



AIRTEL UGANDA LIMITED

**Interim financial results for the
six months period ended 30 June 2024**

Sustained operating momentum supports financial performance and growing shareholder returns

Operating highlights

- Total customer base grew by 9.3% YoY to 15.6 million as at 30 June 2024. We continued to bridge the digital divide with a 5.9% increase in data customers to 6.0 million and a 13.9% increase in data usage per customer.
- Demand for data services across the network remained robust with data usage per subscriber increasing by 13.9%, driving a 27.2% increase in data traffic over this period.
- ARPU grew by 3.8% over the period as demand for both voice and data services remained robust.

Financial performance

- Revenue grew by 11.6% to Ushs 966.1bn, as voice and data continued to support overall trends. Voice revenues grew 12.0% to Ushs 526.1bn reflecting the continued strong momentum in customer growth. The increased consumption of data services contributed to a 12.8% growth in data revenues to Ushs 403.1bn.
- EBITDA of 475.4bn increased by 3.3% over the prior period, with EBITDA margins of 49.2%, down from 53.2% in the prior period. However, with sustained revenue growth and ongoing cost optimisation initiatives, EBITDA margins in Q2'24 was 49.7%, 90bps higher than Q1'24 when EBITDA margin was 48.8%.
- Profit after tax of 153.2bn decreased 6.5% from the prior year. The decline was largely as a result of the increased finance costs in the period relating to higher interest on lease liabilities resulting from continued network rollout and an increase in interest costs following the rise in T-bill rates.
- Capital expenditure declined by 5.4% to Ushs 122 billion. 4G rollout continued, with 140 additional sites rolled out during the period. As at the period-end, 100% of our sites are 4G enabled. Furthermore, 5G investment continued, which combined with additional fibre rollout, resulted in enhanced capacity across our network.
- Leverage of 1.5x on 30 June 2024 was largely flat from the previous period.
- The Board has declared an interim dividend of Ushs 2.15 per share for the quarter ended 30 June 2024, resulting in a total dividend per share of Ushs 3.3 for H1 2024. The total H1'24 dividend increased by 11.1% over the year, in line with our progressive dividend policy.

Unless stated otherwise, the financial and non-financial growth rates are presented on a year-on-year basis (YoY, six months period ended 30 June 2024 versus six months period ended 30 June 2023).

Manoj Murali, Managing Director, on H1 Results FY2024:

We began 2024 with the shared confidence Ugandans expressed in us during the Airtel IPO that closed at the end of 2023.

As the official telecom partner for the Non-Aligned Movement (NAM) conference in Munyonyo, Airtel Uganda presented a continued business confidence in the economy. Airtel Uganda continues to be the technology enabler of choice for voice, data and value-added services that support the economy. We have seen the Purchasing Managers Index at 51.9 in June 2024, above the 50-mark threshold indicating robust business conditions. Headline inflation remained stable at 3.9% because of a low food inflation and improved exchange rate stability. The Uganda shilling has been stable in the range of 3660 – 3710 and appreciated by 1.0% against the US dollar in H1 24.

We have registered 11.6% growth in revenue and a 3.3% growth in EBITDA YoY, underpinned by our strong distribution network of partners and agents across the country. Additionally, the home broadband segment is registering impressive growth supported by increasingly stable and faster data speeds and our expanding 5G network combined with accelerated 5G router rollout, to provide an enhanced customer experience.

Our focused investment strategy continued to underpin incremental customer and revenue growth. During the period, we have rolled out an additional 140 4G sites supporting our commitment to enhancing digital inclusion over the long-term and driving enhanced customer service. Currently, 100% of our sites are 4G enabled.

The MyAirtel App was enhanced with new features to improve the experience of our customers. With our continuous effort on educating our data customers on how to use the MyAirtel App to identify their data usage, they are now able to track their daily, weekly and monthly usage, leading to an enhanced customer satisfaction index.

Airtel Uganda, in partnership with UNICEF Uganda, connected another 60 schools to the Internet. This transforming lives initiative has provided 40,201 students and 1,741 teachers in these schools access to the internet, thereby supporting digital inclusion across the country. We shall continue to grow this partnership and break the barriers to digital learning in Africa.

