# Conference call script

## for the year ended 31 March

Good afternoon and good morning to those joining the call in the US.

Welcome to the highlights call for our year ended 31 March 2025.

**[PAUSE]**

I am joined by our Group CFO Raisibe Morathi as well as our head of Investor Relations, JP Davids.

We trust that you enjoyed our video presentation we screened before this call. The video is available on our website.

As we draw the curtain on our Vision 2025 strategy, I am immensely proud of the progress we have made over the past five years. We have emerged as a purpose-led, leading African operator with clear opportunities to positively impact society and accelerate our growth. This transformation was achieved despite a challenging macroeconomic environment.

Our purpose of connecting people for a better future has remained our true north through Vision 2025. It has gathered a momentum of its own, as we advanced our three purpose pillars – empowering people, protecting the planet and maintaining trust.

In an ever-changing environment we remain committed to doing what is right. Over the last five years we have emerged as an ESG leader, and expect to be even more progressive over the next five years.

**[PAUSE]**

Vision 2025 has also shaped an investment case into one that combines attractive growth with excellent return prospects.

These growth opportunities lie in our geographic and product diversification. We expanded into new markets by acquiring Vodafone Egypt and rolling out a greenfield operation in Ethiopia as part of a Safaricom-led consortium. In FY2020, South Africa contributed 71% of the Group's operating profit. 5 years later, its contribution is 55% with Egypt contributing a significant 28%.

We have also build a formidable financial services business, with 88 million customers. This business is expected to compound revenues at 15 to 20% over the next five years.

Our return profile is supported by the combination of our  market leadership position in connectivity and financial services, with our infrastructure scale. In FY2025, we reported a return on capital employed of 23.5%, up from 23.1% in the last year.

As we look ahead to our next strategic phase, called Vision 2030, we intend to build on the success of the last five years. Our Vision 2030 ambitions support a double-digit EBITDA growth outlook, which represents an upgrade from Vision 2025.

While we are laser focused on our growth and returns, our purpose will continue to lead our strategic direction. It is embedded in how we operate. Through our operations we aim to close the digital divide, empower our customers, support communities, digitalise governments and protect the planet. We believe a responsible approach to increasing connectivity can create a better future for all.

**[PAUSE]**

Switching gear to the results for FY25.

**At a Group level:**

- Revenue of R152.2 billion was up 1.1%, despite significant foreign exchange headwinds.
- On a normalised basis, and equivalent to a constant currency measure, Group service revenue increased 11.2%.
- This exceeded our target of high single-digit growth.
- Group EBITDA decreased 1.1% to R55.5 billion, with normalised growth offset by foreign exchange rate headwinds.
- On a normalised basis, EBITDA growth was 7.8%, in-line with our medium-term target.
- Our headline earnings per share increased 1.3% to 857 cents per share.
- This represented a significant recovery in the second half of the financial year, with earnings growth of 23.5% compared with a decline of 19.4% in the first half.
- On the back of the full year earnings we announced a full year dividend of R6.20. This represents growth of 5.1%.
- Looking in FY2026, we are hopeful that the strong earnings outlook for Vodacom and our associate Safaricom can translate into attractive dividend growth.

**Shifting the discussion now to our performance at a product level:**

- Beyond mobile, reached 21.4% of Group service revenue.
- Beyond mobile includes fixed, IoT, digital and financial services and we target a 30% contribution by 2030.
- We remain Africa's leading fintech operator with 451 billion US dollars of transactions processed through our mobile money platforms over the last twelve months, including Safaricom.
- Our financial services business was up 7.6% in rands, or 17.6% on a normalised basis, and made up 11.6% of Group service revenue.
- The scaling of this business is important to our earnings and return outlook, given the lower capital intensity of financial services.

