

# Safaricom PLC

09<sup>th</sup>  
Nov.  
2023

HY24 INVESTOR PRESENTATION



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# **BUSINESS OVERVIEW; PURPOSE & STRATEGY**

**PETER NDEGWA, CHIEF EXECUTIVE OFFICER**



# OPERATING ENVIRONMENT | Navigating a Tough Macroeconomic Environment to Deliver Strong Results

## Macro-Economic

- Resilient GDP growth, +5.4% in Q2 2023
- Stable inflation rates, 6.8% Sep 2023
- Growth in private sector credit growth at 12.6% in Aug'23
- High interest rates, tight monetary policy
- Currency depreciation by 22.7%

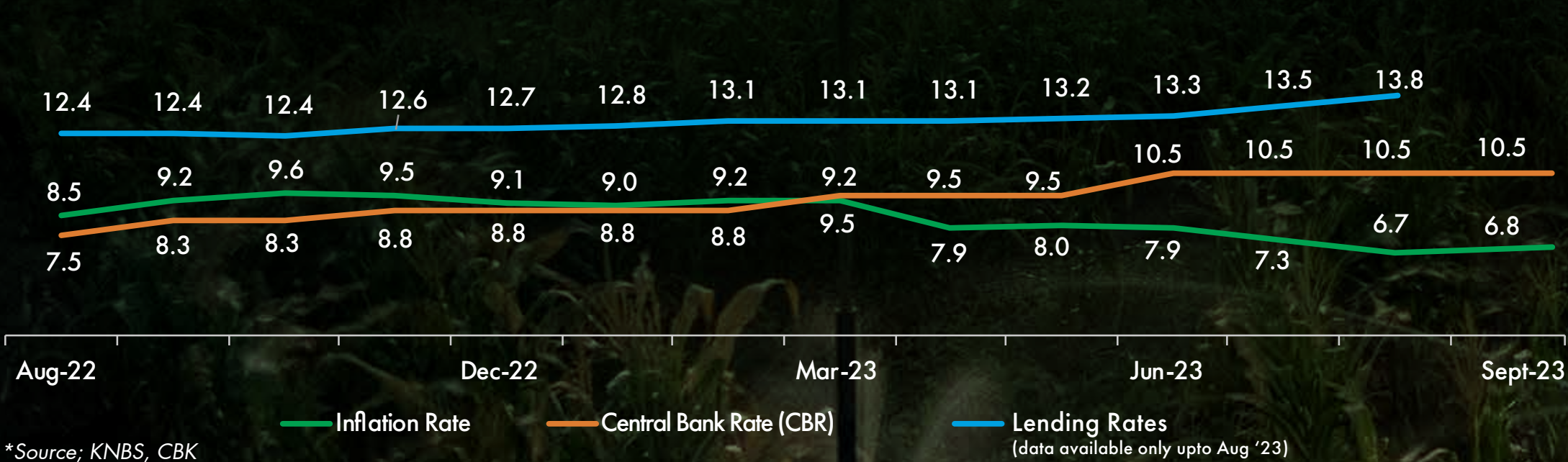
## Regulatory

- Reduction in excise duty on Telephone and internet data services
- Supportive regulatory environment
- Mobile Termination Rates (MTR) reduction
- Increased excise duty rates - mobile money transfer services
- Housing levy introduction

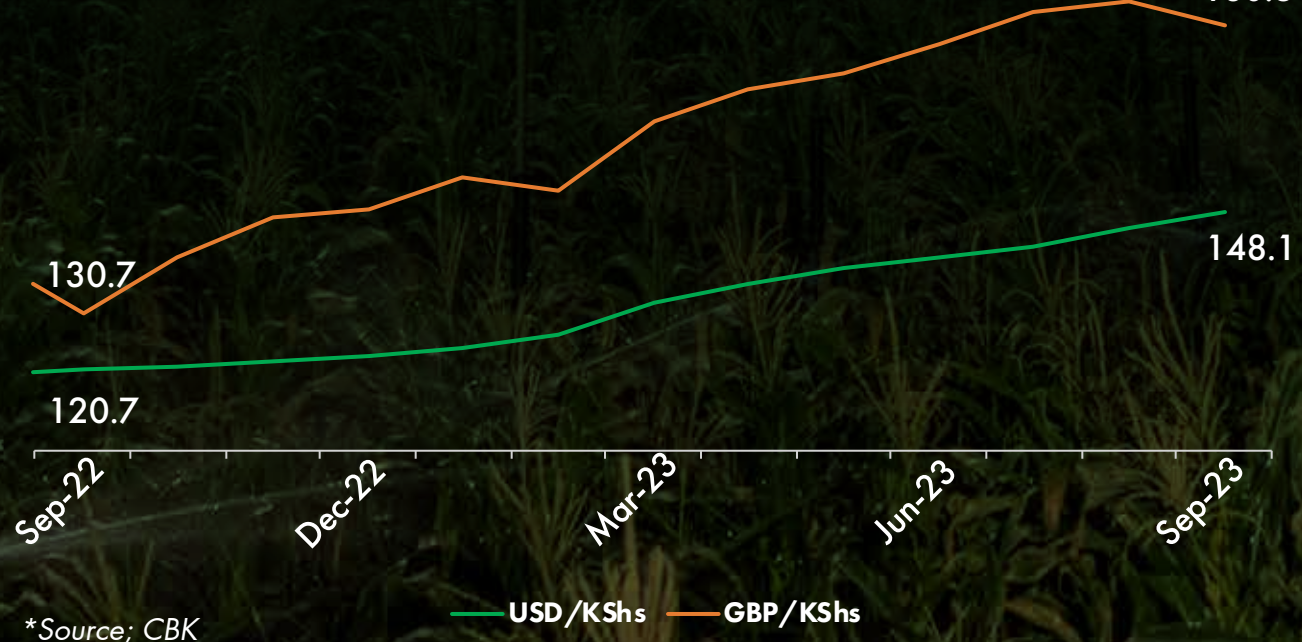
## Customer Insights

- Declining food prices
- Constrained consumer purchasing power impacting businesses
- Increasing cost of borrowing
- High energy tariffs and volatile fuel prices

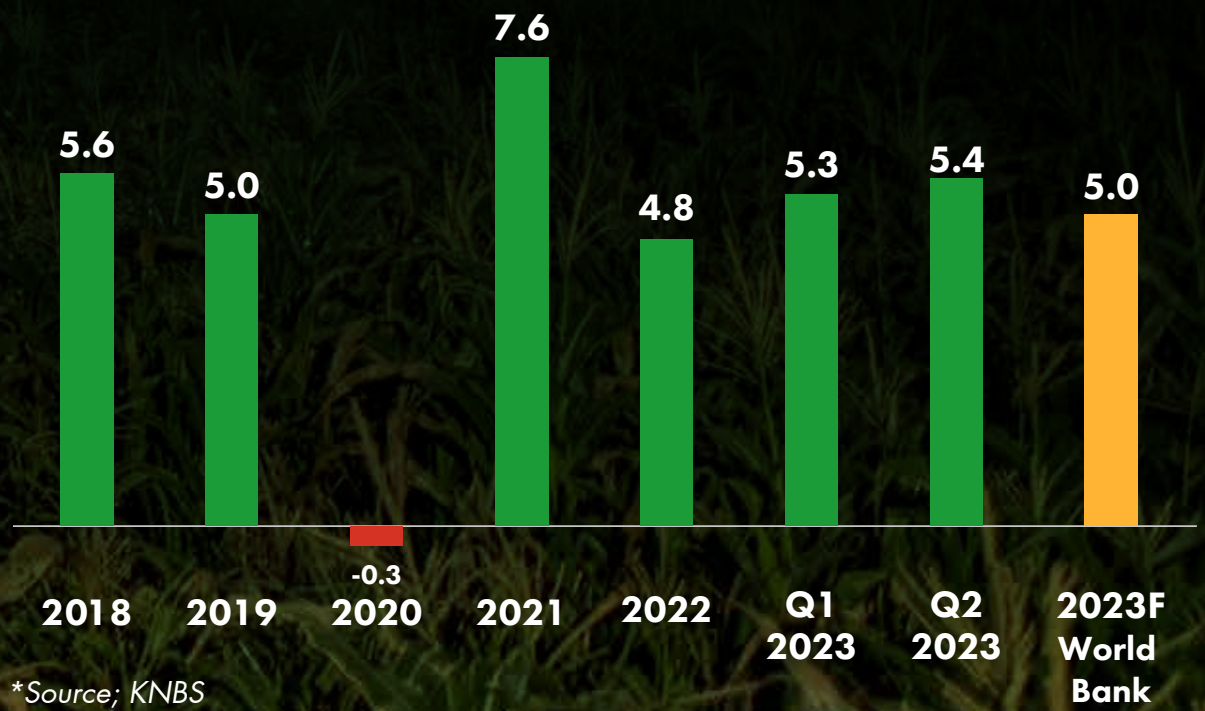
Inflation, CBR & Lending Rates (%)\*



USD/GBP-KShs Exchange rate



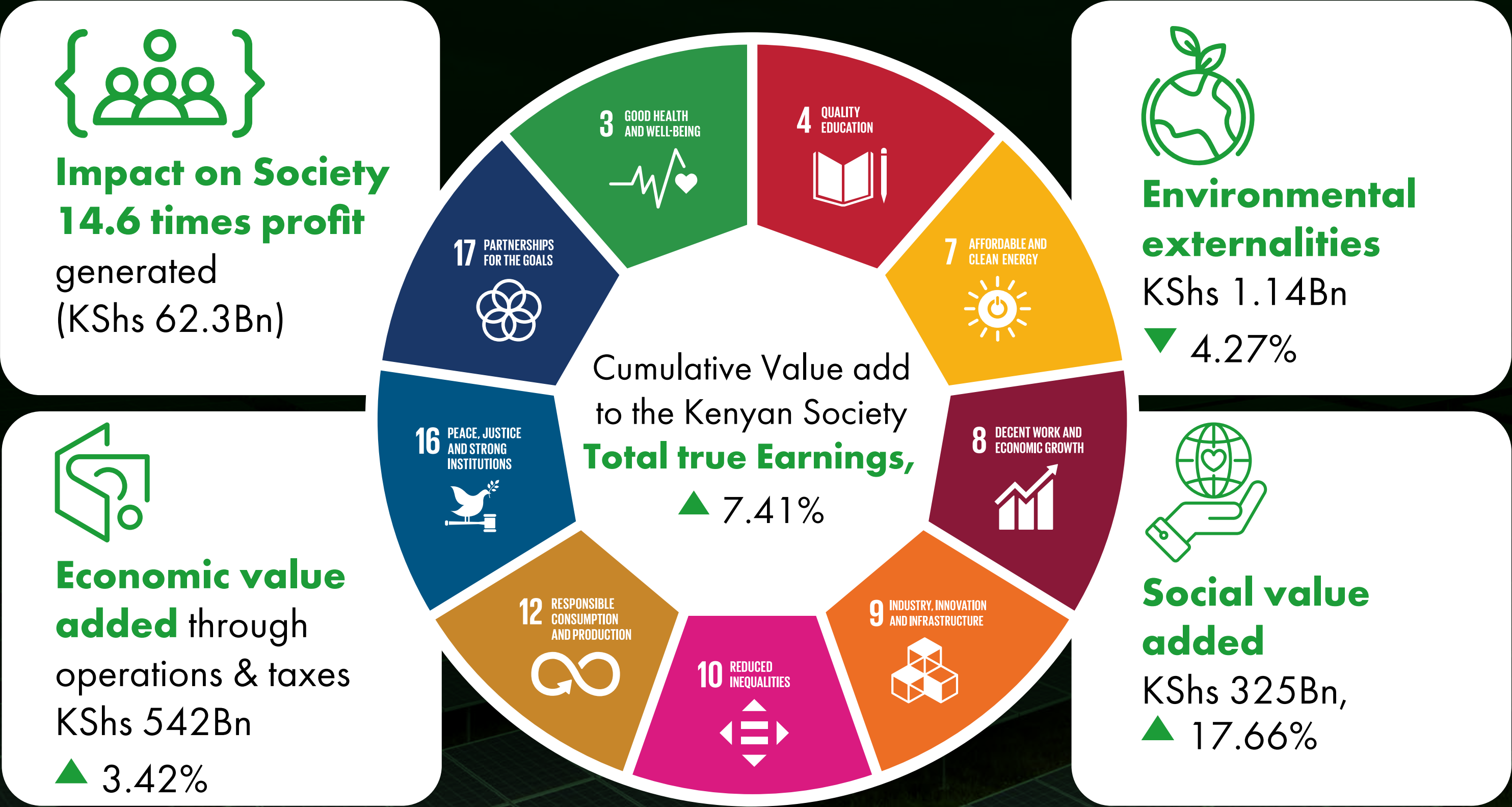
GDP Growth Rate\* (%)





# OUR PURPOSE | Partnering for Sustainability

## True Value Assessment (FY23)



### Partnering for ESG Success

- Obtained a **KShs 15 billion** Sustainability-Linked Loan to strengthen our ESG agenda.
- UN Global Compact's Forward Faster Initiative

For more details, refer to our 2023 Sustainable Business Report. Link <Sustainability Report 2023>



# PURPOSE & SUSTAINABILITY | Celebrating 20 Years of Transforming Lives

 Over the last 20 years

 Total Investment  
**KShs 27.0Bn**

 Improving  
**12.8Mn Lives**

 Partnering with  
**+4,600 partners**

 In all  
**47 Counties**



Celebrating our 20-Year Journey since Sep 2003

Invested **KShs 5.64Bn**  
impacting **9.6Mn lives**



13-Year Journey Since 2010

Invested **KShs 21.4Bn**  
impacting **3.2Mn lives**

 Projects in;

 Education

 Health

 Economic empowerment

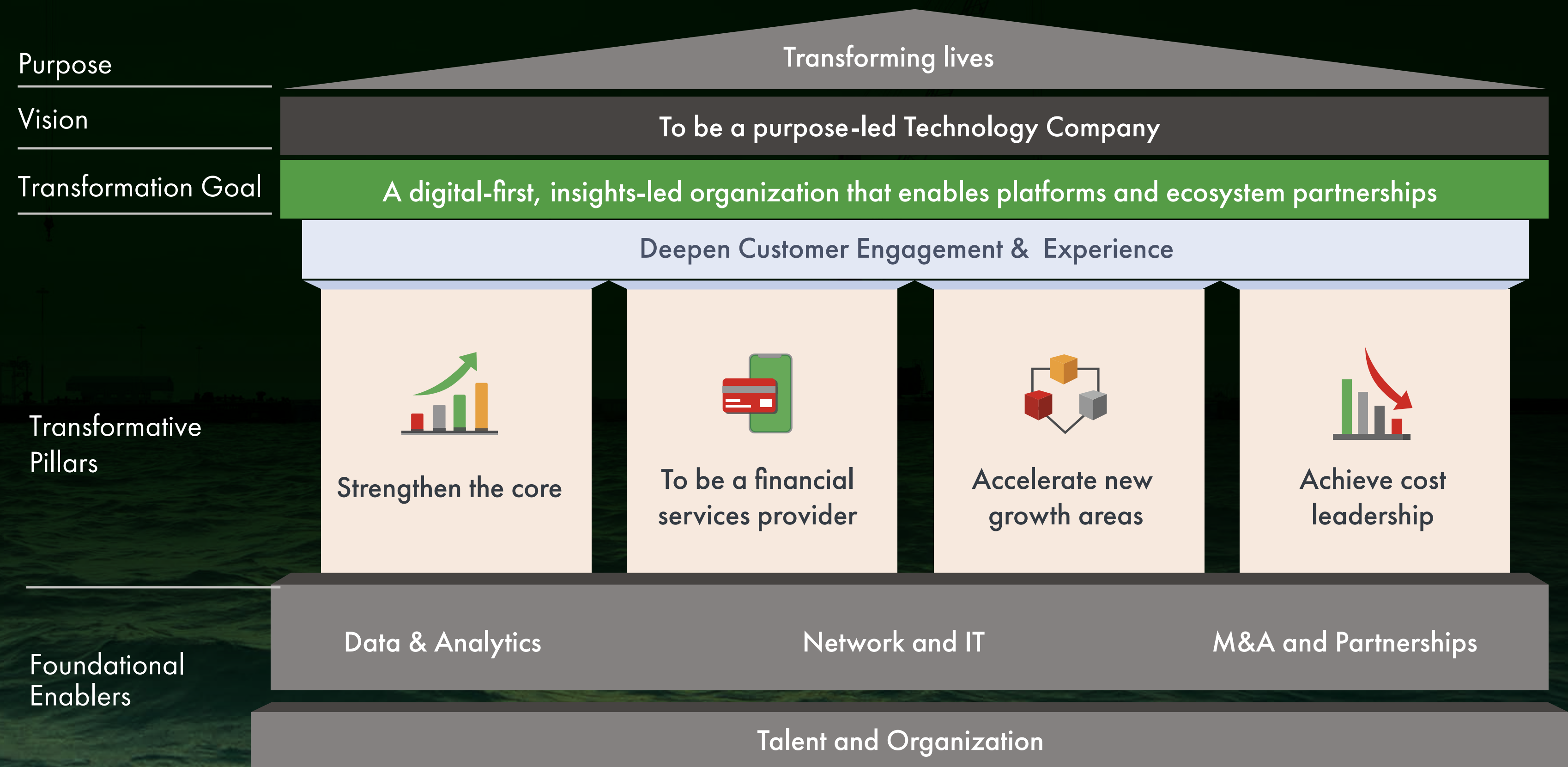
 Environment, water and livelihoods

 Disaster response



# OUR BUSINESS STRATEGY | A Focus on Scaling Technology Solutions

**FY24 Focus;**  
To scale technology solutions in order to be a purpose-led technology company by 2025.





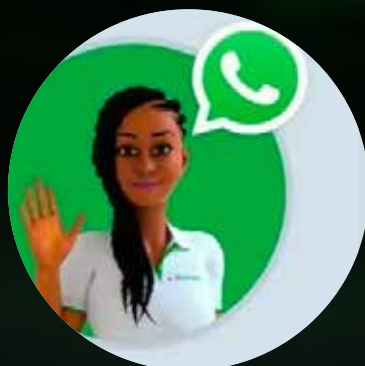
# STRATEGY EXECUTION HIGHLIGHTS | Delivering on Our Ambitions



**Building a Home of Engineering;**  
Safaricom Engineering Community  
Industry Digital Talent Program



**Accelerating Commercial Momentum in Ethiopia &**  
Launched M-PESA in Aug 2023



**Digital Channels**  
One-unified portal for our partners;  
My Safaricom Partner Portal Enhanced  
IVR, USSD & Zuri Menus



**Launched Youth Platform;**  
**Safaricom Hook;** focusing  
on Technology, Career & Culture



**Accelerating 5G roll out**  
Currently with over 500k 5G  
devices on our network



**Spark Accelerator**  
Partnering with Sumitomo & M-PESA Africa  
to launch the 'Spark Accelerator'  
a platform for bold & visionary founders or early stage  
start-ups to grow and scale their businesses



**Launched the first-of-its-kind Smartphone Assembly Plant in East Africa-** East Africa Device Assembly  
Kenya (EADAK)



# DIGITIZING KENYA | Launched the First-of-its-Kind Smartphone Assembly Plant in East Africa



**East Africa Device Assembly Kenya (EADAK)**

## Benefits;

- 🚀 Employment creation
- 🚀 Affordable Smartphones
- 🚀 Customised & fitted with relevant local Apps

## Smartphones assembled;



- Neon Smarta
- Neon Ultra

## Distribution

- Safaricom Shops
- All Dealer Stores
- Faiba shops
- Masoko

**In partnership with a consortium of local Mobile Network Operators (MNOs) and international device manufacturers**

## Production Capacity

Capacity to produce up to 3Mn mobile phone units annually.

