Conference call transcript

23 July 2026

Q1 2027 RESULTS

Operator

Good day, ladies and gentlemen, and welcome to the Airtel Africa Q1 2027 results. All participants will be in listen-only mode. There will be an opportunity to ask questions later during the call. If you should need operator assistance during the call, please signal an operator by pressing * and then 0. Please note that this event is being recorded. I would now like to hand the conference over to Sunil Taldar. Please go ahead, sir.

Sunil Taldar

Thank you very much. Very good afternoon, good morning to everyone, and welcome to the call. Thank you all for joining us on the call today. I'm joined on the line by Kamal Dua, our CFO, and Alastair Jones, our Head of Investor Relations. We will shortly be answering your questions, but first I would like to provide you with a brief overview of the quarter's performance.

I'm very pleased to report another strong quarterly performance which reflects the continued underlying demand across our business and the sustained focus and execution, enabling us to capture the opportunity. Key to this performance has been our focus on providing a best-in-class customer experience, and the results reflect the benefits of our long-term investment strategy, which continues to deliver value to all our stakeholders.

We delivered strong growth across voice, data, and mobile money, supported by an acceleration in the customer-based growth across all segments, as adoption of digital and financial services continues to gather momentum. At the same time, we have accelerated investment in our network to strengthen coverage and capacity, ensuring we remain well positioned to capture the significant growth opportunities across all our markets.

Group revenues reached $1.85 billion, growing by over 21% in constant currency, despite no longer benefiting from the Nigerian tariff adjustments, which underscores the breadth of growth opportunities across our markets. With a more stable macroeconomic environment supporting an appreciation in most of our currencies, this translated into a reported currency growth of 31%. This level of growth is not specific to just one sector. This is a broad-based trend reflected in the strong performance of both the mobile services and mobile money segment.

The mobile services segment recorded constant currency revenue growth of 19.1% as our customer base increased by 11.6%, an acceleration from the prior quarter. The ability to grow our customer base by this amount showcases the sustained demand and low levels of SIM penetration across our markets. Key to our strategy is driving increased digital adoption and one metric we constantly track is smartphone penetration. We've seen smartphones on our network increase by over 24%, with penetration increasing by over 5% to 51%. This increased adoption of these smart devices continues to translate into strong data traffic growth across our network, driving data ARPUs, up by 10.3% in constant currency, and data revenue increasing by 27.2% in the period.

The mobile money business remains a key pillar of Group's existing and future growth potential. The quarter's performance was another example of the scare of the opportunity before us, and of our team's ability to continue capturing this opportunity through strong execution, ongoing innovation, and a relentless focus on the customer experience. In reported currency, annualised TTV exceeded $245 billion, increasing over 51% in reported currency as we continue to expand the ecosystem to drive more use cases, increased customer engagement and expansion of our digital offerings. Mobile money revenues grew by 25.8% in constant currency, despite the ongoing impact arising from the intra-group agreement changes.

On a regional basis, the growth rates also read well. In Nigeria, revenues increased by 29.8% in constant currency and over 50% in reported currency. This quarter, the growth rates do not incorporate any benefit arising from the tariff adjustments, reinforcing our confidence in the long-term growth potential of the Nigerian business. East Africa revenues increased by 17.8%, with robust trends across all segments, and Francophone Africa growth of 18% continues to reflect the step up in investment over the last few years and the strategic focus which has helped sustain this high level of growth. While our strong revenue growth demonstrates the demand for our services, it is equally important to highlight how this growth is translating into profitability.

Let me now turn to our EBITDA performance and the factors impacting it during the quarter. In the quarter, we've maintained EBITDA margins of over 50% with EBITDA of $928 million, growing 24.4% in constant currency and 36.6% in reported currency. EBITDA margins increased by over 200 basis points over the prior year, which again reflects the strong revenue growth and the sustained focus on our cost optimisation initiators, which is translating to real savings across the group, while not compromising on our ability to capture the revenue opportunity.

Our Q1 EBITDA margin of 50.1% was marginally below the 50.3% margin reported in Q4 of last financial year but clearly showcases our ability to offset a large portion of the rising fuel costs through a continued focus on cost initiatives. As we noted at the time of full year results, the developments in the Middle East have resulted in a steep increase in fuel costs, which has impacted the margins during the quarter.

However, we will expect to see a further increase in margin pressure as the higher energy costs are captured into many of our tower contracts in Q2. While there may be some pressure on margins in the near term, we retain our relentless focus on further cost efficiencies, supported by continued revenue growth that should help moderate this effect.

