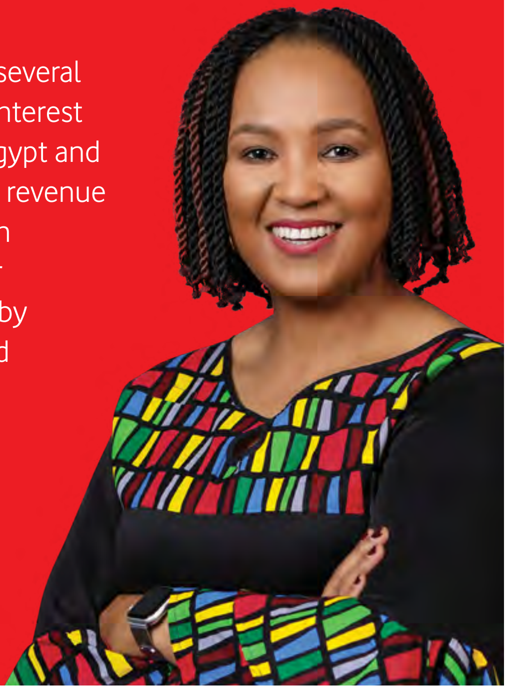
FC

Financial capital

Dear stakeholders

This was a year characterised by strong commercial momentum despite facing several economic headwinds, including higher interest rates and foreign exchange pressures. Egypt and our new services were the key drivers of revenue growth, as we surpassed the R150 billion revenue milestone. The resilience of our business model was further showcased by a resilient free cash flow result, improved ROCE, and an upgraded medium-term Group service revenue target.

Raisibe Morathi
Chief Financial Officer



What financial capital means to Vodacom

Vodacom's strong capital base is supported by long-term investors, including a 65.1% controlling stake by Vodafone, one of the world's largest communications companies, enabling us to advance our ambition to accelerate growth and enhance returns as we scale our existing products and services across our footprint.

How financial capital supports our System of Advantage

Our investment decisions accelerate our strategy, the **System of Advantage**, by providing the financial resources needed to pursue our strategic ambitions. With value creation at the forefront, opportunities to deploy our financial resources are carefully considered as they have a significant impact on our return profile and the strategic direction of our business in the short, medium and long term.

Our financial capital at a glance

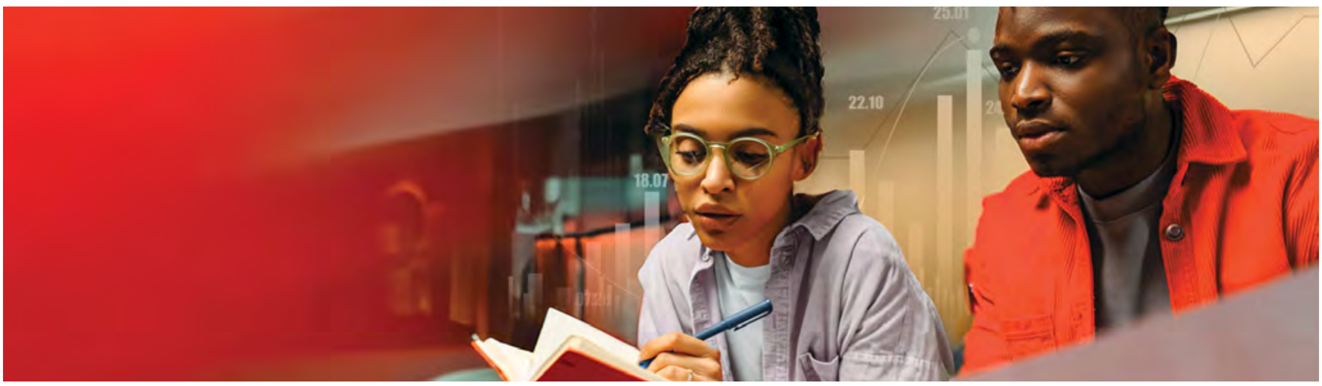
Our key focus areas	Key FY2024 achievements	Strategic pillar affected
Growing revenue as a leading African connectivity, digital and financial services company	Revenue growth was positively impacted by the acquisition of Egypt • Group revenue increased **26.4%** (10.1%^) to **R150.6 billion** (FY2023: R119.2 billion) • Financial services revenue increased **32.2%** (19.9%^) to **R13.0 billion** • New service revenue contribution to Group result increasing to **20.0%**, up from 18.7% in FY2023	1 2 3 4 5 6
Optimising our operations to support profitability and free cash flow	Increased net profit by 6.4% showcasing the robustness of our strategy and our execution track record • Group EBITDA increased by **24.3%** (7.8%^) • Excellent free cash flow generation of **R18.2 billion** (FY2023: R18.5 billion)	7 8 9
Investing in technology and network infrastructure to maintain our trusted brand	Enhanced customer experience through sustained investments in technology and network infrastructure • Capital expenditure of **R20.4 billion**, representing intensity of 13.6% • Enhanced network resilience through the acceleration of 4G and 5G coverage	2 4 5 8 10
Leveraging our scale to create value	Attractive ROCE and a market-leading dividend pay-out ratio • Group net debt to EBITDA improved to 0.9 times from 1.1 times • ROCE improved 1.3pp to **23.1%** • Total dividend of 590cps (FY2023: 670cps)	1 2 3 4 5 6 7 8 9 10
Looking ahead to meet our strategic targets	Focus on meeting our Vision 2025 targets and developing the Group's next strategic phase • Medium-term Group service revenue target upgraded from mid-to-high to high single-digit growth	1 2 3 4 5 6 7 8 9 10

Notes:

All growth rates quoted refer to the year ended 31 March 2024 compared to the year ended 31 March 2023, unless stated otherwise.

