

Scancom Plc. (MTN Ghana)

Scancom Plc.
(Incorporated in Ghana)
Registration number PL000322016
ISIN: HEMTN051541
Share code: MTNGH
("MTN Ghana" or "Scancom Plc.")

Unaudited financial statements for the nine months ended 30 September 2018

Commentary and forward statement

During the quarter, MTN Ghana delivered a strong performance, driven by solid service revenue growth of 22,9%. Data revenue increased by 30,9% YoY while digital revenue expanded by more than 28%, driven by MoMo, which increased its contribution to revenue to 16%.

MTN Ghana reported an EBITDA margin of 37,6% in the first nine months of the year. This is 1,3 percentage points lower than the margin in the first nine months of 2017. Excluding the impact of the reintroduction of management fees in May 2018, the EBITDA margin would have been 40,4%.

Subscriber performance was as follows:

- Subscribers were 19,4 million (17,1 million*)
- Data subscribers were 14,3 million (5,8 million#)
- Mobile money subscribers were 9,4 million (7,9 million*)

MTN Ghana in Q4 will continue to pursue our BRIGHT strategy for 2018 to drive good performance and strive towards our vision to lead the delivery of a bold new digital world to customers and to make their lives a whole lot brighter.

* Aligned with the MTN Group definition, subscribers are SIMs which generate or participate in an event that generates revenue for the company. Out of bracket numbers conform to the respective regulator subscriber definition.

Active data subscribers as per MTN Group definition.

Declaration of interim ordinary dividend

Notice is hereby given that a gross interim dividend of **GHS0.02** per share for the period to 30 September 2018 has been declared. This is subject to deduction of appropriate taxes. The number of ordinary shares in issue at the date of this declaration is 12 290 474 360.

Scancom Plc.'s (MTN Ghana) tax reference number is **C0003632776**. In compliance with the requirements of GSE rules, the salient dates relating to the payment of the dividend are as follows:

Declaration date	Thursday, 18 October 2018
Ex dividend date	Wednesday, 7 November 2018
Qualifying date	Friday, 9 November 2018
Closure of register	Monday, 12 November 2018 – Thursday, 15 November 2018
Dividend payment date	Wednesday, 21 November 2018

All shareholders registered in the books of MTN Ghana (MTNGH) at the close of business on Friday, 9 November 2018 will qualify for the interim dividend.

In view of this the register of shareholders will be closed from Monday, 12 November 2018 to Thursday, 15 November 2018 (both dates inclusive).

In view of the foregoing, the ex dividend date has been set as Wednesday, 7 November 2018. Consequently, an investor purchasing MTNGH shares before this date will be entitled to the interim dividend. However, an investor buying MTNGH shares on or after Wednesday, 7 November 2018 will not be entitled to the interim dividend.

On Wednesday, 21 November 2018 the dividend will be transferred electronically to the bank accounts or Mobile Money wallets of certificated shareholders who make use of these facilities.

For and behalf of the board



S Adadevoh
CEO



M Kadri
CFO

18 October 2018

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Unaudited statement of comprehensive income

for the period ended 30 September

	Nine months ended 30 Sep 2018 GHS000	Nine months ended 30 Sep 2017 GHS000
Revenue	3 054 687	2 488 294
Cost of sales	(425 000)	(366 604)
Operational cost	(935 444)	(717 818)
Selling, distribution and marketing expenses	(544 377)	(435 323)
EBITDA	1 149 866	968 549
Depreciation of property, plant and equipment	(259 375)	(202 233)
Amortisation of intangible assets	(51 770)	(45 508)
Operating profit	838 721	720 808
Net finance income/(costs)	9 001	(22 976)
Profit before tax	847 722	697 832
Income tax expense	(247 839)	(202 327)
Profit after tax	599 883	495 505
Attributable to:		
Equity holders of the company	599 883	495 505
Basic earnings per share	0,0551	0,0461

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Unaudited statement of changes in equity

for the period ended 30 September

	Nine months ended 30 Sep 2018 GHS000	Nine months ended 30 Sep 2017 GHS000
Opening balance at 1 January	1 887 051	1 623 869
Total comprehensive income	599 883	495 505
Profit after tax	599 883	495 505
Transactions with owners of the company		
New shares issued	1 066 996	
Dividend declared	(1 066 996)	(395 000)
Attributable to equity holders of the company	2 486 934	1 724 374
Closing balance at 30 September	2 486 934	1 724 374

Special pre-IPO dividend declaration

Following the successful completion of the IPO, a gross dividend of GHS1 067 million was declared on 31 August 2018 payable to pre-IPO shareholders. As at 30 September 2018, the company was awaiting the Bank of Ghana's approval to pay shareholders. On 12 October 2018, the Bank of Ghana granted approval for the payment of the aforementioned dividend which subsequently occurred.

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Unaudited statement of financial position

as at 30 September

	Nine months ended 30 Sep 2018 GHS000	Nine months ended 30 Sep 2017 GHS000
Non-current assets	3 019 325	2 456 480
Property, plant and equipment	2 606 086	2 071 164
Intangible assets	335 237	331 201
Other non-current assets	78 002	54 115
Current assets	4 029 707	565 346
Other current assets	28 698	51 814
Trade and other receivables	562 298	451 518
Cash and cash equivalents	3 438 711	62 014
Total assets	7 049 032	3 021 826
Total equity	2 486 934	1 724 374
Attributable to equity holders of the company	2 486 934	1 724 374
Non-current liabilities	618 518	249 988
Interest-bearing liabilities	338 440	–
Deferred tax and other non-current liabilities	280 078	249 988
Current liabilities	3 943 580	1 047 464
Bank overdraft	–	109 124
Trade and other payables	2 876 584	543 340
Dividend payable	1 066 996	395 000
Total equity and liabilities	7 049 032	3 021 826

Included in cash and cash equivalents and trade payable as at 30 September 2018 are mobile money float accounts GHS2 075 million held in trust for the mobile money subscribers (e-wallet).

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Unaudited statement of cash flows

for the period ended 30 September

	Nine months ended 30 Sep 2018 GHS000	Nine months ended 30 Sep 2017 GHS000
Net cash generated from operating activities	2 830 523	672 556
Cash generated from operations	3 049 916	916 641
Finance income received	15 234	5 576
Finance cost paid	(23 214)	(15 045)
Income tax paid	(211 413)	(234 616)
Net cash used in investing activities	(541 440)	(432 035)
Acquisition of property, plant and equipment	(492 158)	(373 203)
Acquisition of intangible assets	(40 144)	(57 855)
Increase in non-current investments	50	–
Movement in other investing activities	(9 188)	(977)
Net cash generated from/(used in) financing activities	952 898	(419 918)
Proceeds from borrowings	–	125 483
Repayment of borrowings	–	(285 064)
Dividends paid to equity holders of the company	(92 538)	(275 000)
Proceeds from IPO	1 066 996	–
Other financing activities	(21 560)	14 663
Net increase/(decrease) in cash and cash equivalents	3 241 981	(179 397)
Net cash and cash equivalents at the beginning of the year	196 730	151 671
Exchange gains/(losses) on cash and cash equivalents	–	(19 384)
Net cash and cash equivalents at the end of the year	3 438 711	(47 110)