The Airtel Kabaka Birthday Run 11th Edition was concluded in April 2024 with over 110,000 runners rallying to support the End of HIV/AIDS by 2030. This partnership with Buganda Kingdom continues to bear fruit as HIV prevalence rates continue to go down. In 2023, the Uganda AIDS Commission reported, there was no single mother-to-child transmission case in the District of Mukono in Central Uganda. Airtel Uganda continues to support these efforts.

Our active participation in public townhall meetings in Kampala and Kabale ensured we actively communicate with the public by discussing our role in the sector, the plans we have in place for increasing digital inclusion and addressing service issues, especially those related to data usage.

We thank our staff, partners, stakeholders and especially our regulators for the support towards our continuous journey to enhance our customer proposition, provide better returns to the shareholders and contribute additional value to societies across the country.

Financial review for the six months period ended 30 June 2024

The current period financial information contained in this report is drawn from Airtel Uganda's interim condensed financial statements prepared for the six months period ended 30 June 2024. The Company's auditors provide an independent review report on such interim financial statements for the period ended 30 June 2024. The comparative half yearly information is drawn from unaudited IAS 34 financials of respective periods.

Key financial information

Description	UoM	Half year ended			Full Year 2023
		Jun-24	Jun-23	YoY	
Revenue	Ushs'Mn	966,128	865,389	11.6%	1,783,960
Voice Revenue	Ushs'Mn	526,097	469,829	12.0%	990,386
Data Revenue	Ushs'Mn	403,125	357,427	12.8%	717,881
Other Service revenue	Ushs'Mn	30,824	36,787	-16.2%	69,040
Other Income	Ushs'Mn	6,082	1,346	351.9%	6,653
Expenses	Ushs'Mn	490,709	405,317	21.1%	865,569
EBITDA	Ushs'Mn	475,419	460,072	3.3%	918,391
EBITDA Margin	%	49.2%	53.2%	-4.0%	51.5%
Depreciation and amortisation	Ushs'Mn	177,744	160,590	10.7%	326,737
EBIT	Ushs'Mn	297,675	299,482	-0.6%	591,654
Net finance costs	Ushs'Mn	77,927	63,213	23.3%	164,769
Profit before tax	Ushs'Mn	219,748	236,269	-7.0%	426,885
Taxation	Ushs'Mn	66,523	72,318	-8.0%	129,935
Profit after tax	Ushs'Mn	153,225	163,951	-6.5%	296,950
Earnings per share	Ushs	3.83	4.10	-6.5%	7.42
PAT margin	%	15.9%	18.9%	-3.1%	16.6%
Capex (excluding leases)	Ushs'Mn	122,120	129,062	-5.4%	245,663
Capex intensity	%	12.6%	14.9%	-2.3%	13.8%
Operating KPIs					
ARPU	Ushs	10,644	10,252	3.8%	10,336
Total customer base	Mn	15.6	14.3	9.3%	14.8
Data customer base	Mn	6.0	5.6	5.9%	5.7

Note:

- Voice revenue includes interconnect, activation and roaming.
- Data revenue includes fixed and mobile data.
- Other service revenue includes VAS, SMS, rental and device revenues.
- CAPEX excludes right of use assets.
- Customer base: The total number of active subscribers that have used any of our services (voice, SMS and data) in the last 30 days.
- 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.

Overall revenue grew by 11.6% on a YoY basis for the period ended 30 June 2024 mainly driven by the base growth of 9.3% and overall improvement in customer ARPU of 3.8% due to continued growth in usage across the different segments.

Voice revenues grew by 12.0% YoY on the back of the continued growth in customer acquisitions backed by a regional acquisitions strategy, and the benefit of usage and retention initiatives that resulted in overall 2.4% growth in the minutes of usage on the network coupled with the continued network expansion across the country. Overall, voice revenue contribution to service revenue improved to 54.8% (H1'23 54.4%) for the period ended.

