

# Vodacom Group Interim results

For the six months ended 30 September 2023



November 2023

Further together 

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This presentation also contains forward-looking statements which are subject to risks and uncertainties because they relate to future events. These forward-looking statements include, without limitation, statements in relation to the Group's projected financial results. Some of the factors which may cause actual results to differ from these forward-looking statements are discussed on slide 38 of this presentation.

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# Our purpose | Connecting for a better future

## Purpose

We connect for a better future



### Digital society

- Digitising critical sectors
- Digitising government



### Inclusion of all

- Access for all
- Propositions for equality
- Workplace equality



### Planet

- Managing carbon emissions
- Reducing waste, circular economy
- Using water responsibly

Stepping up when it matters

Tech for good

Gender equality

Energy transition

### Disaster management

- Humanitarian aid packages donated during cholera outbreak in South Africa
- Free connectivity and M-Pesa transfers in Kalehe, DRC after flood disaster

### Connected healthcare

- In Egypt, we are leading the Universal Health Insurance and the Egyptian University Hospitals programs, live in 270 hospitals and serving >6 million people

### #CodeLikeAGirl

- Accelerated across International market
- Coding boot camp hosted in South Africa, across our Schools of Excellence

### TCFD & SBTi

- Published our 2<sup>nd</sup> TCFD report
- Board to review SBTi in FY24
- First of its kind Virtual Wheeling deal in South Africa



# Group snapshot | Connecting from Cape to Cairo



**R73 billion**

1H revenue



and

**35%**

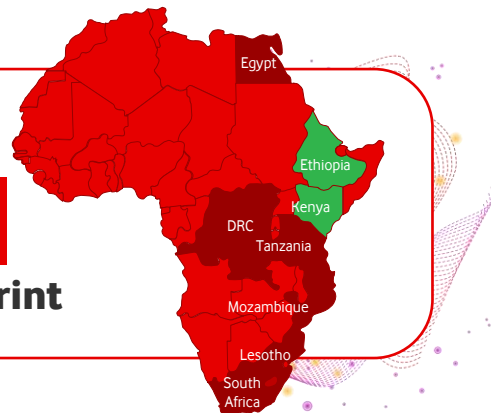
stake in Safaricom

**R22 billion**  
1H revenue

**#1**

Across our

**footprint**



■ Vodacom-led markets

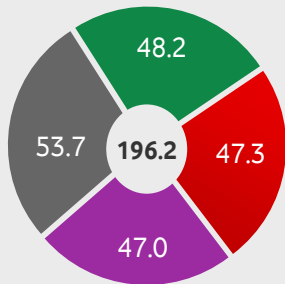
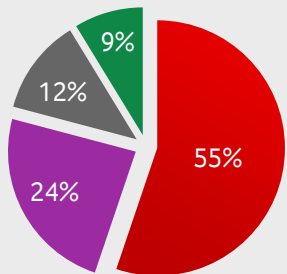
■ Safaricom-led markets

Operating profit

Customers

(1H24)

(1H24)



■ SA ■ Egypt ■ IB ■ SF (39.9%)

■ SA ■ Egypt ■ IB ■ SF (100%)

Group metrics (including Safaricom, 100% basis)<sup>1</sup>



**74m**

**Financial Services**

customers, extending our leading fintech position



**57%**

**Smartphone**

penetration providing structural data opportunity



**44 000**

**Network sites**

and one of Africa's largest tower owners



**>500m**

**Population**

supporting scalable partnerships

1. Vodafone Kenya Limited (VKL), a subsidiary, owns 39.93% of Safaricom. Vodacom Group Limited owns 87.5% of VKL, giving Vodacom an effective holding of 34.94% in Safaricom.



# Our Strategy | **Leading African TechCo with clear System of Advantage**

Africa's leading communications company

**1** Footprint strengthened

**2** Secure leadership in mobile and fixed

Diversify and differentiate with our digital ecosystem

**3** Scale financial and digital services

**4** Digital partner of choice for enterprises

**5** World class loyalty and customer experience

**6** Personalisation through CVM and Big Data

Optimised, future-ready TechCo

**7** Optimise assets through sharing

**8** Technology leadership in Network and IT

**9** TechCo organisation and culture

**10** Trusted brand and reputation



# Footprint | Accelerating growth, managing risks



Egypt



Ethiopia



## Investment case progress

- **ROCE accretive** at acquisition
- Market leader, attractive EBITDA margin
- Medium-term **targets upgraded**
- Regulation supportive of investment
- Material **fintech opportunity**, growing >100%
- Asset rich and highly skilled workforce

**EPS accretive in 1H24**

- **FX & inflation outlook**
  - Revenue and opex **mitigation opportunities**
- Cash repatriation vs assessing reinvestment opportunities

- **Added IFC** to consortium as equity & debt funder
- Localising costs and funding **to manage FX** pressures
- **M-Pesa launched** ahead of business plan
- Customer KPI's growing strongly
- **2 000 towers** built

**Peak EBITDA losses FY24**

- **FX & inflation outlook**
  - **Scale** profitability
- **New entrant**
  - **Shaping** regulation to accommodate a change from a one-player market

## Key risks to manage



# Big Data & AI | Monetisation momentum

Data-driven organisation with **150** data scientists and engineers

## Data monetisation



### CVM enabled

>80% of bundles in VSA personalised

## Credit Scoring



### Credit scorecards

Safaricom live. VSA, Les, Moz ready

## Capex Optimisation



### Smart capex

R1 billion of efficiency +  
QoS optimisation

## Intelligent Automation



### Live in 6 markets

Cost savings and revenue protection  
2 million hours saved

## Risk Management



### Fraud

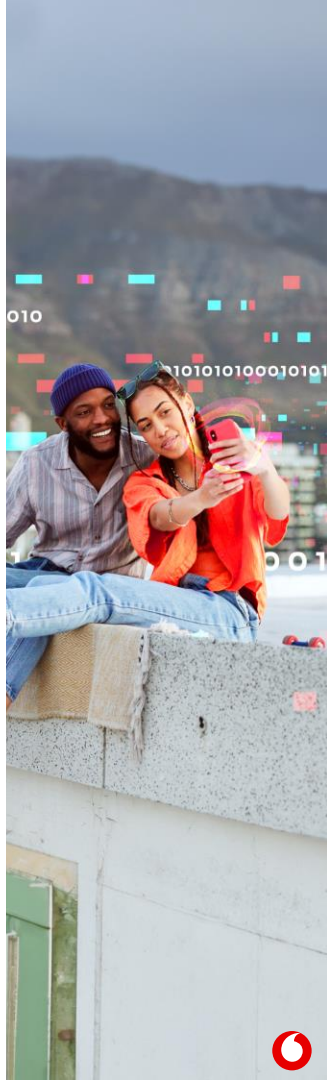
800k calls blocked by ML in IVR & Tobi

## Customer 360



### Customers features

10 000 in South Africa,  
3 000 in IB and 8 000 in Safaricom





# Financial services | **Scaling our dual-sided financial services ecosystem**

Merchant highlights

Consumer highlights

1H24 growth driver



M-Pesa

Merchants

**950k**

up **41%**

30-day M-Pesa app users

**4.4m** supporting

**higher ARPU**

**New services**

> two thirds of revenue growth from new services



Vodafone Cash

**One more service**

building out capabilities across B2B, B2C & C2B

**#1 mobile wallet**

14m

**Scaling users**

60% growth in customers



Vodacom financial services (SA)

**>10 000** merchants

monthly Ana Vodafone app users

**App downloads**  
**7.6m** with

**Insurance revenue**

Double-digit growth





# Results snapshot | Strong growth in new services and Vodafone Egypt

	Revenue	Service revenue	EBITDA	Capital expenditure
	R72.8 billion	R59.4 billion	R27.3 billion	R9.5 billion

Growth	Reported	35.5%	42.2%	35.1%	13.1% intensity
	Excluding Egypt	7.9%	7.9%	4.1%	12.7% intensity
	Pro-forma (incl Egypt)^	9.0%	9.0%	5.5%	



Customers<sup>1</sup>  
**10.8% growth**



Financial services customers<sup>1</sup>  
**transacting US\$1bn a day**



HEPS, impacted by  
**start-up losses in Ethiopia**



DPS  
**in line with policy**

1. Including Safaricom at 100% and Vodafone Egypt in comparative.

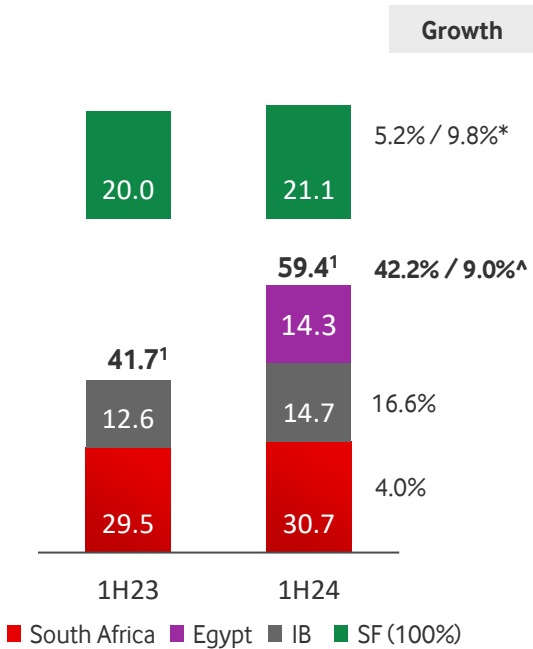
^ Pro-forma growth, presented as if the effective date of the Vodafone Egypt acquisition was 1 April 2022 and on a constant currency basis.



