

## AIRTELAFRICA 9 months financial results 31/12/2019

Revenue growth, stable OPEX, reducing leverage, EBITDA expansion...recipe for true value.

AFRICA Description	UoM	Nine-month period ended				Quarter ended			
		Dec-19	Dec-18	Reported Currency Change %	Constant Currency Change %	Dec-19	Dec-18	Reported Currency Change %	Constant Currency Change %
<b>P&amp;L Summary</b>									
<b>Revenue<sup>(1)</sup></b>	\$ Mn	<b>2,522</b>	<b>2,296</b>	<b>9.9%</b>	<b>12.4%</b>	<b>883</b>	<b>783</b>	<b>12.8%</b>	<b>14.2%</b>
Voice Revenue	\$ Mn	1,463	1,440	1.6%	3.9%	506	487	4.0%	5.3%
Data Revenue	\$ Mn	677	496	36.3%	39.0%	243	174	39.8%	41.3%
Mobile Money Revenue <sup>(2)</sup>	\$ Mn	228	167	36.3%	40.4%	82	64	27.5%	30.6%
Other Revenue	\$ Mn	224	240	(6.6%)	(4.6%)	76	82	(7.6%)	(6.3%)
Expenses	\$ Mn	(1,419)	(1,330)	6.7%	9.3%	(488)	(449)	8.7%	10.2%
<b>Underlying EBITDA</b>	<b>\$ Mn</b>	<b>1,118</b>	<b>988</b>	<b>13.2%</b>	<b>15.5%</b>	<b>399</b>	<b>339</b>	<b>17.5%</b>	<b>18.9%</b>
Underlying EBITDA Margin	%	44.3%	43.0%	129 bps	121 bps	45.2%	43.3%	184 bps	178 bps
Depreciation & Amortization	\$ Mn	(453)	(388)	16.8%	19.3%	(154)	(136)	13.6%	14.6%
Operating Exceptional Items	\$ Mn	(4)	(55)	(93.1%)	(93.0%)	18	(25)	(172.7%)	(174.1%)
<b>Operating Profit<sup>(3)</sup></b>	<b>\$ Mn</b>	<b>657</b>	<b>542</b>	<b>21.3%</b>	<b>23.7%</b>	<b>262</b>	<b>178</b>	<b>47.1%</b>	<b>48.9%</b>
Net finance costs	\$ Mn	(225)	(282)	(20.3%)	(20.0%)	(76)	(65)	18.2%	19.0%
Non-Operating Exceptional Items	\$ Mn	69	(8)	995.3%	995.3%	-	(8)	(100.0%)	(100.0%)
<b>Profit Before Tax<sup>(4)</sup></b>	<b>\$ Mn</b>	<b>501</b>	<b>227</b>	<b>120.6%</b>	<b>129.6%</b>	<b>186</b>	<b>105</b>	<b>77.5%</b>	<b>81.3%</b>
Tax	\$ Mn	(210)	(77)	172.5%	194.4%	(95)	(13)	618.5%	610.8%
Tax - Exceptional items	\$ Mn	40	188	(79.0%)	(79.1%)	12	41	(71.2%)	(71.9%)
Total Tax Charge	\$ Mn	(170)	111	253.4%	248.5%	(83)	28	392.2%	394.9%
<b>Profit After Tax</b>	<b>\$ Mn</b>	<b>331</b>	<b>338</b>	<b>(2.2%)</b>	<b>(1.0%)</b>	<b>103</b>	<b>133</b>	<b>(22.5%)</b>	<b>(20.9%)</b>
Non Controlling Interest	\$ Mn	(26)	(32)	(20.0%)	(21.1%)	(13)	(10)	30.8%	33.6%
Profit attributable to parent company shareholder - pre Exceptional items	\$ Mn	203	190	7.1%	10.3%	63	116	(45.5%)	(43.9%)
<b>Profit attributable to parent company shareholder</b>	<b>\$ Mn</b>	<b>305</b>	<b>306</b>	<b>(0.3%)</b>	<b>1.1%</b>	<b>90</b>	<b>123</b>	<b>(26.7%)</b>	<b>(25.1%)</b>

“Revenue growth accelerated in Q3 to 14.2% as a result of improved performance in the Rest of Africa, supported by solid results in Nigeria and East Africa. This is now the eighth consecutive quarter that we have delivered double digit revenue growth and EBITDA margin expansion in constant currency.” **Raghunath Mandava, CEO**

“On a market specific basis, Nigeria has been leading our growth with double digit voice revenue growth and over 70% data growth as a result of our lead in 4G rollouts and the huge data capacities we are creating.” CEO

In the 9 months/Q3 ended 31 December 2020, Airtel recorded the following in **Nigeria**:

- ❖ Revenue increased by 23.4% (Q2: 23.2%)
- ❖ Voice revenue grew by 13.9% (Q2: 13.1%)
- ❖ Data revenue was up by 75% (Q2: 75.7%) (largest contributor to revenue growth)
- ❖ Data revenue now accounts for 31.6% of Airtel Nigeria revenue

This is the Eighth consecutive quarter of double-digit revenue growth and EBITDA margin expansion in constant currency.

***At Capital Bancorp, we believe the company can sustain the momentum considering its consistent revenue growth, stable OPEX, reducing leverage and EBITDA expansion.***

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