MTN NIGERIA PLC

... Pricing Tailwinds and FX Relief Support Earnings Rebound

March 27, 2026

Earnings Note

Fair Value Estimate: N1115.90

*Total Return: **+63%***

Highlights

- *MTN Nigeria declared a total dividend of ₦20 per share for FY 2025.*
- *Reported a profit after tax of ₦1.11 trillion from a loss position of ₦400.44 billion in FY 2024.*
- *Total Assets grew from ₦4.20 trillion in FY 2024 to ₦5.40 trillion in FY 2025, reflecting a 29% year-on-year change.*
- *Shareholders Fund moved from a negative position to a positive ₦548.71 billion in FY 2025.*
- *Revenue increased by 55% year-on-year to ₦5.20 trillion.*

Statement of Financial Position

MTN Nigeria Plc returned to positive retained earnings in FY 2025, supported by a sharp moderation in foreign exchange losses relative to the prior year, alongside strong revenue growth. As a result, retained earnings improved significantly from a negative ₦607.47 billion in FY 2024 to a positive ₦400.40 billion in FY 2025. Consequently, the Group's net assets also rebounded, moving from a negative ₦458.01 billion to a positive ₦548.71 billion, reflecting a marked recovery in shareholders' equity and overall balance sheet strength.

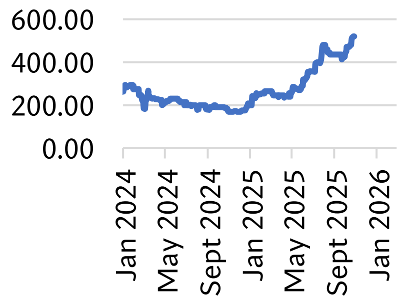
Moreover, the Group's balance sheet strengthened materially in FY 2025, with total assets expanding by 29% year-on-year to ₦5.40 trillion from ₦4.20 trillion in FY 2024. The growth was primarily underpinned by sustained capital expenditure intensity, evidenced by the sharp increase in property, plant and equipment (PPE) from ₦1.25 trillion in FY 2024 to ₦1.85 trillion in FY 2025. In the same vein, right-of-use assets rose by 24% year-on-year to ₦1.72 trillion, reinforcing the scale of the Group's operating asset base. Liquidity also improved significantly, as cash and cash equivalents climbed from ₦253.38 billion to ₦632.50 billion, providing the Group with stronger financial flexibility and a more robust liquidity buffer.

On the liability side, the Group maintained a commendable level of balance sheet discipline, as total liabilities increased by only 4% year-on-year from ₦4.65 trillion to ₦4.85 trillion, materially below the pace of asset growth. More notably, interest-bearing debt declined sharply from ₦972.92 billion to ₦527.67 billion, pointing to a deliberate deleveraging strategy. This reduction should moderate the pressure of finance costs on earnings in subsequent periods, while also improving the Group's leverage profile.

Overall, the combination of strong asset expansion, improved liquidity, and lower debt obligations reflects sound financial stewardship and positions the Group more favourably for long-term value creation.

Stock Data	
Current price (N)	719.10
Shares Outstanding (mn)	20,996
Market Cap (N'mn)	15,097,907
52-week high (N)	819.00
52-week low (N)	230.00
Trailing EPS (N)	53.01
Forward EPS (N)	91.77
Forward PE (X)	7.84
Justified PE Multiple (X)	12.16

Price Movement



Stock Data	FY 2024	FY 2025	FY 2026F
P/E	N/A	13.57x	7.84x
P/BV	N/A	13.68x	8.34x
PBT Margin	-16%	33%	43%
PAT Margin	-12%	21%	28%
RoE	161%	2454%	167%
Dividend Yield	0%	6%	8%

