

# Vodacom Group Interim results



For the six months ended  
30 September 2021

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# Purpose

We connect for a better future



## Digital society

- Affordable internet for all
- Digital solutions that transform lives
- Financial inclusion



## Inclusion for all

- Diversity (incl women)
- Education ecosystem (incl youth)
- SMEs



## Planet

- Energy mix, water, waste
- Biodiversity

ConnectU

Roll out  
to IB markets in FY22

Food &  
connectivity

Disaster Relief Fund  
DRC, CPT and KZN

Vaccination  
support

mVacciNation  
& R87 million in  
financial support

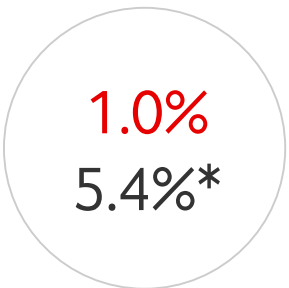
+140k

Connect Farmers  
Tanzania

# Highlights | Results reflect growth of new services



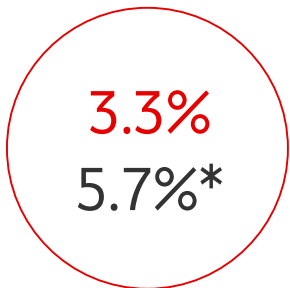
**Revenue**  
R49.9 billion



**Service revenue**  
R38.9 billion



**Capex intensity**  
13.9%



**EBITDA**  
R20.1 billion



**Customers<sup>1</sup>**  
8.6% growth



**Financial services customers<sup>1</sup>**  
4.4% growth



**HEPS**  
505cps



**DPS**  
1.2% growth

1. Including Safaricom at 100%.  
\* 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.  
# Excluding the impact of net remeasurement gains on foreign exchange and one-offs related to a prior year deferred tax gain of R705 million and loyalty programme provision release of R102 million (R142 million before tax)

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

**1** Footprint finalised

**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** Purpose-led brand and reputation

Our multi-product strategy, called the **System of Advantage**, delivers diversified, differentiated offerings to our customers

# Strategy in action | Accelerating our System of Advantage

## Strategic objective:


Secure leadership in fixed and mobile

Diversify and differentiate with our digital ecosystem


Optimised, future-ready TechCo

## Acceleration:


 Market leader in **Egypt, Ethiopia** licence

 South Africa **fibre scale**

 **VodaPay super-app** launch

 **IoT across** smart medicine, agriculture and buildings

 **TowerCo** separation in South Africa initiated

 **Shared** cost, open-access fibre deployment



**>500m**  
**Population**  
supporting scalable partnerships



**51%**  
**Smartphone**  
penetration proving structural data opportunity



**60m<sup>1</sup>**  
**Financial Services**  
customers, extending our leading fintech position



**37 000<sup>1</sup>**  
**Network sites**  
and one of Africa's largest tower owners

## Strategic outcomes:



- Accelerating our System of Advantage
- Medium-term operating profit growth potential enhanced to double digit
- ROCE outlook improved
- Attractive dividend payout

1. Including Safaricom at 100%.



# M&A in context | Accelerating our System of Advantage

## Vodafone Egypt

- Market leader, with attractive asset portfolio (eg towers, spectrum)
- Super-app opportunity to unlock financial and digital services
- Skills and IT powerhouse
- Acceleration of IoT and Enterprise propositions

## South Africa fibre

- Market leading open-access FTTx assets
- Enhance our home & business connectivity offering
- Gigabit transmission & backhaul
- Close South Africa's digital divide



### Vodacom Business System of Advantage

Trust is everything

- Mobile & fixed
- Wholesale
- Gigabit infrastructure
- SME Champion



- Internet of Things
- Financial services



### Consumer System of Advantage

Further together, growing with our customers

- Future of Home
- Data



- Digital Everything personalised



- Financial Services
- Payments



Enablers



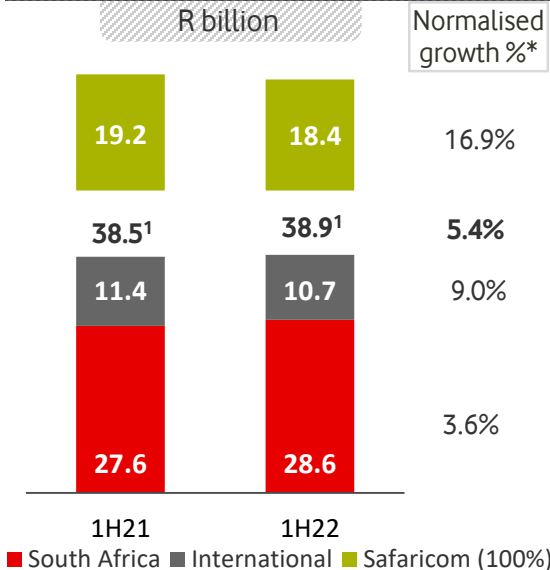
Loyalty 'Vodabucks' programme – behavioural rewards across all platforms

Big Data Analytics and 360° view of the customer

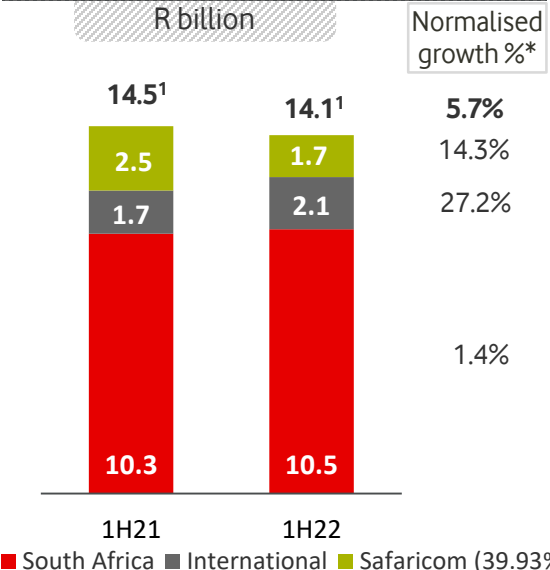
Differentiated Customer Experience across all channels

