

The Telkom logo is displayed in white text on a blue rectangular background. The background of the entire slide features a close-up of a young woman wearing futuristic, glowing blue AR glasses that show digital data and network icons over her eyes. She is smiling and looking towards the right.

# Telkom

Telkom SA SOC Ltd

# Group Annual Results

For the year ended  
31 March 2026

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.**

The Telkom logo is displayed in a bold, blue, sans-serif font.

**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 Highlights
- 02 Business Review
- 03 Financial Review
- 04 Outlook and Priorities

# Strategic Highlights

Serame Taukobong  
Group CEO



## Focused execution. Stronger outcomes



### Resilient platform



Quality earnings  
and cash generation



Smart capex deployment



Robust balance sheet



Enhanced dividend policy

### Competitive engine



Data-led strategy  
delivering



Market-leading mobile  
service revenue growth



Openserve revenue  
inflection



OneTelkom  
execution

### Performance priorities ahead



Revenue  
growth



BCX execution and  
portfolio quality



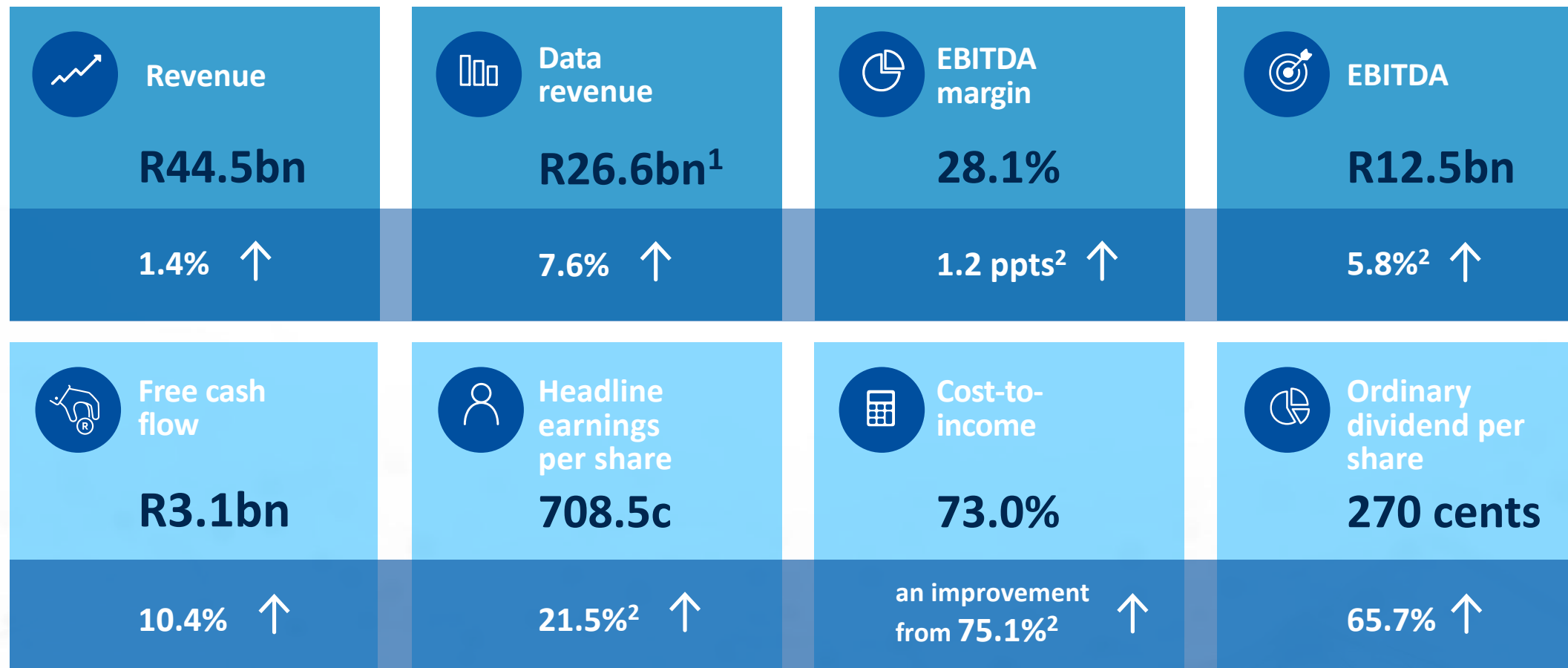
Ongoing cost and  
cash discipline



Returns-led capital  
allocation

## Quality earnings driving enhanced shareholder returns





### Group highlights



<sup>1</sup> Represents mobile, fibre-related data and traditional data revenues.

<sup>2</sup> Excludes the impact of the TRF derecognition loss of R618m and restructuring cost of R160m and the related tax impact in the prior year.

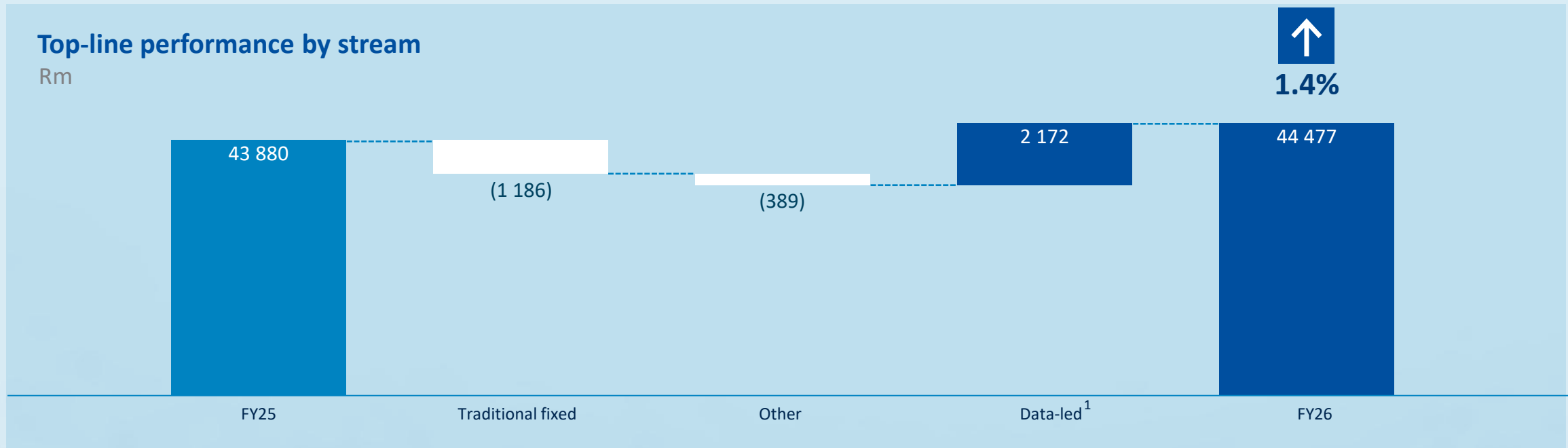
## Sustainability: Building better, for longer

|   | Focus   | Achievements  |
|---|---|---|
|  <b>Prosperity</b> → | <b>Digital inclusion</b><br>Expanding access and job creation | <b>74 114</b> jobs created through SMME development   |
|  <b>Planet</b> →     | <b>Net zero by 2040</b><br>Carbon neutral by 2035             | <b>50.8%</b> reduction in Scope 1 & 2 from FY2022 baseline  |
|  <b>People</b> →     | <b>Future ready and inclusive workforce</b>                   | <b>R132 million</b> invested in employee training and development<br><b>37.3%</b> women in leadership |
|  <b>Practice</b> → | <b>Customer trust and experience</b>                          | <b>Top 2 ranking</b> in the Ask Africa Orange index for Consumer                                      |



# **Business Review**

# Data growth mitigates legacy pressures



|   |  |   |
|---|--|---|
| <p><b>↑</b><br/>6.8%</p> <p>Mobile service revenue growth continues</p> | <p><b>↑</b><br/>2.3%</p> <p>Topline revenue growth returns</p> | <p><b>↓</b><br/>7.6%</p> <p>Converged Communications transition</p> |
|---|--|---|

<sup>1</sup> Represents mobile and fibre-related data revenues.

