Airtel Africa plc

Report on the results for the first quarter ended **June 30, 2023**

27 July 2023

The financial statements included in this quarterly report fairly present, in all material respects, the financial position, results of operations and cash flow of the Group as of and for the periods presented in this report.

Mobile services | Mobile money

Supplemental disclosures

Basis of preparation: The results for the three-month period ended 30 June 2023 are unaudited and in the opinion of management, include all adjustments necessary for the fair presentation of the results of the same period. The financial information has been drawn from interim financial statements prepared in accordance with International Accounting Standard 34 (IAS 34) 'Interim Financial Reporting' issued by the International Accounting Standards Board (IASB) approved for use in the United Kingdom (UK by the UK Accounting Standards Endorsement Board (UKEB) and apply the same accounting policies, presentation and methods of calculation as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2023 except to the extent required/ prescribed by IAS 34. This report should be read in conjunction with audited consolidated financial statements and related notes for the year ended 31 March 2023. The comparative annual information has been drawn based on Airtel Africa plc's Audited Consolidated Financial Statements for the year ended 31 March 2023. Comparative quarterly information is drawn from unaudited IAS 34 financials of respective periods. Comparative period figures have been regrouped/ reclassified to conform with current year grouping/ classification.

Use of certain alternative performance measures (APM): This result announcement contains certain information on the Group's results of operations and cash flows that have been derived from amounts calculated in accordance with IFRS, but are not in themselves IFRS measures. They should not be viewed in isolation as alternatives or superior to the equivalent IFRS measures and should be read in conjunction with the equivalent IFRS measures.

Further, disclosures are also provided under 7.2 Use of Alternative performance measures (APMs) Financial Information on page 32.

Safe harbour: IAS 34 financials considered for the purpose of this report are unaudited.

Convenience translation: We publish our financial statements in United States dollars. All references herein to "US dollars", "USD", "$" and "US$" are to United States dollars. Translation of income statement items have been made from local currencies of Africa operating units to USD (unless otherwise indicated) using the respective monthly average rates. Translation of statement of financial position items has been made using the closing rate. All amounts translated as described above are provided solely for the convenience of the reader, and no representation is made that the local currencies or USD amounts referred to herein could have been or could be converted into USD or local currencies respectively, as the case may be, at any particular rate, the above rates or at all. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding off.

Others: In this report, the terms "we", "us", "our", "Airtel Africa", unless otherwise specified or the context otherwise implies, refer to the Airtel Africa plc and its subsidiaries and its associate, Bharti Airtel International (Netherlands) B.V., Airtel (Seychelles) Limited, Airtel Congo S.A., Airtel Gabon S.A., Airtel Madagascar S.A., Airtel Malawi Public Limited Company, Airtel Mobile Commerce B.V., Airtel Mobile Commerce Holdings B.V., Airtel Mobile Commerce (Kenya) Limited, Airtel Mobile Commerce Limited, Airtel Mobile Commerce Madagascar S.A., Airtel Mobile Commerce Rwanda Ltd, Airtel Mobile Commerce (Seychelles) Limited, Airtel Mobile Commerce (Tanzania) Limited, Airtel Mobile Commerce Tchad S.A., Airtel Mobile Commerce Uganda Limited, Airtel Mobile Commerce Zambia Limited, Airtel Money RDC S.A., Airtel Money Niger S.A., Airtel Money S.A., Airtel Networks Kenya Limited, Airtel Networks Limited, Airtel Networks Zambia plc, Airtel Rwanda Limited, Airtel Tanzania Public Limited Company, Airtel Tchad S.A., Airtel Uganda Limited, Bharti Airtel Africa B.V., Bharti Airtel Chad Holdings B.V., Bharti Airtel Congo Holdings B.V., Bharti Airtel Developers Forum Limited, Bharti Airtel Gabon Holdings B.V., Bharti Airtel Kenya B.V., Bharti Airtel Kenya Holdings B.V., Bharti Airtel Madagascar Holdings B.V., Bharti Airtel Malawi Holdings B.V., Bharti Airtel Mali Holdings B.V., Bharti Airtel Niger Holdings B.V., Bharti Airtel Nigeria B.V., Bharti Airtel Nigeria Holdings II B.V., Bharti Airtel RDC Holdings B.V., Bharti Airtel Services B.V., Bharti Airtel Tanzania B.V., Bharti Airtel Uganda Holdings B.V., Bharti Airtel Zambia Holdings B.V., Celtel (Mauritius) Holdings Limited, Airtel Congo RDC S.A., Celtel Niger S.A., Channel Sea Management Company (Mauritius) Limited, Congo RDC Towers S.A., Gabon Towers S.A., Indian Ocean Telecom Limited, Mobile Commerce Congo S.A., Montana International, Partnership Investments Sarlu., Société Malgache de Téléphone Cellulaire S.A., Bharti Airtel Rwanda Holdings Limited, Airtel Money Transfer Limited, Airtel Money Tanzania Limited, Airtel Mobile Commerce Nigeria Limited, Airtel Mobile Commerce Nigeria B.V., Airtel Mobile Commerce (Seychelles) B.V., Airtel Mobile Commerce Congo B.V., Airtel Mobile Commerce Kenya B.V., Airtel Mobile Commerce Madagascar B.V., Airtel Mobile Commerce Malawi B.V., Airtel Mobile Commerce Rwanda B.V., Airtel Mobile Commerce Tchad B.V., Airtel Mobile Commerce Uganda B.V., Airtel Mobile Commerce Zambia B.V., Airtel International LLP, Seychelles Cable Systems Company Limited (Associate), Airtel Mobile Commerce Gabon B.V., Airtel Mobile Commerce Niger B.V., Airtel Mobile Commerce DRC B.V., Airtel Money Kenya Limited, Airtel Digital Services Holdings B.V., Airtel Africa Services (UK) Limited, Airtel Mobile Commerce Services Limited, Airtel Africa Telesonic Holdings Limited, Airtel Africa Telesonic Limited, Smartcash Payment Service Bank Limited, Airtel Money Trust Fund, The Registered Trustees of Airtel Money Trust Fund, Airtel Congo Telesonic Holdings (UK) Limited, Airtel DRC Telesonic Holdings (UK) Limited, Airtel Gabon Telesonic Holdings (UK) Limited, Airtel Kenya Telesonic Holdings (UK) Limited, Airtel Madagascar Telesonic Holdings (UK) Limited, Airtel (M) Telesonic Holdings (UK) Limited, Airtel Niger Telesonic Holdings (UK) Limited, Airtel Nigeria Telesonic Holdings (UK) Limited, Airtel Rwanda Telesonic Holdings (UK) Limited, Airtel Seychelles Telesonic Holdings (UK) Limited, Airtel Tanzania Telesonic Holdings (UK) Limited, Airtel Uganda Telesonic Holdings (UK) Limited, Airtel Zambia Telesonic Holdings (UK) Limited, Airtel Tchad Telesonic Holdings (UK) Limited, Airtel Kenya Telesonic Limited, Airtel (M) Telesonic Limited, Airtel Nigeria Telesonic Limited, Airtel Rwanda Telesonic Limited, Airtel (Seychelles) Telesonic Limited , Airtel Telesonic Uganda Limited, Airtel Zambia Telesonic Limited, Airtel Mobile Commerce Tanzania B.V., Nxtra Africa Data Holdings Limited, Nxtra Nigeria Data Holdings (UK) Limited, Nxtra Kenya Data Holdings (UK) Limited, Nxtra DRC Data Holdings (UK) Limited, Nxtra Gabon Data Holdings (UK) Limited, Nxtra Congo Data Holdings (UK) Limited, Airtel Congo RDC Telesonic S.A.U., Mawezi RDC S.A. (Joint Venture) & Nxtra Africa Data (Nigeria) Limited.

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References in this presentation to "Airtel Africa", "Group", "we", "us" and "our" when denoting opinion refer to Airtel Africa plc and its subsidiaries.

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.

No profit or earnings per share forecasts

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 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.

Audience

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Section 1

Performance at a glance

Particulars	Unit	Financial year ended			Quarter ended				
		IFRS			IFRS				
		2023	2022	2021	Jun-23	Mar-23	Dec-22	Sep-22	Jun-22
Operating highlights									
Total customer base	million	140.0	128.4	118.2	143.1	140.0	138.5	134.7	131.6
Total minutes on network	billion	439.1	378.7	322.9	119.7	113.1	113.9	109.0	103.2
Data MBs	billion	2,703.9	1,847.8	1,242.3	843.4	749.9	709.6	662.6	581.8
Mobile money transaction value	$bn	84.0	59.8	43.6	25.8	23.6	22.8	19.9	17.6
Network towers	number	31,546	28,797	25,368	32,226	31,546	30,733	30,149	29,412
Total employees	number	4,000	3,757	3,526	4,072	4,000	3,930	3,904	3,893
No. of countries of operation	number	14	14	14	14	14	14	14	14
Consolidated financials ongoing operations (Reported currency)									
Revenue [1]	$m	5,255	4,714	3,888	1,377	1,341	1,350	1,308	1,257
EBITDA	$m	2,575	2,311	1,792	682	659	661	641	614
EBIT	$m	1,757	1,567	1,105	462	439	446	446	425
Cash profit from operations before derivative and exchange fluctuations	$m	2,190	2,001	1,464	569	544	565	549	532
Profit before tax [2]	$m	1,034	1,164	683	250	233	285	240	276
Profit/(Loss) attributable to owners of the company	$m	663	631	339	(170)	195	172	133	163
Capex	$m	748	656	614	140	291	147	169	141
Operating free cash flow	$m	1,827	1,655	1,178	542	368	514	472	473
Net debt	$m	3,524	2,941	3,530	3,321	3,524	3,620	3,278	3,056
Shareholder's equity [3]	$m	4,204	4,081	3,405	3,484	4,204	4,049	4,018	3,992
Non-controlling interests ('NCI')	$m	173	147	(52)	182	173	155	148	142
Total equity [4]	$m	4,378	4,228	3,353	3,666	4,378	4,204	4,166	4,134
Total capital employed	$m	7,901	7,169	6,883	6,987	7,901	7,824	7,444	7,190
Key ratios									
EBITDA margin	%	49.0%	49.0%	46.1%	49.5%	49.1%	49.0%	49.0%	48.8%
EBIT margin	%	33.4%	33.2%	28.4%	33.5%	32.7%	33.1%	34.1%	33.8%
Net profit margin	%	12.6%	13.4%	8.7%	(12%)	14.6%	12.7%	10.1%	13.0%
Net debt to EBITDA (LTM)	times	1.4	1.3	2.0	1.3	1.4	1.4	1.3	1.3
Net debt to EBITDA (annualised)	times	1.4	1.3	2.0	1.2	1.3	1.4	1.3	1.2
Interest coverage ratio	times	7.1	7.5	5.9	6.4	6.6	6.7	7.4	8.0
Return on equity (pre-tax)	%	23.6%	28.9%	20.8%	14.7%	23.6%	27.6%	28.2%	30.0%
Return on equity (post-tax)	%	15.8%	15.5%	9.9%	9.5%	15.8%	16.3%	16.0%	16.8%
EPS - before exceptional items	cents	13.6	16.0	8.2	3.9	2.8	4.0	3.0	3.8
Basic EPS	cents	17.7	16.8	9.0	(4.5)	5.2	4.6	3.5	4.4
Return on capital employed	%	23.3%	22.3%	16.5%	23.7%	23.4%	23.8%	23.7%	23.0%

Mobile money transaction value is in constant currency as of 31 March 2023 except Nigeria which is at 30 June 2023.
[1] Underlying revenue excludes one-time exceptional revenue of $20m relating to a settlement in Niger in year ended 31 March 2021.
[2] Profit before tax in above table is before exceptional items.
[3] Shareholder's equity is 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 2023.
[4] Total equity includes shareholder's equity (grossed up for put option provided to minority shareholders) and non-controlling interests ('NCI').

Section 2

Financial highlights

The current period financial information contained in this report is drawn from Airtel Africa plc's interim unaudited condensed consolidated financial statements prepared under IAS 34 for the three-month period ended 30 June 2023. The comparative annual information has been drawn based on Airtel Africa plc's Audited Consolidated Financial Statements for the year ended 31 March 2023. Comparative quarterly information is drawn from unaudited IAS 34 financials of respective periods.

2.1 Summary of consolidated financial statements

2.1.1 Consolidated summarised statement of operations (in reported currency)

All amounts are in $m, except for ratios

Particulars	Quarter ended		
	Jun-23	Jun-22	Y-on-Y Change
Revenue	**1,377**	**1,257**	**10%**
EBITDA	**682**	**614**	**11%**
EBITDA margin	*49.5%*	*48.8%*	*69 bps*
EBIT	462	425	9%
Finance cost (net)	212	151	40%
Share of profit from associate	(0)	(2)	-
Profit before tax	250	276	(9%)
Income tax expense	84	119	(29%)
Profit after tax	**166**	**157**	**6%**
Non controlling interest (before exceptional items)	19	15	32%
Profit attributable to owners of the company - before exceptional items	147	143	3%
Exceptional Items (net of tax) [1]	317	(21)	1,627%
(Loss)/Profit after tax (after exceptional items)	**(151)**	**178**	**(185%)**
Non controlling interest	19	15	31%
(Loss)/Profit attributable to owners of the company	**(170)**	**163**	**(204%)**
Capex	140	141	(1%)
Operating free cash flow	542	473	15%
Total capital employed	6,987	7,190	(3%)

[1] Q1'24 Exceptional items of $ 317m includes $ 471m on account of derivative & foreign exchange losses due to Nigerian naira devaluation in June 2023 (from 465 NGN/USD in May'23 to 752 NGN/USD in Jun'23) and corresponding exceptional tax gain of $ 154m. Q1'23 exception items of ($21m) reflect the initial recognition of a deferred tax credit of $21m in Kenya.

Consolidated summarised statement of operations (in constant currency)

All amounts are in $m, except for ratios

Particulars	Quarter ended		
	Jun-23	Jun-22	Y-on-Y Change
Revenue	**1,190**	**988**	**20%**
EBITDA	**583**	**476**	**23%**
EBITDA margin	*49.0%*	*48.2%*	*83 bps*
EBIT	393	327	20%
Capex	140	141	(1%)
Operating free cash flow	443	335	32%

For constant currency calculations the closing exchange rates as of 31 March 2023 have been used except for Nigeria where the closing exchange rates as of 30 June 2023 have been used. Reported currency rates are used for Capex.

2.2 Consolidated – summary of statement of financial position

All amounts are in $m

Particulars	As at Jun 30, 2023	As at Mar 31, 2023
Assets		
Non-current assets	8,050	9,268
Current assets	2,112	1,898
Total assets	**10,162**	**11,166**
Liabilities		
Current liabilities	3,255	3,572
Non-current liabilities	3,812	3,786
Total liabilities	**7,067**	**7,358**
Net current liabilities	**(1,143)**	**(1,674)**
Net Assets	**3,095**	**3,808**
Equity		
Equity attributable to owners of the company	2,913	3,635
Non-controlling interests ('NCI')	182	173
Total equity	**3,095**	**3,808**
Total equity and liabilities	**10,162**	**11,166**

Section 3

Segmental – summary of financial statements

3.1 Summarised statement of operations

3.1.1 Nigeria: mobile services

In reported currency

All amounts are in $m, except for ratios

Particulars	Quarter ended		
	Jun-23	Jun-22	Y-on-Y Change
Revenue	**528**	**517**	**2%**
Voice revenue	254	259	(2%)
Data revenue	228	210	9%
Other revenue	46	48	(4%)
EBITDA	**284**	**274**	**4%**
EBITDA margin	*53.7%*	*52.9%*	*79 bps*
Depreciation & Amortisation	90	75	20%
Operating Exceptional Items	-	-	-
Operating profit	182	191	(5%)
Capex	47	56	(15%)
Operating free cash flow	237	218	9%

In constant currency

All amounts are in $m, except for ratios

Particulars	Quarter ended		
	Jun-23	Jun-22	Y-on-Y Change
Revenue	**353**	**287**	**23%**
Voice revenue	169	144	18%
Data revenue	153	117	31%
Other revenue	31	27	15%
EBITDA	**190**	**152**	**25%**
EBITDA margin	*53.9%*	*52.9%*	*94 bps*
Depreciation & Amortisation	61	42	46%
Operating Exceptional Items	-	-	-
Operating profit	121	106	14%
Capex	47	56	(15%)
Operating free cash flow	143	96	49%

For constant currency calculations the closing exchange rates as of 30 June 2023 have been used. Reported currency rates are used for Capex.

