



Wireless

ECONET WIRELESS ZIMBABWE LIMITED

(Incorporated in Zimbabwe on 4 August 1998 under Company registration number 7548/98)

ZSE alpha code: ECO ISIN: ZW 000 901 212 2

TRADING UPDATE

FOR THE THIRD QUARTER ENDED 30 NOVEMBER 2024

Introduction

We have continued our transformative journey through the reorganization of the Mobile Network Operations and FinTech businesses to create a more agile and innovative organization. This strategic intervention has enabled us to enhance customer experience and strengthen our competitive positioning.

Network infrastructure

The Group successfully completed upgrading the core network which marks a pivotal milestone of our digital service provider (DSP) journey. This critical enhancement and modernization effort has significantly improved the central part of the network, integrating systems such as charging, billing, and application servers in addition to enabling advanced digital and AI features.

The modernized network enables advanced digital use cases such as high-quality voice calls over 4G/LTE network (VoLTE). Smart4Home, our new fixed wireless product is being targeted at high-volume data users in response to evolving and growing data use needs.

Base station modernization efforts continued with 16 new sites and the upgrading of 33 radio access sites and 270 microwave access links. This has resulted in improved quality of service and speed. An additional 20, 5G sites were commissioned nationwide, demonstrating our commitment to providing a network of international quality.

Financial performance

The Group recorded a 69% ZWG growth in revenue relative to the comparative period largely anchored by a 42% increase in revenue for the mobile network operations and the acquisition of the financial technology (FinTech) businesses. As reported at half-year, FinTech businesses acquired from EcoCash became subsidiaries of the Group with effect from 1 March 2024.

Prior period comparative amounts were converted from inflation adjusted ZWL to ZWG on change in currency in accordance with the guidance issued by the monetary authorities. The Directors caution users of the financial information on the usefulness of the converted ZWL amounts considering distortions that arise when reporting in a hyperinflationary economy.

Mobile network operations (MNO)

Compared to the same quarter last year, voice and data usage increased by 20% and 36% respectively. Demand for data is forecast to remain firm and on an upward trajectory. The envisaged growth in mobile broadband and digital services require the business to continue modernizing the network infrastructure to remain agile in its service offering and deliver the expected quality of service. Capital expenditure on a year-to-date basis closed the quarter at 18% of revenue and was largely incurred on modernizing the network to support the growth in usage and improve service quality.

Financial Technology (FinTech)

The mobile money business continued to register steady growth largely driven by a 55% increase in active subscribers and a 79% increase in wallet funding. This business continues to actively onboard more payment partners in alignment with the strategy to establish a universal payment platform that prioritizes convenience and value for customers. The growth in mobile money volumes and transactions reflects gains we continue to make towards improved financial inclusion.

The life insurance business, EcoSure, recorded a 51% growth in transaction volumes compared to the same period last year as it continues to offer digital bundled products for a wider customer reach. Moovah, the short-term insurance business continued to grow its portfolio driven largely by new business acquisitions and endorsements which translated to a 25% increase in motor and non-motor insurance customers.

Dividend

The Company declared and paid an interim dividend of US\$ 0.36 cents per share in respect of all the qualifying ordinary shares of the Company for the quarter ended 30 November 2024.

Outlook

The Group remains committed to delivering value to all its stakeholders and will continue to invest in digital transformation, embracing AI and actively pursuing strategic opportunities to enhance and complement our product and service portfolio. There are significant growth opportunities in digital payments, driven by increasing adoption of mobile wallets.

By order of the Board of Directors

T.A. Ngowe
Group Company Secretary

14 January 2025

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Dr. J. Myers (Chairman)*, Dr. D. Mboweni (Chief Executive Officer), Mr. R. Chimanikire (Deputy Chief Executive Officer), Dr. J. Chimhanzi*, Mr. M. Gasela*, Mr. G. Gomwe*, Ms. E.T. Masiyiwa*, Ms. B. Mtetwa*, Mr C.L. Moyo (Finance Director), Ms T. Moyo*, Mr. H. Pemhiwa*. *Non Executive.