

Vodacom Group Limited fact sheet

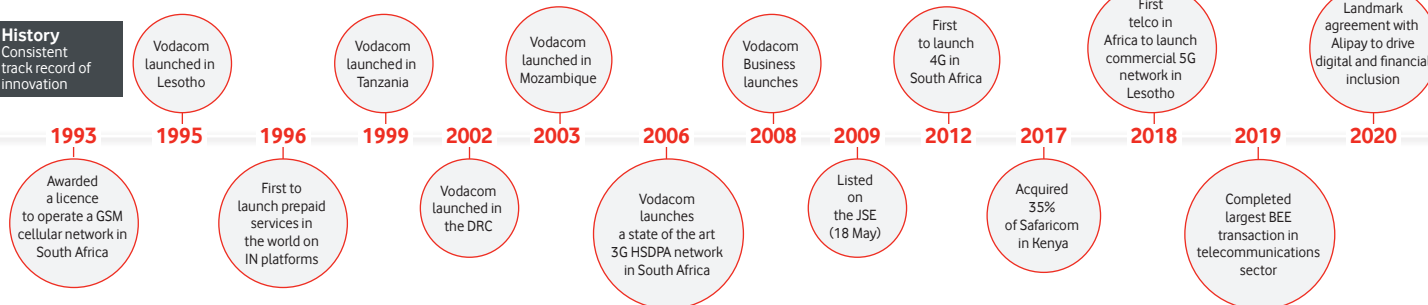
as at 30 September 2020

Vodacom is a leading and purpose-led African connectivity and financial services company. The Group, including Safaricom, serves 120 million customers spanning across the consumer and enterprise segments. The Group offers a wide range of services, including: telecommunication, IT, digital and financial services. From our roots in South Africa, we have grown our mobile network business to include operations in Tanzania, the DRC, Mozambique, Lesotho and Kenya¹. Our mobile networks cover a total population of over 296 million people². Through Vodacom Business Africa (VBA), we offer business-managed services to enterprises in 29 countries. Vodacom is majority-owned by Vodafone (60.5% holding), one of the world's largest communications companies by revenue.



History

Consistent track record of innovation



Key people



Sakumzi Justice Macozoma (63)
Chairman of the Board

Mr Sakumzi (Saki) Macozoma is a prominent businessman in South Africa. He is the chairman of Safika Holdings and Tshipi é Ntle and Ntsimbintle Mining and 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.



Mohamed Shameel Aziz Joosub (49)
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.



Raisibe Morathi (51)
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.

Non-executive Board members: David Hugh Brown, Clive Bradney Thomson, Sakumzi Justice Macozoma, Phuthi Mahanyele-Dabengwa (Alternate Nomkhita Nqweni), Leanne Wood (Alternate Francesco Bianco), John William Lorimer Otty, Vivek Badrinath, Sunil Sood, Pierre Klotz

Executive committee:

Mohamed Shameel Aziz Joosub (Group Chief Executive Officer)
Raisibe Morathi^a (Group Chief Financial Officer)
Dejan Kastelic^b (Group Chief Technology Officer)
Matimba Mbungela (Group Chief Human Resources Officer)
Nkateko Nyoka (Group Chief Legal and Compliance Officer)
Puso Manthata^c (Group Chief Strategy and M&A Officer)
Mariam Cassim (Group Chief Financial and Digital Services Officer)
Diego Gutierrez (Group Chief International Business Officer)
Balesh Sharma^d (Managing Director: Vodacom South Africa)
Peter Ndegwa (Chief Executive Officer: Safaricom)

Notes:

- Raisibe Morathi was appointed as Group Chief Financial Officer effective 1 November 2020.
- Dejan Kastelic was appointed as Group Chief Technology Officer effective 1 May 2020.
- Puso Manthata was appointed as Group Chief Strategy and M&A Officer with effect from 1 June 2020.
- Balesh Sharma was appointed as Managing Director of Vodacom South Africa with effect from 1 July 2020.

