

Our growth formula

Investing in our networks to provide core mobile and fixed services is key to attracting and retaining customers and is the main contributor to Group service revenue. Our core communication capabilities are complemented by financial and digital services that provide comprehensive lifestyle solutions. Focusing on the quality of our network and infrastructure and developing innovative products and services differentiates us from the competition and is core to our growth formula. This approach is supported by our strong market-specific distribution channels, our leadership position in the markets in which we operate, effective cost management and investment in value-enhancing opportunities.

Maximising customer potential

Our multi-product strategy, the System of Advantage, provides differentiated and relevant offerings to our customers, supporting their digital and financial needs. Our core mobile services – data and voice – remain our primary use case for our customers. Mobile services adoption is supported by increased network coverage, smartphone penetration and the affordability of data. Our new services, including digital and financial services, fixed and IoT, add to our customer proposition. By leveraging Big Data, loyalty and CVM capabilities, we are able to personalise our offerings, enhancing customer experience and driving even higher levels of customer service.

Our revenue mix is largely consumer-driven, with Vodacom Business (including wholesale) contributing

21.2%

of Group service revenue.

The contribution decreased from the prior year as we consolidated Egypt for a full financial year (FY2023: 23.4%).

Key customer differentiators

- A clear and powerful purpose-led strategy, supported by 10 strategic pillars of success to deliver shareholder value
- Our financial services business – the largest contributor to new services revenue and a clear strategic priority – positions Vodacom as the leading FinTech operator on the continent, enriched by our super-apps.
- Best-in-class customer service support systems
- Vertically integrated solutions for consumers and enterprises, acting as enablers of inclusion and economic growth
- Leveraging our global enterprise relationships for pan-African service delivery and our relationship with Vodafone to drive global best practice
- Loyalty programmes and segmented customer profiles to offer competitive, personalised and compelling solutions
- Customer-centric systems, people and processes.
- Unique Big Data insights we can leverage to improve our offerings to customers
- A market-leading position serving as the platform to deploy our digital ecosystem, giving us scope to partner selectively with global tech giants and the scale to optimise returns
- Consistently high rankings in network quality and network NPS in the countries where we operate, supported by ongoing investment in infrastructure and rolling out 4G and 5G across our markets to increase speed and capacity
- Diversified digital ecosystem, as we scale our new services, which include fixed, IoT, digital and financial services
- Our Tech for Good solutions are driving societal benefit by supporting critical verticals, including agriculture, education, energy and healthcare

Optimising our returns

Managing our cost base and capital expenditure is critical to our return profile. Vodacom has a strong track record of balancing cost efficiency while continuing to invest in new growth areas. We manage our cost inflationary pressures and capital intensity through rigorous budgeting, business case planning and a Fit-for-Growth programme. Additionally, we leverage partnerships and efficiencies from RPA, Big Data, and AI to optimise our spend.

Key efficiency differentiators

- Saved R4 billion through fit-for-growth initiatives across the Group
- Digitalising operations through RPA, Big Data and AI
- Optimal network deployment using AI
- Robust governance processes in place to approve investments and review product, cost and investment decisions
- Benefiting from and sharing best practice with Vodafone
- Shared services and initiatives with Vodafone and across our own African footprint to optimise back-end costs
- Optimising procurement spend using the global purchasing power of Vodafone Procurement Company
- Optimising power utilisation across our buildings and sites using IoT solutions