

Annual results

For the year ended 31 March 2023



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

Gender equality

Code like a girl

>4 000 girls across our markets trained on coding in FY23

Education ecosystem

e-School South Africa

>1.4m registered e-school users
15 early childhood dev centres
13 schools of excellence
>3 000 schools connected

Platforms for good

m-mama

>15 000 maternal and neonatal emergencies resulting in an estimated 300 lives saved

Energy mix

Solar energy

Midrand campus fitted with solar panels which will generate >10.8 GWh of clean energy

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



Strategy in action | We are accelerating our system of advantage

The six capitals



Inputs



Strategic ambitions



Strategic outcomes:

Social and relationship

- Our **Social contract**
- 186 million **customers**

Manufactured

- **R16.5bn** in capital expenditure
- **>40,000** network sites

Intellectual

- **Spectrum** in SA, Tanz, Moz
- Investment in **Big Data**

Human

- **R553m** invested in skills
- **>800** IT skills insourced in Egypt

Financial

- Market cap **R254 billion**
- Shares issued, debt raised

Natural

- Investing & innovating in **solar**
- Consumed 1 194GWh of energy

Africa's leading

communications company

Diversify and differentiate

with our digital ecosystem

Optimised,

future-ready, TechCo

- Medium-term targets **upgraded**

- 2H EBITDA growth **accelerated**

- Africa's **leading fintech** player

- **Digitising** energy, agri & health

- **16% reduction** in GHG emissions (scope 1&2)

- **Top** employer in Africa



Strategy in action | Vodafone Egypt investor day, a best-in-class asset

Leadership position across key KPIs



Staying #1

#1

Telecom operator

Largest spectrum portfolio & number of Sites
82.5MHz & 10.8k sites

#1

Brand
+13 points gap on non-user consideration

37.6%

Total revenue market share

44%

Mobile revenue market share

85%

Mobile Money Revenue share

63%

Business account market share

21%

Revenue growth (FY23)

44%

EBITDA margin (FY23 normalised)

Best place to work

Egypt, with Software factory capabilities

Technology



Consumer Leadership



Business Leadership



Financial Services



People



Ambition: drive sustainable double-digit growth at an attractive ROCE

Financial services presents massive opportunity



A clear roadmap to maximise potential

\$ 300bn informal market in Egypt = massive addressable market

72%

Unbanked population



60%

Of the Economy is informal



79%

Smartphone Penetration



77%

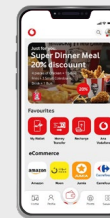
Never made a Digital Payment



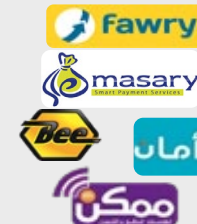
Products



Platform



Distribution



Ambition: building out an ecosystem with a proven track record to capture a massive addressable market



Strategy in action | Safaricom investor day, showcasing key growth vectors

Ethiopia

119m

population,

of which **35%**
financially Included

57%

Mobile Penetration

10k

Large
Enterprises

Demographic
opportunity

63m

(+18yrs)

78%

Rural

\$4.2bn

Annual inward
remittance

240k

Small & Micro
Enterprises

M-Pesa Kenya

Electronic payments

1 **ARPU growth** and expansion to new customer demographics (e.g. Mpesa Go)

2 Accelerated active **merchant acquisition**

Financial services

3 **New credit offerings** (e.g. BNPL)

4 Financial services **product marketplace** (e.g micro-wealth management)

New opportunities

5 **Digitising government** & strategic partnerships

Enterprise Kenya

Strong position in the market

14% contribution to Safaricom service revenue

24% revenue CAGR over the last three years

46% market share in fixed data, #1 in the market

Secular growth opportunities

Fibre penetration with only **8%** of Kenya homes & businesses **connected**

Cloud & security market size expected to double over the next five years

IoT opportunity, leveraging Group centres of excellence

Key focus areas:
awareness, accessibility & affordability



Strategy in action | Partnering to power our growth

FY23 achievements

#1
in **Network NPS** all our markets

#1
in **Gartner IT4C (SA & EG)**

Achieved targeted
Cyber Security baseline
across markets

Reached
>10 000 big data attributes
per customer

Africa service operations centre (**ASOC**)
rolled out to **6 markets**

Looking ahead

Efficiency through infrastructure sharing



TowerCo
established in SA



CIVH &
International FibreCo



Rural BTS via
ring-fenced SPV



Non-terrestrial
networks

Shared platforms



ASOC covering IT,
FS Network, VB, TowerCo



Big data OpCo
Adoption



One-app
strategy



FinTech platform
evolution



Cyber security
and privacy

Fit for Future



Energy resilience
& sustainability



One Africa team
enabled by ATOM



Spirit of innovation
through Hackathon



Technical
career path



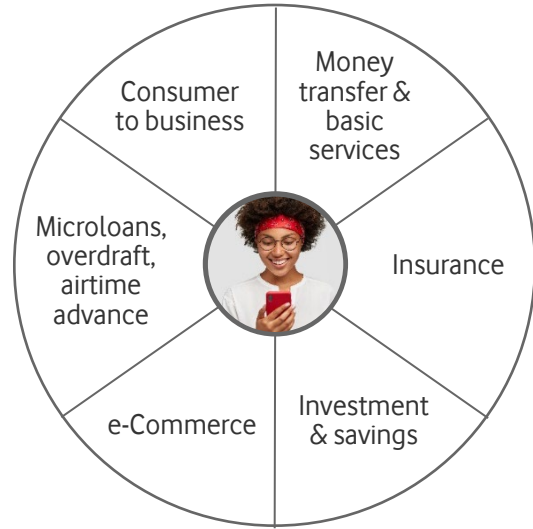
Strategy in action | Scaling our dual-sided financial services ecosystem

Consumer proposition

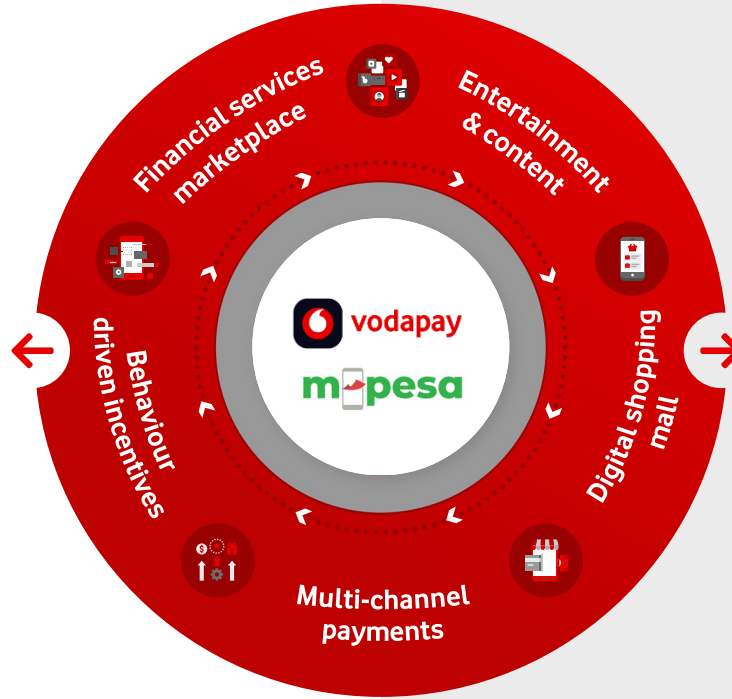
Lifestyle super-app

Merchant proposition

Trusted platform and brand,
personalised offers, access to affordable financial services






powered by Alipay



Large footprint, low set-up costs,
personal targeting, low customer acquisition costs



