BV (subject to a cap) at the end of 48 months, the expected cash flows are estimated by determining the projected equity valuation of the AMC BV at the end of 48 months and applying a cap thereon.

During the year ended 31 March 2023 and year ended 31 March 2022 there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into or out of Level 3 fair value measurements.

The following table describes the key inputs used in the valuation (basis discounted cash flow technique) of the Level 2 financial assets/liabilities as of 31 March 2023 and 31 March 2022:

	Financial assets / liabilities	**Inputs used**
-	Currency swaps, forward and option contracts and other bank balances	Forward foreign currency exchange rates, Interest rate
-	Interest rate swaps	Prevailing / forward interest rates in market, Interest rate
-	Embedded derivatives	Prevailing interest rates in market, inflation rates
-	Other financial assets / fixed rate borrowing / other financial liabilities	Prevailing interest rates in market, Future payouts, Interest rates

18. Events after the balance sheet date

No material subsequent events or transactions have occurred since the date of statement of financial position except as disclosed below:

- The Board recommended a final dividend of 3.27 cents per share on 10 May 2023.

Appendix

Additional information pertaining to three months ended March 31, 2023

Consolidated Statement of Comprehensive Income (unaudited)

(All amounts are in US$ Millions; unless stated otherwise)

	For three months ended	
	31 March 2023	**31 March 2022**
Income		
Revenue	1,341	1,222
Other income	4	2
	1,345	**1,224**
Expenses		
Network operating expenses	268	213
Access charges	102	104
License fee and spectrum usage charges	62	78
Employee benefits expense	76	77
Sales and marketing expenses	64	60
Reversal of impairment loss on financial assets	(4)	(1)
Other expenses	118	115
Depreciation and amortisation	220	188
	906	**834**
Operating profit	**439**	**390**
Finance costs	210	136
Finance income	(6)	(5)
Other non-operating income	-	(101)
Share of profit for associate and joint venture accounted for using equity method	2	0
Profit before tax	**233**	**360**
Tax expense	6	120
Profit for the period	**227**	**240**
Profit before tax (as presented above)	**233**	**360**
Add: Exceptional items (net)	-	(51)
Underlying profit before tax	**233**	**309**
Profit after tax (as presented above)	**227**	**240**
Add: Exceptional items (net)	(99)	(52)
Underlying profit after tax	**128**	**188**
Other comprehensive income ('OCI')		
Items to be reclassified subsequently to profit or loss:		
Net loss due to foreign currency translation differences	(41)	(39)
Tax (expense)/credit on above	(1)	1
Share of OCI of associate and joint venture accounted for using equity method	0	-
	(42)	(38)
Items not to be reclassified subsequently to profit or loss:		
Re-measurement gain on defined benefit plans	1	0
Tax expense on above	(0)	(0)
	1	0
Other comprehensive loss for the period	(41)	(38)

	For three months ended	
	31 March 2023	**31 March 2022**
Total comprehensive income for the period	**186**	**202**
Profit for the period attributable to:	**227**	**240**
Owners of the Company	195	190
Non-controlling interests	32	50
Other comprehensive loss for the period attributable to:	**(41)**	**(38)**
Owners of the Company	(41)	(38)
Non-controlling interests	0	(0)
Total comprehensive income for the period attributable to:	**186**	**202**
Owners of the Company	154	152
Non-controlling interests	32	50

Alternative performance measures (APMs)

Introduction

In the reporting of financial information, the directors have adopted various APMs. These measures are not defined by International Financial Reporting Standards (IFRS) and therefore may not be directly comparable with other companies APMs, including those in the Group's industry.

APMs should be considered in addition to, and are not intended to be a substitute for, or superior to, IFRS measurements.

Purpose

The directors believe that these APMs assist in providing additional useful information on the underlying trends, performance and position of the Group.

APMs are also used to enhance the comparability of information between reporting periods and geographical units (such as like-for-like sales), by adjusting for non-recurring or uncontrollable factors which affect IFRS measures, to aid users in understanding the Group's performance. Consequently, APMs are used by the directors and management for performance analysis, planning, reporting and incentive-setting purposes.

