

# Airtel Africa plc

## Quarter ended 30 June 2020

24 July 2020

**A good start to the year, with constant currency revenue growth of 13% despite impact from Covid-19**

### Key highlights

- Customer base grew by 11.8% to 111.5 million
- Revenue increased by 6.9% to \$851m, with constant currency revenue growth of 13.0%
- Constant currency revenue growth was recorded across all key business segments, with voice revenue up by 2.2%, data by 35.7% and mobile money by 26.3%
- Underlying EBITDA increased by 7.9% to \$375m, with constant currency growth of 14.6%
- Reported underlying EBITDA margin was 44.1%, up by 40 bps (61 bps in constant currency)
- Operating profit increased by 12.9% to \$210m, an increase of 21.5% in constant currency
- Free cash flow was \$96m compared to \$62m in the same period last year
- Earnings per share (EPS) before exceptional items was \$1.0 cents and basic EPS was \$1.1 cents
- Net debt to underlying EBITDA was 2.2x, compared to 3.0x in June 2019

Alternative performance measures (Quarter ended)					GAAP Measures (Quarter ended)			
Description	June-20 \$m	June-19 \$m	Reported change %	Constant change %	Description	June-20 \$m	June-19 \$m	Reported change %
Revenue	851	796	6.9%	13.0%	Revenue	851	796	6.9%
Underlying EBITDA	375	348	7.9%	14.6%	Operating profit	210	186	12.9%
Underlying EBITDA margin	44.1%	43.7%	40 bps	61 bps	Profit before tax <sup>2</sup>	111	167	(33.4%)
Free cash flow	96	62	53.5%		Profit after tax <sup>2</sup>	57	132	(56.9%)
EPS before exceptional items (\$ cents)	1.0	2.0	(49.4%)		Basic EPS (\$ cents)	1.1	4.1	(72.8%)
EPS before exceptional items (\$ cents) - restated <sup>1</sup>	1.0	1.6	(38.3%)		Basic EPS (\$ cents) - restated <sup>1</sup>	1.1	3.3	(66.8%)

<sup>(1)</sup> In July 2019, after the announcement of Initial Public Offering (IPO), the company issued 676,406,927 new shares. EPS has been restated considering all the shares as of 30 June 2020 had been issued on 1 April 2019 for like for like comparison. <sup>(2)</sup> PBT and PAT decline is largely due to one-off items incurred in the same period in the prior year. Refer to page 4 for explanations of GAAP measures movements. <sup>(3)</sup> The difference between reported currency and constant currency growth rates is on account of currency movements, with reference to the US dollar rate.

### Raghunath Mandava, chief executive officer, on the trading update:

“During last quarter our business was impacted by the Covid-19 pandemic, as restrictions on movements of people and ways of socialising were introduced to contain the spread of infection. In these unprecedented times, we have worked with governments, regulators, partners, and suppliers to keep customers and businesses connected as well as supporting the economies and communities. We focussed on expanding and maintaining our network to ensure it could cope with increasing demand, we kept our distribution up and running by increasing the penetration of digital recharges and stock levels, and we expanded our home broadband solutions to ensure customers could work and access entertainment remotely.

Covid-19 impacted customer usage pattern, particularly during the month of April, however, as some of these restrictions started to be lifted, customer usage trends in May and June returned to being broadly consistent with pre Covid-19 trends. The Group’s performance generally reflected these trends, with revenue growth accelerating in May, and we ended the quarter with 13% revenue growth and 61 bps of EBITDA margin expansion in constant currency. The business showed its resilience even during these unprecedented circumstances with all key business segments - voice, data and mobile money, and all regions - Nigeria, East Africa and Francophone Africa contributing to growth.

During the quarter we also increased our support of the communities where we operate by providing financial support towards essential workers, free data for educational purposes and we worked together with governments to temporarily waive fees on certain mobile money transactions. We also created an exciting partnership with UNICEF to provide children with access to remote learning and enable access to cash assistance for their families via mobile cash transfers.

The outlook remains uncertain, particularly regarding a so called potential second wave of infections and the actions governments will decide to take in that event. However, these results are further evidence of the growth opportunities our markets offer and the effectiveness of our strategy to focus on winning customers, investing in our network and expanding our voice, data and mobile money businesses.”

*The results for the interim period ended 30<sup>th</sup> June 2020 are unaudited and in the opinion of management, include all adjustments necessary for the fair presentation of the results of the same period. The financials have been prepared based on International Financial Reporting Standards (IFRS) accounting standards and are consistent accounting policies. All adjustments are of a normal recurring nature. This report should be read in conjunction with consolidated financial statements and related notes for the year ended 31<sup>st</sup> March 2020.*

## **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.

For more information

Airtel Africa Investor Relations

Email: [investor.relations@africa.airtel.com](mailto:investor.relations@africa.airtel.com);

Phone: +44 207 493 9315

Website: [airtel.africa/investors](http://airtel.africa/investors)

Hudson Sandler – media enquiries

Nick Lyon / Bertie Berger

Email: [airtelafrika@hudsonsandler.com](mailto:airtelafrika@hudsonsandler.com)

Phone: +44 207 796 4133

## **Conference call**

The management team will host an analyst and investor conference call at 8:30 AM UK time, on Friday 24 July 2020, including a Question and Answer session.

