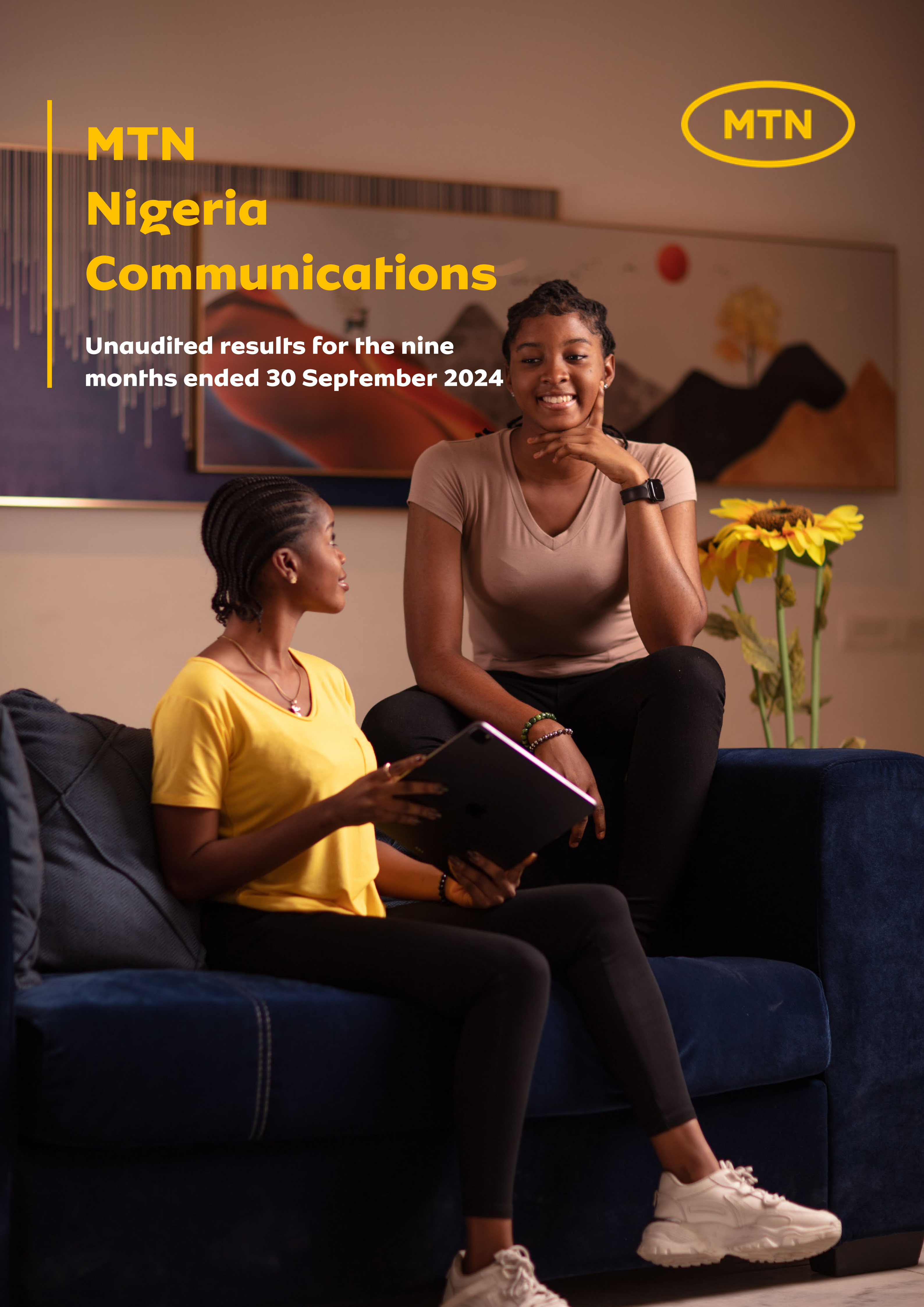
MTN Nigeria Communications

Unaudited results for the nine months ended 30 September 2024



MTN NIGERIA RELEASES UNAUDITED RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024

Lagos | Nigeria: 30 October 2024

MTN Nigeria Communications Plc ("MTN Nigeria" or the "Group") announces its financial results for the nine months ended 30 September 2024.

