

Airtel Africa plc

Results for year ended 31
March 2021

12 May 2021



Disclaimer

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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 business and product segments are provided in constant currency as this better represents the underlying performance of the business.

Audience

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All numbers are reported currency numbers unless indicated differently. All figures are in USD (\$) amounts, unless stated otherwise. The growth numbers are provided on constant currency basis unless stated differently.

Highlights of FY2021

Our Purpose

- Our purpose is transforming lives.
- We drive affordability and availability of mobile and digital services in markets where consumers strive for increased connectivity and financial inclusion.
- In these challenging times our industry has emerged as a key and essential service for the communities we serve.

Strategic highlights

- \$300m total minority investments in mobile money from The Rise Fund and Mastercard, at \$2.65bn³ valuation.
- Agreement to sell towers in Madagascar and Malawi.
- Memorandum of understanding agreement for the potential sale of tower assets in Chad and Gabon.
- Licences renewed in Nigeria and Uganda, our two largest markets.

Financial highlights

Delivering on growth:

- Underlying Group Revenue growth of 19.4%.
- Underlying EBITDA growth of 25.2%.
- EPS (before exceptional items-restated²) growth of 18.2%.

Operational highlights

- Total customers grew 6.9% to 118.2 million, with slowdown in Q4 due to new SIM registration requirements in Nigeria.
- Data usage per customer grew 44.2% to 2.6 GB.
- Mobile money transaction value grew 53.6% to \$46bn.
- ARPU grew 7.7% to \$2.8.

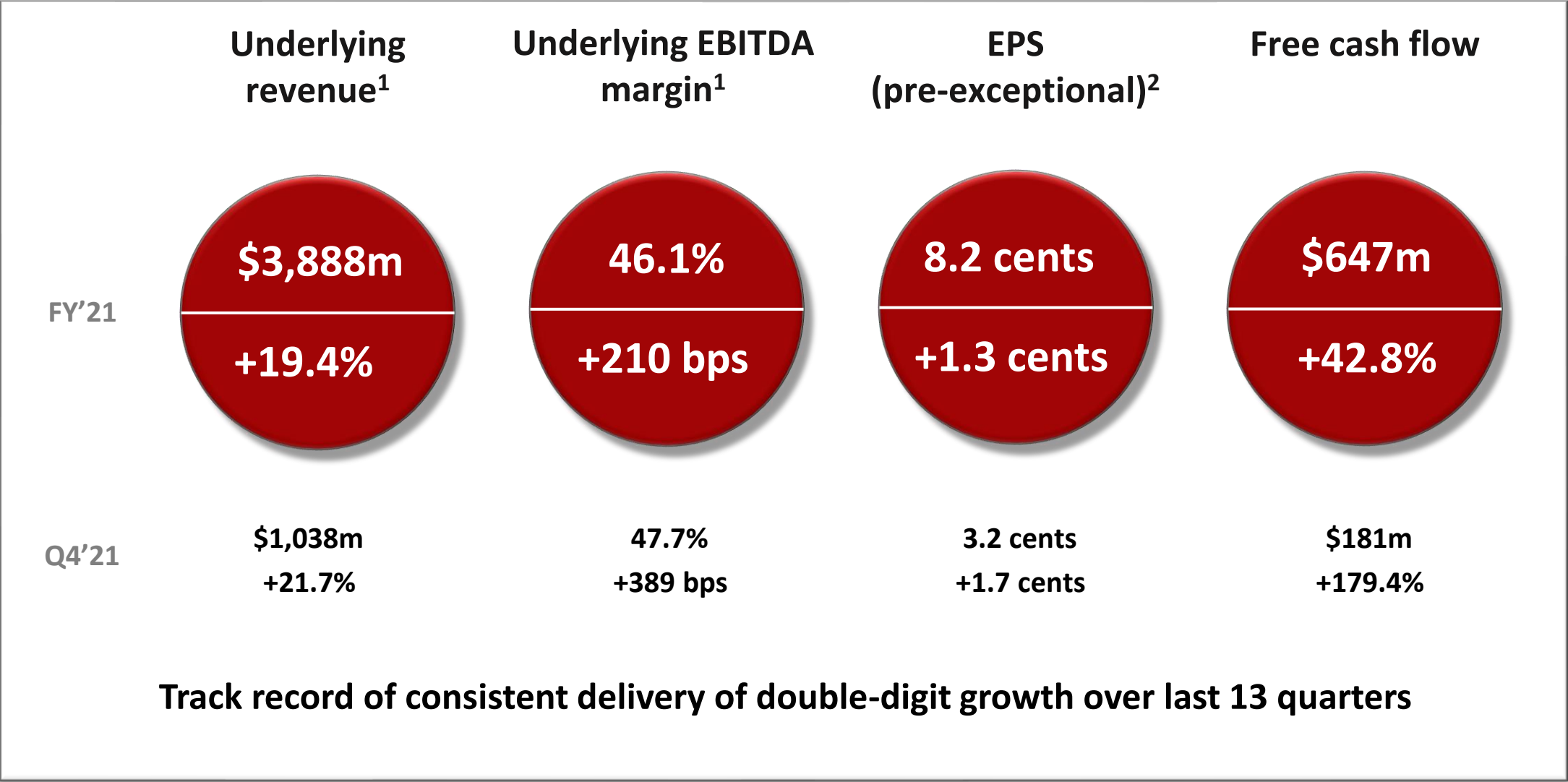
Note:

1. Growth rates are in constant currency
2. EPS has been restated to reflect the position if all the shares as of 31 March 2021 been issued on 1 April 2019, for a like-for-like comparison.
3. \$2.65bn enterprise value for AMC BV is on a cash and debt free basis, assuming contribution of all mobile money country operations into AMC BV.

Operational Performance



Financial highlights



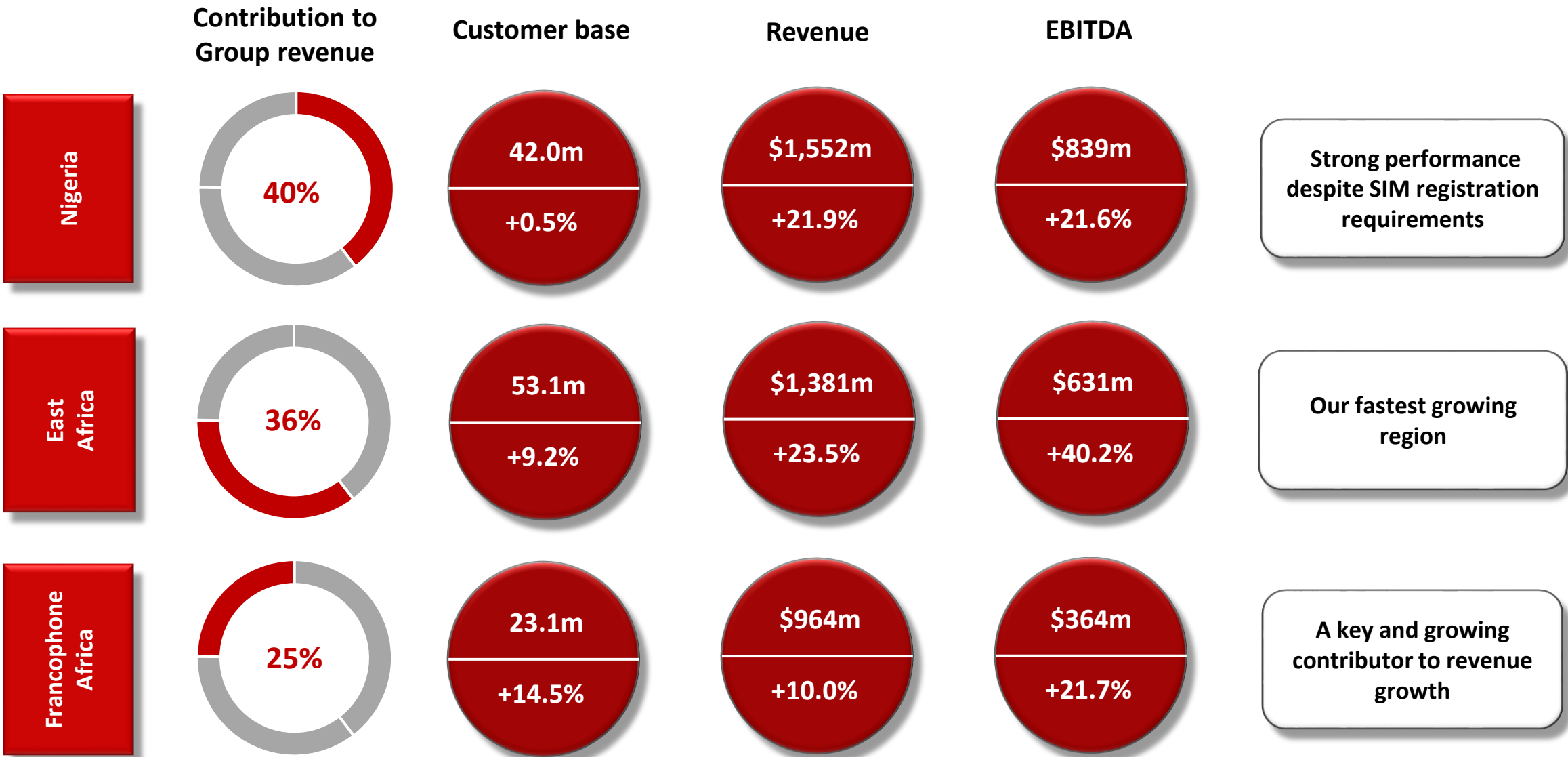
Notes:

- 1. Underlying revenue growth and EBITDA margin improvement are presented in constant currency. And underlying revenue and EBITDA excludes one-time exceptional revenue of \$20m relating to a settlement in Niger in the year ended 31 March 2021.
- 2. EPS has been restated to reflect the position if all the shares as of 31 March 2021 been issued on 1 April 2019, for a like-for-like comparison.

Delivering against our objectives

Mobile revenue	Mobile revenue growth of 17.6% both voice and data growing across the segments	
Mobile money revenue	Mobile money revenue growth of 35.5%	
Underlying EBITDA	Underlying EBITDA margin increased by 210 bps to 46.1%	
Capex	Covid related logistical delays to some FY'21 capex. Outlook stable at \$650m – \$700m pa	
Leverage	Improved to 2.0x despite investment of \$247m renewing licences in Nigeria and Uganda, our two largest markets	
Dividend	The Board has recommended a final dividend of 2.5 cents in line with progressive dividend policy	

Strong results across our regions



Notes:

- 1. All financial growth rates are presented in constant currency
- 2. Revenue contribution in reported currency (contribution will not add to 100% due to inter-segment eliminations)

Covid-19: continuing to support economies and communities

- ✓ The Covid 19 pandemic has contributed to a rapid acceleration of already existing trends across the countries where we operate with people, businesses and governments seeking access to more and better connectivity and improved financial inclusion.
- ✓ Telecoms and mobile money have proven to be even more essential and critical during this period.
- ✓ A huge thank you to our employees, business partners, governments and regulators for their efforts and support to ensure our network remains fully operational and that customers can access our services, and we continue to support the economies of these countries and the communities we serve. This has included free data, waiving fees on certain mobile money transactions and free access to educational websites for students.
- ✓ Early and swift actions coupled with a continent which benefits from low population density, less frequent travel, and experience in dealing with contagious diseases resulted in lower infection rates in sub-Saharan Africa. While the spread of the virus generally eased across our footprint through the course of the year, more recently we have seen new and more intensive waves. Thus far, this has had no adverse impact on our business, but we are constantly monitoring the situation.
- ✓ We continue to focus on ensuring the safety of our employees, outsourced partners and customers; ensuring that our network and distribution channels remain fully operational and available; ensuring that customers have access to financial services, and ensuring that at Group level we are in the right financial position to meet our financial obligations at all times.

