

**SAFARICOM PLC**

# RESULTS BOOKLET

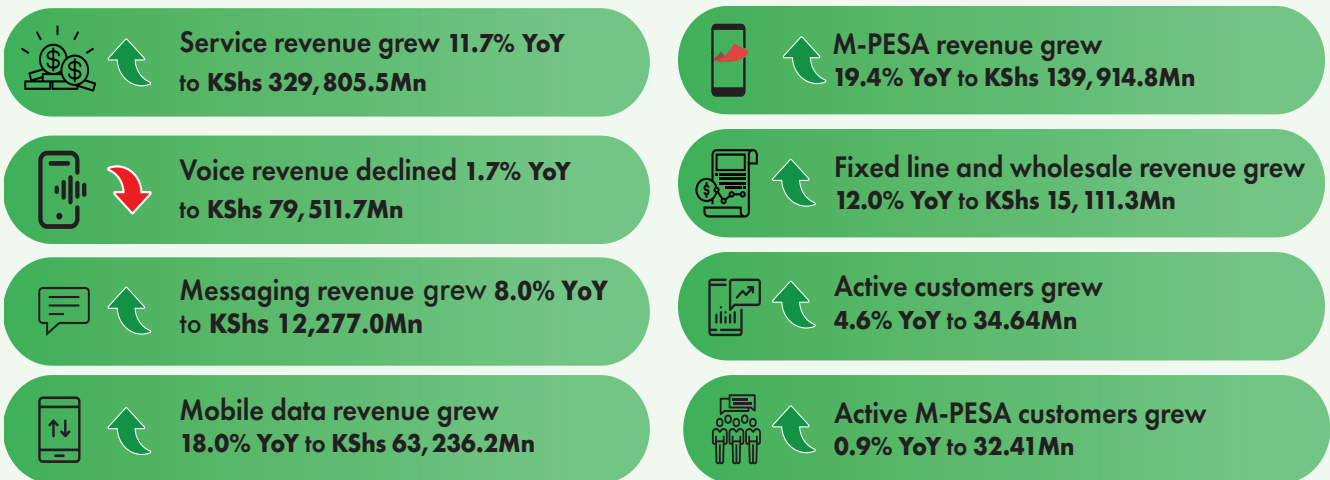
**AUDITED RESULTS FOR THE YEAR  
ENDED 31 MARCH 2024**

# SAFARICOM PLC

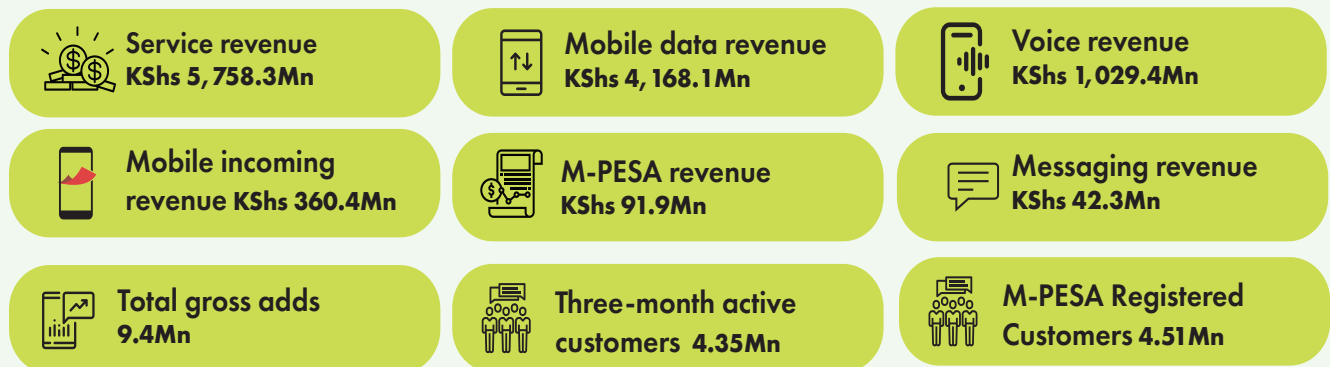
AUDITED RESULTS FOR THE YEAR ENDED 31 MARCH 2024

## Key Highlights

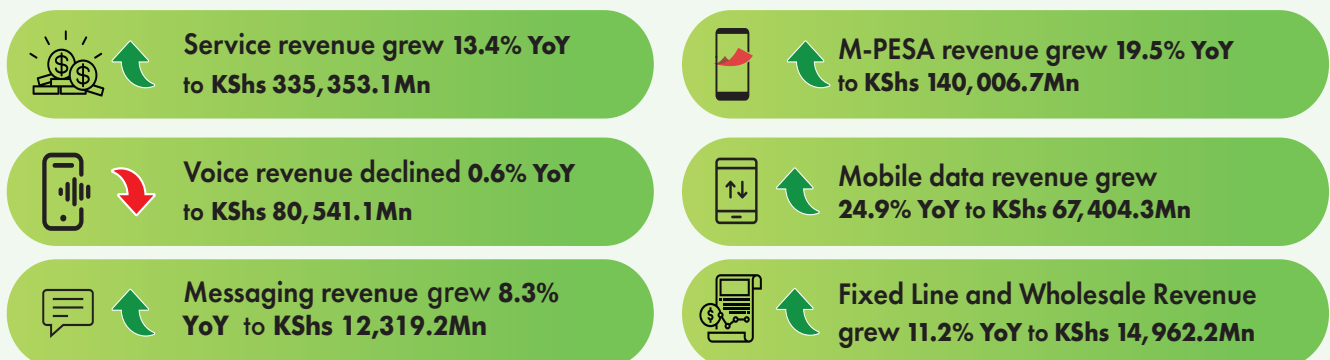
### Safaricom Kenya Performance



### Safaricom Telecommunications Ethiopia (STE) Performance



### Safaricom Group Performance



## Peter Ndegwa, Safaricom PLC CEO commented:



### **Economic outlook**

In the financial year 2024 (FY24), we delivered a strong set of results amidst a challenging economic landscape that was characterized by currency fluctuations, inflationary pressures, geopolitical tensions, and global market volatility.

The business demonstrated resilience in the face of these economic headwinds, showcased by revenue growth and an improved bottom line. We were well positioned to capitalise on opportunities arising from digitizing our customers across consumer propositions and financial services. We continuously invested in innovation, infrastructure, and partnerships to drive sustainable growth and deliver value to our customers and for the company.

### **Environment, Social and Governance (ESG)**

During the year, we continued to embed the Environmental, Social, and Governance (ESG) framework in our operations.

As part of these efforts, we announced a KShs 15 billion sustainability linked loan (SLL), which was the first of its kind and the largest ESG-linked debt facility undertaken in East Africa.

This funding will unlock our ability to create more diversified investments, support our investments in innovative technologies and allow us to manage our ESG footprint. We also continued to actively install solar power equipments in our network, with an aim to convert 5,000 sites by 2025.

### **Investing in the communities we serve**

Through Safaricom Foundation and M-pesa Foundation, we have built a footprint across the country, benefiting millions of Kenyans. During this Year, Safaricom Foundation celebrated 20 years of transforming lives through investments in health, education and economic empowerment, while M-PESA Foundation, which was founded in 2010, continued to provide long-lasting, transformative impact through large scale projects. Through Ndoto Zetu (translated to 'Our Dreams' in English), Safaricom Foundation empowered hundreds of individual Kenyans to make a tangible difference in their community through small projects.

Further, through the Safaricom Foundation, we impacted 1.5 million lives in the community with projects focused on health, economic empowerment, agriculture, and education during the year.

### **The Chapa Dimba Series**

On the sports side, Safaricom Chapa Dimba (translated to 'Playing Football' in English) enabled thousands of young players across the country, both boys and girls, to showcase their talents. The fabric of this brand has been tailored on amazing brand experience platforms in both sports and music that not only connect with our customers but help them realize their untapped potential to make their dreams come true.

It has been one year since we kicked off Season 4 of Safaricom Chapa Dimba, a national grassroots football platform and we have witnessed the magical transformative power of football over the years since we launched in 2018. The aim of the platform is to provide youth aged 16-20 years (both boys and girls), the opportunity to showcase their talent. 2 seasons in, we saw great talent coming through and getting scouted to join Kenya Premier League teams and some getting opportunities internationally.

Post COVID, in April 2023 we came back with a mission to elevate the game bringing to life our purpose in transforming lives. Amplified under our campaign message 'Cheza Kama Wewe' over 4,000 games were played across Kenya from grassroot level, spanning 8 regions. An impressive 3,353 teams and 60,354 players participated in this seasons tournament.

As a brand we are 'tech adventurous culture shapers' and we introduced the use of GPS Sports vests powered by AI which captured over 1,250 data points per second, computed both volume and intensity metrics in real time with the aim of providing useful insights and football profile reports to 1,034 players. This will enable them to be able to have useful statistics to improve the quality of their game and provide this to potential scouts.

It was not just about the game – we engaged with various Kenya communities as we moved across the country with our health and economic empowerment initiatives with free medical camps reaching over 30,958 individuals, and digital and financial literacy training in partnership with Britam and Google reaching over 4,270 people. We are proud of the impact made both on and off the field this season.

### **Supporting a digital Kenya and creating digital societies**

We are working closely with the public sector and relevant industry stakeholders to provide connectivity, infrastructure development such as cloud and fiber, financial technology, and affordable smartphones to Kenyans.

In Agriculture, we digitized the roll out of the revolutionary fertilizer subsidy program to over 3.3 million farmers in 41 counties across the country. Under the Financial Inclusion programs, over 22 million Kenyans have benefited from the Hustler and Women Enterprise Fund through which we facilitate access to affordable credit. In partnership with TeleOne and Jamii Telecommunications Limited, we launched a smartphone device assembly in Kenya (East Africa Device Assembly Kenya) to accelerate the access and penetration of affordable 4G devices in the country.

In health, we are partnering with the National Government of Kenya to support county governments in strengthening community health services through the Afya Bora Mashinani program. As the technology partner, we are committed to providing connectivity, infrastructure to store the data, cybersecurity solutions to ensure data integrity and safety, and call center support amongst other services to the program. We continue to support these initiatives as the technology partner of choice in public services for the benefit of all Kenyans.

### **Ethiopia**

We are proud of the success that Safaricom Telecommunications Ethiopia PLC has achieved in the one and half years of operations to date. Our focus on scaling operations for Ethiopia's digital future has been instrumental in driving our growth, and we remain committed to leveraging our expertise and resources to continue establishing ourselves as a key player in the Ethiopian telecommunications landscape.

We have sustained the commercial momentum, driven by steady network rollout, now covering 40% of the population in Ethiopia, and growth of customers to over 9.4 million gross additions since inception. Additionally, M-PESA already has over 4.5 million registered customers and is growing rapidly.

Leveraging innovation and our commitment to delivering high-quality services, including reliable internet connectivity, we are poised to empower individuals, businesses, and communities across Ethiopia.

### **FY25 Guidance**

We are pleased with the results delivered for FY24 despite the tough operating environment brought about by macroeconomic challenges. We continued to pursue our strategic goal for the year which was to scale technology solutions in order to be Africa's leading purpose-led technology company by 2030.

As part of our strategic goals, we have focused on leveraging technology and driving customer innovation to offer relevant products, services and solutions to meet their needs. During the year, we launched 'Gomoka na Go Monthly' promotion ensuring that customers can enjoy more data for less, cushioning them against the current challenging economic times.

