Vodacom Group Limited

Interim results

for the six months ended 30 September 2023

Further together

Vodacom Group CEO commented:

The encouraging revenue trend highlighted in the Vodacom Group's performance in the first three months of the financial year continued into the second quarter – highlighting a strong operating performance. However, higher interest rates, elevated levels of inflation and currency volatility across our markets had an impact on the Group's earnings. We remain committed to delivering on our purpose led strategy that aims to enhance societal value and deliver value to our customers.

We connect for a better future and focus on creating a digital society and ensuring inclusion for all, while mindful of the impact we have on our planet. Evidence of this commitment includes the recent recognition of our exceptional customer service – having being declared the winner of the Ask Afrika Orange Index Award – and Vodacom South Africa officially being named as the country's 'Most Reliable Network' and 'Best In Test' ahead of competitors by independent benchmarking organisation 'Umlaut', which is part of Accenture. 'Umlaut' has also ranked Vodafone Egypt, Vodacom Mozambique and Safaricom as 'Best In Test', while customers across our markets have ranked Vodacom first in network Net Promoter Scores (NPS). Accolades aside, our substantial investments underpin our market leadership and value strategy for the 10.4 million new customers joining our network over the last 12 months to reach a total base of 196.2 million customers across our markets. We expect our investments to continue to fuel our growth into an addressable market of more than 500 million people.

In terms of purpose-led initiatives that deliver positive societal impact where we operate, education is a critical area in which Vodacom continues to make significant strides. By working together with regulators, governments and industry stakeholders, we can ensure that digital education enables all learners and teachers regardless of who they are, where they are and what they can afford, to access quality education and, ultimately, participate in the global digital economy. Supporting this goal are our education solutions across our markets which have reached 2.3 million learners through these and other education platforms.

In South Africa, Vodacom not only responded to the country's power crisis with an increased investment in network resilience but has also recently concluded a landmark agreement with Eskom in the form of a 'Virtual Wheeling Platform' that aims to drive private sector investment into new energy generation. Given our commitment to making a positive impact on the country's power grid and renewable energy mix, our agreement with Eskom serves as a blueprint for other corporates to adopt.

I'm particularly pleased with accelerated growth driven into our financial services portfolio by an ever-expanding mobile money ecosystem, Vodafone Egypt's performance and the resilience of Vodacom

South Africa, which substantiates our massive network investments so that we keep customers connected through extended periods of loadshedding. These elements contributed to the 35.5% increase in Group revenue to R72.8 billion, with Vodafone Egypt providing the biggest boost to growth given it did not form part of Vodacom Group's first half performance in the past financial year. Revenue from new services such as financial and digital services, fixed and IoT contributed R11.7 billion, equivalent to 19.8% of Group service revenue, almost one-fifth of the Group's total revenue and is well on track to reach our target contribution of 25-30% over the medium-term.

Our R4.5 billion investment over four and a half years to mitigate the impacts of loadshedding continues to show a return in South Africa, where we also committed, at the South Africa Investment Conference, to spend R60 billion in five years. These investments have already resulted in industry leading network availability during elevated levels of power outages and ultimately contributed to the 4.0% increase in service revenue in our largest market. Revenue growth in South Africa was supported by our consumer contract segment, excellent growth in fixed and financial services and a resilient performance in the prepaid segment, despite ongoing macroeconomic challenges associated with inflation and loadshedding. Supported by our investment into network resilience, data traffic growth accelerated to 45.2% in the period.

New services in South Africa such as financial and digital services, fixed and IoT were up 18.1% and contributed R5.1 billion to revenue. Revenue from financial services grew 10.8% to R1.6 billion due to a strong performance from our insurance business. Our super-app, VodaPay, continues to gain traction with more than 7.6 million downloads and 4.1 million registered users.

Vodafone Egypt, the largest acquisition in Vodacom Group's history, delivered service revenue of R14.3 billion and contributed 24.1% of Group service revenue, despite challenging macroeconomics. The performance was supported by strong growth in data revenue, customer engagement and content integration. Vodafone Egypt ended the period with 47.0 million customers, up 5.5%, aided by its clear NPS leadership and strong data metrics. Financial services revenue doubled to R804 million or 5.6% of Vodafone Egypt's service revenue. Pleasingly, Vodafone Egypt contributed to Group earnings per share in the period, despite a devaluation of the Egyptian pound since we announced the acquisition in November 2021.

Our International business segment, which comprises the DRC, Lesotho, Mozambique and Tanzania reported service revenue up 16.6% to R14.7 billion, with customers up 22.3%. Strong growth of data revenue and M-Pesa revenue, which were up 34.9% and 26.8% respectively, was offset somewhat by pressure associated with Mozambique's price transformation programme. M-Pesa revenue growth was driven by continued customer and service adoption, consistent with our commitment to financial inclusion. The strong performance in data revenue was underpinned by increased smartphone adoption and accelerating our 4G network roll-out.

Safaricom delivered excellent results in Kenya, while our Ethiopian greenfield roll-out is progressing as expected. Service revenue in Kenya accelerated to 8.5%, supported by growth in the fixed business and an improved performance of M-Pesa revenue, which grew 16.5%. Further, Safaricom Kenya reported excellent EBITDA growth of 13.0%, supporting an upgrade to its guidance.

Our recently launched Ethiopian business, Safaricom Ethiopia, has made good progress since its commercial launch in October 2022, already reaching 4.1 million customers. More recently we launched M-Pesa, which will no doubt be a game-changer in boosting financial inclusion and economic growth in Africa's second most populous country. At a Vodacom Group level, Safaricom contributed R1.5 billion to operating profit, declining marginally at 1.1%. This was an encouraging outcome, given that we expect Safaricom Ethiopia EBITDA losses to peak in the current financial year.

From a mergers and acquisitions perspective, the Competition Commission recently announced its recommendation to the Competition Tribunal to not recommend Vodacom's proposed purchase of the 30% stake in MAZIV. We are hopeful that the next step in the process, namely the Competition Tribunal process, will yield a different result. I firmly believe that the transaction will foster economic development and help bridge South Africa's digital divide in some of the most vulnerable parts of its society.

Vodacom has a proven track record as a resilient company and will continue to act swiftly so that we have the right measures in place. Looking ahead, the continued execution of our strategy has the potential to create immense economic value in the markets where we operate, helping to address inequality. By providing access to a smartphone, financial services, healthcare and education to every person across our markets we will fulfil our purpose.

Shameel Joosub

Highlights

Group revenue of
R72.8 billion
was up 35.5%, positively impacted by the acquisition of Vodafone Egypt.^

Group service revenue growth of
42.2%
or 7.9% excluding Vodafone Egypt.

Group service revenue growth including Vodafone Egypt on a *pro-forma* basis (target comparable) was
9.0%
at the higher-end of our medium-term target.

Group EBITDA growth of
35.1%
or 5.5% on a *pro-forma* basis.

Serving a combined
196.2 million
customers across the Group, including Safaricom on a 100% basis.

Financial services customers, including Safaricom on a 100% basis,
73.5 million
transacting US$1 billion per day.

Financial services revenue increased 39.9% to
R6.2 billion
contributing 10.5% to Group service revenue.

Interim dividend of
305cps
consistent with our policy.

Certain financial information presented in this results announcement 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 on pages 47 to 53. The *pro-forma* financial information includes:

* 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.
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 2023 compared to the six months ended 30 September 2022, unless stated otherwise.

^ Vodafone Egypt Telecommunications SAE (Vodafone Egypt) was consolidated from 8 December 2022, representing the effective date of the transaction. Results comparable with our medium-term targets or 'pro-forma' results have been presented for the Group as if the effective date of the Vodafone Egypt acquisition was 1 April 2022, thus showing the segment's financial information on a full interim period basis.

Growth rates for Safaricom are in local currency and year-on-year, unless otherwise stated. Safaricom results announcements are available at: www.safaricom.co.ke/investor-relations-landing/reports/financial-report/financial-results.

Group statutory performance measures

Rm	Six months ended 30 September 2023	2022	% change Reported
Revenue	**72 798**	53 713	**35.5**
Service revenue	**59 350**	41 729	**42.2**
Net profit from associates and joint ventures	**1 348**	1 466	**(8.0)**
Operating profit	**17 013**	13 268	**28.2**
Net profit	**9 968**	8 072	**23.5**
Earnings per share (cents)	**434**	457	**(5.0)**
Headline earnings per share (cents)	**438**	457	**(4.2)**
Interim dividend per share (cents)	**305**	340	**(10.3)**

Group additional performance measures

Rm	Six months ended 30 September 2023	2022	% change Reported
EBITDA	**27 286**	20 200	**35.1**
EBITDA margin (%)[1]	**37.5**	37.6	**(0.1ppt)**
Capital expenditure[2]	**9 542**	7 599	**25.6**
Capital intensity (%)[2]	**13.1**	14.1	**(1.0ppt)**
Operating free cash flow[3]	**7 168**	4 806	**49.1**
Free cash flow[3]	**(181)**	2 028	**(108.9)**
Financial services revenue[4]	**6 176**	4 414	**39.9**

	Six months ended 30 September					
	Service revenue			EBITDA		
Rm	2023	2022	% change	2023	2022	% change
Consolidated Group	**59 350**	**41 729**	**42.2**	**27 286**	**20 200**	**35.1**
Egypt	(14 312)	^		(6 248)	–	
Group excluding Egypt	**45 038**	**41 729**	**7.9**	**21 038**	**20 200**	**4.1**
Foreign exchange rate impact	–	1 546		107	567	
Group normalised*	**45 038**	**43 275**	**4.1**	**21 145**	**20 767**	**1.8**
Egypt *pro-forma* at constant currency	14 312	11 180		6 248	5 206	
Egypt trading foreign exchange gain	–	–		(41)	(43)	
Group *pro-forma* (target comparable)^	**59 350**	**54 455**	**9.0**	**27 352**	**25 930**	**5.5**

Notes:
1. EBITDA margin is EBITDA as a percentage of revenue.
2. Detail relating to capital expenditure is on page 17. Capital intensity is capital expenditure as a percentage of revenue.
3. A reconciliation of operating free cash flow and free cash flow is set out on page 53.
4. The combination of South Africa financial services revenue, Egypt financial services revenue and International M-Pesa revenue.

^ Vodafone 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 Vodafone Egypt acquisition was 1 April 2022, thus showing the segment's financial information on a full interim period basis.

Strategic overview

Purpose-led business model

Our purpose-led model is premised on the three pillars: digital society; inclusion for all; and planet. Further, we remain focused on the delivery of our Social Contract with stakeholders to ensure that we make meaningful contributions to digital and financial inclusion. In the period, we continued to scale our 'tech for good' solutions, while also signing a first of its kind Virtual Wheeling agreement with Eskom in South Africa. The Virtual Wheeling agreement – a Vodacom innovation co-developed with Eskom – provides an important blueprint for other corporates to follow. This agreement will see Vodacom add capacity to the country's power grid, and move closer to our goal of sourcing 100% of our electricity demand from renewable energy sources by 2025.

Our 'tech for good' solutions are key enablers of inclusion and span across critical verticals, including healthcare, education and agriculture. In Egypt we have partnered with the government to digitalise the country's healthcare system through the Universal Health Insurance (UHI) and the Egyptian University Hospitals programmes. The digitalised UHI platform is already live in 270 hospitals and serving more than 6 million people across Egypt, with scope to scale meaningfully over the medium-term. Within the education sector we continue to scale our e-schools platforms across our markets, reaching more than 2 million learners. One of our most impactful 'tech for good' initiatives supports the agricultural sector. Developed through Mezzanine, our subsidiary, has reached almost 5 million farmers through eVuna, MYFARMWEB and e-Vouchering solutions. In Tanzania, the M-Kulima agricultural platform, which is integrated with M-Pesa, has over 3 million registered farmers.

Enhanced growth prospects

Our multi-product strategy, called the System of Advantage, aims to deliver diversified, differentiated offerings to our customers, further strengthening and growing our relationships with them. The Vodafone Egypt acquisition, which completed in December 2022, is advancing our strategic connectivity and financial services ambitions through one of Africa's premier telecom operators. In our results announcement for the financial year ended 31 March 2023, we set out upgraded medium-term targets[1] that reflect the integration of Vodafone Egypt into the Group and our System of Advantage. These remain unchanged, as follows:

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

These targets are on average, over the next three years, and are on a normalised basis in constant currency, based on prevailing economic conditions, including Vodafone Egypt[1] on a *pro-forma* basis but excluding spectrum purchases, exceptional items and any other merger and acquisition activity.

Note:

1. Vodafone Egypt included in FY23 on a *pro-forma* basis at an exchange rate of ZAR/EGP: 1.7; based on service revenue of EGP23.7 billion, EBITDA of EGP10.3 billion and capital expenditure of EGP3.6 billion.

Strong Group service revenue growth, anticipating improved profitability into second half

	Six months ended 30 September					
	Service revenue			EBITDA		
Rm	2023	2022	% change	2023	2022	% change
Consolidated Group	**59 350**	**41 729**	**42.2**	**27 286**	**20 200**	**35.1**
Egypt	(14 312)	^		(6 248)	–	
Group excluding Egypt	**45 038**	**41 729**	**7.9**	**21 038**	**20 200**	**4.1**
Foreign exchange rate impact	–	1 546		107	567	
Group normalised*	**45 038**	**43 275**	**4.1**	**21 145**	**20 767**	**1.8**
Egypt *pro-forma* at constant currency	14 312	11 180		6 248	5 206	
Egypt trading foreign exchange gain	–	–		(41)	(43)	
Group *pro-forma* (target comparable)^	**59 350**	**54 455**	**9.0**	**27 352**	**25 930**	**5.5**

Group service revenue grew 42.2% in the six months to almost R59.4 billion, positively impacted by the acquisition of Vodafone Egypt and rand depreciation of 12% against our basket of international currencies. Excluding the contribution of Vodafone Egypt, Group service revenue growth was 7.9% or 4.1%* on a normalised basis, supported by a resilient performance in South Africa.

Our medium-term targets include Vodafone Egypt on a *pro-forma* and constant currency basis, as if it was owned from 1 April 2022. On a *pro-forma* basis (comparable with our medium-term targets), Group service revenue growth was 9.0% for the interim period, consistent with the first quarter trend and at the higher end of our medium-term range. This reflects good growth from Vodafone Egypt of 28.0% in local currency and strong growth in Group new services. In aggregate, our new services, which include digital and financial, fixed and IoT amounted to R11.7 billion and contributed 19.8% of Group service revenue, up from 18.9% in the first six months of the prior year.

Group EBITDA increased 35.1% to R27.3 billion, or 4.1% excluding Vodafone Egypt. On a *pro-forma* basis, Group EBITDA growth was 5.5%. South Africa EBITDA grew 1.6% as we incurred higher network costs to maintain our best network status amidst a challenging energy backdrop. Egypt delivered EBITDA growth of 19.9% in local currency, supported by excellent revenue growth. International EBITDA growth was 14.1% or 4.3%* on a normalised basis, which reflected a mixed revenue performance and adverse cost phasing. We anticipate a clear acceleration of Group EBITDA growth in the second half of the financial year, supported by our Fit4Growth cost programme.

Headline earnings per share (HEPS) declined 4.2% to 438 cents per share (cps). The decline was largely attributable to a start-up losses in Ethiopia (11cps), higher interest rates (7cps) and a prior year deferred tax asset recognised in Tanzania (11cps). Vodafone Egypt contributed 16 cps to HEPS, despite the Group having issued 242 million new shares and incurring R11 billion of debt to finance the acquisition. Separately, the Board declared an interim dividend per share of 305cps, which reflects our dividend policy of at least 75% of headline earnings. In the prior year, the interim dividend pay-out ratio was 80%, as the acquisition of Vodafone Egypt had not yet completed.