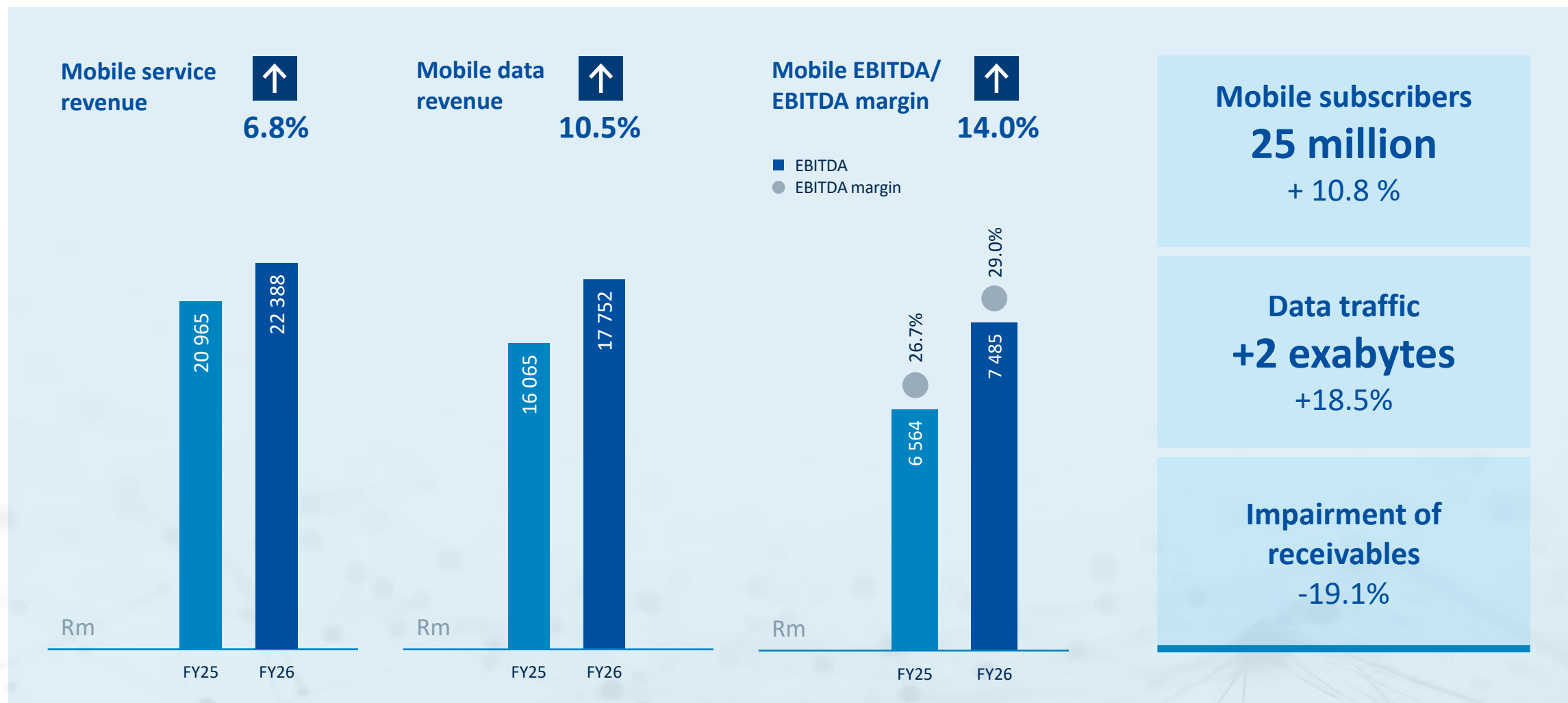


# Telkom

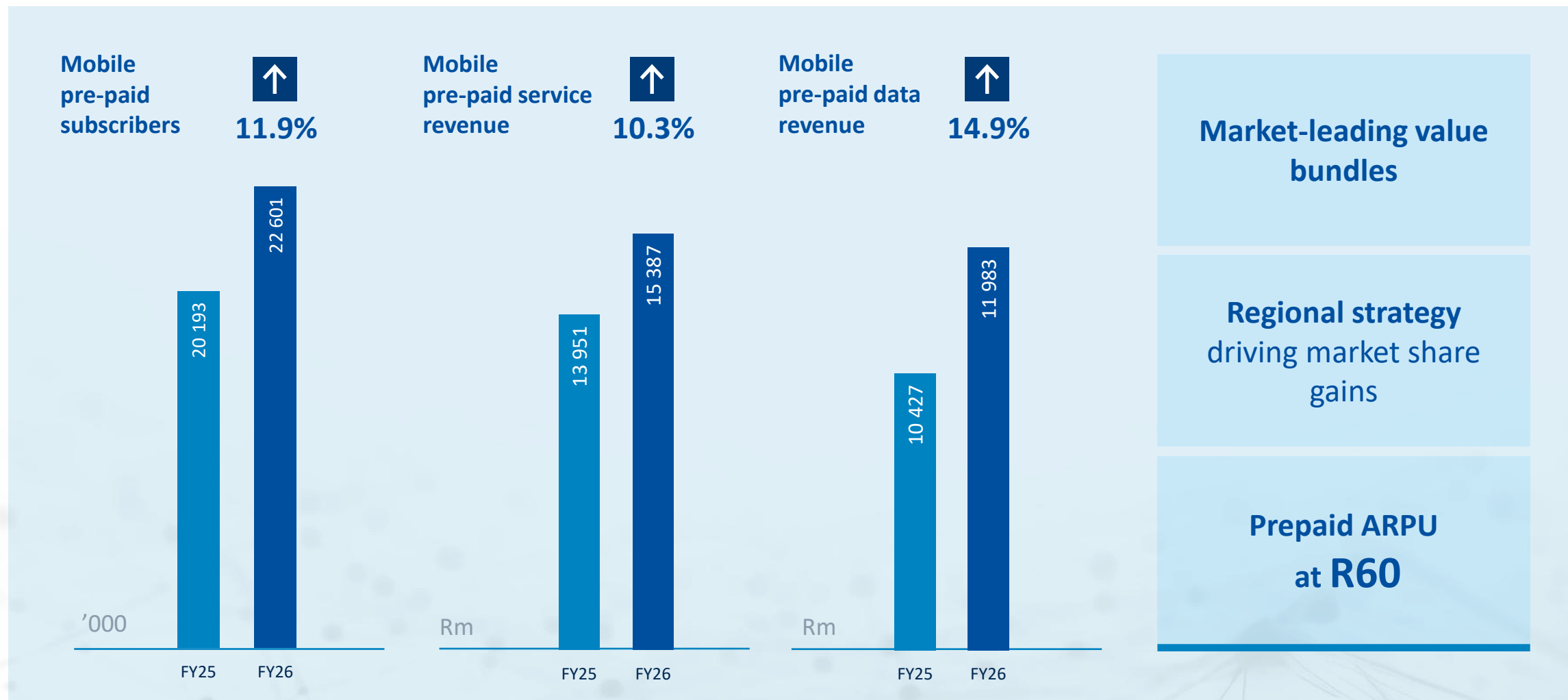
*Consumer*

Benchmark of mobile growth

# Consistent market-leading service revenue growth



# Unparalleled pre-paid growth. Regional strategy yielding results

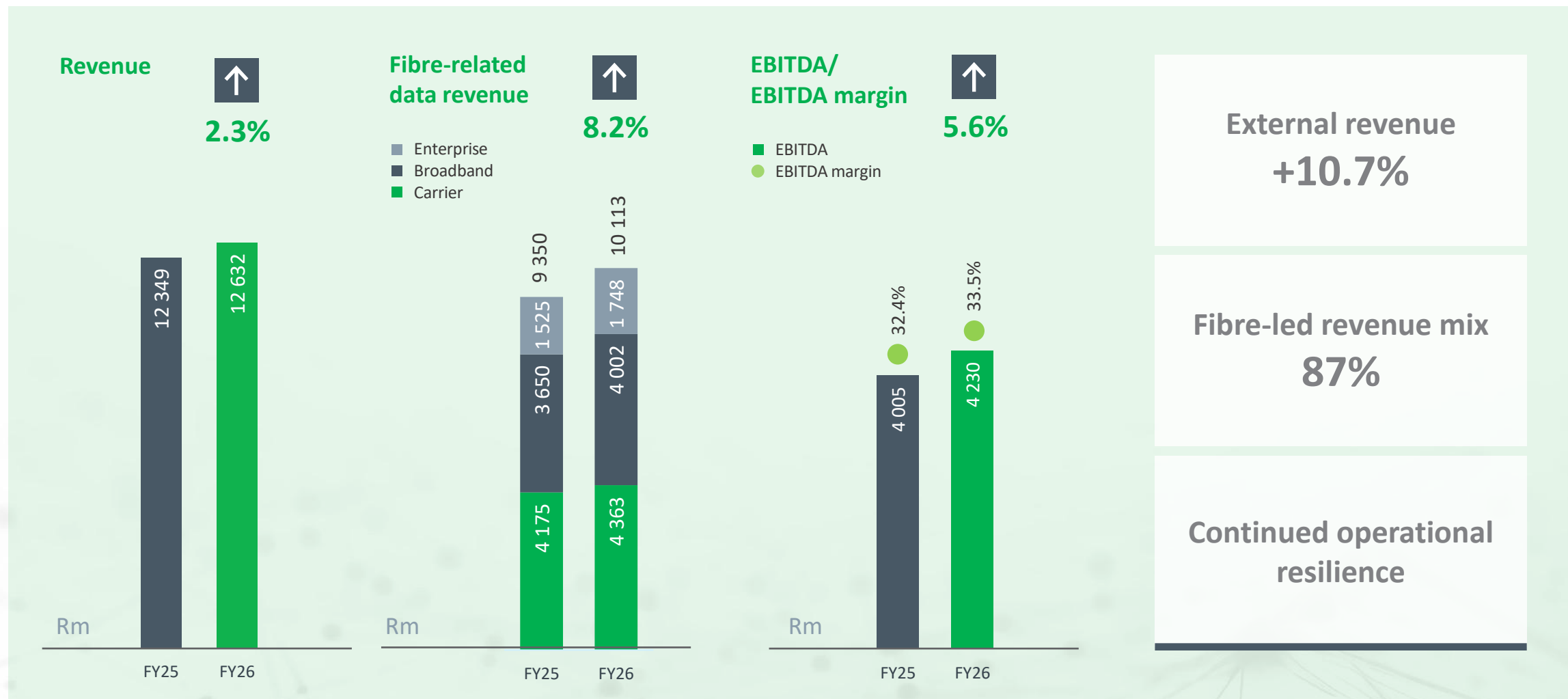




Beacon of competitiveness



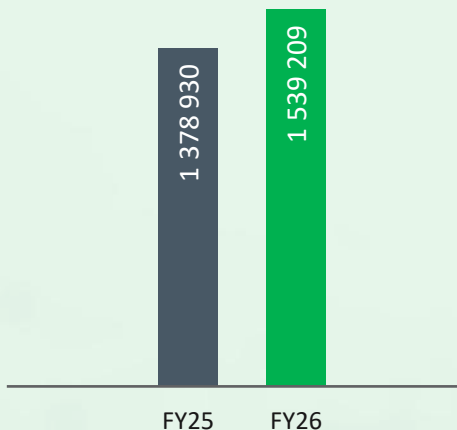
# Revenue trajectory turns positive



# Industry leading connectivity and service competitiveness

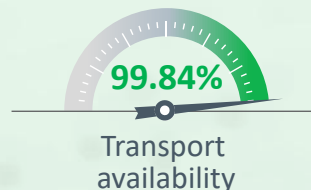
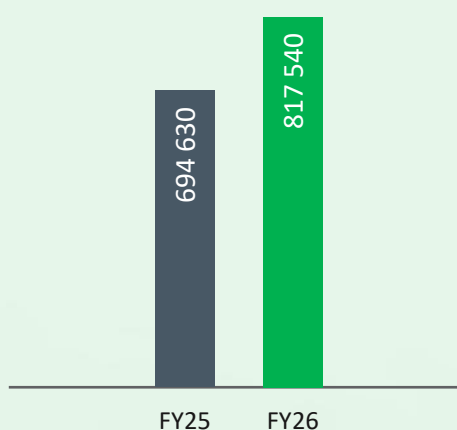
Fibre homes passed

↑  
11.6%



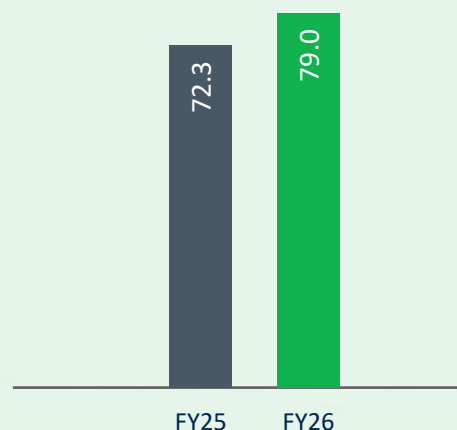
Fibre homes connected

↑  
17.7%



NPS  
Net Promoter Score

↑  
9.3%



Fibre connectivity rate  
**53.1%**  
+2.7 pts

Automation-led service delivery

Scalable network for future growth



# BCX

Sharpening execution and customer  
outcomes

## Focused actions to improve execution and portfolio quality

### Our objectives



Stronger execution discipline



