



# **Safaricom PLC**

**FY23 Investor Presentation**

**11<sup>th</sup> May 2023**



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# **BUSINESS OVERVIEW; PURPOSE & STRATEGY**

**PETER NDEGWA, CHIEF EXECUTIVE OFFICER**



# OPERATING ENVIRONMENT | Navigating a Complex Operating Context in Kenya



## Macro-Economic

- High inflation (food, energy costs)
- Currency depreciation and tight liquidity
- Global impact of Ukraine/Russia conflict disrupting supply chain and cost of living
- Slowing GDP growth
- Severe drought and failed rain seasons
- Business activity slowdown in an election year
- Smooth transition following peaceful general elections



## Regulatory

- Mobile Termination Rates (MTR) reduction
- Fiscal pressure (increased taxation)
- Increased regulatory scrutiny
- Customer acquisition/subscriber registration changes
- Return to charging on bank to/from M-PESA transactions



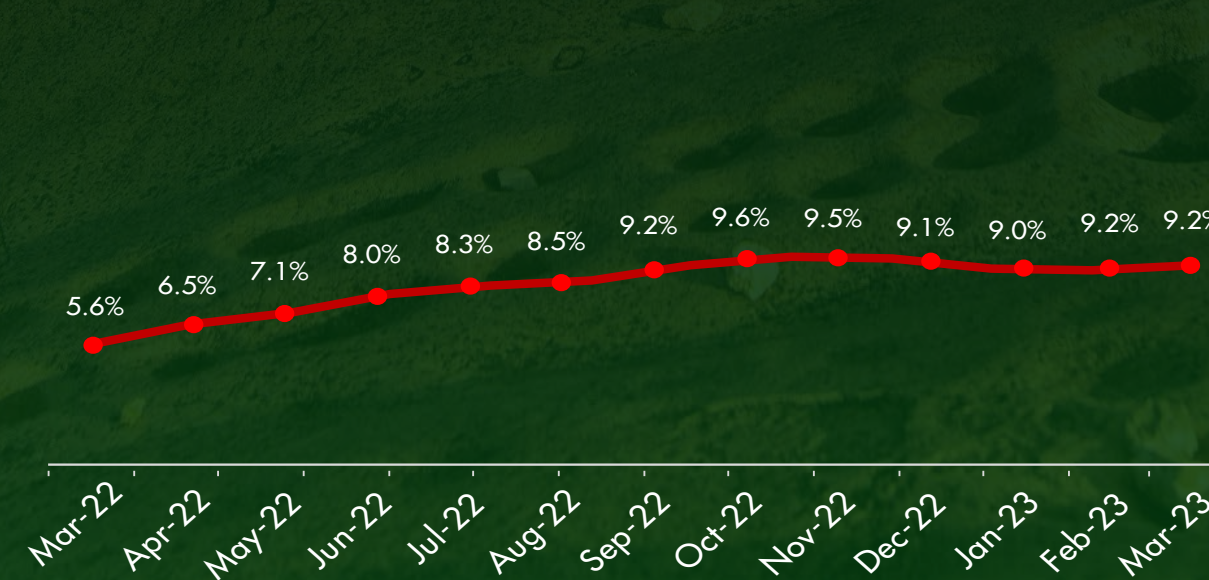
## Customer Insights

- Consumer seeking more value and affordability
- Shrinking consumer wallet
- Network stability and reliability key for customers
- Government has a strong digital agenda
- Significant SME opportunity
- Data protection for our customers

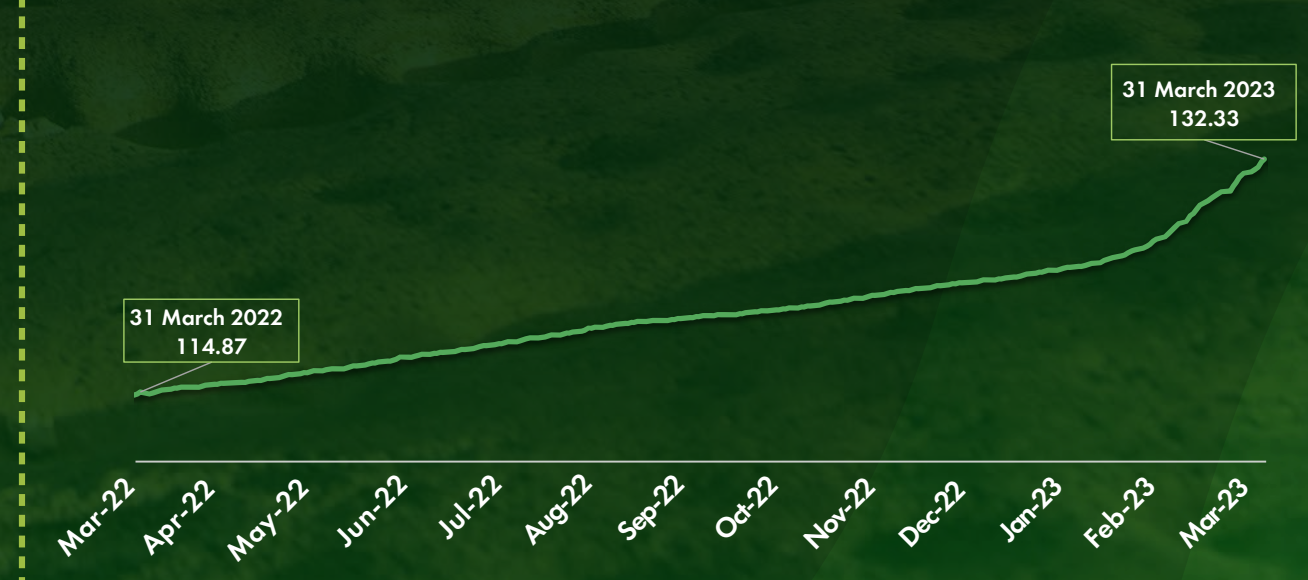
GDP Growth Rate\* (%)



12 Month Inflation

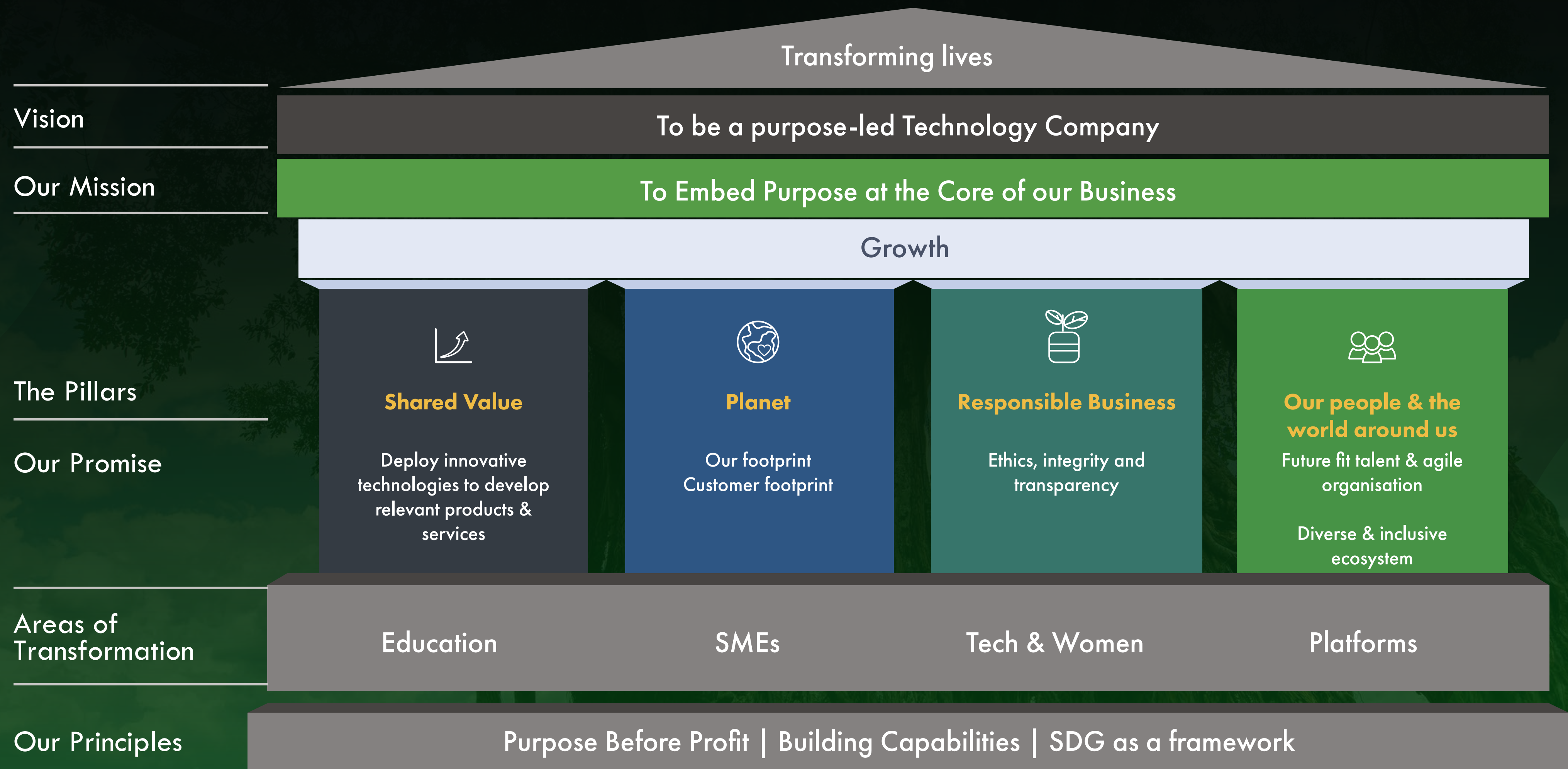


Kenyan Shillings (KShs) per US Dollar (USD)



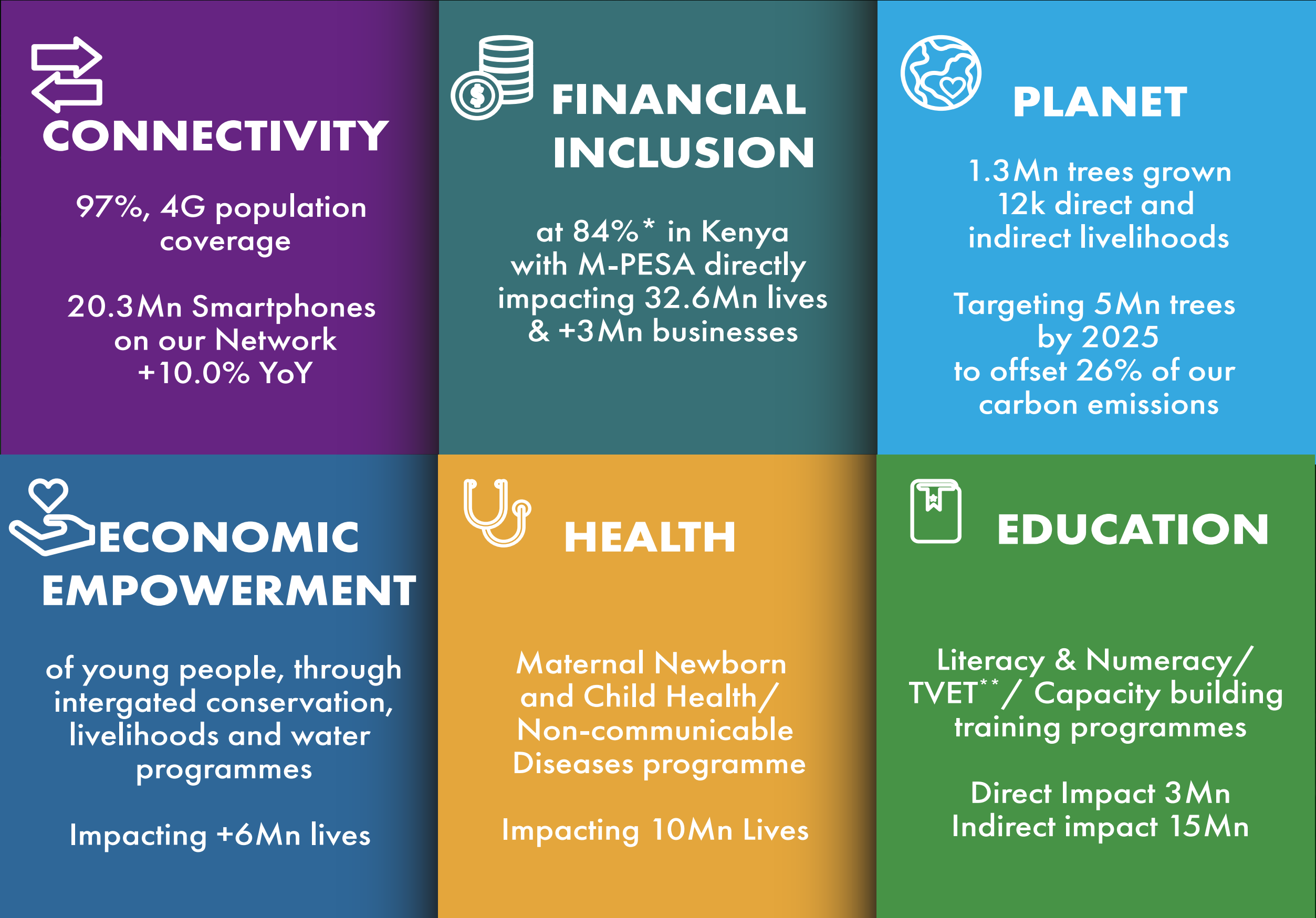


# OUR PURPOSE STRATEGY | Embedding Purpose at the Core of our Business





# OUR IMPACT | A purpose driven Company



\*Source: FinAccess Survey  
\*\* Technical Vocational & Educational Training (TVET)





# PURPOSE | Transforming the Lives of our Communities

## Drought response



- **KShs 350Mn** donations by Safaricom PLC and the Safaricom & M-PESA Foundations
- **KShs 12.9Mn** Bonga points donated by Kenyans
- **KShs 1.0Bn** Donations by various partners (Wakenya Tulindane & Pamoja Tuungane Campaigns)
- **Free publicity** given by all main **media houses**
- Final distribution coordinated by **National Drought Management Authority (NDMA), Kenya Red Cross (KRC) and National Drought Steering Committee**



## Tree Growing Program

- **5 million** tree growing initiative in partnership with Kenya Forest Services (KFS) to offset **26%** of our carbon emissions
- In partnership with ABSA Bank, targeting to reach **10Mn trees grown by 2025**

## Impact

- **Restoration** of **1, 259 indigenous trees** and undergrowth vegetation
- **Rehabilitation** of **1300ha** of degraded forest
- Creation of **12,000 Jobs** : Direct 2,000, indirect 10,000





# PURPOSE | Embedding ESG Framework in our Operations



## Environment (E)

- **1.3Mn** trees grown impacting 12k direct and indirect livelihoods, 1300 ha of degraded land restored
- Upgraded **1,456 sites**, **23%** of all our sites to solar
- **1,768 Tonnes** of e-waste recycled
- **97%** of solid waste recycled from facilities within Nairobi
- Resale of network waste worth **220Mn**



## Social (S)

- Diversity & Inclusion; **3.0%** of all staff are PWDs
- **40% female** at senior management level
- Industry digital talent programme **617 student graduates**
- Invested **510Mn** in Safaricom Foundation in FY23
- **5.1%** of our procurement spend going to local marginalized groups (women, youth and PwDs)
- **Zero** gender pay gaps



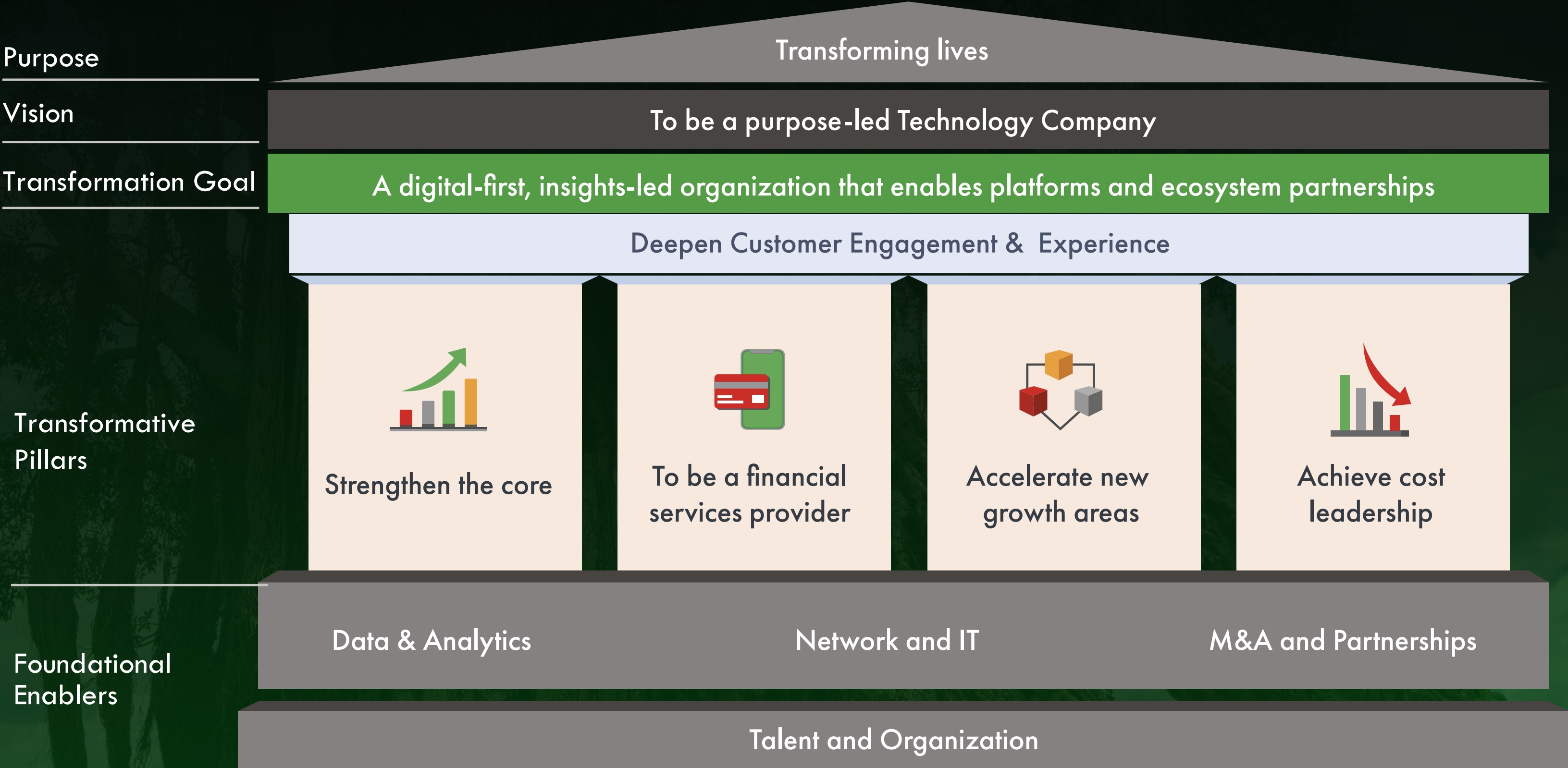
## Governance (G)

- Board Diversity: **55% Male**, **45% Female**
- **80%** of our suppliers signed up to the Code of Ethics for Businesses in Kenya
- **98%** of staff taken through ethics and anti-corruption training



