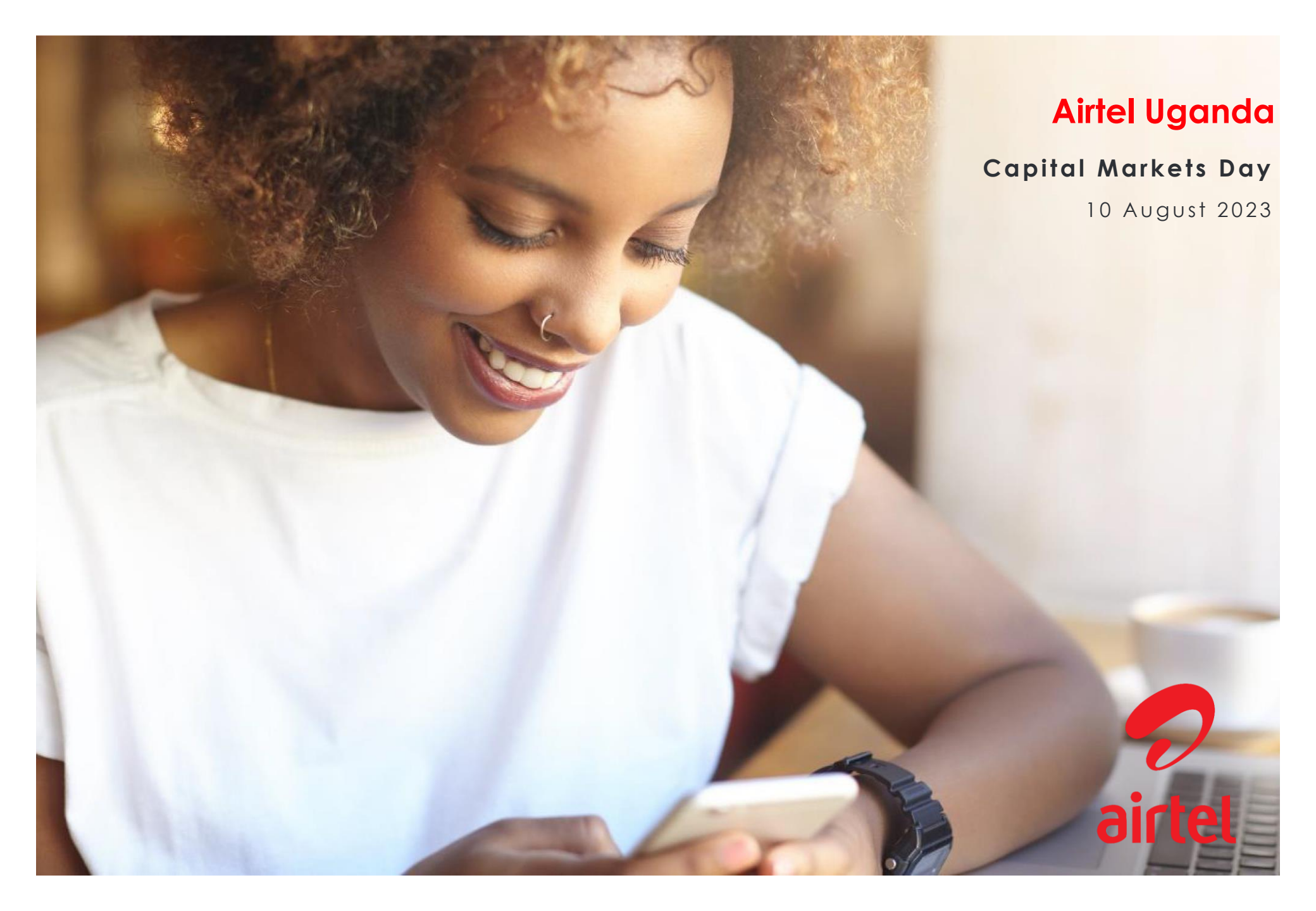




Airtel Uganda

Capital Markets Day

10 August 2023



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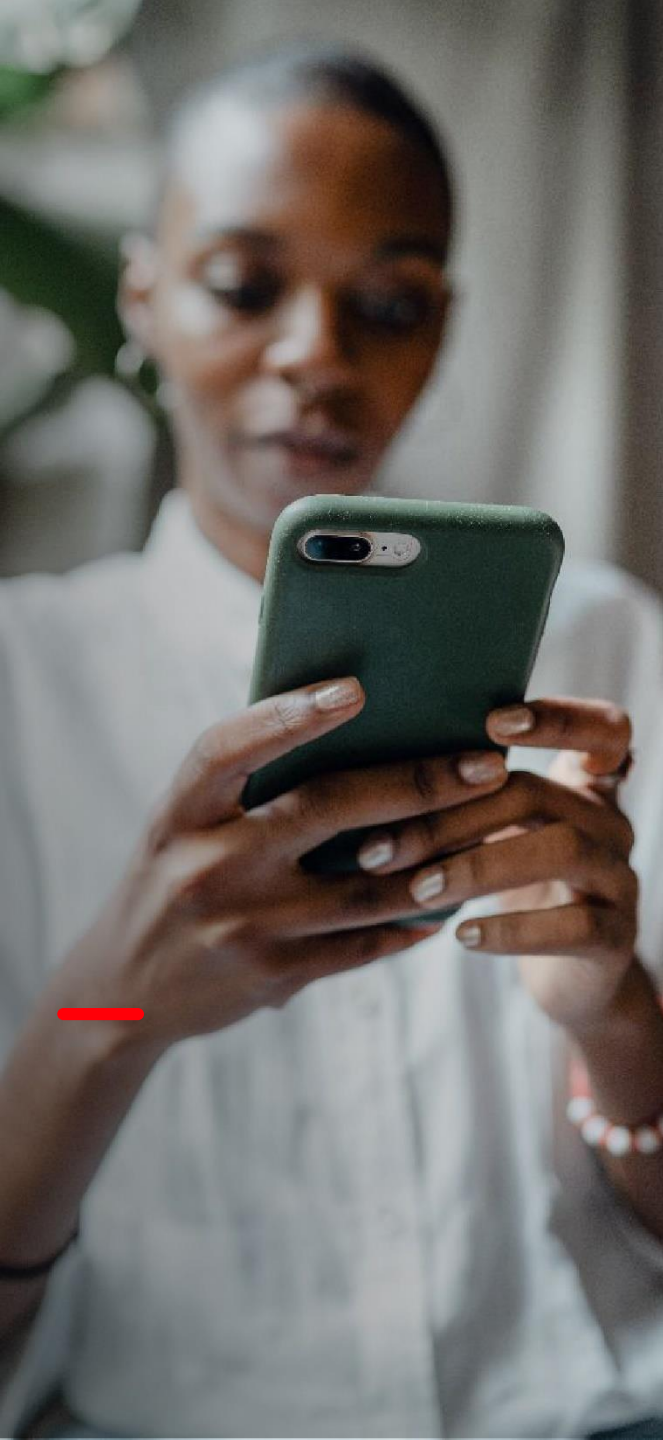
This presentation contains certain statements of future expectations and other forward-looking statements, including those relating to our general business plans and strategy, our future financial condition and growth prospects, and future developments in our industry and our competitive and regulatory environment. These statements by their nature, are subject to unknown risks & uncertainties. In addition to statements which are forward looking by reason of context, the words 'may, will, should, expects, plans, intends, anticipates, believes, estimates, predicts, potential or continue' and similar expressions identify forward-looking statements. Actual results, performances or events may differ materially from these forward-looking statements including the plans, objectives, expectations, estimates and intentions expressed in forward-looking statements due to a number of factors, including without limitation future changes or developments in our business, our competitive environment, telecommunications technology and application, and political, economic, legal and social conditions in Uganda. It is cautioned that the foregoing list is not exhaustive.

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Certain numbers in this presentation have been rounded for ease of representation.

Today's Agenda

Time (EAT)	Section	Item	Presenter(s)			
9:45 - 10:05	1	Welcome & Airtel Uganda Overview	Manoj Murali	Managing Director Airtel Uganda		
10:50 - 10:20	2	Investment Highlights	Manoj Murali	Managing Director Airtel Uganda		
10:20 - 10:30	3	Win with Distribution	Amit Kapur	Chief Commercial Officer Airtel Uganda	Henry Njoroge	Marketing Director Airtel Uganda
10:30 - 10:40	4	Win with Technology	Rajesh Agrawal	Networks Director Airtel Uganda	Donald Twesiga	IT Director Airtel Uganda
10:40 - 10:50	5	Win with People	Flavia Lwanga	Human Resources Director Airtel Uganda		
10:50 - 11:00	6	Corporate Governance	Dennis Kakonge	Legal and Regulatory Director Airtel Uganda		
11:00 - 11:20	7	Financial Performance	Nishant Mohan	Finance Director Airtel Uganda		
11:20 - 11:25	8	Offering Summary	Manoj Murali	Managing Director Airtel Uganda		
11:25 - 11:40	9	Q&A	Airtel Management Team			
11:40 - 11:45	10	Closing Remarks	Manoj Murali	Managing Director Airtel Uganda		
11:45 - 12:45		Lunch				



Airtel Uganda Overview



Manoj Murali
*Managing Director
Airtel Uganda*

Prior Experience

- Previously CEO Airtel Kerala and Tamilnadu



Managing Director of Airtel Uganda Limited since October 2020, he holds a MBA from Symbiosis International University and a BE in Instrumentation & Electronics from University of Poona

Years of exp. **22+**

The Airtel Uganda Management Team

Experienced team with a deep bench of leadership

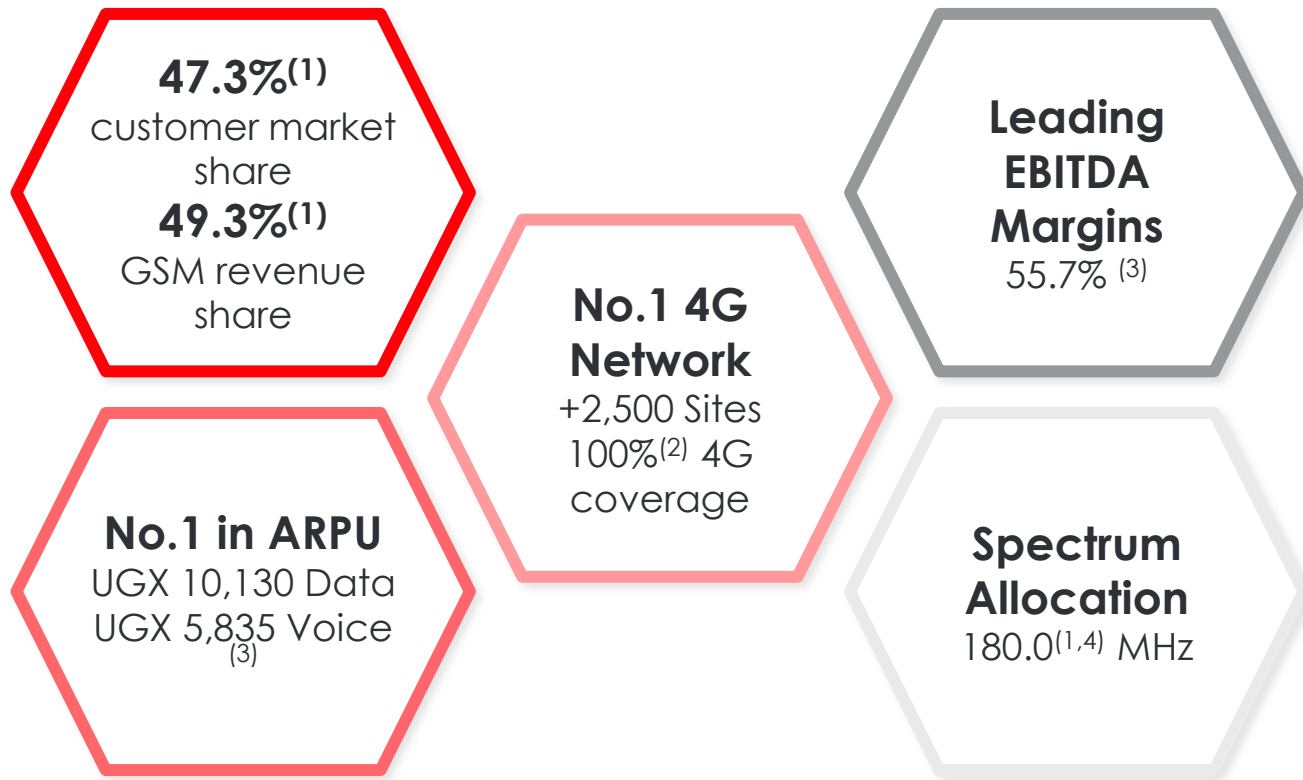
 Manoj Murali Managing Director Previous experience   22+	 Nishant Mohan Finance Director Previous experience   20+	 Dennis Kakonge Legal and Regulatory Director Previous experience    18+
 Amit Kapur Chief Commercial Officer Previous experience    19+	 Henry Njoroge Marketing Director Previous experience    18+	 Rajesh Agrawal Networks Director Previous experience    21+
 Donald Twesiga IT Director Previous experience    20+	 Flavia Lwanga Human Resources Director Previous experience    25+	 Allan Semakula Enterprise Director Previous experience    18+
 Ali Balunywa Sales and Distribution Director, Core Markets Previous experience     10+	 Michael Opwonya Supply Chain Director Previous experience    19+	 Brendan Kachenje Sales and Distribution Director, Growth Markets Previous experience    15+

 Years of experience

 Presenting team member

The Fastest Growing Telecom Company in Uganda

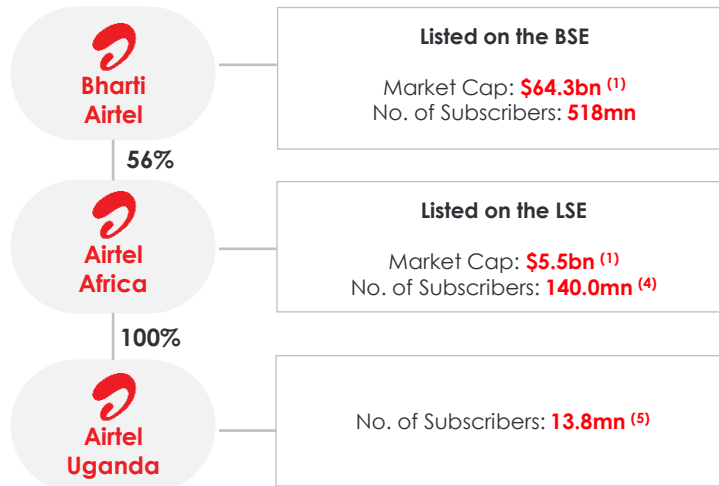
A focus on building out the best network in Uganda over time has resulted in Airtel being the most profitable telco in Uganda



Halo Effect as Part of the Airtel Group

Benefitting from a Global Parent Company in Bharti Airtel ...

