Airtel Africa plc

Results for nine-month period ended 31 December 2022

2 February 2023

Strong execution continues to deliver double-digit revenue and EBITDA growth despite a challenging macro-environment.

Highlights

- Total customer base increased to 138.5 million (up 10.1%), as the penetration of mobile data and mobile money services continued to rise, driving the data customer base up 13.6% and mobile money customer base up 22.2%.
- ARPU growth of 7.2% in constant currency, largely driven by increased usage across voice, data, and mobile money.
- Mobile money transaction value increased by 37.0%, to an annualised value of almost $100bn in Q3'23.
- Revenue in reported currency grew by 12.1%, to $3,914m with Q3'23 growth of 10.7%.
- Revenue growth in constant currency was 17.3% (18.0% in Q3'23) driven by double digit growth across all reporting segments. Mobile Services revenue in Nigeria grew by 20.9%, in East Africa by 11.9% and in Francophone Africa by 11.8% (and across the Group by 15.9%, with voice revenue growth of 12.7% and data revenue up 22.3%). Mobile Money revenue grew by 29.8%, driven by 32.5% growth in East Africa and 21.7% in Francophone Africa.
- EBITDA was $1,916m, up 12.6% in reported currency and 17.4% in constant currency, with an EBITDA margin of 49.0%, increasing 20 basis points in reported currency and broadly flat in constant currency.
- Profit after tax was $523m, up 1.7%, as EBITDA growth was partially offset by higher foreign exchange and derivative losses of $184m.
- EPS before exceptional items was 10.8 cents, a reduction of 5.8% largely driven by higher foreign exchange and derivative losses of $184m. Basic EPS increased to 12.5 cents (up by 6.3%) as a result of deferred tax asset recognition in Kenya. EPS before exceptional items and excluding foreign exchange and derivative losses increased by 21.6%.
- Capex increased 5.8% to $457m, in line with our guidance, as we continue to invest for future growth. Additionally, we acquired spectrum in Nigeria, DRC, Tanzania, Zambia and Kenya over the nine-month period.
- In July 2022, the Group prepaid $450m of outstanding external debt at HoldCo. The remaining debt at HoldCo is now $550m, falling due in May 2024. The leverage ratio of 1.4x was slightly higher than the September 2022 level (1.3x), largely driven by the acquisition of spectrum in Nigeria.

Alternative performance measures [1] (Nine-month period ended)					**GAAP measures (Nine-month period ended)**			
Description	**Dec-22 $m**	**Dec-21 $m**	**Reported currency change**	**Constant currency change**	**Description**	**Dec-22 $m**	**Dec-21 $m**	**Reported currency change**
Revenue	3,914	3,492	12.1%	17.3%	Revenue	3,914	3,492	12.1%
EBITDA	1,916	1,702	12.6%	17.4%	Operating profit	1,318	1,146	15.1%
EBITDA margin	49.0%	48.8%	20 bps	3 bps	Profit after tax	523	514	1.7%
EPS before exceptional items ($ cents)	10.8	11.5	(5.8%)		Basic EPS ($ cents)	12.5	11.7	6.3%
Operating free cash flow	1,459	1,270	14.9%		Net cash generated from operating activities	1,697	1,499	13.2%

[1] Alternative performance measures (APM) are described on page 17.

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

"Providing affordable, innovative and essential services to customers in our 14 markets with unparalleled network quality and customer service is integral to our ambition of transforming lives across Africa. These strong results are testament to this strategy despite the current macro-economic and geopolitical uncertainties. The execution of our six-pillar strategy continues to provide the foundation for growth, driving 10% customer growth, supported by 14% growth in data customers and over 22% growth in mobile money customers. Higher usage across voice, data and money, have contributed to further ARPU growth of over 7%, resulting in 18% revenue growth in the quarter as penetration across each segment continues to increase. I am particularly excited by the performance of our mobile money business, with annualized transaction value reaching nearly $100bn, as we continue to drive financial inclusion in the continent. Despite the inflationary pressures across our markets, the strong revenue performance in the first nine months of the year, combined with continued focus on cost optimisation, contributed to EBITDA growth of over 17% in constant currency, with stable EBITDA margins. Our strong operating performance, combined with continued focus on our capital allocation priorities has facilitated the de-risking of our balance sheet with the early repayment of $450m HoldCo debt in July this year.

We will continue to invest in expanding our network and evolving our service offerings to further deepen both financial and digital inclusion across our markets. We have especially focussed on enhancing our spectrum footprint across all our markets. Over the last nine months we have spent almost $490m on 4G and 5G spectrum across key markets to improve network capacity and quality, future-proof the company for continued growth opportunities and facilitate economic progress in all our markets.

I am particularly pleased with these results which demonstrate the opportunities these markets offer, our ability to deliver against these opportunities and the contribution we make to local communities and economies across our footprint. For the remainder of the financial year. we continue to anticipate sustained growth in the business with continued EBITDA margin resilience "

Airtel Africa plc ("Airtel Africa" or "Group") results for nine-month period ended 31 December 2022 are unaudited and in the opinion of management, include all adjustments necessary for the fair presentation of the results of the same period. The financial information in this press release has been drawn from interim financial statements prepared based on International Accounting Standard 34 (IAS 34) issued by the International Accounting Standards Board (IASB) approved for use in the United Kingdom ("UK") by the UK Accounting Standards Endorsement Board (UKEB) and apply the same accounting policies, presentation and methods of calculation as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2022 except to the extent required/ prescribed by IAS 34. This report should be read in conjunction with audited annual consolidated financial statements and related notes for the year ended 31 March 2022. Comparative annual information has been drawn based on Airtel Africa plc's Audited Consolidated Financial Statements for the year ended 31 March 2022; with quarterly and nine-month period information drawn from the unaudited IAS 34 financials of the respective periods. All comparatives and references to the 'prior period' or 'previous period' in this report are for the reported metrics for the quarterly and nine-month period ended 31 December 2021 unless otherwise stated.

About Airtel Africa

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

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

Enquiries

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Conference call

Management will host an analyst and investor conference call at 12:00pm UK time (GMT), on Thursday 2 February 2023, including a Question-and-Answer session.

