

Airtel Africa plc

Results for nine-month period ended 31 December 2023

1 February 2024

Sustained operating momentum despite continued foreign exchange headwinds. Intention to buy back up to \$100m of shares

Highlights

Operating key performance indicators (KPIs)

- Total customer base grew by 9.1% to 151.2 million. The penetration of mobile data and mobile money services continued to rise, driving a 22.4% increase in data customers to 62.7 million and a 19.5% increase in mobile money customers to 37.5 million.
- Constant currency ARPU growth of 10.0% was primarily driven by increased usage across all segments.
- Mobile money transaction value increased by 41.3% in constant currency, with Q3'24 annualised transaction value of \$116bn in reported currency.

Financial performance

- Revenue in constant currency grew by 20.2%, with Q3'24 growth accelerating to 21.0%. Reported currency revenues declined by 1.4% to \$3,861m. In Q3'24, reported currency revenues declined by 8.3% as currency devaluation (primarily the Nigerian naira devaluation) continued to impact reported revenue trends.
- All segments continued to deliver double-digit constant currency growth. Across the Group mobile services revenue grew by 18.6% in constant currency, driven by voice revenue growth of 11.2% and data revenue growth of 28.5%. Mobile money revenue grew by 31.8% in constant currency.
- Constant currency EBITDA increased 21.9%, with Q3'24 EBITDA growing 23.3%. The EBITDA margin of 49.4% increased 72bps over the prior period despite foreign exchange headwinds and inflationary pressure. Reported currency EBITDA declined by 0.4% to \$1,908m, with Q3'24 EBITDA 8.3% lower as currency headwinds continued to impact reported trends.
- Profit after tax was \$2m in the period, primarily impacted by significant foreign exchange headwinds, particularly the \$330m exceptional loss after tax following the devaluation of the Nigerian naira in June 2023 and the Malawian kwacha in November 2023 after the structural changes in their respective FX markets. The Nigerian naira devalued further in Q3'24, resulting in a \$140m derivative and foreign exchange losses net of tax, which is not treated as an exceptional item.
- EPS before exceptional items was 7.1 cents, a decline of 34.6%. Basic EPS at negative (1.6 cents) compares to 12.5 cents in the prior period, impacted by the significant derivative and foreign exchange losses as explained above.

Capital allocation

- Capex of \$494m was 8.2% 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.
- Leverage of 1.3x in December 2023, improved from 1.4x in the prior period. The remaining debt at HoldCo is \$550m, falling due in May 2024. Cash at the HoldCo was \$560m at the end of the period and the Group is expecting to fully repay the HoldCo debt when due.
- In light of the Holdco cash accretion and where leverage is today, and in view of the consistent strong operating cash generation of the Company, the Board intends to launch a share buy-back programme of up to \$100m, starting early March 2024 over a 12-month period.

Sustainability strategy

- Our landmark five-year \$57m partnership with UNICEF has been launched across 10 of our markets providing access to educational resources, free of charge, on our way to transforming the lives of over one million children through our educational programmes by 2027.
- In November 2023 we launched our Scope 3 strategy which focuses on an ongoing engagement programme with our top tier partners and suppliers, ensures a regular flow of information and enables us to monitor their impact on the environment.

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

“We remain focussed on the execution of our growth strategy and, combined with our strong operational execution, this has ensured that we continue to see sustained, positive growth momentum across the business, despite the inflationary and currency headwinds. Demand remains resilient, highlighting the vital nature of the voice, data and mobile money services we provide to our customers across the region, and has resulted in a strong 20.2% constant currency revenue growth over the period, with an increase in EBITDA margins.

This strong operating performance has limited the impact that currency movements have had on the Group. In this regard, whilst further currency devaluation, particularly in Nigeria, has weighed on our reported financial performance, it will not affect the execution of our growth plans.

I am pleased to note that our sustained focus on capital allocation priorities will enable us to fully repay HoldCo debt when due in May 2024, ensuring the continued success of our balance sheet de-risking strategy. This will allow us to continue investing in our strategic priorities to provide affordable and reliable services to customers across our markets, whilst also enabling us to capitalise on new business opportunities, such as our new data centre business, Nxtra by Airtel, which we launched in December.

In light of our consistent strong operating performance and given current leverage, the Board intends to launch a share buy-back programme of up to \$100m, starting early March 2024 over a 12-month period. We continue to be well positioned to deliver on the attractive growth opportunities our markets offer and despite the challenge of rising diesel prices, ongoing currency devaluation and inflationary pressures across some of our markets, we remain focussed on margin resilience.

Alternative performance measures (APM) ¹				
(Nine-month period ended)				
Description	Dec-23	Dec-22	Reported	Constant
	\$m	\$m	currency	currency
			change	change
Revenue	3,861	3,914	(1.4%)	20.2%
EBITDA	1,908	1,916	(0.4%)	21.9%
EBITDA margin	49.4%	49.0%	47 bps	72 bps
EPS before exceptional items (\$ cents) ²	7.1	10.8	(34.6%)	
Operating free cash flow	1,414	1,459	(3.1%)	

⁽¹⁾ Alternative performance measures (APM) are described on page 21.

⁽²⁾ EPS before exceptional items for the nine-months period ended 31 December 2023 would have been \$12.5 cents as against the reported \$7.1 cents if the impact of Nigerian Naira devaluation for the period was excluded. Significant Naira devaluation during the period resulted in foreign exchange and derivative losses of \$205m (pre-tax: \$301m) which has not been reported as exceptional item and impacted pre-exceptional EPS by \$5.4 cents. Please refer to the commentary on finance costs as part of ‘Financial review for nine-month period ended 31 December 2023’ section on page 5 for more details.

GAAP measures			
(Nine-month period ended)			
Description	Dec-23	Dec-22	Reported
	\$m	\$m	currency
			change
Revenue	3,861	3,914	(1.4%)
Operating profit	1,293	1,318	(1.9%)
Profit after tax	2	523	(99.6%)
Basic EPS (\$ cents)	(1.6)	12.5	(112.9%)
Net cash generated from operating activities	1,766	1,711	3.2%

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 Thursday 1st February 2024, 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](#)



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Simon O'Hara
Group Company Secretary