Bharti Airtel is the 2nd largest telecom operator globally ⁽²⁾, operating across 17 countries in Asia and Africa for over 23 years with network coverage of c. 2bn people



A leading global telecommunications group

- ✓ Deep-pocket sponsor in the form of Airtel Africa and Bharti Airtel
- ✓ Highest levels of corporate governance across the group
- ✓ Highly efficient procurement model
- ✓ Reaching 518mn customers, across 2 continents

... and a Continental Parent in Airtel Africa

- 14** Countries
Across Africa

2nd Largest Telecom operator
in Africa ⁽³⁾

140.0mn Total Customers ⁽⁴⁾

\$3.3 Total ARPU 9M End Dec'22

54.6mn Data Customers ⁽⁴⁾

90.3% of sites now on 4G ⁽⁴⁾

Premium Listing



**LONDON
STOCK
EXCHANGE**

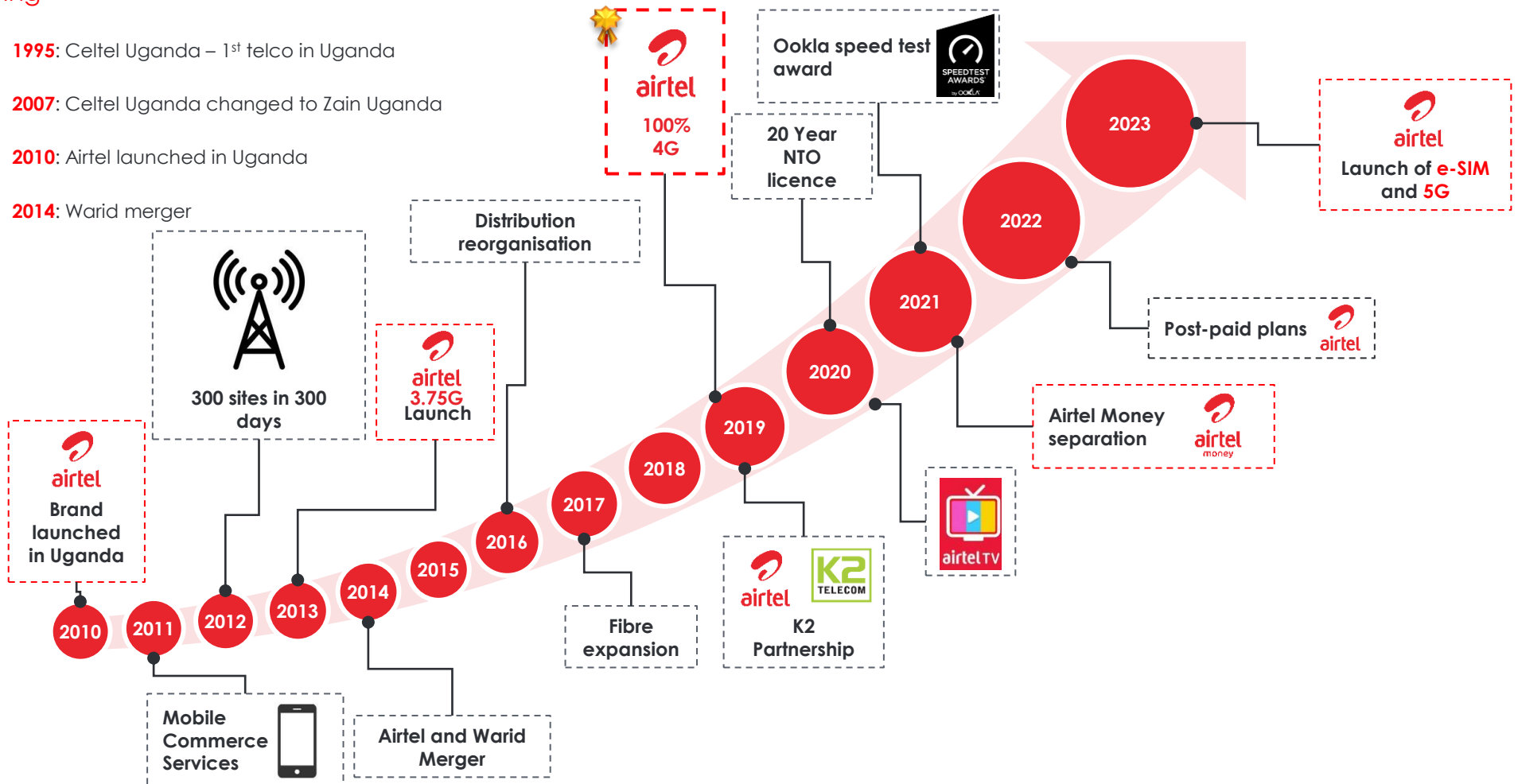


- ✓ Airtel Africa listed on the London Stock Exchange and the Nigerian Exchange Group since 2019

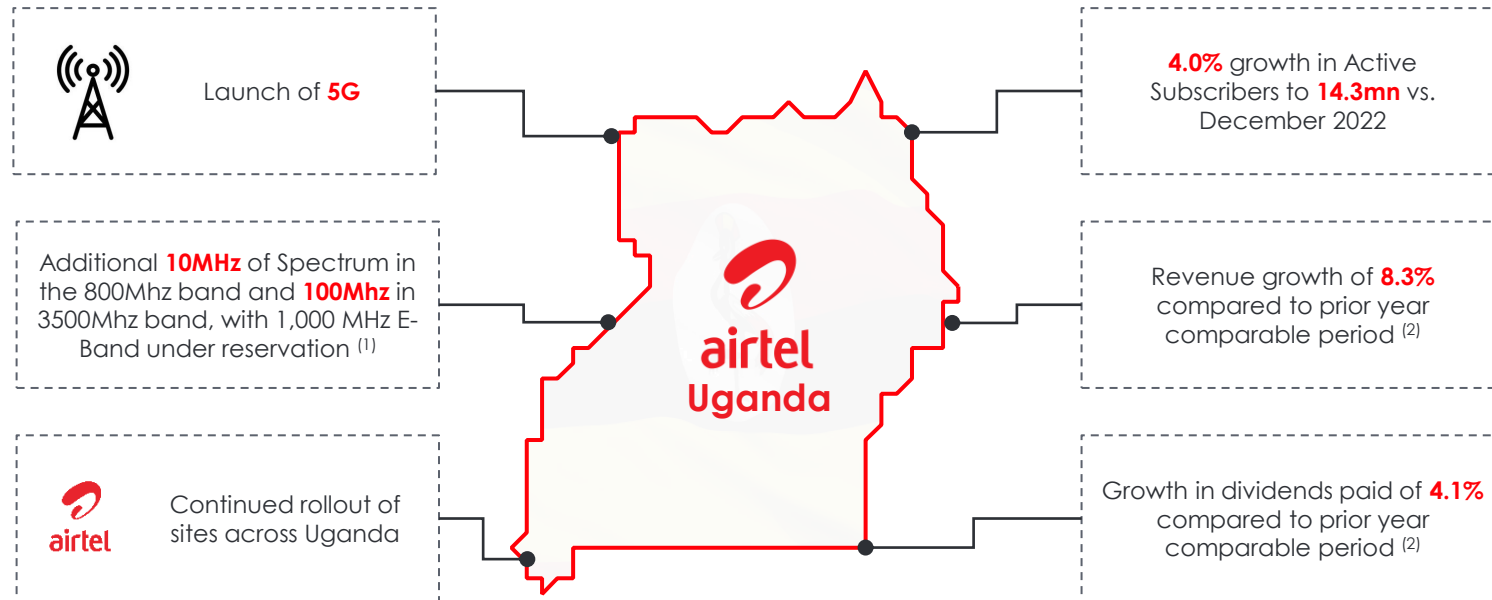
Airtel Uganda Journey

With its roots as the first telco in Uganda, Airtel has grown into a distinctly Ugandan business with a world-class network and offering

- 1995:** Celtel Uganda – 1st telco in Uganda
- 2007:** Celtel Uganda changed to Zain Uganda
- 2010:** Airtel launched in Uganda
- 2014:** Warid merger



With Continued Progress in 2023



Recent Achievements and Awards



Most Admired Telecom Brand in Uganda

Brand Africa

2022



10th Annual Airtel-Kabaka Birthday Run

Over **100,000** Runners

April 2023



Airtel, UNICEF Reaffirm Commitment to Accelerate Access to Quality Education

April 2023

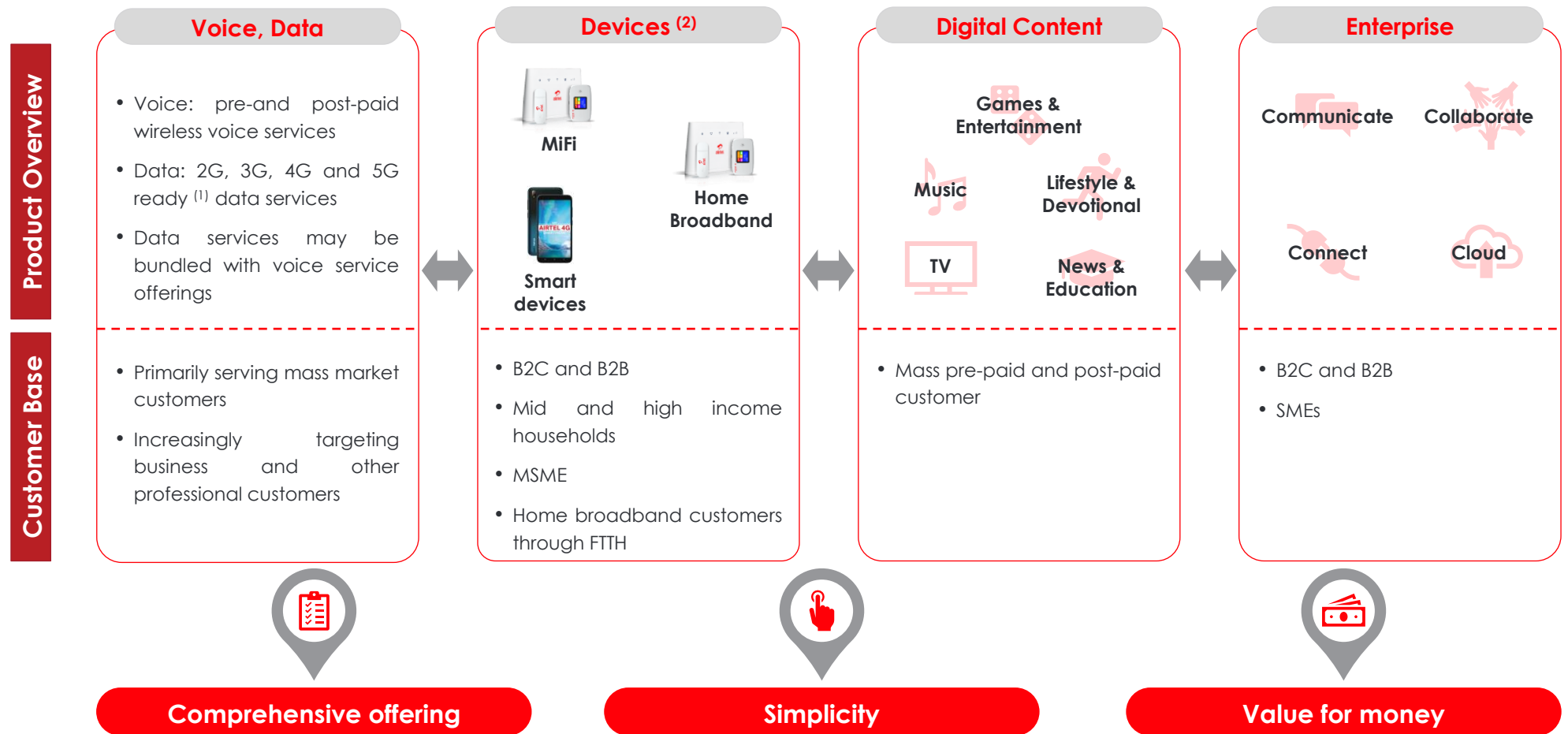


Airtel Uganda Launches VoLTE on its 5G Ready Network

July 2023

Suite of Products and Services

Connectivity



Brand

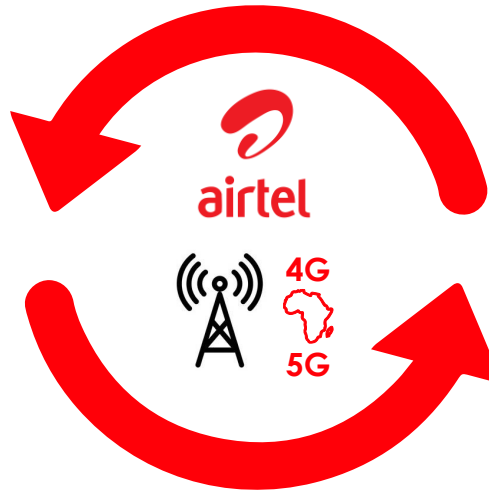
Objective: To build a strong emotionally connected telco brand which resonates the passions and beliefs of Ugandans, especially the youth

Brand vision

- ✓ A brand that empowers Ugandans to imagine and achieve their dreams
- ✓ A preferred brand for voice and data in Uganda

Brand awards

- ✓ Most admired Telecom Brand in Uganda ⁽¹⁾
- ✓ Best advertising campaigns ⁽²⁾
- ✓ Most visible brand ⁽³⁾
- ✓ Best TV spot of the year ⁽⁴⁾



Brand personality

- ✓ Innovative and Youthful
- ✓ Locally connected
- ✓ Aspirational
- ✓ Affordable
- ✓ Trustworthy

Brand values

- ✓ Alive – Act with passion, energy & a “can do” attitude
- ✓ Inclusive – Champion diversity
- ✓ Respectful – Act with humility, openness & honesty

With a Brand Built Through its Community Initiatives

Kabaka Run - 2022



Airtel K2

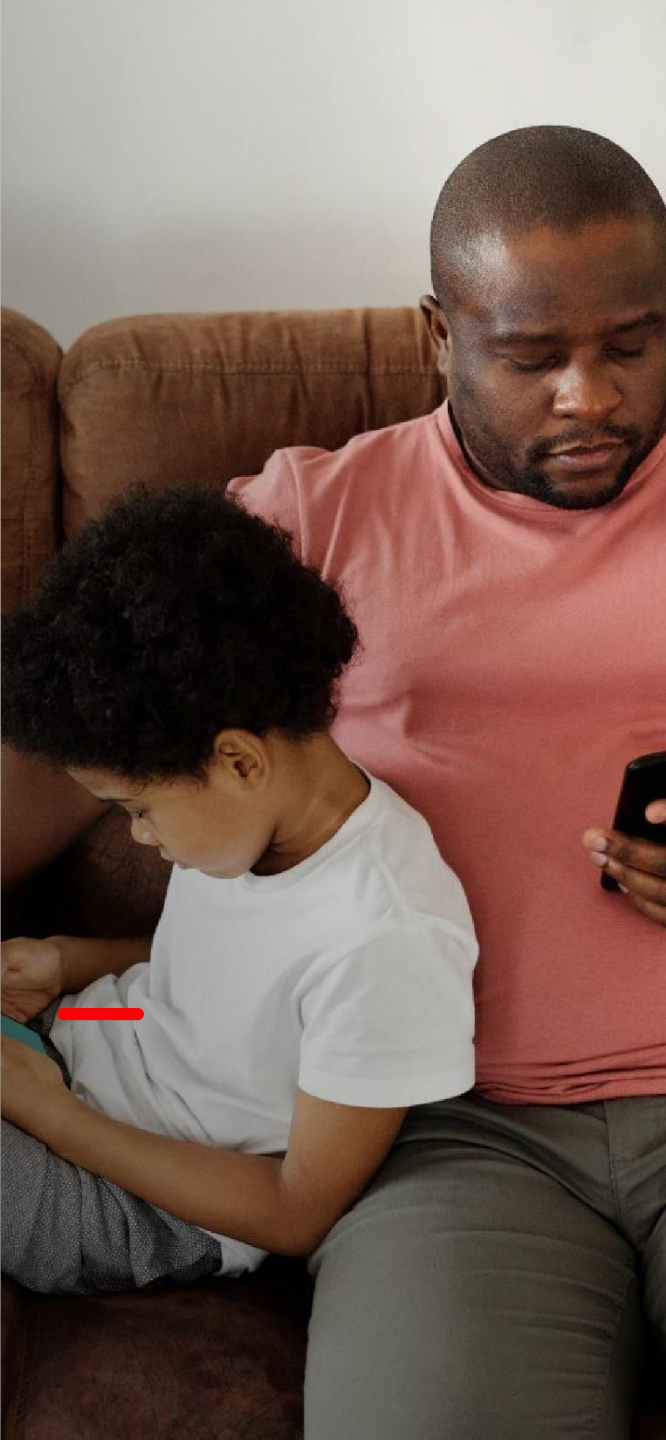


Uganda Cranes – Football Sponsorship

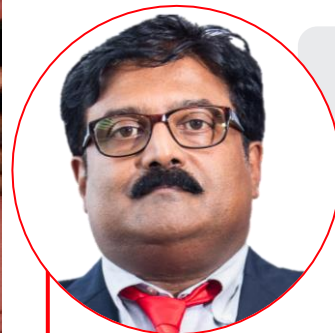


Source: Company Information.

Notes: (1) Brand Africa 2022. (2) Nigeria, 2018. (3) Malawi, 2017. (4) DRC, 2017.



Investment Highlights



Manoj Murali
Managing Director
Airtel Uganda

Prior Experience

- Previously CEO Airtel Kerala and Tamilnadu



Managing Director of Airtel Uganda Limited since October 2020, he holds a MBA from Symbiosis International University and a BE in Instrumentation & Electronics from University of Poona

Years of exp. **22+**

Key Investment Highlights

Market Potential

1

Substantial market potential

- Presence in Uganda with promising macroeconomics, demographics and tele-density
- Significant mobile data opportunities supported by favourable market dynamics

Leadership Position

2

Leadership across Uganda

- Well-diversified and leading mobile operator with scale
- Well-suited platform to efficiently monetise data potential

Performance

3

Remarkable growth story

- Margin expansion and strong cash flow generation underpinned by a strong balance sheet
- Potential for high dividend pay-out

Strategy

4

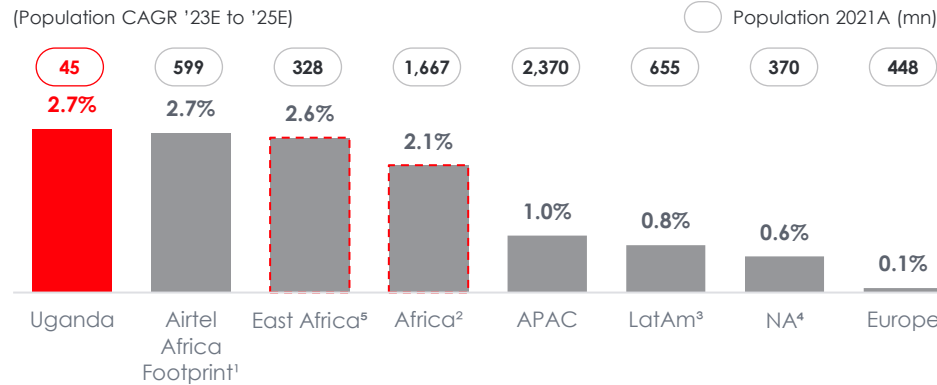
Customer centric vision and mission driving unique strategy

- Strategy led by strong and experienced management team
- Clear growth strategy, shaped by defined market catalysts and based on five key pillars

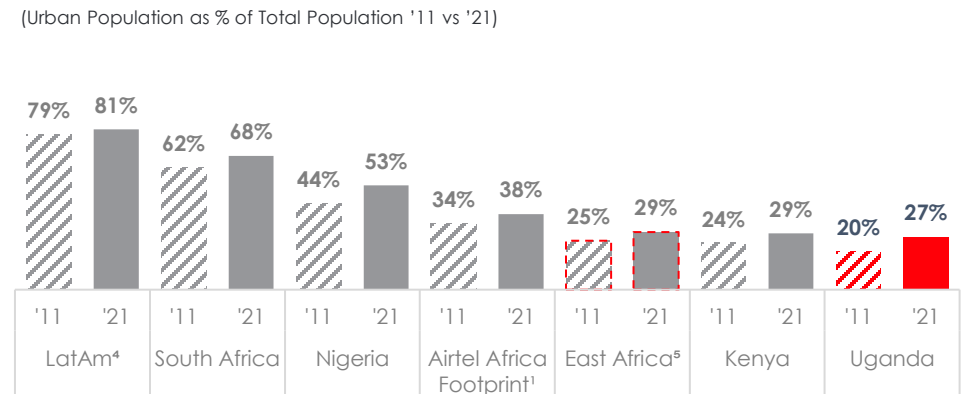
Airtel Uganda to Benefit from Demographic and Economic Tailwinds...

