Airtel Africa plc

Results for half year ended 30 September 2023

30 October 2023

Strong and resilient operating performance across all regions despite foreign exchange headwinds, specifically in Nigeria.

Highlights

Operating key performance indicators (KPIs)

- Total customer base grew by 9.7% to 147.7 million, as the penetration of mobile data and mobile money services continued to rise, driving a 23.0% increase in data customers to 59.8 million and a 23.1% increase in mobile money customers to 36.5 million.
- Constant currency ARPU growth of 9.8% was driven by increased usage across voice, data and mobile money.
- Mobile money transaction value increased by 45.3% in constant currency, with Q2'24 annualised transaction value of $116bn in reported currency.

Financial performance

- Revenue in constant currency grew by 19.7%, with reported currency revenues up by 2.3% to $2,623m. In Q2'24, reported currency revenues declined by 4.7% reflecting a full quarter's impact of the Nigerian naira devaluation in June 2023. Q2'24 constant currency revenues increased by 19.0%.
- Whilst reported currency revenue growth was impacted by currency devaluation, all segments delivered double-digit constant currency revenue growth. Across the Group mobile services revenue grew by 18.3% in constant currency, driven by voice revenue growth of 11.5% and data revenue growth of 28.1%. Mobile money revenue grew by 30.9% in constant currency.
- EBITDA increased by 21.2% in constant currency, and 3.7% in reported currency to $1,302m, with an EBITDA margin of 49.6%, reflecting a 70bps margin improvement over the prior period despite inflationary cost pressures and foreign exchange headwinds. Reported currency EBITDA declined by 3.3% in Q2'24 as the full impact of the Nigerian naira devaluation in June 2023 was incorporated.
- Loss after tax was $13m driven largely by a foreign exchange loss of $471m recorded in finance cost before tax and $317m after tax because of the devaluation of the Nigerian naira in June 2023. This impact has been classified as an exceptional item.
- EPS before exceptional items was 7.0 cents, an improvement of 3.2%. EPS before exceptional items and excluding foreign exchange and derivative losses was 10.7 cents. Basic EPS at negative (1.5 cents) compared to 7.9 cents in the prior period, was impacted by $317m net exceptional loss on account of naira devaluation in June 2023.

Capital allocation

- Capex of $312m was marginally higher compared to the prior period. Capex guidance for the full year remains between $800m and $825m as we continue to invest for future growth.
- The remaining debt at HoldCo is $550m, falling due in May 2024. Cash at the HoldCo was $495m at the end of the period and the Group is well positioned to fully repay the HoldCo debt when due. Leverage of 1.3x in September 2023, was broadly stable despite the foreign exchange impact on EBITDA as a result of the Nigerian naira devaluation in June 2023.
- The Board has declared an interim dividend of 2.38 cents per share, an increase of 9%, in-line with our progressive dividend policy.

Sustainability strategy

- Our landmark five-year $57m partnership with UNICEF was launched across nine of the 13 of our markets providing access to educational resources, free of charge, on our way to reaching one million children through our programmes by 2027.
- Net zero journey continues with implementation of Scope 1 and 2 emissions reductions and development of a robust Scope 3 strategy, including stakeholder engagement.

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

"I am pleased to report a strong operating performance for the Group despite foreign exchange headwinds in many of our markets and specifically in Nigeria. The resilient growth in voice, data and mobile money usage levels reflects the inherent demand for these essential services across our footprint, and our six-pillar 'win-with' strategy continues to ensure we capture this growth opportunity by expanding our customer base and providing the platform to enable increased usage across the network. This strong momentum is supported by continued cost efficiencies which enabled further EBITDA margin expansion.

As reported in July 2023, our results for the first quarter were significantly impacted by the changes to the FX market in Nigeria, introduced by the Central Bank. Whilst the changes are required for the long-term benefit of the Nigerian economy, the immediate impact of the naira devaluation continues to weigh on our reported financial performance in the period. Our focus remains to enhance long term value by continuing to drive sustained and efficient growth. Over the last five years we have delivered constant currency revenue and EBITDA CAGR of 17.1% and 20.7% respectively, allowing us to further de-risk the balance sheet and improve profitability across the Group.

Looking forward, the delivery of affordable and reliable telecom and mobile money services across our markets remains our key focus. Our strong operating performance continues to make us a stronger and bigger company, which is well positioned to deliver against the growth opportunities these markets offer. Despite the challenges of rising diesel prices in Nigeria, we aim to limit the impact with continued operational leverage and further cost efficiencies to deliver an improved EBITDA margin in FY'24 versus FY'23."

Alternative performance measures (APM) [1]
(Half year ended)

Description	Sep-23 $m	Sep-22 $m	Reported currency change	Constant currency change
Revenue	2,623	2,565	2.3%	19.7%
EBITDA	1,302	1,255	3.7%	21.2%
EBITDA margin	49.6%	48.9%	70 bps	63 bps
EPS before exceptional items ($ cents)	7.0	6.8	3.2%	
Operating free cash flow	990	945	4.8%	

(1) Alternative performance measures (APM) are described on page 45.

GAAP measures
(Half year ended)

Description	Sep-23 $m	Sep-22 $m	Reported currency change
Revenue	2,623	2,565	2.3%
Operating profit	885	872	1.5%
(Loss)/Profit after tax	(13)	330	(103.8%)
Basic EPS ($ cents)	(1.5)	7.9	(118.5%)
Net cash generated from operating activities	1,121	1,011	10.8%

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 (BST), on Monday 30th October 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

Simon O'Hara
Group company secretary

Key consolidated financial information

Description	Unit of measure	Half year ended				Quarter ended			
		Sep-23	Sep-22	Reported currency change %	Constant currency change %	Sep-23	Sep-22	Reported currency change %	Constant currency change %
Profit and loss summary									
Revenue [1]	**$m**	**2,623**	**2,565**	**2.3%**	**19.7%**	**1,246**	**1,308**	**(4.7%)**	**19.0%**
Voice revenue	$m	1,169	1,226	(4.6%)	11.5%	548	616	(11.1%)	11.2%
Data revenue	$m	915	864	5.9%	28.1%	429	446	(3.8%)	26.6%
Mobile money revenue [2]	$m	416	332	25.3%	30.9%	215	173	24.5%	30.5%
Other revenue	$m	216	216	(0.0%)	18.9%	102	110	(7.2%)	18.2%
Expenses	$m	(1,337)	(1,316)	1.6%	19.0%	(635)	(671)	(5.4%)	18.7%
EBITDA [3]	**$m**	**1,302**	**1,255**	**3.7%**	**21.2%**	**620**	**641**	**(3.3%)**	**20.1%**
EBITDA margin	%	49.6%	48.9%	70 bps	63 bps	49.8%	49.0%	73 bps	44 bps
Depreciation and amortisation	$m	(417)	(383)	8.8%	27.4%	(197)	(195)	1.1%	27.5%
Operating exceptional items	$m	-	-	0.0%	0.0%	-	-	0.0%	0.0%
Operating profit	**$m**	**885**	**872**	**1.5%**	**18.5%**	**423**	**446**	**(5.2%)**	**16.9%**
Other finance cost – net of finance income	$m	(402)	(358)	12.4%		(190)	(206)	(7.6%)	
Finance cost – exceptional items [4]	$m	(471)	-	-		-	-	-	
Total finance cost	$m	(873)	(358)	(144.1%)		(190)	(206)	(7.6%)	
(Loss)/Profit before tax	**$m**	**12**	**516**	**(97.7%)**		**233**	**240**	**(3.1%)**	
Tax [5]	$m	(179)	(228)	(21.5%)		(95)	(109)	(13.2%)	
Tax – exceptional items [4, 6]	$m	154	42	270.0%		-	21	(100.0%)	
Total tax credit/(charge)	$m	(25)	(186)	(86.7%)		(95)	(88)	7.3%	
(Loss)/Profit after tax	**$m**	**(13)**	**330**	**(103.8%)**		**138**	**152**	**(8.8%)**	
Non-controlling interest	$m	(42)	(34)	22.4%		(23)	(19)	16.0%	
Profit attributable to owners of the company – before exceptional items	$m	262	254	3.1%		115	112	3.3%	
(Loss)/Profit attributable to owners of the company	**$m**	**(55)**	**296**	**(118.4%)**		**115**	**133**	**(13.2%)**	
EPS – before exceptional items	cents	7.0	6.8	3.2%		3.1	3.0	2.9%	
Basic EPS	cents	(1.5)	7.9	(118.5%)		3.1	3.5	(13.2%)	
Weighted average number of shares	million	3,751	3,753	(0.1%)		3,751	3,752	(0.0%)	
Capex	$m	312	310	0.5%		172	169	1.3%	
Operating free cash flow	$m	990	945	4.8%		448	472	(5.0%)	
Net cash generated from operating activities	$m	1,121	1,011	10.8%		541	622	(13.2%)	
Net debt	$m	3,327	3,278			3,327	3,278		
Leverage (net debt to EBITDA)	times	1.3x	1.3x			1.3x	1.3x		
Return on capital employed	%	24.7%	23.5%	127 bps		23.7%	23.7%	(4) bps	
Operating KPIs									
ARPU	$	3.0	3.2	(6.2%)	9.8%	2.9	3.3	(13.0%)	8.6%
Total customer base	million	147.7	134.7	9.7%		147.7	134.7	9.7%	
Data customer base	million	59.8	48.6	23.0%		59.8	48.6	23.0%	
Mobile money customer base	million	36.5	29.7	23.1%		36.5	29.7	23.1%	

(1) Revenue includes inter-segment eliminations of $93m for the half year ended 30 September 2023 and $73m for the prior period.

(2) Mobile money revenue post inter-segment eliminations with mobile services was $323m for the half year ended 30 September 2023, and $259m for the prior period.

(3) EBITDA includes other income of $16m for the half year ended 30 September 2023 and $6m for the prior period.

(4) Exceptional items of $471m for the half year ended 30 September 2023 is on account of derivative and foreign exchange losses due to Nigerian naira devaluation in June 2023 (from 465.1 NGN/USD in May 2023 to 752.2 NGN/USD in June 2023). This has resulted in an exceptional tax gain of $154m. Hence, there was a negative impact of $317m on loss after tax.

(5) The tax charge of $179m is net of a tax gain of $30m arising from reversal of deferred tax liability on account of a reduction of undistributed retained earnings of Nigeria. This reduction is an indirect consequence of a one-time exceptional foreign exchange loss of $471m. The $30m tax gain is not treated as exceptional.

(6) Tax exceptional items in the half year ended 30 September 2022 reflect the initial recognition of a deferred tax credit of $42m in Kenya.

Financial review for half year ended 30 September 2023

Revenue in reported currency grew by 2.3%, with constant currency growth of 19.7% for the Group. The gap in constant and reported currency revenue growth of 17.4% in H1'24 is primarily due to the impact of average currency devaluations between the periods, mainly in the Nigerian naira (51.7%), the Zambian kwacha (14.9%), the Kenyan shilling (19.3%), the Malawi kwacha (10.6%), the Madagascar ariary (8.8%) and the Tanzania shilling (4.0%), in turn, partially offset by appreciation in the Central African franc (4.9%).

Double digit constant currency revenue growth was posted across all reporting segments. In mobile services, revenue in Nigeria was up by 21.7%, East Africa up by 20.6% and Francophone Africa by 10.9%, respectively. Group mobile services revenue grew by 18.3%, with voice revenue growth of 11.5%, data revenue growth of 28.1% and other revenues growing by 19.0%. Mobile money revenue grew by 30.9% in constant currency, driven by growth of 34.9% in East Africa and 18.7% in Francophone Africa, respectively.

During the period, the Nigerian naira devalued from 461 per US dollar to 777, resulting in a 40.6% appreciation in the US dollar since 31 March 2023. The most significant part of the devaluation occurred in June 2023 when the Nigerian naira devalued to 752 NGN/USD, resulting in only a partial impact on revenue and EBITDA in the reporting period. If the closing rate of 777 NGN/USD were to be used to consolidate the results of the Group for the half year ended 30 September 2023, reported revenues would have declined by 5.1% to $2,434m, as opposed to 2.3% growth which was reported. Similarly, reported EBITDA would have declined by 4.1% to $1,204m, as opposed to the 3.7% growth reported.

The translation impact of the Nigerian naira devaluation to 777 NGN/USD over the period is expected to be between $900m and $950m on annualised revenue and between $450m and $500m on annualised EBITDA. The impact of the Nigerian naira devaluation on reported revenue and EBITDA for the period ending 30 September 2023 was $283m and $153m, respectively.

Total finance costs increased from $358m to $873m during the period. The primary driver of this increase was the $471m exceptional item reflecting the revaluation impact of USD balance sheet liabilities and derivatives in Nigeria following the naira devaluation in June 2023 (for a more detailed explanation, refer to the Q1'24 RNS). Excluding this exceptional item, finance costs increased by $44m largely as a result of increased debt in the operating entities which carries a higher average interest rate.

Total tax charges primarily reflected an exceptional gain of $154m on account of the Nigerian naira devaluation during the current period compared with the deferred tax credit of $42m in Kenya in the prior period, hence a higher exceptional gain of $112m. Tax charges excluding exceptional items was $179m compared to $228m in the prior period. Basic EPS at negative (1.5 cents) was largely impacted by the derivative and exchange loss following the Nigerian naira devaluation in June 2023. EPS before exceptional items and excluding foreign exchange and derivative losses was 10.7 cents, up by 0.2 cents.

