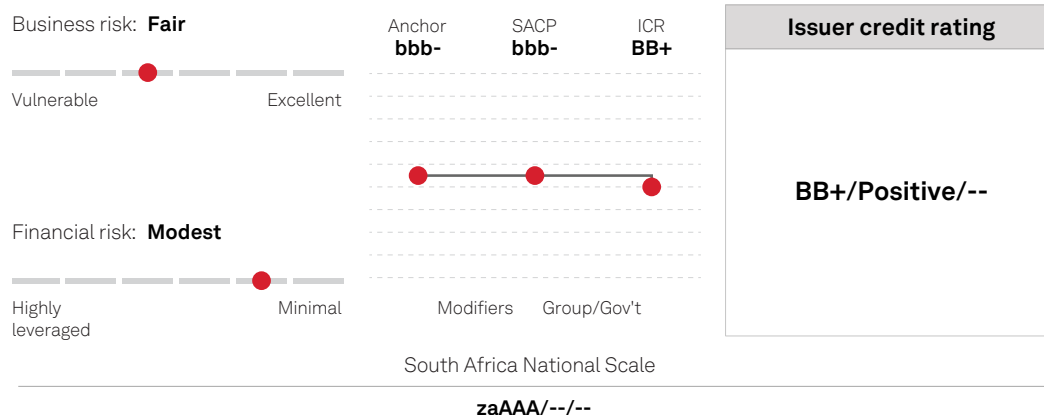


Telkom SA SOC Ltd.

September 7, 2026

This report does not constitute a rating action.

Ratings Score Snapshot



ICR--Issuer credit rating, SACP--Stand-alone credit profile.

Credit Highlights

Overview

Key strengths	Key risks
Leading position in fiber connectivity, with an industry-leading fiber take-up rate of 53.1% and a network footprint covering more than 1.5 million homes (in fiscal 2026).	Exposure to regulatory risks, data protection requirements, and evolving telecommunications compliance obligations.
Diversified debt portfolio with well-spread maturities and an increased proportion of fixed-rate debt, reducing refinancing and interest rate risks.	Exposure to socioeconomic and security risks in South Africa, including social tensions, infrastructure vandalism, theft, and other forms of criminal activity that may disrupt operations.
Successful strategic pivot toward a data-led business model, reflected in the growing contribution of data services to overall revenue.	Capital-intensive nature of the business, requiring significant capital expenditure to reinforce and enhance network infrastructure.

Primary Contact

Omega M Collocott
Johannesburg
27-11-214-4854
omega.collocott
@spglobal.com

Secondary Contact

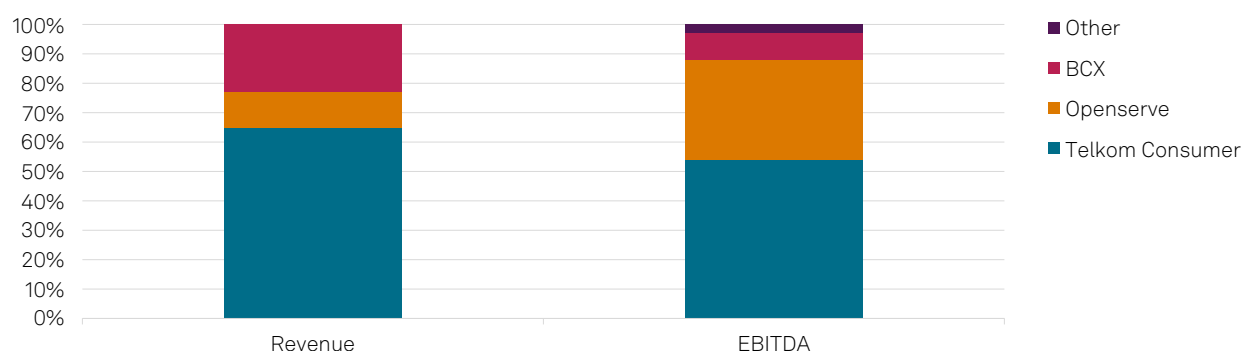
Hazel Chatikobo
Johannesburg
27-11-214-4801
hazel.chatikobo
@spglobal.com

S&P Global Ratings expects Telkom to maintain strong top-line growth driven by its data-led strategy.

