

## Key Highlights



## Operating key performance indicators (KPIs)

- Total customer base grew by 8.5% to 7.1 million. Mobile data customers grew by 4.6% to reach 2.5 million.
- Average Revenue per user per month (ARPU) was up by 12.3% to K 2,393 primarily driven by increased usage across both voice and data services.

## Financial performance

- Revenue grew 26.4% to K 193,999 million, driven by broad based growth across all business segments.
- Strong demand for both voice and data services supported a 23.7% growth in voice revenue, and a 23.3% growth in data revenues.
- EBITDA increased by 16% to K 91,030 million. The EBITDA margin of 46.9%, declined by 423 basis points over the period due to the significant currency devaluation in 2023, which resulted in increased inflationary pressure on the cost base, primarily as a result of an increase in fuel prices.
- Net finance costs increased by 288% largely as a result of higher foreign exchange losses in the current period. The Malawi kwacha devalued by over 66% in 2023 as opposed to 25 % in 2022.
- Loss after tax at K 15,424 million, down from restated profit of K 31,440 million in the prior year, was primarily impacted by the foreign exchange loss of K 80,541 million in 2023, compared to a restated foreign exchange loss of K 20,627 million in 2022. These financial statements were restated following the re-assessment of the accounting treatment for US\$ indexed tower lease contracts resulting in impacts on the lease liability and right-of-use asset with corresponding changes to the finance cost, depreciation, and deferred tax accounts.

## Capital allocation

- Capex investment increased by 23.5 % to K 19,547 million, as we continue to invest for future growth.
- Leverage increased from 0.33x net debt/EBITDA to 1.27x, largely as a result of the revaluation of USD balance sheet liabilities following the devaluation of the Malawi kwacha during the year. Leverage remains well within the range of the industry peer-group.

## Dividend

Given Airtel Malawi plc ("the Company") has a negative retained earnings position as at 31 December 2023, the Board has not recommended a dividend for the year ended 31 December 2023, (dividend for 2022 : K 27,500 million representing K 2.5 per share).

## Notes

(1) As notified in the press release dated 31 May 2024, the Company had withdrawn its earlier issued Audited Financial Statements for the year ended 31 December 2023 and is now issuing revised financial statements along with the restatement of the AFS for the year ended 31 December 2022.

## Key financial information

Description	UoM	Year Ended		
		Dec-23	Dec-22 Restated	Change %
P&L Summary				
Revenue (1)	K Mn	193,999	153,464	26.4%
Voice Revenue	K Mn	107,440	86,858	23.7%
Data Revenue	K Mn	64,865	52,609	23.3%
Other Revenue	K Mn	21,693	13,997	55.0%
Expenses	K Mn	(102,968)	(74,958)	37.4%
EBITDA (2)	K Mn	91,030	78,506	16.0%
EBITDA Margin	%	46.92%	51.16%	(423)bps
Depreciation & Amortization	K Mn	(17,812)	(14,412)	23.6%
Other income	K Mn	28	(13)	(320.7%)
Operating Profit	K Mn	73,246	64,081	14.3%
Net finance costs	K Mn	(95,019)	(24,497)	287.9%
Non-Operating Exceptional Items	K Mn	-	5,345	(100.0%)
(Loss)/profit Before Tax	K Mn	(21,773)	44,929	(148.5%)
Income tax credit/(expense)	K Mn	6,349	(13,489)	(147.1%)
(Loss)/profit After Tax (3)	K Mn	(15,424)	31,440	(149.1%)
Basic EPS	K	(1.40)	2.86	(149.1%)
Weighted Average No of Shares	in Mn	11,000	11,000	0.0%
Capex	K Mn	19,547	15,831	23.5%
Net Debt	K Mn	115,704	25,848	
Leverage (net debt to EBITDA)	times.	1.27x	0.33x	
Operating KPIs				
ARPU	K	2,393	2,131	12.3%
Total customer base (30 days active)	Mn	7,099	6,541	8.5%
Data customer base	Mn	2,511	2,401	4.6%