We remain committed in protecting our shareholder value by achieving a strong performance in Kenya and making great milestones in Ethiopia. In line with our goal to accelerate new growth areas by developing scalable businesses in these areas, we launched M-PESA in Ethiopia in August 2023.

In FY25, we expect Group EBIT to be in the range of KShs 103-109Bn and Group Capex to be KShs 73-79Bn. EBIT guidance for Kenya is expected to be in the range of KShs 149-152Bn and Ethiopia EBIT loss in the range of KShs 46-43Bn. Capex guidance for Kenya is expected to be in the range of KShs 52 - 55Bn.

### **Looking forward**

We will continue to drive value for our shareholders and establish a sustainable business on our pathway to be Africa's leading purpose-led technology company by the end of 2030. I thank our board, management, staff, business partners, regulators and the Governments of Kenya and Ethiopia who enable us to continue providing services that keep the two countries running. I also appreciate our customers who remain at the core of everything we do.

We believe that our business is well positioned to unlock Kenya and Ethiopia's economic growth, solve customer and societal issues as well as deepen financial inclusion in both countries.

## Dilip Pal, Safaricom PLC CFO commented:



### Business Review - Group

We are pleased with our performance in FY24 despite the tough operating environment compounded by rising inflation adversely affecting our customers disposable income. Our Group Service revenue grew 13.4% year on year (YoY) to KShs 335.35Bn in FY24 mainly supported by M-PESA, Mobile Data and Fixed revenues. Overall Group customers grew 6.8% YoY to 49.02Mn while one-month active customers grew by 9.1% YoY to 37.70Mn. Safaricom Kenya's overall market share stood at 65.9% as at December 2023. Group Net Income attributable to owners of the Company grew 1.2% YoY to KShs 62.99Bn.

### Business Review – Kenya

#### Voice and Messaging

Voice revenue declined by 1.7% YoY to KShs 79.51Bn reflecting the global impact of the downward trend of voice service. We continue to offer better integrated and segmented propositions through our Customer Value Management (CVM) initiatives to drive affordability and usage. During the period, rate per min declined 12.7% YoY to KShs 1.25 while minutes of

use per subscriber rose 15.9% YoY to 189.41 minutes. Messaging grew 8.0% YoY to KShs 12.28Bn supported by 8.0% growth in ARPU to KShs 47.33. Voice and messaging revenue are now 28.1% of service revenue.

#### M-PESA

M-PESA revenue grew strongly by 19.4% YoY to KShs 139.91Bn driven by increased usage. Chargeable transactions per one-month active customers rose 33.9% YoY to 31.51 Mn while ARPU grew 16.1% YoY to KShs 361.32. Total transaction value rose 9.6% YoY to KShs 40.24Trn while volumes grew 33.9% YoY to KShs 28.33Bn.

One-month active M-PESA customers grew 0.9% YoY to 32.41Mn. Lipa Na M-PESA active merchants grew 4.3% YoY to 633.01k while pochi tills stood at 632.68k as at the end of FY24. M-PESA now accounts for 42.2% of service revenue, further complementing traditional voice and messaging services.

#### Mobile Data

Mobile data revenue recorded a double-digit growth of 18.0% YoY to KShs 63.24Bn while ARPU grew marginally by 1.5% YoY to KShs 242.71. We continue to leverage price transformation, transparency, and personalised offers through CVM initiatives to enhance affordability on our data offerings. Data usage per chargeable subscriber increased by 6.4% YoY to 3.79GB while distinct bundle users grew 13.8% to 19.69Mn. Average rate per MB declined further by 4.6% YoY to 6.40cents during the period.

We continue to drive the penetration of 4G-enabled mobile devices through our device financing program while providing the right content to encourage usage. The number of smart phones on our network grew by 12.9% YoY to 22.93Mn. 4G devices grew by 27.5% YoY to 16.85Mn with 49.7% using more than 1GB while 5G devices rose by 79.3% YoY to 669.71k. Mobile data now accounts for 19.2% of Service Revenue.

#### Fixed service and Wholesale transit

Fixed service and wholesale transit revenue grew by 12.0% YoY to KShs 15.11Bn supported by growth in consumer revenue which rose 31.1% to KShs 6.48Bn and 0.9% YoY growth in Enterprise revenue to KShs 8.63Bn. Our fixed data market share stood at 36.7% as at December 2023 as per Communications Authority of Kenya. Fibre to the home (FTTH) and fixed enterprise now account for 4.6% of service revenue.

FTTH customers grew 27.0% YoY to 248.57k. FTTH penetration rose to 66.4% with homes connected growing 34.9% YoY to 371.99k while homes passed increased by 20.3% YoY to 560.26k. Fixed Enterprise customers grew by 13.1% YoY to 59.46k

#### Net Income

Net income grew 13.7% to KShs 84.74Bn for Kenya supported by M-PESA, Mobile data and effective cost management initiatives in the period.

## Business Review – Ethiopia

### Voice and Messaging

Voice revenue stood at KShs 1,029.4Mn driven by growing number of customers as we continue to increase our site roll out in the country. One month active Voice customers more than doubled to 3.06Mn while minutes of use (MoU) per subscriber rose 27.4% to 70.57mins. Messaging revenue closed the year at KShs 42.3Mn with 1.1Mn 30-day active SMS customers and SMS per subscriber at 11.6Mn.

### M-PESA

During the year we launched M-PESA in Q2 and in FY24 revenue stood at KShs 87.3Mn with 4.51 Mn registered customers. 25.76k M-PESA agents were onboarded during the period with volume and value transacted at 31.5Mn and KShs 22.9Bn respectively.

### Mobile Data

Mobile Data revenue stood at KShs 4,168.1Mn in FY24 supported by increased usage as ARPU grew to KShs 215.20. Active customers doubled to 1.99Mn during the period while data usage per subscriber grew strongly to 4.32GB driven by accelerated post launch customer onboarding and site roll out.

*Detailed financials for the Group including separate disclosures of our Kenya and Ethiopia business operations are included in this booklet for your review.*

## 1. Key Performance Indicators

### a) Safaricom Kenya

Key Performance Indicators	FY24	FY23	% Change
Total customers (Mn)	44.67	43.75	2.1%
90-day active total customer ARPU*	622.16	572.31	8.7%
One month active customers (Mn)	34.64	33.11	4.6%
One month active customer ARPU*	814.79	750.17	8.6%
Churn (%)	24.9%	26.7%	1.8ppt
<b>Voice</b>			
One month active voice customers (Mn)	28.28	26.19	8.0%
One month active voice customer ARPU*	251.00	248.59	1.0%
<b>M-PESA</b>			
Number of M-PESA agents	262,016	262,309	(0.1%)
Lipa na M-PESA active merchants	633,009	606,662	4.3%
One month active M-PESA customers (Mn)	32.41	32.11	0.9%
One month active M-PESA ARPU*	361.32	311.28	16.1%
Chargeable Transaction per One Month active Customers	31.51	23.54	33.9%
Number of Pochi tills	632,681	292,634.0	>100.0%
Merchant Overdraft Customers	44,797	-	100.0%
Timiza Active Customers	111,113	-	100.0%
M-PESA Visa Card Active Customers	143,383	-	100.0%
Mali Active Customers	119,344	-	100.0%
Value transacted (KShs Trn)**	40.24	36.72	9.6%
Volume transacted (Bn)**	31.60	23.39	35.1%
<b>Mobile Data</b>			
One month active mobile data customers (Mn)	27.59	26.07	5.8%
Distinct Bundle Users (Mn)	19.69	17.31	13.8%
One month active chargeable mobile data customers (Mn)	22.31	19.59	13.9%
Data customers using >1GB (Mn)	10.04	8.85	13.4%
MBs per chargeable Mobile Data subscriber	3,792.61	3,565.25	6.4%
One month active chargeable data ARPU*	242.71	239.04	1.5%
<b>Messaging</b>			
One month active Messaging customers (Mn)	21.51	21.17	1.6%
One month active Messaging customer ARPU*	47.33	43.82	8.0%
<b>Fixed Service</b>			
FTTH Home Customers	248,574	195,741	27.0%
FTTH ARPU*	2,381	2,336	1.9%
Activity rate (active customers/homes connected)	66.8%	71.0%	4.2ppt
Fixed Enterprise customers	59,461	48,373	13.1%
of which LTE	26,616	26,860	(10.4%)
Fixed Enterprise ARPU*	10,928	12,312	(3.8%)
of which LTE	3,394	3,488	(2.7%)
<b>Base Stations</b>			
2G base stations	6,591	6,325	4.2%
3G base stations	6,587	6,316	4.3%
4G base stations	6,528	6,232	4.7%

\* Average Revenue Per User (ARPU) is in KShs.

\*\* Includes Fuliza Numbers

## b) Safaricom Telecommunications Ethiopia (STE)

Key Performance Indicators	FY24	FY23**	% Change
90-day active customers (Mn)	4.35	2.14	>100.0%
90-day active total customer ARPU*	122.85	62.56	96.4%
One month active customers (Mn)	3.06	1.44	>100.0%
One month active customer ARPU*	183.12	78.02	>100.0%
<b>Voice</b>			
90-day active total customers (Mn)	3.53	1.96	80.1%
One month active voice customers (Mn)	2.28	1.24	83.9%
One month active voice customer ARPU*	41.04	21.33	92.4%
<b>M-PESA**</b>			
Number of M-PESA agents (k)	25.76	-	100.0%
Number of merchants (k)	62.70	-	100.0%
Registered M-PESA customers (Mn)	4.51	-	100.0%
Value transacted (KShs Bn)	24.52	-	100.0%
Volume transacted (Mn)	31.48	-	100.0%
<b>Mobile Data</b>			
90-day active total customers (Mn)	2.79	1.43	95.1%
One month active mobile data customers (Mn)	1.99	0.92	>100.0%
One month active chargeable mobile data customers (Mn)	1.99	0.92	>100.0%
MBs per chargeable Mobile Data subscriber	4,321.08	1,507.87	>100.0%
One month active chargeable data ARPU*	215.20	76.19	>100.0%
<b>Messaging</b>			
90-day active total customers (Mn)	1.83	0.68	>100.0%
One month active Messaging customers (Mn)	1.1	0.37	>100.0%
One month active Messaging customer ARPU*	4.0	1.84	117.4%
<b>Base Stations</b>			
2G/3G/4G base stations	2,806	1,272	>100.0%

\*Average Revenue Per User (ARPU) is in KShs excluding hyperinflationary impact. Conversion of ETB to KShs at an average exchange rate of KShs 2.623 to ETB in FY24 (FY23: 2.335)

\*\* This represents 7 months of operations.



