



Telkom

Annual Results

For the year ended
31 March 2025

Seamlessly connecting our
customers to a better life.

Disclaimer

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/>.

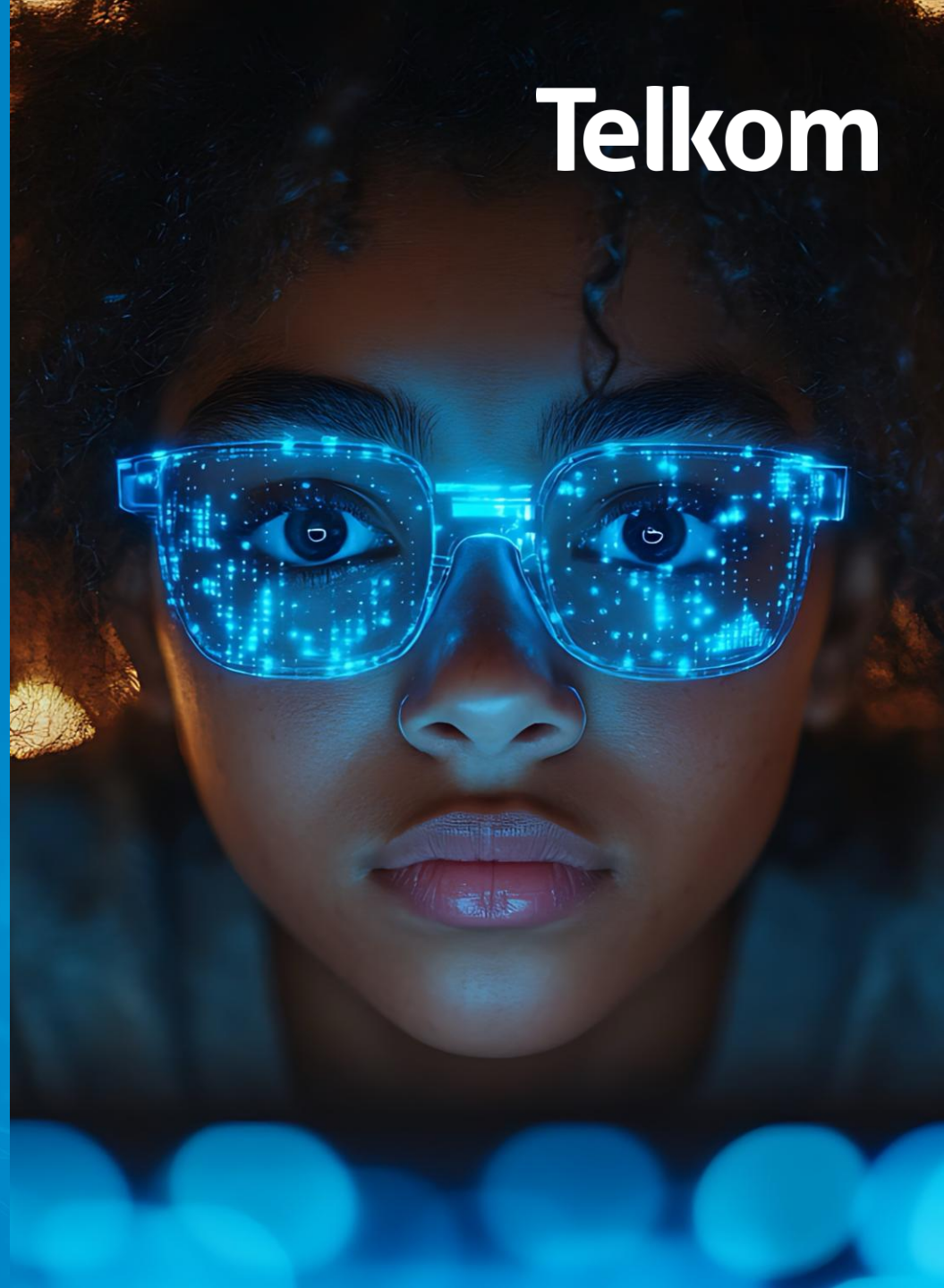
Telkom cautions readers not to place undue reliance on forward-looking statements. All written and verbal forward-looking statements attributable to Telkom, or persons acting on Telkom's behalf, are qualified in their entirety by these cautionary statements.

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.

Contents

- 01 Strategic Overview**
- 02 Highlights**
- 03 Business Review**
- 04 Financial Review**
- 05 Outlook & Priorities**

Telkom



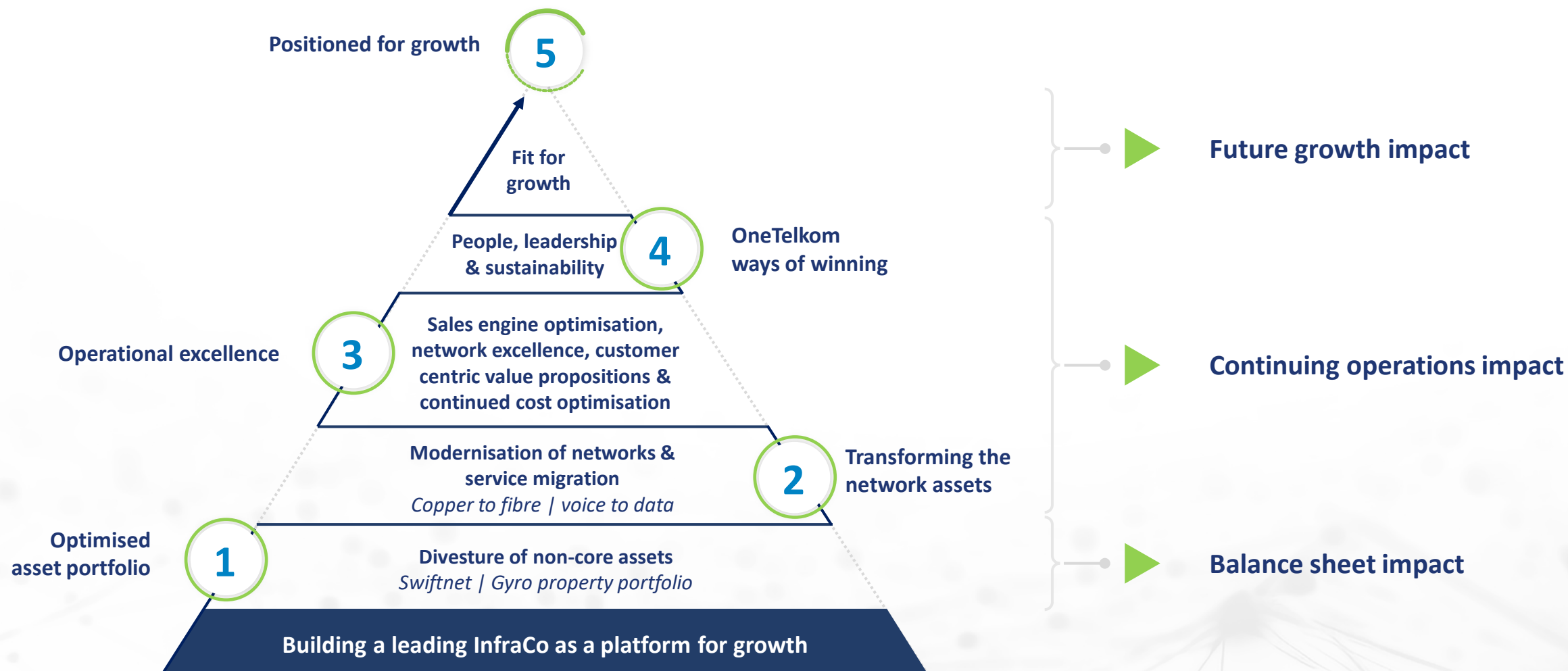


01

Strategic Overview

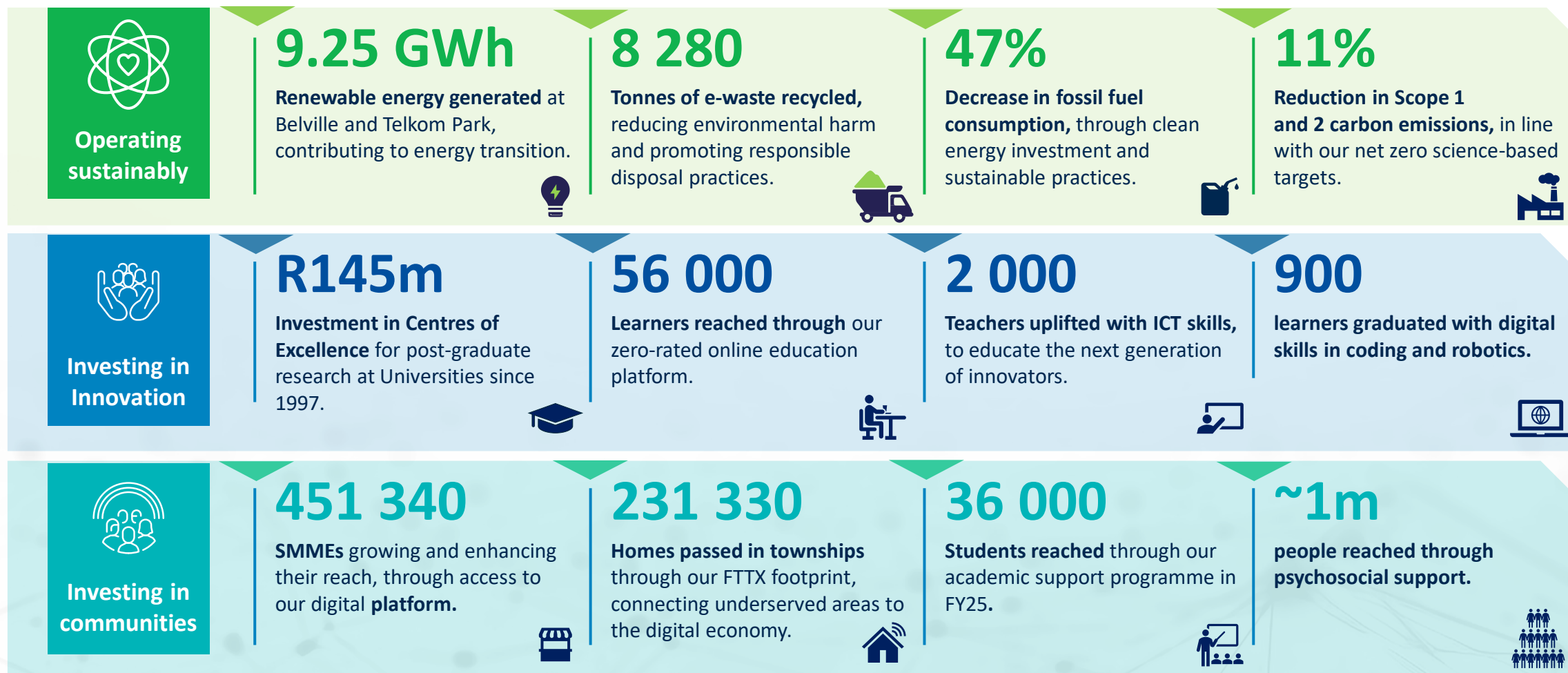
Serame Taukobong
Group CEO

We made excellent progress in positioning Telkom for success



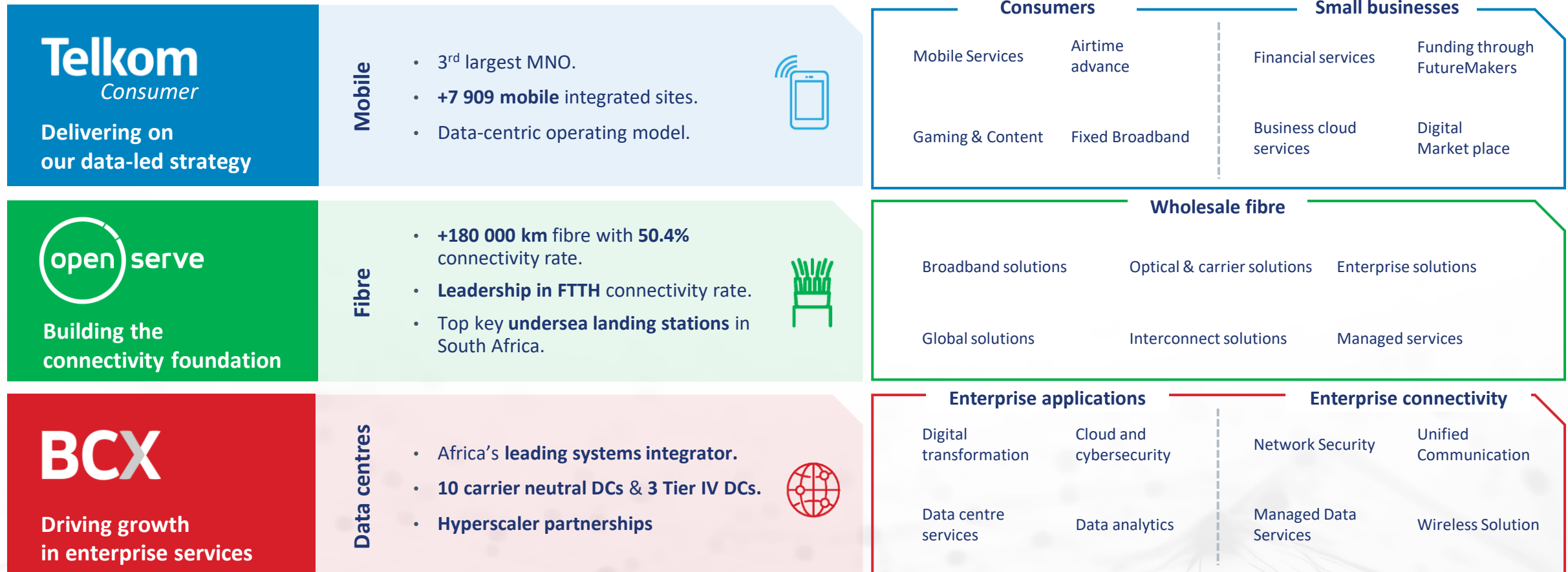
Sustainability excellence is embedded into our operations

Advancing shared prosperity through purposeful interventions that have a meaningful impact on all stakeholders in the South African economy.



Three strong businesses operating with shared purpose and momentum

Building on our InfraCo strengths as OneTelkom





02 | Highlights

On the back of successful strategy execution, FY25 results provide reasons for confidence...

Continuing operations

STRONG GROUP PERFORMANCE

Group Revenue

▲ **3.3%**

TO **R43.9bn**

ENHANCED PROFITABILITY

Adjusted EBITDA¹

▲ **25.1%**

TO **R11.8bn**

MARGIN EXPANSION

Adjusted EBITDA margin¹

▲ **4.7ppts**

TO **26.9%**

SUSTAINED CASH GENERATION

Free cash flow

▲ **R2.4bn**

TO **R2.8bn**

STRENGTHENED BALANCE SHEET

Net debt to adjusted EBITDA¹



0.6x

MAST AND TOWERS DISPOSAL CONCLUDED

Cash proceeds



R6.6bn

DIVIDEND RESUMPTION

Total dividend



R1.3bn

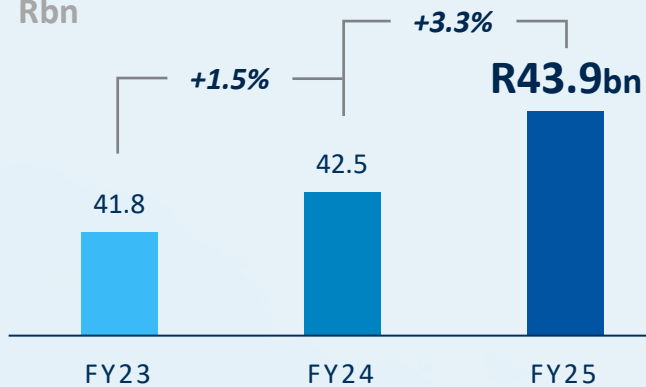
¹ Excludes the impact of the TRF derecognition loss of R618m and restructuring cost of R160m.