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

Conference call registration link

Authorised for release in Nigeria

Simon O'Hara
Group company secretary

Key consolidated financial information

Description	Unit of measure	Nine-month period ended				Quarter ended			
		Dec-22	Dec-21	Reported currency change %	Constant currency change %	Dec-22	Dec-21	Reported currency change %	Constant currency change %
Profit and loss summary									
Revenue [1]	**$m**	**3,914**	**3,492**	**12.1%**	**17.3%**	**1,350**	**1,219**	**10.7%**	**18.0%**
Voice revenue	$m	1,872	1,747	7.2%	12.7%	646	606	6.5%	13.9%
Data revenue	$m	1,318	1,127	16.9%	22.3%	454	395	15.0%	22.7%
Mobile money revenue [2]	$m	515	406	26.9%	29.8%	183	148	24.2%	30.3%
Other revenue	$m	321	306	5.1%	10.2%	105	105	0.5%	6.8%
Expenses	$m	(2,007)	(1,797)	11.7%	17.2%	(691)	(616)	12.1%	19.5%
EBITDA [3]	**$m**	**1,916**	**1,702**	**12.6%**	**17.4%**	**661**	**605**	**9.3%**	**16.4%**
EBITDA margin	%	49.0%	48.8%	20 bps	3 bps	49.0%	49.6%	(60) bps	(65) bps
Depreciation and amortisation	$m	(598)	(556)	7.6%	13.0%	(215)	(190)	12.9%	20.4%
Operating exceptional items	$m	-	-	0.0%	0.0%	-	-	0.0%	0.0%
Operating profit	**$m**	**1,318**	**1,146**	**15.1%**	**19.5%**	**446**	**414**	**7.8%**	**14.6%**
Net finance costs [4]	$m	(519)	(291)	78.0%		(161)	(122)	32.2%	
Non-operating exceptional items[5]	$m	-	9	(100.0%)		-	5	(100.0%)	
Profit before tax [6]	**$m**	**801**	**864**	**(7.3%)**		**285**	**297**	**(4.2%)**	
Tax	$m	(340)	(350)	(2.9%)		(112)	(117)	(4.3%)	
Tax - exceptional items [7]	$m	62	-	0.0%		21	-	0.0%	
Total tax charge	$m	(278)	(350)	(20.6%)		(92)	(117)	(22.0%)	
Profit after tax	**$m**	**523**	**514**	**1.7%**		**193**	**180**	**7.5%**	
Non-controlling interest	$m	(55)	(74)	(25.1%)		(21)	(25)	(12.4%)	
Profit attributable to owners of the company - before exceptional items	$m	406	431	(5.9%)		151	150	0.8%	
Profit attributable to owners of the company	**$m**	**468**	**440**	**6.2%**		**172**	**155**	**10.7%**	
EPS - before exceptional items	cents	10.8	11.5	(5.8%)		4.0	4.0	0.9%	
Basic EPS	cents	12.5	11.7	6.3%		4.6	4.1	10.8%	
Weighted average no of shares	million	3,752	3,755	(0.1%)		3,750	3,754	(0.1%)	
Capex	$m	457	432	5.8%		147	187	(21.7%)	
Operating free cash flow	$m	1,459	1,270	14.9%		514	418	23.2%	
Net cash generated from operating activities	$m	1,697	1,499	13.2%		689	577	19.3%	
Net debt	$m	3,620	3,050			3,620	3,050		
Leverage (net debt to EBITDA)	times	1.4x	1.4x			1.4x	1.4x		
Return on capital employed	%	23.3%	21.0%	225 bps		23.8%	20.9%	283 bps	
Operating KPIs									
ARPU	$	3.3	3.2	2.5%	7.2%	3.3	3.3	0.6%	7.2%
Total customer base	million	138.5	125.8	10.1%		138.5	125.8	10.1%	
Data customer base	million	51.3	45.1	13.6%		51.3	45.1	13.6%	
Mobile money customer base	million	31.4	25.7	22.2%		31.4	25.7	22.2%	

(1) Revenue includes inter-segment eliminations of $112m for nine-month period ended 31 December 2022 and $94m for the prior period.

(2) Mobile money revenue post inter-segment eliminations with mobile services was $403m for nine-month period ended 31 December 2022, and $312m for the prior period.

(3) EBITDA includes other income of $9m for nine-month period ended 31 December 2022, and $9m for the prior period.

(4) Net finance costs of $519m, has increased $228m from the prior period largely due to higher foreign exchange and derivative losses of $184m mainly comprised of a $40m loss on derivatives and higher foreign exchange losses arose from the restatement of balance sheet liabilities (a loss of $70m on devaluation of the Nigerian Naira, and other devaluation losses of $53m mainly arising from the Malawian Kwacha, Ugandan and Kenyan shilling).

(5) Non-operating exceptional items in the previous period include a profit of $9m from the sale of towers in Rwanda and Madagascar.

(6) Profit before tax in nine-month period ended 31 December 2022 include a $2m gain on share of profit from associates.

(7) Tax exceptional items in the nine-month period ended 31 December 2022 reflect the initial recognition of a deferred tax credit of $62m in Kenya.

Financial review for nine-month period ended 31 December 2022

Reported currency revenue grew by 12.1%, with constant currency revenue growth of 17.3% partially offset by currency devaluation. Revenue growth was impacted by the effect of some voice customers being barred in Nigeria and the loss of tower sharing revenues following the sale of towers in Tanzania, Madagascar and Malawi in H2'22. Excluding these, the growth would have been around 20.6% in constant currency. Total revenue for mobile services and mobile money services combined grew in Nigeria by 20.9%, East Africa by 16.1% and Francophone Africa by 12.7% over the period.

Revenue growth was recorded across all reporting segments, with mobile services revenue for the Group up 15.9% reflecting Nigeria up 20.9%, East Africa up 11.9% and Francophone Africa up 11.8%. Voice revenues saw double digit revenue growth of 12.7%, while data revenues grew 22.3%. Mobile money revenue grew by 29.8% in constant currency, driven by 32.5% growth in East Africa and 21.7% growth in Francophone Africa.

Net finance costs increased by $228m largely due to higher foreign exchange and derivative losses of $184m mainly comprised of a $40m loss on derivatives and higher foreign exchange losses arose from the restatement of balance sheet liabilities (a loss of $70m on devaluation of the Nigerian Naira, and other devaluation losses of $53m mainly arising from the Malawian Kwacha, Ugandan and Kenyan shilling).

