Airtel Africa plc

Results for half year ended 30 September 2022

27 October 2022

Double-digit revenue growth, margin resilience and further strengthening of our balance sheet

Highlights

- Total customer base increased to 134.7 million, up 9.7%, with increased penetration across mobile data (customer base up 10.6%) and mobile money services (customer base up 24.0%).
- ARPU growth of 7.2% in constant currency, largely driven by increased usage across voice, data and mobile money.
- Mobile money transaction value increased by 31.7%, to an annualized value of $86.1bn in Q2'23.
- Reported revenue grew by 12.9% in the half, to $2,565m, and 12.7% for Q2'23. Constant currency growth rate accelerated to 18.5% in Q2, supporting half year growth of 16.9%.
- Strong revenue growth in constant currency was posted across all four reporting segments. Mobile Services revenue in Nigeria grew by 19.7%, in East Africa by 12.4% and in Francophone Africa by 12.1% (and across the Group by 15.6%, with voice revenue up by 12.0% and data revenue up by 22.1%). Mobile Money revenue grew by 29.5%, driven by growth of 31.5% in East Africa and 23.6% in Francophone Africa.
- EBITDA increased by 14.3% to $1,255m in reported currency and by 17.8% in constant currency, with an EBITDA margin of 48.9%, an increase of 60 basis points in reported currency and 38 basis points in constant currency.
- Profit after tax was $330m, lower by 1.5% due to higher foreign exchange and derivative losses of $160m. Profit after tax excluding foreign exchange and derivative losses was up by 30.4%.
- EPS before exceptional items was 6.8 cents, a reduction of 9.5% largely as a result of higher foreign exchange and derivative losses of $160m. Basic EPS increased to 7.9 cents (up by 3.7%) as a result of deferred tax asset recognition in Kenya.
- The board has declared an interim dividend of 2.18 cents per share (2 cents in H1'22).
- 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. The leverage ratio has fallen to 1.3x from 1.5x in the prior period.
- Capex increased by 26.9% to $310m, in line with our guidance, as we continue to invest for future growth. Additionally, we acquired spectrum in key markets including DRC and Kenya.
- Inaugural sustainability report published today, reflecting the Group's commitment to documenting progress against its long-term sustainability strategy launched in October 2021.

Alternative performance measures [1] (Half year ended)

Description	Sep-22 $m	Sep-21 $m	Reported currency change	Constant currency change
Revenue	2,565	2,272	12.9%	16.9%
EBITDA	1,255	1,098	14.3%	17.8%
EBITDA margin	48.9%	48.3%	60 bps	38 bps
EPS before exceptional items ($ cents)	6.8	7.5	(9.5%)	
Operating free cash flow	945	853	10.7%	

GAAP measures (Half year ended)

Description	Sep-22 $m	Sep-21 $m	Reported currency change
Revenue	2,565	2,272	12.9%
Operating profit	872	732	19.1%
Profit after tax	330	335	(1.5%)
Basic EPS ($ cents)	7.9	7.6	3.7%
Net cash generated from operating activities	1,008	922	9.4%

[1] *Alternative performance measures (APM) are described on page 42.*

Segun Ogunsanya, chief executive officer, on the trading update:

"Airtel Africa continued to deliver strong results as its purpose of transforming the lives of people across sub-Saharan Africa through digital and financial inclusion gained further momentum, with growth accelerating in the second quarter. Whilst we are not immune to the current macro-economic challenges and currency devaluation risks, I am pleased to report double-digit reported revenue growth in the period, largely driven by customer growth of 9.7% and ARPU growth of 7.2%, as we increased penetration and usage through our affordable service offerings. Our cost efficiency initiatives combined with improving growth trends have also helped offset inflationary pressures on our cost base and expand our EBITDA margin by 38bps in constant currency. We continue to de-risk our balance sheet and have further reduced HoldCo debt with the early repayment of $450m of bond in July. We continue to invest for growth and have increased capital expenditure by 27% over the period, alongside a substantial investment into additional spectrum across several markets.

Following the receipt of the Payment Service Bank and Super-Agent licence in Nigeria during the period, we have launched our mobile money operations. We are excited about the opportunity in our biggest market and will continue to build trust and confidence in the brand, whilst investing in distribution to increase access to financial services for underserved communities within the country.

Today we have also published our inaugural sustainability report. The report provides a detailed review of our sustainability strategy that underpins our corporate purpose and sets out our achievements to date and our focus for the future.

Overall these results continue to demonstrate the effectiveness of our strategy, sound execution, and the resilience of our business despite the uncertain macro-economic environment. For the remainder of the financial year, we anticipate sustained growth in the business, alongside EBITDA margin resilience."

Airtel Africa plc ("Airtel Africa" or "Group") results for half year ended 30 September 2022 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 in this press release has been drawn from interim financial statements prepared based on International Accounting Standard 34 (IAS 34) issued by the International Accounting Standards Board (IASB) approved for use in the 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 2022 except to the extent required/ prescribed by IAS 34. The Group's auditors provide an independent review report on such interim financial statements (as reproduced on page 48 of this press release). This report should be read in conjunction with audited annual consolidated financial statements and related notes for the year ended 31 March 2022. Comparative annual information has been drawn based on Airtel Africa plc's Audited Consolidated Financial Statements for the year ended 31 March 2022; with quarterly and half yearly information drawn from the unaudited IAS 34 financials of the respective periods. The Group's auditors provided an independent review report on such half-yearly interim financial statements for the period ended 30 September 2021. All comparatives and references to the 'prior period' or 'previous period' in this report are for the reported metrics for the half year ended 30 September 2021 unless otherwise stated.

About Airtel Africa

Airtel Africa is a leading provider of telecommunications and mobile money services, with a presence in 14 countries in Africa, primarily in East Africa and Central and West Africa.

Airtel Africa offers an integrated suite of telecoms solutions to its subscribers, including mobile voice and data services as well as mobile money services, both nationally and internationally. We aim to continue providing a simple and intuitive customer experience through streamlined customer journeys.

Enquiries

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Conference call

Management will host an analyst and investor presentation and investor conference call at 12:00pm UK time (BST), on Thursday 27 October 2022, including a Question-and-Answer session.

To receive an invitation with the dial in numbers to participate in the event, please register beforehand using the following link:

Webcast and conference call registration link

Key consolidated financial information

Description	Unit of measure	Half year ended				Quarter ended			
		Sep-22	Sep-21	Reported currency change %	Constant currency change %	Sep-22	Sep-21	Reported currency change %	Constant currency change %
Profit and loss summary									
Revenue [1]	**$m**	**2,565**	**2,272**	**12.9%**	**16.9%**	**1,308**	**1,160**	**12.7%**	**18.5%**
Voice revenue	$m	1,226	1,140	7.5%	12.0%	616	578	6.5%	12.7%
Data revenue	$m	864	733	17.9%	22.1%	446	377	18.4%	24.3%
Mobile money revenue [2]	$m	332	259	28.4%	29.5%	173	135	28.1%	32.3%
Other revenue	$m	216	200	7.9%	11.9%	110	102	7.9%	13.4%
Expenses	$m	(1,316)	(1,181)	11.5%	16.0%	(671)	(599)	12.0%	18.2%
EBITDA [3]	**$m**	**1,255**	**1,098**	**14.3%**	**17.8%**	**641**	**564**	**13.8%**	**19.1%**
EBITDA margin	%	48.9%	48.3%	60 bps	38 bps	49.0%	48.6%	45 bps	23 bps
Depreciation and amortisation	$m	(383)	(366)	4.8%	9.1%	(195)	(184)	5.6%	11.5%
Operating exceptional items	$m	-	-	0.0%	0.0%	-	-	0.0%	0.0%
Operating profit	**$m**	**872**	**732**	**19.1%**	**22.2%**	**446**	**380**	**17.5%**	**22.9%**
Net finance costs [4]	$m	(358)	(169)	111.6%		(206)	(71)	189.0%	
Non-operating exceptional items[5]	$m	-	4	(100.0%)		-	-	0.0%	
Profit before tax [6]	**$m**	**516**	**567**	**(9.1%)**		**240**	**308**	**(22.3%)**	
Tax	$m	(228)	(232)	(2.0%)		(109)	(116)	(5.8%)	
Tax - exceptional items [7]	$m	42	-	0.0%		21	-	0.0%	
Total tax charge	$m	(186)	(232)	(19.9%)		(88)	(116)	(23.8%)	
Profit after tax	**$m**	**330**	**335**	**(1.5%)**		**152**	**192**	**(21.2%)**	
Non-controlling interest	$m	(34)	(50)	(31.4%)		(19)	(32)	(39.6%)	
Profit attributable to owners of the company - before exceptional items	$m	254	281	(9.5%)		112	160	(30.2%)	
Profit attributable to owners of the company	**$m**	**296**	**285**	**3.7%**		**133**	**160**	**(17.2%)**	
EPS - before exceptional items	cents	6.8	7.5	(9.5%)		3.0	4.3	(30.2%)	
Basic EPS	cents	7.9	7.6	3.7%		3.5	4.3	(17.2%)	
Weighted average no of shares	million	3,753	3,755	(0.0%)		3,752	3,755	(0.1%)	
Capex	$m	310	245	26.9%		169	139	21.8%	
Operating free cash flow	$m	945	853	10.7%		472	425	11.1%	
Net cash generated from operating activities	$m	1,008	922	9.4%		620	475	30.7%	
Net debt	$m	3,278	3,127			3,278	3,127		
Leverage (net debt to EBITDA)	times	1.3x	1.5x			1.3x	1.5x		
Return on capital employed	%	23.5%	19.6%	390 bps		23.7%	19.6%	411 bps	
Operating KPIs									
ARPU	$	3.2	3.1	3.5%	7.2%	3.3	3.2	3.5%	8.9%
Total customer base	million	134.7	122.7	9.7%		134.7	122.7	9.7%	
Data customer base	million	48.6	43.9	10.6%		48.6	43.9	10.6%	
Mobile money customer base	million	29.7	23.9	24.0%		29.7	23.9	24.0%	

(1) Revenue includes inter-segment eliminations of $73m for half year ended 30 September 2022 and $60m for the prior period.

(2) Mobile money revenue post inter-segment eliminations with mobile services was $259m for half year ended 30 September 2022, and $199m for the prior period.

(3) EBITDA includes other income of $6m for half year ended 30 September 2022, and $6m for the prior period.

(4) Net finance costs of $358m includes foreign exchange and derivative losses of $184m for half year ended 30 September 2022 against $24m the in prior period, an increase of $160m largely due to a $31m derivative loss, Nigerian Naira devaluation impact of $30m, CFA (Central African Franc) devaluation of $45m and the balance being devaluation in the Malawian Kwacha, Ugandan shilling & Kenyan shilling.

(5) Non-operating exceptional items in the previous period include a profit of $4m from the sale of towers in Rwanda.

(6) Profit before tax in half year ended 30 September 2022 include a $2m gain on share of profit from associates.

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

Financial review for half year ended 30 September 2022

Revenue growth in reported currency was 12.9%, as 16.9% constant currency revenue growth was partially offset by currency devaluation. In Q2, constant currency revenue growth accelerated to 18.5% driven by ARPU growth of 8.9%. Revenue growth in the half was impacted again by the effect of some voice customers being barred in Nigeria and the loss of tower sharing revenues following the recent sales of towers in Tanzania, Madagascar and Malawi. Excluding these specific challenges growth for the half would have been around 20.4% in constant currency terms.

Total revenue for mobile services and mobile money services combined, grew in Nigeria by 19.7%, East Africa by 16.2% and Francophone Africa by 13.0% over the period.

Strong constant currency revenue growth was posted across all reporting segments: with mobile services revenue for the Group up 15.6% driven by Nigeria up 19.7%, East Africa up 12.4% and Francophone Africa up 12.1%. Voice revenues continued to see double digit revenue growth of 12.0%, whilst data revenues grew 22.1%. Revenue in mobile money grew by 29.5% in constant currency, driven by 31.5% growth in East Africa and 23.6% growth in Francophone Africa.

Revenue growth in Q2'23 accelerated to 18.5% in constant currency from 15.3% in Q1'23: Nigeria mobile services grew by 21.0%, East Africa by 13.6% and Francophone Africa by 13.5%. Further, mobile money revenue grew by 32.3% in Q2'23 in constant currency.

Finance costs increased by $189m, largely driven by a $160m increase in foreign exchange and derivative losses, as a result of a $31m derivative loss, a Nigerian naira devaluation impact of $30m, a CFA (Central African franc) devaluation impact of $45m and the balance being devaluation in the Malawian kwacha, Ugandan shilling & Kenyan shilling.

Total tax charges were lower by $46m mainly due to the initial recognition of a deferred tax credit of $42m in Kenya. Non-controlling interests were lower by $16m due to the buy-back of minorities in Nigeria and lower minority allocation charges in Tanzania, partially off-set by the increase in Airtel Money minority shareholdings.

EPS before exceptional items was 6.8 cents, a reduction of 9.5% largely because of higher foreign exchange and derivative losses of $160m. Basic EPS increased to 7.9 cents (up by 3.7%) as a result of deferred tax asset recognition in Kenya.

Leverage improved to 1.3x from 1.5x in the prior period, largely driven by increased cash generation, the growth of EBITDA and proceeds from Airtel Money investments. Our balance sheet has also been further de-risked by continued localisation of our debt into the OpCos and continued debt reduction in HoldCo, following the $450m HoldCo bond prepayment in July 2022.

Turning to the outlook, long-term opportunities for us remain attractive. While mindful of currency devaluation and repatriation risks, we continue to work actively to mitigate all our material risks and to deliver value for all our stakeholders.

GAAP measures

Revenue

Revenue grew by 12.9% to $2,565m in reported currency and 16.9% in constant currency. The constant currency growth was partially offset by average currency devaluations between the periods, mainly in the Central African franc (15.1%), the Nigerian naira (3.0%), the Kenyan shilling (8.7%), the Ugandan shilling (4.8%) and the Malawian kwacha (18.9%), in turn partially offset by appreciation in the Zambian kwacha (19.4%). The constant currency growth of 16.9% was driven by both customer base growth of 9.7% and ARPU growth of 7.2%.

Revenue for mobile services was up 15.6% in constant currency, with Nigeria growing 19.7%, East Africa by 12.4% and Francophone Africa by 12.1%. Voice revenue grew by 12.0% and data revenue grew by 22.1%. Mobile money revenue recorded a growth of 29.5% driven by East Africa growth of 31.5% and Francophone Africa growth of 23.6%.

Revenue growth for the first half of the year was impacted by the effect of barring outgoing calls in Nigeria for those customers who had not submitted their National Identity Numbers ('NINs'). A total of 13.6 million customers were originally barred, out of which 5.7 million customers (42%) have subsequently submitted their NINs and 2.7 million customers (20%) have been fully verified and unbarred. We estimate that this resulted in the loss of approximately $60m of revenues in H1'23, providing a drag on revenue growth of almost 3% at Group level (impact of 6.8% in Nigeria). The growth in other revenues was also impacted by c.$14m of tower sharing revenues lost through associated tower sales in the second half of the previous year.

Operating profit

Operating profit grew by 19.1% to $872m as a result of revenue growth and continued improvements in operating efficiency in East Africa and Francophone Africa.

Net finance costs

Net finance costs increased by $189m, mainly due to higher foreign exchange and derivative losses of $160m, as a result of a $31m derivative loss, a Nigerian naira devaluation impact of $30m, a CFA (Central African franc) devaluation impact of $45m with the balance being the devaluation in the Malawian kwacha, Ugandan shilling & Kenyan shilling.

The Group's effective interest rate increased to 6.4% compared to 5.5% in the prior period, largely driven by an increase in base rates.

Taxation

Total tax charges were lower by $46m mainly due to the initial recognition of a deferred tax credit of $42m in Kenya. Excluding exceptional items, tax was lower by $4m due to lower profit before tax impacted by higher foreign exchange and derivative losses.