Despite a strong balance sheet and very modest leverage of 0.5x, we have continued to actively optimise our debt portfolio. Coupled with a more favourable interest rate environment and an improved currency mix of borrowings, our effective interest rate declined by 282 basis points to 10.1% at the end of the quarter, lowering our overall cost of debt and further strengthening our financial position.

Excluding exceptional items, our earning per share came in at 5.4 cents, up 57% over the year, which reflects the success I've been discussing, with basic EPS of 4.4 cents in the period, a growth of 27.3%.

One of the most important aspects of this set of results is our capex spends. We have reported capex of $389 million in quarter one, a substantial increase from the $121 million in the previous year, and reflects our increased capex guidance, which set out at the beginning of the year. This accelerated capex spend is a very clear part of our strategy where we continue to see a substantial opportunity for growth, and it is right that we accelerate spend in order to capture this growth. We have therefore purposely brought forward investments into quarter one as we proactively invest ahead of demand. This capex is actively focused on the quality of network experience, for customers with coverage and capacity remaining key components of the spend.

Furthermore, new and emerging opportunities in enterprise, HPV, and data centres continues to be a focus as well. We remain compelled by the opportunity to continue investing across our markets as we continue to see benefits accruing to our business. Importantly, despite the significantly higher capex spend over the year, we have maintained a similar level of operating free cash flow in the quarter compared to the previous period, reflecting the strong trends in both operating and financial trends.

I know many of you are interested in our IPO of the Airtel Money business, and so, before handing over to the Q&A, let me give you a brief overview of where we are with the IPO. The first thing to say is we are progressing very well with our preparations. And our intention remains to undertake the IPO during 2026, subject to market conditions. Following an extensive review of the major listing venues, we can confirm that London is our preferred listing location.

As many of you know, London provides access to a very broad international investor base with a strong experience of investing in emerging market assets, but also a strong understanding of the fintech and payment sector, providing a suitable platform for Airtel Money to be valued appropriately. Over the next few months, we will be updating the market at the appropriate time of the expected timeline and structure of the IPO in accordance with the regulatory and disclosure applications.

Before I hand it over to the Q&A, just to summarise a few key points. Firstly, these were strong results with constant currency revenue and EBITDA growing by over 21% and 24% respectively, translating into 31% and 36.6% reported currency revenue and EBITDA growth. The structural demand for digital connectivity and financial inclusion remains very compelling. The foundation is expected to continue supporting the financial and operating momentum in the near to midterm.

Airtel Money continues to scale with strong results reflecting the truly unique business opportunity and we look forward to providing more detail on the upcoming IPO of Airtel Money later this year. And finally, we have accelerated our investment to capture the significant growth opportunity that is available to us. And we believe this will put us in a much stronger position to showcase our ability to capture the structural growth potential.

We're excited by the future, and we see a unique opportunity to sustain strong levels of growth going forward through the continued and consistent deployment of our strategy. We look forward to reporting on our successes in the future and continuing to generate value for all the stakeholders. And with that, I would now like to open the line for questions, for which I'm joined by Kamal. Operator, I now hand over to you to facilitate the Q&A session, please.

Operator

Thank you, sir. Ladies and gentlemen, if you would like to ask a question, you may press * and then 1 on your touch-tone phone or on the keypad on your screen. You will hear a confirmation tone when you have joined the queue. Please note if you do wish to withdraw your question, you may press * and then 2 to remove yourself from the question queue. Once again, if you wish to ask a question, you may press * and then 1. The first question we have is from Rohit Modi of Citi. Please go ahead.

Rohit Modi

Hi. Thank you for taking my questions and congratulations on strong set of results. I have a couple, please. Firstly, Nigeria growth. Now that you've already lapped completely the price increases from last year and a 29% or 30% growth that you've reported, is this the kind of run rate that you're expecting for the rest of the quarters, which is pretty much similar to what you had before the price increase? So, is this the kind of trajectory that you see for the rest of the year?

And then I believe there might be some impact coming from the ban on airtime advances. So, if you can just give a colour on that, how much that impact was on the top line. And second question is basically the impact from diesel cost. You flagged it last quarter, given Nigeria diesel prices doubled in a few months. Oil prices remain still high. How much impact have you seen from diesel in this quarter and what kind of margin dilution that we can expect if the diesel remains at the same level right now for the next few quarters?

