

MTN Nigeria Communications Plc

BLOOMBERG: MTNN NL

Robust topline performance drives earnings rebound

MTN Nigeria Communications Plc (NGX: MTNN; TP: UR*) delivered stellar performance in FY'25 as earnings per share (EPS) surged to N53.07 (from a loss of N19.05 in the same period last year). This strong outturn was supported by a surge in data revenue growth, controlled cost pressures, and a swing to a net foreign exchange (FX) gain.

For specifics, revenue scaled by 54.9% YoY to N5.2 trillion, backed by a very strong outing in the data segment (+74.5% to c.N2.8 trillion). The impressive result from data revenue largely stemmed from a convergence of higher data traffic, price adjustments, and a growing subscriber base. Another layer of support was derived from increasing demand for high-speed connectivity, as smartphone penetration grew by 7.9% to reach 66.1%. Voice revenue (+42.1% YoY to N1.9 trillion) also provided support, underpinned by the continued focus on customer value management initiatives, strong resistance to price elasticity and sustained investments in network capacity.

Expenses had a modest increase of 20.2% YoY to N2.5 trillion in the period, tied to cost savings derived from revised tower lease agreements, as well as sustained cost-efficiency initiatives. Consequently, EBITDA margin expanded to 52.7%, up from 39.1% in FY'24.

Net interest costs grew by 17.5% YoY to N473.8 billion, as the finance cost of N524.9 billion masked the finance income of N51.2 billion. Interestingly, MTNN recorded a net foreign exchange gain of N90.3 billion, a sharp reversal from the N925.4 billion loss reported last year, reflecting the translation impact of an appreciation of the Naira during the period. As a result, the profit before tax (PBT) increased to N1.7 trillion, from a loss of N550.3 billion in FY'24.

After accounting for a higher effective tax rate of 34.4% (vs 27.2% in FY'24), PAT rose sharply to N1.1 trillion, marking a significant recovery from the N400.4 billion loss reported last year. Consequently, EPS printed at N53.07 (vs. -N19.05 in FY'24). The board declared a final dividend of N15.00 per share, bringing the total dividend to N20.00.

On a quarterly basis, Q4'25 performance was equally impressive, with revenue rising by 48.6% YoY against a moderate 20.3% YoY increase in expenses, driving a 12.7ppt expansion in EBIT margin to 43.3%. Additionally, a N34.7billion FX gain supported a PBT of N569.6 billion during the period, resulting in an EPS of N17.30, vs N5.46 in Q4'24.

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*UR – Under review

FY'25 Earnings breakdown

₦'million except EPS	FY'25	FY'24	YoY	FY'25E	% of FY'25E
Revenue	5,204,629	3,360,830	54.9%	5,157,200	100.9%
Expenses	(2,460,864)	(2,047,431)	20.2%	(2,490,928)	98.8%
EBITDA	2,743,765	1,313,399	108.9%	2,666,272	102.9%
D & A	(664,254)	(535,155)	24.1%	(638,133)	104.1%
Operating profit (EBIT)	2,079,511	778,244	167.2%	2,028,139	102.5%
Net finance cost	(473,750)	(403,208)	17.5%	(503,006)	94.2%
Net foreign exchange gain/(loss)	90,268	(925,361)	NA	(7,640)	NA
PBT	1,696,029	(550,325)	NA	1,517,494	111.8%
Taxation	(583,183)	149,890	NA	(455,248)	128.1%
PAT	1,112,846	(400,435)	NA	1,062,246	104.8%
EPS (N)	53.07	(19.05)	NA	49.49	107.2%
Mobile Subscribers (million)	87.3	80.9	7.9%		
Data Subscribers (million)	53.2	47.7	11.5%		
Ratio Analysis	FY'25	FY'24			
EBITDA margin	52.7%	39.1%			
EBIT margin	40.0%	23.2%			
PBT Margin	32.6%	-16.4%			
PAT Margin	21.4%	-11.9%			
Effec. Tax Rate	34.4%	27.2%			
Return-on-Assets (ROA)	20.6%	-9.5%			
Return-on-Equity (ROE)	202.8%	NA			
EV/EBITDA	8.06x				
5-year average EV/EBITDA	6.03x				
P/E	18.43x				
5-year average P/E	17.66x				

Q4'25 Earnings breakdown

₦'million except EPS	Q4'25	Q4'24	YoY
Revenue	1,471,954	990,593	48.6%
Expenses	(646,427)	(537,347)	20.3%
EBITDA	825,527	453,246	82.1%
D & A	(187,799)	(150,306)	24.9%
Operating profit (EBIT)	637,728	302,940	110.5%
Net finance cost	(102,829)	(119,206)	-13.7%
Net foreign exchange gain/(loss)	34,689	(20,429)	NA
PBT	569,588	163,305	248.8%
Taxation	(206,927)	(48,811)	323.9%
PAT	362,661	114,494	216.8%
EPS (N)	17.30	5.46	216.8%
Ratio Analysis	Q4'25	Q4'24	
EBITDA margin	56.1%	45.8%	
EBIT margin	43.3%	30.6%	
PBT Margin	38.7%	16.5%	
PAT Margin	24.6%	11.6%	
Effec. Tax Rate	36.3%	29.9%	

Source: S&P CapitalIQ, Company financials, CardinalStone Research

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