^ Egypt was consolidated from 8 December 2022, representing the effective date of the transaction. Target comparable or *pro forma* results have been presented for the Group as if the effective date of the Egypt acquisition was 1 April 2022 on a constant currency basis.

* 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 the 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 value we create, preserve and erode

We are committed to employing our financial capital within a disciplined framework that enhances our revenue generation opportunities while maintaining our return on invested capital. Ultimately, this enhances customer experience and shareholder returns.

Key financial results

Rm	FY2024	FY2023	Reported % change	*Pro forma*^ % change
Revenue	**150 594**	119 170	26.4	10.1
Service revenue	**120 897**	93 650	29.1	9.2
EBITDA	**56 116**	45 144	24.3	7.8
Operating profit	**35 337**	29 252	20.8	5.9
Operating profit – South Africa	**20 125**	20 881	(3.6)	
Operating profit – Egypt	**8 774**	1 710	>100.0	
Operating profit – International	**4 230**	4 541	(6.8)	
Operating profit – Safaricom	**2 686**	2 815	(4.6)	
HEPS (cps)	**846**	948	(10.8)	
Dividends (cps)	**590**	670	(11.9)	

For more information, refer to **Page 136**

Growing revenue as a leading African connectivity, digital and financial services company

Group revenue increased by 26.4% to R150.6 billion, and Group service revenue grew 29.1% to R120.9 billion, both positively impacted by the acquisition of Egypt. On a *pro forma* basis (comparable with the medium-term targets), Group service revenue growth was 9.2%, at the higher end of our medium-term range. This reflected both strong growth from Egypt of 31.6% in local currency, consistent with inflation levels in the market, and good growth in Group new services. In aggregate, our new services (which includes digital and financial, fixed and IoT) amounted to R24.2 billion and contributed 20.0% of Group service revenue, up from 18.7% in the prior year.

South African service revenue grew 2.6% to

R61.6 billion

with new services up 11.2% and contributing 16.6% of South Africa's service revenue

In Egypt, service revenue increased 31.6% in local currency supported by strong growth in data, financial services and fixed-line services. Financial services revenue more than doubled and contributed 6.5% to service revenue

Service revenue for our International business increased 13.1% (5.0%*) to

R29.9 billion

supported by strong growth in data and M-Pesa and foreign exchange translation tailwinds

Revenue from financial services reached R13.0 billion, up 32.2% (19.9%^). In South Africa, growth of 7.9% was driven by our insurance business, as we continued to scale new growth opportunities such as VodaPay. Egypt's financial services revenue doubled in local currency and was supported by growth in users and transaction volumes. Normalised M-Pesa revenue in our International business grew 13.1%* in the year. New financial services, such as loans and merchant offerings, contributed two-thirds of M-Pesa revenue growth, consistent with our strategy to expand the ecosystem.

Our financial services strategy is supported by a dual-sided ecosystem comprising consumers and merchants. These segments are brought together through exceptional and personalised experiences relating to entertainment, e-Commerce, payments, savings, investments, lending and insurance services. As key drivers of this strategy, our super-apps – VodaPay, Vodafone Cash and M-Pesa – integrate our own products and services with the best offerings from our partners. Looking ahead, we plan on replicating Egypt's successful one-app strategy across our markets by combining our telecommunication apps into super-apps.

Our active merchant base continued to scale meaningfully in South Africa and across our International business. Our base in South Africa now exceeds 10 000 merchants, while across our International business, we more than doubled the number of M-Pesa merchants to 395 000. We also see an exciting opportunity for merchant services in Egypt, and expect to build new merchant capabilities and other financial services in FY2025 by leveraging the Group's product roadmap.

Our mobile money platforms, including Safaricom, processed US$381.2 billion of transaction value over the last 12 months, representing clear leadership in the African FinTech space. The number of mobile money transactions reached 33.7 billion, up by an impressive 34.3%.

Optimising our operations to support profitability and free cash flow

Group EBITDA increased by 24.3% to R56.1 billion, representing an EBITDA margin of 37.3%. This EBITDA result was impacted by foreign exchange rate losses of R1.6 billion, as a result of Egypt's March 2024 devaluation, and higher energy costs across the Group. The Group EBITDA margin was 38.3% after adjusting for the impact of foreign exchange losses.

On a *pro forma* basis, Group EBITDA growth was 7.8%^ in the year, accelerating to within our target range of high-single digit growth in the second half period. Egypt was the key driver of the Group result, with *pro forma* EBITDA growth excluding trading foreign exchange impact of 39.5%. Egypt's performance was supported by excellent revenue growth and cost containment. South Africa EBITDA grew 0.7% impacted by slower prepaid and Vodacom Business revenue growth and higher network costs. International business EBITDA growth was 8.2%, or 1.4%* on a normalised basis, with excellent results in Tanzania offset by pressure in Mozambique.

Group operating profit increased 20.8% to R35.3 billion, supported by EBITDA growth but impacted by the expected start-up losses in Ethiopia and amortisation of new spectrum assets. On a *pro forma* basis, operating profit increased 5.9%^.

Net finance charges increased 69.5% to R7.2 billion as a result of higher net debt, higher average cost of debt and a material change in the remeasurement, and disposal of financial instruments related to foreign exchange rate movements. The average cost of debt (including leases) increased from 8.6% to 10.5% year on year, reflecting the South African Reserve Bank's interest rate increases. Excluding leases, the average cost of debt increased from 7.7% to 9.9%.

HEPS declined by 10.8% to 846cps. This result did not reflect our strong commercial momentum, which was disappointing. The HEPS result was impacted by foreign exchange losses (56cps), start-up losses in Ethiopia (21cps), higher finance costs (91cps) and a prior year deferred tax asset recognised in Tanzania (15cps).