Financial services | Scaling our dual-sided financial services ecosystem

	Merchant services	Super-app	Financial services	+ growth drivers
	<p>Active merchants</p> <p>803k up</p> <p>46%</p>	<p>30 day M-Pesa app users</p> <p>>4m with</p> <p>69 mini-apps launched in Kenya</p>	<p>Launched across all markets</p> <p>In Tanzania, 30% of M-Pesa customers use a financial services product (e.g. lending)</p>	<p>MPA roadmap</p> <p>mini-app acceleration, youth accounts & scaling insurance</p>
<p>Vodafone Cash</p> 	<p>Merchant payments +70% yoy</p>	<p>#1 mobile wallet</p> <p>12m monthly Ana Vodafone app users</p>	<p>Roadmap</p> <p>to launch full suite of services</p>	<p>Super-app</p> <p>Mini-app launch</p>
<p>Vodacom financial services (SA)</p> 	<p>R4bn of acquiring turnover</p>	<p>App downloads 5.7m</p> <p>With >100 mini-apps</p>	<p>Insurance policies</p> <p>2.6m up 6.8%</p>	<p>Cash-in/out</p> <p>Remittances Wealth management</p>

1. M-Pesa includes Safaricom on a 100% basis



Results highlights | Reflects growth of new services and Vodafone Egypt

	Revenue	Service revenue	EBITDA	Capital expenditure
	R119.2 billion	R93.7 billion	R45.1 billion	R16.5 billion

Growth	Reported	16.0%	17.2%	13.2%	12.6%
	Ex Vodafone Egypt^	8.0%	7.2%	6.0%	4.3%
	Normalised*	4.9%	3.5%	3.6%	



Customers¹
7.8% growth



Financial services customers¹
transacting US\$1bn a day



HEPS, impacted by
start-up losses in Ethiopia



DPS
New simplified policy

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

^Group excluding Vodafone Egypt, which was consolidated from 8 December 2022

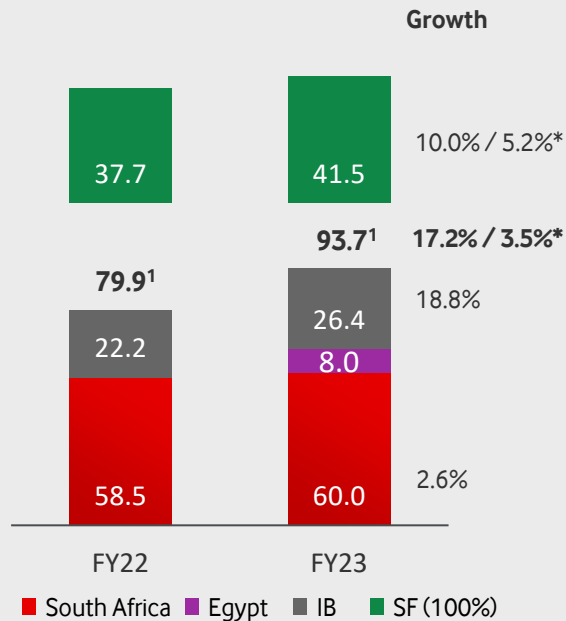
* Normalised growth presents performance on a comparable basis. This adjusts for trading foreign exchange, foreign currency fluctuation on a constant currency basis (using the current period as base) to show a like-for-like comparison of results



Geographic lens | Growth profile enhanced by Vodafone Egypt

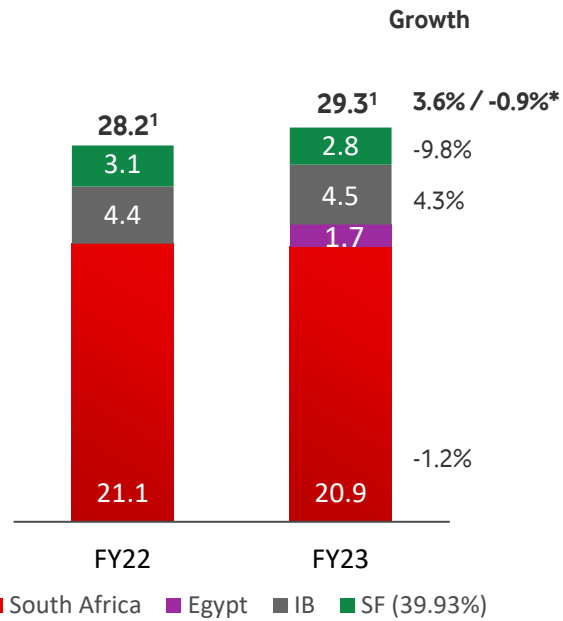
Group service revenue

R billion



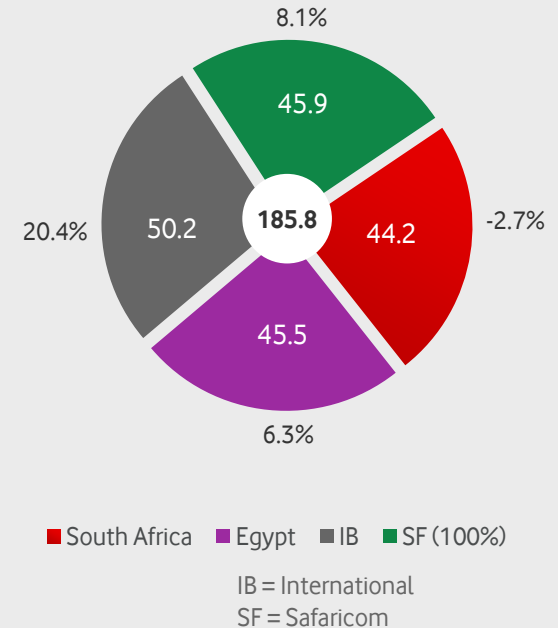
Group operating profit

R billion



Group customers

Millions / growth



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

*Group excluding Vodafone Egypt, which was consolidated from 8 December 2022

* 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



Product lens | We are diversifying into new revenue streams beyond mobile

South Africa

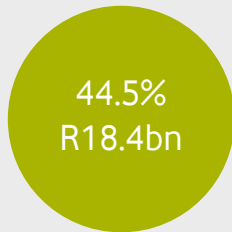
Egypt
(from 8 Dec 2022)

International

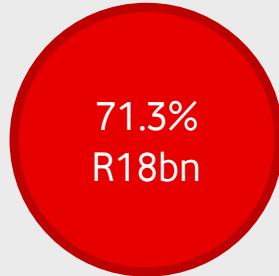
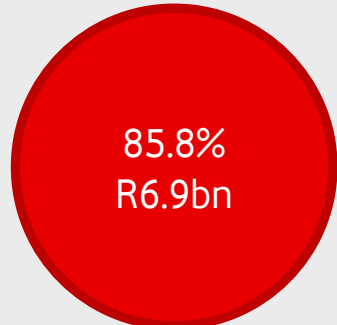
Safaricom