3.1.2 East Africa: mobile services

In reported currency

All amounts are in $m, except for ratios

Particulars	Quarter ended		
	Jun-23	Jun-22	Y-on-Y Change
Revenue	**397**	**359**	**11%**
Voice revenue	212	203	4%
Data revenue	151	123	23%
Other revenue	34	33	5%
EBITDA	**195**	**168**	**16%**
EBITDA margin	*49.1%*	*46.9%*	*217 bps*
Depreciation & Amortisation	74	60	22%
Operating Exceptional Items	-	-	-
Operating profit	111	101	10%
Capex	54	44	24%
Operating free cash flow	141	124	13%

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

In constant currency

All amounts are in $m, except for ratios

Particulars	Quarter ended		
	Jun-23	Jun-22	Y-on-Y Change
Revenue	**391**	**326**	20%
Voice revenue	208	185	13%
Data revenue	148	111	33%
Other revenue	34	30	15%
EBITDA	**190**	**153**	**24%**
EBITDA margin	*48.7%*	*47.0%*	*174 bps*
Depreciation & Amortisation	73	56	32%
Operating Exceptional Items	-	-	-
Operating profit	107	91	17%
Capex	54	44	24%
Operating free cash flow	136	110	24%

For constant currency calculations the closing exchange rates as of 31 March 2023 have been used. Reported currency rates are used for Capex.

3.1.3 Francophone Africa: mobile services

In reported currency

All amounts are in $m, except for ratios

Particulars	Quarter ended		
	Jun-23	Jun-22	Y-on-Y Change
Revenue	**299**	**262**	**14%**
Voice revenue	158	149	6%
Data revenue	107	85	25%
Other revenue	34	28	21%
EBITDA	**131**	**113**	**15%**
EBITDA margin	*43.8%*	*43.2%*	*53 bps*
Depreciation & Amortisation	50	47	7%
Operating Exceptional Items	-	-	-
Operating profit	69	59	17%
Capex	31	27	15%
Operating free cash flow	100	86	16%

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

In constant currency

All amounts are in $m, except for ratios

Particulars	Quarter ended		
	Jun-23	Jun-22	Y-on-Y Change
Revenue	**299**	**264**	**13%**
Voice revenue	158	150	5%
Data revenue	107	87	24%
Other revenue	34	28	21%
EBITDA	**131**	**114**	**14%**
EBITDA margin	*43.8%*	*43.2%*	*52 bps*
Depreciation & Amortisation	50	47	7%
Operating Exceptional Items	-	-	-
Operating profit	69	59	16%
Capex	31	27	15%
Operating free cash flow	100	87	14%

For constant currency calculations the closing exchange rates as of 31 March 2023 have been used. Reported currency rates are used for Capex.

3.1.4 Mobile services – summarised statement of operations

In reported currency

All amounts are in $m, except for ratios

Particulars	Quarter ended		
	Jun-23	Jun-22	Y-on-Y Change
Revenue	**1,223**	**1,135**	**8%**
Voice revenue	621	610	2%
Data revenue	486	418	16%
Other revenue	116	107	8%
EBITDA	**610**	**555**	**10%**
EBITDA margin	*49.9%*	*48.9%*	*96 bps*
Depreciation & Amortisation	214	182	17%
Operating Exceptional Items	-	-	-
Operating profit	363	351	3%
Capex	132	127	5%
Operating free cash flow	478	428	12%

In constant currency

All amounts are in $m, except for ratios

Particulars	Quarter ended		
	Jun-23	Jun-22	Y-on-Y Change
Revenue	**1,042**	**875**	**19%**
Voice revenue	534	478	12%
Data revenue	408	314	30%
Other revenue	100	83	20%
EBITDA	**513**	**420**	**22%**
EBITDA margin	*49.2%*	*47.9%*	*126 bps*
Depreciation & Amortisation	184	144	28%
Operating Exceptional Items	-	-	-
Operating profit	298	257	16%
Capex	132	127	5%
Operating free cash flow	380	293	30%

For constant currency calculations the closing exchange rates as of 31 March 2023 have been used except for Nigeria where the closing exchange rates as of 30 June 2023 have been used. Reported currency rates are used for Capex.

3.1.5 Mobile money – summarised statement of operations

In reported currency

All amounts are in $m, except for ratios

Particulars	Quarter ended		
	Jun-23	Jun-22	Y-on-Y Change
Revenue	**201**	**159**	**26%**
Nigeria [1]	0	0	-
East Africa	155	121	28%
Francophone Africa	46	38	20%
EBITDA	**103**	**81**	**28%**
EBITDA margin	*51.2%*	*50.6%*	*56 bps*
Depreciation & Amortisation	5	4	29%
Operating profit	95	75	26%
Capex	4	9	(63%)
Operating free cash flow	99	72	39%

Mobile money revenue post inter-segment eliminations with mobile services was $156m for quarter ended 30 June 2023 and as compared to $123m for quarter ended 30 June 2022.
[1] On 19 May 2022, we announced that Smartcash had commenced operations in Nigeria. Services were initially made available at selected retail touchpoints, and operations are now being expanded gradually across the country.

In constant currency

All amounts are in $m, except for ratios

Particulars	Quarter ended		
	Jun-23	Jun-22	Y-on-Y Change
Revenue	**194**	**148**	**31%**
Nigeria	0	0	-
East Africa	147	109	35%
Francophone Africa	46	39	19%
EBITDA	**99**	**75**	**33%**
EBITDA margin	*51.3%*	*50.7%*	*54 bps*
Depreciation & Amortisation	4	3	32%
Operating profit	92	70	31%
Capex	4	9	(63%)
Operating free cash flow	96	66	46%

For constant currency calculations the closing exchange rates as of 31 March 2023 have been used except for Nigeria where the closing exchange rates as of 30 June 2023 have been used. Reported currency rates are used for Capex.
Mobile money revenue post inter-segment eliminations with mobile services was $150m for quarter ended 30 June 2023 and as compared to $114m for quarter ended 30 June 2022.

3.2 Product contribution (in constant currency)

Quarter ended

All amounts are in $m, except for ratios

Products	Quarter ended Jun-23					
	Revenue	% of total	EBITDA	% of total	Capex	% of total
Mobile services	1,042	88%	513	88%	132	94%
Mobile money	194	16%	99	17%	4	3%
Total before eliminations/others	**1,236**	**104%**	**612**	**105%**	**136**	**97%**
Eliminations/others	(46)	(4%)	(29)	(5%)	4	3%
Total	**1,190**	**100%**	**583**	**100%**	**140**	**100%**

For constant currency calculations the closing exchange rates as of 31 March 2023 have been used except for Nigeria where the closing exchange rates as of 30 June 2023 have been used. Reported currency rates are used for Capex.

Mobile money revenue post inter-segment eliminations with mobile services was $150m for the quarter ended 30 June 2023.

Section 4

Regional – summary of financial statements

4.1 Nigeria

In reported currency

All amounts are in $m, except for ratios

Particulars	Quarter ended		
	Jun-23	Jun-22	Y-on-Y Change
Revenue	**528**	**517**	**2%**
Voice revenue	254	259	(2%)
Data revenue	228	210	9%
Mobile money revenue	0	0	-
Other revenue	46	48	(4%)
EBITDA	**281**	**273**	**3%**
EBITDA margin	*53.2%*	*52.7%*	*44 bps*

For Nigeria mobile money revenue, please refer to the note on page no.11.

In constant currency

All amounts are in $m, except for ratios

Particulars	Quarter ended		
	Jun-23	Jun-22	Y-on-Y Change
Revenue	**353**	**287**	**23%**
Voice revenue	169	144	18%
Data revenue	153	117	31%
Mobile money revenue	0	0	-
Other revenue	31	27	15%
EBITDA	**188**	**151**	**24%**
EBITDA margin	*53.3%*	*52.8%*	*56 bps*

For constant currency calculations the closing exchange rates as of 30 June 2023 have been used.

4.2 East Africa

In reported currency

All amounts are in $m, except for ratios

Particulars	Quarter ended		
	Jun-23	Jun-22	Y-on-Y Change
Revenue	**519**	**455**	**14%**
Voice revenue	212	203	4%
Data revenue	151	123	23%
Mobile money revenue	155	121	28%
Other revenue	33	32	5%
EBITDA	**279**	**232**	**20%**
EBITDA margin	*53.7%*	*51.1%*	*262 bps*

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

In constant currency

All amounts are in $m, except for ratios

Particulars	Quarter ended		
	Jun-23	Jun-22	Y-on-Y Change
Revenue	**507**	**412**	**23%**
Voice revenue	208	185	13%
Data revenue	148	111	33%
Mobile money revenue	147	109	35%
Other revenue	33	29	15%
EBITDA	**270**	**211**	**28%**
EBITDA margin	*53.2%*	*51.1%*	*213 bps*

For constant currency calculations the closing exchange rates as of 31 March 2023 have been used.

4.3 Francophone Africa

In reported currency

All amounts are in $m, except for ratios

Particulars	Quarter ended		
	Jun-23	Jun-22	Y-on-Y Change
Revenue	**330**	**288**	**15%**
Voice revenue	158	149	6%
Data revenue	107	85	25%
Mobile money revenue	46	38	20%
Other revenue	33	28	21%
EBITDA	**155**	**134**	**16%**
EBITDA margin	*47.0%*	*46.4%*	*63 bps*

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

In constant currency

All amounts are in $m, except for ratios

Particulars	Quarter ended		
	Jun-23	Jun-22	Y-on-Y Change
Revenue	**330**	**291**	**14%**
Voice revenue	158	150	5%
Data revenue	107	87	24%
Mobile money revenue	46	39	19%
Other revenue	33	28	21%
EBITDA	**155**	**135**	**15%**
EBITDA margin	*47.0%*	*46.4%*	*61 bps*

For constant currency calculations the closing exchange rates as of 31 March 2023 have been used.

4.4 Regional contribution (in constant currency)

Quarter ended:

All amounts are in $m, except for ratios

Region	Quarter ended Jun-23					
	Revenue	% of total	EBITDA	% of total	Capex	% of total
Nigeria	353	30%	188	32%	49	35%
East Africa	507	43%	270	46%	55	39%
Francophone Africa	330	28%	155	27%	32	23%
Total before eliminations/others	**1,190**	**100%**	**613**	**105%**	**136**	**97%**
Eliminations/others	(0)	(0%)	(30)	(5%)	4	3%
Total	**1,190**	**100%**	**583**	**100%**	**140**	**100%**

For constant currency calculations the closing exchange rates as of 31 March 2023 have been used except for Nigeria where the closing exchange rates as of 30 June 2023 have been used. Reported currency rates are used for Capex.

Section 5

Operating highlights

5.1 Operational performance (quarter ended)

5.1.1 Mobile services operational performance

Parameters	Unit	Jun-23	Mar-23	Q-on-Q Change	Jun-22	Y-on-Y Change
Customer base	million	143.1	140.0	2.2%	131.6	8.8%
Net additions	million	3.1	1.5	97.7%	3.1	(2.3%)
Monthly churn	%	4.1%	4.2%	-0.1 pp	4.6%	-0.5 pp
Average revenue per user (ARPU)	$	2.5	2.4	4.1%	2.2	9.8%
Voice						
Minutes on the network	billion	119.7	113.1	5.8%	103.2	15.9%
Voice usage per customer	minutes	282	271	4.2%	264	7.0%
Voice average revenue per user (ARPU)	$	1.3	1.2	2.6%	1.2	3.2%
Voice revenue	$m	534	513	4.2%	478	11.9%
Data						
Data customer base	million	56.8	54.6	3.9%	46.5	22.0%
As % of customer base	%	39.7%	39.0%	0.7 pp	35.4%	4.3 pp
Total MBs on the network	billion	843.4	749.9	12.5%	581.8	45.0%
Data usage per customer	MBs	5,041	4,702	7.2%	4,099	23.0%
Data average revenue per user (ARPU)	$	2.4	2.4	3.5%	2.2	10.1%
Data revenue	$m	408	376	8.6%	314	29.8%
Network KPIs						
Network towers	number	32,226	31,546	680	29,412	2,814
Owned towers	number	2,201	2,049	152	2,015	186
Leased towers	number	30,025	29,497	528	27,397	2,628
Data capacity	TB/day	24,817	23,931	3.7%	17,792	39.5%
Revenue per site per month	$	10,883	10,526	3.4%	9,984	9.0%

Revenue and KPIs in constant currency. For constant currency calculations the closing exchange rates as of 31 March 2023 have been used except for Nigeria where the closing exchange rates as of 30 June 2023 have been used.

5.1.2 Mobile money operational performance

Parameters	Unit	Jun-23	Mar-23	Q-on-Q Change	Jun-22	Y-on-Y Change
Mobile money						
Mobile money customer base	million	34.3	31.5	9.0%	27.6	24.3%
Transaction value	$bn	25.8	23.6	9.3%	17.6	47.2%
Transaction value per customer	$	263	253	3.8%	218	20.6%
Mobile money ARPU	$	2.0	1.8	7.4%	1.8	7.5%
Mobile money revenue	$m	194	171	13.1%	148	31.2%

Revenue and KPIs in constant currency. For constant currency calculations the closing exchange rates as of 31 March 2023 have been used except for Nigeria where the closing exchange rates as of 30 June 2023 have been used.

5.2 Nigeria mobile services: operational performance

Parameters	Unit	Jun-23	Mar-23	Q-on-Q Change	Jun-22	Y-on-Y Change
Customer base	million	48.2	48.4	(0.3%)	46.0	4.8%
Net additions	million	(0.1)	0.5	(125.1%)	1.6	(108.3%)
Monthly churn	%	3.3%	2.8%	0.4 pp	4.1%	-0.9 pp
Average revenue per user (ARPU)	$	2.4	2.3	5.5%	2.1	16.1%
Voice						
Minutes on the network	billion	29.8	28.9	2.9%	27.0	10.1%
Voice usage per customer	minutes	205	200	2.4%	197	3.9%
Voice average revenue per user (ARPU)	$	1.2	1.1	4.9%	1.0	11.2%
Voice revenue	$m	169	161	5.4%	144	17.8%
Data						
Data customer base	million	23.7	23.8	(0.6%)	20.5	15.2%
As % of customer base	%	49.0%	49.2%	-0.2 pp	44.6%	4.4 pp
Total MBs on the network	billion	415.4	366.5	13.3%	289.5	43.5%
Data usage per customer	MBs	5,807	5,312	9.3%	4,662	24.5%
Data average revenue per user (ARPU)	$	2.1	2.0	4.3%	1.9	13.9%
Data revenue	$m	153	141	8.1%	117	31.2%
Network KPIs						
Network towers	number	13,836	13,601	235	12,627	1,209
Owned towers	number	345	236	109	229	116
Leased towers	number	13,491	13,365	126	12,398	1,093
Data capacity	TB/day	11,795	11,412	3.4%	9,232	27.8%
Revenue per site per month	$	8,572	8,229	4.2%	7,621	12.5%

Revenue and KPIs in constant currency. For constant currency calculations the closing exchange rates as of 30 June 2023 have been used.

5.3 East Africa mobile services: operational performance

Parameters	Unit	Jun-23	Mar-23	Q-on-Q Change	Jun-22	Y-on-Y Change
Customer base	million	65.0	62.7	3.6%	58.5	11.1%
Net additions	million	2.3	0.4	522.0%	1.3	73.5%
Monthly churn	%	3.8%	4.6%	-0.7 pp	4.2%	-0.4 pp
Average revenue per user (ARPU)	$	2.0	2.0	4.2%	1.9	8.9%
Voice						
Minutes on the network	billion	76.3	71.2	7.2%	64.5	18.4%
Voice usage per customer	minutes	399	380	5.2%	371	7.7%
Voice average revenue per user (ARPU)	$	1.1	1.1	3.4%	1.1	2.4%
Voice revenue	$m	208	198	5.4%	185	12.6%
Data						
Data customer base	million	23.9	21.9	9.1%	18.5	29.3%
As % of customer base	%	36.8%	34.9%	1.8 pp	31.6%	5.2 pp
Total MBs on the network	billion	319.5	282.7	13.0%	221.0	44.6%
Data usage per customer	MBs	4,641	4,374	6.1%	3,987	16.4%
Data average revenue per user (ARPU)	$	2.1	2.1	2.4%	2.0	7.0%
Data revenue	$m	148	136	9.1%	111	33.0%
Network KPIs						
Network towers	number	12,649	12,313	336	11,510	1,139
Owned towers	number	308	303	5	337	-29
Leased towers	number	12,341	12,010	331	11,173	1,168
Data capacity	TB/day	9,699	9,269	4.6%	6,449	50.4%
Revenue per site per month	$	10,412	10,105	3.0%	9,495	9.7%

The East Africa business region includes Kenya, Malawi, Rwanda, Tanzania, Uganda and Zambia.
Revenue and KPIs in constant currency. For constant currency calculations the closing exchange rates as of 31 March 2023 have been used.