Key consolidated financial information

Description	Unit of measure	Nine-month period ended				Quarter ended			
		Dec-23	Dec-22	Reported currency change %	Constant currency change %	Dec-23	Dec-22	Reported currency change %	Constant currency change %
Profit and loss summary									
Revenue ¹	\$m	3,861	3,914	(1.4%)	20.2%	1,238	1,350	(8.3%)	21.0%
Voice revenue	\$m	1,707	1,872	(8.8%)	11.2%	538	646	(16.8%)	10.7%
Data revenue	\$m	1,343	1,318	1.9%	28.5%	428	454	(5.9%)	29.4%
Mobile money revenue ²	\$m	631	515	22.4%	31.8%	215	183	17.2%	33.4%
Other revenue	\$m	320	321	(0.2%)	22.6%	104	105	(0.7%)	29.8%
Expenses	\$m	(1,971)	(2,007)	(1.8%)	19.0%	(634)	(691)	(8.2%)	18.8%
EBITDA ³	\$m	1,908	1,916	(0.4%)	21.9%	606	661	(8.3%)	23.3%
EBITDA margin ⁴	%	49.4%	49.0%	47 bps	72 bps	49.0%	49.0%	0 bps	91 bps
Depreciation and amortisation	\$m	(615)	(598)	2.8%	25.3%	(198)	(215)	(8.0%)	21.5%
Operating exceptional items	\$m	-	-	0.0%	0.0%	-	-	0.0%	0.0%
Operating profit	\$m	1,293	1,318	(1.9%)	20.4%	408	446	(8.5%)	24.1%
Other finance cost – net of finance income	\$m	(754)	(519)	45.4%		(352)	(161)	118.4%	
Finance cost – exceptional items ⁵	\$m	(484)	-	0.0%		(13)	-	0.0%	
Total finance cost ⁶	\$m	(1,238)	(519)	(138.7%)		(365)	(161)	126.2%	
Profit before tax ⁷	\$m	55	801	(93.1%)		43	285	(85.0%)	
Tax	\$m	(207)	(340)	(39.1%)		(28)	(112)	(74.8%)	
Tax – exceptional items ⁵	\$m	154	62	146.8%		0	21	(99.5%)	
Total tax credit/(charge)	\$m	(53)	(278)	(80.9%)		(28)	(92)	(69.2%)	
Profit after tax ⁷	\$m	2	523	(99.6%)		15	193	(92.3%)	
Non-controlling interest	\$m	(63)	(55)	12.7%		(21)	(21)	(2.2%)	
Profit attributable to owners of the company – before exceptional items	\$m	265	406	(34.6%)		3	151	(98.3%)	
(Loss)/Profit attributable to owners of the company	\$m	(61)	468	(112.9%)		(6)	172	(103.5%)	
EPS – before exceptional items	cents	7.1	10.8	(34.6%)		0.1	4.0	(98.3%)	
Basic EPS	cents	(1.6)	12.5	(112.9%)		(0.2)	4.6	(103.5%)	
Weighted average number of shares	million	3,751	3,752	(0.0%)		3,751	3,750	0.0%	
Capex	\$m	494	457	8.2%		182	147	24.4%	
Operating free cash flow	\$m	1,414	1,459	(3.1%)		424	514	(17.6%)	
Net cash generated from operating activities	\$m	1,766	1,711	3.2%		646	700	(7.8%)	
Net debt	\$m	3,281	3,620			3,281	3,620		
Leverage (net debt to EBITDA)	times	1.3x	1.4x			1.3x	1.4x		
Return on capital employed	%	24.3%	23.3%	100 bps		24.0%	23.8%	22 bps	
Operating KPIs									
ARPU	\$	3.0	3.3	(9.7%)	10.0%	2.8	3.3	(16.3%)	10.4%
Total customer base	million	151.2	138.5	9.1%		151.2	138.5	9.1%	
Data customer base	million	62.7	51.3	22.4%		62.7	51.3	22.4%	
Mobile money customer base	million	37.5	31.4	19.5%		37.5	31.4	19.5%	

⁽¹⁾ Revenue includes inter-segment eliminations of \$140m for the nine-month period ended 31 December 2023 and \$112m for the prior period.

⁽²⁾ Mobile money revenue post inter-segment eliminations with mobile services was \$491m for the nine-month period ended 31 December 2023, and \$403m for the prior period.

⁽³⁾ EBITDA includes other income of \$18m for the nine-month period year ended 31 December 2023 and \$9m for the prior period.

⁽⁴⁾ EBITDA margin for the nine-month period ending 31 December 2023, normalised for a one-time opex benefit of \$7m in Nigeria (refer page 12), was 49.3%.

⁽⁵⁾ Exceptional items of \$484m for the nine-month period ended 31 December 2023 is on account of derivative and foreign exchange losses due to Nigerian naira devaluation in June 2023 and Malawian kwacha devaluation in November 2023. This has resulted in an exceptional tax gain of \$154m. Hence, there was a negative impact of \$330m on profit after tax. In Q3'24, the \$13m exceptional item relates to derivative and foreign exchange losses following the Malawi kwacha devaluation in November 2023, partially offset by a gain on the reassessment of losses associated with Nigerian naira devaluation in June 2023.

⁽⁶⁾ Please refer to the commentary on finance costs as part of 'Financial review for nine-month period ended 31 December 2023' section below.

⁽⁷⁾ In Q3'24, profit before tax of \$43m was impacted by currency devaluation in Nigeria and Malawi during the period. Excluding this impact, profit before tax would have been \$270m. Similarly, Q3'24 profit after tax would have been \$168m versus the reported number of \$15m. For further detail refer to page 6.

Financial review for nine-month period ended 31 December 2023

Revenue

Group revenue in reported currency declined by 1.4%, with constant currency growth of 20.2%. Constant currency revenue growth accelerated to 21.0% in Q3'24. Double digit constant currency revenue growth was posted across all reporting segments. Group mobile services revenue grew by 18.6%, with voice revenue growth of 11.2% and data revenues growing 28.5%. In Nigeria, mobile services revenues increased by 22.7%, whilst East Africa saw 21.2% growth and Francophone Africa increased by 10.3%. Mobile money revenue grew by 31.8% in constant currency, driven by growth of 35.1% in East Africa and 21.0% in Francophone Africa, respectively.

The gap in constant and reported currency revenue growth of 21.6% in the nine-month period ended 31 December 2023 is primarily due to the impact of average currency devaluations between the periods, mainly in the Nigerian naira (64.7%), the Zambian kwacha (22.7%), the Malawi kwacha (21.5%) and the Kenyan shilling (21.1%), partially offset by appreciation in the Central African franc (5.0%).

EBITDA

In constant currency, EBITDA increased 21.9% with EBITDA margins of 49.4%, up 72bps. Reported currency EBITDA declined by 0.4% to \$1,908m reflecting the impact of currency devaluation over the period. Mobile services EBITDA increased 20.2% in constant currency as operating leverage and cost efficiencies continued to offset FX headwinds and inflationary pressure. Mobile money EBITDA margins of 51.8% was up 212bps in constant currency, resulting in constant currency growth of 37.4%.

During the period, the Nigerian naira devalued from 461 per US dollar to 952, resulting in a 51.5% 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 952 NGN/USD were to be used to consolidate the results of the Group for the nine-month period ended 31 December 2023, reported revenues would have declined by 10.5% to \$3,504m, as opposed to the 1.4% decline which was reported. Similarly, reported EBITDA would have declined by 10.3% to \$1,719m, as opposed to the 0.4% decline reported. Group EBITDA margins have been negatively impacted by approximately 50bps over the nine-month period ended 31 December 2023 because of the reduced Nigerian contribution to group revenue and EBITDA following the significant naira devaluation.

The impact of the Nigerian naira devaluation since March 2023 on reported revenue and EBITDA for the period ending 31 December 2023 was \$579m and \$318m, respectively. On a 12-month basis, a further 1% USD appreciation against the naira would have a negative impact of \$13m on revenues and \$7m on EBITDA.

