



MTN

Nigeria

Communications Plc

Unaudited financial results for the first quarter ended
31 March 2026





MTN NIGERIA RELEASES UNAUDITED FINANCIAL RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2026

Lagos | Nigeria: 29 April 2026

MTN Nigeria Communications Plc releases financial results for the quarter ended 31 March 2026.

Salient points:

- Total subscribers increased by 6.5% to 89.5 million
- Active data users increased by 9.5% to 55.0 million
- Service revenue increased by 41.8% to N1.5 trillion
- EBITDA increased by 68.1% to N828.3 billion
- EBITDA margin increased by 8.7pp to 55.3%
- PAT rose by 165.9% to N355.5 billion
- Earnings per share rose by 166.1% to N16.95
- Capex, excluding leases, up by 92.8% to N390.3 billion
- Free cash flow (FCF) of N326.5 billion, up 55.6%

Unless otherwise stated, financial and non-financial information is year-on-year (YoY, Q1 2026 versus Q1 2025).

QoQ – Q1 2026 versus Q4 2025

EBITDA – earnings before interest, tax, depreciation and amortisation

pp – percentage points

PAT – profit after tax

Capex – capital expenditure

Free cash flow - EBITDA less cash-related capex and accounting for working capital movements, income tax and interest paid

Subscribers exclude non-revenue-generating customers whose activity is limited to receiving incoming on-net voice calls and SMS, and using free data

CEO's Commentary – Karl Toriola: *“The first quarter of 2026 underscores the strength of our execution and the resilience of our business model in a complex and evolving operating environment. Elevated geopolitical tensions towards the end of the period drove higher energy prices and renewed inflationary pressures. Encouragingly, this was partly mitigated by a relatively stronger naira, which closed at N1,387/US\$ (December 2025: N1,436/US\$).*

Within this context, we sustained strong commercial momentum, maintained disciplined cost management and accelerated investment in our network—translating underlying demand into robust financial performance and continued value creation. As a result, we delivered service revenue growth and EBITDA margin performance in line with our medium-term guidance.



Strong commercial and financial performance

Commercial performance remained strong, underpinned by robust underlying trends across customer additions, consumption patterns, and data traffic. We added 2.3 million revenue-generating subscribers and 1.8 million active data users in Q1, while data traffic grew by 22.9%.

To support this momentum, we invested N390.3 billion in capex excluding leases, prioritising network capacity and quality of experience. The more supportive FX backdrop enabled us to accelerate this investment while strengthening our ability to capture future revenue opportunities.

Service revenue rose by 41.8%, led by data and supported by voice, fintech and digital services. Although reported growth was moderated by the base effect of the price adjustments implemented from mid-Q1 2025, underlying demand remained strong, and we expect growth to normalise as those adjustments become fully annualised from Q2 2026.

Despite a challenging cost environment, strong operational discipline kept operating expenses (opex) well contained, delivering meaningful operating leverage. EBITDA increased by 68.1%, and EBITDA margin expanded by 8.7 percentage points to 55.3%, in line with our medium-term guidance of a mid-to-high 50% margin range. As a result, PBT rose by 169.6% to N546.4 billion. Importantly, cash generation remained robust, with free cash flow up 55.6% to N326.5 billion, reinforcing our ability to fund priority investments, maintain financial resilience and continue to create value for stakeholders.

Outlook

Looking ahead, we remain confident in the structural demand drivers underpinning our business, while recognising that the operating environment will remain dynamic. We will continue to prioritise network investment and customer experience, ensuring we are well-positioned to capture growth opportunities."



