African MVNOs on the global stage : What’s the potential?

Presentation prepared by Africa Analysis Team (Pty) Ltd

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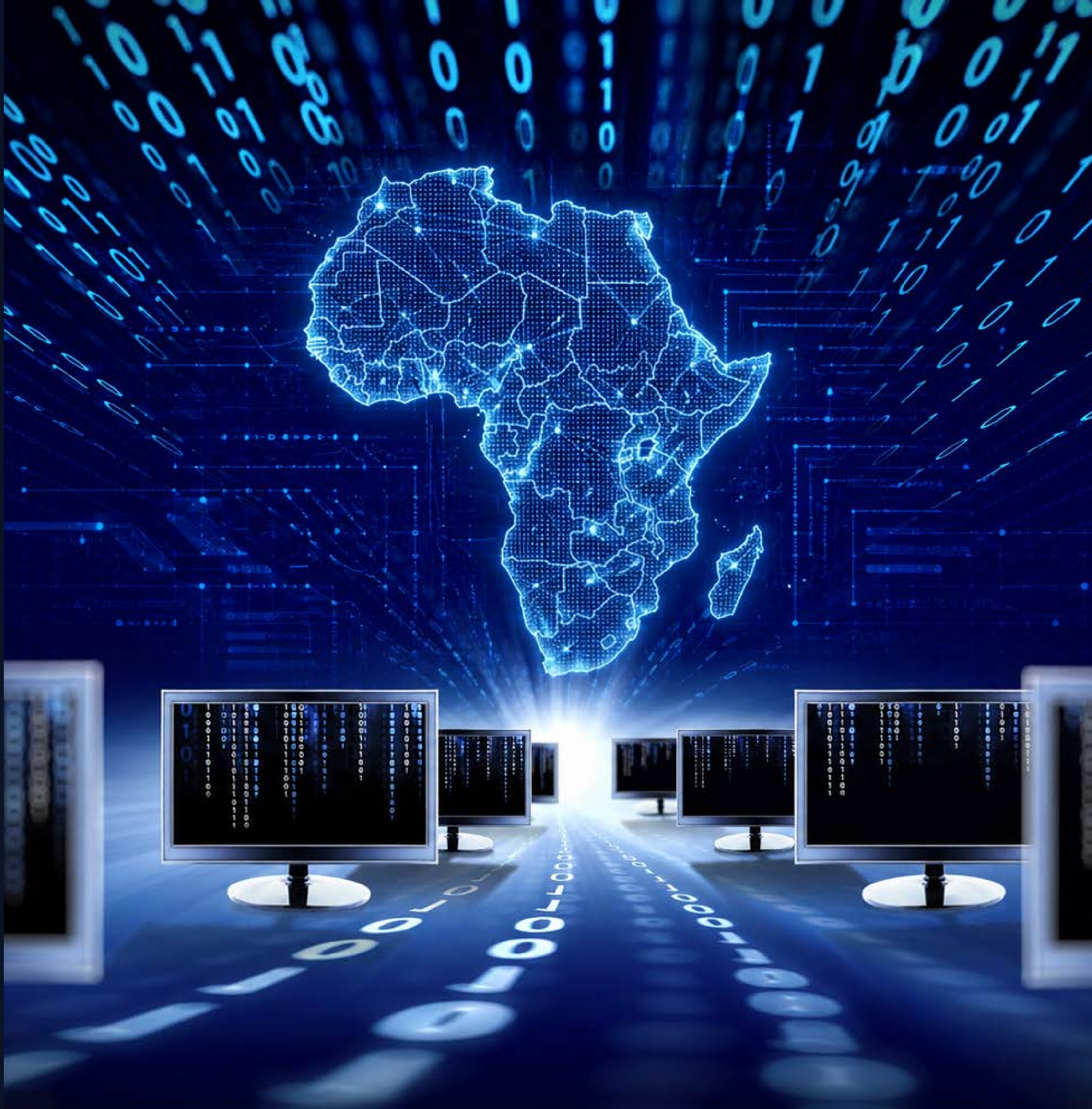


Contents

Section	
1	Africa vs Global MVNOs
2	Overview of Africa MVNO Market
3	How are African MVNOs different?
4	Unlocking the opportunities for MVNOs in Africa
5	Wrap-Up

MNO-Owned MVNOs Cluster Around Budget and Youth

Independent MVNOs show the broader target-market mix; operator-owned brands remain concentrated in a few defensive segments.