## Financial review for the year ended 31 December 2023

### 1) Revenue

The Company recorded revenue of K 193,999 million in the year ended 31 December 2023, up by 26.4%, as compared to K 153,464 million in the prior year. Revenue growth of 26.4% was largely driven by both customer base growth of 8.5% and Average Revenue per user per month (ARPU) growth of 12.3 %. Revenue growth was broad based across all key segments: Voice revenue up 23.7%, Data revenue up 23.3% and Other revenue up 55%.

### 2) EBITDA

EBITDA of K 91,030 million, was up by 16%, supported by strong revenue growth. EBITDA margin declined by 423 bps from 51.2% in 2022 to 46.9% in 2023, primarily due to rising fuel and electricity prices and an increase in other costs due to the significant currency devaluation in 2023.

### 3) (Loss)/profit after tax

Loss after tax of K 15,424 million was down from the restated 2022 profit after tax of K 31,440 million, largely impacted by significant foreign exchange headwinds. The Malawi Kwacha lost value by 66% in 2023 leading to a foreign exchange loss of K 80,540 million, compared to a restated foreign exchange loss of K 20,626 million in 2022, when the Malawi Kwacha depreciated by 25%.

## Outlook\*

Our focus remains to continue supporting the economy, and keeping communities and businesses in Malawi connected. Our view on the medium-term opportunity for growth in Malawi remains attractive, as the telecommunication sector continues to benefit from population growth and a need for increased connectivity.

We will continue executing on our strategy to increase mobile penetration in Malawi through investment in under-served rural markets, and increase data penetration to further enhance the digitalisation of the Malawian economy.

The economy and Company are exposed to currency volatility, continued scarcity of foreign currency and unfavourable agricultural output. Despite these headwinds we will focus on investing in our network, growing customers and revenues, containing cost and diversifying currency sourcing to mitigate our exposure.

\*Unaudited

## Other significant updates

### Revision of Annual Financial statements (AFS) 2023

On 31 May 2024, the Company announced the intention to revise its AFS for the year ended 31 December 2023 along with the restatement of the AFS for the year ended 31 December 2022. The Board of Directors had previously withdrawn its AFS for the year ending 31 December 2023 together with its dividend recommendation of K 0.977 per share.

## Continuation of 25th Annual General Meeting of the Company

The adjourned 25th Annual General Meeting of the Company will be held in October 2024.

### License renewal

On 7 February 2024, the Malawi Communications Regulatory Authority (MACRA) approved the renewal of the Company's Network Services Licence, Application Service Licence and Network Facilities Service Licence for a period of 10 years.

### Expansion of network coverage

During the year, the Company expanded its network with the roll out of an additional 35 sites.

## Summary Financial Statements

### Summary Statement of Comprehensive Income

	For the Year ended 31 Dec 2023	For the Year ended 31 Dec 2022 Restated
	K'000	K'000
<b>Income</b>		
Revenue	193 998 721	153 463 598
Other income/ (loss)	27 990	(12 685)
	194 026 711	153 450 913
<b>Expenses</b>		
Network operation and maintenance	(39,855,539)	(23,400,619)
Sales and marketing expenses	(17,190,521)	(13,828,774)
Employee benefits expenses	(7,131,776)	(6,176,726)
Access charges	(3,296,356)	(3,543,958)
Other expenses	(22,103,090)	(17,569,936)
License fee and spectrum usage charges	(12,927,612)	(11,178,259)
Impairment loss (charged)/recovered on financial assets	(463,555)	740,734
Depreciation and amortisation	(17,812,066)	(14,412,325)
	(120,780,515)	(89,369,863)
<b>Operating profit</b>	<b>73,246,196</b>	<b>64,081,050</b>

Summary Statement of Comprehensive Income Continued...

