

“Accelerated Growth Driving Improved Results”

Group

Year on Year Performance Highlights



Service Revenue¹

Rs 1,653 Million

▲ 12.2%

Rs 1,473 Million - 30 Jun 23



EBITDA²

Rs 816 Million

▲ 16.6%

Rs 700 Million - 30 Jun 23



Underlying Operating Profit⁴

Rs 385 Million

▲ 23.4%

Rs 312 Million - 30 Jun 23



Underlying Profit Before Tax⁵

Rs 262 Million

▲ 17.5%

Rs 223 Million - 30 Jun 23

Key Ratios

EBITDA Margin on Net Revenue³

50.9%

47.7% - 30 Jun 23

Underlying Operating Profit⁴ Margin

21.7%

19.0% - 30 Jun 23

Capital Expenditure to Revenue Ratio¹¹

22.0%

52.0% - 30 Jun 23

Net Debt to EBITDA¹²

2.5x

2.5x - 30 Jun 23

Key Segment Metrics

| | | Telecommunication business | FinTech business | Space economy business | Consolidation adjustments | Total |
|------------------------|-----------|----------------------------|------------------|------------------------|---------------------------|------------------|
| Revenue (in Rs 000) | 30-Jun-24 | 1,748,464 | 8,870 | 22,306 | (4,965) | 1,774,675 |
| | 30-Jun-23 | 1,646,198 | 1,970 | 134 | (6,694) | 1,641,608 |
| EBITDA (in Rs 000) | 30-Jun-24 | 829,561 | (25,400) | 18,159 | (5,861) | 816,459 |
| | 30-Jun-23 | 736,234 | (30,850) | (787) | (4,535) | 700,062 |

Emtel Limited - Abridged Unaudited Financial Statements for the six months ended 30 June 2024

Condensed Statements of Profit and Loss

| | The Group | |
|---|-------------------------------|--|
| | Unaudited 30-Jun-24 Rs 000 | Restated Unaudited 30-Jun-23 Rs 000 |
| Continuing operations | | |
| Service revenue ¹ | 1,653,471 | 1,473,182 |
| Non service revenue ¹ | 121,204 | 168,426 |
| Revenue² | 1,774,675 | 1,641,608 |
| Net revenue³ | 1,604,163 | 1,466,138 |
| EBITDA² | 816,459 | 700,062 |
| Depreciation and amortisation | (431,744) | (388,262) |
| Underlying operating profit⁴ | 384,715 | 311,800 |
| Solidarity levy on revenue | (18,435) | (25,459) |
| Other gains and losses ⁵ | 49,416 | 43,188 |
| Other one off transactions ⁷ | (104,832) | - |
| Operating profit | 310,864 | 329,529 |
| Net finance costs ⁸ | (123,088) | (88,708) |
| Profit before tax | 187,776 | 240,821 |
| Income tax expense | (68,333) | (70,873) |
| Profit for the period from continuing operations | 119,443 | 169,948 |
| Discontinued operations | | |
| Loss for the period from discontinued operations | (61,139) | (41,631) |
| Profit for the period | 58,304 | 128,317 |
| Other comprehensive income for the period | 41 | - |
| Total comprehensive income for the period | 58,345 | 128,317 |
| Total comprehensive income attributable to :- | | |
| Owners of the parent | 93,402 | 152,476 |
| Non-controlling interest | (35,057) | (24,159) |
| | 58,345 | 128,317 |