In order to participate in the conference call and ask questions, please follow the instructions:

1. In the 10 minutes prior to the start, call the appropriate participant dial-in number:
  - United Kingdom Freephone: 0800 640 6441
  - United Kingdom: 020 3936 2999
  - USA: 1 646 664 1960
  - South Africa: 080 017 2952
  - India: 02271279566
  - All other locations: +44 20 3936 2999
  
2. Choose access code 225210

## Key financial information

Description	Unit of measure	Quarter ended			
		June-20	June-19	Reported currency change %	Constant currency change %
<b>Profit and loss summary</b>					
<b>Revenue <sup>1</sup></b>	<b>\$m</b>	<b>851</b>	<b>796</b>	<b>6.9%</b>	<b>13.0%</b>
Voice revenue	\$m	454	469	(3.2%)	2.2%
Data revenue	\$m	265	207	28.0%	35.7%
Mobile money revenue <sup>2</sup>	\$m	81	68	20.0%	26.3%
Other revenue	\$m	78	72	7.2%	12.6%
Expenses	\$m	(479)	(452)	6.0%	11.5%
<b>Underlying EBITDA <sup>3</sup></b>	<b>\$m</b>	<b>375</b>	<b>348</b>	<b>7.9%</b>	<b>14.6%</b>
Underlying EBITDA margin	%	44.1%	43.7%	40 bps	61 bps
Depreciation and amortization <sup>4</sup>	\$m	(161)	(148)	9.0%	14.5%
Operating exceptional items	\$m	-	(12)	(100.0%)	(100.0%)
<b>Operating profit <sup>5</sup></b>	<b>\$m</b>	<b>210</b>	<b>186</b>	<b>12.9%</b>	<b>21.5%</b>
Net finance costs	\$m	(99)	(82)	21.0%	22.4%
Non-operating exceptional items	\$m	-	63	(100.0%)	(100.0%)
<b>Profit before tax</b>	<b>\$m</b>	<b>111</b>	<b>167</b>	<b>(33.4%)</b>	<b>(27.9%)</b>
Tax	\$m	(61)	(48)	27.0%	38.0%
Tax - exceptional items	\$m	7	14	(50.2%)	(50.2%)
Total tax charge	\$m	(54)	(35)	57.3%	77.1%
<b>Profit after tax <sup>6</sup></b>	<b>\$m</b>	<b>57</b>	<b>132</b>	<b>(56.9%)</b>	<b>(53.6%)</b>
Non-controlling interest	\$m	(15)	(7)	124.2%	126.4%
Profit attributable to parent company shareholder - before exceptional items	\$m	38	62	(38.3%)	(27.9%)
<b>Profit attributable to parent company shareholders</b>	<b>\$m</b>	<b>42</b>	<b>125</b>	<b>(66.8%)</b>	<b>(64.1%)</b>
Basic EPS - before exceptional items	cents	1.0	2.0	(49.4%)	
Basic EPS - before exceptional items - restated <sup>7</sup>	cents	1.0	1.6	(38.3%)	
Basic EPS	cents	1.1	4.1	(72.8%)	
Weighted average no of shares	million	3,758	3,082	21.9%	
<b>Capex</b>	<b>\$m</b>	<b>66</b>	<b>99</b>	<b>(33.6%)</b>	
<b>Free cash flow</b>	<b>\$m</b>	<b>96</b>	<b>62</b>	<b>53.5%</b>	
<b>Net debts</b>	<b>\$m</b>	<b>3,425</b>	<b>4,081</b>		
<b>Operating KPIs</b>					
ARPU	\$	2.6	2.7	(3.8%)	1.6%
Total customer base	million	111.5	99.7	11.8%	
Data customer base	million	37.0	30.0	23.2%	

<sup>(1)</sup> The revenue in above table includes intra-segment elimination of \$26m for the quarter ended June 2020 and \$20m for the quarter ended June 2019.

<sup>(2)</sup> Mobile money revenue post intra-segment eliminations with mobile services is \$54.7m for the quarter ended June 2020 and \$47.6m for the quarter ended June 2019.

<sup>(3)</sup> Underlying EBITDA includes other income of \$3.3m for the quarter ended June 2020 and \$4m for the quarter ended June 2019.

<sup>(4)</sup> Depreciation and amortization increase of \$13m is due to investment in capex and additional spectrum in Nigeria.

<sup>(5)</sup> Operating profit includes \$3.5m CSR (Corporate social responsibility) expense in the quarter ended June 2020 and \$2m in the quarter ended June 2019.

<sup>(6)</sup> Profit after tax for the quarter ended June 2020 is lower due to: (i) benefits in the same period of the prior year of non-operating exceptional items of \$63m; (ii) higher derivative & exchange loss of \$19.4m in other finance cost in quarter ended June 2020; and (iii) higher tax in quarter ended June 2020.

<sup>(7)</sup> In July 2019, following the announcement of the Initial Public Offering (IPO), the company issued 676,406,927 new shares. EPS has been restated considering all the shares as of 30 June 2020 had been issued on 1 April 2019 for like for like comparison.

## Financial review for quarter, ended 30 June 2020

### GAAP measures

#### Revenue

Reported revenue grew by 6.9%, with constant currency growth of 13.0%. The constant currency growth of 13.0% was partially offset by currency devaluation, mainly in Nigeria (6.9%), Zambia (28.3%) and Kenya (4.4%). The revenue growth was largely driven by the growth of our customer base, up by 11.8% to 111.5 million and ARPU growth of 1.6% in constant currency. Revenue growth was recorded across all the regions: Nigeria up 17.1%, East Africa up 17.5% and Francophone Africa up 2.2%. Notably, revenue growth was broad based across all our key segments: voice up 2.2%, data up 35.7% and mobile money up 26.3% in constant currency terms.

#### Operating profit

Reported operating profit amounted to \$210m, up 12.9% and 21.5% in constant currency.

#### Net finance costs

Net finance costs increased by \$17m, driven by higher other finance costs which more than offset reduced interest costs of \$5.5m as a result of lower debt. The increase in other finance costs was primarily driven by the higher impact of devaluation on foreign exchange denominated liabilities and borrowings largely as a result of devaluation in Zambian kwacha, Madagascar Ariary and Seychelles Rupee.