1. MNO brands skew budget

Budget accounts for almost half of MNO-owned MVNOs (49.8%) versus 20.6% of independents.

2. Independents span segments

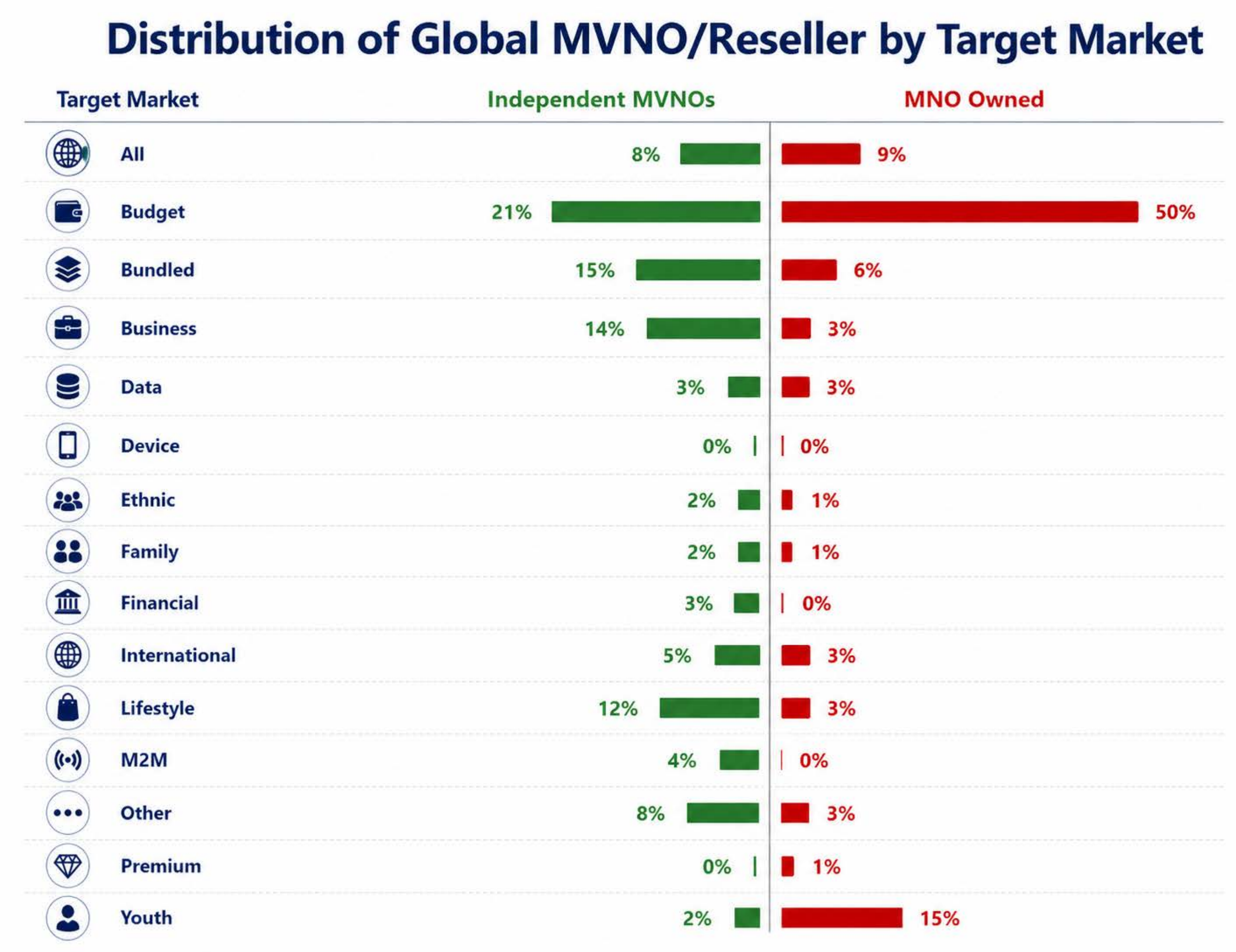
Independent portfolios are more diversified across bundled, business and lifestyle propositions.

3. Youth is MNO-led

Youth is the biggest MNO-owned exception at 14.9%, compared with only 2.2% for independents.

4. Niches stay independent

Financial, M2M and device-led propositions remain largely independent or absent from MNO-owned portfolios.