Analysts

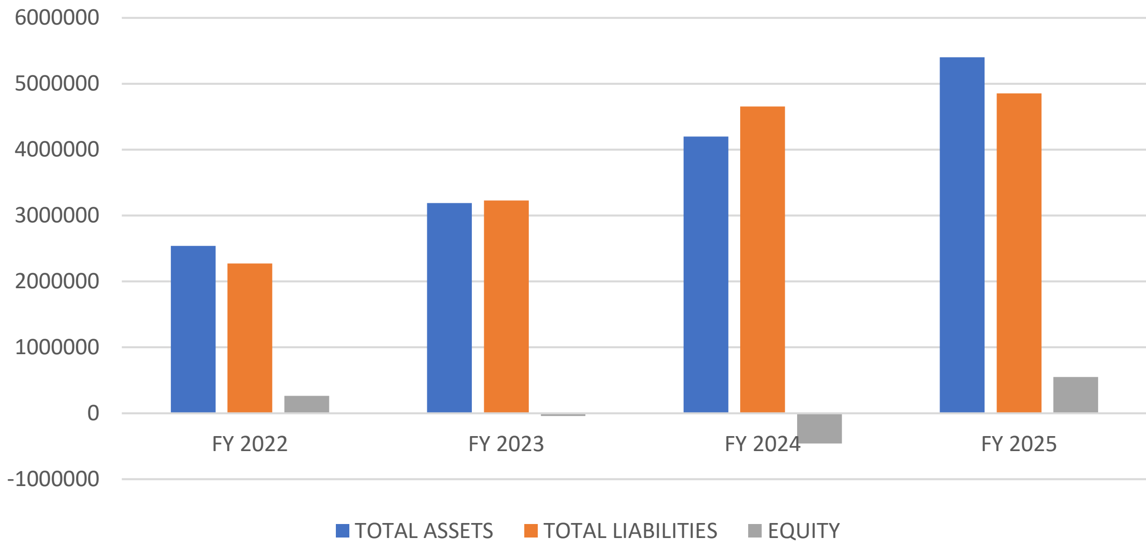
Desmond Gabriel
d.gabriel@wstc.com.ng

Timehin Sesby-Banjoh
t.sesby@wstc.com.ng

Sylvia Ogwuru
s.ogwuru@wstc.com.ng

Habeeb Oladehinde
h.oladehinde@wstc.com.ng

Statement of Financial Position (N'millions)



Source: Company Accounts, WSTC Research

Statement of Financial Performance

The 50% tariff increase approved by the Nigerian Communications Commission (NCC) in January 2025 provided a major tailwind for MTN Nigeria, enabling the Group to deliver a 55% year-on-year increase in revenue from ₦3.36 trillion to ₦5.20 trillion in FY 2025. This marks one of the strongest topline performances recorded by the Group in recent years and underscores the earnings sensitivity of the business to pricing adjustments in a high-demand telecom market.

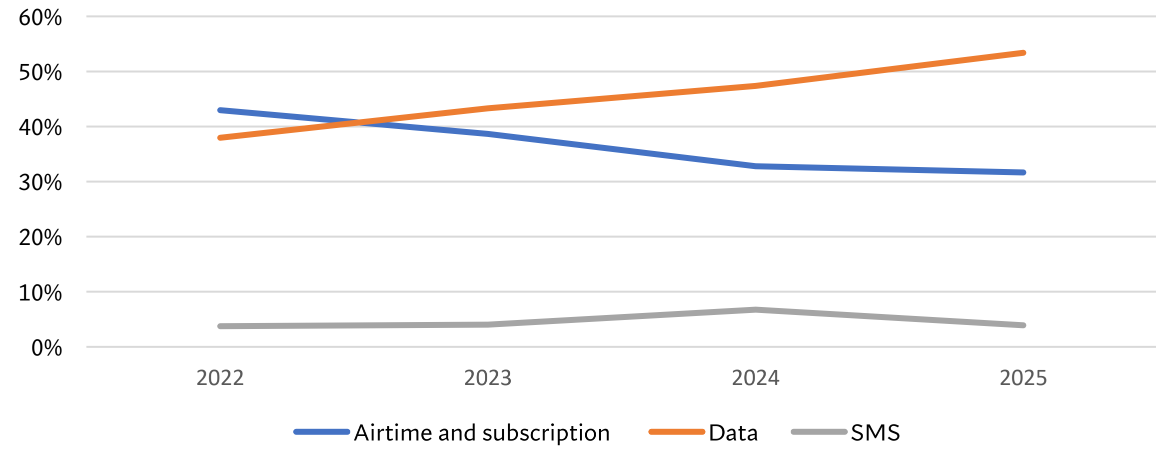
The Data segment remained the largest contributor to Group revenue, accounting for 53% of total revenue, following a 75% year-on-year growth to ₦2.78 trillion. This was followed by the Airtime and Subscription segment, which contributed 32% of total revenue after expanding by 50% year-on-year to ₦1.65 trillion. Other business lines made relatively smaller contributions to the revenue mix, further reinforcing the central role of data and voice-related services in driving the Group's core earnings profile.