Salient points:

- Total subscribers decreased by 0.9% to 77.0 million, impacted by the NIN-SIM regulations
- Active data users increased by 5.1% to 45.3 million
- Active mobile money (MoMo PSB) wallets decreased by 21.8% to 2.8 million
- Service revenue increased by 33.6% to N2.4 trillion
- Earnings before interest, tax, depreciation and amortisation (EBITDA) decreased by 5.3% to N860.2 billion
- EBITDA margin decreased by 14.9 percentage points (pp) to 36.3%
- Loss after tax was N514.9 billion (Q3 2024 profit after tax of N4.1 billion)
- Profit after tax (PAT) adjusted for the net forex loss was N118.5 billion, down 59.2%
- Earnings per share (EPS) was negative N24.51 kobo (positive N5.65 kobo adjusted for the forex loss, down 59.2%)
- Closing retained earnings and shareholders' funds of negative N723.0 billion and N573.6 billion, respectively
- Capital expenditure (capex) excluding leases was down 27.8% to N217.6 billion
- Positive free cash flow of N536.8 billion, an increase of 21.9%

Unless otherwise stated, financial and non-financial information is year-on-year (YoY, September 2023 versus September 2024).

MTN Nigeria CEO Karl Toriola comments:

Resilient performance despite persistent macroeconomic pressures and regulatory challenges

"In the first nine months of 2024, we sustained the growth in our underlying operating performance – underpinned by our resilient business model and operational agility – despite challenging conditions.

The inflation rate remained elevated amidst rising energy prices and naira depreciation. Inflation averaged 32.8% in the nine months (Q3 2024: 32.8%) compared to an average of 24.5% in 2023 (Q3 2023: 25.5%). To curb inflation, the Central Bank of Nigeria (CBN) increased the Monetary Policy Rate (MPR) by 8.5pp to 27.25% during the period, resulting in higher funding costs, although this helped reduce volatility and improve liquidity in the forex market.

The higher inflation and interest rates weighed on consumers' spending power and impacted business activity. However, we remain focused on enhancing operational efficiency and driving the growth of our commercial operations.

Additionally, the naira closed at the Nigerian Autonomous Foreign Exchange Market (NAFEM) in September 2024 at N1,542/US$ (December 2023: N907/US$), exerting pressure on business activity. The improvement in liquidity in the foreign exchange (forex) market has helped us reduce our exposure to foreign currency-denominated obligations.

We continued to manage the effects of the Nigerian Communications Commission's (NCC) industry-wide NIN-SIM directive, which has impacted the evolution of our customer base. Having implemented the directive with all our subscribers fully compliant, we continue our drive towards reconnecting those affected to reduce churn while extracting increased value from the market.

Sustained commercial momentum notwithstanding the macro headwinds

Our commercial momentum drove broad-based growth across all revenue segments, demonstrating the underlying strength and resilience of the business. We recorded an increase in service revenue of 33.6%, which was ahead of the average inflation rate in the period. This growth was led by data and supported by voice, fintech and digital services.

We recorded a 9.8% increase in voice traffic and a 42.1% increase in data traffic. In addition, data usage per user grew by 31.2% to 11.3GB, supported by the rising demand for data and digital services, which has contributed to revenue growth.

In the fintech business, we focused on executing our growth strategy, prioritising increasing wallet quality, focusing on advanced services and the MoMo PSB app to enhance the user experience and engagement. We have introduced cross-border *remittances with thirteen fellow African countries to boost adoption and monetisation. Taking advantage of their interoperability, we are now leveraging the existing network of agent and merchant ecosystem in the industry to bring our services closer to our customers.*

Despite the topline growth, EBITDA remained under severe pressure primarily because of naira depreciation, exacerbated by higher energy costs and general inflation. The introduction of VAT on leases in September 2023 also affected the YoY EBITDA performance.

We are pleased to report that the renegotiated tower lease contracts with IHS Towers led to savings in operating expenses (opex), which positively impacted our EBITDA margin by 2.3pp, helping to mitigate the effects of macroeconomic challenges. Consequently, EBITDA declined by 5.3%, and the EBITDA margin decreased by 14.9pp to 36.3%. Pleasingly, the growth trajectory in our Q3 EBITDA turned positive (up 6.5%) with a more moderate decline in EBITDA margin to 37.6%; albeit with some benefit from the Q2 catch-up built into the tower lease renegotiation with IHS.

The further depreciation of the naira arising from the revaluation of foreign currency-denominated obligations resulted in a loss after tax for the 9-month period of N514.9 billion (2023: 15.0 billion loss, restated). This resulted in negative retained earnings and shareholders' equity of N723.0 billion (December 2023: negative N208.0 billion) and N573.6 billion (December 2023: negative N40.8 billion), respectively.