Leverage at 1.3x was broadly unchanged. Following the prepayment of $450m bonds in July 2022, the remaining debt at HoldCo is now $550m. Cash at the HoldCo was $495m at the end of the period and the Group is well positioned to fully repay the HoldCo debt when due in May 2024. The EBITDA used to calculate the leverage ratio of 1.3x is based on the last 12 months to September 2023 and, therefore, does not fully incorporate the impact from the devaluation of the Nigerian naira. On a 12 months basis, after including the impact of the Nigeria naira devaluation seen to date on both the P&L and balance sheet, the leverage ratio is expected to be between 1.3x and 1.4x.

GAAP measures

Revenue

Reported revenue increased to $2,623m, up by 2.3% in reported currency, and by 19.7% in constant currency driven by both customer base growth of 9.7% and ARPU growth of 9.8%. Reported revenues declined by 4.7% in Q2'24 reflecting the full impact of the Nigerian naira devaluation in June 2023. The constant currency revenue growth was partially offset by average currency devaluations between the periods, mainly in the Nigerian naira (51.7%), the Zambian kwacha (14.9%), the Kenyan shilling (19.3%), the Malawi kwacha (10.6%), the Madagascar ariary (8.8%) and the Tanzania shilling (4.0%) in turn partially offset by appreciation in the Central African franc (4.9%).

Mobile services revenue grew by 18.3% in constant currency, supported by growth of 21.7% in Nigeria, 20.6% in East Africa and 10.9% in Francophone Africa, respectively. Mobile money revenue grew by 30.9% in constant currency, driven by revenue growth in East Africa of 34.9% and Francophone Africa of 18.7%.

During the period, the Nigerian naira devalued from 461 per US dollar to 777, resulting in a 40.6% appreciation in the US dollar since 31 March 2023. The most significant part of the devaluation occurred in June 2023 when the Nigerian naira devalued to 752NGN/USD, resulting in only a partial impact on revenues for the reporting period. If the closing rate of 777 NGN/USD were to be used to consolidate the results of the Group for the half year ended 30 September 2023, reported revenues would have declined by 5.1% to $2,434m, as opposed to 2.3% growth which was reported.

The translation impact of the Nigerian naira devaluation to 777 NGN/USD over the period is expected to be between $900m and $950m on annualised revenue. The Nigerian naira devaluation impacted revenues by $283m during the period ended 30 September 2023.

Operating profit

Operating profit in reported currency increased by 1.5% to $885m as a result of revenue growth and continued improvements in operating efficiency across the Group.

Net finance costs

Net finance costs (including loss on foreign exchange and derivatives and an exceptional item due to the Nigerian naira devaluation in June 2023) increased by $515m to $873m in the half year. Of the $515m, $471m related to the Nigerian naira devaluation in June 2023 which has been reported as an exceptional item. Adjusting for this exceptional item, net finance costs (including loss on foreign exchange and derivatives) increased by $44m, largely driven by higher interest on market debt predominantly resulting from spectrum acquisitions and licence renewal payments made over the last year and higher interest on lease liabilities.

The Group's effective interest rate increased to 8.8% compared to 6.4% in the prior period, largely driven by higher local currency debt at the OpCo level, in line with our strategy to move more debt into our operating entities.

Taxation

Total tax charges reflected an exceptional gain of $154m on account of the Nigerian naira devaluation during the current half year compared with deferred tax credit of $42m in Kenya in the prior period, hence a higher exceptional gain of $112m. Tax charges excluding exceptional items was $179m as compared to $228m in the prior period. The tax charge of $179m is net of a tax gain of $30m arising from the reversal of deferred tax liability on account of a reduction of undistributed retained earnings of Nigeria. This reduction is an indirect consequence of the impact of the Nigerian naira devaluation. Total tax charges were $25m as compared to $186m in the prior period.

Profit after tax

Profit after tax was negative ($13m) largely driven by $654m of foreign exchange and derivative losses as a result of the revaluation of foreign currency liabilities in the OpCos. In particular, the devaluation of the Nigerian naira in June 2023 resulted in a foreign exchange loss of $317m after tax. The impact of the Nigerian naira devaluation has been classified as an exceptional item. Excluding the impact of these exceptional items, profit after tax would be $304m, compared to $288m in the prior period.

Basic EPS

Basic EPS at negative (1.5 cents), as compared to 7.9 cents in the prior period, was impacted by $317m net exceptional loss on account of naira devaluation in the month of June 2023. EPS before exceptional items and excluding foreign exchange and derivative losses was 10.7 cents. During the period we benefitted from a $30m one-off gain arising from reversal of deferred tax liability on account of the reduction of undistributed retained earnings of Nigeria. This reduction is an indirect consequence of the impact of the Nigerian naira devaluation.

Net cash generated from operating activities

Net cash generated from operating activities was $1,121m, 10.8% higher than the $1,011m of the prior period. This was largely due to lower cash tax payments (higher tax payment in last year due to higher dividend tax) and higher operating cash flows.

Alternative performance measures[1]

EBITDA

EBITDA increased to $1,302m, up by 3.7% in reported currency, and by 21.2% in constant currency. Growth in EBITDA was led by revenue growth and supported by continued improvement in operating efficiencies which more than offset inflationary cost pressures. The EBITDA margin improved by 70 basis points in reported currency to 49.6%. In Q2'24, EBITDA margins did benefit from a 15% reduction in Nigerian diesel prices compared to the prior period.

Foreign exchange had an adverse impact of $345m on revenue, and $165m on EBITDA, as a result of average currency devaluations, mainly in the Nigerian naira (51.7%), the Zambian kwacha (14.9%), the Kenyan shilling (19.3%), the Malawi kwacha (10.6%), the Madagascar ariary (8.8%) and the Tanzania shilling (4.0%) in turn partially offset by appreciation in the Central African franc (4.9%).

During the period, the Nigerian naira devalued from 461 per US dollar to 777, resulting in a 40.6% appreciation in the US dollar since 31 March 2023. The most significant part of the devaluation occurred in June 2023, when the Nigerian naira devalued to 752 NGN/USD, resulting in only a partial impact on EBITDA for the reporting period. If the closing rate of 777 NGN/USD were to be used to consolidate the results of the Group for the half year ended 30 September 2023, reported EBITDA would have declined by 4.1% to $1,204m, as opposed to 3.7% growth which was reported.

The translation impact of the Nigerian naira devaluation to 777 NGN/USD during the period is expected to be between $450m and $500m on annualised EBITDA. The impact of the Nigerian naira devaluation on reported EBITDA for the period ending 30 September 2023 was $153m.

With respect to currency devaluation sensitivity going forward, on a 12-month basis, a further 1% USD appreciation across all currencies in our OpCos would have a negative impact of $49m on revenues, $24m on EBITDA and $19m on finance costs (excluding derivatives). Our largest exposure is to the Nigerian naira, for which a further 1% USD appreciation would have a negative impact of $14m on revenues, $8m on EBITDA and $7m on finance costs (excluding derivatives). This sensitivity analysis assumes the USD appreciation occurs at the beginning of the period.

For detailed disclosure on the currency devaluation risk posed to the Group, see 'Risk Factors'.

Tax

The effective tax rate was 39.0%, compared to 39.4% in the prior period, largely due to profit mix changes amongst the OpCos and the lower impact of withholding taxes on dividends. 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

The exceptional item of $471m is on account of derivative and foreign exchange losses following the Nigerian naira devaluation in June 2023 (from 465 NGN/USD in May 2023 to 752 NGN/USD in Jun 2023). This has resulted in an exceptional tax gain of $154m. Tax exceptional items in the previous period benefited from the initial recognition of a deferred tax credit of $42m in Kenya.

EPS before exceptional items

EPS before exceptional items was at 7.0 cents, 3.2% higher compared to 6.8 cents in the prior period. Current period EPS was negatively impacted due to higher finance cost including foreign exchange and derivative losses. EPS before exceptional items and excluding foreign exchange and derivative losses was 10.7 cents, up by 0.2 cents. During the period we benefitted

[1] *Alternative performance measures (APM) are described on page 45.*

from a $30m one-off gain arising from reversal of deferred tax liability on account of the reduction of undistributed retained earnings of Nigeria. This reduction is an indirect consequence of the impact of the Nigerian naira devaluation.

Operating free cash flow

Operating free cash flow was $990m, up by 4.8%, as a result of higher EBITDA during the period. Capital expenditure during the period of $312m was marginally higher compared to the prior period.

Leverage

Leverage (net debt to EBITDA) at 1.3x in September 2023 was stable over the prior period despite $500m of spectrum investment in the last fiscal year and the renewal of the 2100 MHz spectrum licence in Nigeria in the period. Following the prepayment of $450m bonds in July 2022, the remaining debt at HoldCo is now $550m, falling due in May 2024. Cash at HoldCo was $495m at the end of the period and the Group is well positioned to fully repay the HoldCo debt when due.

The EBITDA used to calculate the leverage ratio of 1.3x is based on the last 12 months and, therefore, does not fully incorporate the impact from the devaluation of the Nigerian naira. On a 12 months basis, after including the impact of the Nigerian naira devaluation seen to date on both the P&L and balance sheet, the leverage ratio is expected to be between 1.3x and 1.4x.

Other significant updates

Nigerian naira devaluation

On 14 June 2023, the Central Bank of Nigeria (CBN) 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 Nigerian naira in the I&E window. 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 over time and help to alleviate the challenges faced in the last few years to access US dollars in the market.

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

Nigeria 2100 MHz spectrum renewal

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

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

Uganda spectrum

The regulator had previously issued an invitation to apply for spectrum in various bands (700, 800, 2300, 2600, 3300, 3500, etc). On 7 June 2023, Airtel Uganda has submitted its application for acquisition of additional spectrum of 10 MHz in 800 band, 100 MHz in 3500 band and 500 MHz in E-band along with a bank guarantee of $1.5m. There is no upfront payout for spectrum but, instead, there is an annual payout of $1.2m for a period of 17 years, which is the validity period for the spectrum. On 26 June 2023, the Uganda Communications Commission confirmed that Airtel Uganda Limited had qualified for the award of the 800 MHz and 3500 MHz spectrum.

Uganda IPO update

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. Airtel Uganda applied for an extension of listing date and was granted a 1-year extension to 16 December 2023.

On 29 August 2023, Airtel Uganda Limited issued a prospectus in relation to the offer for sale of 8,000,000,000 ordinary shares, representing 20% of Airtel Uganda Limited. The listing of Airtel Uganda Limited will be on the Main Investment Market Segment of the Uganda Securities Exchange. The offer closed on 27 October 2023, with the announcement of allocation on 6 November 2023, and the admission to listing on 7 November 2023.

Further details on the Uganda IPO can be found at https://www.airtel.co.ug/ipo-ug.

Share capital reduction

On 15 August 2023, Airtel Africa announced the cancellation and extinction of all of its deferred shares of USD 0.50 nominal value each (the 'capital reduction'), which was approved by shareholders at the annual general meeting of the Company held on 4 July 2023. The cancellation and extinction was sanctioned by the High Court of England and Wales (the 'High Court'). The effect of the capital reduction is to create additional distributable reserves which will be available to the company going forward and may be used to facilitate returns to shareholders in the future, whether in the form of dividends, distributions or purchases of the company's own shares.

The company confirms that, following the capital reduction, the issued share capital of the company will be 3,758,151,504 ordinary shares of USD 0.50 nominal value each, carrying one vote each. There are no shares held in treasury. The total voting rights in the company therefore will be 3,758,151,504.

Dividend payment timetable

The board has declared an interim dividend of 2.38 cents per share for the period ended 30 September 2023, payable on 15 December 2023 to shareholders recorded in the register at the close of business on 10 November 2023.

Last day to trade shares cum dividend	8 November 2023
Shares commence trading ex-dividend	9 November 2023
Record date	10 November 2023
Currency election date	27 November 2023
Payment date	15 December 2023

Information on additional KPIs

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

Strategic overview

The Group provides telecoms and mobile money services in 14 emerging markets of sub-Saharan Africa. Our markets are characterised by huge geographies with relatively sparse populations, high population growth rates, high proportions of youth, low smartphone penetration, low data penetration and relatively unbanked populations. Unique mobile user penetration across the Group's footprint is around 48%, and banking penetration remains under 50%. These indicators illustrate the significant opportunity still available to Airtel Africa to enhance both digital and financial inclusion in the communities we serve, enriching and transforming their lives through digitalisation, whilst at the same time growing our revenues profitably across each of our key services of voice, data and mobile money.

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

We describe our 'win with' strategy through six strategic pillars. Our customers are at the core of our strategy, through our corporate purpose of transforming lives.

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

Underpinning the Group's business strategy for growth is our sustainability strategy which supports our well-established corporate purpose of transforming lives, our continued commitment to driving sustainable development and acting as a responsible business. Our sustainability strategy sets out our goals and commitments to foster financial inclusion, bridge the digital divide and serve more customers in some of the least penetrated telecommunication markets in the world.

This year, we continued to make strong progress across each of our core strategic pillars: 'Win with technology', 'Win with distribution', 'Win with data', 'Win with mobile money', 'Win with cost' and 'Win with people'.

Win with technology

The Group remains focused on delivering best-in-class services, expanding 4G networks and launched new 5G technology in key markets including Kenya, Nigeria, Tanzania, Uganda and Zambia by investing in 5G spectrum. Reaching underserved communities is a key priority, and we continue to increase rural coverage through new site rollouts, additional spectrum and new technology investments across our markets – despite inflationary challenges during the year.

