

Welcome

MTN Ghana's H1 2023 Investor Connect Event

2 August 2023

MTN

H1 2023 Investor Connect Presentation

2 August 2023



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Outline



- 1** Our executive team
- 2** Setting the operating context
- 3** Reflecting on H1 2023 performance
- 4** Creating shared value
- 5** Looking ahead

Our executive team

Selorm Adadevoh | CEO



Our executive team, comprises of 15 executives with vast strategic and operational experience in the industry



Chief Executive Officer
Selorm Adadevoh



Chief Finance Officer
Antoinette Kwofie



Chief Capital Projects Officer
William Tetteh



Chief Technical Officer
Thomas Motlepa



Chief Sales & Distribution Officer
Samuel Addo



Chief Risk & Compliance Officer
Joseph Dogbe



Chief Information Officer
Bernard Acquah



Chief Human Resource Officer
Amma Benneh-Amponsah



Chief Commercial Officer
Noel Kojo-Ganson



Ag. Chief Enterprise Business Officer
Daniel Asare



Chief Corporate & Sustainability
Officer
Adwoa Afriyie Wiafe



CEO, MobileMoney Ltd.
Shaibu Haruna



GM, Internal Audit & Forensics
Michael Gbewonyo



Chief Customer Relations Officer
Jemima Kofei Walsh



Chief Digital Officer
Dario Bianchi

Strong and experienced management team, with a track record of execution



Let's get personal with...



Selorm Adadevoh
Chief executive officer
B.Sc. Civil Engineering & MBA
Finance
Tennis, music & watching
Liverpool FC



Antoinette Kwofie
Chief finance officer
B.Sc. Agricultural Economics, CA
(GH), ACMA (UK) & CGMA
Dancing, travelling, reading, music,
movies & Formula 1



William Tetteh
Chief capital projects officer
B.Sc. Physics, MBA Project Mgt
& MSc. Telecom Engineering
Watching movies



Thomas Motlepa
Chief technical officer
B.Sc. Electrical Engineering
Running, weightlifting & chess



Let's get personal with...



Samuel Addo
Chief sales & distribution officer
B.Sc. Biological Science & CIM
(UK)
Golf & swimming



Amma Benneh-Amponsah
Chief human resource officer
B.Sc. Admin & MBA
Reading & meditation



Noel Kojo-Ganson
Chief commercial officer
MBA Strategic Marketing & CIM
(UK)
Football & watching movies



Daniel Asare
Ag. Chief enterprise business
officer
BA Social Science & MSc.
Business and Econs, CIM (UK)
Cycling



Let's get personal with...



Bernard Acquah
Chief information officer
B.Sc. Computer Science & MBA
DJing, football, Formula 1 & boxing



Jemima Kotei Walsh
Chief customer relations officer
B.Sc. Admin & MA Human
Resource Development
Watching movies & dancing



Joseph Dogbe
Chief risk & compliance officer
B.Sc. Admin (Accounting), ACCA,
CISA, CRISC, CCO & GRCP
Music & Chess



Shaibu Haruna
Chief executive officer,
MobileMoney Ltd.
B.Sc. Admin & MBA Finance
Cooking, cycling & walking by the countryside



Let's get personal with...



Dario Bianchi
Chief digital officer
M.Sc. Telecom Engineering &
General Mgt. Program (GMP)
Surfing



Adwoa Afriyie Wiafe
Chief corporate & sustainability
officer
LLB, QCL, BCL & LLM
Reading & exercising



Michael Gbewonyo
General manager, internal audit
and forensics
B.Sc. Admin & ICAG (GH)
**Reading, Tennis & watching
Barcelona**



Setting the operating context

Selorm Adadevoh | CEO



Geo-political, social, macro-economic and regulatory context

Our business is facing several challenges and we are navigating a tough operating environment



Geo-political and social

- COVID-19
- Ukraine-Russia war
- US-China relations
- Supply chain constraints

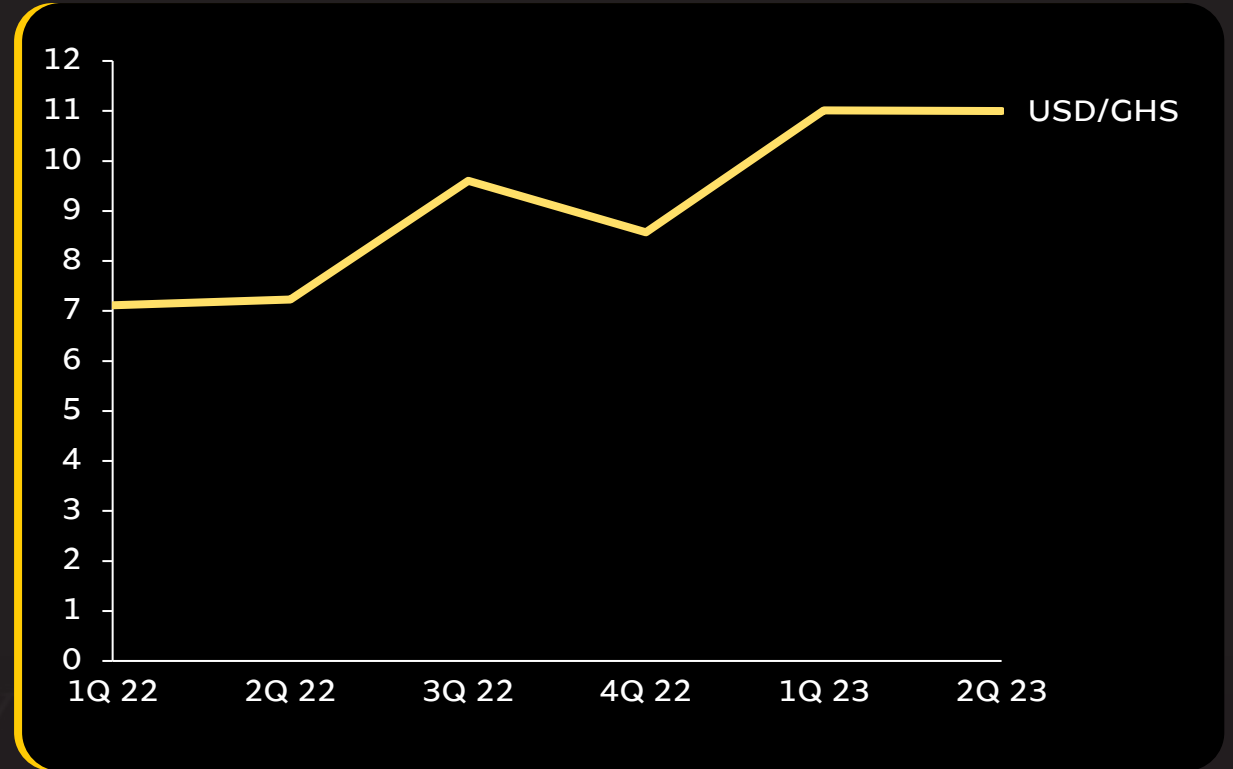
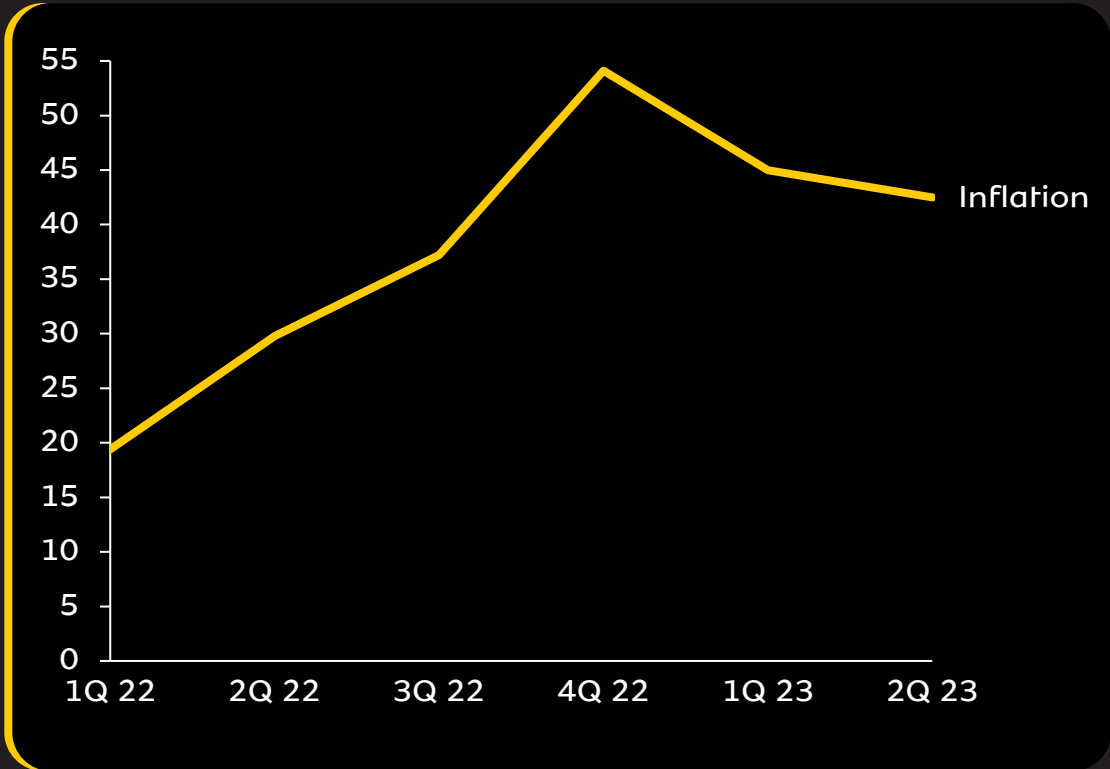
Macro-economic

- Rising inflation
- Higher interest rates
- FX pressures
- Rising utility costs

Regulatory

- SIM re-registration
- New taxes and levies
- Spectrum and license renewals
- SMP compliance

A challenging macro-economic environment in H1 2023



- **Rising inflation (down from 54.1% in December 2022 to 42.5% in June 2023)**
- **Depreciation of GHS against USD (28.2%) and other major trading currencies in H1 2023**
- **Increased fuel cost**
- **Increased utility cost**

Regulatory updates

Regulatory compliance remains a top priority for MTN Ghana



Regulators



SIM re-registration with Ghana card

- NCA directive to disconnect 5.4 million SIMs as at 31 May 2023
- 0.4 million re-registered leaving outstanding disconnections at 4.9 million SIMs as at end of June 2023

Localisation

- Localisation of Scancom PLC and MobileMoney Limited remains priority
- Localisation impacted by Scrip Dividend, moving us from 25.0% to 23.2% as at H1 2023

Focused business execution in a challenging context

Navigating the business through current volatility in the context of Ambition 2025



Commercial

- Customer Value Management (CVM) | Price optimisation
- Executing on our platform strategy
- Revamped product offerings to remain relevant

Supply chain

- Early and aggressive capex commitment
- Leverage trade lines (letters of credit) to support capex
- Continued reliance on local vendor landscape (~75% of total spend)

Network

- Re-negotiating tower agreement to mitigate rising inflation and energy costs
- Expanding national roaming pilot to nationwide coverage

Financial resilience

- Accelerate expense efficiencies and working capital initiatives
- Accelerate operational excellence plan to further bolster our cost performance

Reflecting on H1 2023 performance

Selorm Adadevoh | CEO



H1 2023 YoY highlights: our growth strategy to sustain our growth momentum while priming new areas of growth continues



+32.3%
Service revenue
GHS6.2 bn

+41.0%
Data revenue
GHS2.6 bn

+14.4%
Voice revenue
GHS1.7 bn

+48.8%
MoMo revenue
GHS1.3 bn

-22.1%
Digital revenue
GHS0.1 bn

+29.4%
EBITDA
GHS3.5 bn

-1.3pp
EBITDA margin
56.1%

+54.2%
Core capex
GHS1.5 bn

+27.7%
Earnings per share*
GHS0.129p

PAT +27.9% to GHS1.7 bn

Interim dividend of 5.0 pesewas* per share for half-year 2023

Core capex excluding spectrum license cost was GHS1.1 billion with a capex intensity of 17.1%.