# Geographic lens | Broad-based growth

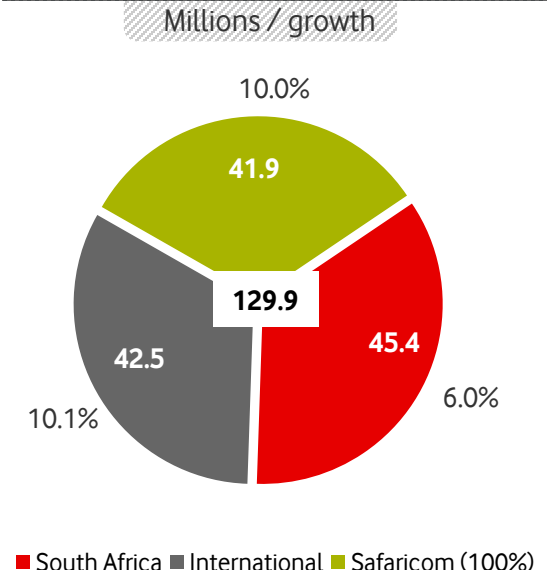
## Group service revenue



## Group operating profit



## Group customers



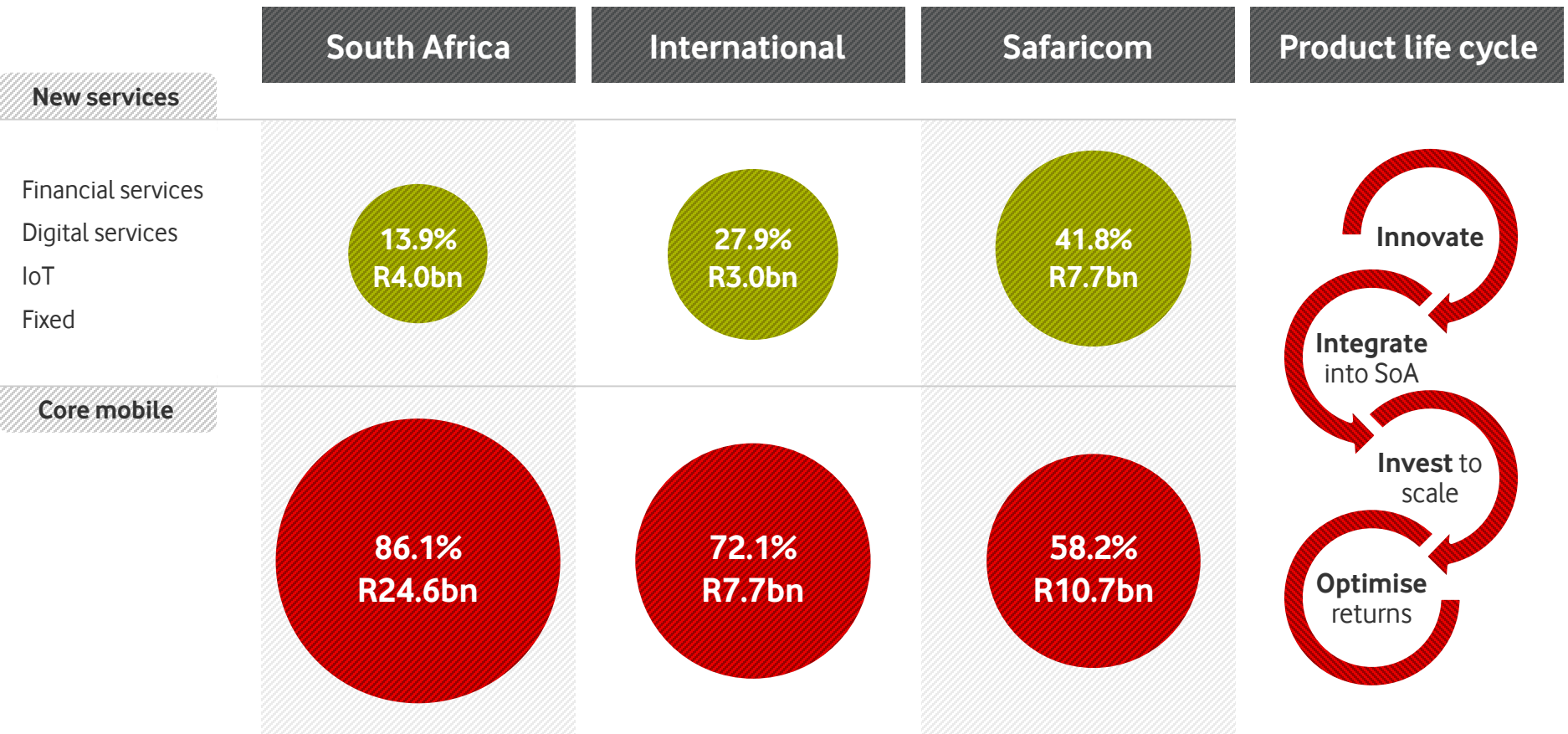
1. Including corporate and eliminations.

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.

\* 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



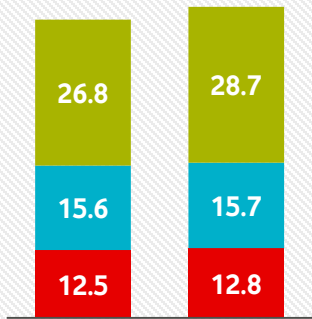
● New services revenue as % of service revenue    
 ● Core mobile revenue as % of service revenue

# Financial services | Continuing to scale our fintech platform

## 100% basis (including Safaricom)

**57 million**  
financial services customers

■ SA ■ IB M-Pesa ■ SF M-Pesa



million  
**44% penetration**

**Strong growth**  
in financial services revenue

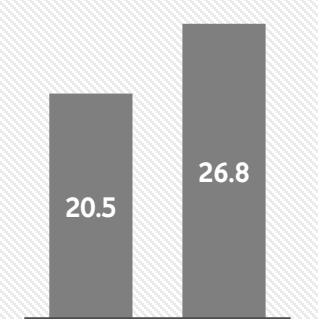
■ SA ■ IB M-Pesa



R billion  
VOD **22.7%\*** YoY growth  
SF **45.8%\*** YoY growth

**\$26.8bn**  
M-Pesa monthly transactions

■ M-Pesa (IB + SF)

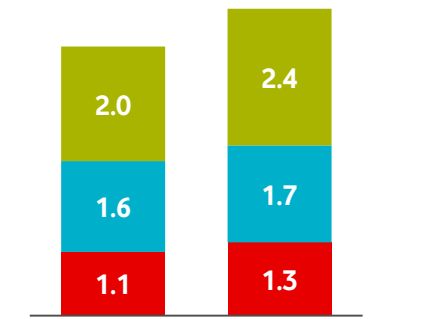


US\$ billion  
**31.2% YoY growth**

## Proportionate basis (excl. minorities, incl associates)<sup>1</sup>

**R5.4bn / \$380 million**  
financial services revenue

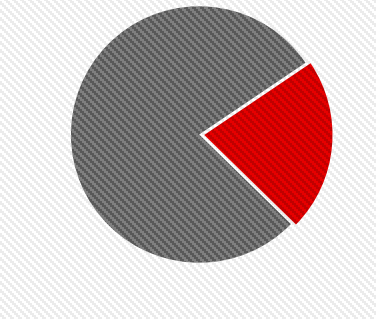
■ SA ■ IB M-Pesa ■ SF M-Pesa



R billion  
**13% of SR**

**R2.4bn / \$170 million**  
financial services PBT<sup>1</sup>

■ SA ■ M-Pesa (IB + SF)



%  
**19% of Group**  
**c.40% PBT margin**

1. M-Pesa Safaricom not reported. PBT margin based on International M-Pesa margin profile. Actual results may differ from this illustration.  
\* 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.  
SA = South Africa; IB = International; SF = Safaricom

# Financial services | Bringing consumers and merchants together

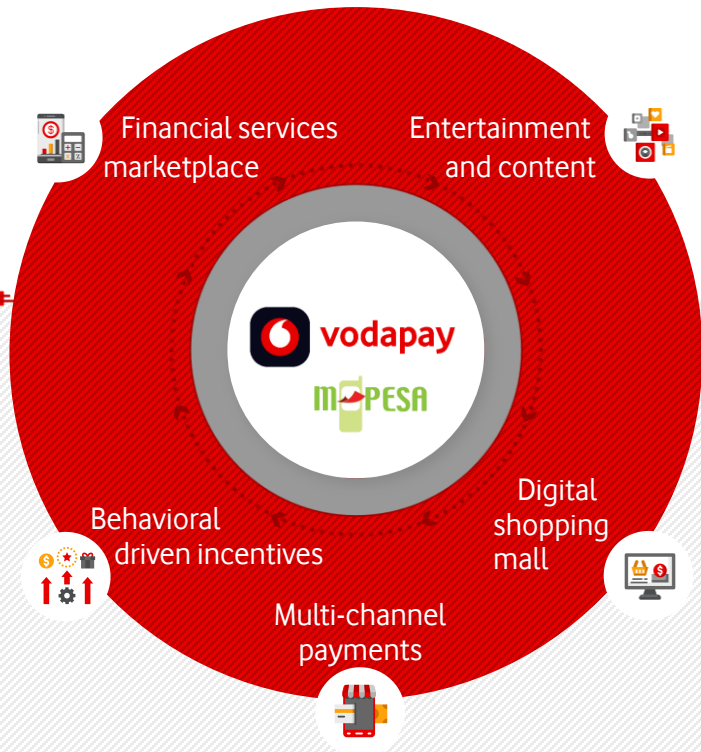
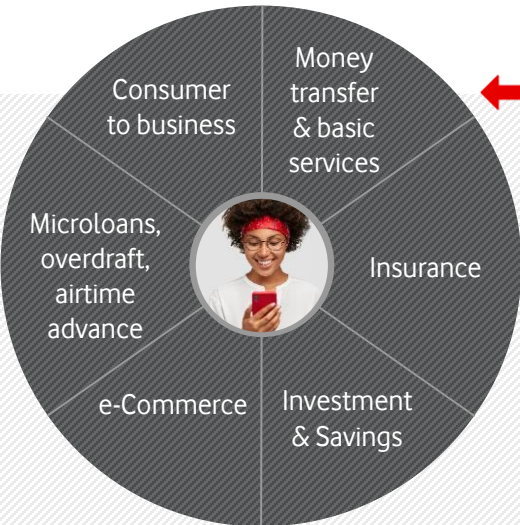
## Consumer proposition