And lastly, sorry, coming back again from last quarter's question on capital allocation policy, I understand your leverage is like 0.5x now, and your dividend policy is high single digit growth. But then are you looking at any other investment opportunities beyond the capex envelope, maybe in other markets or other segments? If you can give any colour around that, it would be great. Thank you.

Sunil Taldar

Thanks. Thank you for your questions and your comments. First of all, let me talk about the Nigeria growth. Nigeria is the largest market in our portfolio and offers significant opportunities for growth. There is still a very large penetration opportunity in Nigeria and also an upgrade opportunity in Nigeria. And that seems to be driving growth.

We also see opportunities with respect to home broadband is a significantly large opportunity. B2B is another opportunity. We have also announced a large data centre, which where the construction at this point in time is currently on. So, from an opportunity point of view, we see a large opportunity in Nigeria, and we continue to invest very, very aggressively in Nigeria. While we don't comment on future guidance, our efforts are making sure that we continue to maintain our investments to capture the big growth opportunity that Nigeria has to offer. And we should continue to see strong growth in Nigeria.

Specific to your question on ACS, last quarter, as per the guidance from the regulator, which was applicable industry-wide, there were a certain selected set of vendors who provide airtime credit service, which are basically microloan products were barred. As a result, we had to disengage with a few vendors, which are not permitted by the regulator to provide these services. The revenue impact for the overall group at Airtel Africa was very minimal. Now, what we've done is in the last quarter, as per the regulator’s guidance, we've onboarded the approved vendors, and the services are back on track. So therefore, there is no impact that we expect in quarter two because of this slight disturbance that we had in the first quarter in Nigeria.

With respect to your question on capital allocation and other opportunities, we continue to explore inorganic growth opportunities. Right now, what we have identified is a big investment opportunity around home broadband, where we are scaling up investments in Nigeria and across the group. The second is B2B and data centres is another opportunity. A significant opportunity remains, as you alluded to, on expanding coverage and adding capacity. One area where we're investing significantly now very aggressively is the deployment of 5G sites, primarily to support our ambitions in Nigeria and across the group. Kamal, do you want to address the fuel cost?

Kamal Dua
Yeah. Thank you, Sunil. So, hi Rohit. So, as was disclosed in the last quarter, the impact on the margin on the fuel price basis, the run rate at that time was roughly 2.5%, 3% of EBITDA margins, of which roughly half of the impact has flown in this quarter and the rest will follow in the next quarter, subsequent quarter two. You have seen a large portion of that impact has been mitigated to our war on waste program and the scale which we are getting it.

Now in quarter two, how much we would be able to mitigate it further is yet to be seen, but definitely our endeavour to mitigate to an extent possible the impact which will be coming up. And to answer your question on that, if the fuel price continues at the current level, what would be the incremental impact? See, as per the contracts, the quarter two rates have already been locked, which is the fuel price, which has already been recorded. We have seen some slight softening of the fuel price in Nigeria. And if it continues the way it is, we'll see some marginal respite, which will be coming in in quarter three, not in quarter two, because of the way we have structured our contracts. So, I hope I have answered your question. Thank you.

Rohit Modi
Very clear, thank you.

Operator
The next question we have is from Mollie Witcombe of Goldman Sachs. Please go ahead.

Mollie Witcombe
Hi, thank you for taking my questions. Firstly, sorry to just come back on capex. Obviously, you front-end loaded your capex and I understand that you're reiterating guidance at present, but is there any scenario where later in the year stronger demand or competitive investment could push guidance out of the guidance range? Just a little bit of colour on how you're thinking about that, especially against the backdrop of the diesel prices and the macro challenges that you're experiencing.

And then secondly, and apologies if I missed it, just to come back to Rohit's question. Apologies if I missed the answer. I didn't hear if you said anything about exploring potential M&A options, given the strength of your balance sheet and the current leverage. Thanks.

Sunil Taldar
Thank you very much. So, our capex guidance for the year continues to remain $1.1 million, which is something that we highlighted last quarter. What we've done this year is we've actually front-loaded our capex, about $389 million of capex in quarter one, so that we continue to get the benefit of these investments over the next three quarters. So, it's really a phasing more than anything else as we see it, but our guidance for the year remains at $1.1 million.

On the other question that you asked, which is on other M&A opportunities, we have the strength of the balance sheet, which is there, and we continue to explore opportunities across other markets as well. As and when we see something which is very attractive and the right one for us, we will surely evaluate that and look at those, but it has to be a sizable opportunity for us.