# OUR BUSINESS STRATEGY | Mid Way to the Delivery of Our 5-YR Strategy to FY25

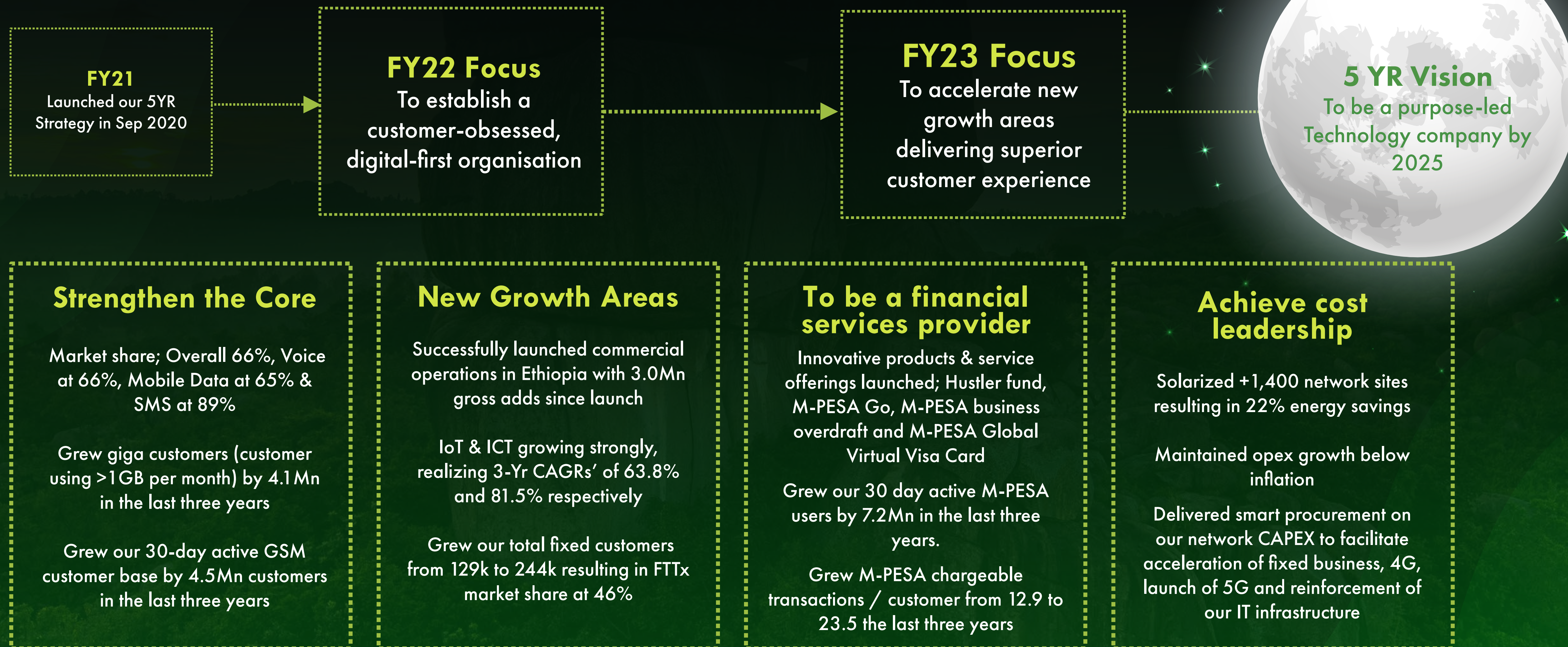
**FY23 Focus was;**  
To accelerate new growth areas  
delivering superior customer experience  
by 2023 in order to be a Purpose-Led  
Technology Company by the end of 2025



We will exemplify being a Purpose-Led Technology Company by  
applying technology to simplify life, Making life more convenient, Linking People to people, People to knowledge and People to opportunities



# OUR 5YR STRATEGY | Key Achievements in the Execution Cycle





# Cementing Safaricom as the Technology Innovation Hub in Kenya

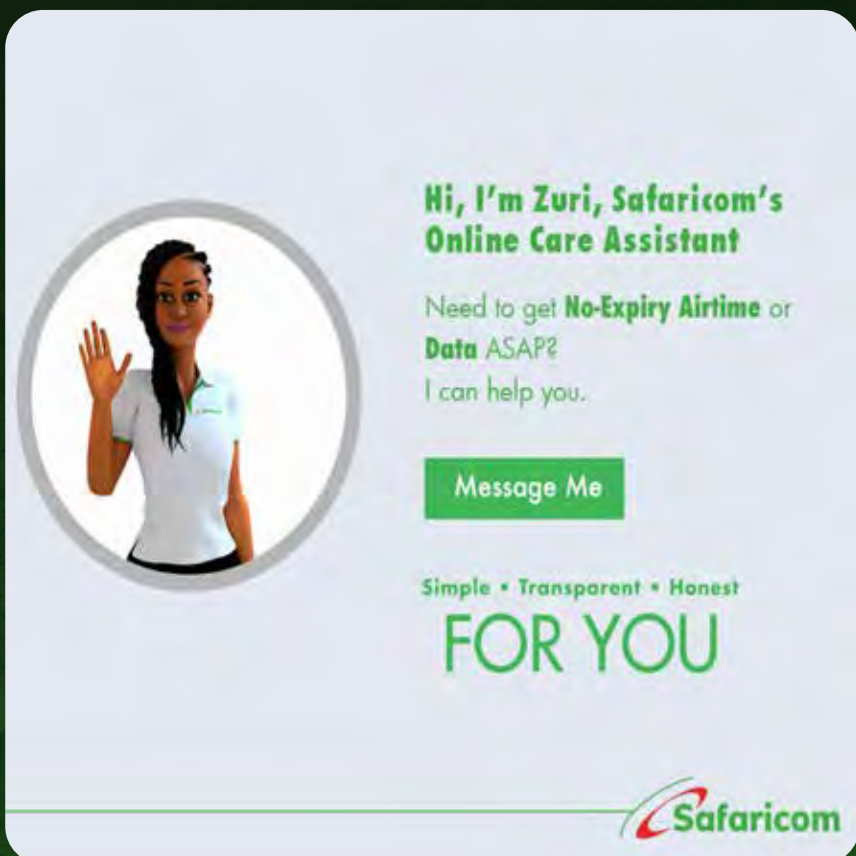
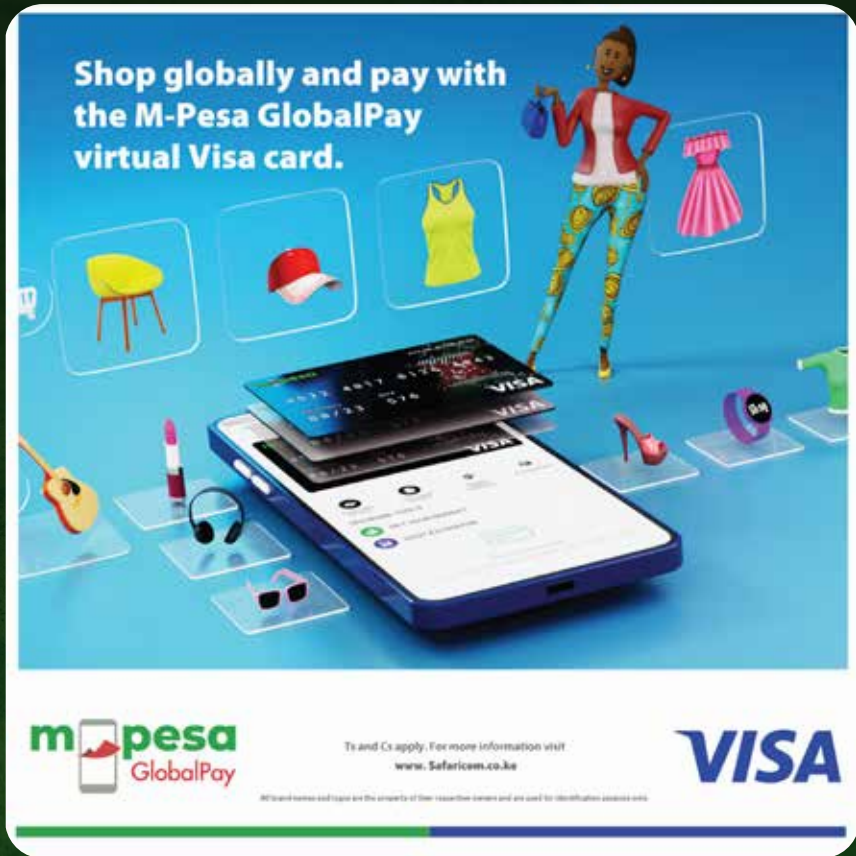
**M-PESA Go**  
**For Teens (10-17yrs)**  
Launch; Nov 2022  
**KShs 10.3Mn**  
**Value Transacted**

**Merchant Interoperability; Paybill/Buy Goods**  
Launch; June 2022  
**KShs 1.0Bn**  
**Value Transacted**  
**69.4k Merchants**

**205 5G Sites covering**  
**23 out of 47 Counties**  
**Targeting 800 sites**  
**by FY24**

**M-PESA GlobalPay Virtual Visa card**  
Launch; July 2022  
**KShs 1.8Bn**  
**Value transacted**  
**600k Cards**

**Enhanced customer experiences**  
**ZURI**  
**D.I.Y**  
**Data Manager**  
**E-Statements**  
**Elevated fraud management**





# Driving Value to Help our Customers Cope With the Tough Macros

## FULIZA WITHDRAWAL

**m-pesa** #FUNGUKANA FULIZA

**USIKOSE JOB SABABU YA FARE FULIZA USHIKE KITI**

**TIINUANE.** Let's Go Beyond.

DOWNLOAD THE M-PESA APP OR DIAL \*344# TO JOIN FULIZA TODAY.

**Safaricom**

## ZERO CHARGES FOR MERCHANT PAYMENTS

**m-pesa** **ZERO CHARGES**

Shop hassle free! Pay for your shopping and enjoy NO payment charges when you Lipa Na M-PESA.

**TIINUANE.** Let's Go Beyond.

**Safaricom**

## SECURED CONNECTIVITY FOR BUSINESS

**KIFARUNET**

**#1 CHOICE FOR BUSINESS INTERNET**

Visit [business.safaricom.co.ke](https://business.safaricom.co.ke) or dial \*485#

Fast  
Cyber Secure  
Reliable

From **Kes. 3,000**

**FREE ROUTER + INSTALLATION**

SCAN HERE TO APPLY TODAY

**Safaricom**

## FREEDOM VIA CONSOLIDATION

**GO MONTHLY**

ENJOY MORE CONTROL

Visit MySafaricom App or dial \*544#

**TIINUANE.** Let's Go Beyond.

**ALL IN ONE KSHS 1,000**

- 400 MINUTES
- 5GB DATA
- 1,000 SMS
- FREE 2GB YOUTUBE
- FREE WHATSAPP
- VALID FOR 30 DAYS

MINUTES CALL ACROSS ALL NETWORKS

**Safaricom**

## SWEET SPOT ACCESSIBLE PRICES

**OYA! CHAGUA BEI YAKO**

Tembelea MySafaricom App au Bonyeza \*444#

**TIINUANE.** Let's Go Beyond.

- 20% 1GB valid 1hr
- 50% 50 mins valid until midnight

Simple • Transparent • Honest **FOR YOU**

CHANUKIA TUNUKIWA | **HOME OF VALUE**

**Safaricom**



# Leveraging Lifestyle for Holistic Customer Propositions & Communication

## CONVENIENCE FOR TRAVELLERS

**BONGA**

**TRAVEL WITH BONGA**

Enjoy the best discounted rates at The Social House with Bonga Points  
Visit MySafaricom App to redeem your Bonga points.

**TIINUANE.** Let's Go Beyond.

20% discount  
off on  
Room rates



Simple • Transparent • Honest FOR YOU

the social house

**Safaricom**

## WORLD CUP WITH SHOWMAX

ALSO AVAILABLE IN  
**HD4K**

BROUGHT TO YOU BY SUPERSPORT

**STREAM ALL 64 GAMES  
LIVE FROM QATAR  
ON SHOWMAX PRO**

**SHOWMAX PRO MOBILE**  
+ 3GB SAFARICOM MOBILE DATA

KES **1,299** PM

**DIAL \*544\*20#**

**showmax**

**Safaricom**

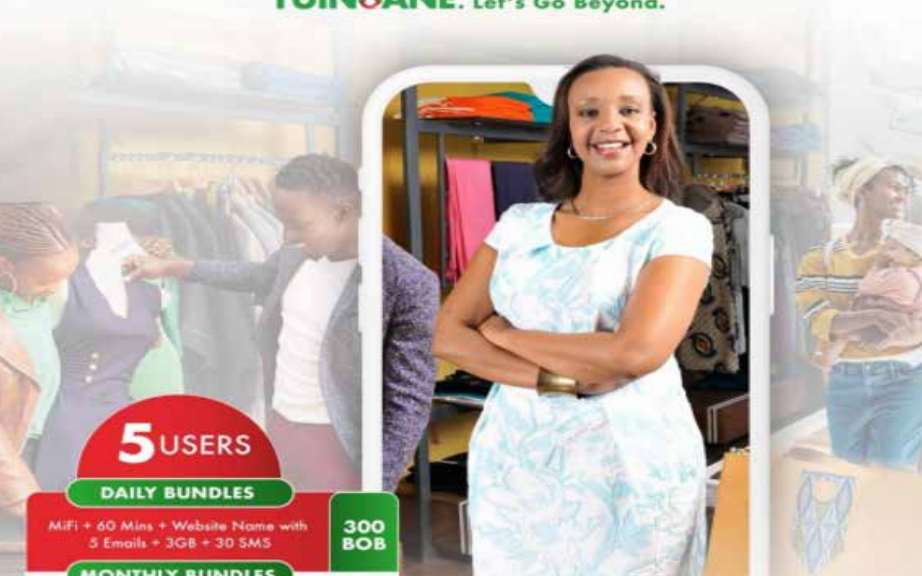
## EASE OF MANAGING BUSINESS

**BUSINESS**

**BIASHARA SMART**  
PATA BOOST YA KUSKUMA BIZ KWA MTANDAO.  
GET WEBSITE, EMAILS NA BUNDLES ZA WORKERS WA BIZ YAKO.  
Visit [business.safaricom.co.ke](https://business.safaricom.co.ke) or dial \*485#

**TIINUANE.** Let's Go Beyond.

**5 USERS**  
**DAILY BUNDLES**  
MIFI + 60 Mins + Website Name with  
5 Emails + 3GB + 30 SMS  
**300 BOB**  
**MONTHLY BUNDLES**  
MIFI + 350 Mins + Website Name with  
5 Emails + 20GB + Unlimited SMS  
**2500 BOB**



Simple • Transparent • Honest FOR YOU


**BIASHARA SMART**


## GLOBAL CONVENIENCE

**m-pesa**

**SEND MONEY, SEND LOVE  
WITH M-PESA GLOBAL**

Download the **M-PESA App** or dial **\*334#** to Send money  
to TZ, RW, UG, MW, ZM & BI.





**TIINUANE.** Let's Go Beyond.  
Simple • Transparent • Honest FOR YOU

**Safaricom**



# GOVERNMENT ENABLEMENT | Technology Partner of Choice for Government



## Hustler Fund Phase 1

Launched  
30<sup>th</sup> November 2022

**KShs 24.44Bn**  
Value disbursed to  
**15.8Mn customers**  
as at 31 Mar 2023



## Women Enterprise Fund

Launched  
2<sup>nd</sup> March 2023

153 Groups created  
as at 31 Mar 2023



## MyCounty App

Supporting county  
governments in digitising  
their services

Launched 1<sup>st</sup> App in  
**Makueni County**  
on 26<sup>th</sup> April 2023



## Other Partnerships



### Fertilizer distribution

2.0Mn bags distributed to  
2.3Mn farmers in 28 counties  
KShs 7.1 Bn value transacted  
via M-PESA since launch in  
Feb 2023



### Supporting digitization of +6k government services

on e-Citizen platform



# KENYA BUSINESS | Strong Execution in a Challenging Macro Environment

## New Growth Areas



**+102.8%** YoY

IoT & Cloud revenue adding  
KShs 1.8Bn in revenue

**+48.8%** YoY

Content revenue, KShs 0.7Bn

**Successful Ethiopia launch**  
2.1 Mn 3-Month Active Customers

**+7.4Mn** Super App

Downloads

KShs 6.7Bn generated via the App

## Market Share\*



**65.6%**

Overall Subscriber share

**65.9%**

Voice Traffic

**89.2%**

SMS Share

**46.1 %**

Fixed Data (#1 out of 10 providers)

**65.0%**

Data share

## Customer\*\*



**#1 Brand love**

78% Network satisfaction score

60% Data Net satisfaction score

40% CVM penetration

89% Fraud prevention

## Network



**Coverage;**

**2G/3G/4G; 97%**

**5G Sites** (205 sites in 23 of 47 counties)

Over **14,000 Km** of Metro fiber rolled out  
in all 47 counties, 75% of sites on fiber

M-PESA: **2,600** Transactions Per Second  
capacity

**2.3Mn 4G devices** added to our network  
in FY23

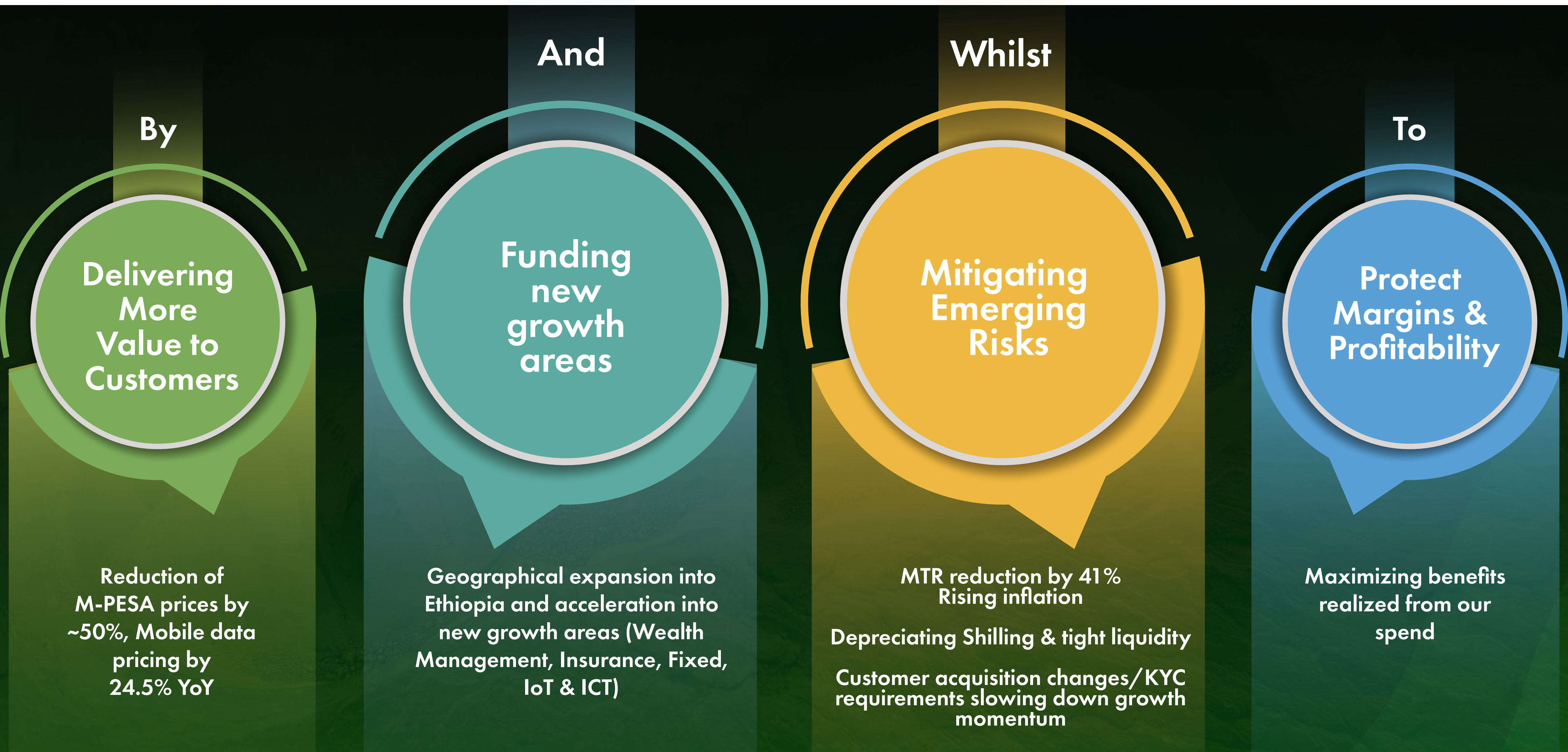
Upgraded **23%** of all our sites to solar

\* Source; CA Quarterly Statistics Report Oct-Dec 2022

\*\* Based on internal market surveys



# PRODUCTIVITY | Driving Sustainable Operations





A photograph of a traditional thatched-roof structure, possibly a shrine or a storage area, built in a lush green forest. Five wooden figures, each with a dark, round face and wearing a colorful, patterned garment, are hanging from the eaves of the structure. The text "ETHIOPIA UPDATE" is overlaid in large, white, bold letters across the bottom of the image.

