



Telkom Consumer Information Session

Seamlessly connecting our
customers to a better life

20 February 2025

Telkom

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Many statements in this document and verbal statements that may be made by Telkom or officers, Directors or employees acting on Telkom's behalf constitute or are based on forward-looking statements.

All statements, other than statements of historical facts, including, among others, statements regarding our strategy, future financial position and plans, objectives, capital expenditure, projected costs and anticipated cost savings and financing plans, and projected levels of growth in the communications market, are forward-looking statements. Forward-looking statements can be identified by terminology such as “may”, “will”, “should”, “expect”, “envisage”, “intend”, “plan”, “project”, “estimate”, “anticipate”, “believe”, “hope”, “can”, “is designed to” or similar phrases. However, the absence of such words does not necessarily mean that a statement is not forward looking.

Forward-looking statements are subject to several known and unknown risks, uncertainties and other factors that could cause our actual results and outcomes to be materially different from historical results or any future results expressed or implied by such forward-looking statements. Factors that could cause our actual results or outcomes to differ materially from our expectations include, but are not limited to, those risks identified in Telkom's most recent integrated report available at <https://group.telkom.co.za/ir/>.

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Unless we are required by law to update these statements, we will not necessarily update any of these forward-looking statements after the date of this document so that they conform either to actual results or to changes in our expectations.

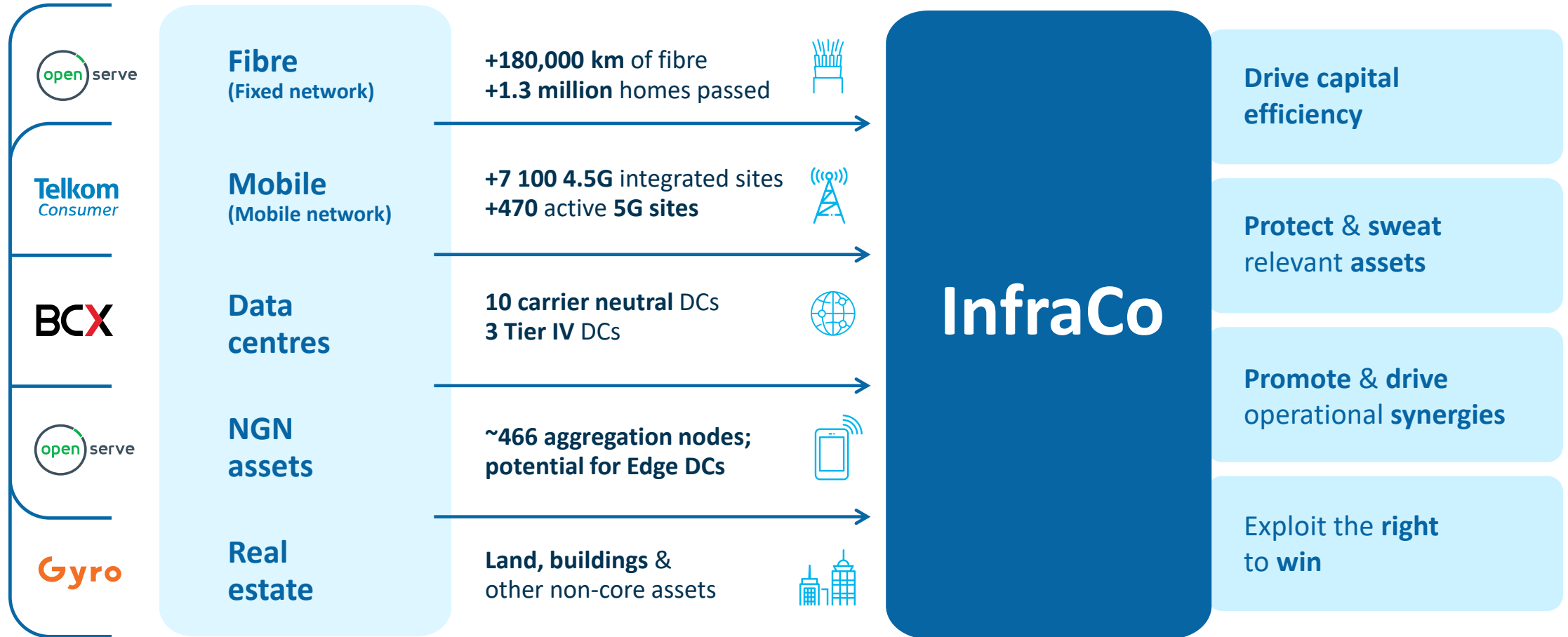
Opening remarks

Serame Taukobong



OneTelkom: Internally aligned, externally executed

Purpose: Seamlessly connecting our customers to a better life



Telkom leveraging InfraCo assets for growth



Focused investment in Fibre assets

- Leadership in FTTH connectivity rate
- Top key undersea landing stations in SA
- Network footprint supported by green & alternative energy mix
- High quality and cost-efficient network



Delivering on our data-led strategy

- 3rd largest MNO operator
- Data-centric operating model
- ISP and content platform
- Beyond connectivity - content, partnerships and gaming



Driving growth in Enterprise services

- Africa's leading systems integrator
- IT services and fibre-connectivity focus
- Exclusive Alibaba Cloud Distributor for Southern Africa & selected African countries

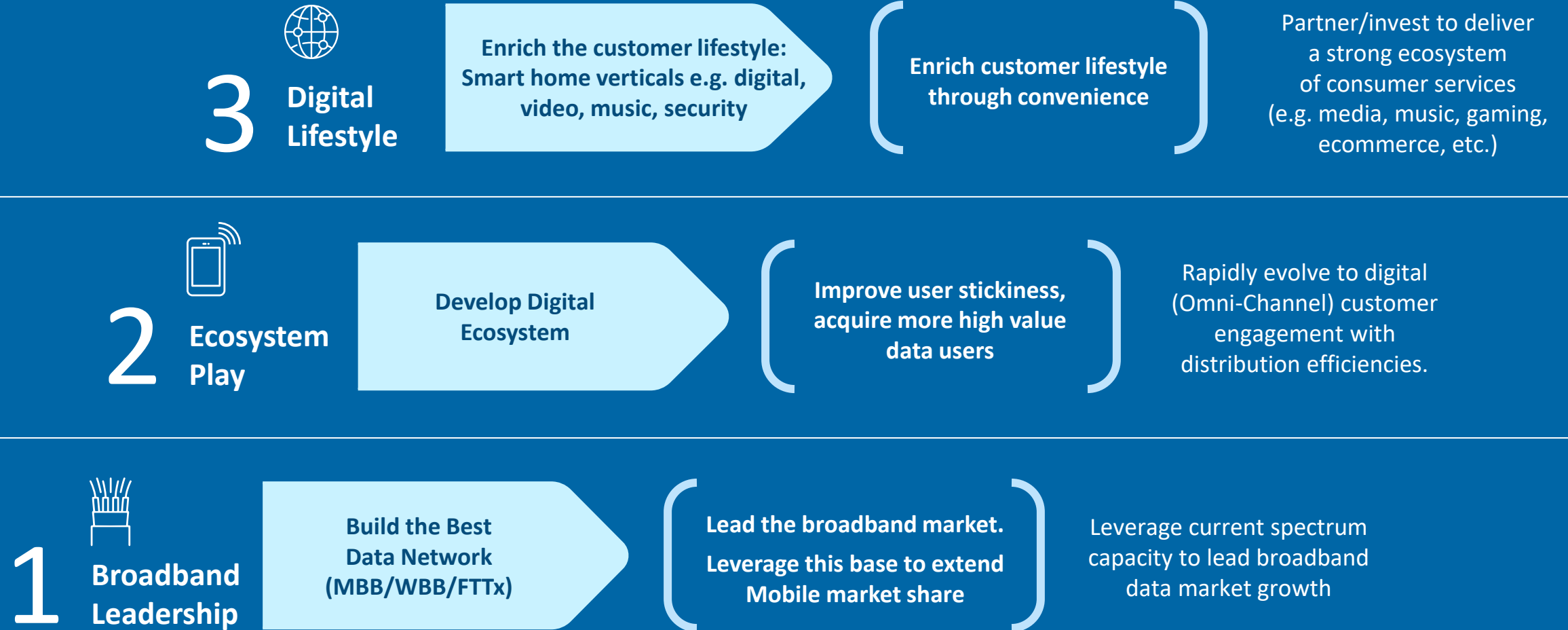


Driving Group property efficiencies

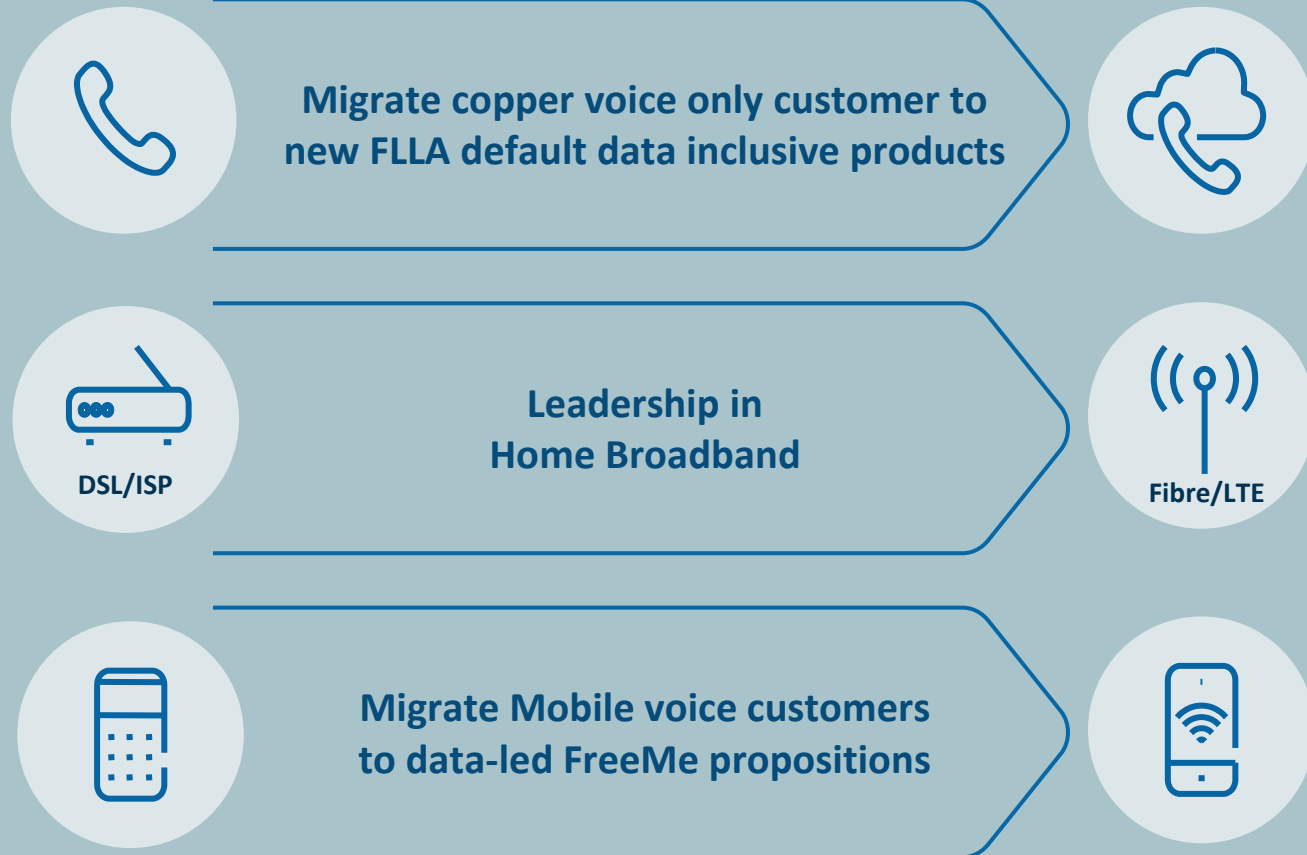
- Management of core property assets & utility efficiency
- Core focus on Group-wide ESG delivery & decarbonisation
- IGPP development – (internal demand & external monetisation)
- Property disposal/monetisation



