

# Vodacom Group

## Digital ecosystem



Vodacom Group Investor Day  
23 February 2022

# Agenda

23 February 2022

Topic

Presenter

Welcome & introduction

Shameel p3

1 Our strategy in action

Shameel p4

2 Accelerating financial services (Vodacom South Africa)

Mariam p14

3 Accelerating financial services (M-Pesa Africa)

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4 Digital partner of choice for enterprises

William p60

5 Big data & analytics

Belinda & Schalk p72

6 Outlook


Shameel p83

7 Q&A


All p88



## Market leading position across all our markets



**R98.3bn**  
**Vodacom Group revenue**  
 South Africa & International markets  
 (DRC, Tanzania, Mozambique, Lesotho)<sup>1</sup>



**R39.3bn**  
**Vodacom Group EBITDA**  
 EBITDA margin 40.0%<sup>1</sup>

**R39.6bn**  
**Safaricom revenue**  
 (associate)<sup>1</sup>


**R29.2bn**  
**Vodafone Egypt revenue** (subsidiary,  
 subject to deal closing)<sup>1</sup>

**R20.1bn**  
**Safaricom EBITDA**  
 (associate)<sup>1</sup>

**R12.3bn**  
**Vodafone Egypt EBITDA** (subsidiary,  
 subject to deal closing)<sup>1</sup>

## New services revenue contribution<sup>2</sup>


**Vodacom Group**



**18%**  
 of service revenue

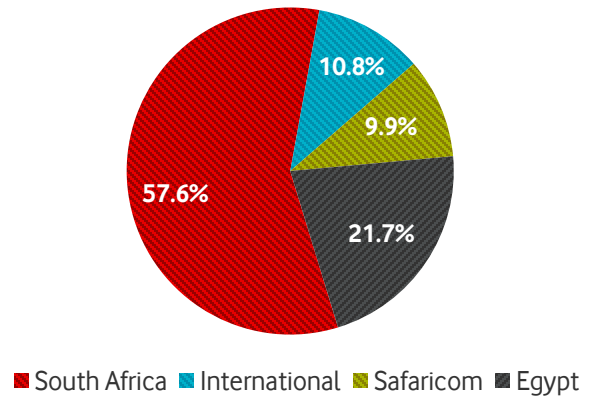
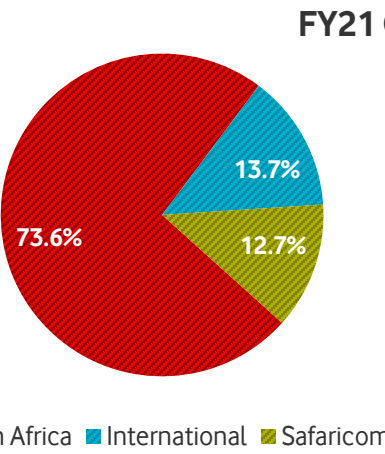
- New services**
- Financial services
  - Digital services
  - IoT
  - Fibre

**Safaricom**




**42%**  
 of service revenue

## Before Vodafone Egypt deal      After Vodafone Egypt deal




<sup>1</sup> Information is for the year ended 31 March 2021. Safaricom on a 100% basis. Vodacom has an effective holding of 34.94% in Safaricom.

## After Vodafone Egypt deal<sup>2</sup>



**60m**  
**Financial Services**  
 customers, extending our leading fintech position



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



**37 000**  
**Network sites**  
 and one of Africa's largest tower owners

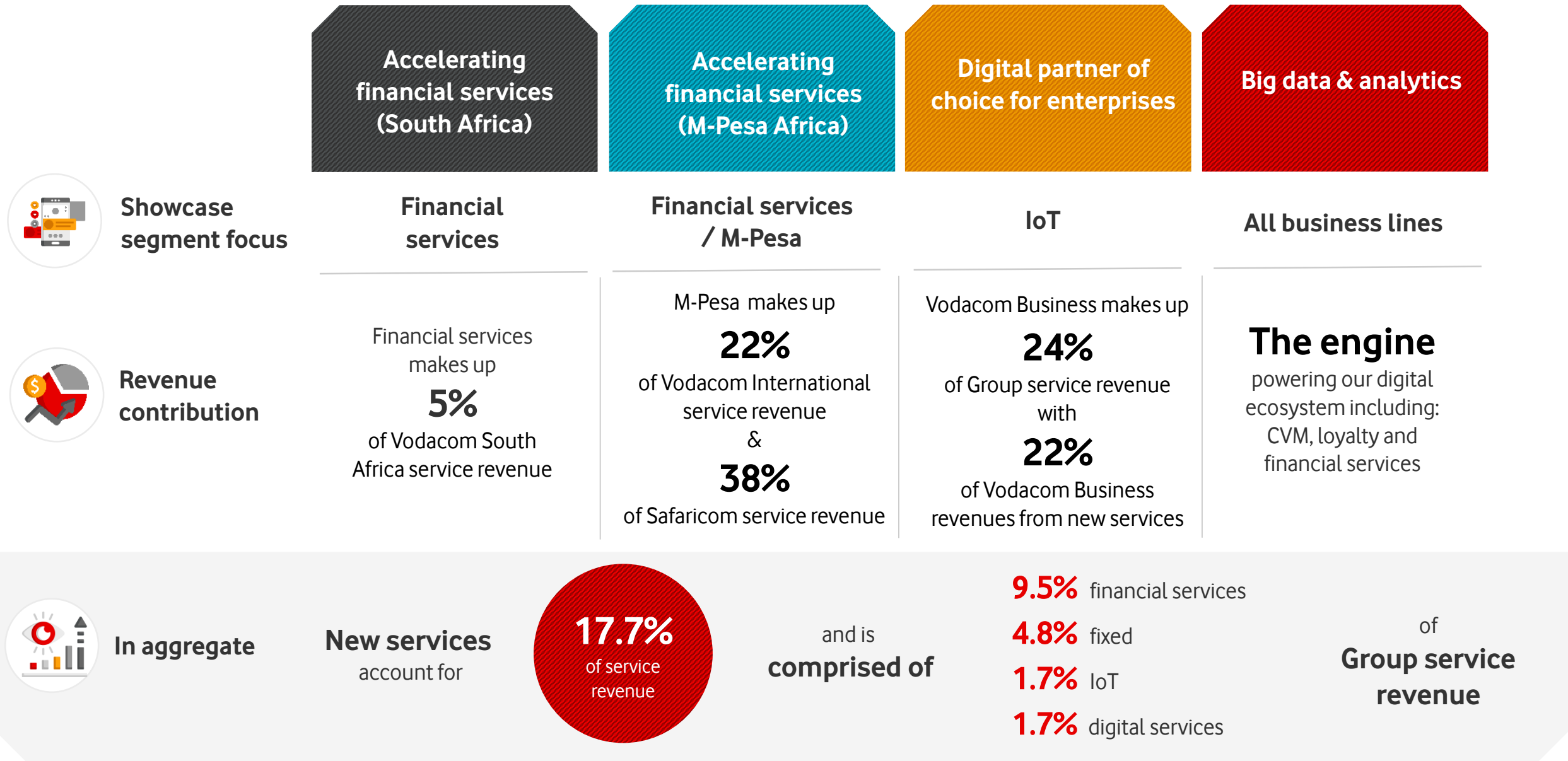


**>500m**  
**Population**  
 supporting scalable partnerships

<sup>2</sup> Information is for the six-month period ended 30 September 2021. Including Safaricom on 100% basis.



# Vodacom Group | Showcasing our digital ecosystem and key drivers of new services





# Key messages

## 1 Our strategy in action

**We are accelerating** our System of Advantage

**Our digital ecosystem** is integral to our strategy

**Our financial services** is high-growth & scalable

**Big data & analytics** is the engine powering our digital ecosystem

**Our digital ecosystem enhances growth, returns and societal impact**

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

## Africa's leading communications company

1

### Footprint finalised

- Launch and scale Ethiopia
- Complete Egypt transaction

2

### Secure leadership in mobile and fixed

- Lead in mobile data – 4G, 5G. Accelerate smartphone penetration
- Partnerships and acquisitions to accelerate fixed connectivity
- Future of Home

## Diversify and differentiate with our digital ecosystem

3

### Scale financial and digital services

- Pay, lend, insure, invest, trade in M-Pesa and VFS
- SuperApp + mini-apps in all digital & e-commerce categories

4

### Digital partner of choice for enterprises

- Broadband for enterprise
- End-to-end IoT, Cloud, Security and BMS
- SME Champion

5

### World class loyalty and customer experience

- Engaged, loyal customer base
- World class CX in all journeys, channels and touchpoints

6

### Personalisation through CVM and Big Data

- Enhanced CVM and Big Data capabilities
- Personalisation across full multi-product portfolio

## Optimised, future-ready TechCo

7

### Optimise assets through sharing

- Towers
- Fibre
- Data Centres
- Network co-builds

8

### Technology leadership in Network and IT

- Tech2025
- Best Network
- Modernised IT
- Cyber-security

9

### TechCo organisation and culture

- Future-ready employee experience
- Transform skills & organisation for TechCo

10

### Purpose-led brand and reputation

- Build a brand with purpose
- Embed purpose and social contract into our reputation

# Strategy in action | We are accelerating our System of Advantage

Strategic objective:

Acceleration:



Strategic outcomes:

Secure leadership in fixed and mobile



Market leader in **Egypt, Ethiopia** licence



South Africa **fibre scale**

Diversify and differentiate with our digital ecosystem



**VodaPay SuperApp** launch

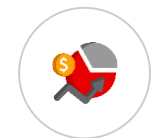


**IoT** across **smart** medicine, agriculture and buildings

Optimised, future-ready TechCo



**TowerCo** separation in South Africa initiated



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

- Geographic & product diversification
- Larger addressable market
- Higher customer lifetime value
- Enhanced growth, returns and societal impact

Operational impact:

Commercial impact:



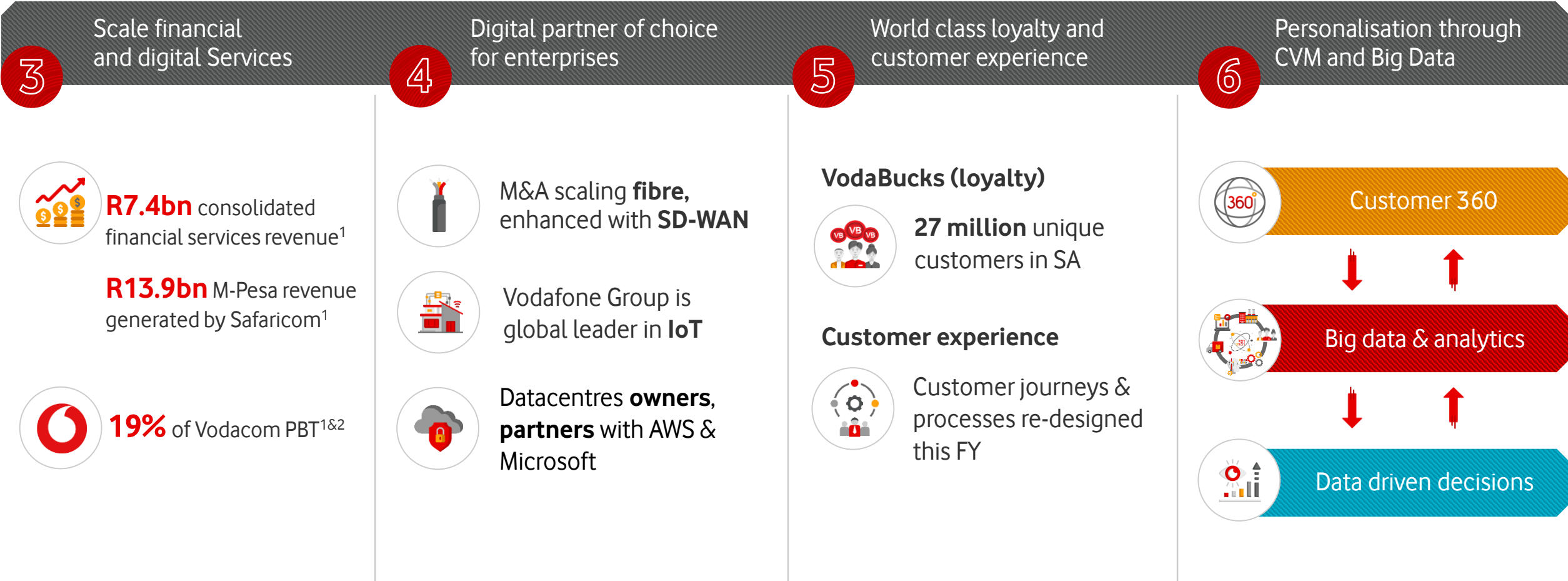
- Big data & analytics driving more decision making
- Access to Egypt's highly skilled talent



- Competing on value rather than price
- Deeper customer engagement with 360 degree view
- Nano product slicing



# Strategy in action | Our digital ecosystem is integral to the System of Advantage



Embedded into our SuperApp approach

Integrated with our multi-product called the System of Advantage

1. Based on the six-month period ended 30 September 2021. Revenues annualised based on FY1H22. Safaricom presented on 100% basis.  
2. M-Pesa Safaricom PBT not reported. PBT margin based on International M-Pesa margin profile. Actual results may differ from this illustration.

# Strategy in action | Our financial services is high-growth & scalable

Vodacom Group 100% basis (incl. Safaricom)

Growth opportunities across our footprint<sup>3</sup>

**>57 million**

financial services customers  
& 60 million incl. Vodafone Egypt<sup>1</sup>

■ SA ■ IB M-Pesa ■ SF M-Pesa



**Strong growth**

financial services revenue<sup>1</sup>

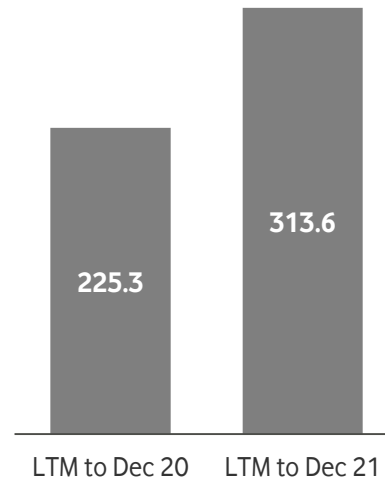
■ SA ■ IB M-Pesa ■ SF M-Pesa



**\$314bn**

M-Pesa last twelve months (LTM)  
transactions<sup>2</sup>

■ M-Pesa (IB + SF)



**Mobile payments**

FY26 addressable revenue pool

**US\$4.4bn**

We generated  
US\$0.9bn in FY21

**Lending**

FY26 bank loans granted

**US\$700bn**

We granted \$3.3bn of  
micro-loans in FY21

**Insurance**

FY26 addressable revenue pool

**US\$60bn**

We generated  
US\$60m in FY21

**e-Commerce & e-Services**

FY26 addressable revenue

**US\$38bn**

We generate US\$0m

**Customers**

**50% penetration**

**R bn**

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

**\$ bn**

**39.2% YoY growth**

1. Information is for the six-month period ended 30 September 2021. Safaricom on 100% basis.

2. Safaricom included on 100% basis. 3. Based on Company data, Omdia, Fitch Solutions and Statista for existing footprint and Egypt/Ethiopia

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

# Strategy in action | Our financial services is high-growth & scalable

## Consumer proposition

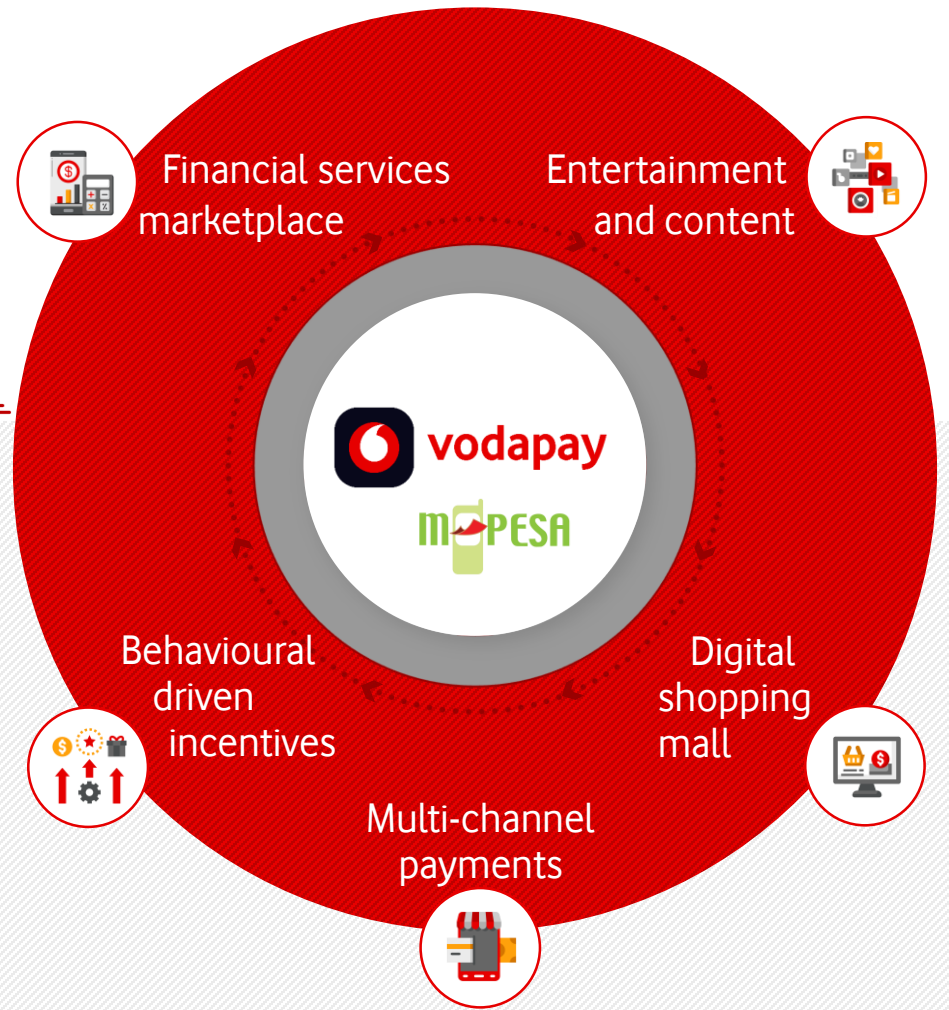
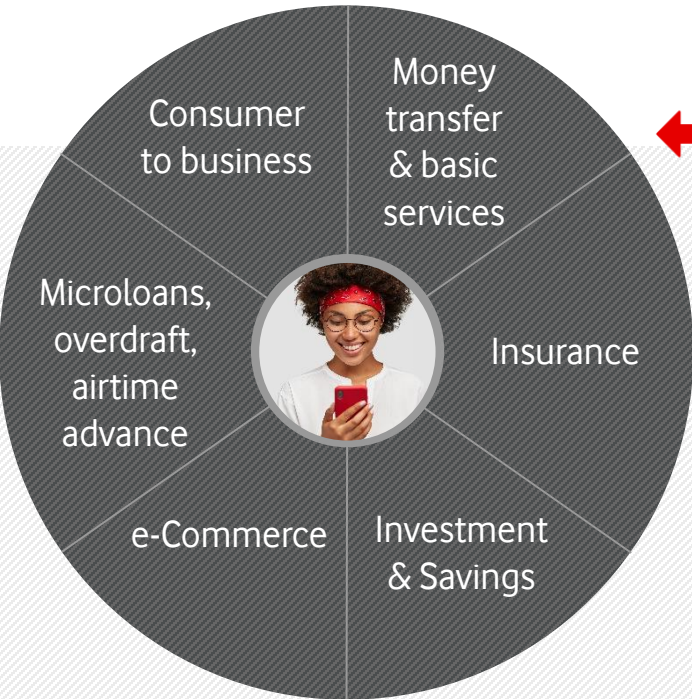
## Lifestyle SuperApp

powered by  ALIPAY

## Merchant proposition

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

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





# Strategy in action | High-growth & scalable financial services model, with attractive returns

Expanding our product set to capture growth opportunities



Scalable platform



Multiple revenue drivers



Attractive margins & returns

## Payments & e-commerce

- Services & bill payments
- P2P transfers
- Scan to pay
- International money transfer
- Consumer to business
- E-commerce payments

## Lending

- Prepaid handset finance
- Airtime Advance
- Voucher Advance
- Micro loans
- Overdraft facility
- Instant / virtual credit card
- Installments

## Savings & investments

- Savings
- Fractional ownership of shares & commodities
- Unit trusts
- Money market

## Insurance

### Short-term

- Device
- Home & road assist

### Long-term

- Life & funeral
- Group Schemes
- Contract cover

### Third-party

- Car
- Home

## Merchant services

- Online (e-commerce) & offline PoS payments
- Business to consumer (e.g. salaries)
- Enterprise resource planning
- Invoice financing
- Business to business
- SME lending

## SuperApp (VodaPay & M-Pesa)

Fintech marketplace

Entertainment & 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, third-party services)

**Platform hosting fee**

**Advertising fees**

**c.40% PBT margin<sup>1</sup>**

with **further opportunities** incl. digitalising inflows & outflows, and increased use of shared services

**Maintain low capex intensity**

Leverage global tech partnerships (i.e. AliPay) and centres of excellence (i.e. M-Pesa Africa), **to deliver highly attractive ROCE**

1. As disclosed at FY1H22. M Pesa Safaricom not reported. PBT margin based on International M-Pesa margin profile. Actual results may differ from this illustration.

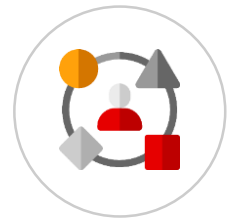
# Strategy in action | Big Data & Analytics is the engine powering our digital ecosystem

## Big Data & Analytics



- Expanding customer view with >3 000 attributes
- Smart data assets, tower profile, call centre etc.
- Global forecast engine: KPI performance, LRP planning horizon, call centre optimisation
- Global recommender engine
- Automated decision across business units

## CVM

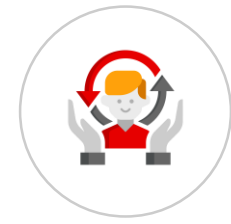


- Deep understanding of customer telco behaviour
- Automated personalised pricing on voice and data bundles e.g. Just4U
- Active day management

**>50%**

of what we sell is personalised in SA

## Loyalty



- Use of CVM and Big Data capabilities to drive loyalty and increase active days
- VodaBucks – behaviour-driven loyalty platform launched in SA and scaling across the Group



+ R6.2 ARPU



+ 2.5 Active Days

## Financial Services

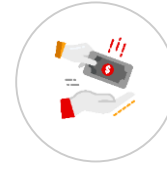
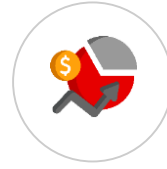


- Incorporating financial services behaviour from VodaPay/M-Pesa SuperApps
- Personalised recommendations across all services in the SuperApp
- Advanced analytics for mini-app partners

Our digital ecosystem enhances growth, returns and societal impact

## Capturing the opportunity in telecom

- Access to >130 million customers, and Vodafone Egypt transaction adding a further 43 million
- Increase **active days** and **data** adoption



## Strong outlook for new services

(financial & digital services, IoT and fixed)

- Ambition to scale to 25-30% of Group service revenue over medium term
- Increase customer lifetime value

### Key outcomes:

- Product diversification
- Enhanced growth, returns and societal impact

## Connecting for a better future

- Promoting digital & financial inclusion
- Supporting economic recovery



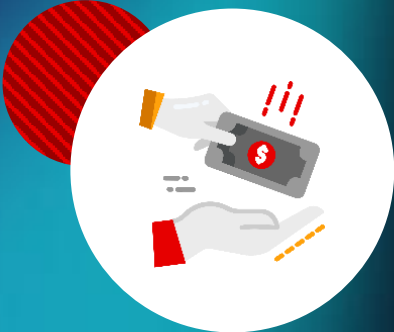
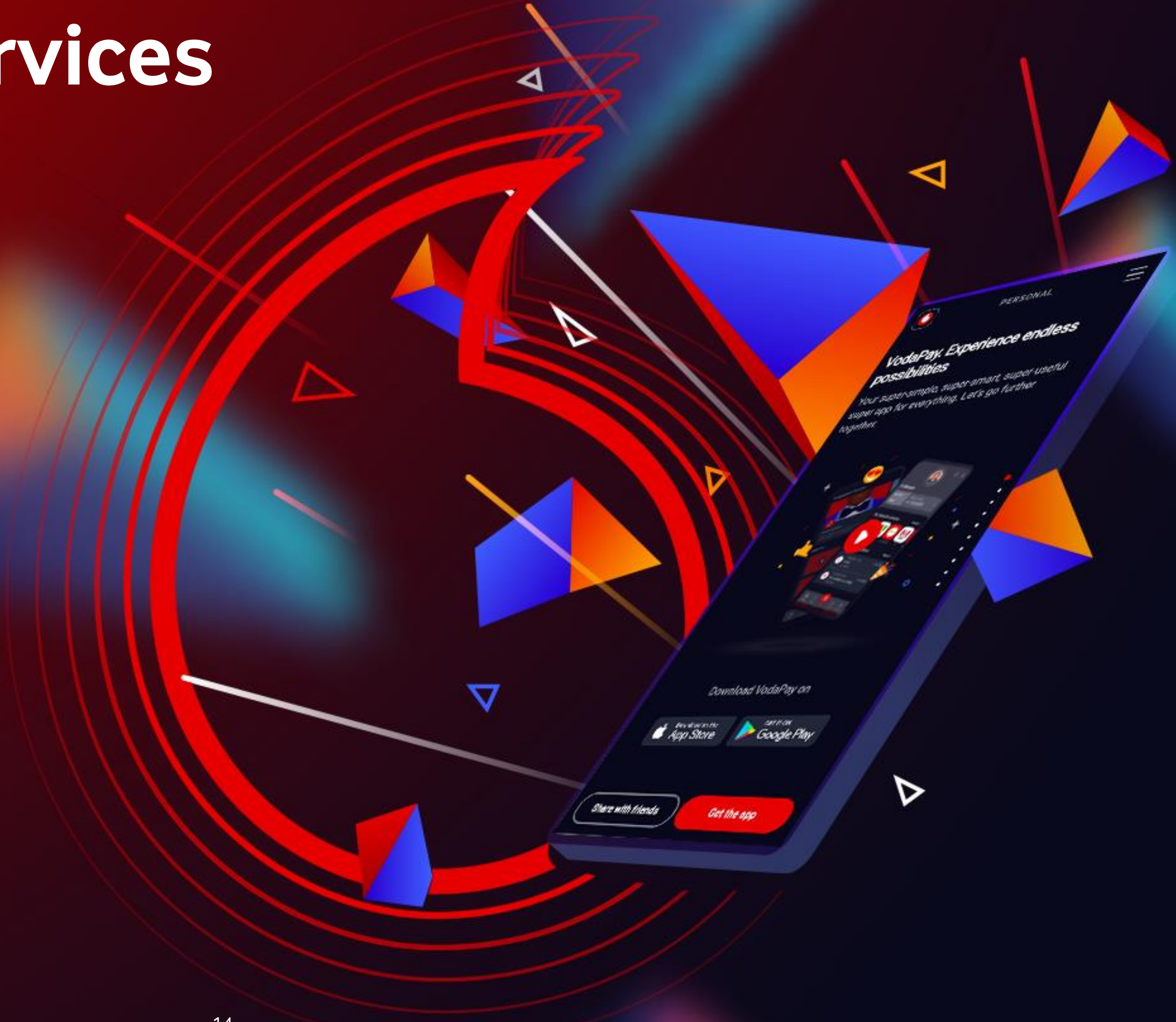
## Unlocking large addressable markets

- >US\$100bn revenue opportunity by FY26 in existing and adjacent digital segments



# Accelerating financial services (South Africa)

Mariam Cassim





# Key messages

## 2 Accelerating financial services (South Africa)

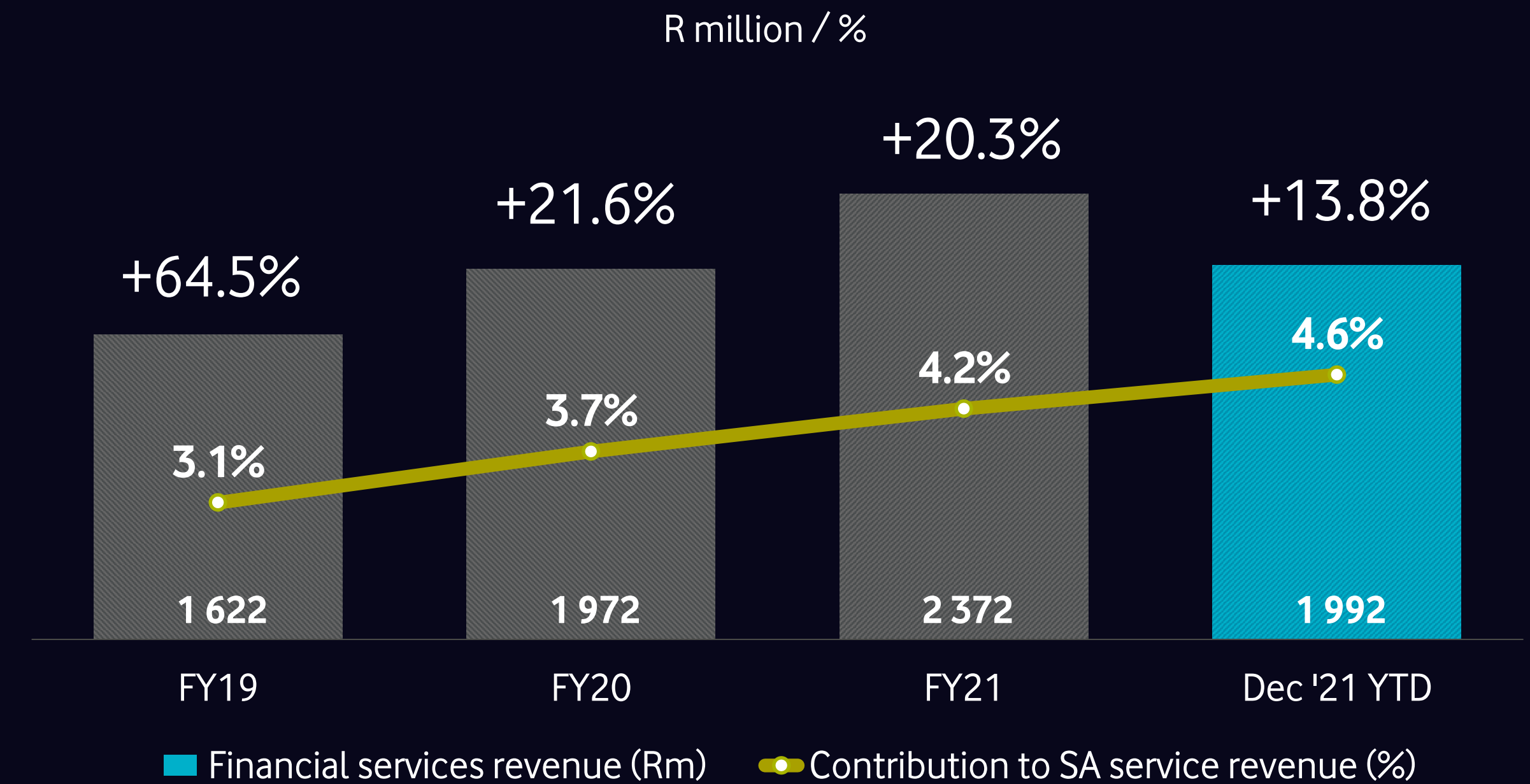
Track record of profitable growth and product expansion