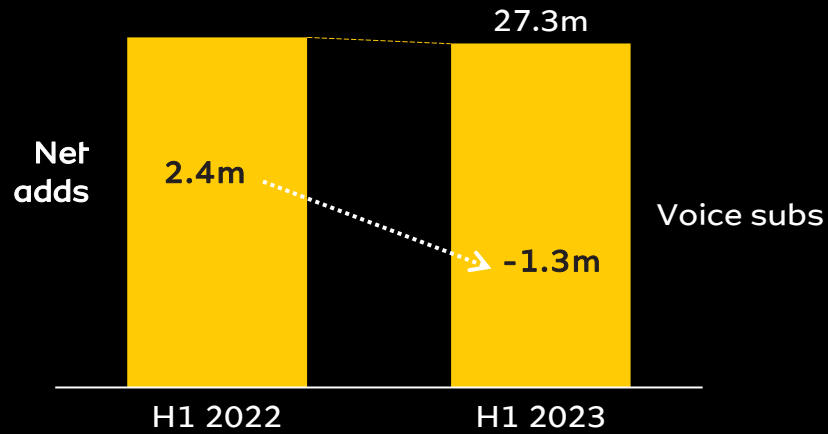
* Interim Dividend of 5 pesewas declared in 1H 2023. Number of outstanding shares increased from 12,290,474,360 to 13,236,175,050 due to Scrip dividends.

Strong voice growth continues

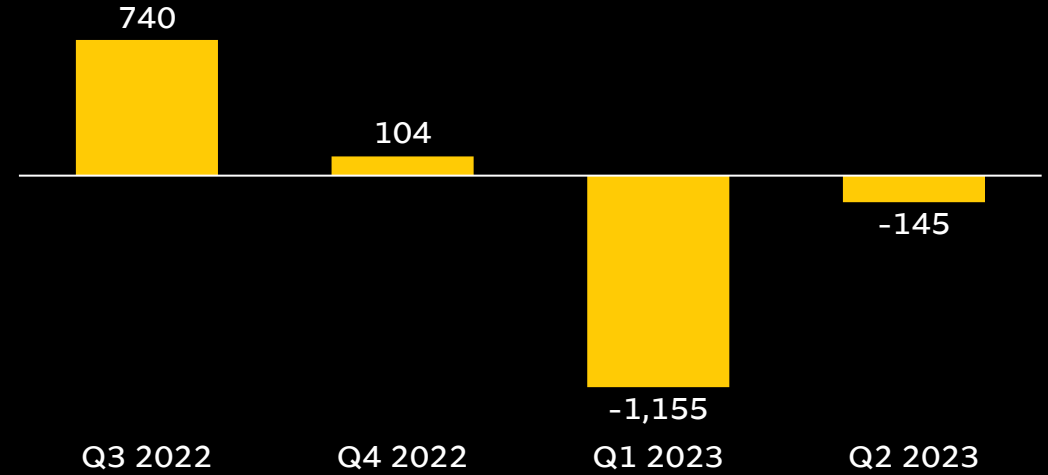


Voice revenue
+13.9% to GHS1.8 billion

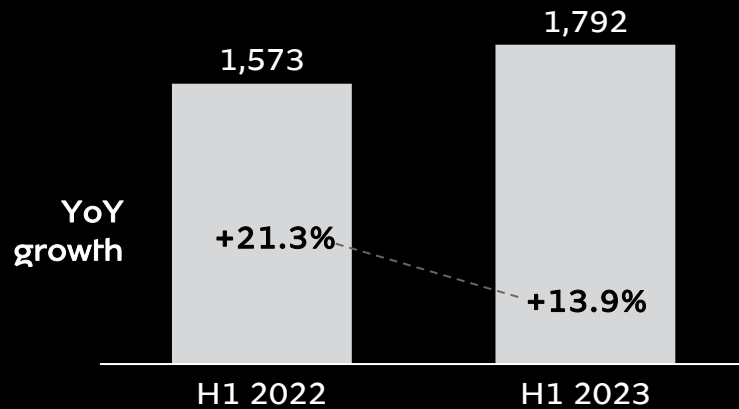
Subscribers (m)



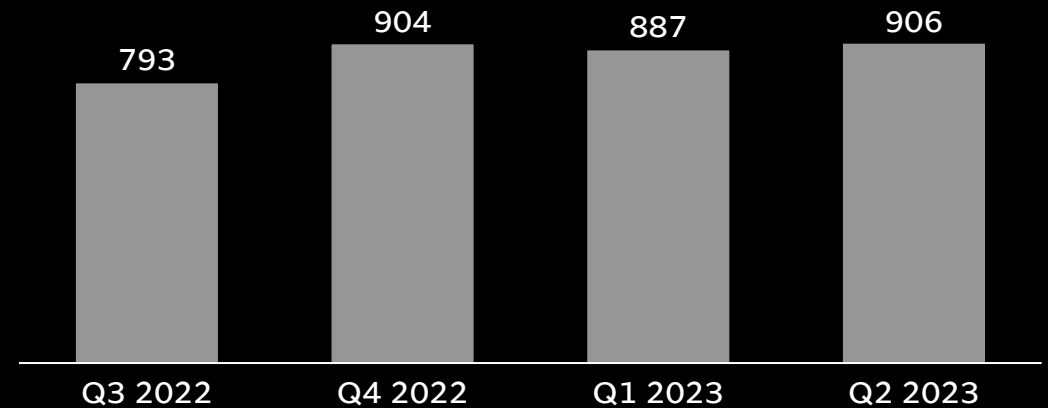
Quarterly subscriber net adds (000)



Voice revenue growth (GHSm)



