



**airtel**

A REASON TO IMAGINE



Airtel Uganda Ltd

# FINANCIAL RESULTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024

## Delivering a resilient performance with sustained operating and financial momentum

### Operating highlights

- The total customer base grew by 13.9% to 16.9 million. Data customer penetration continues to rise, with a 27.8% increase in data customers to 7.3 million. Data usage per customer increased by 25.3% to 5.45 GBs, with smartphone penetration increasing by 290 basis points to reach 38.7%.
- Demand for data services across the network remained strong with data traffic increasing 41.7% over the period. Data ARPU growth of 10.8% continued to support overall ARPUs which rose 2.5% YoY.
- Customer experience remains core to our strategy with sustained network investment during the period. In line with our strategic priorities, Network capacity has continued to increase with all sites 4G enabled, and the continued expansion of our 5G network. During the period we rolled out 516km of fibre.

### Financial performance

- Revenue grew by 11.4% to Ushs 1,986.5bn, with strong data revenue growth underpinned by continued voice revenue growth. Voice revenues grew by 2.3% to Ushs 1,013.0bn resulting from continued strong momentum in customer growth. The increased demand for data services contributed to a 25.3% growth in data revenues to Ushs 899.8bn.
- EBITDA of Ushs 992.4bn increased by 8.1% over the prior period, with EBITDA margins of 50.0%, compared to 51.5% in the prior year. However, with sustained revenue growth and ongoing cost optimisation initiatives, EBITDA margins recovered to 50.7% in H2'24.
- Profit after tax of Ushs 316.7bn increased 6.7% from the prior year. The growth was largely driven by sustained revenue growth which offset higher finance costs in the year. Finance costs were impacted by higher interest on lease liabilities resulting from continued network rollout and an increase in interest costs on borrowings following the rise in T-bill rates.

### Capital allocation

- Capital expenditure remained stable at Ushs 244bn for FY'24. 4G rollout continued, with 165 additional sites during the period. As at the period-end, 100% of our sites are 4G enabled. Furthermore, 5G investment continued with an additional 150 sites added, which combined with additional fibre rollout, resulted in enhanced capacity across our network.
- Leverage has increased from 1.6x to 1.8x primarily reflecting the Ushs 419.0bn increase in lease liabilities arising from the extension of our tower lease agreements during the year. Adjusted for lease liabilities, leverage as of 31 December 2024 was 0.8x compared to 0.9x a year ago.
- The Board has recommended a final dividend of Ushs 2.5 per share for the year ended 31 December 2024, resulting in a total of Ushs 7.88 per share for the full year. The total dividend for financial year 2024 increased by 12.2% YoY, 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, 12 months period ended 31<sup>st</sup> December 2024 versus 12 months period ended 31<sup>st</sup> December 2023).*

## **Soumendra Sahu, Managing Director, on the full year results FY2024:**

We have reported 11.4% growth in revenue with EBITDA margin of 50.0% for the financial year with continuous improvement in our network and distribution. We had strong growth of 27.8% in data users and 25.3% growth in data usage per subscriber with total data traffic on the network up by 41.7% due to continued investment in network expansion and enhancement.

The rollout of 165 4G sites and 150 5G sites across the country reflects our continued investment to serve customers. We have a strong distribution network of over 300,000 agents and over 2,500 small and large format service centers across the length and breadth of the country to facilitate the expansion of our customer base and provide great customer experience. This has ensured the easy availability of recharges and brought the delivery of all critical services like SIM swap, PIN reset and complaint resolutions nearer to the customer.

From a macro-economic perspective, inflation rates remained relatively low. Headline and core inflation averaged 3.3% and 3.6% respectively driven by favorable monetary policies, a stable foreign exchange rate and strong harvest that kept food inflation low. This year's performance is presented in the context of this macroeconomic environment, regulatory oversight directed by the national broadband policy and our sustainability agenda.

Airtel Uganda, as the country's innovative technology enabler, remains committed to connecting Ugandans, and their businesses to the world of opportunities. In our pursuit of innovation, we deployed the revolutionary Voice over LTE (VoLTE) technology that allows our customers to make high-definition voice calls over the data network. We shall continue to work with partners to scale up the use of this technology.