In Q2'24, gross additions increased 20.1% YoY, which is expected to contribute to an improved momentum in voice revenue trends as the year progresses.

Data revenues grew by 12.8% YoY anchored by 5.9% growth in overall data customers to 6.0 million. The continued investment in network expansion and enhancement coupled with overall smartphone penetration improvement strategy has seen overall growth in data usage per subscriber by 13.9% and total traffic on the network increased by 27.2% over the period, with 4G traffic amounting to 80.4% of the total data traffic carried across our network. Data revenue contribution to the total service revenues has increased to 42.0% from 41.4% in the prior period.

Q2'24 data usage per customer increased by 11.7% sequentially, signaling continued recovery and better growth through the second half of the year due to the increasing popularity of our data product offerings.

We have seen continued success on our home broadband segment with encouraging growth in our customer base. We have increased our overall fibre network to 5,859 km, supporting data traffic growth and faster speeds across the network. Furthermore, this expansion in our fibre network will continue to support growth in our enterprise business offerings which remains a key strategic focus.

EBITDA for the period grew 3.3% anchored by the resilient revenue growth. This performance resulted in overall EBITDA margins of 49.2% (H1'23 53.2%) largely due to 21.1% growth in operating expenses for the period. The EBITDA recovery journey and opex reduction initiative is ongoing with Q2'24 recording margin improvement to 49.7% which increased by 90 basis points on a sequential basis.

Depreciation and amortisation for the period rose by 10.7% YoY driven by the continued investments in network sites and the retail footprint to support future growth efforts.

Net finance costs for the period increased by 23.3%, primarily due to higher interest costs on increased lease liabilities following the roll out of 140 new sites, which led to increase in cost by 19.8% over the year. In addition, interest costs were impacted by the increase in T-bill rates by 11.5% over the period.

Profit after tax (PAT) reduced by 6.5% YoY to Ushs 153.2 billion as a result, with PAT margin of 15.9% (H1'23 18.9%). Earnings Per Share (EPS) was Ushs 3.83, a decline of 6.5% compared to Ushs 4.10 in the prior period. On a sequential basis, PAT for H1'24 increased by 15.2%, with this momentum likely to be sustained over the remainder of the year as we continue to see progress on operational momentum.

Capital allocation

Total Capex (excluding leases) for the period was Ushs 122 billion (H1'23 Ushs 129 billion) driven mainly by the continued densification of our network across the country. These investments are necessary to support the current growth, but also future-proof our growth ambitions. The capex investment incurred to date is in-line with our existing investment and expansion strategy. Capex intensity for the period was 12.6%.

Leverage of 1.5x on 30 June 2024 was largely flat from the previous period. Our positive operational net cash flow position continues to reinforce the company's ability to meet all its current and non-current financial obligations.

Outlook

In 2024, Airtel Uganda's focus remains on providing best in class customer experience through the digital revolution and continued strategic investments. Our commitment to network upgrades and fibre expansion sets the stage for a year focused on innovation and enhanced connectivity. We're extending our reach to every corner, prioritising distribution channels in remote rural areas, ensuring that quality telecommunication services are accessible to all Ugandans.

To elevate customer experience, we've increased company-owned stores, solidifying Airtel Uganda as the premier provider across the country. This expansion enhances direct access for customers, reinforcing our dedication to accessible and cutting-edge services. Our innovative products are designed to meet diverse consumer needs, emphasise the affordability of our offerings and showcase their ease of use. Airtel Uganda's customer centric approach promotes digitisation through the MyAirtel App, empowering users with self service capabilities. In addition, the Airtel TV App caters to infotainment needs ensuring a seamless blend of connectivity and entertainment.

Looking ahead to 2024, Airtel Uganda is committed to driving digital inclusion, fostering economic growth, and creating a sustainable society. Through technological advancements and customer focused solutions, we aim to continue leading the digital transformation in Uganda, enriching lives and connecting communities across the nation.

With the objective to maximize our shareholders' returns, we will continue to maintain leverage at an efficient level, manage costs through our 'war on waste' initiatives and optimise capital investments for the remainder of the year.