Group free cash flow

Rm	FY2024	FY023	Reported % change
Operating free cash flow (OFCF)	**30 305**	25 111	20.7
Capital expenditure	**(20 422)**	(16 490)	(23.8)
Free cash flow	**18 209**	18 524	1.7
Net debt	**(49 876)**	(48 310)	3.2
Net debt to EBITDA (times)	**0.9**	1.1	(0.2x)

OFCF was up 20.7% to R30.3 billion, after R20.4 billion was invested into capital expenditure, a further R6.2 billion applied to lease payments and R0.2 billion absorbed into working capital. Capital expenditure increased 23.8% with the inclusion of Egypt. Group free cash flow, which captures our cash interest, tax and minority dividends, declined 1.7% to R18.2 billion, impacted by the phasing of Safaricom dividends, which had contributed R1.0 billion to the prior year's free cash flow. Adjusting for this phasing impact, Group free cash flow grew 4.0%. In the year, the Group also invested in spectrum in DRC and settled the final R2.2 billion tranche of the South African spectrum acquired in the March 2022 auction.

Net debt of R49.9 billion increased as a result of spectrum payments of R3.4 billion, which included South Africa's final R2.2 billion tranche. Group net debt to EBITDA improved to 0.9 times, with the increase in net debt offset by higher Group EBITDA.

Investing in technology and network infrastructure to maintain our trusted brand

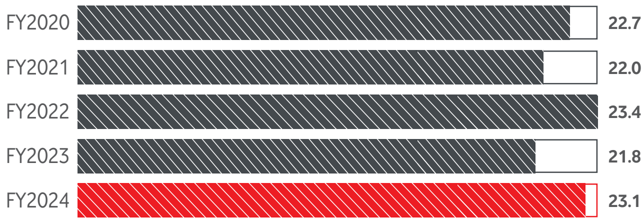
Group capital expenditure was R20.4 billion, representing 13.6% of revenue. Excluding Egypt, Group capital expenditure was down 4.2%. In South Africa, capital expenditure was directed at improving the capacity and resilience of the network, and increasing 5G rollout. We now have 98.7% (FY23: 98.5%) 4G population coverage and have increased the number of 5G sites to 2 300. Egypt invested R4.6 billion i n growing and strengthening the network to support increased demand. Across our International business, the focus remained on increasing coverage and capacity with 4G sites up 21%.

Leveraging our scale to create value

We are the market leader across our footprint, with the exception of our start-up operation in Ethiopia. This is an important differentiator that when combined with our efficiency programmes supports an attractive ROCE. In FY2024, we delivered ROCE of 23.1%, above our cost of capital, adding to our track record of strong returns.

Our dividend policy reflects the Group's strong return and free cash flow profile, while providing scope to invest within our 13.0% to 14.5% capital intensity target and de-lever. On the basis of our policy, which is to pay at least 75% of Group headline earnings, the Board declared a total dividend per share for the year of 590cps (FY2023: 670cps). This level of pay-out results in Vodacom offering one of the highest dividend pay-out policies on the Johannesburg Stock Exchange.

ROCE – multi-year track record of strong returns



Looking ahead to meet our strategic targets

Vodacom is a purpose-led company, connecting for a better future. We remain focused on strong governance and our purpose pillars of empowering people and protecting the planet, as we look ahead to the final year of our business strategy: Vision 2025.

Building on the strong commercial momentum of FY2024, we upgraded our Group service revenue target from mid-to-high to high single-digit growth. Our Group EBITDA growth and capital intensity prospects for the medium term remain unchanged, as follows:

- Group service revenue growth of high single-digit growth;
- Group EBITDA growth of high single-digit growth; and
- Group capital expenditure of 13.0% to 14.5% of Group revenue.

These targets are on average, over the next three years, based on prevailing economic conditions.

Appreciation

Our results, delivered under continued economic pressure, have proven the robustness of our strategy, our dedication to our stakeholders, and our track record of execution. We continue to maintain the levels of diligence and performance necessary to meet the expectations of our stakeholders. I remain grateful to my colleagues for their hard work and support in aid of our common purpose, to connect for a better future.

Raisibe

Raisibe Morathi
Chief Financial Officer
12 June 2024

Segment performance

South Africa

Year ended 31 March 2024

Service revenue	EBITDA	Operating profit	Capital expenditure
R61 621 million	R32 808 million	R20 125 million	R11 115 million
(FY2023: R60 038 million)	(FY2023: R32 569 million)	(FY2023: R20 881 million)	(FY2023: R11 171 million)
% change reported			
2.6	0.7	(3.6)	(0.5)

South Africa service revenue grew 2.6% to R61.6 billion, reflecting the country's ongoing macroeconomic challenges. The growth was supported by new services, consumer contract segment and prepaid mobile data. New services such as financial and digital services, fixed and IoT were up 11.2% and contributed R10.2 billion, or 16.6% of South Africa's service revenue. Mobile prepaid data growth of 11.6% was supported by network resilience and personalised, data-led offers. Revenue reached R88.3 billion, up 4.2%, driven by strong equipment sales.

Mobile contract customer revenue increased by 3.9% to R23.5 billion, supported by good growth in our consumer segment, partly as a result of a contract price increase in the first quarter, which was coupled with an additional data allocation of 20% to support our value commitment to customers. Mobile contract ARPU of R301 was up 1.3% with price increases partly offset by pressure in Vodacom Business, as corporate customers recalibrated spend for the return to office. We added 125 000 contract customers reaching a base of 6.8 million, up 1.9%.