Airtel Uganda continues to expand its network with pioneering technologies ensuring increased reach and penetration rates

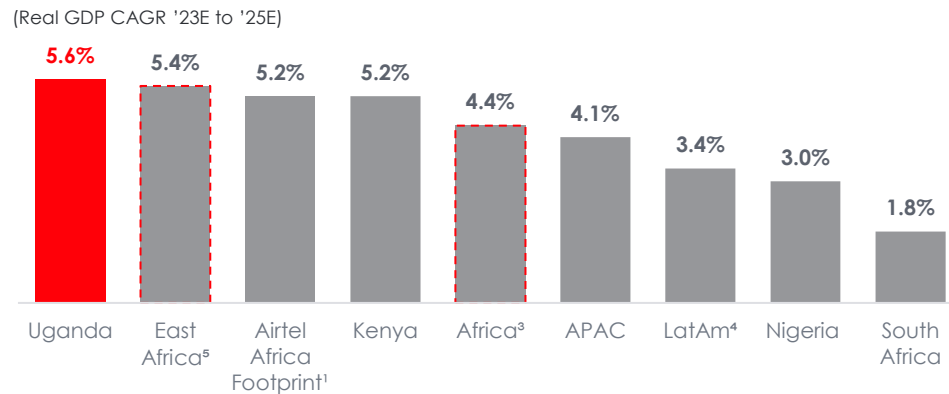
Strong Population Growth Expected ⁽ⁱ⁾



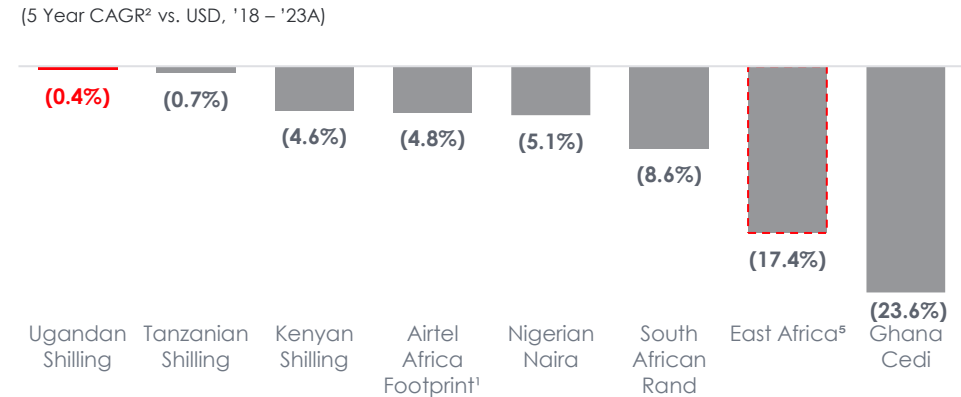
... With Room for Density Through Urbanisation Gap ⁽ⁱⁱ⁾



Growth to Outstrip East African and African Regions ⁽ⁱ⁾



Stable, Floating Currency ⁽ⁱⁱⁱ⁾ (3)



Source: (i) S&P (ii) WorldBank (iii) FactSet.

Note: (1) The footprint of Airtel Africa includes: Chad, DRC, Gabon, Kenya, Madagascar, Malawi, Niger, Rwanda, Seychelles, Tanzania, Uganda, Zambia.

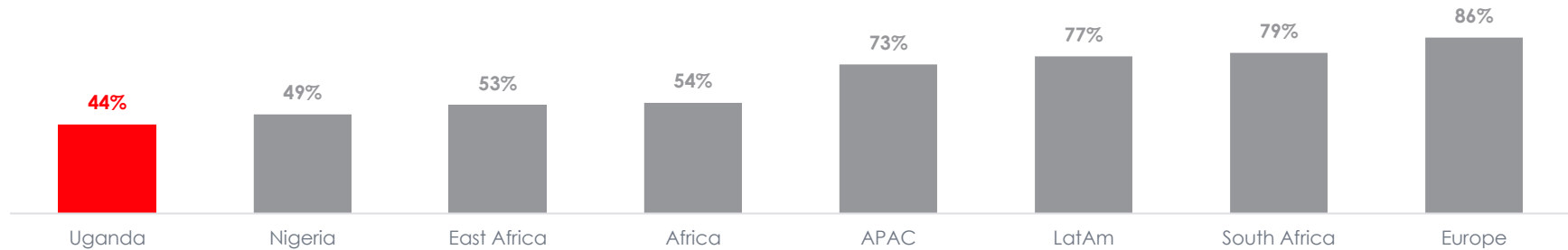
(2) In relation to US\$ as of 1 March 2018 – 1 March 2023. (3) Africa includes Sub-Saharan Africa and MENA. (4) LatAm includes the Caribbean. (5) Members of the East Africa Community Includes: Burundi, DRC, Kenya, Rwanda, South Sudan, Uganda, Tanzania.

Significant Growth Opportunity in Uganda's Telecom Market

Underpenetrated Market with Growth Potential

Unique SIM penetration (2022)

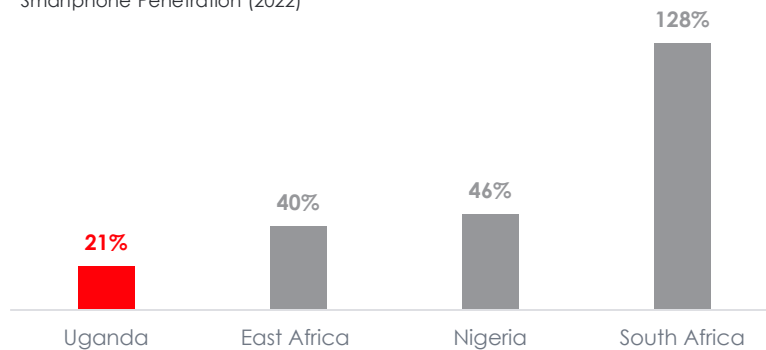
Significant opportunity in Uganda, driven by under-penetrated market



- A comparison of Uganda's penetration relative to African and global markets clearly illustrates that this market is underpenetrated
- The Ugandan market is well-poised for growth as population increases and the market matures

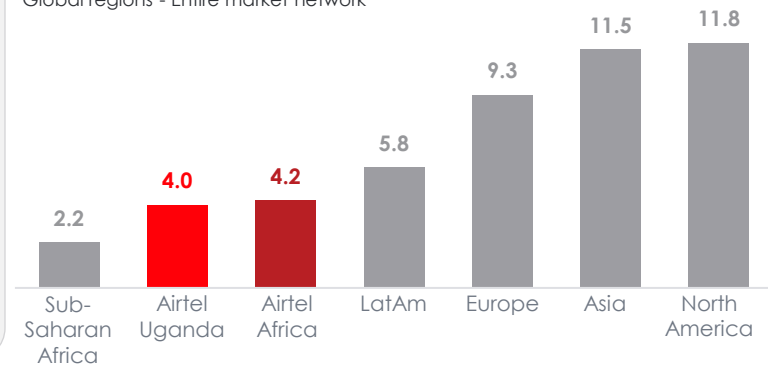
Lower smartphone penetration in Uganda vs the rest of Africa

Smartphone Penetration (2022)



With significant room for growth in data usage

Data usage per customer in GB (per month)
Global regions - Entire market network



Strong Market Position Underpinned by a Fully Modernised Network

Airtel Uganda continues to expand its network with pioneering technologies ensuring increased reach and penetration rates

Modern Network Provider with Leading Technologies



Airtel Uganda's **4G network is country-wide** and based on the latest 4G technology



4G network **covering 90.7% of Uganda's population**



5G services launched in Uganda while enhancing existing 4G network

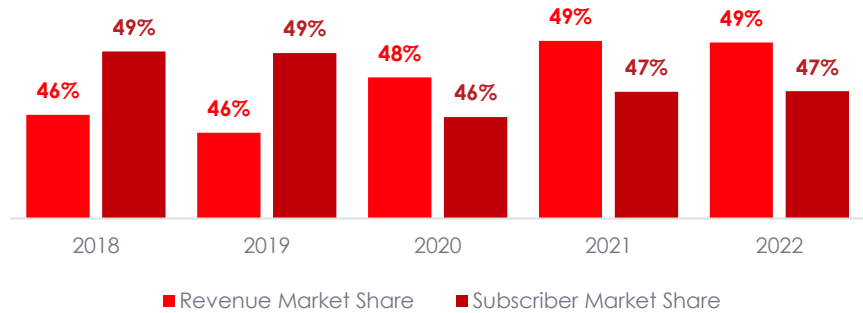


Airtel Uganda recognised as **Uganda's fastest mobile network** at the Mobile World Congress based on Speed tests by Ookla⁽²⁾

Airtel is a close second and continues to narrow the gap...

...with superior data usage on 4G network

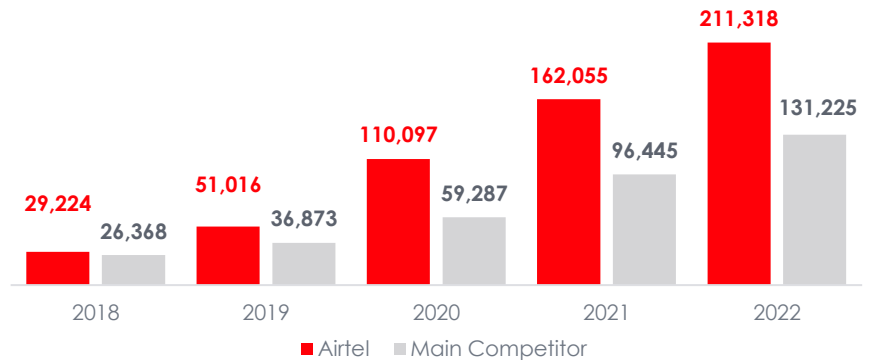
Evolution of Airtel's Market Share ^(1,2)



- Airtel has shown sustained gains in revenue market share in the period

Evolution of Total Data Consumption ⁽²⁾

Data usage in MBs (mn)

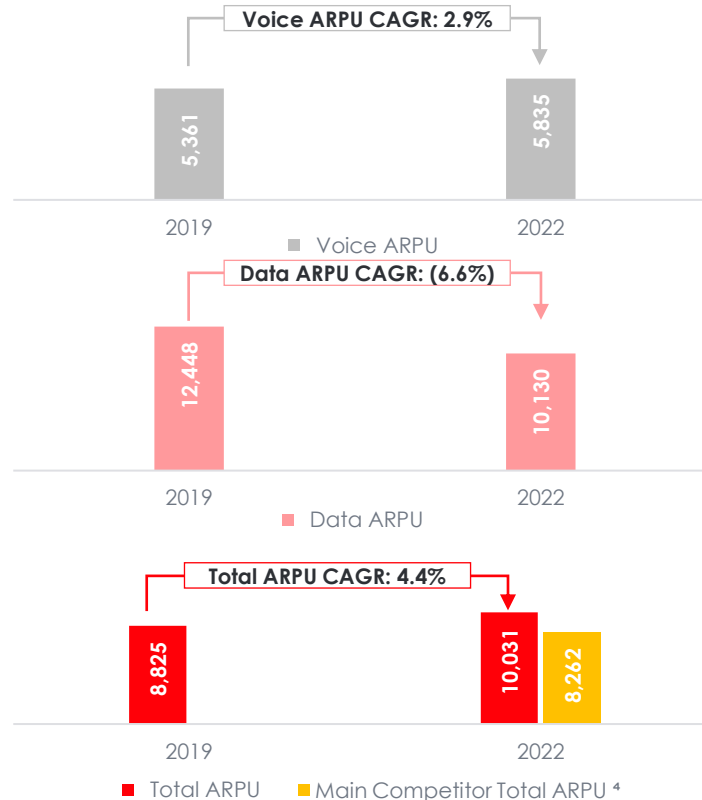


Remarkable Growth Story

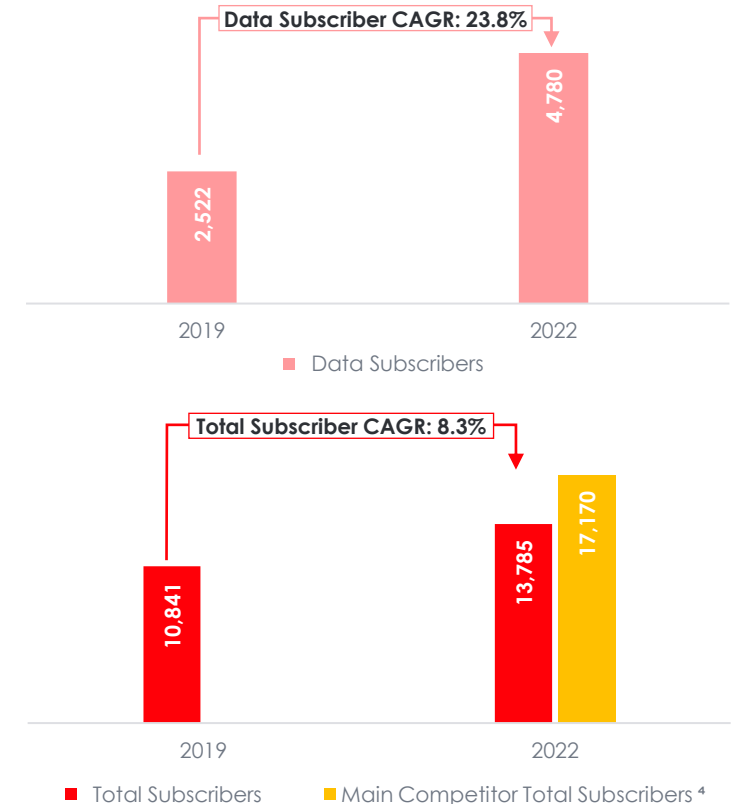
Airtel Uganda's investment in its network have resulted in superior ARPU and a growing subscriber base

Market leading ARPU and growth in subscriber base

Superior ARPU ^(1,2) (UGX)



Subscribers ⁽³⁾ ('000)



- Airtel has shown sustained gains in revenue market share in the period, off the back of superior growth in ARPU relative to the main regional competitor, but has lagged slightly in subscriber growth
- Higher ARPU supported by investment in 4G infrastructure allowing for greater revenue generation