At the operating level, the Group recorded a notable improvement in cost efficiency, as cost margin declined significantly from 61% to 47%. This followed the successful renegotiation of tower lease agreements, which helped moderate the growth in total operating costs from 62% in the prior year to 20% in FY 2025. The combination of robust revenue expansion and slower cost growth translated into a substantial improvement in profitability, with EBITDA rising by 109% year-on-year to ₦2.74 trillion.

Below the operating line, the Group also benefited from a sharp reduction in financing pressures, as finance costs declined materially from ₦1.36 trillion to ₦434.64 billion. This was largely driven by a significant turnaround in foreign exchange performance, with the Group moving from a net foreign exchange loss of ₦925.36 billion in FY 2024 to a net foreign exchange gain of ₦90.27 billion in FY 2025. This reversal materially eased as the Group reduced its dollar obligations coupled with stability in the foreign exchange market.

Overall, these developments supported strong earnings rebound, with the Group moving from a loss after tax of ₦400.44 billion in FY 2024 to a profit after tax of ₦1.11 trillion in FY 2025 by which shows an increase of 378%. This happened despite a 489% year-on-year increase in income tax expense to ₦583.18 billion. The rise in tax expense was largely due to the low base effect from the prior year, when the Group benefited from a tax credit. Taken together, the FY 2025 performance reflects a broad-based recovery in MTN Nigeria's earnings profile, supported by tariff repricing, cost discipline, and a marked improvement in foreign exchange exposure.

Segment Contribution to Revenue



Source: Company Accounts, WSTC Research

Cash Flow Statement

The Group's net cash generated from operating activities rose significantly from ₦868.90 billion in FY 2024 to ₦2.21 trillion in FY 2025, representing a 155% year-on-year increase. This strong operating cash flow performance was largely driven by the substantial rebound in profit after tax, highlighting the Group's improved earnings quality and stronger cash conversion during the year.

Moreover, net cash used in investing activities increased sharply by 378% year-on-year from ₦238.40 billion to ₦1.14 trillion, reflecting the Group's elevated capital expenditure intensity and broader investment activities. This increase was primarily attributable to the significant expansion in investments across property, plant and equipment, right-of-use assets, intangible assets, as well as placements in bonds, treasury bills, and foreign deposits. The trend underscores the Group's commitment to strengthening its operating infrastructure and preserving strategic financial flexibility.

On the financing side, net cash used in financing activities moderated from ₦736.84 billion in FY 2024 to ₦684.47 billion in FY 2025. This was largely supported by a decline in borrowings repayment, which fell by 47% year-on-year to ₦523.09 billion, suggesting relatively lower debt servicing pressure compared to the prior year.

Taken together, the Group closed the year with a significantly stronger liquidity position, as cash and cash equivalents increased from ₦238.74 billion in FY 2024 to ₦632.66 billion in FY 2025. Overall, the cash flow profile reflects a business that not only generated stronger operating cash flows but also deployed capital aggressively toward expansion and investment while maintaining a manageable financing outflow.

Outlook

Looking ahead, MTN Nigeria appears well-positioned to sustain its earnings recovery into the next financial year, supported by the full-year impact of the 50% tariff adjustment, continued resilience in data demand, and improved operating efficiency. The Group's FY 2025 performance suggests that its core earnings capacity has materially strengthened, particularly as the Data and Airtime/Subscription segments continue to anchor topline growth. Given the structural rise in digital consumption and telecom dependence in Nigeria, revenue growth is expected to grow. Strategic backward integrations such as the acquisition of IHS Towers puts the group in a strong position for profitability.

MTN Nigeria Plc enters the next financial period from a position of considerably greater strength, strong revenue momentum, improved profitability, and -restored value to its shareholders. WSTC Research believes MTN Nigeria Plc remains a company with strong fundamentals to be held in an investor's portfolio.

