



# MTN RWANDACELL PLC

**Unaudited Financial Results for the  
Nine Months Ended 30 September 2024**

*Kigali | Rwanda: 05 November 2024*





MTN Rwandacell Plc (MTN Rwanda) is pleased to announce its unaudited financial results for the nine-months period ended 30 September 2024.

## Salient points:

- **Mobile subscribers** increased by 5.3% year-on-year (YoY) to 7.6 million
- **Active data subscribers** decreased by 10.3% YoY to 2.3 million
- **Active Mobile Money (MoMo)** subscribers increased by 13.4% YoY to 5.2 million
- **Service revenue** increased by 1.6% to Rwf 189.3 billion
- **Earnings before interest, tax, depreciation and amortisation (EBITDA)** decreased by 22.6% to Rwf 65.7 billion
- **EBITDA margin** decreased by 10.9 percentage points (pp) to 34.0%
- **Profit after tax was a loss** of Rwf -10.9 billion, impacted by a lower EBITDA and an increase in depreciation on our tower leases.
- **Capital expenditure (capex)** increased by 49.8% to Rwf 64.2 billion (down 18.9% to Rwf 34.8 billion, ex-leases)
- **Guidance and outlook:** MTN Rwanda remains focused on accelerating its commercial momentum, increasing service revenue, enhancing operational efficiency and fortifying its balance sheet. The company continues to prioritize strategic initiatives to address regulatory challenges while ensuring value creation for all stakeholders.

Our FY 2024 guidance anticipates low double-digit (in percentage terms) growth in service revenue, assuming new directive on MTR (without MTR, we anticipate single-digit in percentage terms growth in service revenue). We also anticipate an EBITDA margin in the range of 38 - 40%, assuming new directive on MTR (without MTR, we anticipate an EBITDA margin in the range of 36 - 38%). We further anticipate a capex intensity in the high-teens (in percentage terms).

*Unless otherwise stated, financial and non-financial information is year-on-year basis (YoY). Financials are reported on a consolidated basis of MTN Rwandacell PLC and its subsidiary Mobile Money Rwanda Ltd.*

*MTN Rwanda defines mobile subscribers as those active in 90 days. Data and MoMo users as those active in 30 days. Service revenue is defined as revenue generated from activities performed by MTN operations or business units using a base transmission station (BTS).*

## **Comments from MTN Rwanda Chief Executive Officer – Mapula Bodibe**

### **MTN Rwanda's operating context**

Rwanda's economy has continued on a solid growth trajectory in 2024. According to the Central Bank's (BNR) latest monetary policy statement, real GDP expanded by 9.8% in the first half of 2024 driven by strong contributions across all sectors. The services sector saw significant gains led by the Information and Communications sector growing by 30.3% YoY.

According to the National Institute of Statistics Rwanda (NISR), Rwanda experienced a significant decrease in headline inflation, with the annual average inflation rate dipping to 5.7% in the nine months (Q3 2024: 2.5%) from the 17.1% recorded the previous year (Q3 2023: 13.9%).

The Rwandan franc has remained under pressure against the dollar over the first nine months of the year, with an average depreciation of 14.8% in the period. This reflects a widening current account deficit due to higher imports and lower export receipts.

On the regulatory front, we maintain close engagement with the Rwanda Utilities Regulatory Authority (RURA) on the issues affecting our operations. This includes the zero-rating of local mobile termination rates (MTR) and the interconnect costs associated with permanent roamers in the one network area (ONA) region. We are participating in and following up on the ongoing MTR study being conducted to determine the applicable MTR which will be determined before the end of the year. The regulator has also provided guidance that classifies calls to roaming subscribers as international traffic within countries in the ONA region as outlined in the regulatory section below. This is expected to curb the rising interconnect charges thus reducing our cost base.

### **Underlying performance showing encouraging momentum**

Given the strong headwinds facing our business, we are encouraged to have delivered a relatively resilient topline performance supported by the sustained growth in our subscriber base. Mobile subscribers increased by 5.3% YoY, reaching a total of 7.6 million. Active MoMo subscribers delivered a strong growth of 13.4%, to end the period at 5.2 million. Active data subscribers declined by 10.3% YoY, to 2.3 million, impacted by data usage substitution, as a result of subsidized smartphones in the market not capable of generating data traffic on the MTN network.