## 2. Statement of comprehensive income

KShs Mns	Notes	Group		Company	
		FY24	FY23	FY24	FY23
Voice revenue		80,541.1	81,053.9	79,511.7	80,918.2
Messaging revenue		12,319.2	11,375.6	12,277.0	11,371.7
Mobile data revenue		67,404.3	53,952.4	63,236.2	53,596.0
M-PESA revenue		140,006.7	117,192.2	136,686.9	114,359.7
Mobile incoming revenue		8,567.6	8,109.4	8,252.6	8,056.0
Other mobile service revenue		11,552.0	10,550.8	11,488.9	10,008.2
<b>Mobile service revenue</b>		<b>320,390.9</b>	<b>282,234.3</b>	<b>311,453.3</b>	<b>278,309.8</b>
Fixed line and wholesale transit revenue		14,962.2	13,458.0	15,111.3	13,496.6
<b>Service revenue</b>		<b>335,353.1</b>	<b>295,692.3</b>	<b>326,564.6</b>	<b>291,806.4</b>
Handset revenue and other revenue		10,540.3	11,449.8	8,766.2	10,773.0
Other income		3,553.8	3,762.7	4,386.5	7,900.4
<b>Total revenue</b>		<b>349,447.2</b>	<b>310,904.8</b>	<b>339,717.3</b>	<b>310,479.8</b>
Direct costs	5.a	(97,046.9)	(92,232.1)	(89,261.9)	(89,363.4)
Expected credit loss (ECL) on financial assets		(5,807.4)	(4,725.3)	(6,073.4)	(4,925.3)
<b>Contribution margin</b>		<b>246,592.9</b>	<b>213,947.4</b>	<b>244,382.0</b>	<b>216,191.1</b>
Contribution margin %		70.6%	69%	71.9%	69.6%
Other operating expenses	5.b	(83,300.3)	(74,085.0)	(59,146.1)	(53,118.7)
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>		<b>163,292.6</b>	<b>139,862.4</b>	<b>185,235.9</b>	<b>163,072.4</b>
EBITDA margin %		46.7%	45%	54.5%	52.5%
Depreciation & amortisation		(82,947.8)	(54,865.0)	(46,945.2)	(44,001.7)
<b>Operating profit (EBIT)</b>		<b>80,344.8</b>	<b>84,997.4</b>	<b>138,290.7</b>	<b>119,070.7</b>
Operating profit margin %		23.0%	27.3%	40.7%	38.4%
Net finance cost		(16,641.5)	(7,087.1)	(13,106.5)	(10,012.3)
Fair value adjustment to investmet properties		-	90.0	-	90.0
Share of associate & joint venture loss		(1,379.1)	(38.2)	(1,379.1)	(38.2)
Hyperinflationary monetary gain		22,363.2	10,383.1	-	-
<b>Profit before income tax</b>		<b>84,687.4</b>	<b>88,345.2</b>	<b>123,805.1</b>	<b>109,110.2</b>
Income tax expense		(42,029.0)	(35,862.4)	(41,151.3)	(34,170.6)
<b>Profit after tax</b>		<b>42,658.4</b>	<b>52,482.8</b>	<b>82,653.8</b>	<b>74,939.6</b>
<b>Attributable to:</b>					
Equity holders of the parent		62,991.7	62,268.9	82,653.8	74,939.6
Non-controlling interests		(20,333.3)	(9,786.1)	-	-
<b>Profit for the year</b>		<b>42,658.4</b>	<b>52,482.8</b>	<b>82,653.8</b>	<b>74,939.6</b>
<b>Basic and diluted earnings per share (EPS) *</b>		<b>1.57</b>	<b>1.55</b>	<b>2.06</b>	<b>1.87</b>
<b>Profit for the year</b>		<b>42,658.4</b>	<b>52,482.8</b>	<b>82,653.8</b>	<b>74,939.6</b>
<b>Other comprehensive income/(loss):</b> <i>Items that will subsequently be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of foreign operations**		(7,278.1)	10,260.0	-	-
<b>Other comprehensive (loss)/ income for the year</b>		<b>(7,278.1)</b>	<b>10,260.0</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>35,380.3</b>	<b>62,742.8</b>	<b>82,653.8</b>	<b>74,939.6</b>
<b>Attributable to:</b>					
Equity holders of the parent		59,230.9	67,984.7	82,653.8	74,939.6
Non-controlling interests		(23,850.6)	(5,241.9)	-	-
<b>Total comprehensive income for the year</b>		<b>35,380.3</b>	<b>62,742.8</b>	<b>82,653.8</b>	<b>74,939.6</b>

\*EPS is calculated by dividing the profit attributable to equity holders of the parent excluding hyperinflationary impact, by the weighted average number of ordinary shares issued in the year

\*\* These components of other comprehensive income do not attract any tax.

### 3. Statement of financial position

(KShs Mns) As at	Group		Company	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
<b>Non-current assets</b>				
Deferred income tax	15,644.5	15,337.0	15,605.0	15,338.0
Property and equipment	277,041.3	221,987.6	149,598.2	141,803.5
Indefeasible rights of use	2,001.7	2,283.0	2,001.7	2,283.0
Investment properties	935.0	935.0	935.0	935.0
Intangible assets	194,280.7	150,198.8	21,841.4	14,163.0
Right of use assets	59,455.7	36,885.5	18,968.1	17,691.3
Investment in subsidiaries	-	-	98,779.6	78,012.5
Investment in associates and joint venture	3,542.5	3,943.9	3,461.9	3,943.9
Restricted cash	1,019.9	1,481.4	1,019.9	1,481.4
Deferred restricted cash asset	431.9	278.2	431.9	278.2
Contract assets	1,607.9	1,852.7	954	1,578.3
Loans receivable from joint venture	2,661.3	1,588.4	2,661.3	1,588.4
Loan receivable from subsidiary	-	-	485.4	639.4
	<b>558,622.4</b>	<b>436,771.5</b>	<b>316,743.4</b>	<b>279,735.9</b>
<b>Current assets</b>				
Current income tax	-	851.6	7.9	-
Inventories	4,526.0	3,655.6	2,639.0	2,231.5
Trade and other receivables	48,119.0	40,791.5	28,079.9	23,788.1
Net cash and cash equivalents	22,868.2	22,098.1	19,072.1	18,061.9
Restricted cash - letter of credit	1,563.4	615.1	-	-
Other financial assets	-	28.6	-	-
Contract assets	5,202.0	4,395.0	4,748.8	4,236.3
Mobile financial deposit	263.3	-	-	-
	<b>82,541.9</b>	<b>72,435.5</b>	<b>54,547.7</b>	<b>48,317.8</b>
<b>Total assets</b>	<b>641,164.3</b>	<b>509,207.0</b>	<b>371,291.1</b>	<b>328,053.7</b>
<b>Equity</b>				
Share capital	2,003.3	2,003.3	2,003.3	2,003.3
Share premium	2,200.0	2,200.0	2,200.0	2,200.0
Retained earnings	134,314.0	121,823.6	171,640.5	137,065.2
Other reserves	61,789.3	36,688.4	-	-
Proposed dividend	26,042.5	24,840.6	26,042.5	24,840.6
<b>Equity attributable to equity holders of the parent</b>	<b>226,349.1</b>	<b>187,555.9</b>	<b>201,886.3</b>	<b>166,109.1</b>
Non-controlling interests	109,398.8	75,810.0	-	-
<b>Total equity</b>	<b>335,747.9</b>	<b>263,365.9</b>	<b>201,886.3</b>	<b>166,109.1</b>
<b>Non current liabilities</b>				
Borrowings	63,093.2	42,050.0	36,110.8	38,533.6
Lease liabilities	48,474.3	29,984.0	18,409.1	17,070.1
Payables and accrued expenses	19,458.6	27,359.3	-	-
Provisions	5,087.0	4,462.8	3,629.7	3,410.7
Contract liabilities	1,481.2	1,607.8	1,481.2	1,607.8
Financial guarantees liability	-	-	1,062.7	960.4
	<b>137,594.3</b>	<b>105,463.9</b>	<b>60,693.5</b>	<b>61,582.6</b>
<b>Current Liabilities</b>				
Current income tax	193.1	2,408.8	-	192.2
Dividend payable	6,649.2	1,783.0	6,649.2	1,783.0
Borrowings	45,053.6	45,555.4	41,555.8	37,563.1
Lease liabilities	6,411.0	5,354.9	5,163.1	4,376.6
Payables and accrued expenses	94,919.5	70,625.1	41,822.5	42,235.5
Provisions	2,938.9	4,524.1	2,938.9	4,524.1
Mobile financial payable	263.3	-	-	-
Contract liabilities	11,393.5	10,125.9	10,581.8	9,687.5
	<b>167,822.1</b>	<b>140,377.2</b>	<b>108,711.3</b>	<b>100,362.0</b>
<b>Total liabilities</b>	<b>305,416.4</b>	<b>245,841.1</b>	<b>169,404.8</b>	<b>161,944.6</b>
<b>Total equity and liabilities</b>	<b>641,164.3</b>	<b>509,207.0</b>	<b>371,291.1</b>	<b>328,053.7</b>

## 4. Statement of cash flows

KShs Mns	Group		Company	
	FY24	FY23	FY24	FY23
<b>Cash flows from operating activities</b>				
Cash generated from operations	149,469.2	159,596.8	178,939.7	160,263.4
Interest received	2,155.0	1,571.0	1,940.2	1,302.3
Income tax paid	(43,700.6)	(45,016.7)	(41,618.4)	(44,493.9)
<b>Net cash generated from operating activities</b>	<b>107,923.6</b>	<b>116,151.1</b>	<b>139,261.5</b>	<b>117,071.8</b>
<b>Cash flows from investing activities</b>				
Purchase of property and equipment	(66,636.1)	(66,331.2)	(48,839.8)	(38,564.0)
Proceeds from disposal of property and equipment	290.0	43.8	261.0	43.6
Acquisition of intangible assets	(30,992.5)	(5,143.0)	(10,514.8)	(5,143.0)
Assets retirement obligations payments	(59.6)	-	(59.6)	-
Proceeds / investment in other financial assets	28.6	(28.6)	-	-
Movement in restricted cash	(796.0)	(116.6)	336.9	416.0
Dividends from subsidiaries	-	-	-	4,200.0
Loans to joint ventures	(1,075.0)	(300.0)	(1,075.0)	(300.0)
Loans to subsidiaries	-	-	(9.2)	(120.0)
Investment in subsidiaries	-	-	(20,663.9)	(18,116.1)
Investment in associates and joint ventures	(977.6)	-	(897.0)	-
<b>Net cash used in investing activities</b>	<b>(100,218.2)</b>	<b>(71,875.6)</b>	<b>(81,461.4)</b>	<b>(57,583.5)</b>
<b>Cash flows from financing activities</b>				
Dividends paid	(42,010.4)	(63,557.8)	(42,010.4)	(63,557.8)
Repayment of lease liabilities- principal	(7,727.1)	(8,349.1)	(3,898.1)	(4,001.3)
Repayment of lease liabilities- interest	(1,913.7)	(1,768.5)	(1,811.0)	(1,735.3)
Interest paid on borrowings	(12,776.5)	(6,924.4)	(10,907.6)	(6,415.4)
Proceeds from borrowings	65,841.3	62,238.1	36,892.5	51,500.0
Repayment of borrowings	(41,103.9)	(42,777.2)	(35,055.3)	(42,777.2)
Capital contribution from NCI shareholders	29,993.8	14,274.5	-	-
<b>Net cash used in financing activities</b>	<b>(9,696.5)</b>	<b>(46,864.4)</b>	<b>(56,789.9)</b>	<b>(66,987.0)</b>
<b>(Decrease)/increase in cash and cash equivalents</b>	<b>(1,991.1)</b>	<b>(2,588.9)</b>	<b>1,010.2</b>	<b>(7,498.7)</b>
<b>Movement in cash and cash equivalents:</b>				
At start of year	22,098.1	30,779.6	18,061.9	25,560.6
Net foreign exchange differences	1,923.5	537.7	-	-
Net monetary gain/(loss) on cash and cash equivalents	837.3	(6,630.3)	-	-
(Decrease) / increase in cash and cash equivalents	(1,991.1)	(2,588.9)	1,010.2	(7,498.7)
<b>At end of year</b>	<b>22,868.2</b>	<b>22,098.1</b>	<b>19,072.1</b>	<b>18,061.9</b>

