

# MTN RWANDACELL PLC

## UNAUDITED RESULTS FOR THE QUARTER ENDED 31 MARCH 2025

*Kigali | Rwanda: 05 May 2025*



MoMo

MTN

# MTN Rwandacell PLC

Results for the quarter ended 31 March 2025

MTN Rwandacell Plc (MTN Rwanda) is pleased to announce its unaudited financial results for the quarter-ended 31 March 2025.

## Salient points:

- Total subscribers increased by 2.8% year-on-year (YoY) to 7.6 million.
- Active Mobile Money (MoMo) users increased by 2.5% YoY to 5.3 million.
- Active data subscribers decreased by 8.2% YoY to 2.3 million due to competitive pressures. Despite a decrease in subscribers, data traffic grew by 33.6% whilst delivering a 12.2% YoY growth in Data Revenue.
- Service revenue increased by 12.3% to Rwf 67.2 billion; underpinned by innovative and compelling value propositions delivering a strong data and fintech performance.
- Earnings before interest, tax, depreciation, and amortisation (EBITDA) increased by 9.3% to Rwf 26.5 billion driven by growth in revenue.
- EBITDA margin decreased by 1.2 percentage points (pp) to 38.9%.
- Profit after tax (PAT) increased by 228.6% to Rwf 1.6 billion; driven by a strong EBITDA performance and lower depreciation costs.
- Capital expenditure (capex) decreased by 22.5% to Rwf 9.9 billion (down 86.9% to Rwf 1.2 billion, ex-leases) due to early execution of capex in the 2024 base.

***Unless otherwise stated, financial and non-financial information is 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 **Monzer Ali**

We are encouraged by the recovery of our business during Q1, despite the continued aggressive competitive dynamics in the market, underpinned by solid operational execution and a supportive macroeconomic environment. We also progressed our constructive engagements with the regulator regarding key matters affecting the business, which if successful, we believe could support further improvements in our performance.

### ***Supportive macroeconomic conditions mitigated by challenging competitive dynamics***

Rwanda's macroeconomic context remained supportive in Q1, with the average urban inflation of 5.3% trending within the central bank's medium-term target of 2-8%. Although the Rwandan franc weakened by 9.5% on average against the US dollar in the period, this represented a moderation in the rate of depreciation. While consumers and businesses remained under some pressure in this context, the trajectory of these key macroeconomic indicators was encouraging.

However, some challenges in our operating environment persisted largely due to the continued aggression of competitors in the market. We managed to recover some lost ground through continued investment in our networks and compelling offers to our customers.

### ***Commercial momentum driving improved operational and financial results***

Through our operational execution, our subscriber growth of 2.8% to 7.6 million was resilient despite ongoing competitive pressures. Active data subscribers decreased by 8.2%, impacted by aggressive bundles in the market offered by competitors. MoMo monthly active users (MAU) grew by 2.5% to 5.3 million supported by the growth in mobile subscribers. We continued to implement various customer value management and pricing optimisation initiatives to drive user and revenue growth, particularly in data and MoMo.

We delivered a strong improvement in our financial performance, driven by growth in both our connectivity and fintech platform businesses, with service revenue up by 12.3% YoY to Rwf 67.2 billion. This was underpinned by the double-digit

growth in data and fintech revenue. EBITDA improved by 10.3%, to Rwf 26.7 billion, with the EBITDA margin slightly softer by 0.8pp, to 39.3%. Encouragingly, PAT recovered to a profit of Rwf 1.8 billion, from a loss position in Q1 2024 with adjusted free cashflow growing by 70.1% to Rwf 25.2 billion.

### ***Impact of lease accounting on depreciation and finance costs***

The Q1 2024 financials were restated to reflect the accurate computation of tax and lease accounting under IFRS 16, which impacted depreciation costs, finance costs and income tax expense. These adjustments resulted in restatements of our Q1 2024 PAT to a loss of Rwf 1.2 billion (from a profit of Rwf 749 million) and earnings per share (EPS) to Rwf -0.9 (from and earnings per share of Rwf 0.6).

### ***Creating shared value in our communities***

As part of our commitment to creating shared value, we drove socioeconomic development initiatives as we proudly awarded Rwf 14.5 million to outstanding participants in the 4<sup>th</sup> edition of the Level Up Your Biz Initiative in partnership with Inkomoko. Launched in 2021, this corporate social investment programme is designed to empower startups and small to medium-sized enterprises (SMEs) by equipping them with essential skills in financial management, social media marketing, and other key areas necessary for business growth. This year's Level Up Your Biz edition empowered 40 MTN agents with essential business skills to enhance their operations.

