



Airtel Uganda

Results Presentation

For the year ended 31st December 2023



AGENDA

1. Operational & Strategic Review
2. Financial Performance & Review
3. Aspiration & Future Outlook

Operational & Strategic Review

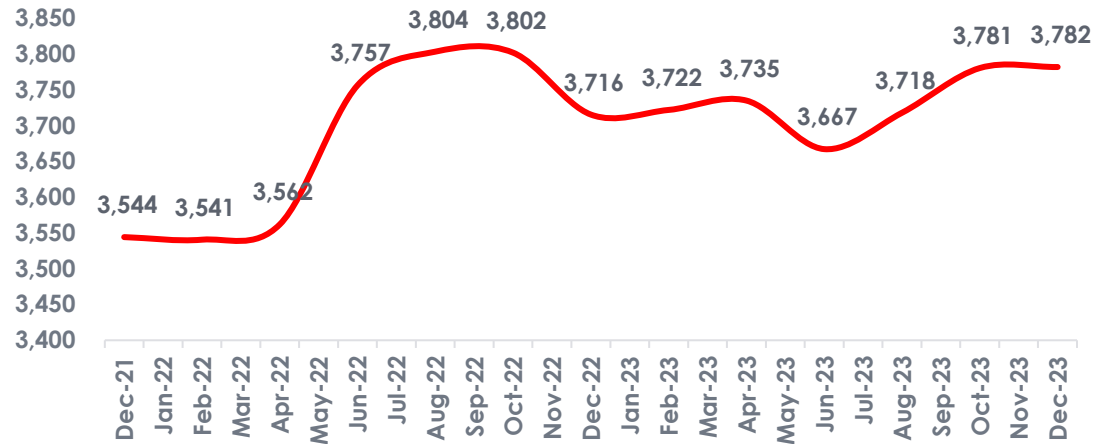
Manoj Murali

Managing Director Airtel Uganda

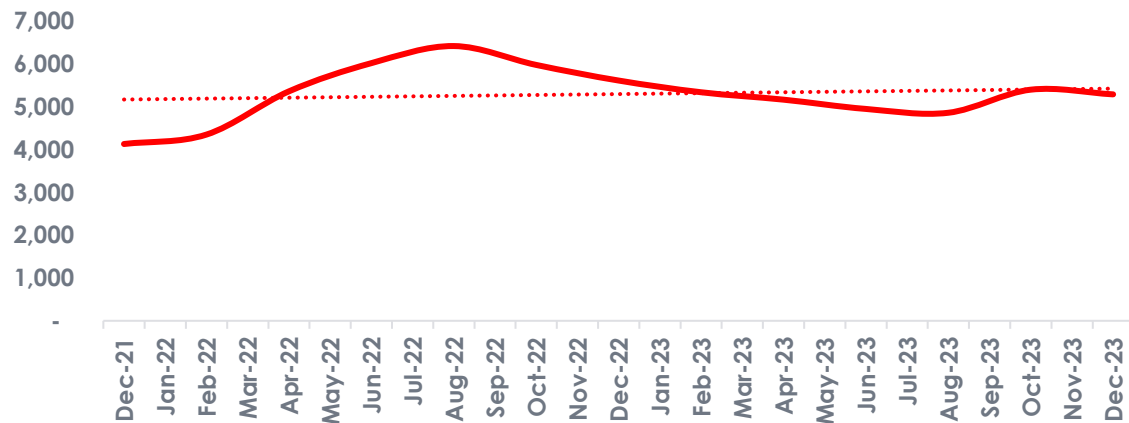


Macro-economic environment

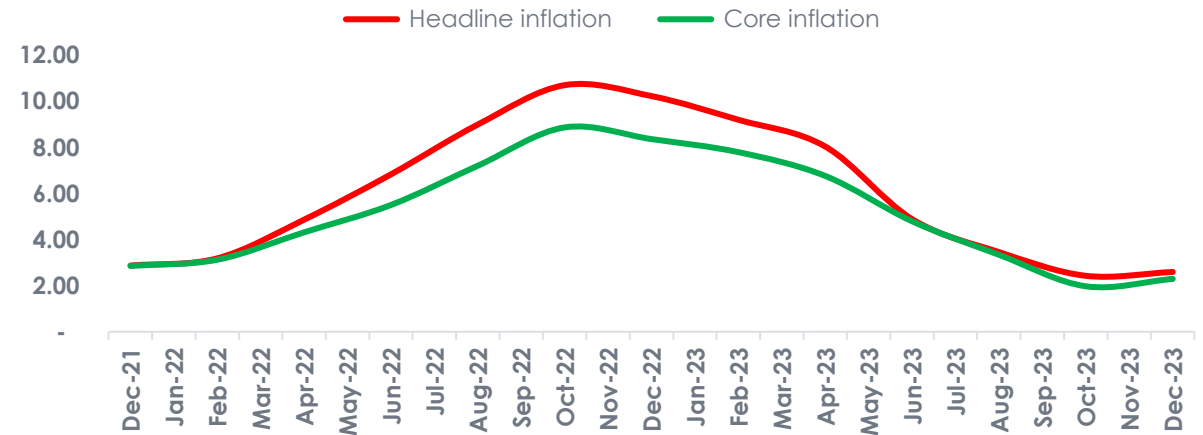
UGX / USD (2022 – 2023)



Local fuel price (2022 – 2023)



Inflation (2022-2023)



- Currency stable between 3,700 to 3,800 during 2023 with depreciation of 1.8% in FY 23.
- Inflation reduced from 2022 and continued with reducing trend during 2023.
- Fuel price increase during 2022 due to local and global factor, still not fully recovered.