	For the Year ended 31 Dec 2023	For the Year ended 31 Dec 2022 Restated
	K'000	K'000
Finance cost	(98,380,289)	(27,498,721)
Finance income	3,361,012	3,001,570
Other non-operating income	-	5,344,970
<b>(Loss)/profit before tax</b>	<b>(21,773,081)</b>	<b>44,928,869</b>
Income tax credit/(expense)	6,348,842	(13,489,191)
<b>(Loss) /profit and total comprehensive (loss)/ income for the year</b>	<b>(15,424,239)</b>	<b>31,439,678</b>
Basic and diluted (loss)/earnings per share (K)	(1.40)	2.86

Summary Statement of Financial Position

	As at 31 Dec 2023	As at 31 Dec 2022 Restated
	K'000	K'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	72,582,812	66,154,743
Right-of-use assets	58,842,642	38,436,487
Intangible assets	28,686	340,848
Deferred tax asset	27,632,096	5,599,140
Other non-current assets	17,782,985	10,725,495
Investment	81,000	81,000
<b>Total non-current assets</b>	<b>176,950,221</b>	<b>121,337,713</b>
<b>Current assets</b>		
Inventories	1,356,123	278,084
Trade and other receivables	6,827,929	7,712,084
Cash and cash equivalents	42,264,053	59,072,915
Other current assets	28,161,374	10,328,617
<b>Total current assets</b>	<b>78,609,479</b>	<b>77,391,700</b>
<b>Total assets</b>	<b>255,559,700</b>	<b>198,729,413</b>

EQUITY AND LIABILITIES

Shareholders' equity

Share capital	1,000	1,000
Share premium	398,375	398,375
(Accumulated losses)/retained earnings	(11,005,803)	31,918,436
<b>Shareholders' equity</b>	<b>(10,606,428)</b>	<b>32,317,811</b>
<b>Total non-current liabilities</b>		
Lease Liabilities	98,651,640	47,522,899
<b>Total non-current liabilities</b>	<b>98,651,640</b>	<b>47,522,899</b>
<b>Current liabilities</b>		
Borrowings	55,758,596	33,981,639
Lease liabilities	3,557,877	3,416,846
Deferred spectrum liabilities	-	201,028
Provisions	3,206,740	2,514,042
Trade and other payables	73,122,513	46,709,702
Contract liabilities	9,704,588	9,975,227
Income tax payable	4,276,435	5,784,950
Other current liabilities	17,887,739	16,305,269
<b>Total current liabilities</b>	<b>167,514,488</b>	<b>118,888,703</b>
<b>Total liabilities</b>	<b>266,166,128</b>	<b>166,411,602</b>
<b>Total equity and liabilities</b>	<b>255,559,700</b>	<b>198,729,413</b>

Summary Statement of Changes in Equity

	Share Capital	Share Premium	(Accumulated losses)/ retained earnings	Total
	K'000	K'000	K'000	K'000
<b>Year ended 31 December 2023</b>				
At the beginning of the year	1,000	398,375	31,918,436	32,317,811
Dividend declared for 2022 profit	-	-	(27,500,000)	(27,500,000)
Total comprehensive loss for the year	-	-	(15,424,239)	(15,424,239)
<b>Balance at 31 December 2023</b>	<b>1,000</b>	<b>398,375</b>	<b>(11,005,803)</b>	<b>(10,606,428)</b>
<b>Year ended 31 December 2022 (Restated)</b>				
At the beginning of the year	1,000	398,375	32,928,758	33,328,133
Dividend declared for 2021 profit			(32,450,000)	(32,450,000)
Total comprehensive income for the year (Restated)	-	-	31,439,678	31,439,678
<b>Balance at 31 December 2022 (Restated)</b>	<b>1,000</b>	<b>398,375</b>	<b>31,918,436</b>	<b>32,317,811</b>