Telkom is several years into its implementation of a strategic pivot toward a data-centric, broadband-oriented business model to drive organic growth through mobile and fiber-related services. Growth is primarily driven by the Telkom Consumer and Openserve segments, which are expected to partially offset declines in wholly owned subsidiary BCX's connectivity revenue stemming from legacy copper-to-fiber migrations and the loss of key client contracts. Telkom Consumer delivers mobile and broadband services to end users, while Openserve owns and operates the group's wholesale fiber infrastructure, and recently launched its own internet service provider to monetize existing infrastructure. We forecast revenue growth of 2%-3% in fiscal years 2027 and 2028 (ending March 31). In the first quarter of fiscal 2027 (ended June 30, 2026), group revenue increased 2.6% to South African rand (ZAR) 11.1 billion, supported by an 8.8% increase in group data revenue (ZAR6.9 billion), which now contributes 62.4% to total revenue. This growth was underpinned by 11.4% growth in mobile data revenue and 4.0% growth in fiber-related data revenue in the period. Telkom Consumer remains the group's largest business, contributing 65% of fiscal 2026 revenue and 54% of EBITDA. Openserve's wholesale fiber business contributed 34% of EBITDA despite accounting for only 12% of revenue, highlighting the strong profitability of its infrastructure-led business model. BCX contributed 23% of revenue and 9% of EBITDA (see chart).

Contributions from operating segments

For fiscal 2026



Source: Company reports.

Copyright © 2026 by Standard & Poor's Financial Services LLC. All rights reserved.

We expect operational efficiencies and structural transformations to expand S&P Global Ratings-adjusted EBITDA margins to 25%-27% in fiscals 2027 and 2028.

This follows a significant improvement in fiscal 2026 to 27.5% (adjusted; excluding the gain on sale of properties) due to an improved revenue mix and cost optimization initiatives. Margin expansion is being driven by structural cost efficiencies, network optimization, and initiatives such as migrating mobile roaming traffic to the Telkom network. Additionally, the deployment of lithium-ion batteries at base stations and network sites is expected to enhance network availability and lower diesel reliance and associated fuel costs during power outages. While we anticipate these efficiencies will support growth, profitability faces risks from rising employee and logistics costs.

We expect disciplined capital expenditure (capex) to support robust free operating cash flow (FOCF).

We forecast capex intensity at approximately 15% of revenue, at the high-end of the company guidance of 12%-15%, targeting network modernization and fiber expansion. Despite these investments, we expect meaningful FOCF of ZAR2.5 billion-ZAR3.0 billion in fiscals 2027

and 2028, supported by higher EBITDA generation. We forecast debt will remain broadly stable at ZAR8.2 billion-ZAR9.2 billion in fiscals 2027 and 2028. This trajectory should allow Telkom to maintain healthy credit metrics.

S&P Global Ratings expects continued long-term value creation owing to the monetization of Telkom's extensive digital infrastructure. Key growth levers include scaling the mobile segment, which boasts more than 25 million subscribers and approximately 20 million data users (up 31.1%) and leveraging the Openserve wholesale network, which reached an industry-leading 53.1% fiber connectivity rate (1.54 million homes passed) at the end of fiscal 2026. The positive trajectory in subscriber growth and fiber connectivity persisted into first-quarter fiscal 2027 (53.9% fiber connectivity and 1.57 million homes passed). Future value will be underpinned by Openserve's expansion of homes passed, and connected (increasing the number of internet service providers using the fiber network), site connections for Telkom and other mobile network operators, and increasing connections of businesses to fiber.

Our ratings on Telkom are influenced by those on South Africa, even though we assess the likelihood of support or negative intervention as low. Our ratings on Telkom are constrained at one notch above the foreign currency rating on South Africa (BB/Positive/B). A change in our rating on South Africa or Telkom's status within the state-owned company (SOC) framework, could affect our ratings on Telkom. Currently, the South African government owns about 40.5% of Telkom, and therefore we consider the company a government-related entity (GRE). We view the likelihood of state intervention in Telkom's operations as low, based on the government's current policy, the company's for-profit focus and listed status, and the governance and management structures in place. Nonetheless, the risk remains that key exemptions from provisions applicable to SOCs could be altered.