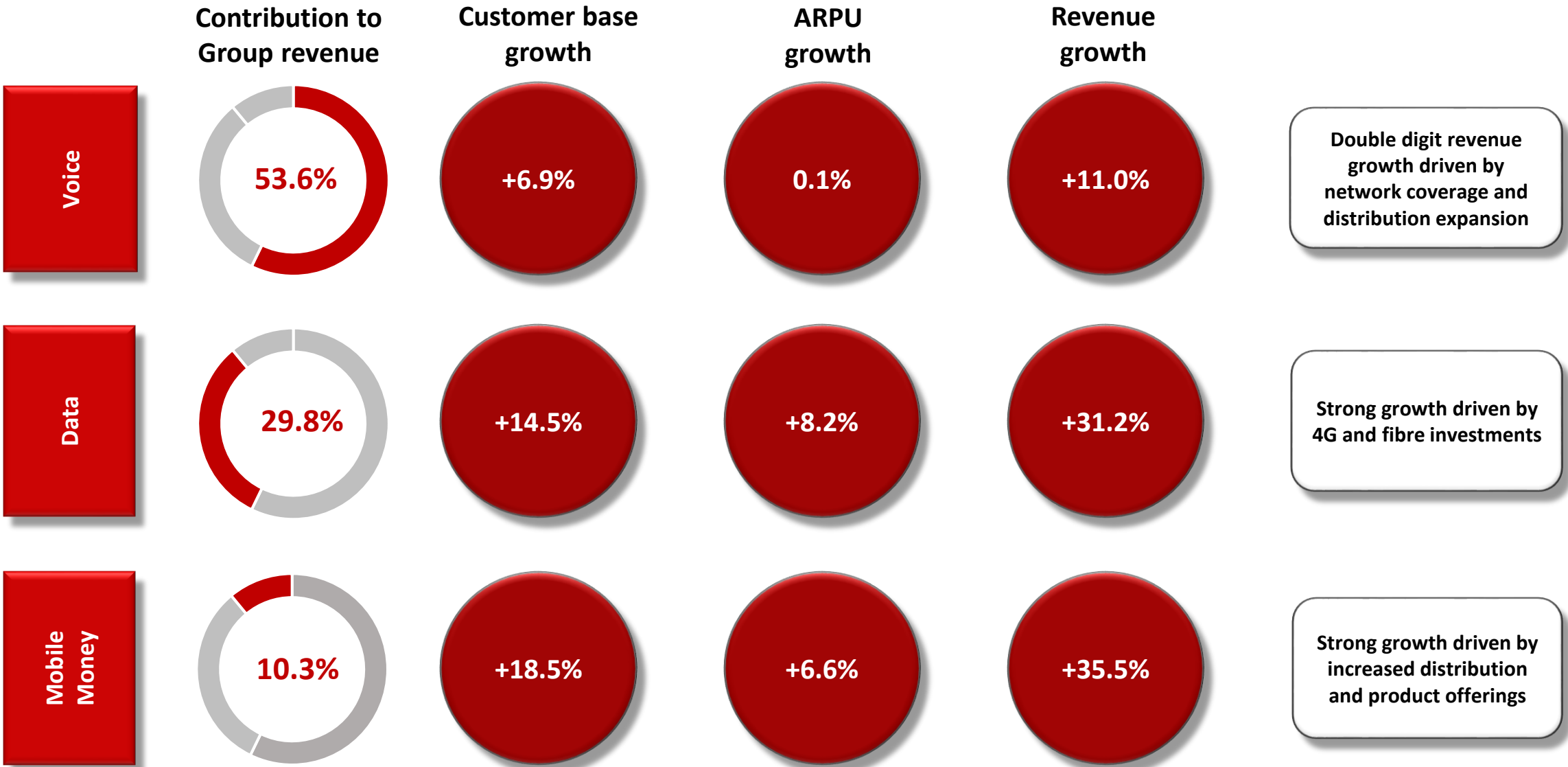
Strategic Update



Delivering against our growth strategy in 2021



Delivering growth across voice, data and mobile money



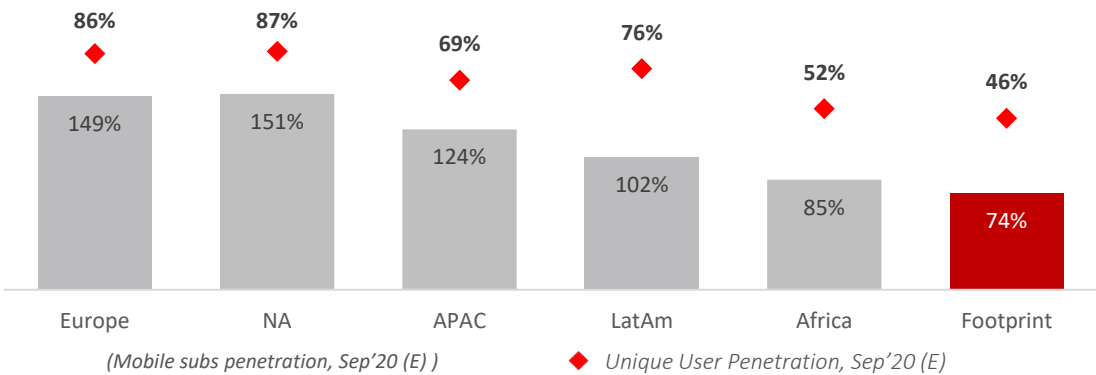
Notes:

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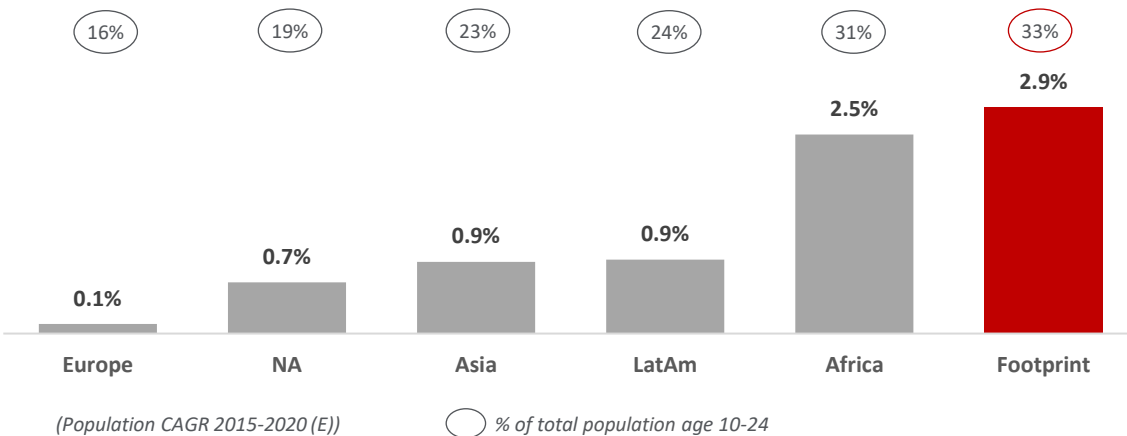
Voice: an opportunity we know how to capture

Voice – market opportunity

Low mobile penetration



Growing population, high youth share



Voice – how we capture it

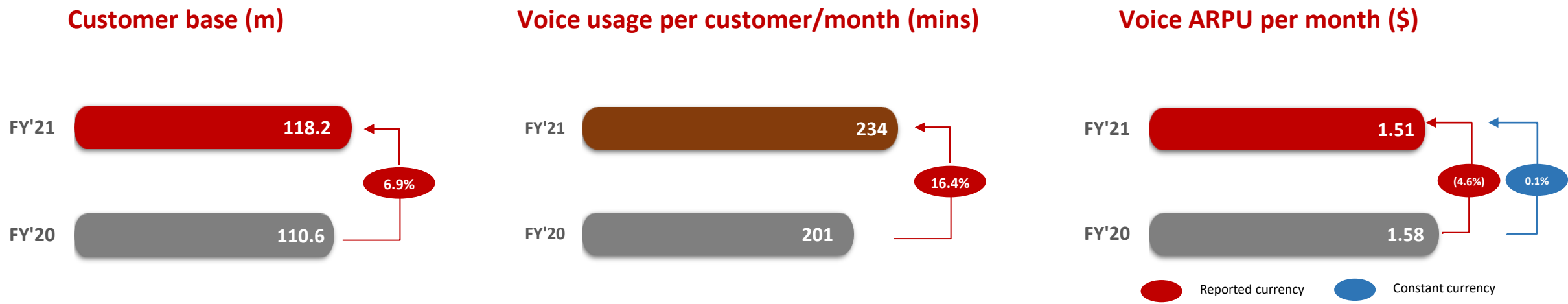
Expand network for greater population coverage with focus on rural areas

Expand depth and breadth of distribution network with focus on rural areas

Enhance customer experience and improve self-care capabilities (e.g. apps, e-recharge)

Simple and transparent product offerings

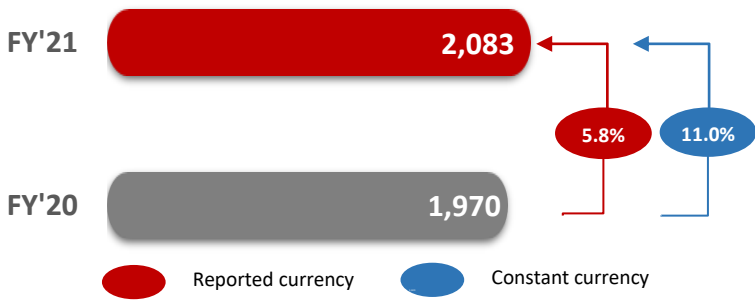
Voice: network and distribution expansion drive double digit growth



Network population coverage increased by 2.1%, reaching 76.1%. Expanded distribution via mix of exclusive and multi-brand outlets.

- Additional **15,000+** kiosks and mini-shops taking total to **37,800+**
- Airtel money branches almost doubled to **10,000+**
- More than **200,000+** activating outlets

Voice Revenue (\$m)

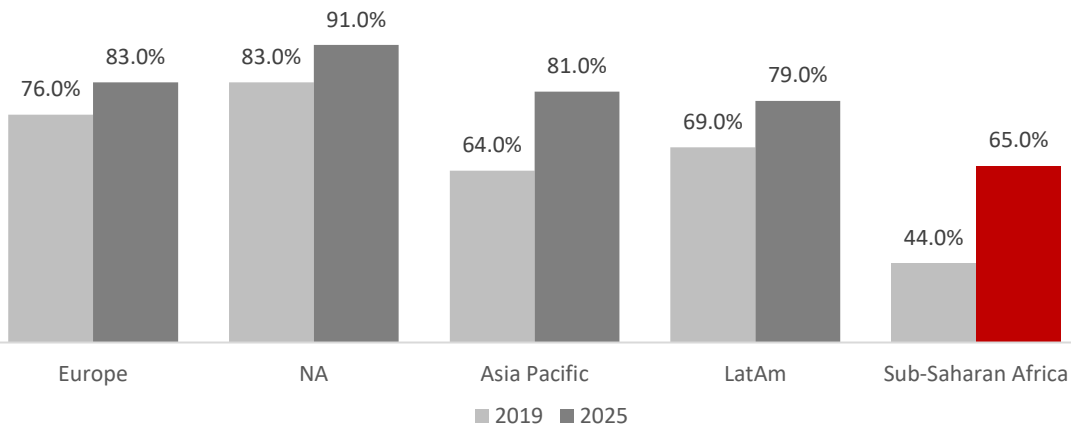


Note: Growth rates are in constant currency unless otherwise stated

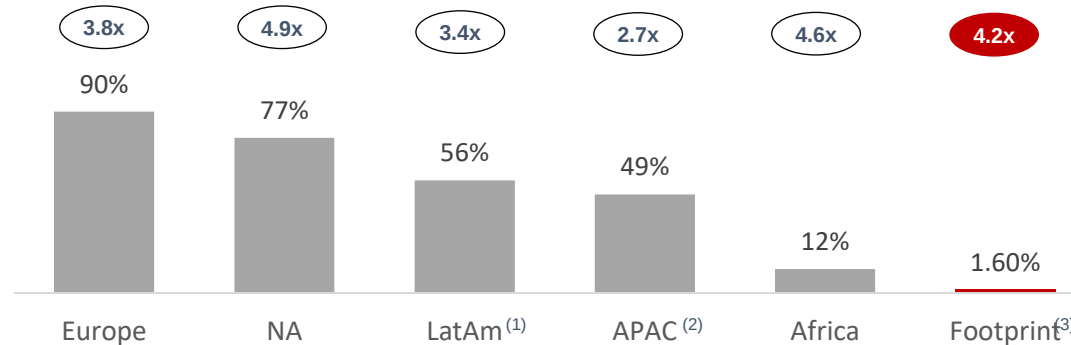
Data: our footprint has lowest smartphone penetration in the world

Data – market opportunity

Smartphone penetration



Fixed home broadband penetration



Fixed home broadband penetration 2020E, %

○ 2024 mobile data traffic vs. 2020

Notes:

1. Footprint: Airtel Africa's 14 countries of operation.
2. Smartphone penetration reflects 2018 data for Sub-Saharan Africa, and 2019 for all other regions, as per GSMA global report.

Data – how we capture it

Continue to invest in modernising network:
4G and fibre

Simple and transparent offerings

Increasing smartphone penetration

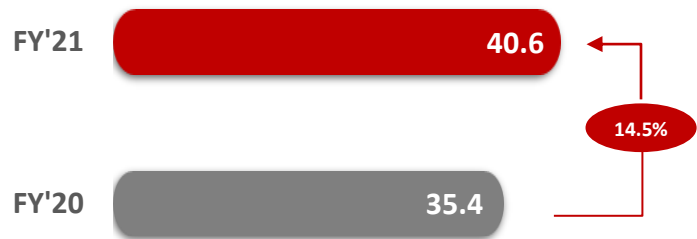
Building a strong data brand

Develop wireless home broadband business

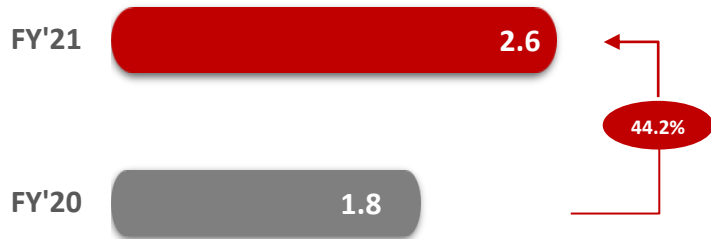
Develop enterprise business

Data: strong growth driven by 4G and fibre investments

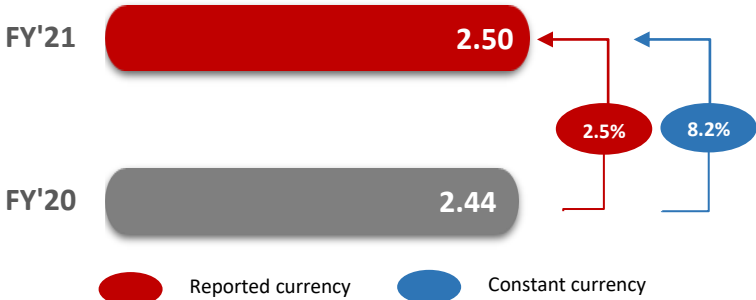
Customer base (m)



Data usage per customer/month (GB)



Data ARPU per month (\$)