Finance costs

Total finance costs for the nine-month period ended 31 December 2023 at \$1,238m, primarily impacted by \$748m of derivatives and foreign exchange losses as a result of the Nigerian naira devaluation from 461 per US Dollar to 952. A significant portion of this devaluation occurred in June 2023 following the Central Bank of Nigeria (CBN) announcement on changes to the operations in the Nigerian Foreign Exchange (FX) market which contributed to a \$447m loss (reflecting the revaluation impact of US Dollar balance sheet liabilities and derivatives) and was presented as an exceptional item. The naira continued to devalue post June 2023 and faced a further significant devaluation in Q3'24 from 777 per US Dollar to 952. This resulted in a further loss of \$214m in Q3'24 which has not been presented as an exceptional item. Below is a summary of the quarterly impact and allocation of the Nigerian naira devaluation on finance costs:

Allocation	Q3'24	Q2'24	Q1'24	Nine-month period ended Dec-23
Exceptional ¹	-	-	447	447
Non-exceptional	214	35	52	301
Total	214	35	499	748

⁽¹⁾ Exceptional loss for Q1'24, which related to the Nigerian Naira devaluation in June 2023, has been reassessed in Q3'24 to \$447m (from \$471m reported in Q1'24).

Profit before tax

Profit before tax at \$55m during the nine-month period ended 31 December 2023 was impacted by:

- \$484m of derivatives and foreign exchange losses as a result of revaluation of USD balance sheet liabilities and derivatives on account of devaluation of Nigerian naira in June 2023 and Malawian kwacha in November 2023. This impact has been classified as an exceptional item; and
- \$301m of derivatives and foreign exchange loss (of which \$214m is in Q3'24) on account of Nigerian naira devaluation for the balance of the period, which has not been classified as an exceptional item.

Excluding these impacts, profit before tax for nine-month period ended 31 December 2023 would have been \$840m and for the quarter ended 31 December 2023 would have been \$270m.

Taxation

Total tax charges was \$53m as compared to \$278m in the prior period. Total tax charges reflected an exceptional gain of \$154m on account of the Nigerian naira and Malawian kwacha devaluation during the current period compared with the deferred tax credit of \$62m in Kenya in the prior period, hence a higher exceptional gain of \$92m. Tax charges excluding exceptional items was \$207m compared to \$340m in the prior period.

Profit after tax

Profit after tax at \$2m during the nine-month period ended 31 December 2023 was impacted by:

- \$330m of derivatives and foreign exchange losses as a result of revaluation of USD balance sheet liabilities and derivatives on account of devaluation of Nigerian naira in June 2023 and Malawian kwacha in November 2023. This impact has been classified as an exceptional item; and
- \$205m of derivatives and foreign exchange loss (of which \$140m is in Q3'24) on account of Nigerian naira devaluation for the balance of the period, which has not been classified as an exceptional item.

Excluding these impacts, profit after tax for nine-month period ended 31 December 2023 would have been \$537m and for the quarter ended 31 December 2023 would have been \$168m.

Basic EPS

Basic EPS at negative (1.6 cents) during the nine-month period ended 31 December 2023 was impacted by the derivative and foreign exchange losses as explained above. Excluding these impacts, basic EPS for nine-month period ended 31 December 2023 would have been \$12.5 cents and for the quarter ended 31 December 2023 would have been \$3.8 cents.

Leverage

Leverage at 1.3x improved from prior period leverage of 1.4x. Cash at the HoldCo was \$560m at the end of the period and the Group is expecting to fully repay the HoldCo debt of \$550m when due in May 2024. The EBITDA used to calculate the leverage ratio of 1.3x is based on the last 12 months to December 2023 and, therefore, does not fully incorporate the impact from the devaluation of the Nigerian naira and Malawian kwacha.

GAAP measures

Revenue

Reported revenue of \$3,861m, declined by 1.4% in reported currency, and grew by 20.2% in constant currency driven by both customer base growth of 9.1% and ARPU growth of 10.0%. The constant currency revenue growth was offset by average currency devaluations between the periods, mainly in the Nigerian naira (64.7%), the Zambian kwacha (22.7%), the Malawi kwacha (21.5%) and the Kenyan shilling (21.1%), partially offset by appreciation in the Central African franc (5.0%).

Mobile services revenue grew by 18.6% in constant currency, supported by growth of 22.7% in Nigeria, 21.2% in East Africa and 10.3% in Francophone Africa, respectively. Mobile money revenue grew by 31.8% in constant currency, driven by revenue growth in East Africa of 35.1% and Francophone Africa of 21.0%.

During the period, the Nigerian naira devalued from 461 per US dollar to 952, resulting in a 51.5% 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 952 NGN/USD were to be used to consolidate the results of the Group for the nine-month period ended 31 December 2023, reported revenues would have declined by 10.5% to \$3,504m, as opposed to 1.4% decline which was reported.

The Nigerian naira devaluation since March 2023 impacted revenues by \$579m during the nine-month period ended 31 December 2023. On a 12-month basis, a further 1% USD appreciation against the naira would have a negative impact of \$13m on revenues.

Operating profit

Operating profit in reported currency declined by 1.9% to \$1,293m as currency headwinds offset strong revenue growth and continued improvements in operating efficiency across the Group.

Total finance costs

Total finance costs for the nine-month period ended 31 December 2023 at \$1,238m (of which \$748m pertains to Nigerian naira devaluation which has been explained on page 5). This represents an increase of \$719m over prior period. The primary driver of this increase was the \$484m exceptional item reflecting the revaluation impact of USD balance sheet liabilities and derivatives following the Nigerian naira devaluation (\$447m) in June 2023 and Malawi kwacha (\$37m) in November 2023. Excluding this exceptional item, finance costs increased by \$235m primarily driven by the impact of the naira devaluation in Q3'24.

The Group's effective interest rate increased to 9.3% compared to 7.2% 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 was \$53m as compared to \$278m in the prior period. Total tax charges reflected an exceptional gain of \$154m on account of the Nigerian naira and Malawian kwacha devaluation during the current period compared with deferred tax credit of \$62m in Kenya in the prior period, hence a higher exceptional gain of \$92m. Tax charges excluding exceptional items was \$207m as compared to \$340m in the prior period. The tax charge of \$207m 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.

Profit after tax

Profit after tax at \$2m during the nine-month period ended 31 December 2023 was impacted by:

- \$330m of derivatives and foreign exchange losses as a result of revaluation of USD balance sheet liabilities and derivatives on account of devaluation of Nigerian naira in June 2023 and Malawian kwacha in November 2023. This impact has been classified as an exceptional item; and
- \$205m of derivatives and foreign exchange loss (of which \$140m is in Q3'24) on account of Nigerian naira devaluation for the balance of the period, which has not been classified as an exceptional item.

Basic EPS

Basic EPS at negative (1.6 cents) during the nine-month period ended 31 December 2023 was impacted by derivative and foreign exchange losses as explained above.

