Airtel Africa plc

Results for nine-month period ended 31 December 2021

4 February 2022

Strong growth across all key metrics, with Nigeria PSB approval in principle to unlock further mobile money opportunity

Highlights

- Reported revenue grew by 21.7% to $3,492m.
- Constant currency underlying revenue grew by 24.8%.
- Constant currency underlying revenue growth was recorded across all regions: Nigeria up 29.0%, East Africa up 24.4% and Francophone Africa up 19.0%; and across all key services, with revenue in Voice up 16.1%, and in Data and Mobile Money both up 37.2%.
- Underlying EBITDA was $1,703m, growing by 31.3% in reported currency with an EBITDA margin of 48.8%, an increase of 326 basis points led by both revenue growth and improved operational efficiencies.
- Operating profit grew by 43.1% to $1,146m in reported currency.
- Profit after tax almost doubled to $514m as higher profit before tax more than offset associated tax charges.
- Basic EPS was 11.7 cents, an increase of 113.8%, largely as a result of higher profit. EPS before exceptional items increased to 11.5 cents, up from 5.0 cents in the previous period.
- Operating free cash flow grew by 42.2% to $1,271m and net cash generated from operating activities was up 23.1% to $1,499m.
- Leverage ratio improved to 1.4x from 2.1x in the previous period.
- The customer base expanded to 125.8 million, growing by 5.8%, with increased penetration across mobile data (customer base up 11.1%) and mobile money services (customer base up 19.6%). Customer base growth was affected by the NIN/SIM regulations in Nigeria but returned to growth in this region in the third quarter; excluding Nigeria the customer base grew by 12.0%.

Alternative performance measures [2] (Nine-month period ended)					**GAAP measures (Nine-month period ended)**			
Description	**Dec-21 $m**	**Dec-20 $m**	**Reported currency change %**	**Constant currency change %**	**Description**	**Dec-21 $m**	**Dec-20 $m**	**Reported currency change %**
Underlying revenue [1]	3,492	2,850	22.5%	24.8%	Revenue	3,492	2,870	21.7%
Underlying EBITDA	1,703	1,297	31.3%	34.1%	Operating profit	1,146	800	43.1%
Underlying EBITDA margin	48.8%	45.5%	326 bps	338 bps	Profit after tax	514	261	97.3%
EPS before exceptional items ($ cents)	11.5	5.0	131.3%		Basic EPS ($ cents)	11.7	5.5	113.8%
Operating free cash flow	1,271	894	42.2%		Net cash generated from operating activities	1,499	1,217	23.1%

(1) Underlying revenue excludes a one-time exceptional revenue of $20m relating to a settlement in Niger in the previous period (December 2020).

(2) Alternative performance measures (APM) are described on page 17.

Segun Ogunsanya, chief executive officer, on the trading update:

"A strong third quarter has contributed to a pleasing nine-month financial performance across all key metrics.

Operationally we have continued to execute on our network and distribution expansion plans, driving continued strong growth in ARPUs across voice, data and mobile money. We have also seen further improvement in our customer growth trends for the Group with Nigeria returning to strong customer growth after a period affected by the implementation of new 'know your customer' requirements, posting 1.9 million net additions in the third quarter, taking total Group customer additions to 3.1 million.

I am particularly pleased with developments in Nigeria, where in November we received approval in principle for both a payment service bank (mobile money) licence and a super-agent licence. We are now working closely with the Central Bank to meet all its conditions to receive the final operating licences and commence operations. This will enable us to expand our digital financial products and reach the millions of Nigerians that do not have access to traditional financial services.

We continued to strengthen our balance sheet, with our leverage ratio now 1.4 times underlying EBITDA, thanks both to the continued increases in operating cash flow delivery and to the $550m of cash that has now been received from minority investments into our mobile money business.

We will continue to invest in expanding and evolving our platform to further deepen both financial and digital inclusion across Africa. I continue to see huge growth potential across voice, data and mobile money and our strategy is delivering against this opportunity. Our sustained investments in both network and distribution expansion will help to ensure that both the communities and economies across our footprint will continue to benefit from increased and affordable connectivity and financial inclusion. We are committed to continue to improve the delivery of our services to our customers, with sustainability at the heart of our continued purpose to transform lives across Africa."

Airtel Africa plc ('Airtel Africa' or 'Group') results for nine-month period ended 31 December 2021 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 prepared based on International Accounting Standard 34 (IAS 34) issued by the International Accounting Standards Board (IASB) approved for use in the 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 2021 except to the extent required/ prescribed by IAS 34. This report should be read in conjunction with the audited consolidated financial statements and related notes for the year ended 31 March 2021. Comparative annual information has been drawn based on Airtel Africa plc's Audited Consolidated Financial Statements for the year ended 31 March 2021; with quarterly and nine-month period information drawn from the unaudited IAS 34 financials of the respective periods. All comparatives and references to the 'prior period' or 'previous period' in this report are for the reported metrics for the nine-month period ended 31 December 2020 unless otherwise stated.

About Airtel Africa

Airtel Africa is a leading provider of telecommunications and mobile money services, with a presence in 14 countries in Africa, primarily in East Africa and Central and West Africa.

Airtel Africa offers an integrated suite of telecoms solutions to its subscribers, including mobile voice and data services as well as mobile money services, both nationally and internationally. We aim to continue providing a simple and intuitive customer experience through streamlined customer journeys.

Enquiries

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Conference call

The management team will host an analyst and investor conference call at 12:00pm UK time (GMT), on Friday 4 February 2022, including a Question and Answer session.

To receive an invitation with the dial in numbers to participate in the event, please register beforehand using the following link:

https://services.choruscall.za.com/DiamondPassRegistration/register?confirmationNumber=7504208&linkSecurityString=d475ef700

Key financial information

Description	Unit of measure	Nine-month period ended				Quarter ended			
		Dec-21	Dec-20	Reported currency change %	Constant currency change %	Dec-21	Dec-20	Reported currency change %	Constant currency change %
Profit and loss summary									
Underlying revenue [1]	**$m**	**3,492**	**2,850**	**22.5%**	**24.8%**	**1,219**	**1,034**	**17.9%**	**20.0%**
Voice revenue	$m	1,747	1,537	13.6%	16.1%	606	565	7.4%	9.9%
Data revenue	$m	1,127	842	33.9%	37.2%	395	294	34.4%	37.7%
Mobile money revenue [2]	$m	406	291	39.6%	37.2%	148	110	34.4%	29.2%
Other revenue	$m	306	255	19.9%	22.0%	105	90	15.8%	18.2%
Expenses	$m	(1,797)	(1,563)	15.0%	16.9%	(616)	(551)	11.9%	14.0%
Underlying EBITDA [3]	**$m**	**1,703**	**1,297**	**31.3%**	**34.1%**	**605**	**485**	**24.7%**	**26.8%**
Underlying EBITDA margin	%	48.8%	45.5%	326 bps	338 bps	49.6%	46.9%	273 bps	268 bps
Depreciation and amortisation	$m	(556)	(505)	10.3%	12.4%	(190)	(176)	8.0%	10.7%
Operating exceptional items	$m	-	14	(100.0%)	(100.0%)	-	20	(100.0%)	(100.0%)
Operating profit [4]	**$m**	**1,146**	**800**	**43.1%**	**46.6%**	**414**	**328**	**26.4%**	**27.8%**
Net finance costs	$m	(291)	(318)	(8.4%)		(122)	(128)	(4.5%)	
Non-operating exceptional items[5]	$m	9	-	0.0%		5	-	0.0%	
Profit before tax	**$m**	**864**	**482**	**79.4%**		**297**	**200**	**48.5%**	
Tax	$m	(350)	(235)	48.6%		(117)	(89)	31.6%	
Tax - exceptional items	$m	-	14	(100.0%)		-	5	(100.0%)	
Total tax charge	$m	(350)	(221)	58.3%		(117)	(84)	39.1%	
Profit after tax [6]	**$m**	**514**	**261**	**97.3%**		**180**	**116**	**54.4%**	
Non-controlling interest	$m	(74)	(55)	35.8%		(25)	(21)	14.3%	
Profit attributable to owners of the company - before exceptional items	$m	431	187	131.0%		150	74	102.0%	
Profit attributable to owners of the company	**$m**	**440**	**206**	**113.6%**		**155**	**95**	**63.3%**	
EPS - before exceptional items	cents	11.5	5.0	131.3%		4.0	2.0	102.2%	
Basic EPS	cents	11.7	5.5	113.8%		4.1	2.5	63.5%	
Weighted average no of shares	million	3,755	3,758	(0.1%)		3,754	3,758	(0.1%)	
Capex	$m	432	403	7.2%		187	188	(0.2%)	
Operating free cash flow	$m	1,271	894	42.2%		418	298	40.4%	
Net cash generated from operating activities	$m	1,499	1,217	23.1%		577	474	21.9%	
Net debt	$m	3,050	3,518			3,050	3,518		
Leverage (net debt to underlying EBITDA)	times	1.4x	2.1x			1.4x	2.1x		
Return on capital employed	%	21.9%	15.4%	653 bps		21.5%	15.5%	600 bps	
Operating KPIs									
ARPU	$	3.2	2.8	14.9%	17.1%	3.3	2.9	12.8%	14.8%
Total customer base	million	125.8	118.9	5.8%		125.8	118.9	5.8%	
Data customer base	million	45.1	40.6	11.1%		45.1	40.6	11.1%	
Mobile money customer base	million	25.7	21.5	19.6%		25.7	21.5	19.6%	

(1) Revenue includes intra-segment eliminations of $94m for the nine-month period ended 31 December 2021 and $75m for the prior period. And it also excludes one-time exceptional revenue of $20m relating to a settlement in Niger in the nine-month and three-month periods ended 31 December 2020.

