

CEO'S Statement



The Safaricom vision may be ambitious but we strongly believe in being a purpose-led organization that transforms the lives that we touch.

Mr. Robert Collymore

The annual results demonstrate our continued strong commercial and financial performance across our service portfolio. These solid results re-affirm our strategy to transform lives through the provision of quality services, delivering the best network in Kenya and deepening financial inclusion.

Total revenue has grown to Kshs 124.29 billion over the financial year with strong growth evidenced across all our revenue streams. Most notable was our growth in non-voice service revenue with a 29% increase in the year, supporting our strategy to diversify our revenue channels. Our focus on network quality, handset pricing and out-of-bundle tariffs has driven a massive 57% growth in mobile data customer numbers to 7.13 million. M-PESA continues to be a major revenue driver contributing Kshs 21.84 billion – 18% of total revenue. In line with our growth strategy to make M-PESA services accessible to all our customers, we expanded our agent footprint by 66% and closed the year with 65,547 agents up from 39,401 agents in the previous year.

Voice remains a major revenue generator and recorded impressive growth of 13% and contributed 66% of service revenues. This was primarily driven by an improved network experience, recovery from damaging price wars, convenient airtime distribution and attractive customer propositions. Customer numbers grew by 351,343 to 19.42 million; this is after barring 1.4 million customers who did not meet the new mandatory customer registration standards.

The launch of M-Shwari was Safaricom's key innovation in the year. M-Shwari allows M-PESA customers who register with our banking partner, Commercial Bank of Africa, to save, earn interest and access micro loans using their mobile phones. We now have 1.2 million active customers using M-Shwari.

We are committed to our 'Best Network in Kenya' initiative through continued investment in our network and services. This year we have invested Kshs 24.88 billion in capital expenditure, with 90% being allocated to network quality, capacity and coverage. Total sites have increased to 2,905, of which 1,604 are 3G enabled, giving Safaricom the most extensive coverage in the country. As part of our 'Best Network in Kenya' initiative we will continue to invest in network quality, capacity and coverage. In addition, we have just begun a 5 year program to build our nationwide metro fibre network with the goal being to connect all of our metro sites and customer offices to fibre.

Our cost saving initiatives were focused on transmission, inventory, network operating (including fuel) and IT operational costs. Operating costs as a percentage of total revenue has declined to 23% from 24% the previous year. Savings in license fees, customer acquisition, handsets, interconnect and top-up card production costs has yielded an impressive 3.4% improvement in the contribution margin to 62.8%.

Our strong financial performance this year has delivered impressive results for our shareholders. Free cash flow increased by 55% to Kshs 14.51 billion and in line with our dividend policy we propose a payout of 85.5% of free cash flow as dividends. Pending approval by shareholders we will pay out a dividend of Kshs 12.40 billion; once again, the largest dividend in corporate Kenya history.

The Safaricom foundation and M-PESA foundation remain committed to transforming lives. Together with our corporate sponsorships we have spent over half a billion shillings in the year through programs like m-Health, e-Learning and road safety awareness.

STRATEGIC PRIORITIES

Safaricom's intent is to transform lives; the lives of our customers; our shareholders; our business partners; our staff and the communities we serve. One of the ways to do this is through delivering the best network in Kenya by improving on our network reliability, availability and capacity. This will also include increasing the population coverage of our 2G and 3G networks, completing network modernization in six key cities and the roll-out of fibre to at least 40% of sites in Nairobi with particular focus on the Central Business District area in the next year.

With the "Best Network in Kenya" initiative we will continue to democratize data through faster speeds, value based pricing of data, lower priced 3G smartphones, improved customer experience and providing an enabling environment for developers to provide relevant local content.

M-PESA will be the driver for deepening financial inclusion through expanding our distribution network and with it accessibility; reducing system downtimes substantially and growing retail and e-commerce payments. We also aim at ensuring geographical system redundancy for M-PESA, and have begun the 18 month program to locate a new M-PESA system in Kenya.

The Safaricom vision may be ambitious but we strongly believe in being a purpose-led organization that transforms the lives that we touch.

