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# MTN Group Limited

Interim financial results for the  
**six-month period ended 30 June 2022**



*everywhere you go*



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\* Constant currency information after accounting for the impact of the pro forma adjustments as defined.

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

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

The pro forma financial information presented in the interim financial results for the period ended 30 June 2022, has been prepared excluding the impact of Impairment of goodwill, PPE, and associate, loss on deconsolidation of subsidiary, impairment loss on remeasurement of disposal group, gain on disposal / dilution of investment in JV/associate and fair value gain on acquisition of subsidiary, net loss (after tax) on disposal of SA towers, other, hyperinflation (excluding impairments), impact of foreign exchange losses and gain, vaccine donations (in H1 21) and IFRS 2 Charge from Ghana localisation (collectively the "Pro forma adjustments") and constitutes pro forma financial information to the extent that it is not extracted from the segment included in the reviewed condensed consolidated financial results for the six months ended 30 June 2022. This pro forma financial information has been presented to eliminate the impact of the pro forma adjustments from the consolidated results for the period ended 30 June 2022 to achieve a comparable year-on-year (YoY) analysis.

The pro forma adjustments have been calculated in terms of the Group accounting policies disclosed in the consolidated financial statements for the year ended 31 December 2021.

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

The Group's results and segmental report are presented in line with the Group's operational structure. The Group's underlying operations are clustered as follows: South Africa (SA), Nigeria, the Southern and East Africa (SEA) region, the West and Central Africa (WECA) region and the Middle East and North Africa (MENA) region and their respective underlying operations.

The SEA region includes Uganda, Zambia, Rwanda, South Sudan, Botswana (joint venture-equity accounted), eSwatini (joint venture-equity accounted) and Business Group. The WECA region includes Ghana, Cameroon, Côte d'Ivoire, Benin, Congo-Brazzaville, Liberia, Guinea Conakry and Guinea Bissau. The MENA region includes Iran (joint venture-equity accounted), Syria, Sudan, Yemen and Afghanistan.

Although Iran, Botswana and eSwatini form part of their respective regions geographically and operationally, they are excluded from their respective regional results because they are equity accounted for by the Group.



# *Results Overview*

for the **six-month period ended 30 June 2022**

*When  
opportunity  
calls,  
doing  
answers*



## Highlights

MTN is a pan-African mobile operator with the strategic intent of **'Leading digital solutions for Africa's progress'**. We have 282 million customers in 19 markets and are inspired by our belief that everyone deserves the benefits of a modern connected life.

Subscribers increased  
by **5.6% YoY to 281.6 million**

Service revenue grew  
by **14.8%\***

IFRS reported EBITDA  
(before once-off items)  
increased by **13.7%**  
(up **15.1%\***)

Reported EBITDA margin  
improved by  
**0.5 percentage points**  
(pp) to **45.3%**  
(up **0.3pp\* to 45.3%\***)

IFRS reported HEPS  
at **567 cps, up 46.5%**  
Non-operational impacts  
decreased HEPS by 94 cps

Holding company (Holdco)  
leverage improved to **0.8x**  
(2021: 1.0x), Holdco net debt down  
to **R28.4 billion (2021: R30.1 billion)**

ROE  
improved to **24.2%**  
(up **4.6pp**)

Capex of  
**R28.3 billion (R17.1 billion**  
under IAS17 with capex  
intensity of **17.5%**)

**MoMo**  
Active users up **24.0%**  
to **60.7 million**

**No interim dividend**  
(H1 2021: 0) in line with the  
Group dividend policy.

Value of transactions  
up **1.0%** to  
**US\$116.3 billion**

Minimum ordinary DPS of  
330 cents for FY 2022.



# Results overview



## Group President and CEO Ralph Mupita comments:

### Resilient performance under challenging conditions

*“During the first half of 2022, we delivered a solid performance under challenging global and regional macroeconomic and geopolitical conditions. Rising energy and food prices, general inflation and interest rate conditions has put pressures on disposable incomes, operating and capital expenditure. The conflict in Ukraine and China’s “zero-COVID” policy have impacted supply chains and to mitigate risk, we accelerated capital expenditure in some of our key markets, such as Nigeria and Ghana.*

*In addition to the macroeconomic challenges, in South Africa, power supply constraints from loadshedding affected network availability. In South Africa, we generally target above 99% network availability and in a month like June 2022 where loadshedding reached stage 6, network availability averaged 89%.*

*In Nigeria our Q2 performance was impacted by the NIN-SIM linkage directive where 19 million subscribers’ outgoing voice service was restricted. New fintech taxes and levies were introduced in several markets that impacted transaction value generated and revenue growth in the period.*

*Notwithstanding these challenges, MTN delivered a resilient operational performance of mid-teens service revenue growth, an expansion of EBITDA margin as well as strong underlying operating free cash flow (excluding spectrum payments) growth and return on equity. We continued to invest in accelerating broadband coverage during H1 2022, with our capex deployment of R17.1 billion supporting gross capital formation of the countries that we operate in, as well as increasing digital inclusion. The investments made, helped drive an increase in rural broadband coverage to 85.6%.*

*We also continued to reduce the cost to communicate, zero-rating sites and bringing down the blended cost of data across our markets by 22.5% YoY. This underpins our work to improve data affordability and our the goal to drive greater digital and financial inclusion in our markets. The economic activities of the MTN operations made important fiscal contributions to their respective countries. In addition to taxes more generally, these fiscal contributions included payments for spectrum secured in markets such as Nigeria and South Africa as we start to roll out 5G. In June 2022, after two years of COVID-19, we resumed our **Yello Care** employee volunteering programme. The theme ‘Empowering Communities to Drive Economic Recovery’, was linked to MTN’s work to build digital skills for digital jobs.*

### Solid financial and operational result

*Group service revenue growth was in line with medium-term targets at 14.8%\*. Group EBITDA increased by 15.1%\* and the EBITDA margin expanded by 0.3pp\* to 45.3%\*, supported by the focused execution of our expense efficiency programme. Growth in data revenue was particularly strong, up 35.9%\* driven by MTN Nigeria, MTN Ghana, MTN Cameroon and MTN South Africa. Fintech revenue grew by 14.0%\* with solid performances from Nigeria, Uganda and Ghana. The introduction of fintech taxes in some markets slowed revenue growth in Q2, but we remain encouraged by the ecosystem growth as users, agents and merchants continued to grow healthily during the period under review.*

*In the first half, MTN’s 3G and 4G coverage increased by four million and 22 million people respectively. Smartphone penetration rose to 54.8% of our customer base, with 154 million such devices on our network. This supports greater digital and financial inclusion and the creation of shared value. In South Africa, we rolled out a total of 443 5G sites in H1, bringing the total to 1 391 5G sites. We reached 20% 5G population coverage in South Africa, ahead of the December 2022 target.*

*The number of subscribers increased by 5.6% to 281.6 million. Notwithstanding the impact of SIM registration regulations, MTN Nigeria accelerated gross connections. We remain confident that our various mitigating actions will recover the base, in line with our broad expectations for the 2022 financial year.*

*The volume of transactions processed through our fintech platform grew by 31.5% YoY to 6.0 billion, with the value up by 1.0% at US\$116.3 billion (up 11.7% in constant currency). To maintain our competitive position in Côte d’Ivoire, we reduced pricing on person-to-person (P2P) transfers and withdrawals in this key MoMo market. While this impacted service revenue growth, we were encouraged by the recovery of MoMo user growth. We expect a rebound in fintech service revenue growth in this market by the end of Q4, driven by increased user numbers and the launch of advanced services. MTN Ghana, MTN Cameroon and MTN Benin’s fintech service growth was impacted by the new taxes and levies introduced.*

*The work to structurally separate the fintech business from the GSM business within the operations progressed well, and the implementation of inter-company agreements and necessary regulatory approvals are tracking in line with expectations. We are engaging, on a selective basis, potential strategic investors for the MTN Group Fintech in line with our plans.*

## Results overview continued

The process with potential strategic investors has been initiated, the outcome of which are anticipated to be concluded by the end of December 2022.

The structural separation of the fibre business is also underway and is set to be completed within the next two years. In this business, we made encouraging progress with the additional build of 670km of fibre in the period. Across the portfolio we now have 101 800km of proprietary fibre.

### Strong financial position

We made good progress on the faster deleveraging of our balance sheet, with the consolidated net debt-to-EBITDA ratio remaining stable at 0.4x (December 2021: 0.4x) and the Holdco leverage strengthening to 0.8x (December 2021: 1.0x). This was boosted by the repatriation of R9.4 billion in cash from our operating companies (including R4.5 billion from Nigeria). We continue to explore opportunities for liability management, as we remain focused on reducing the hard currency liabilities on our balance sheet.

On our accelerated portfolio optimisation strategy, we have received a binding offer for 100% of shares in MTN Afghanistan. Completion of the transaction will conclude the exit of the previously consolidated Middle East markets, with the 49% financial investment in Irancell continuing to be managed for value within the MTN portfolio.

### Continued execution of **Ambition 2025**

Looking ahead, we remain focused on executing on **Ambition 2025**, driving accelerated growth, deleveraging the Holdco balance sheet while navigating the tough macroeconomic environment. While we have developed a comprehensive network resilience programme for South Africa, grid power availability poses risks for the outlook.

In Nigeria, we remain encouraged by the progress with NIN-SIM linkages, supporting improved service revenue growth in H2. Reduction in P2P pricing in select fintech markets as well as new taxes and levies introduced will impact service revenue in H2 2022, but we remain focused on the fintech ecosystem expansion of users, agents, merchants and MoMo app usage for long-term growth and sustainability. Having launched commercial operations for MoMo Payment Service Bank (PSB) in Nigeria, we will invest in scaling the mobile wallet business and then roll out advanced services in line with our strategy.

Our FY 2022 Group capex guidance is revised up to R35.3 billion (from R34.4 billion) to reflect increased capex in Nigeria and current currency assumptions for the second half of the year. Our target capex intensity for FY 2022 remains in the range of 18% to 15%. We are committed to investing in the capacity and resilience of our networks as well as scaling our platforms to achieve our medium-term targets, which we maintain."

### Proactively managing the impacts of increased macroeconomic volatility in our operating environment

While the reported incidents of severe illness and death from COVID-19 have declined, the macroeconomic effects of the pandemic continue to impact the shape of the economic recovery in our markets. This has been further compounded by an escalation in macroeconomic volatility, which intensified during Q2.

Prices for fuel, food and general inflation surged, with increased local currency volatility and continued depreciation against the US dollar during the period.

We are proactively managing, in a risk-based approach, the business and social impacts of these macroeconomic conditions.

Our expense efficiency programme continues to support margin resilience against the elevated inflation levels being experienced in the markets. Several of the towers across our markets have power as a service (PaaS) with no diesel pass-through costs to the operator. The Group margins have, therefore, in aggregate been comparatively resilient against rising diesel prices during H1 2022.

The inadequate availability of grid power, made worse by the increased frequency of power outages in a market like South Africa, presented operational challenges. We have a network resilience plan that is in full execution to ensure that we maximise network availability in an uncertain outlook of grid power availability in South Africa. Having acquired MTN SA's passive tower infrastructure, IHS Towers (IHS) will assume operational management of the portfolio and deliver PaaS for the MTN SA network going forward.

Subject to regulatory approvals, we are also looking to implement moderate price increases in certain markets. Some level of price increment will be needed to ensure the long-term sustainability of the business, including to support the level of capital investment required to maintain the capacity and quality of our networks. The average cost to communicate for our customers came down by 22.5% (effective data pricing) in the period, at a time capital investment increased by 47.6% to R17.1 billion.

Foreign currency availability in key markets for capex and upstreaming to the Group has been challenging, but we managed to accelerate capex in MTN Nigeria and MTN Ghana, as well as upstream cash of R9.4 billion in H1 2022 to the Group from its subsidiaries.

Our deliberate drive to accelerate capex in certain markets and invest in spectrum, positions us well for a 5G future and impacted reported free cash flow (FCF) results. We have working capital initiatives to mitigate the OpFCF impacts for FY 2022, as well as lower expenditure on spectrum payments in H2.

In our key markets, we have seen interest rate increases since the start of the year to June 2022, increasing the cost of funding for consumers and businesses. To mitigate hard currency interest rate exposure, we continue to focus on the faster deleveraging of hard currency debt at the Holdco, and minimising the level of foreign exchange exposures in markets such as Nigeria.

We are focused on maintaining a strong solvency and liquidity position for the Group. As at 30 June 2022, our Group net-debt-to EBITDA was flat at 0.4x, with an interest cover of 9.0x in H1 2022. Both measures remain comfortably within their respective covenant limits of 2.5x and no less than 5.0x.

Our financial position at Holdco also remained healthy with net debt of R28.4 billion as at 30 June 2022, down from the December 2021 level of R30.1 billion. We reduced our Holdco leverage further to 0.8x (December 2021: 1.0x), which is comfortably within our medium-term target of 1.5x. We also repaid debt of R793 million in the period. As at 30 June 2022, the ratio of non-rand-to-rand denominated debt was 42:58, compared to 41:59 at December 2021. This is broadly in line with our medium-term objective.

Our prudent approach to liquidity management enabled us to sustain a Holdco liquidity headroom of R55.9 billion at 30 June 2022 comprising R21.3 billion in cash balances and R34.6 billion in committed, undrawn facilities. In addition to exploring liability management opportunities, we are in the process on upsizing the DMTN programme from R20 billion to R35 billion."

# Results overview continued

## Overview

The MTN business demonstrated strong resilience and continued execution momentum in the six months ended 30 June 2022, to deliver results that were largely in line with our medium-term guidance.

Group **service revenue** increased by 14.8%\* to R92.5 billion (2021: R81.9 billion), supported by growth of 4.1% in MTN SA, 19.9%\* in MTN Nigeria and 29.3%\* in MTN Ghana. The healthy top-line growth in the SEA, WECA and MENA regions also contributed to the Group's solid overall result.

### Resilient voice and strong data revenue growth underpin industry-leading connectivity operations.

**Voice** revenue increased by 1.9%\*, with growth in voice traffic of 2.4% YoY and the performance negatively impacted by a decline in MTN SA. Voice revenue in South Africa was affected by data substitution and general economic pressures coming to bear on consumers' disposable incomes, particularly in the prepaid market. We continued to drive the voice business through customer value management initiatives and segmented customer propositions.

**Data** revenue grew by 35.9%\*, supported by the 14.2% YoY growth in active data subscribers and 25.5% increase in data usage (to 7.6GB per user per month), which supported the 43.3% growth in data traffic during H1 2022. We continue to see the structurally higher demand for data services in our markets, which is being underpinned by the continued investment in the capacity and quality of our networks.

For H1 2022, the number of people within our 3G and 4G coverage increased by four million and 22 million people, respectively. We recorded 154 million smartphones on our network, representing 54.8% penetration of our customer base. We also reduced the average effective rate per megabyte of data by 22.5% YoY, helping to boost affordability and traffic. We continue to play our part to increase access to data services and ensuring that no one is left behind in the evolution to a digital future.

In South Africa, we remained focused on building out 5G services, adding 443 5G sites in the period to an overall total of 530 5G sites across the country.

**MTN GlobalConnect** (MTN GC) continued to drive our fibreco ambitions, scaling its fixed connectivity and wholesale mobility services and delivering a healthy H1 2022 performance as commercial momentum continued.

MTN GC signed fixed external infrastructure deals to the value of US\$8.9 million in total contract value terms (TCV) and external revenue grew by 7.0% YoY to US\$151.4 million, with mobility revenue up by 6.0%.

With a focus on building scale infrastructure assets across Africa, we continued to expand our terrestrial fibre in our key markets, with the completion of approximately 1 200km of additional new fibre, of which MTN GC contributed about 545km. This brings our total inventory of proprietary fibre to approximately 100 544km. MTN GC also upgraded the EASSy subsea cable with 800Gbps capacity released. In March 2022, MTN GC also expanded into Kenya, establishing a wholesale and infrastructure hub in the region.

### Progress in scaling and building the largest and most valuable platforms.

**Fintech** revenue increased by 14.0%\*, impacted by the deliberate decision to cut P2P pricing, as well as the introduction of new fintech taxes and levies in some markets.

The growth in the fintech ecosystem continues to be solid, with the growth in the number of active MoMo users of 24.0% YoY to 60.7 million, agents up by 26.9% to 1.1 million and merchants increasing 62.7% to a total of 946 249 across the markets. The volume of transactions processed through our fintech platform grew by 31.5% YoY to 6.0 billion, with the value of transactions up by 1.0% to US\$116.3 billion, impacted by currency devaluation in our markets (up 11.7% in constant currency).

The total transaction value includes the impact of new commission-earning rules implemented in Ghana in Q3 2021 to improve margins in the operating company (Opco). MTN Ghana also implemented the new e-Levy and reduced P2P fees by 25% to reduce the burden on customers – this also had an impact on transaction value and revenue growth.

In Côte d'Ivoire, we also reduced P2P and withdrawals pricing in H1 2022 to remain competitive. While this impacted service revenue expansion, we were encouraged by the recovery of MoMo user and activity growth in the market. We expect a recovery to positive growth in fintech service revenue growth in this market by the end of Q4 2022 as we lap the initial price reductions, driven by increased user numbers, expansion of agents and merchants and the launch of advanced services.

In Nigeria, we added 37 109 MoMo agents to end the period with more than 800 000 registered agents, approximately 166 000 of whom were active (performed a minimum of 10 revenue-generating transactions in a 30-day period). Having successfully scaled the base of registered agents, the focus of MTN Nigeria is now to increase the number of active agents and merchants within the network.

The MoMo PSB commenced commercial operations on 19 May 2022, with the primary focus on accelerating the MoMo wallet uptake. We are pleased with the progress so far, where we have a total of 4.2 million wallets signed up, of which 2.4 million were active users in the six weeks from launch to the end of H1 2022. MoMo PSB is focused on both the conversion of existing over-the-counter (OTC) platform users to own a wallet, as well as expanding services to new users of fintech offerings.

We have made material progress in expanding our payments and e-commerce ecosystem. The number of active merchants accepting MoMo payments stood at 946 249 (up 62.7% YoY) and the total value of MoMo merchant payments (gross merchandise value – GMV) rose by 67.8% to US\$7.9 billion (up 88.5% in constant currency). We remain focused on entrenching the momentum and growth in our payments and e-commerce vertical through evolution of our merchant product to e-commerce.

The total value of remittances grew by 2.0% to US\$1.1 billion (up 4.5% in constant currency) at 30 June 2022; while, in BankTech, we facilitated a total loan value of US\$560.3 million, reflecting growth of 9.5% YoY (up 35.9% in constant currency).

Our InsurTech platform reached 17.9 million registered aYo policies, up by 31.9% YoY. Active policies reduced by 26.9% YoY due to a shift in the strategy to focus on a higher average revenue per policy and new revenue streams, particularly in Uganda. This resulted in the

## Results overview continued

termination of free policies in the portfolio. Active policy growth was also impacted by platform migration and integration challenges as we shifted to a proprietary infrastructure. In total, aYo generated US\$2.8 million (R44.2 million) in service revenue and US\$4.7 million (R74.6 million) in premium income. We anticipate a return to growth in active paid policies with higher average revenue per policy in H1 2023.

In terms of partnerships, our joint venture (JV) with Sanlam is undergoing regulatory approvals across the various markets in which we operate. We plan to launch the JV in H2 2022. This partnership will aid in accelerating our InsurTech growth on the continent, in line with our pan-African approach.

**Digital** revenue increased by 6.7%\* to R1.6 billion, impacted by tougher economic conditions, which put pressure on consumer spending power.

In the period, our instant messaging platform ayoba grew its user base, recording 14.9 million MAU, up by 87.4% YoY, due to an improved service offering and enhanced acquisition initiatives.

**Enterprise** revenue increased by 26.8%\* YoY, supported by the Group's platform transformation approach and focus on converged services solutions. MTN SA, which delivered growth of 16.9%, benefiting from higher data usage from work-from-home solutions and growth in core mobile.

Enterprise revenue for MTN Nigeria grew at 44.6%\* YoY, supported by the onboarding of new customers across segments and the uptake of advanced services. Positive performance in Nigeria was driven by the success in our transformation project and offering additional go-to-market bundles across our customer base to support growth in our ICT business.

Other key markets that contributed to growth included MTN Ghana and MTN Côte d'Ivoire, both of which showed significant growth in data and connectivity services as customers pivot to hybrid ways of work and due to digital transformation initiatives within our customer base.

**Wholesale** revenue increased by 6.5%\*, with a steady national roaming performance in South Africa. We recognised revenue of R1.2 billion (down 9.3% YoY) from Cell C, with a balance of R254 million unrecognised at 30 June 2022. Cell C remains on a cash basis as the operator continues its work towards recapitalisation. The Telkom roaming deal, secured in 2021 by MTN SA, continues to tick up steadily.

In H1 2022, we made progress in expanding our 'network as a service' platform. MTN Cameroon signed a strategic national network roaming agreement with Cameroon Telecommunications (Camtel) to expand its 2G/3G and 4G coverage. MTN Ghana and Vodafone Ghana signed a national roaming agreement as part of the broader plan to facilitate national universal access and accelerate digitalisation in Ghana. MTN Ghana is in advanced stages of implementing this agreement, with the completion of the first pilot programme.

### Focused on profitability, cash flow generation and returns

The Group's **EBITDA margin** in constant currency terms, and excluding the effects of once-off items, rose by 0.3pp\* to 45.3%\*, underpinned by the 0.5pp\* and 3.2pp\* improvements delivered by MTN Nigeria and MTN Ghana respectively.

The Group's reported EBITDA margin before once-off items was 45.3% compared to 44.8% in June 2021. The H1 2022 figure included a number of non-operational items totalling a net -R259 million. This comprises a gain on sale of SA towers of R261 million, impairment of Afghanistan fixed assets of R435 million and a Ghana IFRS 2 charge of R85 million.

The H1 2021 margin included gains on disposal/transition of assets (R1.7 billion), loss on remeasurement/deconsolidation of MTN Syria (-R4.7 billion), impairment of MTN Yemen (-R0.7 billion) and COVID-19 donations (-R0.5 billion).

The Group's overall underlying margin improvement in 2022 was supported by our expense efficiency programme, which complemented the solid topline performance. We realised R1.9 billion worth of expense efficiencies, with the largest savings recorded by MTN SA and MTN Nigeria and MTN Sudan.

Basic **earnings per share** (EPS) increased by 200.7% to 445 cents (2021: 148 cents), supported mainly by strong operational results. EPS in June 2021 was impacted by impairment losses of 71 cents relating to MTN Yemen and derecognition losses relating to MTN Syria of approximately 262 cents. There was some offset arising from the gain on disposal of BICS, amounting to approximately 67 cents.

Reported **headline earnings per share** (HEPS) increased by 46.5% to 567 cents (2021: 387 cents). HEPS were negatively impacted by net non-operational and once-off items amounting to 94 cents from the following items: hyperinflation (excluding impairments) of 2 cents (2021: -5 cents), the impact of foreign exchange gains and losses of 88 cents (2021: 99 cents) and an IFRS 2 charge arising from the MTN Ghana localisation transaction of 4 cents (2021: 0 cents).

We are pleased with the underlying momentum in earnings at the bottom line with adjusted HEPS up by 30.9% to 661 cents.

We continued to accelerate our investment and expand the capacity of our networks, investing **capex** of R28.3 billion on an IFRS 16 reported basis, which is 90.9% higher YoY (up by 47.6% to R17.1 billion under IAS 17).

In the period, we rolled out 1 704 3G and 7 968 4G sites. Capex intensity rose to 29.1% on a reported basis (17.5% under IAS 17), as we focused on investing in the accelerated growth opportunities we have identified to drive service revenue growth and front-loaded some capex to mitigate supply chain and foreign exchange volatility. Group capex intensity (under IAS 17) is anticipated to end the year within the medium-term target of 18% to 15%.

Group **operating free cash flow** (OpFCF) declined by 76.1% to R3.2 billion, impacted by acquisition of spectrum by MTN SA and MTN Nigeria. Adjusting for payments made for licence renewals and spectrum acquisitions, OpFCF would have been 24.0% higher.

**ROE** (adjusted for non-operational items, including hyperinflation) expanded by 4.6pp to 24.2%, from 19.6% in December 2021 (up 5.9pp YoY). This was in line with our medium-term guidance and reflected the consistent delivery of our earnings. The result was driven by the Group's solid revenue growth, improved efficiencies and positive operating leverage.



## Results overview continued

### Creating shared value

Driven by our belief that *everyone deserves the benefits of a modern connected life*, we advanced our work to **create shared value**. In our commitment to drive digital and financial inclusion across our markets, we reduced the blended cost of data across our markets by 22.5% YoY.

Our contribution to society and economies continued to make a positive impact on lives and livelihoods in our markets. We paid cash taxes of R7.3 billion in support of the fiscal resources of the nation states in which we operate and invested R17.1 billion in our networks, boosting fixed investment.

In June 2022, after two years of COVID-19, we resumed our **Yello Care** employee volunteering programme, which aims to uplift society in our markets. With the theme *'Empowering Communities to Drive Economic Recovery'*, the programme inspired MTNers to facilitate digital skills training and digital job creation to boost economic activity. This is linked to MTN's work to build digital skills for digital jobs.

To support our efforts to drive gender equality, we partnered with UN Women and joined the HeForShe Alliance. Our 2030 target is to achieve 50% women representation of executives and boards across our Opcos as well as 50% (from 38% in FY 2021) women in the workforce overall.

In the period, the Group was included on the Satrrix Inclusion and Diversity EFT, which invests in the JSE's most diverse and inclusive companies.

Driven to extend financial and digital inclusion, we made progress in closing the coverage gap in rural areas by rolling out 915 additional rural sites. Since the inception of the rapid rural rollout programme, we have expanded our coverage to approximately 28.4 million (December 2021: 23 million) people in rural areas.

In respect of eco-responsibility, we advanced our efforts to reach Net Zero emissions by 2040, including working closely with our suppliers to reduce our Scope 3 emissions. We remain committed to reducing Scope 1, 2 and 3 emissions by 47% by 2030 (off a 2019 base), and to achieving Net Zero by 2040.

### Asset realisation programme (ARP) and portfolio transformation

Our work to **accelerate portfolio transformation** continued in H1 2022. Our ARP, launched in March 2019 and enhanced in March 2020, aims to reduce debt, simplify our portfolio, reduce risk and improve returns. Our target is to realise proceeds of at least R25 billion over three years. We have realised R15.8 billion in proceeds from our ARP since March 2020.

MTN's broader portfolio transformation plan is to accelerate these goals to actualise our focus on Africa, support our shared value objectives and structure the business to reveal value. Over the past six months, we delivered approximately R9.2 billion in asset realisations.

Localisations are also important to our ARP, as we prioritise creating shared value, broadening local participation and deepening the capital markets in which we operate. During H1 2022, the Group received net proceeds of R3.6 billion from the Series 1 MTN Nigeria public offer. During H1 2022, we made progress in the further localisation of MTN Ghana, with an increase

in local shareholding to 23.7% from 17.5% as a result of which the Group received cash proceeds of R519 million. We remain committed to achieving 30% localisation of MTN Ghana.

For the sale and leaseback of MTN SA's passive tower infrastructure of 5 700 towers, we received R5.1 billion in net proceeds.

The monetisation of our investment in IHS is key to our ARP over the medium-term. MTN now holds 85 176 719 ordinary shares, representing a 26.0% shareholding. At current IHS share price levels, MTN Group believes that the business is materially undervalued, thus we have no intentions to sell any of its shares at this stage. On 30 June 2022, IHS closed at US\$10.44/share.

We have received a binding offer for 100% of shares in MTN Afghanistan. Completion of the transaction will conclude the exit of the previously consolidated Middle East markets, with the 49% financial investment in Irancell continuing to be managed for value within the MTN portfolio.

### Non-binding offer for Telkom SA SOC Limited (Telkom)

On 15 July 2022, we advised shareholders that MTN and Telkom entered into discussions in relation to MTN acquiring the entire issued share capital of Telkom in return for shares or a combination of cash and shares in MTN (the Transaction). Discussions are at an early stage and there is no certainty that the Transaction will be consummated.

### Updates on regulatory and legal considerations

#### SIM registration in Nigeria

As noted in previously published announcements, on 4 April 2022 the Nigerian Communications Commission (NCC) directed all operators to restrict outgoing calls for subscribers whose SIMs are not associated with National Identification Numbers (NINs), and MTN Nigeria implemented the directive on approximately 19 million of its affected subscribers at the time.

As at 30 June 2022, about 10.2 million of those restricted had submitted their NINs for verification, of which approximately 2.6 million have been reactivated. In addition, we have seen an average of about 18.1% of monthly gross connections coming from the cohort of subscribers who were initially restricted. Combined with increased usage from the existing base, these supported an acceleration in the sequential monthly service revenue growth recovery from April to June 2022.

In terms of how general traffic trends evolved since the implementation of the directive to end June 2022, we have seen a gradual recovery in total voice traffic as the affected subscribers are reconnected to resume voice calls, and gross connections continue to ramp up. Data revenue continued a steady increase from implementation to end June 2022, supported by the switch to data by affected subscribers, although it has not yet fully compensated for the decline in voice revenue of restricted subscribers.

Encouragingly, MTN Nigeria has seen an acceleration in new connections driving growth in net additions. An increased churn in Q3 is anticipated from affected subscribers who stopped activity after the initial restriction, opting instead to obtain new SIMs rather than reactivate their old lines. MTN Nigeria continues to engage the affected subscribers and drive NIN enrolment for subscribers who do not yet have an NIN. We believe that mitigating actions will recover the base in line with our broad expectations for FY 2022.

## Results overview continued

### MTN Ghana SIM re-registration

The Ministry of Communications and Digitalisation in Ghana, on 31 July 2022, extended the deadline for SIM card re-registration using the Ghana National ID card from 31 July 2022 to 30 September 2022.

MTN Ghana has committed additional resources and adopted various strategies including deployment of field teams into remote locations, self-service registration, announcements on customers' phones during call initiation and SMS notifications, to name a few, to accelerate re-registration and ensure a speedy completion of the exercise.

MTN Ghana will continue the ongoing work alongside various regulatory stakeholders to ensure the success of this exercise.

### MTN Ghana e-levy implementation

MTN Ghana implemented a 1.5% e-levy on MoMo transfers in compliance with the Electronic Transfer Levy Bill in the country, with Phase 1 from 1 May 2022 and Phase 2 from 1 July 2022.

The levy is applied to transfers done between accounts on the same electronic money issuer; transfers from an account on one electronic money issuer to a recipient on another electronic money issuer; transfers from bank accounts to MoMo accounts and vice versa; and lastly, bank transfers on an instant pay digital platform or application originating from a bank account belonging to an individual.

MTN Ghana continues to monitor consumer reaction to the levy and has implemented a 25% fee reduction to lessen the impact of the levy on customers, along with campaigns to educate customers on the e-levy and changes implemented. We will continue to engage and collaborate with government and other stakeholders to ensure the long-term viability of the industry.

### MTN Ghana classified as a significant market power (SMP)

Following the National Communications Authority's (NCA) 2020 classification of MTN Ghana as a significant market power, the Opco has implemented three 'SMP remedies' and is in the advanced stages of implementing the fourth remedy on national roaming with the completion of the first pilot programme. MTN Ghana remains in constructive discussions with the NCA on the outstanding remedies.

## Dividend

In line with our policy, there is no interim dividend being declared for H1 2022 (H1 2021: 0). The Board of Directors (Board) anticipates paying a minimum ordinary final dividend of 330cps for FY 2022.