The Assembly Plant launch officiated by the President of Kenya  
H.E. Dr. William Samoei Ruto on 30 October 2023





# CONSUMER BUSINESS | Caring for our Customers with Enriched Value Propositions & Experience

## Enhancing value through;

- ✓ Integrated propositions – Connectivity & content
- ✓ Personalized offers to our customers
- ✓ Enhanced experience through digitized journeys (Apps) & 5G

## Leveraging on;

- ★ Accelerated 4G device penetration through Device financing programme
- ★ Credit – Okoa Jahazi and Fuliza
- ★ Strategic partnerships to drive relevance for our customers - Google, Meta, TikTok & ShowMax
- ★ Our vast network of customer experience touch points

## Demonstrating Value to Our Customers



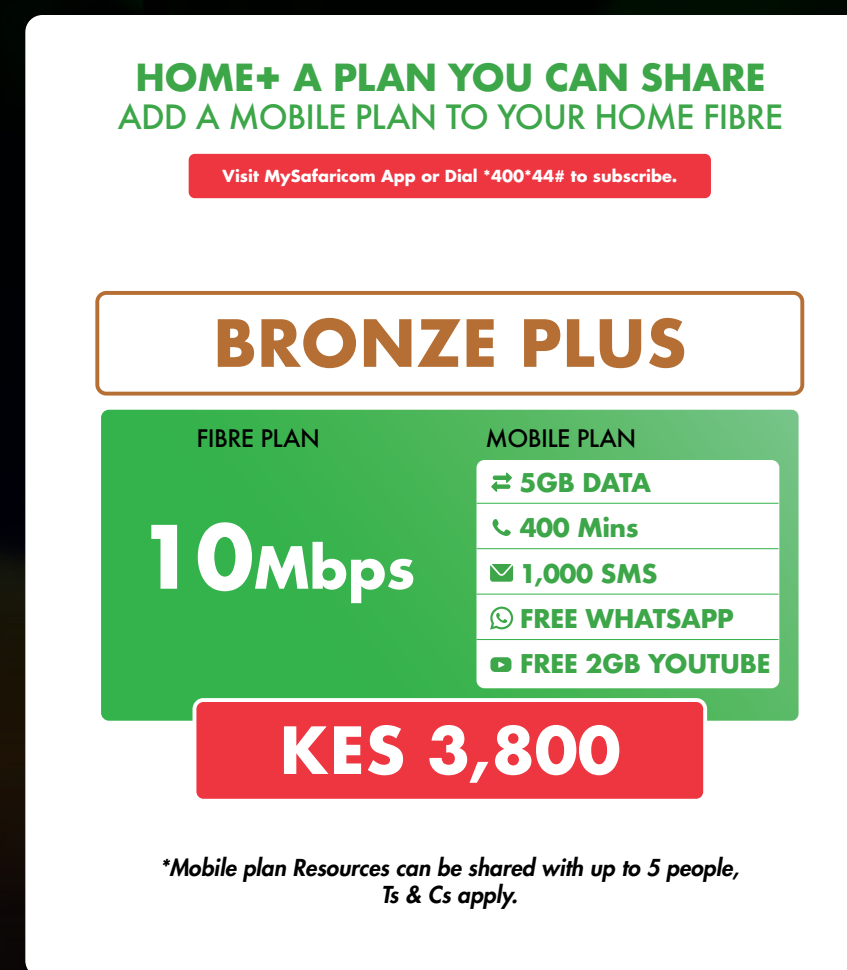
Protecting the base with relevant voice offers



Innovation via digital gamification to drive acquisitions



Providing integrated propositions to accelerate growth



BRONZE PLUS	
FIBRE PLAN	MOBILE PLAN
10Mbps	5GB DATA
	400 Mins
	1,000 SMS
	FREE WHATSAPP
	FREE 2GB YOUTUBE
KES 3,800	
*Mobile plan Resources can be shared with up to 5 people, Ts & Cs apply.	



# FINANCIAL SERVICES | Driving Financial Health and Inclusion Through Innovations & Partnerships

 **Payments Digitization**  
Connecting merchants & Industry partners



 **Credit** for businesses  
Merchant overdraft



 **Insurance Solutions**  
Launched Marine Cargo Insurance



 **Wealth Management**  
MALI

**Partnering with;**



Financial Institutions



Fintech Ecosystems



GovTech Ecosystem



Large & Small Enterprises

**Powered by:**



Next Generation Tech



AI, Big Data & ML



Open API



Superior system & Cyber Security



Cloud enabled



# COUNTRY DIGITISATION | Creating a Digital Kenya by Enabling Ease of Access to Services



## Hustler Fund

- ✓ **Individual Credit** (Launch: 30 Nov 2022)  
**17.5Mn** Borrowers  
**KShs 36.6Bn** Value disbursed\*  
Av. ticket size **KShs 750**
- ✓ **Groups** (Launch: 1 Jun 2023)  
**456k** Groups  
**KShs 151Mn** Value disbursed\*  
Av. ticket size **KShs 7.4k**



## Women Enterprise Fund

- ✓ **Launch: 2 Mar 2023**  
**51k** Groups  
**1.4Mn** Members  
**KShs 0.9Bn** Value disbursed\*



## Fertilizer Subsidy Programme

- ✓ **Launch: 15 Apr 2023**  
**3.3Mn** farmers in 41 counties  
**5.4Mn** fertilizer bags distributed  
**KShs 17.0Bn** Value disbursed\*



## MyCounty App

- ✓ Number of Counties Onboarded: **11**
- ✓ **Supporting digitization of +6k government services** on e-Citizen platform



## Community Health Promoters (CHPs)

- ✓ **100k** CHPs
- ✓ **10Mn** Targeted Homes
- ✓ **1 Mn** Households covered



# ENTERPRISE BUSINESS | Accelerating Digital Transformation for our Businesses

## Delivering value through;

**Cyber Security**  
Drive adoption of Network & Endpoint security through education, awareness & relevant offers

**Cloud Services**  
Leverage new partnership models to scale productivity tools; Safaricom Cloud

**Internet of Things (IoT)**  
Drive adoption of Smart Water Meters, Telematics Propositions & increase access of Connectivity Solutions

**SMEs/MSMEs**  
Empowering businesses for growth/transformation

## Key focus areas to drive scale

- Drive an increase of our solution set leveraging security, cloud partners and tech partnerships
- Drive managed services leveraging partnerships
- Accelerating Fixed connectivity
- Focus on smart water and telematics to drive IoT growth

**GROW FEARLESSLY**  
CONNECTED. SECURE. IN CONTROL  
with Secure Fibre for Business

Visit [business.safaricom.co.ke](https://business.safaricom.co.ke) or Scan QR the code to apply

SOLUTION OFFERED	PRICE Tax Incl.
SECURE FIBRE 10	2,890
SECURE FIBRE 15	3,850
SECURE FIBRE 20	4,390

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Powered by VMware





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WITH OUR SMART FLEET MANAGEMENT SOLUTIONS

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 Real-time Tracking

 Fuel Management

 Asset Utilization



SCAN HERE TO LEARN MORE



## Strategic Priorities

- Digitizing businesses
- Empower for growth/transformation
- Investing for the Future





# ETHIOPIA UPDATE



## Economy

- **Easing Inflation**; 28.3% in Sep 2023
- Liquidity pressure in the market
- **GDP growth** in 2023 expected to be 6.0%

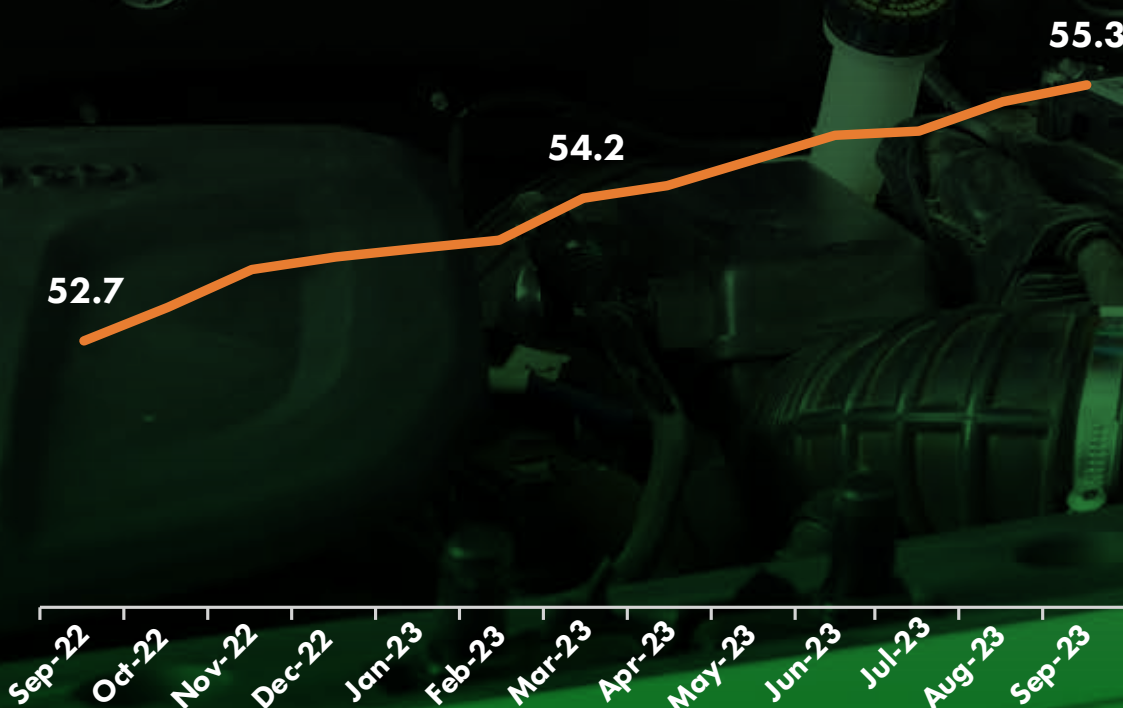
## Regulatory

- **Revised mobile money limits**, ETB 75k per daily account balance, ETB 150k daily transaction limit
- Proposed 45% privatisation of Ethio telecom
- Telecom License – RFQ issued on 30 June 2023

## Political/Security

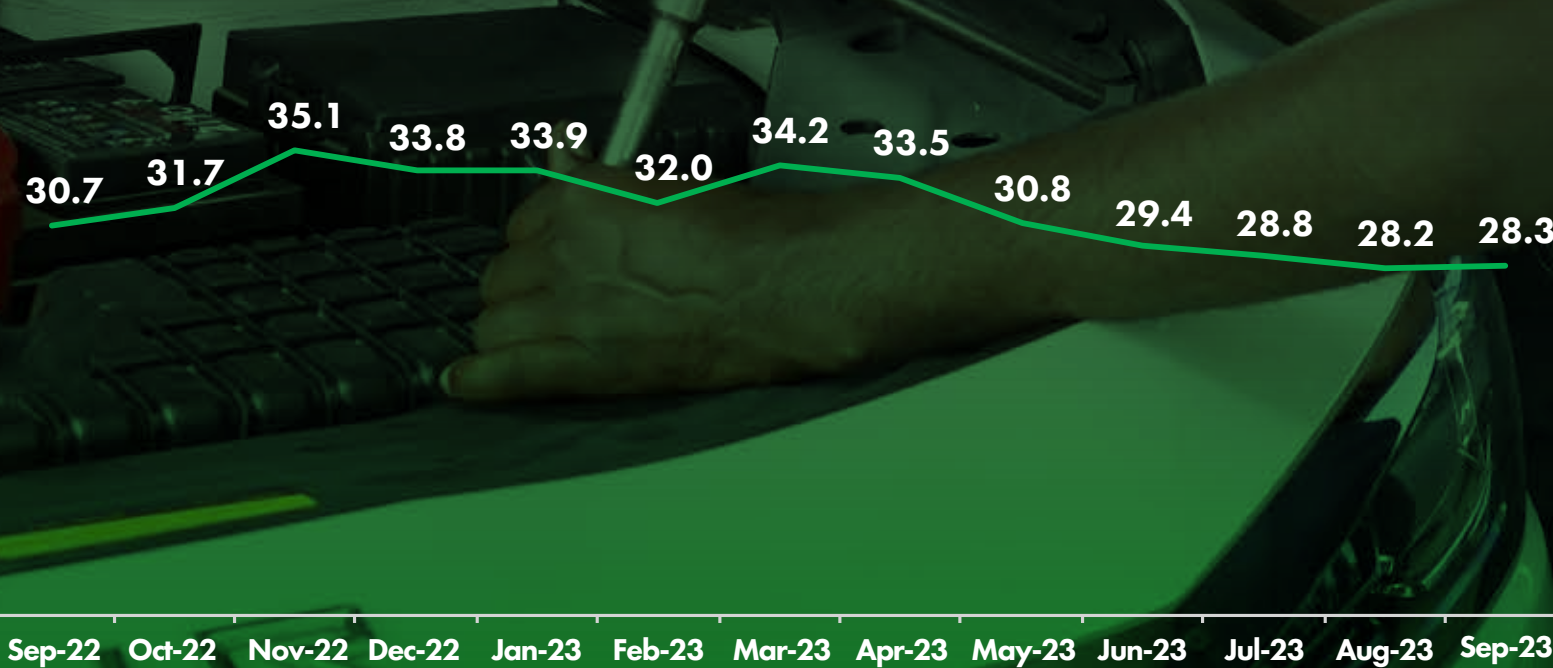
- Previous social media blockade lifted in July 2023
- **Stable security situation** in Tigray
- Amhara under state of emergency

— USD/ETB Exchange rate



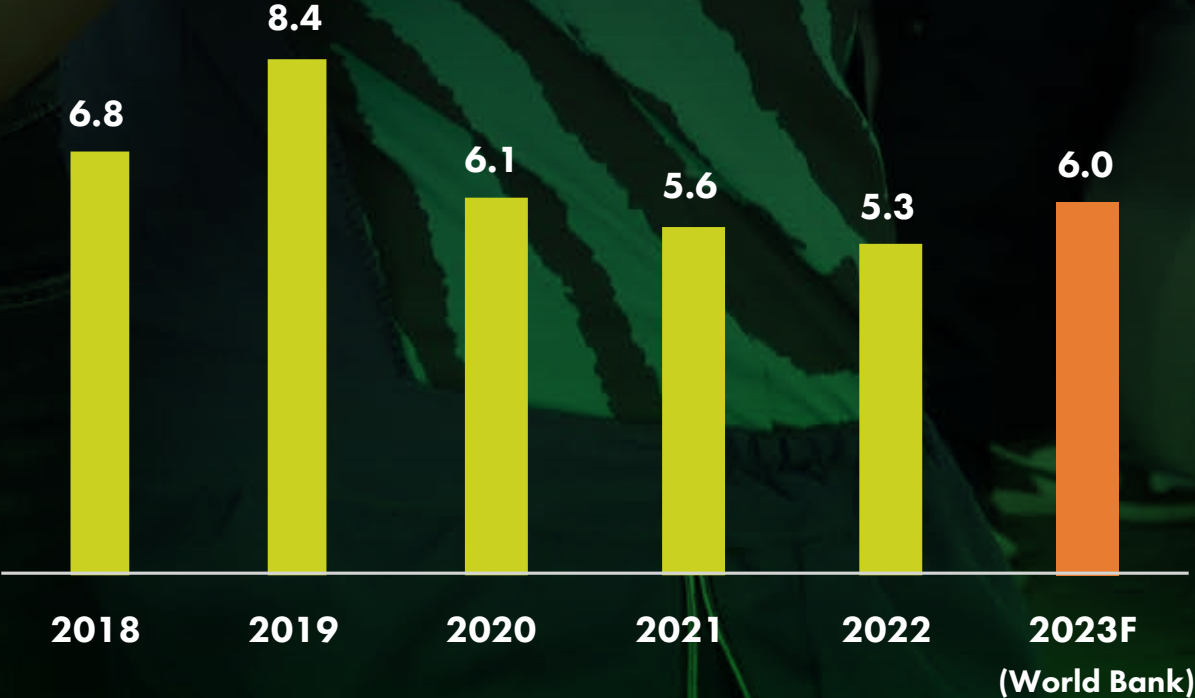
Source: Bloomberg

Inflation Rate (%)



Source: Ethiopia Statistical Service

GDP Growth Rate (%)



Source: Ethiopia Statistical Service



# M-PESA IN ETHIOPIA | Impressive Traction in One Month



**Launched M-PESA services on 15<sup>th</sup> Aug 2023**

Launched with developer portal for the Fintech Ecosystem



**Customer acquisition & activity**

- 1.2Mn Registered
- 3.0 Txn per customer



**Access/seamless registration** through the App in 5 languages and USSD \*733#



**Distribution**

- 22.7k Agents onboarded
- 11.7k Merchants
- Bank to M-PESA - 7 Banks
- M-PESA to Bank - 9 Banks



**International Money Remittance (IMT)**

- Onboarded 3 IMT Hubs (TerraPay, MFS Africa & Thunes)
- Over 100 sending corridors including the USA
- 10 Money Transfer Operators

## Use Cases Offered;

- Deposits
- Withdrawals
- Transfers (registered/unregistered)
- Airtime & Data package purchase
- M-PESA to Bank & Bank to M-PESA
- Merchant payments (with transacting tills)
- C2B, B2C & B2B\*
- International Money Remittances (Inbound only)

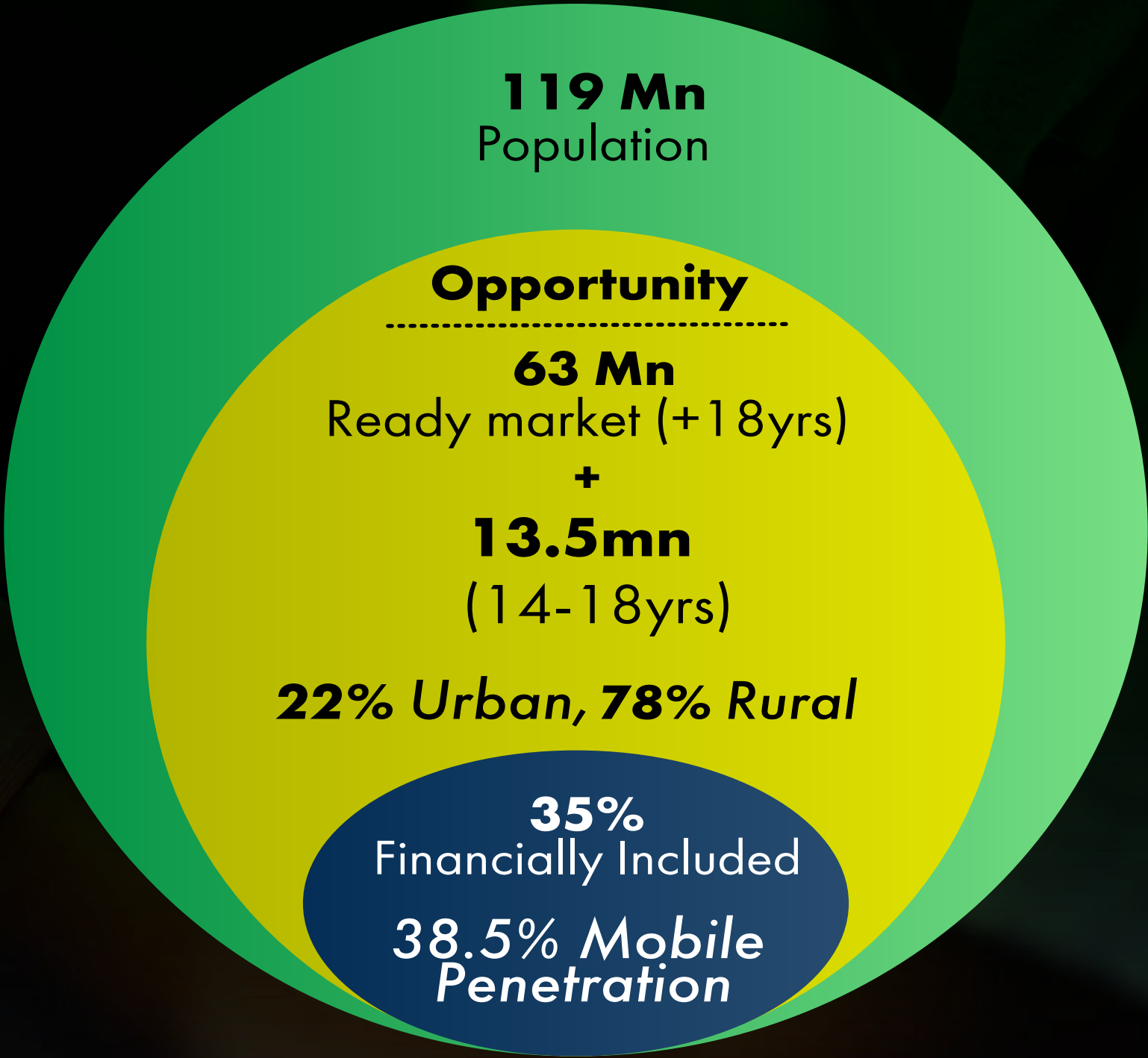
\*C2B- Customer to Business, B2C- Business to Customer & B2B- Business to Business  
Source;

<sup>1</sup>Ethiopia Ministry of Trade and Regional Intergration

<sup>2</sup>Full year estimate based on reported figures for Q1 of current fiscal year