Profit after tax

Profit after tax was $330m, reduced by 1.5% due to higher foreign exchange and derivative losses of $160m partially offset by an exceptional gain arising from the initial recognition of a deferred tax credit of $42m in Kenya. Profit after tax excluding foreign exchange and derivative losses was up by 30.4%.

Basic EPS

Basic EPS improved to 7.9 cents from 7.6 cents in prior period, an improvement of 0.3 cents. This increase was mainly due to higher operating profits and the recognition of a deferred tax credit of $42m in Kenya, which more than offset higher foreign exchange and derivative losses of $160m.

Net cash generated from operating activities

Net cash generated from operating activities up 9.4% to $1,008m (from $922m in prior period) largely driven by higher operating profit which was partially offset by higher tax payments on the increased profits and withholding tax on dividends by subsidiaries. While in some markets we face instances of shortage of foreign currency within the local monetary system, we benefit from a broad geographical diversification which enables access to liquidity, with limited impact to the Group requirements.

Alternative performance measures[1]

EBITDA

EBITDA grew by 14.3% to $1,255m in reported currency, and by 17.8% in constant currency. EBITDA growth was led by the strong revenue performance. Group EBITDA margin improved by 60 basis points in reported currency to 48.9% and 38 basis points in constant currency. We continue to work towards mitigating the inflationary cost pressures through various cost initiatives.

Foreign exchange had an adverse impact of $87.5m on revenue, and $37m on EBITDA, as a result of currency devaluations. The main currency devaluations covered within the period included the Central African franc (15.1%), the Nigerian naira (3.0%), the Kenyan shilling (8.7%), the Ugandan shilling (4.8%) and the Malawian kwacha (18.9%), in turn partially offset by appreciation in the Zambian kwacha (19.4%).

With respect to currency devaluation sensitivity, on a 12-month basis, a 1% currency devaluation across all currencies in our OpCos would have a negative impact of $47m on revenues, $28m on EBITDA and $23m on finance costs (excluding derivatives). Our largest exposure is to the Nigerian naira, for which a 1% devaluation would have a negative impact of $20m on revenues, $11m on EBITDA and $9m on finance costs (excluding derivatives).

Refer to the Risk Factors section for detailed disclosure on the currency devaluation risk posed to the Group.

Tax

The effective tax rate was 39.4%, compared to 39.2% in the prior period, largely due to profit mix changes amongst the OpCos. The effective tax rate is higher than the weighted average statutory corporate tax rate of approximately 33%, largely due to the profit mix between various OpCos and withholding taxes on dividends by subsidiaries.

Exceptional items

Non-operating exceptional items in the previous period relate to a gain of $4m from the profit on the sale of towers in Rwanda. H1'23 tax exceptional items related to the initial recognition of a deferred tax credit of $42m in Kenya.

[1] *Alternative performance measures (APM) are described on page 42.*

EPS before exceptional items

EPS before exceptional items was 6.8 cents (lower by 0.7 cents from 7.5 cents in the prior period) which was impacted by higher foreign exchange and derivative losses of $160m.

Operating free cash flow

Operating free cash flow increased by 10.7% to $945m, as higher EBITDA more than offset increased capital expenditure. Capital expenditure during the period was $65m higher relating mainly to planned network expansion and investment into the PSB opportunity in Nigeria.

Leverage

Leverage (net debt to EBITDA) improved to 1.3x at 30 September 2022, from 1.5x at 30 September 2021, largely driven by increased cash generation, EBITDA expansion, receipt of $175m from mobile money minority investments and proceeds of $243m from Tower sales in Tanzania, Malawi and Madagascar during the period. Our balance sheet has continued to be de-risked through a reduction of HoldCo debt to $0.5bn, from $1.5bn in the prior period; and the increased localisation of our debt into the OpCos.

Other significant updates

Launch of inaugural Sustainability Report

The publication of Airtel Africa's inaugural Sustainability Report on the 27th of October follows the launch of the Group's sustainability strategy in October 2021. The report reflects the Group's firm commitment to sustainability and details the business' progress against the goals outlined in the sustainability strategy. The report adheres to international best-practice ESG Reporting standards, including the Global Reporting Initiative (GRI) Standards and TCFD recommendations.

The publication of the report constitutes an important step forward in enhancing the non-financial information transparency of the Group. The report provides accurate and verified baselines for scope 1, 2 and 3 emissions and total energy consumption.

In October 2021, the Group committed to publishing a 'pathway to net zero' report, outlining the Group's strategy and timeline for achieving net zero greenhouse gas emissions targets, ahead of the publication of its first sustainability report. While significant progress has been made on this important project, due to its ambitious scale, additional time is required to comprehensively incorporate the many variables affecting our decarbonisation strategy in all 14 markets, and to consult with stakeholders. The Group is now confident of publishing a robust pathway to net zero by the end of the 2023 financial year.

NIN - SIM linkage implementation in Nigeria

Following a directive issued by the Nigerian Communications Commission (NCC) on 7 December 2020 to all Nigerian telecom operators, all our customers were required to provide their valid National Identification Numbers (NINs) to update SIM registration records, with a final deadline of 31 March 2022.

In April 2022, the voice services for 13.6 million customers were barred due to non-submission of NIN information. As of September 2022, 5.7 million customers (42%) have subsequently submitted their NINs and 2.7 million customers (20%) have been fully verified and unbarred. Revenue growth for the first half of the year was impacted by the effect of barring outgoing voice calls in Nigeria for those customers who had not submitted their NINs. We estimate that this resulted in the loss of approximately $60m of revenues in H1'23, providing a drag on revenue growth of almost 3% at Group level (impact of 6.8% in Nigeria).

We continue to work closely with the regulator and impacted customers to help them to comply with the registration requirements, making every effort to minimise disruption and ensure affected customers can continue to benefit from full-service connectivity as soon as possible; in line with our aim to drive increased connectivity and digital inclusion across Nigeria.

Nigeria mobile money operationalisation

On 29 April 2022, we announced that the Central Bank of Nigeria ('CBN') had confirmed that Smartcash Payment Service Bank limited ('Smartcash'), had received final approval for a full Payment Service Bank ('PSB') licence, affording the Group the opportunity to deliver a full suite of mobile money services in Nigeria. This news followed our announcement of 26 April that the CBN had also awarded our subsidiary, Airtel Mobile Commerce Nigeria Ltd, with a full super-agent licence, allowing the business to create an agency network that can service the customers of licenced Nigerian banks, payment service banks and licenced mobile money operators in Nigeria.

During the period we launched Smartcash, our Nigerian mobile money offering, initially in Lagos, before rolling out further across the country. One of our key commitments is to guarantee data privacy and security controls across the business to build trust and confidence in the brand. In that light, we have focussed our investments on the IT infrastructure and business systems and processes to ensure we meet this commitment. This investment, combined with our continued focus on the expansion of the distribution network, will drive increased access to financial services for underserved communities in Nigeria.

Tanzania spectrum acquisition

On 13 October 2022, we announced that Airtel Tanzania plc ('Airtel Tanzania') had purchased 140 MHz of additional spectrum spread across the 2600 MHz (2 blocks of 2x15MHz) and 3500 MHz bands from the Tanzania Communications Regulatory Authority (TCRA) for a gross consideration of $60m. This additional spectrum will support our network expansion in the market for both mobile data and fixed wireless home broadband capability, including 5G rollout, providing significant capacity to accommodate our continued strong data growth in the country. This investment reflects our continued confidence in the opportunity inherent in the Tanzanian market, supporting the local communities and economy through furthering digital inclusion and connectivity.

Zambia spectrum acquisition

On 14 October 2022, we announced that Airtel Networks Zambia plc ('Airtel Zambia'), had purchased 60 MHz of additional spectrum spread across the 800 MHz and 2600 MHz bands from the Zambia Information and Communications Technology Authority (ZICTA), for a gross consideration of $29m, payable in local currency. This additional spectrum will support our network expansion in the market for both mobile data and fixed wireless home broadband capability, including 5G rollout, providing significant capacity to accommodate our continued strong data growth in the country. Zambia is one of our largest markets by revenue. This investment reflects our continued confidence in the opportunity inherent in the Zambian market, supporting the local communities and economies through furthering digital inclusion and connectivity.

DRC spectrum acquisition

On 6 June 2022, we announced the purchase of 58 MHz of additional spectrum in the DRC, spread across 900, 1800, 2100 and 2600 MHz bands, for a gross consideration of $42m. The licence for paired spectrum in the 2100 band comes up for renewal in September 2032. All the other licences continue until July 2036. This additional spectrum will support our 4G expansion in the DRC for both mobile data and fixed wireless home broadband capability, providing significant capacity to accommodate our continued strong data growth in the country. DRC is the largest country by area in our portfolio and our second largest market by population. This investment reflects our continued confidence in the tremendous opportunity inherent in the DRC, supporting the local communities and economies through furthering digital inclusion and connectivity.

Kenya spectrum acquisition

On 15 July 2022, we announced that Airtel Kenya Networks Limited (‘Airtel Kenya’), had purchased 60 MHz of additional spectrum in the 2600 MHz band from the Communications Authority of Kenya, for a gross consideration of $40m. The licence is valid from July 2022 for a period of 15 years. This additional spectrum will support our 4G expansion in the market for both mobile data and fixed wireless home broadband capability and will allow for future 5G rollout, providing significant capacity to accommodate our continued strong data growth in the country. Airtel Kenya is one of our largest markets by revenue. This investment reflects our continued confidence in the tremendous opportunity inherent in the Kenyan market, supporting the local communities and economies through furthering digital inclusion and connectivity.

$450m early bond redemption

On 8 July 2022 the Group announced the settlement of a cash tender offer, redeeming $450m of the $1 billion of 5.35% guaranteed senior notes due 2024 ('Notes'). An aggregate principal amount of $450m of Notes was accepted for purchase for a total of $463m. All Notes accepted for purchase were cancelled ahead of their maturity in May 2024. This early redemption was made out of the Group's cash reserves and is in line with our strategy of reducing external foreign currency debt at a Group level.

First sustainability-linked loan facility

On 10 August 2022, the group announced the signing of a $125m revolving credit facility with Citi through its branch offices/subsidiaries in sub-Saharan Africa. This facility is in line with our strategy to raise debt in our local operating companies and will include both local currency and US dollar denominated debt. The facility has a tenor up to September 2024 and will be used to support Airtel Africa's operations and investments in four of its subsidiaries. The facility provides potential interest rate savings in exchange for achieving social impact milestones relating to digital inclusion and gender diversity, with a focus on rural areas and women, and aligning with the Group's sustainability strategy, launched in October 2021. The facility further strengthens the Group's commitment to transforming lives across the communities in which we operate.

Information on additional KPIs

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

Strategic overview

The Group provides telecoms and mobile money services in 14 emerging markets of sub-Saharan Africa. Our markets are characterised by huge geographies with relatively sparse populations, high population growth rates, high proportions of youth in the population, low smartphone penetration, low data penetration and relatively unbanked populations. Unique mobile user penetration across the Group's footprint is around 47%, and banking penetration remains under 50%. These indicators illustrate the significant opportunity still available to Airtel Africa to enhance both digital and financial inclusion in the communities we serve, enriching and transforming their lives through digitalisation at the same time as growing our revenues profitably, across each of our key services of voice, data and mobile money.

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

We describe our 'Win with' strategy through six strategic pillars. Our customers lie at the core of our strategy, through our fundamental purpose around transforming lives.

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

Underpinning our Group strategy is our sustainability platform, framing our continued commitment to both driving sustainable development and acting as a responsible business. We launched our sustainability strategy earlier this year, setting out our commitment to developing the infrastructure and services that will drive both digital and financial inclusion for people across Africa and which provides a framework to describe our contribution to the United Nations' Sustainable Development Goals ('SDGs'). We have four key pillars within our sustainability framework: 'Our business', 'Our people', 'Our communities' and 'Our environment'; and we have nine summary goals and commitments, along with corresponding programmes that address each of the 'material' identified topics of the business, covering data security, service quality, supply chain, people commitments, digital inclusion, financial inclusion, access to education, greenhouse gas emissions reduction and environmental stewardship.

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

Win with network

The Group aims to continually provide a best-in-class network experience, including internet experience, to customers. We continued to invest in our network by expanding 4G coverage and building capacity to cater for the future needs of our customers and to continue providing them with high-speed data. Our expansion of 4G network capability across our footprint and connecting rural areas through deployment of new sites continued to be our two key focus areas. Our investment in the 4G network through single RAN technology has resulted in both expansion of our 4G coverage and enhanced network capacity. Currently, 88.9% of our total sites are now on 4G, compared to 81.8% in the prior period. We are building a leading, modernised network that can provide the data capacity to meet rapidly growing demand, and enhanced connectivity and digitalisation needs of our markets. Our network data capacity has increased by 38.2% year on year, reaching 19,000+ TB per day, with additional capacity being added at only very marginal cost. We have added almost 8,500 km of additional fibre in the last one year, with total fibre now more than 68,500km.

The Group has also added additional spectrum in a few of our markets. We have added 110 MHz in the 2600 band (60 MHz in Kenya and 50 MHz in Zambia), 10 MHz in 800 band in Zambia, 58 MHz in DRC spread across various bands, 10 MHz in 2100 band and 100 MHz in 3500 in Seychelles. These allocations will help us to maximise network capacity and coverage.

Capital expenditure related to investment activities during the period was $310m, excluding spectrum acquisitions and licence renewals.

Win with distribution

Sub-Saharan Africa is characterised by low penetrated markets, with unique subscriber penetration at 47%. The Group's strategy is to build assured availability of service through deployment of exclusive retail footprint and ensuring sufficient resourcing to drive revenue generation at each distribution site.

We continue to strengthen our exclusive channel of kiosks/mini-shops and Airtel Money branches along with multi-brand outlets in both urban and rural markets. We provide a simplified and enhanced KYC app to provide a seamless customer onboarding experience. These have enabled us to add customers, resulting in customer base growth of 9.7%. This has also helped us to grow voice revenue by 12.0% in constant currency.

The Group continued its investment in strengthening our distribution network infrastructure, with a focus on rural distribution networks. During the period, the Group expanded its exclusive franchise stores, adding more than 19,000+ kiosks and mini-shops (taking the total to almost 62,000) across our footprint. The Group also added more than 58,600 activating entities, up by 27.6%.

Win with data

The Group continued to invest in the expansion of our 4G network, adding significant data capacity to the network at only marginal cost, expanding both home broadband and enterprise business services to greater leverage the 4G network capacity; growing data ARPU and data revenue. We continue to focus on increasing smartphone sales through the expansion of our network of smartphone device selling outlets.

Our improved 4G network supported our drive to increase smartphone penetration, data customer penetration and the uptake of larger data volumes, resulting in greater data consumption per customer. Smartphone penetration was up by 1.5 percentage point to 35.1% and our data customer base grew by 10.6%, now representing 36.1% of our total customer base.

Data usage per customer reached 4.3 GB per month (from 3.3 GB) led by an increase in smartphone penetration and expansion of our home broadband and enterprise customers. This helped us to grow data revenue by 22.1% in constant currency. Growing 4G penetration and the data usage of customers helped us to grow data ARPU by 8.7%. 4G data usage constituted 73.4% of total data usage on the network in Q2'23 with 4G data usage per customer reaching 7.3 GB per month, up by 36.0% in Q2'22.

Win with mobile money

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

During the period, we launched Smartcash in Nigeria. Services were initially made available at selected retail touchpoints, and operations are now being expanded gradually across the country.

