



**Airtel Africa plc**

(‘Airtel Africa’, or the ‘Group’)

**Changes to the Foreign Exchange market in Nigeria**

**London and Lagos, 20 June 2023:** Airtel Africa, a leading provider of telecommunications and mobile money services, with a presence in 14 countries across Africa, notes that the Central Bank of Nigeria (CBN) has announced changes to the operations in the Nigerian Foreign Exchange (FX) Market, including the abolishment of segmentation, with all segments now collapsing into the Investors and Exporters (I&E) window and the reintroduction of the ‘Willing Buyer, Willing Seller’ model at the I&E window. As a result of the CBN decision, the US dollar has appreciated against the naira in the I&E window. Airtel Africa welcomes these changes as a positive move towards a more stable Nigerian FX market.

A currency devaluation sensitivity analysis was disclosed in the recent results for the financial year 2022/23, highlighting that a 1% devaluation in the Nigerian naira would have a negative impact of \$22m on revenues, \$12m on EBITDA and \$7m on finance costs (excluding derivatives) on a 12-month basis.

Additionally, the direct impact of 1% devaluation in the Nigerian naira on derivative instruments held by the Group would have a negative impact of approximately \$1.5m.

The weighted average exchange rate used in the profit and loss statement for the 12 months ended 31 March 2023 was approximately 440 NGN/USD, and the rate used to prepare the balance sheet as of 31 March 2023 was 461.4 NGN/USD.

The USD component of operating costs within the Nigerian business is minimal and, therefore, we do not anticipate a material impact on the EBITDA margin.

The market expectation is that the new foreign currency policy and subsequent realignment of the several market exchange rates will provide greater US dollar liquidity and help to alleviate the challenges faced in the last few years to access US dollars in the market.

Airtel Nigeria is Airtel Africa’s largest market, with significant growth potential driven by an underpenetrated market, population growth and strong demand for digital and financial services. In our recently reported results for the financial year 2022/23, the customer base increased by 9%, with 4G data customers increasing by 27.6%. This, combined with continued ARPU expansion drove Nigerian constant currency growth of 20.3% in revenues and 11.1% in EBITDA. This strong performance has been sustained over many years with five-year CAGR revenue and EBITDA growth of 23.9% and 29.5% in constant currency, respectively.

The Group continues to invest in Nigeria to enable it to capture this growth opportunity. This continued investment will facilitate growth, drive continued digitalisation across the country, facilitate economic progress and transform lives across Nigeria.

**-ENDS-**

Simon O'Hara  
Group Company Secretary

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## 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 telecommunications solutions to its subscribers, including mobile voice and data services as well as mobile money services both nationally and internationally.

The Group aims to continue providing a simple and intuitive customer experience through streamlined customer journeys.

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