Airtel Africa plc

Report on the results for the third quarter and nine-month period ended **December 31, 2022**

2 February 2023

The financial statements included in this quarterly report fairly present, in all material respects, the financial position, results of operations and cash flow of the Group as of and for the periods presented in this report.

Mobile services | Mobile money

Supplemental disclosures

Basis of preparation: - The results for the nine-month period ended 31 December 2022 are unaudited and in the opinion of management, include all adjustments necessary for the fair presentation of the results of the same period. The financial information has been drawn from interim financial statements prepared in accordance with International Accounting Standard 34 (IAS 34) 'Interim Financial Reporting' issued by the International Accounting Standards Board (IASB) approved for use in the United Kingdom (UK by the UK Accounting Standards Endorsement Board (UKEB) and apply the same accounting policies, presentation and methods of calculation as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2022 except to the extent required/ prescribed by IAS 34. This report should be read in conjunction with audited consolidated financial statements and related notes for the year ended 31 March 2022. The comparative annual information has been drawn based on Airtel Africa plc's Audited Consolidated Financial Statements for the year ended 31 March 2022. Comparative quarterly and nine-month period information is drawn from unaudited IAS 34 financials of respective periods. Comparative period figures have been regrouped/ reclassified to conform with current year grouping/ classification.

Use of certain alternative performance measures (APM): This result announcement contains certain information on the Group's results of operations and cash flows that have been derived from amounts calculated in accordance with International Financial Reporting Standard (IFRS),but are not in themselves IFRS measures. They should not be viewed in isolation as alternatives or superior to the equivalent IFRS measures and should be read in conjunction with the equivalent IFRS measures.

Further, disclosures are also provided under 7.2 Use of Alternative performance measures (APMs) Financial Information on page 34.

Safe harbour: IAS 34 financials considered for the purpose of this report are unaudited.

Convenience translation: We publish our financial statements in United States dollars. All references herein to "US dollars", "USD", "$" and "US$" are to United States dollars. Translation of income statement items have been made from local currencies of Africa operating units to USD (unless otherwise indicated) using the respective monthly average rates. Translation of statement of financial position items has been made using the closing rate. All amounts translated as described above are provided solely for the convenience of the reader, and no representation is made that the local currencies or USD amounts referred to herein could have been or could be converted into USD or local currencies respectively, as the case may be, at any particular rate, the above rates or at all. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding off.

Others: In this report, the terms "we", "us", "our", "Airtel Africa", unless otherwise specified or the context otherwise implies, refer to the Airtel Africa plc and its subsidiaries and its associate, Bharti Airtel International (Netherlands) B.V., Airtel (Seychelles) Limited, Airtel Congo S.A., Airtel Gabon S.A., Airtel Madagascar S.A., Airtel Malawi Public Limited Company, Airtel Mobile Commerce B.V., Airtel Mobile Commerce Holdings B.V., Airtel Mobile Commerce (Kenya) Limited, Airtel Mobile Commerce Limited, Airtel Mobile Commerce Madagascar S.A., Airtel Mobile Commerce Rwanda Ltd, Airtel Mobile Commerce (Seychelles) Limited, Airtel Mobile Commerce (Tanzania) Limited, Airtel Mobile Commerce Tchad S.A., Airtel Mobile Commerce Uganda Limited, Airtel Mobile Commerce Zambia Limited, Airtel Money RDC S.A., Airtel Money Niger S.A., Airtel Money S.A., Airtel Networks Kenya Limited, Airtel Networks Limited, Airtel Networks Zambia plc, Airtel Rwanda Limited, Airtel Tanzania Public Limited Company, Airtel Tchad S.A., Airtel Uganda Limited, Bharti Airtel Africa B.V., Bharti Airtel Chad Holdings B.V., Bharti Airtel Congo Holdings B.V., Bharti Airtel Developers Forum Limited, Bharti Airtel Gabon Holdings B.V., Bharti Airtel Kenya B.V., Bharti Airtel Kenya Holdings B.V., Bharti Airtel Madagascar Holdings B.V., Bharti Airtel Malawi Holdings B.V., Bharti Airtel Mali Holdings B.V., Bharti Airtel Niger Holdings B.V., Bharti Airtel Nigeria B.V., Bharti Airtel Nigeria Holdings II B.V., Bharti Airtel RDC Holdings B.V., Bharti Airtel Services B.V., Bharti Airtel Tanzania B.V., Bharti Airtel Uganda Holdings B.V., Bharti Airtel Zambia Holdings B.V., Celtel (Mauritius) Holdings Limited, Airtel Congo RDC S.A., Celtel Niger S.A., Channel Sea Management Company (Mauritius) Limited, Congo RDC Towers S.A., Gabon Towers S.A., Indian Ocean Telecom Limited, Mobile Commerce Congo S.A., Montana International, Partnership Investments S.A.R.L., Société Malgache de Téléphone Cellulaire S.A., Bharti Airtel Rwanda Holdings Limited, Airtel Money Transfer Limited, Airtel Money Tanzania Limited, Airtel Mobile Commerce Nigeria Limited, Airtel Mobile Commerce Nigeria B.V., Airtel Mobile Commerce (Seychelles) B.V., Airtel Mobile Commerce Congo B.V., Airtel Mobile Commerce Kenya B.V., Airtel Mobile Commerce Madagascar B.V., Airtel Mobile Commerce Malawi B.V., Airtel Mobile Commerce Rwanda B.V., Airtel Mobile Commerce Tchad B.V., Airtel Mobile Commerce Uganda B.V., Airtel Mobile Commerce Zambia B.V., Airtel International LLP, Seychelles Cable Systems Company Limited (Associate), Airtel Mobile Commerce Gabon B.V., Airtel Mobile Commerce Niger B.V., Airtel Mobile Commerce DRC B.V., Airtel Money Kenya Limited, Airtel Digital Services Holdings B.V., Airtel Africa Services (UK) Limited, Airtel Mobile Commerce Services Limited, Airtel Africa Telesonic Holdings Limited, Airtel Africa Telesonic Limited, Smartcash Payment Service Bank Limited, Airtel Money Trust Fund, The Registered Trustees of Airtel Money Trust Fund, Airtel Congo Telesonic Holdings (UK) Limited, Airtel DRC Telesonic Holdings (UK) Limited, Airtel Gabon Telesonic Holdings (UK) Limited, Airtel Kenya Telesonic Holdings (UK) Limited, Airtel Madagascar Telesonic Holdings (UK) Limited, Airtel (M) Telesonic Holdings (UK) Limited, Airtel Niger Telesonic Holdings (UK) Limited, Airtel Nigeria Telesonic Holdings (UK) Limited, Airtel Rwanda Telesonic Holdings (UK) Limited, Airtel Seychelles Telesonic Holdings (UK) Limited, Airtel Tanzania Telesonic Holdings (UK) Limited, Airtel Uganda Telesonic Holdings (UK) Limited, Airtel Zambia Telesonic Holdings (UK) Limited, Airtel Tchad Telesonic Holdings (UK) Limited, Airtel Kenya Telesonic Limited, Airtel (M) Telesonic Limited, Airtel Nigeria Telesonic Limited, Airtel Rwanda Telesonic Limited, Airtel (Seychelles) Telesonic Limited and Airtel Telesonic Uganda Limited, Airtel Zambia Telesonic Limited, Airtel Mobile Commerce Tanzania B.V., Airtel Africa

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Forward-looking statements

This document contains certain forward-looking statements regarding our intentions, beliefs or current expectations concerning, amongst other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the economic and business circumstances occurring from time to time in the countries and markets in which the Group operates.

These statements are often, but not always, made through the use of words or phrases such as "believe," "anticipate," "could," "may," "would," "should," "intend," "plan," "potential," "predict," "will," "expect," "estimate," "project," "positioned," "strategy," "outlook", "target" and similar expressions.

It is believed that the expectations reflected in this document are reasonable, but they may be affected by a wide range of variables that could cause actual results to differ materially from those currently anticipated.

All such forward-looking statements involve estimates and assumptions that are subject to risks, uncertainties and other factors that could cause actual future financial condition, performance and results to differ materially from the plans, goals, expectations and results expressed in the forward-looking statements and other financial and/or statistical data within this communication.

Among the key factors that could cause actual results to differ materially from those projected in the forward-looking statements are uncertainties related to the following: the impact of competition from illicit trade; the impact of adverse domestic or international legislation and regulation; changes in domestic or international tax laws and rates; adverse litigation and dispute outcomes and the effect of such outcomes on Airtel Africa's financial condition; changes or differences in domestic or international economic or political conditions; the ability to obtain price increases and the impact of price increases on consumer affordability thresholds; adverse decisions by domestic or international regulatory bodies; the impact of market size reduction and consumer down-trading; translational and transactional foreign exchange rate exposure; the impact of serious injury, illness or death in the workplace; the ability to maintain credit ratings; the ability to develop, produce or market new alternative products and to do so profitably; the ability to effectively implement strategic initiatives and actions taken to increase sales growth; the ability to enhance cash generation and pay dividends and changes in the market position, businesses, financial condition, results of operations or prospects of Airtel Africa.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser. The forward-looking statements contained in this document reflect the knowledge and information available to Airtel Africa at the date of preparation of this document and Airtel Africa undertakes no obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on such forward-looking statements.

No statement in this communication is intended to be, nor should be construed as, a profit forecast or a profit estimate and no statement in this communication should be interpreted to mean that earnings per share of Airtel Africa plc for the current or any future financial periods would necessarily match, exceed or be lower than the historical published earnings per share of Airtel Africa plc.

Financial data included in this document are presented in US dollars rounded to the nearest million. Therefore, discrepancies in the tables between totals and the sums of the amounts listed may occur due to such rounding. The percentages included in the tables throughout the document are based on numbers calculated to the nearest $1,000 and therefore minor rounding differences may result in the tables. Growth metrics are provided on a constant currency basis unless otherwise stated. The Group has presented certain financial information on a constant currency basis. This is calculated by translating the results for the current financial year and prior financial year at a fixed 'constant currency' exchange rate, which is done to measure the organic performance of the Group. Growth rates for our reporting regions and service segments are provided in constant currency as this better represents the performance of the business.

No profit or earnings per share forecasts

No statement in this communication is intended to be, nor should be construed as, a profit forecast or a profit estimate and no statement in this communication should be interpreted to mean that earnings per share of Airtel Africa for the current or any future financial periods would necessarily match, exceed or be lower than the historical published earnings per share of Airtel Africa.

Audience

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Table of Contents

Section 1

Performance at a glance

Particulars	Unit	Financial year ended			Quarter ended				
		IFRS			IFRS				
		2022	2021	2020	Dec-22	Sep-22	Jun-22	Mar-22	Dec-21
Operating highlights									
Total customer base	million	128.4	118.2	110.6	138.5	134.7	131.6	128.4	125.8
Total minutes on network	billion	378.7	322.9	250.1	113.9	109.0	103.2	98.4	97.4
Data MBs	billion	1,847.8	1,242.3	710.5	709.6	662.6	581.8	509.3	478.8
Mobile money transaction value	$bn	64.2	46.4	30.2	24.7	21.5	18.9	16.6	16.8
Network towers	number	28,797	25,368	22,909	30,733	30,149	29,412	28,797	27,422
Total employees	number	3,757	3,526	3,363	3,930	3,904	3,893	3,757	3,704
No. of countries of operation	number	14	14	14	14	14	14	14	14
Consolidated financials ongoing operations (Reported currency)									
Underlying Revenue [1]	$m	4,714	3,888	3,422	1,350	1,308	1,257	1,222	1,219
EBITDA	$m	2,311	1,792	1,515	661	641	614	608	605
EBIT	$m	1,567	1,105	905	446	446	425	421	414
Cash profit from operations before derivative and exchange fluctuations	$m	2,001	1,464	1,210	565	549	532	525	523
Profit before tax	$m	1,164	683	533	285	240	276	309	292
Profit attributable to owners of the company	$m	631	339	370	172	133	163	190	155
Capex	$m	656	614	642	147	169	141	224	187
Operating free cash flow	$m	1,655	1,178	873	514	472	473	384	418
Net debt	$m	2,941	3,530	3,247	3,620	3,278	3,056	2,941	3,050
Shareholder's equity [2]	$m	4,081	3,405	3,388	4,049	4,018	3,992	4,081	4,136
Non-controlling interests ('NCI')	$m	147	(52)	(107)	155	148	142	147	(54)
Total equity [3]	$m	4,228	3,353	3,281	4,204	4,166	4,134	4,228	4,082
Total capital employed	$m	7,169	6,883	6,528	7,824	7,444	7,190	7,169	7,131
Key ratios									
EBITDA margin	%	49.0%	46.1%	44.3%	49.0%	49.0%	48.8%	49.7%	49.6%
EBIT margin	%	33.2%	28.4%	26.5%	33.1%	34.1%	33.8%	34.5%	34.0%
Net profit margin	%	13.4%	8.7%	10.8%	12.7%	10.1%	13.0%	15.6%	12.7%
Net debt to EBITDA (LTM)	times	1.3	2.0	2.1	1.4	1.3	1.3	1.3	1.4
Net debt to EBITDA (annualised)	times	1.3	2.0	2.1	1.4	1.3	1.2	1.2	1.3
Interest coverage ratio	times	7.5	5.9	5.1	6.7	7.4	8.0	7.8	7.8
Return on equity (pre-tax)	%	28.9%	20.8%	18.3%	27.6%	28.2%	30.0%	28.9%	26.4%
Return on equity (post-tax)	%	15.5%	9.9%	10.9%	16.3%	16.0%	16.8%	15.5%	13.8%
EPS - before exceptional items	cents	16.0	8.2	7.3	4.0	3.0	3.8	4.6	4.0
Basic EPS	cents	16.8	9.0	10.3	4.6	3.5	4.4	5.1	4.1
Return on capital employed	%	22.3%	16.5%	14.0%	23.8%	23.7%	23.0%	22.1%	20.9%

Mobile money transaction value is in constant currency as of 31 March 2022.

(1) Underlying revenue excludes one-time exceptional revenue of $20m relating to a settlement in Niger in year ended 31 March 2021.

(2 Shareholder's equity is grossed up for put option provided to minority shareholders to provide them liquidity as part of the sale agreements executed with them during year ended 31 March 2022.

(3) Total equity includes shareholder's equity (grossed up for put option provided to minority shareholders) and non-controlling interests ('NCI').

Section 2

Financial highlights

The current period financial information contained in this report is drawn from Airtel Africa plc's interim unaudited condensed consolidated financial statements prepared under IAS 34 for the nine-month period ended 31 December 2022. The comparative annual information has been drawn based on Airtel Africa plc's Audited Consolidated Financial Statements for the year ended 31 March 2022. Comparative quarterly and nine-month period information is drawn from unaudited IAS 34 financials of respective periods.

2.1 Summary of consolidated financial statements

2.1.1 Consolidated summarised statement of operations (in reported currency)

All amounts are in $m, except for ratios

Particulars	Quarter ended			Nine-month period ended		
	Dec-22	Dec-21	Y-on-Y Change	Dec-22	Dec-21	Y-on-Y Change
Revenue	**1,350**	**1,219**	**11%**	**3,914**	**3,492**	**12%**
EBITDA	**661**	**605**	**9%**	**1,916**	**1,702**	**13%**
EBITDA margin	*49.0%*	*49.6%*	*(60) bps*	*49.0%*	*48.8%*	*20 bps*
EBIT	446	414	8%	1,318	1,146	15%
Finance cost (net)	161	122	32%	519	291	78%
Share of profit from associate	(0)	(0)	-	(2)	(0)	-
Profit before tax	285	292	(2%)	801	855	(6%)
Income tax expense	112	117	(4%)	340	350	(3%)
Profit after tax	**173**	**174**	**(1%)**	**461**	**505**	**(9%)**
Non controlling interest (before exceptional items)	21	25	(12%)	55	74	(25%)
Profit attributable to owners of the company - before exceptional items	151	150	1%	406	431	(6%)
Exceptional Items (net of tax)	(21)	(5)	-	(62)	(9)	-
Profit after tax (after exceptional items)	**193**	**180**	**7%**	**523**	**514**	**2%**
Non controlling interest	21	25	(12%)	55	74	(25%)
Profit attributable to owners of the company	**172**	**155**	**11%**	**468**	**440**	**6%**
Capex	147	187	(22%)	457	432	6%
Operating free cash flow	514	418	23%	1,459	1,270	15%
Total capital employed	7,824	7,131	10%	7,824	7,131	10%

2.1.2 Consolidated summarised statement of operations (in constant currency)

All amounts are in $m, except for ratios

Particulars	Quarter ended			Nine-month period ended		
	Dec-22	Dec-21	Y-on-Y Change	Dec-22	Dec-21	Y-on-Y Change
Revenue	**1,422**	**1,205**	**18%**	**4,047**	**3,450**	**17%**
EBITDA	**696**	**598**	**16%**	**1,979**	**1,686**	**17%**
EBITDA margin	*49.0%*	*49.6%*	*(65) bps*	*48.9%*	*48.9%*	*3 bps*
EBIT	469	410	15%	1,359	1,137	19%
Capex	147	187	(22%)	457	432	6%
Operating free cash flow	550	411	34%	1,521	1,254	21%

For constant currency calculations the closing exchange rates as of 31 March 2022 have been used. Reported currency rates are used for Capex.

2.2 Consolidated – summary of statement of financial position

All amounts are in $m

Particulars	As at Dec 31, 2022	As at Mar 31, 2022
Assets		
Non-current assets	8,940	8,367
Current assets	1,699	1,997
Total assets	**10,639**	**10,364**
Liabilities		
Current liabilities	3,357	3,073
Non-current liabilities	3,648	3,642
Total liabilities	**7,005**	**6,715**
Net current liabilities	**(1,658)**	**(1,076)**
Net Assets	**3,634**	**3,649**
Equity		
Equity attributable to owners of the company	3,479	3,502
Non-controlling interests ('NCI')	155	147
Total equity	**3,634**	**3,649**
Total equity and liabilities	**10,639**	**10,364**

Section 3

Segmental – summary of financial statements

3.1 Summarised statement of operations

3.1.1 Nigeria: mobile services

In reported currency

All amounts are in $m, except for ratios

Particulars	Quarter ended			Nine-month period ended		
	Dec-22	Dec-21	Y-on-Y Change	Dec-22	Dec-21	Y-on-Y Change
Revenue	**545**	**476**	**15%**	**1,585**	**1,370**	**16%**
Voice revenue	279	246	14%	791	717	10%
Data revenue	222	189	18%	653	539	21%
Other revenue	43	41	6%	141	115	23%
EBITDA	**284**	**266**	**7%**	**815**	**758**	**8%**
EBITDA margin	*52.1%*	*55.9%*	*(379) bps*	*51.4%*	*55.3%*	*(388) bps*
Depreciation & Amortisation	92	68	34%	248	196	26%
Operating Exceptional Items	-	-	-	-	-	-
Operating profit	184	198	(7%)	542	562	(3%)
Capex	34	78	(56%)	167	182	(8%)
Operating free cash flow	250	188	33%	648	576	13%

In constant currency

All amounts are in $m, except for ratios

Particulars	Quarter ended			Nine-month period ended		
	Dec-22	Dec-21	Y-on-Y Change	Dec-22	Dec-21	Y-on-Y Change
Revenue	**584**	**474**	**23%**	**1,644**	**1,360**	**21%**
Voice revenue	299	245	22%	821	711	15%
Data revenue	238	189	26%	678	535	27%
Other revenue	47	41	14%	145	114	28%
EBITDA	**304**	**265**	**15%**	**845**	**752**	**12%**
EBITDA margin	*52.2%*	*55.9%*	*(377) bps*	*51.4%*	*55.3%*	*(385) bps*
Depreciation & Amortisation	98	68	44%	257	195	32%
Operating Exceptional Items	-	-	-	-	-	-
Operating profit	197	197	0%	562	557	1%
Capex	34	78	(56%)	167	182	(8%)
Operating free cash flow	270	187	44%	678	570	19%

For constant currency calculations the closing exchange rates as of 31 March 2022 have been used. Reported currency rates are used for Capex.