# Group composition | Growth profile enhanced by Vodafone Egypt

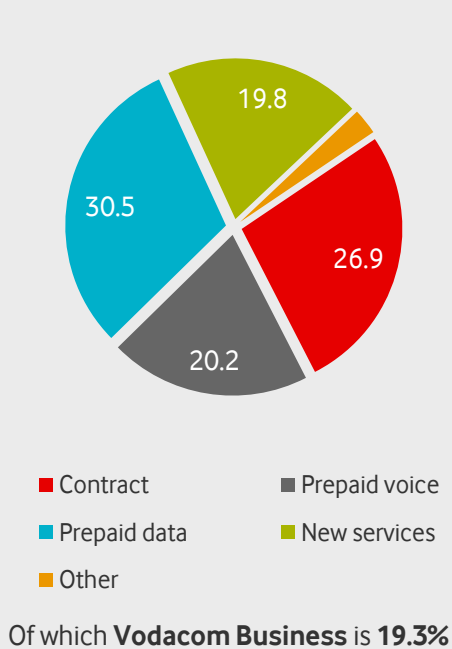
Group service revenue

R billion



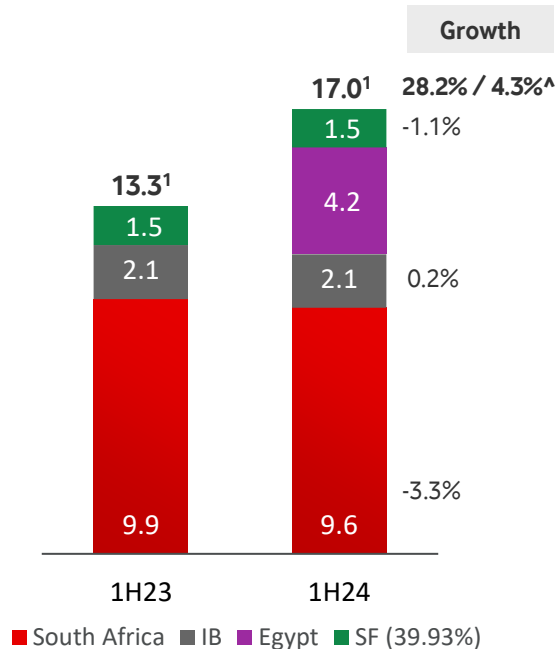
Group service revenue

%



Group operating profit

R billion



1. Including corporate and eliminations.

2. Vodafone Kenya Limited (VKL), a subsidiary, owns 39.93% of Safaricom. Vodacom Group Limited owns 87.5% of VKL, giving Vodacom an effective holding of 34.94% in Safaricom.

^ Pro-forma growth, presented as if the effective date of the Vodafone Egypt acquisition was 1 April 2022 and on a constant currency basis.

\* Normalised growth presents performance on a comparable basis. This adjusts for trading foreign exchange, foreign currency fluctuation on a constant currency basis (using the current period as base) to show a like-for-like comparison of results.



# New services | Diversifying beyond mobile

South Africa

Egypt

International

Safaricom

## New services


Financial services  
Digital services  
IoT  
Fixed

16.6%  
R5.1bn

15.1%  
R2.2bn

29.6%  
R4.6bn

46.6%  
R9.8bn

 New services revenue as % of Group service revenue


## Core mobile

83.4%  
R25.6bn

84.9%  
R12.2bn

70.4%  
R10.1bn

53.4%  
R11.3bn

 Core mobile revenue as % of Group service revenue



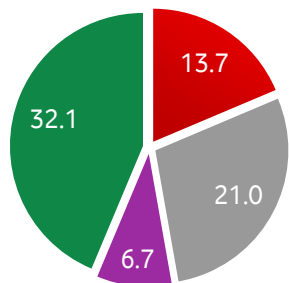
# Financial services | Africa's leading fintech platform

100% basis (including Safaricom)

**Financial services customers**

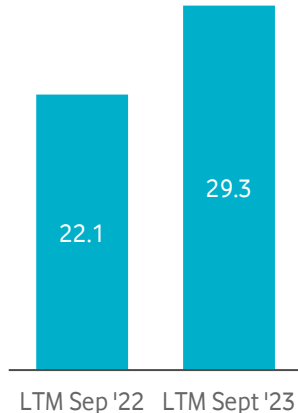
74 million

■ SA ■ IB ■ Egypt ■ SF



**Mobile money transaction volume**

32.4% growth



**Financial services revenue**

Vodacom R6.2 billion  
Safaricom R8.8 billion

■ SA ■ IB ■ Egypt ■ SF



million

38% penetration of 196m base

billion

\$371 billion  
of transaction value LTM

R billion

VOD 20.0%<sup>^</sup> growth  
SF 16.5%\* growth

Financial services contribution

**Contribution to Group service revenue**

10%

**Contribution to Safaricom service revenue**

42%

**Contribution to Group Profit before tax<sup>#</sup>**

~20%

<sup>^</sup> Pro-forma growth, presented as if the effective date of the Vodafone Egypt acquisition was 1 April 2022 and on a constant currency basis.

\* Normalised growth presents performance on a comparable basis to show a like-for-like comparison of results.

<sup>#</sup> M-Pesa Safaricom PBT is not reported in 1H24. PBT margin based on historic disclosure. Actual results may differ from this illustration.



# South Africa highlights | Strong revenue, cost savings to accelerate

Key indicator	1H24	Reported % change
Revenue (Rm)	43 269	5.1
Service revenue (Rm)	30 669	4.0
Vodacom Business service revenue (Rm)	8 656	0.3
New services revenue (Rm) (financial & digital services, fixed and IoT)	5 083	18.1
EBITDA (Rm)	16 013	1.6
Data customers ('000)	25 803	8.5

## Key milestones

### Resilient service revenue

- Mobile contract revenue **4.1%**
- Mobile prepaid revenue **3.1%**
- Prepaid data revenue **15.3%**

### Key growth drivers

- Smart devices up **10.3%** to 30.5 million
- Data traffic up **45.2%**
- Fixed revenue up **25.0%** excluding transit

### Profitability

- Cost savings to accelerate in 2H



# Vodafone Egypt highlights | Double-digit growth, strong data uptake

Key indicator	1H24 (Rm)	1H24 (EGPm)	EGP % change <sup>^</sup>
Service revenue	14 312	23 711	28.0
New services revenue (financial & digital services, fixed and IoT)	2 162	3 572	52.9
Vodafone Cash revenue	804	1 330	114.9
EBITDA	6 248	10 340	19.9
Customers ('000)	47 022		5.5
VF Cash customers ('000)	6 682		59.9

## Key milestones

### Strong commercial traction

- Usage growth **42.9%**
- Smartphone devices up **7.1%**
- Strong traction with **Flex bundle** revamp and content integration
- Taking share in mobile and fixed



# International highlights | Growth underpinned by data and M-Pesa

Key indicator	1H24	Reported % change	Normalised* % change
Service revenue (Rm)	14 732	16.6	4.0
Data revenue (Rm)	3 844	34.9	20.9
M-Pesa revenue (Rm)	3 814	26.8	13.2
EBITDA (Rm)	5 432	14.1	4.3
Customers ('000)	53 684	22.3	
M-Pesa customers ('000)	20 976	14.7	

## Key milestones

### Strong data growth

- Usage growth **40.4%**
- **Smartphone** growth 19.6%

### M-Pesa delivers strong growth

- Merchants more than doubled
- M-Pesa app live across all markets, mini-app roll-out ongoing

\* Normalised growth presents performance on a comparable basis. This adjusts for foreign currency fluctuation on a constant currency basis (using the current period as base) to show a like-for-like comparison of results.





# Safaricom highlights | Strong results support guidance upgrade

Key indicator <sup>1</sup>	1H24 (KES'bn)	KES % change	1H24 (R'bn)	Rand % change
Service revenue	159 136	9.9	21 079	5.2
Data revenue	29 598	12.6	4 093	7.8
M-Pesa revenue	66 232	16.5	8 777	11.6
EBITDA	79 673	7.6	10 781	5.2
EBITDA (Kenya only)	90 494	13.0		
M-Pesa customers ('000)	32 135	3.1		

## Key milestones

### M-Pesa

- Contribution increased to **41.6%** of service revenue from **39.3%** in PY

### Strong FTTx growth

- Fixed revenue growth of **9.1%**
- FTTH customers grew **28.8%**

### Guidance upgraded

- Strong 1H supports Kenya upgrade
- Peak EBITDA losses for Ethiopia

1. The Group's effective interest of 34.94% in Safaricom Group PLC (Safaricom) is accounted for as an investment in associate. Results represent 100% of Safaricom and is for information purposes only.





# Financial Review



# Group income statement | EBITDA growth offset by Ethiopia & finance costs

R million	1H24	1H23	Reported % change	Pro-forma <sup>^</sup> % change	Normalised* % change
<b>Revenue</b>	<b>72 798</b>	<b>53 713</b>	<b>35.5</b>	<b>9.0</b>	<b>4.7</b>
<b>Service revenue</b>	<b>59 350</b>	<b>41 729</b>	<b>42.2</b>	<b>9.0</b>	<b>4.1</b>
<b>EBITDA</b>	<b>27 286</b>	<b>20 200</b>	<b>35.1</b>	<b>5.5</b>	<b>1.8</b>
Depreciation and amortisation	(11 174)	(8 261)	35.3		
Net profit from associates and joint ventures	1 348	1 466	(8.0)		12.5
<b>Operating profit</b>	<b>17 013</b>	<b>13 268</b>	<b>28.2</b>		<b>1.6</b>
Net finance charges	(2 911)	(2 192)	32.8		
<b>Profit before tax</b>	<b>14 102</b>	<b>11 076</b>	<b>27.3</b>		
Taxation	(4 134)	(3 004)	37.6		
<b>Net profit</b>	<b>9 968</b>	<b>8 072</b>	<b>23.5</b>		
Attributable to equity holders	8 385	7 740	8.3		
<b>HEPS (cents)</b>	<b>438</b>	<b>457</b>	<b>(4.2)</b>		

<sup>^</sup> Pro-forma growth, presented as if the effective date of the Vodafone Egypt acquisition was 1 April 2022 and on a constant currency basis.