We are empowering our customers to self-serve on our award winning MyAirtelApp. We have seen monthly active users growth of 125%, out of which more than 82% bought our affordable data bundles designed for App users. We introduced the Airtel Data Manager tool in the app to help customers track their daily, weekly and monthly data usage and make informed decisions, which contributed to a 10% reduction in calls to our call centres.

Our commitment to the best global practices was reaffirmed by the International Standards Organization's (ISO) recognition of our prudent information security management. In 2024, Airtel Uganda's ISO certifications 27001 -2022 Information Security Management Systems (ISMS) and 22301- 2019 Business Continuity Management Systems (BCMS) were renewed.

We will continue to focus on cost optimisation measures to drive further improvements in margins. This year we've increased our focus on adoption of energy efficient methods to achieve dual objectives: improve cost efficiency and reduce energy emissions associated with our operations.

Airtel Uganda's business is driven by the purpose to "transform lives", and this purpose is at the heart of every decision we make to ensure responsible development. Our goal is to enhance digital inclusion, ensuring that more Ugandans and businesses have access to affordable voice, data, and value-added services to meet their needs and promote economic growth.

As part of this commitment, we expanded the Airtel-UNICEF partnership by extending the opportunities of the internet to another 70 schools and are now reaching over 36,000 learners, 1,800 teachers in 120 schools.

The Airtel Kabaka Birthday Run 11th Edition was concluded in April 2024 with over 120,000 runners rallying to support the End of HIV/AIDS by 2030. This partnership with Buganda Kingdom continues to be a rallying point for all Ugandans, to join the fight to end HIV/AIDS by 2030.

We thank our staff, partners, stakeholders and especially our regulators for the support towards our continued journey to provide a great customer experience, improve shareholder returns and contribute towards the economic prosperity of all Ugandans.

## Financial review for the full year ended 31<sup>st</sup> December 2024

The financial information contained in this report is drawn from Airtel Uganda's audited financial statements prepared for the 12 months period ended 31<sup>st</sup> December 2024.

### Key financial information

Description	UoM	Full year ended		
		2024	2023	YoY
Revenue	Ushs Mn	1,986,498	1,783,960	11.4%
Voice Revenue	Ushs Mn	1,012,966	990,386	2.3%
Data Revenue	Ushs Mn	899,763	717,881	25.3%
Other Service revenue	Ushs Mn	66,086	69,040	-4.3%
Other Income	Ushs Mn	7,683	6,653	15.5%
Expenses	Ushs Mn	994,068	865,569	14.8%
<b>EBITDA</b>	<b>Ushs Mn</b>	<b>992,430</b>	<b>918,391</b>	<b>8.1%</b>
EBITDA Margin	%	50.0%	51.5%	-1.5%
Depreciation and amortisation	Ushs Mn	363,310	326,737	11.2%
<b>EBIT</b>	<b>Ushs Mn</b>	<b>629,120</b>	<b>591,654</b>	<b>6.3%</b>
Net finance costs	Ushs Mn	177,384	164,769	7.7%
<b>Profit before tax</b>	<b>Ushs Mn</b>	<b>451,736</b>	<b>426,885</b>	<b>5.8%</b>
Taxation	Ushs Mn	134,996	129,935	3.9%
<b>Profit after tax</b>	<b>Ushs Mn</b>	<b>316,740</b>	<b>296,950</b>	<b>6.7%</b>
Earnings per share	Ushs	7.9	7.4	6.7%
PAT margin	%	15.9%	16.6%	-0.7%
Net debt	Ushs	1,832,978	1,444,050	26.9%
Leverage (net debt to EBITDA)	Times	1.8	1.6	0.2
Lease-adjusted leverage	Times	0.8	0.9	(0.1)
Capex (excluding leases)	Ushs Mn	244,419	244,600	-0.1%
Capex intensity	%	12.3%	13.7%	-1.4%
<b>Operating KPIs</b>				
ARPU	Ushs	10,594	10,336	2.5%
Total customer base	Mn	16,877	14,823	13.9%
Data customer base	Mn	7,310	5,718	27.8%

**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 (IAS 17) 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.
- During the current period, the company has included 'Lease-adjusted leverage' as an additional performance measure. Lease-adjusted leverage better reflects the Company's financial market debt position by removing the volatility associated with the impact of lease accounting under IFRS16.

