

Vodacom Group Limited

Fact sheet

as at 31 March 2023

Vodacom is a leading and purpose-led African connectivity, digital and financial services company. The Group, including Safaricom, serves 186 million customers spanning across the consumer and enterprise segments. From our roots in South Africa, we have grown our business to include operations in Tanzania, the DRC, Mozambique, Lesotho, Kenya, Ethiopia and now Egypt. Our mobile networks cover a total population of over 500 million people¹. Through Vodacom Business Africa (VBA), we offer business-managed services to enterprises in 48 countries. Vodacom is majority-owned by Vodafone (65.1% holding), one of the world's largest communications companies by revenue.

1. Total population including Kenya, Ethiopia and Egypt.



History

Consistent track record of innovation

1993	1995	1996	1997	2002	2003	2006	2008	2009	2012	2017	2018	2019	2020	2021	2022
Awarded a licence to operate a GSM cellular network in South Africa	Vodacom launched in Lesotho	First to launch prepaid services in the world on IN platforms	Vodacom launched in Tanzania	Vodacom launched in the DRC	Vodacom launched in Mozambique	Vodacom launches a state of the art 3G HSDPA network in South Africa	Vodacom Business launches	Listed on the JSE (18 May)	First to launch 4G in South Africa	Acquired 35% of Safaricom in Kenya	First telco in Africa to launch commercial 5G network in Lesotho	Completed largest BEE transaction in telecommunications sector	Landmark agreement with Alipay to drive digital and financial inclusion	South Africa fibre deals announced VodaPay and M-Pesa super-apps launched	Ethiopia ¹ launched Vodafone Egypt acquisition concluded

Key people

Chairman of the Board

Mr Sakumzi (Saki) Macozoma is a prominent businessman in South Africa. He is the chairman of Safika Holdings, Tshipi é Ntle and Ntsimbintle Mining and is also a director at Volkswagen South Africa. He is the former chairman of the Presidents Big Business Working Group, Business Leadership South Africa, Business Trust, SA Tourism, Council of Wits University and Council of Higher Education. Saki was appointed to the Vodacom Group Board in July 2017 and appointed chairman in July 2020.



Sakumzi Justice Macozoma (66)

Group Chief Executive Officer

Shameel is a former CEO of Vodafone Spain. He was previously the Managing Director of Vodacom South Africa and a Director of the Vodacom Group Board from 2000 until 2010 prior to his secondment to Vodafone Spain. Shameel joined Vodacom in March 1994 after completing his accounting training contract and has been Managing Director of a number of Vodacom companies since 1998. He was re-appointed to the Vodacom Group Board in September 2012 after his return from Spain.



Mohamed Shameel Aziz Joosub (52)

Group Chief Financial Officer

Raisibe was appointed as the Chief Financial Officer and Executive Director of Vodacom Group with effect 1 November 2020. She joined Vodacom from the Nedbank Group where she had been the Group Chief Financial Officer since September 2009. She has a cumulative 26 years' experience in Financial Services in various large corporates in South Africa, including Nedbank Group, Sanlam Group and the Industrial Development Corporation.



Raisibe Morathi (54)

Non-executive Board members:

Sakumzi Justice Macozoma, Anna Dimitrova, Clive Bradney Thomson, Phuthi Mahanyele-Dabengwa, Nomkhitha Cylida Nqweni, Khumo Lesego Shuenyane, Leanne Susan Wood (Alternate Francesco Bianco), John William Lorimer Otty, Sunil Sood, Pierre Klotz

Executive committee:

Mohamed Shameel Aziz Joosub (Group CEO), **Raisibe Morathi** (Group CFO), **Sitholizwe (Sitho) Mdlalose** (CEO: Vodacom South Africa), **Mohamed (Kima) Abdallah** (CEO: Vodafone Egypt), **Mariam Cassim** (Chief Officer: Vodacom Financial and Digital Services), **Diego Gutierrez** (Chief Officer: International Business), **Dejan Kastelic** (Chief Officer: Technology), **Matimba Mbungela** (Chief Officer: Human Resources), **Nkateko Nyoka** (Chief Officer: Legal and Compliance), **Stephen Chege** (Chief Officer: External Affairs), **Peter Ndegwa** (Chief Executive Officer: Safaricom), **Sean Bennett** (Chief Officer: M&A, Business Development and Transformation), **Murielle Lorilloux** (Chief Officer: Commercial and Strategy)¹

Notes:

1. Murielle Lorilloux was appointed as effective 1 April 2023.

Key financials

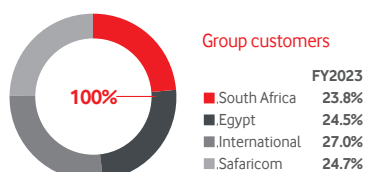
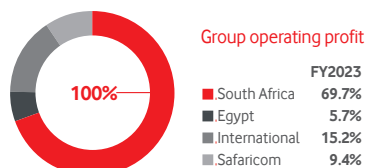
Group statutory performance measures