Net cash generated from operating activities

Net cash generated from operating activities was \$1,766m, 3.2% higher than the \$1,711m of the prior period.

Alternative performance measures¹

EBITDA

EBITDA at \$1,908m, declined by 0.4% in reported currency, and increased by 21.9% in constant currency. Growth in constant currency 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 47 basis points in reported currency to 49.4%.

Foreign exchange had an adverse impact of \$689m on revenue, and \$344m on EBITDA, as a result of average currency devaluations, mainly in the Nigerian naira (64.7%), the Zambian kwacha (22.7%), the Malawi kwacha (21.5%) and the Kenyan shilling (21.1%) in turn partially offset by appreciation in the Central African franc (5.0%).

During the period, the Nigerian naira devalued from 461 per US dollar to 952, resulting in a 51.5% 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 952 NGN/USD were to be used to consolidate the results of the Group for the nine-month period ended 31 December 2023, reported EBITDA would have declined by 10.3% to \$1,719m, as opposed to 0.4% decline reported. Group EBITDA margins have been negatively impacted by approximately 50bps over the nine-month period ended 31 December 2023 because of the reduced Nigerian contribution to group revenue and EBITDA following the significant naira devaluation.

The impact of the Nigerian naira devaluation since March 2023 on reported EBITDA for the nine-month period ending 31 December 2023 was \$318m. On a 12-month basis, a further 1% USD appreciation against the naira would have a negative impact of \$7 m on EBITDA.

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 \$47m on revenues, \$23m on EBITDA and \$17m 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 \$13m on revenues, \$7m on EBITDA and \$6m 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 40.2%, compared to 38.8% in the prior period, largely due to profit mix changes amongst the OpCos. The effective tax rate is higher than the weighted average statutory corporate tax rate of approximately 33%, largely due to the profit mix between various OpCos and withholding taxes on dividends by subsidiaries.

Exceptional items

The exceptional item of \$484m 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) and Malawian kwacha devaluation in November 2023 (from 1,169 MWK/USD in October 2023 to 1,683 MWK/USD in November 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 \$62m in Kenya.

EPS before exceptional items

EPS before exceptional items was at 7.1 cents, 34.6% lower compared to 10.8 cents in the prior period. Current period EPS before exceptional items was negatively impacted by derivative and foreign exchange losses due to significant Naira devaluation during the period. EPS before exceptional items would have been \$12.5 cents as against the reported \$7.1 cents if the impact of Nigerian Naira devaluation for the period was excluded.

¹ Alternative performance measures (APM) are described on page 21.

Operating free cash flow

Operating free cash flow was \$1,414m, lower by 3.1%, as a result of lower EBITDA and higher capex during the period. Capital expenditure during the period of \$494m was 8.2% higher compared to the prior period.

Leverage

Leverage at 1.3x improved from prior period leverage of 1.4x. Cash at the HoldCo was \$560m at the end of the period and the Group is expecting to fully repay the HoldCo debt of \$550m when due in May 2024. The EBITDA used to calculate the leverage ratio of 1.3x is based on the last 12 months to December 2023 and, therefore, does not fully incorporate the impact from the devaluation of the Nigerian naira and Malawian kwacha.

Other significant updates

Proposed share buyback

The Company has made significant progress in recent years to reduce leverage and strengthen its balance sheet. In light of the Holdco cash accretion and where leverage is today, and in view of the consistent strong operating cash generation of the Company, the Board intends to launch a share buy-back programme. Under this programme, which is expected to start in early March 2024, the Company proposes to purchase up to \$100m worth of the Company's shares over a 12-month period. The Board believes that repurchasing its own shares is an attractive use of its capital in light of the Group's strong long term growth outlook. The programme will be executed using its cash reserves and in accordance with applicable securities laws and regulation.

Retirement of Airtel Africa plc CEO and appointment of Successor

On 2 January 2024, Airtel Africa plc announced the retirement of Chief Executive Officer Olusegun "Segun" Ogunsanya and the appointment of Sunil Taldar, who joined Airtel Africa in October 2023 as Director - Transformation, as Chief Executive Officer (CEO). Following a transition period, Sunil Taldar will be appointed to the Board as an Executive Director and assume the role of CEO on 1 July 2024, at which time Segun will retire from the Board and the Company.

Launch of Nxtra by Airtel

In December 2023, Airtel Africa launched Nxtra by Airtel ("Nxtra"), a new data centre business founded on a commitment to meet the continent's growing needs for trusted, and sustainable data centre capacity and to serve the fast-growing African digital economy. It aims to build one of the largest network of data centres in Africa with high-capacity data centres in major cities located strategically across Airtel Africa's footprint, complementing its existing edge sites. Nxtra's ambition will allow it to serve the growing need of African enterprises and its data centre infrastructure will be designed to host the next generation of computing, while providing multi-MW capacity in a phased manner.

Nigerian Communications Commission directive on subscriber registration compliance

In December 2023, the Nigerian Communications Commission (NCC) informed Airtel Nigeria, in an industry-wide directive, to undertake full network barring of all SIMs that have failed to submit their National Identity Numbers (NIN) on or before 28 February 2024. Furthermore, any SIMs with five or more lines that have submitted NINs, but which remain unverified, must be barred from 29 March 2024. Likewise, any SIMs with less than five lines which remain unverified, are to be barred from 15 April 2024. This directive is part of the ongoing Federal Government NIN-SIM harmonisation exercise requiring all subscribers to provide valid NIN information to update SIM registration records.

Airtel Nigeria does not have significant number of customers generating material revenues that have yet to submit their NINs for verification. There are approximately 9.2m customers which are currently going through the process of NIN verification. Since the directive was issued in December 2023, 4.5m customers have already been verified. We continue to engage with the NCC and work closely with the relevant authorities to facilitate and accelerate the verification process to minimise the risk of service disruption to these customers, whilst also limiting the revenue impact from our compliance to the directive issued.

Devaluation of the Malawian Kwacha by the Reserve Bank of Malawi

In November 2023, the Reserve Bank of Malawi (RBM) announced structural changes to the foreign exchange market with its decision to adjust the exchange rate from selling rate of MWK 1,180 to a selling rate of MWK 1,700 to the US dollar with effect from 9 November 2023.

As part of the structural changes, RBM started authorizing dealer banks to freely negotiate exchange rates to trade with their clients and amongst themselves, notwithstanding any limitations previously in place.

This devaluation resulted in a foreign exchange loss of \$37m with a tax reversal of \$8m and is treated as an exceptional item.

Uganda Initial Public Offering (IPO)

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 on the Uganda Stock Exchange (USE) in-line with the 20% minimum public listing obligation for all National Telecom Operators under the current Uganda Communications (Fees & Fines) (Amendment) Regulations 2020. The issued shares of Airtel Uganda were listed on the Main Investment Market Segment of the USE on 7 November 2023 at UGX100 per share.

On completion of the IPO in November 2023, 4.3bn shares (10.89% of Airtel Uganda's total share capital) were transferred to minority shareholders, whilst the entire 40bn shares began trading on the Main Investment Market Segment of the USE. Airtel Uganda received a 3-year waiver from the Uganda Securities Exchange from the requirement to transfer the remaining 9.11% required to meet the 20% shareholding listing requirement.