Bringing consumers and merchants together

VodaPay SuperApp revolutionising our products and services

We are on a clear growth path

## South Africa financial services revenue



# Track record of growth and product expansion

**13.9m** Financial services customers

Scale our Acquiring solutions and merchants

Payments Acquiring

Entrench our Lending solutions across all customer interaction points

VodaLend

Continue to penetrate and scale insurance products across markets

VodaSure

Meaningfully scale our Trading platform

vodatrade

Revitalise Digital Services

DLS

Trade

- **+R270 billion transactional data processed** through VodaTrade (ERP tool)

Insure

- **5th largest insurer** by profit
- **2.4 million** insurance policies

Lend

- **5 million Airtime Advances per day** (+12% yoy)
- Advanced airtime amounting to **45% of prepaid recharges**

Pay

- **>3 500** monthly active merchants
- **Kwika Mini POS** launched Q3

SuperApp

- **>1m+** app downloads
- **~100+** external miniapps partners signed



Launch & scale the SuperApp



# Bringing consumers and merchants together

with exceptional and personalised experiences

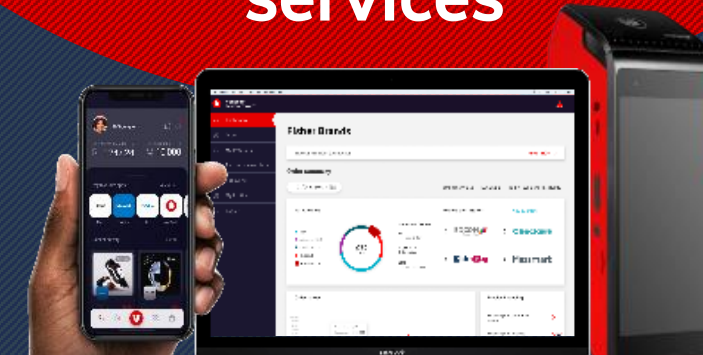
## Consumer

We will provide consumers with **exceptional experiences** through seamless, engaging personalised journeys



## Merchant

We will offer merchants leading platform **capabilities, payment services** and new ways to access and engage customers





# Bringing consumers and merchants together

with exceptional and personalised experiences

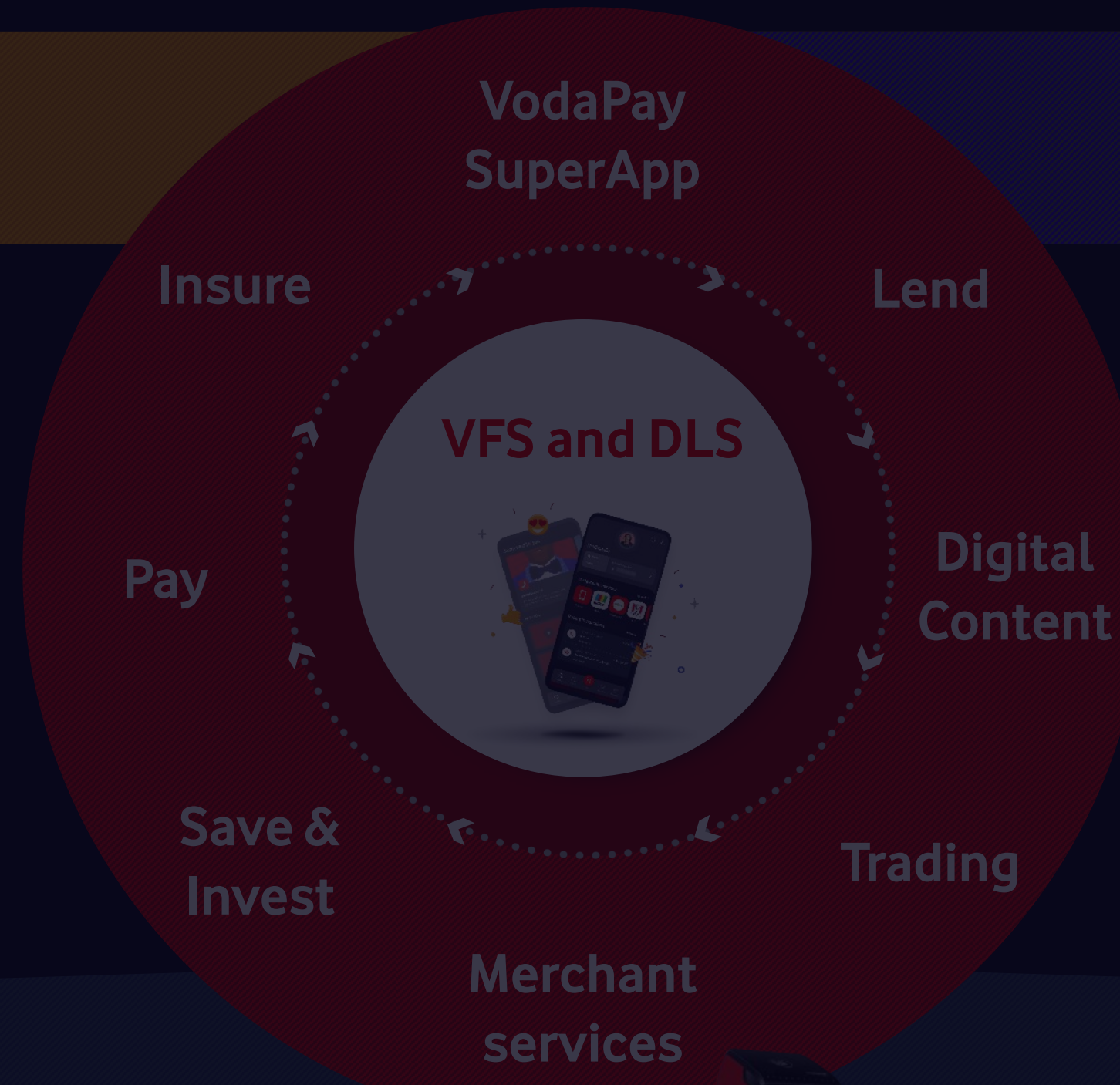
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## Merchant solutions

that address the challenges faced by small enterprises

Protection of their assets in the time of loss

Ordering of goods & services

Growing their business

Acquiring more customers

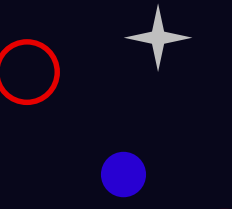


Providing benefits to their employees

Receiving cashless payments

Funding that is quick, cheap and affordable

Access to quicker payments







# Merchant solutions

anchored by innovative payments processing services

Receiving cashless payments



**Live Solutions**

**Future Solutions**

Acquiring debit & credit card payments

Online Payment Gateway

Expanding the merchant ecosystem to Transactional and Value Added Services

POS Android

POS Kwika

Online Payments Gateway

VAS Vending

Android App store

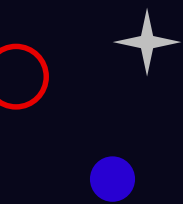
Tap on phone / Pin on glass

Tap on phone / Pin on glass

e-Commerce Plug ins

Merchant Store of Value (SOV)

Integrated Ordering



Access to quicker payments from their large customers

Access to funding that is quick, cheap and affordable



# Merchant solutions

an unmatched ecosystem of convenient funding solutions for SMMEs

Business applies through a single originations platform and receives an aggregated set of customised offers

Live solutions

Business Term Advance

Supply Chain Finance

Business Cash Advance (POS)

Business Market Place (Future solution)

Business applies through a single originations platform and receives an aggregated set of customised offers

Asset backed lending

Start-up funding

Grant funding

Equity funding



Protection of their assets in the time of loss

Providing benefits to their employees



## Merchant solutions

the preferred connected and trusted insurer that delivers on demand, One-Click Insurance for enterprises



### Live solutions

Group Life

Group Funeral

Business Insurance

### VodaSure own products

Own products end-to-end licences, IT platforms and servicing

### VodaSure white label products

Work with strategic partner to provide product and servicing capability

### Marketplace products

Other insurers for market place categories. VodaSure where no licence or risk appetite exists yet







# Merchant solutions

scaling the platform with new data-driven propositions personalised to our customer needs



## Live solutions

VodaTrade Core

VodaTrade Ordering

VodaTrade Portal

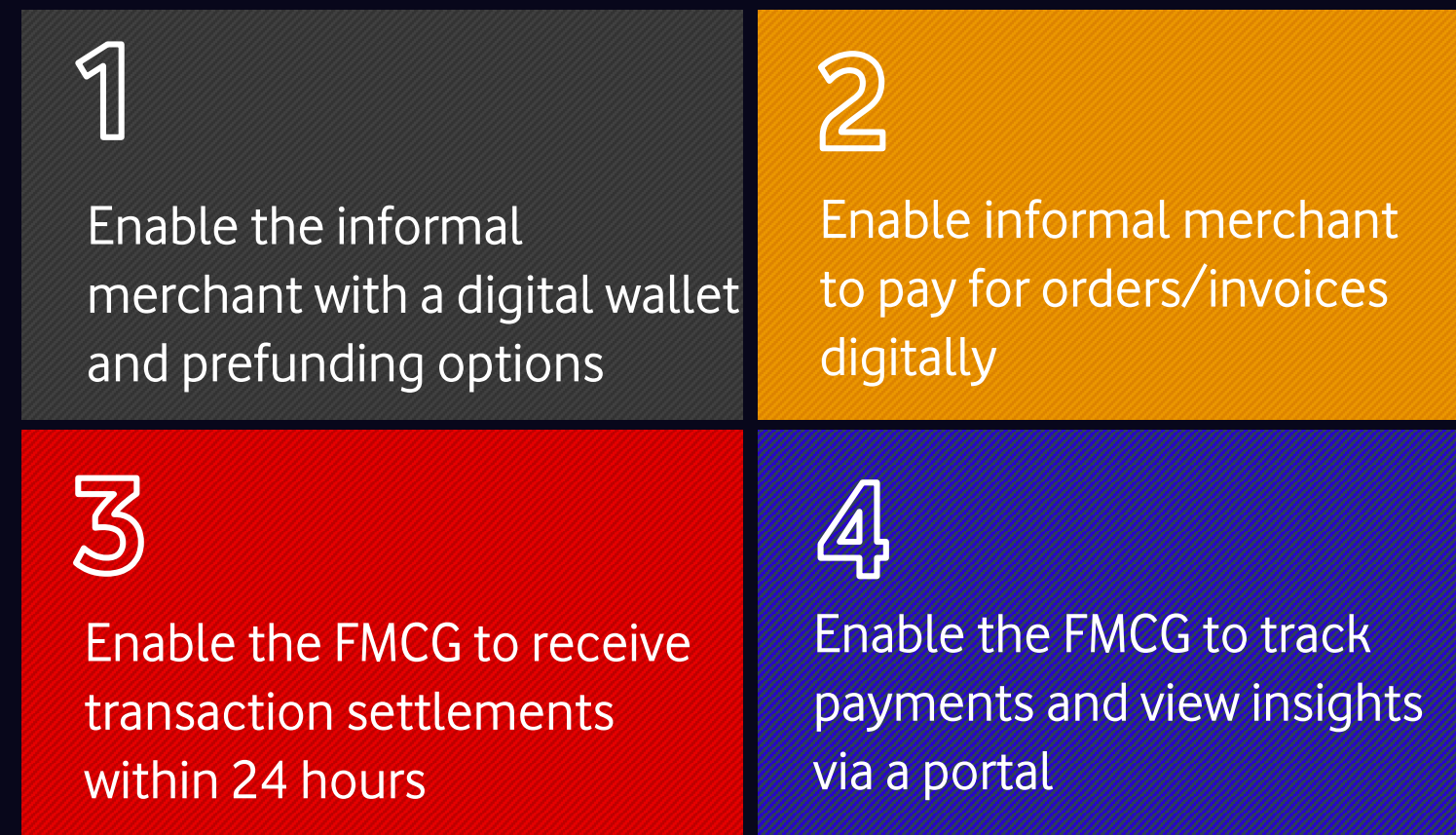
## Future solutions

ePOD

Stokvel

Data as a service

Ordering of goods & services





## Merchant solutions

the VodaPay SuperApp, with 1 000s of mini-apps, will scale to include all tiers of merchants

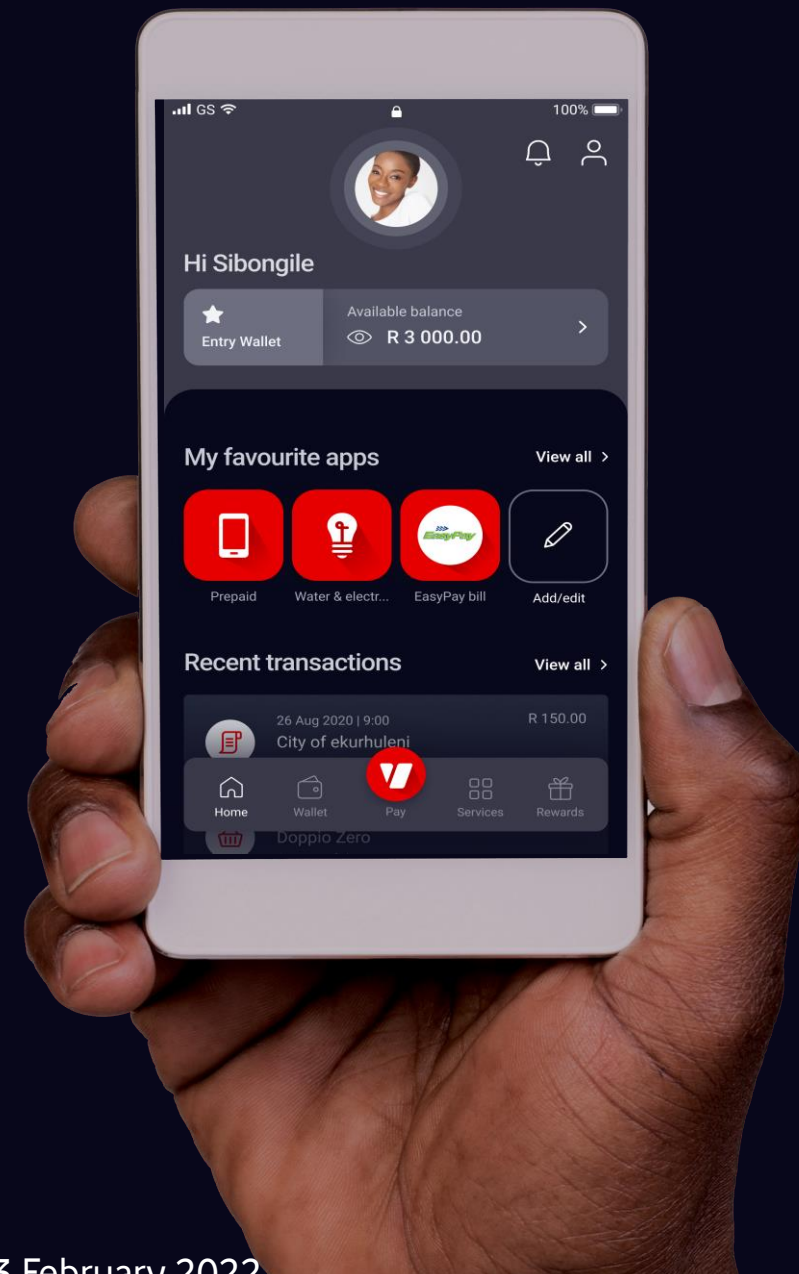
Growing their business

Acquiring more customers



# VodaPay SuperApp

## One app, endless possibilities.



We will use our mini-app platform to reach the lowest segment of merchants, enabling them with digital storefronts and access to market

**Tier 1**  
Large prominent brands

- Prominent brands that resonate with consumers and create rich mini-app experiences

**Tier 2**  
Medium sized businesses with e-commerce capability

- Merchants looking for scale whilst creating cost effective options to create a mini-apps

**Tier 3**  
Smaller sized businesses

- Merchants with no e-commerce or online presence that are looking to enable these capabilities





**Love**



**Jacaranda**

*— Love —*  
J A C A R A N D A





# Bringing consumers and merchants together

with exceptional and personalised experiences

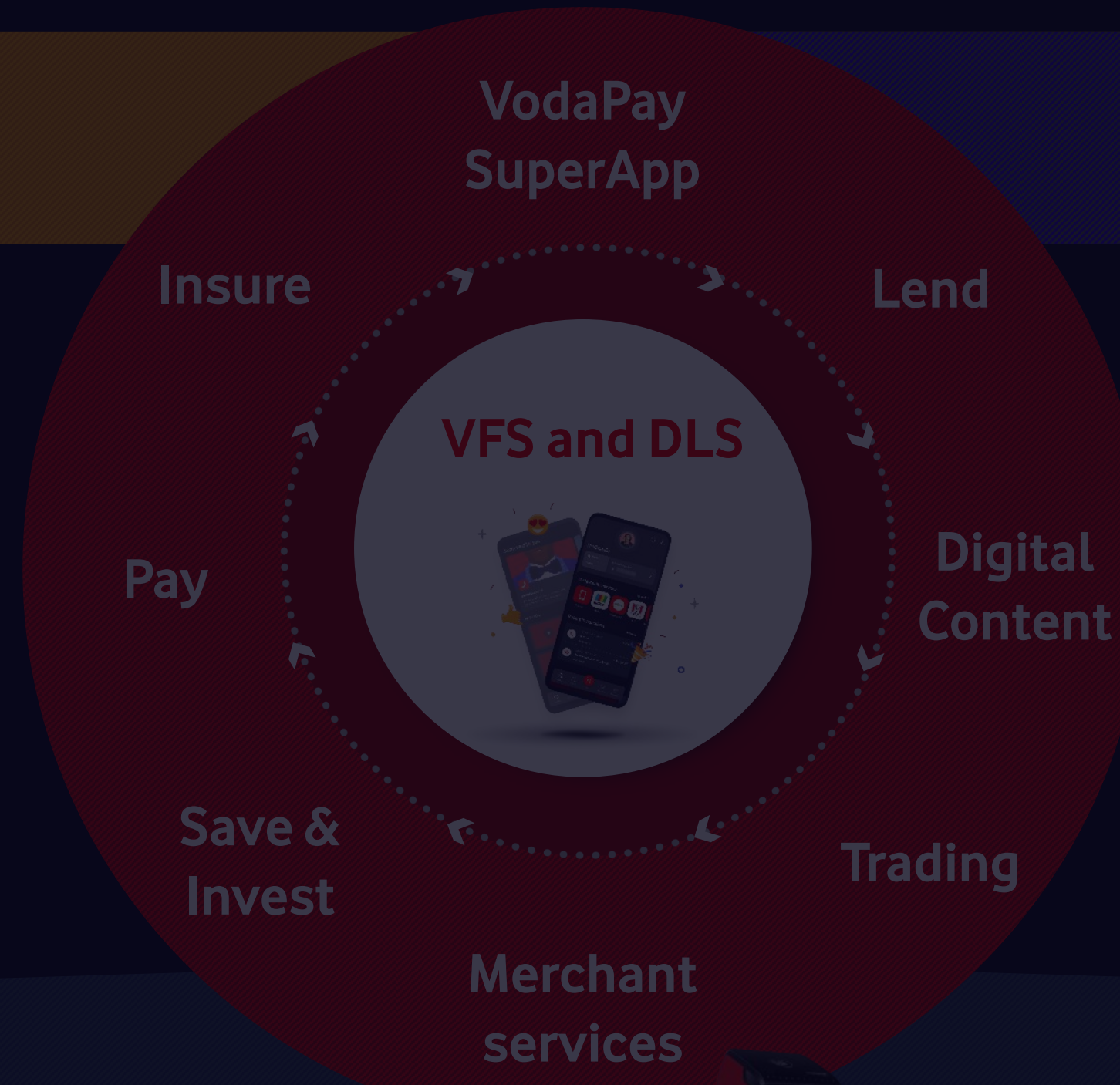
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## Merchant

We will offer merchants leading platform **capabilities, payment services** and new ways to access and engage customers