3.1.2 East Africa: mobile services

In reported currency

All amounts are in $m, except for ratios

Particulars	Quarter ended			Nine-month period ended		
	Dec-22	Dec-21	Y-on-Y Change	Dec-22	Dec-21	Y-on-Y Change
Revenue	**388**	**372**	**5%**	**1,129**	**1,046**	**8%**
Voice revenue	215	210	2%	632	586	8%
Data revenue	140	121	15%	397	339	17%
Other revenue	34	41	(17%)	101	120	(16%)
EBITDA	**201**	**184**	**9%**	**561**	**501**	**12%**
EBITDA margin	*51.7%*	*49.5%*	*219 bps*	*49.7%*	*47.9%*	*178 bps*
Depreciation & Amortisation	67	59	12%	190	172	10%
Operating Exceptional Items	-	-	-	-	-	-
Operating profit	125	120	5%	344	312	10%
Capex	69	73	(6%)	159	150	6%
Operating free cash flow	132	111	19%	402	351	14%

The East Africa business region includes Kenya, Malawi, Rwanda, Tanzania, Uganda and Zambia.

In constant currency

All amounts are in $m, except for ratios

Particulars	Quarter ended			Nine-month period ended		
	Dec-22	Dec-21	Y-on-Y Change	Dec-22	Dec-21	Y-on-Y Change
Revenue	**405**	**365**	11%	**1,161**	**1,038**	**12%**
Voice revenue	224	206	9%	651	582	12%
Data revenue	145	119	22%	406	336	21%
Other revenue	36	40	(11%)	103	119	(13%)
EBITDA	**210**	**181**	**16%**	**577**	**498**	**16%**
EBITDA margin	*51.9%*	*49.6%*	*230 bps*	*49.7%*	*48.0%*	*173 bps*
Depreciation & Amortisation	69	59	18%	195	171	14%
Operating Exceptional Items	-	(0)	-	-	(0)	-
Operating profit	131	117	12%	356	311	14%
Capex	69	73	(6%)	159	150	6%
Operating free cash flow	141	108	31%	418	349	20%

For constant currency calculations the closing exchange rates as of 31 March 2022 have been used. Reported currency rates are used for Capex.

3.1.3 Francophone Africa: mobile services

In reported currency

All amounts are in $m, except for ratios

Particulars	Quarter ended			Nine-month period ended		
	Dec-22	Dec-21	Y-on-Y Change	Dec-22	Dec-21	Y-on-Y Change
Revenue	**275**	**263**	**5%**	**807**	**776**	**4%**
Voice revenue	154	152	1%	453	446	2%
Data revenue	92	84	9%	268	249	7%
Other revenue	29	26	12%	86	79	10%
EBITDA	**112**	**109**	**3%**	**352**	**317**	**11%**
EBITDA margin	*40.6%*	*41.4%*	*(77) bps*	*43.6%*	*40.8%*	*281 bps*
Depreciation & Amortisation	50	50	(0%)	143	153	(7%)
Operating Exceptional Items	-	-	-	-	-	-
Operating profit	53	51	5%	184	140	31%
Capex	36	25	43%	94	73	29%
Operating free cash flow	76	84	(10%)	258	244	6%

The Francophone Africa business region includes Chad, Democratic Republic of the Congo, Gabon, Madagascar, Niger, Republic of the Congo, and Seychelles.

In constant currency

All amounts are in $m, except for ratios

Particulars	Quarter ended			Nine-month period ended		
	Dec-22	Dec-21	Y-on-Y Change	Dec-22	Dec-21	Y-on-Y Change
Revenue	**288**	**259**	**11%**	**841**	**753**	**12%**
Voice revenue	162	150	8%	474	433	9%
Data revenue	96	83	16%	279	242	15%
Other revenue	30	26	17%	89	77	15%
EBITDA	**117**	**107**	**9%**	**366**	**309**	**19%**
EBITDA margin	*40.5%*	*41.4%*	*(89) bps*	*43.6%*	*41.0%*	*256 bps*
Depreciation & Amortisation	53	49	7%	149	148	1%
Operating Exceptional Items	-	-	-	-	-	-
Operating profit	55	50	10%	191	138	38%
Capex	36	25	43%	94	73	29%
Operating free cash flow	81	82	(2%)	272	235	16%

For constant currency calculations the closing exchange rates as of 31 March 2022 have been used. Reported currency rates are used for Capex.

3.1.4 Mobile services – summarised statement of operations

In reported currency

All amounts are in $m, except for ratios

Particulars	Quarter ended			Nine-month period ended		
	Dec-22	Dec-21	Y-on-Y Change	Dec-22	Dec-21	Y-on-Y Change
Revenue	**1,207**	**1,107**	**9%**	**3,515**	**3,183**	**10%**
Voice revenue	646	606	7%	1,872	1,747	7%
Data revenue	454	395	15%	1,318	1,127	17%
Other revenue	106	106	1%	325	309	5%
EBITDA	**597**	**559**	**7%**	**1,728**	**1,576**	**10%**
EBITDA margin	*49.4%*	*50.5%*	*(106) bps*	*49.1%*	*49.5%*	*(36) bps*
Depreciation & Amortisation	209	178	17%	581	521	12%
Operating Exceptional Items	-	-	-	-	-	-
Operating profit	362	368	(2%)	1,070	1,015	5%
Capex	139	176	(21%)	420	405	4%
Operating free cash flow	458	383	20%	1,308	1,171	12%

In constant currency

All amounts are in $m, except for ratios

Particulars	Quarter ended			Nine-month period ended		
	Dec-22	Dec-21	Y-on-Y Change	Dec-22	Dec-21	Y-on-Y Change
Revenue	**1,275**	**1,095**	**16%**	**3,640**	**3,142**	**16%**
Voice revenue	683	600	14%	1,942	1,723	13%
Data revenue	479	391	23%	1,363	1,114	22%
Other revenue	112	105	7%	336	304	10%
EBITDA	**631**	**553**	**14%**	**1,788**	**1,559**	**15%**
EBITDA margin	*49.5%*	*50.5%*	*(105) bps*	*49.1%*	*49.6%*	*(50) bps*
Depreciation & Amortisation	220	176	25%	601	513	17%
Operating Exceptional Items	-	(0)	-	-	(0)	-
Operating profit	384	365	5%	1,107	1,006	10%
Capex	139	176	(21%)	420	405	4%
Operating free cash flow	492	378	30%	1,367	1,154	18%

For constant currency calculations the closing exchange rates as of 31 March 2022 have been used. Reported currency rates are used for Capex.

3.1.5 Mobile money – summarised statement of operations

In reported currency

All amounts are in $m, except for ratios

Particulars	Quarter ended			Nine-month period ended		
	Dec-22	Dec-21	Y-on-Y Change	Dec-22	Dec-21	Y-on-Y Change
Revenue	**183**	**148**	**24%**	**515**	**406**	**27%**
Nigeria [1]	0	0	-	0	0	-
East Africa	142	111	28%	395	300	32%
Francophone Africa	41	37	11%	120	106	13%
EBITDA	**92**	**75**	**23%**	**256**	**207**	**24%**
EBITDA margin	*50.0%*	*50.7%*	*(63) bps*	*49.7%*	*51.0%*	*(129) bps*
Depreciation & Amortisation	5	4	28%	13	10	24%
Operating profit	84	68	23%	237	188	26%
Capex	6	9	(42%)	26	20	28%
Operating free cash flow	86	66	32%	230	187	23%

Mobile money revenue post inter-segment eliminations with mobile services was $144m and $403m for quarter and nine-month period ended 31 December 2022 and as compared to $113m and $312 for quarter and nine-month period ended 31 December 2021 respectively.

[1] On 19 May 2022, we announced that Smartcash had commenced operations in Nigeria. Services were initially made available at selected retail touchpoints, and operations are now being expanded gradually across the country.

In constant currency

All amounts are in $m, except for ratios

Particulars	Quarter ended			Nine-month period ended		
	Dec-22	Dec-21	Y-on-Y Change	Dec-22	Dec-21	Y-on-Y Change
Revenue	**189**	**145**	**30%**	**526**	**405**	**30%**
Nigeria	0	0	-	0	0	-
East Africa	146	108	34%	401	302	33%
Francophone Africa	43	36	18%	125	103	22%
EBITDA	**94**	**73**	**28%**	**260**	**207**	**26%**
EBITDA margin	*49.8%*	*50.7%*	*(89) bps*	*49.5%*	*51.0%*	*(154) bps*
Depreciation & Amortisation	5	4	37%	13	10	29%
Operating profit	86	67	28%	240	187	28%
Capex	6	9	(42%)	26	20	28%
Operating free cash flow	88	64	38%	234	186	26%

For constant currency calculations the closing exchange rates as of 31 March 2022 have been used. Reported currency rates are used for Capex.

Mobile money revenue post inter-segment eliminations with mobile services was $148m and $411m for quarter and nine-month period ended 31 December 2022 and as compared to $111m and $312 for quarter and nine-month period ended 31 December 2021 respectively.

3.2 Product contribution (in constant currency)

Quarter ended:

All amounts are in $m, except for ratios

Products	Quarter ended Dec-22					
	Revenue	% of total	EBITDA	% of total	Capex	% of total
Mobile services	1,275	90%	631	91%	139	94%
Mobile money	189	13%	94	13%	6	4%
Total before eliminations/others	**1,464**	**103%**	**725**	**104%**	**144**	**98%**
Eliminations/others	(42)	(3%)	(28)	(4%)	3	2%
Total	**1,422**	**100%**	**696**	**100%**	**147**	**100%**

For constant currency calculations the closing exchange rates as of 31 March 2022 have been used. Reported currency rates are used for Capex.
Mobile money revenue post inter-segment eliminations with mobile services was $148m for the quarter ended 31 December 2022.

Nine-month period ended:

All amounts are in $m, except for ratios

Products	Nine-month period ended Dec-22					
	Revenue	% of total	EBITDA	% of total	Capex	% of total
Mobile services	3,640	90%	1,788	90%	420	92%
Mobile money	526	13%	260	13%	26	6%
Total before eliminations/others	**4,166**	**103%**	**2,048**	**104%**	**446**	**98%**
Eliminations/others	(120)	(3%)	(70)	(4%)	11	2%
Total	**4,047**	**100%**	**1,979**	**100%**	**457**	**100%**

Mobile money revenue post inter-segment eliminations with mobile services was $411m for the nine- month period ended 31 December 2022.

Section 4

Regional – summary of financial statements

4.1 Nigeria

In reported currency

All amounts are in $m, except for ratios

Particulars	Quarter ended			Nine-month period ended		
	Dec-22	Dec-21	Y-on-Y Change	Dec-22	Dec-21	Y-on-Y Change
Revenue	**545**	**476**	**15%**	**1,585**	**1,370**	**16%**
Voice revenue	279	246	14%	791	717	10%
Data revenue	222	189	18%	653	539	21%
Mobile money revenue	0	0	-	0	0	-
Other revenue	43	41	6%	141	115	23%
EBITDA	**282**	**266**	**6%**	**810**	**757**	**7%**
EBITDA margin	*51.8%*	*55.9%*	*(410) bps*	*51.1%*	*55.3%*	*(418) bps*

For Nigeria mobile money revenue, please refer to the note on page no.11.

In constant currency

All amounts are in $m, except for ratios

Particulars	Quarter ended			Nine-month period ended		
	Dec-22	Dec-21	Y-on-Y Change	Dec-22	Dec-21	Y-on-Y Change
Revenue	**584**	**474**	**23%**	**1,644**	**1,360**	**21%**
Voice revenue	299	245	22%	821	711	15%
Data revenue	238	189	26%	678	535	27%
Mobile money revenue	0	0	-	0	0	-
Other revenue	47	41	14%	145	114	28%
EBITDA	**302**	**265**	**14%**	**840**	**751**	**12%**
EBITDA margin	*51.8%*	*55.9%*	*(408) bps*	*51.1%*	*55.2%*	*(415) bps*

For constant currency calculations the closing exchange rates as of 31 March 2022 have been used.

4.2 East Africa

In reported currency

All amounts are in $m, except for ratios

Particulars	Quarter ended			Nine-month period ended		
	Dec-22	Dec-21	Y-on-Y Change	Dec-22	Dec-21	Y-on-Y Change
Revenue	**502**	**459**	**10%**	**1,444**	**1,282**	**13%**
Voice revenue	215	210	2%	631	586	8%
Data revenue	140	121	15%	397	339	17%
Mobile money revenue	142	111	28%	395	300	32%
Other revenue	33	40	(18%)	97	118	(18%)
EBITDA	**275**	**240**	**14%**	**766**	**653**	**17%**
EBITDA margin	*54.8%*	*52.4%*	*238 bps*	*53.0%*	*50.9%*	*210 bps*

The East Africa business region includes Kenya, Malawi, Rwanda, Tanzania, Uganda and Zambia.

In constant currency

All amounts are in $m, except for ratios

Particulars	Quarter ended			Nine-month period ended		
	Dec-22	Dec-21	Y-on-Y Change	Dec-22	Dec-21	Y-on-Y Change
Revenue	**521**	**450**	**16%**	**1,480**	**1,275**	**16%**
Voice revenue	224	206	9%	650	582	12%
Data revenue	145	119	22%	406	336	21%
Mobile money revenue	146	108	34%	401	302	33%
Other revenue	35	40	(12%)	100	117	(14%)
EBITDA	**286**	**236**	**21%**	**785**	**651**	**20%**
EBITDA margin	*54.8%*	*52.4%*	*239 bps*	*53.0%*	*51.1%*	*194 bps*

For constant currency calculations the closing exchange rates as of 31 March 2022 have been used.

4.3 Francophone Africa

In reported currency

All amounts are in $m, except for ratios

Particulars	Quarter ended			Nine-month period ended		
	Dec-22	Dec-21	Y-on-Y Change	Dec-22	Dec-21	Y-on-Y Change
Revenue	**304**	**288**	**5%**	**891**	**849**	**5%**
Voice revenue	154	152	1%	453	446	2%
Data revenue	92	84	9%	268	249	7%
Mobile money revenue	41	37	11%	120	106	13%
Other revenue	29	26	12%	86	79	9%
EBITDA	**133**	**128**	**4%**	**414**	**372**	**11%**
EBITDA margin	*43.9%*	*44.5%*	*(63) bps*	*46.5%*	*43.9%*	*262 bps*

The Francophone Africa business region includes Chad, Democratic Republic of the Congo, Gabon, Madagascar, Niger, Republic of the Congo, and Seychelles.

In constant currency

All amounts are in $m, except for ratios

Particulars	Quarter ended			Nine-month period ended		
	Dec-22	Dec-21	Y-on-Y Change	Dec-22	Dec-21	Y-on-Y Change
Revenue	**318**	**284**	**12%**	**928**	**824**	**13%**
Voice revenue	162	150	8%	474	433	9%
Data revenue	96	83	16%	279	242	15%
Mobile money revenue	43	36	18%	125	103	22%
Other revenue	30	25	17%	88	77	15%
EBITDA	**139**	**127**	**10%**	**431**	**363**	**19%**
EBITDA margin	*43.7%*	*44.5%*	*(82) bps*	*46.4%*	*44.1%*	*233 bps*

For constant currency calculations the closing exchange rates as of 31 March 2022 have been used.

4.4 Regional contribution (in constant currency)

Quarter ended:

All amounts are in $m, except for ratios

Region	Quarter ended Dec-22					
	Revenue	% of total	EBITDA	% of total	Capex	% of total
Nigeria	584	41%	302	43%	33	22%
East Africa	521	37%	286	41%	72	49%
Francophone Africa	318	22%	139	20%	39	27%
Total before eliminations/others	**1,423**	**100%**	**727**	**104%**	**144**	**98%**
Eliminations/others	(1)	(0%)	(31)	(4%)	3	2%
Total	**1,422**	**100%**	**696**	**100%**	**147**	**100%**

For constant currency calculations the closing exchange rates as of 31 March 2022 have been used. Reported currency rates are used for Capex.

Nine-month period ended:

All amounts are in $m, except for ratios

Region	Nine-month period ended Dec-22					
	Revenue	% of total	EBITDA	% of total	Capex	% of total
Nigeria	1,644	41%	840	42%	176	39%
East Africa	1,480	37%	785	40%	169	37%
Francophone Africa	928	23%	431	22%	102	22%
Total before eliminations/others	**4,052**	**100%**	**2,055**	**104%**	**447**	**98%**
Eliminations/others	(6)	(0%)	(77)	(4%)	10	2%
Total	**4,047**	**100%**	**1,979**	**100%**	**457**	**100%**

Section 5

Operating highlights

5.1 Operational performance (quarter ended)

5.1.1 Mobile services operational performance

Parameters	Unit	Dec-22	Sep-22	Q-on-Q Change	Dec-21	Y-on-Y Change
Customer base	million	138.5	134.7	2.9%	125.8	10.1%
Net additions	million	3.8	3.1	23.7%	3.1	25.3%
Monthly churn	%	4.2%	4.2%	0.0 pp	4.2%	0.0 pp
Average revenue per user (ARPU)	$	3.1	3.1	2.1%	3.0	5.8%
Voice						
Minutes on the network	billion	113.9	109.0	4.4%	97.4	16.9%
Voice usage per customer	minutes	279	274	1.9%	262	6.2%
Voice average revenue per user (ARPU)	$	1.7	1.6	3.9%	1.6	3.6%
Voice revenue	$m	683	642	6.5%	600	13.9%
Data						
Data customer base	million	51.3	48.6	5.5%	45.1	13.6%
As % of customer base	%	37.0%	36.1%	0.9 pp	35.9%	1.1 pp
Total MBs on the network	billion	709.6	662.6	7.1%	478.8	48.2%
Data usage per customer	MBs	4,741	4,610	2.8%	3,586	32.2%
Data average revenue per user (ARPU)	$	3.2	3.2	(0.2%)	2.9	9.5%
Data revenue	$m	479	461	3.9%	391	22.7%
Network KPIs						
Network towers	number	30,733	30,149	584	27,422	3,311
Owned towers	number	2,038	2,015	23	4,097	(2,059)
Leased towers	number	28,695	28,134	561	23,325	5,370
Data capacity	TB/day	20,093	19,009	5.7%	14,558	38.0%
Revenue per site per month	$	13,957	13,617	2.5%	13,427	3.9%

Revenue and KPIs in constant currency. For constant currency calculations the closing exchange rates as of 31 March 2022 have been used.

5.1.2 Mobile money operational performance

Parameters	Unit	Dec-22	Sep-22	Q-on-Q Change	Dec-21	Y-on-Y Change
Mobile money						
Mobile money customer base	million	31.4	29.7	5.6%	25.7	22.2%
Transaction value	$bn	24.7	21.5	14.8%	16.8	46.7%
Transaction value per customer	$	273	250	8.9%	227	20.2%
Mobile money ARPU	$	2.1	2.1	1.3%	1.9	6.8%
Mobile money revenue	$m	189	177	6.8%	145	30.3%

Revenue and KPIs in constant currency. For constant currency calculations the closing exchange rates as of 31 March 2022 have been used.

5.2 Nigeria mobile services: operational performance

Parameters	Unit	Dec-22	Sep-22	Q-on-Q Change	Dec-21	Y-on-Y Change
Customer base	million	47.8	46.3	3.3%	42.4	13.0%
Net additions	million	1.5	0.3	450.9%	1.9	(20.3%)
Monthly churn	%	3.3%	3.9%	-0.6 pp	2.3%	1.0 pp
Average revenue per user (ARPU)	$	4.1	3.9	5.9%	3.9	7.2%
Voice						
Minutes on the network	billion	28.9	26.0	11.3%	25.2	14.7%
Voice usage per customer	minutes	206	188	9.1%	206	(0.1%)
Voice average revenue per user (ARPU)	$	2.1	1.9	12.2%	2.0	6.3%
Voice revenue	$m	299	261	14.4%	245	22.1%
Data						
Data customer base	million	22.0	20.6	6.8%	19.0	16.0%
As % of customer base	%	46.0%	44.5%	1.5 pp	44.8%	1.2 pp
Total MBs on the network	billion	350.2	321.7	8.9%	236.1	48.3%
Data usage per customer	MBs	5,461	5,168	5.7%	4,258	28.3%
Data average revenue per user (ARPU)	$	3.7	3.7	1.2%	3.4	9.2%
Data revenue	$m	238	228	4.2%	189	26.3%
Network KPIs						
Network towers	number	13,281	12,982	299	11,854	1,427
Owned towers	number	237	237	0	222	15
Leased towers	number	13,044	12,745	299	11,632	1,412
Data capacity	TB/day	9,775	9,466	3.3%	7,651	27.8%
Revenue per site per month	$	14,845	14,054	5.6%	13,472	10.2%

Revenue and KPIs in constant currency. For constant currency calculations the closing exchange rates as of 31 March 2022 have been used.