(2) Mobile money revenue post intra-segment eliminations with mobile services was $312m for the nine-month period ended 31 December 2021, and $216m for the prior period.

(3) Underlying EBITDA includes other income of $9m for the nine-month period ended 31 December 2021, and $10m for the prior period.

(4) Operating profit includes $1m CSR (Corporate Social Responsibility) expense for the period, and $6m CSR expense in the prior period.

(5) Non-operating exceptional items in the nine-month period ended 31 December 2021 include a gain of $9m on the sale of telecommunication tower assets in the Group's subsidiaries in Rwanda and Madagascar.

(6) Profit after tax increase was largely due to higher operating profit more than offsetting the associated increase in tax charges.

Financial review for nine-month period ended 31 December 2021

Effective execution of our strategy resulted in another strong set of results across all our regional segments and key services. Reported revenue grew by 21.7%.

Underlying revenue in constant currency grew by 24.8%. Revenue in Nigeria grew by 29.0%, in East Africa by 24.4% and in Francophone Africa by 19.0% in constant currency. We continued our strong double-digit growth across all key services: our voice revenue grew by 16.1%, and both data revenue and mobile money revenue grew by 37.2%, and other revenue by 22.0%. As a result, mobile services revenue grew by 23.3% in constant currency (20.7% in reported currency) and mobile money services revenue grew by 37.2% (39.6% in reported currency). The year-on-year constant currency revenue growth rate for Q3'22 of 20.0% was lower than the nine-month growth rate of 24.8% primarily due to softer comparatives in the first quarter of the prior year during the peak period of Covid-19 related restrictions across the region.

Net finance costs were lower compared with the previous period driven by lower forex losses. The increase in tax charges of $129m was due to higher operating profit and withholding tax on dividends by subsidiaries, with the prior period also benefitting from $14m deferred tax credit recognition.

Basic EPS improved to 11.7 cents and EPS before exceptional items improved to 11.5 cents, with higher profits more than offsetting the associated increased tax.

Net debt was $3,050m, a reduction of $468m mainly due to increased cash generation and proceeds from Airtel Money investments. Leverage improved to 1.4x from 2.1x in the previous period, largely driven by increased cash generation, expansion in underlying EBITDA and $550m of receipts from mobile money minority investors. Our balance sheet has also been further de-risked by continued localisation of our debt into the OpCos.

GAAP measures

Revenue

Reported revenue grew by 21.7% to $3,492m. The prior period benefitted from a one-time exceptional revenue of $20m relating to a settlement in Niger. Excluding this, revenue grew by 22.5% in reported currency and by 24.8% in constant currency. The difference relates to currency devaluations, mainly in the Nigerian naira (6.3%) and the Malawian kwacha (8.2%), in turn partially offset by appreciation in the Ugandan shilling (4.3%) and the Central African franc (2.0%). Revenue growth for the 9 months period benefitted from a weakened performance in the first quarter of the prior year during the peak period of Covid-19 related restrictions across the region. However, even after adjusting for this, Group revenue growth rates were ahead of FY'21.

Operating profit

Operating profit was $1,146m, growing by 43.1% in reported currency as a result of strong revenue growth and improvements in operating efficiency across all our regional segments.

Net finance costs

Net finance costs decreased by $27m, as a result of lower foreign exchange losses and a one-time $12m gain in other finance charges as a result of the reversal of an interest provision in one of our operating entities.

The Group effective interest rate increased from 4.8% to 5.6% largely driven by the repayment of the Eurobond in May 2021, which carried a lower than average coupon and higher local currency debt at the OpCo level.

Taxation

Total tax charges increased by $129m, largely due to higher operating profit and withholding tax on dividends by subsidiaries. The prior period also benefited from the recognition of a deferred tax credit of $14m in Tanzania.

Profit after tax

Profit after tax almost doubled to $514m, an increase of 97.3%. The increase was mainly led by higher operating profits along with lower net finance costs, which more than offset the increase in tax charges due to increased profits.

Basic EPS

Basic EPS more than doubled to 11.7 cents, an improvement of 6.2 cents, up from 5.5 cents in the prior period. The increase was mainly due to higher operating profits which more than offset the increased tax charges.

Net cash generated from operating activities

Net cash generated from operating activities increased by $282m, an increase of 23.1% to $1,499m (from $1,217m in the previous period), mainly driven by higher profit before tax of $382m partially offset by higher tax payments on the increased profits.

Alternative performance measures[1]

Underlying revenue

Underlying revenue in constant currency grew by 24.8% driven by customer base growth of 5.8% to 125.8 million and strong ARPU growth of 17.1%. Customer base growth was affected by the new NIN/SIM registration regulations in Nigeria; excluding Nigeria the customer base grew by 12.0%. In Nigeria, while year on year our customer base has declined by 2 million, our customer base returned to growth in the third quarter, adding 1.9 million customers and contributing towards total Group net customer additions of 3.1 million. ARPU growth of 17.1% was driven largely by growth in the contribution from data ARPU of 8.5%, followed by voice contribution growth of 4.8%, mobile money contribution growth of 3.0%, and with the balance coming from growth in other revenue.

All our regional segments and key services posted strong revenue growth; Nigeria grew by 29.0%, East Africa by 24.4% and underlying revenue in Francophone Africa grew by 19.0%. Voice revenue grew by 16.1%, and both data and mobile money grew by 37.2% in constant currency.

Underlying EBITDA

Underlying EBITDA increased by 31.3% to $1,703m in reported currency while in constant currency growth was 34.1%. The growth in underlying EBITDA was led by revenue growth and supported by improved operating efficiencies. The underlying EBITDA margin was 48.8%, an improvement of 326 basis points in reported currency and 338 basis points in constant currency.

During the period, foreign exchange had an adverse impact of $47m on revenue and $23m on underlying EBITDA, as a result of devaluation of the Nigerian naira and the Malawian kwacha, in turn partially offset by appreciation in the Ugandan shilling, the Zambian kwacha and the Central African franc.

With respect to currency sensitivity, on a 12-month basis, a 1% currency devaluation across all currencies in our OpCos would have a negative impact of $41m on revenues, $25m on underlying EBITDA and $22m on finance costs. Our largest exposure is to the Nigerian naira, for which each 1% of devaluation would have a negative impact of $17m on revenues, $10m on underlying EBITDA and $7m on finance costs.

Tax

The effective tax rate was 39.6% compared to 45.5% in the prior period, largely a result of 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 the withholding tax on dividends by subsidiaries.

Exceptional items

An exceptional gain of $9m was recorded in the nine-month period ended 31 December 2021 on the sale of telecommunication tower assets in the Group's subsidiaries in Rwanda and Madagascar. The prior period exceptional gain of $28m includes one-time exceptional revenue of $20m relating to a settlement in Niger and a deferred tax credit recognition in Tanzania amounting to $14m, partially offset by one-off costs of $6m in Francophone Africa.

EPS before exceptional items

EPS before exceptional items more than doubled to 11.5 cents, an improvement of 6.5 cents, up from 5.0 cents in the prior period. The increase was mainly due to higher operating profits which more than offset the increased tax charges.

Operating free cash flow

Operating free cash flow increased by 42.2% to $1,271m due to higher underlying EBITDA more than offsetting increased capital expenditure. Capital expenditure in the prior period was slightly lower due to logistical challenges as a result of the pandemic.