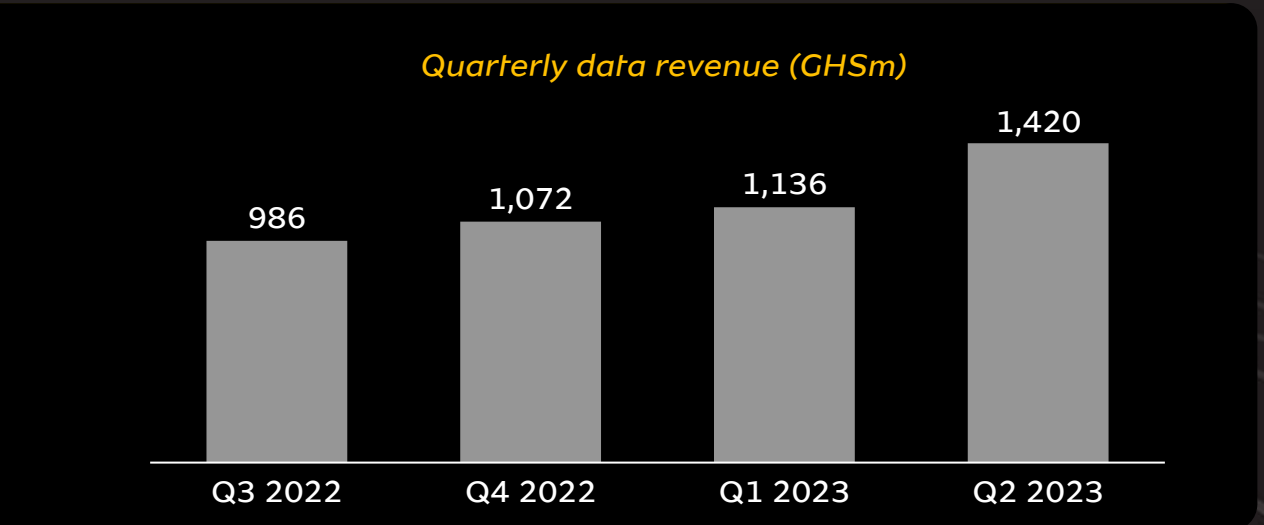
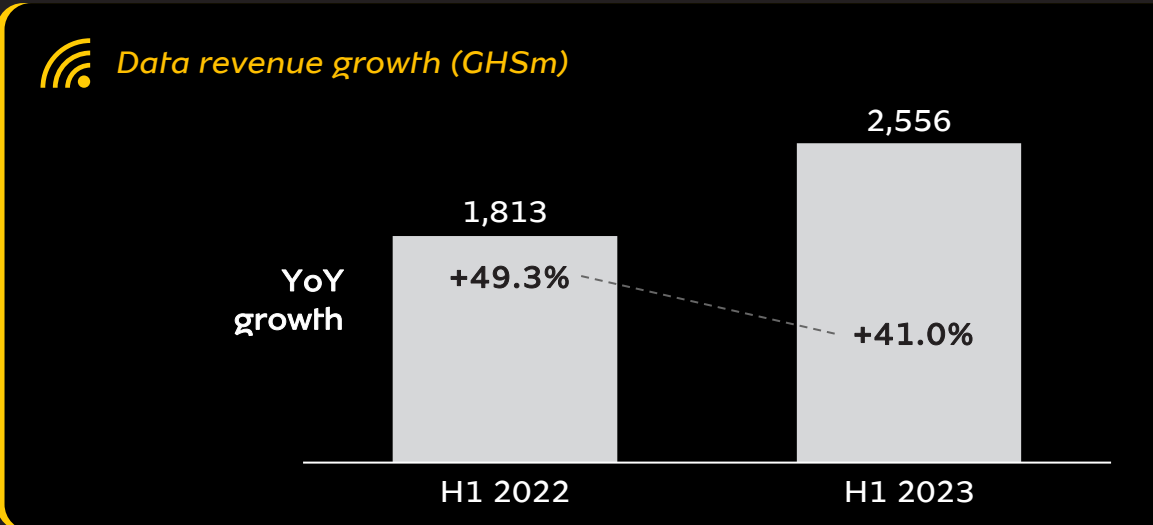
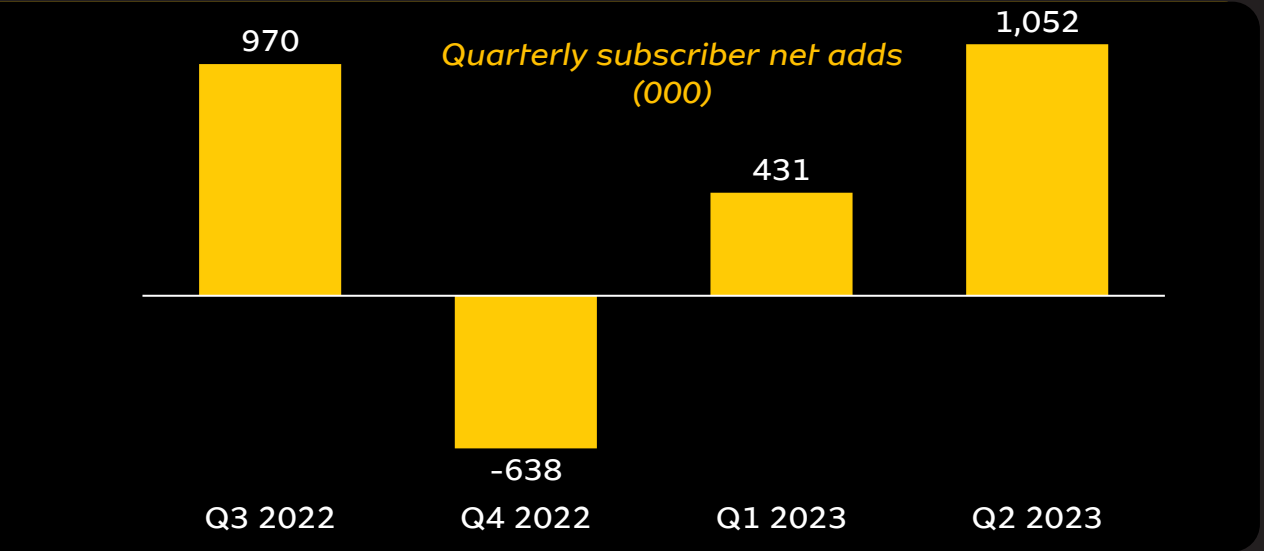
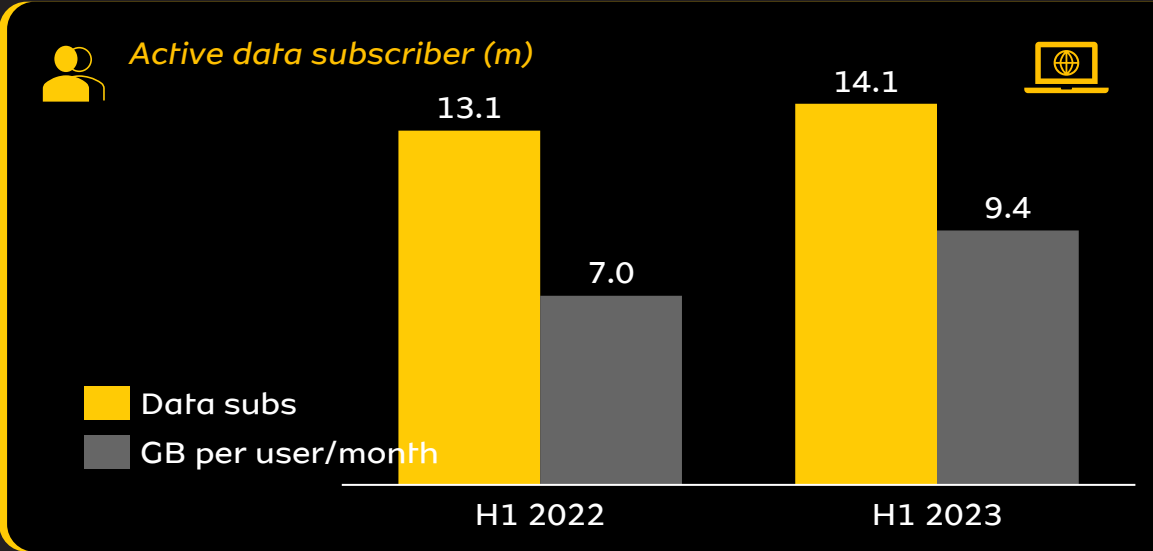
Quarterly voice revenue (GHSm)



Growth trajectory of data gathers momentum



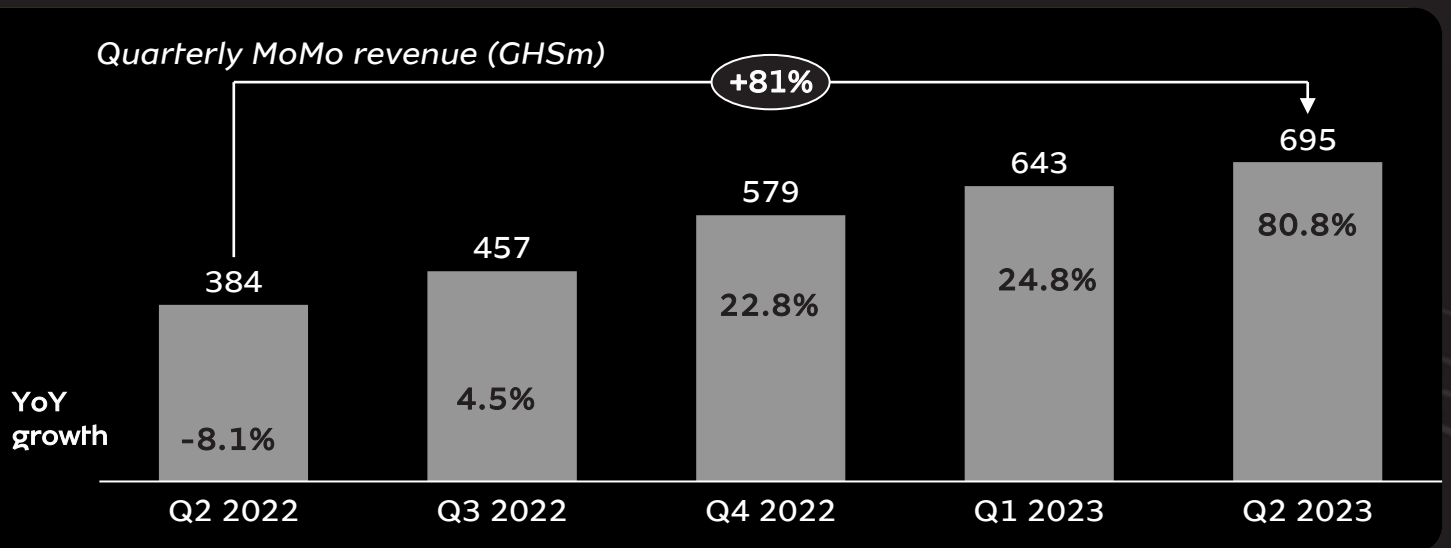
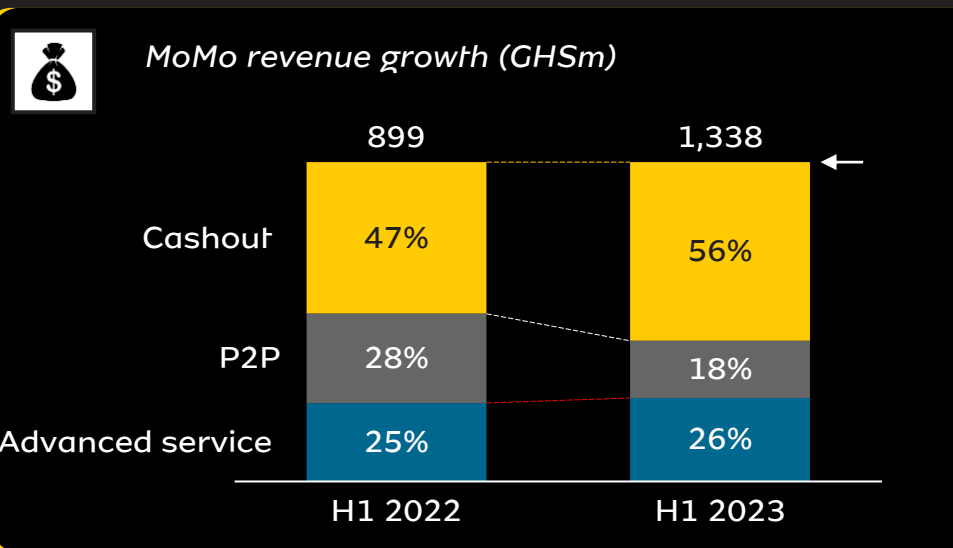
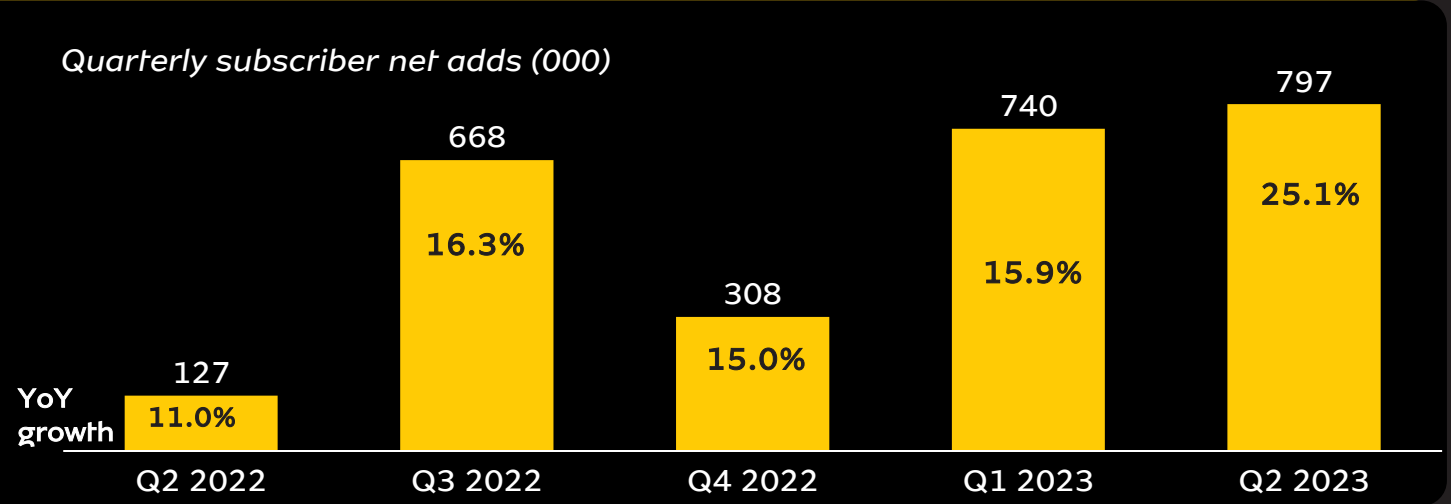
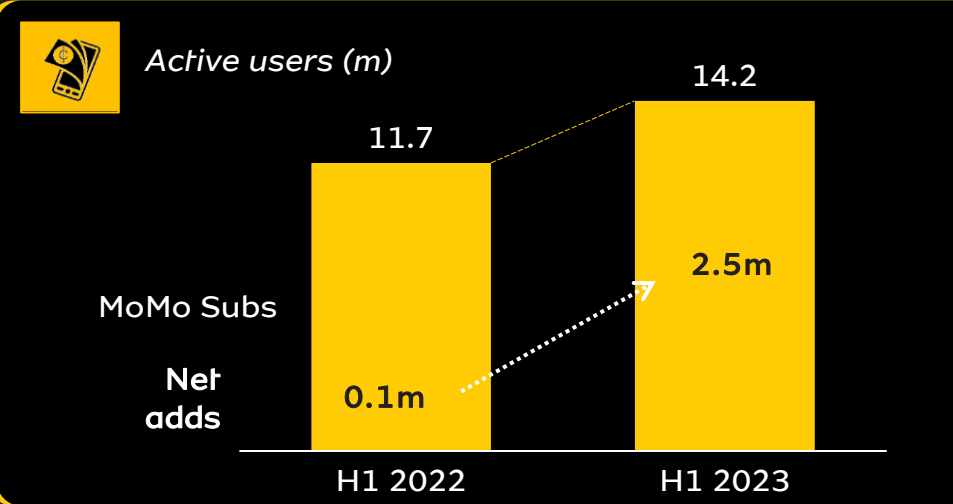
Data revenue +41.0% to GHS2.6 billion