Taarifa ya Afisa Mkuu Mtendaji



Maono ya
Safaricom ya kustawi zaidi
yaweza kuonekana kama imekithiri
lakini tuna imani kubwa kuwa kwa
kufuatilia mipango ya shirika letu
tunaweza kuleta mabadiliko katika
maisha ya wote tunaojijusisha nao.

Bw. Robert Collymore

Matokeo ya hesabu za mwaka yanadhihirisha wazi ustawi uliyo imara wa biashara na wa kifedha kote katika huduma tunazotoa. Matokeo haya imara yanathibisha kufanikiwa kwa mkakati wetu wa kuleta mabadiliko katika maisha ya watu kupitia huduma zilizo bora, na kuwasilisha mtandao uliyo bora zaidi hapa Kenya na kukuza ushirikishwaji wa fedha.

Jumla ya mapato iliongezeka hadi shilingi bilioni 124.29 katika mwaka wa kifedha tunaokariria ikionyesha ukuaji imara katika Nyanja zote za mapato yetu. La muhimu zaidi ni kuwa ukuaji kutokana na huduma zisizo za maongezi ulikuwa wa 29% mwakani, na hivyo basi kushadidi mkakati wetu wa kuwa na njia tofauti tofauti za kuleta mapato. Kutilia mkazo ubora wa mtandao, kuboresha bei za simu na kuanzisha orodha za malipo nje ya vifurushi zote hizi zimepatia msukumo ukuaji mkubwa wa 57% wa wateja wa internet ambao idadi yao ilifikia milioni 7.13. M-PESA inaendelea kuwa kichocheo muhimu cha kuleta mapato yakichangia shilingi bilioni 21.84 – 18% ya jumla ya mapato. Kuambatana na mkakati wetu wa ukuaji wa kufanya huduma za M-PESA ziweze kufikiwa na urahisi na wateja wetu wote, tulipanua mtandao wa maajenti kwa 66% na kufunga mwaka na jumla ya maajenti 65,547 ikiwa ni ongezeko kutoka maajenti 39,401 katika mwaka uliotangulia.

Huduma za maongezi bado zinaendelea kuwa chanzo kikubwa cha mapato na kuleta ukuaji mkubwa wa 13% na kuchangia 66% ya jumla ya mapato. Hii hasa ilichangiwa na kuwa na mtandao ulioboreshwa, kupata unafuu baada ya madhara ya vita vya ushindani wa bei, kurahisisha usambazaji wa kadi za muda wa maongezi na mapendekezo ya kuwavutia wateja. Idadi ya wateja iliongezeka kwa 351,343 hadi milioni 19.42; hii ikiwa ni baada ya kufunga laini za wateja milioni 1.4 ambao hawakutekeleza masharti mapya ya kushurutisha wateja wote kujisajili.

Kuzinduliwa kwa M-Shwari kulikuwa ubunifu muhimu wa Safaricom mwakani. M-Shwari huwezesha wateja wa M-PESA ambao wamejiandikisha na benki yetu husika, ya Commercial Bank of Africa, kuweka akiba, kupata riba na kuweza kupata mkopo kupitia simu zao za mkononi. Hivi sasa tayari tuko na wateja milioni 1.2 wanaotumia huduma ya M-Shwari.

Tunajitahidi kufuatilia ahadi yetu ya kuwa “Mtandao bora zaidi hapa Kenya” kupitia kuendelea kuwekeza katika mtandao na huduma zetu. Mwaka huu tumewekeza Kshs bilioni 24.88 katika matumizi kwa mtaji, kukiwa na 90% zilizowekezwa katika kuboresha, kuimarisha uwezo na kupanua mtandao. Idadi ya minara yetu ya kueneza mawimbi iliongezeka hadi 2,905, ambayo miongoni mwa hiyo 1,604 ikiwa na uwezo wa 3G, hii ikiipatia Safaricom uwezo mkubwa zaidi wa kuenea sehemu kubwa kote katika nchi hii. Kama moja ya dhamira yetu ya kuwa ‘Mtandao bora zaidi Kenya’ tutaendelea kuwekeza katika kuboresha, kuimarisha uwezo na kupanua mtandao. Na isitoshe, hivi karibuni tulizindua mpango wa miaka 5 wa kuweka mtandao wetu nyaya za fibre za chini ya ardhi, lengo letu likiwa ni kuunganisha sehemu za mijini na afisi za wateja wetu kwa nyaya hizo za fibre.