Rm	Year ended 31 March		% change	
	2023	2022	Reported	Normalised*
Revenue	119 170	102 736	16.0	4.9
Service revenue	93 650	79 936	17.2	3.5
Net profit from associates and joint ventures	2 607	3 056	(14.7)	11.4
Operating profit	29 252	28 236	3.6	(0.9)
Net profit	18 111	17 734	2.1	
Earnings per share (cents)	948	1 013	(6.4)	
Headline earnings per share (cents)	948	1 013	(6.4)	
Total dividend per share (cents)	670	850	(21.2)	

Group additional performance measures

Rm	Year ended 31 March		% change	
	2023	2022	Reported	Normalised*
EBITDA	45 144	39 888	13.2	3.6
EBITDA margin (%) ¹	37.9	38.8	(0.9ppt)	
Capital expenditure ²	16 490	14 642	12.6	
Capital intensity (%) ²	13.8	14.3	(0.5ppt)	
Operating free cash flow	25 111	22 693	10.7	
Free cash flow	18 524	15 660	18.3	
Financial services revenue ³	9 856	7 626	29.2	14.3

Contribution % as at 31 March 2023



Medium-term targets

Mid-high single digit Group service revenue growth

High-single digit Group EBITDA growth

13.0% – 14.5% of Group capital expenditure as a % 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, including Vodafone Egypt¹ but excluding spectrum purchases, exceptional items and the acquisition of a joint-control stake in MAZIV.

1. Vodafone Egypt included in FY23 on a pro forma basis at an exchange rate of ZAR/EGP: 1.7, based on service revenue of EGP39.1 billion, EBITDA of EGP17.7 billion and capital expenditure of EGP6.0 billion.

Notes:

- EBITDA margin is EBITDA as a percentage of revenue.
- Capital intensity is capital expenditure as a percentage of revenue.
- The combination of South Africa financial services revenue, Egypt financial services revenue and International M-Pesa revenue.

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 in the annual results.

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 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 year ended 31 March 2022 compared to the year ended 31 March 2021, unless stated otherwise.

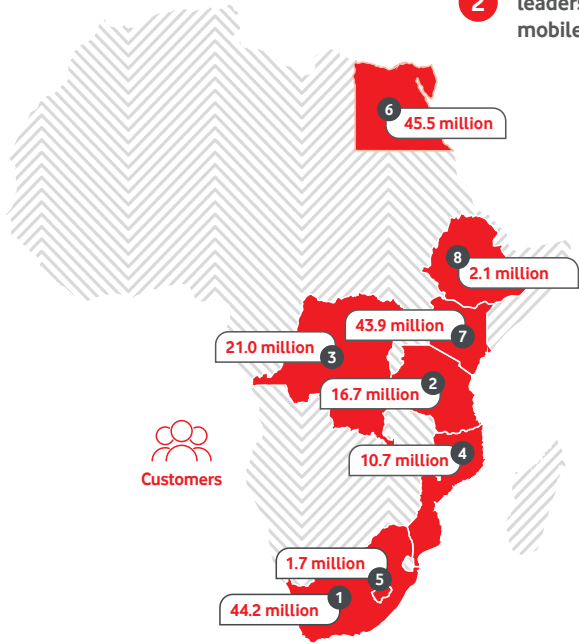
Our system of advantage

1 Africa's leading communications company

2 Diversify and differentiate with our digital ecosystem

3 Optimised, future-ready TechCo

Where we operate



1 Footprint strengthened

2 Secure leadership in mobile and fixed

3 Scale financial and digital services

4 Digital partner of choice for enterprises

5 World-class loyalty and customer experience

6 Personalisation through CVM and Big Data

7 Optimise assets through sharing

8 Technology leadership in network and IT

9 TechCo organisation and culture

10 Trusted brand and reputation

2023 Investor relations calendar

- Integrated report: 15 June 2023
- Vodacom Group AGM: 20 July 2023
- Quarter one results: 21 July 2023
- Interim results: 13 November 2023

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- [@vodacom](https://twitter.com/vodacom)
- facebook.com/vodacom

Ticker symbol	ADR code	Stock exchange	Number of shares in issue	Free float	Transfer agent
VOD	VDMCY	JSE Limited	2 077 841 204	15.47%	Computershare