Adjusting for the net forex losses, PAT would have been positive N118.5 billion (down by 59.2%). Further adjusting for the impact of forex in our opex, PAT would have been up by 13.3% to N367.1 billion. Despite the reported losses, we delivered a positive free cash flow of N536.8 billion, up 21.9%, helped by favourable working capital movements and lower capex in the period.

Creating shared value in our communities

As part of our Project Zero initiatives, we have launched the pilot phase of our biodegradable, eco-friendly, paper-based SIM cards. This initiative promotes eco-responsibility by reducing our environmental impact through sustainable and responsible waste management.

To build sustainable societies, we implemented various programs in health, education, and community development through the MTN Foundation, even while navigating challenging macroeconomic conditions.

We have revitalised 20 primary healthcare centres across multiple states in Nigeria, partnering with the Private Sector Health Alliance to enhance healthcare delivery at the grassroots level. Our education initiatives included the complete renovation of four science and technology laboratories in public schools, as well as scholarship awards for over 1,000 students in public tertiary institutions.

*Additionally, under our community development initiatives, the Foundation installed solar boreholes in five communities and provided training for over 1,000 female entrepreneurs as part of the **Y'ello**preneur programme.*

Outlook

As we manage the effects of the ongoing macroeconomic headwinds on our business, we remain focused on initiatives to accelerate our earnings recovery profile, strengthen our balance sheet, and restore our net asset position faster."

Progress on initiatives to improve MTN Nigeria's negative capital position

We made significant progress on the initiatives outlined at the Extraordinary General Meeting held in April 2024 to support the recovery of our profitability and capital position.

- **Regulated tariff increases –** We remain deeply engaged with the authorities through relevant industry bodies to address tariff increases with authorities. These discussions remain ongoing to mitigate the impacts of macro volatility and support the industry's long-term sustainability.

- **Drive margin recovery –** We made progress in stabilising and recovering margins by boosting topline growth and enhancing expense efficiencies. Our dedicated efforts to reduce costs through our expense efficiency programme resulted in savings of approximately N54 billion from the IHS contract renegotiation.

- **Optimize capex –** Our capex deployment was well-managed as we maintained our network's resilience, with an intensity of 9.8% in the nine months. This has enabled us to prioritise available forex liquidity to reduce our exposure to US dollar obligations substantially.

- **Reduce US Dollar Exposure –** We made significant strides in reducing our outstanding trade line US$ obligations, thereby helping to reduce the impact on our earnings from the volatility caused by forex losses. As at the end of September 2024, the outstanding trade line obligations were approximately US$57 million, down significantly from US$416.6 million at 31 December 2023. The reduction led to a realised forex losses of approximately N365 billion but helped to reduce the effect of future naira depreciation and attendant finance costs.

- **Review Tower Lease Contracts –** We successfully renegotiated our tower lease contracts. The revised terms with IHS reduce the US dollar-indexed component of the leases linked to a discounted US consumer price index (CPI) and remove technology-based pricing, ensuring that payments for new upgrades will be based on tower space and power usage. The renegotiated agreements incorporate an energy cost component indexed to the cost of providing diesel power; however, the terms also include discounts and incentives over the life of the contracts.

  In the current period, the accrued operating expense (opex) savings from the effective date of the contract on 1 April 2024 was approximately N54 billion as at the end of September, and free cash flow savings amounted to approximately N45 billion.

  Given the nature of the contracts, we expect to incur higher depreciation and finance costs in the early stages due to the extension of the lease period to 31 December 2032, but the benefits will be more pronounced in the later years. Overall, we anticipate recording a net positive impact of between N3.5–4 trillion on PBT over the duration of the contracts, based on current assumptions.

As we continue the work to drive these initiatives, we will also evaluate the conditions and developments in our operating environment and adjust our approach as needed to accelerate the recovery from the prevailing negative capital position.