Performance highlights

Items (in millions)	Q1 2026	Q1 2025	YoY	Q4 2025	QoQ
Total Revenue	1,498,322	1,057,973	41.6%	1,471,954	1.8%
Service Revenue	1,489,017	1,049,736	41.8%	1,464,217	1.7%
Data	827,152	529,440	56.2%	804,766	2.8%
Voice	499,101	407,412	22.5%	502,541	(0.7%)
Digital	29,278	26,125	12.1%	28,236	3.7%
Fintech	64,188	36,081	77.9%	59,657	7.6%
Other Service Revenue	69,298	50,677	36.7%	69,017	0.4%
Non-Service Revenue ¹	9,305	8,237	13.0%	7,737	20.3%
Expenses	(670,026)	(565,227)	(18.5%)	(646,424)	(3.7%)
Cost of Sales	(195,671)	(156,544)	(25.0%)	(185,280)	(5.6%)
Operating Expenses	(474,355)	(408,683)	(16.1%)	(461,144)	(2.9%)
EBITDA	828,296	492,746	68.1%	825,530	0.3%
EBITDA Margin	55.3%	46.6%	8.7pp	56.1%	(0.8pp)
Depreciation & Amortisation	(195,991)	(150,027)	(30.6%)	(187,799)	(4.4%)
Net Finance Costs	(85,884)	(140,070)	38.7%	(68,140)	(26.0%)
Profit/(Loss) Before Tax	546,421	202,649	169.6%	569,591	(4.1%)
Taxation	(190,920)	(68,966)	(176.8%)	(206,928)	7.7%
Profit after Tax	355,500	133,683	165.9%	362,663	(2.0%)
Capital Expenditure	482,731	436,372	10.6%	345,568	39.7%
Capital Expenditure excluding Right of Use Assets	390,280	202,417	92.8%	245,631	58.9%
Capex Intensity excluding Right of Use Assets	26.0%	19.1%	6.8pp	16.7%	9.3pp
Free Cash Flows	326,468	209,866	55.6%	482,227	(32.3%)
Mobile Subscribers	89.5	84.1	6.5%	87.3	2.6%
Data Subscribers	55.0	50.3	9.5%	53.2	3.4%
MoMo Wallets	3.3	2.1	54.6%	3.7	(12.3%)

¹Includes revenue from the sale of devices and SIM cards

Segment performance

Our revenue segment performance in the period reflects strong underlying demand and disciplined commercial execution.

Data revenue increased by 56.2%, supported by a 9.5% increase in active data subscribers, a 5.5pp rise in smartphone penetration to 66.2% and higher customer usage. Data traffic grew by 22.9%, while average usage per subscriber rose by 12.3% to 14.3GB, underscoring continued demand for reliable, high-speed connectivity.

Home broadband remains an important growth opportunity. Our multi-technology strategy across fibre-to-the-home (FTTH) and fixed wireless access (FWA) enables us to serve a broad range of customer needs, with FTTH remaining a key investment priority.

Voice revenue grew by 22.5%, supported by subscriber growth and targeted customer value management initiatives. Digital revenue increased by 12.1%, driven by mobile advertising and rich media services, reflecting improved platform capability and customer engagement.



Enterprise revenue declined by 5.9%, primarily due to a higher comparative base after last year's service-bundle optimisation. The optimisation was a deliberate strategy to protect long-term value, while fixed connectivity and converged solutions continued to deliver healthy growth.

Fintech revenue increased by 77.9%. Excluding Xtratime, core fintech revenue increased by 190.6%, supported by higher deposit balances, stronger adoption of advanced services and increased interest income.

Overall, performance across our segments reinforces confidence in our strategy and our ability to deliver sustainable growth and long-term value creation.

Financial review

Our Q1 2026 financial performance reflects strong operating leverage, disciplined cost management, and continued balance-sheet optimisation.

Cost of sales increased by 25.0%, well below service revenue growth, supporting a stronger gross margin profile.

Opex growth was contained at 16.1%, despite higher energy prices late in the quarter. This supported robust **EBITDA** growth of 68.1% to N828.3 billion, with EBITDA margin expanding by 8.7pp to 55.3%.

The energy component of our tower lease costs is based on the prior quarter's average Lagos ex-depot diesel price. For context, assuming an average Lagos ex-depot diesel price of N2,000 in H2, given that Q1 and Q2 costs are locked in, we estimate a 1.8-2.0pp impact on full-year EBITDA margin.

Depreciation and amortisation increased by 30.6%, led by increased network investments and right-of-use assets. **Net finance costs** declined by 38.7% on lower borrowings. We have fully repaid all outstanding foreign currency loans (Dec 2025: US\$105 million), reducing FX sensitivity and funding risk.

These dynamics translated into stronger earnings and a more resilient financial profile. Consequently, we closed the quarter with retained earnings of N755.7 billion, up 88.7% (December 2025: N400.4 billion) and shareholders' equity of N903.9 billion, up 64.7% (December 2025: N548.7 billion), reinforcing balance sheet resilience and capital flexibility.