## Merchant proposition

**Lifestyle super-app**  
powered by  支付宝 ALIPAY

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

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



# Financial services | High-growth & scalable model with attractive returns

Expanding our product set to capture growth opportunities



Scalable platform



Multiple revenue drivers



Attractive margins & returns

Payments & e-Commerce	Lending	Savings & investments	Insurance
<ul style="list-style-type: none"> <li>Services &amp; bill payments</li> <li>P2P transfers</li> <li>Scan to pay</li> <li>International money transfer</li> <li>Consumer to business</li> <li>eCommerce payments</li> </ul>	<ul style="list-style-type: none"> <li>Prepaid handset finance</li> <li>Airtime Advance</li> <li>Voucher Advance</li> <li>Micro loans</li> <li>Overdraft facility</li> <li>Instant/virtual credit card</li> <li>Installments</li> </ul>	<ul style="list-style-type: none"> <li>Savings</li> <li>Fractional ownership of shares &amp; commodities</li> <li>Unit trusts</li> <li>Money market</li> </ul>	<p><b>Short-term</b></p> <ul style="list-style-type: none"> <li>Device</li> <li>Home &amp; road assist</li> </ul> <p><b>Long-term</b></p> <ul style="list-style-type: none"> <li>Life &amp; funeral</li> <li>Group Schemes</li> <li>Contract cover</li> </ul> <p><b>Third-party</b></p> <ul style="list-style-type: none"> <li>Car</li> <li>Home</li> </ul>

Merchant services		
<ul style="list-style-type: none"> <li>Online (e-Com) &amp; offline point of sale payments</li> <li>Business to business</li> </ul>	<ul style="list-style-type: none"> <li>Business to consumer (e.g. Salaries)</li> </ul>	<ul style="list-style-type: none"> <li>Enterprise resource planning</li> <li>Invoice financing</li> <li>SME lending</li> </ul>

**Super App**

- Fintech marketplace
- Entertain & content
- Personalised offers
- Digital mall
- Behavioural loyalty

- Fee per transaction**  
(P2P, cash-out, C2B, B2B, B2C & e-Commerce)
- Service fee**  
(Airtime advance, content, loans)
- Commissions**  
(investment products, 3rd party services)
- Platform hosting fees**
- Advertising fees**

**c.40% PBT margin**  
with **further opportunities** including digitalising inflows & outflows, and increased use of Shared Services

**Maintain low capex intensity**  
As we leverage global tech partnerships (i.e. AliPay) and centres of excellence (i.e. M-Pesa Africa), to **deliver highly attractive ROCE**

# South Africa highlights | Delivering despite strong comparative period

Key indicator	1H22	Reported % change	Key milestones
Revenue (Rm)	39 272	7.0	<p><b>Service revenue</b> growth underpinned by IoT, fixed revenue and financial services</p> <p><b>Key growth drivers</b></p> <ul style="list-style-type: none"> <li>• Vodacom Business customers up 10.0%</li> <li>• Financial services grew 15.0%</li> <li>• 4G devices up 21.5%</li> </ul> <p><b>Regulatory update</b></p> <ul style="list-style-type: none"> <li>• New ITA process launched</li> <li>• Auction set for March 2022</li> </ul>
Service revenue (Rm)	28 615	3.6	
Vodacom Business service revenue (Rm)	8 453	11.5	
EBITDA (Rm)	15 860	3.7	
Active smart devices (m)	24.5	11.1	
Average GB per smart device	2.2	7.3	

# International highlights | Profitability recovers strongly

Key indicator	1H22	Reported % change	Normalised* % change
Service revenue (Rm)	10 713	-6.1	9.0
Data revenue (Rm)	2 158	1.3	16.6
M-Pesa revenue (Rm)	2 403	8.7	27.3
EBITDA (Rm)	4 350	3.1	15.8
Customers ('000)	42 493	10.1	
M-Pesa customers ('000)	15 731	1.1	

## Key milestones

### Strong data growth

- Data customers up 4.5% to 21.4 million
- Smartphone users up 8.6% to 11.6 million
- 2Q normalised data revenue growth +19.2%

### M-Pesa delivers despite new levies

M-Pesa growth strong, but impacted in 2Q by new Tanzanian mobile money levies

\* 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.

# Safaricom highlights | Strong growth supported by M-Pesa and fixed

Key indicator <sup>1</sup>	1H22 (KES'bn)	1H22 (Rm)	LC % change	ZAR % change	Key milestones
Service revenue	138.4	18 351	16.9	-4.5	<b>M-Pesa contribution increases</b> 1H22: 37.8% vs 1H21: 30.3%
Data revenue	23.6	3 129	6.3	14.4	
M-Pesa revenue	52.3	6 937	45.8	19.4	<b>Strong FTTx growth</b> <ul style="list-style-type: none"> <li>• FTTH customers grew 17.2% to 153.4</li> <li>• FTTB customers up 38.3%</li> <li>• Fixed revenue growth of 21.1%</li> </ul>
EBITDA	77.4	10 260	22.1	-0.1	
Data customers ('000)	24 048		5.0		
M-Pesa customers ('000)	28 689		7.1		<b>Guidance</b> Kenya EBIT guidance upgraded, Ethiopia guidance provided

1. Safaricom at 100%.



# To connect for a better future



## Environment

- Reducing the amount of GHG emissions
- Our IoT solutions help governments, businesses and civil society to address environmental issues

## Governance

- Purpose driven outcomes  
Doing what's right
- Board structure of 12
  - 5 Independent, NED
  - 5 Non-executive
  - 2 Executive
- Approval of the remuneration policy @ AGM in July 2021 was 98.33%

## Social

- We provide mobile health solutions, support vaccination programmes, improve medicine stock control and increase awareness of health issues
- Vodacom leverages digital solutions to provide affordable and quality education to learners
- We are committed to connecting people and 'things' to the internet
- We provide women with access to life-enhancing services
- We are committed to removing barriers to mobile connectivity
- We pursue an active social agenda to accelerate socio-economic transformation and a better future for all

## COVID-19 Phase 2 six point plan – purpose in action

- **Expanding** and future-proofing the network infrastructure
- **Accelerate** support to governments (Health, Education)
- **Enhance** digital accessibility and literacy for the most vulnerable
- **Promoting** widespread digital adoption for businesses, particularly SMEs
- **Supporting** exit strategies through targeted digital adoption
- **Enabling** cashless payments and financial inclusion