The directors believe the following metrics to be the APMs used by the Group to help evaluate growth trends, establish budgets and assess operational performance and efficiencies. These measures provide an enhanced understanding of the Group's results and related trends, therefore increasing transparency and clarity into the core results of the business.

The following metrics are useful in evaluating the Group's operating performance:

APM	Closest equivalent IFRS measure	Adjustments to reconcile to IFRS measure	Table reference[1]	Definition and purpose
Underlying EBITDA and margin	Operating profit	• Depreciation and amortisation • Exceptional items	Table A	The Group defines underlying EBITDA as operating profit/(loss) for the period before depreciation and amortisation and adjusted for exceptional items. The Group defines underlying EBITDA margin as underlying EBITDA divided by revenue. Underlying EBITDA and margin are measures used by the directors to assess the trading performance of the business and are therefore the measure of segment profit that the Group presents under IFRS. Underlying EBITDA and margin are also presented on a consolidated basis because the directors believe it is important to consider profitability on a basis consistent with that of the Group's operating segments. When presented on a consolidated basis, underlying EBITDA and margin are APMs. Depreciation and amortisation is a non-cash item which fluctuates depending on the timing of capital investment and useful economic life. Directors believe that a measure which removes this volatility improves comparability of the Group's results period on period and hence is adjusted to arrive at underlying EBITDA and margin. Exceptional items are additional specific items that because of their size, nature or incidence in the results, are considered to hinder comparison of the Group's performance on a period-to-period basis and could distort the understanding of our performance for the period and the comparability between periods and hence are adjusted to arrive at underlying EBITDA and margin.
Underlying profit / (loss) before tax	Profit / (loss) before tax	• Exceptional items	Table B	The Group defines underlying profit/(loss) before tax as profit/(loss) before tax adjusted for exceptional items. The directors view underlying profit/(loss) before tax to be a meaningful measure to analyse the Group's profitability. Exceptional items are additional specific items that because of their size, nature or incidence in the results, are considered to hinder comparison of the Group's performance on a period-to-period basis and could distort the understanding of our performance for the period and the comparability between periods and hence are adjusted to arrive at underlying profit/(loss) before tax.

