

MTN Group reduces debt with R5.2bn early settlement

The MTN Group has further reduced its debt with an early settlement of \$300m (R5.2bn) in eurobonds with a 2024 maturity date. "This brings MTN's dollar-denominated debt down to 35% of total holding company (Holdco) debt on a H1 2022 proforma basis," MTN said in a statement.



A shopper walks past an MTN shop at a mall in Johannesburg, South Africa on 2 March 2017. Reuters/Siphiwe Sibeko/File Photo

In late August, MTN invited eligible holders of the \$750m euro bond – due to mature in November 2024 – to tender their notes for purchase by the company for cash.

The offer attracted tenders of more than \$482m. This was significantly more than the \$250m originally intended for early settlement. As a result, MTN raised the final acceptance amount to \$300, which will be settled on Tuesday, 6 September 2022.

"In line with our ambition 2025 strategy, we are committed to deleveraging the balance sheet faster in line with our capital allocation framework," said MTN Group president and chief executive officer Ralph Mupita.

“This week’s early settlement supports the delivery of this commitment as well as of the execution and delivery of our medium-term guidance to maintain the Holdco leverage below 1.5x.”

MTN Group chief financial officer Tsholofelo Molefe said that as the settlement would be funded from available cash balances, it did not affect the pro-forma Holdco leverage of 0.8x on 30 June 2022.

“However, on a pro-forma basis, the settlement improves the end-June 2022 ratio of non-rand to rand debt to 35:65 from the 42:58 ratio reported in the group’s interim results.”

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