Other than that, as I said, we continue to invest behind the growth opportunity that Africa has to offer, which is across, as I said, B2C, whether it is in the mobile business or in the money business, B2B data centres, and there are other opportunities on B2B, and most importantly, on home broadband. We continue to look at and explore opportunities and many opportunities as and when anything appears, we'll surely look at that.

Molly Whitcomb
Okay, thank you very much.

Operator
The next question we have is from John Karidis of Deutsche Bank. Please go ahead.

John Karidis
Thank you. Thanks for taking my questions and also thank you for the additional disclosure of mobile money customer mix. I just wanted to ask you one question about satellite operators. You've addressed this a number of times in previous conversations, but a recent IPO has sort of rekindled investor concerns about the satellite operators potentially becoming bigger rivals or rivals to network operators such as your good self. Would it be possible please to advance what you've told us to date and maybe specifically address key asymmetries and things like network capacity, also network economics, device economics, and distribution muscle? Thank you.

Sunil Taldar
Yeah, thank you very much for your question. We see satellite as a complementary technology, which especially in a continent like Africa and the markets that we operate in, can be accretive when it comes to delivering customer experience, acquiring new customers and by expanding our coverage. And that is the reason why we formed this view after doing a full assessment of the entire technology and also after talking to our technology partners.

In our view, this technology is, as I said, is complimentary in nature. And that is the reason why we signed two agreements. And I'm sure you're aware of the nature of the agreement that we signed with Starlink. It's actually a three-part agreement. One is to provide internet enterprise connectivity to our customers in areas where it is economically either unviable or difficult to lay down fibre. It allows us to offer enterprise connectivity to our, especially the SME segment. And that's something, as we started offering the services, the customers have responded very positively.

Second is for Africa, this technology allows us to address our backhauling concerns or issues that we have, especially in remote areas where we are not able to carry traffic. Now, this is something that we have now started backhauling using satellite technology, especially SpaceX, at a significantly lower cost. That is helping us to solve a big problem that we had in the past. And you will hear more about this as we start to roll out a backhauling across more markets.

The third was with respect to direct-to-device. There are two or three things that I want to highlight here. First and foremost, the direct-to-device, the service that we will offer, we've signed a contract with SpaceX, which covers all of our 14 markets. Airtel customers in these 14 markets, once we launch the service, and this is subject to regulator approval, using their existing 4G or 5G devices, once they leave the terrestrial coverage, they will connect to the satellite coverage. And once they come back from the satellite into the terrestrial coverage, they will come back on our network.

So, that's how the technology works. Their customers will be able to use their existing devices, 4G or 5G devices. The service that they will get, which is the Gen 1 service that once we launch at this point in time, which is available from SpaceX, is text messages and OTT calling on certain apps on the satellite coverage. So, customers will remain connected. It's a Gen 2, which will happen in 2028 and beyond. So, the current timelines are in 2028 is when customers will be able to do the calling. So, that's how we see this.

And obviously, for the spectrum, the satellite operator relies on our spectrum. The customer, the entire customer experience, the onboarding of the customer, end-to-end process is managed by the mobile operator. So, that's how the technology works. And, as I said, we see this as a complimentary technology to enhance customer experience. And that is the reason we signed this agreement to offer this service to all our customers across our 14 markets.

John Karidis
Thank you very much.

Operator
The next question we have is from Preshendran Odayar of 361. Please go ahead.

Preshendran Odayar
Thank you, operator. Thank you, guys, and congrats on the results, Sunil and team. I've just got three questions. First, just focusing on Nigeria. We'll only know MTN's numbers next week, but just looking two quarters back, your effective data pricing seems quite attractive, yet your growth rate in Nigeria is still lagging that of MTN. Is there anything that you guys are doing to actively try and close that gap and what levers are you trying to pull and how successful has that been?

The second question is around the oil prices. You mentioned the impact on diesel for your tower costs, but in the markets that you guys are operating, is the higher oil price not coming through in inflation that's impacting the demand for telco services? So, basically, how is your top line being affected from the consumer, given that oil prices are up and inflation is probably up?

And then your last question is, I don't know if you can share with us what percentage of your network uses IHS as a tower provider and does the deal with MTN in any way affect your capex expansion plans given your capex envelope that you have for this year? Thanks.

Sunil Taldar
Thank you very much for those questions. While I will not comment on MTN's performance, we will surely talk about our own performance. If you look at our performance, we are very pleased with the way the business is tracking while there is a significantly higher opportunity, a big opportunity that Nigeria has to offer. Our current data revenue growth of about 38% in Nigeria is very, very satisfying. Voice revenue continues to grow at very strong numbers at 23%. We are seeing data consumption per sub also continues to grow.