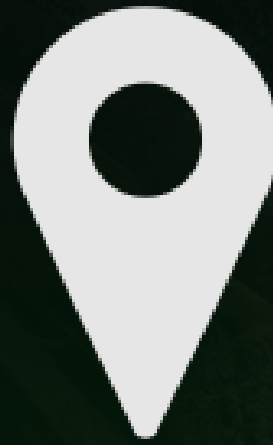
# ETHIOPIA UPDATE



# ETHIOPIA | Market Context & Opportunity



Opportunity  
**63Mn** (+18yrs)  
**13.5Mn** (14-18yrs)



**22%** Urban  
**78%** Rural

**35%** Financially  
Included

**57%** Mobile  
Penetration

**\$4.2Bn** Annual Inward  
Remittance

**10K** Large  
Enterprises

**240k** Small & Micro  
Enterprises

Source – Ethiopian Diaspora Agency(Fiscal year 2021/22), <http://www.statsethiopia.gov.et/>, National Bank (nbe.gov.et), <https://addisfortune.news/parliament-pass-foreign-fintechs-to-operate-payment-systems/>, <https://blogs.worldbank.org/africacan/financial-inclusion-in-ethiopia-10-takeaways-from-findex>, Ethiopian Diaspora Agency (Fiscal year 2021/22)



# ETHIOPIA | Operating Environment

## Macro economic progress

**GDP** - Growth in 2023 expected to be 6.2% compared to average of 9.1% (2011-2020)

**Exchange rate** – Liquidity pressure in the market with increasing divergence of the official vs parallel market rates

**Rising inflation** - at 34.2% as of March 2023\*

Global impact of Ukraine war



## Regulatory

**Ethio telecom Privatization** – 45% of Ethio telecom privatization was announced in February

**Telecom License** – Ethiopian Communication Authority (ECA) is also expected to issue an EOI for the 2nd private telecom entrants

**Financial Liberalization** – Government is still keen on liberalizing other industries including opening the mobile financial services and banking sectors



## Political environment

**Tigray** - Northern Ethiopia Region, Tigray has opened up and commercial flights are now operational along with basic services such as banking & telecom

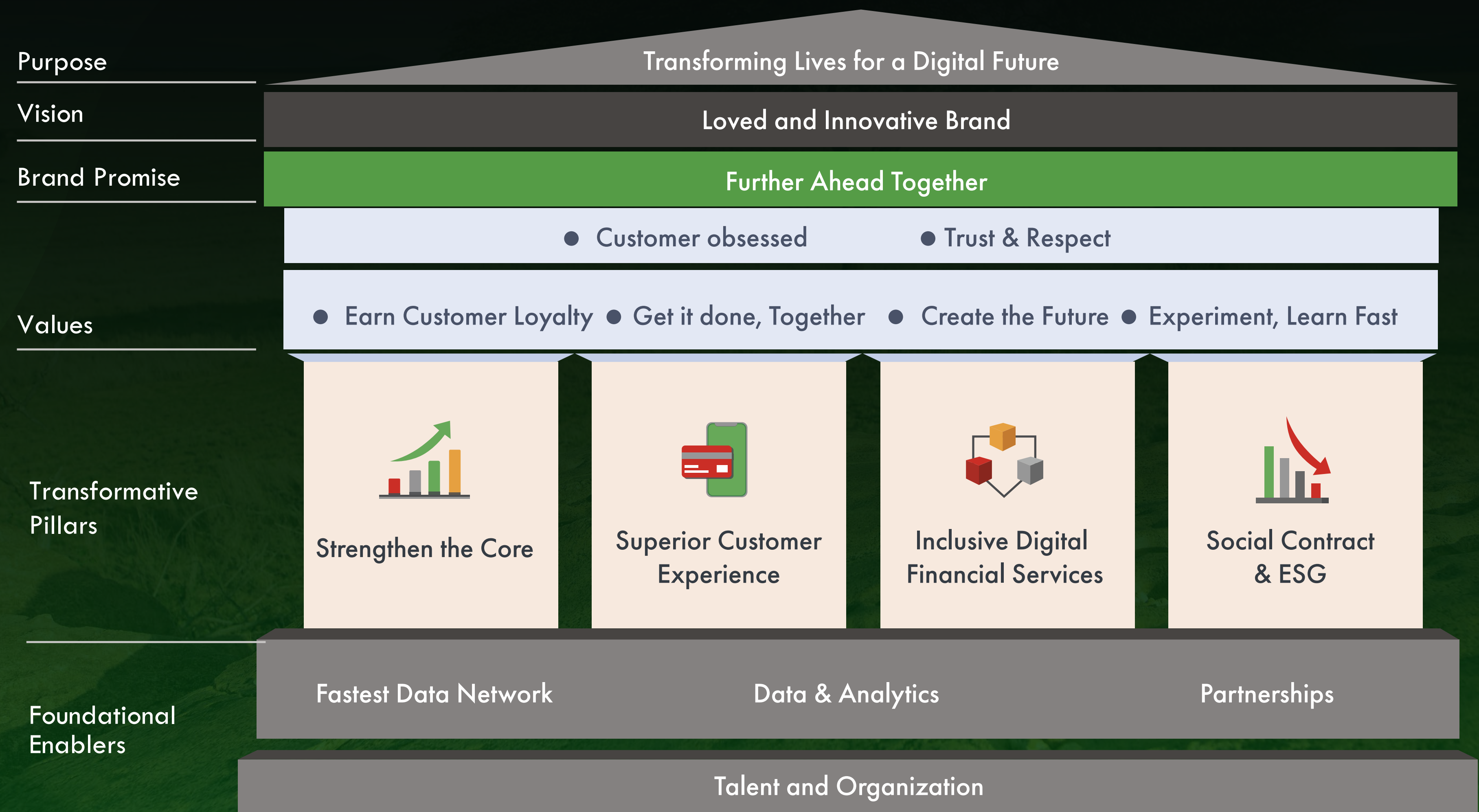
**Engaging the government on the ongoing social media restrictions**



\*Ethiopia is classified as a hyperinflationary economy by the IASB on or after 31 Dec 2022. As such, Safaricom Group has applied IAS 29 Financial Reporting in Hyperinflationary Economies on Ethiopia related numbers at consolidation level



# OUR ETHIOPIA STRATEGY | Further Ahead Together





# ETHIOPIA | Progress Since Launch on 6<sup>th</sup> October 2022





# ETHIOPIA | Performance Highlights

3.0Mn

Gross adds

2.1 Mn

90-day active customers  
FY24 Target; 10Mn

Population  
Coverage

22%

22

Cities covered

114

Distributor shops  
44k Points of sale

24

Distributor  
bussiness partners

Mobile Data  
Customer Penetration

67% of 90-day  
active customer base

Voice Usage

55.4 mins/customer/month

Data Usage

1.5GB/ customer/Month

1,272

Network Sites  
397 Collocated,  
875 Own built  
FY24 Target; 3,000 Sites

Fastest Data  
network  
in Ethiopia

909

Permanent Employees  
81% Ethiopians & 19% Expats

Social Outreach

Created 4,610 indirect jobs  
Community engagements



# ETHIOPIA | Key Learnings

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## Network rollout

Accelerate contiguous network coverage focused on key economic and population clusters

## Distribution

Scale distribution aligned to network coverage expansion focusing on quality customer acquisition

## Grid availability

Power shortages/availability challenges

## Customer Value proposition

Differentiate on data as winning value proposition, communications, products propositions and affordable 4G smartphones

## Security

Stabilisation of security situation in Ethiopia  
Engaging the government on social media restrictions

## Long importation/ customs process

Streamlining customs clearance processes



# ETHIOPIA | Launching M-PESA in Ethiopia

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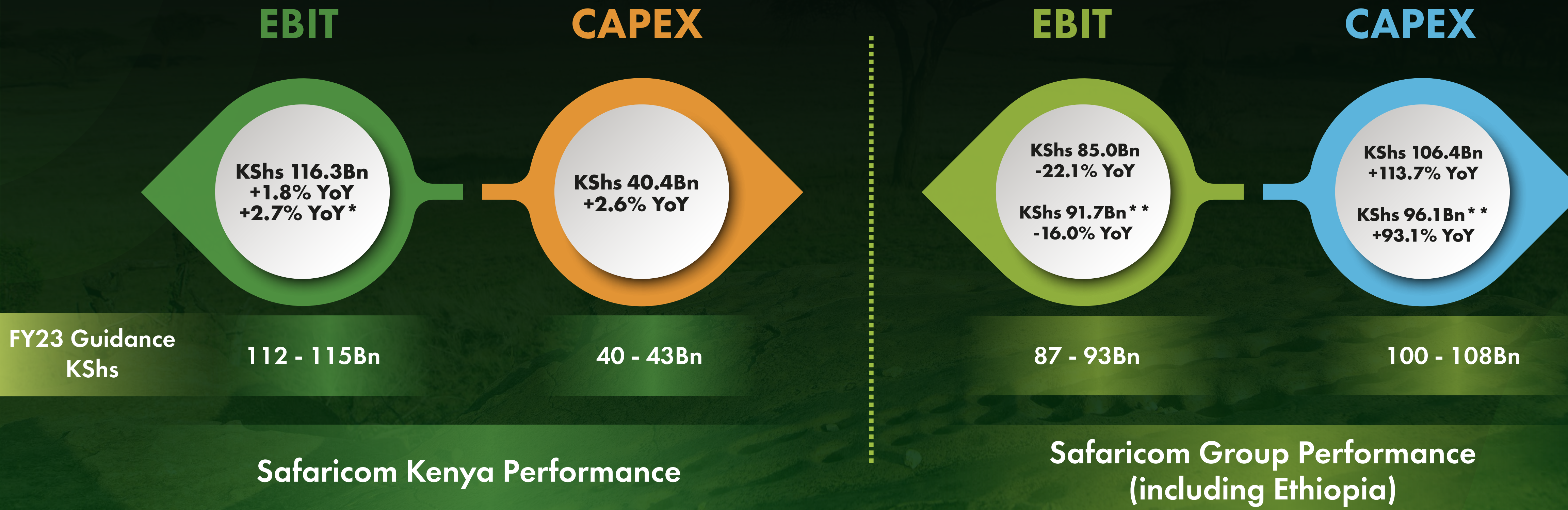




# PERFORMANCE HIGHLIGHTS



# FY23 Performance | Earnings in line with Guidance



\*YoY growth is calculated on an underlying basis- excluding impact of revision of Mobile Termination Rates (MTR) from KShs 0.99 to KShs 0.58 effective 1 Aug 2022  
\*\* Excluding hyperinflationary impact

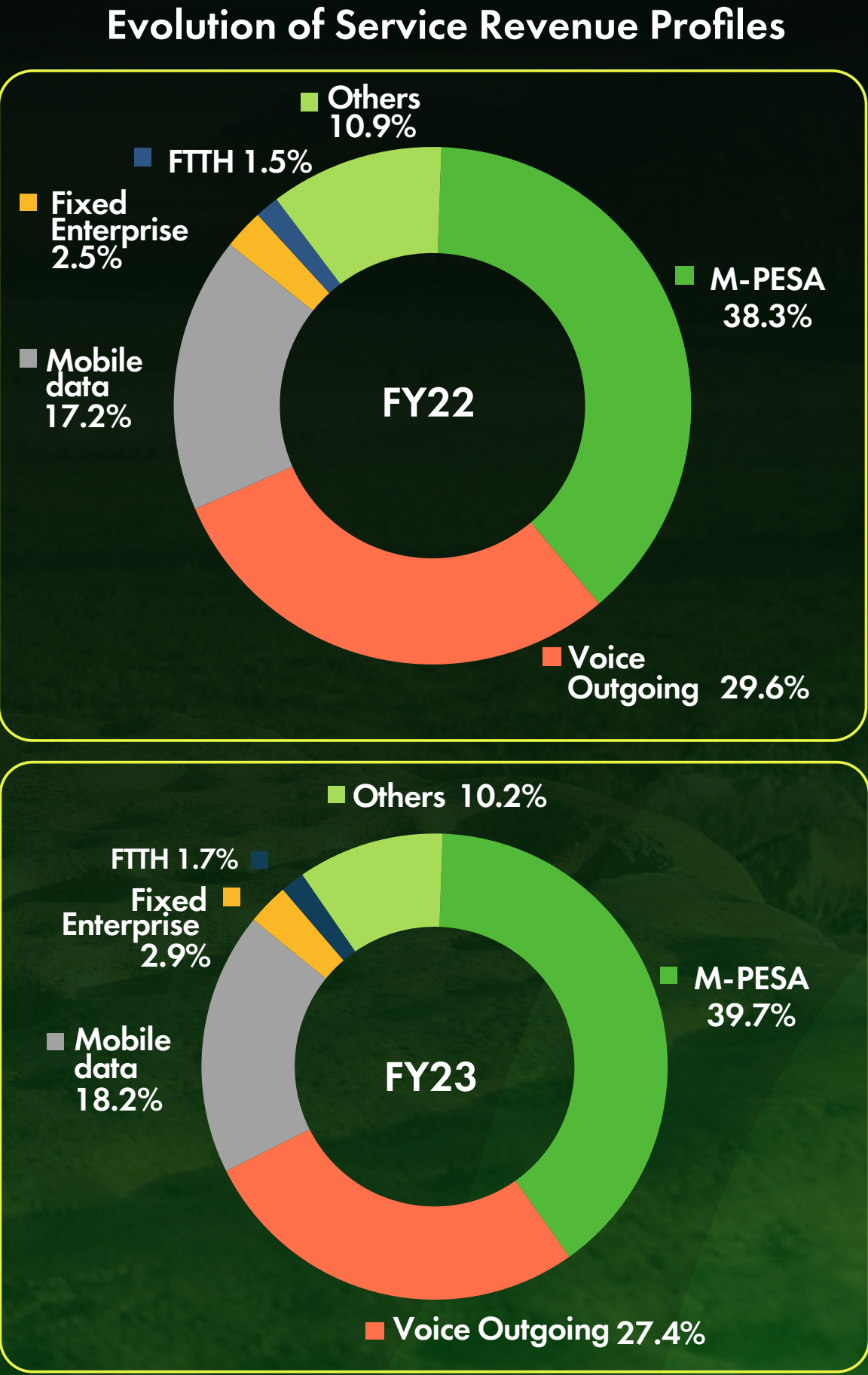
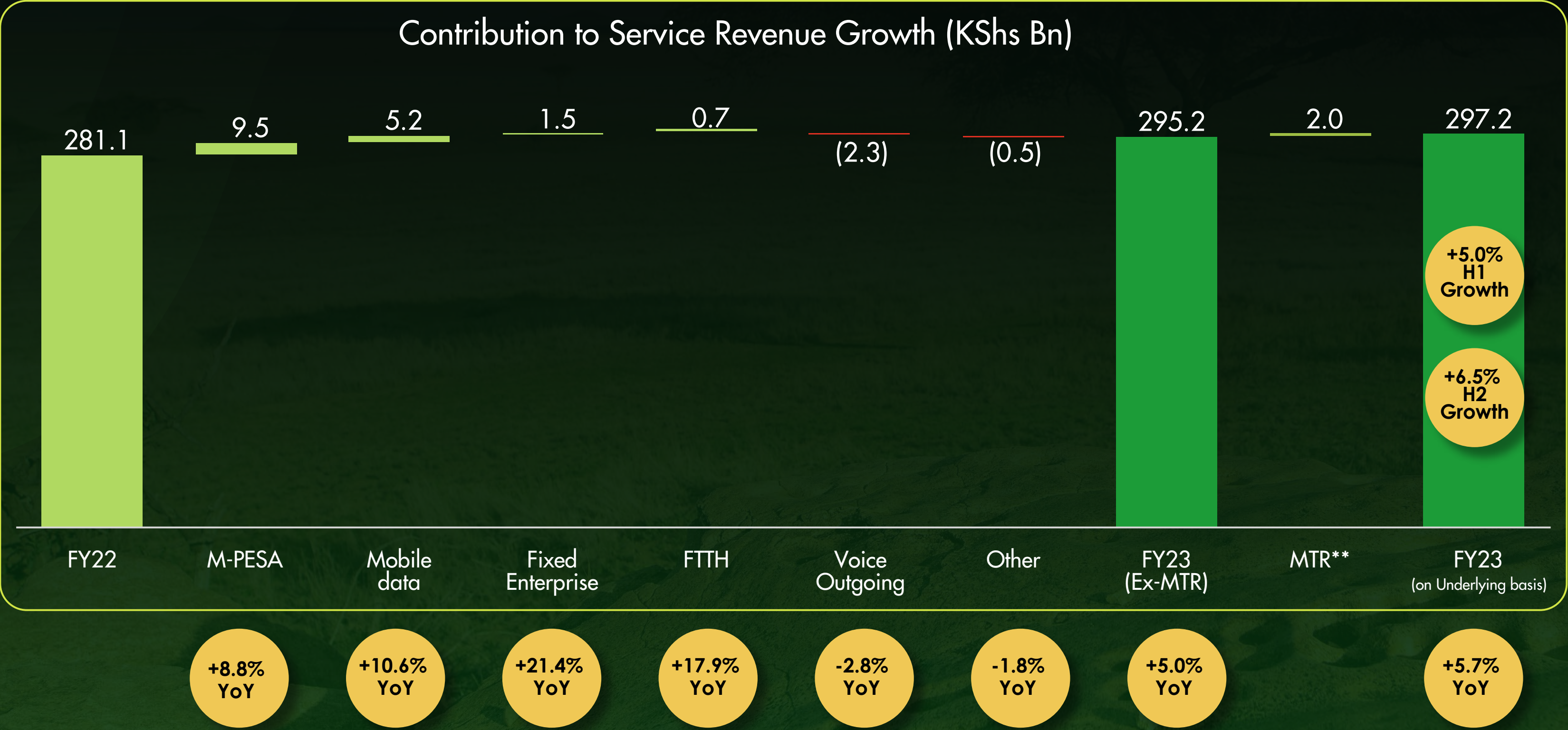