As part of ensuring our services are future ready, in addition to purchasing spectrum, we grew our fibre infrastructure and tested our 5G capabilities. After exploring the potential for additional third-party revenue streams, we have invested in data centres to further support digital inclusion across our markets. We continued to strengthen our fibre business, which is now delivering encouraging revenue growth. During the year we added a further 5,000 km of fibre, with a total of 73,600 km now deployed. Additionally, we expanded our international data capacity via submarine cables by 100%.

Overall, the capacity investment has resulted in a 48.8% increase in data capacity – reaching 28,200+ terabytes (TB) per day, with peak hour data utilisation at 48.3% allowing for increased network resilience and an enriched service continuity.

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

Following substantial spectrum acquisitions over the last year, we further invested in the renewal of 2100 MHz spectrum in Nigeria during the period. Continued investment into spectrum across our markets will further enhance network capacity and coverage.

Win with distribution

We continue to strengthen our exclusive channel of kiosks/mini-shops and Airtel Money branches along with multi-brand outlets in both urban and rural markets. We offer a simplified and enhanced Know Your Customer (KYC) app to provide a seamless customer onboarding experience. These have enabled us to add customers, resulting in customer base growth of 9.7%, and helped us grow voice revenue by 11.5% in constant currency.

The Group continued its investment in strengthening our distribution network infrastructure, with a focus on rural distribution networks. During the period, the Group expanded its exclusive franchise stores, adding around 19,000 kiosks and mini shops (taking the total to almost 81,000 kiosks and mini shops) and 900 Airtel Money branches (AMBs) across our footprint. The Group also added more than 27,900 activating outlets, an increase of 9%.

Win with data

With continued investments in the expansion of our 4G network and launching 5G in several OpCos, the clear focus is on enhancing the customer experience across the network. This is not only for mobile users but also for broadband enterprise users to support continued data ARPU and data revenue growth.

Expansion of the 4G network and improved user experience has helped drive increased smartphone penetration, customer ARPU and consumption per data user across the segments. Smartphone penetration was up 2.6 percentage points to 37.7% and data customer grew by 23.0%, now representing 40.5% of our total base. Data usage per customer per month also grew by 19.4% and reached 5.1 GB per month from 4.3 GB a year ago. This increase was led by increased smartphone penetration and an expansion of our home broadband and enterprise customers.

All the above contributed to a 28.1% growth in constant currency data revenue. 4G handset users data usage constituted 79.6% of total data usage on the network in Q2’24 growing at 53.9%, with 4G data usage per data customer of over 8.4GB per month.

Win with mobile money

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

During the period, we focussed on growing our ecosystem and driving customer acquisition. We launched new international money transfer routes, as well as new loan products and continued to integrate more partners into our ecosystem.

We continued to expand our exclusive distribution channel of AMBs and kiosks to ensure availability of services to customers, even in the rural areas. The number of kiosks and mini shops increased by 31% and Airtel Money branches by over 9%. Furthermore, our non-exclusive channel of mobile money agents expanded by 46%, following implementation of our digital on-boarding journey. Our distribution expansion and enhanced offerings helped drive 23.1% growth in our mobile money customer base, now serving 36.5 million customers, which represents 24.8% of our total customer base.

Our Nigeria PSB license remains an opportunity for the Group. During this half year, we accelerated our customer acquisition strategy and our customer base is 1.9 million active customers. We continue to build the ecosystem to grow our transaction value.

Along with data, mobile money continues to be one of our fastest growing services, delivering revenue growth of 30.9% in half year. It is an increasingly important part of our business, with $116bn of Q2’24 annualised transaction value in reported currency. Mobile money revenue accounts for 15.9% of the Group revenues in the period.

Mobile money ARPU increased by 6.3% in constant currency over the period, driven by increased transaction values and higher contributions from cash transactions, P2P transfers and mobile services recharges through Airtel Money.

Win with cost

Despite the impact of inflationary pressure across the Group and continuing high fuel prices across countries, our ‘win with cost’ initiatives have supported the resilience of our profitability.

We continue our focus on enhancing cost efficiency through changes in the operating design and response to the macroeconomic changes, an example of which is the roll out of a majority of new sites using green initiatives (solar, batteries and grid connection). We embrace robust cost discipline and continuously seek to improve our processes to reduce operating costs, delivering one of the highest EBITDA margins in the industry. We also continue to embrace the latest technology to optimally design our networks and improve our capital expenditure efficiency enabling us to build large incremental capacities at lower marginal cost.

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

Win with people

Our ongoing commitment to listen to our employees remains robust. The next engagement survey will be conducted in July 2024 to measure employee sentiment on critical matters affecting them such as collaboration, values, reward and most importantly engagement. Currently the employee engagement survey scores remain at 81%, being 2% higher than the previous survey.

We recognise the importance of having diverse teams in light of the diverse communities we serve across our 14 OpCos. Gender diversity remains a key focus area and currently stands at 27.2%, and we had an increase of different nationalities to 41. Additional focus on accelerating the recruitment and promotion by merit of female talent within the business is ongoing.

Building our talent capability and capacity remains a key focus and we encourage our teams to take ownership of their learning through our online learning platforms, on-the-job training, and coaching. In addition to this, building leadership capability and functional expertise remains at the heart of our learning and development programmes. An example of our capacity and capability building programme includes the Airtel Africa mobility programme which was designed to support talent retention, development, and succession planning. The programme provides exposure and learning opportunities to high potential and top performing talent as part of an accelerated career development programme.

Our high-performance culture is a core pillar of the people strategy to drive business performance. This is aligned to our reward philosophy where 'pay for performance' based on key result areas which each employee is measured on.

We recognise the value of providing a great work experience for our people. We are keen to translate these experiences into transformational experiences - for all our employees and those in the communities we serve.

Financial review for half year ended 30 September 2023

Nigeria – Mobile services

Description	Unit of measure	Half year ended				Quarter ended			
		Sep-23	Sep-22	Reported currency change	Constant currency change	Sep-23	Sep-22	Reported currency change	Constant currency change
Summarised statement of Operations									
Revenue	**$m**	**878**	**1,040**	**(15.6%)**	**21.7%**	**350**	**523**	**(33.1%)**	**20.4%**
Voice revenue [1]	$m	414	512	(19.0%)	16.1%	161	253	(36.4%)	14.4%
Data revenue	$m	385	431	(10.7%)	29.3%	157	221	(29.1%)	27.6%
Other revenue [2]	$m	79	97	(19.1%)	17.0%	32	49	(34.1%)	18.6%
EBITDA	**$m**	**474**	**533**	**(11.0%)**	**28.7%**	**190**	**259**	**(26.5%)**	**32.3%**
EBITDA margin	%	54.0%	51.2%	279 bps	295 bps	54.4%	49.5%	491 bps	489 bps
Depreciation and amortisation	$m	(156)	(156)	(0.1%)	46.1%	(66)	(81)	(18.7%)	46.2%
Operating exceptional items	$m	-	-	0.0%	0.0%	-	-	0.0%	0.0%
Operating profit	**$m**	**298**	**360**	**(17.2%)**	**18.5%**	**116**	**169**	**(31.4%)**	**23.6%**
Capex	$m	109	134	(18.4%)	(18.4%)	62	77	(20.4%)	(20.4%)
Operating free cash flow	$m	365	399	(8.5%)	66.4%	128	182	(29.2%)	90.3%
Operating KPIs									
Total customer base	million	48.6	46.3	5.0%		48.6	46.3	5.0%	
Data customer base	million	24.2	20.6	17.4%		24.2	20.6	17.4%	
Mobile services ARPU	$	3.0	3.8	(20.0%)	15.3%	2.4	3.8	(36.4%)	14.5%

(1) Voice revenue includes inter-segment revenue of $1m in the half-year ended 30 September 2022. Excluding inter-segment revenue, voice revenue was $511m in half-year ended 30 September 2022.

(2) Other revenue includes inter-segment revenue of $1m in the half-year ended 30 September 2023 and in the prior period. Excluding inter-segment revenue, other revenue was $78m in half-year ended 30 September 2023 and $96m in the prior period.

Revenue declined by 15.6% in reported currency to $878m and grew by 21.7% in constant currency. The differential in growth rates is primarily attributed to the 51.7% average devaluation in Nigerian naira. Q2'24 reported currency revenues declined by 33.1% reflecting the full impact of the Nigerian naira devaluation in June 2023. The constant currency revenue growth was driven by both customer base growth of 5.0% and ARPU growth of 15.3%, largely driven by higher data revenue growth.

Voice revenue grew by 16.1% in constant currency, driven by both customer base growth of 5.0% and ARPU growth of 10.0%.

Data revenue grew by 29.3% in constant currency, driven by data customer base growth of 17.4% and data ARPU growth of 12.3%. Data usage per customer increased by 23.8% to 5.9 GB per month (from 4.8 GB in the prior period). Our continued 4G network rollout has resulted in nearly 100% of all our sites delivering 4G services. Furthermore, 233 5G sites are now operational. For the Q2'24 period, 4G customers accounted for 51.1% of our total data customer base and contributed to 85.3% of total data usage. Q2'24 4G data usage per customer reached 11.7 GB per month, an increase of 41.3% (from 8.3 GB per customer per month in Q2'23).

Other revenues grew by 17.0% in constant currency, contributed by growth in messaging and value-added services coupled with 25.7% growth in leased line revenue.

EBITDA was $474m, up by 28.7% in constant currency. The EBITDA margin increase to 54.0% from 51.2% was primarily due to the growth in constant currency revenues, supported by continued cost efficiencies. In Q2'24, EBITDA margins did benefit from a 15% reduction in diesel prices compared to the prior period. The US dollar component of operating costs within our Nigerian business is minimal, and therefore it does not have a material impact on the EBITDA margins following the Nigerian naira devaluation. New legislation on VAT levied against tower company payments in Nigeria was implemented on 1 September 2023, therefore only one month's impact ($1.5m) was incorporated in the period.

Operating free cash flow was $365m, up by 66.4% in constant currency, largely due to the strong EBITDA performance and lower capex. The lower capex reflects timing, with no change to the capex outlook.

East Africa - Mobile services[1]

Description	Unit of measure	Half year ended				Quarter ended			
		Sep-23	Sep-22	Reported currency change	Constant currency change	Sep-23	Sep-22	Reported currency change	Constant currency change
Summarised statement of operations									
Revenue	**$m**	**822**	**740**	**11.0%**	**20.6%**	**424**	**381**	**11.2%**	**21.4%**
Voice revenue [2]	$m	441	417	5.6%	14.6%	229	214	7.1%	16.4%
Data revenue	$m	309	257	20.3%	31.0%	158	134	17.8%	29.3%
Other revenue [3]	$m	72	66	8.7%	18.8%	37	33	11.1%	22.1%
EBITDA	**$m**	**408**	**362**	**12.7%**	**21.6%**	**213**	**193**	**10.1%**	**19.4%**
EBITDA margin	%	49.7%	48.9%	79 bps	40 bps	50.2%	50.7%	(51) bps	(83) bps
Depreciation and amortisation	$m	(145)	(123)	17.3%	27.2%	(71)	(63)	12.8%	23.0%
Operating exceptional items	$m	-	-	0.0%	0.0%	-	-	0.0%	0.0%
Operating profit	**$m**	**240**	**222**	**8.4%**	**16.6%**	**129**	**121**	**7.3%**	**16.3%**
Capex	$m	107	90	18.0%	18.0%	53	47	12.8%	12.8%
Operating free cash flow	$m	301	272	11.0%	23.0%	160	146	9.3%	21.7%
Operating KPIs									
Total customer base	million	68.1	61.4	11.0%		68.1	61.4	11.0%	
Data customer base	million	25.7	20.1	27.7%		25.7	20.1	27.7%	
Mobile services ARPU	$	2.1	2.1	0.3%	9.0%	2.1	2.1	(0.0%)	9.1%

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

(2) Voice revenue includes inter-segment revenue of $1m in the half-year ended 30 September 2023. Excluding inter-segment revenue, voice revenue was $440m in half-year ended 30 September 2023.

(3) Other revenue includes inter-segment revenue of $6m in the half-year ended 30 September 2023 and $5m in the prior period. Excluding inter-segment revenue, other revenue was $66m in half-year ended 30 September 2023 and $61m in the prior period.

East Africa revenue grew by 11.0% in reported currency to $822m, and by 20.6% in constant currency. The constant currency growth was made up of voice revenue growth of 14.6%, data revenue growth of 31.0% and other revenue growth of 18.8%. The differential in growth rates is primarily contributed by the average devaluation in Kenya shilling (19.3%), Zambian kwacha (14.9%), Malawi kwacha (10.6%) and Tanzania shilling (4.0%).

Voice revenue grew by 14.6% in constant currency, driven by both customer base growth of 11.0% and voice ARPU growth of 3.6%. The customer base growth was largely driven by expansion of both increased network coverage and the increasing scale of the distribution network. Voice usage per customer increased by 7.2% to 410 minutes per customer per month, driving voice ARPU up by 3.6%.

Data revenue grew by 31.0% in constant currency, largely driven by data customer base growth of 27.7% and data ARPU growth of 3.4%. Our continued investment in the network and expansion of 4G network infrastructure helped us grow both the data customer base and usage levels. 93.9% of our East Africa network sites are now on 4G, compared with 87.7% in the prior period. Furthermore, we have 617 5G sites in Kenya, Tanzania, Uganda and Zambia. In Q2'24, 4G customers accounted for 50.3% of our total data customer base and contributed to 75.0% of total data usage. Q2'24 total data usage per customer increased to 4.6 GB per customer per month, up by 7.0%, and 4G data usage per customer reached 6.7 GB per customer per month.