We continued to expand our exclusive distribution channel of Airtel Money branches and Kiosks to ensure availability of services to customers even in the rural areas. The number of kiosks and mini-shops increased by 45% and Airtel money branches by almost 27%. Further, non-exclusive channel of mobile money agents expanded by 49.7%. Our distribution expansion and enhanced offerings helped drive 24.0% growth in our mobile money customer base, now serving over 29.7 million customers which represents 22.0% of our total customer base.

Along with Data, Mobile money continues to be one of our fastest growing services, delivering revenue growth of 29.5% in H1'23. It is an increasingly important part of our business, delivering $86bn of Q2'23 annual transaction value and accounting for 13.2% of total revenue in Q2'23.

Mobile money ARPU increased by 7.2% in constant currency over the period, driven by increased transaction values and higher contributions from cash transactions, P2P transfers and mobile services recharges through Airtel Money.

Win with cost

The telecom industry continues to get impacted by macro-economic factors in our key markets. Despite the impact of the various headwinds through our core strategic pillars, our 'Win with Cost' initiatives have supported continued margin expansion.

Our operating cost model is focused on enhancing cost efficiency through changes in the operating design and digitalisation initiatives. We embrace robust cost discipline and continuously seek to improve our processes to reduce operating costs, delivering one of the highest EBITDA margin in the industry. We also use the latest technology to optimally design our networks and improve our capital expenditure efficiency; enabling us to build large incremental capacities at lower marginal cost.

We are taking various cost efficiency initiatives to mitigate the headwinds, relating mainly to:
(i) working with Tower companies to invest more in energy efficient equipment (invest in lithium batteries & solar equipment) (ii) enhance grid connectivity (iii) transmission re-routing to optimise leaseline capacity; and (iv) shift towards digital recharges specially through Airtel Money to reduce commission pay-outs and to curtail or delay non-essential spend.

Win with people

As we continue to build our business, our values continue to anchor how we work. Being alive, Inclusive, and respectful is demonstrated in the way we work and how we build sustainable engagement.

This year we conducted our engagement survey to unceasingly measure our employee sentiment. During our last survey (2020), we had an overall employee participation rate of 87%. This has increased to 91%, an overall good show of employees being willing to share their voices in a safe environment. More importantly our Engagement score has also increased upwards by 2 percentage points to 81%. We

are working in each market to look at overall engagement opportunity areas while building further on our strong areas. We remain committed to listening and consulting our employees and this through the different forums such as townhalls, union engagements and open-door policy where our employees can relay the most pertinent matters affecting them.

We recognize the importance of having diverse and inclusive teams. This is mapped to the diverse communities we serve and provide financial and digital inclusion for.

We strive to create an environment that is all inclusive, accessible, and supportive to provide a workplace where all our employees have access to opportunities. This is created through fair and accessible recruitment, and our extensive range of policies and engagement activities/ programs. Our total number of female employees currently stand at 28% across 14 markets. Our focus remains on accelerating diversity in the second half through internal promotions and external appointments.

Through the learning and development initiatives, we assess internal capability and prepare our workforce for current and future business needs. Over the last half year, we have invested in both functional and leadership training programs. This includes training our customer experience, network, and engineering teams in addition to investing in our female colleagues and bringing women in technology to the forefront through our women-4-tech program. This program allows us to coach and mentor our women in the technology functions to support their growth and career development.

Our reward metrics continue to be based on our pay for performance philosophy. Employees have received their individual key result areas which allows all of us to focus on the same organizational objectives to unlock business growth. Together we transform the lives of the communities in which we serve.

Financial review for half year ended 30 September 2022

Nigeria - Mobile services

Description	Unit of measure	Half year ended				Quarter ended			
		Sep-22	Sep-21	Reported currency change	Constant currency change	Sep-22	Sep-21	Reported currency change	Constant currency change
Summarised statement of Operations									
Revenue	**$m**	**1,040**	**896**	**16.1%**	**19.7%**	**523**	**450**	**16.1%**	**21.0%**
Voice revenue [1]	$m	512	471	8.7%	11.9%	253	233	8.5%	13.1%
Data revenue	$m	431	351	22.9%	26.7%	221	179	23.4%	28.6%
Other revenue [1]	$m	97	74	31.6%	35.6%	49	38	28.8%	34.2%
EBITDA	**$m**	**531**	**492**	**7.9%**	**11.1%**	**259**	**246**	**5.3%**	**9.8%**
EBITDA margin	%	51.0%	54.9%	(391) bps	(393) bps	49.5%	54.6%	(510) bps	(509) bps
Depreciation and amortisation	$m	(156)	(128)	21.9%	25.7%	(81)	(65)	24.8%	30.1%
Operating exceptional items	$m	-	-	0.0%	0.0%	-	-	0.0%	0.0%
Operating profit	**$m**	**358**	**364**	**(1.6%)**	**1.3%**	**169**	**181**	**(6.6%)**	**(2.6%)**
Capex	$m	134	104	28.0%	28.0%	77	56	39.5%	39.5%
Operating free cash flow	$m	397	388	2.5%	6.5%	182	190	(4.7%)	1.0%
Operating KPIs									
ARPU	$	3.8	3.6	3.7%	6.8%	3.8	3.7	2.4%	6.8%
Total customer base	million	46.3	40.4	14.5%		46.3	40.4	14.5%	
Data customer base	million	20.6	18.2	13.5%		20.6	18.2	13.5%	

[1] Voice revenue and other revenue includes inter-segment revenue of $1m in half year ended 30 September 2022. Excluding inter-segment revenue, voice revenue was $511m and other revenue was $96m in half year ended 30 September 2022.

Revenue in Nigeria grew by 16.1% in reported currency to $1,040m and by 19.7% in constant currency. Revenue growth for the first half of the year was impacted by the effect of barring outgoing calls in Nigeria for those customers who had not submitted their National Identity Numbers ('NINs'). Revenue growth was driven mainly by customer base growth of 14.5% supported by ARPU growth of 6.8%, largely driven by higher data and other revenue. Q2'23 revenue growth accelerated to 21.0% from 18.3% in Q1'23.

Voice revenue grew by 11.9% in constant currency, driven by customer base growth of 14.5% partially offset by a slight drop in voice ARPU impacted by the barring of outgoing calls for customers who had not submitted their NINs. A total of 13.6 million customers were originally barred, out of which 5.7 million customers (42%) have subsequently submitted their NINs and 2.7 million customers (20%) have been fully verified and unbarred. We estimate that this resulted in the loss of approximately $60m of revenues in H1'23, providing a drag on revenue growth of 6.8% in Nigeria.

Data revenue increased by 26.7% in constant currency, driven by data customer base growth of 13.5% and data ARPU growth of 9.1%. The enhanced 4G network and ample data network capacity to provide high speed data has helped us to grow data customer base. As we continued our 4G network rollout, nearly all our sites in Nigeria (99%) now deliver 4G. The 4G data customer base increased by 20.3% with 45% of our total data customer base being 4G users, compared with 42.4% in prior period. Data usage per customer increased to 4.8 GB per month (from 3.9 GB in the prior period). In Q2'23, 4G data usage per customer reached 8.3 GB per month as compared with 5.4 GB in prior period with 4G data usage contributing to 79.5% of total data usage.

Other revenues grew by 35.6% in constant currency, with the main contribution coming from the growth in value added services revenue, led by airtime credit services.

Nigeria EBITDA was $531m, up by 11.1% in constant currency. The EBITDA margin declined to 51.0% from 54.9% due to an increase in operating costs arising from inflationary pressure.

Operating free cash flow was $397m, up by 6.5%, due to the expansion of EBITDA, partially offset by higher capex.

East Africa - Mobile services[1]

Description	Unit of measure	Half year ended				Quarter ended			
		Sep-22	Sep-21	Reported currency change	Constant currency change	Sep-22	Sep-21	Reported currency change	Constant currency change
Summarised statement of operations									
Revenue	**$m**	**740**	**674**	**9.9%**	**12.4%**	**381**	**351**	**8.6%**	**13.6%**
Voice revenue	$m	417	377	10.8%	13.6%	213	199	7.5%	13.2%
Data revenue	$m	257	217	18.4%	20.3%	134	112	20.0%	24.4%
Other revenue [2]	$m	66	79	(17.0%)	(14.2%)	33	41	(18.5%)	(13.9%)
EBITDA	**$m**	**359**	**317**	**13.5%**	**15.8%**	**193**	**172**	**12.7%**	**17.5%**
EBITDA margin	%	48.6%	47.0%	157 bps	141 bps	50.7%	48.9%	184 bps	168 bps
Depreciation and amortisation	$m	(123)	(113)	9.3%	11.8%	(63)	(57)	10.4%	15.2%
Operating exceptional items	$m	-	-	0.0%	0.0%	-	-	0.0%	0.0%
Operating profit	**$m**	**219**	**192**	**13.8%**	**15.8%**	**121**	**108**	**11.4%**	**16.2%**
Capex	$m	90	76	18.8%	18.8%	47	46	2.9%	2.9%
Operating free cash flow	$m	269	241	11.9%	15.0%	146	126	16.2%	23.0%
Operating KPIs									
ARPU	$	2.1	2.0	3.0%	5.4%	2.1	2.1	1.9%	6.6%
Total customer base	million	61.4	56.8	8.0%		61.4	56.8	8.0%	
Data customer base	million	20.1	18.2	10.5%		20.1	18.2	10.5%	

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

(2) Other revenue includes inter-segment revenue of $5m in half year ended 30 September 2022. Excluding inter-segment revenue, other revenue was $61m in half year ended 30 September 2022.

Mobile services revenue in East Africa grew by 9.9% in reported currency, and by 12.4% in constant currency. The differential in growth rates was due to a devaluation of the Kenyan shilling, Ugandan shilling and Malawian kwacha, offset by an appreciation in the Zambian kwacha. H1'23 was impacted by the loss of tower sharing revenues (c.$13m) following the sales of towers in Tanzania and Malawi which is reflected in the 14.2% decline in other revenues over the period. Revenue growth, excluding the site sharing revenue impact of tower sales, was 14.6% for the period.

Voice revenue grew by 13.6% in constant currency, driven by both customer base growth of 8.0% and voice ARPU growth of 6.5%. The increase in network coverage and distribution infrastructure drove the increase in the customer base. Voice ARPU growth was supported by growth in voice usage per customer which increased 11.3% to 383 minutes per customer per month, lifting voice ARPU by 6.5% in the period. Total minutes on the network increased by 18.7% to 135.5 billion minutes.

Data revenue grew by 20.3% in constant currency, largely driven by both data customer base growth of 10.5% and data ARPU growth of 9.5%. We continue to invest in expansion of our 4G network which helped us to grow both the data customer base and usage levels. In East Africa, 87.7% of our network sites are now on 4G, compared with 83.5% in the prior period. Data usage per customer increased to 4.1 GB per customer per month from 3.1 GB per customer per month in prior period. As of Q2'23, 4G customers accounted for 43.1% of our total data customer base and contributed to 67.3% of total data usage. 4G data usage per customer increased to 6.9 GB per customer per month from 5.7 GB per customer per month in the prior period.

EBITDA increased to $359m, up by 15.8% in constant currency. The EBITDA margin improved to 48.6%, an improvement of 141 basis points in constant currency, as a result of revenue growth and improved operating efficiencies.

Operating free cash flow was $269m, up by 15.0%, due largely to the expansion of EBITDA, partially offset by increased capex.

Francophone Africa – Mobile services [1]

Description	Unit of measure	Half year ended				Quarter ended			
		Sep-22	Sep-21	Reported currency change	Constant currency change	Sep-22	Sep-21	Reported currency change	Constant currency change
Summarised statement of operations									
Revenue	**$m**	**532**	**512**	**4.0%**	**12.1%**	**271**	**259**	**4.4%**	**13.5%**
Voice revenue [2]	$m	299	294	1.9%	10.3%	151	148	2.3%	11.7%
Data revenue	$m	176	165	6.3%	14.7%	90	85	5.8%	15.1%
Other revenue [2]	$m	57	53	8.6%	14.2%	30	26	12.2%	18.9%
EBITDA	**$m**	**241**	**208**	**15.8%**	**24.0%**	**131**	**106**	**23.2%**	**33.1%**
EBITDA margin	%	45.2%	40.6%	462 bps	434 bps	48.2%	40.9%	733 bps	706 bps
Depreciation and amortisation	$m	(92)	(102)	(9.8%)	(2.2%)	(46)	(50)	(9.5%)	(0.8%)
Operating exceptional items	$m	-	-	0.0%	0.0%	-	-	0.0%	0.0%
Operating profit	**$m**	**131**	**90**	**46.4%**	**54.6%**	**75**	**47**	**60.1%**	**70.5%**
Capex	$m	59	48	21.7%	21.7%	32	28	12.4%	12.4%
Operating free cash flow	$m	182	160	14.0%	24.8%	99	78	27.0%	40.8%
Operating KPIs									
ARPU	$	3.3	3.5	(5.2%)	2.2%	3.4	3.5	(2.2%)	6.3%
Total customer base	million	26.9	25.4	6.0%		26.9	25.4	6.0%	
Data customer base	million	7.8	7.5	4.2%		7.8	7.5	4.2%	

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

(2) Voice revenue and other revenue includes inter-segment revenue of $1m in half year ended 30 September 2022. Excluding inter-segment revenue, voice revenue was $298m and other revenue was $56m in half year ended 30 September 2022.

Mobile services revenue in Francophone Africa grew by 4.0% in reported currency, and by 12.1% in constant currency. The differential in growth rates was driven primarily by the 15.1% devaluation of the Central African franc. Revenue growth of 12.1% was mainly contributed by DRC, Niger, Chad and Gabon. Revenue growth in Q2'23 accelerated to 13.5% from 10.6% in Q1'23.

Voice revenue grew by 10.3% in constant currency, led by customer base growth of 6.0% and supported by voice ARPU growth of 0.5%. Our network coverage expansion and distribution infrastructure helped us drive customer base growth. Voice usage per customer grew by 8.4% to 147 minutes per customer per month thereby resulting in an 18.9% growth in voice traffic carried over the network. Q2'23 voice revenue growth was 11.7% supported by voice ARPU growth of 4.6%.

Data revenue increased by 14.7% in constant currency, supported by both customer base growth of 4.2% and data ARPU growth of 5.4%. We continue to expand our 4G network, with 68.5% of our sites in Francophone Africa on 4G (up from 61.5% in prior period). Data usage per customer increased by 38.4% to 3.2 GB per customer per month compared with 2.3 GB per customer per month in prior period (total data usage increased by 50.7%). As of Q2'23, 4G data users constituted 51.5% of total data users, compared with 42.0% in the prior period. 4G Data usage per customer increased to 5.5 GB per month compared with 4.5 GB per customer per month.

EBITDA at $241m, increased by 24.0% in constant currency. EBITDA margin improved to 45.2%, an improvement of 434 basis points in constant currency. H1'23 had a one-time Opex benefit of $19m and normalized EBITDA margin was 41.7%, an improvement of 91 basis points in constant currency.

Operating free cash flow was $182m, increased by 24.8%, largely driven by the expansion in EBITDA.

