

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" or "Vodacom Group" or "the Group")

24 July 2024

## Vodacom Group Limited trading update for the quarter ended 30 June 2024 (the quarter) (short form announcement)

### Highlights

- Group revenue grew 1.5% to R36.2 billion, impacted by foreign exchange rate headwinds. Group service revenue increased 10.0%\* on a normalised basis, above our medium-term target.
- South Africa service revenue grew 1.8%, supported by an improved prepaid performance.
- Egypt grew service revenue 43.7% in local currency, with Egypt financial services revenue up 87.0%.
- International service revenue increased 2.3% (5.7%\*), supported by excellent growth in Tanzania.
- Group financial services revenue increased 8.7% (16.8%\*) to R3.3 billion.
- Transacted US\$400.2 billion through our mobile money platforms, including Safaricom, over the last twelve months.

Rm	Quarter ended 30 June		YoY % change	
	2024	2023	Reported	Normalised*
<b>Group service revenue</b>	<b>28 962</b>	<b>28 976</b>	<b>0.0</b>	<b>10.0</b>
South Africa	15 338	15 064	1.8	1.8
Egypt	6 352	6 844	(7.2)	43.7
International	7 420	7 250	2.3	5.7
<b>Group revenue</b>	<b>36 207</b>	<b>35 667</b>	<b>1.5</b>	<b>10.0</b>
South Africa	21 817	21 406	1.9	1.9
Egypt	6 966	7 075	(1.5)	52.5
International	7 648	7 440	2.8	6.2

### Shameel Joosub, Vodacom Group CEO commented

During the first quarter, we officially celebrated Vodacom's 30th birthday, having signed up our first customer on 1 June 1994 when we switched on our network in South Africa. Three decades later, the Vodacom Group serves more than 200 million customers across DRC, Ethiopia, Egypt, Kenya, Lesotho, Mozambique, South Africa and Tanzania – a footprint that covers more than half a billion people and is almost 12 times greater than when we launched.

As a purpose-driven company, I am particularly proud of the extraordinary transformational impact we have on our customers and the economies where we operate. This has provided a strong foundation upon which we are able to ensure sustainable growth of our businesses, while at the same time making a significant contribution in bridging the digital divide and expanding financial inclusion in Africa.

While the economic environment in recent years has been challenging, our strategy to diversify our revenue growth by product and geography is bearing fruit. This is evidenced by the 10.0%\* growth in normalised Group service revenue to R29.0 billion in the first quarter - exceeding our medium-term target - as well as the 16.8%\* increase in normalised Group financial services revenue to R3.3 billion.

Service revenue from our beyond mobile services (previously categorised as new services and includes digital and financial services, fixed and IoT) contributed R6.0 billion in the quarter, which equates to 20.8% of the group total, and is well on track to reach our target contribution of 25-30% over the medium-term.

#### Notes:

The quarterly information has not been audited or reviewed by Vodacom's external auditors. All growth rates quoted are year on year and refer to the quarter ended 30 June 2024 compared to the quarter ended 30 June 2023.

Certain financial information presented in this trading update 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 in the full announcement. The pro forma financial information is presented as:

\* 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.

^ Vodafone Egypt Telecommunications SAE (Egypt) was consolidated from 8 December 2022, representing the effective date of the transaction.

The pro forma financial information has not been audited or reviewed or otherwise reported on by external auditors.

Financial services is a clear strategic priority for the Group and remains the largest component of beyond mobile services. We now process US\$400 billion in mobile wallet transaction value annually, highlighting the scale of this business. I was particularly pleased with the growth of M-Pesa services that aim to deepen financial inclusion, such as loans, savings, international money transfer and merchant services. Group financial services revenue of R3.3 billion was also supported by rapid local currency growth of 87.0% in Egypt, and strong growth in South Africa within our insurance and Airtime Advance segments. Our super-apps – VodaPay, Vodafone Cash and M-Pesa – are key to furthering our financial services ambitions as they integrate our own products and services with the best offerings from our partners.

Across our geographic segments, Egypt remains a star performer having grown service revenue at 43.7% in local currency, well above the rate of inflation. South Africa delivered a resilient 1.8% increase in service revenue, while Tanzania and DRC were the significant contributors to the 5.7%\* growth in our International business.

South Africa's results was boosted by improved prepaid performance and price adjustments that delivered greater value to customers. Supported by additional data allocations and good growth in smart devices, data traffic grew 31.3% while beyond mobile services increased by 6.3%, contributing R2.6 billion to South Africa's service revenue of R15.3 billion. Having invested R1.9 billion in the quarter, we expect to invest around R11.5 billion of capital expenditure in the current financial year to further enhance customer experience.

Egypt's strong performance was underpinned by clear NPS leadership and network differentiation, evidenced by its network being ranked "Best in Test" by umlaut (part of Accenture). Commercial momentum was strong in Egypt, with a 47.9% increase in financial services customers to 8.7 million and a 34.7% improvement in data traffic. With service revenue of R6.4 billion, Egypt now accounts for 21.9% of the Group's total, ending the quarter with 47.4 million customers, up 6.1%.

Across our International business our investments into new spectrum in DRC, Mozambique and Tanzania and a 19.7% increase in 4G sites across the portfolio are evident in the 5.7%\* normalised growth in service revenue to R7.4 billion. DRC delivered high single-digit US dollar growth and Tanzania continued to deliver excellent local currency results, while normalised M-Pesa and data revenue growth was strong at 10.9%\* and 15.5%\*, respectively. Our International business customer base reached 55.0 million, up 6.4%, supported by strong commercial execution and a further R1.1 billion network investment in the quarter. Data traffic grew by 29.6% while smartphone users were up 0.5 million in the quarter to reach 16.4 million as we look to accelerate smartphone penetration with innovative financing options, including a new daily repayment model.

From a mergers and acquisitions perspective, our proposed acquisition of a joint control stake in South African fibre operator Maziv is currently before the Competition Tribunal for consideration. We firmly believe that this transaction will accelerate fibre reach in South Africa, fostering economic development and helping bridge South Africa's digital divide.

On that note, we will relentlessly continue to pursue our purpose of connecting people for a better future. I firmly believe that the continued execution of our strategy has the potential to create immense economic value in the markets where we operate, which in turn will help address inequality. In particular, we will continue to drive access to smartphones, financial services, healthcare and education to every person across our markets, while unlocking growth in critical sectors such as agriculture and energy.

While we are mindful of an evolving macro-economic environment across our footprint, including foreign exchange rate risk, the Group is well positioned to capitalise on opportunities once the global economy shifts from its current cautious optimism to sustainable growth.

This short-form announcement is the responsibility of the directors and is only a summary of the information in the full announcement and does not contain full or complete details. Any investment decision should be based on the full announcement that has been published on the JSE's cloudlink at

<https://senspdf.jse.co.za/documents/2024/jse/isse/VOD/1Q25SENS.pdf> and is also available on our website [www.vodacom.com](http://www.vodacom.com).

Copies of the full announcement may be requested by contacting Investor Relations on telephone: +27 (0) 11 653 5000 or email: [vodacomir@vodacom.co.za](mailto:vodacomir@vodacom.co.za).

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