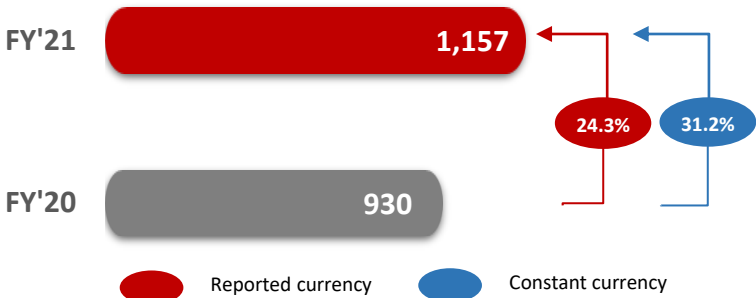
Customer base growth driven by network leadership:

- Modernised network: **89%** of sites on single RAN
- Additional Fibre: **11,500+ Km** (total **54,500+ Km**)
- **59.4%** increase in data capacity (**12k+ TB per day**)
- **76.5%** of sites now on 4G
- Deployed **>2,400+** additional sites

Data usage and ARPU driven by:

- **Simplified pricing and reduced PAYG rates**
- **4G driving data ARPU growth (4G ARPU - \$5.1)**
- **7.4ppt** Increase in 4G customer penetration (**36.4% of our data customers are on 4G**)
- **Wireless home broadband** products launched

Data revenue (\$m)

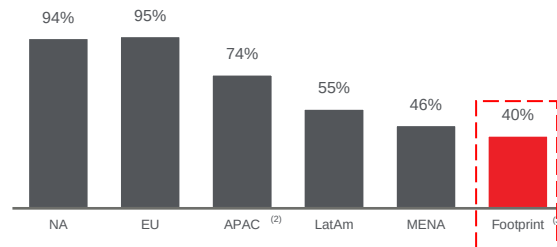


Mobile money: huge opportunity to bank the unbanked

Mobile money – market opportunity

Traditional Banking Penetration

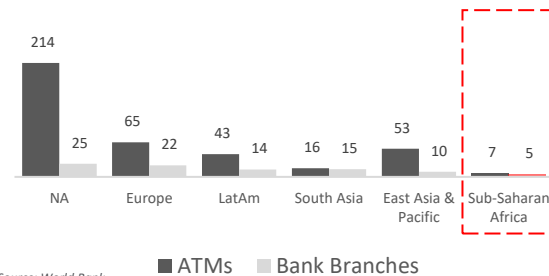
(% of adult population with an account – 2017)



Source: World Bank

Commercial Bank Branches / ATMs Presence

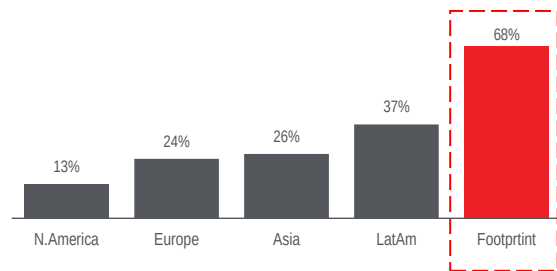
(# ~ per 100k adults 2019)



Source: World Bank

High Cash Dependence⁽¹⁾

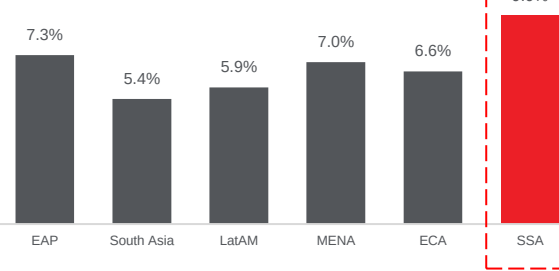
(Value of retail transactions paid in cash)



Source: Euromonitor Passport

Cost of Remittance

(% cost of remitting \$200 as at - Q3-18)



Source: World Bank Migration and Remittances, 2018

Mobile money – how we capture it

Expansion of distribution infrastructure

Assured float availability

Currency of choice (payments)

Additional services

Merchant payments; bulk transfers;
Top ups/recharges; bank to wallet/wallet to bank;
international money transfers;
micro loans and savings

Mobile money: addressing basic requirements for financial inclusion...

CORE requirements



Safety



Assured availability float and cash



Ease and convenience



Trust that it works

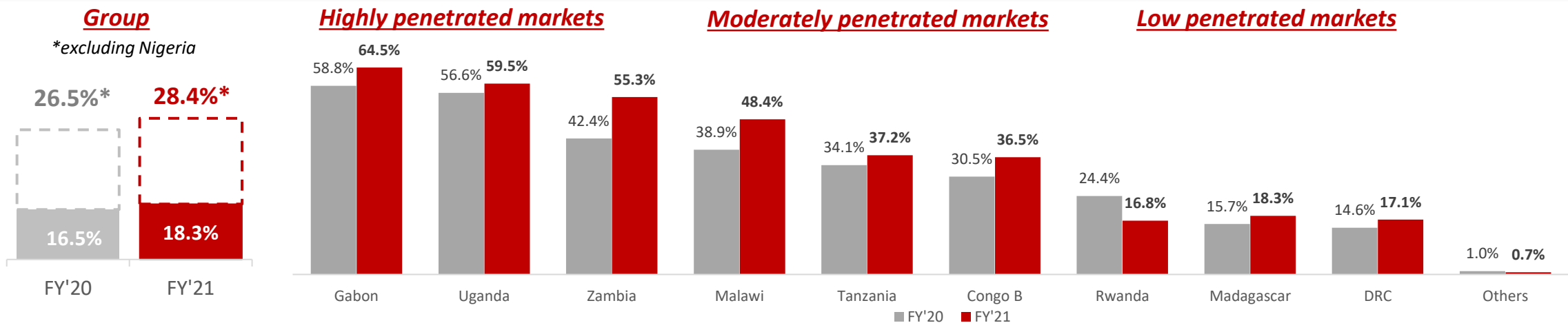


Deposit and withdrawals



Money transfers

Bringing banking to the unbanked – improving subscriber penetration



...and additional financial services, otherwise unavailable to many

A broad suite of financial services across Africa



Bill /merchant payments



Bank to wallet & wallet to bank



Bulk transfers (government to public (G2P) and business to customers (B2C))



International money transfer



Top-up / recharge



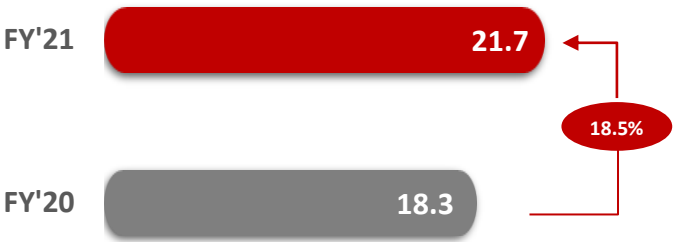
Micro loans and savings

Delivered through our growing partnership ecosystem

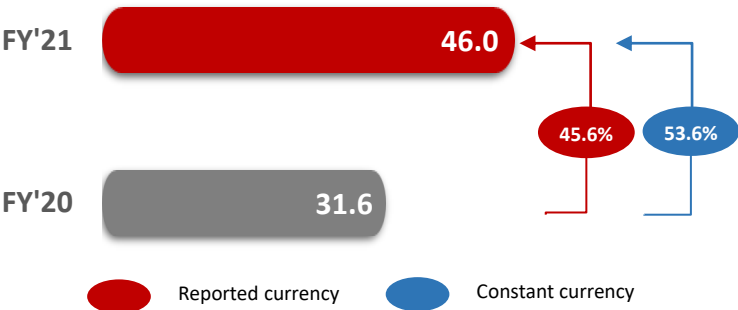


Mobile money: our fastest growing business

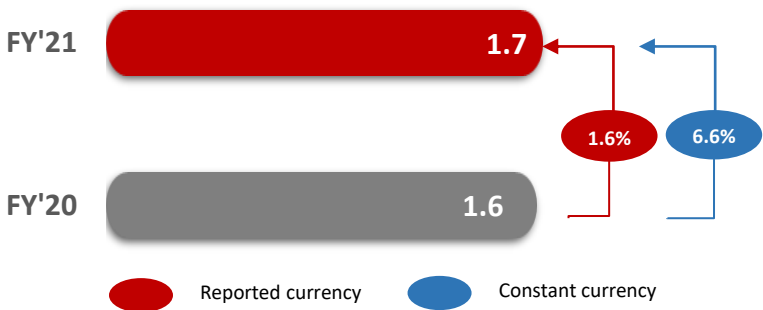
Mobile money customer base (m)



Total transaction value (\$bn)



Mobile money ARPU per month (\$)



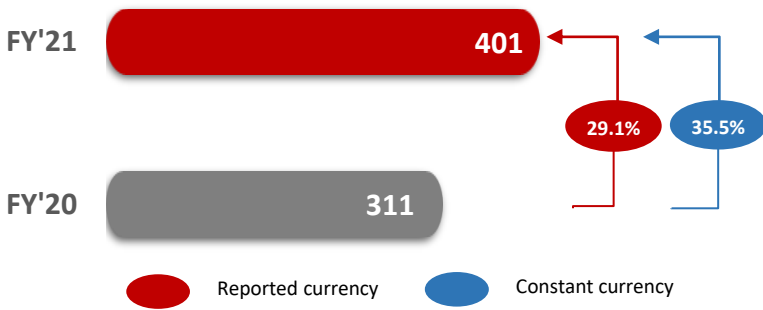
Customer base growth driven by distribution expansion

- **15,000+** kiosks and mini-shops, taking total to **37,800+**
- AMBs almost doubled to **10,000+**
- **100,000+** new agents, taking total to **440k+**

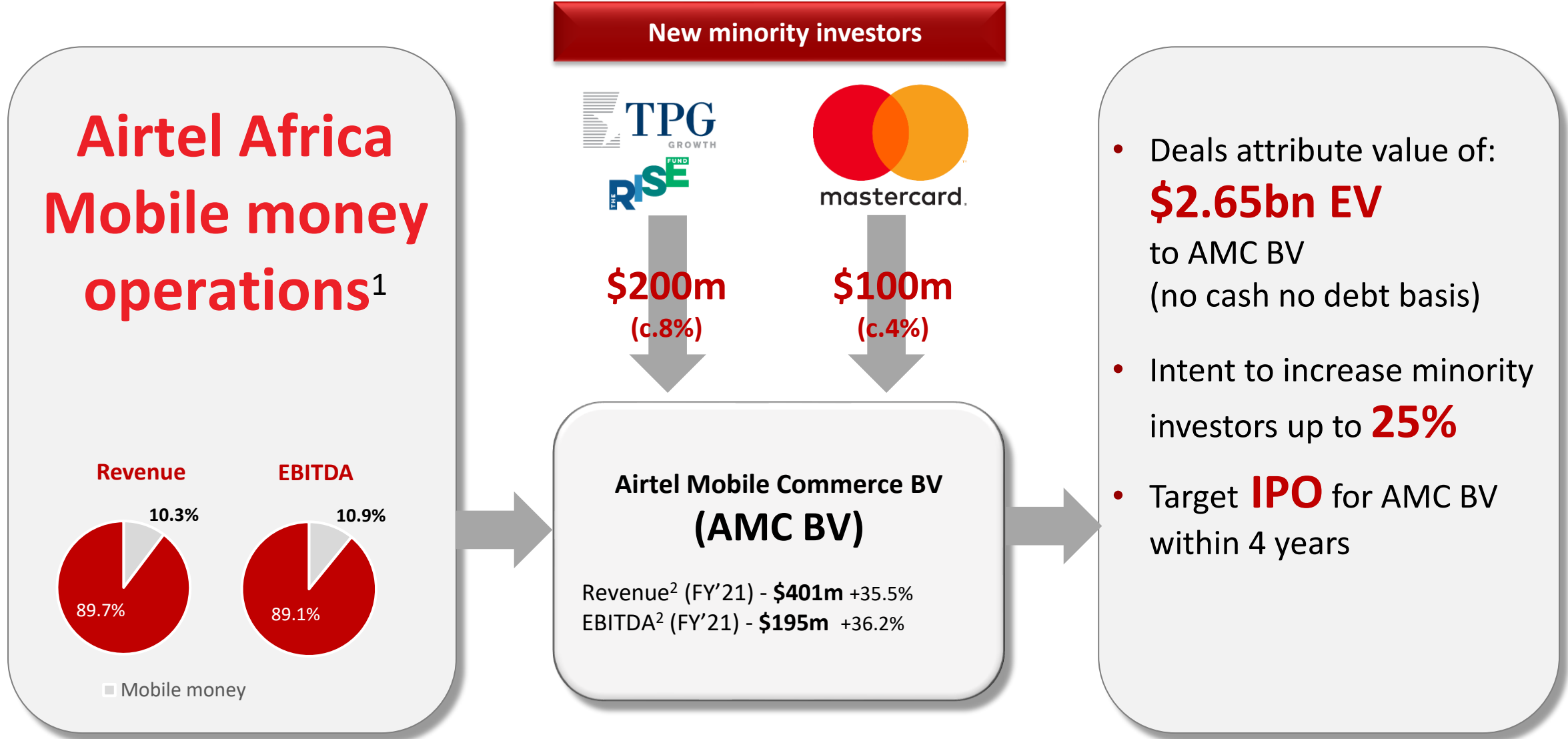
ARPU growth driven by:

- Increase in transaction value per customer due to higher float availability.
- Driving digital payments through Airtel Money leading to high person to person transfers, recharges through Airtel Money and bill/merchant payments.

Mobile money revenue (\$m)



Mobile money: unlocking value



Notes: Growth rates are in constant currency

1. Airtel Africa provide mobile money services directly in 13 countries. In Nigeria, mobile money services are offered by a licensed bank using Airtel Nigeria network. Airtel Nigeria has submitted an application for a payment service bank license.