Financial Performance Snapshot, 2022

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

Revenue

UGX 1,594bn

USD 433mn

+5.9%

EBITDA ⁽¹⁾

UGX 888bn

USD 241mn

+0.5%

Margin
55.7%

Consistent growth in revenue driven by growth in number of subscribers and ARPU

Free Cash Flow ⁽¹⁾

UGX 254bn

USD 69mn

FCF Conv.
28.6%

Net Debt

UGX 1,284bn

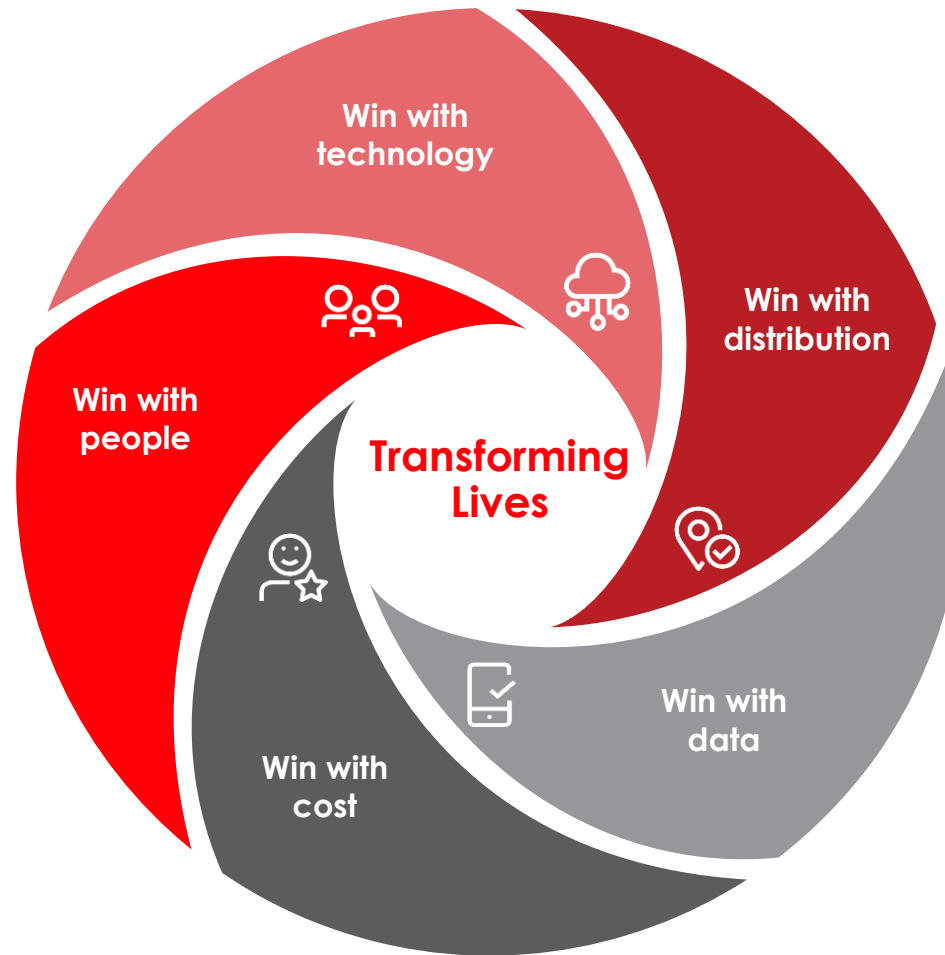
USD 345mn

+29.9%

ND/EBITDA
1.4x

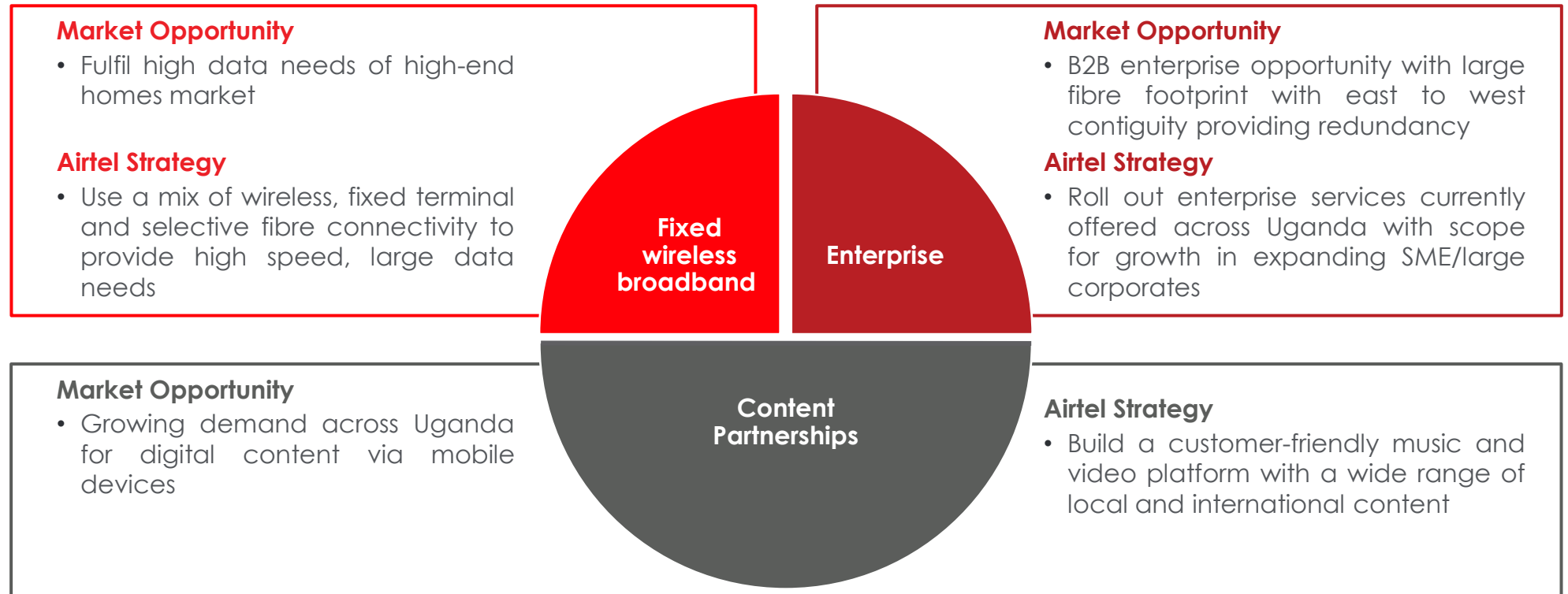
Robust margins and strong cash conversion

Well-Articulated Strategy Underpinned by Five Key Pillars

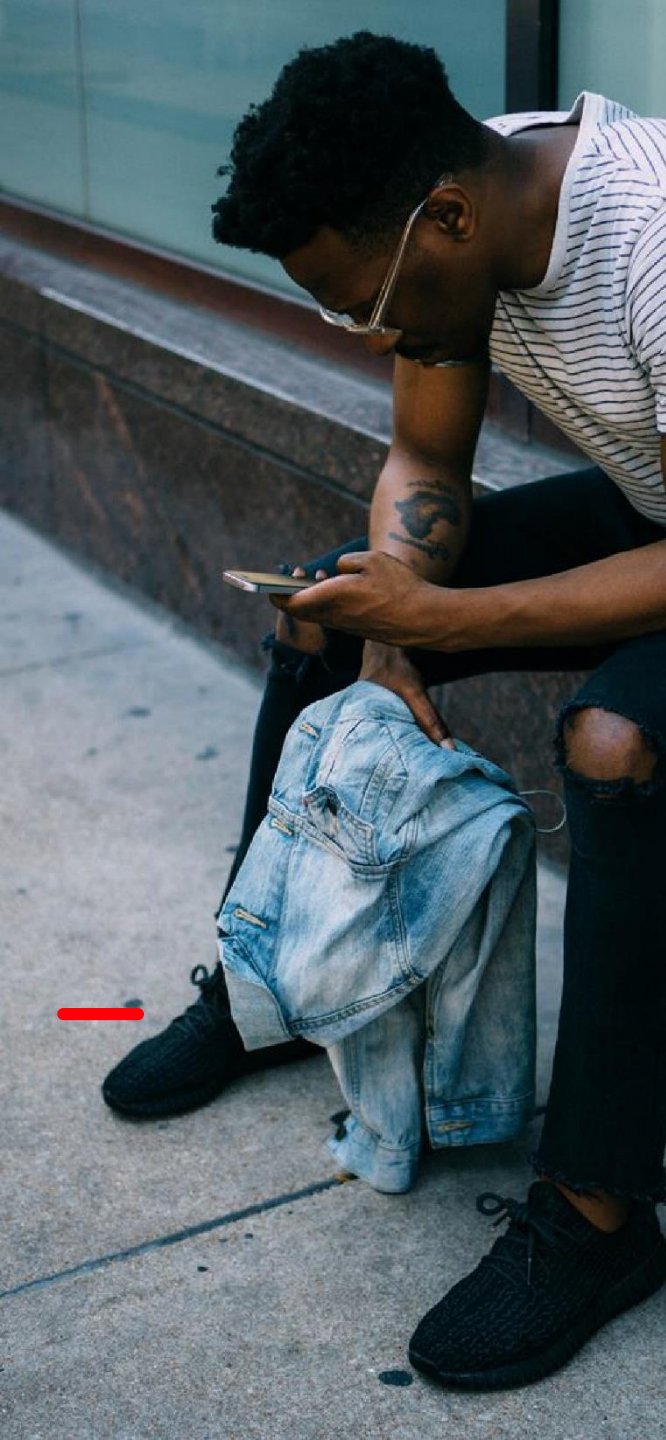


Underpinned by our **Sustainability Strategy** and accelerated by our commitment to **Digitalisation**

Multiple Areas of Additional Upside



Immediate visibility of new revenue streams from new opportunities



Win with Distribution and Data



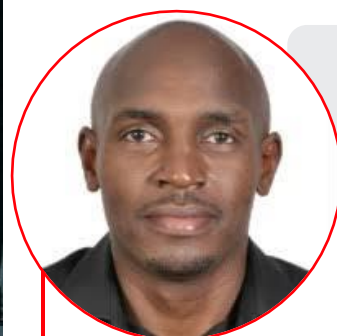
Amit Kapur
Chief Commercial Officer
Airtel Uganda

Prior
Experience



Chief Commercial Officer since July 2018. Amit holds a BSc. in Physics from Delhi University

Years of exp. **19+**



Henry Njoroge
Marketing Director
Airtel Uganda

Prior
Experience



With Airtel Uganda since February 2021. Henry completed the Senior Executive Program at Harvard Business School

Years of exp. **18+**

Win with Distribution

Expansive distribution network to drive customer growth

Our Objectives

- To build on our unique, multichannel distribution network to **increase our ability to reach and serve customers**
- Strengthening our distribution infrastructure to **win more customers** by increasing our distribution depth and breadth, with particular focus on rural areas
- **Enhancing customer experience** through simplified digital customer onboarding process
- Broadening our distribution **offer to enhance usage and ARPU**, further granulating distribution approach to focus more responsively on needs of customers in smaller regions, and increasing our customer reach
- Increased availability of **digital recharge** provides value to customers by reducing number of touch points to conduct recharge
- Simple and transparent pricing plans based on our '**more for more**' principle, helping us win and retain customers

Highlights

- 8,000+ ⁽¹⁾ exclusive distribution channels of Kiosks, Mini-shops and Others 
- Over 200,000 multi-brand outlets ⁽²⁾ 
- Growth in customer activating outlets, to +23,500 ⁽²⁾ 
- Year-on-year growth of 10.4% in customer base, to 14.3 million ⁽²⁾ 
- 100% of customers onboarded through digital KYC application 

Win with Data

With 100% site-wide 4G coverage, we are driving digital inclusion in Uganda

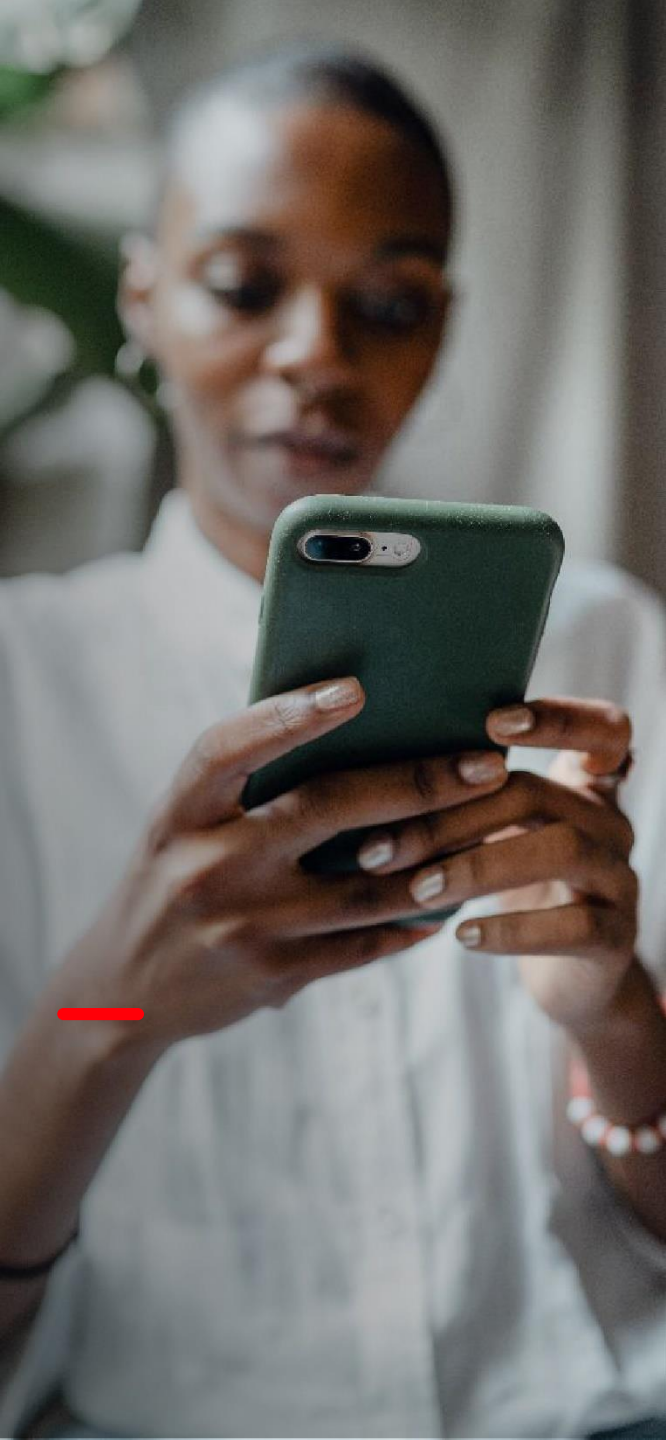
Our Objectives

To **maximise the value of data-based services and increase data penetration** by encouraging smartphone ownership and increasing data usage at scale, while facilitating ease of access to the digital economy for customers in all our markets

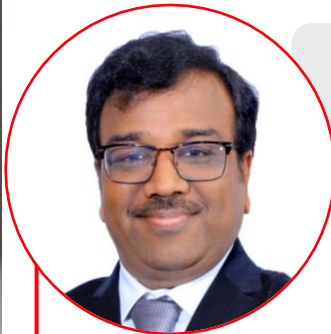
- Leveraging our 4G network for data ARPU and revenue growth, using technology to drive and retain market leadership
- Smartphone offerings for all new handsets, through **well-priced, transparent bundles**
- Further developing our wireless home broadband business
- Developing **innovative products and data solutions**, for corporate and SME customers through Airtel Business
- Continuing focus on data security for customers

Highlights

- 100% of sites are now on 
- 19.8% growth in data customer base to 5.7 million ⁽³⁾ 
- Now constituting 39.9% of our total customer base ⁽³⁾
- 30% growth in total data usage to 201mn TB⁽²⁾
- 11.7% year-on-year increase in data usage per customer per month ⁽¹⁾
- 6.1GB 4G data usage per customer per month, up by 6.1% ⁽²⁾, with growth to 6.2GB ⁽²⁾
- 4G  usage 66% of total data usage, up by 6% ⁽²⁾



Win with Technology



Prior Experience

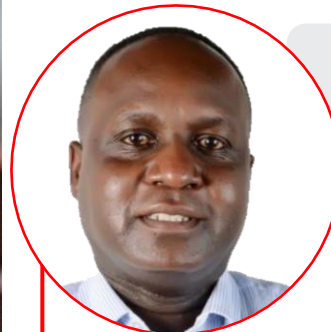


Rajesh Agrawal

Networks Director
Airtel Uganda

Rajesh has been Network Director at Airtel Uganda Limited since 2011

Years of exp. **21+**



Prior Experience



Donald Twesiga

IT Director
Airtel Uganda

Joined Airtel in 2021, Donald has a Msc in Information Systems Management from University of Liverpool

Years of exp. **20+**

Win with Technology

Future-proof network with leadership in 4G coverage

Our Objectives

Create a leading, **modernised network** that can provide the data capacity to meet rapidly growing demand and **enhance connectivity and digitisation** in our markets

Improving basic network uptime, quality and resilience and expanding our network footprint and 4G capabilities

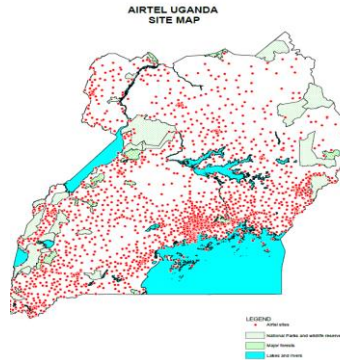
- Focusing on our **rural coverage expansion**
- Focusing on our **network resilience** and service continuity, and adding capacity through aggregation
- Building and **modernising our network** through optimal end-to-end design, including spectrum additions
- **Expanding reach of 4G coverage** and building capacity through our 2G>3G>4G approach, and future proofing through 5G compatibility
- Delivering **best-in-class voice service quality** while improving network uptime

Highlights

- Single RAN network launched in 2019, giving us a **fully modernized network**
- Resilient country-wide Fibre network, with **35%** of sites connected to Fibre
- **100%** of sites on 4G
- Data capacity increased by **31%** to **1,903+** TB per day, with peak hour data utilisation at **36% ⁽¹⁾**
- Launch of **5G** services

