

MTN Nigeria Q1 2020 Earnings Highlight

N'm	Q1 2020	Q1 2019	y/y	Q1 2020	Q4 2019	q/q
Revenue	329,171	282,117	16.7%	329,171	313,258	5.1%
Other Income	-	-	n/a	-	24	-100.0%
Direct Network Operating Costs	(70,364)	(59,479)	18.3%	(70,364)	(64,077)	9.8%
Value added services costs	(3,706)	(3,435)	7.9%	(3,706)	(3,520)	5.3%
Costs of handsets & other accessories	(4,250)	(2,587)	64.3%	(4,250)	(4,198)	1.2%
Interconnect costs	(28,019)	(26,033)	7.6%	(28,019)	(26,647)	5.1%
Roaming Costs	(868)	(757)	14.7%	(868)	(1,102)	-21.3%
Transmission costs	(1,490)	(1,482)	0.5%	(1,490)	(1,426)	4.5%
Employee Benefits	(9,263)	(6,923)	33.8%	(9,263)	(7,648)	21.1%
Discounts & Commissions	(16,048)	(13,866)	15.7%	(16,048)	(15,209)	5.5%
Advertisements, Sponsorships % Sales						
Promotions	(4,510)	(4,193)	7.6%	(4,510)	(6,220)	-27.5%
Notional reversal difference payment to CBN	-	-	n/a	-	-	n/a
Other Operating Expenses	(17,137)	(12,930)	32.5%	(17,137)	(13,416)	27.7%
EBITDA	173,517	150,432	15.3%	173,517	169,818	2.2%
Depreciation of PPE	(37,363)	(35,785)	4.4%	(37,363)	(37,412)	-0.1%
Depreciation of ROUA	(16,019)	(13,462)	19.0%	(16,019)	(15,348)	4.4%
Amortisation of Intangible Assets	(8,837)	(7,317)	20.8%	(8,837)	(8,010)	10.3%
Operating Profit	111,298	93,868	18.6%	111,298	109,047	2.1%
Finance Income	5,695	8,693	-34.5%	5,695	2,399	137.4%
Finance Costs	(40,685)	(32,465)	25.3%	(40,685)	(33,347)	22.0%
Net Finance Income/(Cost)	(34,990)	(23,772)	47.2%	(34,990)	(30,948)	13.1%
Profit before Tax	76,308	70,096	8.9%	76,308	78,099	-2.3%
Income Tax (Expense)/Credit	(25,162)	(21,655)	16.2%	(25,162)	(24,312)	3.5%
Profit for the Period	51,146	48,441	5.6%	51,146	53,787	-4.9%
	-33.0%	-30.9%				
Profit for the period attributable to:						
Owners of the Company	51,146	48,441	5.6%	51,146	53,787	-4.9%
Non-Controlling Interests	-	-	n/a	-	-	n/a
	51,146	48,441	5.6%	51,146	53,787	-4.9%
Other Key Inputs	Q1 2020	Q1 2019	y/y	Q1 2020	Q4 2019	q/q
Earnings Per Share	2.51	2.38	5.6%	2.51	2.64	-4.9%
EBITDA	173,517	150,432	15.3%	173,517	169,818	2.2%
Margins	Q1 2020	Q1 2019	y/y	Q1 2020	Q4 2019	q/q
EBITDA Margin	52.7%	53.3%	-0.6ppts	52.7%	54.2%	-1.5ppts
Operating Margin	33.8%	33.3%	0.5ppts	33.8%	34.8%	-1.0ppts
Net Margin	15.5%	17.2%	-1.6ppts	15.5%	17.2%	-1.6ppts
No of Outstanding Shares	20,355	20,355		20,355	20,355	

Source: Company Financials, FSDH Research