## Capex guidance 2022 (including the impact of IFRS 16)

Rm	Estimated (IFRS 16) 2022	Estimated (IAS 17) 2022	Capitalised (IFRS 16) 1H 22	Capitalised (IAS 17) 1H 22	Capitalised (IFRS 16) 1H 21	Capitalised (IAS 17) 1H 21
<b>South Africa</b>	<b>14 493</b>	<b>8 475</b>	<b>9 635</b>	<b>3 233</b>	3 218	3 032
<b>Nigeria</b>	<b>19 523</b>	<b>12 198</b>	<b>11 543</b>	<b>7 579</b>	6 708	4 049
<b>SEA</b>	<b>4 074</b>	<b>3 080</b>	<b>2 231</b>	<b>1 684</b>	1 486	1 137
<b>WECA</b>	<b>9 692</b>	<b>7 979</b>	<b>4 350</b>	<b>4 021</b>	2 882	2 790
<b>MENA</b>	<b>1 493</b>	<b>1 304</b>	<b>151</b>	<b>123</b>	309	268
<b>Head offices, GlobalConnect and eliminations</b>	<b>2 279</b>	<b>2 280</b>	<b>377</b>	<b>376</b>	339	338
<b>Total</b>	<b>51 554</b>	<b>35 316</b>	<b>28 287</b>	<b>17 016</b>	14 942	11 614
Hyperinflation	–	–	<b>60</b>	<b>62</b>	(94)	(46)
<b>Total reported</b>	<b>51 554</b>	<b>35 316</b>	<b>28 347</b>	<b>17 078</b>	14 848	11 568
Iran (49%)	<b>2 868</b>	<b>2 600</b>	<b>960</b>	<b>881</b>	592	563



# Results overview continued

## Financial review

### Headline earnings reconciliation

Rm	IFRS reported 1H 22	Impairment of goodwill, PPE and associates <sup>1</sup>	Loss on deconsolidation of subsidiary <sup>2</sup>	Impairment/remeasurement of disposal group <sup>3</sup>	Gain on disposal/dilution of investment in JV/Associate and fair value gain on acquisition of subsidiary <sup>4</sup>	Net loss (after tax) on disposal of SA towers <sup>5</sup>	Other <sup>6</sup>	Headline earnings	Hyperinflation (excluding impairments) <sup>7</sup>	Impact of foreign exchange losses and gains <sup>8</sup>	Vaccine donations <sup>9</sup>	IFRS 2 Charge from Ghana localisation <sup>10</sup>	Adjusted 1H 22	% movement
<b>1H 22</b>														
Revenue	97 491	–	–	–	–	–	–	97 491	(825)	–	–	–	96 666	10.3
Other income	265	–	–	–	–	(261)	–	4	–	–	–	–	4	(33.3)
<b>EBITDA</b>	<b>43 870</b>	<b>19</b>	<b>–</b>	<b>435</b>	<b>–</b>	<b>(261)</b>	<b>(12)</b>	<b>44 051</b>	<b>(294)</b>	<b>–</b>	<b>–</b>	<b>85</b>	<b>43 842</b>	<b>11.4</b>
Depreciation, amortisation and impairment of goodwill	(18 033)	432	–	510	–	–	–	(17 091)	244	–	–	–	(16 847)	(0.2)
<b>Profit from operations</b>	<b>25 837</b>	<b>451</b>	<b>–</b>	<b>945</b>	<b>–</b>	<b>(261)</b>	<b>(12)</b>	<b>26 960</b>	<b>(50)</b>	<b>–</b>	<b>–</b>	<b>85</b>	<b>26 995</b>	<b>20.2</b>
Net finance cost	(8 252)	–	–	–	–	–	–	(8 252)	108	2 377	–	–	(5 767)	(1.9)
Hyperinflationary monetary gain	(9)	–	–	–	–	–	–	(9)	9	–	–	–	–	0.0
Share of results of associates and joint ventures after tax	1 002	–	–	–	–	–	(2)	1 000	(87)	(6)	–	–	907	33.5
<b>Profit before tax</b>	<b>18 578</b>	<b>451</b>	<b>–</b>	<b>945</b>	<b>–</b>	<b>(261)</b>	<b>(14)</b>	<b>19 699</b>	<b>(20)</b>	<b>2 371</b>	<b>–</b>	<b>85</b>	<b>22 135</b>	<b>28.2</b>
Income tax expense	(8 172)	–	–	–	–	1 081	–	(7 091)	81	(681)	–	(4)	(7 695)	16.5
<b>Profit after tax</b>	<b>10 406</b>	<b>451</b>	<b>–</b>	<b>945</b>	<b>–</b>	<b>820</b>	<b>(14)</b>	<b>12 608</b>	<b>61</b>	<b>1 691</b>	<b>–</b>	<b>81</b>	<b>14 440</b>	<b>35.5</b>
Non-controlling interests	(2 369)	(4)	–	–	–	–	6	(2 367)	(19)	(114)	–	(13)	(2 512)	61.2
<b>Attributable profit</b>	<b>8 037</b>	<b>447</b>	<b>–</b>	<b>945</b>	<b>–</b>	<b>820</b>	<b>(8)</b>	<b>10 241</b>	<b>42</b>	<b>1 577</b>	<b>–</b>	<b>68</b>	<b>11 928</b>	<b>31.1</b>
EBITDA margin (%)	45.0							45.2					45.4	
Effective tax rate (%)	44.0							36.0					34.8	

<sup>1</sup> Represents the exclusion of the impact of goodwill, PPE, intangibles and joint venture impairments. H1 22: Goodwill (Mowali: R149 million, Bissau: R251 million and Botswana: R31 million), PPE (R14 million) and Intangibles (R1 million); H1 21: Goodwill (Yemen: R550 million and Mednet: R33 million), PPE (Yemen: R543 million), Intangibles (Yemen: R120 million) and other (R54 million).

<sup>2</sup> Represents the deconsolidation of Syria. (H1 22: R0 million; H1 21: R4 720 million).

<sup>3</sup> Represents the impairment loss on remeasurement of disposal group. H1 22: Afghanistan (R945 million); H1 21: Syria (R40 million).

<sup>4</sup> Represents the gain on disposal of investment in JV/Associate and fair value gain on acquisition of subsidiary. H1 22: R0 million; H1 21: fair value gain on acquisition of aYo (R526 million) and the profit on sale of BICS (R1 212 million).

<sup>5</sup> Represents net loss (after tax) on disposal of SA towers. (H1 22: R820 million; H1 21: R0 million).

<sup>6</sup> Represents the net profit on disposal of PPE and intangibles. H1 22: PPE (R6 million profit) and share of results from Iran (R2 million profit); H1 21: PPE (R25 million profit).

<sup>7</sup> The impact of hyperinflation is excluded for the operations that are currently accounted for on a hyperinflationary basis (MTN Irancell, MTN Sudan and MTN South Sudan), as well as those that have previously been accounted for on a hyperinflationary basis. The economy of Iran was assessed to be hyperinflationary effective 1 January 2020 and hyperinflation accounting has since been applied. The economy of Sudan was assessed to be hyperinflationary during 2018 and hyperinflation accounting has since been applied. The economy of South Sudan was assessed to be hyperinflationary effective 1 January 2016 and hyperinflation accounting has since been applied.

<sup>8</sup> Adjustment for the net forex (gains)/losses impacting earnings for the respective periods. H1 22: forex loss of R1 577 million; H1 21: forex loss of R1 790 million). This includes the impact of forex in Iran.

<sup>9</sup> Represents the donations contributed towards vaccinations for COVID-19 (H1 22: R0 million; H1 21: R427 million).

<sup>10</sup> Represents IFRS 2 Charge due to Ghana localisation (H1 22: R68 million; H1 21: R0 million).

# Results overview continued

## Financial review continued

### Headline earnings reconciliation continued

Rm	IFRS reported 1H 21	Impairment of goodwill, PPE and associates <sup>1</sup>	Loss on deconsolidation of subsidiary <sup>2</sup>	Impairment loss on remeasurement of disposal group <sup>3</sup>	Gain on disposal/dilution of investment in JV/Associate and fair value gain on acquisition of subsidiary <sup>4</sup>	Net loss (after tax) on disposal of SA towers <sup>5</sup>	Other <sup>6</sup>	Headline earnings	Hyperinflation (excluding impairments) <sup>7</sup>	Impact of foreign exchange losses and gains <sup>8</sup>	Vaccine donations <sup>9</sup>	IFRS 2 charge from Ghana localisation <sup>10</sup>	Adjusted 1H 21
<b>1H 21</b>													
Revenue	86 673	–	–	–	–	–	–	86 673	959	–	–	–	87 632
Other income	1 744	–	–	–	(1 738)	–	–	6	–	–	–	–	6
<b>EBITDA</b>	<b>34 626</b>	<b>730</b>	<b>4 720</b>	<b>53</b>	<b>(1 738)</b>	<b>–</b>	<b>(32)</b>	<b>38 359</b>	<b>513</b>	<b>–</b>	<b>473</b>	<b>–</b>	<b>39 345</b>
Depreciation, amortisation and impairment of goodwill	(17 539)	583	–	–	–	–	–	(16 956)	72	–	–	–	(16 884)
<b>Profit from operations</b>	<b>17 087</b>	<b>1 313</b>	<b>4 720</b>	<b>53</b>	<b>(1 738)</b>	<b>–</b>	<b>(32)</b>	<b>21 403</b>	<b>585</b>	<b>–</b>	<b>473</b>	<b>–</b>	<b>22 461</b>
Net finance cost	(7 883)	–	–	–	–	–	–	(7 883)	(495)	2 502	–	–	(5 876)
Hyperinflationary monetary gain	108	–	–	–	–	–	–	108	(108)	–	–	–	–
Share of results of associates and joint ventures after tax	926	–	–	–	–	–	–	926	(49)	(198)	–	–	679
<b>Profit before tax</b>	<b>10 238</b>	<b>1 313</b>	<b>4 720</b>	<b>53</b>	<b>(1 738)</b>	<b>–</b>	<b>(32)</b>	<b>14 554</b>	<b>(67)</b>	<b>2 304</b>	<b>473</b>	<b>–</b>	<b>17 264</b>
Income tax expense	(6 057)	–	–	–	–	–	–	(6 057)	(22)	(496)	(31)	–	(6 606)
<b>Profit after tax</b>	<b>4 181</b>	<b>1 313</b>	<b>4 720</b>	<b>53</b>	<b>(1 738)</b>	<b>–</b>	<b>(32)</b>	<b>8 497</b>	<b>(89)</b>	<b>1 808</b>	<b>442</b>	<b>–</b>	<b>10 658</b>
Non-controlling interests	(1 508)	(13)	–	(13)	–	–	7	(1 527)	2	(18)	(15)	–	(1 558)
<b>Attributable profit</b>	<b>2 673</b>	<b>1 300</b>	<b>4 720</b>	<b>40</b>	<b>(1 738)</b>	<b>–</b>	<b>(25)</b>	<b>6 970</b>	<b>(87)</b>	<b>1 790</b>	<b>427</b>	<b>–</b>	<b>9 100</b>
EBITDA margin (%)	40.0							44.3					44.9
Effective tax rate (%)	59.2							41.6					38.3

<sup>1</sup> Represents the exclusion of the impact of goodwill, PPE, intangibles and joint venture impairments. H1 22: Goodwill (Mowali: R149 million, Bissau: R251 million and Botswana: R31 million), PPE (R14 million) and Intangibles (R1 million); H1 21: Goodwill (Yemen: R550 million and Mednet: R33 million), PPE (Yemen: R543 million), Intangibles (Yemen: R120 million) and other (R54 million).

<sup>2</sup> Represents the deconsolidation of Syria. (H1 22: R0 million; H1 21: R4 720 million).

<sup>3</sup> Represents the impairment loss on remeasurement of disposal group. H1 22: Afghanistan (R945 million); H1 21: Syria (R40 million).

<sup>4</sup> Represents the gain on disposal of investment in JV/Associate and fair value gain on acquisition of subsidiary. H1 22: R0 million; H1 21: fair value gain on acquisition of aYo (R526 million) and the profit on sale of BICS (R1 212 million).

<sup>5</sup> Represents net loss (after tax) on disposal of SA towers. (H1 22: R820 million; H1 21: R0 million).

<sup>6</sup> Represents the net profit on disposal of PPE and intangibles. H1 22: PPE (R6 million profit) and share of results from Iran (R2 million profit); H1 21: PPE (R25 million profit).

<sup>7</sup> The impact of hyperinflation is excluded for the operations that are currently accounted for on a hyperinflationary basis (MTN Irancell, MTN Sudan and MTN South Sudan), as well as those that have previously been accounted for on a hyperinflationary basis. The economy of Iran was assessed to be hyperinflationary effective 1 January 2020 and hyperinflation accounting has since been applied. The economy of Sudan was assessed to be hyperinflationary during 2018 and hyperinflation accounting has since been applied. The economy of South Sudan was assessed to be hyperinflationary effective 1 January 2016 and hyperinflation accounting has since been applied.

<sup>8</sup> Adjustment for the net forex (gains)/losses impacting earnings for the respective periods. H1 22: forex loss of R1 577 million; H1 21: forex loss of R1 790 million). This includes the impact of forex in Iran.

<sup>9</sup> Represents the donations contributed towards vaccinations for COVID-19 (H1 22: R0 million; H1 21: R427 million).

<sup>10</sup> Represents IFRS 2 Charge due to Ghana localisation (H1 22: R68 million; H1 21: R0 million).

## Results overview continued

### Inflation

In the first half of the year, we witnessed rising inflation and interest rates as well as a stronger US dollar strength. Inflationary pressure on food and energy inflation is impacting consumer discretionary spend in key markets.

### Exchange rates

The stronger average rand against most functional currencies had a negative overall translation impact on rand-reported results. The average naira weakened by 2.8% YoY against the US dollar and closed 0.7% stronger. The average rand weakened by 6.5% YoY against the US dollar and closed 2.0% weaker, which impacted negatively on the balance sheet especially owing to our US dollar-denominated debt.

**Table 1: Group revenue by country**

	Actual Rm	Prior Rm	Reported % change	Constant currency % change	Contribution to revenue %
<b>South Africa</b>	<b>24 779</b>	23 741	4.4	4.4	25.4
<b>Nigeria</b>	<b>35 231</b>	28 484	23.7	20.1	36.1
<b>SEA</b>	<b>8 914</b>	8 272	7.8	9.7	9.1
Uganda	<b>4 698</b>	4 014	17.0	10.1	4.8
Zambia	<b>1 434</b>	1 016	41.1	5.8	1.5
Other SEA	<b>2 782</b>	3 242	(14.2)	11.1	2.9
<b>WECA</b>	<b>24 318</b>	22 994	5.8	14.3	24.9
Ghana	<b>9 888</b>	9 084	8.9	29.3	10.1
Cameroon	<b>3 691</b>	3 464	6.6	10.8	3.8
Côte d'Ivoire	<b>4 268</b>	4 402	(3.0)	0.9	4.4
Other WECA	<b>6 471</b>	6 044	7.1	6.8	6.6
<b>MENA</b>	<b>2 544</b>	3 601	(29.4)	70.1	2.6
Sudan	<b>1 550</b>	1 058	46.5	191.9	1.6
Afghanistan	<b>994</b>	1 072	(7.3)	3.0	1.0
Other MENA <sup>#</sup>	<b>–</b>	1 471	(100.0)	0.0	0.0
<b>Head offices, GlobalConnect and eliminations</b>	<b>880</b>	540			0.9
<b>Total</b>	<b>96 666</b>	87 632	10.3	14.3	99.2
Hyperinflation	<b>825</b>	(959)			0.8
<b>Total reported</b>	<b>97 491</b>	86 673	12.5	14.3	100.0

<sup>#</sup> Constant currency excludes Yemen and Syria.

### Revenue and service revenue

Group total revenue increased by 14.3%\* and service revenue increased by 14.8%\*, supported by healthy growth across most of our larger operations: MTN SA (up 4.1%), MTN Nigeria (up 19.9%\*), MTN Uganda (up 10.0%\*), MTN Ghana (up 29.3%\*) and MTN Cameroon (up 10.9%\*).

Group revenue in our connectivity business: voice grew by 1.9%\* to R41.1 billion and data expanded by 35.9%\* to R34.1 billion.

Group revenue in our platforms: fintech grew by 14.0%\* to R8.2 billion; digital was up by 6.7%\* to R1.6 billion; enterprise grew by 26.8%\* to R9.9 billion; and wholesale increased by 6.5%\* to R3.0 billion.

**Table 2: Group service revenue by country**

	Actual Rm	Prior Rm	Reported % change	Constant currency % change	Contribution to service revenue %
<b>South Africa</b>	<b>20 045</b>	19 252	4.1	4.1	21.7
<b>Nigeria</b>	<b>35 148</b>	28 447	23.6	19.9	38.0
<b>SEA</b>	<b>8 819</b>	8 185	7.7	9.9	9.5
Uganda	<b>4 669</b>	3 991	17.0	10.0	5.0
Zambia	<b>1 390</b>	979	42.0	6.5	1.5
Other SEA	<b>2 760</b>	3 215	(14.2)	11.5	3.0
<b>WECA</b>	<b>24 220</b>	22 885	5.8	14.4	26.2
Ghana	<b>9 859</b>	9 057	8.9	29.3	10.7
Cameroon	<b>3 676</b>	3 448	6.6	10.9	4.0
Côte d'Ivoire	<b>4 248</b>	4 379	(3.0)	0.9	4.6
Other WECA	<b>6 437</b>	6 001	7.3	7.0	7.0
<b>MENA</b>	<b>2 533</b>	3 594	(29.5)	69.8	2.7
Sudan	<b>1 543</b>	1 055	46.3	191.1	1.7
Afghanistan	<b>990</b>	1 068	(7.3)	2.9	1.1
Other MENA <sup>#</sup>	<b>–</b>	1 471	(100.0)	0.0	0.0
<b>Head offices, GlobalConnect and eliminations</b>	<b>880</b>	540			1.0
<b>Total</b>	<b>91 645</b>	82 903	10.5	14.8	99.1
Hyperinflation	<b>821</b>	(956)			0.9
<b>Total reported</b>	<b>92 466</b>	81 947	12.8	14.8	100.0

<sup>#</sup> Constant currency excludes Yemen and Syria.

## Results overview continued

**Table 3: Group revenue analysis**

	Actual Rm	Prior Rm	Reported % change	Constant currency % change	Contribution to revenue %
Outgoing voice <sup>1</sup>	35 118	36 099	(2.7)	1.2	36.0
Incoming voice <sup>2</sup>	5 529	5 257	5.2	6.5	5.7
Data <sup>3</sup>	33 738	25 952	30.0	35.9	34.6
Digital <sup>4</sup>	1 615	1 617	(0.1)	6.7	1.7
Fintech <sup>5</sup>	8 233	7 500	9.8	14.0	8.4
SMS	2 387	2 013	18.6	25.1	2.4
Devices	5 021	4 729	6.2	6.0	5.2
Wholesale <sup>6</sup>	2 988	2 780	7.5	6.5	3.1
Other	2 037	1 685	20.9	23.4	2.1
<b>Total</b>	<b>96 666</b>	<b>87 632</b>	<b>10.3</b>	<b>14.3</b>	<b>99.2</b>
Hyperinflation	825	(959)			0.8
<b>Total reported</b>	<b>97 491</b>	<b>86 673</b>	<b>12.5</b>	<b>14.3</b>	<b>100.0</b>

<sup>1</sup> Excludes international roaming and wholesale.

<sup>2</sup> Includes local and international roaming and excludes wholesale.

<sup>3</sup> Includes mobile and fixed access data and excludes roaming and wholesale.

<sup>4</sup> Includes Rich Media services, content VAS, eCommerce and mobile advertising.

<sup>5</sup> Includes Xtratime and mobile financial services.

<sup>6</sup> Includes domestic wholesale, voice, SMS and data, leased lines and BTS rentals.

**Table 4: Group data revenue<sup>1</sup>**

	Actual Rm	Prior Rm	Reported % change	Constant currency % change
<b>South Africa</b>	<b>9 050</b>	7 900	14.6	14.6
<b>Nigeria</b>	<b>12 925</b>	8 208	57.5	52.5
<b>SEA</b>	<b>2 090</b>	1 693	23.4	29.0
Uganda	1 020	700	45.7	36.9
Zambia	400	254	57.5	18.0
Other SEA	670	739	(9.3)	25.0
<b>WECA</b>	<b>8 470</b>	6 851	23.6	34.8
Ghana	3 832	3 036	26.2	50.6
Cameroon	1 299	1 067	21.7	26.5
Côte d'Ivoire	1 221	995	22.7	27.6
Other WECA	2 118	1 753	20.8	20.7
<b>MENA</b>	<b>1 104</b>	1 176	(6.1)	119.9
Sudan	711	382	86.1	297.2
Afghanistan	393	359	9.5	21.7
Other MENA <sup>#</sup>	–	435	(100.0)	0.0
<b>Head offices, GlobalConnect and eliminations</b>	<b>99</b>	124		
<b>Total</b>	<b>33 738</b>	25 952	30.0	35.9
Hyperinflation	384	(321)		
<b>Total reported</b>	<b>34 122</b>	25 631	33.1	35.9

<sup>#</sup> Constant currency excludes Yemen and Syria.

<sup>1</sup> Includes mobile and fixed access data and excludes roaming and wholesale.

**Table 5: Group fintech revenue<sup>2</sup>**

	Actual Rm	Prior Rm	Reported % change	Constant currency % change
<b>South Africa</b>	<b>528</b>	533	(0.9)	(0.9)
<b>Nigeria</b>	<b>1 499</b>	1 135	32.1	27.8
<b>SEA</b>	<b>2 165</b>	1 584	36.7	25.2
Uganda	1 297	1 012	28.2	20.7
Zambia	356	235	51.5	13.4
Other SEA	512	337	51.9	50.6
<b>WECA</b>	<b>4 036</b>	4 209	(4.1)	6.2
Ghana	2 136	2 261	(5.5)	12.1
Cameroon	570	515	10.7	15.2
Côte d'Ivoire	377	635	(40.6)	(38.3)
Other WECA	953	798	19.4	20.6
<b>MENA</b>	<b>13</b>	39	(66.7)	44.4
Sudan	1	1	0.0	100.0
Afghanistan	12	10	20.0	33.3
Other MENA <sup>#</sup>	–	28	(100.0)	0.0
<b>Head offices, GlobalConnect and eliminations</b>	<b>(8)</b>	–		
<b>Total</b>	<b>8 233</b>	7 500	9.8	14.0
Hyperinflation	–	(6)		
<b>Total reported</b>	<b>8 233</b>	7 494	9.9	14.0

<sup>#</sup> Constant currency excludes Yemen and Syria.

<sup>2</sup> Includes Xtratime and mobile financial services.

## Results overview continued

**Table 6: Group digital revenue<sup>3</sup>**

	Actual Rm	Prior Rm	Reported % change	Constant currency % change
<b>South Africa</b>	<b>682</b>	630	8.3	8.3
<b>Nigeria</b>	<b>381</b>	284	34.2	30.0
<b>SEA</b>	<b>30</b>	39	(23.1)	(23.1)
Uganda	8	7	14.3	14.3
Zambia	8	8	0.0	(27.3)
Other SEA	14	24	(41.7)	(33.3)
<b>WECA</b>	<b>483</b>	569	(15.1)	(8.0)
Ghana	174	243	(28.4)	(15.5)
Cameroon	86	70	22.9	26.5
Côte d'Ivoire	160	186	(14.0)	(10.6)
Other WECA	63	70	(10.0)	(12.5)
<b>MENA</b>	<b>42</b>	93	(54.8)	55.6
Sudan	24	26	(7.7)	140.0
Afghanistan	18	19	(5.3)	5.9
Other MENA <sup>#</sup>	–	48	(100.0)	0.0
<b>Head offices, GlobalConnect and eliminations</b>	<b>(3)</b>	2		
<b>Total</b>	<b>1 615</b>	1 617	(0.1)	6.7
Hyperinflation	15	(15)		
<b>Total reported</b>	<b>1 630</b>	1 602	1.7	6.7

<sup>#</sup> Constant currency excludes Yemen and Syria.

<sup>3</sup> Includes Rich Media services, content VAS, eCommerce and mobile advertising.

## Costs

**Table 7: Cost analysis**

	Actual Rm	Prior Rm	Reported % change	Constant currency % change	% of revenue
Handsets and other accessories	5 843	5 020	16.4	16.6	6.0
Interconnect	4 551	4 228	7.6	11.0	4.7
Roaming	501	444	12.8	18.4	0.5
Commissions	6 116	6 032	1.4	9.3	6.3
Government and regulatory costs	3 510	3 327	5.5	10.0	3.6
VAS/Digital revenue share	1 640	1 509 <sup>^</sup>	8.7 <sup>^</sup>	17.1 <sup>^</sup>	1.7
Service provider discounts	2 199	1 902	15.6	7.9	2.3
Network and IS maintenance	15 045	13 591	10.7	15.2	15.4
Marketing	1 837	1 419	29.5	33.5	1.9
Staff costs	5 718	5 644	1.3	6.1	5.9
Other opex	5 875	5 685 <sup>^</sup>	3.3 <sup>^</sup>	9.6 <sup>^</sup>	6.0
<b>Total</b>	<b>52 835</b>	48 801	8.3	12.5	54.2
Impairment loss on remeasurement of disposal group	435	53			0.4
IFRS 2 Charge from localisation in Ghana	85	–	–	–	0.1
Loss on deconsolidation of subsidiary	–	4 720			0.0
Impairment loss on MTN Yemen PPE and intangible assets	–	663			0.0
Hyperinflation	531	(446)			0.5
<b>Total reported</b>	<b>53 886</b>	53 791	0.2	12.5	55.3

<sup>^</sup> Reallocation of EBU costs that were previously classified under other costs and now in VAS costs.

Total costs increased by 12.5%\*, mainly as a result of higher network costs at MTN Nigeria because of increased site rollout and the forex and inflation impacts on BTS lease rentals. Excluding the forex and inflation impacts on lease rentals, growth in operating expenses was approximately 14.5%\*.

Cost increases were also driven by higher interconnect and roaming, commissions and distributions costs in major markets.

Our expense efficiency programme – focused on enhanced oversight of expenditure such as distribution, IT and network costs – helped contain overall cost increases.

The total realised savings for H1 2022 were R1.9 billion, mainly from network and sales and distribution. These were made up of approximately R583 million, R422 million, R563 million and R140 million in savings from MTN SA, MTN Nigeria, MTN Sudan and MTN Côte d'Ivoire, respectively. The efficiencies were largely realised in network and sales and distribution costs.

## Results overview continued

### EBITDA

Table 8: Group EBITDA by country

	Actual Rm	Prior Rm	Reported % change	Constant Currency % change
<b>South Africa</b>	<b>9 838</b>	9 821	0.2	0.2
<b>Nigeria</b>	<b>18 887</b>	15 135	24.8	21.2
<b>SEA</b>	<b>4 067</b>	4 007	1.5	6.2
Uganda	<b>2 361</b>	2 066	14.3	7.5
Zambia	<b>380</b>	293	29.7	(3.1)
Other	<b>1 326</b>	1 648	(19.5)	6.8
<b>WECA</b>	<b>10 310</b>	9 436	9.3	20.9
Ghana	<b>5 786</b>	4 941	17.1	38.9
Cameroon	<b>1 308</b>	1 293	1.2	5.1
Côte d'Ivoire	<b>1 453</b>	1 499	(3.1)	0.8
Other	<b>1 763</b>	1 703	3.5	5.1
<b>MENA</b>	<b>992</b>	1 000	(0.8)	87.5
Sudan	<b>722</b>	443	63.0	200.8
Afghanistan	<b>270</b>	319	(15.4)	(6.6)
Other MENA <sup>#</sup>	–	238	(100.0)	0.0
<b>Head offices, GlobalConnect and eliminations</b>	<b>(259)</b>	(562)		
<b>CODM EBITDA</b>	<b>43 835</b>	38 837	12.9	16.6
Gain on disposal of SA towers	<b>261</b>	–		
IFRS 2 Charge from localisation in Ghana	<b>(85)</b>	–		
Impairment loss on remeasurement of disposal group	<b>(435)</b>	(53)		
Gain on disposal/dilution of investment in joint ventures and associates	–	1 212		
Fair value gain on acquisition of subsidiary	–	526		
Loss on deconsolidation of subsidiary	–	(4 720)		
Impairment loss on MTN Yemen PPE and intangible assets	–	(663)		
Hyperinflation	<b>294</b>	(513)		
<b>CODM EBITDA before impairment of goodwill and joint ventures</b>	<b>43 870</b>	34 626	26.7	16.6

<sup>#</sup> Constant currency excludes Yemen and Syria.

Group EBITDA increased by 13.7% on a reported basis and increased by 15.1%\* in constant currency terms, before once-off items. This was driven by good operational results from most operations, with MTN SA up 0.2%, MTN Nigeria up 21.2%\* and increases of 6.2%\* and 20.9%\* in SEA and WECA respectively.

The solid service revenue and EBITDA growth resulted in an increase in the Group EBITDA margin by 0.3pp\* to 45.3%\*.

### Depreciation, amortisation and impairment of goodwill

Table 9: Group depreciation and amortisation

	Actual Rm	Depreciation			Actual Rm	Amortisation		
		Prior Rm	Reported % change	Constant currency % change		Prior Rm	Reported % change	Constant currency % change
<b>South Africa</b>	<b>4 404</b>	4 509	(2.3)	(2.3)	<b>662</b>	774	(14.5)	(14.5)
<b>Nigeria</b>	<b>4 923</b>	4 390	12.1	7.8	<b>900</b>	780	15.4	19.0
<b>SEA</b>	<b>1 164</b>	899	29.5	20.9	<b>308</b>	237	30.0	17.6
Uganda	<b>670</b>	533	25.7	18.4	<b>169</b>	198	(14.6)	(19.5)
Zambia	<b>163</b>	113	44.2	8.7	<b>65</b>	39	66.7	25.0
Other SEA	<b>331</b>	253	30.8	34.0	<b>74</b>	–	0.0	0.0
<b>WECA</b>	<b>3 239</b>	3 371	(3.9)	2.3	<b>650</b>	829	(21.6)	(17.2)
Ghana	<b>1 054</b>	997	5.7	25.2	<b>168</b>	196	(14.3)	1.2
Cameroon	<b>508</b>	754	(32.6)	(29.9)	<b>117</b>	114	2.6	6.4
Côte d'Ivoire	<b>763</b>	789	(3.3)	0.5	<b>172</b>	269	(36.1)	(33.8)
Other WECA	<b>914</b>	831	10.0	8.9	<b>193</b>	250	(22.8)	(22.5)
<b>MENA</b>	<b>195</b>	328	(40.5)	(5.3)	<b>45</b>	179	(74.9)	4.7
Sudan	<b>18</b>	31	(41.9)	63.6	<b>7</b>	6	16.7	250.0
Afghanistan	<b>177</b>	218	(18.8)	(9.2)	<b>38</b>	45	(15.6)	(7.3)
Other MENA <sup>#</sup>	–	79	(100.0)	0.0	–	128	(100.0)	0.0
<b>Head offices, GlobalConnect and eliminations</b>	<b>220</b>	238			<b>137</b>	350		
<b>Total</b>	<b>14 145</b>	13 735	3.0	3.6	<b>2 702</b>	3 149	(14.2)	(8.7)
Hyperinflation	<b>187</b>	58			<b>57</b>	14		
<b>Total reported</b>	<b>14 332</b>	13 793	3.9	3.6	<b>2 759</b>	3 163	(12.8)	(8.7)

<sup>#</sup> Constant currency excludes Yemen and Syria.

The Group depreciation charge increased by 3.6%\* as the trajectory continued to normalise following the elevated capex profile of the past few years. Amortisation costs decreased by 8.7%\*, driven largely by MTN SA, MTN Uganda, MTN Ghana and MTN Côte d'Ivoire.

At every reporting period, the Group performs impairment testing on our assets. For H1 2022, the Group made goodwill and JVs impairments of R942 million.



## Results overview continued

### Net finance costs

**Table 10: Net finance cost**

	Actual Rm	Prior Rm	Reported % change	Constant currency % change	% of revenue
Net interest paid/(received)	5 791	5 876	(1.4)	(1.3)	5.9
Net forex losses/(gains)	2 353	2 502	(6.0)	38.9	2.4
<b>Total</b>	<b>8 144</b>	<b>8 378</b>	<b>(2.8)</b>	<b>7.7</b>	<b>8.4</b>
Hyperinflation	108	(495)			0.1
<b>Total reported</b>	<b>8 252</b>	<b>7 883</b>	<b>4.7</b>	<b>7.7</b>	<b>8.5</b>

Net finance costs increased by 7.7%\* to R8.3 billion. Higher finance costs are predominantly driven by higher net foreign exchange (forex) losses due to increase in net forex losses in head offices. At 30 June 2022, we recognised an increase of 15.0% in net forex losses to R2.4 billion. This was largely higher foreign exchange (forex) losses in head office resulting mainly from the upstreaming of cash from our operations.

The average cost of borrowing was 8.4% (2021: 7.0%) due to an increase in borrowing costs in MTN Nigeria, from its refinancing and funding activities.

### Share of results of associates and joint ventures after tax

We recorded a positive contribution of R1.0 billion from associates and joint ventures, compared to R0.9 billion in June 2021. The contribution for H1 2022 was largely attributable to MTN Irancell's underlying operational performance.

### Taxation

**Table 11: Taxation**

	Actual Rm	Prior Rm	Reported % change	Constant currency % change	Contribution to taxation %
Normal tax	9 223	5 517	67.2	76.1	112.9
Deferred tax	(2 009)	(331)	(506.9)	(505.1)	(24.6)
Foreign income and withholding taxes	877	893	(1.8)	(4.5)	10.7
<b>Total</b>	<b>8 091</b>	<b>6 079</b>	<b>33.1</b>	<b>38.9</b>	<b>99.0</b>
Hyperinflation	81	(22)			1.0
<b>Total reported</b>	<b>8 172</b>	<b>6 057</b>	<b>34.9</b>	<b>38.9</b>	<b>100.0</b>

The reported Group effective tax rate (GETR) was 44.0%; lower than the prior year's rate of 59.2%, mainly due to the Group's higher recorded profit compared to the prior year. The higher profit contributed to the recurring non-deductible items having a smaller impact on the GETR. South Sudan and Guinea-Conakry also started to deliver taxable profits, resulting in the utilisation of previously unrecognised deferred tax credits which supported the decrease in the GETR.

The GETR in June 2021 was much higher mainly due to the non-deductible loss from the disposal of MTN Syria. For the period ended 30 June 2022, the Group's reported taxation charge increased by 34.9% to R8.2 billion. Normalising for once-off items such as Botswana and Guinea-Bissau goodwill impairments, Afghanistan impairment of assets, capital gain and tax impact from sales of SA tower, the underlying GETR was 36.3% (June 2021: 38.9%) – this is in line with our medium-term guidance range (mid-to-high 30%s).

### Cash flow

Cash inflows generated from operations decreased by 1.6% to R41.5 billion, driven by solid operating performance across our markets. Key cash outflows included tax paid of R7.3 billion, net interest paid of R5.2 billion and cash capex of R18.8 billion (excluding spectrum and licences).

