Airtel Africa plc

Results for quarter ended 30 June 2024

25 July 2024

Strong fundamentals and focussed execution continue to support operating performance despite challenging macro-economic environment

Operating highlights

- Total customer base grew by 8.6% to 155.4 million. Data customer penetration continues to rise, driving a 13.4% increase in data customers to 64.4 million. Data usage per customer increased by 25.1% to 6.2 GBs, with smartphone penetration increasing 4.7% to reach 41.7%.
- Mobile money subscriber growth of 14.9% reflects our continued investment into distribution to support increased financial inclusion across our markets. Transaction value increased by 28.7% in constant currency with annualised transaction value of $120bn in reported currency.
- Data ARPU growth of 9.6% and mobile money ARPU growth of 8.8% in constant currency continued to support overall ARPU's which increased 9.3% YoY.
- Customer experience remains core to our strategy with sustained network investment driving increased capacity and coverage. Data capacity across our network has increased by 33% with the rollout of almost 3,000 sites and over 5,600 kms of fibre.
- Launched a comprehensive cost efficiency programme to identify specific cost reduction initiatives across the Group. Steps taken include the optimisation of network utilisation and design, introducing energy saving initiatives to reduce network costs and the renegotiation of key contracts, whilst ensuring future growth ambitions remain protected. We anticipate the full benefit of this programme to accrue over the year ahead.

Financial performance

- Revenue in constant currency grew by 19.0% in Q1'25, driven by 33.4% growth in Nigeria and 22.3% growth in East Africa, respectively. Reported currency revenues declined by 16.1% to $1,156m reflecting the impact of currency devaluation, particularly in Nigeria. Across the Group mobile services revenue grew by 17.4% and Mobile Money revenue grew by 28.4% in constant currency.
- A substantial increase in fuel prices across our markets and the lower contribution of Nigeria to the Group after the naira devaluation contributed to a decline in EBITDA margins to 45.3% from 49.5% in Q1'24 and 46.5% in Q4'24. However, constant currency EBITDA increased 11.3% whilst reported currency EBITDA declined by 23.3% to $523m.
- Profit after tax of $31m was impacted by $80m of exceptional derivative and foreign exchange losses (net of tax), arising from the further depreciation in the Nigerian naira during the quarter.
- The translation impact of currency devaluation on reported currency results was the primary driver of EPS before exceptional items declining from 3.9 cents in the prior period to 2.3 cents. Basic EPS of 0.2 cents compares to negative (4.5 cents) in the prior period, predominantly reflecting the $471m of exceptional derivative and foreign exchange losses in the prior period, compared to $122m in the current period.

Capital allocation

- Capex at $147m was 4.9% higher compared to prior period. Capex guidance for the full year remains between $725m and $750m as we continue to invest for future growth.
- In line with our plan, we now have zero HoldCo debt following the full repayment of the $550m bond in May 2024. In total, 86% of our market debt is now in local currency, having paid down $828m of foreign currency debt over the last year.
- Leverage of 1.6x on 30 June 2024 compares to 1.3x in the prior period. Of the 0.3x increase, 0.2x was due to the decrease in reported currency EBITDA, with the balance due to an increase in lease liabilities.
- The $100m share buyback continues, with 21m shares purchased for a consideration of $29m as at the end of June 2024.

Sustainability strategy

- The Sustainability Report for 2024 was published in June, updating on the Group's progress against its sustainability goals, continued contribution to the UN SDGs and commitment to sustainability which underpins the Group's business strategy.

Sunil Taldar, Chief executive officer, on the trading update:

"The continued revenue growth momentum once again reflects the resilient demand for our services, with sustained growth in our customer base and usage. Our superior execution enables us to capture these opportunities, whilst retaining our reputation as a cost leader across the industry.

Having visited most of our OpCos since I joined Airtel Africa, I am encouraged by the scale of the opportunity available across our markets in both the GSM and mobile money business. A key priority for us is to look for new opportunities to further grow our business especially in the enterprise, fibre and data centre businesses across our footprint in Africa.

We will build on the strong foundation established over many years to deliver on these new business opportunities. Most importantly, our emphasis is on significantly improving customer experience by simplifying customer journeys and providing best in class network experience to our customers, whilst remaining focused on driving efficiencies across the business.

We have initiated a comprehensive cost optimisation programme across the Group. We have already seen success in this project, with savings arising in network and distribution costs, and continued opportunities as contract renegotiations continue. We expect sustainable savings to continue as the year progresses.

A strong capital structure is critical to enabling these ambitions and future proofing our ambitious growth targets. During the quarter, we fully repaid the outstanding debt due at the HoldCo and we remain committed to further reduce foreign currency exposure across the Group to limit the impact of currency devaluation on our business. The growth opportunity across our markets remains compelling and we continue to focus on margin improvement as indicated in our FY'24 results."

GAAP measures (Quarter ended)

Description	Jun-24 $m	Jun-23 $m	Reported currency change
Revenue	1,156	1,377	(16.1%)
Operating profit	335	462	(27.4%)
Profit/(Loss) after tax	31	(151)	120.3%
Basic EPS ($ cents)	0.2	(4.5)	103.9%
Net cash generated from operating activities	414	580	(28.7%)

Alternative performance measures (APM) [1] (Quarter ended)

Description	Jun-24 $m	Jun-23 $m	Reported currency change	Constant currency change
Revenue	1,156	1,377	(16.1%)	19.0%
EBITDA	523	682	(23.3%)	11.3%
EBITDA margin	45.3%	49.5%	(424) bps	(312) bps
EPS before exceptional items ($ cents)	2.3	3.9	(41.4%)	
Operating free cash flow	376	542	(30.6%)	

(1) Alternative performance measures (APM) are described on page 18.