MoMo growth encouraging, post e-Levy changes in Jan. 2023



Mobile Money revenue +48.8% to GHS1.3 billion



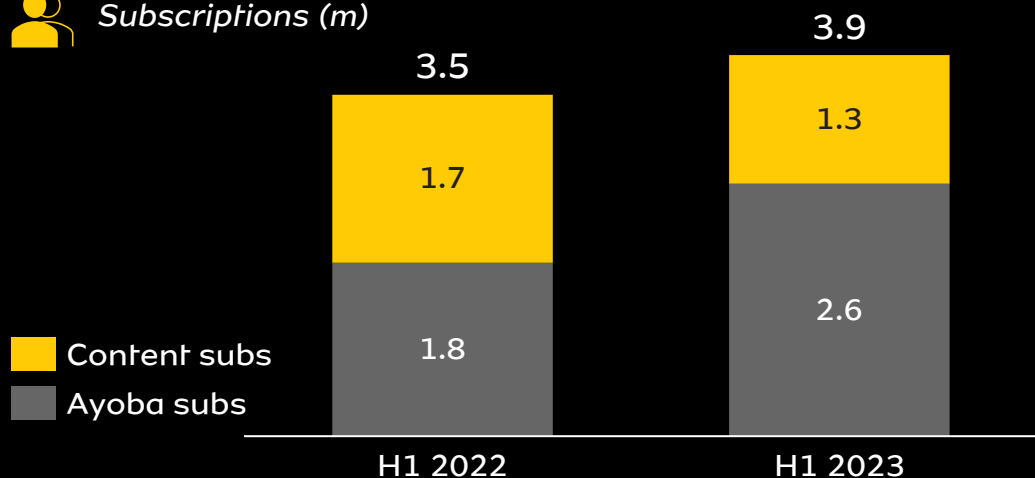
Revamping digital, through enhanced digital channels and improved content portfolio



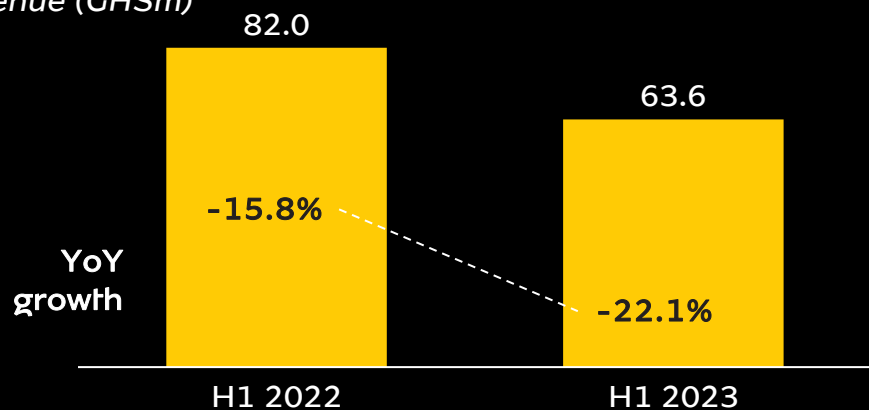
Digital revenue
-22.1% to GHS 0.1 billion



Subscriptions (m)



Revenue (GHSm)



Ayoba

- +46% YoY growth in Ayoba subs
- 35 local micro-apps and channels



Zigi Chatbot

- **50K** monthly users
- 80% Customer Satisfaction (CSAT)



myMTN

- **1.7m active users (+21% YoY)**
- Started roll-out of new enhanced version



Entertainment

- +23% YoY growth in video revenues
- New partnership with **Boomplay**

Financial review

Antoinette Kwofie | CFO



Snapshot of income statement: strong revenue and EBITDA growth underpinned by commercial and operational excellence



(GHSm)	H1 2023	H1 2022	% change reported
Revenue	6,177	4,667	32.4
EBITDA	3,467	2,680	29.4
Depreciation, amortization and goodwill impairment	(788)	(577)	36.6
Net finance Cost / income	(236)	(164)	(43.6)
Profit before tax	2,443	1,938	26.0
Growth and sustainability levy	122	99	23.8
Income tax	610	502	21.4
Profit after tax	1,711	1,338	27.9
Earnings per share (EPS)	0.232	0.163	42.3

¹ Service revenue excludes device and sim card revenue

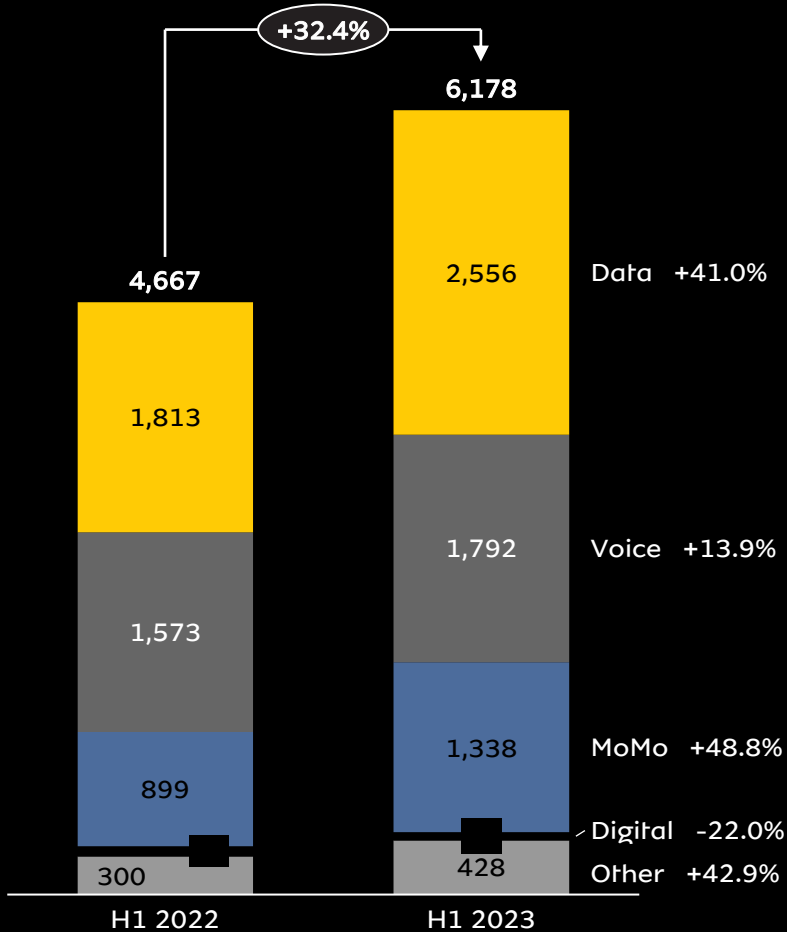
² Net finance costs comprise net interest expense, forex losses

100 pesewas = 1 Ghana Cedi

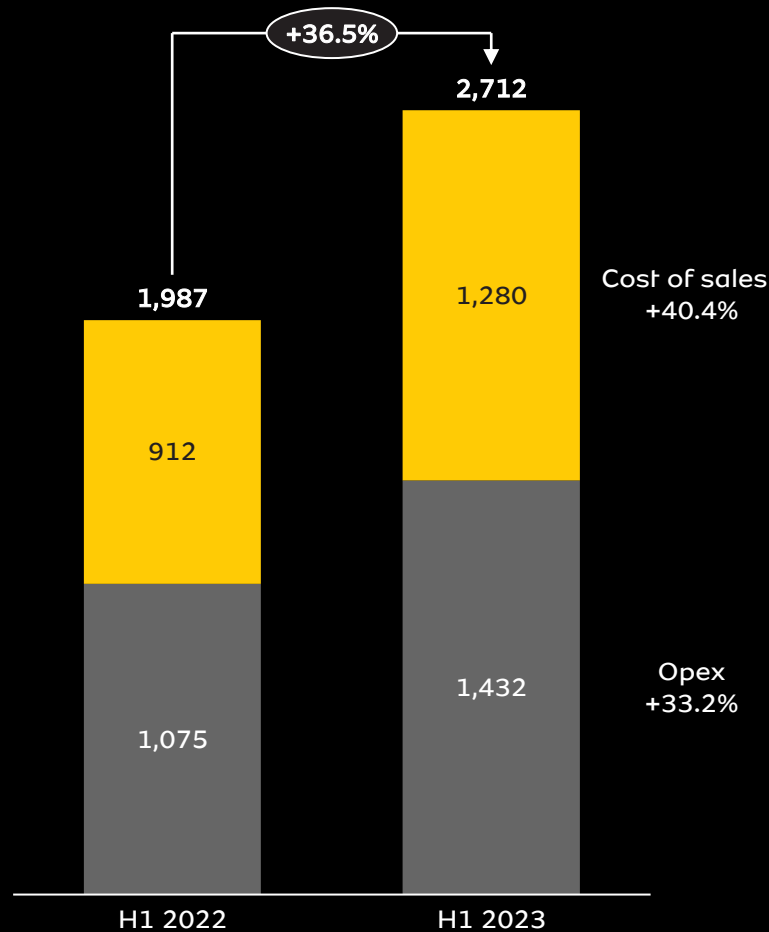
Summary performance indicators: strong focus on cost efficiencies reflected in margins, and disciplined FCF management