**Overall revenue** grew by 11.4% on a YoY basis for the period year ended 31<sup>st</sup> December 2024 mainly driven by the total customer base growth of 13.9% and the overall increase in customer ARPU of 2.5% driven by sustained growth in usage across the various business segments.

**Voice revenues** grew by 2.3% YoY on the back of the continued growth in the customer base driven by a comprehensive usage and retention strategy which contributed to a 3.2% growth in voice traffic across the network. During the year, the voice revenue growth rate was impacted by a number of regulatory interventions (reduction of the local interconnect rate from Ushs 45 to Ushs 26 effective September 2023, and a mandatory international termination rate drop for USD 0.25 to 0.15 for a six-month period effective April 2024). As a result, Voice revenue contribution to service revenue dropped to 51.2% (FY'23 55.7%) for the year ended.

**Data revenues** grew by 25.3% YoY anchored by a 27.8% growth in overall data customers to 7.3 million. The continued investment in network expansion and enhancement, coupled with improvement in overall smartphone penetration has resulted in a 25.3% growth in data usage per subscriber with total data traffic on the network up by 41.7% over the period. 4G traffic contributed 83.1% of the total data traffic, up from 71.6% in FY'23.

The home broadband segment continues to also expand with a 33.1% growth YoY in active user base for the year, while on the fibre front our overall coverage across the country increased by 516Km to support continued growth in the enterprise business offerings and faster speed across the network. These segments are expected to support and drive future data revenue growth.

The above initiatives have resulted in the strong growth in overall revenues, with the data revenue contribution to service revenues improving to 45.5% (FY'23 40.4%) for the reported period.

**EBITDA** for the year grew 8.1% driven by the resilient revenue growth and cost efficiency measures. This performance resulted in overall EBITDA margins of 50.0% (FY'23 51.5%) largely due to 14.8% growth in operating expenses for the period. The EBITDA recovery journey and opex reduction initiative is ongoing with H2'24 recording a margin improvement to 50.7% which increased 146 basis points from H1'24. Operating costs reduced by 3.3% over last year on account of continued operating cost optimisation and reduction initiatives ('war on waste').

**Depreciation and amortization** for the period rose by 11.2% YoY driven by the continued investments in the network sites and retail footprint to support future growth efforts. The continued network investments led to increase in lease liabilities, and therefore the increase in overall reported costs for the period.

**Net finance costs** for the period increased by 7.7%, primarily due to increase in the interest cost on lease liabilities and borrowings. Lease liabilities increased following the addition of 165 4G sites and the extension of the American Tower Company ('ATC') tower lease agreement during the year, which therefore contributed to an increase in interest costs. Interest cost on borrowings was primarily impacted by the increase in 182 days T-bill rates by 12.8% over last year.

**Profit after tax (PAT)** increased by 6.7% YoY to Ushs 316.7bn. Earnings Per Share (EPS) was Ushs 7.9, an increase of 6.7% compared to Ushs 7.4 in the prior year.

## Capital allocation

**Total Capex (excluding leases)** for the period was Ushs 244bn (FY'23 Ushs 245bn) driven mainly by the continued densification of our network footprint across the country. These investments are helping drive current and future growth for the company. Capex intensity for the period reduced by 1.4 pp to 12.3% in line with our long- and medium-term investment and expansion plans.

**Leverage** of 1.8x on 31<sup>st</sup> December 2024 increased slightly from the previous year (FY'23 1.6x). The increase was mainly due to increase in lease liabilities arising from the extension of our tower lease agreements. The lease adjusted leverage for the year 2024 improved to 0.8x compared to 0.9x for the year 2023. Our positive operational net cash flow position reinforces the company's ability to meet all its current and non-current financial obligations.

## **Other Significant Updates**

### **Change of Managing Director**

The Board appointed Mr. Soumendra Sahu as Managing Director of the Company, effective 1<sup>st</sup> December 2024, replacing Mr. Manoj Murali who resigned from the Board on 31<sup>st</sup> October 2024.