#### Taxation

Total tax charge was \$54m as compared to \$35m in same period last year. This was due to higher operating profit and withholding tax on dividends declared. Q1 2020 also benefited from a deferred tax credit of \$13.8m in DRC as compared to \$6.7m in Q1 2021 in Tanzania.

#### Profit after tax

Profit after tax was \$57m, down by 56.9%, largely as a result of a one-off gain of \$72m related to the expired indemnity to certain pre-IPO investors in the same period last year, higher finance costs and tax. Excluding one-off benefits in the previous quarter, profit after tax for the quarter reduced by \$13m mainly due to higher derivative and exchange loss of \$19.4m in Q1 2021.

#### Basic EPS

Basic EPS was down by 72.8% to \$1.1 cents, due to an increase in shares issued. If all the shares as of 30 June 2020 had been issued on 1 April 2019, the restated basic EPS for the June 2019 would have been \$3.3 cents. Restated EPS reduced as a result of higher finance costs and tax.

### Alternative performance measures<sup>1</sup>

#### Underlying EBITDA

Underlying EBITDA was up by 7.9% to \$375m with constant currency growth of 14.6%. The underlying EBITDA growth was driven by revenue growth of 13% and efficiency in operating expenses. Reported underlying EBITDA margin of 44.1% improved by 40 bps, and by 61 bps in constant currency.

Foreign exchange had an adverse impact of \$43.3m on revenue and \$20.4m on underlying EBITDA, largely driven by the devaluation of the Nigerian naira, Zambian kwacha, Kenyan shilling and other East African currencies.

#### Tax

The effective tax rate was 49.7% compared to 49.3% in the same period last year, largely as a result of the profit mix change amongst the operating entities ("OPCOs"). The effective tax rate at 49.7% is higher than the weighted average statutory tax rate of approximately 34%, largely due to the profit mix between various OPCOs and higher withholding tax on dividend declared. The adjusted effective tax rate was 44.4% compared to 36.3%, largely as a result of recognition of higher deferred tax credit of \$13.8m in DRC in the prior period as against \$6.7m in Tanzania during the quarter ended 30 June 2020.

#### Exceptional items

Exceptional items of \$6.7m in June 2020 consisted of a deferred tax credit in Tanzania. Deferred tax credit in Tanzania for FY'21 is expected to be \$27m. Exceptional items for the period ended June 2019 consisted of a \$13.8m and \$72m gain related to the expired indemnity to certain pre-IPO investors. Deferred tax credit in DRC for full year FY'20 amounted to \$50.6m.

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<sup>1</sup> Alternative performance measures (APM) are described on page 13.

**Free cash flow**

Free cash flow was \$96m, up by 53.5% largely due to the higher underlying EBITDA rising by \$27m, reduced interest payments falling by \$8m resulting from lower debt and lower capex reduced by \$33m partially offset by an increase in cash tax.

**EPS before exceptional items**

EPS before exceptional items was down 49.4% to \$1.0 cents, primarily due to the increase in the number of shares issued. If these shares had been issued on 1 April 2019, the restated EPS before exceptional items would have been \$1.6 cents for the quarter ended 30 June 2019. Restated EPS reduced as a result of higher other finance cost (derivative and exchange loss) and tax.

**Net debt and leverage**

Net debt was \$3,425m compared to \$4,081m in June 2019. The \$656m reduction in net debt is due to an increase in cash of \$680m from the IPO proceeds and a \$122m proceeds from the cancellation of derivatives which was partially offset by interim dividend payment of \$113m. As a result, leverage improved to 2.2x at the end of June 2020, from 3.0x at the end of June 2019.

## Other significant updates

### Airtel TV

In May 2020, Airtel TV launched in Tanzania and it is now live in four countries with more than a million registered users across Nigeria, Uganda, Zambia and Tanzania. In April, we launched TVOD (Transactional Video-On-Demand) services for our customers in Nigeria, and with this service customers can now enjoy latest Nollywood blockbusters on the Airtel TV app.

### MyAirtel selfcare App

The new MyAirtel selfcare app launched in April 2020 in all 14 countries. Using the MyAirtel app, a customer can check Airtime or Bundles and purchase them using Airtel Money or any credit or debit cards. It also has Airtel Money features such as Send Money to Airtel and other operators, Pay Bills, Pay Merchants, Scan and pay using Airtel's or Mastercard's QR codes and virtual cards.

### Additional spectrum

In June 2020, Airtel Malawi plc was allocated a spectrum of 10 MHz in the 2600 band for an annual fee of \$0.3m.

### Partnership with UNICEF

In May 2020, Airtel Africa announced a partnership with UNICEF aimed at providing children with access to remote learning and enabling access to cash assistance for their families via mobile cash transfers. Under this partnership, UNICEF and Airtel Africa will use mobile technology to benefit an estimated 133 million school age children currently affected by school closures in 13 countries across sub-Saharan Africa during the Covid-19 pandemic.

### Mobile money

#### (a) Partnership with Mukuru

In July 2020, Airtel Africa entered into a partnership with Mukuru, one of Africa's largest remittance organisations, which will enable Mukuru customers to instantly send cross-border transfers directly to Airtel Money customer wallets in 12 African countries. This partnership will be particularly beneficial for customers making intra-Africa payments from Southern Africa where Mukuru has a leading presence. The partnership, subject to local regulatory approvals, will initially launch in Malawi, Zambia, Uganda, Tanzania, Kenya and the Democratic Republic of the Congo. It will then roll out to subsequent Airtel Money markets.

#### (b) Partnership with WorldRemit

In July 2020, Airtel Africa scaled up its operations with WorldRemit, the global digital money transfer service that operates in over 50 send countries to over 150 receive countries. This partnership will enable customers from across the globe to receive money into Airtel Money wallets. The diaspora living in more than 50 countries around the world can quickly and easily send money transfers at any time via WorldRemit to Airtel Money customers back home.