Outlook

Our positive outlook mirrors the outlook on the South Africa sovereign. Given the company's predominantly domestic operations and the government's significant minority ownership stake, we do not rate Telkom more than one notch above our 'BB-' long-term foreign currency rating on South Africa (see "[South Africa 'BB-/B' Foreign Currency And 'BB/B' Local Currency Ratings Affirmed; Outlook Remains Positive](#)," May 16, 2025). At the current stand-alone credit profile (SACP) level, we expect the company to maintain at least adequate liquidity.

Downside scenario

We could revise the outlook on Telkom to stable if we took a similar action on South Africa. This could occur because of a weakening economic and fiscal trajectory, combined with a surge in related operating constraints in South Africa. We could also consider lowering the rating if Telkom's liquidity deteriorated so that it no longer passed our sovereign stress test, causing us to cap the rating at the level of our foreign currency rating on South Africa.

Upside scenario

We could take positive action on Telkom if we took a similar action on South Africa and Telkom continues to pass our sovereign stress test, allowing it to be rated one notch above the foreign currency rating on South Africa.

Our Base-Case Scenario

Assumptions

- South African GDP growth of 1.3% in 2026, 1.5% in 2027, and 1.8% in 2028.
- Revenue increasing by 2.7%-3.2% in fiscals 2027 and 2028, owing to growth in next-generation revenue led by mobile, fiber, and IT business.
- EBITDA margins of 25%-27%, supported by ongoing cost optimization initiatives and business growth.
- Capex of ZAR6.5 billion-ZAR7.0 billion in fiscals 2027 and 2028, reflecting capex intensity of around 15%.
- No potential acquisitions during the forecast period.
- Dividends of ZAR1 billion-ZAR1.5 billion in fiscals 2027 and 2028, in line with the current dividend policy.

Key metrics

Telkom SA SOC Ltd.--Forecast summary

Period ending	Mar-31-2023	Mar-31-2024	Mar-31-2025	Mar-31-2026	Mar-31-2027	Mar-31-2028	Mar-31-2029
(Mil. ZAR)	2023a	2024a	2025a	2026a	2027e	2028f	2029f
Revenue	41,477	42,086	43,520	44,044	45,338	46,616	47,880
Gross profit	31,528	32,448	35,440	36,261	35,817	36,971	38,121
EBITDA (reported)	8,049	9,434	11,014	12,480	12,267	12,844	13,431
Plus/(less): Other	(432)	(369)	(1,072)	(352)	(485)	(485)	(485)
EBITDA	7,617	9,065	9,942	12,128	11,782	12,359	12,946
Less: Cash interest paid	(1,501)	(2,343)	(2,071)	(1,607)	(1,450)	(1,476)	(1,533)
Less: Cash taxes paid	(547)	(422)	(396)	(297)	(1,566)	(1,665)	(1,764)
Funds from operations (FFO)	5,569	6,300	7,475	10,224	8,766	9,218	9,649
Interest expense	1,510	2,166	1,974	1,470	1,427	1,444	1,497
Cash flow from operations (CFO)	4,727	8,255	11,223	10,650	9,548	9,958	10,364
Capital expenditure (capex)	6,575	6,292	6,117	6,238	6,809	7,000	7,190
Free operating cash flow (FOCF)	(1,848)	1,963	5,106	4,412	2,739	2,957	3,174
Dividends	8	3	6	1,299	1,247	1,345	1,443
Discretionary cash flow (DCF)	(2,106)	1,960	4,993	3,113	1,492	1,612	1,731
Debt (reported)	14,356	14,217	11,617	6,593	5,498	5,725	4,892
Plus: Lease liabilities debt	5,889	6,461	6,920	7,929	8,458	9,201	10,012
Less: Accessible cash and liquid investments	(3,469)	(3,747)	(11,054)	(7,723)	(6,353)	(6,420)	(5,615)
Plus/(less): Other	1,596	1,255	1,005	1,336	1,336	1,336	1,336
Debt	18,372	18,186	8,488	8,135	8,939	9,842	10,626