Summary Statement of Cash Flows

	For the Year ended 31 Dec 2023	For the Year ended 31 Dec 2022 Restated
	K'000	K'000
<b>Cash flows from operating activities</b>		
(Loss)/profit before taxation	(21,773,081)	44,928,869
<b>Adjustments for:</b>		
Depreciation & amortization	17,812,066	14,412,325
Interest income	(3,361,012)	(3,001,570)
Unrealised exchange losses	65,890,468	16,515,450
Other non -operating income	-	(5,344,970)
Movement in Provisions	692,698	1,059,946
(Profit)/loss on disposal of plant and equipment	(22,414)	12,180
Finance cost	17,839,782	6,705,805
<b>Operating cash flow before working capital changes</b>	<b>77,078,507</b>	<b>75,288,035</b>
<b>Changes in working capital:</b>		
Decrease in trade and other receivables	1,895,898	15,294,369
(Increase)/decrease in inventory	(1,078,039)	14,638
Increase in other assets	(24,890,247)	(7,795,963)
Increase in trade and other payables	7,243,766	16,139,481
(Decrease)/increase in other liabilities	(171,800)	1,825,902
<b>Net cash generated from operations before tax</b>	<b>60,078,085</b>	<b>100,766,461</b>
Income tax paid	(17,192,629)	(18,826,198)
<b>Net cash generated from operating activities</b>	<b>42,885,456</b>	<b>81,940,263</b>
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(17,241,415)	(15,831,169)
Interest received	3,361,012	3,001,570
Proceeds from sale of property, plant and equipment	22,414	532,781
<b>Net cash used in investing activities</b>	<b>(13,857,989)</b>	<b>(12,296,818)</b>
<b>Cash flows from financing activities</b>		
Repayment of borrowings- principal	(165,121)	(5,489,519)
Repayment of borrowings- interest	(3,055,840)	(1,340,498)
Other finance costs	(5,107,297)	(3,677,075)
Dividends paid	(26,016,367)	(32,058,690)
Repayment of spectrum liability- principal	(207,175)	(166,252)
Repayment of spectrum liability- interest	(7,426)	(15,549)
Lease write back	(5,576)	(2,127)
Repayment of lease liability- principal	(1,590,477)	(4,671,107)
Repayment of lease liability- interest	(9,681,050)	(1,672,684)
<b>Net cash used in financing activities</b>	<b>(45,836,329)</b>	<b>(49,093,501)</b>
Net increase in cash & cash equivalents	(16,808,862)	20,549,944
Cash & Cash equivalents at the beginning of the year	59,072,915	38,522,971
<b>Cash &amp; Cash equivalents as at end of the period of the year</b>	<b>42,264,053</b>	<b>59,072,915</b>

Notes to the Summary Financial Statements

The borrowing is due to the following:

External borrowings: Bank of America

	For the Year ended 31 Dec 2023	For the Year ended 31 Dec 2022 Restated
		K'000
At the beginning of the year	33,981,639	32,614,688
Interest Charges	3,055,840	1,340,498
Repayments	(3,220,961)	(6,830,017)
Exchange difference	21,942,078	6,856,470
<b>At the end of the year</b>	<b>55,758,596</b>	<b>33,981,639</b>
Current portion	<b>55,758,596</b>	<b>33,981,639*</b>
Non-Current portion	-	-

\* Reclassified from non-current to current

Basis of preparation

The Directors have prepared the summary financial statements to meet the listing requirements of the Malawi Stock Exchange. The Directors have considered the listing requirements of the Malawi Stock Exchange and believe that the summary statement of financial position, summary statement of comprehensive income, summary statement of cash flows and summary statement of changes in equity are sufficient to meet the requirements of the users of the summary financial statements.

The summary financial statements have been derived from the Annual Financial Statements that are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”) and were approved by the Board of Directors on 26 August 2024. The audited Financial Statements for the period ended 31 December 2023 can be accessed on the Company's website [www.airtel.mw/investors](http://www.airtel.mw/investors)



**Dr. Ngeyi Ruth Kanyongolo**  
**Board Chairperson**



**Charles Kamoto**  
**Managing Director**

Airtel Malawi plc  
Results for the year ended 31 December 2023 Cntd...