Prepaid mobile customer revenue increased 1.7% to R26.4 billion. Our CVM capabilities helped contain pressure on voice revenue, while driving higher customer engagement and revenue in the data segment. We added 7.3 million prepaid customers in the year to reach 44.9 million customers. The strong growth in customers, which included some low ARPU additions during the year, impacted prepaid ARPU growth, which declined 5.2% to R55.

Supported by smartphone penetration and network availability, data traffic increased by 36.2%, and data customers reaching 28.8 million, up 12.8%. Smart devices were up by 8.4% to 31.8 million, while 4G and 5G devices increased by 15.2% to 24.4 million. Prepaid mobile data revenue increased by 11.6% to R12.7 billion. The average usage per smart device increased by 26.0% to 3.8GB per month.

Fixed service revenue was up 18.4%, excluding wholesale transit. The result was supported by good customer adoption of fibre and project-based revenue. Our connected homes and businesses reached 190 000[1], while our own fibre passed almost 166 000 homes and businesses.

Service revenue generated from financial services was up 7.9% to R3.2 billion, with growth driven by our insurance, payments and lending marketplace businesses. Our Airtime Advance represented 45.7% of total prepaid recharges and remains an important enabler of digital inclusion. Insurance revenue increased by 13.8%, supported by policy growth of 4.5% to 2.7 million. Our super-app, VodaPay, ended the period with 10.4 million downloads and 5.8 million registered users. Our digital services, managed alongside financial services, had a strong year with revenue up 13.6% to R1.6 billion.

Vodacom Business service revenue decreased by 0.8% to R17.3 billion, with pressure on wholesale revenue. Cloud, hosting and security supported growth, with revenue for this segment up 38.5%. Excluding wholesale revenue, Vodacom Business service revenue was up 3.4% for the year.

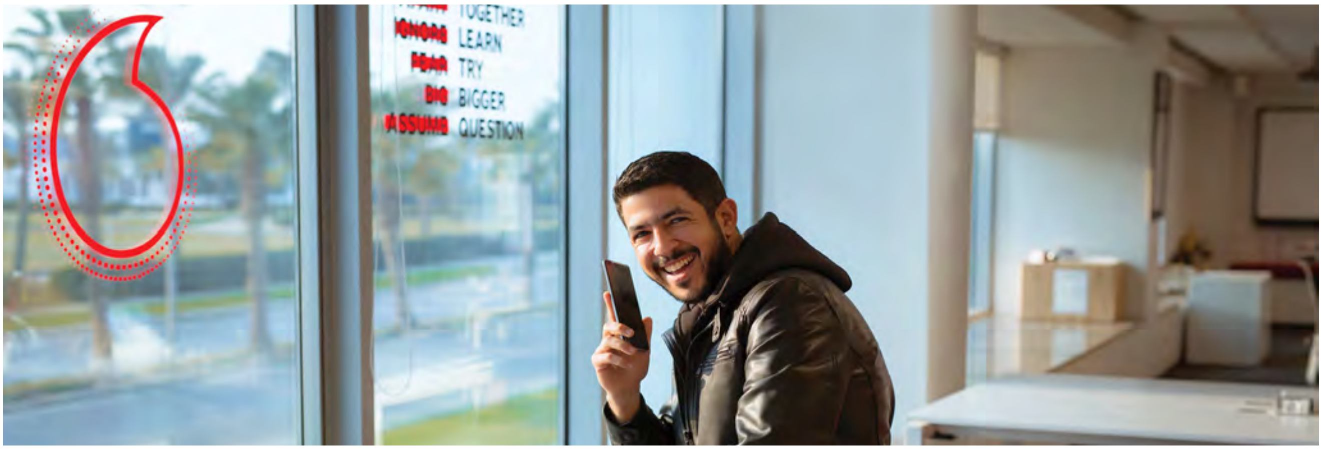
EBITDA grew by 0.7%, impacted by pressure on prepaid service revenue and higher network operating costs. The EBITDA margin moderated by 1.2pp to 37.2%, and was impacted by growth of lower margin equipment revenue, Cloud reseller margins and higher network and payroll costs. Payroll costs were up 16.9% as a result of lower capitalised overheads, which from a cash perspective was offset by capital expenditure savings. Operating profit declined 3.6% as a result of higher depreciation and amortisation.

We invested R11.1 billion in our network to support network resilience, leverage our new spectrum assets and enhance our IT platforms to maintain our competitive edge and remain South Africa's most reliable network and network NPS leader.

Looking ahead, we expect the macroeconomic outlook to remain subdued into FY2025. To mitigate this impact we expect to continue scaling new services, implement "more for more" price adjustments and accelerate cost saving initiatives, which we believe will support improved EBITDA growth prospects.

1. Including Bitstream, which refers to where we act as an internet service provider to fibre wholesalers.

Segment performance continued



Egypt

Year ended 31 March 2024

Service revenue	EBITDA	EBITDA excluding trading foreign exchange impact	Operating profit	Capital expenditure
R30 179 million	R13 067 million	R14 456 million	R8 774 million	R4 617 million
(FY2023: R7 976 million)	(FY2023: R2 859 million)	(FY2023: R3 477 million)	(FY2023: R1 710 million)	(FY2023: R1 225 million)

***Pro forma* information year ended 31 March 2024**^[1]

Service revenue	EBITDA	EBITDA excluding trading foreign exchange impact	Operating profit	Capital expenditure
EGP51 432 million	EGP21 279 million	EGP24 627 million	EGP14 004 million	EGP7 792 million
(FY2023: EGP39 073 million)	(FY2023: EGP16 020 million)	(FY2023: EGP17 652 million)	(FY2023: EGP9 493 million)	(FY2023: EGP5 953 million)
% change				
31.6	32.8	39.5	47.5	30.9

Egypt's service revenue of R30.2 billion represents 25.0% of the Group total. In the prior year, Egypt was consolidated from 8 December 2022, impacting reported growth rates. Egypt's local currency growth was supported by strong customer engagement in connectivity, mobile and fixed price adjustments, and excellent growth in Vodafone Cash. Pleasingly, the dividend declared by Egypt to the Group in the first half of FY2024 was repatriated to South Africa in March 2024. We are encouraged by the meaningful steps taken by the government to support economic growth through foreign direct investment and foreign exchange liquidity.