5.4 Francophone Africa mobile services: operational performance

Parameters	Unit	Jun-23	Mar-23	Q-on-Q Change	Jun-22	Y-on-Y Change
Customer base	million	29.8	28.9	3.2%	27.0	10.5%
Net additions	million	0.9	0.6	44.9%	0.2	399.9%
Monthly churn	%	6.2%	6.0%	0.2 pp	6.4%	-0.2 pp
Average revenue per user (ARPU)	$	3.4	3.3	2.3%	3.3	3.6%
Voice						
Minutes on the network	billion	13.6	13.0	4.7%	11.7	15.6%
Voice usage per customer	minutes	154	151	2.0%	146	6.0%
Voice average revenue per user (ARPU)	$	1.8	1.8	(1.1%)	1.9	(3.5%)
Voice revenue	$m	158	155	1.6%	150	5.3%
Data						
Data customer base	million	9.2	8.9	3.2%	7.5	22.8%
As % of customer base	%	30.9%	30.9%	0.0 pp	27.8%	3.1 pp
Total MBs on the network	billion	108.5	100.7	7.8%	71.3	52.2%
Data usage per customer	MBs	4,029	3,893	3.5%	2,919	38.0%
Data average revenue per user (ARPU)	$	4.0	3.8	4.2%	3.5	12.4%
Data revenue	$m	107	99	8.5%	87	23.9%
Network KPIs						
Network towers	number	5,741	5,632	109	5,275	466
Owned towers	number	1,548	1,510	38	1,449	99
Leased towers	number	4,193	4,122	71	3,826	367
Data capacity	TB/day	3,322	3,250	2.2%	2,112	57.3%
Revenue per site per month	$	17,512	16,903	3.6%	16,867	3.8%

The Francophone Africa business region includes Chad, Democratic Republic of the Congo, Gabon, Madagascar, Niger, Republic of the Congo, and Seychelles.
Revenue and KPIs in constant currency. For constant currency calculations the closing exchange rates as of 31 March 2023 have been used.

Section 6

Management discussion and analysis

6.1 Reporting methodology

The results for the three-month period ended 30 June 2023 are unaudited and in the opinion of management, include all adjustments necessary for the fair presentation of the results of the same period. The financial information has been drawn from financial statements prepared in accordance with International Accounting Standard 34 (IAS 34) 'Interim Financial Reporting' issued by the International Accounting Standards Board (IASB) approved for use in the United Kingdom (UK by the UK Accounting Standards Endorsement Board (UKEB) and apply the same accounting policies, presentation and methods of calculation as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2023 except to the extent required/ prescribed by IAS 34. This report should be read in conjunction with audited consolidated financial statements and related notes for the year ended 31 March 2023. The comparative annual information has been drawn based on Airtel Africa plc's Audited Consolidated Financial Statements for the year ended 31 March 2023. Comparative quarterly information is drawn from unaudited IAS 34 financials of respective periods. Comparative period figures have been regrouped/ reclassified to conform with current year grouping/ classification.

The information, apart from the extract of the Financial Statements in Section 7, is on underlying basis and exceptional items are shown separately. This enables an organic comparison of results with past periods.

6.2 Key company developments

Nigerian naira Devaluation

On 14of June 2023, the Central Bank of Nigeria (CBN) announced changes to the operations in the Nigerian Foreign Exchange (FX) Market, including the abolishment of segmentation, with all segments now collapsing into the Investors and Exporters (I&E) window and the reintroduction of the 'Willing Buyer, Willing Seller' model at the I&E window. As a result of the CBN decision, the US dollar has appreciated against the naira in the I&E window. Airtel Africa welcomes these changes as a positive move towards a more stable Nigerian FX market. The market expectation is that the new foreign currency policy and subsequent realignment of the several market exchange rates will provide greater US dollar liquidity and help to alleviate the challenges faced in the last few years to access US dollars in the market.

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

Nigeria 2100 MHz spectrum renewal

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

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

Uganda Spectrum

The regulator had previously issued an invitation to apply for spectrum in various bands (700, 800, 2300, 2600, 3300, 3500, etc). Airtel Uganda has submitted its application for acquisition of additional spectrum of 10 MHz in 800 band, 100 MHz in 3500 band and 500 MHz in E-band along with a bank guarantee of $1.5m on 7 June 2023. There is no upfront payout for spectrum but, instead, there is an annual payout of $1.2m for a period of 17 years, which is the validity period for the spectrum. On 26 June 2023, the Uganda Communications Commission confirmed that Airtel Uganda Limited had qualified for the award of the 800MHz (2 (2x5)) and 3500MHz (1x1000).

6.3 Results of operations

The financial results presented in this section are compiled based on the consolidated financial statements prepared in accordance with international financial reporting standards (IFRS) and the underlying information.

Highlights for quarter ended 30 June 2023

Operating key performance indicators (KPIs)

- Total customer base grew by 8.8% to 143.1 million, as the penetration of mobile data and mobile money services continued to rise, driving a 22.0% increase in data customers to 56.8 million and a 24.3% increase in mobile money customers to 34.3 million.
- Constant currency ARPU growth of 11.1% was largely driven by increased usage across voice, data and mobile money.
- Mobile money transaction value increased by 47.2% in constant currency, with Q1'24 annualised transaction value of $107bn in reported currency.

Financial performance

- Revenue in constant currency grew by 20.4%, with reported currency revenues up by 9.6% to $1,377m.
- While each segment's reported currency revenue growth was impacted by currency devaluation, they all delivered double-digit constant currency revenue growth. Across the Group mobile service revenue grew by 19.1% in constant currency, driven by voice revenue growth of 11.9% and data revenue growth of 29.8%. Mobile money revenue grew by 31.2% in constant currency.
- EBITDA increased by 22.5% in constant currency, and 11.1% in reported currency to $682m, with an EBITDA margin of 49.5%, reflecting a 69bps margin improvement despite inflationary cost pressures.
- Profit after tax was negative ($151m) driven largely by a foreign exchange loss of $471m recorded in finance cost before tax and $317m after tax because of the devaluation of the Nigerian naira in the month of June 2023. This impact has been classified as a non-operating exceptional item.
- EPS before exceptional items was 3.9 cents, an improvement of 3.3%. EPS before exceptional items and excluding foreign exchange and derivative losses was 6.0 cents, up by 16.2%. Basic EPS at negative (4.5 cents) compared to 4.4 cents in the prior period, impacted by $317m net exceptional loss on account of naira devaluation in the month of June 2023.

Capital allocation

- Capex at $140m is flat compared to the prior period as we continue to invest for future growth.
- In July 2022, the Group prepaid $450m of outstanding external debt at HoldCo. The remaining debt at HoldCo is now $550m, falling due in May 2024. Cash at the holding companies was $505m at the end of the period. Leverage of 1.3x in June 2023, was broadly stable despite over $500m of spectrum investment in the last fiscal year and the renewal of 2100 MHz spectrum licence in Nigeria in the period.

Sustainability strategy

- The Annual Report and Accounts 2022/23 was published in June 2023, 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.
- Our landmark five-year $57m partnership with UNICEF was launched across eight of the 13 of our markets providing access to educational resources, free of charge, to more than 250,000 children on our way to reaching one million children through our programmes by 2027.
- We are on track with the Group's ambition to achieving a near-term target of 62% reduction in Scope 1 and 2 emissions intensity by 2032 and the long-term target to achieve net zero by 2050. We're progressing in tandem with our partners and suppliers to formulate our Scope 3 strategy which will contribute to the overall reduction of carbon emissions across our value chain.

Results for the quarter ended 31 March 2023

6.3.1 Airtel Africa consolidated

Revenue in reported currency grew by 9.6%, with constant currency growth of 20.4% for the Group. The gap in constant and reported currency revenue growth of 10.8% in Q1'24 is primarily due to the impact of average currency devaluations between the periods, mainly in the Nigerian naira (22.7%), the Malawi kwacha (16.3%), the Zambian kwacha (8.5%), and the Kenyan shilling (17.9%), in turn partially offset by appreciation in the Central African franc (2.2%).

Double digit constant currency revenue growth was posted across all reporting segments: with mobile services revenue in Nigeria up by 23.0%, East Africa up by 19.8% and Francophone Africa by 13.0%. Group mobile services revenue grew by 19.1%, with voice revenue growth of 11.9%, data revenue growth of 29.8% and other revenues growing by 19.8%. Mobile money revenue grew by 31.2% in constant currency, driven by growth of 35.3% in East Africa and 19.0% in Francophone Africa, respectively.

Due to the timing of the Nigerian naira devaluation, the weighted average NGN/USD rate used to consolidate the Group results in the current period was 503 NGN/USD as opposed to the closing rate of 752 NGN/USD. As a result, the impact of the Nigerian naira devaluation on reported revenue and EBITDA in Q1'24 has been minimal, $45m and $24m, respectively.

If the closing rate of 752 NGN/USD were to be used to consolidate the results of the Group for the three months ended 30 June 2023, reported revenues would have declined by 4.4% to $1,202m, as opposed to 9.6% growth which was reported, and reported EBITDA would have declined by 3.5% to $592m, as opposed to the 11.1% growth reported.

The annualised impact of the devaluation in Nigeria incurred in June 2023, assuming no further devaluation for the remainder of the year, is expected to be between $850m and $900m on annualised revenues and between $450m and $500m on annualised EBITDA, with the large majority of the impact expected to materialise in Q2'24 and the remainder of the fiscal year.

Net finance costs were materially impacted by the Nigerian naira devaluation which resulted in a $471m non-operating exceptional item reflecting the impact from the revaluation of USD balance sheet liabilities and derivatives in Nigeria. All balance sheet liabilities have been revalued at the closing rate of 752 NGN/USD, therefore, assuming no further devaluation, no further impact on finance cost is expected to arise from the revaluation of USD balance sheet liabilities during the remainder of the financial year.

Total tax charges reflected an exceptional gain of $154m on account of naira devaluation during the current quarter compared with deferred tax credit of $21m in Kenya in the prior period, hence a higher exceptional gain of $133m. Tax charges excluding exceptional items was $84m as compared to $119m in the prior period. Basic EPS at negative (4.5 cents) was primarily impacted by the derivative and exchange loss following the naira devaluation in June 2023. EPS before exceptional items and excluding foreign exchange and derivative losses was 6.0 cents, up by 16.2%.

Leverage at 1.3x is flat YoY. Our balance sheet has also been further de-risked by continued localisation of our debt into the OpCos and material debt reduction in HoldCo. Following the prepayment of $450m bonds in July 2022, the remaining debt at HoldCo is now $550m. Cash at the holding company was $505m at the end of the period. The EBITDA used to calculate the leverage ratio of 1.3x is based on the last 12 months and, therefore, does not fully incorporate the impact from the devaluation of the Nigerian naira. On a 12 months basis after including the impact of the Nigeria naira devaluation on both P&L and balance sheet the leverage ratio is expected to be between 1.4x and 1.5x.

GAAP measures

Reported revenue increased to $1,377m, up by 9.6% in reported currency, and by 20.4% in constant currency driven by both customer base growth of 8.8% and ARPU growth of 11.1%. The constant currency revenue growth was partially offset by average currency devaluations between the periods, mainly in the Nigerian naira (22.7%), the Malawi kwacha (16.3%), the Zambian kwacha (8.5%) and the Kenyan shilling (17.9%), in turn, partially offset by appreciation in the Central African franc (2.2%).

Mobile services revenue grew by 19.1% in constant currency, supported by growth of 23.0% in Nigeria, 19.8% in East Africa and 13.0% in Francophone Africa. Mobile money revenue grew by 31.2% in constant currency, driven by revenue growth in East Africa of 35.3% and Francophone Africa of 19.0%.

The Group has previously communicated that a 12-month impact of a 1% devaluation of the Nigerian naira would have a negative impact of $22m on revenues. During the period, the Nigerian naira devalued from 461 per US dollar to 752 resulting in a 38.7% appreciation in the US dollar since 31 March 2023. However, the significant part of the devaluation occurred in mid-June, and as such only impacted the period's results for 15 days in the quarter.

In-line with the sensitivity analysis published, the impact of the devaluation seen to date is expected to be between $850m and $900m on annualised revenues. The naira devaluation impact reported this quarter amounts to only $45m reflecting the timing of the devaluation. The weighted average NGN/USD rate used to consolidate the Group results in the current period was 503 NGN/USD. If the closing rate of 752NGN/USD were to be used to consolidate the results of the Group for the 3 months ended 30 June 2023, reported revenues would have declined by 4.4% to $1,202m, as opposed to 9.6% growth which was reported.

Operating profit in reported currency increased by 8.7% to $462m as a result of revenue growth and continued improvements in operating efficiency across the Group.

Net finance costs (including loss on foreign exchange and derivatives and non-operating exceptional loss due to the Nigerian naira devaluation in June 2023) increased by $532m to $683m in the quarter. Of the $683m, $471m related to a non-operating exceptional item following the naira devaluation in June 2023. Adjusting for this exceptional item, net finance costs (including loss on foreign exchange and derivatives) of $212m increased by $61m, as a result of $30m higher foreign exchange and derivative losses, $11m higher interest payments on lease obligations and $18m higher interest on market debt predominantly resulting from the increased debt following the spectrum acquisitions and license renewal payments made over the last year.

The Group's effective interest rate increased to 8.5% compared to 5.6% in the prior period, largely driven by the repayment of $450m of HoldCo debt, which carried a lower-than-average coupon, and due to higher local currency debt at the OpCo level.

There are two primary components of the $471m naira devaluation impact.

1) Revaluation of foreign currency liabilities in Nigeria (excluding derivatives)

Approximately $360m of the $471m naira devaluation impact relates to the revaluation of USD liabilities held on the Nigerian subsidiary balance sheet. The Group had previously indicated that a 1% devaluation in the Nigerian naira would have a $7m negative impact on finance costs (excluding derivatives) on a 12-month basis. Adjusting for interest cost savings due to lower local currency liabilities which will accrue over a 12-month period, the foreign exchange loss component of the devaluation amounts to $7.6m per 1% of devaluation of the Nigerian naira. During the month of June 2023, the Nigerian naira devalued from 465 per US dollar to 752 resulting in a 38% appreciation in the US dollar. According to our sensitivity analysis this devaluation should have resulted in an approximate $290m impact on foreign exchange losses.

The table below summarises how the $360m impact has been calculated. The impact from the revaluation of the foreign currency liabilities in Nigeria reflects the weighted average NGN/USD exchange rate used to translate the foreign exchange loss which was 611 NGN/USD during the month of June (column D), as opposed to the closing rate for the month of 752 NGN/USD (column C). The difference between the average rate and closing rate is driven by the timing of the devaluation. Column I in the table below highlights the impact that the devaluation would have assuming the devaluation occurred at the beginning of the month. In such a case, the impact would have been broadly in line with our sensitivity analysis.

	Airtel Nigeria financial statement impact from devaluation							HoldCo consolidation	HoldCo consolidation
	Jun'23 US dollar liabilities ($m) [1]	May'23 closing rate (NGN/$)	June'23 closing rate (NGN/$)	Jun'23 weighted average rate used for P&L impact (NGN/$)	Liability in local currency (NGN m) at May'23 rate	Liability in local currency (NGN m) at June'23 rate	Forex loss in Jun'23 (NGN m)	Restatement of FX liabilities in Nigeria at weighted average rate ($m)	Restatement of FX liabilities in Nigeria assuming devaluation occurred on 1st Jun'23 (closing rate is weighted average rate, $ m)
	A	B	C	D	E= A x B	F= A x C	G= F - E	H= G/D	I= G/C
Calculation	767	465	752	611	356,755	576,937	220,183	361	293

[1] Foreign currency liabilities primarily include borrowings, trade payables and the foreign currency linked portion of lease liabilities.

2) <u>Revaluation of derivative instruments</u>

Approximately $100m of the non-operating exceptional item relates to the revaluation of derivative instruments. The Group had previously indicated that a 1% devaluation in the Nigerian naira on derivative instruments held by the Group would have a negative impact of approximately $1.5m. During the month of June 2023, the Nigerian naira devalued from 465 per US dollar to 752 resulting in a 38% appreciation in the US dollar since 31 March 2023. According to our sensitivity analysis this devaluation should have resulted in an approximate $60m impact on finance costs. The higher impact from the revaluation of the derivative instruments in Nigeria reflects the weighted average NGN/USD exchange rate used to translate the foreign exchange loss which was 611 NGN/USD during the month of June, as opposed to the closing rate for the month of 752 NGN/USD.

Total tax charges reflected an exceptional gain of $154m on account of naira devaluation during the current quarter compared with deferred tax credit of $21m in Kenya in the prior period, hence a higher exceptional gain of $133m. Tax charges excluding exceptional items was $84m as compared to $119m in the prior period. The tax charge of $84m is net of tax gain of $30m arising from reversal of deferred tax liability on account of reduction of undistributed retained earnings of Nigeria. This reduction is an indirect consequence of the impact of the Nigerian naira devaluation. Total tax charges was a credit of $70m as compared to $98m tax charge in the prior period.

Profit after tax was negative ($151m) largely driven by $570m of foreign exchange and derivative losses as a result of the revaluation of foreign currency liabilities in the OpCos. In particular, the devaluation of the Nigerian naira in the month of June 2023 (from 465 to 752 NGN/USD) resulted in a foreign exchange loss of $471m before tax and $317m after tax. The impact of the Nigerian naira devaluation has been classified as a non-operating exceptional item.