# **FINANCIAL PERFORMANCE**

**DILIP PAL, CHIEF FINANCE OFFICER**



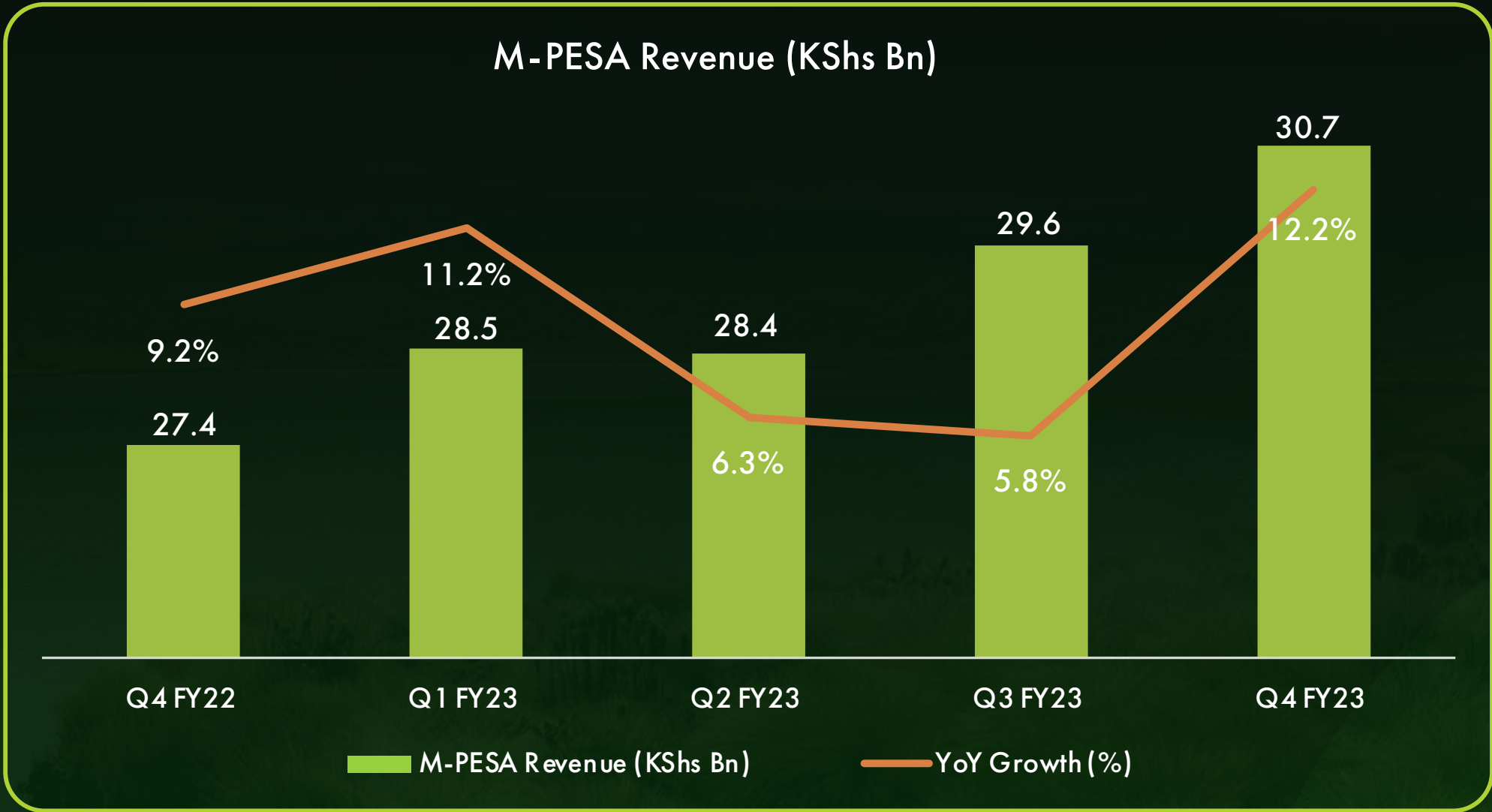
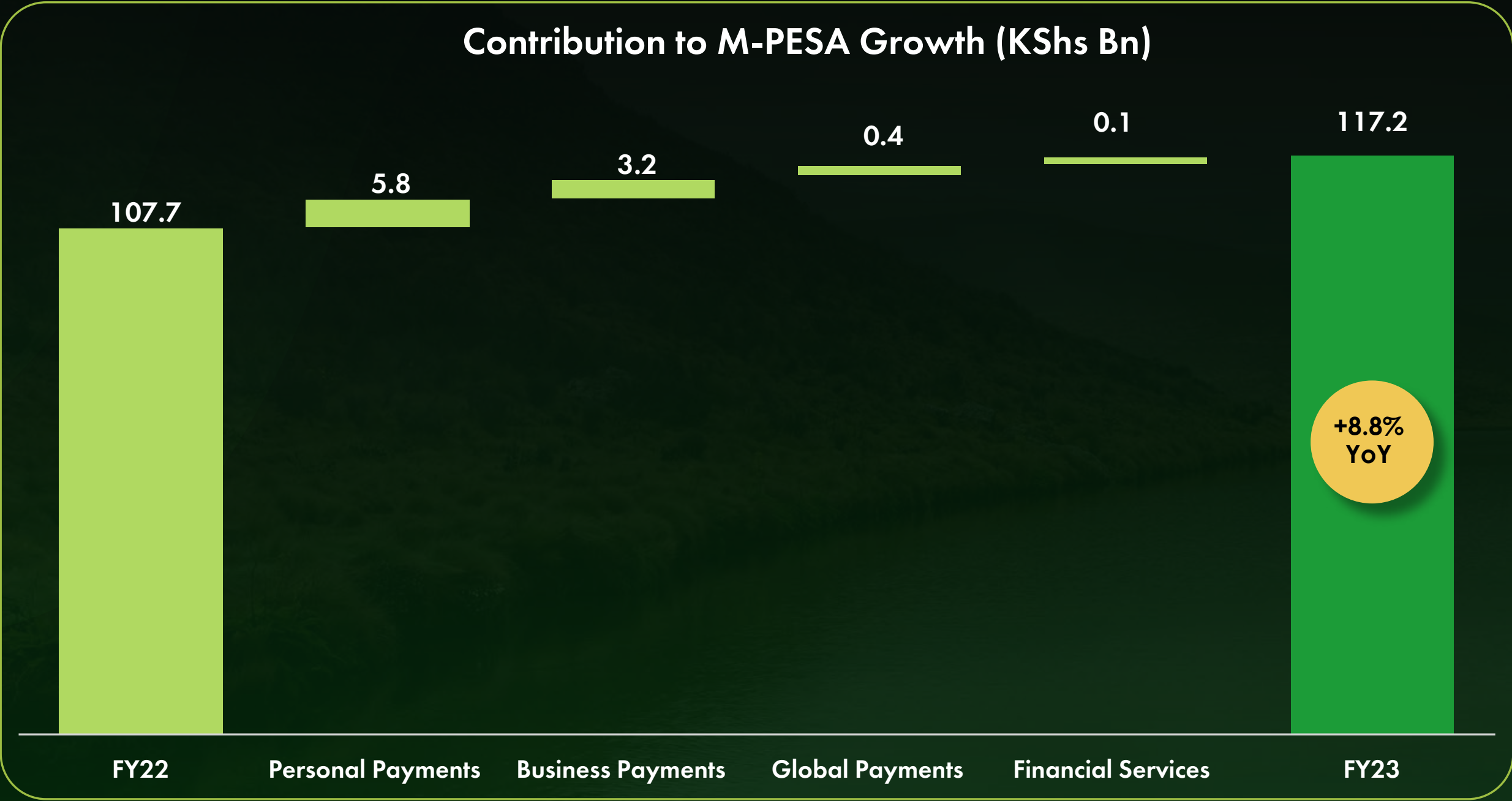
# SERVICE REVENUE | Resilient Performance underpinned by M-PESA and Mobile Data Growth



\* Others- Voice Incoming, Messaging Revenue and Other Service Revenue  
\*\* Mobile Termination Rates (MTR) changes from KShs 0.99 to KShs 0.58 effective 1 August 2022



# M-PESA | Improved Growth Momentum in H2



**Personal Payments, KShs 78.2Bn, +8.0% YoY**

Transfers, KShs 42.0Bn, +11.9% YoY  
Withdrawal, KShs 36.2Bn, +3.8% YoY

**Business Payments, KShs 27.3Bn, +17.3% YoY**

C2B, KShs 19.1Bn, +13.9% YoY  
B2C, KShs 2.6Bn, +25.7% YoY  
LNM, KShs 5.3Bn, +22.8% YoY  
B2B, KShs 0.3Bn, +171.5% YoY

**Global Payments, KShs 2.8Bn, +14.6% YoY**

Remittances (IMT & AliPay), KShs 2.8Bn, +14.6% YoY

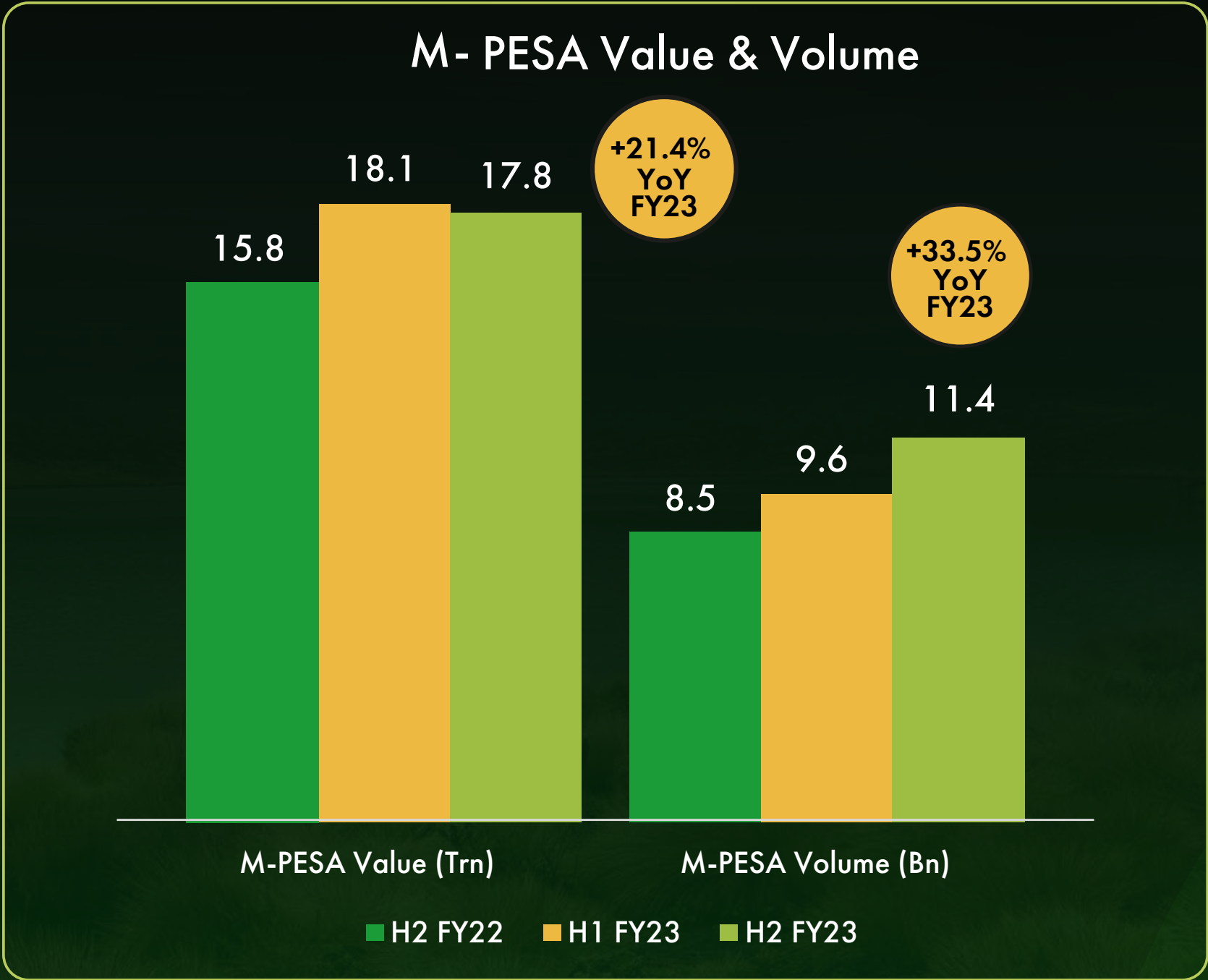
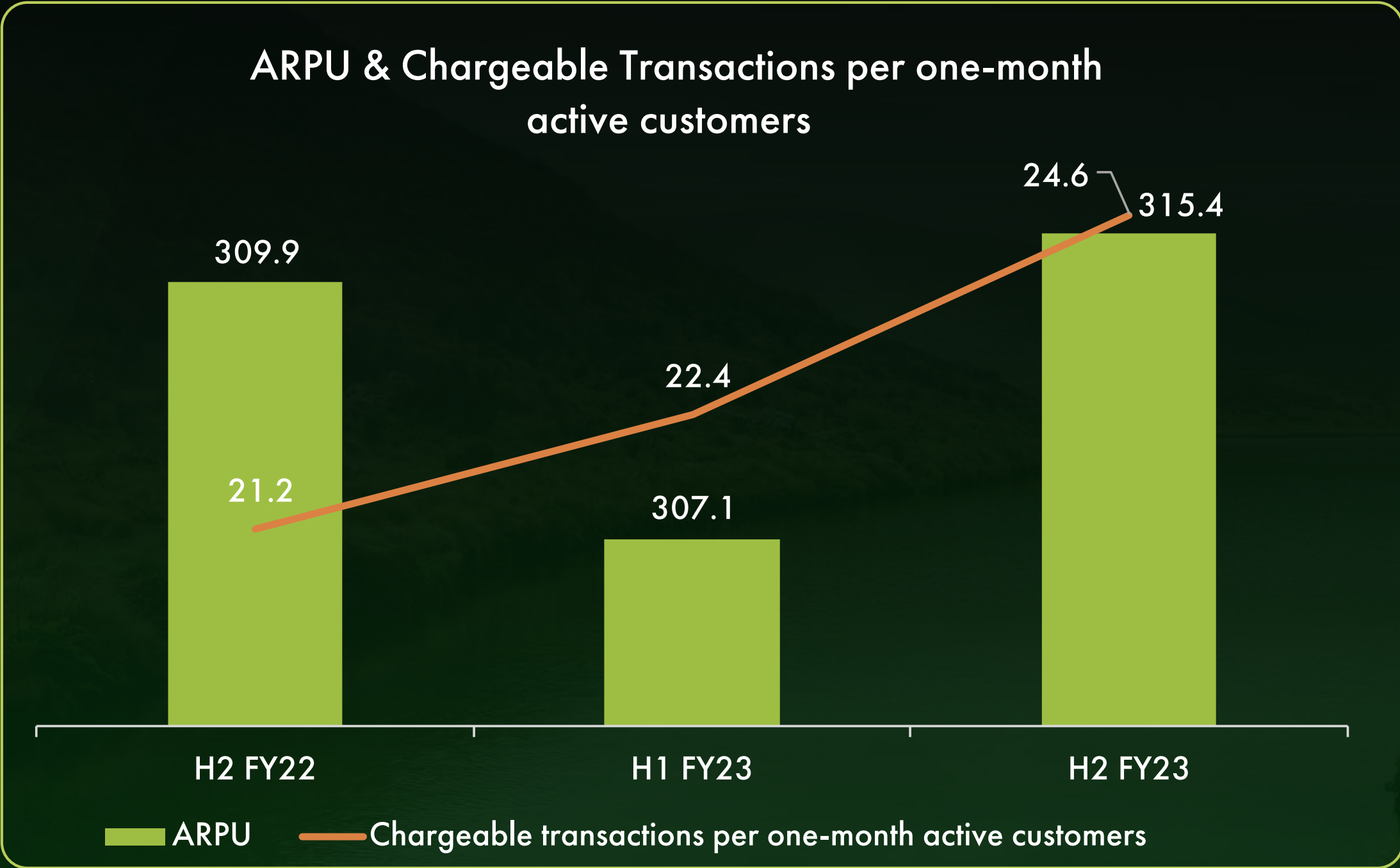
**Financial Services, KShs 8.6Bn, +0.7% YoY**

Fuliza, KShs 5.4Bn, -8.3% YoY  
M-Shwari, KShs 2.1Bn, +11.6% YoY  
KCB M-PESA, KShs 0.6Bn, -8.3% YoY  
Others\* KShs 0.4Bn, +>100.0% YoY