Total tax charges were lower by $72m mainly due to the initial recognition of a deferred tax credit of $62m in Kenya. Non-controlling interests was down $19m due to the buy-back of minorities in Nigeria and lower minority allocation charges in Tanzania, partially off-set by the increase in Airtel Money minority shareholdings.

EPS before exceptional items was 10.8 cents, a reduction of 5.8% largely as a result of higher foreign exchange and derivative losses of $184m. Basic EPS increased to 12.5 cents (up by 6.3%) as a result of deferred tax asset recognition in Kenya. Excluding Foreign exchange and derivative losses EPS before exceptional items would have been up by 21.6%.

Leverage at 1.4x, remained largely stable over the period. Our balance sheet has also been further de-risked by continued localisation of our debt into the OpCos and continued debt reduction in HoldCo, following the $450m HoldCo bond prepayment in July 2022. The 1.4x leverage ratio increased slightly from 1.3x in September 2022 as a result of the acquisition of spectrum in Nigeria during the period.

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

GAAP measures

Revenue

Revenue was $3,914m, growing 12.1% in reported currency and 17.3% in constant currency. The differential in growth rates was due to an average currency devaluation between the periods, mainly in the Central African franc (14.1%) which is largely pegged to the Euro, the Nigerian naira (4.5%), the Kenyan shilling (8.8%), the Ugandan shilling (5.0%) and the Malawian kwacha (21.2%), in turn partially offset by appreciation in the Zambian kwacha (14.5%). The revenue growth of 17.3% in constant currency growth was driven by both customer base growth of 10.1% and ARPU growth of 7.2%.

Mobile services revenue grew by 15.9% in constant currency supported by growth across the regions, with Nigeria growing 20.9%, East Africa by 11.9% and Francophone Africa by 11.8%. Voice revenue grew by 12.7% and data revenue was up 22.3%. Mobile money revenue growth of 29.8% was driven by both East Africa and Francophone Africa, of 32.5% and 21.7% respectively.

Though strong, revenue growth was impacted by the effect of some voice customers being barred in Nigeria and the loss of tower sharing revenues following the sales of towers in Tanzania, Madagascar and Malawi in the prior period. A total of 13.6 million customers were originally barred, out of which 6.2 million customers (46%) have subsequently submitted their NINs and 3.2 million customers (23%) have been fully verified and unbarred. We estimate that this resulted in the loss of approximately $87m of revenues in nine-month period. Other revenues were impacted by c.$21m of tower sharing revenues lost through associated tower sales in the second half of the previous year. Excluding these the growth would have been around 20.6% in constant currency terms.

Operating profit

Operating profit of $1,318m, grew by 15.1% as a result of strong revenue growth and continued improvements in operating efficiency in East Africa and Francophone Africa.

Net finance costs

Net finance costs were $519m, an increase of $228m largely due to higher foreign exchange losses of $144m and higher derivative losses of $40m. The higher foreign exchange losses arose from the restatement of balance sheet liabilities (including current and non-current borrowings and finance lease obligations) following certain currency devaluations across most of our OpCos, including a loss of

$70m on devaluation of the Nigerian naira, and other devaluation losses of $53m mainly arising from the Malawian kwacha, Ugandan shilling and Kenyan shilling. Interest costs were $262m, an increase of $31m, largely driven by higher lease liabilities. Interest costs on market debt was broadly flat.

The Group's effective interest rate increased to 7.2% compared to 5.6% in the prior period, largely driven by an increase in base rates and higher proportion of debt in OPCOs.

Taxation

Total tax charges were lower by $72m mainly due to the initial recognition of a deferred tax credit of $62m in Kenya. Excluding this exceptional item, tax was lower by $10m mainly due to lower profit before tax impacted by higher foreign exchange and derivative losses.

Profit after tax

Profit after tax was up 1.7% to $523m. The slowdown in growth was due to higher foreign exchange and derivative losses of $184m. Profit after tax excluding foreign exchange and derivative losses was up by 24.7%.

Basic EPS

Basic EPS was 12.5 cents, up by 6.3% from 11.7 cents in prior period. This increase was mainly due to higher operating profits and the recognition of a deferred tax credit of $62m in Kenya, which more than offset higher foreign exchange and derivative losses of $184m.

Net cash generated from operating activities

Net cash generated from operating activities was $1,697m, up by 13.2% largely driven by higher operating profit which was partially offset by higher tax payments on the increased profits and withholding tax on dividends by subsidiaries. While in some markets we face instances of shortage of foreign currency within the local monetary system, we benefit from a broad geographical diversification which enables access to liquidity, with limited impact to the Group requirements.

Alternative performance measures[1]

EBITDA

EBITDA was $1,916m, up by 12.6% in reported currency and 17.4% in constant currency, driven by strong revenue growth. EBITDA margin was at 49.0%, an improvement of 20 basis points in reported currency and 3 basis points in constant currency. We continue to work towards mitigating the inflationary cost pressures through various cost initiatives.

Foreign exchange had an adverse impact of $174m on revenue, and $79m on EBITDA, as a result of currency devaluations. Currency devaluations between the periods is mainly in the Central African franc (14.1%), the Nigerian naira (4.5%), the Kenyan shilling (8.8%), the Ugandan shilling (5.0%) and the Malawian kwacha (21.2%), in turn partially offset by appreciation in the Zambian kwacha (14.5%).

With respect to currency devaluation sensitivity, on a 12-month basis, a 1% currency devaluation across all currencies in our OpCos would have a negative impact of $49m on revenues, $29m on EBITDA and $25m on finance costs (excluding derivatives). Our largest exposure is to the Nigerian naira, for which a 1% devaluation would have a negative impact of $21m on revenues, $11m on EBITDA and $8m on finance costs (excluding derivatives).

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

Effective tax rate

The effective tax rate was 38.8%, compared to 39.6% in the prior period, largely due to profit mix changes amongst the OpCos. The effective tax rate is higher than the weighted average statutory corporate tax rate of approximately 33%, largely due to the profit mix between various OpCos and withholding taxes on dividends by subsidiaries.