Our sustainability highlights in FY'23

Our Business



- A network of 230,000 agents, 96 landlords and over 308 local suppliers share in the economic value we create.
- We shared value equivalent to USD58.3 Mn with Ugandan Business partners
- We have shared USD 54M in Commissions that get passed unto the agents in the distribution network.

Our People



- A mentorship partnership with WITU to increase the women participation in Technology.
- 6 cross functional projects under the "Women for Technology" program. They develop solutions for the business.
- Overall engagement score was 79%.
- Women in Work force is 34% and Women in Exco is 17%.

Our Community



- In 2023, Airtel sponsored Kabaka birthday Run with 100,000 runners and the proceeds went to the fight against HIV/AIDS by 2023
- Airtel Uganda, under the Unicef partnership, is providing up to 300 GB of data per month connecting up to 7986 students

Our Environment



- As part of our environmental stewardship we continue to reduce our carbon footprint. In 2023, we connected 368 new sited solely powered by solar energy.
- Decommissioned diesel generators from 105 sites.
- We remain committed to the reducing our greenhouse emissions and e-waste.

Regulator and stakeholder engagement

IPO and Listing on USE	Spectrum Coverage and Service	Compliance	Audit	Policy
- The company through an Initial Public Offer (IPO) listed on the Uganda Securities Exchange w.e.f. 07.11.2023. - Ugandan investors hold 10.89% of the issued shares.	- The Company acquired spectrum in the 800, 3500 and E band - First to launch 5G services in Uganda. - The Company is working towards meeting its license coverage obligations.	- Airtel remains fully compliant and has a zero tolerance policy to fraud. - Our entire customer base is fully verified as per new KYC Regulation.	Fully compliant on all the audits conducted by the Regulator so far.	The company has engaged Government to review Tax Policy to reduce the entry level cost of Smartphone and Home internet equipment.



Key Performance Highlights

*Subscribers

14.8 Mn

+7.5%

*Data Subscribers

5.7 Mn

+19.6%

*Smartphone customers

5.3 Mn

+21.9%
Penetration 35.8%

Sites

2,981

+399 sites
+15.5%

Fiber Km

8,974 Kms

+577 Km
+6.9%

Covered population

92.7%
4G Population coverage

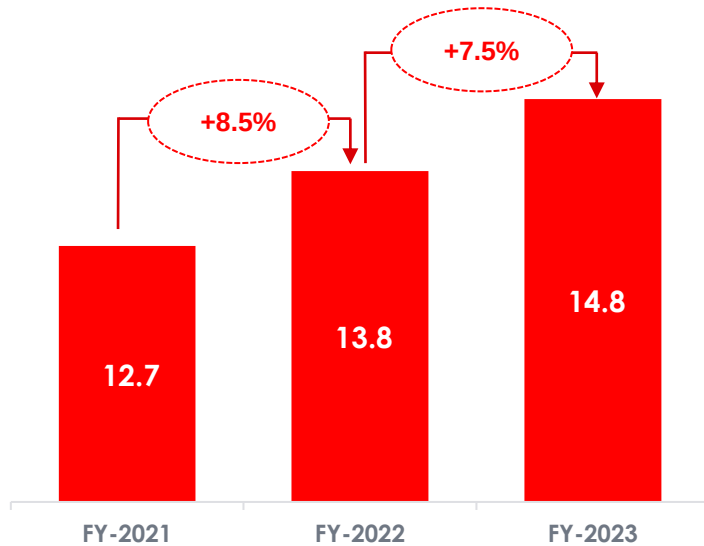
98.4%
3G Population coverage

98.9%
2G Population coverage

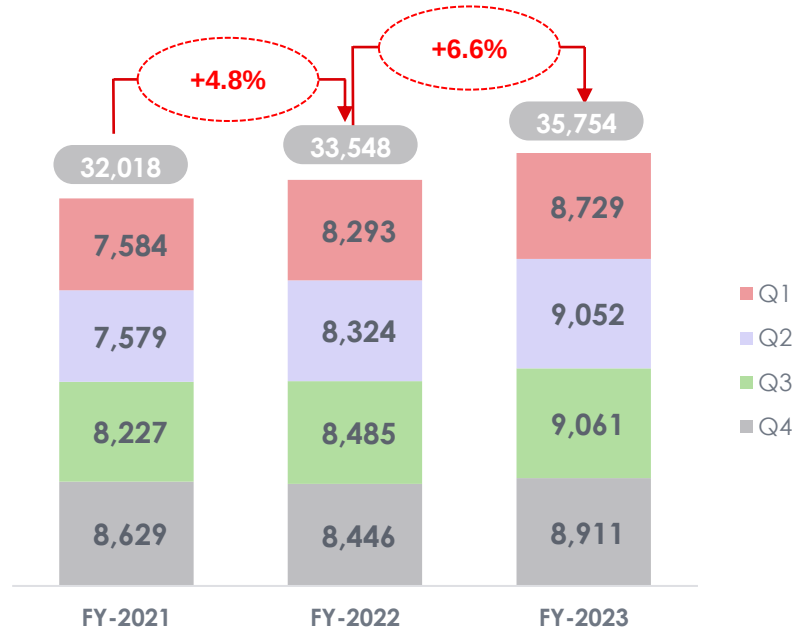
* Subscribers comprise of customers with revenue generating activity in last 30 days.

