APERTURE

INSIGHTFUL AND RELEVANT RESEARCH UPDATES

MTN Group FY 2025 Results

Share Price	R193.19
Date	17 March 2026

RESULTS SUMMARY

MTN delivered exceptional 2025 results, driven by strong operational performance and favourable macroeconomic conditions across its African markets. Group service revenue rose 22.9% to R218.5bn (22.7% in constant currency), ahead of its "high teens" medium-term target. EBITDA increased 64% (36.8% in constant currency), with the margin expanding 5.4 percentage points to 44.5%. Return on equity reached 25.6%, surpassing the medium-term target.

Operational momentum remained robust. MTN surpassed 300 million subscribers, ending the year at just over 307 million, driven by strong net additions in the second half. Data traffic grew around 27% to 24.7 petabytes, while smartphone penetration increased to 66.6%, with 203.5 million devices on the network.

The group declared a dividend of R5 per share, up 45% year-on-year, and announced an enhanced shareholder return framework, including share buybacks. This was well received, with the share price rising 8% on the day.

Looking ahead, MTN maintained its medium-term targets and unveiled its Ambition 2030 strategy. Building on Ambition 2025, the group intends to sharpen its focus around three core platforms: Connectivity, Fintech and Digital Infrastructure, positioning it to benefit from continued data growth and financial inclusion across Africa. More detail will be shared at its Capital Markets Day in June.

OUR LONG-TERM INVESTMENT VIEW

- The MTN Group is the largest mobile operator across the African continent, with leading market shares in most of the regions within which it operates. In addition to improving the group's balance sheet over the last few years, the management team have proven itself adept at growing the business within an environment of changing regulations and evolving consumer preferences.
- The long-term shift from voice to data is well underway, and MTN is well positioned to continue benefitting from this across the continent. We expect the license granted in Nigeria to enable MTN to provide banking payment services, serving as a catalyst to increase MTN's revenue contribution from this faster-growing segment of the market. Management's targets, which seem reasonable to us, include growing the fintech segment at a rate of 20%-30% over the medium term.
- MTN's management has de-risked the business significantly over the last few years, resulting in a more attractive business mix and geographic exposure. Given the apparent benefits of scale within the telco industry, we believe MTN is well placed to either grow or defend its market share in key regions, where it already has leading positions. Growth drivers such as mobile banking, insurance and fibre rollout will further support growth.

UNPACKING THE FY 2025 RESULTS

High-level numbers

- **Reported revenue** rose 22.9% to R218.5bn, closely aligned with constant currency revenue growth of 22.7%, as the group experienced less negative currency impact than prior years. The group's fintech and data segments stood out, with fintech revenue up 23.2% and data revenue up 36.4%, accounting for over 46.4% of total group service revenue. Voice revenue increased 11.2%, driven by growth in MTN
- **EBITDA more than doubled**, rising 123% to N1.9 trillion, with the EBITDA margin expanding 15.1 percentage points to 51.4%. Data revenue surged 74.58% to NGN2.78 trillion, representing 53.39% of total revenue, driven by higher smartphone penetration, increased demand for digital services, expanded 4G and 5G coverage, and a 50% tariff adjustment.
- Operationally, MTN Nigeria continued to grow its customer base, with total **subscribers**

Nigeria and resilient performances in other operations.

- **Group EBITDA** rose 64% on a reported basis and 36.8% in constant currency, driven by strong revenue growth and the Expense Efficiency Program, which delivered R3.6bn in savings for the year, exceeding targets. Cumulatively, savings reached R7.4bn since EEP 2.0 began in 2024, improving total cost-to-revenue ratio from 61% in 2024 to 55.6%. The adjusted EBITDA margin rose 5.4 percentage points to 44.5% in constant currency.
- **Adjusted HEPS** increased 67% to R13.59 per share, after adjusting for impairments and other non-operational items, largely due to the gain in operating income and higher margins. Operating income more than doubled year-on-year, with a 61% increase from a constant currency perspective.
- On the back of strong operational performance, the group generated R26.9bn in free cash flow, more than four times the previous year's. The group's balance sheet remains well-capitalised, with net debt-to-EBITDA improving to 0.3 times from 0.7 times. During the period, the group upstreamed R17.4bn in cash from operations, with approximately half coming from MTN Ghana, MTN Uganda, and MTN Nigeria, strengthening its liquidity position to R43.1bn.

SA maintains steady growth

- MTN SA reported a tepid performance compared to the group's other regions. Service revenue grew 2.0% for the full year, driven by strong performance in the consumer postpaid and enterprise segments, though softer results in the prepaid segment offset this. Data revenue continued to grow solidly by 4.5%, while voice revenue declined by 4.2%.
- **EBITDA was 10.2% lower**, with the margin declining to 34.5% (down 2.9 percentage points), impacted by slower topline growth and increased bad debts. MTN South Africa targets medium-term service revenue growth in the 'low to mid-single digits' range and an EBITDA margin of between 35-37%.

Nigeria's strong recovery

- **Nigeria reported a strong recovery**, driven by price adjustments, revised tower lease agreements, and an improved macro environment, reflected in lower inflation and a stable currency. Service revenue rose 54.9% in constant currency for the full year, supported by strong data (+74.2%), fintech (+72.5%) and voice (+41.9%) growth. **increasing to 87.3 million. 4G population coverage was approximately 82%** as efforts continued to focus on capacity enhancement to reduce network congestion. MTN Nigeria targets an average service revenue growth of at least low-20% and an EBITDA margin of 53-55% from 2026 onwards. Medium-term EBITDA guidance was upgraded from 53%-55% to the mid-to-high 50s.

Other markets more resilient

- **MTN Ghana** continued its strong performance, with service revenue up 36.2% for the full year. Data revenue increased by 48.8% to GHS13.4 billion, attributed to a 13.7% rise in active subscribers and a 55.4% increase in data traffic. Mobile Money revenue grew by 35.7% to GHS6.0 billion, supported by a 12.3% increase in active users. Voice revenue showed resilience, increasing 7.8% to GHS3.8 billion. EBITDA increased by 43.5% to GHS14.7 billion, with the EBITDA margin expanding by 3.0 percentage points to 60.1%.
- **MTN Uganda** delivered another strong year, with service revenue increasing by 13.6%. Data revenue increased by 30.2% to Ush762.8 billion, with data's contribution to service revenue expanding by 3.7 percentage points to 29.1%.
- **Capital expenditure (capex) remains a key focus** area as MTN continues investing in the capacity and quality of its network. MTN deployed capex of R38.5bn (ex-leases) in FY 2025, resulting in a capex intensity of 17.0%, which remained within the target range of 15-18%.

Looking ahead

Management remains optimistic, reaffirming medium-term guidance while shifting focus to its streamlined Ambition 2030 strategy.

In Nigeria, MTN targets service revenue growth of at least low-20% and an EBITDA margin of 53% - 55% from 2026, with medium-term margins upgraded to the mid-to-high 50s. In SA, service revenue and EBITDA margin are expected to initially track at the lower end of guidance, with margins improving towards the 35% - 37% target as commercial initiatives gain traction.

The group introduced a new shareholder return policy, targeting payouts of 40% - 60% of equity free cash flow, and maintains a strong balance sheet with net debt-to-EBITDA of 0.3x. Overall, MTN remains well positioned to improve margins and grow free cash flow, supporting our investment case.

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