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

Airtel Africa – Investor Relations

Alastair Jones	+44 7464 830 011
Investor.relations@africa.airtel.com	+44 207 493 9315

Hudson Sandler

Nick Lyon	
Emily Dillon	
airtelafrica@hudsonsandler.com	+44 207 796 4133

Conference call

Management will host an analyst and investor conference call at 13:00pm UK time (BST), on Thursday 25th July 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

Key consolidated financial information

Description	Unit of measure	Quarter ended			
		Jun-24	Jun-23	Reported currency change	Constant currency change
Profit and loss summary					
Revenue [1]	**$m**	**1,156**	**1,377**	**(16.1%)**	**19.0%**
Voice revenue	$m	476	621	(23.4%)	9.5%
Data revenue	$m	409	486	(15.8%)	26.4%
Mobile money revenue [2]	$m	222	201	10.1%	28.4%
Other revenue	$m	100	114	(12.6%)	23.0%
Expenses	$m	(641)	(702)	(8.7%)	26.3%
EBITDA [3]	**$m**	**523**	**682**	**(23.3%)**	**11.3%**
EBITDA margin	%	45.3%	49.5%	(424) bps	(312) bps
Depreciation and amortisation	$m	(188)	(220)	(14.6%)	20.4%
Operating profit	**$m**	**335**	**462**	**(27.4%)**	**6.8%**
Other finance cost – net of finance income [4]	$m	(139)	(212)	(34.1%)	
Finance cost – exceptional items [5]	$m	(122)	(471)	(74.2%)	
Total finance cost	$m	(261)	(683)	(61.8%)	
Profit/(Loss) before tax	**$m**	**74**	**(221)**	**133.6%**	
Tax	$m	(85)	(84)	1.5%	
Tax - exceptional items [5]	$m	42	154	(72.5%)	
Total tax (charge)/credit	$m	(43)	70	162.1%	
Profit/(Loss) after tax	**$m**	**31**	**(151)**	**120.3%**	
Non-controlling interest	$m	(24)	(19)	26.1%	
Profit attributable to owners of the company – before exceptional items	$m	87	147	(41.3%)	
Profit/(Loss) attributable to owners of the company	**$m**	**7**	**(170)**	**103.9%**	
EPS – before exceptional items	Cents	2.3	3.9	(41.4%)	
Basic EPS	Cents	0.2	(4.5)	103.9%	
Weighted average number of shares	million	3,737	3,751	(0.4%)	
Capex	$m	147	140	4.9%	
Operating free cash flow	$m	376	542	(30.6%)	
Net cash generated from operating activities	$m	414	580	(28.7%)	
Net debt	$m	3,728	3,321		
Leverage (net debt to EBITDA)	Times	1.6x	1.3x		
Return on capital employed	%	22.9%	23.7%	(82) bps	
Operating KPIs					
ARPU	$	2.5	3.2	(22.9%)	9.3%
Total customer base	million	155.4	143.1	8.6%	
Data customer base	million	64.4	56.8	13.4%	
Mobile money customer base	million	39.5	34.3	14.9%	

(1) Revenue includes inter-segment eliminations of $51m for the quarter ended 30 June 2024 and $45m for the prior period.

(2) Mobile money revenue post inter-segment eliminations with mobile services were $171m for the quarter ended 30 June 2024, and $156m for the prior period.

(3) EBITDA includes other income of $8m for the quarter ended 30 June 2024 and $7m for the prior period.

(4) Other finance cost – net of finance income of $139m for the quarter ended 30 June 2024 and $212m in the prior period includes derivative and foreign exchange losses of $14m and $99m in the respective periods which have not been treated as exceptional items. Excluding these losses, other finance cost – net of finance income was $125m for the quarter ended 30 June 2024 and $113m for the prior period.

(5) Finance cost - exceptional items of $122m for the quarter ended 30 June 2024 and $471m for the prior period relates to derivative and foreign exchange losses following the devaluation of the Nigerian naira, which resulted in an exceptional tax gain of $42m and $154m, respectively. As a result, there was a $80m negative impact on profit after tax in quarter ended 30 June 2024 and $317m in the prior period.

Financial review for the quarter ended 30 June 2024

Revenue

Group revenue in reported currency declined by 16.1% to $1,156m, with constant currency growth of 19.0%. Group mobile services revenue grew by 17.4% in constant currency, with voice revenue growth of 9.5% and data revenues increasing by 26.4% over the period. In Nigeria, constant currency mobile services revenues increased by 33.2%, whilst East Africa saw 19.7% growth and Francophone Africa increased by 3.6%. Mobile money revenue grew by 28.4% in constant currency, primarily driven by continued strong growth in East Africa.

Reported currency revenue growth was particularly impacted by significant currency devaluations in Nigeria, Malawi, Zambia and Tanzania. In particular, the naira devalued from a weighted average NGN/USD rate of 503 in the prior period to NGN/USD 1,384 in the current period.

EBITDA

Reported currency EBITDA declined by 23.3% to $523m reflecting the impact of currency devaluation over the period, particularly in Nigeria. In constant currency, EBITDA increased by 11.3% with EBITDA margins of 45.3%, a decline of 424bps in reported currency. The lower contribution of Nigeria following the significant naira depreciation and a significant increase in fuel prices (mainly in Nigeria by over 70%), were the primary drivers of the margin decline over the period. Mobile services EBITDA increased 7.7% in constant currency with EBITDA margin at 44.4%, whilst mobile money EBITDA margins of 53.5%, increased 223bps in constant currency, supporting growth of 34.0%.

Finance costs

Total finance costs for the quarter ended 30 June 2024 was $261m, primarily impacted by $136m of derivative and foreign exchange losses (reflecting the revaluation of US dollar balance sheet liabilities and derivatives following currency devaluation), of which $122m was classified as exceptional following the naira devaluation[1]. Finance costs excluding exceptional items and derivative and foreign exchange losses increased from $113m to $125m in the current period primarily on account of shift of foreign currency debt to local currency debt in the operating entities carrying a higher average interest rate and higher interest on lease liabilities.