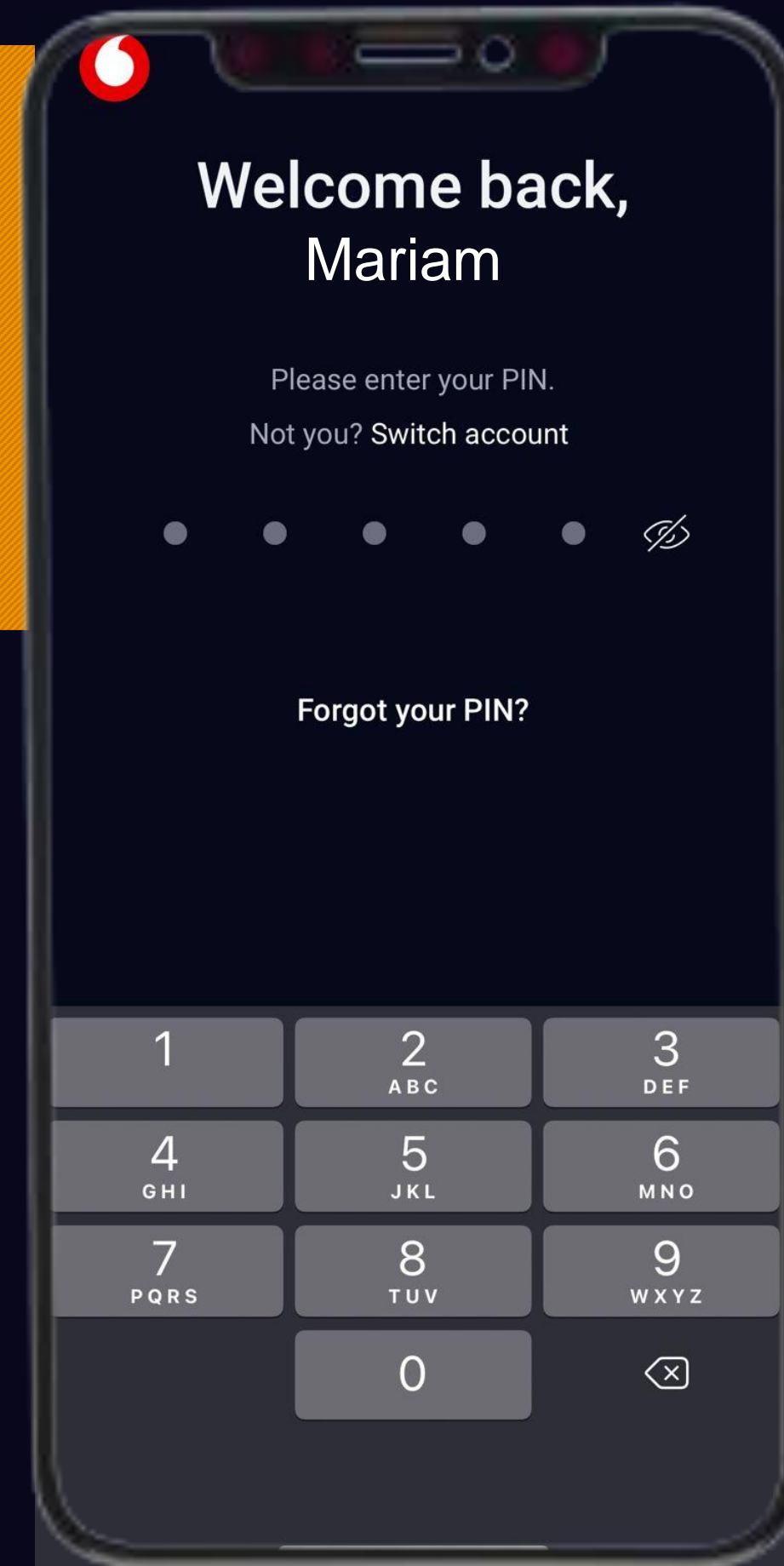
# Typical challenges faced by consumers



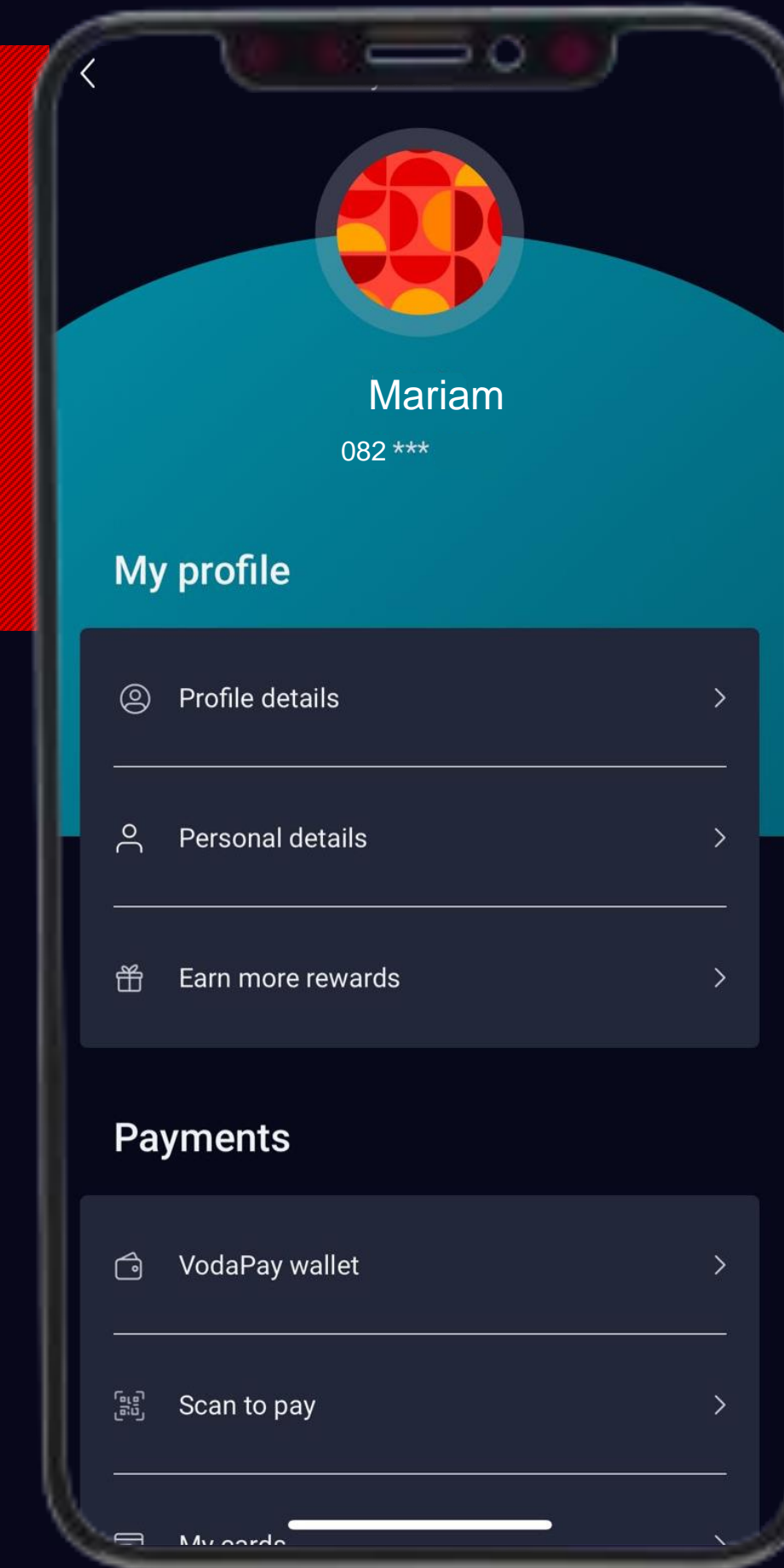


# The VodaPay app has a one login philosophy for all services

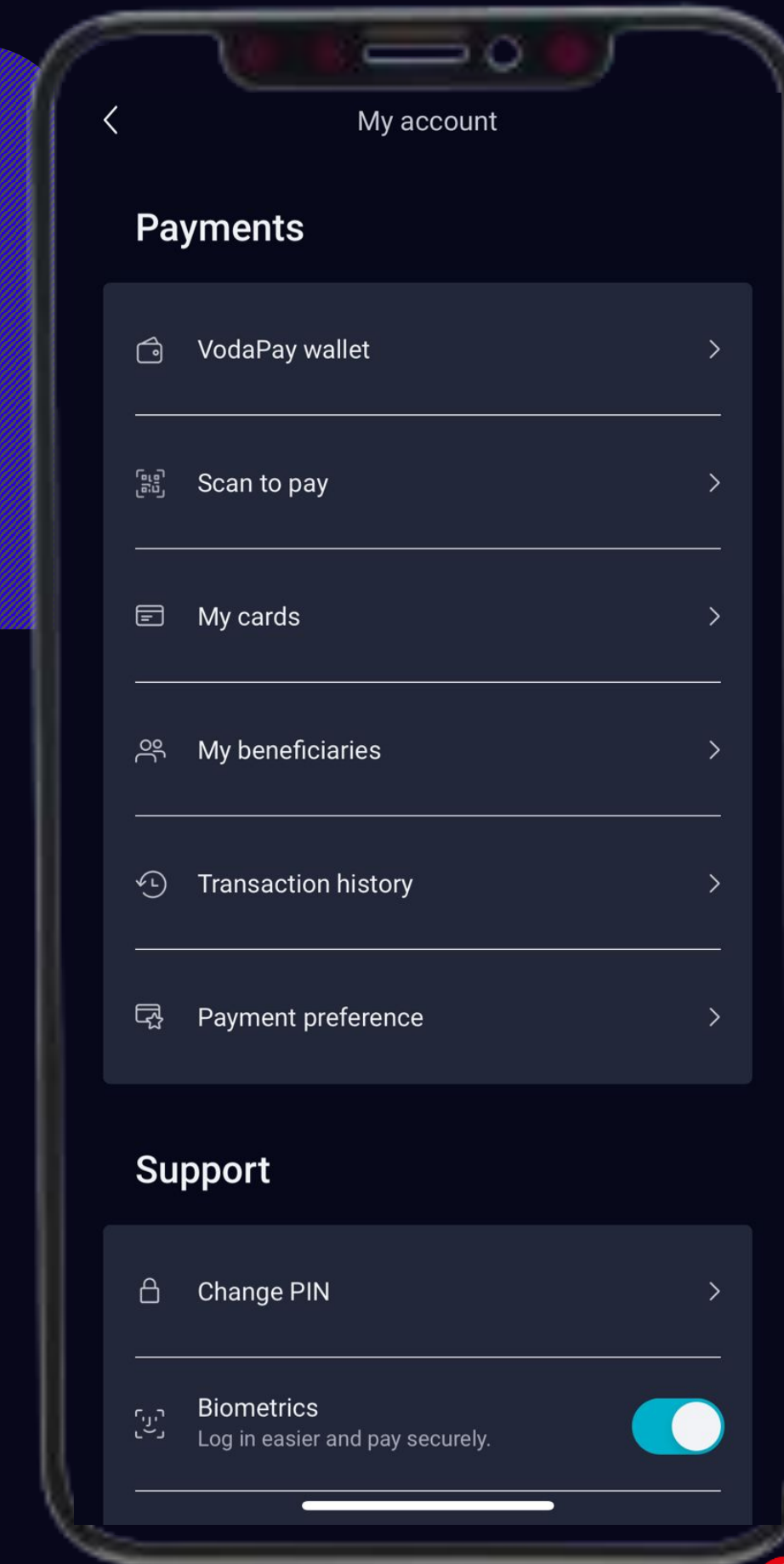
One App,  
One Login



Centralised  
user data for  
all VodaPay  
services



One payment  
gateway to pay  
for anything  
and everything



Entering the same data  
repeatedly across  
multiple platforms

Risk of sharing of personal  
and financial data

Managing multiple log-in  
and registration credentials





# VodaPay offers a digital wallet up to R20 000 for affordable transactional banking

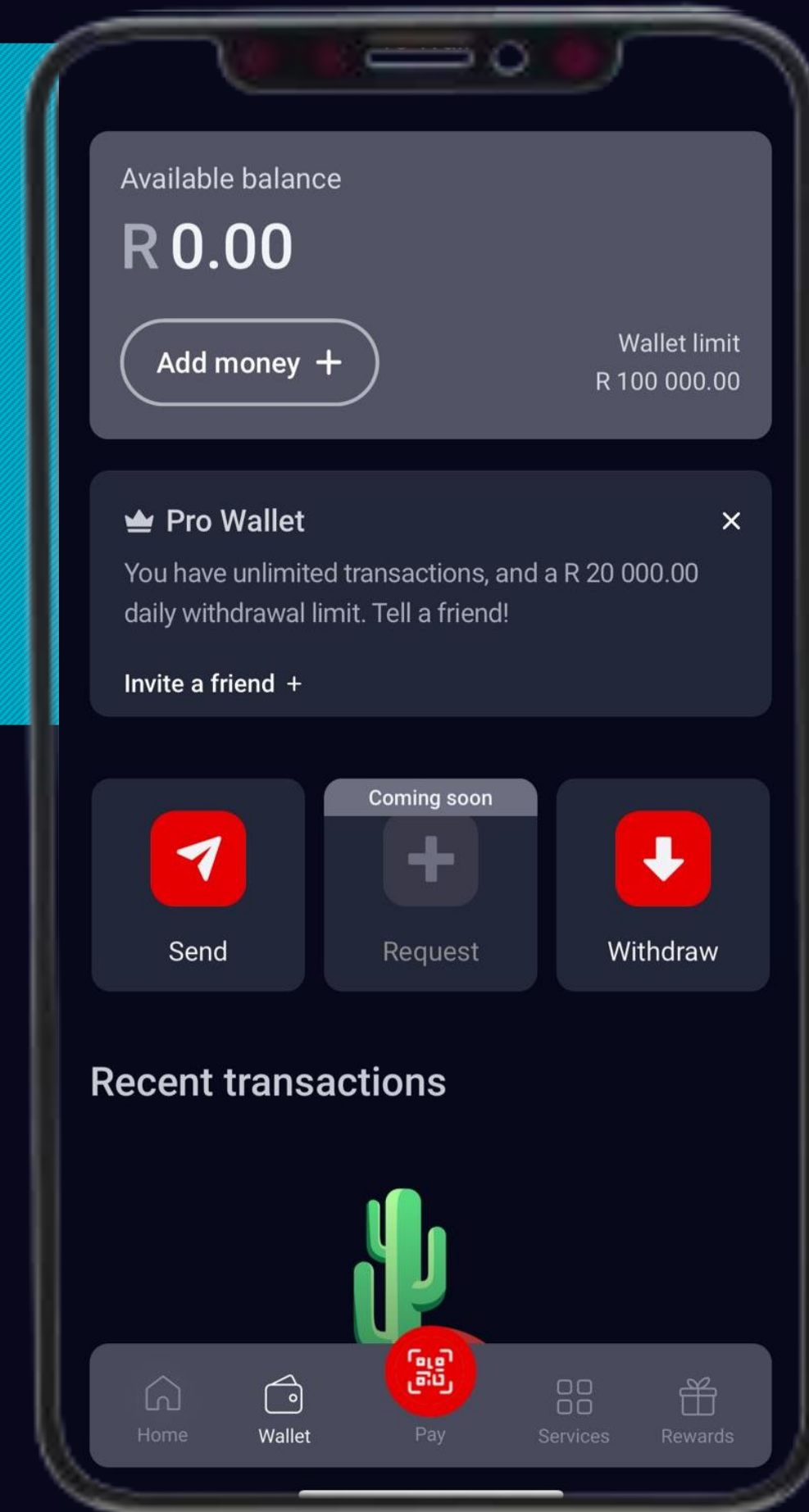
High cost of cash and banking

Tedious process of opening a bank account

Slow & cumbersome remittance process



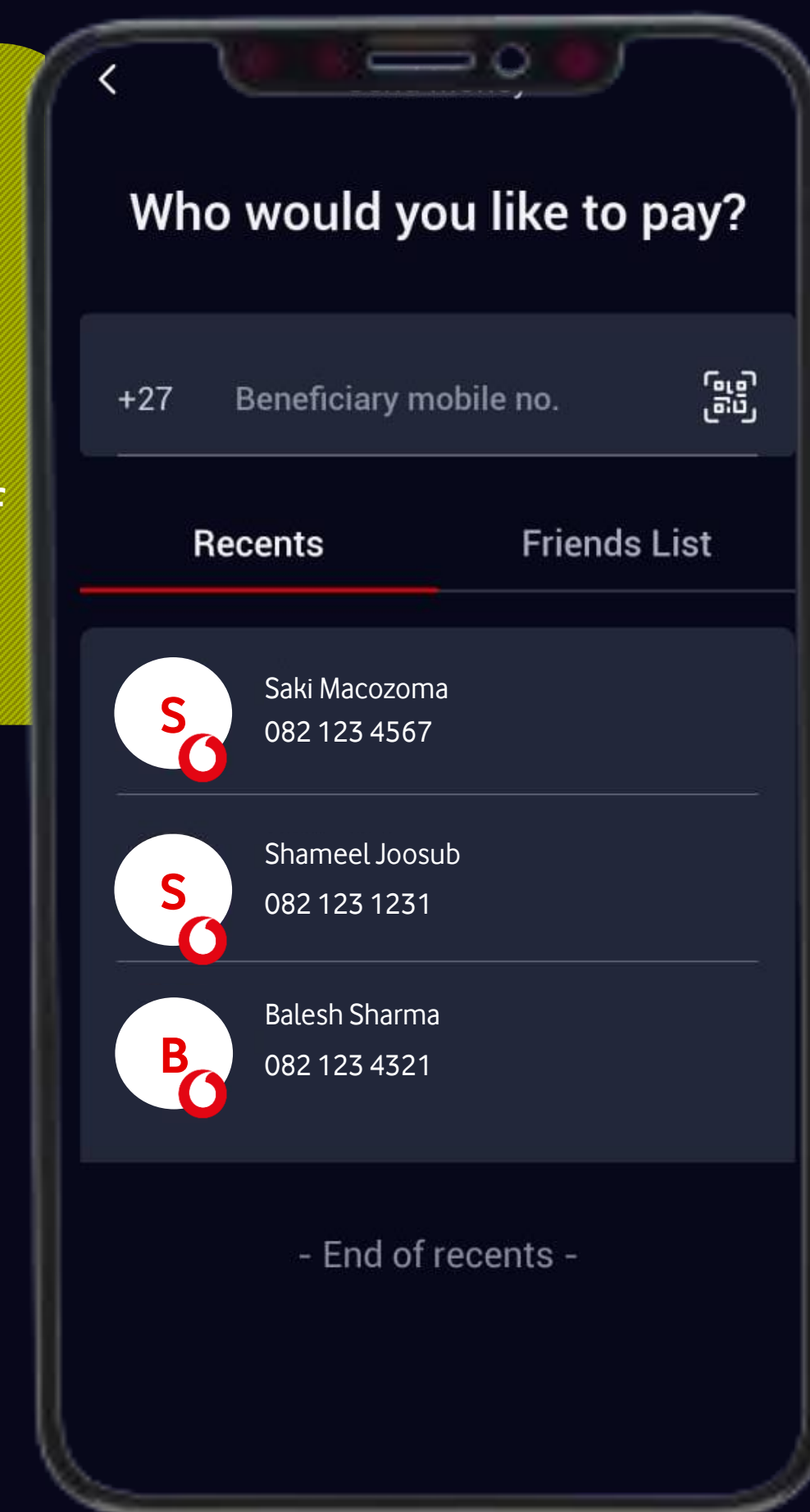
Digital wallet: Affordable banking and cashless transactions



Simple KYC process and upgrade your wallet at your convenience



Send money securely in SA without leaving your home with real time Store of Value allocation

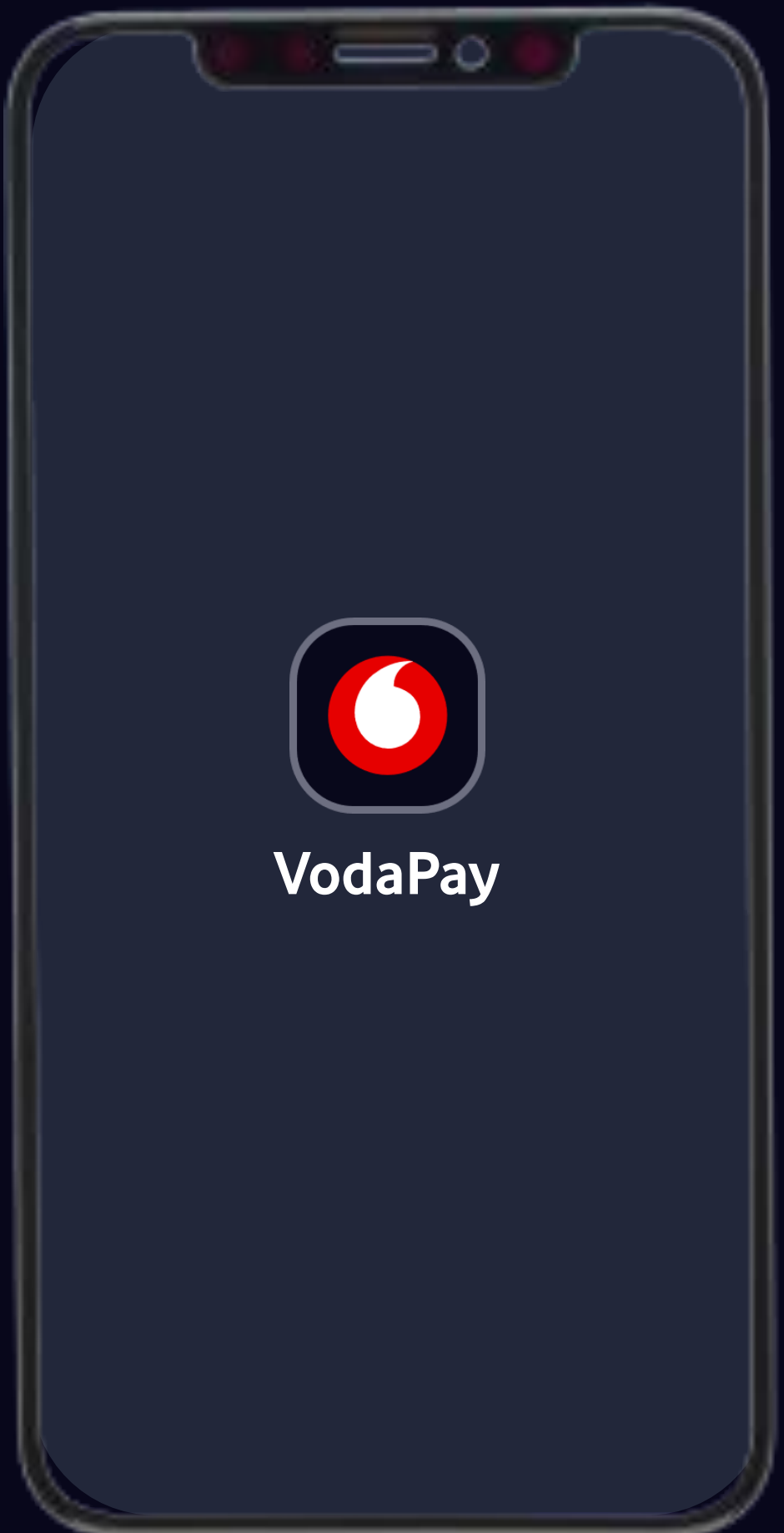
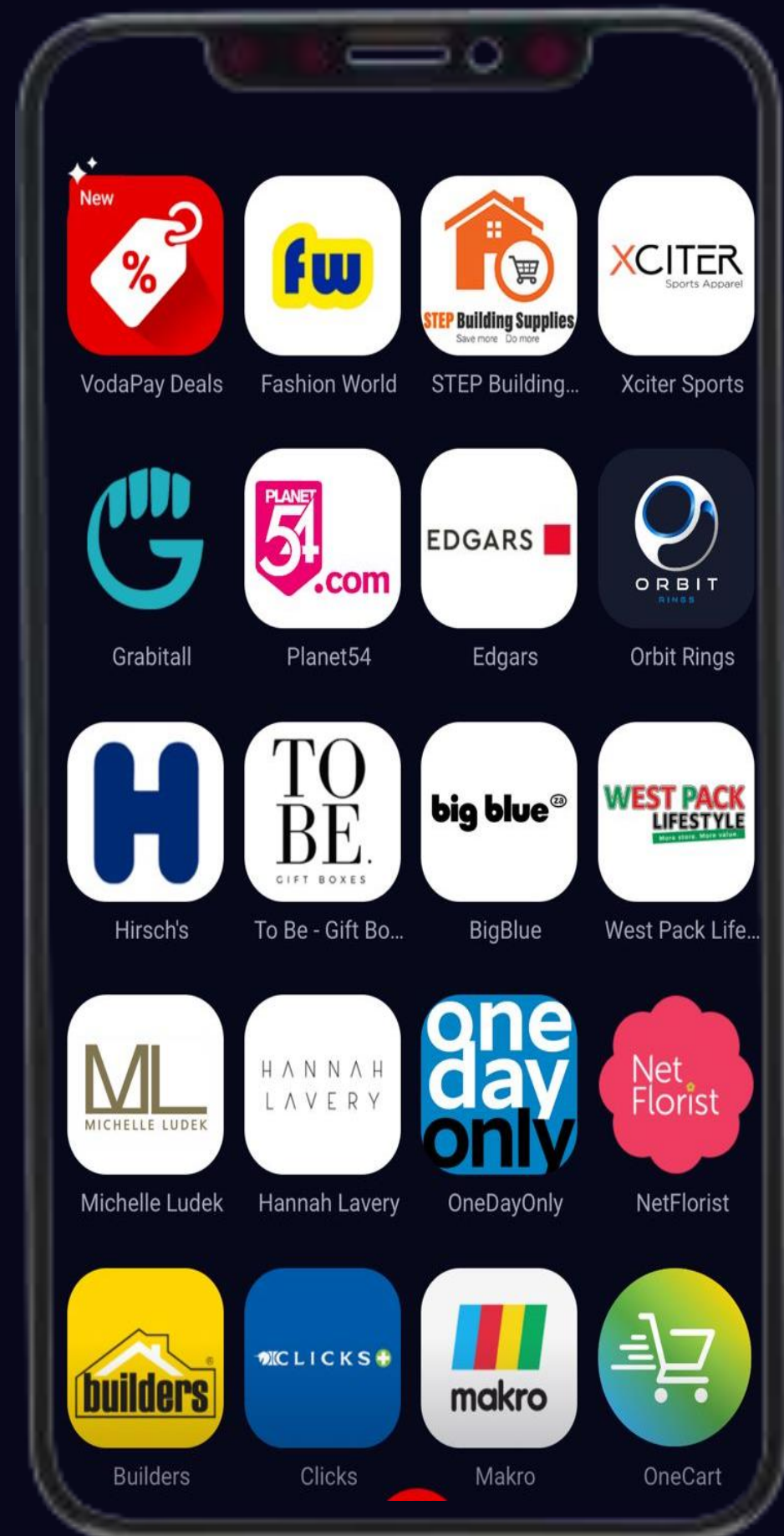




# The VodaPay SuperApp allows consumers to have all their usual apps in one convenient place

Too many apps,  
and limited  
phone storage

Data usage



Zero-rated app for  
Vodacom customers

All mini-apps are in one place  
and are loaded on run time





# VodaPay customers are offered a compelling range of internal solutions

## Financing



Airtime Advan...



Vouchers

## Health & Wellness



Mum & Baby



Book a nurse

## Insurance



Funeral Cover



Device Insuran...



Life Cover

Access to financing

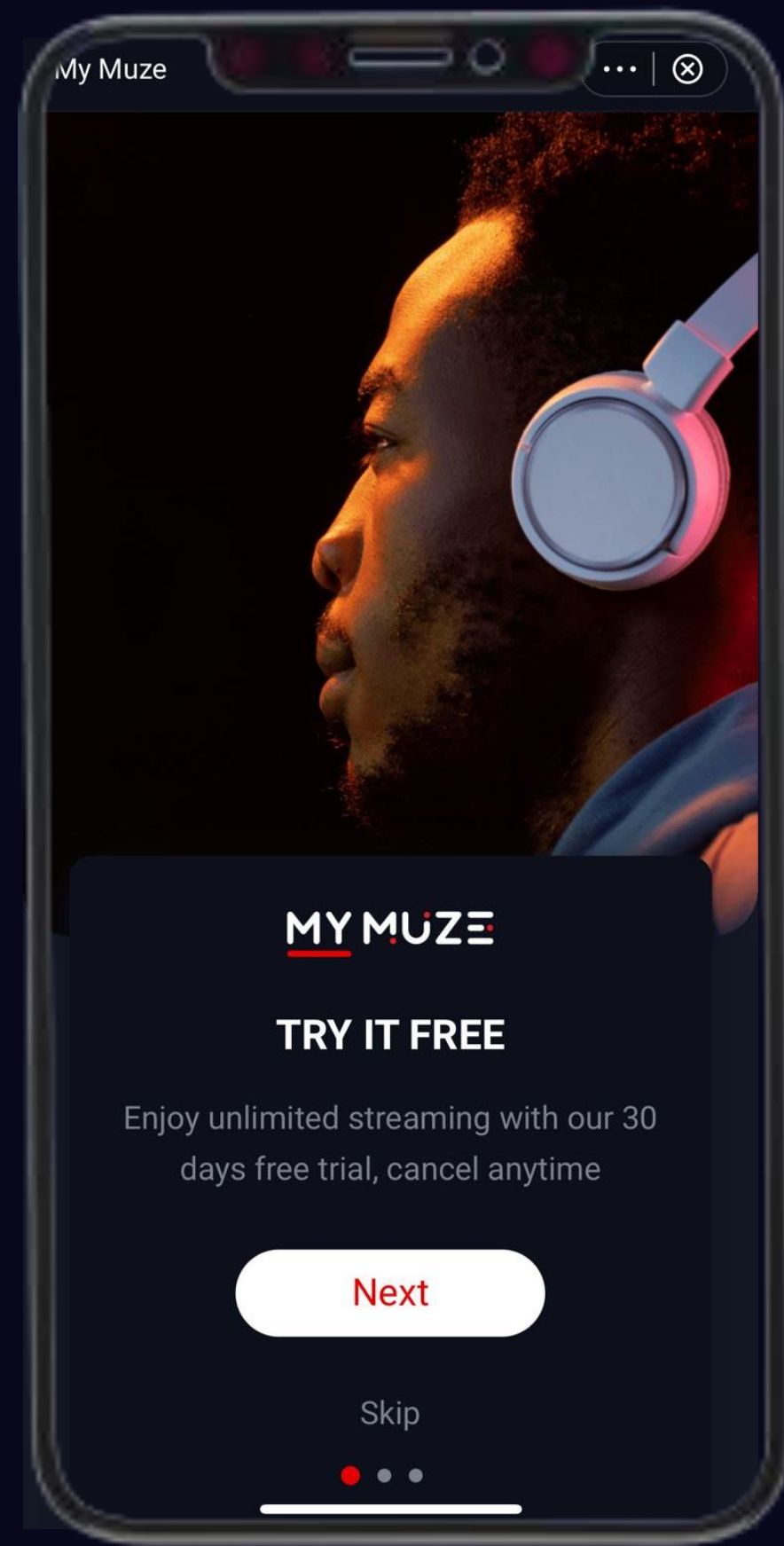
Access to health and wellness services

Complex nature of getting insurance and untrustworthy providers



# We are enhancing our portfolio of offerings through partnerships and platforms that will unlock new revenue streams and channels for consuming content

Lack of affordable and accessible content services



## Vodacom owned

1

Vodacom branded products (via strategic partners)

playinc.com

vlive.

MY MUZE

e-school

eziADS

SACCESS  
BUSINESS & MARKET NEWS

THE FUSE

## Third-party services

2

Third-party services that we currently offer or aim to accelerate via joint proposition to include in our platforms

MULTI CHOICE  
ENRICHING LIVES

NETFLIX

Spotify

TRACE

prime video



Entertainment Hub

## Upcoming

3

- Sports & gaming
- Digital advertising
- Video
- Music
- Other ecosystems

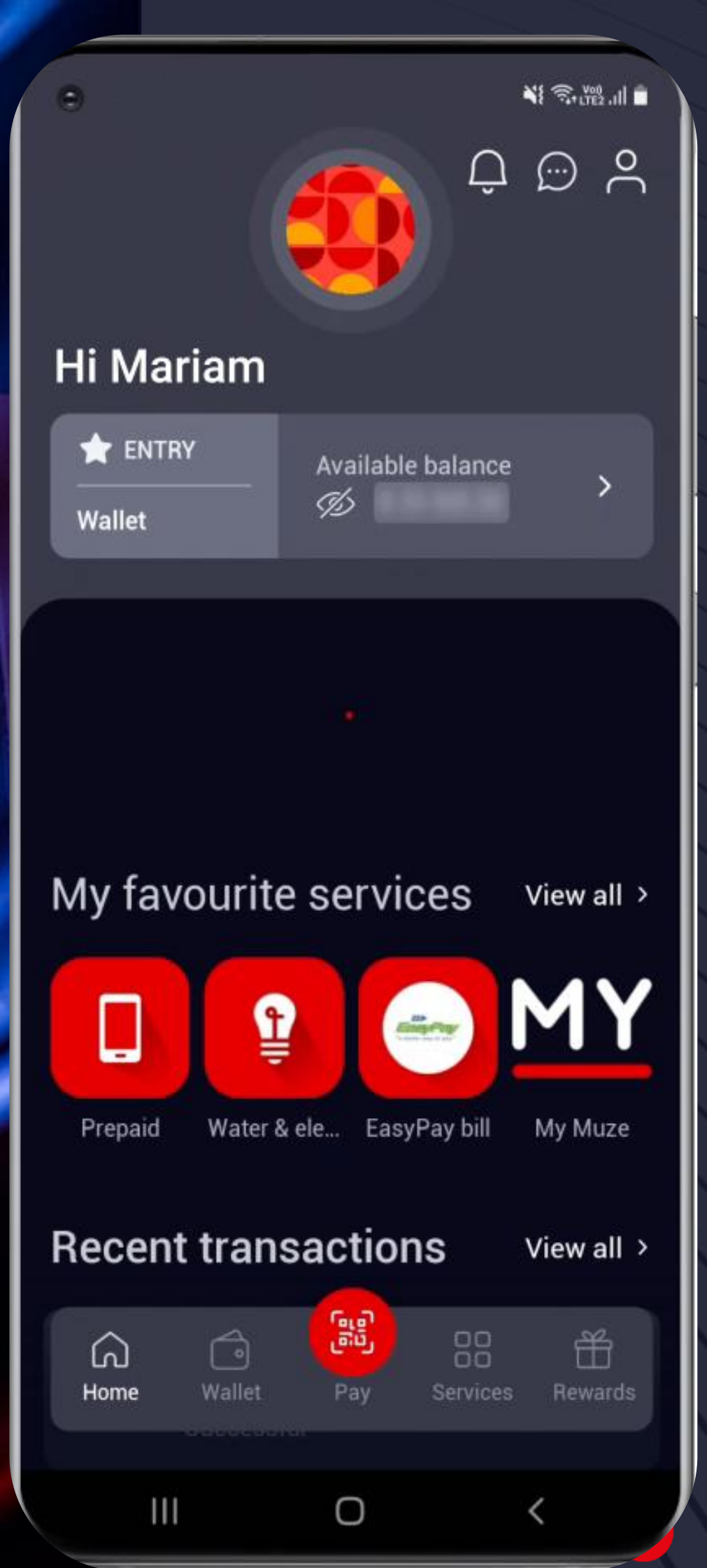
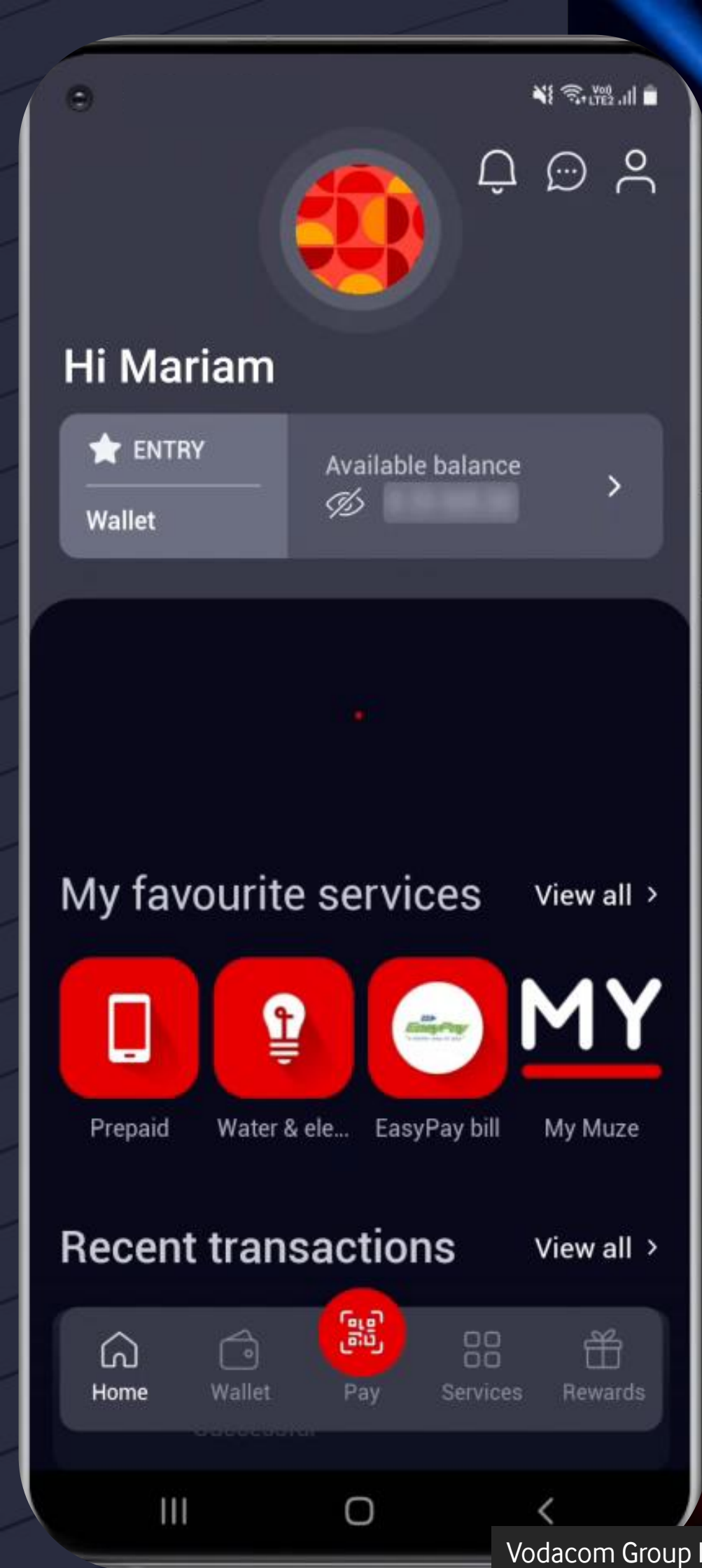