Leverage

Leverage (net debt to underlying EBITDA) improved to 1.4x at 31 December 2021, from 2.1x at 31 December 2020, largely driven by increased cash generation, expansion in underlying EBITDA and receipts of $550m from mobile money minority investments. Our balance sheet continued to be de-risked through a reduction of net debt (now $3.0bn, from $3.5bn in the prior period) and increased localisation of our debt into the OpCos, such that our gross OpCo debt of $2,636m is now higher than our HoldCo debt of $1,505m.

[1] *Alternative performance measures (APM) are described on page 17.*

Other significant updates

Payment service bank licence in Nigeria

On 4 November 2021, Airtel Africa's subsidiary SMARTCASH Payment Service Bank Limited ('Smartcash') was granted approval in principle to operate a payment service bank ('PSB') business in Nigeria.

The PSB licence is required for Airtel to provide financial services in Nigeria, such as accepting cash deposits and carrying out payments and remittances, issuing debit and prepaid cards, operating electronic wallets and rendering other financial services.

Airtel Nigeria is working closely with the Central Bank to meet all its conditions to receive the operating licence and commence operations. The final operating licence will enable us to expand our digital financial products and reach the millions of Nigerians that do not have access to traditional financial services.

Final approval is subject to the Group satisfying certain standard conditions within six months.

Super-agent licence in Nigeria

On 14 November 2021, Airtel Africa's subsidiary Airtel Mobile Commerce Nigeria Ltd was granted approval in principle by the Central Bank of Nigeria to operate as a super-agent in Nigeria.

The super-agent licence is distinct from the PSB licence. Under the super-agent licence, we are able to create an agent network that can service the customers of licensed Nigerian banks, payment service banks and licenced mobile money operators in Nigeria.

Final approval of the super-agent licence is subject to the Group satisfying certain standard conditions.

Early Bond redemption

Post period end, on 4 February 2022, Airtel Africa announced that its 100% owned subsidiary, Bharti Airtel International (Netherlands) B.V., had elected to redeem all of its 5.125% Guaranteed Senior Notes due 2023 ('Notes'), aggregating to US$504,915,000, on 4 March 2022 ('Redemption Date'), ahead of its maturity in March 2023.

In addition to the outstanding principal, the redemption price will include settlement of all outstanding accrued interest up to the Redemption Date, plus the applicable make-whole premium in accordance with the terms of the Notes.

This early redemption aligns with the continuation of our pursuit of a reduction of external foreign currency debt at Group level.

Completion of Airtel Nigeria minority buyout offer

On 2 December 2021, further to the buyout offer announcement of 4 October 2021, Airtel Africa announced the completion of the minority shareholding buyback of Airtel Networks Limited ('Airtel Nigeria'), a subsidiary of Airtel Africa plc and a leading provider of telecommunication services in Nigeria.

The purchase consideration for the 8.22% minority shareholdings acquired under the buyback was NGN 61bn, equivalent to $147m at an exchange rate of 415.07 NGN/USD.

Airtel Africa now holds 99.96% of the issued share capital of Airtel Nigeria.

NIN / SIM registration rules in Nigeria

Following a directive issued by the Nigerian Communications Commission (NCC) on 7 December 2020 to all Nigerian telecom operators, Airtel Nigeria has been working with the government to ensure that all our subscribers provide their valid National Identification Numbers (NINs) to update SIM registration records.

Initially, new customer acquisitions were discontinued until significant progress had been made on linking the active customer base with verified NINs. Natural churn in the customer base tempered the growth in active mobile customers in the nine-month period to only 0.4 million (an addition of 1.9 million customers in Q3, after net losses of 1.1 million customers in Q1 and 0.4 million in Q2) following on from the net loss of 2.5 million customers in the final quarter of the year to 31 March 2021. However, the financial impact has been minimal, with continued revenue growth, largely due to the significantly lower ARPU of the churned base and increased usage by the active base. In April, the NCC announced that it would allow new customer enrolment to recommence from certified outlets (a branch or kiosk where customers can sign up to Airtel). To date, Airtel Nigeria has received approvals for over 9,800 outlets and new customer registrations have recommenced in those outlets. The NCC also issued a further directive in April with the effect that no individual customers can register more than four SIM cards under one NIN on any network.

The original regulatory directive set an initial deadline for customers to register their NIN with their SIM of 30 December 2020. This was subsequently moved several times, with the latest deadline set for 31 March 2022.

We have made significant progress on capturing existing NINs and building the database in collaboration with National Identity Management Commission (NIMC). To date, out of Airtel Nigeria's 42.4 million active customers, we have collated NIN information for 30.0 million active mobile customers. To complete the registration process, we must also verify the NIN information we have received from our subscribers with the NIMC.

First closing of towers sale in Tanzania

Post period end, on 5 January 2022, Airtel Africa announced the first closing of the transaction to sell its telecommunications tower assets in Tanzania to a joint venture company owned by a wholly-owned subsidiary of SBA Communications Corporation, a leading global independent owner and operator of wireless communications infrastructure, as majority owner, and by Paradigm Infrastructure Limited, a UK company focused on developing, owning and operating shared passive wireless infrastructure in selected growth markets.

The gross consideration for the transaction will be $176m. Under the terms of the transaction, Airtel Africa's subsidiary in Tanzania will continue to develop, maintain and operate its equipment on the towers under separate lease arrangements, largely made in local currencies, with the purchaser.

With first closing, approximately $159m of the proceeds for the transaction has now been received, with the balance receivable in instalments upon the completion of the transfer of remaining towers to the purchaser. Around $60m from the proceeds will be used to invest in network and sales infrastructure in Tanzania and for distribution to the Government of Tanzania, as per the settlement described in the Airtel Africa IPO Prospectus document published in June 2019. The balance of the proceeds will be used to reduce debt at Group level. As first closing was completed after 31 December 2021, the accounting effects shall be reflected in the financial information for the period ending 31 March 2022.

First closing of towers sale in Madagascar

On 3 November 2021, Airtel Africa announced the first closing of the transaction to sell its telecommunications tower company in Madagascar to Helios Towers plc, a leading independent telecommunications infrastructure company in Africa.

The gross consideration for the transaction will be $52m. Under the terms of the transaction, Airtel Africa's subsidiary will continue to develop, maintain and operate its equipment on the towers under separate lease arrangements, largely made in local currencies, with the purchaser.

The proceeds from the transaction will be used to reduce Group external debt and to invest in network and sales infrastructure in Madagascar.

Strategic investments in our mobile money business

Following earlier similar announcements of investments in our mobile money business of $200m by TPG's The Rise Fund and $100m by Mastercard (made on 18 March 2021 and 1 April 2021 respectively) in July 2021, Airtel Africa signed agreements with Qatar Holding LLC, an affiliate of the Qatar Investment Authority ('QIA'), regarding their investment of $200m in Airtel Mobile Commerce BV ('AMC BV'), a subsidiary of Airtel Africa plc. AMC BV is the holding company for several of Airtel Africa's mobile money operations; and ultimately is intended to own and operate the mobile money businesses across all of Airtel Africa's 14 operating countries.

On 2 August 2021 and 20 August 2021 Airtel Africa announced first closings relating to the Airtel Money minority investment transactions with TPG's The Rise Fund and Mastercard, and subsequently with Qatar Holding LLC respectively. Upon first closings, The Rise Fund, Mastercard and QIA invested $150m, $75m and $150m respectively in a secondary purchase of shares in AMC BV from a subsidiary of Airtel Africa, and both QIA and TPG each appointed a director to the board of AMC BV.

In November 2021, Airtel Africa announced second closings relating to these Airtel Money minority investment transactions, with a further $50m, $25m and $50m invested into AMC BV by The Rise Fund, Mastercard and QIA respectively.

In December 2021, Airtel Africa announced the introduction of Chimera Investment LLC as an additional investor in AMC BV through a $50m secondary purchase of shares from a subsidiary of Airtel Africa plc. Chimera Investment LLC (through its subsidiary Chimetech Holding Ltd.) now holds minority stakes in AMC BV alongside the other minority investors, with Airtel Africa continuing to hold the majority stake.

These transactions are a continuation of the Group's pursuit of strategic asset monetisation and investment opportunities, and it is the aim of Airtel Africa to explore the potential listing of the mobile money business within four years of the original deal announcement made in March 2021.

Airtel Africa has now received a total of $550m cumulative proceeds from minority stake sales in Airtel Money from the four investors. As previously reported, the proceeds from these secondary stake sale transactions were used for repayment of Group debt and for investment in network and sales infrastructure in the respective operating countries.

