

MTN to sell shares in Nigeria unit via public offer

By Priyanshi Mandhan and Muvija M

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MTN Group Ltd will begin book-building this month for a public offer to sell up to 575 million shares in its Nigeria business, South Africa's biggest telecoms operator said on Thursday, as it reported higher third-quarter revenue and core profit.



A woman walks past an advertising posters for MTN telecommunication company along a street in Lagos, Nigeria 28 August 2019.
Reuters/Temilade Adelaja

The company, which has been exiting or reducing its stakes in some areas including its Ugandan and Zambian units, said the separation of fintech and fibre assets was on track.

MTN, which along with Vodacom Group Ltd controls more than 70% of the South African mobile market in terms of subscribers, said this month's bookbuilding exercise would target institutional investors before a fixed price was announced for retail investors.

"In South Africa, rising unemployment is a concern and may impact growth from prepaid customers in the lower-income segment in the near-term, if measures such as the temporary employee relief scheme are withdrawn," the company

<https://www.mtn.com/wp-content/uploads/2021/11/MTN-Group-Q3-2021-JSE-SENS-announcement.pdf> said.

MTN listed its Nigerian business in Lagos two years ago to become the second-largest stock by market capitalisation.

Shares of MTN Nigeria, which traded flat on Thursday at 191 naira, fell to the listing price of 90 naira in March 2020, hammered by lockdowns to slow the spread of coronavirus.

MTN's core profit jumped 24.1% in the three months to September on robust demand for data and digital financial services. It added 0.2 million subscribers during the quarter, taking the total to 271.9 million.

The company, which extended its chief operating officer Jens Schulte-Bockum's contract by two years to 2024, said it was targeting 2021 capital expenditure of R31.1bn, up from a prior outlook of R14.8bn.

ABOUT THE AUTHOR

Reporting by Priyanshi Mandhan and Muvija Min Bengaluru. Editing by Shounak Dasgupta and Clarence Fernandez

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