We generated operating free cash flow of R7.2 billion, up 49.1%, having invested R9.5 billion into capital expenditure, a further R3.2 billion applied to lease payments and R7.7 billion absorbed into working capital. Capital expenditure increased 25.6% with the inclusion of Vodafone Egypt. In the period, the Group also invested in spectrum in the DRC, adding to recent acquisitions in South Africa, Mozambique and Tanzania. Pleasingly, our investments in network and spectrum has secured us NPS leadership across all our markets. Separately, the working capital absorption reflects seasonal timing and is expected to unwind into the second half of the financial year, supporting a significant improvement in free cash flow.

Leading African fintech operator

Financial services revenue

Rm	Six months ended 30 September 2023	2022	% change Reported	Normalised*
South Africa	**1 558**	1 406	**10.8**	**10.8**
Egypt	**804**	^	**^**	**^**
International	**3 814**	3 008	**26.8**	**13.2**
Consolidated Group	**6 176**	4 414	**39.9**	**12.5**
Safaricom (100% basis)[1]	**8 777**	7 865	**11.6**	**16.4**

Financial services revenue reached R6.2 billion, up 39.9% (12.5%*). In South Africa, growth was driven by our insurance business, which posted revenue growth of 17.2%. Normalised M-Pesa revenue grew 13.2%* in the period and 12.9%* in the second quarter. New financial services such as loans and merchant offerings contributed two-thirds of M-Pesa revenue growth in the period, consistent with our strategy to expand the ecosystem. Vodafone Egypt's financial services revenue more than doubled in local currency and was supported by strong user growth.

Our financial services strategy is supported by a dual-sided ecosystem across consumers and merchants, bringing these segments 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. Alongside our apps, we continue to roll out our agent network to support core mobile financial services products, such as cash-in and cash-out. Our agent network across the International business was up 18.0% to 321 000.

Alongside the super-app roll-out, our active merchant base continued to scale meaningfully in South Africa and across our International markets. Our merchant base in South Africa was extended to over 10 000 and across International was up three-fold to 292 000. This growth helps expand our addressable commission pool beyond peer-to-peer payments and withdrawals into both online and offline commerce.

Our mobile money platforms, including Safaricom, processed US$370.6 billion of transaction value over the last twelve months, representing clear leadership in the African fintech space. The mobile money transactions reached 29.3 billion, up an impressive 32.4%.

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

Ethiopia launches mobile money

Safaricom is a strategic asset of the Group. In support of Safaricom's long-term growth outlook, we participated as a minority investor in a Safaricom-led consortium that obtained mobile telecom and mobile financial services licences in Ethiopia. Safaricom Ethiopia commercially launched mobile operations in October 2022 and in less than a year reached 4.1 million customers and more than 2 000 integrated sites. Significantly, Safaricom Ethiopia also launched M-Pesa in August 2023. We see M-Pesa accelerating our ambition to transform lives in the country, supported by the Group's proven track-record in financial services in Africa.

Committed to MAZIV acquisition

On 10 November 2021, the Group announced a major step forward in scaling our fibre offering in South Africa. Through the announced acquisition of an initial 30% stake in MAZIV, a joint venture that will house fibre assets of Vodacom South Africa and Community Investment Ventures Holdings (Pty) Limited (CIVH), we intend to gain exposure to highly attractive and fast-growing businesses and South Africa's largest open access fibre players including Vumatel and Dark Fibre Africa. With our capital injection and strategic support we believe the transaction will further accelerate the growth of fibre in South Africa to foster economic development and help bridge South Africa's digital divide.

In October 2022, ICASA approved the transaction subject to licence conditions such as open-access. In August 2023, the Competition Commission announced its recommendation to the Competition Tribunal to prohibit the transaction.

The next regulatory step is for the transaction to be presented to the Competition Tribunal where the full merits of the transaction will be reviewed for final approval. Looking forward to the Competition Tribunal hearing in May 2024, Vodacom intends to showcase the strong public interest and pro-competitive advantages that the transaction would have on the fibre market, and the country as a whole.

Operational review

South Africa

Summary financial information

	Six months ended 30 September		% change
Rm	2023	2022	Reported
Service revenue	**30 669**	29 485	**4.0**
EBITDA	**16 013**	15 766	**1.6**
Operating profit	**9 616**	9 947	**(3.3)**
Capital expenditure	**4 849**	5 847	**(17.1)**

South Africa service revenue growth of 4.0% to R30.7 billion was a credible result given ongoing macroeconomic challenges. The growth was supported by new services and mobile data. New services such as financial and digital services, fixed and IoT were up 18.1% and contributed R5.1 billion, or 16.6% of South Africa's service revenue. In our core connectivity business, mobile data growth was supported by network resilience and capacity coupled with big data-led personalised offers. Revenue reached R43.3 billion, up 5.1%, and was driven by strong equipment sales as our 36-month contracts provided customers the opportunity to upgrade handsets more affordably. In the second quarter, service revenue growth accelerated to 4.1%, supported by an acceleration in prepaid revenue.

Mobile contract customer revenue increased by 4.1% to R11.7 billion, supported by good growth in our consumer segment. The consumer segment performance benefited from a contract price increase, which was coupled with an additional data allocation of 20% to support our value commitment to customers. Mobile contract ARPU of R302 was up 1.7% with the 6.7% price increase partly offset by transient pressure within Vodacom Business as corporate customers recalibrate spend for employees now returning to their offices. We added 105 000 contract customers in the six months reaching a base of 6.8 million, up 2.8%.

Prepaid mobile customer revenue increased 3.1% to R13.1 billion and accelerated to 3.5% in the second quarter. This resilient performance was set against a backdrop of a depressed macroeconomic environment and inflationary pressures on the consumer wallet. We utilised our world-class customer value management capabilities to drive higher customer engagement and increase active days on the network resulting in prepaid ARPU growth of 3.6% to R58. We added 2.9 million prepaid customers in the six months to reach 40.5 million customers.

Data traffic increased 45.2% in the period supported by smartphone penetration and network availability, with data customers reaching 25.8 million, up 8.5%. Smart devices were up by 10.3% to 30.5 million, while 4G and 5G devices increased by 17.6% to 22.8 million. The average usage per smart device increased by 33.6% to 3.7GB per month. Prepaid data revenue increased by 15.3% to R6.2 billion for the six months. This growth reflects our best-in-class network availability and the success of our data-led propositions focused on providing affordable offers to the most price-sensitive, lower-income customers.

Fixed service revenue was up 25.0%, excluding wholesale transit. The result was supported by good customer adoption of fibre and project-based revenue. Our homes and businesses connected reached 178 000[1], while our own fibre passed 165 879 homes and businesses.

Service revenue generated from financial services was up 10.8% to R1.6 billion. Revenue growth was driven by our insurance business, while Airtime Advance remained an important enabler of digital inclusion and represents 44.8% of total prepaid recharges. Insurance revenue increased by 17.2%, supported by growth in policies which were up 3.9% to 2.7 million. Our super-app, VodaPay, ended the period with 7.6 million downloads and 4.1 million registered users.

Vodacom Business service revenue increased by 0.3% to R8.7 billion, with pressure on wholesale revenue. Excluding wholesale revenue, Vodacom Business service revenue was up 3.8%. Cloud, hosting and security supported growth, with revenue for this segment up 41.7%. IoT also remains an important new service growth driver for Vodacom Business with connections up 12.3% to 8.0 million.

EBITDA grew by 1.6% as we reinvested cost savings into network resilience and maintenance. The EBITDA margin moderated by 1.3ppts to 37.0%, impacted by lower margin equipment revenue, Cloud reseller margins and higher network and payroll costs. Payroll costs were up 11.7% on a reported basis as a result of lower capitalised overheads, which from a cash perspective was offset by capital expenditure savings. We expect cost savings to accelerate into the second half, supporting EBITDA growth. Operating profit declined 3.3% as a result of higher depreciation and amortisation.

We invested R4.8 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. The year-on-year decline in capital expenditure reflects accelerated energy resilience spend in the first half of the prior year period, ahead of loadshedding. Looking ahead, we expect to spend around R11.0 billion on capital expenditure in the current financial year, with increased spend in the second half of the year.

Note:

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

Vodafone Egypt

Summary financial information

Rm	Six months ended 30 September^ 2023
Service revenue	**14 312**
EBITDA	**6 248**
Operating profit	**4 168**
Capital expenditure	**2 202**

	Pro-forma information[1]		
	Six months ended 30 September		% change
EGPm	2023	2022	Reported
Service revenue	**23 711**	18 521	**28.0**
EBITDA	**10 340**	8 621	**19.9**
Operating profit	**6 893**	5 311	**29.8**
Capital expenditure	**3 637**	2 972	**22.4**

Vodafone Egypt contributed service revenue of R14.3 billion in the period. In the second quarter, service revenue was up 28.4% in local currency, accelerating from 27.6% in the first quarter, despite a challenging macroeconomic backdrop. Growth was supported by promotional activity over Eid and Summer, and strong adoption of our revamped Flex offer, which enhances value to our customers with embedded entertainment offerings. Growth was also supported by excellent results in Vodafone Cash and fixed line services.

Vodafone Egypt ended the period with 47.0 million customers, up 5.5%. ARPU growth of 20.6% reflected strong commercial traction supported by extensive utilisation of big data and analytics to drive customer engagement and usage. Following a multi-year programme, the majority of Vodafone Egypt's customer base is on a product that includes a committed spend.

Consistent network investment has supported NPS leadership and excellent growth in data metrics. Data traffic was up 42.9% supported by data customer growth of 12.9% to 28.2 million. Smartphones on the network were up by 7.1% to 32.2 million.

Growing financial services is a key priority for the Group and Vodafone Egypt. Financial services revenue for Vodafone Egypt was R804 million (EGP1.3 billion) in the period, accounting for 5.6% of service revenue. In local currency Vodafone Cash revenues more than doubled. Revenue was supported by customer growth of 59.9% to 6.7 million and strong growth in transaction values. Vodafone Egypt is well on track to exceed EGP1.0 trillion of transaction value in the financial year, an impressive milestone.

Vodafone Egypt contributed R6.2 billion to Group EBITDA, or 22.9%. The EBITDA margin of 42.0% was delivered despite accelerated inflationary pressures and a period characterised by promotional activity, including Eid and Summer. Local currency EBITDA growth of 19.9% tracked below revenue growth due to positive one-offs in the prior year period. We expect higher EBITDA growth in the second half of the financial year as base effects normalise.

Capital investment was R2.2 billion and represented a capital intensity ratio of 14.8%. We continued to deploy 2 600 MHz spectrum and roll out new sites. The capital expenditure incurred in the current period coupled with the significant investment into the network and spectrum over the last two years supported our 'The Network is Now Doubled' campaign, which supported excellent commercial momentum.

Note:
1. For information purposes only.

International business

Summary financial information

Rm	Six months ended 30 September 2023	2022	% change Reported	Normalised*
Service revenue	**14 732**	12 630	**16.6**	**4.0**
EBITDA	**5 432**	4 762	**14.1**	**4.3**
Operating profit	**2 118**	2 114	**0.2**	**(3.8)**
Capital expenditure	**2 479**	1 748	**41.8**	

Service revenue for our International business increased 16.6% (4.0%*) to R14.7 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 strong data revenue growth of 34.9% and M-Pesa revenue growth of 26.8%. From a market perspective, we delivered strong double-digit growth in Tanzania, while DRC was subdued by the macroeconomic environment and Mozambique's performance was impacted by price transformation. Mozambique will begin to lap its price transformation efforts in the second half of the financial year. In the second quarter, normalised service revenue growth was 3.1%*.

Customers were up 22.3% to 53.7 million, supported by strong commercial execution. Price transformation and pressure on consumer spend were evident in voice revenue, which declined 11.4% in local currency. With mobile penetration at only 66.8% across our International business, we are setting up new partnership models to accelerate the roll-out of rural base stations over the medium-term. We have also entered into strategic collaborations with satellite partners AST SpaceMobile and Amazon's project Kuiper to expand our coverage.

Data revenue was R3.8 billion, up 34.9% (20.9%*) on a reported basis, and contributed 26.1% of International service revenue. We added 1.3 million data customers to end at 23.8 million customers. Data traffic growth of 40.4% was supported by 19.6% smartphone user growth to reach a penetration of 33.9%. We see scope to accelerate smartphone adoption meaningfully over the medium-term with innovative handset financing options. We have also piloted a new daily repayment model in Tanzania, a product we believe can be scaled to support digital inclusion.

M-Pesa revenue was up 26.8% (13.2%*) to R3.8 billion, contributing 25.9% of International 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 two-thirds of the growth. Loans granted across our International business more than doubled to R8.0 billion. To grow and diversify the M-Pesa ecosystem, we also accelerated our merchant strategy, more than doubling the number of active merchants to 292 000.

International EBITDA was R5.4 billion and grew 14.1% (4.3%*) reflecting foreign exchange translation tailwinds. EBITDA margins were 35.8% and 0.8ppt lower than the prior year period, reflecting cost phasing and a change in the country mix within the segment, given the strong growth in Tanzania. We expect a clear improvement in normalised EBITDA growth in the second half of the financial year. Operating profit grew 0.2%, impacted by higher depreciation and spectrum amortisation.

Capital expenditure increased by 41.8% to R2.5 billion, representing an intensity ratio of 16.4%. We accelerated investment into 4G coverage and performance. From a coverage perspective we added 907 4G sites in the six-month period, increasing our 4G sites by 15.8%, which is expected to support revenue into the second half of the year. We also continued to invest in our transmission networks to enhance our network lead in all our markets. Looking ahead we will leverage the spectrum assets we secured in the DRC, Mozambique and Tanzania over the last twelve months to extend coverage and enhance customer experience.

Safaricom

Summary financial information (100% basis)[1]

Rm[2]	Six months ended 30 September 2023	2022	% change Reported
Service revenue	**21 079**	20 030	**5.2**
EBITDA	**10 781**	10 245	**5.2**
Capital expenditure	**5 544**	5 170	**7.2**

KShs m	Six months ended 30 September 2023	2022	% change Reported
Service revenue	**159 136**	144 825	**9.9**
EBITDA	**79 673**	74 042	**7.6**
Capital expenditure	**41 892**	37 503	**11.7**

Safaricom Group delivered an excellent performance in Kenya and confirmed the roll-out in Ethiopia is tracking its guidance. Service revenue increased 9.9%, with the Kenyan business reporting double-digit growth in mobile data and M-Pesa revenue. In the period, Safaricom Kenya accelerated the adoption of integrated bundles with its 'Gomoka na Monthly' and 'Tunukiwa' campaigns. Safaricom also accelerated its CVM penetration to ensure that customers could enjoy more data for less in the constrained macroeconomic environment.

M-Pesa revenue in Kenya grew 16.5%, and accelerated to 21.4% in the second quarter. M-Pesa revenue was supported by the resumption of charges for Bank to and from M-Pesa and new services, including a successful partnership with government called the 'hustler fund'. The volume of M-Pesa transactions grew 34.7% to 12.9 billion in the period. Transaction value processed over the last twelve months equates to US$273.1 billion, highlighting the scale of the business. Safaricom, together with M-Pesa Africa, continued to leverage on technological innovation to enhance access to financial services for consumers and enterprise customers.

Kenya voice revenue declined 3.0%, but the rate of decline improved in the second quarter compared with the first quarter. Kenya mobile data revenue grew 12.5%, accelerating from the prior year trend rate as price transformation supported strong usage growth. Fixed service and wholesale transit revenue grew 9.1% to KShs 7.4 billion supported by 28.7% growth in consumer revenue to KShs 3.0 billion. FTTH customers grew 28.8% to 223 191. The mobile data and fixed growth was supported by capital expenditure in Kenya of KShs 24.4 billion, equating to an 15.1% capital intensity ratio. Including the greenfield mobile roll-out in Ethiopia, capital expenditure for Safaricom was KShs 41.9 billion (or KShs 64.7 billion including hyperinflation adjustments).