Egypt ended the period with 48.3 million customers, up 6.2%. ARPU growth of 24.6% reflected price adjustments and strong commercial traction following the use of Big Data and analytics. Data traffic was up 41.8% supported by data customer growth of 10.9% to 29.1 million. The number of smartphones on the network increased 7.0% to 33.1 million.

Financial services revenue for Egypt was R1.9 million (EGP3.3 billion) in the year, accounting for 6.5% of service revenue. Growing financial services is a key priority for the Group and Egypt. In local currency Vodafone Cash revenues more than doubled. Revenue was supported by customer growth of 52.1% to 8.2 million and strong growth in transaction values, which exceeded EGP1 trillion in the year. The strong customer growth was supported by our one-app strategy, which leverages the scale of our mobile customer base to drive Vodafone Cash penetration. Transaction value growth was accelerated by new use cases and increased mobile wallet limits.

Egypt contributed R13.1 billion, or 23.3%, of Group EBITDA. The reported EBITDA margin of 40.2% was impacted by foreign exchange losses on working capital balances as the Egyptian pound depreciated against major currencies in the fourth quarter. Excluding this impact, local currency EBITDA growth was 39.5% at a margin of 44.5%^, reflecting excellent cost control in a high inflation environment and growth in Vodafone Cash, including fee income on deposits. Operating profit growth was 47.5% in local currency, while net income was up 53.7% as Egypt mitigated the foreign exchange losses on working capital through limited growth in depreciation and amortisation charges and higher net finance income.

Capital investment was R4.6 billion, representing a capital intensity ratio of 14.2%, and focused on the deployment of 2 600MHz spectrum and the roll out of new sites. We expect to retain a similar capital intensity into FY2025, despite the currency devaluation in March 2024. Further, we expect the business to sustain strong service revenue and EBITDA in FY2025.

Note:
1. For information purposes only.

International business

Year ended 31 March 2024

Service revenue	EBITDA	Operating profit	Capital expenditure
R29 858 million	R10 973 million	R4 230 million	R4 694 million
(2023: R26 395 million)	(2023: R10 145 million)	(2023: R4 541 million)	(FY2023: R4 067 million)
% change reported			
13.1	8.2	(6.8)	15.4
% change normalised*			
5.0	1.4	(13.2)	

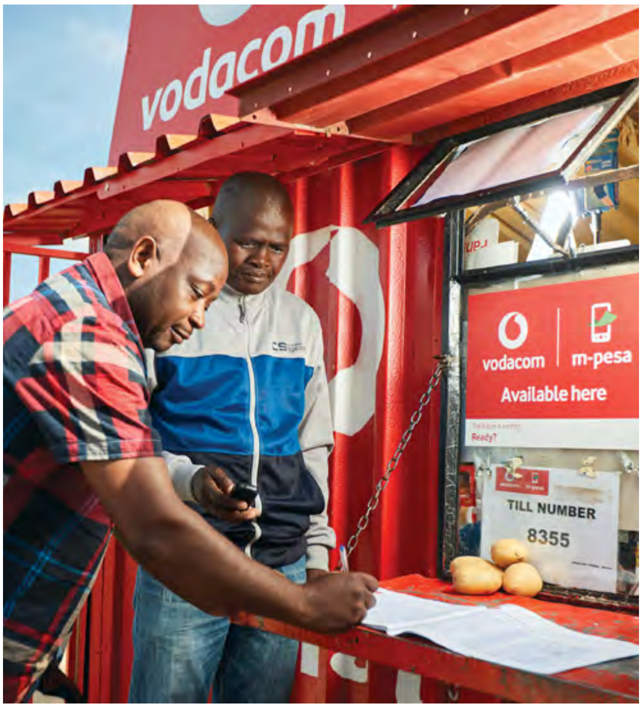
International business service revenue increased 13.1% (5.0%*) to R29.9 billion, supported by strong growth in data and M-Pesa and foreign exchange translation tailwinds. Our purpose-led focus on digital and financial inclusion was reflected in reported data revenue growth of 30.5% and M-Pesa revenue growth of 21.4%. We delivered double-digit local currency growth in Tanzania, while DRC's service revenue growth improved in the second half. Mozambique's performance was disappointing, with service revenue declining in the year.

Customer numbers increased 7.7% to 54.1 million, supported by strong commercial execution. Price transformation and pressure on consumer spend were evident in voice revenue, which declined 1.6% (-7.8% in local currency). Data revenue was R8.0 billion, up 30.5% (21.9%*), and contributed 26.7% of service revenue. We added 1.7 million data customers to end at 24.2 million customers. Data traffic growth of 44.0% was supported by 14.4% smartphone user growth to reach a penetration of 35.2%.

M-Pesa revenue increased 21.4% (13.1%*) to R7.9 billion, contributing 26.5% of International business service revenue. Growth was supported by a strong performance in Tanzania. New growth areas such as lending and savings products continue to gain traction across the portfolio, contributing more than 70% of the growth. Loans facilitated across our International business more than doubled to R16.9 billion. To grow and diversify the M-Pesa ecosystem, we also accelerated our merchant strategy, more than doubling the number of active merchants to 395 000.