Telkom SA SOC Ltd.--Forecast summary

Period ending	Mar-31-2023	Mar-31-2024	Mar-31-2025	Mar-31-2026	Mar-31-2027	Mar-31-2028	Mar-31-2029
Adjusted ratios							
Debt/EBITDA (x)	2.4	2.0	0.9	0.7	0.8	0.8	0.8
FFO/debt (%)	30.3	34.6	88.1	125.7	98.1	93.7	90.8
FFO cash interest coverage (x)	4.7	3.7	4.6	7.4	7.0	7.2	7.3
EBITDA interest coverage (x)	5.0	4.2	5.0	8.2	8.3	8.6	8.6
CFO/debt (%)	25.7	45.4	132.2	130.9	106.8	101.2	97.5
FOCF/debt (%)	(10.1)	10.8	60.2	54.2	30.6	30.0	29.9
DCF/debt (%)	(11.5)	10.8	58.8	38.3	16.7	16.4	16.3
Annual revenue growth (%)	(2.3)	1.5	3.4	1.2	2.9	2.8	2.7
Gross margin (%)	76.0	77.1	81.4	82.3	79.0	79.3	79.6
EBITDA margin (%)	18.4	21.5	22.8	27.5	26.0	26.5	27.0

a--Actual. e--Estimate. f--Forecast.

Company Description

Telkom owns and operates South Africa's largest national wholesale telecommunications infrastructure, comprising integrated fiber lines linked to a high-speed backhaul network. Fixed broadband internet and mobile voice and data services are available to individuals and small and midsize enterprises, while a diversified information and communications technologies product offering--including access to telecommunications, data centers, and IT services--is aimed at the enterprise market.

Telkom generated annual revenue of ZAR44. billion (about \$2.6 billion) and S&P Global Ratings-adjusted EBITDA of ZAR12.1 billion (\$700 million) in fiscal 2026 and is listed on the Johannesburg Securities Exchange with a market capitalization of ZAR27.5 billion (about \$1.7 billion) as of Aug. 24, 2026.

As of June 30, 2026, Telkom had 25.3 million active mobile subscribers (+15.5% year on year) and homes connected with fiber also increased by 16.6% to about 844,000, with a 53.9% connectivity rate.

Peer Comparison

Telkom SA SOC Ltd.--Peer Comparisons

	Telkom SA SOC Ltd.	MTN Group Ltd.	Turkcell İletişim Hizmetleri A.S.	Türk Telekom
Foreign currency issuer credit rating	BB+/Positive/--	BB-/Positive/--	BB/Stable/--	BB/Stable/B
Local currency issuer credit rating	BB+/Positive/--	BB-/Positive/--	BB/Stable/--	BB/Stable/B
Period	Annual	Annual	Annual	Annual
Period ending	2026-03-31	2025-12-31	2024-12-31	2025-12-31
Mil.	ZAR	ZAR	ZAR	ZAR
Revenue	44,044	225,989	88,978	93,348
EBITDA	12,128	104,823	32,576	37,603

Telkom SA SOC Ltd.--Peer Comparisons

Funds from operations (FFO)	10,224	64,798	23,261	30,008
Interest	1,470	29,582	7,376	7,015
Cash interest paid	1,607	27,905	8,166	6,042
Operating cash flow (OCF)	10,650	68,141	35,283	34,059
Capital expenditure	6,238	42,295	23,252	28,872
Free operating cash flow (FOCF)	4,412	25,846	12,031	5,186
Discretionary cash flow (DCF)	3,113	13,789	7,951	5,186
Cash and short-term investments	7,723	50,623	38,709	25,043
Gross available cash	7,723	50,623	38,709	25,043
Debt	8,135	178,316	23,244	29,745
Equity	35,891	169,733	99,813	81,868
EBITDA margin (%)	27.5	46.4	36.6	40.3
Return on capital (%)	14.9	24.2	14.0	25.5
EBITDA interest coverage (x)	8.2	3.5	4.4	5.4
FFO cash interest coverage (x)	7.4	3.3	3.8	6.0
Debt/EBITDA (x)	0.7	1.7	0.7	0.8
FFO/debt (%)	125.7	36.3	100.1	100.9
OCF/debt (%)	130.9	38.2	151.8	114.5
FOCF/debt (%)	54.2	14.5	51.8	17.4
DCF/debt (%)	38.3	7.7	34.2	17.4

