

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

## TRADING STATEMENT FOR THE YEAR ENDED 31 MARCH 2024

Shareholders are advised that Telkom is in the process of finalising its annual results for the year ended 31 March 2024 ("FY2024" or the "year"), which are scheduled to be released on the Stock Exchange News Service ("SENS") of the JSE Limited ("JSE") on or about 18 June 2024.

The Group anticipates reporting improved financial results for FY2024 despite challenging economic and trading environments. Stronger operational performance driven by continued demand for our next-generation technologies along with cost-optimisation initiatives, contributed to improved earnings.

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 year are expected to increase by more than 20% when compared to BEPS and the restated HEPS for the year ended 31 March 2023 ("FY2023" or the "prior year"). The anticipated changes in BEPS and HEPS for the year are as follows:

|                       | FY2023                        | FY2024                                 |                          |
|-----------------------|-------------------------------|--|--------------------------|
|                       | Earnings<br>(cents per share) | Expected earnings<br>(cents per share) | Expected increase<br>(%) |
| BEPS                  |                               |  |                          |
| Reported              | (2 058.9)                     | 281.1 – 486.1                          | 114% – 124%              |
| Normalised            | 71.0                          | 383.5 – 390.6                          | 440% – 450%              |
| HEPS                  |                               |  |                          |
| Restated <sup>1</sup> | (35.5) <sup>1</sup>           | 374.6 – 378.2                          | 1 155% – 1 165%          |
| Normalised            | 124.8                         | 368.2 – 380.6                          | 195% – 205%              |

<sup>1</sup> HEPS was restated due to an incorrect tax adjustment resulting in an overstatement of HEPS relating to the prior year.

The difference between BEPS and HEPS is largely due to the net impact of write-offs of assets as well as profit/loss on sale of assets for FY2024. For FY2023, the difference between BEPS and HEPS was largely due to the net impact of impairment of assets as well as profit/loss on sale of assets.

The table above includes normalised BEPS which, in the prior year excluded the once-off restructuring costs of R1 065 million and the related tax impact of R288 million, together with the once-off impairment charge of R13 017 million and the related tax impact of R3 477 million. Normalised HEPS for the prior year exclude the once-off restructuring costs of R1 065 million and the related tax impact of R288 million. Normalised BEPS and HEPS are disclosed on a *pro forma* basis. This *pro forma* financial information is

the responsibility of the board of directors of Telkom (the "Board") and has been prepared for illustrative purposes only, and because of its nature may not fairly present the financial position, changes in equity, results of operations or cash flows of the Group.

Next-generation revenues grew by approximately 7% and now comprise almost 80% of total Group revenue. Reported EBITDA grew by approximately 18%, while normalised EBITDA grew in line with guidance at approximately 5%.

Growth in earnings has also been positively impacted by lower depreciation and write-offs in FY2024 after asset impairments recognised in FY2023. This growth was partially offset by higher net finance charges and foreign exchange and fair value movements in FY2024.

- Total depreciation and amortisation for property, plant and equipment and intangible assets decreased by approximately 23% from R7 145 million in the prior year;
- Write-offs of property, plant and equipment and intangible assets reduced to approximately R80 million from R13 508 million write-offs and impairments of property, plant and equipment and intangible assets in the prior year; and
- Net finance charges and fair value movements increased by approximately 47% from R1 485 million in the prior year, largely due to higher lending rates during the year.

#### Restatement of the prior year HEPS

For FY2023, 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 tax on the headline earnings, relating to the profit on disposal, impairment and write-offs of property, plant and equipment and intangible assets. This resulted in a R47 million overstatement of headline earnings which led to a 9.7c overstatement of HEPS in the prior year.

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

#### Annual results presentation

The Group's annual results announcement for FY2024 will be accompanied by a presentation to be held at 10h00 at the offices of the JSE, One Exchange Square, Gwen Lane, Sandton on the same day. The presentation will be made available on the Group's website once the results announcement has been released on SENS.

Centurion  
12 June 2024

#### **Sponsor**

Nedbank Corporate and Investment Banking, a division of Nedbank Limited