Interim Dividend Recommendation

The Board of Directors of Airtel Uganda Limited (the “Company”) at the meeting held on 21st August 2024 authorized the Company to declare and pay to the shareholders of the Company, an interim dividend for the quarter ending 30th June, 2024 of Ushs. 86 billion at the rate of Ushs. 2.15 per share based on the Company's cumulative retained earnings as at 30th June, 2024. With this Total interim dividend for half year ended June 2024 will be Ushs 132 billion at the rate of Ushs 3.30 per share. This is subject to deduction of withholding taxes. The dividend will be transferred electronically to the bank accounts or mobile money wallets as per the shareholder register.

The dividend shall be paid to all shareholders of the Company as at 11th September, 2024 which shall be the book closure date in accordance with the Uganda Securities Exchange (USE) Listing Rules 2021. In compliance with the requirements of the USE Listing Rules 2021, the salient dates relating to the payment of the dividend are as follows:

Last day to trade shares cum dividend	09 September 2024
Shares commence trading ex-dividend	10 September 2024
Record date	11 September 2024
Payment date	02 October 2024

Directors statement

The below interim financial statements for the period ended 30 June 2024 were reviewed by Deloitte & Touche, Certified Public Accountants. The financial statements were approved by the Board of Directors on Wednesday, 21st August 2024 and signed on their behalf by:



Hannington Karuhanga

Board Chairman



Manoj Murali

Managing Director

Interim condensed financial statements for the period ended 30 June 2024

The financial information for the six months period ended June 30, 2024 is drawn from Airtel Uganda's interim condensed financial statements prepared in accordance with IAS 34: Interim Financial Reporting. The Company's auditors provide an independent review report on such interim financial statements for the period ended 30 June 2024. The Company has prepared the financial statements on the basis that it will continue to operate as a going concern. The accounting policies used are consistent with those used in the annual financial statements for the year ended December 31, 2023.

Statement of Comprehensive Income

	June-24 (Reviewed) Ushs millions	June-23 (Reviewed) Ushs millions	December-23 (Audited) Ushs millions
Income			
Revenue	960,046	864,043	1,777,307
Other income	6,082	1,346	6,653
	966,128	865,389	1,783,960
Expenses			
Network operating expenses	(163,854)	(154,584)	(314,475)
Access charges	(52,154)	(26,276)	(66,008)
Licence fees and spectrum usage charges	(22,783)	(21,466)	(43,567)
Employee benefits expenses	(42,564)	(37,555)	(83,568)
Sales and marketing expenses	(110,058)	(94,314)	(198,777)
Other operating expenses	(99,296)	(71,122)	(159,174)
Depreciation and amortisation	(177,744)	(160,590)	(326,737)
	(668,453)	(565,907)	(1,192,306)
Operating profit	297,675	299,482	591,654
Finance income	6,538	19,897	10,276
Finance costs	(84,465)	(83,110)	(175,045)
Profit before tax	219,748	236,269	426,885
Income tax expense	(66,523)	(72,318)	(129,935)
Profit for the period	153,225	163,951	296,950
Other comprehensive (loss)/income for the period, net of tax	18	(24)	(6)
Total comprehensive income for the period, net of tax	153,243	163,927	296,944
Basic and diluted earnings per share	3.8	4.1	7.4