Others\* M-Kopa, M-Kesho, Hustler Fund and Other credit



# M-PESA | Sustained Momentum Driven by Increased Usage in H2



**Total M-PESA transaction value**  
**+21.4% YoY to KShs 35.9Trn**

**Total M-PESA transaction volume**  
**+33.5% YoY to 21.0Bn**

**One month active LNM tills**  
**+23.1% YoY to 606.7k**

**One month active M-PESA customers**  
**+5.2% YoY to 32.1Mn**

**Chargeable transactions per one month active customers**  
**+16.2% YoY to 23.54**

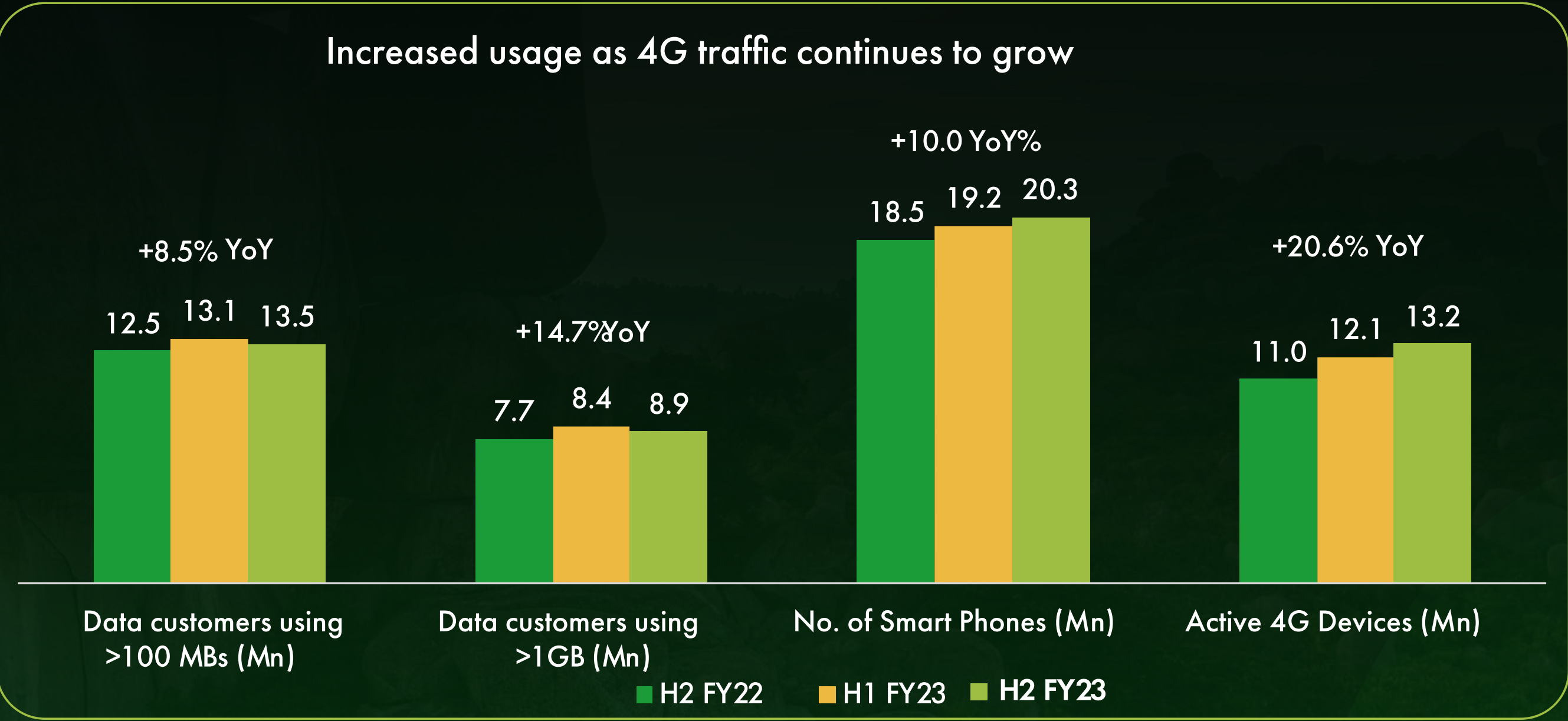
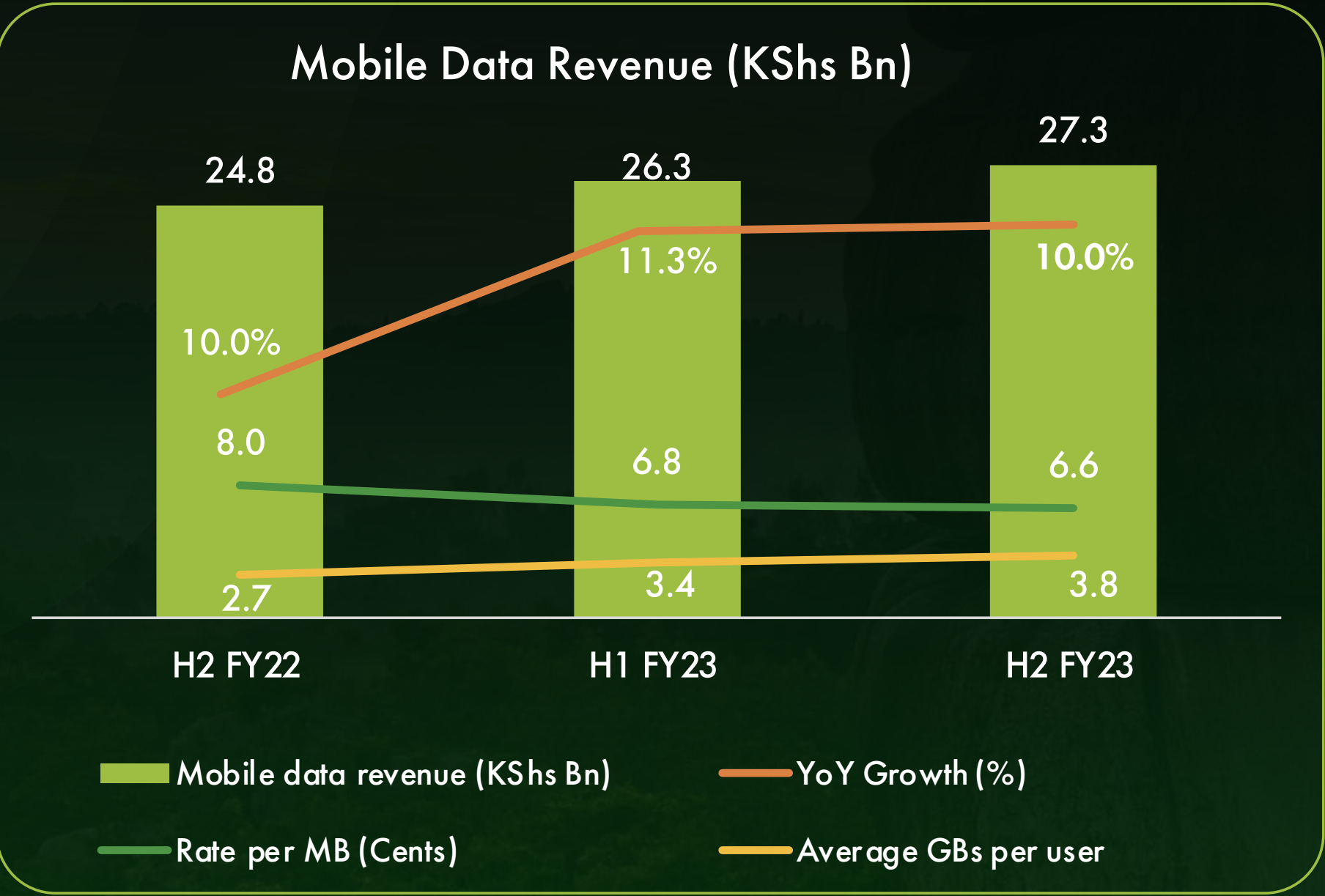


# M-PESA APPs | Super Apps Powering Digital Lifestyles and e-Commerce





# MOBILE DATA | Double Digit Growth Driven by Increased Usage



Mobile Data Revenue, **+10.6%** YoY to KShs 53.6Bn

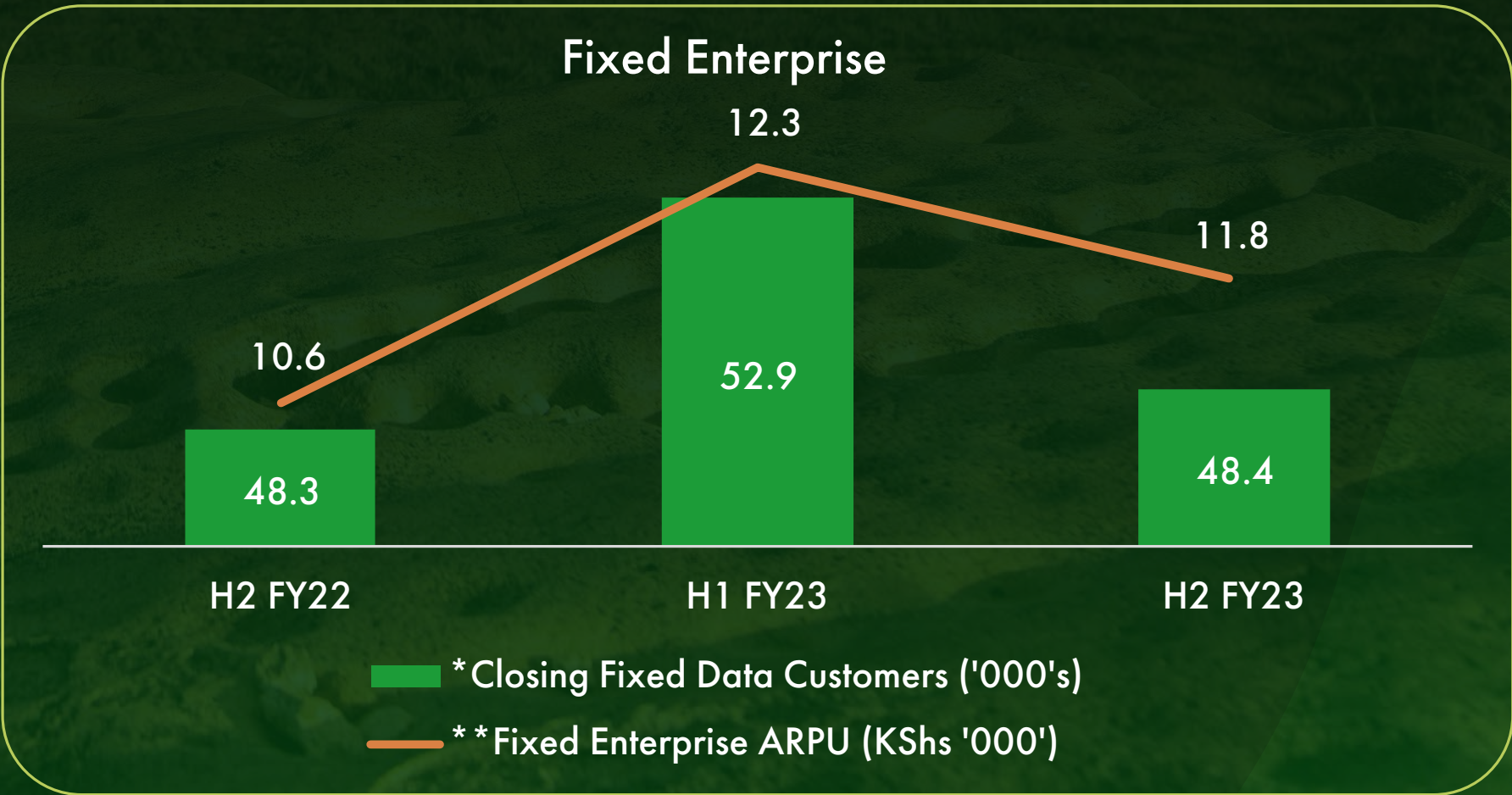
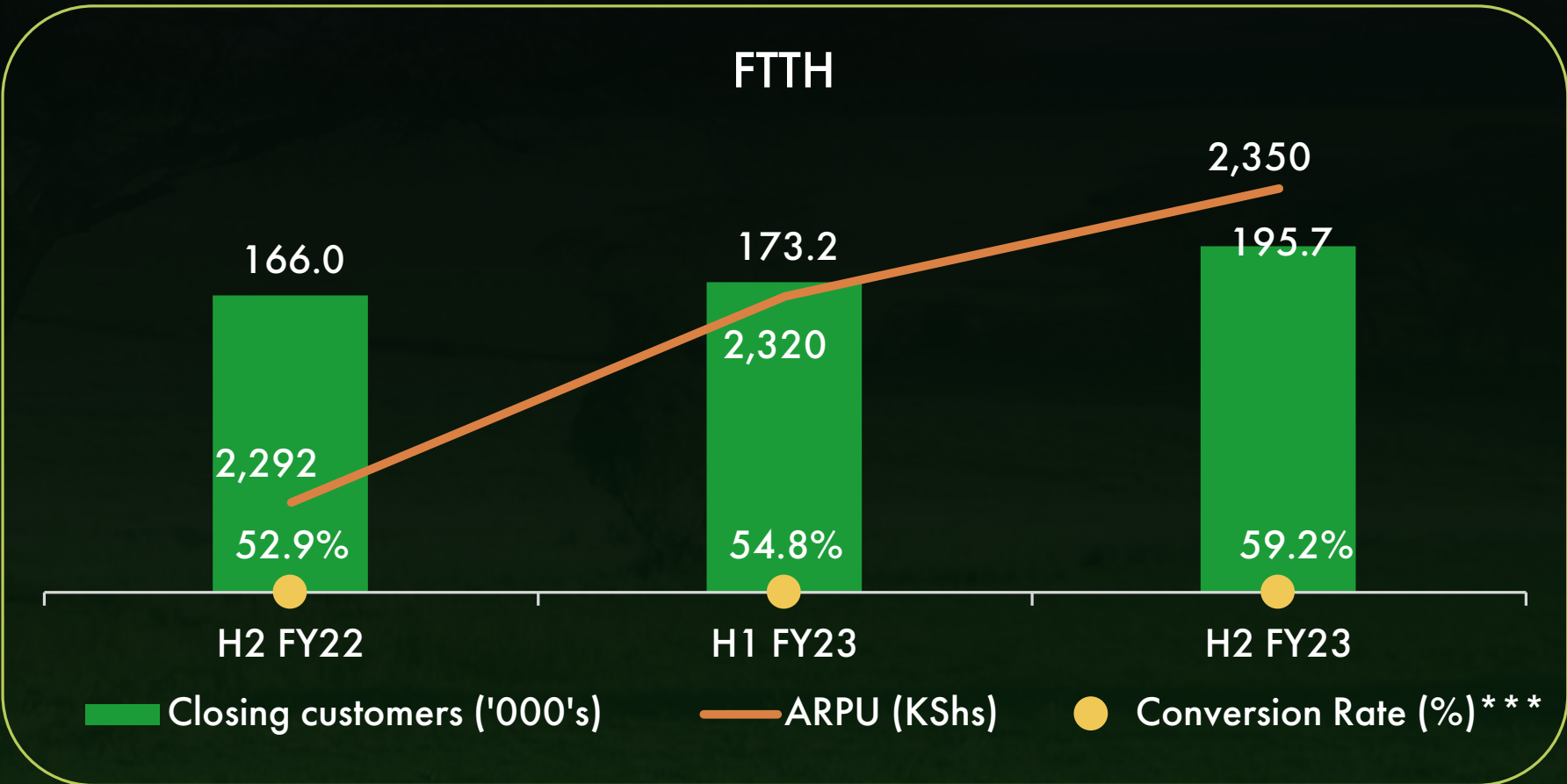
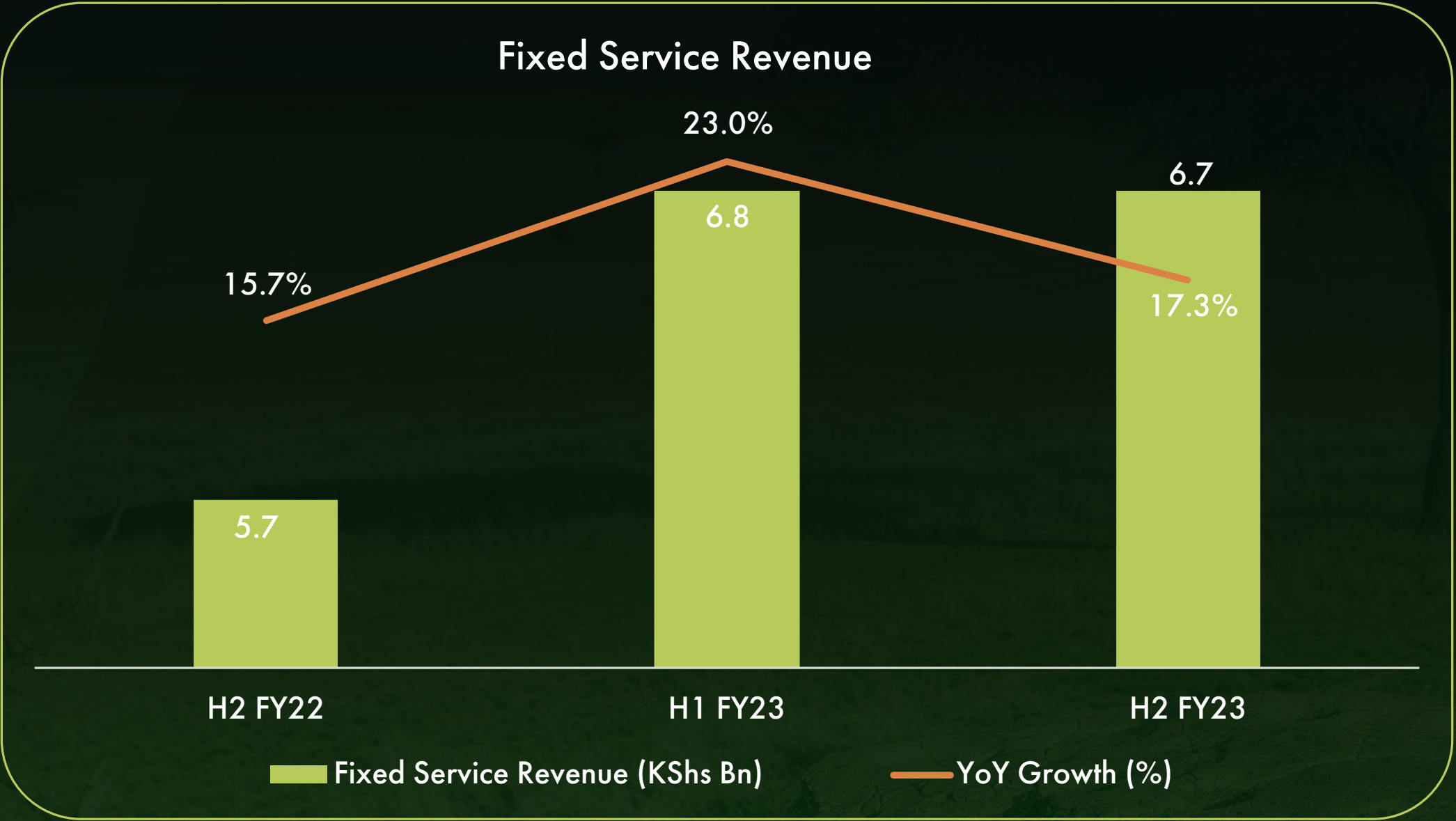
Average GBs per user **+53.8% YoY** to 3.6 GB