OpFCF declined by 76.1%, impacted by working capital and the acquisition of spectrum and licences. Excluding the acquisition of spectrum and licences, underlying OpFCF was up 24.0%.

### Capital expenditure

**Table 12: Capital expenditure**

	Actual IFRS 16 Rm	Actual IAS 17 Rm	Prior IAS 17 Rm	Reported % change	Constant currency % change
<b>South Africa</b>	<b>9 635</b>	<b>3 233</b>	3 032	6.6	6.6
<b>Nigeria</b>	<b>11 543</b>	<b>7 579</b>	4 049	87.2	78.5
<b>SEA</b>	<b>2 231</b>	<b>1 684</b>	1 137	48.1	46.8
Uganda	1 278	867	614	41.2	31.8
Zambia	176	176	119	47.9	13.8
Other SEA	777	641	404	58.7	91.6
<b>WECA</b>	<b>4 350</b>	<b>4 021</b>	2 790	44.1	55.3
Ghana	2 258	1 979	1 326	49.2	70.7
Cameroon	498	495	387	27.9	33.0
Côte d'Ivoire	881	852	538	58.4	64.3
Other WECA	713	695	539	28.9	28.9
<b>MENA</b>	<b>151</b>	<b>123</b>	268	(54.1)	(21.9)
Sudan	107	107	94	13.8	49.6
Afghanistan	44	16	86	(81.4)	(81.4)
Other MENA <sup>#</sup>	–	–	88	(100.0)	0.0
<b>Head offices, GlobalConnect and eliminations</b>	<b>377</b>	<b>376</b>	338		
<b>Total</b>	<b>28 287</b>	<b>17 016</b>	11 614	46.5	46.7
Hyperinflation	60	62	(46)		
<b>Total reported</b>	<b>28 347</b>	<b>17 078</b>	11 568	47.6	46.7

<sup>#</sup> Constant currency excludes Yemen and Syria.

## Results overview continued

### Financial position

**Table 13: Net debt analysis**

Rm	Cash and cash equivalents*	Interest-bearing liabilities	Inter-company eliminations	Net interest-bearing liabilities	Net debt/(cash) June 2022	Net debt/(cash) December 2021
<b>South Africa</b>	2 208	25 817	(25 817)	–	<b>(2 208)</b>	(3 733)
<b>Nigeria</b>	17 030	24 956	–	24 956	<b>7 926</b>	1 072
<b>SEA</b>	2 219	4 462	(385)	4 077	<b>1 858</b>	2 651
Uganda	654	1 263	–	1 263	<b>609</b>	786
Zambia	109	1 695	(359)	1 336	<b>1 227</b>	1 345
Other SEA	1 456	1 504	(26)	1 478	<b>22</b>	520
<b>WECA</b>	5 947	10 726	(4 754)	5 972	<b>25</b>	1 246
Ghana	2 667	1 022	–	1 022	<b>(1 645)</b>	(1 285)
Cameroon	726	953	(437)	516	<b>(210)</b>	40
Côte d'Ivoire	838	1 919	–	1 919	<b>1 081</b>	1 696
Other WECA	1 716	6 832	(4 317)	2 515	<b>799</b>	795
<b>MENA</b>	1 006	3 442	(3 442)	–	<b>(1 006)</b>	(900)
Sudan	473	3 442	(3 442)	–	<b>(473)</b>	(378)
Afghanistan	533	–	–	–	<b>(533)</b>	(522)
Other MENA#	–	–	–	–	<b>–</b>	–
<b>Head offices, GlobalConnect and eliminations</b>	23 152	49 752	–	49 752	<b>26 600</b>	30 149
<b>Total reported</b>	51 562	119 155	(34 398)	84 757	<b>33 195</b>	30 485
Iran	1 627	689	–	689	<b>(938)</b>	(1 116)

\* Includes restricted cash and current investments.

# Constant currency excludes Yemen and Syria.

Group net debt increased to R33.2 billion, from R30.5 billion in December 2021, driven mainly by higher borrowings in MTN Nigeria.

Holdco borrowings declined to R28.4 billion, from R30.1 billion in December 2021, boosted by the progress made with ARP and upstreaming cash from Opco's. We are pleased with the advances made in our work to optimise the mix of our Holdco debt with a mix of MTN's debt, at June 2022, of 42% US dollar/euro and 58% rand (December 2021: 41% and 59%, respectively). At the end of June 2022, our Holdco leverage improved to 0.8x, compared to our medium-term target of below 1.5x.

We remain comfortably within our debt covenants, which are evaluated on a Group consolidated basis. Our Group net debt-to-EBITDA ratio stood at 0.4x at 30 June 2022 (December 2021: 0.4x) against our covenant of 2.5x. Our interest cover ratio was 9.0x (December 2021: 9.1x) compared to the covenant of no less than 5.0x. Our Group cash balance at the end of June 2022 was R49.4 billion.

### Operational review

#### MTN South Africa

- Service revenue increased by 4.1%
- Data revenue increased by 14.6%
- Fintech revenue decreased by 0.9%
- Wholesale revenue decreased by 0.2%
- Digital revenue increased by 8.3%
- EBITDA increased by 0.2%
- EBITDA margin decreased by 0.6pp to 40.8%
- Capex investment of R9.6 billion on a reported basis (R3.2 billion under IAS 17)

MTN SA delivered a resilient H1 2022 against a backdrop of rising inflation and unemployment rates, interest rate hikes and currency volatility which placed even more pressure on consumers' disposable incomes. Over and above instability in the global macroeconomy, operating conditions in South Africa were further compounded by increased incidents of rolling power outages (loadshedding) in the country as well as the impacts of floods across the province of KwaZulu-Natal in April 2022. Network availability was impacted in the period, with June 2022 reaching 89% availability, against a target of 99%.

Cognisant of the tough economic climate facing South Africans, MTN SA is continuing its efforts to reduce the cost of data for customers. In the past year, MTN SA has reduced its overall consumer data tariff by 16.5% for the average cost per GB – the average price of data declined five-fold compared to the levels of five years ago.

Having invested robustly in our network in the past five years, MTN remains committed to South Africa and using our network to enhance and grow the nation's economy through greater access to communication. In the first half of 2022, MTN SA invested R28 million in the communities it serves through the MTN Foundation, with a focus on digitisation of education, skills development, developing entrepreneurs, along with project support specifically focused on women and the youth in information and communications technology (ICT).

In the current macroeconomic context, MTN SA's performance was enabled by its focus on commercial and operational execution across all business units and underpinned its #1 NPS leadership position, which it maintained in a highly competitive trading environment.

In H1 2022, MTN SA delivered service revenue growth of 4.1%, sustaining healthy growth. The increasing severity of loadshedding resulted in a negative impact on network availability and growth, especially in Q2.

MTN SA's drive to connect more customers to the network and manage churn led to an 8.9% increase in the number of **subscribers** to 35.3 million, a net addition of almost 837 000 in the **quarter**. This was supported by an increase of 3.7% in postpaid subscribers to 7.8 million, who benefited from integrated voice and data-centric plans. In H1 2022, prepaid customers decreased by 0.4% to 27.5 million. The overall growth in the base was particularly encouraging given the significant ramp-up in loadshedding, which impacts systems and typically constrains new customer acquisitions.

## Results overview continued

**Data** remained a key driver of growth in the business with mobile data revenue up by 14.6% in H1 2022 and contributing 45.1% to MTN SA's total service revenue. This performance was supported by an increase of 15.3% in active data subscribers to 18.1 million and a 41.5% YoY rise in traffic as we continued our work to drive access, usage and affordability through an 18.9% reduction in the effective rate of data across all business units.

An active prepaid data subscriber now consumes an average of 2.6GB of data a month, up 24% YoY; and an active postpaid data subscriber uses nearly 12.5GB per month, an increase of 26%.

**Consumer postpaid** service revenue increased by 5.0%, driven by growth in subscriber numbers and the sustained uplift in data consumption.

The **consumer prepaid** business recorded service revenue growth of 1.2% in H1 2022. This was supported by strong data consumption, partly offset by the pressure in voice revenue brought about by a decline in voice usage during periods of loadshedding.

This was an encouraging result, reflecting the resilience of the MTN SA business where the prepaid segment is more acutely affected by the increased macroeconomic pressures, especially in the lower-income consumer segment.

The **enterprise business** delivered service revenue growth of 20.7% driven largely by growth in Bulk SMS as well as the core mobile and ICT businesses. The core mobile business benefited from strong data product propositions, as well as distribution channel expansion while growth in the ICT business was driven by a strong recovery in connectivity.

MTN SA continued to leverage its strong network quality to gain further traction among both private and public sector entities, both of which are a focus in terms of expansion in mobile service offerings.

The **wholesale** business recorded slight revenue decline of 0.2% on the strong base of H1 2021. Revenue recognition for Cell C remains on a cash basis as the operator continues its work towards a recapitalisation. MTN SA recognised R1.2 billion (down -9.3% YoY) in national roaming revenue from Cell C and a balance of R254 million remained unrecognised, as at 30 June 2022.

The multi-year national roaming agreement with Telkom, which aligns with the Group's strategy to monetise the investment made in networks, came into effect on 1 November 2021. It has started to contribute to revenue and continued to scale steadily from a low base during H1 2022.

The **fintech** ecosystem continued to grow, with 4.7 million registered MoMo users (up 32.0%) and 1.0 million MAU (up 174.5% YoY) as at 30 June 2022, which progressed well towards achieving or surpassing MTN SA's FY 2022 target of 1.35 million MAU. The platform's transactions increased, driven by innovative solutions relating to airtime, electricity, gaming, e-commerce and e-government services.

MTN SA's profitability was solid in H1 2022, with **EBITDA** of R9.8 billion (up 0.2% YoY) and an EBITDA margin of 40.8% representing a slight decline of 0.6pp. This included the gain on disposal of SA towers; excluding this effect, the EBITDA margin would have been 39.7% (down 1.7pp). This outcome was achieved against a strong H1 2021 base and was impacted by

higher cost of sales relating to increased device sales. Overall, EBITDA was supported by the robust service revenue performance and disciplined cost containment.

MTN SA deployed capex of R3.2 billion in H1 2022 and continued to scale up its 5G offering after the allocation of 3 500MHz spectrum with 443 5G sites rolled out in the period. This brings the total 5G sites to 1 391, covering nearly 20% of the population, ahead of the December 2022 target.

**PAT**, which increased by 18.6% to R2.7 billion, was boosted by lower finance costs. MTN SA's adjusted FCF (excluding payments for spectrum and proceeds from tower sales) declined to R5.4 billion (down 2.4%), impacted by increased working capital.

Looking ahead, global and local macroeconomic pressures are expected to remain, including sustained loadshedding, increasing inflation, deteriorating exchange rates and rising interest rates. The related negative impacts on consumer spending power and patterns are therefore also anticipated to persist into H2 2022, which will impact on the MTN SA business.

Loadshedding in the country also appears likely to occur more frequently, and with greater intensity, than anticipated, which will have implications for MTN SA's outlook of both service revenue and costs. To mitigate the impact of loadshedding, MTN SA has rolled out a comprehensive network resilience plan including additional batteries, generators and enhanced security features.

MTN SA is committed to ensuring the quality of its customers' connectivity experience and is focused on accelerating high-growth business areas, with ongoing emphasis on our expense efficiency programme to deliver strong EBITDA and cash flow growth.

### MTN Nigeria

- Service revenue increased by 19.9%\*
- Data revenue increased by 52.5%\*
- Fintech revenue increased by 27.8%\*
- Digital revenue increased by 30.0%\*
- EBITDA grew by 21.2%\* to R18.9 billion\*
- EBITDA margin increased by 0.5pp\* to 53.6%\*
- Capex investment of R11.5 billion on a reported basis (R7.6 billion under IAS 17)

Despite the slower growth recorded in Q2 largely due to the restriction of outgoing calls for some subscribers in line with the NCC's directive, MTN Nigeria remains largely on track, delivering service revenue growth of 19.9%\* YoY, broadly in line with the medium-term guidance of at least 20%, in H1 2022.

Growth was driven mainly by data revenue, while voice was the most impacted by the restriction. There was a steady recovery in voice revenue since April 2022 as more customers are reactivated and gross connections continue to ramp up, supported by increased usage from the existing base. Overall, **voice** revenue grew by 2.9%\* YoY.

**Data** revenue rose by 52.5%\*, maintaining the accelerated growth trajectory through growth in subscriber base and data usage. This was sustained by an aggressive 4G network expansion and enhanced quality and capacity of the network to support rising data traffic as MTN Nigeria continues to drive the conversion of existing subscribers on 3G network to 4G.

## Results overview continued

As a result, data traffic grew by 79.3%\* YoY, with 4G accounting for 77.9% of overall traffic, while data usage (MB per user) rose by 61.8%. The number of smartphones on the network continues to rise with the addition of about 3.4 million in H1 2022, bringing smartphone penetration to 50.6%.

MTN Nigeria made progress towards its goal to '**Own the Home**' through differentiated value propositions while creating experiences that position MTN as the broadband service provider of choice. MTN Nigeria added over 280 000 users, bringing the fixed broadband base to over 896 000, with the deployment of broadband solutions including fibre, fixed wireless access (routers) and MiFi.

**Fintech** revenue rose by 27.8%\*, and growth was broad-based across Xtratime, our airtime lending product, and mobile financial services. Xtratime accounted for 93.8% of the revenue from fintech services. In addition, fintech active users rose by 87.3% to 11.5 million representing 2.4 million active MoMo wallets. This helped to drive growth in the total volume of transactions to over 124.3 million.

MoMo PSB commenced commercial operations on 19 May 2022 in Nigeria, with pleasing progress so far. The primary focus has been to offer and scale basic services targeting the large unbanked segment and evolve into more advanced services across fintech verticals, leveraging the vast distribution network.

**Digital** revenue grew by 30.0%\* as penetration of digital products continues to deepen, driven by increased usage from the active base. Rich media, mobile advertising and content VAS drove revenue from digital services. MTN Nigeria reached approximately 9 million digital subscriptions (up 128.5% YoY), with ayoba (MTN's instant messaging platform) accounting for 52.4% of the subscriptions and Rich Media accounting for 47.6%.

Revenue from the **enterprise** business rose by 43.9%\*, underpinned by the onboarding of new customers across segments and the uptake of enhanced services. MTN Nigeria remains on track with its goal to drive further adoption of enterprise platforms (internet of things and cloud), creating additional value for its customers and enabling them to innovate while remaining profitable.

MTN Nigeria continued to realise cost savings through our expense efficiency programme and we remain disciplined with capital allocation. The cost of sales rose by 22.9%\* off a low base in the prior year, which was depressed by the suspension of new SIM sales and activations by the regulator, lower device purchases during the period and the impact of growing gross connections in the current year.

Operating expenses increased by 16.6%\* due to the effects of Naira depreciation and higher US dollar consumer price index (CPI) on lease rental costs, the acceleration in site rollout and rising energy costs. The escalation of diesel prices in Nigeria contributed to the 15.0%\* increase in direct network operating costs with a 0.3pp\* EBITDA margin impact.

### Southern and East Africa (SEA)

- Service revenue increased by 9.9%\*
- Data revenue increased by 29.0%\*
- Fintech revenue increased by 25.2%\*
- Digital revenue declined by 23.1%\*

MTN's **SEA** region delivered a resilient performance with all of the operations reflecting growth in service revenue and EBITDA. The performance was delivered under the residual effects of COVID-19, ongoing and new economic shocks, as well as higher inflation.

Service revenue grew by 9.9% with the total number of subscribers increasing by 1.2% to 34.8 million. The aggregate EBITDA margin of SEA declined by 1.5pp\* to 45.6%\*, due to inflationary pressures and increases in expenses, such as commissions and distribution, network and staff costs.

**MTN Uganda** recorded a resilient H1 2022 performance amidst a difficult macroeconomic environment with rising inflationary and currency pressures. Despite this, the sustained investment in the network and IT systems, coupled with the execution of its commercial strategy, enabled MTN Uganda to increase its subscriber base and maintain market leadership.

MTN Uganda realised double-digit service revenue growth of 10.0%\*, largely anchored by the strong performance from the data (+36.9%\*) and fintech (+20.7%\*) revenue segments. The EBITDA margin declined by 1.2pp\* to 50.3%\* largely due to higher network-related leases (fuel prices), as well as additional set-up costs related to structural separation of the MoMo subsidiary and other once-off costs.

**MTN Rwanda** posted solid results in H1 2022 despite inflationary pressures in the market, which were exacerbated by global macroeconomic and geopolitical events. Service revenue grew by 21.4%\* supported by revenue growth in voice (+7.0%\*) due to an increase in voice traffic, data (+14.3%\*) enabled by the combination of increased subscribers and usage and fintech (+52.3%\*) as the Opco pivots its focus more to driving advanced services.

MTN Rwanda retained leadership in its customer market share and grew its subscriber base. The EBITDA margin declined by 1.2pp\* to 49.3%\* on higher revenue and the effective implementation of cost efficiencies.

MTN Zambia and MTN South Sudan saw some pressure on the topline, with both growing constant currency service revenue in the upper single digits. The performances were impacted by the tougher macro environments as well as slower subscriber growth, due to base clean-up exercises and KYC challenges. Our associate investment in eSwatini delivered a solid H1 2022 result, driven by fintech and digital.

## Results overview continued

### West and Central Africa (WECA)

- Service revenue increased by 14.4%\*
- Data revenue increased by 34.8%\*
- Fintech revenue increased by 6.2%\*
- Digital revenue declined by 8.0%\*

The **WECA** region sustained a robust performance in H1 2022, supported by double-digit growth in most OpCos, with aggregate service revenue up by 14.4%\*, supported by good growth in subscribers of 7.5%, to 70.4 million. The key driver was data, while fintech revenue came under some pressure due to regulatory taxes and competition in key markets. This overall performance was also achieved in an environment with increased competition and escalating inflation, where the average inflation rate of the region reached 14.7% by June 2022 (4.5% excluding Ghana)

The blended EBITDA margin of WECA increased by 2.3pp\* to 42.4%\*, benefiting from the robust topline performance and execution of the expense efficiency programme.

**MTN Ghana's** performance in the H1 2022 was solid in a challenging macroeconomic environment, characterised by rising inflation, which reduced private consumption and investment. This was supported by continued capital investments and sound execution of commercial strategies to drive growth in the subscriber base.

The Opco grew service revenue by 29.3%\* owing to good growth in voice (+20.9%\*), data (+50.6%\*) and fintech (+12.1%\*). The fintech performance was impacted by the implementation of the e-Levy in the country and a 25% reduction in P2P transaction fees to reduce the burden of the e-Levy on customers.

The EBITDA margin increased by 3.2pp\* to 57.7%\*, despite the impact of an IFRS 2 charge relating to the localisation transaction of MTN Ghana. Excluding this impact, the underlying margin would have expanded by 4.0pp\* to 58.5%\* on a normalised basis.

**MTN Côte d'Ivoire** service revenue came back into growth, up by 0.9%\* in H1 2022. This result was encouraging in a competitive environment, which put pressure on the performance of fintech revenue (-38.3%\*). The decline in fintech revenue was mitigated by strong growth in data (+27.6%\*), supported by an increase in data penetration and usage.

In Q4 2021 MTN Côte d'Ivoire implemented zero-rating of P2P and price reductions for withdrawals in response to competitive pressures and to accelerate user and usage growth. This helped to drive fintech user growth of 36.9% YoY. We anticipate that fintech revenue should return to growth by the end of Q4 2022, on the back of good user and usage growth, and as the effects of price reductions are lapped in the quarter.

The EBITDA margin was flat at 34.0%\*, underpinned by the expense efficiency programme.

**MTN Cameroon** reported service revenue growth of 10.9%\* and maintained leading market share in a challenging and highly competitive environment. The launch of various campaigns focused on CVM led to revenue growth in data (up 26.5%\*), fintech (up 15.2%\*), and digital (up 26.5%\*). The EBITDA margin for MTN Cameroon was 1.9pp\* lower to 35.4%\*, impacted by an increase in management fees.

Overall, excluding MTN Ghana, the WECA markets grew service revenue by 6.0%\* and reported a 0.6pp decline in EBITDA margin to 31.4%\*.

### Middle East and North Africa (MENA) (excluding Iran)

- Service revenue increased by 69.8%\*
- Data revenue increased by 119.9%\*
- Fintech revenue increased by 44.4%\*
- Digital revenue increased by 55.6%\*

The MENA portfolio delivered a solid performance with a healthy EBITDA margin under somewhat challenging trading conditions. The total number of subscribers (excluding MTN Irancell) was 15.1 million. MENA service revenue increased by 69.8%\* in H1 2022, with the EBITDA margin up by 3.6pp\* to 39.0%\*.

**MTN Sudan** increased service revenue by 191.1%\* in an evolving political and economic environment in the country. Service revenue growth was underpinned by the continuous drive to increase connections and positive repricing, which led to growth in voice revenue (up 135.9%\*) and data revenue (up 297.2%\*). The EBITDA margin was slightly softer by 1.4pp\* to 46.6%\*.

## Associates, joint ventures and investments

### Telecoms operations

**MTN Irancell** recorded a robust set of results in an economy that has continued to rebound despite US sanctions still levied on it. Service revenue grew by 32.4%\* supported by strong commercial execution and subscriber growth – up 4.9% in the period to 51.8 million. Voice revenue grew by 13.8%\* driven by an increase in billed minutes from a drive to increase the subscriber base and data revenue up by 39.2%\* due to higher usage.

MTN Irancell's EBITDA margin increased by 3.8pp\* to 42.6%\*. Invested capex was R1.0 billion under IFRS 16 (R1.0 billion under IAS 17). The value of the Irancell loan and receivable at 30 June 2022 was R4.3 billion.

### E-commerce investments

The Iran Internet Group (IIG) continued its strong recovery in the first six months of 2022. Ride-hailing app Snapp remained the market leader, ranking among the top ride-hailing apps globally and reaching 3.3 million daily rides. Food delivery app Snappfood grew revenue by 111.0% YoY; it continued to lead the market to reach over 210 000 daily orders. Last-mile delivery service Snappbox also remained the market leader with almost 300 000 daily orders.

Within Middle East Internet Holding (MEIH), ride-hailing service Jeeny and cleaning service app Helpling continued to recover strongly from the impact of COVID-19, with Jeeny reaching a peak of 88 000 daily rides. These e-commerce holdings, while important investments, are not viewed as long-term strategic holdings for the Group and form part of the ARP.

### Investments in tower and infrastructure companies

As at 30 June 2022, the fair value of our 26.0% investment in IHS was recognised at R14.5 billion.



## Results overview continued

### Prospects and guidance

#### Business positioned for resilience, accelerated growth and relevance to 2025

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

We have also implemented various regulatory directives, including revised SIM registration regulations, as well as new or increased taxes levied on the business. The headwinds and pressures facing our customers and business therefore look likely to persist into H2 2022.

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

#### Driving the industry-leading connectivity business

We are working to accelerate growth in MTN SA and MTN Nigeria, as well as drive continued growth in the data business across our footprint.

For the rest of the year, MTN SA anticipates that it will operate in an on-grid power constrained environment, that will impact network availability, notwithstanding the resilience plan that we implemented. Over and above the grid power issues, strain on consumers, especially those in lower-income brackets, is anticipated to impact prepaid service revenue growth.

On assumption that we will have largely the same level of days and duration impact of on-grid power availability seen during H1 2022, service revenue growth in MTN SA would be slightly below the medium-term guidance for FY 2022, with EBITDA margin being towards the bottom end of the target range of 39% to 42%.

In MTN Nigeria, our continued investment to accelerate rural connectivity and expand our 4G network to achieve 80% coverage in Nigeria by year-end remains on track, and we plan to commence the rollout of 5G services across the country during Q3 2022.

We expect the increase in gross subscriber connections to mitigate the expected impact of churn in Q3 2022 from NIN-SIM regulations by the year-end. Although capacity challenges relating to the NIN-SIM linkage regulation continue to be a bottleneck, MTN Nigeria's has accelerated its efforts to provide support to moderate the impact.

For the remainder of the year, we will anticipate that service revenue growth in H2 2022 will recover from the Q2 trends, sustaining service revenue growth in line with medium-term guidance ('at least 20%'). We will continue to accelerate the development of the MoMo PSB business. As previously guided, the macro environment, impacts of NIN-SIM registration regulations and the more aggressive rollout of PSB will impart EBITDA margins, which we expect to be slightly below our medium-term target of range of 53% to 55% for FY 2022.

#### Building the largest and most valuable platforms

Scaling and building the largest and most valuable platforms is key and underpins our long-term growth outlook and achieving our medium-term targets. Having commenced MoMo PSB commercial operations, the goal is to establish the largest MoMo wallet base in Nigeria and then rollout advanced services in line with our overall strategy.

In many markets, the MoMo competitive and regulatory environment continues to evolve. New fintech taxes in Benin and Cameroon, the e-levy tax in Ghana and our deliberate cuts to P2P pricing in several markets will affect shorter-term performance. We are staying focused on building a long-term scale fintech platform ecosystem, in driving users, agents, merchants and advanced services that continue to grow strongly. We are leveraging our scale wallet business to seize the opportunities and accelerate the expansion of our lending, insurtech remittances, as well as payment and e-commerce verticals.

The work to structurally separate the fintech business progressed well. We are engaging, on a selective basis, potential strategic investors for the MTN Group Fintech. The process to secure potential strategic investors has been initiated, the outcomes of which are anticipated by the end of December 2022.

#### Increasing financial flexibility and accelerating portfolio transformation

We are targeting more than R5 billion in expense efficiencies in the three years from 2020 and remain on course to achieve this objective having realised R1.9 billion in H1 2022 and R5.6 billion since 2020. This is key to our strategy and will be accelerated to mitigate the inflationary pressures brought about by the current macroeconomic volatility.

We will continue with our disciplined approach to capital allocation, investing in faster growing areas in support of our investment case. We expect our capex envelope for FY 2022 to be approximately R35.3 billion in support of accelerated growth, and on current currency assumptions, while capex intensity is expected to remain within the 18% to 15% range.

Having accelerated capex and made material payments for spectrum in H1, the impact on our OpFCF for FY 2022 will be mitigated by working capital initiatives as well as lower disbursements for spectrum in H2 (outstanding payments for MTN SA spectrum).

Having made good strides in upstreaming cash from our Opcos, this remains a focus as we look ahead and key to strengthening our financial position. We will continue to accelerate the deleveraging of our Holdco balance sheet with a focus on reducing our non-rand debt through liability management of the 2024 and 2026 bonds over the medium term.

The current uncertainty and volatility in the financial markets has slowed our ARP progress, particularly the monetisation of our investment in IHS. Given the strength of our Holdco balance sheet and its current share price trading levels, we will not look to sell our stake in IHS at this stage.

We remain focused on concluding the disposal of our ownership in MTN Afghanistan in H2 2022. We will continue discussions with Telkom on the potential acquisition of the business and will update the market as and when appropriate.



## Results overview continued

### Guidance

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

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

As previously communicated, the Board anticipates paying a minimum ordinary dividend of at least 330cps as a final dividend for FY 2022, following the announcement of full year results, in line with our dividend policy and capital allocation framework.

### Board changes

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

- Swazi Tshabalala resigned as an independent non-executive director effective 25 May 2022.
- Tim Pennington was appointed as an independent non-executive director, effective 1 August 2022.

For and on behalf of the Board

**MH Jonas**  
Group Chairman

**RT Mupita**  
Group President and CEO

**TBL Molefe**  
Group CFO

10 August 2022  
Fairland  
Date of release: 11 August 2022

### Lead sponsor

Tamela Holdings Proprietary Limited

### Joint sponsor

JP Morgan Equities (SA) Proprietary Limited

## Appendix

Definitions:

- All financial numbers are YoY unless otherwise stated.
- All subscriber numbers are compared to the end of December 2020 unless otherwise stated.
- Service revenue excludes device and SIM card revenue.
- Data revenue is mobile and fixed access data and excludes roaming and wholesale.
- Fintech includes MoMo, insurance, airtime lending and e-commerce.
- MoMo users are 30-day active users.
- CODM EBITDA (referred to as EBITDA) is defined as earnings before finance income and finance costs (impact of Impairment of goodwill, PPE, and associate, loss on deconsolidation of subsidiary, impairment loss on remeasurement of disposal group, gain on disposal/dilution of investment in JV/associate and fair value gain on acquisition of subsidiary, net loss (after tax) on disposal of SA towers, other, hyperinflation (excluding impairments), impact of foreign exchange losses and gain, vaccine donations (in H1 21) and IFRS 2 Charge from Ghana localisation) EBITDA including these once-off items increased by 13.7%\*.
- ROE is calculated based on reported Group HEPS of 567 cps after adjusting for non-operational impacts of 94 cps. Equity is also adjusted for non-operational items, such as hyperinflation.
- Holdco leverage: Holdco net debt (including GlobalConnect)/SA EBITDA + cash upstreaming.
- ARPU: average revenue per user.
- SME: small and medium-sized enterprises.
- OTC: Over the counter
- ICT: Information and communications technology
- BTS: base transceiver station
- GB: Gigabytes
- NPS: Net promoter score
- MAU: Monthly active users
- MB: Megabytes
- MiFi: My Wifi
- VAS: Value added services
- PAT: Profit after tax
- PBT: Profit before tax
- KYC: Know your customer
- GSM: Global System for Mobile communication
- PPE: Property, plant and equipment.
- CVM : Customer value management.





# Results Overview

## Reviewed condensed consolidated interim financial statements for the six-months ended 30 June 2022

The Group's reviewed condensed consolidated interim financial statements for the six months ended 30 June 2022 have been independently reviewed by the Group's external auditors.

The Group's reviewed condensed consolidated interim financial statements have been prepared by the MTN finance staff under the guidance of the Group Finance Executive, S Perumal CA(SA) and were supervised by the Group Chief Financial Officer, TBL Molefe CA(SA).

*The results were made available on 11 August 2022.*



# Independent auditors' review report on the condensed consolidated interim financial statements

## TO THE SHAREHOLDERS OF MTN GROUP LIMITED

We have reviewed the condensed consolidated interim financial statements of MTN Group Limited, in the accompanying interim report on pages 43 to 74, which comprise the condensed consolidated statement of financial position as at 30 June 2022 and the related condensed consolidated income statement and condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six months then ended, and selected explanatory notes.