Business Risk

Telkom's fair business risk profile reflects its diverse product offering as the dominant provider of fiber infrastructure in South Africa, as well as an increasing presence in mobile and next-generation data-based business, for several years the company has established itself as a competitor in mobile and data operations. Through its subsidiary Openserve, the group acts as the leading wholesale and managed infrastructure connectivity provider, offering a unique open-access network that serves as a significant market differentiator. Additionally, Telkom's Mobile business unit is a data-centric network with high 4G and 5G device penetration, which supports its strategy of driving growth through data-led services. Telkom has leveraged its legacy fixed-line infrastructure to roll out fiber, and now has the largest fiber network in South Africa, with more than 1,565,000 homes passed with fiber with a fiber connectivity rate of 53.9% (market leader), as of June 30, 2026.

Telkom has invested heavily and successfully in new technologies, with capex in fiber and mobile networks and infrastructure providing required growth platforms. We acknowledge Telkom's investments, particularly in mobile (25.3 million subscribers; positioning it to be one of the leading operators in South Africa) and IT, which has helped the company to diversify its revenue streams and offset the decline in traditional fixed voice and fixed data over the past several years. Telkom's targeted capex deployment focuses on expanding network capacity and upgrading base stations within its mobile business, alongside modernizing and expanding the Openserve network. Additionally, investments are directed toward IT solutions for the business support systems transformation program. We believe these strategic capital allocations could help Telkom increase its network footprint and improve connectivity rates. Furthermore, prioritizing

infrastructure and digital platform upgrades would help Telkom strengthen its competitive position and supports its data-led growth strategy across its core business units.

Our business risk assessment is constrained by a challenging operating environment, which includes slow economic growth, and structural weaknesses, among them very high unemployment, social inequality, and rising social tensions. While Telkom enjoys a diversified product portfolio, its geographic footprint is limited, as operations are concentrated solely within South Africa. While this lack of geographic diversity has shielded the company from higher country risk exposure in other African markets, it also means the group lacks the international scale seen in peers like MTN Group. Telkom encounters intense competition in both mobile and fiber-to-the-home markets, especially against established rivals such as Vodacom (46.1 million South African subscribers) and MTN (40.5 million). As the third-largest operator in a four-player mobile market, Telkom faces fierce competition but continues to compete effectively. Nonetheless, Telkom's scale continues to increase, and its mobile subscriber growth has significantly outstripped that of earlier-to-market peers in the past few years.

Financial Risk

Telkom's modest financial risk profile reflects our expectation that the company's S&P Global Ratings-adjusted debt-to-EBITDA will remain below 1.5x, supported by positive S&P Global Ratings-adjusted FOCF and a conservative capital structure through to fiscal 2027-2028.

The financial risk assessment also recognizes the company's capex intensity to support strategic investments and shareholder dividends. Telkom revised its dividend policy, transitioning from a previous payout range of 30%-40% to a new annual dividend payout of 40%-60% of free cash flow (after capex and principal lease payments). Accordingly, we factor in dividends of about ZAR1.0 billion-ZAR1.5 billion in fiscals 2027 and 2028.

We expect continued high capex intensity, at about 15% of revenue (the upper end of Telkom's guidance range) for fiscal 2027 and 2028. Telkom is focusing capex on its data-led strategy to drive expansion and improve efficiency. Key priorities include strengthening digital infrastructure and supporting the OneTelkom approach, a groupwide initiative to increase collaboration across business units and reduce siloed operations. Additionally, the company is investing in mobile business growth, targeted market expansion and enhancing BCX's cloud, connectivity, data, cybersecurity, and AI capabilities for digital transformation.

Reconciliation Of Telkom SA SOC Ltd. Reported Amounts With S&P Global Adjusted Amounts (Mil. ZAR)

	Debt	Revenue	EBITDA	Operating income	Interest expense	S&PGR adjusted EBITDA	Operating cash flow
Financial year ended March 31, 2026							
Company reported amounts	6,593	44,477	12,480	5,933	1,381	12,128	11,109
Cash taxes paid	-	-	-	-	-	(297)	-
Cash interest paid	-	-	-	-	-	(1,518)	-
Trade receivables securitizations	1,245	-	-	-	-	-	(370)
Lease liabilities	7,556	-	-	-	-	-	-
Incremental lease liabilities	373	-	-	32	32	(32)	(32)

