Vodacom Group Limited

Interim Results

For the six months ended
30 September 2024

Further together

HERE'S TO THE NEXT 30 YEARS OF PURPOSE

Shameel Joosub

Vodacom Group CEO commented:

Celebrating Vodacom's 30th birthday, connecting 206 million customers and providing financial services to 83 million customers are some of the significant milestones in the Group's history that I am particularly proud of. These were achieved in the first half of the current financial year, a period that was characterised by significant currency headwinds on the one hand and a resilient operational response on the other to ensure that we continue to deliver on our medium-term financial targets. While our bottom line was impacted by various one-offs, I am confident that we are poised for a stronger second half performance.

On 1 June 1994 we signed up our very first customer when the first of our networks in South Africa went live. Fast forward to 2024, we now serve 205.6 million customers across a footprint that also includes DRC, Egypt, Ethiopia, Kenya, Lesotho, Mozambique and Tanzania, covering more than half a billion people.

While the industry and the company have had to adapt to evolving regulatory pressures and customer needs, Vodacom's purpose was unchanged for the past three decades, which is to make sure that everyone is connected.

At the same time as delivering great value to customers, we have remained resolute in delivering societal value through a wide range of initiatives that change the lives of people. Our m-mama programme is a prime example of what can be achieved when innovative technology is developed and deployed to address societal challenges. Thus far, m-mama has saved many lives by facilitating an emergency transport service for expectant mothers in Tanzania and Lesotho.

Our "System of Advantage" focuses on ensuring that we have the right strategy and people to drive the sustainability of the company well into the future. At the core of our offering is connectivity, where we remain market leaders and are driving digital inclusion. As pioneers of mobile financial services, which now contributes significantly to Africa's financial inclusion, it remains our ambition to grow and diversify our beyond mobile revenues to exceed 25% of Group service revenue in the medium-term.

Our latest interim results showcases our product and geographic diversification with Group service revenue increasing by 9.9%* on a normalised basis, at the top end of our medium-term target. On a reported basis Group service revenue declined 1.2% to R58.6 billion, due to currency headwinds. Group EBITDA grew by 8.5%* on a normalised basis and we remain on track to invest 13% to 14.5% of revenue into capital expenditure, in line with our medium-term targets.

Beyond mobile, which includes digital and financial services, fixed and IoT, contributed 21.1% to Group service revenue, underpinned by mobile financial services such as payments, savings, loans and merchant offerings. Our mobile money platforms, including Safaricom, processed US$421.3 billion of transaction value over the last twelve months, cementing our leadership as an African FinTech company.

In the past five years alone, we have invested almost R80.0 billion across our markets, with a concerted effort to accelerate rural coverage. This has resulted in Vodacom securing its network leadership in most markets where we operate and to an additional 10.9 million customers joining our network over the last twelve months.

From a financial performance perspective, I am particularly pleased with the manner in which our Egyptian business navigated its way through a material currency devaluation to produce R13.0 billion in service revenue, underpinned by a stellar 44.1% growth in local currency. This was supported by strong customer engagement in connectivity and excellent growth in Vodafone Cash, and contributed to a 5.9% increase in customers to 48.3 million in Egypt.

In South Africa, we now service 49.2 million customers, an increase of 4.2%. Driven primarily by beyond mobile services, the consumer segment and prepaid mobile data, service revenue in South Africa grew 1.3% to R31.1 billion despite pressure in the wholesale segment. Beyond mobile services increased 8.1%, contributing R5.5 billion or 17.7% of service revenue. By containing costs below inflation and delivering revenue growth, South Africa grew EBITDA by 2.3% while operating profit increased 2.4% on the back of a moderated investment into energy resilience given the recent stability of the national electricity grid.

Excellent service revenue growth in Tanzania of 19.1%, and 9.0% growth in DRC, were the drivers of our commercial performance in our International business. On a normalised basis our International business grew service revenue at 6.2%*, with the customer base up 4.5% to 56.1 million. While this helped offset one-off costs in DRC and the impact of repricing in Mozambique, EBITDA from this portfolio declined 20.0%. This was disappointing given the commercial momentum in the segment, however we do expect an improved EBITDA performance from this segment in the second half.

Safaricom delivered an excellent result in Kenya, while our Ethiopian greenfield operation faced a material currency impact in the period. In Kenya, service revenue growth of 12.9% was supported by strong adoption of our 4G services and sustained M-Pesa growth. M-Pesa's 16.6% growth in revenue was supported by business payments. In Ethiopia, we reached 6.1 million customers, up 47.1%, reflecting strong commercial momentum. As an associate of the Group, Safaricom's contribution of R1.3 billion to operating profit was impacted by the currency reforms in Ethiopia. In contrast, Safaricom's underlying net profit result demonstrated strong growth.

Headline earnings per share declined 19.4% to 353 cents per share (cps). This was largely attributable to the currency depreciation in Ethiopia (53cps) and one-off costs in our International business. Given the expected phasing impact of the currency deprecation in Ethiopia on headline earnings for the full financial year, the Board declared an interim dividend of 285cps equating to an 86% pay-out. The Group's dividend policy remains unchanged and based on a pay-out of at least 75% of headline earnings.

From a mergers and acquisitions perspective, our proposed acquisition of a 30 to 40 percent stake in South African fibre operator Maziv was prohibited by the Competition Tribunal in October 2024. The Transaction was designed to assist Maziv in growing its fibre footprint into lower income areas and would have been highly beneficial for South Africa. We await the Competition Tribunal's detailed reasons for prohibiting the Transaction, before considering all options available to Vodacom, which may include an appeal in the Competition Appeal Court.

Looking ahead and despite the pressures associated with this economic cycle, we will continue to invest in and execute on our strategy. It is pleasing that our markets continue to deliver strong operational momentum, despite the material currency devaluations in Egypt and Ethiopia. While we remain mindful of an evolving macro-economic environment across our footprint, including foreign exchange rate risk, I believe that the Group is well positioned to capitalise on opportunities once the global economy shifts from its current cautious optimism to sustainable growth. This means that we will relentlessly continue to pursue our purpose of connecting people for a better future.

Highlights

Group revenue of
R74 billion
was up 1.0% (10.4%*),
despite significant
foreign exchange headwinds.

Group service revenue growth was
9.9% on a normalised basis*,
at the higher end of our medium-term target.

Financial services revenue increased 7.8% (17.6%*) to
R6.7 billion,
contributing 11.4% to
Group service revenue.

Group EBITDA declined
2.7% to **R26.6 billion**,
but grew **8.5%**
on a normalised basis*.

Serve a combined
205.6 million
customers and **82.9 million**
financial services customers across
the Group, including Safaricom on a
100% basis.

Interim dividend of
285cps, representing
an 86% pay-out ratio.

Certain financial information presented in this results announcement constitutes pro-forma financial information in terms of the JSE Listings Requirements. The applicable criteria on the basis of which this pro-forma financial information has been prepared is set out in the supplementary information on pages 48 to 54. The pro-forma financial information includes:

* 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 year as the 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.
Amounts marked with an * in this document represent normalised growth as defined above.
All growth rates quoted are year-on-year and refer to the six months ended 30 September 2024 compared to the six months ended 30 September 2023, unless stated otherwise.

Growth rates for Safaricom Plc (Safaricom) are in local currency and year-on-year, unless otherwise stated. Safaricom results announcements are available at: www.safaricom.co.ke/investor-relations-landing/reports/financial-report/financial-results.

Group statutory performance measures

Rm	Six months ended 30 September 2024	2023	% change Reported	Normalised*
Revenue	**73 538**	72 798	**1.0**	**10.4**
Service revenue	**58 637**	59 350	**(1.2)**	**9.9**
Net profit from associates and joint ventures	**822**	1 348	**(39.0)**	**(2.9)**
Operating profit	**16 127**	17 013	**(5.2)**	**9.6**
Net profit attributable to equity holders	**6 843**	8 385	**(18.4)**	
Net debt to EBITDA	**1.1**	1.0	**(0.1x)**	
Earnings per share (cents)	**354**	434	**(18.4)**	
Headline earnings per share (cents)	**353**	438	**(19.4)**	
Total dividend per share (cents)	**285**	305	**(6.6)**	

Group additional performance measures

Rm	Six months ended 30 September 2024	2023	% change Reported	Normalised*
EBITDA	**26 562**	27 286	**(2.7)**	**8.5**
EBITDA margin (%)[1]	**36.1**	37.5	**(1.4ppts)**	
Capital expenditure[2]	**8 809**	9 542	**(7.7)**	
Capital intensity (%)[2]	**12.0**	13.1	**(1.1ppts)**	
Operating free cash flow[3]	**5 861**	7 178	**(18.3)**	
Free cash flow[3]	**(1 076)**	(172)	**>(200)**	
Financial services revenue[4]	**6 657**	6 176	**7.8**	**17.6**

Notes:
1. EBITDA margin is EBITDA as a percentage of revenue.
2. Detail relating to capital expenditure is on page 16. Capital intensity is capital expenditure as a percentage of revenue.
3. A reconciliation of operating free cash flow and free cash flow is set out on page 54.
4. The combination of South Africa financial services revenue, Egypt financial services revenue and International M-Pesa revenue.

Strategic overview

Purpose-led business model

Our purpose – to connect for a better future – drives our strategy, impacts our value creation and shapes our stakeholder engagements within our operating context. To deliver on our purpose we are focused on empowering people and protecting the planet, while at the same time maintaining trust in everything we do.

At the International Telecommunication Union's recent SDG Digital event, which formed part of the 79th UN General Assembly, we emphasised the urgency of empowering people through digital and financial inclusion. Our ongoing commitment to closing the digital divide was evident in the 1 133 new 4G sites added across the Group over the last six months. We also made further progress in improving the availability and affordability of smartphones through our Group-wide prepaid handset financing initiative and a new low-cost (R259, US$14) cloud-based phone that comes standard with popular applications such as Facebook, TikTok and YouTube. In financial services, we increased our customer base by 12.7% to 82.9 million, including Safaricom, while also deepening inclusion through innovative savings and loan products.

Beyond our initiatives in connectivity and financial services, we empower people by supporting communities and SMEs. We continue to scale our technology-based, government supported, affordable emergency transport system known as m-mama, in partnership with the USAID and Vodafone Foundation. This lifesaving maternal transport system is now rolled out nationwide, in Tanzania and Lesotho and is on track to launch in Kenya and Malawi. One of our other key medium-term initiatives is to digitally upskill one million young people across Africa through programmes such as Code like a Girl. This is an ambitious target that requires partnerships to scale digital skill hubs across our footprint. Aligned to this focus on education, our V-Hub is an online resource portal that connects SMEs to expert advice, information on operating in a digitalised world, web development, digital marketing, remote working and cyber security, and a diverse software-as-a-service and digital solutions portfolio.

For the planet, we have committed to net zero for scope 1 and 2 greenhouse gas emissions by 2035. This commitment is detailed in our latest climate and TCFD report available here. In addition, we partner with governments and other stakeholders to provide innovative solutions to meet Africa's key environmental challenges, including the impact of climate on agriculture, the need for renewable energy and the scarcity of water. Vodacom Business, Mezzanine and IoT.nxt are pioneering solutions to improve the access and quality of water, while also reducing leakages and unauthorised usage. By leveraging our existing "platforms for good" and partnerships from across our markets, we are well placed to support governments with water management including South Africa's RT29 National Treasury Smart Metering project.

Positioned for growth and improved returns

Our multi-product strategy, called the System of Advantage, aims to deliver diversified, differentiated offerings to our customers, further strengthening and growing our relationships with them. The resilience of our strategy was tested again in the period as we faced high interest rates, energy cost inflation and foreign exchange rate pressure. Despite the pressures associated with this economic cycle, we continued to invest in and execute on our strategy, such that we are well positioned to deliver attractive returns over the medium-term with a portfolio of market leading assets across Africa.

Our medium-term remain unchanged, as follows:

- Group service revenue growth of high single-digit growth;
- Group EBITDA growth of high single-digit growth; and
- Group capital expenditure of 13.0% – 14.5% as a percentage of Group revenue.

These targets are on average, over the next three years, and are on a normalised basis in constant currency, based on prevailing economic conditions, but excluding spectrum purchases, exceptional items and any other merger and acquisition activity. The targets do not account for potential hyperinflation adjustments. Egypt was included in the base year (FY2024) at an exchange rate of ZAR/EGP of 2.6, which was the prevailing rate when the targets were provided on 13 May 2024.

Group service revenue and EBITDA growth within target range

Group revenue of R73.5 billion was up 1.0% (10.4%*), materially impacted by the devaluation of the Egyptian pound in the prior financial year. Group service revenue declined 1.2% to R58.6 billion in the period. On a normalised basis, Group service revenue growth was 9.9%* and at the higher end of our medium-term target range. This result reflected strong growth from Egypt of 44.1% in local currency, comfortably above inflation levels in the market, and good growth in our beyond mobile services across the Group. In aggregate, our beyond mobile services, which include digital and financial, fixed and IoT amounted to R12.4 billion and contributed 21.1% of Group service revenue, up from 19.8% in the prior year.

Group EBITDA was R26.6 billion, declining 2.7%, with good normalised growth offset by foreign exchange rate headwinds. Normalised Group EBITDA growth was 8.5%* in line with our target range. Egypt EBITDA growth of 65.1% in local currency was the key driver of the Group result. Egypt's performance was supported by excellent revenue growth and cost containment. South Africa EBITDA grew 2.3% supported by cost initiatives, which contained cost growth well below inflation. International business EBITDA declined 20.0%. Excellent growth in Tanzania of 18.6% was offset by one-off costs in DRC and revenue pressure from repricing in Mozambique. The Group EBITDA margin was 36.1%, down 1.4ppts year-on-year, reflecting the International business result. Pleasingly, the EBITDA margin in South Africa was stable, while in Egypt we improved the margin by 1.4ppts to 43.4%.

HEPS declined 19.4% to 353 cents per share (cps). The decline was largely attributable to foreign exchange rate losses in Ethiopia (53cps) and one-off operating costs and taxation in DRC (30cps). The foreign exchange rate losses in Ethiopia were as a result of the depreciation of the birr in the second quarter and related remeasurement of foreign denominated assets and liabilities in Safaricom Ethiopia. The prevailing birr exchange rate does however provide scope for an earnings tailwind into the second half of the financial year given that Ethiopia is currently loss making. Separately, in Egypt, which faced a currency devaluation in March 2024, posted net income growth of 75.1% in local currency and 10.1% in rands. This highlights the assets growth trajectory and scope for strong rand returns over the medium term.

The Board declared an interim dividend of 285 cps, which represents an 86% pay-out of headline earnings. While this is consistent with the Group’s dividend policy of paying at least 75% of headline earnings, the Board took into consideration the potential phasing of Ethiopia losses for the full financial year. The prevailing birr exchange rate provides scope for lower translated losses from Ethiopia in the second half, helping offset the remeasurement losses of 53cps incurred in the first of the year. The Board expects the total dividend for the year ended 31 March 2025 to be at a 75% payout of headline earnings.

We generated operating free cash flow of R5.9 billion, down 18.3%, having invested R8.8 billion into capital expenditure, a further R3.2 billion applied to lease payments and R9.0 billion absorbed into working capital. The working capital outflow was impacted by a catch-up and normalisation in the payment of foreign payables in Egypt following the currency devaluation. Capital expenditure declined 7.7%, impacted by foreign exchange translation and phasing. Our Group free cash flow, which captures our cash interest, tax dividends received from associates and paid to minority shareholders, was negative R1.1 billion. The working capital absorption reflects seasonal timing and is expected to unwind into the second half of the financial year, supporting a significant improvement in free cash flow.