Improved portfolio mix



Greater consistency in revenue performance

### Four focus areas

1

#### Strengthen core IT growth engines



- Accelerate high-growth segments (Cloud, cybersecurity)
- Attach services to hardware/software sales

#### Portfolio repositioning

2



- Connectivity as foundation for digital services
- IT portfolio review to prioritise scalable, higher-margin offerings

4

#### Execution excellence



- Improve deal execution and pipeline quality
- Enhance OneTelkom operating model and integration

#### Reversing margin decline

3



- Drive structural cost optimisation
- Continued focus on cash collections

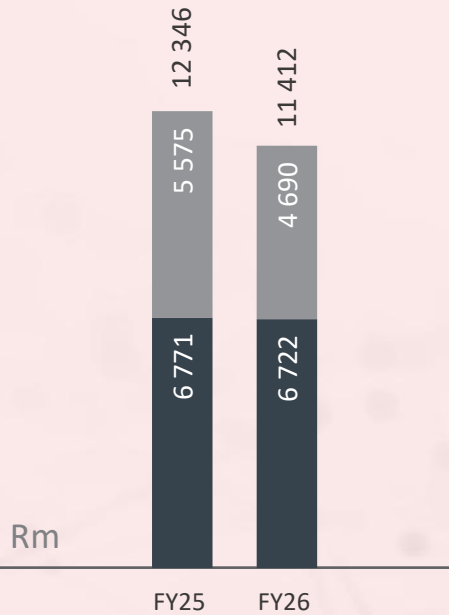


# IT business stable, margin resilient on cost discipline

## Revenue

↓  
**7.6%**

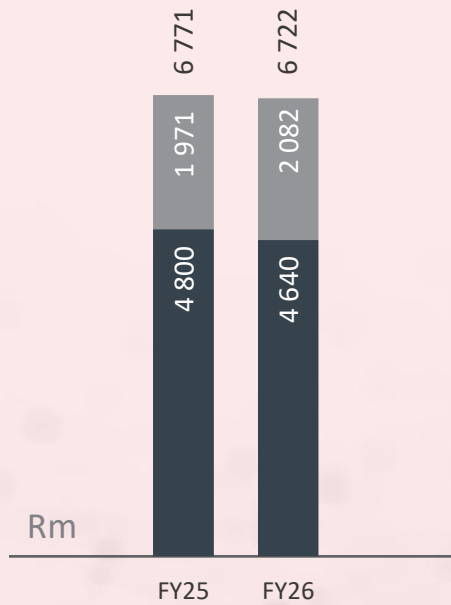
- Converged Comms
- IT Business



## IT business revenue

↓  
**0.7%**

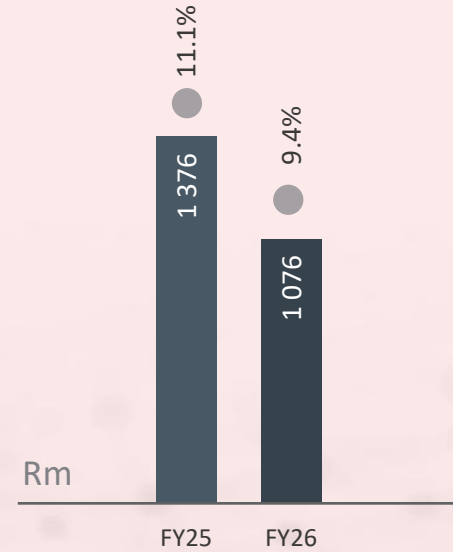
- IT hardware and software
- IT services