APM	Closest equivalent IFRS measure	Adjustments to reconcile to IFRS measure	Table reference[1]	Definition and purpose
Effective tax rate	Reported tax rate	• Exceptional items • Foreign exchange rate movements • One-off tax impact of prior period, tax litigation settlement and impact of tax on permanent differences	Table C	The Group defines effective tax rate as reported tax rate (reported tax charge divided by reported profit before tax) adjusted for exceptional items, foreign exchange rate movements and one-off tax items of prior period adjustment, tax settlements and impact of permanent differences on tax. This provides an indication of the current on-going tax rate across the Group. Exceptional tax items or any tax arising on exceptional items are additional specific items that because of their size, nature or incidence in the results, are considered to hinder comparison of the Group's performance on a period-to-period basis and could distort the understanding of our performance for the period and the comparability between periods and hence are adjusted to arrive at effective tax rate. Foreign exchange rate movements are specific items that are non-tax deductible in a few of the entities which are loss making and/or where DTA is not yet triggered and hence are considered to hinder comparison of the Group's effective tax rate on a period-to-period basis and therefore excluded to arrive at effective tax rate. One-off tax impact on account of prior period adjustment, any tax litigation settlement and tax impact on permanent differences are additional specific items that because of their size and frequency in the results, are considered to hinder comparison of the Group's effective tax rate on a period-to-period basis.
Underlying profit/(loss) after tax	Profit/(loss) for the period	• Exceptional items	Table D	The Group defines underlying profit/(loss) after tax as profit/(loss) for the period adjusted for exceptional items. The directors view underlying profit/(loss) after tax to be a meaningful measure to analyse the Group's profitability. Exceptional items are additional specific items that because of their size, nature or incidence in the results, are considered to hinder comparison of the Group's performance on a period-to-period basis and could distort the understanding of our performance for the period and the comparability between periods and hence are adjusted to arrive at underlying profit/(loss) after tax.
Earnings per share before exceptional items	EPS	• Exceptional items	Table E	The Group defines earnings per share before exceptional items as profit/(loss) for the period before exceptional items attributable to owners of the company divided by the weighted average number of ordinary shares in issue during the financial period. This measure reflects the earnings per share before exceptional items for each share unit of the company. Exceptional items are additional specific items that because of their size, nature or incidence in the results, are considered to hinder comparison of the Group's performance on a period-to-period basis and could distort the understanding of our performance for the period and the comparability between periods and hence are adjusted to arrive at earnings for the purpose of earnings per share before exceptional items.
Operating free cash flow	Cash generated from operating activities	• Income tax paid • Changes in working capital • Other non-cash items • Non-operating income • Exceptional items • Capital expenditures	Table F	The Group defines operating free cash flow as net cash generated from operating activities before income tax paid, changes in working capital, other non-cash items, non-operating income, exceptional items, and after capital expenditures. The Group views operating free cash flow as a key liquidity measure, as it indicates the cash available to pay dividends, repay debt or make further investments in the Group.
Net debt and leverage ratio	Borrowings	• Lease liabilities • Cash and cash equivalent • Term deposits with banks • Deposits given against borrowings/ non-derivative financial instruments • Fair value hedges	Table G	The Group defines net debt as borrowings including lease liabilities less cash and cash equivalents, term deposits with banks, deposits given against borrowings/non-derivative financial instruments, processing costs related to borrowings and fair value hedge adjustments. The Group defines leverage ratio as net debt divided by underlying EBITDA for the preceding 12 months. The directors view net debt and the leverage ratio to be meaningful measures to monitor the Group's ability to cover its debt through its earnings.

APM	Closest equivalent IFRS measure	Adjustments to reconcile to IFRS measure	Table reference[1]	Definition and purpose
Return on capital employed	No direct equivalent	• Exceptional items to arrive at underlying EBIT	Table H	The Group defines return on capital employed ('ROCE') as underlying EBIT divided by average capital employed. The directors view ROCE as a financial ratio that measures the Group's profitability and the efficiency with which its capital is being utilised. The Group defines underlying EBIT as operating profit/(loss) for the period adjusted for exceptional items. Exceptional items are additional specific items that because of their size, nature or incidence in the results, are considered to hinder comparison of the Group's performance on a period-to-period basis and could distort the understanding of our performance for the period and the comparability between periods and hence are adjusted to arrive at underlying EBIT. Capital employed is defined as sum of equity attributable to owners of the company (grossed up for put option provided to minority shareholders to provide them liquidity as part of the sale agreements executed with them during year ended 31 March 2022), non-controlling interests and net debt. Average capital employed is average of capital employed at the closing and beginning of the relevant period. For quarterly computations, ROCE is calculated by dividing underlying EBIT for the preceding 12 months by the average capital employed (being the average of the capital employed averages for the preceding four quarters).

1 Refer "Reconciliation between GAAP and Alternative Performance Measures" for respective table.

Some of the Group's IFRS measures and APMs are translated at constant currency exchange rates to measure the organic performance of the Group. In determining the percentage change in constant currency terms, both current and previous financial reporting period's results have been converted using exchange rates prevailing as on 31 March 2022. Reported currency percentage change is derived on the basis of the average actual periodic exchange rates for that financial period. Variances between constant currency and reported currency percentages are due to exchange rate movements between the previous financial reporting period and the current period. The constant currency numbers only reflect the retranslation of reported numbers into exchange rates as at 31 March 2022 and are not intended to represent the wider impact that currency changes has on the business.

Changes to APMs

- Underlying revenue: The underlying revenue has not been defined as an APM due to the absence of any exceptional items during the period.
- Return on capital employed (ROCE): The Group has revised the computation of ROCE by grossing up the 'equity attributable to owners of the Company' for put option provided to minority shareholders based on the fact that this liability was created through reserves and the Group believes that it should not impact the computation of return on capital employed. The previous period ROCE has also been restated for this change.