Leading African FinTech operator

Financial services revenue

	Six months ended 30 September		% change	
Rm	**2024**	**2023**	**Reported**	**Normalised***
South Africa	**1 706**	1 558	**9.5**	**9.5**
Egypt	**980**	804	**21.9**	**94.4**
International	**3 971**	3 814	**4.1**	**10.4**
Consolidated Group	**6 657**	6 176	**7.8**	**17.6**
Safaricom (100% basis)[1]	**10 830**	8 777	**23.4**	**16.6**

Note:
1. The Group's effective interest of 34.94% in Safaricom is accounted for as an investment in associate. Results represent 100% of Safaricom and are for information purposes only.

Financial services revenue reached R6.7 billion in the period, up 7.8% or 17.6%* on a normalised basis. In South Africa, growth of 9.5% was driven by our insurance business. User adoption and usage of our super-app VodaPay accelerated in the quarter as we decommissioned our standalone telecommunication app, MyVodacom. Egypt's financial services grew 94.4% in local currency and was supported by growth in users and volumes of transactions. Normalised M-Pesa revenue in International business grew 10.4%*. New financial services such as savings, loans and merchant offerings contributed more than 40% of M-Pesa revenue in the period, consistent with our strategy to expand the ecosystem.

Our financial services strategy is supported by a dual-sided ecosystem across consumers and merchants, bringing these segments together through exceptional and personalised experiences relating to entertainment, e-commerce, payments, savings, investments, lending and insurance services. As key drivers of this strategy, our super-apps – VodaPay, Vodafone Cash and M-Pesa – integrate our own products and services with the best offerings from our partners. Looking ahead, we will replicate Egypt and South Africa's successful one-app strategy across our other markets by combining our telecommunication apps into the super-apps.

Alongside the super-app roll-out, our active merchant base continued to scale meaningfully in South Africa and across our International business. Our merchant base in South Africa extended to almost 11 000, while across our International business, we grew M-Pesa merchants 68.8% to 493 000. We also see an exciting opportunity for merchant services in Egypt, and expect to build out new merchant capabilities and other financial services by leveraging the Group's product roadmap.

Our mobile money platforms, including Safaricom, processed US$421.3 billion of transaction value over the last twelve months, representing clear leadership in the African FinTech space. The mobile money transactions reached 38.5 billion, up an impressive 34.2%.

Operational review

South Africa

Summary financial information

	Six months ended 30 September		% change
Rm	**2024**	**2023**	**Reported**
Service revenue	**31 053**	30 669	**1.3**
EBITDA	**16 374**	16 013	**2.3**
Operating profit	**9 842**	9 616	**2.4**
Capital expenditure	**4 348**	4 849	**(10.3)**

South Africa service revenue grew 1.3% to R31.1 billion, with pressure in the wholesale segment impacting growth by 2.3ppts. The service revenue result was supported by the consumer contract segment, prepaid mobile data and beyond mobile services. Beyond mobile services, which include financial and digital services, fixed and IoT were up 8.1% and contributed R5.5 billion, or 17.7% of service revenue. In the second quarter, service revenue growth was 0.7% reflecting a tough comparative for prepaid. Despite the subdued revenue performance, South Africa delivered EBITDA growth of 2.3% as costs were contained below inflation. The EBITDA margin was stable at 37.0%, while operating profit increased 2.4% as we moderated our investment into energy resilience.

Mobile contract customer revenue increased by 3.6% to R12.1 billion, supported by good growth in our consumer segment. The consumer segment performance benefited from a contract price increase in the first quarter, which was coupled with an additional data allocation to support our value commitment to customers. Mobile contract ARPU of R306 was up 1.3% with price increases partly offset by pressure in Vodacom Business, as corporate customers managed spend. We added 113 000 contract customers in the interim period to reach a base of 6.9 million, up 2.0%.

Prepaid mobile customer revenue increased 2.2% to R13.4 billion. The result was supported by 'more for more' price adjustments implemented in the first quarter, which lowers the effective price per megabyte of data and supports data affordability. In the second quarter, prepaid revenue growth eased to 1.0% as we lapped a strong comparative quarter associated with high levels of loadshedding. In the quarter, we added 206 000 prepaid customers to reach 42.3 million customers, up 4.6%. ARPU of R53 was down from R58 in the prior year, reflecting the customer growth, a strong comparative and pressure on the customer wallet.

Data traffic increased 32.4%, despite lapping a period of heightened load shedding. The growth was supported by smartphone penetration and network quality, with data customers reaching 27.0 million, up 4.8%. Smart devices were up by 5.8% to 32.0 million, while 4G and 5G devices increased by 7.9% to 23.9 million. The average usage per smart device increased by 26.9% to 4.7GB per month. Prepaid mobile data revenue increased by 9.2% (2Q: 9.3%) to R6.8 billion.

The growth in beyond mobile services was supported by fixed and financial services. Fixed service revenue was up 16.7% (2Q: 17.7%), excluding low margin wholesale transit revenue. Our homes and businesses connected reached 185 000[1], while our own fibre passed almost 166 000 homes and businesses. Service revenue generated from financial services was up 9.5% to R1.7 billion. Revenue growth was driven by our insurance, Airtime Advance, payments and lending marketplace businesses. Insurance policies were up 10.2% to 2.9 million. The traction of our super-app, VodaPay, accelerated as we provide more services to our customers.

Vodacom Business service revenue declined by 4.0% to R8.3 billion, reflecting pressure on wholesale revenue. Excluding wholesale revenue, Vodacom Business service revenue was up 4.9%. Cloud, hosting and security supported growth, with revenue for this segment up 48.9%.

We invested R4.3 billion in our network to support network resilience, leverage our new spectrum assets and enhance our IT platforms to maintain our competitive edge and remain South Africa's most reliable network. Capital expenditure will be accelerated in the second half of the year to capture the benefits of a strengthening rand.

Note:
1. Including Bitstream, which refers to where we act as an internet service provider (ISP) to fibre wholesalers.

Egypt

Summary financial information

	Reported (Rm)			Local currency (EGPm)		
	September		% change	September		% change
Rm	2024	2023		2024	2023	
Service revenue	**12 967**	14 312	**(9.4)**	**34 159**	23 711	**44.1**
EBITDA	**6 208**	6 248	**(0.6)**	**16 365**	10 340	**58.3**
EBITDA excl trading FX	**6 444**	6 207	**3.8**	**16 977**	10 281	**65.1**
Operating profit	**4 656**	4 168	**11.7**	**12 279**	6 893	**78.1**
Operating profit excl trading FX	**4 892**	4 127	**18.5**	**12 891**	6 834	**88.6**
Capital expenditure	**2 247**	2 202	**2.0**	**5 932**	3 637	**63.1**

Egypt delivered service revenue of R13.0 billion, contributing 22.1% to the Group. Service revenue was up 44.1% in local currency, accelerating marginally to 44.4% in the second quarter. Growth was supported by strong customer engagement in connectivity and excellent growth in Vodafone Cash.

Egypt closed the period with customers reaching the 50 million milestone. ARPU growth of 34.6% reflected strong commercial traction supported by extensive utilisation of big data and analytics. Data traffic was up 32.0% supported by data customer growth of 9.6% to 30.9 million. Smartphones on the network were up 10.8%. In the second quarter, mobile data revenue increased 46.9%.

Diversifying our beyond mobile services is a key priority for the Group. Financial services revenue for Egypt was R1.0 billion (EGP2.6 billion) in the period, accounting for 7.6% of service revenue. In local currency, Vodafone Cash service revenue was up 94.5%. Revenue was supported by customer growth of 43.1% to 9.6 million.

Egypt contributed R6.2 billion to Group EBITDA, or 23.4%. The reported EBITDA margin of 43.4% was up 1.5ppts, reflecting excellent cost control in a high inflation environment. Excluding the impact of foreign exchange trading losses, the EBITDA margin was 45.1%, up 3.4ppts. Operating profit growth was 78.1% in local currency, supporting net income growth of 75.1%.

Capital investment was R2.2 billion and represented a capital intensity ratio of 15.7%. We continued to deploy 2 600 MHz spectrum and roll out new sites. Subsequent to the period end we announced a $150 million investment into a 5G licence and extended our existing licences to 2039 for $17.0 million. Consistent with our approach to 5G in our other markets, this technology roll-out will be accommodated within our existing capital expenditure framework for the market.

International business

Summary financial information

	Six months ended 30 September		% change	
Rm	**2024**	**2023**	**Reported**	**Normalised***
Service revenue	**14 917**	14 732	**1.3**	**6.2**
of which				
Tanzania	**4 946**	4 637	**6.7**	**19.1**
DRC	**6 324**	5 926	**6.7**	**9.0**
Mozambique	**2 812**	3 378	**(16.8)**	**(15.1)**
Lesotho	**653**	587	**11.2**	**11.2**
EBITDA	**4 344**	5 432	**(20.0)**	**(15.5)**
Operating profit	**995**	2 118	**(53.0)**	**(41.7)**
Capital expenditure	**2 219**	2 479	**(10.5)**	

Service revenue for our International business increased 1.3% (6.2%*) to R14.9 billion, with strong growth in data and M-Pesa partially offset by foreign exchange translation headwinds. From a market perspective, we delivered 19.1% local currency growth in Tanzania, 11.2% in Lesotho, and 9.0% US dollar service revenue growth in DRC. Mozambique's year-on-year performance remained under pressure in the period, declining 15.1% due to repricing. Encouragingly, the month-on-month trends stabilised in the second quarter due to improved commercial positioning. In the second quarter, International business service revenue growth was 6.6%*, on a normalised basis.

Customers were up 4.5% to 56.1 million, supported by double-digit growth in Tanzania. This commercial transaction growth supported an improved voice performance for the International business in the second quarter, with Tanzania and DRC both delivering local currency voice revenue growth. Data revenue was R4.2 billion, up 10.1% (15.8%*), and contributed 28.4% of service revenue. We added 3.2 million data customers to end at 27.0 million customers. Data traffic growth of 30.5% was supported by 15.0% smartphone user growth to reach a penetration of 37.6%. Our prepaid handset financing trials in DRC, Mozambique and Tanzania progressed well in the quarter. This is a product we believe can be scaled to support digital inclusion over the medium-term.

M-Pesa revenue was up 4.1% (10.4%*) to R4.0 billion, contributing 26.6% of International service revenue. Growth was supported by a strong performance in Tanzania. In the second quarter, DRC improved its commercial positioning which impacted near term revenue growth, but supported excellent M-Pesa customer growth of 27.1% in the market. Across the International business new growth areas such as lending and savings products continue to gain traction, contributing more than 40% of M-Pesa revenue. Loans facilitated across our International business increased 27.4% to R10.2 billion. To grow and diversify the M-Pesa ecosystem, we also accelerated our merchant strategy, increasing the number of active merchants by 68.8% to 493 000.

International business EBITDA was R4.3 billion and declined by 20.0% (-15.5%*). The was a disappointing result given the segment's commercial momentum and reflected foreign exchange pressures, one-off costs in DRC and the year-on-year revenue pressure in Mozambique. The one-off costs in DRC included bad debts and *ad hoc* supplier escalations exacerbated by inflationary pressures. By contrast, Tanzania delivered local currency EBITDA growth of 18.6%. International business EBITDA margins were 28.2%, lower by 7.6ppts. Excluding the impact of foreign exchange losses and DRC's one-off costs, EBITDA margins would have been 32.9%. Operating profit declined by 53.0%, impacted by the currency reforms in Ethiopia associated with Vodacom's (direct) 5.7% stake in the consortium (R0.2 billion impact).

Capital expenditure declined by 10.5% to R2.2 billion, representing an intensity ratio of 14.4%. We continued to invest into 4G coverage and performance. From a coverage perspective we added 531 new 4G sites in the last six months, representing growth of 7.6%, which is expected to support revenue growth.

Safaricom

Summary financial information (100% basis)[1]

	Six months ended 30 September		% change
Rm	**2024**	**2023**	**Reported**
Service revenue	**25 217**	21 079	**19.6**
EBITDA	**10 503**	10 781	**(2.6)**
Capital expenditure	**8 251**	5 544	**48.8**
Of which Kenya:			
Service revenue	**24 885**	20 831	**19.5**
EBITDA	**14 435**	11 986	**20.4**
Capital expenditure	**4 333**	3 227	**34.3**

	Six months ended 30 September		% change
KShs m	**2024**	**2023**	**Reported**
Service revenue	**179 924**	159 136	**13.1**
EBITDA	**75 071**	79 673	**(5.8)**
Capital expenditure	**58 679**	41 892	**40.1**
Of which Kenya:			
Service revenue	**177 465**	157 185	**12.9**
EBITDA	**102 922**	90 494	**13.7**
Capital expenditure	**30 772**	24 443	**25.9**

Note:
1. The Group's effective interest of 34.94% in Safaricom is accounted for as an investment in associate. Results represent 100% of Safaricom and is for information purposes only. Growth rates are in local currency unless otherwise stated. Safaricom's results are available at www.safaricom.co.ke/investor-relations-landing/reports/financial-report/financial-results.

Safaricom delivered an excellent performance in Kenya, while commercial momentum in Ethiopia accelerated. Service revenue increased 13.1%, with the Kenyan business delivering double-digit growth. EBITDA for Safaricom was impacted by the depreciation of the Ethiopian birr in the second quarter and declined 5.8% in Kenyan shillings. In Kenya, EBITDA grew 13.7%, with margins at 55.1%. Excluding the devaluation impact, Ethiopia EBITDA losses reduced by 7.7%, consistent with our guidance that operational losses peaked in FY24. At a net income level, Safaricom reported a decline of -17.7%, but encouragingly, net income growth was 10.3% excluding foreign exchange and hyper-inflation adjustments.

Service revenue in Kenya was up 12.9 %, driven by M-Pesa where revenue growth of 16.6%. The M-Pesa result was supported by business payments. The volume of M-Pesa transactions in Kenya grew 30.6%, off a large base, to 17.1 billion supported by strong growth in consumer to business and our micro merchant category (Pochi). Safaricom, together with M-Pesa Africa, continued to develop products that deepen financial inclusion. Our first wealth product in the market, 'Mali', is a prime example with assets under management reaching KShs 3.0 billion.

Kenyan mobile data revenue grew 20.2%, supported by customer and traffic growth with strong adoption of our 4G services. Voice revenue in Kenya grew 4.8%, a good result, driven by usage growth. Fixed service and wholesale transit revenue grew 14.7% to KShs 8.5 billion (R1.2 billion), supported by 23.0% growth in consumer revenue. FTTH customers grew 17.8% to 262 854, while homes passed exceeded 640 000. The mobile data and fixed growth was supported by capital expenditure in Kenya of KShs 30.8 billion, equating to an 16.5% capital intensity ratio.

EBITDA for Kenya was up 13.7%, with margins down slightly to 55.1% as low-margin handset sales re-accelerated. The cost base pressures associated with higher energy costs were offset by cost control initiatives. Pleasingly, Safaricom upgraded its FY2025 EBIT guidance for Kenya by 4% as a result of the strong performance in the period.

Ethiopia reached 6.1 million customers, up 47.1%, with total sites built exceeding 3 000. The site roll-out was supported by capital expenditure for Ethiopia of KShs 27.9 billion (R3.9 billion). As a result of the recent currency reforms in Ethiopia, Safaricom revised the EBITDA breakeven target for Ethiopia to FY2027 from FY2026 and increased the expected EBIT losses for FY25 by KES15 billion. The EBIT outlook for this business will be influenced by several factors, including the foreign exchange rate, pricing and regulatory environment. The medium-term 15-20 million customer target was however reiterated, supported by the commercial momentum in the period.

As an associate of the Group, Safaricom contributed R1.3 billion to Group operating profit, down 17.2%. The result was negatively impacted by the currency reforms in Ethiopia (R0.9 billion). This was partially offset by an IAS 29 adjustment for hyperinflation accounting of R0.5 billion. On a normalised basis, and excluding the devaluation and hyperinflation impacts, Safaricom's contribution to operating profit grew 5.6%.