Key financial highlights

Items *(in millions)*	Sep 2024	Sep 2023 (Restated)*	YTD YoY	Q3 2024	Q3 2023 (Restated)*	QTD YoY
Total Revenue	**2,370,237**	**1,772,949**	**33.7%**	**831,117**	**614,210**	**35.3%**
Service Revenue	2,354,386	1,762,858	33.6%	826,011	610,187	35.4%
Voice	949,433	834,002	13.8%	317,055	271,317	16.9%
Data	1,141,714	749,525	52.3%	414,385	279,510	48.3%
Digital	50,186	24,714	103.1%	19,741	9,405	109.9%
Fintech	76,307	64,690	18.0%	27,895	21,088	32.3%
Other Service Revenue	136,746	89,927	52.1%	46,935	28,867	62.6%
Expenses	1,510,084	865,025	74.6%	518,661	320,738	61.7%
Cost of Sales	382,962	289,569	32.3%	130,087	100,511	29.4%
Operating Expenses	1,127,122	575,456	95.9%	388,574	220,227	76.4%
EBITDA	860,153	907,924	(5.3%)	312,456	293,472	6.5%
EBITDA Margin	36.3%	51.2%	(14.9pp)	37.6%	47.8%	(10.1pp)
Depreciation & Amortisation	384,849	300,426	28.1%	141,702	107,017	32.4%
Net Finance Costs	284,002	143,094	98.5%	115,844	57,284	102.2%
Finance Income	19,372	21,121	(8.3%)	4,441	4,728	(6.1%)
Finance Costs - leases	165,538	73,821	124.2%	85,302	28,075	203.8%
Finance Costs - borrowings	130,842	82,861	57.9%	64,258	31,237	105.7%
Finance Costs - other	6,994	7,533	(7.2%)	29,275	2,700	984.3%
Net foreign exchange losses	904,932	474,252	90.8%	17,248	19,587	(11.9%)
Realised Foreign Exchange Loss	404,309	29,585	1266.6%	56,457	7,909	4551.5%
Unealised Foreign Exchange Loss	500,623	444,638	12.6%	(39,221)	11,650	4500.1%
Profit/(Loss) Before Tax	(713,629)	(9,848)	7146.5%	37,662	109,584	(65.6%)
Taxation	198,701	(5,141)	(3965.0%)	(33,532)	(38,980)	(14.0%)
Profit/(Loss) after Tax	(514,928)	(14,989)	3335.4%	4,130	70,604	(94.2%)
Loss attributable to:						
Owners of the company	(513,942)	(14,262)	3503.6%	4,130	71,426	(278.4%)
Non-controlling interest	(986)	(727)	35.6%		(822)	(226.4%)
Profit/(Loss) after Tax	(514,928)	(14,989)	3335.4%	4,130	70,604	(94.2%)
Capital Expenditure	1,369,072	405,001	238.0%	1,039,631	138,228	652.1%
Capital Expenditure excluding Right of Use Assets	217,639	301,378	(27.8%)	62,479	125,082	(50.0%)
Capex Intensity excluding Right of Use Assets	9.2%	17.0%	(7.8pp)	7.5%	20.4%	(12.8pp)
Free Cash Flows	536,085	440,274	21.8%	189,386	57,013	232.2%
Mobile Subscribers	77.0	77.6	(0.9%)	77.0	77.6	(0.9%)
Data Subscribers	45.3	43.1	5.1%	45.3	43.1	5.1%
MoMo Wallets	2.8	3.6	(21.8%)	2.8	3.6	(21.8%)
Ayoba	7.2	8.0	(10.3%)	7.2	8.0	(10.3%)

** Restated to reflect the impact of unrealised forex losses on our tower lease contract liabilities*
^ EBITDA less cash-related capex and accounting for working capital movements, income tax and interest paid

Operational and financial review

During the year, we disconnected 17.5 million revenue-generating subscriber lines, per the NCC's directive. Although most of these lines have since been reconnected, it resulted in a net decrease of 2.7 million in our base.

Notwithstanding, we experienced growth in our key business segments, highlighting the resilience in the demand for our data, voice, fintech and digital services; each delivering double-digit growth. This drove service revenue growth of 33.6%, outstripping the average inflation rate in the period.

Voice revenue rose by 13.8% due to higher usage, supported by our customer value management (CVM) initiatives. The growth in voice accelerated in Q3 despite the NIN-SIM directive impacting the development of our subscriber base in Q3.

We delivered a growth of 52.3% in **data** revenue, driven by an expansion in user base and data usage. The growing demand for digital services, social media and streaming content has been crucial in driving data consumption. As a result, the average data usage per customer increased by 31.2%, reaching 11.2 GB, while overall data traffic grew by 42.1%.

We made significant progress in scaling our position in the home broadband market, adding over a million new home broadband subscribers. This brings our total number of subscribers using our 5G fixed wireless access devices, mobile broadband solutions and fibre-to-the-home connectivity solutions to over 3 million.

Additionally, the demand for reliable, high-speed internet connections continues to grow, particularly among SMEs and households in urban areas. We are investing in expanding our fibre footprint to capture growth within the segment.