Exceptional items

Non-operating exceptional items in the previous period relates to a gain of $9m from the profit on the sale of towers in Rwanda and Madagascar. The tax exceptional item in current period related to the initial recognition of a deferred tax credit of $62m in Kenya.

EPS before exceptional items

EPS before exceptional items was 10.8 cents, a reduction of 5.8% largely as a result of higher foreign exchange and derivative losses of $184m. Excluding foreign exchange and derivative losses, the EPS before exceptional item was 15.8 cents, an increase of 21.6%.

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[1] *Alternative performance measures (APM) are described on page 17.*

Operating free cash flow

Operating free cash flow was $1,459m, up by 14.9%, as higher EBITDA more than offset increased capital expenditure. Capital expenditure during the period was higher by $25m related to planned network expansion and investment in PSB opportunity in Nigeria.

Leverage

Leverage at 1.4x net debt/EBITDA, was largely stable from the prior period. Our balance sheet has also been further de-risked by continued localisation of our debt into the OpCos and continued debt reduction in HoldCo, following the $450m HoldCo bond prepayment in July 2022. Leverage has increased marginally from 1.3x in September 2022 primarily due to the acquisition of Nigerian spectrum in December 2022 ($316.7m).

Other significant updates

IFC loan facility

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

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

As part of IFC's loan facility, Airtel Africa has committed to comply with the applicable requirements of IFC Performance Standards on Social and Environmental Sustainability and has put in place a dedicated Environmental and Social Action plan. This will further underpin the Group's commitment to transforming lives across the communities in which Airtel operates and provide clarity on how the Group can help address inequality and support economic growth in these communities.

Nigeria 4G and 5G Spectrum Acquisition

On 9 January 2023, we announced that, Airtel Networks Limited ('Airtel Nigeria'), had purchased 100 MHz of spectrum in the 3500MHz band and 2x5MHz of 2600MHz from the Nigerian Communications Commission (NCC) for a gross consideration of $316.7m, paid in local currency. This additional spectrum will support our investments in network expansion for both mobile data and fixed wireless home broadband capability, including 5G rollout, providing significant capacity to accommodate our continued strong data growth in the country and exceptional customer experience.

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

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

Other spectrum acquisitions

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

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

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

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

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

Launch of inaugural Sustainability Report

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

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

In October 2021, the Group committed to publishing a 'pathway to carbon neutrality' report, outlining the Group's strategy and timeline for achieving net zero greenhouse gas emissions targets, ahead of the publication of its first sustainability report. While significant progress has been made on this important project, due to its ambitious scale, additional time is required to comprehensively incorporate the many variables affecting our decarbonisation strategy in all 14 markets, and to consult with stakeholders. The Group is now confident of publishing a robust pathway to carbon neutrality by the end of the 2023 financial year.

Uganda listing obligation

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

NIN - SIM linkage implementation in Nigeria

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

In April 2022, the voice services for 13.6 million customers were barred due to non-submission of NIN information. As of December 2022, 6.2 million customers (46%) have subsequently submitted their NINs and 3.2 million customers (23%) have been fully verified and unbarred. Revenue growth for the first nine-months of the year was impacted by the effect of barring outgoing voice calls in Nigeria for those customers who had not submitted their NINs. We estimate that this resulted in the loss of approximately $87m of revenues in nine-month period, providing a drag on revenue growth of almost 2.5% at Group level (impact of 6.4% in Nigeria).

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

Nigeria mobile money operationalisation

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

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

$450m early bond redemption

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

First sustainability-linked loan facility

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

Information on additional KPIs

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

Financial review for nine-month period ended 31 December 2022

Nigeria - Mobile services

Description	Unit of measure	Nine-month period ended				Quarter ended			
		Dec-22	Dec-21	Reported currency change	Constant currency change	Dec-22	Dec-21	Reported currency change	Constant currency change
Summarised statement of Operations									
Revenue	**$m**	**1,585**	**1,370**	**15.6%**	**20.9%**	**545**	**476**	**14.6%**	**23.1%**
Voice revenue [1]	$m	791	717	10.3%	15.4%	279	246	13.6%	22.1%
Data revenue	$m	653	539	21.1%	26.6%	222	189	17.6%	26.3%
Other revenue [1]	$m	141	115	22.6%	27.9%	43	41	6.5%	14.3%
EBITDA	**$m**	**815**	**758**	**7.5%**	**12.4%**	**284**	**266**	**6.8%**	**14.8%**
EBITDA margin	%	51.4%	55.3%	(388) bps	(385) bps	52.1%	55.9%	(379) bps	(377) bps
Depreciation and amortisation	$m	(248)	(196)	26.3%	32.2%	(92)	(68)	34.3%	44.4%
Operating exceptional items	$m	-	-	0.0%	0.0%	-	-	0.0%	0.0%
Operating profit	**$m**	**542**	**562**	**(3.5%)**	**0.8%**	**184**	**198**	**(6.9%)**	**0.0%**
Capex	$m	167	182	(8.2%)	(8.2%)	34	78	(56.3%)	(56.3%)
Operating free cash flow	$m	648	576	12.5%	19.0%	250	188	32.9%	44.3%
Operating KPIs									
Total customer base	million	47.8	42.4	13.0%		47.8	42.4	13.0%	
Data customer base	million	22.0	19.0	16.0%		22.0	19.0	16.0%	
Mobile services ARPU	$	3.8	3.7	2.4%	7.0%	3.9	3.9	(0.2%)	7.2%

(1) Voice revenue includes inter-segment revenue of $1m and other revenue includes inter-segment revenue of $2m in nine-month period ended 31 December 2022. Excluding inter-segment revenue, voice revenue was $790m and other revenue was $139m in nine-month period ended 31 December 2022.

In reported currency, Nigeria revenue grew by 15.6% to $1,585m and 20.9% in constant currency. Strong growth in both voice and data contributed to revenue growth, driven mainly by overall customer base growth of 13.0% and data customer base growth of 16.0%. ARPU grew by 7.0%, largely driven by higher data and other revenue. Q3'23 revenue growth accelerated to 23.1% from 21.0% in Q2'23.