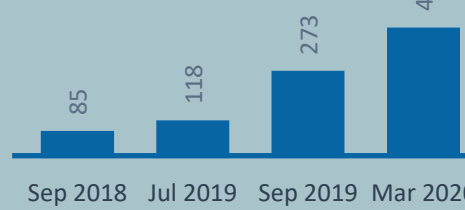
Telkom Consumer: Road to Digital lifestyle



Digital Lifestyle – Journey of migration

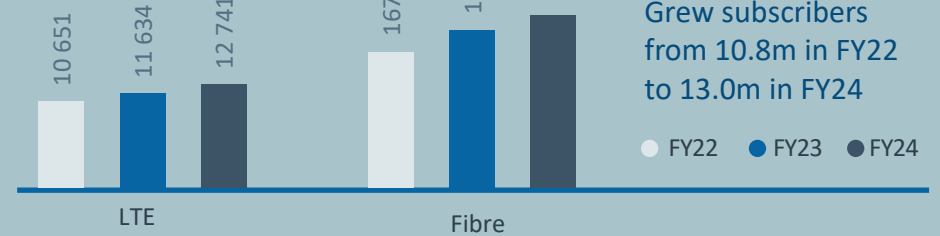


Total Active Wireless Customers
(‘000)



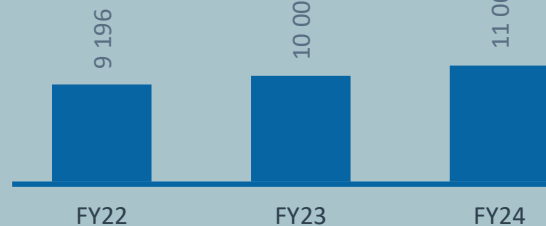
409k total voice customers migrated by March 2020

Broadband subscribers
(‘000)



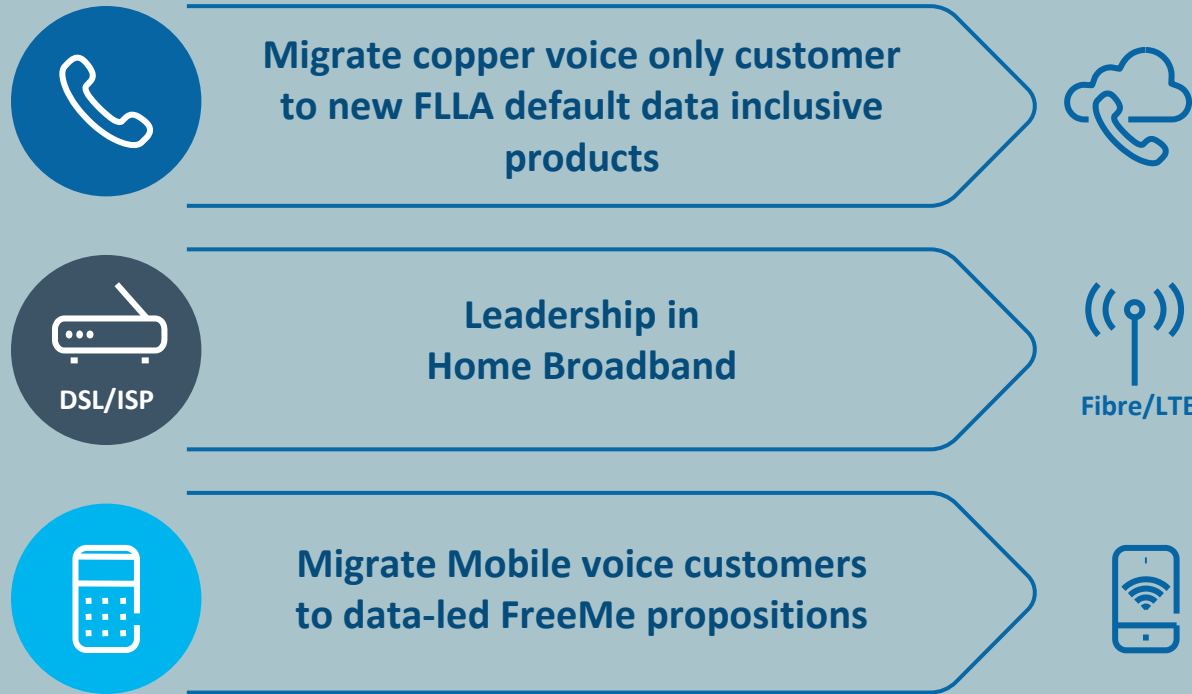
Grew subscribers from 10.8m in FY22 to 13.0m in FY24

Prepaid smart users
(‘000)



Smart users as a percentage of total pre-paid base currently at 58%

Digital Lifestyle – Building from strength in the home to “014” telco share of wallet gain



Ecosystem is Future

- Smart Home
- Wearables
- Fintech
- AI
- Cloud

Convergence is Competitiveness

- 0**: ‘Free’ Video/social media as core service
- 1**: FTTx provide premium connection
- 4**: Develop mobile new services through intelligent terminal

Connection is Foundation

- 4G/5G
- FTTx
- Business Connectivity

Telkom Consumer Overview

Lunga Siyo



Our Leadership team



Lunga Siyo
CEO



Simo Mkhize
Chief Commercial Officer



Gugu Mthembu
Chief Marketing Officer



Hasnain Motlekar
Chief Financial Officer



Randall Abrahams
Digital Solutions



Lanyard Myakayaka
Business Performance &
Special Projects



Wisdom Mashika
Human Resources



Albertus Venter
Operations



Lebo Masalesa
Mobile Networks



Dr. Noxolo Kubheka-Dlamini
Chief Information Officer

South African Telco operating context

	Regulations	Revenue	MVNOs	Beyond Connectivity	Technology
	<p>MTR's, Social obligations, new ECN Bill</p> <p>2G & 3G shutdown regulations by December 2027</p>	<p>Service Revenue for FY25/26E, we expect 2.9% SR growth for the sector (slightly below inflation)</p> <p>Source: Company, Investec Securities estimates 24 January 2025</p>	<p>4.3m</p> <p>MVNO SIMS</p>	<p>Digital service focus innovation</p> <p>Source : OMDIA Telco service innovation tracker 1Q24</p>	<p>e-SIM and e-SIM only devices</p>
Our Response	<ul style="list-style-type: none"> • Switch on VOLTE • Target competitor 2G and 3G customers with affordable 4G devices • VOIP/WhatsApp propositions 	<ul style="list-style-type: none"> • Medium term guidance, mobile service revenue to continue to outperform competitors target medium to upper single digit growth 	<ul style="list-style-type: none"> • Mobile virtual network enablement capabilities • Right MVNO partnerships to complement our value offering 	<ul style="list-style-type: none"> • Focused on growing the beyond connectivity portfolio • Key Focus: Insurance, digital content, mobile advertising and airtime lending 	<ul style="list-style-type: none"> • Continue to improve the e-SIM journey towards a fully digital journey

Telkom Mobile has achieved substantial growth in subscribers, revenue and profitability