5.3 East Africa mobile services: operational performance

Parameters	Unit	Dec-22	Sep-22	Q-on-Q Change	Dec-21	Y-on-Y Change
Customer base	million	62.4	61.4	1.6%	57.4	8.8%
Net additions	million	1.0	2.9	(66.2%)	0.5	88.7%
Monthly churn	%	4.3%	3.7%	0.6 pp	4.3%	0.1 pp
Average revenue per user (ARPU)	$	2.2	2.2	(0.0%)	2.1	2.8%
Voice						
Minutes on the network	billion	72.2	71.1	1.7%	61.9	16.7%
Voice usage per customer	minutes	390	394	(1.0%)	361	8.2%
Voice average revenue per user (ARPU)	$	1.2	1.2	(1.7%)	1.2	0.9%
Voice revenue	$m	224	222	1.0%	206	8.8%
Data						
Data customer base	million	21.2	20.1	5.2%	18.6	14.1%
As % of customer base	%	34.0%	32.8%	1.2 pp	32.4%	1.6 pp
Total MBs on the network	billion	265.4	257.6	3.0%	187.0	41.9%
Data usage per customer	MBs	4,309	4,401	(2.1%)	3,385	27.3%
Data average revenue per user (ARPU)	$	2.4	2.4	0.0%	2.2	9.3%
Data revenue	$m	145	138	5.3%	119	21.9%
Network KPIs						
Network towers	number	11,908	11,727	181	10,554	1,354
Owned towers	number	305	296	9	2,480	(2,175)
Leased towers	number	11,603	11,431	172	8,074	3,529
Data capacity	TB/day	7,517	6,972	7.8%	4,954	51.7%
Revenue per site per month	$	11,381	11,275	0.9%	11,577	(1.7%)

The East Africa business region includes Kenya, Malawi, Rwanda, Tanzania, Uganda and Zambia.
Revenue and KPIs in constant currency. For constant currency calculations the closing exchange rates as of 31 March 2022 have been used.

5.4 Francophone Africa mobile services: operational performance

Parameters	Unit	Dec-22	Sep-22	Q-on-Q Change	Dec-21	Y-on-Y Change
Customer base	million	28.3	26.9	5.0%	26.0	8.5%
Net additions	million	1.3	(0.1)	2,080.6%	0.6	110.6%
Monthly churn	%	5.7%	5.9%	-0.2 pp	7.2%	-1.4 pp
Average revenue per user (ARPU)	$	3.5	3.6	(2.1%)	3.4	3.6%
Voice						
Minutes on the network	billion	12.7	11.9	6.2%	10.3	23.3%
Voice usage per customer	minutes	154	149	3.0%	134	14.9%
Voice average revenue per user (ARPU)	$	2.0	2.0	(1.6%)	2.0	0.3%
Voice revenue	$m	162	160	1.4%	150	7.6%
Data						
Data customer base	million	8.1	7.8	3.0%	7.6	6.4%
As % of customer base	%	28.5%	29.1%	-0.5 pp	29.1%	-0.6 pp
Total MBs on the network	billion	94.0	83.4	12.7%	55.6	68.9%
Data usage per customer	MBs	3,927	3,633	8.1%	2,439	61.0%
Data average revenue per user (ARPU)	$	4.0	4.1	(2.8%)	3.6	10.4%
Data revenue	$m	96	95	1.4%	83	15.8%
Network KPIs						
Network towers	number	5,544	5,440	104	5,014	530
Owned towers	number	1,496	1,482	14	1,395	101
Leased towers	number	4,048	3,958	90	3,619	429
Data capacity	TB/day	2,801	2,571	8.9%	1,954	43.4%
Revenue per site per month	$	17,470	17,759	(1.6%)	17,457	0.1%

The Francophone Africa business region includes Chad, Democratic Republic of the Congo, Gabon, Madagascar, Niger, Republic of the Congo, and Seychelles.
Revenue and KPIs in constant currency. For constant currency calculations the closing exchange rates as of 31 March 2022 have been used.

Section 6

Management discussion and analysis

6.1 Reporting methodology

The results for the nine-month period ended 31 December 2022 are unaudited and in the opinion of management, include all adjustments necessary for the fair presentation of the results of the same period. The financial information has been drawn from financial statements prepared in accordance with International Accounting Standard 34 (IAS 34) 'Interim Financial Reporting' issued by the International Accounting Standards Board (IASB) approved for use in the United Kingdom (UK by the UK Accounting Standards Endorsement Board (UKEB) and apply the same accounting policies, presentation and methods of calculation as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2022 except to the extent required/ prescribed by IAS 34. This report should be read in conjunction with audited consolidated financial statements and related notes for the year ended 31 March 2022. The comparative annual information has been drawn based on Airtel Africa plc's Audited Consolidated Financial Statements for the year ended 31 March 2022. Comparative quarterly and nine-month period information is drawn from unaudited IAS 34 financials of respective periods. Comparative period figures have been regrouped/ reclassified to conform with current year grouping/ classification.

The information, apart from the extract of the Financial Statements in Section 7, is on underlying basis and exceptional items are shown separately. This enables an organic comparison of results with past periods.

6.2 Key company developments

IFC loan facility

On 6 December 2022, we announced the signing of a new $194m facility with International Finance Corporation ('IFC'), a sister organisation of the World Bank and a member of the World Bank Group. The new financing facility is in line with Airtel Africa's strategy to increase debt within its operating companies.

The facility has a tenor of eight years, it is largely in local currency, and will be used to support Airtel Africa's operations and investments in Democratic Republic of Congo, Kenya, Madagascar, Niger, Republic of Congo and Zambia, providing a more diversified access to local funding.

As part of IFC's loan facility, Airtel Africa has committed to comply with the applicable requirements of IFC Performance Standards on Social and Environmental Sustainability and has put in place a dedicated Environmental and Social Action plan. This will further underpin the Group's commitment to transforming lives across the communities in which Airtel operates and provide clarity on how the Group can help address inequality and support economic growth in these communities.

Nigeria 4G and 5G Spectrum Acquisition

On 9 January 2023, we announced that, Airtel Networks Limited ('Airtel Nigeria'), had purchased 100 MHz of spectrum in the 3500MHz band and 2x5MHz of 2600MHz from the Nigerian Communications Commission (NCC) for a gross consideration of $316.7m, paid in local currency. This additional spectrum will support our investments in network expansion for both mobile data and fixed wireless home broadband capability, including 5G rollout, providing significant capacity to accommodate our continued strong data growth in the country and exceptional customer experience.

Airtel Nigeria is Airtel Africa's largest market, with significant growth potential. The company led the industry in providing affordable 4G services across the country following the deployment of a fully modernised network which facilitated a 4-fold increase in data traffic over the last three years. The penetration of data customers in Nigeria remains low, providing significant opportunity for future growth.

The acquisition of 5G spectrum will underpin our growth strategy by enabling the launch of higher speed connectivity to enhance customer service and accelerate digitalisation for consumers, enterprises and the public sector. The key benefits of 5G will include higher speeds, lower latency, significant network capacity as well as an improved user experience. Furthermore, the deployment of 5G will accelerate the availability and efficiency of fixed wireless access products across the country, contributing towards Airtel Nigeria's progress in meeting the National Broadband Plan targets. The acquisition of 2600MHz spectrum will complement our already strong spectrum position in the market to enhance network capacity and future-proof our growth opportunity.

Other spectrum acquisitions

During the year, we acquired the following additional spectrum across our OpCos:

In October 2022, Airtel Tanzania plc purchased 110 MHz spectrum spread across the 2600 MHz (2 blocks of 2x15MHz) and 3500 MHz bands from the Tanzania Communications Regulatory Authority (TCRA) for a gross consideration of $60m.

Airtel Zambia purchased 60 MHz of additional spectrum in October 2022 spread across the 800 MHz and 2600 MHz bands from the Zambia Information and Communications Technology Authority (ZICTA), for a gross consideration of $29m, payable in local currency. Further, we acquired an additional 40 MHz of spectrum in the 2600 band for $12m in November 2022.

In July 2022, Airtel Kenya Networks Limited purchased 60 MHz of additional spectrum in the 2600 MHz band from the Communications Authority of Kenya, for a gross consideration of $40m, for a period of 15 years.

Airtel DRC purchased 58 MHz of additional spectrum, spread across 900, 1800, 2100 and 2600 MHz bands, for a gross consideration of $42m in June 2022. The licence for paired spectrum in the 2100 band comes up for renewal in September 2032. All the other licences continue until July 2036.

Launch of inaugural Sustainability Report

The publication of Airtel Africa's inaugural Sustainability Report on the 27th October 2022 follows the launch of the Group's sustainability strategy in October 2021. The report reflects the Group's firm commitment to sustainability and details the business' progress against the goals outlined in the sustainability strategy. The report adheres to international best-practice ESG Reporting standards, including the Global Reporting Initiative (GRI) Standards and TCFD recommendations.

The publication of the report constitutes an important step forward in enhancing the non-financial information transparency of the Group. The report provides accurate and verified baselines for scope 1, 2 and 3 emissions and total energy consumption.

In October 2021, the Group committed to publishing a 'pathway to carbon neutrality' report, outlining the Group's strategy and timeline for achieving net zero greenhouse gas emissions targets, ahead of the publication of its first sustainability report. While significant progress has been made on this important project, due to its ambitious scale, additional time is required to comprehensively incorporate the many variables affecting our decarbonisation strategy in all 14 markets, and to consult with stakeholders. The Group is now confident of publishing a robust pathway to carbon neutrality by the end of the 2023 financial year.

Uganda listing obligation

Under Article 16 of Uganda's National Telecom Operator ('NTO') licence, Airtel Uganda limited is obliged to comply with the sector policy, regulations and guidelines requiring the listing of part of its shares on the Uganda Stock Exchange. The current Uganda Communications (Fees & Fines) (Amendment) Regulations 2020, creates a public listing obligation for all NTO licensees, and specifies that 20% of the shares of the operator must be listed within two years of the date of the effective date of the licence. This imposed a listing requirement by 15 December 2022 on Airtel Uganda. In April 2022, the company applied for an extension of time to list the shares, which was granted by the Regulator thereby extending the deadline to 16 December 2023. Preparatory steps are underway by Airtel Uganda and its advisors in order to comply with this deadline.

NIN - SIM linkage implementation in Nigeria

Following a directive issued by the Nigerian Communications Commission (NCC) on 7 December 2020 to all Nigerian telecom operators, all our customers were required to provide their valid National Identification Numbers (NINs) to update SIM registration records, with a final deadline of 31 March 2022.

In April 2022, the voice services for 13.6 million customers were barred due to non-submission of NIN information. As of December 2022, 6.2 million customers (46%) have subsequently submitted their NINs and 3.2 million customers (23%) have been fully verified and unbarred. Revenue growth for the first nine-months of the year was impacted by the effect of barring outgoing voice calls in Nigeria for those customers who had not submitted their NINs. We estimate that this resulted in the loss of approximately $87m of revenues in nine-month period, providing a drag on revenue growth of almost 2.5% at Group level (impact of 6.4% in Nigeria).

We continue to work closely with the regulator and impacted customers to help them to comply with the registration requirements, making every effort to minimise disruption and ensure affected customers can continue to benefit from full-service connectivity as soon as possible; in line with our aim to drive increased connectivity and digital inclusion across Nigeria.

Nigeria mobile money operationalisation

On 29 April 2022, we announced that the Central Bank of Nigeria ('CBN') had confirmed that Smartcash Payment Service Bank limited ('Smartcash'), had received final approval for a full Payment Service Bank ('PSB') licence, affording the Group the opportunity to deliver a full suite of mobile money services in Nigeria. This news followed our announcement of 26 April that the CBN had also awarded our subsidiary, Airtel Mobile Commerce Nigeria Ltd, with a full super-agent licence, allowing the business to create an agency network that can service the customers of licenced Nigerian banks, payment service banks and licenced mobile money operators in Nigeria.

During the period we launched Smartcash, our Nigerian mobile money offering, initially in Lagos, before rolling out further across the country. One of our key commitments is to guarantee data privacy and security controls across the business to build trust and confidence in the brand. In that light, we have focussed our investments on the IT infrastructure and business systems and processes to ensure we meet this commitment. This investment, combined with our continued focus on the expansion of the distribution network, will drive increased access to financial services for underserved communities in Nigeria.

$450m early bond redemption

On 8 July 2022 the Group announced the settlement of a cash tender offer, redeeming $450m of the $1 billion of 5.35% guaranteed senior notes due 2024 ('Notes'). An aggregate principal amount of $450m of Notes was accepted for purchase for a total of $463m. All Notes accepted for purchase were cancelled ahead of their maturity in May 2024. This early redemption was made out of the Group's cash reserves and is in line with our strategy of reducing external foreign currency debt at a Group level.

First sustainability-linked loan facility

On 10 August 2022, the group announced the signing of a $125m revolving credit facility with Citi through its branch offices/subsidiaries in sub-Saharan Africa. This facility is in line with our strategy to raise debt in our local operating companies and will include both local currency and US dollar denominated debt. The facility has a tenor up to September 2024 and will be used to support Airtel Africa's operations and investments in four of its subsidiaries. The facility provides potential interest rate savings in exchange for achieving social impact milestones relating to digital inclusion and gender diversity, with a focus on rural areas and women, and aligning with the Group's sustainability strategy, launched in October 2021. The facility further strengthens the Group's commitment to transforming lives across the communities in which we operate.

6.3 Results of operations

The financial results presented in this section are compiled based on the consolidated financial statements prepared in accordance with international financial reporting standards (IFRS) and the underlying information.

Highlights for nine-month period ended 31 December 2022

- Total customer base increased to 138.5 million (up 10.1%), as the penetration of mobile data and mobile money services continued to rise, driving the data customer base up 13.6% and mobile money customer base up 22.2%.
- ARPU growth of 7.2% in constant currency, largely driven by increased usage across voice, data, and mobile money.
- Mobile money transaction value increased by 37.0%, to an annualised value of almost $100bn in Q3'23.
- Revenue in reported currency grew by 12.1%, to $3,914m with Q3'23 growth of 10.7%.
- Revenue growth in constant currency was 17.3% (18.0% in Q3'23) driven by double digit growth across all reporting segments. Mobile Services revenue in Nigeria grew by 20.9%, in East Africa by 11.9% and in Francophone Africa by 11.8% (and across the Group by 15.9%, with voice revenue growth of 12.7% and data revenue up 22.3%). Mobile Money revenue grew by 29.8%, driven by 32.5% growth in East Africa and 21.7% in Francophone Africa.
- EBITDA was $1,916m, up 12.6% in reported currency and 17.4% in constant currency, with an EBITDA margin of 49.0%, increasing 20 basis points in reported currency and broadly flat in constant currency.
- Profit after tax was $523m, up 1.7%, as EBITDA growth was partially offset by higher foreign exchange and derivative losses of $184m.
- EPS before exceptional items was 10.8 cents, a reduction of 5.8% largely driven by higher foreign exchange and derivative losses of $184m. Basic EPS increased to 12.5 cents (up by 6.3%) as a result of deferred tax asset recognition in Kenya. EPS before exceptional items and excluding foreign exchange and derivative losses increased by 21.6%.
- Capex increased 5.8% to $457m, in line with our guidance, as we continue to invest for future growth. Additionally, we acquired spectrum in Nigeria, DRC, Tanzania, Zambia and Kenya over the nine-month period.
- In July 2022, the Group prepaid $450m of outstanding external debt at HoldCo. The remaining debt at HoldCo is now $550m, falling due in May 2024. The leverage ratio of 1.4x was slightly higher than the September 2022 level (1.3x), largely driven by the acquisition of spectrum in Nigeria.

Highlights for the quarter ended 31 December 2022

- Revenue in reported currency grew by 10.7% to $1,350m, while in constant currency the growth was 18.0%.
- Revenue growth of 18.0% in constant currency was driven by double digit growth across all reporting segments. Mobile Services revenue in Nigeria grew by 23.1%, in East Africa by 10.8% and in Francophone Africa by 11.2% (and across the Group by 16.4%, with voice revenue up by 13.9% and data revenue up by 22.7%). Mobile Money revenue grew by 30.3%, driven by growth of 34.3% in East Africa and 18.2% in Francophone Africa.
- EBITDA was $661m, up by 9.3% in reported currency and 16.4% in constant currency, with an EBITDA margin of 49.0%, decreasing by 60 basis points in reported currency.
- Profit after tax was $193m, up by 7.5%. Profit after tax excluding foreign exchange and derivative losses was up by 14.8%.
- Basic EPS increased to 4.6 cents (from 4.1 cents in Q3'22), and EPS before exceptional items was broadly flat at 4.0 cents.

Results for the nine-month period ended 31 December 2022

6.3.1 Airtel Africa consolidated

Reported currency revenue grew by 12.1%, with constant currency revenue growth of 17.3% partially offset by currency devaluation. Revenue growth was impacted by the effect of some voice customers being barred in Nigeria and the loss of tower sharing revenues following the sale of towers in Tanzania, Madagascar and Malawi in H2'22. Excluding these, the growth would have been around 20.6% in constant currency. Total revenue for mobile services and mobile money services combined grew in Nigeria by 20.9%, East Africa by 16.1% and Francophone Africa by 12.7% over the period.

Revenue growth was recorded across all reporting segments, with mobile services revenue for the Group up 15.9% reflecting Nigeria up 20.9%, East Africa up 11.9% and Francophone Africa up 11.8%. Voice revenues saw double digit revenue growth of 12.7%, while data revenues grew 22.3%. Mobile money revenue grew by 29.8% in constant currency, driven by 32.5% growth in East Africa and 21.7% growth in Francophone Africa.

Net finance costs increased by $228m largely due to higher foreign exchange and derivative losses of $184m mainly comprised of a $40m loss on derivatives and higher foreign exchange losses arose from the restatement of balance sheet liabilities (a loss of $70m on devaluation of the Nigerian Naira, and other devaluation losses of $53m mainly arising from the Malawian Kwacha, Ugandan and Kenyan shilling).

Total tax charges were lower by $72m mainly due to the initial recognition of a deferred tax credit of $62m in Kenya. Non-controlling interests was down $19m due to the buy-back of minorities in Nigeria and lower minority allocation charges in Tanzania, partially off-set by the increase in Airtel Money minority shareholdings.

EPS before exceptional items was 10.8 cents, a reduction of 5.8% largely as a result of higher foreign exchange and derivative losses of $184m. Basic EPS increased to 12.5 cents (up by 6.3%) as a result of deferred tax asset recognition in Kenya. Excluding Foreign exchange and derivative losses EPS before exceptional items would have been up by 21.6%.

Leverage at 1.4x, remained largely stable over the period. Our balance sheet has also been further de-risked by continued localisation of our debt into the OpCos and continued debt reduction in HoldCo, following the $450m HoldCo bond prepayment in July 2022. The 1.4x leverage ratio increased slightly from 1.3x in September 2022 as a result of the acquisition of spectrum in Nigeria during the period.

In terms of outlook, long-term opportunities for us remain attractive. Whilst mindful of currency devaluation and repatriation risks, we continue to work actively to mitigate all our material risks and deliver value for all our stakeholders.

GAAP measures

Revenue was $3,914m, growing 12.1% in reported currency and 17.3% in constant currency. The differential in growth rates was due to an average currency devaluation between the periods, mainly in the Central African franc (14.1%) which is largely pegged to the Euro, the Nigerian naira (4.5%), the Kenyan shilling (8.8%), the Ugandan shilling (5.0%) and the Malawian kwacha (21.2%), in turn partially offset by appreciation in the Zambian kwacha (14.5%). The revenue growth of 17.3% in constant currency growth was driven by both customer base growth of 10.1% and ARPU growth of 7.2%.