2. Revenue and EBITDA are proforma numbers to reflect the situation had all mobile money operations been a part of AMC BV for FY'21

Strong progress on strategic initiatives

Executed opportunities

Tower deals

- Madagascar & Malawi
 - Agreement to sell 1,229 towers for \$108m
 - +195 sites build-to-suit arrangements for \$11m
- Chad & Gabon
 - c.1,000 towers under exclusive MoU

Mobile money deals

- AMC BV to hold mobile money operations
- \$300m to be invested in AMC BV, at \$2.65bn EV
- Total potential for up to 25% minority investments
- Exploring potential for an IPO < 4 years
- Strengthened partnership with Mastercard

Future opportunities

Monetise Fibre infrastructure

- Long distance capacity sales
- Potential for minority investments in fibre business

Monetise Tower assets

- Tanzania
 - c.1400 towers to be monetised

Data centres

- Data centre services
- Potential for minority investments in data centre business

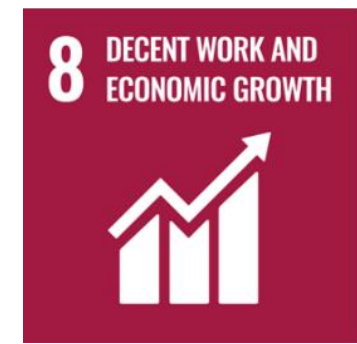
Our ESG journey: four pillar sustainability framework

	OUR BUSINESS	OUR PEOPLE	OUR COMMUNITY	OUR ENVIRONMENT
OUR ROLE	○ Promote digital and financial inclusion, via ○ Network expansion ○ Service reliability	○ Be an employer of choice with a diverse and inclusive work environment. ○ Enhance overall wellbeing for our people	○ Improve financial inclusion ○ Improve access to education & healthcare	○ Limit our environmental impact ○ Address environmental risks of our business
FOCUS AREAS	○ Data security systems ○ Expansion of networks and services ○ Governance structures ○ Regulatory compliance ○ Supplier management	○ Diversity and inclusion ○ Labour standards ○ Development and training ○ Health and safety management system	○ Rural network expansion ○ Free internet to schools and libraries ○ Support for charities & aid agencies	○ GHG emissions reduction ○ Waste reduction ○ Recycling across all operations

Our ESG journey: Six SDGs where we can make the biggest difference

Alignment to United Nations Sustainable Development Goals (SDGs):

- We aim to make a genuine, meaningful and measurable contribution to the UN SDGs
- We have identified **six** goals where we believe we will have the greatest impact
- Our SDG goals are aligned with our sustainability framework



Our People: continued focus on talent, capability and technology

A big thank you to all our employees, who have risen way beyond the call of duty to serve our customers, our communities and our nations.

Our people agenda has included:

- Launching our employee assistance programme: providing free consultation to wellbeing and healthcare professionals across all our markets.
- Keeping our people connected and engaged: facilitated through a series of town halls, upward feedback sessions, the annual strategic and award conclave, employee engagement surveys and one-on-ones with senior management.
- Enriching our functional expertise and on the ground training: Through a combination of our digital learning platforms and personal training, These further enhanced productivity and performance.
- Others: including onboarding top talent with reduced time to hire for key roles; making significant progress on Airtel Money people structures; and scaling up our digital capability through Airtel Africa Digital Labs.

Diversity

- **26%** of our employees are women
- **34** different nationalities employed

Learning and development

- **Focused** on enhancing functional expertise including Network, Commercial and S&D.
- **200,000+** total learning hours.

Employee engagement

- **87%** response rate
- **79%** engagement score

Financial Performance



A strong set of financial results

Underlying Revenue ¹

\$3,888m

+19.4% YoY

Underlying EBITDA ¹

\$1,792m

+25.2% YoY

Underlying EBITDA margin

46.1%

+210 bps YoY

Leverage ²

2.0x

(vs 2.1x FY'20)

FCF ³

\$647m

+42.8% YoY

EPS (before exceptional items) ⁴

8.2 cents

(vs 6.9 cents FY'20)

Board recommended final dividend of 2.5 cents per share

Notes: Growth rates and EBITDA margin expansion are in constant currency, unless otherwise stated;

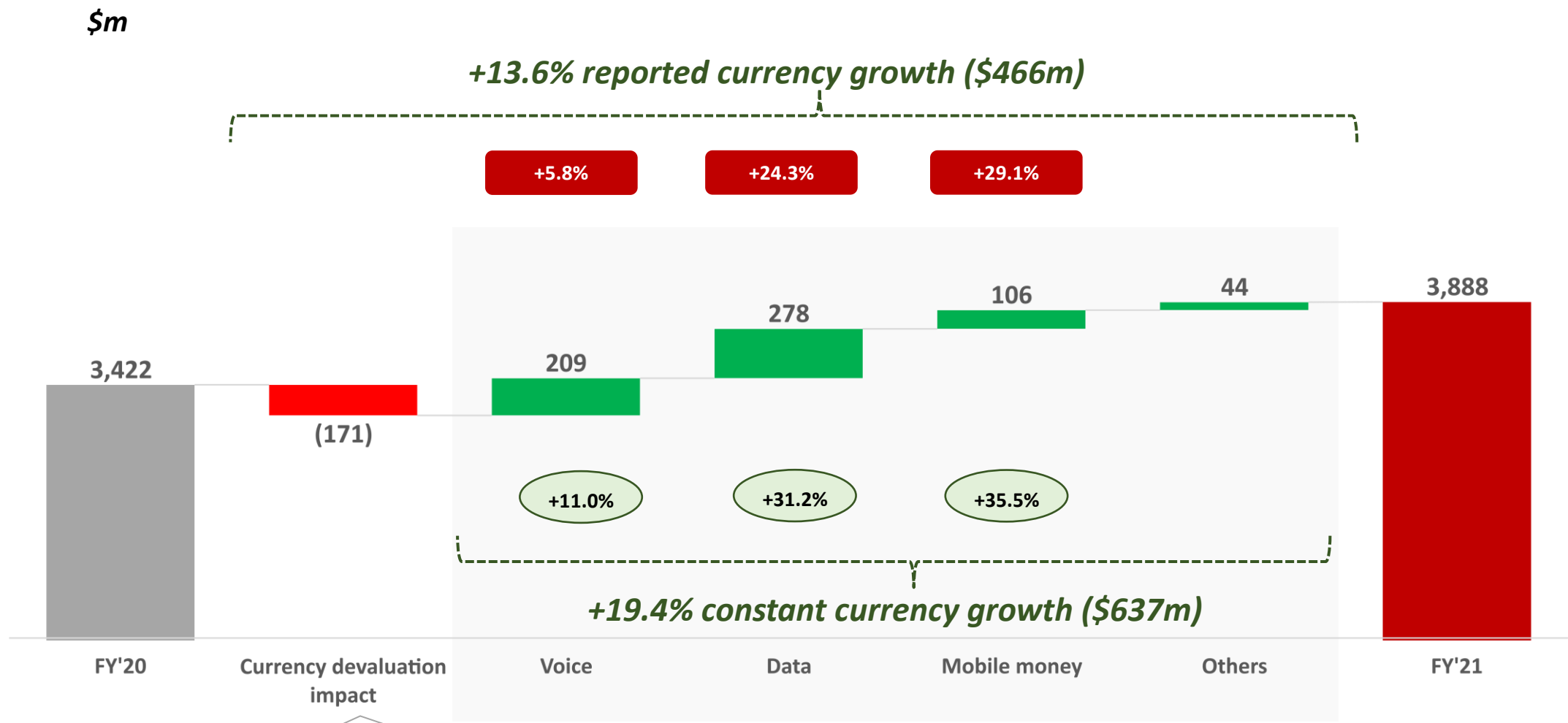
1. Revenue and EBITDA excludes one-time exceptional revenue of \$20m relating to a settlement in Niger in the year ended 31 March 2021.

2. Calculated as gross debt (including lease liabilities) less cash & cash equivalent / last 12 months EBITDA;

3. Calculated as EBITDA less capex invested less cash interest less income tax paid less changes in operating working capital; reported currency growth

4. Excluding one-time derivative gain of \$47m, restated EPS grew 44.5%

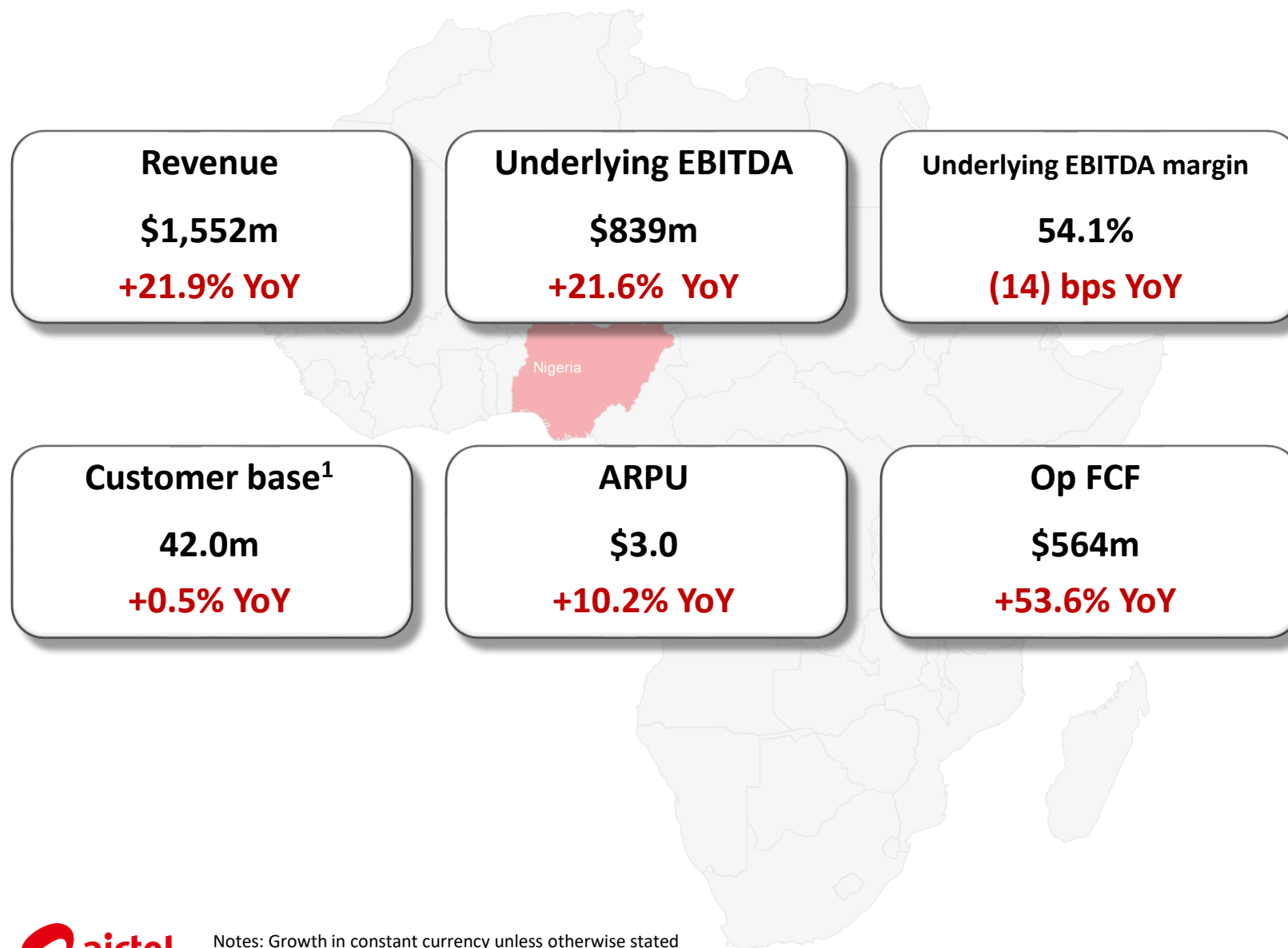
Double digit revenue growth across voice, data and mobile money



On a 12 months basis, we estimate that 1% of Nigerian naira devaluation will have a negative \$14m impact on revenues, \$8m on underlying EBITDA and \$6m on finance costs.