MSCI ESG RATINGS

CCC | B | BB | BBB | A | AA | AAA

LAST UPDATE: March 05, 2021

# Financial review

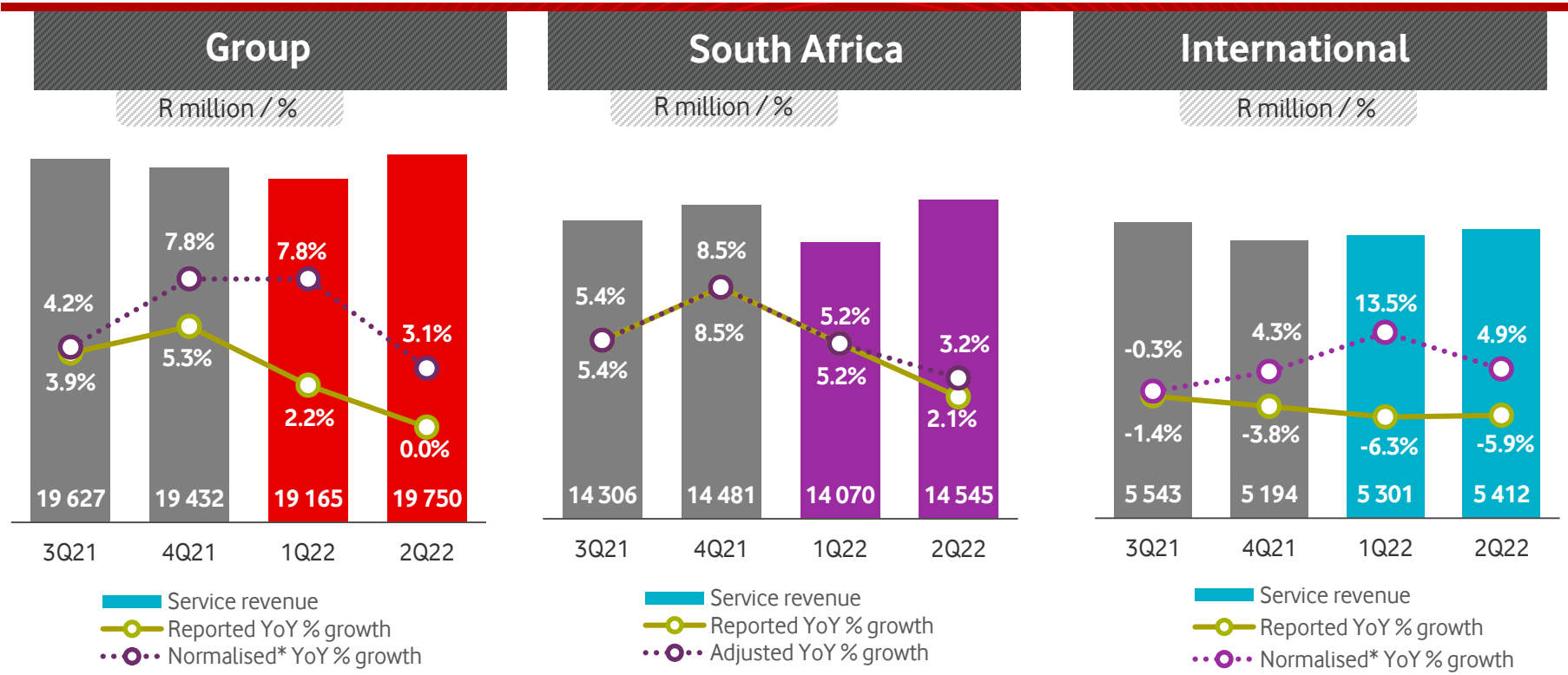


# Group Income Statement | Strong execution impacted by FX headwinds

R million	1H22	1H21	Reported % change	Normalised* % change
<b>Revenue</b>	<b>49 856</b>	<b>47 844</b>	<b>4.2</b>	<b>7.9</b>
<b>Service revenue</b>	<b>38 915</b>	<b>38 515</b>	<b>1.0</b>	<b>5.4</b>
<b>EBITDA</b>	<b>20 076</b>	<b>19 433</b>	<b>3.3</b>	<b>5.7</b>
Depreciation and amortisation	(7 657)	(7 565)	1.2	
Net profit from associate and joint ventures	1 644	2 571	-36.1	11.9
<b>Operating profit</b>	<b>14 058</b>	<b>14 465</b>	<b>-2.8</b>	<b>5.7</b>
Net profit/ (loss) on disposal of subsidiaries	-	1	> -100	
Net finance charges	(1 648)	(1 941)	-15.1	
<b>Profit before tax</b>	<b>12 410</b>	<b>12 525</b>	<b>-0.9</b>	
Taxation	(3 537)	(3 254)	8.7	
<b>Net profit</b>	<b>8 873</b>	<b>9 271</b>	<b>-4.3</b>	
<b>Attributable to:</b>				
Equity shareholders	8 545	9 030	-5.4	
Non-controlling interests	328	241	36.1	
<b>EPS (cents)</b>	<b>504</b>	<b>533</b>	<b>-5.4</b>	
<b>HEPS (cents)</b>	<b>505</b>	<b>532</b>	<b>-5.1</b>	
Weighted average shares in issue (million)	1 694	1 695	-0.1	

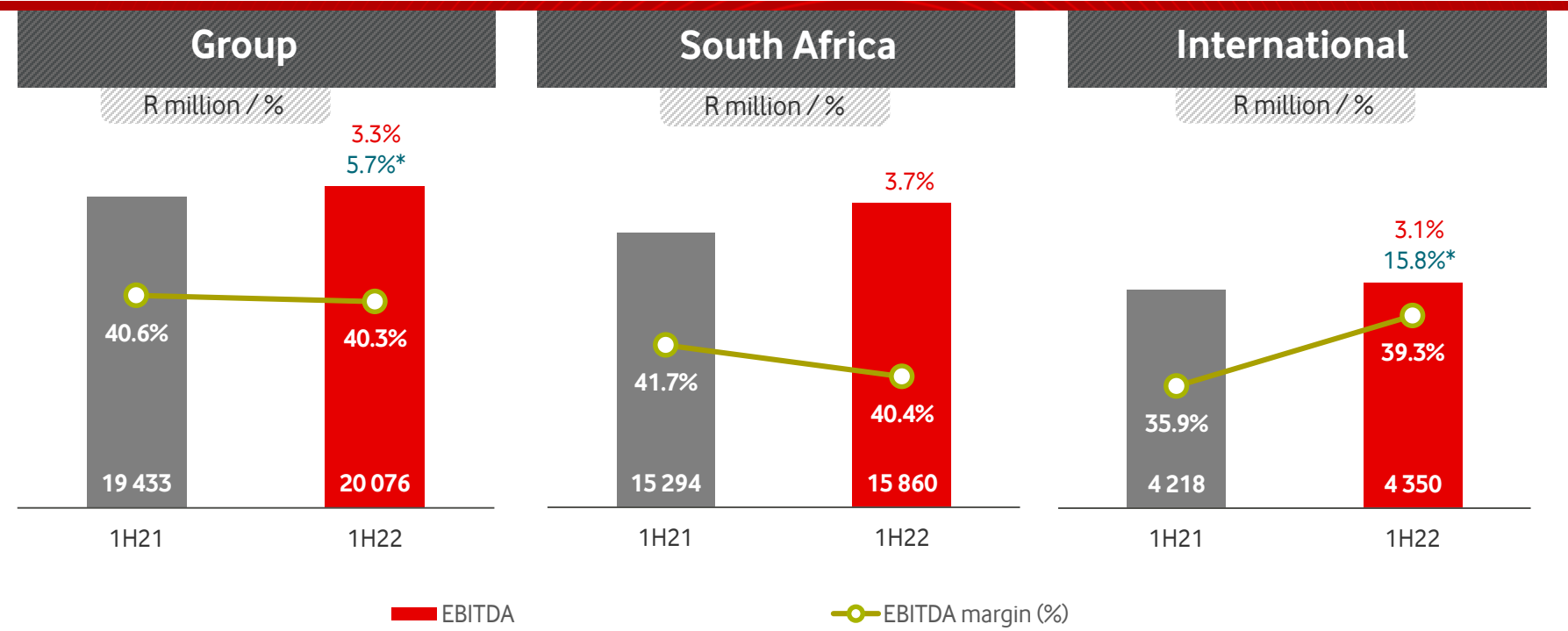
\* Normalised growth presents performance on a comparable basis. This adjusts for trading foreign exchange, foreign currency fluctuation on a constant currency basis (using the current period as base) to show a like-for-like comparison of results.

# Service revenue | Commercial execution diluted by government interventions



1. Adjusted for a R142 million loyalty programme provision release in the prior year.  
 \* 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.

