

# Vodacom Group

Investment case



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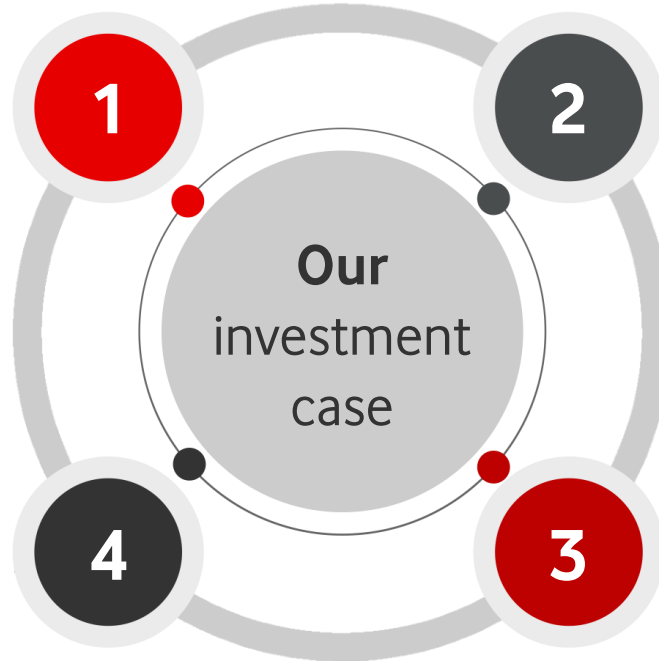
# Our investment case

We are a market leader with attractive ROCE

Scope to accelerate medium-term growth

- Access to 130m customers, with Vodafone Egypt transaction adding a further 43.0m
- InfraCo ongoing optimization
- FintechCo PBT margin >40%

- Purpose-led model
- Recognised as an ESG leader, including MSCI ESG AAA rating



- Data and smartphone penetration upside
- Expanding addressable market in Fintech
- Transformational M&A in Egypt and SA fibre

- Incentivised to create value and deliver on key ESG variables
- Strong execution track record

We are a responsible corporate

We have a trusted management team

# Our markets | Market leading position to >500 million people

Investment case attributes: **1** **2**



**Legend:**  
■ Vodacom led markets  
■ Safaricom led markets  
■ M&A announced, not completed

## South Africa

Ownership	100%
Population <sup>1</sup>	60.8 million
Customers (90-day active)	45.5 million
Market position	1st

## Tanzania

Ownership	75%
Population <sup>1</sup>	63.3 million
Customers (90-day active)	15.4 million
Market position	1st

## Lesotho

Ownership	80%
Population <sup>1</sup>	2.2 million
Customers (90-day active)	1.9 million
Market position	1st

## DRC

Ownership	51%
Population <sup>1</sup>	95.2 million
Customers (90-day active)	15.5 million
Market position	1st

## Mozambique

Ownership	85%
Population <sup>1</sup>	33.1 million
Customers (90-day active)	9.0 million
Market position	1st

## Saficom<sup>2</sup> (Kenya)

Ownership	35%
Population <sup>1</sup>	56.1 million
Customers (90-day active)	42.4 million
Market position	1st

## Ethiopia<sup>3</sup>

Ownership	6.2%
Population <sup>1</sup>	120.8 million
Customers (90-day active)	-
Market position	-

## Egypt

Ownership	55%
Population <sup>1</sup>	106.2 million
Customers (90-day active)	42.8 million
Market position	1st

Information is for the period ended 30 April 2022

1. IMF and World Bank (Extraction date: April 2022)
2. Vodacom Group has an effective stake of 34.94% in Safaricom
3. The Group, excluding its indirect interest via its shareholding in Safaricom PLC, has an effective interest of 6.2% in Ethiopia. In addition, the Group has indirect exposure through Safaricom PLC's 55.7% effective interest in Ethiopia

## 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

**4G coverage**  
**ITU pledge**  
Additional 70 million pop coverage over the next five years

**Food & connectivity**  
**Disaster Relief Fund**  
DRC, Mozambique  
CPT and KZN

**Vaccination support**  
**mVacciNation**  
& R87 million in financial support

**Platforms for good**  
**Connect Farmers**  
>230k farmers across Tanzania, DRC and SA

## Africa's leading communications company

1

### Footprint strengthened

- 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
- Super-apps + mini-apps in all digital and 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