Regulatory matters

South Africa – Maziv deal prohibited

On 10 November 2021, the Group announced an investment into the joint venture Maziv that will house the material fibre network assets of Vodacom South Africa and CIVH. The operating companies of Maziv include DFA and Vumatel. During October 2022, ICASA approved the transaction subject to the incorporation of conditions relating to the provision of open-access network services, along with limitations on ownership and control, into DFA's licences. In October 2024, the Competition Tribunal prohibited the transaction, consistent with the recommendation from the Competition Commission. The Transaction was designed to assist Maziv in growing its fibre footprint into lower income areas and would have been highly beneficial for South Africa. During the Competition Tribunal proceedings, which concluded last month, the Department of Trade, Industry and Competition described the Transaction as having "substantial positive public interest effects" on the basis that the merger parties committed to:

- Investing at least R10 billion over a 5-year period, predominantly in low income areas;
- Passing at least one million new homes in lower income areas over a 5-year period;
- Creating up to 10,000 new jobs;
- Establishing a R300 million enterprise and supplier development fund to prioritise SMME development;
- Providing high speed internet to over 600 adjacent schools and police stations at no cost; and
- Vodacom investing up to R14 billion into South Africa through the Transaction.

We are considering all options available to Vodacom, which may include an appeal in the Competition Appeal Court.

South Africa – "Please Call Me"

Mr Makate, a former employee of Vodacom, started legal proceedings in 2008 claiming compensation for a business idea that led to the development of a service known as "Please Call Me".

In April 2016, the Constitutional Court of South Africa (the Constitutional Court) ordered the parties to negotiate, in good faith, and agree a reasonable compensation amount payable to Mr Makate or, in the event of a deadlock, for the matter to be referred to Vodacom Group's Chief Executive Officer (the CEO) for determination. In accordance with the Constitutional Court order, and after negotiations failed, the CEO issued his determination on 9 January 2019. However, the CEO's award of R47 million was rejected by Mr Makate who subsequently brought an application in the High Court for judicial review against the CEO's determination and award.

The High Court, in a judgment delivered on 8 February 2022, set aside the CEO's determination and ordered him to reassess the amount employing a set criteria which would have resulted in the payment of a higher compensation amount, for the benefit of Mr Makate, than that determined by the CEO. Vodacom appealed against the judgment and the order of the High Court to the Supreme Court of Appeal (the SCA). The SCA heard the appeal on 9 May 2023 and its judgment was handed down on 6 February 2024.

On 27 February 2024, Vodacom applied for leave to appeal the judgment and order of the SCA to the Constitutional Court, resulting in the suspension of the operation of the judgment and order of the SCA. On 26 August 2024, the Constitutional Court issued a directive that it will hear Vodacom South Africa's application for leave to appeal, in tandem with its appeal, against the SCA's judgment and order. Both Vodacom and Mr. Makate have, in accordance with this directive, filed their submissions to the Constitutional Court. The matter has been set down for hearing on 21 November 2024.

The minority judgment of the SCA raised Mr Makate's compensation to approximately R186 million, while the SCA majority judgment would entitle Mr Makate to a minimum compensation amount of R29 billion. The CEO's determination in 2019 amounted to R47 million. Mr. Makate, in his recent submissions to the Constitutional Court stated that his request is for compensation in the capital amount of R9.4 billion plus possibly mora interest from 18 January 2019. Consequently, the range of the possible compensation outcomes in this matter is very wide.

Egypt – acquisition of 5G licence

On 7 October 2024, Egypt's Ministry of Communications and Information Technology (MCIT), represented by the National Telecommunications Regulatory Authority (NTRA), awarded Vodafone Egypt a 5G licence for $150 million. In addition, Vodafone Egypt extended its existing licences for five years from 2034 to 2039 at a cost of $17 million. These costs will be settled in the second half of the financial year.

Financial review

Summary financial information[1]

	Six months ended 30 September		% change	
Rm	2 024	2023	Reported	Normalised*
Revenue	**73 538**	72 798	**1.0**	**10.4**
Service revenue	**58 637**	59 350	**(1.2)**	**9.9**
EBITDA	**26 562**	27 286	**(2.7)**	**8.5**
Net profit from associates and joint ventures	**822**	1 348	**(39.0)**	**(2.9)**
Operating profit	**16 127**	17 013	**(5.2)**	**9.6**
Net profit	**7 861**	9 968	**(21.1)**	
Net profit attributable to equity holders	**6 843**	8 385	**(18.4)**	
Capital expenditure	**8 809**	9 542	**(7.7)**	
Operating free cash flow[1]	**5 861**	7 178	**(18.3)**	
Free cash flow[1]	**(1 076)**	(172)	**>(200)**	
Net debt	**57 678**	56 569	**2.0**	
Earnings per share (cents)	**354**	434	**(18.4)**	
Headline earnings per share (cents)	**353**	438	**(19.4)**	
Contribution margin[2] (%)	**61.4**	61.4	**–**	
EBITDA margin (%)	**36.1**	37.5	**(1.4ppts)**	
Operating profit margin (%)	**21.9**	23.4	**(1.5ppts)**	
Effective tax rate (%)	**38.4**	29.3	**9.1ppts**	
Net profit margin (%)	**10.7**	13.7	**(3.0ppts)**	
Capital intensity (%)	**12.0**	13.1	**(1.1ppts)**	
Net debt/EBITDA (times)	**1.1**	1.0	**(0.1x)**	

Service revenue

	Six months ended 30 September		% change	
Rm	2024	2023	Reported	Normalised*
South Africa	**31 053**	30 669	**1.3**	**1.3**
Egypt	**12 967**	14 312	**(9.4)**	**44.1**
International	**14 917**	14 731	**1.3**	**6.2**
Corporate and eliminations	**(300)**	(362)		
Group service revenue	**58 637**	59 350	**(1.2)**	**9.9**
Safaricom[3]	**25 217**	21 079	**19.6**	**13.1**

Notes:
1. A reconciliation of operating free cash flow and free cash flow is on page 54.
2. Contribution margin is contribution profit as a percentage of revenue. Contribution profit is revenue less direct expenses.
3. The Group's effective interest of 34.94% in Safaricom is accounted for as an investment in associate. Results represent 100% of Safaricom and are for information purposes only.

Group service revenue declined 1.2% to R58.6 billion, as a result of foreign exchange rate headwinds. On a normalised basis service revenue increased 9.9%* supported by Egypt and growth in beyond mobile services. Our beyond mobile services which include digital, financial, fixed and IoT amounted to R12.4 billion in aggregate and contributed 21.1% of Group service revenue. Financial services delivered service revenue of R6.7 billion, up 17.6% on a normalised basis, and contributed 11.4% of consolidated service revenue.

In South Africa, service revenue increased 1.3% to R31.1 billion, supported by growth in consumer contract, mobile prepaid data and beyond mobile services. Financial services revenue amounted to R1.7 billion, up 9.5%. Beyond mobile in aggregate were up 5 083.0% and contributed R5.5 billion, or 17.7%, of South Africa's service revenue.

In Egypt, service revenue increased 44.1% in local currency supported by strong growth in data, financial services and fixed line services. Financial services revenue grew 94.4% in local currency and contributed 7.6% to service revenue.

Our International business reported service revenue growth of 1.3% to R14.9 billion, impacted by foreign exchange headwinds. Normalised growth was 6.2%* and supported by M-Pesa and data revenue. M-Pesa and data revenue comprised 26.6% and 28.4% of International business service revenue, respectively.

Safaricom service revenue, which we do not consolidate, grew 14.1% in local currency.

Total expenses[1]

	Six months ended 30 September		% change	
Rm	**2024**	**2023**	**Reported**	**Normalised***
South Africa	**27 921**	27 312	**2.2**	**2.5**
Egypt	**8 090**	8 615	**(6.1)**	**43.5**
International	**11 115**	10 116	**9.9**	**15.0**
Corporate and eliminations	**179**	(84)		
Group total expenses	**47 305**	45 959	**2.9**	**11.2**

Group total expenses increased 2.9% to R47.3 billion. In South Africa, expense growth was contained below inflation at 2.2%. Normalised expense growth in Egypt was 43.5%*, reflecting direct cost growth associated with higher revenues, and well managed other operating expenditure. International business expenses increased 9.9% (15.0%*) to R11.1 billion, as as result of one-off costs in DRC.

EBITDA

	Six months ended 30 September		% change	
Rm	**2024**	**2023**	**Reported**	**Normalised***
South Africa	**16 374**	16 013	**2.3**	**1.9**
Egypt	**6 208**	6 248	**(0.6)**	**65.1**
International	**4 344**	5 432	**(20.0)**	**(15.5)**
Corporate and eliminations	**(364)**	(407)		
Group EBITDA	**26 562**	27 286	**(2.7)**	**8.5**
Safaricom[2]	**10 503**	10 781	**(2.6)**	**(5.8)**

Notes:
1. Excluding depreciation, amortisation and impairments.
2. The Group's effective interest of 34.94% in Safaricom is accounted for as an investment in associate. Results represent 100% of Safaricom and are for information purposes only.

Group EBITDA declined 2.7% to R26.6 billion at a margin of 36.1%. South Africa EBITDA grew 2.3% to R16.4 billion. South Africa EBITDA margins remained flat at 37.0% reflecting good cost containment. Egypt contributed R6.2 billion or 23.4% of Group EBITDA, with an EBITDA margin of 43.4%. EBITDA in our International business decreased 20.0% to R4.3 billion, reflecting pressure in Mozambique and one-off costs in DRC.

Operating profit

	Six months ended 30 September		% change	
Rm	**2024**	**2023**	**Reported**	**Normalised***
South Africa	**9 842**	9 616	**2.4**	**1.8**
Egypt	**4 656**	4 168	**11.7**	**88.6**
International	**995**	2 118	**(53.0)**	**(41.7)**
Safaricom	**1 259**	1 521	**(17.2)**	**5.6**
Corporate and eliminations	**(625)**	(410)		
Group operating profit	**16 127**	17 013	**(5.2)**	**9.6**

Group operating profit declined 5.2% to R16.1 billion, impacted by the foreign exchange rate headwinds and EBITDA pressure in our International business. On a normalised basis, operating profit increased 9.6%*, supported by strong growth in Egypt.

In South Africa, operating profit grew 2.4% to R9.8 billion supported by EBITDA growth. The rate of depreciation and amortisation growth in South Africa moderated as we lapped our investment into energy resilience and new spectrum. Egypt contributed R4.7 billion to Group operating profit, and was up 88.6*% on a normalised basis. International business operating profit decreased 53.0% (-41.7%*) to R1.0 billion, as a result of EBITDA pressure and FX losses associated with our direct 5.7% stake in Ethiopia.

On a rand reported basis, Safaricom contributed R1.3 billion to the Group's operating profit, declining 17.2% year-on-year. The decline was largely attributable to the currency reforms in Ethiopia and depreciation of the birr.

Net finance charges

	Six months ended 30 September		% change
Rm	**2024**	**2023**	**23/24**
Finance income	**898**	940	**(4.5)**
Finance costs	**(4 076)**	(3 935)	**3.6**
Net finance costs	**(3 178)**	(2 995)	**6.1**
Net (loss) /gain on remeasurement and disposal of financial instruments	**(183)**	84	
Net finance charges	**(3 361)**	(2 911)	**15.5**

Net finance charges increased 15.5% to R3.4 billion, as a result of higher net debt and a loss on the remeasurement and disposal of financial instruments related to foreign exchange rate movements. The average cost of debt (including leases) increased marginally from 10.2% to 10.4% year-on-year. Excluding leases, the average cost of debt remained constant at 9.8%.

Taxation

The tax expense of R4.9 billion was up 18.7%. The effective tax rate at 38.4%, was impacted by withholding taxes on subsidiary and associate dividends, a top-up of prior year tax related to DRC and the non-deductibility of the finance costs associated with the purchase of Egypt, funding of Ethiopia and DRC shareholder loans.

Earnings

	Six months ended 30 September		% change
	2024	**2023**	**23/24**
Earnings per share (EPS) (cents)	**354**	434	**(18.4)**
Headline earnings per share (HEPS) (cents)	**353**	438	**(19.4)**
Weighted average number of ordinary shares outstanding for the purpose of calculating EPS and HEPS (million)	**1 932**	1 934	**(0.1)**

EPS and HEPS both decreased 18.4% and 19.4%, respectively. EPS and HEPS were impacted by foreign exchange rate losses in Ethiopia, and one-off costs and taxation related to DRC.

Owned capital expenditure[1]

	Six months ended 30 September		% change
Rm	**2024**	**2023**	**23/24**
South Africa	**4 348**	4 849	**(10.3)**
Egypt	**2 247**	2 202	**2.0**
International	**2 219**	2 479	**(10.5)**
Corporate and eliminations	**(5)**	12	
Group capital expenditure	**8 809**	9 542	**(7.7)**
Group capital intensity (%)	**12.0**	13.1	**(1.1ppts)**

Note:
1. Owned capital expenditure, excluding spectrum, licences and capitalised right-of-use (ROU) assets. Right-of-use (ROU) asset additions were R2 978 million (1H24: R2 894 million) for the Group, of which R2 120 million (1H24: R1 673 million) for South Africa and R737 million (1H24: R620 million) in International.

The Group's capital expenditure was R8.8 billion, representing 12.0% of revenue. In South Africa, capital expenditure was directed at improving capacity and resilience of the network. Egypt invested R2.2 billion on growing and strengthening the network to support increased demand. Across our International business, the focus remained on increasing both coverage and capacity with 531 new 4G sites added in the last six months.

Statement of financial position

Property, plant and equipment decreased R2.1 billion to R72.5 billion and intangible assets decreased R1.7 billion to R26.3 billion. Net capital additions of R11.5 billion was offset by the depreciation and amortisation charge of R10.9 billion and foreign exchange revaluation impact of R4.3 billion.

	Six months ended 30 September		
Rm	**2024**	**2023**	**Movement**
Bank and cash balances	**17 183**	15 588	**1 595**
Bank overdrafts	**(2 840)**	(2 321)	**(519)**
Current borrowings	**(10 645)**	(11 071)	**426**
Non-current borrowings	**(61 315)**	(58 726)	**(2 589)**
Other financial instruments	**(61)**	(39)	**(22)**
Net debt[1]	**(57 678)**	(56 569)	**(1 109)**
Net debt/EBITDA (times)	**1.1**	1.0	

Notes:

1. Debt includes interest-bearing debt, non-interest-bearing debt, capitalised leases and bank overdrafts.

Net debt of R57.7 billion increased R1.1 billion year-on-year. This was largely as a result of spectrum payments of R2.6 billion over the last twelve months, which included the final R2.2 billion tranche in South Africa. Group net debt to EBITDA was 1.1 times, with Group EBITDA impacted by a subdued performance from our International business.

Cash flows[2]

Free cash flow

	Six months ended 30 September		% change
Rm	**2024**	**2023**	**23/24**
EBITDA	**26 562**	27 286	**(2.7)**
Working capital	**(8 994)**	(7 738)	**(16.2)**
Capital expenditure[3]	**(8 809)**	(9 542)	**7.7**
Disposal of property, plant and equipment	**92**	119	**(22.7)**
Lease liability payments	**(3 195)**	(3 199)	**0.1**
Other	**205**	252	**(18.7)**
Operating free cash flow	**5 861**	7 178	**(18.3)**
Tax paid	**(4 725)**	(5 000)	**5.5**
Finance income received	**881**	889	**(0.9)**
Finance costs paid	**(2 944)**	(2 887)	**(2.0)**
Net dividends (paid) to non-controlling shareholders and received from associates	**(149)**	(351)	**57.5**
Free cash flow	**(1 076)**	(172)	**>(200)**
Spectrum payments	**(269)**	(1 056)	**74.5**
Free cash flow (after spectrum payments)	**(1 345)**	(1 228)	**(9.5)**

Notes:

2. For the reconciliation of cash generated from operations to free cash flow, refer to page 54.
3. Capital expenditure comprises the purchase of property, plant and equipment and intangible assets, other than licence and spectrum payments.

