

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

23 July 2025

Trading update for the quarter ended 30 June 2025 (the quarter) (short form announcement)

Highlights

- Group revenue grew 10.6% (12.7%*) to R40.0 billion.
- Group service revenue growth accelerated to 13.8%* on a normalised basis, tracking favourably against our medium-term target.
- South Africa service revenue growth increased to 3.0%, supported by contract.
- Egypt grew service revenue 43.8%* in local currency, with Egypt financial services revenue up.
- International business service revenue increased 9.7%, with normalised growth accelerating to 12.4%*.
- Group financial services revenue increased 18.1% (21.3%*) to R3.9 billion.
- Transacted US\$460.0 billion through our mobile money platforms, including Safaricom, over the last twelve months.

Rm	Quarter ended 30 June		YoY % change	
	2025	2024	Reported	Normalised*
Group revenue	40 028	36 207	10.6	12.7
South Africa	22 520	21 817	3.2	3.2
Egypt	9 346	6 966	34.2	44.3
International	8 427	7 648	10.2	12.9
Group service revenue	32 258	28 962	11.4	13.8
South Africa	15 793	15 338	3.0	3.0
Egypt	8 495	6 352	33.7	43.8
International	8 137	7 420	9.7	12.4

Notes:

The quarterly information has not been audited or reviewed by Vodacom's external auditors. All growth rates quoted are year on year and refer to the quarter ended 30 June 2025 compared to the quarter ended 30 June 2024.

Certain financial information presented in this trading update 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 full trading update. The pro forma financial information is presented as:

* 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.

The pro forma financial information has not been audited or reviewed or otherwise reported on by external auditors.

Shameel Joosub, Vodacom Group CEO commented

Encouraging trends from Vodacom Group's first quarter performance support the confidence we communicated in May this year, when we upgraded our financial targets, signalling that the organisation is poised for stronger growth in the medium-term. These trends include strong revenue and service revenue growth in rand terms, a healthier performance trajectory by our International business, good growth in the contract segment and beyond mobile services in South Africa, and another all-round excellent performance by Egypt.

Given the transformational impact we have on our customers and the economies where we operate, I'm extremely proud of the initiatives we drive as a purpose-led company. In recent times, we've stepped up to help communities devastated by the floods in South Africa's Eastern Cape and KwaZulu-Natal. In addition to a monetary donation, Vodacom is also providing support in all the affected teacher centres in both provinces. In partnership with South Africa's Department of Basic Education, Vodacom has connected and continues to maintain 92 teacher centres and over 3 000 schools across the country.

The Group's digital education solutions and partnerships provide 3.0 million beneficiaries with access to educational resources and school connectivity, tailored to specific country needs. Initiatives include the e-learning platform in South Africa, Ta3limy in Egypt, VodaEduc in DRC, Vodacom Faz Crescer in Mozambique, and Instant Network Schools in multiple countries through our partnership with the UN Refugee Agency. In June 2025, we announced a TZS3 billion (R20 million) partnership to improve the quality of education across Tanzania, with the Tanzania Institute of Education and Twaweza East Africa.

More recently, we were encouraged by an announcement from South Africa's Competition Commission that it will no longer oppose our acquisition of a 30% stake in Maziv ahead of the Competition Appeal Court hearing on 22 July 2025, given expanded conditions agreed to by the merger parties. Should the transaction receive the requisite approval, I'm confident that it will enable us to accelerate fibre network expansion, help bridge the digital divide and contribute meaningfully to job creation in South Africa.

Despite an uncertain global environment, our strategy to diversify our revenue growth by product and geography continues to pay dividends, evidenced by the 10.6% growth in revenue to R40.0 billion. Group service revenue increased 11.4% to R32.3 billion in the first quarter, supported by Group financial services revenue growth accelerating to 18.1%.