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.

Share capital reduction

On 15 August 2023, Airtel Africa announced the cancellation and extinction of all 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.

Information on additional KPIs

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

Financial review for nine-month period ended 31 December 2023

Nigeria – Mobile services

Description	Unit of measure	Nine-month period ended				Quarter ended			
		Dec-23	Dec-22	Reported currency change	Constant currency change	Dec-23	Dec-22	Reported currency change	Constant currency change
Summarised statement of Operations									
Revenue	\$m	1,237	1,585	(21.9%)	22.7%	359	545	(34.1%)	24.7%
Voice revenue ¹	\$m	587	791	(25.8%)	16.3%	172	279	(38.4%)	16.7%
Data revenue	\$m	539	653	(17.6%)	29.8%	154	222	(30.8%)	30.8%
Other revenue ²	\$m	111	141	(20.7%)	25.8%	33	43	(23.8%)	44.4%
EBITDA	\$m	673	817	(17.7%)	30.2%	198	284	(30.2%)	32.8%
EBITDA margin	%	54.4%	51.5%	283 bps	312 bps	55.3%	52.1%	311 bps	339 bps
Depreciation and amortisation	\$m	(223)	(248)	(10.0%)	43.0%	(67)	(92)	(26.9%)	38.1%
Operating exceptional items	\$m	-	-	0.0%	0.0%	-	-	0.0%	0.0%
Operating profit	\$m	420	544	(22.8%)	21.7%	122	184	(33.8%)	27.5%
Capex	\$m	178	167	6.4%	6.4%	69	34	102.9%	102.9%
Operating free cash flow	\$m	495	650	(23.9%)	43.4%	129	250	(48.4%)	14.9%
Operating KPIs									
Total customer base	million	50.5	47.8	5.6%		50.5	47.8	5.6%	
Data customer base	million	26.1	22.0	18.5%		26.1	22.0	18.5%	
Mobile services ARPU	\$	2.8	3.8	(26.0%)	16.3%	2.4	3.9	(37.5%)	18.2%

⁽¹⁾ Voice revenue includes inter-segment revenue of \$1m in the nine-month period ended 31 December 2023 and in the prior period. Excluding inter-segment revenue, voice revenue was \$586m in nine-month period ended 31 December 2023 and \$790m in the prior period.

⁽²⁾ Other revenue includes inter-segment revenue of \$1m in the nine-month period ended 31 December 2023 and \$2m in the prior period. Excluding inter-segment revenue, other revenue was \$110m in the nine-month period ended 31 December 2023 and \$139m in the prior period.

Revenue grew by 22.7% in constant currency, with growth accelerating to 24.7% in Q3'24 largely driven by strong data demand. In reported currency, revenues declined by 21.9% to \$1,237m on account of the 64.7% average devaluation of the Nigerian naira. The constant currency revenue growth was driven by both customer base growth of 5.6% and ARPU growth of 16.3%. Q3'24 reported currency revenues declined by 34.1% reflecting the impact of Nigerian naira devaluation from June 2023 onwards.

Voice revenue grew by 16.3% in constant currency, driven by both customer base growth of 5.6% and voice ARPU growth of 10.2%.

Data revenue grew by 29.8% in constant currency, as a function of both data customer and data ARPU growth of 18.5% and 12.2%, respectively. Data usage per customer increased by 23.6% to 6.2 GB per month (from 5.0 GB in the prior period). Our continued 4G network rollout has resulted in nearly 100% of all our sites delivering 4G services. Furthermore, 235 5G sites are now operational. In Q3'24, 4G customers accounted for 52.1% of our total data customer base and contributed to 86.2% of total data usage. Q3'24 4G data usage per customer reached 12.8 GB per month, an increase of 42.0% (from 9.0 GB per customer per month in Q3'23).

Other revenues grew by 25.8% in constant currency, contributed by growth in messaging and value-added services coupled with 29.6% growth in leased line revenue.

EBITDA was \$673m, up by 30.2% in constant currency. The EBITDA margin increase to 54.4% from 51.5% was primarily due to the growth in constant currency revenues, supported by continued cost efficiencies. In Q3'24, EBITDA had a one-time opex benefit of \$7m on account of VAT refunds on tower rentals, offsetting the additional pressure arising from increased diesel costs and the introduction of VAT on tower company payments. Excluding this one-time benefit, Q3'24 EBITDA margin increased by approximately 120bps on a year over year basis, whilst on a sequential basis EBITDA margins declined by approximately 100bps largely reflecting the impact of increased diesel costs.

Operating free cash flow was \$495m, up by 43.4% in constant currency, largely due to the strong EBITDA growth, partially offset by higher capex in current period.

East Africa - Mobile services¹

Description	Unit of measure	Nine-month period ended				Quarter ended			
		Dec-23	Dec-22	Reported currency change	Constant currency change	Dec-23	Dec-22	Reported currency change	Constant currency change
Summarised statement of operations									
Revenue	\$m	1,227	1,129	8.7%	21.2%	405	388	4.2%	22.3%
Voice revenue ²	\$m	651	632	3.1%	14.7%	211	215	(1.7%)	15.0%
Data revenue	\$m	465	397	17.1%	30.9%	155	140	11.1%	30.8%
Other revenue ³	\$m	111	100	10.8%	23.9%	39	34	13.5%	33.6%
EBITDA	\$m	603	563	7.1%	18.8%	195	201	(3.0%)	13.8%
EBITDA margin	%	49.2%	49.9%	(70) bps	(98) bps	48.1%	51.7%	(360) bps	(357) bps
Depreciation and amortisation	\$m	(216)	(190)	13.5%	25.4%	(71)	(67)	6.5%	22.2%
Operating exceptional items	\$m	-	-	0.0%	0.0%	-	-	0.0%	0.0%
Operating profit	\$m	351	347	1.2%	12.9%	111	125	(11.5%)	6.4%
Capex	\$m	177	159	11.7%	11.7%	71	69	3.4%	3.4%
Operating free cash flow	\$m	426	404	5.3%	21.9%	124	132	(6.3%)	19.7%
Operating KPIs									
Total customer base	million	69.0	62.4	10.7%		69.0	62.4	10.7%	
Data customer base	million	26.6	21.2	25.7%		26.6	21.2	25.7%	
Mobile services ARPU	\$	2.1	2.1	(1.9%)	9.4%	2.0	2.1	(6.2%)	10.0%

⁽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 nine-month period ended 31 December 2023 and in the prior period. Excluding inter-segment revenue, voice revenue was \$650m in nine-month period ended 31 December 2023 and \$631m in the prior period.

⁽³⁾ Other revenue includes inter-segment revenue of \$9m in the nine-month period ended 31 December 2023 and \$8m in the prior period. Excluding inter-segment revenue, other revenue was \$102m in nine-month period ended 31 December 2023 and \$92m in the prior period.