Consistent Voice revenue growth

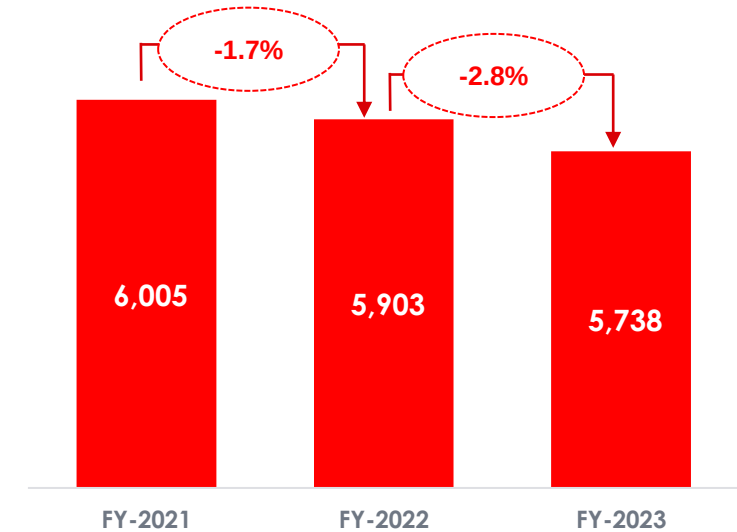
*Mobile Subscribers (Mn)



Outgoing Minutes of usage (Mn)



Average revenue per user (UGX)



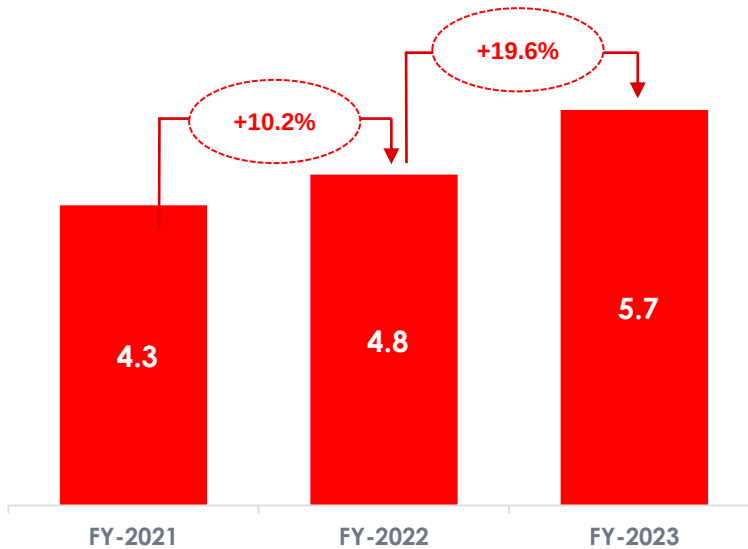
Growth drivers:

- Customers increase by 7.5%.
- Coverage expansion through roll out of additional 399 sites.
- Continued focus on distribution through enhancing recruitment of additional Sim selling outlets.

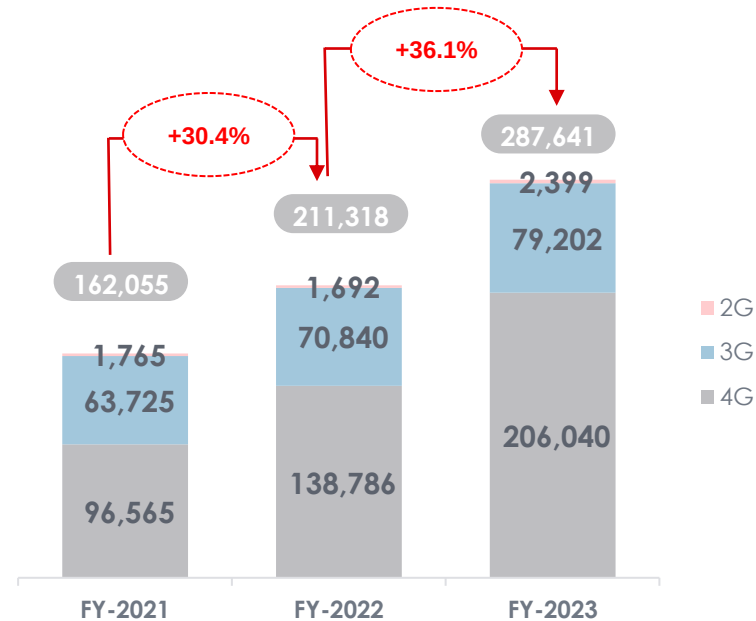
* Subscribers comprise of customers with revenue generating activity in last 30 days.

Consistent Data revenue growth

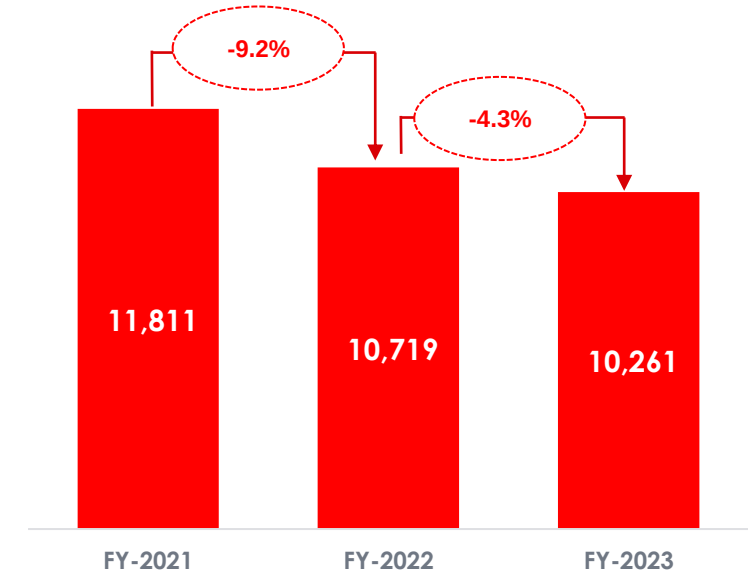
*Data Subscribers (Mn)