## DIRECTORS' RESPONSIBILITY FOR THE INTERIM FINANCIAL STATEMENTS

The directors are responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with the International Financial Reporting Standard, IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board (IASB), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

## AUDITORS' RESPONSIBILITY

Our responsibility is to express a conclusion on these condensed consolidated interim financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the condensed consolidated interim financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these condensed consolidated interim financial statements.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements of MTN Group Limited for the six months ended 30 June 2022 are not prepared, in all material respects, in accordance with the International Financial Reporting Standard, IAS 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

*PricewaterhouseCoopers Inc.*

PricewaterhouseCoopers Inc.  
Director: SN Madikane  
Registered Auditor  
Johannesburg, South Africa

10 August 2022

*Ernst & Young Inc.*

Ernst & Young Inc.  
Director: EAL Botha  
Registered Auditor  
Johannesburg, South Africa

10 August 2022

# Condensed consolidated income statement

for the

	Note	Six months ended 30 June 2022 Reviewed Rm	Six months ended 30 June 2021 Reviewed Rm	Financial year ended 31 December 2021 Audited Rm
<b>Revenue</b>	7	<b>97 491</b>	86 673	181 646
Other income	8.2	<b>265</b>	532	677
Direct network and technology operating costs		<b>(15 349)</b>	(13 494)	(27 649)
Costs of handsets and other accessories		<b>(5 931)</b>	(5 031)	(10 584)
Interconnect and roaming costs		<b>(5 060)</b>	(4 602)	(9 622)
Staff costs		<b>(5 751)</b>	(5 628)	(11 716)
Selling, distribution and marketing expenses		<b>(11 634)</b>	(10 633)	(22 452)
Government and regulatory costs		<b>(3 676)</b>	(3 419)	(6 895)
Impairment and write-down of trade receivables and contract assets		<b>(534)</b>	(522)	(1 116)
Other operating expenses		<b>(5 516)</b>	(5 689)	(12 570)
Depreciation of property, plant and equipment		<b>(10 692)</b>	(10 233)	(21 181)
Depreciation of right-of-use assets		<b>(3 640)</b>	(3 560)	(7 216)
Amortisation of intangible assets		<b>(2 759)</b>	(3 163)	(6 243)
Impairment of goodwill and investment in joint venture	10	<b>(432)</b>	(583)	(583)
Gain on disposal of investment in associate		–	1 212	1 212
Loss on deconsolidation of subsidiary		–	(4 720)	(4 720)
Impairment loss on remeasurement of non-current assets held for sale	8.1	<b>(945)</b>	(53)	(53)
Net finance costs	11	<b>(8 252)</b>	(7 883)	(14 448)
Net monetary (loss)/gain		<b>(9)</b>	108	275
Share of results of associates and joint ventures after tax	12	<b>1 002</b>	926	2 054
<b>Profit before tax</b>		<b>18 578</b>	10 238	28 816
Income tax expense		<b>(8 172)</b>	(6 057)	(11 822)
<b>Profit after tax</b>		<b>10 406</b>	4 181	16 994
<b>Attributable to:</b>				
Equity holders of the Company		<b>8 037</b>	2 673	13 750
Non-controlling interests		<b>2 369</b>	1 508	3 244
		<b>10 406</b>	4 181	16 994
<b>Basic earnings per share (cents)</b>	13	<b>445</b>	148	763
<b>Diluted earnings per share (cents)</b>	13	<b>433</b>	146	744



## Condensed consolidated statement of changes in equity

for the

Note	Six months ended 30 June 2022 Reviewed Rm	Six months ended 30 June 2021 Reviewed Rm	Financial year ended 31 December 2021 Audited Rm
	<b>111 047</b>	102 873	102 873
	<b>2 752</b>	3 887	6 079
	<b>8 037</b>	2 673	13 750
	<b>(5 285)</b>	1 214	(7 671)
<b>Transactions with owners of the Company</b>			
	<b>181</b>	230	710
	<b>(5 422)</b>	–	–
	<b>(1 417)</b>	–	–
	<b>330</b>	–	–
9	<b>330</b>	–	–
21	<b>3 046</b>	–	–
	<b>107</b>	–	–
	<b>–</b>	–	1 774
	<b>–</b>	–	(212)
	<b>9</b>	(17)	(177)
<b>Attributable to equity holders of the Company</b>			
	<b>110 633</b>	106 973	111 047
	<b>4 632</b>	2 364	3 935
<b>Closing balance</b>			
	<b>115 265</b>	109 337	114 982
	<b>300</b>	–	–

## Condensed consolidated statement of cash flows

for the

Note	Six months ended 30 June 2022 Reviewed Rm	Six months ended 30 June 2021 Reviewed Rm	Financial year ended 31 December 2021 Audited Rm
	<b>29 289</b>	30 823	67 286
	<b>41 541</b>	42 197	88 670
	<b>718</b>	733	1 161
	<b>(5 925)</b>	(5 204)	(12 145)
	<b>279</b>	292	554
	<b>(7 324)</b>	(7 195)	(10 954)
<b>Net cash used in investing activities</b>			
	<b>(20 489)</b>	(13 087)	(30 953)
	<b>(15 708)</b>	(10 815)	(24 413)
	<b>(10 426)</b>	(6 814)	(10 812)
	<b>6 355</b>	–	–
	<b>(10 745)</b>	(4 184)	(11 744)
	<b>8 149</b>	4 128	10 242
	<b>–</b>	1 807	1 807
	<b>–</b>	–	(900)
	<b>190</b>	–	667
	<b>(227)</b>	–	(121)
	<b>1 831</b>	3 082	4 521
	<b>–</b>	68	68
	<b>–</b>	(228)	(228)
	<b>92</b>	(131)	(40)
<b>Net cash used in financing activities</b>			
	<b>(8 011)</b>	(8 037)	(26 179)
17	<b>8 146</b>	13 928	23 754
17	<b>(5 775)</b>	(17 800)	(43 953)
	<b>(3 503)</b>	(3 075)	(5 949)
	<b>(5 422)</b>	–	–
	<b>(2 066)</b>	(1 107)	(2 084)
	<b>(1 417)</b>	–	–
	<b>234</b>	–	–
	<b>1 386</b>	–	–
	<b>267</b>	–	–
	<b>103</b>	–	2 191
	<b>–</b>	–	(257)
	<b>36</b>	17	119
<b>Net increase in cash and cash equivalents</b>			
	<b>789</b>	9 699	10 154
	<b>39 019</b>	30 636	30 636
	<b>(2 292)</b>	(3 826)	(1 515)
	<b>(42)</b>	(69)	(380)
	<b>(533)</b>	124	124
<b>Net cash and cash equivalents at the end of the year</b>			
	<b>36 941</b>	36 564	39 019



# Notes to the condensed consolidated interim financial statements

for the six months ended 30 June 2022

## 1. INDEPENDENT REVIEW

The directors of the Company take full responsibility for the preparation of the condensed consolidated interim financial statements. The condensed consolidated interim financial statements have been reviewed by our joint auditors PricewaterhouseCoopers Inc. and Ernst & Young Inc., who have expressed an unmodified conclusion thereon. The joint auditors have performed their review in accordance with International Standard on Review Engagements (ISRE) 2410.

## 2. GENERAL INFORMATION

MTN Group Limited (the Company) is a leading pan-African mobile operator that provides a diverse range of voice, data, digital, fintech, wholesale and enterprise services through its subsidiary companies, joint ventures, associates and related investments.

## 3. BASIS OF PREPARATION

The condensed consolidated interim financial statements for the six months ended 30 June 2022 are prepared in accordance with the requirements of the JSE Limited Listings Requirements for interim financial statements and the requirements of the Companies Act applicable to interim financial statements. The interim financial statements were prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council (FRSC), and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*.

The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2021, which have been prepared in accordance with IFRS.

## 4. PRINCIPAL ACCOUNTING POLICIES

The accounting policies applied in the preparation of the condensed consolidated interim financial statements are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

A number of amendments to accounting pronouncements were effective from 1 January 2022, but they do not have a material effect on the Group's interim financial statements.

## 5. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

### 5.1 MTN South Africa revenue recognition

#### Significant judgement

On 1 May 2020, Mobile Telephone Networks Proprietary Limited's (MTN South Africa) new long-form roaming agreement (Phase 2 agreement) with Cell C Limited (Cell C) became effective. In February 2021, Cell C entered into a settlement agreement specifying the repayment schedule for the long outstanding amounts.

Based on Cell C's liquidity issues, the Group has assessed that it is not probable that it will receive all consideration to which it is entitled under the Phase 2 agreement, and therefore the agreement does not meet the definition of a contract for revenue recognition purposes in terms of IFRS 15 *Revenue from Contracts with Customers* (IFRS 15). As a result, MTN South Africa did not recognise all revenue accrued on satisfied performance obligations during the period under review. Revenue was only recognised on completed services based on the non-refundable consideration received.

MTN South Africa recorded revenue of R1 242 million from Cell C during the period ended 30 June 2022 (30 June 2021: R1 410 million, 31 December 2021: R2 667 million). As at 30 June 2022, R254 million (30 June 2021: R326 million, 31 December 2021: R448 million) of revenue in relation to satisfied performance obligations remains unrecognised.

The final stages of the overall Cell C recapitalisation programme are being implemented, which if successful, would result in a change in the Group's accounting treatment of Cell C roaming revenues back to an accounting methodology of recognising revenue as performance obligations are satisfied.

# Notes to the condensed consolidated interim financial statements continued

for the six months ended 30 June 2022

## 5. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES continued

### 5.2 Deferred tax

#### Source of estimation uncertainty

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences (as applicable) to the extent that it is probable that future taxable profits will be available against which the deferred tax assets can be used. The Group is required to make significant estimates in assessing whether future taxable profits will be available.

Future taxable profits are determined based on business plans for individual subsidiaries in the Group and the probable reversal of taxable temporary differences in future. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Such reductions are reversed when the probability of future taxable profits improves. The Group's recognised deferred tax assets at the end of the current period amounted to R6 904 million (30 June 2021: R6 483 million, 31 December 2021: R7 223 million).

MTN International (Mauritius) Limited (MTN Mauritius) recognised a deferred tax asset of R5 750 million (30 June 2021: R5 450 million, 31 December 2021: R5 750 million), mainly resulting from an assessed loss and has related unrecognised deferred tax assets to the value of R1 229 million (30 June 2021: R72 million, 31 December 2021: R585 million).

The Group considered the following factors in assessing whether it is probable that MTN Mauritius will have future taxable profits available against which the deferred tax asset can be used:

- it is unlikely that the circumstances that resulted in MTN Mauritius incurring assessed losses will continue indefinitely;
- interest expense and foreign exchange exposures will reduce as MTN Mauritius repays its United States dollar (USD) denominated intercompany debt. The repayments are contractually due in 2024 and 2026; and
- technical service fees from subsidiaries are expected to increase as more services are provided centrally.

Based on current business plans, the Group expects to utilise the deferred tax asset in the next eight to 11 years (31 December 2021: eight to 11 years).

### 5.3 MTN South Africa tower sale

On 16 November 2021, MTN South Africa entered into an agreement with IHS Group to sell its tower infrastructure and power assets, cede related agreements including land lease agreements (on which the towers are constructed) to IHS Group, and lease back spaces on the towers. The key judgements include the following, which have been further explained in note 8.2:

- Nature of the transaction being a sale and leaseback in terms of IFRS 16 *Leases*.
- Accounting for pre-existing barter arrangements.

# Notes to the condensed consolidated interim financial statements continued

for the six months ended 30 June 2022

## 6. HYPERINFLATION

The financial information (including comparative amounts) of the Group entities whose functional currencies are the currencies of hyperinflationary economies are adjusted in terms of the measuring unit current at the end of the reporting period.

The Group has classified the economies of South Sudan, Sudan and Iran as hyperinflationary effective 2016, 2018 and 2020 respectively.

The impact of hyperinflation on the segment analysis is as follows:

	Six months ended 30 June 2022 Reviewed	
	Revenue Rm	Capex Rm
Sudan	920	71
South Sudan (included in other SEA)	(95)	(11)
	825	60
Major joint venture – Irancell	413	95
	Six months ended 30 June 2021 Reviewed	
	Revenue Rm	Capex Rm
Sudan	(227)	(9)
South Sudan (included in other SEA)	(732)	(85)
	(959)	(94)
Major joint venture – Irancell	485	92
	Financial year ended 31 December 2021 Audited	
	Revenue Rm	Capex Rm
Sudan	542	266
South Sudan (included in other SEA)	(555)	(99)
	(13)	167
Major joint venture – Irancell	1 099	352

# Notes to the condensed consolidated interim financial statements continued

for the six months ended 30 June 2022

## 7. SEGMENT ANALYSIS

The Group has identified reportable segments that are used by the Group Executive Committee (the Chief Operating Decision Maker (CODM)) to make key operating decisions, allocate resources and assess performance. The reportable segments are largely grouped according to their geographic locations and reporting lines to the CODM.

The Group's underlying operations are clustered as follows:

- South Africa;
- Nigeria;
- South and East Africa (SEA);
- West and Central Africa (WECA); and
- Middle East and North Africa (MENA).

South Africa and Nigeria comprise the segment information for the South African and Nigerian network services providers respectively.

The SEA, WECA, and MENA clusters comprise segment information for operations in those regions which are also network services providers in the Group.

Operating results are reported and reviewed regularly by the CODM and include items directly attributable to a segment as well as those that are attributed on a reasonable basis, whether from external transactions or from transactions with other Group segments.

A key performance measure of reporting profit for the Group is CODM EBITDA. CODM EBITDA is defined as earnings before finance income and finance costs (which includes gains or losses on foreign exchange transactions and an unwind of revision of cash flows), tax, depreciation and amortisation, and is also presented before recognising the following items:

- impairment of goodwill and investment in joint venture (note 10);
- net monetary (loss)/gain resulting from the application of hyperinflation;
- share of results of associates and joint ventures after tax (note 12);
- hyperinflation (note 6);
- gain on disposal of investment in associate;
- fair value gain on acquisition of subsidiary;
- loss on deconsolidation of subsidiary;
- impairment loss on Yemen property, plant and equipment (PPE) and intangible assets;
- gain on exit in Yemen;
- gain on disposal of subsidiary;
- impairment loss on remeasurement of non-current assets held for sale (note 8.1); and
- gain on sale of MTN South Africa towers (note 8.2).

These exclusions have remained unchanged from those applied in the consolidated annual financial statements for the year ended 31 December 2021 except for the gain on sale of MTN South Africa towers.

Irancell Telecommunications Company Services (PJSC) (Irancell) proportionate results are included in the segment analysis as reviewed by the CODM and excluded from reported results for revenue, CODM EBITDA and capex due to equity accounting for joint ventures. The results of Irancell in the segment analysis exclude the impact of hyperinflation accounting.

# Notes to the condensed consolidated interim financial statements

continued

for the six months ended 30 June 2022

## 7. SEGMENT ANALYSIS continued

Six months ended 30 June REVENUE	Network services Rm	Mobile devices Rm	Interconnect and roaming Rm	Digital and fintech Rm	Other Rm	Revenue from contracts with customers Rm	Interest revenue Rm	Total revenue Rm
<b>2022</b>								
South Africa	15 793	4 734	2 024	1 210	791	24 552	227	24 779
Nigeria	29 850	83	3 089	1 880	329	35 231	–	35 231
SEA	5 997	95	388	2 195	239	8 914	–	8 914
Uganda	3 067	29	195	1 305	102	4 698	–	4 698
Zambia	922	44	74	364	30	1 434	–	1 434
Other SEA	2 008	22	119	526	107	2 782	–	2 782
WECA	17 976	98	1 098	4 519	627	24 318	–	24 318
Ghana	7 107	29	294	2 310	148	9 888	–	9 888
Côte d'Ivoire	3 118	20	317	537	276	4 268	–	4 268
Cameroon	2 806	15	175	656	39	3 691	–	3 691
Other WECA	4 945	34	312	1 016	164	6 471	–	6 471
MENA	2 021	11	447	55	10	2 544	–	2 544
Sudan	1 230	7	281	25	7	1 550	–	1 550
Afghanistan	791	4	166	30	3	994	–	994
Major joint venture – Irancell <sup>1</sup>	3 457	91	149	227	115	4 039	8	4 047
Head office companies <sup>2</sup>	810	–	2 702	123	7 125	10 760	174	10 934
Eliminations	(460)	–	(2 696)	(134)	(6 596)	(9 886)	(168)	(10 054)
Hyperinflation impact	631	4	176	15	(1)	825	–	825
Irancell revenue exclusion	(3 457)	(91)	(149)	(227)	(115)	(4 039)	(8)	(4 047)
<b>Consolidated revenue</b>	<b>72 618</b>	<b>5 025</b>	<b>7 228</b>	<b>9 863</b>	<b>2 524</b>	<b>97 258</b>	<b>233</b>	<b>97 491</b>

<sup>1</sup> Irancell proportionate results are included in the segment analysis as reviewed by the CODM. This is, however, excluded from IFRS reported results due to equity accounting for joint ventures.

<sup>2</sup> Head office companies consist mainly of revenue from GlobalConnect Solutions Limited, the Group's central financing activities and management fees from segments.

# Notes to the condensed consolidated interim financial statements

continued

for the six months ended 30 June 2022

## 7. SEGMENT ANALYSIS

continued

Six months ended 30 June REVENUE	Network services Rm	Mobile devices Rm	Interconnect and roaming Rm	Digital and fintech Rm	Other Rm	Revenue from contracts with customers Rm	Interest revenue Rm	Total revenue Rm
<b>2021</b>								
<b>South Africa</b>	15 177	4 488	2 048	1 163	670	23 546	195	23 741
<b>Nigeria</b>	23 929	37	2 704	1 419	395	28 484	–	28 484
<b>SEA</b>	5 911	87	405	1 623	246	8 272	–	8 272
Uganda	2 734	23	190	1 019	48	4 014	–	4 014
Zambia	663	37	55	243	18	1 016	–	1 016
Other SEA	2 514	27	160	361	180	3 242	–	3 242
<b>WECA</b>	16 359	109	1 230	4 778	518	22 994	–	22 994
Ghana	6 094	27	329	2 504	130	9 084	–	9 084
Côte d'Ivoire	2 921	23	423	821	214	4 402	–	4 402
Cameroon	2 635	16	194	585	34	3 464	–	3 464
Other WECA	4 709	43	284	868	140	6 044	–	6 044
<b>MENA</b>	2 886	8	537	132	38	3 601	–	3 601
Sudan	757	3	268	27	3	1 058	–	1 058
Afghanistan	864	4	168	28	7	1 071	–	1 071
Other MENA <sup>1</sup>	1 265	1	101	77	28	1 472	–	1 472
<b>Major joint venture – Irancell<sup>2</sup></b>	2 669	59	138	162	66	3 094	8	3 102
<b>Head office companies<sup>3</sup></b>	680	–	2 528	2	4 470	7 680	62	7 742
<b>Eliminations</b>	(193)	–	(2 676)	–	(4 276)	(7 145)	(57)	(7 202)
<b>Hyperinflation impact</b>	(917)	(3)	(13)	(21)	(5)	(959)	–	(959)
<b>Irancell revenue exclusion</b>	(2 669)	(59)	(138)	(162)	(66)	(3 094)	(8)	(3 102)
<b>Consolidated revenue</b>	<b>63 832</b>	<b>4 726</b>	<b>6 763</b>	<b>9 096</b>	<b>2 056</b>	<b>86 473</b>	<b>200</b>	<b>86 673</b>

<sup>1</sup> Syria segment analysis has been included until the Group lost control of MTN Syria JSC (MTN Syria) on 25 February 2021.

<sup>2</sup> Irancell proportionate results are included in the segment analysis as reviewed by the CODM. This is, however, excluded from IFRS reported results due to equity accounting for joint ventures.

<sup>3</sup> Head office companies consist mainly of revenue from GlobalConnect Solutions Limited, the Group's central financing activities and management fees from segments.

# Notes to the condensed consolidated interim financial statements

continued

for the six months ended 30 June 2022

## 7. SEGMENT ANALYSIS

continued

Financial year ended 31 December REVENUE	Network services Rm	Mobile devices Rm	Interconnect and roaming Rm	Digital and fintech Rm	Other Rm	Revenue from contracts with customers Rm	Interest revenue Rm	Total revenue Rm
<b>2021</b>								
<b>South Africa</b>	31 030	9 271	4 070	2 429	1 521	48 321	395	48 716
<b>Nigeria</b>	50 241	107	5 594	3 216	892	60 050	–	60 050
<b>SEA</b>	11 830	211	759	3 598	557	16 955	–	16 955
Uganda	5 728	84	378	2 199	160	8 549	–	8 549
Zambia	1 606	77	108	596	42	2 429	–	2 429
Other SEA	4 496	50	273	803	355	5 977	–	5 977
<b>WECA</b>	34 371	223	2 499	9 750	1 162	48 005	–	48 005
Ghana	13 046	56	642	5 151	292	19 187	–	19 187
Côte d'Ivoire	6 022	47	879	1 456	499	8 903	–	8 903
Cameroon	5 475	38	385	1 262	84	7 244	–	7 244
Other WECA	9 828	82	593	1 881	287	12 671	–	12 671
<b>MENA</b>	5 209	13	1 055	200	73	6 550	–	6 550
Sudan	1 619	6	548	43	10	2 226	–	2 226
Afghanistan	1 670	7	341	57	17	2 092	–	2 092
Other MENA <sup>1</sup>	1 920	–	166	100	46	2 232	–	2 232
<b>Major joint venture – Irancell<sup>2</sup></b>	5 831	128	289	324	138	6 710	15	6 725
<b>Head office companies<sup>3</sup></b>	1 515	–	5 076	188	12 183	18 962	134	19 096
<b>Eliminations</b>	(438)	(1)	(5 303)	(206)	(11 635)	(17 583)	(130)	(17 713)
<b>Hyperinflation impact</b>	(229)	1	226	(5)	(6)	(13)	–	(13)
<b>Irancell revenue exclusion</b>	(5 831)	(128)	(289)	(324)	(138)	(6 710)	(15)	(6 725)
<b>Consolidated revenue</b>	<b>133 529</b>	<b>9 825</b>	<b>13 976</b>	<b>19 170</b>	<b>4 747</b>	<b>181 247</b>	<b>399</b>	<b>181 646</b>

<sup>1</sup> Syria and Yemen segment analysis has been included until the Group lost control of MTN Syria on 25 February 2021 and the Group exited Yemen on 17 November 2021.

<sup>2</sup> Irancell proportionate results are included in the segment analysis as reviewed by the CODM. This is, however, excluded from IFRS reported results due to equity accounting for joint ventures.

<sup>3</sup> Head office companies consist mainly of revenue from GlobalConnect Solutions Limited, the Group's central financing activities and management fees from segments.

# Notes to the condensed consolidated interim financial statements

continued

for the six months ended 30 June 2022

## 7. SEGMENT ANALYSIS

continued

External vs inter-segment revenue	Six months ended 30 June 2022			Six months ended 30 June 2021			Financial year ended 31 December 2021		
	External revenue Rm	Inter-segment revenue Rm	Total revenue Rm	External revenue Rm	Inter-segment revenue Rm	Total revenue Rm	External revenue Rm	Inter-segment revenue Rm	Total revenue Rm
<b>South Africa</b>	24 496	283	24 779	23 513	228	23 741	48 223	493	48 716
<b>Nigeria</b>	34 631	600	35 231	27 898	586	28 484	58 835	1 215	60 050
<b>SEA</b>	8 702	212	8 914	8 049	223	8 272	16 498	457	16 955
Uganda	4 534	164	4 698	3 850	164	4 014	8 223	326	8 549
Zambia	1 411	23	1 434	992	24	1 016	2 366	63	2 429
Other SEA	2 757	25	2 782	3 207	35	3 242	5 909	68	5 977
<b>WECA</b>	23 704	614	24 318	22 286	708	22 994	46 717	1 288	48 005
Ghana	9 604	284	9 888	8 757	327	9 084	18 659	528	19 187
Côte d'Ivoire	4 172	96	4 268	4 318	84	4 402	8 735	168	8 903
Cameroon	3 591	100	3 691	3 351	113	3 464	7 028	216	7 244
Other WECA	6 337	134	6 471	5 860	184	6 044	12 295	376	12 671
<b>MENA</b>	2 149	395	2 544	3 334	267	3 601	5 908	642	6 550
Sudan	1 282	268	1 550	861	197	1 058	1 748	478	2 226
Afghanistan	867	127	994	1 001	70	1 071	1 928	164	2 092
Other MENA <sup>1</sup>	–	–	–	1 472	–	1 472	2 232	–	2 232
<b>Major joint venture - Irancell<sup>2</sup></b>	4 047	–	4 047	3 102	–	3 102	6 725	–	6 725
<b>Head office companies<sup>3</sup></b>	2 969	7 965	10 934	2 520	5 222	7 742	5 452	13 644	19 096
<b>Eliminations</b>	–	(10 054)	(10 054)	–	(7 202)	(7 202)	–	(17 713)	(17 713)
<b>Hyperinflation impact</b>	840	(15)	825	(927)	(32)	(959)	13	(26)	(13)
<b>Irancell revenue exclusion</b>	(4 047)	–	(4 047)	(3 102)	–	(3 102)	(6 725)	–	(6 725)
<b>Consolidated revenue</b>	<b>97 491</b>	<b>–</b>	<b>97 491</b>	<b>86 673</b>	<b>–</b>	<b>86 673</b>	<b>181 646</b>	<b>–</b>	<b>181 646</b>

<sup>1</sup> Syria and Yemen segment analysis has been included until the Group lost control of MTN Syria on 25 February 2021 and the Group exited Yemen on 17 November 2021.

<sup>2</sup> Irancell proportionate results are included in the segment analysis as reviewed by the CODM. This is, however, excluded from IFRS reported results due to equity accounting for joint ventures.

<sup>3</sup> Head office companies consist mainly of revenue from GlobalConnect Solutions Limited, the Group's central financing activities and management fees from segments.

# Notes to the condensed consolidated interim financial statements

continued

for the six months ended 30 June 2022

## 7. SEGMENT ANALYSIS

continued

	Six months ended 30 June 2022 Reviewed Rm	Six months ended 30 June 2021 Reviewed Rm	Financial year ended 31 December 2021 Audited Rm
<b>CODM EBITDA</b>			
South Africa	9 838	9 821	18 956
Nigeria	18 887	15 135	31 852
SEA	4 067	4 007	7 847
Uganda	2 361	2 066	4 387
Zambia	380	293	556
Other SEA	1 326	1 648	2 904
WECA	10 225	9 436	19 369
Ghana	5 701	4 941	10 557
Côte d'Ivoire	1 453	1 499	3 096
Cameroon	1 308	1 293	2 507
Other WECA	1 763	1 703	3 209
MENA	992	1 000	2 082
Sudan	722	443	1 085
Afghanistan	270	333	615
Other MENA <sup>1</sup>	-	224	382
Head office companies <sup>2</sup>	5 559	(205)	(1 007)
Eliminations	(5 818)	(357)	652
<b>CODM EBITDA</b>	<b>43 750</b>	<b>38 837</b>	<b>79 751</b>
Major joint venture - Irancell <sup>3</sup>	1 723	1 204	2 446
Hyperinflation impact	294	(513)	(2)
Gain on sale of MTN South Africa towers	261	-	-
Gain on disposal of investment in associate	-	1 212	1 212
Fair value gain on acquisition of subsidiary	-	526	526
Gain on exit in Yemen	-	-	15
Gain on disposal of subsidiary	-	-	38
Impairment loss on remeasurement of non-current assets held for sale	(945)	(53)	(53)
Loss on deconsolidation of subsidiary	-	(4 720)	(4 720)
Impairment loss on Yemen PPE and intangible assets	-	(663)	(609)
Irancell CODM EBITDA exclusion	(1 723)	(1 204)	(2 446)
<b>CODM EBITDA before impairment of goodwill</b>	<b>43 360</b>	<b>34 626</b>	<b>76 158</b>
Depreciation, amortisation and impairment of goodwill and investment in joint venture	(17 523)	(17 539)	(35 223)
Net finance cost	(8 252)	(7 883)	(14 448)
Net monetary (loss)/gain	(9)	108	275
Share of results of associates and joint ventures after tax	1 002	926	2 054
<b>Profit before tax</b>	<b>18 578</b>	<b>10 238</b>	<b>28 816</b>

<sup>1</sup> Syria and Yemen segment analysis has been included until the Group lost control of MTN Syria on 25 February 2021 and the Group exited Yemen on 17 November 2021.

<sup>2</sup> Includes R3.8 billion gain on the MTN Nigeria secondary offer and R1.4 billion gain on the MTN Ghana share localisation.

<sup>3</sup> Irancell proportionate results are included in the segment analysis as reviewed by the CODM. This is, however, excluded from IFRS reported results due to equity accounting for joint ventures.

# Notes to the condensed consolidated interim financial statements

continued

for the six months ended 30 June 2022

## 7. SEGMENT ANALYSIS

continued

	Six months ended 30 June 2022 Reviewed Rm	Six months ended 30 June 2021 Reviewed Rm	Financial year ended 31 December 2021 Audited Rm
<b>CAPITAL EXPENDITURE INCURRED</b>			
South Africa	9 635	3 218	10 409
Nigeria	11 543	6 708	14 905
SEA	2 231	1 486	3 608
Uganda	1 278	847	1 743
Zambia	176	119	507
Other SEA	777	520	1 358
WECA	4 350	2 882	7 477
Ghana	2 258	1 393	3 651
Côte d'Ivoire	881	549	1 290
Cameroon	498	392	967
Other WECA	713	548	1 569
MENA	151	309	1 015
Sudan	107	128	504
Afghanistan	44	86	378
Other MENA <sup>1</sup>	-	95	133
Major joint venture - Irancell <sup>2</sup>	960	592	2 237
Head office companies	367	416	1 804
Eliminations	10	(77)	-
Hyperinflation impact	60	(94)	167
Irancell capex exclusion	(960)	(592)	(2 237)
	<b>28 347</b>	<b>14 848</b>	<b>39 385</b>

<sup>1</sup> Syria and Yemen segment analysis has been included until the Group lost control of MTN Syria on 25 February 2021 and the Group exited Yemen on 17 November 2021.

<sup>2</sup> Irancell proportionate results are included in the segment analysis as reviewed by the CODM. This is, however, excluded from capital expenditure incurred due to equity accounting for joint ventures.



# Notes to the condensed consolidated interim financial statements

continued

for the six months ended 30 June 2022

## 8. NON-CURRENT ASSETS HELD FOR SALE

### 8.1 MTN Afghanistan

In line with the previously announced MENA exit strategy, on 20 June 2022, the Group received a binding offer for the sale of MTN Afghanistan Limited (MTN Afghanistan) for a consideration of approximately USD31 million (R508 million<sup>1</sup>) on a discounted basis. The Group expects the sale to be concluded within approximately six months from reporting date. Accordingly, MTN Afghanistan's assets and liabilities have been presented as held for sale.

An impairment loss of R945 million was recognised in profit or loss for the period due to writing down the carrying amount of the disposal group to its fair value less costs to sell. The fair value less costs to sell was determined based on the binding offer received. As significant unobservable inputs were used to determine the offer price, it has been classified within level 3 of the fair value hierarchy. MTN Afghanistan is presented as part of the MENA cluster in the segment information (note 7). On disposal of MTN Afghanistan, accumulated foreign currency translation reserve (FCTR) gains will be reclassified to profit and loss. As at 30 June 2022, MTN Afghanistan's accumulated FCTR gain was R674 million.

<sup>1</sup> Translated at the closing exchange at 30 June 2022.

The carrying amounts of assets and liabilities that have been reclassified to non-current assets held for sale as at 30 June 2022 were:

	30 June 2022 Reviewed Rm
Property, plant and equipment	473
Right-of-use assets	177
Intangible assets	155
Deferred tax asset	47
Trade receivables and other current assets	612
Cash and cash equivalents	533
<b>Total assets</b>	<b>1 997</b>
Current liabilities	1 225
Lease liabilities	264
<b>Total liabilities</b>	<b>1 489</b>
<b>Net carrying amount of assets held for sale</b>	<b>508</b>

# Notes to the condensed consolidated interim financial statements

continued

for the six months ended 30 June 2022

## 8. NON-CURRENT ASSETS HELD FOR SALE

continued

### 8.2 MTN South Africa tower sale

On 16 November 2021, MTN South Africa entered into an agreement with IHS Group to sell its tower infrastructure (comprising approximately 5 700 tower sites) and power assets; cede related agreements including land lease agreements (on which the towers are constructed) to IHS Group; and lease back space on the towers which it would sell. Additionally, IHS Group, will provide electricity utility services at each site, as well as a direct current power backup service. The related conditions precedent were fulfilled and the transaction became effective on 30 May 2022.

#### Nature of transaction

As MTN South Africa is transferring its land leases and tower infrastructure to IHS Group and is leasing tower spaces back on this infrastructure, this part of the transaction has been accounted for as a sale and leaseback in terms of IFRS 16 Leases. MTN South Africa has agreed to lease tower spaces for its own use for a 10-year period, with an option to renew for a further 10 years. In addition, MTN South Africa has leased additional tower spaces that it can only utilise in terms of an existing barter arrangement for a period of 30 years.

As MTN South Africa is transferring its power assets, and will be receiving electricity and other services going forward, the Group accounted for this part of the transaction as a disposal of property, plant and equipment as it no longer has the right to control the use of an identifiable asset. The electricity utility and power backup service arrangement is accounted for as a service arrangement and recognised as an expense as the service is received.

#### Pre-existing barter arrangement

Prior to this transaction, MTN South Africa had a barter arrangement with another mobile network operator, where they each co-located on each other's towers on a non-cash basis. As the tower spaces that are exchanged are similar in nature, MTN South Africa had previously assessed that this barter arrangement lacks commercial substance and, therefore, is not required to be accounted for.

Subsequent to the transaction with IHS Group, MTN South Africa has retained the pre-existing barter arrangement with another mobile network operator. MTN South Africa received a reduced upfront purchase price for the tower infrastructure and thereby, in substance, prepaid for the lease of these barter spaces. Control of the barter spaces has transferred to IHS Group as MTN South Africa is not allowed to utilise the barter spaces for its own benefit or lease these spaces to any party other than the specified mobile network operator and the use of the tower spaces remains with IHS should the mobile network operator cancel the barter arrangement. MTN South Africa has therefore accounted for these barter spaces as part of the sale and leaseback arrangement.

## Notes to the condensed consolidated interim financial statements continued

for the six months ended 30 June 2022

### 8. NON-CURRENT ASSETS HELD FOR SALE continued

#### 8.2 MTN South Africa tower sale continued

##### Measurement of transaction

MTN South Africa has measured the right-of-use asset arising from the sale and leaseback at the proportion of the previous carrying amount of the assets transferred (including the remaining land leases still to be transferred) that relates to the total right-of-use asset retained by MTN South Africa. The right-of-use retained was calculated by comparing the present value of the future lease payments (including the prepayment for the barter spaces) to the fair value of the assets transferred to IHS Group (including the existing land leases).

The remaining land leases transferred to IHS Group will be derecognised as they are legally ceded to IHS Group and the related gain or loss on derecognition will be accounted for as part of the overall gain or loss on disposal group.

MTN South Africa has recognised a R261 million gain (included in other income) on the disposal of the disposal group, including the land leases, which were ceded when the transaction became effective, up to 30 June 2022. This transaction resulted in a tax expense of R1 081 million, which is included in income tax expense in the condensed consolidated income statement.

	30 June 2022 Reviewed		
	Tower sale and leaseback Rm	Power assets Rm	Total Rm
Cash received	5 282	1 073	6 355
(Payable)/receivable	(11)	193	182
Total proceeds	5 271	1 266	6 537
Derecognise:			
Property, plant and equipment	(2 095)	(1 687)	(3 782)
Right-of-use assets – land leases	(2 050)	–	(2 050)
Lease liabilities – land leases	2 403	–	2 403
Decommissioning provision	12	–	12
Recognise:			
Right-of-use asset – tower space	5 196	–	5 196
Lease liability – tower space	(7 974)	–	(7 974)
Provision for vandalised sites/inventory	(50)	(31)	(81)
Gain/(loss) recognised	713	(452)	261

## Notes to the condensed consolidated interim financial statements continued

for the six months ended 30 June 2022

### 8. NON-CURRENT ASSETS HELD FOR SALE continued

#### 8.2 MTN South Africa tower sale continued

The remaining land leases are presented as held for sale:

	30 June 2022 Reviewed Rm
Right-of-use assets	1 754
Lease liabilities	(2 026)
<b>Net carrying amount of assets held for sale</b>	<b>(272)</b>

### 9. MTN GHANA LOCALISATION

In April 2022, the Group concluded the transfer of a 5% interest in MTN Ghana to Ghanaian citizens as part of the Group's localisation strategy. The shares are held through five separate special purpose vehicles (Ghana SPVs).