Our service revenue grew by 1.6% to Rwf 189.3 billion, affected by the YoY decline in voice and data revenues. Notably, our Mobile Money revenue delivered strong growth of 29.4% YoY, underpinned by a growth in advanced services. This highlighted the pleasing expansion of mobile payments aligned with our mission to drive financial inclusion in Rwanda.

EBITDA declined by 22.6%, to Rwf 65.6 billion and EBITDA margin contracted by 10.9pp to 34.0%. This contraction was primarily attributable to the pressure on our topline as a result of the introduction of the zero MTR policy in August 2023, increased interconnect costs associated with permanent roamers in the ONA (One Network Area) region, as well as the impact of the depreciation of the local currency against the dollar affecting our foreign denominated costs.

### **Driving industry-leading connectivity operations**

We deployed Capex of Rwf 34.8 billion (ex-leases) in the first nine months of the year, with 136 sites rolled out across the country and completed the network modernization of Kigali, making the network more connected, digitized and efficient to deliver an enhanced digital experience for MTN customers.

The continued investment in our network is testament to the execution of our Ambition 2025 strategy, aimed at enhancing network capacity, coverage and modernizing the network to enable the future profitability of the business. The investment in our network has resulted in a leading NPS position ending the period.

### **Impact of Restatement**

The 2023 financials were restated to reflect the accurate computation of the lease accounting under IFRS16 which impacted the depreciation, finance costs and related deferred taxes. Effectively, the YTD Quarter 3 2023 profit after tax was restated from Rwf 11.1 billion to Rwf 8.2 billion (EPS down by 34.4%).

## Creating shared value

MTN Rwanda remains committed to creating shared value within the communities within which we operate by focusing on areas of opportunity for socio economic development. Through our Committee Social Investment (CSI) Division, we are especially passionate about Rwandan youth and providing opportunities of empowerment and growth for them.

During this reporting period, MTN Rwanda made its annual contribution to Imbuto Foundations 'Edified Generation Program', through which we support 100 students from underprivileged backgrounds by covering their annual school fees. Imbuto Foundation's Edified Generation Program empowers Rwanda's youth through education, guidance, and providing resources that will help them build a brighter future. By investing in their growth, MTN is committed to helping these young individuals unlock their full potential and make a lasting impact in their communities.

As a follow up to MTN's 21 Days of Yello Care held in June 2024, MTN Rwanda returned to GS Bukure for the launch of the school kitchen that was built by MTN's staff as part of the annual voluntary community work program. The new kitchen provided to this school now serves 1500 students daily and was warmly and graciously received by the school community.

MTN Rwanda went further to adopt GS Bukure under the Ministry of Education's #DusangireLunch campaign and announced its pledge to pay RWF 30,000,000 to cover lunch for 10,000 students for the 2024-2025 school year. MTN Rwanda joins the Ministry of Education in the belief that a daily meal at school not only supplements the students nutritional needs but increases educational enrolment, retention and performance. Through the partnership between Mobile Money Rwanda and the Ministry of Education, the #DusangireLunch campaign aims to raise awareness about the Government's school feeding program and mobilize contributions from individuals and organisations to support this noble cause.

During the quarter, we also celebrated the graduation of ten (10) global graduates under the MTN Group Global Graduate programme. The graduates were equipped with relevant skills and empowered to be future fit in the ICT industry with the aim of developing the next generation of talent for the organization.

In addition, during the quarter, we held the nationwide Iwacu Muzika Festival 2024. The MTN Iwacu Muzika Festival is a key part of MTN Rwanda's commitment to nurturing local talent and providing a platform for artists to shine. The festival began in 2023 and has become a cornerstone event in unifying communities and celebrating Rwanda's rich cultural tapestry through the universal language of music.

These initiatives highlight our commitment and dedication to supporting youth, promoting arts and talent, and fostering inclusivity in Rwanda.