EBITDA increased to $408m, up by 21.6% in constant currency. The EBITDA margin improved to 49.7%, an improvement of 40 basis points in constant currency. This improvement reflects continued operating efficiencies, as well as regulatory developments in Kenya (amended excise duty rates) and Rwanda (interconnect rate cuts).

Operating free cash flow was $301m, up by 23.0% in constant currency, due largely to EBITDA growth, partially offset by increased capex which increased due to phasing of deployment.

Francophone Africa – Mobile services[1]

Description	Unit of measure	Half year ended				Quarter ended			
		Sep-23	Sep-22	Reported currency change	Constant currency change	Sep-23	Sep-22	Reported currency change	Constant currency change
Summarised statement of operations									
Revenue	**$m**	**605**	**532**	**13.6%**	**10.9%**	**306**	**271**	**13.0%**	**9.0%**
Voice revenue [2]	$m	317	299	5.8%	3.3%	159	151	5.4%	1.5%
Data revenue	$m	221	176	25.7%	22.6%	114	90	26.1%	21.4%
Other revenue [3]	$m	67	57	16.6%	14.8%	33	30	12.1%	9.4%
EBITDA	**$m**	**264**	**244**	**8.3%**	**5.7%**	**133**	**131**	**2.2%**	**(1.6%)**
EBITDA margin	%	43.7%	45.8%	(211) bps	(217) bps	43.6%	48.2%	(462) bps	(469) bps
Depreciation and amortisation	$m	(103)	(92)	12.0%	9.5%	(53)	(46)	16.7%	12.4%
Operating exceptional items	$m	-	-	0.0%	0.0%	-	-	0.0%	0.0%
Operating profit	**$m**	**138**	**134**	**2.5%**	**(0.1%)**	**68**	**75**	**(9.2%)**	**(12.5%)**
Capex	$m	77	59	30.9%	30.9%	46	32	44.6%	44.6%
Operating free cash flow	$m	187	185	1.2%	(2.1%)	87	99	(11.6%)	(15.6%)
Operating KPIs									
Total customer base	million	30.9	26.9	14.7%		30.9	26.9	14.7%	
Data customer base	million	9.9	7.8	25.8%		9.9	7.8	25.8%	
Mobile services ARPU	$	3.4	3.3	2.1%	(0.3%)	3.4	3.4	(0.4%)	(3.9%)

(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 in the half-year ended 30 September 2023 and $1m in the prior period. Excluding inter-segment revenue, voice revenue was $315m in half-year ended 30 September 2023 and $298m in the prior period.

(3) Other revenue includes inter-segment revenue of $1m in the half-year ended 30 September 2023 and in the prior period. Excluding inter-segment revenue, other revenue was $66m in half-year ended 30 September 2023 and $56m in the prior period.

Revenue grew by 13.6% in reported currency and by 10.9% in constant currency. Higher reported currency growth as compared to constant currency is due to the appreciation in the Central African franc by 4.9% partially offset by a 8.8% depreciation in the Madagascar ariary.

Voice revenue grew by 3.3% in constant currency, driven by customer base growth of 14.7% partially offset by voice ARPU decline of 7.1%. The customer base growth was driven by expansion of both network coverage and distribution infrastructure.

Data revenue grew by 22.6% in constant currency, supported by customer base growth of 25.8% and ARPU growth of 4.9%. ARPU is largely driven by increased usage. Our continued 4G network rollout resulted in an increase in total data usage of 53.0% and per customer data usage increase of 30.9%. For Q2'24, 4G data users constituted 57.3% of total data users, compared with 51.5% in the prior period. 4G users contributed 71.9% of total data usage this quarter. Q2'24 data usage per customer increased to 4.4 GB per month (up from 3.5 GB in the prior period), while 4G data usage per customer reached 5.9 GB per month, from 5.5 GB in the prior period.

EBITDA at $264m, increased by 5.7% in constant currency. The EBITDA margin declined to 43.7%, a decline of 217 basis points in constant currency. EBITDA margin decline was mainly due to an increase in fixed regulatory charges in DRC and a one-time opex benefit of $19m in the prior period.

Operating free cash flow was $187m, lower by 2.1% in constant currency, due to the increased EBITDA, more than offset by higher capex, driven by timing differentials.

Mobile services

Description	Unit of measure	Half year ended				Quarter ended			
		Sep-23	Sep-22	Reported currency change	Constant currency change	Sep-23	Sep-22	Reported currency change	Constant currency change
Summarised statement of operations									
Revenue [1]	**$m**	**2,303**	**2,309**	**(0.2%)**	**18.3%**	**1,080**	**1,174**	**(8.0%)**	**17.5%**
Voice revenue	$m	1,169	1,226	(4.6%)	11.5%	548	616	(11.1%)	11.2%
Data revenue	$m	915	864	5.9%	28.1%	429	446	(3.8%)	26.5%
Other revenue	$m	219	219	0.2%	19.0%	103	112	(7.2%)	18.3%
EBITDA	**$m**	**1,149**	**1,137**	**1.1%**	**20.0%**	**538**	**582**	**(7.5%)**	**18.0%**
EBITDA margin	%	49.9%	49.3%	64 bps	72 bps	49.8%	49.6%	27 bps	21 bps
Depreciation and amortisa-tion	$m	(404)	(372)	8.7%	27.1%	(190)	(190)	0.3%	26.7%
Operating exceptional items	$m	-	-	0.0%	0.0%	-	-	0.0%	0.0%
Operating profit	**$m**	**678**	**714**	**(5.0%)**	**13.9%**	**315**	**364**	**(13.3%)**	**11.9%**
Capex	$m	293	283	3.5%	3.5%	160	156	2.7%	2.7%
Operating free cash flow	$m	856	854	0.3%	27.8%	378	426	(11.2%)	25.8%
Operating KPIs									
Mobile voice									
Customer base	million	147.7	134.7	9.7%		147.7	134.7	9.7%	
Voice ARPU	$	1.4	1.6	(12.5%)	2.3%	1.3	1.5	(18.9%)	1.5%
Mobile data									
Data customer base	million	59.8	48.6	23.0%		59.8	48.6	23.0%	
Data ARPU	$	2.7	3.0	(11.8%)	6.7%	2.4	3.1	(21.3%)	3.5%

(1) Mobile service revenue after inter-segment eliminations was $2,300m in half-year ended 30 September 2023 and $2,306m in the prior period.

Overall revenue from mobile services declined by 0.2% in reported currency, and in constant currency grew by 18.3%. The constant currency growth was evident in all regions and key services. Mobile services revenue grew in Nigeria by 21.7%, in East Africa by 20.6% and in Francophone Africa by 10.9%, respectively.

Voice revenue grew by 11.5% in constant currency, supported by both customer base growth of 9.7% and voice ARPU growth of 2.3%. Customer base growth was driven by the expansion of our network and distribution infrastructure. The voice ARPU growth of 2.3% was driven by an increase in voice usage per customer of 6.1%, reaching 285 minutes per customer per month, with total minutes on the network increasing by 15.6%.

Data revenue grew by 28.1% in constant currency, driven by both customer base growth of 23.0% and data ARPU growth of 6.7%. The customer base growth was recorded across all the regions supported by the expansion of our 4G network. 92.3% of our total sites are now on 4G, compared with 88.9% in the prior period. 5G is operational across five countries, with 850 sites deployed. In Q2'24, 4G customers accounted for 51.8% of our total data customer base (up from 45.2%), contributing to 79.6% of total data usage. Q2'24 data usage per customer increased to 5.2 GB per customer per month (from 4.5 GB in the prior period) while 4G data usage per customer reached 8.4 GB per month (from 7.3 GB in the prior period). In the half year, data revenue contributed to 39.7% of total mobile services revenue, up from 37.4% in the prior period.

EBITDA was $1,149m, growing by 20.0% in constant currency. The EBITDA margin improved by 64 basis points to 49.9% (improvement of 72 basis points in constant currency).

Operating free cash flow was $856m, up by 27.8% in constant currency, due to the strong EBITDA performance partially offset by higher capex.

Mobile money

Description	Unit of measure	Half year ended				Quarter ended			
		Sep-23	Sep-22	Reported currency change	Constant currency change	Sep-23	Sep-22	Reported currency change	Constant currency change
Summarised statement of operations									
Revenue [1]	**$m**	**416**	**332**	**25.3%**	**30.9%**	**215**	**173**	**24.5%**	**30.5%**
Nigeria	$m	1	0	-	-	0	0	-	-
East Africa	$m	319	253	26.3%	34.9%	165	132	24.8%	34.5%
Francophone Africa	$m	96	79	21.1%	18.7%	50	41	22.5%	18.4%
EBITDA	**$m**	**214**	**165**	**30.0%**	**35.4%**	**111**	**84**	**32.2%**	**38.1%**
EBITDA margin	%	51.4%	49.6%	183 bps	173 bps	51.6%	48.6%	301 bps	282 bps
Depreciation and amortisation	$m	(9)	(8)	18.3%	29.0%	(5)	(4)	9.1%	26.1%
Operating profit	**$m**	**198**	**153**	**29.7%**	**34.9%**	**103**	**78**	**33.2%**	**38.5%**
Capex	$m	10	20	(49.6%)	(49.6%)	7	11	(38.5%)	(38.5%)
Operating free cash flow	$m	204	145	40.9%	48.5%	104	73	42.9%	50.6%
Operating KPIs									
Mobile money customer base	million	36.5	29.7	23.1%		36.5	29.7	23.1%	
Transaction value	$bn	55.7	40.1	38.8%	45.3%	28.9	21.2	36.1%	43.5%
Mobile money ARPU	$	2.0	2.0	1.8%	6.3%	2.0	2.0	0.3%	5.3%

(1) Mobile money service revenue post inter-segment eliminations with mobile services was $323m in the half-year ended 30 September 2023 and $259m in the prior year.

Mobile money revenue grew by 25.3% in reported currency, with constant currency growth of 30.9%. The differential in growth rates is primarily as the result of an average devaluation in Zambian kwacha (14.9%) and Malawi kwacha (10.6%), partially offset by appreciation in Central African franc (4.9%). The constant currency mobile money revenue growth was driven by revenue growth in both East Africa and Francophone Africa, of 34.9% and 18.7%, respectively. In Nigeria, the company remains focussed on customer acquisition through the quarter with 1.9 million of active customers currently registered for mobile money services in Nigeria versus 1.5 million in quarter ended June 2023. Annualised transaction value for Nigeria SmartCash grew by 36% in current quarter as compared to quarter ended June 2023. Additionally, we added over 47,000 agents during the quarter and reached almost 115,000 agents as of 30 September 2023.

The constant currency revenue growth of 30.9% was driven by both customer base growth of 23.1% and mobile money ARPU growth of 6.3%. The expansion of our distribution network, particularly our exclusive channels of Airtel Money branches and kiosks, supported customer base growth of 23.1%. The mobile money ARPU growth of 6.3% was driven by an increase in the transaction value per customer of 18.0% to $271 per customer per month.

Q2'24 annualised transaction value amounted to $116bn in reported currency, with mobile money revenue contributing 15.9% of total Group revenue in the half year.

EBITDA was $214m, up by 35.4% in constant currency. The EBITDA margin reached 51.4%, an improvement of 173 basis points in constant currency and 183 basis points in reported currency.

Regional performance

Nigeria

Description	Unit of measure	Half year ended				Quarter ended			
		Sep-23	Sep-22	Reported currency change	Constant currency change	Sep-23	Sep-22	Reported currency change	Constant currency change
Revenue	**$m**	**879**	**1,040**	**(15.5%)**	**21.8%**	**350**	**523**	**(33.1%)**	**20.5%**
Voice revenue	$m	414	512	(19.0%)	16.1%	161	253	(36.4%)	14.4%
Data revenue	$m	385	431	(10.7%)	29.3%	157	221	(29.1%)	27.6%
Mobile money revenue	$m	1	0	-	-	0	0	-	-
Other revenue	$m	79	97	(19.1%)	17.0%	32	49	(34.1%)	18.6%
EBITDA	**$m**	**470**	**529**	**(11.2%)**	**28.3%**	**189**	**257**	**(26.4%)**	**32.4%**
EBITDA margin	%	53.5%	50.9%	259 bps	275 bps	54.0%	49.1%	489 bps	487 bps
Operating KPIs									
ARPU	$	3.0	3.8	(20.0%)	15.4%	2.4	3.8	(36.3%)	14.6%

East Africa

Description	Unit of measure	Half year ended				Quarter ended			
		Sep-23	Sep-22	Reported currency change	Constant currency change	Sep-23	Sep-22	Reported currency change	Constant currency change
Revenue	**$m**	**1,075**	**942**	**14.2%**	**23.6%**	**556**	**487**	**14.2%**	**24.2%**
Voice revenue	$m	441	417	5.6%	14.6%	229	213	7.1%	16.4%
Data revenue	$m	309	257	20.3%	31.0%	158	134	17.8%	29.2%
Mobile money revenue	$m	320	253	26.3%	34.9%	165	132	24.8%	34.5%
Other revenue	$m	69	64	8.1%	18.5%	36	32	10.7%	21.9%
EBITDA	**$m**	**580**	**494**	**17.5%**	**26.3%**	**301**	**261**	**15.2%**	**24.8%**
EBITDA margin	%	53.9%	52.4%	151 bps	114 bps	54.2%	53.7%	48 bps	22 bps
Operating KPIs									
ARPU	$	2.7	2.7	3.2%	11.7%	2.8	2.7	2.6%	11.7%