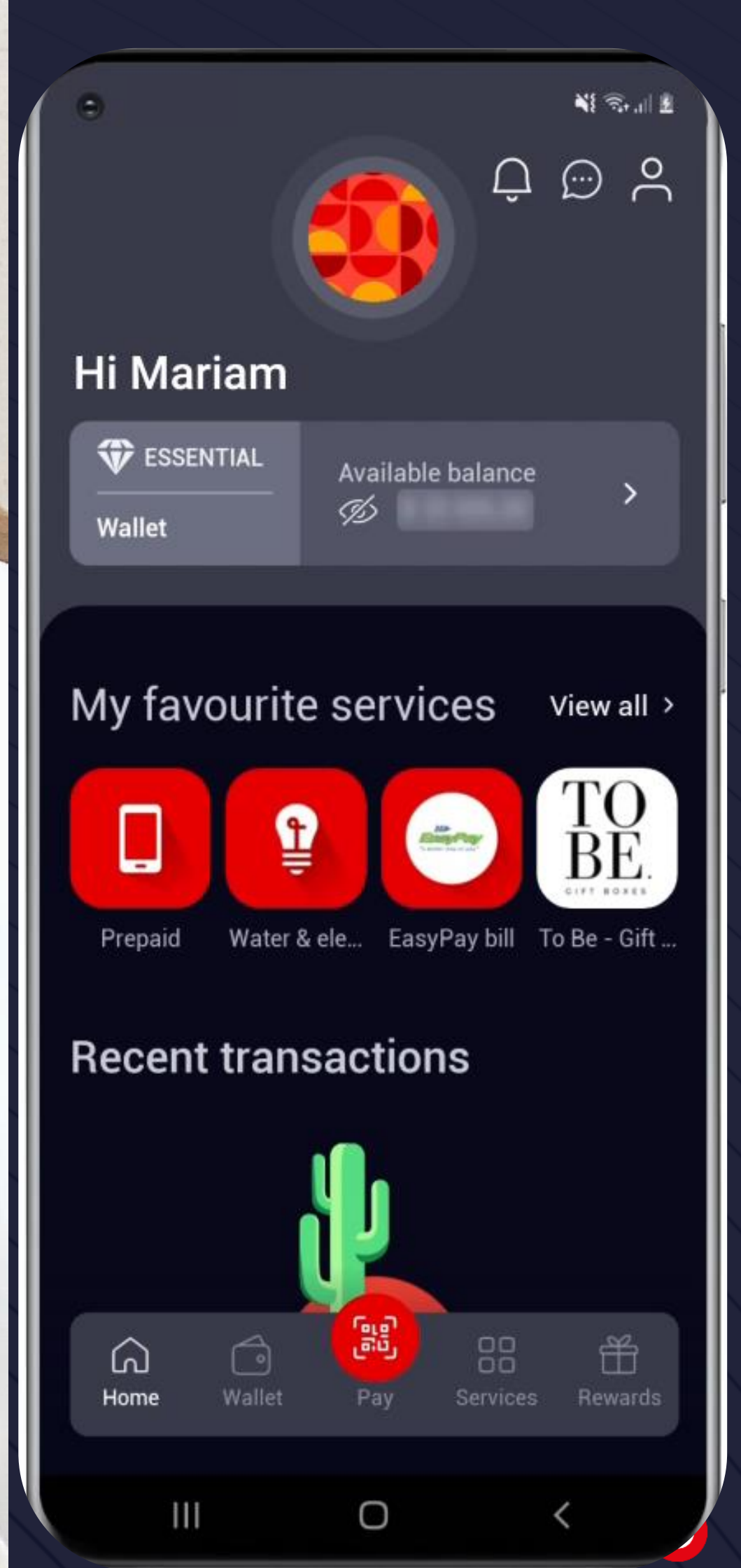
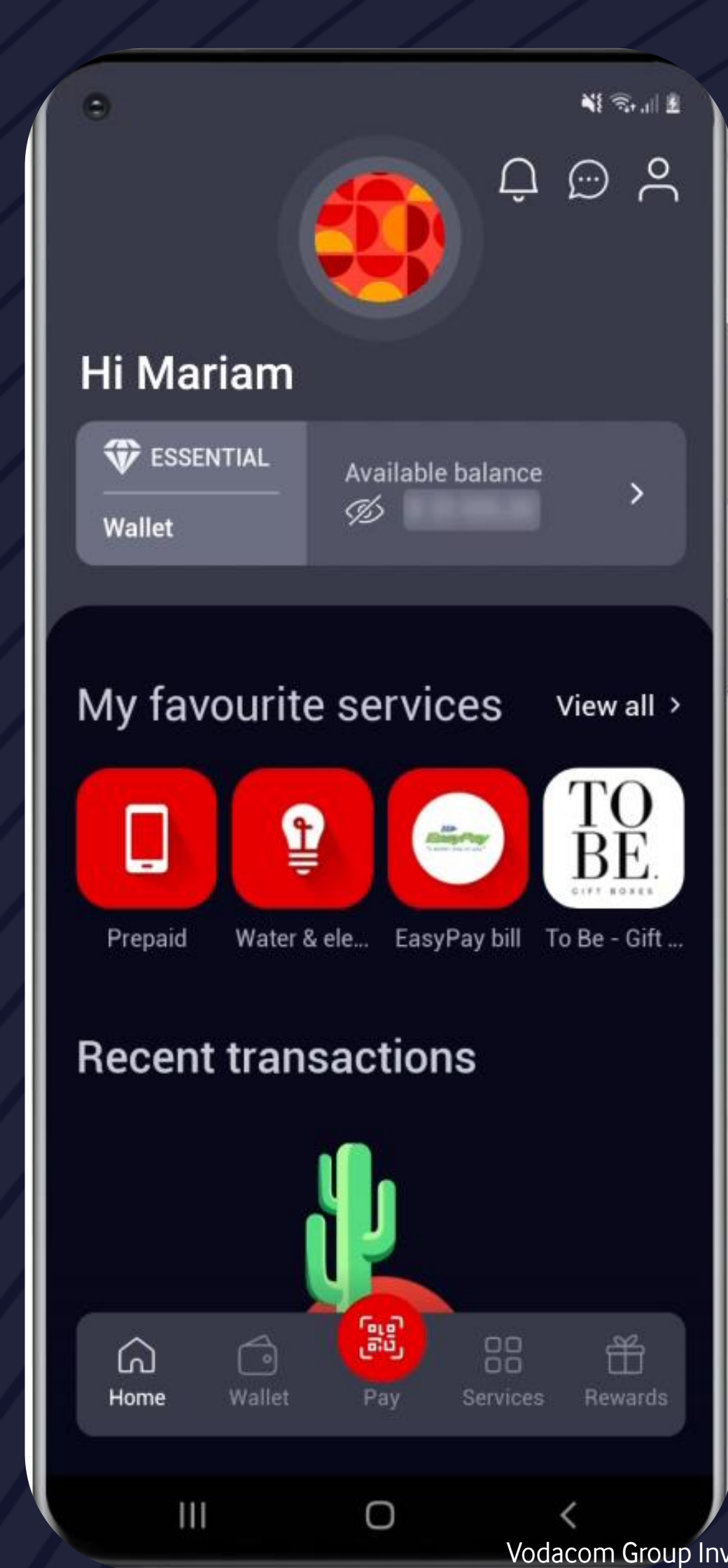
# SuperApp

# Demo's

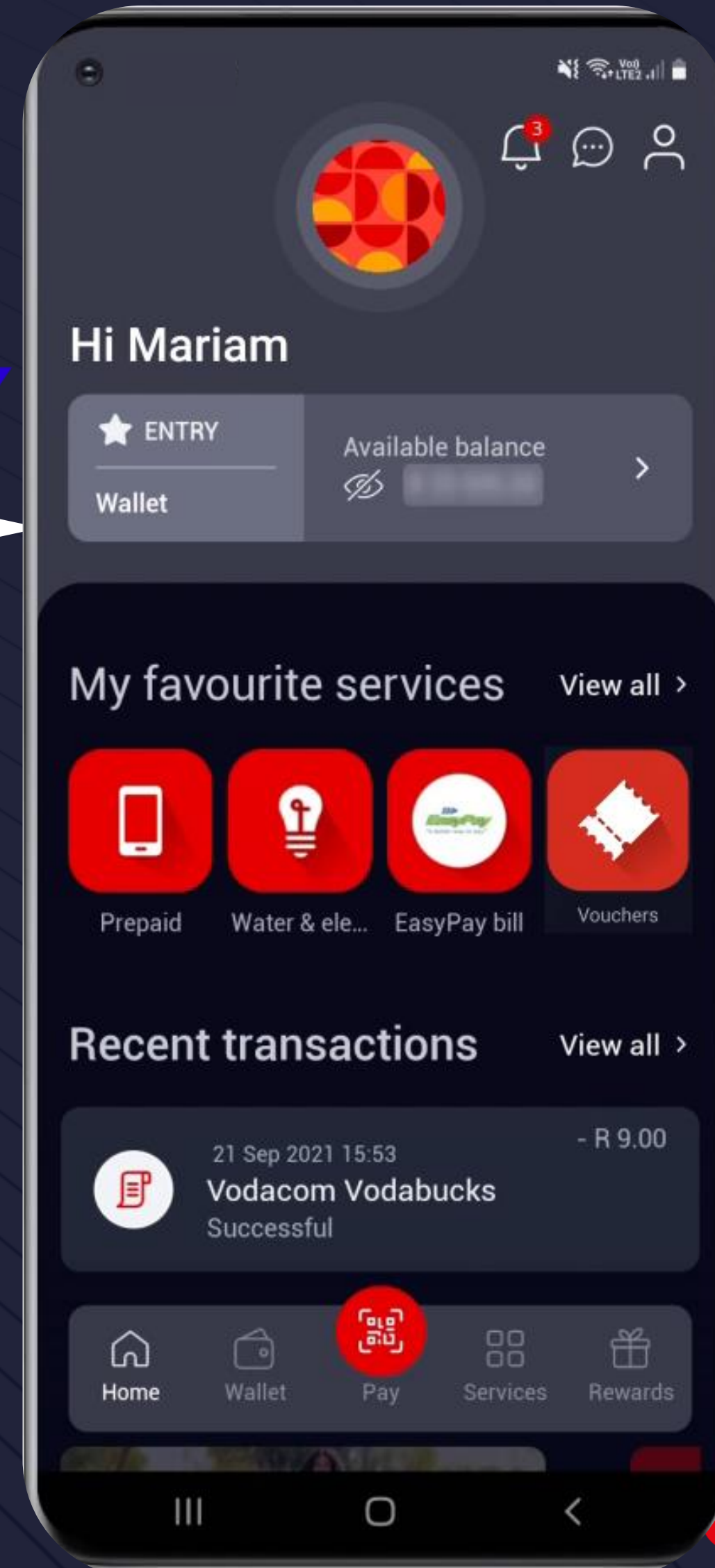
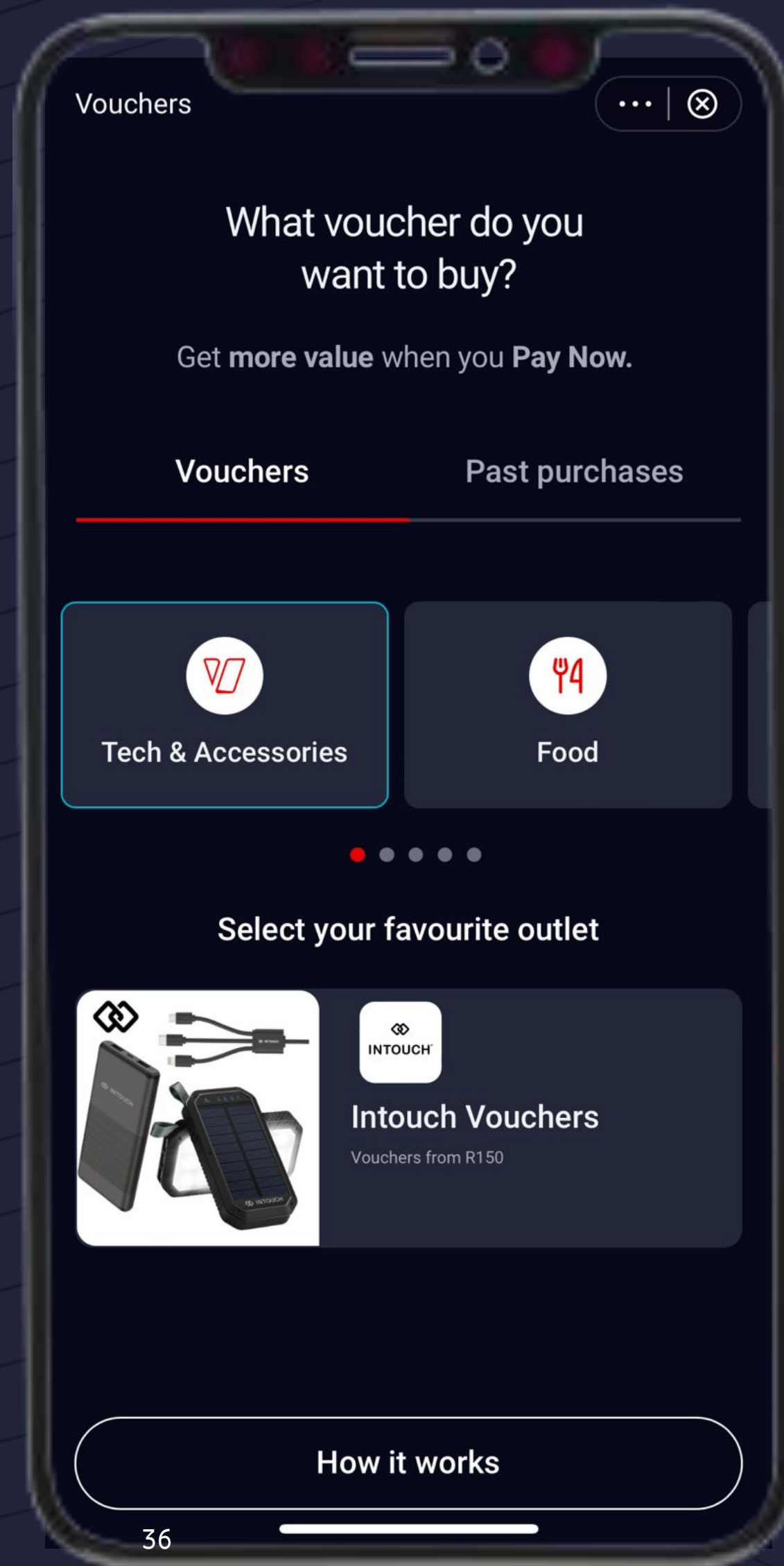
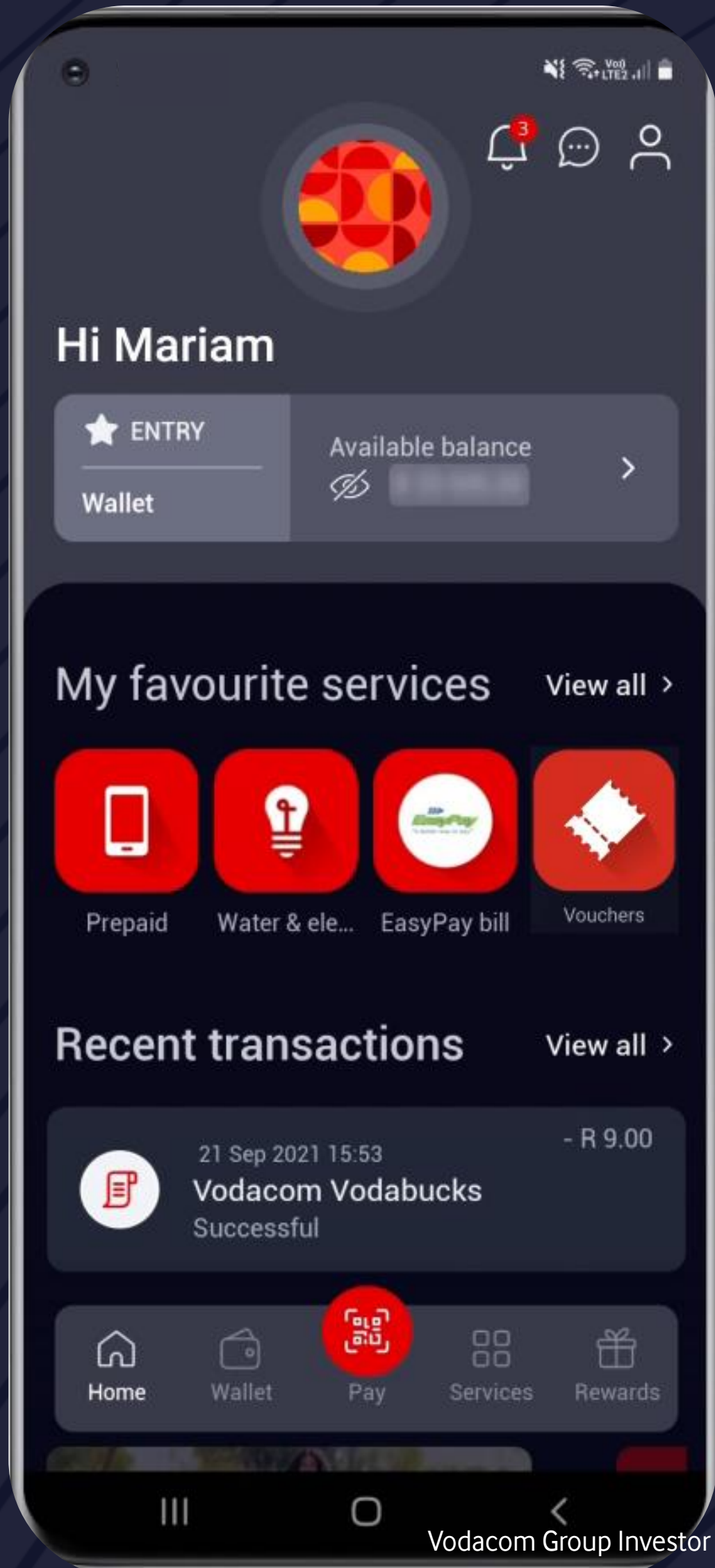






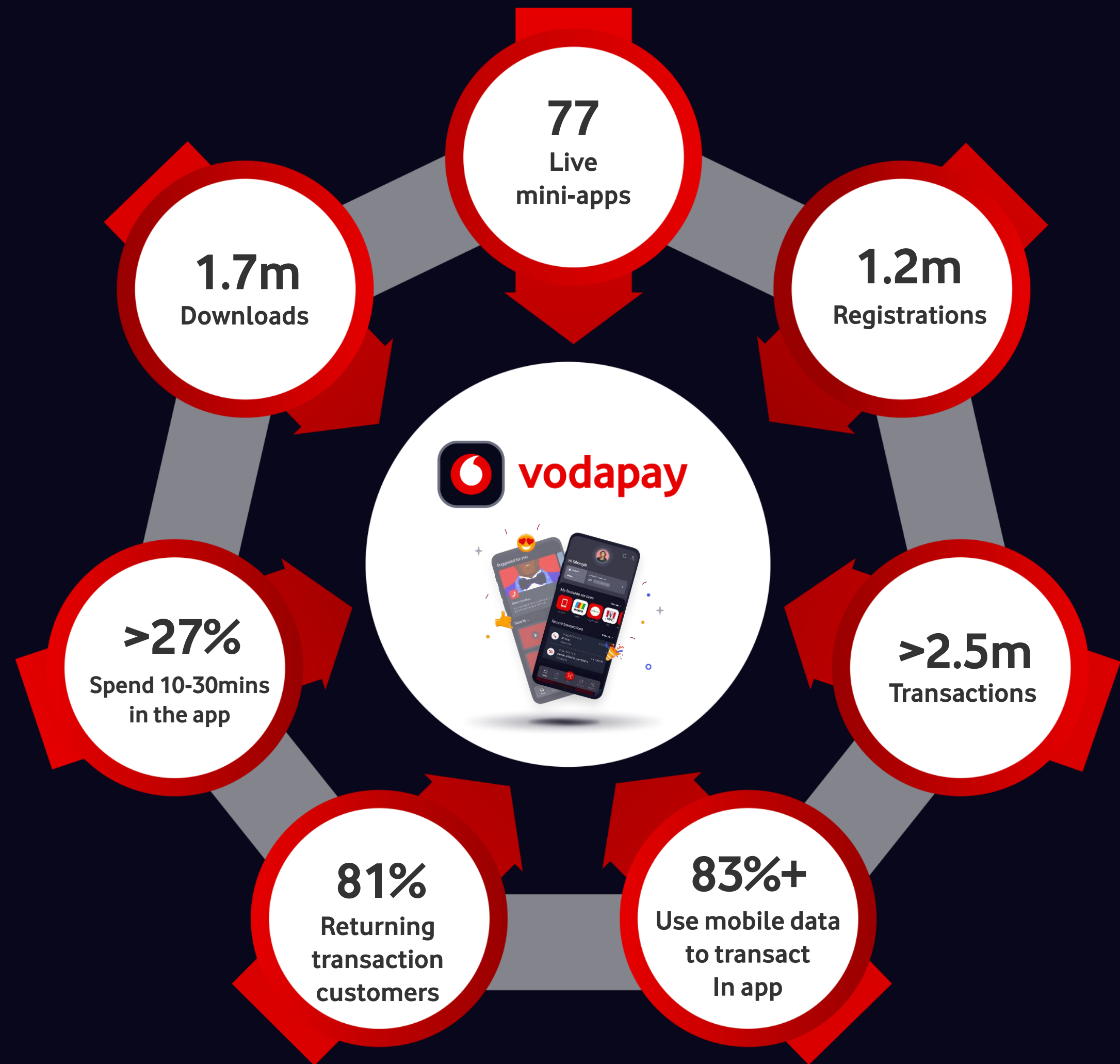








# So far...



## Customer split



Prepaid: c72%



Non Vodacom: c10%

## Biggest revenue drivers



Vodacom telco offerings



Utility payments

## Popular mini-apps



KFC



Makro



Builders Warehouse

## Most popular days



Sundays are the least popular



Thursdays are the most popular

## R1 deal



22%: Non Vodacom customers



54%: Vodacom customers who have been with us for 4+ years

# We are on a clear growth path

## Growth outlook

Medium-term **double digit growth** potential

**Attractive VFS** return on capital employed

**4 million** new VFS customers over the medium-term & increase in services per customer

Leading **SuperApp** in South Africa

## VodaPay is all about platform economics

Downloads

Registered users

Active users

Transaction frequency

Target >1 million 30 day transacting users over the medium-term

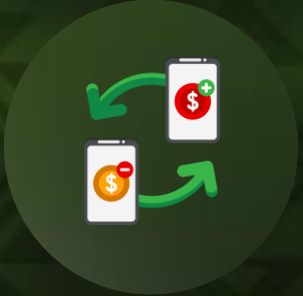




# Accelerating financial services

(M-Pesa Africa)

Sitoyo Lopokoiyit





# Key messages

## 3 Accelerating financial services (M-Pesa Africa)

### M-Pesa revenue (R'bn / %)

Track record of profitable growth and product expansion

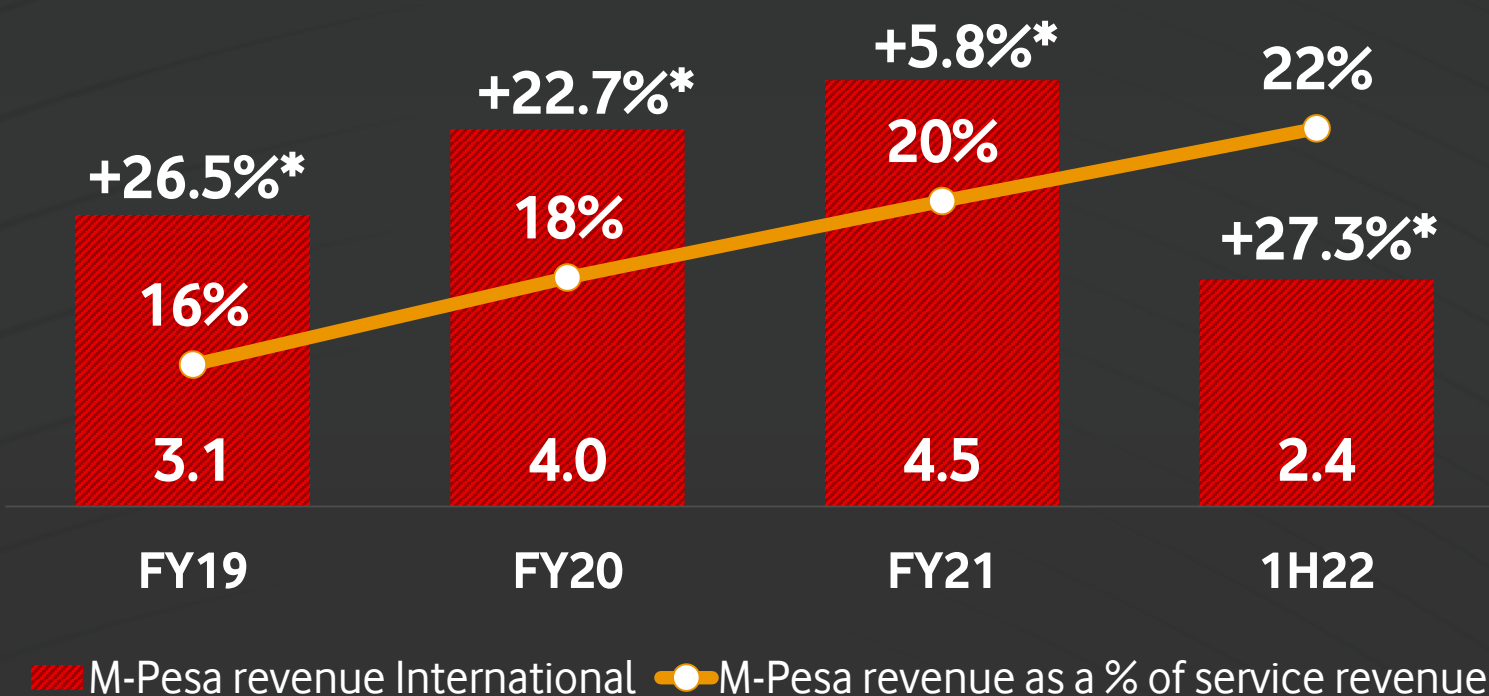
M-Pesa Africa is driving the commercial model

Bringing consumers and merchants together

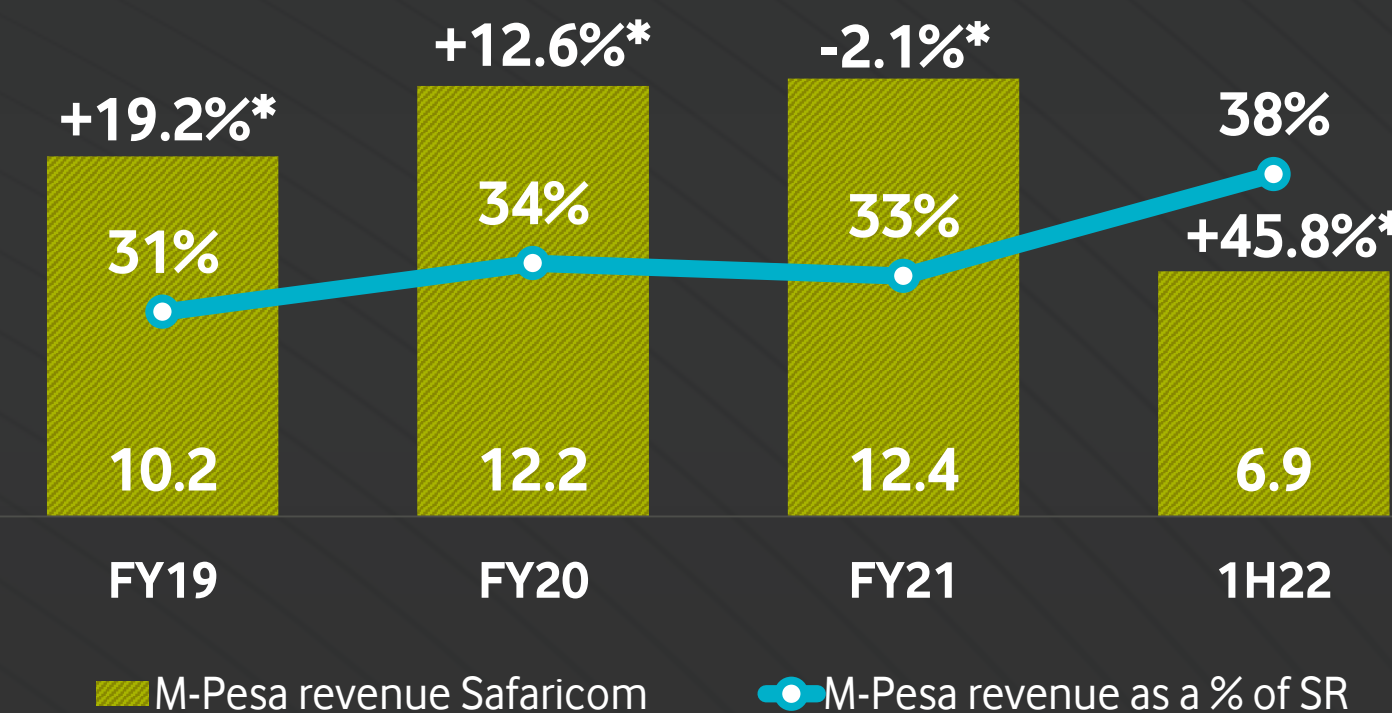
M-Pesa SuperApp revolutionising our products and services

We are on a clear growth path

Consolidated - Vodacom International



Associate - Safaricom (100% basis)



\* Normalised growth which presents performance on a comparable basis





# M-Pesa – a track record of profitable growth and product expansion

## Inclusive growth

## An exciting future driven by focused strategy



When we come together,  
**great things happen.**

15%

annual growth rate over the last five years across all metrics, with **\$1.1Bn** revenue\* in **FY 2021**

Contributed meaningfully to **financial inclusion**

\*Africa portfolio (100% basis) – Safaricom, Tanzania, DRC, Mozambique, Lesotho, Egypt and Ghana

51 million

customers in **7 countries**, making it the biggest FinTech platform in Africa

Launched unique Business and Consumer SuperApps

We have an opportunity to become a more valuable African fintech



- M-Pesa Africa driving the commercial model and strategic roadmap
- 7 strategic goals will enable M-Pesa Africa achieve more scale and broader financial inclusion, including
  - An improved technology platform to support the business strategy
  - Expansion of our cross-border trade capabilities (e.g., e-commerce) and international remittance payments capabilities
- Overarching compliance management framework that leverages data analytics and big data.