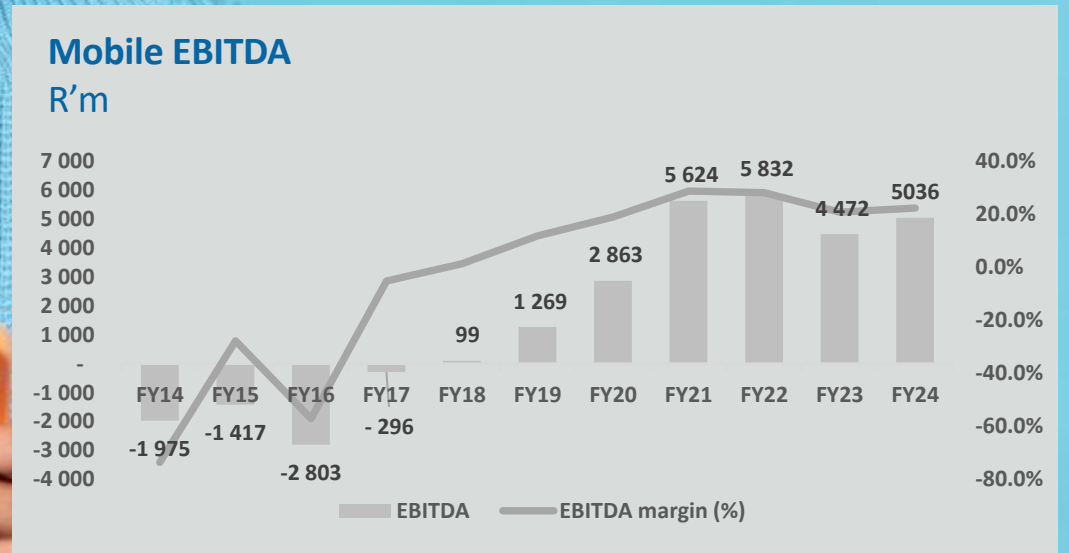
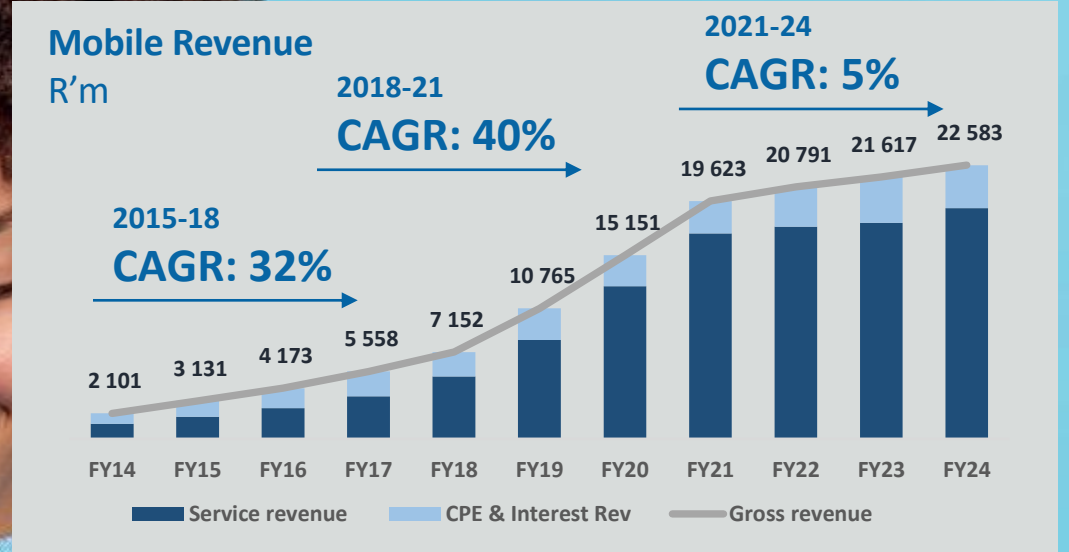
2010: Telkom Launches Mobile offering

2012: Telkom launches LTE

2016: Telkom Launches FreeMe

2022: Telkom moves to 3rd biggest mobile operator

2025: 24 million subscribers



Mobile now contributes more than 50% to Group revenue

FY 2020

53.9%

Telkom Consumer
as % of Group
revenue

35.7%

Mobile revenue
as % of group

27.6%

Telkom Consumer
as % of Group
EBITDA

FY 2024

60.5% ↑

Telkom Consumer
as % of Group
revenue

CAGR: 3.0%

52.5% ↑

Mobile revenue
as % of group

CAGR: 10.3%

40.8% ↑

Telkom Consumer
as % of Group
EBITDA

CAGR: 11.6%

*Based on published numbers CAGR; FY2020- FY2024

We continue driving growth through data and value-led propositions, leveraging our infrastructure to seamlessly connect customers

Telkom Consumer unique strengths

South Africa's most loved value mobile network
Tarifika Score Report, Q3 2024

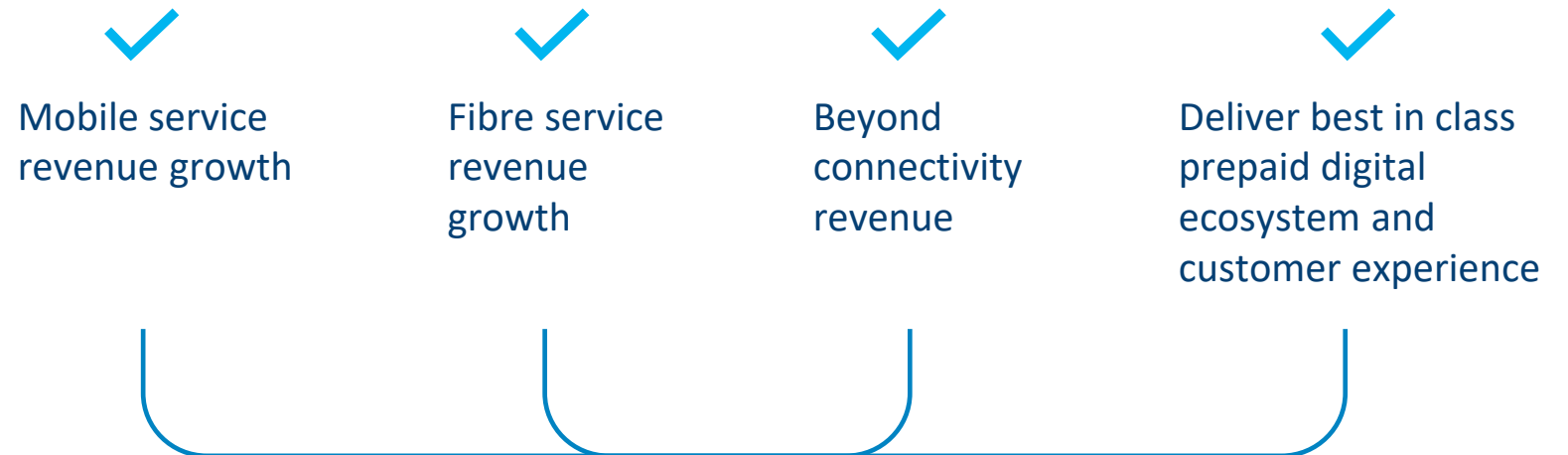
68% Fibre to the base station

Best Mobile Company (customer experience)
Ask Africa Orange index 2024.25

Fastest growing brand

Data-led propositions

How we will achieve growth



Key Enablers

People, Customer Experience, Value Propositions, Marketing, Distribution, Digital and Data Science, Mobile and Fibre Networks, Finance

What we are focusing on

Improve Business Performance

Mobile and fibre growth

Improve returns

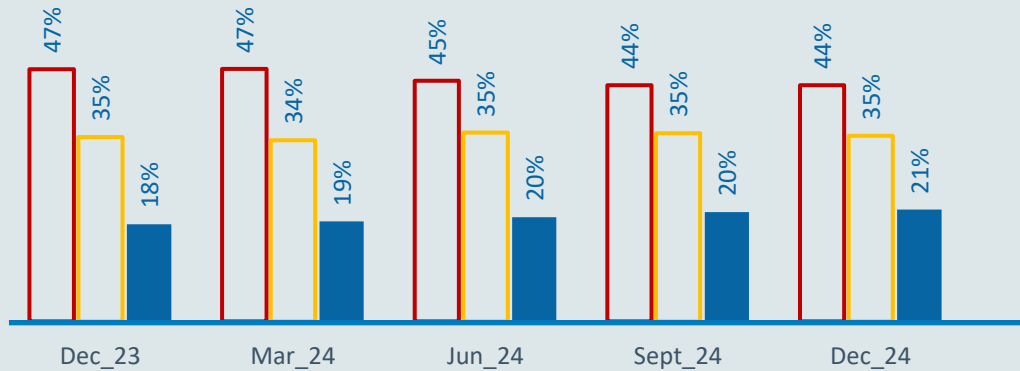
EBITDA growth, free cash flow,
capex efficiency

Create future value

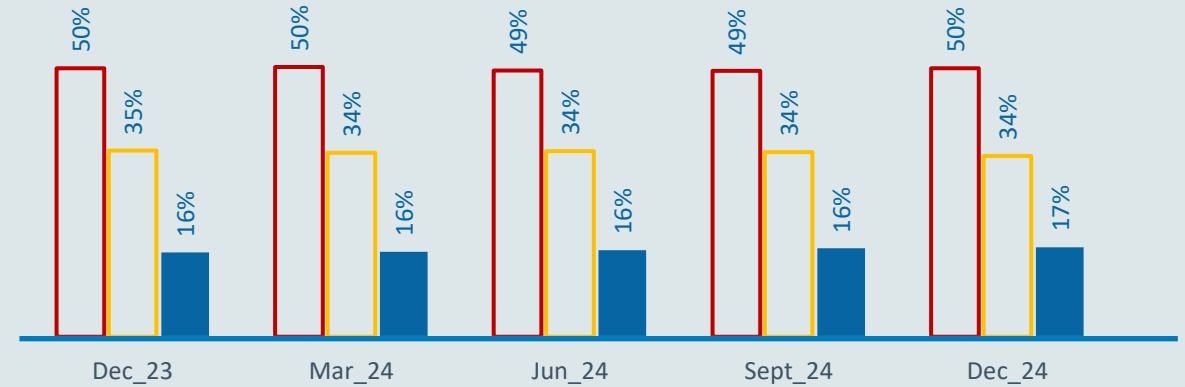
Beyond Connectivity and
digital prepaid ecosystem