Basic EPS at negative (4.5 cents), as compared to 4.4 cents in the prior period, was impacted by $317m net exceptional loss on account of naira devaluation in the month of June 2023. EPS before exceptional items and excluding foreign exchange and derivative losses was 6.0 cents, up by 16.2%. During the period we benefitted from a $30m one-off gain arising from reversal of deferred tax liability on account of the reduction of undistributed retained earnings of Nigeria. This reduction is an indirect consequence of the impact of the Nigerian naira devaluation.

Net cash generated from operating activities was $580m, 49.3% higher than the $389m of the prior period. This was largely due to lower cash tax payments (higher tax payment in last year due to higher dividend tax) and higher operating cash flows.

Alternative performance measures

EBITDA increased to $682m, up by 11.1% in reported currency, and by 22.5% in constant currency. Growth in EBITDA was led by revenue growth and supported by continued improvement in operating efficiencies which more than offset inflationary cost pressures. The EBITDA margin improved by 69 basis points in reported currency to 49.5%.

Foreign exchange had an adverse impact of $82m on revenue, and $39m on EBITDA, as a result of average currency devaluations, mainly in the Nigerian naira (22.7%), the Malawi kwacha (16.3%), the Zambian kwacha (8.5%), and the Kenyan shilling (17.9%), in turn partially offset by appreciation in the Central African franc (2.2%).

The Group has previously communicated that a 12-month impact of a 1% devaluation of the Nigerian naira would have a negative impact of $12m on EBITDA. During the period, the Nigerian naira devalued from 461 per US dollar to 752 resulting in a 38.7% appreciation in the US dollar since 31 March 2023. However, the significant part of the devaluation occurred in mid-June, and as such only impacted the period's results for 15 days in the quarter.

In-line with the sensitivity analysis published, the impact of the devaluation seen to date is expected to amount to between $450m and $500m on annualised EBITDA. The naira devaluation impact on EBITDA reported this quarter amounts to only $24m reflecting the timing of the devaluation. The weighted average NGN/USD rate used to consolidate the Group results in the current period was 503 NGN/USD. If the closing rate of 752 NGN/USD were to be used to consolidate the results of the Group for the 3 months ended 30 June 2023, reported EBITDA would have declined by 3.5% to $592m, as opposed to 11.1% growth which was reported.

The expected annualised impact of the devaluation in Nigeria incurred in the month of June 2023 is expected to be between $850m and $900m on annualised revenues, and between $450m and $500m on annualised EBITDA. With respect to currency devaluation sensitivity going forward, on a 12-month basis, a further 1% USD appreciation across all currencies in our OpCos would have a negative impact of $48m on revenues, $24m on EBITDA and $21m on finance costs (excluding derivatives). Our largest exposure is to the Nigerian naira, for which a further 1% USD appreciation would have a negative impact of $14m on revenues, $8m on EBITDA and $7m on finance costs (excluding derivatives). This sensitivity analysis assumes the USD appreciation occurs at the beginning of the period.

The effective tax rate was 39.2%, compared to 39.9% in the prior period, largely due to profit mix changes amongst the OpCos and the lower impact of withholding taxes on dividends. The effective tax rate is higher than the weighted average statutory corporate tax rate of approximately 33%, largely due to the profit mix between various OpCos and withholding taxes on dividends by subsidiaries.

The non-operating exceptional item of $471m is on account of derivative and foreign exchange losses following the Nigerian naira devaluation in June 2023 (from 465 NGN/USD in May'23 to 752 NGN/USD in Jun'23). This has resulted in an exceptional tax gain of $154m. Tax exceptional items in previous quarter benefited from the initial recognition of a deferred tax credit of $21m in Kenya.

EPS before exceptional items at 3.9 cents, 3.3% higher compared to 3.8 cents in the prior period. Current period EPS was negatively impacted due to higher finance cost including foreign exchange and derivative losses. EPS before exceptional items and excluding foreign exchange and derivative losses was 6.0 cents, up by 16.2%. During the period we benefitted from a

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

Operating free cash flow was $542m, up by 14.6%, as a result of higher EBITDA during the period. Capital expenditure during the period at $140m is flat compared to the prior period.

6.3.2 Leverage

Leverage (net debt to EBITDA) at 1.3x in June 2023, stable YoY despite over $500m of spectrum investment in the last fiscal year and the renewal of 2100 MHz spectrum licence in Nigeria in the period. Our balance sheet has also been further de-risked by continued localisation of our debt into the OpCos and material debt reduction in HoldCo. Following the prepayment of $450m bonds in July 2022, the remaining debt at HoldCo is now $550m.

The EBITDA used to calculate the leverage ratio of 1.3x is based on the last 12 months and therefore does not fully incorporate the impact from the devaluation of the Nigerian naira.

6.3.3 Segmental review for the quarter ended

6.3.3.1 Nigeria – Mobile services

Revenue grew by 2.2% in reported currency to $528m, and by 23.0% in constant currency. The differential in growth rates is primarily contributed by 22.7% average devaluation in Nigeria naira. The constant currency revenue growth was driven by both customer base growth of 4.8% and ARPU growth of 16.1%, largely driven by higher data revenue growth.

Voice revenue grew by 17.8% in constant currency, driven by customer base growth of 4.8% supported by voice ARPU growth of 11.2%. Voice ARPU growth was driven by per customer usage growth of 3.9% to reach 205 minutes per month.

Data revenue grew by 31.2% in constant currency, driven by data customer base growth of 15.2% and data ARPU growth of 13.9%. Data usage per customer increased by 24.5% to 5.7 GB per month (from 4.6 GB in the prior period). Our continued 4G network rollout has resulted in nearly 100% of all our sites in Nigeria delivering 4G. For the Q1'24 period, 48.5% of our data customer base were 4G users, contributing to 84.0% of total data usage. 4G data usage per customer reached 10.7 GB per month, an increase of 44.4% (from 7.4 GB per customer per month in Q1'23).

Other revenues grew by 15.3% in constant currency, contributed by growth in messaging and value-added services coupled with an 18.8% growth in leased line revenue.

EBITDA was $284m, up by 25.2% in constant currency. The EBITDA margin increase to 53.7% from 52.9% was primarily due largely to the strength in revenues, supported by continued cost efficiencies. The US dollar component of operating costs within our Nigerian business is minimal, and therefore it does not have a material impact on the EBITDA margins following the naira devaluation.

Operating free cash flow was $237m, up by 48.8%, largely due to the strong EBITDA performance and lower capex.

6.3.3.2 East Africa – Mobile services

East Africa revenue grew by 10.7% in reported currency to $397m, and by 19.8% in constant currency. The constant currency growth was made up of voice revenue growth of 12.6%, data revenue growth of 33.0% and other revenue growth of 15.4%. The differential in growth rates is primarily contributed by the average devaluation in Kenya shilling (17.9%), Malawi kwacha (16.3%) and Zambian kwacha (8.5%).

Voice revenue grew by 12.6% in constant currency, driven by both customer base growth of 11.1% and voice ARPU growth of 2.4%. The customer base growth was largely driven by expansion of both increased network coverage and the increasing scale of the distribution network. Voice usage per customer increased by 7.7% to 399 minutes per customer per month, driving voice ARPU up by 2.4%.

Data revenue grew by 33.0% in constant currency, largely driven by data customer base growth of 29.3% and data ARPU growth of 7.0%. Our continued investment in the network and expansion of 4G network infrastructure helped us grow both the data customer base and usage levels. 90.4% of our East Africa network sites are now on 4G, compared with 87.0% in the prior period. In Q1'24, 4G customers accounted for 48.1% of our total data customer base and contributed to 72.6% of total data usage. Total data usage per customer increased to 4.5 GB per customer per month, up by 16.4%, and 4G data usage per customer increased to 6.7 GB per customer per month from 6.2 GB per customer per month in the prior period.

EBITDA increased to $195m, up by 24.2% in constant currency. The EBITDA margin improved to 49.1%, an improvement of 174 basis points in constant currency, as a result of revenue growth and improved operating efficiencies.

Operating free cash flow was $141m, up by 24.5%, due largely to EBITDA growth, partially offset by increased capex.

6.3.3.3 Francophone Africa – Mobile services

Revenue grew by 14.0% in reported currency and by 13.0% in constant currency. Higher reported currency growth as compared to constant currency is due to appreciation in Central African franc by 2.2% partially offset by 9.5% depreciation in Madagascar ariary.

Voice revenue grew by 5.3% in constant currency, driven by customer base growth of 10.5% partially offset by voice ARPU decline of 3.5%. The customer base growth was driven by expansion of both network coverage and distribution infrastructure.

Data revenue grew by 23.9% in constant currency, supported by customer base growth of 22.8% and ARPU growth of 12.4%. ARPU is largely driven by increased usage. Our continued 4G network rollout resulted in an increase in total data usage of 52.2% and per customer data usage increase of 38.0%. For Q1'24, 4G data users constituted 55.5% of total data users, compared with 49.7% in the prior period. 4G users contributed 73.0% of total data usage this quarter. Data usage per customer increased to 3.9 GB per month (up from 2.9 GB in the prior period), while 4G data usage per customer reached 5.8 GB per month, from 5.0 GB in the prior period.

EBITDA at $131m, increased by 14.3% in constant currency. The EBITDA margin improved to 43.8%, an improvement of 52 basis points in constant currency. This EBITDA growth was driven by continued revenue growth and increased operating efficiencies.

Operating free cash flow was $100m, up by 14.1% in constant currency, due to the increased EBITDA, partially offset by higher capex.

6.3.3.4 Mobile services

Overall revenue from mobile services grew by 7.8% in reported currency, and in constant currency grew by 19.1%. The constant currency growth was evident in all regions and key services. Mobile services revenue grew in Nigeria by 23.0%, in East Africa by 19.8% and in Francophone Africa by 13.0%, respectively.

Voice revenue grew by 11.9% in constant currency, supported by both customer base growth of 8.8% and voice ARPU growth of 3.2%. Customer base growth was driven by the expansion of our network and distribution infrastructure. The voice ARPU growth of 3.2% was driven by an increase in voice usage per customer of 7.0%, reaching 282 minutes per customer per month, with total minutes on the network increasing by 15.9%.

Data revenue grew by 29.8% in constant currency, driven by both customer base growth of 22.0% and data ARPU growth of 10.1%. The customer base growth was recorded across all the regions supported by the expansion of our 4G network. 90.6% of our total sites are now on 4G, compared with 88.4% in the prior period. 49.5% of total data customers are 4G users (up from 44.1%) contributing to 78.3% of total data usage. Data usage per customer increased to 4.9 GB per customer per month (from 4.0 GB in the prior period) while 4G data usage per customer reached 8.2 GB per month (from 6.6 GB in the prior period). In the quarter, data revenue contributed to 39.8% of total mobile services revenue, up from 36.8% in the prior period.

EBITDA was $610m, growing by 22.2% in constant currency. The EBITDA margin improved by 96 basis points to 49.9% (improvement of 126 basis points in constant currency).

Operating free cash flow was $478m, up by 29.8%, due to the strong EBITDA performance partially offset by higher capex.

6.3.4.5 Mobile money

Mobile money revenue grew by 26.2% in reported currency, with constant currency growth of 31.2%. The differential in growth rates is primarily contributed by average devaluation in Malawi kwacha (16.3%) and Zambian kwacha (8.5%), partially offset by appreciation in Central African franc (2.2%). The constant currency mobile money revenue growth was driven by revenue growth in both East Africa and Francophone Africa, of 35.3% and 19.0%, respectively. In Nigeria, the company remains focussed on customer acquisition through the quarter with 1.5 million of active customers currently registered for mobile money services in Nigeria versus 0.6 million in quarter ended March 2023. Annualised transaction value for Nigeria PSB grew by 64% in current quarter as compared to quarter ended March 2023. Additionally, we added over 15,000 agents during the quarter and reached almost 68,000 agents as of 30 June 2023.

The constant currency revenue growth of 31.2% was driven by both customer base growth of 24.3% and mobile money ARPU growth of 7.5%. The expansion of our distribution network, particularly our exclusive channels of Airtel Money branches and kiosks, supported customer base growth of 24.3%. The mobile money ARPU growth of 7.5% was driven by an increase in the transaction value per customer of 20.6% to $272 per customer per month.

Q1’24 annualised transaction value amounted to $107bn in reported currency, with mobile money revenue contributing 14.6% of total Group revenue in the quarter.

EBITDA was $103m, up by 32.6% in constant currency. The EBITDA margin reached 51.2%, an improvement of 54 basis points in constant currency and 56 basis points in reported currency.

Section 7

Detailed financial and related information

7.1 Summarised extracts from interim unaudited condensed consolidated financial statements prepared under IAS 34 for the three-month period ended 30 June 2023 and audited consolidated financial statements for the year ended 31 March 2023 prepared in accordance with IFRS.

7.1.1 Consolidated statement of comprehensive income

All amounts are in $m, except for ratios

Particulars	Quarter ended		
	Jun-23	Jun-22	Y-on-Y Change
Income			
Revenue	1,377	1,257	10%
Other income	7	2	315%
	1,384	**1,259**	**10%**
Expenses			
Network operating expenses	268	230	17%
Access charges	101	107	(6%)
License fee and spectrum usage charges	64	56	15%
Employee benefits expense	73	67	9%
Sales and marketing expenses	63	61	4%
Impairment loss on financial assets	3	6	(45%)
Other operating expenses	130	118	10%
Depreciation and amortisation	220	189	17%
	922	**834**	**11%**
Operating profit	**462**	**425**	**9%**
Net loss on foreign exchange and derivative financial instruments	570	69	720%
Finance costs	121	87	39%
Finance income	(8)	(5)	(54%)
Share of profit of associate and joint venture accounted for using equity method	(0)	(2)	-
(Loss)/Profit before tax	**(221)**	**276**	**(180%)**
Income tax (credit)/expense	(70)	98	(171%)
(Loss)/Profit for the period	**(151)**	**178**	**(185%)**
(Loss)/Profit before tax (as presented above)	**(221)**	**276**	**(180%)**
Add: Exceptional items	471	-	-
Underlying profit before tax	**250**	**276**	**(9%)**
(Loss)/Profit after tax (as presented above)	**(151)**	**178**	**(185%)**
Add: Exceptional items	317	(21)	1,627%
Underlying profit after tax	**166**	**157**	**6%**

Exceptional items if any are included within their respective heads.

7.1.2 Consolidated statement of comprehensive income

All amounts are in $m, except for ratios

Particulars	Quarter ended		
	Jun-23	Jun-22	Y-on-Y Change
Other comprehensive income ('OCI')			
Items to be reclassified subsequently to profit or loss:			
Loss due to foreign currency translation differences	(524)	(154)	(241%)
Tax expense on above	(35)	(1)	(2,446%)
Share of OCI of associate and joint venture accounted for using equity method	(0)	(1)	89%
	(559)	**(156)**	**(258%)**
Items not to be reclassified subsequently to profit or loss:			
Re-measurement gain/(loss) on defined benefit plans	1	(0)	459%
Tax (expense)/credit on above	(0)	0	-
	1	**(0)**	**404%**
Other comprehensive loss for the period	**(558)**	**(156)**	**(258%)**
Total comprehensive (loss)/income for the period	**(709)**	**22**	**(3,318%)**
(Loss)/Profit for the period attributable to:	**(151)**	**178**	**(185%)**
Owners of the company	(170)	163	(204%)
Non-controlling interests	19	15	31%
Other comprehensive loss for the period attributable to:	**(558)**	**(156)**	**(258%)**
Owners of the company	(553)	(144)	(285%)
Non-controlling interests	(5)	(12)	57%
Total comprehensive (Loss)/income for the period attributable to:	**(709)**	**22**	**(3,318%)**
Owners of the company	(723)	19	(3,813%)
Non-controlling interests	14	3	445%
(Loss)/Earnings per share			
Basic	(4.5 cents)	4.4 cents	
Diluted	(4.5 cents)	4.3 cents	

7.1.3 Consolidated summarised financial position

All amounts are in $m

Particulars	As at Jun 30, 2023	As at Mar 31, 2023
Assets		
Non-current assets		
Property, plant and equipment	1,969	2,295
Capital work-in-progress	180	212
Right of use assets	1,252	1,497
Goodwill	3,092	3,516
Other intangible assets	886	813
Intangible assets under development	66	399
Investments accounted for using equity method	4	4
Financial assets		
- Investments	0	0
- Derivative instruments	0	9
- Others	21	34
Income tax assets (net)	4	1
Deferred tax assets (net)	439	337
Other non-current assets	137	151
	8,050	**9,268**
Current assets		
Inventories	23	15
Financial assets		
- Derivative instruments	14	4
- Trade receivables	141	145
- Cash and cash equivalents	529	586
- Other bank balance	319	131
- Balance held under mobile money trust	710	616
- Others	120	142
Other current assets	256	259
	2,112	**1,898**
Total assets	**10,162**	**11,166**
Current liabilities		
Financial liabilities		
- Borrowings	929	945
- Lease liabilities	339	395
- Derivative instruments	13	5
- Trade payables	443	460
- Mobile money wallet balance	692	582
- Others	341	533
Provisions	59	83
Deferred revenue	149	183
Current tax liabilities (net)	93	194
Other current liabilities	197	192
	3,255	**3,572**
Net current liabilities	**(1,143)**	**(1,674)**
Non-current liabilities		
Financial liabilities		
- Borrowings	1,432	1,233
- Lease liabilities	1,452	1,652
- Put option liability	571	569
- Derivative instruments	111	43
- Others	144	147
Provisions	20	21
Deferred tax liabilities (net)	70	108
Other non-current liabilities	12	13
	3,812	**3,786**
Total liabilities	**7,067**	**7,358**
Net assets	**3,095**	**3,808**
Equity		
Share capital	3,420	3,420
Reserves and surplus	(507)	215
Equity attributable to owners of the company	**2,913**	**3,635**
Non-controlling interests ('NCI')	182	173
Total equity	**3,095**	**3,808**