The Leading Network

2G, 3G and 4G Site Distribution Coverage



		Population Coverage Outdoor	# Sites 2022
2G	- Launched in 1995 - GSM mobile services	2G Voice	2G
		98.7%	2,582
3G	- Launched in 2012 - WCDMA mobile services	3G Data	3G
		98.1%	2,582
LTE	- Launched in 2017 - LTE mobile services	4G Data	4G
		90.7%	2,582

Data Capacity Utilisation

- Network capacity utilization of 36%, with:
 - Total Data usage up by 30% to 201mn TB
 - 6.1BG 4G data usage per customer per month

Resilient Fibre Network



✓ Multiple routes for resilience

✓ Network with very high capacity

✓ Access to internet with large capacity

✓ High availability datacenter

Deployment for Fast Data Network Growth

- Airtel Uganda's 4G network is country-wide and based on the latest 4G technology
- 100% of sites have 4G coverage
- Supported by largest spectrum allocation
- Minimal incremental capex for moving to 4G due to SRAN investments
- Anticipate readiness of the network for capacity growth

Consistent leadership in NPS ⁽¹⁾ further underscores the efficacy of our network and capacity enhancement investments

Reliable and Future-Proof IT



- **Significant investment in network coverage and distribution infrastructure** while planning the roadmap for 5G
- Technological infrastructure which meets the needs of business customers through easy to replicate platforms which leverage accessible skills
- **Dedicated to all forms of compliance** by understanding and mapping requirements **needed to keep customers safe** while complying with country and telecoms regulation
- Airtel is **ISO and BCIS (Business Continuity & Information Security) certified**

Win with People and Corporate Governance



Flavia Lwanga

*Human Resources Director
Airtel Uganda*

Prior Experience

- Previously head of HR at Stanbic Uganda and HR Manger at Uganda Breweries



Human Resources Director at Airtel Uganda for over 10 years since September 2012

Years of exp. **25+**



Dennis Kakonge

*Legal & Regulatory Director
Airtel Uganda*

Prior Experience

- Previously worked at MTN Uganda and Byenkya, Kihika & Co. Advocates



Joined Airtel Uganda in 2010, as Legal & Regulatory Director. Dennis holds an MBA from Edinburg Business School and a Bachelor of Laws (Hons) MUK Dip LP LDC

Years of exp. **18+**

Win with People

Diverse and talented workforce

Our Objectives

Airtel Uganda aims to be the employer of choice with a diverse and inclusive work environment that continues to foster a culture of high performance, employee wellbeing, skills enhancement and coaching

Future-ready Talent

- Airtel Africa Mobility programme
- Learning and Development
- Young Talent Development programmes
- Elevating Mindz programme

Employee Engagement and Culture + Wellbeing

- Pay for performance (fixed and variable)
- Spot reward and recognition platform
- Flexi work policy
- Compelling Employment Value Proposition

Agile Operating Model

- Cross-functional teams
- Simplification and automation of work Processes
- Governance on structures, decision making and efficiency of processes

Winning with diversity

- Equitably employ, develop and retain talent from different backgrounds

Our Progress - 2022

Future-ready Talent

- ✓ 50% Step-ups
- ✓ Exported talent to at least 4 other OpCos across Airtel Africa
- ✓ 24 Graduates at the Senior Leadership programme under Strathmore University
- ✓ Placement of Graduate Management Trainees in managerial roles
- ✓ State of the art, online learning platform - 18 hours of learning per user

Employee Engagement and Culture + Wellbeing

- ✓ Competitive Monthly Sales Incentives and Annual Bonus since inception
- ✓ Best-in-class health insurance, and competitive inhouse provident fund
- ✓ Bi-annual employee engagement: survey achieved 87% response rate, with overall engagement score of 79% ⁽¹⁾
- ✓ Zero fatalities and satisfactory Occupational Safety & Health rating

Agile Operating Model

- ✓ 5 Operational Cross Functional Teams
- ✓ Sales persons monitor performance daily, and work towards rewards
- ✓ Hybrid ways of working with enhanced tools

Winning with Diversity

- ✓ 34%  in workforce ⁽²⁾
- ✓ 17%  in ExCo ⁽²⁾
- ✓ Employees from 4 nationalities

Environmental, Social and Governance Initiatives

Airtel's CSR initiatives are aimed at improving Ugandan communities while being aligned with the UN's Sustainable Development Goals (SDGs)

Our Objectives

- We aim to use the power of the internet to create solutions that address digital, financial inclusion and improve access to education
- Airtel is also intent on supporting social causes in the healthcare space, which will further enhance the natural health of Ugandan citizens and improve people's ability to respond to initiatives that are improving their quality of life
- Airtel's partnerships with the Government and Private Sector aim to transform other sectors such as agriculture, health, education, trade and commerce among others
- As a technology enabler, Airtel's contribution to the transformation of the ICT sector, and the Ugandan economy continues to grow
- Airtel Uganda is committed to maintaining the highest level of corporate governance standards

Our Impact



Through 14 public libraries powered by Airtel Internet, 108,000 people have been reached across Uganda. Both in-school and out-of-school learners are able to use basic to advanced internet skills to improve their learning and skills



Airtel is running an award-winning safe motherhood programme that has advocates for safe delivery in hospital, antenatal care for expectant mothers and training of midwives and nurses in basic obstetrics



Airtel's short-term partnership with EzyAgric ensured digital access to verified, quality agricultural information that farmers use through dialing a USSD code to request for information, understand weather patterns, receive videos, SMS and audios of how to plant and take care of their animals

Environmental commitment through the generation of clean electricity through 434 solar sites

Digital Inclusion Programme



Airtel adopt a school Program

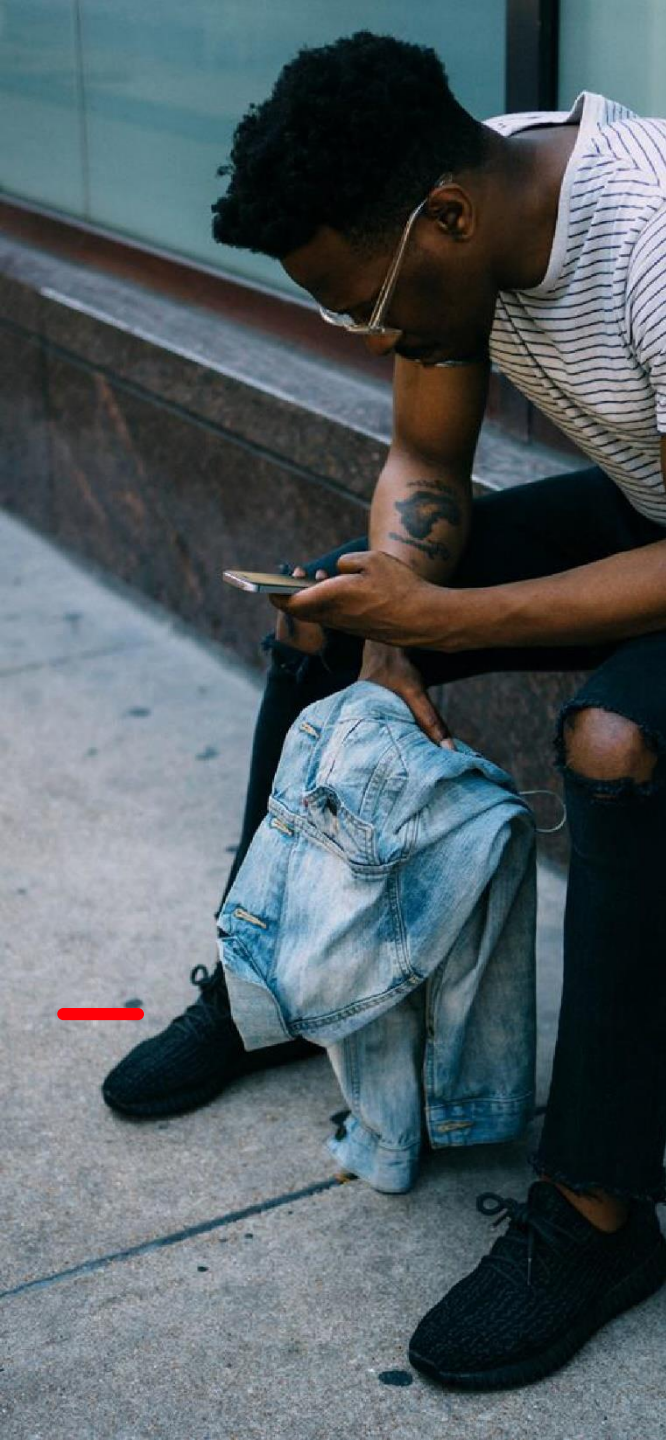


Staff Volunteerism



Agricultural Partnership





Financial Performance



Nishant Mohan
Financial Director
Airtel Uganda

Prior Experience

- Previously CFO of Airtel Tanzania



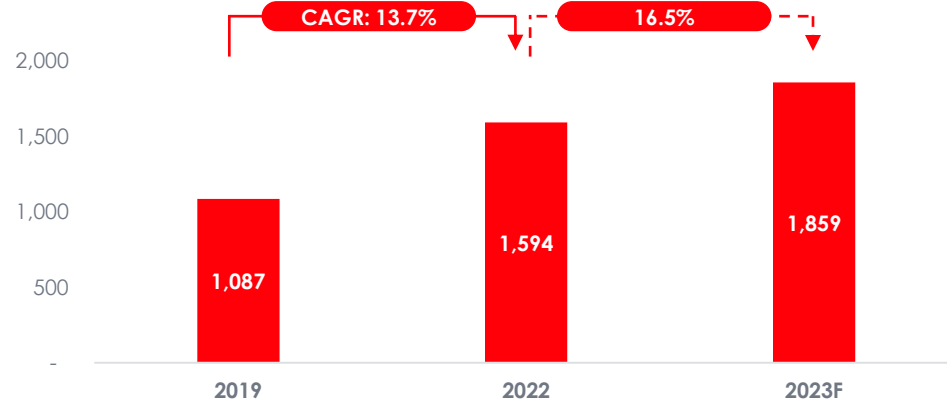
Previously Finance director of Airtel Tanzania for 7+ years, with an additional 11+ years of experience as Finance Director for Airtel Sierra Leone. Nishant is a member of the Institute of Chartered Accountants of India

Years of exp. **20+**

Strong Financial Performance

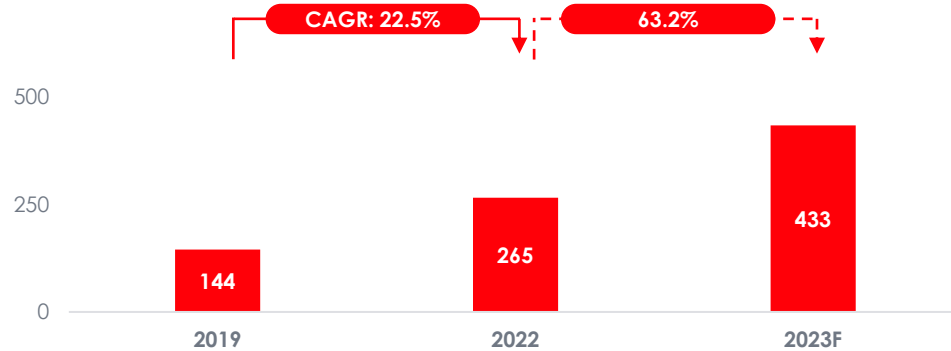
Airtel Uganda Shows Strong Revenue Growth...

(Revenue, UGX'bn)



Growth in Free Cash Flow...

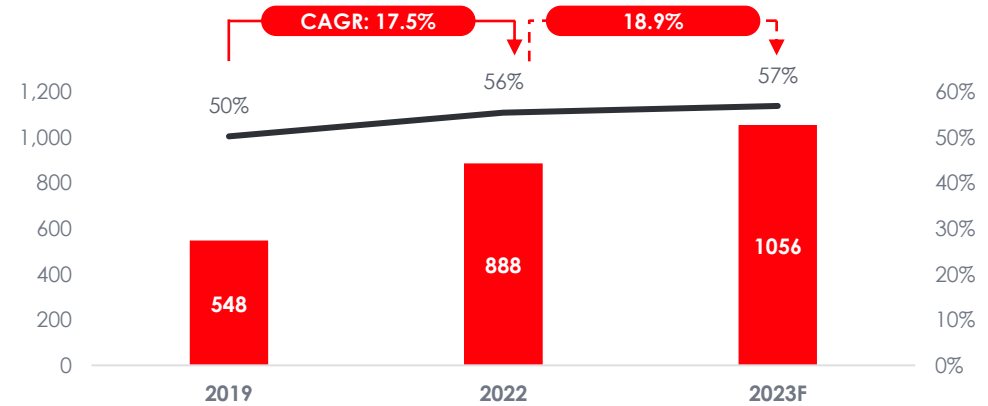
(FCF, UGX'bn)



...With Matching Growth in EBITDA

(EBITDA, UGX'bn)

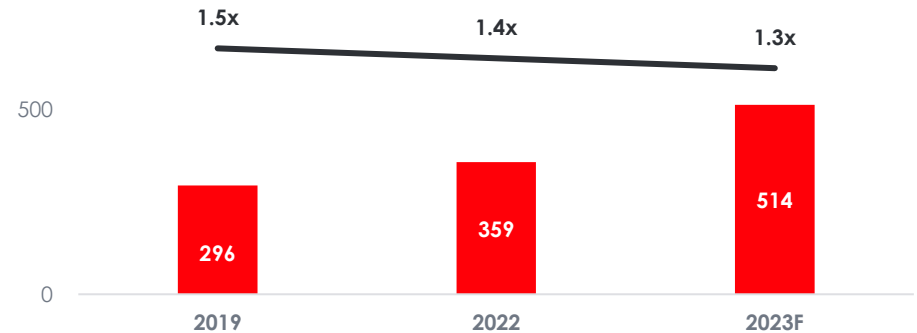
(— EBITDA Margin)



...And Balanced Capital Allocation

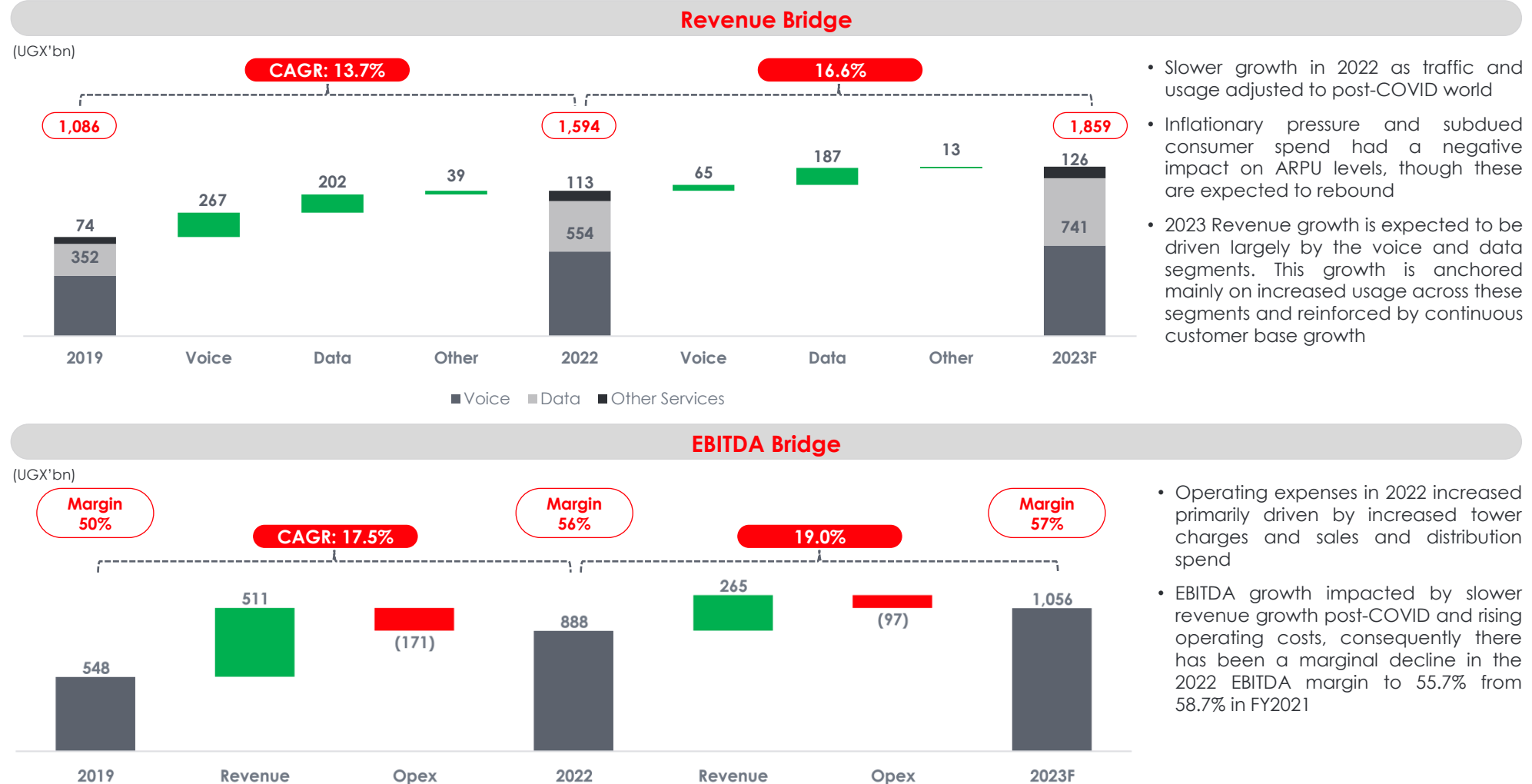
(Dividends ⁽¹⁾, UGX'bn)

(— Net Debt to EBITDA)



Source: Company financials. Note: Financials presented are GSM only.
Note: (1) Represents dividends paid.