Voice revenue increased by 15.4% in constant currency, largely driven by customer base growth of 13.0% supported by voice ARPU growth of 2.2%. The barring of outgoing calls for customers who had not submitted their NINs had an adverse impact on voice revenue. A total of 13.6 million customers were originally barred, out of which 6.2 million customers (46%) have subsequently submitted their NINs and 3.2 million customers (23%) have been fully verified and unbarred. We estimate that this resulted in the loss of approximately $87m of revenues in nine-month period ended 31 December 2022, providing a drag on revenue growth of 6.4% in Nigeria.

Data revenue increased by 26.6% in constant currency, driven by both data customer base growth of 16.0% and data ARPU growth of 9.2%. Over the last year, we have enhanced our 4G network with ample data network capacity to provide high speed data to our customers with almost 100% of our sites now on 4G and data capacity increase of 28%. This has contributed to 4G data customer growth of 20.7%. Data usage per customer increased by 25.6% facilitating continued data ARPU growth. Data usage per customer reached 5 GB per customer per month from 4 GB per customer per month in the previous period. In Q3'23, 4G data usage per customer increased to 9.0 GB per month (up by 53%) from 5.9 GB per customer per month in prior period. 4G data usage now contributes to 81.1% of total data usage on our network.

Other revenues grew by 27.9% in constant currency, with the main contribution coming from the growth in value added services revenue, led by airtime credit services.

Nigeria Mobile services EBITDA was $815m, up by 12.4% in constant currency. The EBITDA margin declined to 51.4% from 55.3% due to an increase in operating costs arising from inflationary pressure, particularly related to the fuel costs. The Q3'23 EBITDA margin of 52.1% has increased from 49.5% in Q2'23 EBITDA largely as a result of operating leverage from higher revenue growth and one-time benefits of about 100bps in the quarter.

Operating free cash flow was $648m, up by 19.0%, due to the expansion of EBITDA and lower capex in Q3'23. Q3'23 capex was lower than prior period largely due to phasing of materials received with no impact on full year capex expectations.

East Africa - Mobile services[1]

Description	Unit of measure	Nine-month period ended				Quarter ended			
		Dec-22	Dec-21	Reported currency change	Constant currency change	Dec-22	Dec-21	Reported currency change	Constant currency change
Summarised statement of operations									
Revenue	**$m**	**1,129**	**1,046**	**8.0%**	**11.9%**	**388**	**372**	**4.5%**	**10.8%**
Voice revenue	$m	632	586	7.8%	11.9%	215	210	2.5%	8.8%
Data revenue	$m	397	339	17.3%	20.8%	140	121	15.3%	21.9%
Other revenue [2]	$m	101	120	(16.3%)	(13.2%)	34	41	(16.9%)	(11.4%)
EBITDA	**$m**	**561**	**501**	**12.0%**	**15.9%**	**201**	**184**	**9.1%**	**16.0%**
EBITDA margin	%	49.7%	47.9%	178 bps	173 bps	51.7%	49.5%	219 bps	230 bps
Depreciation and amortisation	$m	(190)	(172)	10.2%	13.9%	(67)	(59)	11.9%	17.9%
Operating exceptional items	$m	-	-	0.0%	0.0%	-	-	0.0%	0.0%
Operating profit	**$m**	**344**	**312**	**10.3%**	**14.3%**	**125**	**120**	**4.8%**	**11.9%**
Capex	$m	159	150	6.2%	6.2%	69	73	(5.8%)	(5.8%)
Operating free cash flow	$m	402	351	14.4%	19.9%	132	111	18.9%	30.7%
Operating KPIs									
Total customer base	million	62.4	57.4	8.8%		62.4	57.4	8.8%	
Data customer base	million	21.2	18.6	14.1%		21.2	18.6	14.1%	
Mobile services ARPU	$	2.1	2.1	0.8%	4.5%	2.1	2.2	(3.1%)	2.8%

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

(2) Voice revenue includes inter-segment revenue of $1m and other revenue includes inter-segment revenue of $9m in nine-month period ended 31 December 2022. Excluding inter-segment revenue, voice revenue was $631m and other revenue was $92m in nine-month period ended 31 December 2022.

In East Africa, mobile services revenue grew by 8.0% in reported currency, and 11.9% in constant currency. The differential in growth rates was due to a devaluation of the Kenyan shilling, Ugandan shilling and Malawian kwacha, partially offset by an appreciation in the Zambian kwacha. Current year was impacted by the loss of tower sharing revenues (c.$20m) following the sales of towers in Tanzania and Malawi which is reflected in the 13.2% decline in other revenues over the period. Revenue growth, excluding the site sharing revenue impact of tower sales, was 14.0% for the period.

Voice revenue grew by 11.9% in constant currency, driven by both customer base growth of 8.8% and voice ARPU growth of 4.5%. The customer base growth of 8.8% was supported by the expansion of our network, enhanced coverage, and distribution infrastructure. Site count increased by 12.8% and activating outlets increased by 18.9%. Voice usage per customer increased by 10.2% to 385 minutes per customer per month resulted in voice ARPU growth of 4.5%. Total minutes on the network increased by 18.0% to 207.8 billion minutes.

Data revenue grew by 20.8% in constant currency, largely driven by both data customer base growth of 14.1% and data ARPU growth of 9.4%. The expansion of our 4G network and ample data network capacity helped us to grow both the data customer base and data usage. 89.8% of our total sites in East Africa are on 4G as compared with 84.1% in prior period. 44.5% of our total data customer base is on 4G which contributes to 69.2% of total data usage (in Q3'23). Data usage per customer increased by 29.6% resulted in data ARPU growth of 9.4%, data usage per customer reached 4.1 GB per customer per month from 3.2 GB per customer per month. In Q3'23, 4G data usage per customer was 6.6 GB per month from 5.6 GB per customer per month (up by 16.6% from the prior period).

Mobile services EBITDA increased to $561m, up by 15.9% in constant currency. EBITDA margin improved to 49.7%, an improvement of 173 basis points in constant currency, as a result of revenue growth and improved operating efficiencies.

Operating free cash flow was $402m, up by 19.9%, largely due to expansion of EBITDA partially offset by slightly higher capex.