Condensed Statements of Financial Position

| | The Group | | |
|---|-------------------------------|-------------------------------|-----------------------------|
| | Unaudited 30-Jun-24 Rs 000 | Unaudited 30-Jun-23 Rs 000 | Audited 31-Dec-23 Rs 000 |
| Assets | | | |
| Property, plant and equipment | 4,886,117 | 4,478,807 | 5,142,928 |
| Right-of-use assets | 781,878 | 889,786 | 876,076 |
| Intangible assets | 201,005 | 267,413 | 218,132 |
| Post employment benefit assets | - | 1,728 | - |
| Financial assets at fair value through OCI ⁹ | 1,270 | 1,207 | 1,229 |
| Total non current assets | 5,870,270 | 5,638,941 | 6,238,365 |
| Current assets | 739,606 | 842,820 | 965,669 |
| Assets held for sale | 552,015 | - | - |
| Total Assets | 7,161,891 | 6,481,761 | 7,204,034 |
| Equity and Liabilities | | | |
| Stated capital | 151,800 | 151,800 | 151,800 |
| Retained earnings | 885,615 | 990,777 | 922,252 |
| Common control reserves ¹⁰ | (1,030,768) | (1,030,768) | (1,030,768) |
| Other reserves | 72,929 | 21,562 | 72,890 |
| Non controlling interest | (35,294) | 24,046 | (237) |
| Total equity | 44,282 | 157,417 | 115,937 |
| Non-current liabilities | 3,548,224 | 3,300,714 | 3,261,497 |
| Current liabilities | 2,966,986 | 3,023,630 | 3,826,600 |
| Liabilities held for sale | 602,399 | - | - |
| Total Equity and Liabilities | 7,161,891 | 6,481,761 | 7,204,034 |

Condensed Statements of Cash Flows

| | The Group | | |
|---|-------------------------------|-------------------------------|-----------------------------|
| | Unaudited 30-Jun-24 Rs 000 | Unaudited 30-Jun-23 Rs 000 | Audited 31-Dec-23 Rs 000 |
| Net cash generated from operating activities | 753,577 | 557,882 | 1,528,909 |
| Net cash used in investing activities | (714,820) | (845,797) | (1,618,598) |
| Net cash generated / (used in) from financing activities | 8,830 | (286,465) | (396,773) |
| Net increase / (decrease) in cash and cash equivalents | 47,587 | (574,380) | (486,462) |
| Net foreign exchange difference | (2,026) | (5,798) | (9,839) |
| Cash and cash equivalents at 01 January | 275,989 | 772,290 | 772,290 |
| Cash and cash equivalents at end of the period | 321,550 | 192,112 | 275,989 |

Condensed Statements of Changes in Equity

| | The Group | | | |
|-----------------------------------|--------------------------------|---|------------------------------------|------------------------|
| | Owners of the parent Rs 000 | Common control reserves ¹⁰ Rs 000 | Non-controlling interest Rs 000 | Total Equity Rs 000 |
| Unaudited | | | | |
| At 1 January 2023 | 1,286,763 | (1,030,768) | 48,205 | 304,200 |
| Profit for the period | 152,476 | - | (24,159) | 128,317 |
| Total comprehensive income | 152,476 | - | (24,159) | 128,317 |
| Dividends | (275,100) | - | - | (275,100) |
| At 30 June 2023 | 1,164,139 | (1,030,768) | 24,046 | 157,417 |
| Audited | | | | |
| At 1 January 2023 | 1,286,763 | (1,030,768) | 48,205 | 304,200 |
| Profit for the year | 361,401 | - | (46,900) | 314,501 |
| Other comprehensive income | 44,838 | - | (1,542) | 43,296 |
| Total comprehensive income | 406,239 | - | (48,442) | 357,797 |
| Dividends | (546,060) | - | - | (546,060) |
| At 31 December 2023 | 1,146,942 | (1,030,768) | (237) | 115,937 |
| Unaudited | | | | |
| At 1 January 2024 | 1,146,942 | (1,030,768) | (237) | 115,937 |
| Profit for the period | 93,361 | - | (35,057) | 58,304 |
| Other comprehensive income | 41 | - | - | 41 |
| Total comprehensive income | 93,402 | - | (35,057) | 58,345 |
| Dividends | (130,000) | - | - | (130,000) |
| At 30 June 2024 | 1,110,344 | (1,030,768) | (35,294) | 44,282 |

Basis of Preparation

The Board of Emtel Limited hereby presents the Group's unaudited abridged financial statements for the 6 months ended 30 June 2024. The abridged financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and on the same basis as the accounting policies set out in the audited statutory financial statements for the year ended 31 December 2023. In accordance with IFRS 5, the Group has presented its current period results and restated its comparatives for discontinued activities.