## EBITDA/ EBITDA margin

↓  
**21.8%**

- EBITDA
- EBITDA margin



Cybersecurity revenue  
**+ 21.1%**

Municipal services  
**+ 7.5%**

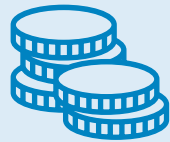
IT hardware and software  
**+ 5.6%**

# Financial Review

Nonkululeko Dlamini  
Group CFO



## Resilient platform | Consistent and disciplined strategy execution gaining traction



### Quality Earnings

Data-led execution and structural cost efficiencies



### Smart capex deployment

income generative growth opportunities



### Strong balance sheet





Prudent utilisation of funds enhancing financial flexibility



### Resilient free cash flow

Cash generation enabling reinvestment and shareholder returns

## Financial highlights | Strong progress across key financial metrics

| Growth and profitability                              |                                     | Smart capex deployment  |                                  | Prudent financial management  |                   | Shareholder value delivery  |                                |
|--|-------------------------------------|--|----------------------------------|--|-------------------|--|--------------------------------|
| Data-led revenue   | ↑ 9.1%<br>R26.0bn                   | Capex  | ↑ 10.4%<br>R6.4bn                | Net Debt   | ↓ 14.7%<br>R6.4bn | FCF  | ↑ 10.4%<br>R3.1bn              |
| Group EBITDA   | ↑ 5.8% <sup>1</sup><br>R12.5bn      | Capex intensity  | ↑ 1.2 ppts<br>14.5%              | Net debt to Group EBITDA   | ↓ 0.1x<br>0.5x    | Ordinary dividend declared   | ↑ 65.7%<br>270 cents           |
| HEPS   | ↑ 21.5% <sup>1</sup><br>708.5 cents | ROIC   | ↑ 0.2 ppts <sup>2</sup><br>11.2% | Interest bearing debt reduction  | ↓ 43.2%<br>R6.6bn | Shareholder return   | ↑ 65.4%<br>R24.28 <sup>3</sup> |
| <b>EBITDA margin and profitability enhancement.</b><br>Excluding the gain on sale of properties EBITDA up 10.3% with a margin of 27.6% |                                     | <b>Invested in high-demand growth areas</b> for optimal intensity to ensure infrastructure sustainability  |                                  | <b>Maintained financial flexibility</b> and prudent leverage levels for growth and investment                    |                   | <b>Disciplined cash management</b> enabled free cash flow generation and shareholder returns                   |                                |

<sup>1</sup> Excludes the impact of the TRF derecognition loss of R618m and restructuring cost of R160m in the prior year.

<sup>2</sup> Return on invested capital (ROIC) is calculated on the SA companies taxation rate of 27.0% for FY25. With the adjusted effective tax rate applied ROIC is 12.0% for FY25.

<sup>3</sup> Includes the special dividend pay-out of 98 cps declared in June 2025.

## Group performance | Underlying performance reflects operational momentum

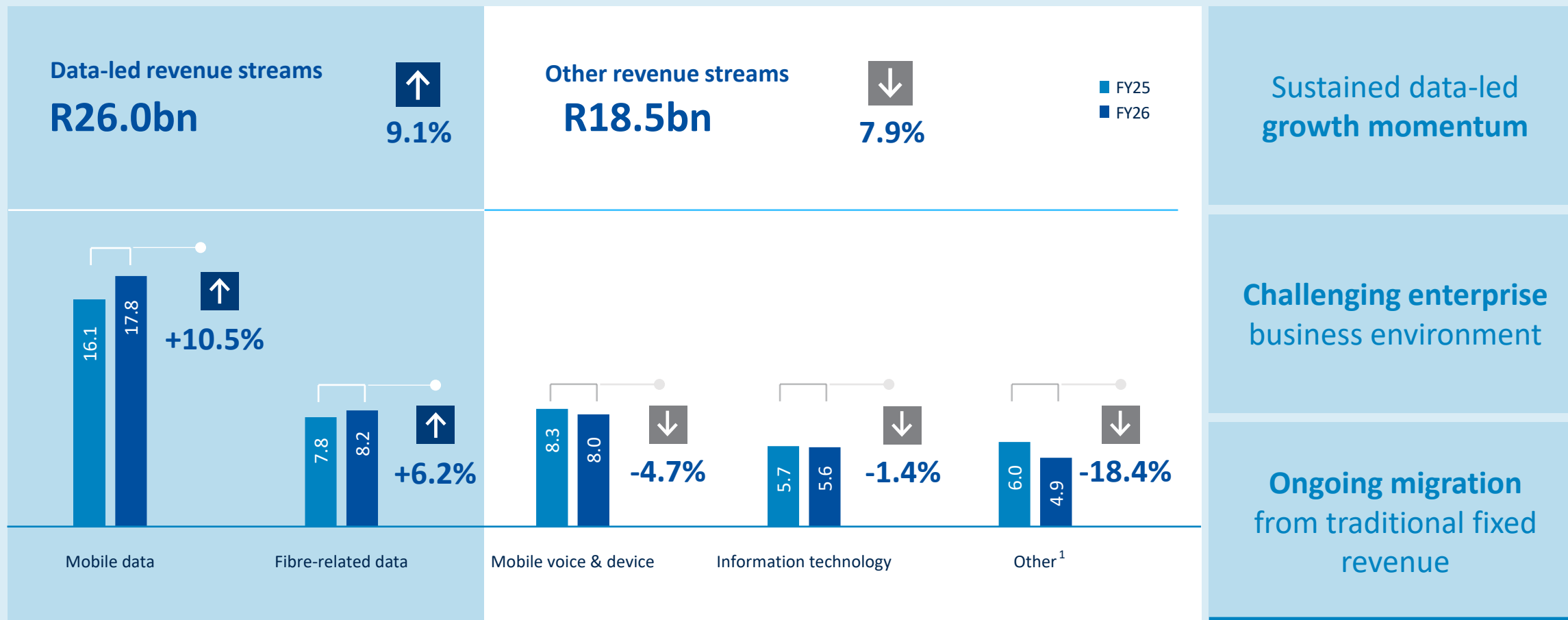
| Continuing operations                                 | Reported<br>FY26 | Reported<br>FY25 | Variance<br>% | Adjusted <sup>1</sup><br>FY25 | Variance<br>% |
|---|------------------|------------------|---------------|-------------------------------|---------------|
| Rm  |                  |                  |               |                               |               |
| Revenue   | 44 477           | 43 880           | 1.4           |                               |               |
| Other income <sup>2</sup>                             | 1 262            | 1 552            | (18.7)        |                               |               |
| Total expenses  | (33 259)         | (34 418)         | 3.4           | (33 640)                      | 1.1           |
| <b>EBITDA</b>   | <b>12 480</b>    | 11 014           | 13.3          | 11 792                        | 5.8           |
| Depreciation, amortisation, impairment and write-offs | (6 547)          | (5 957)          | (9.9)         |                               |               |
| <b>Operating profit</b>                               | <b>5 933</b>     | 5 057            | 17.3          | 5 835                         | 1.7           |
| Investment income                                     | 431              | 369              | 16.8          |                               |               |
| Finance charges and fair value movements              | (1 608)          | (1 984)          | 19.0          |                               |               |
| <b>Profit before taxation</b>                         | <b>4 756</b>     | 3 442            | 38.2          | 4 220                         | 12.7          |
| Taxation  | (1 208)          | (659)            | (83.3)        | (869)                         | (39.0)        |
| <b>Profit for the year</b>                            | <b>3 548</b>     | 2 783            | 27.5          | 3 351                         | 5.9           |

<sup>1</sup> Excludes the impact of the TRF derecognition loss of R618m and restructuring cost of R160m and the related tax impact in the prior year.

<sup>2</sup> Includes gain on sale of properties of R194m in the current year and R654m in the prior year.