Profit/(Loss) before tax

Profit before tax at $74m during the quarter ended 30 June 2024 was largely impacted by the $136m derivative and foreign exchange losses as discussed above and lower EBITDA due to significant currency devaluation across key markets.

Taxation

Total tax charges were $43m as compared to a $70m credit in the prior period. Total tax charges in the current period reflected an exceptional gain of $42m and $154m in the prior period following the Nigerian naira devaluation. Tax charges excluding exceptional items were $85m compared to $84m in the prior period.

Tax charge of $43m during the quarter ended 30 June 2024, on a profit before tax of $74m was largely due to profit mix between various OpCo's and withholding taxes.

Profit/(Loss) after tax

Profit after tax of $31m during the quarter ended 30 June 2024 was primarily impacted by the $80m of exceptional derivative and foreign exchange losses (net of tax) and lower EBITDA due to significant currency devaluation across key markets.

[1] *For future sensitivity on currency devaluation, refer to the Risk section on page 16*

Basic EPS

Basic EPS at 0.2 cents during the quarter ended 30 June 2024 was impacted by the exceptional derivative and foreign exchange losses as explained above. EPS before exceptional items and derivative and foreign exchange losses for the quarter ended 30 June 2024 was 2.6 cents as compared to 5.9 cents in the prior period, reflecting the impact of significant currency devaluation across key markets on EBITDA.

Leverage

Leverage increased from 1.3x in the prior period to 1.6x as on 30 June 2024. Of the 0.3x increase, 0.2x was due to the decrease in reported currency EBITDA following the naira devaluation, with the remaining increase due to an increase in lease liabilities. In May 2024, we fully repaid the remaining $550m debt due at the HoldCo level. As of 30 June 2024, 86% of our OpCo debt is in local currency compared to 68% a year ago.

GAAP measures

Revenue

Reported revenue of $1,156m, declined by 16.1% in reported currency, and grew by 19.0% in constant currency driven by both customer base growth of 8.6% and ARPU growth of 9.3%. The gap between constant currency and reported currency revenue growth was due to the average currency devaluations between the periods, mainly in the Nigerian naira, the Malawian kwacha, the Zambian kwacha, and the Tanzanian shilling partially offset by an appreciation in the Kenya shilling.

Reported mobile services revenue at $986m, declined 19.4%, and grew by 17.4% in constant currency. Mobile money revenue grew by 10.1% in reported currency. In constant currency, mobile money revenue grew by 28.4%, driven by revenue growth in East Africa of 31.7% and Francophone Africa of 18.4%.

Operating profit

Operating profit in reported currency declined by 27.4% to $335m as currency headwinds offset the 6.8% growth of operating profit in constant currency.

Total finance costs

Total finance costs of $261m for the quarter ended 30 June 2024, was lower by $422m over the prior period. Current and prior period finance costs were primarily impacted by $122m and $471m of exceptional derivative and foreign exchange losses respectively, following the significant currency devaluation in Nigeria. Excluding exceptional items, finance cost was lower by $73m primarily on account of lower derivative and foreign exchange losses, partially offset by higher interest on market debt due to the ongoing shift of foreign currency debt to local currency debt in the operating entities carrying a higher average interest rate, and higher interest on lease liabilities.

The Group's effective interest rate increased to 12.7% compared to 8.5% in the prior period, largely driven by higher local currency debt at the OpCo level, in line with our strategy of localising debt at OpCo, and the repayment of $550m of HoldCo debt which carried a lower than average interest rate.

Taxation

Total tax charges of $43m as compared to credit of $70m in the prior period. Total tax charges in the current period reflected an exceptional gain of $42m and $154m in the prior period on account of the Nigerian naira devaluation. Tax charges excluding exceptional items were $85m compared to $84m in the prior period.

Basic EPS

Basic EPS at 0.2 cents during the quarter ended 30 June 2024 was impacted by the derivative and foreign exchange losses as explained above.

Net cash generated from operating activities

Net cash generated from operating activities was $414m, lower by 28.7% as compared to $580m in the prior period.

Alternative performance measures[2]

EBITDA

EBITDA of $523m, declined by 23.3% in reported currency, and increased by 11.3% in constant currency. Growth in constant currency EBITDA was led by revenue growth and supported by continued improvement in operating efficiencies offset by the impact that inflationary cost pressures in a number of markets. The EBITDA margin declined by 424 basis points in reported currency to 45.3% reflecting the impact of lower contribution of Nigeria post significant naira devaluation and inflationary cost pressures.

The gap between constant currency and reported currency EBITDA growth was due to the currency devaluations between the periods, mainly in the Nigerian naira, the Malawian kwacha, the Zambian kwacha, and the Tanzanian shilling partially offset by an appreciation in the Kenyan shilling.

Tax

The effective tax rate was 39.4%, compared to 39.2% in the prior period. The effective tax rate is higher than the weighted average statutory corporate tax rate of approximately 32%, largely due to the profit mix between various OpCos and withholding taxes on dividends by subsidiaries.

Exceptional items

The exceptional item of $122m in the current period and $471m in the prior period relates to derivative and foreign exchange losses following the devaluation of the Nigerian naira. These losses resulted in an exceptional tax gain of $42m and $154m respectively.

EPS before exceptional items

EPS before exceptional items of 2.3 cents as compared to 3.9 cents in the prior period was primarily impacted by the significant currency headwinds impacting reported currency results. EPS before exceptional items and derivative and foreign exchange losses was 2.6 cents compared to 5.9 cents in the prior period.

Operating free cash flow

Operating free cash flow was $376m, lower by 30.6%, as a result of lower EBITDA and higher capex in current period.

Other significant updates

Repayment of remaining $550m bond achieving a zero-debt position at HoldCo

On 20 May 2024, the Company announced that it has repaid in full the 5.35% Guaranteed Senior Notes maturing in May 2024. This bond repayment of $550m was made exclusively out of the cash reserves at the HoldCo and is a continuation of its strategy to reduce external foreign currency debt.

