

Emtel Group

Financial Performance for the 9 months ended 30 September 2024

07 November 2024

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1

Business Highlights



Macro-economic

- **Forex** volatility | scarcity
- **Interest rate** still high
- General increase in **price of commodities**
- **Corporate Climate tax** impacting profitability
- **Salary re-alignment** impact on operating costs

Key Takeaways

Acceleration of Telecom Vertical

- **Performance YTD-24 vs YTD-23**
 - Revenue¹ growth : + 9.1%
 - Service revenue¹ growth : + 12.3%
 - EBITDA² growth: + 15.8%
- **Data Services** - The Growth driver
- **blink** adoption and usage : double digit growth month on month
- **Technopolis** : full annualized billing as from Jan 2024
- **Award** : Fastest mobile network in Mauritius and East Africa

Commercial Highlights (1|2)

Ookla Award



Recognized as the fastest mobile network in East Africa, and in Mauritius for a second consecutive year

Commercial Highlights (2|2)

18-25 Youth Pack (Aug-24)



EMTEL
Feel Free

**INTERNET
GRATIS**
ek
AN ILLIMITE

lor rezo mobil pli rapid dan moris !

pu tou zenness
18 - 25

Enrezistre twa
lor website MRA!

Advertisement for the 18-25 Youth Pack. The background is yellow with confetti. It features the EMTel logo and the text 'INTERNET GRATIS ek AN ILLIMITE'. Below this, it says 'lor rezo mobil pli rapid dan moris !'. A red starburst contains the text 'pu tou zenness 18 - 25'. At the bottom, it says 'Enrezistre twa lor website MRA!' and shows a young couple looking at a phone.

FTTH Offer (Sep-24)*



EMTEL
Feel Free

Make your
new home smarter!

Ultra-Fast Fibre Optic Home Internet
with Premium TV Entertainment

FTTH 75Mbps
Rs. 1,200

High Speed
Fiber Optics

Premium Home
Entertainment

Advertisement for the FTTH Offer. The background is a living room with a TV showing 'THE HUNTER'. The text says 'Make your new home smarter!' and 'Ultra-Fast Fibre Optic Home Internet with Premium TV Entertainment'. A circular badge highlights 'FTTH 75Mbps Rs. 1,200'. At the bottom, it says 'High Speed Fiber Optics' and 'Premium Home Entertainment'.

* Starting with NSLD homes

Vendredi Bonto (Sep-24)



EMTEL
Feel Free

**Vendredi
Bonto**

Monthly
Data Pack
Now at Rs371
Rs301 Only
Save Rs70

Sa vendredi la, li bonto kot Emtel!!!

Advertisement for the Vendredi Bonto offer. The background is a man in a blue hoodie holding a phone, with confetti. The text says 'Vendredi Bonto' and 'Monthly Data Pack Now at Rs371 Rs301 Only Save Rs70'. At the bottom, it says 'Sa vendredi la, li bonto kot Emtel!!!' and shows four small images of people celebrating.

Drivers

Social Inclusion

- Poverty Alleviation
- Quality Education
- Quality Health

Environmental Preservation

- Addressing Climate Change
- Preserving Ecosystems & Natural Resources
- Responsible Waste Management
- Environmental Stewardship

Key Metrics (Sep-24)

CSR¹⁵ Investment



Rs 3.9M

NGO¹⁶ Supported



32

Employee Participation



47%

E-Waste



6.5tons
recycled

Waste



2.5tons
recycled

Renewable



160MWh
generated

2

Financial Review



Group Financial Performance - Snapshot

Group - Key highlights - 30 Sep 2024

	YTD - 2023 Rs Million	YTD - 2024 Rs Million
Revenue ¹	2,491	2,719
Service Revenue ¹	2,256	2,533
EBITDA ²	1,093	1,266
Underlying operating profit ⁴	500	612
Underlying profit before tax ⁵	351	421
Profit before tax	386	411
Capital Expenditure ⁶	1,577	568
Net Debt ⁷	3,536	3,831

Highlights

- +9.1% growth on Total Revenue propelled by telecom segment
- +12.3% growth in Service Revenue
- Technopolis – first full year billing in 2024
- Lower Capex