Airtel Money partnership in East Africa with Flutterwave

On 5 October 2021, Airtel Money announced a new partnership with leading African payments company, Flutterwave, to expand Airtel Money's services to businesses across East Africa. The partnership enables businesses integrating Flutterwave in Uganda, Tanzania, Zambia, Malawi, Kenya and Rwanda, to receive payments from Airtel Money customers, as well as make bulk payments into Airtel Money wallets thanks to Airtel Money's proprietary fintech platforms.

The new services will go live subject to regulatory approvals in the respective countries and will reach Airtel Money's 20 million customers based in East Africa.

Launch of sustainability strategy

Within our Full Year Results announcement in May 2021, we highlighted that we would publish the measurable medium to long-term sustainability goals we set ourselves. In the first six months of this financial year, we identified the programmes needed, along with key milestones towards these goals. We also conducted a consultation progress with our stakeholders to gather feedback and further inform our sustainability strategy.

In October 2021, Airtel Africa launched an ambitious sustainability strategy that underpins our well-established corporate purpose of 'Transforming Lives.' The strategy demonstrates our commitment to developing the infrastructure and services that will drive both digital and financial inclusion for people across Africa and provides a framework to contribute to six of the United Nations' Sustainable Development Goals ('SDGs') where we believe we can have the biggest impact. These are SDG 4: Delivering quality education; SDG 5: Gender equality; SDG 8: Decent work and economic growth; SDG 9: Industry innovation and infrastructure; SDG 10: Reduced inequalities; and SDG 12: Responsible consumption and production.

The launch of our sustainability strategy builds upon the Group's sustainability framework, announced with the FY'21 results, with its four key pillars of 'Our business', 'Our people', 'Our communities' and 'Our environment', and the strong foundations of the work we are already doing at a Group level and across all our local operations. The new sustainability strategy covers every aspect of our business activities, and has environmental, social and governance criteria at its core.

The sustainability strategy includes nine goals and commitments, with corresponding programmes that address the business' material topics (identified through an extensive consultation at the beginning of the year) and enable the Group to continue delivering sustainable growth and uphold the best governance standards:

- **Data security goal:** Establish industry-leading data security for our customers; through investments in technology and expertise, updated processes and consumer awareness - with focus areas around confidentiality, integrity and availability.
- **Service quality goal**: Provide underserved communities with access to reliable networks and connectivity; through the rollout of new infrastructure and technology, improved fibre connectivity and capacity - with focus areas on service accessibility, delivery and reliability.
- **Supply chain goal:** Ensure all our suppliers are aligned with our sustainability agenda; through programmes to increase supplier disclosure and audit ESG performance - with focus areas on enhanced supplier due diligence and ongoing ESG compliance.
- **Commitments to our people:** with our ambition to provide rewarding employment opportunities and to achieve genuine diversity and inclusion at all levels across the business through four key commitments**:**
    - Delivering equality in our workforce; through recruitment and programmes to provide training and advancement for everyone regardless of gender, nationality or disability;
    - Providing best practice training and development; through upskilling and reskilling initiatives to ensure they can succeed in their future careers. And through supporting female entrepreneurs through training and increasing women's participation in the technology and engineering sectors;
    - Providing the highest standards of health and safety for our employees and contractors; through the introduction of a best practice social and health and safety management system, improved policies and full compliance with all legislation and regulation; and,
    - Maintaining the highest levels of employee engagement; through the introduction of additional channels that provide every one of our people with a voice.
- **Digital inclusion goal**: significantly improve digital Inclusion across Africa; by driving the penetration of mobile, smartphones and home broadband in rural areas through the provision of retail and support services.

- **Financial inclusion goal**: significantly increase financial inclusion in Africa, with particular support for women; through the development of affordable financial products to meet the needs of the un- and under-banked, a reliable service and financial confidence and literacy.
- **Access to education goal:** helping transform the lives of over one million children through improving access to education - with programmes around connectivity, the provision of zero-rated education content under a five-year UNICEF partnership, connecting 1,400 schools to the internet by 2027, and the adoption and support of schools in all our markets.
- **Greenhouse gas emissions reduction goal:** Our ambition is to achieve net zero greenhouse gas ('GHG') emissions ahead of the 2050 deadline set out in the Paris Agreement. To do this we must fully identify, measure and reduce our GHG emissions which can only be achieved in partnership with our peers and the wider industry. We will establish and launch a sector leading and credible decarbonisation pathway in 2022, ahead of the publication of our first Sustainability Report. In January 2022, we have engaged with the Carbon Trust for their advice and assistance with several aspects of our Greenhouse gas emissions measurement, management and reporting.
- **Environmental stewardship:** Eliminate hazardous waste from our operations, significantly reduce our non-hazardous waste and minimise our water consumption; with programmes to replace damaging materials, expand recycling schemes and build employees' awareness around the protection of our natural resources.

Partnership with UNICEF

On 1 November 2021, Airtel Africa and UNICEF announced a five-year pan-African partnership to help accelerate the roll-out of digital learning through connecting schools to the internet and ensuring free access to learning platforms across 13 countries. By providing equal access to quality digital learning, particularly for the most vulnerable children, the partnership will help to ensure that every child reaches their full potential.

Airtel Africa is the first African private sector partner to make a multimillion-dollar commitment to 'Reimagine Education', a global initiative launched by UNICEF in 2020 calling for public and private sector investment in digital learning as an essential service for every child and young person across the globe. This initiative aims to give children a chance to catch up on their learning needs amid the ongoing global pandemic.

Airtel Africa's financial and in-kind contribution for this partnership is $57m over five years to 2027. The programme will call on technology and expertise, in addition to direct financial support to connect schools and communities to the internet and enable free access to online educational content for students. It will also provide vital data insights to inform UNICEF's work to scale-up digital learning and help ensure it is sustainable and meets students' needs across Africa.

The Airtel Africa and UNICEF pan-African partnership will benefit students in Chad, Congo, Democratic Republic of the Congo, Gabon, Kenya, Madagascar, Malawi, Niger, Nigeria, Rwanda, Tanzania, Uganda and Zambia.

Dividend policy

In October 2021, the Board approved an upgrade to the progressive dividend policy as a result of continued strong business performance and significant progress made in reducing the leverage ratio. The new policy aims to grow the dividend annually by a mid to high-single digit percentage from a new base of 5 cents per share for FY 2022, with a continued focus to further strengthen the balance sheet. The Board declared an interim dividend of 2 cents per share (1.5 cents in H1'21) in line with this upgraded dividend policy, which was subsequently paid on or around 10 December 2021.

Covid update

The Covid-19 pandemic contributed to a rapid acceleration of already existing macro trends across the countries where we operate, with people, businesses and governments seeking access to more and better connectivity and improved financial inclusion. These challenging times have shown that the telecoms industry is a key and essential service for these economies, allowing customers to work remotely, reduce their travel, keep connected and have access to affordable entertainment and financial services.

Covid-19 presented significant challenges to the business, particularly during the initial phase of the pandemic in Q1 last year, when mobile money and mobile services growth both slowed. However, the actions taken by the Board at that time enabled the continued execution of our strategy, including meeting increased customer demand for data, mobile money and mobile services.

Through multiple lockdowns and during times of national crisis our people have kept our distribution channels available and our networks fully operational. Our business partners have similarly continued to deliver their services despite numerous logistical challenges, and governments and regulators have continued to support the industry and helped facilitate our continued support to the economies of the countries and the communities we serve.

Several times through the pandemic, the governments in the countries where we operate have acted swiftly to implement and enforce restrictions on the movement of people to prevent contagion. These swift actions, along with low population density and relatively youthful population demographics, less frequent travel, and local experience in dealing with contagious diseases, have resulted in generally lower infection rates in sub-Saharan Africa relative to some other regions. Around the world the vaccination effort is well under way, with a significant easing of social distancing rules and travel restrictions, although Africa lags most developed economies in attaining full vaccination cover.

Despite the resilience demonstrated by our business during the last two years, we are constantly monitoring how the situation is evolving to identify key risks and to put in place adequate mitigation plans to minimise any potential disruptions.

The Group will continue to focus on ensuring the safety of our employees, our outsourced partners and our customers; ensuring that our network and distribution channels remain fully operational and available; ensuring that our customers continue to have access to financial services and ensuring that at Group level we are in the right financial position to meet our financial obligations at all times.

New shareholding requirements in Kenya

On 9 April 2021, the Minister for ICT in Kenya published an amendment to the National Information Communications and Technology (ICT) Policy Guidelines, 2020 (ICT Policy). The ICT Policy amendment will affect Airtel Africa's Kenya business as follows:

- Airtel Networks Kenya Limited, which currently holds an indefinite exemption from the Minister for ICT, dated 20 March 2013, has three years with effect from 9 April 2021 to comply with the requirement to have a 30% local shareholding.
- Airtel Money Kenya Limited, which holds a Content Service Provider Licence from the Communications Authority of Kenya, with effect from November 2020, has three years from the date of the licence to comply with the requirement to have a 30% local shareholding.