ARPU per active user **+16.2% YoY** to 239.0

Rate per MB (cents) **-24.5% YoY** to 6.7



# Fixed Service | Robust Performance Driven by Connections

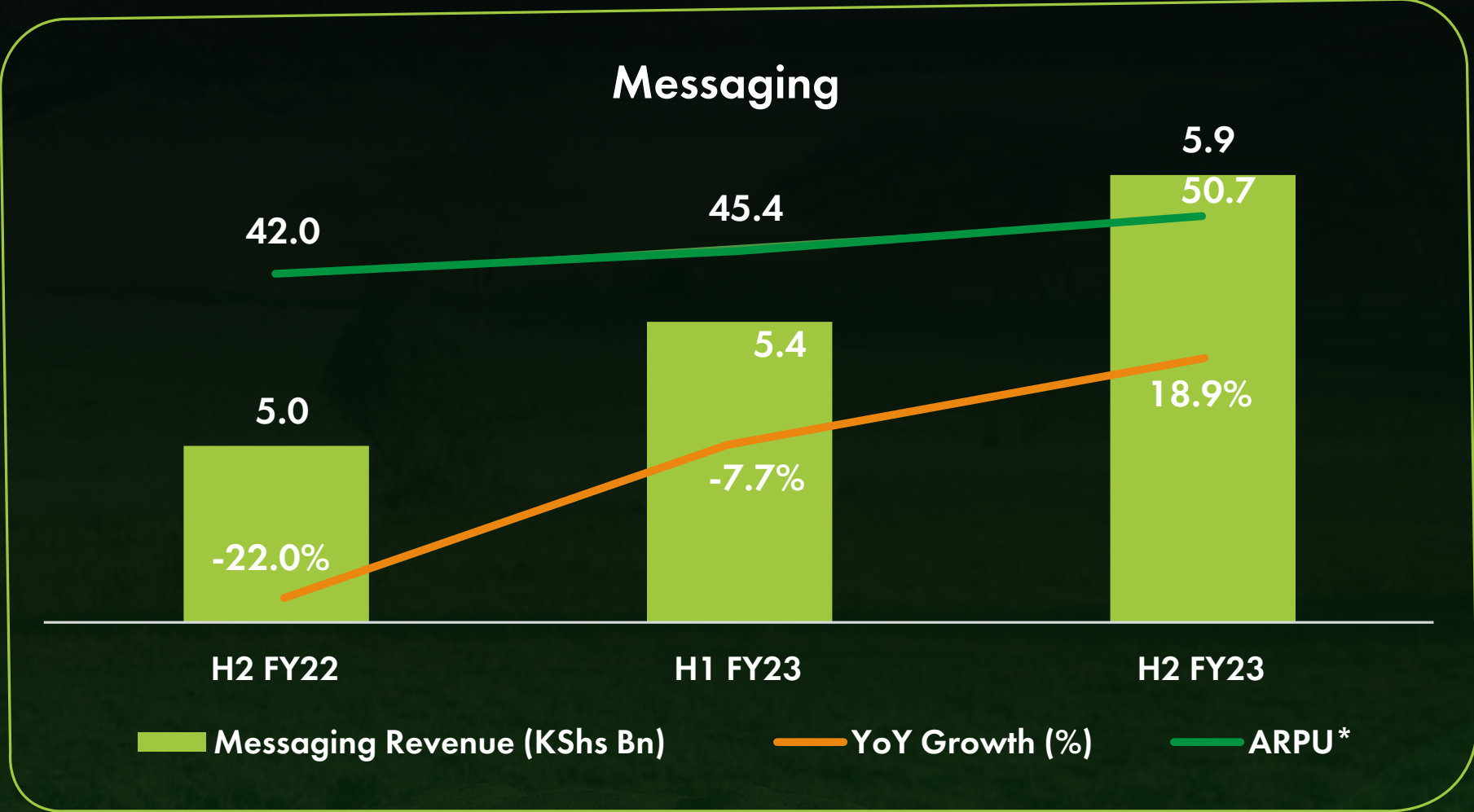
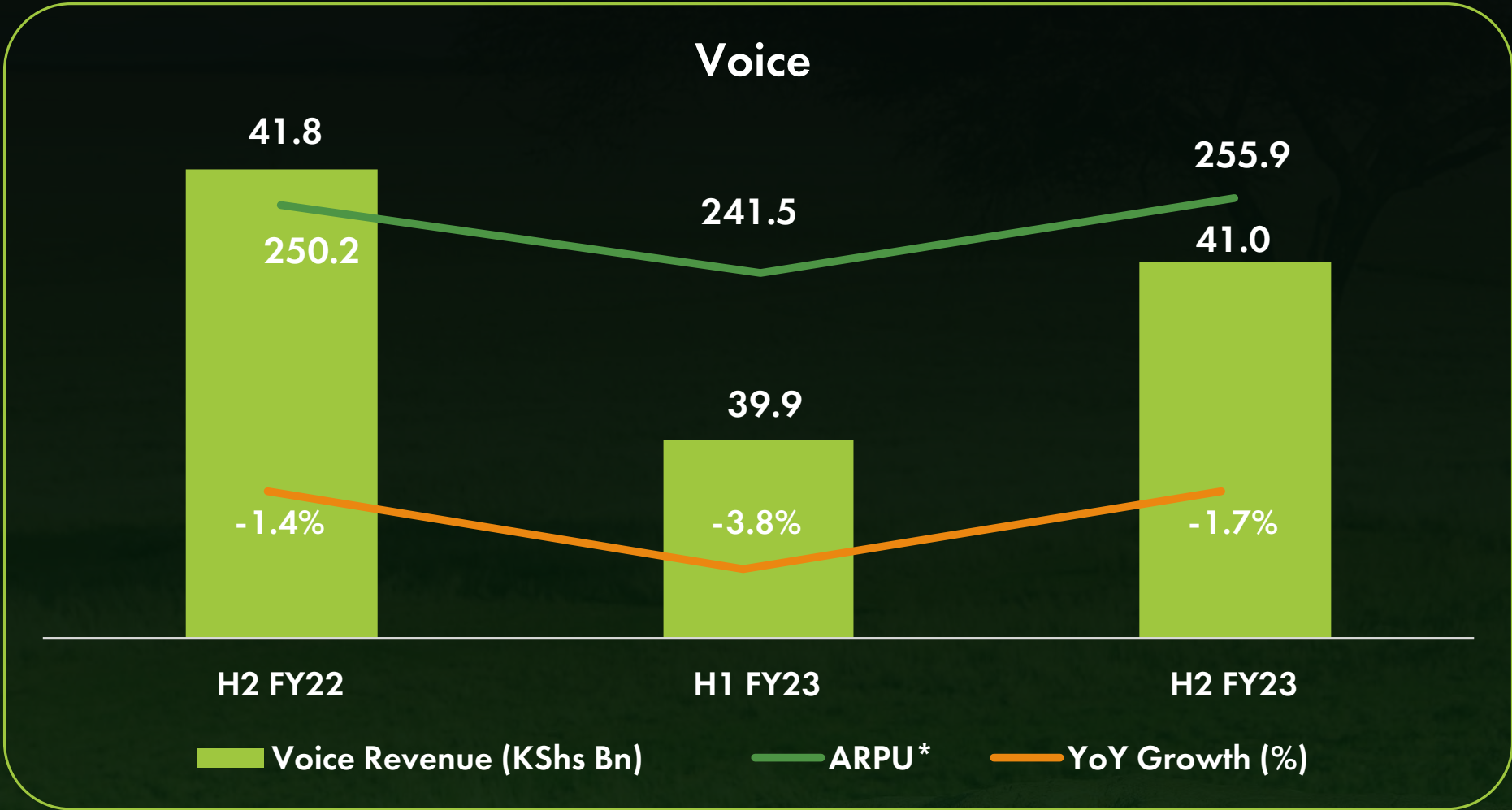


\* Long Term Evolution (LTE) customers 26.9k, -3.1% YoY making up 55.5% of total fixed data closing customers at 48.4k, +0.1% YoY  
\*\* Fixed Enterprise ARPU ex-LTE KShs 23.11k, LTE ARPU 3.99k, Fixed Enterprise ARPU KShs 12.31k in FY23  
\*\*\* Conversion rate is the homes connected divided by the homes passed

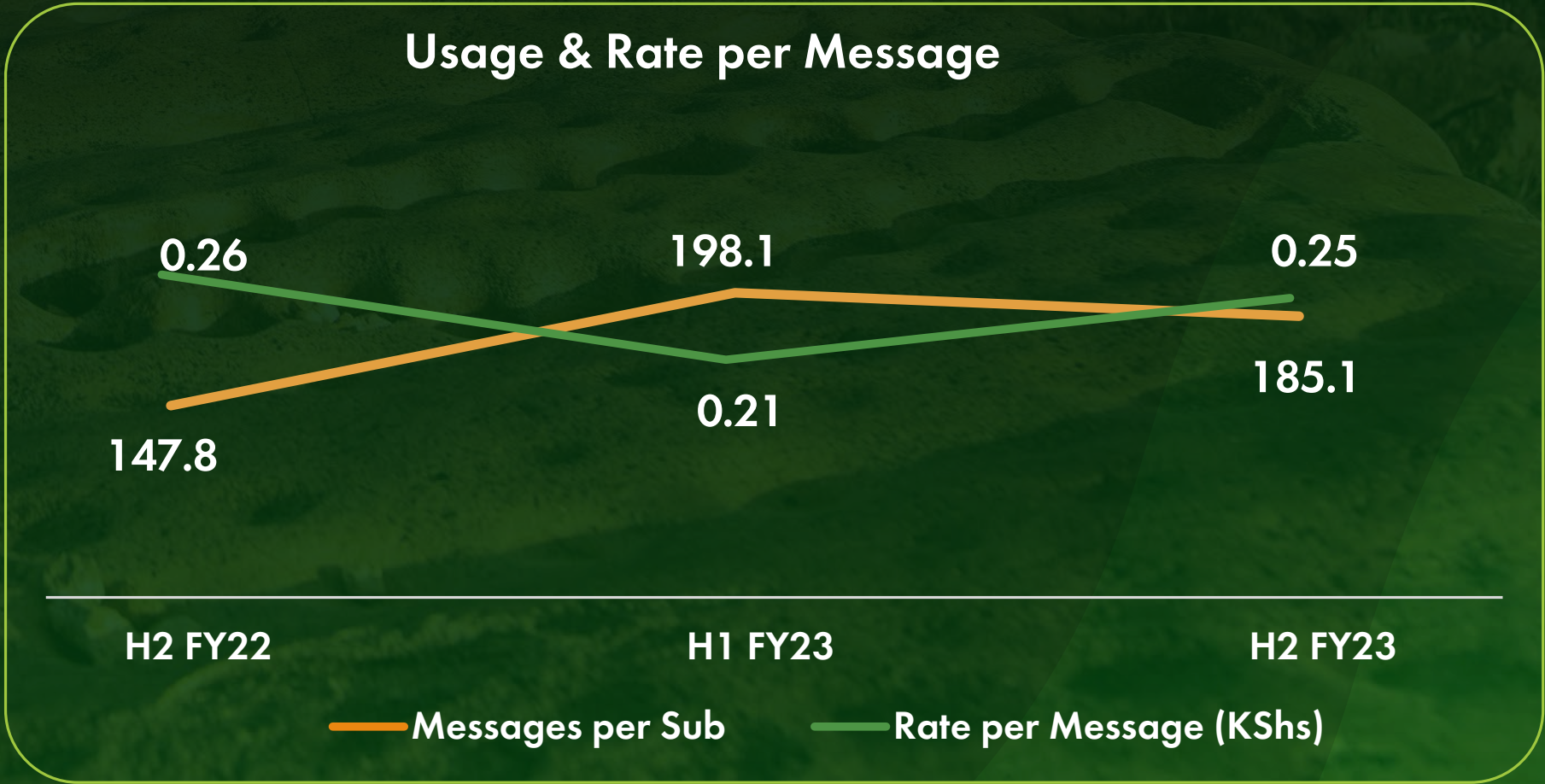
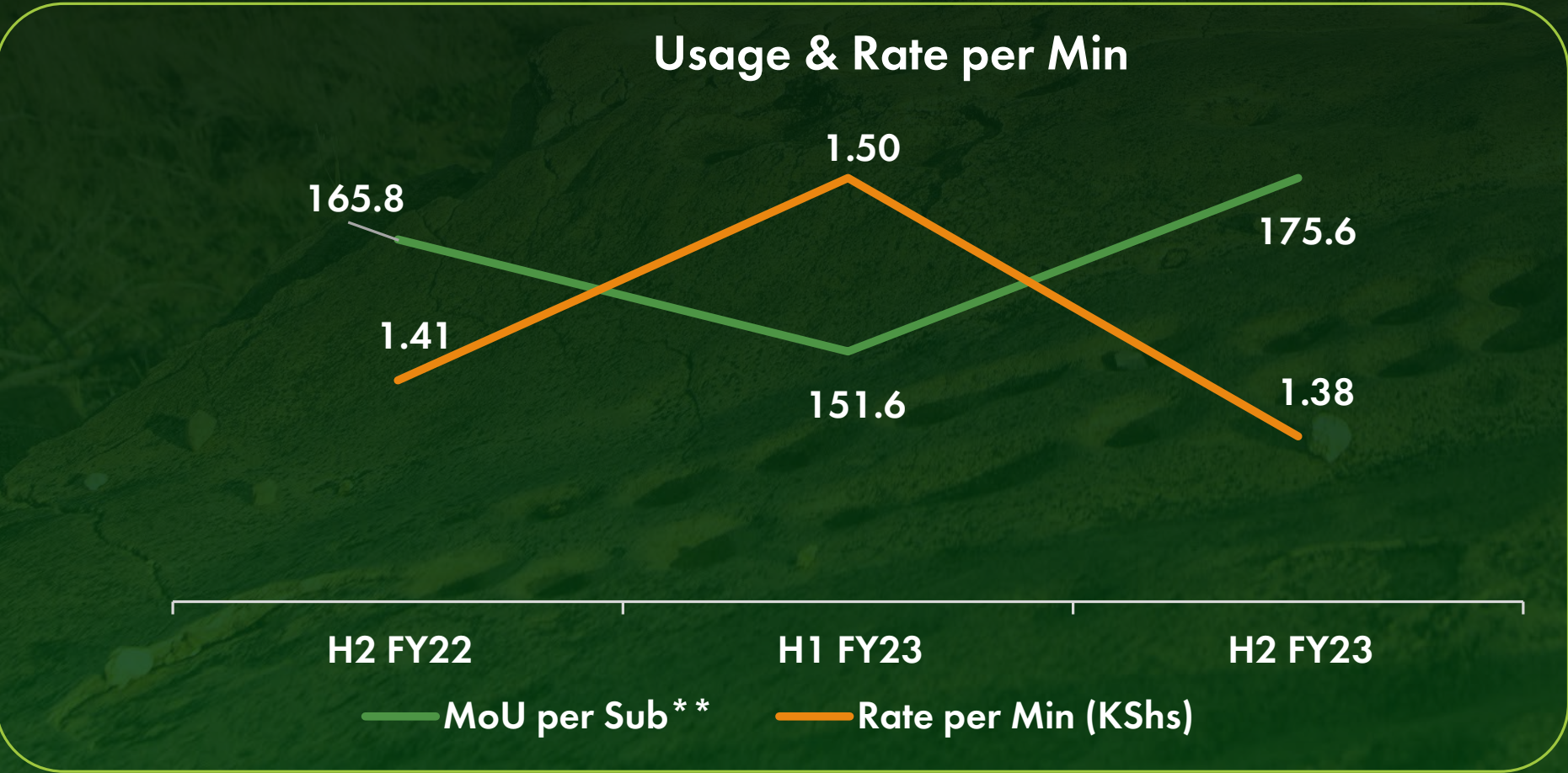


# VOICE & MESSAGING | Strong H2 Performance Driven by Growth in Usage

## Revenue



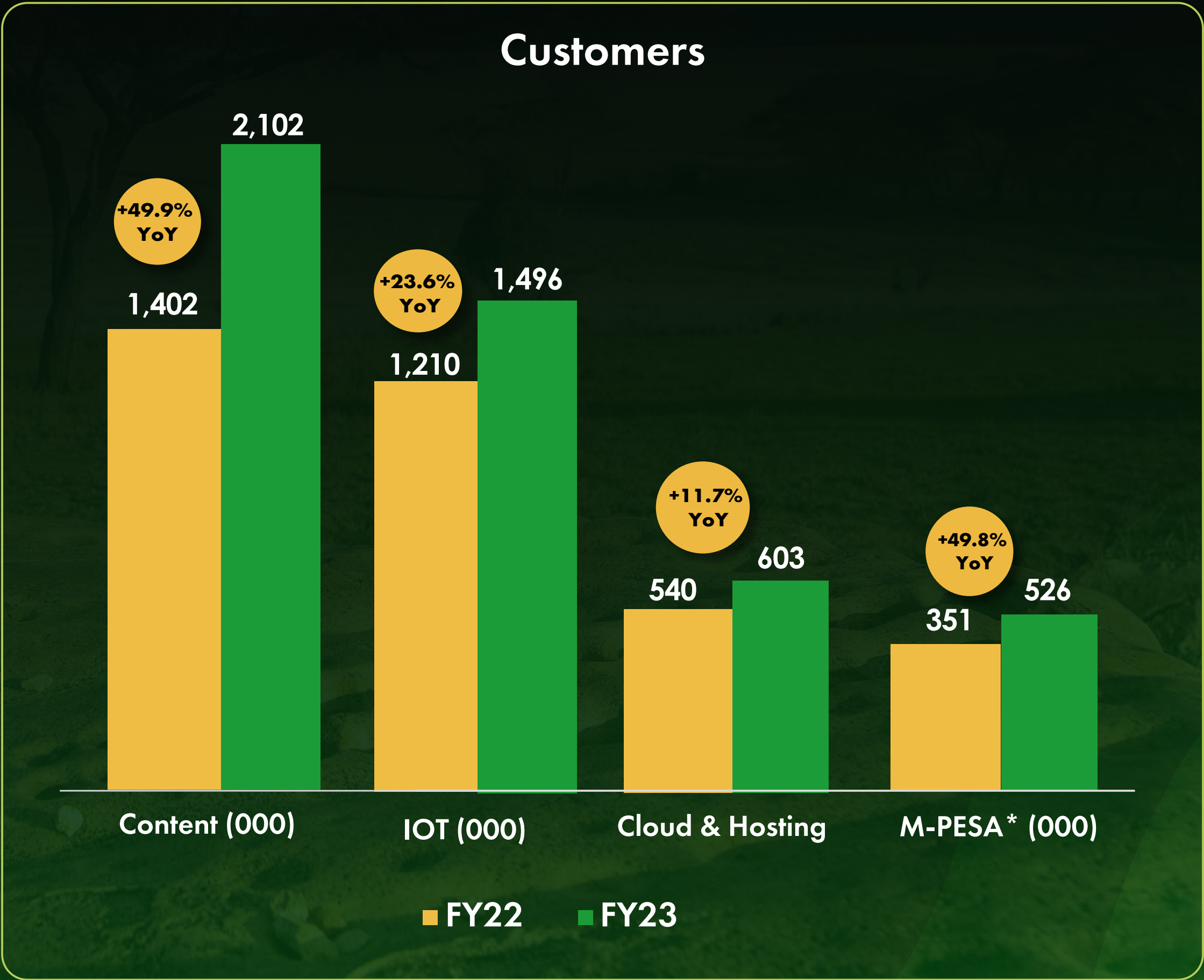
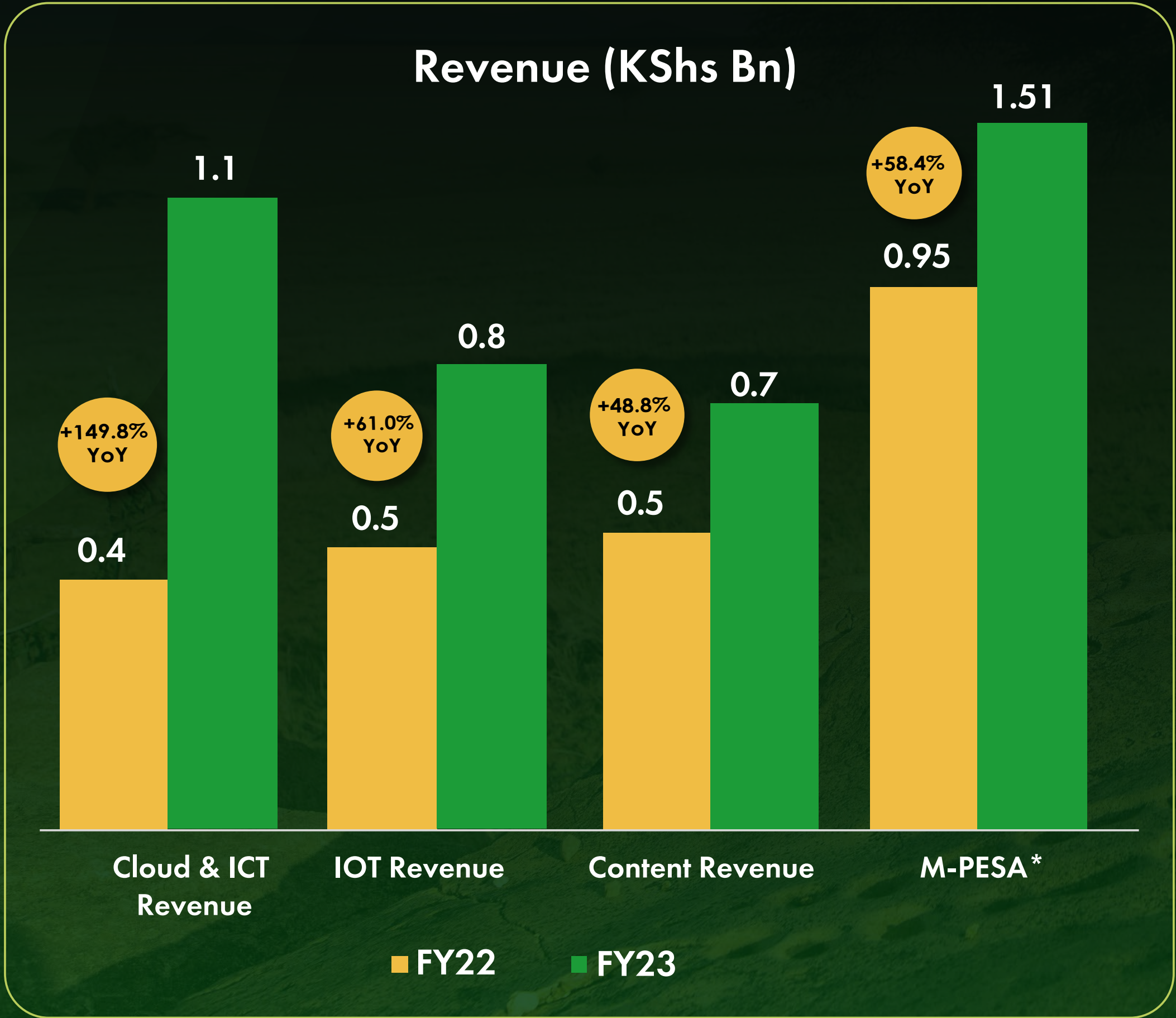
## Usage & Rate Per Min/SMS