7.1.4 Consolidated Statement of Changes in Equity

All amounts are in $m; unless stated otherwise

	Equity attributable to owners of the Company								
	Share capital		Reserves and Surplus				Equity attributable to owners of the Company	Non-controlling interests (NCI)	Total equity
	No of shares [1]	Amount	Retained earnings	Transactions with NCI reserve	Other components of equity	Total			
As of 1 April 2022	**6,839,896,081**	**3,420**	**3,436**	**(942)**	**(2,412)**	**82**	**3,502**	**147**	**3,649**
Profit for the period	-	-	163	-	-	163	163	15	178
Other comprehensive loss	-	-	(0)	-	(144)	(144)	(144)	(12)	(156)
Total comprehensive income/(loss)	**-**	**-**	**163**	**-**	**(144)**	**19**	**19**	**3**	**22**
Transactions with owners of equity	-	-	-	-	-	-	-	-	-
Employee share-based payment reserve	-	-	(1)	-	4	3	3	-	3
Dividend to owners of the company	-	-	(113)	-	-	(113)	(113)	-	(113)
Dividend (including tax) to NCI	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(8)**	**(8)**
As of 30 June 2022	**6,839,896,081**	**3,420**	**3,485**	**(942)**	**(2,552)**	**(9)**	**3,411**	**142**	**3,553**
Profit for the period	-	-	500	-	-	500	500	72	572
Other comprehensive income/(loss)	-	-	0	-	(197)	(197)	(197)	-	(197)
Total comprehensive income/(loss)	**-**	**-**	**500**	**-**	**(197)**	**303**	**303**	**72**	**375**
Transactions with owners of equity									
Employee share-based payment reserve	-	-	(1)	-	2	1	1	-	1
Purchase of own shares	-	-	-	-	(11)	(11)	(11)	-	(11)
Transactions with NCI	-	-	-	13	-	13	13	3	16
Dividend to owners of the company	-	-	(82)	-	-	(82)	(82)	-	(82)
Dividend (including tax) to NCI	-	-	-	-	-	-	-	(44)	(44)
As of 31 March 2023	**6,839,896,081**	**3,420**	**3,902**	**(929)**	**(2,758)**	**215**	**3,635**	**173**	**3,808**
(Loss)/Profit for the period	-	-	(170)	-	-	(170)	(170)	19	(151)
Other comprehensive income/ (loss)	-	-	1	-	(554)	(553)	(553)	(5)	(558)
Total comprehensive income/(loss)	**-**	**-**	**(169)**	**-**	**(554)**	**(723)**	**(723)**	**14**	**(709)**
Transactions with owners of equity									
Employee share-based payment reserve	-	-	(0)	-	2	2	2	-	2
Transactions with NCI	-	-	-	(1)	-	(1)	(1)	1	0
Dividend (including tax) to NCI	-	-	-	-	-	-	-	(6)	(6)
As of 30 June 2023	**6,839,896,081**	**3,420**	**3,733**	**(930)**	**(3,310)**	**(507)**	**2,913**	**182**	**3,095**

[1] *Includes ordinary and deferred shares*

7.1.5 Consolidated summarised statement of cash flows

All amounts are in $m

Particulars	Quarter ended	
	Jun-23	Jun-22
Cash flows from operating activities		
Profit before tax	**(221)**	**276**
Adjustments for -		
Depreciation and amortisation	220	189
Net loss on foreign exchange and derivative financial instruments	570	69
Finance cost	121	87
Finance income	(8)	(5)
Share of profit of associate and joint venture accounted for using equity method	(0)	(2)
Other non-cash adjustments [1]	2	(0)
Operating cash flow before changes in working capital	**684**	**614**
Changes in working capital		
Increase in trade receivables	(12)	(16)
Increase in inventories	(11)	(4)
Increase in trade payables	38	2
Increase in mobile money wallet balance	83	40
Increase/ (Decrease) in provisions	7	(23)
Increase in deferred revenue	6	1
(Decrease)/ Increase in other financial and non financial liabilities	(13)	3
(Increase)/ Decrease in other financial and non financial assets	(34)	15
Net cash generated from operations before tax	**748**	**632**
Income taxes paid	(168)	(243)
Net cash generated from operating activities (a)	**580**	**389**
Cash flows from investing activities		
Purchase of property, plant and equipment and capital work-in-progress	(206)	(229)
Purchase of intangible assets and intangible assets under development	(133)	(44)
Maturity of deposits with bank	117	226
Investment in deposits with bank [2]	(305)	(2)
Dividend received from associate	-	2
Interest received	8	6
Net cash used in investing activities (b)	**(519)**	**(41)**
Cash flows from financing activities		
Proceeds from borrowings	222	86
Repayment of borrowings	(125)	(58)
Repayment of lease liabilities	(93)	(65)
Dividend paid to non-controlling interests	(11)	(14)
Interest on borrowings, lease liabilities and other liabilities	(115)	(96)
Payment of Deferred Spectrum Liability	(1)	(1)
Procced from exercise of ESOP shares	0	-
Proceeds from sale of shares to non-controlling interests	0	-
Inflow/ (Outflow) on maturity of derivatives (net)	4	(13)
Net cash used in financing activities (c)	**(119)**	**(161)**
(Decrease)/Increase in cash and cash equivalents during the period (a+b+c)	**(58)**	**187**
Currency translation differences relating to cash and cash equivalents	(19)	(14)
Cash and cash equivalents as at beginning of the year	841	916
Cash and cash equivalents as at end of the year [3]	**764**	**1,089**

[1] For the three months ended 30 June 2023 and 30 June 2022, this mainly includes movement in impairment of trade receivables and other provisions.
[2] Includes investment in deposits with original maturity of more than 3 months and deposits placed against certain borrowings. These are included within other bank balances in the consolidated statement of financial position.
[3] Includes balance held under mobile money trust of $710m (30 June 2022: $557m) on behalf of mobile money customers which are not available for use by the Group.

7.2 Use of alternative performance measures (APM) financial information

In presenting and discussing the Group's reported financial position, operating results and cash flows, certain information is derived from amounts calculated in accordance with IFRS, but this information is not in itself an expressly permitted GAAP measure. Such alternative performance measures (APM) should not be viewed in isolation as alternatives to the equivalent GAAP measures, if any.

A summary of alternative performance measures (APM) included in this report, together with details where additional information and reconciliation to the nearest equivalent GAAP measure can be found, is shown below.

Alternative performance measures (APM)	Equivalent GAAP measure for IFRS	Location in this results announcement of reconciliation and further information
EBITDA and margin	Operating profit	Page 32
Operating expenses	Expenses	Page 32
Finance cost excluding exceptional items	Finance cost and finance income	Page 32
Underlying profit/(loss) before tax	Profit/(loss) before tax	Page 33
Cash profit from operations before derivative & exchange (gain)/loss	Operating profit	Page 33
Effective tax rate	Reported tax rate	Page 33
Underlying profit/(loss) after tax	Profit/(loss) after tax	Page 33
Earnings per share before exceptional items	EPS	Page 34
Operating free cash flow	Cash generated from operating activities	Page 34
Return on capital employed	Refer glossary	Page 34

Changes to APMs

There was no change during the reporting period.

7.2.1 Reconciliation between GAAP and alternative performance measures (APM)

7.2.1.1 EBITDA and margin

All amounts are in $m, except for ratios

Particulars	Quarter ended	
	Jun-23	Jun-22
Operating profit	**462**	**425**
Add:		
Depreciation and amortisation	220	189
Exceptional items	-	-
EBITDA	**682**	**614**
Revenue	**1,377**	**1,257**
EBITDA margin (%)	**49.5%**	**48.8%**

7.2.1.2 Operating expenses

All amounts are in $m

Particulars	Quarter ended	
	Jun-23	Jun-22
Expenses	**922**	**834**
Less:		
Depreciation and amortisation	(220)	(189)
Exceptional items	-	-
Operating expenses	**702**	**645**

7.2.1.3 Finance cost excluding exceptional items

All amounts are in $m

Particulars	UoM	Quarter ended	
		Jun-23	Jun-22
Net loss on foreign exchange and derivative financial instruments	$m	570	69
Finance costs	$m	121	87
Finance income	$m	(8)	(5)
Total finance cost	**$m**	**683**	**151**
Less:			
Exceptional items	$m	(471)	-
Finance cost excluding exceptional items	**$m**	**212**	**151**

Q1'24 Exceptional items of $ 471m is on account of derivative & foreign exchange losses due to Nigerian naira devaluation in June 2023 (from 465 NGN/USD in May'23 to 752 NGN/USD in Jun'23)

7.2.1.4 Underlying (Loss)/Profit before tax

All amounts are in $m

Particulars	Quarter ended	
	Jun-23	Jun-22
(Loss)/Profit before tax	**(221)**	**276**
Exceptional items	471	0
Underlying profit before tax	**250**	**276**

Q1'24 Exceptional items of $ 471m is on account of derivative & foreign exchange losses due to Nigerian naira devaluation in June 2023 (from 465 NGN/USD in May'23 to 752 NGN/USD in Jun'23)

7.2.1.5 Cash profit from operations before derivative and exchange fluctuation

All amounts are in $m

Particulars	UoM	Quarter ended	
		Jun-23	Jun-22
Operating profit	$m	462	425
Finance cost excluding exceptional items	$m	(212)	(151)
Depreciation and amortisation	$m	220	189
Derivatives and exchange (gain)/loss (excluding exceptional items)	$m	99	69
Exceptional items	$m	-	-
Cash Profit from operations before derivative and exchange fluctuation	**$m**	**569**	**532**

7.2.1.6 Effective tax rate

All amounts are in $m, except for ratios

Particulars	Quarter ended					
	Jun-23			Jun-22		
	Profit/(loss) before taxation	Income tax expense/(income)	Tax Rate %	Profit/(loss) before taxation	Income tax expense/(income)	Tax Rate %
Reported effective tax rate	**(221)**	**(70)**	**31.5%**	**276**	**98**	**35.5%**
Adjusted for :						
Exceptional Items (provided below)	471	154			21	
Foreign exchange rate movement for loss making entity and/or non-DTA operating companies & holding companies	39			13		
One-off adjustment and Tax on Permanent Difference		29			(3)	
Effective tax rate	**289**	**113**	**39.2%**	**289**	**115**	**39.9%**
Exceptional items						
1. Deferred tax asset recognition					21	
2. Net exchange loss and loss on derivative financial instruments.	471	154				
Total	**471**	**154**			**21**	

7.2.1.7 Underlying profit/(loss) after tax

All amounts are in $m

Particulars	Quarter ended	
	Jun-23	Jun-22
(Loss)/Profit after tax	**(151)**	**178**
Exceptional items		
Operating and Non-operating exceptional items	471	-
Tax exceptional items	(154)	(21)
Non-controlling interest exceptional items	(0)	(0)
Underlying profit after tax	**166**	**157**

Q1'24 Operating and Non-operating exceptional items of $471m is on account of derivative & foreign exchange losses due to Nigerian naira devaluation in June 2023 (from 465 NGN/USD in May'23 to 752 NGN/USD in Jun'23) and tax exceptional items gain of $154m is the corresponding impact. Q1'23 exception items of ($21m) reflect the initial recognition of a deferred tax credit of $21m in Kenya.

7.2.1.8 Earnings per share before exceptional items

Particulars	UoM	Quarter ended	
		Jun-23	Jun-22
(Loss)/Profit for the period attributable to owners of the company	**$m**	**(170)**	**163**
Operating and Non-operating exceptional items	$m	471	0
Tax exceptional items	$m	(154)	(21)
Non-controlling interest exceptional items	$m	(0)	(0)
Profit for the period attributable to owners of the company- before exceptional items	**$m**	**147**	**143**
Weighted average number of ordinary shares in issue during the financial period.	million	3,751	3,754
Earnings per share before exceptional items	**cents**	**3.9**	**3.8**

7.2.1.9 Operating free cash flow

All amounts are in $m

Particulars	Quarter ended	
	Jun-23	Jun-22
Net cash generated from operating activities	**580**	**389**
Add: Income taxes paid	168	243
Net cash generation from operation before tax	**748**	**632**
Less: Changes in working capital	**64**	**18**
Operating cash flow before changes in working capital	**684**	**614**
Other adjustments	(2)	-
Exceptional items	-	-
EBITDA	**682**	**614**
Less: Capital expenditure	(140)	(141)
Operating free cash flow	**542**	**473**

7.2.1.10 Return on capital employed

All amounts are in $m, except for ratios

Description	Quarter ended	
	Jun-23	Jun-22
Operating profit (preceding 12 months)	**1,793**	**1,608**
Less:		
Exceptional items	-	32
EBIT (preceding 12 months)	**1,793**	**1,640**
Equity attributable to owners of the Company	2,913	3,411
Reinstatement of put option given to minority shareholders	571	581
Gross equity attributable to owners of the Company	**3,484**	**3,992**
Non-controlling interests (NCI)	182	142
Net debt	3,321	3,056
Capital employed	**6,987**	**7,190**
Average capital employed[1]	**7,565**	**7,131**
Return on capital employed	**23.7%**	**23.0%**

[1] *Average capital employed is calculated as average of capital employed averages for preceding four quarters.*

Section 8

Net debt and cost schedules

8.1 Consolidated schedule of net debt and leverage

7.2.1.6: Net Debt and Leverage

Particulars	UoM	As at Jun-23	As at Mar-23	As at Jun-22
Long term borrowing, net of current portion	$m	1,432	1,233	1,445
Short-term borrowings and current portion of long-term borrowing	$m	929	945	902
Add: Processing costs related to borrowings	$m	7	7	4
Less: Fair value hedge adjustment	$m	(4)	(5)	(14)
Less: Cash and cash equivalents	$m	(529)	(586)	(830)
Less: Term deposits with banks	$m	(305)	(117)	(117)
Add: Lease liabilities	$m	1,791	2,047	1,666
Net Debt	**$m**	**3,321**	**3,524**	**3,056**
EBITDA (LTM)	**$m**	**2,643**	**2,575**	**2,390**
Leverage (LTM)	**times**	**1.3**	**1.4**	**1.3**

8.2 Consolidated schedule of net finance cost (in reported currency)

All amounts are in $m

Particulars	Quarter ended Jun-23	Quarter ended Jun-22
Interest on borrowings and finance charges	69	46
Interest on lease liabilities	52	41
Investment (income)/loss	(8)	(5)
Finance cost excluding derivatives and forex	**113**	**82**
Add : derivatives and exchange (gain)/loss	99	69
Finance cost including derivatives and forex	**212**	**151**

8.3 Consolidated schedule of operating expenses before exceptional items (in reported currency)

All amounts are in $m

Particulars	Quarter ended Jun-23	Quarter ended Jun-22
Access charges	101	107
Cost of goods sold	82	72
License fee/spectrum charges (revenue share)	64	56
Network operations costs	268	230
Employee benefits expense	79	72
Selling, general and adminstration expense	109	109
Operating expenses	**702**	**645**

8.4 Consolidated schedule of depreciation and amortisation before exceptional items (in reported currency)

All amounts are in $m

Particulars	Quarter ended	
	Jun-23	Jun-22
Depreciation	192	165
Amortisation	29	24
Depreciation and amortisation	**220**	**189**

8.5 Consolidated schedule of operating expenses before exceptional items (in constant currency)

All amounts are in $m

Particulars	Quarter ended	
	Jun-23	Jun-22
Access charges	78	72
Cost of goods sold	79	65
License fee/spectrum charges (revenue share)	59	47
Network operations costs	226	175
Employee benefits expense	75	64
Selling, general and adminstration expense	96	90
Operating expenses	**613**	**513**

For constant currency calculations the closing exchange rates as of 31 March 2023 have been used except for Nigeria where the closing exchange rates as of 30 June 2023 have been used.

8.6 Consolidated schedule of depreciation and amortisation before exceptional items (in constant currency)

All amounts are in $m

Particulars	Quarter ended	
	Jun-23	Jun-22
Depreciation	165	131
Amortisation	25	19
Depreciation and amortisation	**190**	**149**

For constant currency calculations the closing exchange rates as of 31 March 2023 have been used except for Nigeria where the closing exchange rates as of 30 June 2023 have been used.