Mobile services

Description	Unit of measure	Half year ended				Quarter ended			
		Sep-22	Sep-21	Reported currency change	Constant currency change	Sep-22	Sep-21	Reported currency change	Constant currency change
Summarised statement of operations									
Revenue [1]	**$m**	**2,309**	**2,076**	**11.2%**	**15.6%**	**1,174**	**1,058**	**10.9%**	**17.0%**
Voice Revenue	$m	1,226	1,140	7.5%	12.0%	616	578	6.5%	12.7%
Data Revenue	$m	864	733	17.9%	22.1%	446	377	18.4%	24.3%
Other Revenue	$m	219	203	7.9%	12.2%	112	103	8.3%	13.6%
EBITDA	**$m**	**1,131**	**1,017**	**11.2%**	**15.1%**	**582**	**524**	**11.1%**	**16.7%**
EBITDA Margin	%	49.0%	49.0%	(1) bps	(23) bps	49.6%	49.5%	6 bps	(10) bps
Depreciation & Amortization	$m	(372)	(343)	8.3%	12.9%	(190)	(172)	10.0%	16.3%
Operating Exceptional Items	$m	-	-	0.0%	0.0%	-	-	0%	0%
Operating Profit	**$m**	**708**	**646**	**9.5%**	**12.8%**	**364**	**336**	**8.2%**	**13.2%**
Capex	$m	283	229	23.4%	23.4%	156	129	20.7%	20.7%
Operating Free Cash Flow	$m	848	788	7.7%	12.6%	426	395	7.9%	15.5%
Operating KPIs									
Mobile voice									
Customer base	million	134.7	122.7	9.7%		134.7	122.7	9.7%	
Voice ARPU	$	1.6	1.6	(1.4%)	2.7%	1.5	1.6	(2.1%)	3.6%
Mobile data									
Data customer base	million	48.6	43.9	10.6%		48.6	43.9	10.6%	
Data ARPU	$	3.0	2.9	4.9%	8.7%	3.1	2.9	7.0%	12.4%

(1) Mobile service revenue after inter-segment eliminations was $2,306m in half year ended 30 September 2022 and $2,073m in the prior period.

Mobile services revenue grew by 11.2% to $2,309m in reported currency and 15.6% in constant currency. The growth was recorded across all regions and key services: Nigeria up by 19.7%, East Africa by 12.4% and Francophone Africa by 12.1%.

Voice revenue was up by 12.0% in constant currency, led by customer base growth of 9.7% and voice ARPU growth of 2.7%. Our continued expansion of network and distribution infrastructure helped drive customer additions. Revenue growth for the first half of the year was slightly impacted by the effect of barring outgoing calls in Nigeria for those customers who had not submitted their National Identity Numbers ('NINs'). Voice ARPU growth of 2.7% was driven by an increase in voice usage per customer by 6.4%, reaching 269 minutes per customer per month and total minutes on the network increased by 16.1%. Q2'23 voice revenue growth improved to 12.7% with an ARPU growth of 3.6%.

Data revenue increased by 22.1% in constant currency, driven by both customer base growth of 10.6% and data ARPU growth of 8.7%. Revenue growth was recorded across all regions: Nigeria grew by 26.7%, East Africa by 20.3% and Francophone Africa by 14.7%. Expansion of our 4G network infrastructure helped us to grow data customer base by 10.6%, almost 89% of our total sites are now on 4G, compared to 81.8% in the prior period. Our total data customer base reached 48.6 million, 45.2% of total data customers are 4G users (up from 39.7%) contributing to 73.4% of total data usage. Data ARPU growth of 8.7% was due to increase in data usage per customer to 4.3 GB per customer per month (from 3.3 GB per customer per month in prior period). Q2'23 data revenue growth improved to 24.3% with an ARPU growth of 12.4%. Q2'23 data usage per customer increased to 4.5 GB per customer per month (from 3.4 GB in the prior period) while 4G data usage per customer reached 7.3 GB per month (from 5.4 GB in the prior period). In the quarter, data revenue contributed to 38.0% of total mobile services revenue, up from 35.6% in the prior period.

EBITDA for mobile services was $1,131m, grew by 15.1% in constant currency. The EBITDA margin was 49.0%, declined by 23 basis points in constant currency. The reduction in EBITDA margin was due to an increase in operating costs in Nigeria reflecting energy price inflation.

Operating free cash flow was $848m, up by 12.6%, due to the expansion of EBITDA partially offset by higher capex.

Mobile money[1]

Description	Unit of measure	Half year ended				Quarter ended			
		Sep-22	Sep-21	Reported currency change	Constant currency change	Sep-22	Sep-21	Reported currency change	Constant currency change
Summarised statement of operations									
Revenue [2]	**$m**	**332**	**259**	**28.4%**	**29.5%**	**173**	**135**	**28.1%**	**32.3%**
Nigeria [3]	$m	0	0	-	-	0	0	-	-
East Africa	$m	253	190	33.4%	31.5%	132	99	33.9%	35.9%
Francophone Africa	$m	79	69	14.6%	23.6%	41	36	12.3%	22.0%
EBITDA	**$m**	**165**	**132**	**24.3%**	**24.7%**	**84**	**69**	**21.8%**	**24.7%**
EBITDA Margin	%	49.6%	51.2%	(162) bps	(189) bps	48.6%	51.2%	(255) bps	(295) bps
Depreciation & Amortization	$m	(8)	(6)	22.1%	24.7%	(4)	(3)	20.2%	21.6%
Operating Profit	**$m**	**153**	**120**	**27.8%**	**28.3%**	**78**	**62**	**25.2%**	**28.3%**
Capex	$m	20	11	86.1%	86.1%	11	7	54.4%	54.4%
Operating Free Cash Flow	$m	145	121	19.0%	19.0%	73	62	17.4%	21.2%
Operating KPIs									
Transaction value	$m	40,114	30,462	31.7%	31.7%	21,228	15,811	34.3%	37.0%
Active customers	million	29.7	23.9	24.0%		29.7	23.9	24.0%	
Mobile money ARPU	$	2.0	1.9	6.3%	7.2%	2.0	1.9	5.0%	8.4%

(1) Mobile money consolidates the results of mobile money operations from all operating entities within the Group. Airtel Money Commerce BV (AMC BV) is the holding company for all mobile money services for the Group, and as of 30 September 2022, it consolidates mobile money operations from 10 OpCos, currently excluding operations in Nigeria, Tanzania, Congo Brazzaville, and Chad. It is management's intention to continue work to transfer all these remaining mobile money services operations into AMC BV, subject to local regulatory requirements.

(2) Mobile money service revenue post inter-segment eliminations with mobile services was $259m in half year ended 30 September 2022 and $199m in the prior period.

(3) 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.

Mobile money revenue grew by 28.4% to $332m in reported currency and 29.5% in constant currency. The constant currency growth was partially offset by average currency devaluations mainly in the Central African franc (15.1%), the Ugandan shilling (4.8%) and the Malawian kwacha (18.9%), in turn partially offset by the appreciation in the Zambian kwacha (19.4%). Revenue growth of 29.5% was driven by both East Africa and Francophone Africa, of 31.5% and 23.6% respectively. Q2'23 growth accelerated to 32.3%, driven by 35.9% in East Africa as a result of lapping the mobile money levies that were raised on mobile money services in the prior year. In Nigeria, mobile money services (Smartcash) were launched in June 2022. Our initial focus in the period has been to invest in the platform technology, as well as the business systems and processes to ensure confidence and reliability in the platform.

Mobile money revenue growth of 29.5% was led by customer base growth of 24.0% and supported by mobile money ARPU growth of 7.2%. We continue to expand our distribution network of mobile money agents and exclusive channels of Airtel Money branches and kiosks. The expansion of our distribution network helped us in adding more customers and enhancing mobile money ARPU through an increase in transaction value per customer by 9.1%.

Q2'23 annualised transaction value reached $86.1bn in constant currency and mobile money revenue accounted for 13.2% of total Group revenue in the quarter. Q2'23 transaction value per customer reached $247 per month, an increase of 12.3% in constant currency.

Our mobile money customer base increased by 24.0% to 29.7 million and mobile money customer base penetration reached 22.0%, an increase of 2.5 percentage points. Mobile money ARPU growth of 7.2% was largely driven by an increase in transaction values and higher contributions from cash transactions, merchant payments and mobile service recharges through Airtel Money.

Mobile money EBITDA increased to $165m, up by 24.7% in constant currency. The drop in mobile money EBITDA margin was due to additional spend in Nigeria PSB related to the launch of Smartcash.

Regional Performance (mobile services and mobile money services combined)

Nigeria

Description	Unit of measure	Half year ended				Quarter ended			
		Sep-22	Sep-21	Reported currency change	Constant currency change	Sep-22	Sep-21	Reported currency change	Constant currency change
Revenue	**$m**	**1,040**	**896**	**16.1%**	**19.7%**	**523**	**450**	**16.1%**	**21.0%**
Voice Revenue	$m	512	471	8.7%	11.9%	253	233	8.5%	13.1%
Data Revenue	$m	431	351	22.9%	26.7%	221	179	23.4%	28.6%
Mobile Money Revenue	$m	0	0	-	-	0	0	-	-
Other Revenue	$m	97	74	31.6%	35.6%	49	38	28.8%	34.2%
EBITDA	**$m**	**527**	**492**	**7.3%**	**10.5%**	**257**	**246**	**4.4%**	**8.9%**
EBITDA Margin	%	50.7%	54.9%	(420) bps	(422) bps	49.1%	54.6%	(551) bps	(549) bps
Operating KPIs									
ARPU	$	3.8	3.6	3.7%	6.8%	3.8	3.7	2.4%	6.8%

East Africa

Description	Unit of measure	Half year ended				Quarter ended			
		Sep-22	Sep-21	Reported currency change	Constant currency change	Sep-22	Sep-21	Reported currency change	Constant currency change
Revenue	**$m**	**942**	**822**	**14.5%**	**16.2%**	**487**	**428**	**13.7%**	**18.2%**
Voice Revenue	$m	417	377	10.8%	13.6%	213	199	7.5%	13.2%
Data Revenue	$m	257	217	18.4%	20.3%	134	112	20.0%	24.4%
Mobile Money Revenue	$m	253	190	33.4%	31.5%	132	99	33.9%	35.9%
Other Revenue	$m	64	78	(17.8%)	(15.0%)	32	40	(19.4%)	(14.9%)
EBITDA	**$m**	**491**	**413**	**18.9%**	**20.1%**	**261**	**222**	**18.0%**	**22.0%**
EBITDA Margin	%	52.1%	50.2%	194 bps	168 bps	53.7%	51.8%	193 bps	165 bps
Operating KPIs									
ARPU	$	2.7	2.5	7.3%	9.0%	2.7	2.5	6.7%	11.0%

Francophone Africa

Description	Unit of measure	Half year ended				Quarter ended			
		Sep-22	Sep-21	Reported currency change	Constant currency change	Sep-22	Sep-21	Reported currency change	Constant currency change
Revenue	**$m**	**587**	**560**	**4.9%**	**13.0%**	**299**	**285**	**5.1%**	**14.3%**
Voice Revenue	$m	299	294	1.9%	10.3%	151	148	2.3%	11.7%
Data Revenue	$m	176	165	6.3%	14.7%	90	85	5.7%	15.1%
Mobile Money Revenue	$m	79	69	14.6%	23.6%	41	36	12.3%	22.0%
Other Revenue	$m	57	53	8.3%	14.0%	29	26	11.9%	18.7%
EBITDA	**$m**	**281**	**244**	**15.1%**	**23.3%**	**151**	**125**	**20.8%**	**30.4%**
EBITDA Margin	%	47.9%	43.6%	428 bps	397 bps	50.4%	43.9%	655 bps	621 bps
Operating KPIs									
ARPU	$	3.7	3.8	(4.4%)	3.0%	3.7	3.8	(1.6%)	7.0%

Consolidated performance

Description	UoM	Half year ended- September 2022					Half year ended- September 2021				
		Mobile services	Mobile money	Unallocated	Eliminations	Total	Mobile services	Mobile money	Unallocated	Eliminations	Total
Revenue	**$m**	**2,309**	**332**	**(0)**	**(76)**	**2,565**	**2,076**	**259**	**(0)**	**(63)**	**2,272**
Voice revenue	$m	1,226		(0)	(1)	1,226	1,141		(0)	(1)	1,140
Data revenue	$m	864		-	(0)	864	733		-	(0)	733
Other revenue	$m	219		-	(3)	216	202		-	(2)	200
EBITDA	**$m**	**1,131**	**165**	**(41)**	**0**	**1,255**	**1,017**	**132**	**(51)**	**(0)**	**1,098**
EBITDA margin	%	49.0%	49.6%			48.9%	49.0%	51.2%			48.3%
Depreciation and amortization	$m	(372)	(8)	(4)	-	(383)	(343)	(6)	(16)	-	(366)
Operating exceptional items	$m	-	-		-	-	-	-		-	-
Operating profit	**$m**	**708**	**153**	**11**	**(0)**	**872**	**646**	**120**	**(34)**	**(0)**	**732**

Risk Factors

The Group's business and the industry in which it operates, together with all other information contained in this document, including, in particular, the risk factors summarised below. Additional risks and uncertainties relating to the Group that are not currently known to the Group, or that the Group currently deem immaterial, may individually or cumulatively also have a material adverse effect on the Group's business, results of operations and financial condition.

Principal risks summarised

1. We operate in a competitive environment with the potential for aggressive competition by existing players, or the entry of new players, which could both put a downward pressure on prices, adversely affecting our revenue and profitability.
2. Failure to innovate through simplifying the customer experience, developing adequate digital touchpoints in line with changing customer needs and competitive landscape could lead to loss of customers and market share.
3. An inability to invest and upgrade our network and IT infrastructure could affect our ability to compete effectively in the market.
4. Cybersecurity threats through internal or external sabotage or system vulnerabilities could potentially result in customer data breaches and/or service downtimes.
5. Adverse changes in our external business environment and macro-economic conditions such as supply chain disruptions and inflationary pressures could lead to a significant increase in our operating cost structure and negatively impact profitability.
6. Shortages of skilled telecommunications professionals in some markets and the inability to identify and develop successors for key leadership positions could both lead to disruptions in the execution of our corporate strategy.
7. Our internal control environment is subject to the risk that controls may become inadequate due to changes in internal or external conditions, new accounting requirements, delays, or inaccuracies in reporting.
8. Our telecommunications networks are subject to the risks of technical failures, aging infrastructure, human error, wilful acts of destruction or natural disasters.
9. We operate in a diverse and dynamic legal, tax and regulatory environment. A failure to comply with relevant laws and regulations could lead to penalties, sanctions, and reputational damage.
10. Our multinational footprint means we are constantly exposed to the risk of adverse currency fluctuations and the macroeconomic conditions in the markets where we operate. We derive revenue and incur costs in local currencies where we operate, but we also incur costs in foreign currencies, mainly from buying equipment and services from manufacturers and technology service providers. That means adverse movements in exchange rates between the currencies in our OpCos and the US dollar could have a negative effect on our liquidity and financial condition. In some markets, we face instances of limited supply of foreign currency within the local monetary system. This constrains our ability to fully benefit at Group level from strong cash generation by those OpCos.

    Given the severity of this risk, specifically in some OpCos, Group management, continuously monitors the impact of the risk of exchange rate fluctuations based on the following methodology:

    a) Comparing the average devaluation of each currency of the markets in which the Group operates against USD on a 3-year and 5-year historic basis and onshore forward exchange rates over a 1-year period.
    b) If either of the above devaluation is higher than 5% p.a. Management selects the highest of these exchange rates
    c) We then use this exchange rate to monitor the impact of using such a rate on the Group's income statement, so that the Group can actively monitor and assess the impact on the Group's financials of exchange rate risk.

    Based on the above-mentioned methodology, the weighted average yearly potential devaluation of the basket of currencies to which the Group is exposed is estimated to be in the range of 6% to 7%.

    With respect to currency devaluation sensitivity, on a 12-month basis, a 1% currency devaluation across all currencies in our OpCos would have a negative impact of $47m on revenues, $28m on EBITDA and $23m on finance costs, on account of restatement of foreign currency liabilities. Our largest exposure is to the Nigerian naira, for which a 1% devaluation would have a negative impact of $20m on revenues, $11m on EBITDA and $9m on finance costs, on account of restatement of foreign currency liabilities.

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

    Based on above-mentioned specific methodology, for the identified OpCos, management evaluates specific mitigation actions based on available mechanisms in each of the geographies. For further details on such mitigation action refer to the risk section of the Annual Report.

Forward looking statements

This document contains certain forward-looking statements regarding our intentions, beliefs or current expectations concerning, amongst other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the economic and business circumstances occurring from time to time in the countries and markets in which the Group operates.