Key financials

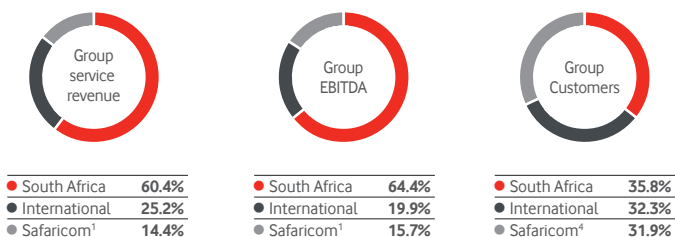
Statutory performance measures

Rm	Six months ended 30 September		% change	
	2020	2019	Reported	Normalised*
Revenue	47 844	44 389	7.8	4.7
Service revenue	38 515	36 003	7.0	3.4
EBITDA	19 433	18 166	7.0	5.1
Net profit from associate and joint ventures ³	2 571	1 673	53.7	(6.0)
Operating profit ³	14 465	12 883	12.3	3.1
Net profit ³	9 271	8 199	13.1	
Earnings per share (EPS) (cents)	533	461	15.6	
Headline earnings per share (HEPS) (cents)	532	460	15.7	
Interim dividend per share (cents)	415	380	9.2	
Special dividend per share (cents)	–	60	(100.0)	

Alternative performance measures

Rm	Six months ended 30 September		% change	
	2020	2019	Reported	
Capital expenditure	6 551	6 349	3.2	
Operating free cash flow	6 848	7 476	(8.4)	
Free cash flow	5 280	2 749	92.1	

Contribution % – As at 30 September 2020



Medium-term targets reinstated

- Mid-single digit Group service revenue growth
- Mid-single digit Group operating profit growth (including profit from associate – Safaricom)
- 13.0% – 14.5% of Group capital expenditure as a % of Group revenue

Notes:

* Normalised growth, which presents performance on a comparable basis. This excludes merger, acquisition and disposal activities where applicable, tax related adjustment where applicable and adjusting for trading foreign exchange, foreign currency fluctuation on a constant currency basis (using the current year as base) 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 2020 compared to the six months ended 30 September 2019, unless stated otherwise.

- Represents Safaricom's values in proportion to our stake of 34.94%.
- Total population including Kenya.
- In the current period, net profit from associate and joint ventures and operating profit was impacted by a positive one-off deferred tax rate adjustment of R805 million. The adjustment related to the decrease of the corporate tax rate in Kenya, which fell from 30% to 25%. At a net income level, and after the impact of non-controlling interests, the adjustment was R705 million.
- Represents Safaricom's value at 100%.

Our purpose of connecting for a better future guides our strategic objectives



Best Customer experience

We provide a seamless, frictionless, personalised, digital experience to our customers.



Segmented propositions

We develop a deep insight of our customers' needs, wants and behaviours, and provide propositions to lead in chosen segments.



Financial services

We scale our financial services offerings to empower the lives of our customers through financial inclusion.



Digital content platforms

We grow into new verticals of digital services to better serve our customers and create value.



Best technology

We aim to be the leading telco in all markets through best network and IT excellence, with digital at the core.



Digital organisation and culture

We build an organisation of the future where digital is first for all employees, underpinned by innovation, agility and new skills.



Our brand and reputation

We are a purpose-led organisation, connecting for a better future by enabling a digital society, inclusive for all, with the least environmental impact.