# Revenue by stream | Continued shift towards data-led revenue streams is driving sustainable growth

## Group revenue Rbn



Sustained data-led growth momentum

Challenging enterprise business environment

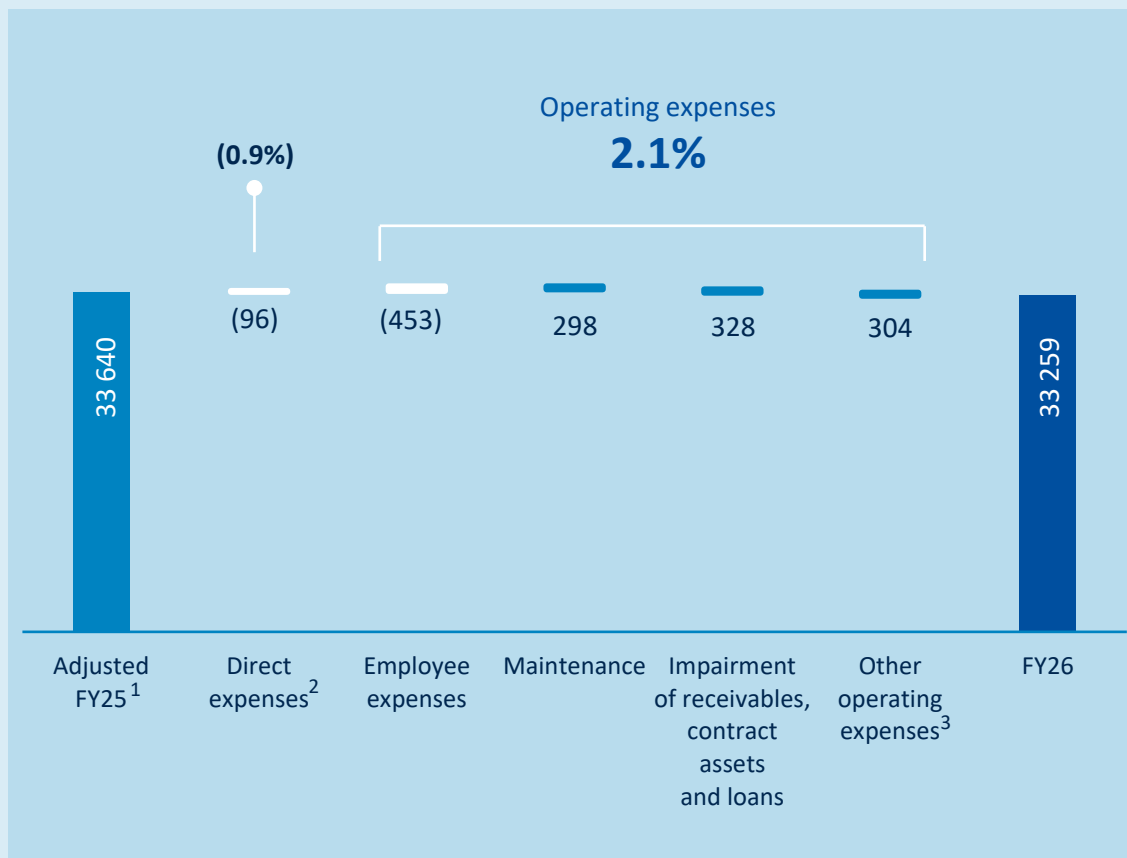
Ongoing migration from traditional fixed revenue

<sup>1</sup> Decrease largely driven by fixed voice and interconnection, partly offset by customer premises equipment sales and rentals, sundry revenue, digital media sales, insurance and lease revenues.

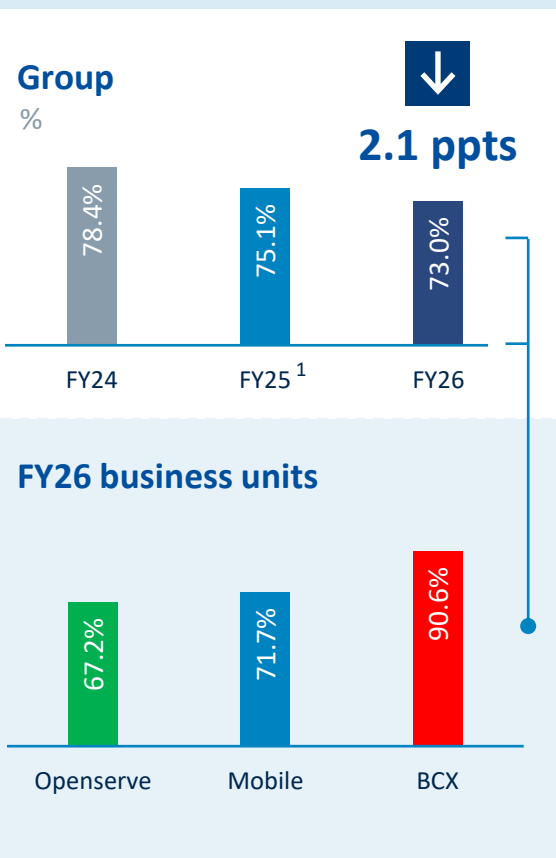
# Expenses | Structural cost optimisation drives margin expansion

## Total expenses

Rm



## Cost-to-income



Total expenses down **1.1%**

Cost-to-income ratio improved **over 3 years**

Cost managed **below inflation**

<sup>1</sup> Excludes the impact of the TRF derecognition loss of R618m and restructuring cost of R160m in the prior year.

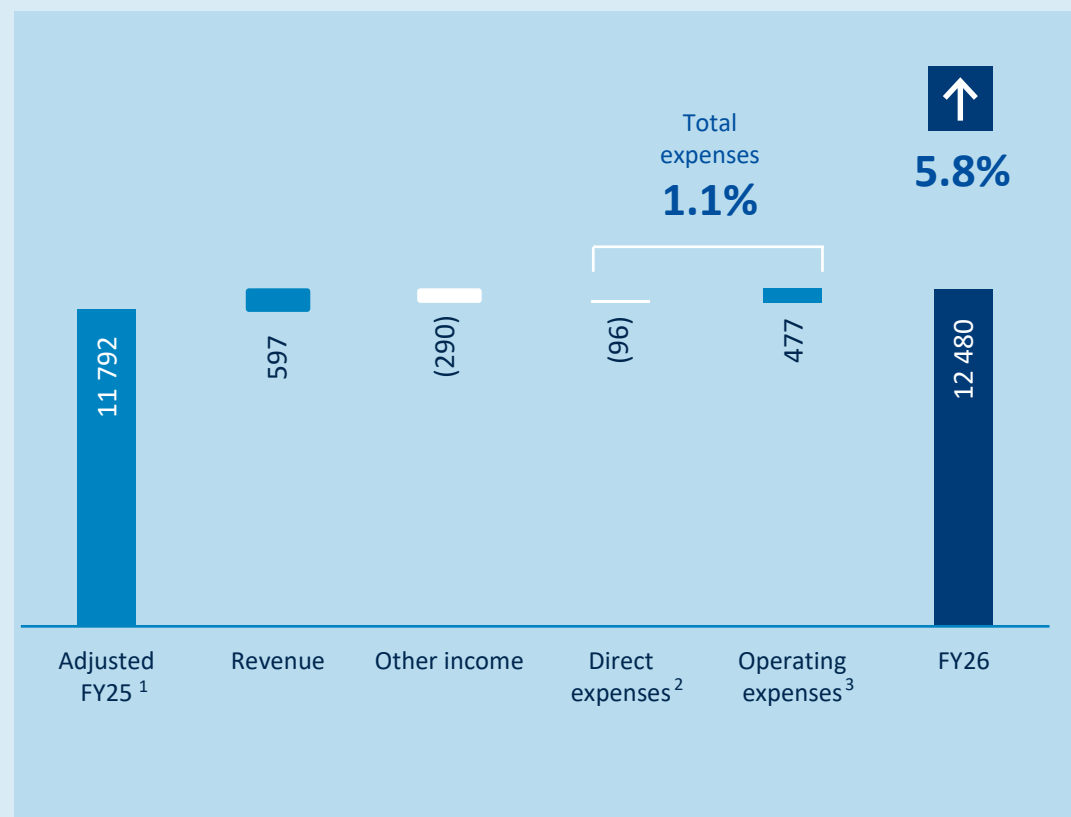
<sup>2</sup> Includes cost of handset, equipment, software and directories, sales commissions and incentives and payments to other operators

<sup>3</sup> Includes insurance service expense, other expenses, marketing, service fees and lease-related expenses.