Sustained Revenue and EBITDA¹ Growth



Consistent Free Cash Flow Generation

UGX'bn

FCF conversion

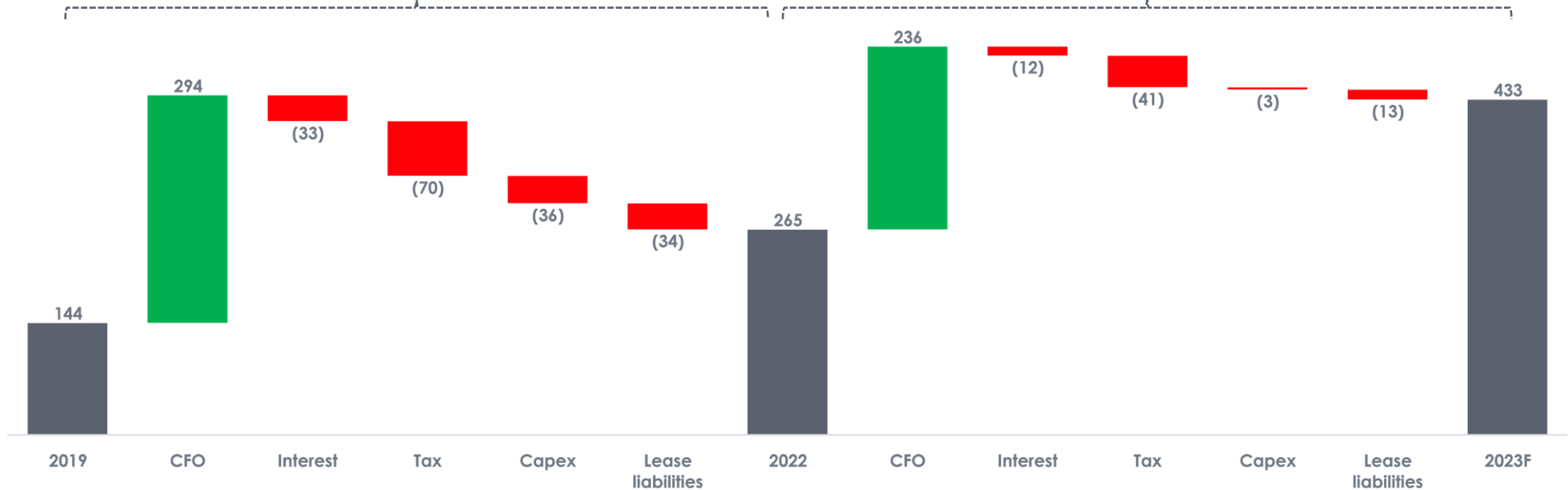
26.4%

29.9%

41.0%

CAGR: 22.4%

63.2%



- Cash flow from operations have normalised from the high levels experienced in 2021 to UGX'830bn in 2022 and expected to grow to UGX'1,066Bn in 2023
- Free cash flow conversion remains above levels seen previously, illustrating in the strong cash generation ability of the business

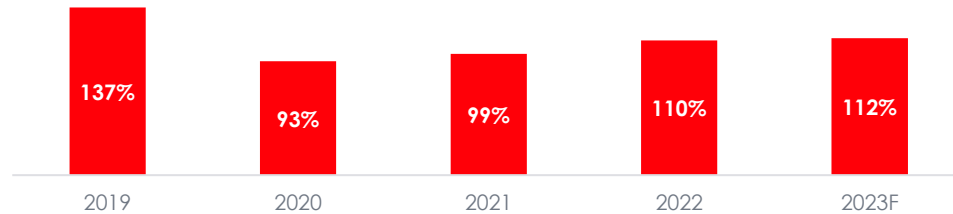
Robust Balance Sheet with Secure Leverage Levels

Strengthening the balance sheet with sustainable leverage

Leverage Snippet

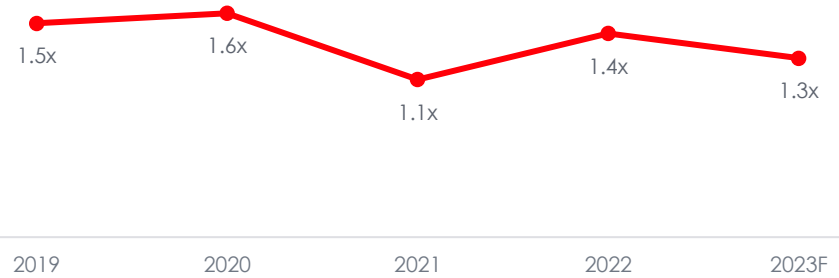
Net debt	2019	2020	2021	2022	2023F
UGX'bn					
Borrowings	368.3	592.6	490.8	628.8	722.7
Lease liabilities	509.6	524.4	506.2	690.8	656.9
Cash	(46.3)	(26.8)	(8.3)	(35.2)	(36.9)
Net debt	831.6	1,090.2	988.9	1,284.5	1,342.7

Dividend Pay-out Ratio

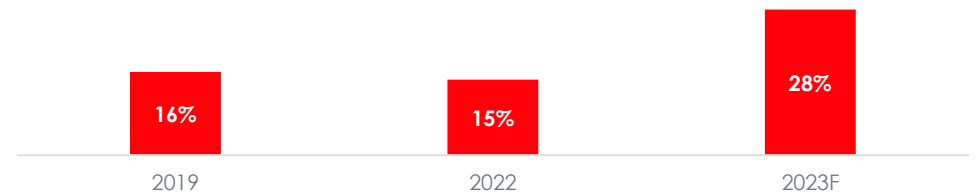


- On average, 95% of retained earnings has been distributed as a dividend each year, with an expected dividends paid of **UGX514bn** in 2023F
- Airtel Uganda's dividend policy will be to target a dividend pay-out ratio of 95% of Retained Earnings Or NPAT, whichever is higher, on the basis of audited financial statements for the full financial year

Net Debt to EBITDA (x)



Return on Invested Capital (ROIC) ⁽¹⁾



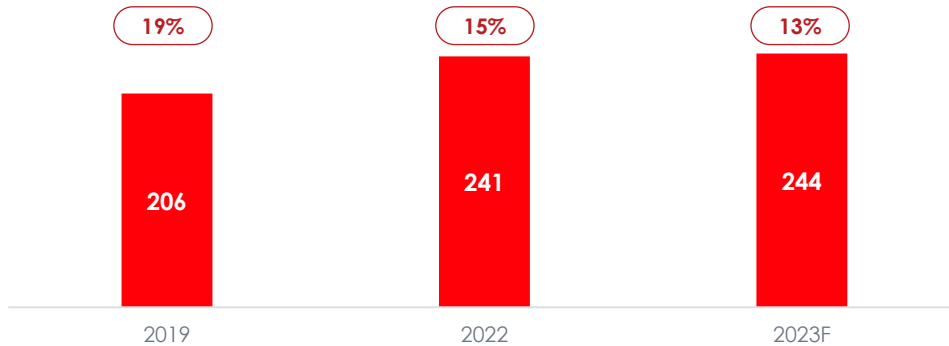
- Airtel Uganda has maintained a steady return on invested capital
- Driven by consistent revenue growth, yielding a net profit margin in excess of 20% from 2019 – 2022, with an expected net profit margin of **+24%** 2023F

Sustained Capex Levels to Support Expansion and Growth

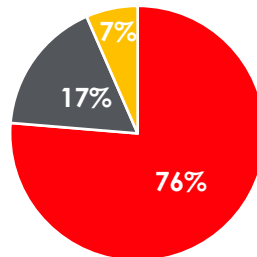
Growth Capex makes up more than 90% of total capex

Capital Expenditure

Capex as a % of sales
(UGX'bn)



2022 Capital Expenditure



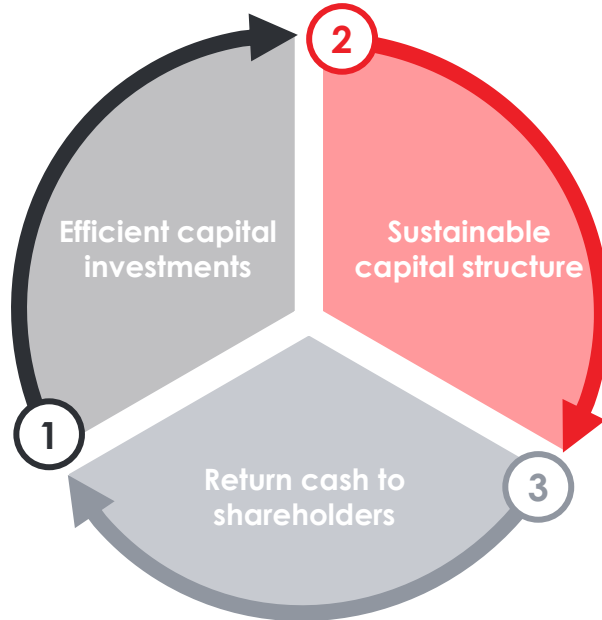
■ Growth Capex - Coverage⁽¹⁾ ■ Growth Capex - Capacity⁽²⁾ ■ Maintenance Capex⁽³⁾

Capex for Growth Across All Segments

- Total capital expenditure of UGX241bn, a 91% increase over 2021, and continued investment of UGX244bn in 2023F
- 93% of capex investment is toward growth initiatives which is targeted at enhancing network capacity, increasing overall coverage and ensuring reliable connectivity
- 100% upgraded to 4G
- Increased data capacity by 31% to 1.9k Tb/day with only 36% capacity utilisation in the network
- Rolled out 962km of fibre over 2022 resulting in 8,397km of total fibre deployment

Note: (1) Growth Capex Coverage includes new sites for additional population coverage, distribution expansion and Enterprise. (2) Growth Capex Capacity includes new sites and transmission for capacity enhancement and IT Capex. (3) Maintenance Capex mainly includes core network and replacement capex.

Transparent and Balanced Capital Allocation Policy



- ① **Capex spend (excluding spectrum) of UGX241bn** over 2022 a driver of future growth
- ② **Net Debt to EBITDA at 1.4x** with a continuing focus on balance sheet strength
- ③ **Strong dividend payout**, with Airtel Uganda's dividend policy to target a dividend pay-out ratio of 95% of Retained Earnings Or NPAT, whichever is higher

Well Defined Hedging Policy

- Airtel is exposed to foreign exchange risk, primarily with respect to the USD, to mitigate against this risk:
- The company may use forward contracts to counter changes and fluctuations in foreign currency
- Airtel has continuously embarked on aggressive negotiations to have all local suppliers of Opex charge the company in local currency

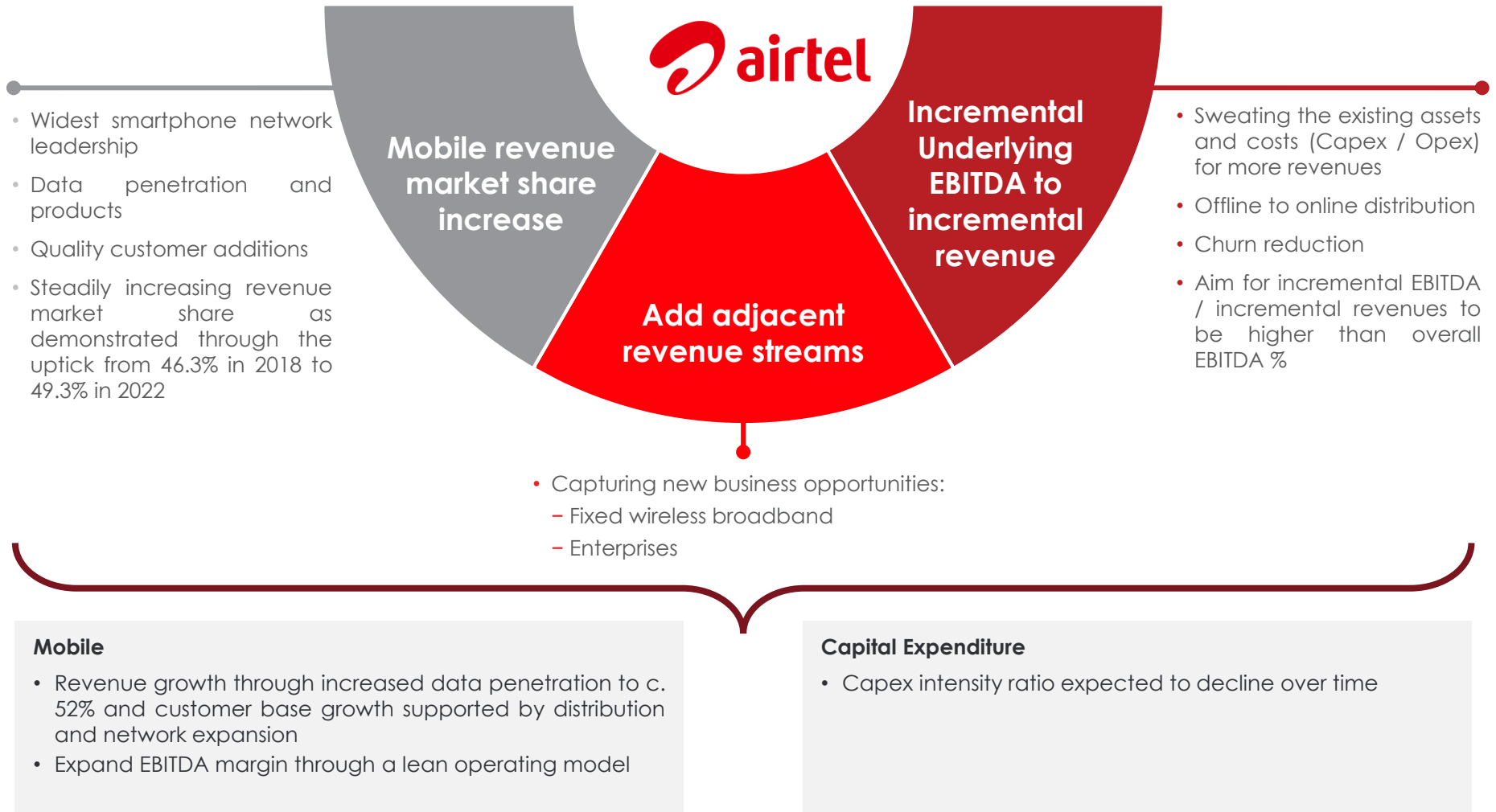
Mitigating Liquidity Risk

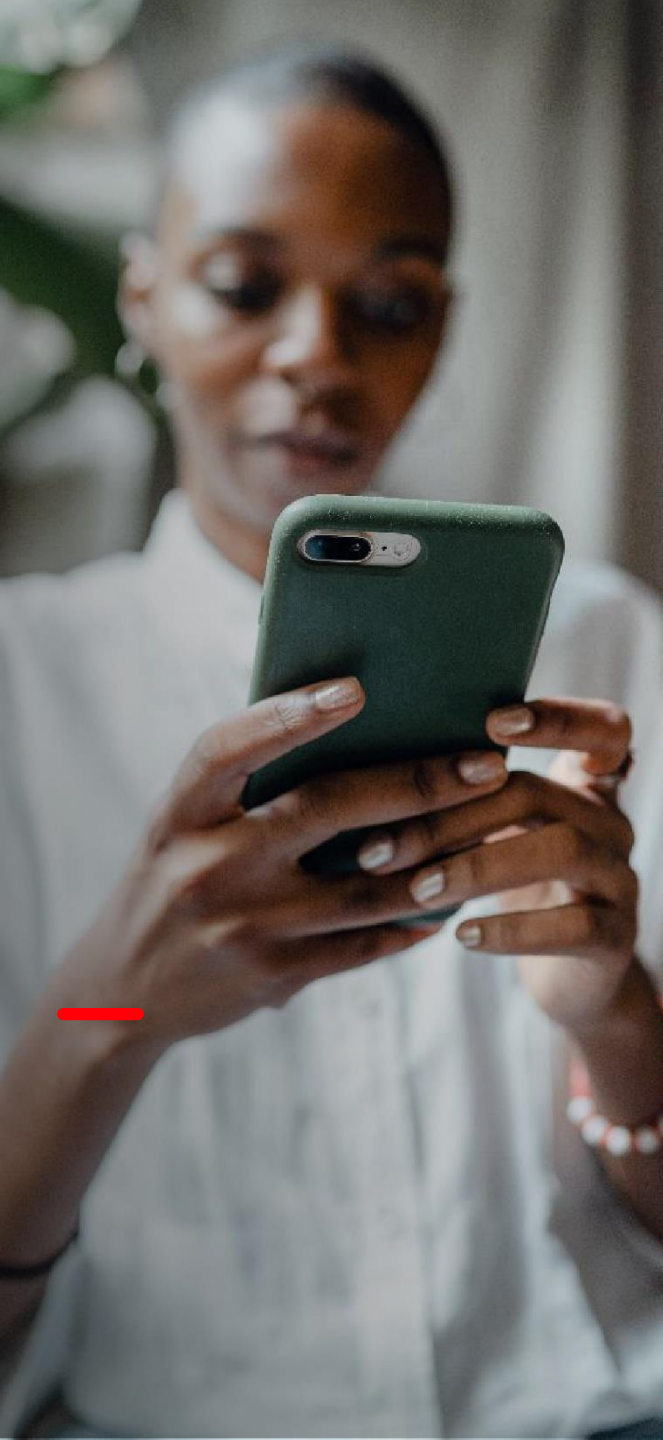
- Due to the dynamic nature of the business, Airtel has exposure to liquidity risk:
- Prudent liquidity risk management is achieved through maintaining sufficient cash balances, and the availability of funding from an adequate amount of committed credit facilities