International business EBITDA was R11.0 billion and grew by 8.2% (1.4%*) reflecting foreign exchange translation tailwinds. EBITDA margins were 35.6% and 1.7pp lower than the prior year period. The margin outcome reflects a change in the country mix within the segment, with Tanzania EBITDA growth outpacing the other markets. Tanzania EBITDA margins were flat at 30.8%. Operating profit declined by 6.8%, impacted by higher depreciation, spectrum amortisation and Ethiopia start-up losses associated with Vodacom's direct stake of 5.7% in the consortium.

Capital expenditure increased by 15.4% to R4.7 billion, representing an intensity ratio of 15.2%, following accelerated investment into 4G coverage and performance. We added 1 271 new 4G sites, representing growth of 22.1%, which is expected to support further revenue growth, and continued to invest in our transmission networks to enhance our network lead in all our markets. Looking ahead to FY2025, we expect International business performance to improve through the year as we leverage the spectrum assets we secured in DRC, Mozambique and Tanzania in FY2023 and FY2024 to enhance customer experience.



Segment performance continued

Safaricom[1]

Year ended 31 March 2024		
Service revenue	EBITDA	Capital expenditure
R43 142 million	R20 949 million	R11 916 million
(FY2023: R41 503 million)	(FY2023: R19 635 million)	(FY2023: R13 477 million)
% change reported		
3.9	6.7	(11.6)

Of which Kenya		
Service revenue	EBITDA	Capital expenditure
R42 417 million	R24 034 million	R6 077 million
(FY2023: R41 418 million)	(FY2023: R22 490 million)	(FY2023: R5 680 million)
% change reported		
2.4	6.9	7.0

Year ended 31 March 2024		
Service revenue	EBITDA	Capital expenditure
KES335.3 billion	KES163.3 billion	KES93.5 billion
(FY2023: KES295.7 billion)	(FY2023: KES139.9 billion)	(FY2023: KES96.1 billion)
% change reported		
13.4	16.8	(2.7)

Of which Kenya		
Service revenue	EBITDA	Capital expenditure
KES329.8 billion	KES187.0 billion	KES47.3 billion
(FY2023: KES295.2 billion)	(FY2023: KES160.4 billion)	(FY2023: KES40.4 billion)
% change reported		
11.7	16.6	17.2

Safaricom delivered an excellent performance in Kenya and, in its first full financial year since launch, Ethiopia delivered on important milestones. Service revenue increased 13.4%, with the Kenyan business delivering double-digit growth, above its multi-year trend. EBITDA for Safaricom increased 16.8% supported by margin expansion in Kenya. Safaricom's net profit attributable to equity shareholders was up 1.2% (-7.5% before hyperinflation). This is a particularly encouraging result given that Ethiopian losses were guided to have peaked in the year. Safaricom, as an associate of the Group, contributed R2.7 billion to Group operating profit, decreasing 4.6%. This result was impacted by foreign exchange translation headwinds and Ethiopia start-up losses.

Service revenue in Kenya was up 11.7 %, and accelerated to 14.8% in the second half of the year. A key driver of the result was M-Pesa, which saw revenue growth of 19.4% (22.1% in the second half), supported by the strong take-up of the super-app and increase in merchants. The volume of M-Pesa transactions grew 34.8%, off a large base, to 28.4 billion. Safaricom, together with M-Pesa Africa, leveraged global partnerships and technological innovation to enhance our global payments offering, and launch Mali our first wealth product in the market. These growth vectors will be leveraged into our other markets.

Kenyan mobile data revenue grew 18.0%, accelerating from the prior year. This growth was supported by accelerated adoption of integrated bundles associated with Safaricom's Make Ur Bundle campaign, which allows customers to select a preferred price point, validity and a mix of data and voice. Voice revenue in Kenya declined 1.7%, but the rate of decline improved in the second half of the year. Fixed service and wholesale transit revenue grew 12.0% to KES15.1 billion (R1.9 billion), supported by 31.1% growth in consumer revenue. FTTH customers grew 27.0% to 248 574, while homes passed exceeded 560 000. Mobile data and fixed growth were supported by capital expenditure in Kenya of KES47.3 billion, equating to a 13.8% capital intensity ratio.

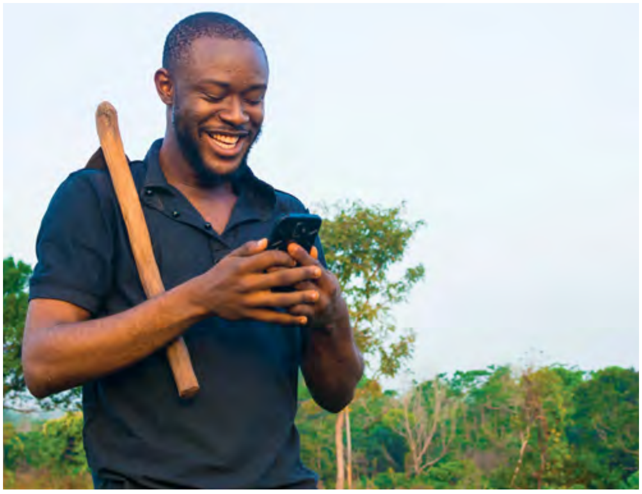
Kenya's EBITDA was up 16.6%, with margins improving 2.8pp to 54.7%, supported by an excellent revenue performance. Cost base pressures associated with foreign exchange weakness and higher energy costs were offset by cost control initiatives.

