

Telkom SA SOC Limited
 Registration number 1991/005476/30
 JSE share code: TKG
 JSE bond code: BTEL
 ISIN: ZAE000044897
 ("Telkom" or the "Group")

TRADING STATEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

Shareholders are advised that Telkom is finalising its interim results for the six months ended 30 September 2023 ("H1 FY2024" or "the period"), which are scheduled to be released on the Stock Exchange News Service ("SENS") of the JSE Limited ("JSE") on or about 21 November 2023.

In accordance with paragraph 3.4(b) of the JSE Listings Requirements, shareholders are advised that reported basic earnings per share ("BEPS") and headline earnings per share ("HEPS") for the period are expected to increase by more than 20% when compared to BEPS and the restated HEPS for the six months ended 30 September 2022 ("the prior period"). The anticipated changes in BEPS and HEPS for the period are as follows:

	Six months ended 30 September 2022		Six months ended 30 September 2023		
	Reported earnings (cents per share)	Restated earnings (cents per share)	Expected earnings (cents per share)	Expected increase (%)	Expected increase (cents per share)
BEPS	131.6c		190.8c to 204.0c	45%-55%	59.2c to 72.4c
HEPS Restated		132.9c	186.1c to 199.4c	40%-50%	53.2c to 66.5c
HEPS Reported	137.2c		185.2c to 198.9c	35%-45%	48.0c to 61.7c

The difference between BEPS and HEPS is due to the net impact of impairment of assets and profit/loss on sale of assets.

The increase in earnings is due to improved performance by the Group for the period with both revenue and EBITDA growth within guidance provided at the annual financial results presentation for the year ended 31 March 2023 ("FY2023").

Growth in earnings has also been positively impacted by lower depreciation after asset impairments recognised in FY2023. This has been partially offset by higher net finance charges in H1 FY2024 as well as the non-recurrence of a R102 million gain on foreign exchange and fair value movements recognised in H1 FY2023.

- Total depreciation, amortisation and write-offs decreased by approximately 20% from R3 549 million in the prior period; and
- net finance charges increased by approximately 50% from R655 million in the prior period, largely due to lending rate increases as well as a higher net debt balance.

Restatement of the prior period HEPS

On 30 September 2022, the Group correctly calculated and accounted for tax in the Group statement of profit or loss and other comprehensive income. However, the Group incorrectly adjusted for the headline earnings, relating to the Profit on disposal and impairment of property, plant and equipment and intangible assets. This led to a R21 million overstatement of headline earnings and a 4.3c overstatement of HEPS for period ended 30 September 2022.

The financial information on which this trading statement is based on has not been reviewed or reported on by Telkom's external auditor.

The Group's interim results announcement for H1 FY2024 will be accompanied by a presentation in Sandton on the same day. The presentation will be made available on the Group's website.

Centurion

15 November 2023

Sponsor

Nedbank Corporate and Investment Banking, a division of Nedbank Limited