Reported **capex** rose by 10.6%. Excluding leases, capex increased by 92.8% (capex intensity: 26.0%), driven by accelerated investment to support data-traffic growth and improve service quality. We expect capex intensity to moderate later in the year to align with our full-year objectives.



We ended the quarter with a positive net cash position of N129.0 billion, up 23.1% (2025: N104.8 billion). Covenant headroom remained strong, with net debt/EBITDA at negative 0.1x and interest cover at 35.6x. Overall, we remain well-positioned with ample liquidity and disciplined capital management. These fundamentals underscore our capacity to pursue our growth ambitions while preserving the flexibility to navigate a dynamic macro environment.

Recent Developments

Structural separation of the fintech business

MTN Nigeria is progressing with the structural separation of its fintech businesses, MoMo Payment Service Bank Limited and Y'ello Digital Financial Services Limited, through a proposed related party transaction with MTN Group Fintech Holdings B.V. ("MTN Group Fintech"). Under the proposed transaction, MTN Group Fintech will acquire a 60% interest, with MTN Nigeria retaining 40%. The transaction also involves a capital injection of N152.1 billion by MTN Group Fintech in line with the agreed transaction terms and valuation framework set out in the explanatory note circulated in connection with the Annual General Meeting (AGM). [Click here](#) for details.

The transaction is expected to reduce MTN Nigeria's future funding obligations, strengthen balance sheet flexibility and allow increased focus on core connectivity and digital infrastructure, while retaining exposure to fintech growth. The proposed transaction will also simplify governance of the fintech business. It is subject to shareholder approval at the AGM scheduled for 30 April 2026, as well as relevant regulatory approvals.

Suspension of Xtratime

MTN Nigeria temporarily suspended its airtime and data credit advance service ("Xtratime"). This relates to the implementation of processes under the Digital, Electronic, Online or Non-Traditional Consumer Lending Regulations, 2025, which introduced a new compliance and licensing framework for entities providing digital or non-traditional consumer credit services.

We are advancing the onboarding of approved providers and expect to resume the service once onboarding is completed. In the interim, customers continue to have access to alternative digital channels for airtime and data purchases.

Following the initial impact of the suspension, recharge patterns have continued to normalise as affected customers settle outstanding balances and maintain service usage. This has supported a progressive recovery in revenue driven by higher self-funded recharges.

We continue to monitor these trends closely and will provide further updates in Q2. Based on current recovery trends, we do not expect any material financial impact as we fast-track the required processes toward service resumption.



Outlook

Looking ahead, we remain confident in the structural demand drivers underpinning our business, including rising data adoption, increasing smartphone penetration and the continued acceleration of digitalisation across Nigeria. While the operating environment is expected to remain dynamic, our strong market position, resilient business model and disciplined execution provide a solid foundation to navigate near-term uncertainties.

We will continue to prioritise targeted network investment to support growth and further enhance the quality of experience, while maintaining a sharp focus on cost discipline, capital efficiency and balance sheet strength. These priorities remain central to our operating model as we continue to convert underlying demand into sustainable financial performance.

We continue to monitor developments in the operating environment, including energy price volatility and regulatory dynamics. Based on an assumed average Lagos ex-depot diesel price of N2,000 in H2, given that Q1 and Q2 costs are already locked in, we estimate a 1.8-2.0pp impact on full-year EBITDA margin.

Within our medium-term guidance framework, we maintain our target average service revenue growth of "at least the low 20%", as the impact of price adjustments becomes fully annualised by Q2 2026. We also maintain our mid-to-high-50% EBITDA margin target range. This guidance is based on current macroeconomic assumptions, including average inflation remaining within the mid-teens and exchange rates in the N1,400–1,700/US\$ range.

Overall, we remain confident in our ability to adapt swiftly, capture emerging growth opportunities, and deliver sustainable long-term value for shareholders while supporting Nigeria's ongoing digital and economic transformation.

A handwritten signature in black ink, appearing to read "Karl Olutokun Toriola".

Karl Olutokun Toriola
Chief Executive Officer



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About MTN Nigeria

MTN Nigeria is one of Africa's largest providers of communications services, connecting over 85 million people in communities across the country with each other and the world. Guided by a belief that everybody deserves the benefits of a modern connected life, MTN Nigeria's leadership position in coverage, capacity, and innovation has remained constant since its launch in 2001. MTN Nigeria is part of the MTN Group - a multinational telecommunications group which operates in 16 countries in Africa and the Middle East, serving over 300 million people.