Investment case attributes: **1** **2** **3**

Strategic objective:

Acceleration:



Strategic outcomes:

Secure leadership in fixed and mobile



**Footprint strengthened** (Egypt, Ethiopia), SA Fibre M&A



Acquired 110MHz of **high demand spectrum** in South Africa



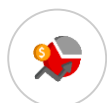
**VodaPay & M-Pesa super-app** launch



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



**TowerCo** separation in South Africa in progress



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

Diversify and differentiate with our digital ecosystem

Optimised, future-ready TechCo

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

After Vodafone Egypt deal<sup>1</sup>



**64m** **Financial Services** customers, extending our leading fintech position



**53%** **Smartphone** penetration providing structural data opportunity



**38 000** **Network sites** and one of Africa's largest tower owners



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

<sup>1</sup> Information Including Safaricom on 100% basis.

# Strategy in action | M&A enhancing our growth and returns profile

## Market leading position across all our markets

**R102.7bn**

**Vodacom Group revenue**  
South Africa & International markets (DRC, Tanzania, Mozambique, Lesotho)

**R40.0bn**

**Safaricom revenue**  
(associate)<sup>1</sup>

**R39.9bn**

**Vodacom Group EBITDA**  
EBITDA margin 38.8%

**R20.0bn**

**Safaricom EBITDA**  
(associate)<sup>1</sup>

## Acquiring an a controlling stake in Vodafone Egypt

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

**R31.2bn**  
**+17.3%**

**Vodafone Egypt revenue** (subsidiary, subject to deal closing)

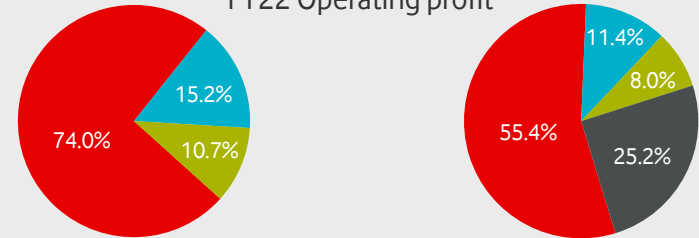
## South Africa fibre - acquiring an up to 40% stake in CIVH

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

### Before Vodafone Egypt deal

### After Vodafone Egypt deal

FY22 Operating profit



■ South Africa ■ International ■ Safaricom ■ Egypt

1. Safaricom at 100%. Results for year ended 31 March 2022



# Product lens | We are diversifying into new revenue streams beyond mobile 1 2 3

Investment case attributes:

South Africa

International

Safaricom

Product life cycle

## New services

Financial services

Digital services

IoT

Fixed

14.4%  
R8.4bn

27.6%  
R6.1bn

42.4%  
R16.0bn

## Core mobile

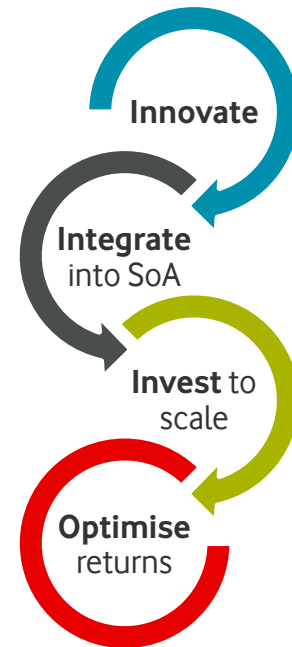
85.6%  
R50.1bn

72.4%  
R16.1bn

57.5%  
R21.7bn

● New services revenue as % of service revenue

● Core mobile revenue as % of service revenue



Further together



# Financial services | Our business model is high-growth & scalable

Investment case attributes: 2 4

## Consumer proposition

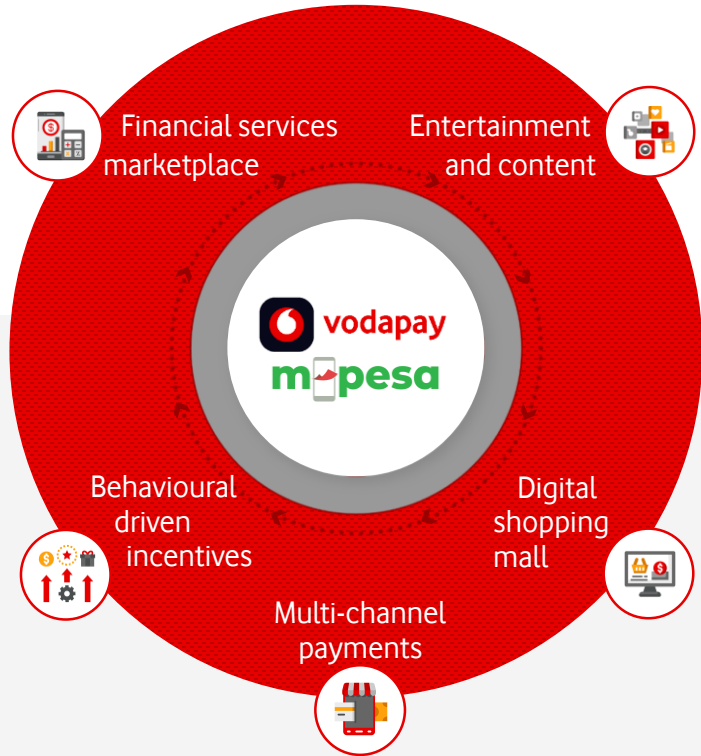
## Lifestyle super-app

powered by 支付宝 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



# Financial services | Continuing to scale our fintech platform

Investment case attributes: **2** **4**

100% basis (including Safaricom)

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

61 million

Strong underlying growth

\$324.6bn

R11.2bn / \$0.8bn

R4.4bn / \$0.3bn

financial services customers

in financial services revenue

M-Pesa transaction value

financial services revenue

financial services PBT

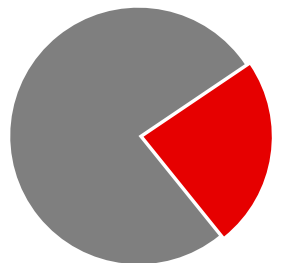
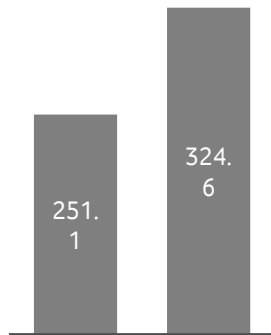
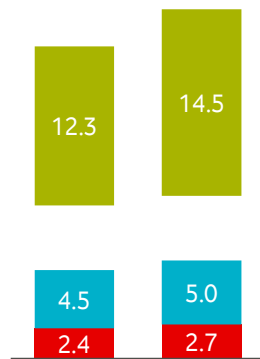
■ SA ■ IB M-Pesa ■ SF M-Pesa

■ SA ■ IB M-Pesa ■ SF M-Pesa

■ M-Pesa (IB + SF)

■ SA ■ IB M-Pesa ■ SF M-Pesa

■ SA ■ M-Pesa (IB + SF)



47% penetration

VOD 14.4%\* growth  
SF 30.3%\* growth

29.2% growth

13% of service revenue

17% 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

**Key elements**  
of our ESG framework

## 1 Deliver on our three purpose pillars

### Digital society

- Connecting people and things
- Digitalising business
- Digitalising critical industry sectors
- Digitalising government

### Inclusion for all

- Access to the benefits of a digital society for all
- Propositions for equality
- Workplace equality

### Planet

- Reducing our environmental impact
- Helping our customers decarbonise
- Promoting a circular economy

## 3 Guided by responsible business practices

### Protecting Data

- Data Privacy
- Cyber security

### Protecting people

- Health and safety
- Mobiles, masts and health
- Human rights
- Responsible supply chain

### Business integrity

- Operates ethical, lawfully and integrity
- Tax and economic contribution
- Policy of zero tolerance towards corruption

## 2 Uphold our Social contract

Trust, fairness and leadership to activate and accelerate our purpose initiatives