Statement of Financial Position

	June-24 (Reviewed) Ushs millions	June-23 (Reviewed) Ushs millions	December-23 (Audited) Ushs millions
ASSETS			
Non-current assets			
Property plant and equipment	790,617	734,134	764,871
Capital work-in-progress	52,933	37,768	41,448
Right of use asset	670,247	683,871	672,869
Intangible assets	404,681	393,912	421,292
Other non-current assets	63,856	57,687	66,571
	1,982,334	1,907,372	1,967,051
Current assets			
Inventories	3,671	4,108	3,445
Financial assets			
Trade receivables	98,010	89,147	98,481
Cash and cash equivalents	20,283	20,392	34,345
Others	25,774	14,022	24,636
Income tax asset (net)	5,186	2,597	5,406
Other current assets	78,384	64,216	67,194
	231,308	194,482	233,507
TOTAL ASSETS	2,213,642	2,101,854	2,200,558
EQUITY AND LIABILITIES			
Equity			
Share capital	40,000	40,000	40,000
Retained earnings	107,886	110,382	86,661
Other reserves	97	61	79
	147,983	150,443	126,740
Non-current liabilities			
Financial liabilities			
Borrowings	275,473	259,526	291,429
Lease liabilities	602,589	614,693	609,902
Others	145,165	110,315	145,203
Deferred revenue	10,301	11,835	11,068
Provisions	2,744	3,148	2,931
Deferred tax liability	106,151	101,250	100,188
	1,142,423	1,100,767	1,160,721
Current liabilities			
Financial liabilities			
Borrowings	375,498	408,381	401,747
Lease liabilities	183,717	152,337	175,317
Trade payables	205,106	161,568	194,379
Derivative financial instruments	6,598	3,089	508
Others	56,230	44,649	45,370
Deferred revenue	30,079	30,265	29,085
Provisions	12,548	9,396	13,694
Other current liabilities	53,460	40,959	52,997
	923,236	850,644	913,097
TOTAL EQUITY AND LIABILITIES	2,213,642	2,101,854	2,200,558

Statement of Changes in Equity

	Share capital	Share premium	Retained earnings	Other Comprehensive Income	Total equity
	Ushs millions	Ushs millions	Ushs millions	Ushs millions	Ushs millions
At 1 January 2023	1,408	16,128	106,239	85	123,860
Profit for the period	-	-	163,951	-	163,951
Dividends - Final Dividend FY22	-	-	(99,264)	-	(99,264)
Dividends – Interim Dividend FY23	-	-	(38,080)	-	(38,080)
Other comprehensive loss	-	-	-	(24)	(24)
Conversion of share premium to share capital	16,128	(16,128)	-	-	-
Conversion of retained earnings to share capital	22,464	-	(22,464)	-	-
At 31 June 2023 (Reviewed)	40,000	-	110,382	61	150,443
At 1 January 2023	1,408	16,128	106,239	85	123,860
Profit for the period	-	-	296,950	-	296,950
Dividends - Final Dividend FY22	-	-	(99,264)	-	(99,264)
Dividends – Interim Dividend FY23	-	-	(194,800)	-	(194,800)
Other comprehensive loss	-	-	-	(6)	(6)
Conversion of share premium to share capital	16,128	(16,128)	-	-	-
Conversion of retained earnings to share capital	22,464	-	(22,464)	-	-
At 31 December 2023 (Audited)	40,000	-	86,661	79	126,740
At 1 January 2024	40,000	-	86,661	79	126,740
Profit for the period	-	-	153,225	-	153,225
Dividends - Final Dividend FY23	-	-	(86,000)	-	(86,000)
Dividends – Interim Dividend FY24	-	-	(46,000)	-	(46,000)
Other comprehensive income	-	-	-	18	18
At 30 June 2024 (Reviewed)	40,000	-	107,886	97	147,983