Our data-led strategy drives growth momentum

FINANCIAL PERFORMANCE FROM CONTINUING OPERATIONS

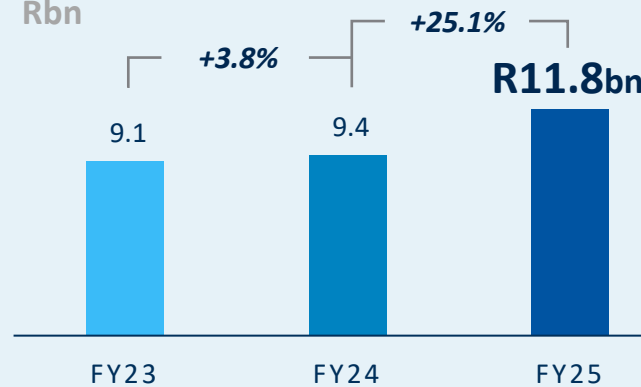
Group revenue

Rbn

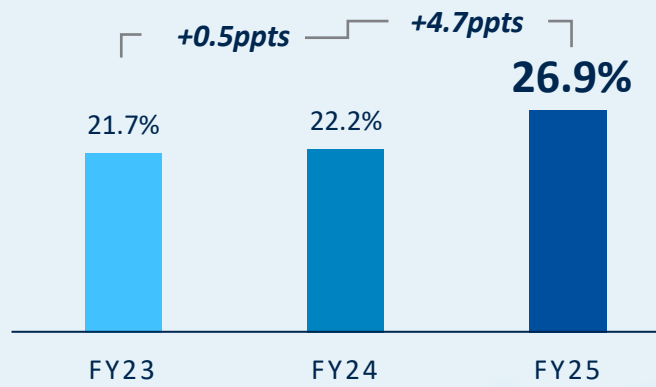


Adjusted EBITDA¹

Rbn

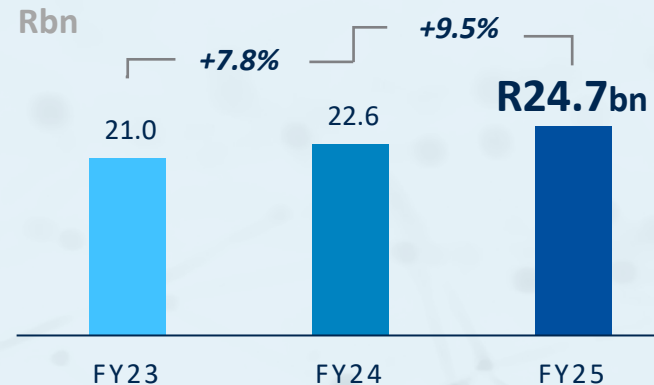


Adjusted EBITDA margin¹



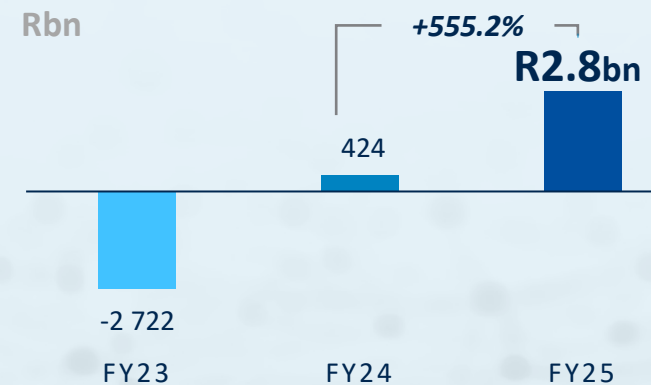
Data revenue

Rbn

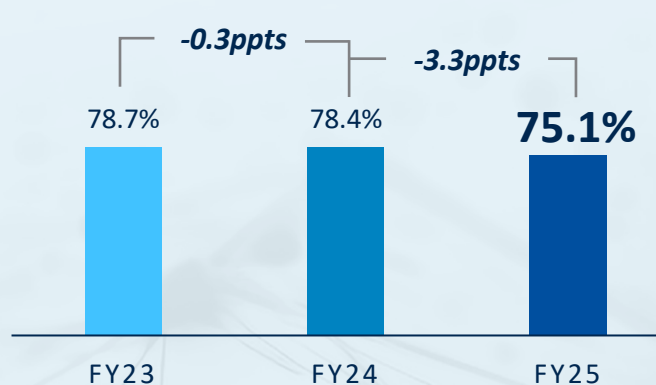


Free cash flow

Rbn



Cost to income²



¹ Excludes the impact of the TRF derecognition loss of R618m and restructuring cost of R160m.

² Cost reflects total adjusted expenses. Income consists of revenue and other income excluding the gain on sale of assets.



03 | Business Review



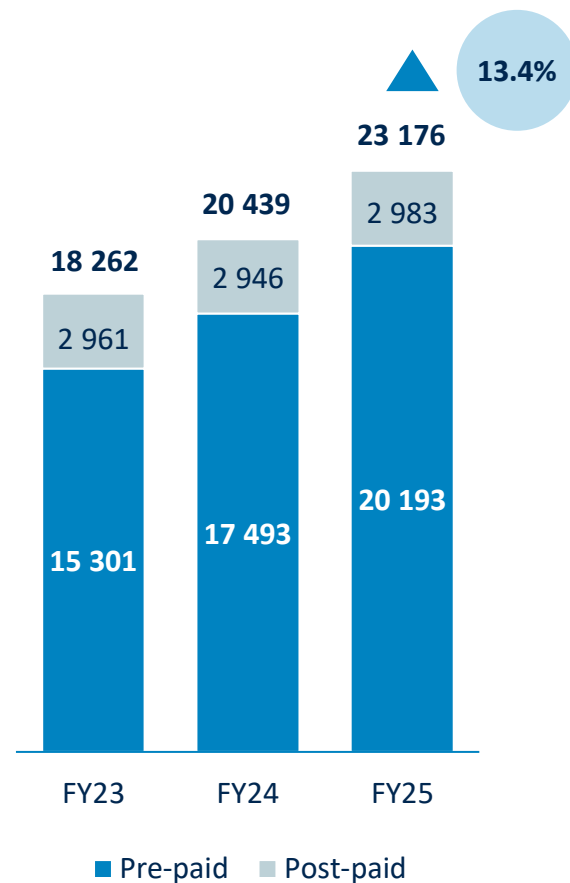
Telkom

Consumer

Ten consecutive quarters of market leading service revenue growth

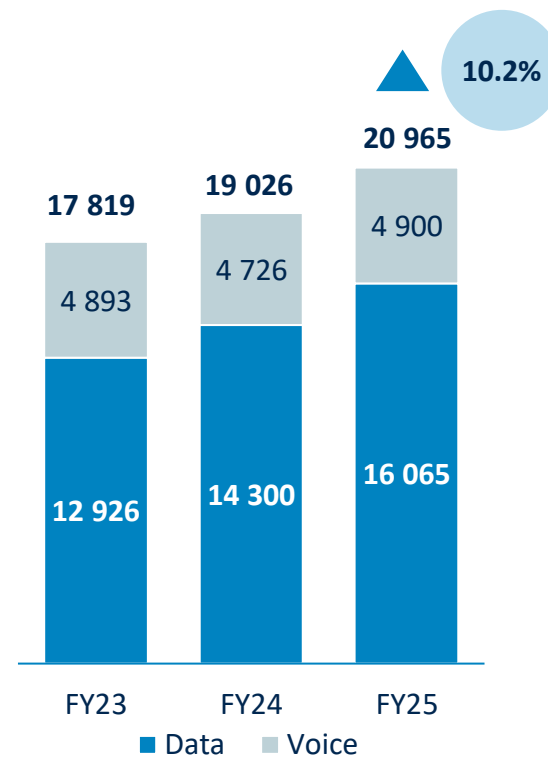
Mobile subscribers

'000



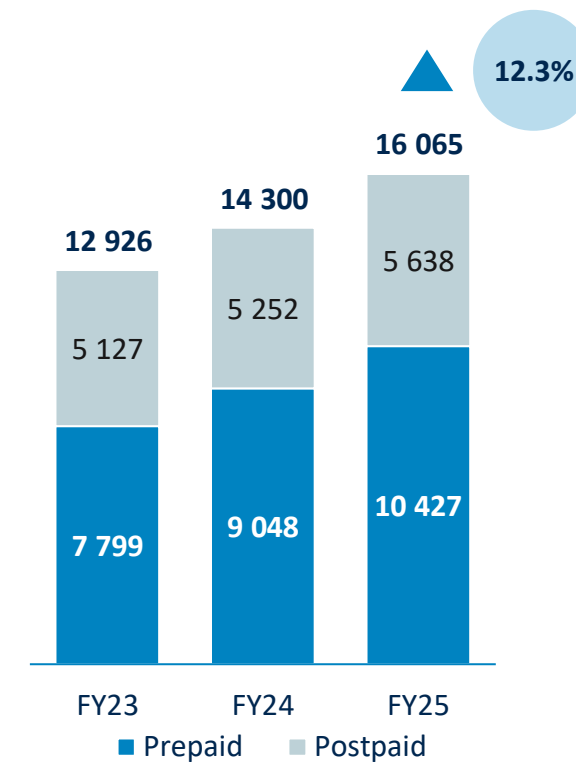
Mobile service revenue

Rm



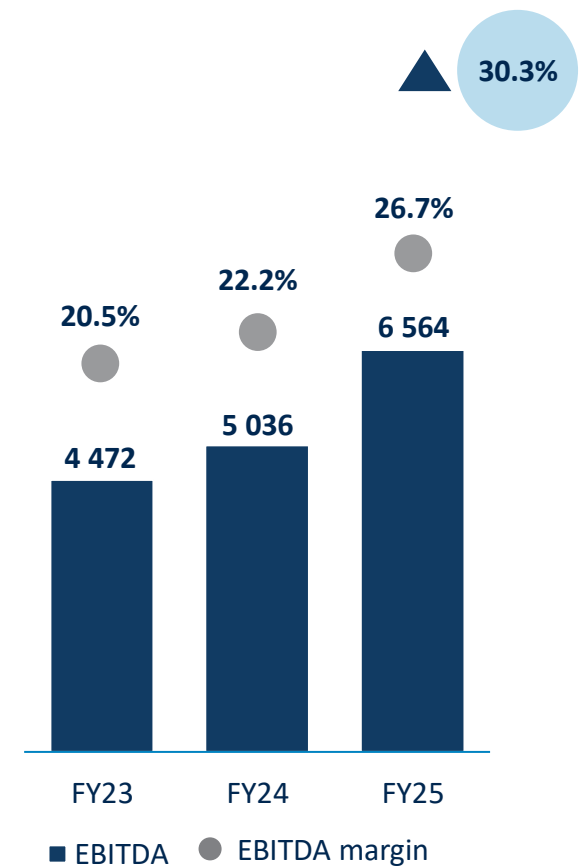
Mobile data revenue

%



Mobile EBITDA/EBITDA margin

Rm



Growing the customer base with growing post-paid ARPU

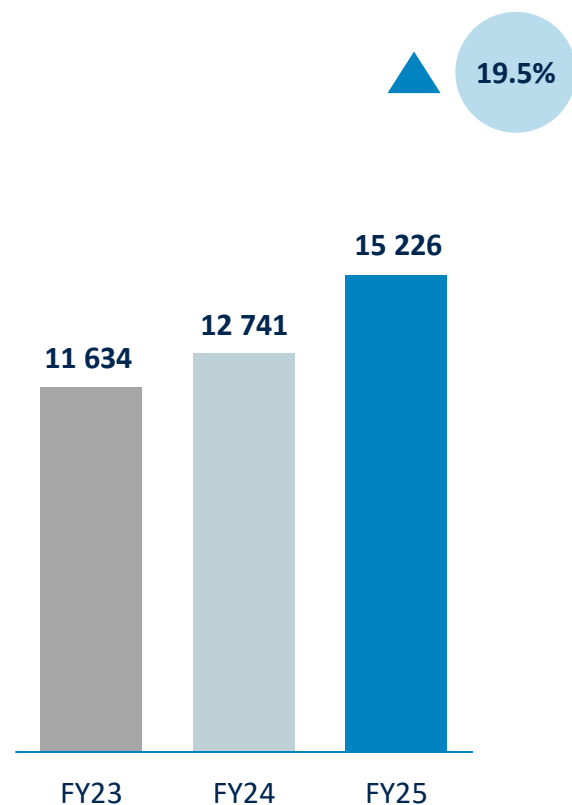
Pre-paid ARPU of R60

Post-paid ARPU of R186

Mobile network sustaining data-led growth

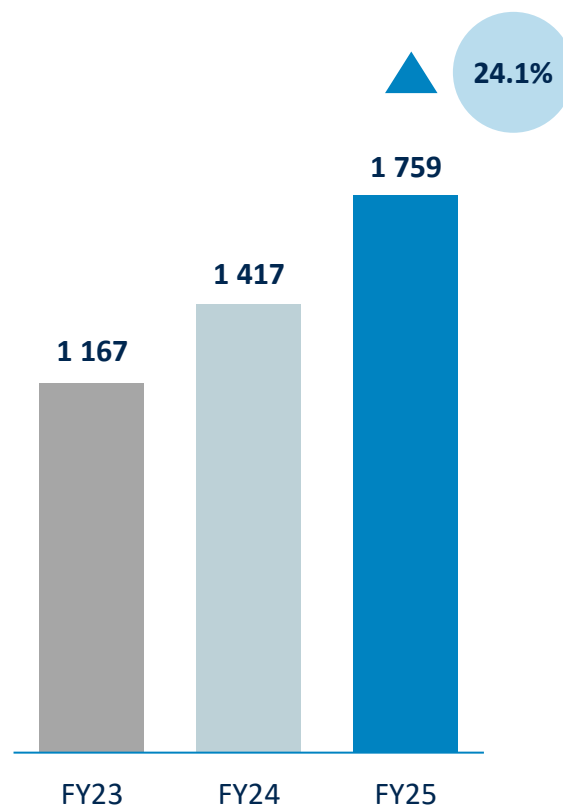
Broadband subscriber growth

'000



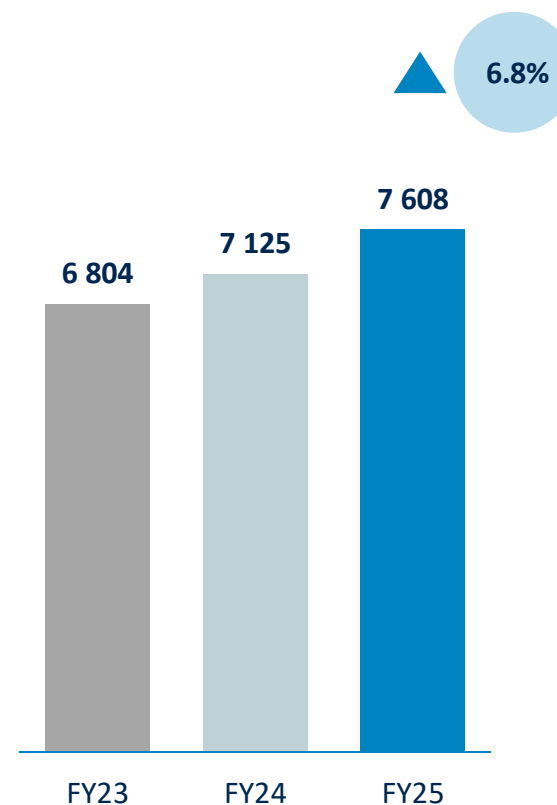
Broadband traffic growth

'000



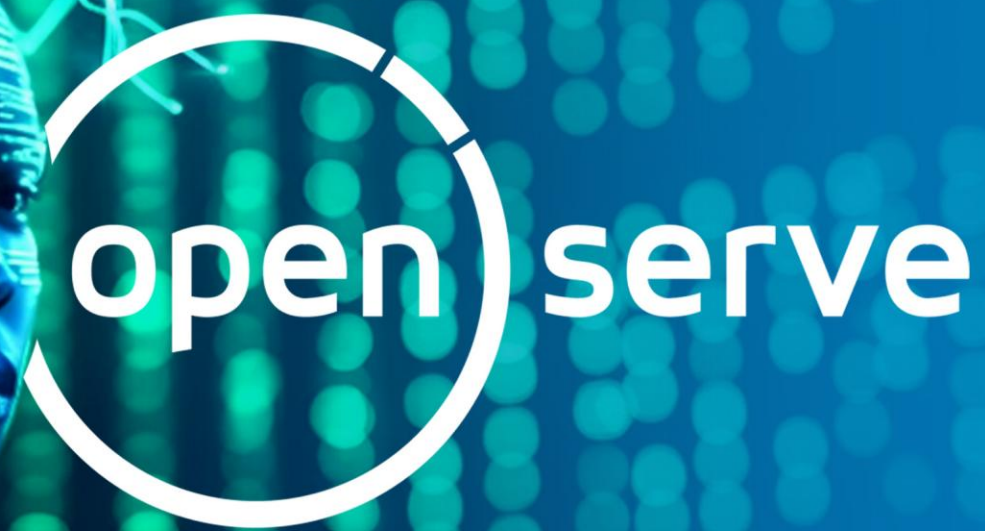
4.5G sites integrated

#

**Telkom**
Consumer

KEY POINTS

- **Broadband subscribers** grew **+19.5% YoY** to 15.2m.
- **Data traffic** increased **+24.1% yoy**, supporting rising consumption trends.
- **4.5G sites** integrated rose to **7 608**, reflecting steady network densification.
- Mobile integrated sites rose to 7 909 sites.