Source: Telegeography May 2026 MVNO Database of 1603 live MVNOs covering the full spectrum of MVNO business models

Developing Markets Lean Budget and Business

Developed markets skew niche, lifestyle and M2M; developing markets over-index in budget, business and roaming.

1. Developed skews niche

Developed-market MVNOs over-index in Lifestyle (15%), Other/Niche (12%) and M2M/IoT (9%).

2. Developing is budget-led

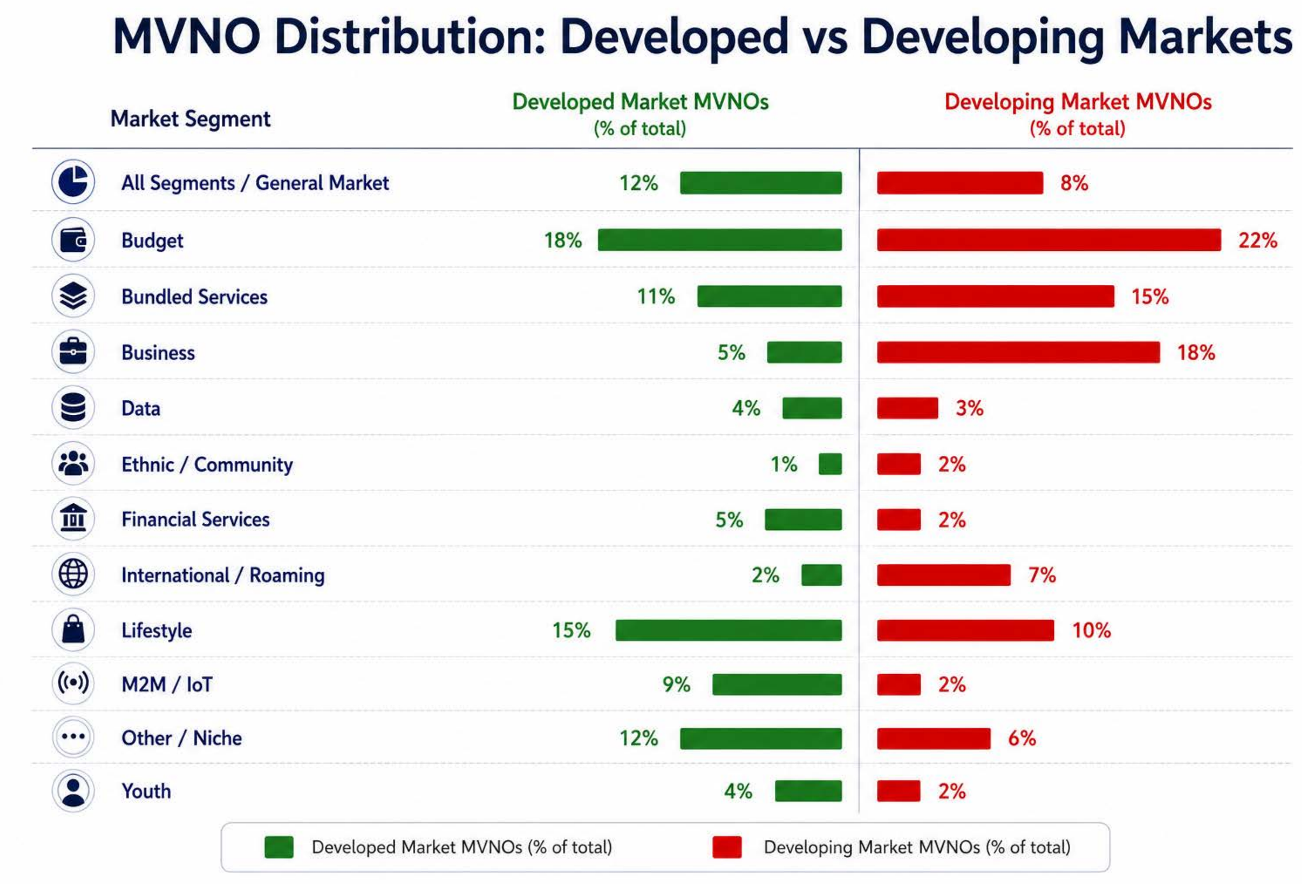
Budget is the largest target segment in developing markets at 22%, ahead of business and bundled propositions.

3. Business rises in developing

Business-focused MVNOs are far more common in developing markets (18%) than developed markets (5%).