The Ghana SPVs acquired 614 523 715 of MTN Ghana's shares at a price of GHS0.90 per share for a total consideration of R1 122 million. The acquisition of these shares was funded through equity contributions from the Ghana SPVs shareholders and vendor loans provided by MTN (Dubai) Limited (MTN Dubai).

The Ghana SPVs must repay the vendor loans using dividends on the MTN Ghana shares over a period of 10 years before the shares become unencumbered. Consequently, the Group does not recognise a non-controlling interest for the MTN Ghana shares legally sold to the Ghana SPVs and consolidates the Ghana SPVs until the vendor loans are fully repaid.

The transactions have been accounted for as equity-settled share-based payment transactions in accordance with IFRS 2 *Share-based Payments* and the Group recognised an expense of R85 million in profit or loss, with a corresponding entry in equity.

### 10. IMPAIRMENT OF GOODWILL AND INVESTMENT IN JOINT VENTURE

Impairment of investment in joint venture and goodwill relating to subsidiaries are disclosed below:

	Six months ended 30 June 2022 Reviewed		Six months ended 30 June 2021 Reviewed	Financial year ended 31 December 2021 Audited
	Impairment of joint venture Rm	Goodwill impairment Rm		
SpaceTel Guinea-Bissau S.A. (MTN Guinea-Bissau)	–	(251)	–	–
MTN Yemen	–	–	(550)	(550)
Mowali Societe par Actions Simpliffee (Mowali)	(149)	–	–	–
Other	–	(32)	(33)	(33)
	<b>(149)</b>	<b>(283)</b>	<b>(583)</b>	<b>(583)</b>

# Notes to the condensed consolidated interim financial statements

continued

for the six months ended 30 June 2022

## 11. NET FINANCE COSTS

	Six months ended 30 June 2022 Reviewed Rm	Six months ended 30 June 2021 Reviewed Rm	Financial year ended 31 December 2021 Audited Rm
Interest income on loans and receivables	253	61	396
Interest income on bank deposits	555	409	802
<b>Finance income</b>	<b>808</b>	<b>470</b>	<b>1 198</b>
Interest expense on financial liabilities measured at amortised cost	(3 454)	(3 171)	(7 010)
Net foreign exchange losses	(2 377)	(2 066)	(2 551)
Unwind of revision of cash flows	–	–	43
Lease liabilities finance cost	(3 229)	(3 116)	(6 128)
<b>Finance costs</b>	<b>(9 060)</b>	<b>(8 353)</b>	<b>(15 646)</b>
<b>Net finance costs recognised in profit or loss</b>	<b>(8 252)</b>	<b>(7 883)</b>	<b>(14 448)</b>

## 12. SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES AFTER TAX

	Six months ended 30 June 2022 Reviewed Rm	Six months ended 30 June 2021 Reviewed Rm	Financial year ended 31 December 2021 Audited Rm
	1 002	926	2 054
Irancell	975	781	1 709
Others	27	145	345

### Irancell loan and receivable

On 20 September 2019, the US Treasury Department's Office of Foreign Assets Control (OFAC) designated the Central Bank of Iran (CBI) as being subject to sanctions. Sanctions imposed on the CBI creates a secondary sanctions risk for MTN entities if the CBI allocates foreign currency to an MTN entity for the purpose of repatriating the receivable and/or loan. As at 30 June 2022, Iranian rial denominated receivables amounted to R2 369 million<sup>1</sup> (30 June 2021: R1 032 million, 31 December 2021: R1 531 million) and the Iranian rial denominated loan amounted to R1 922 million<sup>2</sup> (30 June 2021: R1 691 million, 31 December 2021: R1 882 million).

The Group has intercompany receivables of R5 790 million (including the Iranian rial denominated receivables and loan detailed above) owing from Irancell as at 30 June 2022. Considering the continued uncertainty of when the sanctions will be lifted, the Group has reassessed and determined that the settlement of R4 957 million of the outstanding receivables is neither planned nor likely to occur in the foreseeable future. Therefore, the balances have been reclassified from current to non-current in the condensed consolidated statement of financial position and presented as part of investment in associates and joint ventures. The Group intends to repatriate the remaining R833 million of the Iranian rial denominated receivable when circumstances permit.

<sup>1</sup> Includes R2 334 million at the SANA rate (30 June 2021: R1 001 million, 31 December 2021: R1 525 million) and includes R35 million at the CBI rate (30 June 2021: R31 million, 31 December 2021: R6 million).

<sup>2</sup> The amount outstanding was translated at the CBI rate.

# Notes to the condensed consolidated interim financial statements

continued

for the six months ended 30 June 2022

## 13. EARNINGS PER ORDINARY SHARE

### Number of ordinary shares

	As at 30 June 2022 Reviewed	As at 30 June 2021 Reviewed	As at 31 December 2021 Audited
<b>Number of ordinary shares in issue</b>			
At the end of the period (excluding MTN Zakhele Futhi and treasury shares)	1 805 685 163	1 802 807 799	1 803 226 302
<b>Weighted average number of shares</b>	<b>1 804 600 626</b>	<b>1 801 016 505</b>	<b>1 801 959 524</b>
<i>Add: Dilutive shares</i>			
– Share options – MTN Zakhele Futhi	35 036 187	8 981 876	24 698 778
– Share schemes	14 822 440	17 005 707	22 509 453
<b>Shares for dilutive earnings per share</b>	<b>1 854 459 253</b>	<b>1 827 004 088</b>	<b>1 849 167 755</b>

### Treasury shares

Treasury shares of 1 749 217 (30 June 2021: 4 626 581, 30 December 2021: 4 208 078) are held by the Group and 76 835 378 (30 June 2021: 76 835 378, 31 December 2021: 76 835 378) are held by MTN Zakhele Futhi (RF) Limited (MTN Zakhele Futhi).

### Headline earnings

Headline earnings is calculated in accordance with the Circular 1/2021 *Headline Earnings* as issued by SAICA as amended from time to time and as required by the JSE Limited.

# Notes to the condensed consolidated interim financial statements

continued

for the six months ended 30 June 2022

## 13. EARNINGS PER ORDINARY SHARE continued

	As at 30 June 2022 Reviewed Rm	As at 30 June 2021 Reviewed Rm	As at 31 December 2021 Audited Rm
Reconciliation between net profit attributable to the equity holders of the Company and headline earnings:			
<b>Profit attributable to equity holders of the Company</b>	<b>8 037</b>	2 673	13 750
Net profit on disposal of property, plant and equipment and intangible assets (IAS 16 and IAS 38)	(14)	(39)	(99)
– Subsidiaries (IAS 16)	(12)	(32)	(79)
– Joint ventures (IAS 28)	(2)	(7)	(20)
Net loss on disposal of intangible assets (IAS 38)	–	7	–
Impairment of goodwill and investment in joint venture (IAS 36)	432	583	583
Net impairment loss on property, plant and equipment, right-of-use-assets and intangible assets (IAS 36)	19	730	545
Gain on sale of MTN South Africa towers (IFRS 5)	(261)	–	–
Impairment loss on remeasurement of non-current assets held for sale (IFRS 5)	945	53	53
Gain on disposal of investment in associate (IAS 28)	–	(1 212)	(1 212)
Gain on exit in Yemen (IFRS 10)	–	–	(15)
Gain on disposal of subsidiary (IFRS 10)	–	–	(38)
Fair value gain on acquisition of subsidiary (IFRS 10)	–	(526)	(526)
Loss on deconsolidation of subsidiary (IFRS 10)	–	4 720	4 720
Total non-controlling interest and tax effect of adjustments	1 083	(19)	20
<b>Headline earnings</b>	<b>10 241</b>	6 970	17 781
<b>Earnings per share (cents)</b>			
– Basic	445	148	763
– Basic headline	567	387	987
<b>Diluted earnings per share (cents)</b>			
– Diluted	433	146	744
– Diluted headline	552	381	962

# Notes to the condensed consolidated interim financial statements

continued

for the six months ended 30 June 2022

## 14. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

### 14.1 Financial instruments at amortised cost

The carrying value of current receivables and liabilities measured at amortised cost approximates their fair value.

#### Listed long-term borrowings

The Group has listed long-term fixed interest rate senior unsecured notes in issue which were issued in prior years, with a carrying amount of R20 564 million at 30 June 2022 (30 June 2021: R25 060 million, 31 December 2021: R20 135 million) and a fair value of R19 922 million (30 June 2021: R27 147 million, 31 December 2021: R21 425 million). The notes are listed on the Irish bond market and the fair values of these instruments are determined by reference to quoted prices in this market. The market for these bonds is not considered to be liquid and consequently the fair value measurement is categorised within level 2 of the fair value hierarchy.

### 14.2 Financial instruments measured at fair value

The fair values of financial instruments measured at fair value are determined as follows:

#### IHS Group listed equity investment

Included in investments in the condensed consolidated statement of financial position is an equity investment in IHS Group at fair value of R14 470 million (30 June 2021: R30 483 million, 31 December 2021: R19 144 million). The fair value of the investment is determined by reference to published price quotations on the New York Stock Exchange. The share price of IHS Group was US\$10.44 on the last trading day of the period. The fair value of this investment is categorised within level 1 of the fair value hierarchy in comparison to the categorisation within level 3 as at 30 June 2021. This change resulted from the entity's listing on 14 October 2021, where the Group's interest was diluted from 28.96% to 25.98%.

On 9 August 2022, the IHS Group share price was US\$8.00, equating to a reduction in the fair value of R3 153 million subsequent to 30 June 2022.

#### Reconciliation of level 3 financial assets

The table below sets out the reconciliation of financial assets that are measured at fair value based on inputs that are not based on observable market data (level 3):

	Rm
<b>Insurance cell captives</b>	
<b>Balance at 1 January 2021</b>	1 138
Contributions paid to insurance cell captives	583
Claims received by insurance cell captives	(910)
Gain recognised in profit or loss	483
<b>Balance at 1 January 2022</b>	<b>1 294</b>
Contributions paid to insurance cell captives	494
Claims received by insurance cell captives	(67)
Loss recognised in profit or loss	(340)
<b>Balance 30 June 2022</b>	<b>1 381</b>

### 14.3 Capital management

Management regularly monitors and reviews covenant ratios. Under the terms of the major borrowing facilities, the Group is required to comply with financial covenants. These covenants differ based on the contractual borrowing terms of each facility and incorporate both IFRS and non-IFRS financial measures. The Group has complied with all externally imposed loan covenants during the current financial period.

# Notes to the condensed consolidated interim financial statements

continued

for the six months ended 30 June 2022

## 15. RESTRICTED CASH

Restricted cash includes amounts of R8 962 million (30 June 2021: R2 873 million, 31 December 2021: R5 494 million) related to MTN Nigeria operations. This balance relates to cash deposits with banks to secure letters of credit and collateral against repayment of borrowings. Furthermore, the restricted cash balance includes dividends from MTN Nigeria being held on behalf of the Group by the Nigeria Registrar at an amount of Rnil (30 June 2021: R2 175 million, 31 December 2021: R742 million). In addition, an amount of R2 247 million of proceeds received from the MTN Nigeria secondary offer (note 21) is restricted until foreign currency (USD) becomes available in the market.

## 16. AUTHORISED COMMITMENTS FOR THE ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT AND SOFTWARE

	As at 30 June 2022 Reviewed Rm	As at 30 June 2021 Reviewed Rm	As at 31 December 2021 Audited Rm
	<b>23 519</b>	14 342	34 535
– Contracted <sup>1</sup>	<b>15 587</b>	9 311	12 725
– Not contracted	<b>7 932</b>	5 031	21 810

<sup>1</sup> Following the successful allocation of high demand spectrum to MTN South Africa in March 2022, authorised commitments increased by R5.15 billion compared to that as at 31 December 2021. R3.25 billion of this amount was prepaid during the period and is included in the condensed consolidated statement of cash flows in the line acquisitions of intangible assets. The secured spectrum includes 2 x 10 MHz of 800 MHz, 40 MHz of 2600 MHz and 40 MHz of 3500 MHz.

## 17. INTEREST-BEARING LIABILITIES

	As at 30 June 2022 Reviewed Rm	As at 30 June 2021 Reviewed Rm	As at 31 December 2021 Audited Rm
Bank overdrafts	<b>248</b>	357	469
Current borrowings	<b>22 992</b>	14 958	14 949
Current interest-bearing liabilities	<b>23 240</b>	15 315	15 418
Non-current borrowings	<b>61 516</b>	75 518	65 484
<b>Total interest-bearing liabilities</b>	<b>84 756</b>	90 833	80 902

# Notes to the condensed consolidated interim financial statements

continued

for the six months ended 30 June 2022

## 18. ISSUE AND REPAYMENT OF DEBT SECURITIES

During the period under review the following entities raised and repaid significant debt instruments:

	Six months ended 30 June 2022 Reviewed		Six months ended 30 June 2021 Reviewed		Financial year ended 31 December 2021 Audited	
	Raised Rm	Repaid Rm	Raised Rm	Repaid Rm	Raised Rm	Repaid Rm
<b>Mobile Telephone Networks Holdings Limited</b>						
Loan facilities	–	793	3 162	5 563	5 350	11 128
Domestic medium term programme	–	–	812	4 313	700	9 028
<b>MTN (Mauritius) Investments Limited</b>						
United States dollar senior unsecured notes	–	–	–	–	–	7 550
<b>MTN Ghana<sup>1</sup></b>						
Term loan	–	122	400	539	410	1 104
Revolving credit facility	–	–	–	–	410	819
<b>MTN Côte d'Ivoire S.A. (MTN Côte d'Ivoire)<sup>1</sup></b>						
Syndicated term loan	–	429	3	444	5	1 035
<b>MTN (Mauritius)</b>						
Loan facilities	–	–	–	2 065	–	2 202
<b>MTN Nigeria</b>						
Long-term borrowings	<b>3 269</b>	<b>3 174</b>	6 472	4 619	5 494	12 402
Commercial paper issuance <sup>2</sup>	<b>4 470</b>	–	2 556	2 804	9 684	5 837
Other	<b>407</b>	<b>1 257</b>	1 335	1 766	2 811	2 695
	<b>8 146</b>	<b>5 775</b>	13 928	17 800	23 754	43 953

<sup>1</sup> Raising and repayment of debt securities included in other in 2021 has been disaggregated in 2022 and comparative numbers have been re-presented accordingly.

<sup>2</sup> On 12 April 2022, MTN Nigeria issued commercial paper with a face value of NGN51.4 billion (R1.9 billion) for 184 days and NGN75.6 billion (R2.8 billion) for 254 days.

The Group has undrawn variable rate facilities of R43.2 billion (30 June 2021: R28.7 billion, 31 December 2021: R40 billion). Holdco cash balances including restricted cash and current investments was R21.3 billion as at 30 June 2022 (30 June 2021: R22.2 billion, 31 December 2021: R20.1 billion).

# Notes to the condensed consolidated interim financial statements continued

for the six months ended 30 June 2022

## 19. CONTINGENT LIABILITIES

	As at 30 June 2022 Reviewed Rm	As at 30 June 2021 Reviewed Rm	As at 31 December 2021 Audited Rm
Uncertain tax exposures	1 127	1 554	1 622
Legal and regulatory matters	996	1 726	1 256
	<b>2 123</b>	3 280	2 878

### Uncertain tax exposures

The Group operates in numerous tax jurisdictions and the Group's interpretation and application of the various tax rules applied in direct and indirect tax filings may result in disputes between the Group and the relevant tax authority. The outcome of such disputes may not be favourable to the Group. At 30 June 2022, there were a number of tax disputes ongoing in various of the Group's operating entities. The most significant matter relates to a transfer pricing dispute which the Group is contesting with the South African Revenue Service that relates to the 2009 to 2012 tax years. Based on internal and external legal and technical advice obtained, the Group remains confident that it has a robust legal case to contest the exposure.

### Legal and regulatory matters

The Group is involved in various legal and regulatory matters, the outcome of which may not be favourable to the Group and none of which are considered individually material.

The Group has applied its judgement and has recognised liabilities based on whether additional amounts will be payable and has included contingent liabilities where economic outflows are considered possible but not probable.

# Notes to the condensed consolidated interim financial statements continued

for the six months ended 30 June 2022

## 20. EXCHANGE RATES TO SOUTH AFRICAN RAND

	As at 30 June 2022 Reviewed	As at 30 June 2021 Reviewed	As at 31 December 2021 Audited	Six months ended 30 June 2022 Reviewed	Six months ended 30 June 2021 Reviewed	Financial year ended 31 December 2021 Audited
	Closing rates			Average rates		
<b>Foreign currency to South African rand:</b>						
United States dollar	USD	16.27	14.32	15.94	15.49	14.54 14.82
<b>South African rand to foreign currency:</b>						
Nigerian naira	NGN	25.89	28.68	26.61	26.97	27.78 27.54
Iranian rial <sup>1</sup>	IRR	15 638.23	14 639.50	15 391.55	15 845.42	15 563.66 15 425.94
Ghanaian cedi	GHS	0.50	0.41	0.40	0.47	0.40 0.40
Cameroon Communauté Financière Africaine franc	XAF	38.46	38.66	36.15	38.69	37.28 37.37
Côte d'Ivoire Communauté Financière Africaine franc	CFA	38.46	38.66	36.14	38.71	37.18 37.36
Ugandan shilling	UGX	231.36	248.70	222.99	232.76	247.73 241.06
Sudanese pound	SDG	35.13	31.61	27.47	33.96	19.00 25.07

<sup>1</sup> SANA rate.

The Group's presentation currency is rand. The strengthening of the closing rate of the rand against the functional currencies of several of the Group's operations contributed to the decrease in consolidated assets and liabilities and the resulting FCTR decrease of R317 million (30 June 2021: R6 744 million decrease, 31 December 2021: R579 million increase) for the period.



# Notes to the condensed consolidated interim financial statements

continued

for the six months ended 30 June 2022

## 20. EXCHANGE RATES TO SOUTH AFRICAN RAND continued

### Net investment hedges

The Group hedges a designated portion of its United States dollar net assets in MTN Dubai for foreign exchange exposure arising between the USD and ZAR as part of the Group's risk management objectives. The Group designated external borrowings denominated in USD held by MTN (Mauritius) Investments Limited with a fair value of R19.9 billion (30 June 2021: R27.1 billion, 31 December 2021: R21.4 billion). For the period of the hedge relationship, foreign exchange movements on these hedging instruments are recognised in OCI as part of the FCTR, offsetting the exchange differences recognised in OCI, arising on translation of the designated United States dollar net assets of MTN Dubai to ZAR. The cumulative foreign exchange movement recognised in OCI will only be reclassified to profit or loss upon loss of control of MTN Dubai.

To assess hedge effectiveness the Group performs hedge effectiveness testing by comparing the changes in the carrying amount of the debt that is attributable to a change in the spot rate with changes in the net assets designated in MTN Dubai. There was no hedge ineffectiveness recognised in profit or loss during the current or prior period.

## 21. CHANGES IN SHAREHOLDING

### MTN Nigeria secondary offer

On 31 January 2022, the Group disposed of 661.25 million shares in MTN Nigeria following a secondary offer. This took the Group's shareholding from 78.83% to 75.58%. Proceeds generated from the sale of shares, net of taxes and transaction costs amounted to NGN97.6 billion (R3.6 billion translated at the effective date). This resulted in a net gain of R3 billion recognised in equity as a transaction with non-controlling interest.

# Administration

## MTN GROUP LIMITED

Incorporated in the Republic of South Africa

### Company registration number:

1994/009584/06

ISIN: ZAE000042164

Share code: MTN

### Board of Directors

MH Jonas\*

RT Mupita<sup>1</sup>TBL Molefe<sup>1</sup>

NP Gosa\*

CWN Molope\*

PB Hanratty<sup>2\*</sup>S Kheradpir<sup>3\*</sup>

S Mabaso-Koyana\*

SP Miller<sup>4\*</sup>

NL Sowazi\*

BS Tshabalala\* (resigned 25 May 2022)

KDK Mokhele\*

SLA Sanusi<sup>5\*</sup>VM Rague<sup>6\*</sup>TL Pennington<sup>7\*</sup> (appointed 1 August 2022)<sup>1</sup> Executive<sup>2</sup> Irish<sup>3</sup> American<sup>4</sup> Belgian<sup>5</sup> Nigerian<sup>6</sup> Kenyan<sup>7</sup> British

\* Independent non-executive director

# Non-executive director

### Group Company Secretary

PT Sithuba-Bonoyi

Private Bag X9955, Cresta, 2118

### Registered office

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Fairland,

Gauteng, 2195

### American depository receipt (ADR) programme

Cusip No. 62474M108

ADR to ordinary share 1:1

### Depository: The Bank of New York

101 Barclay Street, New York NY, 10286, USA

## MTN Group sharecare line

Toll free: 0800 202 360 or +27 11 870 8206  
if phoning from outside South Africa

### Transfer secretaries

Computershare Investor Services

Proprietary Limited

Registration number 2004/003647/070

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### Joint auditors

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### Ernst & Young Inc.

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### Joint sponsor

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Website: <http://www.mtn.com>

Date of release: 11 August 2022

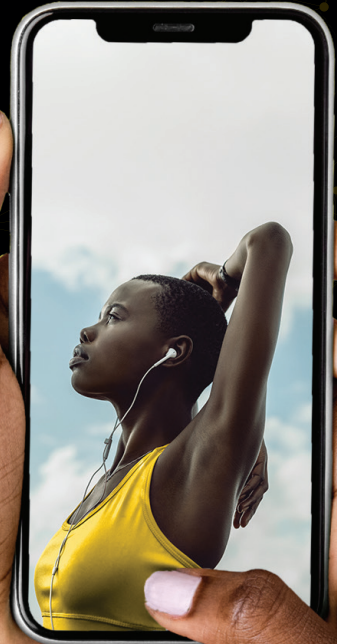




# *Results Presentation*

for the **six-month period ended 30 June 2022**

*What  
are we  
doing  
today?*



# MTN Group

## Results presentation

for the *six-month period ended 30 June 2022*



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# Agenda

MTN

***01 Operational & strategic review***

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***02 Financial review***

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***03 Looking ahead***

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# 01

## Operational & strategic review



**Ralph Mupita**  
*Group President and CEO*

## Operating context

Challenging geopolitical, macroeconomic and regulatory conditions

### Macroeconomic

- Rising inflation and interest rates
- Local FX volatility / availability vs US\$

### Supply chain

- Delays in shipping of radios and other equipment
- Challenged availability of high-end devices

### Regulatory

- SIM registration regulations
- New MoMo taxes and levies in some markets

### Energy/power

- Rising costs across networks
- Power supply constraints in South Africa

# H1 22 at a glance

Resilient performance in a challenging environment | Good operational execution, ongoing strategic delivery

## Solid performance in a challenging macro



- Solid subscriber growth, up 5.6% to 282m
- Strong data growth, traffic +43.3% YoY
- Fintech ecosystem expansion despite taxes and price cuts, transaction volume +31.5%

## Continued execution of strategic priorities



- Fintech & fibre separations progressing
- Localisations advanced under ARP
- Binding offer received for 100% of MTN Afghanistan

## Financial resilience of the business maintained



- Continued faster deleveraging, Holdco leverage 0.8x
- Expense efficiency programme, R1.9bn of savings
- Healthy Holdco liquidity, at R55.9bn

## Creating shared value



- Reduced average cost to communicate by 22.5%
- Increased rural broadband coverage to 85.6%
- Sustained fiscal contribution to nation states

## H1 22 financial highlights

Healthy results on execution excellence of the Group

**+14.8%\***  
Service revenue  
R92.5bn

**+35.9%\***  
Data revenue  
R34.1bn

**+14.0%\***  
Fintech revenue  
R8.2bn

**+15.1%\***  
EBITDA  
R44.1bn

**+0.3pp\***  
EBITDA margin  
45.3%

**+30.9%**  
Adjusted HEPS  
661cps

**17.5%** (capex intensity)  
Capex (ex-leases)<sup>#</sup>  
R17.1bn

**Net debt/EBITDA**  
Holdco Group  
0.8x 0.4x

**+24.0%**  
Operating free cash flow<sup>^</sup>  
R10.5bn

**ROE +4.6pp to 24.2%**

\*Constant currency information after adjusting for the impact of pro forma adjustments  
#Capex is based on IAS 17 | ^Before licence renewals and spectrum acquisitions

## South Africa

Resilient results delivered through focused commercial & operational execution | Continued to reduce cost of data



### Market context

- Challenging macro | Rising inflation & interest rates
- Increased power outages/loadshedding
- KwaZulu-Natal floods



### Key activities

- R3.2bn capex investment | Expanded 4G and 5G sites by 101 and 443, respectively
- Network resilience plan in execution
- Secured 100MHz of multi-band spectrum



### Solid results

- Data traffic up 41.5% | Active data users up 15.3% to 18.1m
- Market share gains
- #1 NPS



# Nigeria

Data growth underpinned by solid commercial momentum | Steady recovery in voice | Launched MoMo PSB



## Market context

- Challenging macro | Strong oil price
- Pressured FX environment
- NIN-SIM linkage regulations



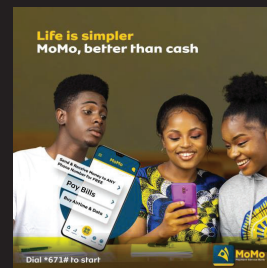
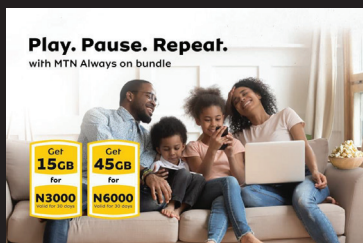
## Key activities

- Ramped up SIM registration & NIN enrolment
- Accelerated 4G network rollout | Capex of R7.6bn
- MoMo PSB commenced commercial operations on 19 May 2022



## Solid results

- Subscribers back into growth, ~+6m since Q4 21
- +79.3% data traffic | Active data users up 13.2% to 36.8m
- #1 NPS





# Markets

Encouraging performance across regions driven by data and fintech growth

## SEA



**+9.9%\***  
service revenue

**+29.0%\***  
data revenue

- Voice pressure in the region
- MTN Uganda service revenue growth above inflation, margin impacted by diesel pass-through costs
- Strong service revenue growth in MTN Rwanda, margin impacted by costs of 4G acceleration
- Fintech contributed 24.5% to SEA service revenue

## WECA



**+14.4%\***  
service revenue

**+34.8%\***  
data revenue

- Double-digit service revenue sustained
- MTN Ghana driven by voice & data | Fintech pressure from e-Levy & P2P reductions
- Competitive pressure in MTN Côte d'Ivoire & solid growth in MTN Cameroon
- Fintech contributed 16.7% to WECA service revenue

## MENA



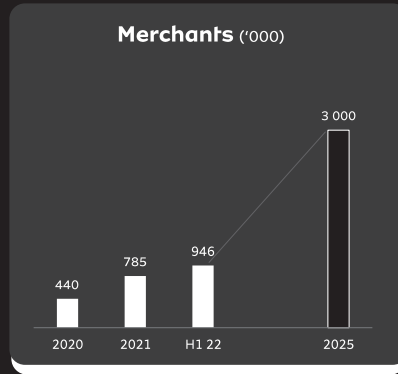
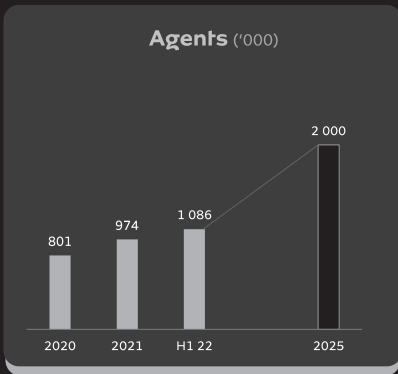
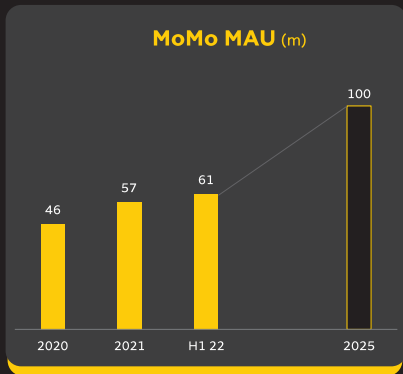
**+69.8%\***  
service revenue

**+119.9%\***  
data revenue

- Robust growth in challenging conditions
- MTN Sudan service revenue growth boosted by voice and data
- Strong result from MTN Irancell JV, service revenue up 32.4%\*
- Snapp growth sustained, market leader with 3.3m daily rides

## Fintech ecosystem expansion

6.0 billion transaction volume (+31.5% YoY) | US\$116.3bn tx value (+11.7% in constant currency)



**Process to structurally separate the fintech business continues**  
**Exploring strategic partners into the MTN Group Fintech structure**



Monthly active users (MAU)

# Accelerate portfolio transformation

Material progress in ARP delivery | R15.8bn^ since March 2020

<b>Progress to date</b>	<b>E-commerce portfolio</b>	<b>TowerCo investments</b>	<b>Localisation &amp; other</b>	<b>~R9.2bn Proceeds YTD</b>	<b>Pan-African focus</b>
		<ul style="list-style-type: none"> <li>IHS listed on NYSE</li> <li>SA tower transaction – R5.1bn</li> </ul>	<ul style="list-style-type: none"> <li>Nigeria IPO – R3.6bn</li> <li>Chana, further localisation – 23.7%, proceeds of R519m</li> </ul>		
<b>Future focus</b>	<ul style="list-style-type: none"> <li>Digital group - MEIH - IIG</li> </ul>	<ul style="list-style-type: none"> <li>IHS – valued at R14.5bn#</li> </ul>	<ul style="list-style-type: none"> <li>Nigeria, further ~11% sell-down</li> <li>Chana, further ~6.3% sell-down</li> </ul>	<b>Committed to further delivery of ARP</b>	<ul style="list-style-type: none"> <li>Conclude sale of MTN Afghanistan</li> <li>Iran cell managed for value</li> </ul>
<b>&gt; R25 billion targeted over the medium term</b>					<b>Simplify the portfolio &amp; reduce risk</b>

^Includes proceeds relating to Jumia (R2 296m), BICS exit (R1 772m), Zambia localisation (R178m), Uganda localisation (R2 335m), CCA (R9m), Nigeria IPO (R3 600m), Ghana localisation (R519m) and MTN SA Tower sales (R5 100m)  
# As at 30 June 2022

## Progress against our medium-term guidance

H1 22 results largely in-line with our medium-term targets

<b>KPI</b>	<b>Target</b>	<b>Performance</b>
<b>Service revenue</b>	Group: at least mid teens South Africa: Mid-single-digit growth Nigeria: at least 20%	14.8%* 4.1% 19.9%*
<b>Accelerate fintech platform growth</b>	>20% service revenue contribution	9.0%
<b>Holdco leverage</b>	< 1.5x, faster non-ZAR deleveraging	0.8x
<b>Asset realisation</b>	> R25 billion	R15.8bn
<b>Adjusted ROE</b>	Improvement towards 25%	24.2%

# 02

## Financial review



***Tsholo Molefe***  
*Group CFO*

## Major items impacting reported results

### Macro

#### 1. FX volatility

- Stronger average rand exchange rate
  - 2.0pp impact on reported service revenue
- Weaker closing rand exchange rate against dollar
  - Negative impact on Holdco net debt & leverage
  - Forex losses: R2.4bn

#### 2. Rising inflation and energy costs

- Upward pressure on opex

### Significant transactions

#### 1. SA towers sold for net proceeds R5.1bn

- Profit on disposal of R261m

#### 2. MTN Afghanistan disposal

- Goodwill and investment impairment: R945m
- FCTR: R674m gain to be released to I/S upon completion

*Net impact of -R4.2bn of significant items in 2021*

## Group income statement

Continued operating leverage | Healthy adjusted HEPS growth

(Rm)	H1 2022	H1 2021	% change reported	% change constant currency
Revenue	97 491	86 673	12.5	14.3
Service revenue	92 466	81 947	12.8	14.8
<b>EBITDA before once-off items</b>	<b>44 129</b>	<b>38 797</b>	<b>13.7</b>	<b>15.1</b>
Once-off items	(259)	(4 171)		
<b>EBITDA</b>	<b>43 870</b>	<b>34 626</b>		
Depreciation, amortisation and goodwill impairment	(17 523)	(16 989)	3.1	3.8
<b>EBIT</b>	<b>25 606</b>	<b>21 808</b>	<b>22.0</b>	<b>26.6</b>
Net finance cost	(8 252)	(7 883)	4.7	7.7
Share of results of associates and joint ventures after tax	1 002	926		
<b>Profit before tax</b>	<b>18 578</b>	<b>10 238</b>	<b>81.5</b>	
Income tax expense	(8 172)	(6 057)	34.9	
<b>Profit after tax</b>	<b>10 406</b>	<b>4 181</b>		
Non-controlling interests	(2 369)	(1 508)		
<b>Attributable profit</b>	<b>8 037</b>	<b>2 673</b>		
EPS (cents)	445	148	200.7	
HEPS (cents)	567	387	46.5	
Adjusted HEPS (cents)	661	505	30.9	