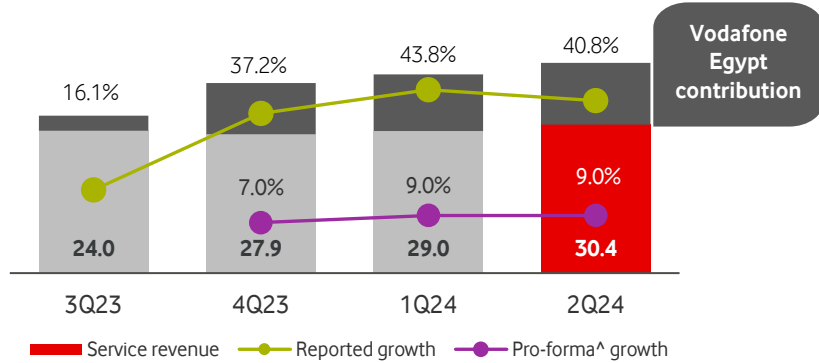
\* Normalised growth, which presents performance on a comparable and constant currency basis.



# Service revenue | Resilient performance in South Africa, Egypt accelerates

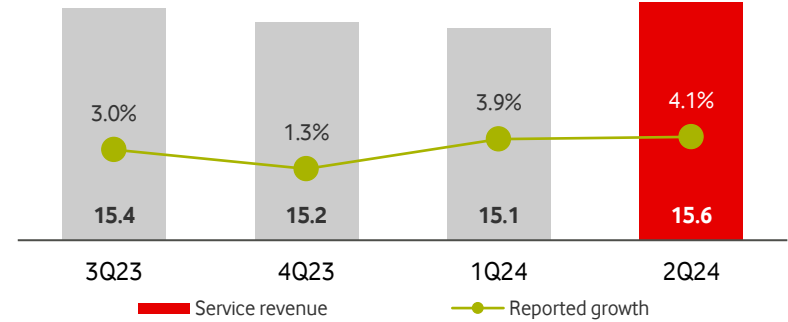
## Group

R billion / %



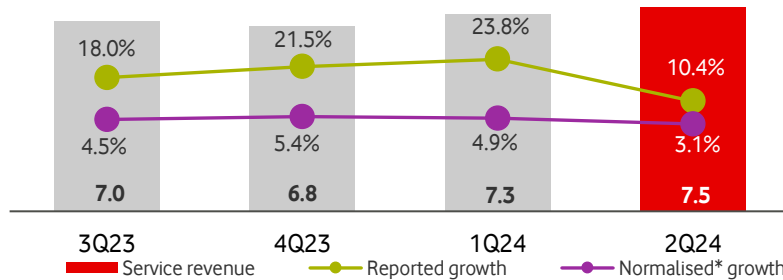
## South Africa

R billion / %



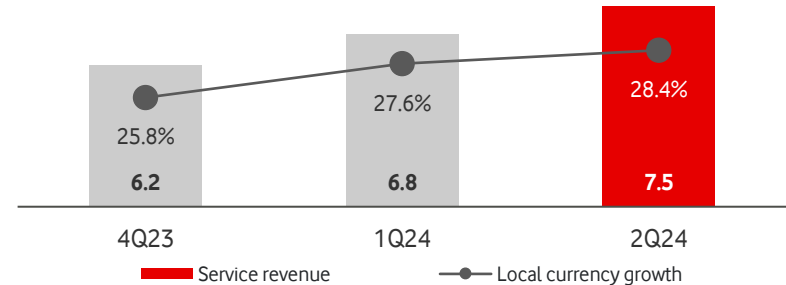
## International

R billion / %



## Egypt

R billion / %



<sup>^</sup> Pro-forma growth, presented as if the effective date of the Vodafone Egypt acquisition was 1 April 2022.

\* Normalised growth, which presents performance on a comparable basis, adjusting for foreign currency fluctuation on a constant currency basis.

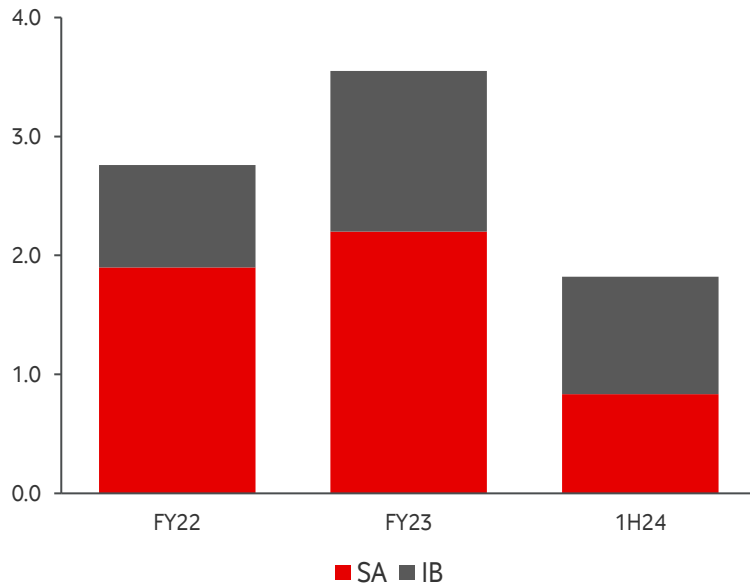
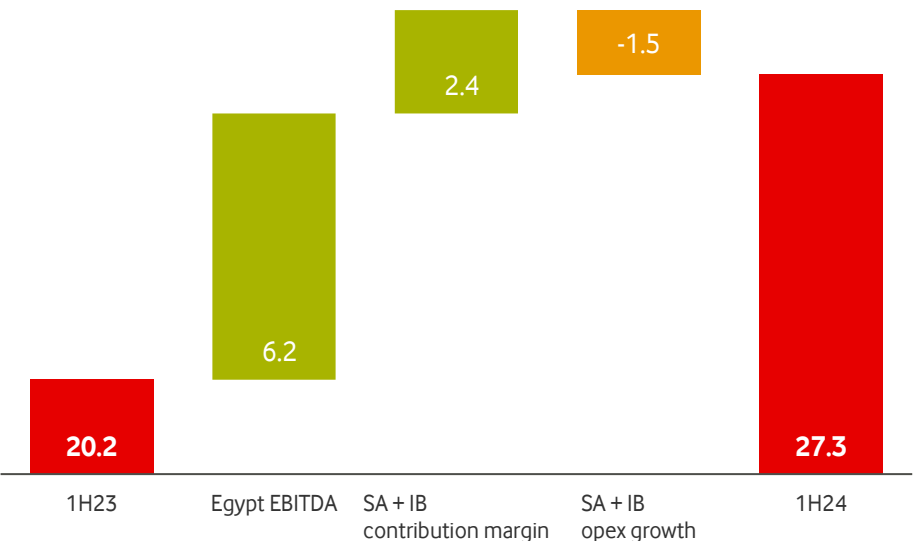


# Group EBITDA | Expecting stronger growth in the second half

Group EBITDA 1H23 vs 1H24

'Fit4Growth' cost programme  
Savings to accelerate in 2H

R billion



37.6%

**EBITDA margin**

37.5%

'Fit4Growth' initiatives equate to around 10% of operating expenses per annum

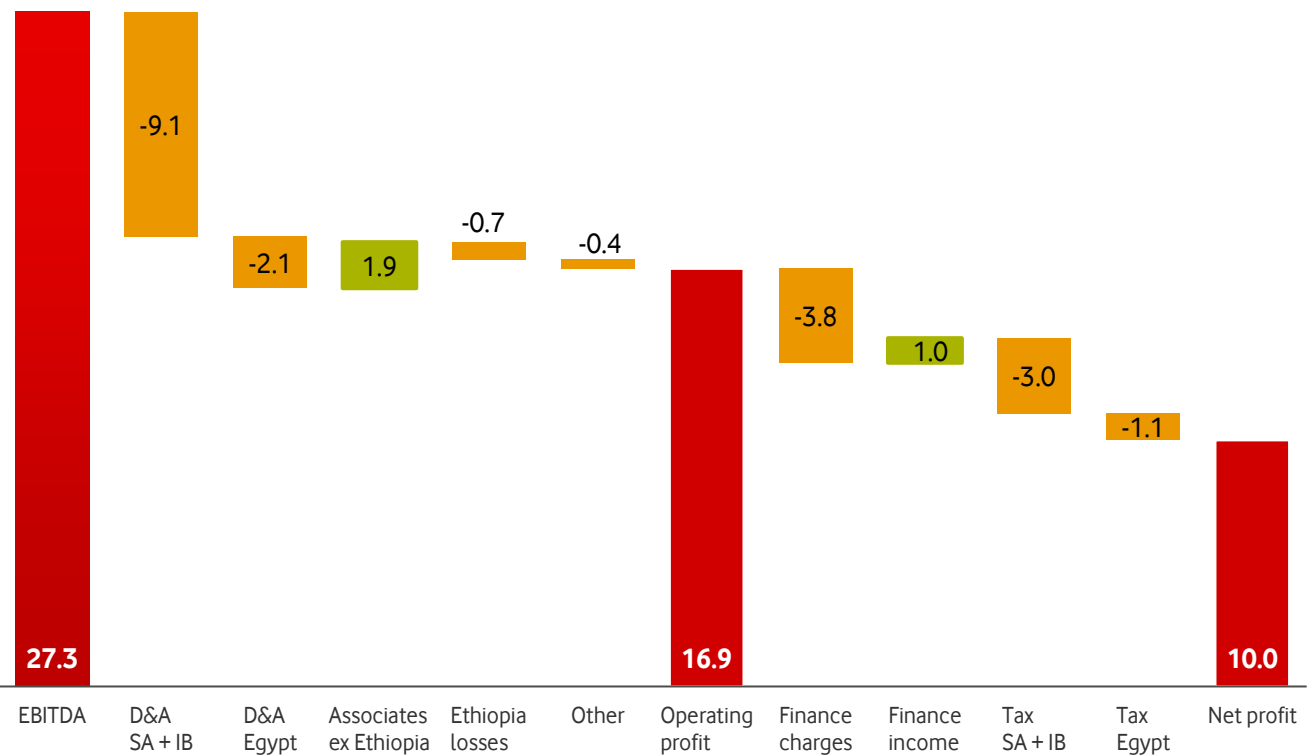
1. Excluding the impact of the separately identified cost pressures (e.g., lease contract separation).