Visit www.mtn.ng for more information



Consolidated and separate statement of profit or loss				
	Group		Company	
	3 months ended 31 Mar 2026	3 months ended 31 Mar 2025	3 months ended 31 Mar 2026	3 months ended 31 Mar 2025
In millions of Nigerian Naira				
Revenue	1,498,322	1,057,973	1,494,255	1,057,352
Direct networking operating costs	(317,893)	(337,375)	(317,893)	(337,375)
Value added services	(18,553)	(11,937)	(18,551)	(11,937)
Cost of starter packs, handsets and accessories	(14,462)	(11,666)	(14,462)	(11,666)
Interconnect costs	(48,005)	(52,901)	(48,005)	(52,901)
Roaming costs	(2,772)	(2,931)	(2,772)	(2,931)
Transmission costs	(9,266)	(8,994)	(9,266)	(8,994)
Commissions	(71,169)	(49,542)	(69,598)	(49,830)
Advertisements, sponsorships and sales promotions	(18,089)	(9,569)	(16,620)	(9,220)
Employee costs	(65,803)	(24,061)	(63,285)	(23,687)
Impairment of financial assets	(624)	(950)	(26,145)	(950)
Other operating expenses	(103,390)	(55,301)	(101,781)	(54,537)
Depreciation of property and equipment	(102,912)	(68,298)	(102,912)	(68,298)
Depreciation of right of use assets	(69,673)	(60,895)	(69,673)	(60,895)
Amortisation of intangible assets	(23,406)	(20,834)	(23,029)	(20,457)
Operating profit	632,305	342,719	610,263	343,674
Finance income	24,081	7,332	22,119	4,892
Finance costs	(143,269)	(141,877)	(143,022)	(141,565)
Net foreign exchange gain/(loss)	33,304	(5,525)	33,054	(5,477)
Profit before taxation	546,421	202,649	522,414	201,524
Tax (expense)/credit	(190,920)	(68,966)	(190,913)	(68,904)
Profit for the period	355,501	133,683	331,501	132,620
Earnings/(loss) per share - basic/diluted (N)	16.95	6.37	15.81	6.32

Consolidated and separate statement of other comprehensive income				
	Group		Company	
	3 months ended 31 Mar 2026	3 months ended 31 Mar 2025	3 months ended 31 Mar 2026	3 months ended 31 Mar 2025
In millions of Nigerian Naira				
Profit for the period	355,501	133,683	331,501	132,620
Items that may be reclassified to profit or loss, (net of taxation):				
Fair valuation (loss)/gain on investments at FVOCI (a)	(59)	31	(101)	38
Other comprehensive (loss)/income for the period; net of taxation	(59)	31	(101)	38
Total comprehensive income/(loss)	355,442	133,714	331,400	132,658

(a) Fair valuation gain or loss on investments designated at fair value through other comprehensive income (FVOCI) relates to Federal Government treasury bills and bonds investments and its recognised net of tax (except for Federal Government bonds).