A strong prepaid offering with subscriber market share of over 20%

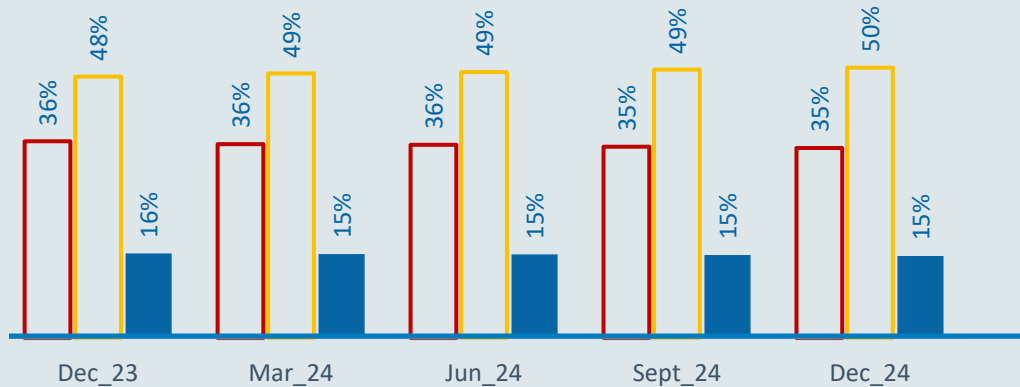
Total subscriber market share



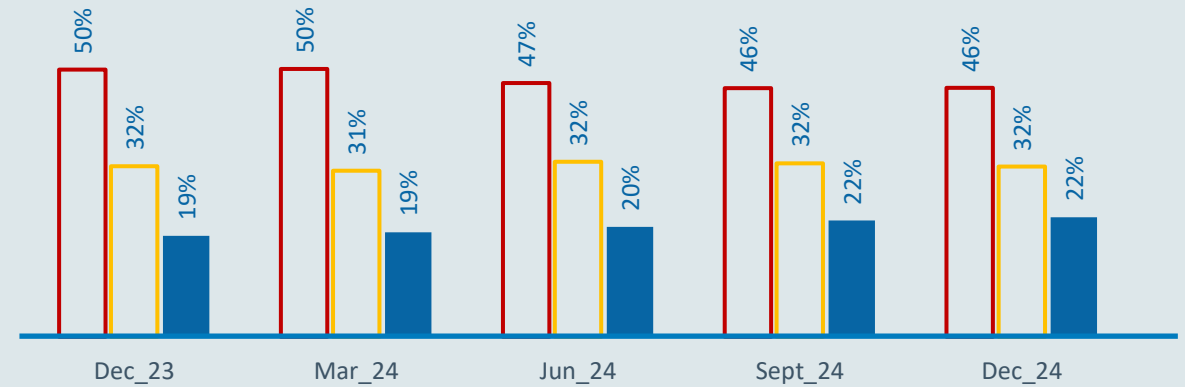
Total revenue market share



Total postpaid subscriber market share

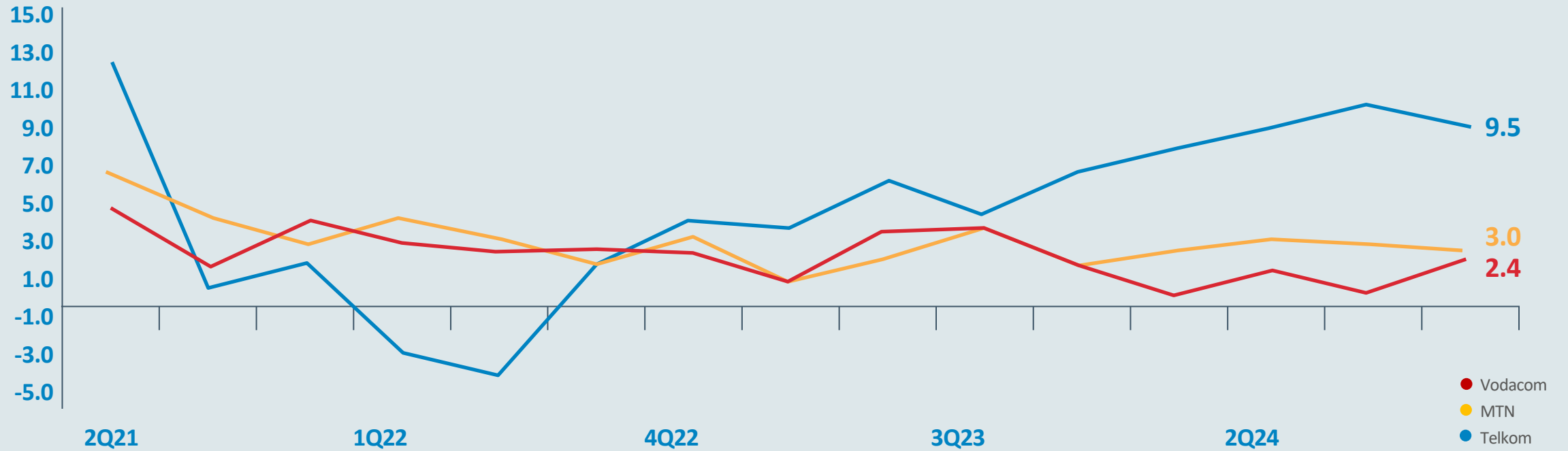


Total prepaid subscriber market share

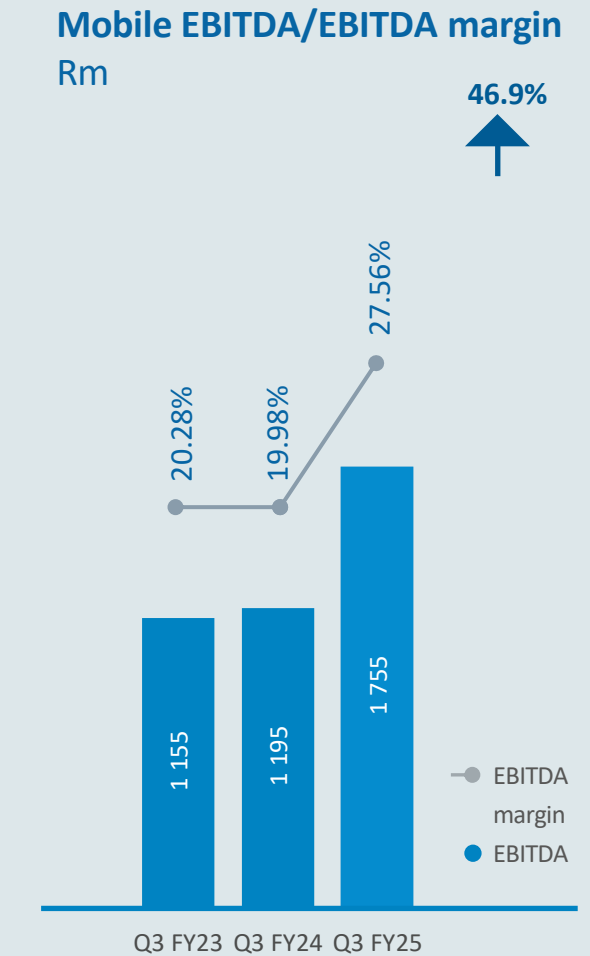
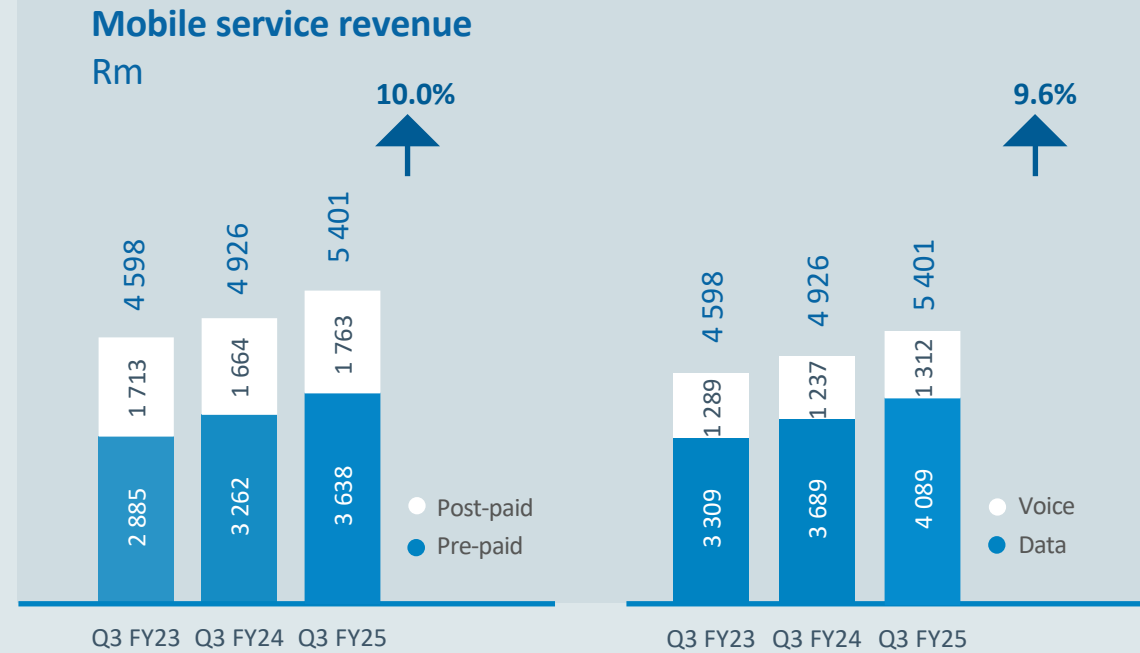
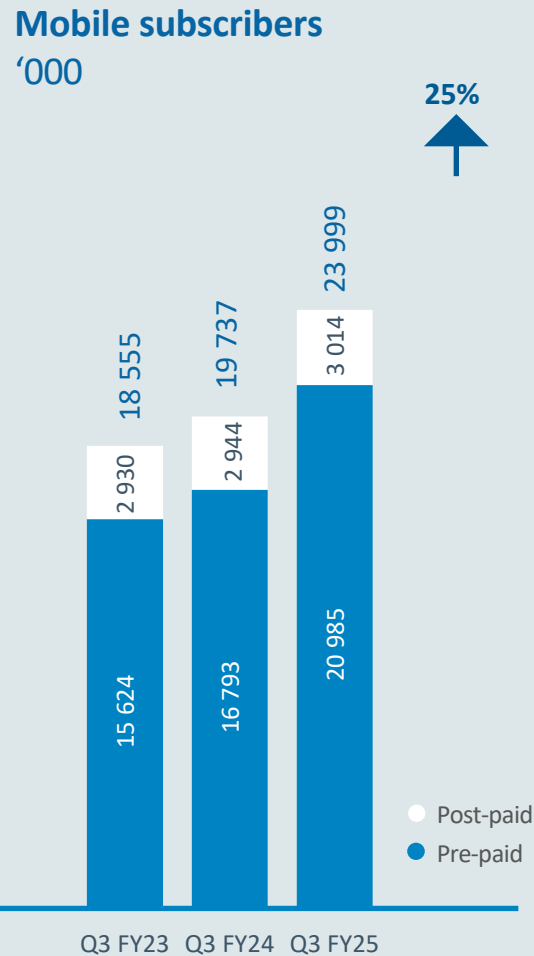


Telkom outperforming peers on mobile service revenue

SA mobile service revenue quarterly growth trends



Telkom Consumer's performance accelerated by mobile growth - providing innovative, customer-centric high-speed broadband solutions