# M-Pesa has delivered a tremendous social impact...

**2007**

M-Pesa was launched to digitise microfinance operations in Kenya

Primary use case was digital remittance (cash-in and cash-out)



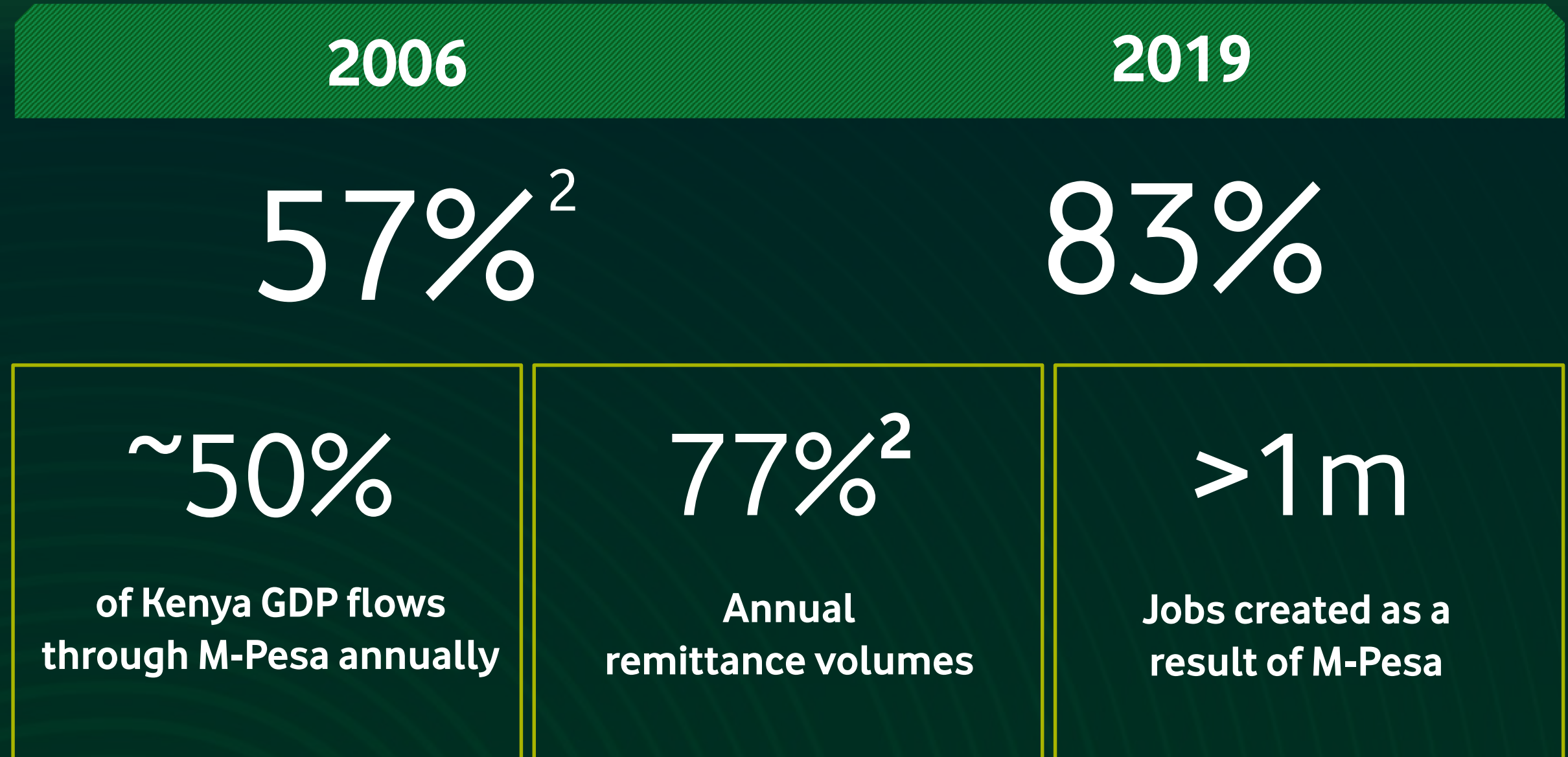
**YEAR 1:**

1 million monthly active users & **30 000** agents

**Now**

**Financial inclusion rate<sup>1</sup>**

M-Pesa has contributed to broader economic development within the country...



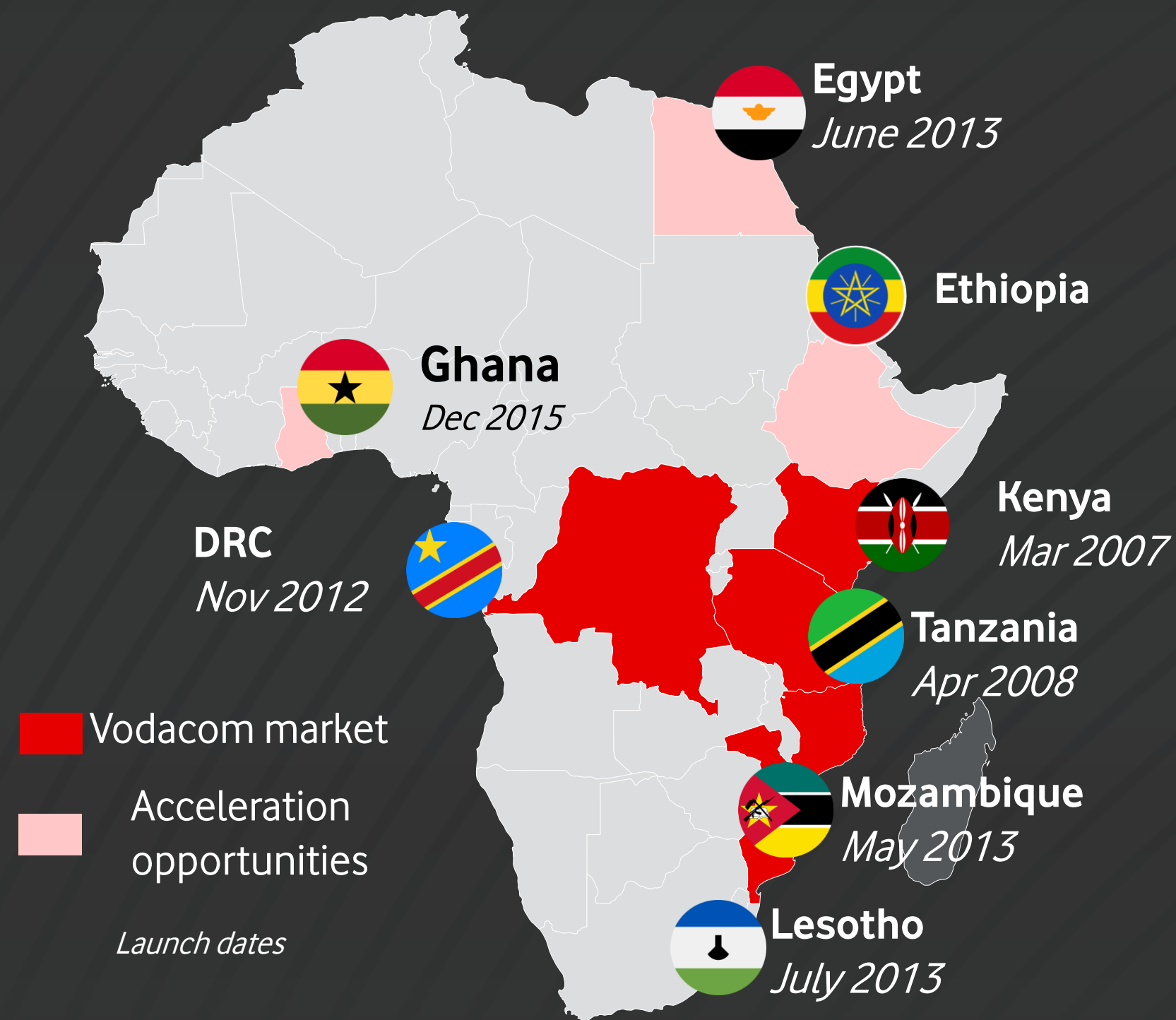
<sup>1</sup> Includes formal and informal inclusion (e.g., SACCOs, chamas etc.)  
<sup>2</sup> Kenya data only

Source: FinAccess Household 2019





# ... and financial success to become largest platform in Africa\*



**51 million**  
monthly active users in Africa<sup>1</sup>

**604k**  
active agents<sup>1</sup>

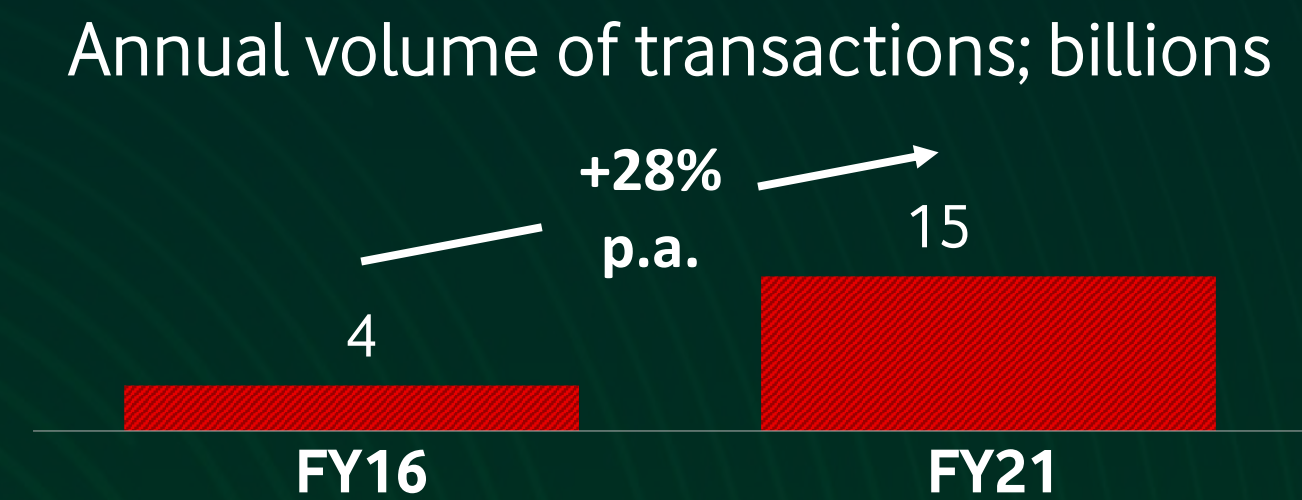
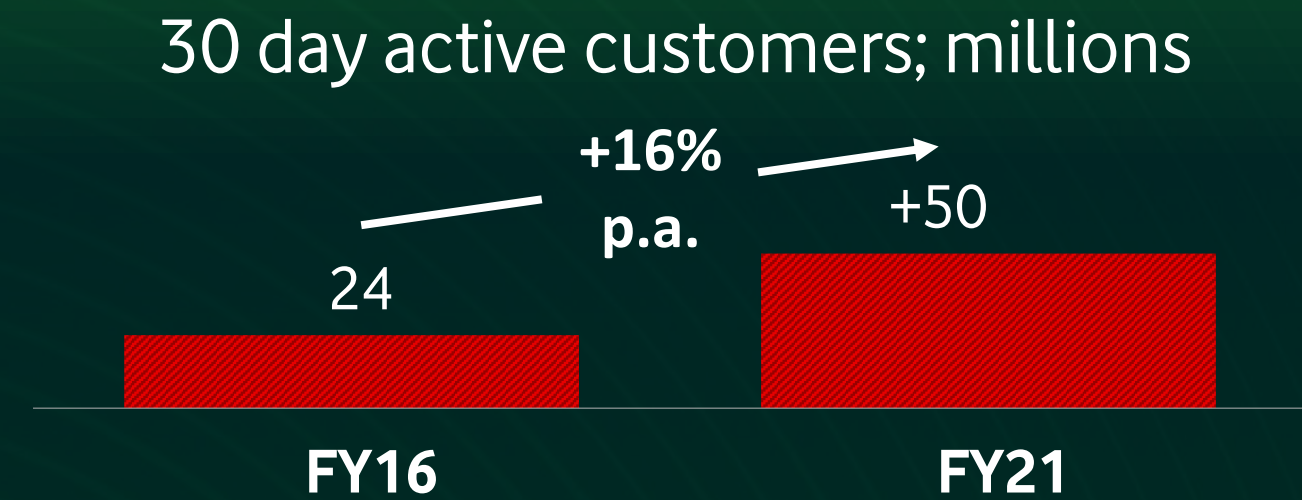
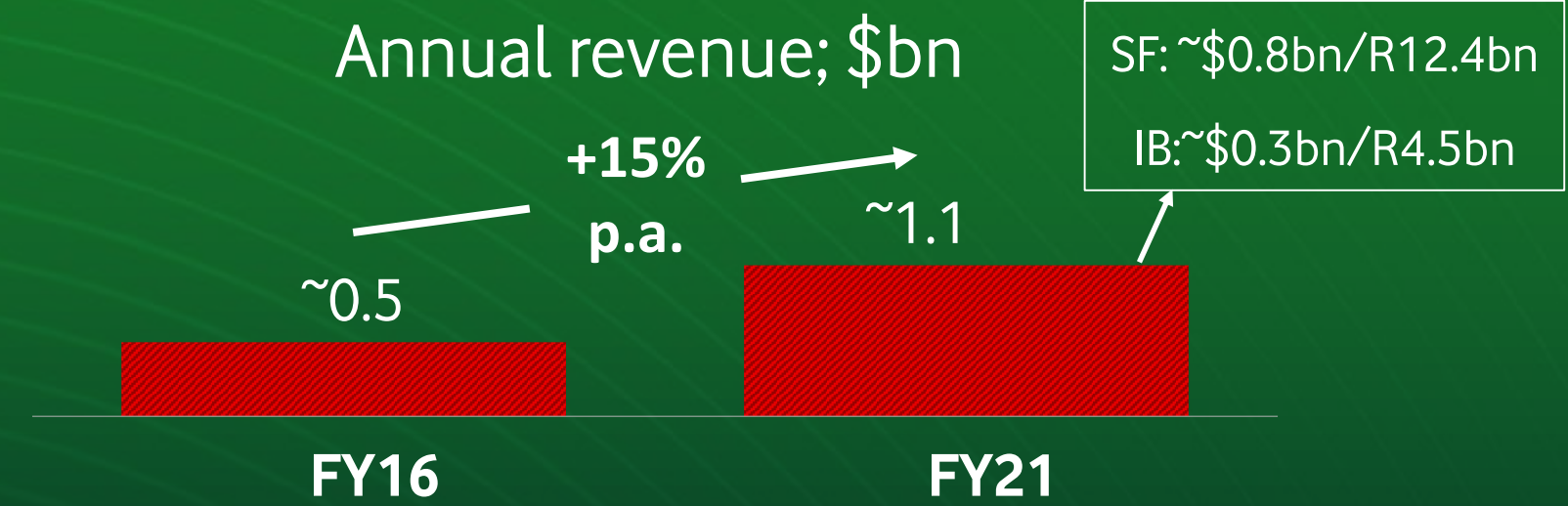
**465k**  
active retail merchants<sup>1</sup>

**\$4bn**  
disbursed in credit in Kenya over last twelve months

**\$314bn**  
Transacted on the M-Pesa platform over the last twelve months

<sup>1</sup>As at 31 December 2021

## M-Pesa Africa portfolio\*



\*Represents 100% of all M-Pesa/VodaCash markets in Africa – Safaricom, Tanzania, DRC, Mozambique, Lesotho, Egypt and Ghana. Vodacom Group consolidates Tanzania, DRC, Mozambique and Lesotho, while Safaricom is an associate holding.



# M-Pesa – a track record of profitable growth and product expansion

## Inclusive growth

## An exciting future driven by focused strategy

We have an opportunity to become a more valuable African fintech



- M-Pesa Africa driving the commercial model and strategic roadmap
- 7 strategic goals will enable M-Pesa Africa achieve more scale and broader financial inclusion, including:
  - An improved technology platform to support the business strategy
  - Expansion of our cross-border trade capabilities (e.g. e-commerce) and international remittance payments capabilities
- Overarching compliance management framework that leverages Big Data & analytics.

When we come together,  
**great things happen.**

15%-20%

annual growth rate over the last five years across all metrics, with **\$1.1Bn** revenue\* in **FY 2021**

Contributed meaningfully to **financial inclusion**

51 million

customers in **7 countries**, making it the biggest FinTech platform in Africa  
Launched unique Business and Consumer SuperApps





# M-Pesa Africa is driving the commercial model

## M-Pesa Africa is...

**50:50 joint venture**

between Vodacom Group and Safaricom

**Incentivised**

to grow local opcos

**Dedicated**

management focus & skilled resources








**Ability to scale**

and replicate offerings across all markets

**Centralised**

relationships with global tech

## ... implementing an agile organisational model...

	Brand focus	Legal structure	Vodacom ownership
 Kenya		Integrated with Safaricom	Associate
 Tanzania		Local separation between M-Pesa & telco	Consolidated
 DRC		Local separation between M-Pesa & telco	Consolidated
 Mozambique		Local separation between M-Pesa & telco	Consolidated
 Lesotho		Local separation between M-Pesa & telco	Consolidated
 Ethiopia	Not launched	Not launched	Not launched
 Egypt		Integrated with Vodafone Egypt	Deal pending
 Ghana		Local separation between Vodafone Cash & telco	n/a

## ...with clear focus

Seven strategic goals



To drive growth and ROCE and mitigate risks



To improve visibility for partners and investors



To drive a higher valuation



# 7 strategic goals will enable M-Pesa Africa to achieve its growth ambitions

## Growth

1

**Ability to scale technology**, processes, risk mitigation (e.g. Anti-money laundering controls) and people capabilities across geographies and a migration to an agile operating model

Electronic payments

Financial services

New opportunities

2



**ARPU growth** from Vodacom / Safaricom existing customer base through multi-market product portfolio and operating model alignment

3



**Accelerated active merchant acquisition** with enhancement of **VAS** (e.g. lending, payroll) and loyalty programs

4



**Deployment of existing and new credit offerings** (e.g. loans, overdraft, BNPL) in current and new markets

5



**Introduction** of new financial services **products** for **insurance** and **micro-wealth** management

6



**Expansion of cross-border trade** (e.g. e-commerce) and **international remittance capabilities** through global payments acceleration

7

**Launch of a digital-only (OTT) full suite super-app**



# Technology is a key enabler of the strategic goals

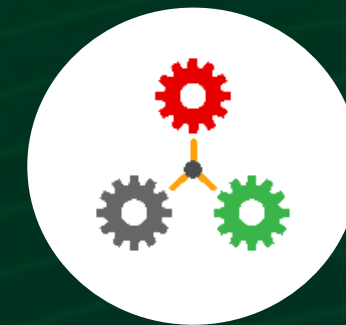
Cloud Core Platforms

Digital eXperience Layer (DXL)

Software Factory

SuperApp

Data Lake



## Objectives

**Cloud-Native, Centralised Core Platform** with **local instances** to comply with regulatory constraints

A **standard integration** platform for M-Pesa with **common toolsets** for **continuous integration and delivery**

**DevSecOps resources** and capabilities to **internalize development** and **control the roadmap delivery**

A **single app codebase** with **mini-app integration** for all markets. **Exposing core services** and **third-party programs**

**Single large-scale data & analytics platform** to collate, aggregate and **analyse events and data** across all markets

## Benefits

Provides the **same core functions** to **all markets** with the **flexibility to scale** existing functions and **add new capabilities**

Enables **rapid integration** of new **capabilities, third-party platforms, and channels**

**Rapid, dedicated, agile delivery** of functionality required by product teams

Standardised codebase **minimizes development time across markets**, while mini-apps enable **creation of an ecosystem** with third-party programs

Single, scalable data & analytics capability **enables deployment of analytics & ML algorithms** able to use events and data from across **all markets**



# Bringing consumers and merchants together

Business

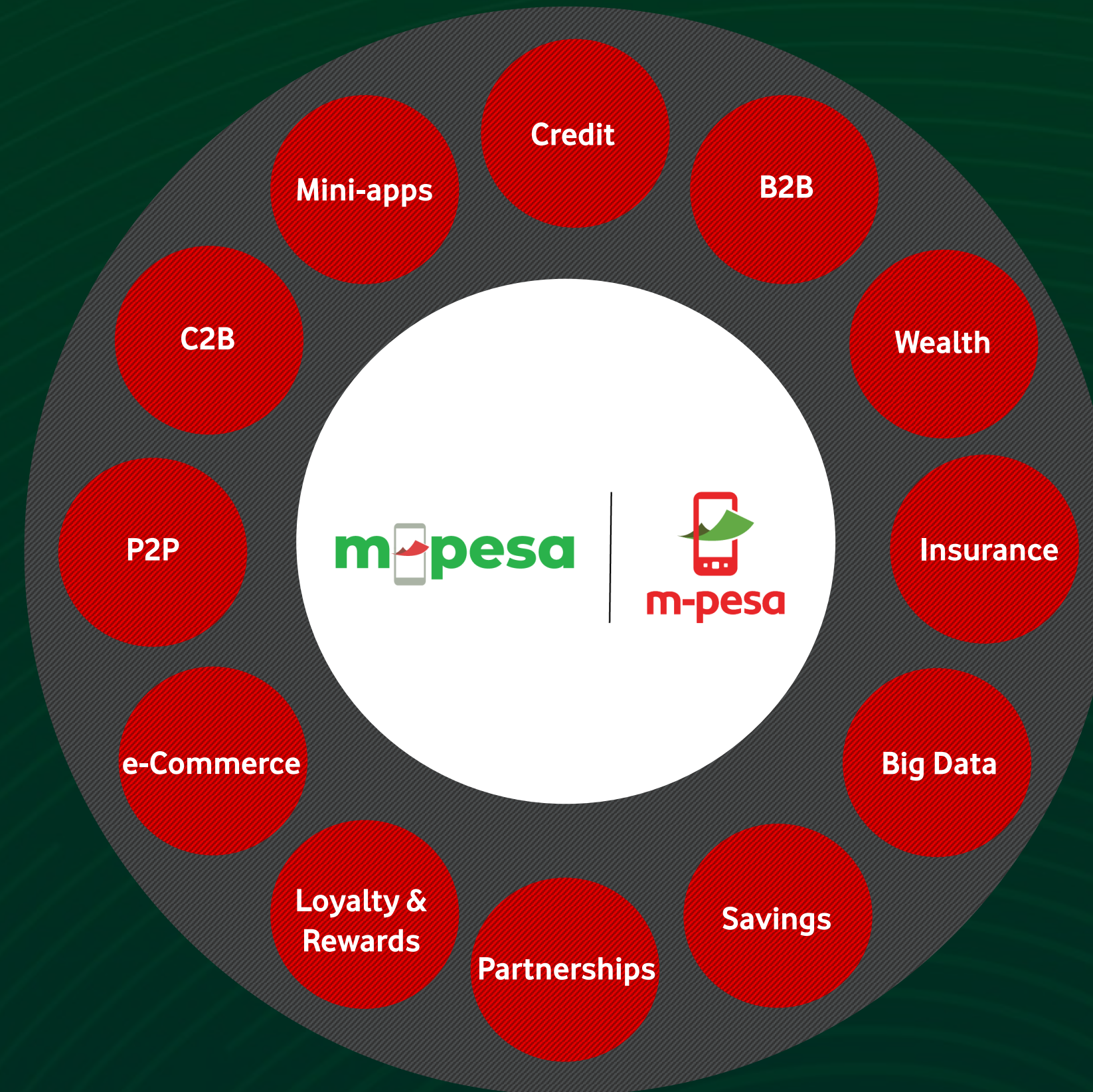
**2.6 million** Businesses  
**604k** Active Agents



Target Addressable Market  
**13-15 million** merchants

Enterprise, Merchant Business Solutions, Extensive Agency Network


**Business SuperApp**



**M-Pesa 2.0 Roadmap**

Consumer

**51 million** Customers



Target Addressable Market  
**200 million** Consumers

Customer-focused products, intuitive digital journeys

**Consumer SuperApp**



# Empowering merchants

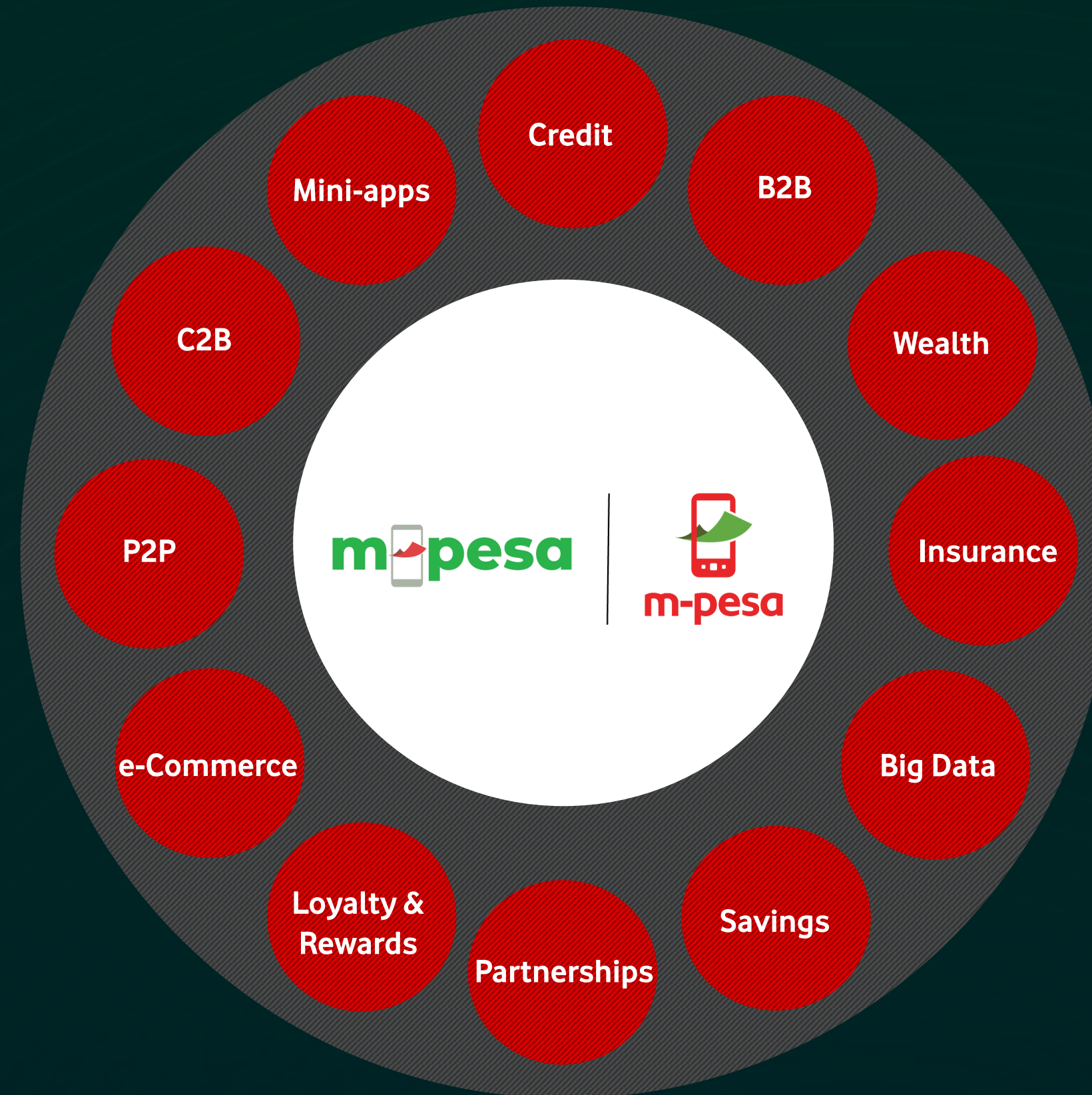
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**M-Pesa 2.0 Roadmap**

Consumer  
**51 million** Customers



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**200 million** Consumers

Customer-focused products, intuitive digital journeys

**Consumer SuperApp**





# Merchants | Differentiated offerings for all segments

**11 million**  
Customers Transacting on M-Pesa merchant tills every month

**2.6 million**  
Enterprises receiving financial services from M-Pesa

**>\$7bn**  
Monthly value of transactions on our merchant till

Monthly active users\*

**>100k**

**Enterprise payments**



- Cashless distribution
- Closed loop payments
- Bulk disbursements and cyclical collections
- Customer to Business payments