East Africa revenue grew by 8.7% in reported currency to \$1,227m, and grew by 21.2% in constant currency. The constant currency growth was made up of voice revenue growth of 14.7%, data revenue growth of 30.9% and other revenue growth of 23.9%. The differential in growth rates is primarily contributed by the average devaluation in Zambian kwacha (22.7%), Malawi kwacha (21.5%) and Kenya shilling (21.1%).

Voice revenue grew by 14.7% in constant currency, driven by both customer base growth of 10.7% and voice ARPU growth of 3.5%. The customer base growth was largely driven by expansion of both increased network coverage and the increasing scale of the distribution network. Voice ARPU growth of 3.5% was supported by increase in voice usage per customer by 6.4% to 410 minutes per customer per month partially offset by the interconnect rate reduction in Tanzania and Rwanda.

Data revenue grew by 30.9% in constant currency, largely driven by data customer base growth of 25.7% and data ARPU growth of 3.3%. Our continued investment in the network and expansion of 4G network infrastructure helped us grow both the data customer base and usage levels. 95.1% of our East Africa network sites are now on 4G, compared with 89.8% in the prior period. Furthermore, we have 679 5G sites in Kenya, Tanzania, Uganda and Zambia. In Q3'24, 4G customers accounted for 54.3% of our total data customer base and contributed to 77.2% of total data usage. Q3'24 total data usage per customer increased to 4.9 GB per customer per month, up by 16.0%, and 4G data usage per customer reached 6.8 GB per customer per month.

EBITDA increased to \$603m, up by 18.8% in constant currency. EBITDA margin at 49.2%, declined by 98 basis points in constant currency. Decline in Q3'24 EBITDA margin was largely driven by rising energy costs over the period in key markets which has negatively impacted margins by approximately 200bps.

Operating free cash flow was \$426m, up by 21.9% in constant currency, due largely to EBITDA growth, partially offset by increased capex which increased due to phasing of deployment.

Francophone Africa – Mobile services¹

Description	Unit of measure	Nine-month period ended				Quarter ended			
		Dec-23	Dec-22	Reported currency change	Constant currency change	Dec-23	Dec-22	Reported currency change	Constant currency change
Summarised statement of operations									
Revenue	\$m	912	807	13.0%	10.3%	307	275	11.9%	9.2%
Voice revenue ²	\$m	473	453	4.3%	1.8%	156	154	1.5%	(1.1%)
Data revenue	\$m	339	268	26.7%	23.6%	118	92	28.6%	25.4%
Other revenue ³	\$m	100	86	16.0%	14.2%	33	29	14.9%	13.1%
EBITDA	\$m	395	355	11.0%	8.3%	130	112	16.9%	14.1%
EBITDA margin	%	43.2%	44.0%	(77) bps	(81) bps	42.4%	40.6%	183 bps	180 bps
Depreciation and amortisation	\$m	(156)	(143)	9.2%	6.6%	(52)	(50)	4.1%	1.5%
Operating exceptional items	\$m	-	-	0.0%	0.0%	-	-	0.0%	0.0%
Operating profit	\$m	203	187	8.5%	5.9%	66	53	23.7%	21.1%
Capex	\$m	109	94	15.6%	15.6%	32	36	(9.6%)	(9.6%)
Operating free cash flow	\$m	286	261	9.4%	5.8%	98	76	29.4%	24.7%
Operating KPIs									
Total customer base	million	31.6	28.3	11.8%		31.6	28.3	11.8%	
Data customer base	million	10.0	8.1	24.1%		10.0	8.1	24.1%	
Mobile services ARPU	\$	3.4	3.3	1.0%	(1.4%)	3.3	3.3	(1.2%)	(3.6%)

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

⁽²⁾ Voice revenue includes inter-segment revenue of \$2m in the nine-month period ended 31 December 2023 and in the prior period. Excluding inter-segment revenue, voice revenue was \$471m in nine-month period ended 31 December 2023 and \$451m in the prior period.

⁽³⁾ Other revenue includes inter-segment revenue of \$2m in the nine-month period ended 31 December 2023 and in the prior period. Excluding inter-segment revenue, other revenue was \$98m in nine-month period ended 31 December 2023 and \$84m in the prior period.

Revenue grew by 13.0% in reported currency and by 10.3% in constant currency. Higher reported currency growth as compared to constant currency is due to the appreciation in the Central African franc by 5.0% partially offset by a 7.5% devaluation in the Madagascar ariary.

Voice revenue grew by 1.8% in constant currency, as customer base growth of 11.8% was partially offset by a decline in voice ARPU. The customer base growth was driven by expansion of both network coverage and distribution infrastructure.

Data revenue grew by 23.6% in constant currency, supported by customer base growth of 24.1%. Increased data usage across the network supported ARPU growth of 3.1%. Our continued 4G network rollout resulted in an increase in total data usage of 51.2% and per customer data usage increase of 26.1%. For Q3'24, 4G data users constituted 62.1% of total data users, compared with 54.0% in the prior period. 4G users contributed 75.9% of total data usage this quarter, up from 70.8% in prior quarter. Q3'24 data usage per customer increased to 4.5 GB per month (up from 3.8 GB in the prior period), while 4G data usage per customer reached 5.8 GB per month.

EBITDA at \$395m, increased by 8.3% in constant currency. The EBITDA margin declined to 43.2%, a decline of 81 basis points in constant currency. EBITDA margin decline was mainly due to an increase in fixed regulatory charges in DRC and one-time opex benefit of \$19m in the prior period.

Operating free cash flow was \$286m, increased by 5.8% in constant currency, due to the increased EBITDA, partially offset by increased capex.

Mobile services

Description	Unit of measure	Nine-month period ended				Quarter ended			
		Dec-23	Dec-22	Reported currency change	Constant currency change	Dec-23	Dec-22	Reported currency change	Constant currency change
Summarised statement of operations									
Revenue ¹	\$m	3,375	3,515	(4.0%)	18.6%	1,071	1,207	(11.2%)	19.3%
Voice revenue	\$m	1,707	1,872	(8.8%)	11.2%	538	646	(16.8%)	10.7%
Data revenue	\$m	1,343	1,318	1.9%	28.5%	428	454	(5.9%)	29.4%
Other revenue	\$m	325	325	0.0%	22.6%	105	107	(1.1%)	29.8%
EBITDA	\$m	1,672	1,734	(3.6%)	20.2%	523	597	(12.4%)	20.5%
EBITDA margin	%	49.5%	49.3%	22 bps	64 bps	48.8%	49.4%	(64) bps	48 bps
Depreciation and amortisation	\$m	(595)	(581)	2.4%	24.9%	(190)	(209)	(8.8%)	20.9%
Operating exceptional items	\$m	-	-	0.0%	0.0%	-	-	0.0%	0.0%
Operating profit	\$m	976	1,077	(9.4%)	15.0%	298	362	(17.9%)	17.2%
Capex	\$m	464	420	10.5%	10.5%	172	139	24.4%	24.4%
Operating free cash flow	\$m	1,208	1,314	(8.1%)	24.5%	351	458	(23.5%)	18.7%
Operating KPIs									
Mobile voice									
Customer base	million	151.2	138.5	9.1%		151.2	138.5	9.1%	
Voice ARPU	\$	1.3	1.6	(16.5%)	1.9%	1.2	1.6	(24.1%)	1.0%
Mobile data									
Data customer base	million	62.7	51.3	22.4%		62.7	51.3	22.4%	
Data ARPU	\$	2.6	3.0	(15.7%)	6.4%	2.3	3.0	(23.1%)	5.7%

⁽¹⁾ Mobile service revenue after inter-segment eliminations was \$3,370m in nine-month period ended 31 December 2023 and \$3,511m in the prior period.