At the time of the IPO in June 2019, the Group had $2,719m of external debt at HoldCo which resulted in significant exposure to currency fluctuations and the reliance on upstreaming funds to cover both interest costs and the principal repayment. Through a consistent execution of its strategy supporting strong free cash flow generation, and continued upstreaming success, the Group has been reducing Holdco debt over the past few years and has now reached the significant milestone of a zero-debt position at HoldCo.

The current leverage and capital structure is a reflection of the Group's successful capital allocation strategy that has been in place since our IPO, and it will aim to continue reducing foreign currency debt obligations across its OpCo's.

[2] *Alternative performance measures (APM) are described on page 18.*

Update on share buy-back programme

On 1 February 2024, the Company announced that in light of the increase in HoldCo cash, current leverage and the consistent strong operating cash generation, the Board intended to launch a share buy-back programme of up to $100m, over a 12-month period.

On 1 March 2024, Airtel Africa plc announced the commencement of its share buyback programme. As at the end of June 2024, the Company has purchased 21 million shares for a total consideration of $29m.

Directorate changes

On 9 May 2024, Airtel Africa plc announced the appointment of Paul Arkwright, CMG, as an independent non-executive director of the Company, with immediate effect.

On 3 July 2024, following the conclusion of the AGM, John Danilovich retired as an independent non-executive director of Airtel Africa plc.

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 has been appointed to the Board as an Executive Director and has assumed the role of CEO on 1 July 2024, at which time Segun retired from the Board and the Company. Following his retirement from Airtel Africa, Segun will be available to advise the Chairman, the Airtel Africa Board and Chief Executive Officer for a 12-month period and appointed as Airtel Africa Charitable Foundation's inaugural Chair.

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. Likewise, customers that have submitted their NINs, but remain unverified are to be barred by 31 July 2024 (earlier deadline was 15 April 2024). Furthermore, guidelines were issued whereby no customer can have more than 4 active SIMs and all such excess SIMs must be barred by 29 March 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 has complied with the directives issued and barred all customers without NINs as well as customers with more than 4 active SIMs which had a very negligible impact on revenue. Since the directive was issued in December 2023, 8.7m customers have already been verified. Currently we are engaging with approximately 4.9m customers whose NINs are yet to be verified, with approximately $3m-$4m of monthly revenue at risk. 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.

Chad License Renewal

In July 2024, Airtel Tchad S.A ("Airtel Tchad"), a subsidiary of the Group was issued with a National Telecom Operator licence for 2G/3G and 4G network. This licence renewal is with effect from April 2024 and is for a period of 10 years for a gross consideration of CFA54bn (approximately $90m).

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 the quarter ended 30 June 2024

Nigeria – Mobile services

Description	Unit of measure	Quarter ended			
		Jun-24	Jun-23	Reported currency change	Constant currency change
Summarised statement of operations					
Revenue	**$m**	**256**	**528**	**(51.6%)**	**33.2%**
Voice revenue [1]	$m	112	254	(55.8%)	21.6%
Data revenue	$m	117	228	(48.6%)	41.3%
Other revenue [2]	$m	27	46	(42.8%)	56.9%
EBITDA	**$m**	**123**	**284**	**(56.5%)**	**19.3%**
EBITDA margin	%	48.2%	53.7%	(549) bps	(565) bps
Depreciation and amortisation	$m	(49)	(90)	(45.9%)	46.5%
Operating profit	**$m**	**83**	**182**	**(54.2%)**	**29.5%**
Capex	$m	38	47	(19.6%)	(19.6%)
Operating free cash flow	$m	85	237	(63.9%)	48.7%
Operating KPIs					
Total customer base	million	50.4	48.2	4.6%	
Data customer base	million	26.3	23.7	11.2%	
Mobile services ARPU	$	1.7	3.6	(53.7%)	27.4%

(1) Voice revenue includes inter-segment revenue of $0.3m in the quarter ended 30 June 2024 and in the prior period. Excluding inter-segment revenue, voice revenue was $112m in quarter ended 30 June 2024 and $254m in the prior period.

(2) Other revenue includes inter-segment revenue of $0.5m in the quarter ended 30 June 2024 and in the prior period. Excluding inter-segment revenue, other revenue was $26m in quarter ended 30 June 2024 and $46m in the prior period.

Revenue grew by 33.2% in constant currency, largely driven by continued strength in the demand for data services across the country. In reported currency, revenues declined by 51.6% to $256m on account of the significant devaluation of the Nigerian naira. The constant currency revenue growth was driven by both customer base growth of 4.6% and ARPU growth of 27.4%. Customer base growth was negatively impacted by barring of customers pursuant to KYC directives by the regulator in Q4'24.

Voice revenue grew by 21.6% in constant currency, driven by both customer base growth of 4.6% and voice ARPU growth of 16.3%.

Data revenue grew by 41.3% in constant currency, as a function of both data customer and data ARPU growth of 11.2% and 25.2%, respectively. Data usage per customer increased by 28.6% to 7.3 GB per month (from 5.7 GB in the prior period). Our continued 4G network rollout has resulted in nearly 100% of all our sites delivering 4G services.

Other revenues grew by 56.9% in constant currency, contributed by growth in messaging and value-added services coupled with 47.5% growth in leased line revenue.

EBITDA of $123m declined by 56.5% in reported currency but increased by 19.3% in constant currency. The EBITDA margin declined by 549 basis points to 48.2% reflecting the continued inflationary pressures across the business, particularly from the increase in diesel prices. Average diesel prices in Nigeria increased by over 70% compared to the prior period.

Operating free cash flow was $85m, up by 48.7% in constant currency, largely due to the EBITDA growth while in reported currency, operating free cash flow declined by 63.9% due to lower EBITDA on account of significant naira devaluation.