# Profitability | Efficiencies continue to support operational growth

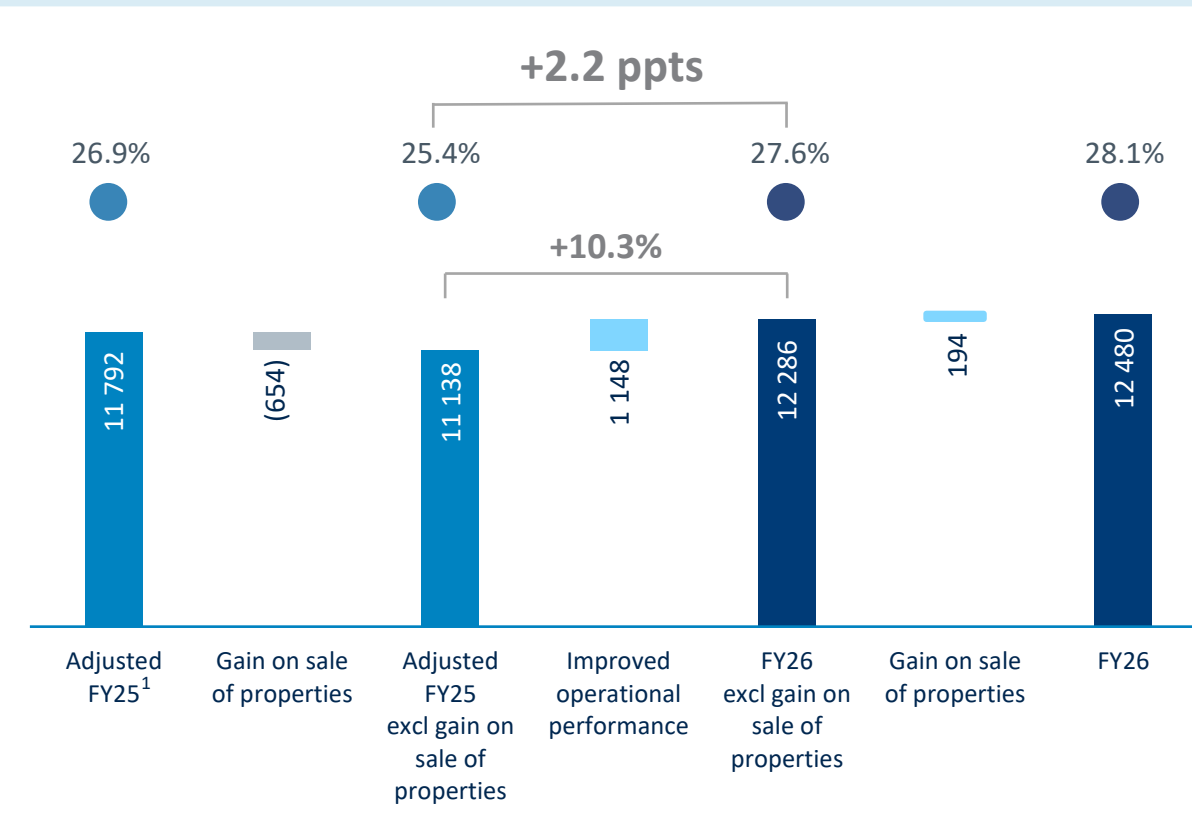
## EBITDA

Rm



## EBITDA margin

%



<sup>1</sup> Excludes the impact of the TRF derecognition loss of R618m and restructuring cost of R160m in the prior year.

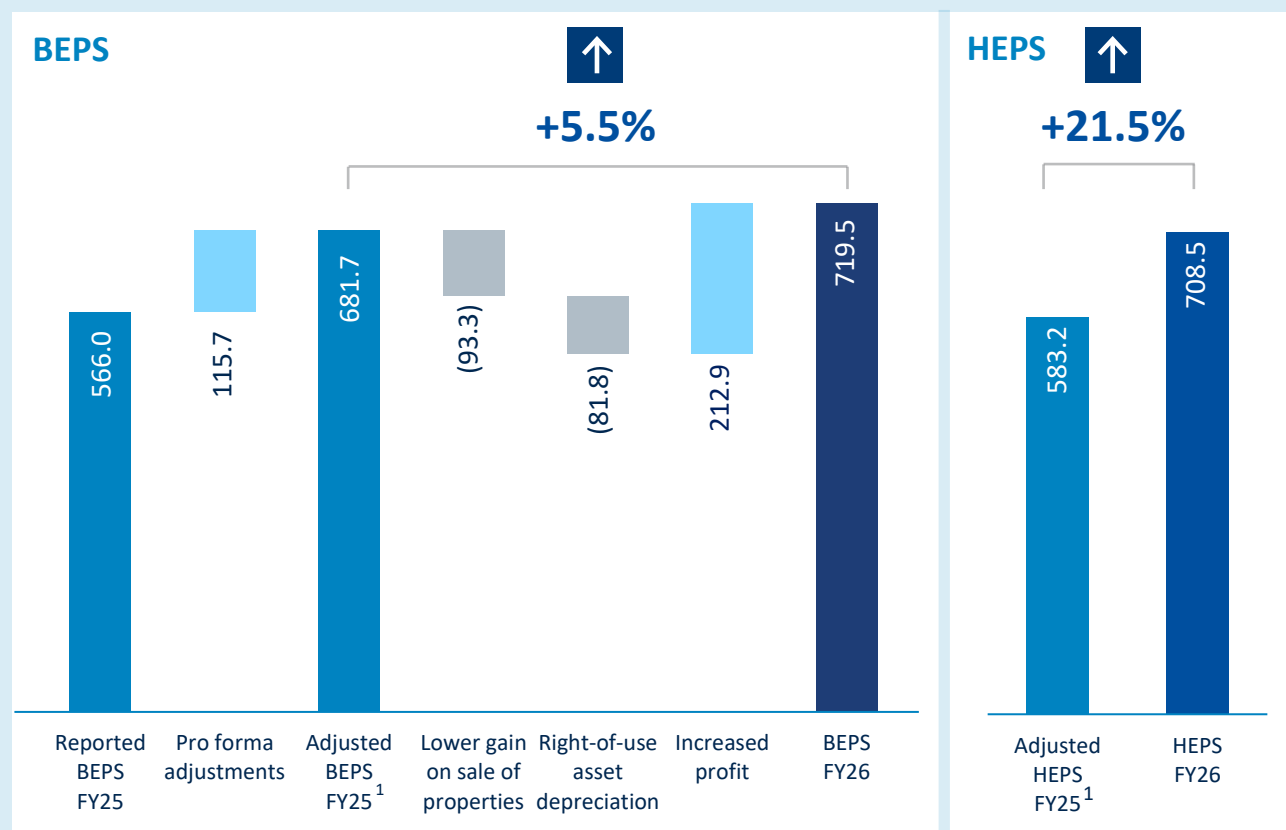
<sup>2</sup> Includes cost of handset, equipment, software and directories, sales commissions and incentives and payments to other operators

<sup>3</sup> Includes employee expenses, insurance service expense, other expenses, maintenance, marketing, impairment of receivables, contract assets and loans, service fees and lease-related expenses

## Earnings | Underlying earnings momentum sustained

### Earnings per share

cents



| Cents per share                                     | Reported FY26      | Reported FY25 | Adjusted FY25 |
|---|--------------------|---------------|---------------|
| <b>BEPS</b>   | <b>719.5</b>       | 566.0         | 681.7         |
| Property, plant and equipment and intangible assets | (11.0)             | (98.5)        | (98.5)        |
| Net profit on disposal                              | (57.5)             | (150.8)       | (150.8)       |
| Net write-offs and impairment                       | 46.5               | 52.3          | 52.3          |
| <b>HEPS</b>   | <b>708.5</b>       | 467.5         | 583.2         |
| <b>WANOS<sup>1</sup></b>                            | <b>492 587 195</b> | 490 660 883   |               |

<sup>1</sup> Weighted average number of shares.

