

**MOBILE TELECOMMUNICATIONS  
LIMITED (“MTC”)  
MTC Maris Yet to Meaningfully Lift Growth  
June 2026**

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# Mobile Telecommunications Limited

1H26 Initial Impression

Current Price (c)

933

Year End 30 September	FY22	FY23	FY24	FY25	1H26		
Revenue (N\$ m)	2,893.0	3,047.0	3,225.0	3,688.5	1,949.4	NSX Code	MOC
EBITDA (N\$ m)	1,480.8	1,506.3	1,479.6	1,829.7	933.0	Market Cap (N\$ m)	6,998
Profit after tax (N\$ m)	793.0	794.1	772.9	1,022.8	511.9	Shares in Issue (m)	750
EPS (c)	105.74	105.92	103.05	136.37	136.52*	Free Float (%)	39.9
DPS (c, ordinary)	79.0	85.3	72.6	96.3	95.6*	52-Week High (c)	933
DY (%)	9.9	11.7	9.6	10.4	10.2*	52-Week Low (c)	825
P/E (x)	6.6	7.1	7.3	6.8	6.8*		

Source: MTC Limited, IJG Securities

\*Annualised

## 1H26 Initial Impression

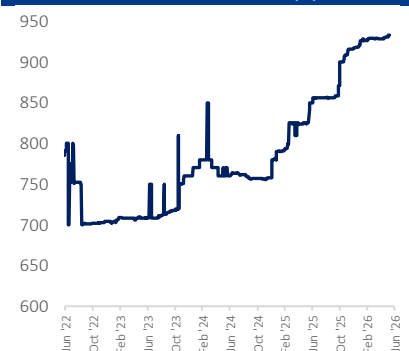
Mobile Telecommunications Limited (MTC) released its interim financial results for the six months ended 31 March 2026. Profit after tax (PAT) increased marginally by 1.6% y/y to N\$511.9m, while basic earnings per share (EPS) rose to 136.52 cents per share (cps) from 134.35cps in 1H25, reflecting an unchanged share count. Although revenue growth remained robust during the period, increases in direct and personnel costs outpaced revenue growth, limiting the translation of top-line gains into earnings growth. In line with its policy of maintaining a payout ratio of 70% of net PAT, MTC declared an interim dividend of 47.78cps, slightly higher than the 47.03cps declared in 1H25.

## Revenue

Revenue for the period increased by 7.1% y/y to N\$1.95 billion from N\$1.82 billion in the prior corresponding period. According to management, the growth was broad-based, with all key service segments (Pre-paid, Post-paid and Enterprise) contributing positively to performance. However, given the condensed nature of the interim results, it is not possible to assess the specific contribution of MTC Maris to group revenue growth or determine the extent to which the subsidiary influenced overall performance during the period.

Total active subscribers increased by 4.3% y/y, trailing revenue growth and suggesting an improvement in average revenue per user (ARPU). Pre-paid services, which account for the largest share of the subscriber base, recorded active subscriber growth of 4.1% y/y, driven by strong uptake of Aweh bundles and higher data consumption. The Enterprise service segment also saw strong subscriber growth of 37.8% y/y to 22,075 active subscribers reflecting increased demand for integrated connectivity solutions beyond mobile products or services. According to its financial report, MTC management is targeting continued expansion of the Enterprise segment through its Enterprise Business Unit, which is focused on high-value industry verticals and cross-border opportunities which provides scope for further growth. The reference to cross-border opportunities is noteworthy, as it raises the question of whether this extends to expansion within Southern Africa and what specific opportunities this may entail.