East Africa – Mobile services[1]

Description	Unit of measure	Quarter ended			
		Jun-24	Jun-23	Reported currency change	Constant currency change
Summarised statement of operations					
Revenue	**$m**	**423**	**397**	**6.5%**	**19.7%**
Voice revenue [2]	$m	210	212	(0.6%)	12.4%
Data revenue	$m	170	151	12.3%	25.7%
Other revenue [3]	$m	43	34	23.5%	38.2%
EBITDA	**$m**	**198**	**195**	**1.3%**	**14.5%**
EBITDA margin	%	46.7%	49.1%	(240) bps	(215) bps
Depreciation and amortisation	$m	(76)	(74)	3.7%	12.4%
Operating profit	**$m**	**108**	**111**	**(3.0%)**	**13.7%**
Capex	$m	77	54	43.3%	43.3%
Operating free cash flow	$m	121	141	(14.6%)	1.3%
Operating KPIs					
Total customer base	million	72.0	65.0	10.8%	
Data customer base	million	27.4	23.9	14.6%	
Mobile services ARPU	$	2.0	2.1	(4.2%)	7.7%

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

(2) *Voice revenue includes inter-segment revenue of $0.1m in the quarter ended 30 June 2024 and $0.2m in the prior period. Excluding inter-segment revenue, voice revenue was $210m in quarter ended 30 June 2024 and $211m in the prior period.*

(3) *Other revenue includes inter-segment revenue of $3m in the quarter ended 30 June 2024 and $2m in the prior period. Excluding inter-segment revenue, other revenue was $40m in quarter ended 30 June 2024 and $32m in the prior period.*

East Africa revenue grew by 6.5% in reported currency to $423m, and by 19.7% in constant currency. The constant currency growth was made up of voice revenue growth of 12.4%, data revenue growth of 25.7% and other revenue growth of 38.2%.

Voice revenues were supported by both customer base growth of 10.8% and voice ARPU growth of 1.2%. The customer base growth was largely driven by expansion of both increased network coverage and the increasing scale of the distribution network. Voice ARPU's were impacted by the interconnect rate reduction in Kenya, Tanzania and Rwanda.

Data customer base growth of 14.6% and data ARPU growth of 7.1% drove the strong performance in data revenues. Our continued investment in the network and expansion of 4G network infrastructure resulted in 97.6% of our East Africa network sites on 4G, compared to 90.4% in the prior period. Furthermore, 871 sites are 5G enabled in four markets. In Q1'25, total data usage per customer increased to 5.5 GB per customer per month, up by 22.2%.

EBITDA increased to $198m, up by 1.3% in reported currency and up by 14.5% in constant currency. EBITDA margin at 46.7%, declined by 240 basis points as a result of rising fuel prices in several of our key markets.

Operating free cash flow was $121m, up by 1.3% in constant currency, due largely to EBITDA growth, partially offset by increased capex.

The differential in growth rates (between constant currency and reported currency) is primarily contributed by the devaluation in the Zambian kwacha, the Malawian kwacha, and the Tanzanian shilling, partially offset by the Kenyan shilling appreciation.

Francophone Africa – Mobile services[1]

Description	Unit of measure	Quarter ended			
		Jun-24	Jun-23	Reported currency change	Constant currency change
Summarised statement of operations					
Revenue	**$m**	**307**	**299**	**2.9%**	**3.6%**
Voice revenue [2]	$m	154	158	(2.4%)	(1.7%)
Data revenue	$m	122	107	14.3%	15.2%
Other revenue [3]	$m	31	34	(9.0%)	(8.5%)
EBITDA	**$m**	**114**	**131**	**(12.7%)**	**(12.2%)**
EBITDA margin	%	37.1%	43.8%	(666) bps	(666) bps
Depreciation and amortisation	$m	(55)	(50)	10.2%	11.0%
Operating profit	**$m**	**46**	**69**	**(33.6%)**	**(33.2%)**
Capex	$m	23	31	(25.1%)	(25.1%)
Operating free cash flow	$m	91	100	(8.9%)	(8.1%)
Operating KPIs					
Total customer base	million	32.9	29.8	10.3%	
Data customer base	million	10.7	9.2	16.0%	
Mobile services ARPU	$	3.1	3.4	(7.4%)	(6.8%)

(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 $1m in the quarter ended 30 June 2023. Excluding inter-segment revenue, voice revenue was $157m in the quarter ended 30 June 2023.

(3) Other revenue includes inter-segment revenue of $1m in the quarter ended 30 June 2024 and in the prior period. Excluding inter-segment revenue, other revenue was $30m in quarter ended 30 June 2024 and $33m in the prior period.

Revenue grew by 2.9% in reported currency and by 3.6% in constant currency. Slowdown in revenue growth is mainly due to high inflation in key markets impacting consumer spend, although customer growth remained robust across the region.

Voice revenue declined by 1.7% in constant currency, as customer base growth of 10.3% was more than offset by a decline in voice ARPU. Voice ARPU was negatively impacted by an interconnect rate reduction in Congo B and Niger while the customer base growth was supported by the expansion of both network coverage and distribution infrastructure.

Data revenue grew by 15.2% in constant currency, supported by customer base growth of 16.0%. Our continued 4G network rollout resulted in an increase in total data usage of 44.4% and per customer data usage increase of 23.2%. Data usage per customer increased to 4.8 GB per month (up from 3.9 GB in the prior period).

EBITDA at $114m, declined by 12.7% and 12.2% in reported and constant currency, respectively. The EBITDA margin declined to 37.1%, a decline of 666 basis points, impacted by an increase in fixed frequency fees in a key market, rising energy costs combined with a slowdown in revenue growth in key markets.

Operating free cash flow was $91m, declined by 8.1% in constant currency, due to the decline in EBITDA, partially offset by lower capex.