Data MBs (Mn)



Average revenue per user (UGX)



Growth drivers:

- Data subscribers increase by 19.6%.
- Launch of 5G and increase in upgrade of customers from 3G to 4G enhancing usage per subscriber.
- Home broadband emerging as a key driver for data business.
- Stable network and roll out of new technology like VoLTE & 5G.
- Smartphone customer acquisition drive through device financing and attractive pricing proposition.

* Subscribers comprise of customers with revenue generating activity in last 30 days.

AWARDS AND NOMINATIONS 2023



Digital Impact Awards

- Brand of the year
- Technology Services Excellence
- Digital campaign Excellence- "Beera Smart" Campaign

Uganda Marketing Excellence Awards

- Best Digital Campaign - The Voice Africa
- Best Advertising Campaign - The Voice Africa



Silver Back Awards

- Most responsive digital brand



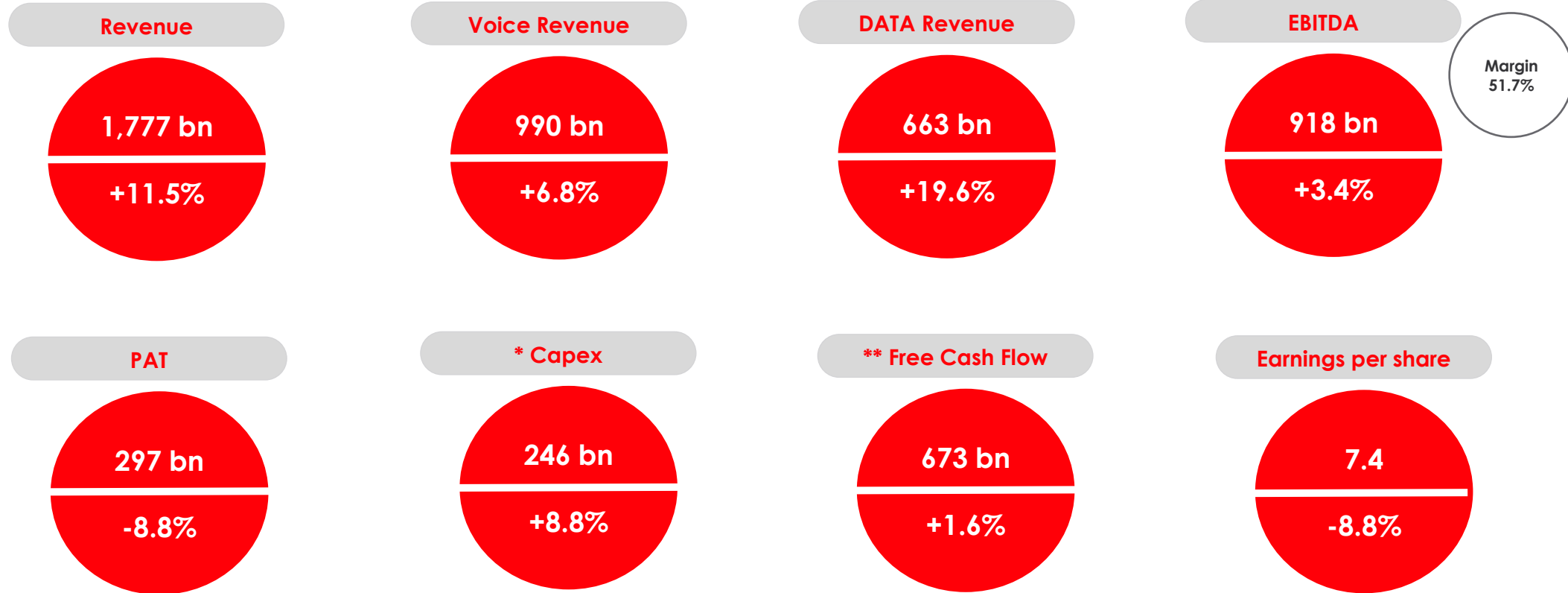
Financial Performance & Review

Nishant Mohan

Finance Director Airtel Uganda

Financial highlights 2023

Consistent revenue growth combined with sustained margin and strong cash flow generation