## 5.a Direct costs

KShs Mns	Group		Company	
	FY24	FY23	FY24	FY23
M-PESA commissions	(37,823.3)	(35,599.2)	(37,283.1)	(35,191.0)
Airtime commissions	(8,243.8)	(8,281.7)	(6,657.6)	(8,104.9)
License fees	(12,487.7)	(10,986.3)	(12,255.0)	(10,854.7)
Interconnect and roaming costs	(8,987.6)	(7,581.7)	(7,344.6)	(7,350.7)
Handset costs	(8,347.3)	(10,929.3)	(6,615.5)	(10,097.8)
Customer acquisition and retention	(14,048.1)	(11,203.2)	(12,042.5)	(10,699.9)
Promotions and value-added services costs (voice & SMS)	(5,982.6)	(5,387.8)	(5,947.7)	(5,363.1)
Other direct costs	(1,126.4)	(2,262.9)	(1,115.9)	(1,701.3)
<b>Totals</b>	<b>(97,046.9)</b>	<b>(92,232.1)</b>	<b>(89,261.9)</b>	<b>(89,363.4)</b>

## 5.b Other operating expenses

KShs Mns	Group		Company	
	FY24	FY23	FY24	FY23
Repairs and maintenance	(305.4)	(302.1)	(293.2)	(274.4)
Non-lease operating costs - buildings*	(201.4)	(67.2)	(74.5)	(40.2)
Non-lease operating costs - sites*	(2,643.1)	(1,247.8)	(2,635.3)	(1,199.2)
Inventory storage costs	(417.3)	(319.3)	(397.6)	(291.1)
Employee benefits expense	(30,537.0)	(28,334.9)	(23,727.4)	(21,266.5)
Auditor's remuneration	(110.2)	(125.3)	(77.0)	(81.8)
Sales and advertising	(5,756.7)	(5,593.7)	(4,336.3)	(4,326.8)
Consultancy and legal fees	(569.2)	(966.7)	(216.8)	(75.1)
Network operating costs	(26,187.2)	(19,699.7)	(17,497.3)	(14,228.6)
Travel and accommodation	(1,547.2)	(1,287.9)	(602.0)	(462.3)
Computer maintenance	(4,478.9)	(2,968.2)	(2,492.7)	(2,381.1)
Office administration	(836.4)	(669.4)	(630.2)	(449.5)
Net foreign exchange gains/(losses), other than on borrowings and cash and cash equivalent	558.9	(2,162.9)	313.0	(1,073.8)
Other operating expenses**	(10,269.2)	(10,339.9)	(6,478.8)	(6,968.3)
<b>Totals</b>	<b>(83,300.3)</b>	<b>(74,085.0)</b>	<b>(59,146.1)</b>	<b>(53,118.7)</b>

\*Relates to non-lease components of the lease e.g. service charges, VAT disallowed on lease payments. The cost is excluded from the measurements of the lease liability as required by IFRS 16 Leases.

\*\*Other operating expenses includes Vodafone procurement fees, fleet management costs, general staff expenses including training and welfare costs and innovation costs.

## 6. Geographical segment view

### i) Income Statement for Group, Kenya and Ethiopia \*

KShs Mns	Safaricom Kenya	Safaricom Ethiopia	Safaricom Plc Group	Safaricom Kenya %YoY	Safaricom Plc Group % YoY
Voice revenue	79,511.7	1,029.4	80,541.1	(1.7%)	(0.6%)
Messaging revenue	12,277.0	42.3	12,319.2	8.0%	8.3%
Mobile data revenue	63,236.2	4,168.1	67,404.3	18.0%	24.9%
M-PESA revenue	139,914.8	91.9	140,006.7	19.4%	19.5%
Mobile incoming revenue	8,252.6	360.4	8,567.6	2.4%	5.6%
Other mobile service revenue	11,502.0	50.0	11,552.0	9.0%	9.5%
<b>Mobile service revenue</b>	<b>314,694.3</b>	<b>5,727.3</b>	<b>320,390.9</b>	<b>11.7%</b>	<b>13.5%</b>
Fixed line and wholesale transit revenue	15,111.3	(149.0)	14,962.2	12.0%	11.2%
<b>Service revenue</b>	<b>329,805.5</b>	<b>5,758.3</b>	<b>335,353.1</b>	<b>11.7%</b>	<b>13.4%</b>
Handset revenue and other revenue	8,766.3	1,774.1	10,540.3	(18.6%)	(7.9%)
Other income	3,526.2	27.6	3,553.8	11.3%	(5.6%)
<b>Total revenue</b>	<b>342,098.0</b>	<b>7,379.9</b>	<b>349,447.2</b>	<b>10.7%</b>	<b>12.4%</b>
Direct costs	(89,824.9)	(7,252.7)	(97,046.9)	(0.7%)	5.2%
Expected credit loss (ECL) on financial assets	(5,775.7)	(42.2)	(5,807.4)	22.4%	22.9%
<b>Contribution margin</b>	<b>246,497.4</b>	<b>84.9</b>	<b>246,592.9</b>	<b>15.2%</b>	<b>15.3%</b>
Contribution margin %	72.1%	1.2%	70.6%	2.9ppt	1.8ppt
Other operating expenses	(59,515.8)	(23,784.5)	(83,300.3)	11.0%	12.4%
Operating costs- % of total revenue	17.4%	322.3%	23.8%	0.1ppt	0.0ppt
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>186,981.6</b>	<b>(23,699.6)</b>	<b>163,292.6</b>	<b>16.6%</b>	<b>16.8%</b>
EBITDA margin %	54.7%	-321.1%	46.7%	2.8ppt	1.7ppt
Depreciation & amortisation	(47,051.8)	(35,896.0)	(82,947.8)	6.7%	51.2%
<b>Operating profit (EBIT)</b>	<b>139,929.8</b>	<b>(59,595.6)</b>	<b>80,344.8</b>	<b>20.4%</b>	<b>(5.5%)</b>
Operating profit margin %	40.9%	(807.5%)	23.0%	3.3ppt	(4.3ppt)
Net finance cost	(11,782.2)	(4,859.3)	(16,641.5)	98.3%	>100.0%
Share of associate & joint venture loss	(1,379.1)	-	(1,379.1)	>100.0%	>100.0%
Hyperinflationary monetary gain	-	22,363.2	22,363.2	0.0%	115.4%
<b>Profit before income tax</b>	<b>126,768.5</b>	<b>(42,091.7)</b>	<b>84,687.4</b>	<b>14.9%</b>	<b>(4.1%)</b>
Income tax expense	(42,029.0)	-	(42,029.0)	17.2%	17.2%
<b>Profit after tax</b>	<b>84,739.5</b>	<b>(42,091.7)</b>	<b>42,658.4</b>	<b>13.7%</b>	<b>(18.7%)</b>
<b>Attributable to:</b>					
Equity holders of the parent	84,739.5	(21,748.8)	62,991.7	13.7%	1.2%
Non-controlling interests	-	(20,342.9)	(20,333.3)	0.0%	>100.0%
<b>Profit for the year</b>	<b>84,739.5</b>	<b>(42,091.7)</b>	<b>42,658.4</b>	<b>13.7%</b>	<b>(18.7%)</b>

\*Safaricom Kenya in the table above refers to the Kenya region with all subsidiaries in Kenya consolidated therein, while Safaricom Ethiopia numbers relate to the Safaricom Telecommunications Ethiopia (STE) (which consolidates Safaricom M-PESA Mobile Financial Services PLC) numbers adjusted for hyperinflationary impact, Vodafamily and GPE. Intercompany eliminations relating to all subsidiaries under the group are reflected at group level.

## Safaricom Telecommunications Ethiopia (STE) Plc Costs

### i. Direct Costs

KShs Mns	FY24	FY23
M-PESA commissions	(123.5)	0.0
Airtime commissions	(1,586.1)	(179.9)
License fees	(96.6)	(29.9)
Interconnect and roaming costs	(1,673.7)	(243.7)
Handset costs	(1,731.8)	(831.5)
Customer acquisition and retention	(2,005.6)	(503.3)
Promotions and value-added services costs (Voice & SMS)	(27.3)	0.0
Other direct costs	(8.1)	(17.8)
<b>Totals</b>	<b>(7,252.7)</b>	<b>(1,803.1)</b>

### ii. Operating Costs

KShs Mns	FY24	FY23
Repairs and maintenance	(10.9)	(26.1)
Operating lease costs - buildings*	(126.9)	(27.0)
Operating lease costs - sites*	(7.8)	(48.6)
Auditor's remuneration	(27.1)	(8.3)
Computer maintenance	(1,986.9)	(557.7)
Consultancy and legal fees	(321.1)	(430.8)
Employee benefits expense	(6,651.7)	(6,821.2)
Office administration	(199.2)	(213.4)
Other operating expenses	(3,139.0)	(2,507.1)
Sales and advertising	(1,981.6)	(1,807.3)
Network operating costs	(8,687.2)	(5,506.8)
Travel and accommodation	(912.5)	(801.3)
Inventory storage costs	(19.7)	(28.2)
Net foreign exchange losses, other than on borrowings and cash and cash equivalent	286.9	(1,196.6)
<b>Totals</b>	<b>(23,784.5)</b>	<b>(19,980.5)</b>

\* Relates to non-lease components of the lease e.g. service charges, VAT disallowed on payments of leases. The cost is excluded from the measurement of the lease liability as provided for in IFRS 16.

### iii) Safaricom Ethiopia Financing costs incurred by Safaricom PLC

KShs Mns	FY24	FY23
Financing costs	(13.4)	0.8
Interest costs	(4,517.5)	(4,957.4)
Forex & Hedge costs	(1,452.1)	(1,756.6)
<b>Totals</b>	<b>(5,983.1)</b>	<b>(6,713.2)</b>

## 7. Net Debt

KShs Mns as at	Group		Company	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
Cash and cash equivalents	22,868.2	22,098.1	19,072.1	18,061.9
<b>Borrowings</b>				
Short term borrowings	(45,053.6)	(45,555.4)	(41,555.8)	(37,563.1)
Long term borrowings	(63,093.2)	(42,050.0)	(36,110.8)	(38,533.6)
<b>Total net debt</b>	<b>(85,278.6)</b>	<b>(65,507.3)</b>	<b>(58,594.5)</b>	<b>(58,034.8)</b>

## 8. Free cash flow- Safaricom Kenya

KShs Mns	FY24	FY23
<b>EBITDA</b>	<b>186,981.7</b>	<b>160,352.0</b>
<b>Net Working Capital Changes</b>	<b>(4,401.6)</b>	<b>927.7</b>
<b>Other Cashflow movements</b>		
<b>Movement in;</b>		
RoU assets and lease liabilities	(5,865.1)	(5,150.8)
Gain on lease terminations	(849.1)	(89.6)
Gain (Loss) on PPE disposal	(268.4)	(34.6)
<b>Operating cash flow</b>		
Capital Additions	(47,292.6)	(40,366.2)
Proceeds from disposal of Property, Plant & Equipment	290.0	43.6
<b>Operating free cash flow</b>	<b>128,594.8</b>	<b>115,682.0</b>
Net Interest paid/received	(8,767.0)	(4,844.7)
Net taxation payable	(43,700.6)	(45,017.6)
<b>Free cash flow</b>	<b>76,127.1</b>	<b>65,819.7</b>

## 9. Supplementary Information

The foregoing information was extracted from the Group's financial statements for the year ended 31 March 2024.