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

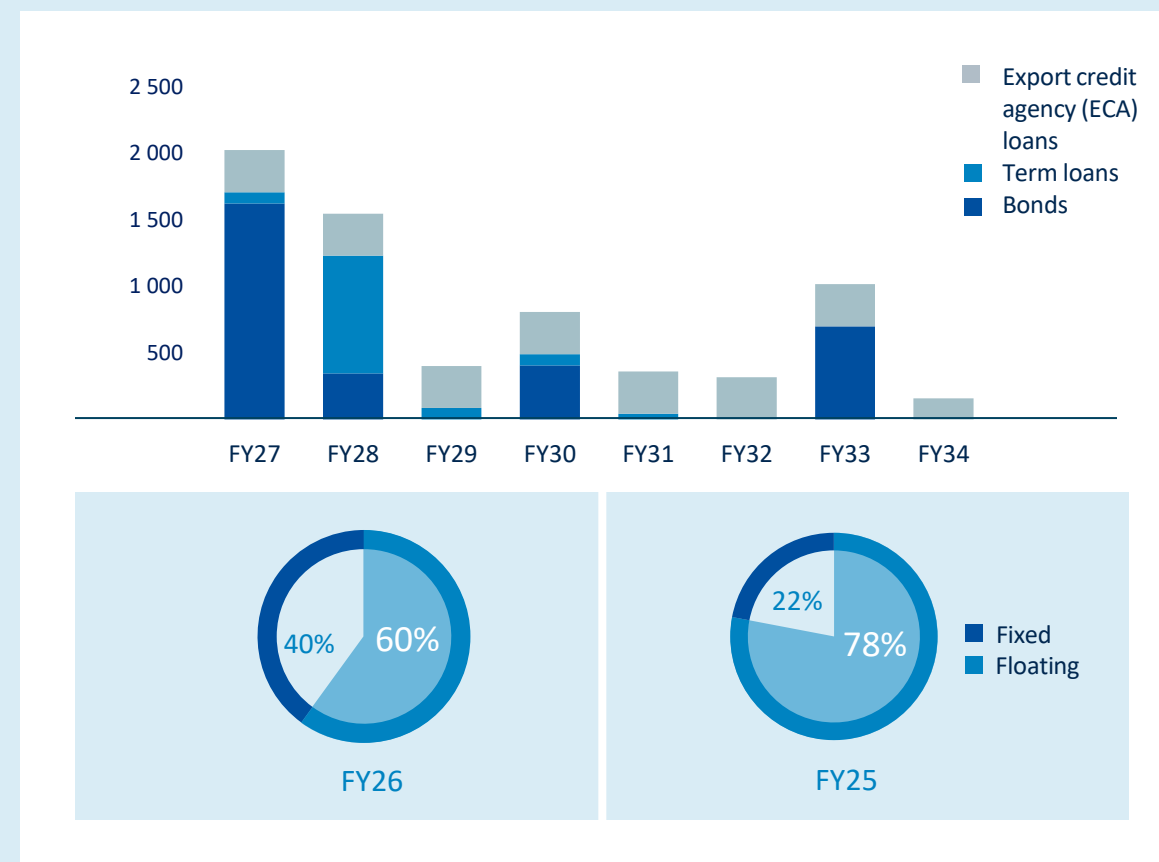
## Strong financial position | Supporting strategic flexibility

### Net debt

| Rm                             | FY26           | FY25    | %        |
|--------------------------------|----------------|---------|----------|
| <b>Cash balances</b>           | <b>7 723</b>   | 11 054  | (30.1)   |
| <b>Interest bearing debt</b>   | <b>6 593</b>   | 11 617  | 43.2     |
| Opening balance                | <b>11 617</b>  | 14 217  | 18.3     |
| Net funding repaid             | <b>(4 954)</b> | (2 629) | 88.4     |
| Other                          | <b>(70)</b>    | 29      | (>100.0) |
| <b>Lease liabilities</b>       | <b>7 556</b>   | 6 920   | (9.2)    |
| Opening balance                | <b>6 920</b>   | 6 461   | (7.1)    |
| Repayment of lease liabilities | <b>(2 581)</b> | (2 979) | (13.4)   |
| Net non-cash movement          | <b>3 217</b>   | 3 438   | 6.4      |
| Restricted cash                | <b>60</b>      | 23      | >100.0   |
| <b>Net debt</b>                | <b>6 366</b>   | 7 460   | (14.7)   |
| Net debt to EBITDA             | <b>0.5</b>     | 0.6     | (1.0)    |
| Average cost of debt (%)       | <b>8.5</b>     | 9.3     | (0.8)    |

### Debt maturity profile

Rm

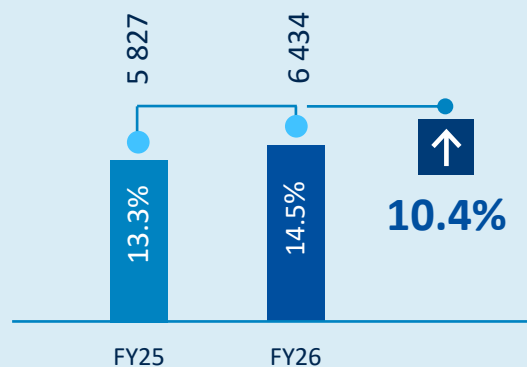


# Capital expenditure | Continued investment in high-demand data-led growth areas

## Capex spend and intensity

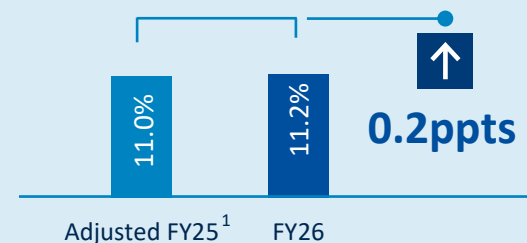
Rm

● Capex intensity (%)

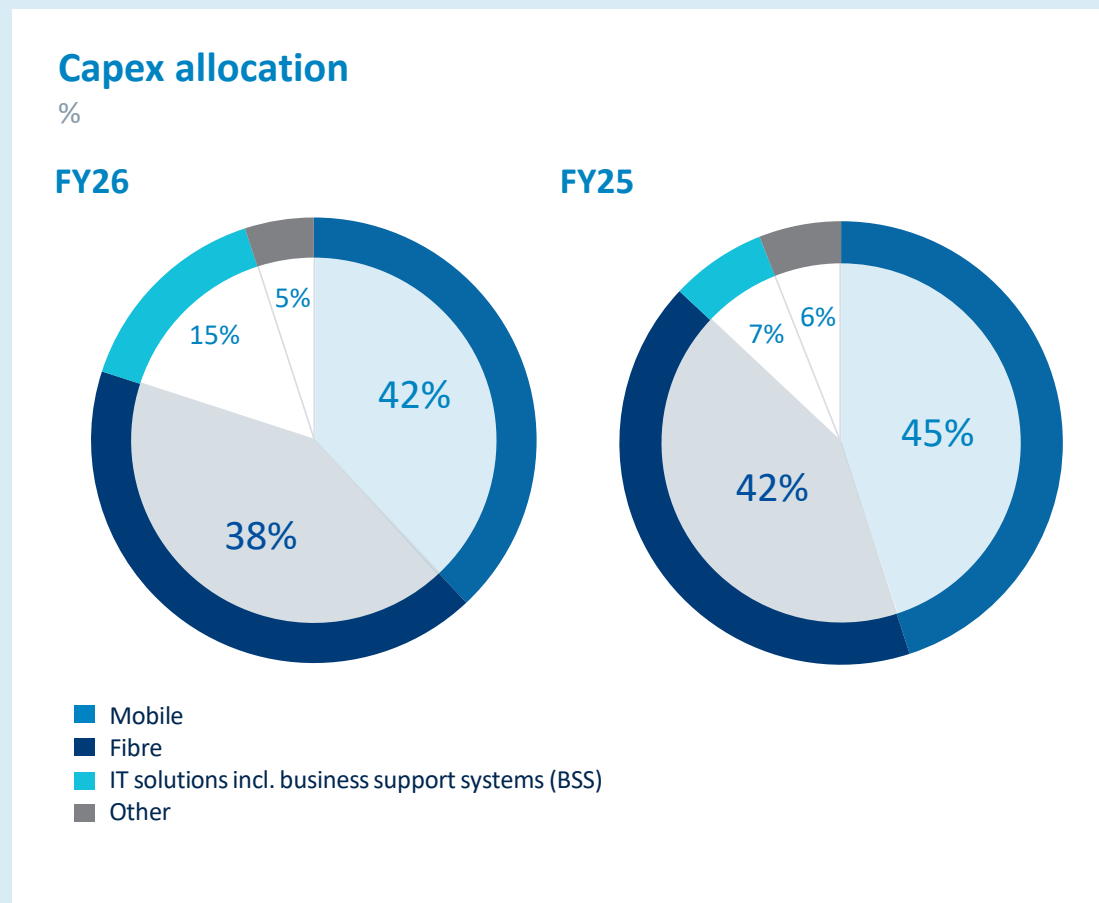


## Return on invested capital

%



<sup>1</sup> Return on invested capital (ROIC) is calculated on the SA companies taxation rate of 27.0%. With the adjusted effective tax rate of 20.6% applied ROIC is 12.0% for FY25.