These partnerships align with the Group's strategy of expanding the range and depth of Airtel Money offerings to drive customer growth and penetration.

### 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](https://airtel.africa/investors).

## Financial review for the quarter, ended 30 June 2020

### Nigeria

Description	Unit of measure	Quarter ended			
		June-20	June-19	Reported currency change %	Constant currency change %
<b>Summarised statement of operations</b>					
<b>Revenue</b>	<b>\$m</b>	<b>341</b>	<b>313</b>	<b>8.9%</b>	<b>17.1%</b>
Voice revenue	\$m	197	198	(0.5%)	6.9%
Data revenue	\$m	122	94	30.0%	39.7%
Other revenue	\$m	22	21	4.5%	12.2%
<b>Underlying EBITDA</b>	<b>\$m</b>	<b>182</b>	<b>167</b>	<b>9.0%</b>	<b>17.1%</b>
Underlying EBITDA margin	%	53.3%	53.3%	3 bps	3 bps
Depreciation and amortisation	\$m	(52)	(44)	17.6%	26.4%
Exceptional item	\$m	-	(1)	(100.0%)	(100.0%)
<b>Operating profit<sup>1</sup></b>	<b>\$m</b>	<b>130</b>	<b>121</b>	<b>7.1%</b>	<b>15.1%</b>
Capex	\$m	30	53	(42.8%)	(42.8%)
Operating free cash flow	\$m	152	113	33.5%	48.2%
<b>Operating KPIs</b>					
ARPU	\$	2.7	2.8	(2.8%)	4.5%
Total customer base	million	42.5	37.5	13.5%	
Data customer base	million	17.3	14.6	18.5%	

<sup>(1)</sup> The operating profit in above table includes CSR (Corporate social responsibility) expense of \$0.2m for the quarter ended June 2020.

In Nigeria, revenue in constant currency increased by 17.1%, with reported revenue growth of 8.9% as a result of the Nigerian naira devaluation. Slowdown in revenue growth during the quarter was driven by the restriction on movements imposed as a result of the Covid-19 pandemic, which impacted customer usage, particularly in voice.

Voice revenue increased 6.9% to \$197m, which was supported by a 13.5% increase in the customer base and was partially offset by a 4.6% drop in voice ARPU. The ARPU decline was a result of change in customer usage mix due to the Covid-19 pandemic. The customer base growth of 13.5% was driven by expansion of our distribution network supported by the accelerated rollout of our network infrastructure.

Data revenue growth of 40% was supported by 18.5% growth in data customers and data ARPU growth of 20.7%. Data customer penetration in our customer base was 41%, up by 2 ppts from previous period. The accelerated rollout of 4G network supported customer base growth (with 70% of total sites now being 4G) and affordable data bundle offerings. The total data usage on our network almost doubled versus the previous period. Additionally, 4G data usage contributed 58% to the total data usage. Data usage per customer reached 2.7GB, up by 69.2% and the data revenue accounted for 35.7% of total revenue, up 5.8%.

Underlying EBITDA grew by 17.1%, with reported currency growth of 9.0% and underlying EBITDA margin being flat at 53.3% level, mainly as a result of the higher provision for enterprise customer bad debts due to lower collection on account of the slowdown in economy due to Covid-19.

Capital expenditure amounted to \$30m, reducing from \$53m as a result of lockdown in April and May 2020.

Operating free cash flow was \$152m, up by 48.2%, largely as a result of double-digit underlying EBITDA growth and lower capital expenditure.

## East Africa<sup>1</sup>

Description	Unit of Measure	Quarter ended			
		June-20	June-19	Reported currency change %	Constant currency change %
<b>Summarised statement of operations</b>					
<b>Revenue <sup>2</sup></b>	<b>\$m</b>	<b>305</b>	<b>277</b>	<b>10.1%</b>	<b>17.5%</b>
Voice revenue	\$m	143	141	1.0%	7.9%
Data revenue	\$m	86	70	22.3%	30.5%
Mobile money revenue <sup>3</sup>	\$m	58	46	26.0%	34.6%
Other revenue	\$m	35	32	8.8%	14.7%
<b>Underlying EBITDA</b>	<b>\$m</b>	<b>129</b>	<b>111</b>	<b>16.8%</b>	<b>25.7%</b>
Underlying EBITDA margin	%	42.4%	40.0%	242 bps	278 bps
Depreciation and amortisation	\$m	(53)	(59)	(10.2%)	(4.4%)
Exceptional item	\$m	-	(2)	(100.0%)	(100.0%)
<b>Operating profit <sup>4</sup></b>	<b>\$m</b>	<b>74</b>	<b>49</b>	<b>52.5%</b>	<b>66.8%</b>
Capex	\$m	19	30	(34.9%)	(34.9%)
Operating free cash flow	\$m	110	81	35.8%	50.4%
<b>Operating KPIs</b>					
ARPU	\$	2.1	2.2	(2.3%)	4.2%
Total customer base	million	48.8	43.1	13.3%	
Data customer base	million	14.0	11.2	25.2%	

<sup>(1)</sup> This business segment includes Kenya, Malawi, Rwanda, Tanzania, Uganda and Zambia.

<sup>(2)</sup> The above table includes intra-segment eliminations of \$17m for the quarter ended June 2020 and \$13m for the quarter ended June 2019.

<sup>(3)</sup> Mobile money revenue post intra-segment eliminations with mobile services is \$41m for the quarter ended June 2020 and \$33m for the quarter ended June 2019.

<sup>(4)</sup> The operating profit in above table includes CSR (Corporate social responsibility) expense of \$1.5m for the quarter ended June 2020.

