

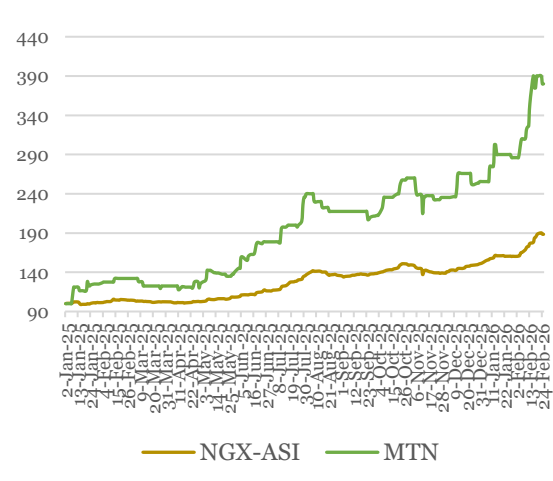
## Earnings Update: MTN Nigeria Communications Plc (Ticker: MTNN)

### KEY HIGHLIGHTS FROM THE RESULT

- MTN Nigeria Communications Plc delivered a very strong rebound in FY 2025, with revenue rising by 54.92% year-on-year to ₦5.20 trillion from ₦3.36 trillion in FY 2024, supported by robust growth in data, voice and fintech services. Despite broad-based cost pressures including increases in employee costs (+67.77%), discounts & commissions (+57.25%), transmission expenses (+39.78%) and depreciation charges, operating profit surged by 167.21% to ₦2.08 trillion in FY 2025 from ₦778.24 billion in FY 2024, as revenue growth significantly outpaced the rise in operating costs, leading to improved margins.
- A major driver of the turnaround was the significant improvement in foreign exchange performance. The company recorded a net FX gain of ₦90.27 billion in FY 2025 compared to a substantial FX loss of ₦925.36 billion in FY 2024, which had materially weighed on prior year earnings.
- As a result, MTNN moved from a pre-tax loss of ₦550.33 billion in FY 2024 to a pre-tax profit of ₦1.70 trillion in FY 2025 signifying a 408.19% year-on-year recovery. After tax, the company reported a profit of ₦1.11 trillion compared to a loss of ₦400.44 billion in the previous year, representing a 377.91% earnings turnaround.
- On the balance sheet, total assets grew by 28.75% to ₦5.40 trillion in FY 2025, driven by continued investment in network expansion, with property and equipment rising by 48.48% and right-of-use assets increasing by 24.18%. Importantly, total borrowings declined significantly, with non-current borrowings down by 34.09% and current borrowings down by 67.86%, reflecting active deleveraging. Shareholders' equity improved markedly to a positive ₦548.71 billion in FY 2025 from a negative ₦458.0 billion in FY 2024, underscoring the strength of the earnings recovery and the company's improved capital position.
- Cash flow generation was particularly strong, with net cash from operating activities increasing by 154.57% to ₦2.21 trillion in FY 2025. This supported higher capital expenditure (investing cash outflows was up by 378.21%) aimed at strengthening network capacity and service quality, while financing cash outflows moderated slightly due to reduced debt levels.
- In terms of shareholder returns, the company has declared a final dividend of ₦15 per share, with a qualification date of 8 April 2026 and payment scheduled for 5 May 2026. At the current market price of ₦760, this implies a final dividend yield of approximately 2.0%. The stock is currently trading close to its 52-week high of ₦780, suggesting that a significant portion of the earnings recovery may already be reflected in valuation levels.
- Overall, FY 2025 results highlight a strong operational and financial recovery, supported by revenue expansion, FX stabilization, improved profitability, and balance sheet repair. However, with the stock trading near its peak, near-term upside may depend on sustained margin expansion, continued FX stability, and further growth in high-margin data and fintech revenues.

TICKER	MTNN
Price (₦) as of 26 Feb. 2026	760.00
Shares Outstanding	20.97B
52 Weeks High (₦)	780
52 Weeks Low (₦)	230
1 Year Change (%)	190.70%
Market Cap (₦)	15.94T
Price-to-Book	52.9X
EPS – P/E	41.24 - 11.3X
Dividend Yield TTM	2.00%
Final Dividend (₦)	15.00