And there are efforts being made to capture more demand by very strong investments in network that we're doing in Nigeria at this point in time, both in terms of adding capacity to support this very strong data consumption growth that we're seeing. So, business will continue to grow on expected lines and that is what we're seeing right now. On your question on oil pricing, oil prices impacting customer demand. It is actually evident if you look at the voice usage per customer, while there is a marginal decline, but voice usage per customer continues to remain very strong.

Data consumption per customer continues to remain very, very strong. We are seeing very strong upgrades, which is reflected in our smartphone customer base growth. Smartphone penetration has increased. So, at this point in time, while we are seeing oil prices driven inflation, overall, we have not seen any softening in the demand. And I'm alluding more to the consumption across services, including our transaction value per customer on the money side.

So, at this point in time, we are not seeing any inflation linked reduction in demand, and there was a question last quarter if I remember, on whether we will see softening on upgrades. We continue to see upgrades, and that seems to be fuelling demand. And that's where we are right now from a customer demand point of view.

On the IHS, we continue to engage with MTN on, first and foremost, the important thing is to make sure that our services remain uninterrupted. And MTN is right now in the process of completing this transaction. At the same time, the way we see it is we see no reason to believe that owning and running their own infrastructure by MTN will have an adverse impact either on the performance of our network, or on overall capital allocation from our side.

Because I think what you're alluding to is primarily on sharing of sites. Because if sites are available, whether it is MTN or IHS, sharing sites should be available to us. Because our understanding is they've acquired this business to make sure that this business independently remains profitable. And no tower company, whether IHS or any other tower company, will be able to run a profitable tower core business on single tenancy. And most markets have either two or three operators, at least in our footprint. So, we will continue to see interdependencies across each other. And therefore, we're less concerned about either any impact on our service levels or on cost or capital allocation at this point in time.

Preshendran Odayar
And then sorry, Sunil, just to follow up on that, I mean, are you able to share like what of your networks is shared among the various tower operators?

Sunil Taldar
We don't share that information, our share of towers across tower companies.

Preshendran Odayar
Okay, cool. No, thanks. Thanks very much. And congrats again, Sunil.

Sunil Taldar
Thank you very much.

Operator
Ladies and gentlemen, just another reminder, if you would like to ask a question, you may press * and then 1. The next question we have is from Madi Singh of HSBC. Please go ahead. Madi, your line is live. You may go ahead.

Madhvendra Singh
Sorry about that. Thanks for taking my question and congrats on strong numbers. I have a couple of follow-ups and a few points where I need some clarity. Follow-ups are very simple. On Mobile Money IPO, have you suggested any timing update? What's the timeline as of now? And then second one, on the airtime advance impact in Nigeria, so you said that it is immaterial at the group level, but if you could also quantify at Nigeria level, that will be helpful.

And then a follow-up on the M&A question, would you be willing to participate in any in-market consolidation efforts in Nigeria FinTech space, especially? So, if you could give any comments there. And then a couple of questions where I want your inputs. On the capex side, very interesting to see the front loading of capex. But I was wondering whether this isn't also driven by your demand actually running ahead of capacity. So, if you could comment on have you seen strong demand growth, but capacity not able to monetise that, and if that is what is driving this front-loading of the capex in Q1.

And then second one is we have seen that news about Indus Tower looking to get into Africa. So, your incremental capex and site rollouts, have you already factored that into your strategy that some part of that probably you will do with Indus Tower or it is primarily going to be with the existing Tower Cos? Any comments on the Indus Tower coming into Africa and any change in your strategy around that? Thank you.

Sunil Taldar
Thank you very much for your questions. Let me just respond to your first question, which is on mobile money IPO timing. Subject to market conditions, we are committed to IPO Airtel Money in 2026. So, in the second half of this year, we are committed to doing the IPO. As I said, this remains subject to market conditions. On the ACS impact in Nigeria, the impact was mitigated. And therefore, we don't expect to see this continuing in the second quarter, as I said. It was a temporary kind of disturbance that we had in the business, and we've onboarded the new partners and the services are on.

On the in-market, you asked about in Nigeria. Are we open to looking at, say for example, any FinTech opportunity? As I responded to the question earlier that was asked to me, we are absolutely looking at acquisition opportunity or inorganic growth opportunity across mobile money and GSM both. As and when we have an attractive opportunity where we think it is synergistic to our business, there is no reason why we will not go after that, especially our balance sheet today supporting us. Absolutely, we have a strong balance sheet today.