Overall revenue from mobile services declined by 4.0% in reported currency while it grew by 18.6% in constant currency. The constant currency growth was evident across all regions and services. Mobile services revenue grew in Nigeria by 22.7%, in East Africa by 21.2% and in Francophone Africa by 10.3%, respectively.

Voice revenue grew by 11.2% in constant currency, supported by both customer base growth of 9.1% and voice ARPU growth of 1.9%. Customer base growth was driven by the expansion of our network and distribution infrastructure. The voice ARPU growth of 1.9% was supported by an increase in voice usage per customer of 5.1%, reaching 286 minutes per customer per month, with total minutes on the network increasing by 14.8%.

Data revenue grew by 28.5% in constant currency, driven by both customer base growth of 22.4% and data ARPU growth of 6.4%. The customer base growth was recorded across all the regions supported by the expansion of our 4G network. 94.0% of our total sites are now on 4G, compared with 90.0% in the prior period. 5G is operational across five countries, with 914 sites deployed. In Q3'24, 4G customers accounted for 54.6% of our total data customer base (up from 46.3%), contributing to 81.4% of total data usage. Q3'24 data usage per customer increased to 5.5 GB per customer per month (from 4.6 GB in the prior period) while 4G data usage per customer reached 8.7 GB per month (from 7.5 GB in the prior period). In the nine-month period ended 31 December 2023, data revenue contributed to 39.8% of total mobile services revenue, up from 37.5% in the prior period.

EBITDA was \$1,672m, increasing 20.2% in constant currency. The EBITDA margin improved by 22 basis points to 49.5%, an improvement of 64 basis points in constant currency.

Operating free cash flow was \$1,208m, up by 24.5% in constant currency, due to the increased EBITDA, partially offset by increased capex.

Mobile money

Description	Unit of measure	Nine-month period ended				Quarter ended			
		Dec-23	Dec-22	Reported currency change	Constant currency change	Dec-23	Dec-22	Reported currency change	Constant currency change
Summarised statement of operations									
Revenue ¹	\$m	631	515	22.4%	31.8%	215	183	17.2%	33.4%
Nigeria	\$m	1	0	-	-	0	0	-	-
East Africa	\$m	481	395	21.8%	35.1%	162	142	13.8%	35.6%
Francophone Africa	\$m	149	120	23.6%	21.0%	53	41	28.4%	25.5%
EBITDA	\$m	327	256	27.6%	37.4%	113	92	23.4%	40.8%
EBITDA margin	%	51.8%	49.7%	210 bps	212 bps	52.7%	50.0%	263 bps	278 bps
Depreciation and amortisation	\$m	(14)	(13)	12.3%	26.8%	(5)	(5)	2.7%	23.4%
Operating profit	\$m	303	237	28.0%	37.4%	105	84	25.1%	41.9%
Capex	\$m	17	26	(35.8%)	(35.8%)	6	6	15.3%	15.3%
Operating free cash flow	\$m	310	230	34.8%	46.3%	107	86	23.9%	42.6%
Operating KPIs									
Mobile money customer base	million	37.5	31.4	19.5%		37.5	31.4	19.5%	
Transaction value	\$bn	84.6	64.3	31.6%	41.3%	28.9	24.2	19.7%	34.7%
Mobile money ARPU	\$	2.0	2.0	(0.3%)	7.3%	1.9	2.0	(4.1%)	9.1%

⁽¹⁾ Mobile money revenue post inter-segment eliminations with mobile services was \$491m for the nine-month period ended 31 December 2023, and \$403m for the prior period.

Mobile money revenue grew by 22.4% in reported currency, with constant currency growth of 31.8%. The differential in growth rates is primarily as the result of an average devaluation in Zambian kwacha (22.7%) and Malawi kwacha (21.5%), partially offset by appreciation in Central African franc (5.0%). The constant currency mobile money revenue growth was driven by revenue growth in both East Africa and Francophone Africa of 35.1% and 21.0%, respectively. In Nigeria, the company remains focussed on customer acquisition through the quarter with 1.7 million of active customers registered for mobile money services in Nigeria at the end of December 2023. Annualised transaction value for Nigeria SmartCash grew by 45% in current quarter as compared to quarter ended September 2023. Additionally, we added almost 51,000 agents during the quarter and reached almost 166,000 agents as of 31 December 2023.

The constant currency revenue growth of 31.8% was driven by both customer base growth of 19.5% and mobile money ARPU growth of 7.3%. The expansion of our distribution network, particularly our exclusive channels of Airtel Money branches and kiosks, supported customer base growth of 19.5%. The mobile money ARPU growth of 7.3% was driven by transaction value per customer growth of 15.0% in constant currency, to \$268 per customer per month.

Q3'24 annualised transaction value amounted to \$116bn in reported currency, with mobile money revenue contributing 16.3% of total Group revenue during the nine-month period ending 31 December 2023.

EBITDA was \$327m, up by 37.4% in constant currency. The EBITDA margin reached 51.8%, an improvement of 212 basis points in constant currency and 210 basis points in reported currency, driven by continued operating leverage.

Regional performance

Nigeria

Description	Unit of measure	Nine-month period ended				Quarter ended			
		Dec-23	Dec-22	Reported currency change	Constant currency change	Dec-23	Dec-22	Reported currency change	Constant currency change
Revenue	\$m	1,238	1,585	(21.9%)	22.8%	359	545	(34.1%)	24.7%
Voice revenue	\$m	587	791	(25.8%)	16.3%	172	279	(38.4%)	16.7%
Data revenue	\$m	539	653	(17.6%)	29.8%	154	222	(30.8%)	30.8%
Mobile money revenue	\$m	1	0	537.8%	930.3%	0	0	223.0%	512.8%
Other revenue	\$m	112	141	(20.5%)	25.8%	33	43	(23.8%)	44.5%
EBITDA	\$m	667	812	(17.8%)	30.0%	197	282	(30.1%)	33.1%
EBITDA margin	%	53.9%	51.2%	271 bps	301 bps	54.9%	51.8%	317 bps	346 bps
Operating KPIs									
ARPU	\$	2.8	3.8	(26.0%)	16.4%	2.4	3.9	(37.5%)	18.3%