**M-Pesa business till**



**445k**

**Micro-merchant wallet**



**2.1m**

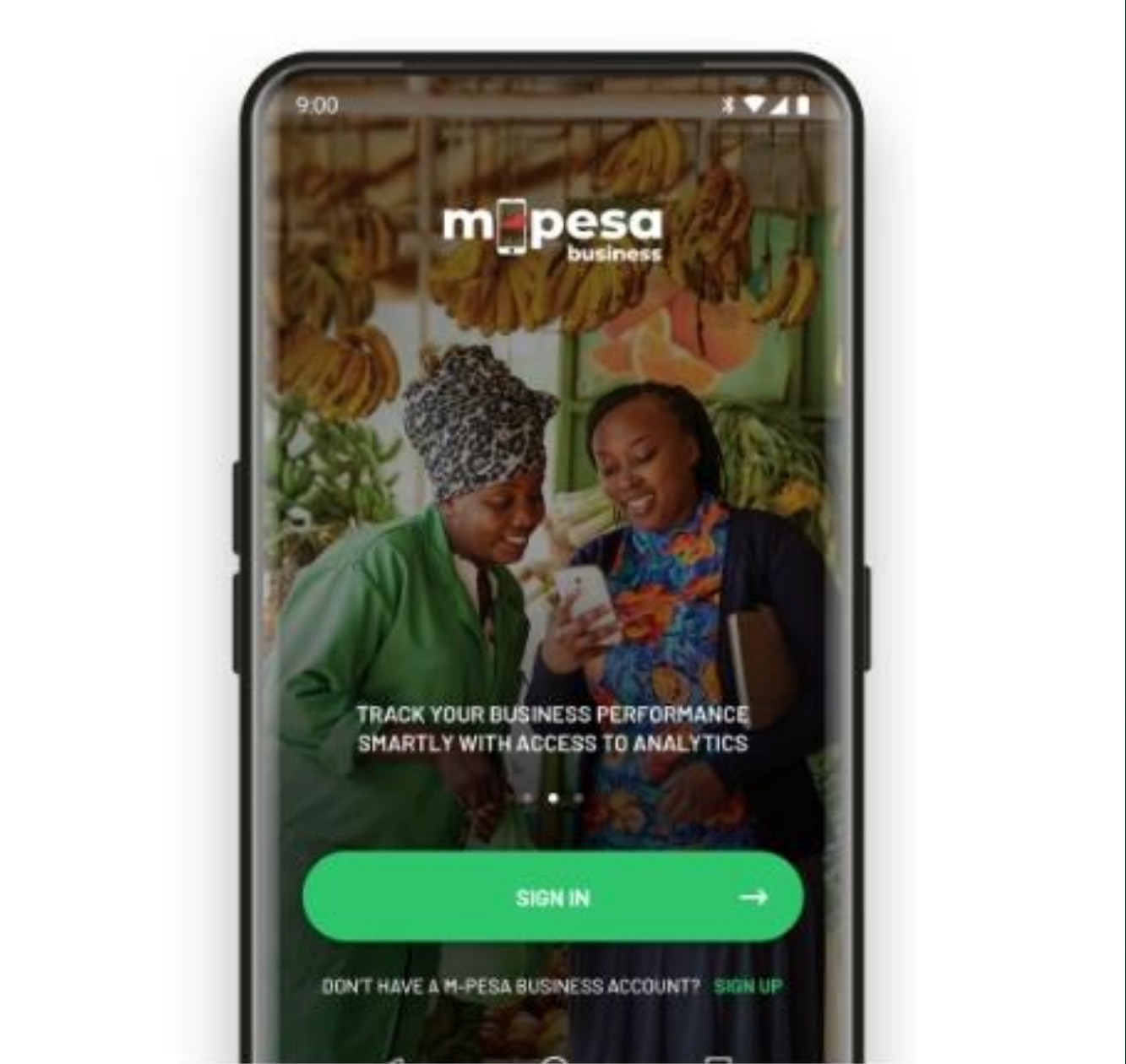
*Safaricom only data.*

*\*Paystack: 60K customers; flutterwave 290K customers and Opay 300K customers*

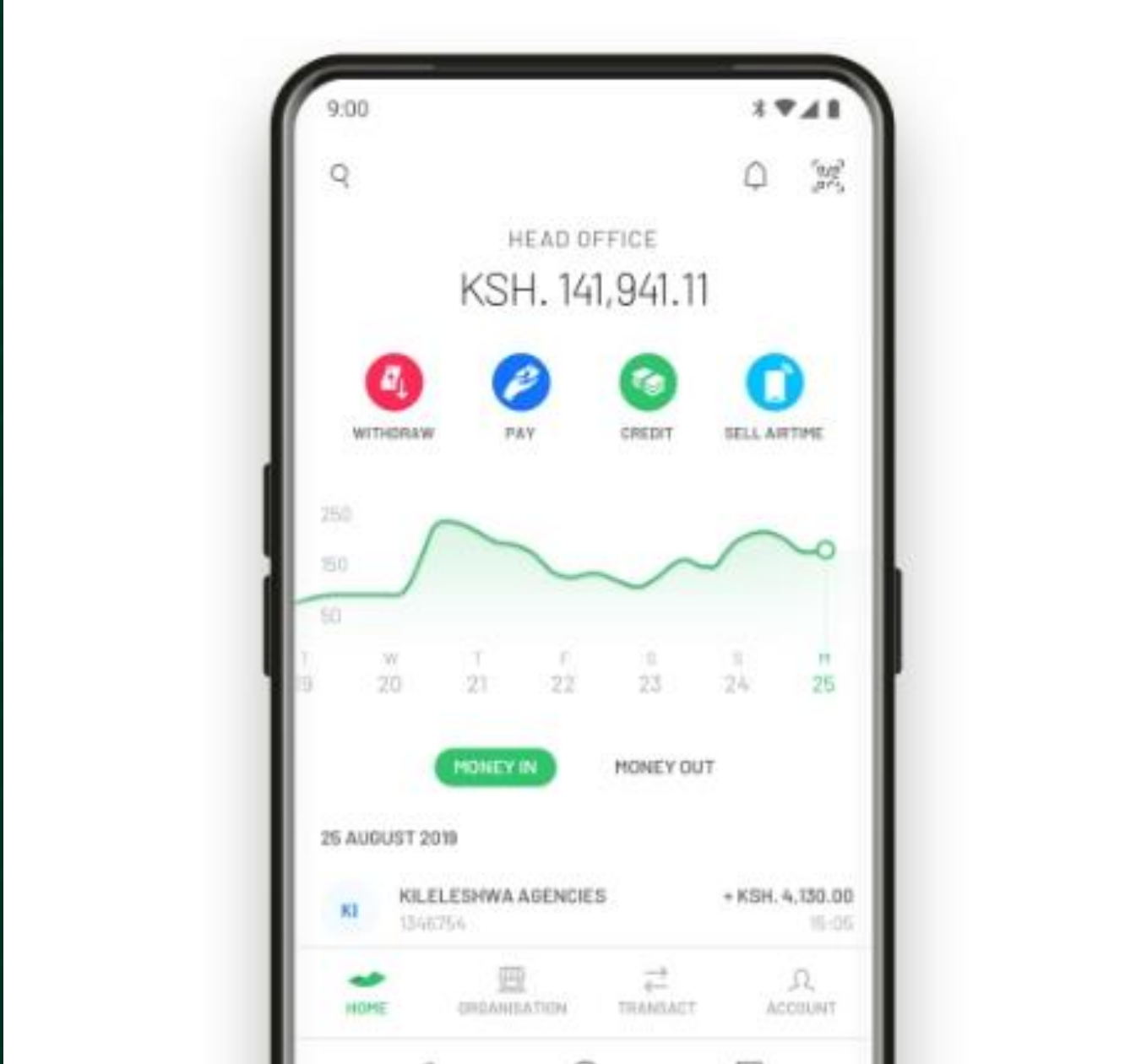


# Merchants | We've launched a great SuperApp to empower businesses

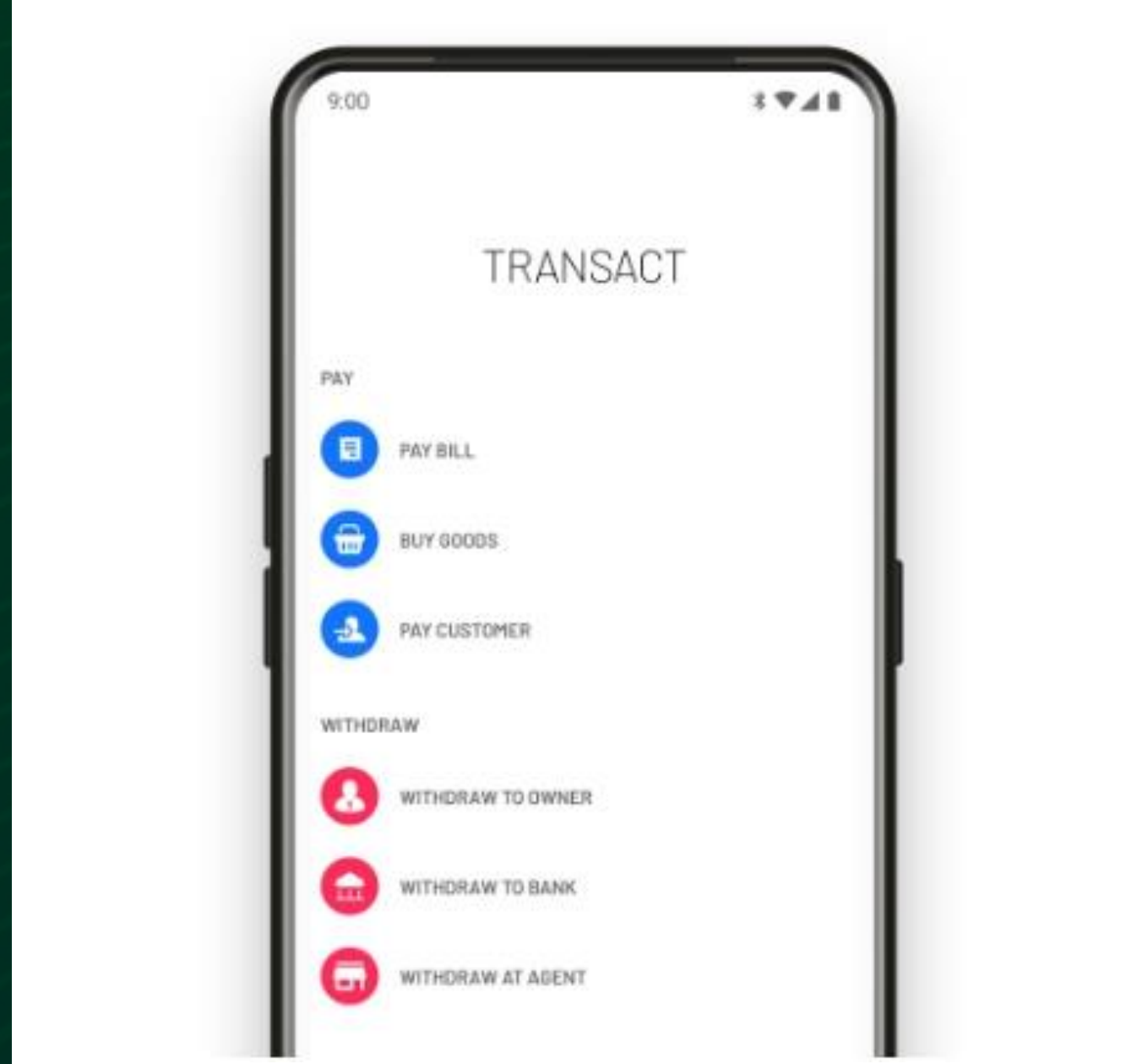
Quick and easy sign-in



Graphs to track collections and disbursements



Transaction tools to make payments easy



Transacting till

Working capital financing

Single view of all employees and outlets

Mobile POS

QR code payment acceptance

**322k**  
App downloads

**47%**  
of all merchant transactions are via the app





# Merchants | SuperApp provides access to a wide network of global partners

## Financial Services



- Credit
- Insurance
- Social credit
- Working capital
- Liquid investments

## Mini-apps



## VAS

- Logistics
- Loyalty
- Enterprise services



- Utilities & taxes
- Payment requests
- Rent
- Salaries
- Cross-border

## Payments



## Marketplace

- e-Commerce
- Interop QR

## e-Commerce



## Self Registration







# Merchant

# SuperApp demo

Live demo



Winning means my customers can pay effortlessly with M-PESA

## BIASHARA NI LIPA NA M-PESA

Sylvin Betrino-Ashaki Car Wash



BCLB No. 002647

### SHINDA KI BIASHARA NA LIPA NA M-PESA

Pokea malipo kwa Till au Pochi ushinde. For Business Till use the Business App and for Pochi, dial \*334#



**DAILY DRAW**  
5k for 1,600 merchants  
10k for 1,600 merchants



**WEEKLY DRAW**  
128 Bajaj Tuk-Tuks



**MONTHLY DRAW**  
16 Isuzu D-Max single cab pick-ups



**FINAL DRAW**  
8 canters (Mitsubishi Fuso)



Scan to download Business App

Simple • Transparent • Honest FOR YOU





# Empowering consumers

Business

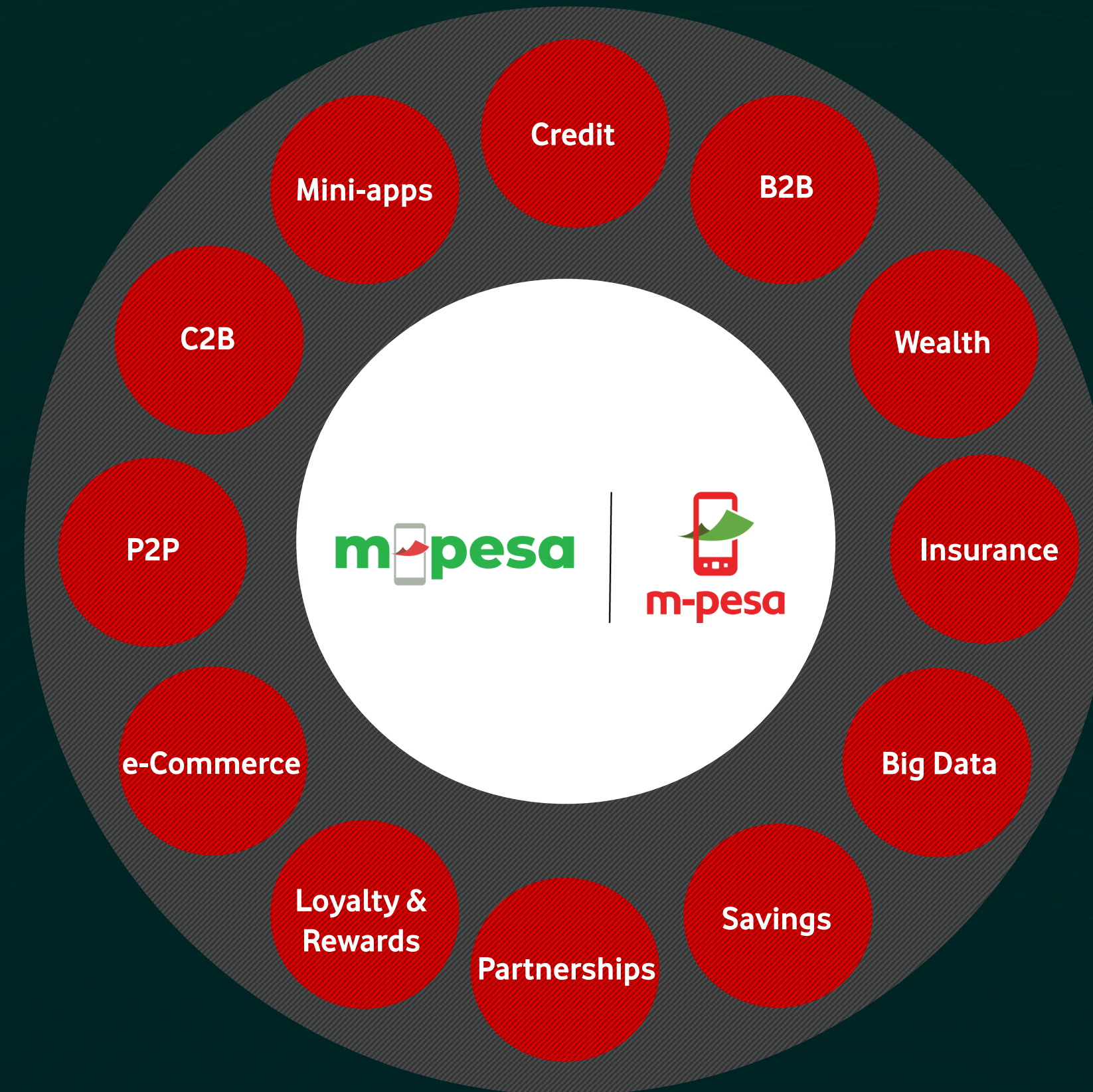
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Target Addressable Market  
**13-15 million** merchants

Enterprise, Merchant Business Solutions, Extensive Agency Network


**Business SuperApp**



**M-Pesa 2.0 Roadmap**

Consumer

**51 million** Customers



Target Addressable Market  
**200 million** Consumers

Customer-focused products, intuitive digital journeys

**Consumer SuperApp**



# Consumer | M-Pesa is Africa's largest financial services platform for consumers

## Our proposition

### 1 Trust

**140x**

More M-Pesa agents than the top 5 banks' branches combined

### Global payments

\$3.1bn of IMT value transacted in FY21

### Basic services

\$414 000 transacted per min, incl. cash-in / cash-out, P2P transfers, telco top-up and bill payments

### 2 Simplicity

**+7m**

More active M-Pesa users than the two largest retail banks in Africa combined (Standard Bank and EcoBank)

**154%**

More **active** M-Pesa users than there are debit and credit cards **issued on** our footprint

### Financial services

>\$300m loans disbursed every month

### 3 Depth

### 4 Value

*Data for M-Pesa Africa portfolio*





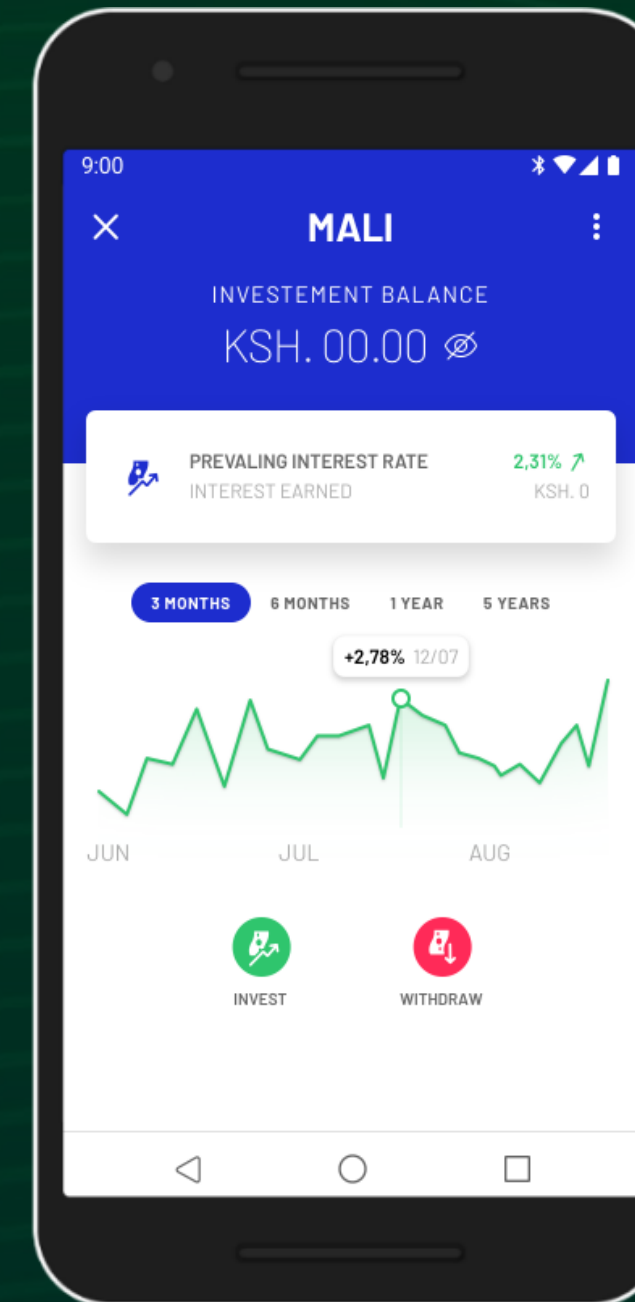
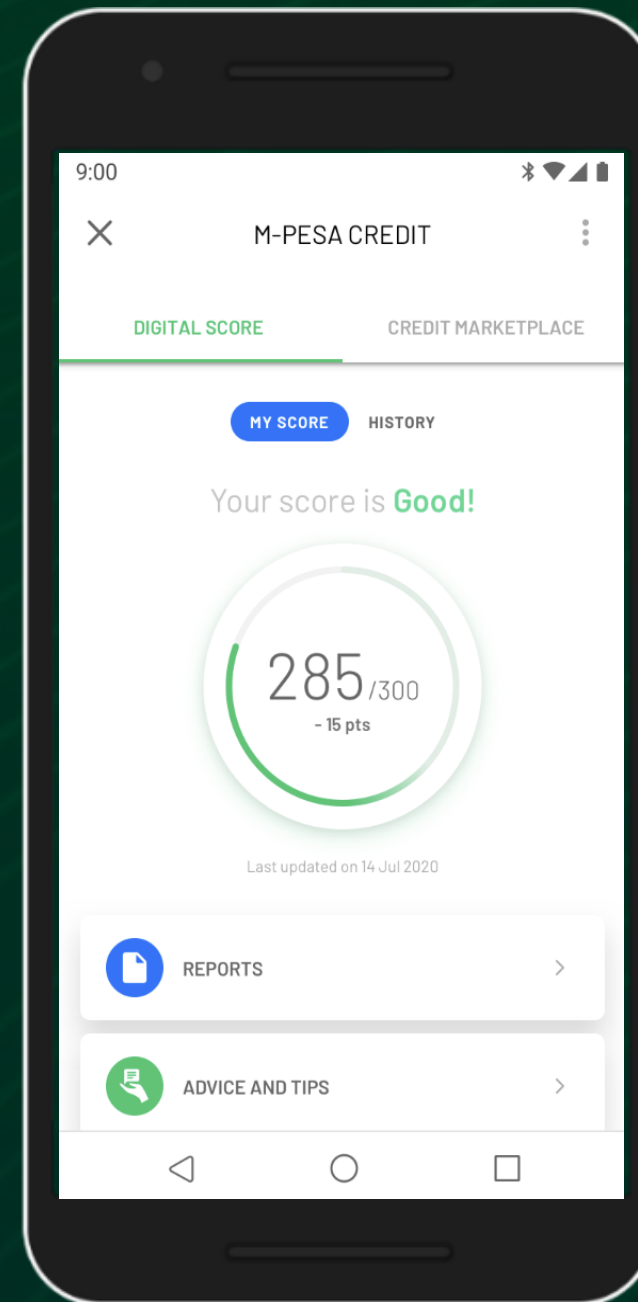
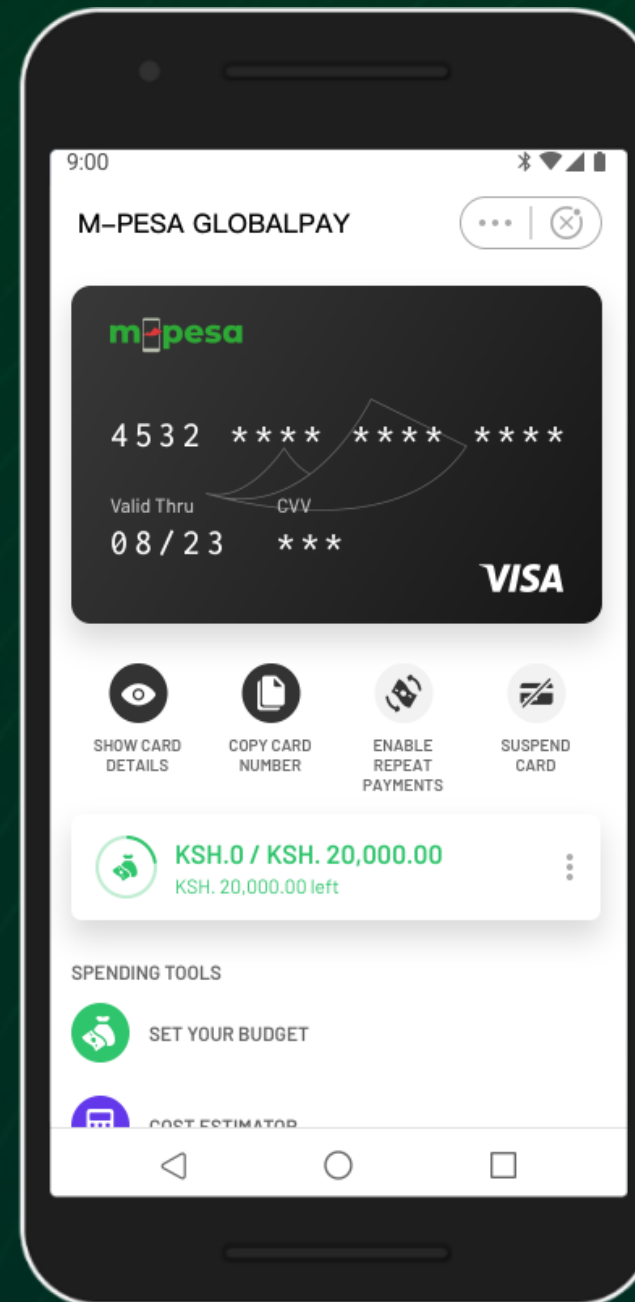
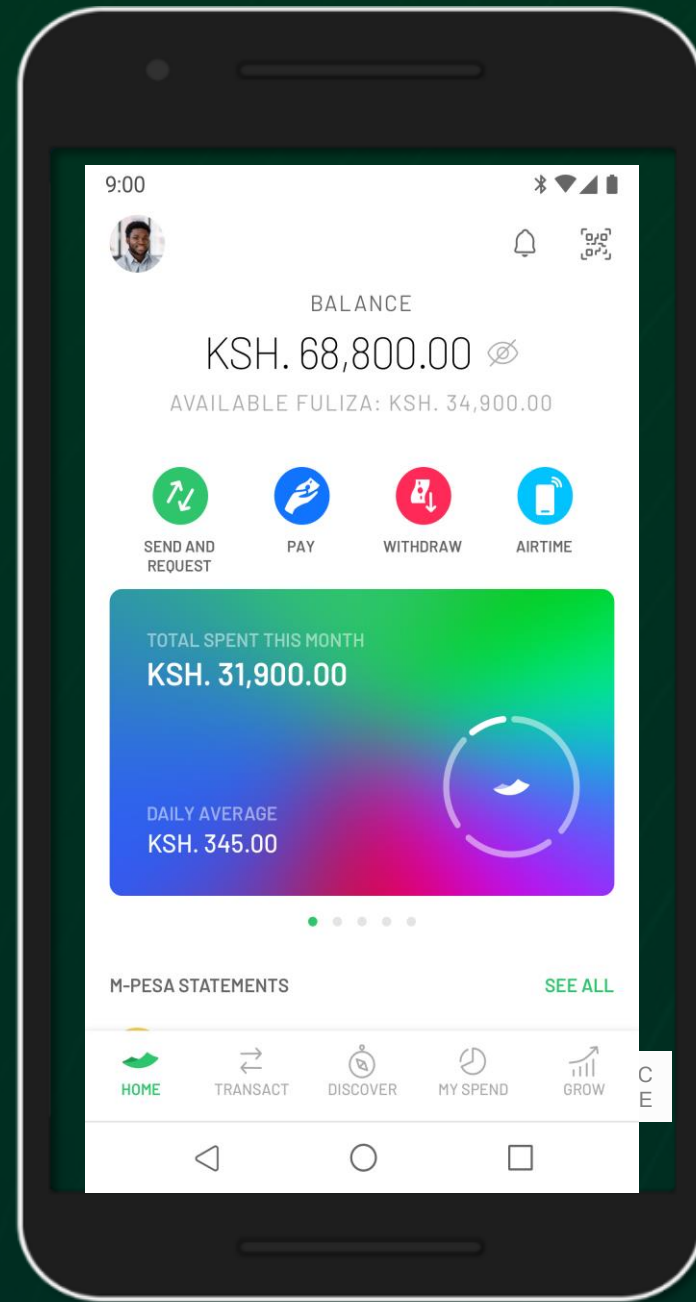
# Consumer | Our SuperApp powers a digital consumer lifestyle

Offline mode

VISA Virtual card

Loan access with a digital credit score

Wealth management / investments



QR code payments for P2P and merchant payments

Bill manager for digital invoicing and e-receipts

ANT+ mini-app platform (KE)