New services

- Financial services
- Digital services
- IoT
- Fixed



Core mobile



● New services revenue as % of Group service revenue ● Core mobile revenue as % of Group service revenue



Financial services | Africa's leading fintech platform

100% basis (including Safaricom)

Contribution to International M-Pesa growth

71 million

\$364.8 billion

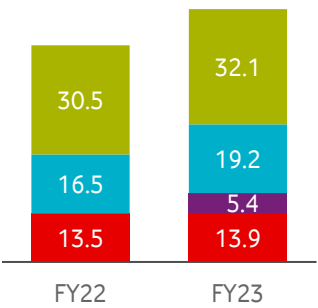
Strong underlying growth

Financial services customers

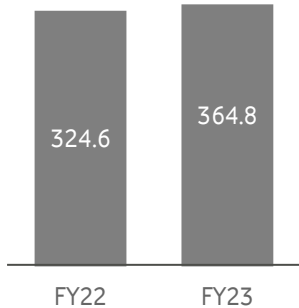
M-Pesa transaction value

in financial services revenue

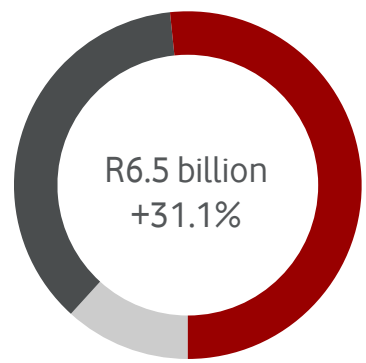
SA, Egypt, IB M-Pesa, SF M-Pesa



M-Pesa (IB + SF)



SF M-Pesa, IB M-Pesa, Egypt, SA



P2P, Withdrawals, New growth drivers

New growth drivers:

- Business payments (C2B, B2B, B2C)
- Global payments (IMT)
- Financial services (loans, savings)

million	US\$ billion	R billion
38% penetration	12.4% growth	VOD 14.3%* growth SF 8.8%* growth

* 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. SA = South Africa; IB = International; SF = Safaricom



South Africa highlights | **Clear EBITDA improvement in second half**

Key indicator	FY23	Reported % change	Key milestones
Revenue (Rm)	84 715	4.8	Resilient service revenue <ul style="list-style-type: none"> • Mobile contract revenue 2.8% • Mobile prepaid revenue 3.1% • Financial services revenue 10.8% • 4Q prepaid acceleration supported by prepaid data revenue of 17.4% Key growth drivers <ul style="list-style-type: none"> • Insurance policies up 6.8% • Smart devices up 11.1% to 29.3 million • Consumer contract customers up 4.0% Profitability <ul style="list-style-type: none"> • EBITDA up 5.8% in second half
Service revenue (Rm)	60 038	2.6	
Vodacom Business service revenue (Rm)	17 409	(1.7)	
New services (Rm) (financial & digital services, fixed and IoT)	9 194	9.7	
EBITDA (Rm)	32 569	2.6	
Data customers ('000)	25 519	8.7	



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

Key indicator	FY23	FY23	Pro-forma	Key milestones
	Consolidated (Rm)	Pro-forma (EGPm)^	% change^	
	from 8 th Dec 2022 (c 4 months)	Full year	Full year	
Service revenue	7 976	39 073	21.7	<p>Data growth supported by pricing environment</p> <ul style="list-style-type: none"> Usage growth 44.0% in 4Q Smartphone devices up 37.5% <p>Vodafone Cash positioned to capture massive addressable market</p> <ul style="list-style-type: none"> 5.0% of service revenue in 4Q Ant+ mini-apps roll-out in FY24 EGP0.7bn of transaction value
VF cash revenue	398	1 606	123.1	
EBITDA	2 859	16 020	9.4	
EBITDA (normalised)*	3 477	17 652	19.4	
Customers ('000)	45 493		6.3	
VF Cash customers ('000)	5 398		54.5	

^ Vodafone Egypt consolidated from 8 December 2022. Pro-forma information for FY23 is for information purposes only

* 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



International highlights | Growth underpinned by data and M-Pesa

Key indicator	FY23	Reported % change	Normalised* % change	Key milestones
Service revenue (Rm)	26 395	18.8	5.3	Strong data growth <ul style="list-style-type: none"> Usage growth 33.1% Smartphone growth 16.3%
Data revenue (Rm)	6 109	33.2	18.2	
M-Pesa revenue (Rm)	6 504	31.1	15.9	M-Pesa delivers strong growth <ul style="list-style-type: none"> Reduction in levies in Tanzania Three-fold increase in merchants M-Pesa app live across all markets, mini-app roll-out ongoing
EBITDA (Rm)	10 145	19.3	6.6	
Customers ('000)	50 228		20.4	
M-Pesa customers ('000)	19 229		16.4	

* 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 growth supported by M-Pesa and fixed

Key indicator ¹	FY23 (KES'bn)	KES % change	FY23 (R'bn)	R % change	Key milestones
Service revenue	295 692	5.2	41 482	10.0	M-Pesa <ul style="list-style-type: none"> Contribution increased to 39.6% of service revenue from 38.3% in PY 4Q growth accelerated back into double-digit
Data revenue	53 952	11.4	7 577	17.1	
M-Pesa revenue	117 192	8.8	16 449	13.8	Strong FTTx growth <ul style="list-style-type: none"> Fixed revenue growth of 20.1% FTTH customers grew 17.9% 466k homes passed, up 27.6%
EBITDA	139 862	(6.2)	19 816	(0.9)	
EBITDA (Kenya only)	160 352	4.0			Guidance <ul style="list-style-type: none"> Growth for Core/Kenya Peak EBIT losses for Ethiopia
M-Pesa customers ('000)	32 105	5.2			

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	FY23	FY22	Reported % change	Ex Vodafone Egypt^ % change	Normalised* % change
Revenue	119 170	102 736	16.0	8.0	4.9
Service revenue	93 650	79 936	17.2	7.2	3.5
EBITDA	45 144	39 888	13.2	6.0	3.6
Depreciation and amortisation	(17 968)	(14 657)	22.6		
Net profit from associates and joint ventures	2 607	3 056	(14.7)		11.4
Operating profit	29 252	28 236	3.6	(2.5)	(0.9)
Net finance charges	(4 248)	(3 673)	15.7		
Profit before tax	25 008	24 563	1.8		
Taxation	(6 897)	(6 829)	1.0		
Net profit	18 111	17 734	2.1		
HEPS (cents)	948	1 013	(6.4)		

^Group excluding Vodafone Egypt, which was consolidated from 8 December 2022

* 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



Service revenue | Growth supported by Vodafone Egypt & FX

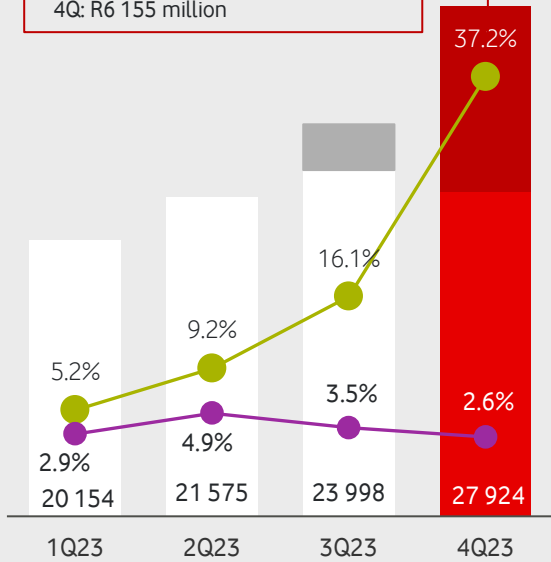
Group

R million / %

Vodafone Egypt contribution:

3Q: R1 821 million

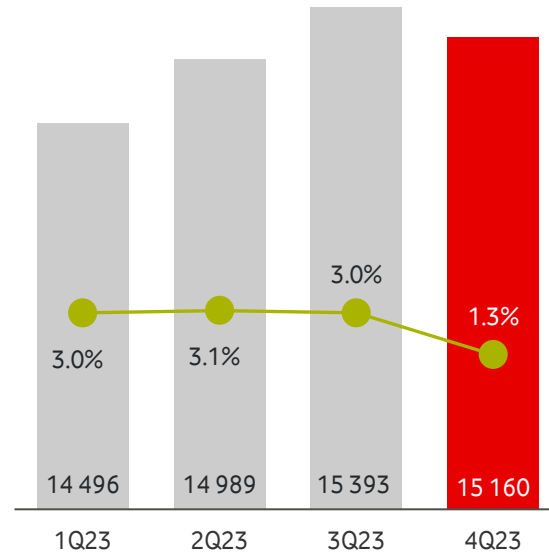
4Q: R6 155 million



- Service revenue
- Reported YoY % growth
- Normalised* YoY % growth

South Africa

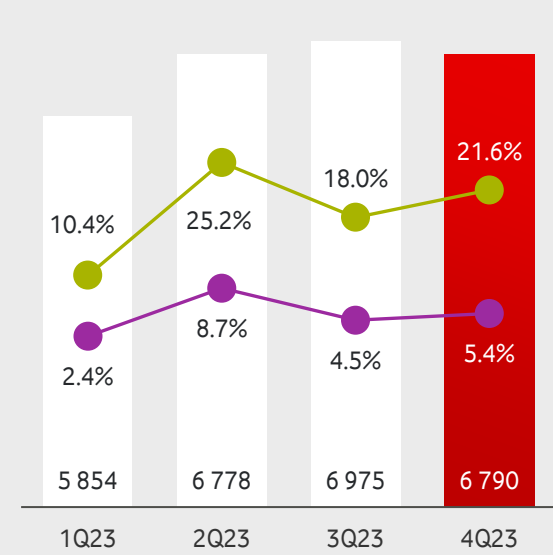
R million / %



- Service revenue
- Reported YoY % growth

International

R million / %



- Service revenue
- Reported YoY % growth
- Normalised* YoY % 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



South Africa | Impact of loadshedding

Variable Impact

Data demand

- Acceleration of data traffic growth from 30% in FY1Q to 45% in FY4Q
- Incrementally challenging to meet demand as loadshedding stages increase

Operating costs

- R300 million additional operating costs from FY22 to FY23, largely related to diesel.
- Savings achieved on diesel via bulk purchasing
- Costs increase with load-shedding stages

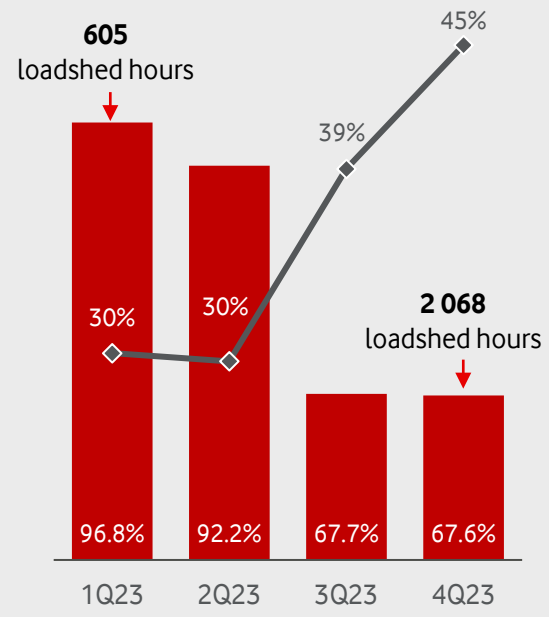
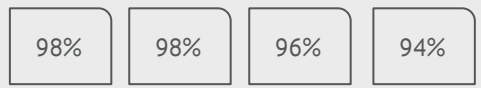
Capital expenditure

- Invested R4 billion in capex to address energy resilience from FY20-23
- Peak spending in FY21, with FY23 at R0.7 billion

Network performance

- Loadshedding negatively impacts network performance, measured as 'R1' availability
- Maintained monthly average R1 of >94% throughout FY23, network NPS leadership
- Requires data-led smart capex decisions
- Accelerates renewable energy plans, including virtual wheeling agreement with Eskom

Average network (R1) availability



- Avg grid availability*
- ◆— Data traffic growth

*Average AC grid availability across the Vodacom South Africa network

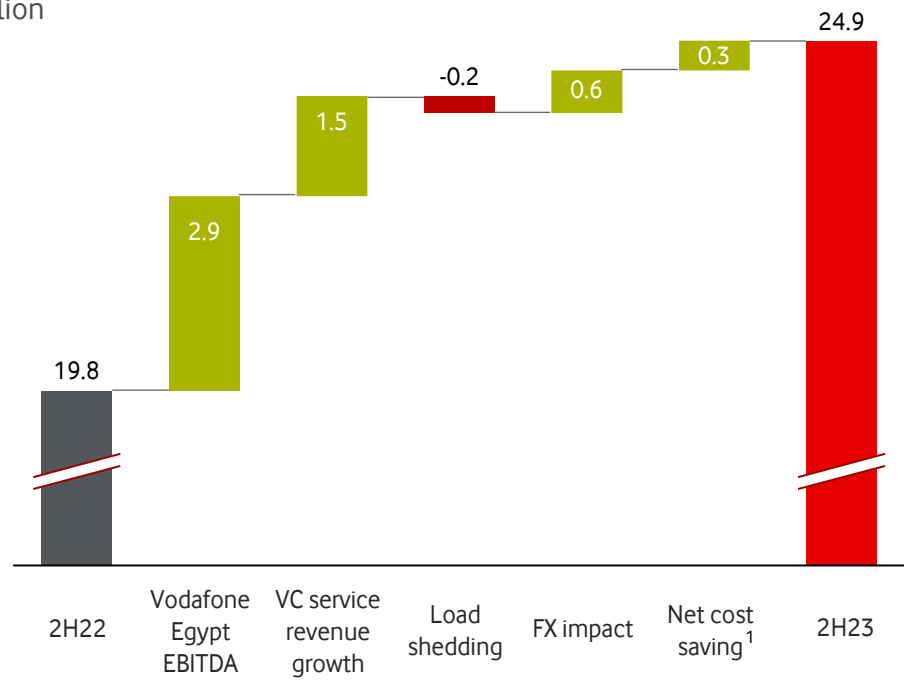
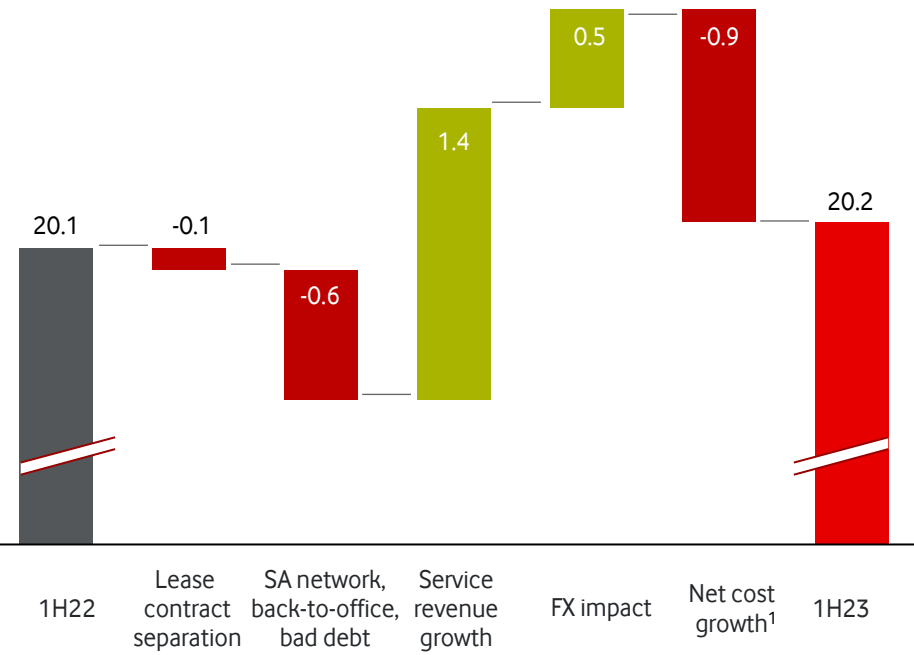


