



01

MATERIAL MATTERS

- 01
- 02
- 03
- 04
- 07

See icon references on page 02.

Footprint strengthened

How this supports our purpose

With our expansion into Ethiopia and proposed acquisition of a controlling stake in Vodafone Egypt, we are set to extend our market leadership position to cover more than 500 million people across the African continent. Our enhanced footprint provides us with a unique platform to scale our strategy while we also selectively partner with global tech to connect people for a better future.

Acquiring a controlling stake in one of Africa’s premier telecoms operators, Vodafone Egypt

In November 2021, we announced that the Group entered into a binding agreement to acquire a controlling 55% shareholding in Vodafone Egypt for a total consideration of US\$2 738 million. This acquisition presents a unique opportunity to advance our connectivity and financial service offerings in an expanding ICT market, providing our shareholders with exciting revenue and profitability diversification opportunities. Vodafone Egypt’s growth outlook is supported by a network and spectrum advantage compared to peers, market leadership in consumer and enterprise segments, and a brand synonymous with technology leadership.

Rolling out world-class services in Ethiopia

In April 2021, the Group participated as a direct minority investor and an indirect strategic investor through Safaricom, in a consortium controlled by Safaricom, bidding for a mobile telecoms licence in the Federal Democratic Republic of Ethiopia. In May 2021, The Ethiopian Communications Authority confirmed that our consortium’s proposal was successful, with an effective licence date of 9 July 2021. With the awarding of this licence, the consortium intends to transform lives and provide world-class services to Africa’s second most populous country¹.

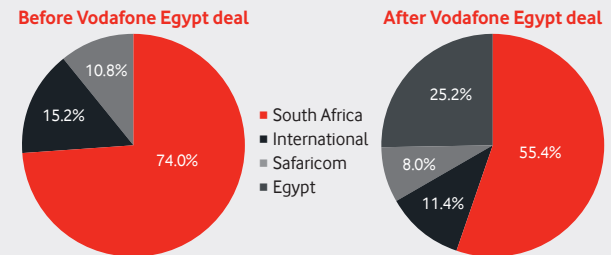
Value created Value eroded Value sustained

¹ The Group, excluding its indirect interest via its shareholding in Safaricom, has an effective interest of 6.2% in the consortium. In addition, the Group has indirect exposure through Safaricom’s 55.7% effective interest in the consortium.

Looking ahead

SHORT-TERM	Priorities for FY2023
	● Build and scale a world-class telecoms network in Ethiopia.
	● Acquire a mobile money licence for Ethiopia.
	● Finalise integration of Vodafone Egypt into the Group.
	● Accelerate economic development and help to bridge South Africa’s digital divide with the fibre acquisition.

FY2022 operating profit



After Vodafone Egypt deal

64 million financial services customers, extending our leading fintech position	39 000 network sites and one of Africa’s largest tower owners
53% smartphone penetration, providing structural data opportunity	Population reach of more than 500 million , supporting scalable partnerships

MEDIUM AND LONG-TERM	Ambitions for Ethiopia
	US\$1.5 – 2.0 billion investment in capex over the next 5 years.
	Network rollout of 10 000 to 12 000 sites in the next 10 years.
	Safaricom Ethiopia to reach EBITDA break-even in 4 years and an EBITDA margin of 40% in 10 years.
	Enablers: <ul style="list-style-type: none"> ● Aggressive network expansion. ● SIM card penetration. ● Mobile money product launch.

[Safaricom FY2022 investor presentation](#)