Operating free cash flow decreased 18.3% owing to lower EBITDA and working capital absorption. From operating free cash flow we paid tax of R4.7 billion. We incurred slightly higher net finance costs and were a net payer of dividends to non-controlling shareholders after dividends from associates.

Dividends

Declaration of interim dividend number 31 – payable from income reserves

Notice is hereby given that a gross interim dividend number 31 of 285 cents per ordinary share in respect of the six months ended 30 September 2024 has been declared payable on Monday, 2 December 2024 to shareholders recorded in the register at the close of business on Friday, 29 November 2024. The number of ordinary shares in issue at the date of this declaration is 2 077 841 204. The ordinary dividend will be subject to a local dividend withholding tax rate of 20%. Accordingly, for those shareholders not exempt from paying dividend withholding tax, the net ordinary dividend will be 228 cents per ordinary share.

Last day to trade shares cum dividend	Tuesday, 26 November 2024
Shares commence trading ex-dividend	Wednesday, 27 November 2024
Record date	Friday, 29 November 2024
Payment date	Monday, 2 December 2024

Share certificates may not be dematerialised or rematerialised between Wednesday, 27 November 2024 and Friday, 29 November 2024, both days inclusive.

On Monday, 2 December 2024, the final dividend will be electronically transferred into the bank accounts of all certificated shareholders where this facility is available. Shareholders who hold dematerialised shares will have their accounts at their CSDP or broker credited on Monday, 2 December 2024.

Vodacom Group Limited tax reference number is 9316/041/71/5.

Dividend policy

The company has a policy of paying dividends of at least 75% of Vodacom Group headline earnings. At this level of payout, Vodacom offers one of the highest dividend pay-out policies on the JSE. Additionally, the policy provides scope for the Group to invest within its 13.0% to 14.5% capital intensity target, de-lever the balance sheet and accommodate the upstreaming and dividend pay-out profiles of Safaricom and Egypt.

For and on behalf of the Board

Sakumzi Justice Macozoma
Chairman

Shameel Aziz Joosub
Chief Executive Officer

Raisibe Morathi
Chief Financial Officer

Midrand
8 November 2024

Independent auditor’s review report

To the shareholders of Vodacom Group Limited

We have reviewed the consolidated interim financial statements of Vodacom Group Limited set out on pages 20 to 38, contained in the accompanying interim report, which comprises the condensed consolidated statement of financial position as at 30 September 2024, and the condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months then ended, and material accounting policy information and selected explanatory notes.

Directors’ responsibility for the consolidated interim financial statements

The directors are responsible for the preparation and presentation of these consolidated interim financial statements in accordance with the International Financial Reporting Standard, IAS 34 Interim Financial Reporting, the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee and Financial Pronouncements, as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibility

Our responsibility is to express a conclusion on these consolidated interim financial statements. We conducted our review in accordance with International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information performed by the Independent Auditor of the Entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the consolidated interim financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of consolidated interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these consolidated interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements of Vodacom Group Limited for the six months ended 30 September 2024 are not prepared, in all material respects, in accordance with the International Financial Reporting Standard, IAS 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

Ernst & Young Inc.

Ernst & Young Inc.
Director – Warren Kinnear
Registered Auditor
Chartered Accountant (SA)
102 Rivonia Road, Sandton
Johannesburg, South Africa

8 November 2024

Condensed consolidated income statement

for the period ended 30 September 2024

Rm	Notes	Six months ended 30 September 2024 Reviewed	Six months ended 30 September 2023 Reviewed	Year ended 31 March 2024 Audited
Revenue	3	**73 538**	72 798	150 594
Direct expenses		**(28 389)**	(28 081)	(57 700)
Staff expenses		**(5 122)**	(5 366)	(10 136)
Publicity expenses		**(971)**	(1 034)	(2 156)
Net credit losses on financial assets		**(810)**	(284)	(846)
Other operating expenses		**(12 012)**	(11 194)	(23 830)
Depreciation and amortisation		**(10 929)**	(11 174)	(22 786)
Net profit from associates and joint ventures		**822**	1 348	2 197
Operating profit		**16 127**	17 013	35 337
Net loss on disposal of subsidiaries		**–**	–	(13)
Finance income		**898**	940	1 416
Finance costs		**(4 076)**	(3 935)	(8 163)
Net (loss)/gain on remeasurement and disposal of financial instruments		**(183)**	84	(454)
Profit before tax		**12 766**	14 102	28 123
Taxation		**(4 905)**	(4 134)	(8 859)
Net profit		**7 861**	9 968	19 264
Attributable to:				
Equity shareholders		**6 843**	8 385	16 292
Non-controlling interests		**1 018**	1 583	2 972
		7 861	9 968	19 264

Cents	Notes	Six months ended 30 September 2024 Reviewed	Six months ended 30 September 2023 Reviewed	Year ended 31 March 2024 Audited
Basic earnings per share	4	**354**	434	842
Diluted earnings per share	4	**349**	425	827

Condensed consolidated statement of comprehensive income

for the period ended 30 September 2024

Rm	Six months ended 30 September 2024 Reviewed	Six months ended 30 September 2023 Reviewed	Year ended 31 March 2024 Audited
Net profit	**7 861**	9 968	19 264
Other comprehensive income			
Foreign currency translation differences, net of tax[1]	**(6 778)**	(1 212)	(451)
Share of foreign currency translation differences, net of tax, of associates and joint ventures accounted for using the equity method[1]	**(5 084)**	1 484	1 732
Mark-to-market of financial assets held at fair value through other comprehensive income, net of tax[1]	**134**	189	350
Mark-to-market gains recognised through profit or loss on disposal of financial assets held at fair value through other comprehensive income, net of tax[1]	**(135)**	(123)	(279)
Total comprehensive income	**(4 002)**	10 306	20 616
Attributable to:			
Equity shareholders	**(3 712)**	8 844	19 317
Non-controlling interests	**(290)**	1 462	1 299
	(4 002)	10 306	20 616

Note:

1. Other comprehensive income can subsequently be recognised in profit or loss on the disposal of foreign operations or financial assets held at fair value through other comprehensive income.

Condensed consolidated statement of financial position

as at 30 September 2024

Rm	Note	Six months ended 30 September 2024 Reviewed	Six months ended 30 September 2023 Reviewed	Year ended 31 March 2024 Audited
Assets				
Non-current assets		**156 654**	167 361	169 886
Property, plant and equipment		**72 531**	76 599	74 643
Intangible assets		**26 254**	30 232	27 924
Financial assets		**350**	834	743
Investment in associates and joint ventures		**49 581**	51 852	58 334
Trade and other receivables		**4 360**	3 763	4 458
Finance receivables		**2 525**	2 604	2 658
Tax receivable		**421**	701	468
Deferred tax		**632**	776	658
Current assets		**68 155**	67 728	70 727
Financial assets		**1 180**	1 015	1 414
Mobile financial deposits		**11 086**	11 835	11 126
Inventory		**2 627**	2 864	2 321
Trade and other receivables		**32 240**	32 928	28 154
Non-current assets held for sale		**–**	67	–
Finance receivables		**3 308**	2 968	3 293
Tax receivable		**531**	463	709
Bank and cash balances		**17 183**	15 588	23 710
Total assets		**224 809**	235 089	240 613
Equity and liabilities				
Fully paid share capital		**89 918**	89 918	89 918
Treasury shares		**(17 254)**	(17 207)	(17 131)
Retained earnings		**48 747**	45 496	47 457
Other reserves		**(38 191)**	(30 233)	(27 480)
Equity attributable to owners of the parent		**83 220**	87 974	92 764
Non-controlling interests		**9 205**	11 400	11 064
Total equity		**92 425**	99 374	103 828
Non-current liabilities		**67 404**	64 734	65 524
Borrowings	8	**61 315**	58 726	59 540
Trade and other payables		**456**	546	464
Provisions		**1 583**	1 405	1 592
Deferred tax		**4 050**	4 057	3 928
Current liabilities		**64 980**	70 981	71 261
Borrowings	8	**10 645**	11 071	11 741
Trade and other payables		**37 189**	42 539	42 585
Mobile financial payables		**11 086**	11 835	11 126
Provisions		**589**	963	614
Tax payable		**2 618**	2 195	2 984
Dividends payable		**13**	57	14
Bank overdraft		**2 840**	2 321	2 197
Total equity and liabilities		**224 809**	235 089	240 613

Condensed consolidated statement of changes in equity

for the period ended September 2024

Rm	Notes	Equity attributable to owners of the parent	Non-controlling interests	Total equity
31 March 2024 – Audited		**92 764**	**11 064**	**103 828**
Total comprehensive income		**(3 712)**	**(290)**	**(4 002)**
Dividends		**(5 553)**	**(1 569)**	**(7 122)**
Repurchase and sale of shares		**(451)**	**–**	**(451)**
Share-based payments		**172**	**–**	**172**
30 September 2024 – Reviewed		**83 220**	**9 205**	**92 425**
31 March 2023 – Audited		85 946	11 481	97 427
Adoption of IFRS 17	11.2	11	–	11
1 April 2023		85 957	11 481	97 438
Total comprehensive income		8 844	1 462	10 306
Dividends		(6 426)	(1 632)	(8 058)
Repurchase and sale of shares		(485)	–	(485)
Share-based payments		216	–	216
Proceeds on subsidiary share issue		–	103	103
Share of changes in subsidiary holdings of associate		(132)	(14)	(146)
30 September 2023 – Reviewed		87 974	11 400	99 374
31 March 2023 – Audited		85 946	11 481	97 427
Adoption of IFRS 17	11.2	11	–	11
1 April 2023		85 957	11 481	97 438
Total comprehensive income		19 317	1 299	20 616
Dividends		(12 370)	(1 805)	(14 175)
Repurchase and sale of shares		(438)	–	(438)
Share-based payments		430	–	430
Proceeds on subsidiary share issue[1]		–	103	103
Share of changes in subsidiary holdings of associate		(132)	(14)	(146)
31 March 2024 – Audited		92 764	11 064	103 828

Note:

1. Non-controlling interests' share of proportionate additional share capital contributions into 10T Holdings (Pty) Limited.

Condensed consolidated statement of cash flows

for the period ended 30 September 2024

Rm	Notes	Six months ended 30 September 2024 Reviewed	Six months ended 30 September 2023 Reviewed	Year ended 31 March 2024 Audited
Cash flows from operating activities				
Cash generated from operations	9	**20 583**	21 694	57 123
Tax paid		**(4 725)**	(5 000)	(8 112)
Net cash flows from operating activities		**15 858**	16 694	49 011
Cash flows from investing activities				
Additions to property, plant and equipment and intangible assets		**(10 860)**	(10 298)	(22 325)
Proceeds from disposal of property, plant and equipment and intangible assets		**92**	119	178
Acquisition of subsidiary (net of cash and cash equivalents acquired)[1]		**–**	(376)	(376)
Investment in associate and joint venture	11.1	**(611)**	(307)	(457)
Dividends received from associate		**1 420**	1 281	2 493
Finance income received		**881**	889	1 271
Net movement in mobile financial deposits		**(1 335)**	(1 716)	(1 046)
Other investing activities		**504**	89	(461)
Net cash flows utilised in investing activity		**(9 909)**	(10 319)	(20 723)
Cash flows from financing activities				
Borrowings incurred		**19 578**	12 153	18 182
Borrowings repaid		**(20 725)**	(14 763)	(21 700)
Finance costs paid		**(3 805)**	(3 522)	(7 667)
Dividends paid – equity shareholders		**(5 553)**	(6 387)	(12 374)
Dividends paid – non-controlling interests		**(1 569)**	(1 632)	(1 805)
Repurchase of shares		**(514)**	(546)	(531)
Proceeds on sale of shares		**63**	61	93
Proceeds on subsidiary share issue[2]		**–**	103	103
Net cash flows utilised in financing activities		**(12 525)**	(14 533)	(25 699)
Net (decrease)/increase in cash and cash equivalents		**(6 576)**	(8 158)	2 589
Cash and cash equivalents at the beginning of the period		**21 513**	20 731	20 731
Effect of foreign exchange rate changes		**(594)**	694	(1 807)
Cash and cash equivalents at the end of the period		**14 343**	13 267	21 513

Notes:
1. Final cash payment for the acquisition of Vodafone Egypt.
2. Non-controlling interests' share of proportionate additional share capital contributions into 10T Holdings (Pty) Limited.

Notes to the condensed consolidated financial statements

for the period ended 30 September 2024

1 Basis of preparation

These consolidated interim financial statements have been prepared in accordance with the framework concepts, the recognition and measurement criteria of the IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and International Accounting Standard (IAS 34) Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, and Financial Pronouncements as issued by Financial Reporting Standards Council, the JSE Limited Listings Requirements and the requirements of the Companies Act of South Africa. They have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value or at amortised cost, and are presented in South African rand, which is the parent Company's functional and presentation currency.

The material accounting policies and methods of computation are consistent in all material respects with those applied in the previous year, except as disclosed in Note 2. The material accounting policies are available for inspection at the Group's registered office and online at www.vodacom.com.

The preparation of these consolidated interim financial statements was supervised by the Chief Financial Officer, RK Morathi (CA) SA, M.Phil., H.Dip Tax.

The financial information has been reviewed by Ernst & Young Inc., whose unmodified review report is presented on page 19.

2 Change in accounting policies

The Group adopted the new, revised or amended accounting pronouncements as issued by the IASB, which were effective and applicable to the Group from 1 April 2024, none of which had any material impact on the Group's financial results for the period. The Group has not early adopted any new, revised or amended accounting pronouncements, that are not yet effective and the Group is not expecting these pronouncements to have a material impact on the financial results of the Group.

Full details on changes in accounting policies will be disclosed in the Group's consolidated financial statements for the year ending 31 March 2025, which will be available online at www.vodacom.com.

Rm	Six months ended 30 September 2024 Reviewed	Six months ended 30 September 2023 Reviewed	Year ended 31 March 2024 Audited
3 Segment analysis			
External customer segment revenue	**73 538**	72 798	150 594
South Africa	**44 121**	43 080	87 869
Egypt	**14 290**	14 868	32 502
International	**15 115**	14 830	30 187
Corporate and eliminations	**12**	20	36
Safaricom[1]	**26 568**	21 800	44 902
Inter-segment revenue	**–**	–	–
South Africa	**188**	189	435
Egypt	**–**	–	–
International	**269**	323	656
Corporate and eliminations	**(457)**	(512)	(1 091)

Note:

1. The Group has a 34.94% effective interest in Safaricom Plc (Safaricom) through its subsidiary Vodafone Kenya Limited, which the Group equity accounts for as an investment in an associate at 39.93%. Due to the significance of this investment, and the information available for review by the chief operating decision maker, Safaricom is presented as a separate segment. The above results represent 100% of the results of Safaricom.

3 Segment analysis continued

Revenue is further disaggregated into product type below.