Capex & AFG impairment, offset by SA towers sale

Impacted by non-deductible expenses & WHT

Increased localisations

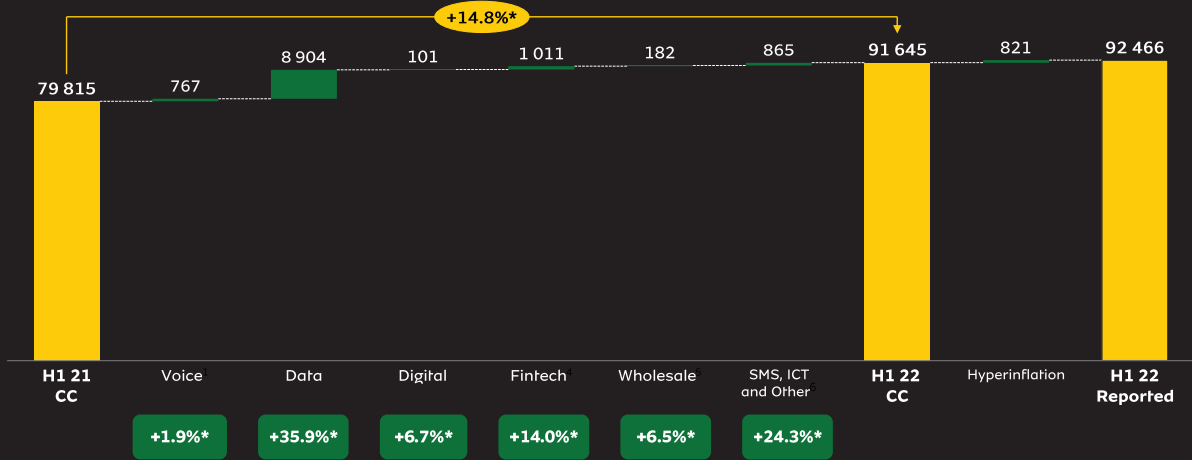
After adjusting for non-operational items totalling 94 cents per share



# Group service revenue

Data driving healthy revenue growth

(Rm)



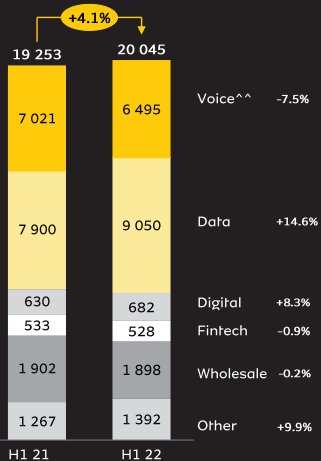
H1 21 CC and H1 22 CC at constant currency

# South Africa

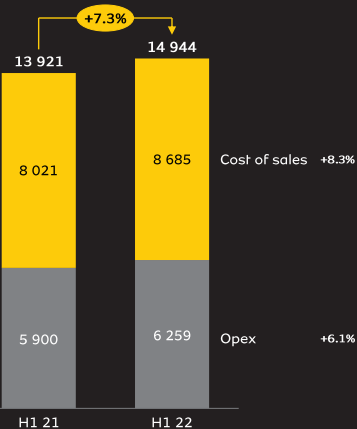
Strong growth in data | Expenses growth driven by devices, network & commission costs

## Service revenue

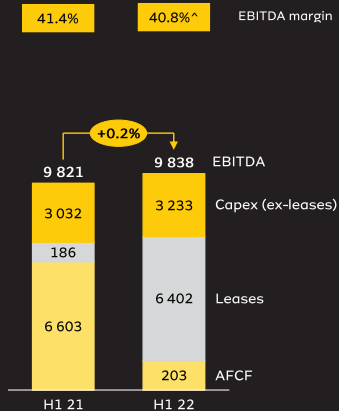
(Rm)



## Expenses



## EBITDA and capex

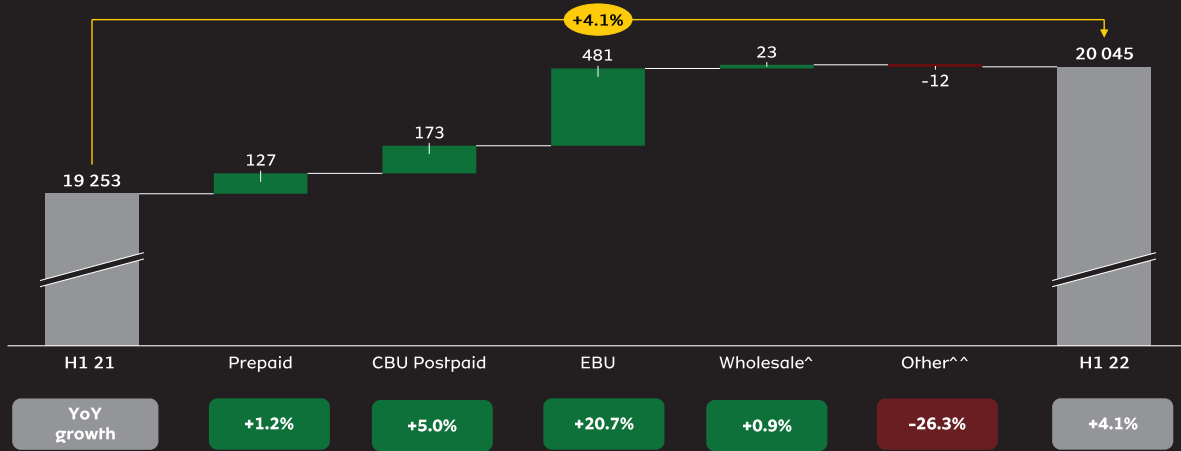


Capex intensity under IAS 17 (ex-leases) is 13.0% (H1 21: 12.8%) | ^Outgoing voice revenue at -8.7% | ^EBITDA margin after adjustment for gain on disposal of SA towers is 39.7%

# South Africa service revenue

Healthy growth in consumer and enterprise business units, wholesale steady on a strong base

(Rm)



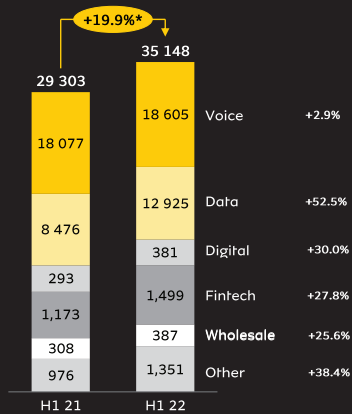
\*Recognised revenue of R1.2 billion (down 9.3% YoY) from CellC, with a balance of R254 million unrecognised at 30 June 2022 | ^^ Other includes other ancillary revenues

# Nigeria

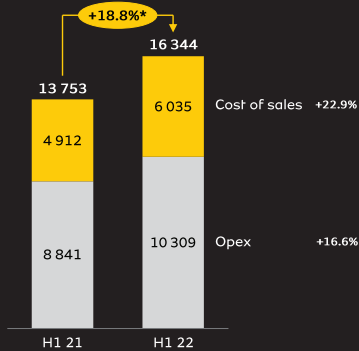
Data and fintech drive growth | Expenses driven largely by network costs | Margin expansion

## Service revenue

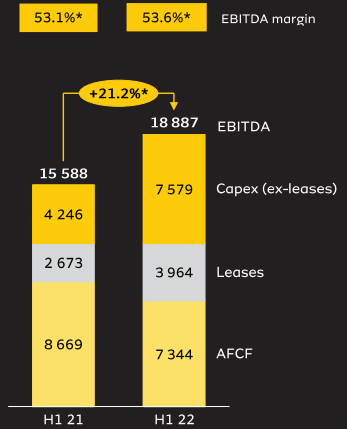
(Rm) constant currency



## Expenses



## EBITDA and capex



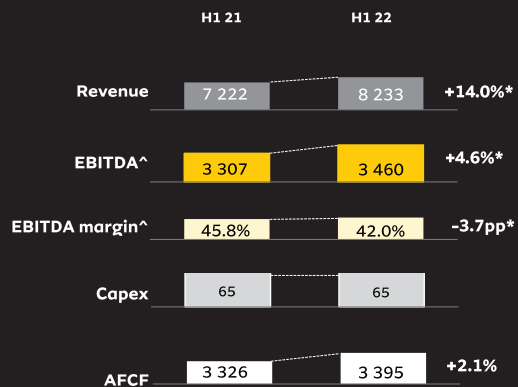
Capex intensity under IAS 17 (ex-leases) is 21.5% (H1 21: 14.2%)

# Fintech revenue

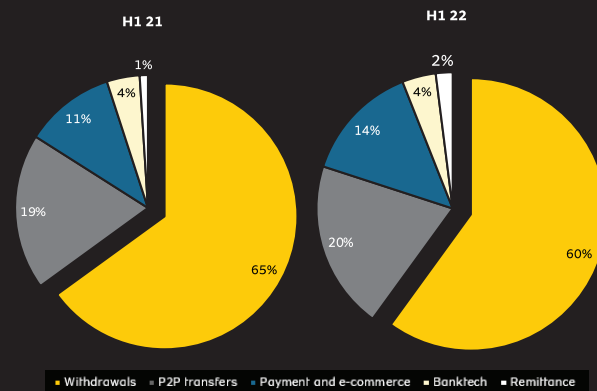
Contributes 9.0% to Group service revenue

## Fintech highlights\*

(Rm)



## MoMo revenue contribution by services offered



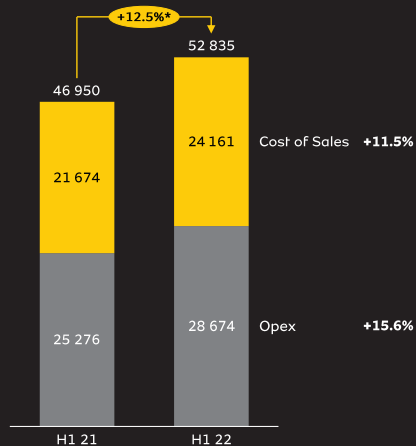
\*Includes Airtime advance | ^Pro forma view based mostly on direct attribution of costs

# Expenses

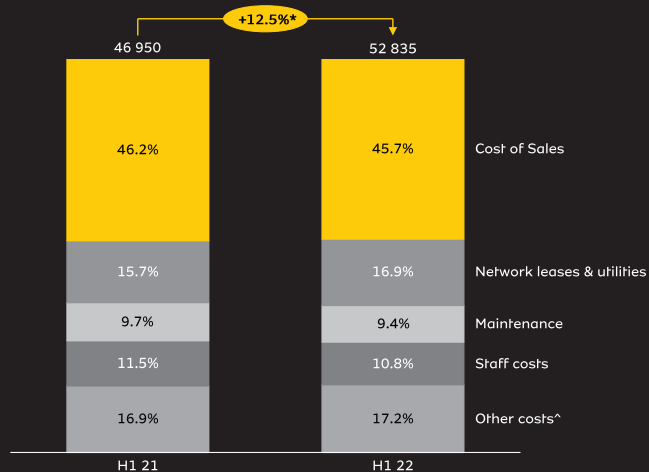
Expenses well managed in inflationary environment | Upward pressure led by network costs

## Expenses

(Rm) Constant currency



## Expenses breakdown



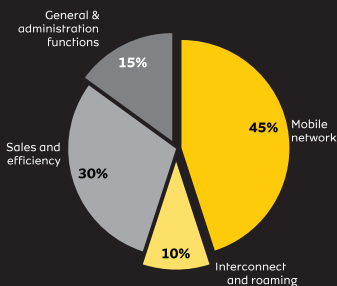
<sup>^</sup>Other costs includes professional fees, marketing & advertising and provisions

# Measures to contain inflationary pressure

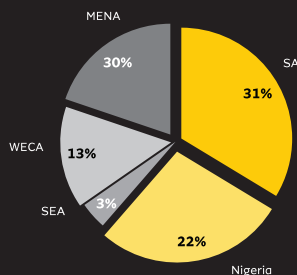
Delivering on the expense efficiency programme | Savings of R1.9bn in H1 22 (R5.6bn in total since 2020)

## Expense efficiency programme

Savings realised by area

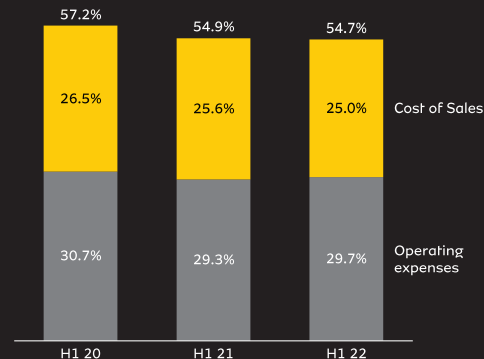


Savings realised by region



**Medium-term Group target:**  
**>R5bn in efficiencies (off 2020 base)**

## Total costs to revenue contribution



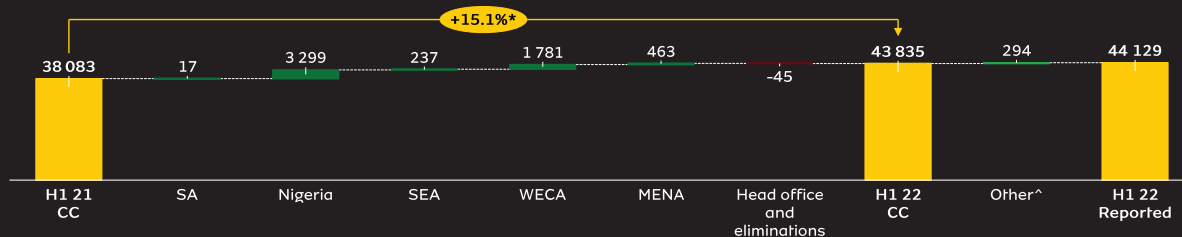
- Good progress on expense efficiency programme
- Acceleration of energy efficiency initiatives
- Renegotiation of inflation-indexed contracts
- Pricing negotiations to leverage on economies of scale
- Staff optimisation initiatives



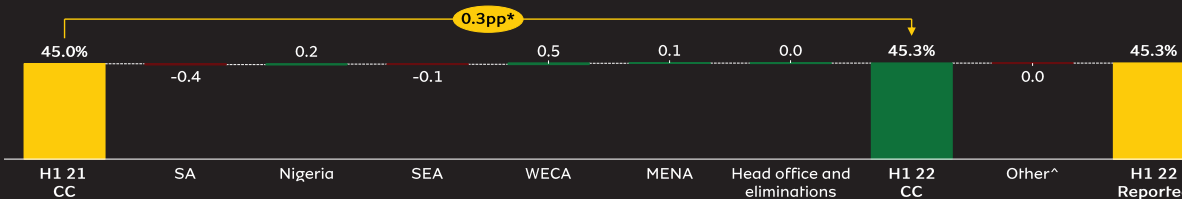
## Group EBITDA

Solid revenue growth and cost discipline underpins EBITDA and margin

EBITDA (Rm)



EBITDA margin (%)



2021 CC and 2022 CC at constant currency | 2022 is adjusted for gain on disposal of SA towers (R261m), PPE impairment of Afghanistan (R435m) and Ghana IFRS2 charges (R85m) | ^Other includes include hyperinflation (R295m), 2021 is adjusted for the loss on deconsolidation of Syria (R4,734m), profit on disposal of BICS (R1,213m), Vaccine donations (R473m) and gain on transition of eYo from JV to subsidiary (R597m).

## Adjusted HEPS

*Benefited from strong operational performance*

(Rcents)	Reported H1 22	Reported H1 21	change %
<b>Attributable earnings per share</b>	<b>445</b>	<b>148</b>	<b>200.7</b>
Impairment of goodwill, PPE and associates	25	73	
Loss on deconsolidation of subsidiary	-	262	
Impairment loss on remeasurement of disposal groups	52	2	
Gain on dilution/disposal of investment in JV/associate/subsidiary and fair value gain on acquisition of subsidiary	-	(96)	
Net loss (after tax) on disposal of SA towers	45	-	
Other	-	(2)	
<b>Basic headline earnings per share</b>	<b>567</b>	<b>387</b>	<b>46.5</b>
Hyperinflation (excluding impairments)	2	(5)	
Impact of foreign exchange (gains) and losses <sup>1</sup>	88	99	
IFRS 2 charge arising from Ghana localisation	4	-	
Vaccine donations	-	24	
<b>Adjusted headline earnings per share (excluding non-operational items)</b>	<b>661</b>	<b>505</b>	<b>30.9</b>

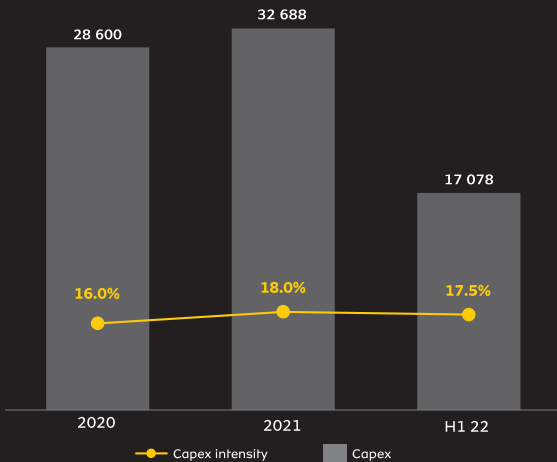
<sup>1</sup> Includes the impact of forex from Irancell operations (2022: 0c gain; 2021: 11c loss)

# Capex (IAS 17)

Acceleration of investment | FY 22 capex of ~R35bn | Capex intensity maintained in the MT range of 18%-15%

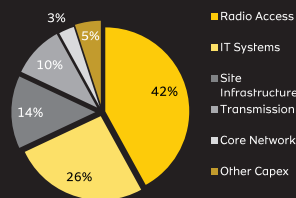
## Capex (ex-leases)

(Rm)

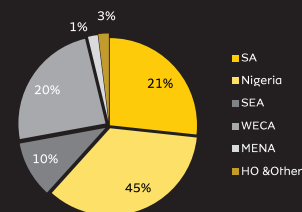


## Capex breakdown

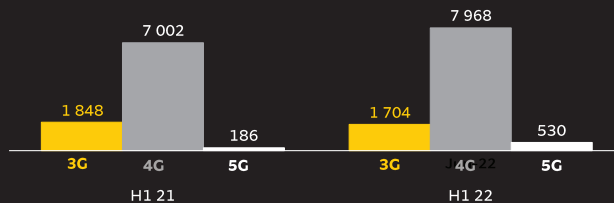
### Capex per category



### Capex per region



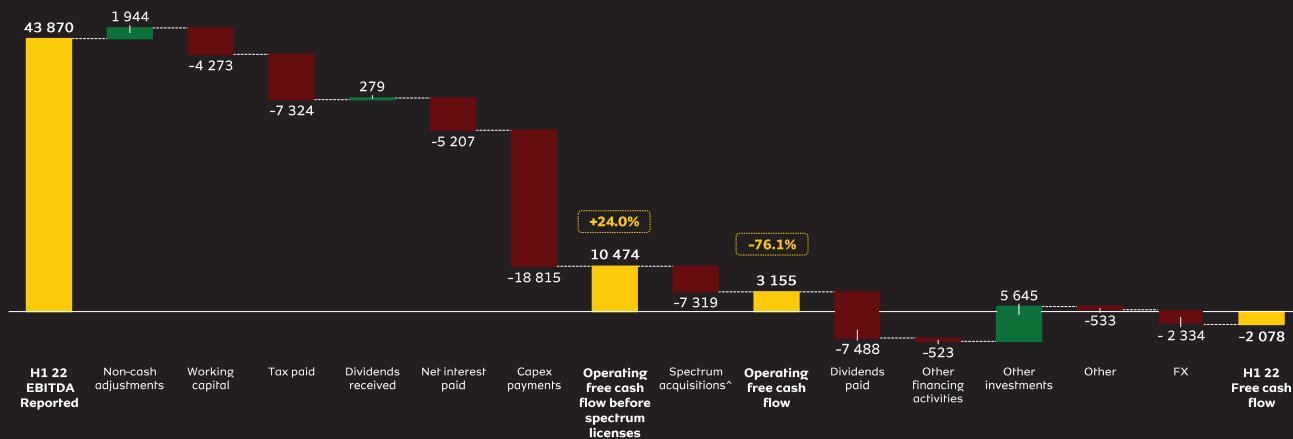
### Sites rolled out



# Statement of cashflows

OpFCF impacted by working capital, acceleration of capex (mainly Nigeria) and acquisition of spectrum & licences

(Rm)

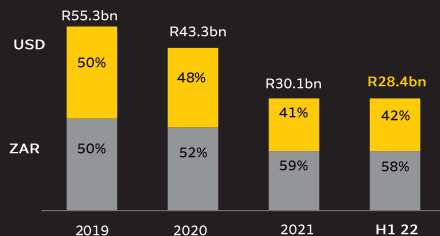


\*MTN SA and MTN Nigeria

## Holdco net debt

Faster deleveraging of balance sheet and improving mix | Cash upstreaming supports Holdco leverage

### Holdco net debt



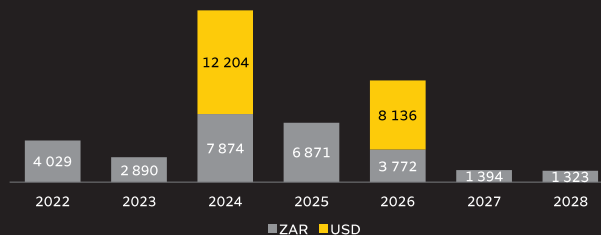
Group leverage	1.2x	0.8x	0.4x	<b>0.4x</b>
Holdco leverage	2.2x	2.2x	1.0x	<b>0.8x</b>

#### Other key numbers (H1 22):

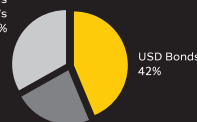
Cash upstreaming:	R9.4bn**
Holdco cash balances:	R21.3bn
Holdco net debt:	R28.4bn
Holdco gross debt:	R49.8bn
Liquidity headroom:	R55.9bn

\*\*Includes Nigeria upstreaming at R4.5bn

### Maturity profile

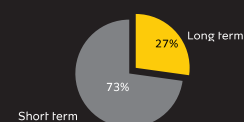


ZAR Bonds and CP's  
29%



ZAR term facilities  
29%

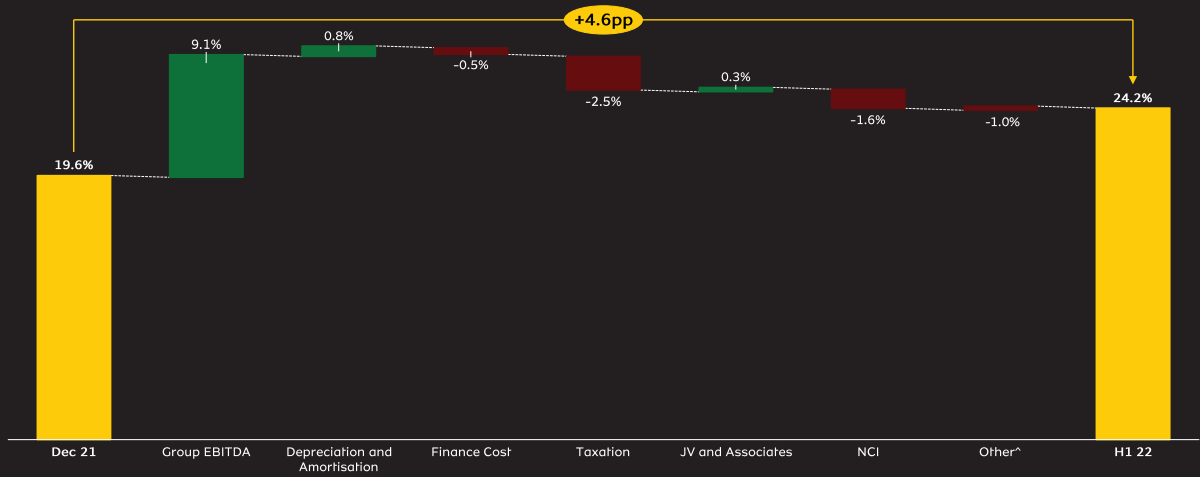
#### Maturity mix



Exploring opportunities for liability management

# Improving returns

ROE up 4.6pp since December 2021, underpinned by strong operational performance | Improved quality of earnings



\*Includes non-operational items largely attributable to movements directly in equity (0.5%)

# 03

## Looking ahead



***Ralph Mupita***  
*Group President and CEO*



## Context for H2 2022

MTN



### Inflation/FX

- SSA inflation forecast to remain elevated
- Foreign exchange volatility and availability



### Challenged supply chains

- Potential delays in shipping of equipment
- Chipset shortages



### SIM registrations

- Continue NIN-SIM linkage process in Nigeria
- Fulfil SIM re-registration requirements by deadline in Ghana



### Energy / Power

- Average Brent price of US\$112/bbl
- On-grid constraints / loadshedding in South Africa

Sources: S&P Global, Standard Bank Group securities

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## How we are navigating our operating context in H2 2022

### Commercial

- Selective pricing reviews in high-inflation markets | CVM
- Manage device subsidies in South Africa

### Supply chain<sup>^</sup>

- Advanced purchase orders for capacity/resilience and critical initiatives
- Rolling coverage for spares

### Network

- Well-structured towerco agreements
- Complete execution of SA power resilience plan/IHS handover

### Financial resilience

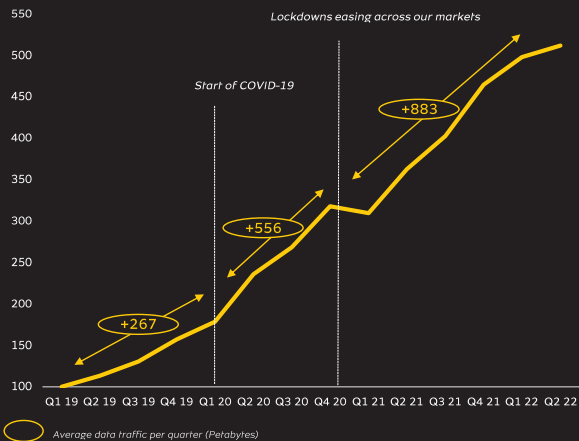
- Accelerating expense and working capital initiatives
- Exploring liability management opportunities

<sup>^</sup>Focus on radios, modernisation of the core, SIM cards and 5G rollouts in SA and Nigeria. All within the capex forecast for FY 2022

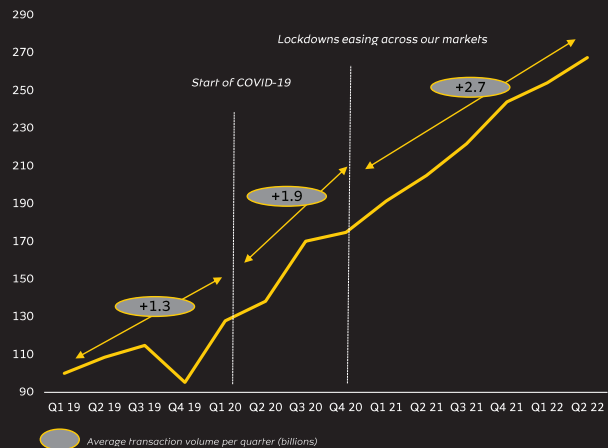
# Structurally higher demand – data & fintech

Well positioned for sustained growth over the medium term

## Data traffic



## Fintech transaction volume



The charts above denote each measure indexed to 100 in Q1 19 and illustrated how ensuing quarters have developed relative thereto. The start date of lockdowns easing was determined using Google mobility trends of public transport movement across MTN markets which indicates the changes in the number of visitors to transit stations

# Conclusion

Solid performance in a challenging environment | Good operational execution, ongoing strategic delivery

## Solid performance in a challenging macro



- Solid subscriber base growth, up 5.6% YoY to 282m
- Strong data growth, traffic +43.3% YoY
- Fintech ecosystem expansion despite taxes and price cuts, transaction volume +31.5%

## Continued execution of strategic priorities



- Fintech & fibre separation progressing
- Localisations progressed under ARP
- Binding offer received for 100% of MTN Afghanistan

## Financial resilience of the business maintained



- Continued faster deleveraging, Holdco leverage 0.8x
- Expense efficiency programme, R1.9bn of savings
- Healthy Holdco liquidity, at R55.9bn

## Creating shared value



- Reduced average cost to communicate by 22.5%
- Increased rural broadband coverage to 85.6%
- Sustained fiscal contribution to nation states

**Medium-term guidance maintained | Board anticipates FY 22 dividend of 330cps<sup>^</sup>**

<sup>^</sup>Minimum ordinary dividend, FY 22 dividend announcement in March 2023

# Investment case | A compelling Africa growth story



## Africa's leading and scale connectivity and infrastructure business

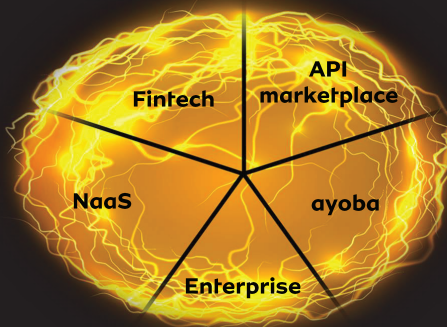
- > #1 or #2 subscriber in all our markets
- > "Second to none" and well-invested networks
- > Enterprise, wholesale and infrastructure sharing opportunities



## Well positioned for the long term

- > Digital acceleration of Africa
- > Portfolio optimisation to enhance risk/return profile
- > Exposing value in infrastructure assets and platforms

Platforms accelerating growth



## Exciting demographic opportunity

- > Fast-growing, youthful population
- > Low data, fintech and digital adoption
- > Partner in socioeconomic development of our regions



## Attractive return profile

- > Platforms accelerating growth
- > Attractive cashflow and ROE profile
- > Balance sheet flexibility, faster non-rand deleveraging

***Thank you  
Q&A***

*everywhere you go*

***Doing for  
tomorrow,  
today.***









# *Appendices*

for the **six-month period ended 30 June 2022**

*Doing  
does  
impossible*



# 04

## Appendices

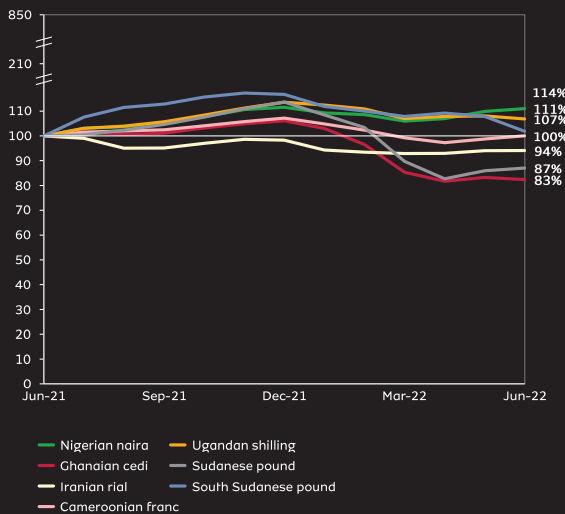


## Definitions

- Capex based on IAS 17 excludes capex attributable to right-of-use (RoU) assets
- Subscribers are Jun 22 vs Jun 21 – unless otherwise stated
- Service revenue excludes device and SIM card revenue
- Voice revenue comprises of outgoing voice (excludes international roaming and wholesale) + incoming voice (includes local and international roaming & excludes wholesale)
- Data revenue includes mobile and fixed access data and excludes roaming and wholesale
- Digital revenue includes rich media services, content VAS, eCommerce and mobile advertising
- Fintech revenue includes airtime advance and mobile financial services
- Wholesale revenue includes domestic wholesale, voice, SMS and data, leased lines and BTS rentals
- SMS, ICT and other revenue includes SMS, ICT and other service revenue not included in other categories
- Capex intensity = Capex/Total revenue
- AFCF = EBITDA – Capex
- Group leverage = Group net debt / EBITDA adjusted for hyperinflation and tower profits
- Adjusted Holdco leverage = Holdco net debt (including GlobalConnect) / SA EBITDA + cash upstreaming
- Return on Equity = Adjusted HEPS / Equity attributable to equity holders of the company
- All variances less than -200% or greater than +200% are shown as not meaningful (NM)

## Macro indicators | FX average rates

Most currencies' average exchange rates were weaker against the ZAR



ZAR: Local currency	H1 22	H1 21	strengthening/(weakening)	ZAR: LC
Nigerian naira	26.97	27.78	↓	(2.9%)
Iranian rial	15 845.42	15 563.66	↑	1.8%
Ghanaian cedi	0.47	0.40	↑	17.5%
Cameroonian franc	38.69	37.28	↑	3.8%
Ugandan shilling	232.76	247.73	↓	(6.0%)
South Sudanese pound	28.57	16.63	↑	71.8%
Sudanese pound	33.96	19.00	↑	78.7%

USD: Local currency	H1 22	H1 21	strengthening/(weakening)	USD: LC
South African rand	15.49	14.54	↓	(6.5%)
Nigerian naira	417.75	406.48	↓	(2.8%)
Iranian rial	245 668.56	227 440.18	↓	(8.0%)
Ghanaian cedi	7.27	5.83	↓	(24.7%)

## Macro indicators | Closing rates

MTN

ZAR: Local currency	H1 22	H2 21	ZAR: LC strengthening/(weakening)
Nigerian naira	25.89	26.61 ↓	(2.7%)
Iranian rial	15 638.23	15 391.55 ↑	1.6%
Ghanaian cedi	0.50	0.40 ↑	25.0%
Cameroonian franc	38.46	36.15 ↑	6.4%
Ugandan shilling	231.36	222.99 ↑	3.8%
South Sudanese pound	30.71	27.10 ↑	13.3%
Sudanese pound	35.13	27.47 ↑	27.9%

USD: Local currency	H1 22	H2 21	ZAR: LC strengthening/(weakening)
South African rand	16.27	15.94 ↓	(2.0%)
Nigerian naira	421.29	424.11 ↑	0.7%
Iranian rial	254 470.00	245 346.00 ↓	(3.6%)
Ghanaian cedi	8.19	6.31 ↓	(23.0%)

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## Finance costs

Driven by higher net forex losses due to an increase in head offices | The average cost of borrowing higher due to an increase in borrowing costs in MTN Nigeria, from its refinancing and funding activities.