Francophone Africa

Description	Unit of measure	Half year ended				Quarter ended			
		Sep-23	Sep-22	Reported currency change	Constant currency change	Sep-23	Sep-22	Reported currency change	Constant currency change
Revenue	**$m**	**670**	**587**	**14.0%**	**11.5%**	**340**	**299**	**13.5%**	**9.5%**
Voice revenue	$m	317	299	5.8%	3.3%	159	151	5.3%	1.4%
Data revenue	$m	221	176	25.7%	22.6%	114	90	26.3%	21.6%
Mobile money revenue	$m	96	79	21.1%	18.7%	50	41	22.5%	18.4%
Other revenue	$m	66	57	16.6%	14.8%	33	29	12.1%	9.4%
EBITDA	**$m**	**316**	**285**	**11.0%**	**8.4%**	**161**	**151**	**6.6%**	**2.8%**
EBITDA margin	%	47.2%	48.5%	(126) bps	(131) bps	47.3%	50.4%	(309) bps	(311) bps
Operating KPIs									
ARPU	$	3.7	3.7	2.5%	0.2%	3.7	3.7	0.1%	(3.5%)

Consolidated performance

Description	UoM	Half year ended- September 2023					Half year ended- September 2022				
		Mobile services	Mobile money	Unallocated	Eliminations	Total	Mobile services	Mobile money	Unallocated	Eliminations	Total
Revenue	**$m**	**2,303**	**416**	**(0)**	**(96)**	**2,623**	**2,309**	**332**	**(0)**	**(76)**	**2,565**
Voice revenue	$m	1,169		(0)	(0)	1,169	1,226		(0)	(0)	1,226
Data revenue	$m	915		-	(0)	915	864		-	(0)	864
Other revenue	$m	219		-	(3)	216	219		-	(3)	216
EBITDA	**$m**	**1,149**	**214**	**(62)**	**1**	**1,302**	**1,137**	**165**	**(47)**	**(0)**	**1,255**
EBITDA margin	%	49.9%	51.4%			49.6%	49.3%	49.6%			48.9%
Depreciation and amortisation	$m	(404)	(9)	(4)	-	(417)	(372)	(8)	(3)	-	(383)
Operating exceptional items	$m	-	-		-	-	-	-	-	-	-
Operating profit	**$m**	**678**	**198**	**8**	**1**	**885**	**714**	**153**	**5**	**(0)**	**872**

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 summarised below. Additional risks and uncertainties relating to the Group that are currently unknown to the Group, or those the Group currently deems 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 negatively impact the resiliency of our network and 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 a diverse and dynamic legal, tax and regulatory environment. Adverse changes in the political, macro-economic and policy environment could have a negative impact on our ability to achieve our strategy. In recent months, there has been increasing tension in the global geo-political environment, including in some of the regions where we operate. While 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, we are however continually faced with an uncertain and constantly evolving legal, regulatory, and policy environment 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, the 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.

Additionally, for our Nigerian operations, management uses different sensitivity analysis for scenario planning purposes which include the impact of the devaluation from the recent changes to the operations in the Nigerian Foreign Exchange (FX) market.

The expected annualised translation impact of the devaluation in Nigeria incurred in June 2023 is expected to be between $900m and $950m on annualised revenues, and between $450m and $500m on annualised EBITDA. With respect to currency devaluation sensitivity, on a 12-month basis, a further 1% USD appreciation across all currencies in our OpCos would have a negative impact of $49m on revenues, $24m on EBITDA and $19m on finance costs (excluding derivatives). Our largest exposure is to the Nigerian naira, for which a further 1% USD appreciation would have a negative impact of $14m on revenues, $8m on EBITDA and $7m on finance costs (excluding derivatives). This sensitivity analysis assumes the USD appreciation occurs at the beginning of the period.

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 devaluation mentioned above.

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 and Accounts 2022/23.

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.

Interim Condensed Consolidated Financial Statements

Consolidated Statement of Comprehensive Income

(All amounts are in US Dollar millions unless stated otherwise)

	Notes	For the six months ended 30 September 2023	For the six months ended 30 September 2022
Income			
Revenue	**5**	2,623	2,565
Other income		16	6
		2,639	**2,571**
Expenses			
Network operating expenses		491	489
Access charges		179	207
License fee and spectrum usage charges		124	114
Employee benefits expense		152	137
Sales and marketing expenses		127	118
Impairment loss on financial assets		4	6
Other operating expenses		260	245
Depreciation and amortisation		417	383
		1,754	**1,699**
Operating profit		**885**	**872**
Finance costs			
- Net loss on foreign exchange and derivative financial instruments		654	184
- Other finance costs		236	185
Finance income		(17)	(11)
Share of profit of associate and joint venture accounted for using equity method		(0)	(2)
Profit before tax		**12**	**516**
Income tax expense	**6**	25	186
(Loss)/Profit for the period		**(13)**	**330**
Profit before tax (as presented above)		**12**	**516**
Add/(Less): Exceptional items	**7**	471	-
Underlying profit before tax		**483**	**516**
(Loss)/Profit after tax (as presented above)		**(13)**	**330**
Add/(Less): Exceptional items	**7**	317	(42)
Underlying profit after tax		**304**	**288**

	Notes	For the six months ended 30 September 2023	For the six months ended 30 September 2022
(Loss)/Profit for the period (continued from previous page)		**(13)**	**330**
Other comprehensive income ('OCI')			
Items to be reclassified subsequently to profit or loss:			
Loss due to foreign currency translation differences		(628)	(244)
Tax on above		(45)	(4)
Share of OCI of associate and joint venture accounted for using equity method		(0)	(1)
		(673)	(249)
Items not to be reclassified subsequently to profit or loss:			
Re-measurement loss on defined benefit plans		(0)	(1)
Tax on above		0	0
		(0)	(1)
Other comprehensive loss for the period		**(673)**	**(250)**
Total comprehensive (loss)/income for the period		**(686)**	**80**
(Loss)/Profit for the period attributable to:		**(13)**	**330**
Owners of the company		(55)	296
Non-controlling interests		42	34
Other comprehensive loss for the period attributable to:		**(673)**	**(250)**
Owners of the company		(659)	(239)
Non-controlling interests		(14)	(11)
Total comprehensive (loss)/income for the period attributable to:		**(686)**	**80**
Owners of the company		(714)	57
Non-controlling interests		28	23
(Loss)/Earnings per share			
Basic	**8**	(1.5 cents)	7.9 cents
Diluted	**8**	(1.5 cents)	7.9 cents

Consolidated Statement of Financial Position

(All amounts are in US Dollar millions unless stated otherwise)

	Notes	As of 30 September 2023	As of 31 March 2023
Assets			
Non-current assets			
Property, plant and equipment	**9**	1,935	2,295
Capital work-in-progress	**9**	193	212
Right of use assets		1,266	1,497
Goodwill	**10**	2,989	3,516
Other intangible assets		903	813
Intangible assets under development		4	399
Investments accounted for using equity method		5	4
Financial assets			
- Investments		0	0
- Derivative instruments		0	9
- Others		45	34
Income tax assets (net)		1	1
Deferred tax assets (net)		427	337
Other non-current assets		139	151
		7,907	**9,268**
Current assets			
Inventories		21	15
Financial assets			
- Investments		1	-
- Derivative instruments		19	4
- Trade receivables		161	145
- Cash and cash equivalents		429	586
- Other bank balances		363	131
- Balance held under mobile money trust		720	616
- Others		127	142
Other current assets		250	259
		2,091	**1,898**
Total assets		**9,998**	**11,166**

	Notes	As of	
		30 September 2023	31 March 2023
Current liabilities			
Financial liabilities			
- Borrowings	**13**	1,371	945
- Lease liabilities		355	395
- Derivative instruments		27	5
- Trade payables		399	460
- Mobile money wallet balance		703	582
- Others		363	533
Provisions		59	83
Deferred revenue		147	183
Current tax liabilities (net)		119	194
Other current liabilities		183	192
		3,726	**3,572**
Net current liabilities		**(1,635)**	**(1,674)**
Non-current liabilities			
Financial liabilities			
- Borrowings	**13**	933	1,233
- Lease liabilities		1,450	1,652
- Put option liability		562	569
- Derivative instruments		91	43
- Others		155	147
Provisions		22	21
Deferred tax liabilities (net)		70	108
Other non-current liabilities		11	13
		3,294	**3,786**
Total liabilities		**7,020**	**7,358**
Net Assets		**2,978**	**3,808**
Equity			
Share capital	**12**	1,879	3,420
Reserves and surplus		930	215
Equity attributable to owners of the company		**2,809**	**3,635**
Non-controlling interests ('NCI')		169	173
Total equity		**2,978**	**3,808**

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

For and on behalf of the board of Airtel Africa plc

Olusegun Ogunsanya
Chief Executive Officer
29 October 2023

Consolidated Statement of Changes in Equity

(All amounts are in US Dollar millions unless stated otherwise)

	Equity attributable to owners of the company								
	Share Capital		Retained earnings	Transactions with NCI reserve	Other components of equity	Total	Equity attributable to owners of the company	Non-controlling interests (NCI)	Total equity
	No. of shares [1]	Amount							
As of 1 April 2022	**6,839,896,081**	**3,420**	**3,436**	**(942)**	**(2,412)**	**82**	**3,502**	**147**	**3,649**
Profit for the period	-	-	296	-	-	296	296	34	330
Other comprehensive loss	-	-	(1)	-	(238)	(239)	(239)	(11)	(250)
Total comprehensive income/(loss)	**-**	**-**	**295**	**-**	**(238)**	**57**	**57**	**23**	**80**
Transaction with owners of equity									
Employee share-based payment reserve	-	-	(0)	-	4	4	4	-	4
Purchase of own shares	-	-	-	-	(11)	(11)	(11)	-	(11)
Transactions with NCI	-	-	-	5	-	5	5	3	8
Dividend to owners of the company	-	-	(113)	-	-	(113)	(113)	-	(113)
Dividend (including tax) to NCI	-	-	-	-	-	-	-	(25)	(25)
As of 30 September 2022	**6,839,896,081**	**3,420**	**3,618**	**(937)**	**(2,657)**	**24**	**3,444**	**148**	**3,592**
Profit for the period	-	-	367	-	-	367	367	53	420
Other comprehensive income/ (loss)	-	-	1	-	(103)	(102)	(102)	(1)	(103)
Total comprehensive income /(loss)	**-**	**-**	**368**	**-**	**(103)**	**265**	**265**	**52**	**317**
Transaction with owners of equity									
Employee share-based payment reserve	-	-	(2)	-	2	-	-	-	-
Transactions with NCI	-	-	-	8	-	8	8	-	8
Dividend to owners of the company	-	-	(82)	-	-	(82)	(82)	-	(82)
Dividend (including tax) to NCI	-	-	-	-	-	-	-	(27)	(27)
As of 31 March 2023	**6,839,896,081**	**3,420**	**3,902**	**(929)**	**(2,758)**	**215**	**3,635**	**173**	**3,808**
(Loss)/Profit for the period	-	-	(55)	-	-	(55)	(55)	42	(13)
Other comprehensive loss	-	-	(0)	-	(659)	(659)	(659)	(14)	(673)
Total comprehensive income/(loss)	**-**	**-**	**(55)**	**-**	**(659)**	**(714)**	**(714)**	**28**	**(686)**
Transaction with owners of equity									
Purchase of own shares (net)	-	-	-	-	(1)	(1)	(1)	-	(1)
Employee share-based payment reserve	-	-	(0)	-	2	2	2	-	2
Cancellation of deferred shares (refer note 4(c))	(3,081,744,577)	(1,541)	1,541	-	-	1,541	-	-	-
Transactions with NCI [2]	-	-	-	10	-	10	10	2	12
Dividend to owners of the company	-	-	(123)	-	-	(123)	(123)	-	(123)
Dividend (including tax) to NCI	-	-	-	-	-	-	-	(34)	(34)
As of 30 September 2023	**3,758,151,504**	**1,879**	**5,265**	**(919)**	**(3,416)**	**930**	**2,809**	**169**	**2,978**

(1) Includes ordinary & deferred shares till 31 March 2023. Deferred shares have been cancelled during the six months ended 30 September 2023 as explained in note 4(c), therefore as on 30 September 2023, it includes only ordinary shares. Refer to note 12 for further details.

(2) Transactions with NCI reserve increased due to reversal of put option liability by $10m for dividend distribution to put option NCI holders. Any dividend paid to the put option NCI holders is adjustable against the put option liability based on the put option arrangement.