East Africa delivered a good performance with revenue up 10.1% in reported currency and 17.5% in constant currency. Growth was broad based across all services, and partially offset by currency devaluation in Zambia and Kenya. All OPCOs, except Rwanda, delivered double-digit revenue growth.

Voice revenue was \$143m, an increase of 7.9% in constant currency as a result of 13.3% customer base growth and 22.5% growth in terms of voice usage per customer, which was marginally offset by 4% ARPU drop.

Data revenue amounted to \$86m, up by 30.5% supported by data customer base growth of 25.2% and ARPU increase of 7.4%. Growth was recorded across all OPCOs, driven by expansion of network infrastructure, with 68% of the sites now on 4G network as compared to 47% during previous period. Our mobile network in Zambia, Malawi and Uganda now consists of 100% of 4G sites.

Mobile money revenue grew by 34.6%, largely driven by growth in Zambia, Tanzania, Uganda and Malawi. Slowdown in revenue growth during the quarter was due to the restriction on movements as a result of the Covid-19 pandemic and the temporary waiver of charges on certain transactions to support the communities and economies in these unprecedented circumstances. The revenue growth of 34.6% was driven by a 27.4% increase in customer base and a 20% growth in transaction value per customer, supported by the expansion of our distribution network through more agents, kiosks and Airtel Money branches.

Underlying EBITDA margin was 42.4%, an improvement of 278 bps compared with the previous period supported by both revenue growth and efficiency improvement in operating expenses.

Capital expenditure during the period was \$19m, slightly lower than the previous period due to lockdown in most of the countries which impacted the deployment as well. Operating free cash flow was up by 50.4% at \$110m as a result of improvement in underlying EBITDA and lower capital expenditure.



## Francophone Africa<sup>1</sup>

Description	Unit of measure	Quarter ended			
		June-20	June-19	Reported currency change %	Constant currency change %
<b>Summarised statement of operations</b>					
<b>Revenue<sup>2</sup></b>	<b>\$m</b>	<b>209</b>	<b>209</b>	<b>0.4%</b>	<b>2.2%</b>
Voice revenue	\$m	117	132	(11.3%)	(9.8%)
Data revenue	\$m	57	43	32.6%	35.4%
Mobile money revenue <sup>3</sup>	\$m	23	20	14.9%	16.8%
Other revenue	\$m	21	20	5.1%	7.4%
<b>Underlying EBITDA</b>	<b>\$m</b>	<b>74</b>	<b>64</b>	<b>14.6%</b>	<b>15.9%</b>
Underlying EBITDA margin	%	35.1%	30.8%	436 bps	413 bps
Depreciation and amortisation	\$m	(48)	(46)	5.8%	7.7%
Exceptional item	\$m	-	(5)	(100.0%)	(100.0%)
<b>Operating profit<sup>4</sup></b>	<b>\$m</b>	<b>25</b>	<b>13</b>	<b>82.2%</b>	<b>81.1%</b>
Capex	\$m	16	14	12.7%	12.7%
Operating free cash flow	\$m	58	50	15.1%	16.8%
<b>Operating KPIs</b>					
ARPU	\$	3.5	3.7	(5.3%)	(3.5%)
Total customer base	million	20.2	19.2	5.4%	
Data customer base	million	5.6	4.2	34.7%	

<sup>(1)</sup> This business segment includes Niger, Chad, Gabon, Democratic Republic of the Congo, Republic of the Congo, Madagascar, and the Seychelles. This was previously called Rest of Africa.

<sup>(2)</sup> The above table includes intra-segment eliminations of \$10m for the quarter ended June 2020 and \$7m for the quarter ended June 2019.

<sup>(3)</sup> Mobile money revenue post intra-segment eliminations with mobile services is \$14m for the quarter ended June 2020 and \$13m for the quarter ended June 2019.

<sup>(4)</sup> The operating profit in above table includes CSR (Corporate social responsibility) expense of \$0.7m for the quarter ended June 2020.

Reported revenue was up by 0.4%, as constant currency growth of 2.2% was offset by currency devaluation. Revenue growth of data, mobile money and other revenue was partially offset by a decline in voice revenue. Performance across the region was mixed, with growth in Democratic Republic of the Congo (DRC), Gabon and Chad partially offset by revenue decline in other countries in the region.

Voice revenue decreased by 9.8%, largely due to a drop in interconnect usage charges in Niger, Madagascar and Chad, and overall market weakness in some countries in the region caused by macroeconomic conditions, which were further impacted by the Covid-19 pandemic.

Data revenue increased by 35.4%, supported by customer base growth of 34.7% and data ARPU growth of 7.6%. All countries contributed to revenue growth with the exception of Seychelles. Our expansion of 4G network and "More for More" bundle offering resulted in a data customer base increase. Data usage per customer almost doubled and reached 1.8GB per customer per month.

Mobile money revenue was up 16.8%. Slowdown in revenue growth during the quarter was due to the restriction on movements as a result of the Covid-19 pandemic and the temporary waiving of charges on certain transactions to support the communities and economies in these unprecedented circumstances.

Underlying EBITDA up by 14.6%, with constant currency growth of 15.9% and underlying EBITDA margin improvement by 436 bps in reported currency, 413 bps in constant currency. June 2019 had one-off quality of service charges of \$8.7m in Gabon.

Capex was at \$16m an increase of 12.7% as we continued to expand our 4G network. Over 900 sites were added during the period, with 58% of sites now on 4G. Operating free cash was \$58m, up by 16.8%, as result of improvement in underlying EBITDA.