Mobile services revenue grew by 15.9% in constant currency supported by growth across the regions, with Nigeria growing 20.9%, East Africa by 11.9% and Francophone Africa by 11.8%. Voice revenue grew by 12.7% and data revenue was up 22.3%. Mobile money revenue growth of 29.8% was driven by both East Africa and Francophone Africa, of 32.5% and 21.7% respectively.

Though strong, revenue growth was impacted by the effect of some voice customers being barred in Nigeria and the loss of tower sharing revenues following the sales of towers in Tanzania, Madagascar and Malawi in the prior period. A total of 13.6 million customers were originally barred, out of which 6.2 million customers (46%) have subsequently submitted their NINs and 3.2 million customers (23%) have been fully verified and unbarred. We estimate that this resulted in the loss of approximately $87m of revenues in nine-month period. Other revenues were impacted by c.$21m of tower sharing revenues lost through associated tower sales in the second half of the previous year. Excluding these the growth would have been around 20.6% in constant currency terms.

Operating profit of $1,318m, grew by 15.1% as a result of strong revenue growth and continued improvements in operating efficiency in East Africa and Francophone Africa.

Net finance costs were $519m, an increase of $228m largely due to higher foreign exchange losses of $144m and higher derivative losses of $40m. The higher foreign exchange losses arose from the restatement of balance sheet liabilities (including current and non-current borrowings and finance lease obligations) following certain currency devaluations across most of our OpCos, including a loss of $70m on devaluation of the Nigerian naira, and other devaluation losses of $53m mainly arising from the Malawian kwacha, Ugandan shilling and Kenyan shilling. Interest costs were $262m, an increase of $31m, largely driven by higher lease liabilities. Interest costs on market debt was broadly flat.

The Group's effective interest rate increased to 7.2% compared to 5.6% in the prior period, largely driven by an increase in base rates and higher proportion of debt in OPCOs.

Total tax charges were lower by $72m mainly due to the initial recognition of a deferred tax credit of $62m in Kenya. Excluding this exceptional item, tax was lower by $10m mainly due to lower profit before tax impacted by higher foreign exchange and derivative losses.

Profit after tax was up 1.7% to $523m. The slowdown in growth was due to higher foreign exchange and derivative losses of $184m. Profit after tax excluding foreign exchange and derivative losses was up by 24.7%.

Basic EPS was 12.5 cents, up by 6.3% from 11.7 cents in prior period. This increase was mainly due to higher operating profits and the recognition of a deferred tax credit of $62m in Kenya, which more than offset higher foreign exchange and derivative losses of $184m.

Net cash generated from operating activities was $1,697m, up by 13.2% largely driven by higher operating profit which was partially offset by higher tax payments on the increased profits and withholding tax on dividends by subsidiaries. While in some markets we face instances of shortage of foreign currency within the local monetary system, we benefit from a broad geographical diversification which enables access to liquidity, with limited impact to the Group requirements.

Alternative performance measures

EBITDA was $1,916m, up by 12.6% in reported currency and 17.4% in constant currency, driven by strong revenue growth. EBITDA margin was at 49.0%, an improvement of 20 basis points in reported currency and 3 basis points in constant currency. We continue to work towards mitigating the inflationary cost pressures through various cost initiatives.

Foreign exchange had an adverse impact of $174m on revenue, and $79m on EBITDA, as a result of currency devaluations. Currency devaluations between the periods is mainly in the Central African franc (14.1%), the Nigerian naira (4.5%), the Kenyan shilling (8.8%), the Ugandan shilling (5.0%) and the Malawian kwacha (21.2%), in turn partially offset by appreciation in the Zambian kwacha (14.5%).

With respect to currency devaluation sensitivity, on a 12-month basis, a 1% currency devaluation across all currencies in our OpCos would have a negative impact of $49m on revenues, $29m on EBITDA and $25m on finance costs (excluding derivatives). Our largest exposure is to the Nigerian naira, for which a 1% devaluation would have a negative impact of $21m on revenues, $11m on EBITDA and $8m on finance costs (excluding derivatives).

The effective tax rate was 38.8%, compared to 39.6% in the prior period, largely due to profit mix changes amongst the OpCos. The effective tax rate is higher than the weighted average statutory corporate tax rate of approximately 33%, largely due to the profit mix between various OpCos and withholding taxes on dividends by subsidiaries.

Non-operating exceptional items in the previous period relates to a gain of $9m from the profit on the sale of towers in Rwanda and Madagascar. The tax exceptional item in current period related to the initial recognition of a deferred tax credit of $62m in Kenya.

EPS before exceptional items was 10.8 cents, a reduction of 5.8% largely as a result of higher foreign exchange and derivative losses of $184m. Excluding foreign exchange and derivative losses, the EPS before exceptional item was 15.8 cents, an increase of 21.6%.

Operating free cash flow was $1,459m, up by 14.9%, as higher EBITDA more than offset increased capital expenditure. Capital expenditure during the period was higher by $25m related to planned network expansion and investment in PSB opportunity in Nigeria.

6.3.2 Leverage

Leverage at 1.4x net debt/EBITDA, was largely stable from the prior period. Our balance sheet has also been further de-risked by continued localisation of our debt into the OpCos and continued debt reduction in HoldCo, following the $450m HoldCo bond prepayment in July 2022. Leverage has increased marginally from 1.3x in September 2022 primarily due to the acquisition of Nigerian spectrum in December 2022 ($316.7m).

6.3.3 Segmental review for the nine-month period ended

6.3.3.1 Nigeria – Mobile services

In reported currency, Nigeria revenue grew by 15.6% to $1,585m and 20.9% in constant currency. Strong growth in both voice and data contributed to revenue growth, driven mainly by overall customer base growth of 13.0% and data customer base growth of 16.0%. ARPU grew by 7.0%, largely driven by higher data and other revenue. Q3'23 revenue growth accelerated to 23.1% from 21.0% in Q2'23.

Voice revenue increased by 15.4% in constant currency, largely driven by customer base growth of 13.0% supported by voice ARPU growth of 2.2%. The barring of outgoing calls for customers who had not submitted their NINs had an adverse impact on voice revenue. A total of 13.6 million customers were originally barred, out of which 6.2 million customers (46%) have subsequently submitted their NINs and 3.2 million customers (23%) have been fully verified and unbarred. We estimate that this resulted in the loss of approximately $87m of revenues in nine-month period ended 31 December 2022, providing a drag on revenue growth of 6.4% in Nigeria.

Data revenue increased by 26.6% in constant currency, driven by both data customer base growth of 16.0% and data ARPU growth of 9.2%. Over the last year, we have enhanced our 4G network with ample data network capacity to provide high speed data to our customers with almost 100% of our sites now on 4G and data capacity increase of 28%. This has contributed to 4G data customer growth of 20.7%. Data usage per customer increased by 25.6% facilitating continued data ARPU growth. Data usage per customer reached 5 GB per customer per month from 4 GB per customer per month in the previous period. In Q3'23, 4G data usage per customer increased to 9.0 GB per month (up by 53%) from 5.9 GB per customer per month in prior period. 4G data usage now contributes to 81.1% of total data usage on our network.

Other revenues grew by 27.9% in constant currency, with the main contribution coming from the growth in value added services revenue, led by airtime credit services.

Nigeria Mobile services EBITDA was $815m, up by 12.4% in constant currency. The EBITDA margin declined to 51.4% from 55.3% due to an increase in operating costs arising from inflationary pressure, particularly related to the fuel costs. The Q3'23 EBITDA margin of 52.1% has increased from 49.5% in Q2'23 EBITDA largely as a result of operating leverage from higher revenue growth and one-time benefits of about 100bps in the quarter.

Operating free cash flow was $648m, up by 19.0%, due to the expansion of EBITDA and lower capex in Q3'23. Q3'23 capex was lower than prior period largely due to phasing of materials received with no impact on full year capex expectations.

6.3.3.2 East Africa – Mobile services

In East Africa, mobile services revenue grew by 8.0% in reported currency, and 11.9% in constant currency. The differential in growth rates was due to a devaluation of the Kenyan shilling, Ugandan shilling and Malawian kwacha, partially offset by an appreciation in the Zambian kwacha. Current year was impacted by the loss of tower sharing revenues (c.$20m) following the sales of towers in Tanzania and Malawi which is reflected in the 13.2% decline in other revenues over the period. Revenue growth, excluding the site sharing revenue impact of tower sales, was 14.0% for the period.

Voice revenue grew by 11.9% in constant currency, driven by both customer base growth of 8.8% and voice ARPU growth of 4.5%. The customer base growth of 8.8% was supported by the expansion of our network, enhanced coverage, and distribution infrastructure. Site count increased by 12.8% and activating outlets increased by 18.9%. Voice usage per customer increased by 10.2% to 385 minutes per customer per month resulted in voice ARPU growth of 4.5%. Total minutes on the network increased by 18.0% to 207.8 billion minutes.

Data revenue grew by 20.8% in constant currency, largely driven by both data customer base growth of 14.1% and data ARPU growth of 9.4%. The expansion of our 4G network and ample data network capacity helped us to grow both the data customer base and data usage. 89.8% of our total sites in East Africa are on 4G as compared with 84.1% in prior period. 44.5% of our total data customer base is on 4G which contributes to 69.2% of total data usage (in Q3'23). Data usage per customer increased by 29.6% resulted in data ARPU growth of 9.4%, data usage per customer reached 4.1 GB per customer per month from 3.2 GB per customer per month. In Q3'23, 4G data usage per customer was 6.6 GB per month from 5.6 GB per customer per month (up by 16.6% from the prior period).

Mobile services EBITDA increased to $561m, up by 15.9% in constant currency. EBITDA margin improved to 49.7%, an improvement of 173 basis points in constant currency, as a result of revenue growth and improved operating efficiencies.

Operating free cash flow was $402m, up by 19.9%, largely due to expansion of EBITDA partially offset by slightly higher capex.

6.3.3.3 Francophone Africa – Mobile services

In Francophone Africa, mobile services revenue grew by 4.1% in reported currency and 11.8% in constant currency. The differential in growth rates was driven primarily by the 14.1% devaluation of the Central African franc.

Voice revenue increased by 9.4% in constant currency, mainly driven by customer base growth of 8.5%. With continued investments in network expansion and distribution infrastructure, total sites increased by 10.6% and activating outlets increased by 17% (exclusive outlets increased by 31%). Voice usage per customer grew by 10.6% to 149 minutes per customer per month thereby resulting in an 20.4% growth in total voice minutes on our network.

Data revenue increased by 15.0% in constant currency, driven by both customer base growth of 6.4% and data ARPU growth of 7.0%. We continue to expand our 4G network, with 69.1% of our sites in Francophone Africa on 4G (up from 63.8% in prior period) and data capacity on our network increased by 43.4%. Total data usage increased by 57.1% primarily driven by increase in data usage per customer by 46.1% to 3.4 GB per customer per month compared with 2.3 GB in the prior period. As of Q3'23, 54% of the data customer base is on 4G contributing to 70.8% of total data usage. 4G data usage per customer increased to 5.8 GB per month (up by 30.8%) compared with 4.4 GB per customer per month.

Mobile services EBITDA at $352m, increased by 18.7% in constant currency. EBITDA margin improved to 43.6%, an improvement of 256 basis points in constant currency. However, the current year had a one-time opex benefit of approximately $19m in the first half and a normalized EBITDA margin of 41.3%, an improvement of 30 basis points in constant currency.

Operating free cash flow was $258m, increased by 15.6%, driven by the expansion in EBITDA and partially offset by higher capex.

6.3.3.4 Mobile services

Overall mobile services revenue increased to $3,515m, up by 10.5% in reported currency, while growth in constant currency was 15.9%. Revenue growth was recorded across all regions and key services: Nigeria up by 20.9%, East Africa by 11.9% and Francophone Africa by 11.8%.

Voice revenue grew by 12.7% in constant currency, driven by both customer base growth of 10.1% and voice ARPU growth of 3.0%. Revenue growth for the first half of the year was slightly impacted by the effect of barring outgoing calls in Nigeria for those customers who had not submitted their National Identity Numbers ('NINs'). We continue investing in network expansion to expand our reach along with the expansion of distribution infrastructure to drive customer base growth.

Our continued expansion of network and distribution infrastructure helped drive customer additions. Voice usage per customer increased by 6.3% resulted in Voice ARPU growth of 3.0%. Voice usage per customer increased to 272 minutes per customer per month from 256 minutes per customer per month and total minutes on the network increased by 16.3%. Q3'23 voice revenue growth accelerated to 13.9% from 12.7% in Q2'23, with voice ARPU growth of 3.6%.

Data revenue grew by 22.3% in constant currency, driven by strong growth in customer base of 13.6% and data ARPU growth of 9.0%. Revenue growth was recorded across all regions: Nigeria grew by 26.6%, East Africa by 20.8% and Francophone Africa by 15.0%. Data customer base growth of 13.6% resulted from the further expansion of our 4G network with 90% of total sites on 4G, up from 82.8% (almost 100% of sites in 5 OPCOs are now on 4G). Total data customer base reached 51.3 million with 4G customer base of 23.7 million, contributing to 46.3% of the total data customer base. Data usage per customer increased 30.1% driving data ARPU growth of 9.0%. Data usage per customer reached 4.4 GB per customer per month from 3.4 GB per customer per month in the prior period. Q3'23 data usage per customer increased to 4.6 GB per month (up by 32.2%) and 4G data usage per customer at 7.5 GB per month from 5.6 GB per customer per month (up by 34.5%).

Mobile services EBITDA was $1,728m, and grew by 14.7% in constant currency with an EBITDA margin of 49.1%, declining 50 basis points in constant currency. The reduction in EBITDA margin was due to an increase in operating costs in Nigeria reflecting energy price inflation.

Operating free cash flow was $1,308m, up by 18.5%, due to the expansion of EBITDA partially offset by higher capex.

6.3.4.5 Mobile money

Mobile money revenue of $515m increased 26.9% in reported currency and 29.8% in constant currency. The constant currency growth was partially offset by average currency devaluations mainly in the Central African franc (14.1%), the Ugandan shilling (5.0%) and the Malawian kwacha (21.2%), in turn partially offset by the appreciation in the Zambian kwacha (14.5%). Revenue growth of 29.8% was driven by both East Africa and Francophone Africa, of 32.5% and 21.7% respectively. In Nigeria, mobile money services (Smartcash) were launched in June 2022. Our initial focus in the period has been to invest in the platform technology, as well as the business systems and processes to ensure confidence and reliability in the platform.

Constant currency revenue growth of 29.8% was largely led by customer base growth of 22.2%. The continued investment in distribution infrastructure of exclusive channels of Airtel Money branches and kiosks, as well as the expansion of mobile money agents, helped us in adding more customers.

Mobile money customer base reached 31.4 million, an increase of 22.2% and mobile money customer base penetration reached 22.6%, an increase of 2.2 percentage points. The expansion of distribution enhanced transaction value per customer by 13.0% resulting in mobile money ARPU growth of 7.1%. Mobile money ARPU growth was largely driven by an increase in transaction values and higher contributions from cash transactions, merchant payments and mobile service recharges through Airtel Money.

Our mobile money transaction value grew by 37.0% and Q3'23 annualised transaction value reached almost $100bn in constant currency. Q3'23 transaction value per customer reached $267 per month, an increase of 20.2% in constant currency. Mobile money revenue now accounts for 13.6% of total Group revenue in the quarter.

Mobile money EBITDA increased to $256m, up by 25.9% in constant currency. The drop in mobile money EBITDA margin was largely due to additional spend in Nigeria PSB related to the launch of Smartcash.

Results for the quarter ended 31 December 2022

6.4.1 Airtel Africa consolidated

Revenue in reported currency grew by 10.7%. This overall growth continues to be impacted by the effect of voice customers barred in Nigeria and the loss of tower sharing revenues following the sale of towers in Tanzania, Madagascar, and Malawi. Revenue in constant currency grew by 18.0% for the Group. Excluding these, growth for the quarter would have been around 20.9% in constant currency terms.

Double digit revenue growth was posted across all reporting segments: with mobile services revenue in Nigeria up 23.1%, East Africa up 10.8% and Francophone Africa up 11.2% (with overall mobile services growing by 16.4%, with voice revenue growth of 13.9% and data revenue growth of 22.7%; and with growth of other revenues of 7.1%, impacted by tower sharing revenues lost through tower sales). Mobile money revenue grew by 30.3% in constant currency, driven by growth of 34.3% in East Africa and 18.2% in Francophone Africa.

EBITDA grew by 9.3% to $661m in reported currency, and by 16.4% in constant currency. Group EBITDA margin declined by 60 basis points in reported currency to 49.0% and 65 basis points in constant currency. We continue to work towards mitigating the inflationary cost pressures through various cost initiatives.

Net finance costs increased by $39m, as a result of $24m higher foreign exchange and derivative losses and $14m higher interest on lease obligations which is due to additional leased sites.

Total tax charges were $25m lower mainly due to the initial recognition of a deferred tax credit of $21m in Kenya.

Profit After Tax was $193m, reported a growth of 7.5%.

Basic EPS increased to 4.6 cents (from 4.1 cents in Q3’22), and EPS before exceptional items was broadly flat at 4.0 cents.

Leverage at 1.4x, remained largely stable over the period primarily due to spectrum acquisition across key markets. Our balance sheet has also been further de-risked by continued localisation of our debt into the OpCos and continued debt reduction in HoldCo.

Operating free cash flow was $514m, up by 23.2%, due to the expansion of EBITDA & lower capex. Q3’23 capex was lower than prior period largely due to phasing of materials received with no impact on full year capex expectations.

6.4.2 Segmental review for the quarter ended

6.4.2.1 Nigeria – Mobile services

Revenue grew by 14.6% in reported currency to $545m, and by 23.1% in constant currency. The differential in growth rates was due to devaluation of the Nigerian naira by 7.4%. The constant currency revenue growth was driven by both customer base growth of 13.0% and ARPU growth of 7.2%, largely driven by higher data and other revenue.

Voice revenue grew by 22.1% in constant currency, supported by both customer base growth of 13.0% & Voice ARPU growth of 6.3%. The barring of outgoing calls for customers who had not submitted their NINs had an adverse impact on voice revenue. A total of 13.6 million customers were originally barred, out of which 6.2 million customers (46%) have subsequently submitted their NINs and 3.2 million customers (23%) have been fully verified and unbarred.

Data revenue grew by 26.3% in constant currency, driven by data customer base growth of 16.0% and data ARPU growth of 9.2%. Data usage per customer increased by 28.3% to 5.3 GB per month (from 4.2 GB in the prior period). As we continued our 4G network rollout, nearly all our sites in Nigeria (99%) are now on 4G. For the Q3’23 period, 45.2% of our data customer base were 4G users, contributing to 81.1% of total data usage. 4G data usage per customer reached 9.0 GB per month, an increase of 52.9% (from 5.9 GB per customer per month in Q3’22).

Other revenues grew by 14.3% in constant currency, with the main contribution coming from the growth in value added services revenue.

EBITDA was $284m, growing by 14.8% in constant currency. The EBITDA margin declined to 52.1% from 55.9% largely due to the increase in operating costs as a result of increasing fuel prices. The Q3’23 EBITDA margin of 52.1% has increased from 49.5% in Q2’23 EBITDA largely as a result of operating leverage from higher revenue growth and one-time benefits of about 100bps in the quarter.

Operating free cash flow was $250m, up by 44.3%, due to the expansion of EBITDA & lower capex. Q3’23 capex was lower than prior period largely due to phasing of materials received with no impact on full year capex expectations.

6.4.2.2 East Africa – Mobile services

East Africa revenue grew by 4.5% in reported currency to $388m, and by 10.8% in constant currency. The difference in growth rates was due to a devaluation of the Kenyan shilling, Ugandan Shilling and Malawian Kwacha, partially offset by an appreciation in the Zambian kwacha. The constant currency growth was contributed by voice revenue growth of 8.8% and data revenue growth of 21.9% partially offset by decline in other revenues. The reduction in other revenues was due to the loss of tower sharing revenues resulting from tower sales in Tanzania and Malawi.