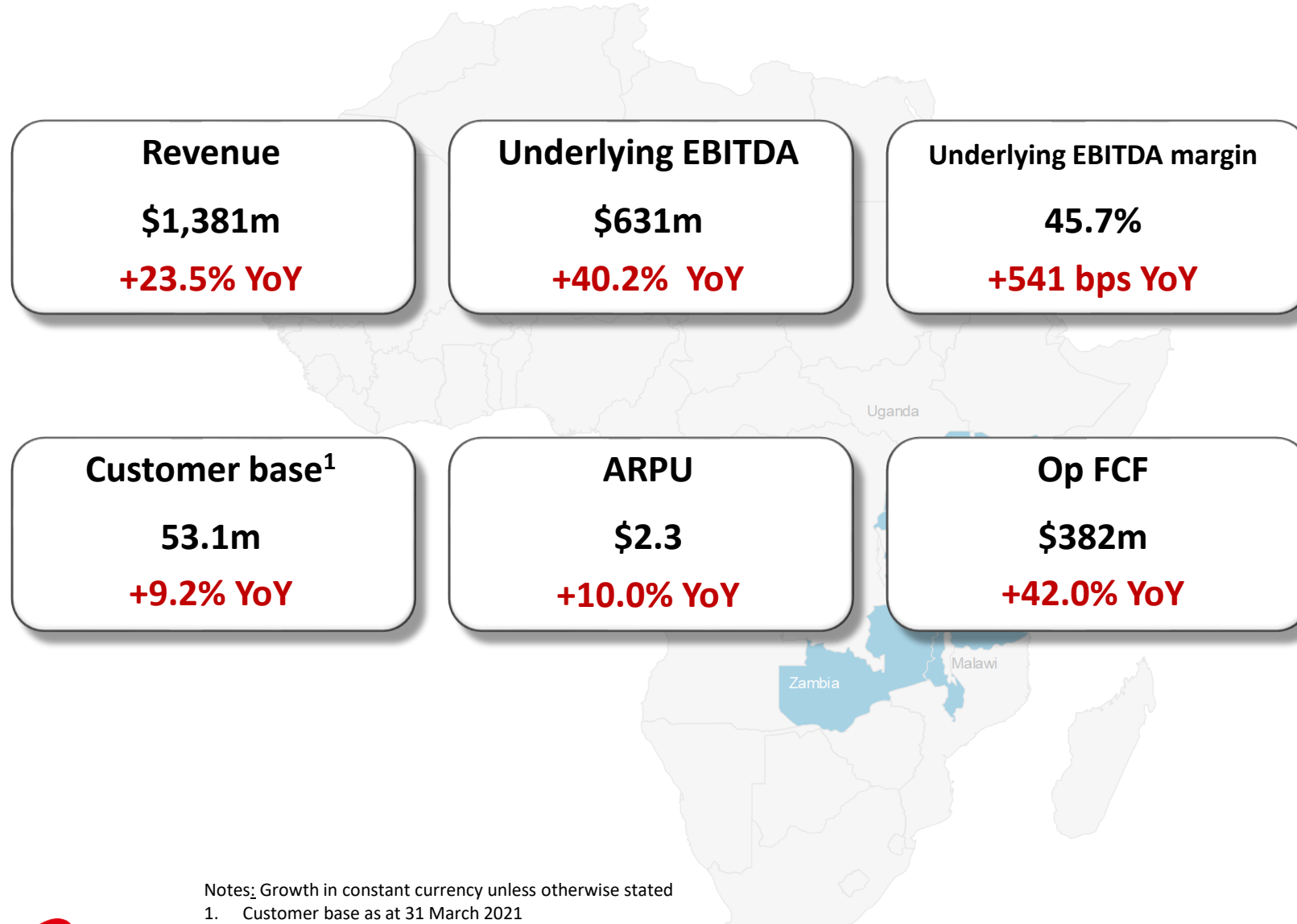
Note: Other includes messaging, VAS, enterprise, site sharing, handset sale and intra-segment eliminations.

Nigeria: Strong performance despite SIM registration restrictions



- **Revenue grew 21.9%** driven by both voice and data (reported currency revenue growth of 13.1%)
- **Voice revenue grew 13.9%** from both customer growth and growth of usage per customer
- **Data revenue grew 36.2%** due largely to expansion of 4G network (84% sites now 4G)
- **Underlying EBITDA margin of 54.1%**, roughly flat compared with FY'20
- **ARPU grew by 10.2%**, supported by both voice and data
- **Operating free cash flow up 53.6%**, driven by underlying EBITDA growth and capex reduction
- **Performance solid in Q4'21** with 12.0% revenue growth in reported currency while constant currency growth was 22.9%, driven largely by data, but also by voice growth
- **23.2m customer NINs now registered.** Customer additions now allowed in approved outlets.

East Africa: our fastest growing region



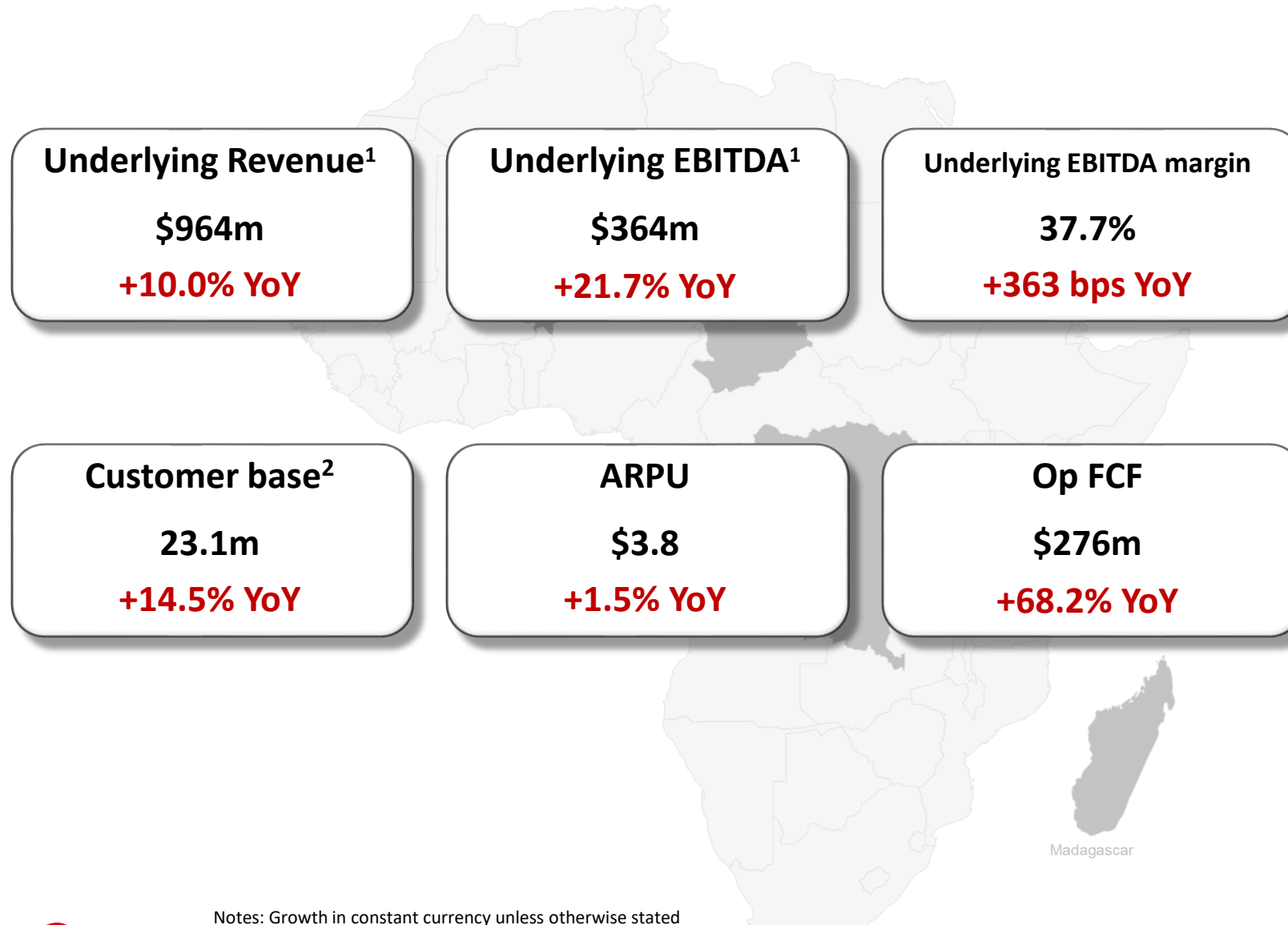
- **Revenue grew 23.5%** driven by customer growth and ARPU growth (reported currency revenue growth of 15.0%)
- **Voice revenue grew 15.4%²** driven by growth of customer base and usage per customer
- **Data revenue grew 23.9%²** due to expansion of our 4G network and smart product offerings
- **Mobile Money revenue grew 47.2%** driven by increase in customer base and transaction value per customer
- **Underlying EBITDA margin increased by 541bps** through revenue growth and cost efficiencies
- **Operating free cash flow up 42.0%** in line with EBITDA growth
- **Strong performance in Q4'21** with 15.4% revenue growth in reported currency and 23.9% growth in constant currency driven by mobile money, data and voice

Notes: Growth in constant currency unless otherwise stated

1. Customer base as at 31 March 2021

2. During the period "Pay as you Go tariffs" in certain markets were updated resulting in revenue reallocation of bundle products of voice and data in such tariffs. On a like for like basis voice and data revenue growth was 11% and 32.6% respectively.

Francophone Africa: key contributor to revenue growth, +20.9% in Q4

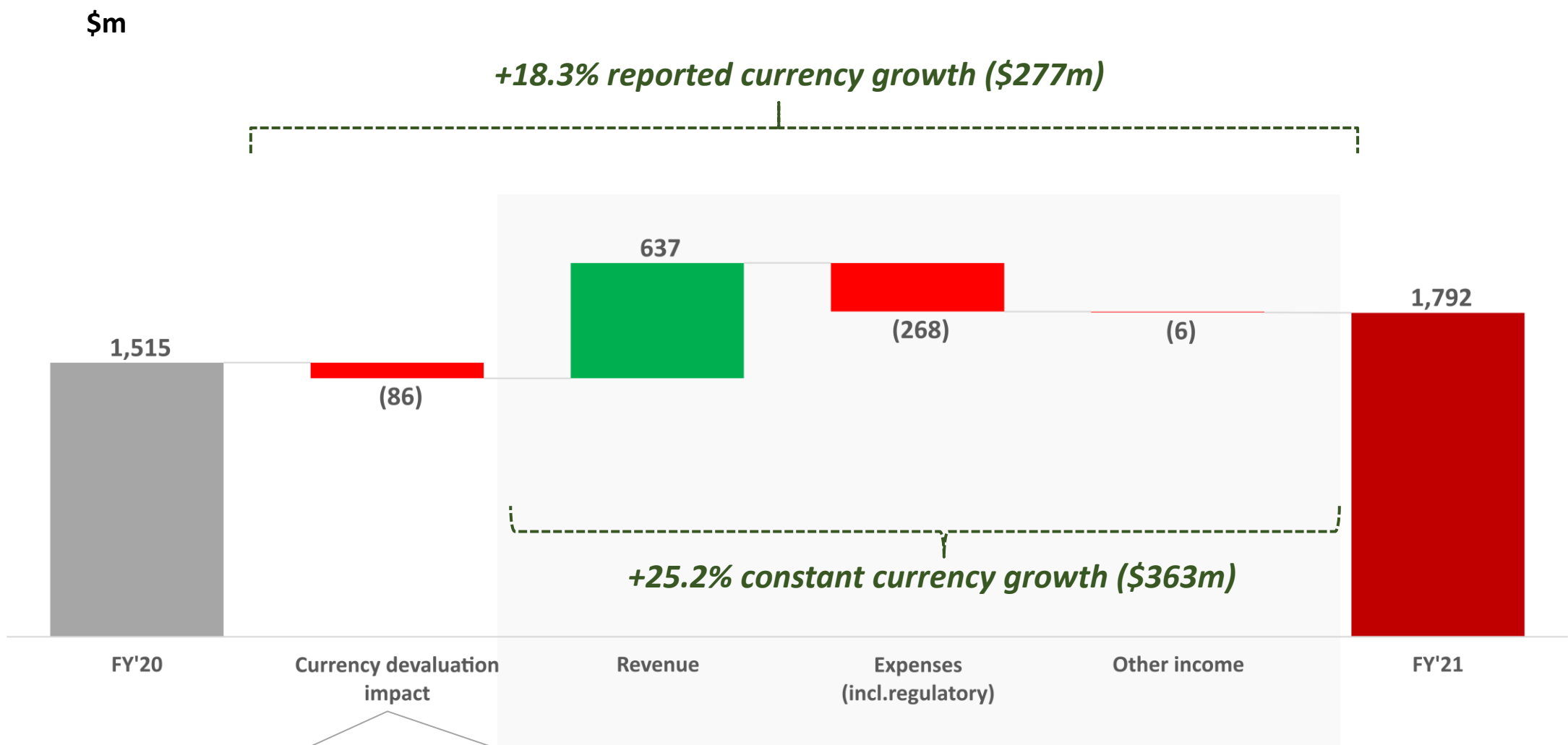


- **Underlying Revenue** grew **10.0%** supported by customer base growth and ARPU growth (reported currency underlying revenue growth of 12.3%)
- **Voice revenue** grew **0.5%** in FY'21, while **Q4'21** growth accelerated to 7.3% in constant currency and **12.4%** in reported currency driven by customer base growth
- **Data revenue** grew **31.9%** driven by higher data usage and expansion of 4G network (**Q4'21** reported growth of 38.6%)
- **Mobile money revenue** grew **15.0%** with strong growth in DRC (**Q4'21** reported growth of 24.1%)
- **Underlying EBITDA margin** was **37.7%**, up 363 bps versus FY'20
- **Operating free cash flow** increased **68.2%** due to underlying EBITDA growth and lower capex
- **Performance improved further in Q4'21** with **20.9% revenue growth** in reported currency while constant currency growth was 15.9%, driven by voice, data and mobile money

Notes: Growth in constant currency unless otherwise stated

1. Underlying revenue and EBITDA excludes a one-time exceptional revenue of \$20m relating to a settlement in Niger in the year ended 31 March 2021.
2. Customer base as at 31 March 2021