Consolidated and separate statement of financial position for the three months ended 31 March 2026				
In millions of Nigerian Naira	Group		Company	
	31 Mar 2026	31 Dec 2025	31 Mar 2026	31 Dec 2025
Assets				
Non-current assets				
Property and equipment	2,113,607	1,853,524	2,113,607	1,853,524
Right-of-use assets	1,739,656	1,716,877	1,739,656	1,716,877
Intangible assets	425,147	421,410	422,461	418,347
Investments in subsidiaries	-	-	45,386	45,386
Other non-current investments	11,238	17,812	-	6,251
Deferred tax assets	132,039	93,629	132,022	93,612
Other non-current assets	72,287	46,149	72,287	46,149
	4,493,974	4,149,401	4,525,419	4,180,146
Current assets				
Inventories	19,441	23,298	19,441	23,298
Trade and other receivables	369,384	397,029	376,567	433,716
Current investments	364,407	162,255	314,198	116,893
Restricted cash	94,083	37,707	93,883	37,507
Cash held for MoMo customer	1,188	1,298	-	-
Cash and cash equivalents	506,716	632,501	504,395	630,219
	1,355,219	1,254,088	1,308,484	1,241,633
Total assets	5,849,193	5,403,489	5,833,903	5,421,779
Equity and liabilities				
Equity				
Share capital	420	420	420	420
Share premium	166,362	166,362	166,362	166,362
Other reserves	(14,490)	(14,431)	(31,977)	(31,876)
Shares held for employee share scheme	(4,041)	(4,041)	(4,041)	(4,041)
Retained profit	755,689	400,402	789,136	457,570
	903,940	548,712	919,900	588,435
Liabilities				
Non-current liabilities				
Borrowings	314,966	419,572	314,966	419,572
Lease liabilities	2,092,157	2,117,047	2,092,157	2,117,047
Provisions	53	52	53	52
Share based payment liability	77,878	44,354	77,878	44,354
Employee benefits	14,504	13,699	14,504	13,699
Other non-current liabilities	11,668	11,634	2,299	2,354
	2,511,226	2,606,358	2,501,857	2,597,078
Current liabilities				
Trade and other payables	1,249,109	1,317,659	1,249,547	1,319,134
Borrowings	62,737	108,097	62,737	108,097
Lease liabilities	289,964	269,182	289,964	269,182
Contract liabilities	139,337	138,138	139,337	138,138
Current tax payable	584,652	355,175	584,124	354,801
Provisions	76,579	39,177	75,645	37,545
Derivatives	1,872	2,224	1,872	2,224
Deposit held for MoMo customers	18,868	9,842	-	-
Employee benefits	7,825	6,003	7,825	6,003
Other current liabilities	3,084	2,922	1,095	1,142
	2,434,027	2,248,419	2,412,146	2,236,266
Total liabilities	4,945,253	4,854,777	4,914,003	4,833,344
Total equity and liabilities	5,849,193	5,403,489	5,833,903	5,421,779



Consolidated and separate statement of cash flows				
	Group		Company	
	3 months ended 31 Mar 2026	3 months ended 31 Mar 2025	3 months ended 31 Mar 2026	3 months ended 31 Mar 2025
In millions of Nigerian Naira				
Cash flows from operating activities				
Cash generated from operations	854,605	538,396	852,519	528,108
Finance income received	20,305	7,201	18,343	4,762
Finance costs paid	(110,809)	(101,444)	(110,809)	(101,444)
Tax paid	-	(3,116)	-	(3,116)
Net cash generated from operating activities	764,101	441,037	760,053	428,310
Cash flows from investing activities				
Acquisition of property and equipment	(428,045)	(174,310)	(428,045)	(174,310)
Prepayment of right of-use-assets	(4,147)	(32,295)	(4,147)	(32,295)
Acquisition of intangible assets	(6,329)	(23,042)	(6,329)	(23,042)
Proceeds from sale of property and equipment	865	456	865	456
Addition to contract acquisition costs	(3,350)	(1,513)	(3,350)	(1,513)
(Increase)/decrease in restricted cash	(25,370)	18,398	(25,370)	18,398
Purchase of investment in non-current FGN bonds	-	(1,054)	-	-
Sale of investment in non-current FGN bonds	6,871	289	6,273	289
Purchase of bonds, treasury bills and foreign deposits	(340,972)	(16,394)	(254,249)	(4,343)
Sale of bonds, treasury bills and foreign deposits	143,860	-	61,652	-
Prepaid road investment tax credit cost	(25,587)	(1,032)	(25,587)	(1,032)
Net cash flows used in investing activities	(682,204)	(230,497)	(678,287)	(217,392)
Cash flows from financing activities				
Proceeds from borrowings	-	5,024	-	5,024
Repayments of borrowings	(154,043)	(86,223)	(154,043)	(86,223)
Repayments on lease liabilities	(53,495)	(80,092)	(53,495)	(80,092)
Payments to the Ericsson Wallet Platform (EWP) liability	(157)	(595)	-	-
Net cash flows used in financing activities	(207,695)	(161,886)	(207,538)	(161,291)
Net increase/(decrease) in cash and cash equivalents	(125,798)	48,654	(125,772)	49,627
Cash and cash equivalents at the beginning of the period	632,695	253,409	630,334	232,832
Exchange (loss)/gain on cash and cash equivalents	(17)	1,648	(17)	1,517
Cash and cash equivalents at the end of the period	506,880	303,711	504,545	283,976