# Net profit | Ethiopia & finance costs weigh on net profit

**Net profit reconciliation, YoY**

Net profit bridge  
R billion



R million

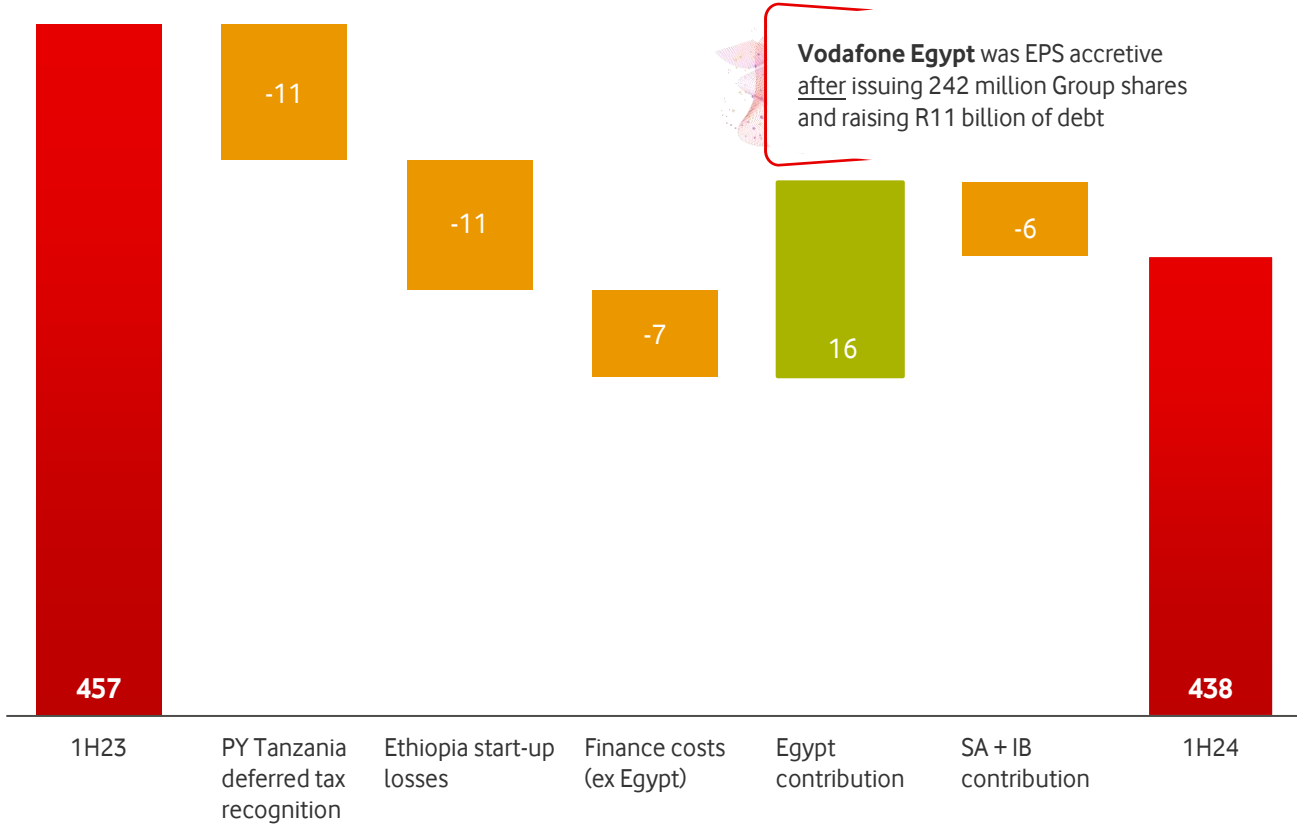
<b>1H23</b>	<b>8 071</b>
EBITDA	7 086
D&A SA + IB	(828)
D&A Egypt	(2 085)
Associates ex Ethiopia	132
Ethiopia losses	(250)
Net finance costs	(715)
Taxation SA + IB	(41)
Taxation Egypt	(1 089)
Other	(313)
<b>1H24</b>	<b>9 968</b>



# HEPS | Ethiopia losses impact, Egypt accretive

## Headline earnings per share

cents



**Vodafone Egypt** was EPS accretive after issuing 242 million Group shares and raising R11 billion of debt

Factors impacting growth (after tax and non-controlling interests)

- Deferred tax asset recognised in prior year for Tanzania
- Higher start-up losses in Ethiopia of R219 million
- Higher finance costs (excluding Egypt funding) of R138 million