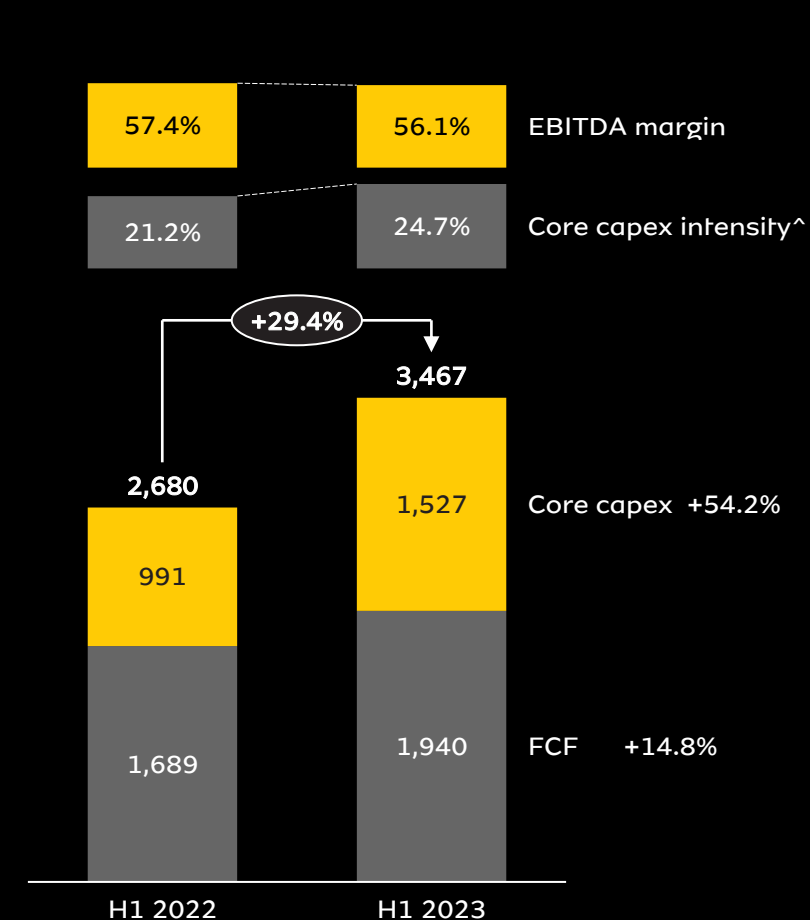
Service revenue (GHSm)



Expenses (GHSm)



EBITDA & Core capex (GHSm)

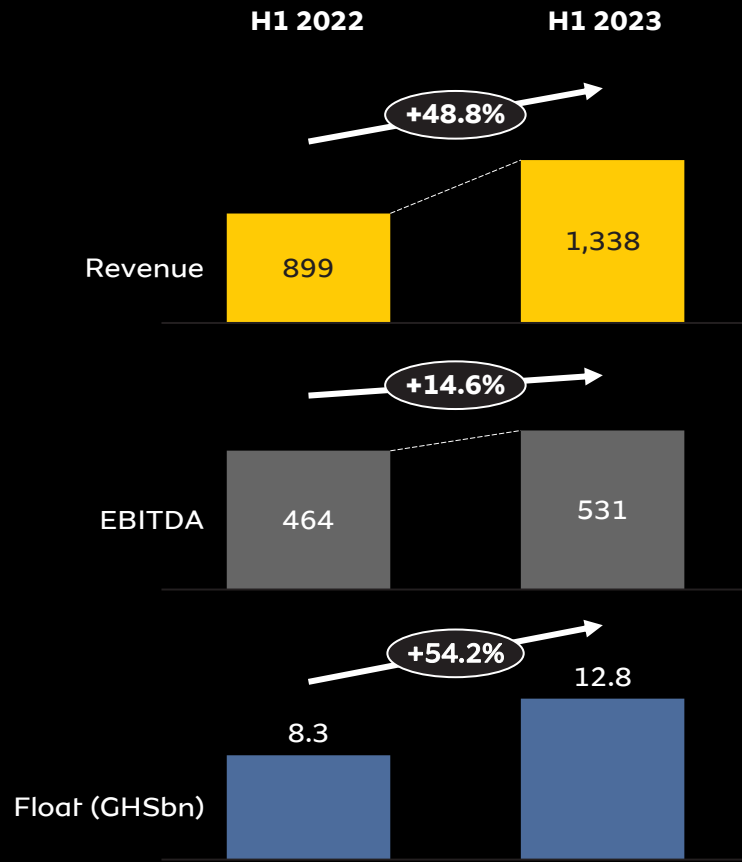


[^]Core capex: excludes capex attributable to right-of-use (RoU) assets. Core capex excluding spectrum license cost was GHS1.1 billion with a capex intensity of 17.1%. The intensity of 24.7% does not reflect the FY 2023 status. Capex intensity = Capex/ Total revenue | FCF = EBITDA - capex

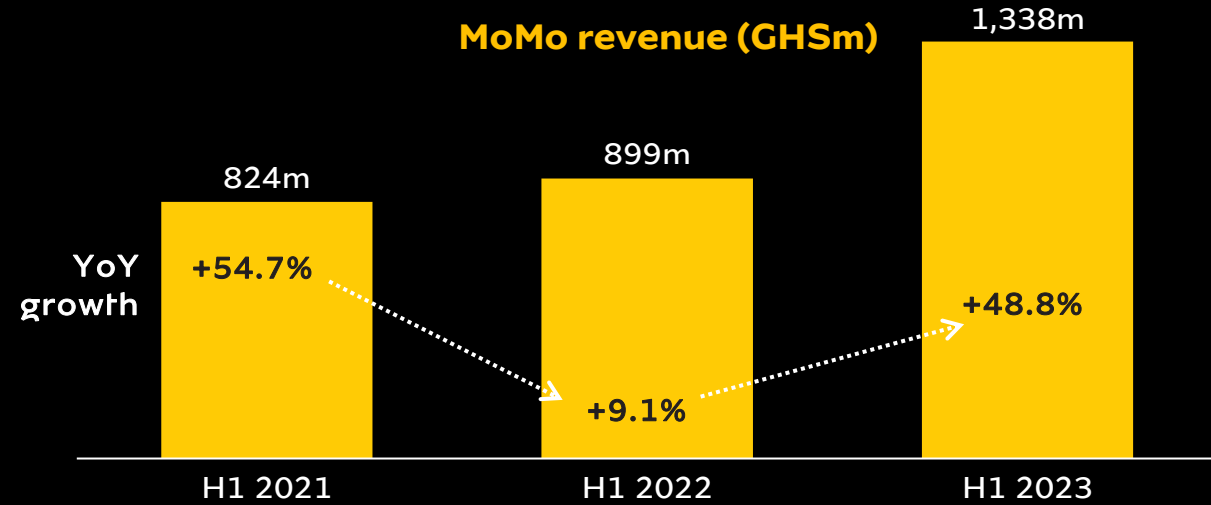
Mobile Money recovery: continued growth following changes to e-Levy and commercial strategy implementation



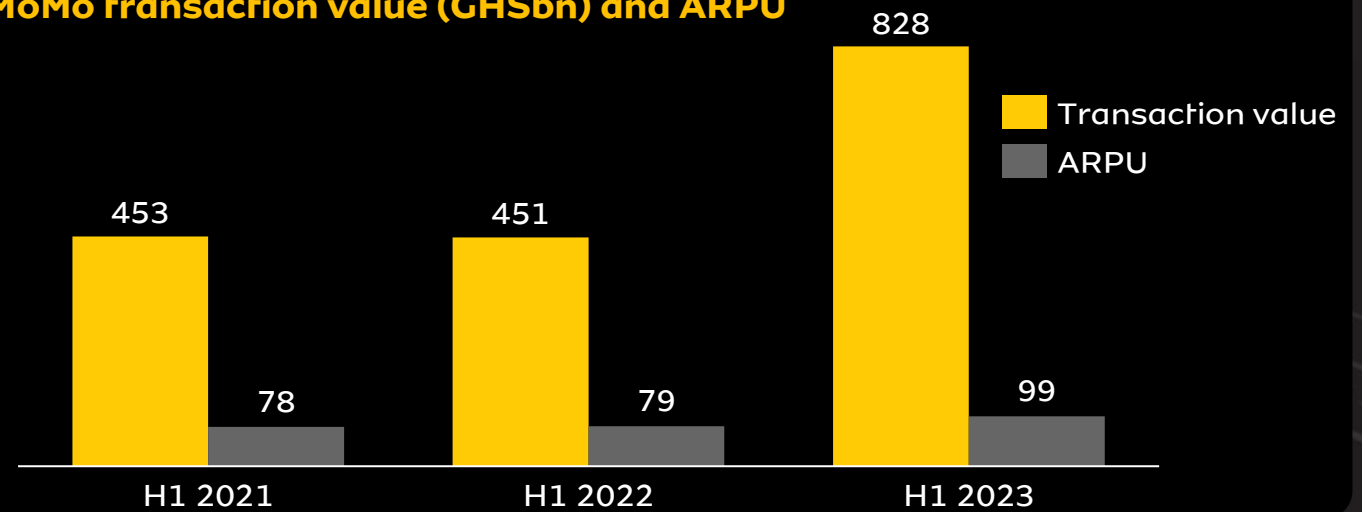
MoMo highlights (GHSm)



MoMo revenue (GHSm)