Under the amended ICT policy, a licensee may apply to the ICT Minister for an extension of time to comply with the requirement, or to obtain an exemption.

Appointment of new CEO, and other Board appointments and changes

On 29 April 2021, Airtel Africa announced that Olusegun 'Segun' Ogunsanya, managing director and chief executive officer Airtel Nigeria was to succeed Raghunath 'Raghu' Mandava, as managing director and chief executive officer following Raghu Mandava's informing the Board of his intention to retire. Segun Ogunsanya joined the Board of Airtel Africa plc with effect from 1 October 2021.

Segun Ogunsanya joined Airtel Africa in 2012 as managing director and chief executive officer Airtel Nigeria and has been responsible for the overall management of our operations in Nigeria, our largest market in Africa. Segun has more than 25 years' business management experience in banking, consumer goods and telecoms. Before joining Airtel in 2012, Segun held leadership roles at Coca-Cola in Ghana, Nigeria, and Kenya (as managing director and chief executive officer). He has also been the managing director of Nigerian Bottling Company Ltd (Coca-Cola Hellenic owned) and Group head of retail banking operations at Ecobank Transnational Inc, covering 28 countries in Africa. He is an electronics engineer and also a chartered accountant.

Raghu Mandava has retired as managing director and chief executive officer, as a director of Airtel Africa plc and as a member of the Market Disclosure Committee as of 30 September 2021. Following his cessation of employment at Airtel Africa, Mr. Mandava remains available to advise the Chairman, the Airtel Africa Board and the newly appointed managing director and chief executive officer for a nine-month period.

Jaideep Paul, chief financial officer, was appointed as an executive director and joined the Board of Airtel Africa plc with effect from 1 June 2021.

On 12 October 2021, Airtel Africa announced the appointment of Ms Tsega Gebreyes to the Board as an independent non-executive director, with immediate effect.

New administrative office in Dubai

Airtel Africa plc has opened a new office in Dubai, adding to its existing administrative office locations in Nairobi, London, Amsterdam and Delhi.

The executive committee of Airtel Africa plc now operates out of the new office, which provides for significantly improved connectivity and enhanced cooperation with our 14 operating markets across Africa and with our other administrative offices.

Information on additional KPIs

An investor relations pack with information on the additional KPIs and balance sheet is available to download on our website at airtel.africa/investors.

Financial review for the nine-month period, ended 31 December 2021

Nigeria

Description	Unit of measure	Nine-month period ended				Quarter ended			
		Dec-21	Dec-20	Reported currency change %	Constant currency change %	Dec-21	Dec-20	Reported currency change %	Constant currency change %
Summarised statement of operations									
Revenue	**$m**	**1,370**	**1,130**	**21.3%**	**29.0%**	**476**	**412**	**15.5%**	**23.3%**
Voice revenue [1]	$m	717	657	9.1%	16.0%	246	244	0.9%	7.6%
Data revenue	$m	539	397	35.9%	44.5%	189	140	34.6%	43.6%
Other revenue [1]	$m	115	76	51.5%	61.1%	41	28	48.0%	57.9%
Underlying EBITDA	**$m**	**758**	**608**	**24.7%**	**32.6%**	**266**	**221**	**20.1%**	**28.1%**
Underlying EBITDA margin	%	55.3%	53.8%	150 bps	148 bps	55.9%	53.8%	212 bps	212 bps
Depreciation and amortisation	$m	(196)	(177)	11.0%	18.0%	(68)	(62)	10.1%	17.7%
Exceptional item	$m	-	-	0.0%	0.0%	-	-	0.0%	0.0%
Operating profit	**$m**	**562**	**431**	**30.4%**	**38.6%**	**198**	**159**	**24.0%**	**32.2%**
Capex	$m	182	178	2.2%	2.2%	78	81	(3.8%)	(3.8%)
Operating free cash flow	$m	576	430	34.0%	46.2%	188	140	33.9%	47.9%
Operating KPIs									
ARPU	$	3.7	2.9	28.7%	36.8%	3.9	3.0	27.5%	36.1%
Total customer base	million	42.4	44.4	(4.7%)		42.4	44.4	(4.7%)	
Data customer base	million	19.0	18.8	0.7%		19.0	18.8	0.7%	

(1) Voice revenue includes inter-segment revenue of $1m and other revenue includes inter-segment revenue of $2m in the nine-month period ended 31 December 2021. Excluding inter-segment revenue, voice revenue was $716m and other revenue was $113m in the nine-month period ended 31 December 2021.

Revenue in reported currency grew by 21.3% while in constant currency revenue grew by 29.0%. The differential in growth rates is due to devaluation of the Nigerian naira by 6.3%. The constant currency revenue growth of 29.0% was driven by ARPU growth of 36.8%, to which voice contributed 13.4%, data contributed 18.7% and the balance came from other revenue.

Voice revenue grew by 16.0%, driven by an increase in voice usage per customer of 23.1% with voice ARPU growth of 23.0%. The year-on-year decline in the customer base of 2 million was due to the implementation of new “Know-Your-Customer” (KYC) requirements in Nigeria, which initially included a temporary halt to new customer activations. New activations have been permitted in regulatory approved outlets since the end of April 2021. The number of regulatory approved outlets expanded to over 9,800 on 31 December 2021. Accordingly, while year on year our Nigerian customer base has declined by 2 million, in Q3’22 we added 1.9 million customers.

Data revenue growth continued to be a key driver of growth in Nigeria, growing by 44.5% in constant currency, driven by the growth in data usage per customer to 4.0 GB per month (from 2.7 GB per month in the prior period). The expansion of our 4G network and increase in smartphone penetration supported this growth in data usage. Almost 90% of our total sites in Nigeria are now on 4G and there has been a 2% increase in smartphone penetration. This has resulted in data ARPU growth of 44.1%. Data revenue accounted for 39.4% of total revenue in Nigeria in the nine-month period to 31 December 2021, up by 4.2% from the previous period. In Q3’22, 43.4% of our data customer base were 4G users, contributing to 73.4% of total data usage. 4G data usage per customer reached 5.9 GB per month in Q3’22, from 4.8 GB per customer per month in Q3’21.

Other revenue grew by 61.1%, with the main contribution coming from the growth in value added services revenue, led by airtime credit services.

Underlying EBITDA was $758m, an increase of 24.7% in reported currency and a constant currency growth of 32.6%. The underlying EBITDA margin was 55.3%, an increase of 150 basis points in reported currency and 148 basis points in constant currency as a result of improvements in operational efficiency. Operating free cash flow increased to $576m, up by 46.2%, due to the expansion of underlying EBITDA.

East Africa[1]

Description	Unit of measure	Nine-month period ended				Quarter ended			
		Dec-21	Dec-20	Reported currency change %	Constant currency change %	Dec-21	Dec-20	Reported currency change %	Constant currency change %
Summarised statement of operations									
Revenue [2]	**$m**	**1,282**	**1,023**	**25.2%**	**24.4%**	**459**	**364**	**26.0%**	**21.9%**
Voice revenue [3]	$m	586	486	20.6%	20.2%	210	174	20.5%	17.3%
Data revenue	$m	339	262	29.4%	28.5%	121	88	38.5%	34.0%
Mobile money revenue [4]	$m	300	211	42.0%	39.3%	111	80	38.9%	30.8%
Other revenue [3]	$m	118	112	4.9%	5.9%	40	38	4.5%	4.0%
Underlying EBITDA	**$m**	**630**	**463**	**36.2%**	**34.4%**	**233**	**170**	**37.0%**	**31.4%**
Underlying EBITDA margin	%	49.2%	45.2%	395 bps	365 bps	50.9%	46.8%	409 bps	365 bps
Depreciation and amortisation	$m	(180)	(164)	9.5%	9.3%	(62)	(58)	7.7%	5.9%
Exceptional item	$m	-	-	0.0%	0.0%	-	-	0.0%	0.0%
Operating profit [5]	**$m**	**450**	**297**	**51.6%**	**49.1%**	**171**	**112**	**52.1%**	**44.5%**
Capex	$m	160	168	(4.8%)	(4.8%)	76	87	(12.3%)	(12.3%)
Operating free cash flow	$m	470	295	59.5%	57.5%	157	83	88.3%	77.4%
Operating KPIs									
ARPU	$	2.5	2.3	12.1%	11.4%	2.7	2.3	14.3%	10.5%
Total customer base	million	57.4	52.6	9.0%		57.4	52.6	9.0%	
Data customer base	million	18.6	15.6	18.7%		18.6	15.6	18.7%	
Mobile money customer base	million	21.4	17.9	19.7%		21.4	17.9	19.7%	

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

(2) Revenue includes intra-segment eliminations of $62m for the nine-month period ended 31 December 2021 and $48m for the prior period.