Including the greenfield mobile rollout in Ethiopia, capital expenditure for Safaricom was KES93.5 billion (R11.9 billion). Safaricom Ethiopia reached 4.4 million customers, with on-air sites reaching 2 400 and total sites built up to 2 800. In February 2024, Ethiopia hosted an investor day in Addis Ababa where it showcased the build out of its distribution, network, M-Pesa, brand and people. Ethiopia also provided a medium-term outlook of scaling towards 15 to 20 million customers and >4 000 sites.

Looking ahead, Safaricom's EBIT guidance for FY2025 implies another strong year for Kenya, while Ethiopia continues to scale up its operators as EBITDA losses peaked in FY2024.

1. The Group's effective interest of 34.94% in Safaricom is accounted for as an investment in associate. Results represent 100% of Safaricom and is for information purposes only.

Growth rates are in local currency unless otherwise stated. Safaricom's results are available at **www.safaricom.co.ke/investor-relation/financials/reports/financial-results**



Condensed consolidated income statement

for the year ended 31 March

Rm	2024	2023[1]
Revenue	**150 594**	119 170
Direct expenses	**(57 700)**	(45 942)
Staff expenses	**(10 136)**	(7 746)
Publicity expenses	**(2 156)**	(1 936)
Net credit losses on financial assets	**(846)**	(864)
Other operating expenses	**(23 830)**	(18 069)
Depreciation and amortisation	**(22 786)**	(17 968)
Net profit from associates and joint ventures	**2 197**	2 607
Operating profit	**35 337**	29 252
Net (loss)/gain on disposal of subsidiaries	**(13)**	4
Finance income	**1 416**	857
Finance costs	**(8 163)**	(5 569)
Net (loss)/gain on remeasurement and disposal of financial instruments	**(454)**	464
Profit before tax	**28 123**	25 008
Taxation	**(8 859)**	(6 897)
Net profit	**19 264**	18 111
Attributable to:		
Equity shareholders	**16 292**	16 767
Non-controlling interests	**2 972**	1 344
	19 264	18 111

Cents	2024	2023[1]
Basic earnings per share	**842**	948
Diluted earnings per share	**827**	921
Headline earnings per share	**846**	948

Note:
1. The results of Egypt were consolidated from the acquisition date of 8 December 2022.

Group revenue grew 26.4% to over R150 billion, positively impacted by the acquisition of Egypt. On a *pro forma* basis (comparable with the medium-term targets), Group service revenue growth was 9.2%^, at the higher end of our medium-term range. This reflected strong growth from Egypt of 31.6% in local currency, consistent with inflation levels in the market, and good growth in Group new services.

Group total expenses increased 27.0% to R94.7 billion. Excluding Egypt, total expenses increased 8.9%. In South Africa, expenses increased 6.5% to R55.6 billion. The rate of growth in South Africa reflects higher equipment costs of sales associated with the higher equipment revenue and pressure on network operating costs. International business expenses increased 17.5% (8.3%*) to R20.2 billion, as incremental cost initiatives were implemented to manage costs around the rate of inflation.

Group operating profit increased 20.8% to R35.3 billion, supported by EBITDA growth but impacted by the expected start-up losses in Ethiopia. On a *pro forma* basis, operating profit increased 5.9%^, supported by Egypt.

Net finance charges increased 69.5% to R7.2 billion, as a result of higher net debt, higher average cost of debt and a material change in the remeasurement and disposal of financial instruments related to foreign exchange rate movements. The average cost of debt (including leases) increased from 8.6% to 10.5% year-on-year, reflecting the increase in South African Reserve Bank interest rates.

The tax expense of R8.9 billion was up 28.5% as a result of including Egypt for the full year compared with four months in the period year. Excluding Egypt, the rest of the Group's tax expense increased 4.8%. The effective tax rate was 31.5%, higher than the prior year as a result of withholding tax on the Egypt dividend, an increase in non-deductible finance costs in DRC and the non-deductibility of the finance costs associated with the purchase of Egypt and funding of Ethiopia.

Condensed consolidated statement of comprehensive income

for the year ended 31 March

Rm	2024	2023[1]
Net profit	**19 264**	18 111
Other comprehensive income		
Foreign currency translation differences, net of tax[2]	**(451)**	2 985
Foreign currency translation differences recognised through profit or loss on disposal of foreign operations[1]	**-**	-
Share of foreign currency translation differences, net of tax, of associates and joint ventures accounted for using the equity method[2]	**1 732**	565
Mark-to-market of financial assets held at fair value through other comprehensive income, net of tax[2]	**350**	216
Mark-to-market gains recognised through profit or loss on disposal of financial assets held at fair value through other comprehensive income, net of tax[2]	**(279)**	(276)
Total comprehensive income	**20 616**	21 601
Attributable to:		
Equity shareholders	**19 317**	21 207
Non-controlling interests	**1 299**	394
	20 616	21 601

Notes:
1. The results of Egypt were consolidated from the acquisition date of 8 December 2022.
2. Other comprehensive income can subsequently be recognised in profit or loss on the disposal of foreign operations or financial assets held at fair value through other comprehensive income.