Mipango yetu ya kupunguza gharama ililenga usambazaji, orodha ya bidhaa, kushughulikia mtandao (ikiwa ni pamoja na mafuta ya kuendesha jenereta) na gharama za shughuli za uendeshaji wa teknolojia. Gharama za kuendesha shughuli kama asilimia ya jumla ya mapato zimepungua hadi 23% kutoka 24% katika mwaka uliotangulia. Kuokoa fedha katika malipo ya leseni, kusajili wateja, ununuzi wa simu za rununu, malipo ya kuwezesha wateja wetu kuwasiliana na wateja wa mtandao mwingine; na gharama za uchapishaji wa kadi za simu umepungua mno na kuchangia kwa 3.4% ya faida kabla ya kutoa gharama za uendeshaji biashara hadi 62.8%.

Utendaji wetu wa kifedha ulio imara mno mwaka huu umewasilisha matokeo mazuri kabisa kwa wanahisa wetu. Pesa zilizosalia bada ya matumizi lakini kabla ya kulipa mgao wa hisa ziliongezeka kwa 55% hadi shilingi bilioni 14.51 na kulingana na sera yetu ya mgao wa hisa tunapendekeza malipo ya 85.5% ya pesa hizo kama mgao wa hisa. Ikisubiriwa kuidhinishwa na wamiliki hisa tutalipa mgao wa hisa wa shilingi bilioni 12.40; kwa mara nyingine tena, haya yakiwa ni malipo makubwa zaidi ya mgao katika historia ya makampuni hapa Kenya.

Taasisi ya kutoa msaada ya Safaricom foundation na ile ya M-PESA foundation bado zinafuatilia ahadi yake ya kuleta mabadiliko katika maisha ya jamii. Hii pamoja na ufadhili wetu wa kishirika tayari umeshatumia zaidi ya shilingi nusu bilioni mwakani kupitia mipango kama m-Health, mafunzo kupitia internet (e-Learning) na hamasisho la usalama barabarani.

MIKAKATI MUHIMU

Lengo la Safaricom ni kuleta mabadiliko katika maisha; maisha ya wateja wetu; wamiliki hisa wetu; washiriki wetu wa kibiashara; wafanyakazi wetu na katika jamii tunayoihudumia. Moja ya njia ya kutekeleza haya ni kupitia kuwa na mtandao uliyo bora zaidi hapa Kenya kwa kuboresha uwe wa kutegemewa, tayari kutumiwa wakati wowote na wenye uwezo zaidi. Hii pia itajumuisha kuongeza uenevu wa huduma zetu za mtandao wa 2G na 3G, kumalizia kuboresha mitambo ya mtandao na kuifanya ya kisasa katika miji mikuu sita na kusambaza huduma ya nyaya za fibre kwa takriban 40% katika maeneo ya Nairobi eneo la katikati ya jiji likipewa kipaumbele katika mkakati huu mwaka ujao.

Kupitia mpango wa kuwa "Mtandao bora zaidi hapa Kenya" tutaendeleza upatikanaji wa data kwa wote wanohitaji kwa upesi, kuongeza kasi, kwa bei ya dhamana, kuweko na simu za kisasa za 3G za bei nafuu, kuimarisha kuridhika kwa wateja na kutoa mazingira mazuri kwa wabunifu kutoa maudhui yanayo faa wateja.

M-PESA itaendelea kuongoza ushirikishwaji wa fedha kwa njia ya kupanua mtandao wa usambazaji wetu na pamoja kupatikana kwa urahisi kwa mtandao; kupunguza masaa ya hitilafu ya mtambo wa M-PESA, na kukuza malipo ya biashara ya rejareja na ile ya kupitia kwa internet. Vile vile tunalenga kuhakikisha kuna uwezo wa kukarabati mtambo kwa kila eneo na tumeanza mpango wa miezi kumi na minane kuweka mtambo mpya wa M-PESA hapa kenya.

Maono ya Safaricom yanaweza kuwa kabambe lakini tuna imani kubwa kuwa shirika lililo na mwongozo mwafaka linalo leta mabadiliko katika maisha ya wote tunaojihushisha nao.