<sup>3</sup><https://blogs.worldbank.org/african/financial-inclusion-in-ethiopia-10-takeaways-from-findex-2017>

## Ripe Market for Mobile Money



**10K**  
Large Enterprises<sup>1</sup>

**240k**  
SMEs<sup>1</sup>

**USD 5.2bn**  
Annual Inward Remittances<sup>2</sup>

**99%** of all payments  
are done cash<sup>3</sup>



# ETHIOPIA | Performance Highlights Marking One Year Since Launch



**4.3GBs**

Data usage  
per Subscriber  
(Sep exit)



**7.0Mn**

Gross Additions  
since launch



**4.1Mn**

3-months Active  
Customers



Network coverage  
**2,057 sites**  
**22 Cities**  
**30%** population coverage



**1.2 Mn** **M-PESA**  
Customers

Transactions since launch  
Value  
**KShs 43.7Bn** | Volume  
**2.0Mn**



**22.7k** M-PESA Agents  
onboarded  
**11.7k** M-PESA Merchants  
onboarded



**53k** Safaricom Airtime Outlets  
**5.5k** Sim Selling agents  
equipped with **Biometric**  
**EKYC** equipment  
**15 Banks** Selling Airtime digitally



**925** Employees  
85% Ethiopians  
15% Expats



Customer Penetration  
**85%** Voice  
**55%** Data  
of active 1-month users





**Scaling Distribution**

- **5.5k** Active Commission based customer acquisition agents equipped with biometric registration tools
- **53k** Active physical Points of Sales for Airtime
- **15 Banks** integrated- over 20% of our airtime sales are self-served via bank digital channels



**Winning on Data**

- **55%** Smartphone Penetration on 30-day base
- **38%** 4G Devices penetration on 30 Day base
- **Accelerated Data Usage** growth- benchmarks well with Sub Sahara Africa operations
- **Youth Data Focus** via 1<sup>st</sup> to market Over the Top (OTT) Social Packs – TikTok, YouTube, Facebook, WhatsApp, Instagram



**Winning on Customer Experience**

- Maintained **> 90% service level** access at our call centre
- Digital Biometric customer registration **<10mins** onboarding time
- Over **150 exclusive Safaricom branded distributor shops** for customer service, support and sales
- Launched our **integrated GSM and M-PESA Digital app** for Transacting, Sales and Customer Service



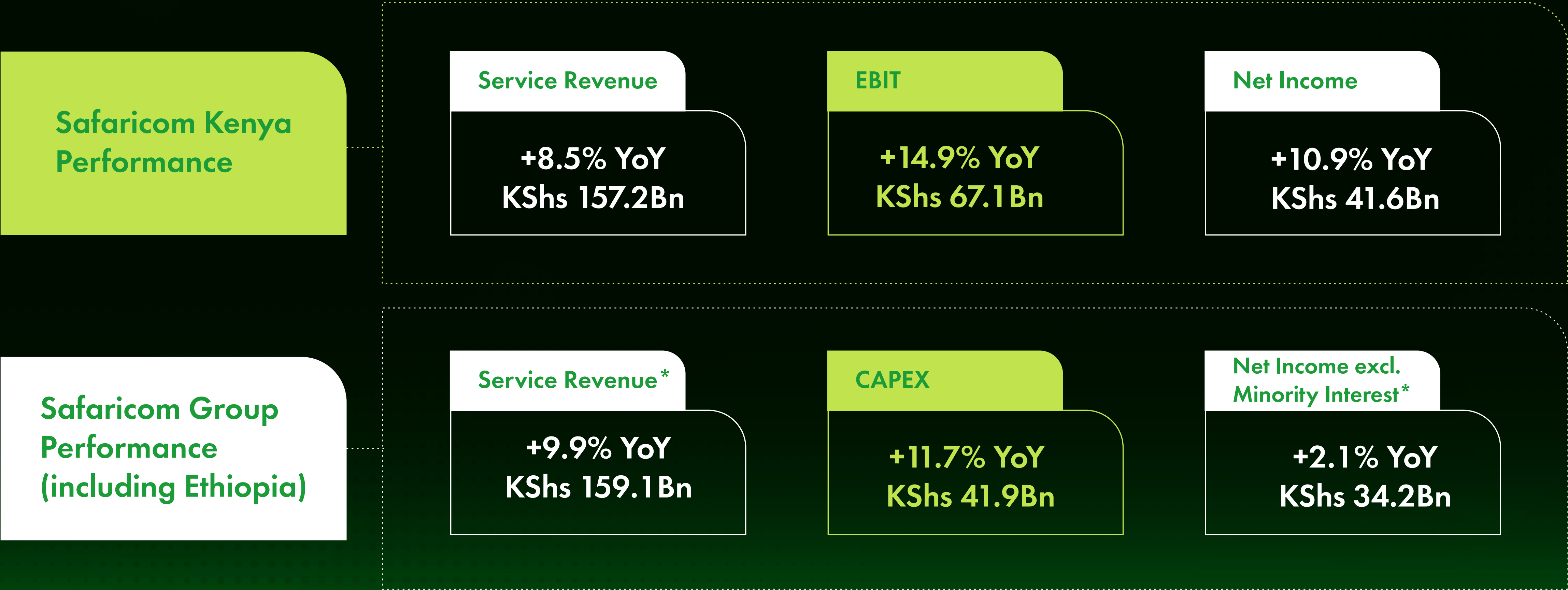


# PERFORMANCE HIGHLIGHTS

HY24 Investor  
Presentation



# HY24 PERFORMANCE | Strong Performance Reinforcing Solid Momentum



\*Group numbers are inclusive of hyperinflationary adjustments on Ethiopia numbers except Capex



A portrait of Dilip Pal, Chief Finance Officer, sitting in a black leather chair. He is wearing a dark grey suit, a light pink shirt, and a purple tie. He has short grey hair and wears black-rimmed glasses. The background is a modern office with large windows and a curved architectural element.

# FINANCIAL PERFORMANCE

DILIP PAL, CHIEF FINANCE OFFICER



# KEY HIGHLIGHTS | Strong Growth Momentum for Kenya Business



Service Revenue

↑ **8.5%** YoY  
157.2Bn,  
9.3% YoY adjusted for MTR

↓ **11.5%**  
41.3Bn

Direct Costs



EBITDA

↑ **13.0%** YoY  
90.5Bn

↑ **14.9%** YoY  
67.1Bn

EBIT



Net Income

↑ **10.9%** YoY  
41.6Bn

↑ **6.4%** YoY  
786

One Month Active  
ARPU

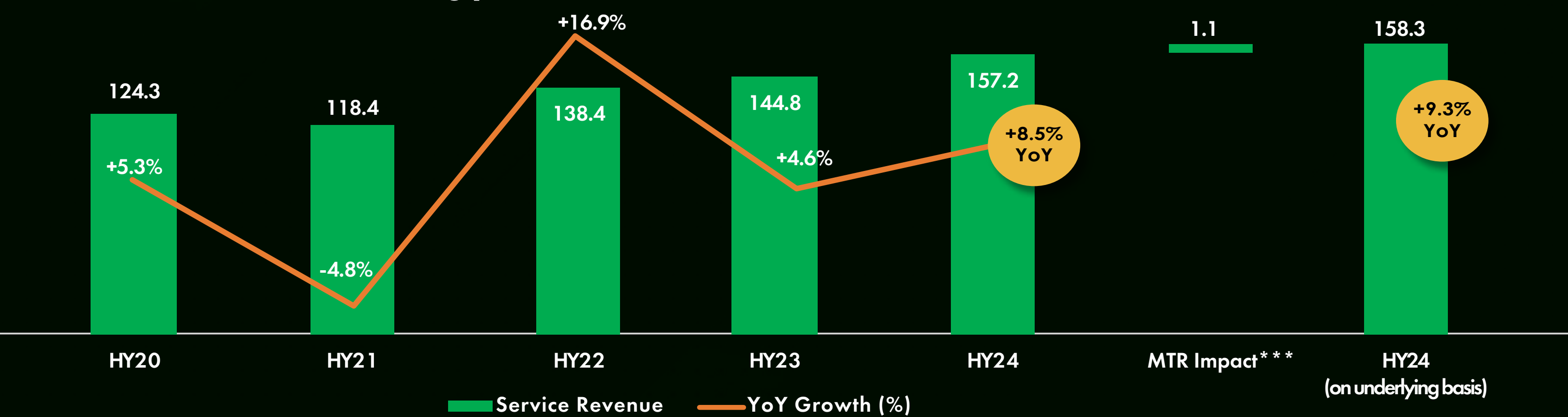


All amounts are in KShs



# SERVICE REVENUE | Strong Performance Supported by M-PESA and Mobile Data

Gaining pre-covid-19 Growth Momentum



Contribution to growth

M-PESA  
+16.5% YoY  
6.5ppts

Mobile Data  
+12.5% YoY  
2.3ppts

Fixed Data  
+9.1% YoY  
0.4ppts

Voice & Messaging  
-1.9% YoY  
-0.6ppts

Others\*  
-0.4% YoY  
-0.03ppts

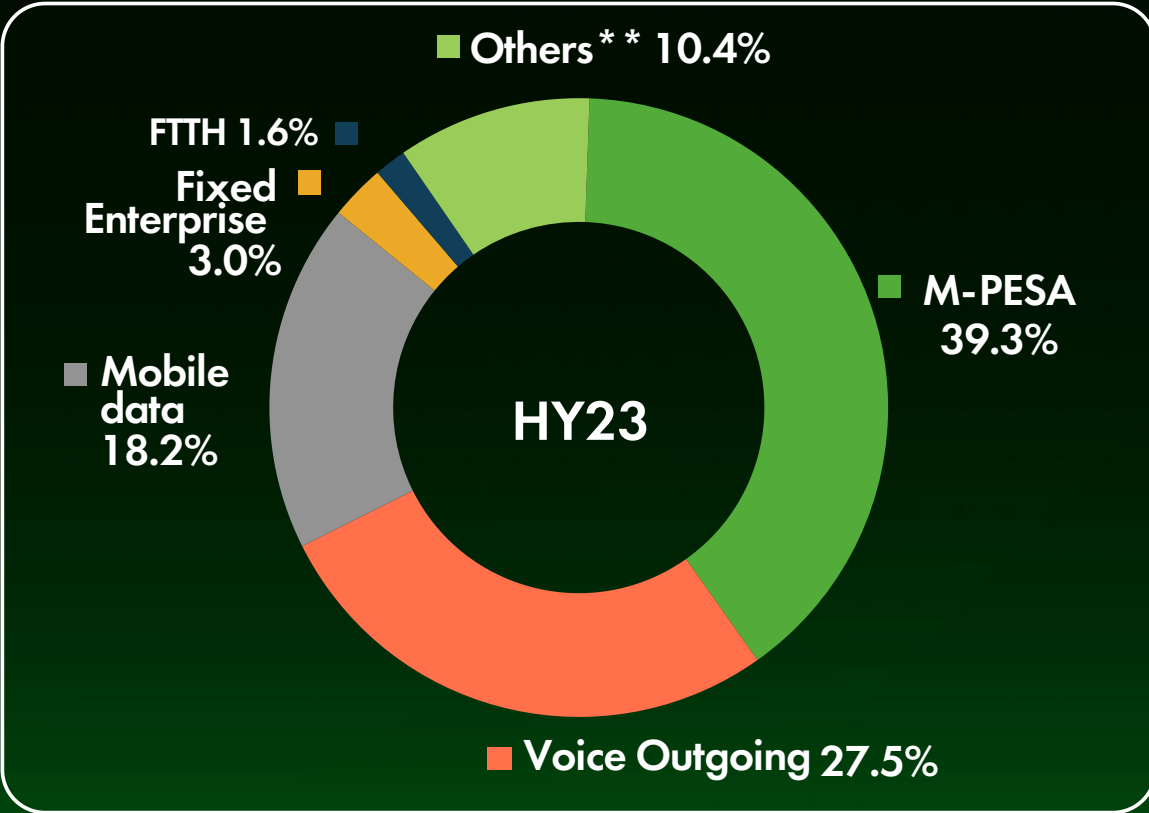
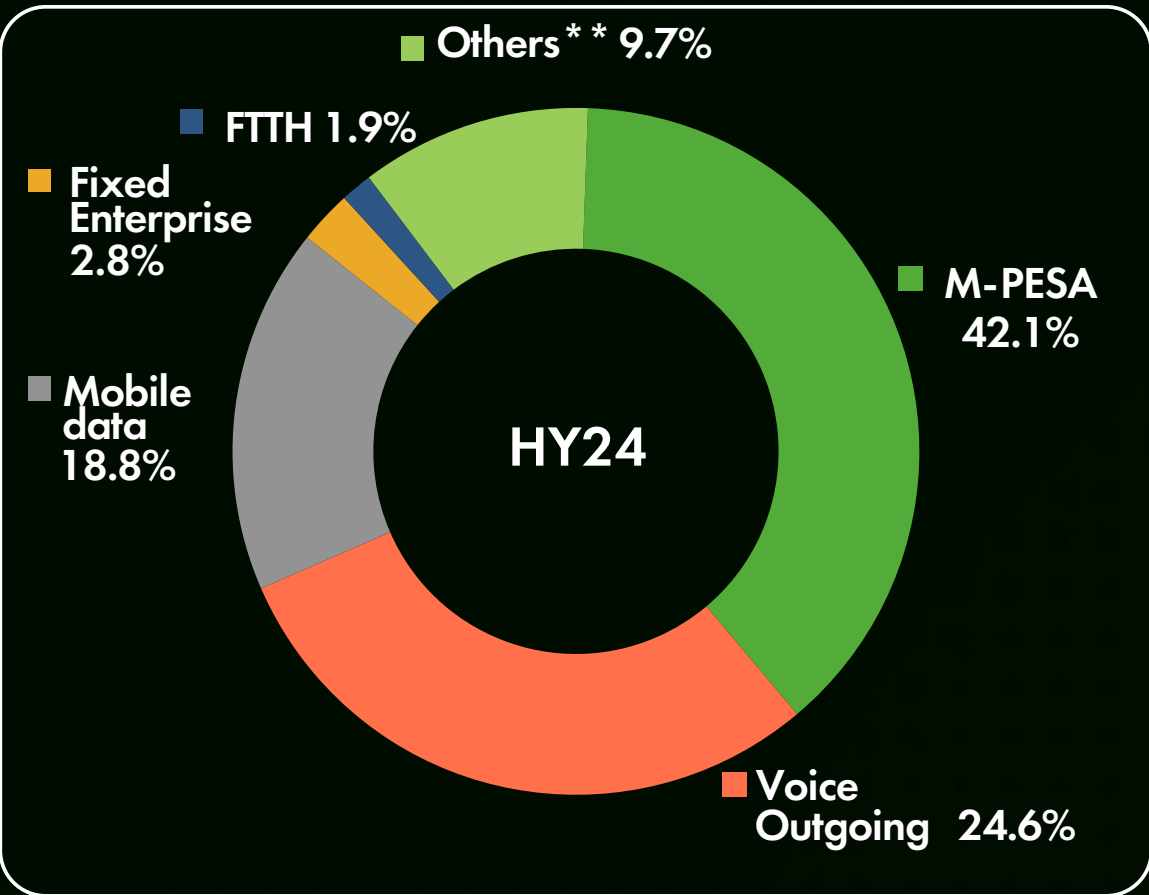
Pricing reduction

**Upto 61%** M-PESA tariff reductions (2021-2023) P2P, Paybill & Banking transactions

**-65.1%** Reduction in Rate per MB since HY20

**-44.3%** Reduction in Outgoing Voice per Min since HY20

Evolution of Service Revenue Profiles



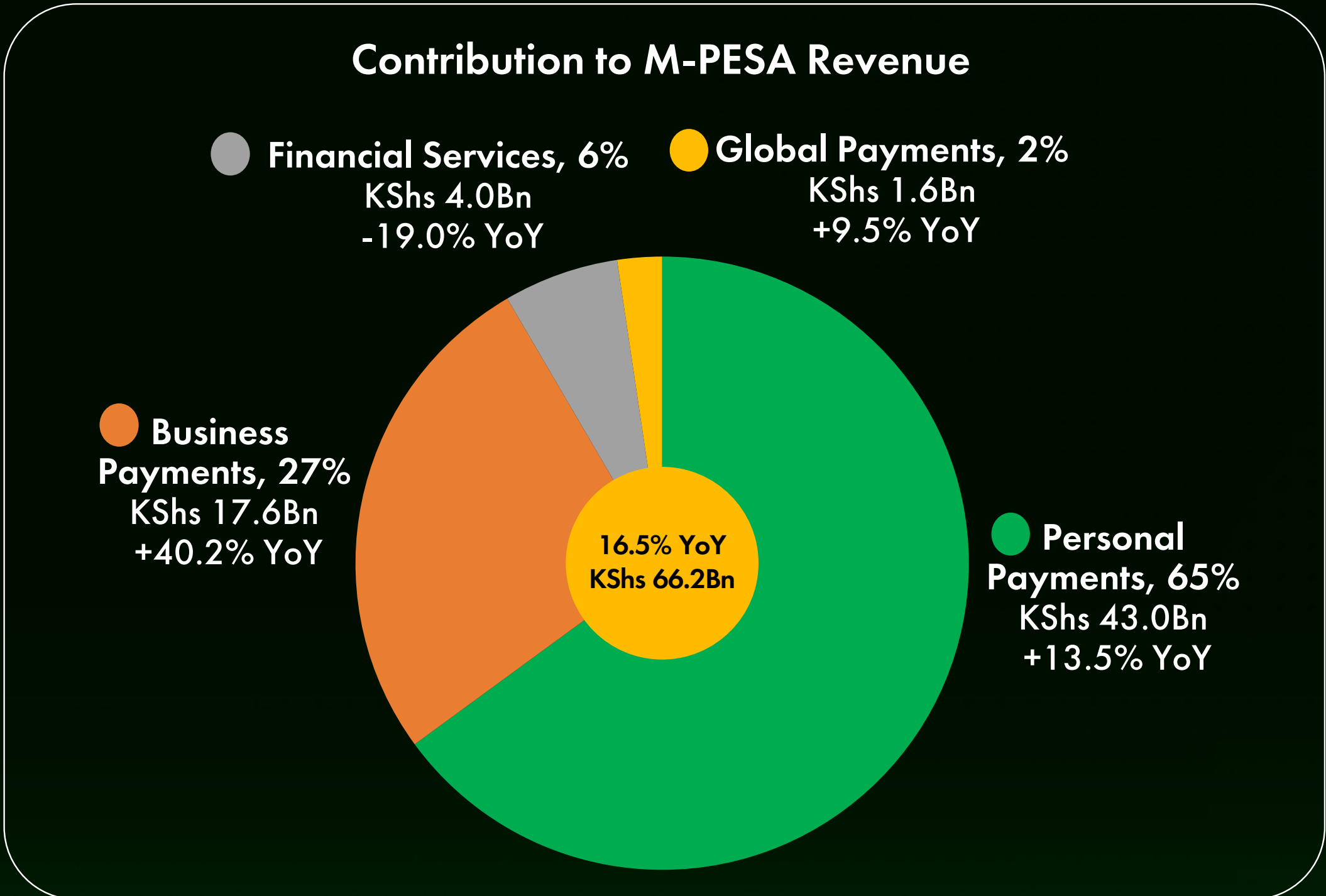
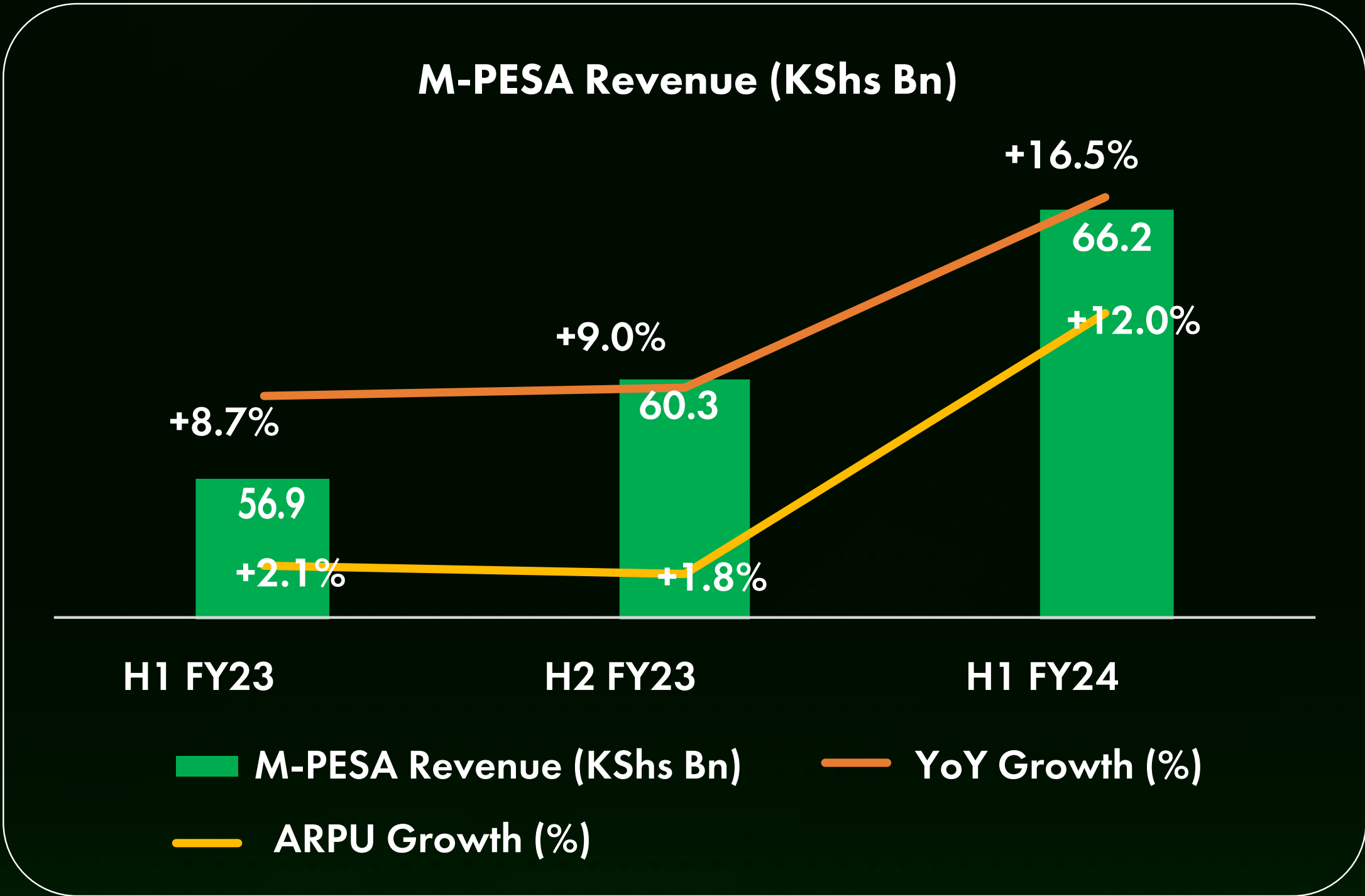
\* Others - Voice Incoming, Visitor, Content, IoT and Airtime Credit (Okoo Jahazi)

\*\* Others - Messaging, Mobile incoming & Visitor, Airtime Credit, IoT, Content

\*\*\* Mobile Termination Rates (MTR) changes from KShs 0.99 to KShs 0.58 effective 1 August 2022. MTR Impact covers 4 months.