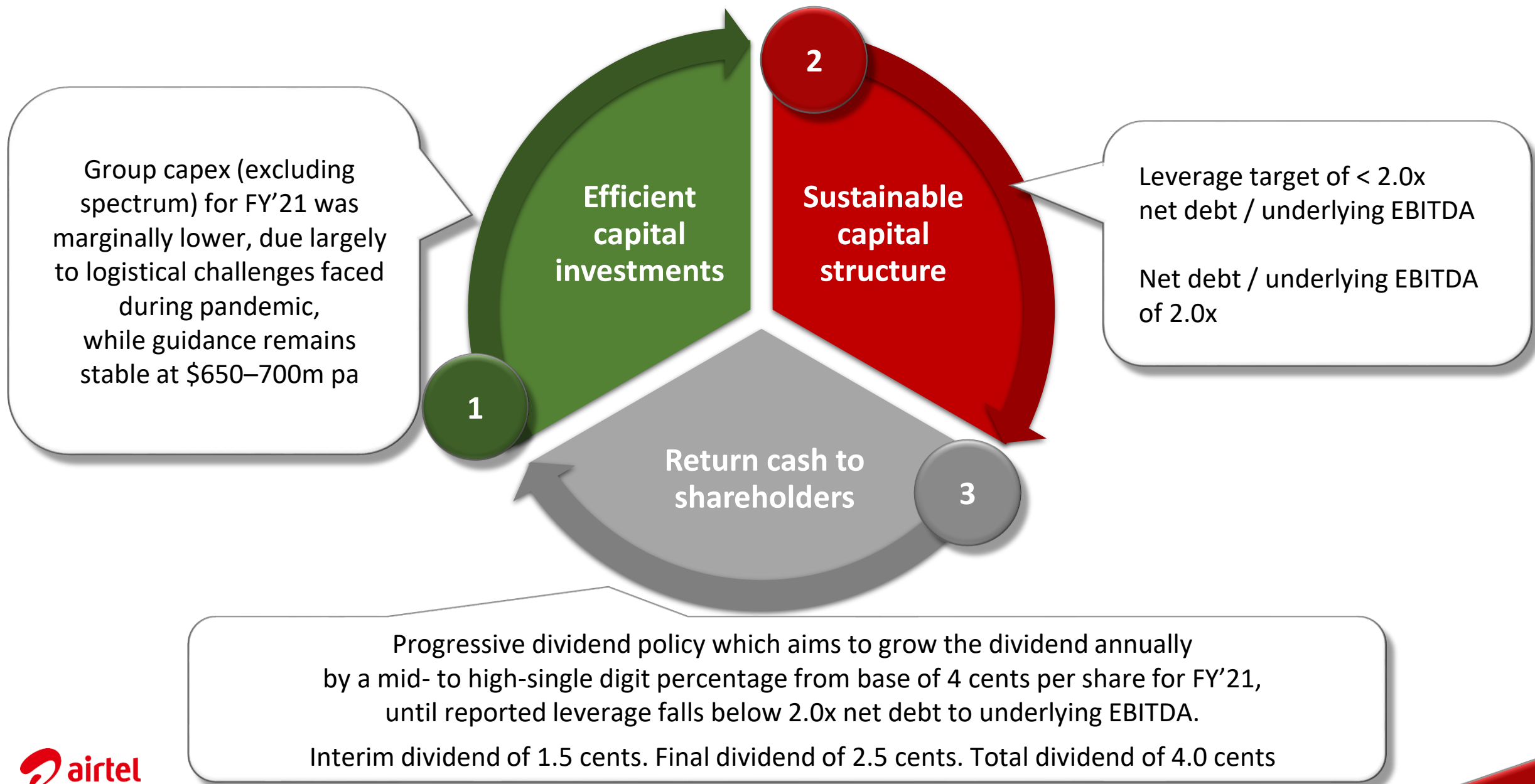
Underlying EBITDA growth of 25.2%, with margin expansion to 46.1%



On a 12 months basis, we estimate that 1% of Nigerian naira devaluation will have a negative \$14m impact on revenues, \$8m on underlying EBITDA and \$6m on finance costs.

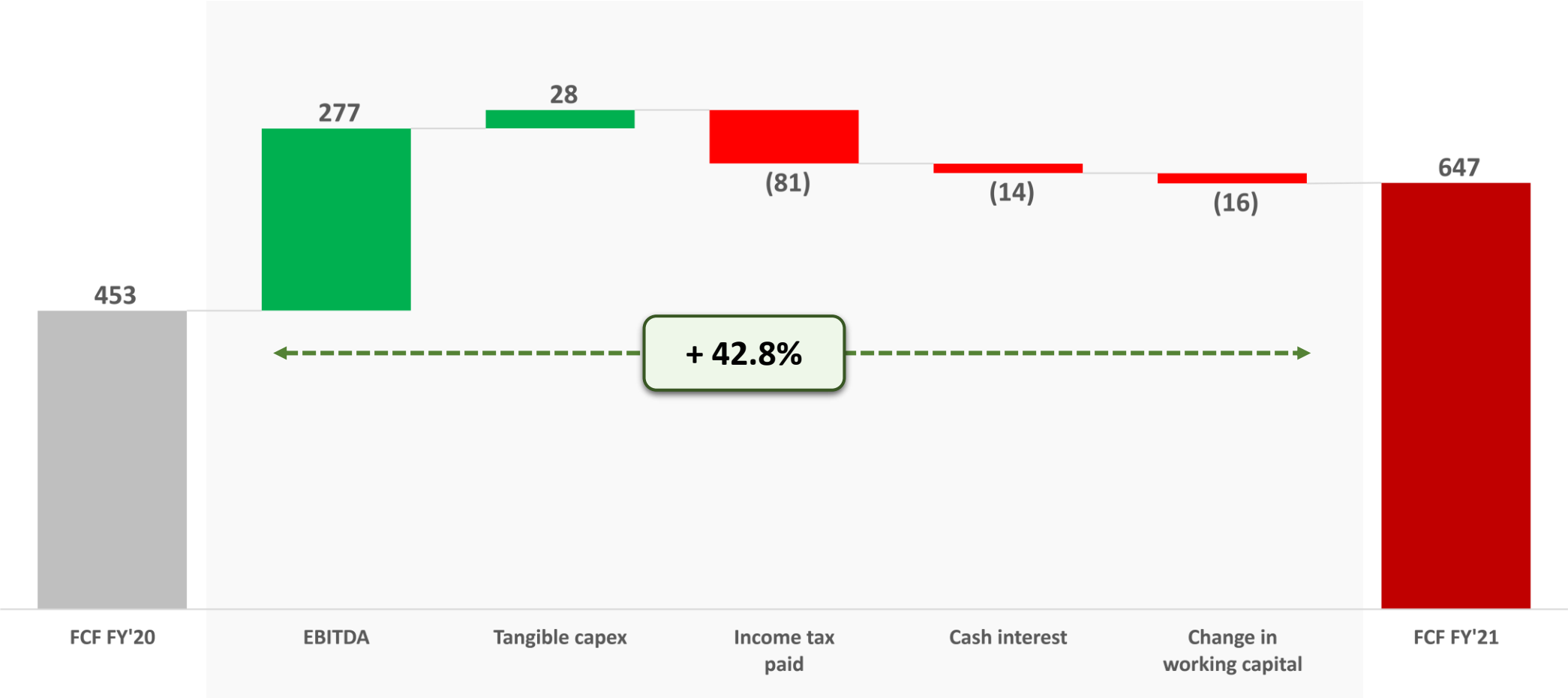
Note: Expenses includes interconnect costs, airtel money commissions, regulatory charges and handset costs

Our transparent and balanced capital allocation policy



Strong free cash flow generation of \$647m

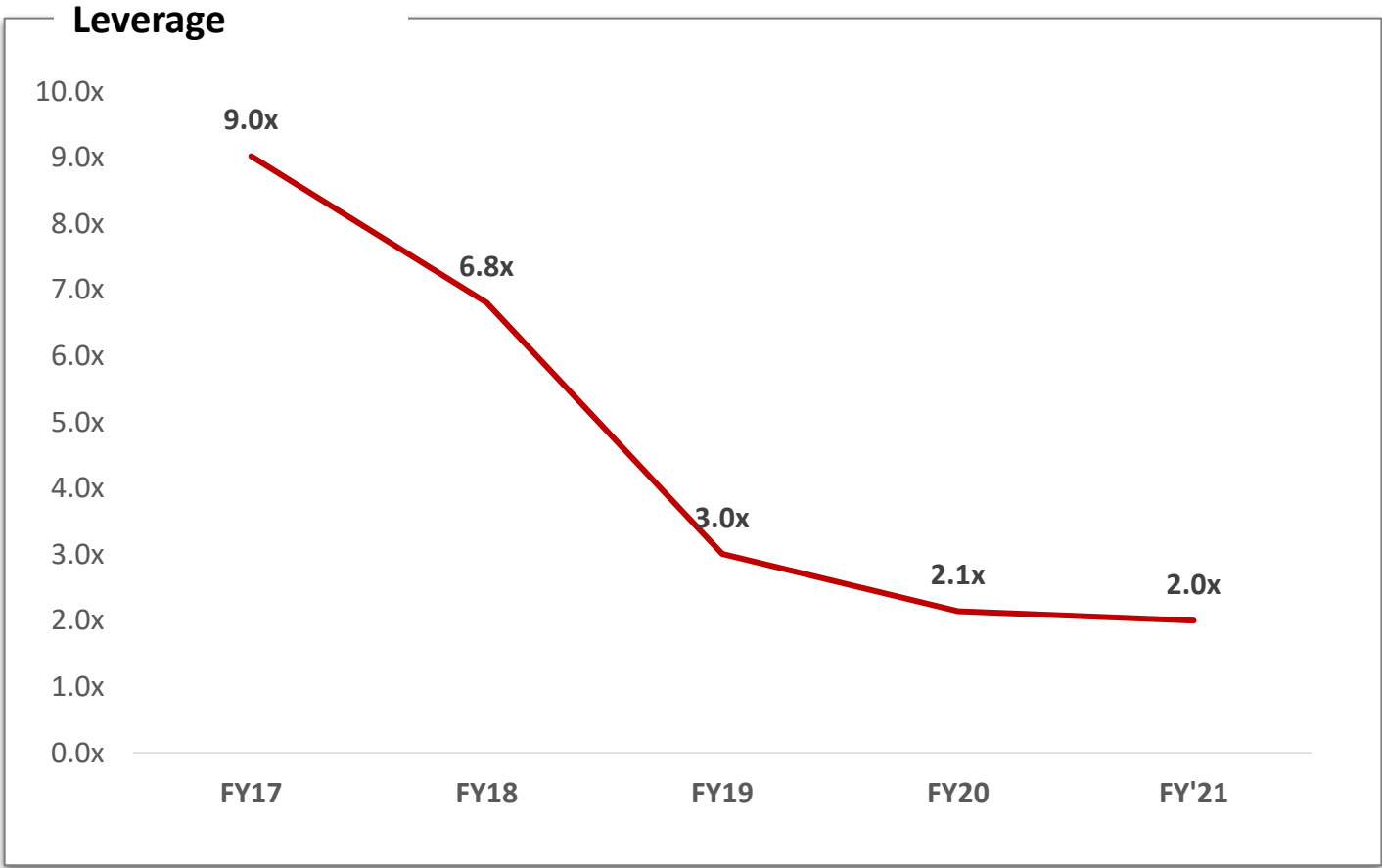
\$m



Note:

1. Airtel Africa definition of FCF does not include, among others,: leases (principal payments), intangible capex, dividends, effects of significant acquisitions, disposals, effects of extraordinary events, etc.

Leverage ratio continued to improve despite licence renewals in two largest markets



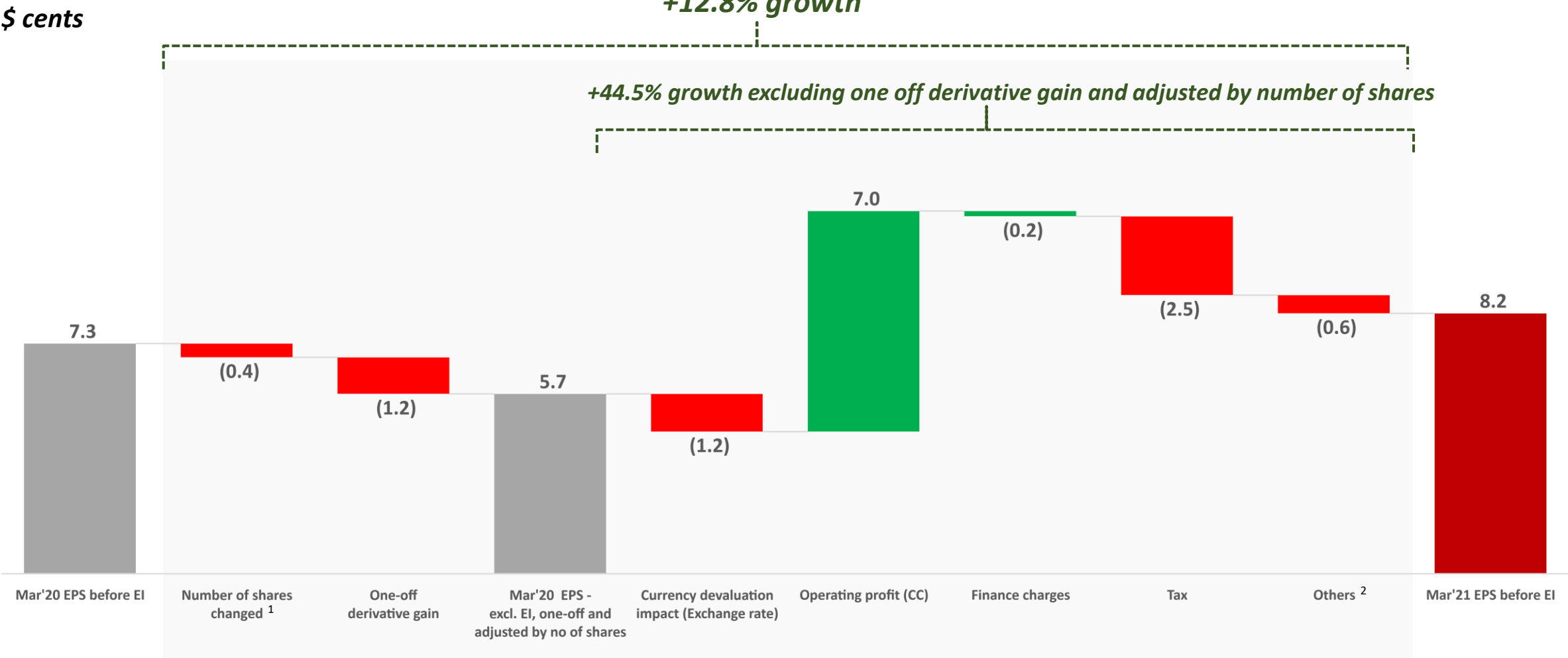
Leverage	As of March 31, 2021		As of March 31, 2020	
	\$m	xLTM ¹ Underlying EBITDA	\$m	xLTM ² Underlying EBITDA
Foreign Currency:	2,870	1.6x	2,791	1.8x
- Holdco	2,388	1.3x	2,330	1.5x
- OPCOs	482	0.3x	461	0.3x
Local Currency:	452	0.3x	297	0.2x
- OPCOs	452	0.3x	297	0.2x
Lease liabilities ³	1,277	0.7x	1,169	0.8x
Total debt	4,599	2.6x	4,257	2.8x
Cash and cash equivalents ⁴	1,069	0.6x	1,010	0.7x
Total net debt	3,530	2.0x	3,247	2.1x

- Weighted average interest rate at 4.9% is flat as compared to the prior year
- Post year end refinancing with signing of new \$500m loan facility with group of relationship banks

Notes: Leverage calculated as gross debt (including lease liabilities) less cash & cash equivalent / last 12 months EBITDA ;

1. LTM underlying EBITDA as of March 2021 was \$1,792m
2. LTM underlying EBITDA as of March 2020 was \$1,515m
3. This represents present value of lease payments for assets taken on lease
4. Cash and cash equivalents includes term deposits with banks

EPS before exceptional items grew 12.8%



Notes:

1. EPS has been restated to reflect the position if all the shares as of 31 March 2021 been issued on 1 April 2019, for a like-for-like comparison.