### ***Outlook***

Looking ahead, our data and fintech businesses will remain key drivers of growth, promoting digital and financial inclusion as we continue to deliver digital solutions that support Rwanda's progress. We remain committed to the execution of our Ambition 2025 strategy, with a strong focus on commercial expansion, cost control, and operational efficiency to drive sustainable growth. In parallel, we are intensifying efforts to enhance agility across our operations, enabling us to respond faster to market dynamics. These priorities are core to our ambition to maximize value creation and enhance shareholder returns.

# MTN Rwandacell PLC

Results for the quarter ended 31 March 2025

## Key financial and operational highlights

Rwf (m)	Q1 2025	Q1 2024 *Restated	YoY %
<b>Total Revenue</b>	<b>67,939</b>	<b>60,424</b>	<b>12.4%</b>
<b>Service Revenue</b>	<b>67,164</b>	<b>59,810</b>	<b>12.3%</b>
Data	11,674	10,405	12.2%
Voice	15,771	16,852	-6.4%
MoMo	32,952	25,734	28.0%
Other	6,767	6,819	-0.8%
Expenses	41,480	36,208	14.6%
<b>EBITDA</b>	<b>26,459</b>	<b>24,216</b>	<b>9.3%</b>
EBITDA margin (%)	38.9%	40.1%	-1.2pp
Depreciation & Amortization	13,730	17,314*	-20.7%
Net Finance Costs	9,987	8,444*	18.3%
<b>Profit before tax</b>	<b>2,742</b>	<b>-1,543*</b>	<b>277.7%</b>
Income tax expense	1,143	299*	282.3%
<b>Profit after tax</b>	<b>1,599</b>	<b>-1,244*</b>	<b>228.5%</b>
EPS (Rwf)	1.2	-0.9*	233.3%
Capex	9,891	12,763	-22.5%
Capex (ex-leases)	1,228	9,371	-86.9%
Capex intensity (%)	1.8%	15.5%	-13.7pp
Adjusted free cashflow	25,231	14,834	70.1%
<b>Non-Financials (m)</b>			
Mobile Subscribers	7.6	7.4	2.8%
Data Subscribers	2.3	2.5	-8.2%
MoMo Users	5.3	5.1	2.5%

\* Restated to reflect the IFRS 16 recognition of interest expense on leases and taxation.

### 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 RoU assets.
- Adjusted free cash flow is EBITDA – Capex (ex-leases)
- EPS is computed by dividing the PAT by the number of shares.



## Strong operating and financial results

MTN Rwanda accelerated its commercial momentum to support overall service revenue growth of 12.3%, mainly driven by our data and fintech segments. This was underpinned by a resilient subscriber base, which increased by 2.8% to 7.6million.

Active **data** subscribers decreased by 8.2% YoY impacted by competitive pressures. Despite a decrease in subscribers, data traffic grew by 33.6% whilst delivering a 12.2% YoY growth in data revenue as a result of the demand growth, supported by well-priced offers to customers. From a commercial perspective, the smartphones connected to our network rose by 21.4% YoY to around 3.2 million, with smartphone penetration up by 6.4pp YoY to 41.8%. Data revenue accounted for 17.4% of total service revenue (Q1 2024: 17.4%).

**Voice** revenues recorded a 6.4% YoY decline primarily driven by pricing pressures from competition. We continue to execute pricing optimisation strategies to support voice revenue growth and offset the pressure on the segment. The contribution of voice revenues to total service revenue declined to 23.5% (Q1 2024: 28.2%).

**MoMo** revenues delivered strong growth of 28.0% YoY, which was attributable to the robust expansion in advanced services revenue (up 44.2%). The contribution of advanced services to overall MoMo revenue increased to 29.4% (Q1 2024: 26.1%), driven by the pleasing growth in merchant payments and remittance products. MoMo's contribution to overall service revenue increased to 49.1% (Q1 2024: 43.0%).

**EBITDA** rose by 9.3% YoY to Rwf 26.5 billion, delivering a margin of 38.9% (Q1 2024: 40.1%). This increase was driven by robust data and fintech revenues, and offset by higher operating expenses, including the recognition of non-lease IFRS 16 costs that were previously recognised in depreciation and amortisation.

**Depreciation and amortisation** decreased by 20.7%, following a review of our fixed asset useful lives in Q4 2024 to align with the Group's benchmarks and definitions, which resulted in an extension of the assets' estimated useful life. **Net finance costs** rose by 18.3%, reflecting the expansion in leased sites and the impact of the annual CPI adjustment. Underpinned by a stronger EBITDA performance, the business delivered a recovery in **PAT** to Rwf 1.8 billion, from a loss of Rwf 1.2 billion in Q1 2024.