## 4 Provide transparency and measurement

**ESG progress measurement** e.g. ESG ratings, reputation tracking and stakeholder feedback

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

Investment case attributes: 1 2 3



Execute on our System of Advantage	Disciplined capital structure & allocation	Accelerate and diversify returns	Enhance societal value
<p><b>Leadership in fixed and mobile</b></p> <ul style="list-style-type: none"> <li>- complete M&amp;A</li> </ul>	<p><b>Utilise debt capacity</b></p> <ul style="list-style-type: none"> <li>- threshold of 1.5x EBITDA</li> </ul>	<p><b>Earnings &amp; FCF</b></p> <ul style="list-style-type: none"> <li>- accelerating Group growth potential</li> </ul>	<p><b>Inclusion for all</b></p> <ul style="list-style-type: none"> <li>- increase female representation at management level*</li> </ul>
<p><b>Diversify with our digital ecosystem</b></p> <ul style="list-style-type: none"> <li>- scale super-apps</li> </ul>	<p><b>Simplify dividend</b></p> <ul style="list-style-type: none"> <li>- updated policy</li> </ul>	<p><b>Attractive returns</b></p> <ul style="list-style-type: none"> <li>- improve ROCE</li> </ul>	<p><b>Planet</b></p> <ul style="list-style-type: none"> <li>- reduce GHG emissions*</li> </ul>
<p><b>Optimised TechCo</b></p> <ul style="list-style-type: none"> <li>- separate SA towers</li> </ul>	<p><b>Invest within framework</b></p> <ul style="list-style-type: none"> <li>- maintain capex intensity</li> </ul>	<p><b>Attractive returns</b></p> <ul style="list-style-type: none"> <li>- one of the highest JSE dividend payouts</li> </ul>	<p><b>Digital society</b></p> <ul style="list-style-type: none"> <li>- drive financial inclusion*</li> </ul>

\*ESG metrics included in management LTIs

# Our share information

## Total shareholding

	As at 31 March 2022	
	# of shares	% holding
Vodafone Group PLC <sup>1</sup>	1 110 629 881	60.50
Government Employees Pension Fund	257 863 457	14.05
YeboYethu Investment Company (Pty) Limited	114 451 180	6.23
Wheatfield Investments 276 (Pty) Limited	15 421 231	0.84
Institutional investors	285 177 562	15.53
Retail positions	45 374 584	2.47
Other <sup>2</sup>	6 947 066	0.38
<b>Total</b>	<b>1 835 864 961</b>	<b>100.0</b>

1. Directly held by Vodafone Investments SA (Pty) Limited and Vodafone International Holdings B.V.

2. Refers to the balance of remaining holdings

## Share trading information

JSE Ticker symbol	<b>VOD</b>
ADR code	<b>VDMCY</b>
Stock exchange	<b>JSE Limited</b>
Shares in issue	<b>1 835 864 961</b>
Freefloat <sup>1</sup>	<b>20.1%</b>
52 week low and high <sup>2</sup>	<b>R121.78 – R160.45</b>
Market capitalisation <sup>2</sup>	<b>R293.7 billion</b>
Transfer agent	<b>ComputerShare</b>

1. Excludes Vodafone Group Plc and Public Investment Corporation Holdings (greater than 10% shareholding), and YeboYethu (BEE shareholding)

2. As at 21 November 2021

## Indices we are part of

MSCI



FTSE4Good

JSE SRI INDEX



## Price earnings (PE) analysis

Vodacom Group PE (FY22)	<b>15.3</b>
Vodacom Group PE excluding Safaricom (FY22)	<b>14.4</b>

Source: Bloomberg and Vodacom estimates at 31 March 2022















Further together

# Our journey

1. Vodacom Group has a proportionate stake of 34.94% in Safaricom. Customers are inclusive of 100% of Safaricom's customer

Vodacom is a leading and purpose-led African connectivity and financial services company. The Group, including Safaricom<sup>1</sup>, serves 129.9 million customers spanning across the consumer and enterprise segments and offers a wide range of services, including: telecommunication, IT, digital and financial services