2. Others include change in minority share holder PAT and profit/(loss) on joint ventures

Summary and outlook

Strong set of results

- Reported underlying revenue grew 13.6% in FY'21, with Q4'21 reported revenue growth of 15.4%.
- Underlying revenue in constant currency grew by 19.4%.
- Underlying EBITDA margin was 46.1%, up 210 bps (in constant currency). Underlying EBITDA margin for Q4'21 was 47.7%, an increase of 389 bps.
- Strong free cash flow generation, up 42.8% YoY.
- Leverage improved to 2.0x despite investment of \$247m renewing licences in our two largest markets.
- The Board has recommended a final dividend of 2.5 cents per share, taking total dividend to 4.0 cents per share for the year.

Our outlook

- Our business fundamentals remain strong, and indeed continue to improve.
- We have demonstrated solid execution throughout the pandemic but remain alert to further risks from new variants and the potential for future lockdowns.
- Huge potential for continued strong revenue and profit growth remains, supported by executing our strategy of expanding distribution in rural areas, investing in our network and increasing 4G coverage.
- Further strategic investment opportunities remain from tower sales, minority and IPO investments in mobile money, among others.



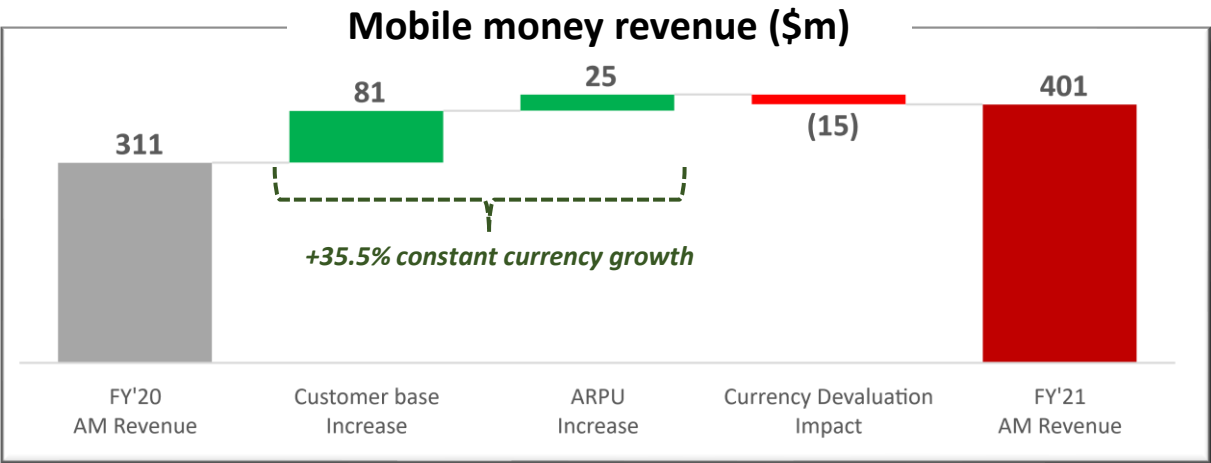
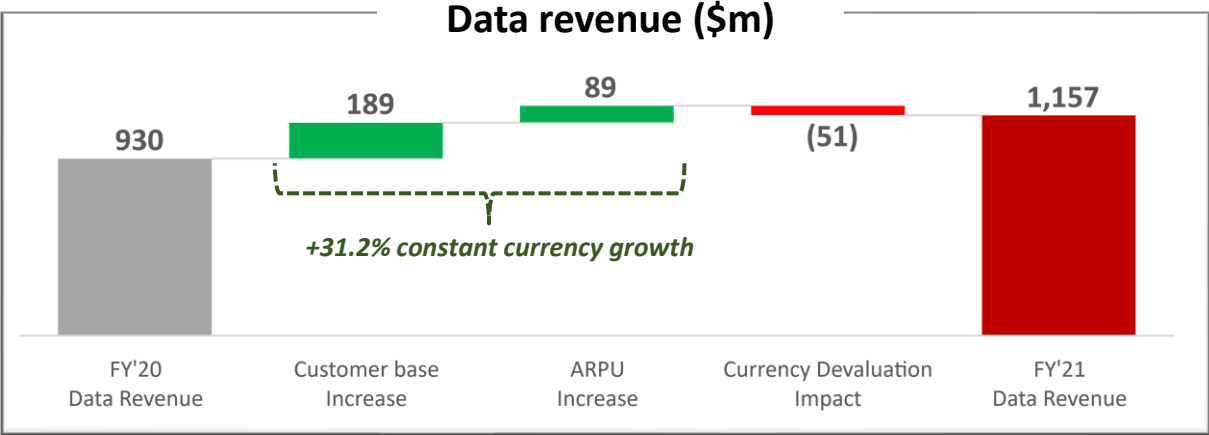
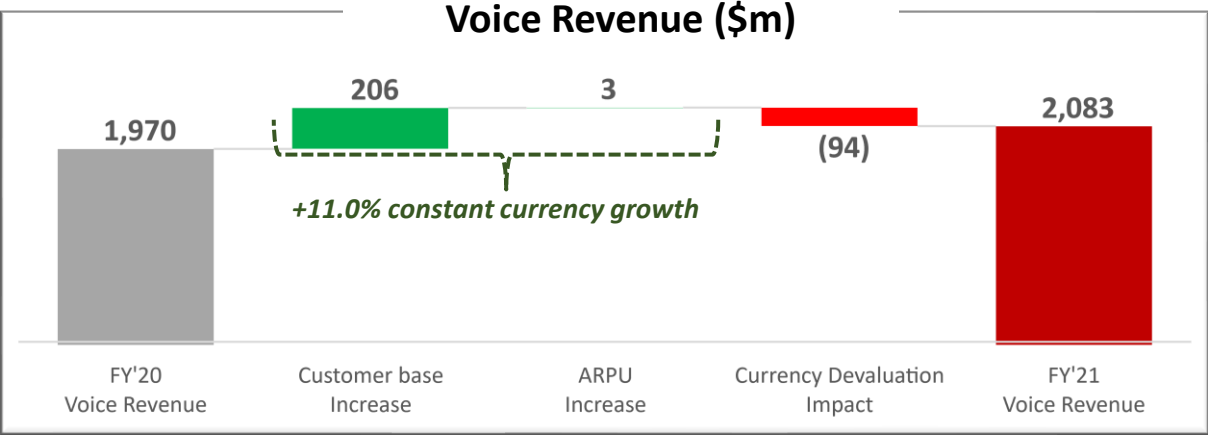
Thank You