Reconciliation Of Telkom SA SOC Ltd. Reported Amounts With S&P Global Adjusted Amounts (Mil. ZAR)

	Debt	Revenue	EBITDA	Operating income	Interest expense	S&PGR adjusted EBITDA	Operating cash flow
Postretirement benefit obligations/ deferred compensation	-	-	(52)	(52)	-	-	-
Accessible cash and liquid investments	(7,723)	-	-	-	-	-	-
Capitalized interest	-	-	-	-	57	(57)	(57)
Share-based compensation expense	-	-	67	-	-	-	-
Nonoperating income (expense)	-	-	-	431	-	-	-
Debt: Contingent considerations	30	-	-	-	-	-	-
Debt: Debt serviced by third parties	61	-	-	-	-	-	-
Revenue: Finance/interest income	-	(433)	(433)	(433)	-	-	-
EBITDA - Gain/(loss) on disposals of PP&E	-	-	(197)	(197)	-	-	-
EBITDA: other income/ (expense)	-	-	263	263	-	-	-
EBIT: Finance /interest income	-	-	-	433	-	-	-
Total adjustments	1,542	(433)	(352)	477	89	(1,904)	(459)
S&P Global Ratings adjusted	Debt	Revenue	EBITDA	EBIT	Interest expense	Funds from Operations	Operating cash flow
	8,135	44,044	12,128	6,410	1,470	10,224	10,650

Liquidity

We continue to assess Telkom's liquidity as adequate. We estimate that the ratio of liquidity sources to uses would be well above 1.2x for 12 months from July 1, 2026.

Principal liquidity sources	Principal liquidity uses
For the 12 months started July 1, 2026, we estimate the following principal liquidity sources: • ZAR4.1 billion in cash and cash equivalents. • Undrawn committed bank lines with at least 12 months' maturity of ZAR5.5 billion. • Cash funds from operations of about ZAR8 billion.	For the same period, we estimate the following principal liquidity uses: • About ZAR1.4 billion of debt maturities. • Working capital requirements of ZAR200 million. • Capex of about ZAR6.9 billion. • Dividend payments of about ZAR1.2 billion.

Covenant Analysis

Requirements

Telkom maintains covenant compliance thresholds where interest coverage ratio needs to be above 3.5x and net debt to EBITDA below 3.0x.

Compliance expectations

We expect Telkom will maintain sufficient headroom under its financial covenants, with headroom well in excess of 15% on its covenants.

Environmental, Social, And Governance

Environmental, social, and governance factors are an overall neutral consideration in our credit rating analysis of Telkom. We view the inherent social tensions and inequalities in South Africa as having the potential to translate into weaker business and investment conditions. Furthermore, increasing risk of infrastructure damage from human encroachment and criminality could affect the stability and quality of Telkom's network. We see potential exposure to governance risks stemming mainly from Telkom's SOC status, and regulatory risks. Although Telkom is a SOC, we believe its listed status and solid management have protected it from the governance weaknesses that many other South African SOCs are exposed to. The regulatory environment exposes Telkom to mobile and data price reduction policies, plus data protection and SIM registration requirements, which may pressure future revenue or margins. We note the environmental efforts Telkom has made in terms of the increased usage of renewable power sources and the phasing out of legacy copper infrastructure. Both of which have resulted in a 46.9% reduction in scope 1 and 6.6% reduction in scope 2 emissions in fiscal 2025.

Government Influence

Our foreign and local currency sovereign credit ratings on South Africa are 'BB' and 'BB+' with stable outlooks (see "[South Africa 'BB' Foreign Currency And 'BB+' Local Currency Ratings Affirmed; Outlook Remains Positive](#)," published May 29, 2026, on Ratings Direct). We consider Telkom to be a GRE, with a limited link and limited importance to the South African government. We therefore believe there is a low likelihood of government support for Telkom, given the government's minority (about 40.5%) shareholding, the company's listed status, and the commercial operating model.