FY 2025 Financial Performance

Income Statement (N'mn)	FY 2025	FY 2024	(%)
Revenue	**5,204,629**	**3,360,830**	**55%**
Direct networking cost	(1,390,033)	(1,232,120)	13%
Value added services cost	(55,703)	(33,743)	65%
Costs of starter packs	(46,536)	(48,630)	-4%
Interconnect costs	(191,982)	(192,819)	0%
Roaming costs	(11,442)	(12,344)	-7%
Transmission costs	(40,764)	(29,164)	40%
Discounts and commissions	(243,070)	(154,577)	57%
Advertisements, sponsorships and sales promotion	(58,333)	(45,129)	29%
Employee benefits	(154,217)	(91,919)	68%
Impairment of financial assets	(5,507)	(6,752)	-18%
Other operating expenses	(263,277)	(200,234)	31%
Total operating expenses	**(2,460,864)**	**(2,047,431)**	**20%**
EBITDA	**2,743,765**	**1,313,399**	**109%**
Depreciation of PPE	(315,229)	(259,748)	21%
Depreciation on RoU assets	(258,809)	(184,723)	40%
Amortisation of intangible assets	(90,216)	(90,684)	-1%
Operating profit	**2,079,511**	**778,244**	**167%**
Non-operating profit/(loss)	**(383,482)**	**(1,328,569)**	**-71%**
Finance income	51,158	28,440	80%
Finance cost	(524,908)	(431,648)	22%
FX loss	90,268	(925,361)	-110%
Profit before tax	**1,696,029**	**(550,325)**	**-408%**
Income tax	(583,183)	149,890	-489%
Profit after tax	**1,112,846**	**(400,435)**	**-378%**
Balance Sheet (N'mn)	**FY 2025**	**FY 2024**	**(%)**
Assets			
PP & E	1,853,524	1,248,304	48%
Intangible assets	421,410	408,783	3%
RoU assets	1,716,877	1,382,580	24%
Inventories	23,298	6,971	234%
Trade and other receivables	397,029	367,713	8%
Cash	632,501	253,377	150%
Others	358,850	529,263	-32%
Total Assets	**5,403,489**	**4,196,991**	**29%**
Liabilities			
Loans & borrowings	527,669	972,915	-46%
Trade payables	1,320,581	1,191,416	11%
Others	3,006,527	2,490,667	21%
Total Liabilities	**4,854,777**	**4,654,998**	**4%**
Net Assets	**548,712**	**(458,007)**	**-220%**

Source: Company Accounts, WSTC Research

Financial Projections

Income Statement (N'mn)	FY 2024	FY 2025	FY 2026F	FY 2027F	FY 2028F	FY 2029F	FY 2030F	FY 2031F
Revenue	3,358,461	5,202,957	6,830,096	8,612,713	10,262,144	11,890,516	13,486,835	14,801,969
EBITDA	1,313,399	2,743,881	3,975,243	5,016,550	5,955,970	6,915,805	7,611,414	8,113,128
EBIT	778,244	2,079,627	3,227,347	4,163,891	4,970,804	5,774,315	6,330,165	6,692,139
Profit before tax	(550,325)	1,696,145	2,936,313	3,704,138	4,542,719	5,277,570	5,829,327	6,218,936
Net profit	(400,435)	1,112,962	1,926,725	2,430,549	2,980,803	3,462,991	3,825,038	4,080,689
EPS (N)	(19.07)	53.01	91.77	115.76	141.97	164.94	182.18	194.36
DPS(N)	0.00	20.00	55.06	75.25	99.38	123.70	145.75	165.21

Balance Sheet (N'mn)	FY 2024	FY 2025	FY 2026F	FY 2027F	FY 2028F	FY 2029F	FY 2030F	FY 2031F
Current assets	791,336	1,254,088	2,355,883	3,216,493	4,203,803	5,520,907	6,256,651	7,208,381
Non-current assets	3,405,655	4,149,401	4,462,104	4,901,947	5,411,269	5,554,819	5,869,370	6,068,024
Total assets	4,196,991	5,403,489	6,817,987	8,118,439	9,615,072	11,075,726	12,126,021	13,276,405
Current liabilities	1,988,318	2,248,419	2,260,318	2,229,697	2,319,975	2,373,285	2,180,528	2,407,353
Non-current liabilities	2,666,680	2,606,358	2,801,777	3,006,674	3,189,431	3,399,083	3,576,316	3,622,211
Shareholders' equity	(458,007)	548,712	1,755,891	2,882,068	4,105,667	5,303,358	6,369,177	7,246,841
Book value per share (N)	(21.81)	26.13	86.27	141.59	201.71	260.55	312.91	356.03

