

MTN Group's Q3 pre-tax profit rises 14.7%

Mobile operator MTN Group said on Friday, 4 November, that its third quarter pre-tax profit rose 14.7% year-on-year, supported by demand for its data and financial services.



A shopper walks past an MTN shop at a mall in Johannesburg, South Africa. Reuters/Siphiwe Sibeko/File Photo

MTN, with 285 million customers in 19 countries in Africa and the Middle East, said group service revenue grew to R49.64bn (\$2.71bn) for the period ended 30 September 2022, compared to R42.95bn reported a year ago.

That was supported by a 33.2% increase in data revenue, with active data users increasing by 14.9% to 135.4 million.

Fintech revenue grew 12.9% as active monthly users of mobile money services climbed 23.3% year-on-year and volumes processed by its fintech platform rose 32.7% to 9.5 billion transactions.

Mobile phone operators like MTN have been pushing into financial services on the African continent, where a large part of the population does not have good access to traditional banking services.

However, group chief executive officer Ralph Mupita said macroeconomic, geopolitical and regulatory conditions had put pressure on the company's financial results.

"The rise in energy, food prices and general inflation, as well as interest rates, continued to put pressure on consumers and our business," he said, adding that operating margins were further constrained by weakening local currencies and the limited availability of dollars in some markets where it operates.

"We anticipate inflationary pressures and foreign currency volatility to remain challenging for our customers, supply chains and our business in the final quarter of 2022."

Voice revenue, its biggest service revenue generator, rose 2.7% as financially constrained consumers in South Africa substituted voice calls with data calls.

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