Voice revenue grew by 8.8% in constant currency, largely driven by customer base growth of 8.8% and voice ARPU growth of 0.9%. The customer base growth was supported by expansion of both network coverage and the distribution network. Voice usage per customer increased by 8.2% to 390 minutes per customer per month, with total minutes on the network increasing by 16.7%.

Data revenue grew by 21.9% in constant currency, largely driven by data customer base growth of 14.1% and data ARPU growth of 9.3%. Our continued investment in network and expansion of 4G network infrastructure helped us to grow both the data customer base and usage levels. 89.8% of our East Africa network sites are now on 4G, compared with 84.1% in the prior period. In Q3’23, 4G customers accounted for 44.5% of our total data customer base and contributed to 69.2% of total data usage. Total data usage per customer increased to 4.2 GB per customer per month, up by 27.3%, and 4G data usage per customer increased to 6.6 GB per customer per month from 5.6 GB per customer per month in the prior period.

EBITDA increased to $201m, up by 16.0% in constant currency. The EBITDA margin for the quarter was 51.7%, an improvement of 230 basis points in constant currency, as a result of revenue growth and improved operating efficiencies.

Operating free cash flow was $132m, up by 30.7%, largely due to the expansion of EBITDA & lower capex.

6.4.2.3 Francophone Africa – Mobile services

Revenue grew by 4.5% in reported currency and by 11.2% in constant currency. The difference in growth rates was due to devaluation of the Central African franc (12.2%). The revenue growth in constant currency terms was largely driven by DRC, Niger, Chad, and Gabon.

Voice revenue grew by 7.6% in constant currency, largely driven by customer base growth of 8.5%. The customer base growth was driven by expansion of both network coverage and distribution infrastructure. Voice usage per customer increased by 14.9% to 154 minutes per customer per month, with total minutes on the network increasing by 23.3%.

Data revenue grew by 15.8% in constant currency, supported both by Data customer base growth of 6.4% & Data ARPU growth of 10.4%. Our continued 4G network rollout resulted in an increase in total data usage of 68.9% and a per customer data usage increase of 61.0%. For Q3'23, 4G data users constituted 54.0% of total data users, compared with 44.5% in the prior period. 4G users contributed 70.8% of total data usage this quarter. Data usage per customer was 3.8 GB per month (up from 2.4 GB in the prior period), while 4G data usage per customer reached 5.8 GB per month, from 4.4 GB in the prior period.

EBITDA, at $112m, increased by 8.8% in constant currency. The EBITDA margin was 40.6%, a decline of 89 basis points in constant currency due to increase in operating costs arising from inflationary pressure, particularly related to increase in fuel costs.

Operating free cash flow was $76m, lower by 1.6%, primarily due to higher capex in Q3'23.

6.4.2.4 Mobile services

Revenue from mobile services grew by 9.0% in reported currency, and 16.4% in constant currency. The revenue growth was across all segments and key services. Mobile services revenue grew in Nigeria by 23.1%, in East Africa by 10.8% and in Francophone Africa by 11.2%.

Voice revenue grew by 13.9% in constant currency, supported by both customer base growth of 10.1% and voice ARPU growth of 3.6%. Customer base growth was driven by the expansion of our network and distribution infrastructure. The voice ARPU growth of 3.6% was driven by an increase in voice usage per customer of 6.2%, reaching 279 minutes per customer per month, with total minutes on the network increasing by 16.9%.

Data revenue grew by 22.7% in constant currency, driven by both customer base growth of 13.6% and data ARPU growth of 9.5%. The customer base growth was recorded across all the regions supported by the expansion of our 4G network and increase in smartphone penetration. 90% of our total sites are now on 4G, compared with 82.8% in the prior period. 46.3% of total data customers are 4G users (up from 41.4%) contributing to 75.3% of total data usage. Data usage per customer increased to 4.6 GB per customer per month (from 3.5 GB in the prior period) while 4G data usage per customer reached 7.5 GB per month (from 5.6 GB in the prior period). In the quarter, data revenue contributed to 37.6% of total mobile services revenue, up from 35.7% in the prior period.

EBITDA was $597m, growing by 14.0% in constant currency. The EBITDA margin decreased by 106 basis points to 49.4% (declined by 105 basis points in constant currency). The reduction in EBITDA margin was due to an increase in operating costs arising from inflationary pressure, particularly related to the fuel costs.

Operating free cash flow was $458m, up by 30.4%, due to the expansion of EBITDA & lower capex primarily in Nigeria.

6.4.2.5 Mobile money

Mobile money revenue grew by 24.2% in reported currency, with constant currency growth of 30.3%. The constant currency mobile money revenue growth was driven by revenue growth in both East Africa and Francophone Africa, of 34.3% and 18.2% respectively. In Nigeria, mobile money services (Smartcash) were launched in June 2022. Our initial focus in the period has been to invest in the platform technology, as well as the business systems and processes to ensure confidence and reliability in the platform.

The constant currency revenue growth of 30.3% was driven by both customer base growth of 22.2% and mobile money ARPU growth of 6.8%. The mobile money customer base increased to 31.4 million, up by 22.2%. Mobile money customer base penetration reached 22.6%, an increase of 2.2 percentage points. The expansion of our distribution network, particularly our exclusive channels of Airtel Money branches and kiosks, supported customer base growth. The mobile money ARPU growth was driven by an increase in the transaction value per customer of 20.2% to $267 per customer per month.

Q3'23 annualized transaction value reached almost $100bn in constant currency, with mobile money revenue contributing 13.6% of total Group revenue in the quarter.

EBITDA was $92m, up by 28.0% in constant currency. The EBITDA margin reached 50.0%, a decline of 89 basis points in constant currency. The drop in mobile money EBITDA margin was largely due to additional spend in Nigeria PSB related to the launch of Smartcash.

Section 7

Detailed financial and related information

7.1 Summarised extracts from interim unaudited condensed consolidated financial statements prepared under IAS 34 for the third quarter and nine-month period ended 31 December 2022 and audited consolidated financial statements for the year ended 31 March 2022 prepared in accordance with IFRS.

7.1.1 Consolidated statement of comprehensive income

All amounts are in $m, except for ratios

Particulars	Quarter ended			Nine-month period ended		
	Dec-22	Dec-21	Y-on-Y Change	Dec-22	Dec-21	Y-on-Y Change
Income						
Revenue	1,350	1,219	11%	3,914	3,492	12%
Other income	3	2	20%	9	9	4%
	1,353	**1,221**	**11%**	**3,923**	**3,501**	**12%**
Expenses						
Network operating expenses	270	206	31%	759	605	25%
Access charges	101	102	(1%)	308	303	2%
License fee and spectrum usage charges	65	57	14%	179	166	7%
Employee benefits expense	74	78	(5%)	211	220	(4%)
Sales and marketing expenses	62	60	4%	179	163	10%
Impairment loss on financial assets	12	2	558%	18	7	174%
Other operating expenses	108	112	(3%)	353	335	5%
Depreciation and amortisation	215	190	13%	598	556	8%
	907	**807**	**12%**	**2,605**	**2,355**	**11%**
Operating profit	**446**	**414**	**8%**	**1,318**	**1,146**	**15%**
Finance costs	172	126	36%	542	304	78%
Finance income	(11)	(4)	(155%)	(23)	(13)	(70%)
Other non-operating income	-	(5)	-	-	(9)	-
Share of profit of associate	(0)	(0)	-	(2)	(0)	-
Profit before tax	**285**	**297**	**(4%)**	**801**	**864**	**(7%)**
Income tax expense	92	117	(22%)	278	350	(21%)
Profit for the period	**193**	**180**	**7%**	**523**	**514**	**2%**
Profit before tax (as presented above)	**285**	**297**	**(4%)**	**801**	**864**	**(7%)**
Add: Exceptional items (net)	-	(5)	-	-	(9)	-
Underlying profit before tax	**285**	**292**	**(2%)**	**801**	**855**	**(6%)**
Profit after tax (as presented above)	**193**	**180**	**7%**	**523**	**514**	**2%**
Add: Exceptional items (net)	(21)	(5)	293%	(62)	(9)	-
Underlying profit after tax	**172**	**175**	**(1%)**	**461**	**505**	**(9%)**

Exceptional items if any are included within their respective heads.

7.1.2 Consolidated statement of comprehensive income

All amounts are in $m, except for ratios

Particulars	Quarter ended			Nine-month period ended		
	Dec-22	Dec-21	Y-on-Y Change	Dec-22	Dec-21	Y-on-Y Change
Other comprehensive income ('OCI')						
Items to be reclassified subsequently to profit or loss:						
(Loss)/gain due to foreign currency translation differences	(64)	(8)	(708%)	(309)	33	(1,049%)
Tax expense on above	2	-	0%	(2)	-	
Share of OCI of associate	1	-	0%	(0)	-	
Net loss on net investments hedge	(0)	-	-	-	(8)	-
	(61)	**(8)**	**(670%)**	**(311)**	**25**	**(1,352%)**
Items not to be reclassified subsequently to profit or loss:						
Re-measurement loss on defined benefit plans	(0)	1	(120%)	(1)	(1)	(64%)
Tax credit on above	0	(0)	-	0	0	-
	(0)	**1**	**(103%)**	**(1)**	**(1)**	**(46%)**
Other comprehensive (loss)/income for the period	**(61)**	**(7)**	**(759%)**	**(312)**	**24**	**(1,392%)**
Total comprehensive income for the period	**132**	**173**	**(23%)**	**211**	**538**	**(61%)**
Profit for the period attributable to:	**193**	**180**	**8%**	**523**	**514**	**2%**
Owners of the company	172	155	11%	468	440	6%
Non-controlling interests	21	25	(12%)	55	74	(25%)
Other comprehensive (loss)/income for the period attributable to:	**(62)**	**(7)**	**(765%)**	**(312)**	**24**	**(1,374%)**
Owners of the company	(61)	(7)	(713%)	(300)	26	(1,238%)
Non-controlling interests	(1)	0	(528%)	(12)	(2)	(456%)
Total comprehensive income for the period attributable to:	**132**	**173**	**(24%)**	**211**	**538**	**(61%)**
Owners of the company	111	148	(25%)	168	466	(64%)
Non-controlling interests	21	25	(17%)	43	72	(40%)
Earnings per share						
Basic	4.6 cents	4.1 cents		12.5 cents	11.7 cents	
Diluted	4.6 cents	4.1 cents		12.5 cents	11.7 cents	

7.1.3 Consolidated summarised financial position

All amounts are in $m

Particulars	As at Dec 31, 2022	As at Mar 31, 2022
Assets		
Non-current assets		
Property, plant and equipment	2,199	2,214
Capital work-in-progress	168	189
Right of use assets	1,474	1,109
Goodwill	3,549	3,827
Other intangible assets	710	632
Intangible assets under development	399	2
Investment in associate	6	6
Financial assets		
- Investments	0	0
- Derivative instruments	8	3
- Others	25	7
Income tax assets (net)	25	22
Deferred tax assets (net)	238	222
Other non-current assets	139	134
	8,940	**8,367**
Current assets		
Inventories	12	3
Financial assets		
- Derivative instruments	8	3
- Trade receivables	130	123
- Cash and cash equivalents	536	638
- Other bank balance	12	378
- Balance held under mobile money trust	669	513
- Others	115	124
Other current assets	217	215
	1,699	**1,997**
Total assets	**10,639**	**10,364**
Current liabilities		
Financial liabilities		
- Borrowings	1,015	786
- Lease liabilities	370	323
- Derivative instruments	10	9
- Trade payables	415	404
- Mobile money wallet balance	637	496
- Others	341	428
Provisions	43	69
Deferred revenue	179	162
Current tax liabilities (net)	168	220
Other current liabilities	179	176
	3,357	**3,073**
Net current liabilities	**(1,658)**	**(1,076)**
Non-current liabilities		
Financial liabilities		
- Borrowings	1,122	1,486
- Lease liabilities	1,650	1,337
- Put option liability	571	579
- Derivative instruments	22	-
- Others	154	88
Provisions	21	20
Deferred tax liabilities (net)	93	114
Other non-current liabilities	15	18
	3,648	**3,642**
Total liabilities	**7,005**	**6,715**
Net assets	**3,634**	**3,649**
Equity		
Share capital	3,420	3,420
Reserves and surplus	59	82
Equity attributable to owners of the company	**3,479**	**3,502**
Non-controlling interests ('NCI')	155	147
Total equity	**3,634**	**3,649**

7.1.4 Consolidated Statement of Changes in Equity

All amounts are in $m; unless stated otherwise

	Equity attributable to owners of the Company							Non-controlling interests (NCI)	Total equity
	Share capital								
	No of shares	Amount	Retained earnings	Transactions with NCI reserve	Other components of equity	Reserves and Surplus	Equity attributable to owners of the Company		
As of 1 April 2021	**6,839,896,081**	**3,420**	**2,975**	**(594)**	**(2,396)**	**(15)**	**3,405**	**(52)**	**3,353**
Profit for the period	-	-	440	-	-	440	440	74	514
Other comprehensive income/(loss)	-	-	(1)	-	27	26	26	(2)	24
Total comprehensive income	-	-	**439**	-	**27**	**466**	**466**	**72**	**538**
Transactions with owners of equity									
Employee share-based payment reserve	-	-	(1)	-	3	2	2	-	2
Transactions with NCI	-	-	-	(139)	(1)	(140)	(140)	(46)	(186)
Dividend to owners of the company	-	-	(169)	-	-	(169)	(169)	-	(169)
Dividend (including tax) to NCI	-	-	-	-	-	-	-	(28)	(28)
As of 31 December 2021	**6,839,896,081**	**3,420**	**3,244**	**(733)**	**(2,373)**	**138**	**3,558**	**(54)**	**3,504**
Profit for the period	-	-	191	-	-	191	191	50	241
Other comprehensive income/(loss)	-	-	0	-	(39)	(38)	(38)	(0)	(39)
Total comprehensive income/(loss)	-	-	**191**	-	**(39)**	**153**	**153**	**50**	**202**
Transactions with owners of equity									
Employee share-based payment expenses	-	-	(0)	-	0	0	0	-	0
Purchase of own shares	-	-	-	-	-	-	-	-	-
Transactions with NCI	-	-	-	(209)	-	(209)	(209)	199	(10)
Dividend to owners of the company	-	-	-	-	-	-	-	-	-
Dividend (including tax) to NCI	-	-	-	-	-	-	-	(48)	(48)
As of 31 March 2022	**6,839,896,081**	**3,420**	**3,436**	**(942)**	**(2,412)**	**82**	**3,502**	**147**	**3,649**
Profit for the period	-	-	468	-	-	468	468	55	523
Other comprehensive loss	-	-	(1)	-	(299)	(300)	(300)	(12)	(312)
Total comprehensive income/(loss)	-	-	**467**	-	**(299)**	**168**	**168**	**43**	**211**
Transactions with owners of equity									
Employee share-based payment reserve	-	-	(1)	-	5	4	4	-	4
Purchase of own shares	-	-	-	-	(11)	(11)	(11)	-	(11)
Transactions with NCI [(1) (2)]	-	-	-	11	-	11	11	3	14
Dividend to owners of the company	-	-	(195)	-	-	(195)	(195)	-	(195)
Dividend (including tax) to NCI	-	-	-	-	-	-	-	(38)	(38)
As of 31 December 2022	**6,839,896,081**	**3,420**	**3,707**	**(931)**	**(2,717)**	**59**	**3,479**	**155**	**3,634**

[(1)] 'Transaction with NCI reserves' increased due to reversal of put option liability by $14m for dividend distribution to put option NCI holders. Any dividend paid to the put option NCI holders is adjustable against the put option liability based on put option arrangement.

[(2)] 'Transaction with NCI reserves' was reduced and NCI was increased by $3m i.e. NCI's proportionate share of the consideration for transfer of SMARTCASH Payment Service Bank Limited from the control of AMC BV to Airtel Networks Limited.

7.1.5 Consolidated summarised statement of cash flows

All amounts are in $m

Particulars	Nine-month period ended	
	Dec-22	Dec-21
Cash flows from operating activities		
Profit before tax	**801**	**864**
Adjustments for -		
Depreciation and amortisation	598	556
Finance income	(23)	(13)
Finance cost	542	304
Share of profit of associate	(2)	(0)
Non-operating income adjustment	-	(9)
Other non-cash adjustments [1]	6	3
Operating cash flow before changes in working capital	**1,922**	**1,705**
Changes in working capital		
Increase in trade receivables	(32)	(3)
(Increase)/Decrease in inventories	(9)	3
(Decrease)/Increase in trade payables	(27)	23
Increase in mobile money w allet balance	151	91
Decrease in provisions	(20)	(21)
Increase in deferred revenue	32	34
Increase in other financial and non financial liabilities	89	25
Increase in other financial and non financial assets	(49)	(98)
Net cash generated from operations before tax	**2,057**	**1,759**
Income taxes paid	(360)	(260)
Net cash generated from operating activities (a)	**1,697**	**1,499**
Cash flows from investing activities		
Purchase of property, plant and equipment and capital w ork-in-progress	(557)	(489)
Proceeds from sale of tow er assets	-	10
Purchase of intangible assets and intangible assets under development	(475)	(10)
Maturity of deposits w ith bank	348	266
Investment in deposits w ith bank	(9)	(263)
Proceeds from sale of tow er subsidiary (net of cash acquired)	-	45
Dividend received from associate	2	-
Interest received	23	15
Net cash used in investing activities (b)	**(668)**	**(426)**
Cash flows from financing activities		
Proceeds from sale of shares to non-controlling interests	-	550
Acquisition of non-controlling interests	0	(164)
Purchase of ow n shares by ESOP trust	(9)	(6)
Proceeds from borrow ings	760	873
Repayment of borrow ings	(901)	(1,521)
Repayment of lease liabilities	(212)	(183)
Dividend paid to non-controlling interests	(73)	(29)
Dividend paid to ow ners of the Company	(195)	(169)
Interest on borrow ings and lease liabilities and other finance charges	(289)	(279)
Outflow on maturity of derivatives (net)	(44)	(4)
Net cash used in financing activities (c)	**(963)**	**(930)**
Increase/(decrease) in cash and cash equivalents during the year (a+b+c)	**66**	**143**
Currency translation differences relating to cash and cash equivalents	(47)	(4)
Cash and cash equivalents as at beginning of the year	847	1,003
Cash and cash equivalents as at end of the year [2]	**866**	**1,142**

[1] *For the nine months ended 31 December 2022 and 31 December 2021, it mainly includes movement in trade receivables impairment and other provisions.*
[2] *Includes balance held under mobile money trust of 671m (December 2021: $541m) on behalf of mobile money customers which are not available for use by the Group.*

7.2 Use of alternative performance measures (APM) financial information

In presenting and discussing the Group's reported financial position, operating results and cash flows, certain information is derived from amounts calculated in accordance with IFRS, but this information is not in itself an expressly permitted GAAP measure. Such alternative performance measures (APM) should not be viewed in isolation as alternatives to the equivalent GAAP measures, if any.

A summary of alternative performance measures (APM) included in this report, together with details where additional information and reconciliation to the nearest equivalent GAAP measure can be found, is shown below.

Alternative performance measures (APM)	Equivalent GAAP measure for IFRS	Location in this results announcement of reconciliation and further information
EBITDA and margin	Operating profit	Page 34
Operating expenses	Expenses	Page 34
Finance cost (net)	Finance cost and finance income	Page 35
Underlying profit/(loss) before tax	Profit/(loss) before tax	Page 35
Cash profit from operations before derivative & exchange (gain)/loss	Operating profit	Page 35
Effective tax rate	Reported tax rate	Page 35
Underlying profit/(loss) after tax	Profit/(loss) after tax	Page 36
Earnings per share before exceptional items	EPS	Page 36
Operating free cash flow	Cash generated from operating activities	Page 36
Return on capital employed	Refer glossary	Page 36

Changes to APMs

- Underlying revenue: The underlying revenue has not been defined as an APM due to the absence of any exceptional items during the period.
- Return on capital employed (ROCE): The Group has revised the computation of ROCE by grossing up the 'equity attributable to owners of the Company' for put option provided to minority shareholders. The previous period ROCE has also been restated for this change.