# Group EBITDA | Strong International recovery with SA impacted by base effect



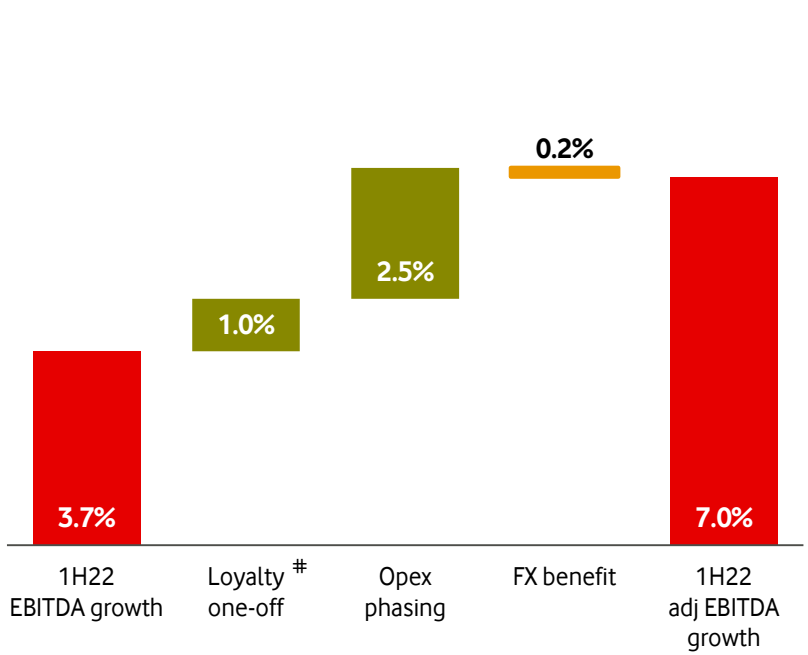
\* Normalised growth presents performance on a comparable basis. This adjusts for trading foreign exchange, foreign currency fluctuation on a constant currency basis (using the current period as base) to show a like-for-like comparison of results.

\* Adjusted for a R142 million loyalty programme provision release in the prior year and the impact of opex phasing and forex in 1H21 and 1H22. See overleaf for details.

# South Africa EBITDA | Growth profile impacted by phasing of costs in prior year

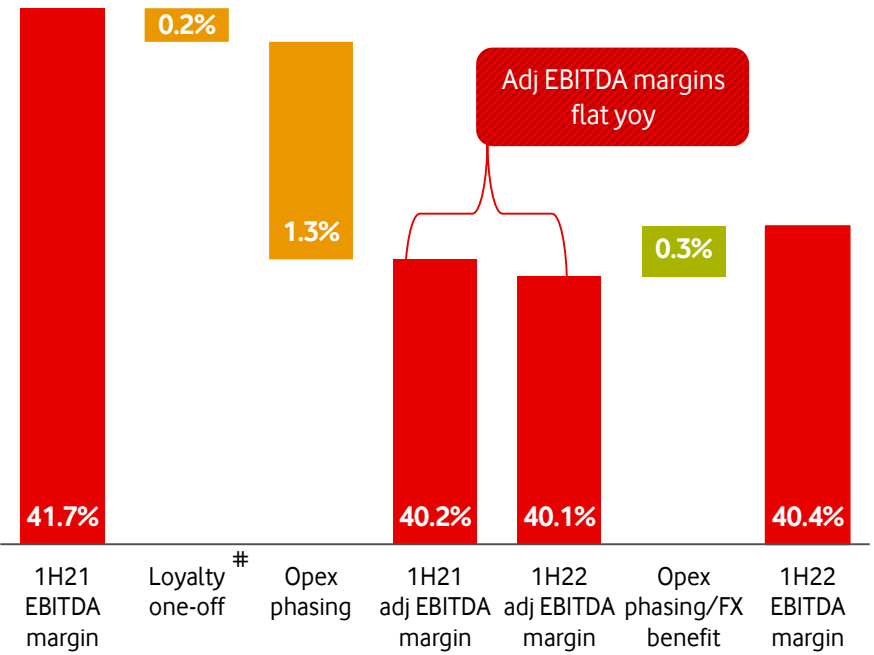
## EBITDA growth

1H22



## EBITDA margin

1H21 vs 1H22

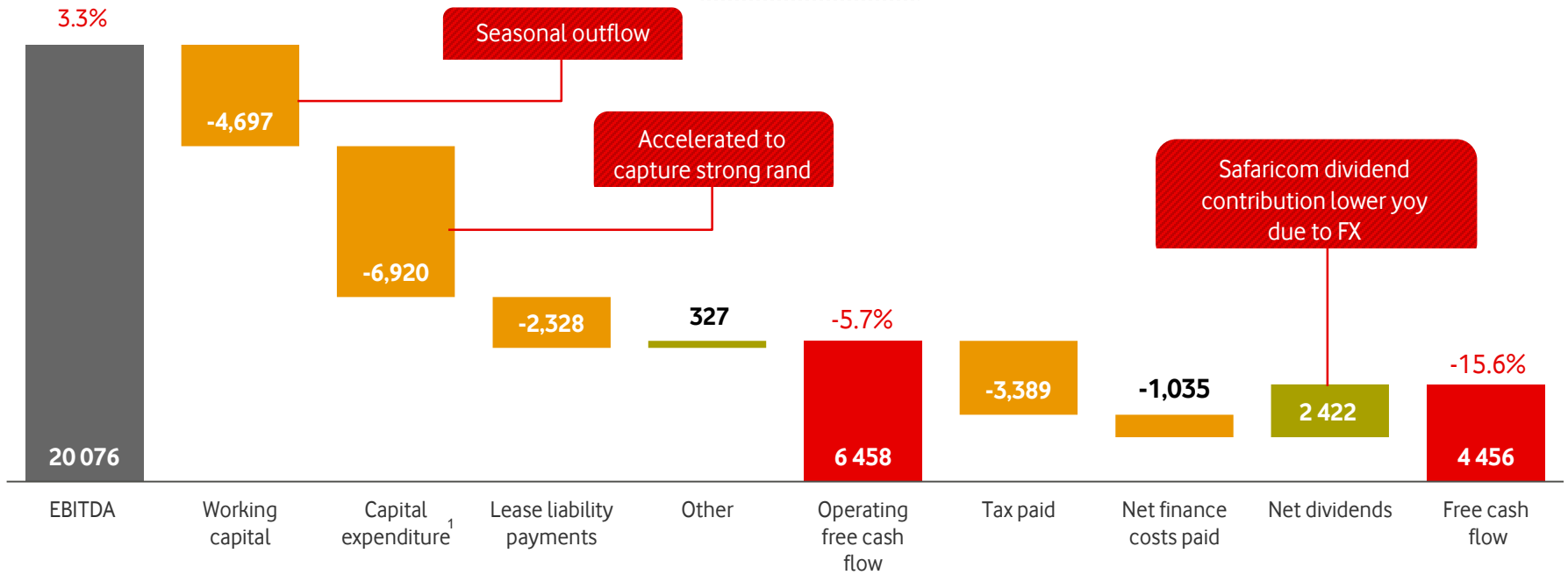


<sup>#</sup> Adjusted for a R142 million loyalty programme provision release in the prior year period.

# Cash flow | Higher cash capex to capture rand strength

## Group free cash flow

R million



1. Capital expenditure comprises the purchase of property, plant and equipment and intangible assets, other than license and spectrum payments. Purchases of customer bases are excluded from capital expenditure.



# HEPS | Underlying growth despite FX headwinds

## Headline earnings per share

cents



#Excludes one-off adjustment in South Africa of R142 million, remeasurement gains/losses and the impact of the Kenyan tax rate change of R705 million.