Statement of Cash Flows

	June-24 (Reviewed) Ushs millions	June-23 (Reviewed) Ushs millions	December-23 (Audited) Ushs millions
OPERATING ACTIVITIES			
Profit before tax	219,748	236,269	426,885
Adjustments for:			
Depreciation and amortisation	177,744	160,590	326,737
Interest income	(306)	(389)	(1,021)
Unrealised foreign exchange gain	(5,290)	(19,508)	(9,255)
Interest on borrowings	47,380	38,095	80,684
Interest on lease liabilities	31,269	25,304	54,215
Interest on spectrum liabilities	5,603	3,895	9,458
Movement in provision for trade receivables	(249)	1,814	1,242
Movement in provision for inventory obsolescence	544	-	1,069
Other non-cash adjustments	(3,926)	-	-
Increase in provisions	-	-	1,307
Asset write off	-	-	794
Operating cash flow before changes in working capital	472,517	446,070	892,115
(Increase)/decrease in inventories	(770)	(475)	933
Increase in trade receivables	(1,162)	(12,929)	(21,924)
Increase in other financial and non-financial assets	(5,687)	(8,215)	(30,691)
Increase in trade payables	7,200	11,793	45,740
increase/(decrease) in deferred revenue	227	(5,638)	(7,585)
increase/(decrease) in other financial and non-financial liabilities	5,914	(17,691)	(7,375)
Net cash generated from operations before tax	478,239	412,915	871,213
Income tax paid	(60,306)	(76,236)	(137,708)
Net cash generated from operating activities (a)	417,933	336,679	733,505
INVESTING ACTIVITIES			
Purchase of property, plant and equipment and capital work in progress	(114,378)	(125,706)	(242,298)
Interest received	306	389	1,021
Net cash flows used in investing activities (b)	(114,072)	(125,317)	(241,277)
FINANCING ACTIVITIES			
Proceeds from borrowings	-	-	300,000
Repayment of borrowings	(54,886)	(56,603)	(334,483)
Interest on borrowings	(48,569)	(37,305)	(81,548)
Repayment of lease liabilities	(94,524)	(93,674)	(173,663)
Payment of spectrum liabilities	(216)	(103)	(16,053)
Dividend paid	(132,000)	(137,344)	(294,049)
Net cash flows used in financing activities (c)	(330,195)	(325,029)	(599,796)
Net movement in cash and cash equivalents during the period (a+b+c)	(26,335)	(113,667)	(107,568)
Cash and cash equivalents as at beginning of the period	(296,919)	(189,351)	(189,351)
Cash and cash equivalents as at end of the period	(323,254)	(303,018)	(296,919)

Glossary

Industry Terms

4G data customer A customer having a 4G handset and who has used at least 1 MB on any of the Company's GPRS, 3G and 4G network in the last 30 days.

Average customers The average number of active customers for a period. Derived from the monthly averages during the relevant period. Monthly averages are calculated using the number of active customers at the beginning and the end of each month.

Average revenue per user (ARPU) Average revenue per user per month. This is derived by dividing total revenue during the relevant period by the average number of customers during the period and dividing the result by the number of months in the relevant period.

Basic earnings per share Basic earnings per share is calculated by dividing the profit for the period attributable to the owners of the company by the weighted average number of ordinary shares outstanding during the period.

Capital employed Capital employed is defined as sum of equity attributable to equity holders of company, non-controlling interests ('NCI') and net debt.

Capital expenditure (Capex) An alternative performance measure (non-GAAP). Defined as investment in gross fixed assets (both tangible and intangible but excluding spectrum and licenses) plus capital work in progress (CWIP), excluding provisions on CWIP for the period.

Cash profit from operations before derivative and foreign exchange losses It is not a GAAP measure and is defined as profit from operating activities before depreciation, amortisation and exceptional items adjusted for finance cost (net of finance income) before adjusting for derivative and foreign exchange losses.

Churn Churn is derived by dividing the total number of customer disconnections during the relevant period by the average number of customers and dividing the result by the number of months in the relevant period.

Customer Defined as a unique active subscriber with a unique mobile telephone number who has used any of Airtel's services in the last 30 days.

Customer base The total number of active subscribers that have used any of our services (voice calls, SMS, data usage or mobile money transaction) in the last 30 days.

Data average revenue per user (ARPU) Data average revenue per user per month. Data ARPU is derived by dividing total data revenue during the relevant period by the average number of data customers and dividing the result by the number of months in the relevant period.

Data capacity Total data capacity per day for the company.

Data customer base The total number of subscribers who have consumed at least 1 MB on the company's GPRS, 3G or 4G network in the last 30 days.

Data customer penetration The proportion of customers using data services. Calculated by dividing the data customer base by the total customer base.

Data usage per customer Calculated by dividing the total MBs consumed on the company'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.

Earnings per share (EPS) EPS is calculated by dividing the profit for the period attributable to the owners of the company by the weighted average number of ordinary shares outstanding during the period.

EBIT Defined as operating profit/(loss) for the period adjusted for exceptional items.