## Looking ahead

Looking forward, we remain focused on delivering leading digital solutions for Rwanda's progress by continuing to implement our Ambition 2025 strategy. We are confident that the investments we have made in the modernization of our network, including the continued expansion of our 4G network, will optimize network experience and quality of service and deliver long-term benefits to customers and value to our stakeholders, whilst delivering cost efficiencies.

We believe the continued execution of commercial interventions and operational efficiencies in the final quarter of the year will turn around the net earnings loss with continued profitability into 2025. We are optimistic that the continued engagements with the regulator relating to the zero MTR study will yield outcomes that will positively impact our business performance. The continued growth of our Mobile Money business is anticipated to propel further topline growth coupled with exciting new products that will be introduced for our customers as we continue to deepen financial inclusion in Rwanda.

In view of these factors, we expect FY 24 guidance to remain intact with low double-digit (in percentage terms) growth in service revenue, assuming new directive on MTR (without MTR, we anticipate single-digit in percentage terms growth in service revenue). We also anticipate an EBITDA margin in the range of 38 - 40%, assuming new directive on MTR (without MTR, we anticipate an EBITDA margin in the range of 36 - 38%). We further anticipate a capex intensity in the high-teens (in percentage terms).



## Key financial and operational highlights

Rwf (m)	YTD Q3, 2024	YTD Q3, 2023 *Restated	% Change	Q3 2024	Q3 2023 *Restated	% Change
Total Revenue	192,882	188,449	2.4%	68,194	66,518	2.5%
<b>Service Revenue</b>	<b>189,300</b>	<b>186,245</b>	<b>1.6%</b>	<b>67,759</b>	<b>65,698</b>	<b>3.1%</b>
Voice	51,815	65,912	-21.4%	18,234	21,536	-15.3%
Data	33,182	33,841	-1.9%	12,010	12,320	-2.5%
MoMo	83,957	64,879	29.4%	30,826	24,191	27.4%
Other	20,345	21,613	-5.9%	6,689	7,651	-12.6%
Expenses	127,227	103,772	22.6%	41,617	36,811	13.1%
<b>EBITDA</b>	<b>65,655</b>	<b>84,677</b>	<b>-22.5%</b>	<b>26,577</b>	<b>29,707</b>	<b>-10.5%</b>
EBITDA Margin (%)	34.0%	44.9%	-10.9pp	39.0%	44.7%	-5.7pp
Depreciation & Amortization	47,051	41,167	14.3%	15,291	14,382	6.3%
Net Finance Costs	28,192	30,507	-7.6%	9,699	9,451	2.6%
<b>Profit / (loss) before tax</b>	<b>-9,588</b>	<b>13,003</b>	<b>-173.7%</b>	<b>1,587</b>	<b>5,874</b>	<b>-73.0%</b>
Income tax expense	1,288	4,790	-73.1%	1,987	2,749	-27.7%
<b>Profit / (loss) after tax</b>	<b>-10,876</b>	<b>8,213</b>	<b>-232.4%</b>	<b>-400</b>	<b>3,125</b>	<b>-112.8%</b>
Earnings per share	-8.1	6.1	-232.8%	-0.3	2.3	-113.0%
Capital Expenditure (ex-leases)	34,758	42,850	-18.9%	5,184	23,058	-77.5%
Capex intensity (%)	18.0%	22.7%	-4.7pp	7.6%	34.7%	-27.1pp
Free Cash Flows	30,805	41,827	-26.1%	21,393	6,649	221.7%
<b>Subscribers (m)</b>						
Mobile Subscribers (m)	7.6	7.2	5.3%	7.6	7.2	5.3%
Data Subscribers	2.3	2.6	-10.3%	2.3	2.6	-10.3%
MoMo Subscribers	5.2	4.6	13.4%	5.2	4.6	13.4%

\*Restated for changes to depreciation and interest expense on leases per IFRS 16 and related deferred taxes.