Group EBITDA | Significant improvement in second half growth

Group EBITDA 1H22 vs 1H23

Group EBITDA: 2H22 vs 2H23

R billion



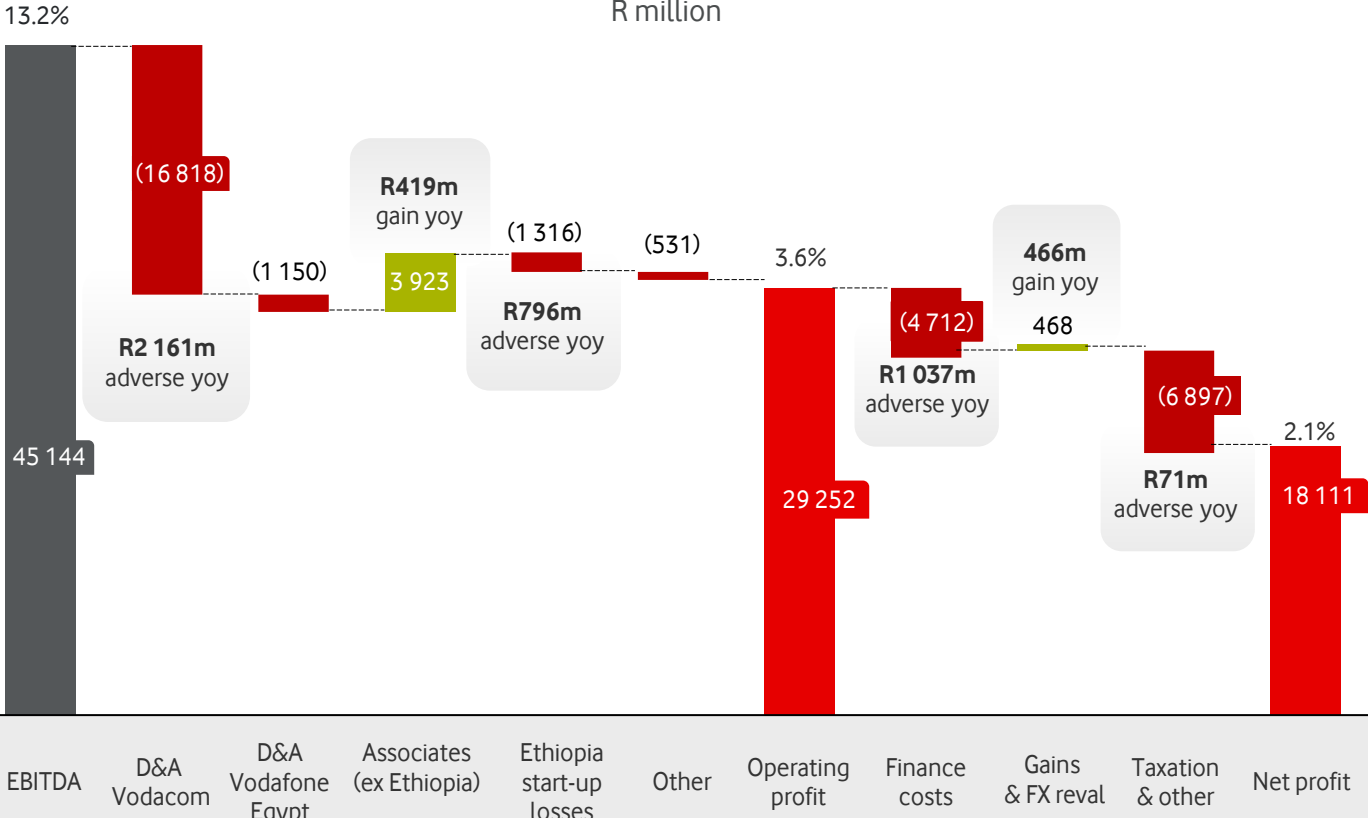
40.3% EBITDA margin | 37.6% EBITDA margin | 37.5% EBITDA margin | 37.9% EBITDA margin