# M-PESA | Great Performance Post Return to Charging



One month active Customers  
**+3.1% YoY to 32.13Mn**

One month active Lipa Na M-PESA (LNM) tills  
**+22.3% YoY to 658.4k**

## Deepening Financial Inclusion

### Cash to e-Money

- Digitization of remittances
- Customer acquisition and education
- E-value distribution via agents & super agents

### Payments

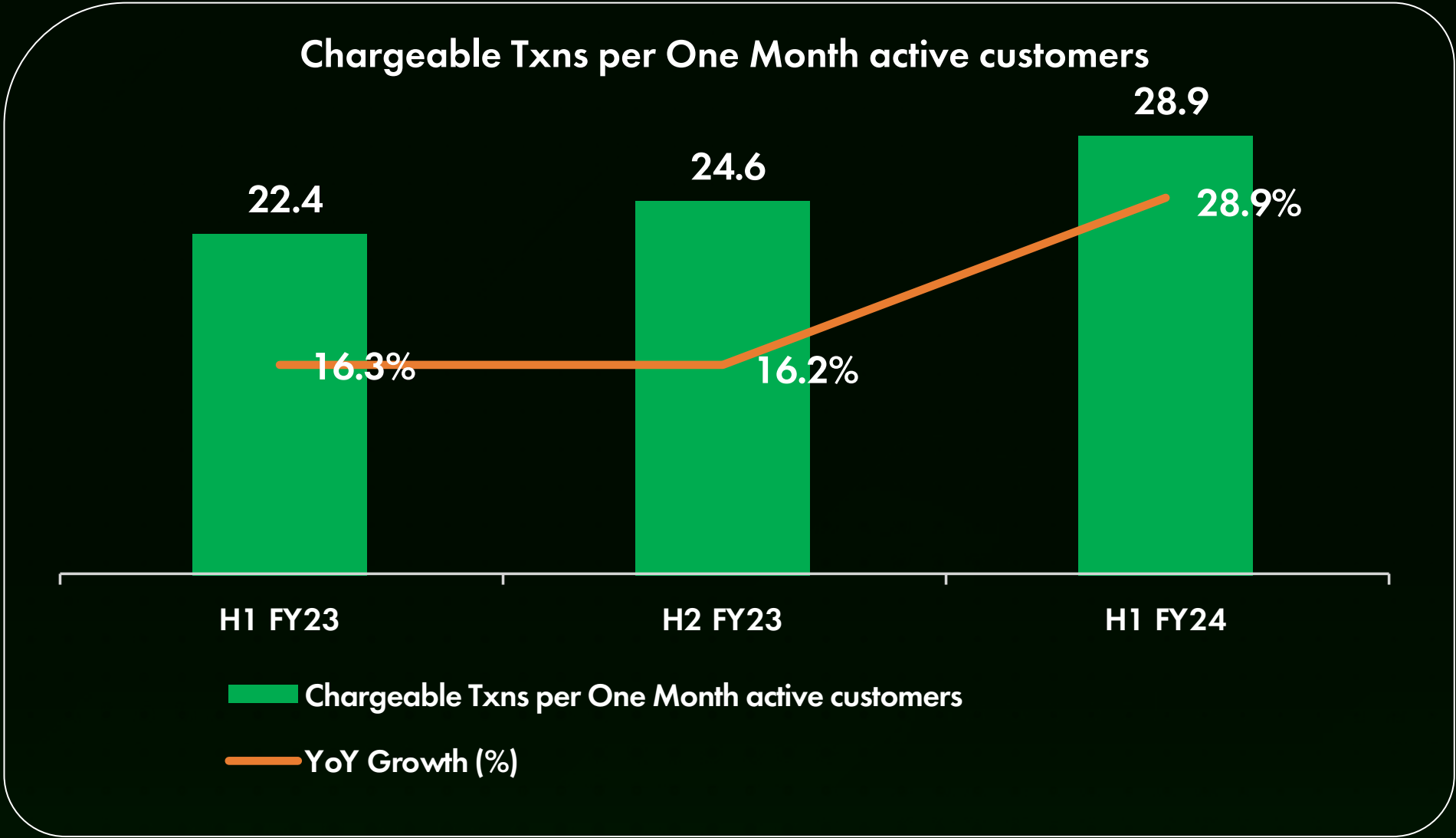
- New payment use cases
- Credit as a source of e-value
- Integration to 3rd parties

### Ecosystem Play

- Open platform
- Inverted innovation
- Data, user experience & software



# M-PESA | Increased Usage Driving Growth



**Total M-PESA Value**  
KShs 18.3Trn, +1.1% YoY  
of which 55.4%  
was chargeable

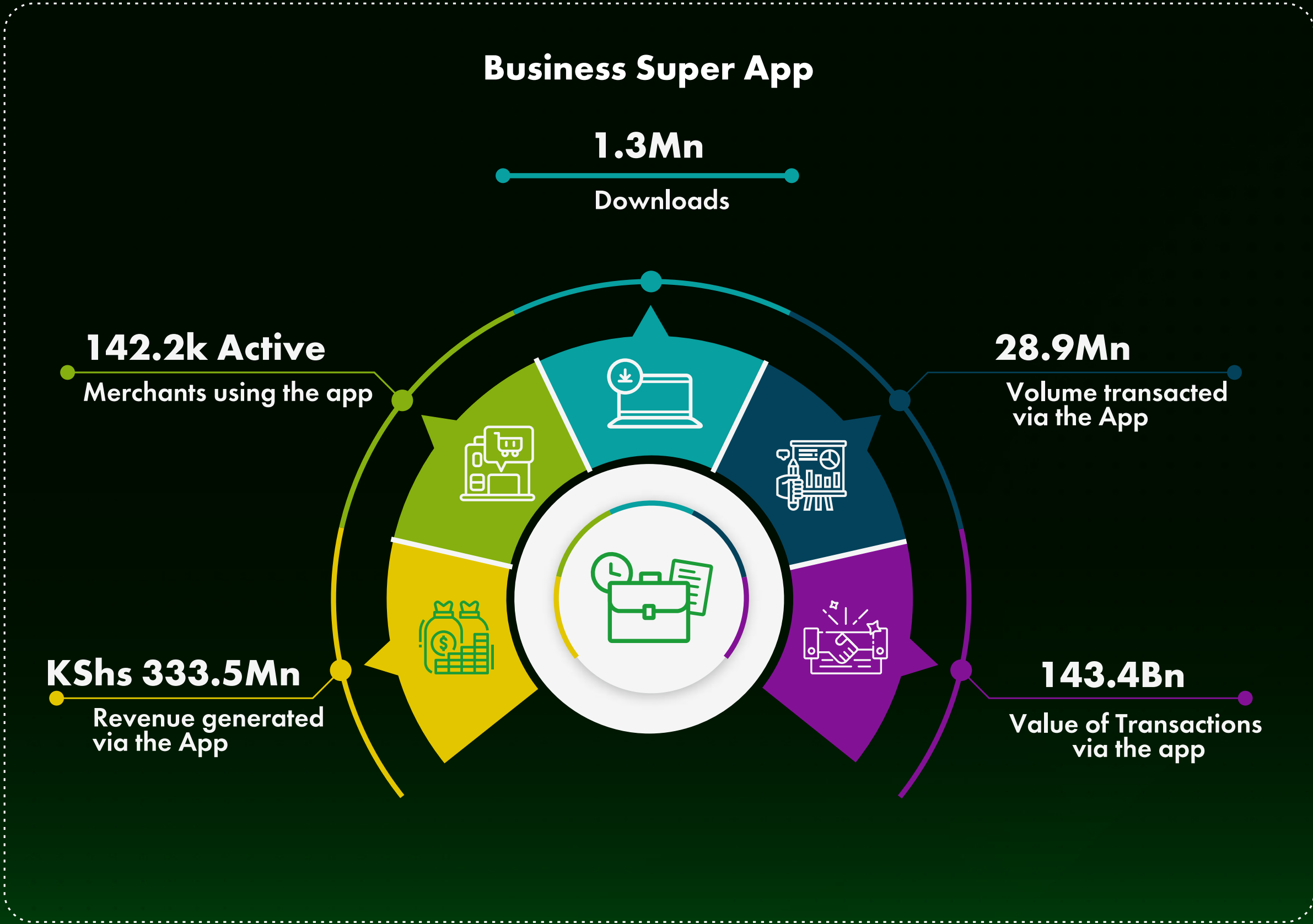
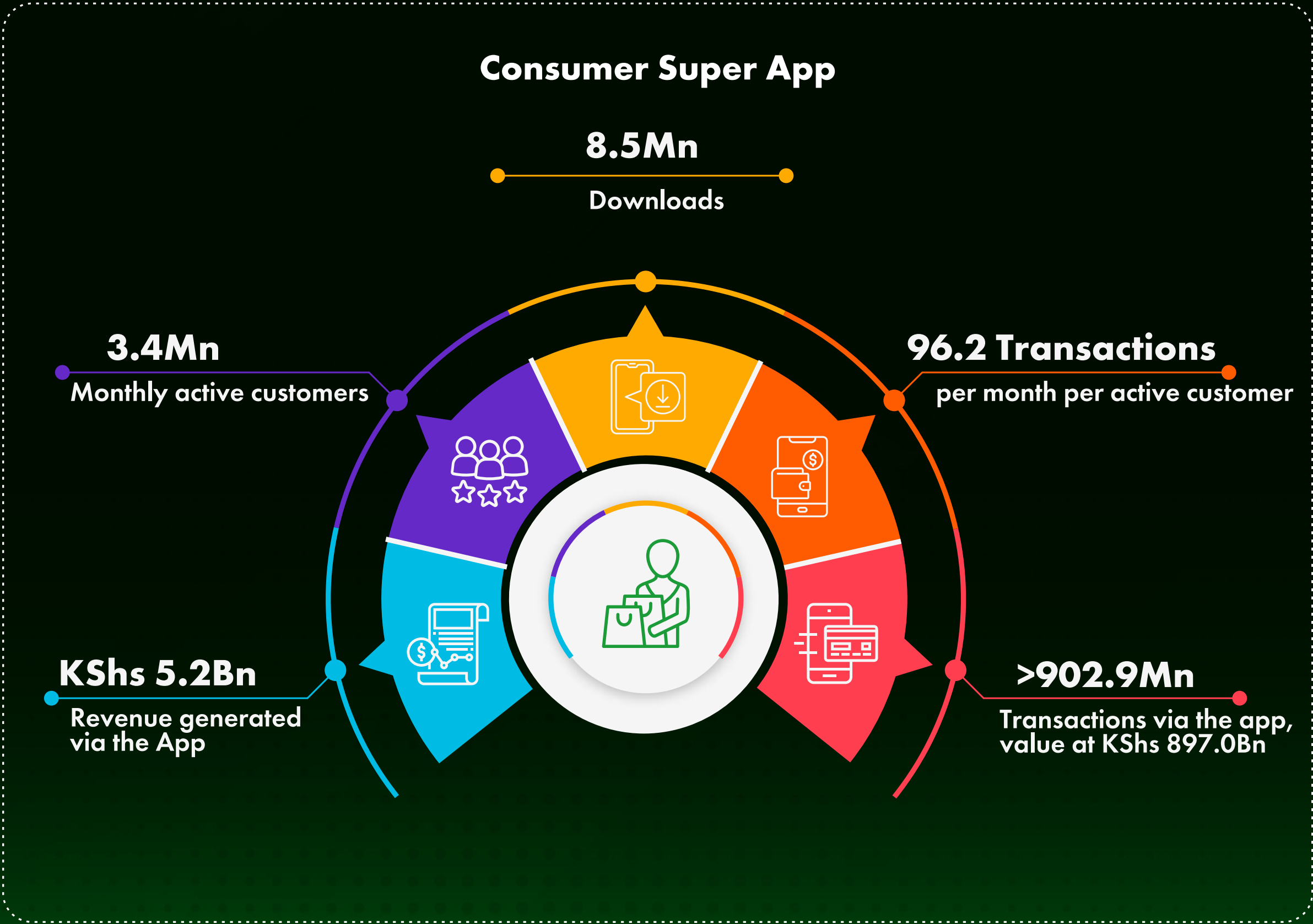
**Total M-PESA Volume**  
12.9Bn, +34.7% YoY  
of which 43.1%  
was chargeable

*\*Banking txns refers Customer to/from Banks transactions where we resumed charging effective 1 January 2023 but at reduced rates*





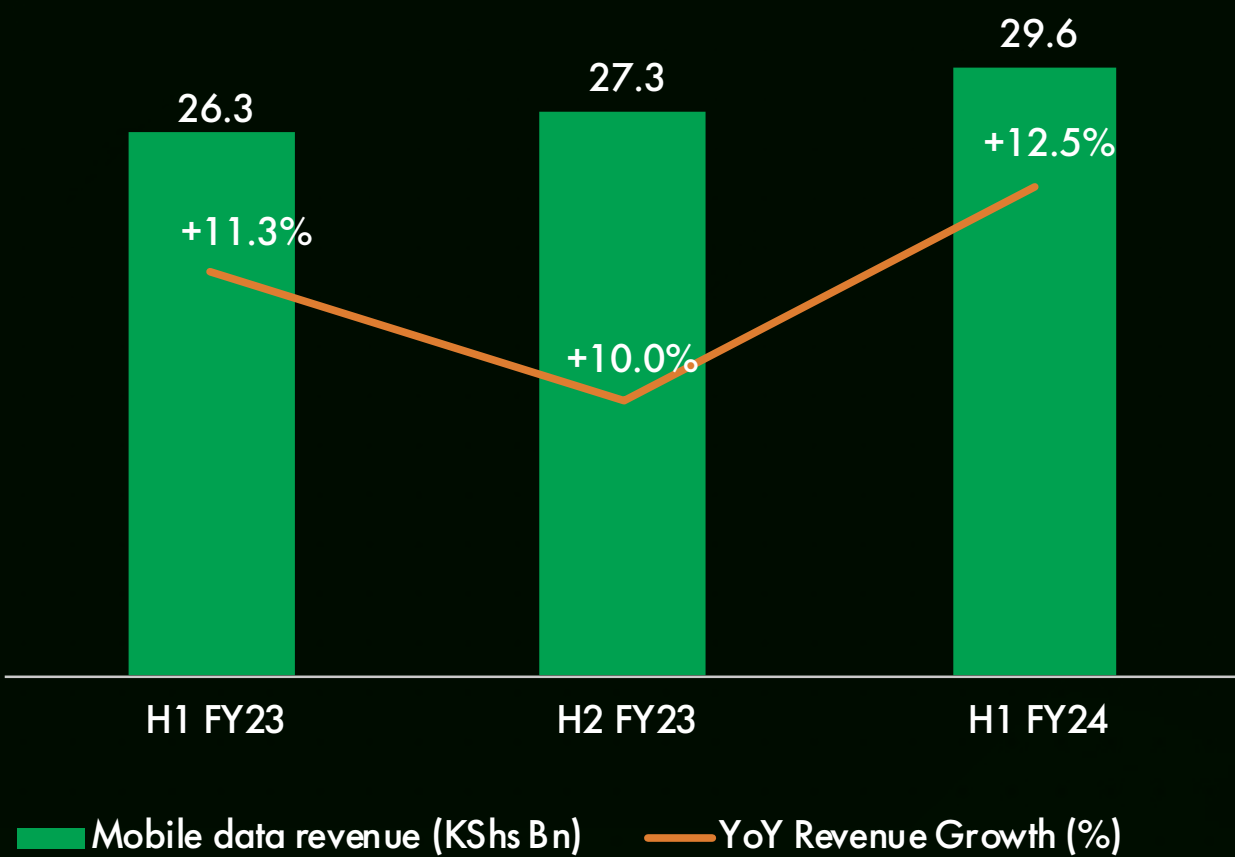
# M-PESA Super Apps | Enhancing Stickiness Through Marketplace Digitization