Mr. Soumendra Sahu brings a wealth of experience and expertise from his past work experience. Before his appointment, Soumendra was the CEO at Bharti Airtel Gujarati Circle. He has had an illustrious career spanning 23+ years in the telco industry and has been with Bharti Airtel since January 2015. Some of the roles he has held in Bharti include Chief Operations Officer for Bharti Airtel Odisha, Vice President – Head Sales in Goa and Maharashtra circles as well as VP – Head sales for Bihar and Jharkhand amongst others.

He has had a progressive career including work stints with Tata Docomo, Reliance communications and Asian paints.

His extensive knowledge and strategic insights will be invaluable as we continue to drive Airtel Uganda Limited's growth and success.

Mr. Soumendra Sahu also joins the Board of Directors as an Executive Director subject to his confirmation by the shareholders at the Annual General Meeting. He brings a fresh perspective and a commitment to upholding the highest standards of corporate governance. In accordance with the company's Memorandum and Articles of Association, Mr. Soumendra's appointment as a Board Member is subject to confirmation by the Shareholders at the Annual General Meeting.

The Board of Directors is confident that the appointment of Mr. Soumendra Sahu will be instrumental in driving the company's strategy and growth that deliver great customer experiences and shareholder value.

### **Change of Company Secretary**

Following the resignation of Mr. Dennis A. Kakonge from the position of Company Secretary with effect from 30<sup>th</sup> November 2024, the Board appointed Mr. Godfrey Bakibinga as the new Company Secretary with effect from 1<sup>st</sup> December 2024.

Mr. Bakibinga is the current Legal and Regulatory Director of Airtel Uganda Limited. He has been part of the Airtel Uganda family for the last 15 (fifteen) years having joined Celtel Uganda Limited (trading as Zain Uganda) in January 2010 as a Legal and Regulatory Advisor. Before being promoted to Legal and Regulatory Director on 1<sup>st</sup> December, 2024, Mr. Bakibinga had, for the last 10 years, served as Senior Manager - Legal and Regulatory Affairs at the Company.

Mr. Bakibinga is an Advocate of the High Court of Uganda, a Member of the Uganda Law Society and East African Law Society. In accordance with the company's Memorandum and Articles of Association, Mr. Bakibinga's appointment is subject to confirmation by the Shareholders at the Annual General Meeting.

The Board congratulates Mr. Bakibinga on his appointment and is confident that his invaluable expertise and skill will guide the company to consolidate its growth and attainment of its strategic objectives, sustainability, and corporate governance strategy.

## **Our Outlook**

In 2025, Airtel Uganda is poised for a transformative year, leading the digital revolution through strategic investments. Our commitment to network upgrades, spectrum acquisition, and fiber 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, and thereby ensuring that quality services are accessible to all Ugandans.

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

Looking ahead to 2025, 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 through dividend payouts, we will continue to maintain our robust capital structure, continuously monitor our costs through our cost efficiency initiatives and continue investing in our network to drive profitable growth.

## Final Dividend Recommendation

The Board of Directors of Airtel Uganda Limited (the “Company”), recommended the payment of a final dividend of Ushs 100 billion at the rate of Ushs 2.50 per share for the financial year ended 31 December 2024, payable subject to withholding tax. With this, the total dividend for the twelve month period ended 31 December 2024 will be Ushs 315bn at the rate of Ushs 7.88 per share.

The final dividend shall be paid by or before 28 April 2025 (net of withholding tax) to the shareholders registered in the share register of the Company at the close of business on 8 April 2025.

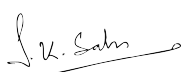
In line with the requirements of the USE Listing Rules 2021 and USE Trading Rules 2021, the salient dates relating to the payment of the final dividend are as follows:

Last day to trade shares cum dividend	01 April 2025
Shares commence trading ex-dividend	02 April 2025
Record date	08 April 2025
Payment date	28 April 2025

The final dividend will be transferred electronically to the bank accounts or mobile money wallets of shareholders upon approval at the Annual General Meeting slated for 18 March 2025.