**28 years**  
of connecting for  
a better future

<p>1993 </p>	<p>1995 </p>	<p>1996 </p>	<p>2000 </p>	<p>2002 </p>	<p>2003 </p>		
<p>Vodacom is <b>awarded a licence</b> to operate a GSM cellular network in SA</p>	<p>Vodacom is granted a <b>GSM licence in Lesotho</b>, our first outside SA</p>	<p>We are the first in the world to launch a <b>prepaid service</b></p>	<p>We <b>launched</b> commercial operations in <b>Tanzania</b></p>	<p>Vodacom <b>launches</b> in the <b>DRC</b></p>	<p>Vodacom <b>launches</b> after a record three-month network roll-out</p>		
<p>2021 </p>	<p>2021 </p>	<p>2020 </p>	<p>2019  <b>5G</b></p>	<p>2018 </p>	<p>2012 </p>	<p>2009 </p>	<p>2006 </p>
<p><b>Vodafone Egypt</b> and South Africa <b>fibre</b> deals announced.  ----- <b>VodaPay &amp; M-Pesa</b> super-apps launched</p>	<p>COVID-19 <b>interventions</b>, incl vaccine support, through mVacciNation</p>	<p>Landmark <b>agreement with AliPay</b> to drive digital &amp; financial inclusion</p>	<p>Complete the <b>largest BEE</b> transaction in telecoms sector  ----- Launch <b>5G</b> in Lesotho</p>	<p>Acquire <b>34.94%</b> shareholding in <b>Safaricom</b>  ----- Vodacom <b>Tanzania</b> lists on the Dar es Salaam Stock Exchange</p>	<p><b>First</b> to launch <b>4G</b> in SA</p>	<p>Vodacom <b>lists</b> on the <b>JSE</b></p>	<p>We launch the first <b>3G HSDPA</b> network in SA</p>

# Our management team

## Vodacom Group



Chief Executive Officer  
**Shameel Joosub**



### ⋮ Group functions

### ⋮ Operating companies



Group Finance  
**Raisibe Morathi**



Group Technology  
**Dejan Kastelic**



Vodacom South Africa  
**Sitho Mdlalose**



Group Financial and Digital Services  
**Mariam Cassim**



Group Human Resources  
**Matimba Mbungela**



Safaricom  
**Peter Ndegwa**



Group Legal & Compliance  
**Nkateko Nyoka**



Group External Affairs  
**Stephen Chege**

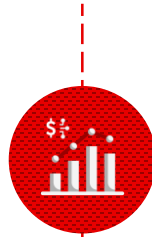


Vodacom International  
**Diego Guitierrez**





# Vodacom in numbers



# Country data



	South Africa	Tanzania	DRC	Mozambique	Lesotho	Safaricom
Population <sup>‡</sup> (million)	60.8	63.3	95.2	33.1	2.2	56.2
GDP per capita <sup>‡</sup> (USD)	105 393 <sup>‡</sup>	1 237	542	511	1 316	1 912
GDP growth estimate <sup>‡</sup> 2019 (%)	1.9	5.2	5.5	5.0	1.7	4.4
Ownership (%)	100	75	51	85	80	34.94 <sup>‡</sup>
Licence expiry period	2029	2031	2028/2032/ 2038 <sup>‡</sup>	2038	2036	2022/2024/ 2026 <sup>‡</sup>
Customers (thousand)	45 459	15 368	15 512	8 954	1 882	42 440
ARPU (rand/month)	90 <sup>‡</sup>	33 <sup>‡</sup>	42 <sup>‡</sup>	59 <sup>‡</sup>	52 <sup>‡</sup>	75 <sup>‡</sup>
ARPU (local currency/month)	90 <sup>‡</sup>	5 132 <sup>‡</sup>	2.8 <sup>‡</sup>	249 <sup>‡</sup>	52 <sup>‡</sup>	562 <sup>‡</sup>
Minutes of use per month	125	232	32	120	62	n/a

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

# Annual results | for the year ended 30 September

## Key highlights

- Group revenue of R102.7 billion was up 4.5%, as strong normalised growth of 5.8%\* was partially offset by rand appreciation
- Normalised Group service revenue and Group operating profit growth of 4.6%\* and 5.4%\* respectively, is in line with our medium-term targets.
- Added 5.9 million customers, to serve a combined 129.6 million customers across the Group, including Safaricom on a 100% basis
- Financial services customers, including Safaricom on a 100% basis, up 5.0% or 2.9 million to 60.6 million.
- Free cash flow up 4.6%.
- Full year dividend of 850cps, up 3.0% and declared a final dividend of 430cps