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 bridge



Net profit reconciliation, YoY

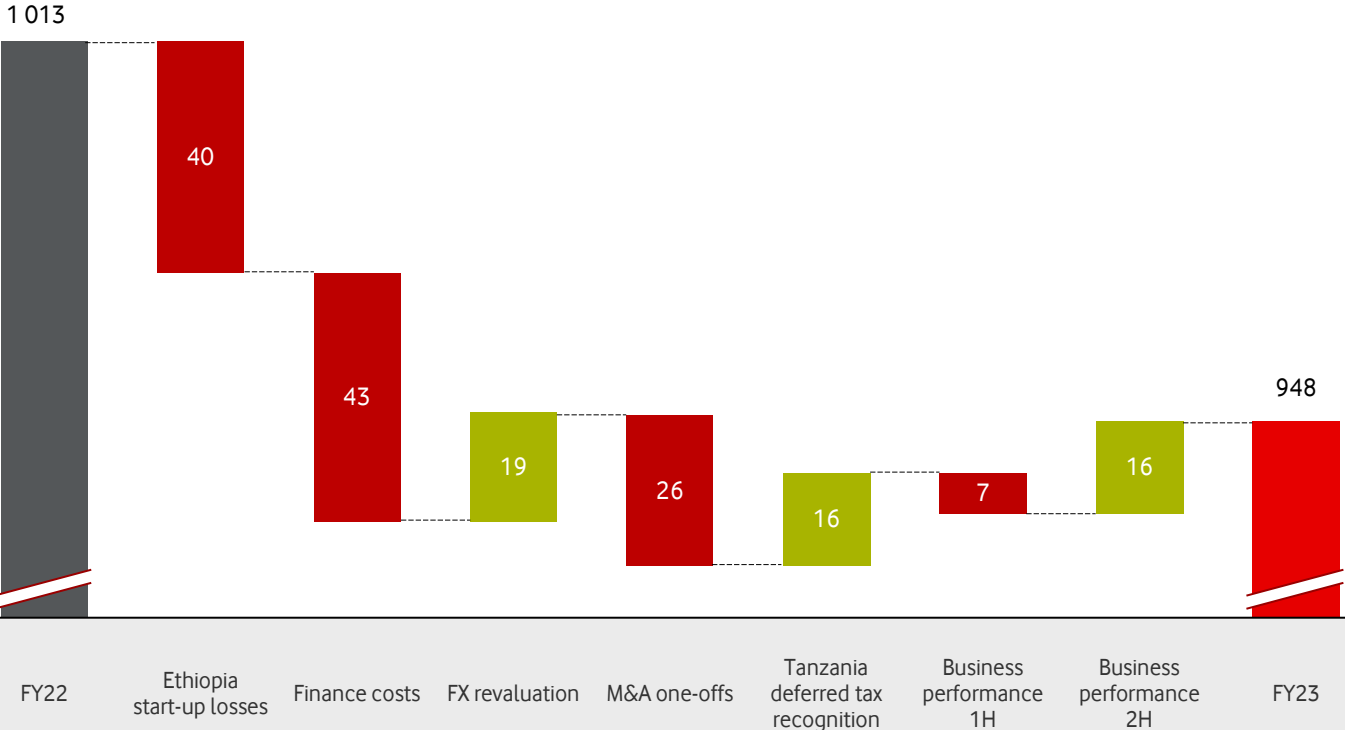
Category	Value (R million)
FY22	17 734
EBITDA	5 256
D&A Vodacom	(2 161)
D&A Vodafone Egypt	(1 150)
Associates ex Ethiopia	419
Ethiopia losses	(796)
Finance costs	(1 037)
FX reval	466
Taxation	(71)
Other (incl M&A costs)	(549)
FY23	18 111



HEPS | Underlying performance improved

Headline earnings per share

cents



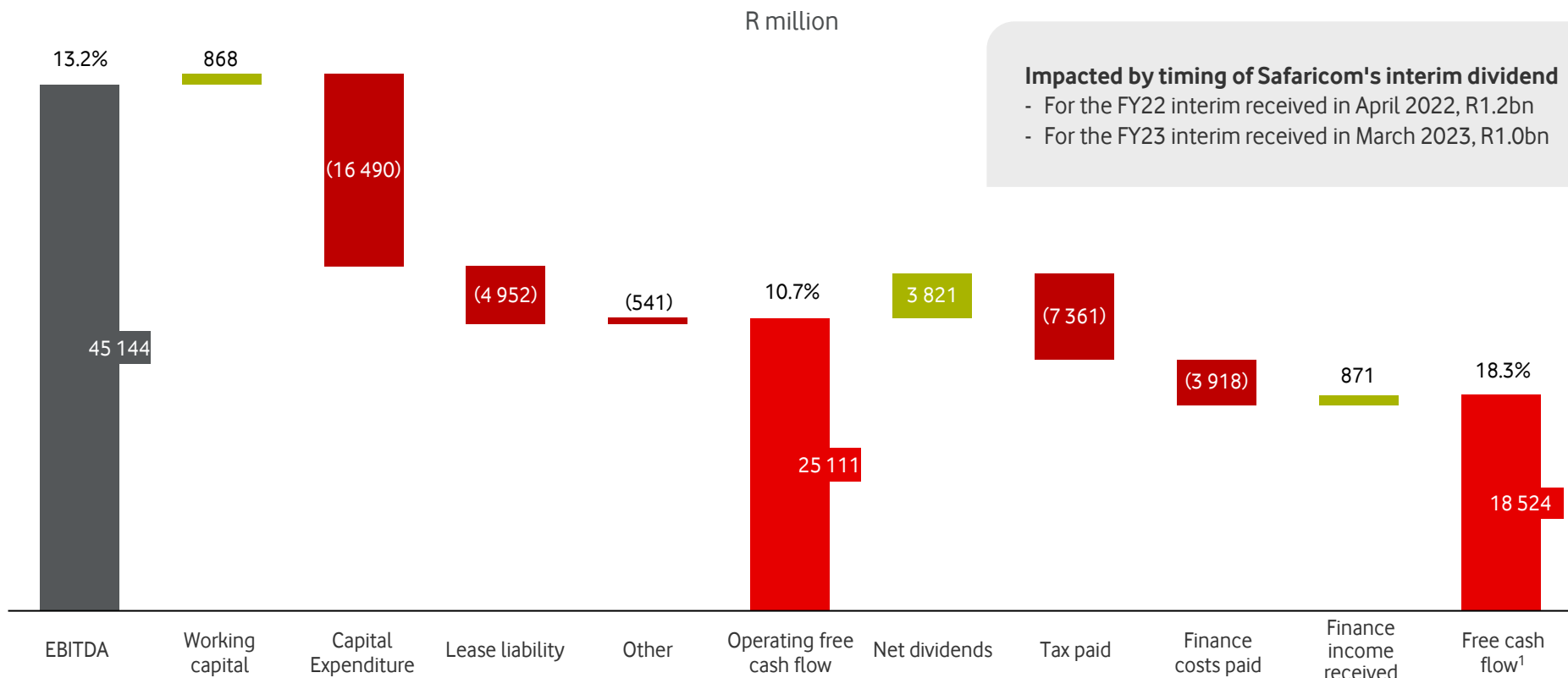
Factors impacting growth (after tax and non-controlling interests)

- Higher start-up losses in Ethiopia of R714 million
- Higher finance costs of R757 million
- FX gain of R340 million
- Deferred tax asset recognised in Tanzania on improved outlook
- Net income contribution of Vodafone Egypt offset by new shares issued

Improved business performance in second half

Cash flow | Strong growth, impacted by timing of Safaricom dividend

Group free cash flow

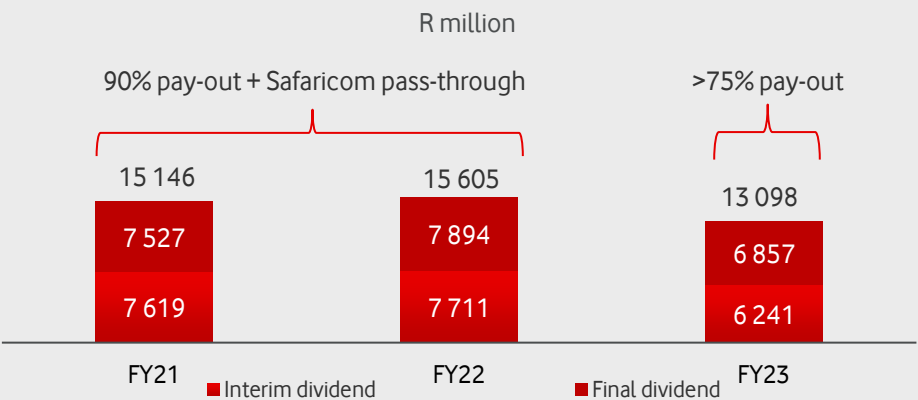


1. Free cash flow excludes spectrum costs, but includes Vodafone Egypt from 8 December 2022



Shareholder returns | One of the JSE's highest payout ratios

Total dividend declared



New simplified policy implemented

Old policy

Since FY13, we have maintained dividend policy of paying at least 90% of headline earnings, excluding the contribution of Safaricom. In addition, the Safaricom dividend was passed through