Reconciliation between GAAP and Alternative Performance Measures

Table A: Underlying EBITDA and margin

Description	Unit of measure	Year ended	
		March 2023	March 2022
Operating profit	**$m**	**1,757**	**1,535**
Add:			
Depreciation and amortisation	$m	818	744
Exceptional items	$m	-	32
Underlying EBITDA	**$m**	**2,575**	**2,311**
Revenue	**$m**	**5,255**	**4,714**
Underlying EBITDA margin (%)	**%**	**49.0%**	**49.0%**

Table B: Underlying profit / (loss) before tax

Description	Unit of measure	Year ended	
		March 2023	March 2022
Profit / (loss) before tax	**$m**	**1,034**	**1,224**
Exceptional items (net)	$m	-	(60)
Underlying profit / (loss) before tax	**$m**	**1,034**	**1,164**

Table C: Effective tax rate

Description	Unit of measure	Year ended					
		March 2023			March 2022		
		Profit before taxation	Income tax expense	Tax rate %	Profit before taxation	Income tax expense	Tax rate %
Reported effective tax rate	**$m**	**1,034**	**284**	**27.4%**	**1,224**	**469**	**38.3%**
Adjusted for:							
Exceptional items (provided below)	$m	-	161		(60)	2	
Foreign exchange rate movement for loss making entities and/or non-DTA operating companies & holding companies	$m	106	-		50	-	
One-off adjustment and tax on permanent differences	$m	4	(1)		(12)	(2)	
Effective tax rate	**$m**	**1,144**	**444**	**38.8%**	**1,202**	**469**	**39.0%**
Exceptional items							
1. Deferred tax asset recognition	$m	-	161		-	-	
2. Gain on sale of tower assets	$m	-	-		(111)	0	
3. Bonds prepayment cost	$m	-	-		19	-	
4. Provision for settlement of contractual dispute	$m	-	-		12	2	
5. Spectrum fee agreement cost	$m	-	-		20	-	
Total	**$m**	**-**	**161**		**(60)**	**2**	

Table D: Underlying profit / (loss) after tax

Description	Unit of measure	Year ended	
		March 2023	March 2022
Profit / (loss) after tax	**$m**	**750**	**755**
Exceptional items	$m	(161)	(62)
Underlying profit / (loss) after tax	**$m**	**589**	**693**

Table E: Earnings per share before exceptional items

Description	Unit of measure	Year ended March 2023	Year ended March 2022
Profit for the period attributable to owners of the company	**$m**	**663**	**631**
Operating and Non-operating exceptional items	$m	-	(60)
Tax exceptional items	$m	(161)	(2)
Non-controlling interest exceptional items	$m	10	33
Profit for the period attributable to owners of the company-before exceptional items	**$m**	**512**	**602**
Weighted average number of ordinary shares in issue during the financial period.	Million	3,752	3,754
Earnings per share before exceptional items	**Cents**	**13.6**	**16.0**

Table F: Operating free cash flow

Description	Unit of measure	Year ended March 2023	Year ended March 2022
Net cash generated from operating activities	**$m**	**2,208**	**2,011**
Add: Income tax paid	$m	397	293
Net cash generation from operation before tax	**$m**	**2,605**	**2,304**
Less: Changes in working capital			
Increase in trade receivables	$m	45	18
Increase/(Decrease) in inventories	$m	13	(4)
Increase in trade payables	$m	(9)	(34)
Increase in mobile money wallet balance	$m	(120)	(64)
Decrease/(Increase) in provisions	$m	32	(14)
Increase in deferred revenue	$m	(37)	(27)
Increase in other financial and non-financial liabilities	$m	(92)	(50)
Increase in other financial and non-financial assets	$m	140	144
Operating cash flow before changes in working capital	**$m**	**2,577**	**2,273**
Other non-cash adjustments	$m	(2)	6
Operating exceptional items	$m	-	32
Underlying EBITDA	**$m**	**2,575**	**2,311**
Less: Capital expenditure	$m	(748)	(656)
Operating free cash flow	**$m**	**1,827**	**1,655**