## Directors Statement

The below financial statements for the period ended 31<sup>st</sup> December 2024 were audited by Deloitte & Touche, Certified Public Accountants. The financial statements were approved by the Board of Directors on **Tuesday, 18<sup>th</sup> February 2025** and signed on its behalf by:



Soumendra Sahu  
Managing Director



Hannington Karuhanga  
Board Chairman

## Final condensed consolidated financial statements for the period ended 31<sup>st</sup> December 2024

The financial information contained in this report is drawn from Airtel Uganda's audited financial statements prepared for the twelve months ended 31<sup>st</sup> December 2024.

### Statement of Comprehensive Income

Particulars	2024 (Audited) Ushs millions	2023 (Audited) Ushs millions
<b>Income</b>		
Revenue	1,978,815	1,777,307
Other income	7,683	6,653
	<b>1,986,498</b>	<b>1,783,960</b>
<b>Expenses</b>		
Network operating expenses	(334,080)	(314,475)
Access charges	(104,809)	(66,008)
Licence fees and spectrum usage charges	(46,771)	(43,567)
Employee benefits expenses	(88,978)	(83,568)
Sales and marketing expenses	(227,215)	(198,777)
Other operating expenses	(192,215)	(159,174)
Depreciation and amortisation	(363,310)	(326,737)
	<b>(1,357,378)</b>	<b>(1,192,306)</b>
<b>Operating profit</b>	<b>629,120</b>	<b>591,654</b>
Finance income	14,969	10,276
Finance costs	(192,353)	(175,045)
<b>Profit before tax</b>	<b>451,736</b>	<b>426,885</b>
Income tax expense	(134,996)	(129,935)
<b>Profit for the period</b>	<b>316,740</b>	<b>296,950</b>
Other comprehensive income/(loss) for the year, net of tax	32	(6)
<b>Total comprehensive income for the year, net of tax</b>	<b>316,772</b>	<b>296,944</b>
<b>Basic and diluted earnings per share</b>	<b>7.9</b>	<b>7.4</b>

## Statement of Financial Position

Particulars	2024 (Audited) Ushs millions	2023 (Audited) Ushs millions
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property plant and equipment	845,455	764,871
Capital work-in-progress	29,145	41,448
Right of use asset	1,082,205	672,869
Intangible assets	387,887	421,292
Other non-current assets	60,251	66,571
	<b>2,404,943</b>	<b>1,967,051</b>
<b>Current assets</b>		
Inventories	3,027	3,445
<b>Financial assets</b>		
Trade receivables	75,235	98,481
Cash and cash equivalents	9,443	34,345
Others	10,883	24,636
Income tax asset (net)	13,478	5,406
Other current assets	88,521	67,194
	<b>200,587</b>	<b>233,507</b>
<b>TOTAL ASSETS</b>	<b>2,605,530</b>	<b>2,200,558</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	40,000	40,000
Retained earnings	102,401	86,661
Other reserves	111	79
	<b>142,512</b>	<b>126,740</b>
<b>Non-current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings	258,717	291,429
Lease liabilities	1,063,657	609,902
Others	141,782	145,203
Deferred revenue	9,534	11,068
Provisions	2,391	2,931
Deferred tax liability	132,340	100,188
	<b>1,608,421</b>	<b>1,160,721</b>
<b>Current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings	394,773	401,747
Lease liabilities	125,274	175,317
Trade payables	181,067	194,379
Derivative financial instruments	3,549	508
Others	47,005	45,370
Deferred revenue	29,464	29,085
Provisions	14,692	13,694
Other current liabilities	58,773	52,997
	<b>854,597</b>	<b>913,097</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,605,530</b>	<b>2,200,558</b>

