

# Annual Results

## for the year ended 30 September 2020

make the connection

**MTC**

### Salient features

MTC's performance was driven by increases in active subscriber numbers and data revenue, and successful entry into new growth markets.

**N\$772.4 million**

**Net profit**

2019: N\$797 million

**N\$2 683.3 million**

**Revenue**

2019: N\$2.614 million

**52%**

**EBITDA margin**

2019: 51.50%

**N\$535 million**

**Total CAPEX**

2019: N\$511 million

**N\$18.1 million**

**Sponsorships**

2019: N\$31 million

**N\$2 575 million**

**Active subscribers**

2019: 2.524 million

**N\$977.8 million**

**Dividends paid**

2019: N\$413 million

“MTC remained strong and resilient in difficult operating conditions as it aligned its strategy to the fast-changing world of technology and partnered its customers with value-adding mobile and fixed-line broadband solutions.”

### Performance overview

MTC maintained its leadership position and track record of consistent growth, despite economic contraction and the COVID-19 lockdown.

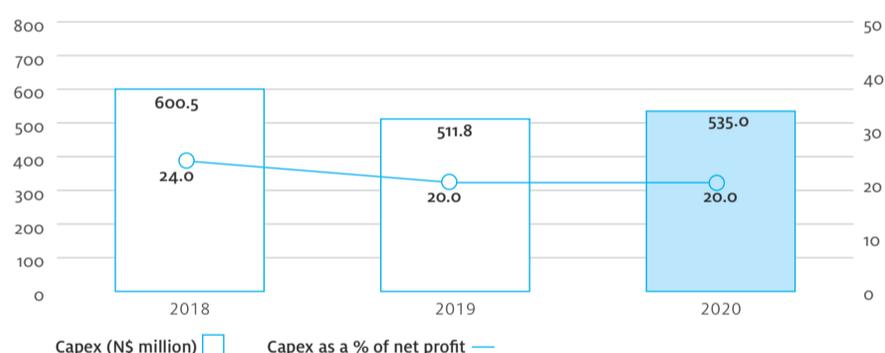
The lockdown impacted customer affordability and reduced roaming income. MTC responded by providing innovative telecommunication products and services for customers whose work, study, transacting and social activities moved to their homes during the second half of the financial year.

By responding to our customers' evolving needs and improving their experience, we grew our Customer base and increased data revenue. Combined with a focus on cost containment, these trends contributed to growth in overall revenue and profitability.

### Investing in future growth

MTC continues to invest in its extensive transmission and distribution networks. This underpins our agile delivery of quality products and services and supports expansion into new growth markets.

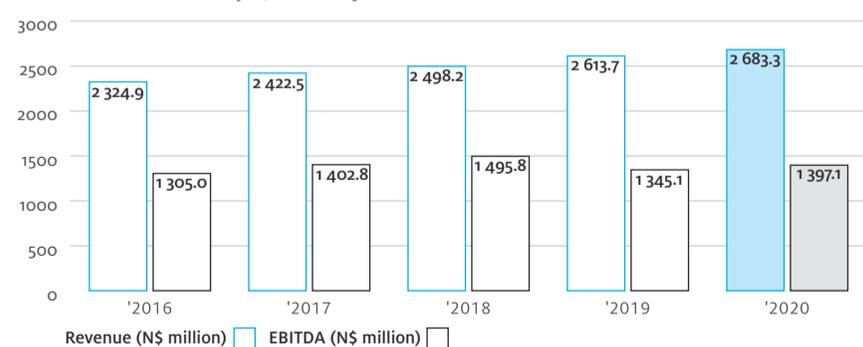
Since 2016, MTC has invested N\$2.6 billion in telecommunications infrastructure – a significant investment in the Namibian economy. This helps us to retain our loyal customer base, provide mobile access to 97% of Namibians and generate sustainable cash flow.