YTD MoMo transaction value (GHSbn) and ARPU



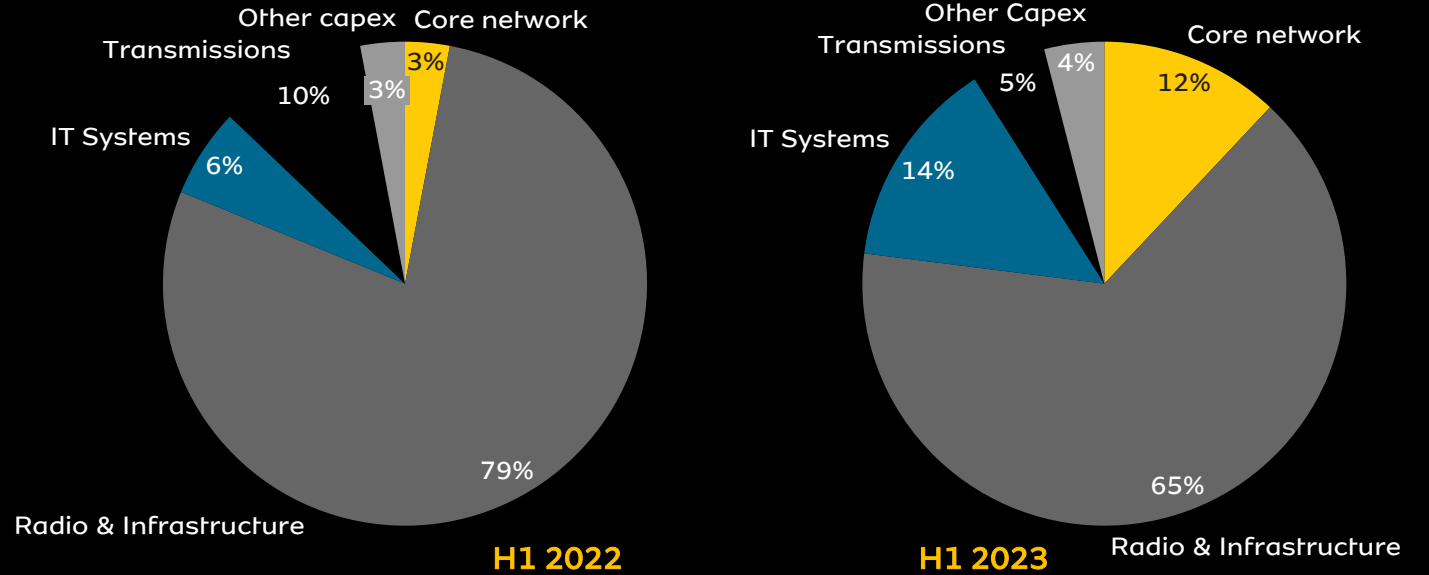
Capex: strategic investment in network and IT systems to ensure future relevance



Core capex intensity Core capex (GHSm)



Capex breakdown



	Technology	H1 2022	H1 2023
Site rollout	2G	255	156
	3G	255	159
	4G	935	156
Population coverage	2G	99.3%	99.5%
	3G	97.0%	99.4%
	4G	90.6%	99.3%

Capex intensity = Capex/ Total revenue

^ Core Capex intensity of 24.7% represents core capex and excludes Intangibles and ROU additions

* Other Capex consists mainly of Facility projects, Maintenance and Operations.

Total capex consists of Core capex spend of GHS998 m, intangibles of GHS537.5 m and RoU assets of GHS704.2 m. Core capex excluding spectrum license cost was GHS1.1 billion with a capex intensity of 17.1%.

Capex plans and managing currency risk



Funding capital projects

- 2023 capex plan of GHS2.4 billion
- Prioritize access to foreign currency credit lines and medium-term loans
- Reliance on operational cashflow and local debt

Managing currency risk

- Ramp up crucial equipment orders to hedge against devaluation or pricing risk
- Cash flow and local debt serve as natural hedge to currency risks

Medium-term capex plan

- 3G & 4G network and fibre infrastructure expansion
- Rural telephony expansion
- Investment in platforms
- 5G readiness

Creating shared value

Selorm Adadevoh | CEO



Touching the lives of Ghanaians through the MTN Foundation



 **166**
social projects completed

 **GHS106.5m**
invested in social impact projects

 **4.5m lives**
directly and indirectly impacted



90
Education Projects

- ICT Centers & Libraries
- Classrooms & Dormitories
- Scholarships



55
Health Care Projects

- Hospitals & Health centers
- Blood bank construction
- Wards & Maternity Blocks
- Surgeries & Equipment



15
Economic Empowerment Project

- Micro enterprises
- Youth development initiatives (Suhum & Nsawam)
- Women empowerment in Shea butter & Oil Palm
- Innovations Fund; KNUST Telecoms Funding
- ICT incubation; Ghana Multimedia Incubator



6
Community support initiatives

- Support for "Trokosi" girls in vocational training
- Awarded scholarships to 100 students at various educational institutions.
- 25th December baby hamper distribution

A significant contributor to Ghana's GDP growth: GHS3.0 billion contribution to Ghana's revenue mobilization in 2023



Corporate taxes

GHS388 m



VAT, levies and duties

GHS1.1 bn



Withholding taxes

GHS377 m



Communications service
tax

GHS242 m



Government agencies

GHS228 m



Growth and
sustainability levy

GHS190 m



E-Levy

GHS363 m



Pay as you earn

GHS61 m

GHS3.0 bn



National roaming: contributing towards the long-term viability of the telecoms sector



Partners / Stakeholders



National roaming plan



Infrastructure sharing



Investment in infrastructure

- Signed a one-year agreement with Vodafone to extend national roaming on 2G beyond Volta to other areas
- Reached an agreement with AT Ghana (AirtelTigo) for a four-month national roaming pilot, as a first step toward a longer-term commitment
- Various other rural telephony initiatives in partnership with the Government

Looking ahead

Selorm Adadevoh | CEO



A reminder of our medium-term guidance



KPI

Service revenue growth

EBITDA margins

Core Capex intensity

Dividend

Target

High-twenties (percentage terms)

Maintaining margins

Improving core capex intensity

Payout ratio of 60% to 80%

Key takeaways



- 1** We are well-positioned to capture a compelling and unique growth opportunity in Ghana
- 2** We are well arranged to navigate the near-term macro challenges
- 3** Clear near-term value unlock opportunities in Fintech and Data
- 4** A clear capital allocation framework and resilient balance sheet underpins our strategy
- 5** Strong, diverse and experienced management team to drive value creation



Thank you

Ambition 2025 Strategy Presentation

2 August 2023



Ambition 2025

Selorm Adadevoh | CEO



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MTN is a leading telecoms company in Ghana



Focused on connectivity and platforms

**FY 22 Service revenue
of
GHS9.9bn**

**27.3m
Subscribers**

**14.1m
Active Data
Subscribers**

**14.2m
Active MoMo
Users**



**~2k
Employees**

"Investor in People Platinum"

**GHS3.9bn
Data Revenue**

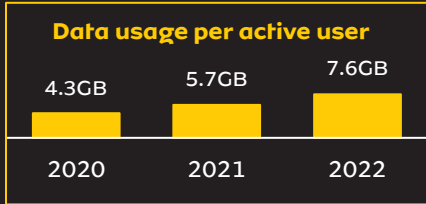
**GHS1.9bn
MoMo Revenue**

**56.1%
EBITDA Margin**

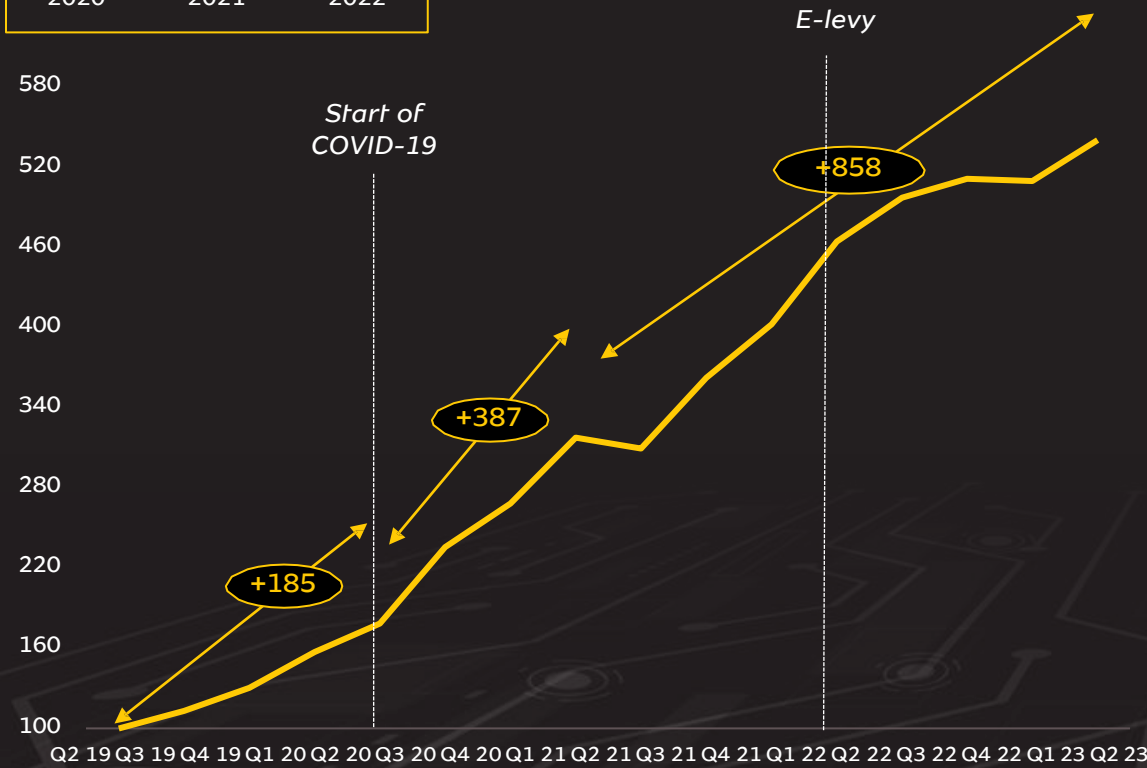
Structural demand for data & fintech offerings is high and growing