Finance costs	H1 22	H1 21
Net interest paid	2 645	2 700
Finance costs – leases	3 229	3 116
Net forex losses / (gains)	2 378	2 067
<b>Net finance cost</b>	<b>8 252</b>	<b>7 883</b>
<b>Average cost of debt<sup>1</sup></b>	<b>8.4%</b>	<b>7.0%</b>

Group leverage (Rm)	H1 22	H2 21
Cash and cash equivalents	(51 562)	(50 417)
Interest bearing liabilities	84 758	80 902
<b>Net debt</b>	<b>33 196</b>	<b>30 485</b>

Holdco leverage (Rm)	H1 22	H2 21
Cash and cash equivalents	(21 315)	(20 057)
Interest bearing liabilities	49 752	50 206
<b>Net debt</b>	<b>28 437</b>	<b>30 149</b>

<sup>1</sup>Average cost of debt is calculated on IAS17

## Forex losses/(gains) breakdown

Forex losses / (gains)	H1 22	H1 21
Head offices	1 804	696
South Africa	(186)	56
South Sudan	30	582
Nigeria	506	61
Other	224	672
<b>Net forex losses/(gains)</b>	<b>2 378</b>	<b>2 067</b>

# Continued to invest in scaling the fintech platform

Building the largest and most valuable platforms in Africa

## Total fintech transactions

6.0 billion tx volume **+31.5% YoY**  
 US\$116.3bn tx value **+1.0% YoY<sup>^</sup>**  
<sup>^</sup>11.7% constant currency

### Wallet

60.7m MoMo users **+24.0% YoY**  
 1.1m MoMo Active agents **+26.9% YoY**  
 27.6% of MTN airtime sales<sup>^</sup> **+46.9% YoY**

<sup>^</sup>MTN airtime where we have MFS in the markets



**MoMo**  
from MTN

### Banktech

US\$0.6bn loan value **+9.5% YoY<sup>^</sup>**  
 1.7m active users

<sup>^</sup>35.9% constant currency

### Merchant payment & e-commerce

946k active merchants **+62.7% YoY**  
 US\$7.9bn GMV **+67.8% YoY<sup>^</sup>**  
 8.0m active users **+64.0% YoY**

<sup>^</sup>88.8% constant currency

### Remittance

US\$1.1 billion **+2.0%<sup>^</sup> YoY**  
 391 inbound corridors **+42% YoY**

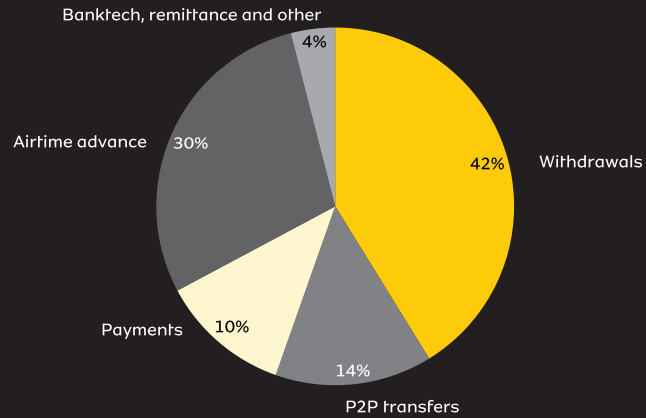
<sup>^</sup>4.5% constant currency

### InsurTech

4.4m active aYo policies  
 17.9m registered customers



## Fintech revenue contribution by services offered



## Share of results of associates and joint ventures after tax

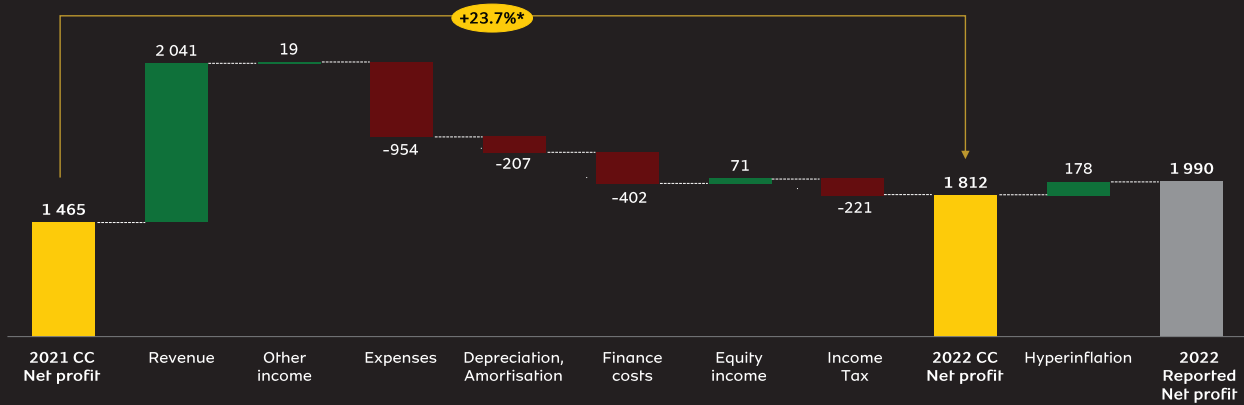
Increase in the results is driven by Iran's performance due to the underlying operational performance

(Rm)	H1 22	H1 21	% change
<b>Telco joint ventures</b>	<b>1 155</b>	<b>1 086</b>	<b>6.4</b>
Iran	975	781	24.8
Iran (excl. hyperinflation)	888	732	21.3
Iran (hyperinflation)	87	49	0.8
eSwatini	47	54	(13.0)
Botswana	133	251	(47.0)
<b>Digital group</b>	<b>(142)</b>	<b>(58)</b>	<b>(144.8)</b>
MEIH	(11)	(4)	(1.8)
IIG	(131)	(54)	(142.6)
<b>Other</b>	<b>(11)</b>	<b>(102)</b>	<b>89.2</b>
aYo	-	(47)	100.0
Mowali	(11)	(55)	80.0
<b>Share of results of associates and joint ventures after tax</b>	<b>1 002</b>	<b>926</b>	<b>8.2</b>

# MTN Irancell income statement (100%)

Increase in results mainly driven by operational performance

(Rm)



2021 CC and 2022 CC at constant currency

## Statement of financial position

Overall balance sheet movements impacted by weakness in most local currencies and rand strength

(Rm)	H1 22	H2 21	% change
Property, plant and equipment	103 323	99 769	3.6
Intangible assets and goodwill	46 080	43 760	5.3
Right-of-use assets	50 456	42,957	17.5
Other non-current assets	47 196	45 612	3.5
Mobile Money deposits	32 608	38 869	(16.1)
Other current assets	90 517	87 540	3.4
Non-current assets held for sale	3 751	7 921	(48.6)
<b>Total assets</b>	<b>373 931</b>	<b>365 798</b>	<b>2.2</b>
<b>Total equity</b>	<b>115 265</b>	<b>114 982</b>	<b>0.2</b>
Interest-bearing liabilities	84 756	80 902	4.8
Lease liabilities	58 593	57 914	22.3
Mobile Money payables	32 608	38 869	(16.1)
Other liabilities	79 194	78 729	0.6
Non-current liabilities held for sale	3 515	4 402	(20.1)
<b>Total equity and liabilities</b>	<b>373 931</b>	<b>365 798</b>	<b>2.2</b>

Closing rates are utilised when translating balance sheet items

## Net debt

MTN

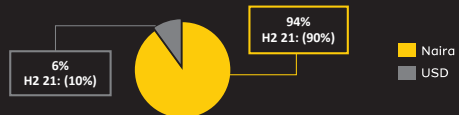
(Rm)	Cash and cash equivalents <sup>∅</sup>	Net interest-bearing liabilities	Net debt/(cash) H1 22	Net debt/(cash) H2 21
South Africa	2 208	-	(2 208)	(3 733)
Nigeria	17 030	24 956	7 926	1 072
<b>SEA</b>	<b>2 219</b>	<b>4 077</b>	<b>1 858</b>	<b>2 651</b>
Uganda	654	1 263	609	786
Zambia	109	1 336	1 227	1 345
Other	1 456	1 478	22	520
<b>WECA</b>	<b>5 947</b>	<b>5 972</b>	<b>25</b>	<b>1 246</b>
Ghana	2 667	1 022	(1 645)	(1 245)
Cameroon	726	516	(210)	40
Cote d'Ivoire	838	1 919	1 081	1 696
Other	1 716	2 515	799	795
<b>MENA</b>	<b>1 006</b>	<b>-</b>	<b>(1 006)</b>	<b>(900)</b>
GlobalConnect	1 837	-	(1 837)	(1 626)
<b>Head Office</b>	<b>21 315</b>	<b>49 752</b>	<b>28 437</b>	<b>30 149</b>
<b>Total</b>	<b>51 562</b>	<b>84 757</b>	<b>33 195</b>	<b>30 485</b>

<sup>∅</sup> Includes restricted cash and current investments

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# Net debt composition

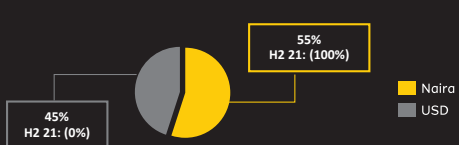
Nigeria borrowings (%)



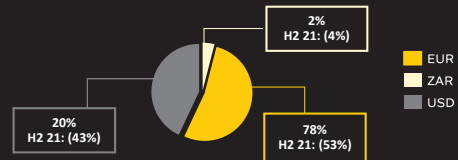
Head office borrowings (%)



Nigeria cash (%)



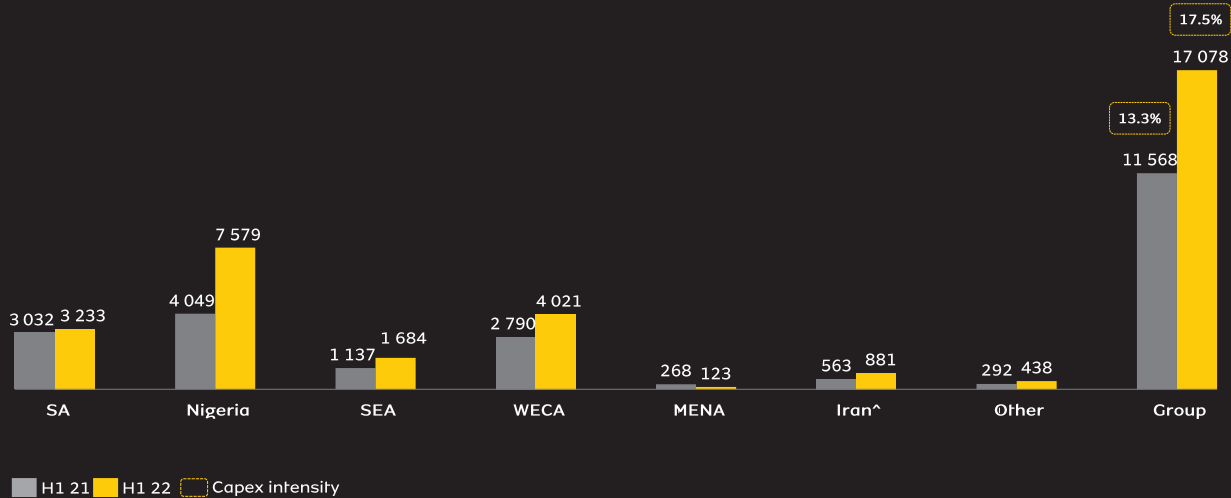
Head office cash (%)



(Rm)	Total	Naira denominated	US dollar denominated	Rand denominated	Euro denominated
Nigeria borrowings	24 956	23 422	1 534	-	-
Nigeria cash	17 030	9 440	7 590	-	-
Head office borrowings	49 752	-	21 742	28 010	-
Head office cash	21 315	-	4 302	16 698	315

## Capex (ex-leases)

Higher capex across Group; increase in SA and Nigeria



<sup>^</sup> Iran capex of 49% and is not part of the consolidated Group Capex

## Capex guidance FY 22

MTN

(Rm)	Estimated (IFRS 16) 2022	Estimated (IAS 17) 2022	Capitalised (IFRS 16) H1 22	Capitalised (IAS 17) H1 22	Capitalised (IFRS 16) H1 21	Capitalised (IAS 17) H1 21
South Africa	14 493	8 475	9 635	3 233	3 218	3 032
Nigeria	19 523	12 198	11 543	7 579	6 708	4 049
SEA	4 074	3 080	2 231	1 684	1 486	1 137
WECA	9 692	7 979	4 350	4 021	2 882	2 790
MENA	1 493	1 304	151	123	309	268
Head offices, GlobalConnect and other	2 279	2 280	377	376	339	338
<b>Total</b>	<b>51 554</b>	<b>35 316</b>	<b>28 287</b>	<b>17 016</b>	<b>14 942</b>	<b>11 614</b>
Hyperinflation	-	-	60	62	(94)	(46)
<b>Total reported</b>	<b>51 554</b>	<b>35 316</b>	<b>28 347</b>	<b>17 078</b>	<b>14 848</b>	<b>11 568</b>
Iran (49%)	2 868	2 600	960	881	592	563

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## Statement of cash flows | IFRS

Lower free cash flow impacted by spectrum costs

(Rm)	H1 22	H1 21	% change
Cash generated from operations	41 541	42 197	(1.6)
Dividends received from associates and joint ventures	279	292	(4.5)
Net interest (paid) / received	(5 207)	(4 471)	(16.5)
Tax paid	(7 324)	(7 195)	(1.8)
<b>Cash generated by operating activities</b>	<b>29 289</b>	<b>30 823</b>	<b>(5.0)</b>
Acquisition of property, plant and equipment and intangible assets	(26 134)	(17 629)	(48.2)
Movement in investments and other investing activities	5 645	4 542	24.3
<b>Cash used in investing activities</b>	<b>(20 489)</b>	<b>(13 087)</b>	<b>(56.6)</b>
Dividends paid to equity holders of the Company	(5 422)	-	NM
Dividends paid to non-controlling interests	(2 066)	(1 107)	(86.6)
Other financing activities	(523)	(6 930)	92.5
<b>Cash used in financing activities</b>	<b>(8 011)</b>	<b>(8 037)</b>	<b>0.3</b>
<b>Cash movement</b>	<b>789</b>	<b>9 699</b>	<b>(91.9)</b>
Cash and cash equivalents at the beginning of the year	39 019	30 636	27.4
Effect of exchange rates and net monetary gain	(2 334)	(3 895)	40.1
Cash classified as held for sale	(533)	124	NM
<b>Cash and cash equivalents at the end of the period</b>	<b>36 941</b>	<b>36 564</b>	<b>1.0</b>

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# *Data sheets*

for the six-month period ended 30 June 2022

*Passion  
dreams  
purpose  
does*



# Data sheets

Results for the year ended 30 June 2022

Results  
overview

Results  
presentation

Appendices

Data sheets

## ARPU

(US dollar)

Country	1Q 21	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22
<b>South Africa</b>	6.45	6.91	6.74	6.26	6.06	<b>6.01</b>
<b>Nigeria</b>	4.08	4.41	4.69	5.03	4.99	<b>5.01</b>
<b>SEA</b>						
Uganda	2.97	3.05	3.08	3.11	3.06	<b>2.97</b>
Rwanda	2.11	2.29	2.31	2.38	2.40	<b>2.53</b>
Zambia	1.23	1.28	1.68	1.83	1.78	<b>2.07</b>
South Sudan	14.84	7.54	6.40	6.18	5.82	<b>5.33</b>
Botswana (joint venture)	6.62	6.85	6.24	7.20	5.74	<b>5.51</b>
eSwatini (joint venture)	7.81	7.70	6.95	6.30	7.07	<b>7.11</b>
<b>WECA</b>						
Ghana	3.99	4.25	4.24	4.57	4.27	<b>3.54</b>
Cameroon	3.70	3.88	3.93	3.86	4.00	<b>3.60</b>
Côte d'Ivoire	3.68	3.59	3.83	3.37	3.07	<b>2.91</b>
Benin	5.63	5.63	5.62	5.46	5.09	<b>4.88</b>
Guinea-Conakry	1.81	1.75	1.77	1.91	1.94	<b>2.09</b>
Congo-Brazzaville	5.84	5.89	5.95	5.88	5.40	<b>4.86</b>
Liberia	3.14	3.34	3.34	3.59	3.67	<b>3.89</b>
Guinea-Bissau	2.76	2.96	2.49	2.08	1.73	<b>1.79</b>
<b>MENA</b>						
Iran (joint venture)	1.30	1.52	1.60	1.55	1.55	<b>1.75</b>
Sudan	0.99	1.00	1.29	1.43	1.67	<b>1.88</b>
Afghanistan	1.89	1.95	1.97	1.66	1.63	<b>1.89</b>

## ARPU

(Local currency)

Country	1Q 21	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22
<b>South Africa</b>	97.03	97.53*	98.08*	97.70	93.26	<b>93.79</b>
Postpaid	135.04	129.04*	131.52*	137.55	133.46	<b>132.63</b>
Postpaid (excl telemetry)	263.73	256.75*	262.14*	276.38	267.75	<b>265.89</b>
Prepaid	74.54	76.44	75.85	74.53	70.35	<b>70.56</b>
<b>Nigeria</b>	1 643.34	1 808.99	1 931.02	2 088.00	2 080.55	<b>2 094.90</b>
<b>SEA</b>						
Uganda	10 886.00	11 086.00	10 929.00	11 071.00	10 841.00	<b>11 027.00</b>
Rwanda	2 101.65	2 290.81	2 334.90	2 439.07	2 474.87	<b>2 603.60</b>
Zambia	26.67	28.80	30.83	31.72	31.59	<b>35.74</b>
South Sudan	2 657.40	2 849.86	2 609.51	2 557.32	2 514.13	<b>2 421.96</b>
Botswana (joint venture)	74.42	76.90	71.75	86.00	65.00	<b>67.00</b>
eSwatini (joint venture)	117.46	112.91	101.58	98.30	108.78	<b>111.02</b>
<b>WECA</b>						
Ghana	23.25	24.77	25.66	28.46	29.08	<b>28.04</b>
Cameroon	2 007.00	2 116.00	2 186.00	2 212.00	2 209.00	<b>2 209.00</b>
Côte d'Ivoire	1 999.08	1 962.30	2 131.63	1 932.78	1 797.27	<b>1 789.24</b>
Benin	3 057.79	3 075.76	3 126.70	3 130.76	2 974.19	<b>2 998.52</b>
Guinea-Conakry	18 217.32	17 201.81	17 260.37	18 036.13	17 382.42	<b>18 181.79</b>
Congo-Brazzaville	3 171.99	3 217.25	3 309.07	3 370.31	3 158.30	<b>2 985.23</b>
Liberia	3.14	3.34	3.34	3.59	3.67	<b>3.89</b>
Guinea-Bissau	1 500.73	1 618.16	1 385.13	1 189.95	1 011.21	<b>1 100.04</b>
<b>MENA</b>						
Iran (joint venture)	309 633.00	333 205.00	360 107.28	367 010.00	379 010.89	<b>432 089.91</b>
Sudan	214.71	410.34	572.30	627.09	802.86	<b>1 070.64</b>
Afghanistan	146.14	152.75	165.90	156.72	156.86	<b>165.66</b>

\* Restated.

# Data sheets continued

Results for the six months ended 30 June 2022

Results overview

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**Data sheets**

## Subscribers ('000)

Country	1Q 21	2Q 21	3Q 21	4Q 21	1Q 22	<b>2Q 22</b>
<b>South Africa</b>	32 214	32 450*	33 185*	34 995	34 509	<b>35 346</b>
Postpaid	7 008	7 039*	7 221*	7 359	7 526	<b>7 808</b>
Prepaid	25 206	25 411	25 963	27 635	26 982	<b>27 537</b>
<b>Nigeria</b>	71 512	68 921	67 542	68 471	70 185	<b>74 156</b>
<b>SEA</b>	33 790	34 423	34 748	35 118	34 769	<b>34 831</b>
Uganda	14 667	14 932	15 295	15 716	15 920	<b>16 255</b>
Rwanda	6 162	6 475	6 428	6 435	6 468	<b>6 585</b>
Zambia	8 374	8 295	8 260	8 056	7 297	<b>6 812</b>
South Sudan	1 829	1 937	1 966	2 062	2 198	<b>2 309</b>
Botswana (joint venture)	1 764	1 784	1 792	1 815	1 831	<b>1 831</b>
eSwatini (joint venture)	995	999	1 006	1 034	1 055	<b>1 039</b>
<b>WECA</b>	64 912	65 525	66 179	68 112	70 202	<b>70 423</b>
Ghana	24 982	24 866	25 223	25 350	27 081	<b>27 759</b>
Cameroon	10 062	9 984	10 241	10 608	10 288	<b>10 607</b>
Côte d'Ivoire	13 601	13 715	13 681	14 636	15 346	<b>15 488</b>
Benin	5 975	6 273	6 429	6 820	7 051	<b>7 104</b>
Guinea-Conakry	4 561	4 897	4 693	4 827	4 546	<b>3 427</b>
Congo-Brazzaville	3 135	3 132	3 230	3 195	3 204	<b>3 288</b>
Liberia	1 731	1 768	1 845	1 875	1 875	<b>1 928</b>
Guinea-Bissau	865	889	837	801	811	<b>821</b>
<b>MENA</b>	65 323	65 410	65 154	65 702	66 541	<b>66 864</b>
Iran (joint venture)^	49 206	49 417	49 569	50 385	51 353	<b>51 814</b>
Sudan	9 817	9 714	9 433	9 213	9 215	<b>9 109</b>
Afghanistan	6 299	6 279	6 152	6 105	5 973	<b>5 941</b>
<b>Total subscribers</b>	<b>267 750</b>	<b>266 728</b>	<b>266 809</b>	<b>272 398</b>	<b>276 206</b>	<b>281 620</b>

^ Includes Wimax.  
\* Restated.

## Active data subscribers ('000)

Country	1Q 21	2Q 21	3Q 21	4Q 21	1Q 22	<b>2Q 22</b>
<b>South Africa#</b>	15 235	15 681*	16 872*	17 662	17 315	<b>18 075</b>
<b>Nigeria</b>	32 489	32 508	33 193	34 279	35 892	<b>36 813</b>
<b>SEA</b>	9 862	9 895	10 527	11 003	11 015	<b>11 330</b>
Uganda	4 473	4 676	4 719	5 318	5 374	<b>5 694</b>
Rwanda	1 722	1 773	2 004	2 123	2 175	<b>2 196</b>
Zambia	2 638	2 403	2 692	2 340	2 249	<b>2 201</b>
South Sudan	473	498	536	588	624	<b>642</b>
Botswana (joint venture)	–	–	–	–	–	<b>–</b>
eSwatini (joint venture)	556	543	576	633	593	<b>597</b>
<b>WECA</b>	24 379	26 240	27 354	28 622	29 398	<b>30 562</b>
Ghana	11 215	11 418	11 944	12 441	12 828	<b>13 145</b>
Cameroon	4 141	4 316	4 417	4 535	4 758	<b>4 889</b>
Côte d'Ivoire	4 792	4 892	5 187	5 611	5 926	<b>6 278</b>
Benin	2 319	2 503	2 559	2 655	2 704	<b>2 875</b>
Guinea-Conakry	572	1 141	1 183	1 199	1 113	<b>1 170</b>
Congo-Brazzaville	499	1 087	1 075	1 201	1 137	<b>1 193</b>
Liberia	520	571	631	638	629	<b>713</b>
Guinea-Bissau	321	313	357	340	305	<b>299</b>
<b>MENA</b>	29 010	29 404	29 932	30 415	31 934	<b>33 111</b>
Iran (joint venture)	24 453	24 883	25 258	25 805	27 136	<b>28 289</b>
Sudan	2 954	2 886	2 956	2 894	3 016	<b>2 987</b>
Afghanistan	1 602	1 635	1 719	1 716	1 782	<b>1 836</b>
<b>Total subscribers</b>	<b>110 976</b>	<b>113 728</b>	<b>117 879</b>	<b>121 982</b>	<b>125 554</b>	<b>129 891</b>

# MTN South Africa active data subscribers exclude telemetry.  
\* Restated.

## Active Mobile Money subscribers

('000)

Country	1Q 21	2Q 21	3Q 21	4Q 21	1Q 22	<b>2Q 22</b>
<b>South Africa</b>	246	369	463	602	840	<b>1 014</b>
<b>Nigeria</b>	4 566	6 147	6 621	9 432	10 742	<b>11 514</b>
<b>SEA</b>	15 678	16 354	16 946	18 159	17 338	<b>17 704</b>
Uganda	8 305	8 595	8 892	9 903	9 546	<b>9 806</b>
Rwanda	3 342	3 551	3 694	3 713	3 745	<b>3 874</b>
Zambia	3 504	3 675	3 805	3 937	3 466	<b>3 446</b>
South Sudan	–	–	–	–	–	–
Botswana (joint venture)	–	–	–	–	–	–
eSwatini (joint venture)	526	533	555	606	582	<b>577</b>
<b>WECA</b>	26 008	25 966	26 925	28 506	29 714	<b>30 388</b>
Ghana	10 733	10 530	10 627	11 014	11 561	<b>11 688</b>
Cameroon	4 019	4 252	4 414	4 468	4 534	<b>4 986</b>
Côte d'Ivoire	4 834	4 819	5 467	6 089	6 595	<b>6 597</b>
Benin	2 740	3 009	3 129	3 592	3 648	<b>3 556</b>
Guinea-Conakry	959	438	502	407	393	<b>455</b>
Congo-Brazzaville	1 747	1 879	1 904	1 954	1 981	<b>2 055</b>
Liberia	655	720	762	841	857	<b>881</b>
Guinea-Bissau	321	320	120	142	146	<b>170</b>
<b>MENA#</b>	98	106	142	142	40	<b>62</b>
Iran (joint venture)	–	–	–	–	–	–
Sudan	28	48	91	104	4	<b>26</b>
Afghanistan	70	58	51	38	36	<b>36</b>
<b>Total subscribers</b>	46 596	48 943	51 097	56 841	58 675	<b>60 682</b>

# Excludes Syria and Yemen.

## Fintech KPIs

	1Q 21	2Q 21	3Q 21	4Q 21	1Q 22	<b>2Q 22</b>	Reported % change	Constant currency % change
<b>Transactions (Tx)</b>								
Transaction Volume (bn)	2.2	2.4	2.6	2.8	2.9	<b>3.1</b>	30.6	30.6
Value of Tx (US\$bn)	53.2	62.0	60.3	64.0	59.9	<b>56.4</b>	(9.0)	4.9
<b>Wallet</b>								
Active MoMo users (m)	46.6	48.9	51.1	56.9	58.7	<b>60.7</b>	24.0	24.0
Active MoMo agents	823 484	855 701	913 949	974 001	1 048 955	<b>1 086 214</b>	26.9	26.9
<b>Payments and e-commerce</b>								
Active merchants	521 164	581 514	626 033	785 147	765 211	<b>946 249</b>	62.7	62.7
GMV (US\$bn)	2.0	2.7	3.3	5.3	4.3	<b>3.6</b>	34.2	19.3
<b>Banktech</b>								
Loan value (US\$m)	231.5	280.0	290.7	300.7	280.4	<b>341.7</b>	22.0	43.4
<b>Remittance</b>								
Total value (US\$m)	552.3	539.4	540.7	632.7	573.9	<b>540.1</b>	0.1	9.2
<b>Insurtech</b>								
Active aYo policies (m)	6.3	6.3	6.2	6.3	4.3	<b>4.4</b>	(30.4)	(30.4)
Registered customers (m)	12.6	13.6	14.8	16.1	17.4	<b>17.9</b>	31.9	31.9

# Data sheets continued

Results for the six months ended 30 June 2022

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## Revenue (Rm)

Country	1H 22	1H 21	2H 21	2021	Reported %	Constant currency %
<b>South Africa</b>	<b>24 779</b>	23 741	24 975	48 716	4.4	4.4
<b>Nigeria</b>	<b>35 231</b>	28 484	31 566	60 050	23.7	20.1
<b>SEA</b>	<b>8 914</b>	8 272	8 683	16 955	7.8	9.7
Uganda	<b>4 698</b>	4 014	4 535	8 549	17.0	10.1
Rwanda	<b>1 595</b>	1 294	1 481	2 775	23.3	20.5
Zambia	<b>1 434</b>	1 016	1 413	2 429	41.1	5.8
South Sudan	<b>1 164</b>	1 850	1 148	2 998	(37.1)	7.7
Business Group	<b>23</b>	98	106	204	(76.5)	(76.5)
<b>WECA</b>	<b>24 318</b>	22 994	25 011	48 005	5.8	14.3
Ghana	<b>9 888</b>	9 084	10 103	19 187	8.9	29.3
Cameroon	<b>3 691</b>	3 464	3 780	7 244	6.6	10.8
Côte d'Ivoire	<b>4 268</b>	4 402	4 501	8 903	(3.0)	0.9
Benin	<b>3 274</b>	3 011	3 270	6 281	8.7	13.1
Guinea-Conakry	<b>785</b>	698	807	1 505	12.5	(5.9)
Congo-Brazzaville	<b>1 598</b>	1 599	1 780	3 379	(0.1)	1.7
Liberia	<b>671</b>	505	593	1 098	32.9	25.4
Guinea-Bissau	<b>143</b>	231	177	408	(38.1)	(35.9)
<b>MENA</b>	<b>2 544</b>	3 601	2 949	6 550	(29.4)	70.1
Sudan	<b>1 550</b>	1 058	1 168	2 226	46.5	191.9
Afghanistan	<b>994</b>	1 072	1 020	2 092	(7.3)	3.0
Syria	<b>-</b>	308	-	308	(100.0)	-
Yemen	<b>-</b>	1 163	761	1 924	(100.0)	-
<b>Joint ventures</b>						
Iran	<b>4 047</b>	3 102	3 623	6 725	30.5	32.8
Botswana	<b>519</b>	562	585	1 147	(7.7)	(5.5)
eSwatini	<b>223</b>	221	224	445	0.9	15.0
Equity accounting exclusion	<b>(4 789)</b>	(3 885)	(4 432)	(8 317)		
<b>Head offices, GlobalConnect and eliminations</b>	<b>880</b>	540	843	1 383		
<b>Total</b>	<b>96 666</b>	87 632	94 027	181 659	10.3	14.3
Hyperinflation	<b>825</b>	(959)	946	(13)		
<b>Total including hyperinflation</b>	<b>97 491</b>	86 673	94 973	181 646	12.5	14.3

## Service revenue (Rm)

Country	1H 22	1H 21	2H 21	2021	Reported %	Constant currency %
<b>South Africa</b>	<b>20 045</b>	19 252	20 194	39 446	4.1	4.1
<b>Nigeria</b>	<b>35 148</b>	28 447	31 496	59 943	23.6	19.9
<b>SEA</b>	<b>8 819</b>	8 185	8 559	16 744	7.7	9.9
Uganda	<b>4 669</b>	3 991	4 474	8 465	17.0	10.0
Rwanda	<b>1 576</b>	1 268	1 459	2 727	24.3	21.4
Zambia	<b>1 390</b>	979	1 373	2 352	42.0	6.5
South Sudan	<b>1 161</b>	1 849	1 147	2 996	(37.2)	7.5
Business Group	<b>23</b>	98	106	204	(76.5)	(76.5)
<b>WECA</b>	<b>24 220</b>	22 885	24 897	47 782	5.8	14.4
Ghana	<b>9 859</b>	9 057	10 074	19 131	8.9	29.3
Cameroon	<b>3 676</b>	3 448	3 758	7 206	6.6	10.9
Côte d'Ivoire	<b>4 248</b>	4 379	4 477	8 856	(3.0)	0.9
Benin	<b>3 261</b>	2 990	3 248	6 238	9.1	13.4
Guinea-Conakry	<b>776</b>	690	802	1 492	12.5	(5.9)
Congo Brazzaville	<b>1 592</b>	1 590	1 773	3 363	0.1	1.9
Liberia	<b>666</b>	501	589	1 090	32.9	25.4
Guinea-Bissau	<b>142</b>	230	176	406	(38.3)	(36.0)
<b>MENA</b>	<b>2 533</b>	3 594	2 943	6 537	(29.5)	69.8
Sudan	<b>1 543</b>	1 055	1 165	2 220	46.3	191.1
Afghanistan	<b>990</b>	1 068	1 017	2 085	(7.3)	2.9
Syria	<b>-</b>	308	-	308	(100.0)	-
Yemen	<b>-</b>	1 163	761	1 924	(100.0)	-
<b>Joint ventures</b>						
Iran	<b>3 956</b>	3 043	3 554	6 597	30.0	32.4
Botswana	<b>513</b>	557	579	1 136	(7.9)	(5.8)
eSwatini	<b>214</b>	213	218	431	0.5	15.2
Equity-accounting exclusion	<b>(4 683)</b>	(3 813)	(4 351)	(8 164)		
<b>Head office, GlobalConnect and eliminations</b>	<b>880</b>	540	843	1 383		
<b>Total</b>	<b>91 645</b>	82 903	88 932	171 835	10.5	14.8
Hyperinflation	<b>821</b>	(956)	942	(14)		
<b>Total including hyperinflation</b>	<b>92 466</b>	81 947	89 874	171 821	12.8	14.8



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## Revenue breakdown<sup>1</sup>

(Rm)

Country	1H 22	1H 21	2H 21	2021	Reported %	Constant currency %
<b>South Africa</b>						
Outgoing voice <sup>1</sup>	5 813	6 366	6 362	12 728	(8.7)	(8.7)
Incoming voice <sup>2</sup>	682	655	691	1 346	4.1	4.1
Data <sup>3</sup>	9 050	7 900	8 579	16 479	14.6	14.6
Digital <sup>4</sup>	682	630	710	1 340	8.3	8.3
Fintech <sup>5</sup>	528	533	556	1 089	(0.9)	(0.9)
SMS	698	637	658	1 295	9.6	9.6
Devices	4 734	4 488	4 783	9 271	5.5	5.5
Wholesale <sup>6</sup>	1 898	1 902	1 957	3 859	(0.2)	(0.2)
Other	694	630	679	1 309	10.2	10.2
<b>Revenue</b>	<b>24 779</b>	<b>23 741</b>	<b>24 975</b>	<b>48 716</b>	<b>4.4</b>	<b>4.4</b>
<b>Nigeria</b>						
Outgoing voice <sup>1</sup>	15 584	14 906	14 858	29 764	4.5	1.7
Incoming voice <sup>2</sup>	3 021	2 661	2 833	5 494	13.5	9.9
Data <sup>3</sup>	12 925	8 208	10 521	18 729	57.5	52.5
Digital <sup>4</sup>	381	284	373	657	34.2	30.0
Fintech <sup>5</sup>	1 499	1 135	1 424	2 559	32.1	27.8
SMS	1 145	816	943	1 759	40.3	36.3
Devices	83	37	70	107	124.3	112.8
Wholesale <sup>6</sup>	387	307	377	684	26.1	25.6
Other	206	130	167	297	58.5	51.5
<b>Revenue</b>	<b>35 231</b>	<b>28 484</b>	<b>31 566</b>	<b>60 050</b>	<b>23.7</b>	<b>20.1</b>
<b>Uganda</b>						
Outgoing voice <sup>1</sup>	1 969	1 944	1 884	3 828	1.3	(4.7)
Incoming voice <sup>2</sup>	169	171	169	340	(1.2)	(7.1)
Data <sup>3</sup>	1 020	700	1 017	1 717	45.7	36.9
Digital <sup>4</sup>	8	7	11	18	14.3	14.3
Fintech <sup>5</sup>	1 297	1 012	1 169	2 181	28.2	20.7
SMS	66	80	81	161	(17.5)	(22.4)
Devices	29	23	61	84	26.1	20.8
Wholesale <sup>6</sup>	60	40	47	87	50.0	39.5
Other	80	37	96	133	116.2	100.0
<b>Revenue</b>	<b>4 698</b>	<b>4 014</b>	<b>4 535</b>	<b>8 549</b>	<b>17.0</b>	<b>10.1</b>

<sup>1</sup> Excludes international roaming and wholesale.