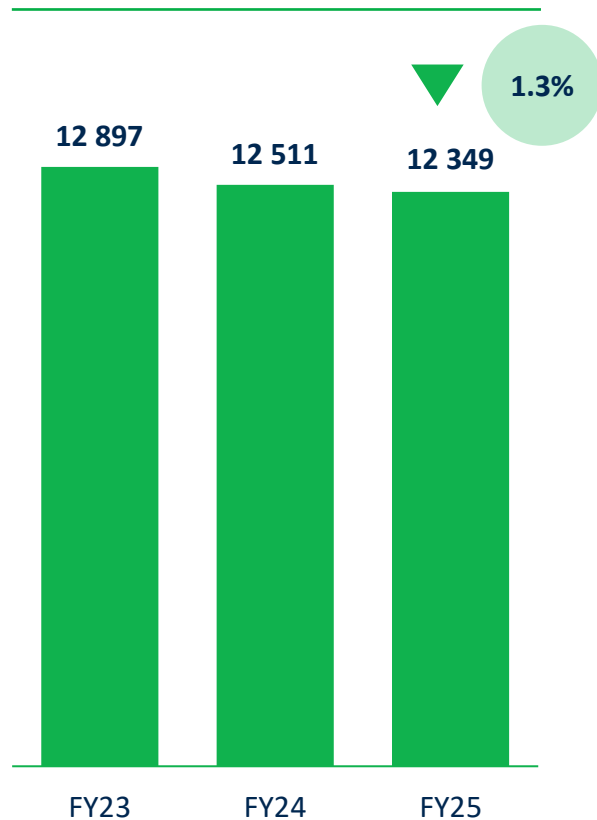


open serve

Fibre-related revenue growth and cost optimisation have improved EBITDA margins

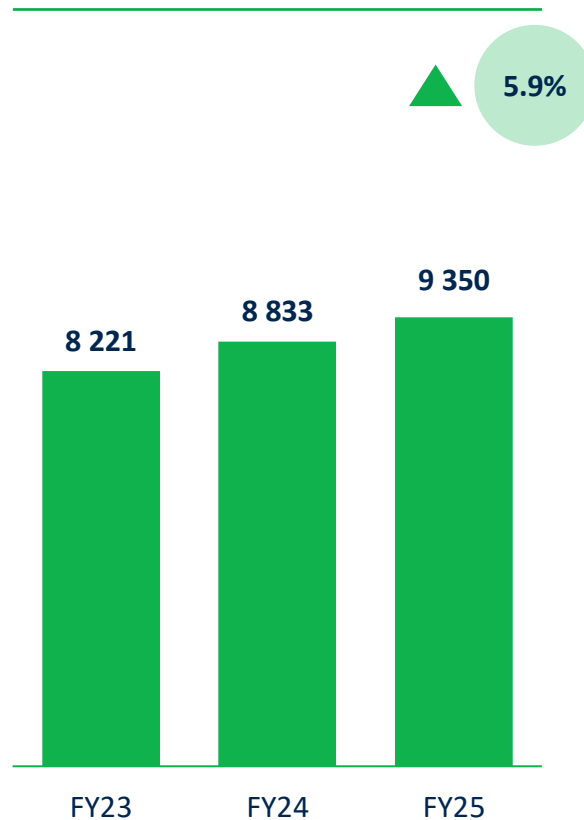
Revenue

Rm



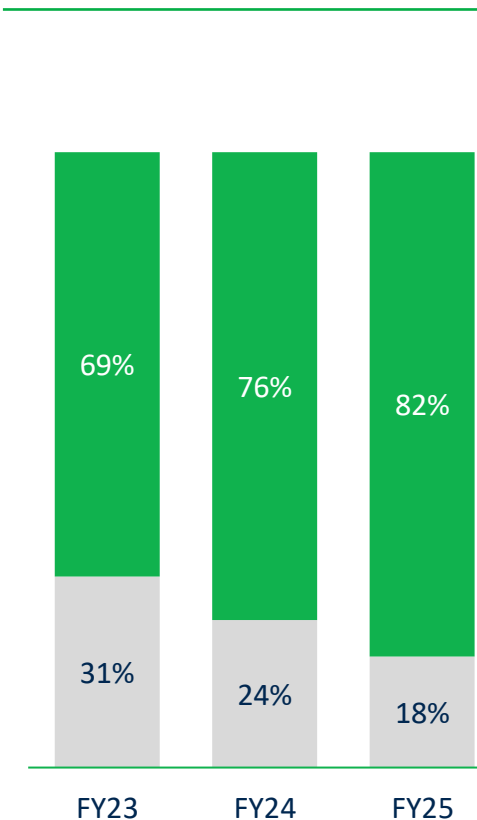
Fibre-related data revenue

Rm



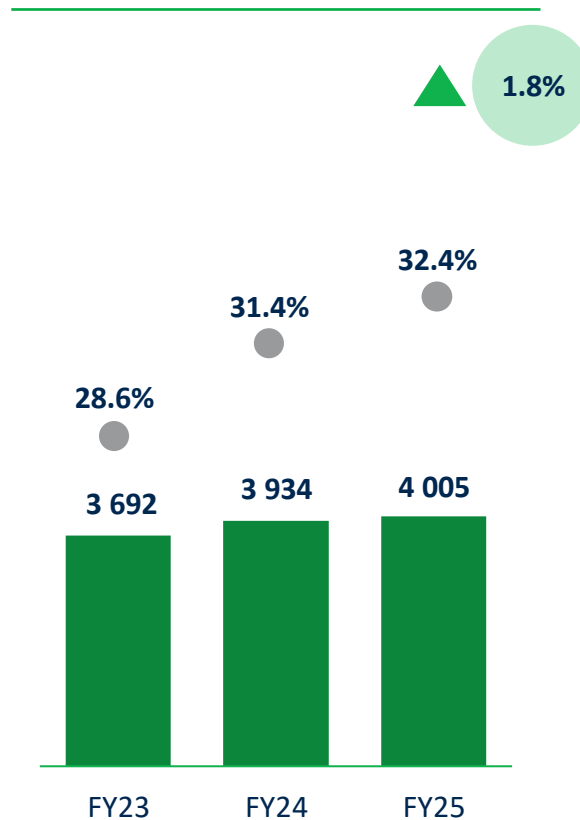
Operating revenue split

%



EBITDA/EBITDA margin

Rm



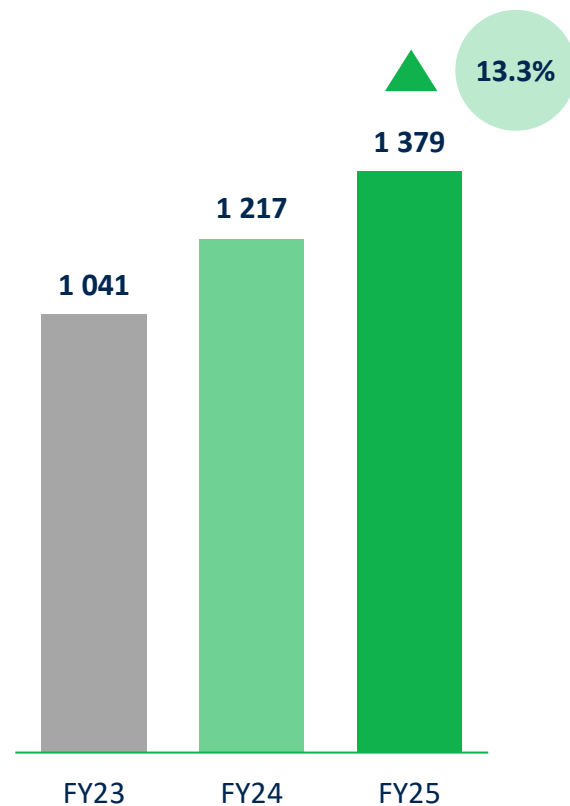
Legacy (inc. voice)
Fibre-related

EBITDA EBITDA margin

Continue to expand fibre footprint and connectivity rate despite industry slow down

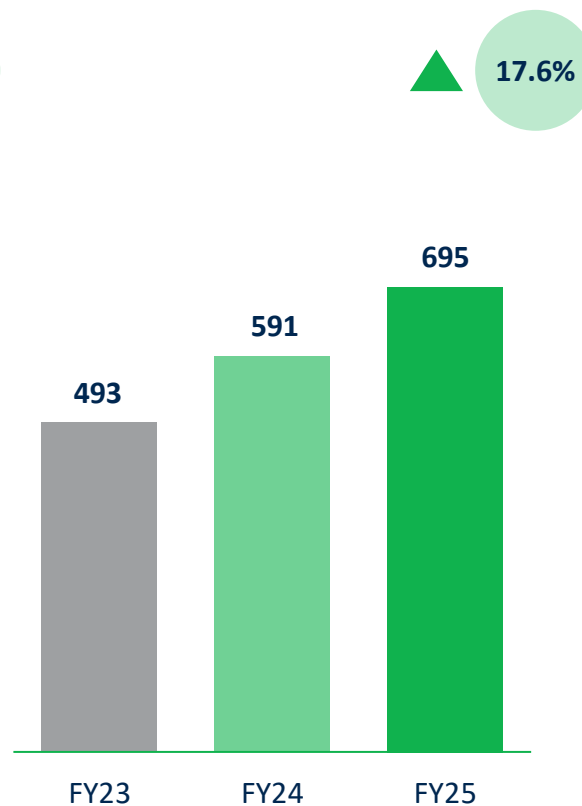
Fibre homes passed

'000



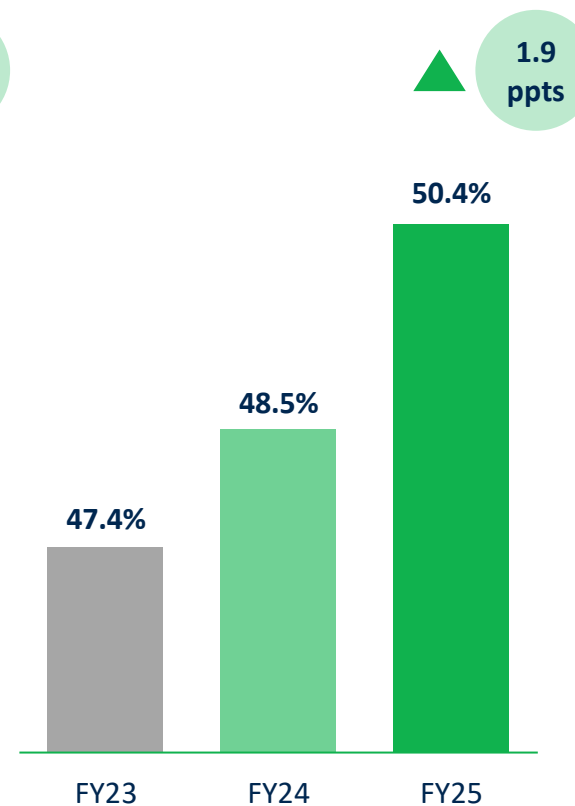
Fibre homes connected

'000



Connectivity rate

%



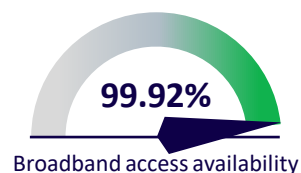
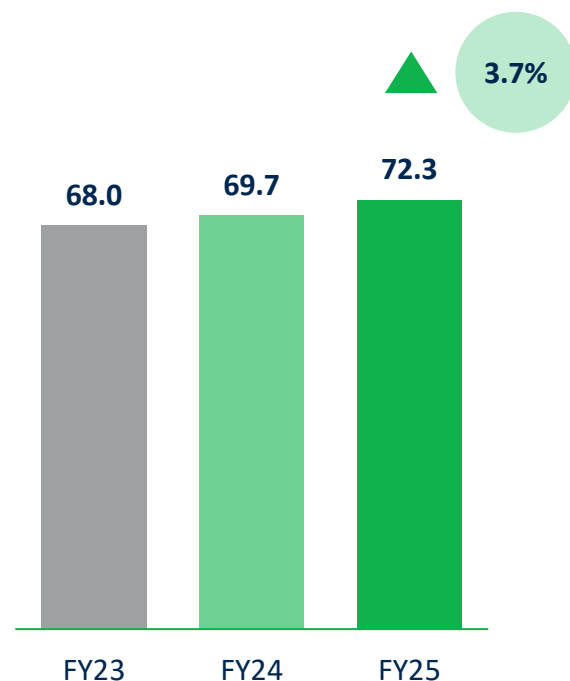
KEY POINTS

- Expansion of fibre footprint resulted in **13.3%** increase in homes passed.
- Homes connected increased by **17.6%**.
- Industry leading connectivity rate of **50.4%**.
- Proactive approach to network means we can accommodate **growth in data consumption**.