Manageable Credit Risk

- Trade receivables derive from sales made to a large number of independent customers:
- The customer base is widely distributed both economically and geographically, there is minimal concentration of credit risk
- Airtel's credit control function assesses the credit quality of each customer, with individual credit limits set based on internal or external factors or made in accordance with limits set by the Board

Management Aspirations





Offering Summary



Manoj Murali
Managing Director
Airtel Uganda

Prior Experience

- Previously CEO Airtel Kerala and Tamilnadu



Managing Director of Airtel Uganda Limited since October 2020, he holds a MBA from Symbiosis International University and a BE in Instrumentation & Electronics from University of Poona

Years of exp. **22+**

Offering Summary

Summary

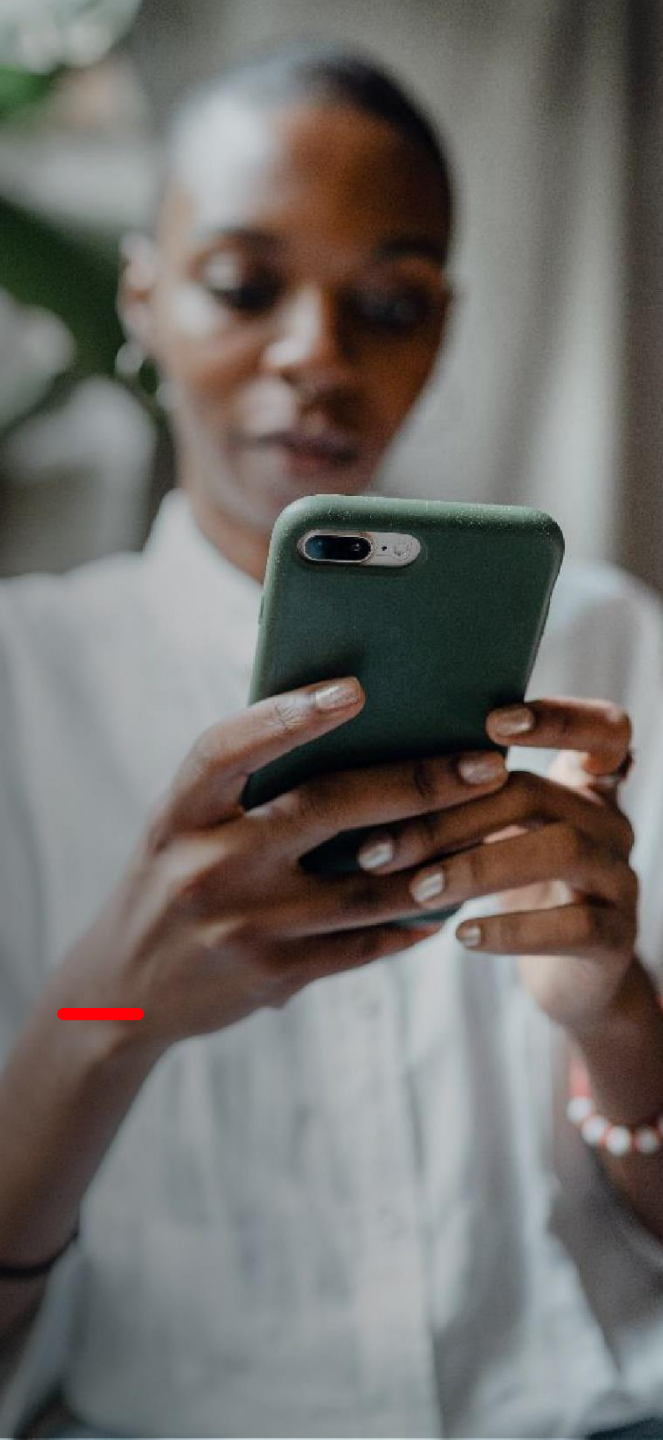
Issuer	• Airtel Uganda Limited
Shareholders	• 100% owned ⁽¹⁾ by Airtel Africa Plc
Offer terms	• Secondary proceeds only
Dividend Policy	• Targeted payout ratio of 95% of NPAT or Retained Earnings, whichever is higher
Listing	• Uganda Securities Exchange, Main Investment Market Segment
Offer structure	• Outside the US with reliance on Regulation S • To retail investors via m-IPO platform, USE website and receiving banks

Benefits of Listing Airtel Uganda

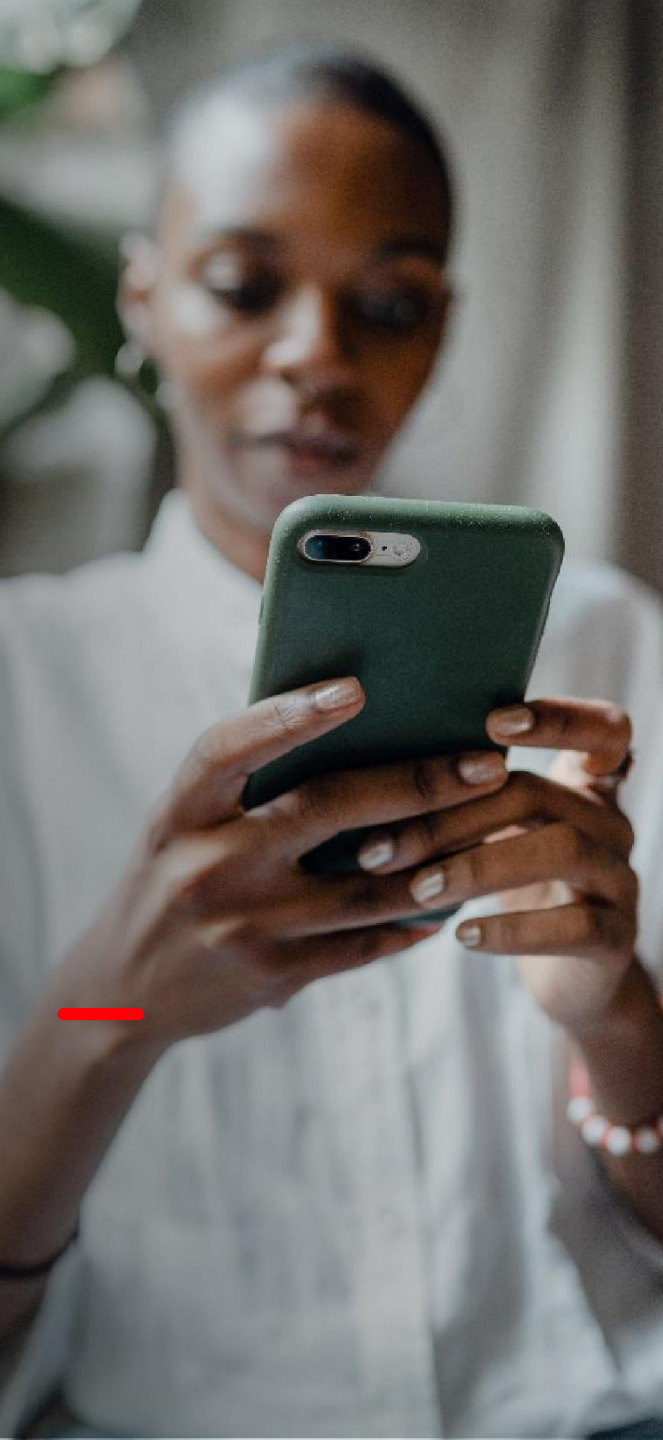
- Increased independence of the company and its directors
- Contribute to the development of Ugandan capital markets
- Higher level of corporate governance
- Access to capital markets for future growth funding
- Company in a mature, highly profitable phase
- Strong FCF generation + ability to pay dividends
- Increased brand awareness
- Build on key relationships with regulators

Expected Timetable

Prospectus published	End Aug
Offer period	End Aug to Early Oct
Allotment date (results announcement)	End Oct
Admission to Listing and commencement of trading on the USE	End Oct



Q&A



Closing Remarks



Manoj Murali
Managing Director
Airtel Uganda

Prior Experience

- Previously CEO Airtel Kerala and Tamilnadu



Managing Director of Airtel Uganda Limited since October 2020, he holds a MBA from Symbiosis International University and a BE in Instrumentation & Electronics from University of Poona

Years of exp. **22+**

High Growth Potential, Attractive Margins and Strong Dividends

An established high-growth business with attractive margins and strong dividend potential, supported by a world-class telco group



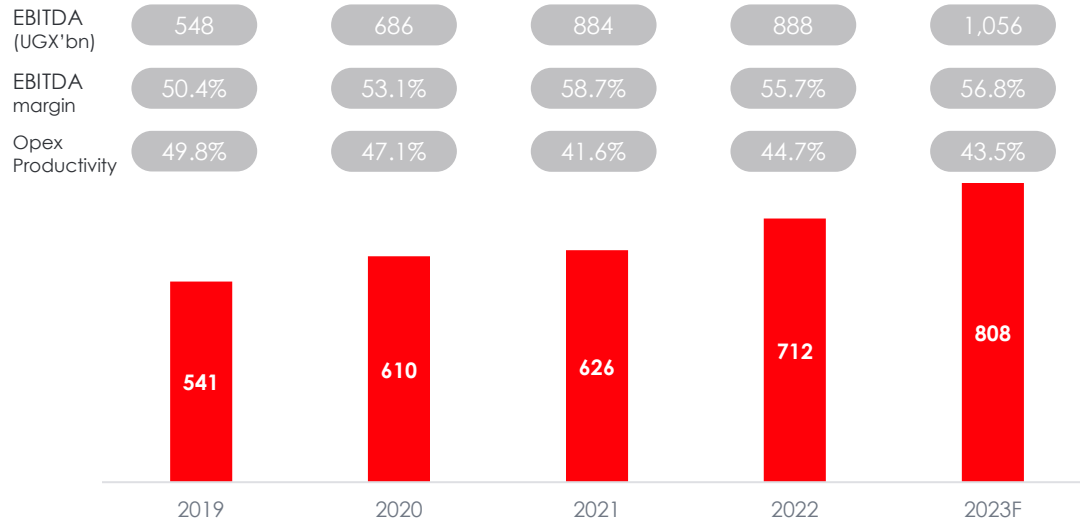
Thank You



Appendix



Operating Expenses



Opex Split	2019	2020	2021	2022	2023F
Networking operating expenses	30.3%	33.0%	33.9%	35.5%	37.4%
Access charges	8.0%	6.4%	5.4%	5.9%	6.7%
License fees and spectrum usage charges	8.7%	7.1%	6.4%	5.5%	5.5%
Employee benefits expenses	10.4%	10.7%	12.3%	11.9%	10.9%
Sales and Marketing Expenses	18.4%	20.5%	24.2%	24.8%	24.2%
Other operating expenses	23.8%	22.3%	17.3%	16.6%	15.3%
Impairment (reversal) / loss on financial	0.5%	(0.1%)	0.5%	(0.2%)	0.0%

Commentary

- Network expenses are comprised of tower charges, repairs and maintenance, internet access and bandwidth charges, leased line charges and electricity and water
- The increase in network expenses is driven by the addition of over 200 sites per year to expand 4G network coverage
- The growth in sales and distribution expenses is attributable to Airtel Uganda investment in its distribution platform, with 6.3% growth in customer activating outlets and increased use of kiosks and mini-shops
- Overall, despite rising fuel prices and a high inflationary environment, the company has maintained strong EBITDA margins through cost optimisation and an increase in customer base

Statement of Comprehensive Income

Income Statement

	2018 UGX 'Mn	2019 UGX 'Mn	2020 UGX 'Mn	2021 UGX 'Mn	2022 UGX 'Mn
Income					
Revenue	1,001,756	1,086,684	1,293,562	1,505,345	1,594,271
Other income	3,247	2,415	2,271	4,256	5,627
	1,005,003	1,089,099	1,295,833	1,509,601	1,599,898
Expenses					
Network operating expenses	(146,956)	(163,807)	(201,405)	(212,119)	(252,845)
Access charges	(43,657)	(43,052)	(39,147)	(33,489)	(42,139)
Licence fees and spectrum usage charges	(36,784)	(47,298)	(43,380)	(40,137)	(38,976)
Employee benefits expenses	(53,448)	(56,436)	(65,043)	(77,246)	(84,559)
Sales and marketing expenses	(90,075)	(99,551)	(125,093)	(151,193)	(176,351)
Impairment (reversal) / loss on financial assets	(3,634)	(2,438)	704	(3,001)	1,095
Other operating expenses	(72,442)	(128,558)	(136,195)	(108,462)	(118,114)
	(446,996)	(541,140)	(609,559)	(625,647)	(711,889)
Earnings before interest, tax depreciation and amortisation	558,007	547,959	686,274	883,954	888,009
Depreciation and amortisation	(168,700)	(191,442)	(216,292)	(249,235)	(272,455)
Operating profit	389,307	356,517	469,982	634,719	615,554
Finance income	41,926	36,846	6,143	14,802	396
Finance costs	(99,552)	(87,761)	(77,715)	(84,475)	(142,350)
Profit before tax	331,681	305,602	398,410	565,046	473,600
Income tax expense	(63,427)	(89,928)	(121,269)	(172,429)	(147,897)
Profit for the year	268,254	215,674	277,141	392,617	325,703
Other comprehensive income					
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods					
Remeasurement gain / (loss) on defined benefit plans	61	39	6	(31)	73
Tax impact on above	(18)	(12)	(2)	9	(22)
Other comprehensive income / (loss) for the year, net of tax	43	27	4	(22)	51
Total comprehensive income for the year, net of tax	268,297	215,701	277,145	392,595	325,754
Earnings per share (UGX)					
Basic and diluted earnings per share	191	153	197	279	231

Commentary

- Although revenue growth slowed in 2022, revenue levels have shown consistent growth in the long term. Additionally, there has been an approximately 50% growth in roaming revenue, adjusting to levels seen before the pandemic
- D&A consists primarily of depreciation of network infrastructure, right-of-use assets and amortisation of the spectrum license and IP
- Finance expenses include interest on third party borrowings, lease liabilities and gains / losses on hedging derivatives
- Finance expenses increase in 2022 primarily due to FX movements
- Higher than usual tax expenses (which also accounted for a tax refund, adjustment based on tax audits and tax expenses in relation to previous years) in 2022 resulted in a marked decline in profit

Statement of Financial Position

Statement of Financial Position

	2018 UGX 'Mn	2019 UGX 'Mn	2020 UGX 'Mn	2021 UGX 'Mn	2022 UGX 'Mn
ASSETS					
Non-current assets					
Property plant and equipment	460,083	548,925	590,377	579,681	674,990
Capital work-in-progress	47,635	52,252	14,189	48,887	40,930
Right-of-use-assets	408,580	409,743	422,245	421,919	601,276
Intangible assets	112,969	112,955	470,876	440,011	409,194
Financial assets					
Loan assets	935,060	-	-	-	-
Other non-current assets	5,427	28,911	33,824	40,902	49,251
	1,969,754	1,152,786	1,531,511	1,531,400	1,775,641
Current assets					
Inventories	1,384	2,618	1,944	4,310	5,447
Financial assets					
Trade receivables	36,213	38,664	60,256	51,987	75,650
Cash and cash equivalents	12,244	46,254	26,795	8,256	35,204
Others	5,484	135	5,295	6,991	9,103
Income tax asset (net)	22,251	9,762	7,869	3,236	-
Other current assets	35,012	44,927	46,489	47,963	69,356
	112,588	142,360	148,648	122,743	194,760
TOTAL ASSETS	2,082,342	1,295,146	1,680,159	1,654,143	1,970,401
EQUITY AND LIABILITIES					
Equity					
Share capital	1,408	1,408	1,408	1,408	1,408
Share premium	16,128	16,128	16,128	16,128	16,128
Retained earnings	83,326	116,021	136,176	139,224	106,239
Other reserves	25	52	56	34	85
	100,887	133,609	153,768	156,794	123,860
Non-current liabilities					
Financial liabilities					
Borrowings	-	368,267	145,270	232,748	311,817
Lease liabilities	442,914	428,622	427,265	386,515	555,318
Others	1,979	1,550	116,630	108,515	110,493
Provisions	1,619	2,084	2,091	2,199	2,606
Deferred tax liabilities (net)	39,438	59,790	74,384	85,764	92,691
Deferred revenue	-	-	-	-	12,613
	485,950	860,313	765,640	815,741	1,085,538
Current liabilities					
Financial liabilities					
Borrowings	1,118,733	-	447,287	258,114	317,018
Lease liabilities	69,562	80,973	97,155	119,730	135,526
Trade payables	81,087	102,228	115,374	163,876	152,762
Derivative instruments	-	307	1,506	1,191	5,641
Others	169,079	57,908	26,203	61,464	46,084
Deferred revenue	18,856	13,953	15,083	21,585	35,125
Provisions	5,288	4,173	5,806	3,708	6,231
Income tax payable (net)	-	-	-	-	9,910
Other current liabilities	32,900	41,682	52,337	51,940	52,706
	1,495,505	301,224	760,751	681,608	761,003
TOTAL EQUITY AND LIABILITIES	2,082,342	1,295,146	1,680,159	1,654,143	1,970,401