## Mobile services

Description	Unit of measure	Quarter ended			
		June-20	June-19	Reported currency change %	Constant currency change %
<b>Summarised statement of operations</b>					
Revenue <sup>1</sup>	\$m	799	750	6.5%	12.5%
Underlying EBITDA	\$m	345	309	11.7%	18.9%
Underlying EBITDA margin	%	43.2%	41.2%	201 bps	230 bps
Depreciation and amortisation	\$m	(151)	(148)	2.1%	7.5%
Operating exceptional items	\$m	-	(9)	(100.0%)	(100.0%)
Operating profit <sup>2</sup>	\$m	192	152	26.1%	35.9%
Capex	\$m	64	96	(33.0%)	(33.0%)
Operating free cash flow	\$m	281	213	31.7%	44.2%
<b>Operating KPIs</b>					
<b>Mobile voice</b>					
Voice revenue	\$m	454	469	(3.2%)	2.2%
Customer base	million	111.5	99.7	11.8%	
Voice ARPU	\$	1.4	1.6	(13.0%)	(8.1%)
<b>Mobile data</b>					
Data revenue	\$m	265	207	28.0%	35.7%
Data customer base	million	37.0	30.0	23.2%	
Data ARPU	\$	2.5	2.3	7.2%	13.7%

<sup>(1)</sup> Mobile service revenue after intersegment eliminations amounted to \$798m for the quarter ended June 2020 and \$749.4m for the quarter ended June 2019.

<sup>(2)</sup> The operating profit in above table includes CSR (Corporate social responsibility) expense of \$2.3m for the quarter ended June 2020.

Reported mobile revenue was up by 6.5%, with 12.5% growth in constant currency, with both voice and data revenue contributing to this growth.

Reported voice revenue dropped by 3.2% while in constant currency grew by 2.2%. The double-digit customer base growth of 11.8% was partially offset by a drop in Voice ARPU. Customer base growth was supported by the expansion of our distribution network and infrastructure network. Voice usage per customer grew by 16.9% and total minutes on the network grew by 30%. ARPU dropped by 8.1% in constant currency terms, largely driven by a drop in interconnect usage charges across key markets in East Africa and Francophone Africa.

Data revenue continued to grow at 35.7% in constant currency, as a result of growth in our data customer base by 23.2%, accelerated 4G network rollout and increase in data usage. Currently, 33.2% of our total customers are data users, up from 30.1% compared to the previous period. Data usage doubled as compared to the previous period and reached 280 billion MBs, data usage per customer was up 68.2% to 2.5GB per customer per month, largely resulting from our 4G network expansion and popular data bundles offerings. Growing penetration on 3G and 4G network resulted in data ARPU growth of 13.7%.

Data revenue now contributes to 31.1% to the total revenue, up from 26% in the previous period.

## Mobile money

Description	Unit of measure	Quarter ended			
		June-20	June-19	Reported currency change %	Constant currency change %
<b>Summarised statement of operations</b>					
Revenue <sup>1</sup>	\$m	81	68	20.0%	26.3%
Underlying EBITDA	\$m	39	33	21.0%	26.7%
Underlying EBITDA Margin	%	48.5%	48.1%	40 bps	16 bps
Depreciation and amortisation	\$m	(3)	(2)	81.5%	85.5%
Operating profit	\$m	36	31	17.8%	23.6%
Capex	\$m	2	2	11.4%	11.4%
Operating free cash flow	\$m	37	31	21.5%	27.5%
<b>Operating KPIs</b>					
<b>Mobile money key KPIs</b>					
Transaction value	\$m	9,007	7,111	26.7%	33.9%
Active customers	million	18.5	14.6	26.9%	
Mobile money ARPU	\$	1.5	1.5	(3.7%)	1.4%

<sup>(1)</sup> Mobile money service revenue post intra-segment eliminations with mobile services is \$54.7m for the quarter ended June 2020 and \$47.6m for the quarter ended June 2019.

Reported mobile money revenue was \$81m, up 20.0%, with a constant currency growth of 26.3%. Slowdown in revenue growth during the quarter was due to the restriction on movements as a result of the Covid-19 pandemic, the temporary waiving of charges on certain transactions such as P2P transfer charges, wallet-to-banks, bank-to-wallet and certain merchant payments to support the communities and economies in these unprecedented circumstances and the withdrawal of USD charges in Nigeria as per new guideline issued by the Regulator.

The revenue growth of 26.3% was driven by a customer base growth of 26.9% and a 33.9% growth in transaction value. The sales and distribution network continued to expand through the addition of exclusive kiosks, Airtel Money branches and the mobile money agent network.

Underlying EBITDA amounted to \$39m, an increase of 21% in reported currency and 26.7% in constant currency. Underlying EBITDA margin was at 48.5%, an increase of 40 bps in reported currency. Total transaction value was up 33.9% in constant currency, amounting to \$36bn annualised transaction value.

Mobile money customer base grew to 18.5m, up 26.9% over the previous period, with Airtel Money customers representing 16.6% of our total customers. Mobile money ARPU was up 1.4%, driven by the increase in transaction values and a higher contribution from merchant payments and recharge of mobile services through Airtel Money.

## Forward looking statements

This document contains certain forward-looking statements including "forward-looking" statements made within the meaning of Section 21E of the United States Securities Exchange Act of 1934, 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\$ 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 growth numbers YoY are provided on constant currency basis unless stated differently.