**Rebased Price Performance of  
NGX-ASI and MTN**

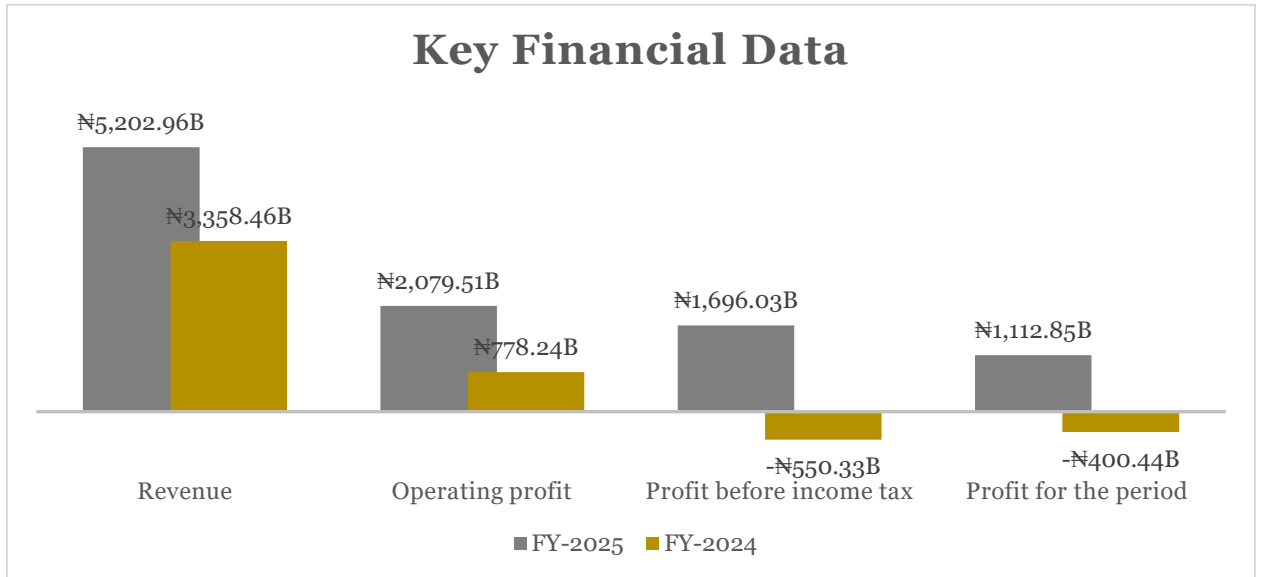


Source: Investing.com, Parthian Securities Research

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<b>INCOME STATEMENT</b>	<b>FY-2025 (₹'000)</b>	<b>FY-2024 (₹'000)</b>	<b>Change (%)</b>
Revenue	5,202,957	3,358,461	54.92%
Other income	1,672	2,369	-29.42%
Direct networking operating costs	(1,390,033)	(1,232,120)	12.82%
Value added services	(55,703)	(33,743)	65.08%
Cost of starter packs, handsets and accessories	(46,536)	(48,630)	-4.31%
Interconnect costs	(191,982)	(192,819)	-0.43%
Roaming costs	(11,442)	(12,344)	-7.31%
Transmission costs	(40,764)	(29,164)	39.78%
Discount and commissions	(243,070)	(154,577)	57.25%
Advertisements, sponsorships and sales promotions	(58,333)	(45,129)	29.26%
Employee costs	(154,217)	(91,919)	67.77%
Impairment of financial assets	(5,507)	(6,752)	-18.44%
Other operating expenses	(263,277)	(200,234)	31.48%
Depreciation of property and equipment	(315,229)	(259,748)	21.36%
Depreciation of right of use assets	(258,809)	(184,723)	40.11%
Amortisation of intangible assets	(90,216)	(90,684)	-0.52%
Operating profit	2,079,511	778,244	167.21%
Finance income	51,158	28,440	79.88%
Finance costs	(524,908)	(431,648)	21.61%
Net foreign exchange gain/(loss)	90,268	(925,361)	-109.75%
Profit/(loss) before taxation	1,696,029	(550,325)	-408.19%
Tax (expense)/credit	(583,183)	149,890	-489.07%
Profit/(loss) for the year	1,112,846	(400,435)	-377.91%
<b>STATEMENT OF FINANCIAL POSITION</b>	<b>FY-2025 (₹'000)</b>	<b>FY-2024 (₹'000)</b>	<b>Change (%)</b>
Property and equipment	1,853,524	1,248,304	48.48%
Right-of-use assets	1,716,877	1,382,580	24.18%
Intangible assets	421,410	408,783	3.09%
Contract acquisition costs	12,319	9,344	31.84%
Inventories	23,298	6,971	234.21%
Trade and other receivables	397,029	367,713	7.97%
Current investments	162,255	52,409	209.59%
Restricted cash	37,707	107,023	-64.77%
Cash held for MoMo customer	1,298	3,843	-66.22%
Cash and cash equivalents	632,501	253,377	149.63%
Total assets	5,403,489	4,196,991	28.75%
Borrowings	419,572	636,590	-34.09%
Lease liabilities	2,117,047	1,997,744	5.97%
Provisions	52	43	20.93%
Trade and other payables	1,317,659	1,190,246	10.70%
Borrowings	108,097	336,325	-67.86%
Lease liabilities	269,182	285,680	-5.77%
Contract liabilities	138,138	117,272	17.79%
Current tax payable	355,175	25,012	1320.02%
Provisions	39,177	25,171	55.64%
Total current liabilities	2,248,419	1,988,318	13.08%
Total liabilities	4,854,777	4,654,998	4.29%
Total Equity	548,712	-458,007	-219.80%
Total equity and liabilities	5,403,489	4,196,991	28.75%
<b>CASH FLOW STATEMENT</b>	<b>FY-2025 (₹'000)</b>	<b>FY-2024 (₹'000)</b>	<b>Change (%)</b>
Net cash generated from operating activities	2,211,923	868,901	154.57%
Net cash used in investing activities	(1,140,038)	(238,399)	378.21%
Net cash used in financing activities	(684,465)	(736,840)	-7.11%



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