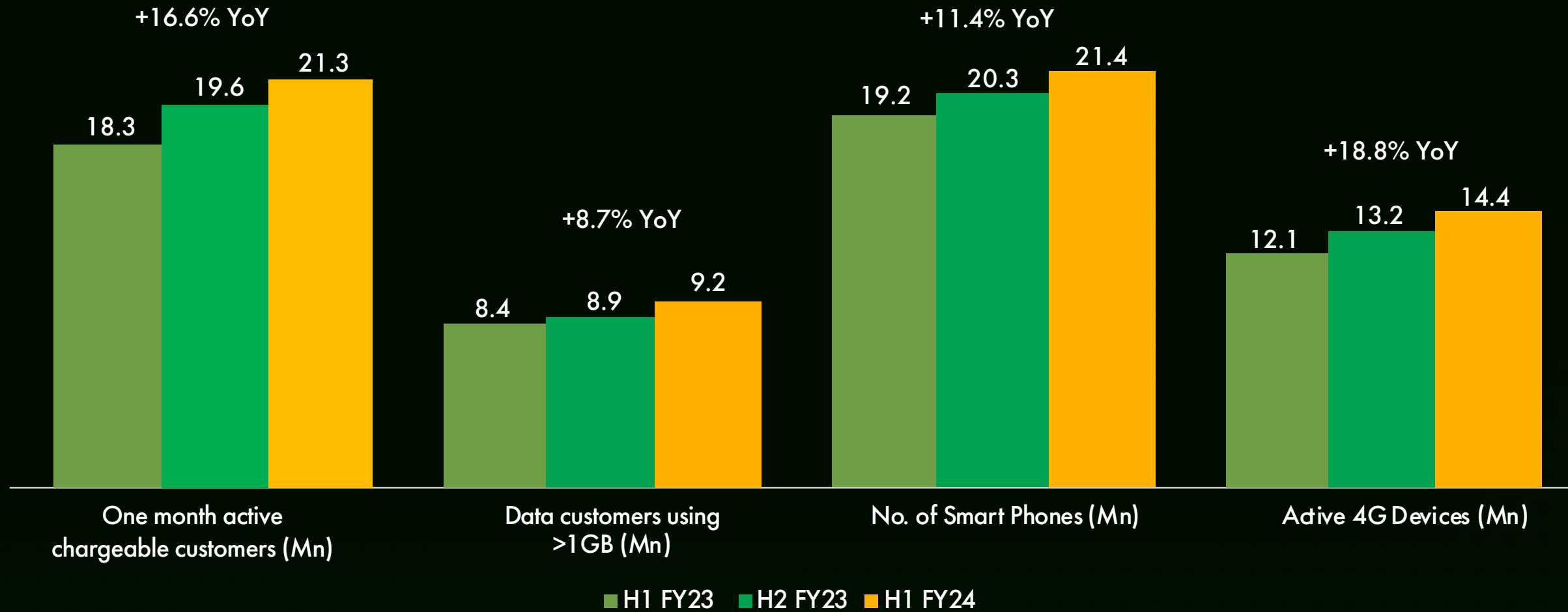


# MOBILE DATA | Double Digit Growth Fueled by Enhanced Monetisation & Value Propositions

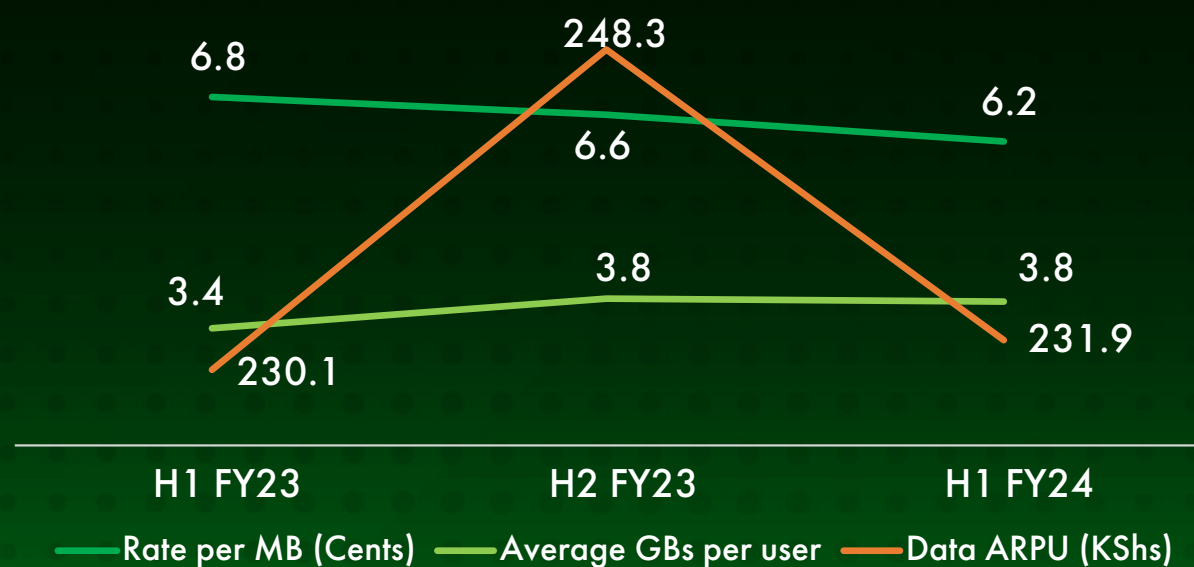
Mobile Data Revenue (KShs Bn)



Increased usage as 4G traffic continues to grow



ARPU, Usage & Rate per MB



Average GBs per user  
**+11.7% YoY** to  
3.8 GB

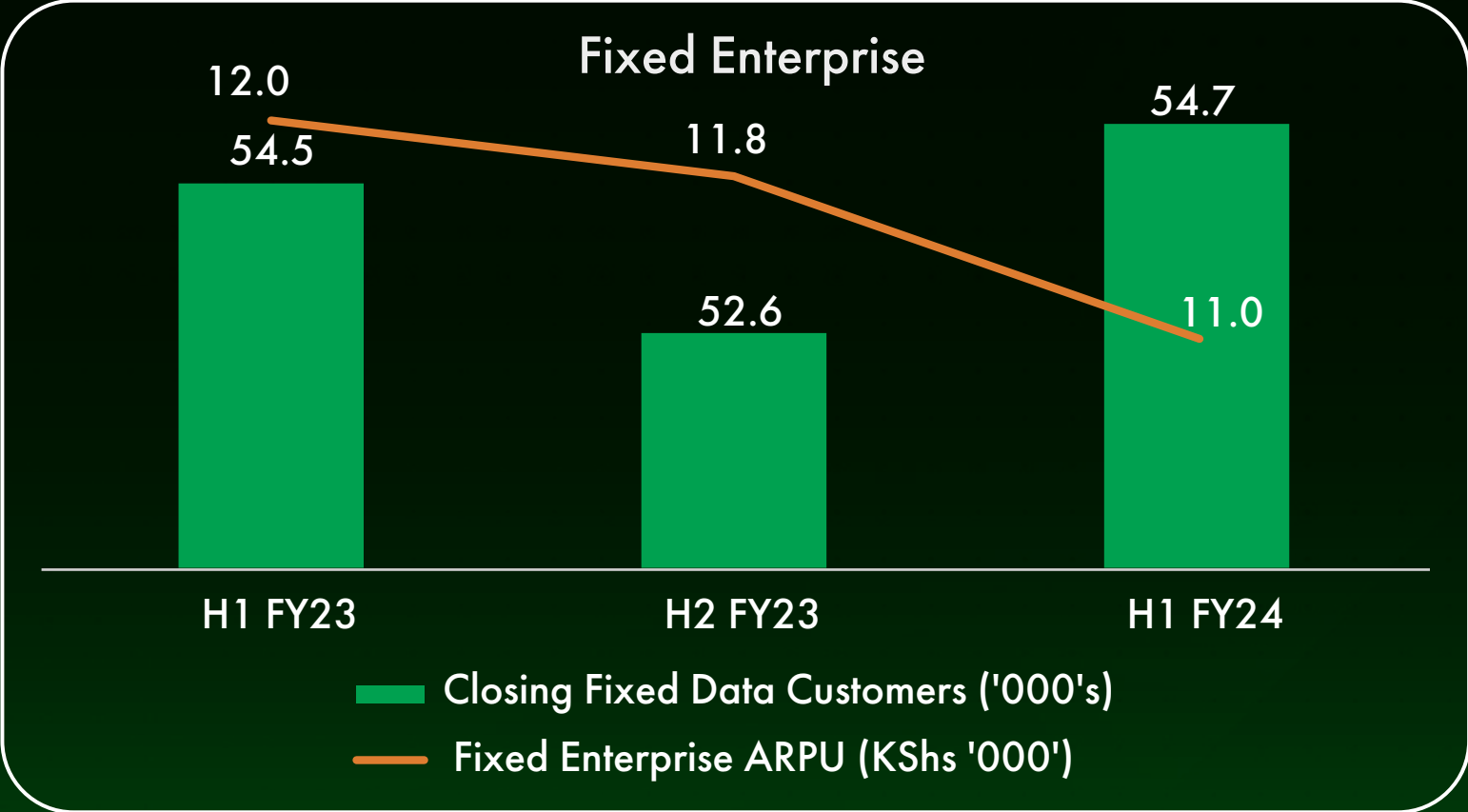
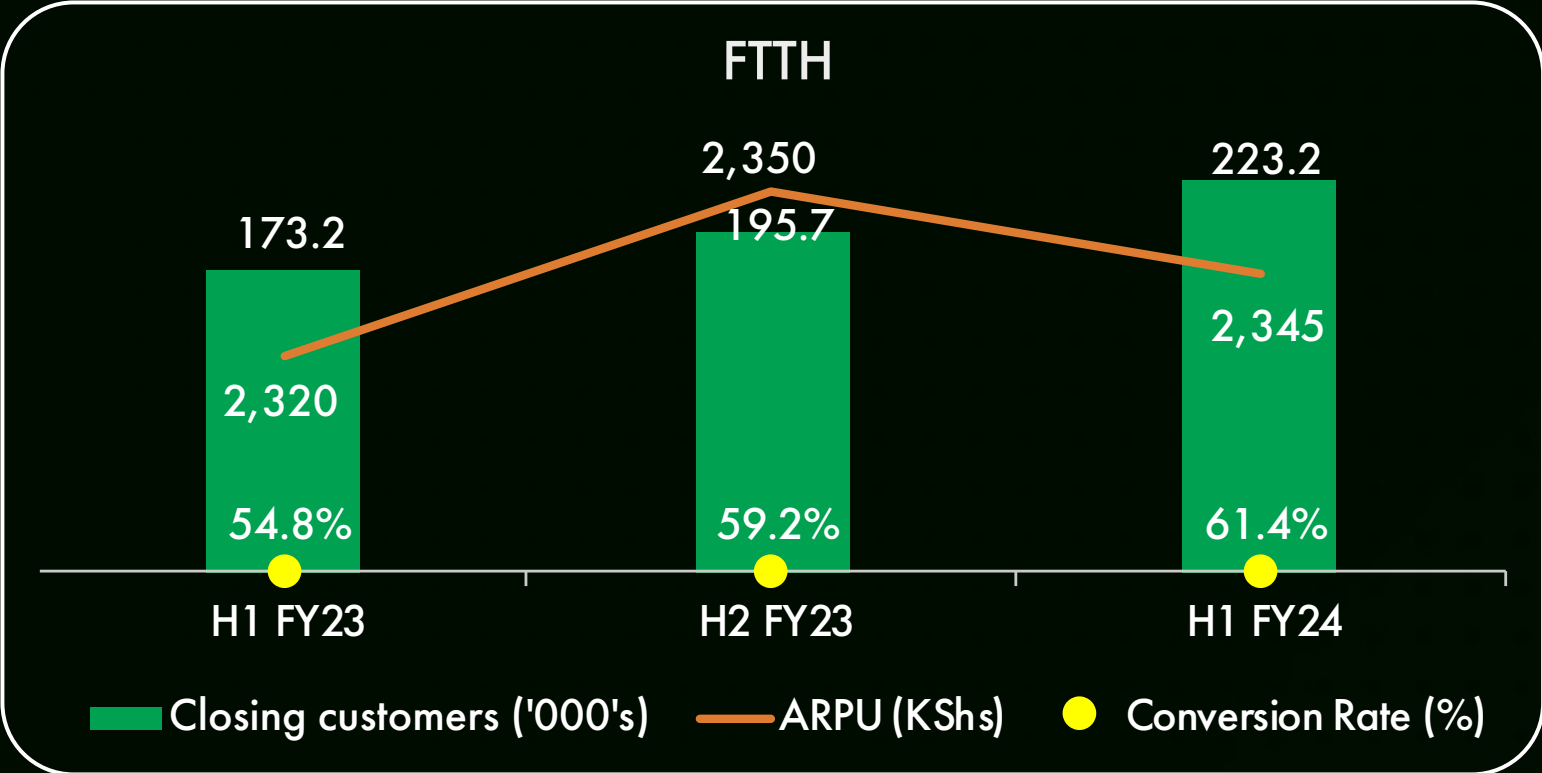
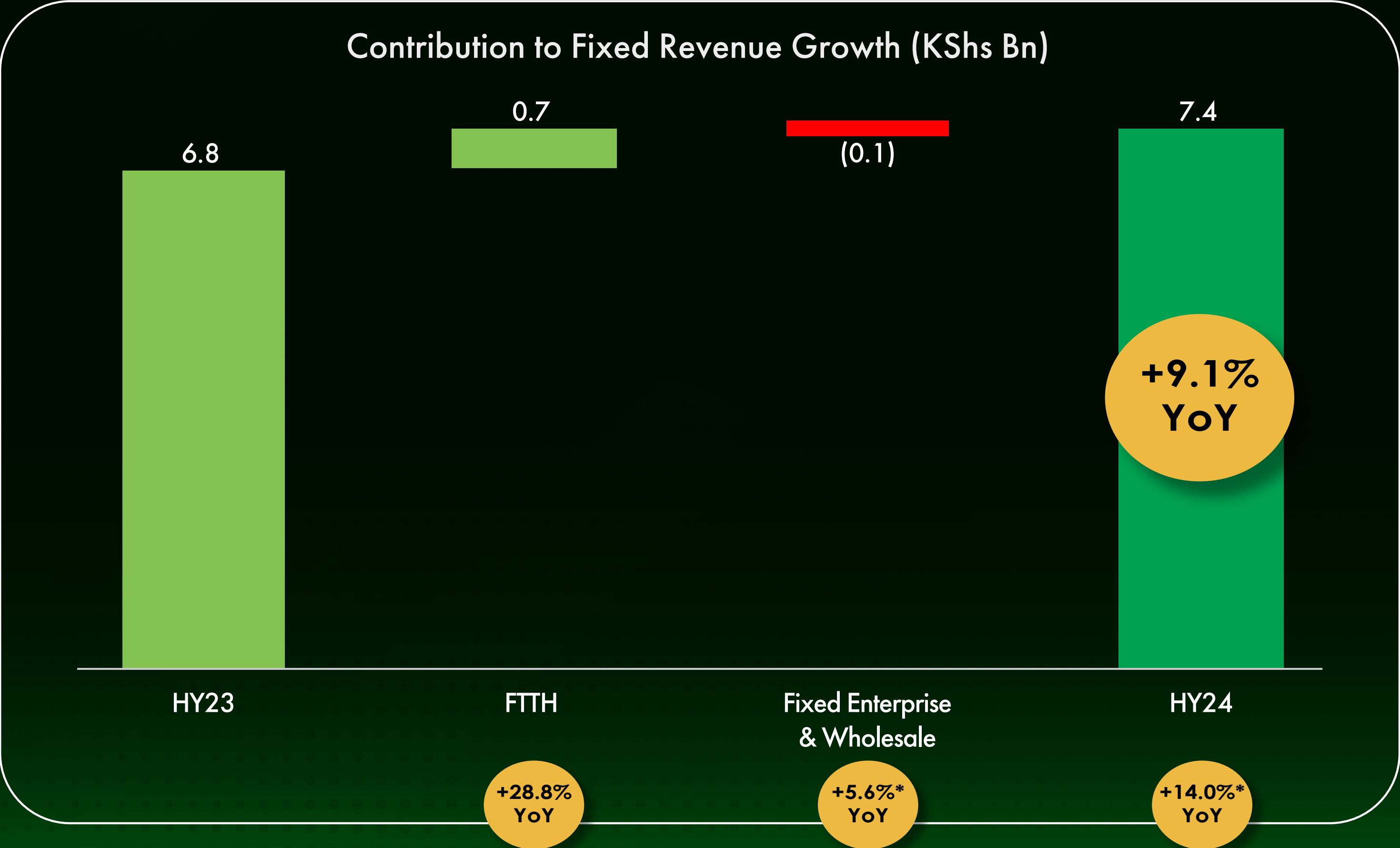
ARPU per active user  
**+0.8% YoY** to  
KShs 231.9

Rate per MB  
**-9.8% YoY**  
to 6.2 cents

5G Devices on the network  
**+123.5% YoY**  
509.7k



# FIXED SERVICE | Sustained Growth Realised Through Improved Penetration

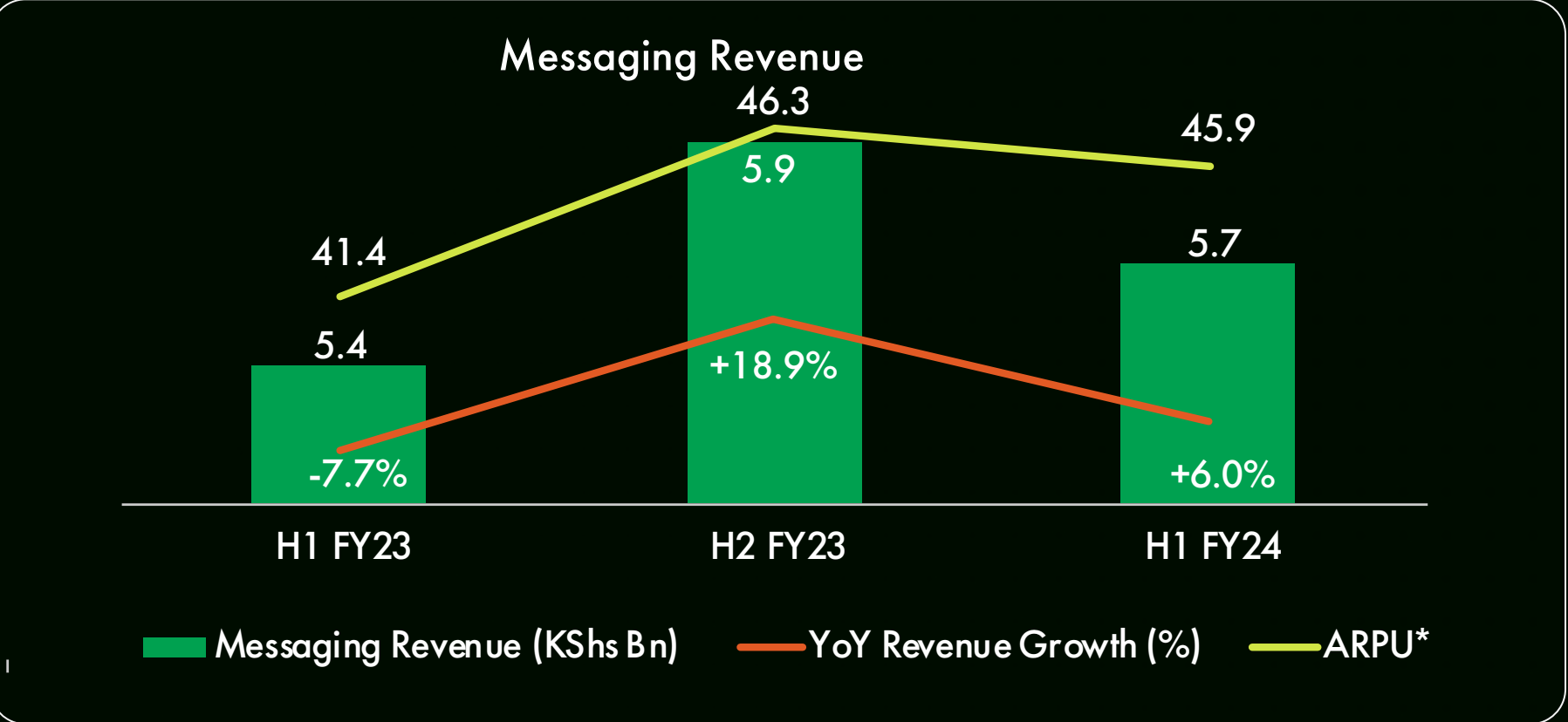
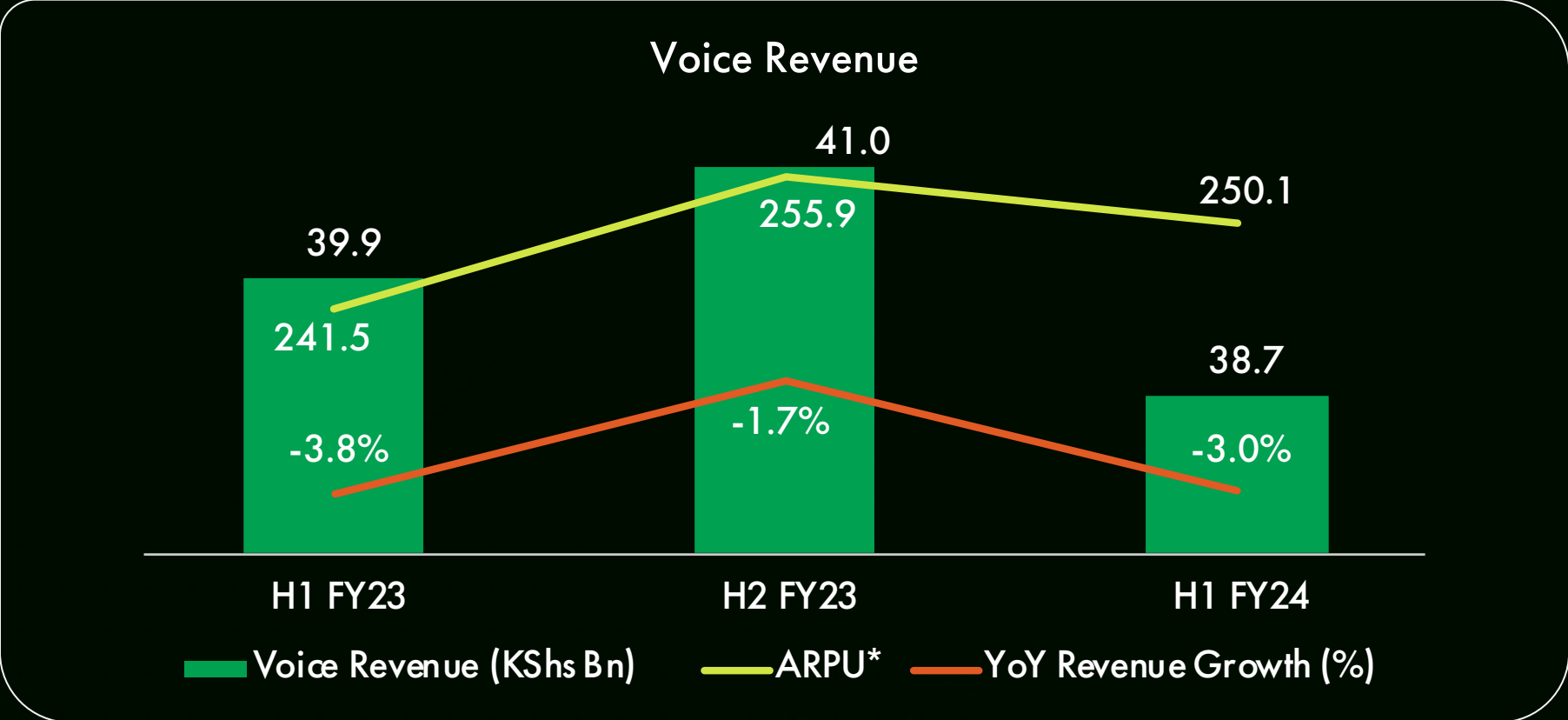