8.7 Consolidated schedule of income tax before exceptional items (in reported currency)

All amounts are in $m

Particulars	Quarter ended	
	Jun-23	Jun-22
Current tax expense	105	148
Deferred tax expense/(income)	(21)	(30)
Income tax expense	**84**	**119**

Section 9

Trends and ratio analysis

9.1 Based on statement of operations

9.1.1 Consolidated statement of operations (in reported currency)

All amounts are in $m, except for ratios

Particulars	Quarter ended				
	Jun-23	Mar-23	Dec-22	Sep-22	Jun-22
Revenue	**1,377**	**1,341**	**1,350**	**1,308**	**1,257**
Access charges	101	101	102	100	107
Cost of goods sold	82	75	68	78	72
Net revenues	**1,195**	**1,165**	**1,180**	**1,129**	**1,079**
Operating expenses (excluding access charges, cost of goods sold and license fee)	456	449	457	435	411
Licence fee	64	62	65	58	56
EBITDA	**682**	**659**	**661**	**641**	**614**
Cash profit from operations before derivative and exchange fluctuations	569	544	565	549	532
EBIT	462	439	446	446	425
Share of profit from associate	(0)	2	(0)	(0)	(2)
Profit before tax	250	233	285	240	276
Profit after tax	166	128	173	131	157
Non controlling interest (before exceptional items)	19	22	21	19	15
Profit attributable to owners of the company - before exceptional items	147	106	151	112	143
Exceptional items (net of tax)	317	(99)	(21)	(21)	(21)
(Loss)/Profit after tax (after exceptional items)	**(151)**	**227**	**193**	**152**	**178**
Non controlling interest	19	32	21	19	15
(Loss)/Profit attributable to owners of the company	**(170)**	**195**	**172**	**133**	**163**
Capex	140	291	147	169	141
Operating free cash flow	542	368	514	472	473
Total capital employed	6,987	7,901	7,824	7,444	7,190

	Jun-23	Mar-23	Dec-22	Sep-22	Jun-22
As a % of Revenue					
Access charges	7.3%	7.5%	7.5%	7.7%	8.5%
Cost of goods sold	5.9%	5.6%	5.0%	5.9%	5.7%
Net revenues	**86.8%**	**86.9%**	**87.5%**	**86.4%**	**85.8%**
Operating expenses (excluding access charges, cost of goods sold and license fee)	33.1%	33.5%	33.9%	33.3%	32.7%
Licence fee	4.7%	4.6%	4.8%	4.4%	4.5%
EBITDA	**49.5%**	**49.1%**	**49.0%**	**49.0%**	**48.8%**
Cash Profit from operations before derivative and exchange flucations	41.3%	40.6%	41.9%	42.0%	42.3%
EBIT	33.5%	32.7%	33.1%	34.1%	33.8%
Share of profit from associate	(0.0%)	0.1%	(0.0%)	(0.0%)	(0.2%)
Profit before tax	18.2%	17.4%	21.1%	18.4%	21.9%
Profit after tax	**12.1%**	**9.5%**	**12.8%**	**10.0%**	**12.5%**
Non controlling interest (before exceptional items)	1.4%	1.6%	1.6%	1.5%	1.2%
Profit attributable to owners of the company - before exceptional items	10.7%	7.9%	11.2%	8.6%	11.3%
Exceptional items (net of tax)	23.0%	(7.4%)	(1.5%)	(1.6%)	(1.7%)
(Loss)/Profit after tax (after exceptional items)	**(11.0%)**	**16.9%**	**14.3%**	**11.6%**	**14.1%**
Non controlling Interest	1.4%	2.4%	1.6%	1.5%	1.2%
(Loss)/Profit attributable to owners of the company	(12.4%)	14.6%	12.7%	10.1%	13.0%

9.1.2 Consolidated statement of operations (in constant currency)

All amounts are in $m, except for ratios

Particulars	Quarter ended				
	Jun-23	Mar-23	Dec-22	Sep-22	Jun-22
Revenue	**1,190**	**1,117**	**1,103**	**1,059**	**988**
Access charges	78	73	72	70	72
Cost of goods sold	79	72	67	72	65
Net revenues	**1,034**	**972**	**965**	**917**	**851**
Operating expenses (excluding access charges, cost of goods sold and license fee)	397	373	376	350	329
Licence fee	59	56	58	51	47
EBITDA	**583**	**546**	**534**	**520**	**476**
EBIT	393	366	359	363	327
Capex	140	291	147	169	141
Operating free cash flow	443	255	387	351	335

	Jun-23	Mar-23	Dec-22	Sep-22	Jun-22
As a % of Revenue					
Access charges	6.5%	6.6%	6.5%	6.6%	7.3%
Cost of goods sold	6.6%	6.5%	6.0%	6.8%	6.5%
Net revenues	**86.9%**	**87.0%**	**87.5%**	**86.6%**	**86.2%**
Operating expenses (excluding access charges, cost of goods sold and license fee)	33.4%	33.4%	34.1%	33.1%	33.3%
Licence fee	5.0%	5.0%	5.3%	4.8%	4.8%
EBITDA	**49.0%**	**48.9%**	**48.4%**	**49.1%**	**48.2%**
EBIT	33.0%	32.8%	32.5%	34.3%	33.1%

For constant currency calculations the closing exchange rates as of 31 March 2023 have been used except for Nigeria where the closing exchange rates as of 30 June 2023 have been used. Reported currency rates are used for Capex.

9.2 Segmental statements of operations

9.2.1 Nigeria: mobile services

In reported currency

All amounts are in $m, except for ratios

Particulars	Quarter ended				
	Jun-23	Mar-23	Dec-22	Sep-22	Jun-22
Revenue	**528**	**543**	**545**	**523**	**517**
Voice revenue	254	262	279	253	259
Data revenue	228	230	222	221	210
Other revenue	46	51	43	49	48
EBITDA	**284**	**284**	**284**	**259**	**274**
EBITDA margin	*53.7%*	*52.3%*	*52.1%*	*49.5%*	*52.9%*
Depreciation & Amortisation	90	97	92	81	75
Operating Exceptional Items	-	-	-	-	-
Operating profit	182	177	184	169	191
Capex	47	126	34	77	56
Operating free cash flow	237	158	250	182	218

In constant currency

All amounts are in $m, except for ratios

Particulars	Quarter ended				
	Jun-23	Mar-23	Dec-22	Sep-22	Jun-22
Revenue	**353**	**333**	**322**	**298**	**287**
Voice revenue	169	161	165	144	144
Data revenue	153	141	131	126	117
Other revenue	31	31	26	28	27
EBITDA	**190**	**174**	**168**	**148**	**152**
EBITDA margin	*53.9%*	*52.3%*	*52.2%*	*49.5%*	*52.9%*
Depreciation & Amortisation	61	59	54	46	42
Operating Exceptional Items	-	-	-	-	-
Operating profit	121	109	109	96	106
Capex	47	126	34	77	56
Operating free cash flow	143	48	134	70	96

For constant currency calculations the closing exchange rates as of 30 June 2023 have been used. Reported currency rates are used for Capex.

9.2.2 East Africa: mobile services

In reported currency

All amounts are in $m, except for ratios

Particulars	Quarter ended				
	Jun-23	Mar-23	Dec-22	Sep-22	Jun-22
Revenue	**397**	**380**	**388**	**381**	**359**
Voice revenue	212	204	215	213	203
Data revenue	151	140	140	134	123
Other revenue	34	36	34	33	33
EBITDA	**195**	**193**	**201**	**193**	**168**
EBITDA margin	*49.1%*	*50.7%*	*51.7%*	*50.7%*	*46.9%*
Depreciation & Amortisation	74	70	67	63	60
Operating Exceptional Items	-	-	-	-	-
Operating profit	111	112	125	121	101
Capex	54	97	69	47	44
Operating free cash flow	141	96	132	146	124

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

In constant currency

All amounts are in $m, except for ratios

Particulars	Quarter ended				
	Jun-23	Mar-23	Dec-22	Sep-22	Jun-22
Revenue	**391**	**368**	**364**	**355**	**326**
Voice revenue	208	198	202	200	185
Data revenue	148	136	130	124	111
Other revenue	34	34	32	31	30
EBITDA	**190**	**187**	**187**	**180**	**153**
EBITDA margin	*48.7%*	*50.8%*	*51.5%*	*50.7%*	*47.0%*
Depreciation & Amortisation	73	68	63	59	56
Operating Exceptional Items	-	-	-	-	-
Operating profit	107	108	116	111	91
Capex	54	97	69	47	44
Operating free cash flow	136	90	119	133	110

For constant currency calculations the closing exchange rates as of 31 March 2023 have been used. Reported currency rates are used for Capex.

9.2.3 Francophone Africa: mobile services

In reported currency

All amounts are in $m, except for ratios

Particulars	Quarter ended				
	Jun-23	Mar-23	Dec-22	Sep-22	Jun-22
Revenue	**299**	**282**	**275**	**271**	**262**
Voice revenue	158	154	154	151	149
Data revenue	107	98	92	90	85
Other revenue	34	30	29	30	28
EBITDA	**131**	**124**	**112**	**131**	**113**
EBITDA margin	*43.8%*	*44.0%*	*40.6%*	*48.2%*	*43.2%*
Depreciation & Amortisation	50	47	50	46	47
Operating Exceptional Items	-	-	-	-	-
Operating profit	69	67	53	75	59
Capex	31	57	36	32	27
Operating free cash flow	100	67	76	99	86

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

In constant currency

All amounts are in $m, except for ratios

Particulars	Quarter ended				
	Jun-23	Mar-23	Dec-22	Sep-22	Jun-22
Revenue	**299**	**284**	**284**	**281**	**264**
Voice revenue	158	155	159	157	150
Data revenue	107	99	95	94	87
Other revenue	34	30	30	30	28
EBITDA	**131**	**125**	**115**	**136**	**114**
EBITDA margin	*43.8%*	*44.0%*	*40.5%*	*48.2%*	*43.2%*
Depreciation & Amortisation	50	47	52	48	47
Operating Exceptional Items	-	-	-	-	-
Operating profit	69	68	55	78	59
Capex	31	57	36	32	27
Operating free cash flow	100	69	79	104	87

For constant currency calculations the closing exchange rates as of 31 March 2023 have been used. Reported currency rates are used for Capex.

9.2.4 Mobile services

In reported currency

All amounts are in $m, except for ratios

Particulars	Quarter ended				
	Jun-23	Mar-23	Dec-22	Sep-22	Jun-22
Revenue	**1,223**	**1,205**	**1,207**	**1,174**	**1,135**
Voice revenue	621	619	646	616	610
Data revenue	486	469	454	446	418
Other revenue	116	117	106	112	107
EBITDA	**610**	**602**	**597**	**582**	**555**
EBITDA margin	*49.9%*	*50.0%*	*49.4%*	*49.6%*	*48.9%*
Depreciation & Amortisation	214	213	209	190	182
Operating Exceptional Items	-	-	-	-	-
Operating profit	363	358	362	364	351
Capex	132	280	139	156	127
Operating free cash flow	478	322	458	426	428

In constant currency

All amounts are in $m, except for ratios

Particulars	Quarter ended				
	Jun-23	Mar-23	Dec-22	Sep-22	Jun-22
Revenue	**1,042**	**986**	**969**	**934**	**875**
Voice revenue	534	513	525	500	478
Data revenue	408	376	357	344	314
Other revenue	100	97	88	90	83
EBITDA	**513**	**488**	**471**	**462**	**420**
EBITDA margin	*49.2%*	*49.5%*	*48.5%*	*49.5%*	*47.9%*
Depreciation & Amortisation	184	174	169	153	144
Operating Exceptional Items	-	-	-	-	-
Operating profit	298	287	279	285	257
Capex	132	280	139	156	127
Operating free cash flow	380	208	332	306	293

For constant currency calculations the closing exchange rates as of 31 March 2023 have been used except for Nigeria where the closing exchange rates as of 30 June 2023 have been used. Reported currency rates are used for Capex.

9.2.5 Mobile money – summarised statement of operations

In reported currency

All amounts are in $m, except for ratios

Particulars	Quarter ended				
	Jun-23	Mar-23	Dec-22	Sep-22	Jun-22
Revenue	**201**	**176**	**183**	**173**	**159**
Nigeria [(1)]	0	0	0	0	0
East Africa	155	135	142	132	121
Francophone Africa	46	41	41	41	38
EBITDA	**103**	**88**	**92**	**84**	**81**
EBITDA margin	*51.2%*	*49.8%*	*50.0%*	*48.6%*	*50.6%*
Depreciation & Amortisation	5	5	5	4	4
Operating profit	95	81	84	78	75
Capex	4	7	6	11	9
Operating free cash flow	99	81	86	73	72

Mobile money revenue in the above table is without inter-segment eliminations with mobile services.

[(1)] On 19 May 2022, we announced that Smartcash had commenced operations in Nigeria. Services were initially made available at selected retail touchpoints, and operations are now being expanded gradually across the country.

In constant currency

All amounts are in $m, except for ratios

Particulars	Quarter ended				
	Jun-23	Mar-23	Dec-22	Sep-22	Jun-22
Revenue	**194**	**171**	**173**	**163**	**148**
Nigeria [(1)]	0	0	0	0	0
East Africa	147	130	130	121	109
Francophone Africa	46	41	42	42	39
EBITDA	**99**	**86**	**86**	**79**	**75**
EBITDA margin	*51.3%*	*50.1%*	*49.9%*	*48.5%*	*50.7%*
Depreciation & Amortisation	4	4	4	4	3
Operating profit	92	79	80	73	70
Capex	4	7	6	11	9
Operating free cash flow	96	79	81	68	66

For constant currency calculations the closing exchange rates as of 31 March 2023 have been used except for Nigeria where the closing exchange rates as of 30 June 2023 have been used. Reported currency rates are used for Capex.
Mobile money revenue in the above table is without inter-segment eliminations with mobile services.

9.3 Regional statements of operations

9.3.1 Nigeria

In reported currency

All amounts are in $m, except for ratios

Particulars	Quarter ended				
	Jun-23	Mar-23	Dec-22	Sep-22	Jun-22
Revenue	**528**	**543**	**545**	**523**	**517**
Voice revenue	254	262	279	253	259
Data revenue	228	230	222	221	210
Mobile money revenue	0	0	0	0	0
Other revenue	46	51	43	49	48
EBITDA	**281**	**281**	**282**	**257**	**273**
EBITDA margin	*53.2%*	*51.8%*	*51.8%*	*49.1%*	*52.7%*

For Nigeria mobile money revenue, please refer to the note on page no.43.

In constant currency

All amounts are in $m, except for ratios

Particulars	Quarter ended				
	Jun-23	Mar-23	Dec-22	Sep-22	Jun-22
Revenue	**353**	**333**	**322**	**298**	**287**
Voice revenue	169	161	165	144	144
Data revenue	153	141	131	126	117
Mobile money revenue	0	0	0	0	0
Other revenue	31	31	26	28	27
EBITDA	**188**	**173**	**167**	**146**	**151**
EBITDA margin	*53.3%*	*51.8%*	*51.8%*	*49.1%*	*52.8%*

For constant currency calculations the closing exchange rates as of 30 June 2023 have been used.

9.3.2 East Africa

In reported currency

All amounts are in $m, except for ratios

Particulars	Quarter ended				
	Jun-23	Mar-23	Dec-22	Sep-22	Jun-22
Revenue	**519**	**487**	**502**	**487**	**455**
Voice revenue	212	204	215	213	203
Data revenue	151	140	140	134	123
Mobile money revenue	155	135	142	132	121
Other revenue	33	34	33	32	32
EBITDA	**279**	**264**	**275**	**261**	**232**
EBITDA margin	*53.7%*	*54.1%*	*54.8%*	*53.7%*	*51.1%*

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

In constant currency

All amounts are in $m, except for ratios

Particulars	Quarter ended				
	Jun-23	Mar-23	Dec-22	Sep-22	Jun-22
Revenue	**507**	**471**	**468**	**451**	**412**
Voice revenue	208	198	202	199	185
Data revenue	148	135	130	124	111
Mobile money revenue	147	130	130	121	109
Other revenue	33	33	31	30	29
EBITDA	**270**	**255**	**255**	**241**	**211**
EBITDA margin	*53.2%*	*54.1%*	*54.4%*	*53.5%*	*51.1%*

For constant currency calculations the closing exchange rates as of 31 March 2023 have been used.