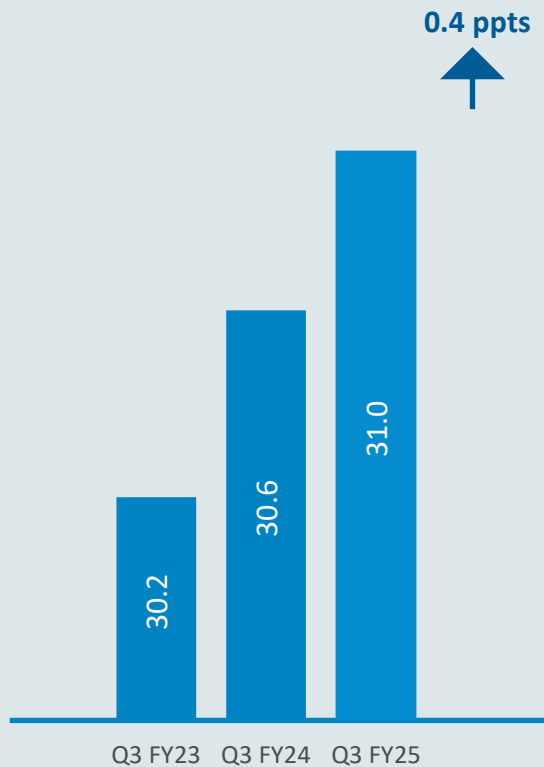


Growing customer base with growing post-paid ARPU

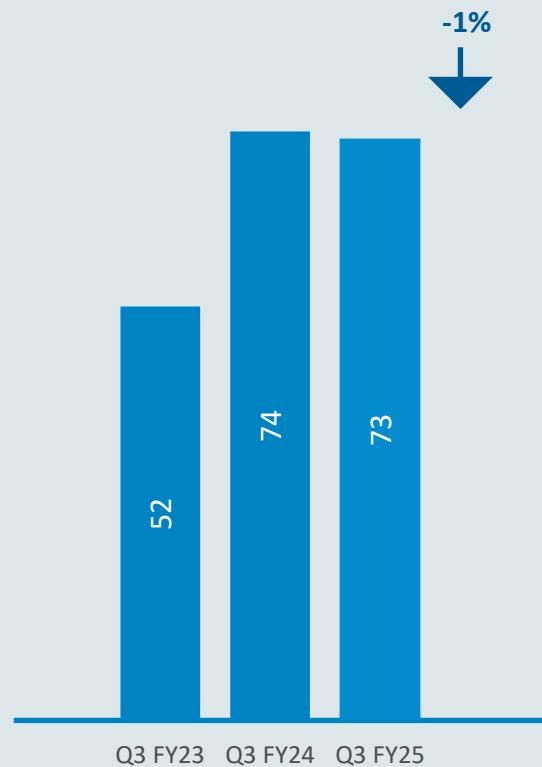
Pre-paid ARPU of R61 | Post-paid ARPU of R185

Growing adjacencies beyond connectivity

Airtime lending as a percentage of recharges
FY2024 R300 million



Insurance (R 'million)
FY2024 R280 million

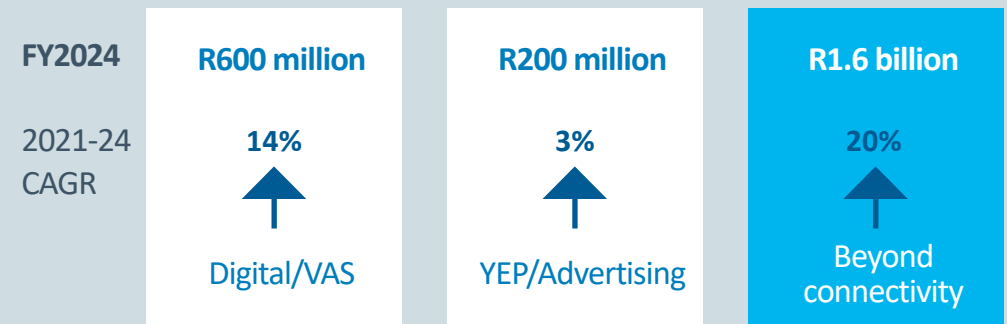


Airtime lending

Telkom remains committed to continued adoption of airtime lending, a service business segment that now represents 31% of total pre-paid recharges

Target for Airtime lending is mid to low 30% range, anything above that exposes us to additional credit risk

Other beyond connectivity services

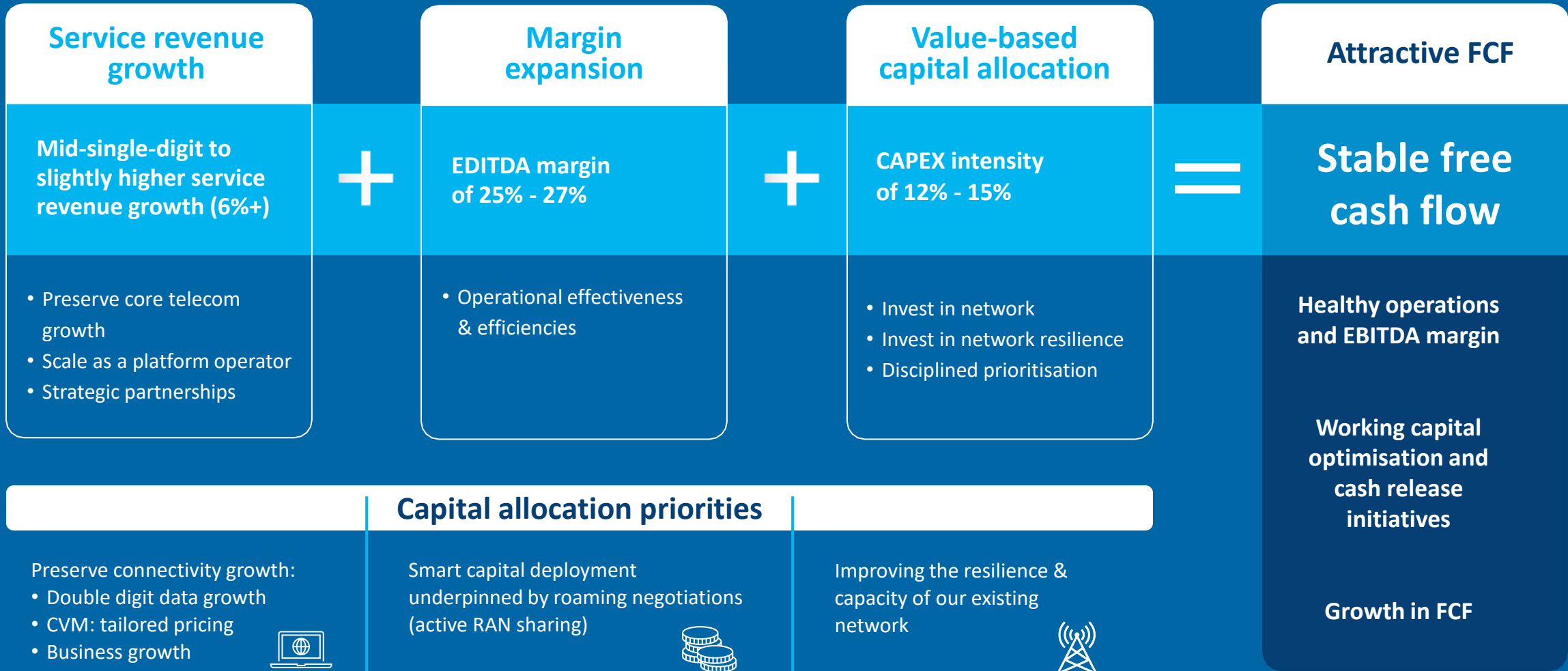


How we are building a sustainable financial framework

Hasnain Motlekar

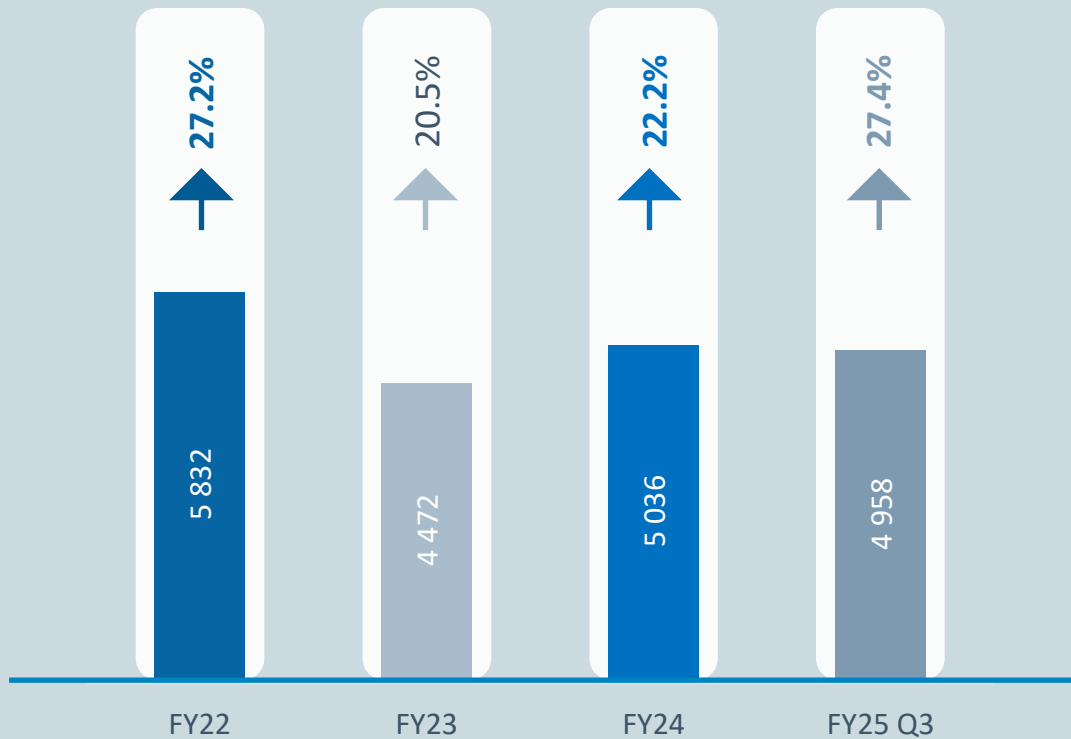
Financial framework

underpinned by strong financial performance and strategy delivery



Mobile EBITDA evolution

EBITDA & margins



Growth fuelled by innovative value-accretive offerings



Our market approach & value propositions

Simo Mkhize
Gugu Mthembu



Our operating model shift has brought us closer to our dealers and channel partners