Fintech revenue grew by 18.0% – with an acceleration in Q3 (up 32.3%) – spurred by our airtime lending product, Xtratime. In Q3, we streamlined the incentive structures in our sales and distribution channels. As part of this, we rationalised the sales force to focus on service penetration, improve monetisation and reduce acquisition costs. This impacted the evolution of our ecosystem indicators in the short term, with a decline in our active wallet (down 21.7%), agent (down 81.5%) and merchant (down 53.3%) bases. Overall, we expect these interventions to enhance the quality and stickiness of our base and, consequently, the profitability of the MoMo PSB ecosystem.

Despite these trends, transaction volume increased by 16.6% YoY overall, demonstrating improved quality and the underlying demand momentum in the ecosystem. We will continue the work to deliver a compelling product portfolio and user interfaces, with a focus on advanced services to sustainably scale the business in line with our strategy.

Revenue from **digital services** continued to accelerate, rising by approximately 103%. This increase was driven by higher adoption of our expanded digital offerings and improvements to the user journey experience. We achieved this growth despite the NCC's NIN-SIM directive, which impacted our user base in Q3. We ended the period with approximately 16.2 million users, reflecting a 0.7% increase YoY.

The **enterprise business** experienced a 73.5% increase in revenue, largely due to a higher adoption of our services. The digital adoption by businesses in various industries, driven by the need for operational efficiency and increased productivity, has created significant opportunities within our enterprise business. We continue to provide tailored solutions, leveraging our robust network assets and expertise in delivering comprehensive ICT services.

Several factors contributed to the increase in **opex** (up 95.9%), including the depreciation of the naira, higher inflation and energy costs and the introduction of VAT on tower leases in September 2023. However, we continued to drive our expense efficiency programme in the nine months, including approximately N54 billion from the IHS contract renegotiation, which helped offset some of the macro volatility impacts on our opex.

As a result, **EBITDA** declined by 5.3%, with a 14.9pp decline in EBITDA margin to 36.3%. If we exclude the impact of the revised IHS contract, EBITDA would have been 34%. Adjusting for the effects of forex (15.0pp), the EBITDA margin would have been 51.3%, highlighting the underlying strength of our core business operations. Also, the performance was affected by VAT on the tower leases (2.6pp) and higher energy costs, which reduced the underlying EBITDA margin by 1.1pp. Excluding these combined effects, the EBITDA margin would have been 55.0%.

The extension of the tower lease agreement to 31 December 2032 led to an increase of approximately N987 billion in the right-of-use assets and a corresponding increase in lease liabilities. This impacted some of our dependent financial metrics such as depreciation, finance costs and IFRS 16 capex.

Depreciation and amortisation increased by 28.1%, mainly due to investment in network infrastructure and the impact of the increase in right-of-use assets from the tower lease contract.

Net finance costs, excluding the net forex losses, rose by 98.5%. This was driven by an increase in finance costs arising from higher interest rates on borrowings; higher lease balances, largely due to forex depreciation; as well as new lease additions from the tower lease renegotiation.

Net forex losses increased by 90.8%, primarily due to the effects on lease liabilities and borrowings from significant naira depreciation.

The improved liquidity in the forex market enabled us to reduce the outstanding trade line obligations by 86.3% to approximately US$57 million, tapering the impact of future naira depreciation and the associated finance costs. The reduction was responsible for approximately 86% of the realised net forex losses of N404.3 billion recorded in the period, while the unrealised portion amounted to N500.6 billion.

The effective tax rate was 27.8%, attributable to the reported loss before tax, the deferred education tax arising from the unrealised forex losses disallowed for tax purposes, and the tax benefits arising from our investment through the Road Infrastructure tax credit (RITC) scheme. Overall, we recorded a **loss after tax** of N514.9 billion.

Capex rose by 238.0% due to increased right-of-use assets following tower lease renegotiation. Excluding leases, our core capex declined by 27.8%, resulting in a capex intensity of 9.8% on this basis. The optimisation of core capex enabled us to accelerate the reduction of forex exposure arising from our LC-backed obligations and its impact on the business. Notwithstanding, we achieved a positive free cash flow of N536.8 billion.

Regarding our debt metrics, approximately 43% of our debts have fixed interest rates, while 57% are floating. Our debt mix is 57% local currency denominated and 43% foreign currency. Our net debt-to-EBITDA ratio of 0.7 times remains within our financial covenant levels, supported by a cash balance of N192.4 billion at the end of the period.

Our performance reflects the outcome of our ratings. In August 2024, GCR affirmed the national scale long and short-term issuer ratings of AAA and A1+, respectively, as well as the national-scale long-term issue rating of AAA, accorded to each of our existing senior unsecured bond issues. In addition, Agusto & Co. affirmed our Aa+ issuer rating, albeit with a negative outlook due to currency risks. The agencies also noted our strong competitive position, earnings generation capacity and access to various funding sources.