Consolidated Statement of Statement Flows

(All amounts are in US Dollar millions unless stated otherwise)

	For the six months ended	
	30 September 2023	30 September 2022
Cash flows from operating activities		
Profit before tax	**12**	**516**
Adjustments for -		
Depreciation and amortization	417	383
Finance income	(17)	(11)
Finance costs		
- Net loss on foreign exchange and derivative financial instruments	654	184
- Other finance costs	236	185
Loss on sale of property, plant and equipment, net	0	-
Share of profit of associate and joint venture accounted for using equity method	(0)	(2)
Other non-cash adjustments[1]	(1)	5
Operating cash flow before changes in working capital	**1,301**	**1,260**
Changes in working capital		
Increase in trade receivables	(38)	(28)
Increase in inventories	(7)	(3)
Increase /(Decrease) in trade payables	8	(15)
Increase in mobile money wallet balance	139	71
Decrease in provisions	(18)	(22)
Increase in deferred revenue	10	16
Increase in other financial and non financial liabilities	24	36
Increase in other financial and non financial assets	(71)	(16)
Net cash generated from operations before tax	**1,348**	**1,299**
Income taxes paid	(227)	(288)
Net cash generated from operating activities (a)	**1,121**	**1,011**
Cash flows from investing activities		
Purchase of property, plant and equipment and capital work-in-progress	(387)	(393)
Purchase of intangible assets and intangible assets under development	(137)	(88)
Maturity of deposits with bank	340	343
Investment in deposits with bank	(581)	(7)
Dividend received from associate	-	2
Purchase of other short term investment	(1)	-
Interest received	15	11
Net cash used in investing activities (b)	**(751)**	**(132)**
Cash flows from financing activities		
Acquisition of non-controlling interests	-	0
Purchase of own shares by ESOP trust	(2)	(9)
Proceeds from exercise of ESOP shares	0	-
Proceeds from borrowings	384	563
Repayment of borrowings	(249)	(789)
Repayment of lease liabilities	(165)	(142)
Dividend paid to non-controlling interests	(43)	(43)
Dividend paid to owners of the company	(123)	(113)
Payment of deferred spectrum liability	(3)	(2)
Interest on borrowings, lease liabilities and other liabilities	(211)	(181)
Outflow on maturity of derivatives (net)	(0)	(28)
Net cash used in financing activities (c)	**(412)**	**(744)**
(Decrease)/Increase in cash and cash equivalents during the period (a+b+c)	(42)	135
Currency translation differences relating to cash and cash equivalents	(64)	(19)
Cash and cash equivalent as at beginning of the period	841	847
Cash and cash equivalents as at end of the period (Note 11) [2]	**735**	**963**

[1] For the six months ended 30 September 2023 and 30 September 2022, this mainly includes movements in impairment of trade receivable and other provisions.
[2] Includes balances held under mobile money trust of $720m (September 2022: $596m) on behalf of mobile money customers which are not available for use by the Group.

Notes to Consolidated Financial Statements

(All amounts are in US Dollar millions unless stated otherwise)

1. Corporate information

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

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

2. Basis of preparation

These interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as issued by the International Accounting Standards Board (IASB) and approved for use in the UK by the UK Accounting Standards Endorsement Board (UKEB). Accordingly, the interim financial statements do not include all the information required for a complete set of financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 March 2023. Further, selected explanatory notes have been included to explain events and transactions that are significant for the understanding of the changes in the Group's financial position and performance since the latest annual consolidated financial statements.

These interim consolidated financial statements for the six months ended 30 September 2023 do not constitute statutory accounts as defined in section 434 of the UK Companies Act 2006 and are unaudited.

The information relating to the year ended 31 March 2023 is an extract from the Group's published annual report for that year and does not constitute statutory accounts as defined in section 434 of the UK Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors reported on those accounts: the report was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498(2) or (3) of the UK Companies Act 2006.

These interim consolidated financial statements 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 2023. Further, there have been no changes in critical accounting estimates, assumptions and judgements.

On 25 May 2023, the amendments to IAS 12 'Income Taxes' were released by IASB. These amendments relate to International Tax Reform "Pillar 2 income taxes" and clarify how the effects of the global minimum tax framework should be accounted for and disclosed. The amendments also provide a temporary mandatory exception from deferred tax accounting for the top-up tax, which would have been effective immediately if this exception was not provided. The Group using this exception has therefore not recognized or disclosed tax assets and liabilities relating to Pillar 2 income taxes. These amendments were endorsed by the UK Endorsement Board on 19 July 2023 and the Group is assessing the expected impact of these amendments which will be disclosed in the Group's March 2024 annual report. On 23 March 2023, HM Treasury released draft legislation for the Global Minimum Tax rules in the UK which was substantively enacted on 20 June 2023, this legislation will apply to the Group w.e.f. 1 April 2024.

These interim consolidated financial statements of the Group for the six months ended 30 September 2023 were authorised by the Board of Directors on 29 October 2023.

3. Basis of measurement

The Interim consolidated financial statements have been prepared on the historical cost basis except for financial instruments held at fair value and are presented in United States Dollars (USD), with all values stated in US$ million and rounded to the nearest million except when otherwise indicated. Further, amounts which are less than half a million are appearing as '0'.

3.1. Going concern

These Interim consolidated financial statements have been prepared on a going concern basis. In making this going concern assessment, the Group has considered cash flow projections (including scheduled bond repayment of $550m in May 2024) to December 2024 (going concern assessment period) under both base and reasonable worst-case scenarios taking into considerations its principal risks and uncertainties including a reduction in revenue and EBITDA and a devaluation of the various currencies in the countries in which the Group operates. As part of this evaluation, the Group has considered available ways to mitigate these risks and uncertainties and has also considered committed undrawn facilities of $271m expiring beyond the going concern assessment period, which will fulfill the Group's cash flow requirement under both the base and reasonable worst-case scenarios.

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

4. Significant transactions/new developments

a) The directors recommended on 10 May 2023 and shareholders approved on 4 July 2023, a final dividend of 3.27 cents per ordinary shares for the year ended 31 March 2023, which was paid on 26 July 2023 to the holders of ordinary shares on the register of members at the close of business on 23 June 2023.

b) In June 2023, the Central Bank of Nigeria (CBN) announced changes to the operations in the Nigerian Foreign Exchange 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 this CBN decision, the Nigerian Naira devalued against US Dollar by approximately 62% (i.e. US Dollar appreciated against Nigerian Naira by approximately 38%) in the month of June 2023. Nigeria Naira was at NGN 752 per USD at the end of the month of June 2023.

In the month of June 2023, the devaluation of the Naira against the US Dollar resulted in a foreign exchange loss of $383m on the translation of US Dollar monetary items held by the Group's Nigerian subsidiaries (where the functional currency is the Nigerian Naira) at the new exchange rate referenced above and a loss on derivative financial instruments of $88m primarily on account of fair value changes considering the foreign exchange movement referenced above.

This change announced by CBN led to a material impact on the Group's financial statements and in line with the Group's policy on exceptional items and alternative performance measures, the impact of this change is of such size, nature and incidence that its exclusion is considered necessary to explain the underlying performance of the Group and to improve the comparability between periods. Therefore, the group has presented the net loss on foreign exchange and derivative financial instruments arising specifically from this devaluation of the Naira in the month of June 2023 and which amounts to $471m (out of total loss on foreign exchange and derivative financial instruments in Group's Nigerian subsidiaries for the six months ended 30 September 2023 amounting to $552m), alongside the corresponding tax impact of $154m as exceptional items.

Additionally, on account of translation from Naira to US Dollar (presentation currency of the Group) of all the assets and liabilities (including Goodwill) pertaining to the Group's Nigerian subsidiaries using the closing exchange rate at 30 June 2023 and income and expenses at the average exchange rates for June 2023, the Group incurred a foreign exchange translation loss recorded in other comprehensive income amounting to $577m in the month of June 2023.

c) During the six months ended 30 September 2023, the company completed the cancellation and extinction of all of its deferred shares (3,081,744,577 shares) of USD $0.50 nominal value each (the "Capital Reduction"), which was approved by shareholders at the annual general meeting of the company held on 4 July 2023, and was sanctioned by the High Court of England and Wales (the "High Court") on 15 August 2023 and became effective on 18 August 2023 on its certification by the Companies House. The effect of the Capital Reduction is to create additional distributable reserves of $1541m which will be available to the company going forward and may be used to facilitate returns to shareholders in the future, whether in the form of dividends, distributions, or purchases of the company's own shares. Accordingly, and in line with the High Court approval, the carrying value of the deferred shares ($1,541m) has been transferred to retained earnings.

5. Segmental information

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

The Group's reporting segments are as follows:

Nigeria mobile services – Comprising of mobile service operations in Nigeria;

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

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

Mobile money*- Comprising of mobile money services across the Group.

*Mobile money services segment consolidates the results of mobile money operations from all operating entities within the Group. Airtel Money Commerce B.V. (AMC BV) is the holding company for all mobile money services for the Group, and as of 30 September 2023, it controls all mobile money operations excluding operations in Nigeria. It is management's intention to continue work to transfer the Nigerian mobile money services operations into AMC BV, subject to local regulatory approvals.

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

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

The segment result is Underlying EBITDA (i.e. earnings before interest, tax, depreciation and amortization before exceptional items). This is the measure reported to the CODM for the purpose of resource allocation and assessment of segment performance. During the six months ended 30 September 2023 and 30 September 2022, EBITDA is equal to underlying EBITDA since there are no exceptional items pertaining to EBITDA.

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

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

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

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

Summary of the segmental information and disaggregation of revenue for the six months ended and as of 30 September 2023 is as follows:

	Nigeria mobile services	East Africa mobile services	Francophone Africa mobile services	Mobile money	Others (unallocated)	Eliminations	Total
Revenue from external customers							
Voice revenue	414	440	315	-	-	-	1,169
Data revenue	385	309	221	-	-	-	915
Mobile money revenue [(1)]	-	-	-	323	-	-	323
Other revenue [(2)]	78	66	66	-	6	-	216
Total revenue from external customers	**877**	**815**	**602**	**323**	**6**	**-**	**2,623**
Inter-segment revenue	1	7	3	93	5	(109)	-
Total revenue	**878**	**822**	**605**	**416**	**11**	**(109)**	**2,623**
EBITDA	474	408	264	214	(58)	-	1,302
Less:							
Depreciation and amortisation	156	145	103	9	4	-	417
Finance costs							
- Net loss on foreign exchange and derivative financial instruments							654
- Other finance costs							236
Finance income							(17)
Share of profit of associate and joint venture accounted for using equity method							(0)
Profit before tax							**12**
Other segment items							
Capital expenditure	109	107	77	10	9	-	312
As of 30 September 2023							
Segment assets	1,786	2,229	1,605	1,063	25,385	(22,070)	9,998
Segment liabilities	1,683	2,397	2,342	840	13,158	(13,400)	7,020
Investment in associate and joint venture accounted for using equity method (included in segment assets above)	-	-	5	-	-	-	5

[(1)] Mobile money revenue is net of inter-segment elimination of $93m mainly for commission on sale of airtime. It includes $63m pertaining to East Africa mobile services and the balance $30m pertaining to Francophone Africa mobile service.

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

Summary of the segmental information and disaggregation of revenue for the six months ended 30 September 2022 and as of 31 March 2023 is as follows:

	Nigeria mobile services	East Africa mobile services	Francophone Africa mobile services	Mobile money	Others (unallocated)	Eliminations	Total
Revenue from external customers							
Voice revenue	511	417	298	-	-	-	1,226
Data revenue	431	257	176	-	-	-	864
Mobile money revenue [1]	-	-	-	259	-	-	259
Other revenue [2]	96	61	56	-	3	-	216
Total revenue from external customers	**1,038**	**735**	**530**	**259**	**3**	**-**	**2,565**
Inter-segment revenue	2	6	2	73	-	(83)	-
Total revenue	**1,040**	**741**	**532**	**332**	**3**	**(83)**	**2,565**
EBITDA	533	362	244	165	(49)	-	1,255
Less:							
Depreciation and amortisation	156	123	92	8	4	-	383
Finance costs							
- Net loss on foreign exchange and derivative financial instruments							184
- Other finance costs							185
Finance income							(11)
Share of profit of associate and joint venture accounted for using equity method							(2)
Profit before tax							**516**
Other segment items							
Capital expenditure	134	90	59	20	7	-	310
As of 31 March 2023							
Segment assets	2,634	2,255	1,599	945	25,485	(21,752)	11,166
Segment liabilities	2,193	2,393	2,359	742	12,839	(13,168)	7,358
Investment in associate and joint venture accounted for using equity method (included in segment assets above)	-	-	4	-	-	-	4

[1] Mobile money revenue is net of inter-segment elimination of $73m mainly for commission on sale of airtime. It includes $49m pertaining to East Africa mobile services and balance $24m pertaining to Francophone Africa mobile services.

[2] This includes messaging, value added services, enterprise, site sharing and handset sale revenue.

6. Income tax expense

	For the six months ended	
	30 September 2023	**30 September 2022**
Current tax	197	235
Deferred tax	(172)	(49)
Income tax expense	**25**	**186**

The tax charge for the six months ended 30 September 2023 has been calculated for each operating country by applying the best estimate of the effective rate of tax expected to apply for the period ending 31 March 2024 on the pre-tax profits of the six months period using rates substantively enacted by 30 September 2023. The charge is adjusted for discrete items (if any) occurring in the interim period as required by IAS 34 'Interim Financial Reporting'.

Tax charge for the six months ended 30 September 2023 also includes the related tax impacts arising out of withholding tax ('WHT') on unremitted earnings and cross charge to Group entities and deferred tax asset recognition based on the projected profitability in operating countries, wherever applicable.

7. Exceptional items

Underlying profit before tax excludes the following exceptional items

	For the six months ended	
	30 September 2023	**30 September 2022**
Profit before tax	**12**	**516**
Add: Exceptional items		
Finance costs		
- Net exchange loss and loss on derivative financial instruments [1]	471	-
	471	**-**
Underlying profit before tax	**483**	**516**

Underlying profit after tax excludes the following exceptional items:

	For the six months ended	
	30 September 2023	**30 September 2022**
(Loss)/Profit after tax	**(13)**	**330**
-Exceptional items (as above)	471	-
- Tax on above exceptional items [1]	(154)	-
- Deferred tax asset recognition [2]	-	(42)
	317	**(42)**
Underlying profit after tax	**304**	**288**

[1] This pertains to impact of material currency devaluation in Nigeria, refer to note 4(b) for details.