Rm	South Africa	Egypt	International	Corporate and elimination	Total	Safaricom[1]
30 September 2024 – reviewed						
Mobile contract revenue	12 099	1 991	1 333	(5)	15 418	3 816
Mobile prepaid revenue	13 427	8 238	12 190	–	33 855	18 861
Customer service revenue	25 526	10 229	13 523	(5)	49 273	22 677
Mobile interconnect	870	1 149	566	(148)	2 437	552
Fixed service revenue	2 455	786	706	(130)	3 817	1 170
Other service revenue	2 202	803	122	(17)	3 110	818
Service revenue[2]	31 053	12 967	14 917	(300)	58 637	25 217
Equipment revenue	9 159	87	258	(4)	9 500	1 118
Non-service revenue	3 454	1 236	131	(141)	4 680	233
Revenue from contracts with customers	43 666	14 290	15 306	(445)	72 817	*
Interest income recognised as revenue	319	–	9	–	328	*
Other revenue[3]	324	–	69	–	393	*
Revenue	44 309	14 290	15 384	(445)	73 538	26 568

Notes:
1. The Group has a 34.94% effective interest in Safaricom Plc (Safaricom) through its subsidiary Vodafone Kenya Limited, which the Group equity accounts for as an investment in an associate at 39.93%. Due to the significance of this investment, and the information available for review by the chief operating decision maker, Safaricom is presented as a separate segment. The above results represent 100% of the results of Safaricom.
2. Includes financial services revenue of R1 706 million for South Africa, R980 million for Egypt, R3 971 million for International, and R10 830 million for Safaricom.
3. Other revenue largely represents lease revenues recognised under IFRS 16 "Leases".

* Not reviewed by the chief operating decision maker.

3 Segment analysis continued

Rm	South Africa	Egypt	International	Corporate and elimination	Total	Safaricom[1]
30 September 2023 – reviewed						
Mobile contract revenue	11 675	2 321	1 281	(4)	15 273	3 323
Mobile prepaid revenue	13 138	8 940	12 055	(1)	34 132	15 493
Customer service revenue	24 813	11 261	13 336	(5)	49 405	18 816
Mobile interconnect	882	1 398	616	(194)	2 702	540
Fixed service revenue	2 293	857	683	(145)	3 688	977
Other service revenue	2 681	796	96	(18)	3 555	746
Service revenue[2]	30 669	14 312	14 731	(362)	59 350	21 079
Equipment revenue	8 759	87	192	(3)	9 035	502
Non-service revenue	3 241	469	164	(127)	3 747	219
Revenue from contracts with customers	42 669	14 868	15 087	(492)	72 132	*
Interest income recognised as revenue	286	–	10	–	296	*
Other revenue[3]	314	–	56	–	370	*
Revenue	43 269	14 868	15 153	(492)	72 798	21 800

1. The Group has a 34.94% effective interest in Safaricom Plc (Safaricom) through its subsidiary Vodafone Kenya Limited, which the Group equity accounts for as an investment in an associate at 39.93%. Due to the significance of this investment, and the information available for review by the chief operating decision maker, Safaricom is presented as a separate segment. The above results represent 100% of the results of Safaricom.
2. Includes financial services revenue of R1 558 million for South Africa; R804 million for Egypt, R3 814 million for International and R8 777 million for Safaricom.
3. Other revenue largely represents lease revenues recognised under IFRS 16 "Leases".

* Not reviewed by the chief operating decision maker.

3 **Segment analysis** continued

Rm	South Africa	Egypt	International	Corporate and elimination	Total	Safaricom[1]
31 March 2024 – audited						
Mobile contract revenue	23 486	4 934	2 694	(11)	31 103	6 698
Mobile prepaid revenue	26 386	19 014	24 367	1	69 768	31 940
Customer service revenue	49 872	23 948	27 061	(10)	100 871	38 638
Mobile interconnect	1 763	2 887	1 202	(367)	5 485	1 097
Fixed service revenue	4 595	1 774	1 377	(302)	7 444	1 924
Other service revenue	5 391	1 570	218	(82)	7 097	1 483
Service revenue[2]	61 621	30 179	29 858	(761)	120 897	43 142
Equipment revenue	18 890	209	492	(8)	19 583	1 332
Non-service revenue	6 566	2 114	348	(286)	8 742	429
Revenue from contracts with customers	87 077	32 502	30 698	(1 055)	149 222	*
Interest income recognised as revenue	593	–	21	–	614	*
Other revenue[3]	634	–	124	–	758	*
Revenue	88 304	32 502	30 843	(1 055)	150 594	44 903

Notes:
1. The Group has a 34.94% effective interest in Safaricom Plc (Safaricom) through its subsidiary Vodafone Kenya Limited, which the Group equity accounts for as an investment in an associate at 39.93%. Due to the significance of this investment, and the information available for review by the chief operating decision maker, Safaricom is presented as a separate segment. The above results represent 100% of the results of Safaricom.
2. Includes financial services revenue of R3 187 million for South Africa, R1 947 million for Egypt, R7 899 million for International, and R18 008 million for Safaricom.
3. Other revenue largely represents lease revenues recognised under IFRS 16 "Leases".

* Not reviewed by the chief operating decision maker.

3 **Segment analysis** continued

	Six months ended 30 September		Year ended 31 March
Rm	**2024 Reviewed**	**2023 Reviewed**	**2024 Audited**
EBITDA[1]	**26 562**	27 286	56 116
South Africa	**16 374**	16 013	32 808
Egypt	**6 208**	6 248	13 067
International	**4 344**	5 432	10 973
Corporate and eliminations	**(364)**	(407)	(732)
Safaricom[2]	**10 548**	10 781	20 949
Operating profit	**16 127**	17 013	35 337
South Africa	**9 842**	9 616	20 125
Egypt	**4 656**	4 168	8 774
International	**995**	2 118	4 230
Corporate and eliminations[3]	**634**	1 111	2 208
Safaricom[2]	**4 709**	5 100	8 142

Notes:

1. EBITDA is operating profit excluding depreciation, amortisation and gains/losses on disposal of owned assets and excluding share of results of equity accounted associates and joint ventures, impairment losses, restructuring costs arising from discrete restructuring plans, other income and expense and significant items that are not considered by management to be reflective of the underlying performance of the Group.
2. The Group has a 34.94% effective interest in Safaricom Plc (Safaricom) through its subsidiary Vodafone Kenya Limited, which the Group equity accounts for as an investment in an associate at 39.93%. Due to the significance of this investment, and the information available for review by the chief operating decision maker, Safaricom is presented as a separate segment. The above results represent 100% of the results of Safaricom, including the depreciation and amortisation impact of net fair value adjustments on tangible and intangible assets recognised on acquisition of Safaricom, and Safaricom's net loss from associates and joint ventures.
3. Includes net profit from associates and joint ventures.

3 Segment analysis continued

Rm	Six months ended 30 September 2024 Reviewed	Six months ended 30 September 2023 Reviewed	Year ended 31 March 2024 Audited
Reconciliation of segment results			
EBITDA[1]	**26 562**	27 286	56 116
Depreciation and amortisation	**(10 929)**	(11 174)	(22 786)
Net profit/(loss) on disposal of property, plant and equipment and intangible assets	**30**	(218)	(117)
Net profit from associates and joint ventures	**822**	1 348	2 197
Other	**(358)**	(229)	(73)
Operating profit[2]	**16 127**	17 013	35 337
Total assets	**224 809**	235 089	240 613
South Africa	**101 831**	100 077	100 518
Egypt	**23 658**	29 263	23 642
International	**48 554**	55 511	54 904
Corporate and eliminations	**50 766**	50 238	61 549
Safaricom[3]	**86 110**	102 009	116 473
Total liabilities	**(132 384)**	(135 716)	(136 785)
South Africa	**(79 962)**	(78 753)	(78 277)
Egypt	**(14 587)**	(17 804)	(14 012)
International	**(32 356)**	(33 921)	(34 553)
Corporate and eliminations	**(5 479)**	(5 238)	(9 943)
Safaricom[3]	**(45 981)**	(42 975)	(51 556)

Notes:
1. EBITDA is operating profit excluding depreciation, amortisation and gains/losses on disposal of owned assets and excluding share of results of equity accounted associates and joint ventures, impairment losses, restructuring costs arising from discrete restructuring plans, other income and expense and significant items that are not considered by management to be reflective of the underlying performance of the Group.
2. For a reconciliation of operating profit to net profit for the period, refer to the condensed consolidated income statement on page 20.
3. The Group has a 34.94% effective interest in Safaricom Plc (Safaricom) through its subsidiary Vodafone Kenya Limited, which the Group equity accounts for as an investment in an associate at 39.93%. Due to the significance of this investment, and the information available for review by the chief operating decision maker, Safaricom is presented as a separate segment. The above results represent 100% of the results of Safaricom, including the net fair value adjustments on tangible and intangible assets, excluding goodwill, that arose on acquisition.

Cents	Six months ended 30 September 2024 Reviewed	Six months ended 30 September 2023 Reviewed	Year ended 31 March 2024 Audited
4 Per share calculations			
4.1 Earnings and dividends per share			
Basic earnings per share	**354**	434	842
Diluted earnings per share	**349**	425	827
Headline earnings per share	**353**	438	846
Diluted headline earnings per share	**348**	429	830
Dividends per share	**285**	330	635

Million	Six months ended 30 September 2024 Reviewed	Six months ended 30 September 2023 Reviewed	Year ended 31 March 2024 Audited
4.2 Weighted average number of ordinary shares outstanding for the purpose of calculating			
Basic and headline earnings per share	**1 932**	1 934	1 934
Diluted earnings and diluted headline earnings per share	**1 959**	1 974	1 970
4.3 Ordinary shares for the purpose of calculating dividends per share:			
330 cents per share declared on 12 May 2023		2 078	2 078
305 cents per share declared on 10 November 2023			2 078
285 cents per share declared on 10 May 2024	**2 078**		

Vodacom Group Limited acquired 5 407 433 (30 September 2023: 4 420 441; 31 March 2024: 4 583 774) shares in the market during the year at an average price of R94.54 (30 September 2023: R111.70; 31 March 2024: R111.50) per share for the Group's forfeitable share plan. The Innovator Trust, a structured entity consolidated by the Group in terms of IFRS 10: Consolidated Financial Statements, did not purchase any additional shares during the reporting period (30 September 2023 and 31 March 2024: 187 100 shares at an average price of R106.20 per share). Share repurchases did not exceed 1% of Vodacom Group Limited's issued share capital.

Dividend per share calculations are based on a dividend paid of R5 922 million (30 September 2023: R6 857 million; 31 March 2024: R13 194 million) of which R35 million (30 September 2023: R34 million; 31 March 2024: R64 million) was offset against the forfeitable share plan reserve, R1 million (30 September 2023: R3 million; 31 March 2024: R6 million) expensed as staff expenses and R44 million (30 September 2023: R51 million; 31 March 2024: R98 million) paid to Wheatfields Investments 276 (Pty) Limited, a wholly-owned subsidiary holding treasury shares on behalf of the Group. An amount of R326 million (30 September 2023: R378 million; 31 March 2024: R727 million) was paid to YeboYethu Investment Company (RF) (Pty) Limited, a special purpose vehicle holding shares in Vodacom Group Limited on behalf of broad-based black economic empowerment participants, of which R47 million (30 September 2023: R45 million; 31 March 2024: R89 million) was paid out as a trickle dividend to participants. R9 million (30 September 2023: R10 million; 31 March 2024: R20 million) was paid to The Innovator Trust. The Group declared an interim dividend in respect of the period ended 30 September 2024 after the reporting period (Refer to Note 12).

4 Per share calculations continued

4.4 Headline earnings reconciliation

Rm	Six months ended 30 September 2024 Reviewed	Six months ended 30 September 2023 Reviewed	Year ended 31 March 2024 Audited
Earnings attributable to equity shareholders for basic and diluted earnings per share	**6 843**	8 385	16 292
Adjusted for:			
Net (profit)/loss on disposal of property, plant and equipment and intangible assets[1]	**(42)**	213	103
Net loss on disposal of subsidiaries	**–**	–	13
	6 801	8 598	16 408
Tax impact of adjustments	**11**	(63)	(31)
Non-controlling interests' share in adjustments	**–**	(71)	(17)
Headline earnings for headline- and diluted headline earnings per share[2]	**6 812**	8 464	16 360

Notes:
1. Includes attributable share of net profit on disposal of property, plant and equipment and intangible assets of associates and joint ventures of R12 million (30 September 2023: R5 million; 31 March 2024: R14 million).
2. This disclosure is a requirement of the JSE Limited. It has been calculated in accordance with Circular 1/2023 as issued by SAICA.

5 Related parties

The amounts disclosed in Notes 5.1 and 5.2 include significant balances and transactions with the Group's parent, entities in its group as well as with its associates and joint ventures.

Rm	Six months ended 30 September 2024 Reviewed	Six months ended 30 September 2023 Reviewed	Year ended 31 March 2024 Audited
5.1 Balances with related parties			
Borrowings (including accrued finance cost)	**31 785**	37 030	39 240
5.2 Transactions with related parties			
Dividends declared	**(3 855)**	(4 464)	(8 589)
Dividends from associate	**1 460**	1 273	2 375
Finance costs	**(1 771)**	(1 723)	(3 578)

5.3 Directors and key management personnel

There have been no changes to the Board for the six months ended 30 September 2024.

Rm	Six months ended 30 September 2024 Reviewed	Six months ended 30 September 2023 Reviewed	Year ended 31 March 2024 Audited
6 Capital commitments			
Capital expenditure contracted for but not yet incurred	**5 203**	7 388	3 671

Rm	Six months ended 30 September 2024 Reviewed	Six months ended 30 September 2023 Reviewed	Year ended 31 March 2024 Audited
7 Capital expenditure incurred			
Capital expenditure additions including software[1]	**8 809**	9 542	20 422

Note:
1. Excludes acquisition of spectrum.

8 Borrowings

On 26 July 2024, the Group successfully refinanced existing borrowing facilities with Vodafone Investments Luxembourg s.a.r.l, valued at an aggregate of R3 500 million. These facilities were initially held with Nedbank Limited (Nedbank) and Investec Bank Limited (Investec). The facility held with Nedbank amounted to R2 000 million with a tenor of 3 years carrying pricing at a variable all-in rate of 9.75% as of 30 June 2024. The facility held with Investec amounted to R1 500 million with a tenor of 3 years carrying pricing at a variable all-in rate of 9.60% as of 30 June 2024. The refinance replaced the term loans with a consolidated term loan with a maturity date of July 2029 at a variable all in rate of 9.58% as of 30 September 2024.

All financial assets and liabilities previously linked to LIBOR have been transitioned to SOFR. The Group continues to monitor developments related to interest rate benchmark reform, particularly with regard to its JIBAR-linked exposures, as announced by relevant financial authorities.

The Group refinanced R11 000 million worth of term debt issued by Vodafone Investments Luxembourg with preference share debt issued by The Standard Bank of South Africa Limited (Standard Bank), ABSA Bank Limited, Nedbank Limited and FirstRand Bank Limited. The term debt was made up of four term loans: R3 200 million at a fixed all-in rate of 9.36% and an original maturity date of 30 March 2027; R1 300 million at a fixed all-in rate of 9.52% and an original maturity date of 12 December 2027; R4 500 million at a variable all-in rate of 9.69% and an original maturity date of 12 December 2027; R2 000 million at a variable all-in rate of 9.75% and an original maturity date of 12 December 2028. The preference share debt consists of two tranches, R8 000 million at a variable all-in rate of 7.58% as of 30 September 2024 maturing on 07 August 2027 and R3 000 million at a variable all-in rate of 7.93% as of 30 September 2024 maturing on 07 August 2029.

The Group repaid US$ 8.75 million on term debt facilities from Standard Bank of Congo, advanced to Vodacom Congo (RDC) SA. The Group drew down US$ 5 million on term facilities held with Standard Bank, advanced to Vodacom Moçambique S.A. The Group drew down R177 million on term debt facilities held with Standard Bank, advanced to Vodacom International Holdings (Pty) Ltd.

Included in borrowings repaid and borrowings incurred in the statement of cash flows are cash outflows and cash inflows of R3 613 million (30 September 2023: R10 400 million; 31 March 2024: R12 980 million) and R4 806 million (30 September 2023: R10 535 million; 31 March 2024: R12 271 million) respectively relating to cash movements on committed borrowing facilities of Vodafone Egypt. Also included in borrowings repaid is repayments on lease liabilities of R2 334 million (30 September 2023: R2 555 million; 31 March 2024: R4 492 million) which are classified as borrowings.