These statements are often, but not always, made through the use of words or phrases such as "believe," "anticipate," "could," "may," "would," "should," "intend," "plan," "potential," "predict," "will," "expect," "estimate," "project," "positioned," "strategy," "outlook", "target" and similar expressions.

It is believed that the expectations reflected in this document are reasonable, but they may be affected by a wide range of variables that could cause actual results to differ materially from those currently anticipated.

All such forward-looking statements involve estimates and assumptions that are subject to risks, uncertainties and other factors that could cause actual future financial condition, performance and results to differ materially from the plans, goals, expectations and results expressed in the forward-looking statements and other financial and/or statistical data within this communication.

Among the key factors that could cause actual results to differ materially from those projected in the forward-looking statements are uncertainties related to the following: the impact of competition from illicit trade; the impact of adverse domestic or international legislation and regulation; changes in domestic or international tax laws and rates; adverse litigation and dispute outcomes and the effect of such outcomes on Airtel Africa's financial condition; changes or differences in domestic or international economic or political conditions; the ability to obtain price increases and the impact of price increases on consumer affordability thresholds; adverse decisions by domestic or international regulatory bodies; the impact of market size reduction and consumer down-trading; translational and transactional foreign exchange rate exposure; the impact of serious injury, illness or death in the workplace; the ability to maintain credit ratings; the ability to develop, produce or market new alternative products and to do so profitably; the ability to effectively implement strategic initiatives and actions taken to increase sales growth; the ability to enhance cash generation and pay dividends and changes in the market position, businesses, financial condition, results of operations or prospects of Airtel Africa.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser. The forward-looking statements contained in this document reflect the knowledge and information available to Airtel Africa at the date of preparation of this document and Airtel Africa undertakes no obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on such forward-looking statements.

No statement in this communication is intended to be, nor should be construed as, a profit forecast or a profit estimate and no statement in this communication should be interpreted to mean that earnings per share of Airtel Africa plc for the current or any future financial periods would necessarily match, exceed or be lower than the historical published earnings per share of Airtel Africa plc.

Financial data included in this document are presented in US dollars rounded to the nearest million. Therefore, discrepancies in the tables between totals and the sums of the amounts listed may occur due to such rounding. The percentages included in the tables throughout the document are based on numbers calculated to the nearest $1,000 and therefore minor rounding differences may result in the tables. Growth metrics are provided on a constant currency basis unless otherwise stated. The Group has presented certain financial information on a constant currency basis. This is calculated by translating the results for the current financial year and prior financial year at a fixed 'constant currency' exchange rate, which is done to measure the organic performance of the Group. Growth rates for our reporting regions and service segments are provided in constant currency as this better represents the performance of the business.

Interim Condensed Consolidated Financial Statements

Consolidated Statement of Comprehensive Income

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

	Notes	For the six months ended 30 September 2022	For the six months ended 30 September 2021
Income			
Revenue	**5**	2,565	2,272
Other income		6	6
		2,571	**2,278**
Expenses			
Network operating expenses		489	398
Access charges		207	201
License fee and spectrum usage charges		114	110
Employee benefits expense		137	142
Sales and marketing expenses		118	104
Impairment loss on financial assets		6	5
Other operating expenses		245	220
Depreciation and amortisation		383	366
		1,699	**1,546**
Operating profit		**872**	**732**
Finance costs		369	178
Finance income		(11)	(9)
Other non-operating income		-	(4)
Share of profit of associate		(2)	(0)
Profit before tax		**516**	**567**
Income tax expense	**6**	186	232
Profit for the period		**330**	**335**
Profit before tax (as presented above)		**516**	**567**
Less: Exceptional items (net)	**7**	-	(4)
Underlying profit before tax		**516**	**563**
Profit after tax (as presented above)		**330**	**335**
Less: Exceptional items (net)	**7**	(42)	(4)
Underlying profit after tax		**288**	**331**

	Notes	For the six months ended 30 September 2022	30 September 2021
Profit for the period (continued from previous page)		**330**	**335**
Other comprehensive income ('OCI')			
Items to be reclassified subsequently to profit or loss:			
(Loss)/gain due to foreign currency translation differences		(244)	41
Tax expense on above		(4)	(1)
Share of OCI of associate		(1)	1
Net loss on net investments hedge		-	(8)
		(249)	33
Items not to be reclassified subsequently to profit or loss:			
Re-measurement loss on defined benefit plans		(1)	(1)
Tax credit on above		0	0
		(1)	(1)
Other comprehensive (loss)/income for the period		**(250)**	**32**
Total comprehensive income for the period		**80**	**367**
Profit for the period attributable to:		**330**	**335**
Owners of the Company		296	285
Non-controlling interests		34	50
Other comprehensive (loss)/income for the period attributable to:		**(250)**	**32**
Owners of the Company		(239)	34
Non-controlling interests		(11)	(2)
Total comprehensive income for the period attributable to:		**80**	**367**
Owners of the Company		57	319
Non-controlling interests		23	48
Earnings per share			
Basic	**8**	7.9 cents	7.6 cents
Diluted	**8**	7.9 cents	7.6 cents

Consolidated Statement of Financial Position

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

	Notes	As of 30 September 2022	31 March 2022
Assets			
Non-current assets			
Property, plant and equipment	**9**	2,191	2,214
Capital work-in-progress	**9**	188	189
Right of use assets		1,399	1,109
Goodwill	**10**	3,576	3,827
Other intangible assets		582	632
Intangible assets under development		67	2
Investment in associate		5	6
Financial assets			
- Investments		0	0
- Derivative instruments		7	3
- Others		31	7
Income tax assets (net)		21	22
Deferred tax assets (net)		227	222
Other non-current assets		135	134
		8,429	**8,367**
Current assets			
Inventories		6	3
Financial assets			
- Derivative instruments		5	3
- Trade receivables		136	123
- Cash and cash equivalents		655	638
- Other bank balances		26	378
- Balance held under mobile money trust		596	513
- Others		122	124
Other current assets		210	215
		1,756	**1,997**
Total assets		**10,185**	**10,364**

	Notes	As of	
		30 September 2022	31 March 2022
Current liabilities			
Financial liabilities			
- Borrowings	**13**	907	786
- Lease liabilities		342	323
- Derivative instruments		11	9
- Trade payables		396	404
- Mobile money wallet balance		567	496
- Others		345	428
Provisions		42	69
Deferred revenue		168	162
Current tax liabilities (net)		164	220
Other current liabilities		170	176
		3,112	**3,073**
Net current liabilities		**(1,356)**	**(1,076)**
Non-current liabilities			
Financial liabilities			
- Borrowings	**13**	1,085	1,486
- Lease liabilities		1,606	1,337
- Put option liability		574	579
- Derivative instruments		17	-
- Others		89	88
Provisions		20	20
Deferred tax liabilities (net)		74	114
Other non-current liabilities		16	18
		3,481	**3,642**
Total liabilities		**6,593**	**6,715**
Net Assets		**3,592**	**3,649**
Equity			
Share capital	**12**	3,420	3,420
Reserves and surplus		24	82
Equity attributable to owners of the company		**3,444**	**3,502**
Non-controlling interests ('NCI')		148	147
Total equity		**3,592**	**3,649**

The consolidated financial statements (company registration number: 11462215) were approved by the Board of directors and authorised for issue on 26 October 2022 and were signed on its behalf by:

Olusegun Ogunsanya

Chief Executive Officer

26 October 2022

Consolidated Statement of Changes in Equity (All amounts are in US Dollar millions unless stated otherwise)

	Equity attributable to owners of the company								
	Share Capital		Retained earnings	Transactions with NCI reserve	Other components of equity	Reserve and Surplus	Equity attributable to owners of the company	Non-controlling interests (NCI)	Total equity
	No of shares	Amount							
As of 1 April 2021	**6,839,896,081**	**3,420**	**2,975**	**(594)**	**(2,396)**	**(15)**	**3,405**	**(52)**	**3,353**
Profit for the period	-	-	285	-	-	285	285	50	335
Other comprehensive income/(loss)	-	-	(1)	-	35	34	34	(2)	32
Total comprehensive income	**-**	**-**	**284**	**-**	**35**	**319**	**319**	**48**	**367**
Transaction with owners of equity									
Employee share-based payment reserve	-	-	(0)	-	2	2	2	-	2
Transactions with NCI	-	-	-	(77)	(1)	(78)	(78)	21	(57)
Dividend to owners of the company	-	-	(94)	-	-	(94)	(94)	-	(94)
Dividend (including tax) to NCI	-	-	-	-	-	-	-	(19)	(19)
As of 30 September 2021	**6,839,896,081**	**3,420**	**3,165**	**(671)**	**(2,360)**	**134**	**3,554**	**(2)**	**3,552**
Profit for the period	-	-	346	-	-	346	346	74	420
Other comprehensive income/ (loss)	-	-	1	-	(47)	(46)	(46)	0	(46)
Total comprehensive income /(loss)	**-**	**-**	**347**	**-**	**(47)**	**300**	**300**	**74**	**374**
Transaction with owners of equity									
Employee share-based payment reserve	-	-	(0)	-	1	1	1	-	1
Purchase of own shares	-	-	-	-	(6)	(6)	(6)	-	(6)
Transactions with NCI	-	-	-	(271)	-	(271)	(271)	132	(139)
Dividend to owners of the company	-	-	(76)	-	-	(76)	(76)	-	(76)
Dividend (including tax) to NCI	-	-	-	-	-	-	-	(57)	(57)
As of 31 March 2022	**6,839,896,081**	**3,420**	**3,436**	**(942)**	**(2,412)**	**82**	**3,502**	**147**	**3,649**
Profit for the period	-	-	296	-	-	296	296	34	330
Other comprehensive loss	-	-	(1)	-	(238)	(239)	(239)	(11)	(250)
Total comprehensive income/(loss)	**-**	**-**	**295**	**-**	**(238)**	**57**	**57**	**23**	**80**
Transaction with owners of equity									
Employee share-based payment reserve	-	-	(0)	-	4	4	4	-	4
Purchase of own shares	-	-	-	-	(11)	(11)	(11)	-	(11)
Transactions with NCI [(1)] [(2)]	-	-	-	5	-	5	5	3	8
Dividend to owners of the company [Note 4(a)]	-	-	(113)	-	-	(113)	(113)	-	(113)
Dividend (including tax) to NCI	-	-	-	-	-	-	-	(25)	(25)
As of 30 September 2022	**6,839,896,081**	**3,420**	**3,618**	**(937)**	**(2,657)**	**24**	**3,444**	**148**	**3,592**

(1) 'Transaction with NCI reserves' increased due to reversal of put option liability by $8m for dividend distribution to put option NCI holders. Any dividend paid to the put option NCI holders is adjustable against the put option liability based on put option arrangement.

(2) 'Transaction with NCI reserves' was reduced and NCI was increased by $3m i.e. NCI's proportionate share of the consideration for transfer of SMARTCASH Payment Service Bank Limited from the control of AMC BV to Airtel Networks Limited. For details, refer to note 4(e).

Consolidated Statement of Cash Flows (All amounts are in US Dollar millions unless stated otherwise)

	For the six months ended	
	30 September 2022	30 September 2021
Cash flows from operating activities		
Profit before tax	**516**	**567**
Adjustments for -		
Depreciation and amortization	383	366
Finance income	(11)	(9)
Finance cost	369	178
Share of profit of associate	(2)	(0)
Other non-operating income adjustment	-	(4)
Other non-cash adjustments [1]	5	7
Operating cash flow before changes in working capital	**1,260**	**1,105**
Changes in working capital		
Increase in trade receivables	(28)	(22)
(Increase) / Decrease in inventories	(3)	5
(Decrease) / Increase in trade payables	(15)	7
Increase in mobile money wallet balance	71	56
Decrease in provisions	(22)	(18)
Increase in deferred revenue	16	22
Increase in other financial and non-financial liabilities	33	14
Increase in other financial and non-financial assets	(16)	(57)
Net cash generated from operations before tax	**1,296**	**1,112**
Income taxes paid	(288)	(190)
Net cash generated from operating activities (a)	**1,008**	**922**
Cash flows from investing activities		
Purchase of property, plant and equipment and capital work-in-progress	(393)	(308)
Purchase of intangible assets and intangible assets under development	(88)	(7)
Proceeds from sale of tower assets	-	10
Maturity of deposits with bank	343	261
Investment in deposits with bank	(7)	(163)
Dividend received from associate	2	-
Interest received	11	8
Net cash used in investing activities (b)	**(132)**	**(199)**
Cash flows from financing activities		
Proceeds from sale of shares to non-controlling interests	-	375
Acquisition of non-controlling interests	0	(1)
Purchase of own shares by ESOP trust	(9)	-
Proceeds from borrowings	563	620
Repayment of borrowings	(789)	(1,396)
Repayment of lease liabilities	(142)	(113)
Dividend paid to non-controlling interests	(43)	(17)
Dividend paid to owners of the Company	(113)	(94)
Interest on borrowings and lease liabilities and other finance charges	(180)	(179)
(Outflow)/proceeds on maturity of derivatives (net)	(28)	8
Net cash used in financing activities (c)	**(741)**	**(797)**
Increase/(decrease) in cash and cash equivalents during the period (a+b+c)	135	(74)
Currency translation differences relating to cash and cash equivalents	(19)	(6)
Cash and cash equivalent as at beginning of the period	847	1,003
Cash and cash equivalents as at end of the period (Note 11) [2]	**963**	**923**

[1] For the six months ended 30 September 2022 and 30 September 2021, other non-cash adjustments mainly includes movements in trade receivables impairments and other provisions.

[2] Includes balance held under mobile money trust of $596m (September 2021: $505m) on behalf of mobile money customers which are not available for use by the Group.

Notes to Consolidated Financial Statements

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

1. Corporate information

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

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

2. Basis of preparation

These interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as issued by the International Accounting Standards Board (IASB) and approved for use in the UK by the UK Accounting Standards Endorsement Board (UKEB). Accordingly, the interim financial statements do not include all the information required for a complete set of financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 March 2022. Further, selected explanatory notes have been included to explain events and transactions that are significant for the understanding of the changes in the Group's financial position and performance since the latest annual consolidated financial statements.
These interim financial statements for the six months ended 30 September 2022 do not constitute statutory accounts as defined in section 434 of the UK Companies Act 2006 and are unaudited.

The information relating to the year ended 31 March 2022 is an extract from the Group's published annual report for that year, which has been delivered to the Companies House, and on which the auditors' report was unqualified and did not contain any emphasis of matter or statements under section 498(2) or 498(3) of the UK Companies Act 2006.
These interim financial statements apply the same accounting policies, presentation and methods of calculation as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2022. Further, there have been no changes in critical accounting estimates, assumptions and judgements.

These interim financial statements of the Group for the six months ended 30 September 2022 were authorised by the Board of Directors on 26 October 2022.