### Note:

- Financials are reported on a consolidated basis of MTN Rwandacell PLC and its subsidiary Mobile Money Rwanda Ltd.
- Service revenue is defined as revenue generated from activities performed by MTN operations or business units using a base transmission station (BTS).
- Other revenue includes: Xtratime, Digital, SMS, Wholesale, Fixed connectivity, managed services, cloud and Internet of Things (IoT)
- Capex (ex-leases) excludes right of use assets.
- Free cash flow is EBITDA minus capital expenditure.
- Earnings per share (EPS) is computed by dividing the PAT by the number of shares.
- MoMo revenue excludes Xtratime revenue

## Steady topline performance in a challenging operating environment

Amidst the regulatory and macro headwinds related to local currency depreciation in Rwanda, MTN Rwanda sustained its commercial momentum and maintained market leadership, supported by a strong growth in its subscriber base, with **382k subscribers** added, bringing our total base to 7.6million (up 5.3%, YoY). Quarter three's performance, in particular, demonstrated MTN Rwanda's resilience and marks a turning point towards our return to growth and profitability, through sustained commercial execution and enhanced operational efficiencies.

Our overall **service revenue** has remained resilient amidst the challenging operating environment, achieving a 1.6% growth YoY, with our Mobile Money business somewhat offsetting the pressure on our Voice and Data revenues. We managed to deliver an encouraging uptick in service revenue momentum in Q3, underpinned by pricing transformation initiatives as well as a sustained growth in the subscriber base.

**Voice** revenue declined by 21.4% YoY despite the strong mobile subscriber growth. The decline was mainly due to the impact of zero MTRs, which also precipitated more aggressive competition in the market. Voice revenue accounted for 27.4% of total service revenue. (2023: 35.4%)

**Data** revenue softened by 1.9%, primarily due to a 10.3% decline in active data subscribers, impacted by the substitution of Data traffic usage as a result of smartphone subsidies in the market that have driven growth in smartphones that are not capable of generating data traffic on the MTN network. To counteract this, we implemented initiatives that have boosted the number of smartphones connected to our network, which rose by 39.0% YoY to 2.4 million, with smartphone penetration up by 8.3pp YoY to 33.9%. Furthermore, 4G users have increased by 151% to 1.7 million users with 4G traffic rising by 188% to 40 petabytes (PB) stimulated by the faster 4G experience provided to our customers. Data revenue accounted for 17.5% of total service revenue in the nine months to September 2024 (September 2023: 18.2%).

The **Enterprise Business** segment recorded a 37.5% growth in service revenues YoY driven by stable growth in subscribers and strong contributions from mobile and fixed data services.

**Home broadband** subscribers grew by 25.3% to 10.6k (up from 8.5k in September 2023) translating to a 43.4% growth in home broadband revenue, as we continue to bring reliable, high-speed internet access to more households and businesses, supporting the digitization of Rwanda's economy and society to accelerate the growth in Enterprise revenues.

**Fintech** revenue continued to deliver solid YoY growth of 25.3%, which was attributable to the strong performance of advanced services revenue. Overall MoMo revenue was up 29.4% YoY, driven by a 13.4% growth in active MoMo subscribers. In terms of volume and value, we have seen strong growth in MoMo transactions of 17.8% to 1.9 billion and by 46.3% to Rwf36.9 trillion. MoMo growth was further underpinned by various customer value management initiatives that drove the growth of a cashless ecosystem, as well as the increase in the merchant payments base to 451k. Adoption of advanced MoMo services grew advanced revenue by 53.0%, which contributed 27.1% to overall MoMo revenue (September 2023: 22.9%). Overall, Fintech revenue contributed 46.7% to Service revenue. (September 2023: 37.9%)

**EBITDA** decreased by 22.6%, delivering an EBITDA margin of 34.0% (down 10.9pp YoY). This was largely driven by the decline in voice and data revenue impacted by the zero MTR regulatory directive that has also driven the rise in interconnect cost of sales with the rise in off-net outgoing traffic to our roaming customers in the ONA (One Network Area Region). Furthermore, EBITDA was impacted by the increase in operating costs related to the IFRS-16 non-lease components as well as transmission and maintenance costs with the local currency depreciating against the USD further drove up costs.



**Depreciation and amortisation** increased by 14.3% largely due to an acceleration of capex investments, particularly in H1, that led to an increase in commissioned network sites in that period. In addition, **net finance** costs decreased by 7.6%, due to the decrease in IFRS16-related leases components driven by non-lease components recognition during the year.