Group Financial Performance Review

The Group reported an 8.1% increase in revenue from continuing operations, rising from Rs 1.64 billion to Rs 1.77 billion. This is primarily driven by service revenue¹, which increased by 12.2% compared to last year led by the growth in the data segment, including mobile data, home internet and enterprise services.

EBITDA grew by 16.6% to Rs 816 million, up from Rs 700 million last year. This improvement is mainly attributed to revenue growth and cost optimisation, which translated into a 320 basis point increase in our EBITDA Margin on Net Revenue, from 47.7% to 50.9%.

Operating profit of Rs 311 million for the period includes other one-off transaction costs of Rs 105 million and other gains and losses amounting to Rs 49 million. The other one-off transactions relate to costs associated with the initial public offering, legal costs incurred for the case heard in January 2024 at the Privy Council where a judgement was obtained in favour of Emtel and a special bonus paid to all employees on the occasion of the 35th anniversary of Emtel. The other gains and losses relate to the gains realised on the swap of telecom equipment. Notwithstanding the other one-off transaction costs, one-off gain on swapping of assets and solidarity levy on revenue, the operating profit shown as underlying operating profits on the face of the abridged profit and loss, would have been Rs 385 million representing a growth of Rs 73 million and 23.4% over last year.

The Group has in June 2024 secured refinancing and new long-term loans facilities which shall extend the average maturity of its debts to 4 years. As of June 2024, the Group has Rs 1.1 billion in short-term bridging loans which will be refinanced with the long-term facilities in the second half of the year 2024. This will improve the overall debt structure. Finance costs have risen compared to last year due to additional borrowings and increase in interest rates. The average cost of debt is 4.78% compared to 4.47% last year.

The Group total equity as at June 2024 is Rs 44 million. Excluding the common control reserves of Rs 1.03 billion, the adjusted group total equity is 1.08 billion. The common control reserves pertain to the acquisition of the media business in the year 2020 which represent a business combination under common control under IFRS 3.

The sale of the media business has progressed significantly, has obtained certain important regulatory approvals and is expected to be completed by the end of the year after receiving the remaining regulatory approvals.

Outlook

In September 2023, Emtel won the Ookla award for the fastest mobile network in Mauritius. In July 2024, Emtel received the Ookla award for the fastest mobile network in East Africa and, once again, for the fastest mobile network in Mauritius. This confirms Emtel's strong position as a leading mobile operator in the region and is a reflection of our capital investment strategy in our infrastructure which enables us to leverage on our assets to provide even better and more extensive services to our customers leading in turn to continued growth.

Overall, our businesses are delivering strong operating results. We anticipate this trend to be maintained.

By Order of the Board

Currimjee Secretaries Limited
 Company Secretary
 08 August 2024

Copies of the abridged unaudited financial statements can also be viewed on the website and the statement of direct and indirect interests of officers of the Company are available free of charge, upon request made to the Company Secretary, Currimjee Secretaries Limited, 38, Royal Street, Port Louis 11602, Mauritius.

The above abridged unaudited financial statements are issued pursuant to Listing Rule 12.20 and Securities Act 2005. The Board of Directors of Emtel Limited accepts full responsibility for the accuracy of the information contained in these abridged unaudited financial statements.

1 Revenue 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.

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

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

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

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

6 Other gains and losses comprise of profit on disposal of asset among others.

7 Other one off transactions are exceptional and not recurring in nature.

8 Net finance costs comprise of interest on bonds, loans, overdraft and lease liabilities pertaining to right of use of assets, and foreign exchange gains and losses.

9 OCI refers to the other comprehensive income where unrealised gains and losses are recorded.

10 Common control reserves represent business combination transaction under common control under IFRS 3.

11 Capital Expenditure represents the additions to property, plant, equipment and intangible assets during the period. Capital Expenditure to Revenue Ratio is calculated by dividing the capital expenditure with revenue for the same period.

12 Net Debt represents the total debts excluding leases less cash and cash equivalents. Net Debt to EBITDA is calculated by dividing the Net Debt at end of the period by the EBITDA for the last 12 months.