3. Going concern

These consolidated financial statements have been prepared on a going concern basis. In making this going concern assessment, the Group has considered cash flow projections to December 2023 (going concern assessment period) under both base and reasonable worst-case scenarios taking into considerations its principal risks and uncertainties (as disclosed on page 17) including a reduction in revenue and EBITDA and a significant devaluation of the various currencies in the countries in which the Group operates including the Nigerian Naira. As part of this evaluation, the Group has considered available ways to mitigate these risks and uncertainties and has also considered committed undrawn facilities of $429m expiring beyond the going concern assessment period, which will fulfil the Group's cash flow requirement under both the base and reasonable worst-case scenarios.
Having considered all the factors above impacting the Group's businesses, the impact of downside sensitivities, and the mitigating actions available including a reduction and deferral of capital expenditure, the directors are satisfied that the Group has adequate resources to continue its operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

4. Significant transactions/new developments

a) The directors recommended and shareholders approved a final dividend of 3 cents per ordinary share for the year ended 31 March 2022, which was paid on 22 July 2022 to the holders of ordinary shares on the register of members at the close of business on 24 June 2022.

b) During the six months ended 30 September 2022, Airtel Congo RDC S.A, a subsidiary of the Group purchased 58 MHz of additional spectrum spread across the 900, 1800, 2100, and 2600 MHz bands for a gross consideration of $42m. An amount of $20m pertaining to the 900, 1800 and 2100 MHz bands has been capitalised as Intangible Assets and $22m pertaining to the 2600 MHz bands is carried as Intangible under development since these bands are not yet available for use (expected to be available for use by November 2022).

c) On 25 July 2022, the Group announced the acquisition by Airtel Kenya, a subsidiary of the Group, of 60 MHz of additional spectrum in the 2600 MHz band from the Communications Authority of Kenya, for a gross consideration of $40m. The spectrum is valid from July 2022 for a period of 15 years. The spectrum is carried as Intangible under development since it is not available for use yet (expected to be available for use by January 2023).

d) On 21 June 2022, BAIN (one of the Group's subsidiaries) launched a cash tender offer to redeem up to $300m of its $ 1 Billion of 5.35% Guaranteed Senior Notes due in 2024 ('Notes'). There was an early tender deadline of 5 July 2022. Per the terms of the cash tender offer, BAIN reserved the right at its sole discretion to amend or waive any of the terms of the tender offer. The original cap on the redemption of $300m, was increased to $450m on 6 July 2022 as BAIN, at its sole discretion, decided to achieve a larger debt reduction through the use of cash resources. The redemption of $450m of notes completed on 7 July 2022 for consideration of $463m. The consideration included accrued interest up to the date of redemption and early redemption cost.

e) In April 2022, one of the AMC BV's subsidiaries, SMARTCASH Payment Service Bank Limited ('SMARTCASH'), received the final approval from the Central Bank of Nigeria for a full Payment Service Bank licence affording it the opportunity to deliver a full suite of mobile money services in Nigeria.

   Later in August 2022, in line with the directions of Central Bank of Nigeria, SMARTCASH was transferred to Airtel Networks Limited (a subsidiary of Airtel Africa Group, outside the perimeter of AMC BV Group). Airtel Africa Group in discussion with the non-controlling investors has agreed with some non-controlling investors/is in the process of agreeing a proposal with other investors to compensate them for their respective potential value loss by way of AMC BV shares equivalent to the value of SMARTCASH on the prescribed trigger event date (subject to a cap of 5% of the value of AMC BV Group), which will only be payable in the event that SMARTCASH does not again form part of the AMC BV Group perimeter or the non-controlling investors do not own direct shareholding in SMARTCASH based on regulatory approvals, by the prescribed trigger event date.

   Given that the proposal to compensate the non-controlling investors is agreed, for their economic value loss due to exclusion of SMARTCASH (which they were entitled to before transfer of SMARTCASH to Airtel Nigeria Limited) based on the future fair valuation of SMARTCASH on the prescribed trigger event date, Airtel Africa Group continues to recognize non-controlling interest w.r.t. net assets of SMARTCASH.

f) Finance costs (net of finance income) increased by $189m during the six months ending 30 September 2022, mainly due to higher foreign exchange and derivative losses of $160m, as a result of a $31m loss on derivatives, a loss of $30m on devaluation of the Nigerian Naira, $45m on the CFA (Central African Franc) and further losses on the devaluation of the Malawian Kwacha, Ugandan shilling & Kenyan shilling. Also refer to risk factors on page 17.

g) The proposed interim dividend of 2.18 cents per share was approved by the Board on 26 October 2022 and has not been included as a liability as at 30 September 2022.

5. Segmental Information

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

The Group's reporting segments till 31 March 2022 were as follows:

Nigeria- Comprising operations in Nigeria;

East Africa – Comprising operations in Kenya, Uganda, Rwanda, Tanzania, Malawi and Zambia;

Francophone Africa – Comprising operations in Niger, Gabon, Chad, Congo B, DRC, Madagascar and Seychelles.

Owing to significant growth in the Group's Mobile Money business and a corresponding change in the organisation structure combined with changes in information provided to the CODM for the allocation of resources and the assessment of performance, with effect from April 2022, the Group has identified Mobile Money as a new operating and reportable segment. Thus, the segments for the Group are now:

Nigeria Mobile Services – Comprising of mobile service operations in Nigeria;

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

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

Mobile money services*- Comprising of mobile money services across the Group including recently launched payment service bank in Nigeria.

*Mobile money services segment consolidates the results of mobile money operations from all operating entities within the Group. Airtel Money Commerce BV (AMC BV) is the holding company for all mobile money services for the Group, and as of 30 September 2022, it consolidates mobile money operations from ten OPCOs, currently excluding operations in Nigeria, Tanzania, Congo Brazzaville, and Chad. It is management's intention to continue work to transfer all these remaining mobile money services operations into AMC BV, subject to local regulatory requirements.

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

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

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

Consequent to the change in reportable segments during the period, comparative information has also been restated in line with the revised segments.

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

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

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

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

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

	Nigeria Mobile Services	East Africa Mobile Services	Francophone Africa Mobile Services	Mobile Money Services	Others (Unallocated)	Eliminations	Total
Revenue from external customers							
Voice revenue	511	417	298	-	-	-	1,226
Data revenue	431	257	176	-	-	-	864
Mobile money revenue [1]	-	-	-	259	-	-	259
Other revenue [2]	96	61	56	-	3	-	216
	1,038	**735**	**530**	**259**	**3**	**-**	**2,565**
Inter-segment revenue	2	6	2	73	-	(83)	-
Total revenue	**1,040**	**741**	**532**	**332**	**3**	**(83)**	**2,565**
EBITDA	531	359	241	165	(41)	-	1,255
Less:							
Depreciation and amortisation	156	123	92	8	4	-	383
Finance costs							369
Finance income							(11)
Share of profit of associate							(2)
Profit before tax							**516**
Other segment items							
Capital expenditure	134	90	59	20	7	-	310
As of 30 September 2022							
Segment assets	2,390	1,999	1,345	879	26,642	(23,070)	10,185
Segment liabilities	2,055	2,237	2,175	689	13,465	(14,028)	6,593
Investment in associate (included in segment assets above)	-	-	5	-	-	-	5

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

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

Summary of the segmental information and disaggregation of revenue for the six months ended 30 September 2021 and as of 31 March 2022 is as follows:

	Nigeria Mobile Services	East Africa Mobile Services	Francophone Africa Mobile Services	Mobile Money Services	Others (Unallocated)	Eliminations	Total
Revenue from external customers							
Voice revenue	471	376	293	-	-	-	1,140
Data revenue	351	217	165	-	-	-	733
Mobile money revenue [1]	-	-	-	199	-	-	199
Other revenue [2]	72	75	53	-	-	-	200
	894	**668**	**511**	**199**	**-**	**-**	**2,272**
Inter-segment revenue	2	5	1	60	-	(68)	-
Total revenue	**896**	**673**	**512**	**259**	**-**	**(68)**	**2,272**
EBITDA	492	317	208	132	322	(373)	1,098
Less:							
Depreciation and amortisation	128	113	102	6	16	-	366
Finance costs							178
Finance income							(9)
Other non-operating Income, (net)							(4)
Share of profit of associate							(0)
Profit before tax							**567**
Other segment items							
Capital expenditure	104	76	48	11	5	-	245
As of 31 March 2022							
Segment assets	2,247	1,886	1,485	776	27,396	(23,426)	10,364
Segment liabilities	1,438	2,450	2,358	588	14,458	(14,577)	6,715
Investment in associate (included in segment assets above)	-	-	6	-	-	-	6

[1] Mobile money revenue is net of inter-segment elimination of $60m mainly for commission on sale of airtime. It includes $40m pertaining to East Africa mobile services and balance $20m pertaining to Francophone Africa mobile services.

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

6. Income tax expense

	For the six months ended	
	30 September 2022	30 September 2021
Current tax	235	167
Deferred tax	(49)	65
Income tax expense	186	232

The tax charge for the six months ended 30 September 2022 has been calculated for each operating country by applying an estimated effective rate of tax expected to apply for the period ending 31 March 23 on the pre-tax profits using rates substantively enacted by 30 September 2022. The charge is adjusted for discrete items (if any) occurring in the interim period as required by IAS 34 'Interim Financial Reporting'.

Tax charge for the six months ended 30 September 2022 also includes the related tax impacts arising out of with-holding tax ('WHT') on unremitted earnings and cross charge to Group entities and deferred tax asset recognition based on the projected profitability in operating countries, wherever applicable.

7. Exceptional items

Underlying profit before tax excludes the following exceptional items:

	For the six months ended	
	30 September 2022	30 September 2021
Profit before tax	**516**	**567**
Add: Exceptional items		
- Gain on sale of tower assets [(1)]	-	(4)
	-	**(4)**
Underlying profit before tax	**516**	**563**

[(1)] For the six months ended 30 September 2021, it represents a gain recognised in other non-operating income on sale of telecommunication tower assets in one of the Group's subsidiaries in Rwanda, as part of the Group's strategic asset monetisation programme.

Underlying profit after tax excludes the following exceptional items:

	For the six months ended	
	30 September 2022	30 September 2021
Profit after tax	**330**	**335**
-Exceptional items (as above)	-	(4)
- Deferred tax asset recognition [(1)]	(42)	-
	(42)	**(4)**
Underlying profit after tax	**288**	**331**

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

Profit attributable to non-controlling interests include benefit of nil and nil during the six months ended 30 September 2022 and 2021 respectively, relating to the above exceptional items.

8. Earnings per share ('EPS')

	For the six months ended	
	30 September 2022	**30 September 2021**
Profit for the period attributable to owners of the Company	296	285
Weighted average ordinary shares outstanding for basic EPS	3,753,179,654	3,754,974,316
Basic EPS	**7.9 cents**	**7.6 cents**

The details used in the computation of diluted EPS:	For the six months ended	
	30 September 2022	**30 September 2021**
Profit for the period attributable to owners of the Company	296	285
Weighted average ordinary shares outstanding for diluted EPS[(1)(2)]	3,759,599,604	3,758,202,848
Diluted EPS	**7.9 cents**	**7.6 cents**

(1) The difference between the basic and diluted number of shares at the end of September 2022 being 6,419,950 shares (September 2021: 3,228,532) relates to awards committed but not yet issued under the Group's share-based payment schemes.

(2) Deferred shares have not been considered for EPS computation as they do not have right to participate in profits.

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

The following table presents the reconciliation of changes in the carrying value of PPE for the period ended 30 September 2022 and 30 September 2021:

	Leasehold Improvements	Building	Land	Plant and Equipment	Furniture & Fixture	Vehicles	Office Equipment	Computer	Total	Capital work in progress (2)
Gross carrying value										
Balance as of 1 April 2021	**50**	**46**	**27**	**2,858**	**37**	**24**	**45**	**676**	**3,763**	**166**
Additions / capitalisation	0	0	0	188	12	-	5	13	218	238
Disposals / adjustments (1)	(0)	(0)	-	(61)	0	0	(2)	0	(63)	(218)
Transferred to assets held for sale	-	-	-	(141)	-	-	-	-	(141)	(0)
Foreign currency translation impact	(0)	1	(0)	30	1	0	2	6	40	(1)
Balance as of 30 September 2021	**50**	**47**	**27**	**2,874**	**50**	**24**	**50**	**695**	**3,817**	**185**
Balance as of 1 April 2022	**49**	**47**	**26**	**3,045**	**62**	**22**	**55**	**703**	**4,009**	**189**
Additions / capitalisation	2	-	0	249	12	0	6	31	300	306
Disposals / adjustments (1)	(0)	-	-	(12)	(3)	(0)	(1)	(1)	(17)	(299)
Foreign currency translation impact	(4)	(3)	(3)	(302)	(5)	(1)	(4)	(45)	(367)	(8)
Balance as of 30 September 2022	**47**	**44**	**23**	**2,980**	**66**	**21**	**56**	**688**	**3,925**	**188**
Accumulated Depreciation										
Balance as of 1 April 2021	**44**	**17**	**1**	**936**	**15**	**22**	**27**	**635**	**1,697**	**-**
Charge	1	1	-	182	5	0	4	15	208	-
Disposals / adjustments (1)	0	-	-	(60)	(1)	0	(1)	(0)	(62)	-
Transferred to assets held for sale	-	-	-	(129)	-	-	-	-	(129)	
Foreign currency translation impact	(0)	0	(0)	12	1	0	0	5	19	-
Balance as of 30 September 2021	**45**	**18**	**1**	**942**	**20**	**22**	**30**	**655**	**1,733**	**-**
Balance as of 1 April 2022	**44**	**20**	**-**	**1,003**	**23**	**20**	**32**	**653**	**1,795**	**-**
Charge	1	1	-	184	5	0	6	15	212	-
Disposals / adjustments (1)	(0)	-	-	(12)	(3)	(0)	1	(3)	(17)	-
Foreign currency translation impact	(4)	(2)	-	(201)	(3)	(1)	(3)	(42)	(256)	-
Balance as of 30 September 2022	**41**	**19**	**-**	**974**	**22**	**19**	**36**	**623**	**1,734**	**-**
Net carrying value										
As of 1 April 2021	6	29	26	1,922	22	2	18	41	2,066	166
As at 30 September 2021	5	29	26	1,932	30	2	20	40	2,084	185
As at 1 April 2022	5	27	26	2,042	39	2	23	50	2,214	189
As at 30 September 2022	6	25	23	2,006	44	2	20	65	2,191	188

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

[2] The carrying value of capital work-in-progress as at 30 September 2022 and 2021 mainly pertains to plant and equipment.

10. Goodwill

The following table presents the reconciliation of changes in the carrying value of Goodwill for the six months ended 30 September 2022 and 30 September 2021:

	Goodwill
Balance as of 1 April 2021	**3,835**
Foreign currency translation impact	43
Balance as of 30 Sep 2021	**3,878**
Balance as of 1 April 2022	**3,827**
Foreign currency translation impact	(251)
Balance as of 30 Sep 2022	**3,576**

11. Cash and bank balances

For the purpose of the statement of cash flows, cash and cash equivalents are as follows:

	As of	
	30 September 2022	**30 September 2021**
Cash and cash equivalents as per balance sheet	655	698
Balance held under mobile money trust	596	505
Bank overdraft	(288)	(280)
Cash and cash equivalents classified as held for sale	-	0
	963	**923**

12. Share capital

	As of	
	30 September 2022	**31 March 2022**
Authorised shares		
3,758,151,504 Ordinary shares of USD 0.5 each (March 2022: 3,758,151,504)	1,879	1,879
3,081,744,577 Deferred shares of USD 0.5 each (March 2022:3,081,744,577)	1,541	1,541
	3,420	**3,420**
Issued, Subscribed and fully paid-up shares		
3,758,151,504 Ordinary shares of USD 0.5 each (March 2022: 3,758,151,504)	1,879	1,879
3,081,744,577 Deferred shares of USD 0.5 each (March 2022: 3,081,744,577)	1,541	1,541
	3,420	**3,420**

Terms/rights attached to equity shares

The Company has followings two classes of ordinary shares:

- Ordinary shares having par value of USD 0.5 per share. Each holder of equity shares is entitled to cast one vote per share and carries a right to dividends.
- Deferred shares of USD 0.5 each. These deferred shares are not listed and are intended to be cancelled in due course. No share certificates are to be issued in respect of the deferred shares. These are not freely transferable and would not affect the net assets of the Company. The deferred shareholders shall have no right to receive any dividend or other distribution or return whether of capital or income. On a return of capital in a liquidation, the deferred shareholders shall have the right to receive the nominal amount of each deferred share held, but only after the holder of each Other share (i.e. shares other than the deferred shares) in the capital of the Company shall have received the amount paid up on each such Other share held and the payment in cash or in specie of GBP 100,000 (or its equivalent in any other currency) on each such Other shares held. The Company shall have an irrevocable authority from each holder of the deferred shares at any time to purchase all or any of the deferred shares without obtaining the consent of the deferred shareholders in consideration of the payment of an amount not exceeding one US cent in respect of all the deferred shares then being purchased.