Rm	Six months ended 30 September 2024 Reviewed	Six months ended 30 September 2023 Reviewed	Year ended 31 March 2024 Audited
9 Cash flows from operating activities			
Profit before tax	**12 766**	14 102	28 123
Adjusted for:			
Net profit on disposal of subsidiaries	**–**	–	13
Finance income	**(898)**	(940)	(1 416)
Finance costs	**4 076**	3 935	8 163
Net loss/(gain) on remeasurement and disposal of financial instruments	**183**	(84)	454
Operating profit	**16 127**	17 013	35 337
Adjusted for:			
Depreciation and amortisation	**10 929**	11 174	22 786
Net (gain)/loss on disposal of property, plant and equipment and intangible assets	**(30)**	218	117
Net credit losses on financial assets	**810**	284	846
Share-based payment	**228**	247	415
Net profit from associates and joint ventures	**(822)**	(1 348)	(2 197)
Other	**(19)**	24	13
Cash flows from operations before working capital changes	**27 223**	27 612	57 317
Increase in inventory	**(387)**	(665)	(315)
Increase in trade and other receivables	**(5 867)**	(5 472)	(5 205)
(Decrease)/increase in mobile financial payables, trade and other payables and provisions	**(386)**	219	5 326
Cash generated from operations	**20 583**	21 694	57 123

10 Contingent liabilities

10.1 Tax matters

The Group is regularly subject to an evaluation by tax authorities of its direct and indirect tax filings, the most significant of which are capital allowances, withholding taxes, customs duty and transfer pricing in certain jurisdictions. The consequence of such reviews is that disputes may arise with tax authorities over the interpretation or application of certain tax rules to the Group's business. The tax laws are in some instances ambiguous and subject to a broad range of interpretations. To address and manage this tax uncertainty, good governance is fundamental to the Group's business sustainability. All major tax positions taken are subject to review by executive management and are reported to the Board. The Group has support from external advisors with regards to the positions taken in respect of the significant tax matters which confirms the application and interpretation of the tax legislation. The Group has considered all matters in dispute with the relevant tax authorities and has accounted for any exposure identified, if required. The Group has not disclosed all the details in respect of the open tax disputes as these matters are still under the dispute resolution process. These disputes may not necessarily be resolved in a manner that is favourable to the Group.

10 **Contingent liabilities** continued

10.2 Legal contingencies

The Group is currently involved in various legal disputes across its different jurisdictions and has, in consultation with its legal advisors, assessed the possible outcomes and has determined that adequate provision has been made in respect of all these cases as at 30 September 2024.

10.3 Kenneth Makate (Mr Makate) vs Vodacom (Pty) Limited (Vodacom)

Mr Makate, a former employee of Vodacom, started legal proceedings in 2008 claiming compensation for a business idea that led to the development of a service known as "Please Call Me" (PCM). In July 2014, the Gauteng High Court (the High Court) ruled that Mr Makate had proven the existence of a contract, but that Vodacom was not bound by that contract because the responsible director did not have authority to enter into such an agreement on Vodacom's behalf. The High Court and Supreme Court of Appeal (the SCA) turned down Mr Makate's application for leave to appeal in December 2014 and March 2015, respectively.

In April 2016, the Constitutional Court of South Africa (the Constitutional Court) granted leave to appeal and upheld Mr Makate's appeal. It found that Vodacom is bound by the agreement and ordered the parties to negotiate, in good faith, and agree a reasonable compensation amount payable to Mr Makate or, in the event of a deadlock, for the matter to be referred to Vodacom Group's Chief Executive Officer (the CEO) to determine such compensation amount. Mr Makate's application for the aforementioned order to be varied from the determination of an amount to a compensation model based on a share of revenue was dismissed by the Constitutional Court. In accordance with the Constitutional Court order, and after negotiations failed, the CEO issued his determination on 9 January 2019. However, the CEO's award of R47million was rejected by Mr Makate who subsequently brought an application in the High Court for the review of the CEO's determination and award.

The High Court, in a judgment delivered on 8 February 2022, set aside the CEO's determination and ordered him to reassess the amount employing a set criteria which would have resulted in the payment of a higher compensation amount, for the benefit of Mr. Makate, than that determined by the CEO. Vodacom appealed against the judgment and the order of the High Court to the SCA. The SCA heard the appeal on 9 May 2023 and its judgment was handed down on 6 February 2024. A majority of three judges, with a minority of two judges dissenting, dismissed the appeal and ruled that Mr Makate is entitled to be paid 5% - 7.5% of the total revenue of the PCM product from March 2001 to the date of the judgment, plus interest.

On 27 February 2024, Vodacom applied for leave to appeal the judgment and order of the SCA to the Constitutional Court, resulting in the suspension of the operation of the judgment and order of the SCA. On 26 August 2024, the Constitutional Court issued a directive that it will hear Vodacom's application for leave to appeal in the PCM matter, in tandem with its appeal against the SCA judgment and order. The record of the proceedings in the SCA, with relevant annotations, was filed in the Constitutional Court on 26 September 2024. Vodacom, as the applicant, lodged its written arguments on 10 October 2024. Mr Makate lodged his response on 18 October 2024. The matter will be heard by the Constitutional Court on 21 November 2024.

Vodacom is challenging the SCA's judgment and order on various grounds including, but not limited to: the SCA ignoring the evidence placed before it on the computation of the quantum of compensation payable to Mr Makate; and the SCA issuing orders that are incapable of being implemented and enforced.

The CEO's determination in 2019 amounted to R47 million. The minority judgement of the SCA raised Mr. Makate's compensation to an amount payable of R186 million. The value of the compensation amount for Mr. Makate, as per the SCA's majority judgment and order, would at a minimum be R29 billion. Mr. Makate, in his recent submissions to the Constitutional Court, has stated that his request is for compensation in the capital amount of R9.4 billion, plus possibly mora interest from 18 January 2019. Consequently, the range of the possible compensation outcomes in this matter is very wide.

The amount ultimately payable to Mr Makate is uncertain and will depend on the success of Vodacom's appeal against the judgment and order of the SCA, on the merits of the case. Vodacom is continuing to challenge the level of compensation payable to Mr Makate and a provision immaterial to the financial statements has been recorded.

11 Other matters

11.1 Global Partnership for Ethiopia B.V.

The Group continues to invest in Safaricom Telecommunications Ethiopia PLC (Safaricom Ethiopia), which is operating in a hyperinflationary environment. The financial impact of IAS 29, Financial Reporting in Hyperinflationary Economies (IAS 29) resulted in a decrease in Investment in associates and joint ventures of R2.1 billion (30 September 2023: R1.1 billion increase; 31 March 2024: R2.2 billion increase). The Group continues to exercise significant influence over Safaricom Ethiopia and therefore the investment is equity accounted as an associate.

11.2 MAZIV (Pty) Limited (MAZIV)

On 10 November 2021, the Group announced a proposed investment into a joint venture incorporated as Maziv (Pty) Limited (Maziv) to house the material fibre network assets of Vodacom South Africa and Community Investment Ventures Holdings (Pty) Limited. The operating companies of Maziv include Dark Fibre Africa (Pty) Limited (DFA) and Vumatel (Pty) Limited. During October 2022, ICASA approved the transaction subject to the finalisation and incorporation of conditions into Maziv's licences relating to the provision of open-access to network services and facilities, along with limitations on the Group's shareholding stake and the number of directors that the Group can appoint. In August 2023, the Competition Commission (the Commission) advised the Competition Tribunal (the Tribunal) that the transaction not be recommended. The transaction was presented to the Tribunal and the hearings concluded during September 2024. The transaction was prohibited by the Tribunal in October 2024 consistent with recommendations from the Commission. We await the Tribunal's detailed reasons for prohibiting the transaction, before considering all options available to the Group, which may include an appeal in the Competition Appeal Court.

11.3 Vodafone Egypt Telecommunications S.A.E (Vodafone Egypt) hyperinflation

As of May 2024, Egypt's economy has been placed on the watchlist for hyperinflation. This development comes amid rising concerns over the country's economic stability, driven by factors such as escalating inflation rates, currency devaluation, and increasing public debt. The situation is being closely monitored.

12 Events after the reporting period

The Board is not aware of any matter or circumstance arising since the end of the reporting period, not otherwise dealt with herein, which significantly affects the financial position of the Group or the results of its operations or cash flows for the period, other than the following:

12.1 Dividend declared after the reporting date and not recognised as a liability

An interim dividend of R5 922 million (285 cents per ordinary share) for the period ended 30 September 2024, was declared on 8 November 2024, payable on 2 December 2024 to shareholders recorded in the register at the close of business on 29 November 2024. The net dividend after taking into account dividend withholding tax for those shareholders not exempt from dividend withholding tax is 228.00000 cents per share. This is in line with the Group's dividend policy to pay dividends of at least 75% of the Group's headline earnings.

12.2 Vodafone Egypt 5G license acquisition

On 7 October 2024, Egypt's Ministry of Communications and Information Technology (MCIT), represented by the National Telecommunications Regulatory Authority (NTRA), awarded Vodafone Egypt a 5G licence for US$150 million. In addition, Vodafone Egypt extended its existing licences for 5 years to 2039 at a cost of US$17 million. The purchase price of US$167m is payable by 31 January 2025.

13 Fair value

The carrying amounts of financial assets at amortised cost, mobile financial deposits, trade and other receivables, bank and cash balances, bank overdraft, mobile financial payables, licence and spectrum fees payable, and trade and other payables approximate their fair value due to short-term maturity.

The aggregate fair value, if determinable, of interest bearing borrowings (excluding leases) with a carrying amount of R56 834 million (30 September 2023: R54 748 million; 31 March 2024: R55 847 million) amounts to R56 872 million (30 September 2023: R54 633 million; 31 March 2024: R55 865 million). Fair value is based on level two of the fair value hierarchy. Estimated interest rates for fixed interest rate financial liabilities are calculated with reference to the applicable zero coupon yield curves at the reporting date, as published by Bloomberg. Where the fair value could be determined by using the discounted cash flow method (with a discount rate based on market-related interest rates) the discount rate was 8.66% (30 September 2023: range between 9.78% and 10.05%; 31 March 2024: range between 9.46% and 9.62%) for rand-denominated borrowings.

13.1 Fair value hierarchy

The table below sets out the valuation basis of financial instruments measured at fair value:

	Six months ended 30 September		Year ended 31 March
Rm	2024 Reviewed	2023 Reviewed	2024 Audited
Level one[1]			
Financial assets at fair value through profit or loss			
Unit trust investments	**462**	421	440
Level two[2]			
Financial assets at fair value through other comprehensive income			
Finance receivables[3]	**5 834**	5 571	5 951
Financial assets and liabilities at fair value through profit or loss			
Derivative financial assets[4]	**110**	47	25
Derivative financial liabilities[4]	**(170)**	(85)	(133)
	6 236	5 954	6 283

Notes:
1. Level one classification is used when the valuation is determined using quoted prices in an active market for identical assets or liabilities that the entity can access at the valuation date.
2. Level two classification is used when valuation inputs used to determine fair value are observable for the asset/(liability), either directly as prices or indirectly when derived from prices.
3. The Group provides financing to customers to acquire devices at an additional contractual charge which is included in finance receivables. The business model under IFRS 9 for finance receivables has been determined to be "hold to collect and sell". Finance receivables are valued using a market approach, with cash flows discounted at the 24-month weighted average credit risk adjusted risk free rate at which finance receivables are sold across multiple financial institutions.
4. The fair value of foreign exchange forward contracts and firm commitment assets and liabilities are determined with reference to quoted market prices for similar instruments, being the mid forward rates and spot rates respectively, as at the reporting date.

Supplementary information

Operating results for the year ended 30 September 2024

Rm	South Africa	% 23/24	Egypt	% 23/24	IB	% 23/24	Corp/ Elims	Group	% 23/24	Safaricom[1]	% 23/24
Mobile contract revenue	12 099	3.6	1 991	(14.2)	1 333	4.1	(5)	15 418	0.9	3 816	14.8
Mobile prepaid revenue	13 427	2.2	8 238	(7.9)	12 190	1.1	–	33 855	(0.8)	18 861	21.7
Customer service revenue	**25 526**	**2.9**	**10 229**	**(9.2)**	**13 523**	**1.4**	**(5)**	**49 273**	**(0.3)**	22 677	20.5
Mobile interconnect	870	(1.4)	1 149	(17.8)	566	(8.1)	(148)	2 437	(9.8)	552	2.2
Fixed service revenue	2 455	7.1	786	(8.3)	706	3.4	(130)	3 817	3.5	1 170	19.8
Other service revenue	2 202	(17.9)	803	0.9	122	27.1	(17)	3 110	(12.5)	818	9.7
Service revenue	**31 053**	**1.3**	**12 967**	**(9.4)**	**14 917**	**1.3**	**(300)**	**58 637**	**(1.2)**	25 217	19.6
Equipment revenue	9 222	4.6	87	–	267	32.2	(4)	9 572	5.1	1 118	122.7
Non-service revenue	4 034	6.7	1 236	163.5	200	(9.1)	(141)	5 329	22.7	233	6.4
Revenue	**44 309**	**2.4**	**14 290**	**(3.9)**	**15 384**	**1.5**	**(445)**	**73 538**	**1.0**	26 568	21.9
Direct expenses	(18 678)	2.3	(5 268)	(6.6)	(4 747)	4.4	304	(28 389)	1.1		
Staff expenses	(2 813)	(2.6)	(543)	(2.3)	(1 225)	(13.4)	(541)	(5 122)	(4.5)		
Publicity expenses	(448)	–	(185)	(31.7)	(335)	7.7	(3)	(971)	(6.1)		
Net credit gains/(losses) on financial instruments	(604)	51.4	(53)	17.8	(154)	(197)	1	(810)	185.2		
Other operating expenses	(5 378)	1.2	(2 041)	(2.9)	(4 653)	16.3	60	(12 012)	7.3		
Depreciation and amortisation	(6 546)	3.2	(1 544)	(25.9)	(2 838)	3.4	(1)	(10 929)	(2.2)		
Net profit/(loss) from associates and joint ventures	–		–	–	(437)	151.1	1 259	822	(39.0)		
Operating profit	**9 842**	**2.4**	**4 656**	**11.7**	**995**	**(53.0)**	**634**	**16 127**	**(5.2)**	7 193	9.3
EBITDA	16 374	2.3	6 208	(0.6)	4 344	(20.0)	(364)	26 562	(2.7)	10 548	(2.2)
EBITDA margin (%)	37.0	–	43.4		28.2			36.1		39.7	
Included in service revenue:											
Financial services revenue	1 706	9.5	980	21.9	3 971	4.1	–	6 657	7.8	10 830	23.4

Note:

1. The Group's effective interest of 34.94% in Safaricom is accounted for as an investment in associate. Results represent 100% of Safaricom and are for information purposes only. The above results represent 100% of the results of Safaricom, including the net fair value adjustments on tangible and intangible assets, excluding goodwill, that rose on acquisition.