EBITDA for the Kenyan operations was up 13.0%, with margins improving 3.7ppt to 55.9%. The cost base pressures associated with foreign exchange weakness and higher energy costs were offset by cost control initiatives and lower handset sales. Safaricom's overall EBITDA, including Ethiopia, increased 7.6% reflecting the expected start-up losses associated with the Ethiopian network roll-out. While the net profit of the Kenyan operations grew 10.9%, Safaricom's overall net profit attributable to equity shareholders increased by 2.1% as a result of start-up financing and operating costs for Ethiopia.

Safaricom Ethiopia reached 4.1 million 90-day active customers in less than a year since its commercial launch. In August 2023, Safaricom Ethiopia launched M-Pesa, allowing customers to send and receive money, purchase airtime and pay merchants. Safaricom Ethiopia will leverage the Group's mobile financial services scale and expertise to transform the lives of Ethiopians, Africa's second most populous country.

On a rand reported basis, Safaricom contributed R1.5 billion to the Group's operating profit, declining 1.1%. The decline was attributable to foreign exchange rate movements and Ethiopia start-up losses. On a normalised basis, Safaricom's contribution to our operating profit increased 15.9%*.

Growth rates are in local currency and year-on-year, unless otherwise stated. Safaricom's results announcements are available here: **https://www.safaricom.co.ke/investor-relations-landing/reports/financial-report/financial-results.**

Note:

1. The Group's effective interest of 34.94% in Safaricom Plc (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.
2. Safaricom's results are available at www.safaricom.co.ke/investor-relations-landing/reports/financial-report/financial-results.

Regulatory matters

ICASA – Assignment of High Demand Spectrum (HDS)

An auction for high demand spectrum was concluded on 17 March 2022 and Vodacom secured 110 MHz of High Demand Spectrum (HDS) including 2 x 10 MHz in the 700 MHz spectrum band, 80 MHz in the 2 600 MHz spectrum band, and 10 MHz in the 3 500 MHz spectrum band, for an amount of R5.4 billion. The spectrum licence was effective on 1 July 2022 and Vodacom paid R3.2 billion in the first half of the prior financial year for this spectrum. The outstanding amount was paid on 30 October 2023.

South Africa – MAZIV acquisition

On 10 November 2021, the Group announced an investment into a joint venture incorporated as MAZIV (Proprietary) Limited (MAZIV) that will house the material fibre network assets of Vodacom South Africa and CIVH. The operating companies of MAZIV include Dark Fibre Africa (Proprietary) Limited (DFA) and Vumatel (Proprietary) Limited. During October 2022, ICASA approved the transaction subject to the incorporation of conditions relating to the provision of open-access network services, along with limitations on ownership and control, into DFA's licences. In August 2023, the Competition Commission advised the Competition Tribunal that the transaction not be recommended. The next regulatory step is for the transaction to be presented to the Competition Tribunal where the full merits of the transaction will be reviewed for final approval. The Competition Tribunal hearing is set for May 2024.

DRC – Spectrum acquisition

In April 2023, Vodacom DRC acquired additional spectrum, which comprised of 2 x 10 MHz in the 700 MHz band and 1 x 30 MHz in the 2 600 MHz band.

Outlook and medium-term targets

Vodacom is a purpose-led company, and we connect for a better future. We remain focused on strong governance and our three purpose pillars: digital society; inclusion for all; and planet, as we deliver on our business strategy, 'Vision 2025'. We believe that this integrated approach, and our Social Contract with stakeholders, will support balanced economic progress across the countries in which we operate and provide us with compelling growth opportunities.

Our strategy, which comprises ten connected elements, sets out to deliver exceptional value to our customers. We implement our strategy through our System of Advantage, which is designed to grow with our customers as we strive to be a strategic partner of choice and an integral part of their lives, homes and offices. In our results announcement for the financial year ended 31 March 2023, we set out upgraded medium-term targets that reflect the integration of Vodafone Egypt into the Group and our System of Advantage. These remain unchanged, as follows:

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

These targets are on average, over the next three years, and are on a normalised basis in constant currency, based on prevailing economic conditions, including Vodafone Egypt but excluding spectrum purchases, exceptional items and any other merger and acquisition activity.

Financial review

Summary financial information

Rm	Six months ended 30 September 2023	2022	% change Reported	Normalised*
Revenue	**72 798**	53 713	**35.5**	**4.7**
Service revenue	**59 350**	41 729	**42.2**	**4.1**
EBITDA	**27 286**	20 200	**35.1**	**1.8**
Net profit from associates and joint ventures	**1 348**	1 466	**(8.0)**	**12.5**
Operating profit	**17 013**	13 268	**28.2**	**(1.6)**
Net profit	**9 968**	8 072	**23.5**	
Capital expenditure	**9 542**	7 599	**25.6**	
Operating free cash flow[1]	**7 168**	4 806	**49.1**	
Free cash flow[1]	**(181)**	2 028	**(108.9)**	
Net debt	**56 569**	44 612	**26.8**	
Earnings per share (cents)	**434**	457	**(5.0)**	
Headline earnings per share (cents)	**438**	457	**(4.2)**	
Contribution margin[2] (%)	**61.4**	61.9	**(0.5ppts)**	
EBITDA margin (%)	**37.5**	37.6	**(0.1ppts)**	
Operating profit margin (%)	**23.4**	24.7	**(1.3ppts)**	
Effective tax rate (%)	**29.3**	27.1	**2.2ppts**	
Net profit margin (%)	**13.7**	15.0	**(1.3ppts)**	
Capital intensity (%)	**13.1**	14.1	**(1.0ppts)**	
Net debt/EBITDA (times)	**1.0**	1.1	**(0.1ppts)**	

Service revenue

Rm	Six months ended 30 September 2023	2022	% change Reported	Normalised*
South Africa	**30 669**	29 485	**4.0**	**4.0**
Egypt	**14 312**	^	**^**	**^**
International	**14 731**	12 630	**16.6**	**4.0**
Corporate and eliminations	**(362)**	(386)		
Group service revenue	**59 350**	41 729	**42.2**	**4.1**
Safaricom[3]	**21 079**	20 030	**5.2**	**9.8**

Group service revenue increased 42.2% to R59.4 billion, boosted by the inclusion of Vodafone Egypt and foreign currency tailwinds in our International markets. Excluding Vodafone Egypt, service revenue was up 7.9%, while on a normalised basis service revenue increased 4.1%* supported by growth in new services and a resilient performance in South Africa. Our new services which include digital, financial, fixed and IoT amounted to R11.7 billion in aggregate and contributed 19.8% of Group service revenue. Financial services delivered service revenue of R6.2 billion, up 12.5%* on a normalised basis and contributed 10.4% of consolidated service revenue.

Notes:
1. A reconciliation of operating free cash flow and free cash flow is on page 53.
2. Contribution margin is contribution profit as a percentage of revenue. Contribution profit is revenue less direct expenses.
3. The Group's effective interest of 34.94% in Safaricom Plc (Safaricom) is accounted for as an investment in associate. Results represent 100% of Safaricom and is for information purposes only.

In South Africa, service revenue increased 4.0% to R30.7 billion, supported by strong growth in consumer contract and new services. Financial services revenue amounted to R1.6 billion, up 10.8%. New services in aggregate, were up 18.1% and contributed R5.1 billion, or 16.6% of South Africa's service revenue.

In Vodafone Egypt, service revenue increased 28.0% in local currency for the six-month period supported by strong growth in data, financial services and fixed line services. Financial services revenue more than doubled and contributed 5.6% to service revenue.

Our International business reported service revenue growth of 16.6% to R14.7 billion, while normalised growth was 4.0%*. The normalised growth was supported by M-Pesa and data revenue. M-Pesa and data revenue comprised 25.9% and 26.1% of International service revenue, respectively.

Safaricom service revenue, which we do not consolidate, grew 9.8% in local currency.

Total expenses[1]

	Six months ended 30 September		% change	
Rm	**2023**	**2022**	**Reported**	**Normalised***
South Africa	**27 312**	25 461	**7.3**	**7.3**
Egypt	**8 615**	^	**^**	**^**
International	**10 116**	8 357	**21.0**	**6.3**
Corporate and eliminations	**(84)**	(166)		
Group total expenses	**45 959**	33 652	**36.6**	**7.3**

Group total expenses increased 36.6% to R46.0 billion. Excluding Vodafone Egypt, total expenses increased 11.0% (7.3%*). In South Africa, expenses increased 7.3% to R27.3 billion. The rate of growth in South Africa reflects higher equipment costs of sales associated with the higher equipment revenue. International expenses increased 21.0% (6.3%*) to R10.1 billion, as incremental cost initiatives were implemented to manage costs below the rates of inflation.

EBITDA

	Six months ended 30 September		% change	
Rm	**2023**	**2022**	**Reported**	**Normalised***
South Africa	**16 013**	15 766	**1.6**	**1.5**
Egypt	**6 248**	^	**^**	**^**
International	**5 432**	4 762	**14.1**	**4.3**
Corporate and eliminations	**(407)**	(328)		
Group EBITDA	**27 286**	20 200	**35.1**	**1.8**
Safaricom[2]	**10 781**	10 245	**5.2**	**7.6**

Group EBITDA increased 35.1% to R27.3 billion at a margin of 37.5%. Excluding Vodafone Egypt, Group EBITDA was up 4.1% (1.8%*). South Africa EBITDA grew 1.6% to R16.0 billion. South Africa EBITDA margins decreased 1.3ppts to 37.0%. Vodafone Egypt contributed R6.2 billion or 22.9% of Group EBITDA, with an EBITDA margin of 42.0%. EBITDA in our International operations increased 14.1% to R5.4 billion, positively impacted by foreign exchange translation tailwinds.

Notes:
1. Excluding depreciation, amortisation and impairments.
2. The Group's effective interest of 34.94% in Safaricom Plc (Safaricom) is accounted for as an investment in associate. Results represent 100% of Safaricom and is for information purposes only.

Operating profit

Rm	Six months ended 30 September 2023	2022	% change Reported	Normalised*
South Africa	**9 616**	9 947	**(3.3)**	**(3.4)**
Egypt	**4 168**	^	**^**	**^**
International	**2 118**	2 114	**0.2**	**(3.8)**
Safaricom	**1 521**	1 538	**(1.1)**	**15.9**
Corporate and eliminations	**(410)**	(331)		
Group operating profit	**17 013**	13 268	**28.2**	**(1.6)**

Group operating profit increased 28.2% to R17.0 billion, supported by EBITDA growth but impacted by the expected start-up losses in Ethiopia. On a normalised basis, and adjusting for Ethiopia start-up losses, operating profit decreased 1.6%*. In South Africa, operating profit declined 3.3% to R9.6 billion as the depreciation and amortisation outpaced EBITDA growth. Higher depreciation and amortisation in South Africa was associated with our investment into energy resilience and new spectrum. Vodafone Egypt contributed R4.2 billion to Group operating profit, and was up 29.8% in local currency. International operating profit increased 0.2% (-3.8%*) to R2.1 billion, below the rate of EBITDA growth as a result of higher depreciation and amortisation.

On a rand reported basis, Safaricom contributed R1.5 billion to the Group's operating profit, declining 1.1% year-on-year. The decline was attributable to foreign exchange rate movements and Ethiopia start-up losses. Excluding a 6.5ppt impact related to foreign exchange rate movements and a 10.7ppt impact for Ethiopia start-up losses, normalised growth was 15.9%*, reflecting an impressive performance in Kenya.

Net finance charges

Rm	Six months ended 30 September 2023	2022	% change 22/23
Finance income	**940**	334	**181.4**
Finance costs	**(3 935)**	(2 373)	**65.8**
Net finance costs	**(2 995)**	(2 039)	**46.9**
Net gain on remeasurement and disposal of financial instruments	**84**	(153)	**(154.9)**
Net finance charges	**(2 911)**	(2 192)	**32.8**

Net finance charges increased 32.8% to R2.9 billion, as a result of higher net debt and higher average cost of debt associated with a sharp increase in South African Reserve Bank interest rates. The average cost of debt (including leases) increased from 8.0% to 10.2% year-on-year. Excluding leases, the average cost of debt increased from 6.71% to 9.8%. The increase in net finance costs was partially offset by a gain on net remeasurement and disposal of financial instruments, largely a function of foreign exchange movements.

Taxation

The tax expense of R4.1 billion was up 37.6%, or 1.4% excluding Vodafone Egypt. The effective tax rate was 29.3%, higher than the prior year as a result of withholding tax on the Vodafone Egypt dividend and non-deductibility of the finance costs associated with the purchase of the asset.

Earnings

	Six months ended 30 September		% change
	2023	**2022**	**22/23**
Earnings per share (EPS) (cents)	**434**	457	**(5.0)**
Headline earnings per share (HEPS) (cents)	**438**	457	**(4.2)**
Weighted average number of ordinary shares outstanding for the purpose of calculating EPS and HEPS (million)	**1 934**	1 693	**14.2**

EPS and HEPS both decreased 5.0% and 4.2%, respectively. EPS and HEPS were impacted by a higher share count associated with the equity funding component of the Vodafone Egypt transaction, start-up losses in Ethiopia and higher finance costs.

Owned capital expenditure[1]

	Six months ended 30 September		% change
Rm	**2023**	**2022**	**22/23**
South Africa	**4 849**	5 847	**(17.1)**
Egypt	**2 202**	^	**^**
International	**2 479**	1 748	**41.8**
Corporate and eliminations	**12**	4	
Group capital expenditure	**9 542**	7 599	**25.6**
Group capital intensity (%)	**13.1**	14.1	**(1.0ppts)**

The Group's capital expenditure was R9.5 billion, representing 13.1% of revenue. Excluding Vodafone Egypt, Group capital expenditure was down 3.4%. In South Africa, capital expenditure was directed at improving capacity and resilience of the network and increasing 5G roll-out. We have 98.8% (1H23: 98.4%) 4G population coverage and have extended our 5G sites to more than 1 800. Vodafone Egypt invested R2.2 billion on growing and strengthening the network to support increased demand. Across our International markets, the focus remained on increasing both coverage and capacity as well as continuing the 4G roll-out.

Note:

1. Owned capital expenditure, excluding spectrum, licences and capitalised right-of-use (ROU) assets. Right-of-use (ROU) asset additions were R4 033 million (FY22: R3 318 million) for the Group, of which R3 255 million (FY22: R2 658 million) for South Africa and R599 million (FY22: R660 million) in International.

Statement of financial position

Property, plant and equipment increased R2.4 billion to R76.6 billion and intangible assets increased R2.6 billion to R30.2 billion. Net capital addition of R14.1 billion and foreign exchange revaluation gains of R2.1 billion more than offset the depreciation and amortisation charge of R11.2 billion. Intangible asset addition included the spectrum acquisition in the DRC.

	Six months ended 30 September		
Rm	**2023**	**2022**	**Movement**
Bank and cash balances	**15 588**	12 999	**2 589**
Bank overdrafts	**(2 321)**	(1 099)	**(1 222)**
Current borrowings	**(11 071)**	(21 143)	**10 072**
Non-current borrowings	**(58 726)**	(35 648)	**(23 078)**
Other financial instruments	**(39)**	279	**(318)**
Net debt[1]	**(56 569)**	(44 612)	**(11 957)**
Net debt/EBITDA (times)	**1.0**	1.1	

Higher net debt of R56.6 billion reflects the R10.7 billion debt funding component for the Vodafone Egypt transaction and dividends paid exceeding seasonally low free cash flow in the period. Current borrowings decreased as a result of successful refinancing. Group net debt to EBITDA was 1.0 times, with the increase in net debt offset by higher Group EBITDA in the period.