World class NPS: transforming service delivery

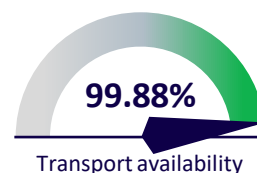
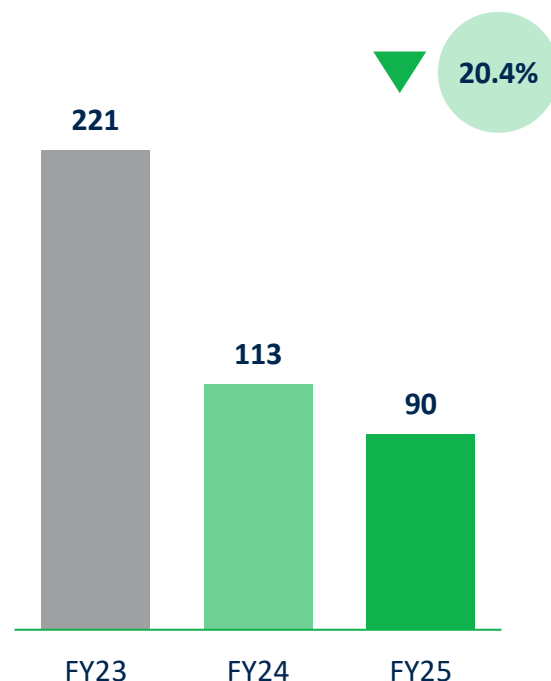
NPS

Net Promoter Score



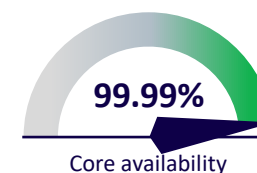
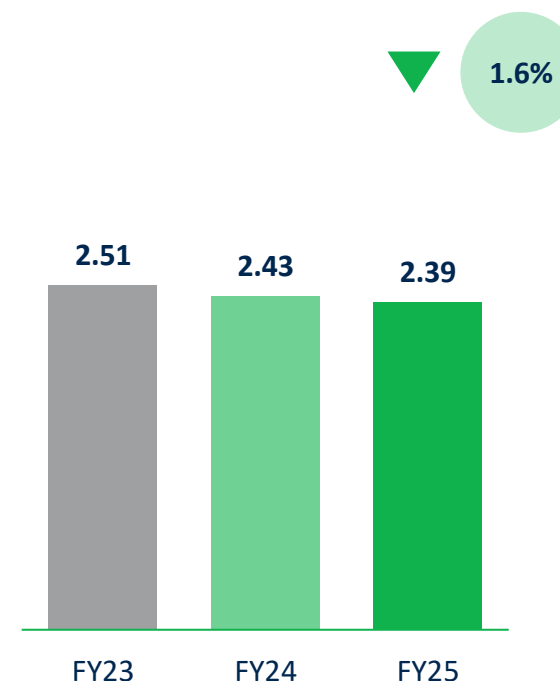
Assurance visits

'000



Fibre broadband avg. time to install

Days



KEY POINTS

- Strong customer satisfaction metrics as **NPS increased to 72.3** (world class level).
- **Assurance visits** reduced by 20.4% and **average fibre install time** improved again this year.
- Outstanding network performance, with **uptime > 99.8%** across all layers.

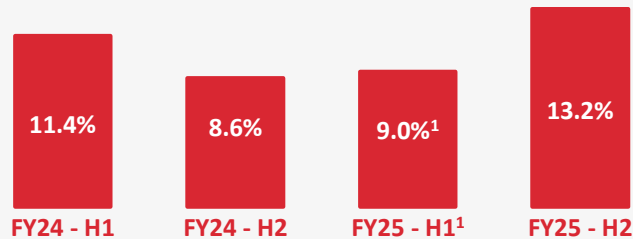


BCX

BCX reshaping continues



Margin momentum
13.2% H2 margin



Cost optimisation

- Reduction in cost to serve.
- Facilities footprint optimisation.
- Right sized staff – 438 exits.
- GenAI-driven automation deployed.



Improving margin mix
37% IT services



Fibre-related data revenue
+12.7%



IT hardware sales reduction
-23.7%



Impairment of receivables
-14.9%



KEY POINTS

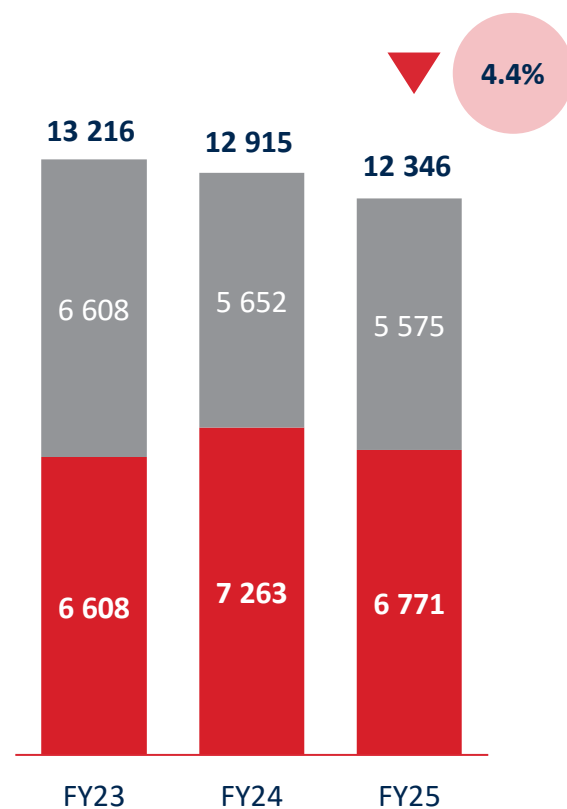
- **Margin profile transforming** through high-value IT services and platforms.
- **Cost base restructured** to align with new business mix.
- **Connectivity legacy decline contained** – new revenue model gaining traction.

1 Adjusted for staff restructuring costs of R157m.

Positive signals in H2

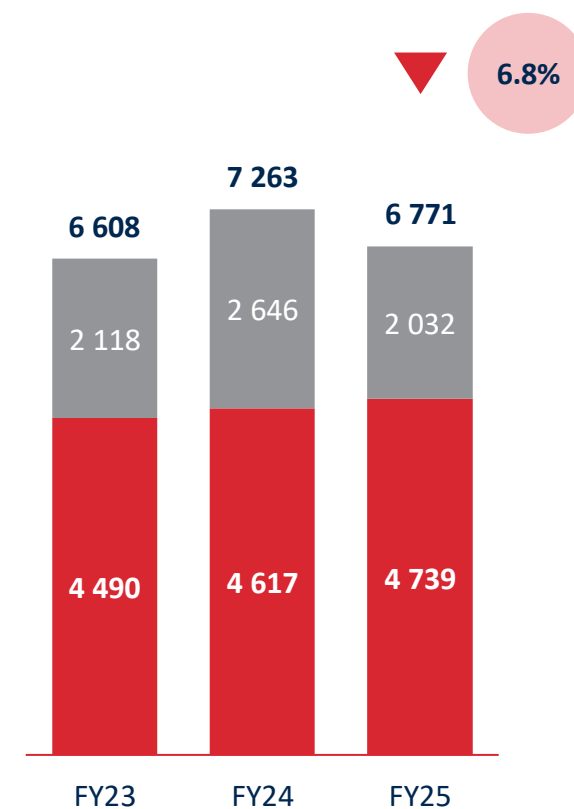
Revenue

Rm



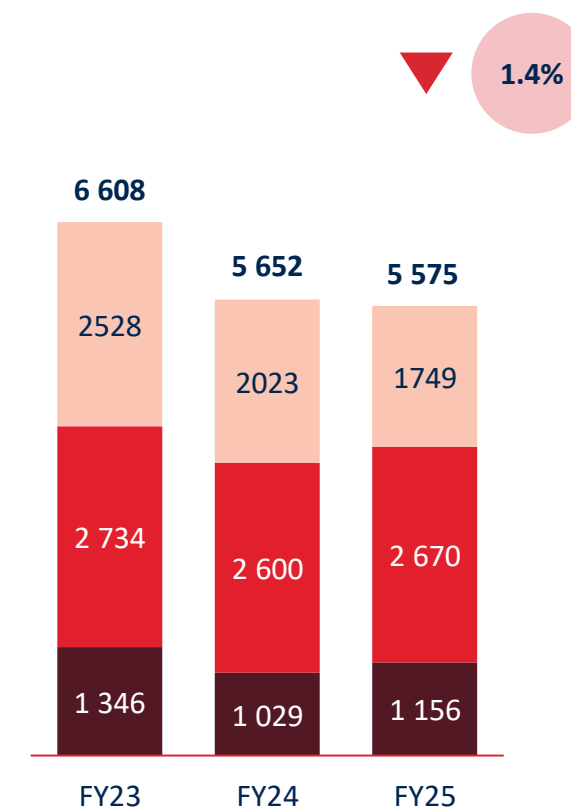
IT business revenue

Rm



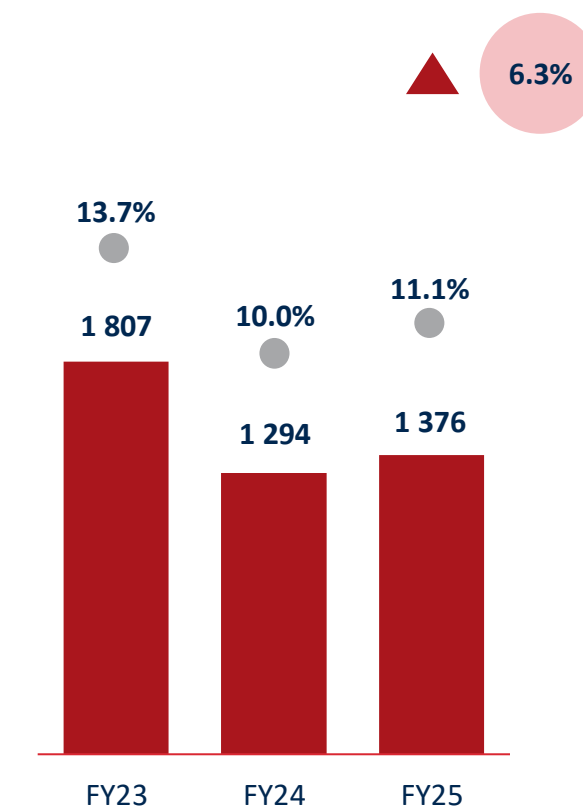
Converged Comms revenue

Rm



Adjusted EBITDA/EBITDA margin

Rm



■ IT business
■ Converged Comms

■ IT hardware and software
■ IT services

■ Voice
■ Data
■ CPE and sundry revenue

■ EBITDA ● EBITDA margin

1 Adjusted for staff restructuring costs of R157m.



Gyro

Gyro has accelerated the disposal of decommissioned properties



Accelerated disposal of non-core properties

- Improved Group liquidity through **accelerated disposal of non-core properties** (R730m realised from 57 properties).
- 30 properties (R280m) remain in the conveyancing process.



Enhancing operational efficiencies

- **Optimisation of utilities and energy costs** (savings of R99m).
- Scope 1 and 2 emissions reduced by 11%.
- 28% increase in **recycled e-waste**.





04 | Financial Review





Nonkululeko Dlamini
Group CFO

Financial performance rooted in the successful execution of our strategy



Medium term guidance achieved



	Targets	FY25 Reported Total operations ¹	FY25 Reported Continuing operations
	Low to mid-single digit Revenue growth	3.1%	3.3%
	Low to mid-single digit EBITDA growth	14.8%	16.8%
	12% - 15% Capex to fund growth	13.9%	13.3%
	1.5x - 1.9x Net debt to EBITDA	0.6x	0.7x

¹ Excludes the gain on sale of Swiftnet.

Total operations | Continuing business and Swiftnet performance before effective date of disposal

	Total operations	Discontinued operations	Continuing operations	KEY POINTS <ul style="list-style-type: none"> • Discontinued operations reflect the performance of the Swiftnet business for 10 months and include the gain on sale. • EBITDA of R4 925m includes operational profits of R517m and the gain on sale of R4 408m. • Continuing operations only include underlying performance of the continuing business and sale of properties. • EBITDA from continuing operations includes the gain on property sales of R654m.
Rm				
Group revenue	44 572	692	43 880	
Other income	5 960	4 408	1 552	
Group expenses	(23 501)	(175)	(23 326)	
Group EBITDA	15 939	4 925	11 014	
Group PAT	7 503	4 720	2 783	

Continuing operations | Driven by strong operational performance

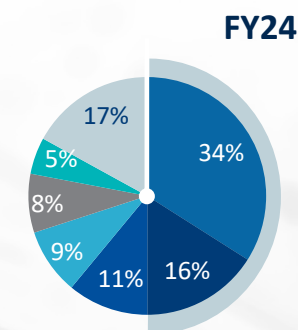
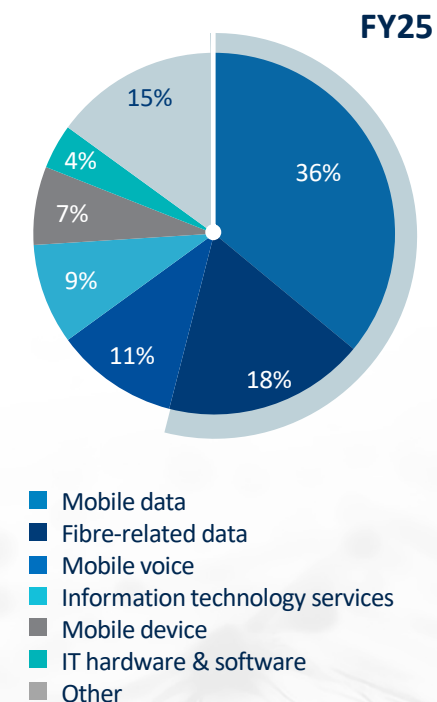
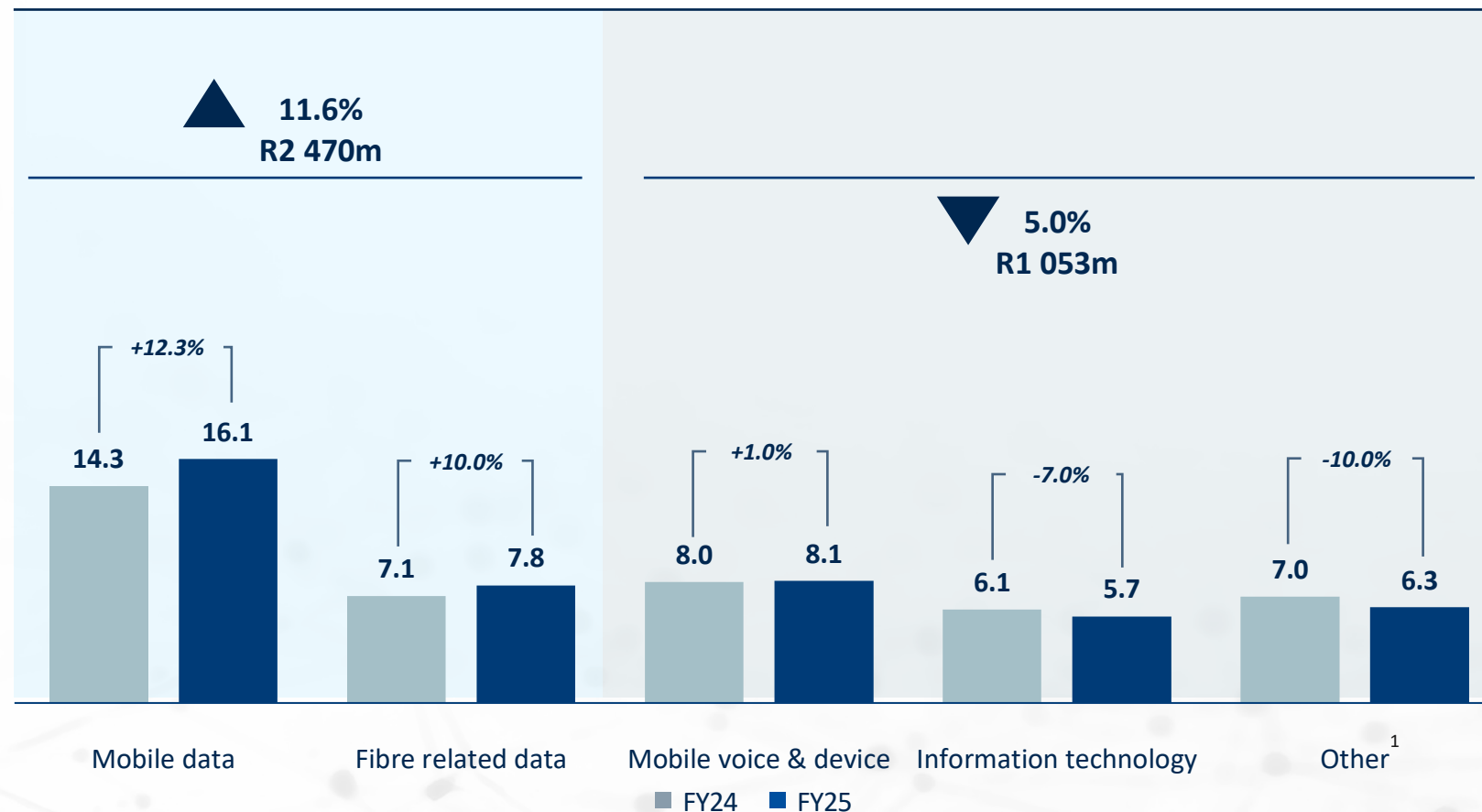
Continuing operations Rm	Reported FY25	Reported FY24	Variance %	Adjusted ¹ FY25	Variance %
Revenue	43 880	42 463	3.3		
Other income	1 552	895	73.4		
Total expenses	(34 418)	(33 930)	(1.4)	(33 640)	0.9
EBITDA	11 014	9 428	16.8	11 792	25.1
Depreciation, amortisation, impairment and write-offs	(5 957)	(5 525)	(7.8)		
Operating profit	5 057	3 903	29.6	5 835	49.5
Investment income	369	229	61.1		
Finance charges and fair value movements	(1 984)	(2 181)	9.0		
Profit before taxation	3 442	1 951	76.4	4 220	116.2
Taxation	(659)	(497)	(32.6)	(869)	(74.8)
Profit for the year	2 783	1 454	91.4	3 351	130.5