Group Revenue driven by Telecom Vertical



Revenue

	YTD-2023 Rs Million	YTD-2024 Rs Million
Emtel	2,494	2,669
Emtel MFS	4	15
Technopolis	8	40
Consolidation Adjustments	(15)	(5)
Group Total Revenue	2,491	2,719

+9.1% growth



EBITDA

	YTD-2023 Rs Million	YTD-2024 Rs Million
Emtel	1,140	1,285
Emtel MFS	(44)	(41)
Technopolis	5	30
Consolidation Adjustments	(8)	(8)
Group Total EBITDA	1,093	1,266

+15.8% growth

Group Financials Snapshot | YTD-2024 vs YTD-2023

EBITDA²

Rs 1,266m



173m

+ 15.8%

EBITDA Margin⁸

Revenue¹

Net Revenue³

46.6%

↑ +2.7%



51.5%

↑ +2.8%

Underlying operating profit⁴

Rs 612m



112m

+ 22.4%

Underlying profit before tax⁵

Rs 421m



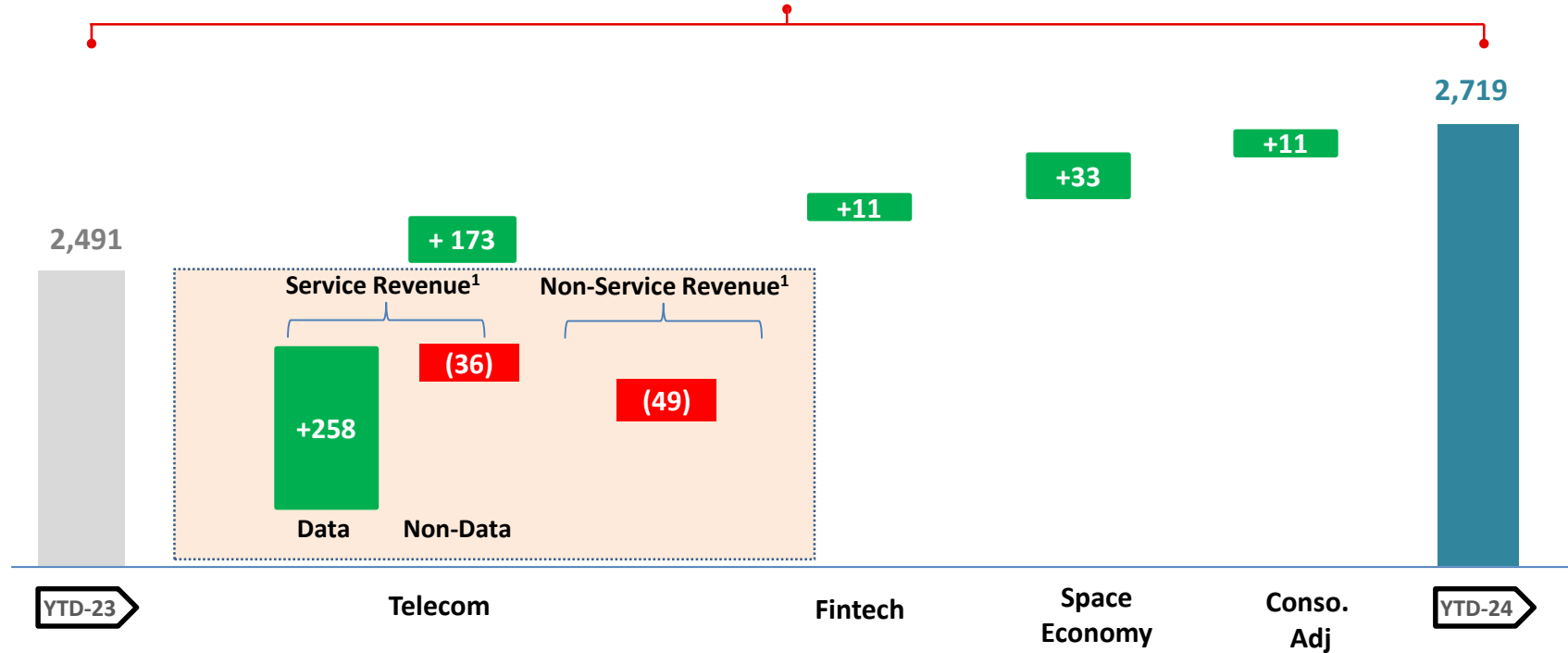
70m

+ 20.0%

Revenue Growth Bridge – Positive growth in all segments

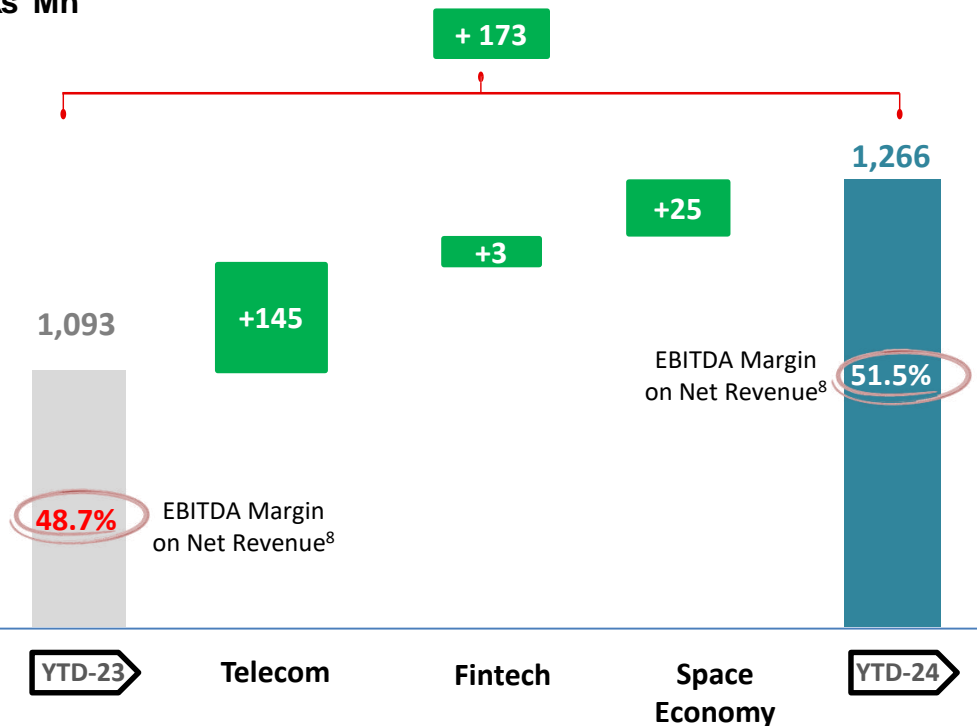
Rs' Mn

+ 228 | 9.1%



EBITDA – Strong growth propelled by data segment

Rs' Mn



Highlights

- Up by Rs 173m YTD-24 vs YTD-23
- Growth story driven by telecom vertical
- Sustained growth in telecom vertical across all data segments :

Mobile Data

- Growth led by our 5G coverage
- Increase in data adoption & consumption, ARPU
- 5G in Rodrigues

Home













- Adoption of Airbox high speed home internet
- Penetration of internet + entertainment

Enterprise

- Connectivity (Local & International)
- SME⁹
- Cybersecurity services
- Data Centre