Cash flows[2]

Free cash flow

	Six months ended 30 September		% change
Rm	**2023**	**2022**	**22/23**
EBITDA	**27 286**	20 200	**35.1**
Working capital	**(7 748)**	(5 723)	**(35.4)**
Capital expenditure[3]	**(9 542)**	(7 599)	**(25.6)**
Disposal of property, plant and equipment	**119**	38	**>200.0**
Lease liability payments	**(3 199)**	(2 359)	**(35.6)**
Other	**252**	249	**1.2**
Operating free cash flow	**7 168**	4 806	**49.1**
Tax paid	**(5 000)**	(3 645)	**(37.2)**
Finance income received	**889**	277	**>200.0**
Finance costs paid	**(2 887)**	(1 941)	**(48.7)**
Net dividends (paid)/received from associates and paid to non-controlling shareholders	**(351)**	2 531	**(113.9)**
Free cash flow	**(181)**	2 028	**(108.9)**
Spectrum payments	**(1 056)**	(3 196)	**67.0**
Free cash flow (after spectrum payments)	**(1 237)**	(1 168)	**(5.9)**

Operating free cash flow increased 49.1% on a reported basis and declined 13.8% excluding Vodafone Egypt. From operating free cash flow we paid tax of R5.0 billion, which was higher than the tax expense as a result of provisional tax timing in Egypt. We also incurred higher net finance costs year-on-year and were a net payer of dividends to non-controlling shareholders after an associate dividend. The net payer result reflects dividends paid to minority shareholders, including Vodafone Egypt, of R1.6 billion offsetting the receipt of Safaricom's dividend. The Safaricom dividend received in the period related to the final dividend of FY23 and amounted to R1.3 billion. In the prior year, we received R3.1 billion from Safaricom in the first half (related to Safaricom's interim and final dividends for FY22) and R1.3 billion in the second half of the FY23 financial year (related to Safaricom's interim for FY23).

Notes:

1. Debt includes interest-bearing debt, non-interest-bearing debt, capitalised leases and bank overdrafts.
2. For the reconciliation of cash generated from operations to free cash flow, refer to page 53.
3. Capital expenditure comprises the purchase of property, plant and equipment and intangible assets, other than licence and spectrum payments. Purchases of customer bases are excluded from capital expenditure.

Dividends

Declaration of interim dividend number 29 – payable from income reserves

Notice is hereby given that a gross interim dividend number 29 of 305 cents per ordinary share in respect of the six months ended 30 September 2023 has been declared payable on Monday 4 December 2023 to shareholders recorded in the register at the close of business on Friday 1 December 2023. The number of ordinary shares in issue at the date of this declaration is 2 077 841 204. The ordinary dividend will be subject to a local dividend withholding tax rate of 20%. Accordingly, for those shareholders not exempt from paying dividend withholding tax, the net ordinary dividend will be 244 cents per ordinary share.

Last day to trade shares cum dividend	Tuesday 28 November 2023
Shares commence trading ex-dividend	Wednesday 29 November 2023
Record date	Friday 1 December 2023
Payment date	Monday 4 December 2023

Share certificates may not be dematerialised or rematerialised between Wednesday 29 November 2023 and Friday 1 December 2023, both days inclusive.

On Monday 4 December 2023, the dividend will be electronically transferred into the bank accounts of all certificated shareholders where this facility is available. Shareholders who hold dematerialised shares will have their accounts at their CSDP or broker credited on Monday 4 December 2023.

Vodacom Group Limited tax reference number is 9316/041/71/5.

Dividend policy

Following the acquisition of Vodafone Egypt in the previous financial year, the Company instituted a policy of paying dividends of at least 75% of Vodacom Group headline earnings. At this level of payout, Vodacom offers one of the highest dividend pay-out policies on the JSE. Additionally, the policy provides scope for the Group to invest within its 13.0% to 14.5% capital intensity target, de-lever the balance sheet and accommodate the upstreaming and dividend pay-out profiles of Safaricom and Vodafone Egypt.

For and on behalf of the Board

Sakumzi Justice Macozoma
Chairman

Shameel Aziz Joosub
Chief Executive Officer

Raisibe Morathi
Chief Financial Officer

Midrand
10 November 2023

Independent auditor's review report

To the shareholders of Vodacom Group Limited

We have reviewed the consolidated interim financial statements of Vodacom Group Limited set out on pages 21 to 38, contained in the accompanying interim report, which comprises the condensed consolidated statement of financial position as at 30 September 2023, and the condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-months then ended, and selected explanatory notes.

Directors' responsibility for the consolidated interim financial statements

The directors are responsible for the preparation and presentation of these consolidated interim financial statements in accordance with the International Financial Reporting Standard, (IAS) 34 Interim Financial Reporting, the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee and Financial Pronouncements, as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on these consolidated interim financial statements. We conducted our review in accordance with International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information performed by the Independent Auditor of the Entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the consolidated interim financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of consolidated interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these consolidated interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements of Vodacom Group Limited for the six-months ended 30 September 2023 are not prepared, in all material respects, in accordance with the International Financial Reporting Standard, IAS 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

Ernst & Young Inc.

Ernst & Young Inc.
Director – Vinodhan Pillay
Registered Auditor
Chartered Accountant (SA)
102 Rivonia Road, Sandton
Johannesburg, South Africa

10 November 2023

Condensed consolidated income statement

for the period ended 30 September

Rm	Note	Six months ended 30 September 2023 Reviewed[1]	Six months ended 30 September 2022 Reviewed	Year ended 31 March 2023 Audited[1]
Revenue	3	**72 798**	53 713	119 170
Direct expenses		**(28 081)**	(20 453)	(45 942)
Staff expenses		**(5 366)**	(4 078)	(7 746)
Publicity expenses		**(1 034)**	(862)	(1 936)
Net credit losses on financial assets		**(284)**	(452)	(864)
Other operating expenses		**(11 194)**	(7 805)	(18 069)
Depreciation and amortisation		**(11 174)**	(8 261)	(17 968)
Net profit from associates and joint ventures		**1 348**	1 466	2 607
Operating profit		**17 013**	13 268	29 252
Net gain on disposal of subsidiaries		**–**	–	4
Finance income		**940**	334	857
Finance costs		**(3 935)**	(2 373)	(5 569)
Net gain/(loss) on remeasurement and disposal of financial instruments		**84**	(153)	464
Profit before tax		**14 102**	11 076	25 008
Taxation		**(4 134)**	(3 004)	(6 897)
Net profit		**9 968**	8 072	18 111
Attributable to:				
Equity shareholders		**8 385**	7 740	16 767
Non-controlling interests		**1 583**	332	1 344
		9 968	8 072	18 111

Cents	Notes	Six months ended 30 September 2023 Reviewed[1]	Six months ended 30 September 2022 Reviewed	Year ended 31 March 2023 Audited[1]
Basic earnings per share	4	**434**	457	948
Diluted earnings per share	4	**425**	443	921

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

Condensed consolidated statement of comprehensive income

for the period ended 30 September

Rm	Six months ended 30 September 2023 Reviewed[1]	Six months ended 30 September 2022 Reviewed	Year ended 31 March 2023 Audited[1]
Net profit	**9 968**	8 072	18 111
Other comprehensive income			
Foreign currency translation differences, net of tax[2,3]	**(1 212)**	11 632	2 985
Share of foreign currency translation differences, net of tax, of associates and joint ventures accounted for using the equity method[2,3]	**1 484**	63	565
Mark-to-market of financial assets held at fair value through other comprehensive income, net of tax[2]	**189**	73	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]	**(123)**	(105)	(276)
Total comprehensive income	**10 306**	19 735	21 601
Attributable to:			
Equity shareholders	**8 844**	18 740	21 207
Non-controlling interests	**1 462**	995	394
	10 306	19 735	21 601

Notes:
1. The results of Vodafone Egypt have been 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.
3. Share of foreign currency translation differences, net of tax, of associates and joint ventures accounted for using the equity method line item reported as part of Foreign currency translation differences, net of tax line item for the period ended 30 September 2022, are being reported separately. The reclassification had no impact on any reported totals, headline earnings per share or on any amounts presented in the statement of financial position.

Condensed consolidated statement of financial position

for the period ended 30 September

Rm	Notes	Six months ended 30 September 2023 Reviewed[1]	Six months ended 30 September 2022 Reviewed	Year ended 31 March 2023 Audited[1]
Assets				
Non-current assets		**167 361**	144 596	162 527
Property, plant and equipment		**76 599**	63 501	74 241
Intangible assets		**30 232**	17 886	27 643
Financial assets		**834**	814	800
Investment in associates and joint ventures		**51 852**	55 509	52 573
Trade and other receivables		**3 763**	3 066	3 700
Finance receivables		**2 604**	2 763	2 348
Tax receivable		**701**	630	674
Deferred tax		**776**	427	548
Current assets		**67 728**	51 653	65 788
Financial assets		**1 015**	799	958
Mobile financial deposits		**11 835**	9 308	9 832
Inventory		**2 864**	2 272	2 156
Trade and other receivables		**32 928**	23 190	27 992
Non-current assets held for sale		**67**	–	–
Finance receivables		**2 968**	2 795	2 508
Tax receivable		**463**	290	288
Bank and cash balances		**15 588**	12 999	22 054
Total assets		**235 089**	196 249	228 315
Equity and liabilities				
Fully paid share capital		**89 918**	57 073	89 918
Treasury shares		**(17 207)**	(17 086)	(17 055)
Retained earnings		**45 496**	40 290	43 524
Other reserves		**(30 233)**	10 089	(30 441)
Equity attributable to owners of the parent		**87 974**	90 366	85 946
Non-controlling interests		**11 400**	6 540	11 481
Total equity		**99 374**	96 906	97 427
Non-current liabilities		**64 734**	40 977	66 502
Borrowings	8	**58 726**	35 648	60 687
Trade and other payables		**546**	506	552
Provisions		**1 405**	1 321	1 406
Deferred tax		**4 057**	3 502	3 857
Current liabilities		**70 981**	58 366	64 386
Borrowings	8	**11 071**	21 143	8 327
Trade and other payables		**42 539**	25 372	41 392
Mobile financial payables		**11 835**	9 308	9 832
Provisions		**963**	349	830
Tax payable		**2 195**	1 087	2 665
Dividends payable		**57**	8	17
Bank overdraft		**2 321**	1 099	1 323
Total equity and liabilities		**235 089**	196 249	228 315

Note:
1. Vodafone Egypt has been consolidated from the acquisition date of 8 December 2022.

Condensed consolidated statement of changes in equity

for the period ended 30 September

Rm	Notes	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		**8 844**	**1 462**	**10 306**
Dividends		**(6 426)**	**(1 632)**	**(8 058)**
Repurchase and sale of shares		**(485)**	**–**	**(485)**
Share-based payments		**216**	**–**	**216**
Proceeds on subsidiary share issue[1]		**–**	**103**	**103**
Share of changes in subsidiary holdings of associate	11.3	**(132)**	**(14)**	**(146)**
30 September 2023 – Reviewed		**87 974**	**11 400**	**99 374**
31 March 2022 – Audited		79 437	6 029	85 466
Total comprehensive income		18 740	995	19 735
Dividends		(7 336)	(556)	(7 892)
Repurchase and sale of shares		(370)	–	(370)
Share-based payments		175	–	175
Changes in subsidiary holdings		(280)	72	(208)
30 September 2022 – Reviewed		90 366	6 540	96 906
31 March 2022 – Audited		79 437	6 029	85 466
Adoption of IAS 29 by associate entity	11.3	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 period ended 30 September

Rm	Notes	Six months ended 30 September 2023 Reviewed[1]	Six months ended 30 September 2022 Reviewed	Year ended 31 March 2023 Audited[1]
Cash flows from operating activities				
Cash generated from operations	9	**21 694**	16 581	48 312
Tax paid		**(5 000)**	(3 645)	(7 361)
Net cash flows from operating activities		**16 694**	12 936	40 951
Cash flows from investing activities				
Additions to property, plant and equipment and intangible assets		**(10 298)**	(11 261)	(20 175)
Proceeds from disposal of property, plant and equipment and intangible assets		**119**	38	89
Acquisition of subsidiary (net of cash and cash equivalents acquired)[2]		**(376)**	–	(9 221)
Investment in associate	11.3	**(307)**	(91)	(321)
Loan to joint venture		**–**	–	(116)
Dividends received from associate		**1 281**	3 086	4 390
Finance income received		**889**	277	871
Net movement in mobile financial deposits		**(1 716)**	(1 508)	(2 353)
Other investing activities		**89**	75	132
		(10 319)	(9 384)	(26 704)
Cash flows from financing activities				
Borrowings incurred		**12 153**	5 891	19 662
Borrowings repaid		**(14 763)**	(4 416)	(11 935)
Finance costs paid		**(3 522)**	(2 616)	(5 341)
Dividends paid – equity shareholders		**(6 387)**	(7 353)	(13 136)
Dividends paid – non-controlling interests		**(1 632)**	(556)	(569)
Repurchase of shares		**(546)**	(467)	(510)
Proceeds on sale of shares		**61**	97	133
Proceeds on subsidiary share issue[3]		**103**	–	242
Changes in subsidiary holdings		**–**	(258)	(273)
Net cash flows utilised in financing activities		**(14 533)**	(9 678)	(11 727)
Net (decrease)/increase in cash and cash equivalents		**(8 158)**	(6 126)	2 520
Cash and cash equivalents at the beginning of the period		**20 731**	16 658	16 658
Effect of foreign exchange rate changes		**694**	1 368	1 553
Cash and cash equivalents at the end of the period		**13 267**	11 900	20 731

Notes:
1. Vodafone Egypt has been 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.

Notes to the consolidated interim financial statements
for the period ended 30 September

1 Basis of preparation

These consolidated interim financial statements have been prepared in accordance with the framework concepts, the recognition and measurement criteria of International Financial Reporting Standards (IFRS) and in accordance with and containing the information required by International Accounting Standard (IAS) 34: Interim Financial Reporting as issued by the International Accounting Standards Board (IASB), the Financial Reporting Guides as issued by the South African Institute of Chartered Accountants (SAICA) Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the Johannesburg Stock Exchange (JSE) Limited Listings Requirements and the requirements of the Companies Act of South Africa. They have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value or at amortised cost, and are presented in South African rand, which is the parent Company's functional and presentation currency.

The significant accounting policies and methods of computation are consistent in all material respects with those applied in the previous year, except as disclosed in Note 2. The significant accounting policies are available for inspection at the Group's registered office.

The preparation of these consolidated interim financial statements was supervised by the Chief Financial Officer, RK Morathi (CA) SA, M.Phil., H.Dip Tax.

The financial information has been reviewed by Ernst & Young Inc., whose unmodified review report is presented on page 20.

2 Change in accounting policies

The Group adopted the new, revised or amended accounting pronouncements as issued by the IASB, which were effective and applicable to the Group from 1 April 2023, none of which had any material impact on the Group's financial results for the period. The Group has not early adopted any new, revised or amended accounting pronouncements, that are not yet effective and the Group is not expecting these pronouncements to have a material impact on the financial results of the Group.

Full details on changes in accounting policies will be disclosed in the Group's consolidated financial statements for the year ending 31 March 2024, which will be available online.

Rm	Six months ended 30 September 2023 Reviewed	2022 Reviewed	Year ended 31 March 2023 Audited
3 Segment analysis			
External customer segment revenue	**72 798**	53 713	119 170
South Africa	**43 080**	40 985	84 322
Egypt	**14 868**	*	8 252
International	**14 830**	12 722	26 539
Corporate and eliminations	**20**	6	57
Safaricom[1]	**21 800**	21 212	43 607
Inter-segment revenue	**–**	–	–
South Africa	**189**	203	393
Egypt	**–**	*	–
International	**323**	301	626
Corporate and eliminations	**(512)**	(504)	(1 019)

Notes:

1. The Group has a 34.94% effective interest in Safaricom Plc (Safaricom) through its subsidiary Vodafone Kenya Limited, which the Group equity accounts for as an investment in an associate at 39.93%. Due to the significance of this investment, and the information available for review by the chief operating decision maker, Safaricom is presented as a separate segment. The above results represent 100% of the results of Safaricom.

* Vodafone Egypt was acquired during the previous financial year. Due to the significance of this investment, and the information available for review by the chief operating decision maker, Vodafone Egypt is presented as a separate segment. The results of Vodafone Egypt have been consolidated from the acquisition date of 8 December 2022.