Mobile services

Description	Unit of measure	Quarter ended			
		Jun-24	Jun-23	Reported currency change	Constant currency change
Summarised statement of operations					
Revenue [1]	**$m**	**986**	**1,223**	**(19.4%)**	**17.4%**
Voice revenue	$m	476	621	(23.4%)	9.5%
Data revenue	$m	409	486	(15.8%)	26.4%
Other revenue	$m	101	116	(12.4%)	23.1%
EBITDA	**$m**	**438**	**610**	**(28.2%)**	**7.7%**
EBITDA margin	%	44.4%	49.9%	(547) bps	(399) bps
Depreciation and amortisation	$m	(180)	(214)	(15.6%)	19.8%
Operating profit	**$m**	**240**	**363**	**(33.8%)**	**5.1%**
Capex	$m	138	132	4.6%	4.6%
Operating free cash flow	$m	300	478	(37.3%)	9.2%
Operating KPIs					
Mobile voice					
Customer base	million	155.4	143.1	8.6%	
Voice ARPU	$	1.0	1.5	(29.7%)	0.6%
Mobile data					
Data customer base	million	64.4	56.8	13.4%	
Data ARPU	$	2.1	2.9	(27.0%)	9.6%

[1] Mobile service revenue after inter-segment eliminations was $985m in the quarter ended 30 June 2024 and $1,221m in the prior period.

Overall revenue from mobile services declined by 19.4% in reported currency with growth of 17.4% in constant currency. The constant currency growth was evident across all regions and services. Mobile services revenue grew in Nigeria by 33.2%, in East Africa by 19.7% and in Francophone Africa by 3.6%, respectively.

Voice revenue grew by 9.5% in constant currency, was supported primarily by the continued growth in the customer base as we continue to invest in our network and enhance our distribution infrastructure. The voice ARPU growth of 0.6% was supported by an increase in voice usage per customer of 3.0%, reaching 290 minutes per customer per month, with total minutes on the network increasing by 12.2%.

Data revenue grew by 26.4% in constant currency, driven by both customer base growth of 13.4% and data ARPU growth of 9.6%. The customer base growth was recorded across all the regions supported by the expansion of our 4G network. 95.8% of our total sites are now on 4G, compared with 90.6% in the prior period. 5G is operational across five countries, with 1,106 sites deployed. Data usage per customer increased to 6.2 GB per customer per month (from 4.9 GB in the prior period). Data revenue contributed to 41.5% of total mobile services revenue, up from 39.7% in the prior period.

EBITDA was $438m, down 28.2% in reported currency, and up by 7.7% in constant currency. The EBITDA margin declined by 547 basis points to 44.4%, a decline of 399 basis points in constant currency, due largely to higher inflationary pressures on the cost base.

Operating free cash flow was $300m, up by 9.2% in constant currency, due to the increased EBITDA, partially offset by higher capex.

Mobile money

Description	Unit of measure	Quarter ended			
		Jun-24	Jun-23	Reported currency change	Constant currency change
Summarised statement of operations					
Revenue [1]	**$m**	**222**	**201**	**10.1%**	**28.4%**
Nigeria	$m	1	0	-	-
East Africa	$m	167	155	7.7%	31.7%
Francophone Africa	$m	54	46	17.8%	18.4%
EBITDA	**$m**	**118**	**103**	**15.0%**	**34.0%**
EBITDA margin	%	53.5%	51.2%	229 bps	223 bps
Depreciation and amortisation	$m	(5)	(5)	0.6%	23.9%
Operating profit	**$m**	**111**	**95**	**16.8%**	**35.4%**
Capex	$m	4	4	17.0%	17.0%
Operating free cash flow	$m	114	99	15.0%	34.7%
Operating KPIs					
Mobile money customer base	million	39.5	34.3	14.9%	
Transaction value	$bn	30.0	26.8	12.0%	28.7%
Mobile money ARPU	$	1.9	2.0	(6.7%)	8.8%

[1] Mobile money service revenue post inter-segment eliminations with mobile services was $171m in the quarter ended 30 June 2024 and $156m in the prior year.

Mobile money revenue grew by 10.1% in reported currency, with constant currency growth of 28.4%. The constant currency mobile money revenue growth was driven by revenue growth in both East Africa and Francophone Africa of 31.7% and 18.4%, respectively. In Nigeria, we continue to focus on customer acquisitions with 1 million of active customers registered for mobile money services at the end of June 2024. Additionally, we added almost 125,000 agents during the year reaching over 192,000 agents as of 30 June 2024.

The constant currency revenue growth of 28.4% was driven by both our customer base growth of 14.9% and mobile money ARPU growth of 8.8%. The expansion of our distribution network, particularly our exclusive channels of Airtel Money branches and kiosks, supported customer base growth of 14.9%. The mobile money ARPU growth of 8.8% was driven by transaction value per customer growth of 9.0% in constant currency, to $258 per customer per month.

Annualised transaction value amounted to over $120bn in reported currency, with mobile money revenue contributing 19.2% of total Group revenue during the quarter ended 30 June 2024 as compared to 14.6% in the prior period.

EBITDA was $118m, up by 15.0% and 34.0% in reported and constant currency, respectively. The EBITDA margin reached 53.5%, an improvement of 223 basis points in constant currency and 229 basis points in reported currency, driven by continued operating leverage.

The differential in growth rates (between constant currency and reported currency) is primarily as the result of devaluation in the Zambian kwacha, the Malawi kwacha, and the Tanzanian shilling.