4. Roaming differs by market

International/roaming has a larger developing-market share (7% vs 2%), while financial and M2M/IoT skew developed.



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Contents

Africa’s Independent MVNO SIM Base Is Reaccelerating

SIMs more than tripled from 2015-2025, with 2023-2025 delivering the strongest two-year step-up.

1. Sustained growth

Independent MVNO SIMs rise from 2.4m in 2015 to 8.2m in 2025, more than tripling over the period.

2. Momentum stepped up

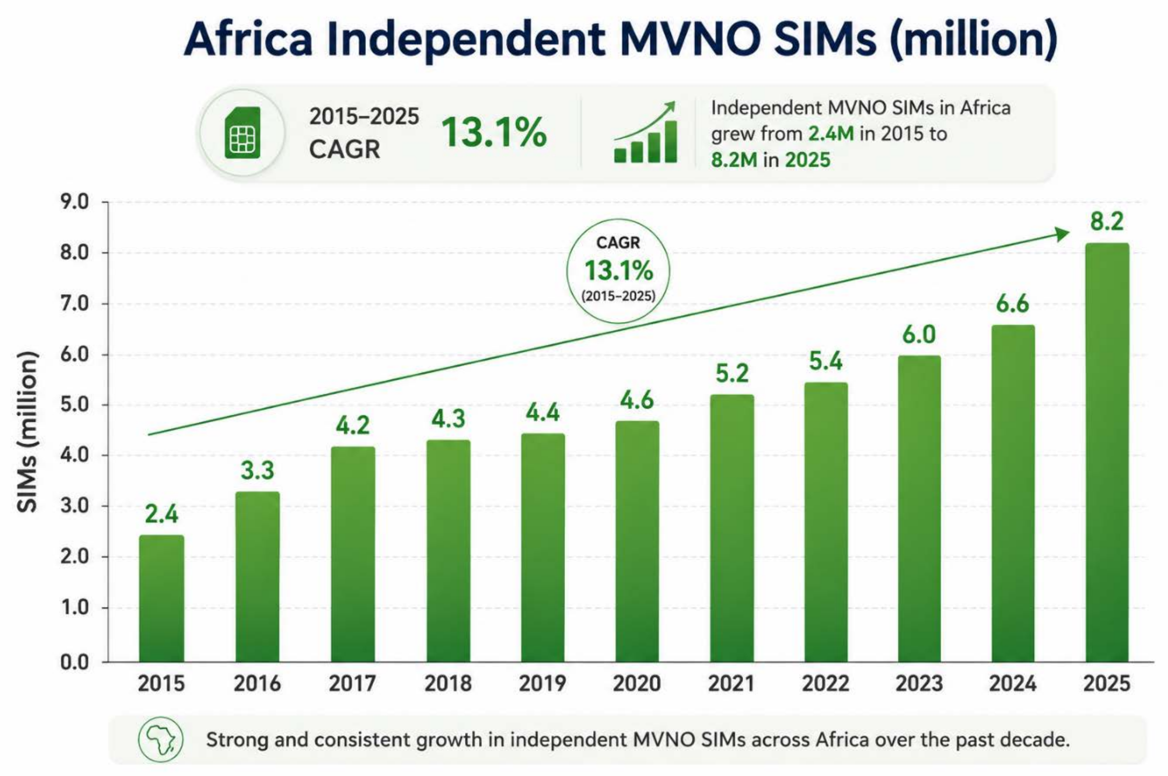
The base adds 1.6m SIMs from 2023 to 2025, the fastest two-year increase in the series.

3. Plateau has passed

Growth slowed in 2018-2020, with SIMs moving only from 4.3m to 4.6m before reaccelerating.

4. 2025!

At 8.2m SIMs, 2025 is the clear peak and confirms Africa’s MVNO market is scaling from a small base.



Africa’s MVNO Opportunity Is Under-Penetrated and Uneven

Low MVNO share shows room to grow, but entry must be tailored to each market’s regulation, distribution and use case.

1. Global model has shifted

eSIM, travel eSIM, 5G slicing and APIs are moving MVNOs beyond discount voice and data.

2. Africa is under-penetrated

Indicative MVNO share is only 0.8% of African mobile subscriptions versus about 5.2% globally.

3. Evidence is uneven

South Africa has scale; Kenya has an embedded-finance case; Nigeria has a licensed pipeline.

4. Action must be specific

Wholesale rules, ecosystem distribution and enablement layers matter more than licences alone.

