



Econet results show resilience in the face of headwinds

... Driven By a Robust Business Model, Innovative and Pioneering Spirit...

HARARE, 31 May 2017- Econet Wireless Zimbabwe today announced its financial results for the year ended 28 February 2017, showing a resilient performance underpinned by “a robust business model and an innovative and pioneering spirit”. According to the Chairman, Dr Jim Myers, “...our innovation, effective market segmentation and solid infrastructure has enabled us to maintain a leading position in the market”.

Econet Wireless CEO, Mr. Douglas Mboweni commenting on the results said, “Our business is now a fully-fledged Telecom, Media and Technology (TMT) player offering a wide range of bundled services which change the way our customers engage with each other. We remain strong in our traditional ‘bread and butter’ telecom business, but we are seeing a significant contribution coming from new business areas.”

He acknowledged that whilst the voice business segment remains pivotal to the industry, there is a general decline in revenue related to voice across the industry due to economic factors as well as the shift to data applications by the Company’s customers. He however said his company’s position in the market remains strong. According to the results, Data and mobile financial services businesses now contribute about 32% of Econet’s revenues, from about 6% recorded 5 years ago.

Revenue in the period was US\$622m, 3.0% down from US\$641m recorded in the same period last year. Profit after tax was US\$36.2m, down from US\$40.2 million last year, impacted by a general decline in consumer spending. EBITDA declined to US\$224.0m, from US\$238.4m, a decline of 6.4%.

Commenting on the financials Finance Director, Mr. Roy Chimanikire said, “Against the background of limited foreign currency, we continued exploring innovative ways to address this challenge. We believe that it is not the Government or the Reserve Bank of Zimbabwe alone that need to come up with solutions to the current challenges we face. Our need to address the imminent default on our loans due the limited availability of foreign currency saw us launching the largest capital raising exercise in the history of Zimbabwe Stock Exchange (ZSE). We are thankful to the support from our shareholders and all stakeholders which resulted in the Company raising sufficient capital to retire its foreign long-term bank debt. We are now in a stronger position to deal with the challenges of operating in an increasingly more difficult economic environment,” said Mr. Chimanikire.

On the outlook, Mr. Mboweni said, “Going into the future we remain cognisant of the fact that our success hinges on meeting and exceeding our customers’ needs. Leveraging on our solid infrastructure we will continue to be innovative in order to respond proactively to environmental changes and take advantage of technological developments, especially in the areas of content, media and financial technology (Fintech).”

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