[2] During the six months ended 30 September 2022, the Group had recognised deferred tax assets in Airtel Kenya. Airtel Kenya had carried forward losses and temporary differences on which deferred tax was not previously recognised. Considering Airtel Kenya's profitability trends, that tax losses were utilised and on the basis of forecast future taxable profits, the Group had determined that it was probable that taxable profits would be available against which the tax losses and temporary differences could be utilised. Consequently, the deferred tax asset recognition criteria were met, leading to the recognition of an additional deferred tax asset of $42m during the six months ended 30 September 2022.

Profit attributable to non-controlling interests include benefit of $0m and nil during the six months ended 30 September 2023 and 30 September 2022 respectively, relating to the above exceptional items.

8. Earnings per share ('EPS')

The details used in the computation of basic EPS:

	For the six months ended	
	30 September 2023	30 September 2022
(Loss)/Profit for the period attributable to owners of the company	(55)	296
Weighted average ordinary shares outstanding for basic EPS(1)	3,751,042,649	3,753,179,654
Basic (Loss)/Earning per share	**(1.5 cents)**	**7.9 cents**

The details used in the computation of diluted EPS:

	For the six months ended	
	30 September 2023	30 September 2022
(Loss)/Profit for the period attributable to owners of the company	(55)	296
Weighted average ordinary shares outstanding for diluted EPS(1)(2)	3,751,042,649	3,759,599,604
Diluted (Loss)/Earning per share	**(1.5 cents)**	**7.9 cents**

(1) The difference between the basic and diluted number of shares at the end of September 2022 being 6,419,950 shares relates to awards committed but not yet issued under the Group's share-based payment schemes.

(2) The 5,714,418 shares granted under different share-based plans are not included in the calculation of diluted earnings per share for the six months ended 30 September 2023 as these are anti-dilutive on account of losses during the period. These options could potentially dilute basic earning per share in future.

9. Property, plant and equipment ('PPE')

The following table presents the reconciliation of changes in the carrying value of PPE for the six months ended 30 September 2023 and 30 September 2022:

	Leasehold Improvements	Building	Land	Plant and Equipment	Furniture & Fixture	Vehicles	Office Equipment	Computer	Total	Capital work in progress [2]
Gross carrying value										
Balance as of 1 April 2022	**49**	**47**	**26**	**3,045**	**62**	**22**	**55**	**703**	**4,009**	**189**
Additions / capitalization	2	-	0	249	12	0	6	31	300	306
Disposals / adjustments [1]	(0)	-	-	(12)	(3)	(0)	(1)	(1)	(17)	(299)
Foreign currency translation impact	(4)	(3)	(3)	(302)	(5)	(1)	(4)	(45)	(367)	(8)
Balance as of 30 September 2022	**47**	**44**	**23**	**2,980**	**66**	**21**	**56**	**688**	**3,925**	**188**
Balance as of 1 April 2023	**49**	**43**	**25**	**3,249**	**70**	**22**	**61**	**696**	**4,215**	**212**
Additions / capitalization	0	0	-	241	5	0	9	22	277	304
Disposals / adjustments [1]	(0)	(1)	-	(20)	(4)	0	1	0	(24)	(277)
Foreign currency translation impact	(5)	(5)	(2)	(910)	(8)	(0)	(10)	(94)	(1,034)	(46)
Balance as of 30 September 2023	**44**	**37**	**23**	**2,560**	**63**	**22**	**61**	**624**	**3,434**	**193**
Accumulated Depreciation										
Balance as of 1 April 2022	**44**	**20**	**-**	**1,003**	**23**	**20**	**32**	**653**	**1,795**	**-**
Charge	1	1	-	184	5	0	6	15	212	-
Disposals / adjustments [1]	(0)	-	-	(12)	(3)	(0)	1	(3)	(17)	-
Foreign currency translation impact	(4)	(2)	-	(201)	(3)	(1)	(3)	(42)	(256)	-
Balance as of 30 September 2022	**41**	**19**	**-**	**974**	**22**	**19**	**36**	**623**	**1,734**	**-**
Balance as of 1 April 2023	**42**	**19**	**-**	**1,137**	**30**	**20**	**39**	**633**	**1,920**	**-**
Charge	1	1	-	181	6	0	8	18	215	-
Disposals / adjustments [1]	0	(0)	-	(26)	(4)	2	4	1	(23)	-
Foreign currency translation impact	(4)	(3)	-	(507)	(4)	(1)	(9)	(85)	(613)	-
Balance as of 30 September 2023	**39**	**17**	**-**	**785**	**28**	**21**	**42**	**567**	**1,499**	**-**
Net carrying value										
As of 1 April 2022	5	27	26	2,042	39	2	23	50	2,214	189
As of 30 September 2022	6	25	23	2,006	44	2	20	65	2,191	188
As of 1 April 2023	7	24	25	2,112	40	2	22	63	2,295	212
As of 30 September 2023	5	20	23	1,775	35	1	19	57	1,935	193

[1] Related to the reversal of gross carrying value and accumulated depreciation on retirement/ disposal of PPE and reclassification from one category of asset to another.

[2] The carrying value of capital work-in-progress as at 30 September 2023 and 30 September 2022 mainly pertains to plant and equipment.

10. Goodwill

The following table presents the reconciliation of changes in the carrying value of goodwill for the six months ended 30 September 2023 and 30 September 2022

	Goodwill
Balance as of 1 April 2022	**3,827**
Foreign currency translation impact	(251)
Balance as of 30 September 2022	**3,576**
Balance as of 1 April 2023	**3,516**
Foreign currency translation impact	(527)
Balance as of 30 September 2023	**2,989**

11. Cash and bank balances ('C&CE')

For the purpose of the statement of cash flows, C&CE are as follows:

	As of	
	30 September 2023	**30 September 2022**
Cash and cash equivalents as per statement of financial position	429	655
Balance held under mobile money trust	720	596
Bank overdraft	(414)	(288)
	735	**963**

12. Share capital

	As of	
	30 September 2023	**31 March 2023**
Issued, subscribed and fully paid-up shares		
3,758,151,504 Ordinary shares of $0.50 each (March 2023: 3,758,151,504)	1,879	1,879
Nil deferred shares of $0.50 each (March 2023: 3,081,744,577)	-	1,541
	1,879	**3,420**

Terms/rights attached to equity shares

The company has followings two classes of ordinary shares:

- Ordinary shares having par value of $0.50 per share. Each holder of equity shares is entitled to cast one vote per share and carry a right to dividends.
- Deferred shares of $0.50 each. These shares have been cancelled and extinguished during the period ended 30th September 2023. For details, please refer to note 4(c).

13. Borrowings

Non-current

	As of	
	30 September 2023	**31 March 2023**
Secured		
Term loans	44	43
Less: Current portion (A)	(9)	(8)
	35	**35**
Unsecured		
Term loans[1]	1,048	964
Non- convertible bonds [1] [2]	553	554
	1,601	**1,518**
Less: Current portion (B)	(703)	(320)
	898	**1,198**
	933	**1,233**

Current

	As of	
	30 September 2023	**31 March 2023**
Secured		
Term loans[1]	0	1
	0	**1**
Unsecured		
Term loans[1]	245	255
Bank overdraft	414	361
	659	**616**
Current maturities of long-term borrowings (A+B)	712	328
	1,371	**945**

[1] Includes debt origination costs.

[2] It includes impact of fair value hedges.

14. Contingent liabilities and commitments

(i) Contingent liabilities

	As of	
	30 September 2023	**31 March 2023**
(a) Taxes, duties and other demands (under adjudication / appeal / dispute)		
-Income tax	14	16
-Value added tax	20	20
-Customs duty & Excise duty	9	9
-Other miscellaneous demands	5	5
(b) Claims under legal and regulatory cases including arbitration matters [1]	76	82
	124	**132**

The reduction of $8m in contingent liabilities during the six months ended 30 September 2023 is primarily due to currency devaluation in subsidiaries.

[1] One of the subsidiaries of the Group is involved in a dispute with one of its vendors, with respect to invoices for services provided to a subsidiary under a service contract. The original order under the contract was issued by the

subsidiary for a total amount of Central African franc (CFA) 473,800,000 (approximately $1m). In 2014, the vendor-initiated arbitration proceedings claiming a sum of approximately CFA 1.9 billion (approximately $3m) based on the court award. Multiple court proceedings have happened from 2015 onwards and in mid-May 2019, the lower courts imposed a penalty of CFA 35 billion (approximately $57m), based on which certain banks of the subsidiary were summoned to release the funds. The subsidiary immediately lodged an appeal in the Supreme Court for a stay of execution which was granted. Subsequently, the vendor filed an appeal before the Common Court of Justice and Arbitration (CCJA). Quite unexpectedly, in April 2020, the CCJA lifted the Supreme Court stay of execution. In May 2021, the Commercial Division of the High Court maintained new seizures carried out by the Vendor. The subsidiary appealed and the Court of Appeal determination on the seizures is pending as of April 2022. In March 2022 the CCJA interpreted its judgment of March 2019 to indicate that the daily penalty could not be maintained after its ruling dated 18 November 2018.

Separately, in December 2020 the subsidiary initiated criminal proceedings against the vendor for fraud and deceitful conduct. In February 2021, the investigating judge issued an order to cease the investigation which was appealed by the Subsidiary. In March 2022, the Court Appeal quashed the investigative judge order and allowed the investigation into the Vendor to resume. Testimony in the criminal investigation case happened on 26 April 2022 in front of the criminal court of appeal where the honourable judge has further re-examined the facts from the representatives of the subsidiary against this case. A stay of execution was issued on 30 May 2022 by the Chamber of Accusation in favour of subsidiary till the time criminal investigation is completed.

As per the law no civil action can be initiated against the subsidiary while criminal proceedings are ongoing. On 30 November 2022 subsidiary was notified that plaintiff has appealed in the court of cassation against the stay of execution dated 30 May 2022. Subsidiary has filed its response on 26 January 2023. On 08 May 2023, the subsidiary filed an application in the Commercial court to seek a cease-and-desist order against the vendor. The matter is pending before the Commercial court.

The Group still awaits the ruling on the merits of the case, and the outcome of the criminal investigations, and until that time has disclosed this matter as Contingent Liability for $57m (included in the closing contingent liability). No provision has been made against this claim.

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

There are uncertainties in the legal, regulatory and tax environments in the countries in which the Group operates, and there is a risk of demands, which may be raised based on current or past business operations. Such demands have in past been challenged and contested on merits with appropriate authorities and appropriate settlements agreed. Other than amounts provided where the Group believes there is a probable settlement and contingent liabilities where the Group has assessed the additional possible amounts, there are no other legal, tax or regulatory obligations which may be expected to be material to the financial statements.

(ii) Guarantees:

Guarantees outstanding as of 30 September 2023 and 31 March 2023 amounting to $13m and $9m respectively have been issued by banks and financial institutions on behalf of the Group. These guarantees include certain financial bank guarantees which have been given for sub-judice matters and the amounts with respect to these have been disclosed under capital commitments, contingencies and liabilities, as applicable, in compliance with the applicable accounting standards.

(iii) Commitments

The Group has contractual commitments towards capital expenditure (net of related advances paid) of $362m and $313m as of 30 September 2023 and 31 March 2023 respectively.

15. Related Party disclosure

a) List of related parties

i) Parent company

Airtel Africa Mauritius Limited

ii) Intermediate parent entity

Network i2i Limited

Bharti Airtel Limited

Bharti Telecom Limited

iii) Ultimate controlling entity

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

iv) Associate:

Seychelles Cable Systems Company Limited

v) Joint Venture

Mawezi RDC S.A.

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

a. Fellow subsidiaries

Nxtra Data Limited

Bharti Airtel Services Limited

Bharti International (Singapore) Pte Ltd

Bharti Airtel (UK) Limited

Bharti Airtel (France) SAS

Bharti Airtel Lanka (Private) Limited

Bharti Hexacom Limited

b. Other related parties

Singapore Telecommunication Limited

vii) Key Management Personnel ('KMP')

a. Executive directors

Olusegun Ogunsanya

Jaideep Paul

b. Non-Executive directors

Sunil Bharti Mittal

Awuneba Ajumogobia

Douglas Baillie

John Danilovich

Andrew Green

Akhil Gupta

Shravin Bharti Mittal

Annika Poutiainen

Ravi Rajagopal

Kelly Bayer Rosmarin

Tsega Gebreyes

c. Others

Ian Basil Ferrao

Michael Foley (till June 2023)

Razvan Ungureanu

Luc Serviant (till May 2023)

Daddy Mukadi Bujitu

Neelesh Singh (till December 2022)

Ramakrishna Lella

Edgard Maidou (till June 2023)

Rogany Ramiah

Stephen Nthenge
Vimal Kumar Ambat (till October 2022)
Ashish Malhotra (till June 2022)
Vinny Puri (till June 2022)
C Surendran (till December 2022)
Olubayo Augustus Adekanmbi (till November 2022)
Anthony Shiner (since June 2022)
Apoorva Mehrotra (since October 2022)
Oliver Fortuin (since June 2023)
Martin Frechette (since June 2023)
Carl Cruz (since May 2023)
Anwar Soussa (since August 2023)

(b) The details of significant transactions with the related parties for the six months ended 30 September 2023 and 30 September 2022 respectively, are provided below:

	For the six months ended	
	30 September 2023	**30 September 2022**
Sale / rendering of services		
Bharti Airtel (UK) Limited	42	36
Bharti Airtel Limited	5	5
Purchase / receiving of services		
Bharti Airtel (France) SAS	9	8
Bharti Airtel (UK) Limited	19	19
Bharti Airtel Limited	6	4
Network i2i Ltd.	2	6
Dividend Paid		
Bharti airtel Mauritius Limited	69	63