Operating results for the six months ended 30 September 2023

Rm	South Africa	Egypt	International	Corp/ Elims	Group	Safaricom[1]
Mobile contract revenue	11 675	2 321	1 281	(4)	15 273	3 323
Mobile prepaid revenue	13 138	8 940	12 055	(1)	34 132	15 493
Customer service revenue	**24 813**	**11 261**	**13 336**	**(5)**	**49 405**	**18 816**
Mobile interconnect	882	1 398	616	(194)	2 702	540
Fixed service revenue	2 293	857	683	(145)	3 688	977
Other service revenue	2 681	796	96	(18)	3 555	746
Service revenue	**30 669**	**14 312**	**14 731**	**(362)**	**59 350**	**21 079**
Equipment revenue	8 820	87	202	(3)	9 106	502
Non-service revenue	3 780	469	220	(127)	4 342	219
Revenue	**43 269**	**14 868**	**15 153**	**(492)**	**72 798**	**21 800**
Direct expenses	(18 260)	(5 640)	(4 548)	367	(28 081)	
Staff expenses	(2 889)	(556)	(1 415)	(506)	(5 366)	
Publicity expenses	(448)	(271)	(311)	(4)	(1 034)	
Net credit gains/(losses) on financial instruments	(399)	(45)	159	1	(284)	
Other operating expenses	(5 316)	(2 103)	(4 001)	226	(11 194)	
Depreciation and amortisation	(6 341)	(2 085)	(2 745)	(3)	(11 174)	
Net profit/(loss) from associates and joint ventures	–	–	(174)	1 522	1 348	
Operating profit	**9 616**	**4 168**	**2 118**	**1 111**	**17 013**	**6 581**
EBITDA	16 013	6 248	5 432	(407)	27 286	10 781
EBITDA margin (%)	37.0	42.0	35.8		37.5	49.6
Included in service revenue:						
Financial services revenue	1 558	804	3 814	–	6 176	8 777

Note:

1. The Group's effective interest of 34.94% in Safaricom is accounted for as an investment in associate. Results represent 100% of Safaricom and are for information purposes only. The above results represent 100% of the results of Safaricom, including the net fair value adjustments on tangible and intangible assets, excluding goodwill, that rose on acquisition.

South Africa key telecom indicators for the quarter ended

	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023	% change 23/24
Customers[1] (thousand)	**49 240**	48 974	51 654	51 256	**47 256**	**4.2**
Prepaid	**42 324**	42 118	44 851	44 415	**40 473**	**4.6**
Contract	**6 916**	6 856	6 803	6 841	**6 783**	**2.0**
Data customers[2] (thousand)	**27 030**	26 881	28 786	27 655	**25 803**	**4.8**
Internet of Things connections[3] (thousand)	**8 411**	8 439	8 248	8 017	**7 953**	**5.8**
Traffic[4] (millions of minutes)	**16 150**	15 656	15 199	16 120	**16 417**	**(1.6)**
Outgoing	**13 073**	12 727	12 034	13 227	**13 587**	**(3.8)**
Incoming	**3 077**	2 929	3 165	2 893	**2 830**	**8.7**
MOU per month[5]	**110**	100	97	109	**118**	**(6.8)**
Prepaid	**105**	94	90	104	**113**	**(7.1)**
Contract	**138**	138	146	146	**153**	**(9.8)**
Total ARPU[6] (rand per month)	**91**	83	82	89	**94**	**(3.2)**
Prepaid	**55**	50	49	55	**59**	**(6.8)**
Contract	**307**	305	301	299	**303**	**1.3**

South Africa key telecom indicators for the six months ended

	30 September		% change
	2024	2023	23/24
Traffic[4] (millions of minutes)	**31 806**	32 070	**(0.8)**
Outgoing	**25 800**	26 507	**(2.7)**
Incoming	**6 006**	5 563	**8.0**
MOU per month[5]	**105**	118	**(11.0)**
Prepaid	**99**	112	**(11.6)**
Contract	**138**	151	**(8.6)**
Total ARPU[6] (rand per month)	**87**	94	**(7.4)**
Prepaid	**53**	58	**(8.6)**
Contract	**306**	302	**1.3**

Notes:
1. 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.
2. 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.
3. Internet of Things (IoT) connections is the remote wireless interchange between two or more predefined devices or a central station without direct relationship with an end customer, in order to support a specific business process or product.
4. Traffic comprises total traffic registered on Vodacom's mobile network including bundled minutes, promotional minutes and outgoing international roaming calls but excluding national roaming calls, incoming international roaming calls and calls to free services.
5. Minutes of use (MOU) per month is calculated by dividing the average monthly minutes (traffic) during the period by the average monthly customers during the period.
6. 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. Prepaid and contract ARPU only includes the revenue generated from Vodacom mobile customers.

Egypt key telecom indicators for the quarter ended

	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023	% change 23/24
Closing customers[1] (thousand)	**49 894**	49 036	48 335	47 752	**47 022**	**6.1**
Prepaid	**43 996**	43 327	42 763	42 310	**41 703**	**5.5**
Contract	**5 898**	5 709	5 572	5 442	**5 319**	**10.9**
90-day customers[2] (thousand)	**48 253**	47 362	46 691	46 043	**45 556**	**5.9**
Prepaid	**42 395**	41 693	41 170	40 633	**40 252**	**5.3**
Contract	**5 858**	5 669	5 521	5 410	**5 304**	**10.4**
Data customers[3] (thousand)	**30 865**	30 100	29 118	28 909	**28 154**	**9.6**
Closing ARPU[4] (local currency per month)	**105**	98	90	82	**79**	**32.9**
Prepaid ARPU	**97**	89	82	74	**71**	**36.6**
Contract ARPU	**170**	165	159	148	**139**	**22.3**
90-day ARPU[5] (local currency per month)	**109**	102	94	85	**81**	**34.6**
Prepaid ARPU	**101**	93	85	77	**74**	**36.5**
Contract ARPU	**171**	167	160	148	**140**	**22.1**

Notes:
1. A customer is defined as a Subscriber Identity Module (SIM), or in territories where SIMs do not exist, a unique mobile telephone number which has access to the network for any purpose (including data only usage) except telemetric applications.
2. 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.
3. 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.
4. ARPU is calculated by dividing the average total service revenue by the average monthly closing customers during the period.
5. 90-day 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. Prepaid and contract only include the revenue generated from mobile customers.

International business key telecom indicators for the quarter ended

	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023	% change 23/24
Customers[1] (thousand)	**56 089**	54 967	54 109	53 749	**53 684**	**4.5**
Tanzania	**20 951**	20 280	19 563	19 126	**18 502**	**13.2**
DRC	**22 489**	21 739	21 343	21 444	**21 784**	**3.2**
Mozambique	**11 250**	11 562	11 658	11 580	**11 867**	**(5.2)**
Lesotho	**1 399**	1 386	1 545	1 599	**1 531**	**(8.6)**
Data customers[2] (thousand)	**26 969**	25 296	24 169	24 072	**23 810**	**13.3**
Tanzania	**11 193**	10 617	10 065	9 951	**9 745**	**14.9**
DRC	**8 839**	8 395	7 164	6 818	**7 136**	**23.9**
Mozambique	**6 086**	5 434	6 099	6 336	**6 101**	**(0.2)**
Lesotho	**851**	850	841	967	**828**	**2.8**
MOU per month[3]						
Tanzania	**291**	273	266	292	**302**	**(3.6)**
DRC	**25**	24	23	22	**22**	**13.6**
Mozambique	**104**	82	109	110	**100**	**4.0**
Lesotho	**74**	71	68	73	**66**	**12.1**
Total ARPU[4] (rand per month)						
Tanzania	**39**	39	40	42	**43**	**(9.3)**
DRC	**47**	48	47	47	**45**	**4.4**
Mozambique	**37**	37	39	43	**45**	**(17.8)**
Lesotho	**75**	70	63	66	**60**	**25.0**
Total ARPU[4] (local currency per month)						
Tanzania (TZS)	**5 825**	5 495	5 376	5 611	**5 690**	**2.4**
DRC (US$)	**2.6**	2.6	2.5	2.5	**2.4**	**8.3**
Mozambique (MZN)	**132**	125	132	148	**154**	**(14.3)**

Notes:
1. 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.
2. 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.
3. Minutes of use (MOU) per month is calculated by dividing the average monthly minutes (traffic) during the period by the average monthly customers during the period.
4. 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.

International business key telecom indicators for the six months ended

	30 September		% change
	2024	**2023**	**23/24**
MOU per month[1]			
Tanzania	**282**	292	**(3.4)**
DRC	**25**	22	**13.6**
Mozambique	**93**	99	**(6.1)**
Lesotho	**73**	63	**15.9**
Total ARPU[2] (rand per month)			
Tanzania	**39**	43	**(9.3)**
DRC	**47**	45	**4.4**
Mozambique	**37**	47	**(21.3)**
Lesotho	**72**	57	**26.3**
Total ARPU[2] (local currency per month)			
Tanzania (TZS)	**5 663**	5 557	**1.9**
DRC (US$)	**2.6**	2.4	**8.3**
Mozambique (MZN)	**128**	163	**(21.5)**

Notes:
1. Minutes of use (MOU) per month is calculated by dividing the average monthly minutes (traffic) during the period by the average monthly customers during the period.
2. 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.

Safaricom key telecom indicators for the six months ended

	30 September		% change
	2024	**2023**	**22/23**
Closing customers[1] (thousand)	**52 007**	48 240	**7.8**
Data customers[2] (thousand)	**32 330**	27 528	**17.4**
ARPU[3] (Kenya only - local currency per month)	**655.87**	593.32	**10.5**

Notes:
1. A customer is defined as a Subscriber Identity Module (SIM), or in territories where SIMs do not exist, a unique mobile telephone number which has access to the network for any purpose (including data only usage) except telemetric applications.
2. Data customers are based on the number of unique users generating billable data traffic during the month.
3. ARPU is calculated by dividing the average total service revenue by the average monthly customers during the period.

Financial services key indicators

Active customers[1] for the quarter ended

Thousand	30 Sep 2024	31 Mar 2024	30 Sep 2023	% change 23/24
South Africa	**15 565**	15 318	**13 715**	**13.5**
Egypt	**9 562**	8 213	**6 682**	**43.1**
International M-Pesa	**23 758**	22 405	**20 976**	**13.3**
Tanzania	**11 098**	10 169	**9 311**	**19.2**
DRC	**5 883**	5 537	**4 628**	**27.1**
Mozambique	**5 857**	5 769	**6 126**	**(4.4)**
Lesotho	**920**	930	**911**	**1.0**
Consolidated Group	**48 885**	45 936	**41 373**	**18.2**
Safaricom M-Pesa (100% basis)	**33 977**	33 000	**32 135**	**5.7**
Total	**82 862**	78 936	**73 508**	**12.7**

Mobile wallet value of transactions for the last twelve-month period ended

US$m	30 Sep 2024	31 Mar 2024	30 Sep 2023	% change 23/24
Egypt and International	**120 747**	110 737	**97 496**	**23.8**
Safaricom (100% basis)	**300 581**	270 420	**273 139**	**10.0**
Total	**421 328**	381 157	**370 635**	**13.7**

Merchants & agents

	Six months ended 30 September		% change
Thousand	**2024**	**2023**	**23/24**
Merchants			
International	**493**	292	**68.8**
Safaricom	**665**	658	**1.1**
Agents			
International	**445**	321	**38.6**
Safaricom	**269**	260	**3.5**

Note:
1. Financial services customers are based on the number of unique customers who have generated revenue to financial services during the last month.

International business financial review per country

	Six months ended 30 September		% change
	2024	**2023**	**23/24**
Revenue (local currency)			
Tanzania (TZSm)	**730 194**	612 772	**19.2**
DRC (US$000)	**351 552**	323 636	**8.6**
Mozambique (MZNm)	**10 323**	11 937	**(13.5)**
Lesotho (LSLm)	**706**	614	**15.0**
Service revenue (local currency)			
Tanzania (TZSm)	**718 151**	602 743	**19.1**
DRC (US$000)	**346 340**	317 715	**9.0**
Mozambique (MZNm)	**9 828**	11 581	**(15.1)**
Lesotho (LSLm)	**653**	587	**11.2**
EBITDA (local currency)			
Tanzania (TZSm)	**221 170**	186 515	**18.6**
DRC (US$000)	**90 553**	121 011	**(25.2)**
Mozambique (MZNm)	**3 055**	5 060	**(39.6)**
Lesotho (LSLm)	**239**	222	**7.7**

Historical financial review

Revenue for the quarter ended

Rm	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023
South Africa	**22 493**	21 817	22 236	22 798	**21 863**	21 406	21 612
Egypt	**7 324**	6 966	9 235	8 399	**7 793**	7 075	6 376
International	**7 735**	7 649	7 664	8 027	**7 712**	7 440	7 017
Corporate and eliminations	**(221)**	(225)	(258)	(303)	**(237)**	(254)	(253)
Group revenue	**37 331**	36 207	38 877	38 921	**37 131**	35 667	34 752

Revenue YoY % change for the quarter ended

	Reported			Normalised*
%	30 Sep 2024	30 Jun 2024	31 Mar 2024	30 Sep 2024
South Africa	**2.9**	1.9	2.9	**2.9**
Egypt	**(6.0)**	(1.5)	44.8	**53.2**
International	**0.3**	2.8	9.2	**6.6**
Group revenue	**0.5**	1.5	11.9	**10.9**

Service revenue for the quarter ended

Rm	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023
South Africa	**15 716**	15 338	15 263	15 689	**15 606**	15 064	15 160
Egypt	**6 615**	6 352	7 926	7 941	**7 468**	6 844	6 155
International	**7 497**	7 420	7 408	7 719	**7 481**	7 250	6 788
Corporate and eliminations	**(153)**	(148)	(167)	(232)	**(181)**	(182)	(180)
Group	**29 675**	28 962	30 430	31 117	**30 374**	28 976	27 923

Service revenue YoY % change for the quarter ended

	Reported			Normalised*
%	30 Sep 2024	30 Jun 2024	31 Mar 2024	30 Sep 2024
South Africa	**0.7**	1.8	0.7	**0.7**
Egypt	**(11.4)**	(7.2)	28.8	**44.3**
International	**0.2**	2.3	9.1	**6.6**
Group	**(2.3)**	–	9.0	**9.7**

Financial services revenue

	Six months ended 30 September		% change	
Rm	2024	2023	Reported	Normalised*
South Africa	**1 706**	1 558	9.5	**9.5**
Egypt	**980**	804	21.9	**94.4**
International	**3 971**	3 814	4.1	**10.4**
Tanzania	**1 887**	1 649	14.4	**27.9**
DRC	**1 296**	1 140	13.7	**16.3**
Mozambique	**670**	937	(28.5)	**(27.2)**
Lesotho	**118**	88	34.1	**34.1**
Consolidated Group	**6 657**	6 176	7.8	**17.6**
Safaricom[1]	**10 830**	8 777	23.4	**16.6**

Note:
1. The Group's effective interest of 34.94% in Safaricom is accounted for as an investment in associate. Results represent 100% of Safaricom and are for information purposes only.

Exchange rates

	Average YTD			Closing YTD		
	30 September		% change	30 September		% change
	2024	2023	23/24	2024	2023	23/24
US$/ZAR	**18.27**	18.65	**(2.0)**	**17.23**	18.84	**(8.5)**
EUR/ZAR	**19.87**	20.29	**(2.1)**	**19.23**	19.95	**(3.6)**
ZAR/MZN	**3.50**	3.43	**2.0**	**3.71**	3.39	**9.4**
ZAR/TZS	**145.16**	129.93	**11.7**	**157.41**	132.97	**18.4**
ZAR/EGP	**2.63**	1.66	**58.4**	**2.80**	1.64	**70.7**
ZAR/KES	**7.13**	7.55	**(5.6)**	**7.49**	7.87	**(4.8)**

	Average QTD				Closing QTD			
	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023
US$/ZAR	**17.96**	18.58	18.88	18.74	**17.23**	18.26	18.94	18.29
EUR/ZAR	**19.74**	20.00	20.50	20.17	**19.23**	19.57	20.45	20.20
ZAR/MZN	**3.56**	3.44	3.38	3.41	**3.71**	3.48	3.37	3.49
ZAR/TZS	**150.38**	139.94	134.43	133.84	**157.41**	144.30	135.32	137.19
ZAR/EGP	**2.70**	2.56	1.89	1.65	**2.80**	2.63	2.50	1.69
ZAR/KES	**7.20**	7.06	7.92	8.11	**7.49**	7.08	6.96	8.59

Pro-forma financial information

The presentation of the pro-forma financial information and related reconciliations as detailed below on pages 48 – 54, is the responsibility of the directors of Vodacom Group Limited.