7.2.1 Reconciliation between GAAP and alternative performance measures (APM)

7.2.1.1 EBITDA and margin

All amounts are in $m, except for ratios

Particulars	Nine-month period ended	
	Dec-22	Dec-21
Operating profit	**1,318**	**1,146**
Add:		
Depreciation and amortisation	598	556
Exceptional items	-	-
EBITDA	**1,916**	**1,702**
Revenue	**3,914**	**3,492**
EBITDA margin (%)	**49.0%**	**48.8%**

7.2.1.2 Operating expenses

All amounts are in $m

Particulars	Nine-month period ended	
	Dec-22	Dec-21
Expenses	**2,605**	**2,355**
Less:		
Depreciation and amortisation	(598)	(556)
Exceptional items	-	-
Operating expenses	**2,007**	**1,799**

7.2.1.3 Finance cost (net)

All amounts are in $m

Particulars	UoM	Nine-month period ended	
		Dec-22	Dec-21
Finance cost	$m	542	304
Finance income	$m	(23)	(13)
Exceptional items	$m	-	-
Finance cost (net)	**$m**	**519**	**291**

7.2.1.4 Underlying profit/(loss) before tax

All amounts are in $m

Particulars	Nine-month period ended	
	Dec-22	Dec-21
Profit before tax	**801**	**864**
Exceptional items		(9)
Underlying profit before tax	**801**	**855**

7.2.1.5 Cash profit from operations before derivative and exchange fluctuation

All amounts are in $m

Particulars	UoM	Quarter ended		Nine-month period ended	
		Dec-22	Dec-21	Dec-22	Dec-21
Operating profit	$m	446	414	1,318	1,146
Finance cost (net)	$m	(161)	(122)	(519)	(291)
Depreciation and amortisation	$m	215	190	598	556
Derivatives and exchange (gain)/loss	$m	65	40	249	65
Exceptional items	$m	-	-	-	-
Cash Profit from operations before derivative and exchange fluctuation	**$m**	**565**	**523**	**1,646**	**1,475**

7.2.1.6 Effective tax rate

All amounts are in $m, except for ratios

Particulars	Nine-month period ended					
	Dec-22			Dec-21		
	Profit before taxation	Income tax expense	Tax Rate %	Profit before taxation	Income tax expense	Tax Rate %
Reported effective tax rate	**801**	**278**	**34.7%**	**864**	**350**	**40.5%**
Adjusted for :						
Exceptional Items (provided below)		62		(9)		
Foreign exchange rate movements for non-DTA operating companies & holding companies	69			41		
One-off adjustment (net) and Tax on Permanent Difference (net)	5	(1)		(12)		
Effective tax rate	**875**	**339**	**38.8%**	**884**	**350**	**39.6%**
<u>Exceptional items</u>						
1. Deferred tax asset recognition		62				
2. Gain on sale of tower assets				(9)		
Total		**62**		**(9)**		

7.2.1.7 Underlying profit/(loss) after tax

All amounts are in $m

Particulars	Nine-month period ended	
	Dec-22	Dec-21
Profit after tax	**523**	**514**
Exceptional items	(62)	(9)
Underlying profit after tax	**461**	**505**

7.2.1.8 Earnings per share before exceptional items

Particulars	UoM	Nine-month period ended	
		Dec-22	Dec-21
Profit for the period attributable to owners of the company	**$m**	**468**	**440**
Operating and Non-operating exceptional items	$m		(9)
Tax exceptional items	$m	(62)	
Non-controlling interest exceptional items	$m		
Profit for the period attributable to owners of the company- before exceptional items	**$m**	**406**	**431**
Weighted average number of ordinary shares in issue during the financial period.	million	3,752	3,755
Earnings per share before exceptional items	**cents**	**10.8**	**11.5**

7.2.1.9 Operating free cash flow

All amounts are in $m

Particulars	Nine-month period ended	
	Dec-22	Dec-21
Net cash generated from operating activities	**1,697**	**1,499**
Add: Income taxes paid	360	260
Net cash generation from operation before tax	**2,057**	**1,759**
Less: Changes in working capital	**134**	**54**
Operating cash flow before changes in working capital	**1,922**	**1,705**
Other adjustments	(6)	(3)
Exceptional items	-	-
EBITDA	**1,916**	**1,702**
Less: Capital expenditure	(457)	(432)
Operating free cash flow	**1,459**	**1,270**

7.2.1.10 Return on capital employed

All amounts are in $m, except for ratios

Description	Nine-month period ended	
	Dec-22	Dec-21
Operating profit (preceding 12 months)	**1,708**	**1,465**
Less:		
Exceptional items	32	(1)
EBIT (preceding 12 months)	**1,740**	**1,464**
Equity attributable to owners of the Company	3,479	3,558
Reinstatement of put option given to minority shareholders [2]	571	577
Gross equity attributable to owners of the Company [2]	**4,049**	**4,136**
Non-controlling interests (NCI)	155	(54)
Net debt	3,620	3,050
Capital employed	**7,824**	**7,131**
Average capital employed [1]	**7,478**	**6,971**
Return on capital employed	**23.3%**	**21.0%**

[1] *Average capital employed is calculated as average of capital employed at closing and opening of the relevant period.*
[2] *Refer changes to APMs in Alternative performance measure (APMs) section*

Section 8

Net debt and cost schedules

8.1 Consolidated schedule of net debt and leverage

Particulars	UoM	As at Dec-22	As at Mar-22	As at Dec-21
Long term borrowing, net of current portion	$m	1,122	1,486	1,991
Short-term borrowings and current portion of long-term borrowing	$m	1,015	786	718
Add: Processing costs related to borrowings	$m	6	5	5
Add/(less): Fair value hedge adjustment	$m	(6)	(16)	(16)
Less: Cash and cash equivalents	$m	(536)	(638)	(839)
Less: Term deposits with banks	$m	(2)	(220)	(110)
Less: Deposits given against borrowings/ non-derivative financial instruments	$m	-	(122)	(143)
Add: Lease liabilities	$m	2,020	1,660	1,444
Net Debt	**$m**	**3,620**	**2,941**	**3,050**
EBITDA (LTM)	**$m**	**2,524**	**2,311**	**2,198**
Leverage (LTM)	**times**	**1.4**	**1.3**	**1.4**

8.2 Consolidated schedule of net finance cost (in reported currency)

All amounts are in $m

Particulars	Quarter ended		Nine-month period ended	
	Dec-22	Dec-21	Dec-22	Dec-21
Interest on borrowings and finance charges	56	49	151	131
Interest on lease obligation	52	38	142	109
Investment (income)/loss	(11)	(4)	(23)	(13)
Finance cost excluding derivatives and forex	**97**	**82**	**270**	**227**
Add : derivatives and exchange (gain)/loss	65	40	249	65
Finance cost including derivatives and forex	**161**	**122**	**519**	**291**

8.3 Consolidated schedule of operating expenses before exceptional items (in reported currency)

All amounts are in $m

Particulars	Quarter ended		Nine-month period ended	
	Dec-22	Dec-21	Dec-22	Dec-21
Access charges	102	102	309	303
Cost of goods sold	68	65	217	179
License fee/spectrum charges (revenue share)	65	57	179	166
Network operations costs	270	204	759	604
Employee benefits expense	78	81	223	228
Selling, general and adminstration expense	110	108	320	318
Operating expenses	**691**	**617**	**2,007**	**1,799**

8.4 Consolidated schedule of depreciation and amortisation before exceptional items (in reported currency)

All amounts are in $m

Particulars	Quarter ended		Nine-month period ended	
	Dec-22	Dec-21	Dec-22	Dec-21
Depreciation	187	162	525	471
Amortisation	28	28	73	85
Depreciation and amortisation	**215**	**190**	**598**	**556**

8.5 Consolidated schedule of operating expenses before exceptional items (in constant currency)

All amounts are in $m

Particulars	Quarter ended		Nine-month period ended	
	Dec-22	Dec-21	Dec-22	Dec-21
Access charges	108	102	320	299
Cost of goods sold	69	64	222	179
License fee/spectrum charges (revenue share)	69	56	187	163
Network operations costs	285	202	787	596
Employee benefits expense	81	80	230	225
Selling, general and adminstration expense	116	107	332	312
Operating expenses	**728**	**610**	**2,077**	**1,773**

For constant currency calculations the closing exchange rates as of 31 March 2022 have been used.

8.6 Consolidated schedule of depreciation and amortisation before exceptional items (in constant currency)

All amounts are in $m

Particulars	Quarter ended		Nine-month period ended	
	Dec-22	Dec-21	Dec-22	Dec-21
Depreciation	198	160	544	464
Amortisation	29	28	76	84
Depreciation and amortisation	**227**	**188**	**620**	**548**

For constant currency calculations the closing exchange rates as of 31 March 2022 have been used.

8.7 Consolidated schedule of income tax before exceptional items (in reported currency)

All amounts are in $m

Particulars	Quarter ended		Nine-month period ended	
	Dec-22	Dec-21	Dec-22	Dec-21
Current tax expense	82	93	317	260
Deferred tax expense/(income)	30	24	23	90
Income tax expense	**112**	**117**	**340**	**350**

Section 9

Trends and ratio analysis

9.1 Based on statement of operations

9.1.1 Consolidated statement of operations (in reported currency)

All amounts are in $m, except for ratios

Particulars	Quarter ended				
	Dec-22	Sep-22	Jun-22	Mar-22	Dec-21
Revenue	**1,350**	**1,308**	**1,257**	**1,222**	**1,219**
Access charges	102	100	107	104	102
Cost of goods sold	68	78	72	63	65
Net revenues	**1,180**	**1,129**	**1,079**	**1,055**	**1,052**
Operating expenses (excluding access charges, cost of goods sold and license fee)	457	435	411	392	392
Licence fee	65	58	56	58	57
EBITDA	**661**	**641**	**614**	**608**	**605**
Cash profit from operations before derivative and exchange fluctuations	565	549	532	525	523
EBIT	446	446	425	421	414
Share of profit from associate	(0)	(0)	(2)	0	(0)
Profit before tax	285	240	276	309	292
Profit after tax	173	131	157	188	174
Non controlling interest (before exceptional items)	21	19	15	17	25
Profit attributable to owners of the company - before exceptional items	151	112	143	171	150
Exceptional items (net)	(21)	(21)	(21)	(52)	(5)
Profit after tax (after exceptional items)	**193**	**152**	**178**	**240**	**180**
Non controlling interest	21	19	15	50	25
Profit attributable to owners of the company	**172**	**133**	**163**	**190**	**155**
Capex	147	169	141	224	187
Operating free cash flow	514	472	473	384	418
Total capital employed	7,824	7,444	7,190	7,169	7,131

	Dec-22	Sep-22	Jun-22	Mar-22	Dec-21
As a % of Revenue					
Access charges	7.5%	7.7%	8.5%	8.5%	8.4%
Cost of goods sold	5.0%	5.9%	5.7%	5.2%	5.3%
Net revenues	**87.5%**	**86.4%**	**85.8%**	**86.4%**	**86.3%**
Operating expenses (excluding access charges, cost of goods sold and license fee)	33.9%	33.3%	32.7%	32.0%	32.2%
Licence fee	4.8%	4.4%	4.5%	4.7%	4.7%
EBITDA	**49.0%**	**49.0%**	**48.8%**	**49.7%**	**49.6%**
Cash Profit from operations before derivative and exchange flucations	41.9%	42.0%	42.3%	42.9%	42.9%
EBIT	33.1%	34.1%	33.8%	34.5%	34.0%
Share of profit from associate	(0.0%)	(0.0%)	(0.2%)	0.0%	(0.0%)
Profit before tax	21.1%	18.4%	21.9%	25.3%	23.9%
Profit after tax	**12.8%**	**10.0%**	**12.5%**	**15.4%**	**14.3%**
Non controlling interest (before exceptional items)	1.6%	1.5%	1.2%	1.4%	2.0%
Profit attributable to owners of the company - before exceptional items	11.2%	8.6%	11.3%	14.0%	12.3%
Exceptional items (net)	(1.5%)	(1.6%)	(1.7%)	(4.3%)	(0.4%)
Profit after tax (after exceptional items)	**14.3%**	**11.6%**	**14.1%**	**19.7%**	**14.7%**
Non controlling Interest	1.6%	1.5%	1.2%	4.1%	2.0%
Profit attributable to owners of the company	12.7%	10.1%	13.0%	15.6%	12.7%

9.1.2 Consolidated statement of operations (in constant currency)

All amounts are in $m, except for ratios

Particulars	Quarter ended				
	Dec-22	Sep-22	Jun-22	Mar-22	Dec-21
Revenue	**1,422**	**1,355**	**1,270**	**1,218**	**1,205**
Access charges	108	104	108	104	102
Cost of goods sold	69	80	72	62	64
Net revenues	**1,244**	**1,171**	**1,090**	**1,052**	**1,040**
Operating expenses (excluding access charges, cost of goods sold and license fee)	482	452	415	390	388
Licence fee	69	61	57	58	56
EBITDA	**696**	**663**	**619**	**606**	**598**
EBIT	469	461	428	420	410
Capex	147	169	141	224	187
Operating free cash flow	550	494	478	381	411

	Dec-22	Sep-22	Jun-22	Mar-22	Dec-21
As a % of Revenue					
Access charges	7.6%	7.7%	8.5%	8.5%	8.4%
Cost of goods sold	4.9%	5.9%	5.7%	5.1%	5.3%
Net revenues	**87.5%**	**86.4%**	**85.8%**	**86.4%**	**86.3%**
Operating expenses (excluding access charges, cost of goods sold and license fee)	33.9%	33.3%	32.7%	32.0%	32.2%
Licence fee	4.8%	4.5%	4.5%	4.7%	4.6%
EBITDA	**49.0%**	**48.9%**	**48.8%**	**49.7%**	**49.6%**
EBIT	33.0%	34.0%	33.7%	34.4%	34.0%

For constant currency calculations the closing exchange rates as of 31 March 2022 have been used. Reported currency rates are used for Capex.

9.2 Segmental statements of operations

9.2.1 Nigeria: mobile services

In reported currency

All amounts are in $m, except for ratios

Particulars	Quarter ended				
	Dec-22	Sep-22	Jun-22	Mar-22	Dec-21
Revenue	**545**	**523**	**517**	**507**	**476**
Voice revenue	279	253	259	268	246
Data revenue	222	221	210	194	189
Other revenue	43	49	48	44	41
EBITDA	**284**	**259**	**272**	**285**	**266**
EBITDA margin	*52.1%*	*49.5%*	*52.6%*	*56.1%*	*55.9%*
Depreciation & Amortisation	92	81	75	71	68
Operating Exceptional Items	-	-	-	-	-
Operating profit	184	169	189	208	198
Capex	34	77	56	67	78
Operating free cash flow	250	182	216	218	188

In constant currency

All amounts are in $m, except for ratios

Particulars	Quarter ended				
	Dec-22	Sep-22	Jun-22	Mar-22	Dec-21
Revenue	**584**	**540**	**520**	**508**	**474**
Voice revenue	299	261	260	269	245
Data revenue	238	228	211	195	189
Other revenue	47	51	48	44	41
EBITDA	**304**	**268**	**273**	**286**	**265**
EBITDA margin	*52.2%*	*49.5%*	*52.6%*	*56.2%*	*55.9%*
Depreciation & Amortisation	98	84	75	72	68
Operating Exceptional Items	-	-	-	-	-
Operating profit	197	175	190	209	197
Capex	34	77	56	67	78
Operating free cash flow	270	190	217	219	187

For constant currency calculations the closing exchange rates as of 31 March 2022 have been used. Reported currency rates are used for Capex.

9.2.2 East Africa: mobile services

In reported currency

All amounts are in $m, except for ratios

Particulars	Quarter ended				
	Dec-22	Sep-22	Jun-22	Mar-22	Dec-21
Revenue	**388**	**381**	**359**	**349**	**372**
Voice revenue	215	213	203	196	210
Data revenue	140	134	123	118	121
Other revenue	34	33	33	35	41
EBITDA	**201**	**193**	**166**	**171**	**184**
EBITDA margin	*51.7%*	*50.7%*	*46.3%*	*48.9%*	*49.5%*
Depreciation & Amortisation	67	63	60	58	59
Operating Exceptional Items	-	-	-	32	-
Operating profit	125	121	99	73	120
Capex	69	47	44	110	73
Operating free cash flow	132	146	123	61	111

The East Africa business region includes Kenya, Malawi, Rwanda, Tanzania, Uganda and Zambia.

In constant currency

All amounts are in $m, except for ratios

Particulars	Quarter ended				
	Dec-22	Sep-22	Jun-22	Mar-22	Dec-21
Revenue	**405**	**394**	**362**	**346**	**365**
Voice revenue	224	222	205	194	206
Data revenue	145	138	123	117	119
Other revenue	36	35	33	34	40
EBITDA	**210**	**200**	**167**	**169**	**181**
EBITDA margin	*51.9%*	*50.7%*	*46.3%*	*48.9%*	*49.6%*
Depreciation & Amortisation	69	65	61	57	59
Operating Exceptional Items	-	-	-	32	(0)
Operating profit	131	125	99	72	117
Capex	69	47	44	110	73
Operating free cash flow	141	153	124	59	108

For constant currency calculations the closing exchange rates as of 31 March 2022 have been used. Reported currency rates are used for Capex.

9.2.3 Francophone Africa: mobile services

In reported currency

All amounts are in $m, except for ratios

Particulars	Quarter ended				
	Dec-22	Sep-22	Jun-22	Mar-22	Dec-21
Revenue	**275**	**271**	**262**	**258**	**263**
Voice revenue	154	151	149	148	152
Data revenue	92	90	85	84	84
Other revenue	29	30	28	26	26
EBITDA	**112**	**131**	**110**	**109**	**109**
EBITDA margin	*40.6%*	*48.2%*	*42.1%*	*42.2%*	*41.4%*
Depreciation & Amortisation	50	46	47	46	50
Operating Exceptional Items	-	-	-	-	-
Operating profit	53	75	56	54	51
Capex	36	32	27	40	25
Operating free cash flow	76	99	83	69	84

The Francophone Africa business region includes Chad, Democratic Republic of the Congo, Gabon, Madagascar, Niger, Republic of the Congo, and Seychelles.

In constant currency

All amounts are in $m, except for ratios

Particulars	Quarter ended				
	Dec-22	Sep-22	Jun-22	Mar-22	Dec-21
Revenue	**288**	**285**	**268**	**257**	**259**
Voice revenue	162	160	152	147	150
Data revenue	96	95	88	84	83
Other revenue	30	31	28	26	26
EBITDA	**117**	**137**	**113**	**109**	**107**
EBITDA margin	*40.5%*	*48.1%*	*42.0%*	*42.2%*	*41.4%*
Depreciation & Amortisation	53	48	48	46	49
Operating Exceptional Items	-	-	-	-	-
Operating profit	55	79	57	54	50
Capex	36	32	27	40	25
Operating free cash flow	81	106	85	68	82

For constant currency calculations the closing exchange rates as of 31 March 2022 have been used. Reported currency rates are used for Capex.

9.2.4 Mobile services

In reported currency

All amounts are in $m, except for ratios

Particulars	Quarter ended				
	Dec-22	Sep-22	Jun-22	Mar-22	Dec-21
Revenue	**1,207**	**1,174**	**1,135**	**1,112**	**1,107**
Voice revenue	646	616	610	611	606
Data revenue	454	446	418	397	395
Other revenue	106	112	107	103	106
EBITDA	**597**	**582**	**548**	**565**	**559**
EBITDA margin	*49.4%*	*49.6%*	*48.3%*	*50.9%*	*50.5%*
Depreciation & Amortisation	209	190	182	176	178
Operating Exceptional Items	-	-	-	32	-
Operating profit	362	364	344	335	368
Capex	139	156	127	217	176
Operating free cash flow	458	426	422	349	383

In constant currency

All amounts are in $m, except for ratios

Particulars	Quarter ended				
	Dec-22	Sep-22	Jun-22	Mar-22	Dec-21
Revenue	**1,275**	**1,218**	**1,147**	**1,108**	**1,095**
Voice revenue	683	642	617	609	600
Data revenue	479	461	422	396	391
Other revenue	112	116	108	103	105
EBITDA	**631**	**604**	**553**	**564**	**553**
EBITDA margin	*49.5%*	*49.5%*	*48.3%*	*50.9%*	*50.5%*
Depreciation & Amortisation	220	197	184	175	176
Operating Exceptional Items	-	-	-	32	(0)
Operating profit	384	377	346	334	365
Capex	139	156	127	217	176
Operating free cash flow	492	448	427	347	378

For constant currency calculations the closing exchange rates as of 31 March 2022 have been used. Reported currency rates are used for Capex.