Condensed consolidated statement of financial position

as at 31 March

Rm	2024	2023[1]
Assets		
Non-current assets	**169 886**	162 527
Property, plant and equipment	**74 643**	74 241
Intangible assets	**27 924**	27 643
Financial assets	**743**	800
Investment in associates and joint ventures	**58 334**	52 573
Trade and other receivables	**4 458**	3 700
Finance receivables	**2 658**	2 348
Tax receivable	**468**	674
Deferred tax	**658**	548
Current assets	**70 727**	65 788
Financial assets	**1 414**	958
Mobile financial deposits	**11 126**	9 832
Inventory	**2 321**	2 156
Trade and other receivables	**28 154**	27 992
Finance receivables	**3 293**	2 508
Tax receivable	**709**	288
Bank and cash balances	**23 710**	22 054
Total assets	**240 613**	228 315
Equity and liabilities		
Fully paid share capital	**89 918**	89 918
Treasury shares	**(17 131)**	(17 055)
Retained earnings	**47 457**	43 524
Other reserves	**(27 480)**	(30 441)
Equity attributable to owners of the parent	**92 764**	85 946
Non-controlling interests	**11 064**	11 481
Total equity	**103 828**	97 427
Non-current liabilities	**65 524**	66 502
Borrowings	**59 540**	60 687
Trade and other payables	**464**	552
Provisions	**1 592**	1 406
Deferred tax	**3 928**	3 857
Current liabilities	**71 261**	64 386
Borrowings	**11 741**	8 327
Trade and other payables	**42 585**	41 392
Mobile financial payables	**11 126**	9 832
Provisions	**614**	830
Tax payable	**2 984**	2 665
Dividends payable	**14**	17
Bank overdraft	**2 197**	1 323
Total equity and liabilities	**240 613**	228 315

Property, plant and equipment increased R0.4 billion to R74.6 billion and intangible assets increased R0.3 billion to R27.9 billion. Net capital additions of R28.8 billion offset the depreciation and amortisation charge of R22.8 billion and foreign exchange revaluation impact of R5.3 billion.

Safaricom profits were impacted by start-up losses in Ethiopia. Our attributable share of profits and foreign currency translation difference movements related to Safaricom were partially offset by dividends received.

The movement in other reserves is largely as a result of translation of foreign subsidiaries to the presentation currency of the Group.

Net debt of R49.9 billion increased as a result of the spectrum payments of R3.4 billion in the year, which included the final R2.2 billion tranche in South Africa. Group net debt to EBITDA improved to 0.9 times, with the increase in net debt offset by higher Group EBITDA.

Note:
1. The results of Egypt were consolidated from the acquisition date of 8 December 2022.

Condensed consolidated statement of changes in equity

for the year ended 31 March

Rm	Equity attributable to owners of the parent	Non-controlling interests	Total equity
31 March 2023 – Audited	**85 946**	**11 481**	**97 427**
Adoption of IFRS 17 Insurance contracts	**11**	**–**	**11**
1 April 2023	**85 957**	**11 481**	**97 438**
Total comprehensive income	**19 317**	**1 299**	**20 616**
Dividends	**(12 370)**	**(1 805)**	**(14 175)**
Repurchase and sale of shares	**(438)**	**–**	**(438)**
Share-based payments	**430**	**–**	**430**
Proceeds on subsidiary share issue[1]	**–**	**103**	**103**
Share of changes in subsidiary holdings of associate	**(132)**	**(14)**	**(146)**
31 March 2024 – Reviewed	**92 764**	**11 064**	**103 828**
31 March 2022 – Audited	79 437	6 029	85 466
Adoption of IAS 29 by associate entity	1 953	212	2 165
1 April 2022	81 390	6 241	87 631
Total comprehensive income	21 207	394	21 601
Dividends	(13 127)	(569)	(13 696)
Shares issued on acquisition of subsidiary	32 845	–	32 845
Acquisition of subsidiary under common control	(36 137)	5 105	(31 032)
Repurchase and sale of shares	(377)	–	(377)
Share-based payments	438	–	438
Proceeds on subsidiary share issue[1]	–	242	242
Changes in subsidiary holdings	(293)	68	(225)
31 March 2023 – Audited	85 946	11 481	97 427

Note:
1. Non-controlling interests' share of proportionate additional share capital contributions into 10T Holdings (Pty) Limited.

Condensed consolidated statement of cash flows

for the year ended 31 March

Rm	2024	2023[1]
Cash flows from operating activities		
Cash generated from operations	**57 123**	48 312
Tax paid	**(8 112)**	(7 361)
Net cash flows from operating activities	**49 011**	40 951
Cash flows from investing activities		
Additions to property, plant and equipment and intangible assets	**(22 325)**	(20 175)
Proceeds from disposal of property, plant and equipment and intangible assets	**178**	89
Acquisition of subsidiary (net of cash and cash equivalents acquired)[2]	**(376)**	(9 221)
Investment in associate and joint venture	**(457)**	(321)
Loan to joint venture	**–**	(116)
Dividends received from associate	**2 493**	4 390
Finance income received	**1 271**	871
Net movement in mobile financial deposits	**(1 046)**	(2 353)
Other investing activities	**(461)**	132
Net cash flows utilised in investing activities	**(20 723)**	(26 704)
Cash flows from financing activities		
Borrowings incurred	**18 182**	19 662
Borrowings repaid	**(21 700)**	(11 935)
Finance costs paid	**(7 667)**	(5 341)
Dividends paid – equity shareholders	**(12 374)**	(13 136)
Dividends paid – non-controlling interests	**(1 805)**	(569)
Repurchase of shares	**(531)**	(510)
Proceeds on sale of shares	**93**	133
Proceeds on subsidiary share issue[3]	**103**	242
Changes in subsidiary holdings	**–**	(273)
Net cash flows utilised in financing activities	**(25 699)**	(11 727)
Net increase in cash and cash equivalents	**2 589**	2 520
Cash and cash equivalents at the beginning of the period	**20 732**	16 658
Effect of foreign exchange rate changes	**(1 808)**	1 553
Cash and cash equivalents at the end of the period	**21 513**	20 731

Notes:
1. The results of Egypt were consolidated from the acquisition date of 8 December 2022.
2. Final cash payment for the acquisition of Vodafone Egypt.
3. Non-controlling interests' share of proportionate additional share capital contributions into 10T Holdings (Pty) Limited.