Table G: Net debt and leverage

Description	Unit of measure	As at March 2023	As at March 2022
Long term borrowing, net of current portion	$m	1,233	1,486
Short-term borrowings and current portion of long-term borrowing	$m	945	786
Add: Processing costs related to borrowings	$m	7	5
Add/(less): Fair value hedge adjustment	$m	(5)	(16)
Less: Cash and cash equivalents	$m	(586)	(638)
Less: Term deposits with banks	$m	(117)	(220)
Less: Deposits given against borrowings/ non-derivative financial instruments	$m	-	(122)
Add: Lease liabilities	$m	2,047	1,660
Net debt	**$m**	**3,524**	**2,941**
Underlying EBITDA	**$m**	**2,575**	**2,311**
Leverage	**times**	**1.4x**	**1.3x**

Table H: Return on capital employed

Description	Unit of measure	Year ended	
		March 2023	March 2022
Operating profit	**$m**	**1,757**	**1,535**
Add:			
Operating exceptional items	$m	-	32
Underlying EBIT	**$m**	**1,757**	**1,567**
Equity attributable to owners of the Company	$m	3,635	3,502
Add: Put option given to minority shareholders [1]	$m	569	579
Gross equity attributable to owners of the Company [1]	**$m**	**4,204**	**4,081**
Non-controlling interests (NCI)	$m	173	147
Net debt (refer Table G)	$m	3,524	2,941
Capital employed	**$m**	**7,901**	**7,169**
Average capital employed [2]	**$m**	**7,536**	**7,026**
Return on capital employed	**%**	**23.3%**	**22.3%**

(1) Refer changes to APMs in Alternative performance measure (APMs) section.

(2) Average capital employed is calculated as average of capital employed at closing and opening of relevant period. Capital employed at the beginning of year ended 31 March 2023 and 2022 is $ 7,169m and $ 6,883m respectively.