\* Underlying growth excluding one-offs

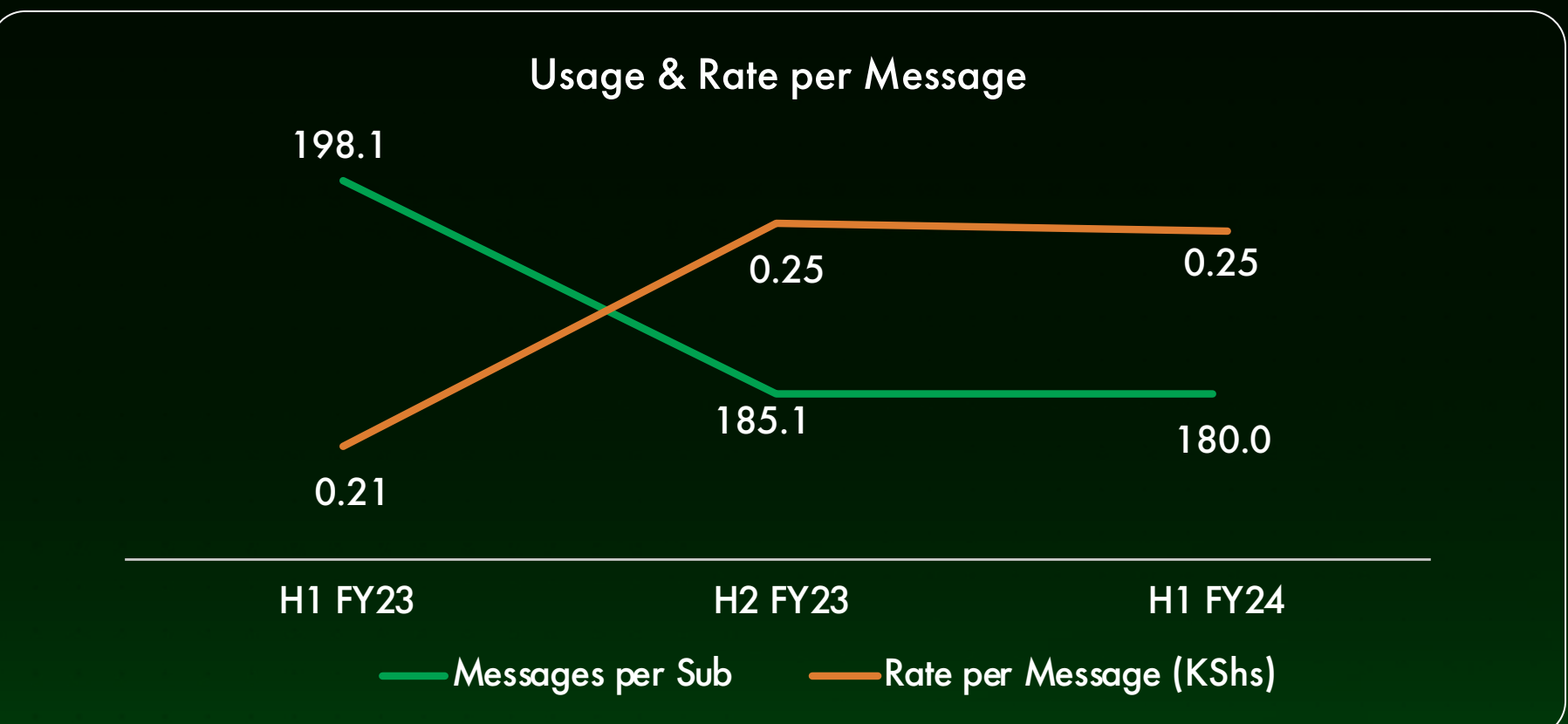
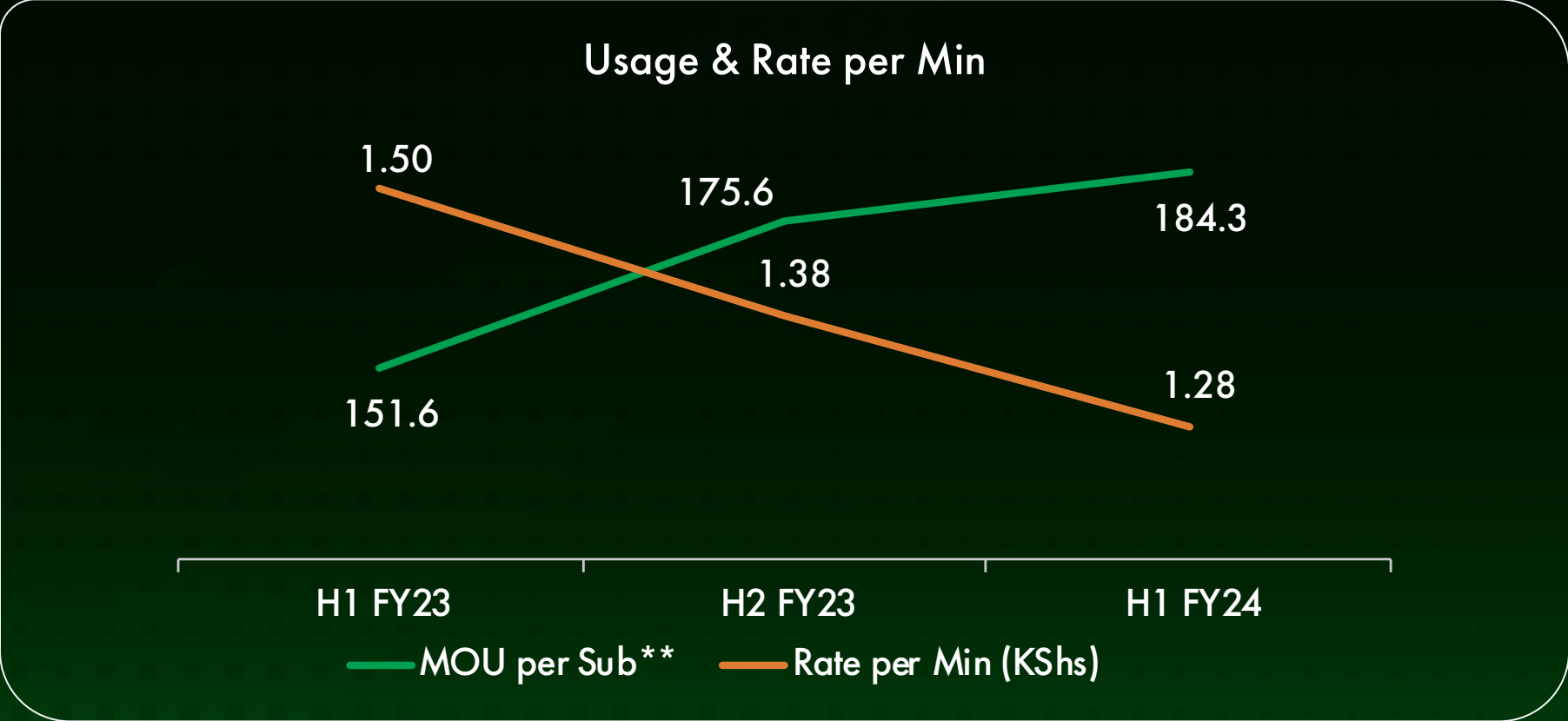


# VOICE & MESSAGING | Usage and Affordability Driven by Customer Value Propositions

## Revenue



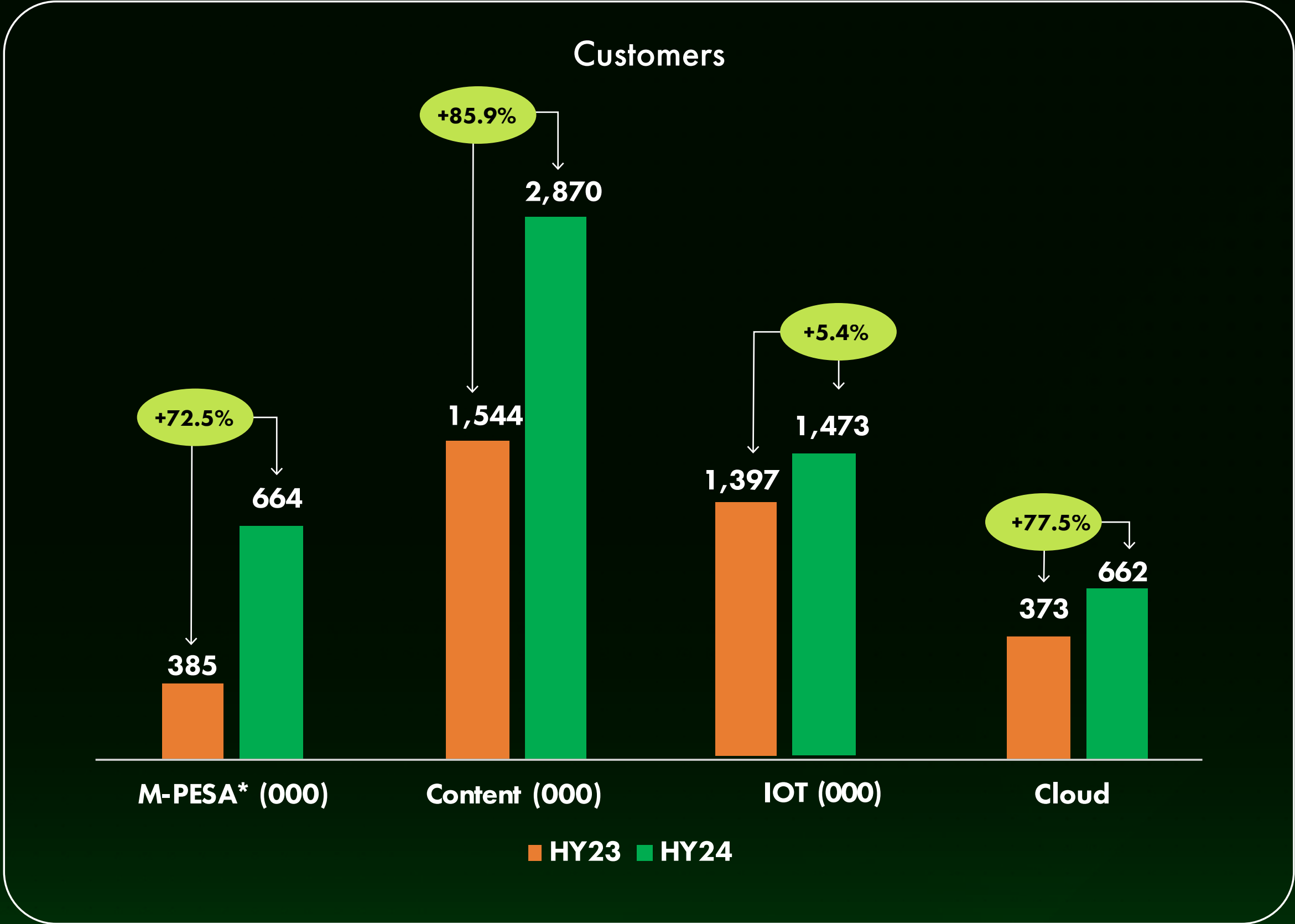
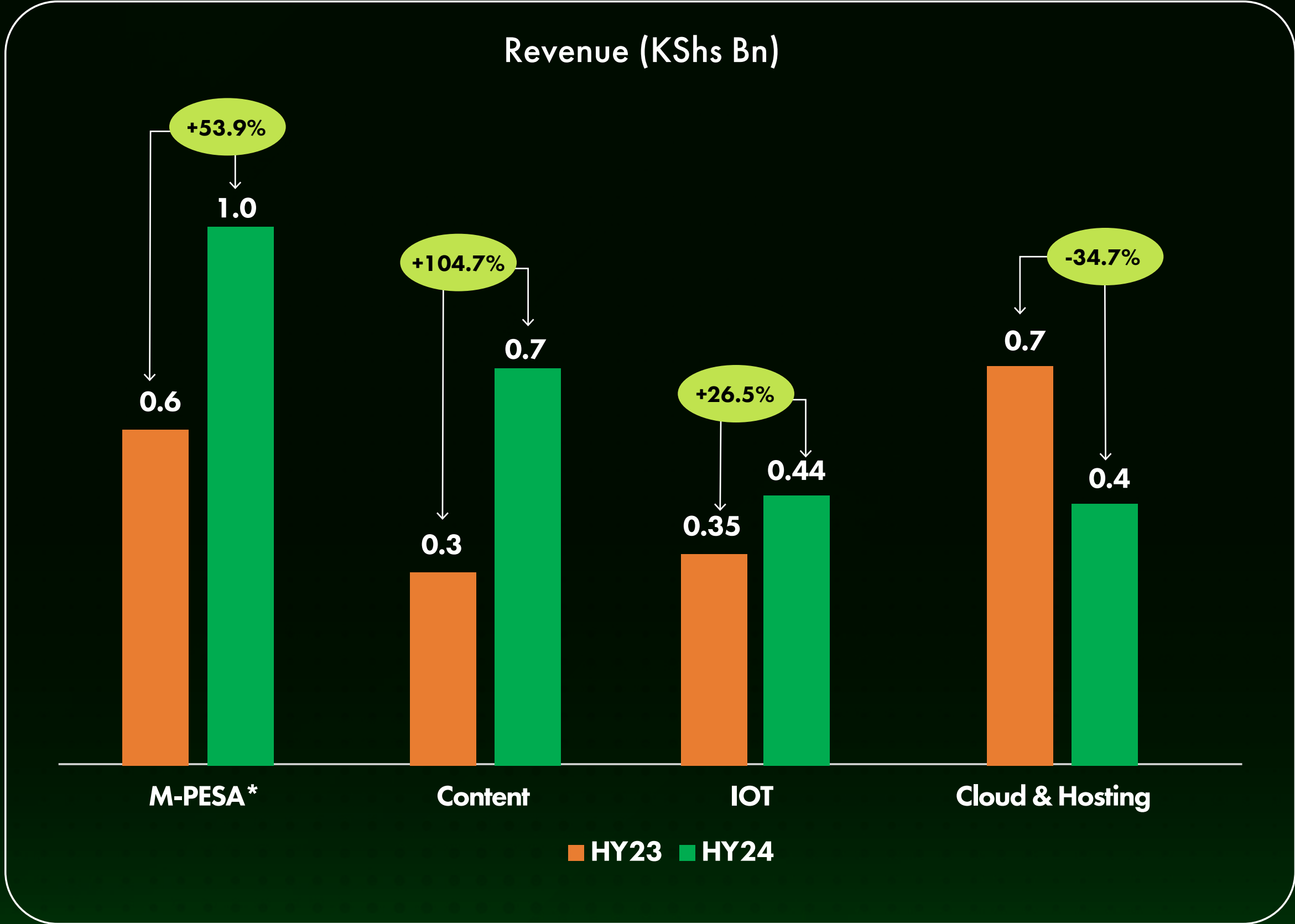
## Usage & Rate Per Min/SMS (KShs)



\* ARPU- Average Revenue Per User (KShs)  
\*\* MOU - Minutes of Use Per One Month Active Subscriber



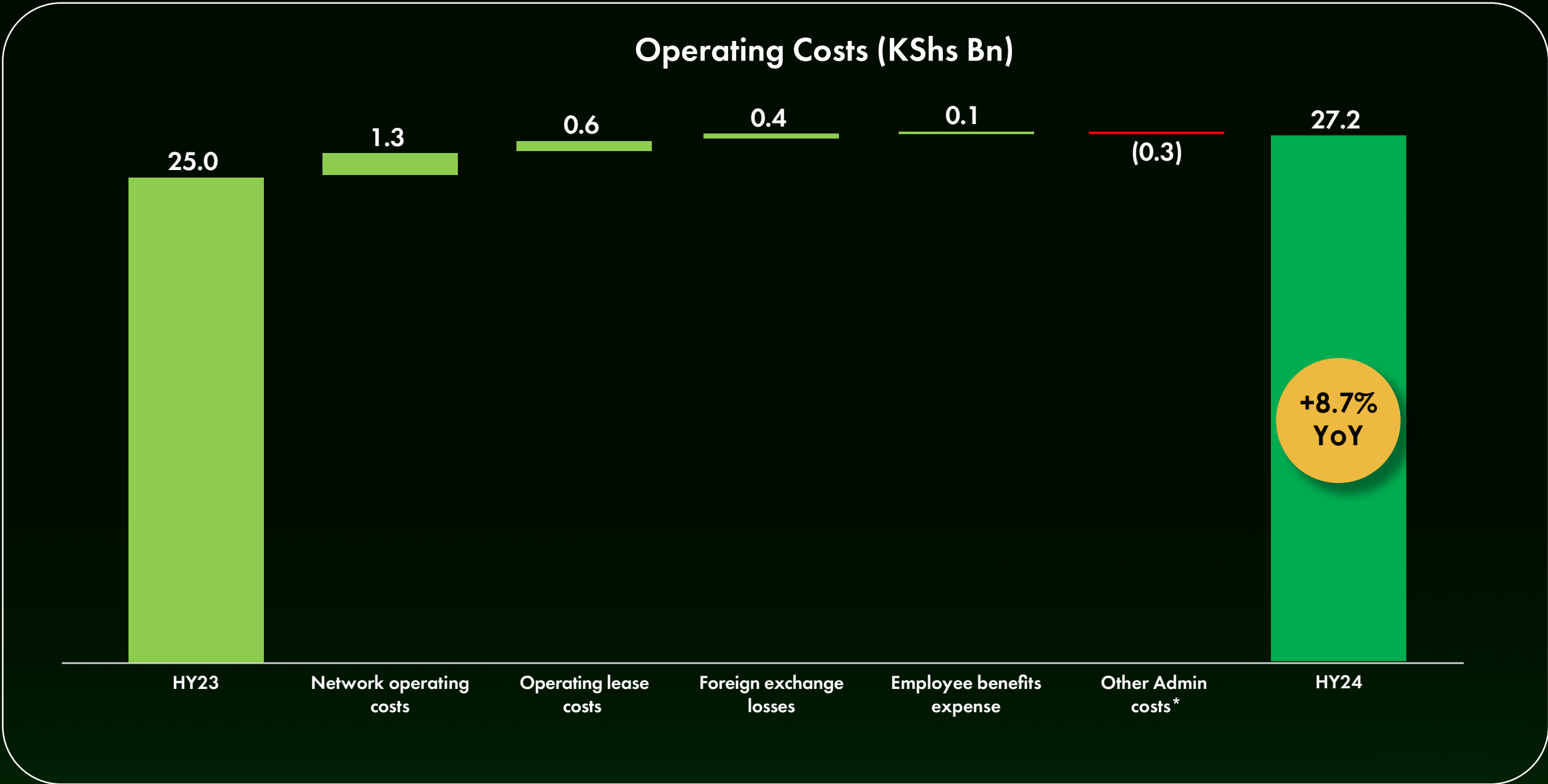
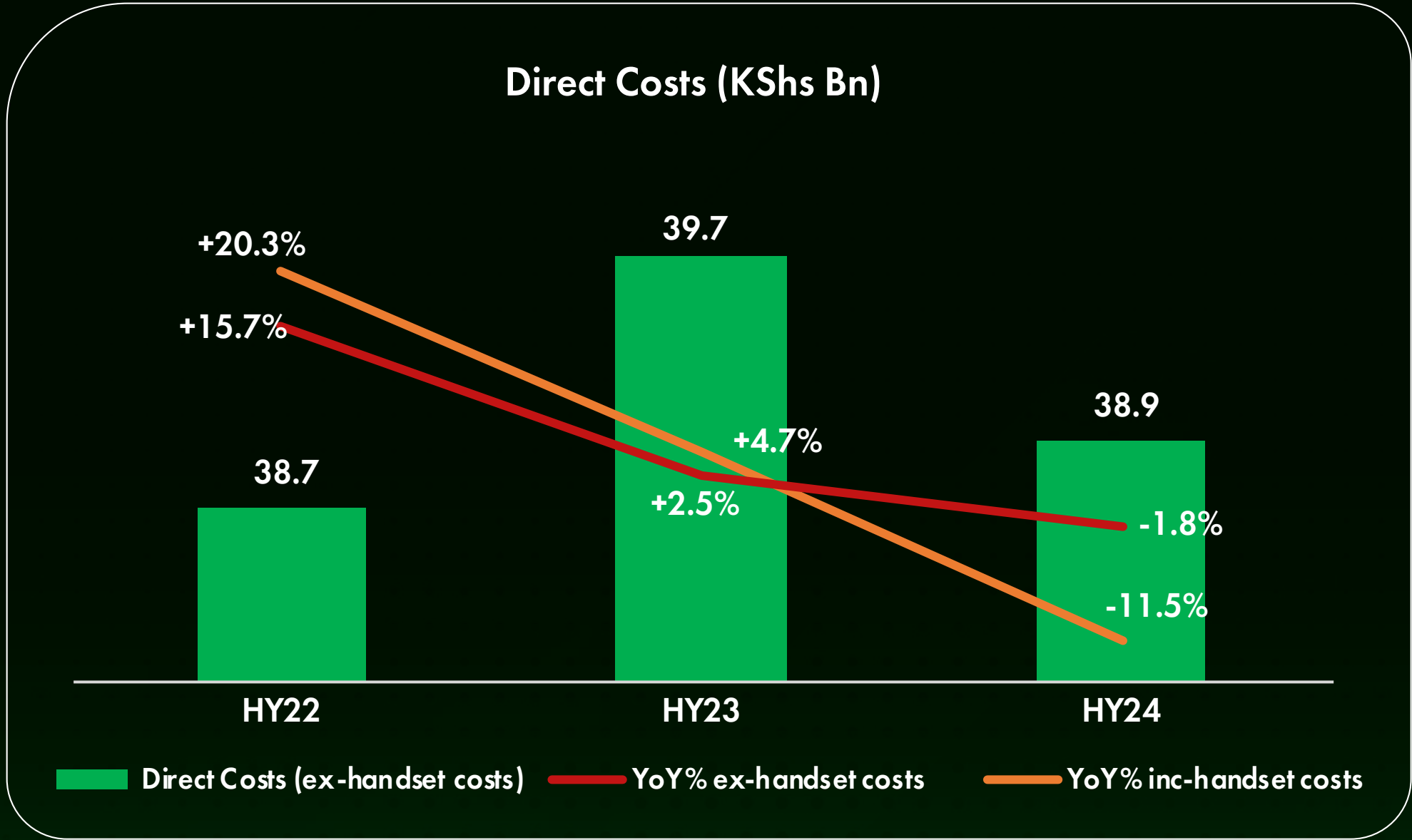
# NEW GROWTH AREAS | Driving Sustainable Revenue Growth