(3) Voice revenue includes inter-segment revenue of $0.4m and other revenue includes inter-segment revenue of $4m in the nine-month period ended 31 December 2021. Excluding inter-segment revenue, voice revenue was $586m and other revenue was $114m in the nine-month period ended 31 December 2021.

(4) Mobile money revenue post intra-segment eliminations with mobile services was $238m for the nine-month period ended 31 December 2021 and $163m for the prior period.

(5) Operating profit includes CSR (Corporate social responsibility) expense of $2m in the prior period.

Reported currency revenue in East Africa grew by 25.2% to $1,282m with 24.4% growth in constant currency. Revenue growth was recorded across all service segments; In constant currency terms, voice revenue grew by 20.2%, data revenue by 28.5% and mobile money revenue by 39.3%. Reported currency revenue growth was slightly higher due to currency appreciation in the Ugandan shilling and the Zambian kwacha, partially offset by currency devaluation in the Malawian kwacha.

Voice revenue grew by 20.2%, supported by customer base growth of 9.0% and ARPU growth of 7.6%. The customer base growth was largely driven by expansion of both network coverage and the distribution network. Voice usage per customer increased to 350 minutes per customer per month, up by 5.5%, resulting in voice ARPU growth of 7.6%.

Data revenue grew by 28.5%, largely driven by data customer base growth of 18.7% and supported by data ARPU growth of 4.8%. The expansion of our 4G network infrastructure helped drive the growth in our data customer base. 32.4% of customers in East Africa are data users, out of a total customer base of 57.4 million. In East Africa, 84.1% of our sites are now on 4G, compared with 71.8% during the prior period. In Q3'22, 38% of data customers were 4G customers, contributing to 61.3% of total data usage. Data usage per customer reached 3.2 GB per customer per month, up by 20.8% from 2.6 GB per customer per month in the prior period. 4G data usage per customer grew by 4.1%, reaching 5.6 GB per customer per month in Q3.

Mobile money revenue grew by 39.3%, largely driven by growth in Zambia, Uganda and Malawi. This revenue growth was driven by customer base growth of 19.7% and mobile money ARPU growth of 15.8%, due largely to expansion of our distribution network. Transaction value per customer was $183 per customer per month, up by 18.4% from $152 per customer per month in prior period. This resulted in mobile money ARPU growth of 15.8%. Mobile money revenue accounted for 23.4% of total East Africa revenue, up from 20.7% in the prior period, an increase of 2.8 percentage points. The slowdown in mobile money revenue growth in Q3'22 was due to the implementation of additional levies by the Government of Tanzania on mobile money withdrawal and P2P transactions from July 2021, which were subsequently revised downwards in early September 2021.

Underlying EBITDA margin improved to 49.2%, an increase of 395 basis points in reported currency and 365 basis points in constant currency, as a result of strong revenue growth and improvements in operating efficiency. Operating free cash flow increased to $470m, up 57.5% due largely to the expansion of underlying EBITDA.

Francophone Africa[1]

Description	Unit of measure	Nine-month period ended				Quarter ended			
		Dec-21	Dec-20	Reported currency change %	Constant currency change %	Dec-21	Dec-20	Reported currency change %	Constant currency change %
Summarised statement of operations									
Underlying revenue [2]	**$m**	**849**	**704**	**20.5%**	**19.0%**	**288**	**259**	**11.5%**	**13.5%**
Voice revenue [3]	$m	446	397	12.3%	11.0%	152	146	4.6%	6.9%
Data revenue	$m	249	183	36.3%	34.2%	84	66	28.6%	30.5%
Mobile money revenue [4]	$m	106	79	33.4%	32.2%	37	30	22.5%	25.4%
Other revenue [3]	$m	79	71	11.0%	9.3%	26	26	(1.5%)	(1.0%)
Underlying EBITDA	**$m**	**346**	**254**	**36.2%**	**34.8%**	**120**	**108**	**10.9%**	**12.9%**
Underlying EBITDA margin	%	40.8%	36.1%	471 bps	479 bps	41.5%	41.7%	(20) bps	(25) bps
Depreciation and amortisation	$m	(156)	(155)	0.4%	(0.9%)	(51)	(57)	(10.1%)	(8.5%)
Exceptional item	$m	-	14	(100.0%)	(100.0%)	-	20	(100.0%)	(100.0%)
Operating profit [5]	**$m**	**190**	**112**	**70.2%**	**106.9%**	**68**	**71**	**(3.9%)**	**57.6%**
Capex	$m	83	56	48.6%	48.6%	31	20	57.1%	57.1%
Operating free cash flow	$m	263	198	32.8%	30.8%	89	88	0.6%	2.8%
Operating KPIs									
ARPU	$	3.8	3.8	0.5%	(0.8%)	3.7	4.0	(6.9%)	(5.2%)
Total customer base	million	26.0	21.8	19.3%		26.0	21.8	19.3%	
Data customer base	million	7.6	6.2	23.2%		7.6	6.2	23.2%	
Mobile money customer base	million	4.2	3.6	19.1%		4.2	3.6	19.1%	

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

(2) Underlying revenue includes intra-segment eliminations of $32m for the nine-month period ended 31 December 2021 and $27m for the prior period. It also excludes one-time exceptional revenue of $20m relating to a settlement in Niger in the nine-month and three-month periods ended 31 December 2020.

(3) Voice revenue includes inter-segment revenue of $1m in the nine-month period ended 31 December 2021. Excluding inter-segment revenue, voice revenue was $445m in the nine-month period ended 31 December 2021.

(4) Mobile money revenue post intra-segment eliminations with mobile services was $74m in the nine-month period ended 31 December 2021 and $53m in the prior period.

(5) Operating profit includes CSR (Corporate Social Responsibility) expense of $1m in nine-month period ended 31 December 2020.

Revenue in reported currency grew by 20.5%. In constant currency, revenue growth was 19.0%, largely driven by growth in Democratic Republic of the Congo (DRC), Chad, Niger and Gabon. The reported currency revenue growth is higher than constant currency due to appreciation of the Central African franc (2.0%).

Voice revenue grew by 11.0% in constant currency, driven by customer base growth of 19.3% partially offset by ARPU decline of 7.4%. Customer base growth was largely driven by expansion of both network coverage and distribution infrastructure. ARPU decline of 7.4% was mainly due to reductions in international revenue and local incoming call revenues due to changes in interconnect rates in Gabon and Republic of the Congo.

Data revenue grew by 34.2% in constant currency, largely due to customer base growth of 23.2% and data ARPU growth of 2.0%. The expansion of both our 4G network (with 63.8% of total sites now on 4G) and our distribution infrastructure helped to drive our data customer base growth. The adoption of our "more for more" bundle offerings, up by 8.7% and contributing 93.3% of data revenue in Q3'22 helped us to grow data revenue by 34.2%. As on Q3'22, 44.5% of data customers are 4G customer which contributes to 64.7% of total data usage on 4G network. Data usage per customer was 2.4 GB per month in Q3'22 (up 20.3% from prior period) while 4G data usage per customer reached 4.4 GB per customer (up 2.7%).

Mobile money revenue grew by 32.2% in constant currency, driven by both customer base growth of 19.1% and mobile money ARPU growth of 6.4%. The expansion of our agents and exclusive distribution network helped us to grow the mobile money customer base. Transaction value per customer reached $431 per month, up by 8.9%, driving mobile money ARPU growth of 6.4%.

The underlying EBITDA margin was 40.8% for the period, reflecting an improvement of 471 basis points in reported currency and 479 basis points in constant currency; driven by both revenue growth and increased efficiency in operating expenses. Operating free cash flow increased to $263m, up 30.8%, due to the expansion in underlying EBITDA.