<sup>2</sup> Includes local and international roaming and excludes wholesale.

<sup>3</sup> Includes mobile and fixed access data and excludes roaming and wholesale.

<sup>4</sup> Includes Rich Media services, content VAS, eCommerce and mobile advertising.

<sup>5</sup> Includes Xtratime and mobile financial services.

<sup>6</sup> Includes domestic wholesale, voice, SMS and data, leased lines and BTS rentals.

## Revenue breakdown<sup>1</sup> continued

(Rm)

Country	1H 22	1H 21	2H 21	2021	Reported %	Constant currency %
<b>Ghana</b>						
Outgoing voice <sup>1</sup>	3 051	2 941	2 972	5 913	3.7	22.7
Incoming voice <sup>2</sup>	281	321	301	622	(12.5)	3.7
Data <sup>3</sup>	3 832	3 036	3 829	6 865	26.2	50.6
Digital <sup>4</sup>	174	243	197	440	(28.4)	(15.5)
Fintech <sup>5</sup>	2 136	2 261	2 450	4 711	(5.5)	12.1
SMS	182	85	112	197	114.1	152.8
Devices	29	27	29	56	7.4	26.1
Wholesale <sup>6</sup>	82	71	82	153	15.5	36.7
Other	121	99	131	230	22.2	49.4
<b>Revenue</b>	<b>9 888</b>	<b>9 084</b>	<b>10 103</b>	<b>19 187</b>	<b>8.9</b>	<b>29.3</b>
<b>Cameroon</b>						
Outgoing voice <sup>1</sup>	1 451	1 506	1 547	3 053	(3.7)	0.1
Incoming voice <sup>2</sup>	160	179	181	360	(10.6)	(7.0)
Data <sup>3</sup>	1 299	1 067	1 233	2 300	21.7	26.5
Digital <sup>4</sup>	86	70	82	152	22.9	26.5
Fintech <sup>5</sup>	570	515	595	1 110	10.7	15.2
SMS	47	57	54	111	(17.5)	(14.5)
Devices	15	16	22	38	(6.3)	(6.3)
Wholesale <sup>6</sup>	24	20	18	38	20.0	20.0
Other	39	34	48	82	14.7	30.0
<b>Revenue</b>	<b>3 691</b>	<b>3 464</b>	<b>3 780</b>	<b>7 244</b>	<b>6.6</b>	<b>10.8</b>
<b>Côte d'Ivoire</b>						
Outgoing voice <sup>1</sup>	1 844	1 876	1 886	3 762	(1.7)	2.3
Incoming voice <sup>2</sup>	307	415	446	861	(26.0)	(23.1)
Data <sup>3</sup>	1 221	995	1 159	2 154	22.7	27.6
Digital <sup>4</sup>	160	186	141	327	(14.0)	(10.6)
Fintech <sup>5</sup>	377	635	494	1 129	(40.6)	(38.3)
SMS	55	51	56	107	7.8	12.2
Devices	20	23	24	47	(13.0)	(9.1)
Wholesale <sup>6</sup>	31	20	39	59	55.0	55.0
Other	253	201	256	457	25.9	31.8
<b>Revenue</b>	<b>4 268</b>	<b>4 402</b>	<b>4 501</b>	<b>8 903</b>	<b>(3.0)</b>	<b>0.9</b>

<sup>1</sup> Excludes international roaming and wholesale.

<sup>2</sup> Includes local and international roaming and excludes wholesale.

<sup>3</sup> Includes mobile and fixed access data and excludes roaming and wholesale.

<sup>4</sup> Includes Rich Media services, content VAS, eCommerce and mobile advertising.

<sup>5</sup> Includes Xtratime and mobile financial services.

<sup>6</sup> Includes domestic wholesale, voice, SMS and data, leased lines and BTS rentals.

## Revenue breakdown<sup>1</sup> continued

(Rm)

Country	1H 22	1H 21	2H 21	2021	Reported %	Constant currency %
<b>Sudan</b>						
Outgoing voice <sup>1</sup>	502	364	401	765	37.9	193.6
Incoming voice <sup>2</sup>	274	261	272	533	5.0	72.3
Data <sup>3</sup>	711	382	443	825	86.1	297.2
Digital <sup>4</sup>	24	26	15	41	(7.7)	140.0
Fintech <sup>5</sup>	1	1	1	2	0.0	100.0
SMS	17	14	17	31	21.4	142.9
Devices	7	3	3	6	133.3	600.0
Wholesale <sup>6</sup>	6	5	7	12	20.0	100.0
Other	(1)	2	9	11	(150.0)	(200)
<b>Revenue</b>	<b>1 541</b>	<b>1 058</b>	<b>1 168</b>	<b>2 226</b>	<b>45.7</b>	<b>191.9</b>
Hyperinflation	920	(227)	769	542		
<b>Revenue including hyperinflation</b>	<b>2 461</b>	<b>831</b>	<b>1 937</b>	<b>2 768</b>	<b>196.1</b>	<b>190.2</b>
<b>Afghanistan</b>						
Outgoing voice <sup>1</sup>	389	495	425	920	(21.4)	(12.6)
Incoming voice <sup>2</sup>	165	167	174	341	(1.2)	9.3
Data <sup>3</sup>	393	359	371	730	9.5	21.7
Digital <sup>4</sup>	18	19	19	38	(5.3)	5.9
Fintech <sup>5</sup>	12	10	9	19	20.0	33.3
SMS	10	11	10	21	(9.1)	0.0
Devices	4	4	3	7	0.0	33.3
Wholesale <sup>6</sup>	–	7	7	14	(100.0)	(100.0)
Other	3	–	2	2	100.0	200.0
<b>Revenue</b>	<b>994</b>	<b>1 072</b>	<b>1 020</b>	<b>2 092</b>	<b>(7.3)</b>	<b>3.0</b>

## Revenue breakdown<sup>1</sup> continued

(Rm)

Country	1H 22	1H 21	2H 21	2021	Reported %	Constant currency %
<b>Iran (49)</b>						
Outgoing voice <sup>1</sup>	767	680	769	1 449	12.8	14.8
Incoming voice <sup>2</sup>	144	135	148	283	6.7	8.3
Data <sup>3</sup>	2 609	1 908	2 309	4 217	36.7	39.2
Digital <sup>4</sup>	216	155	153	308	39.4	42.1
Fintech <sup>5</sup>	11	7	9	16	57.1	57.1
SMS	54	60	60	120	(10.0)	(8.5)
Devices	91	59	69	128	54.2	56.9
Wholesale <sup>6</sup>	89	57	66	123	56.1	58.9
Other	66	41	40	81	61.0	65.0
<b>Revenue</b>	<b>4 047</b>	<b>3 102</b>	<b>3 623</b>	<b>6 725</b>	<b>30.5</b>	<b>32.8</b>
Hyperinflation	412	485	614	1 099		
<b>Revenue including hyperinflation</b>	<b>4 459</b>	<b>3 587</b>	<b>4 237</b>	<b>7 824</b>	<b>24.3</b>	<b>32.8</b>

<sup>1</sup> Excludes international roaming and wholesale.

<sup>2</sup> Includes local and international roaming and excludes wholesale.

<sup>3</sup> Includes mobile and fixed access data and excludes roaming and wholesale.

<sup>4</sup> Includes Rich Media services, content VAS, eCommerce and mobile advertising.

<sup>5</sup> Includes Xtritime and mobile financial services.

<sup>6</sup> Includes domestic wholesale, voice, SMS and data, leased lines and BTS rentals.

## EBITDA excluding once-off transactions<sup>1</sup>

(Rm)

Country	1H 22	1H 21	2H 21	2021	Reported %	Constant currency %
<b>South Africa</b>	<b>9 838</b>	9 821	9 135	18 956	0.2	0.2
<b>Nigeria</b>	<b>18 887</b>	15 135	16 717	31 852	24.8	21.2
<b>SEA</b>	<b>4 067</b>	4 007	3 840	7 847	1.5	6.2
Uganda	<b>2 361</b>	2 066	2 321	4 387	14.3	7.5
Rwanda	<b>787</b>	652	668	1 320	20.7	17.8
Zambia	<b>380</b>	293	263	556	29.7	(3.1)
South Sudan	<b>538</b>	1 009	590	1 599	(46.7)	(8.2)
Business Group	<b>1</b>	(13)	(2)	(15)	107.7	107.7
<b>WECA</b>	<b>10 310</b>	9 436	9 933	19 369	9.3	20.9
Ghana	<b>5 786</b>	4 941	5 616	10 557	17.1	38.9
Cameroon	<b>1 308</b>	1 293	1 214	2 507	1.2	5.1
Côte d'Ivoire	<b>1 453</b>	1 499	1 597	3 096	(3.1)	0.8
Benin	<b>820</b>	798	788	1 586	2.8	6.8
Guinea-Conakry	<b>126</b>	58	(60)	(2)	117.2	80.0
Congo-Brazzaville	<b>691</b>	664	785	1 449	4.1	6.1
Liberia	<b>169</b>	132	152	284	28.0	20.7
Guinea-Bissau	<b>(43)</b>	51	(159)	(108)	(184.3)	(187.8)
<b>MENA</b>	<b>992</b>	1 000	1 082	2 082	(0.8)	87.5
Sudan	<b>722</b>	443	642	1 085	63.0	200.8
Afghanistan	<b>270</b>	319	296	615	(15.4)	(6.6)
Syria	<b>–</b>	105	–	105	(100.0)	0.0
Yemen	<b>–</b>	133	144	277	(100.0)	0.0
<b>Joint ventures</b>						
Iran	<b>1 723</b>	1 204	1 242	2 446	43.1	45.8
Botswana	<b>255</b>	332	316	648	(23.2)	(21.4)
eSwatini	<b>95</b>	103	106	209	(7.8)	3.6
Equity-accounting exclusion	<b>(2 073)</b>	(1 639)	(1 664)	(3 303)		
<b>Head offices, GlobalConnect and eliminations</b>	<b>(259)</b>	(562)	207	(355)		
<b>CODM EBITDA</b>	<b>43 835</b>	38 837	40 914	79 751	12.9	16.6
Gain on disposal of SA towers	<b>261</b>	–	–	–		
IFRS 2 Charge from localisation in Ghana	<b>(85)</b>	–	–	–		
Impairment loss on remeasurement of disposal group	<b>(435)</b>	(53)	–	(53)		
Gain on disposal/dilution of investment in joint ventures and associates	<b>–</b>	1 212	–	1 212		
Fair value gain on acquisition of subsidiary	<b>–</b>	526	–	526		
Profit on disposal of Namibia and Yemen	<b>–</b>	–	53	53		
Loss on deconsolidation of subsidiary	<b>–</b>	(4 720)	–	(4 720)		
Impairment loss on MTN Yemen PPE and intangible assets	<b>–</b>	(663)	54	(609)		
Hyperinflation	<b>294</b>	(513)	511	(2)		
<b>CODM EBITDA before impairment of goodwill and joint ventures</b>	<b>43 870</b>	34 626	41 532	76 158	26.7	16.6

## Revenue and EBITDA

Local currency (LC'm)

Country	Revenue			EBITDA			EBITDA margin	
	2022	2021	Change %	2022	2021	Change %	2022 %	2021 %
<b>South Africa</b>	<b>24 779</b>	23 741	4.4	<b>9 838</b>	9 821	0.2	<b>39.7</b>	41.4
<b>Nigeria</b>	<b>950 086</b>	791 263	20.1	<b>509 318</b>	417 213	21.1	<b>53.6</b>	52.7
<b>SEA</b>								
Uganda	<b>1 094 031</b>	994 306	10.0	<b>549 456</b>	512 001	7.3	<b>50.2</b>	51.5
Rwanda	<b>106 392</b>	88 337	20.4	<b>52 455</b>	44 546	17.8	<b>49.3</b>	50.4
Zambia	<b>1 620</b>	1 531	5.8	<b>428</b>	442	(3.2)	<b>26.4</b>	28.9
South Sudan	<b>33 293</b>	30 962	7.5	<b>15 381</b>	16 773	(8.3)	<b>46.2</b>	54.2
Business Group	<b>23</b>	98	(76.5)	<b>1</b>	(13)	107.7	<b>4.3</b>	(13.3)
<b>WECA</b>								
Ghana	<b>4 667</b>	3 622	28.9	<b>2 723</b>	1 970	38.2	<b>58.4</b>	54.4
Cameroon	<b>142 759</b>	128 941	10.7	<b>50 596</b>	47 751	5.0	<b>35.4</b>	37.0
Côte d'Ivoire	<b>165 136</b>	163 675	0.9	<b>56 229</b>	55 743	0.9	<b>34.1</b>	34.1
Benin	<b>126 645</b>	112 060	13.0	<b>31 684</b>	29 740	6.5	<b>25.0</b>	26.5
Guinea-Conakry	<b>447 277</b>	474 179	(5.7)	<b>72 894</b>	39 327	85.4	<b>16.3</b>	8.3
Congo-Brazzaville	<b>61 789</b>	60 801	1.6	<b>26 727</b>	25 145	6.3	<b>43.3</b>	41.4
Liberia	<b>43</b>	35	22.9	<b>11</b>	9	22.2	<b>25.6</b>	25.7
Guinea-Bissau	<b>5 541</b>	8 612	(35.7)	<b>(1 691)</b>	1 857	(191.1)	<b>(30.5)</b>	21.6
<b>MENA</b>								
Sudan	<b>52 863</b>	18 466	186.3	<b>24 491</b>	8 403	191.3	<b>46.3</b>	45.5
Afghanistan	<b>5 872</b>	5 699	3.0	<b>1 516</b>	1 702	(10.9)	<b>25.8</b>	29.9
Syria	<b>–</b>	25 697	(100.0)	<b>–</b>	4 338	(100.0)	<b>0.0</b>	16.9
Yemen	<b>–</b>	31 792	(100.0)	<b>–</b>	(15 447)	100.0	<b>0.0</b>	(48.6)
<b>Joint ventures</b>								
Iran (49)	<b>64 130 416</b>	48 289 618	32.8	<b>27 309 341</b>	18 734 671	45.8	<b>42.6</b>	38.8
Botswana (53.1)	<b>397</b>	420	(5.5)	<b>195</b>	248	(21.4)	<b>49.1</b>	59.0
eSwatini (30)	<b>223</b>	221	1.1	<b>95</b>	103	(7.7)	<b>42.7</b>	46.7

# Data sheets continued

Results for the six months ended 30 June 2022

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**Data sheets**

## Operating expenses

(Rm)

Country	1H 22	1H 21	2H 21	2021	Reported %	Constant currency %
<b>South Africa</b>	<b>14 944</b>	13 921	15 896	29 817	7.3	7.3
<b>Nigeria</b>	<b>16 344</b>	13 349	14 848	28 197	22.4	18.8
<b>SEA</b>	<b>4 866</b>	4 266	4 844	9 110	14.1	13.1
Uganda	<b>2 340</b>	1 948	2 214	4 162	20.1	13.0
Rwanda	<b>808</b>	641	813	1 454	26.1	23.0
Zambia	<b>1 054</b>	725	1 151	1 876	45.4	8.9
South Sudan	<b>626</b>	841	559	1 400	(25.6)	26.5
Business Group	<b>38</b>	111	107	218	(65.8)	(65.8)
<b>WECA</b>	<b>14 018</b>	13 561	15 081	28 642	3.4	10.0
Ghana	<b>4 104</b>	4 143	4 488	8 631	(0.9)	17.8
Cameroon	<b>2 385</b>	2 171	2 567	4 738	9.9	14.2
Côte d'Ivoire	<b>2 816</b>	2 904	2 914	5 818	(3.0)	0.9
Benin	<b>2 459</b>	2 213	2 481	4 694	11.1	15.6
Guinea-Conakry	<b>659</b>	641	866	1 507	2.8	(13.7)
Congo-Brazzaville	<b>906</b>	936	988	1 924	(3.2)	(1.5)
Liberia	<b>502</b>	373	441	814	34.6	27.1
Guinea-Bissau	<b>187</b>	180	336	516	3.9	7.5
<b>MENA</b>	<b>1 550</b>	2 601	1 882	4 483	(40.4)	60.0
Sudan	<b>827</b>	615	540	1 155	34.5	183.2
Afghanistan	<b>723</b>	753	725	1 478	(4.0)	6.8
Syria^		203	–	203	(100.0)	(100.0)
Yemen*		1 030	617	1 647	(100.0)	(100.0)
<b>Joint ventures</b>						
Iran	<b>2 334</b>	1 901	2 383	4 284	22.8	25.0
Botswana	<b>264</b>	230	269	499	14.8	17.5
eSwatini	<b>128</b>	118	118	236	8.5	26.3
Equity-accounting exclusion	<b>(2 726)</b>	(2 249)	(2 770)	(5 019)		
<b>Head offices, GlobalConnect and eliminations</b>	<b>1 113</b>	5 246	(3 498)	1 748		
<b>Total</b>	<b>52 835</b>	52 944	49 053	101 997	(0.2)	12.5
IFRS 2 Charge from localisation in Ghana	<b>85</b>					
Impairment loss on remeasurement of disposal group	<b>435</b>	53	–	53		
Loss on deconsolidation of subsidiary		4 720		4 720		
Impairment loss on MTN Yemen PPE and intangible assets		663	(54)	609		
Hyperinflation	<b>531</b>	(446)	444	(2)		
<b>Total reported</b>	<b>53 886</b>	57 934	49 443	107 377	(7.0)	12.5

## Operating expenses breakdown

(Rm)

Country	1H 22	1H 21	2H 21	2021	Reported %	Constant currency %
<b>South Africa</b>						
Handsets and other accessories	5 099	4 570	5 015	9 585	11.6	11.6
Interconnect	590	593	614	1 207	(0.5)	(0.5)
Roaming	290	275	276	551	5.5	5.5
Commissions	1 179	1 109	1 163	2 272	6.3	6.3
Government and regulatory costs	143	139	136	275	2.9	2.9
VAS/Digital revenue share	578	537 <sup>^</sup>	622 <sup>^</sup>	1 159 <sup>^</sup>	7.6 <sup>^</sup>	7.6 <sup>^</sup>
Service provider discounts	700	692	695	1 387	1.2	1.2
Network and IS maintenance	2 289	2 036	2 035	4 071	12.4	12.4
Marketing	542	552	615	1 167	(1.8)	(1.8)
Staff costs	1 584	1 593	2 656	4 249	(0.6)	(0.6)
Other costs	1 950	1 825 <sup>^</sup>	2 069 <sup>^</sup>	3 894 <sup>^</sup>	6.8 <sup>^</sup>	6.8 <sup>^</sup>
<b>Cost</b>	<b>14 944</b>	<b>13 921</b>	<b>15 896</b>	<b>29 817</b>	<b>7.3</b>	<b>7.3</b>
<b>Nigeria</b>						
Handsets and other accessories	366	52	177	229	603.8	565.5
Interconnect	2 632	2 241	2 390	4 631	17.4	14.2
Roaming	109	70	80	150	55.7	51.4
Commissions	173	197	185	382	(12.2)	64.8
Government and regulatory costs	1 033	880	819	1 699	17.4	13.6
VAS/Digital revenue share	458	353	411	764	29.7	25.8
Service provider discounts	1 491	1 205	1 249	2 454	23.7	11.2
Network and IS maintenance	7 605	6 419	7 067	13 486	18.5	15.0
Marketing	493	250	457	707	97.2	92.6
Staff costs	847	686	1 107	1 793	23.5	20.0
Other costs	1 137	996	906	1 902	14.2	10.5
<b>Cost</b>	<b>16 344</b>	<b>13 349</b>	<b>14 848</b>	<b>28 197</b>	<b>22.4</b>	<b>18.8</b>
<b>Uganda</b>						
Handsets and other accessories	37	28	67	95	32.1	23.3
Interconnect	86	120	92	212	(28.3)	(32.3)
Roaming	18	15	30	45	20.0	12.5
Commissions	751	593	654	1 247	26.6	19.2
Government and regulatory costs	119	116	103	219	2.6	(3.3)
VAS/Digital revenue share	61	58	54	112	5.2	0.0
Service provider discounts	–	–	–	–	0.0	0.0
Network and IS maintenance	578	481	504	985	20.2	13.1
Marketing	98	68	96	164	44.1	36.1
Staff costs	257	209	228	437	23.0	15.8
Other costs	335	260	386	646	28.8	20.1
<b>Cost</b>	<b>2 340</b>	<b>1 948</b>	<b>2 214</b>	<b>4 162</b>	<b>20.1</b>	<b>13.0</b>

<sup>^</sup> Reallocation of EBU costs that were previously classified under other costs and now in VAS costs.

## Operating expenses breakdown continued (Rm)

Country	1H 22	1H 21	2H 21	2021	Reported %	Constant currency %
<b>Ghana</b>						
Handsets and other accessories	111	127	16	143	(12.6)	5.7
Interconnect	349	342	398	740	2.0	21.2
Roaming	33	14	14	28	135.7	175.0
Commissions	1 030	1 400	1 095	2 495	(26.4)	(12.3)
Government and regulatory costs	203	183	207	390	10.9	31.8
VAS/Digital revenue share	212	151	177	328	40.4	65.6
Service provider discounts	–	–	–	–	0.0	0.0
Network and IS maintenance	895	844	1 012	1 856	6.0	25.2
Marketing	132	130	265	395	1.5	21.1
Staff costs	365	329	332	661	10.9	32.2
Other costs	774	623	972	1 595	24.2	48.0
<b>Cost</b>	<b>4 104</b>	<b>4 143</b>	<b>4 488</b>	<b>8 631</b>	<b>(0.9)</b>	<b>17.8</b>
IFRS 2 Charge from localisation in Ghana	85					
<b>Cost including once-offs</b>	<b>4 189</b>	<b>4 143</b>	<b>4 488</b>	<b>8 631</b>	<b>1.1</b>	<b>17.8</b>
<b>Cameroon</b>						
Handsets and other accessories	31	27	44	71	14.8	19.2
Interconnect	79	89	86	175	(11.2)	(7.1)
Roaming	12	9	21	30	33.3	33.3
Commissions	567	484	550	1 034	17.1	21.9
Government and regulatory costs	276	264	279	543	4.5	9.1
VAS/Digital revenue share	63	55	70	125	14.5	18.9
Service provider discounts	–	–	–	–	0.0	0.0
Network and IS maintenance	711	709	663	1 372	0.3	4.6
Marketing	78	50	86	136	56.0	59.2
Staff costs	240	233	382	615	3.0	7.1
Other costs	328	251	386	637	30.7	34.4
<b>Cost</b>	<b>2 385</b>	<b>2 171</b>	<b>2 567</b>	<b>4 738</b>	<b>9.9</b>	<b>14.2</b>
<b>Côte d'Ivoire</b>						
Handsets and other accessories	68	69	54	123	(1.4)	1.5
Interconnect	321	385	435	820	(16.6)	(13.2)
Roaming	12	12	13	25	0.0	9.1
Commissions	630	575	564	1 139	9.6	14.1
Government and regulatory costs	501	513	481	994	(2.3)	1.6
VAS/Digital revenue share	99	122	127	249	(18.9)	(15.4)
Service provider discounts	–	–	–	–	0.0	0.0
Network and IS maintenance	464	461	440	901	0.7	4.5
Marketing	98	98	127	225	0.0	4.3
Staff costs	300	307	318	625	(2.3)	1.7
Other costs	323	362	355	717	(10.8)	(7.4)
<b>Cost</b>	<b>2 816</b>	<b>2 904</b>	<b>2 914</b>	<b>5 818</b>	<b>(3.0)</b>	<b>0.9</b>

## Operating expenses breakdown continued (Rm)

Country	1H 22	1H 21	2H 21	2021	Reported %	Constant currency %
<b>Sudan</b>						
Handsets and other accessories	4	5	13	18	(20.0)	100.0
Interconnect	32	68	34	102	(52.9)	(8.6)
Roaming	5	16	4	20	(68.8)	(37.5)
Commissions	98	68	72	140	44.1	216.1
Government and regulatory costs	28	18	10	28	55.6	300.0
VAS/Digital revenue share	13	10	2	12	30.0	225.0
Service provider discounts	–	–	–	–	0.0	0.0
Network and IS maintenance	404	283	234	517	42.8	220.6
Marketing	21	13	11	24	61.5	250.0
Staff costs	60	34	45	79	76.5	252.9
Other costs	160	100	115	215	60.0	185.7
<b>Cost</b>	<b>825</b>	<b>615</b>	<b>540</b>	<b>1 155</b>	<b>34.1</b>	<b>183.2</b>
Hyperinflation	582	(140)	406	266		
<b>Cost including hyperinflation</b>	<b>1 407</b>	<b>475</b>	<b>946</b>	<b>1 421</b>	<b>196.2</b>	<b>183.2</b>



## Operating expenses breakdown continued (Rm)

Country	1H 22	1H 21	2H 21	2021	Reported %	Constant currency %
<b>Afghanistan</b>						
Handsets and other accessories	4	5	5	10	(20.0)	(20.0)
Interconnect	39	49	46	95	(20.4)	(11.4)
Roaming	1	2	1	3	(50.0)	0.0
Commissions	87	101	87	188	(13.9)	(4.4)
Government and regulatory costs	18	18	17	35	0.0	12.5
VAS/Digital revenue share	55	58	55	113	(5.2)	5.8
Service provider discounts	–	–	–	–	0.0	0.0
Network and IS maintenance	348	317	295	612	9.8	22.5
Marketing	6	8	4	12	(25.0)	(14.3)
Staff costs	66	72	85	157	(8.3)	1.5
Other costs	99	123	130	253	(19.5)	11.6
<b>Cost</b>	<b>723</b>	<b>753</b>	<b>725</b>	<b>1 478</b>	<b>(4.0)</b>	<b>6.8</b>
Impairment loss on remeasurement of disposal group	435					
<b>Cost including once-offs</b>	<b>1 158</b>	<b>753</b>	<b>725</b>	<b>1 478</b>	<b>53.8</b>	<b>6.8</b>
<b>Iran (49%)</b>						
Handsets and other accessories	81	98	86	184	(17.3)	(16.5)
Interconnect	142	121	142	263	17.4	19.3
Roaming	17	14	16	30	21.4	21.4
Commissions	32	30	42	72	6.7	6.7
Government and regulatory costs	36	28	47	75	28.6	33.3
VAS/Digital revenue share	1 032	805	929	1 734	28.2	30.6
Service provider discounts	80	63	75	138	27.0	29.0
Network and IS maintenance	625	544	616	1 160	14.9	16.8
Marketing	71	42	71	113	69.0	73.2
Staff costs	140	97	103	200	44.3	47.4
Other costs	78	59	256	315	32.2	36.8
<b>Cost</b>	<b>2 334</b>	<b>1 901</b>	<b>2 383</b>	<b>4 284</b>	<b>22.8</b>	<b>25.0</b>
Hyperinflation	247	–	710	710		
<b>Cost including hyperinflation</b>	<b>2 581</b>	<b>1 901</b>	<b>3 093</b>	<b>4 994</b>	<b>35.8</b>	<b>25.0</b>

# Market analysis

Results for the year ended 30 June 2022

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	MTN share-holding# %	Population (m)	Mobile penetration (%)	Market position/ number of operators	Market share (%)	Outgoing minutes of use	Telemetry ('000)	Smart-phones ('000)	MB/active user	YTD rolled-out sites			Cumulative sites			
										2G	3G	4G	2G	3G	4G	5G
South Africa	100.0	60.1	173	2/4	30.0	65	4 065	24 312	3 891	51	52	101	12 770	12 851	12 527	1 391
Nigeria	75.7	213.5	69	1/4	50.6	138		37 522	6 225	244	224	4 985	16 681	17 413	14 831	
<b>SEA</b>																
Uganda	83.1	44.2	60	1/5	61.6	170		5 196	1 878	243	246	519	2 835	2 824	2 389	
Rwanda	80.0	13.0	77	1/2	65.7	251		1 417	2 702	59	59	–	1 146	1 156	–	
Zambia	89.8	19.1	77	1/3	46.1	85		2 686	4 288	14	52	365	1 258	1 261	1 258	
South Sudan	100.0	11.3	35	1/3	58.3	214		860	2 293	21	59	77	415	409	242	
Botswana (joint venture)	53.3	2.4	168	1/3	44.0	197		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
eSwatini (joint venture)	30.0	1.1	113	1/2	80.1	233		708	1 352	10	10	10	441	442	257	
<b>WECA</b>																
Ghana	84.3	32.1	135	1/6	64.2	294		12 843	7 201	255	255	935	4 536	4 541	4 256	
Cameroon	80.0	27.4	75	1/4	51.4	94		5 026	3 578	18	141	153	2 037	1 988	1 249	
Côte d'Ivoire	66.8	27.9	150	2/3	37.0	86		7 268	2 845	61	66	219	2 400	2 423	1 587	
Benin	75.0	14.3	83	1/2	59.7	52		3 667	3 774	51	61	88	971	818	674	
Guinea-Conakry	75.0	14.5	92	2/3	25.7	24		1 554	1 896	1	1	–	952	852	–	
Congo-Brazzaville	100.0	5.6	91	1/2	64.2	99		1 498	2 388	5	5	1	568	560	337	
Liberia	60.0	4.7	82	1/3	50.1	61		637	2 734	8	17	61	284	282	247	
Guinea-Bissau	100.0	2.1	60	1/2	66.1	35		199	2 625	5	5	5	170	141	81	
<b>MENA</b>																
Iran (joint venture)	49.0	85.0	140	2/4	43.5	118		42 528	18 257	321	450	447	15 903	15 519	15 603	96
Sudan	85.0	44.0	61	1/3	33.7	190		3 507	4 740	1	1	1	2 109	1 480	911	
Afghanistan	100.0	39.4	36	1/5	41.9	159		2 885	3 646	–	–	–	1 496	1 138	350	

# Effective shareholding.