9.2.5 Mobile money – summarised statement of operations

In reported currency

All amounts are in $m, except for ratios

Particulars	Quarter ended				
	Dec-22	Sep-22	Jun-22	Mar-22	Dec-21
Revenue	**183**	**173**	**159**	**147**	**148**
Nigeria [1]	0	0	0	0	0
East Africa	142	132	121	111	111
Francophone Africa	41	41	38	36	37
EBITDA	**92**	**84**	**81**	**74**	**75**
EBITDA margin	*50.0%*	*48.6%*	*50.6%*	*50.2%*	*50.7%*
Depreciation & Amortisation	5	4	4	4	4
Operating profit	84	78	75	68	68
Capex	6	11	9	5	9
Operating free cash flow	86	73	71	69	66

Mobile money revenue in the above table is without inter-segment eliminations with mobile services.

[1] On 19 May 2022, we announced that Smartcash had commenced operations in Nigeria. Services were initially made available at selected retail touchpoints, and operations are now being expanded gradually across the country.

In constant currency

All amounts are in $m, except for ratios

Particulars	Quarter ended				
	Dec-22	Sep-22	Jun-22	Mar-22	Dec-21
Revenue	**189**	**177**	**160**	**145**	**145**
Nigeria	0	0	0	0	0
East Africa	146	134	121	110	108
Francophone Africa	43	43	39	36	36
EBITDA	**94**	**85**	**81**	**73**	**73**
EBITDA margin	*49.8%*	*48.2%*	*50.5%*	*50.2%*	*50.7%*
Depreciation & Amortisation	5	4	4	3	4
Operating profit	86	79	75	67	67
Capex	6	11	9	5	9
Operating free cash flow	88	74	72	68	64

For constant currency calculations the closing exchange rates as of 31 March 2022 have been used. Reported currency rates are used for Capex.
Mobile money revenue in the above table is without inter-segment eliminations with mobile services.

9.3 Regional statements of operations

9.3.1 Nigeria

In reported currency

All amounts are in $m, except for ratios

Particulars	Quarter ended				
	Dec-22	Sep-22	Jun-22	Mar-22	Dec-21
Revenue	**545**	**523**	**517**	**507**	**476**
Voice revenue	279	253	259	268	246
Data revenue	222	221	210	194	189
Mobile money revenue	0	0	0	0	0
Other revenue	43	49	48	44	41
EBITDA	**282**	**257**	**271**	**285**	**266**
EBITDA margin	*51.8%*	*49.1%*	*52.4%*	*56.2%*	*55.9%*

For Nigeria mobile money revenue, please refer to the note on page no.45.

In constant currency

All amounts are in $m, except for ratios

Particulars	Quarter ended				
	Dec-22	Sep-22	Jun-22	Mar-22	Dec-21
Revenue	**584**	**540**	**520**	**508**	**474**
Voice revenue	299	261	260	269	245
Data revenue	238	228	211	195	189
Mobile money revenue	0	0	0	0	0
Other revenue	47	51	48	44	41
EBITDA	**302**	**265**	**272**	**286**	**265**
EBITDA margin	*51.8%*	*49.1%*	*52.4%*	*56.2%*	*55.9%*

For constant currency calculations the closing exchange rates as of 31 March 2022 have been used.

9.3.2 East Africa

In reported currency

All amounts are in $m, except for ratios

Particulars	Quarter ended				
	Dec-22	Sep-22	Jun-22	Mar-22	Dec-21
Revenue	**502**	**487**	**455**	**436**	**459**
Voice revenue	215	213	203	196	210
Data revenue	140	134	123	118	121
Mobile money revenue	142	132	121	111	111
Other revenue	33	32	32	34	40
EBITDA	**275**	**261**	**229**	**228**	**240**
EBITDA margin	*54.8%*	*53.7%*	*50.5%*	*52.3%*	*52.4%*

The East Africa business region includes Kenya, Malawi, Rwanda, Tanzania, Uganda and Zambia.

In constant currency

All amounts are in $m, except for ratios

Particulars	Quarter ended				
	Dec-22	Sep-22	Jun-22	Mar-22	Dec-21
Revenue	**521**	**501**	**457**	**431**	**450**
Voice revenue	224	221	205	194	206
Data revenue	145	138	123	117	119
Mobile money revenue	146	134	121	110	108
Other revenue	35	34	32	34	40
EBITDA	**286**	**269**	**231**	**225**	**236**
EBITDA margin	*54.8%*	*53.6%*	*50.4%*	*52.2%*	*52.4%*

For constant currency calculations the closing exchange rates as of 31 March 2022 have been used.

9.3.3 Francophone Africa

In reported currency

All amounts are in $m, except for ratios

Particulars	Quarter ended				
	Dec-22	Sep-22	Jun-22	Mar-22	Dec-21
Revenue	**304**	**299**	**288**	**282**	**288**
Voice revenue	154	151	148	148	152
Data revenue	92	90	85	84	84
Mobile money revenue	41	41	38	36	37
Other revenue	29	29	28	26	26
EBITDA	**133**	**151**	**130**	**127**	**128**
EBITDA margin	*43.9%*	*50.4%*	*45.3%*	*45.1%*	*44.5%*

The Francophone Africa business region includes Chad, Democratic Republic of the Congo, Gabon, Madagascar, Niger, Republic of the Congo, and Seychelles.

In constant currency

All amounts are in $m, except for ratios

Particulars	Quarter ended				
	Dec-22	Sep-22	Jun-22	Mar-22	Dec-21
Revenue	**318**	**315**	**295**	**281**	**284**
Voice revenue	162	160	152	147	150
Data revenue	96	95	88	83	83
Mobile money revenue	43	43	39	36	36
Other revenue	30	31	28	26	25
EBITDA	**139**	**158**	**133**	**127**	**127**
EBITDA margin	*43.7%*	*50.3%*	*45.1%*	*45.1%*	*44.5%*

For constant currency calculations the closing exchange rates as of 31 March 2022 have been used.

9.4 Operational performance trends (quarter ended)

9.4.1 Mobile services: operational performance

Parameters	Unit	Dec-22	Sep-22	Jun-22	Mar-22	Dec-21
Customer base	million	138.5	134.7	131.6	128.4	125.8
Net additions	million	3.8	3.1	3.1	2.7	3.1
Monthly churn	%	4.2%	4.2%	4.6%	4.3%	4.2%
Average revenue per user (ARPU)	$	3.1	3.1	2.9	2.9	3.0
Voice						
Minutes on the network	billion	113.9	109.0	103.2	98.4	97.4
Voice usage per customer	minutes	279	274	264	258	262
Voice average revenue per user (ARPU)	$	1.7	1.6	1.6	1.6	1.6
Voice revenue	$m	683	642	617	609	600
Data						
Data customer base	000	51.3	48.6	46.5	46.7	45.1
As % of customer base	%	37.0%	36.1%	35.4%	36.4%	35.9%
Total MBs on the network	billion	709.6	662.6	581.8	509.3	478.8
Data usage per customer	MBs	4,741	4,610	4,099	3,715	3,586
Data average revenue per user (ARPU)	$	3.2	3.2	3.0	2.9	2.9
Data revenue	$m	479	461	422	396	391
Network KPIs						
Network towers	number	30,733	30,149	29,412	28,797	27,422
Owned towers	number	2,038	2,015	2,015	2,048	4,097
Leased towers	number	28,695	28,134	27,397	26,749	23,325
Data capacity	TB/day	20,093	19,009	17,792	16,949	14,558
Revenue per site per month	$	13,957	13,617	13,084	13,103	13,427

Revenue and KPIs in constant currency. For constant currency calculations the closing exchange rates as of 31 March 2022 have been used.

9.4.2 Mobile money: operational performance

Parameters	Unit	Dec-22	Sep-22	Jun-22	Mar-22	Dec-21
Mobile money customer base	million	31.4	29.7	27.6	26.2	25.7
Transaction value	$bn	24.7	21.5	18.9	16.6	16.8
Transaction value per customer	$	273	250	235	217	227
Mobile money ARPU	$	2.1	2.1	2.0	1.9	1.9
Mobile money revenue	$m	189	177	160	145	145

Revenue and KPIs in constant currency. For constant currency calculations the closing exchange rates as of 31 March 2022 have been used.

9.4.3 Nigeria mobile services: operational performance

Parameters	Unit	Dec-22	Sep-22	Jun-22	Mar-22	Dec-21
Customer base	million	47.8	46.3	46.0	44.4	42.4
Net additions	million	1.5	0.3	1.6	2.0	1.9
Monthly churn	%	3.3%	3.9%	4.1%	2.5%	2.3%
Average revenue per user (ARPU)	$	4.1	3.9	3.8	3.9	3.9
Voice						
Minutes on the network	billion	28.9	26.0	27.0	28.1	25.2
Voice usage per customer	minutes	206	188	197	215	206
Voice average revenue per user (ARPU)	$	2.1	1.9	1.9	2.1	2.0
Voice revenue	$m	299	261	260	269	245
Data						
Data customer base	million	22.0	20.6	20.5	20.3	19.0
As % of customer base	%	46.0%	44.5%	44.6%	45.7%	44.8%
Total MBs on the network	billion	350.2	321.7	289.5	254.7	236.1
Data usage per customer	MBs	5,461	5,168	4,662	4,328	4,258
Data average revenue per user (ARPU)	$	3.7	3.7	3.4	3.3	3.4
Data revenue	$m	238	228	211	195	189
Network and Coverage						
Network towers	number	13,281	12,982	12,627	12,364	11,854
Owned towers	number	237	237	229	225	222
Leased towers	number	13,044	12,745	12,398	12,139	11,632
Data capacity	TB/day	9,775	9,466	9,232	8,954	7,651
Revenue per site per month	$	14,845	14,054	13,809	13,991	13,472

Revenue and KPIs in constant currency. For constant currency calculations the closing exchange rates as of 31 March 2022 have been used.

9.4.3 East Africa mobile services: operational performance

Parameters	Unit	Dec-22	Sep-22	Jun-22	Mar-22	Dec-21
Customer base	million	62.4	61.4	58.5	57.2	57.4
Net additions	million	1.0	2.9	1.3	(0.2)	0.5
Monthly churn	%	4.3%	3.7%	4.2%	4.5%	4.3%
Average revenue per user (ARPU)	$	2.2	2.2	2.1	2.0	2.1
Voice						
Minutes on the network	billion	72.2	71.1	64.5	59.3	61.9
Voice usage per customer	minutes	390	394	371	347	361
Voice average revenue per user (ARPU)	$	1.2	1.2	1.2	1.1	1.2
Voice revenue	$m	224	222	205	194	206
Data						
Data customer base	million	21.2	20.1	18.5	18.3	18.6
As % of customer base	%	34.0%	32.8%	31.6%	31.9%	32.4%
Total MBs on the network	billion	265.4	257.6	221.0	191.5	187.0
Data usage per customer	MBs	4,309	4,401	3,987	3,513	3,385
Data average revenue per user (ARPU)	$	2.4	2.4	2.2	2.1	2.2
Data revenue	$m	145	138	123	117	119
Network and Coverage						
Network towers	number	11,908	11,727	11,510	11,275	10,554
Owned towers	number	305	296	337	331	2,480
Leased towers	number	11,603	11,431	11,173	10,944	8,074
Data capacity	TB/day	7,517	6,972	6,449	5,970	4,954
Revenue per site per month	$	11,381	11,275	10,530	10,487	11,577

The East Africa business region includes Kenya, Malawi, Rwanda, Tanzania, Uganda and Zambia.
Revenue and KPIs in constant currency. For constant currency calculations the closing exchange rates as of 31 March 2022 have been used.

9.4.4 Francophone Africa mobile services: operational performance

Parameters	Unit	Dec-22	Sep-22	Jun-22	Mar-22	Dec-21
Customer base	million	28.3	26.9	27.0	26.8	26.0
Net additions	million	1.3	(0.1)	0.2	0.8	0.6
Monthly churn	%	5.7%	5.9%	6.4%	6.9%	7.2%
Average revenue per user (ARPU)	$	3.5	3.6	3.3	3.2	3.4
Voice						
Minutes on the network	billion	12.7	11.9	11.7	11.1	10.3
Voice usage per customer	minutes	154	149	146	139	134
Voice average revenue per user (ARPU)	$	2.0	2.0	1.9	1.9	2.0
Voice revenue	$m	162	160	152	147	150
Data						
Data customer base	million	8.1	7.8	7.5	8.2	7.6
As % of customer base	%	28.5%	29.1%	27.8%	30.5%	29.1%
Total MBs on the network	billion	94.0	83.4	71.3	63.1	55.6
Data usage per customer	MBs	3,927	3,633	2,919	2,658	2,439
Data average revenue per user (ARPU)	$	4.0	4.1	3.6	3.5	3.6
Data revenue	$m	96	95	88	84	83
Network and coverage						
Network towers	number	5,544	5,440	5,275	5,158	5,014
Owned towers	number	1,496	1,482	1,449	1,492	1,395
Leased towers	number	4,048	3,958	3,826	3,666	3,619
Data capacity	TB/day	2,801	2,571	2,112	2,025	1,954
Revenue per site per month	$	17,470	17,759	17,099	16,837	17,457

The Francophone Africa business region includes Chad, Democratic Republic of the Congo, Gabon, Madagascar, Niger, Republic of the Congo, and Seychelles.
Revenue and KPIs in constant currency. For constant currency calculations the closing exchange rates as of 31 March 2022 have been used.

Section 10

Key accounting policies (as per IFRS)

Property, plant and equipment ('PPE') and capital work-in-progress

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. PPE is initially recognised at cost.

The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes and after deducting trade discounts and rebates), and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Further, it includes assets installed on the premises of customers where the associated risks, rewards and control remain with the Group.

Subsequent to initial recognition, PPE is stated at cost less accumulated depreciation and any impairment losses. When significant parts of PPE are required to be replaced at regular intervals, the Group recognises such parts as a separate component of each asset. When an item of PPE is replaced, its carrying amount is de-recognised from the statement of financial position and the cost of the new item of PPE is recognised.

The expenditure incurred after an item of PPE is ready to use, such as repairs and maintenance, are charged to the consolidated statement of comprehensive income in the period in which such costs are incurred. However, in situations where the said expenditure can be measured reliably, and is probable that future economic benefits associated with it will flow to the Group, it is included in the asset's carrying value or as a separate asset, as appropriate.

Depreciation on PPE is computed using the straight-line method over the PPE's estimated useful lives. Freehold land is not depreciated as it has an unlimited useful life. The Group has established the estimated range of useful lives for different categories of PPE as follows:

Categories	Years
Leasehold improvement	Period of lease or 10-20 years, as applicable, whichever is less
Building	20
Plant and equipment - Network equipment (including passive infrastructure)	3 - 25
Computer	3-5
Furniture & fixture and office equipment	1-5
Vehicles	5

The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately, at least, as at each financial year end so as to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives, residual values and/or depreciation method are accounted for prospectively, with depreciation calculated over the PPE's remaining revised useful life. The cost and the accumulated depreciation for PPE sold, scrapped, retired or otherwise disposed of are de-recognised from the statement of financial position and the resulting gains/(losses) are included in the consolidated statement of comprehensive income within other expenses/other income.

PPE in the course of construction less any accumulated impairment is carried at cost and presented separately as capital work-in-progress (CWIP) (including capital advances) in the statement of financial position until ready for use at which point it is transferred to PPE and subsequently depreciated. Such cost comprises the purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), and any other directly attributable costs.

Goodwill

Goodwill represents the cost of the acquired businesses in excess of the fair value of identifiable net assets acquired. Goodwill is not amortised; however, it is tested for impairment and carried at cost less accumulated impairment losses if any. The gains/(losses) on the disposal of a cash-generating unit (CGU) includes the carrying amount of goodwill relating to the CGU sold (in case goodwill has been allocated to group of CGUs; it is determined based on the relative value of the operations sold).

Goodwill is tested for impairment, at least annually or earlier, in case circumstances indicate that the carrying value may exceed the recoverable amount (higher of fair value less costs to sell and the value -in- use). For the purpose of impairment testing, goodwill is allocated to a cash-generating-unit (CGU) or group of CGUs (CGUs) which are expected to benefit from the acquisition-related synergies and represent the lowest level within the entity at which the goodwill is monitored for internal management purposes, but not higher than an operating segment. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

Impairment occurs when the carrying value of a CGU/CGUs including the goodwill, exceeds the estimated recoverable amount of the CGU/CGUs. The recoverable amount of a CGU/CGUs is the higher of its fair value less costs to sell and its value in use. Value-in-use is the present value of future cash flows expected to be derived from the CGU/CGUs.

The total impairment loss of a CGU/CGUs is allocated first to reduce the carrying value of goodwill allocated to that CGU/CGUs and then to the other assets of that CGU/CGUs - on pro-rata basis of the carrying value of each asset.

Other Intangible assets

Identifiable intangible assets are recognised when the Group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be measured reliably.

Intangible assets that are acquired in a business combination are initially recognised at fair value at the acquisition date. Other intangible assets are recognised at cost which includes its purchase price and cash price equivalent of deferred payments beyond normal credit terms, if any. Intangible assets with definite useful life are carried at cost less accumulated amortisation and any impairment losses. Amortisation is computed using the straight-line method over the expected useful life.

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, is recognised in profit or loss as incurred.

The group has established the estimated useful lives of different categories of intangible assets as follows:

a. Licences (including spectrum): Acquired licences and spectrum are amortised commencing from the date when the related network is available for intended use in the relevant jurisdiction over the relevant licence period. The useful lives generally range from two to twenty-five years.

In addition, the Group incurs a fee on licences/spectrum that is calculated based on the revenue of the licencee entity. These fees are recognised as a cost in the consolidated statement of comprehensive income when incurred.

b. Software: Software is amortised over the software license period, generally not exceeding three years.

c. Other acquired intangible assets: Other acquired intangible assets include customer relationships which are amortised over the estimated life of such relationships generally ranging from one year to five years.

The useful lives and the amortisation method is reviewed and adjusted appropriately, at least at each financial year end so as to ensure that the method and period of amortisation is consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives and/or amortisation method is accounted for prospectively, and accordingly, the amortisation is calculated over the remaining revised useful life.

Further, the cost of intangible assets under development includes these spectrum allotted to the Group and related costs for which services are yet to be rolled out are presented separately in the statement of financial position.

d. Internally-generated intangible assets – research and development expenditure : Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- The intention to complete the intangible asset and use or sell it
- The ability to use or sell the intangible asset
- The intangible asset will generate probable future economic benefits
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- The ability to measure reliably the expenditure attributable to the intangible asset during its development

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

An investment in an associate is accounted for using the equity method from the date on which Group starts exercising significant influence over the associate.

At each reporting date, the Group determines whether there is objective evidence that the investment is impaired. If there is such evidence, the Group calculates the amount of the impairment as the difference between the recoverable amount of the investment and its carrying value.

Leases

At inception of a contract, the Group assesses a contract as, or containing, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether the contract involves the use of an identified asset, the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and the Group has the right to direct the use of the asset.

a. Group as a lessee

The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee in the statement of financial position. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments), variable lease payments that are based on consumer price index (CPI), the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Subsequently, the lease liability is measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments including changes in CPI or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or when the lease contract is modified and the lease modification is not accounted for as a separate lease. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the related right-of-use asset has been reduced to zero.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs, and restoration costs.

Subsequent to initial recognition, right-of-use asset are stated at cost less accumulated depreciation and any impairment losses and adjusted for certain remeasurements of the lease liability. Depreciation is computed using the straight-line method from the commencement date to the end of the useful life of the underlying asset or the end of the lease term, whichever is shorter. The estimated useful lives of right-of-use assets are determined on the same basis as those of the underlying property and equipment.

In the statement of financial position, the right-of-use assets and lease liabilities are presented separately.