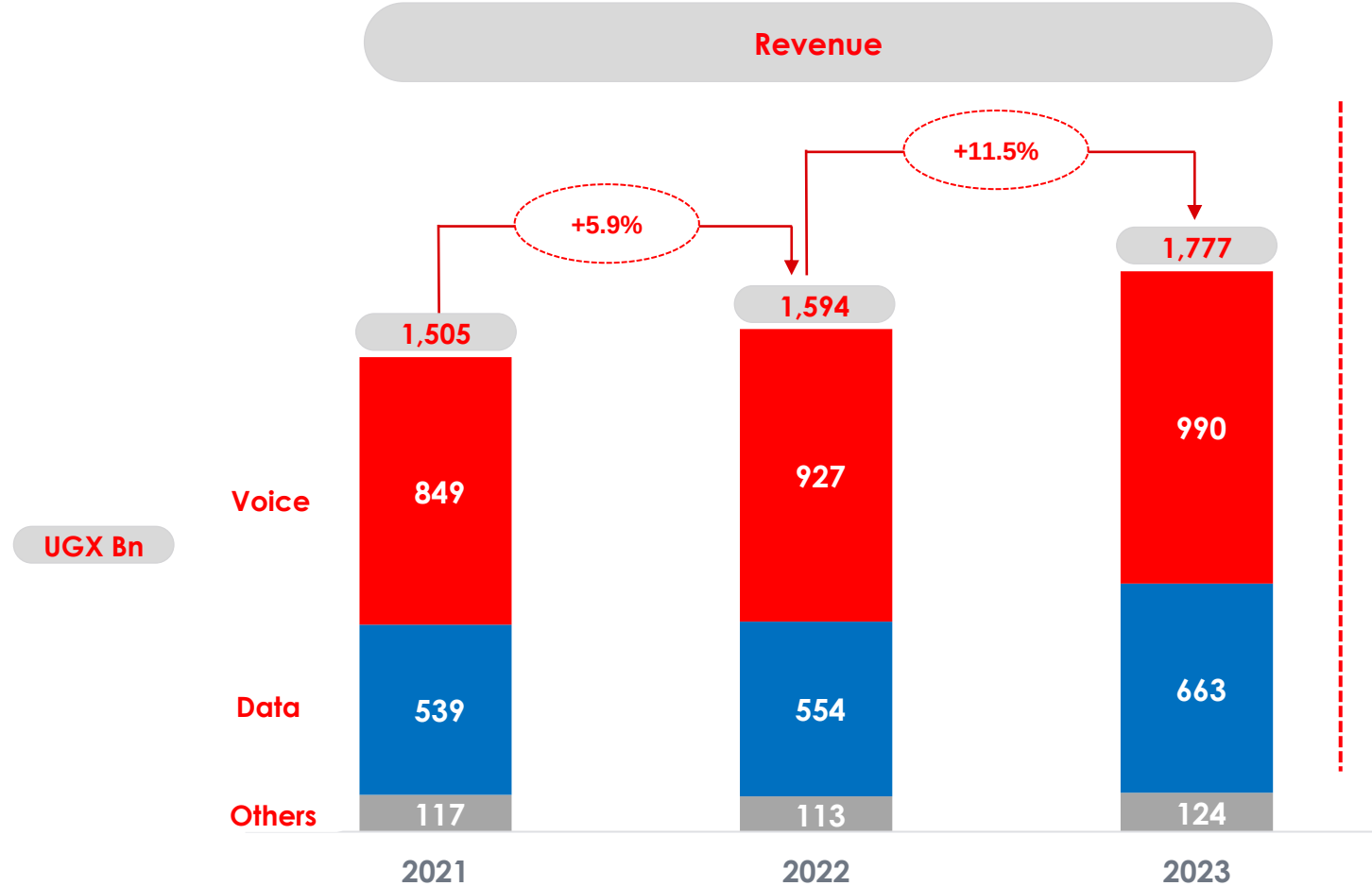
Total Dividend for FY 2023 is UGX 280.8 bn , effective dividend yield is 7%

* Capex is as per IAS 17 and does not include right of use assets.

** Free cashflows is EBITDA less Capex (IAS 17)

Revenue

Robust and consistent growth in revenue



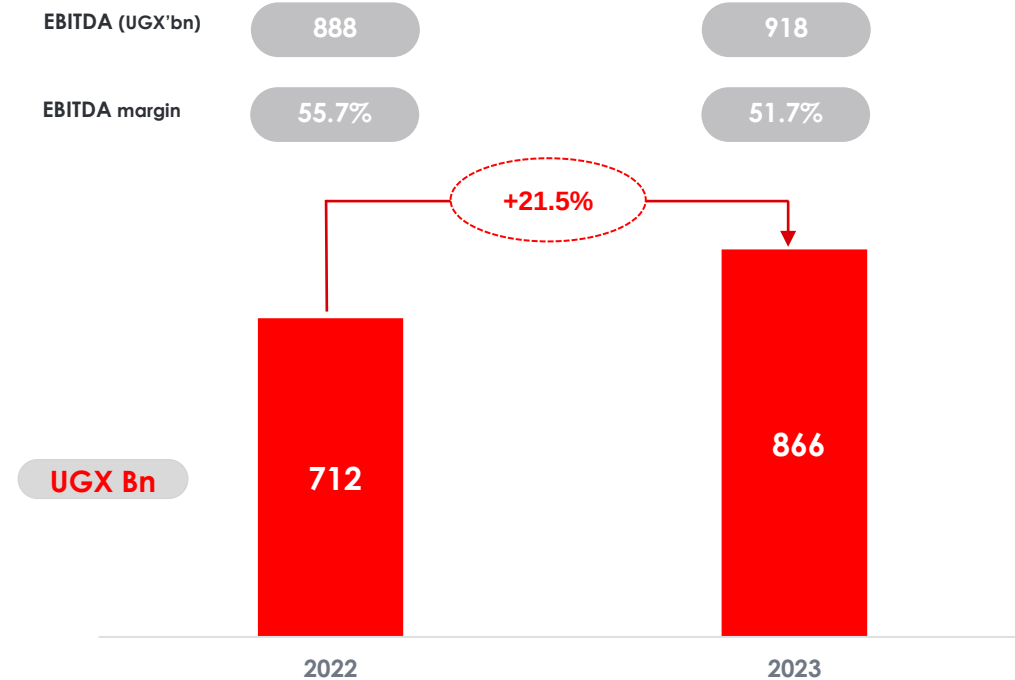
Revenue Mix by Segment

Revenue Stream	FY 21	FY 22	FY 23
Voice	56.4%	58.2%	55.7%
Data	35.8%	34.8%	37.3%
Others	7.8%	7.1%	7.0%