Mobile services

Description	Unit of measure	Nine-month period ended				Quarter ended			
		Dec-21	Dec-20	Reported currency change %	Constant currency change %	Dec-21	Dec-20	Reported currency change %	Constant currency change %
Summarised statement of operations									
Underlying revenue [1]	**$m**	**3,183**	**2,637**	**20.7%**	**23.3%**	**1,107**	**948**	**16.8%**	**19.5%**
Underlying EBITDA	$m	1,536	1,183	29.8%	33.3%	546	446	22.5%	25.4%
Underlying EBITDA margin	%	48.3%	44.9%	340 bps	361 bps	49.4%	47.1%	229 bps	231 bps
Depreciation and amortisation	$m	(521)	(489)	6.5%	8.4%	(178)	(175)	1.7%	4.1%
Operating exceptional items	$m	-	14	(100%)	(100.0%)	-	20	(100.0%)	(100.0%)
Operating profit [2]	$m	1,015	705	44.0%	53.2%	368	291	26.4%	43.0%
Capex	$m	405	395	2.5%	2.5%	176	184	(4.5%)	(4.5%)
Operating free cash flow	$m	1,131	788	43.5%	49.5%	370	262	41.3%	47.5%
Operating KPIs									
Mobile voice									
Voice revenue	$m	1,746	1,537	13.6%	16.1%	606	565	7.4%	9.9%
Customer base	million	125.8	118.9	5.8%		125.8	118.9	5.8%	
Voice ARPU	$	1.6	1.5	6.6%	8.9%	1.6	1.6	2.8%	5.2%
Mobile data									
Data revenue	$m	1,128	842	34.0%	37.2%	395	294	34.4%	37.7%
Data customer base	million	45.1	40.6	11.1%		45.1	40.6	11.1%	
Data ARPU	$	2.9	2.5	18.2%	21.0%	3.0	2.4	21.7%	24.6%

(1) Mobile service revenue after intersegment eliminations was $3,179m in the nine-month period ended 31 December 2021 and $2,634m in the prior period. Underlying revenue for Mobile service also excludes one-time exceptional revenue of $20m relating to a settlement in Niger in the nine-month and three-month periods ended 31 December 2020.

(2) Operating profit includes $1m CSR (Corporate Social Responsibility) expense for the period, and $3m CSR expense in the prior period.

Mobile services revenue in reported currency grew by 20.7%, with constant currency growth of 23.3%, driven by growth in both voice and data revenues.

Voice revenue grew by 16.1% in constant currency, driven by customer base growth of 5.8% and voice ARPU growth of 8.9%. The customer base growth was driven by expansion of our network and distribution infrastructure. Customer base growth was affected by the new NIN/SIM registration regulations in Nigeria; excluding Nigeria the customer base grew by 12.0%. In Nigeria, while on a year on year basis our customer base reduced by 2 million, in Q3'22 we added 1.9 million net new customers. Voice minutes per customer reached 256 minutes per month, an increase of 10.5%, resulting in voice ARPU growth of 8.9%. Total network minutes increased by 17.8%.

Data revenue continued as key driver of growth, growing by 37.2% in constant currency, supported by data customer base growth of 11.1% and data ARPU growth of 21.0%. Expansion of our 4G network infrastructure helped to drive growth in our data customer base. 82.8% of our Group sites are now operating on 4G, compared with 73.6% in the prior period. Data customer base penetration (percentage of the total customer base) reached 35.9%, an increase of 1.7 percentage points. Total data usage per customer reached 3.4 GB per month, up 32.1% from the 2.6 GB per customer per month of the prior period. In Q3'22, 4G data customers contributed to 41.4% of the total data customer base and 67.7% to total data usage on the network (up from 58.8% in prior period). The increase in 4G data customer penetration also helped to drive data ARPU growth.

Data revenue contribution reached 32.3% of total Group revenue in the nine-month period ended 31 December 2021, up from 29.5% in the prior period.

Mobile money

Description	Unit of measure	Nine-month period ended				Quarter ended			
		Dec-21	Dec-20	Reported currency change %	Constant currency change %	Dec-21	Dec-20	Reported currency change %	Constant currency change %
Summarised statement of operations									
Revenue [1]	**$m**	**406**	**291**	**39.6%**	**37.2%**	**148**	**110**	**34.4%**	**29.2%**
Underlying EBITDA	$m	198	142	39.8%	36.6%	72	54	34.6%	28.8%
Underlying EBITDA margin	%	48.7%	48.7%	7 bps	(22) bps	48.8%	48.7%	10 bps	(17) bps
Depreciation and amortisation	$m	(10)	(7)	56.9%	52.5%	(4)	(2)	130.1%	121.5%
Operating profit	$m	188	135	38.9%	35.8%	68	52	31.5%	25.8%
Capex	$m	20	7	195.7%	195.7%	9	3	188.4%	188.4%
Operating free cash flow	$m	178	135	31.8%	28.4%	63	51	23.8%	18.2%
Operating KPIs									
Mobile money key KPIs									
Transaction value	$m	47,644	33,471	42.3%	40.0%	17,182	12,799	34.2%	28.7%
Active customers	million	25.7	21.5	19.6%		25.7	21.5	19.6%	
Mobile money ARPU	$	1.9	1.7	15.4%	13.5%	2.0	1.8	12.4%	8.1%

(1) Mobile money service revenue post inter-segment eliminations with mobile services was $312m in the nine-month period ended 31 December 2021 and $216m in the prior period.

Mobile money revenue in reported currency grew by 39.6% to $406m, with constant currency growth of 37.2%. The slowdown in mobile money revenue growth from Q2'22 was due to the implementation of additional levies by the Government of Tanzania on mobile money withdrawal and P2P transactions from July 2021, which were subsequently revised downwards in early September 2021. Constant currency revenue growth of 37.2% was driven by customer base growth of 19.6% and ARPU growth of 13.5%. Growth in the mobile money customer base was due to expansion of our distribution network, particularly as we continued to expand our exclusive channel of Airtel money branches and kiosks. We continue to expand our mobile money footprint through partnerships with leading financial institutions, and the expansion of our merchant ecosystem further strengthened our mobile money propositions. The mobile money ARPU growth of 13.5% in constant currency was led by growth in the transaction value per customer by 15.8%, reaching $224 per month. The Q3'22 annualised transaction value reached $65bn in constant currency, with mobile money revenue contributing 11.6% of total revenue in Q3'22.

The mobile money customer base grew by 19.6% to 25.7 million on 31 December 2021. Mobile money customer base penetration (percentage of the total customer base) reached 20.4%, an increase of 2.4 percentage points. Mobile money ARPU grew by 13.5%, largely driven by an increase in transaction values and higher contributions from cash transactions, merchant payments, P2P transfers and mobile service recharges through Airtel Money.

Underlying EBITDA grew by 39.8% to $198m in reported currency, while in constant currency growth was 36.6%. The underlying EBITDA margin was 48.7%, broadly in line with the prior year.

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 underlying performance of the business.

Alternative performance measures (APMs)

Introduction

In the reporting of financial information, the directors have adopted various APMs. These measures are not defined by International Financial Reporting Standards (IFRS) and therefore may not be directly comparable with other companies APMs, including those in the Group's industry.

APMs should be considered in addition to, and are not intended to be a substitute for, or superior to, IFRS measurements.

Purpose

The directors believe that these APMs assist in providing additional useful information on the underlying trends, performance and position of the Group.

APMs are also used to enhance the comparability of information between reporting periods and geographical units (such as like-for-like sales), by adjusting for non-recurring or uncontrollable factors which affect IFRS measures, to aid users in understanding the Group's performance. Consequently, APMs are used by the directors and management for performance analysis, planning, reporting and incentive-setting purposes.

The directors believe the following metrics to be the APMs used by the Group to help evaluate growth trends, establish budgets and assess operational performance and efficiencies. These measures provide an enhanced understanding of the Group's results and related trends, therefore increasing transparency and clarity into the core results of the business.

The following metrics are useful in evaluating the Group's operating performance:

APM	Closest equivalent IFRS measure	Adjustment to reconcile to IFRS measure	Definition and purpose
Underlying Revenue	Revenue	• Exceptional Item	The Group defines underlying revenue as revenue for the period adjusted for exceptional items. The Directors view underlying revenue to be a meaningful measure to analyse the Group's revenue, excluding exception items. Exceptional items are additional specific items that because of their size, nature or incidence in the results, are considered to hinder comparison of the Group's performance on a period to period basis and could distort the understanding of our performance for the period and the comparability between periods and hence are adjusted to arrive at underlying revenue.
Underlying EBITDA and margin	Operating profit	• Depreciation and amortisation • Charity and donation • Exceptional items	The Group defines underlying EBITDA as operating profit/(loss) for the period before depreciation and amortisation, charity and donation and adjusted for exceptional items. The Group defines underlying EBITDA margin as underlying EBITDA divided by underlying revenue. Underlying EBITDA and margin are measures used by the directors to assess the trading performance of the business and are therefore the measure of segment profit that the Group presents under IFRS. Underlying EBITDA and margin are also presented on a consolidated basis because the directors believe it is important to consider profitability on a basis consistent with that of the Group's operating segments. When presented on a consolidated basis, underlying EBITDA and margin are APMs. Depreciation and amortisation is a non-cash item which fluctuates depending on the timing of capital investment and useful economic life. Directors believe that a measure which removes this volatility improves comparability of the Group's results period on period and hence is adjusted to arrive at underlying EBITDA and margin. Charity and donations are not related to the trading performance of the Group and hence adjusted to arrive at underlying EBITDA and margin. Exceptional items are additional specific items that because of their size, nature or incidence in the results, are considered to hinder comparison of the Group's performance on a period-to-period basis and could distort the understanding of our performance for the period and the comparability between periods and hence are adjusted to arrive at underlying EBITDA and margin.