**Business performance** expected to accelerate into second half

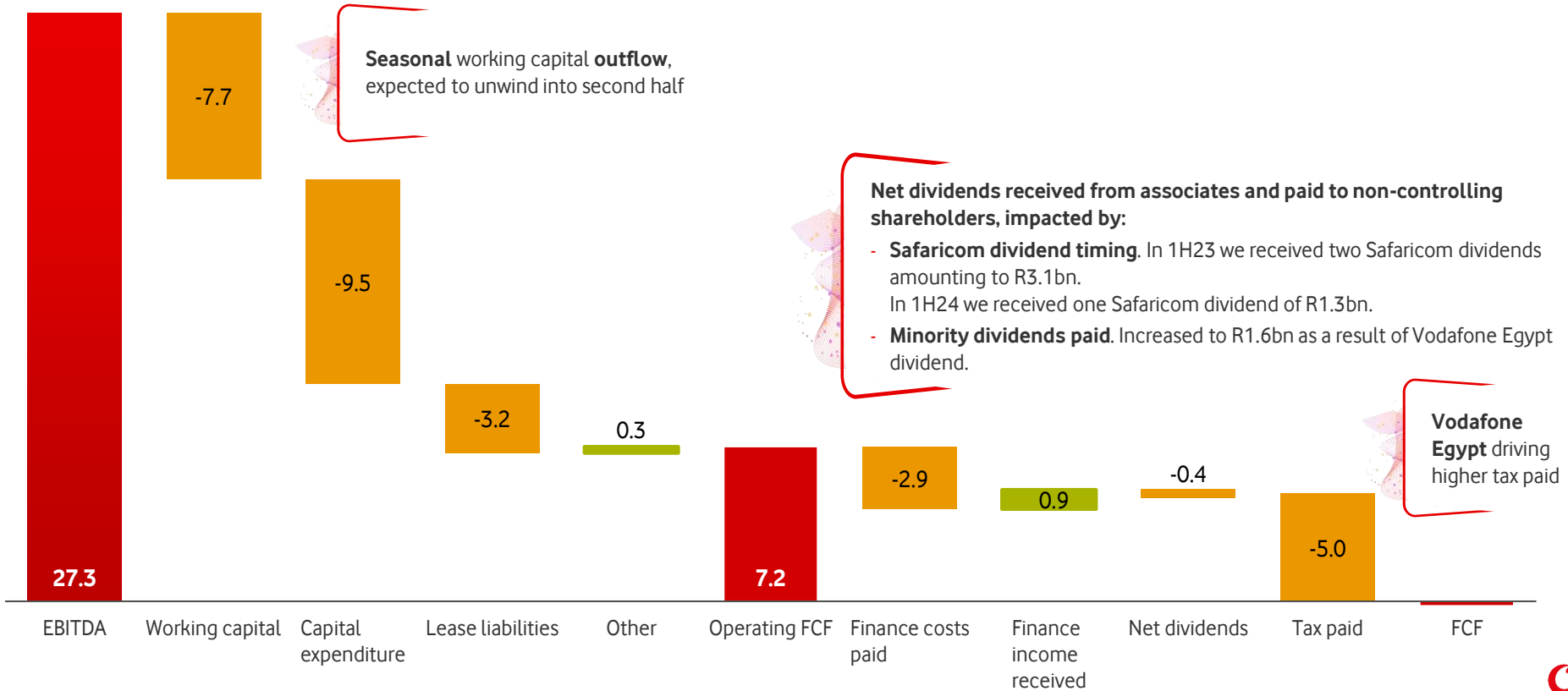




# Cash flow | Impacted by timing seasonality and timing factors

## Group free cash flow

R billion

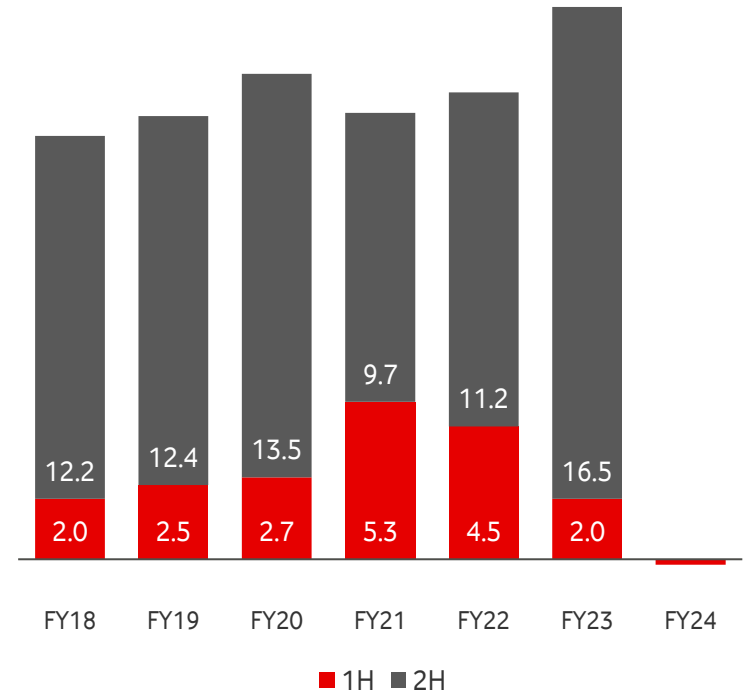
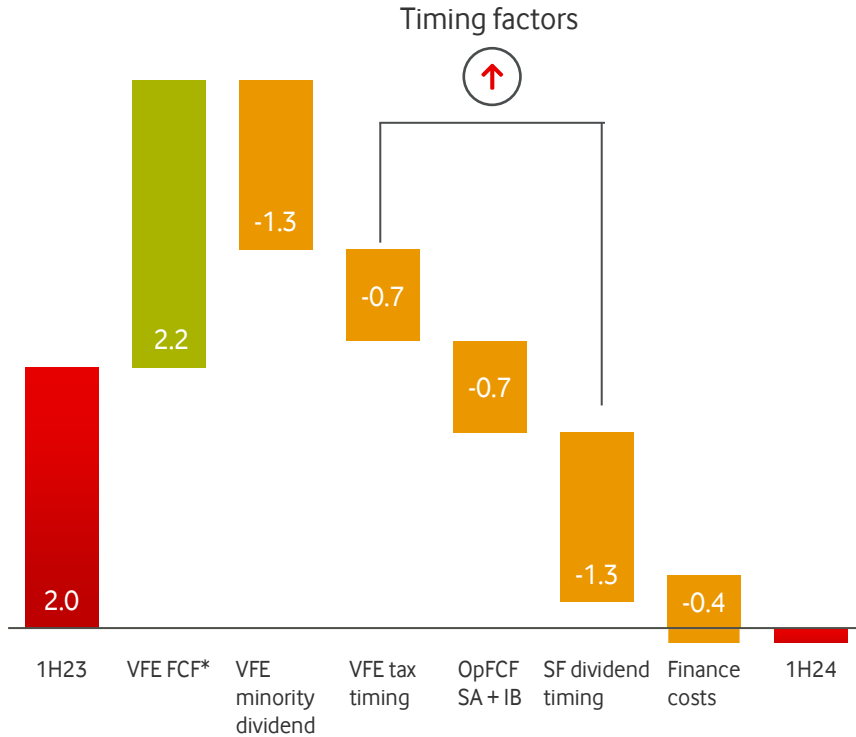


# Free cash flow | FCF generation skewed to second half

Group FCF: 1H23 vs 1H24

Group FCF: material seasonal variance

R billion



\*VFE FCF based on P&L tax.



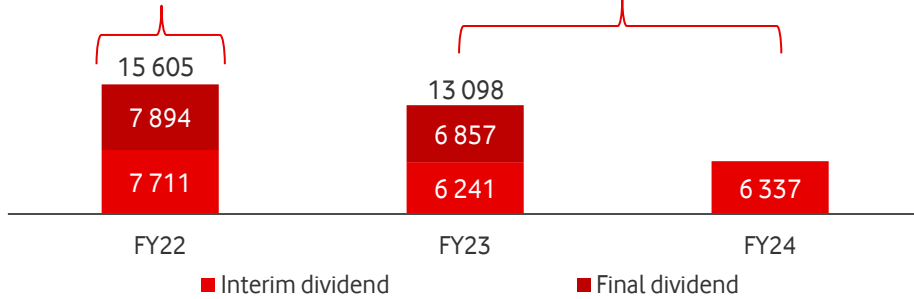
# Shareholder returns | One of the JSE's highest pay-out ratios

## Total dividend declared

R million

90% pay-out +  
Safaricom pass-through

>75% pay-out

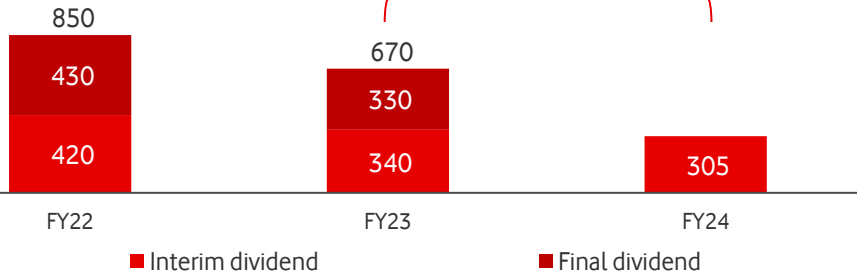


## Total dividend per share declared

Rand cents

Old policy

Old policy



## Dividend aligned to policy



**At least 75%** of  
Group headline earnings

**Interim dividend per  
share @ 75% pay-out**

**305cps**

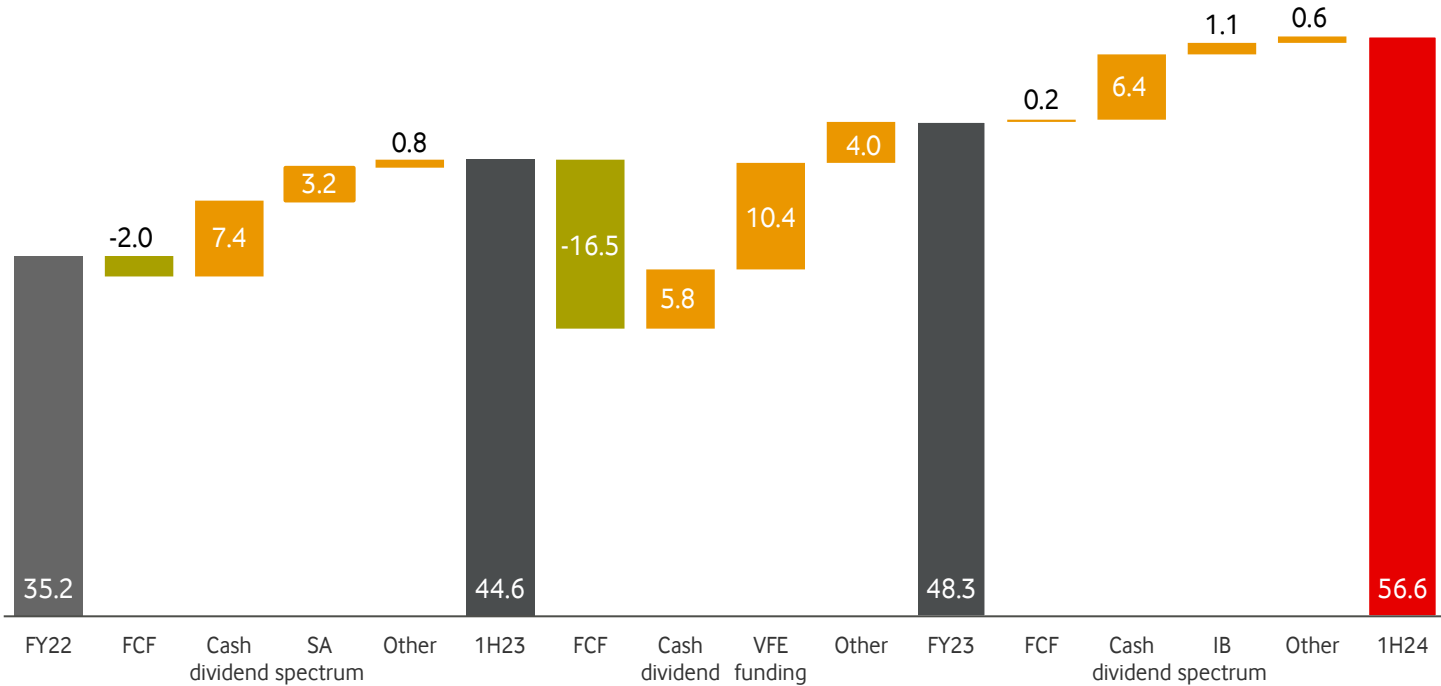
**Prior year interim dividend  
of 340cps was @ 80% pay-out**



# Net debt | Seasonally higher net debt

## Group net debt

R billion



**2H24**  
outlook

- Final payment for South Africa spectrum of R2.2 billion
- Seasonally strong cash inflow in 2H