When a contract includes lease and non-lease components, the Group allocates the consideration in the contract on the basis of the relative stand-alone prices of each lease component and the aggregate stand-alone price of the non-lease components.

Short-term leases

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Sale and lease back

In sale and leaseback transactions, the Group first considers whether the initial transfer of the underlying asset to the buyer-lessor is a sale by applying the requirements of IFRS 15. If the transfer qualifies as a sale and the transaction is on market terms, the Group derecognizes the asset, recognizes a right-of-use asset (and lease liabilities) and recognises a portion of the total gain or loss on the sale in the Statement of Comprehensive Income. The right-of-use asset is recognized at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the seller-lessee. The amount recognised is calculated by splitting the total gain or loss into:

- an amount recognised in the consolidated statement of comprehensive income relating to the buyer-lessor's rights in the underlying asset, and
- an unrecognised amount relating to the rights retained by the seller-lessee which is deferred by way of reducing the right-of-use assets initially recognised.

b. Group as a lessor

Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under a finance lease are recognised as receivables at an amount equal to the net investment in the leased assets. Finance lease income is allocated to the periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the finance lease.
Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.
When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

The Group enters into 'indefeasible right to use' (IRU) arrangements wherein the right to use the assets is given over the substantial part of the asset life. However, as the title to the assets and the significant risks associated with the operation and maintenance of these assets remains with the Group, such arrangements are recognised as operating lease. The contracted price is recognised as revenue during the tenure of the agreement. Unearned IRU revenue received in advance is presented as deferred revenue within liabilities in the statement of financial position.

Derivative financial instruments

Derivative financial instruments, including separated embedded derivatives that are not designated as hedging instruments in a hedging relationship are classified as financial instruments at fair value through profit or loss. Such derivative financial instruments are initially recognised at fair value. They are subsequently measured at their fair value, with changes in fair value being recognised in profit or loss within finance income/finance costs.

In cases, where the initial fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on observable inputs, on subsequent measurement, the difference between initial fair value and transaction price is recognised in profit or loss on an appropriate basis (e.g. straight line) over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Hedging activities

i. Fair value hedge

Some of the Group's entities may use derivative financial instruments (e.g. interest rate swaps) to manage/mitigate their exposure to the risk of change in fair value of the borrowings. The Group may designate certain interest swaps to hedge the risk of changes in fair value of recognised borrowings attributable to the hedged interest rate risk. The effective and ineffective portion of changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit and loss within finance income/finance costs, together with any changes in the fair value of the hedged liability that is attributable to the hedged risk. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of the hedged item is amortised to profit or loss over the period to remaining maturity of the hedged item.

ii. Cash flow hedge

Some of the Group's entities may use derivative financial instruments (e.g. foreign currency forwards, options, swaps) to manage their exposure to foreign exchange and price risk. Further, the Group may designate certain derivative financial instruments (or its components) as hedging instruments for hedging the exchange rate risk attributable to either a recognised item or a highly probable forecast transaction (cash flow hedge). The effective portion of changes in the fair value of derivative financial instruments (or its components) that are designated and qualify as cash flow hedges, are recognised in other comprehensive income and held within the cash flow hedge reserve (CFHR) – within other components of equity. Any gains/(losses) relating to the ineffective portion, are recognised immediately in profit or loss within finance income/finance costs. The amounts accumulated in equity are re-classified to the profit and loss in the periods when the hedged item affects profit/(loss).

When a hedging instrument expires or is sold, or when a cash flow hedge no longer meets the criteria for hedge accounting, any cumulative gains/(losses) existing in equity at that time remains in equity and is recognised (on the basis as discussed in the above paragraph) when the forecast transaction is ultimately recognised in the profit and loss. However, at any point of time, when a forecast transaction is no longer expected to occur, the cumulative gains/(losses) that were reported in equity is immediately transferred to the profit and loss within finance income/finance costs.

iii. Net investment hedge

The Group on a time to time basis hedges its net investment in certain foreign subsidiaries. Accordingly, any foreign exchange differences on the hedging instrument (e.g. borrowings) relating to the effective portion of the hedge is recognised in other comprehensive income within the foreign currency translation reserve (FCTR) – within other components of equity, so as to offset the change in the value of the net investment being hedged. The ineffective portion of the gain or loss on these hedges is immediately recognised in profit or loss. The amounts accumulated in equity are included in the profit and loss when the foreign operation is disposed or partially disposed.

Revenue

Revenue is recognised upon the transfer of control of promised products or services to the customer at the consideration which the Group has received or expects to receive in exchange for those products or services, net of any taxes/duties and discounts. When determining the consideration to which the Group is entitled for providing promised products or services via intermediaries, the Group assesses whether the intermediary is a principal or agent in the onward sale to the end customer. To the extent that the intermediary is considered a principal, the consideration to which the Group is entitled is determined to be that receivable from the intermediary. To the extent that the intermediary is considered to be an agent, the consideration to which the Group is entitled is determined to be the amount receivable from the ultimate customer. Any upfront discount provided to the intermediary is recognised as a cost of sale.

The Group has entered into certain multiple-element revenue arrangements, which involve the delivery or performance of multiple products, services or rights to use assets. At the inception of the arrangement, all the deliverables within the contract are evaluated to determine whether they represent distinct performance obligations, and if so, they are accounted for separately.

Total consideration related to the multiple element arrangements is allocated to each performance obligation based on their relative standalone selling prices. The stand-alone selling prices are determined based on the list prices at which the Group sells equipment and network services separately.

Revenue is recognised when, or as, each distinct performance obligation is satisfied. The main categories of revenue and the basis of recognition are as follows:

a. Service revenue

Service revenue is derived from the provision of telecommunications services and mobile money services to customers. The majority of the Group's customers subscribe to services on a pre-paid basis.

Telecommunications service revenue mainly pertains to usage, subscription charges for voice, data, messaging and value added services and customer onboarding charges.

Telecommunications services are considered to represent a single performance obligation as all are provided over the Group's network and transmitted as data representing a digital signal on the network. The transmission consumes network bandwidth and therefore, irrespective of the nature of the communication, the customer ultimately receives access to the network and the right to consume network bandwidth.

Customers primarily pay in advance for services of the Group. These cash amounts are recognised in deferred income in the consolidated statement of financial position and transferred to the statement of comprehensive income when the service obligation has been performed/when the usage of services becomes remote.
The Group recognises revenue from these services over time as they are provided. Revenue is recognised over time based on actual units of telecommunications services provided during the reporting period as a proportion of the total units of telecommunications services to be provided.

Subscription charges are recognised over the subscription pack validity period.

Revenue recognised in excess of amounts invoiced are classified as unbilled revenue. If amounts invoiced/collected from a customer are in excess of revenue recognised, a deferred revenue/advance income is recognised.

Service revenue also includes revenue from interconnection/roaming charges for use of the Group's network by other operators for voice, data, messaging and signaling services.

Revenue from long distance operations comprise voice services and bandwidth services (including installation), which are recognised on the provision of services, provided over the period of the respective arrangements.

The Group has interconnect agreements with local and foreign operators. This allows customers from either network to originate or terminate calls to each other's network. Revenue is earned and recognised as per bilateral agreements when other operators' calls are terminated to the Group's network i.e. when the service is rendered.

As part of the mobile money services, the Group earns commission from merchants for facilitating recharges, bill payments and other merchant payments. It also earns commissions on the transfer of money from one customer wallet to another. Such commission is recognised as revenue at a point in time on fulfillment of these services by the Group.

b. Equipment sales

Equipment sales mainly pertain to sale of telecommunications equipment and related accessories for which revenue is recognised when the control of equipment is transferred to the customer i.e. transferred at a point in time.

Costs to obtain or fulfil a contract with a customer

The Group defers costs to obtain or fulfill contracts with customers over expected average customer life determined based on churn rate.

Alternative performance measures (APMs) – exceptional items

Management exercises judgement in determining the adjustments to apply to IFRS measurements in order to derive

APMs, which provide additional useful information on the underlying trends, performance and position of the Group. This assessment covers the nature of the item being one-off or non-routine and the significance of the impact of that item on reported performance in accordance with the Group's exceptional items policy.

To monitor performance, the Group uses the following APMs:

- 'Underlying profit before tax' representing profit before tax for the period excluding the impact of exceptional items.
- 'Underlying profit after tax' representing profit after tax for the period excluding the impact of exceptional items and tax on exceptional items.

Exceptional items refer to items of income or expense within the consolidated statement of comprehensive income, which are of such size, nature or incidence that their exclusion is considered necessary to explain the performance of the Group and improve the comparability between periods. Reversals of previous exceptional items are also considered as exceptional items. When applicable, these items include network modernisation, share issue expenses, loan prepayment costs, the settlement of legal and regulatory cases, restructuring costs, impairments, gain on sale of tower assets and initial recognition of deferred tax assets.

Foreign currency transactions

a. Functional and presentation currency

The items included within the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which each entity operates (i.e. 'functional currency').

The financial statements are presented in US dollar, which is also the functional and presentation currency of the company.

b. Transactions and balances

For the purpose of presenting the consolidated financial statements, transactions in foreign currencies are initially recorded in the relevant functional currency at the rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date with the resulting foreign exchange differences, on subsequent re-statement/settlement, recognised in the Consolidated Statement of Comprehensive Income within finance costs/finance income. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate prevalent, at the date of initial recognition (in case they are measured at historical cost) or at the date when the fair value is determined (in case they are measured at fair value) – with the resulting foreign exchange difference, on subsequent re-statement/settlement, recognised in the profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity.

The equity items denominated in foreign currencies are translated at historical exchange rate.

c. Foreign operations

The assets and liabilities of foreign operations (including goodwill and fair value adjustments arising on the acquisition of foreign entities) are translated into US dollars at the exchange rates prevailing at the reporting date. Items recognized in profit and loss are translated into US dollars at monthly average exchange rates with equity translated at the historical rate. The resulting exchange differences are recognised in other comprehensive income and held within the foreign currency translation reserve (FCTR), a component of equity. On disposal of a foreign operation (that is, disposal involving loss of control), the component of other comprehensive income relating to that particular foreign operation is reclassified to profit or loss.

Exchange differences arising on monetary items that form part of the Group's net investment in a foreign operation are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

Income-taxes

The income tax expense comprises current and deferred income tax. Income tax is recognised in the profit and loss, except to the extent that it relates to items recognised outside profit or loss, in other comprehensive income or directly in equity, in which case the related income tax is also recognised accordingly within other comprehensive income or directly in equity.

a. Current tax

Current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date in the respective countries where the Group entities operate and generate taxable income. The payment made in excess/(shortfall) of the respective Group entities' income tax obligation for the respective periods are recognised in the statement of financial position under income tax assets/income tax liabilities, respectively.

Any interest relating to accrued liabilities for potential tax assessments are not included in the Income tax charge or (credit), but are recognised within finance costs.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. These provisions are measured at the best estimate of the amount expected to become payable or based on the expected value approach, as applicable and are presented within current tax liabilities. The assessment is based on the judgement of tax professionals within the company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

b. Deferred tax

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, deferred tax is not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Further, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences, tax losses and tax credits can be utilised. To assess such probability, the Group considers profit generation capability of the taxable entity based on historical trends as well as forecast profitability for the foreseeable future. When it is probable that there will be future taxable profits, an evaluation is performed to assess the availability of sufficient deductible temporary differences during the foreseeable future, relating to the same taxation authority and in the same taxable entity.

Deferred tax is recognised on temporary differences arising on investments in subsidiaries and associates unless the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets, recognised and unrecognised, are reviewed at each reporting date and assessed for recoverability based on best estimates of taxable profits for the foreseeable future.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

Transactions with non-controlling interests

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as a transaction with equity holders. Any difference between the amount of the adjustment to non-controlling interests and any consideration exchanged is recognised in 'transactions with NCI reserve', within equity.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount of the obligation can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the relevant obligation, using a pre-tax rate that reflects current market assessments of the time value of money (if the impact of discounting is significant) and the risks specific to the obligation. The increase in the provision due to un-winding of the discount sale due to the passage of time is recognised within finance costs.

Contingencies

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognised unless virtually certain and disclosed only where an inflow of economic benefits is probable.

Section 11

Glossary

Technical and Industry Terms

4G data customer	A customer having a 4G handset and who has used at least 1 MB on any of the Group's GPRS, 3G & 4G network in the last 30 days.
Airtel Money (mobile money)	Airtel Money is the brand name for Airtel Africa's mobile money products and services. The term is used interchangeably with 'mobile money' when referring to our mobile money business, finance, operations and activities.
Airtel Money active customer base	Total number of active subscribers who have enacted any mobile money usage event in last 30 days.
Airtel Money ARPU	Mobile money average revenue per user per month. This is derived by dividing total mobile money revenue during the relevant period by the average number of active mobile money customers and dividing the result by the number of months in the relevant period.
Airtel Money customer penetration	The proportion of total Airtel Africa active mobile customers who use mobile money services. Calculated by dividing the mobile money customer base by the Group's total customer base.
Airtel Money transaction value	Any financial transaction performed on Airtel Africa's mobile money platform.
Airtel Money transaction value per customer per month	Calculated by dividing the total mobile money transaction value on the Group's mobile money platform during the relevant period by the average number of active mobile money customers and dividing the result by the number of months in the relevant period.
Airtime credit service	A value-added service where the customer can take an airtime credit and continue to use our voice and data services, with the credit recovered through subsequent customer recharge. This is classified as a Mobile Services product (not a Mobile Money product).
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 (grossed up for put option provided to minority shareholders to provide them liquidity as part of the sale agreements executed with them during year ended 31 March 2022), 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 licences) plus capital work in progress (CWIP), excluding provisions on CWIP for the period.
Cash profit from operations before derivative and exchange fluctuation	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 exchange (gain)/ loss.
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.
Constant currency	The Group has presented certain financial information that is calculated by translating the results for the current financial year and previous financial years at a fixed 'constant currency' exchange rate, which is done to measure the organic performance of the Group. Growth rates for reporting regions and service segments are in constant currency as it better represents the performance of the business. Constant currency growth rates for prior periods are calculated using closing exchange rates as at the end of prior 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 region.
Data customer base	The total number of subscribers who have consumed at least 1 MB on the Group'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 Group'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.
Digitalisation	We use the term digitalisation in its broadest sense to encompass both digitisation actions and processes that convert analogue information into a digital form and thereby bring customers into the digital environment, and the broader digitalisation processes of controlling, connecting and planning processes digitally; the processes that effect digital transformation of our business, and of industry, economics and society as a whole through bringing about new business models, socio-economic structures and organisational patterns.
Diluted earnings per share	Diluted EPS is calculated by adjusting the profit for the year attributable to the shareholders and the weighted average number of shares considered for deriving basic EPS, for the effects of all the shares that could have been issued upon conversion of all dilutive potential shares. The dilutive potential shares are adjusted for the proceeds receivable had the shares actually been issued at fair value. Further, the dilutive potential shares are deemed converted as at beginning of the period, unless issued at a later date during the 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.
Foreign exchange rate movements for non-DTA operating companies and holding companies	Foreign exchange rate movements are specific items that are non-tax deductible in a few of our operating entities, hence these hinder a like-for-like comparison of the Group's effective tax rate on a period-to-period basis and are therefore excluded when calculating the effective tax rate.
Indefeasible Rights of Use (IRU)	A standard long-term leasehold contractual agreement that confers upon the holder the exclusive right to use a portion of the capacity of a fibre route for a stated period.
Information and communication technologies (ICT)	ICT refers to all communication technologies, including the internet, wireless networks, cell phones, computers, software, middleware, videoconferencing, social networking, and other media applications and services.
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 Group'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 tower operation services provided by the Group and excluding mobile money services.

Net debt	An alternative performance measure (non-GAAP). The Group defines net debt as borrowings including lease liabilities less cash and cash equivalents, term deposits with banks, processing costs related to borrowings and fair value hedge adjustments.
Net debt to EBITDA (annualized)	An alternative performance measure (non-GAAP). Calculated by dividing net debt at the end of the relevant period by EBITDA for the relevant period (annualised).
Net Debt to EBITDA (LTM)	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.
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 and mobile money commissions.
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 company (OpCo)	Operating company (or OpCo) is a defined corporate business unit, providing telecoms services and mobile money services in the Group's footprint.
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.
Reported currency	Our reported currency is US dollars. Accordingly, actual periodic exchange rates are used to translate the local currency financial statements of OpCos into US dollars. Under reported currency the assets and liabilities are translated into US dollars at the exchange rates prevailing at the reporting date whereas the statements of profit and loss are translated into US dollars at monthly average exchange rates.
Return on capital employed (ROCE)	ROCE is calculated by dividing EBIT for the preceding 12 months by the average of the opening and closing capital employed. Capital employed used for ROCE is defined as the sum of total equity (grossed up for put option provided to minority shareholders), non-controlling interests ('NCI') and net debt. For quarterly computations, ROCE is calculated by dividing EBIT for the preceding 12 months by the average capital employed (being the average of the capital employed averages for the preceding four quarters).
Return on equity (ROE) – post-tax	ROE-post-tax is calculated by dividing net profit for the preceding 12 months by the closing equity attributable to equity holders of the company (grossed up for put option provided to minority shareholders). For quarterly computations, ROE-post-tax is calculated by dividing net profit for the preceding 12 months by the closing equity attributable to equity holders of the company (grossed up for put option provided to minority shareholders).
Return on equity (ROE) – pre-tax	ROE-pre-tax is calculated by dividing profit before tax (including exceptional item) for the preceding 12 months by the closing equity attributable to equity holders of the company (grossed up for put option provided to minority shareholders) and non-controlling interests ('NCI'). For the quarterly computations, it is computed by dividing profit before tax (including exceptional items) for the preceding last 12 months from the end of the relevant period by the closing equity attributable to equity holders of the company (grossed up for put option provided to minority shareholders) and non-controlling interests ('NCI') for the relevant period.
Revenue	An alternative performance measure (non-GAAP). Defined as revenue before exceptional items.
Revenue per site per month	Revenue per site per month is calculated by dividing total revenue, excluding sale of goods (if any) during the relevant period by the average number of sites; and dividing the result by the number of months in the relevant period.

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	Total MBs consumed (uploaded & downloaded) by customers on the Group's GPRS, 3G and 4G network during the relevant period.
Unstructured supplementary service data	Unstructured supplementary service data (USSD), also known as "quick codes" or "feature codes", is a communications protocol for GSM mobile operators, similar to SMS messaging. It has a variety of uses such as WAP browsing, prepaid callback services, mobile-money services, location-based content services, menu-based information services, and for configuring phones on the network.
Voice minutes of usage per customer per month	Calculated by dividing the total number of voice minutes of usage on the Group'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 Group's network for making and receiving voice calls. It includes all incoming and outgoing call minutes, including roaming calls.
Weighted average number of shares	The weighted average number of shares is calculated by multiplying the number of outstanding shares by the portion of the reporting period those shares covered, doing this for each portion and then summing the total.

Abbreviations

2G	Second-generation mobile technology
3G	Third-generation mobile technology
4G	Fourth-generation mobile technology
ARPU	Average revenue per user
bn	Billion
bps	Basis points
CAGR	Compound annual growth rate
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
FPPP	Financial position and prospects procedures
GAAP	Generally accepted accounting principles
GB	Gigabyte
HoldCo	Holding company

IAS	International accounting standards
ICT	Information and communication technologies
ICT (Hub)	Information communication technology (Hub) IFRS
IFRS	International financial reporting standards
IMF	International monetary fund
IPO	Initial public offering
KPIs	Key performance indicators
KYC	Know your customer
LTE	Long-term evolution (4G technology)
LTM	Last 12 months
m	Million
MB	Megabyte
MI	Minority interest (non-controlling interest)
NGO	Non-governmental organisation
OpCo	Operating company
P2P	Person to person
PAYG	Pay-as-you-go
pp	Percentage points
PPE	Property, plant and equipment
QoS	Quality of service
RAN	Radio access network
ROCE	Return on capital employed
SIM	Subscriber identification module
Single RAN	Single radio access network
SMS	Short messaging service
TB	Terabyte
Telecoms	Telecommunications
UoM	Unit of measure
USSD	Unstructured supplementary service data

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