## Key numbers

R million	FY22	FY21	Reported % change	Normalised % change
<b>Group</b>				
Revenue	102 736	98 302	4.5	5.8
Service revenue	79 936	77 574	3.0	4.6
EBITDA	39 888	39 299	1.5	2.1
Net profit from associate	3 056	3 501	(12.7)	17.5
Net debt	35 181	34 249	2.7	
Free cash flow	15 660	14 974	4.6	
Total dividend per share	850	825	3.0	
<b>South Africa</b>				
Service revenue	58 526	56 405	3.8	
Financial services revenue	2 665	2 372	12.4	
Customers	45 459	44 061	3.2	
Data customers	23 475	21 703	8.2	
<b>International</b>				
Service revenue	22 213	22 146	0.3	5.6
M-Pesa revenue	4 961	4 513	9.9	15.5
Customers	41 716	39 751	4.9	
Data customers	21 175	20 644	2.6	

\* 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.

# Five-year track record | for years ending 31 March

	2022	2021	2020 <sup>1</sup>	2019 <sup>2</sup>	2018	21/20 % change	5-year CAGR %
Service revenue (R million)	79 936	77 574	73 354	69 867	70 632	3.0	3.1
Revenue (R million)	102 736	98 302	90 746	86 627	86 370	4.5	4.4
EBITDA (R million)	39 888	39 299	37 610	33 714	32 898	1.5	4.9
Operating profit (R million)	28 236	27 651	27 711	24 490	24 252	2.1	3.9
Operating free cash flow (R million)	22 693	22 338	21 782	21 643	21 117	1.6	1.8
Free cash flow (R million)	15 660	14 974	16 284	14 865	14 195	4.6	2.5
Capital expenditure (R million)	14 642	13 307	13 218	12 957	11 594	10.0	6.0
Net debt (R million)	35 181	34 248	35 180	23 354	19 892	2.7	15.3
Headline earnings per share (cents)	1 013	980	945	868	923	3.4	2.4
Dividend per share <sup>3</sup> (cents)		825	845	795	815	1.8	0.8
EBITDA margin (%)	38.8	40.0	41.4	38.9	38.1		
Effective tax rate (%)	27.8	28.2	27.8	29.7	29.6		
Net debt/EBITDA (times)	0.9	0.9	0.9	0.7	0.6		
Capex intensity (%)	14.3	13.5	14.6	15.0	13.4		
Return on capital employed (%)	23.4	22.0	22.7	24.6	30.5		

1. IFRS 16 was adopted on 1 April 2019 on a forward-looking basis.

2. IFRS 15 was adopted on 1 April 2018 on a forward-looking basis.

3. Total dividend declared for the financial year. The total dividend for 31 March 2020 includes a special dividend of 60cps.



# Dividend policy | Payment history



	Ex-dividend date	Payment date	Dividend declared (cents per share)	Dividend declared (Rm)
Interim dividend number 1	30 November 2009	7 December 2009	110	1 637
Final dividend number 2	28 June 2010	5 July 2010	175	2 604
Interim dividend number 3	29 November 2010	6 December 2010	180	2 678
Final dividend number 4	27 June 2011	4 July 2011	280	4166
Interim dividend number 5	28 November 2011	5 December 2011	260	3 869
Final dividend number 6	18 June 2012	25 June 2012	450	6 696
Interim dividend number 7	26 November 2012	3 December 2012	355	5 282
Final dividend number 8	24 June 2013	1 July 2013	430	6 398
Interim dividend number 9	25 November 2013	2 December 2013	395	5 877
Final dividend number 10	23 June 2014	30 June 2014	430	6 398
Interim dividend number 11	24 November 2014	1 December 2014	375	5 580
Final dividend number 12	22 June 2015	29 June 2015	400	5 952
Interim dividend number 13	30 November 2015	7 December 2015	395	5 877
Final dividend number 14	20 June 2016	27 June 2016	400	5 952
Interim dividend number 15	30 November 2016	5 December 2016	395	5 877
Final dividend number 16	21 June 2017	26 June 2017	435	6 473
Interim dividend number 17	29 November 2017	4 December 2017	390	6 714
Final dividend number 18	20 June 2018	25 June 2018	425	7 316
Interim dividend number 19	28 November 2018	3 December 2018	395	7 252
Final dividend number 20	19 June 2019	24 June 2019	400	7 343
Interim dividend number 21	27 November 2019	2 December 2019	440*	8 078*
Final dividend number 22	24 June 2020	29 June 2020	405	7 438
Interim dividend number 23	2 December 2020	7 December 2020	415	7 631
Final dividend number 24	23 June 2020	28 June 2021	410	7 552
Interim dividend number 25	1 December 2021	6 December 2021	420	7 670
Final dividend number 26	22 June 2022	27 June 2022	430	7 865