Rating Above The Sovereign

Telkom's 'bbb-' SACP is higher than the 'BB' foreign currency sovereign credit rating on South Africa. Based on our view of the low likelihood of government support, we do not cap the rating on Telkom by the level of the foreign currency rating on South Africa. We assess that Telkom may be rated one notch above the foreign currency rating on South Africa since it passes our hypothetical sovereign default scenario, which includes a 20% earnings stress and a 50% depreciation of the South African rand. In our view, the one notch above the foreign currency rating on South Africa considers the conditionality of Telkom's status of being exempt from the Public Finance Management Act, and its predominantly domestic operational focus.

Rating Component Scores

Foreign currency issuer credit rating	BB+/Positive/--
Local currency issuer credit rating	BB+/Positive/--
Business risk	Fair
Country risk	Moderately High
Industry risk	Intermediate
Competitive position	Fair
Financial risk	Modest
Cash flow/leverage	Modest
Anchor	bbb-
Modifiers	
Diversification/portfolio effect	Neutral (no impact)
Capital structure	Neutral (no impact)
Financial policy	Neutral (no impact)
Liquidity	Adequate (no impact)
Management and governance	Neutral (no impact)
Comparable rating analysis	Neutral (no impact)
Stand-alone credit profile	bbb-

Related Criteria

- [Criteria | Corporates | General: Sector-Specific Corporate Methodology](#), July 6, 2025
- [Criteria | Corporates | General: Corporate Methodology](#), Jan. 7, 2024
- [Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities](#), Jan. 7, 2024
- [General Criteria: National And Regional Scale Credit Ratings Methodology](#), June 8, 2023
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments](#), April 1, 2019
- [General Criteria: Rating Government-Related Entities: Methodology And Assumptions](#), March 25, 2015
- [Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers](#), Dec. 16, 2014
- [General Criteria: Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions](#), Nov. 19, 2013
- [General Criteria: Country Risk Assessment Methodology And Assumptions](#), Nov. 19, 2013
- [General Criteria: Methodology: Industry Risk](#), Nov. 19, 2013
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Related Research

- [African Corporates' Rating Evolution: Diverse Drivers](#), June 1, 2026
- [South Africa 'BB' Foreign Currency And 'BB+' Local Currency Ratings Affirmed: Outlook Remains Positive](#), May 29, 2026
- [Various Positive Actions Taken On South African Government-Related Entities After Sovereign Upgrade](#), Nov. 24, 2025
- [South African Telecom Operator Telkom 'BB' Rating Affirmed; Outlook Positive](#), Aug. 22, 2025

Regulatory Disclosure

Regulatory disclosures applicable to the most recent credit rating action can be found in "[Various Positive Actions Taken On South African Government-Related Entities After Sovereign Upgrade](#)," published Nov. 24, 2025 on RatingsDirect.

Glossary

- **Anchor:** The starting point for assigning an issuer a long-term rating, based on its business risk profile assessment and its financial risk profile assessment.
- **Business risk profile:** This measure comprises the risk and return potential for a company in the market in which it participates (its industry risk), the country risks within those markets, the competitive climate, the company's competitive advantages and disadvantages (its competitive position).
- **Comparable rating analysis:** This involves taking a holistic review of a company's stand-alone credit risk profile (SACP), because each of the subfactors that ultimately generate the SACP can be at the upper or lower end, or at the midpoint, of such a range. It may also touch upon the overall comparative assessment of an issuer in relation to its peers across industry and jurisdiction and may capture some factors not (fully) covered, such as a short operating track record, entities in transition, unusual structures, or contingent risk exposures.
- **Competitive advantage:** The strategic positioning and attractiveness to customers of the company's products or services, and the fragility or sustainability of its business model.
- **Competitive position:** Our assessment of a company's: competitive advantage; operating efficiency; scale, scope, and diversity; and profitability.
- **Corporate Industry and Country Risk Assessment (CICRA):** Derived by combining an issuer's country risk assessment and industry risk assessment.
- **Country risk:** This measures a country's influence on the overall credit risks for a rated company with regards to a country's economic, institutional and governance effectiveness, financial system, and payment culture/rule of law risks.
- **CreditWatch:** This highlights the potential direction of a short- or long-term rating over the short term, typically less than three months. Ratings may be placed on CreditWatch where, in our view, an event or a deviation from an expected trend has occurred or is expected and additional information is necessary to determine the rating impact.
- **Creditworthiness:** Ability and willingness of a company to meet its debt and debtlike obligations; measured by assessing the level current and future resources relative to the size and timing of its commitments.