## 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 EBITDA and Margin	Operating Profit	<ul style="list-style-type: none"> <li>• Depreciation and amortisation</li> <li>• Charity and donation</li> <li>• Exceptional Item</li> </ul>	<p>The Group defines underlying EBITDA as Operating profit/ (loss) for the period before depreciation and amortization, charity and donation and adjusted for exceptional items.</p> <p>Group defines underlying EBITDA Margin as underlying EBITDA divided by total revenue.</p> <p>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 APM.</p> <p>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.</p> <p>Charity and donation is not related to the trading performance of the Group and hence adjusted to arrive at underlying EBITDA and Margin.</p> <p>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.</p>
Underlying Operating Expenditure	Expenses	<ul style="list-style-type: none"> <li>• Access charges</li> <li>• Depreciation and amortisation</li> <li>• Charity and Donation</li> <li>• Exceptional items</li> </ul>	<p>The Group defines Underlying Operating Expenditure as expenses excluding access charges, depreciation and amortisation, charity and donation and adjusted for exceptional items.</p> <p>The Directors view Underlying Operating Expenditure to be a meaningful measure to track the actual cost of the Group's business, excluding exceptional items, as well as to track the efficiency and productivity of the business.</p>

APM	Closest equivalent IFRS measure	Adjustment to reconcile to IFRS measure	Definition and Purpose
			<p>The Directors view access charges in net level (net of revenue and cost) in revenue account and hence adjusted to arrive at Underlying Operating Expenditure.</p> <p>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 Operating Expenditure.</p> <p>Charity and donation is not related to the trading expenses of the Group and hence adjusted to arrive at Underlying Operating Expenditure.</p> <p>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 trading expenses 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 Operating Expenditure.</p>
Underlying Profit / (Loss) Before Tax	Profit / (Loss) Before Tax	<ul style="list-style-type: none"> <li>• Exceptional Items</li> </ul>	<p>The Group defines Underlying Profit / (Loss) before Tax as Profit/ (loss) before tax adjusted for exceptional items.</p> <p>The Directors view Underlying Profit / (Loss) Before Tax to be a meaningful measure to analyse the Group's profitability.</p> <p>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.</p>
Effective tax rate	Reported tax rate	<ul style="list-style-type: none"> <li>• Exceptional items</li> <li>• Foreign Exchange rate movements</li> <li>• One off tax impact of prior period, tax litigation settlement and impact of tax on permanent differences</li> </ul>	<p>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 year adjustment, tax settlements and impact of permanent differences on tax.</p> <p>This provides an indication of the current on-going tax rate across the Group.</p> <p>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.</p> <p>Foreign exchange rate movements are specific items that are non-tax deductible in 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.</p> <p>One off tax impact on account of prior year 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.</p>
Adjusted effective tax rate	Reported tax rate	<ul style="list-style-type: none"> <li>• Deferred tax triggered during the year and accounted as exceptional tax item.</li> </ul>	<p>The Group defines adjusted effective tax rate as effective tax rate after normalizing any impact arising on account of deferred tax triggered during the year for the first time which has been reported as exceptional item.</p> <p>This provides an indication of the tax rate across the Group for the current financial year after considering any deferred tax triggered during the year.</p>
Underlying profit/(loss) after tax	Profit/(loss) for the period	<ul style="list-style-type: none"> <li>• Exceptional Items</li> </ul>	<p>The Group defines Underlying Profit / (Loss) after Tax as profit / (loss) for the period adjusted for exceptional items.</p> <p>The Directors view Underlying Profit / (Loss) after Tax to be a meaningful measure to analyse the Group's profitability.</p> <p>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</p>

APM	Closest equivalent IFRS measure	Adjustment to reconcile to IFRS measure	Definition and Purpose
			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	<ul style="list-style-type: none"> <li>Exceptional Items</li> </ul>	<p>The Group defines Earnings per share before exceptional items as profit/ (loss) for the period before exceptional items attributable to owners of the Group divided by the weighted average number of ordinary shares in issue during the financial period.</p> <p>This measure reflects the earnings per share before exceptional items for each share unit of the Group.</p> <p>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.</p>
Operating Free Cash Flow	Cash generated from operating activities	<ul style="list-style-type: none"> <li>Income tax paid,</li> <li>Changes in working capital,</li> <li>Other non-cash items,</li> <li>Non-operating income,</li> <li>Charity and donation</li> <li>Exceptional items</li> <li>Capital expenditures</li> </ul>	<p>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.</p>
Free Cash Flow	Cash generated from operating activities	<ul style="list-style-type: none"> <li>Changes in working capital,</li> <li>Capital expenditures</li> <li>Cash tax</li> <li>Cash Interest</li> </ul>	<p>The Group defines Free Cash Flow as net cash generated from operating activities after change in operating working capital, cash tax &amp; cash interest. It is computed as "EBITDA less change in operating working capital, capital expenditure, cash tax and cash interest."</p> <p>The Group views 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.</p>
Net Debt and Leverage Ratio	No direct equivalent	<ul style="list-style-type: none"> <li>Borrowing</li> <li>Lease liabilities</li> <li>Cash and cash equivalent</li> <li>Fair value hedges</li> </ul>	<p>The Group defines Net debt as borrowings including lease liabilities less cash and cash equivalents, processing costs related to borrowings and fair value hedge adjustments.</p> <p>The Group defines Leverage Ratio as net debt divided by underlying EBITDA.</p> <p>The Directors view Net debt and Leverage Ratio to be a meaningful measure to monitor the Group's ability to cover its debt through its earnings.</p>

Some of the Group's APMs are translated at constant exchange rates. Constant exchange rates are the average actual periodic exchange rates for the previous financial period and are used to eliminate the effects of exchange rate fluctuations in assessing performance. Actual exchange rates are the average actual periodic exchange rates for that financial period.

#### Changes to APMs

The Group has made a small number of re-classifications in its financial statements, and to conform with the current classification, has reclassified the previous period amounts. The impact of such reclassifications has been duly considered in the APMs.