Net debt to EBITDA:

0.9x

1.1x

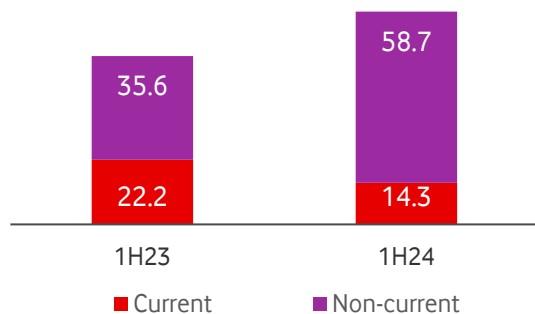
1.0x



# Capital structure | Comfortable leverage position

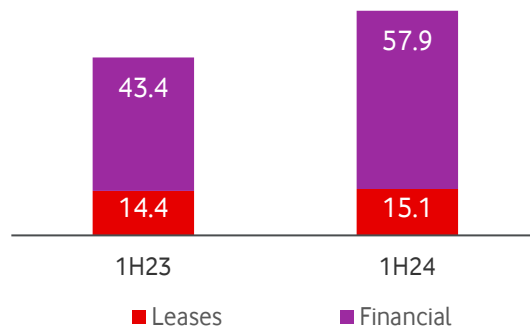
## Maturity profile

R billion



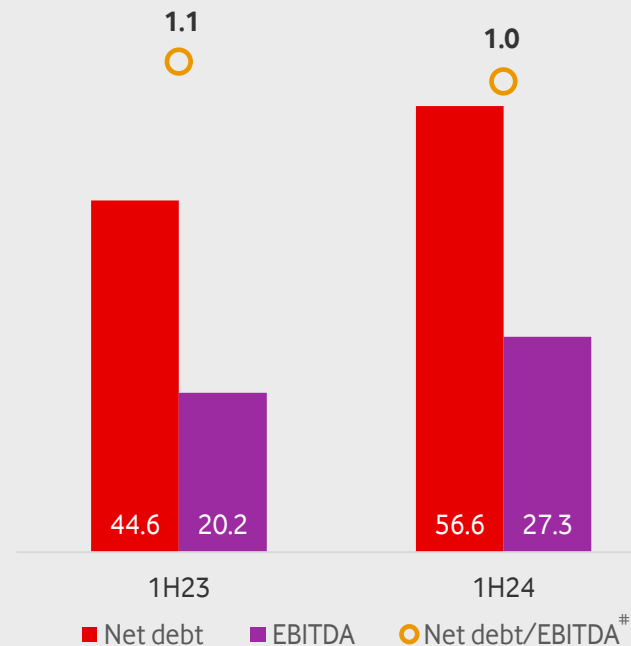
## Debt type

R billion



## Net debt/EBITDA

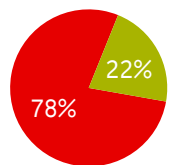
R billion / times



## Currency mix

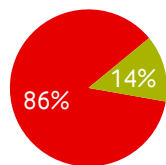
%

### Incl leases



■ ZAR ■ Foreign

### Excl leases

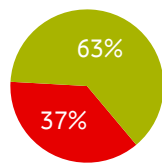


■ ZAR ■ Foreign

## Debt mix

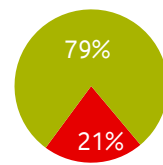
%

### Incl leases



■ Fixed ■ Floating

### Excl leases



■ Fixed ■ Floating

\*Interim period EBITDA annualised



# Targets | Medium-term targets reiterated

## Targets

## Considerations

**Group service revenue growth**  
mid-to-high single digit

The macro-outlook remains uncertain,  
FX volatility remains a risk

**Group EBITDA growth**  
high single digit

Safaricom Plc raised Kenya and Group guidance,  
confirmed peak EBITDA losses for Ethiopia in FY24

**Group capital intensity ratio**  
13.0% to 14.5% of Group revenue

Pro-forma EBITDA growth expected to  
accelerate in the second half



These targets are on average, over the next three years, and are on a normalised basis in constant currency, based on prevailing economic conditions, including Vodafone Egypt but excluding spectrum purchases, exceptional items and the acquisition of a joint-control stake in MAZIV.



# Targets | Capital allocation priorities

## Investment into organic growth

Supported by stable capital intensity with an ambition of flat to improving ROCE

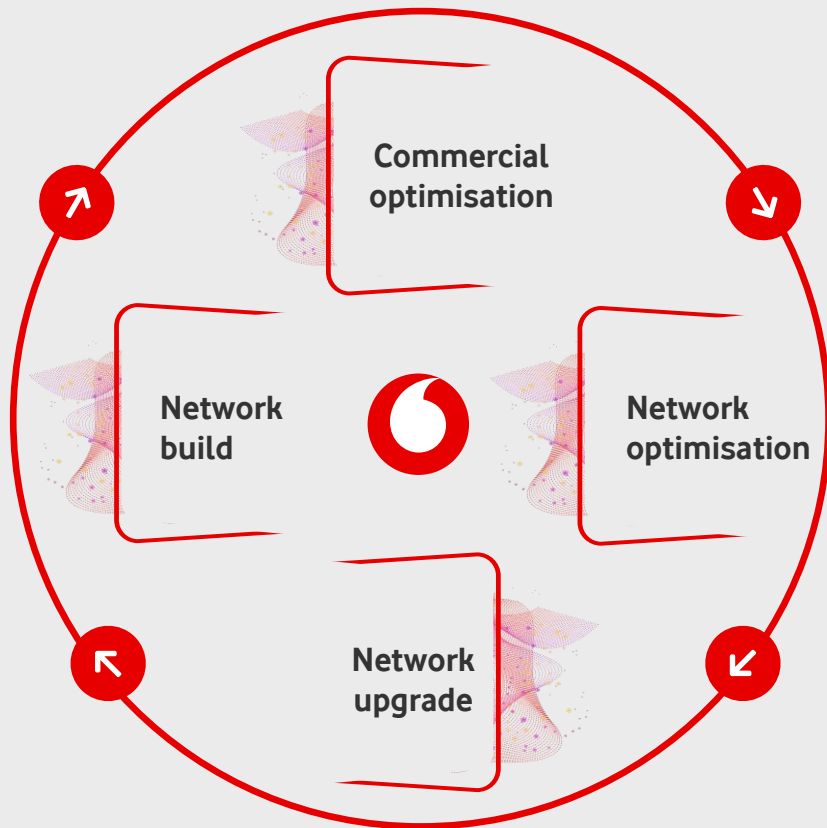
## Dividend pay-out of at least 75% of headline earnings

One of the highest pay-outs on the JSE

## Deleveraging M&A-related debt

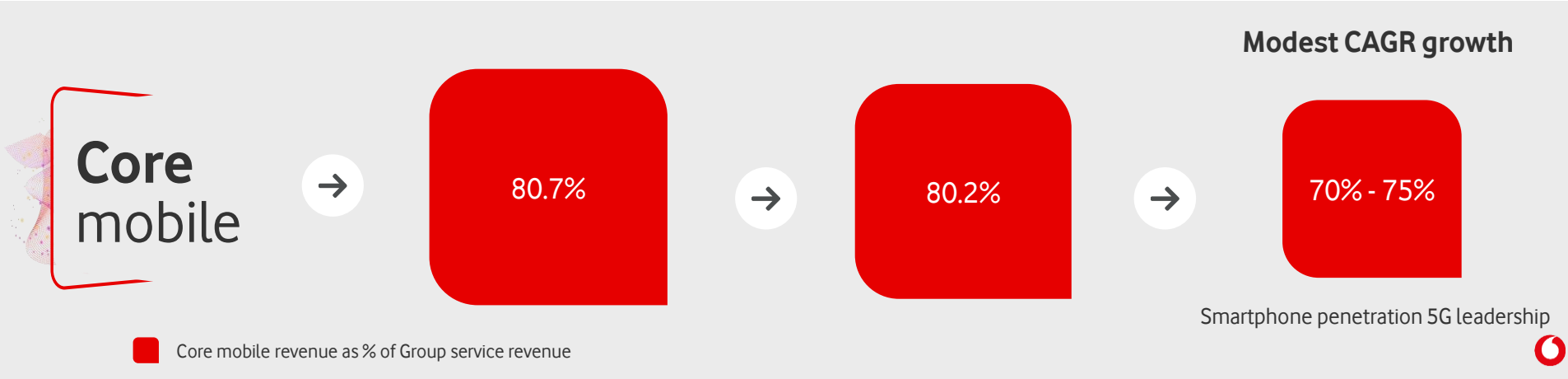
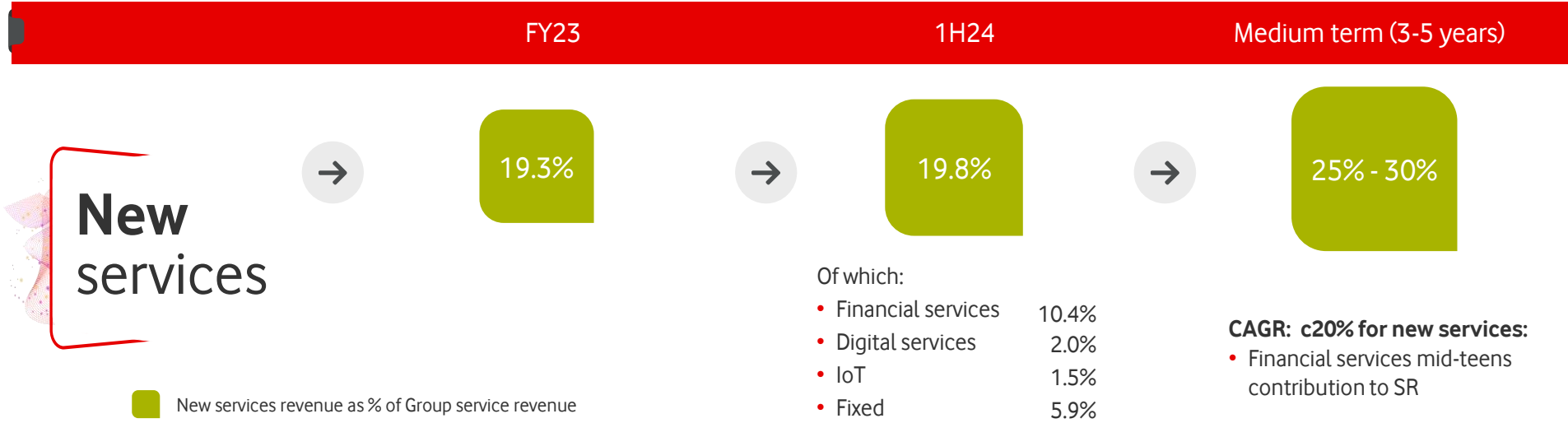
Supportive of EPS growth