REPORT OF THE INDEPENDENT AUDITOR ON THE  
SUMMARY FINANCIAL STATEMENTS

To the members of Airtel Malawi Plc

Opinion

The summary financial statements, which comprise the summary statement of financial position as at 31 December 2023, and the summary statement of comprehensive income, summary statement of changes in equity and summary statement of cash flows for the year then ended are derived from the audited financial statements of Airtel Malawi Plc for the year ended 31 December 2023.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements, and on the basis described on the basis of preparation paragraph.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 30 August 2024. That report also includes:

- The communication of key audit matters. Key audit matters are those matters that in our professional judgment, were of most significance in our audit of the financial statements of the current year.
- An emphasis of matter paragraph relating to withdrawal, reissuance of financial statements for the year ended 31 December 2023 and restatement of financial statements for the year ended 31 December 2022.

Director's Responsibility for the Summary Financial Statements

The directors are responsible for the preparation of the summary financial statements in accordance with the basis described on the basis of preparation paragraph.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810 (Revised) Engagements to Report on Summary Financial Statements.



Chartered Accountants

Christopher Kapenda

Partner  
30 August, 2024.



Glossary

Technical and Industrial Terms

ARPU	Average revenue per user per month, which is derived by dividing total revenue during the relevant period by the average number of customers.
Average customers	Average customers are derived by computing the average of the monthly average customers for the relevant period.

Capital expenditure	It is not a GAAP measure and is defined as investment in capital work in progress (CWIP) gross fixed assets (tangible and intangible excluding spectrum/licence) and excluding provision on capital work in progress (CWIP).
Customer	A customer is defined as a unique subscriber with a unique mobile telephone number who used any of Airtel's services in the last 30 days.
Customer base	Total number of subscribers that used any of our services (voice calls, SMS, data usage or Other revenues) in the last 30 days.
Data customer base	Total subscribers who consumed at least 1MB on the Group's GPRS, 3G or 4G network in the last 30 days.
Underlying EBITDA	It is not a GAAP measure and is defined as operating profit before depreciation, amortisation, CSR cost and exceptional items.
Underlying EBITDA margin	It is not a GAAP measure and is computed by dividing Underlying EBITDA for the relevant period by total revenue for the relevant period.
Earnings per share (EPS)	EPS is computed by dividing the profit for the period attributable to the owners of the company by the weighted average number of ordinary shares outstanding during the period.
Free cash flow	Free cash flow defined as Operating free cash flow less cash interest, cash tax and change in operating working capital.
Minutes of usage	Duration in minutes for which a customer uses the Group's network. It is typically expressed over a period of one month. It includes incoming, outgoing and in-roaming minutes.
Net debt	It is not a GAAP measure and is defined as the long-term borrowings, short term borrowings and leased liability less cash and cash equivalents.
Leverage (net debt to EBITDA)	Financial leverage is computed by dividing net debt at the end of year with EBITDA for the year.
Operating profit	It is a GAAP measure and is computed as revenue less operating expenditure including depreciation & amortisation and operating exceptional items.
Weighted average number of shares	The weighted average number of shares is calculated by taking the number of outstanding shares and multiplying the portion of the reporting period those shares covered, doing this for each portion and, finally, summing the total.

Abbreviations

2G	Second-generation technology
3G	Third-generation technology
4G	Fourth-generation technology
ARPU	Average revenue per user
bps	Basis points
EBITDA	Earnings before interest, tax, depreciation and amortisation
EPS	Earnings per share
IFRS	International Financial Reporting Standards
IPO	Initial Public Offering
KPIs	Key performance indicators
M	Million
MB	Megabyte
UoM	Unit of measure