Commentary

- Property, plant and equipment mainly includes network infrastructure which is projected to increase by additional investment partially offset by depreciation
- Right of use assets comprises the amount of the initial measurement of the lease liability, it is projected to increase because of additional sites taken on leases and renewals of existing contracts
- Retained earnings is the balance of undistributed profits to the shareholders of the company

Cash Flow Statement

Cash Flow Statement

	2018 UGX 'Mn	2019 UGX 'Mn	2020 UGX 'Mn	2021 UGX 'Mn	2022 UGX 'Mn
OPERATING ACTIVITIES					
Profit before tax	331,681	305,602	398,410	565,046	473,600
Adjustments for:					
Depreciation and amortisation	168,700	191,442	216,292	249,235	272,455
Gain on disposal of assets	-	(25)	-	-	-
Interest income	(25,768)	(25,842)	(2,746)	(253)	(396)
Unrealised foreign exchange losses / (gains)	(16,158)	(11,004)	(3,397)	(263)	19,861
Interest on borrowings	31,406	41,141	23,837	37,444	52,670
Interest on lease liabilities	41,537	41,337	42,494	37,977	40,840
Interest on deferred spectrum	-	-	4,292	7,914	7,923
Other non-cash adjustments	5,023	2,538	(1,290)	2,708	(1,567)
Operating cash flow before changes in working capital	536,421	545,189	677,892	899,808	865,386
(Increase) / decrease in inventories	(712)	(1,234)	674	(2,366)	(1,137)
(Increase) / decrease in trade receivables	(23,303)	(4,886)	(20,890)	5,268	(21,686)
(Increase) / decrease in other financial and non-financial assets	15,393	(28,052)	(11,633)	(10,250)	(31,853)
(Decrease) / increase in trade payables	(50,221)	23,723	5,577	46,786	(15,072)
(Decrease) / increase in provision	(17,634)	(624)	1,644	(2,010)	2,980
(Decrease) / increase in deferred revenue	(8,825)	(4,903)	1,130	6,502	26,154
Increase / (decrease) in other financial and non-financial liabilities	(4,135)	7,779	11,658	5,118	5,917
Net cash generated from operations before tax	446,984	536,992	666,052	948,856	830,689
Income tax paid	(79,883)	(57,414)	(104,785)	(156,407)	(127,845)
Net cash generated from operating activities (a)	367,101	479,578	561,267	792,449	702,844
INVESTING ACTIVITIES					
Purchase of property, plant and equipment and capital work in progress	(149,276)	(205,557)	(154,439)	(126,277)	(241,205)
Purchase of intangible assets	-	-	(242,708)	-	-
Loans to related party	(537,250)	935,060	-	-	-
Deferred consideration paid*	(35,692)	-	-	-	-
Proceeds from sale of property, plant and equipment	-	27	209	1,761	935
Interest received	463	25,842	2,746	253	396
Net cash flows (used in) / generated from investing activities (b)	(721,755)	755,372	(394,192)	(124,263)	(239,874)
FINANCING ACTIVITIES					
Proceeds from borrowings	941,463	-	145,842	244,811	150,000
Payment of borrowings	(384,067)	(675,450)	-	(384,415)	(142,270)
Interest paid on borrowings	(28,218)	(45,561)	(22,354)	(37,037)	(53,551)
Payment of lease liability	(100,287)	(109,828)	(118,074)	(130,815)	(143,337)
Payment of deferred spectrum fee	-	-	(15,147)	(10,893)	(11,353)
Redemption of preference shares	(178,688)	-	-	-	-
Dividend paid	(20,278)	(295,619)	(256,986)	(389,569)	(358,688)
Net cash flows (used in) / generated from financing activities (c)	229,925	(1,126,458)	(266,719)	(707,918)	(559,199)
Net movement in cash and cash equivalents during the year (a+b+c)	(124,729)	108,492	(99,644)	(39,732)	(96,229)
Cash and cash equivalents as at beginning of the year	62,491	(62,238)	46,254	(53,390)	(93,122)
Cash and cash equivalents as at end of the year	(62,238)	46,254	(53,390)	(93,122)	(189,351)

Commentary

- **Net cash from operating activities:** The increase in cash generated from operations before working capital is mainly driven by EBITDA performance.
- **Net cash used in investing activities:** Airtel Uganda has made consistent investments in property, plant and equipment, with significant additions to its telecom licenses and spectrum in 2020. Capital expenditure primarily relates to sites and other network expenditure
- **Net cash used in financing activities:** Finance cost primarily includes interest on external debt and interest on lease liability. The proceeds from borrowings have been used to fund operational working capital, license fee payments and tax payments

Interim Statement of Comprehensive Income

Statement of Comprehensive Income for the Period Ended 31 May 2023

	1 January 2022 to 31 May 2022 UGX 'Mn	1 January 2023 to 31 May 2022 UGX 'Mn
	Unaudited	
Income		
Revenue	657,801	712,284
Other income	766	1,147
	658,567	713,431
Expenses		
Network operating expenses	(96,136)	(128,876)
Access charges	(15,898)	(21,573)
Licence fees and spectrum usage charges	(16,182)	(17,910)
Employee benefits expense	(33,860)	(30,434)
Sales and marketing expenses	(72,576)	(83,132)
Impairment loss on financial assets	(1,666)	(825)
Other operating expenses	(40,595)	(53,584)
	(276,913)	(336,334)
Earnings before interest, tax, depreciation and amortisation	381,654	377,097
Depreciation and amortisation	(109,508)	(130,449)
Operating profit	272,146	246,648
Finance Income	46	6,109
Finance costs	(69,800)	(69,958)
Profit before tax	202,392	182,799
Income tax expense	(63,553)	(54,983)
Profit for the period	138,839	127,816
Other comprehensive income for the year (OCI)		
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods		
Re-measurement loss on defined benefit plans, net of tax	(6)	(30)
Other comprehensive loss for the period	(6)	(30)
Total comprehensive income for the period, net of tax	138,833	127,786
Earnings per share		
Basic and diluted earnings per share	99	91

Commentary

- Based on historical trends, revenue generation demonstrates seasonality and is expected to be stronger in the second half of the year, which comprise the period from June to December 2023
- This seasonality is largely due to higher data usage as a result of school holiday period in the second half of the year. In addition, further revenue generation and growth in the second half of 2023 will be supported by the investment in network capacity and acquisition of additional spectrum made in the January to May 2023 period
- EBITDA and EBITDA margins in the January to May 2023 period were impacted by the seasonal trends in revenue generation as well certain network expenses and investments the benefits of which will accrue in the second half of the year

Interim Statement of Financial Position

Statement of Financial Position for the Period Ended 31 May 2023

	31 December 2022 UGX 'Mn	31 May 2023 UGX 'Mn
	Audited	Unaudited
ASSETS		
Non-current assets		
Property, plant and equipment	674,990	729,299
Capital work-in-progress	40,930	34,590
Right-of-use assets	601,276	676,105
Intangible assets	409,194	396,445
Other non-current assets	49,251	54,815
	1,775,641	1,891,254
Current assets		
Inventories	5,447	2,616
Financial assets		
Trade receivables	75,650	80,751
Cash and cash equivalents	35,204	11,066
Others	9,103	11,363
Other current assets	69,356	79,799
	194,760	185,595
Total assets	1,970,401	2,076,849
EQUITY AND LIABILITIES		
Equity		
Share capital	1,408	1,408
Share premium	16,128	16,128
Retained earnings	106,239	96,711
Other reserves	85	55
Total equity	123,860	114,302
Non-current liabilities		
Financial liabilities		
Borrowings	311,817	283,139
Lease liabilities	555,318	621,698
Others	110,493	108,170
Provisions	2,606	2,755
Deferred tax liability	92,691	91,589
Deferred revenue	12,613	12,802
	1,085,538	1,120,153
Current liabilities		
Financial liabilities		
Borrowings	317,018	358,388
Lease liabilities	135,526	150,323
Trade payables	152,762	114,734
Derivative instruments	5,641	518
Others	46,084	55,749
Deferred revenue	35,125	31,921
Provisions	6,231	6,434
Income tax payable (net)	9,910	65,929
Other current liabilities	52,706	58,398
	761,003	842,394
Total equity and liabilities	1,970,401	2,076,849

Commentary

- Property, plant and equipment mainly includes network infrastructure which is projected to increase by additional investment partially offset by depreciation
- Right of use assets comprises the amount of the initial measurement of the lease liability, it is projected to increase because of additional sites taken on leases and renewals of existing contracts
- Retained earnings is the balance of undistributed profits to the shareholders of the company

Interim Cash Flow Statement

Cash Flow Statement for the Period Ended 31 May 2023

	1 January 2022 to 31 May 2022 UGX 'Mn	1 January 2023 to 31 May 2023 UGX 'Mn
	Unaudited	
Cash flows from operating activities		
Profit before tax	202,392	182,799
Adjustments for:		
Depreciation and amortisation	109,508	130,449
Finance income	(46)	(6,108)
Unrealised foreign exchange (gains) / losses	30,076	(5,722)
Interest expense on borrowing and other financial liability	14,704	31,494
Interest on lease liabilities	15,750	22,034
Interest on spectrum fee	3,198	3,247
Other non-cash adjustments	5,019	2,656
Operating cash flow before changes in working capital	380,601	360,849
Decrease / (increase) in inventories	(6,131)	2,831
Increase in trade receivables	(12,159)	(5,686)
Increase in other financial and non-financial assets	(15,042)	(16,007)
Decrease in trade payables	(21,979)	(33,787)
Increase / (decrease) in provisions	(1,134)	352
Decrease in deferred revenue	(1,175)	(3,015)
Increase in other financial and non-financial liabilities	2,400	4,542
Net cash generated from operations before tax	325,381	310,079
Income tax paid	(4,439)	(66)
Net cash generated from operating activities (a)	320,942	310,013
Cash flows from investing activities		
Purchase of property, plant and equipment and capital work-in-progress		(111,078)
Interest received	46	6,108
Net cash flows used in investing activities (b)	(95,327)	(104,970)
Cash flows from financing activities		
Proceeds from borrowings	23,157	1,254
Payment of borrowings	(24,797)	(36,772)
Interest on borrowings	(9,235)	(27,830)
Payment of lease liabilities	(56,275)	(74,504)
Interest on spectrum fee	(3,198)	(3,247)
Dividend paid	(132,000)	(137,344)
Net cash flows used in financing activities (c)	(202,348)	(278,443)
Decrease in cash and cash equivalents during the period (a+b+c)	23,267	(73,400)
Cash and cash equivalents as at beginning of the period	(93,122)	(189,351)
Cash and cash equivalents as at end of the period	(69,855)	(262,751)

Commentary

- **Net cash from operating activities:** The increase in cash generated from operations before working capital is mainly driven by EBITDA performance.
- **Net cash used in investing activities:** Airtel Uganda has made consistent investments in property, plant and equipment, with significant additions to its telecom licenses and spectrum in 2020. Capital expenditure primarily relates to sites and other network expenditure
- **Net cash used in financing activities:** Finance cost primarily includes interest on external debt and interest on lease liability. The proceeds from borrowings have been used to fund operational working capital, license fee payments and tax payments

Pro-Forma Statement of Comprehensive Income

Forecast Income Statement

	Forecast for the year ending 31 December 2023 UGX 'Mn
Income	
Revenue	1,858,775
Other income	5,285
	1,864,060
Total operating expenses	(807,670)
Earnings before interest, tax depreciation and amortisation	1,056,390
Depreciation and amortisation	(287,836)
Earnings before interest and tax	768,554
Finance costs	(115,569)
Profit before tax	652,985
Income tax expense	(195,957)
Profit for the year	457,028
Basic and diluted earnings per share	22

Commentary

- Revenue has been forecast to grow by 16.6% year on year in 2023, driven largely by the voice and data segments. This growth is anchored mainly on increased usage across these segments and reinforced by continuous customer base growth through quality acquisitions. Voice revenue has been projected to grow by 7.0% year on year, supported by customer base growth of 17.1% and partially anchored by voice average usage per user per month (MOU/Sub) growth of 0.7%. Data revenue has been projected to grow by 33.6% year on year with contribution to overall revenue increasing to 39.9%
- Operating expenses continue to be impacted by rising fuel prices, which is likely to further increase in 2023 as well. The total operating expenses (including regulatory charges) have been forecast to increase by 13.5% mainly due to the planned volume of distribution and networks expansion in 2023. However, overall percentage of operating expenses to revenues is expected to drop from 44.7% in 2022 to 43.5% in 2023, largely due to a lean and fixed operations model

Pro-Forma Statement of Financial Position

Forecast Statement of Financial Position

	Forecast for the year ending 31 December 2023 UGX 'Mn
ASSETS	
Non-current assets	
Tangible assets	812,113
Right of use assets	571,423
Goodwill	112,908
Intangible assets	265,469
Other non-current assets	49,251
	1,811,164
Current assets	
Other current assets	156,678
Cash and bank balances	36,945
	193,623
TOTAL ASSETS	2,004,787
EQUITY AND LIABILITIES	
Equity	
Share capital	40,000
Share premium	-
Retained earnings	27,040
Actuarial surplus	85
Total equity	67,125
Non-current liabilities	
Borrowings	511,923
Lease liabilities	521,362
Other non-current liabilities	231,979
	1,265,264
Current liabilities	
Borrowings	210,769
Lease liabilities	135,591
Current liabilities	308,390
Other liabilities	17,648
	672,398
TOTAL EQUITY AND LIABILITIES	2,004,787

Commentary

- Property, plant and equipment mainly includes network infrastructure which is projected to increase by additional investment partially offset by depreciation
- Right of use assets comprises the amount of the initial measurement of the lease liability, it is projected to increase because of additional sites taken on leases and renewals of existing contracts
- Retained earnings is the balance of undistributed profits to the shareholders of the company
- The Company plans to increase capacity as well as coverage by adding more sites with a specific focus on data network, which is expected to cost approximately UGX 202 billion. The estimated total capital expenditure for the year ending 2023 is UGX 244 billion, with majority of it being attributable to the addition of sites

Pro-Forma Cash Flow Statement

Forecast Cash Flow Statement

	Forecast for the year ending 31 December 2023 UGX 'Mn
OPERATING ACTIVITIES	
Profit before tax	652,985
Adjustments for:	
Depreciation and amortisation	287,836
Finance income	(1,658)
Unrealised foreign exchange losses / (gains)	-
Interest expense on borrowings and other financial liabilities	66,573
Interest on finance lease	43,178
Interest on spectrum fee	7,476
Operating cash flow before changes in working capital	1,056,390
Changes in working capital	10,352
Net cash generated from operations before tax	1,066,742
Income tax paid	(168,742)
Net cash generated from operating activities (a)	898,000
INVESTING ACTIVITIES	
Purchase of property, plant and equipment and capital work in progress	(244,120)
Interest received	1,658
Net cash flows used in from investing activities (b)	(242,462)
FINANCING ACTIVITIES	
Proceeds from borrowings	183,090
Repayment of borrowings	(89,232)
Interest on borrowings and other finance charges	(66,573)
Interest paid on finance lease	(43,177)
Repayment of lease liabilities	(113,130)
Repayment of deferred spectrum fee	(3,534)
Interest on spectrum fee	(7,477)
Dividend paid to shareholders	(513,763)
Net cash flows used in financing activities (c)	(653,796)
Net movement in cash and cash equivalents during the period (a+b+c)	1,742
Cash and cash equivalents as at beginning of the period	(189,352)
Cash and cash equivalents as at end of the period	(187,610)

Commentary

- **Net cash from operating activities:** The increase in cash generated from operations before working capital is mainly driven by EBITDA performance.
- **Net cash used in investing activities:** Airtel Uganda has made consistent investments in property, plant and equipment, with significant additions to its telecom licenses and spectrum in 2020. Capital expenditure primarily relates to sites and other network expenditure
- **Net cash used in financing activities:** Finance cost primarily includes interest on external debt and interest on lease liability. The proceeds from borrowings have been used to fund operational working capital, license fee payments and tax payments