Francophone Africa – Mobile services[1]

Description	Unit of measure	Nine-month period ended				Quarter ended			
		Dec-22	Dec-21	Reported currency change	Constant currency change	Dec-22	Dec-21	Reported currency change	Constant currency change
Summarised statement of operations									
Revenue	**$m**	**807**	**776**	**4.1%**	**11.8%**	**275**	**263**	**4.5%**	**11.2%**
Voice revenue [2]	$m	453	446	1.5%	9.4%	154	152	0.8%	7.6%
Data revenue	$m	268	249	7.4%	15.0%	92	84	9.0%	15.8%
Other revenue [2]	$m	86	79	9.6%	15.1%	29	26	11.9%	16.8%
EBITDA	**$m**	**352**	**317**	**11.3%**	**18.7%**	**112**	**109**	**2.6%**	**8.8%**
EBITDA margin	%	43.6%	40.8%	281 bps	256 bps	40.6%	41.4%	(77) bps	(89) bps
Depreciation and amortisation	$m	(143)	(153)	(6.6%)	0.9%	(50)	(50)	(0.1%)	6.9%
Operating exceptional items	$m	-	-	0.0%	0.0%	-	-	0.0%	0.0%
Operating profit	**$m**	**184**	**140**	**31.5%**	**38.4%**	**53**	**51**	**5.0%**	**10.2%**
Capex	$m	94	73	28.9%	28.9%	36	25	43.0%	43.0%
Operating free cash flow	$m	258	244	5.9%	15.6%	76	84	(9.7%)	(1.6%)
Operating KPIs									
Total customer base	million	28.3	26.0	8.5%		28.3	26.0	8.5%	
Data customer base	million	8.1	7.6	6.4%		8.1	7.6	6.4%	
Mobile services ARPU	$	3.3	3.5	(4.4%)	2.7%	3.3	3.4	(2.6%)	3.6%

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

(2) Voice revenue includes inter-segment revenue of $2m and other revenue includes inter-segment revenue of $2m in nine-month period ended 31 December 2022. Excluding inter-segment revenue, voice revenue was $451m and other revenue was $84m in nine-month period ended 31 December 2022.

In Francophone Africa, mobile services revenue grew by 4.1% in reported currency and 11.8% in constant currency. The differential in growth rates was driven primarily by the 14.1% devaluation of the Central African franc.

Voice revenue increased by 9.4% in constant currency, mainly driven by customer base growth of 8.5%. With continued investments in network expansion and distribution infrastructure, total sites increased by 10.6% and activating outlets increased by 17% (exclusive outlets increased by 31%). Voice usage per customer grew by 10.6% to 149 minutes per customer per month thereby resulting in an 20.4% growth in total voice minutes on our network.

Data revenue increased by 15.0% in constant currency, driven by both customer base growth of 6.4% and data ARPU growth of 7.0%. We continue to expand our 4G network, with 69.1% of our sites in Francophone Africa on 4G (up from 63.8% in prior period) and data capacity on our network increased by 43.4%. Total data usage increased by 57.1% primarily driven by increase in data usage per customer by 46.1% to 3.4 GB per customer per month compared with 2.3 GB in the prior period. As of Q3'23, 54% of the data customer base is on 4G contributing to 70.8% of total data usage. 4G data usage per customer increased to 5.8 GB per month (up by 30.8%) compared with 4.4 GB per customer per month.

Mobile services EBITDA at $352m, increased by 18.7% in constant currency. EBITDA margin improved to 43.6%, an improvement of 256 basis points in constant currency. However, the current year had a one-time opex benefit of approximately $19m in the first half and a normalized EBITDA margin of 41.3%, an improvement of 30 basis points in constant currency.

Operating free cash flow was $258m, increased by 15.6%, driven by the expansion in EBITDA and partially offset by higher capex.

Mobile services

Description	Unit of measure	Nine-month period ended				Quarter ended			
		Dec-22	Dec-21	Reported currency change	Constant currency change	Dec-22	Dec-21	Reported currency change	Constant currency change
Summarised statement of operations									
Revenue [1]	**$m**	**3,515**	**3,183**	**10.5%**	**15.9%**	**1,207**	**1,107**	**9.0%**	**16.4%**
Voice Revenue	$m	1,872	1,747	7.2%	12.7%	646	606	6.5%	13.9%
Data Revenue	$m	1,318	1,127	16.9%	22.3%	454	395	15.0%	22.7%
Other Revenue	$m	325	309	5.3%	10.4%	106	106	0.7%	7.1%
EBITDA	**$m**	1,728	1,576	9.6%	14.7%	597	559	6.7%	14.0%
EBITDA Margin	%	49.1%	49.5%	(36) bps	(50) bps	49.4%	50.5%	(106) bps	(105) bps
Depreciation & Amortization	$m	(581)	(521)	11.5%	17.1%	(209)	(178)	17.1%	25.0%
Operating Exceptional Items	$m	-	-	0.0%	0.0%	-	-	0%	0%
Operating Profit	**$m**	1,070	1,015	5.4%	10.0%	362	368	(1.5%)	5.2%
Capex	$m	420	405	3.9%	3.9%	139	176	(21.1%)	(21.1%)
Operating Free Cash Flow	$m	1,308	1,171	11.7%	18.5%	458	383	19.5%	30.4%
Operating KPIs									
Mobile voice									
Customer base	million	138.5	125.8	10.1%		138.5	125.8	10.1%	
Voice ARPU	$	1.6	1.6	(2.0%)	3.0%	1.6	1.6	(3.2%)	3.6%
Mobile data									
Data customer base	million	51.3	45.1	13.6%		51.3	45.1	13.6%	
Data ARPU	$	3.0	2.9	4.2%	9.0%	3.0	3.0	2.6%	9.5%

(1) Mobile service revenue after inter-segment eliminations was $3,511m in nine-month period ended 31 December 2022 and $3,179m in the prior period.

Overall mobile services revenue increased to $3,515m, up by 10.5% in reported currency, while growth in constant currency was 15.9%. Revenue growth was recorded across all regions and key services: Nigeria up by 20.9%, East Africa by 11.9% and Francophone Africa by 11.8%.

Voice revenue grew by 12.7% in constant currency, driven by both customer base growth of 10.1% and voice ARPU growth of 3.0%. Revenue growth for the first half of the year was slightly impacted by the effect of barring outgoing calls in Nigeria for those customers who had not submitted their National Identity Numbers ('NINs'). We continue investing in network expansion to expand our reach along with the expansion of distribution infrastructure to drive customer base growth.