3 Segment analysis continued

Revenue is further disaggregated into product type below.

Rm	South Africa	Egypt*	International	Corporate and elimination	Total	Safaricom[1]
30 September 2023 – reviewed						
Mobile contract revenue	11 675	2 321	1 281	(4)	15 273	3 323
Mobile prepaid revenue	13 138	8 940	12 055	(1)	34 132	15 493
Customer service revenue	24 813	11 261	13 336	(5)	49 405	18 816
Mobile interconnect	882	1 398	616	(194)	2 702	540
Fixed service revenue	2 293	857	683	(145)	3 688	977
Other service revenue	2 681	796	96	(18)	3 555	746
Service revenue[2]	30 669	14 312	14 731	(362)	59 350	21 079
Equipment revenue	8 759	87	192	(3)	9 035	502
Non-service revenue	3 241	469	164	(127)	3 747	219
Revenue from contracts with customers	42 669	14 868	15 087	(492)	72 132	**
Interest income recognised as revenue	286	–	10	–	296	**
Other revenue[3]	314	–	56	–	370	**
Revenue	43 269	14 868	15 153	(492)	72 798	21 800

Notes:

1. The Group has a 34.94% effective interest in Safaricom Plc (Safaricom) through its subsidiary Vodafone Kenya Limited, which the Group equity accounts for as an investment in an associate at 39.93%. Due to the significance of this investment, and the information available for review by the chief operating decision maker, Safaricom is presented as a separate segment. The above results represent 100% of the results of Safaricom.
2. Includes financial services revenue of R1 558 million for South Africa, R804 million for Egypt, R3 814 million for International, and R8 777 million for Safaricom.
3. Other revenue largely represents lease revenues recognised under IFRS 16 "Leases".

* The results of Vodafone Egypt have been consolidated from the acquisition date of 8 December 2022. Due to the significance of this investment, and the information available for review by the chief operating decision maker, Vodafone Egypt is presented as a separate segment.

** Not reviewed by the chief operating decision maker.

3 Segment analysis continued

Rm	South Africa	Egypt	International	Corporate and elimination	Total	Safaricom[1]
30 September 2022 – reviewed						
Mobile contract revenue	11 211	*	1 016	(5)	12 222	2 625
Mobile prepaid revenue	12 738	*	10 371	(1)	23 108	15 143
Customer service revenue	23 949	*	11 387	(6)	35 330	17 768
Mobile interconnect	832	*	601	(209)	1 224	609
Fixed service revenue	1 906	*	564	(147)	2 323	936
Other service revenue	2 798	*	78	(24)	2 852	717
Service revenue[2]	29 485	*	12 630	(386)	41 729	20 030
Equipment revenue	8 295	*	230	(7)	8 518	1 004
Non-service revenue	3 150	*	155	(104)	3 201	178
Revenue from contracts with customers	40 930	*	13 015	(497)	53 448	**
Interest income recognised as revenue	228	*	7	–	235	**
Other revenue[3]	30	*	–	–	30	**
Revenue	41 188	*	13 022	(497)	53 713	21 212

Notes:
1. The Group has a 34.94% effective interest in Safaricom Plc (Safaricom) through its subsidiary Vodafone Kenya Limited, which the Group equity accounts for as an investment in an associate at 39.93%. Due to the significance of this investment, and the information available for review by the chief operating decision maker, Safaricom is presented as a separate segment. The above results represent 100% of the results of Safaricom.
2. Includes financial services revenue of R1 406 million for South Africa; R3 008 million for International and R7 865 million for Safaricom.
3. Other revenue largely represents lease revenues recognised under IFRS 16 "Leases".

* The results of Vodafone Egypt have been consolidated from the acquisition date of 8 December 2022. Due to the significance of this investment, and the information available for review by the chief operating decision maker, Vodafone Egypt is presented as a separate segment.

** Not reviewed by the chief operating decision maker.

3 Segment analysis continued

Rm	South Africa	Egypt*	International	Corporate and elimination	Total	Safaricom[1]
31 March 2023 – audited						
Mobile contract revenue	22 596	1 304	2 174	(10)	26 064	5 763
Mobile prepaid revenue	25 944	4 889	21 635	–	52 468	31 237
Customer service revenue	48 540	6 193	23 809	(10)	78 532	37 000
Mobile interconnect	1 676	871	1 207	(410)	3 344	1 133
Fixed service revenue	4 101	498	1 220	(297)	5 522	1 890
Other service revenue	5 721	414	159	(42)	6 252	1 480
Service revenue[2]	60 038	7 976	26 395	(759)	93 650	41 503
Equipment revenue	17 695	53	430	(11)	18 167	1 586
Non-service revenue	6 430	223	326	(192)	6 787	518
Revenue from contracts with customers	84 163	8 252	27 151	(962)	118 604	**
Interest income recognised as revenue	485	–	14	–	499	**
Other revenue[3]	67	–	–	–	67	**
Revenue	84 715	8 252	27 165	(962)	119 170	43 607

Notes:
1. The Group has a 34.94% effective interest in Safaricom Plc (Safaricom) through its subsidiary Vodafone Kenya Limited, which the Group equity accounts for as an investment in an associate at 39.93%. Due to the significance of this investment, and the information available for review by the chief operating decision maker, Safaricom is presented as a separate segment. The above results represent 100% of the results of Safaricom.
2. Includes financial services revenue of R2 954 million for South Africa, R6 504 million for International, R398 million for Egypt and R16 449 million for Safaricom.
3. Other revenue largely represents lease revenues recognised under IFRS 16 "Leases".

* The results of Vodafone Egypt have been consolidated from the acquisition date of 8 December 2022. Due to the significance of this investment, and the information available for review by the chief operating decision maker, Vodafone Egypt is presented as a separate segment.

** Not reviewed by the chief operating decision maker.

3 Segment analysis continued

Rm	Six months ended 30 September 2023 Reviewed	Six months ended 30 September 2022 Reviewed	Year ended 31 March 2023 Audited
EBITDA[1]	**27 286**	20 200	45 144
South Africa	**16 013**	15 766	32 569
Egypt	**6 248**	*	2 859
International	**5 432**	4 762	10 145
Corporate and eliminations	**(407)**	(328)	(429)
Safaricom[2]	**10 781**	10 245	19 635
Operating profit	**17 013**	13 268	29 252
South Africa	**9 616**	9 947	20 881
Egypt	**4 168**	*	1 710
International	**2 118**	2 114	4 541
Corporate and eliminations[3]	**1 111**	1 207	2 120
Safaricom[2]	**5 100**	5 966	9 727

Notes:
1. EBITDA is operating profit excluding depreciation, amortisation and gains/losses on disposal of owned assets and excluding share of results of equity accounted associates and joint ventures, impairment losses, restructuring costs arising from discrete restructuring plans, other income and expense and significant items that are not considered by management to be reflective of the underlying performance of the Group.
2. The Group has a 34.94% effective interest in Safaricom Plc (Safaricom) through its subsidiary Vodafone Kenya Limited, which the Group equity accounts for as an investment in an associate at 39.93%. Due to the significance of this investment, and the information available for review by the chief operating decision maker, Safaricom is presented as a separate segment. The above results represent 100% of the results of Safaricom, including the depreciation and amortisation impact of net fair value adjustments on tangible and intangible assets.
3. Includes net profit from associates and joint ventures.

* The results of Vodafone Egypt have been consolidated from the acquisition date of 8 December 2022. Due to the significance of this investment, and the information available for review by the chief operating decision maker, Vodafone Egypt is presented as a separate segment.

3 Segment analysis continued

Rm	Six months ended 30 September 2023 Reviewed	Six months ended 30 September 2022 Reviewed	Year ended 31 March 2023 Audited
Reconciliation of segment results			
EBITDA[1]	**27 286**	20 200	45 144
Depreciation and amortisation	**(11 174)**	(8 261)	(17 968)
Net loss on disposal of property, plant and equipment and intangible assets	**(218)**	–	(35)
Net profit from associates and joint ventures	**1 348**	1 466	2 607
Vodafone Egypt acquisition costs	**–**	–	(260)
Other	**(229)**	(137)	(236)
Operating profit[2]	**17 013**	13 268	29 252
Total assets	**235 089**	196 249	228 315
South Africa	**100 077**	94 005	97 172
Egypt	**29 263**	*	26 150
International	**55 511**	50 639	53 613
Corporate and eliminations	**50 238**	51 605	51 380
Safaricom[3]	**102 009**	84 678	91 644
Total liabilities	**(135 716)**	(99 343)	(130 888)
South Africa	**(78 753)**	(73 053)	(75 064)
Egypt	**(17 804)**	*	(15 582)
International	**(33 921)**	(32 075)	(32 297)
Corporate and eliminations	**(5 238)**	5 785	(7 945)
Safaricom[3]	**(42 975)**	(37 126)	(39 445)

Notes:
1. EBITDA is operating profit excluding depreciation, amortisation and gains/losses on disposal of owned assets and excluding share of results of equity accounted associates and joint ventures, impairment losses, restructuring costs arising from discrete restructuring plans, other income and expense and significant items that are not considered by management to be reflective of the underlying performance of the Group.
2. For a reconciliation of operating profit to net profit for the period, refer to the condensed consolidated income statement on page 21.
3. The Group has a 34.94% effective interest in Safaricom Plc (Safaricom) through its subsidiary Vodafone Kenya Limited, which the Group equity accounts for as an investment in an associate at 39.93%. Due to the significance of this investment, and the information available for review by the chief operating decision maker, Safaricom is presented as a separate segment. The above results represent 100% of the results of Safaricom, including the net fair value adjustments on tangible and intangible assets, excluding goodwill, that arose on acquisition.

* The results of Vodafone Egypt have been consolidated from the acquisition date of 8 December 2022. Due to the significance of this investment, and the information available for review by the chief operating decision maker, Vodafone Egypt is presented as a separate segment.

Cents	Six months ended 30 September 2023 Reviewed	Six months ended 30 September 2022 Reviewed	Year ended 31 March 2023 Audited
4 Per share calculations			
4.1 Earnings and dividends per share			
Basic earnings per share	**434**	457	948
Diluted earnings per share	**425**	443	921
Headline earnings per share	**438**	457	948
Diluted headline earnings per share	**429**	443	922
Dividends per share	**330**	430	770

Million	Six months ended 30 September 2023 Reviewed	Six months ended 30 September 2022 Reviewed	Year ended 31 March 2023 Audited
4.2 Weighted average number of ordinary shares outstanding for the purpose of calculating			
Basic and headline earnings per share	**1 934**	1 693	1 769
Diluted earnings and diluted headline earnings per share	**1 974**	1 745	1 820
4.3 Ordinary shares for the purpose of calculating dividends per share:			
430 cents per share declared on 13 May 2022		1 836	1 836
340 cents per share declared on 11 November 2022			1 836
330 cents per share declared on 12 May 2023	**2 078**		

Vodacom Group Limited acquired 4 420 441 (30 September 2022: 3 019 296; 31 March 2023: 3 366 930) shares in the market during the period at an average price of R111.70 (30 September 2022: R145.31; 31 March 2023: R142.96) per share for the Group's forfeitable share plan. The Innovator Trust, a structured entity consolidated by the Group in terms of IFRS 10: Consolidated Financial Statements, also purchased 187 100 (30 September 2022: 223 670; 31 March 2023: 223 670) shares at an average price of R106.20 (30 September 2022: R129.84; 31 March 2023: R129.84) per share. Share repurchases did not exceed 1% of Vodacom Group Limited's issued share capital.

Dividend per share calculations are based on a dividend paid of R6 857 million (30 September 2022: R7 894 million; 31 March 2023: R14 136 million) of which R34 million (30 September 2022: R39 million; 31 March 2023: R69 million) was offset against the forfeitable share plan reserve, R3 million (30 September 2022: R4 million; 31 March 2022: R7 million) expensed as staff expenses and R51 million (30 September 2022: R66 million; 31 March 2023: R119 million) paid to Wheatfields Investments 276 (Pty) Limited, a wholly-owned subsidiary holding treasury shares on behalf of the Group. An amount of R378 million (30 September 2022: R492 million; 31 March 2023: R881 million) was paid to YeboYethu Investment Company (RF) (Pty) Limited, a special purpose vehicle holding shares in Vodacom Group Limited on behalf of broad-based black economic empowerment participants, of which R45 million (30 September 2022: R55 million; 31 March 2023: R89 million) was paid out as a trickle dividend to participants. R10 million (30 September 2022: R12 million; 31 March 2023: R22 million) was paid to The Innovator Trust. The Group declared an interim dividend in respect of the period ended 30 September 2023 after the reporting period (Refer to Note 13).

Rm	Six months ended 30 September 2023 Reviewed	2022 Reviewed	Year ended 31 March 2023 Audited
4 Per share calculations continued			
4.4 Headline earnings reconciliation			
Earnings attributable to equity shareholders for basic and diluted earnings per share	**8 385**	7 740	16 767
Adjusted for:			
Net loss/(profit) on disposal of property, plant and equipment and intangible assets[1]	**213**	(2)	33
Profit on disposal of subsidiaries	**–**	–	(4)
	8 598	7 738	16 796
Tax impact of adjustments	**(63)**	1	(9)
Non-controlling interests' share in adjustments	**(71)**	1	(14)
Headline earnings for headline- and diluted headline earnings per share[2]	**8 464**	7 740	16 773

Notes:

1. Includes attributable share of net profit on disposal of property, plant and equipment and intangible assets of associates and joint ventures of R5 million (30 September 2022: R2 million; 31 March 2023: R2 million).
2. This disclosure is a requirement of the JSE Limited. It has been calculated in accordance with Circular 1/2023 as issued by SAICA.

5 Related parties

The amounts disclosed in Notes 5.1 and 5.2 include significant balances and transactions with the Group's parent, entities in its group as well as with its associates and joint ventures.

Rm	Six months ended 30 September 2023 Reviewed	2022 Reviewed	Year ended 31 March 2023 Audited
5.1 Balances with related parties			
Borrowings (including accrued finance cost)	**37 030**	29 162	36 985
5.2 Transactions with related parties			
Dividends declared	**(4 464)**	(4 776)	(8 552)
Dividends from associate	**1 273**	1 709	3 032
Finance costs	**(1 723)**	(958)	(2 358)

5.3 Directors and key management personnel

AI Dimitrova, a non-executive director, resigned from the Board on 15 September 2023. S Sood, a non-executive director, resigned from the Board on 5 October 2023. JH Reiter was appointed as a non-executive director of the Board with effect from 6 October 2023.

	Rm	Six months ended 30 September 2023 Reviewed	Six months ended 30 September 2022 Reviewed	Year ended 31 March 2023 Audited
6	**Capital commitments**			
	Capital expenditure contracted for but not yet incurred	**7 388**	7 237	8 362

	Rm	Six months ended 30 September 2023 Reviewed	Six months ended 30 September 2022 Reviewed	Year ended 31 March 2023 Audited
7	**Capital expenditure incurred**			
	Capital expenditure additions including software[1]	**9 542**	7 599	16 490

Note:
1. Excludes acquisition of spectrum.

8 Borrowings

Loans from Standard Bank of South Africa to the value of US$27.5 million and MZN1 050 million totalling R797 million in aggregate, bearing interest at 6 month Libor plus 3.30% and Mozambique prime rate less 2% respectively, were refinanced on the maturity date of 31 May 2023 for an additional 3 year term. The facilities were refinanced with a US$100 million facility available for utilisation in full in both US$ (Facility A) and MZM (Facility B). There was no cash flow on the refinance. Drawdowns of R384 million and repayments of R240 million were subsequently made against this facility. The facilities bear interest at the secured overnight financing rate (SoFR) plus 3% and Mozambique prime rate less 4% respectively, and have a repayment date of 31 May 2026. All financial assets and liabilities subject to Libor have now been transitioned to SoFR. There was no significant impact on the transition to SoFR. The Group is keeping abreast of developments relating to interest rate benchmark reform for the Group's Jibar exposure, as and when communicated by the relevant financial authorities.