(c) Key management compensation ('KMP')

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

	For the six months ended	
	30 September 2023	**30 September 2022**
Short-term employee benefits	5	5
Performance linked incentive	2	2
Share-based payment	1	0
Other long term benefits	1	1
Other benefits	1	1
	10	**9**

16. Fair Value of financial assets and liabilities

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

		Carrying value as of		Fair value as of	
		30 September 2023	31 March 2023	30 September 2023	31 March 2023
Financial assets					
FVTPL					
Derivatives					
- Forward and option contracts	Level 2	19	4	19	4
- Currency swaps and interest rate swaps	Level 2	0	9	0	9
Other bank balances	Level 2	0	4	0	4
Investments	Level 2	0	0	0	0
Amortised cost					
Trade receivables		161	145	161	145
Cash and cash equivalents		429	586	429	586
Other bank balances		363	127	363	127
Balance held under mobile money trust		720	616	720	616
Other financial assets		172	176	172	176
		1,864	**1,667**	**1,864**	**1,667**
Financial liabilities					
FVTPL					
Derivatives					
- Forward and option contracts	Level 2	0	5	0	5
- Currency swaps and interest rate swaps	Level 2	0	0	0	0
- Cross currency swaps	Level 3	118	43	118	43
- Embedded derivatives	Level 2	0	0	0	0
Amortised cost					
Long term borrowings - fixed rate	Level 1	552	554	537	540
Long term borrowings - fixed rate	Level 2	264	227	243	210
Long term borrowings - floating rate		829	780	829	780
Short term borrowings		659	617	659	617
Put option liability	Level 3	562	569	562	569
Trade payables		399	460	399	460
Mobile money wallet balance		703	582	703	582
Other financial liabilities		518	680	518	680
		4,604	**4,517**	**4,568**	**4,486**

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

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

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

  During the six months ended 30 September 2023 and 31 March 2023 there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

The following table describes the key inputs used in the valuation (basis discounted cash flow technique) of the Level 2 and Level 3 financial assets/liabilities as of 30 September 2023 and 31 March 2023:

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

Reconciliation of fair value measurements categorised within level 3 of the fair value hierarchy – Financial Assets/(Liabilities) (net)

- **Cross Currency Swaps ('CCS')**

	For the six months ended	
	30 September 2023	**30 September 2022**
Opening Balance	(43)	(3)
Recognised in finance costs in profit and loss(unrealized)	(121)	2
Repayment of Interest	4	-
Foreign currency translation impact recognised in OCI	42	-
Closing Balance	**(118)**	**(1)**

- **Put option liability**

	For the six months ended	
	30 September 2023	**30 September 2022**
Opening Balance	569	579
Liability derecognised by crediting transaction with NCI reserve(1)	(10)	(8)
Recognized in finance costs in profit and loss (unrealized)	3	3
Closing Balance	**562**	**574**

(1) Put option liability was reduced by $10m (30 September 2022 $8m) for dividend distribution to put option NCI holders. Any dividend paid to the put option NCI holders is adjustable against the put option liability based on put option arrangement.

17. Events after the balance sheet date

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

- The interim dividend of 2.38 cents per share was approved by the Board on 29 October 2023 and has not been included as a liability as at 30 September 2023.

Appendix

Additional information pertaining to three months ended 30 September 2023

Condensed Consolidated Statement of Comprehensive Income

(All amounts are in US Dollar millions unless stated otherwise)

	For three months ended	
	30 September 2023	**30 September 2022**
Income		
Revenue	1,246	1,308
Other income	9	5
	1,255	**1,313**
Expenses		
Network operating expenses	223	259
Access charges	78	100
License fee and spectrum usage charges	60	58
Employee benefits expense	79	70
Sales and marketing expenses	64	57
Impairment loss on financial assets	1	1
Other expenses	130	127
Depreciation and amortisation	197	195
	832	**867**
Operating profit	**423**	**446**
Finance costs		
- Net loss on foreign exchange and derivative financial instruments	84	114
- Other finance costs	115	98
Finance income	(9)	(6)
Share of profit for associate and joint venture accounted for using equity method	(0)	(0)
Profit before tax	**233**	**240**
Income Tax expense	95	88
Profit for the period	**138**	**152**
Profit before tax (as presented above)	**233**	**240**
Add/(Less): Exceptional items	-	-
Underlying profit before tax	**233**	**240**
Profit after tax (as presented above)	**138**	**152**
Add/(Less): Exceptional items	-	(21)
Underlying profit after tax	**138**	**131**
Other comprehensive income ('OCI')		
Items to be reclassified subsequently to profit or loss:		
Net loss due to foreign currency translation differences	(104)	(91)
Tax on above	(10)	(2)
Share of OCI of associate	(0)	0
	(114)	(93)
Items not to be reclassified subsequently to profit or loss:		
Re-measurement loss on defined benefit plans	(1)	(1)
Tax on above	0	0
	(1)	(1)
Other comprehensive loss for the period	(115)	(94)
Total comprehensive income for the period	**23**	**58**

	For three months ended	
	30 September 2023	30 September 2022
Profit for the period attributable to:	**138**	**152**
Owners of the company	115	133
Non-controlling interests	23	19
Other comprehensive loss for the period attributable to:	**(115)**	**(94)**
Owners of the company	(106)	(95)
Non-controlling interests	(9)	1
Total comprehensive income for the period attributable to:	**23**	**58**
Owners of the company	9	38
Non-controlling interests	14	20

Alternative performance measures (APMs)

Introduction

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

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

Purpose

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

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

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

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

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

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

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

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

Some of the Group's IFRS measures and APMs are translated at constant currency exchange rates to measure the organic performance of the Group. In determining the percentage change in constant currency terms, both current and previous financial reporting period's results have been converted using exchange rates prevailing as on 31 March 2023 for all countries, except Nigeria. For Nigeria the constant currency exchange rate used is 752.2 NGN/USD which is prevailing rate as on 30 June 2023.Reported currency percentage change is derived based on the average actual periodic exchange rates for that financial period. Variances between constant currency and reported currency percentages are due to exchange rate movements between the previous financial reporting period and the current period. The constant currency numbers only reflect the retranslation of reported numbers into exchange rates as of 31 March 2023 (Nigeria as of 30 June 2023) and are not intended to represent the wider impact that currency changes has on the business.

Reconciliation between GAAP and alternative performance measures

Table A: EBITDA and margin

Description	Unit of measure	Half year ended	
		September 2023	September 2022
Operating profit	**$m**	**885**	**872**
Add:			
Depreciation and amortisation	$m	417	383
Exceptional items	$m	-	-
EBITDA	**$m**	**1,302**	**1,255**
Revenue	**$m**	**2,623**	**2,565**
EBITDA margin (%)	**%**	**49.6%**	**48.9%**

Table B: Underlying profit / (loss) before tax

Description	Unit of measure	Half year ended	
		September 2023	September 2022
Profit before tax	**$m**	**12**	**516**
Exceptional items (net)	$m	471	-
Underlying profit before tax	**$m**	**483**	**516**

Table C: Effective tax rate

Description	Unit of measure	Half year ended					
		September 2023			September 2022		
		Profit before taxation	Income tax expense	Tax rate %	Profit before taxation	Income tax expense	Tax rate %
Reported effective tax rate (after EI)	**$m**	**12**	**25**	**207.7%**	**516**	**186**	**36.0%**
Exceptional items (provided below)	$m	471	154		-	42	
Reported effective tax rate (before EI)	**$m**	**483**	**179**	**36.9%**	**516**	**228**	**44.1%**
Adjusted for:							
Foreign exchange rate movement for loss making entity and/or non-DTA operating companies & holding companies	$m	46	-		47	-	
One-off adjustment and tax on permanent differences	$m	-	28		5	(3)	
Effective tax rate	**$m**	**529**	**207**	**39.0%**	**568**	**224**	**39.4%**
<u>Exceptional items</u>							
1. Deferred tax asset recognition	$m	-	-	-		42	
2. Net exchange loss and loss on derivative financial instruments.	$m	471	154	-		-	
Total	**$m**	**471**	**154**		**-**	**42**	

Table D: Underlying profit / (loss) after tax

Description	Unit of measure	Half year ended	
		September 2023	September 2022
(Loss)/Profit after tax	**$m**	**(13)**	**330**
Operating and Non-operating exceptional items	$m	471	0
Tax exceptional items	$m	(154)	(42)
Non-controlling interest exceptional items	$m	(0)	(0)
Underlying profit after tax	**$m**	**304**	**288**

Table E: Earnings per share before exceptional items

Description	Unit of measure	Half year ended	
		September 2023	September 2022
(Loss)/Profit for the period attributable to owners of the company	**$m**	**(55)**	**296**
Operating and Non-operating exceptional items	$m	471	-
Tax exceptional items	$m	(154)	(42)
Non-controlling interest exceptional items	$m	(0)	-
Profit for the period attributable to owners of the company- before exceptional items	**$m**	**262**	**254**
Weighted average number of ordinary shares in issue during the period.	Million	3,751	3,753
Earnings per share before exceptional items	**Cents**	**7.0**	**6.8**

Table F: Operating free cash flow

Description	Unit of measure	Half year ended	
		September 2023	September 2022
Net cash generated from operating activities	**$m**	**1,121**	**1,011**
Add: Income tax paid	$m	227	288
Net cash generation from operation before tax	**$m**	**1,348**	**1,299**
Less: Changes in working capital			
Increase in trade receivables	$m	38	28
Increase in inventories	$m	7	3
(Increase)/Decrease in trade payables	$m	(8)	15
Increase in mobile money wallet balance	$m	(139)	(71)
Decrease in provisions	$m	18	22
Increase in deferred revenue	$m	(10)	(16)
Increase in other financial and non-financial liabilities	$m	(24)	(36)
Increase in other financial and non-financial assets	$m	71	16
Operating cash flow before changes in working capital	**$m**	**1,301**	**1,260**
Other non-cash adjustments	$m	1	(5)
Operating exceptional items	$m	-	-
EBITDA	**$m**	**1,302**	**1,255**
Less: Capital expenditure	$m	(312)	(310)
Operating free cash flow	**$m**	**990**	**945**

Table G: Net debt and leverage

Description	Unit of measure	As at September 2023	As at March 2023	As at September 2022
Long term borrowing, net of current portion	$m	933	1,233	1,085
Short-term borrowings and current portion of long-term borrowing	$m	1,371	945	907
Add: Processing costs related to borrowings	$m	7	7	5
Add/(less): Fair value hedge adjustment	$m	(3)	(5)	(7)
Less: Cash and cash equivalents	$m	(429)	(586)	(655)
Less: Term deposits with banks	$m	(357)	(117)	(5)
Add: Lease liabilities	$m	1,805	2,047	1,948
Net debt	**$m**	**3,327**	**3,524**	**3,278**
EBITDA (LTM)	**$m**	**2,621**	**2,575**	**2,468**
Leverage (LTM)	**times**	**1.3**	**1.4**	**1.3**

Table H: Return on capital employed

Description	Unit of measure	Half year ended	
		September 2023	September 2022
Operating profit (preceding 12 months)	**$m**	**1,770**	**1,675**
Add:			
Operating exceptional items	$m	-	32
EBIT (preceding 12 months)	**$m**	**1,770**	**1,707**
Equity attributable to owners of the Company	$m	2,809	3,444
Add: Put option given to minority shareholders	$m	562	574
Gross equity attributable to owners of the Company	**$m**	**3,371**	**4,018**
Non-controlling interests (NCI)	$m	168	148
Net debt (refer Table G)	$m	3,327	3,278
Capital employed	**$m**	**6,867**	**7,444**
Average capital employed [1]	**$m**	**7,155**	**7,277**
Return on capital employed	**%**	**24.7%**	**23.5%**

(1) Average capital employed is calculated as average of capital employed at closing and opening of relevant period.

Independent review report to Airtel Africa plc

Conclusion

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2023 which comprises the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of financial position, the interim condensed consolidated statement of cash flows, the interim condensed consolidated statement of changes in equity and related notes 1 to 17.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2023 is not prepared, in all material respects, in accordance with United Kingdom adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom (ISRE (UK) 2410). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with United Kingdom adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with United Kingdom adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusion Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This Conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410; however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the review of the financial information

In reviewing the half-yearly financial report, we are responsible for expressing to the company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our Conclusion, including our Conclusion Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the company in accordance with ISRE (UK) 2410. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Deloitte LLP

Statutory Auditor

Birmingham, United Kingdom

29 October 2023

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 and 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 at a fixed 'constant currency' exchange rate, which is done to measure the organic performance of the Group and represents the performance of the business in a better way. Constant currency amounts and growth rates are calculated using closing exchange rates as of 31 March 2023 for all reporting regions and service segments except for Nigeria region and service segment. For the Nigeria region and service segment, constant currency amounts and growth rates have been calculated using the closing exchange rate prevailing as of 30 June 2023 In June 2023, the Central Bank of Nigeria (CBN) announced changes to the operations in the Nigerian Foreign Exchange 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 this CBN decision, the Nigerian naira has devalued against US Dollar by approximately 62%. This change announced by CBN led to a material impact on the Group's financial statements and for better representation of the performance of the business and comparability the closing exchange rate prevailing as of 30 Jun 2023 i.e. NGN 752.2/USD has been used for calculation of constant currency amounts and growth rates of Nigeria region and service segment.
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	Includes total MBs consumed (uploaded and downloaded) on the 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
5G	Fifth-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
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