MTN Ghana remains well positioned for sustained growth over the medium-term

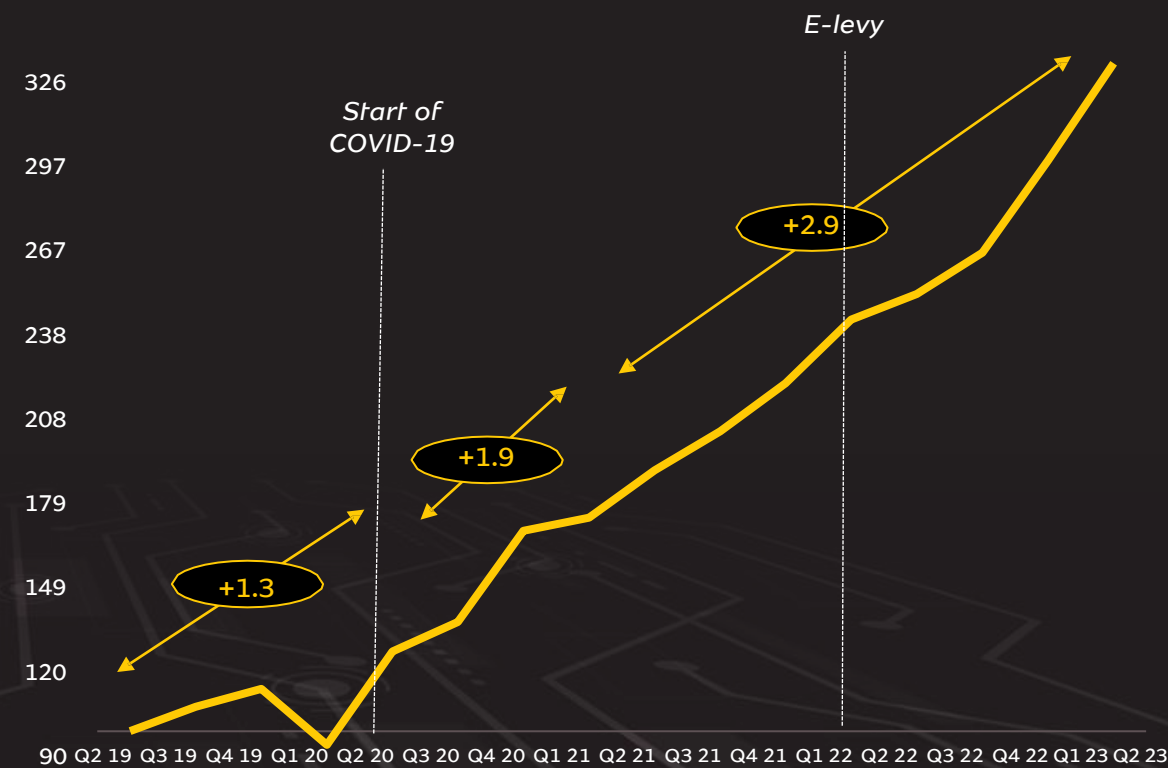


Data traffic



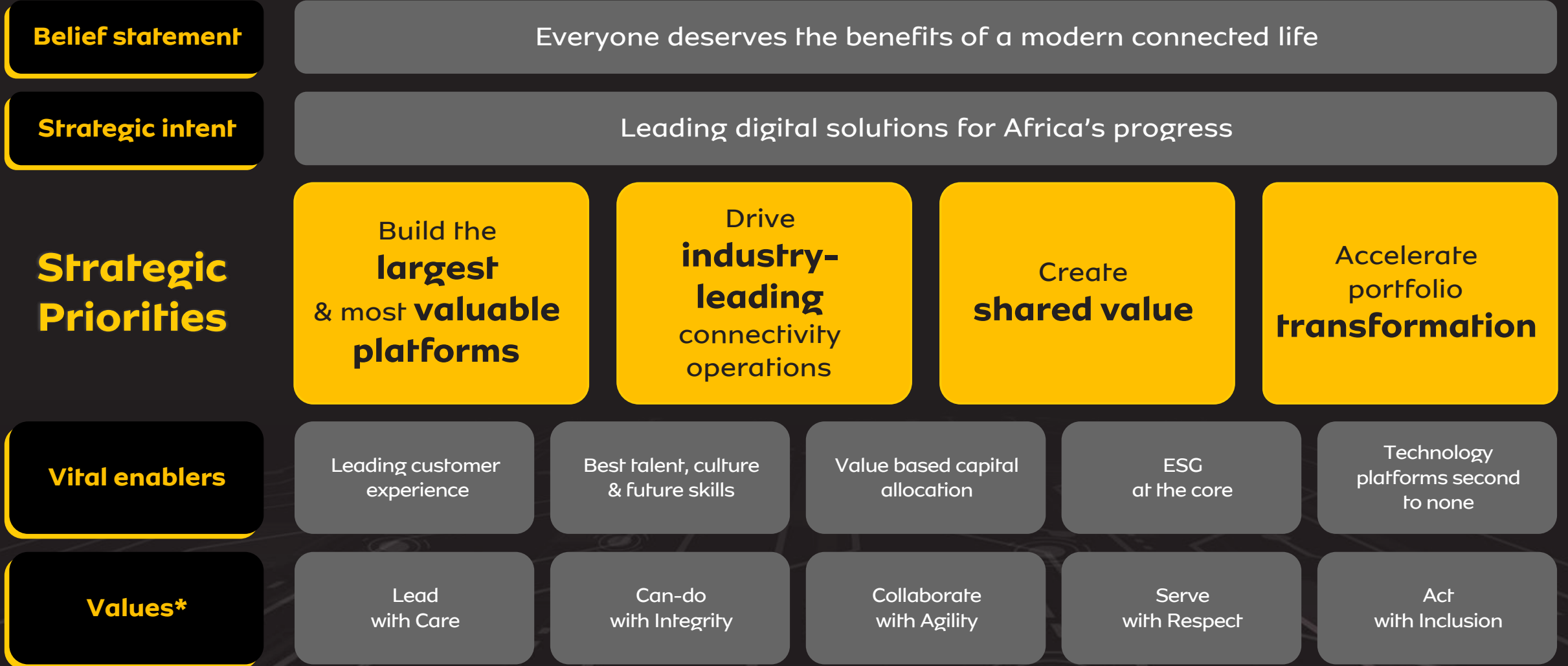
Average data traffic per quarter (Petabytes)

Fintech transaction volume



Average transaction volume per quarter (billions)

Ambition 2025 | Framing our strategic position



*Refreshed values

How we are driving sustained growth: leading connectivity operations



Voice

- Growth in Active subscriber base.
- Revamped voice propositions
- CVM initiatives driving usage
- Rural coverage expansion

Data

- Active Data Subscriber growth
- Sustained increase in data traffic
- CVM initiatives
- Growing smartphone penetration
- Coverage and Capacity expansion
- Data Education Initiatives
- Bundle with content

Own the Home

- Increased fiber-to-the-home deployment in key clusters
- Accelerate high-speed home broadband connections through FWA
- Launch quad play in partnership with leading OTT players
- Lead customer experience | Reward program to drive retention

How we are driving sustained growth: largest/valuable platforms



Fintech

- Grow customer base & use case beyond transfers
- Drive uptake of digital channels – MoMo App
- Gear up advanced services contribution – Payments, Remittance, BankTech & more
- Build an inclusive ecosystem with partnerships at the core – Fintech, Govt, CSOs

Digital

- Drive growth of Ayoba and myMTN
- Accelerate the recovery for Digital through sustainable growth initiatives
- Launch of MTN Play, the new digital entertainment marketplace
- Launch new services in the E-health and EduTech areas

Enterprise

- Co-create customer-specific solutions
- Enable digital transformation across verticals
- Enable SME-focused solutions
- Powering industries – private & advanced connectivity solutions

Chenosis

- Drive revenue growth across all verticals with focus on banking and fintech
- Development of new APIs to further expand the portfolio
- Deployment of specific initiatives to promote Chenosis as an enabler for the growth of startups together with MoMo and Ayoba

Network as a Service

- Open mobile
- Fixed as a service
- Edge and DC
- Cloud communication

How we transition from an advanced telco in 2023 to a diversified platform player in 2025



Traditional

Mobile & Home 

2023: Advanced telecom operator

- Increase supply to tap latent demand
- Protect voice
- Develop content strategy
- Build the structure to address home opportunity


2025: diversified telco & platform player

- Mobile saturation stage in connectivity
- Growth higher up the value chain
- New content business to grow to 3% of revenues
- Drive aggressive home penetration

Platforms

Fintech 

- Massive opportunity
- Build platform for advanced services

Digital 

- Push growth of digital content services
- Drive adoption of myMTN and ayoba

Enterprise 

- Restructure to target market opportunity
- Focus on the SME space

NaaS 

- Build commercial proposition to scale
- Critical for industry viability

Chenosis 

- Build structure to support Chenosis growth
- Assess market and technology readiness

- Revenue driven by new platform approach, reduced relevance of the retail business
- Leading content and e-verticals distribution platform
- Apps are the primary MTN engagement channels
- Increased relevance of converged services and Digital
- FiberCo operating as leading wholesale player in the country
- Enabled other operators to an MVNO model
- Leading player to support digital evolution for start-ups, small and medium enterprises

Evolving MTN Ghana revenue breakdown: adapting to platform operator status over the next 5 years, 2025 and beyond