Cash flow statement (N'mn)	FY 2024	FY 2025	FY 2026F	FY 2027F	FY 2028F	FY 2029F	FY 2030F	FY 2031F
Cash from operating activities	868,901	2,211,923	2,840,577	3,550,933	4,337,669	5,007,940	5,272,555	6,096,524
Cash from investing activities	(238,399)	(1,140,038)	(1,031,241)	(1,273,748)	(1,478,012)	(1,288,121)	(1,599,958)	(1,620,644)
Cash from financing activities	(736,840)	(684,465)	(741,585)	(1,459,910)	(1,907,057)	(2,456,657)	(2,988,456)	(3,557,427)
Net increase/(decrease) in cash	-106,338	387,420	1,067,751	817,275	952,599	1,263,162	684,141	918,453

Ratio analysis (%)	FY 2024	FY 2025	FY 2026F	FY 2027F	FY 2028F	FY 2029F	FY 2030F	FY 2031F
EBITDA margin	39%	53%	58%	58%	58%	58%	56%	55%
Operating margin	23%	40%	47%	48%	48%	49%	47%	45%
ROE	161%	2454%	167%	105%	85%	74%	66%	60%
ROA	-11%	23%	32%	33%	34%	33%	33%	32%
Dividend payout ratio	0%	38%	60%	65%	70%	75%	80%	85%

Source: Company Accounts, WSTC Research

Disclaimer & Disclosures

The value of any investment is subject to fluctuations, i.e., may rise and fall. Past performance is no guide to the future. The rate of exchange between currencies may cause the value of an investment to increase or decrease. Hence investors may not get back the full value of their original investment.

Investment Recommendation
WSTC uses a 3-tier recommendation system for stocks under coverage: Buy, Hold, and Sell.

- Buy Rating: estimated fair value is ≥20% above current market price.
- Hold Rating: estimated change in price is between -10% and 19% of current market price.
- Sell Rating: estimated change in price is ≤ -10% of current market price.

This document is not an offer to buy or sell any security. This document does not provide individually tailored investment advice. It has been prepared without regard to the individual financial circumstances and objectives of persons who receive it. The appropriateness of a particular investment will depend on an investor's circumstances and objectives. The investments and shares referred to in this document may not be suitable for all investors.

This document is based on information WSTC Securities Limited (WSTC Securities) received from publicly available reports and industry sources. WSTC Securities may not have verified all of this information with third parties. Neither WSTC Securities nor its shareholders, directors, employees or advisors can guarantee the accuracy, reasonableness or completeness of the information received from any sources consulted for this publication; and neither WSTC Securities nor its shareholders, directors, employees or advisers accept any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with this document. This document is not to be relied upon and should not be a substitute for the exercise of independent judgment.

This document includes certain statements, estimates and projections concerning the anticipated future performance of securities listed on the Nigerian Exchange and as to the market for these shares. Such statements, estimates and projections are based on information that we consider reliable and may reflect various assumptions made concerning anticipated economic developments, which have not been independently verified and may or may not prove correct. No representation or warranty is made as to the accuracy of such statements, estimates and projections or as to their appropriateness for the purpose intended and it should not be relied upon as such. Opinions expressed are current opinions as of the date appearing on this material only and may change without notice. Other third parties may have issued other reports that are inconsistent with and reach different conclusions from, the information presented in this report. Those reports reflect the different assumptions, views and analytical methods of the analysts who prepared them.

This document is for information purposes only and private circulation. No portion of this document may be reprinted, sold or redistributed without the written consent of WSTC Securities.

Additional information on recommended securities/instruments is available on request.

WSTC Securities Limited is a Trading License Holder of the Nigerian Exchange Limited (NGX) and is registered with the Securities & Exchange Commission (SEC) as a Broker/Dealer to conduct Securities Brokerage & Dealing in Nigeria. Therefore, we may deal in any securities listed on the NGX.

WSTC Securities Limited has its registered office at 2, Maitama Sule Street, South-West Ikoyi, Lagos, Nigeria.

Email: research@wstc.com.ng
Website: www.wstc.com.ng