1 Excludes the impact of the TRF derecognition loss of R618m and restructuring cost of R160m.

Revenue by stream | Data-led strategy delivering results, major contributor to Group revenue

Continuing operations

Rbn



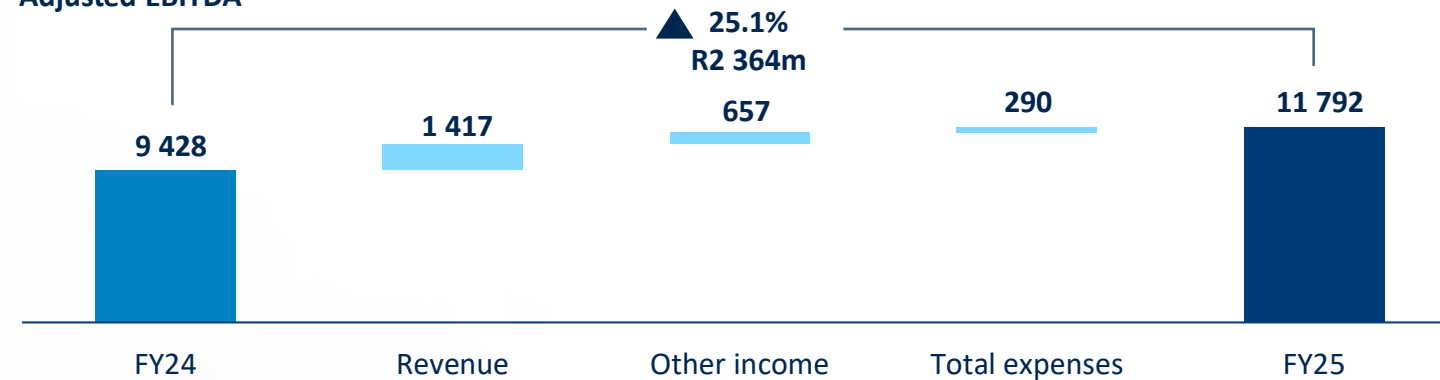
¹ Includes fixed voice and interconnection, customer premises equipment sales and rentals, sundry revenue, digital media sales, insurance and lease revenues.

Cost to income | Focus on revenue growth and cost optimisation yielding positive results

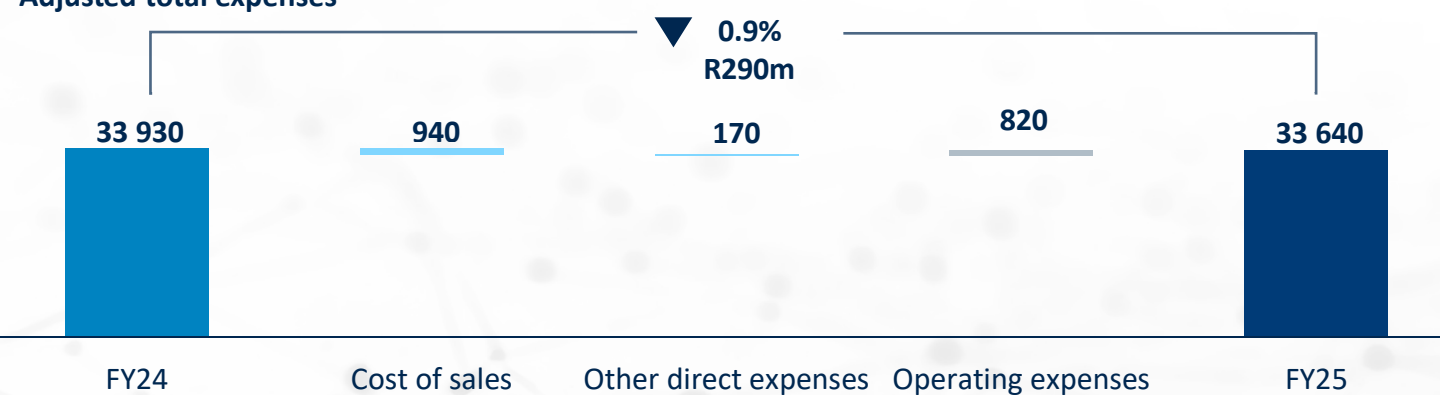
Continuing operations

Rm

Adjusted EBITDA¹



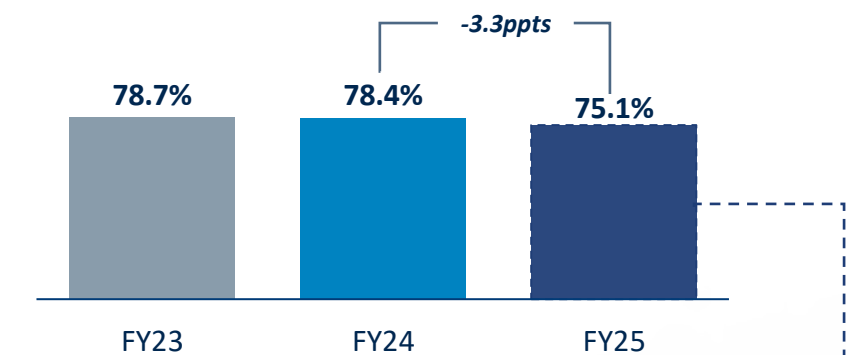
Adjusted total expenses¹



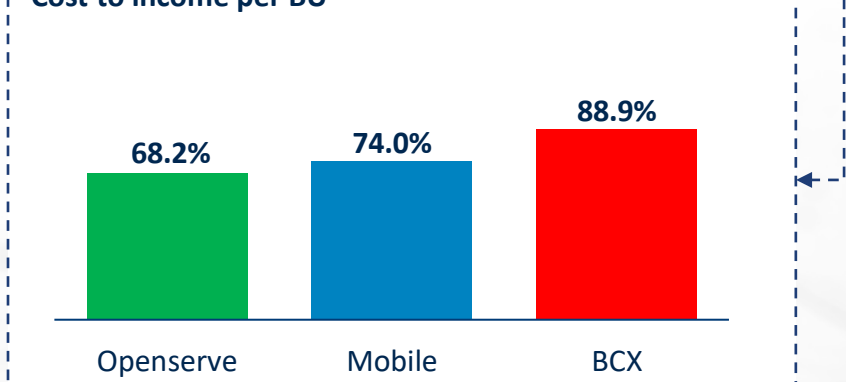
Cost to income²

%

Group cost to income²



Cost to income per BU²



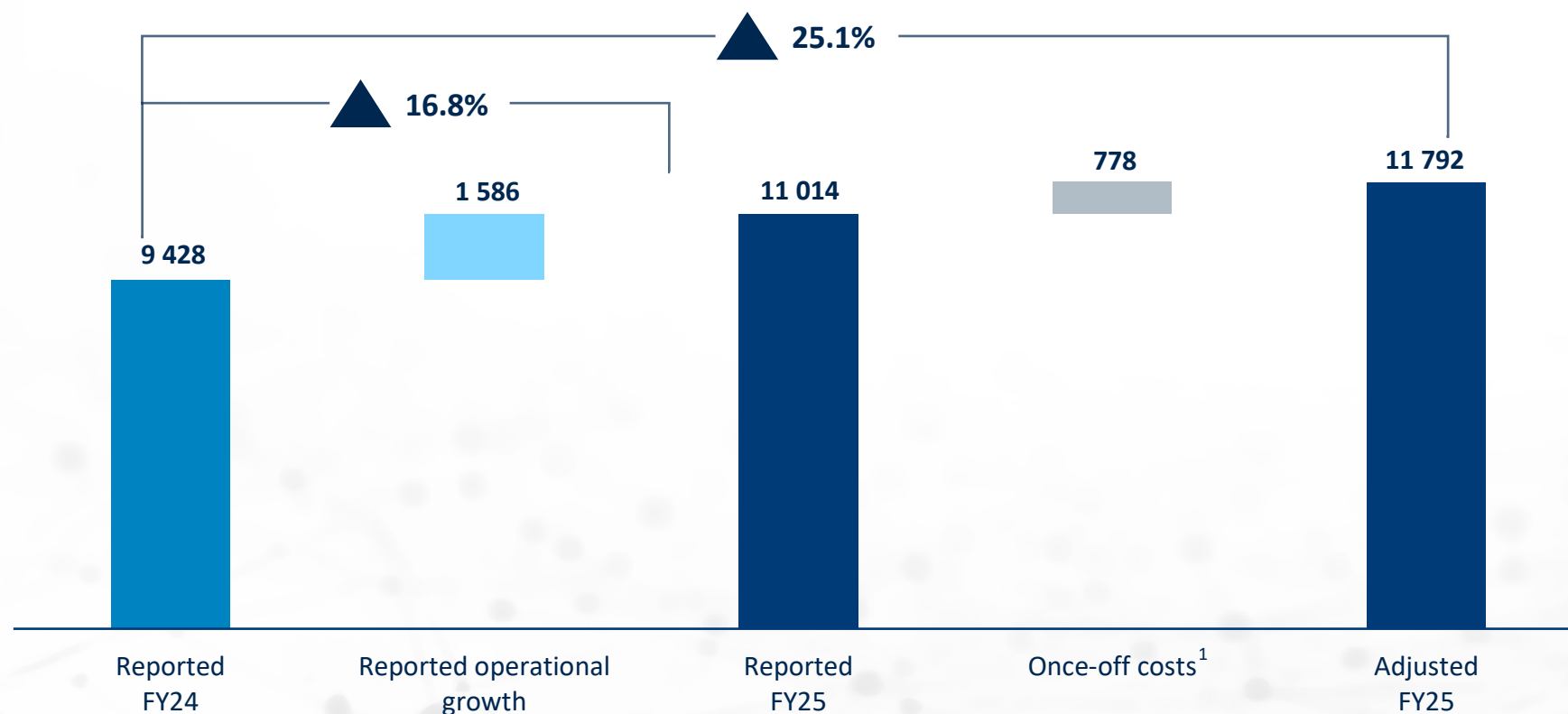
¹ Excludes the impact of the TRF derecognition loss of R618m and restructuring cost of R160m.

² Cost reflects total adjusted expenses. Income consists of revenue and other income excluding the gain on sale of assets.

EBITDA margin | Expansion enhanced by operational efficiencies

Continuing operations

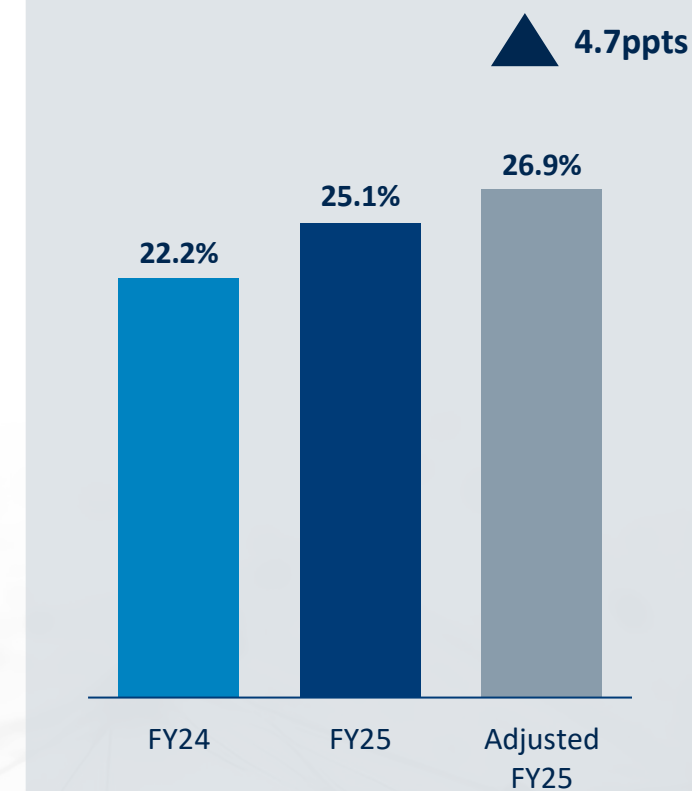
Rm



¹ Once-off costs relates to the TRF derecognition loss of R618m and restructuring cost of R160m.