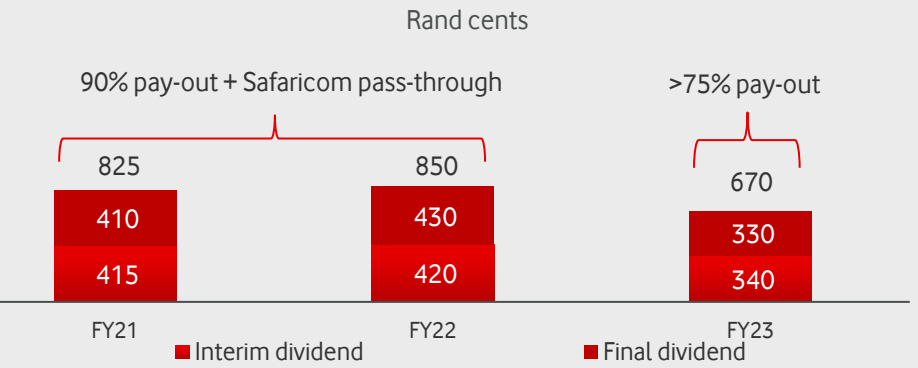
New policy

At least 75% of Group headline earnings per share

Final dividend per share @ 75% payout **330cps**

Total dividend per share for FY23 **670cps**

Total dividend per share declared

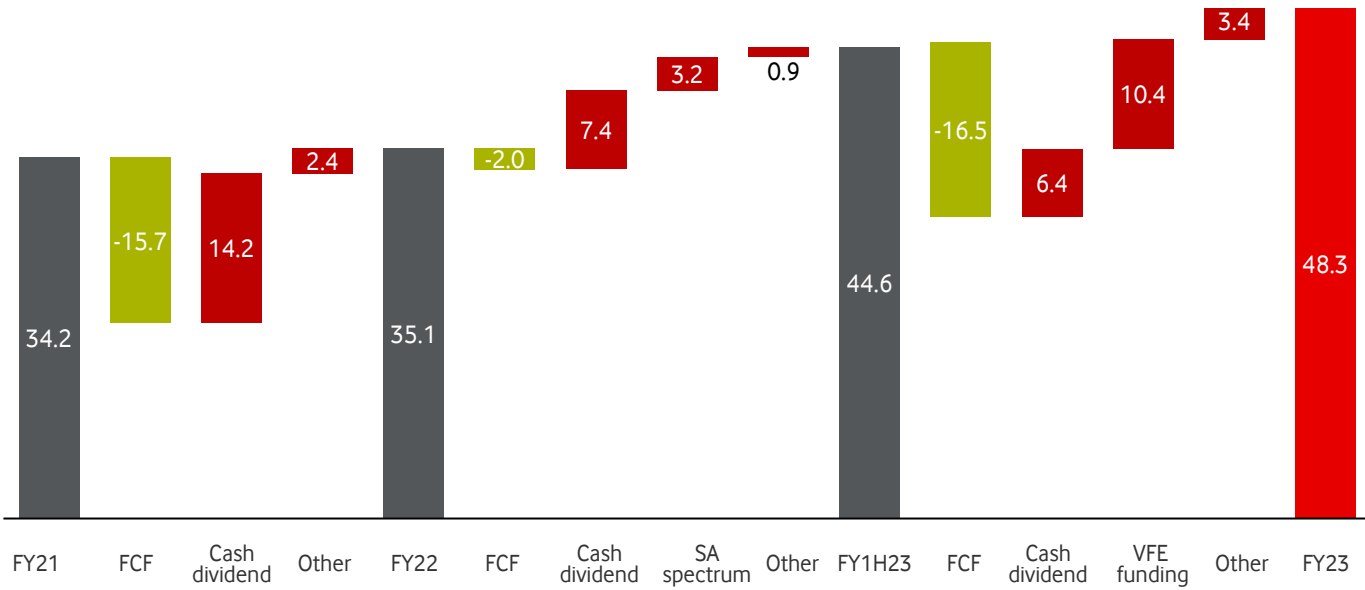


Net debt | Strong free cash supports FY leverage

Group net debt

FY24 outlook

R billion



Net debt to EBITDA:	0.9x	1.1x	1.1x
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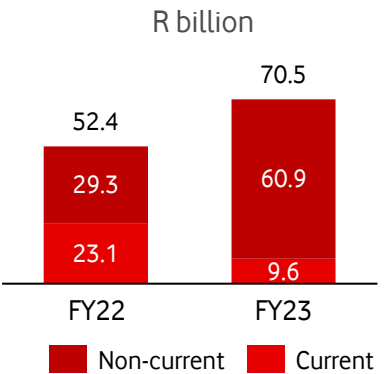
- **Spectrum payments:**
 - VSA R2.2 billion
 - TZ R0.6 billion
- **South Africa fibre M&A in MAZIV:**
 - Modest additional leverage