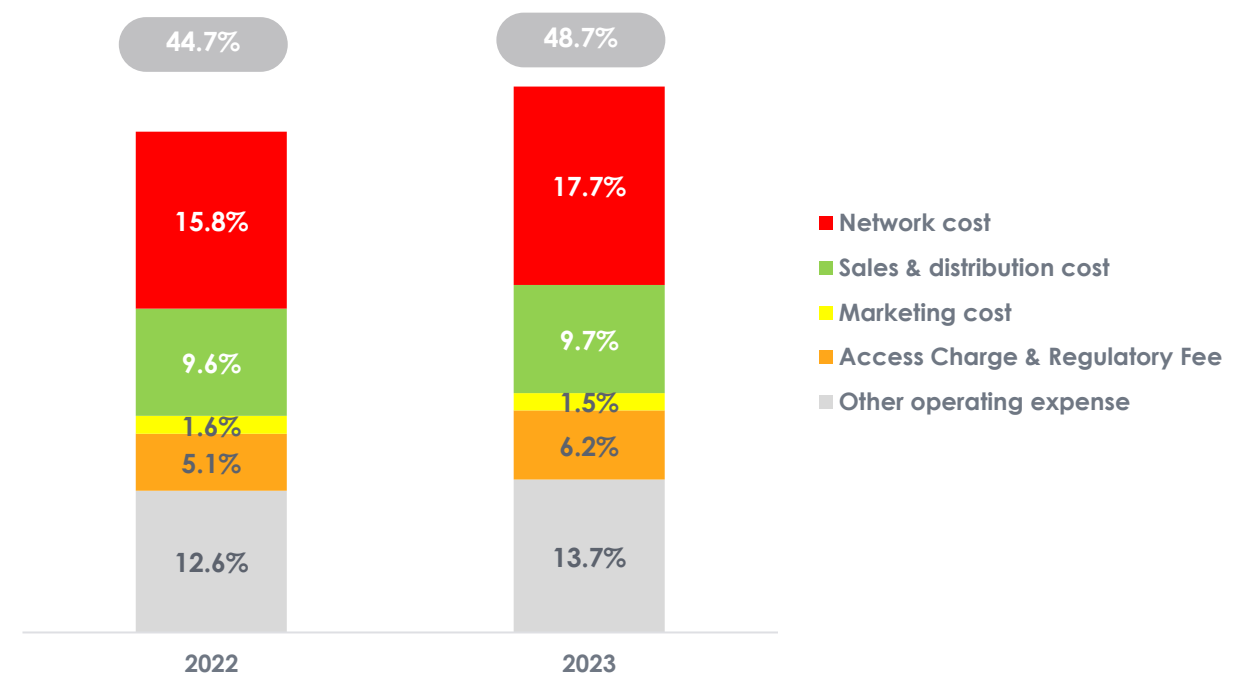
Voice revenue growth of 6.8%, for FY'23 is mainly driven by 7.5% growth in revenue earning customer and 6.7% growth in usage.
 DATA revenue growth of 19.6%, for FY'23 is mainly driven by 19.6% growth in revenue earning customer and 36.1% growth in usage.

Operating Expenses

EBITDA, EBITDA margin & cost



Cost contribution to revenue



Commentary

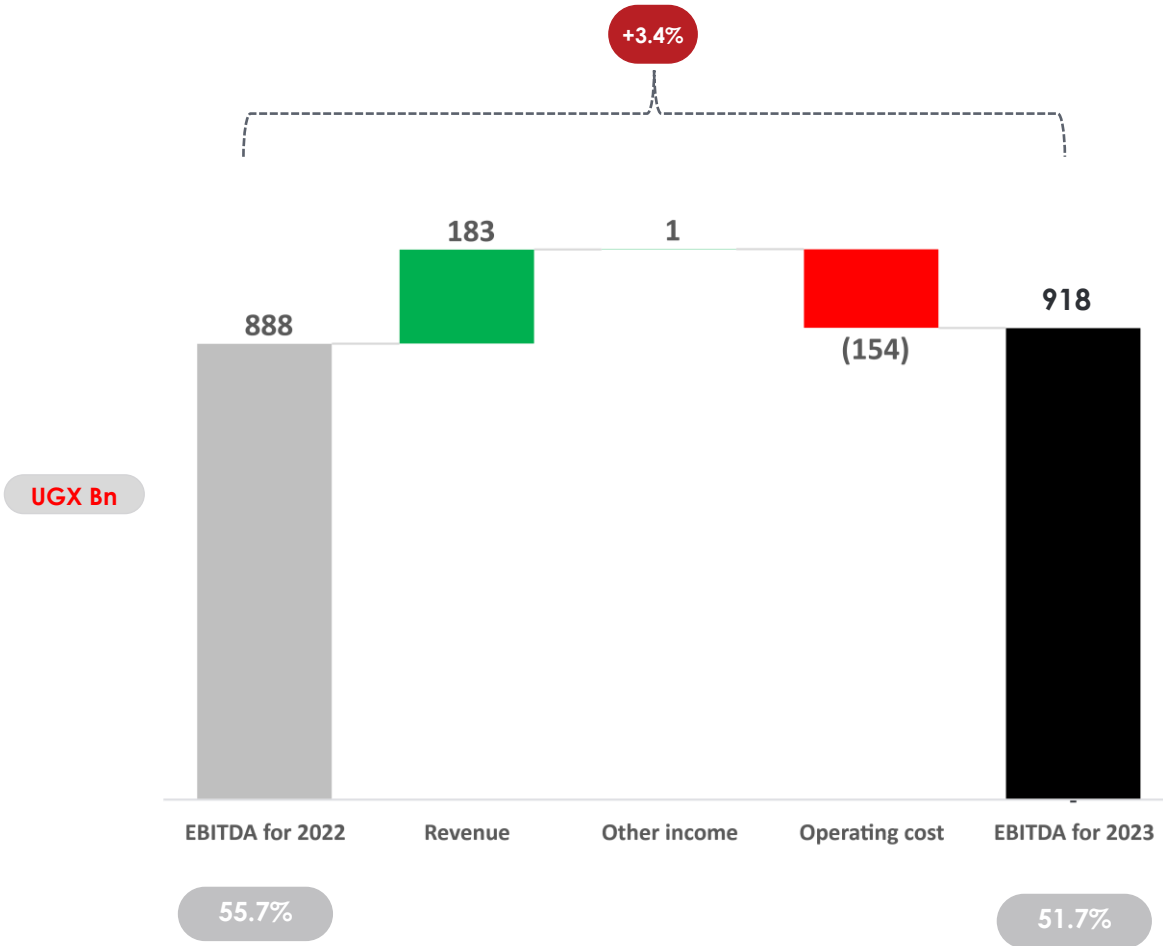
- Operating cost contribution to revenue increased from 44.7% to 48.7% in Fy 23 over Fy 22.
- Network expenses comprising of tower charges, repairs and maintenance & internet access and bandwidth charges increased due to addition of 399 sites during the year to expand 4G network coverage & roll out of 5G sites, which led to cost contribution increase by 1.9%.
- Other contributor of operating cost increase was access charges, regulatory fee & others, which are mainly driven by increase in volume.