Outlook

As we move into the final quarter of 2024, we anticipate that ongoing macroeconomic pressures – including high inflation and forex volatility – will continue to impact consumer spending and businesses. However, we remain focused on implementing our strategic initiatives to mitigate the impact on our operations.

In this regard, we will prioritise the recovery of our subscriber base, which was impacted by the NIN-SIM directive. At the same time, we remain engaged with the regulatory authorities to make tariff adjustments for the sustainability of the industry and its value chain.

We are pleased with the continued structural demand for data, which underpins our exciting growth outlook, provided the industry is able to achieve a more sustainable tariff framework. To support this traffic growth, we anticipate an increase in our capex deployment – particularly given the substantial progress in reducing the FX exposure from our trade line obligations.

Against this backdrop, we remain optimistic of a constructive outcome from industry tariff engagements, which we believe will support the recovery of our profitability and balance sheet profile, as well as the medium and long-term growth of our business.

In fintech, we have streamlined our sales and distribution model to drive quality and more profitable growth in our business. In this context, we will continue to prioritise the accelerated adoption of wallets, focusing on advanced services and the MoMo PSB app to enhance the user experience and engagement.

We will continue implementing appropriate interventions to navigate the challenging operating environment as we execute our strategy to sustain growth. This includes driving cost management across the business through our expense efficiency programme and strengthening our operations and financial position to support the recovery of our capital position.

Regarding our FY 2024 single-year guidance, we maintain our service revenue target of expected growth in the 'high-20% to low-30%' range. We revise up our EBITDA margin target range to 35-37% (from 33-35%, previously), largely reflecting the anticipated benefits from the renegotiated tower lease contracts. Given the anticipated uptick in our capex rollout in Q4, we now expect the intensity to be in the 'low teens' percent range (previously high-single-digits) for FY 2024 as we invest to accommodate the better-than-expected data traffic growth we see on our networks.

This single-year guidance assumes no tariff increase but incorporates the impact of the tower lease contract renegotiation, as mentioned. We will continue to monitor developments in our trading environment and their impacts on the business. We anticipate providing an updated medium-term guidance framework alongside our FY 2024 results. Key to this will be developments from industry engagements on potential tariff increases, as well as the additional cost benefits from the discounts built into the new lease agreements with IHS over the duration of the contracts, starting in 2025.

MTN Nigeria is committed to navigating economic challenges and regulatory dynamics while driving sustainable growth and value creation. We will continue to pursue initiatives to improve financial performance and enhance operational capabilities to create long-term value for our stakeholders and the Nigerian economy.

Karl Olutokun Toriola
Chief Executive Officer

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About MTN Nigeria

MTN Nigeria is one of Africa's largest providers of communications services, connecting approximately 77 million people in communities across the country with each other and the world. Guided by a belief that everybody deserves the benefits of a modern connected life, MTN Nigeria's leadership position in coverage, capacity, and innovation has remained constant since its launch in 2001. MTN Nigeria is part of the MTN Group - a multinational telecommunications group operating in 19 countries in Africa and the Middle East.