### a) Basis of preparation

These condensed consolidated financial statements for the year ended 31 March 2024 do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2024. The financial statements have been prepared on a going concern basis and in compliance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board. The financial statements are presented in Kenya Shillings (KShs), which is also the functional currency of the Company, rounded to the nearest million (KShs 'Mn), except where otherwise stated.

The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in the notes to the financial statements.

### b) Measurement basis

The measurement basis used is the historical cost basis adjusted for the effects of inflation where entities operate in hyperinflationary economies except for investment property that has been measured at fair value. The financial statements have been adjusted for the effects of inflation for Safaricom Telecommunication Ethiopia Plc as the Ethiopian economy has been declared hyperinflationary on or after 31 December 2022.

Under the historical cost basis, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or, in some cases, at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

### c) Translation of foreign operations

The results, cash flows and financial position of Group entities which are not accounted for as entities operating in hyperinflationary economies and that have a functional currency different from the presentation currency of the Group are translated into the presentation currency as follows:

- Assets and liabilities, including goodwill and fair value adjustments arising on acquisition, are translated at rates of exchange ruling at the reporting date
- Specific transactions in equity are translated at rates of exchange ruling at the transaction dates
- Income and expenditure and cash flow items are translated at weighted average exchange rates for the period or translated at exchange rates at the date of the transaction, where applicable; and
- Foreign exchange translation differences are recognised in Other Comprehensive Income (OCI) and accumulated in the foreign currency translation reserve (FCTR), except to the extent the difference is allocated to non-controlling interests.

The results, cash flows and financial position of the Group entities, which are accounted for as entities operating in hyperinflationary economies and that have functional currencies different from the presentation currency of the Group are translated into the presentation currency of its immediate parent at rates of exchange ruling at the reporting date. As the presentation currency of the Group is that of a non-hyperinflationary economy, comparative amounts are not adjusted for changes in the price level or exchange rates in the current financial year.

An entity may have a monetary item that is receivable from a foreign operation. An item for which settlement is neither planned nor likely to occur in the foreseeable future is, in substance, a part of the entity's net investment in that foreign operation. On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive income and accumulated in the foreign currency translation reserve.



#### d) Hyperinflation

The financial statements of the Group entities whose functional currencies are the currencies of hyperinflationary economies are adjusted in terms of the measuring unit current at the end of the reporting period.

The carrying amounts of non-monetary assets and liabilities are adjusted to reflect the change in the consumer price index from the date of acquisition to the end of the reporting period. On initial application of hyperinflation, prior period gains and losses are recognised directly in equity.

An impairment loss is recognised in profit or loss if the restated amount of a non-monetary item exceeds its estimated recoverable amount. Gains or losses on the net monetary position are recognised in profit or loss. All items recognised in the income statement are restated by applying the change in the consumer price index from the dates when the items of income and expenses were initially earned or incurred.

At the beginning of the first period of application, the components of equity, except retained earnings, are restated by applying a consumer price index from the dates the components were contributed or otherwise arose. These restatements are recognised directly in equity as an adjustment to opening retained earnings. Restated retained earnings are derived from all other amounts in the restated statement of financial position. If on initial application of hyperinflation accounting the restated value of the non-monetary assets exceed their recoverable amount, the amount in excess of the recoverable amount is recorded as a reduction in retained earnings.

At the end of the first period and in subsequent periods, all components of equity are restated by applying a consumer price index from the beginning of the period or the date of contribution, if later. All items in the statement of cash flows are expressed in terms of the consumer price index at the end of the reporting period.

The Ethiopian economy has been classified as hyperinflationary. Accordingly, the results, cash flows and financial position of the Group's subsidiary; Safaricom Telecommunication Ethiopia Plc have been expressed in terms of the measuring unit current at the reporting date.

#### e) Gain on monetary position

The consumer price indices (CPI) used in the restatement of the balances are indicated on the table below:

Month	Consumer price index
Opening CPI - April 2023	364.7
Closing CPI – March 2024	452.8
<b>Movement</b>	<b>(88.1)</b>

The financial statements have been adjusted for the effects of inflation for Safaricom Telecommunication Ethiopia Plc as the Ethiopian economy has been declared hyperinflationary on or after 31 December 2022.

The gain in monetary position as a result of translating the financial statements as at 31 March 2024 was KShs 22,363.2Mn, (2023: KShs 10,383.1Mn).

Management has restated all balance sheet amounts that are not expressed in terms of the measuring unit current at the balance sheet date. Monetary items were not restated, because they represent money held, to be received or to be paid. Monetary items are therefore already expressed in current purchasing power at the reporting date.

	Monetary * ETB' Mn	Non-monetary * ETB' Mn	Total * ETB' Mn
Assets	20,875.6	148,424.6	169,300.2
Liabilities	(59,046.4)	(350.4)	(59,396.8)
	<b>(38,170.8)</b>	<b>148,074.2</b>	<b>109,903.4</b>
Equity			139,563.2
Retained Earnings			(38,956.7)
			<b>100,606.5</b>
Net monetary gain (ETB)			<b>9,296.9</b>
Exchange rate (USD/KShs)			136.8
Exchange rate (USD/ETB)			56.88
Exchange rate (KShs/ETB)			2.405
<b>Hyperinflationary monetary gain as at 31 March 2024 (KShs Mn)</b>			<b>22,363.2</b>

\* ETB is the national currency of the Federal Democratic Republic of Ethiopia also known as the Ethiopian Birr.

## Use of Closing rate

IAS 29 requires that financial statement for entities operating in hyperinflation economy are translated using the closing rates for both Income statement and Balance Sheet.

The impact of using the closing rate (in place of average rates) is a gain of KShs 7,409 million.

The overall impact on income statement:

Details	31 March 2024
(a) Loss on restatement of profit and loss items (application of CPIs)	(16,441)
(b) Impact of using closing rate on P&L items	1,487
(c) Net monetary position - gain	22,363
<b>Net IAS 29 Impact on net income</b>	<b>7,409</b>

## f) Normalised growth

The table below represents normalised growth, which presents performance on a comparable basis. This adjusts for foreign currency fluctuation on a constant currency basis (using the current year as base), to show a like-for-like comparison of results. We believe that normalised growth, which is not intended to be a substitute for, or superior to reported growth, provides useful and necessary information to investors and other interested parties for the following reasons:

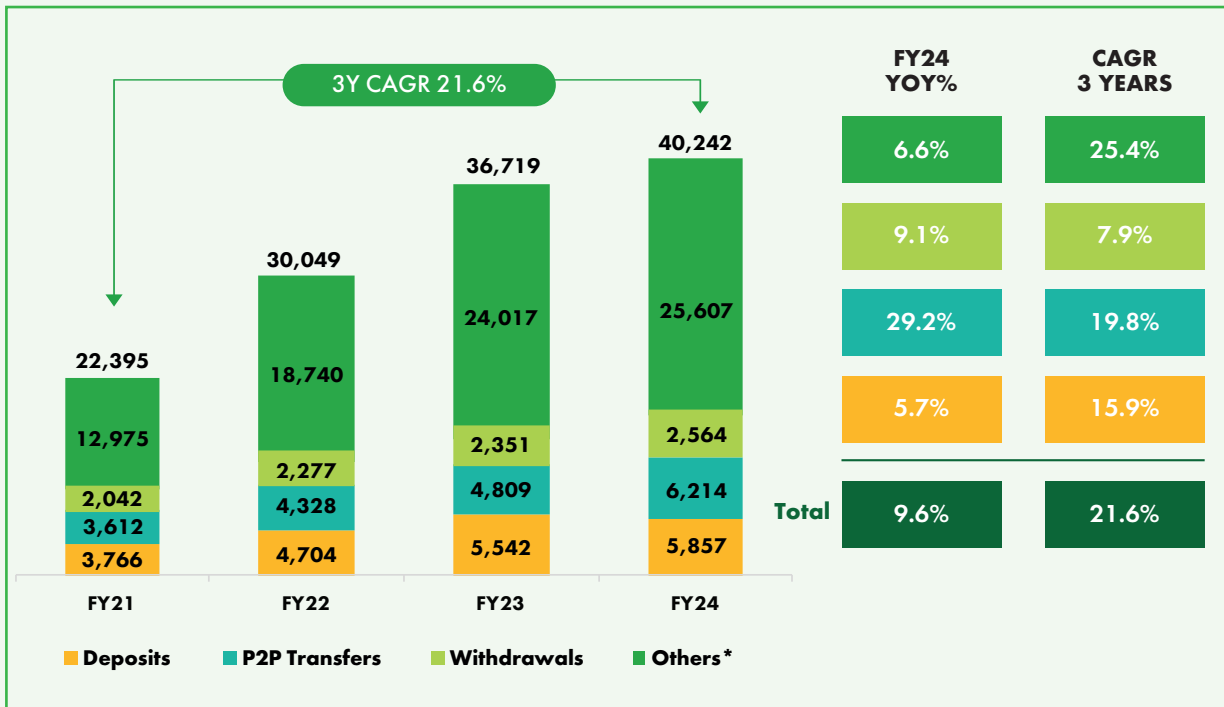
- It provides additional information on underlying growth of the business without the effect of certain factors unrelated to the operating performance of the business;
- It is used for internal performance analysis; and,
- It facilitates comparability of underlying growth with other companies, although the term normalised is not a defined term under IFRS and may not, therefore, be comparable with similarly titled measures reported by other companies

	Group FY24				
	Actual (KShs Bn)	YoY% Actual	YoY% Constant Currency	Actuals Ex-MTR impact	YoY% Excl. MTR impact
Service Revenue	335.3	13.4%	13.4%	336.6	13.8%
EBIT	80.3	-5.5%	-0.5%	81.0	0.2%
Net Income	42.7	-18.7%	-13.4%	43.1	-12.5%
Net Income excl. Minority interest	63.0	1.2%	4.2%	63.4	4.9%