- Diversification/portfolio effect: Applicable to conglomerates. An assessment of the extent to which an entity's multiple core business lines are correlated and whether each contributes a material source of earnings and cash flow.
- Earnings: Proxy for profit or surplus yielded by an entity after production and overhead costs have been accounted for in a given period.
- EBITDA margin: This is EBITDA as a fraction of revenues.
- EBITDA: This is earnings before interest, tax, depreciation, and amortization.
- Economies of scale: This is the cost advantage that arises with increased size or output of a product.
- Efficiency gains: Cost improvements.
- Financial headroom: Measure of deviation tolerated in financial metrics without moving outside or above a predesignated band or limit typically found in loan covenants (as in a debt-to-EBITDA multiple that places a constraint on leverage) or set for the respective rating level. Significant headroom would allow for larger deviations.
- Financial risk profile: This measure comprises our assessment of a company's cash flow/leverage analysis. It also takes into account the relationship of the cash flows the organization can achieve given its business risk profile. The measure is before assessing other financial drivers such as capital structure, financial policy, or liquidity.
- Free operating cash flow: Cash flow from operations minus capital expenditure.
- Funds from operations: EBITDA minus interest expense minus current tax.
- Government-related entity: An entity that could, under stress, benefit from extraordinary government support to meet its financial obligations; or conversely an entity controlled by a government that could be subject to negative extraordinary government intervention if the government is under stress.
- Group rating methodology: The assessment of the likelihood of extraordinary group support (or conversely, negative group intervention) that is factored into the rating on an entity that is a member of a group.
- Industry risk: This addresses the major factors that affect the risks that companies face in their respective industries.
- Issuer credit rating: This is a forward-looking opinion about the creditworthiness of an obligor with respect to a specific class of financial obligations or a specific financial program.
- Issuer credit rating: This is a forward-looking opinion of an obligor's overall creditworthiness.
- Leverage: The level of a company's debt in relation to its earnings before interest, tax, depreciation, and amortization.
- Liquidity: This is the assessment of a company's monetary flows, assessed over a 12 to 24 month period. It also assesses the risk and potential consequences of a company's breach of covenant test, typically tied to declines in EBITDA.
- Management and governance: This addresses how management's strategic competence, organizational effectiveness, risk management, and governance practices shape the issuer's competitiveness in the marketplace, the strength of its financial risk management, and the robustness of its governance.

- Operating efficiency: The quality and flexibility of the company's asset base and its cost management and structure.
- Outlook: This is the assessment of the potential direction of a long-term issuer rating over the short to intermediate term (typically six months to two years).
- Profitability ratio: Commonly measured using return on capital and EBITDA margins, but can be measured using sector-specific ratios.
- Rating above the sovereign assessment: Our assessment of whether an entity can be rated above the sovereign rating on a jurisdiction it has a material exposure to.
- Scale, scope, and diversity: The concentration or diversification of business activities.
- Stand-alone credit profile (SACP): S&P Global Ratings' opinion of an issue's or issuer's creditworthiness, in the absence of extraordinary intervention or support from its parent, affiliate, or related government or from a third-party entity such as an insurer.
- Transfer and convertibility assessment: S&P Global Ratings' view of the likelihood of a sovereign restricting nonsovereign access to foreign exchange needed to satisfy the nonsovereign's debt service obligations.

Ratings Detail (as of September 07, 2026)*

[Telkom SA SOC Ltd.](#)

Issuer Credit Rating	BB+/Positive/--
<i>South Africa National Scale</i>	zaAAA/--/--

Issuer Credit Ratings History

24-Nov-2025	BB+/Positive/--
22-Nov-2024	BB/Positive/--
10-Mar-2023	BB/Stable/--
27-May-2022	BB/Positive/--
10-Dec-2024	<i>South Africa National Scale</i> zaAAA/--/--

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

Copyright © 2026 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Some of the Content may have been created with the assistance of an artificial intelligence (AI) tool. Published Content created or processed using AI is composed, reviewed, edited, and approved by S&P personnel.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.spglobal.com/ratings (free of charge), and www.ratingsdirect.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.spglobal.com/usratingsfees.

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.