2023 Savings

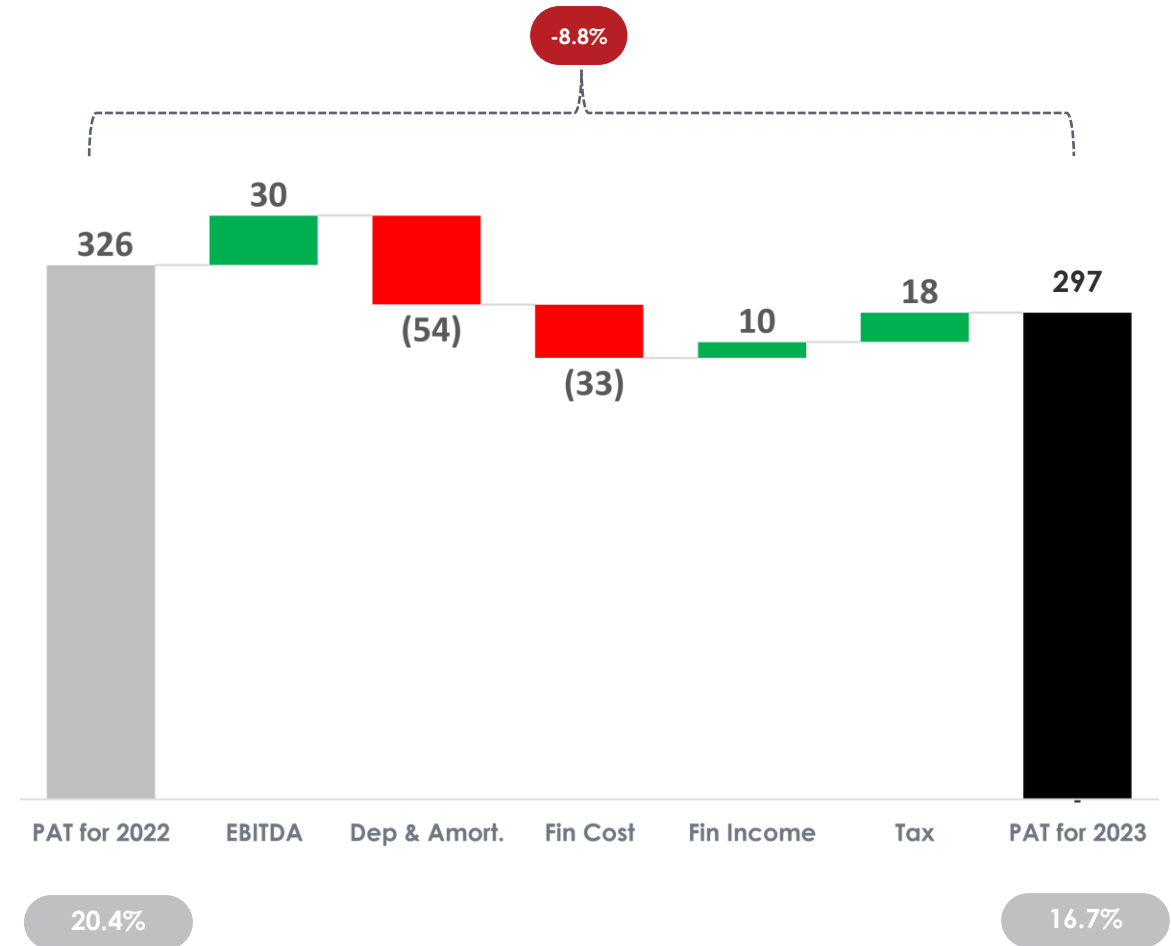
UGX 12.2 bn towards opex War on Wastage

EBITDA & PAT bridge

EBITDA Margin Evolution



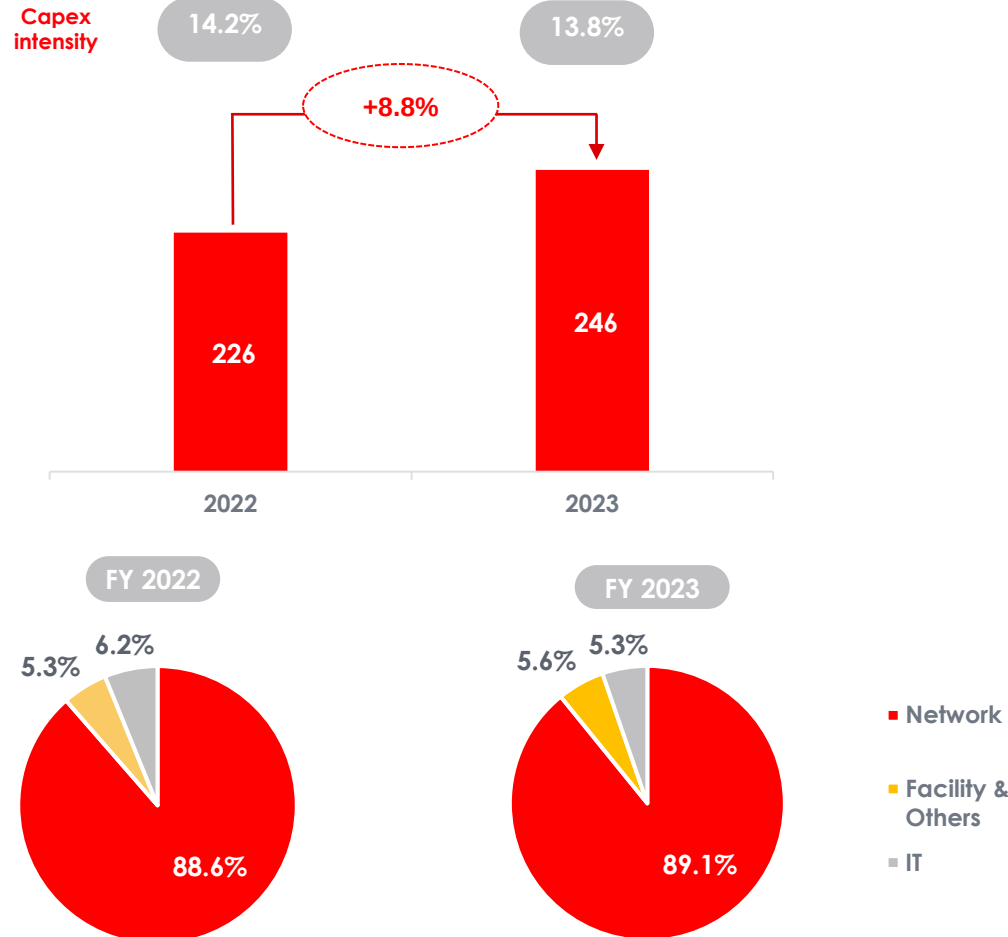
PAT Evolution



Robust Balance Sheet with Secure Leverage Levels

Strengthening the balance sheet with sustainable leverage

Capital expenditure (excl. Leases) (IAS 17)

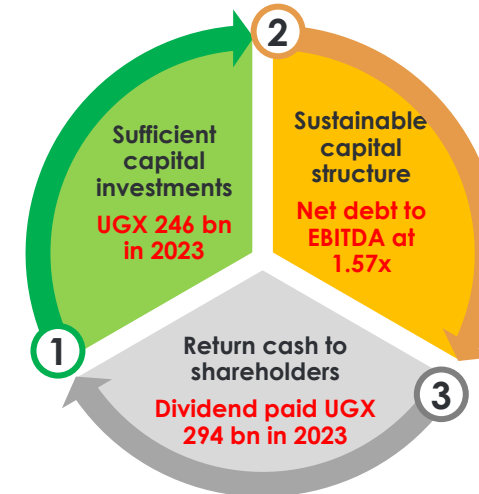


Investment in network is mainly towards Growth Capex to enhance coverage for additional population, enhancement in Capacity, transmission & Core upgrades.

Net Debt to EBITDA (x)

Leverage	As at 31 Dec'22		As at 31 Dec'23	
	UGX bn	x underlying EBITDA	UGX bn	x underlying EBITDA
Borrowings - Term debt	404	0.46x	362	0.39x
Bank Overdraft	225	0.25x	331	0.36x
Gross debt	629	0.71x	693	0.75x
Cash & Cash Equivalent	(35)	0.04x	(34)	0.04x
Net Debt (excl. Lease liability)	594	0.67x	659	0.72x
Lease Liabilities	691	0.78x	785	0.85x
Net Debt (incl. Lease liability)	1,284	1.45x	1,444	1.57x

Transparent and Balanced Capital Allocation Policy



A man in profile, looking through binoculars. The background is a warm, golden sunset sky. A red speech bubble is on the left, and a white name tag is at the bottom left.

Aspiration & Future Outlook

Manoj Murali

Managing Director Airtel Uganda

Well-Articulated Strategy Underpinned by Five Key Pillars



Medium term guidance

Continued distribution and infra momentum with focus on EBITDA



REVENUE

Double digit growth



EBITDA

EBITDA margin expansion



DIVIDENDS

95% dividend payout to shareholders

Q&A