1. On a pro-forma basis, with Vodafone Egypt included for the full financial year, net debt to EBITDA was 0.8x.

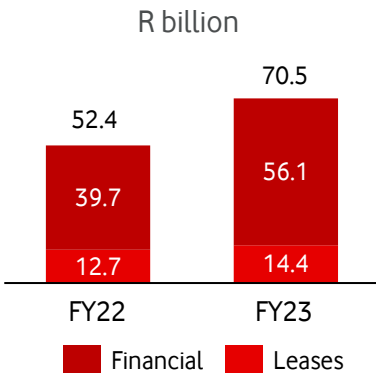


Capital structure | Debt lens post Vodafone Egypt transaction

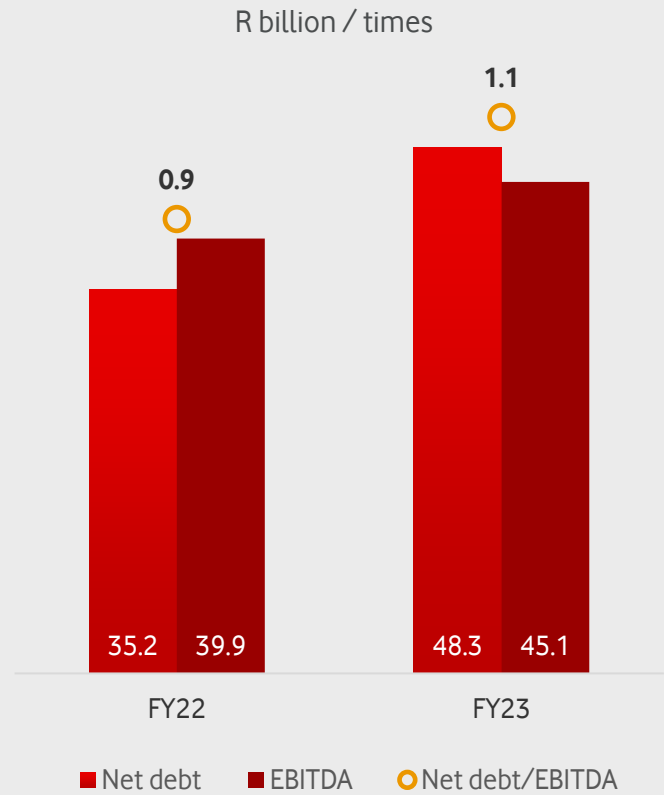
Maturity profile



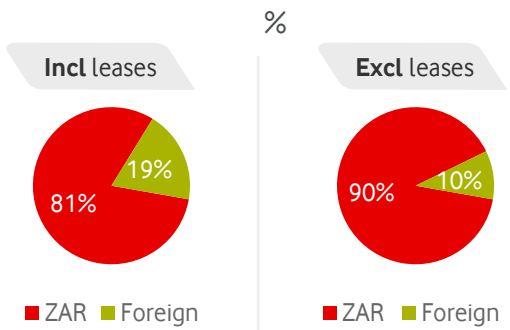
Debt type



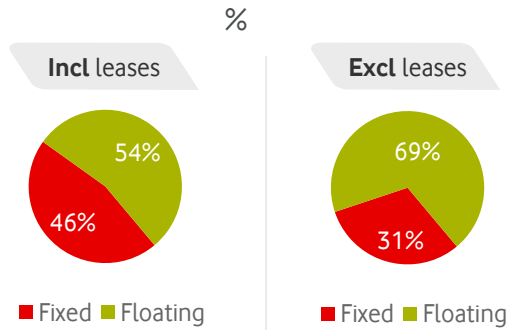
Net debt/EBITDA



Currency mix



Debt mix



Targets | Medium-term targets upgraded

Targets

Group service revenue growth

from mid-single digit to mid-to-high-single digit

Group EBITDA growth

from mid-to-high-single digit to high-single digit

Group capital intensity ratio

13.0% to 14.5% of Group revenue

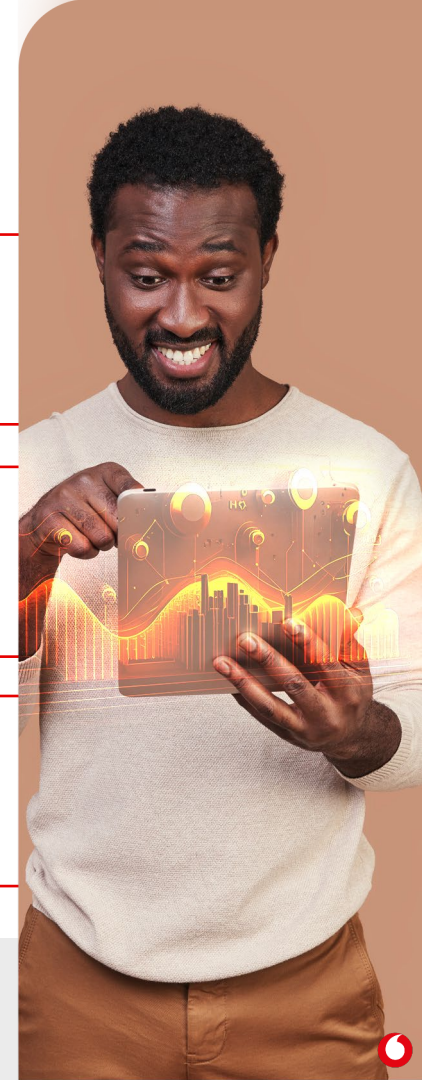
Considerations

The macro-outlook remains uncertain, with the base case evolving to lower growth for longer

Our strategy is resilient, but we have also sharpened focus on our data-led personalised pricing and accelerated cost containment initiatives across the Group

FY24 Group EBITDA growth consistent with medium term target

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

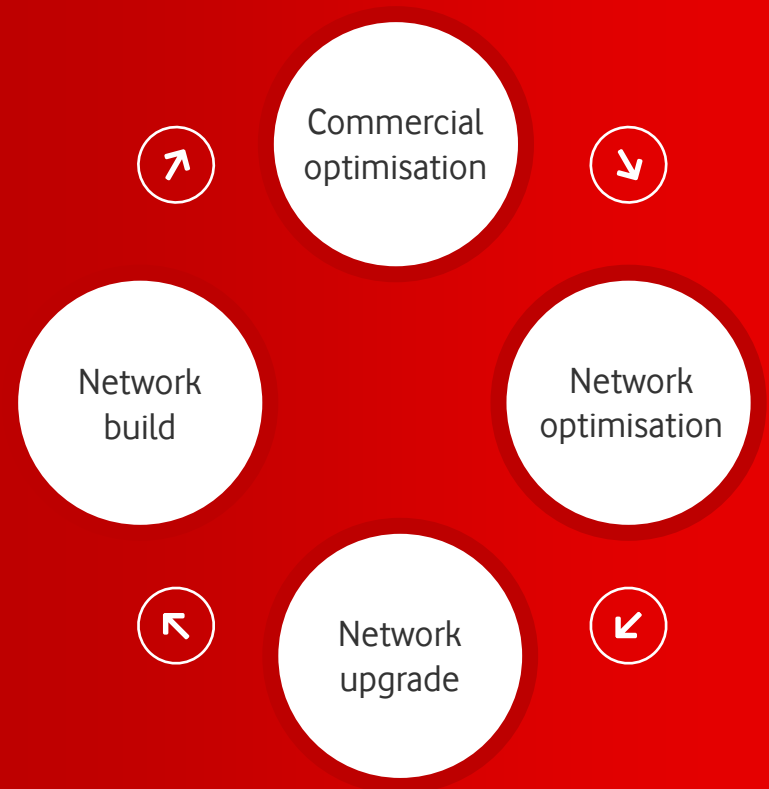
Dividend pay-out of at least 75% of dividends

One of the highest payout's 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

New services



FY22

17.9%



FY23

19.3%



Medium term (3-5 years)

25% - 30%

Of which:

- Financial services 10.5%
- Digital services 2.0%
- IoT 1.6%
- Fixed 5.2%

CAGR: c20% for new services:
- Financial services mid teens contribution to SR

Core mobile



82.1%



80.7%



Modest CAGR growth

70% - 75%

Smartphone penetration
5G leadership



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

Upgraded targets

Medium-term
service revenue &
EBITDA acceleration

Inclusion for all

increase female
representation
at management levels*

Diversify with our digital ecosystem

Launch
M-Pesa in
Ethiopia, one-app
strategy

Scale
Tech-for-good
platforms,
super-apps

Simplify
customer
journeys

Attractive returns

Maintain/
improve ROCE

Planet

reduce GHG
emissions*

Optimised TechCo

Partner
to power growth
(rural, fibre)

Drive sharing
agenda across
all markets

Disciplined capital allocation

Delever post M&A

Digital society

drive financial
inclusion*



*ESG metrics are included in management long-term incentives