## Statement of Changes in Equity

Particulars	Share Capital (Audited) Ushs millions	Share premium (Audited) Ushs millions	Retained earnings (Audited) Ushs millions	Other comprehensive income (Audited) Ushs millions	Grand total (Audited) Ushs millions
<b>At 1 January 2023</b>	<b>1,408</b>	<b>16,128</b>	<b>106,239</b>	<b>85</b>	<b>123,860</b>
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 income	-	-	-	(6)	(6)
Conversion of share premium to share capital	16,128	(16,128)	-	-	-
Conversion of retained earnings to share capital	22,464	-	(22,464)	-	-
<b>At 31 December 2023</b>	<b>40,000</b>	<b>-</b>	<b>86,661</b>	<b>79</b>	<b>126,740</b>
<b>At 1 January 2024</b>	<b>40,000</b>	<b>-</b>	<b>86,661</b>	<b>79</b>	<b>126,740</b>
Profit for the period	-	-	316,740	-	316,740
Dividends - Final Dividend FY23	-	-	(86,000)	-	(86,000)
Dividends – Interim Dividend FY24	-	-	(215,000)	-	(215,000)
Other comprehensive income	-	-	-	32	32
					-
<b>At 31 December 2024</b>	<b>40,000</b>	<b>-</b>	<b>102,401</b>	<b>111</b>	<b>142,512</b>

## Statement of Cash Flows

Particulars	2024 (Audited) Ushs millions	2023 (Audited) Ushs millions
<b>OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	<b>451,736</b>	<b>426,885</b>
<b>Adjustments for:</b>		
Depreciation and amortisation	363,310	326,737
Interest income	(626)	(1,021)
Unrealised foreign exchange gain	(14,343)	(9,255)
Interest on borrowings	93,433	80,684
Interest on lease liabilities	72,211	54,215
Interest on spectrum liabilities	10,929	9,458
Movement in provision for trade receivables	1,305	1,242
Movement in provision for inventory obsolescence	(78)	1,069
Asset write off	217	793
<b>Operating cash flow before changes in working capital</b>	<b>978,094</b>	<b>890,807</b>
Decrease in inventories	496	933
Decrease / (Increase) in trade receivables	19,224	(21,924)
Increase in other financial and non-financial assets	(414)	(30,691)
(Decrease)/Increase in trade payables	(12,574)	45,740
Decrease in deferred revenue	(1,155)	(7,586)
Increase/(Decrease) in other financial, provisions and non-financial liabilities	7,200	(6,065)
<b>Net cash generated from operations before tax</b>	<b>990,871</b>	<b>871,215</b>
Income tax paid	(110,916)	(137,709)
<b>Net cash generated from operating activities (a)</b>	<b>879,955</b>	<b>733,506</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and capital WIP	(235,861)	(242,296)
Interest received	626	1,021
<b>Net cash flows used in investing activities (b)</b>	<b>(235,235)</b>	<b>(241,275)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from borrowings	35,000	300,000
Repayment of borrowings	(105,451)	(334,486)
Interest on borrowings	(94,071)	(81,548)
Repayment of lease liabilities	(144,161)	(119,448)
Interest paid on lease liabilities	(72,211)	(54,215)
Payment of spectrum liabilities	(6,715)	(6,595)
Interest paid on spectrum liabilities	(10,929)	(9,458)
Dividend paid	(301,009)	(294,049)
<b>Net cash flows used in financing activities (c)</b>	<b>(699,547)</b>	<b>(599,798)</b>
<b>Net movement in cash and cash equivalents during the period (a+b+c)</b>	<b>(54,827)</b>	<b>(107,568)</b>
Cash and cash equivalents as at beginning of the period	(296,919)	(189,351)
<b>Cash and cash equivalents as at end of the period</b>	<b>(351,746)</b>	<b>(296,919)</b>

## 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.

**Lease-adjusted EBITDA (EBITDAaL)** An alternative performance measure (non-GAAP). Defined as operating profit before depreciation, amortisation and exceptional items, interest on lease liabilities and repayment of lease liabilities due during 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** An alternative performance measure (non-GAAP). Calculated by dividing net debt as at the end of the relevant period by EBITDA for the preceding 12 months (from the end of the relevant period). This is also referred to as the leverage ratio.

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

**Lease adjusted leverage (LTM)** An alternative performance measure (non-GAAP) Calculated by dividing Lease-adjusted net debt as at the end of the relevant period by Lease-adjusted EBITDA (EBITDAaL) for the preceding 12 months (from the end of the relevant period).

**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



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#### 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.