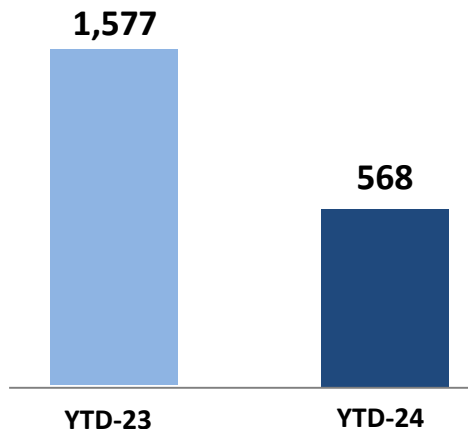
Telecom Vertical | YTD-24 vs YTD-23

Revenue growth

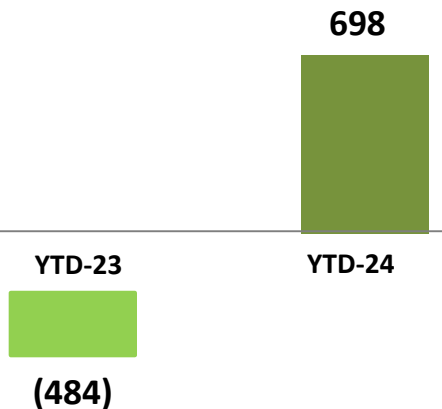
Mobile Data	<p>Data users</p>  <p>+8.6%</p>	<p>Data usage</p>  <p>+21%</p>	<p>5G Smartphones</p>  <p>18.5%</p>	24.0%
Enterprise	<p>Customers</p>  <p>+45%</p>	<p>Services sold</p>  <p>+29.5%</p>	<p>SME⁹ Customers</p>  <p>+3.6x</p>	16.3%
Home	<p>Internet + TV</p>  <p>+5.8k</p>	<p>Usage</p>  <p>+10.0%</p>	<p>Total base</p>  <p>+7.1%</p>	12.6%
Voice & SMS	<p>Local Minutes</p>  <p>(23.7%)</p>	<p>International Minutes</p>  <p>(5.3%)</p>	<p>SMS transactions</p>  <p>(24.5%)</p>	(-5.4%)

Capital Expenditure, Operating Free Cash Flow & Debt

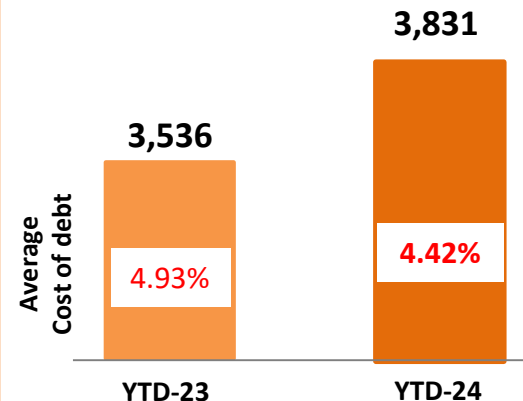
Capital Expenditure⁶ (Rs' million)



Operating Free Cash Flow¹⁰ (Rs' million)

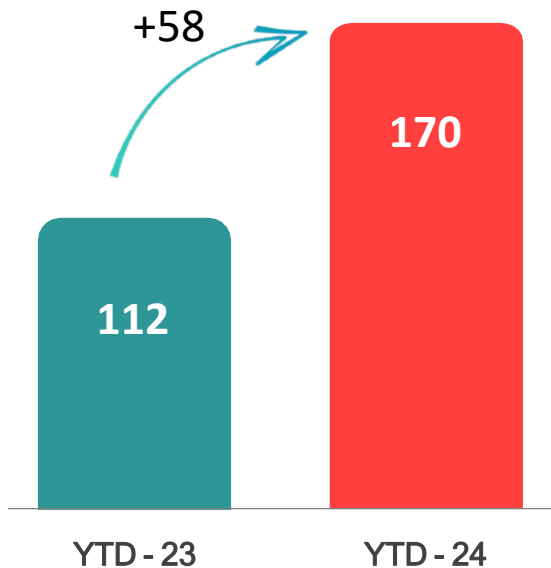


Net Debt⁷ (Rs' million)



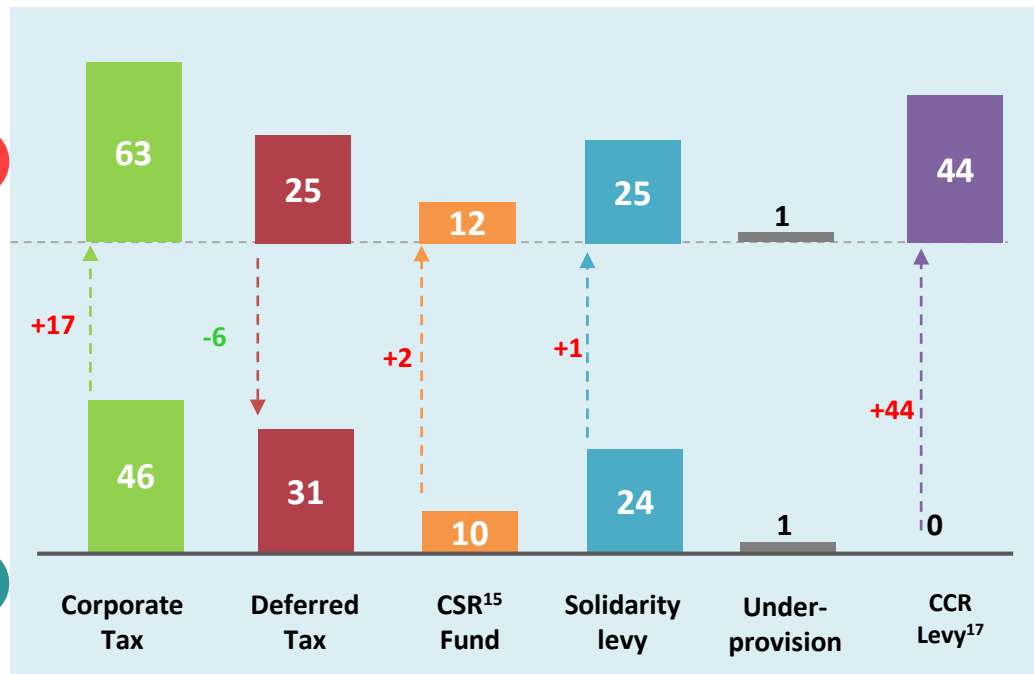
Tax expenses pent up with increase in CCR Levy