### Big data-led smart capex planning





# Outlook | We have a clear ambition to grow new services



# Wrap-up



# Priorities | Enhancing shareholder value as we shift from telco to techco

**Execute on our**  
system of advantage



**Accelerate**  
and diversify returns



**Enhance**  
societal value

## Leadership in fixed and mobile

**Complete** M&A MAZIV  
(South Africa fibre)

**Accelerate** device  
financing, FWA, active days

## Diversify with our digital ecosystem

**Implement**  
one-app  
strategy

**Scale** Tech-for-  
good platforms,  
super-apps

**Simplify**  
customer  
journeys

## Optimised TechCo

**Partner** to power  
growth (rural, fibre)

**Drive** sharing agenda  
across all markets

## Targets

Medium-term:  
- EBITDA growth high-single digit  
- Beyond mobile contribution  
25-30% of service revenue

## Attractive returns

Maintain / improve ROCE

## Disciplined capital allocation

Delever post M&A

## Inclusion for all

increase female representation  
at management levels\*

## Planet

reduce GHG emissions\*

## Digital society

drive financial inclusion\*



\*ESG metrics are included in management long-term incentives





# Appendix



# South Africa | Impact of loadshedding

Variable	Impact
----------	--------

**Data demand**

- Acceleration of data traffic growth from 30% in 1H23 to 42% in 1H24

**Operating costs**

- R300 million additional operating costs in FY23, largely related to diesel
- Some incremental network opex spend in 1H24
- Lap significant increase in loadshedding in 2H24

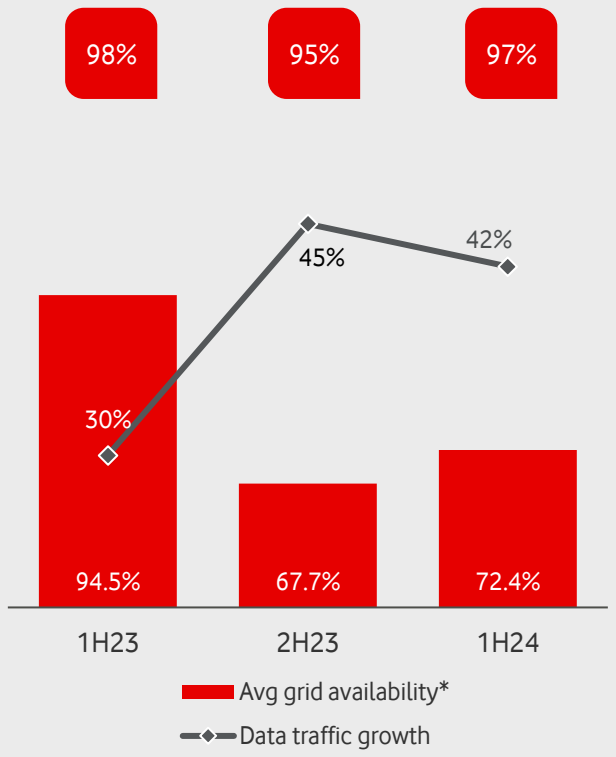
**Capital expenditure**

- Invested R4 billion in capex to address energy resilience from FY20-23
- Peak spending in FY21, with FY23 at R0.7 billion
- Expect to spend around R1 billion FY24 on energy resilience

**Network performance**

- Loadshedding negatively impacts network performance
- Improved R1 (network availability) in 1H24
- Network NPS leadership

## Average network (R1) availability

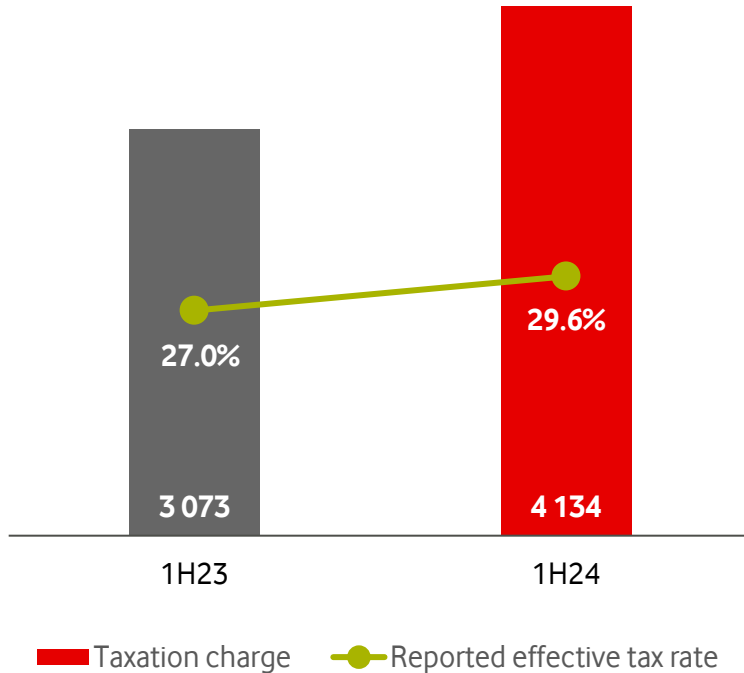


\*Average AC grid availability across the Vodacom South Africa network

# Group tax | ETR impacted by withholding tax on dividends

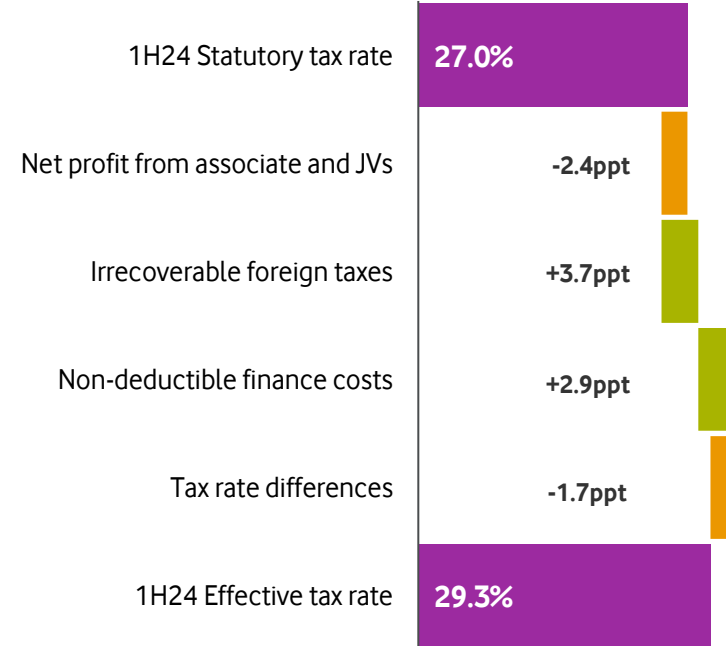
## Group tax charge and effective tax

R million / %



## Reconciliation of SA tax rate to effective tax rate

%



# Impact of exchange rates

YoY% growth	Revenue			Average YTD exchange rates			
	Reported	Normalised*	Pro forma^	1H24	1H23	% changed	
South Africa	5.1	5.1		USD/ZAR	18.65	16.31	14.3
				ZAR/MZN	3.43	3.93	(12.5)
International	16.4	3.6		ZAR/TZS	129.93	143.12	(9.2)
				EUR/ZAR	20.29	16.88	20.2
Group	35.5	4.7	9.0	ZAR/KES	7.55	7.24	4.3
				ZAR/EGP	1.66	1.16	48.2

YoY% growth	Service revenue			EBITDA			
	Reported	Normalised*	Pro-forma^	1H24	Reported	Normalised*	Pro-forma^
South Africa	4.0	4.0		South Africa	1.6	1.5	
International	16.6	4.0		International	14.1	4.3	
Group	42.2	4.1	9.0	Group	35.1	1.8	5.5

^ Pro-forma growth, presented as if the effective date of the Vodafone Egypt acquisition was 1 April 2022 and on a constant currency basis.

\* Normalised growth, which presents performance on a comparable and constant currency basis.