Country Analysis MVNO Retail M/S

Contents

Case studies: what drives MVNO success or failure

Success comes from embedded distribution; failure comes from generic resale

SUCCESS FORMULA

Distribution + trust + adjacent value pools

The pattern is consistent across the case set: winners start with trusted channels, repeat-use jobs and adjacent value pools before monetising connectivity

CASE	OUTCOME	WHY SUCCESS OR FAILURE
Capitec Connect	SUCCESS	**Bank-owned acquisition**, trusted app distribution and real-time infrastructure created repeat usage at scale.
FNB Connect	SUCCESS	**App servicing**, eBucks rewards and discounted usage mechanics embed the MVNO in daily banking behaviour.
Finserve / Equitel	PARTIAL	**Finance adjacency** created reach, but low voice traffic share shows connectivity was not the core customer job.
Virgin Mobile SA	FAILURE	**A retail challenger** brand lacked privileged distribution and closed after rescue; resale margin was not enough.
Vitel / Melon	EMERGING	**Digital SIM and eSIM** onboarding reduce friction, but the model still needs scaled usage and retention proof.

Four country postures translate into distinct entry motions: launch first, prepare terms, prove with partners, or monitor access.

Country	Posture	Assessment	ENTRY MOTION
South Africa	OPERATE FIRST	**Most mature MVNO** ecosystem with subscriber scale, active brands and host-enabled distribution.	Commercialise first
Nigeria	PREPARE OPTION	**Large greenfield opening**; readiness depends on wholesale access, licensing and settlement terms.	Prepare partner path
Kenya	PARTNER-LED PROOF	**Scale is emerging through** embedded-finance and ASP/CSP models rather than a classic traffic-led MVNO play.	Run partner proof
Senegal	VALIDATION	**Credible Francophone** West Africa foothold; validate licensing, wholesale pricing and host-MNO appetite.	Validate access terms

Contents

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Action agenda: where each stakeholder must move

Prioritise the stakeholders that unlock owned demand and repeat engagement

Each lane now shows one priority move and the commercial logic for why it matters.

BOARD-LEVEL TEST

No privileged distribution or adjacent value pool means the investment case is weak.

STAKEHOLDER	PRIORITY MOVE	WHY IT MATTERS
MVNOs	**Build propositions** around payroll, education, insurance, SME, diaspora and B2B	**Repeat use** lowers acquisition cost and expands monetisation
MNOs	**Publish onboarding** timelines, commercial templates, technical roadmaps and API/eSIM support	**Wholesale becomes** a growth engine when host process is clear
Regulators	**Move to licensing**, portability, eSIM clarity and dispute resolution	**Fair access** lets MVNOs differentiate and keeps pricing disciplined
Investors	**Back enablement layers** and distribution moats, not me-too resale brands	**Ecosystem monetisation** is stronger than connectivity margin alone
Donors / DFIs	**Fund digital ID**, eKYC, payments interoperability, neutral-host and rural connectivity	**Market enablers** reduce entry friction and expand inclusion

African MVNOs win by solving recurring usage, not by copying mature-market models

CORE TAKEAWAY

Win with recurring utility, not just cheaper connectivity

MVNO propositions must solve usage: pay, insure, reward, credit, learn or work.

1	**Prepaid and multi-SIM demand**	Kenya was 98.2% prepaid in Mar-2025; Morocco 86.9% prepaid at end-2024.
2	**Payments and identity centrality**	Sub-Saharan Africa is the mobile-money epicentre, supporting bank-adjacent plays.
3	**Wholesale maturity gap**	Many markets need to / are moving to licensing to operational access rules.
4	**Cost is not only network capex**	Registration, agents, support and recharge distribution can still be expensive.
5	**Hybrid eSIM sequencing**	eSIM helps premium and travel; physical SIM and assisted onboarding remain critical.

Contents

Treat African MVNOs as embedded ecosystem plays, not as standalone telco challengers

The strategic bet

Prioritise MVNO models with privileged distribution, a repeated-use customer relationship and adjacent monetisation in payments, rewards, credit, insurance, enterprise software or public-service workflows.

1. Pick markets carefully

Weight wholesale execution, partner density and regulatory certainty.

2. Build the platform layer

Invest in MVNE, eSIM, eKYC, billing, API and support capabilities.

3. Prove unit economics

Test acquisition cost, ARPU uplift, churn and ecosystem spillover value.

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