Our continued expansion of network and distribution infrastructure helped drive customer additions. Voice usage per customer increased by 6.3% resulted in Voice ARPU growth of 3.0%. Voice usage per customer increased to 272 minutes per customer per month from 256 minutes per customer per month and total minutes on the network increased by 16.3%. Q3'23 voice revenue growth accelerated to 13.9% from 12.7% in Q2'23, with voice ARPU growth of 3.6%.

Data revenue grew by 22.3% in constant currency, driven by strong growth in customer base of 13.6% and data ARPU growth of 9.0%. Revenue growth was recorded across all regions: Nigeria grew by 26.6%, East Africa by 20.8% and Francophone Africa by 15.0%. Data customer base growth of 13.6% resulted from the further expansion of our 4G network with 90% of total sites on 4G, up from 82.8% (almost 100% of sites in 5 OPCOs are now on 4G). Total data customer base reached 51.3 million with 4G customer base of 23.7 million, contributing to 46.3% of the total data customer base. Data usage per customer increased 30.1% driving data ARPU growth of 9.0%. Data usage per customer reached 4.4 GB per customer per month from 3.4 GB per customer per month in the prior period. Q3'23 data usage per customer increased to 4.6 GB per month (up by 32.2%) and 4G data usage per customer at 7.5 GB per month from 5.6 GB per customer per month (up by 34.5%).

Mobile services EBITDA was $1,728m, and grew by 14.7% in constant currency with an EBITDA margin of 49.1%, declining 50 basis points in constant currency. The reduction in EBITDA margin was due to an increase in operating costs in Nigeria reflecting energy price inflation.

Operating free cash flow was $1,308m, up by 18.5%, due to the expansion of EBITDA partially offset by higher capex.

Mobile money[1]

Description	Unit of measure	Nine-month period ended				Quarter ended			
		Dec-22	Dec-21	Reported currency change	Constant currency change	Dec-22	Dec-21	Reported currency change	Constant currency change
<u>**Summarised statement of operations**</u>									
Revenue [2]	**$m**	**515**	**406**	**26.9%**	**29.8%**	**183**	**148**	**24.2%**	**30.3%**
Nigeria	$m	0	0	-	-	0	0	-	-
East Africa	$m	395	300	31.5%	32.5%	142	111	28.3%	34.3%
Francophone Africa	$m	120	106	13.5%	21.7%	41	37	11.4%	18.2%
EBITDA	**$m**	256	207	23.6%	25.9%	92	75	22.6%	28.0%
EBITDA Margin	%	49.7%	51.0%	(129) bps	(154) bps	50.0%	50.7%	(63) bps	(89) bps
Depreciation & Amortization	$m	(13)	(10)	24.4%	29.3%	(5)	(4)	28.2%	37.2%
Operating Profit	**$m**	237	188	26.3%	28.3%	84	68	23.3%	28.2%
Capex	$m	26	20	28.2%	28.2%	6	9	(41.8%)	(41.8%)
Operating Free Cash Flow	$m	230	187	23.2%	25.6%	86	66	31.7%	38.4%
<u>**Operating KPIs**</u>									
Mobile money customer base	million	31.4	25.7	22.2%		31.4	25.7	22.2%	
Transaction value	$bn	64.3	47.6	34.9%	37.0%	24.2	17.2	40.7%	46.7%
Mobile money ARPU	$	2.0	1.9	4.7%	7.1%	2.0	2.0	1.8%	6.8%

(1) Mobile money consolidates the results of mobile money operations from all operating entities within the Group. Airtel Money Commerce BV (AMC BV) is the holding company for all mobile money services for the Group, and as of 31 December 2022, it consolidates mobile money operations from 10 OpCos, currently excluding operations in Nigeria, Tanzania, Congo Brazzaville, and Chad. It is management's intention to continue work to transfer all these remaining mobile money services operations into AMC BV, subject to local regulatory requirements.

(2) Mobile money service revenue post inter-segment eliminations with mobile services was $403m in nine-month period ended 31 December 2022 and $312m in the prior period.

Mobile money revenue of $515m increased 26.9% in reported currency and 29.8% in constant currency. The constant currency growth was partially offset by average currency devaluations mainly in the Central African franc (14.1%), the Ugandan shilling (5.0%) and the Malawian kwacha (21.2%), in turn partially offset by the appreciation in the Zambian kwacha (14.5%). Revenue growth of 29.8% was driven by both East Africa and Francophone Africa, of 32.5% and 21.7% respectively. In Nigeria, mobile money services (Smartcash) were launched in June 2022. Our initial focus in the period has been to invest in the platform technology, as well as the business systems and processes to ensure confidence and reliability in the platform.

Constant currency revenue growth of 29.8% was largely led by customer base growth of 22.2%. The continued investment in distribution infrastructure of exclusive channels of Airtel Money branches and kiosks, as well as the expansion of mobile money agents, helped us in adding more customers.

Mobile money customer base reached 31.4 million, an increase of 22.2% and mobile money customer base penetration reached 22.6%, an increase of 2.2 percentage points. The expansion of distribution enhanced transaction value per customer by 13.0% resulting in mobile money ARPU growth of 7.1%. Mobile money ARPU growth was largely driven by an increase in transaction values and higher contributions from cash transactions, merchant payments and mobile service recharges through Airtel Money.

Our mobile money transaction value grew by 37.0% and Q3'23 annualised transaction value reached almost $100bn in constant currency. Q3'23 transaction value per customer reached $267 per month, an increase of 20.2% in constant currency. Mobile money revenue now accounts for 13.6% of total Group revenue in the quarter.

Mobile money EBITDA increased to $256m, up by 25.9% in constant currency. The drop in mobile money EBITDA margin was largely due to additional spend in Nigeria PSB related to the launch of Smartcash.