EBITDA An alternative performance measure (non-GAAP). Defined as operating profit before depreciation, amortisation and exceptional items.

EBITDA margin An alternative performance measure (non-GAAP). Calculated by dividing EBITDA for the relevant period by revenue for the relevant period.

Interconnect user charges (IUC) Interconnect user charges are the charges paid to the telecom operator on whose network a call is terminated.

Interest coverage ratio An alternative performance measure (non-GAAP) indicating the company's ability to pay interest on its debts. Calculated as EBITDA for the relevant period divided by interest on borrowing for the relevant period.

Lease liability Lease liability represents the present value of future lease payment obligations.

Leverage An alternative performance measure (non-GAAP). Leverage (or leverage ratio) is calculated by dividing net debt at the end of the relevant period by the EBITDA for the preceding 12 months.

Mobile services Mobile services are our core telecom services, mainly voice and data services, but also including revenue from VAS services provided by the company.

Net debt An alternative performance measure (non-GAAP). The Company defines net debt as borrowings including lease liabilities less cash and cash equivalents, term deposits with banks, processing costs related to borrowings and fair value hedge adjustments.

Net debt to EBITDA (annualized) An alternative performance measure (non-GAAP). Calculated by dividing net debt at the end- of the relevant period by EBITDA for the relevant period (annualised).

Net profit margin It is computed by dividing Profit attributable to owners of the company by total revenue.

Net revenue An alternative performance measure (non-GAAP). Defined as total revenue adjusted for IUC (interconnection usage charges), cost of goods sold.

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 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.

Revenue An alternative performance measure (non-GAAP). Defined as revenue before exceptional items.

Smartphone A smartphone is defined as a mobile phone with an interactive touch screen that allows the user to access the internet and additional data applications, providing additional functionality to that of a basic feature phone which is used only for making voice calls and sending and receiving text messages.

Smartphone penetration Calculated by dividing the number of smartphone devices in use by the total number of customers.

Total employees Total on-roll employees as at the end of respective period.

Total MBs on network Includes total MBs consumed (uploaded and downloaded) on the network during the relevant period.

Voice minutes of usage per customer per month Calculated by dividing the total number of voice minutes of usage on the Company's network during the relevant period by the average number of customers and dividing the result by the number of months in the relevant period.

Voice minutes on network (minutes of usage) Minutes of usage refer to the duration in minutes for which customers use the Company's network for making and receiving voice calls. It includes all incoming and outgoing call minutes, including roaming calls.

Abbreviations

2G Second-generation mobile technology

3G Third-generation mobile technology

4G Fourth-generation mobile technology

5G Fifth-generation mobile technology

ARPU Average revenue per user

bn Billion

bps Basis points

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

GAAP Generally accepted accounting principles

GB Gigabyte

IAS International accounting standards

IFRS International financial reporting standards

IPO Initial public offering

KPIs Key performance indicators

KYC Know your customer

LTE Long-term evolution (4G technology)

m Million

MB Megabyte

MI Minority interest (non-controlling interest)

P2P Person to person

PAYG Pay-as-you-go

pp Percentage points

PPE Property, plant and equipment

QoS Quality of service

ROCE Return on capital employed

SIM Subscriber identification module

SMS Short messaging service

TB Terabyte

Telecoms Telecommunications

UNICEF originally the United Nations International Children's Emergency Fund, officially United Nations Children's Fund

UoM Unit of measure



airtel

A REASON TO IMAGINE

Airtel Uganda, Airtel House, Clement Hill Road,
P. O. Box 6771, Kampala, Uganda

About us

As a subsidiary of Airtel Africa plc, we look at ourselves as a proud Ugandan company; here to uphold our promise to connect and enable all Ugandans and enrich their lives. We introduced affordable communication products and services that have transformed the lives and businesses of millions of Ugandans. Our network is 100% 4G across Uganda, supporting the delivery of seamless connectivity in all the territorial boundaries of Uganda. We also offer the most affordable products, services, and solutions available on the market for voice, data, and other value-added services.