Condensed consolidated and separate statement of profit or loss

		Group				Company			
In millions of Nigerian Naira	Notes	9 months ended 30 September 2024	9 months ended 30 September 2023 restated*	3 months ended 30 September 2024	3 months ended 30 September 2023 restated*	9 months ended 30 September 2024	9 months ended 30 September 2023 restated*	3 months ended 30 September 2024	3 months ended 30 September 2023 restated*
Revenue	7	2,370,237	1,772,949	831,117	614,210	2,379,220	1,772,992	831,393	614,719
Direct network operating costs	11	-902,077	-447,601	-315,279	-170,643	-902,073	-447,465	-315,277	-170,653
Value added services costs		-23,677	-17,318	-8,828	-6,282	-23,677	-17,318	-8,828	-6,282
Costs of SIM starter packs, handsets and accessories		-34,978	-20,137	-12,802	-7,154	-34,978	-20,137	-12,802	-7,154
Interconnect costs		-142,488	-116,168	-46,014	-39,205	-142,488	-116,168	-46,014	-39,205
Roaming costs		-9,309	-6,310	-2,725	-2,437	-9,309	-6,310	-2,725	-2,437
Transmission costs		-20,127	-7,949	-8,388	-3,108	-20,127	-7,949	-8,388	-3,108
Discounts and commissions		-111,890	-85,689	-38,609	-30,315	-109,842	-83,099	-38,760	-29,774
Advertisements, sponsorships and sales promotions		-35,742	-31,088	-10,293	-11,672	-24,550	-19,213	-8,198	-6,568
Employee costs	10	-63,125	-45,549	-19,576	-17,079	-58,204	-42,573	-18,248	-16,341
Other operating expenses	12	-166,671	-87,216	-56,147	-32,843	-164,384	-95,708	-54,903	-32,543
Depreciation of property and equipment	14	-192,050	-156,753	-61,589	-58,343	-191,975	-156,753	-61,514	-58,343
Depreciation of right of use assets*	15	-124,199	-87,917	-54,219	-29,539	-124,199	-87,917	-54,219	-29,539
Amortisation of intangible assets	16	-68,600	-55,756	-25,894	-19,135	-67,526	-51,767	-25,533	-17,805
Operating profit		475,304	607,498	170,754	186,455	505,888	620,615	175,984	194,967
Finance income	8	19,372	21,121	4,441	4,728	17,765	20,278	3,667	4,609
Finance cost*	9.1	-303,374	-164,215	-120,285	-62,012	-302,468	-164,215	-119,975	-62,012
Net foreign exchange loss*	9.2	-904,932	-474,252	-17,248	-19,587	-904,920	-474,252	-17,268	-19,587
(Loss)/profit before taxation		-713,630	-9,848	37,662	109,584	-683,735	2,426	42,408	117,977
Tax credit/(expense)*	13	198,701	-5,141	-33,532	-38,980	209,304	-8,798	-15,390	-41,512
(Loss)/profit for the period		-514,929	-14,989	4,130	70,604	-474,431	-6,372	27,018	76,465
(Loss)/profit attributable to:									
Owners of the company		-513,942	-14,262	4,130	71,426	-474,431	-6,372	27,018	76,465
Non-controlling interest		(987)	(727)	-	(822)	-	-	-	-
		-514,929	-14,989	4,130	70,604	-474,431	-6,372	27,018	76,465
(Loss)/profit per share									
Basic and diluted (loss)/profit per share (N)	38	(24.51)	(0.68)	0.20	3.41	(22.63)	(0.30)	1.29	3.65

*2023 numbers have been restated

Condensed consolidated and separate statement of other comprehensive income

	Group				Company			
In millions of Nigerian Naira	9 months ended 30 September 2024	9 months ended 30 September 2023 restated*	3 months ended 30 September 2024	3 months ended 30 September 2023 restated*	9 months ended 30 September 2024	9 months ended 30 September 2023 restated*	3 months ended 30 September 2024	3 months ended 30 September 2023 restated*
(Loss)/profit for the period	-514,929	-14,989	4,130	70,604	-474,431	-6,372	27,018	76,465
Items that may be reclassified to profit or loss Fair valuation (loss)/gain on investments designated at FVOCI*	(162)	-1,264	12	85	(158)	-1,264	16	85
Other comprehensive (loss)/income for the period net of taxation	(162)	-1,264	12	85	(158)	-1,264	16	85
Total comprehensive (loss)/profit for the period	-515,091	-16,253	4,142	70,689	-474,589	-7,636	27,034	76,550
Attributable to:								
Owners of the company	-514,104	-15,526	4,142	71,511	-474,589	-7,636	27,034	76,550
Non-controlling interest	(987)	(727)	-	(822)	-	-	-	-
	-515,091	-16,253	4,142	70,689	-474,589	-7,636	27,034	76,550

*Fair valuation loss on investments designated at fair value through other comprehensive income (FVOCI) is recognised on Federal Government treasury bills and bonds investments net of tax except