APM	Closest equivalent IFRS measure	Adjustment to reconcile to IFRS measure	Definition and purpose
Underlying profit / (loss) before tax	Profit / (loss) before tax	• Exceptional items	The Group defines underlying profit/(loss) before tax as profit/(loss) before tax adjusted for exceptional items. The directors view underlying profit/(loss) before tax to be a meaningful measure to analyse the Group's profitability. Exceptional items are additional specific items that because of their size, nature or incidence in the results, are considered to hinder comparison of the Group's performance on a period-to-period basis and could distort the understanding of our performance for the period and the comparability between periods and hence are adjusted to arrive at underlying profit/(loss) before tax.
Effective tax rate	Reported tax rate	• Exceptional items • Foreign exchange rate movements • One-off tax impact of prior period, tax litigation settlement and impact of tax on permanent differences	The Group defines effective tax rate as reported tax rate (reported tax charge divided by reported profit before tax) adjusted for exceptional items, foreign exchange rate movements and one-off tax items of prior period adjustment, tax settlements and impact of permanent differences on tax. This provides an indication of the current on-going tax rate across the Group. Exceptional items are additional specific items that because of their size, nature or incidence in the results, are considered to hinder comparison of the Group's performance on a period-to-period basis and could distort the understanding of our performance for the period and the comparability between periods and hence are adjusted to arrive at effective tax rate. Foreign exchange rate movements are specific items that are non-tax deductible in a few of the entities which are loss making and where DTA is not yet triggered and hence are considered to hinder comparison of the Group's effective tax rate on a period-to-period basis and therefore excluded to arrive at effective tax rate. One-off tax impact on account of prior period adjustment, any tax litigation settlement and tax impact on permanent differences are additional specific items that because of their size and frequency in the results, are considered to hinder comparison of the Group's effective tax rate on a period-to-period basis.
Underlying profit/(loss) after tax	Profit/(loss) for the period	• Exceptional items	The Group defines underlying profit/(loss) after tax as profit/(loss) for the period adjusted for exceptional items. The directors view underlying profit/(loss) after tax to be a meaningful measure to analyse the Group's profitability. Exceptional items are additional specific items that because of their size, nature or incidence in the results, are considered to hinder comparison of the Group's performance on a period-to-period basis and could distort the understanding of our performance for the period and the comparability between periods and hence are adjusted to arrive at underlying profit/(loss) after tax.
Earnings per share before exceptional items	EPS	• Exceptional items	The Group defines earnings per share before exceptional items as profit/(loss) for the period before exceptional items attributable to owners of the company divided by the weighted average number of ordinary shares in issue during the financial period. This measure reflects the earnings per share before exceptional items for each share unit of the company. Exceptional items are additional specific items that because of their size, nature or incidence in the results, are considered to hinder comparison of the Group's performance on a period-to-period basis and could distort the understanding of our performance for the period and the comparability between periods and hence are adjusted to arrive at earnings for the purpose of earnings per share before exceptional items.
Operating free cash flow	Cash generated from operating activities	• Income tax paid • Changes in working capital • Other non-cash items • Non-operating income • Charity and donation • Exceptional items • Capital expenditures	The Group defines operating free cash flow as net cash generated from operating activities before income tax paid, changes in working capital, other non-cash items, non-operating income, charity and donation and exceptional items, less capital expenditures. The Group views operating free cash flow as a key liquidity measure, as it indicates the cash available to pay dividends, repay debt or make further investments in the Group.

APM	Closest equivalent IFRS measure	Adjustment to reconcile to IFRS measure	Definition and purpose
Net debt and leverage ratio	No direct equivalent	• Borrowing • Lease liabilities • Cash and cash equivalent • Term deposits with banks • Deposits given against borrowings/ non-derivative financial instruments • Fair value hedges	The Group defines net debt as borrowings including lease liabilities less cash and cash equivalents, term deposits with banks, deposits given against borrowings/non-derivative financial instruments, processing costs related to borrowings and fair value hedge adjustments. The Group defines leverage ratio as net debt divided by underlying EBITDA. The directors view net debt and the leverage ratio to be meaningful measures to monitor the Group's ability to cover its debt through its earnings.
Return on capital employed	No direct equivalent	• Exceptional items to arrive at underlying EBIT	The Group defines return on capital employed ('ROCE') as underlying EBIT divided by average capital employed. The directors view ROCE as a financial ratio that measures the Group's profitability and the efficiency with which its capital is being utilised. The Group defines underlying EBIT as operating profit/(loss) for the period adjusted for exceptional items. Exceptional items are additional specific items that because of their size, nature or incidence in the results, are considered to hinder comparison of the Group's performance on a period-to-period basis and could distort the understanding of our performance for the period and the comparability between periods and hence are adjusted to arrive at Underlying EBIT. Capital employed is defined as sum of equity attributable to owners of the company, non-controlling interests and net debt. Average capital employed is average of capital employed at the closing and beginning of the relevant period. For quarterly computations, ROCE is calculated by dividing underlying EBIT for the preceding 12 months by the average capital employed (being the average of the capital employed averages for the preceding four quarters).

Some of the Group's IFRS measures and APMs are translated at constant currency exchange rates to measure the organic performance of the Group. In determining the percentage change in constant currency terms, both current and previous financial reporting period's results have been converted using exchange rates prevailing as on 31 March 2021. Reported currency percentage change is derived on the basis of the average actual periodic exchange rates for that financial period. Variances between constant currency and reported currency percentages are due to exchange rate movements between the previous financial reporting period and the current period.

Changes to APMs

Definition of underlying EBITDA margin has been clarified as underlying EBITDA divided by underlying revenue. Underlying revenue is included in the APM and is defined as revenue for the period adjusted for exceptional items. The reason for using underlying revenue is because exceptional revenue was recorded in the nine-month period ended 31 December 2020.

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 ARPU	Mobile money average revenue per user. 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 base	Total number of active subscribers who have enacted any mobile money usage event in last 30 days.
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.
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.
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.
Broadband base stations	Base stations that carry either 3G and/or 4G capability across all technologies and spectrum bands.
Capital expenditure	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.
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 underlying performance of the business. Constant currency growth rates for prior periods are calculated using closing exchange rates as at the end of prior period.
Churn	Churn is derived by dividing the total number of customer disconnections during the relevant period by the average number of customers and dividing the result by the number of months in the relevant period.
Customer	Defined as a unique active subscriber with a unique mobile telephone number who has used any of Airtel's services in the last 30 days.
Customer base	The total number of active subscribers that have used any of our services (voice calls, SMS, data usage or mobile money transaction) in the last 30 days.
Data ARPU	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 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.
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.
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.
Free cash flow	Free cash flow is defined as operating free cash flow less cash interest, income tax paid and change in operating working capital.
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.
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 underlying EBITDA for the preceding 12 months.
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 is typically expressed over a period of one month. It includes all incoming and outgoing call minutes, including roaming calls.
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 underlying EBITDA (LTM)	An alternative performance measure (non-GAAP) Calculated by dividing net debt as at the end of the relevant period by underlying EBITDA for the preceding 12 months (from the end of the relevant period). This is also referred to as the leverage ratio.
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 underlying 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.
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 MBs on network	Total MBs consumed (uploaded & downloaded) by customers on the Group's GPRS, 3G and 4G network during the relevant period.
Underlying EBIT	Defined as operating profit/(loss) for the period adjusted for exceptional items.
Underlying EBITDA	An alternative performance measure (non-GAAP). Defined as operating profit before depreciation, amortisation, CSR cost and exceptional items.
Underlying EBITDA margin	An alternative performance measure (non-GAAP). Calculated by dividing underlying EBITDA for the relevant period by revenue for the relevant period.
Underlying Revenue	An alternative performance measure (non-GAAP). Defined as revenue before exceptional items.
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.
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
QoS	Quality of service
RAN	Radio access network
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