Normalised Group service revenue growth of 13.8%* is tracking favourably against our medium-term target of double-digit growth. Egypt remains a star performer having grown service revenue at 43.8%* in local currency, well above the rate of inflation. South Africa delivered a resilient 3.0% increase in service revenue, while Tanzania, DRC and Lesotho were the significant contributors to the 12.4%* growth in International business. Service revenue from our beyond mobile services was a key growth driver and contributed R6.9 billion in the quarter, which equates to 21.4% of the Group and is well on track to reach our target contribution of 30% by 2030.

Financial services remains a clear strategic priority for the Group and is the largest component of beyond mobile services. Including Safaricom, we now process US\$460.0 billion in mobile wallet transaction value annually, which underscores the impact and scale of this business. This is a 14.9% increase in transaction value over the past 12 months and showcases our clear fintech leadership position in Africa.

The sustained growth of our financial services is particularly pleasing as this seeks to deepen financial inclusion through an increasing portfolio of services that already includes insurance, loans, savings, international money transfer and merchant services. Group financial services revenue of R3.9 billion was supported by strong growth from our insurance business in South Africa, excellent growth in Egypt of 44.3% (55.1% in local currency) and a 17.4% (20.8%* normalised) increase from International business on the back of an improved performance in Mozambique.

Looking at our geographic segments, South Africa's results were supported by strong performance in the contract segment and good growth in financial services, fibre and cloud services, offsetting a marginal decline in our prepaid segment. Supported by additional data allocations, good growth in smart devices and significant investments in our network, data traffic grew 32.7%. Having invested R1.6 billion in the quarter, we expect to invest around R12.0 billion of capital expenditure in the current financial year to further enhance customer experience.

Egypt's strong performance was underpinned by clear NPS leadership and consistent network investment, which included the launch of 5G services in the quarter. All of the ongoing enhancements to our integrated connectivity and content packages, Vodafone Cash traction and fixed service revenue growth contributed to Egypt's commercial momentum. As a result, financial services customers increased 37.3% to 12 million and data traffic grew 23.6%. With service revenue of R8.5 billion, Egypt now accounts for 26.3% of the Group's total, ending the quarter with 52.2 million customers, up 6.4%.

Across our International business, our network investment of R1.2 billion contributed to the 20.7% increase in the number of 4G sites across the portfolio, resulting in strong data revenue growth and the 9.7% growth in service revenue to R8.1 billion. Data traffic grew by 35.4% while smartphone users increased by an impressive 0.9 million in the quarter to reach 21 million, as we accelerate smartphone penetration with innovative financing options. From a market perspective, we continued to deliver excellent local currency growth of 22.7% in Tanzania. Growth in Lesotho improved to 11.0%, while DRC returned to double-digit US dollar service revenue growth of 12.0%. Although service revenue in Mozambique was down 2.5% in local currency, this is a clear improvement from prior quarters and paves the way for a return to growth in FY2026.

Looking ahead, we're focused on delivering on our Vision 2030 targets, which include growing our customer base to 260 million and our financial services customer base to 120 million. Core to this strategy will be accelerating mobile and fixed connectivity, scaling handset financing and the roll-out of innovative digital and financial services in all our markets. We will also seek to expand our partnerships across Africa to power Vodacom's growth, drive infrastructure sharing to increase rural and fibre connectivity and expand the reach of our Tech for Good solutions.

I firmly believe that Vodacom is ideally positioned to capture the structural growth opportunities across our markets, while at the same time delivering on our purpose of connecting people to a better future.

This short-form trading update is the responsibility of the directors and is only a summary of the information in the full trading update and does not contain full or complete details. Any investment decision should be based on the full trading update that has been published on the JSE's cloudlink at <https://senspdf.jse.co.za/documents/2025/jse/isse/VOD/1Q26SENS.pdf> and is also available on our website www.vodacom.com. Copies of the full trading update may be requested by contacting Investor Relations on telephone: +27 (0) 11 653 5000 or email: vodacomir@vodacom.co.za.

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