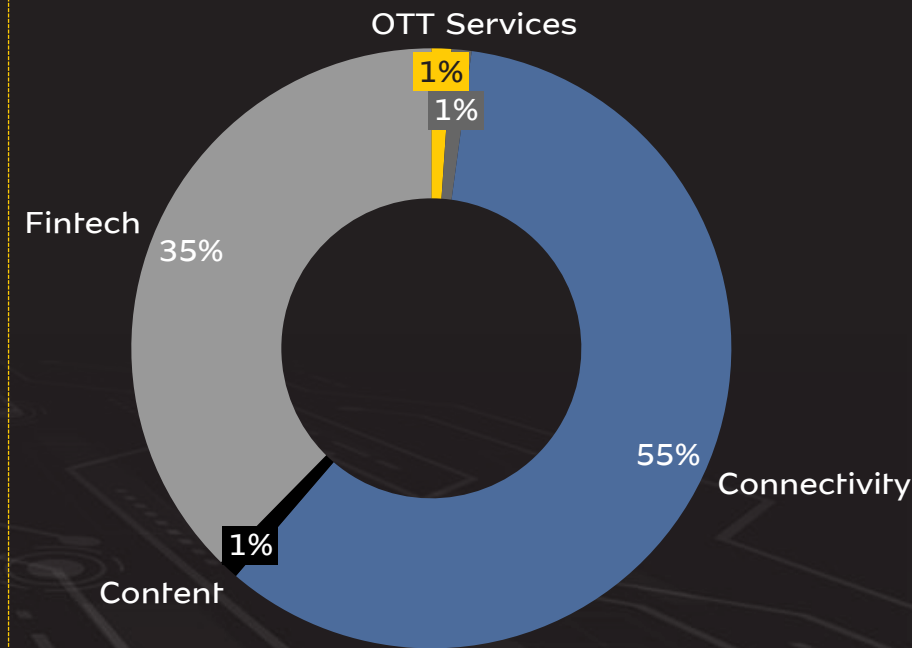
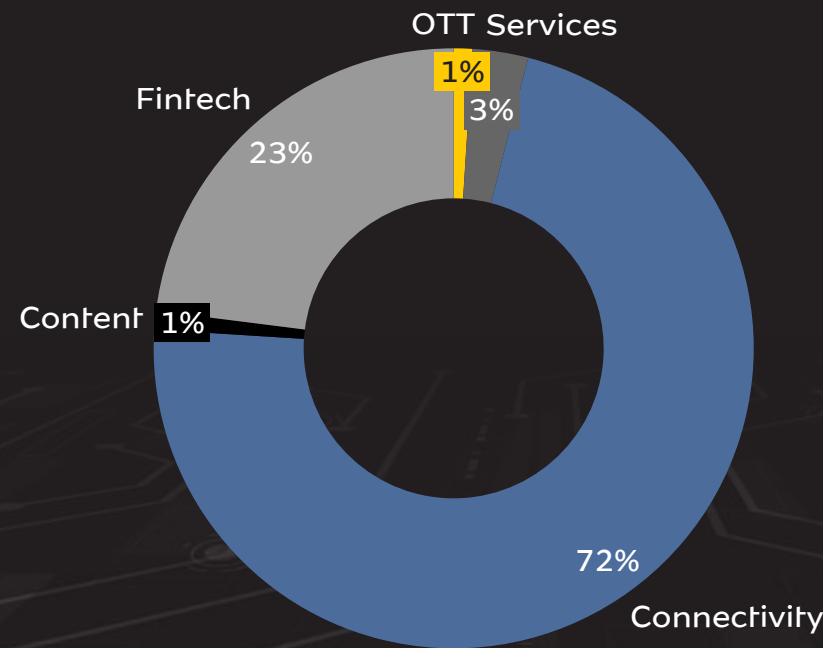
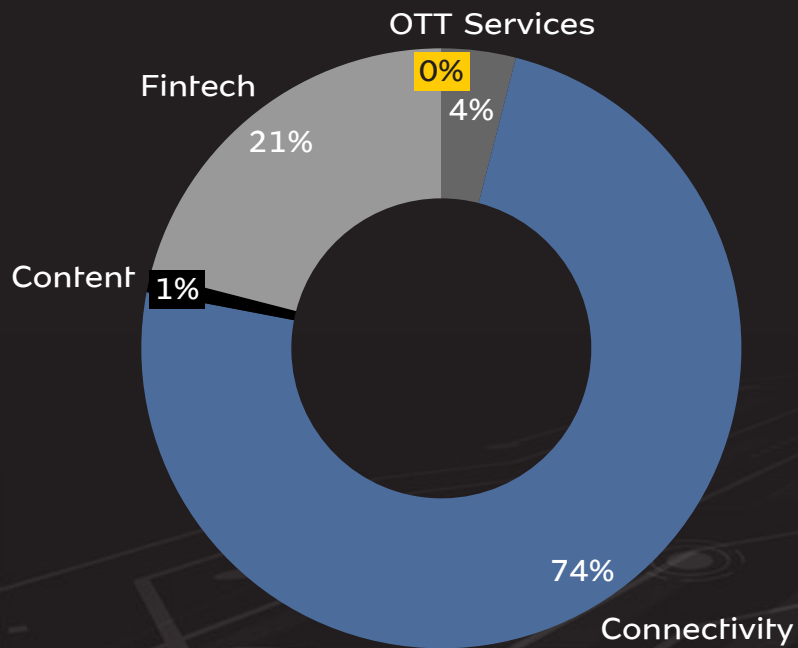
2023: advanced telecom operator



2025: diversified telco & platform player



Beyond 2025: platform operator



MoMo is well positioned for a successful platform play and a diversification strategy involving deepening advanced services



MTN Mobile Money at a glance

Scale*	63% MoMo Transaction Value % of GDP	51% MoMo users as % of adult population	GHS1.0 tn Transaction value p.a.	96% of total market transaction value
Reach	14.2m MoMo active users	52% MoMo penetration of GSM base	293k Active agents	144k Active merchants
Activity**	~3.2bn Remittance value p.a.	~6bn Loan value p.a.	~75bn Payment value p.a.	#1 aYo policies

- Good traction on key performance drivers – active users
- Accelerating advance service adoption is key to sustained growth
- Channel evolution towards digital (MoMo app) will deliver channel leadership / ownership
- Open platform play with leadership on Merchant and Agent interoperability
- Future opportunity: Float economics

* Based on 2022 Bank of Ghana Data
 ** Based on 2022 operating performance

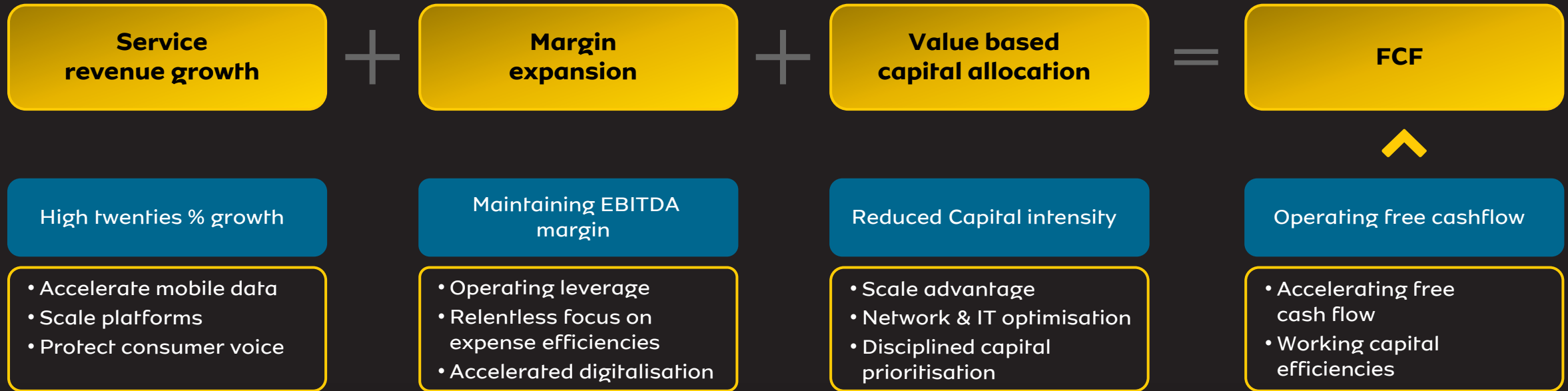
Financial and capital allocation framework

Antoinette Kwofie | CFO



Financial framework

... underpinning our Ambition 2025 strategy



Capital allocation priorities

Capital structure

- Network investment**
- 3G & 4G coverage
 - Capacity upgrade
 - Rural telephony expansion
 - 5G readiness

- Dividend to shareholders**
- 60% – 80% pay-out ratio

- Platform investment**
- Invest to grow wallets and scale the fintech ecosystem
 - Scaling ayoba
 - Strategic partnerships

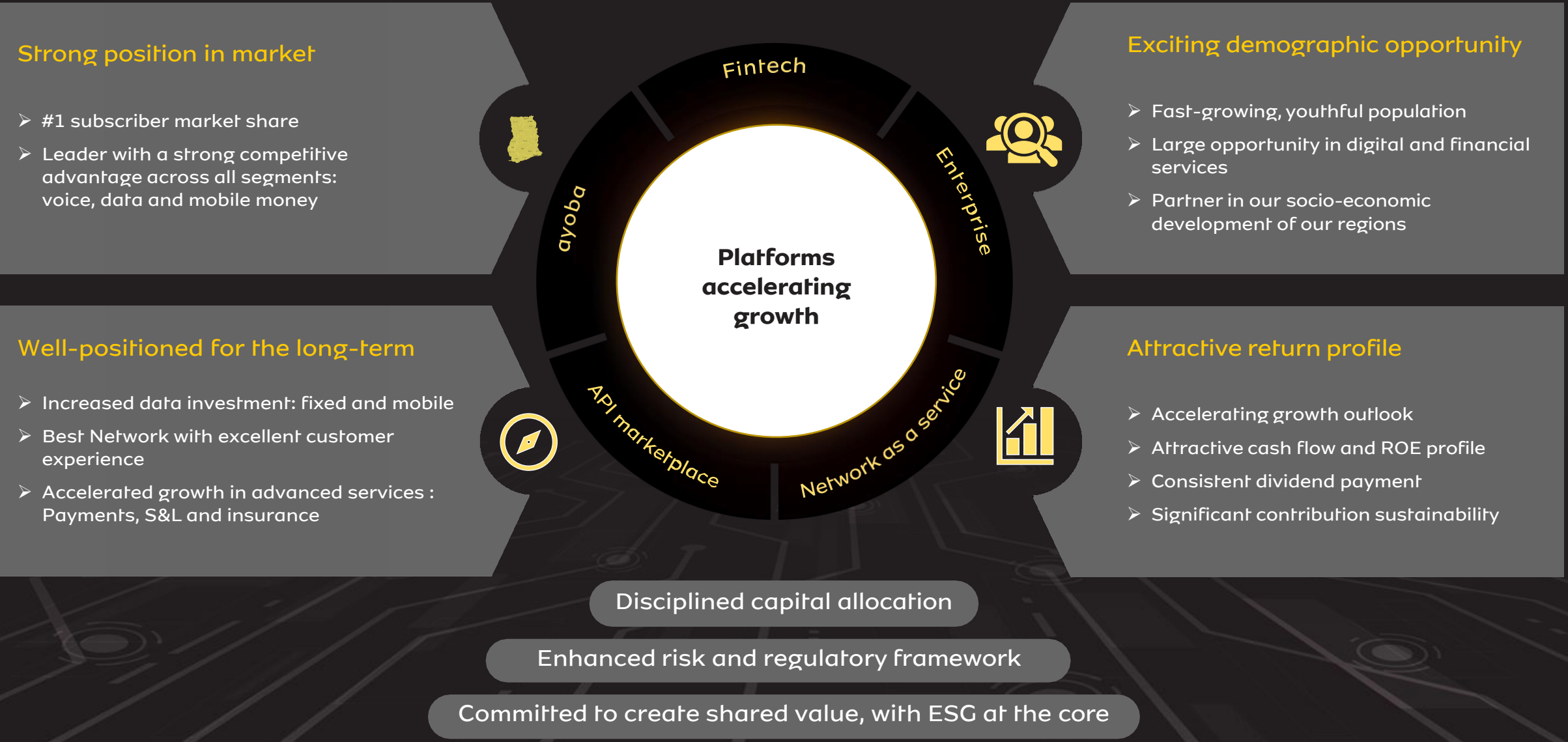
- Optimise leverage and capital structure**
- Optimize debt structure

Conclusion

Selorm Adadevoh | CEO



The investment case to become a platform player: strong competitive advantage across business segments and large customer base





Thank you