- 'Normalised' results have been presented to assist the user in understanding the underlying growth trends and adjusts for:
  - the impact of trading foreign exchanges;
  - the impact of foreign currency translation on a constant currency basis;
  - the impact of hyperinflation accounts (IAS 29); and
  - the merger, acquisition and disposal activities during the current year and on a constant currency basis in the prior year, where applicable.
- 'Operating free cash flow' and 'free cash flow' has been presented to provide users with relevant information and measures used by the Group to assess performance.

Collectively, the 'pro-forma financial information'.

The pro-forma financial information has been prepared for illustrative purposes only and may not fairly present the financial position, changes in equity, and results of operations or cash flows of Vodacom Group Limited. The pro-forma financial information is presented in accordance with the JSE Listings Requirements and the SAICA Guide on pro-forma Financial Information. This pro-forma financial information for the six months ended 30 September 2024 as presented in Table A, as well as the constant currency information, along with the respective notes, has not been reported/reviewed on by Group's auditor, Ernst & Young Inc.

TABLE A: Reconciliation of normalised values for the six months ended 30 September 2024

		Foreign exchange			
Rm	**Reported results[1]**	**Trading FX[2]**	**Translation FX[3]**	**Hyper inflation[4]**	**Normalised***
Revenue					
Group	**73 538**	–	–	–	**73 538**
South Africa	**44 309**	–	–	–	**44 309**
Egypt	**14 290**	–	–	–	**14 290**
International	**15 384**	–	–	–	**15 384**
Service revenue					
Group	**58 637**	–	–	–	**58 637**
South Africa	**31 053**	–	–	–	**31 053**
Egypt	**12 967**	–	–	–	**12 967**
International	**14 917**	–	–	–	**14 917**
Financial services revenue					
Group	**6 657**	–	–	–	**6 657**
Egypt	**980**	–	–	–	**980**
International (M-Pesa)	**3 971**	–	–	–	**3 971**
Tanzania	**1 887**	–	–	–	**1 887**
DRC	**1 296**	–	–	–	**1 296**
Mozambique	**670**	–	–	–	**670**
Total expenses					
Group	**47 305**	(326)	–	–	**46 979**
South Africa	**27 921**	21	–	–	**27 942**
Egypt	**8 090**	(236)	–	–	**7 854**
International	**11 115**	(111)	–	–	**11 004**
EBITDA					
Group	**26 562**	326	–	–	**26 888**
South Africa	**16 374**	(21)	–	–	**16 353**
Egypt	**6 208**	236	–	–	**6 444**
International	**4 344**	111	–	–	**4 455**
Net profit / (loss) from associates and joint ventures					
Group	**822**	1 089	–	(617)	**1 294**
International	**(437)**	234	–	(134)	**(337)**
Safaricom	**1 259**	856	–	(483)	**1 632**
Operating profit					
Group	**16 127**	1 415	–	(617)	**16 925**
South Africa	**9 842**	(21)	–	–	**9 821**
Egypt	**4 656**	236	–	–	**4 892**
International	**995**	344	–	(134)	**1 205**

TABLE B: Reconciliation of normalised values for the six months ended 30 September 2023

		Foreign exchange			
Rm	**Reported[1]**	**Trading FX[2]**	**Translation FX[3]**	**Hyper inflation[4]**	**Normalised***
Revenue					
Group	**72 798**	–	(6 216)	–	**66 582**
South Africa	**43 269**	–	(3)	–	**43 266**
Egypt	**14 868**	–	(5 519)	–	**9 349**
International	**15 153**	–	(694)	–	**14 459**
Service revenue					
Group	**59 350**	–	(5 990)	–	**53 360**
South Africa	**30 669**	–	(1)	–	**30 668**
Egypt	**14 312**	–	(5 311)	–	**9 001**
International	**14 731**	–	(679)	–	**14 052**
Financial services revenue					
Group	**6 176**	–	(516)	–	**5 660**
Egypt	**804**		(300)	–	**504**
International (M-Pesa)	**3 814**	–	(216)	–	**3 598**
Tanzania	**1 649**	–	(174)	–	**1 475**
DRC	**1 140**	–	(25)	–	**1 115**
Mozambique	**937**	–	(17)	–	**920**
Total expenses					
Group	**45 959**	(66)	(3 658)	–	**42 235**
South Africa	**27 312**	(36)	(2)	–	**27 274**
Egypt	**8 615**	41	(3 184)	–	**5 472**
International	**10 116**	(74)	(473)	–	**9 569**
EBITDA					
Group	**27 286**	66	(2 570)	–	**24 782**
South Africa	**16 013**	36	(1)	–	**16 048**
Egypt	**6 248**	(41)	(2 304)	–	**3 903**
International	**5 432**	74	(236)	–	**5 270**
Net profit from associates and joint ventures					
Group	**1 348**	20	94	(129)	**1 333**
International	**(174)**	(5)	(6)	(28)	**(213)**
Safaricom	**1 521**	25	100	(101)	**1 545**
Operating profit					
Group	**17 013**	86	(1 533)	(129)	**15 437**
South Africa	**9 616**	36	(1)	–	**9 651**
Egypt	**4 168**	(41)	(1 533)	–	**2 594**
International	**2 118**	70	(94)	(28)	**2 066**

TABLE C: Reconciliation of normalised growth for the six months ended 30 September 2024

The reconciliation below presents the normalised growth which has been adjusted for trading foreign exchange gains/losses as well as foreign exchange translations, mergers, acquisitions and disposals where applicable, tax related adjustments where applicable, all at a constant currency rate to show a like-for-like comparison of results.

%	% change[5]	Foreign exchange			Normalised* % change
		Trading FX[2] ppts	Translation FX[3] ppts	Hyper inflation[4]	
Revenue					
Group	**1.0**	–	9.4	–	**10.4**
South Africa	**2.4**	–	–	–	**2.4**
Egypt	**(3.9)**	–	56.8	–	**52.9**
International	**1.5**	–	4.9	–	**6.4**
Service revenue					
Group	**(1.2)**	–	11.1	–	**9.9**
South Africa	**1.3**	–	–	–	**1.3**
Egypt	**(9.4)**	–	53.5	–	**44.1**
International	**1.3**	–	4.9	–	**6.2**
Financial services revenue					
Group	**7.8**	–	9.8	–	**17.6**
Egypt	**21.9**	–	72.5	–	**94.4**
International (M-Pesa)	**4.1**	–	6.3	–	**10.4**
Tanzania	**14.4**	–	13.5	–	**27.9**
DRC	**13.7**	–	2.5	–	**16.2**
Mozambique	**(28.5)**	–	1.3	–	**(27.2)**
Total expenses					
Group	**2.9**	(0.6)	8.9	–	**11.2**
South Africa	**2.2**	0.2	–	–	**2.5**
Egypt	**(6.1)**	(4.7)	54.3	–	**43.5**
International	**9.9**	(0.4)	5.5	–	**15.0**
EBITDA					
Group	**(2.7)**	1.0	10.2	–	**8.5**
South Africa	**2.3**	(0.4)	–	–	**1.9**
Egypt	**(0.6)**	7.1	58.7	–	**65.1**
International	**(20.0)**	0.6	3.9	–	**(15.5)**
Net profit from associates and joint ventures					
Group	**(39.0)**	79.2	(6.9)	(36.2)	**(2.9)**
International	**151.1**	(160.0)	(4.2)	71.3	**58.2**
Safaricom	**(17.2)**	54.4	(6.5)	(24.9)	**5.6**
Operating profit					
Group	**(5.2)**	8.3	9.7	(3.1)	**9.6**
South Africa	**2.4**	(0.6)	–	–	**1.8**
Egypt	**11.7**	11.8	65.1	–	**88.6**
International	**(53.0)**	11.9	4.1	(4.7)	**(41.7)**

TABLE D: Reconciliation of normalised growth for the quarter ended

30 September 2024 Rm	Reported[1]	Translation FX[3]	Normalised*
Revenue			
Group	**37 331**	–	**37 331**
Egypt	**7 324**	–	**7 324**
International	**7 735**	–	**7 735**
Service revenue			
Group	**29 675**	–	**29 675**
Egypt	**6 615**	–	**6 615**
International	**7 497**	–	**7 497**
Financial services revenue			
Egypt	**535**	–	**535**
International	**2 001**	–	**2 001**

30 September 2023 Rm	Reported[1]	Translation FX[3]	Normalised*
Revenue			
Group	**37 130**	(3 471)	**33 659**
Egypt	**7 793**	(3 011)	**4 782**
International	**7 712**	(457)	**7 255**
Service revenue			
Group	**30 374**	(3 332)	**27 042**
Egypt	**7 468**	(2 886)	**4 582**
International	**7 481**	(446)	**7 035**
Financial services revenue			
Egypt	**435**	(169)	**266**
International	**1 960**	(137)	**1 823**

30 September 2024 %	% change[6]	Translation FX[3] ppts	Normalised* % change
Revenue			
Group	**0.5**	10.4	**10.9**
Egypt	**(6.0)**	59.2	**53.2**
International	**0.3**	6.3	**6.6**
Service revenue			
Group	**(2.3)**	12.0	**9.7**
Egypt	**(11.4)**	55.8	**44.4**
International	**0.2**	6.4	**6.6**
Financial services revenue			
Egypt	**23.0**	78.1	**101.1**
International	**2.1**	7.7	**9.8**

Notes:

1. The financial information relating to revenue, service revenue, financial services revenue, total expenses, EBITDA, operating profit and net profit from associates and joint ventures are extracted without adjustment from the summary condensed consolidated financial statements for the six months ended 30 September 2024.
2. Trading foreign exchange adjustments (FX) are foreign exchange gains/losses on foreign denominated monetary assets and liabilities resulting from trading activities of entities within the Group, which is included with other operating expenses as per the condensed consolidated income statement.
3. The Group's presentation currency is the South African rand. Our International businesses utilise a number of functional currencies, for example the United States dollar, Tanzanian shilling, Mozambican metical, and Egyptian pound. Translation foreign exchange (FX) arises from the translation of the results, at average rates, of subsidiaries' functional currencies to Vodacom's presentation currency, being rand. For year-end purposes, IFRS monthly results are translated at the prevailing average monthly exchange rate and the translated value is accumulated for the year. For the pro-forma financial information for the six months ended 30 September 2023, these exchange variances are eliminated by applying the average rate for the six months ended 30 September 2024 (which is derived by dividing the individual subsidiary's translated rand value with the functional currency for the period as applicable to each specified line item) to the 30 September 2023 numbers, thereby giving a user a view of the performance, which excludes exchange variances. The effective translation rates for pro-forma financial information are similar to those used for IFRS purposes. The prevailing exchange rates for the current and comparative periods are disclosed on page 48.
4. Hyperinflation adjustments are IAS29 adjustments to Ethiopia's results as a result of operating in a hyperinflationary economy.
5. For tables A, B, C and D mergers, acquisitions and disposals adjust for the start-up operating and finance costs associated with the Group's direct and indirect exposure in Safaricom Telecommunications Ethiopia Plc (Ethiopia). The Group, excluding its indirect interest via its shareholding in Safaricom, has an effective interest of 5.7% in Ethiopia. In addition, the Group has indirect exposure through Safaricom's 55.7% effective interest in the consortium.
6. The percentage change relates to the year-on-year percentage growth calculated as the percentage change between the year-to-date ended 30 September 2024 and year-to-date 30 September 2023 value.

* 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 year as the 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.

TABLE E: Reconciliation of operating free cash flow and free cash flow

	Six months ended 30 September	
Rm	**2024**	**2023**
Cash generated from operations[1]	**20 843**	21 756
Cash capital expenditure[2]	**(10 500)**	(9 688)
Lease liability payments[3]	**(3 195)**	(3 199)
Movement in amounts due to M-Pesa account holders[4]	**(1 287)**	(1 692)
Operating free cash flow	**5 861**	7 178
Tax paid[1]	**(4 725)**	(5 000)
Finance income received[5]	**881**	889
Finance costs paid[5]	**(2 944)**	(2 887)
Net dividends (paid) to non-controlling shareholders and received from associates[6]	**(149)**	(351)
Free cash flow	**(1 076)**	(172)
Spectrum net payments	**(269)**	(1 056)
Free cash flow after spectrum payments	**(1 345)**	(1 228)

The reconciliation presents the reconciliation of cash generated from operators to free cash flow. Free cash flow excludes the movement in amounts due to M-Pesa account holders and held on their behalf. Management excludes these balances to present a view of the true commercial cash conversion in the operation.

Notes:

1. Extracted from the summary interim consolidated statement of cash flows for the six months ended 30 September 2024 and adjusted for merger and acquisition costs of R260 million.
2. Extracted without adjustment from the summary condensed consolidated statement of cash flows for the six months ended 30 September 2024.
3. Lease liability payments includes interest on lease liabilities of R861 million (1H24: R644 million).
4. Movements included in cash generated from operations relate to money held on behalf of M-Pesa customers, which is not available for use by the Group.
5. This represents the finance costs paid of R3 805 million (1H24: R3 532 million), as extracted from the summary condensed consolidated statement of cash flows for the six months ended 30 September 2024, net of interest on lease liabilities of R861 million (1H24: R644 million).
6. This represents net dividend paid to non-controlling shareholders of R1 569 million (1H24: R1 632 million) and dividends received from associates of R1 420 million (1H24: R1 281 million).

Additional financial and operational measures

This announcement contains certain financial (i.e. Vodacom Business service revenue and EBITDA) and operational (i.e. customers, ARPUs and number of employees) measures which are presented in addition to the financial information disclosed in the consolidated interim financial statements for the six months ended 30 September 2024 which have been prepared in terms of IFRS. The Group's management believes these measures provide valuable additional information in understanding the performance of the Group or the Group's businesses because they provide measures used by the Group to assess performance. However, this additional information presented is not uniformly defined by all companies, including those in the Group's industry. Accordingly, it may not be comparable with similarly titled measures and disclosures by other companies. Additionally, although these measures are important in the management of the business, they should not be viewed in isolation or as replacements for or alternatives to, but rather as complementary to, the consolidated interim financial statements for the six months ended 30 September 2024. The financial measures have been extracted from the management accounts upon which the consolidated interim financial statements for the six months ended 30 September 2024 are based, the quality of which management is satisfied with. Refer to page 16 for details relating to capital expenditure and the supplementary information on pages 48 to 54 for a reconciliation thereof to the reported results included in this announcement.

Trademarks

Forward-looking statements

This announcement which sets out the results for Vodacom Group Limited for the six months ended 30 September 2024 and 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, but are not limited to, statements with respect to: expectations regarding the Group's financial condition or results of operations including the confirmation of the Group's targets; expectations for the Group's future performance generally; expectations regarding the operating environment and market conditions and trends; intentions and expectations regarding the development, launch and expansion of products, services and technologies; growth in customers and usage; expectations regarding spectrum licence acquisitions; expectations regarding adjusted EBITDA, capital additions, free cash flow, and foreign exchange rate movements; and expectations regarding the integration or performance of current and future investments, associates, joint ventures, non-controlled interests and newly acquired businesses.

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 several 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, Vodacom Business 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 or non-tax legal issues.

All subsequent written or oral forward-looking statements attributable to the company, to any member of the Group or to any persons acting on their behalf are expressly qualified in their entirety by the factors referred to above. No assurances can be given that the forward-looking statements in this document will be realised. Subject to compliance with applicable law and regulations, Vodacom does not intend to update these forward-looking statements and does not undertake any obligation to do so.

Corporate information

Vodacom Group Limited

(Incorporated in the Republic of South Africa)
Registration number: 1993/005461/06
(ISIN: ZAE000132577 Share Code: VOD)
(ISIN: US92858D2009 ADR code: VDMCY)
(Vodacom)

Directors

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ADR Depository Bank

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