And then to our geographic segments

In South Africa

- service revenue grew 2.3% to R63.0 billion.
- The result was negatively impacted by a 1.9 percent point headwind from wholesale revenue, so, this puts the underlying growth trend at around 4 percent.
- Pleasingly, our second half was stronger than the first.
- This improvement was lead by prepaid revenue, which grew 3.5% in the year and 4.5% in the second half.
- The prepaid improvement was supported by an increased focus on rate management.
- Mobile contract customer revenue was also a source of growth in the year, up 3.8%.
- This was supported by the consumer segment and our more-for-more price increases.
- We also reported good growth in our beyond mobile services.
- Fixed service revenue was up 17.9%, excluding low margin wholesale transit revenue.
- Service revenue generated from financial services was up 7.9% to R3.4 billion, supported by a strong result for insurance.
- The EBITDA margin was stable at 37.0%, while operating profit increased 2.1% as we moderated our investment into energy resilience.
- Looking in FY2026, we are targeting mid-single digit EBITDA growth for South Africa.
- Lapping the wholesale headwind should help, but we will also remain laser focussed on cost efficiencies.
- Across the Group we see structural opportunities for cost savings through more sharing.
- We recently approached the Competition Commission in South Africa with MTN to advance our sharing agenda.
- This will be done under the provisions of government's Energy Users Block Exemption regulation.
- We are also progressing with our virtual wheeling project with Eskom, and hope to provide a joint update with the utility in the near term.

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- Separately, we were disappointed that the Maziv transaction was prohibited by the Competition Tribunal, especially given that it had received support from ICASA, our competitors and the South Africa government.
- Vodacom and CIVH have lodged an appeal with the Competition Appeal Court, challenging the Competition Tribunal's prohibition.
- The Department of Trade, Industry and Competition has also lodged an appeal alongside us.
- The hearing has been scheduled for 22 July.

**Egypt's performance was stellar**

- Service revenue in local currency was up 45.2%, well above inflation.
- The result was broad-based with strong growth in consumer mobile and fixed, business and Vodafone Cash.
- In the fourth quarter, growth accelerated to 47.7%, supported by price actions in December.
- Vodafone Cash was a standout result with revenue up 80.1% and its contribution at 8.0% of service revenue.
- Egypt delivered R13.4 billion of EBITDA, equivalent to 24.2% of the Group's results.
- The normalised EBITDA margin was 45.0%, a healthy outcome, reflecting good cost containment in a high inflation environment.
- The bottom line result from Egypt was even more impressive.
- Net income growth was 99.0% in local currency, and translated to 19.2% growth in rands.
- Looking into FY2026, we expect Egypt to deliver comfortably above our medium-term growth target of 20%.

**Our International business reported good service revenue growth, but had a disappointing EBITDA performance**

- Service revenue was R30.6 billion, up 2.6%, or 7.1% on a normalised basis.
- From a market perspective, we delivered 20.5% local currency growth in Tanzania, 10.4% in Lesotho, and 8.2% US dollar service revenue growth in DRC.
- Mozambique had a tough year, declining 12.8% due to repricing.
- International EBITDA was R9.5 billion and declined by 13.8%.
- This was a disappointing result given the segment's commercial momentum and one-off costs in DRC from the first half and the year-on-year revenue pressure in Mozambique.
- Looking into FY2026, we expect a good recovery from international, and a return to double-digit EBITDA growth.
- This will be driven by good momentum in Tanzania, improving trends in Mozambique and an easier comparative for DRC.

**Our fourth business segment, Safaricom, is an important earnings driver.**

# Conference call script

## for the year ended 31 March

- Safaricom delivered an excellent year overall.
- Service revenue increased 10.8%, with the Kenyan business delivering double-digit growth.
- EBITDA increased 5.4% in shillings, with Ethiopia supporting a strong recovery in the second half of the financial year.
- At a net income level Safaricom reported growth of 10.8%, or 14.2% excluding foreign exchange impacts.
- This result and the declaration of a stable dividend represent important milestones for Safaricom as it scales the greenfield roll-out in Ethiopia.
- In Kenya, service revenue growth was supported by excellent results for M-Pesa, mobile data and fixed.
- The strong revenue performance set up strong profitability metrics.
- Kenya EBITDA grew 10.1%, with margins at 54.0%.
- Switching to Ethiopia, we reached 8.8 million customers, doubling year on year.
- Revenue increased 172%, with strong growth in ARPU adding to the customer traction.
- Looking into FY2026, Safaricom is guiding to another excellent year for Kenya, while also forecasting lower losses for Ethiopia.
- The combination of Kenya growth and Ethiopia scaling means that the Safaricom Group is expected grow EBIT by around 50% in FY2026.
- This would clearly have a positive impact on our earnings outlook for the coming year.

That concludes my review. Raisibe and I are now ready to answer any questions you may have.

**Concluding remarks:**

Thank you for joining us on today's call. If there are any other questions that you might have, please reach out to the Vodacom Investor Relations team. Enjoy the rest of your day.