13. Borrowings

Non-current

	As of	
	30 September 2022	**31 March 2022**
Secured		
Term loans	20	50
Less: Current portion (A)	(20)	(50)
	-	**-**
Unsecured		
Term loans[2]	973	655
Non- convertible bonds [1] [2]	556	1,015
	1,529	**1,670**
Less: Current portion (B)	(444)	(184)
	1,085	**1,486**
	1,085	**1,486**

Current

	As of	
	30 September 2022	**31 March 2022**
Unsecured		
Term loans[2]	155	248
Bank overdraft	288	304
	443	**552**
Current maturities of long-term borrowings (A+B)	**464**	**234**
	907	**786**

(1) This includes impact of fair value hedges

(2) Includes debt origination costs

Additional amounts of $563m were drawn down under the Group's loan and overdraft facilities during the period ended 30 September 2022.

Repayments of bonds and term loans amounting to $450m and $339m respectively were made during the period ended 30 September 2022, in line with their stated repayment terms.

14. Contingent liabilities and commitments

Contingent liabilities	As of	
	30 September 2022	**31 March 2022**
(a) Taxes, Duties and Other demands (under adjudication / appeal / dispute)		
-Income tax	17	18
- Value added tax	19	30
-Customs duty & Excise duty	8	9
-Other miscellaneous demands	5	6
(b) Claims under legal and regulatory cases including arbitration matters [1][2]	75	82
	124	**145**

(1) One of the subsidiaries of the Group is involved in a dispute with one of its vendors, with respect to invoices for services provided to a subsidiary under a service contract. The original order under the contract was issued by the subsidiary for a total amount of Central African franc (CFA) 473,800,000 (approximately $0.7m). In 2014, the vendor-initiated arbitration proceedings claiming a sum of approximately CFA 1.9 billion (approximately $3m). In mid-May 2019, lower courts imposed a penalty of CFA 35 billion (approximately $53m), based on which certain banks of the subsidiary were summoned to release the funds. The subsidiary immediately lodged an appeal in the Supreme Court for a stay of execution which was granted. Subsequently, the vendor filed an appeal before the Common Court of Justice and Arbitration (CCJA). Quite unexpectedly, in April 2020, the CCJA lifted the Supreme Court stay of execution. In May 2021, the Commercial Division of the High Court maintained new seizures carried out by the Vendor. The subsidiary

appealed and the Court of Appeal determination on the seizures is pending as of April 2022. In March 2022 the CCJA interpreted its judgment of March 2019 to indicate that the daily penalty could not be maintained after its ruling dated 18 November 2018.

Separately, in December 2020 the subsidiary initiated criminal proceedings against the vendor for fraud and deceitful conduct. In February 2021, the investigating judge issued an order to cease the investigation which was appealed by the Subsidiary. In March 2022, the Court Appeal quashed the investigative judge order and allowed the investigation into the Vendor to resume. Testimony in the criminal investigation case happened on 26 April 2022 in front of the criminal court of appeal where the honorable judge has further re-examined the facts from the representatives of the subsidiary against this case. The court will provide a further update on the upcoming proceedings in due course.

As per the law no civil action can be initiated against the subsidiary while criminal proceedings are ongoing. The Group still awaits the Supreme court ruling on the merits of the case, and until that time has disclosed this matter as a Contingent Liability for $53m (included in the closing contingent liability). No provision has been made against this claim.

(2) One of the subsidiaries of the Group is involved in a dispute with one of its distributors, with respect to alleged unpaid commissions, bonuses and benefits, totaling approximately $11m, over a period of around 11 years of its business relationship with the subsidiary. In March 2012, the distributor filed a claim against the subsidiary in the High Court. On 4 October 2016, the High Court ruled against the subsidiary and ordered to pay the claimed amount of approximately $11m to the distributor. On 5 October 2016, the subsidiary filed an appeal in the Court of Appeal against the order of the High Court, which on 24 July 2020 was ruled against the subsidiary. On 7 August 2020, the subsidiary filed an appeal against the decision of the Court of Appeal, in the Supreme Court. Record of appeal has been transmitted to the Supreme Court and briefs of argument are currently being prepared.

Despite the strength of the subsidiary's line of defense, as both the High Court and Court of Appeal have ruled against the subsidiary, it is appropriate to disclose this matter as contingent liability for $11m, pending the decision of the Supreme Court. No provision has been made against this claim.

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

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

(ii) Guarantees:

Guarantees outstanding as of 30 September 2022 and 31 March 2022 amounting to $9m and $8m respectively have been issued by banks and financial institutions on behalf of the Group. These guarantees include certain financial bank guarantees which have been given for sub-judice matters and the amounts with respect to these have been disclosed under capital commitments, contingencies and liabilities, as applicable, in compliance with the applicable accounting standards.

(iii) Commitments

The Group has contractual commitments towards capital expenditure (net of related advances paid) of $301m and $295m as of 30 September 2022 and 31 March 2022 respectively.

15. Related Party disclosure

a) List of related parties

i) Parent company

Airtel Africa Mauritius Limited

ii) Intermediate parent entity

Network i2i Limited

Bharti Airtel Limited

Bharti Telecom Limited

iii) Ultimate controlling entity

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

iv) Associate:

Seychelles Cable Systems Company Limited

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

a. Fellow subsidiaries

Nxtra Data Limited
Bharti Airtel (Services) Limited
Bharti International (Singapore) Pte Ltd
Bharti Airtel (UK) Limited
Bharti Airtel (France) SAS
Bharti Airtel Lanka (Private) Limited
Bharti Hexacom Limited

b. Other related parties

Airtel Ghana Limited (till 12 October 2021)
Singapore Telecommunication Limited

vi) Key Management Personnel ('KMP')

a. Executive directors

Olusegun Ogunsanya (since October 2021)
Raghunath Venkateswarlu Mandava (till September 2021)
Jaideep Paul (since June 2021)

b. Non-Executive directors

Sunil Bharti Mittal
Awuneba Ajumogobia
Douglas Baillie
John Danilovich
Andrew Green
Akhil Gupta
Shravin Bharti Mittal
Annika Poutiainen
Ravi Rajagopal
Kelly Bayer Rosmarin
Tsega Gebreyes (since October 2021)

c. Others

Olusegun Ogunsanya (till September 2021)
Jaideep Paul (till May 2021)
Ian Ferrao
Michael Foley
Razvan Ungureanu
Luc Serviant
Daddy Mukadi
Neelesh Singh
Ramakrishna Lella
Olivier Pognon (till 15 October 2021)
Edgard Maidou (since 16 October 2021)
Rogany Ramiah
Stephen Nthenge
Vimal Kumar Ambat
Ashish Malhotra (till June 2022)
Vinny Puri
C Surendran (since August 2021)
Olubayo Adekanmbi (since December 2021)
Anthony Shiner (since May 2022)

(b) The details of significant transactions with the related parties for the six months ended 30 September 2022 and 2021 respectively, are provided below:

	For the six months ended	
	30 September 2022	**30 September 2021**
Sale / rendering of services		
Bharti Airtel (UK) Limited	36	30
Bharti Airtel Limited	5	3
Purchase / receiving of services		
Bharti Airtel (France) SAS	8	4
Bharti Airtel (UK) Limited	19	16
Bharti Airtel Limited	4	7
Network i2i Ltd.	6	3
Guarantee fees		
Bharti Airtel Limited	2	3
Dividend Paid		
Airtel Africa Mauritius Limited	63	53

(c) Key management compensation ('KMP')

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

	For the six months ended	
	30 September 2022	**30 September 2021**
Short-term employee benefits	5	5
Performance linked incentive	2	2
Share-based payment	0	1
Other long-term benefits	1	1
Other benefits	1	0
	9	**9**

16. Fair Value of financial assets and liabilities

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

		Carrying value as of		Fair value as of	
		30 September 2022	31 March 2022	30 September 2022	31 March 2022
Financial assets					
FVTPL					
Derivatives					
- Forward and option contracts	Level 2	4	2	4	2
- Currency swaps and interest rate swaps	Level 2	7	3	7	3
- Cross currency swaps	Level 3	1	1	1	1
Other bank balances	Level 2	13	16	13	16
Investments	Level 2	0	0	0	0
Amortised cost					
Trade receivables		136	123	136	123
Cash and cash equivalents		655	638	655	638
Other bank balances		13	362	13	362
Balance held under mobile money trust		596	513	596	513
Other financial assets		153	131	153	131
		1,578	**1,789**	**1,578**	**1,789**
Financial liabilities					
FVTPL					
Derivatives					
- Forward and option contracts	Level 2	26	4	26	4
- Currency swaps and interest rate swaps	Level 2	0	0	0	0
- Cross currency swaps	Level 3	2	4	2	4
- Embedded derivatives	Level 2	0	1	0	1
Amortised cost					
Borrowings - fixed rate	Level 1	556	1,015	539	1,016
Borrowings - fixed rate	Level 2	228	267	217	264
Put option liability	Level 3	574	579	574	579
Borrowings		1,208	990	1,208	990
Trade payables		396	404	396	404
Mobile money wallet balance		567	496	567	496
Other financial liabilities		434	516	434	516
		3,991	**4,276**	**3,963**	**4,274**

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

- The carrying value of bank deposits, trade receivables, trade payables, short-term borrowings, other current financial assets and liabilities approximate their fair value mainly due to the short-term maturities of these instruments.
- Fair value of quoted financial instruments is based on quoted market price at the reporting date.
- The fair value of non-current financial assets, long-term borrowings and other financial liabilities is estimated by discounting future cash flows using current rates applicable to instruments with similar terms, currency, credit risk and remaining maturities.
- The fair values of derivatives and other bank balances (measured at FVTPL) are estimated by using pricing models, wherein the inputs to those models are based on readily observable market parameters. The valuation models used by the Group reflect the contractual terms of the derivatives (including the period to maturity), and market-based parameters such as interest rates, foreign exchange rates, volatility etc. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement and inputs thereto are readily observable.

- The fair value of the put option liability (included in other financial liability) to buy back the stake held by non-controlling interest in AMC BV is measured at the present value of the redemption amount (i.e. expected cash outflows). Since, the liability will be based on fair value of the equity shares of AMC BV (subject to a cap) at the end of 48 months (from the first close date), the expected cash flows are estimated by determining the projected equity valuation of the AMC BV at the end of 48 months (from the first close date) and applying cap thereon.

  During the six months ended 30 September 2022 and 31 March 2022 there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

  The following table describes the key inputs used in the valuation (basis discounted cash flow technique) of the Level 2 and Level 3 financial assets/liabilities as of 30 September 2022 and 31 March 2022:

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

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

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

	For the six months ended	
	30 September 2022	**30 September 2021**
Opening Balance	(3)	(3)
Recognised in finance costs in profit and loss(unrealized)[(1)]	2	3
Closing Balance	**(1)**	**0**

(1) The Group during the year ended 31 March 2021 had entered into a Cross Currency Swap (CCS) in one of its subsidiaries, which was accounted for as FVTPL. The fair value of CCS was estimated based on the contractual terms of the CCS and parameters such as interest rates, foreign exchange rates etc. Since, the data from any observable markets in respect of interest rates was not available, the interest rates were considered to be significant unobservable inputs to the valuation of this CCS.

- **Put option liability**

	For the six months ended	
	30 September 2022	**30 September 2021**
Opening Balance	579	-
Liability recognised by debiting transaction with NCI reserve	-	431
Liability de-recognised by crediting transaction with NCI re-serve[(1)]	(8)	
Recognized in finance costs in profit and loss (unrealized)	3	1
Closing Balance	**574**	**432**

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

17. Events after the balance sheet date

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

- On 13 October 2022, the Group announced the acquisition by Airtel Tanzania, a subsidiary of the Group, of 140 MHz of additional spectrum spread across the 2600 MHz (2 blocks of 2x15MHz) and 3500 MHz bands from the Tanzania Communications Regulatory Authority (TCRA) for a gross consideration of $60m.
- On 14 October 2022, the Group announced the acquisition by Airtel Zambia, a subsidiary of the Group, of 60 MHz of additional spectrum spread across the 800 MHz and 2600 MHz bands from the Zambia Information and Communications Technology Authority (ZICTA), for a gross consideration of $29m.

Appendix

Additional information pertaining to three months ended 30 September 2022

Consolidated Statement of Comprehensive Income (unaudited)

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

	For the three months ended	
	30 September 2022	**30 September 2021**
Income		
Revenue	1,308	1160
Other income	5	3
	1,313	**1,163**
Expenses		
Network operating expenses	259	203
Access charges	100	99
License fee and spectrum usage charges	58	57
Employee benefits expense	70	73
Sales and marketing expenses	57	54
Impairment loss/(reversal) on financial assets	1	(1)
Other expenses	127	114
Depreciation and amortisation	195	184
	867	**783**
Operating profit	**446**	**380**
Finance costs	212	77
Finance income	(6)	(5)
Other non-operating income	-	-
Share of profit for associate	(0)	(0)
Profit before tax	**240**	**308**
Tax expense	88	116
Profit for the period	**152**	**192**
Profit before tax (as presented above)	**240**	**308**
Add: Exceptional items (net)	-	-
Underlying profit before tax	**240**	**308**
Profit after tax (as presented above)	**152**	**192**
Add: Exceptional items (net)	(21)	-
Underlying profit after tax	**131**	**192**
Other comprehensive income ('OCI')		
Items to be reclassified subsequently to profit or loss:		
Net (loss)/gain due to foreign currency translation differences	(91)	21
Tax expense on above	(2)	(0)
Share of OCI of associate	0	0
	(93)	21
Items not to be reclassified subsequently to profit or loss:		
Re-measurement loss on defined benefit plans	(1)	(1)
Tax credit on above	0	0
	(1)	(1)
Other comprehensive (loss)/ gain for the period	(94)	20

	For the three months ended	
	30 September 2022	30 September 2021
Total comprehensive income for the period	**58**	**212**
Profit for the period attributable to:	**152**	**192**
Owners of the Company	133	160
Non-controlling interests	19	32
Other comprehensive (loss)/gain for the period attributable to:	**(94)**	**20**
Owners of the Company	(95)	21
Non-controlling interests	1	(1)
Total comprehensive income for the period attributable to:	**58**	**212**
Owners of the Company	38	181
Non-controlling interests	20	31

Alternative performance measures (APMs)

Introduction

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

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

Purpose

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

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

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

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

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

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

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

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

Some of the Group's IFRS measures and APMs are translated at constant currency exchange rates to measure the organic performance of the Group. In determining the percentage change in constant currency terms, both current and previous financial reporting period's results have been converted using exchange rates prevailing as on 31 March 2022. Reported currency percentage change is derived on the basis of the average actual periodic exchange rates for that financial period. Variances between constant currency and reported currency percentages are due to exchange rate movements between the previous financial reporting period and the current period.

Changes to APMs

- Underlying revenue: The underlying revenue has not been defined as an APM due to the absence of any exceptional items during the period.
- Return on capital employed (ROCE): The Group has revised the computation of ROCE by grossing up the 'equity attributable to owners of the Company' for put option provided to minority shareholders. The previous period ROCE has also been restated for this change.