East Africa

Description	Unit of measure	Nine-month period ended				Quarter ended			
		Dec-23	Dec-22	Reported currency change	Constant currency change	Dec-23	Dec-22	Reported currency change	Constant currency change
Revenue	\$m	1,610	1,444	11.5%	24.2%	534	502	6.4%	25.3%
Voice revenue	\$m	651	632	3.1%	14.7%	211	215	(1.7%)	15.0%
Data revenue	\$m	465	397	17.1%	30.9%	155	140	11.1%	30.8%
Mobile money revenue	\$m	481	395	21.8%	35.1%	162	142	13.8%	35.6%
Other revenue	\$m	106	97	9.9%	23.7%	37	33	13.3%	33.7%
EBITDA	\$m	864	769	12.4%	24.7%	284	275	3.1%	21.8%
EBITDA margin	%	53.7%	53.2%	42 bps	20 bps	53.1%	54.8%	(168) bps	(153) bps
Operating KPIs									
ARPU	\$	2.7	2.7	0.6%	12.1%	2.6	2.7	(4.3%)	12.8%

Francophone Africa

Description	Unit of measure	Nine-month period ended				Quarter ended			
		Dec-23	Dec-22	Reported currency change	Constant currency change	Dec-23	Dec-22	Reported currency change	Constant currency change
Revenue	\$m	1,014	891	13.8%	11.2%	344	304	13.3%	10.6%
Voice revenue	\$m	473	453	4.3%	1.8%	156	154	1.5%	(1.1%)
Data revenue	\$m	339	268	26.7%	23.6%	118	92	28.7%	25.4%
Mobile money revenue	\$m	149	120	23.6%	21.0%	53	41	28.4%	25.5%
Other revenue	\$m	99	86	16.0%	14.2%	33	29	14.7%	12.9%
EBITDA	\$m	475	418	13.6%	11.0%	159	133	19.2%	16.4%
EBITDA margin	%	46.8%	46.9%	(6) bps	(8) bps	46.1%	43.9%	226 bps	228 bps
Operating KPIs									
ARPU	\$	3.7	3.7	1.7%	(0.7%)	3.7	3.7	0.1%	(2.4%)

Consolidated performance

Description	UoM	Nine-month period ended- December 2023					Nine-month period ended- December 2022				
		Mobile services	Mobile money	Unallocated	Eliminations	Total	Mobile services	Mobile money	Unallocated	Eliminations	Total
Revenue	\$m	3,375	631	(0)	(145)	3,861	3,515	515	0	(116)	3,914
Voice revenue	\$m	1,707		(0)	(0)	1,707	1,872		(0)	(0)	1,872
Data revenue	\$m	1,343		-	(0)	1,343	1,318		-	(0)	1,318
Other revenue	\$m	325		-	(5)	320	325		0	(4)	321
EBITDA	\$m	1,672	327	(91)	0	1,908	1,734	256	(74)	0	1,916
EBITDA margin	%	49.5%	51.8%			49.4%	49.3%	49.7%			49.0%
Depreciation and amortisation	\$m	(595)	(14)	(6)	-	(615)	(581)	(13)	(4)	-	(598)
Operating exceptional items	\$m	-	-	-	-	-	-	-	-	-	-
Operating profit	\$m	976	303	14	0	1,293	1,077	237	4	0	1,318

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.

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 \$47m on revenues, \$23m on EBITDA and \$17m 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 \$13m on revenues, \$7m on EBITDA and \$6m 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.

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	Definition and purpose
EBITDA and margin	Operating profit	<ul style="list-style-type: none"> Depreciation and amortisation 	<p>The Group defines EBITDA as operating profit/(loss) for the period before depreciation and amortisation.</p> <p>The Group defines EBITDA margin as EBITDA divided by revenue.</p> <p>EBITDA and margin are measures used by the directors to assess the trading performance of the business and are therefore the measure of segment profit that the Group presents under IFRS. EBITDA and margin are also presented on a consolidated basis because the directors believe it is important to consider profitability on a basis consistent with that of the Group's operating segments. When presented on a consolidated basis, EBITDA and margin are APMs.</p> <p>Depreciation and amortisation is a non-cash item which fluctuates depending on the timing of capital investment and useful economic life. Directors believe that a measure which removes this volatility improves comparability of the Group's results period on period and hence is adjusted to arrive at EBITDA and margin.</p>
Underlying profit / (loss) before tax	Profit / (loss) before tax	<ul style="list-style-type: none"> Exceptional items 	<p>The Group defines underlying profit/(loss) before tax as profit/(loss) before tax adjusted for exceptional items.</p> <p>The directors view underlying profit/(loss) before tax to be a meaningful measure to analyse the Group's profitability.</p> <p>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.</p>

APM	Closest equivalent IFRS measure	Adjustments to reconcile to IFRS measure	Definition and purpose
Effective tax rate	Reported tax rate	<ul style="list-style-type: none"> • Exceptional items • Foreign exchange rate movements • One-off tax impact of prior period, tax litigation settlement and impact of tax on permanent differences 	<p>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.</p> <p>This provides an indication of the current on-going tax rate across the Group.</p> <p>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.</p> <p>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.</p> <p>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.</p>
Underlying profit/(loss) after tax	Profit/(loss) for the period	<ul style="list-style-type: none"> • Exceptional items 	<p>The Group defines underlying profit/(loss) after tax as profit/(loss) for the period adjusted for exceptional items.</p> <p>The directors view underlying profit/(loss) after tax to be a meaningful measure to analyse the Group's profitability.</p> <p>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.</p>
Earnings per share before exceptional items	EPS	<ul style="list-style-type: none"> • Exceptional items 	<p>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.</p> <p>This measure reflects the earnings per share before exceptional items for each share unit of the company.</p> <p>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.</p>
Operating free cash flow	Cash generated from operating activities	<ul style="list-style-type: none"> • Income tax paid • Changes in working capital • Other non-cash items • Non-operating income • Exceptional items • Capital expenditures 	<p>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.</p>
Net debt and leverage ratio	Borrowings	<ul style="list-style-type: none"> • Lease liabilities • Cash and cash equivalent except held for a particular use • Term deposits with banks • Deposits given against borrowings/ non-derivative financial instruments • Fair value hedges 	<p>The Group defines net debt as borrowings including lease liabilities less cash and cash equivalents except held for a particular use, term deposits with banks, deposits given against borrowings/non-derivative financial instruments, processing costs related to borrowings and fair value hedge adjustments.</p> <p>The Group defines leverage ratio as net debt divided by underlying EBITDA for the preceding 12 months.</p> <p>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.</p>

APM	Closest equivalent IFRS measure	Adjustments to reconcile to IFRS measure	Definition and purpose
Return on capital employed	No direct equivalent	<ul style="list-style-type: none"> Exceptional items to arrive at underlying EBIT 	<p>The Group defines return on capital employed ('ROCE') as underlying EBIT divided by average capital employed.</p> <p>The directors view ROCE as a financial ratio that measures the Group's profitability and the efficiency with which its capital is being utilised.</p> <p>The Group defines underlying EBIT as operating profit/(loss) for the period adjusted for exceptional items.</p> <p>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.</p> <p>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.</p> <p>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).</p>

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.

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.
CBN	Central Bank of Nigeria
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	<p>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</p> <p>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.</p>
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 except held for a particular use, 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