Taxation (Rs' m)



Taxation
2024

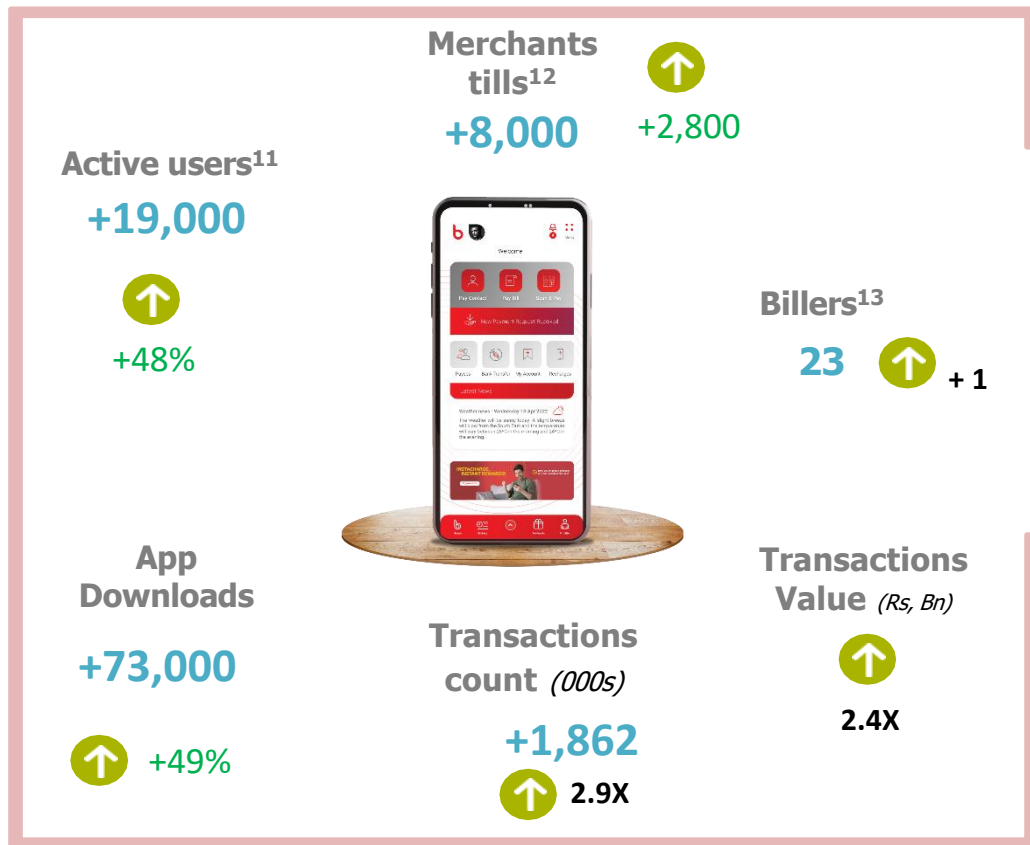
Taxation
2023



Our tax expense has increased compared to last year due to the introduction of the Corporate Climate Responsibility Levy ("CCR Levy¹⁷"). The impact of the CCR Levy¹⁷ is Rs 44 million comprising of Rs 36 million of its effects on deferred tax liability and Rs 8 million of its levy payable for the 9 months period ended 30 September 2024. Had the CCR Levy not been introduced, the profit after tax would have been Rs 285 million compared to Rs 275 million last year. Considering the CCR Levy, our profit after tax for the 9 months ended 30 September 2024 stood at Rs 241 million compared to Rs 275 million last year.



