



## Earnings Update: MTN Nigeria Plc. (Ticker: MTNN)

### *FX Loss Dampened Bottom-Line*

#### THINGS WE LIKE ABOUT THE RESULT

1. Growth in total revenue by 22.69% to ₦2.46 trillion in FY-2023 from the ₦2.02 trillion recorded in FY-2022.
2. Value Added services rose by 11.05%.
3. Total Assets grew by 25.58% in FY-2023 compared to its position at FY-2022.
4. Operating profit also increased by 5.38% in FY-2023.

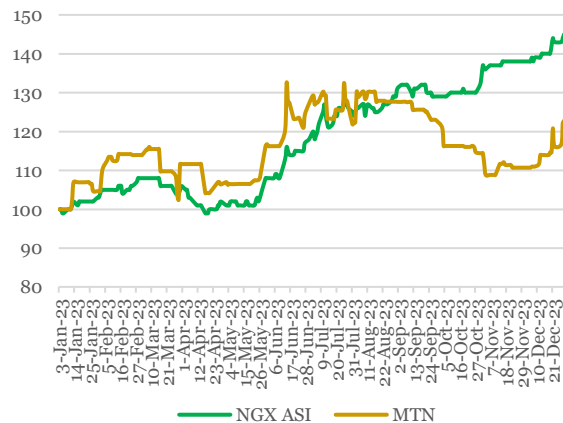
#### THINGS WE DID NOT LIKE ABOUT THE RESULT

1. Profit Before Tax and Profit After Tax both dropped by 134.29% and 139.29% respectively.
2. Other operating expenses increased by 33.70% YoY to ₦139.8 billion from the ₦104.6 billion recorded in the year prior.
3. Finance cost increased by 60.86% in the period under review.
4. Operating cost also increased by 42.57% in FY-2023.

### Fiscal Year End: December

TICKER	MTNN
Price (₦) at 29 Feb 2024	222.90
Shares Outstanding	20,332,905,707.50
52 Weeks High (₦)	319.80
52 Weeks Low (₦)	220.40
Market Cap	4,532,204.68m
Price-to-Book	13.67
P/E	1.95
RSA 14	15.11
MACD	-8.20

### Rebased Price Performance of MTN and NGX-ASI in 2023



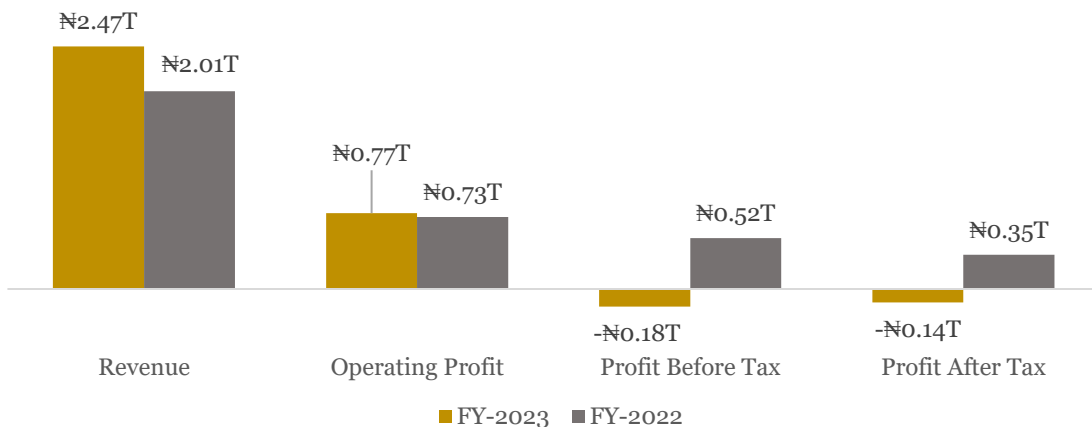
Source: Investing.com, Parthian Securities Research

Kindly click [here](#) for the full financial statement.



INCOME STATEMENT	FY-2023 (₹'m)	FY-2022 (₹'m)	Change (%)
Revenue	2,468,847	2,012,272	22.69%
network operating costs	-650,500	-456,253	42.57%
Value added services	-28,374	-25,551	11.05%
Advertisements, sponsorships and sales	-50,902	-31,958	59.28%
Employee costs	-65,002	-45,080	44.19%
Other operating expenses	-139,884	-104,626	33.70%
Depreciation of property and equipment	-231,540	-180,853	28.03%
Amortisation of intangible assets	-79,033	-53,955	46.48%
Depreciation of right of use assets	-118,296	-101,394	16.67%
Operating profit	773,660	734,164	5.38%
Finance income	25,815	13,768	87.50%
Finance costs (a)	-236,927	-147,287	60.86%
Net foreign exchange loss (a)	-740,434	-81,822	804.93%
(Loss)/profit before taxation	-177,886	518,823	-134.29%
Tax credit/(expense)	40,865	-170,096	-124.02%
(Loss)/profit for the year	-137,021	348,727	-139.29%
STATEMENT OF FINANCIAL POSITION	FY-2023 (₹'m)	FY-2022 (₹'m)	Change (%)
Property and equipment	1,095,111	928,357	17.96%
Right of use assets	478,826	475,479	0.70%
Intangible assets	447,599	335,599	33.37%
Contract acquisition costs	7,136	6,602	8.09%
Other investments	6,632	10,585	-37.35%
Deferred tax	151,362	11,018	1273.77%
Prepayments	26,380	10,685	146.89%
Non-current assets	2,213,046	1,778,325	24.45%
Inventories	6,027	3,678	63.87%
Trade and other receivables	215,414	191,496	12.49%
Current investments	7,256	20,288	-64.24%
Restricted cash	402,010	196,082	105.02%
Cash and cash equivalents	345,074	349,500	-1.27%
Current assets	975,781	761,044	28.22%
Total assets	3,188,827	2,539,369	25.58%
Current liabilities	1,900,412	1,173,166	61.99%
Total liabilities	3,229,671	2,276,827	41.85%
Total equity and liabilities	3,188,827	2,539,369	25.58%
STATEMENT OF CASHFLOW	FY-2023 (₹'m)	FY-2022 (₹'m)	Change (%)
Net cash used in operating activities	996,903	863,663	15.43%
Net cash used in investing activities	-765,981	-485,978	57.62%
Net cash used in financing activities	-147,255	-270,083	-45.48%

## Key Financial Data





## Disclaimer

Parthian Securities (the “Author”) Research materials (the “Research Materials”) are prepared with due diligence based on publicly available information as well as analysts' expertise and opinions on the markets and companies covered, and the views expressed therein are those of the Author and not of any other entity, agency, or organization. The Research Materials have been provided solely for informational purposes only. Thus, no information contained, or material referred to in the Research Materials is intended by the “Author” or should be taken by the Reader as a substitute for legal, tax, investment, financial or any other form of advice. Nothing in the Research Materials constitute or should be construed as professional and/or financial advice. Therefore, the Author does not guarantee its accuracy or completeness. The Reader is responsible for evaluating the merits and risks associated with the use of any information contained or material referred to in the Research Materials. The Reader should not engage in any trading activity unless the Reader understands the nature of the activity, the consequent risks involved and the true extent of the risk exposure. We strongly recommend that the Reader conducts his/her own independent research and/or seek a professional advice before making any financial decisions. Therefore, the Author or any of its affiliates shall not be liable for any possible claim for damages or loss arising from any decision that the Reader makes based on the information contained or material referred to in the Research Materials.