Preference shares to the value of R4 654 million that were issued to ABSA Bank Limited, Depfin Investments (Pty) Limited and FirstRand Bank Limited in order to finance the Group's BBBEE transaction were refinanced. These preference shares had a dividend rate of 68% of First National Bank Limited's prime overdraft lending rate (prime) and had a maturity date of 14 September 2023 which was subsequently extended in the prior financial year to 14 September 2024. The remaining R3 479 million capital was refinanced on 31 August 2023. The new holders of the preference shares post refinance are FirstRand Bank Limited, ABSA Bank Limited and Momentum Metropolitan Holdings (MMH). The preference shares have a dividend rate of 67% of prime and a maturity date of 31 August 2028. The borrowing is secured by the shares that YeboYethu Investment Company (RF) (Pty) Limited, a wholly owned subsidiary of YeboYethu Limited, holds in Vodacom Group Limited, with a target share cover ratio of above three times the debt with a breach occurring at two times share cover. The cash in- and outflow on the transaction on redemption from exiting shareholders and issue of new preference shares to new holders was R917 million.

Included in borrowings repaid and borrowings incurred in the statement of cash flows are cash outflows and cash inflows of R10 400 million (30 September 2022: Rnil; 31 March 2023: R5 862 million[1]) and R10 535 million (30 September 2022: Rnil; 31 March 2023: R4 458 million[1]) respectively relating to cash movements on committed borrowing facilities of Vodafone Egypt. Also included in borrowings repaid is repayments on lease liabilities of R2 555 million (30 September 2022: R1 684 million; 31 March 2023: R3 404 million[1]) which are classified as borrowings under IFRS 16.

Note:
1. Vodafone Egypt has been consolidated from the acquisition date of 8 December 2022.

Rm	Six months ended 30 September 2023 Reviewed	Six months ended 30 September 2022 Reviewed	Year ended 31 March 2023 Audited
9 Cash flows from operating activities			
Profit before tax	**14 102**	11 076	25 008
Adjusted for:			
Net profit on disposal of subsidiaries	**–**	–	(4)
Finance income	**(940)**	(334)	(857)
Finance costs	**3 935**	2 373	5 569
Net (gain)/loss on remeasurement and disposal of financial instruments	**(84)**	153	(464)
Operating profit	**17 013**	13 268	29 252
Adjusted for:			
Depreciation and amortisation	**11 174**	8 261	17 968
Net loss on disposal of property, plant and equipment and intangible assets	**218**	–	35
Net credit losses on financial assets	**284**	452	864
Share-based payment	**247**	242	481
Net profit from associates and joint ventures	**(1 348)**	(1 466)	(2 607)
Other	**24**	(15)	–
Cash flows from operations before working capital changes	**27 612**	20 742	45 993
Increase in inventory	**(665)**	(437)	(106)
Increase in trade and other receivables	**(5 472)**	(3 495)	(4 777)
Increase/(decrease) in mobile financial payables, trade and other payables and provisions	**219**	(229)	7 202
Cash generated from operations	**21 694**	16 581	48 312

10 Contingent liabilities

10.1 Tax matters

The Group is regularly subject to an evaluation by tax authorities of its direct and indirect tax filings, the most significant of which are capital allowances, withholding taxes, customs duty and transfer pricing in certain jurisdictions. The consequence of such reviews is that disputes may arise with tax authorities over the interpretation or application of certain tax rules to the Group's business. The tax laws are in some instances ambiguous and subject to a broad range of interpretations. To address and manage this tax uncertainty, good governance is fundamental to the Group's business sustainability. All major tax positions taken are subject to review by executive management and are reported to the Board. The Group has support from external advisors with regards to the positions taken in respect of the significant tax matters which confirms the application and interpretation of the tax legislation. The Group has considered all matters in dispute with the relevant tax authorities and has accounted for any exposure identified, if required. The Group has not disclosed all the details in respect of the open tax disputes as these matters are still under the dispute resolution process. These disputes may not necessarily be resolved in a manner that is favourable to the Group.

10.2 Legal contingencies

The Group is currently involved in various legal disputes across its different jurisdictions and has, in consultation with its legal advisors, assessed the possible outcomes in these cases and has determined that adequate provision has been made in respect of all these cases as at 30 September 2023.

11 Other matters

11.1 Kenneth Makate (Mr Makate) vs Vodacom (Pty) Limited (Vodacom)

Mr Makate rejected the CEO's determination of reasonable compensation payable to him in accordance with the 2016 Constitutional Court order and brought an application in the Gauteng Division of the High Court of South Africa (the High Court) to have the CEO's determination reviewed and set aside.

The High Court set aside the determination and ordered that the compensation amount be reassessed. The Group applied for leave to appeal against the whole of the judgement and order of the High Court. On 11 April 2022, the Group was granted leave to appeal the judgement and order of the High Court to the Supreme Court of Appeal (SCA). The Group's appeal against the judgement and order of the High Court was heard on 9 May 2023 in the SCA. The judgement and decision of the SCA on the matter will be delivered in due course.

11.2 Independent Communications Authority of South Africa (ICASA) assignment of high demand spectrum (HDS)

On 17 March 2022, the Group secured spectrum for an amount of R5 382 million. The spectrum licence was effective from 1 July 2022 and the Group paid R3 196 million in the prior year for this spectrum. The remainder of the spectrum is now available for use, therefore the balance of the spectrum amount is now payable and was included in current trade and other payables in the statement of financial position as at 30 September 2023. The outstanding amount was paid to ICASA on 30 October 2023.

11.3 Global Partnership for Ethiopia B.V.

The Group continues to invest in Safaricom Telecommunications Ethiopia PLC (Safaricom Ethiopia), which is operating in a hyperinflationary environment. The financial impact of IAS 29, Financial Reporting in Hyperinflationary Economies (IAS 29) resulted in an increase in Investment in associates and joint ventures of R1.1 billion (30 September 2022: Rnil; 31 March 2023: R2.3 billion). During August 2023, the International Finance Corporation (IFC) entered into the consortium in Ethiopia via a new issue of shares to the IFC, resulting in them holding a 7.25% equity interest, thus diluting the interests of the original consortium members' equity shareholding. The Group's holding, excluding its indirect interest via its shareholding in Safaricom PLC diluted from a holding of 6.19% to 5.74%. In addition, the Group has an indirect interest via its shareholding in Safaricom PLC. Safaricom PLC's 55.71% effective interest in Safaricom Ethiopia diluted to 51.67%. The Group continues to exercise significant influence over Safaricom Ethiopia and therefore the investment is equity accounted as an associate.

11.4 MAZIV (Pty) Limited (MAZIV)

On 10 November 2021, the Group announced an investment into a joint venture, MAZIV, that will house the material fibre network assets of both the Group and Community Investment Ventures Holdings (Pty) Limited. During October 2022, ICASA approved the transaction subject to the incorporation of conditions relating to the provision of open-access network services, along with limitations on ownership and control, into DFA's licences. The Competition Commission recommended the prohibition of the transaction and referred it to the Competition Tribunal. The matter is provisionally set for competition tribunal hearing in the first half of 2024 and decision is expected to be made towards the end of 2024.

12 Events after the reporting period

The Board is not aware of any matter or circumstance arising since the end of the reporting period, not otherwise dealt with herein, which significantly affects the financial position of the Group or the results of its operations or cash flows for the period, other than the following:

12.1 Dividend declared after the reporting date and not recognised as a liability

An interim dividend of R6 337 million (305 cents per ordinary share) for the period ended 30 September 2023, was declared on 10 November 2023, payable on 4 December 2023 to shareholders recorded in the register at the close of business on 1 December 2023. The net dividend after taking into account dividend withholding tax for those shareholders not exempt from dividend withholding tax is 244.00000 cents per share. This is in line with the Group's dividend policy to pay dividends of at least 75% of the Group's headline earnings.

13 Fair value

The carrying amounts of financial assets at amortised cost, mobile financial deposits, trade and other receivables, bank and cash balances, bank overdraft, mobile financial payables, licence and spectrum fees payable, and trade and other payables approximate their fair value due to short-term maturity.

The aggregate fair value, if determinable, of interest bearing borrowings (excluding leases and licence and spectrum fees payable) with a carrying amount of R54 748 million (30 September 2022: R42 421 million; 31 March 2023: R53 902 million) amounts to R54 633 million (30 September 2022: R42 454 million; 31 March 2023: R53 977 million). Fair value is based on level two of the fair value hierarchy. Estimated interest rates for fixed interest rate financial liabilities are calculated with reference to the applicable zero coupon yield curves at the reporting date, as published by Bloomberg. Where the fair value could be determined by using the discounted cash flow method (with a discount rate based on market-related interest rates) the discount rate varied between 10.05% and 9.78% (30 September 2022: 5.73% and 8.01%; 31 March 2023: 9.16% and 9.84%) for rand-denominated borrowings.

13.1 Fair value hierarchy

The table below sets out the valuation basis of financial instruments measured at fair value:

Rm	Six months ended 30 September 2023 Reviewed	Six months ended 30 September 2022 Reviewed	Year ended 31 March 2023 Audited
Level one[1]			
Financial assets at fair value through profit or loss			
Unit trust investments	**421**	388	403
Level two[2]			
Financial assets at fair value through other comprehensive income			
Finance receivables[3]	**5 571**	5 558	4 856
Financial assets and liabilities at fair value through profit or loss			
Derivative financial assets[4]	**47**	339	69
Derivative financial liabilities[4]	**(85)**	(61)	(96)
	5 954	6 224	5 232

Notes:
1. Level one classification is used when the valuation is determined using quoted prices in an active market for identical assets or liabilities that the entity can access at the valuation date.
2. Level two classification is used when valuation inputs used to determine fair value are observable for the asset/(liability), either directly as prices or indirectly when derived from prices.
3. The Group provides financing to customers to acquire devices at an additional contractual charge which is included in finance receivables. The business model under IFRS 9 for finance receivables has been determined to be "hold to collect and sell". Finance receivables are valued using a market approach, with cash flows discounted at the 24-month weighted average credit risk adjusted risk free rate at which finance receivables are sold across multiple financial institutions.
4. The fair value of foreign exchange forward contracts and firm commitment assets and liabilities are determined with reference to quoted market prices for similar instruments, being the mid forward rates and spot rates respectively, as at the reporting date.

Supplementary information

Operating results for the six months ended 30 September 2023

Rm	South Africa	% 22/23	Egypt^	International	% 22/23	Corporate/ Eliminations	Group	% 22/23	Safaricom[1]	% 22/23
Mobile contract revenue	11 675	4.1	2 321	1 281	26.1	(4)	15 273	25.0	3 323	26.6
Mobile prepaid revenue	13 138	3.1	8 940	12 055	16.2	(1)	34 132	47.7	15 493	2.3
Customer service revenue	24 813	3.6	11 261	13 336	17.1	(5)	49 405	39.8	18 816	5.9
Mobile interconnect	882	6.0	1 398	616	2.5	(194)	2 702	120.8	540	(11.3)
Fixed service revenue	2 293	20.3	857	683	21.1	(145)	3 688	58.8	977	4.4
Other service revenue	2 681	(4.2)	796	96	23.1	(18)	3 555	24.6	746	4.0
Service revenue	30 669	4.0	14 312	14 731	16.6	(362)	59 350	42.2	21 079	5.2
Equipment revenue	8 820	5.7	87	202	(14.8)	(3)	9 106	6.2	502	(50.0)
Non-service revenue	3 780	12.5	469	220	41.9	(127)	4 342	27.3	219	23.0
Revenue	43 269	5.1	14 868	15 153	16.4	(492)	72 798	35.5	21 800	2.8
Direct expenses	(18 260)	6.8	(5 640)	(4 548)	21.3	367	(28 081)	37.3		
Staff expenses	(2 889)	11.8	(556)	(1 415)	29.5	(506)	(5 366)	31.6		
Publicity expenses	(448)	(15.3)	(271)	(311)	(5.2)	(4)	(1 034)	20.0		
Net credit gains/(losses) on financial instruments	(399)	(9.9)	(45)	159	<(200)	1	(284)	(37.2)		
Other operating expenses	(5 316)	10.6	(2 103)	(4 001)	26.1	226	(11 194)	43.4		
Depreciation and amortisation	(6 341)	9.8	(2 085)	(2 745)	10.6	(3)	(11 174)	35.3		
Net profit/(loss) from associates and joint ventures	–		–	(174)	141.7	1 522	1 348	(8.0)		
Operating profit	9 616	(3.3)	4 168	2 118	0.2	1 111	17 013	28.2	6 581	(7.1)
EBITDA	16 013	1.6	6 248	5 432	14.1	(407)	27 286	35.1	10 781	5.2
EBITDA margin (%)	37.0		42.0	35.8			37.5		49.6	
Included in service revenue:										
Financial services revenue	1 558	10.8	804	3 814	26.8	–	6 176	39.9	8 777	11.6

Note:

1. The Group's effective interest of 34.94% in Safaricom Plc (Safaricom) is accounted for as an investment in associate. Results represent 100% of Safaricom and is for information purposes only. The above results represent 100% of the results of Safaricom, excluding the depreciation and amortisation impact of net fair value adjustments on tangible and intangible assets.

Operating results for the six months ended 30 September 2022

Rm	South Africa	International	Corporate/ Eliminations	Group	Safaricom[1]
Mobile contract revenue	11 211	1 016	(5)	12 222	2 625
Mobile prepaid revenue	12 738	10 371	(1)	23 108	15 143
Customer service revenue	**23 949**	**11 387**	**(6)**	**35 330**	**17 768**
Mobile interconnect	832	601	(209)	1 224	609
Fixed service revenue	1 906	564	(147)	2 323	936
Other service revenue	2 798	78	(24)	2 852	717
Service revenue	**29 485**	**12 630**	**(386)**	**41 729**	**20 030**
Equipment revenue	8 344	237	(7)	8 574	1 004
Non-service revenue	3 359	155	(104)	3 410	178
Revenue	**41 188**	**13 022**	**(497)**	**53 713**	**21 212**
Direct expenses	(17 100)	(3 750)	397	(20 453)	
Staff expenses	(2 584)	(1 093)	(401)	(4 078)	
Publicity expenses	(529)	(328)	(5)	(862)	
Net credit losses on financial instruments	(443)	(8)	(1)	(452)	
Other operating expenses	(4 808)	(3 174)	177	(7 805)	
Depreciation and amortisation	(5 777)	(2 483)	(1)	(8 261)	
Net profit/(loss) from associates and joint ventures	–	(72)	1 538	1 466	
Operating profit	**9 947**	**2 114**	**1 207**	**13 268**	**7 084**
EBITDA	15 766	4 762	(328)	20 200	10 245
EBITDA margin (%)	38.3	36.6		37.6	48.3
Included in service revenue:					
Financial services revenue	1 406	3 008		4 414	7 865

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

South Africa key telecom indicators for the quarter ended

	30 Sep 2023	30 Jun 2023	31 Mar 2023	31 Dec 2022	30 Sep 2022	% change 22/23
Customers[1] (thousand)	**47 256**	44 812	44 230	44 668	**45 512**	**3.8**
Prepaid	**40 473**	38 088	37 552	37 937	**38 913**	**4.0**
Contract	**6 783**	6 724	6 678	6 731	**6 599**	**2.8**
Data customers[2] (thousand)	**25 803**	25 967	25 519	25 493	**23 774**	**8.5**
Internet of Things connections[3] (thousand)	**7 953**	8 048	7 490	7 137	**7 084**	**12.3**
Traffic[4] (millions of minutes)	**16 417**	15 653	15 958	17 008	**17 360**	**(5.4)**
Outgoing	**13 587**	12 920	13 128	14 112	**14 424**	**(5.8)**
Incoming	**2 830**	2 733	2 830	2 896	**2 936**	**(3.6)**
MOU per month[5]	**118**	117	120	127	**127**	**(7.1)**
Prepaid	**113**	112	112	120	**119**	**(5.0)**
Contract	**153**	149	166	169	**178**	**(14.0)**
Total ARPU[6] (rand per month)	**94**	94	94	97	**93**	**1.1**
Prepaid	**59**	58	58	61	**58**	**1.7**
Contract	**303**	300	295	299	**301**	**0.7**

South Africa key telecom indicators for the six months ended

	30 September		% change
	2023	2022	22/23
Traffic[4] (millions of minutes)	**32 070**	33 866	**(5.3)**
Outgoing	**26 507**	28 098	**(5.7)**
Incoming	**5 563**	5 768	**(3.6)**
MOU per month[5]	**118**	124	**(4.8)**
Prepaid	**112**	115	**(2.6)**
Contract	**151**	178	**(15.2)**
Total ARPU[6] (rand per month)	**94**	91	**3.3**
Prepaid	**58**	56	**3.6**
Contract	**302**	297	**1.7**

Notes:

1. Customers are based on the total number of mobile customers using any service during the last three months. This includes customers paying a monthly fee that entitles them to use the service even if they do not actually use the service and those customers who are active whilst roaming.
2. Data customers are based on the number of unique users generating billable data traffic during the month. Also included are users on integrated tariff plans, or who have access to corporate APNs, and users who have been allocated a revenue generating data bundle during the month. A user is defined as being active if they are paying a contractual monthly fee for this service or have used the service during the reported month.
3. Internet of Things (IoT) connections is the remote wireless interchange between two or more predefined devices or a central station without direct relationship with an end customer, in order to support a specific business process or product.
4. Traffic comprises total traffic registered on Vodacom's mobile network including bundled minutes; promotional minutes and outgoing international roaming calls but excluding national roaming calls, incoming international roaming calls and calls to free services.
5. Minutes of use (MOU) per month is calculated by dividing the average monthly minutes (traffic) during the period by the average monthly customers during the period.
6. Total ARPU is calculated by dividing the sum of the customer and incoming revenue for the period by the average monthly active customers during the period. Prepaid and contract ARPU only include the revenue generated from Vodacom mobile customers.