**g) M-PESA**

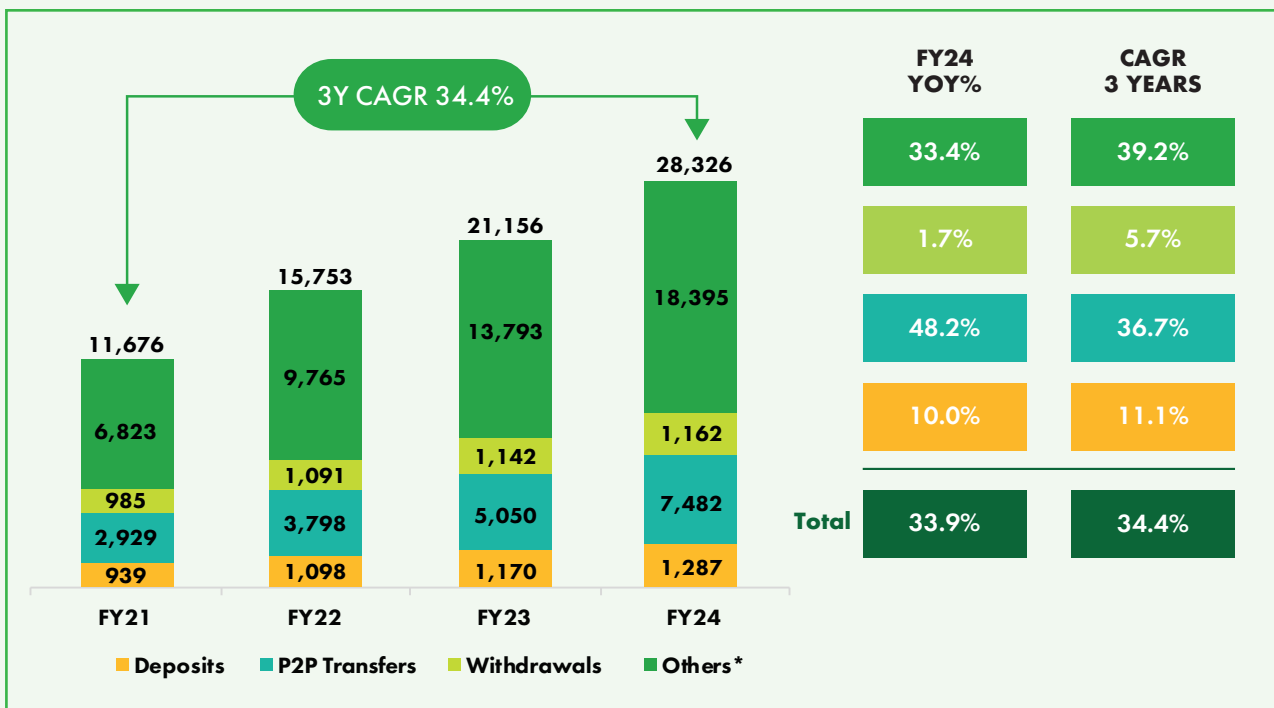
**Additional M-PESA KPIs**

**i. M-PESA value of transactions (KShs Bn)**



\*B2C, C2B, B2B, KCB M-PESA, M-Shwari, Fuliza, Lipa Na M-PESA, M-Kesho, IMT, Airtime

**ii. M-PESA volume of transactions (Mn)**

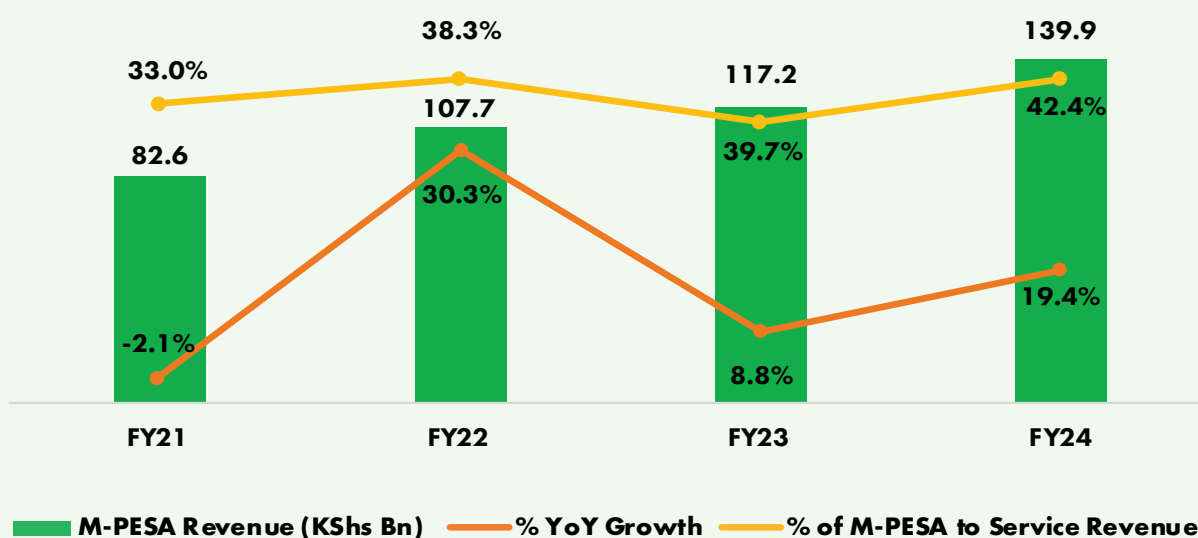


\*B2C, C2B, B2B, Fuliza, Lipa Na M-PESA, M-Kesho, M-Shwari, KCB M-PESA, IMT, Airtime, Timiza, Merchant OD, Google Playstore, Pochi la biashara, Virtual Card

### iii. M-PESA Revenue contribution and profile mix

KShs Bn	FY21	FY22	FY23	FY24	% Change FY24	% Contribution to growth FY24
Consumer Payments (Transfers & Withdrawals)	55.60	72.44	78.26	90.33	15.4%	10.3%
Business Payments (C2B, B2C, B2B, LNM)	16.96	24.25	27.34	38.22	39.8%	9.3%
Global Payments (Remittances, AliExpress)	2.01	2.48	2.90	3.47	20.0%	0.5%
Financial Services (Lending and Savings)	8.07	8.53	8.69	7.89	(9.2%)	-0.7%
<b>Total</b>	<b>82.65</b>	<b>107.69</b>	<b>117.19</b>	<b>139.91</b>	<b>19.4%</b>	<b>19.4%</b>

### Evolution of contribution of M-PESA Revenue to Service Revenue (KShs Bn)



### M-PESA usage continues to grow as we accelerate new growth areas

Velocity in the M-PESA ecosystem continues to grow driven by our FinTech solutions including payments, lending and savings and international remittances. FY24, the total value of M-PESA transactions grew 9.6% YoY to KShs 40.2Trn while total volume of M-PESA transactions grew 35.1% YoY to 31.6Bn.

We continue to leverage on our digital platforms and solutions such as M-PESA Super App for end-to-end excellent customer experience. We now have 9.6Mn Consumer App sign-ins, 1.6Mn Active Consumers and over 1.5Mn downloads on the businesses App.

#### iv. Lending value and revenue trends

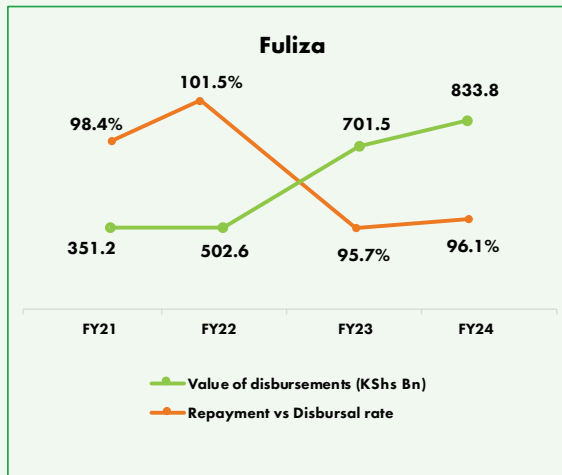
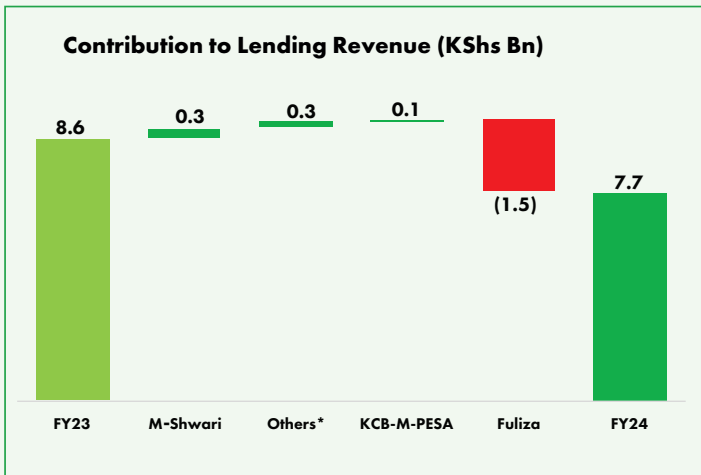
	FY24	FY23	% Change
<b>Fuliza</b>			
Value of disbursements (KShs Bn)	833.8	701.5	18.9%
Value or Repayment (KShs Bn)	801.6	671.6	19.4%
Repayment vs Disbursal rate	96.1%	95.7%	0.4ppt
Average Ticket Size (KShs)	254.4	298.0	(14.6%)
Revenue (KShs Bn)	3.9	5.4	(28.4%)
Distinct Customers (Mn)	7.1	8.1	(13.2%)
<b>KCB M-PESA</b>			
Value of disbursements (KShs Bn)	46.9	42.2	11.2%
Value or Repayment (KShs Bn)	45.6	40.3	13.3%
Repayment vs Disbursal rate	97.2%	95.5%	1.7ppt
Average Loan (KShs)	5,928	4,993	18.7%
Revenue (KShs Bn)	0.7	0.6	15.4%
One month active KCB M-PESA customers (Mn)	4.0	3.7	8.9%
<b>M-Shwari</b>			
Value of disbursements (KShs Bn)	103.0	91.5	12.6%
Value or Repayment (KShs Bn)	94.2	56.5	66.9%
Repayment vs Disbursal rate	91.5%	61.7%	29.8ppt
Average Loan (KShs)	10,126	7,793	29.9%
Revenue (KShs Bn)	2.3	2.1	12.4%
One month active M-Shwari customers (Mn)	6.5	5.3	22.3%
<b>Timiza</b>			
Active Customers (k)	111.1	83.7	32.7%
Volume transacted (Mn)	2.0	1.4	45.8%
Value of disbursements (KShs Bn)	22.4	16.0	39.9%
Revenue (KShs Bn)	0.3	0.2	49.4%
<b>Merchant OD</b>			
Customers (k)	44.8	-	100.0%
Volume (Mn)	8.8	-	100.0%
Value of disbursements (KShs Bn)	32.5	-	100.0%
Revenue (KShs Bn)	0.3	-	100.0%

#### Fuliza

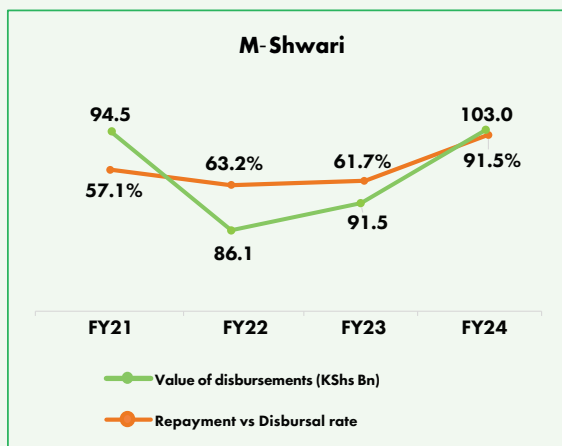
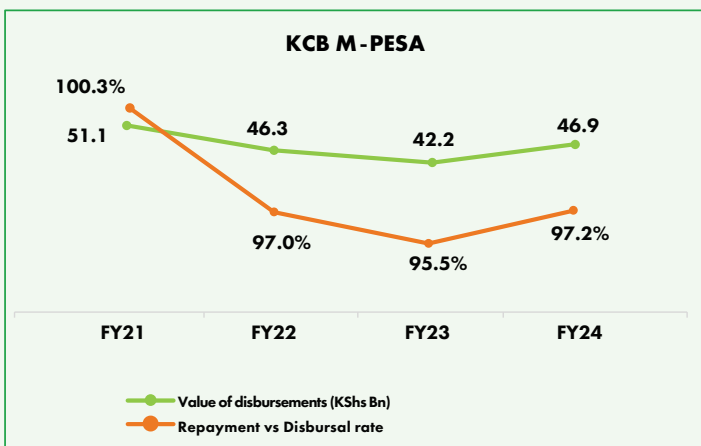
In partnership with Kenya lenders, NCBA and KCB Bank, the Group operates Overdraft (OD) facility dubbed "Fuliza", a product that enables customers to access unsecured line of credit by overdrawing on M-PESA to cover short-term cash-flow shortfalls subject to an applicable pre-determined limit. Fuliza is underwritten by Kenyan lenders, NCBA and KCB Bank.