9m  
App downloads

2.25m  
Monthly active users



# Consumer | Our app ecosystem seamlessly connects to the best partners in the industry...

## Financial Services

**Insurance**

**Saving & credit**

**Wealth management**

**Education**

**Rent**

**Entertainment**

**IMT**

**Utilities**

## Payments

**Discount store**

## Loyalty

**Rewards**

## Retail

**Commerce Marketplace**

**Interop QR**

**MTN**

## Mini-apps

**Health**

**Farming**

**Uber**, **PayPal**, **KFC**, **JUMIA**, **eCitizen**, **Kenya Airways**

**Bolt**

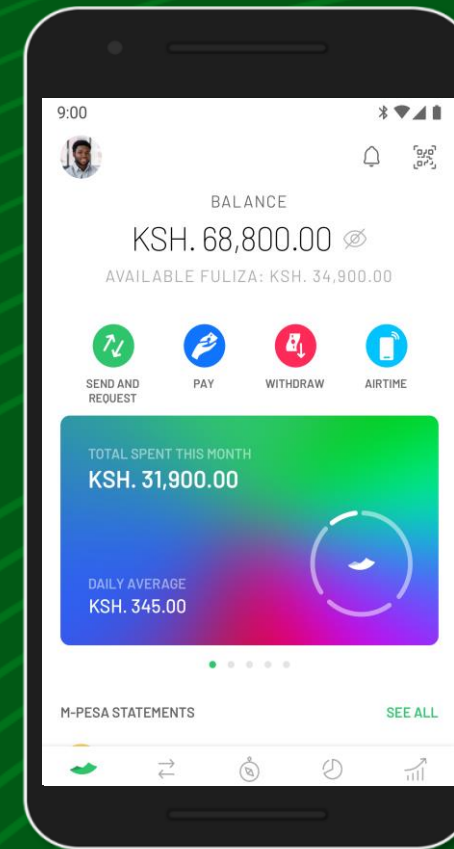
**LOTTO Kenya**

**Little**

**betway**

## Digital Services

# Consumer SuperApp







# Consumer

# SuperApp demo

Live demo )

m-pesa #THEFUTUREOFMONEY

**NO NET. NO DATA. NO WORRIES.**  
TRANSACTION IN OFFLINE MODE WITH THE NEW M-PESA APP

m-pesa DOWNLOAD THE FUTURE OF MONEY

GET IT ON Google Play | Download on the App Store

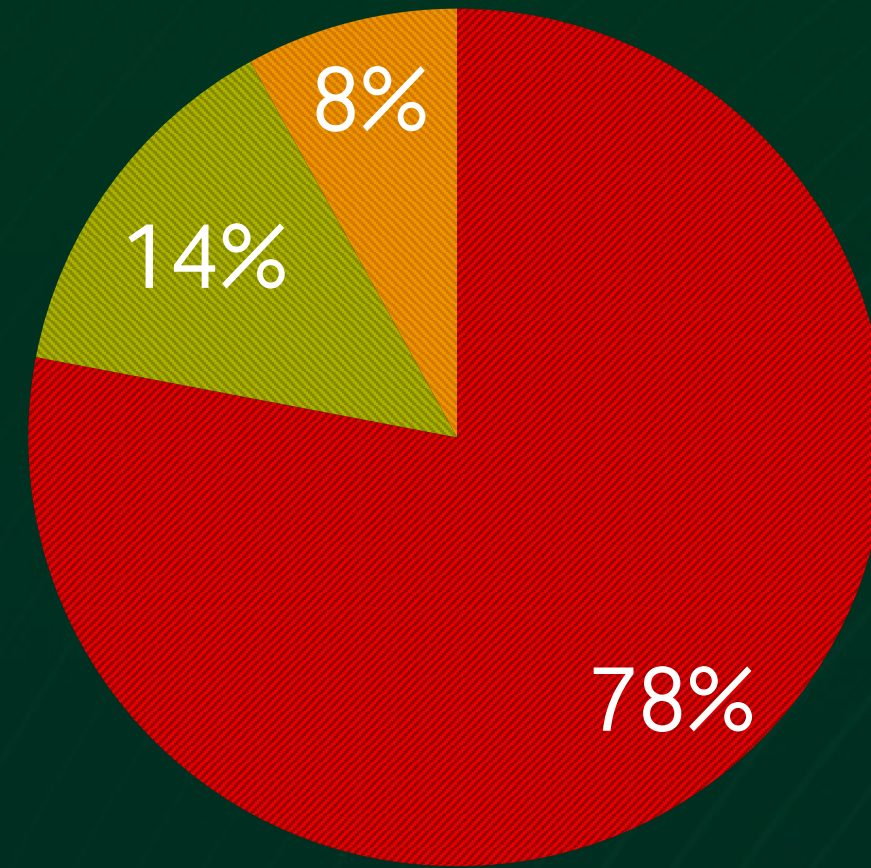
Simple • Transparent • Honest FOR YOU

Safaricom | BEYOND 20 YEARS



# We are on a clear growth path

## Revenue mix FY21



- Payment services (e.g. IMT, P2P, cash-out)
- Digital payments (e.g. C2B, B2C, B2B)
- Financial services (e.g. loans, insurance)

## Growth outlook\*

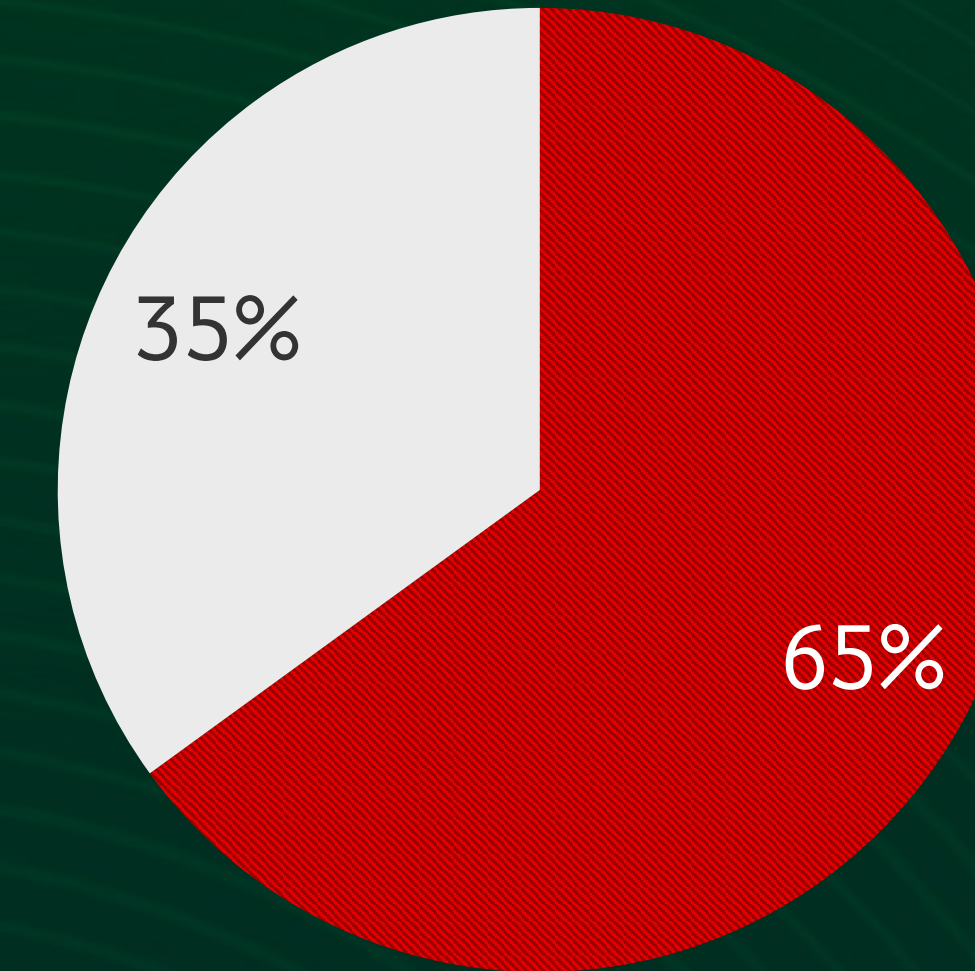
Medium-term  
**double digit growth potential**

**Attractive return on capital employed**

**>20 million**  
new M-Pesa customers over the medium-term

**Leading SuperApp**  
across our markets

## Revenue mix FY26



- Payment services
- Digital payments & financial services

\*Reflects Africa portfolio – Safaricom, Tanzania, DRC, Mozambique, Lesotho, Egypt and Ghana





# Digital partner of choice for enterprises

William Mzimba



# Key messages

## 4 Digital partner of choice for enterprises

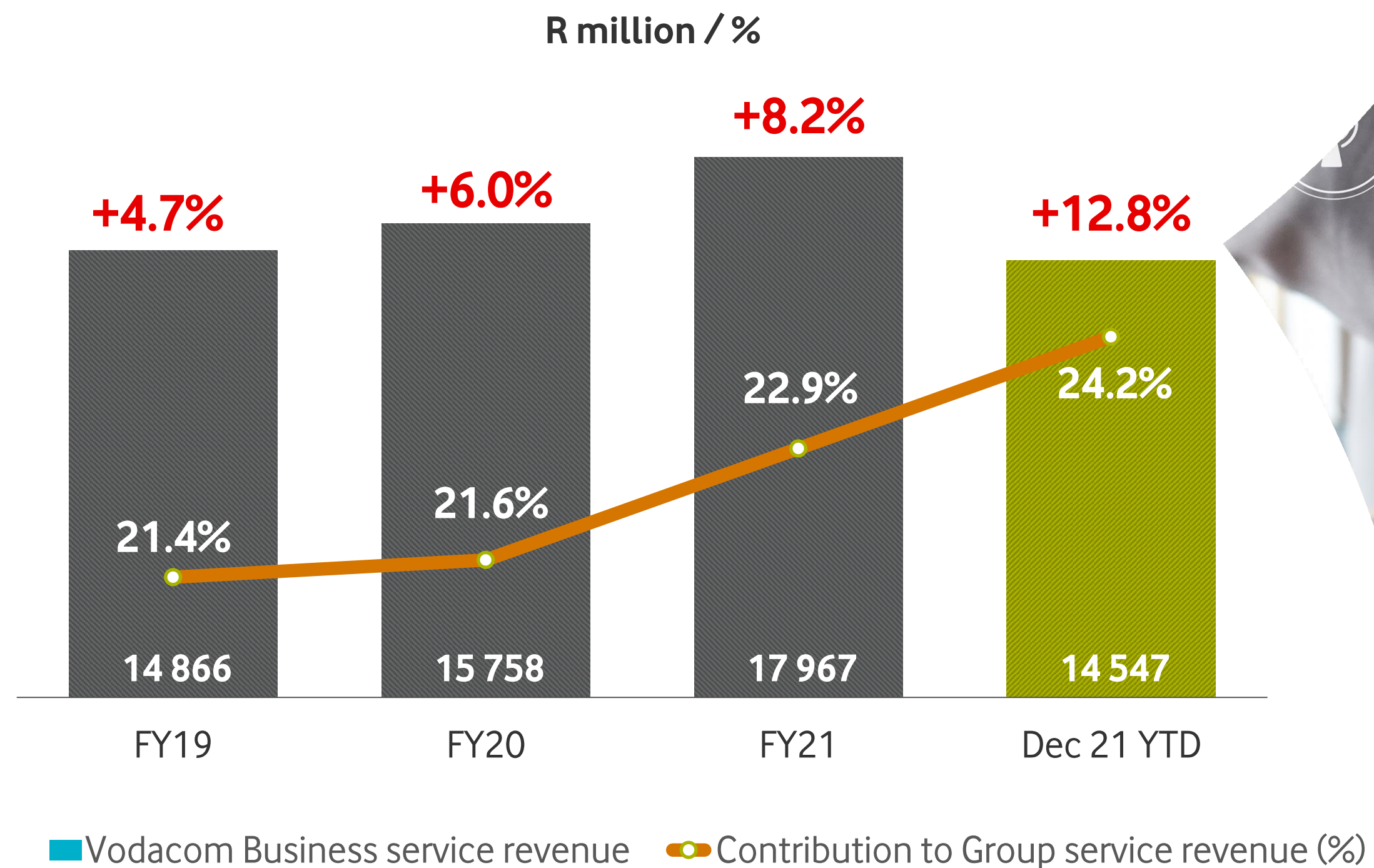
We are the digital transformation partner of choice for enterprises

Our new growth drivers provide significant scope for growth

IoT case study – We have unique scale and capabilities

We are on a clear growth path

## Vodacom Business (Group)





# Vodacom Business System of Advantage | The digital transformation partner of choice for enterprises



## Vodacom Business System of Advantage

Digital transformation partner of choice for all enterprises

### Mobile & Fixed



#### Mobile

Simplified offerings  
Customised pricing  
One more service

#### Fixed

Disruptor  
Fibre-first strategy

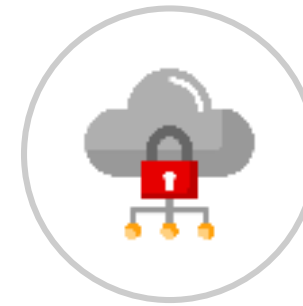
### SME Champion



**SME** and **SOHO ICT**  
provider of choice

Platform  
ecosystem

### Gigabit Infrastructure



**Multi-cloud** transformation  
partner underpinned by managed  
security and professional services

### Internet of Things



Industry leader in **IoT**  
**and scaling** across selected  
verticals using class leading  
capabilities

### Financial Services



Merchant **payments & lending**,  
**trading** platform and invoice  
financing, insurance, including  
Group Schemes

### Africa & Wholesale



**Pan African** Managed  
Service Aggregator

VBA enterprise digitalisation across  
Africa (partnerships)

### Enabled by capabilities:



Sales transformation

Channel optimisation

CVM

Digital transformation

Customer experience

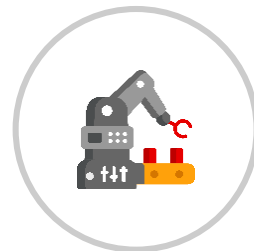




# Growth drivers | Accelerate and scale new services



1



IoT

- Vodafone is the **global leader in IoT connectivity**
- **Centre of excellence accelerator** for rapid incubation
- Horizontal platforms via subsidiaries, unlocking software opportunity



- Connectivity
- Hardware
- Application

**R30bn** FY25 opportunity in Africa  
R1.1bn FY21 revenue

2



Cloud Hosting & Security

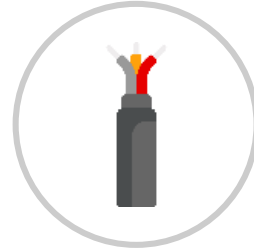
- Global tech partnerships with **AWS** and **Microsoft**
- **7 000 sqm** of data centre space in **South Africa**
- **23 International** data centres
- **Leverage** subsidiaries such as **Nexio**



- Custom Application Development
- SaaS, Security & Managed services

**R32bn** FY25 addressable market in SA

3



Fixed

- Complement **SD-WAN** with fibre
- Accelerate **FTTx** through CIVH fibre deal
- **SME** and **SOHO** provider of choice



- Accelerate fibre roll-out across SA & IB
- Cross-sell with services

**R34bn** FY25 addressable market in SA

Digital transformation partner of choice for all enterprises, complemented by our leading mobile and financial services solutions



# IoT case study | We have unique scale and capabilities

Vodafone is the global leader in IoT<sup>1</sup>



Local solutions with global reach

## 1 Scale & expertise

- Channel**
  - 250 in-house IoT specialist sales staff, and 3 600 indirect resellers
- Partner economics**
  - On-footprint scale bolstered by partners which are integrated into our global IoT platform
- Procurement & logistics**
  - Enabling new revenue streams and larger procurement scale
- Deep vertical expertise**
  - 5 global centres of competency
- MPN & MEC leadership**
  - First-to-market multi-access Edge Computing with AWS & 20 live Mobile Private Networks

## 2 Technical capabilities

- Platform**
  - Self-built and secure global platform
- Portal & analytics**
  - Driving improved customer experience and value creation
- Integrated SIMs & SIM localisation**
  - Driving reduced churn, higher share of value chain and reduced cost
- Development capability**
  - >500 developers
- SIM trust & security**
  - Patented authentication technology for blockchain and micro payments

### Centre of competency



### Specialisation

Geospatial solutions

Agriculture

Smart buildings and infrastructure

Healthcare

### Key E2E solutions

Asset tracking  
Optimisation of operations

My Farm Web  
Connected farmer

Energy management  
Office management  
Cell site management

Supply chain management  
Cold-chain monitoring

### Attractive economic model

	Connectivity	Hardware	E2E solutions
<b>IoT revenue contribution</b>	Majority of revenues	Small	Modest
<b>Contribution margin</b>	80-90%	25-35%	45-55%
<b>Indicative ROCE</b>	High	Strong incremental returns	Investment phase

1. Number of IoT connections by MNOs excluding China. Data for competitors sourced from Berg Insight as of December 2020.



# Smart Asset Management





## Realities of government service delivery

### Financial Management

### Infrastructure



Financial Sustainability



Compliance to Financial Standards



Failing Asset networks



Loss of scarce resources



Health and Safety risks

### Challenges with:

- Revenue management
- Lifecycle cost management
- Demand/supply planning
- Irregular expenditure

- Adverse audit findings
- Infrastructure comprises the largest portion of balance sheet

- Poor lifecycle management regimes

- Poorly maintained infrastructure

- Overload of networks





## Digital Asset Management Solution



Manages physical assets: infrastructure, facilities, movable assets

Provides asset owners

Benefits

SAMS components include

Set of digital and operational tools to **monitor, maintain and manage assets** throughout their lifecycle for **maximum economic benefit**

- Entire asset portfolio located centrally
- More control over assets
- Tools to perform audit on assets
- Affordable, scalable and integrated

IoT sensors & gateways	Analytics
Cloud & Hosting	Application Enablement
Applications	APIs
Connectivity Management	Platform Orchestration







City of Matlosana



vodacom business



City of Matlosana



vodacom business



MacBook





# mVaccination



# mVacciNation | Digital solutions toolbox to assist governments navigate healthcare logistics

## Healthcare challenges



Uncertainty about vaccine **demand and supply**



Compromised product integrity due to **cold chain** failures



Poor visibility about **stock management** and availability



**Paper-based systems** lead to fragmented data



Permanent **loss to follow up**



**Lack of compliance** to protocols

## How mVacciNation addresses this

**Central real-time program visibility with bulk and targeted communication to ensure that the right patient gets the right vaccine, at the right place and time**

### Stock Visibility

- Catalogue and facility database
- Real-time electronic receipting, vaccination
- Dynamic site capacity to vaccinate



**Control Tower for Vaccination Program**

### Beneficiary Management

- Enrolment and eligibility
- Targeted communication
- Scheduling and reminder
- Post vaccination surveys



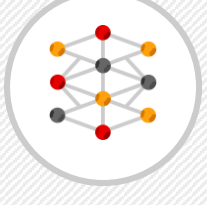
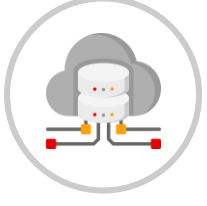

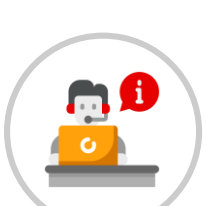
Interoperability through APIs, enabling Actionable insights for decision makers – GIS mapping, visual reports, predictive analytics





# Outlook | We are on a clear growth path

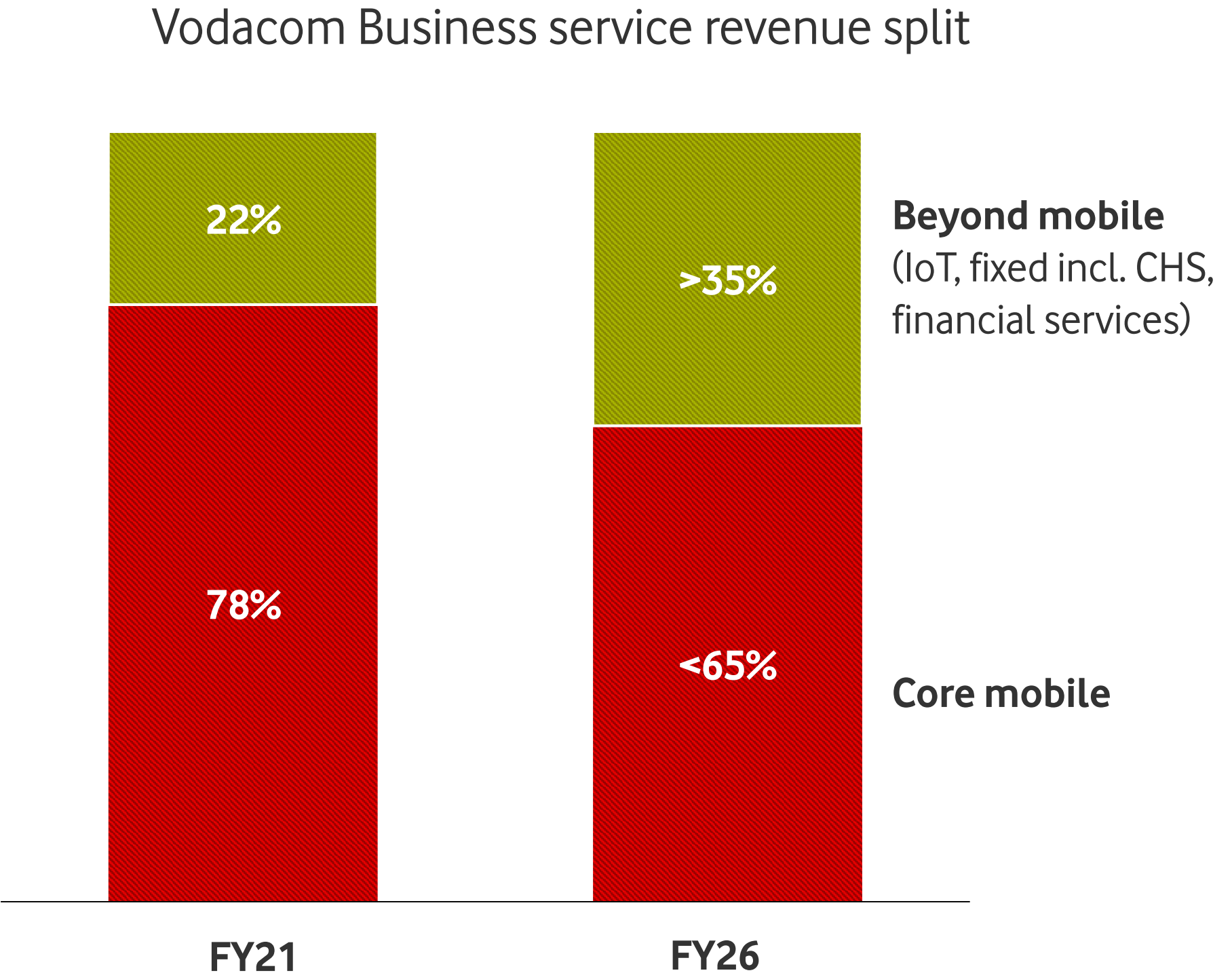
## We are focused on...

- 
 Extending our **SME proposition** through the **VodaPay** platform
- 
 Customer-centric propositions by leveraging **Big Data insights**
- 
 Scaling our fixed network, **SD-WAN**, to expand footprint
- 
 Building digital transformation capability to unlock **cloud, hosting and security services**
- 
 Further build-out of our end-to-end **IoT** solutions
- 
 Growing our partnerships to sell with, and sell through, to assist corporates with their **digitisation**

## ...to deliver

- 
 Above market revenue growth in mobile and fixed
- 
 Double-digit revenue growth in new services
- 
 Optimised balance of EBITDA growth & EBITDA margin
- 
 Investment in high marginal ROCE opportunities

## as we diversify into new services

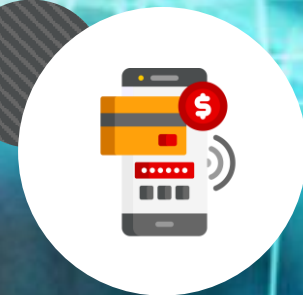




# Big data & analytics

Advancing data solutions

Belinda Williams & Schalk Heunis





# Data Driven Organisation | We are organised into three key verticals



## Data & analytics

Make data assets easily available, trusted and translated into actionable insights



## Big data

Apply data processing and machine learning at scale to support and automate decision making



## Information technology

Build one unified, modern data platform in cloud to support analytics at scale



## Personalise every interaction



## Data driven decisions



# Key messages

5

## Big data & analytics

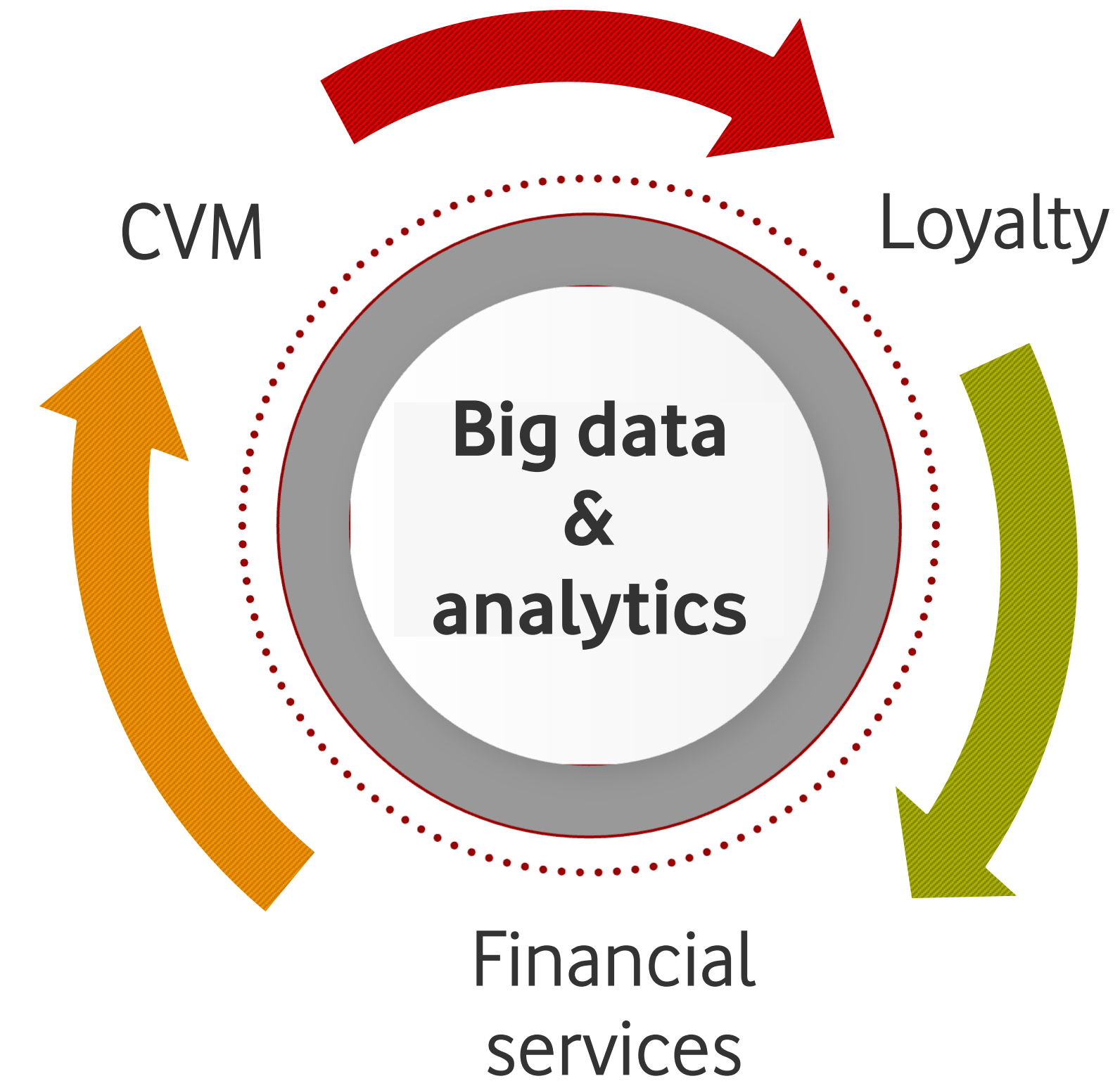
Integral to the system of advantage

Creating a solutions marketplace with data & analytics

Scale by design


Empowering VodaPay and M-Pesa

Driving data-led decision making






# Data & analytics | **Creating a solutions marketplace with data & analytics**



**Advanced Performance Tracking**



Global Forecast Modeler




Exco Performance Tracker



Automated Target Allocator




Sales Incentive Optimiser



Intraday Order Tracking



**KPI Engine**



**Customer Base Analytics**



Mobile Base Analytics




Multi Product Penetration



Financial IBRO



Churn Base Risk



Vodafone CBU IBRO

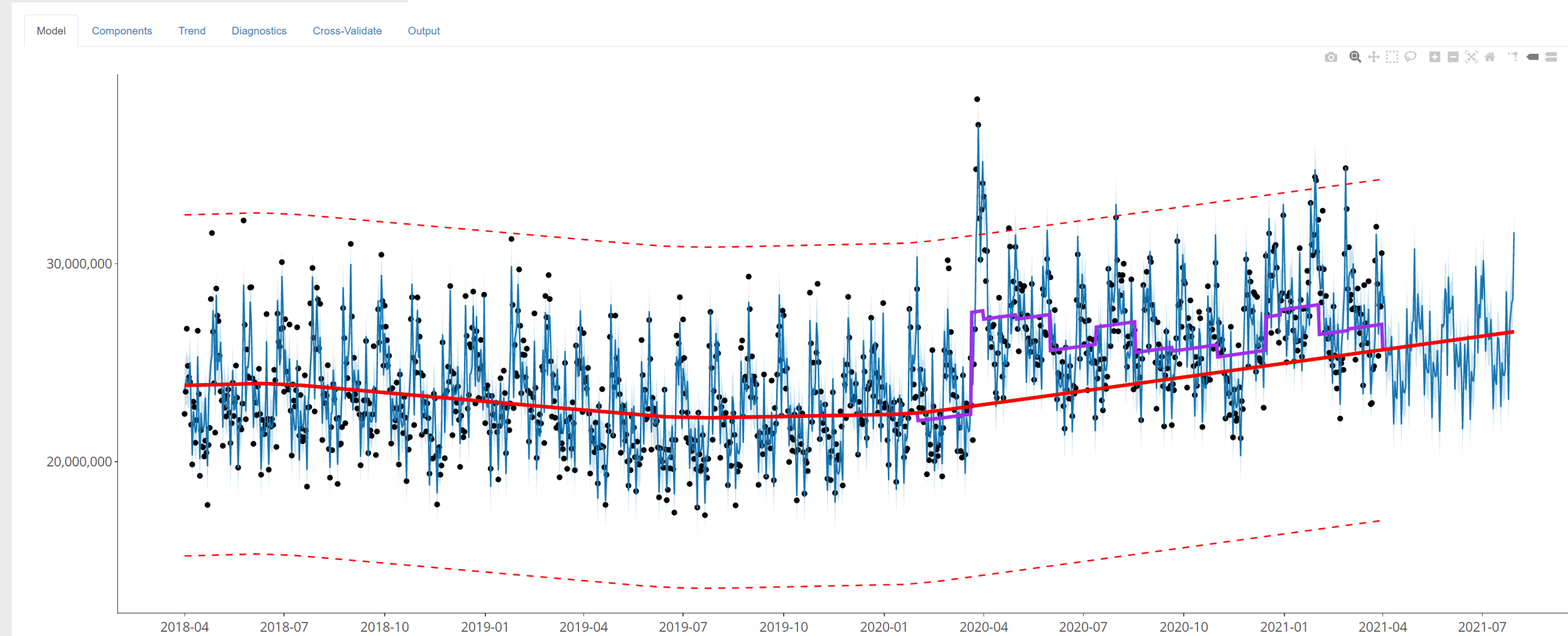


**Vodafone VB IBRO**



# Solutions marketplace case study

Daily performance vs expectation isolates for the **impact of changes** in the operating environment (e.g.. lock-downs restrictions)