\*This relates to M-PESA revenue and customers on Pochi la Biashara (Wallet for micro/small businesses and vendors), Transacting till for businesses and Merchant overdraft facility.



# COSTS | Navigating a Complex Operating Environment With Addressable Opportunities

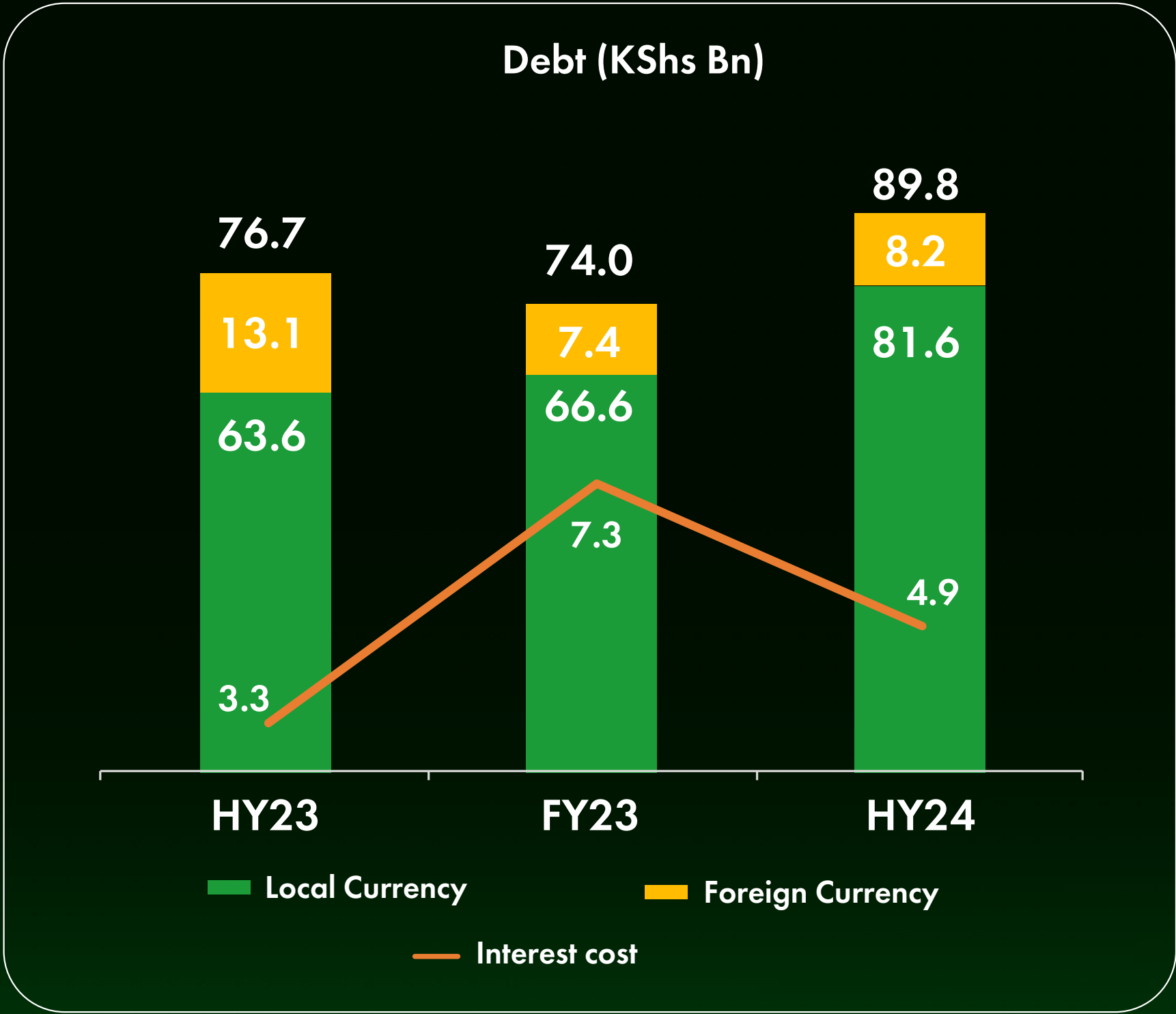
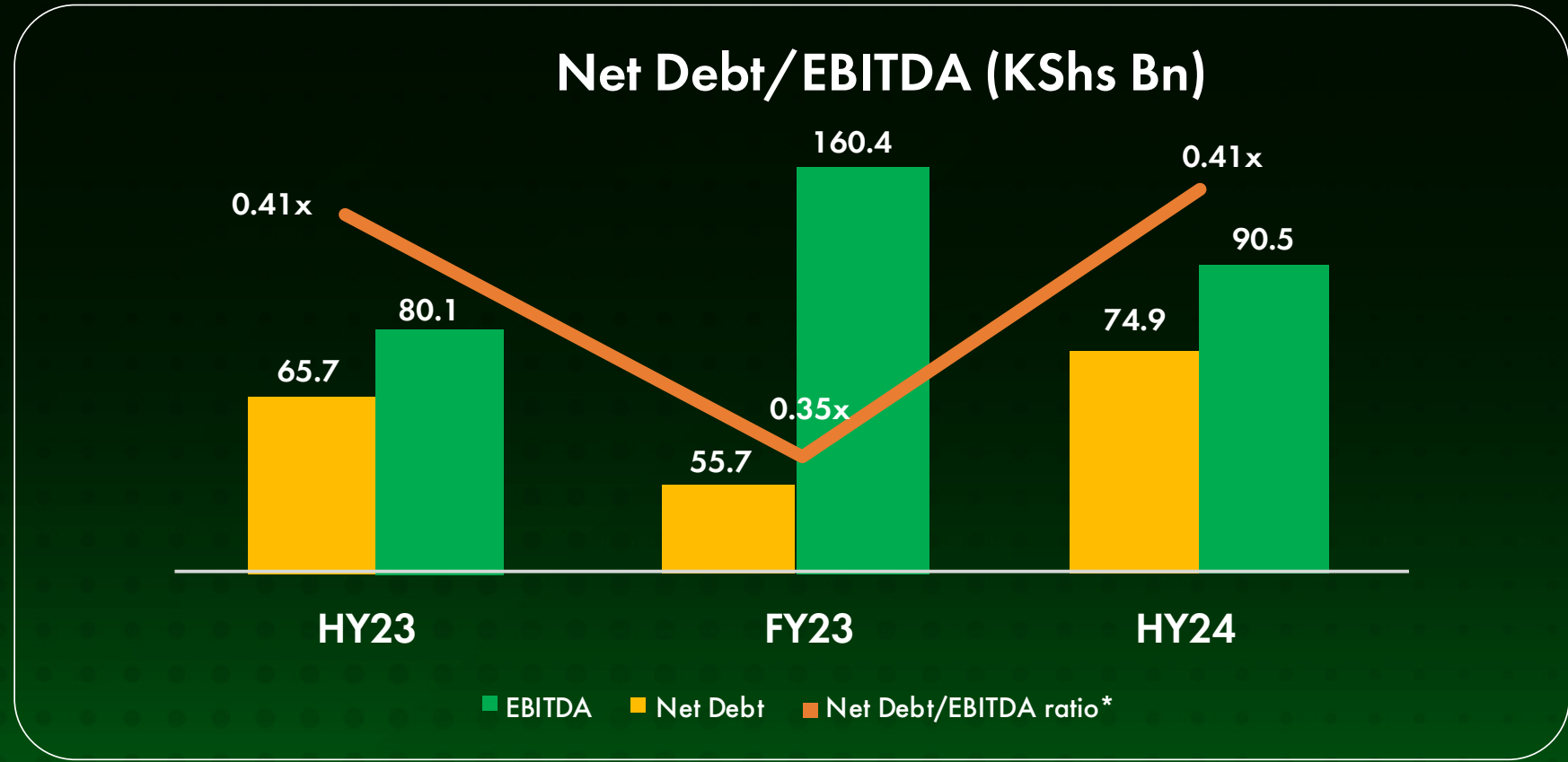


*\*Other admin costs - Sales & Advertising, Travel & Accommodation, Inventory Storage costs, Repairs & Maintenance, Office admin, Consultancy, Computer maintenance & Auditors remuneration*



# DEBT & FINANCE COSTS | Growing Finance Costs on the Back of Increased Interest Rates

Net Debt (KShs Bn)			
	HY23	FY23	HY24
Cash & Cash Equivalents	11.0	18.3	14.9
Short term borrowings	(32.5)	(35.5)	(43.7)
Long term borrowings	(44.2)	(38.5)	(46.1)
Net Debt	(65.7)	(55.7)	(74.9)



\*Net Debt/EBITDA ratio is calculated on annualised EBITDA



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

	HY20	HY21	HY22	HY23	HY24
Contribution Margin %	71.1%	68.2%	68.9%	68.6%	72.8%
EBITDA Margin %	52.8%	51.1%	53.1%	52.2%	55.9%
EBIT Margin %	38.8%	36.3%	39.8%	38.1%	41.5%
OPEX Intensity	18.3%	17.1%	15.8%	16.3%	16.8%
CAPEX Intensity	14.0%	18.3%	13.5%	11.8%	15.1%
Net Debt to EBITDA ratio <sup>1</sup>	0.00	0.13	0.35	0.41	0.41
ROCE <sup>1</sup>	84.9%	68.6%	79.2%	56.6%	55.3%

These are Safaricom Kenya Numbers  
<sup>1</sup>Annualised



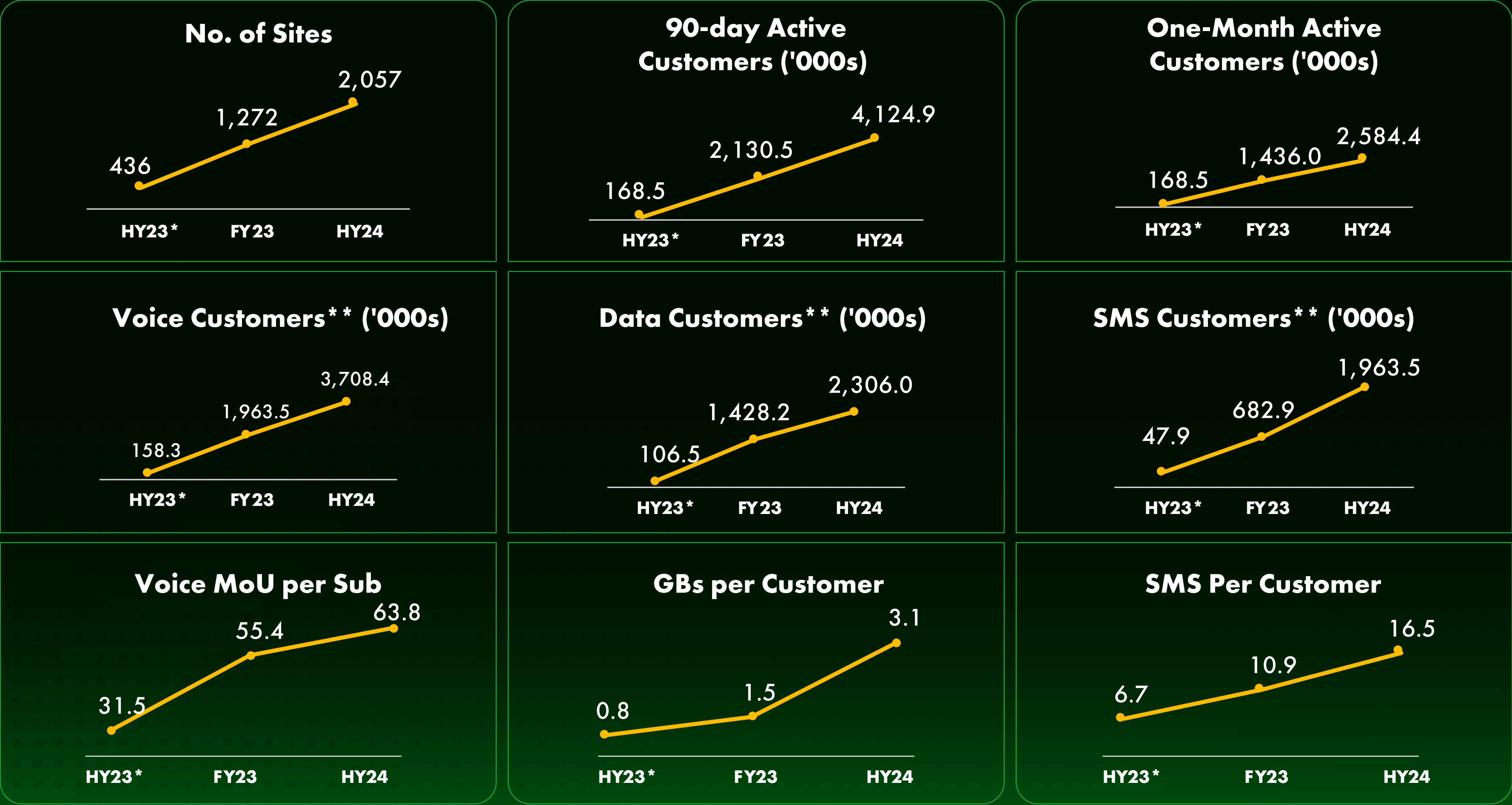


# FINANCIAL PERFORMANCE

SAFARICOM ETHIOPIA



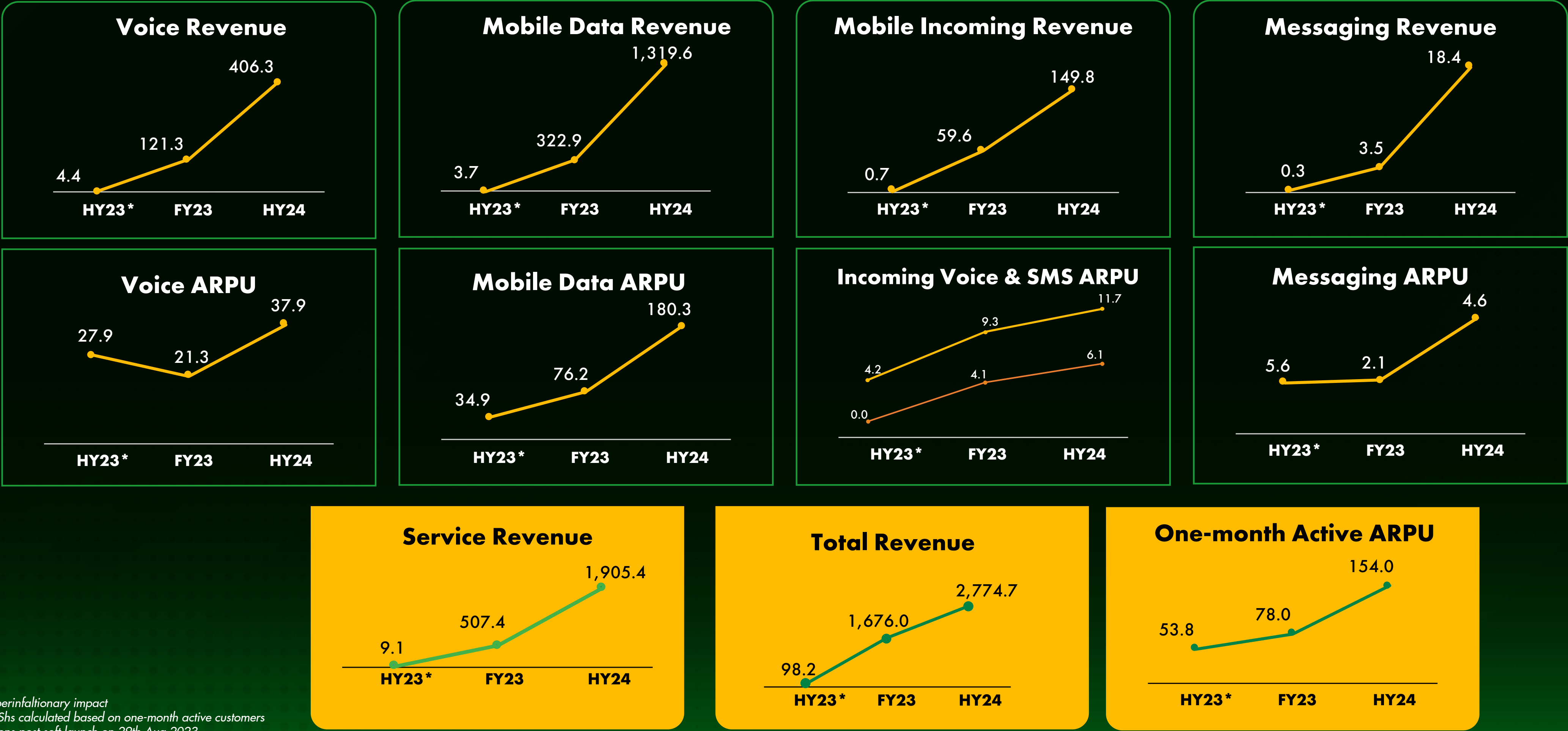
# CUSTOMERS & USAGE | Encouraging Momentum in the Second Full Half Post Launch