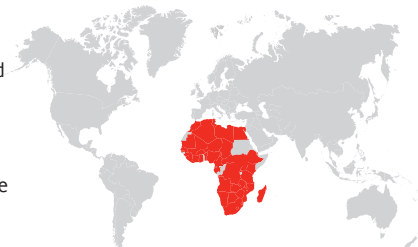


a) South Africa

Ownership	100%
Population ¹ (estimate)	59.3 million
Customers (thousand)	42 862
ARPU ² (local currency per month)	R99
Licence expiry period	2029
Coverage	(2G) 99.9% (3G) 99.8% (4G) 96.4%
NPS	1st
Points of presence – formal ⁵	9 232
Points of presence – informal ⁵	58 123
Number of employees	5 521

Vodacom Business Africa

Algeria	Equatorial Guinea	Madagascar	Swaziland
Angola	Guinea	Malawi	Tanzania
Botswana	Ethiopia	Mauritius	Tunisia
Cameroon	Gabon	Morocco	Uganda
Côte d'Ivoire	Ghana	Mozambique	Zambia
Congo (DRC)	Kenya	Namibia	Zimbabwe
Djibouti	Lesotho	Nigeria	
Egypt	Liberia	South Africa	



b) Lesotho

Ownership	80%
Population ¹ (estimate)	2.1 million
Customers (thousand)	1 496
ARPU ² (local currency per month)	LSL60
Licence expiry period	2036
Coverage	(2G) 97.1% (3G) 98.7% (4G) 84.3%
NPS	2nd
Points of presence – formal ⁵	12 437
Points of presence – informal ⁵	11 118
Number of employees	240



c) Mozambique

Ownership	85%
Population ¹ (estimate)	31.3 million
Customers (thousand)	7 677
ARPU ² (local currency per month)	MZN237
Licence expiry period	2038
Coverage	(2G) 67.3% (3G) 56.1% (4G) 25.2%
NPS	3rd
Points of presence – formal ⁵	33 425
Points of presence – informal ⁵	8 762
Number of employees	645



d) DRC

Ownership	51%
Population ¹ (estimate)	89.6 million
Customers (thousand)	14 470
ARPU ² (local currency per month)	US\$2.7
Licence expiry period ⁴	2028/2032/2038
Coverage	(2G) 56.2% (3G) 31.7% (4G) 24.9%
NPS	1st
Points of presence – formal ⁵	25 674
Points of presence – informal ⁵	383 923
Number of employees	561



e) Tanzania

Ownership	75.0%
Population ¹ (estimate)	59.7 million
Customers (thousand)	14 958
ARPU ² (local currency per month)	TZ55 208
Licence expiry period	2031
Coverage	(2G) 92.7% (3G) 60.4% (4G) 38.1%
NPS	1st
Points of presence – formal ⁵	89 791
Points of presence – informal ⁵	27 981
Number of employees	567



f) Safaricom

Ownership	34.94%*
Population ¹ (estimate)	53.8 million
Customers (thousand)	38 144
ARPU ³ (local currency per month)	KE\$537
Licence expiry period ⁶	2022/2024/2026
Coverage	(2G) 96% (3G) 95% (4G) 91%

Where we operate



Notes:

- * Vodacom Group Limited owns 87.5% of Vodafone Kenya Ltd, which in turn holds 39.93% of Safaricom Plc, giving Vodacom an effective holding in Safaricom of 34.94%.
- 1. The Bureau of Economic Research for SA and Fitch Solutions for all other countries (Extraction date: October 2020).
- 2. Total ARPU is calculated by dividing the average monthly service revenue by the average total monthly customers during the period.
- 3. Total ARPU is calculated by dividing the service revenue by the average monthly customers during the period.
- 4. 2028 (2G licence), 2032 (3G licence), 2038 (4G licence).
- 5. Formal points of presence include Vodacom owned and franchised shops, service providers and private outlets, retailers that 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. As at 31 March 2020.
- 6. 2022 (3G licence), 2024 (2G licence), 2026 (4G licence).



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Calendar

2 February 2021	3Q21 results
18 May 2021	FY21 results
29 July 2021	1Q22 results
15 November 2021	1H22 results

Ticker symbol	VOD
ADR code	VDMCY
Stock exchange	JSE Limited
Shares in issue	1 835 864 961
Free float	20.2%
Transfer agent	Computershare

Forward-looking statements

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.