#### M-Shwari and KCB M-PESA

Safaricom partnered with NCBA and KCB Bank Kenya Limited to offer Mshwari and KCB-M-PESA micro lending services respectively. These services enable customers to save as little as KShs 1 (USD 0.01) and get loans from KShs 50 to KShs 1 million.



\* M-Kesho, M-Kopa, Timiza, Merchant OD, Credit and H-Fund

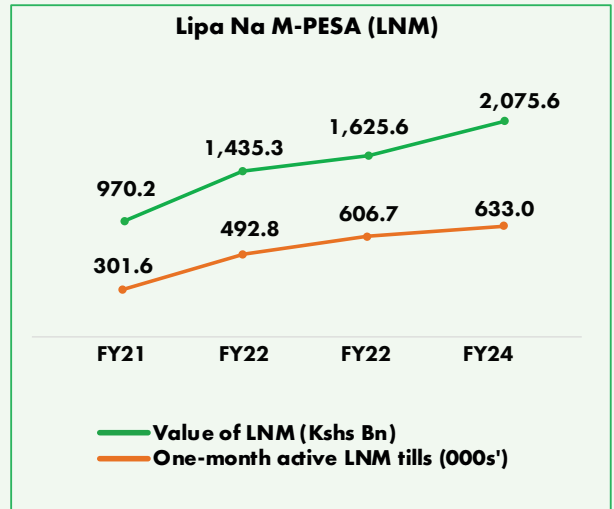
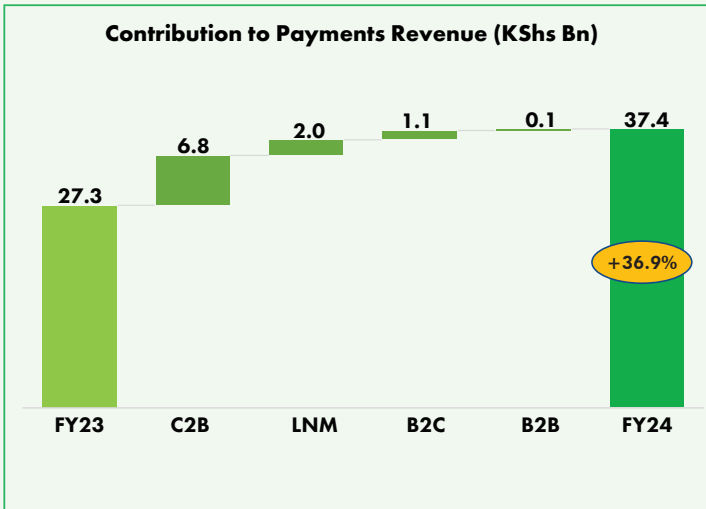


## v. Other M-PESA new growth areas

	FY24	FY23	% Change
<b>Lipa Na M-PESA</b>			
Active Tills (k)	633.0	606.7	4.3%
Volume (Mn)	2,527.0	1,958.2	29.0%
Value (KShs Bn)	2,075.6	1,625.6	27.7%
Revenue (KShs Bn)	7.3	5.3	38.2%
<b>Pochi</b>			
Pochi tills (k)	632.7	292.6	>100.0%
Volume (Mn)	494.6	121.8	>100.0%
Value (KShs Bn)	73.5	20.5	>100.0%
Revenue (KShs Bn)	0.8	0.2	>100.0%
<b>M-PESA Visa Card</b>			
Active Customers (k)	143.4	52.0	175.9%
Volume transacted (Mn)	6.1	1.9	222.1%
Value transacted (KShs Bn)	14.5	5.7	156.7%
Revenue (KShs Bn)	0.2	0.1	>100.0%
<b>Mali</b>			
Active Customers (k)	119.3	-	100.0%
Assets Under Management (KShs Bn)	1.9	-	100.0%
Revenue (KShs Bn)	0.01	-	100.0%

## vi. Payments performance

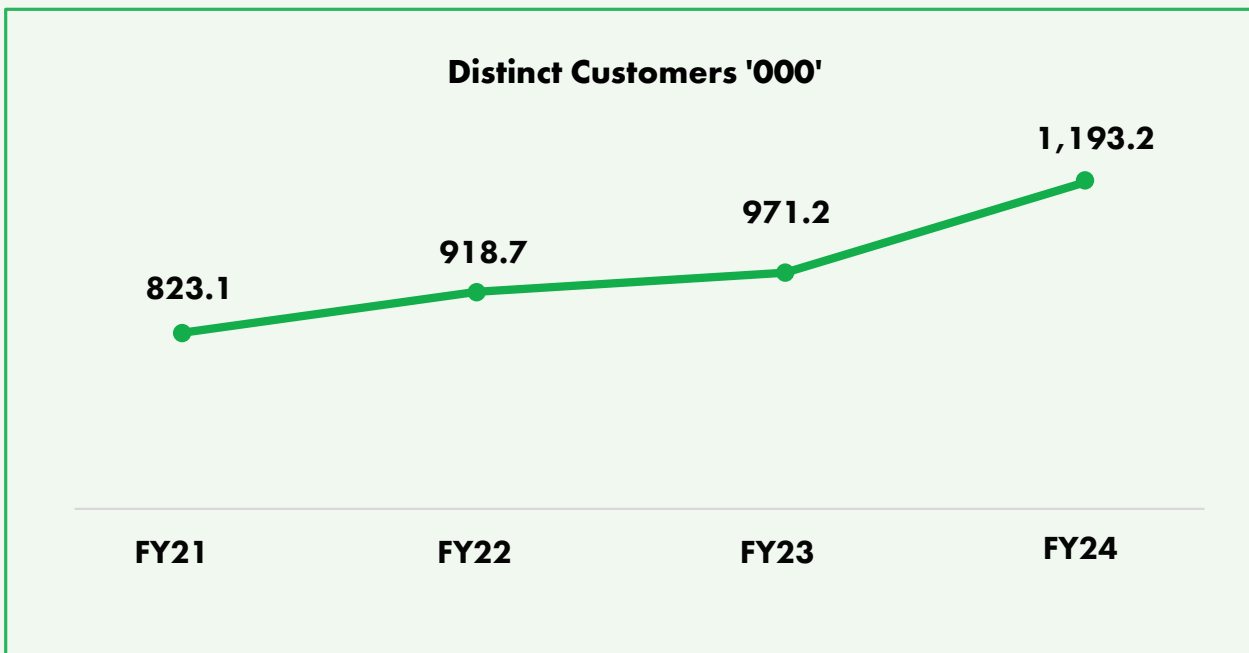
Payments	Value (KShs Bn)			Volume (Mn)			Revenue (KShs Bn)			% Contribution to growth
	FY24	FY23	% YoY	FY24	FY23	% YoY	FY24	FY23	% YoY	
<b>B2C</b>	4,425.00	4,355.95	1.6%	731.06	687.23	6.4%	3.74	2.60	43.4%	4.1%
<b>C2B</b>	6,174.48	6,442.61	(4.2%)	5,489.17	3,793.84	44.7%	25.91	19.13	35.5%	24.9%
<b>B2B</b>	203.21	169.52	19.9%	15.89	9.85	61.3%	0.41	0.29	42.8%	0.4%
<b>LNM</b>	2,075.57	1,625.64	27.7%	2,527.03	1,958.21	29.0%	7.31	5.29	38.2%	7.4%
<b>Totals</b>	<b>12,878.26</b>	<b>12,593.72</b>	<b>2.3%</b>	<b>8,763.15</b>	<b>6,449.14</b>	<b>35.9%</b>	<b>37.37</b>	<b>27.30</b>	<b>36.9%</b>	<b>36.9%</b>



### vii. M-PESA Global

Launched in FY19, M-PESA Global service enables M-PESA registered customers to send and receive money from countries across the world. M-PESA Global service remittance partnerships include: Western Union, MoneyGram, Ria, WorldRemit, Wave, Remitly among others.

	Value (KShs Bn)			Volume (Mn)			Revenue (KShs Bn)		
	FY24	FY23	% YoY	FY24	FY23	% YoY	FY24	FY23	% YoY
M-PESA Global	566.23	418.00	35.5%	38.60	31.72	21.7%	3.23	2.84	13.8%

