

## MTN targets data and digital growth

MTN Group CEO Rob Shuter has announced a strategy that means to reposition the mobile network operator to claw back market share and capture the growth in African consumer spending.



Shuter joined the group about five months ago and was tasked with reviving its fortunes following a poor performance in 2016.

Themed "brIGHT", the mobile operator's strategy is aimed at improving top-line growth, margins and cash flow over the medium term.

The strategy has six pillars, which intend, among other things, to improve customer experience, growth through internet data and digital services, such as mobile money.

MTN wants to be number one or two in the countries where it operates.

"[brIGHT] is an enduring framework that will have a measurement of success," Shuter said. He is positioning MTN to gain a share of the R575bn revenue growth expected by 2020 to be generated by voice, data and digital services in 22 countries.

Information and technology services offered to companies are expected to generate R210bn in revenue in the next three years.



"This is where we should focus " and take more than a fair share of these big opportunities," he said.

MTN's focus during the second half of the year would be to entrench its strategy, complete its network investment programme, and build medium-term financial key performance indicators and targets for the strategy, Shuter said.

## Dollar liquidity challenges in Nigeria

MTN will continue to invest heavily in its network, although it had cut its total capital expenditure by about R5bn to R30bn because of the dollar liquidity challenges in Nigeria.

Mergence Investment Managers portfolio manager Peter Takaendesa said the strategic programme "targets what we believe are core drivers of value creation over the medium term. We believe they are moving in the right direction.

"However, execution will be key to the turnaround efforts."

Matthew Auerbach of Capricorn Fund Managers said MTN's management "definitely got a grip on the problems, now it's a case of solving them for as little cost as possible and as soon as possible".

MTN returned to profitability and delivered an interim dividend of 250c .

The company has also maintained its full-year guidance despite weaker economic growth and currency depreciation in most countries in the rest of the continent.

Auerbach said the decision to reduce MTN's capital expenditure was questionable.

"We will only know the success in the future. History has shown that often a cut in capex has hurt in future years."

*Source: Business Day*