	1	2	3	4	5	6	7	8	
	South Africa	Tanzania	DRC	Mozambique	Lesotho	Egypt	Kenya (Safaricom)	Ethiopia (Safaricom)	
Ownership	100%	75%	51%	85%	80%	55%	34.94% ¹	6.2% ² (direct)	
Population ³ (estimate)	60.4 million	67.4 million	102.3 million	33.9 million	2.3 million	112.7 million	55.1 million	126.5 million	
GDP growth ³ (estimate)	0.5%	5.7%	5.7%	6.5%	2.1%	3.2%	5.1%	6.4%	
ARPU ⁴ (local currency per month)	R93 (FY2022: R90)	TZS 5 328 (FY2022: TZS 5 132)	US\$2.8 (FY2022: US\$2.8)	MZN 199 (FY2022: MZN 249)	LSL 51 (FY2022: LSL 52)	EGP 68 (FY2022: EGP 57)	KES 572 (FY2022: KES 562) ⁵		
ARPU USD	5.2	2.2	2.8	3.0	2.9	2.2	4.3		
Licence expiry period	2029	2031	2039 2032/2038 ⁶	2038	2036	2031	2022/2024 2026 ⁷	2036	
Coverage	2G	99.8%	93.6%	57.8%	77.8%	96.7%	99.3%	97.0%	22.0%
	3G	99.4%	68.5%	37.4%	78.7%	98.0%	98.8%	96.0%	22.0%
	4G	98.5%	56.2%	41.2%	80.0%	94.0%	97.5%	95.0%	22.0%
	5G	17.9%	-	-	-	-	-	-	-
Data customers (thousand)	25 519	8 748	7 209	5 696	832	26 264	25 220	920	
Smartphone penetration	64.5%	35.3%	19.4%	51.6%	66.3	67.9%	43.5%		
NPS	3rd	1st	1st	3rd	2nd	1st	2nd		
Network NPS	1st	1st	1st	1st	Co-lead	1st	1st		
Number of employees ⁹	5 401	581	534	785	247	5 659	4 422	909	

Notes:

- 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 illustrative purposes only.
- The Group, excluding its indirect interest via its shareholding in Safaricom, has an effective interest of 6.2% in Safaricom Telecommunications Ethiopia Plc (STEP). In addition, the Group has indirect exposure through Safaricom's 55.7%. This implies an overall look-through stake of 25.7%.
- The Bureau for Economic Research for SA and Fitch Solutions for all other countries (extraction date: April 2023).
- Total average revenue per user (ARPU) is calculated by dividing the average monthly service revenue by the average number of monthly customers during the period.
- Total ARPU is calculated by dividing the average total service revenue by the average number of monthly customers during the period.
- 2039 (2G licence), 2032 (3G licence), 2038 (4G licence).
- 2022 (3G licence), 2024 (2G licence) and 2026 (4G licence).
- Formal points of presence include Vodacom-owned and franchised shops, service providers and private outlets, retailers who purchase directly from Vodacom, M-Pesa agents and ATMs. Informal points of presence include super dealers, territory and data dealers, street vendors/freelancers, informal resellers and virtual top-ups.
- South Africa number of employees also includes headcount for other holding companies and Vodacom consolidated adjustments.

Forward-looking statement

This factsheet contains 'forward-looking statements', which have not been reviewed or reported on by the Group's auditors, with respect to the Group's financial condition, results of operations and businesses and certain of the Group's plans and objectives. In particular, such forward-looking statements include statements relating to: the Group's future performance; future capital expenditures, acquisitions, divestitures, expenses, revenues, financial conditions, dividend policy, and future prospects; business and management strategies relating to the expansion and growth of the Group; the effects of regulation of the Group's businesses by governments in the countries in which it operates; the Group's expectations as to the launch and roll out dates for products, services or technologies; expectations regarding the operating environment and market conditions; growth in customers and usage; and the rate of dividend growth by the Group.

Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as "will", "anticipates", "aims", "could", "may", "should", "expects", "believes", "intends", "plans" or "targets" (including in their negative form). By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, the following: changes in economic or political conditions in markets served by operations of the Group; greater than anticipated competitive activity; higher than expected costs or capital expenditures; slower than expected customer growth and reduced customer retention; changes in the spending patterns of new and existing customers; the Group's ability to expand its spectrum position or renew or obtain necessary licences; the Group's ability to achieve cost savings; the Group's ability to execute its strategy in fibre deployment, network expansion, new product and service roll-outs, mobile data, Enterprise and broadband; changes in foreign exchange rates, as well as changes in interest rates; the Group's ability to realise benefits from entering into partnerships or joint ventures and entering into service franchising and brand licensing; unfavourable consequences to the Group of making and integrating acquisitions or disposals; changes to the regulatory framework in which the Group operates; the impact of legal or other proceedings; loss of suppliers or disruption of supply chains; developments in the Group's financial condition, earnings and distributable funds and other factors that the Board takes into account when determining levels of dividends; the Group's ability to satisfy working capital and other requirements; changes in statutory tax rates or profit mix; and/or changes in tax legislation or final resolution of open tax issues.

All subsequent oral or written forward-looking statements attributable to the Group or any member thereof or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statements above and below. Vodacom expressly disclaims any liability in respect of the content of any forward looking statement and also expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein or to reflect any change in their expectations with regard thereto or any change in events, conditions or circumstances on which any such forward-looking statement is based.