Glossary

Technical and Industry Terms

4G data customer	A customer having a 4G handset and who has used at least 1 MB on any of the Group's GPRS, 3G & 4G network in the last 30 days.
Airtel Money (mobile money)	Airtel Money is the brand name for Airtel Africa's mobile money products and services. The term is used interchangeably with 'mobile money' when referring to our mobile money business, finance, operations and activities.
Airtel Money ARPU	Mobile money average revenue per user per month. This is derived by dividing total mobile money revenue during the relevant period by the average number of active mobile money customers and dividing the result by the number of months in the relevant period.
Airtel Money customer base	Total number of active subscribers who have enacted any mobile money usage event in last 30 days.
Airtel Money customer penetration	The proportion of total Airtel Africa active mobile customers who use mobile money services. Calculated by dividing the mobile money customer base by the Group's total customer base.
Airtel Money transaction value	Any financial transaction performed on Airtel Africa's mobile money platform.
Airtel Money transaction value per customer per month	Calculated by dividing the total mobile money transaction value on the Group's mobile money platform during the relevant period by the average number of active mobile money customers and dividing the result by the number of months in the relevant period.
Airtime credit service	A value-added service where the customer can take an airtime credit and continue to use our voice and data services, with the credit recovered through subsequent customer recharge. This is classified as a Mobile Services product (not a Mobile Money product).
ARPU	Average revenue per user per month. This is derived by dividing total revenue during the relevant period by the average number of customers during the period and dividing the result by the number of months in the relevant period.
Average customers	The average number of active customers for a period. Derived from the monthly averages during the relevant period. Monthly averages are calculated using the number of active customers at the beginning and the end of each month.
Capital expenditure	An alternative performance measure (non-GAAP). Defined as investment in gross fixed assets (both tangible and intangible but excluding spectrum and licences) plus capital work in progress (CWIP), excluding provisions on CWIP for the period.
Constant currency	The Group has presented certain financial information that is calculated by translating the results for the current financial year and previous financial years at a fixed 'constant currency' exchange rate, which is done to measure the organic performance of the Group. Growth rates for reporting regions and service segments are in constant currency as it better represents the performance of the business. Constant currency growth rates for prior periods are calculated using closing exchange rates as at the end of prior period.
Customer	Defined as a unique active subscriber with a unique mobile telephone number who has used any of Airtel's services in the last 30 days.
Customer base	The total number of active subscribers that have used any of our services (voice calls, SMS, data usage or mobile money transaction) in the last 30 days.
Data ARPU	Data average revenue per user per month. Data ARPU is derived by dividing total data revenue during the relevant period by the average number of data customers and dividing the result by the number of months in the relevant period.
Data customer base	The total number of subscribers who have consumed at least 1 MB on the Group's GPRS, 3G or 4G network in the last 30 days.
Data customer penetration	The proportion of customers using data services. Calculated by dividing the data customer base by the total customer base.
Data usage per customer per month	Calculated by dividing the total MBs consumed on the Group's network during the relevant period by the average data customer base over the same period and dividing the result by the number of months in the relevant period.
Digitalisation	We use the term digitalisation in its broadest sense to encompass both digitisation actions and processes that convert analogue information into a digital form and thereby bring customers into the digital environment, and the broader digitalisation processes of controlling, connecting and planning processes digitally; the processes that effect digital transformation of our business, and of industry, economics and society as a whole through bringing about new business models, socio-economic structures and organisational patterns.
Diluted earnings per share	Diluted EPS is calculated by adjusting the profit for the year attributable to the shareholders and the weighted average number of shares considered for deriving basic EPS, for the effects of all the shares that could have been issued upon conversion of all dilutive potential shares. The dilutive potential shares are adjusted for the proceeds receivable had the shares actually been issued at fair value. Further, the dilutive potential shares are deemed converted as at beginning of the period, unless issued at a later date during the period.
Earnings per share (EPS)	EPS is calculated by dividing the profit for the period attributable to the owners of the company by the weighted average number of ordinary shares outstanding during the period.
Foreign exchange rate movements for non-DTA operating companies and holding companies	Foreign exchange rate movements are specific items that are non-tax deductible in a few of our operating entities, hence these hinder a like-for-like comparison of the Group's effective tax rate on a period-to-period basis and are therefore excluded when calculating the effective tax rate.