## Once-offs after tax and non-controlling interests

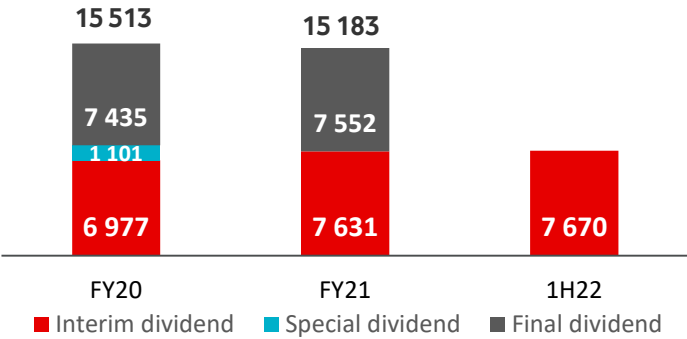
- Prior year deferred tax due to rate change in Kenya of R705 million
- Prior year loyalty programme provision in the current year of R102 million
- Net remeasurement gains on foreign exchange of R101 million

**Underlying growth of 14cps or 3.0%**

# Shareholder returns | Dividend growth despite fx headwinds

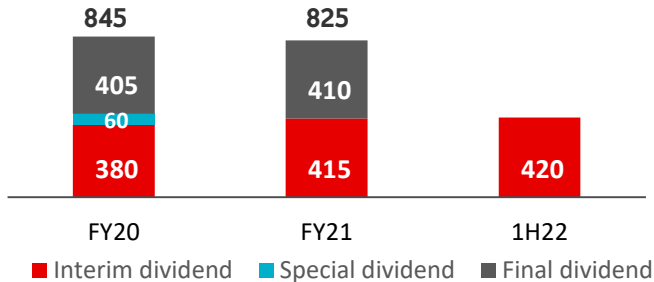
## Total dividend declared

R million / %



## Total dividend per share declared

Cents

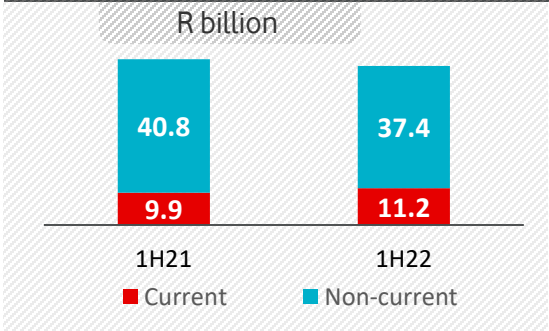


## FY21 dividend policy and interim dividend calculation

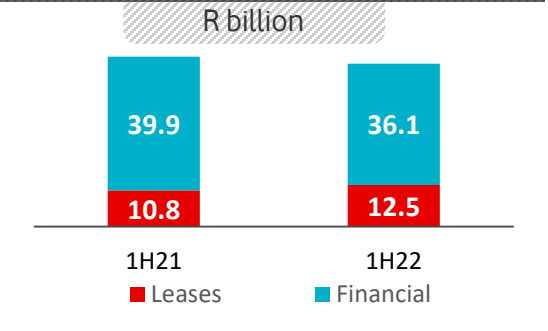
90% of pre-Safaricom 1H22 headline earnings	R7 232 million @ 90%	<b>R6 509 million</b>
Flow through of Safaricom cash dividend (net of withholding tax)	R2 322 million @ 50%	<b>R1 161 million</b>
Interim dividend declared		<b>R7 670 million</b>
Number of shares		<b>1 836 million</b>
<b>Interim dividend per share</b>		<b>420cps</b>

# Capital structure | Debt lens ahead of M&A

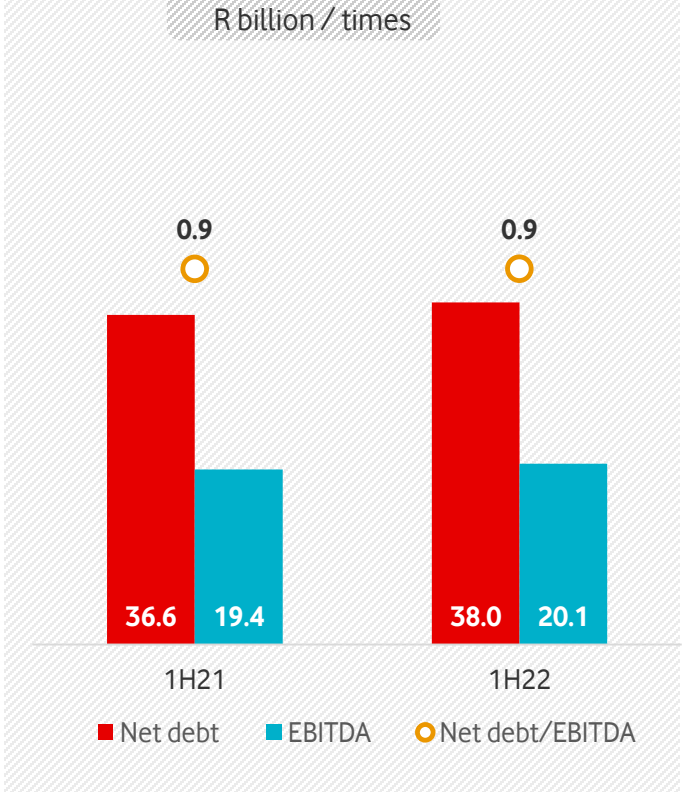
## Maturity profile



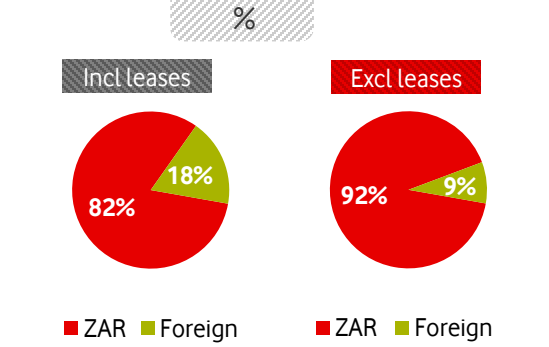
## Debt type



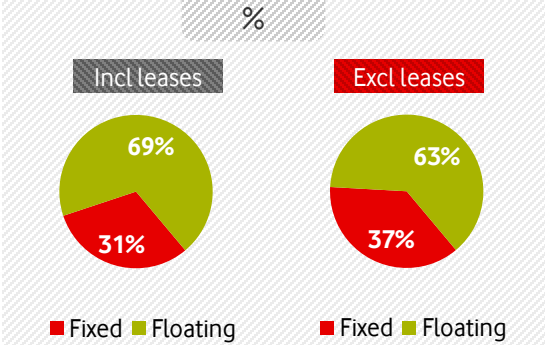
## Net debt/EBITDA



## Currency mix



## Debt mix



# Capital structure | Accelerating our System of Advantage



● M&A –  
Vodafone Egypt

● VE debt impact  
around R23 billion

● Capacity to  
accelerate growth

● Disciplined and strong  
M&A track record

● M&A – Fibre  
South Africa

● SA fibre cash funding of  
R9 billion, with call  
option to increase stake

● Scope to deliver  
post M&A

● Remain one of the  
highest dividend  
payouts on JSE

● Organic - lead in  
connectivity and  
new services

● Internal net debt  
threshold of 1.5x  
EBITDA

● Aligning to dividend  
upstreaming mix

● Returns enhanced by  
growth acceleration

Focused on ROCE, leveraging scale and shifting from techco to telco as we **unlock growth and returns potential**