## Glossary

### Technical and Industry Terms

<b>4G Data customer</b>	A customer having 4G handset and who used at least 1 MB on Group's GPRS, 3G & 4G network in the last 30 days.
<b>Airtel Money ARPU</b>	Airtel Money ARPU, which is derived by dividing total Airtel Money revenue during the relevant period by the average number of Airtel Money customers and dividing the result by the number of months in the relevant period.
<b>Airtel Money customer base</b>	Total number of subscribers who has done any Airtel Money usage event in last 30 days.
<b>Airtel Money customer penetration</b>	It is computed by dividing the Airtel Money customer base by total customer base.
<b>Airtel Money transaction</b>	It is defined as value of any financial transaction performed on Airtel Money platform.
<b>Airtel Money transaction value per customer per month</b>	It is computed by dividing the total Airtel Money transaction value on Group's AM platform during the relevant period by the average number of Airtel Money customers and dividing the result by number of months in the relevant period.
<b>ARPU</b>	Average revenue per user per month, which is derived by dividing total revenue during the relevant period by the average number of customers and dividing the result by the number of months in the relevant period.
<b>Average customers</b>	Average customers are derived by computing the average of the monthly average customers for the relevant period.
<b>Broadband Base Stations</b>	It includes all the 3G and 4G Base stations deployed across all technologies/spectrum bands.
<b>Capital expenditure</b>	It is not a GAAP measure and is defined as investment in capital work in progress (CWIP) gross fixed assets (tangible and intangible excluding spectrum/licence) and excluding provision on capital work in progress
<b>Constant currency</b>	The Group has presented certain financial information that is calculated by translating the results for the current financial year and prior financial years at a fixed 'constant currency' exchange rate, which is done to measure the Organic performance of the Group.
<b>Churn</b>	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 number of months in the relevant period.
<b>Customer</b>	A customer is defined as a unique subscriber with a unique mobile telephone number who used any of Airtel's services in the last 30 days.
<b>Customer base</b>	Total number of subscribers that used any of our services (voice calls, SMS, data usage or Airtel Money transaction) in the last 30 days.
<b>Data ARPU</b>	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.
<b>Data customer base</b>	Total subscribers who consumed at least 1MB on the Group's GPRS, 3G or 4G network in the last 30 days.
<b>Data customer penetration</b>	It is computed by dividing the data customer base by total customer base.
<b>Data usage per customer</b>	It is 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.
<b>Underlying EBITDA</b>	It is not a GAAP measure and is defined as operating profit before depreciation, amortisation, CSR cost and exceptional items.
<b>Underlying EBITDA margin</b>	It is not a GAAP measure and is computed by dividing underlying EBITDA for the relevant period by total revenue for the relevant period.
<b>Earnings per share (EPS)</b>	EPS is computed 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.
<b>Free cash flow</b>	Free cash flow defined as Operating free cash flow less cash interest, cash tax and change in operating working capital.
<b>Leverage</b>	It is not a GAAP measure and is computed by dividing Net Debt as at the end of the relevant period by underlying EBITDA for preceding last 12 months (from the end of the relevant period). This is also referred to as leverage ratio.
<b>Minutes of usage</b>	Duration in minutes for which a customer uses the Group's network. It is typically expressed over a period of one month. It includes incoming, outgoing and in-roaming minutes.
<b>Mobile service</b>	Mobile service is defined as the core Telecom services provided by the Group and excludes Airtel Money services.
<b>Net debt</b>	It is not a GAAP measure and is defined as the long-term borrowings, short term borrowings and leased liability less cash and cash equivalents.



<b>Network towers/sites</b>	Comprises of base transmission system (BTS) which holds the radio transceivers (TRXs) that define a cell and coordinates the radio links protocols with the mobile device. It includes all the ground based, roof top and in building solutions as at the end of the period.
<b>Operating free cash flow</b>	It is computed by subtracting Capital expenditure from underlying EBITDA.
<b>Operating leverage</b>	Operating leverage is measure to derive the operating efficiency of the business and is computed by dividing the Operating expenditure (excluding regulatory charges) by total revenue.
<b>Operating profit</b>	It is a GAAP measure and is computed as revenue less operating expenditure including depreciation & amortisation and operating exceptional items.
<b>Reported currency</b>	Reported currency is the currency where actual periodic exchange rates are used to translate the local currency financial statements of OPCO into US dollar. Under Reported currency the assets and liabilities are translated into US dollar at the exchange rates prevailing at the reporting date whereas the statements of profit and loss are translated into US dollar at monthly average exchange rates.
<b>Smartphone</b>	Smartphone is defined as mobile phone with interactive touch screen that allows the user to access internet apart from making calls and sending text messages.
<b>Smartphone Penetration</b>	It is computed by dividing the smartphone devices by total customer
<b>Total MBs on network</b>	Total MBs consumed (uploaded & downloaded) by customers on the Group's GPRS, 3G and 4G network during the relevant period.
<b>Voice minutes of usage per customer per month</b>	It is computed by dividing the total voice minutes of usage on Group's network during the relevant period by the average number of customers and dividing the result by number of months in the relevant period.
<b>Weighted average number of shares</b>	The weighted average number of shares is calculated by taking the number of outstanding shares and multiplying the portion of the reporting period those shares covered, doing this for each portion and, finally, summing the total.

## Abbreviations

<b>3G</b>	Third-generation technology
<b>4G</b>	Fourth-generation technology
<b>ARPU</b>	Average revenue per user
<b>bps</b>	Basis points
<b>bn</b>	Billion
<b>CSR</b>	Corporate Social Responsibility
<b>EBITDA</b>	Earnings before interest, tax, depreciation and amortisation
<b>EPS</b>	Earnings per share
<b>GAAP</b>	Generally Accepted Accounting Principles
<b>GB</b>	Gigabyte
<b>IFRS</b>	International Financial Reporting Standards
<b>IPO</b>	Initial Public Offering
<b>OPCO</b>	Operating company
<b>KPIs</b>	Key performance indicators
<b>m</b>	Million
<b>MB</b>	Megabyte
<b>P2P</b>	Person to Person
<b>ppts</b>	Percentage points
<b>SIM</b>	Subscriber Identification Module
<b>Single RAN</b>	Single radio access network
<b>SMS</b>	Short Messaging Service
<b>UoM</b>	Unit of measure