Vodafone Egypt key telecom indicators for the quarter ended

	30 Sep 2023	30 Jun 2023	31 Mar 2023	31 Dec 2022	30 Sep 2022	% change 22/23
Closing customers[1] (thousand)	**47 022**	46 222	45 493	45 083	**44 583**	**5.5**
Prepaid	**41 703**	41 015	40 358	40 027	**39 610**	**5.3**
Contract	**5 319**	5 207	5 135	5 056	**4 973**	**7.0**
Data customers[2] (thousand)	**28 154**	27 096	26 264	25 611	**24 933**	**12.9**
ARPU[3] (local currency per month)	**79**	73	68	67	**65**	**21.5**
Prepaid ARPU	**71**	65	61	60	**58**	**22.4**
Contract ARPU	**139**	131	124	122	**120**	**15.8**

Notes:
1. A customer is defined as a Subscriber Identity Module (SIM), or in territories where SIMs do not exist, a unique mobile telephone number which has access to the network for any purpose (including data only usage) except telemetric applications.
2. Data customers are based on the number of unique users generating billable data traffic during the month. Also included are users on integrated tariff plans, or who have access to corporate APNs, and users who have been allocated a revenue generating data bundle during the month. A user is defined as being active if they are paying a contractual monthly fee for this service or have used the service during the reported month.
3. ARPU is calculated by dividing the average total service revenue by the average monthly customers during the period.

International key telecom indicators for the quarter ended

	30 Sep 2023	30 Jun 2023	31 Mar 2023	31 Dec 2022	30 Sep 2022	% change 22/23
Customers[1] (thousand)	**53 684**	51 679	50 228	48 147	**43 886**	**22.3**
Tanzania	**18 502**	17 316	16 735	16 292	**16 008**	**15.6**
DRC	**21 784**	21 853	21 040	19 184	**16 109**	**35.2**
Mozambique	**11 867**	10 880	10 742	10 904	**10 016**	**18.5**
Lesotho	**1 531**	1 630	1 711	1 767	**1 753**	**(12.7)**
Data customers[2] (thousand)	**23 810**	23 048	22 485	21 803	**21 141**	**12.6**
Tanzania	**9 745**	9 214	8 748	8 445	**7 971**	**22.3**
DRC	**7 136**	7 139	7 209	6 495	**6 713**	**6.3**
Mozambique	**6 101**	5 853	5 696	5 942	**5 626**	**8.4**
Lesotho	**828**	842	832	921	**831**	**(0.4)**
MOU per month[3]						
Tanzania	**302**	281	265	286	**288**	**4.9**
DRC	**22**	21	24	29	**32**	**(31.3)**
Mozambique	**100**	98	93	102	**111**	**(9.9)**
Lesotho	**66**	60	56	74	**65**	**1.5**
Total ARPU[4] (rand per month)						
Tanzania	**43**	43	40	42	**40**	**7.5**
DRC	**45**	44	43	50	**54**	**(16.7)**
Mozambique	**45**	50	47	54	**57**	**(21.1)**
Lesotho	**60**	55	52	54	**49**	**22.4**
Total ARPU[4] (local currency per month)						
Tanzania (TZS)	**5 690**	5 415	5 238	5 558	**5 466**	**4.1**
DRC (US$)	**2.4**	2.4	2.4	2.8	**3.2**	**(25.0)**
Mozambique (MZN)	**154**	173	168	196	**215**	**(28.4)**

International key telecom indicators for the six months ended

	30 September		% change
	2023	2022	22/23
MOU per month[3]			
Tanzania	**292**	274	**6.6**
DRC	**22**	32	**(31.3)**
Mozambique	**99**	110	**(10.0)**
Lesotho	**63**	61	**3.3**
Total ARPU[4] (rand per month)			
Tanzania	**43**	37	**16.2**
DRC	**45**	51	**(11.8)**
Mozambique	**47**	56	**(16.1)**
Lesotho	**57**	49	**16.3**
Total ARPU[4] (local currency per month)			
Tanzania (TZS)	**5 557**	5 257	**5.7**
DRC (US$)	**2.4**	3.1	**(22.6)**
Mozambique (MZN)	**163**	219	**(25.6)**

Notes:
1. Customers are based on the total number of mobile customers using any service during the last three months. This includes customers paying a monthly fee that entitles them to use the service even if they do not actually use the service and those customers who are active whilst roaming.
2. Data customers are based on the number of unique users generating billable data traffic during the month. Also included are users on integrated tariff plans, or who have access to corporate APNs, and users who have been allocated a revenue generating data bundle during the month. A user is defined as being active if they are paying a contractual monthly fee for this service or have used the service during the reported month.
3. Minutes of use (MOU) per month is calculated by dividing the average monthly minutes (traffic) during the period by the average monthly customers during the period.
4. Total ARPU is calculated by dividing the sum of the customer and incoming revenue for the period by the average monthly active customers during the period.

Safaricom key telecom indicators for the six months ended

	30 September		% change
	2023	2022	22/23
Closing customers[1] (thousand)	**48 240**	43 173	**11.7**
Data customers[2] (thousand)	**27 528**	25 202	**9.2**
ARPU[3] (local currency per month)	**563.3**	565.5	**(0.4)**

Notes:
1. A customer is defined as a Subscriber Identity Module (SIM), or in territories where SIMs do not exist, a unique mobile telephone number which has access to the network for any purpose (including data only usage) except telemetric applications.
2. Data customers are based on the number of unique active users who have generated data traffic.
3. ARPU is calculated by dividing the average total service revenue by the average monthly customers during the period.

Financial services key indicators

Active customers[1] for the quarter ended

Thousand	30 Sep 2023	31 Mar 2023	30 Sep 2022	% change 22/23
South Africa	**13 715**	13 896	**13 670**	**0.3**
Egypt	**6 682**	5 398	**^**	**^**
International M-Pesa	**20 976**	19 229	**18 291**	**14.7**
Tanzania	**9 311**	8 197	**7 726**	**20.5**
DRC	**4 628**	4 147	**3 781**	**22.4**
Mozambique	**6 126**	5 808	**5 790**	**5.8**
Lesotho	**911**	1 077	**994**	**(8.4)**
Consolidated Group	**41 373**	38 523	**31 961**	**29.4**
Safaricom M-Pesa (100% basis)	**32 135**	32 105	**31 168**	**3.1**
Total	**73 508**	70 628	**63 129**	**16.4**

Mobile wallet value of transactions for the last twelve-month period ended

US$m	30 Sep 2023	31 Mar 2023	30 Sep 2022	% change 22/23
Egypt	**24 838**	^	**^**	**^**
International	**72 658**	68 263	**61 654**	**17.8**
Safaricom (100% basis)	**273 139**	296 576	**293 646**	**(7.0)**
Total	**370 635**	364 839	**355 300**	**4.3**

Merchants & agents

	Six months ended September		% change
Thousand	**2023**	**2022**	**22/23**
Merchants			
International	**292**	137	**113.1**
Safaricom	**658**	539	**22.1**
Agents			
International	**321**	272	**18.0**
Safaricom	**260**	263	**(1.1)**

Note:
1. Financial services customers are based on the number of unique customers who have generated revenue to Financial Services during the last month.

International financial review per country

	Six months ended September 2023	Six months ended September 2022	% change 22/23
Revenue (local currency)			
Tanzania (TZSm)	**612 772**	518 347	**18.2**
DRC (US$000)	**323 636**	311 351	**3.9**
Mozambique (MZNm)	**11 937**	13 472	**(11.4)**
Lesotho (LSLm)	**614**	590	**4.1**
EBITDA (local currency)			
Tanzania (TZSm)	**186 515**	153 999	**21.1**
DRC (US$000)	**121 011**	118 249	**2.3**
Mozambique (MZNm)	**5 060**	5 892	**(14.1)**
Lesotho (LSLm)	**222**	205	**8.3**

Historical financial review

Revenue for the quarter ended

Rm	30 Sep 2023	30 Jun 2023	31 Mar 2023	31 Dec 2022	30 Sep 2022	30 Jun 2022	31 Mar 2022
South Africa	**21 863**	21 406	21 612	21 915	**20 920**	20 268	20 680
Egypt	**7 793**	7 075	6 376	1 876	**^**	^	^
International	**7 712**	7 440	7 017	7 126	**6 984**	6 038	5 720
Corporate and eliminations	**(237)**	(254)	(253)	(212)	**(247)**	(250)	(265)
Group revenue	**37 131**	35 667	34 752	30 705	**27 657**	26 056	26 135

Revenue YoY % change for the quarter ended

%	Reported 30 Sep 2023	Reported 30 Jun 2023	Reported 31 Mar 2023	Reported 31 Dec 2022	Normalised* 30 Sep 2022
South Africa	**4.5**	5.6	4.5	5.0	**4.5**
International	**10.4**	23.2	22.7	16.6	**3.0**
Group revenue	**34.3**	36.9	33.0	14.8	**4.2**

Service revenue for the quarter ended

Rm	30 Sep 2023	30 Jun 2023	31 Mar 2023	31 Dec 2022	30 Sep 2022	30 Jun 2022	31 Mar 2022
South Africa	**15 606**	15 064	15 160	15 393	**14 989**	14 496	14 961
Egypt	**7 468**	6 844	6 155	1 821	**^**	^	^
International	**7 481**	7 250	6 788	6 975	**6 778**	5 854	5 586
Corporate and eliminations	**(181)**	(182)	(180)	(191)	**(192)**	(196)	(189)
Group service revenue	**30 374**	28 976	27 923	23 998	**21 575**	20 154	20 358

Service revenue YoY % change for the quarter ended

	Reported				Normalised*
%	30 Sep 2023	30 Jun 2023	31 Mar 2023	31 Dec 2022	30 Sep 2022
South Africa	**4.1**	3.9	1.3	3.0	**4.1**
International	**10.4**	23.8	21.5	18.0	**3.1**
Group service revenue	**40.8**	43.8	37.2	16.1	**3.8**

Financial services revenue

	Six months ended September		% change	
Rm	2023	2022	Reported	Normalised*
South Africa	**1 558**	1 406	10.8	**10.8**
Egypt	**804**	^	^	**^**
International	**3 814**	3 008	26.8	**13.2**
Tanzania	**1 649**	1 189	38.7	**26.4**
DRC	**1 140**	797	43.0	**25.4**
Mozambique	**937**	941	(0.4)	**(12.7)**
Lesotho	**88**	81	8.6	**8.6**
Consolidated Group	**6 176**	4 414	39.9	**12.5**
Safaricom[1]	**8 777**	7 865	11.6	**16.4**

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

Exchange rates

	Average YTD			Closing YTD		
	30 September 2023	30 September 2022	% change 22/23	30 September 2023	30 September 2022	% change 22/23
US$/ZAR	**18.65**	**16.31**	**14.3**	**18.84**	**17.97**	**4.8**
ZAR/MZN	**3.43**	**3.92**	**(12.5)**	**3.39**	**3.56**	**(4.8)**
ZAR/TZS	**129.93**	**143.12**	**(9.2)**	**132.97**	**129.75**	**2.5**
EUR/ZAR	**20.29**	**16.88**	**20.2**	**19.95**	**17.61**	**13.3**
ZAR/EGP	**1.66**	**1.16**	**43.1**	**1.64**	**1.09**	**50.5**
ZAR/KES	**7.55**	**7.24**	**4.3**	**7.87**	**6.72**	**17.1**

	Average QTD				Closing QTD			
	30 Sep 2023	30 Jun 2023	31 Mar 2023	31 Dec 2022	30 Sep 2023	30 Jun 2023	31 Mar 2023	31 Dec 2022
US$/ZAR	**18.64**	18.66	17.76	17.61	**18.84**	18.89	17.74	17.01
ZAR/MZN	**3.43**	3.43	3.60	3.63	**3.39**	3.38	3.60	3.77
ZAR/TZS	**133.10**	126.77	131.77	132.51	**132.97**	127.84	131.89	137.17
EUR/ZAR	**20.27**	20.31	19.05	17.97	**19.95**	20.61	19.28	18.16
ZAR/EGP	**1.66**	1.66	1.69	1.32	**1.64**	1.64	1.74	1.45
ZAR/KES	**7.74**	7.36	7.12	6.93	**7.87**	7.44	7.47	7.25

Pro-forma financial information

The presentation of the *pro-forma* financial information and related reconciliations as detailed below on pages 47 – 53, is the responsibility of the directors of Vodacom Group Limited.

- 'Normalised' results have been presented to assist the user in understanding the underlying growth trends and adjusts for:
  - the impact of trading foreign exchanges;
  - the impact of foreign currency translation on a constant currency basis; and
  - the merger, acquisition and disposal activities during the current year and on a constant currency basis in the prior year, where applicable.
- 'Operating free cash flow' and 'free cash flow' has been presented to provide users with relevant information and measures used by the Group to assess performance.
- *'Pro-forma'* results have been presented for the Group as if the effective date of the Vodafone Egypt acquisition was 1 April 2022, thus showing the segment's financial information on a full interim period basis.

Collectively, the '*pro-forma* financial information'.

The *pro-forma* financial information has been prepared for illustrative purposes only and may not fairly present the financial position, changes in equity, and results of operations or cash flows of Vodacom Group Limited. The *pro-forma* financial information is presented in accordance with the JSE Listings Requirements and the SAICA Guide on *pro-forma* Financial Information. This *pro-forma* financial information for the six months ended 30 September 2023 as presented in Table A, Table E as well as the constant currency information, along with the respective notes, has not been reported/reviewed on by the Group's auditors.