\* ARPU- Average Revenue Per User  
\*\* Minutes of Use Per One Month Active Subscriber



# New Growth Areas | Broadening our Scope to Seize New Opportunities



\*This relates to M-PESA revenue and customers on Pochi la Biashara (Wallet for micro/small businesses and vendors), Transacting till for businesses, Merchant term loan and Merchant overdraft facility and are classified under LNM and Lending under M-PESA



# Ethiopia Performance | Customer & Usage Numbers

90-Day active  
Customers

Voice  
Customers  
2.0Mn

Data  
Customers  
1.4Mn

Messaging  
Customers  
0.7Mn

Usage

55.4  
Minutes of Use per  
Subscriber Outgoing

1.5 GB  
per chargeable  
customer

10.8  
SMS per User

6.8  
days of active usage on  
average

8.1  
days of active usage on  
average

10.1  
days of active usage on  
average

Overall active days of usage are 11 days, very close to the matured market with an average of 15/16 days



# Ethiopia Performance | Revenue & ARPU

## Revenue \*

Service Revenue  
KShs 0.6Bn  
  
Total Revenue  
KShs 1.8Bn

Voice Revenue  
KShs 0.1 Bn

Data Revenue  
KShs 0.4Bn

Messaging  
Revenue  
KShs 3.9Mn

## ARPU

Service ARPU  
KShs 78.0

KShs 21.31

KShs 76.18

KShs 2.11

Conversion of Ethiopian Birr (ETB) to KShs at an average exchange rate of KShs 2.335 to ETB  
\*Including hyperinflation impact



# Group Hyperinflationary Reporting

## Basis

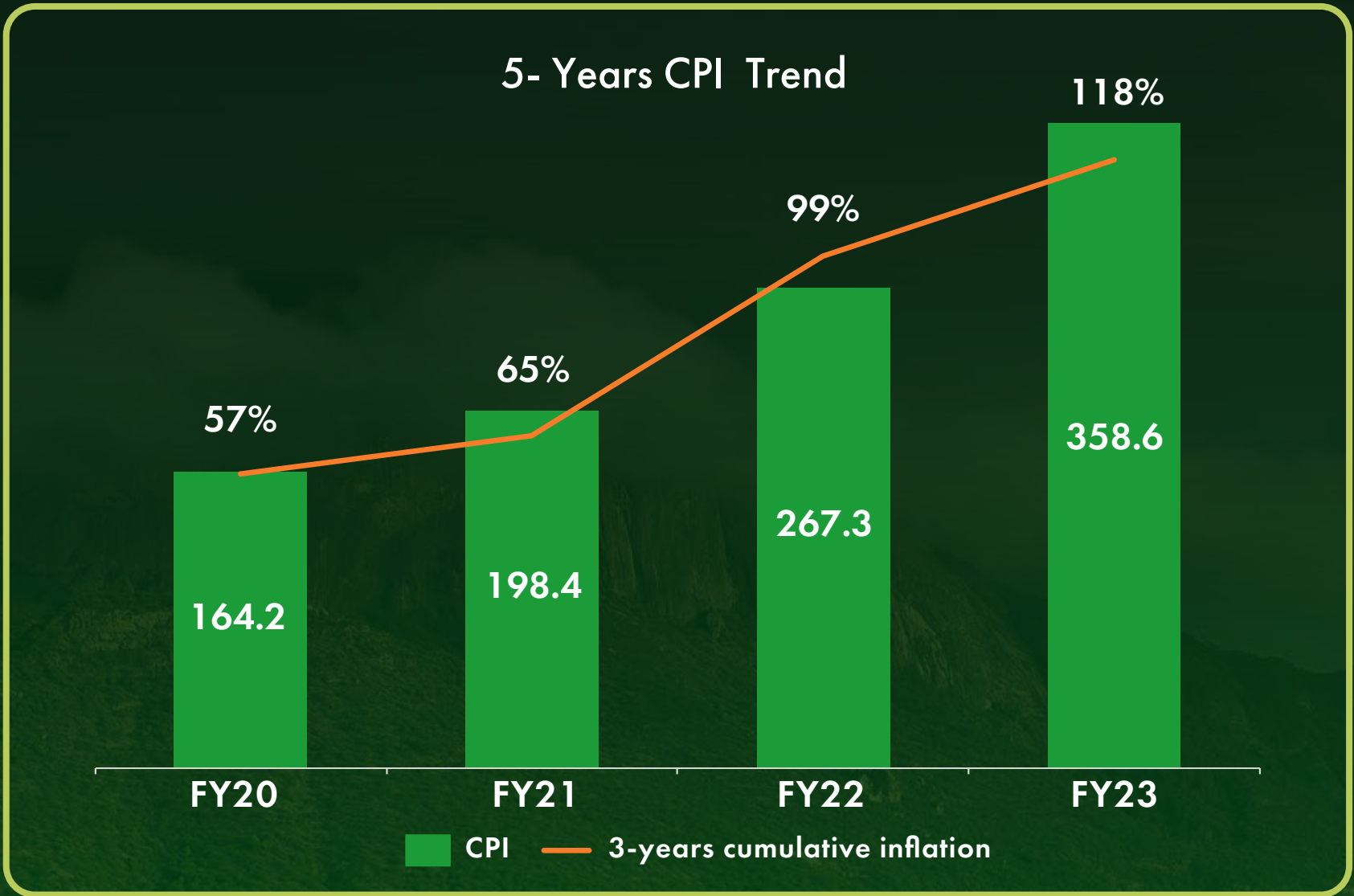
- 3-Yr cumulative inflation rate >100%
- Consumer price index @ 358.6 as at March 2023
- Ethiopia was declared a hyperinflationary economy by the International Accounting Standards Board (IASB)



## P&L Impact

- Hyperinflationary monetary gain of KShs 10.4Bn
- Impact at Net Income of KShs 3.5Bn
- There is no impact on Safaricom PLC dividend payout

The consumer price indexes (CPI) over the years is shown below;



\* Source; Trading Economics; <https://tradingeconomics.com/ethiopia/consumer-price-index-cpi>



# ETHIOPIA | Funding and Medium Term Outlook



## Funding sources

- Equity
- Vendor financing
- Third party financing (DFI, Local Banks)

### Total Funding as at FY23 by;

- Shareholders\*  
Y1-Y2; USD 1,238Mn
- Safaricom PLC  
Y1-Y2; USD 690Mn



## Capex Investment

5YR Plan;  
USD 1.5-2.0Bn

2YR Actual  
USD 544.3Mn

10Yr Sites Rollout Target;  
10-12k  
FY23 Actual; 1,272



## EBITDA break-even in Y4

EBITDA Margin Y10 est. at  
around 40%

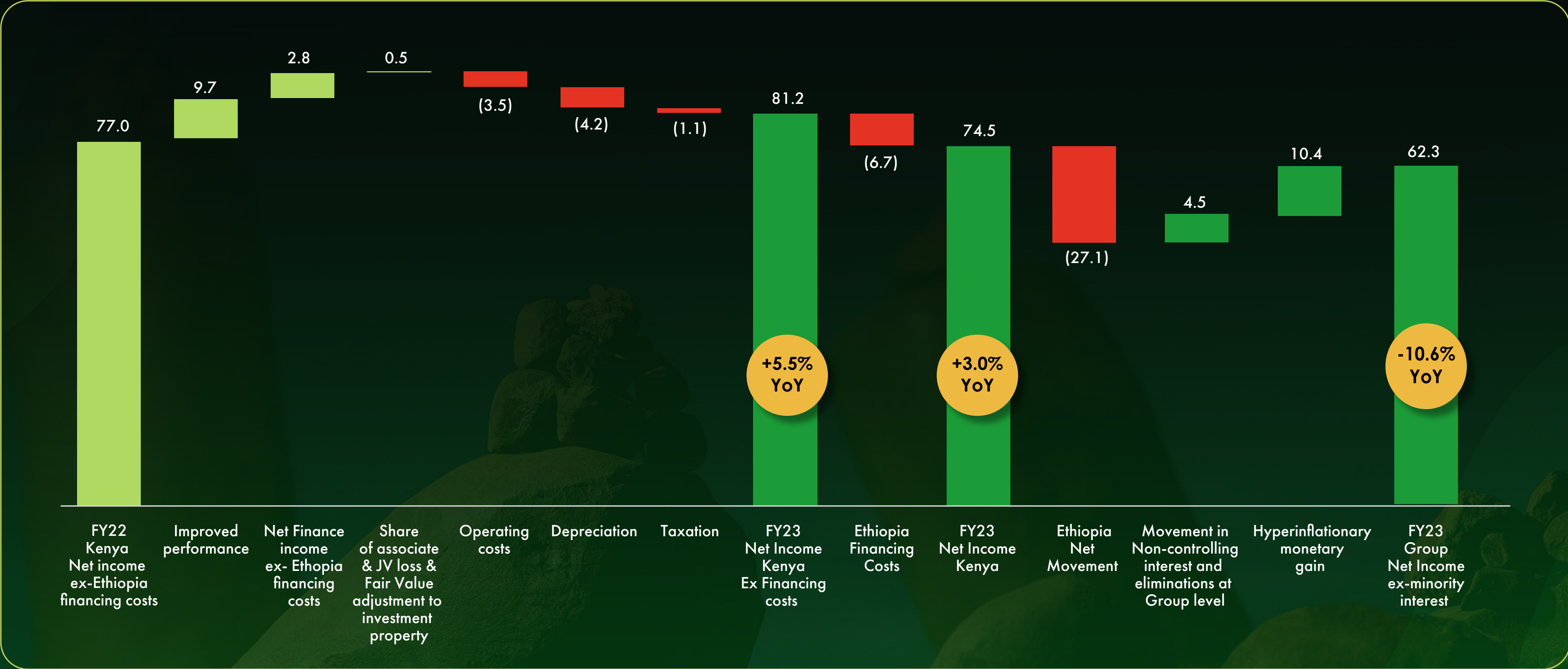
## Enablers

Aggressive network expansion  
Sim card penetration  
Mobile financial services launch

\* Shareholders & their respective shareholding of Global Partnership for Ethiopia B.V (GPE), the investment vehicle to Ethiopia; Safaricom PLC (55.71%), Vodacom Group (6.19%), Sumitomo Corporation (27.2%) and British International Investment (formerly CDC Group PLC) (10.9%)



# Group Net Income | Impacted by Expected Ethiopia Performance Start-up Costs



All numbers are in KShs Bn



# Overall FY23 Group Performance

	Safaricom Kenya (KShs Mn)	Safaricom Ethiopia (KShs Mn)	Safaricom Group (KShs Mn)	Safaricom Kenya % YoY	Safaricom Group % YoY
Service Revenue	295,181.4	562.4	295,692.3	5.0%	5.2%
<b>Total Revenue</b>	<b>309,121.8</b>	<b>1,834.5</b>	<b>310,904.8</b>	<b>3.7%</b>	<b>4.3%</b>
Operating costs	(53,608.0)	(19,980.5)	(74,085.0)	7.0%	34.2%
<b>Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)</b>	<b>160,352.0</b>	<b>(19,954.0)</b>	<b>139,862.4</b>	<b>4.0%</b>	<b>(6.2%)</b>
Depreciation, impairment & amortisation	(44,097.6)	(10,767.4)	(54,865.0)	10.5%	37.4%
<b>Earnings before Interest and Tax (EBIT)</b>	<b>116,254.4</b>	<b>(30,721.4)</b>	<b>84,997.4</b>	<b>1.8%</b>	<b>(22.1%)</b>
Hyperinflation net monetary gain*	0.0	10,383.1	10,383.1	0.0%	100.0%
<b>Profit / (loss) before income tax</b>	<b>110,363.6</b>	<b>(21,608.5)</b>	<b>88,345.2</b>	<b>3.1%</b>	<b>(13.6%)</b>
<b>Profit/ (loss) after tax excluding Minority Interest</b>	<b>74,501.2</b>	<b>(12,233.0)</b>	<b>62,268.2</b>	<b>3.0%</b>	<b>(10.6%)</b>
<b>Capex**</b>	<b>40,366.2</b>	<b>55,765.7</b>	<b>96,131.8</b>	<b>2.6%</b>	<b>93.1%</b>

\*The gain in monetary position is as a result of the Ethiopian economy being declared as hyperinflationary on and after 31 December 2022.

\*\*Capex numbers exclude hyperinflationary adjustments

Safaricom Kenya numbers includes Kenyan subsidiaries. Safaricom Group is net of intercompany eliminations.



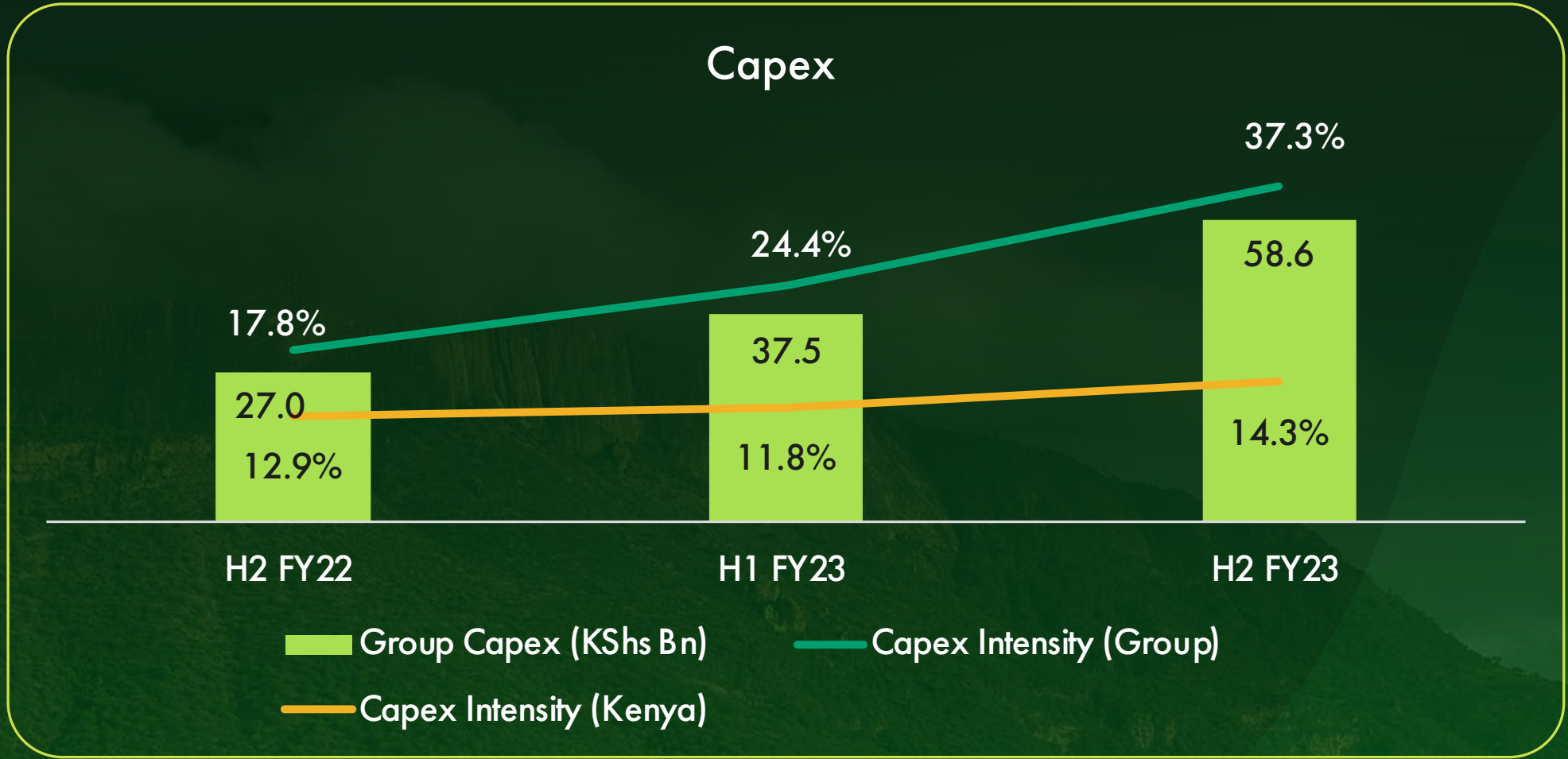
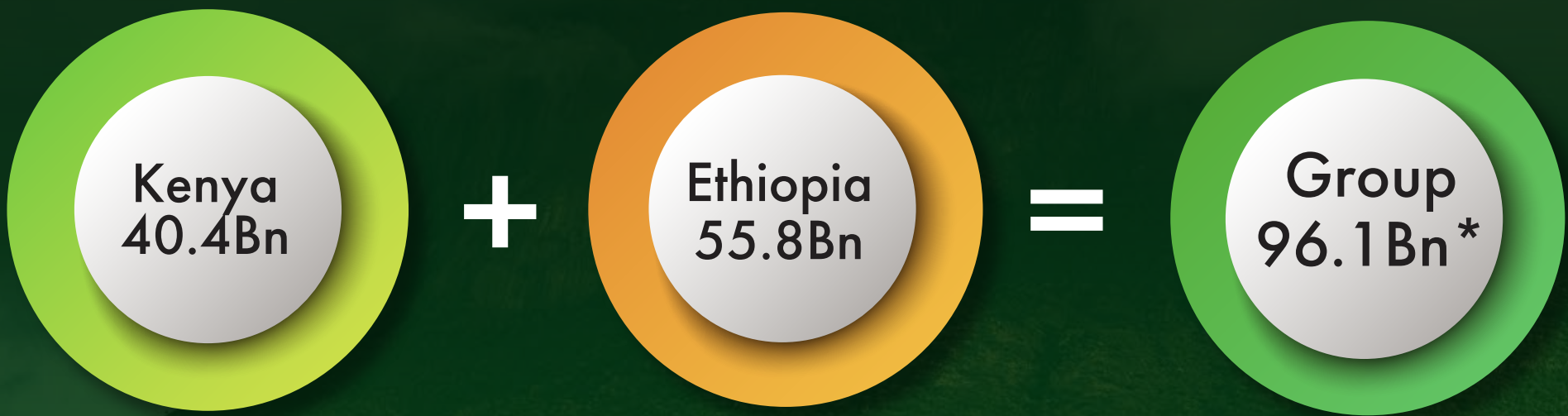
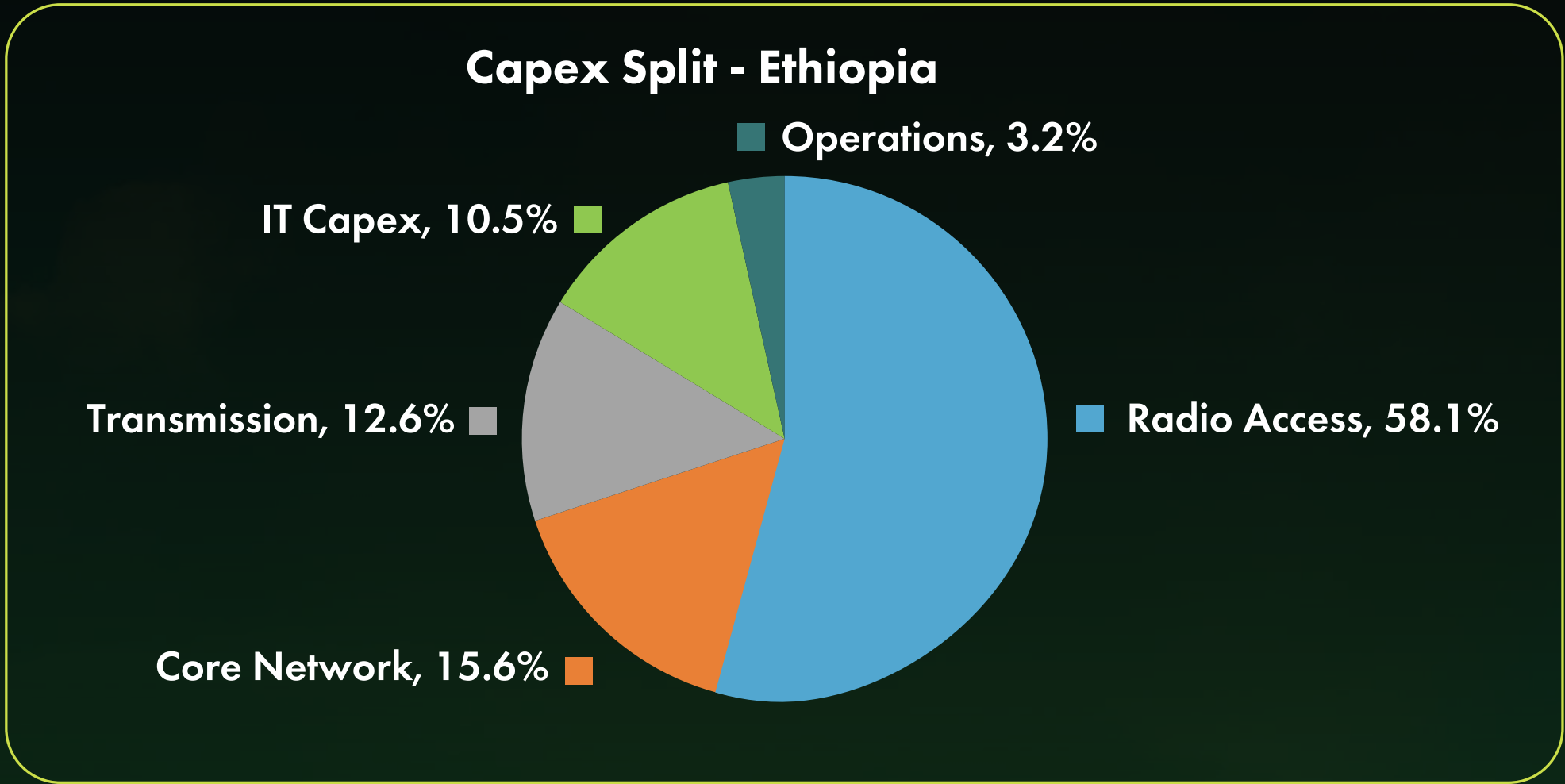
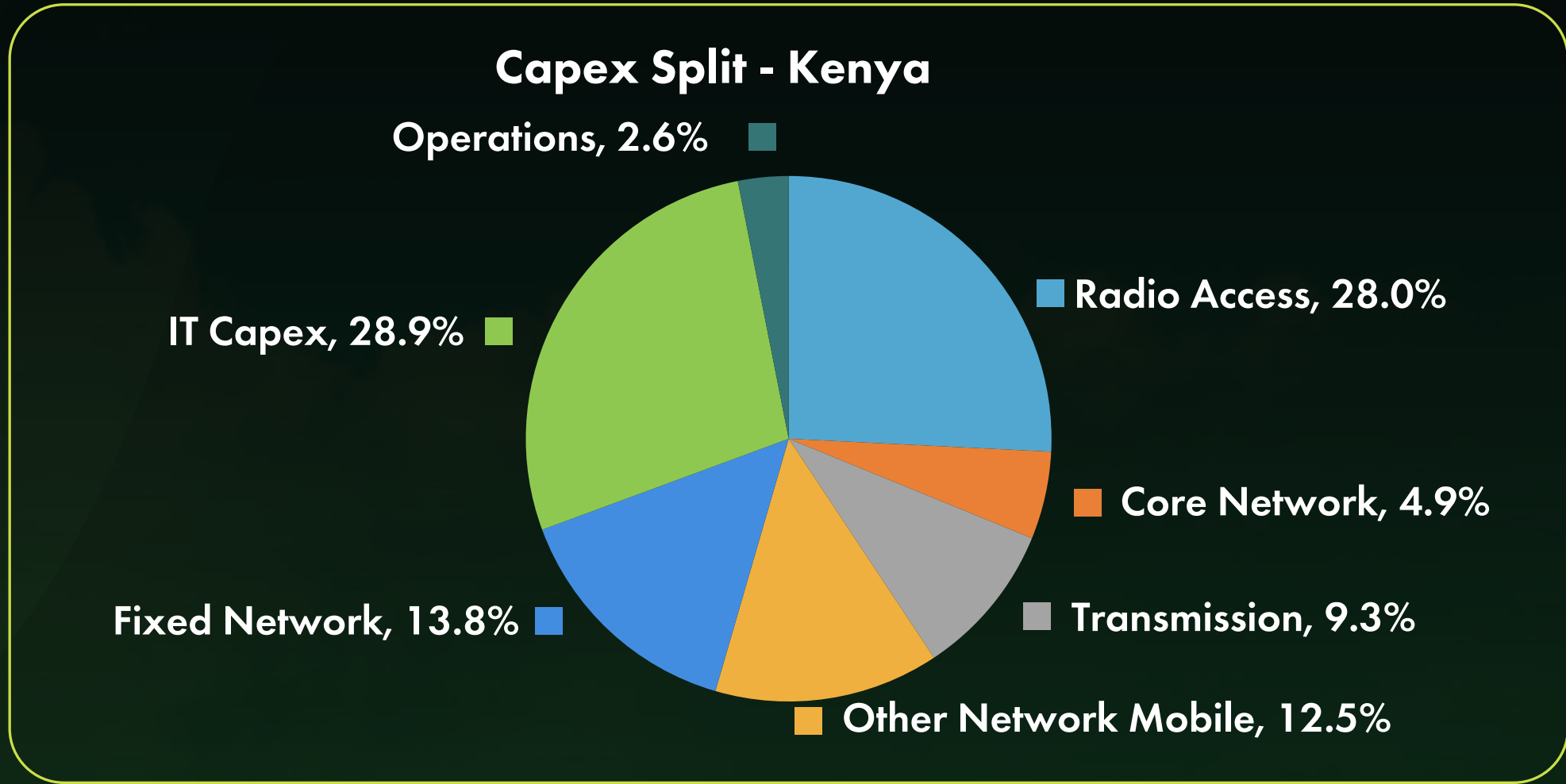
# FINANCIAL KPIs | Stable Margins Despite a Tough Macro and Regulatory Environment