Fintech



Note: Compared to same period last year

Highlights

- Growing base , use cases, billers & merchants
- Transaction volume growth 2.9x
- Key actions :
 - Launch of UPI¹⁴(use blink in India)
 - Signature of Agreement with MasterCard
 - New features (auto payment, self transfer)
- New services in the pipeline

The background of the image features a hand holding a glowing, semi-transparent globe. A network of red lines and dots is overlaid on the scene, suggesting a global or technological theme. The word "Technopolis" is written in a bold, red, sans-serif font across the center of the globe.

Technopolis

August 2023

Contract Commencement

10

Year Contract with OneWeb



257,000m²

Land area



21

Purpose built satellite
dish set up



Rs 461m

Land and infrastructure
assets



Potential

- Strategically situated to host potential providers for ground stations for medium Earth orbit & low Earth orbit satellite systems
- Well located for a new submarine cable landing station
- Opportunity for additional data centre (s) and other businesses
- Land available for future development

3

Outlook



Other matters

MCVision

- Share Purchase Agreement signed
- Shareholders Agreement finalised
- IBA and other regulatory Approvals received
- Competition Commission approvals awaited
- Transaction expected to be completed before end Dec 24

Privy Council

- Judgement in 2017 - Award Rs554m
- Judgement of Jan 24 hearing in favour of Emtel
- Interest & associated costs on initial amount
- Untreated grounds of appeal to be remitted to the Supreme Court in Jan 2025

Outlook

- **Solid performance** as at Sep-24 across all verticals
- Continued **growth path** in 5G & data services expected
- **On track** to meet full year performance
- Achieved **robust growth** in revenue and EBITDA within the **telco verticals**
- We remain **focused on our strategic priority areas**
- **Monetization of 5G** remains a key focus
- Continue **enhancement of societal value**
- Maintain **discipline in cost allocation**
- On track to **pay dividend in Dec-24 of Rs570million** representing **Rs1.25** per share

¹Revenue comprise of service revenue and non service revenue. Service revenue are of a recurring nature and comprise of revenues from usage of mobile data, voice, sms, home internet, enterprise services and similar recurring revenues. Non service revenue comprises of sales of devices and tower rentals.

²EBITDA is earnings before interest, tax, depreciation, amortisation, and excluding other one off transactions and solidarity levy on revenue.

³Net revenue comprise of revenue less directly related costs; interconnect costs and cost of devices.

⁴Underlying operating profit is operating profit before solidarity levy on revenue, other gains and losses and other one off transactions.

⁵Underlying profit before tax is profit before tax adjusted for solidarity levy on revenue, other gains & losses and other one off transactions.

⁶Capital Expenditure represents the additions to property, plant, equipment and intangible assets during the period.

⁷Net Debt represents the total debts excluding leases less cash and cash equivalents.

⁸EBITDA Margin: (i) on Revenue¹ is the EBITDA over Revenue¹ and (ii) on Net Revenue³ is the EBITDA over Net Revenue³.

⁹SME refers to Small and Medium Enterprise as defined in the Small and Medium Enterprise Act.

¹⁰Operating Free Cash Flow is EBITDA less Capital Expenditure⁶.

¹¹Active users are the number of unique customers who did at least one financial transaction in the last 60 days.

¹²Merchant tills are cash registers or a computerised point of sale (POS) systems that are used to process customer transactions.

¹³Billers are organisations that issue bills for its customers and are registered on the payment platform.

¹⁴UPI refers to Unified Payment Interface which is an Indian instant payment system, enabled by the Government of India and the Bank of Mauritius, facilitating 'Scan and Pay' transactions between India and Mauritius through mobile apps available in both countries.

¹⁵CSR refers to Corporate Social Responsibility which is the amount invested in sustainability projects, including environmental preservation and social inclusion.

¹⁶NGO refers to Non-Governmental Organisation which operate as independent entities from the government, focusing on various social, environmental, and developmental issues.

¹⁷CCR Levy refers to Corporate Climate Responsibility Levy enacted under the Finance Act 2024 on 27 July 2024

Thank You



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