Vodacom Group's current dividend policy is to pay at least 90% of adjusted headline earnings, which excludes the contribution of the attributable net profit or loss from Safaricom and any associated intangible amortisation. In addition, Vodacom Group distributes any dividend it receives from Safaricom, up to a maximum amount of the dividend received, net of withholding tax. Subject to Board approval, this policy will be maintained for the remainder of the current financial year, and until the proposed acquisition of Vodafone Egypt is completed. On completion of the Vodafone Egypt acquisition, Vodacom Group intends to amend and simplify its dividend policy to at least 75% of Vodacom Group headline earnings



# Includes a special dividend of 60cps or R1 101 million declared by Safaricom PLC.



# More information

Visit our website for more information

<http://www.vodacom.com>

# 2022

## upcoming dates



**Vodacom Group AGM**

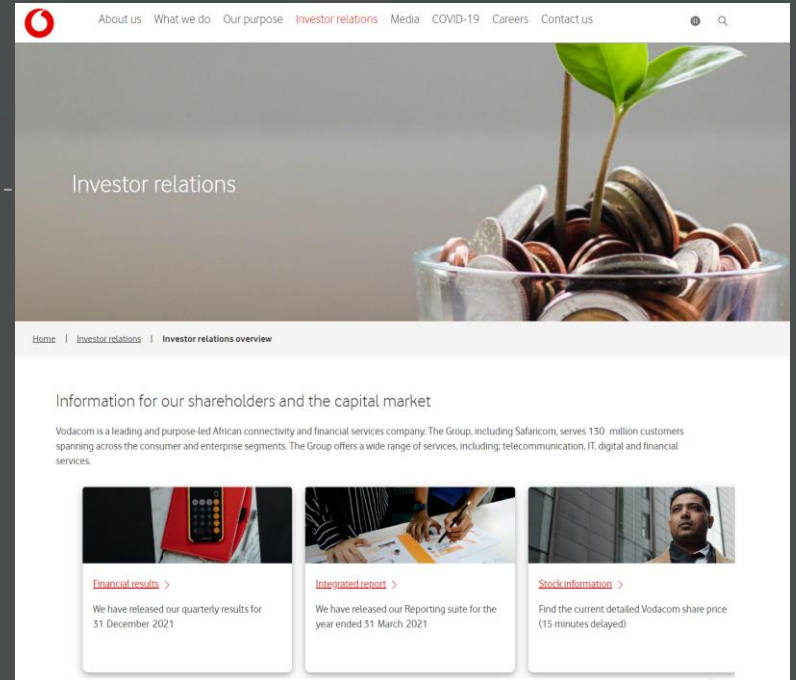
18 July 2022

**1Q23 results**

21 July 2022

**1H23 results**

14 November 2022



**Contact us**

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# Definitions

## Customers

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

## Data customers

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

## M-Pesa customers

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

## ARPU

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

## EBITDA

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

## Free cash flow

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

## South Africa

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

## International

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

## MOU

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

## Normalised growth (\*)

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

## Operating free cash flow

Cash generated from operations less additions to property, plant and equipment and intangible assets other than licence and spectrum payments and purchases of customer bases, net of proceeds on disposal of property, plant and equipment and intangible assets, other than 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 year ended 31 March 2022 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.