Reconciliation between GAAP and Alternative Performance Measures

Table A: EBITDA and margin

Description	Unit of measure	Half year ended	
		September 2022	September 2021
Operating profit	**$m**	**872**	**732**
Add:			
Depreciation and amortisation	$m	383	366
Exceptional items	$m	-	-
EBITDA	**$m**	**1,255**	**1,098**
Revenue	**$m**	**2,565**	**2,272**
EBITDA margin (%)	**%**	**48.9%**	**48.3%**

Table B: Underlying profit / (loss) before tax

Description	Unit of measure	Half year ended	
		September 2022	September 2021
Profit / (loss) before tax	**$m**	**516**	**567**
Exceptional items (net)	$m	-	(4)
Underlying profit / (loss) before tax	**$m**	**516**	**563**

Table C: Effective tax rate

Description	Unit of measure	Half year ended					
		September 2022			September 2021		
		Profit before taxation	Income tax expense	Tax rate %	Profit before taxation	Income tax expense	Tax rate %
Reported effective tax rate	**$m**	**516**	**186**	**36.0%**	**567**	**232**	**41.0%**
Adjusted for:							
Exceptional items (provided below)	$m	-	42		(4)		
Foreign exchange rate movements for non-DTA operating companies & holding companies	$m	47	-		24		
One-off adjustment and tax on permanent differences	$m	5	(3)		(12)	(7)	
Effective tax rate	**$m**	**568**	**224**	**39.4%**	**575**	**225**	**39.2%**
Exceptional items							
1. Deferred tax asset recognition	$m		42		-		
2. Gain on sale of tower assets	$m		-		(4)		
Total	**$m**	**-**	**42**		(4)		

Table D: Underlying profit / (loss) after tax

Description	Unit of measure	Half year ended	
		September 2022	September 2021
Profit / (loss) after tax	**$m**	**330**	**335**
Exceptional items	$m	(42)	(4)
Underlying profit / (loss) after tax	**$m**	**288**	**331**

Table E: Earnings per share before exceptional items

Description	Unit of measure	Half year ended	
		September 2022	September 2021
Profit for the period attributable to owners of the company	**$m**	**296**	**285**
Operating and Non-operating exceptional items	$m	-	(4)
Tax exceptional items	$m	(42)	-
Non-controlling interest exceptional items	$m	-	-
Profit for the period attributable to owners of the company- before exceptional items	**$m**	**254**	**281**
Weighted average number of ordinary shares in issue during the period.	Million	3,753	3,755
Earnings per share before exceptional items	**Cents**	**6.8**	**7.5**

Table F: Operating free cash flow

Description	Unit of measure	Half year ended	
		September 2022	September 2021
Net cash generated from operating activities	**$m**	**1,008**	**922**
Add: Income tax paid	$m	288	190
Net cash generation from operation before tax	**$m**	**1,296**	**1,112**
Less: Changes in working capital			
Increase in trade receivables	$m	28	22
Increase/(Decrease) in inventories	$m	3	(5)
Decrease/(Increase) in trade payables	$m	15	(7)
Increase in mobile money wallet balance	$m	(71)	(56)
Decrease in provisions	$m	22	18
Increase in deferred revenue	$m	(16)	(22)
Increase in other financial and non-financial liabilities	$m	(33)	(14)
Increase in other financial and non-financial assets	$m	16	57
Operating cash flow before changes in working capital	**$m**	**1,260**	**1,105**
Other non-cash adjustments	$m	(5)	(7)
Operating exceptional items	$m	-	-
EBITDA	**$m**	**1,255**	**1,098**
Less: Capital expenditure	$m	(310)	(245)
Operating free cash flow	**$m**	**945**	**853**

Table G: Net debt and leverage

Description	Unit of measure	As at September 2022	As at September 2021
Long term borrowing, net of current portion	$m	1,085	1,866
Short-term borrowings and current portion of long-term borrowing	$m	907	766
Add: Processing costs related to borrowings	$m	5	3
Add/(less): Fair value hedge adjustment	$m	(7)	(18)
Less: Cash and cash equivalents	$m	(655)	(698)
Less: Term deposits with banks	$m	(5)	(15)
Less: Deposits given against borrowings/ non-derivative financial instruments	$m	-	(143)
Add: Lease liabilities	$m	1,947	1,366
Net debt	**$m**	**3,278**	**3,127**
EBITDA (LTM)	**$m**	**2,468**	**2,078**
Leverage (LTM)	**times**	**1.3**	**1.5**

Table H: Return on capital employed

Description	Unit of measure	Half year ended	
		September 2022	September 2021
Operating profit (preceding 12 months)	**$m**	**1,675**	**1,379**
Less:			
Operating exceptional items	$m	32	(21)
EBIT (preceding 12 months)	**$m**	**1,707**	**1,358**
Equity attributable to owners of the Company	$m	3,444	3,554
Add: Put option given to minority shareholders [1]	$m	574	432
Gross equity attributable to owners of the Company [1]	**$m**	**4,018**	**3,986**
Non-controlling interests (NCI)	$m	148	(2)
Net debt (refer Table G)	$m	3,278	3,127
Capital employed	**$m**	**7,444**	**7,111**
Average capital employed [2]	**$m**	**7,277**	**6,944**
Return on capital employed	**%**	**23.5%**	**19.6%**

(1) Refer changes to APMs in Alternative performance measure (APMs) section.

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

INDEPENDENT REVIEW REPORT TO AIRTEL AFRICA PLC

Conclusion

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2022 which comprises the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of financial position, the interim condensed consolidated statement of cash flows, the interim condensed consolidated statement of changes in equity and related notes 1 to 17.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2022 is not prepared, in all material respects, in accordance with United Kingdom adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion

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

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

Conclusion Relating to Going Concern

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

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

Responsibilities of the directors

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

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

Auditor's Responsibilities for the review of the financial information

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

Use of our report

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

Deloitte LLP

Statutory Auditor

Birmingham, United Kingdom

26 October 2022

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 ARPU	Mobile money average revenue per user per month. This is derived by dividing total mobile money revenue during the relevant period by the average number of active mobile money customers and dividing the result by the number of months in the relevant period.
Airtel Money customer base	Total number of active subscribers who have enacted any mobile money usage event in last 30 days.
Airtel Money customer penetration	The proportion of total Airtel Africa active mobile customers who use mobile money services. Calculated by dividing the mobile money customer base by the Group's total customer base.
Airtel Money transaction value	Any financial transaction performed on Airtel Africa's mobile money platform.
Airtel Money transaction value per customer per month	Calculated by dividing the total mobile money transaction value on the Group's mobile money platform during the relevant period by the average number of active mobile money customers and dividing the result by the number of months in the relevant period.
Airtime credit service	A value-added service where the customer can take an airtime credit and continue to use our voice and data services, with the credit recovered through subsequent customer recharge. This is classified as a Mobile Services product (not a Mobile Money product).
ARPU	Average revenue per user per month. This is derived by dividing total revenue during the relevant period by the average number of customers during the period and dividing the result by the number of months in the relevant period.
Average customers	The average number of active customers for a period. Derived from the monthly averages during the relevant period. Monthly averages are calculated using the number of active customers at the beginning and the end of each month.
Capital expenditure	An alternative performance measure (non-GAAP). Defined as investment in gross fixed assets (both tangible and intangible but excluding spectrum and licences) plus capital work in progress (CWIP), excluding provisions on CWIP for the period.
Constant currency	The Group has presented certain financial information that is calculated by translating the results for the current financial year and previous financial years at a fixed 'constant currency' exchange rate, which is done to measure the organic performance of the Group. Growth rates for reporting regions and service segments are in constant currency as it better represents the performance of the business. Constant currency growth rates for prior periods are calculated using closing exchange rates as at the end of prior period.
Customer	Defined as a unique active subscriber with a unique mobile telephone number who has used any of Airtel's services in the last 30 days.
Customer base	The total number of active subscribers that have used any of our services (voice calls, SMS, data usage or mobile money transaction) in the last 30 days.
Data ARPU	Data average revenue per user per month. Data ARPU is derived by dividing total data revenue during the relevant period by the average number of data customers and dividing the result by the number of months in the relevant period.
Data customer base	The total number of subscribers who have consumed at least 1 MB on the Group's GPRS, 3G or 4G network in the last 30 days.
Data customer penetration	The proportion of customers using data services. Calculated by dividing the data customer base by the total customer base.
Data usage per customer per month	Calculated by dividing the total MBs consumed on the Group's network during the relevant period by the average data customer base over the same period and dividing the result by the number of months in the relevant period.
Digitalisation	We use the term digitalisation in its broadest sense to encompass both digitisation actions and processes that convert analogue information into a digital form and thereby bring customers into the digital environment, and the broader digitalisation processes of controlling, connecting and planning processes digitally; the processes that effect digital transformation of our business, and of industry, economics and society as a whole through bringing about new business models, socio-economic structures and organisational patterns.
Diluted earnings per share	Diluted EPS is calculated by adjusting the profit for the year attributable to the shareholders and the weighted average number of shares considered for deriving basic EPS, for the effects of all the shares that could have been issued upon conversion of all dilutive potential shares. The dilutive potential shares are adjusted for the proceeds receivable had the shares actually been issued at fair value. Further, the dilutive potential shares are deemed converted as at beginning of the period, unless issued at a later date during the period.
Earnings per share (EPS)	EPS is calculated by dividing the profit for the period attributable to the owners of the company by the weighted average number of ordinary shares outstanding during the period.
Foreign exchange rate movements for non-DTA operating companies and holding companies	Foreign exchange rate movements are specific items that are non-tax deductible in a few of our operating entities, hence these hinder a like-for-like comparison of the Group's effective tax rate on a period-to-period basis and are therefore excluded when calculating the effective tax rate.

Indefeasible Rights of Use (IRU)	A standard long-term leasehold contractual agreement that confers upon the holder the exclusive right to use a portion of the capacity of a fibre route for a stated period.
Information and communication technologies (ICT)	ICT refers to all communication technologies, including the internet, wireless networks, cell phones, computers, software, middleware, videoconferencing, social networking, and other media applications and services.
Interconnect user charges (IUC)	Interconnect user charges are the charges paid to the telecom operator on whose network a call is terminated.
Lease liability	Lease liability represents the present value of future lease payment obligations.
Leverage	An alternative performance measure (non-GAAP). Leverage (or leverage ratio) is calculated by dividing net debt at the end of the relevant period by the EBITDA for the preceding 12 months.
Minutes of usage	Minutes of usage refer to the duration in minutes for which customers use the Group's network for making and receiving voice calls. It includes all incoming and outgoing call minutes, including roaming calls.
Mobile services	Mobile services are our core telecom services, mainly voice and data services, but also including revenue from tower operation services provided by the Group and excluding mobile money services.
Net debt	An alternative performance measure (non-GAAP). The Group defines net debt as borrowings including lease liabilities less cash and cash equivalents, term deposits with banks, processing costs related to borrowings and fair value hedge adjustments.
Net debt to EBITDA (LTM)	An alternative performance measure (non-GAAP) Calculated by dividing net debt as at the end of the relevant period by EBITDA for the preceding 12 months (from the end of the relevant period). This is also referred to as the leverage ratio.
Network towers or 'sites'	Physical network infrastructure comprising a base transmission system (BTS) which holds the radio transceivers (TRXs) that define a cell and coordinates the radio link protocols with the mobile device. It includes all ground-based, roof top and in-building solutions.
Operating company (OpCo)	Operating company (or OpCo) is a defined corporate business unit, providing telecoms services and mobile money services in the Group's footprint.
Operating free cash flow	An alternative performance measure (non-GAAP). Calculated by subtracting capital expenditure from EBITDA.
Operating leverage	An alternative performance measure (non-GAAP). Operating leverage is a measure of the operating efficiency of the business. It is calculated by dividing operating expenditure (excluding regulatory charges) by total revenue.
Operating profit	Operating profit is a GAAP measure of profitability. Calculated as revenue less operating expenditure (including depreciation and amortisation and operating exceptional items).
Other revenue	Other revenue includes revenues from messaging, value added services (VAS), enterprise, site sharing and handset sale revenue.
Reported currency	Our reported currency is US dollars. Accordingly, actual periodic exchange rates are used to translate the local currency financial statements of OpCos into US dollars. Under reported currency the assets and liabilities are translated into US dollars at the exchange rates prevailing at the reporting date whereas the statements of profit and loss are translated into US dollars at monthly average exchange rates.
Smartphone	A smartphone is defined as a mobile phone with an interactive touch screen that allows the user to access the internet and additional data applications, providing additional functionality to that of a basic feature phone which is used only for making voice calls and sending and receiving text messages.
Smartphone penetration	Calculated by dividing the number of smartphone devices in use by the total number of customers.
Total MBs on network	Total MBs consumed (uploaded & downloaded) by customers on the Group's GPRS, 3G and 4G network during the relevant period.
EBIT	Defined as operating profit/(loss) for the period adjusted for exceptional items.
EBITDA	An alternative performance measure (non-GAAP). Defined as operating profit before depreciation, amortisation and exceptional items.
EBITDA margin	An alternative performance measure (non-GAAP). Calculated by dividing EBITDA for the relevant period by revenue for the relevant period.
Revenue	An alternative performance measure (non-GAAP). Defined as revenue before exceptional items.
Unstructured Supplementary Service Data	Unstructured Supplementary Service Data (USSD), also known as "quick codes" or "feature codes", is a communications protocol for GSM mobile operators, similar to SMS messaging. It has a variety of uses such as WAP browsing, prepaid callback services, mobile-money services, location-based content services, menu-based information services, and for configuring phones on the network.
Voice minutes of usage per customer per month	Calculated by dividing the total number of voice minutes of usage on the Group's network during the relevant period by the average number of customers and dividing the result by the number of months in the relevant period.
Weighted average number of shares	The weighted average number of shares is calculated by multiplying the number of outstanding shares by the portion of the reporting period those shares covered, doing this for each portion and then summing the total.

Abbreviations

2G	Second-generation mobile technology
3G	Third-generation mobile technology
4G	Fourth-generation mobile technology
ARPU	Average revenue per user
bn	Billion
bps	Basis points
CAGR	Compound annual growth rate
Capex	Capital expenditure
CSR	Corporate social responsibility
DTA	Deferred Tax Asset
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EPS	Earnings per share
FPPP	Financial position and prospects procedures
GAAP	Generally accepted accounting principles
GB	Gigabyte
HoldCo	Holding company
IAS	International accounting standards
ICT	Information and communication technologies
ICT (Hub)	Information communication technology (Hub) IFRS
IFRS	International financial reporting standards
IMF	International monetary fund
IPO	Initial public offering
KPIs	Key performance indicators
KYC	Know your customer
LTE	Long-term evolution (4G technology)
LTM	Last 12 months
m	Million
MB	Megabyte
MI	Minority interest (non-controlling interest)
NGO	Non-governmental organisation
OpCo	Operating company
P2P	Person to person
PAYG	Pay-as-you-go
QoS	Quality of service
RAN	Radio access network
ROCE	Return on capital employed
SIM	Subscriber identification module
Single RAN	Single radio access network
SMS	Short messaging service
TB	Terabyte
Telecoms	Telecommunications
Unit of measure	Unit of measure
USSD	Unstructured supplementary service data

Neither the Company nor the directors accept any liability to any person in relation to the half-year financial report except to the extent that such liability could arise under English law. Accordingly, any liability to a person who has demonstrated reliance on any untrue or misleading statement or omission shall be determined in accordance with section 90A and schedule 10A of the Financial Services and Markets Act 2000.

The Directors of Airtel Africa plc are listed on pages 90 to 93 of the Group's annual report for the year ended 31 March 2022. No changes to the Directors have been made since the date of the annual report.

Statement of Director's Responsibilities

We confirm that to the best of our knowledge:

a) the condensed set of interim financial statements has been prepared in accordance with UK-adopted IAS 34 'Interim Financial Reporting';

b) the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events and their impact during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

c) the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

This responsibility statement was approved by the board of directors on 26 October 2022 and is signed on its behalf by:

Segun Ogunsanya

Chief Executive Officer

26 October 2022