Then your question on this capex. The capex really is, as I said, if you look at the nature of our business, if you deploy capex upfront, there is always this opportunity to accelerate growth and there's a significant amount of work that went behind to make sure that we have a good start to the year. And that's the reason why we front-loaded with the capex. There is nowhere that our network is actually chasing demand. It's a very strong process that we run to assess where the demand will come from, given the long lead times that we have in terms of capex deployment.

So, it's very rare, very, very rare that it happens where your capacity comes under constraint. So, it is not a situation of, actually demand ahead of our capacity. What we are actually doing is we are proactively investing in capacity to be able to service demand going forward. Because when you look at an aggregate level of 50% plus growth in overall data that we are carrying, that actually necessitates us to invest ahead of demand. And that's something that we're doing. And as we are investing, the market is responding. The customer side is responding because we are also able to expand coverage at capacity and deliver great experience.

On Indus Towers, just to give the full context, Indus Towers announced entry into three markets, which is Nigeria, Uganda, and Zambia. They are currently starting operations in Zambia, and operations in Indus Towers will soon start in the other two markets. What we've said is, subject to overall commercials, we would be the anchor customer for Indus Towers. And with respect to the capital outlay, I don't see there is any difference, because eventually, Indus Towers will be another tower company which will meet our requirements.

The capital allocation will be a function of our need for expanding our coverage or investing in our capacity in the networks. So, that's the way I see it. But the way we see is Indus might bring in, say for example, some new solutions given their expertise in a very large market that they come from, that is India. And we see some operational efficiencies to accrue to us. But from a capital allocation point of view, it should primarily be a need base, depending on the need for us to expand coverage or capacity.

Operator
The next question we have is from David Lopes of New Street Research. Please go ahead.

David Lopes
Hello, and thank you for taking my questions. Actually, I have just one on your home broadband strategy. I was wondering if you could comment on maybe the proportion between fibre to the home and fixed wireless access. And on fixed wireless access, it would be helpful if you could comment on how is the price of the equipment going? I mean, is the price of the box still going down or is it going up given some chipset shortages? Yeah, any colour on that? Or maybe what's the cost of the equipment? That's a more direct question. Thank you.

Sunil Taldar
Thank you very much. So, let me just give you a little bit of a perspective on the home broadband business. It's a very large opportunity on our footprint. The current penetration of home broadband is about 2% or so. And there's a large customer base or high value base, which is the addressable base for this opportunity. When we explore all options to offer the service to our customers, and given the topology in Africa and the current usage patterns, FWA is the right technology to offer the service to our customers for home broadband.

And for that, what we're doing is we are investing very aggressively on 5G network in our markets. And we've started this service, offering the service in most of our markets, and we're getting very good response. And we see this opportunity across both B2B as well as B2C, B2B predominantly in the SME segment. But for some very selected clusters where we see high demand and high usage. What we are also doing is we're deploying fibre, but that number remains relatively much smaller. Primarily, the demand is being serviced through FWA, which is where we are right now. And as I said, we're rolling out 5G sites to support FWA and meet this demand.

With respect to the cost of the device, I'll not be able to share the cost of the device. But the other question that you asked, yes, the global chipset pricing is putting pressure on the cost. For this year, we are by and large covered, the inventory and the contracts that we have. But over a period of time, the cost as it is going up across the market, across the world, will also be impacted by that. But given the nature of the business, this is something that we factored in the business plan, and it meets our payback period requirements. So, therefore, we continue to push behind this particular opportunity. And we remain very, very optimistic about the home broadband opportunity in Africa, especially on our footprint.

David Lopes
Very clear. Thank you.

Operator
The next question we have is from Desmond Gabriel of WSTC Financial Services. Please go ahead.

Desmond Gabriel
Good afternoon or good day, everyone. So, during the presentation, I heard something about an IPO, so I wanted to ask what it's about, if I can get details about it. Thank you.

Sunil Taldar
Yeah, thank you very much. The IPO that I was talking about is the IPO for our Airtel Money business, which is something that we said that our preferred location is London. And timing is about before the end of this year, subject to market conditions.

Operator
Ladies and gentlemen, we have reached the end of the Q&A session, and I will now hand the conference back to Sunil Taldar for closing remarks.

Sunil Taldar
I would like to thank you all for joining this call, and I look forward to speaking to you again at the time of our half-yearly results. Thank you once again.

Operator
Ladies and gentlemen, that concludes today's conference call. Thank you for joining us. You may now disconnect your lines.

END OF TRANSCRIPT