9.3.3 Francophone Africa

In reported currency

All amounts are in $m, except for ratios

Particulars	Quarter ended				
	Jun-23	Mar-23	Dec-22	Sep-22	Jun-22
Revenue	**330**	**310**	**304**	**299**	**288**
Voice revenue	158	154	154	151	149
Data revenue	107	98	92	90	85
Mobile money revenue	46	41	41	41	38
Other revenue	33	30	29	29	28
EBITDA	**155**	**145**	**133**	**151**	**134**
EBITDA margin	*47.0%*	*46.9%*	*43.9%*	*50.4%*	*46.4%*

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

In constant currency

All amounts are in $m, except for ratios

Particulars	Quarter ended				
	Jun-23	Mar-23	Dec-22	Sep-22	Jun-22
Revenue	**330**	**312**	**314**	**311**	**291**
Voice revenue	158	155	159	157	150
Data revenue	107	99	95	94	87
Mobile money revenue	46	41	42	42	39
Other revenue	33	30	29	30	28
EBITDA	**155**	**147**	**137**	**157**	**135**
EBITDA margin	*47.0%*	*46.9%*	*43.8%*	*50.4%*	*46.4%*

For constant currency calculations the closing exchange rates as of 31 March 2023 have been used.

9.4 Operational performance trends (quarter ended)

9.4.1 Mobile services: operational performance

Parameters	Unit	Jun-23	Mar-23	Dec-22	Sep-22	Jun-22
Customer base	million	143.1	140.0	138.5	134.7	131.6
Net additions	million	3.1	1.5	3.8	3.1	3.1
Monthly churn	%	4.1%	4.2%	4.2%	4.2%	4.6%
Average revenue per user (ARPU)	$	2.5	2.4	2.4	2.3	2.2
Voice						
Minutes on the network	billion	119.7	113.1	113.9	109.0	103.2
Voice usage per customer	minutes	282	271	279	274	264
Voice average revenue per user (ARPU)	$	1.3	1.2	1.3	1.3	1.2
Voice revenue	$m	534	513	525	500	478
Data						
Data customer base	000	56.8	54.6	51.3	48.6	46.5
As % of customer base	%	39.7%	39.0%	37.0%	36.1%	35.4%
Total MBs on the network	billion	843.4	749.9	709.6	662.6	581.8
Data usage per customer	MBs	5,041	4,702	4,741	4,610	4,099
Data average revenue per user (ARPU)	$	2.4	2.4	2.4	2.4	2.2
Data revenue	$m	408	376	357	344	314
Network KPIs						
Network towers	number	32,226	31,546	30,733	30,149	29,412
Owned towers	number	2,201	2,049	2,038	2,015	2,015
Leased towers	number	30,025	29,497	28,695	28,134	27,397
Data capacity	TB/day	24,817	23,931	20,093	19,009	17,792
Revenue per site per month	$	10,883	10,526	10,606	10,434	9,984

Revenue and KPIs in constant currency. For constant currency calculations the closing exchange rates as of 31 March 2023 have been used except for Nigeria where the closing exchange rates as of 30 June 2023 have been used.

9.4.2 Mobile money: operational performance

Parameters	Unit	Jun-23	Mar-23	Dec-22	Sep-22	Jun-22
Mobile money customer base	million	34.3	31.5	31.4	29.7	27.6
Transaction value	$bn	25.8	23.6	22.8	19.9	17.6
Transaction value per customer	$	263	253	252	232	218
Mobile money ARPU	$	2.0	1.8	1.9	1.9	1.8
Mobile money revenue	$m	194	171	173	163	148

Revenue and KPIs in constant currency. For constant currency calculations the closing exchange rates as of 31 March 2023 have been used except for Nigeria where the closing exchange rates as of 30 June 2023 have been used.

9.4.3 Nigeria mobile services: operational performance

Parameters	Unit	Jun-23	Mar-23	Dec-22	Sep-22	Jun-22
Customer base	million	48.2	48.4	47.8	46.3	46.0
Net additions	million	(0.1)	0.5	1.5	0.3	1.6
Monthly churn	%	3.3%	2.8%	3.3%	3.9%	4.1%
Average revenue per user (ARPU)	$	2.4	2.3	2.3	2.2	2.1
Voice						
Minutes on the network	billion	29.8	28.9	28.9	26.0	27.0
Voice usage per customer	minutes	205	200	206	188	197
Voice average revenue per user (ARPU)	$	1.2	1.1	1.2	1.0	1.0
Voice revenue	$m	169	161	165	144	144
Data						
Data customer base	million	23.7	23.8	22.0	20.6	20.5
As % of customer base	%	49.0%	49.2%	46.0%	44.5%	44.6%
Total MBs on the network	billion	415.4	366.5	350.2	321.7	289.5
Data usage per customer	MBs	5,807	5,312	5,461	5,168	4,662
Data average revenue per user (ARPU)	$	2.1	2.0	2.0	2.0	1.9
Data revenue	$m	153	141	131	126	117
Network and Coverage						
Network towers	number	13,836	13,601	13,281	12,982	12,627
Owned towers	number	345	236	237	237	229
Leased towers	number	13,491	13,365	13,044	12,745	12,398
Data capacity	TB/day	11,795	11,412	9,775	9,466	9,232
Revenue per site per month	$	8,572	8,229	8,193	7,757	7,621

Revenue and KPIs in constant currency. For constant currency calculations the closing exchange rates as of 30 June 2023 have been used.

9.4.3 East Africa mobile services: operational performance

Parameters	Unit	Jun-23	Mar-23	Dec-22	Sep-22	Jun-22
Customer base	million	65.0	62.7	62.4	61.4	58.5
Net additions	million	2.3	0.4	1.0	2.9	1.3
Monthly churn	%	3.8%	4.6%	4.3%	3.7%	4.2%
Average revenue per user (ARPU)	$	2.0	2.0	2.0	2.0	1.9
Voice						
Minutes on the network	billion	76.3	71.2	72.2	71.1	64.5
Voice usage per customer	minutes	399	380	390	394	371
Voice average revenue per user (ARPU)	$	1.1	1.1	1.1	1.1	1.1
Voice revenue	$m	208	198	202	200	185
Data						
Data customer base	million	23.9	21.9	21.2	20.1	18.5
As % of customer base	%	36.8%	34.9%	34.0%	32.8%	31.6%
Total MBs on the network	billion	319.5	282.7	265.4	257.6	221.0
Data usage per customer	MBs	4,641	4,374	4,309	4,401	3,987
Data average revenue per user (ARPU)	$	2.1	2.1	2.1	2.1	2.0
Data revenue	$m	148	136	130	124	111
Network and Coverage						
Network towers	number	12,649	12,313	11,908	11,727	11,510
Owned towers	number	308	303	305	296	337
Leased towers	number	12,341	12,010	11,603	11,431	11,173
Data capacity	TB/day	9,699	9,269	7,517	6,972	6,449
Revenue per site per month	$	10,412	10,105	10,234	10,153	9,495

The East Africa business region includes Kenya, Malawi, Rwanda, Tanzania, Uganda and Zambia.
Revenue and KPIs in constant currency. For constant currency calculations the closing exchange rates as of 31 March 2023 have been used.

9.4.4 Francophone Africa mobile services: operational performance

Parameters	Unit	Jun-23	Mar-23	Dec-22	Sep-22	Jun-22
Customer base	million	29.8	28.9	28.3	26.9	27.0
Net additions	million	0.9	0.6	1.3	(0.1)	0.2
Monthly churn	%	6.2%	6.0%	5.7%	5.9%	6.4%
Average revenue per user (ARPU)	$	3.4	3.3	3.4	3.5	3.3
Voice						
Minutes on the network	billion	13.6	13.0	12.7	11.9	11.7
Voice usage per customer	minutes	154	151	154	149	146
Voice average revenue per user (ARPU)	$	1.8	1.8	1.9	2.0	1.9
Voice revenue	$m	158	155	159	157	150
Data						
Data customer base	million	9.2	8.9	8.1	7.8	7.5
As % of customer base	*%*	30.9%	30.9%	28.5%	29.1%	27.8%
Total MBs on the network	billion	108.5	100.7	94.0	83.4	71.3
Data usage per customer	MBs	4,029	3,893	3,927	3,633	2,919
Data average revenue per user (ARPU)	$	4.0	3.8	4.0	4.1	3.5
Data revenue	$m	107	99	95	94	87
Network and coverage						
Network towers	number	5,741	5,632	5,544	5,440	5,275
Owned towers	number	1,548	1,510	1,496	1,482	1,449
Leased towers	number	4,193	4,122	4,048	3,958	3,826
Data capacity	TB/day	3,322	3,250	2,801	2,571	2,112
Revenue per site per month	$	17,512	16,903	17,232	17,518	16,867

The Francophone Africa business region includes Chad, Democratic Republic of the Congo, Gabon, Madagascar, Niger, Republic of the Congo, and Seychelles.
Revenue and KPIs in constant currency. For constant currency calculations the closing exchange rates as of 31 March 2023 have been used.

Section 10

Key accounting policies (as per IFRS)

Property, plant and equipment ('PPE') and capital work-in-progress

The cost of an item of property, plant and equipment is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably.

PPE is initially recognised at cost. The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes and after deducting trade discounts and rebates), and any directly attributable cost of bringing the asset to its working condition and location of its intended use. Further, it includes assets installed on the premises of customers where the associated risks, rewards and control remain with the Group.

Subsequent to initial recognition, PPE is stated at cost less accumulated depreciation and any impairment losses. When significant parts of PPE are required to be replaced at regular intervals, the Group recognises such parts as a separate component of each asset. When an item of PPE is replaced, its carrying amount is de-recognised from the statement of financial position and the cost of the new item of PPE is recognized.

The expenditure incurred after an item of PPE is ready to use, such as repairs and maintenance, are charged to the profit and loss in the period in which such costs are incurred. However, in situations where the expenditure can be measured reliably and it is probable that future economic benefits associated with it will flow to the Group, it is included in the asset's carrying value or as a separate asset, as appropriate.

Depreciation on PPE is computed using the straight-line method over the PPE's estimated useful lives.

Freehold land is not depreciated as it has an unlimited useful life. The Group has established the estimated range of useful lives for different categories of PPE as follows:

Categories	Years
Leasehold improvement	Period of lease or 10-20 years, as applicable, w hichever is less
Building	20
Plant and equipment - Netw ork equipment (including passive infrastructure)	3 - 25
Computer	3-5
Furniture & fixture and office equipment	1-5
Vehicles	5

The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately, at least, at each financial year end so as to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives, residual values and/or depreciation method are accounted for prospectively, with depreciation calculated over the PPE's remaining revised useful life. The cost and the accumulated depreciation for PPE sold, scrapped, retired, or otherwise disposed of are de-recognised from the statement of financial position and the resulting gains/(losses) are included in the profit and loss within other income/other expenses, respectively.

PPE in the course of construction less any accumulated impairment is carried at cost and presented separately as CWIP (including capital advances) in the statement of financial position until ready for use at which point it is transferred to PPE and subsequently depreciated. Such cost comprises the purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), and any other directly attributable costs.

Goodwill

Goodwill represents the cost of the acquired businesses in excess of the fair value of identifiable net assets acquired. Goodwill is not amortised; however, it is tested for impairment and carried at cost less accumulated impairment losses if any. The gains/(losses) on the disposal of a cash-generating unit (group of CGUs) includes the carrying amount of goodwill relating to the group of CGUs sold. In case goodwill has been allocated to group of CGUs; Allocation of goodwill is determined based on the relative value of the operations sold in order to compute the gain/ (losses).

Goodwill is tested for impairment, at least annually or earlier, in case circumstances indicate that the carrying value may exceed the recoverable amount (higher of fair value less costs to sell and the value -in- use). For the purpose of impairment testing, goodwill is allocated to a cash-generating-unit (CGU) or group of CGUs (CGUs) which are expected to benefit from the acquisition-related synergies and represent the lowest level within the entity at which the goodwill is monitored for internal management purposes, but not higher than an operating segment. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

Impairment occurs when the carrying value of a CGU/CGUs including goodwill, exceeds the estimated recoverable amount of the CGU/CGUs. The recoverable amount of a CGU/CGUs is the higher of its fair value less costs to sell and its value in use. Value-in-use is the present value of future cash flows expected to be derived from the CGU/CGUs.

The total impairment loss of a CGU/CGUs is allocated first to reduce the carrying value of goodwill allocated to that CGU/CGUs and then to the other assets of that CGU/CGUs – on pro-rata basis of the carrying value of each asset.

Other Intangible assets

Identifiable intangible assets are recognised when the Group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be measured reliably.

Intangible assets that are acquired in a business combination are initially recognised at fair value at the acquisition date. Other intangible assets are recognised at cost which includes its purchase price and cash price equivalent of deferred payments beyond normal credit terms, if any. Intangible assets with definite useful life are carried at cost less accumulated amortisation and any impairment losses. Amortisation is computed using the straight-line method over the expected useful life.

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in profit and loss as incurred.

The group has established the estimated useful lives of different categories of intangible assets as follows:

a. Licences (including spectrum): Acquired licenses and spectrum are amortised commencing from the date when the related network is available for intended use in the relevant jurisdiction over the relevant licence period. The useful lives generally range from two to twenty-five years.

In addition, the Group incurs a fee on licenses/spectrum that is calculated based on the revenue of the licencee entity. These fees are recognised as a expense in profit and loss when incurred.

b. Software: Software is amortised over the software license period, generally not exceeding three years.

c. Other acquired intangible assets: Other acquired intangible assets include customer relationships which are amortised over the estimated life of such relationships generally ranging from one year to five years.

The useful lives and the amortisation method is reviewed and adjusted appropriately, at least at each financial year end so as to ensure that the method and period of amortisation is consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives and/or amortisation method is accounted for prospectively, and accordingly, amortisation is calculated over the remaining revised useful life.

Further, the cost of intangible assets under development is presented separately in the statement of financial position and includes spectrums/ licenses allotted to the Group and related costs for which services are yet to be rolled out.

d. Internally-generated intangible assets – research and development expenditure : Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally- generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been met:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- The intention to complete the intangible asset and use or sell it
- The ability to use or sell the intangible asset
- The intangible asset will generate probable future economic benefits
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- The ability to measure reliably the expenditure attributable to the intangible asset during its development

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

Investment in associate and joint venture

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in its associate and joint venture are accounted for using the equity method from the date on which the Group starts exercising significant influence over the associate or joint control over the joint venture.

At each reporting date, the Group determines whether there is objective evidence that the investment is impaired. If there is such evidence, the Group calculates the amount of the impairment as the difference between the recoverable amount of the investment and its carrying value.

Leases

At inception of a contract, the Group assesses a contract as, or containing, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether the contract involves the use of an identified asset, the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and the Group has the right to direct the use of the asset.

a. Group as a lessee

The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, in the statement of financial position. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments), variable lease payments that are based on consumer price index (CPI), the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease if the lease term reflects the lessee exercising that option.

Subsequently, the lease liability is measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments including changes in CPI or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or when the lease contract is modified and the lease modification is not accounted for as a separate lease. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit and loss if the carrying amount of the related right-of-use asset has been reduced to zero.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs, and restoration costs.

Subsequent to initial recognition, right-of-use asset are stated at cost less accumulated depreciation and any impairment losses and adjusted for certain remeasurements of the lease liability. Depreciation is computed using the straight-line method from the commencement date to the end of the useful life of the underlying asset or the end of the lease term, whichever is shorter. The estimated useful lives of right-of-use assets are determined on the same basis as those of the underlying asset.

In the statement of financial position, the right-of-use assets and lease liabilities are presented separately.

When a contract includes lease and non-lease components, the Group allocates the consideration in the contract on the basis of the relative stand-alone prices of each lease component and the aggregate stand-alone price of the non-lease components.

Short-term leases

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of twelve months or less. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Sale and lease back

In sale and leaseback transactions, the Group first considers whether the initial transfer of the underlying asset to the buyer-lessor is a sale by applying the requirements of IFRS 15. If the transfer qualifies as a sale and the transaction is on market terms, the Group derecognises the asset, recognises a right-of-use asset (and lease liabilities) and recognises a portion of the total gain or loss on the sale in the profit and loss. The right-of-use asset is recognised at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the seller-lessee. The amount recognised is calculated by splitting the total gain or loss into:

- an amount recognised in the consolidated statement of comprehensive incomeprofitprofit and loss relating to the buyer-lessor's rights in the underlying asset, and
- an unrecognised amount relating to the rights retained by the seller-lessee which is deferred by way of reducing the right-of-use assets initially recognised.

b. Group as a lessor

Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

The Group enters into 'indefeasible right to use' (IRU) arrangements wherein the right to use the assets is given over the substantial part of the asset life. However, as the title to the assets and the significant risks associated with the operation and maintenance of these assets remains with the Group, such arrangements are recognised as an operating lease. The contracted price is recognised as revenue during the tenure of the agreement. Unearned IRU revenue received in advance is presented as deferred revenue within liabilities in the statement of financial position.

Derivative financial instruments

Derivative financial instruments, including separated embedded derivatives, that are not designated as hedging instruments in a hedging relationship are classified as financial instruments at fair value through profit or loss. Such derivative financial instruments are initially recognised at fair value. They are subsequently measured at their fair value, with changes in fair value being recognised in profit and loss within finance income/finance costs.