## Targets

### Group service revenue growth

Mid-single digit

### Group operating profit growth

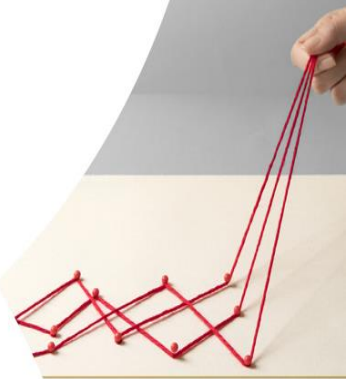
Mid-to-high-single digit

### Group capital intensity ratio

13.0% to 14.5% of Group revenue

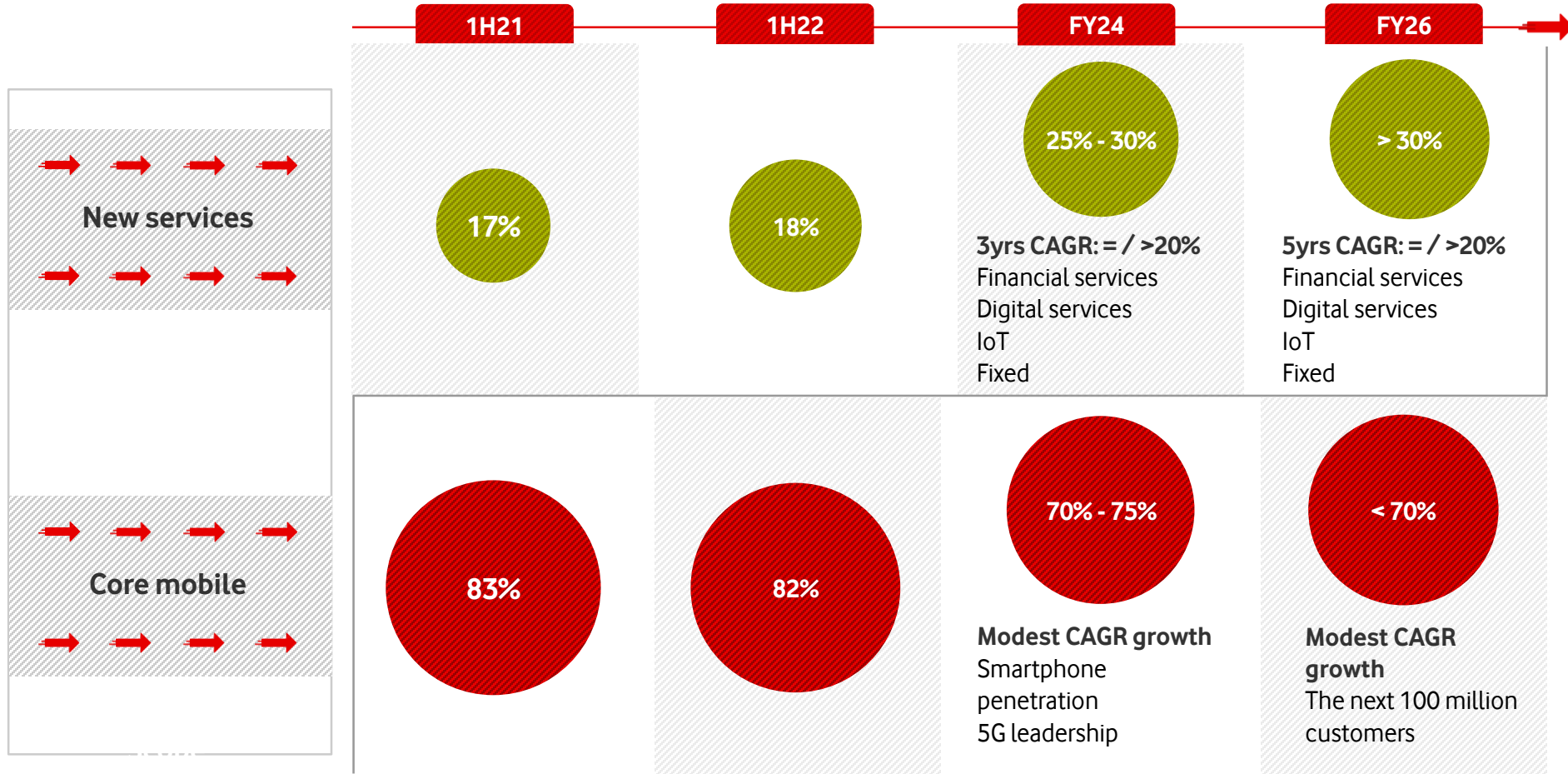
## Impact of M&A

- Vodafone Egypt and CIVH fibre asset acquisitions expected to enhance our System of Advantage, diversify and accelerate our growth profile:
  - Vodafone Egypt to contribute around 20% of operating profit; and
  - Medium term operating profit growth potential into **double digit**.
- We intend to update on medium-term targets at our FY22 results, reported in May 2022.



These targets are on average, over the next three years and are on a normalised basis in constant currency, excluding spectrum purchases, exceptional items and any merger and acquisition activity.

# New services contribution | Gaining momentum, pivoting to TechCo

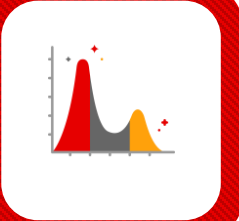


● New services revenue as % of Group service revenue

● Core mobile revenue as % of Group service revenue

# Priorities

**Spectrum &  
data growth**



**Ethiopia**

Launch



**Platform  
acceleration**



**M&A  
Integration**



**Financial  
Services growth**



**Optimised,  
future-ready TechCo**





# Appendix



# M-Pesa | P2P intervention supporting financial inclusion and platform growth

## International

22.4% contribution to service revenue

44.1% of customers using M-Pesa

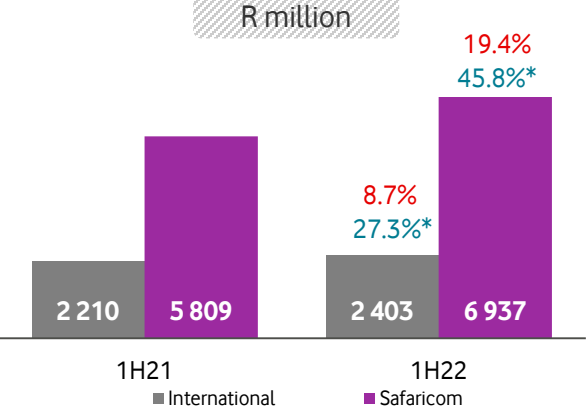
**M-Pesa customers up 1.1% to 15.7 million**

**Tanzania**  
2.5 million monthly Songesha customers

**Merchant**  
28.6% YoY merchant growth

**International**  
250 thousand active agents

## M-Pesa revenue



**Nano lending<sup>1</sup>**  
\$2.2 billion in loans granted

**Merchants<sup>1</sup>**  
414 thousand active merchants

**Platform<sup>1</sup>**  
\$26.8 billion value processed in 2Q

## Safaricom

37.8% contribution to service revenue

68.4% of customers using M-Pesa

**M-Pesa customers up 7.1% to 28.7 million**

**Safaricom**  
62.4% growth in Fuliza loans granted

**Safaricom**  
72.8% YoY merchant growth

**Safaricom**  
258 thousand active agents

1. Including Safaricom (100%)  
\* 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.

# Finance charges and debt | Average cost of debt reduced

## Group net finance charges

R million	1H22	1H21	% change
Finance income	314	443	-29.1
Finance cost	(2 006)	(2 161)	-7.2
<b>Net finance costs</b>	<b>(1 692)</b>	<b>(1 718)</b>	<b>-1.5</b>
Net gain/(loss) on remeasurement and disposal of financial instruments	44	(223)	119.7
<b>Net finance charges</b>	<b>(1 648)</b>	<b>(1 941)</b>	<b>-15.1</b>
<b>Average cost of debt (%)</b>	<b>7.7</b>	<b>7.9</b>	

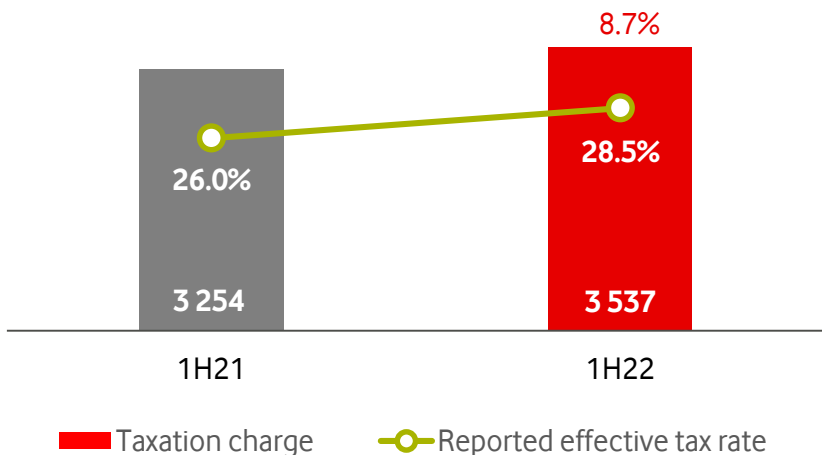
## Group net debt

R million	1H22	1H21
Cash balances including overdraft	9 621	13 983
Current borrowings	(10 166)	(9 783)
Non-current borrowings	(37 408)	(40 810)
Other financial instruments	(11)	(34)
<b>Net debt</b>	<b>(37 964)</b>	<b>(36 644)</b>
<b>Net debt/EBITDA (times)</b>	<b>0.9</b>	<b>0.9</b>