EBITDA margin

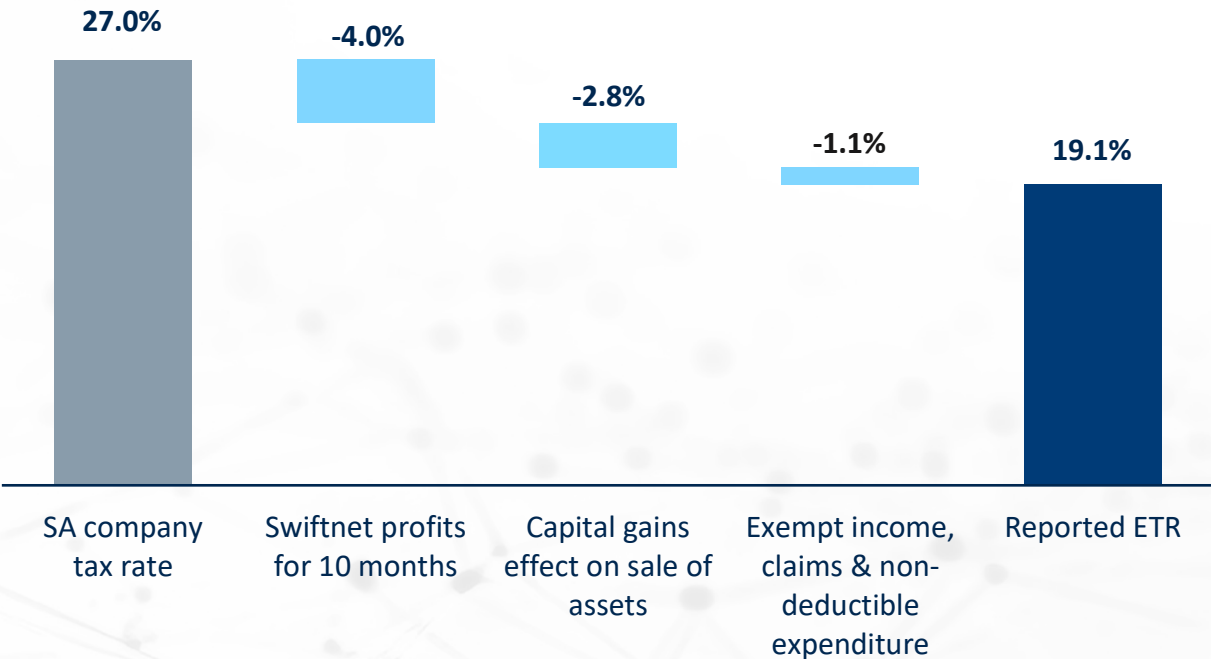
%



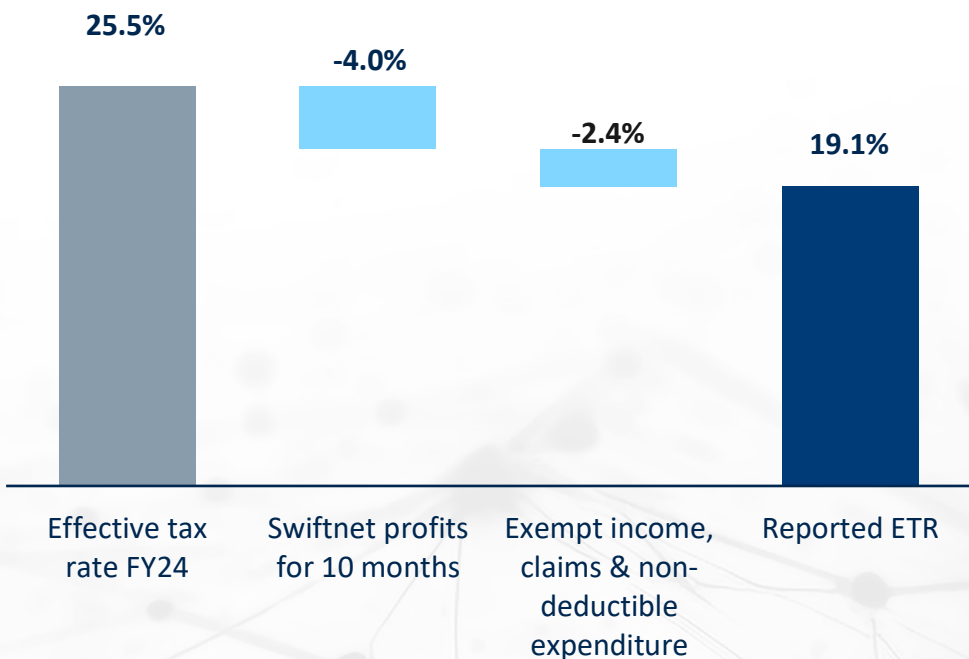
Effective tax rate | Continuing operations

%

Comparison against SA companies tax rate



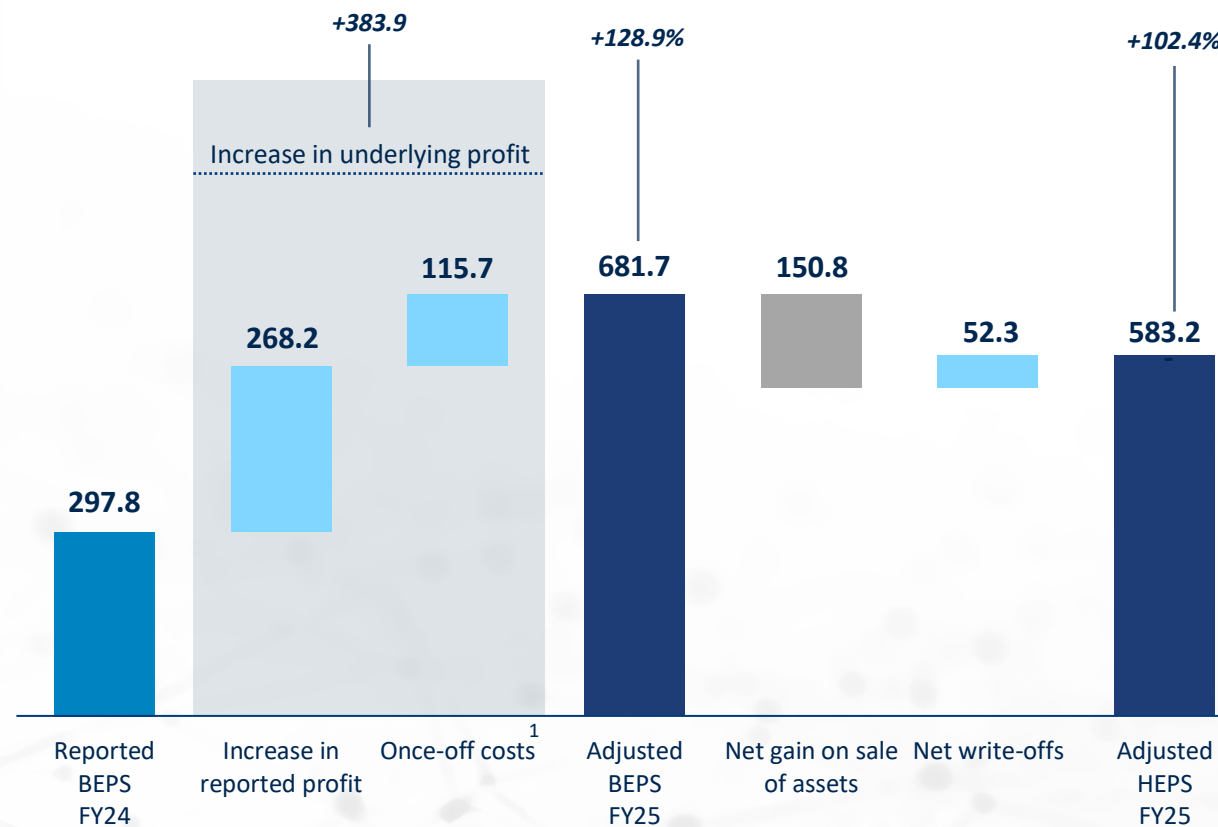
Year-on-year ETR comparison



Earnings | Headline earnings illustrate improved quality of underlying performance

Continuing operations

cents per share



1 Once-off costs relates to the TRF derecognition loss of R618m and restructuring cost of R160m.

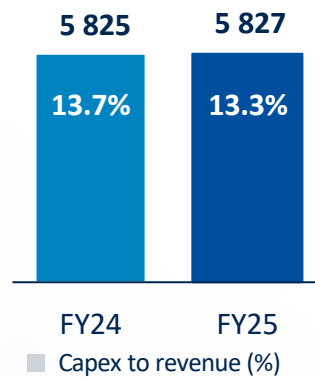
cents per share	Reported FY25	Reported FY24	Adjusted FY25
BEPS	1 528.0	385.5	
Continuing	566.0	297.8	681.7
Discontinued	962.0	87.7	
Property, plant and equipment and intangible assets	983.5	(9.5)	(98.5)
Net profit on disposal	(1 036.9)	(22.6)	(150.8)
Net write-offs and impairment	53.4	13.1	52.3
HEPS	544.5	376.0	
Continuing	467.5	288.1	583.2
Discontinued	77.0	87.9	
WANOS ¹	490 660 883	486 904 628	

1 Weighted average number of shares.

Capital expenditure | Allocated to growth areas. ROIC is also improving.

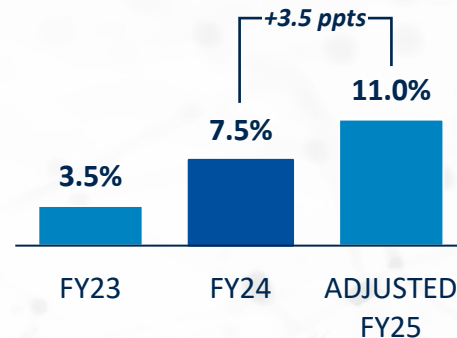
Capex spend and intensity

Rm



Return on invested capital¹

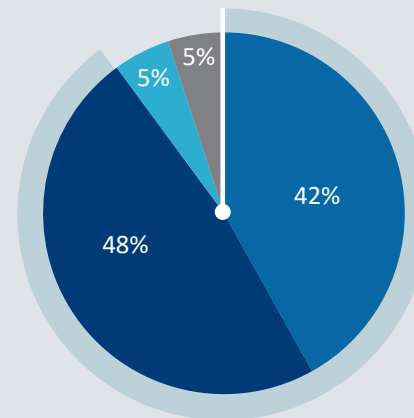
%



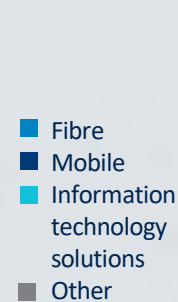
Capex investments allocation

%

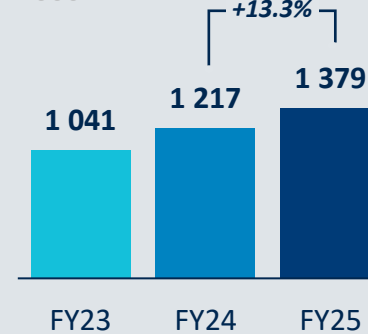
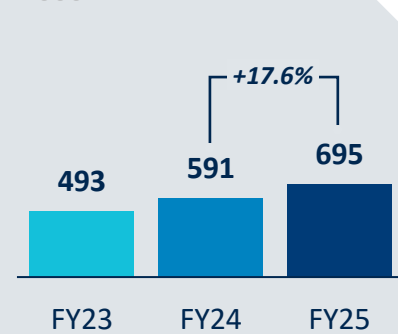
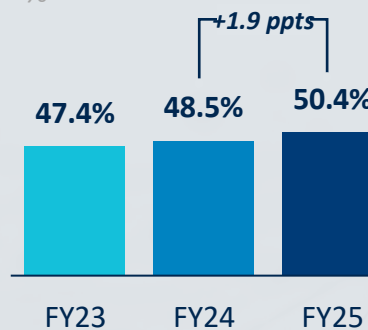
FY25



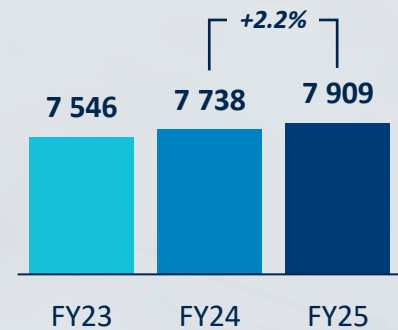
FY24



Network population coverage

FTTH
'000Homes connected
'000Fibre connectivity rate
%

Mobile sites integrated



¹ Return on invested capital (ROIC) is calculated on the SA companies taxation rate of 27.0%. With the effective tax rate applied ROIC is 12.0% for FY25.

Strengthened financial position | Driven by strong operational performance, sale of non-core properties & proceeds from the sale of Swiftnet

Net debt

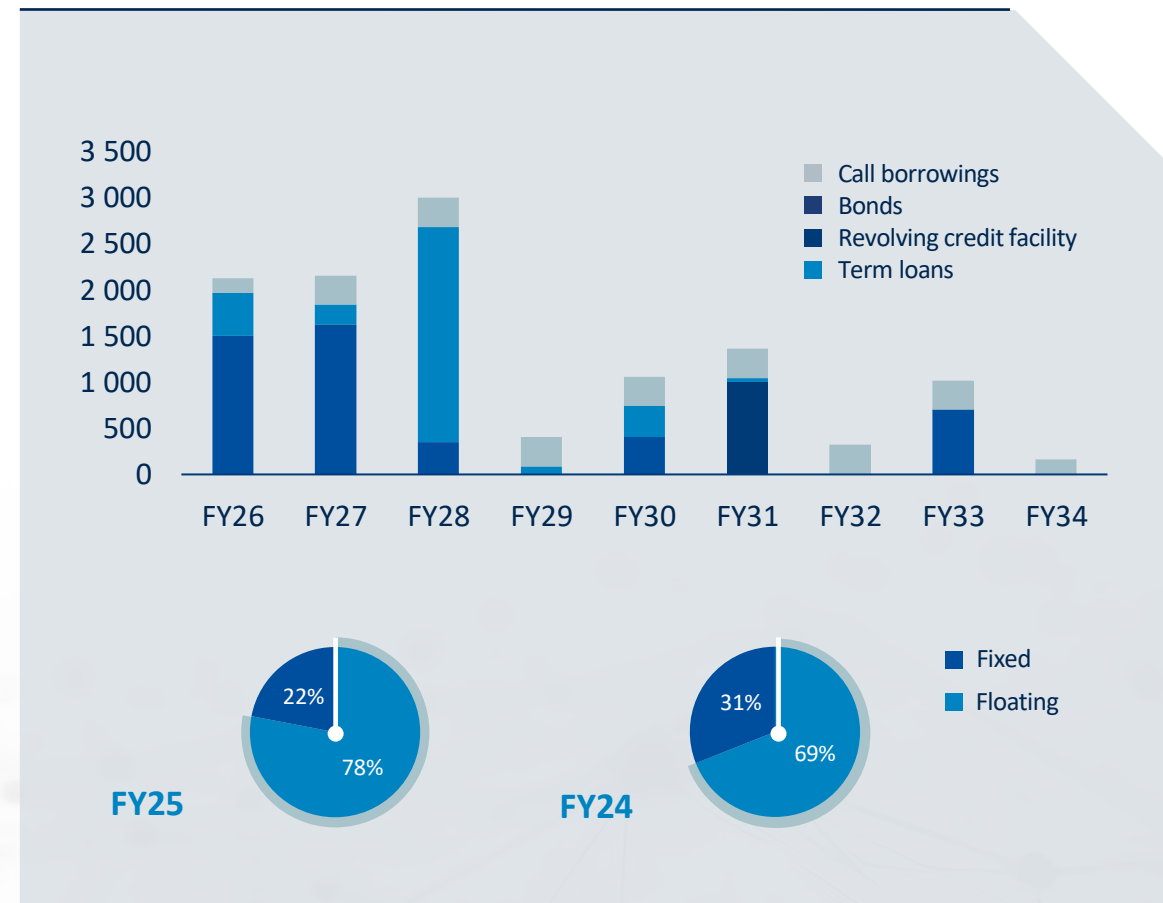
Rm

	FY25	FY24	%
Cash balances¹	11 054	3 747	195.0
Interest bearing debt	11 617	14 217	(18.3)
Opening balance	14 217	14 356	(1.0)
Net funding raised/(repaid)	(2 629)	(150)	
Other	29	11	163.6
Lease liabilities	6 920	6 461	7.1
Opening balance	6 461	5 889	9.7
Repayment of lease liabilities	(2 496)	(1 201)	(107.8)
IFRS16 lease liability raised ²	2 955	1 773	66.7
Net debt	7 483	16 931	(55.8)
Net debt to adjusted EBITDA	0.6	1.8	(1.2)
Average cost of debt (%)	9.3	10.0	(0.7)
Interest cover (times)	9.8	5.2	4.6