In cases, where the initial fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on observable inputs, on subsequent measurement, the difference between initial fair value and transaction price is recognised in profit and loss on an appropriate basis (e.g. straight-line) over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Hedging activities

i. Fair value hedge

Some of the Group's entities may use derivative financial instruments (e.g. interest rate swaps) to manage/mitigate their exposure to the risk of change in the fair value of borrowings. The Group may designate certain interest swaps to hedge the risk of changes in fair value of recognised borrowings attributable to the hedged interest rate risk. The effective and ineffective portion of changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit and loss within finance income/finance costs, together with any changes in the fair value of the hedged liability that is attributable to the hedged risk. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of the hedged item is amortised to profit and loss over the period of the remaining maturity of the hedged item. The amortisation is based on the recalculated effective interest rate.

ii. Cash flow hedge

Some of the Group's entities may use derivative financial instruments (e.g. foreign currency forwards, options, swaps) to manage their exposure to foreign exchange and price risk. Further, the Group may designate certain derivative financial instruments (or its components) as hedging instruments for hedging the exchange rate risk attributable to either a recognised item or a highly probable forecast transaction (cash flow hedge). The effective portion of changes in the fair value of derivative financial instruments (or its components) that are designated and qualify as cash flow hedges, are recognised in other comprehensive income and is held within the cash flow hedge reserve (CFHR) – within other components of equity. Any gains/(losses) relating to the ineffective portion, are recognised immediately in profit and loss within finance income/finance costs. The amounts accumulated in cash flow hedge reserve are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period.

For any other cash flow hedges, the amount accumulated in OCI (in CFHR) is reclassified to profit and loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit and loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI (in CFHR) remains in accumulated OCI (in CFHR) if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit and loss as a reclassification adjustment.

After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI (in CFHR) must be accounted for depending on the nature of the underlying transaction as described above.

iii. Net investment hedge

The Group may hedge its net investment in certain foreign subsidiaries. On doing so, any foreign exchange differences on the hedging instrument (e.g. borrowings) relating to the effective portion of the hedge is recognised in other comprehensive income within the foreign currency translation reserve (FCTR) – within other components of equity, so as to offset the change in the value of the net investment being hedged. The ineffective portion of the gain or loss on these hedges is immediately recognised in profit and loss. The amounts accumulated in equity are reclassified to profit and loss when the foreign operation is disposed.

Revenue

Revenue is recognised upon the transfer of control of promised products or services to the customer at the consideration which the Group has received or expects to receive in exchange for those products or services, net of any taxes/duties and discounts. When determining the consideration to which the Group is entitled for providing promised products or services via intermediaries, the Group assesses whether the intermediary is a principal or agent in the onward sale to the end customer. To the extent that the intermediary is considered a principal, the consideration to which the Group is entitled is determined to be that receivable from the intermediary. To the extent that the intermediary is considered to be an agent, the consideration to which the Group is entitled is determined to be the amount receivable from the ultimate customer. Any upfront discount or commission provided to the intermediary is recognised as a cost of sale in such a case.

The Group has entered into certain multiple-element revenue arrangements, which involve the delivery or performance of multiple products, services or rights to use assets. At the inception of the arrangement, all the deliverables within the contract are evaluated to determine whether they represent distinct performance obligations, and if so, they are accounted for separately.

Total consideration related to the multiple element arrangements is allocated to each performance obligation based on their relative standalone selling prices. The stand-alone selling prices are the prices at which the Group would sell a promised good or service separately to a customer.

Revenue is recognised when, or as, each distinct performance obligation is satisfied. The main categories of revenue and the basis of recognition are as follows:

a. Service revenue

Service revenue is derived from the provision of telecommunications services and mobile money services to customers. The majority of the Group's customers subscribe to services on a pre-paid basis.

Telecommunications service revenue mainly pertains to usage, subscription charges for voice, data, messaging and value added services and customer onboarding charges.

Telecommunications services are considered to represent a single performance obligation as all are provided over the Group's network and transmitted as data representing a digital signal on the network. The transmission consumes network bandwidth and therefore, irrespective of the nature of the communication, the customer ultimately receives access to the network and the right to consume network bandwidth.

Customers primarily pay in advance for services of the Group. These cash amounts are recognised in deferred income in the consolidated statement of financial position and transferred to the profit and loss when the service obligation has been performed/when the usage of services becomes remote.

The Group recognises revenue from these services over time as they are provided. Revenue is recognised over time based on actual units of telecommunications services provided during the reporting period as a proportion of the total units of telecommunications services to be provided.

Subscription charges are recognised over the subscription pack validity period.

Revenue recognised in excess of amounts invoiced are classified as unbilled revenue. If amounts invoiced/collected from a customer are in excess of revenue recognised, a deferred revenue/advance income is recognised.

Service revenue also includes revenue from interconnection/roaming charges for use of the Group's network by other operators for voice, data, messaging and signaling services.

Revenue from long distance operations comprise voice services and bandwidth services (including installation), which are recognised on the provision of services, provided over the period of the respective arrangements.

The Group has interconnect agreements with local and foreign operators. This allows customers from either network to originate or terminate calls to each other's network. Revenue is earned and recognised as per bilateral agreements when other operators' calls are terminated to the Group's network i.e. when the service is rendered.

As part of the mobile money services, the Group earns commission from merchants for facilitating recharges, bill payments and other merchant payments. It also earns commissions on the transfer of money from one customer wallet to another. Such commission is recognised as revenue at a point in time on fulfilment of these services by the Group.

b. Equipment sales

Equipment sales mainly pertain to sale of telecommunications equipment and related accessories for which revenue is recognised when the control of equipment is transferred to the customer i.e. transferred at a point in time.

Costs to obtain or fulfil a contract with a customer

The Group defers costs to obtain or fulfil a contract with a customer over expected average customer life determined based on churn rate specific to such contracts.

Alternative performance measures (APMs) – exceptional items

Management exercises judgement in determining the adjustments to apply to IFRS measurements in order to derive APMs, which provide additional useful information on the underlying trends, performance and position of the Group. This assessment covers the nature of the item being one-off or non-routine and the significance of the impact of that item on reported performance in accordance with the Group's exceptional items policy.

To monitor performance, the Group uses the following APMs:

- 'Underlying profit before tax' representing profit before tax for the period excluding the impact of exceptional items.
- 'Underlying profit after tax' representing profit after tax for the period excluding the impact of exceptional items and tax on exceptional items.

Exceptional items refer to items of income or expense within the consolidated statement of comprehensive income, which are of such size, nature or incidence that their exclusion is considered necessary to explain the performance of the Group and improve the comparability between periods. Reversals of previous exceptional items are also considered as exceptional items. When applicable, these items include network modernisation, share issue expenses, loan prepayment costs, the settlement of legal and regulatory cases, restructuring costs, impairments, gain on sale of tower assets and initial recognition of deferred tax assets.

Foreign currency transactions

a. Functional and presentation currency

The items included within the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which each entity operates (i.e. 'functional currency').

The financial statements are presented in US dollar, which is also the functional and presentation currency of the company.

b. Transactions and balances

For the purpose of presenting the consolidated financial statements, transactions in foreign currencies are initially recorded in the relevant functional currency at the rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date with the resulting foreign exchange differences on subsequent re-statement/settlement recognised in the profit and loss within finance costs/finance income. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate prevalent, at the date of initial recognition (in case they are measured at historical cost) or at the date when the fair value is determined (in case they are measured at fair value) – with the resulting foreign exchange difference on subsequent re-statement/settlement recognised in the profit and loss, except to the extent that it relates to items for which gains and losses are recognised in the other comprehensive income or directly in equity.

The equity items denominated in foreign currencies are translated at historical exchange rates.

c. Foreign operations

The assets and liabilities of foreign operations (including goodwill and fair value adjustments arising on the acquisition of foreign entities) are translated into US dollars at the exchange rates prevailing at the reporting date. Items recognised in profit and loss are translated into US dollars at monthly average exchange rates, with equity translated at the historical rate. The resulting exchange differences are recognised in other comprehensive income and held within the foreign currency translation reserve (FCTR), a component of equity. On disposal of a foreign operation (i.e. disposal of Group's entire interest in a foreign operation or disposal involving loss of control), all the accumulated exchange differences accumulated in FCTR in respect of that foreign operation is reclassified to profit and loss.

When a monetary item forms part of the Group's net investment in a foreign operation, the exchange differences are then recognised initially in other comprehensive income and are held within the foreign currency translation reserve (FCTR). Such FCTR is reclassified from equity to profit and loss on disposal of the foreign operation.

Income-taxes

The income tax expense comprises current and deferred income tax. Income tax is recognised in the profit and loss, except to the extent that it relates to items recognised outside profit and loss, in other comprehensive income or directly in equity, in which case the related income tax is also recognised accordingly within other comprehensive income or directly in equity.

a. Current tax

Current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date in the respective countries where the Group entities operate and generate taxable income. The payment made in excess/(shortfall) of the respective Group entities' income tax obligation for the respective periods are recognised in the statement of financial position under income tax assets/income tax liabilities, respectively.

Any interest relating to accrued liabilities for potential tax assessments are not included in the income tax charge or (credit), but are recognised within finance costs.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. These provisions are measured at the best estimate of the amount expected to become payable or based on the expected value approach, as applicable and are presented within current tax liabilities. The assessment is based on the judgement of tax professionals within the company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

b. Deferred tax

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, deferred tax is not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Further, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences, tax losses and tax credits can be utilised. To assess such probability, the Group considers profit generation capability of the taxable entity based on historical trends as well as forecast profitability for the foreseeable future. When it is probable that there will be future taxable profits, an evaluation is performed to assess the availability of sufficient deductible temporary differences during the foreseeable future, relating to the same taxation authority and in the same taxable entity.

Deferred tax is recognised on temporary differences arising on investments in subsidiaries, associate and joint venture unless the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets, recognised and unrecognised, are reviewed at each reporting date and assessed for recoverability based on best estimates of taxable profits for the foreseeable future.
Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

Transactions with non-controlling interests

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as a transaction with equity holders. Any difference between the amount of the adjustment to non-controlling interests and any consideration exchanged is recognised in 'the transactions with NCI reserve', within equity.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount of the obligation can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the relevant obligation, using a pre-tax rate that reflects current market assessments of the time value of money (if the impact of discounting is significant) and the risks specific to the obligation. The increase in the provision due to un-winding of the discounting due to the passage of time is recognised within finance costs.

Contingencies

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognised unless virtually certain and disclosed only where an inflow of economic benefits is probable.

Section 11

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 & 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 active customer base	Total number of active subscribers who have enacted any mobile money usage event in last 30 days.
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 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).
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.
Average revenue per user (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.
Basic earnings per share	Basic earnings per share 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.
Capital employed	Capital employed is defined as sum of equity attributable to equity holders of 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 ('NCI') and net debt.
Capital expenditure (Capex)	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.
Cash profit from operations before derivative and exchange fluctuation	It is not a GAAP measure and is defined as profit from operating activities before depreciation, amortisation and exceptional items adjusted for finance cost (net of finance income) before adjusting for derivative and exchange (gain)/ loss.
Churn	Churn is derived by dividing the total number of customer disconnections during the relevant period by the average number of customers and dividing the result by the number of months in the relevant period.
Constant currency	The Group has presented certain financial information that is calculated by translating the results at a fixed 'constant currency' exchange rate, which is done to measure the organic performance of the Group and represents the performance of the business in a better way. Constant currency amounts and growth rates are calculated using closing exchange rates as of 31 March 2023 for all reporting regions and service segments except for Nigeria region and service segment. For the Nigeria region and service segment, constant currency amounts and growth rates have been calculated using the closing exchange rate prevailing as of 30 June 2023 In June 2023, the Central Bank of Nigeria (CBN) announced changes to the operations in the Nigerian Foreign Exchange Market, including the abolishment of segmentation, with all segments now collapsing into the Investors and Exporters (I&E) window and the reintroduction of the 'Willing Buyer, Willing Seller' model at the I&E window. As a result of this CBN decision, the Nigerian Naira has devalued against US Dollar by approximately 62%. This change announced by CBN led to a material impact on the Group's financial statements and for better representation of the performance of the business and comparability the closing exchange rate prevailing as of 30 Jun 2023 i.e. NGN 752.2/USD has been used for calculation of constant currency amounts and growth rates of Nigeria region and service segment.

Customer	Defined as a unique active subscriber with a unique mobile telephone number who has used any of Airtel's services in the last 30 days.
Customer base	The total number of active subscribers that have used any of our services (voice calls, SMS, data usage or mobile money transaction) in the last 30 days.
Data average revenue per user (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 capacity	Total data capacity per day for the region.
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	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.
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.
Foreign exchange rate movements for non-DTA operating companies and holding companies	Foreign exchange rate movements are specific items that are non-tax deductible in a few of our operating entities, hence these hinder a like-for-like comparison of the Group's effective tax rate on a period-to-period basis and are therefore excluded when calculating the effective tax rate.
Indefeasible Rights of Use (IRU)	A standard long-term leasehold contractual agreement that confers upon the holder the exclusive right to use a portion of the capacity of a fibre route for a stated period.
Information and communication technologies (ICT)	ICT refers to all communication technologies, including the internet, wireless networks, cell phones, computers, software, middleware, videoconferencing, social networking, and other media applications and services.
Interconnect user charges (IUC)	Interconnect user charges are the charges paid to the telecom operator on whose network a call is terminated.
Interest coverage ratio	An alternative performance measure (non-GAAP) indicating the Group's ability to pay interest on its debts. Calculated as EBITDA for the relevant period divided by interest on borrowing for the relevant period.
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.
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 (annualized)	An alternative performance measure (non-GAAP). Calculated by dividing net debt at the end of the relevant period by EBITDA for the relevant period (annualised).
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.
Net profit margin	It is computed by dividing Profit attributable to owners of the company by total revenue.

Net revenue	An alternative performance measure (non-GAAP). Defined as total revenue adjusted for IUC (interconnection usage charges), cost of goods sold and mobile money commissions.
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.
Return on capital employed (ROCE)	ROCE is calculated by dividing EBIT for the preceding 12 months by the average of the opening and closing capital employed. Capital employed used for ROCE is defined as the sum of total equity (grossed up for put option provided to minority shareholders), non-controlling interests ('NCI') and net debt. 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).
Return on equity (ROE) – post-tax	ROE-post-tax is calculated by dividing net profit for the preceding 12 months by the closing equity attributable to equity holders of the company (grossed up for put option provided to minority shareholders). For quarterly computations, ROE-post-tax is calculated by dividing net profit for the preceding 12 months by the closing equity attributable to equity holders of the company (grossed up for put option provided to minority shareholders).
Return on equity (ROE) – pre-tax	ROE-pre-tax is calculated by dividing profit before tax (including exceptional item) for the preceding 12 months by the closing equity attributable to equity holders of the company (grossed up for put option provided to minority shareholders) and non-controlling interests ('NCI'). For the quarterly computations, it is computed by dividing profit before tax (including exceptional items) for the preceding last 12 months from the end of the relevant period by the closing equity attributable to equity holders of the company (grossed up for put option provided to minority shareholders) and non-controlling interests ('NCI') for the relevant period.
Revenue	An alternative performance measure (non-GAAP). Defined as revenue before exceptional items.
Revenue per site per month	Revenue per site per month is calculated by dividing total revenue, excluding sale of goods (if any) during the relevant period by the average number of sites; and dividing the result by the number of months in the relevant period.
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 employees	Total on-roll employees as at the end of respective period.
Total MBs on network	Total MBs consumed (uploaded & downloaded) by customers on the Group's GPRS, 3G and 4G network during 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.
Voice minutes on network (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.

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
ARPU	Average revenue per user
bn	Billion
bps	Basis points
CAGR	Compound annual growth rate
Capex	Capital expenditure
CSR	Corporate social responsibility
DTA	Deferred Tax Asset
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EPS	Earnings per share
FPPP	Financial position and prospects procedures
GAAP	Generally accepted accounting principles
GB	Gigabyte
HoldCo	Holding company
IAS	International accounting standards
ICT	Information and communication technologies
ICT (Hub)	Information communication technology (Hub) IFRS
IFRS	International financial reporting standards
IMF	International monetary fund
IPO	Initial public offering
KPIs	Key performance indicators
KYC	Know your customer
LTE	Long-term evolution (4G technology)
LTM	Last 12 months
m	Million
MB	Megabyte
MI	Minority interest (non-controlling interest)
NGO	Non-governmental organisation
OpCo	Operating company
P2P	Person to person
PAYG	Pay-as-you-go
pp	Percentage points

PPE	Property, plant and equipment
QoS	Quality of service
RAN	Radio access network
ROCE	Return on capital employed
SIM	Subscriber identification module
Single RAN	Single radio access network
SMS	Short messaging service
TB	Terabyte
Telecoms	Telecommunications
UoM	Unit of measure
USSD	Unstructured supplementary service data

Written correspondence to be sent to:

Airtel Africa Investor Relations
E-mail: investor.relations@africa.airtel.com
Website: airtel.africa/investors
Telephone: (+44) 20 7493 9315