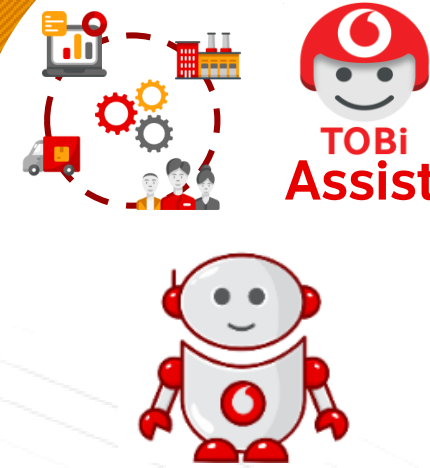






## Recommendations at Scale

**Rapid deployment** and scale  
of personalised recommendations,  
nudges and service



## Intelligent Automation

Big data, chatbot and robotic  
process automation **converged**



## Cloud Centre of Excellence

**Scale use-cases** using  
cloud capabilities within SA,  
across IB markets & M-Pesa



# Big data | **Scale by design in action**



## Integration

USSD      My Vodacom App

IVR      **VodaPay 2.0**

**Contact Centre & Outbound**

**Robotic Process Automation & Workflow**



 Global Recommender

 Customer 360

## A year ago

**7** Use Cases Live

**R0.5m** Revenue / day

**1.1m** Calls routed

**6k** Requests/min

**709** Features

## Today

**21** Use Cases Live

**R2.4m** Revenue / day

**1.5m** Calls routed

**11k** Requests/min

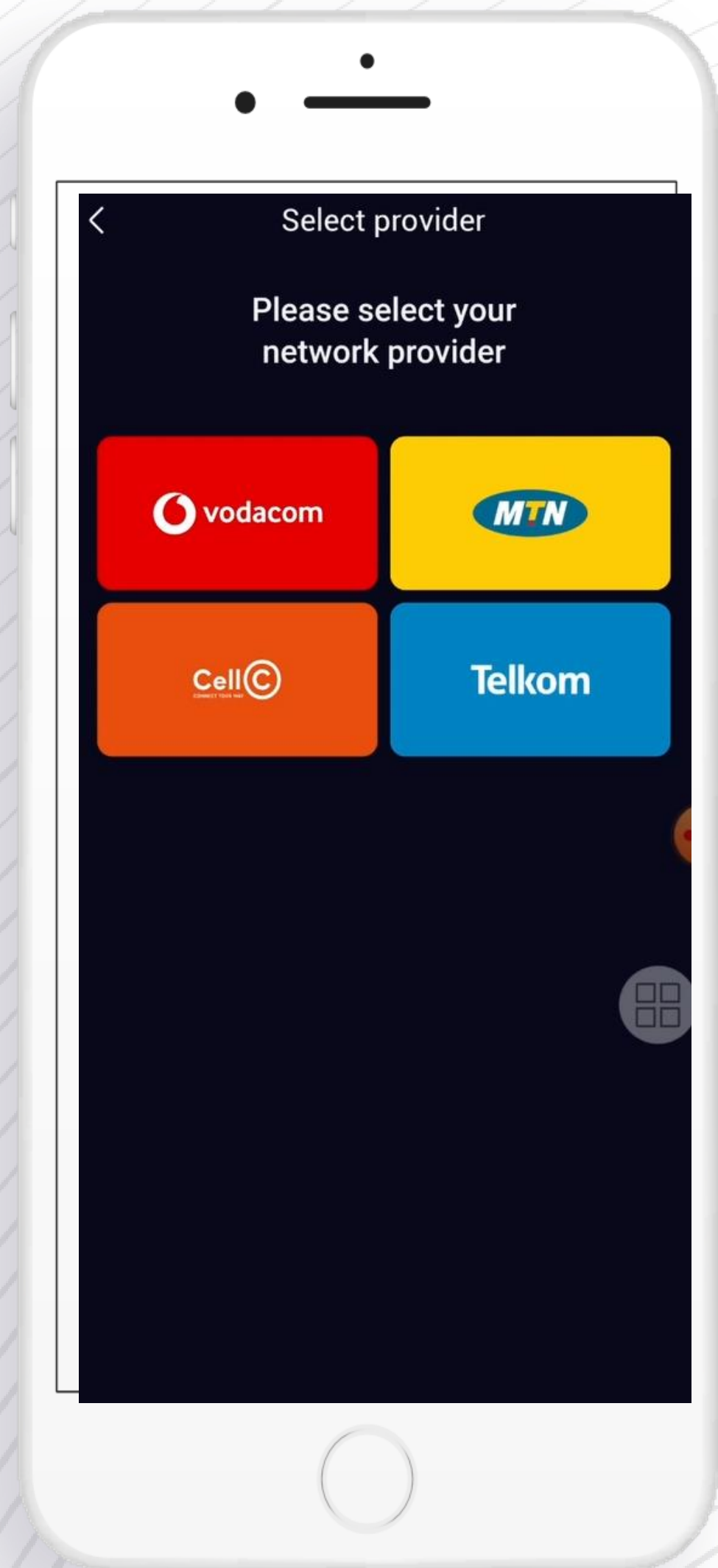
**24k** Fraud blocks

**30 ms** Avg Response

**3 106** Features



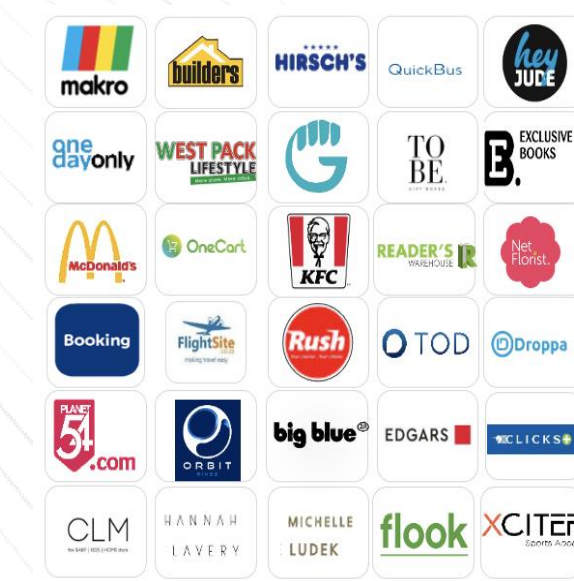
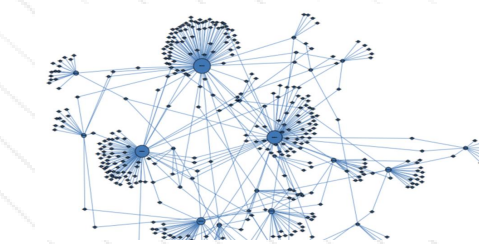
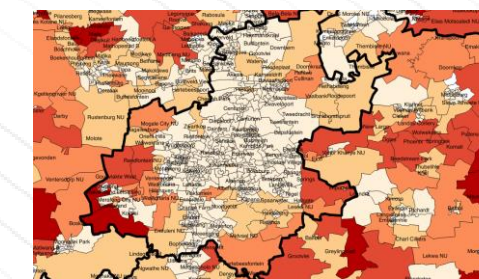
# Big data | Empowering VodaPay



## VodaPay 2.0 Platform

- A+ Core
- AI Studio
- Own Mini Apps

## Customer Behaviour

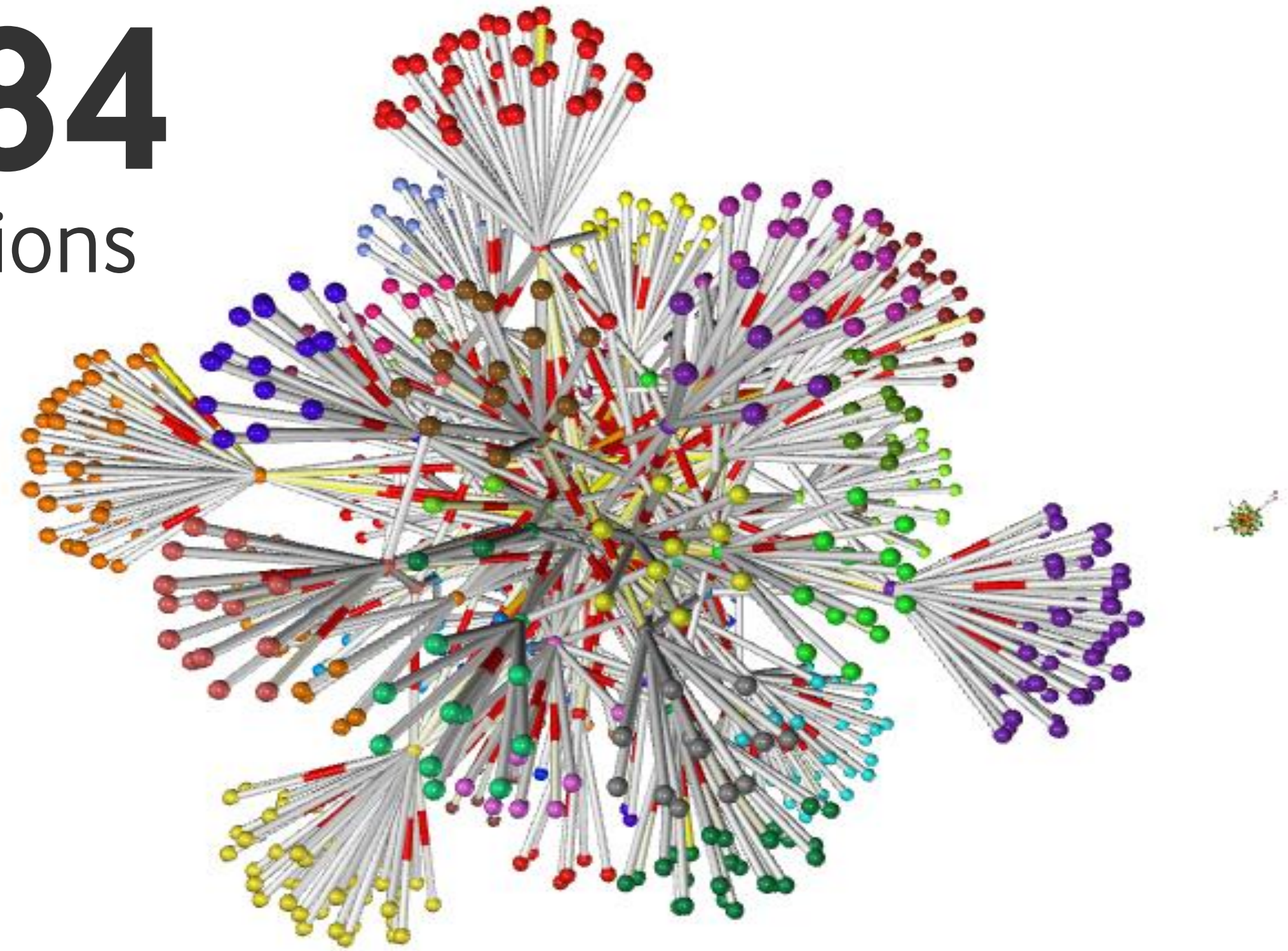


Replicate Use-Cases With M-Pesa



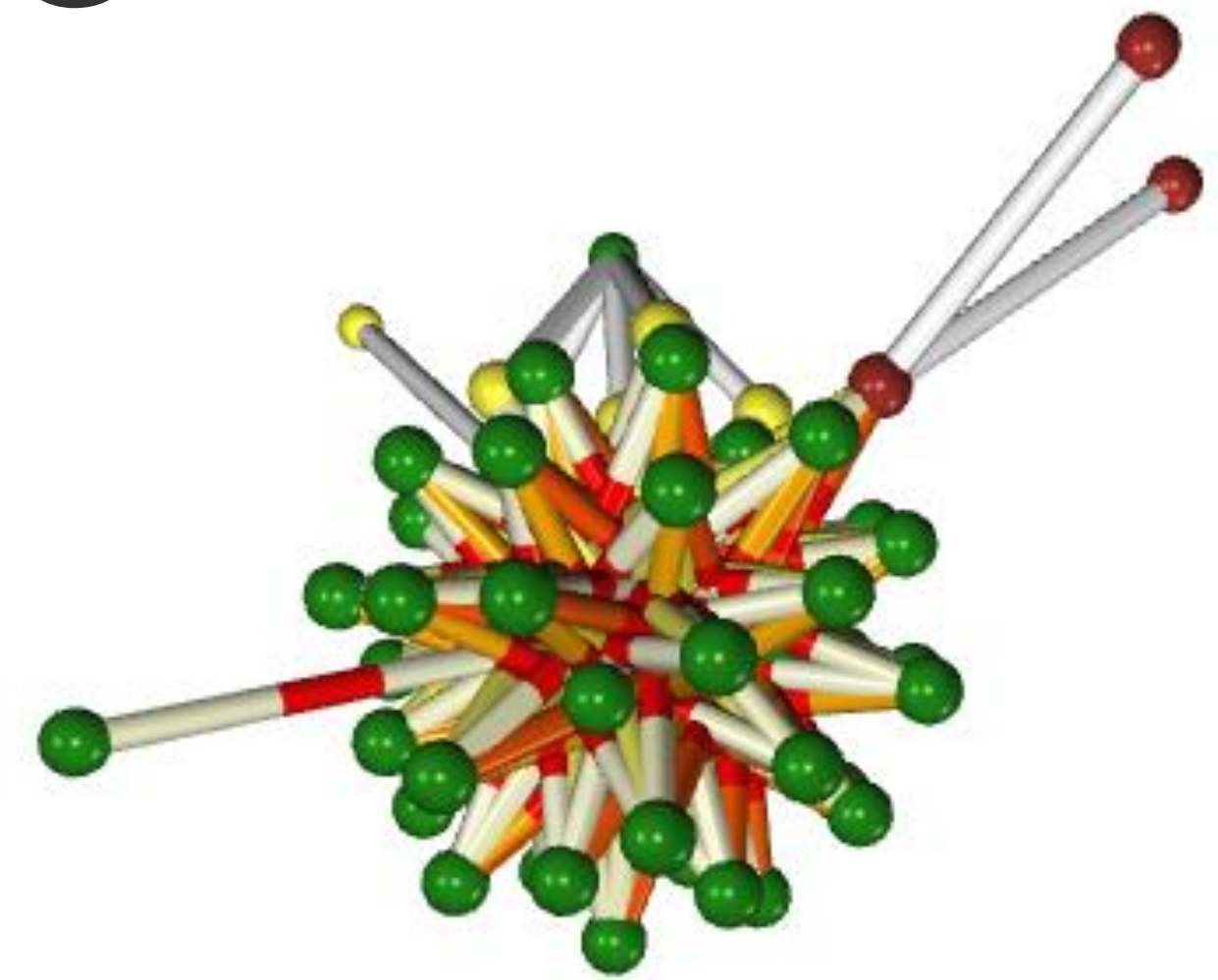


**5 884**  
transactions



**with a single merchant**

**19 346**  
transactions



**and has 2 merchants at its core**



# Big data | Empowering our SuperApps



## Loyalty

Grow revenue incrementally



## Insurance

Product recommendation, visual claims, lapse prediction



## Credit & Wealth

Loan market place personalisation & fraud



## Digital

Always on Marketing, personalisation, money management



## Merchant

Acquisition, loyalty, churn, personalisation



## International Money Transfer

Recommendations, contextual, activity spend, churn



## Online Payments

Personalised marketing, fraud prevention, transaction auto-fulfillment



## Fraud & AML

Improved fraud & AML controls

Enhancing SuperApp capabilities



# Big data & analytics | Driving data-led decision making

## Data Foundation

### Data Driven Decision & Steering



### Smart Data Assets

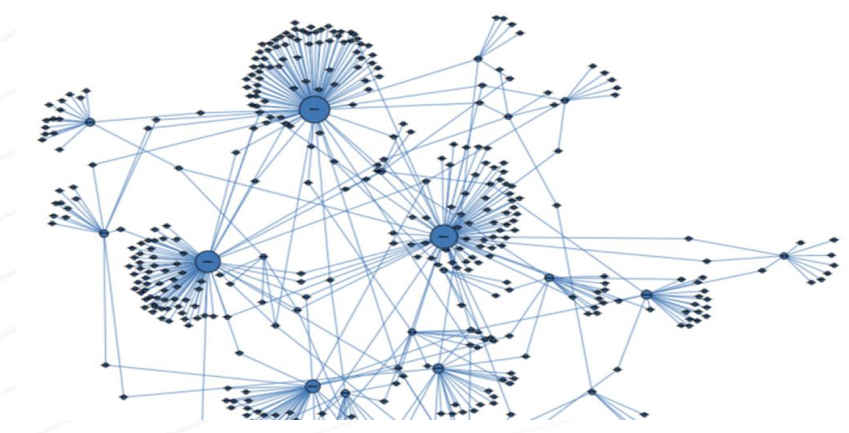


### Daily Forecast & Tracking

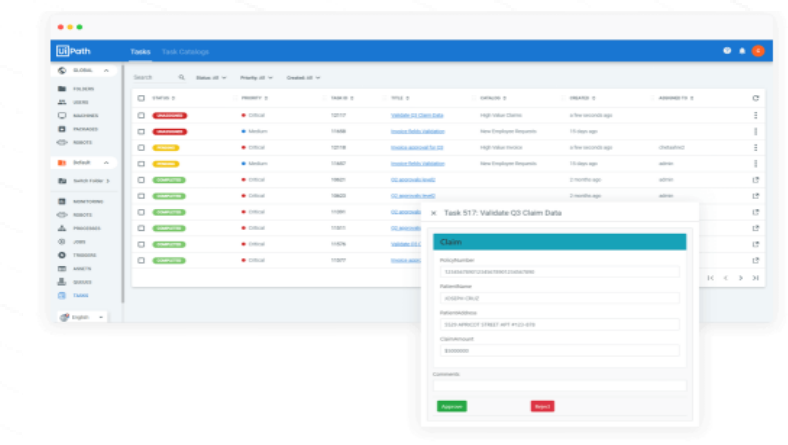


## Data driven Decisions

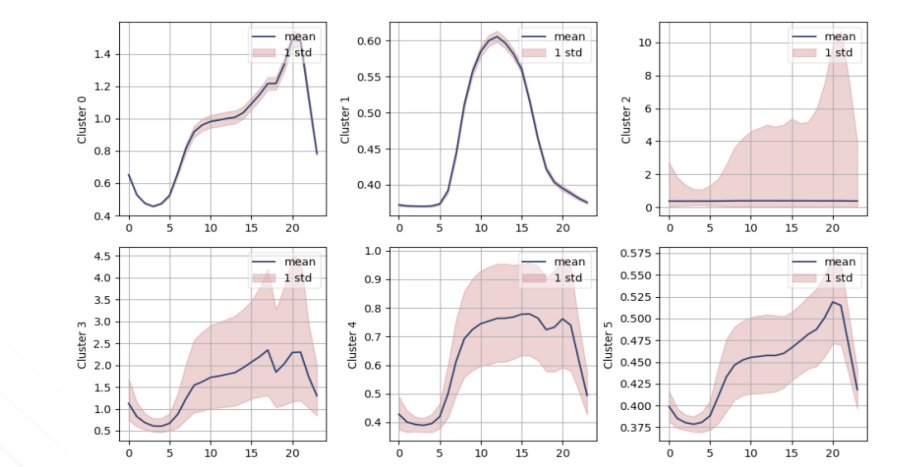
### Risk Management



### Intelligent Automation



### Capex Decisions

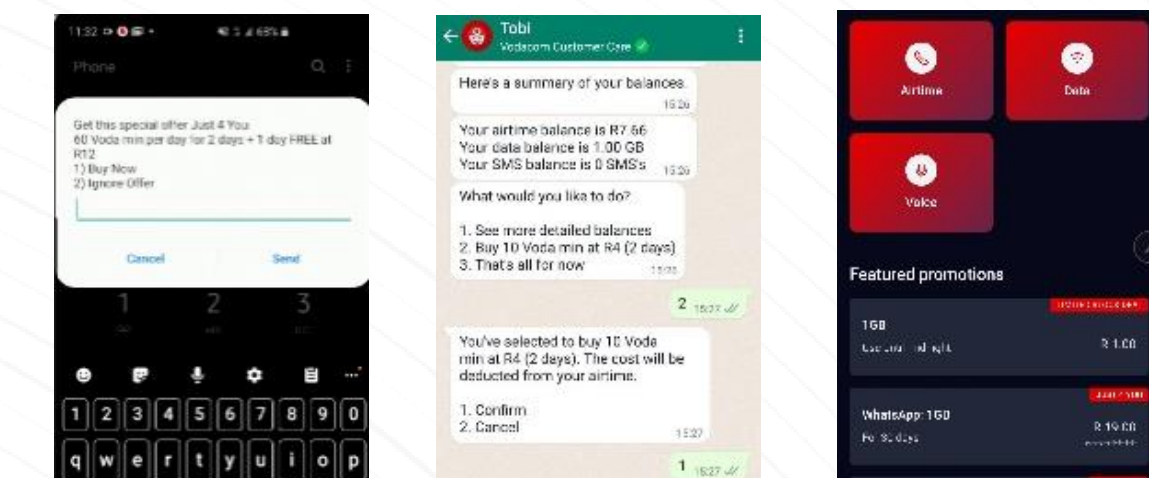


## Customer Interactions

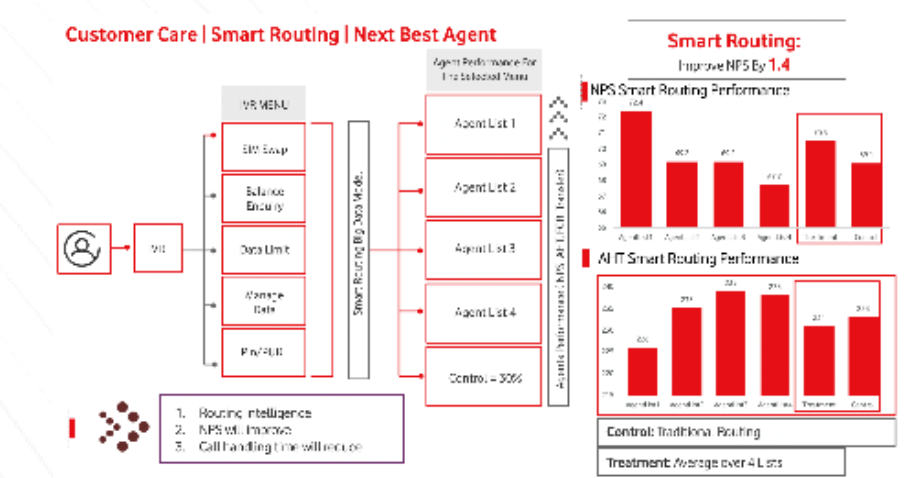
### Product Recommendations



### Personalised Interactions



### Optimised Customer Service





# Vodacom Group

## Digital ecosystem



Vodacom Group Investor Day  
23 February 2022



# Key messages

## 6 Outlook

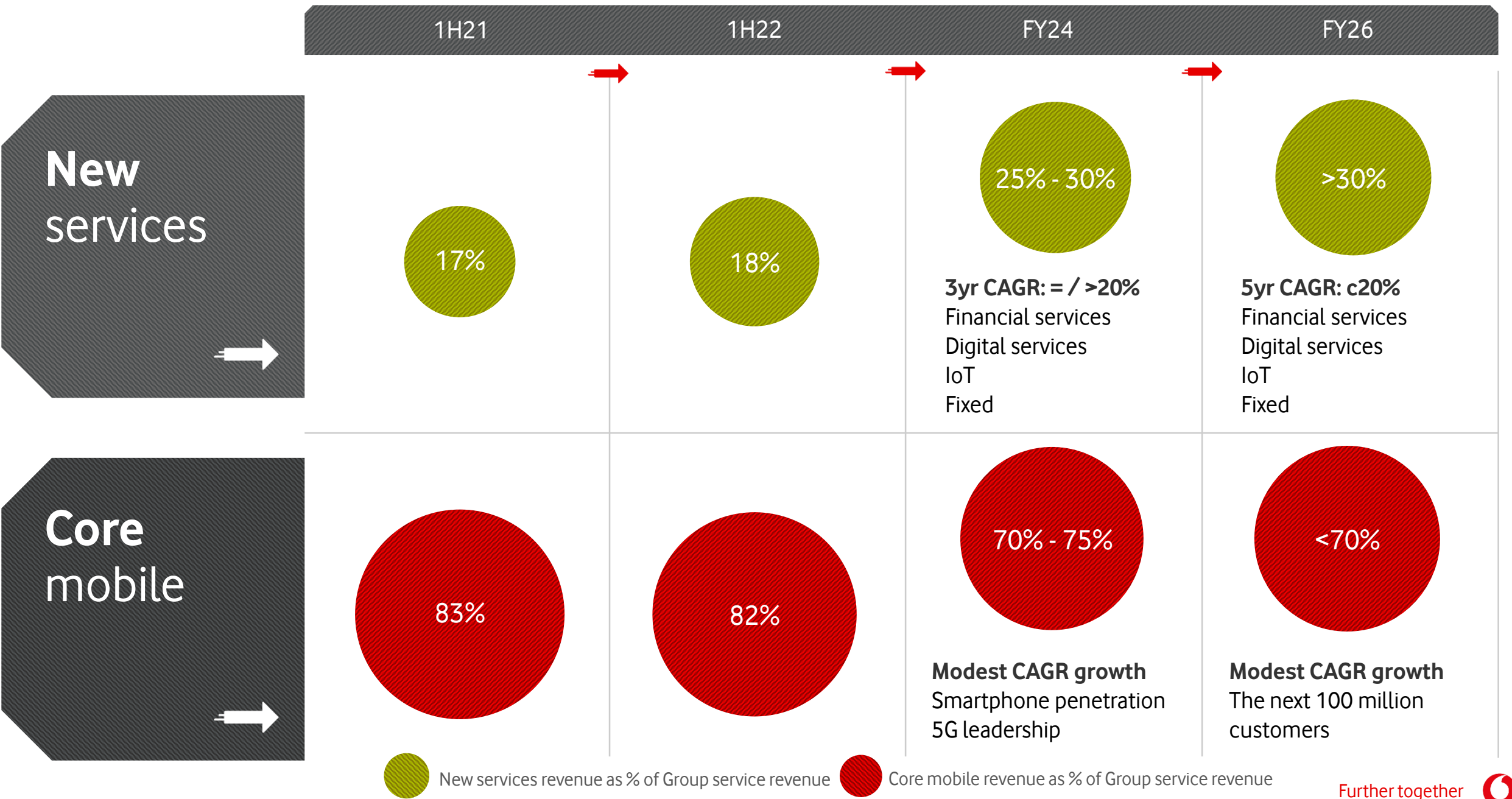
We have a clear ambition to **grow new services**

New services to support **Group growth and returns**

**Enhancing shareholder value** as we shift from telco to techco



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



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



# Outlook | New services to support Group growth and returns

	<b>Our footprint</b>	From (FY21/22)	To (FY26)		<b>Fintech</b>	From (FY21/22)	To (FY26)
		6 markets	2 more markets, Egypt & Ethiopia			Payments + limited financial services in all markets	Full fintech suite - Pay, lend, insure, trade, save, invest
	<b>Fibre position in SA</b>	3 <sup>rd</sup> player with 8-10% market share	up to 40% equity stake in clear market leader		<b>Fintech customers &amp; merchants</b>	>57 million customers 427k merchants	>85 million customers >2 million merchants <small>(ex Ethiopia, incl Egypt)</small>
	<b>Fixed connectivity in IB</b>	13k homes and businesses passed	0.5 million homes and businesses passed		<b>SuperApps</b>	Nascent consumer apps	Largest SuperApps on the continent – VodaPay and M-Pesa
	<b>Growth</b>	From (FY21/22)	To (Medium Term)		<b>Returns</b>	From (FY21/22)	To (Medium Term)
		Mid-to-high single digit operating profit growth	Accelerate Group growth potential			22.0% Return on capital employed (ROCE)	Increase ROCE



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

## Execute on our System of Advantage

**Leadership in fixed and mobile**  
- complete M&A

**Diversify with our digital ecosystem**  
- scale SuperApps

**Optimised TechCo**  
- separate SA towers

## Disciplined capital structure & allocation

**Utilise debt capacity**  
- threshold of 1.5x EBITDA

**Simplify dividend**  
- updated policy

**Invest within framework**  
- maintain capex intensity

## Accelerate and diversify returns

**Earnings & FCF**  
- accelerating Group growth potential

**Attractive returns**  
- improve ROCE

**Attractive returns**  
- one of the highest JSE dividend payouts

## Enhance societal value

**Inclusion for all**  
- increase female representation at management level\*

**Planet**  
- reduce GHG emissions\*

**Digital society**  
- drive financial inclusion\*

\*ESG metrics included in management LTIs

- drive 38.5% female representation at senior management level and above by 2024
- reduce GHG emissions by 15% cumulatively across all sites in South Africa by 2023 (against a 2020 baseline)
- reach 72.6 million financial services customers by 2024 (ex Egypt)



# Q&A