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NSSF Dividend Earnings from MTN Uganda top UGX 80.6 billion

KAMPALA: Thursday, July 04, 2024: The National Social Security Fund (NSSF) has earned a total of UGX 80.6 billion from its investment in MTN Uganda over the last 3 years, following payment of UGX 39.8 billion dividends for the year ended December 31, 2023.

The payment is the largest the Fund has earned from a listed company in the region this year, NSSF Managing Director Patrick Ayota said during a media conference at Workers House on Thursday.

“Not only is MTN Uganda the highest dividend payer across our equity portfolio this year, but the company has also been consistent in delivering positive growth over the last 3 years since the IPO. We commend the management of MTN Uganda for its commitment to creating shareholder value while also focusing on the long-term growth of the company,” Ayota said.

The Fund earned UGX 9.3 billion and UGX 31.5 billion dividends for the years 2021 and 2022 respectively.

Speaking at a ceremony to hand over a dummy cheque to NSSF at Workers House in Kampala, MTN Chief Executive Officer Sylvia Mulinge said: “NSSF Uganda is to date our largest institutional shareholder and MTN Uganda is privileged to serve the many Ugandans who have a stake in the Fund. We remain cognizant of the Fund’s important mandate of ensuring the social security of their stakeholders and we reiterate our commitment of ensuring strategic investment and sustainable financial performance to fulfill the objectives and goals of the Fund,” she said.

MTN Uganda continues to perform positively and consistently return an attractive dividend to its shareholders. In June, the 7th dividend payment of UGX 6.4 totaling UGX 143 billion was credited to all registered shareholders on their mobile money wallets and nominated bank accounts. This is in addition to the two interim dividends paid out the previous year in September of Ush 6.0 per share and Ush 5.6 per share in December totaling Ush 259.8 billion. The total dividend paid out for the Financial Year 2023 signals a 13.2% increase in payment to our shareholders from the previous year.

Mulinge further noted that since the IPO in December 2021, the total dividend paid to shareholders totaled UGX 864.4 billion and that these dividend payments have grown in tandem with the company's performance.

At the same media briefing, NSSF confirmed that it has invested additional UGX 90.95 billion to acquire 649,607,910 additional shares in MTN Uganda. This followed an offer for the secondary market purchase of ordinary shares announced on May 27, 2024.

The Fund in December 2021 had already invested UGX 360 billion to acquire 1.98 billion shares in MTN Uganda following its Initial Public Offer (IPO) in December 2021.

The latest investment brings the Fund's total investment to UGX 450.95 billion for 2,629,607,910 shares, further solidifying NSSF's position as the largest indigenous shareholder in MTN Uganda with 11.7% shareholding.

Ayota said the additional investment is a vote of confidence in MTN Uganda and is a belief that the company will continue to offer long-term benefits for NSSF members and the country.

"The effective price of UGX 140 per share presented an opportunity to invest in a cash-generative business with high growth potential. Also, MTN Uganda plays an integral role in the Fund's growth and the Country's development. Equally important, MTN Uganda presents a long-term growth opportunity for us, given its consistently impressive business and financial performance over the years," Ayota said.

Regarding the secondary offer for the sale of ordinary shares in MTN Uganda, Ms. Mulinge commented that she was pleased with the outcome that registered a 230% subscription. The oversubscription signaled an appreciation of the Company's strategy and continued positive performance evolution.

"The increased Fund investment in MTN Uganda, aligns broadly with MTN Group's objective to broaden local shareholding in the countries it invested in. The offer provided an opportunity to all Ugandan retail and professional investors, including MTN Uganda's loyal customers, to own a stake in the Company and participate in its future growth", she said.

MTN Uganda currently has 20,636 shareholders with over 200 smaller pension funds and SACCOs representing millions of Ugandans.

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About NSSF Uganda

The National Social Security Fund Uganda is a multi-trillion Fund mandated by the Government through the NSSF Act (Cap 230), to provide social security services to employees in the private sector.

The Fund is a secure, innovative, and dynamic social security provider that guarantees safety, security, and a competitive return on members' savings of over 2% above the 10-year inflation average.

NSSF, the largest Fund in East Africa by value, manages assets worth over UGX 21.6 trillion, invested in Fixed Income, Equity and Real Estate within the East Africa region.

The Fund is regulated by the Uganda Retirement Benefits Regulatory Authority while the Minister of Gender, Labour & Social Development, and the Minister of Finance, Planning & Economic Development are responsible for policy oversight.

For more information, please visit our website at www.nssfug.org, www.facebook.com/nssfug, www.twitter.com/nssfug

About MTN Uganda

MTN Uganda is a leading telecom company in Uganda with a primary objective of carrying on the business of a national operator of a telecommunications network pursuant to the National Telecommunications Operator (NTO) licence granted by the Uganda Communications Commission (UCC).

Among our offerings are network services, digital and financial technology services, interconnectivity and roaming, sale of mobile devices, and MTN Mobile Money (conducted through subsidiary MTN Mobile Money Uganda Limited).

MTN has a presence in all 134 districts of Uganda. Services are delivered through a network of over 183,000 MoMo agents, 318,000 MoMo merchants, 200 service stores and 13 main distributors. For the quarter ended March 31, 2024, MTN Uganda had 19.9 million subscribers, 12.4 million MoMo users, and 8.6 million active data users.