# Group tax | ETR impacted by Safaricom and change in Kenya tax rate

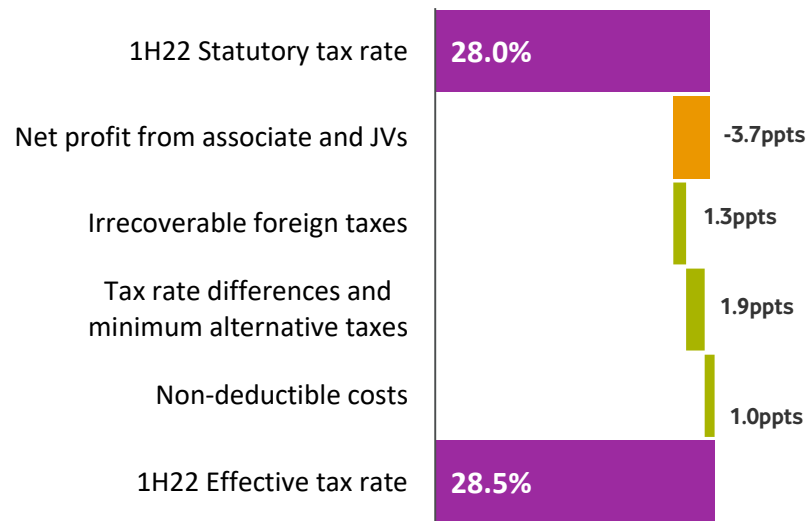
## Group tax charge and effective tax

R million / %



## Reconciliation of SA tax rate to effective tax rate

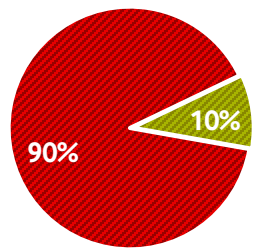
%



# Tanzania | Mobile money and airtime levies

## Service Revenue contribution

%



■ Group ex Tanzania ■ Tanzania

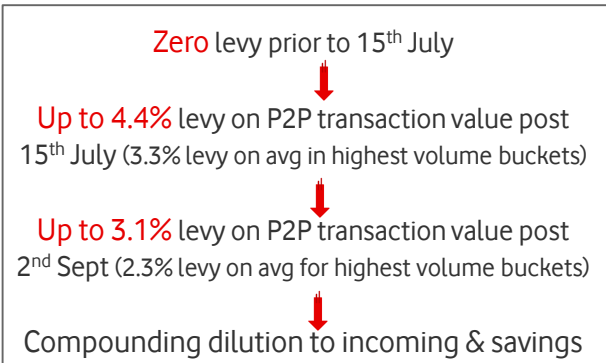
R220 million negative service revenue impact due to mobile money levies in 2Q

## Mobile Money levy background

Timeline

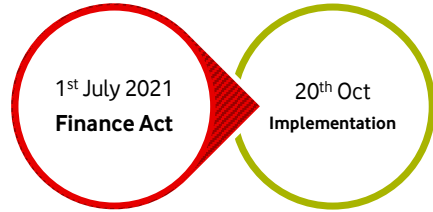


## Material impact on end-user charges

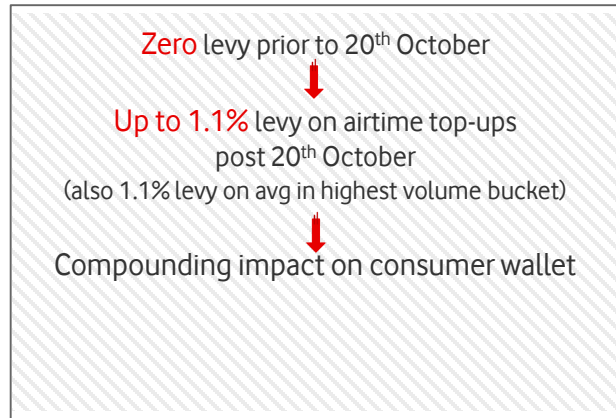


## Airtime Levies

Timeline



## Additional pressure on consumers



# Country data



## South Africa

## Tanzania

## DRC

## Mozambique

## Lesotho

## Safaricom

Population <sup>‡</sup> (million)	60.0	61.5	92.4	32.2	2.2	55
GDP per capita <sup>‡</sup> (USD)	105 393 <sup>‡</sup>	1 237	542	511	1 316	1 912
GDP growth estimate <sup>‡</sup> 2019 (%)	5.2	4.3	3.8	2.8	1.9	4.4
Ownership (%)	100	61.61	51	85	80	34.94 <sup>‡</sup>
Licence expiry period	2029	2031	2039/2032/ 2038 <sup>‡</sup>	2038	2036	2022/2024/ 2026 <sup>‡</sup>
Customers (thousand)	45 428	15 237	16 780	8 675	1 801	41 946
ARPU (rand/month)	89 <sup>‡</sup>	33 <sup>‡</sup>	40 <sup>‡</sup>	60 <sup>‡</sup>	49 <sup>‡</sup>	74 <sup>‡</sup>
ARPU (local currency/month)	89 <sup>‡</sup>	5 294 <sup>‡</sup>	2.8 <sup>‡</sup>	256 <sup>‡</sup>	49 <sup>‡</sup>	559.7 <sup>‡</sup>
Minutes of use per month	129	221	32	127	62	n/a

<sup>‡</sup> The Bureau of Economic Research for SA and Fitch Solutions for all other countries (Extraction date: 11 November 2021).

<sup>‡</sup> GDP per capita in ZAR for SA.

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

<sup>‡</sup> 2022 (3G licence), 2024 (2G licence), 2026 (4G licence)

<sup>‡</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>‡</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.

# Impact of the exchange rate

## Revenue

YoY% growth

1H22	Reported	Normalised*
South Africa	7.0	7.0
International	-5.9	9.4
<b>Group</b>	<b>4.2</b>	<b>7.9</b>

## Average YTD exchange rates

YoY% growth

	1H22	1H21	% changed
USD/ZAR	14.38	17.43	-17.5
ZAR/MZN	4.31	4.01	7.5
ZAR/TZS	161.35	133.19	21.1
EUR/ZAR	17.13	19.77	-13.4
ZAR/KES	7.55	6.16	22.6

## Service revenue

YoY% growth

1H22	Reported	Normalised*
South Africa	3.6	3.6
International	-6.1	9.0
<b>Group</b>	<b>1.0</b>	<b>5.4</b>

## EBITDA

YoY% growth

1H22	Reported	Normalised*
South Africa	3.7	3.5
International	3.1	15.8
<b>Group</b>	<b>3.3</b>	<b>5.7</b>

\* 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.



# 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

## Fresh 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 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.

## 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 licence 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 2021 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

Visit our website for more information  
<http://www.vodacom.com>

## 2022 upcoming dates



<b>3Q22 results</b>	01 February 2022
<b>FY22 results</b>	16 May 2022
<b>1Q23 results</b>	21 July 2022
<b>1H23 results</b>	14 November 2022

The screenshot shows the top portion of the Vodacom Investor Relations website. At the top, there is a navigation bar with the Vodacom logo, a search icon, and links for 'COVID-19', 'About us', 'What we do', and 'Our purpose'. Below this is a secondary navigation bar with 'Investor relations', 'Media', 'Careers', and 'Contact us'. A banner image features a bowl of snacks with the text 'Investor relations' overlaid. Below the banner is a breadcrumb trail: 'Home | Investor relations | Investor relations overview'. The main heading reads 'Information for our shareholders and the capital market'. A paragraph describes Vodacom as a leading African connectivity and financial services company, serving 123.7 million customers. Below the text are three featured sections: 'Financial results' (with a red phone icon), 'Integrated report' (with a person reading a document icon), and 'Stock information' (with a man in a suit icon). Each section includes a brief description and a date.

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