# Country data

								
	South Africa	Tanzania	DRC	Mozambique	Lesotho	Egypt	Safaricom Kenya	Safaricom Ethiopia
Population <sup>‡</sup> (million)	61.3	67.4	102.3	33.9	2.3	112.7	55.1	126.5
GDP per capita <sup>‡</sup> (USD)	6 180	1 230	657	569	992	2 831	2 003	961
GDP growth estimate <sup>‡</sup> (%)	0.6	5.5	6.5	6.5	0.7	3.7	5.2	6.0
Ownership (%)	100	75	51	85	80	55	34.94 <sup>‡</sup>	6.2
Licence expiry period	2041	2031	2028/2032/2038 <sup>μ</sup>	2038	2036	2031	2032/2024/2026 <sup>∞</sup>	2036
Customers (thousand)	47 256	18 502	21 785	11 867	1 531	47 022	44 115	4 125
ARPU (rand/month)	94 <sup>Δ</sup>	43 <sup>Δ</sup>	45 <sup>Δ</sup>	47 <sup>Δ</sup>	57 <sup>Δ</sup>	46 <sup>Δ</sup>	74.6 <sup>β</sup>	-
ARPU (local currency/month)	94 <sup>Δ</sup>	5 557 <sup>Δ</sup>	2.4 <sup>Δ</sup>	163 <sup>Δ</sup>	57 <sup>Δ</sup>	76 <sup>Δ</sup>	563.3 <sup>β</sup>	-

<sup>‡</sup> The Bureau of Economic Research for SA and Fitch Solutions for all other countries (Extraction date: September 2023).

<sup>‡</sup> Vodacom Group Limited owns 87.5% of Vodafone Kenya Ltd, which in turn holds 39.93% of Safaricom Plc, giving Vodacom an effective holding in Safaricom of 34.94%.

<sup>μ</sup> 2028 (2G licence), 2032 (3G licence) and 2038 (4G licence).

<sup>∞</sup> Licence period based on spectrum band rather than technology.

<sup>Δ</sup> Total ARPU is calculated by dividing the average monthly service revenue (including fixed line and other service revenue) by the average monthly customers during the period.

<sup>β</sup> Total ARPU is calculated by dividing the average monthly service revenue (excluding fixed line and other service revenue) by the average active monthly customers during the period.

# Definitions

## Customers

Customers are based on the total number of mobile customers using any service during the last three months. This includes customers paying a monthly fee that entitles them to use the service even if they do not actually use the service and those customers who are active whilst roaming

## Data customers

Data customers are based on the number of unique users generating billable data traffic during the month. Also included are users on integrated tariff plans, or who have access to corporate APNs, and users who have been allocated a revenue generating data bundle during the month. A user is defined as being active if they are paying a contractual monthly fee for this service or have used the service during the reported month

## M-Pesa customers

M-Pesa customers are based on the number of unique users who have generated revenue related to M-Pesa during the last month

## ARPU

Total ARPU is calculated by dividing the sum of the customer and incoming revenue for the period by the average monthly active customers during the period

## EBITDA

Earnings before interest, taxation, depreciation and amortisation, impairment losses, profit/loss on disposal of investments, property, plant and equipment, and intangible assets, profit/loss from associate and joint venture, restructuring cost and BEE income/charge

## Free cash flow

Cash generated from operations less additions to property, plant and equipment and intangible assets, proceeds on disposal of property, plant and equipment and intangible assets, tax paid, net finance charges paid and net dividends received/paid and movements in amounts due to M-Pesa account holders

## South Africa

Vodacom (Pty) Limited, a private limited liability company duly incorporated in accordance with the laws of South Africa and its subsidiaries, joint ventures and SPV's

## International

International comprises the segment information relating to the non-South African-based cellular networks in Tanzania, the Democratic Republic of Congo, Mozambique and Lesotho as well as the operations of Vodacom International Limited (Mauritius) and Vodacom Business Africa Group (Pty) Limited and its subsidiaries

## MOU

Minutes of use per month is calculated by dividing the average monthly minutes (traffic) during the period by the average monthly active customers during the period

## Normalised growth (\*)

Normalised growth, which presents performance on a comparable basis. This adjusts for foreign currency fluctuation on a constant currency basis (using the current period as base) and excludes the impact of merger, acquisition and disposal activities at a constant currency basis where applicable, to show a like-for-like comparison of results

## Operating free cash flow

Cash generated from operations less additions to property, plant and equipment and intangible assets other than licence and spectrum payments and purchases of customer bases, net of proceeds on disposal of property, plant and equipment and intangible assets, other than license and spectrum payments and disposals of customer bases and movements in amounts due to M-Pesa account holders

## HEPS

Headline earnings per share

# Forward-looking statement

This presentation which sets out the interim results for Vodacom Group Limited for the six months ended 30 September 2023 contains 'forward-looking statements', which have not been reviewed or reported on by the Group's auditors, with respect to the Group's financial condition, results of operations and businesses and certain of the Group's plans and objectives. In particular, such forward-looking statements include statements relating to: the Group's future performance; future capital expenditures, acquisitions, divestitures, expenses, revenues, financial conditions, dividend policy, and future prospects; business and management strategies relating to the expansion and growth of the Group; the effects of regulation of the Group's businesses by governments in the countries in which it operates; the Group's expectations as to the launch and roll out dates for products, services or technologies; expectations regarding the operating environment and market conditions; growth in customers and usage; and the rate of dividend growth by the Group.

Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as "will", "anticipates", "aims", "could", "may", "should", "expects", "believes", "intends", "plans" or "targets" (including in their negative form). By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.

These factors include, but are not limited to, the following: changes in economic or political conditions in markets served by operations of the Group; greater than anticipated competitive activity; higher than expected costs or capital expenditures; slower than expected customer growth and reduced customer retention; changes in the spending patterns of new and existing customers; the Group's ability to expand its spectrum position or renew or obtain necessary licences; the Group's ability to achieve cost savings; the Group's ability to execute its strategy in fibre deployment, network expansion, new product and service roll-outs, mobile data, Enterprise and broadband; changes in foreign exchange rates, as well as changes in interest rates; the Group's ability to realise benefits from entering into partnerships or joint ventures and entering into service franchising and brand licensing; unfavourable consequences to the Group of making and integrating acquisitions or disposals; changes to the regulatory framework in which the Group operates; the impact of legal or other proceedings; loss of suppliers or disruption of supply chains; developments in the Group's financial condition, earnings and distributable funds and other factors that the Board takes into account when determining levels of dividends; the Group's ability to satisfy working capital and other requirements; changes in statutory tax rates or profit mix; and/or changes in tax legislation or final resolution of open tax issues.

All subsequent oral or written forward-looking statements attributable to the Group or any member thereof or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statements above and below. Vodacom expressly disclaims any liability in respect of the content of any forward looking statement and also expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein or to reflect any change in their expectations with regard thereto or any change in events, conditions or circumstances on which any such forward-looking statement is based.



# More information

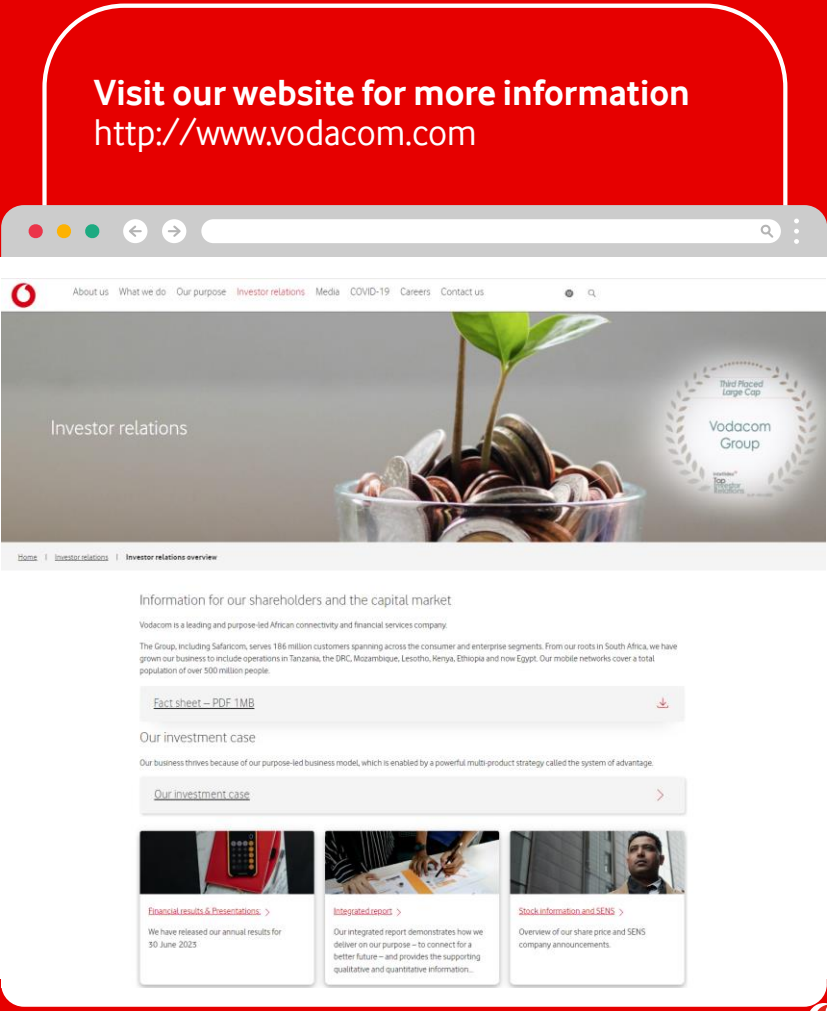
# Upcoming dates

<b>3Q24 results</b>	2 February 2024
<b>FY24 results</b>	13 May 2024
<b>AGM</b>	TBC
<b>1Q25 results</b>	24 July 2024

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