1 Cash balances for FY25 includes the Swiftnet proceeds received on 27 March 2025.

Debt maturity profile

Rm



2 Includes R1 429 million Swiftnet related lease liabilities raised in FY25.

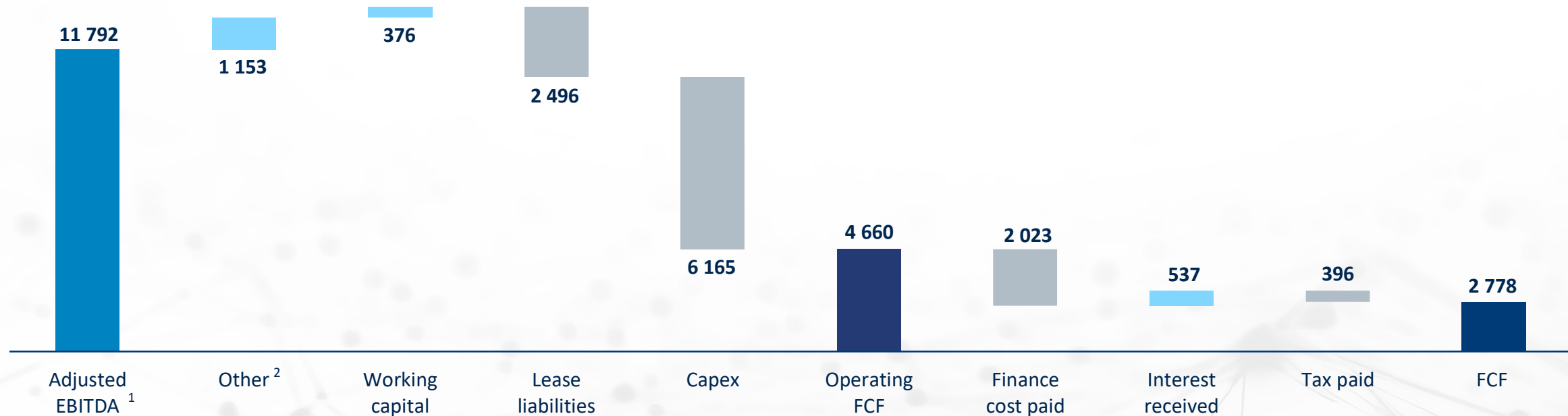
Free cash flow | Driven by strong operational performance and working capital management

Free cash flow Rm	Reported FY25	Reported FY24	Variance %
Cash receipts from customers	44 484	43 469	2.3
Cash paid to suppliers and employees	(31 003)	(32 166)	5.2
Cash generated from operations excluding restructuring cost paid	13 481	11 303	19.3
Repayment of lease liability	(2 496)	(1 201)	(107.8)
Interest received	537	447	20.1
Finance charges paid	(2 023)	(2 304)	12.2
Taxation paid	(396)	(422)	6.2
Cash generated from operations before dividend paid	9 103	7 823	16.4
Cash paid for capex	(6 165)	(6 331)	2.6
Adjusted FCF before restructuring cost paid	2 938	1 492	96.9
Restructuring cost paid	(160)	(1 068)	85.0
FCF	2 778	424	555.2

Cash conversion | Operations funding capital investment

Free cash flow

Rm



¹ Excludes the impact of the TRF derecognition loss of R618m and restructuring cost of R160m.

² Non-cash items includes increase in impairment of receivables and contract assets, provisions and deferred revenue.

Dividend re-instated | R1.3bn delivered to shareholders

Dividend policy

- Annual pay-out at a ratio of 30% - 40% of FCF.
- Strength of balance sheet takes priority.
- Future capex obligations taken into account when assessing FCF available for distribution.

Dividend declaration

Ordinary dividend

30% of FCF

R833m

163 cps

Dividend yield¹: 4.4%

Special dividend

Proceeds from sale of
Swiftnet

R500m

98 cps

Total dividend

R1 333m

261 cps

Dividend yield¹: 7.0%

¹ Share price as at 31 March 2025

Swiftnet sale | Impact on Group's results

Proceeds received Before reporting date



Effective date 31 January 2025



**Cash consideration received
R6 618m**



Gain from sale R4 408m

Utilisation of proceeds Post reporting date



**Strategically dedicating
R4 750m of proceeds** post year end to
strengthen our balance sheet



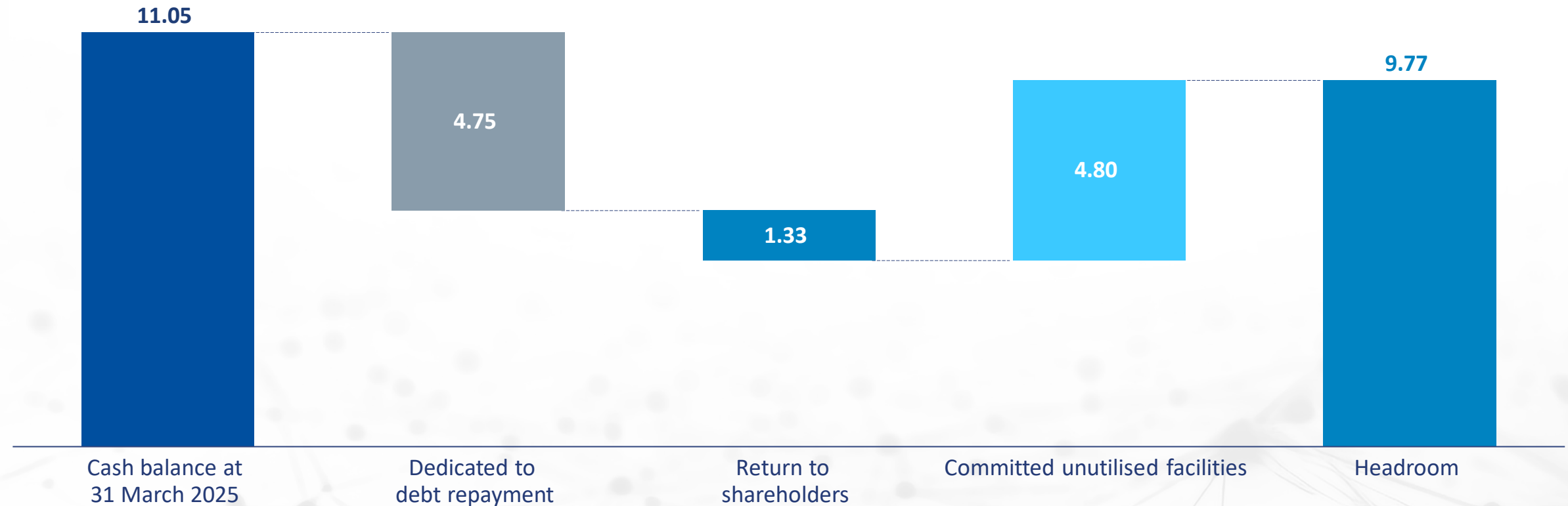
**Delivered
R500m to shareholders**



Remainder of proceeds is preserved for
prudent allocation towards growth

Adequate liquidity | Support growth

Liquidity Rbn



Capital allocation | Priorities to support our strategy

1 EBITDA margin enhancement and increased profitability

- Sustain and expand our core business.
- Customer-centric innovation to drive top-line performance.
- Drive efficiencies and cost optimisation.
- Optimal product and service mix.
- Operational execution with strong financial outcomes.

2 Smart capex deployment driving value creation

- Target high return on investment and invest as OneTelkom.
- Clear criteria for investment returns.
- Optimal capital intensity to ensure infrastructure sustainability.

4 Shareholder value delivery

- Disciplined capital allocation to ensure sustained positive free cash flow generation.
- Return of 30% - 40% of FCF to shareholders as per the dividend policy.

3 Prudent financial sustainability management

- Preserve resilient financial position.
- Financial flexibility for growth and investment.
- Maintain prudent leverage levels.

Medium term guidance (FY26 – FY28)



Targets

Strategic drivers



Mid-single digit
Revenue growth¹

- Industry-leading mobile service revenue growth.
- Industry-leading fibre connectivity ratio.
- Accelerate IT services and converged solutions growth.



25% - 27%
EBITDA margin

- Expansion of business unit margins.
 - Mobile 28.0% by FY28
 - Openserve 35.0% by FY28
 - BCX 12.5% by FY28



12% - 15%
Capex to fund growth

- Disciplined capital allocation – smart capex deployment.
- Drive operational efficiencies and network simplification.



0.5x - 1.5x
Net debt to EBITDA

- Preserve resilient financial position.
- Maintain prudent leverage levels.

¹ Average annual growth rates for 3-year targets are on comparable, adjusted annual performance, assuming stable economic conditions.



05 | Outlook & Priorities

Serame Taukobong
Group CEO

Shared values foster a unified OneTelkom culture

Through effective talent management, targeted development, recognition and culture-building initiatives, we enhance employee experience while advancing transformation, diversity and inclusion.



Building a culture for execution & innovation



Culture refreshed to **drive execution** and high-performance.



Aligned and **focused leadership**.



Proactive approach to AI adoption to improve operational excellence.



Attracting **diverse talent** and fostering innovation.



Effective talent management



100% of executive leadership roles with succession plans.



76% of external hires were women, of which 92% were African.



83% of successors are African.



Training and development



R166m spent on training and development.



4.67 hours average on training per employee.



Learning4Growth - skills and knowledge for professional growth.



Shared Values



Accountability



Agility



Collaboration



Customer centricity



Simplicity

A strong, aligned leadership team driving execution through OneTelkom

**GCEO****Serame Taukobong**

Demanding execution
excellence across the business.

**GCFO****Nonkululeko Dlamini**

Driving financial discipline to
unlock growth.

**CEO: BCX****Jonas Bogoshi**

Transforming BCX into an IT
business powerhouse.

**Chief HR officer****Melody Lekota**

Enabling OneTelkom
ways of working.

**CEO: Telkom Consumer****Lunga Siyo**

Supercharging the growth of
the mobile business.

**Chief Digital Officer****Sello Mmakau**

Leading Telkom's digital
transformation.

**Chief of Corporate Affairs****Mpho McNamee**

Advancing trust through
reputation leadership.

**CEO: Openserve****Beauty Apleni**

Expanding South Africa's
digital infrastructure backbone.

Delivered against our priorities

NGN revenue growth

- Grew data consumption.
- Increased FTTH passed and connected.
- Grew mobile subscribers.
- Grew IT managed-services.

Cost optimisation

- Successful ongoing opex management.
- Roaming cost remain well managed.
- Network modernisation and energy transformation.

Cash generation

- Achieved sustainable cash generation.
- Improved shareholder returns.

Smart capex deployment

- Expanded network, prioritising growth areas:
 - Expanded mobile network footprint, managed roaming costs.
 - Increased fibre homes, enterprises and carrier (backhaul) passed and connected.
 - Optimised data centre uptake and grew IT managed-services.

Deliver ESG strategy

- Reduced environmental impact.
- Continued upliftment and support of the societies we operate in.

Build on FY25 momentum to grow core revenues and create new business opportunities...

Our markets are rapidly evolving



Relentless tech innovation.



Shifting consumer expectations.



Dynamic competitive and regulatory landscape.



Open innovation ecosystems.

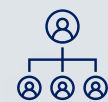
Our response



Leverage our digital infrastructure assets, capabilities and resources.



Realise full potential of OneTelkom platform.



Execution focus and drive innovation off products and operational excellence.

Our priorities



Core business revenue growth: mid-single digit.

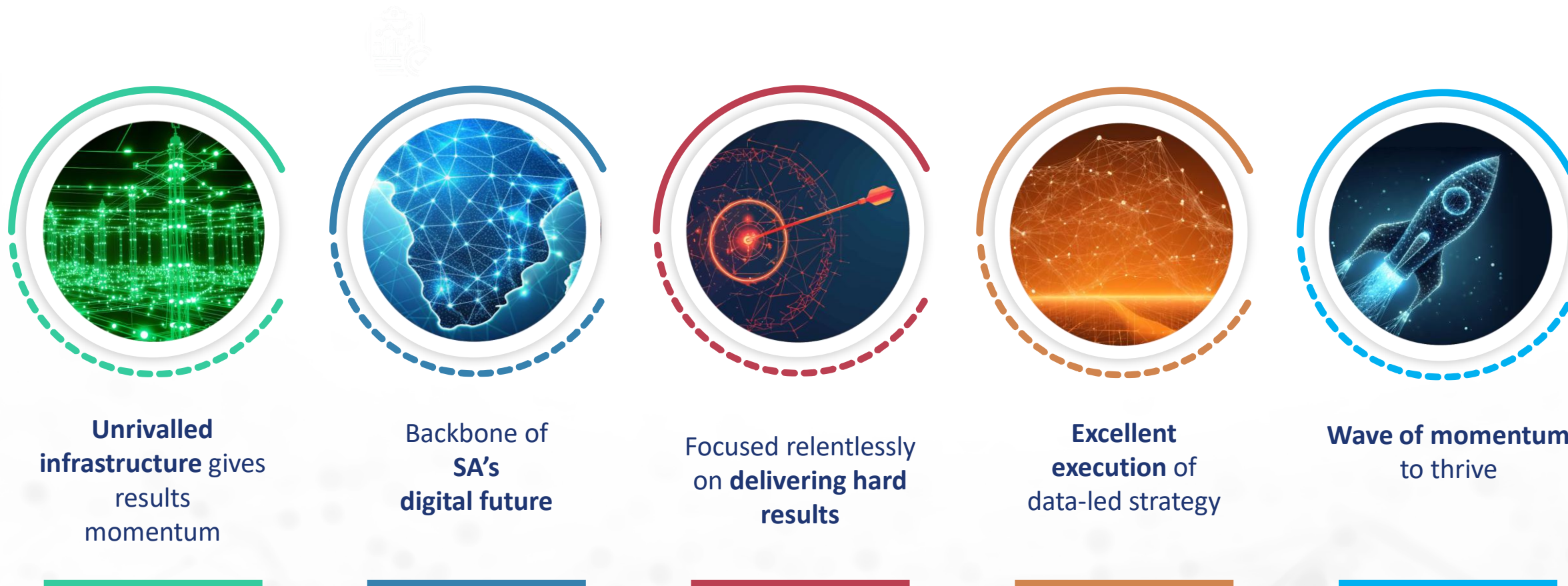
PLUS



Invest and innovate for growth and efficiency.