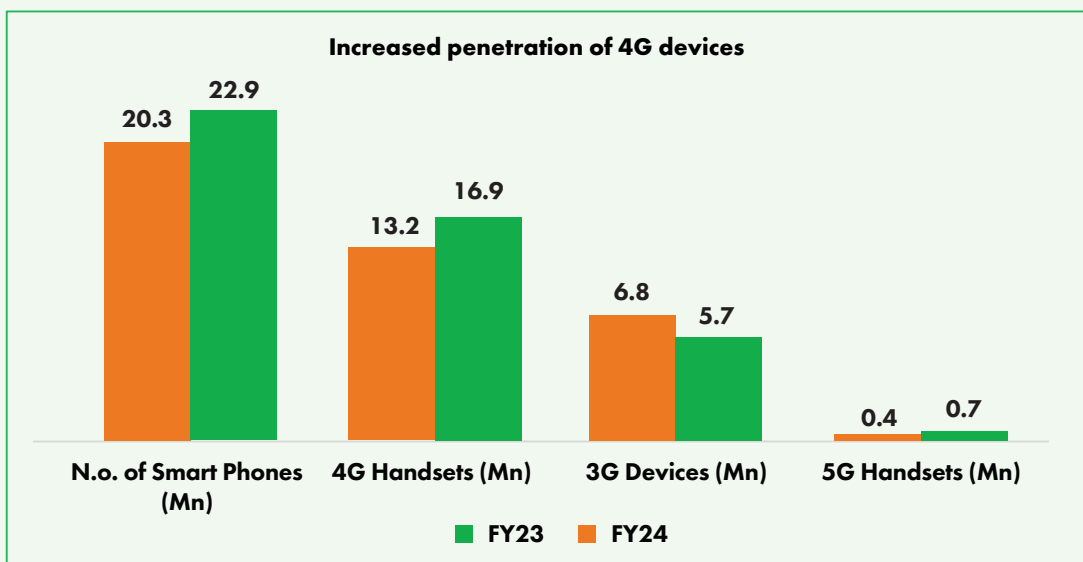
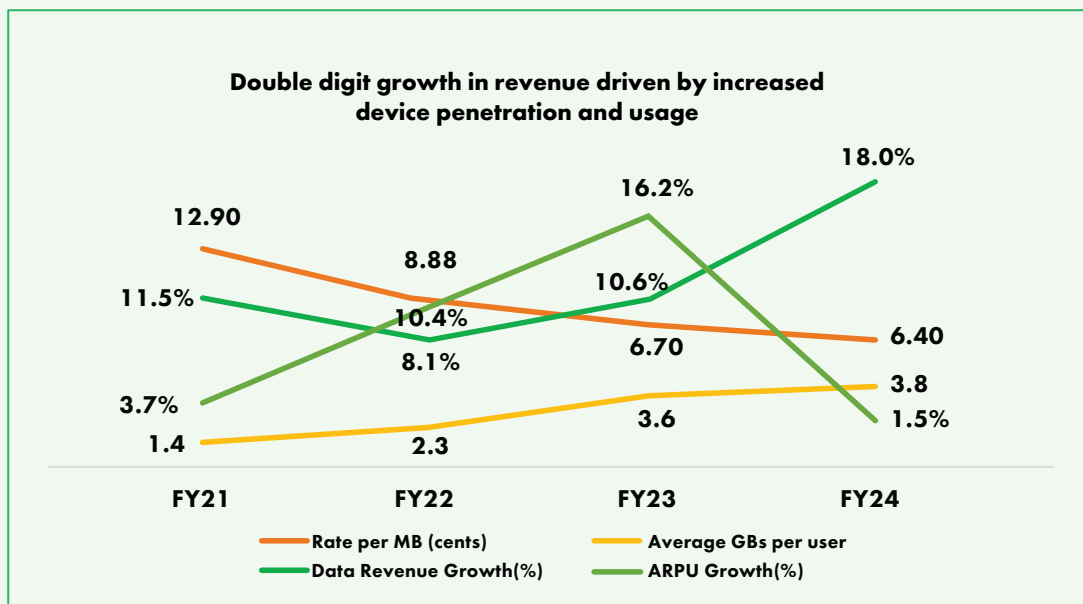




**h) Mobile Data**

**Additional Mobile Data KPIs**

	Smart Phone Devices (Mn)			Mobile Data ARPU (KShs)			Mobile Data Revenue (KShs Bn)		
	FY24	FY23	% YoY	FY24	FY23	% YoY	FY24	FY23	% YoY
Mobile Data	22.93	20.30	12.9%	242.71	239.04	1.5%	63.24	53.60	18.0%



## Glossary

### i. Description of M-PESA Profile

Item	Description
<b>Transfers (P2P)</b>	This represents customer deposits in the M-PESA e-wallet that can be funded by direct cash deposits at agent level or through person to person (P2P) transfers.
<b>M-PESA Agents</b>	M-PESA Agents include Safaricom authorized dealers, operating one or more outlets around Kenya, retailers with a substantial distribution network like petrol stations, distributors, supermarkets, registered SMEs and selected Banks and Micro-Finance Institutions. Their key tasks include; registering M-PESA customers, depositing cash into registered customers' M-PESA wallets, processing cash withdrawals for registered and non-registered M-PESA customers and compliance with Safaricom AML & KYC Policy and business practices.
<b>Withdrawals/ Cash out</b>	Withdrawal is the removal of e-money from M-PESA e-wallet to cash through M-PESA agents.
<b>Deposits/ Cash in</b>	Customers fund their M-PESA e-wallet through M-PESA agents or directly from their bank accounts.
<b>Payments</b>	
<b>C2B, B2C and B2B</b>	Customer to Business (C2B) or Business to Customer (B2C) are mainly bank transfers while Business to Business (B2B) is for business transactions. These together with LNM transactions form the payments channels in the M-PESA ecosystem.
<b>Lipa Na M-PESA (LNM)</b>	LNM is a platform that enables merchants to transact using a till number to collect payments from customers. LNM has two major use cases; <ul style="list-style-type: none"> <li>• Buy Goods - mainly used for one-off payments to merchants, this is done 'on the go'; mainly face to face but can also be done remotely.</li> <li>• Billers - This is the paybill option/C2B of LNM which mostly happens remotely/ online and is mainly used for repetitive transactions done on utility payments to government agencies, SACCOs, electricity &amp; water providers and hospitals.</li> </ul>
<b>Savings and Lending</b>	
<b>M-Shwari</b>	M-Shwari is a micro-lending/savings product in partnership with NCBA (a tier 1 Kenyan Bank).  The M-Shwari Loan Account is a micro-credit product which allows customers to borrow money or to complement their savings towards an investment or enterprise.  The M-Shwari Deposit Account is a micro-savings product which allows customers to securely store their money for a specific purpose or for unexpected events.
<b>KCB-M-PESA</b>	KCB M-PESA is a savings and loan service in partnership with KCB Bank (a tier 1 Kenyan bank) that enables M-PESA customers to save as little as KShs 1, and access credit from KShs 1,000.  The KCB M-PESA loan account is a micro-credit product which gives customers access to loans for an emergency or to fund a project or an enterprise.

<b>Fuliza</b>	<p>In partnership with Kenyan lenders, NCBA and KCB Bank, the Group operates an Overdraft (OD) facility dubbed 'Fuliza', a product that enables customers to access unsecured line of credit by overdrawing on M-PESA to cover short-term cash-flow shortfalls subject to an applicable pre-determined limit. Fuliza is available to all M-PESA customers, however the awarding of limits will depend on the customer's credit scoring and how long they have been using M-PESA.</p> <p>Customers who 'opt in' on Fuliza are charged a one-off access fee and daily maintenance fees on unpaid loan amounts based on a pre-determined matrix.</p>
<b>M-Kopa</b>	<p>M-KOPA provides solar home systems that innovatively integrate machine-to-machine technology (M2M) with a micro-payment solution. The system includes embedded GSM technology for monitoring and metering usage, while its pay-as-you-go service carries the advantage of no large initial cash outlay.</p> <p>After an initial deposit, customers pay daily instalments via a mobile money service (M-PESA) until paying off the balance. Once this repayment is complete, customers own the unit outright. Importantly, this solution is cheaper and healthier than the alternative, kerosene lamps for rural households with no electricity.</p> <p>M-KOPA solar is currently available in 750 outlets nationwide in Kenya through the Safaricom distribution network.</p>
<b>IMT</b>	
<b>International Money Transfer (IMT)</b>	<p><b>M-PESA Global</b> Safaricom Plc through its fully owned subsidiary, Safaricom Money Transfer Services Limited (SMTSL), operates remittance services that allows customers to send and receive money to a beneficiary through registered mobile phone numbers in partnership with third party International Money Remittance (IMT) providers. Revenue is earned from transaction fees charged to customers for international money transfers (inbound and outbound).</p> <p>M-PESA global enables M-PESA registered customers to send and receive money:</p> <ol style="list-style-type: none"> <li>1. To East Africa: Rwanda, Tanzania &amp; Uganda.</li> <li>2. Globally: To millions of Bank accounts and over 500,000 Western Union locations globally.</li> <li>3. Through PayPal: Access funds quickly and shop around the world with PayPal mobile money service with M-PESA.</li> </ol> <p><b>M-PESA GlobalPay Virtual VISA Card</b> M-PESA GlobalPay Virtual VISA Card is a Partnership between M-PESA and VISA. The virtual card is linked to your M-PESA wallet and enables you to make payments to international online merchants for goods and services using your card details.</p> <p>The M-PESA GlobalPay virtual VISA card is only used to facilitate payments on global websites such as Amazon and Netflix. For local sites eg. Jumia, customers will continue to use Lipa na M-PESA, Buy goods option.</p>
<b>AliPay Partnership</b>	Safaricom partnered with AliPay to integrate M-PESA as a payment method on AliExpress e-commerce.
<b>E-Commerce</b>	
<b>Paypal Partnership</b>	<p>Safaricom, PayPal and TransferTo announced a collaboration on 9 April 2018 for a new service that allows movement of funds between M-PESA and PayPal accounts.</p> <p>Qualifying M-PESA customers in Kenya can link their PayPal accounts to their M-PESA wallets, enabling them to easily and securely buy goods and services from merchants around the globe.</p>

Smart Lifestyle Channels	
<b>M-PESA Consumer App</b>	<p>The M-PESA App for consumers delivers the suite of M-PESA solutions to our consumers in a customer centric approach. This has redesigned the M-PESA customer experience journey to reduce demand in Call Centre and simplify multiple payments.</p> <p>It serves as a one stop shop for all SMEs needs including instant Lipa Na M-PESA sign up through the Merchant App, increased access to market to achieve scale through SME Marketplace and integration of third party services through Mini Apps.</p>
<b>M-PESA Business/ Merchants Transacting Till (Buy Goods)</b>	<p>The M-PESA Business till is an enhancement of the existing Lipa Na M-PESA Buy Goods till that enables business owners to collect payments on the till and use the money collected to make other transactions directly from their till.</p> <p>The M-PESA for Business till is ideal for businesses in retail, such as supermarkets, restaurants, hardware, pharmacies, boutiques, salons etc. that collect money from customers regularly as part of their business. The product can be accessed via USSD *234*2# or via app M-PESA for Business App.</p>
<b>M-PESA Business App</b>	<p>M-PESA for Business App allows merchants and businesses to better visualize their payment collections and spend, see full statements and transact directly from their M-PESA Business till using the App. The App provides users a faster and simpler payment experience. Its an alternative to the USSD service *234# Option 2.</p>
<b>M-PESA Bill Manager</b>	<p>This is a service that allows customers to save and pay bills in one transaction, memorizing all paybills and account numbers and better still, a way for them to be reminded of the bill payment due dates. The service is available to all M-PESA registered customers and can be accessed by dialling *234# then selecting M-PESA Products followed by Bill Manager.</p>
<b>Pochi la Biashara</b>	<p>Pochi La Biashara, translated to 'Business Wallet' in English, is a product that allows M-PESA registered customers who own informal businesses such as; food vendors, kiosk owners, boda-boda operators, second hand clothes dealers, etc. to receive and separate business funds from personal funds on their M-PESA line.</p>

## Abbreviation

<b>ARPU</b>	Average revenue per user
<b>CAGR</b>	Compound Annual Growth Rate
<b>Churn</b>	Total gross customer disconnections in the period divided by the average total customers in the period
<b>CVM</b>	Customer Value Management
<b>2G</b>	Second-generation Technology
<b>3G</b>	Third-generation Technology
<b>4G</b>	Fourth-generation Technology
<b>FTTH</b>	Fibre to the Home
<b>Bn</b>	Billion
<b>LNM</b>	Lipa na M-PESA
<b>LTE</b>	Long-Term Evolution
<b>Mn</b>	Million
<b>MTR</b>	Mobile Termination Rate
<b>MSMEs</b>	Micro Small and Medium Enterprises
<b>IFRS</b>	International Financial Reporting Standards
<b>IoT</b>	Internet of Things
<b>MB</b>	Megabyte
<b>Ppt</b>	Percentage points
<b>SMS</b>	Short Message Service
<b>ROU</b>	Rights of Use
<b>Trn</b>	Trillion
<b>AML</b>	Anti-money Laundering
<b>KYC</b>	Know Your Customer

## Corporate Information

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