Analyse

- CVM
- Data science
- Market segmentation
- Regionalisation analysis
- Financial Modelling

Market

- Segment marketing
- Product (P&L Owners)
- CVM & Data Science
- Retail and Trade Marketing
- Brand
- Digital Marketing

Sell

- Consumer Sales
 - Direct
 - Indirect
- Digital channels
- Business Sales
- Wholesale

Serve

- Supply Chain
- Credit Management
- Customer Service
- Procurement Services

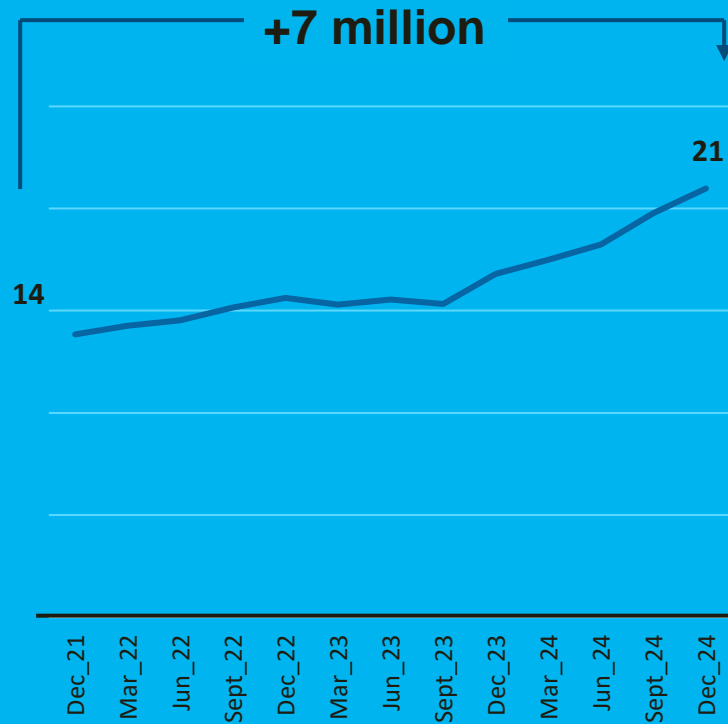
Regional Execution

- Regional execution oversight
- Localised sales campaigns
- Trade Marketing
- Local needs analysis
- Network integration
- Support Fixed and Business

How we are winning on prepaid

Driving prepaid business performance through advanced data analytics, personalisation, regional play and low end 4G devices

Prepaid Performance (in millions)



Commercial

- Simplified CVP offering
- Favourable commercial structure + performance bonus KPIs
- Simplified SIM pricing
- Integrated Airtime incentive structure
- Entry level sub R1 000 4G device 1.5 GB WhatsApp data which allows WhatsApp voice calling

Regionalisation

- Regional activation
- Strong emphasis on low market share regions
- Increased distribution footprint

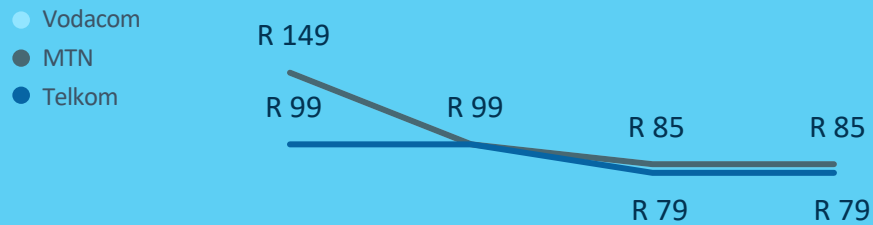
Data science

- Smart decision engine insights driving regional activation
- Regionalised offers through Mo'Town
- Mo'Nice adoption
- Increasing recharging subscribers

How we are winning on prepaid

Maintained competitive pricing and better value in prepaid despite competitors closing the pricing gap

1GB Pricing trend in SA telecoms



	2018	2020	2021	2024
Vodacom	R 149	R 99	R 85	R 85
MTN	R 149	R 99	R 85	R 85
Telkom	R 99	R 99	R 79	R 79

Telkom* 1GB Anytime + 1 GB Night Surfer

Maintained competitive pricing and better value in prepaid data

- Competitors reduced 1GB pricing from R149 to R85 (43% drop), likely impacting EBITDA margin
- Further price reductions from peers to stay competitive would affect margins
- Focus on ongoing efficiencies on cost of production to enhance margin and stay competitive

Mo'Nice continues to be a key growth driver in our prepaid segment, driven by increasing adoption of personalised offers

Overview

More than **5 million subscribers** now access personalised offers through the **Mo'Nice platform** each month



Performance

25% year on year average increase in revenue performance

8% Year on year average increase in spend per user

16% Year on year average increase in Mo'Nice users

71% contribution to total bundle spend by Q3 2025

20% year on year increase in the smart user base over the past two months

Focus areas

Data Science capability

Use Big Data Analytics and Machine Learning to predict churn, boost adoption, and optimize actions

Technology investment

Use 4th generation technology to enhance regional strategy and refine personalized offers

Rewards Strategy

Enhanced customer engagement through a rewards strategy

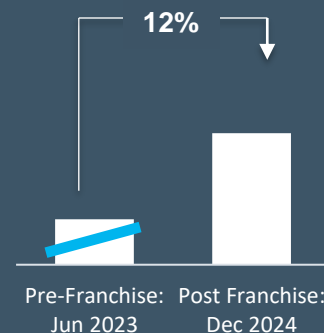
Driving postpaid commercial momentum with a disciplined focus on managing working capital

Commercial

- Average device costs in the market have been growing YoY
- Q3 2024: 77% of FlexOn 2 sales were tied to lower-cost handsets with a ~R129 subscription.
- The matching of mid-tier devices with mid-tier subscriptions has improved
- Aligning device range with customer demand, focusing on more lower-end devices

Distribution

- Franchise model adoption
- Strong emphasis on underserved regions
- Increased distribution footprint



Supply Chain

- Vendor managed inventory solutions
- Focused on a narrower device range with strict availability management
- Q3 YoY analysis showed increased mid-tier sales and higher customer interest in affordable devices

Credit Management

- Revised credit vetting scorecard reduced losses for new customers
- Strengthened vetting for existing customers to manage affordability
- Improved channel compliance and intensified collection efforts

**Telkom
Consumer as
a responsible
corporate
citizen**



Group purpose To seamlessly connect our customers to a better life

CSB purpose translation To build a connected and tech-empowered South Africa so everyone can thrive and reach their full potential

Brand promise
 With technology and superior connectivity, the impossible is truly nothing

Core statement
 We push the boundaries of possibilities, championing progress

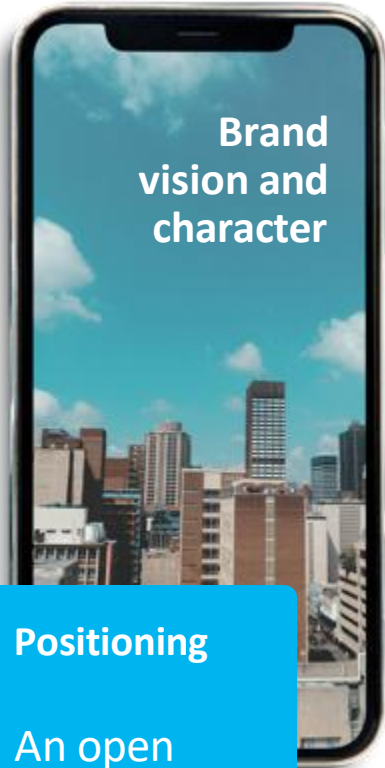
Role
 Use technology and superior connectivity (and our passion) to REMOVE ROADBLOCKS

Get people to see what's possible, when life, business and community roadblocks are removed by Telkom

Brand voice
 Amazing, Compelling, Empowering, Exciting, Expansive, Informed, Inspiring, Moving, Mystical, Reassuring, Sophisticated, Spellbinding, Spiritual, Transformative

Honest, direct, candid, brave, encouraging, inspirational, confident, proud, motivated

Competent, disciplined, empowering, goal-focused



Positioning
 An open source of possibilities

We are a challenger brand

- It's not about how big or small, new or old, or how traditional or unconventional we are.
- It comes down to our history and attitude for challenging our competitors, the category and a societal norm.
- It is about the change we wish to see in the world, how we think, and how we behave.

The following Challenger Brand Fundamentals will drive brand activity:

- 1.
- 2.
- 3.
- 4.

- 1. Be the brand that puts our people, customers, and users first.
- 2. Be the brand that advances how South Africans connect to each other & the world.
- 3. Be the brand that believes in the magic of seamless connectivity & tech.
- 4. Be the brand that is crazy enough to believe it can better SA, better the category and better itself.

