

# Our investment case

Our business thrives because of our purpose-led business model, which is enabled by a powerful multi-product strategy called the system of advantage. Our connectivity reach transforms lives and empowers businesses through digital and financial inclusion as we connect people for a better future. Against this backdrop of positive societal impact, we see scope to accelerate our growth and enhance financial returns to support superior shareholder returns.

## Supported by our system of advantage



We are a market leader in the countries where we operate, with an attractive return on capital employed (ROCE)

- Access to 129.6 million customers.
- ROCE of 23.4%, well above weighted average cost of capital.
- Strategic mindset to enhance value creation and leverage scale.

Vodacom's decision to diversify our geographic exposure continues to pay dividends. Our strategic investment in Safaricom in 2017 has proven to be value accretive. Following this, we announced two transformative acquisitions to further enhance the Group's growth and return profile. This includes Vodafone Egypt, a clear market leader with a track record of strong growth and attractive returns, and CIVH's fibre subsidiaries, which will enable us to accelerate fibre reach in South Africa and help bridge the digital divide. Additionally, our Safaricom-led consortium was awarded a licence to roll out mobile services in Ethiopia. Our consortium intends to transform lives and provide world-class services to Africa's second most populous country, thereby providing the Group with an additional long-term growth vector.



Meaningful growth opportunities across connectivity, digital and financial services

- Data and smartphone penetration upside.
- Building Africa's largest fintech, driven by the VodaPay and M-Pesa super-apps.
- Targeting mid-to-high single-digit Group EBITDA growth over the next three years, excluding proposed acquisitions (such as Vodafone Egypt).
- Opportunity to accelerate growth and returns through the Vodafone Egypt acquisition and South Africa fibre deal.



We have a trusted management team

- Incentivised to create value and deliver on key ESG variables.
- Strong execution track record.



We are a responsible corporate citizen

- Purpose-led model.
- Recognised as an ESG leader by Sustainalytics and MSCI.

## Priorities to enhance shareholder value

### Execute on our system of advantage

#### Leadership in fixed and mobile

- Complete M&A
- Fibre partnerships (all markets)

#### Diversify with our digital ecosystem

- Scale super-apps

#### Optimised TechCo

- Separate South African towers
- Increase tenancies

### Disciplined capital structure and allocation

#### Utilise debt capacity

- Threshold of 1.5x EBITDA

#### Simplify dividend

- Updated policy

#### Invest within framework

- Maintain capex intensity

### Accelerate and diversify returns

#### Earnings and free cash flow

- Accelerating Group growth potential

#### Attractive returns

- Improve ROCE

#### Attractive returns

- One of the highest JSE dividend pay-outs

### Enhance societal value

#### Inclusion for all

- Increase female representation at management level\*

#### Planet

- Reduce GHG emissions\*

#### Digital society

- Drive financial inclusion\*

\* ESG metrics included in management long-term incentives (LTIs)