Q&A

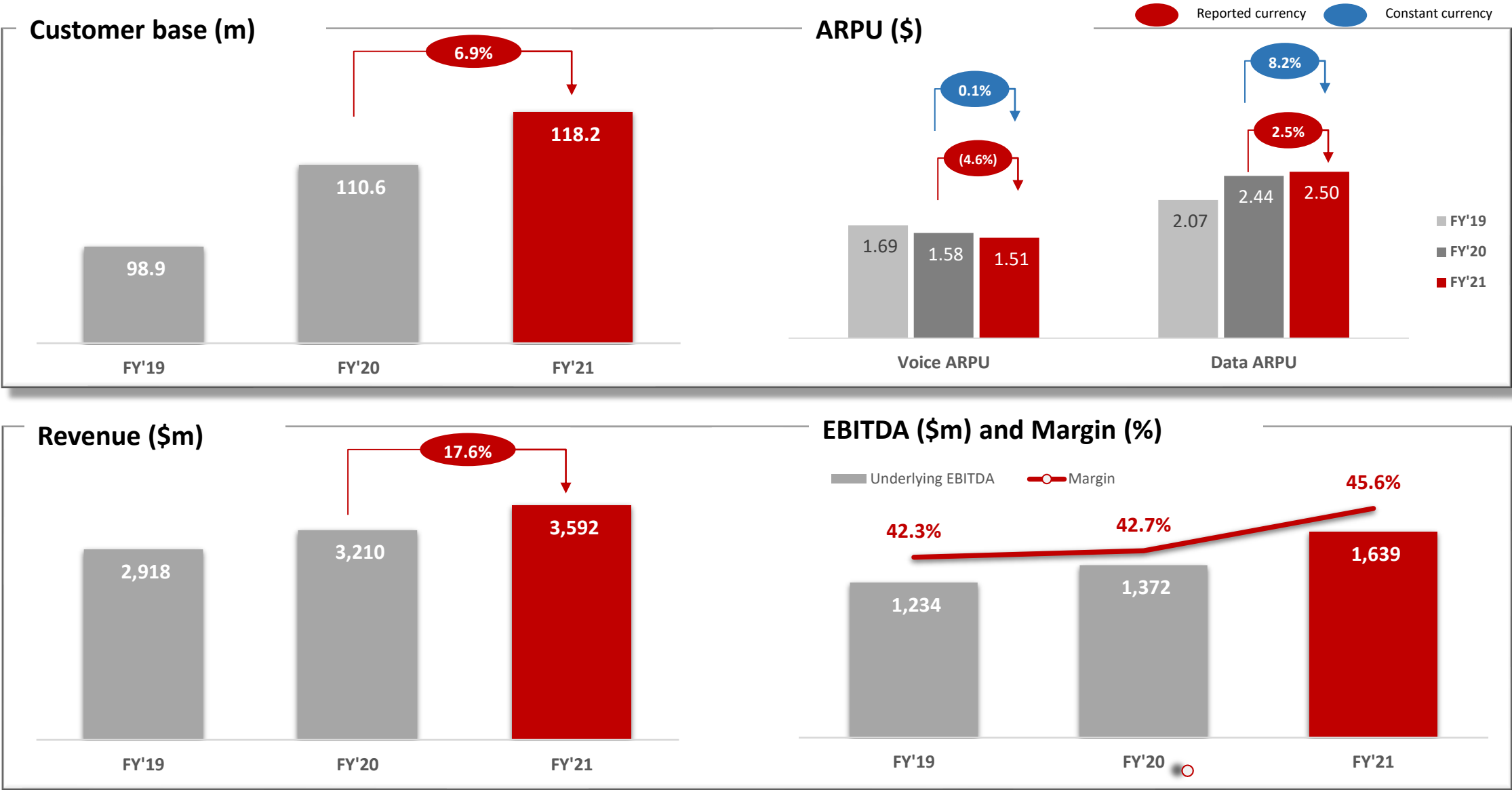
Appendix



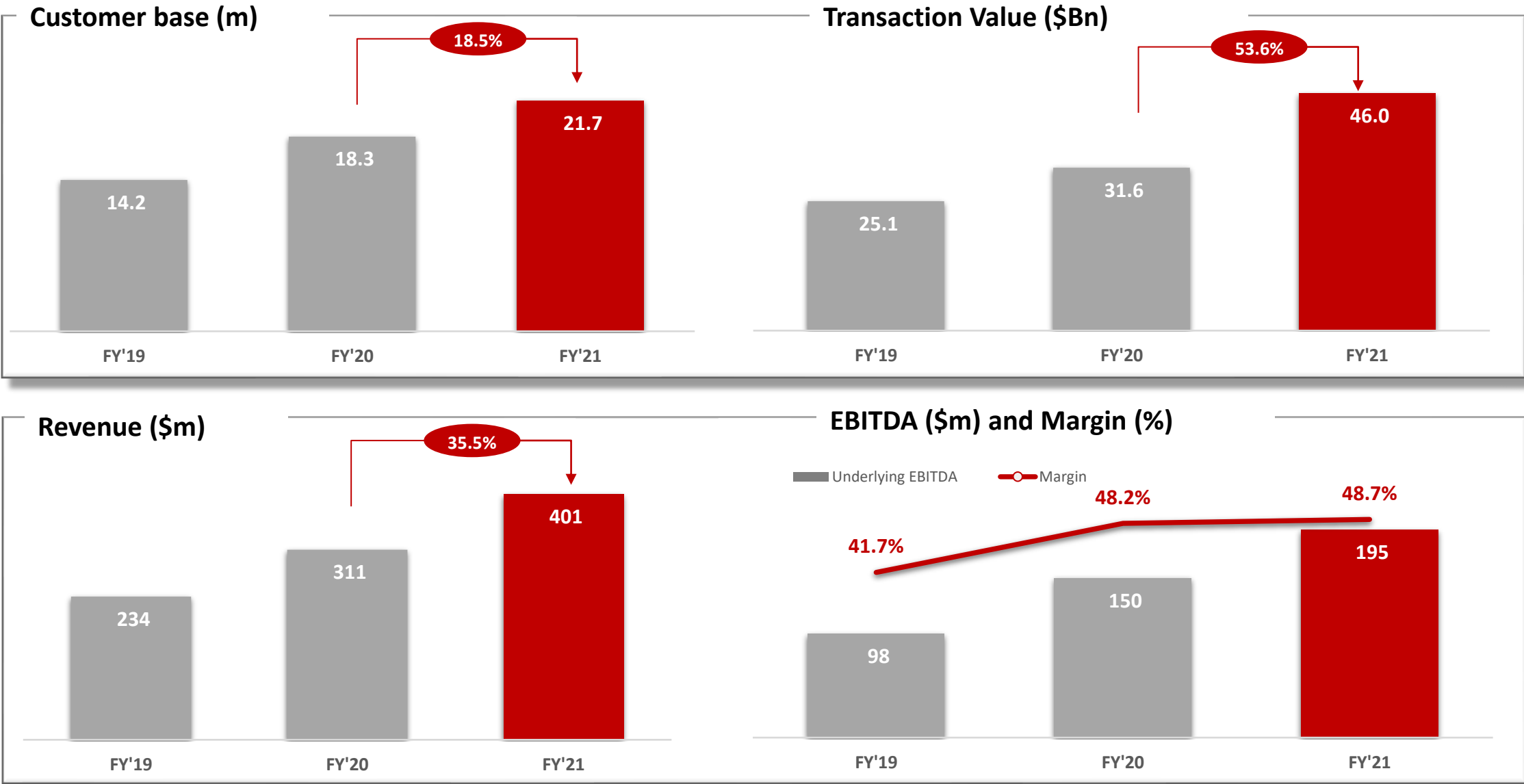
Growth by service segment waterfalls



Mobile services

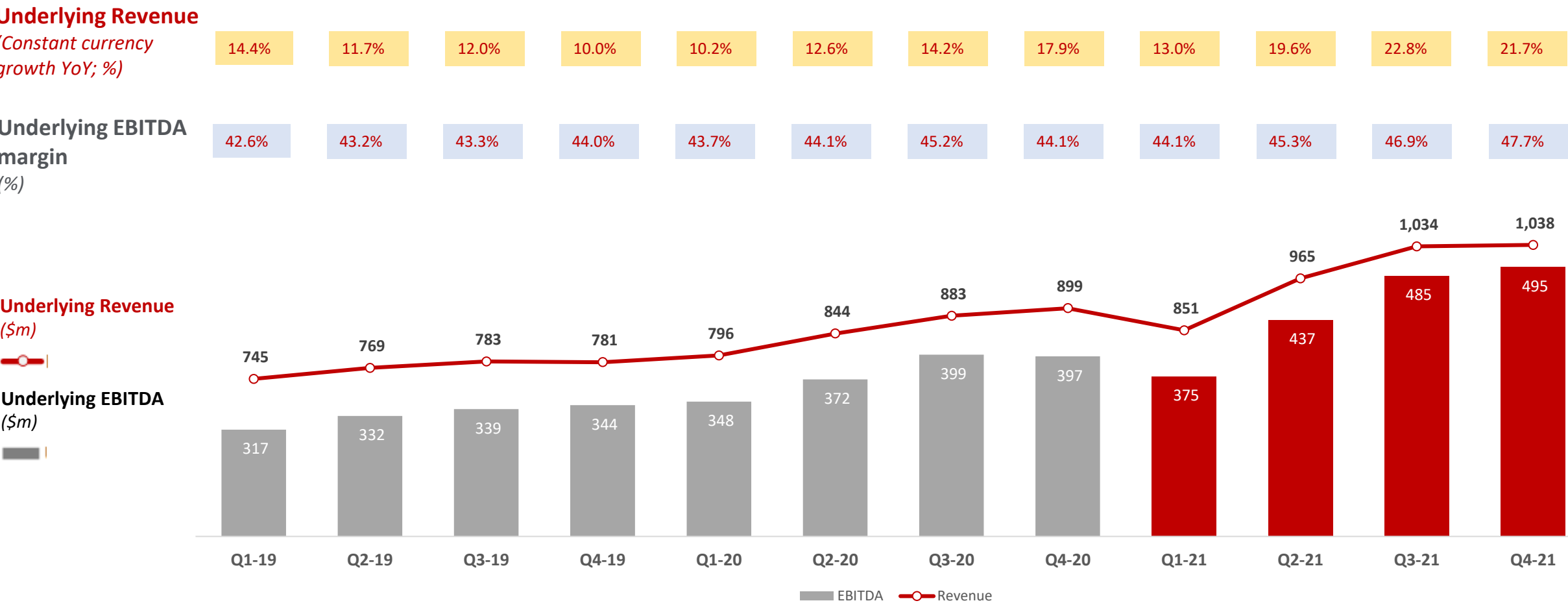


Mobile money



Track record of consistent delivery

13 quarters of double-digit revenue growth and EBITDA margin expansion

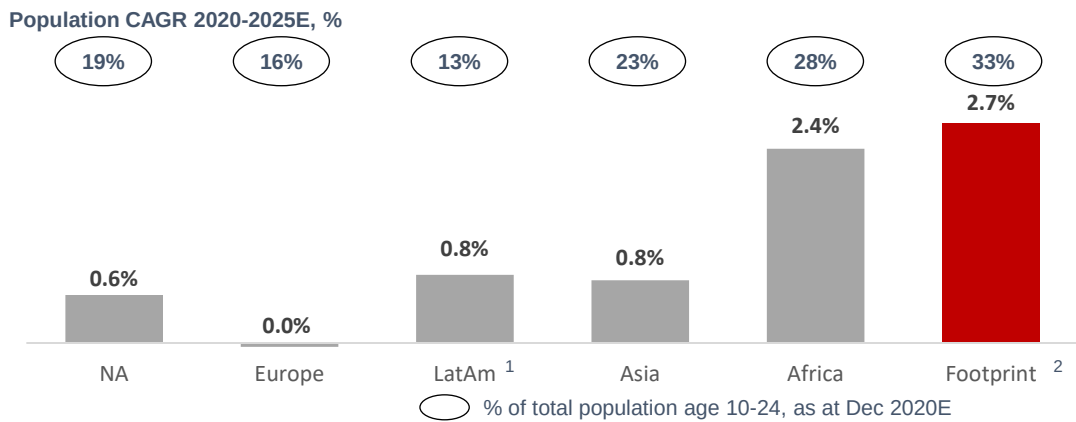


Notes:

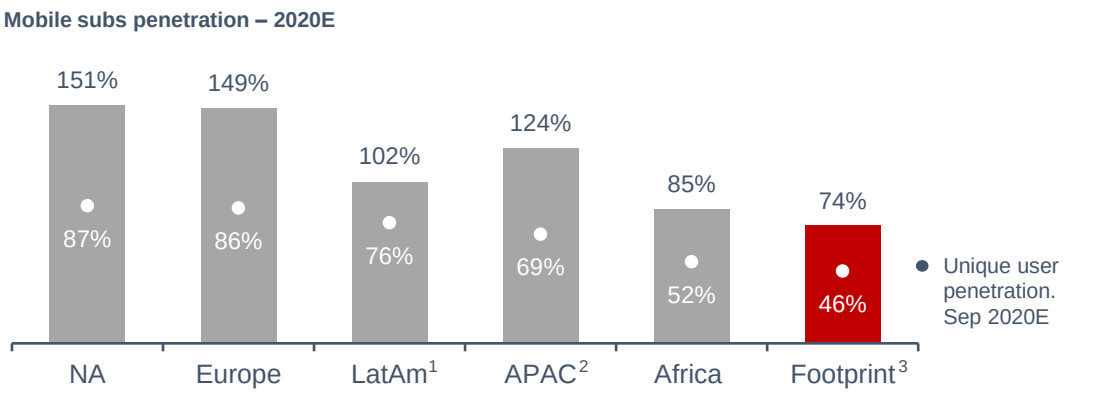
- Underlying revenue growth rates till Q4'20 are presented in 31 March 2019 constant currency and Q1'21 onwards in 31 March 2020 constant currency
- Q3-20 underlying EBITDA includes onetime benefit of \$3.2m as a result of the reassessment of the customers 'life cycle' pertaining to H1'20

Africa: demographic and market potential

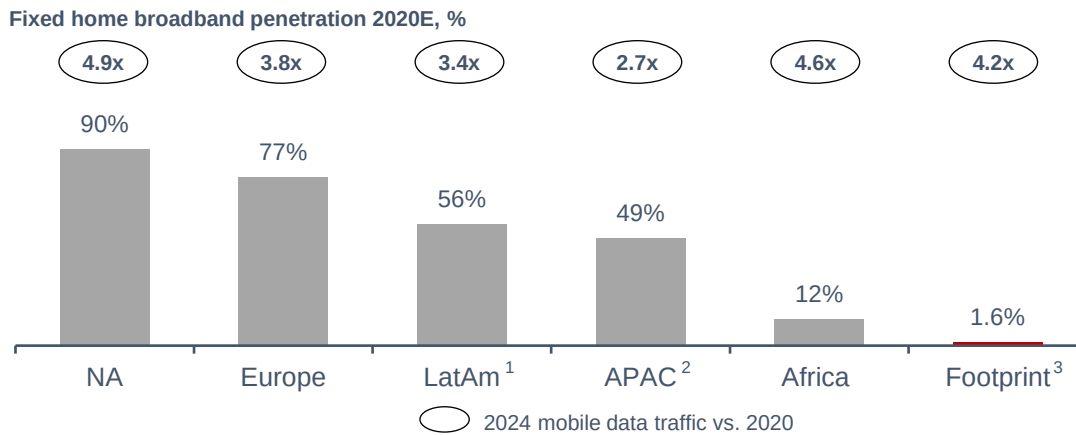
Growing population, high youth share



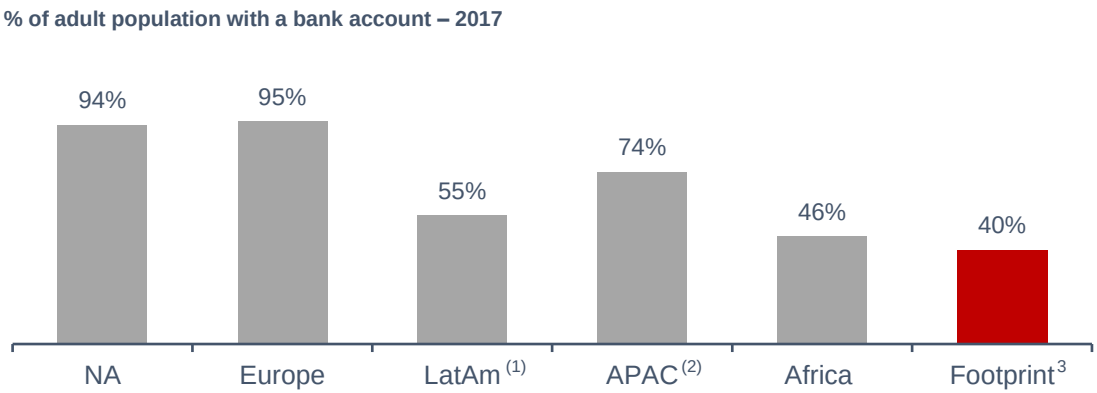
Low mobile penetration



Fixed home broadband penetration %



Low banking penetration



Significant potential for growth across voice, data and mobile money

Source: United Nations. Analysys Mason, Ampere Analysis, Omdia, Global Findex.

Notes:

- 1. Includes the Caribbean;
- 2. Airtel Africa 14 countries of operation are Chad, Congo, DRC, Gabon, Kenya, Madagascar, Malawi, Niger, Nigeria, Rwanda, Seychelles, Tanzania, Uganda, Zambia



Effective tax rate and adjusted effective tax rate

Description	Unit of measure	Year ended					
		Mar-21			Mar-20		
		Profit before taxation	Income tax expense	Tax Rate %	Profit before taxation	Income tax expense	Tax Rate %
Reported Effective tax rate	\$m	697	282	40.5%	598	190	31.8%
Adjusted for :							
Exceptional Items	\$m	(14)	36		(65)	47	
Foreign exchange rate movements for non-DTA operating companies & holding companies	\$m	42	-		(21)	-	
One-off tax adjustment	\$m	-	(5)		-	12	
Effective tax rate (ETR)	\$m	725	313	43.2%	512	249	48.6%
Deferred tax triggerred during the year	\$m	-	(36)		-	(51)	
Adjusted ETR	\$m	725	277	38.2%	512	198	38.7%

Finance cost & forex

Description	FY'21	FY'20	Change
	\$m	\$m	\$m
Interest cost on gross debt and other financial liabilities	306	299	7
Interest Income	(9)	(29)	20
Net interest Cost	297	270	27
Other finance charges	25	30	(5)
Finance Charges (Excluding derivatives and Forex)	322	300	22
Derivatives and Forex (gain)/loss	101	72	29
Total Finance Charges (Excluding exceptional items)	423	372	51
Exceptional items	0	1	(1)
Total Finance Charges (Including exceptional items)	423	373	50

Total finance charges (excluding exceptional items) higher by \$51m mainly due to:

- **Net interest cost** higher by **\$27m**:
 - lower interest income of \$20m due to reduction in interest rates and lower deposits.
 - The increase in interest cost by \$7m contributed by capitalisation of spectrum charges (\$6m) and higher interest on lease liability (\$9m) partially offset by reduced interest costs of \$8m from lower average gross debt.
- **Higher derivatives and forex loss** of **\$29m** is mainly due interest rate swap hedging gain of \$47m on bonds in previous period.