	FY19	FY20	FY21	FY22	FY23
Contribution Margin %	71.2%	70.8%	68.5%	68.5%	69.9%
EBITDA Margin %	49.8%	52.7%	51.0%	50.0%	51.9%
EBIT Margin %	35.6%	38.7%	36.5%	36.6%	37.6%
OPEX Intensity	21.5%	18.2%	17.5%	18.5%	17.5%
CAPEX Intensity	14.9%	13.8%	13.2%	13.2%	13.1%
ROCE	68.3%	67.7%	63.5%	65.2%	50.7%
Net Debt to EBITDA				0.24	0.35

These are Safaricom Kenya Numbers



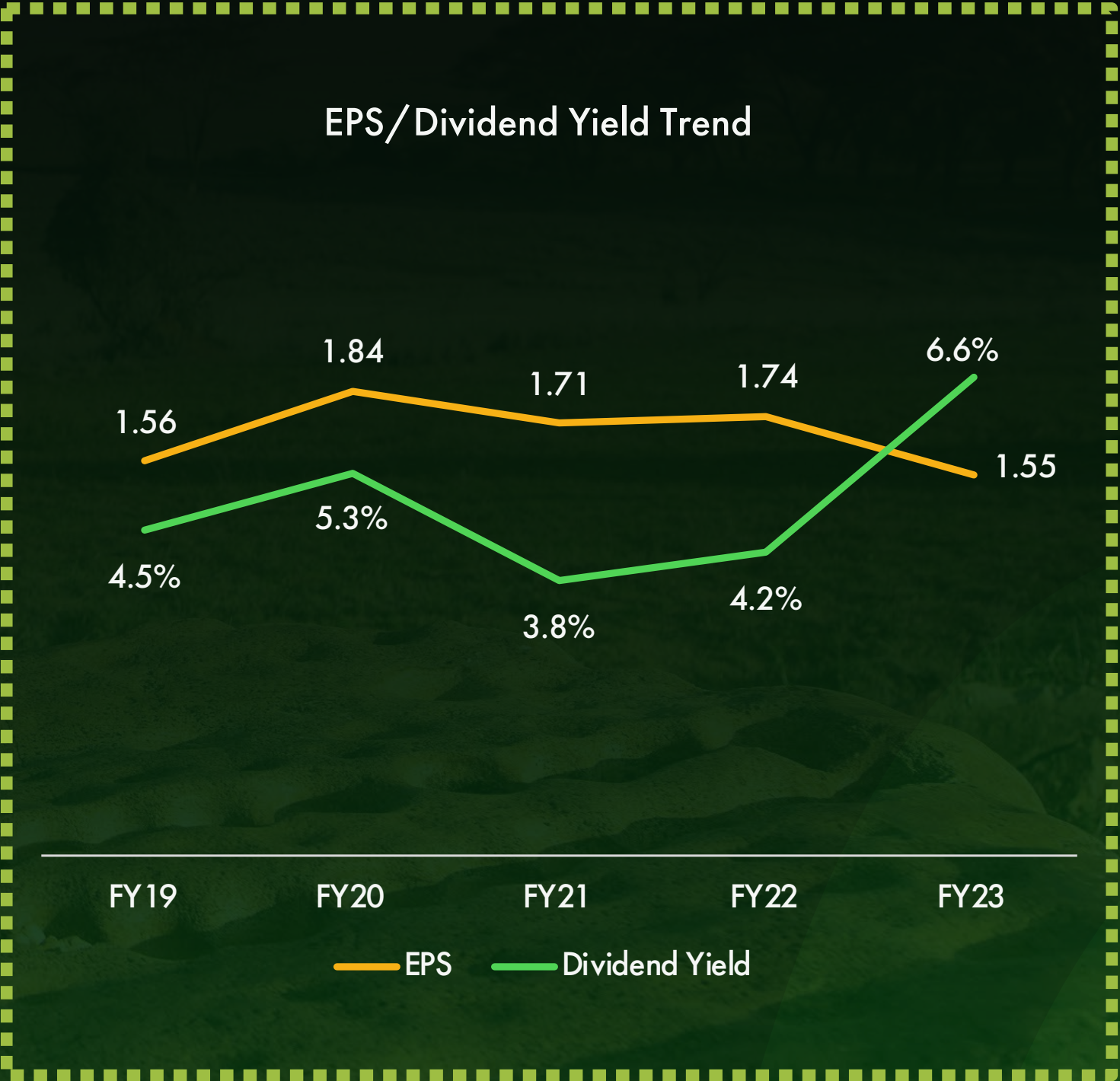
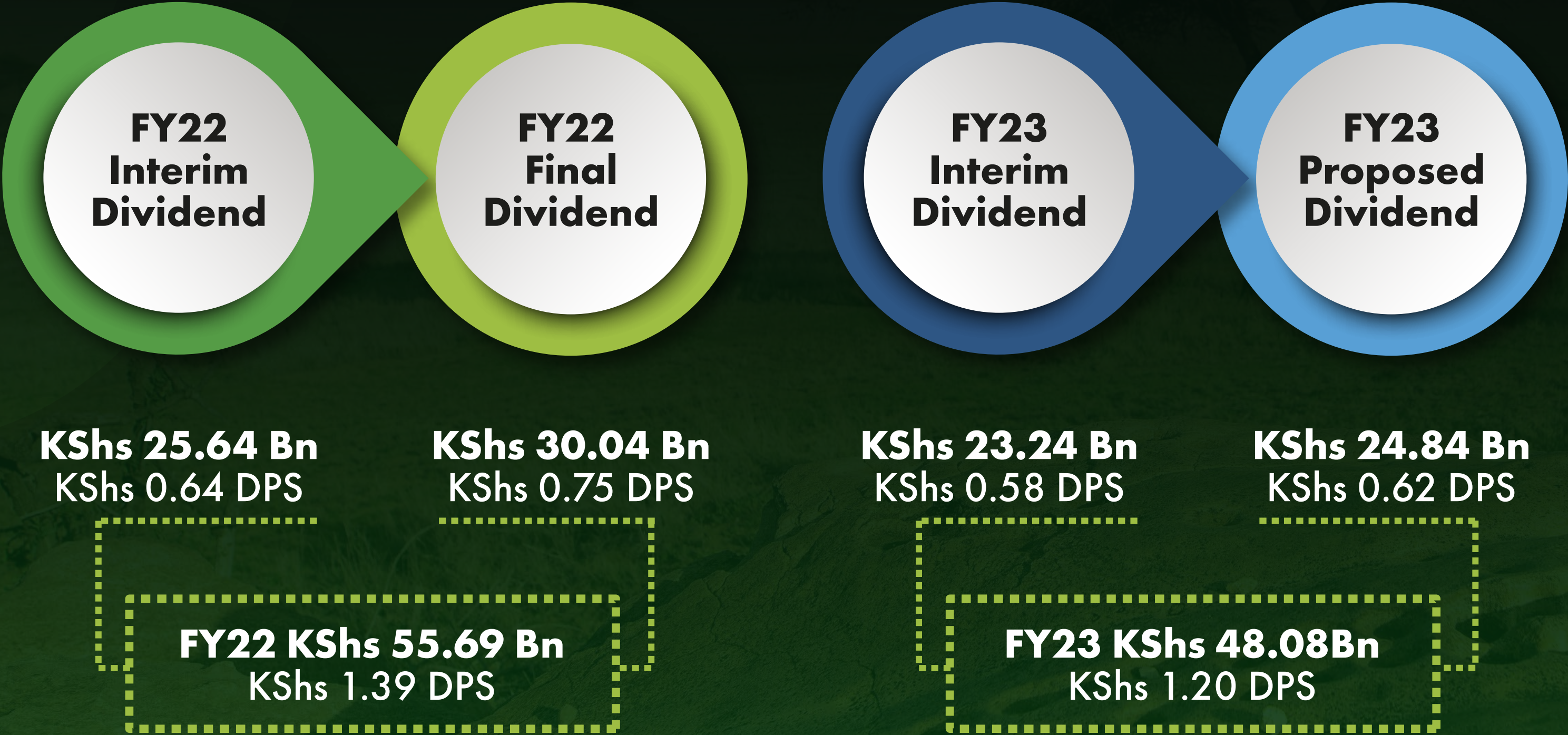
# CAPEX | Accelerated Capex Spend to Support Investment in New Growth Areas



\*Excludes hyperinflationary impact ( KShs 106.4Bn inclusive)



# FY23 Proposed Dividends | Consistently Delivering Value to Our Investors



Dividend payout ratio remains at 80% of Net Income excluding minority interest as defined in our dividend policy





# LOOKING AHEAD



# FY24 FOCUS | Scaling Technology Solutions



Accelerate new growth areas e.g. IoT, ICT, Cloud, Content, Fixed Business, Next Financial Services (Insurance, Wealth Management, Payments)



Deliver top Government Projects (#1 partner of choice)



Strengthen execution capabilities to deploy customer solutions (Route to Customer, Pricing & Mergers & Acquisitions and partnerships)



Grow penetration of 4G devices  
Targeting 800 5G sites by FY24



Establish capacity to win through our Strategic Enablers (Big Data & Analytics, Customer Value Management, Agile, Brand, Purpose)

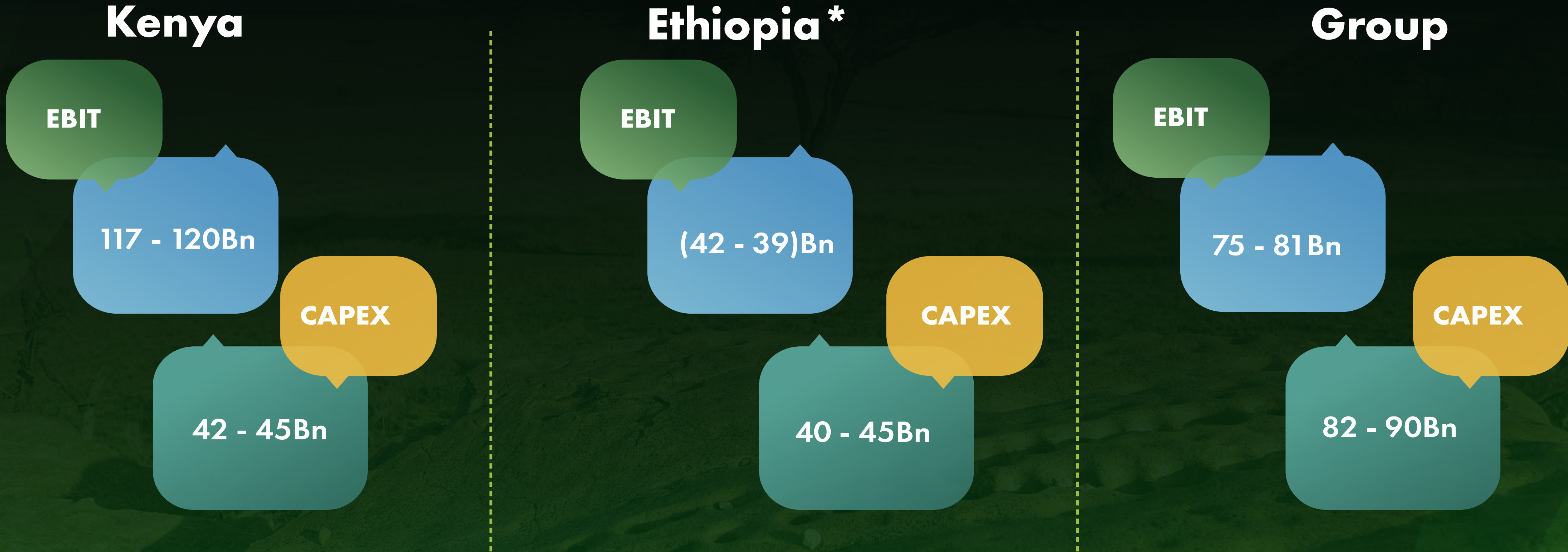


Scale Ethiopia operations - Launch M-PESA



# FY24 GUIDANCE | Safaricom Kenya, Ethiopia & Group

All numbers are in KShs



**\*Ethiopia Guidance Assumptions**

- **EBIT** ▪ Launch of M-PESA in Q2 FY24, Mobile customers target of 10Mn 90-day customers, MTR Rate assumed at ETB 0.31, FY24 peak EBITDA loss year for Ethiopia.
- **CAPEX** ▪ Site mix – 50% Colocation vs 50% Own built, Target sites – 3,000 in FY24.

These numbers exclude hyperinflationary impact



# Corporate Information

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## Registrars

Image Registrars Limited 5th Floor, Absa Plaza,  
Loita Street P.O. Box 928-00100, Nairobi  
Telephone: +254 709 170 000  
Email: Info@image.co.ke  
Website: www.image.co.ke

## Registered Office

Safaricom House, Waiyaki Way, Westlands  
P.O. Box 66827-00800, Nairobi  
Telephone: +254 722 00 6218/4233/4746  
Email: investorrelations@safaricom.co.ke  
Website: www.safaricom.co.ke

## Auditors

Ernst & Young Kenya Re Towers, Off Ragati  
Road P.O. Box 44286-00100, Nairobi  
Telephone: +254 20 2886000

## Upcoming Updates

### AGM

28th July 2023

### HY24 Results

9th November 2023

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Visit our website for more information

<https://www.safaricom.co.ke>





**THANK YOU**