TABLE A: Reconciliation of normalised values for the six months ended 30 September 2023

		Foreign exchange			
Rm	**Reported results[1]**	**Trading FX[2]**	**Translation FX[3]**	**Mergers, Acquisitions & Disposals[4]**	**Normalised***
Revenue					
Group	**72 798**	–	–	(14 868)	**57 930**
International	**15 153**	–	–	–	**15 153**
South Africa	**43 269**	–	–	–	**43 269**
Egypt	**14 868**	–	–	–	**14 868**
Service revenue					
Group	**59 350**	–	–	(14 312)	**45 038**
International	**14 731**	–	–	–	**14 731**
South Africa	**30 669**	–	–	–	**30 669**
Egypt	**14 312**	–	–	–	**14 312**
Financial services revenue					
Group	**6 176**	–	–	(804)	**5 372**
International (M-Pesa)	**3 814**	–	–	–	**3 814**
Tanzania	**1 649**	–	–	–	**1 649**
DRC	**1 140**	–	–	–	**1 140**
Mozambique	**937**	–	–	–	**937**
Egypt	**804**	–	–	–	**804**
Total expenses					
Group	**45 959**	(66)	–	(8 656)	**37 237**
International	**10 116**	(74)	–	–	**10 042**
South Africa	**27 312**	(36)	–	–	**27 276**
Egypt	**8 615**	41	–	–	**8 656**
EBITDA					
Group	**27 286**	66	–	(6 207)	**21 145**
International	**5 432**	74	–	–	**5 506**
South Africa	**16 013**	36	–	–	**16 049**
Egypt	**6 248**	(41)	–	–	**6 207**
Net profit from associates and joint ventures					
Group	**1 348**	5	–	687	**2 040**
Safaricom	**1 521**	12	–	568	**2 101**
Operating profit					
Group	**17 013**	70	–	(3 440)	**13 642**
International	**2 118**	67	–	119	**2 304**
South Africa	**9 616**	36	–	–	**9 652**
Egypt	**4 168**	(41)	–	–	**4 127**

TABLE B: Reconciliation of normalised values for the six months ended 30 September 2022

Rm	Reported[1]	Foreign exchange Trading FX[2]	Foreign exchange Translation FX[3]	Mergers, Acquisitions & Disposals[4]	Normalised*
Revenue					
Group	**53 713**	–	1 604	–	**55 317**
International	**13 022**	–	1 598	–	**14 620**
South Africa	**41 188**	–	–	–	**41 188**
Service revenue					
Group	**41 729**	–	1 546	–	**43 275**
International	**12 630**	–	1 541	–	**14 171**
South Africa	**29 485**	–	–	–	**29 485**
Financial services revenue					
Group	**4 414**	–	360	–	**4 774**
International (M-Pesa)	**3 008**	–	360	–	**3 368**
Tanzania	**1 189**	–	115	–	**1 304**
DRC	**797**	–	112	–	**909**
Mozambique	**941**	–	133	–	**1 074**
Total expenses					
Group	**33 652**	16	1 031	–	**34 699**
International	**8 357**	67	1 023	–	**9 447**
South Africa	**25 461**	(48)	9	–	**25 422**
EBITDA					
Group	**20 200**	(16)	583	–	**20 767**
International	**4 762**	(67)	586	–	**5 281**
South Africa	**15 766**	48	(3)	–	**15 811**
Net profit from associates and joint ventures					
Group	**1 466**	(27)	(63)	437	**1 813**
Safaricom	**1 538**	(33)	(67)	374	**1 812**
Operating profit					
Group	**13 268**	(43)	207	437	**13 869**
International	**2 114**	(60)	278	63	**2 395**
South Africa	**9 947**	48	(4)	–	**9 991**

TABLE C: Reconciliation of normalised growth for the six months ended 30 September 2023

The reconciliation below presents the normalised growth which has been adjusted for trading foreign exchange gains/losses as well as foreign exchange translations, mergers, acquisitions and disposals where applicable, tax related adjustments where applicable, all at a constant currency rate to show a like-for-like comparison of results.

%	% change[5]	Foreign exchange: Trading FX[2] ppts	Foreign exchange: Translation FX[3] ppts	Mergers, Acquisitions & Disposals[4]	Normalised* % change
Revenue					
Group	**35.5**	–	(3.0)	(27.8)	**4.7**
International	**16.4**	–	(12.8)	–	**3.6**
South Africa	**5.1**	–	–	–	**5.1**
Service revenue					
Group	**42.2**	–	(3.7)	(34.4)	**4.1**
International	**16.6**	–	(12.6)	–	**4.0**
South Africa	**4.0**	–	–	–	**4.0**
Financial services revenue					
Group	**39.9**	–	(8.5)	(18.9)	**12.5**
International (M-Pesa)	**26.8**	–	(13.6)	–	**13.2**
Tanzania	**38.7**	–	(12.2)	–	**26.5**
DRC	**43.0**	–	(17.6)	–	**25.4**
Mozambique	**(0.4)**	–	(12.4)	–	**(12.8)**
Total expenses					
Group	**36.6**	(0.3)	(3.1)	(25.9)	**7.3**
International	**21.0**	(1.7)	(13.0)	–	**6.3**
South Africa	**7.3**	–	–	–	**7.3**
EBITDA					
Group	**35.1**	0.4	(2.9)	(30.8)	**1.8**
International	**14.1**	3.1	(12.9)	–	**4.3**
South Africa	**1.6**	(0.1)	–	–	**1.5**
Net profit from associates and joint ventures					
Group	**(8.0)**	1.9	3.8	14.8	**12.5**
Safaricom	**(1.1)**	2.5	3.7	10.7	**15.9**
Operating profit					
Group	**28.2**	0.9	(1.6)	(29.1)	**(1.6)**
International	**0.2**	5.3	(11.7)	2.4	**(3.8)**
South Africa	**(3.3)**	(0.1)	–	–	**(3.4)**

TABLE D: Reconciliation of normalised growth for the quarter ended

30 September 2023 Rm	Reported[1]	Translation FX[3]	Mergers, Acquisitions & Disposals[4]	Normalised*
Revenue				
Group	**37 130**	–	(7 793)	**29 337**
International	**7 712**	–	–	**7 712**
Egypt	**7 793**	–	–	**7 793**
Service revenue				
Group	**30 374**	–	(7 468)	**22 906**
International	**7 481**	–	–	**7 481**
Egypt	**7 468**	–	–	**7 468**
Financial services revenue				
International	**1 960**	–	–	**1 960**

30 September 2022 Rm	Reported[1]	Translation FX[3]	Mergers, Acquisitions & Disposals[4]	Normalised*
Revenue				
Group	**27 657**	504	–	**28 161**
International	**6 984**	500	–	**7 484**
Service revenue				
Group	**21 575**	484	–	**22 059**
International	**6 778**	480	–	**7 258**
Financial services revenue				
International	**1 628**	107	–	**1 735**

30 September 2023 %	% change[6]	Translation FX[3] ppts	Mergers, Acquisitions & Disposals[4]	Normalised* % change
Revenue				
Group	**34.3**	(1.9)	(28.2)	**4.2**
International	**10.4**	(7.4)	–	**3.0**
Service revenue				
Group	**40.8**	(2.2)	(34.8)	**3.8**
International	**10.4**	(7.3)	–	**3.1**
Financial services revenue				
International	**20.4**	(7.4)	—	**13.0**

TABLE E: Reconciliation of Vodafone Egypt *pro-forma* numbers

30 September 2023 EGPm	Reported results[1]	Trading FX[2]	Mergers, Acquisitions & Disposals[4]	*Pro-forma**	*Pro-forma** % change
Revenue	**24 631**	–	–	**24 631**	**29.4**
Service revenue	**23 711**	–	–	**23 711**	**28.0**
Financial services revenue	**1 330**	–	–	**1 330**	**114.9**
EBITDA	**10 340**	–	–	**10 340**	**19.9**
EBITDA (excl foreign exchange losses)	**10 340**	(59)	–	**10 281**	**20.3**
Operating profit	**6 893**	–	–	**6 893**	**29.8**
Capex	**3 637**	–	–	**3 637**	**22.4**

30 September 2022 EGPm	Reported results[1]	Trading FX[2]	Mergers, Acquisitions & Disposals[4]	*Pro-forma**
Revenue	–	–	19 038	**19 038**
Service revenue	–	–	18 521	**18 521**
Financial services revenue	–	–	619	**619**
EBITDA	–	–	8 621	**8 621**
EBITDA (excl foreign exchange losses)	–	(74)	8 621	**8 547**
Operating profit	–	–	5 311	**5 311**
Capex	–	–	2 972	**2 972**

Notes:

1. The financial information relating to revenue, service revenue, financial services revenue, total expenses, EBITDA, operating profit and net profit from associates and joint ventures are extracted without adjustment from the consolidated interim financial statements for the six months ended 30 September 2023.
2. Trading foreign exchange adjustments (FX) are foreign exchange gains/losses on foreign denominated monetary assets and liabilities resulting from trading activities of entities within the Group, which is included with other operating expenses as per the preliminary consolidated income statement.
3. The Group's presentation currency is the South African rand. Our International operations utilise a number of functional currencies, for example the United States dollar, Tanzanian shilling, Mozambican metical, and Egyptian pound. Translation foreign exchange (FX) arises from the translation of the results, at average rates, of subsidiaries' functional currencies to Vodacom's presentation currency, being rand. For year-end purposes, IFRS monthly results are translated at the prevailing average monthly exchange rate and the translated value is accumulated for the six-month period. For the *pro-forma* financial information for the year ended 30 September 2022, these exchange variances are eliminated by applying the average rate for the six months ended 30 September 2023 (which is derived by dividing the individual subsidiary's translated rand value with the functional currency for the period as applicable to each specified line item) to the 30 September 2022 numbers, thereby giving a user a view of the performance, which excludes exchange variances. The effective translation rates for *pro-forma* financial information are similar to those used for IFRS purposes. The prevailing exchange rates for the current and comparative periods are disclosed on page 47.
4. For tables A, B, C and D mergers, acquisitions and disposals adjust for the start-up operating and finance costs associated with the Group's direct and indirect exposure in Safaricom Telecommunications Ethiopia PLC (Safaricom Ethiopia) and separately, the impact of consolidating Vodafone Egypt Telecommunications SAE (Vodafone Egypt) from 8 December 2022. The Group, excluding its indirect interest via its shareholding in Safaricom, has an effective interest of 6.2% in Safaricom Ethiopia. In addition, the Group has indirect exposure through Safaricom's 55.7% effective interest in the consortium. For table E, Vodafone Egypt results, which have been obtained from the management accounts, have been presented as if the effective date of the Vodafone Egypt acquisition was 1 April 2022, thus showing the segment's financial information on a full interim period basis.
5. The percentage change relates to the year-on-year percentage growth calculated as the percentage change between the year-to-date ended 30 September 2023 and year-to-date 30 September 2022 value.
6. The percentage change relates to the quarter to date year-on-year percentage growth calculated as the percentage change between the quarter-to-date 30 September 2023 and the quarter-to-date 30 September 2022 values.

* Normalised growth 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.

TABLE F: Reconciliation of operating free cash flow and free cash flow

Rm	Six months ended 30 September 2023	2022
Cash generated from operations[1]	**21 746**	16 581
Cash capital expenditure[2]	**(9 687)**	(8 026)
Lease liability payments[3]	**(3 199)**	(2 359)
Movement in amounts due to M-Pesa account holders[4]	**(1 692)**	(1 390)
Operating free cash flow	**7 168**	4 806
Tax paid[1]	**(5 000)**	(3 645)
Finance income received[5]	**889**	277
Finance costs paid[5]	**(2 887)**	(1 941)
Net dividends (paid)/received from associates and paid non-controlling shareholders[6]	**(351)**	2 531
Free cash flow	**(181)**	2 028
Spectrum payments	**(1 056)**	(3 196)
Free cash flow after spectrum payments	**(1 237)**	(1 168)

The reconciliation presents the reconciliation of cash generated from operators to free cash flow. Free cash flow excludes the movement in amounts due to M-Pesa account holders and held on their behalf. Management excludes these balances to present a view of the true commercial cash conversion in the operation.

Notes:

1. Extracted from the interim consolidated statement of cash flows for six months ended 30 September 2023 and adjusted for spectrum related finance costs of R10 million and the merger and acquisition costs of R62 million.
2. Extracted without adjustment from the interim consolidated statement of cash flows for the six months ended 30 September 2023.
3. Lease liability payments includes interest on lease liabilities of R644 million (1H23: R675 million).
4. Movements included in cash generated from operations relate to money held on behalf of M-Pesa customers, which is not available for use by the Group.
5. This represents the finance costs paid of R3 532 million (1H23: R2 616 million), as extracted from the interim consolidated statement of cash flows for the six months ended 30 September 2023, net of interest on lease liabilities of R644 million (1H23: R675 million) and adjusted for spectrum related finance costs of R10 million.
6. This represents net dividend paid to non-controlling shareholders of R1 632 million (1H23: R555 million) and dividends received from associates of R1 281 million (1H23: R3 086 million)

Additional financial and operational measures

This announcement contains certain financial (i.e. Vodacom Business service revenue and EBITDA) and operational (i.e. customers, ARPUs and number of employees) measures which are presented in addition to the financial information disclosed in the consolidated interim financial statements for the six months ended 30 September 2023 which have been prepared in terms of IFRS. The Group's management believes these measures provide valuable additional information in understanding the performance of the Group or the Group's businesses because they provide measures used by the Group to assess performance. However, this additional information presented is not uniformly defined by all companies, including those in the Group's industry. Accordingly, it may not be comparable with similarly titled measures and disclosures by other companies. Additionally, although these measures are important in the management of the business, they should not be viewed in isolation or as replacements for or alternatives to, but rather as complementary to, the consolidated interim financial statements for the six months ended 30 September 2023. The financial measures have been extracted from the management accounts upon which the consolidated interim financial statements for the six months ended 30 September 2023 are based. Refer to page 17 for details relating to capital expenditure and the supplementary information on pages 47 to 53 for a reconciliation thereof to the reported results included in this announcement.

Trademarks

Forward-looking statements

This announcement which sets out the results for Vodacom Group Limited for the six months ended 30 September 2023 and 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, but are not limited to, statements with respect to: expectations regarding the Group's financial condition or results of operations including the confirmation of the Group's targets; expectations for the Group's future performance generally; expectations regarding the operating environment and market conditions and trends; intentions and expectations regarding the development, launch and expansion of products, services and technologies; growth in customers and usage; expectations regarding spectrum licence acquisitions; expectations regarding adjusted EBITDA, capital additions, free cash flow, and foreign exchange rate movements; and expectations regarding the integration or performance of current and future investments, associates, joint ventures, non-controlled interests and newly acquired businesses.

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 several 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, Vodacom Business 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 or non-tax legal issues.

All subsequent written or oral forward-looking statements attributable to the Company, to any member of the Group or to any persons acting on their behalf are expressly qualified in their entirety by the factors referred to above. No assurances can be given that the forward-looking statements in this document will be realised. Subject to compliance with applicable law and regulations, Vodacom does not intend to update these forward-looking statements and does not undertake any obligation to do so.

Corporate information

Vodacom Group Limited

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

Directors

SJ Macozoma (Chairman), MS Aziz Joosub (CEO), RK Morathi (CFO), P Klotz[1], P Mahanyele-Dabengwa, JH Reiter[1], NC Nqweni, JWL Otty[2], KL Shuenyane, CB Thomson, LS Wood[2] (Alternate F Bianco[3])

1. Swedish 2. British 3. Italian

Registered Office

Vodacom Corporate Park,
082 Vodacom Boulevard,
Midrand 1685
(Private Bag X9904, Sandton 2146)

Transfer Secretary

Computershare Investor Services (Proprietary) Limited
(Registration number 2004/003647/07)
Rosebank Towers
15 Biermann Avenue
Rosebank 2196
South Africa
(Private Bag X9000, Saxonwold 2132, South Africa)

Sponsor

Nedbank Corporate Investment Banking, a division of Nedbank Limited

ADR Depository Bank

JP Morgan Chase Bank

Company Secretary

K Robinson

Investor Relations

JP Davids

Media Relations

B Kennedy