Regional performance

Nigeria

Description	Unit of measure	Quarter ended			
		Jun-24	Jun-23	Reported currency change	Constant currency change
Revenue	**$m**	**256**	**528**	**(51.5%)**	**33.4%**
Voice revenue	$m	112	254	(55.8%)	21.6%
Data revenue	$m	117	228	(48.6%)	41.3%
Mobile money revenue	$m	1	0	-	-
Other revenue	$m	26	46	(43.4%)	57.0%
EBITDA	**$m**	**123**	**281**	**(56.4%)**	**19.6%**
EBITDA margin	%	47.8%	53.2%	(536) bps	(551) bps
Operating KPIs					
ARPU	$	1.7	3.6	(53.7%)	27.6%

East Africa

Description	Unit of measure	Quarter ended			
		Jun-24	Jun-23	Reported currency change	Constant currency change
Revenue	**$m**	**554**	**519**	**6.6%**	**22.3%**
Voice revenue	$m	210	212	(0.6%)	12.4%
Data revenue	$m	170	151	12.3%	25.7%
Mobile money revenue	$m	167	155	7.7%	31.7%
Other revenue	$m	41	33	23.0%	38.4%
EBITDA	**$m**	**289**	**279**	**3.6%**	**20.3%**
EBITDA margin	%	52.2%	53.7%	(149) bps	(89) bps
Operating KPIs					
ARPU	$	2.6	2.7	(4.1%)	10.1%

Francophone Africa

Description	Unit of measure	Quarter ended			
		Jun-24	Jun-23	Reported currency change	Constant currency change
Revenue	**$m**	**345**	**330**	**4.5%**	**5.2%**
Voice revenue	$m	154	158	(2.4%)	(1.7%)
Data revenue	$m	122	107	14.3%	15.2%
Mobile money revenue	$m	54	46	17.8%	18.4%
Other revenue	$m	30	33	(9.3%)	(8.8%)
EBITDA	**$m**	**144**	**155**	**(7.2%)**	**(6.6%)**
EBITDA margin	%	41.8%	47.0%	(527) bps	(528) bps
Operating KPIs					
ARPU	$	3.5	3.8	(6.0%)	(5.4%)

Consolidated performance

Description	UoM	Quarter ended- June 2024					Quarter ended- June 2023				
		Mobile services	Mobile money	Unallocated	Eliminations	Total	Mobile services	Mobile money	Unallocated	Eliminations	Total
Revenue	**$m**	**986**	**222**	**-**	**(52)**	**1,156**	**1,223**	**201**	**-**	**(47)**	**1,377**
Voice revenue	$m	476		-	-	476	621		-	-	621
Data revenue	$m	409		-	-	409	486		-	-	486
Other revenue	$m	101		-	(1)	100	116		-	(2)	114
EBITDA	**$m**	**438**	**118**	**(33)**	**-**	**523**	**610**	**103**	**(31)**	**-**	**682**
EBITDA margin	%	44.4%	53.5%			45.3%	49.9%	51.2%			49.5%
Depreciation and amortisation	$m	(180)	(5)	(3)	-	(188)	(214)	(5)	(1)	-	(220)
Operating profit	**$m**	**240**	**111**	**(16)**	**-**	**335**	**363**	**95**	**4**	**-**	**462**

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

The Group continually monitors its external and internal environment to identify risks which have the ability to impact its operations or the achievement of its objectives.

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. Global geopolitical and regional tensions have the potential to impact our business directly and indirectly due to the interconnectedness of the global supply chain. Relatedly, adverse macroeconomic conditions such as rising inflation and increased cost of living not only puts pressure on the disposable income of our customers but also increases the cost of inputs for our business negatively impacting sales and profitability.
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 ability to provide quality of service to our customers and meet quality of service (QoS) requirements depends on the robustness and resilience of our technology stack and ecosystem encompassing hardware, software, products, services, and applications and our ability to respond appropriately to any disruptions. However, 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. 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 includes the recent impact of the naira devaluation.

With respect to currency devaluation sensitivity going forward, on a 12-month basis assuming that the USD appreciation occurs at the beginning of the period, a further 1% USD appreciation across all currencies in our OpCos would have a negative impact of $43m - $45m on revenues, $20m - $21m on EBITDA and $19m - $21m on foreign exchange loss (excluding derivatives). Our largest exposure is to the Nigerian naira, for which on a similar basis, a further 1% USD appreciation would have a negative impact of $9m - $10m on revenues, $4m - $5m on EBITDA and $8m - $9m on foreign exchange loss (excluding derivatives).

This does not represent any guidance and is being used solely to illustrate the potential impact of further currency devaluation on the Group for the purpose of exchange rate risk management. The accounting under IFRS is based on exchange rates in line with the requirements of IAS 21 'The Effect of Changes in Foreign Exchange' and does not factor in the 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 2023/24.

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	• Depreciation and amortisation	The Group defines EBITDA as operating profit/(loss) for the period before depreciation and amortisation. The Group defines EBITDA margin as EBITDA divided by revenue. EBITDA and margin are measures used by the directors to assess the trading performance of the business and are therefore the measure of segment profit that the Group presents under IFRS. EBITDA and margin are also presented on a consolidated basis because the directors believe it is important to consider profitability on a basis consistent with that of the Group's operating segments. When presented on a consolidated basis, EBITDA and margin are APMs. Depreciation and amortisation is a non-cash item which fluctuates depending on the timing of capital investment and useful economic life. Directors believe that a measure which removes this volatility improves comparability of the Group's results period on period and hence is adjusted to arrive at EBITDA and margin.
Underlying profit / (loss) before tax	Profit / (loss) before tax	• Exceptional items	The Group defines underlying profit/(loss) before tax as profit/(loss) before tax adjusted for exceptional items. The directors view underlying profit/(loss) before tax to be a meaningful measure to analyse the Group's profitability.

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

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

Some of the Group's IFRS measures and APMs are translated at constant currency exchange rates to measure the organic performance of the Group. In determining the percentage change in constant currency terms, both current and previous financial reporting period's results have been converted using exchange rates prevailing as on 31 March 2024 for all countries. 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 2024 and are not intended to represent the wider impact that currency changes have on the business.