As a result of the lower EBITDA and the increase in depreciation and amortisation, we reported a loss after tax of Rwf10.9 billion. We are encouraged by the recovery momentum in our **PAT**, which turned positive in Q3, supported by the improved trajectory in topline growth.

We deployed Capex of Rwf 64.2 billion in the first nine months of the year, which was an increase of 49.8% with 136 3G sites rolled out across the country. **Capex (ex-leases)** reduced by 18.9% to Rwf 34.8 billion as we slowed down capex investments in Q3, reflecting a 4.7pp decrease in capex intensity to 18.0%. This followed the accelerated capex deployment in H1, which included our network modernisation programme, which has achieved a fully modernized network in Kigali. We also continued the rollout of 4G coverage with 95 additional sites deployed across the country delivering reliable 4G network connectivity to our customers.

## Regulatory updates

### Zero-rating of MTR by RURA

In August 2023, RURA set new directives on local Interconnection rates for the mobile telecommunication sector. The consequence of this directive meant that as from August 2023, for a period of one year, all operators in the mobile telecommunication sector would not recognize local incoming interconnect revenue. This has directly impacted our service revenue performance and EBITDA margins.

As an update, we are participating in the ongoing mobile terminating rate study being conducted by a third-party on behalf of the regulator, to determine the applicable MTR to be applied. The Regulator has reported that this should be concluded before the end of this year.

### Regulatory directives related to ONA

ONA is an initiative by East Africa partner states that aims to create a common market for member states by harmonizing telecommunications policies. This includes harmonized roaming costs, calls across partner states treated as local calls, price caps on roaming charges and the removal of surcharges on cross-border telecommunications traffic.

This intends to bring down the cost of roaming for voice calls, for roaming customers among partner states. The mobile terminating costs (interconnect costs) are meant to be realized by the home operator of the roamer when receiving a call.

The introduction of zero MTR has triggered a substantial increase in outgoing traffic to a high number of permanent roamers in the One Network Area (ONA) countries of Uganda and South Sudan utilizing our network, thereby leading to an increase in interconnect cost of sales.

As an update, the regulator in September 2024 agreed to classify calls to roaming subscribers in the One Network Area (ONA) region as international traffic. We are currently working with other operators to proceed with the implementation of these changes. This together with the expected decision regarding zero MTR by the regulator will reduce the rise in interconnection costs.

## **Regulatory Directive on SIM Registration Premises**

In early August the regulator issued a directive to MNOs with regards to approved premises for SIM Registration and SIM Swap. MTN Rwanda was required to stop SIM registration and SIM swaps in Kiosks and remove SIM registration capabilities from MPOS devices used by roaming agents. This led to a significant decline in daily gross additions from an average of 8,000/day to 2,000/day. We are already seeing a strong recovery with gross adds now averaging 4,500 a day.

## **Outlook**

The domestic economy is expected to remain resilient for the rest of the year with the initial GDP growth forecasts of 6.6% likely to be surpassed according to the central bank. Headline inflation is projected to remain stable within BNR band (2-8%) over the medium term driven primarily by an easing in food inflation as domestic agricultural production normalizes. These projections are influenced by the effects of past monetary policy decisions, supportive government policies and a global economic environment that is projected to be non-inflationary.

For the remainder of the year, we'll continue to focus on accelerating our commercial and operating momentum as we plan to break-even on profitability for the quarter through commercial interventions and cost efficiencies. We are committed to the execution of our Ambition 2025 strategy to ensure the long-term growth and profitability of our business.

We have already begun witnessing improvements in quarter three as our commercial interventions have begun positively impacting our voice and data revenues.

We will continue to engage the regulator on the impact of zero-rated MTR as they conclude the study to determine the applicable MTR. We also expect to conclude discussions with other operators to implement applicable rates for international traffic to roamers within the ONA region.

We will continue to enhance our customer value management capabilities to drive pricing optimisation and grow our voice and data revenues. Additionally, we will accelerate the growth of our enterprise and home subscriber segments by introducing new products and services.