Regional Performance (mobile services and mobile money services combined)

Nigeria

Description	Unit of measure	Nine-month period ended				Quarter ended			
		Dec-22	Dec-21	Reported currency change	Constant currency change	Dec-22	Dec-21	Reported currency change	Constant currency change
Revenue	**$m**	**1,585**	**1,370**	**15.7%**	**20.9%**	**545**	**476**	**14.6%**	**23.1%**
Voice Revenue	$m	791	717	10.3%	15.4%	279	246	13.6%	22.1%
Data Revenue	$m	653	539	21.1%	26.6%	222	189	17.6%	26.3%
Mobile Money Revenue	$m	0	0	-	-	0	0	-	-
Other Revenue	$m	141	115	22.6%	27.9%	43	41	6.5%	14.3%
EBITDA	**$m**	**810**	**757**	**6.9%**	**11.8%**	**282**	**266**	**6.2%**	**14.1%**
EBITDA Margin	%	51.1%	55.3%	(418) bps	(415) bps	51.8%	55.9%	(410) bps	(408) bps
Operating KPI									
ARPU	$	3.8	3.7	2.4%	7.0%	3.9	3.9	(0.2%)	7.2%

East Africa

Description	Unit of measure	Nine-month period ended				Quarter ended			
		Dec-22	Dec-21	Reported currency change	Constant currency change	Dec-22	Dec-21	Reported currency change	Constant currency change
Revenue	**$m**	**1,444**	**1,282**	**12.7%**	**16.1%**	**502**	**459**	**9.5%**	**15.8%**
Voice Revenue	$m	631	586	7.8%	11.9%	215	210	2.5%	8.8%
Data Revenue	$m	397	339	17.3%	20.8%	140	121	15.3%	21.9%
Mobile Money Revenue	$m	395	300	31.5%	32.5%	142	111	28.3%	34.3%
Other Revenue	$m	97	118	(17.8%)	(14.1%)	33	40	(17.7%)	(12.3%)
EBITDA	**$m**	**766**	**653**	**17.3%**	**20.5%**	**275**	**240**	**14.5%**	**21.1%**
EBITDA Margin	%	53.0%	50.9%	210 bps	194 bps	54.8%	52.4%	238 bps	239 bps
Operating KPI									
ARPU	$	2.7	2.5	5.2%	8.4%	2.7	2.7	1.6%	7.4%

Francophone Africa

Description	Unit of measure	Nine-month period ended				Quarter ended			
		Dec-22	Dec-21	Reported currency change	Constant currency change	Dec-22	Dec-21	Reported currency change	Constant currency change
Revenue	**$m**	**891**	**849**	**5.0%**	**12.7%**	**304**	**288**	**5.3%**	**12.0%**
Voice Revenue	$m	453	446	1.5%	9.4%	154	152	0.8%	7.6%
Data Revenue	$m	268	249	7.3%	15.0%	92	84	9.0%	15.8%
Mobile Money Revenue	$m	120	106	13.5%	21.7%	41	37	11.4%	18.2%
Other Revenue	$m	86	79	9.2%	14.8%	29	26	11.8%	16.6%
EBITDA	**$m**	**414**	**372**	**11.3%**	**18.6%**	**133**	**128**	**3.8%**	**9.9%**
EBITDA Margin	%	46.5%	43.9%	262 bps	233 bps	43.9%	44.5%	(63) bps	(82) bps
Operating KPI									
ARPU	$	3.7	3.8	(3.6%)	3.5%	3.7	3.7	(1.9%)	4.3%

Consolidated performance

Description	UoM	Nine-month period ended- December 2022					Nine-month period ended- December 2021				
		Mobile services	Mobile money	Unallocated	Eliminations	Total	Mobile services	Mobile money	Unallocated	Eliminations	Total
Revenue	**$m**	**3,515**	**515**	**(0)**	**(116)**	**3,914**	**3,183**	**406**	**(0)**	**(97)**	**3,492**
Voice revenue	$m	1,872		(0)	0	1,872	1,747		(0)	0	1,747
Data revenue	$m	1,318		-	(0)	1,318	1,127		-	(0)	1,127
Other revenue	$m	325		-	(4)	321	309		-	(3)	306
EBITDA	**$m**	**1,728**	**256**	**(68)**	**0**	**1,916**	**1,576**	**207**	**(81)**	**0**	**1,702**
EBITDA margin	%	49.1%	49.7%			49.0%	49.5%	51.0%			48.8%
Depreciation and amortization	$m	(581)	(13)	(4)	-	(598)	(521)	(10)	(25)	-	(556)
Operating exceptional items	$m	-	-		-	-	-	-		-	-
Operating profit	**$m**	**1,070**	**237**	**11**	**0**	**1,318**	**1,015**	**188**	**(57)**	**0**	**1,146**

Risk Factors

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

Summary of principal risks

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

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

    a) Comparing the average devaluation of each currency in the markets in which the Group operates against US dollar on 3-year and 5-year historic basis and onshore forward exchange rates over a 1-year period.
    b) If either of the above devaluation is higher than 5% per annum, management selects the highest of these exchange rates.
    c) Management then uses this exchange rate to monitor the potential impact of using such rate on the Group's income statement so that the Group can actively monitor and assess the impact on the Group's financials due to exchange rate fluctuations.

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

    With respect to currency devaluation sensitivity, on a 12-month basis, a 1% currency devaluation across all currencies in our OpCos would have a negative impact of $49m on revenues, $29m on EBITDA and $25m on finance costs (excluding derivatives). Our largest exposure is to the Nigerian naira, for which a 1% devaluation would have a negative impact of $21m on revenues, $11m on EBITDA and $8m on finance costs (excluding derivatives).

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

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

Forward looking statements

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

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

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

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

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

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

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

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

Alternative performance measures (APMs)

Introduction

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

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

Purpose

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

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

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

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

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

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

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

Some of the Group's IFRS measures and APMs are translated at constant currency exchange rates to measure the organic performance of the Group. In determining the percentage change in constant currency terms, both current and previous financial reporting period's results have been converted using exchange rates prevailing as on 31 March 2022. Reported currency percentage change is derived on the basis of the average actual periodic exchange rates for that financial period. Variances between constant currency and reported currency percentages are due to exchange rate movements between the previous financial reporting period and the current period.

Changes to APMs

- Underlying revenue: The underlying revenue has not been defined as an APM due to the absence of any exceptional items during the period.
- Return on capital employed (ROCE): The Group has revised the computation of ROCE by grossing up the 'equity attributable to owners of the Company' for put option provided to minority shareholders. The previous period ROCE has also been restated for this change.

Glossary

Technical and Industry Terms

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

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

Abbreviations

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