**Capex** (ex-leases) declined by 86.9% to Rwf 1.2 billion largely reflecting a high base in the prior period due to the early execution of 2024 investments in 4G expansion and network modernisation in that period. We are pleased with the strong growth of 70.1% in our adjusted free cashflow to Rwf 25.2 billion, boosted by the normalisation in our capex in the period.

## Regulatory Update

### ***Continued engagement with regulator regarding MTRs***

We remain constructively engaged with the regulator regarding the MTR framework in the industry, after these were zero-rated in August 2023 for a one-year trial period. Following the completion of an independent market study in December 2024 and discussions held with relevant stakeholders, we await the regulator's resolution regarding the potential reinstatement of MTRs, which we believe will benefit the industry's recovery and longer-term sustainability.

### ***Quality-of-service (QoS) enforcement notice by RURA***

In Q4 2024, routine network quality drive tests in Kigali revealed that certain voice and data service metrics were slightly below the prescribed thresholds set by the regulator. In response, we provided a comprehensive remediation plan and received an enforcement notice requiring full compliance by 15 March 2025. We promptly implemented a series of network optimizations that delivered material improvements across most metrics and requested additional time to address two outstanding key performance indications.

Following our March submissions, we continued to engage the Rwanda Utilities Regulatory Authority (RURA) to demonstrate our ongoing progress and to secure an extension to close out the remaining gaps. We remain fully committed to restoring all QoS KPIs in Kigali and we are working closely with our network teams and RURA to ensure a seamless customer experience across Rwanda.

## Outlook

Supported by Rwanda's more positive economic outlook and the continued strategic investments

made in our network, coverage and capacity; we are encouraged by the opportunity to further accelerate our commercial and financial momentum. We remain mindful of potential risks to the macroeconomic outlook both globally and domestically including the impact of rising tariffs, inflationary pressures, and geopolitical developments. This may influence consumer demand and the broader operating environment – we continue to monitor these developments closely to ensure that the business is able to effectively navigate any impacts that may arise.

Within our connectivity business, our operational focus for the coming quarters will be on further enhancing our customer value management capabilities to optimise pricing and improve infrastructure monetisation, affirming our commitment to improving the quality of service and delivering second-to-none connectivity operations. As we navigate the prevailing challenging competitive environment, we will continue the work to recover our customer and value share.

The expansion of our fintech ecosystem and improving our financial performance remains key, and critical to our medium-term growth outlook. We are rolling out additional advanced services products over the course of this year as we deepen the fintech ecosystem in the market to enhance monetisation and cash flow generation in the business.

Our disciplined focus on unlocking expense efficiencies and bolstering the control environment will help us to drive the underlying operating leverage in the business to restore profitability and growth in the mid to long term.

We maintain our medium-term guidance with mid-teens service revenue growth and healthy EBITDA margins in the range of 40-42%. MTN Rwanda will continue to focus on the execution of its Ambition 2025 strategy while preserving and create value for shareholders and other stakeholders.

## Consolidated Statement of Financial Position

Rwf (m)	Q1 2025	FY 2024	% Change reported
Property, plant, and equipment	116,374	120,962	-3.8%
Right of use assets	127,539	123,089	3.6%
Indefeasible rights of use asset (IRUs)	7,928	8,296	-4.4%
Deferred tax assets	9,422	6,407	47.1%
Intangible assets and goodwill	77,315	81,017	-4.6%
Other non-current prepayments	2,200	2,042	7.7%
Current assets	285,668	<b>279,829</b>	2.1%
<b>Total assets</b>	<b>626,446</b>	<b>621,641</b>	<b>0.8%</b>
Total equity	49,880	46,839	6.5%
Non-current liabilities	208,402	211,506	-1.5%
Current Liabilities	368,163	363,296	1.3%
<b>Total equity and liabilities</b>	<b>626,446</b>	<b>621,641</b>	<b>0.8%</b>

### Notes:

- **The intangible asset** of Rwf 77.3 billion mainly consists of the license renewal currently that is amortized over a 10-year period.
- **Current assets** include Rwf 194.5 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 31 March 2025 was approved by the Board of Directors on 05 May 2025 and was signed on its behalf by:



**Monzer Ali**

Chief Executive Officer

MTN Rwandacell Plc



**Dunstan Ayodele Stober**

Ag. Chief Financial Officer

MTN Rwandacell Plc

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