...for Telkom to thrive in the complex operating environment ahead

Momentum unlocked - Telkom's transformation fuels results and future growth





Telkom

Thank you



Appendix



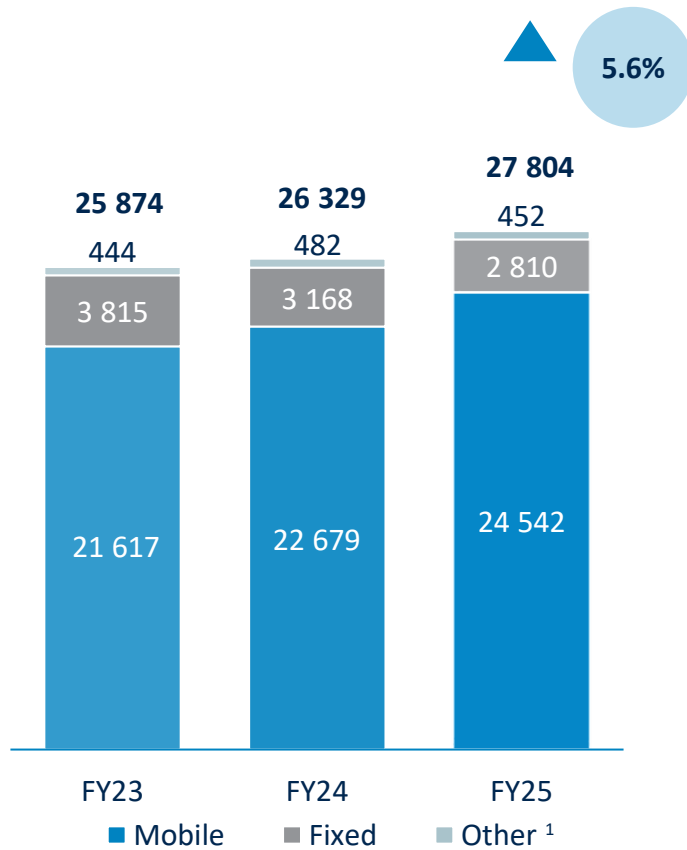
Telkom

Consumer

Consumer revenue growth, with improved profitability

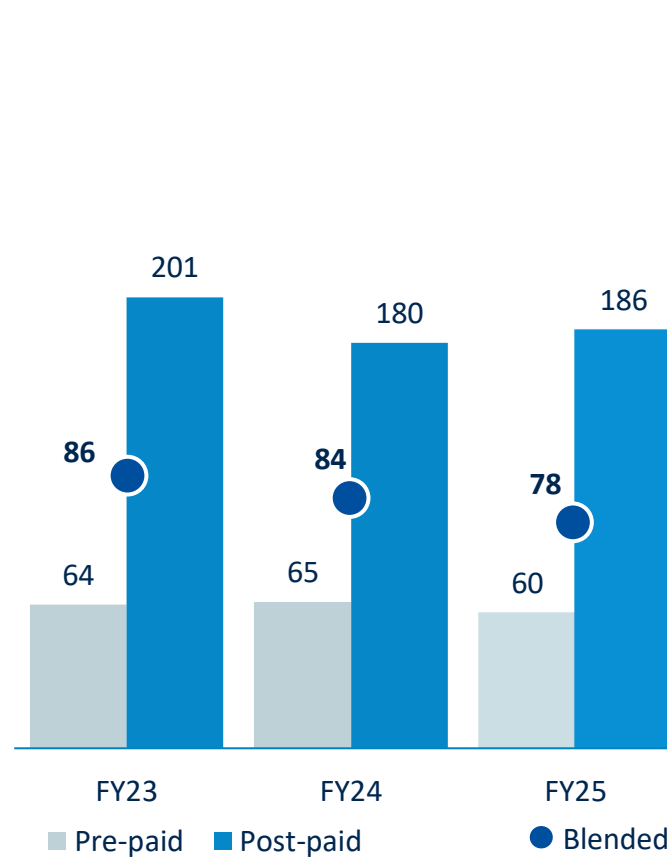
Consumer operating revenue¹

Rm



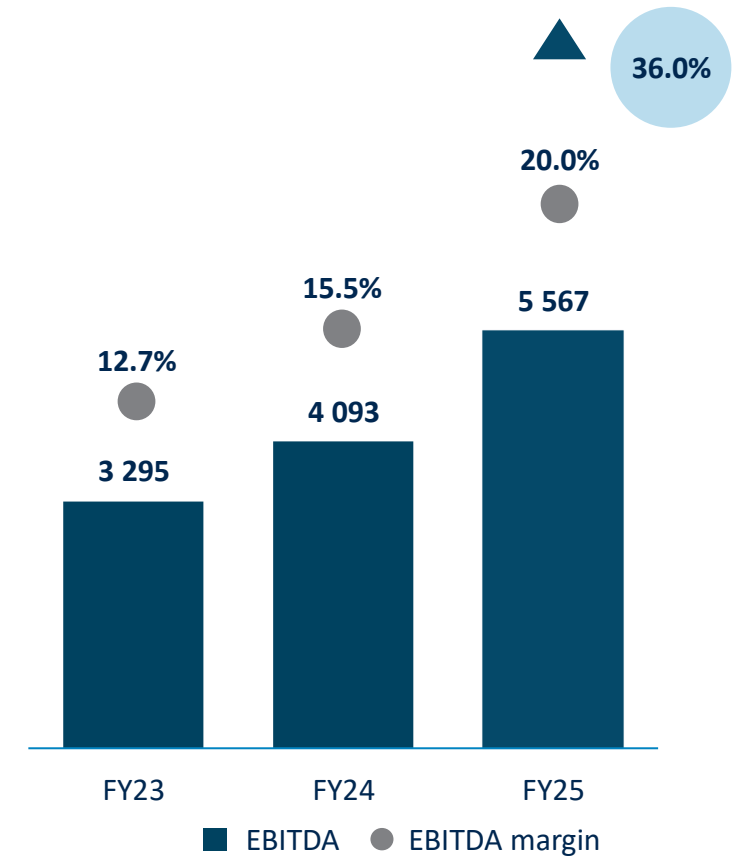
ARPU

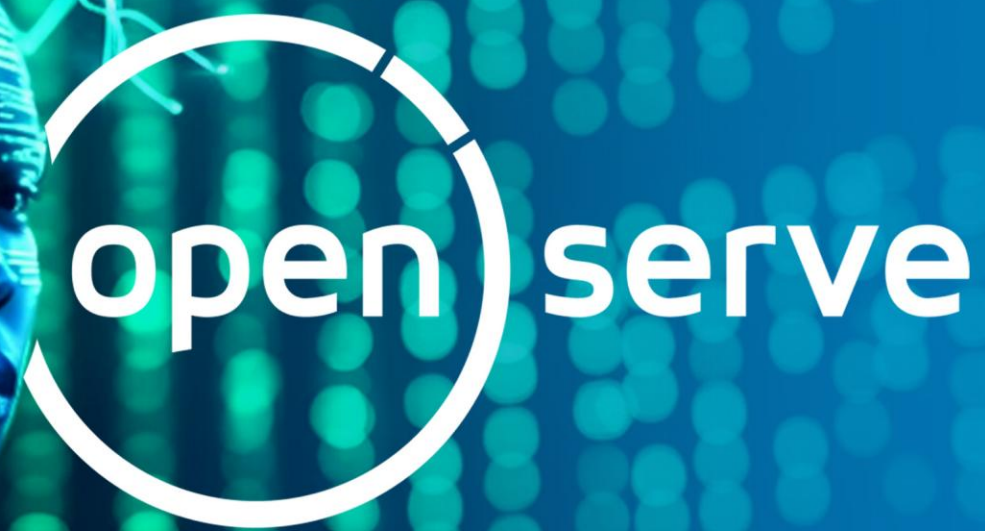
R



Consumer EBITDA/EBITDA margin

Rm





open serve

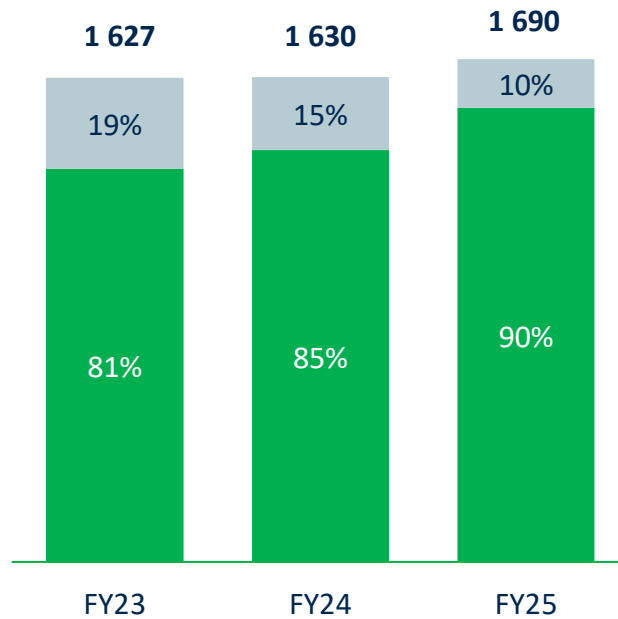
Openserve sees solid enterprise gains despite carrier easing

Enterprise revenue

Rm



3.7%

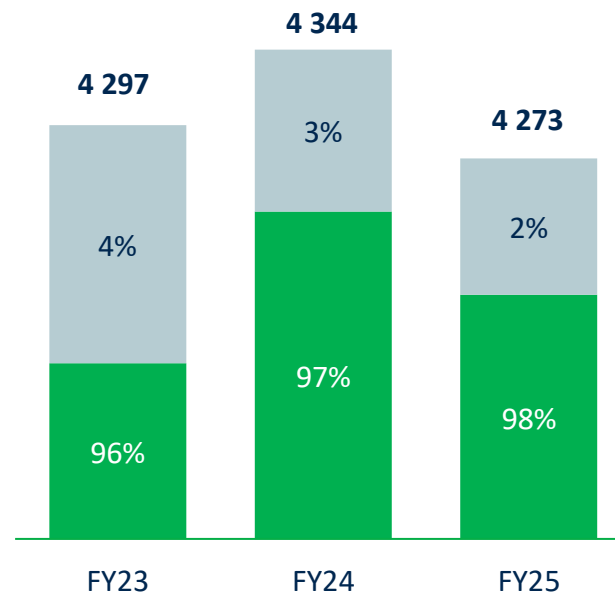


Carrier revenue

Rm



1.8%

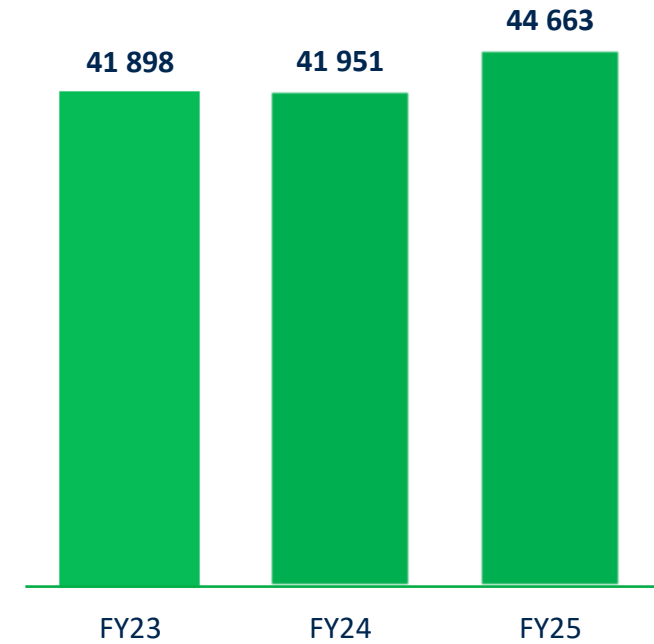


Enterprise¹

Business circuits



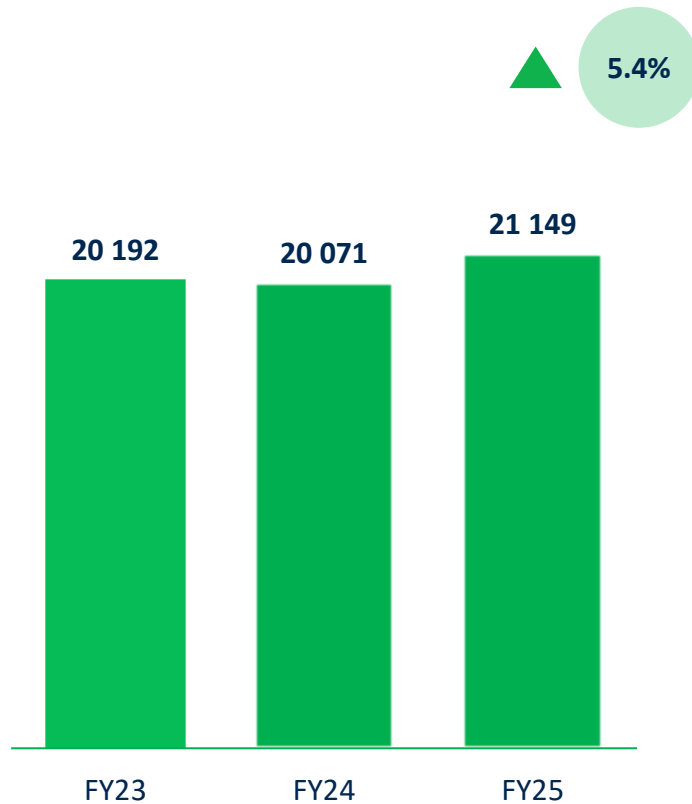
6.5%



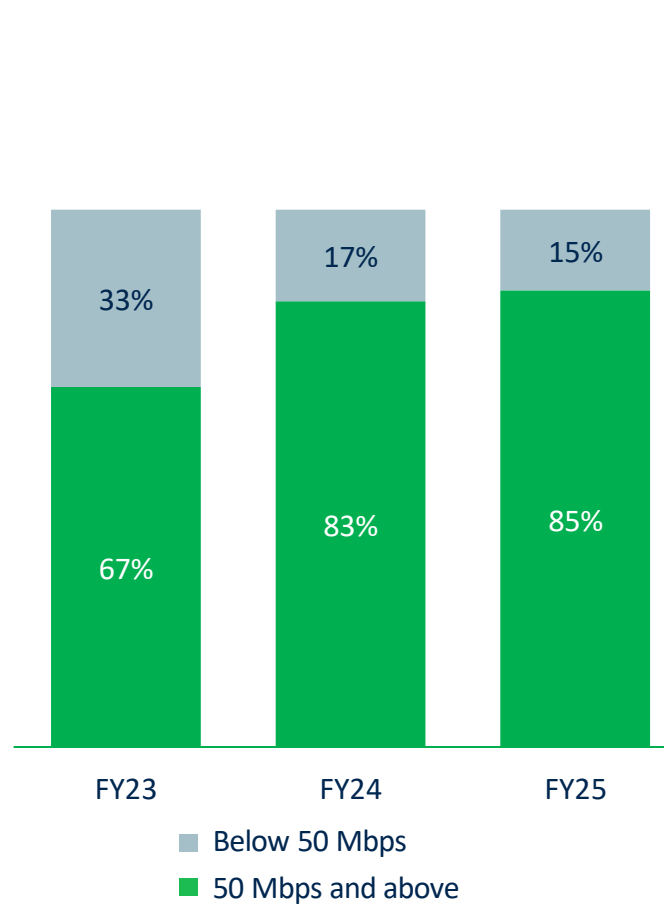
¹ Inclusive of WebReach Revenue

Ongoing migration to fibre drives broadband growth

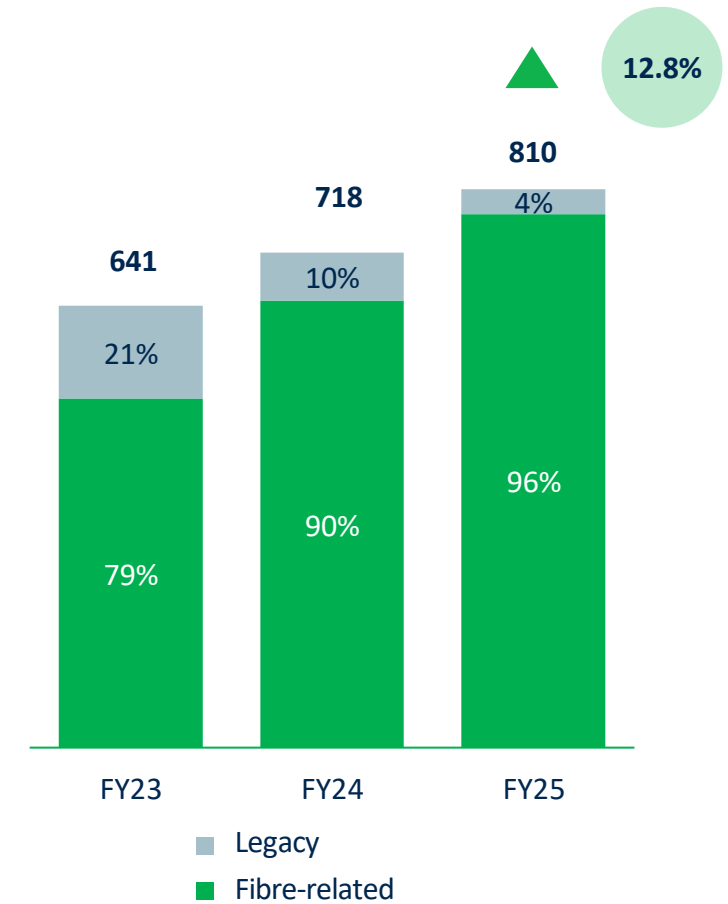
Carrier¹
Circuits



Fixed line broadband services
Services ('000)



Fixed line broadband services
Services ('000)



¹ Inclusive of WebReach Revenue