### Financial highlights (N\$ million)

	2019	2020	% change
Revenue	2 613.7	2 683.3	2.66
EBITDA	1 345.1	1 397.1	3.87
Net profit after tax	797.0	772.4	(3.09)
EBITDA margin (%)	51.5	52.0	0.5
Net profit after tax margin (%)	30.5	28.79	(1.71)

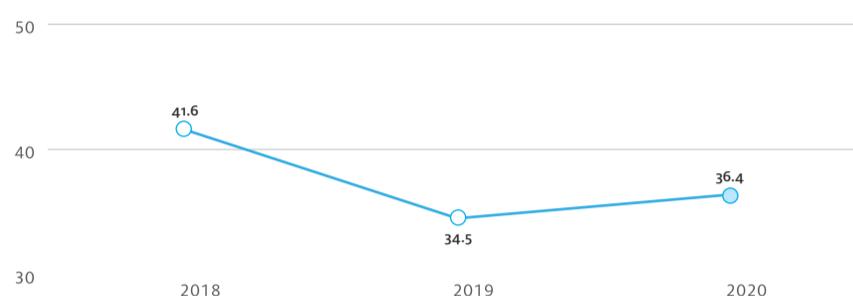
### Growth track record (N\$ million)



### A strong foundation for growth

MTC's balance sheet remains healthy, with no gearing and sufficient cash to maintain the quality of its network, pay attractive dividends and fund the growth strategy.

### RETURN ON EQUITY (%)



The company addressed concerns that excess cash holdings were limiting its ROE by paying additional dividends to the shareholder.

### Dividends declared for 2020

The MTC Board declared ordinary dividends of N\$977.8 million, N\$611 million of which were paid in December 2019 and N\$366.8 million in June 2020.

### Our strategic focus areas

Focused implementation of our customer centric growth strategy resulted in improvements in our key focus areas.

#### Protecting and growing our core market

- Achieved our objective of maintaining 90% of the mobile market (2020: 91%)
- Within reach of fulfilling our commitment to extend mobile network coverage to 100% of Namibians (2020: 97.18%)
- Strengthened our positioning as Namibia's digital enabler of choice and rated most admired Namibian brand by Brand Africa

#### Expanding into growth markets

- Introduced point-to-multipoint solutions for rapid deployment of fixed broadband services, increasing market share by 1.0%

#### Transforming and innovating to improve customer experience

- Upgrading MTC's core systems to create the agility to deploy new mobile and fixed products, services and solutions faster and more cost-effectively

### Enabling Namibia

#### Connecting all Namibians

- MTC's o81Every1 project to extend digital access to 100% of Namibians in 2021 bridges the divide between urban and rural communities and stimulates economic inclusion and development in rural areas
- We increased network coverage to 84% at schools and 87% at hospitals

#### Supporting homegrown technology

- We are advancing Namibian technology through our new MTC Innovation Centre
- Our smart partnerships with industry leaders and collaborations with academia and innovators are driving the next generation of telecommunications experiences for Namibians

#### Creating sustainable employment

- We create opportunities for 670 employees to fulfil their potential
- Our national internship programme enables work experience and opportunities for new entrants to the job market

### Prospects

MTC navigated significant challenges in 2020 and capitalised on the strength of its network and brand to keep customers well connected. The company's financial performance established a sound base for the implementation of our growth strategy in 2021. However, we remain alert to the uncertainty and potential impacts of COVID-19 on our operating environment. MTC will maintain its position as leading digital enabler. The listing is still on track and will be before the final deadline of 5 September 2021. The creation of stakeholders value is the ultimate goal.

**Directors as at 30 September 2020**  
Mr T Mberirua, Ms T Muteka, Mr S Galloway,  
Mr E Nashilongo, Mr W Schuckmann,  
Ms R Shipiki, Ms T !Gawaxab

**Chief Executive Officer**  
Mr LR Erastus

**Company secretary**  
Ms Stephanie Elago

**Auditors**  
Deloitte & Touche

**Postal address**  
PO Box 23051 Windhoek Namibia

**Registration Number**  
94/458

Please visit [www.mtc.com.na/reports](http://www.mtc.com.na/reports) for the complete 2020 Integrated Annual Report