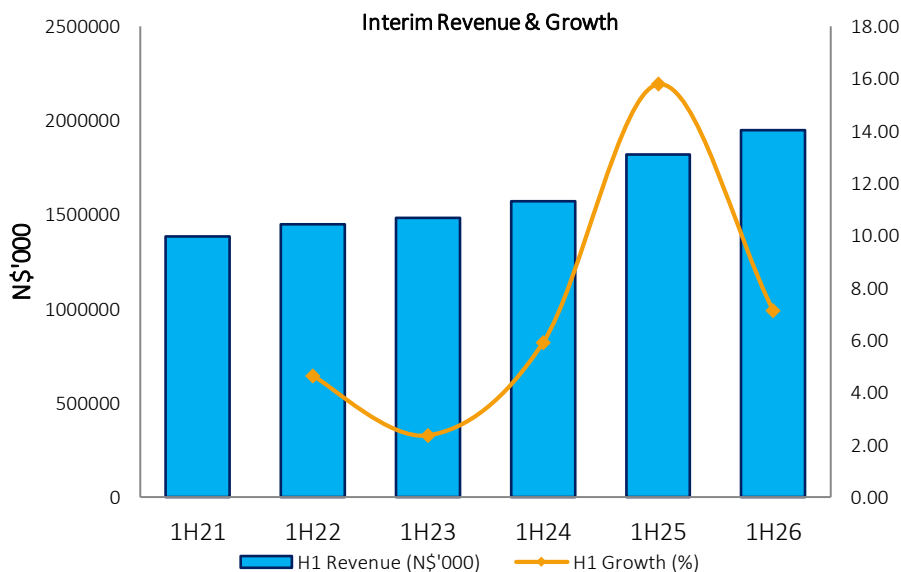
## MTC Share Price (c)



## Dividends

An ordinary dividend of 47.78 cents per share was declared.

- Last Day to Trade: 26 June 2026
- Ex-Dividend Date: 29 June 2026
- Record date: 03 July 2026
- Payment date: 24 July 2026



Source: MTC, IJG Securities





0,0005	4,85%
0,0003	13,04%
0,301	50,00%
0,0003	14,29%
0,0005	12,50%

### Operating Expenses

Operating expenses grew by 11.6% y/y to N\$1.03bn during the period, with most expense line items accelerating at a faster pace than revenue growth. Personnel costs, the largest component of operating expenses, rose significantly by 18.6% y/y from N\$308.3 million in 1H25 to N\$365.5 million in 1H26, above the five-year average increase of 14.1%. Management attributed the increase to higher headcount, annual salary adjustments, and the implementation of regrading structures. A key consideration is whether the rise in headcount is linked to the MTC Maris initiative or reflects broader staffing growth within the core telecom operations. General and administrative expenses also increased by 12.9% y/y to N\$169.8 million, driven by higher security service costs and increased licence fees. Direct costs rose by 7.7% y/y to N\$252.9 million, reflecting expanded network capacity between the northern regions and Windhoek, which resulted in higher transmission lease costs. The higher operating expenses suggest continued expansion in its operations.

### Operations

As a result of the quicker growth in expenses relative to income, profit from operations rose marginally by 1.1% y/y over the period from N\$638.2m in 1H25 to N\$690.8m in 1H26. Despite EBITDA rising by 2.5% y/y to N\$933.0m, margin compression was evident, with the EBITDA margin fell from 50.0% in 1H25 to 47.9% in 1H26.

### Assets

Total assets increased by 6.8% y/y, or N\$306.0m, to N\$4.82bn during the period, driven primarily by growth in both property, plant and equipment (PPE) and intangible assets, which each rose by 10.6% y/y. While management did not disclose specific capital expenditure projects, the cash flow statement indicates that N\$197.9m was invested in PPE and a further N\$99.6m in intangible assets. Contract assets declined by N\$89.6m, or 58.0% y/y, suggesting that amounts previously recognised but not yet billed have increasingly converted into cash or receivables as customer obligations matured. Meanwhile, trade and other receivables grew by 20.2% y/y, significantly outpacing revenue growth of 7.1% y/y. The balance of investments at fair value declined by 7.3% y/y, as withdrawals from money market funds outweighed new investments into these instruments over the period.

### Conclusion

MTC reported a steady set of interim results for the six months ended 31 March 2026, with strong revenue growth failing to fully translate into earnings growth due to cost inefficiencies. The company continues to expand its reach across the country, with higher capital expenditure during the period reflecting ongoing investment in network reach and capacity. It is, however, unclear to what extent MTC Maris is contributing to revenue growth.

Looking ahead, MTC's sustained focus on technological advancement, such as fibre implementation and installation capacity, positions it for longer-term growth, although related investment-driven cost pressures are likely to persist. Continued emphasis on innovation and value-added services is expected to support subscriber growth.

Our target price, forecasts and recommendation will be updated with the full review of the FY26 results in due course.

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