Statement of Director's Responsibilities

We confirm that to the best of our knowledge:

a) The financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole.

b) The management report includes a fair review of the development and performance of the business and the position of the company, and the undertakings included in the consolidation taken as a whole, together with a summary description of the principal risks and uncertainties that they face.

c) The financial statements include disclosure of related parties' transactions that have taken place during the year and that have materially affected the financial position or performance of the company.

This responsibility statement was approved by the board of directors on 24 July 2024 and is signed on its behalf by:

Sunil Taldar
Chief Executive Officer
24 July 2024

Glossary

Technical and Industry Terms

4G data customer	A customer having a 4G handset and who has used at least 1 MB on any of the Group's GPRS, 3G and 4G network in the last 30 days.
Airtel Money (mobile money)	Airtel Money is the brand name for Airtel Africa's mobile money products and services. The term is used interchangeably with 'mobile money' when referring to our mobile money business, finance, operations and activities.
Airtel Money ARPU	Mobile money average revenue per user per month. This is derived by dividing total mobile money revenue during the relevant period by the average number of active mobile money customers and dividing the result by the number of months in the relevant period.
Airtel Money customer base	Total number of active subscribers who have enacted any mobile money usage event in last 30 days.
Airtel Money customer penetration	The proportion of total Airtel Africa active mobile customers who use mobile money services. Calculated by dividing the mobile money customer base by the Group's total customer base.
Airtel Money transaction value	Any financial transaction performed on Airtel Africa's mobile money platform.
Airtel Money transaction value per customer per month	Calculated by dividing the total mobile money transaction value on the Group's mobile money platform during the relevant period by the average number of active mobile money customers and dividing the result by the number of months in the relevant period.
Airtime credit service	A value-added service where the customer can take an airtime credit and continue to use our voice and data services, with the credit recovered through subsequent customer recharge. This is classified as a Mobile Services product (not a Mobile Money product).
ARPU	Average revenue per user per month. This is derived by dividing total revenue during the relevant period by the average number of customers during the period and dividing the result by the number of months in the relevant period.
Average customers	The average number of active customers for a period. Derived from the monthly averages during the relevant period. Monthly averages are calculated using the number of active customers at the beginning and the end of each month.
Capital expenditure	An alternative performance measure (non-GAAP). Defined as investment in gross fixed assets (both tangible and intangible but excluding spectrum and licences) plus capital work in progress (CWIP), excluding provisions on CWIP for the period.
Constant currency	The Group has presented certain financial information that is calculated by translating the results at a fixed 'constant currency' exchange rate, which is done to measure the organic performance of the Group and represents the performance of the business in a better way. Constant currency amounts and growth rates are calculated using closing exchange rates as of 31 March 2024 for all reporting regions and service segments.
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 usage charges (IUC)	Interconnect usage charges are the charges paid to the telecom operator on whose network a call is terminated.
Lease liability	Lease liability represents the present value of future lease payment obligations.
Leverage	An alternative performance measure (non-GAAP). Leverage (or leverage ratio) is calculated by dividing net debt at the end of the relevant period by the EBITDA for the preceding 12 months.
Minutes of usage	Minutes of usage refer to the duration in minutes for which customers use the Group's network for making and receiving voice calls. It includes all incoming and outgoing call minutes, including roaming calls.
Mobile services	Mobile services are our core telecom services, mainly voice and data services, but also including revenue from tower operation services provided by the Group and excluding mobile money services.
Net debt	An alternative performance measure (non-GAAP). The Group defines net debt as borrowings including lease liabilities less cash and cash equivalents, term deposits with banks, processing costs related to borrowings and fair value hedge adjustments.
Net debt to EBITDA (LTM)	An alternative performance measure (non-GAAP) Calculated by dividing net debt as at the end of the relevant period by EBITDA for the preceding 12 months (from the end of the relevant period). This is also referred to as the leverage ratio.
Network towers or 'sites'	Physical network infrastructure comprising a base transmission system (BTS) which holds the radio transceivers (TRXs) that define a cell and coordinates the radio link protocols with the mobile device. It includes all ground-based, roof top and in-building solutions.
Operating company (OpCo)	Operating company (or OpCo) is a defined corporate business unit, providing telecoms services and mobile money services in the Group's footprint.
Operating free cash flow	An alternative performance measure (non-GAAP). Calculated by subtracting capital expenditure from EBITDA.
Operating leverage	An alternative performance measure (non-GAAP). Operating leverage is a measure of the operating efficiency of the business. It is calculated by dividing operating expenditure (excluding regulatory charges) by total revenue.
Operating profit	Operating profit is a GAAP measure of profitability. Calculated as revenue less operating expenditure (including depreciation and amortisation and operating exceptional items).
Other revenue	Other revenue includes revenues from messaging, value added services (VAS), enterprise, site sharing and handset sale revenue.
Reported currency	Our reported currency is US dollars. Accordingly, actual periodic exchange rates are used to translate the local currency financial statements of OpCos into US dollars. Under reported currency the assets and liabilities are translated into US dollars at the exchange rates prevailing at the reporting date whereas the statements of profit and loss are translated into US dollars at monthly average exchange rates.
Smartphone	A smartphone is defined as a mobile phone with an interactive touch screen that allows the user to access the internet and additional data applications, providing additional functionality to that of a basic feature phone which is used only for making voice calls and sending and receiving text messages.
Smartphone penetration	Calculated by dividing the number of smartphone devices in use by the total number of customers.
Total MBs on network	Includes total MBs consumed (uploaded and downloaded) on the network during the relevant period.
EBIT	Defined as operating profit/(loss) for the period adjusted for exceptional items.
EBITDA	An alternative performance measure (non-GAAP). Defined as operating profit before depreciation, amortisation and exceptional items.
EBITDA margin	An alternative performance measure (non-GAAP). Calculated by dividing EBITDA for the relevant period by revenue for the relevant period.
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
CBN	Central Bank of Nigeria
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