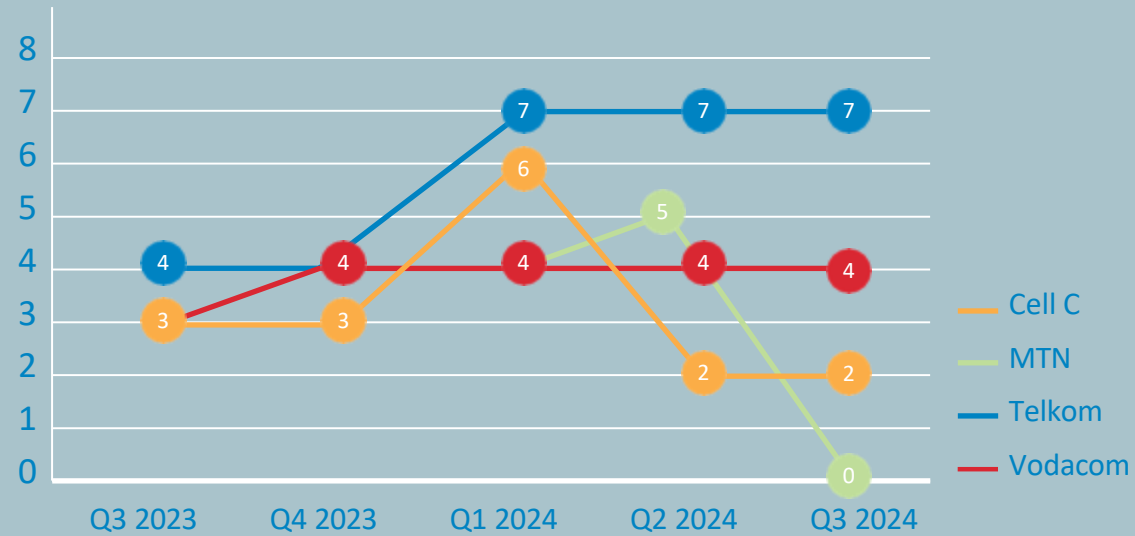
Social Impact | Value Leadership

“Telkom has led all operators in total awards since September 2018

Telkom earned 15 awards in Q3 2024, same as the previous quarter”

(Tarifica Score Report, Q3 2024)

Number of Top Value Plan Awards over one year (Prepaid)



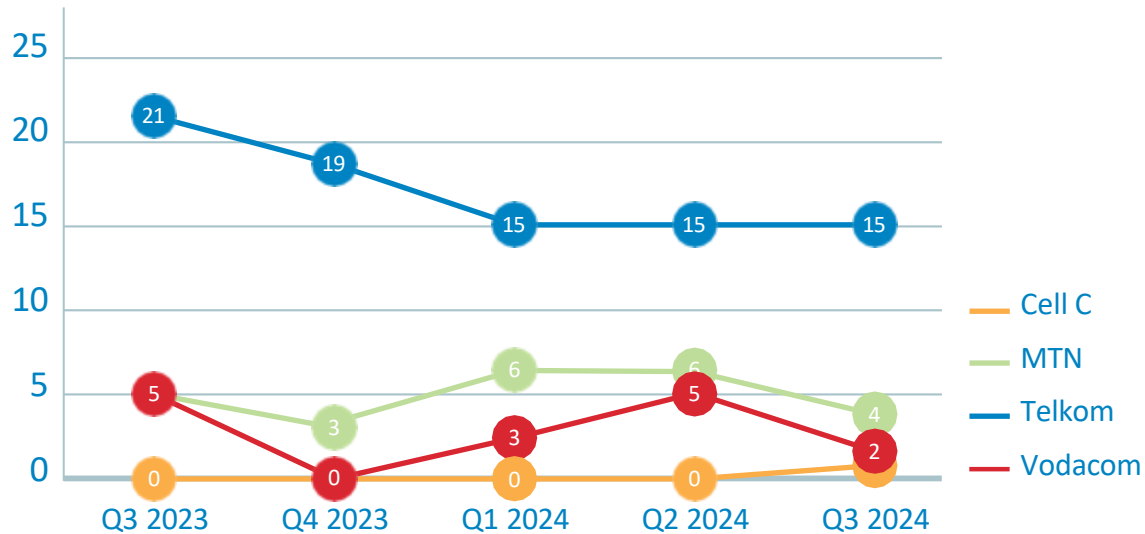
Telkom won three Light awards in Q3 2024. The FreeMe 300MB plan scored the highest of the three with a score of 100 to win the overall top value Award.

Telkom won four awards in the moderate profile. This time the FreeMe 600MB plan scored the highest of the four, winning the overall top value award with a score of 100.

Telkom captured seven of the 13 Top Value Plan Awards across all profiles in Q3 2024.

Social Impact | Value Leadership continues

Number of Top Value Plan Awards over one year (Postpaid)









FlexOn continues to be strong in the light and moderate profiles with a good balance of minutes, SMS, and data for the price

FlexOn, Infinite, and Infinite Max plans were catalysts for major scoring shifts in June 2022 by offering on-target service values—across all profile types, both “SIM Only” and “With Device”—at outlier prices, making for strong plan suites to replace FreeMe products

Possible begins on the Best* Value Network

**Tarifica report on Mobile Category 2023*

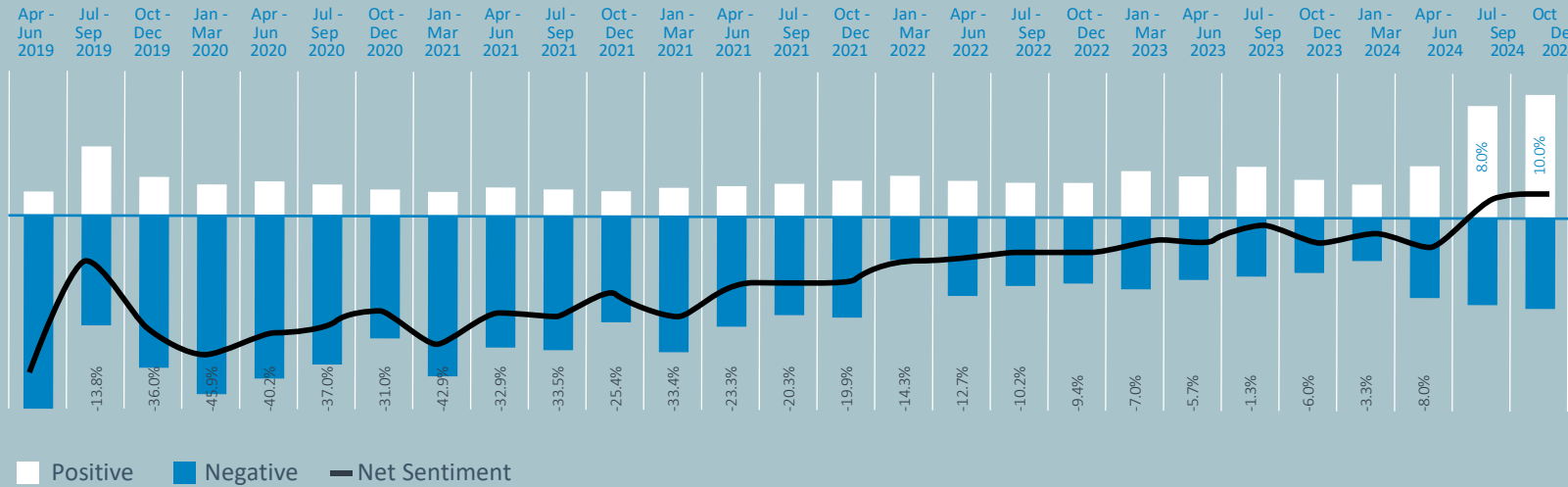
Consumer Segments | Market-level Value Propositions

		Offer & Price range (Fibre & LTE)		Fibre	LTE	Mobile	Bundles & VAS	Content
Wealthy Achievers		Fixed 50Mbps - 500Mbps R499 - R1605	Mobile 240GB - 2TB R269 - R699 5G R499 - R999	Core and Endless Fibre (50Mbps to 500Mbps)	LTE Capped 180/2TB LTE Unlimited 10/20 Meg 5G Unlimited 40-100Mbps Unlimited Prepaid LTE 10/20 Meg Prepaid LTE 1TB	Infinite plans FlexOn 8 – FlexOn 10 Post-paid & Hybrid Mobile Data Telkom More (Prepaid)	LTE Bundles Data Bundles Voice Bundles WhatsApp bundles (kids) Social & Streaming bundles (kids)	Amazon Prime & PVME VS Gaming
	Multiple devices UPS, Wi-Fi Mesh, Gaming console	Multiple devices UPS, Wi-Fi Mesh, Gaming console						
Comfortable Family		20-50mbps R499 - R849	7.5GB - Unlimited R99 - R249 Multiple SIM's & Devices	Uncapped Fibre Lite (Post-paid & Prepaid)	LTE Capped 180GB/2TB LTE Unlimited 10Meg Off-peak Unlimited LTE Unlimited Prepaid LTE Prepaid LTE 1TB	FlexOn 2 – FlexOn 4 PureFlex Mobile Data -roaming Telkom More (pre) Mo'Nice & Mo'Town	Data Bundles Daily Dose Gigs WhatsApp bundles Airtime lending	Mobile Gamin Amazon PVME
	Prepaid Compact Fibre Starter pack R199 to R499 Vouchers R99 to R379	Unlimited off peak R99 - R369 Multiple SIM's & Devices						
Breaking out		3GB - 7.5GB R49 - R99 Multiple SIM's	500mb - 7.5GB R15 - R99 Multiple SIM's	Telkom Core Fibre 25/10 & 50/25 Mbps Prepaid Fibre	LTE capped 12.5GB to 180GB Unlimited off-peak LTE Unlimited Prepaid LTE	FlexOn 2 – FlexOn 6 PureFLEX150 to 520 Mobile Data -roaming Telkom More/ Thola More	Data & Voice bundles WhatsApp bundles LTE bundles Social & Streaming bundles Mo'Nice bundles	Amazon Prime & PVME
	Multiple SIM's	Multiple SIM's						
Stretched Family		LTE (Prepaid) 3GB + 3GB 7.5GB + 7.5GB	WebConnect / WebStream	Prepaid LTE: 3+3GB; 7.5 + 7.5 GB	Telkom More (Pre) Thola More (Pre) Mo'Nice Offers Mo'Town	Ringa Music Time Based Data Mo'Nice Bundles Social Bundles WhatsApp TikTok	Gaming Telkom Plus	
	Multiple SIM's	Multiple SIM's						
Youth		Thola More (Pre) Telkom More Mo'Nice Offers Mo'Town offers	Voice bundles Time Based Data Social/WhatsApp ETU/Ringa Music	Telkom Plus				
	Multiple SIM's	Multiple SIM's						
Survivors								

Regardless of the offering, Telkom guarantees the best value for everyone

Customer Experience | Monitoring

Telkom Trended Net Sentiment



- Operational and reputational commentary real-time monitoring through Telkom mentions on key social media platforms
- Continuous improvement due to interventions implemented company-wide
- Telkom’s customer experience improvement efforts saw the brand get recognised as the leading customer experience brand in 2024

Social Impact | Sponsorships

Addressing gaps in empowerment of women and people with physical impairments



Thank you for your incredible support in 2024.
We are excited to share many more great times with you in 2025.