\*HY23 represents one month of operations post soft launch on 29th Aug 2023  
\*\*90-day active customers



# REVENUE & ARPU | Tracking as per Plan



Revenues are in KShs Mn excluding hyperinflationary impact  
Average Revenue per User (ARPU) in KShs calculated based on one-month active customers  
\*HY23 represents one month of operations post soft launch on 29th Aug 2023



# ETHIOPIA PERFORMANCE | Funding and Medium Term Outlook

## Funding Status

- Equity
- Deferred vendor payments
- Third party financing (DFI, Local Banks)
  
- Total Funding as at HY24 by;
  - Shareholders\*  
Y1 to HY24; USD 1,614Mn
  - Safaricom PLC  
Y1 to HY24; USD 833Mn

## Capex Investment

5YR Plan;  
USD 1.5-2.0Bn

2.5 YRS Actual- USD 668.6Mn

10Yr Sites Rollout Target;  
10-12k  
As at HY24; 2,057

## EBITDA break-even in Y4 (FY26)

EBITDA Margin Y10 est. at  
around 40%

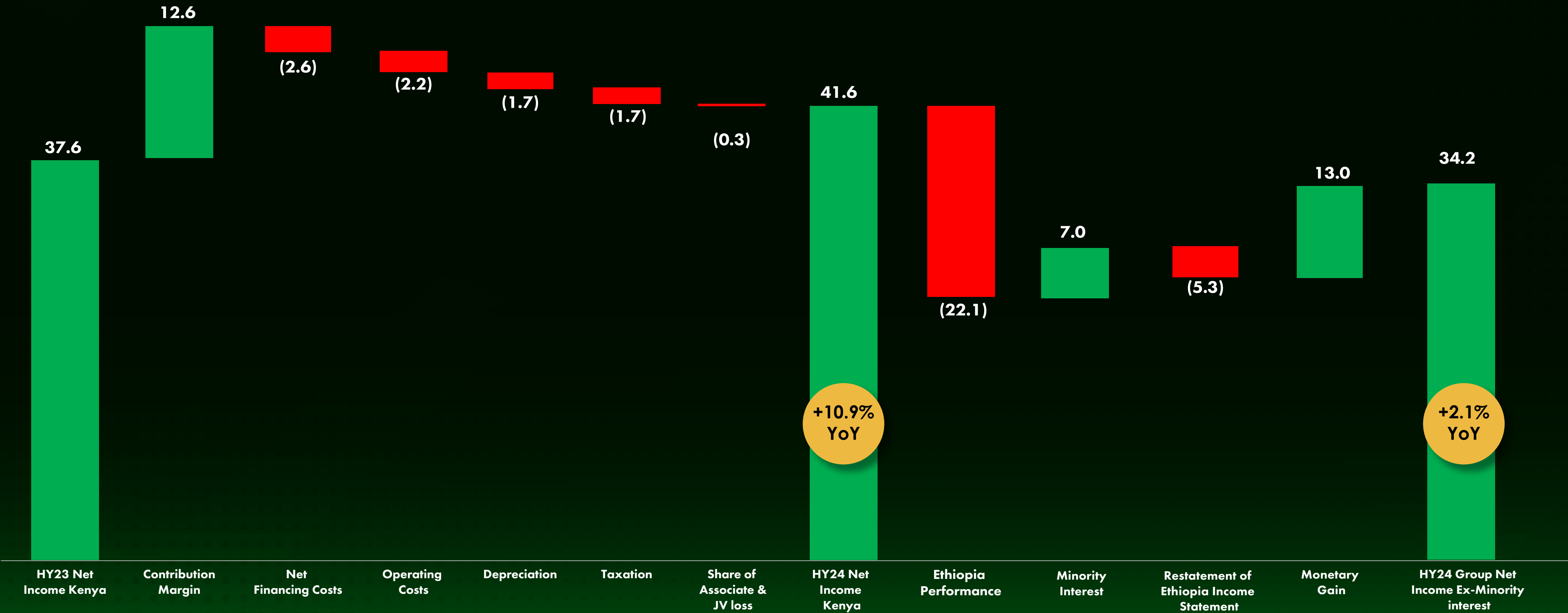
### Enablers

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 (51.67%), Vodacom Group (5.74%), Sumitomo Corporation (25.23%), British International Investment  
(formerly CDC Group PLC) (10.11%) and IFC (7.25%).



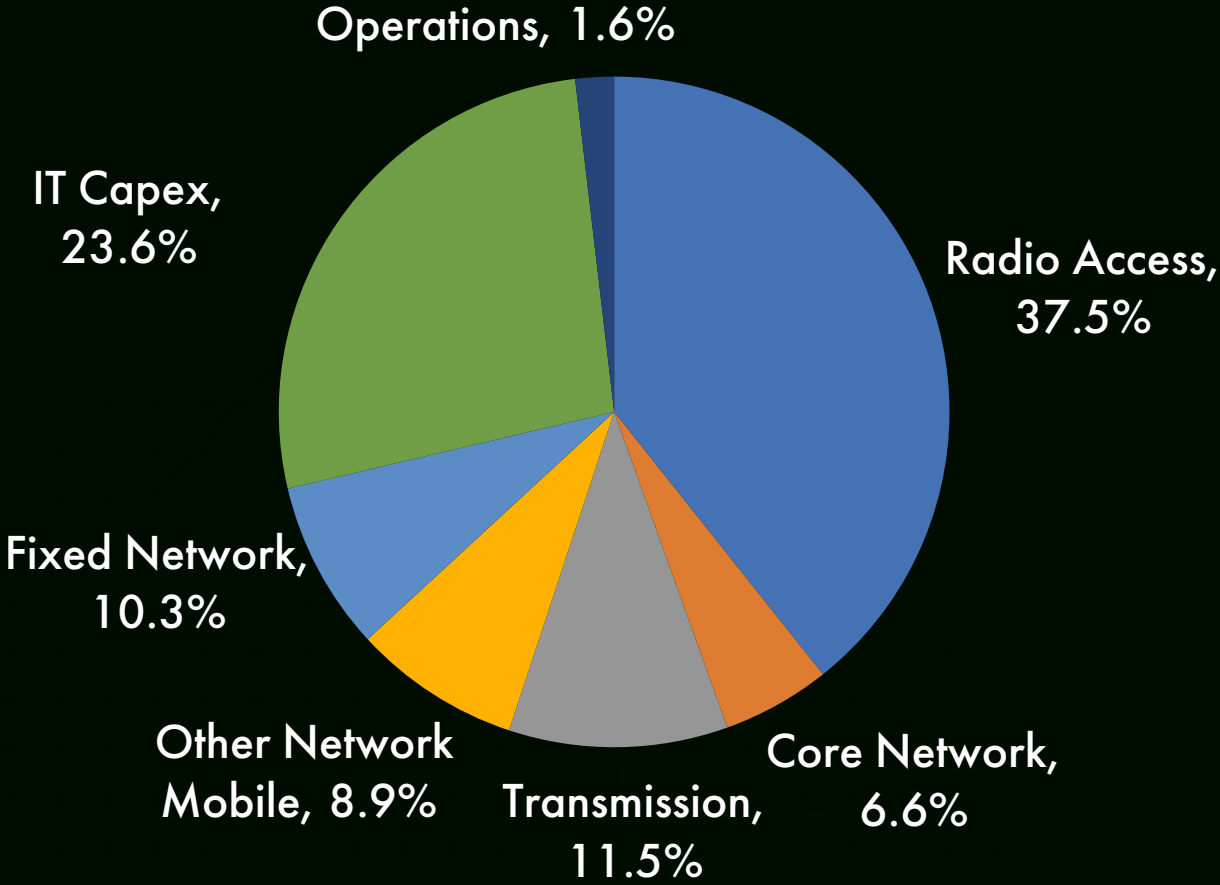
# GROUP NET INCOME | Growth Excluding Minority Interest



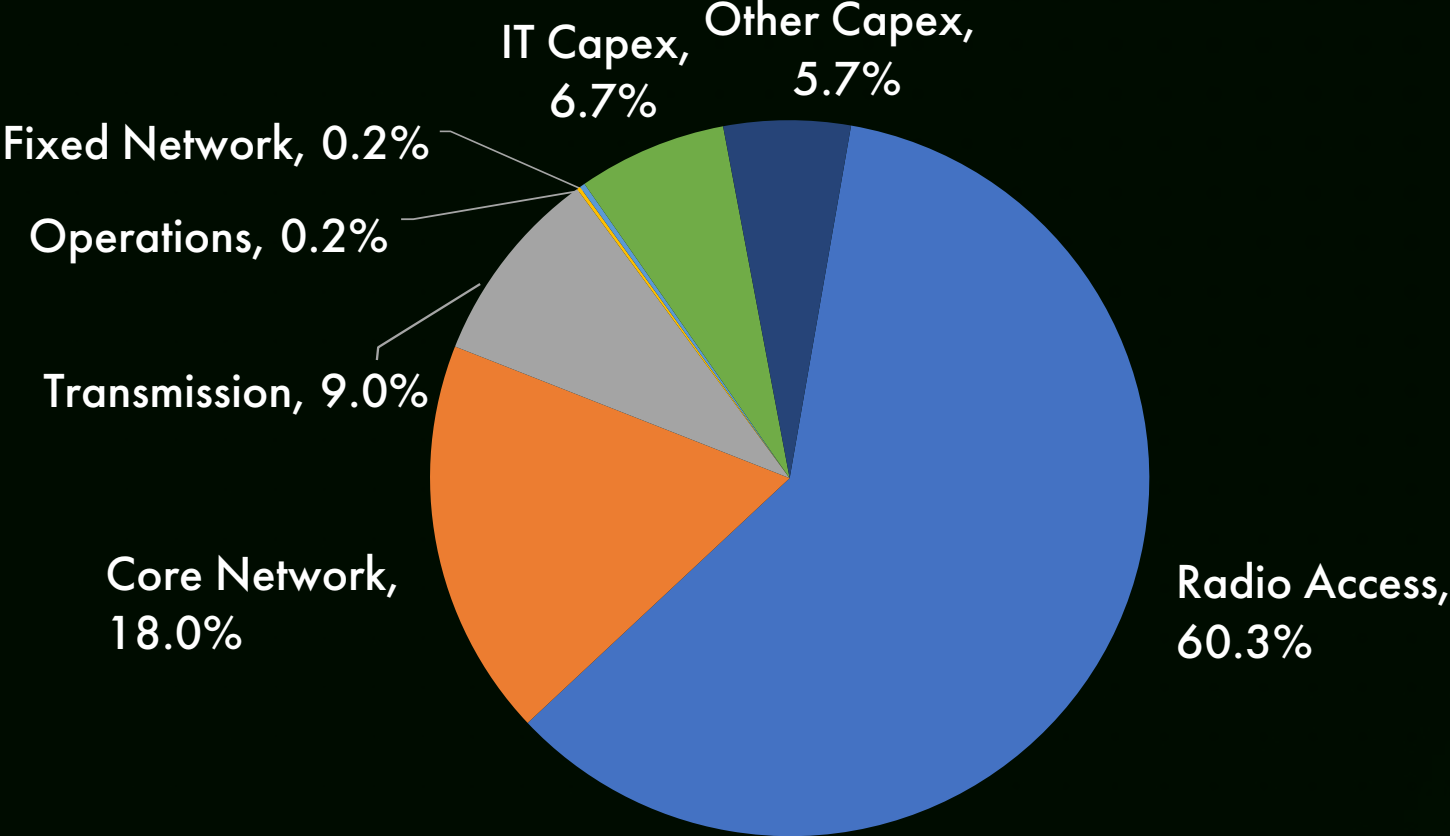


# CAPEX | Sustained Investment to Support Network Expansion in Ethiopia

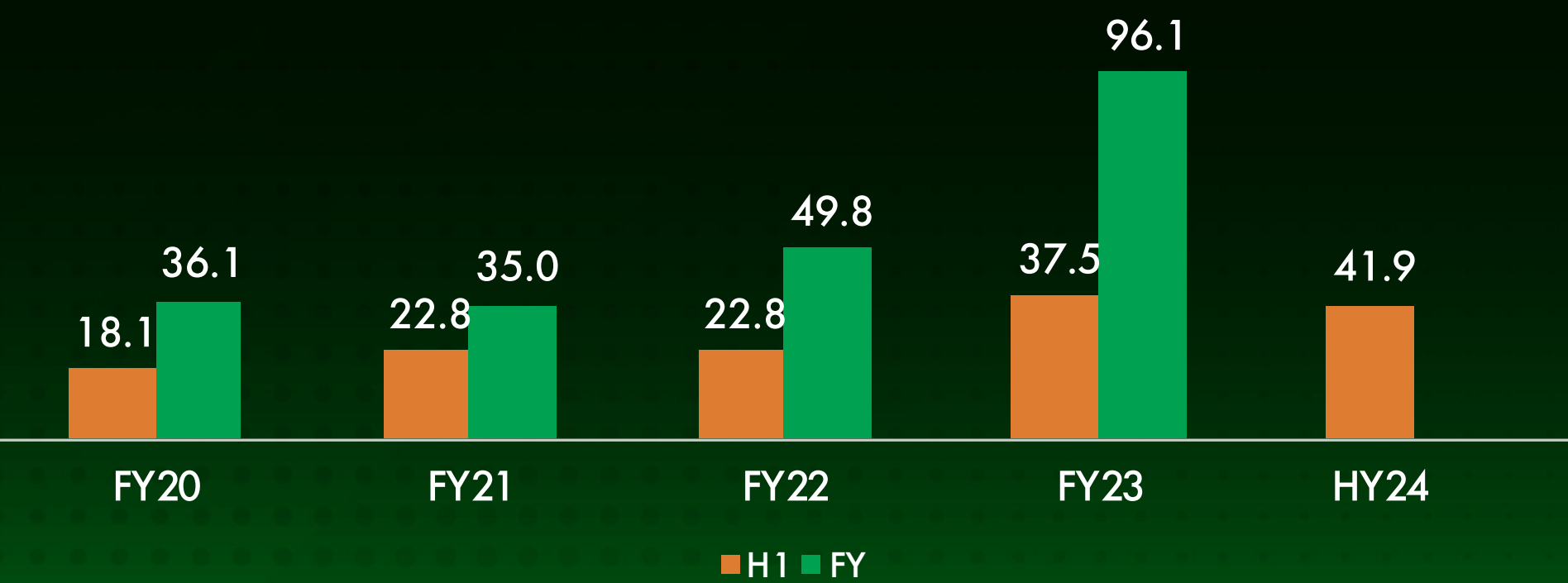
HY24 Capex Split - Kenya



HY24 Capex Split - Ethiopia



Group Capex (KShs Bn)



 Kenya 24.4 Bn +  Ethiopia 17.4 Bn = 41.9Bn\*

\*Excludes hyperinflationary impact



# HY24 GROUP PERFORMANCE

	Safaricom Kenya (KShs Mn)	Safaricom Ethiopia (KShs Mn)	Safaricom Group (KShs Mn)	Safaricom Kenya % YoY	Safaricom Ethiopia % YoY	Safaricom Group % YoY	Group Constant Currency % YoY
Service Revenue	157,184.5	1,975.5	159,135.9	8.5%	>100.0%	9.9%	9.9%
<b>Total Revenue</b>	<b>161,750.9</b>	<b>2,889.9</b>	<b>164,616.8</b>	<b>5.5%</b>	<b>&gt;100.0%</b>	<b>7.3%</b>	<b>7.3%</b>
Direct Costs	41,265.9	3,156.9	44,398.7	(14.2%)	>100.0%	(5.2%)	(5.2%)
<b>Contribution Margin</b>	<b>117,681.3</b>	<b>(267.3)</b>	<b>117,414.0</b>	<b>12.0%</b>	<b>&gt;100.0%</b>	<b>11.8%</b>	<b>14.5%</b>
Operating costs	(27,186.9)	(10,450.7)	(37,741.1)	8.7%	76.7%	21.9%	18.8%
<b>Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)</b>	<b>90,494.4</b>	<b>(10,806.5)</b>	<b>79,672.9</b>	<b>13.0%</b>	<b>78.0%</b>	<b>7.6%</b>	<b>8.8%</b>
Depreciation, impairment & amortisation	(23,381.8)	(14,844.4)	(38,226.1)	7.7%	>100.0%	67.7%	66.7%
<b>Earnings before Interest and Tax (EBIT)</b>	<b>67,112.6</b>	<b>(25,650.9)</b>	<b>41,446.8</b>	<b>14.9%</b>	<b>&gt;100.0%</b>	<b>(19.1%)</b>	<b>(17.6%)</b>
Hyperinflation net monetary gain*	0.0	13,027.4	13,027.4	0.0%	>100.0%	>100.0%	>100.0%
<b>Profit/ (loss) after tax excluding Minority Interest</b>	<b>41,631.4</b>	<b>(7,459.5)</b>	<b>34,164.6</b>	<b>10.9%</b>	<b>&gt;100.0%</b>	<b>2.1%</b>	<b>3.7%</b>
<b>Capex**</b>	<b>24,443.0</b>	<b>17,449.1</b>	<b>41,892.1</b>	<b>35.5%</b>	<b>-10.4%</b>	<b>11.7%</b>	<b>4.4%</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. Average ETB/KShs exchange rate is at 2.564.

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



A man with a beard, wearing a green textured shirt, stands on a balcony overlooking a city skyline. He is holding a green fruit in his hand. The city features various skyscrapers and buildings under a clear sky. A green rectangular box with rounded corners is overlaid on the image, containing the text 'LOOKING AHEAD' in white capital letters.

# LOOKING AHEAD



# IN CONCLUSION | Great Commercial Momentum in H1



Strong Kenya performance



Gaining commercial momentum in Ethiopia



M-PESA Launch in Ethiopia



Partner in digitizing Kenya



Delivered value for our customers



Launched device assembly plant



# H2 FY24 FOCUS | Priority Actions to Deliver Strategy Ambition



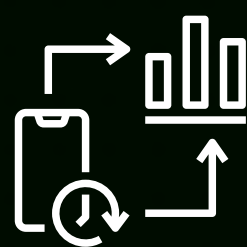
## Continued Customer Focus

*(Digitizing customer journeys; world class network experience)*



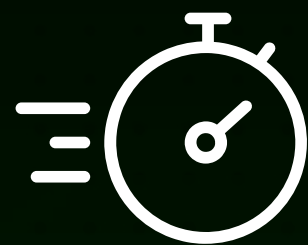
## New Growth Areas Acceleration

*(.e.g. Fiber, IoT, ICT, Insurance, Wealth Management)*



## Digital Transformation

*Building Tech Capabilities .e.g. AI/Big data/Analytics and giving access to 4G devices*



## Productivity

*(Operating model, smart procurement & process simplification)*



## Public Sector Digitisation

*(#1 Technology Partner of Choice)*



## Scale Ethiopia Operations

Accelerate Network roll-out & M-PESA



# FY24 GUIDANCE | Upward Revision

All numbers are in KShs

## Kenya

### Initial

EBIT: 117-120Bn  
Capex: 42-45Bn

### Revised

EBIT: 129 - 132Bn  
Capex: 45 - 48Bn

## Group

### Initial

EBIT: 75 - 81 Bn  
Capex: 82 - 90Bn

### Revised

EBIT: 87 - 93Bn  
Capex: 85 - 93Bn

## Ethiopia- Guidance remains unchanged

EBIT: (42 - 39)Bn  
Capex: 40 - 45Bn

**\*Ethiopia Guidance Assumptions**

- **EBIT** ▪ Accelerate M-PESA in H2, Mobile customers target of 7Mn 90-day customers, MTR Rate unchanged, 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





**THANK  
YOU!**

HY24 Investor  
Presentation



# CORPORATE INFORMATION

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## Registrars

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Loita Street P.O. Box 928-00100, Nairobi  
Telephone: +254 709 170 000 Email;  
Info@image.co.ke Website: [www.image.co.ke](http://www.image.co.ke)

## Investor Relations

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6218/4233/4746 Email:  
investorrelations@safaricom.co.ke Website:  
[www.safaricom.co.ke/investor-relations](http://www.safaricom.co.ke/investor-relations)

## Auditors

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Road P.O. Box 44286-00100, Nairobi  
Telephone: +254 20 2886000

## Upcoming Updates

### FY24 Results

May 2024

### Safaricom Investor Day- Ethiopia Edition

22<sup>nd</sup> - 23<sup>rd</sup> February 2024

### Safaricom Ethiopia Q3 Update

January 2024

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Visit our website for more information

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





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