Indefeasible Rights of Use (IRU)	A standard long-term leasehold contractual agreement that confers upon the holder the exclusive right to use a portion of the capacity of a fibre route for a stated period.
Information and communication technologies (ICT)	ICT refers to all communication technologies, including the internet, wireless networks, cell phones, computers, software, middleware, videoconferencing, social networking, and other media applications and services.
Interconnect user charges (IUC)	Interconnect user charges are the charges paid to the telecom operator on whose network a call is terminated.
Lease liability	Lease liability represents the present value of future lease payment obligations.
Leverage	An alternative performance measure (non-GAAP). Leverage (or leverage ratio) is calculated by dividing net debt at the end of the relevant period by the EBITDA for the preceding 12 months.
Minutes of usage	Minutes of usage refer to the duration in minutes for which customers use the Group's network for making and receiving voice calls. It includes all incoming and outgoing call minutes, including roaming calls.
Mobile services	Mobile services are our core telecom services, mainly voice and data services, but also including revenue from tower operation services provided by the Group and excluding mobile money services.
Net debt	An alternative performance measure (non-GAAP). The Group defines net debt as borrowings including lease liabilities less cash and cash equivalents, term deposits with banks, processing costs related to borrowings and fair value hedge adjustments.
Net debt to EBITDA (LTM)	An alternative performance measure (non-GAAP) Calculated by dividing net debt as at the end of the relevant period by EBITDA for the preceding 12 months (from the end of the relevant period). This is also referred to as the leverage ratio.
Network towers or 'sites'	Physical network infrastructure comprising a base transmission system (BTS) which holds the radio transceivers (TRXs) that define a cell and coordinates the radio link protocols with the mobile device. It includes all ground-based, roof top and in-building solutions.
Operating company (OpCo)	Operating company (or OpCo) is a defined corporate business unit, providing telecoms services and mobile money services in the Group's footprint.
Operating free cash flow	An alternative performance measure (non-GAAP). Calculated by subtracting capital expenditure from EBITDA.
Operating leverage	An alternative performance measure (non-GAAP). Operating leverage is a measure of the operating efficiency of the business. It is calculated by dividing operating expenditure (excluding regulatory charges) by total revenue.
Operating profit	Operating profit is a GAAP measure of profitability. Calculated as revenue less operating expenditure (including depreciation and amortisation and operating exceptional items).
Other revenue	Other revenue includes revenues from messaging, value added services (VAS), enterprise, site sharing and handset sale revenue.
Reported currency	Our reported currency is US dollars. Accordingly, actual periodic exchange rates are used to translate the local currency financial statements of OpCos into US dollars. Under reported currency the assets and liabilities are translated into US dollars at the exchange rates prevailing at the reporting date whereas the statements of profit and loss are translated into US dollars at monthly average exchange rates.
Smartphone	A smartphone is defined as a mobile phone with an interactive touch screen that allows the user to access the internet and additional data applications, providing additional functionality to that of a basic feature phone which is used only for making voice calls and sending and receiving text messages.
Smartphone penetration	Calculated by dividing the number of smartphone devices in use by the total number of customers.
Total MBs on network	Total MBs consumed (uploaded & downloaded) by customers on the Group's GPRS, 3G and 4G network during the relevant period.
Underlying EBIT	Defined as operating profit/(loss) for the period adjusted for exceptional items.
Underlying EBITDA	An alternative performance measure (non-GAAP). Defined as operating profit before depreciation, amortisation and exceptional items.
Underlying EBITDA margin	An alternative performance measure (non-GAAP). Calculated by dividing EBITDA for the relevant period by revenue for the relevant period.
Revenue	An alternative performance measure (non-GAAP). Defined as revenue before exceptional items.
Unstructured Supplementary Service Data	Unstructured Supplementary Service Data (USSD), also known as "quick codes" or "feature codes", is a communications protocol for GSM mobile operators, similar to SMS messaging. It has a variety of uses such as WAP browsing, prepaid callback services, mobile-money services, location-based content services, menu-based information services, and for configuring phones on the network.
Voice minutes of usage per customer per month	Calculated by dividing the total number of voice minutes of usage on the Group's network during the relevant period by the average number of customers and dividing the result by the number of months in the relevant period.
Weighted average number of shares	The weighted average number of shares is calculated by multiplying the number of outstanding shares by the portion of the reporting period those shares covered, doing this for each portion and then summing the total.

Abbreviations

2G	Second-generation mobile technology
3G	Third-generation mobile technology
4G	Fourth-generation mobile technology
ARPU	Average revenue per user
bn	Billion
bps	Basis points
CAGR	Compound annual growth rate
Capex	Capital expenditure
CSR	Corporate social responsibility
DTA	Deferred Tax Asset
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EPS	Earnings per share
FPPP	Financial position and prospects procedures
GAAP	Generally accepted accounting principles
GB	Gigabyte
HoldCo	Holding company
IAS	International accounting standards
ICT	Information and communication technologies
ICT (Hub)	Information communication technology (Hub) IFRS
IFRS	International financial reporting standards
IMF	International monetary fund
IPO	Initial public offering
KPIs	Key performance indicators
KYC	Know your customer
LTE	Long-term evolution (4G technology)
LTM	Last 12 months
m	Million
MB	Megabyte
MI	Minority interest (non-controlling interest)
NGO	Non-governmental organisation
OpCo	Operating company
P2P	Person to person
PAYG	Pay-as-you-go
QoS	Quality of service
RAN	Radio access network
ROCE	Return on capital employed
SIM	Subscriber identification module
Single RAN	Single radio access network
SMS	Short messaging service
TB	Terabyte
Telecoms	Telecommunications
Unit of measure	Unit of measure
USSD	Unstructured supplementary service data