Best wishes

Your Lions Cricket Family



Telkom

How we build our data-led network

Lebo Masalesa

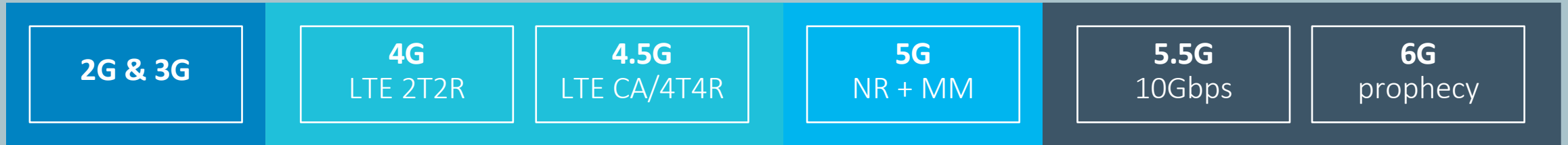
Mobile Network Evolution

Industry Trends

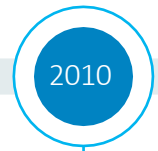
Legacy

Prominent (High penetration)

New (Low penetration) Future



Telkom Journey



Start 2G&3G
5Mbps



2.3G TDD LTE
100Mbps



4.5G CA
200Mbps



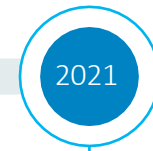
MM in 4G 3CC
450Mbps



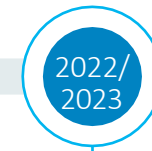
VoLTE
HD Voice



5G 1st EN-DC
720Mbps



LTE 4CC/6CC
600Mbps



5G
CA(3.5G+2.3G)
1.3Gbps

Achievements

6586 Site - 85%
FWA 2.3G

4280 Site - 54%
Low Band

100% 4.5G
Carrier Aggregation

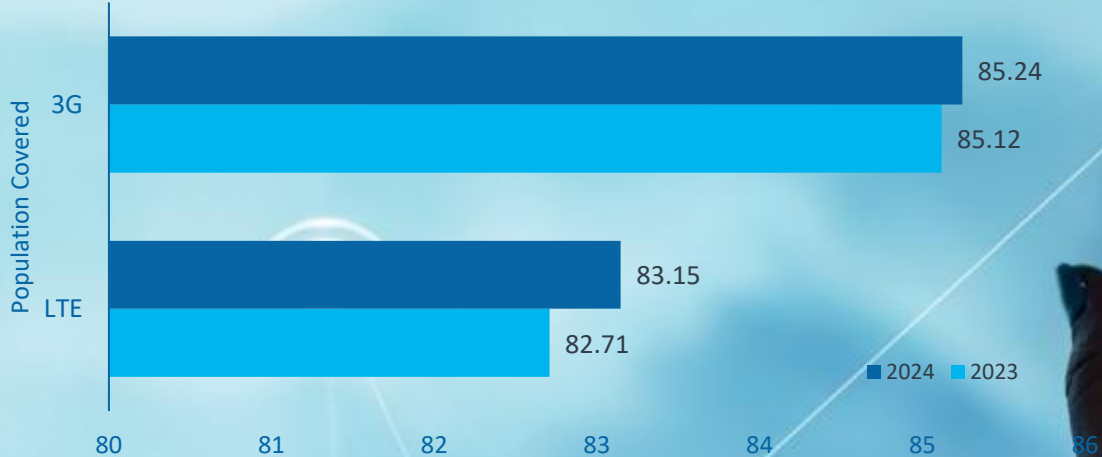
1349 Sector - 17%
Massive MIMO

479 Site - 6%
5G C-BAND

68% Fibre to the Base Station

LTE footprint that covers 83% of the population

Network Coverage



83%
Population coverage

Drivers of network coverage and capacity expansion

- Roaming hotspots
- Network utilisation
- Network quality
- Sales & Marketing

93% Devices supporting 4G

74% Sites with user average throughput >10Mbps

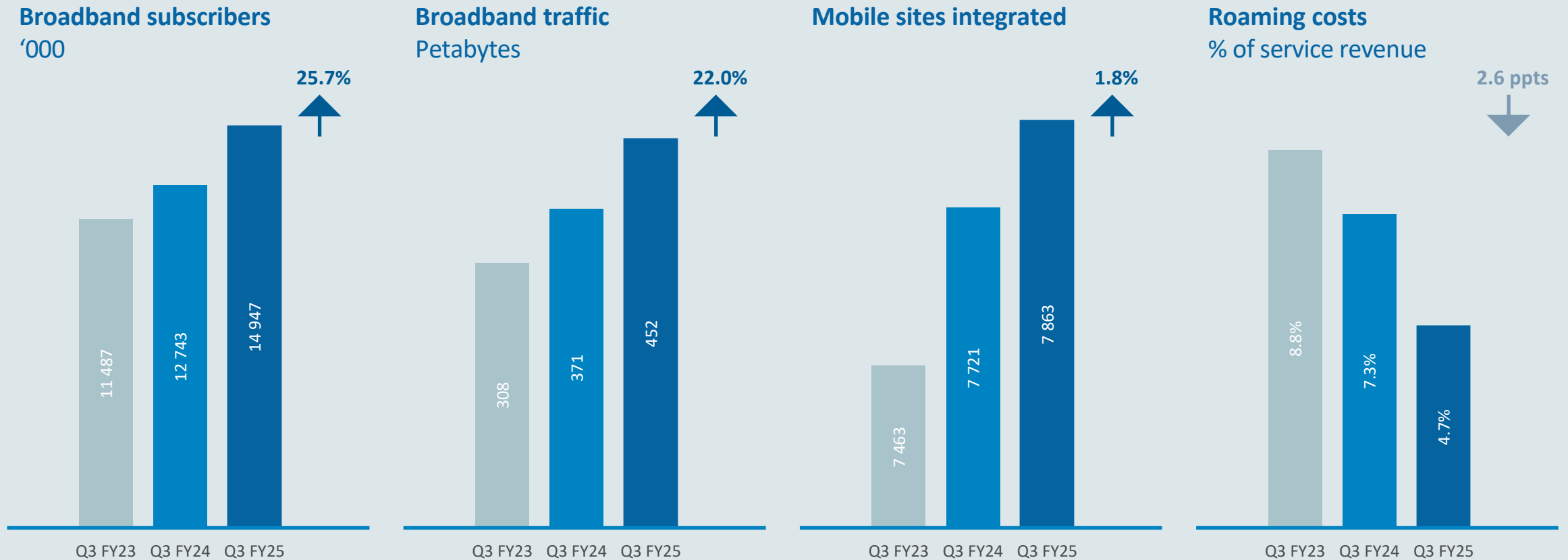
65% VOLTE Traffic (Erlang) % of voice

How we capacitate the network to carry traffic growth



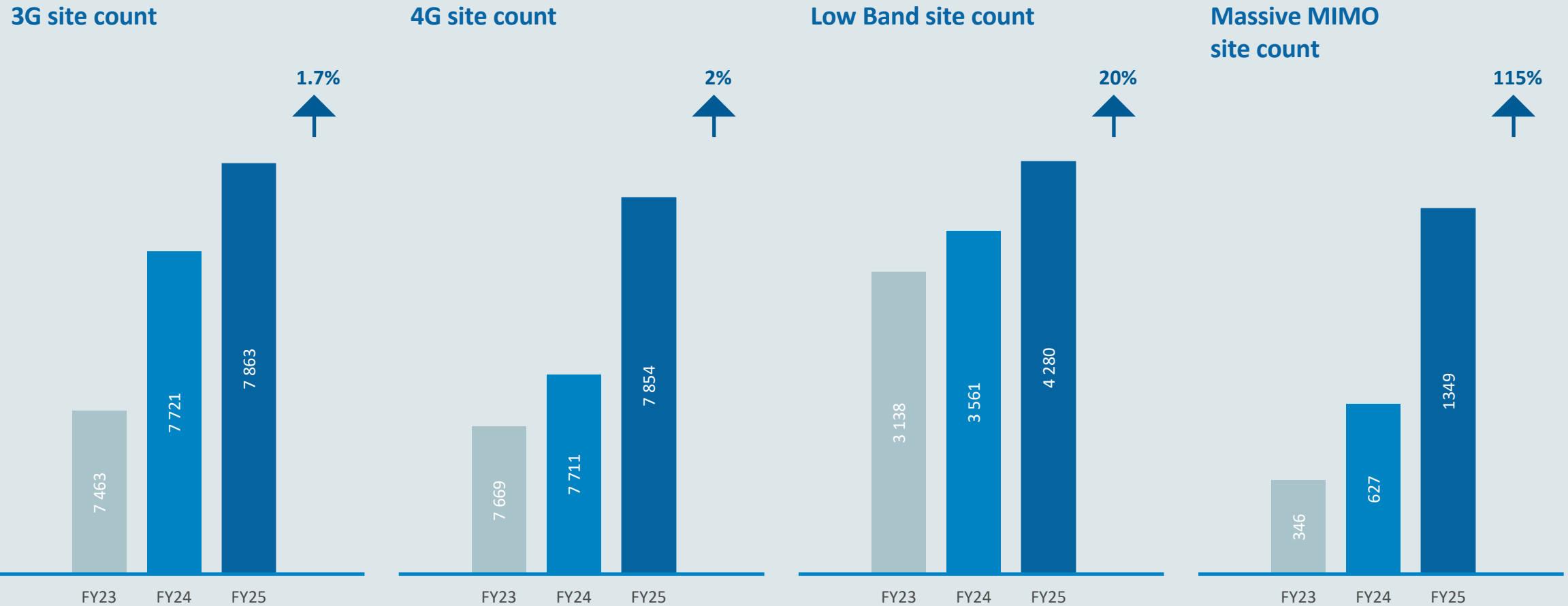
Smart Capital Deployment - reduced roaming costs

Roaming costs decreased 30%, while data traffic grew by 22%



Broadband growth supported by network expansion and unparalleled customer value and experience

Our network expansion strategy prioritizes enhancing coverage (Low Band) and increasing capacity (MIMO) across our sites.





Key messages



Key messages

We remain committed to our data-led market positioning

- 1 Achieve 20-25% mobile service revenue market share
- 2 Continue to drive fibre growth with enhanced focus on NLI 3-5 and Prepaid propositions
- 3 Create a **system of advantage** to develop a competitive advantage that is difficult for rivals to duplicate
- 4 Expand into adjacent opportunities beyond connectivity
- 5 Deliver best in class prepaid digital ecosystem and customer experience

**Thank
you**