As a driver of financial inclusion, our fintech business remains a key contributor to the cashless economy. We aim to further expand our presence in the ecosystem by delivering new fintech products to our customers by the close of the year as advanced services continues to drive the growth of fintech revenue.

Delivering a more seamless and superior 4G experience to our customers has been a priority since the launch of our own 4G service in 2023. As we continue the rollout of our 4G network coverage, our network quality of service has improved coupled with the ongoing network modernization program that is delivering best in class network connectivity experience.

In view of these factors, we expect FY 24 guidance to remain intact with low double-digit (in percentage terms) growth in service revenue, assuming new directive on MTR (without MTR, we anticipate single-digit in percentage terms growth in service revenue). We also anticipate an EBITDA margin in the range of 38 - 40%, assuming new directive on MTR (without MTR, we anticipate an EBITDA margin in the range of 36 - 38%). We further anticipate a capex intensity in the high-teens (in percentage terms).



## Consolidated Condensed Statement of Financial Position

Rwf (m)	Q3 2024	FY 2023 Restated	% Change reported
Indefeasible rights of use assets (IRUs)	8,914	10,019	-11.0%
Intangible assets	78,417	82,494	-4.9%
Property, plant, and equipment	120,309	119,969	0.3%
Right of use assets	123,154	119,468	3.1%
Deferred tax assets	8,548	-	-
Non-current prepayments	477	616	-22.6%
Current assets	249,450	224,766	11.0%
<b>Total assets</b>	<b>589,269</b>	<b>557,332</b>	<b>5.7%</b>
<b>Total equity</b>	<b>46,770</b>	<b>63,464</b>	<b>-26.3%</b>
Non-current liabilities	204,839	194,757	5.2%
Current Liabilities	337,659	299,111	12.9%
<b>Total equity and liabilities</b>	<b>589,268</b>	<b>557,332</b>	<b>5.7%</b>

**Notes:**

- **The intangible asset** of Rwf 78.4 billion mainly consists of the license renewal that is currently amortized over a 7-year period.
- **Current assets** include Rwf 170.2 billion restricted cash (MoMo balances owned by customers). The same amount is reflected under the current liabilities in line with Central Bank regulations.

The condensed consolidated financial information for the quarter ended 30 September 2024 was approved by the Board of Directors on 05 November 2024 and was signed on its behalf by:



**Mapula Bodibe**  
 Chief Executive Officer  
 MTN Rwandacell Plc



**Dunstan Ayodele Stober**  
 Ag. Chief Finance Officer  
 MTN Rwandacell Plc

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Please visit <https://www.mtn.co.rw/financial-results/> to download our financials and other investor information.

## Annexures

### 1. Quarterly financial highlights

	Q3 2024	Q3 2023	Q2 2024	Q2 2023	Q1 2024	Q1 2023
	Rwf' Mn	Rwf' Mn	Rwf' Mn	Rwf' Mn	Rwf' Mn	Rwf' Mn
<b>Total revenue</b>	68,194	66,518	64,202	62,526	60,424	59,405
<b>Service revenue</b>	67,759	65,698	61,730	61,743	59,810	58,805
<b>Voice</b>	18,234	21,536	16,729	22,412	16,852	21,964
<b>Data</b>	12,010	12,320	10,767	11,091	10,405	10,431
<b>*MoMo</b>	30,826	24,191	27,397	21,124	25,734	19,565
<b>Other SR</b>	6,689	7,651	6,837	7,117	6,819	6,845

\*excludes Xtratime

### 2. Quarterly non-financial highlights

	Q3 2024	Q3 2023	Q2 2024	Q2 2023	Q1 2024	Q1 2023
<b>Subscribers<sup>1</sup></b>	7,551,899	7,169,791	7,500,639	6,977,148	7,404,625	6,919,094
<b>Active data subs<sup>2</sup></b>	2,300,828	2,566,051	2,323,450	2,308,625	2,452,903	2,159,004
<b>Active MoMo subs<sup>2</sup></b>	5,180,255	4,566,176	5,095,173	4,431,173	5,128,815	4,390,997

<sup>1</sup> RGS 90 subscribers

<sup>2</sup> RGS 30 subscribers



**We never  
settle  
for less**



**MoMo**