Condensed consolidated and separate statement of financial position

	Group		Company	
In millions of Nigerian Naira	30 Sep 2024	31 Dec 2023	30 Sep 2024	31 Dec 2023
Assets				
Non-current assets				
Property and equipment	1,091,303	1,095,111	1,089,105	1,095,111
Right-of-use assets	1,506,058	478,826	1,506,058	478,826
Intangible assets	401,597	447,599	396,647	426,300
Investments in subsidiaries	-	-	82,950	100,378
Deferred tax asset	361,519	151,362	361,502	140,777
Other investments	9,058	6,632	6,487	6,632
Other non-current assets	33,210	33,516	33,210	33,516
	3,402,745	2,213,046	3,475,959	2,281,540
Current assets				
Inventories	12,126	6,027	11,689	6,027
Trade and other receivables	276,304	215,414	314,547	239,692
Current investments	22,106	7,256	11,783	2,619
Restricted cash**	118,355	394,409	118,155	394,209
Cash held for MoMo customer**	2,752	7,601	-	-
Cash and cash equivalents	192,363	345,074	175,924	315,548
	624,006	975,781	632,098	958,095
Total assets	4,026,751	3,188,827	4,108,057	3,239,635
Equity and liabilities				
Equity				
Share capital	420	420	420	420
Share premium	166,362	166,362	166,362	166,362
Treasury shares	-4,869	-4,869	-4,869	-4,869
Other reserves	-12,431	701	-29,802	708
Accumulated loss	-723,041	-208,018	-602,273	-127,842
Equity attributable to owners of the company	-573,559	-45,404	-470,162	34,779
Non-controlling interest	-	4,560	-	-
	-573,559	-40,844	-470,162	34,779
Liabilities				
Non-current liabilities				
Borrowings	570,065	487,817	570,065	487,817
Lease liabilities	1,881,854	813,634	1,881,854	813,634
Deferred tax liability	-	1,149	-	-
Provisions	44	46	44	46
Employee benefits**	9,633	8,429	9,633	8,429
Share based payment liability	11,664	16,910	11,664	16,910
Other non-current liabilities**	7,946	8,267	-	-
	2,481,206	1,336,252	2,473,260	1,326,836
Current liabilities				
Trade and other payables**	1,215,823	699,520	1,206,748	693,435
Current tax payable	16,456	157,971	16,163	157,669
Borrowings	196,942	689,352	196,942	689,352
Lease liabilities	522,333	190,777	522,333	190,777
Contract liabilities	113,002	102,796	113,002	102,414
Provisions	45,031	28,216	43,006	27,187
Deposit held for MoMo customers	2,752	7,601	-	-
Employee benefits	1,999	1,274	1,999	1,274
Derivatives	4,766	15,912	4,766	15,912
	2,119,104	1,893,419	2,104,959	1,878,020
Total liabilities	4,600,310	3,229,671	4,578,219	3,204,856
Total equity and liabilities	4,026,751	3,188,827	4,108,057	3,239,635

Condensed consolidated and separate statement of cash flows

In millions of Nigerian Naira	Group		Company	
	9 months ended 30 September 2024	9 months ended 30 September 2023 restated*	9 months ended 30 September 2024	9 months ended 30 September 2023 restated*
Cash flows from operating activities				
Cash generated from operations	1,057,007	941,983	1,071,787	951,186
Finance cost paid	-228,953	-104,739	-228,029	-104,739
Interest received	30,561	19,770	28,936	18,929
Dividends paid	-	-171,697	-	-171,697
Tax paid	-126,620	-184,507	-126,620	-184,507
Net cash flows generated from operating activities	731,995	500,810	746,074	509,172
Cash flows from investing activities				
Acquisition of property and equipment	-161,643	-242,919	-161,643	-242,919
Acquisition of intangible assets	-46,106	-154,430	-45,634	-154,430
Acquisition of right of use assets	-35,718	-19,228	-35,718	-19,228
Proceeds from disposal of property and equipment	1,381	783	1,381	783
Purchase of investment in non-current FGN bonds	-2,424	-	-	-
Sale of investment in non-current FGN bonds	-	384	-	384
Purchase of bonds, treasury bills and foreign deposits	-38,150	-33,025	-17,755	-33,025
Sale of bonds, treasury bills and foreign deposits	24,691	22,662	10,461	22,662
Purchase of contract acquisition costs	-3,820	-3,301	-3,820	-3,301
Increase in non-current prepayments	-1,109	-11,769	-1,109	-11,769
Decrease/(increase) in restricted cash	276,055	-186,524	276,055	-186,522
Acquisition of non-controlling interest	-	-	-16,950	(850)
Net cash flows generated from/(used in) investing activities	13,157	-627,367	5,268	-628,215
Cash flows from financing activities				
Proceeds from borrowings	71,295	365,500	71,295	365,500
Repayment of borrowings	-814,508	-263,693	-814,508	-263,693
Repayment on lease liabilities	-161,200	-133,753	-161,200	-133,753
Acquisition of non-controlling interest	-6,950	-	-	-
Net cash flows used in financing activities	-911,363	-31,946	-904,413	-31,946
Net decrease in cash and cash equivalents	-166,211	-158,503	-153,071	-150,989
Cash and cash equivalent at the beginning of the period	345,168	349,788	315,589	324,532
Effect of exchange rate fluctuations on cash held	13,475	33,578	13,475	33,578
Cash and cash equivalents at the end of the period	192,432	224,863	175,993	207,121

*2023 numbers have been restated