Focus on ROIC prioritises high-return opportunities

Data-led strategy 80% capex allocated

Investment in BSS digital and AI enabled

## FCF comparison | Resilient cash flow performance underpins value creation

| Free cash flow<br>Rm  | Reported<br>FY26 | Reported<br>FY25 | Variance<br>% |
|---|------------------|------------------|---------------|
| Cash receipts from customers  | 45 389           | 44 484           | 2.0           |
| Cash paid to suppliers and employees  | (33 125)         | (31 163)         | (6.3)         |
| Cash generated from operations  | 12 264           | 13 321           | (7.9)         |
| Repayment of the principal lease liability                                      | (1 910)          | (2 496)          | 23.5          |
| Interest received   | 584              | 537              | 8.8           |
| Dividend received from cell captive   | 240              | -                | 100.0         |
| Finance charges paid  | (1 518)          | (2 023)          | 25.0          |
| Taxation paid   | (297)            | (396)            | 25.0          |
| <b>Cash generated from operations before dividend paid after lease payments</b> | <b>9 363</b>     | <b>8 943</b>     | <b>4.7</b>    |
| Cash paid for capex   | (6 295)          | (6 165)          | (2.1)         |
| FCF   | 3 068            | 2 778            | 10.4          |

Cost optimisation and structural efficiencies led to lower net cash outflows

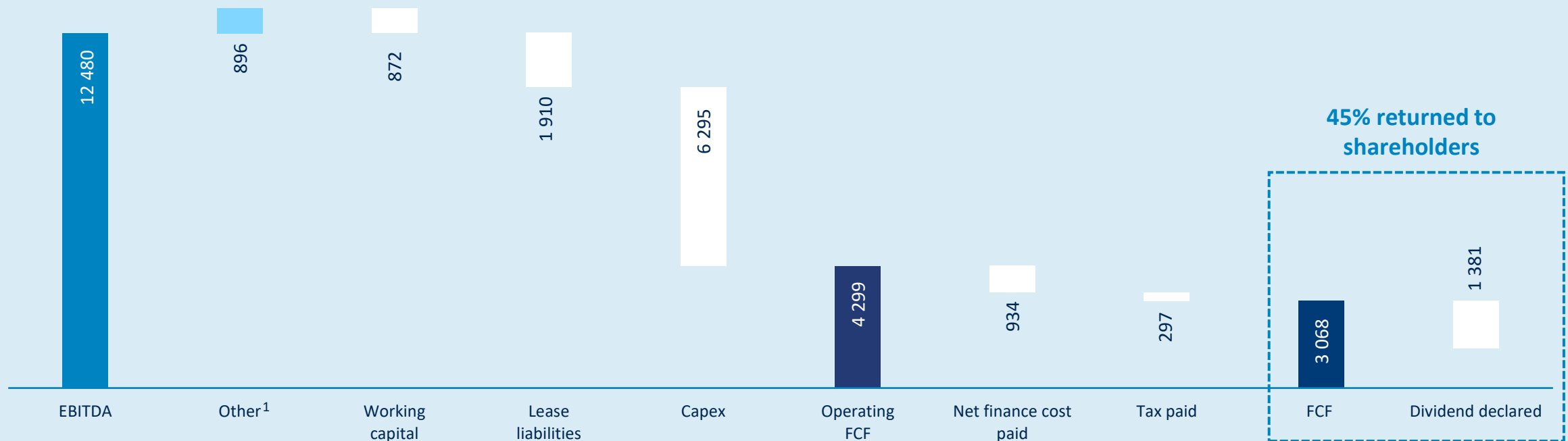
Working capital optimisation a continued focus

Stronger balance sheet led to lower finance charges and higher interest income

## Cash generation | Enabling enhanced shareholder returns

### Free cash flow

Rm



<sup>1</sup> Includes dividend received from the cell captive and non-cash items relating to the impairment of receivables and contract assets, provisions and deferred revenue as well as removing the gain on sale of assets.

# Dividend declared | Policy revised supporting an ordinary dividend increase

## Dividend policy revised

Dividend pay-out

40% - 60% of FCF as an annual pay-out ratio revised from 30% - 40%.

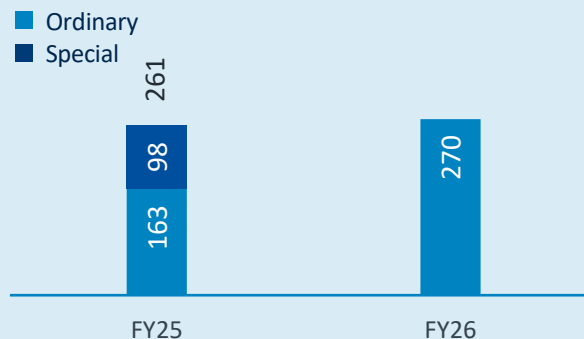
270 cps

Ordinary Dividend per share declared

Dividend @ 45% of FCF for FY26

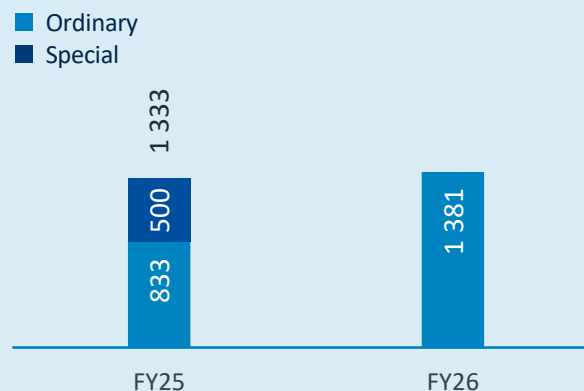
## Dividend per share declared

cents



## Dividend declared

Rm



Ordinary dividend increased **65.7%**

Dividend yield<sup>1</sup> **4.6%**

Evolving dividend policy turning execution into shareholder returns

<sup>1</sup> Share price as at 31 March 2026.

## Medium term guidance | On track to deliver in evolving markets



| Metrics              | Medium term guidance | FY26         |                                       |
|----------------------|----------------------|--------------|---------------------------------------|
| → Group revenue      | Mid-single digit     | <b>1.4%</b>  | <span style="color: orange;">█</span> |
| → EBITDA margin      | 25% - 27%            | <b>28.1%</b> | <span style="color: green;">█</span>  |
| → Capex intensity    | 12% - 15%            | <b>14.5%</b> | <span style="color: green;">█</span>  |
| → Net debt to EBITDA | 0.5x – 1.5x          | <b>0.5x</b>  | <span style="color: green;">█</span>  |

## Capital allocation priorities | Returns-led and disciplined

### EBITDA margin enhancement and increased profitability

- Deliver disciplined, data-led growth execution
- Accelerate resilient and customer-led revenue growth
- Drive structural efficiencies and margin expansion



1

### Smart capex deployment driving value creation

- Maintain disciplined capital intensity and infrastructure sustainability
- Prioritise investment in high-growth, data-led opportunities
- Allocate capital to projects that enhance long-term returns



2

### Cash generation and shareholder value delivery

- Progressive dividend framework supporting sustainable shareholder returns
- Financial flexibility to enhance long-term shareholder returns
- Disciplined free cash flow management



4

### Prudent financial sustainability management

- Maintain a resilient financial position and prudent leverage
- Preserve liquidity and financial flexibility for strategic growth
- Drive disciplined financial management and sustainable returns



3



# Outlook & Priorities

Serame Taukobong  
Group CEO

## Executing with discipline. Building momentum

To ensure we meet our medium-term commitments



**Sustain  
Mobile  
performance**



**Build on  
Openserve's  
revenue inflection**



**Improve BCX  
execution and  
portfolio quality**



**Balance growth  
and cost  
discipline**



**Allocate capital  
to data-led growth  
and returns**

## Resilient Telkom ecosystem in complex geopolitical environment



- Complex and unpredictable geopolitical environment
- Plays out in political economy
  - Trade policy
  - Technology supply chain complexity
  - Energy



- Customers and consumers are more risk averse
- Data sovereignty contested



- Increased cost pressure: War related inflation and energy
- Multilateral cooperation is more challenging
- Local InfraCo preference

## OneTelkom: One platform for data-led quality growth



**Unrivalled infrastructure** drives results momentum



Backbone of **SA's digital future**, serving our customers



**Continued execution** of data-led strategy



Committed to **sustainability** ambitions



Focused relentlessly on **delivering tangible results** for all stakeholders

Q&A





**Telkom**

**Thank you**

A young woman with dark curly hair is smiling and looking down at a device she is holding. The background is dark with bokeh lights in shades of orange and blue. A blue horizontal bar is overlaid on the left side of the image, containing the word "Appendix" in white text.

# Appendix

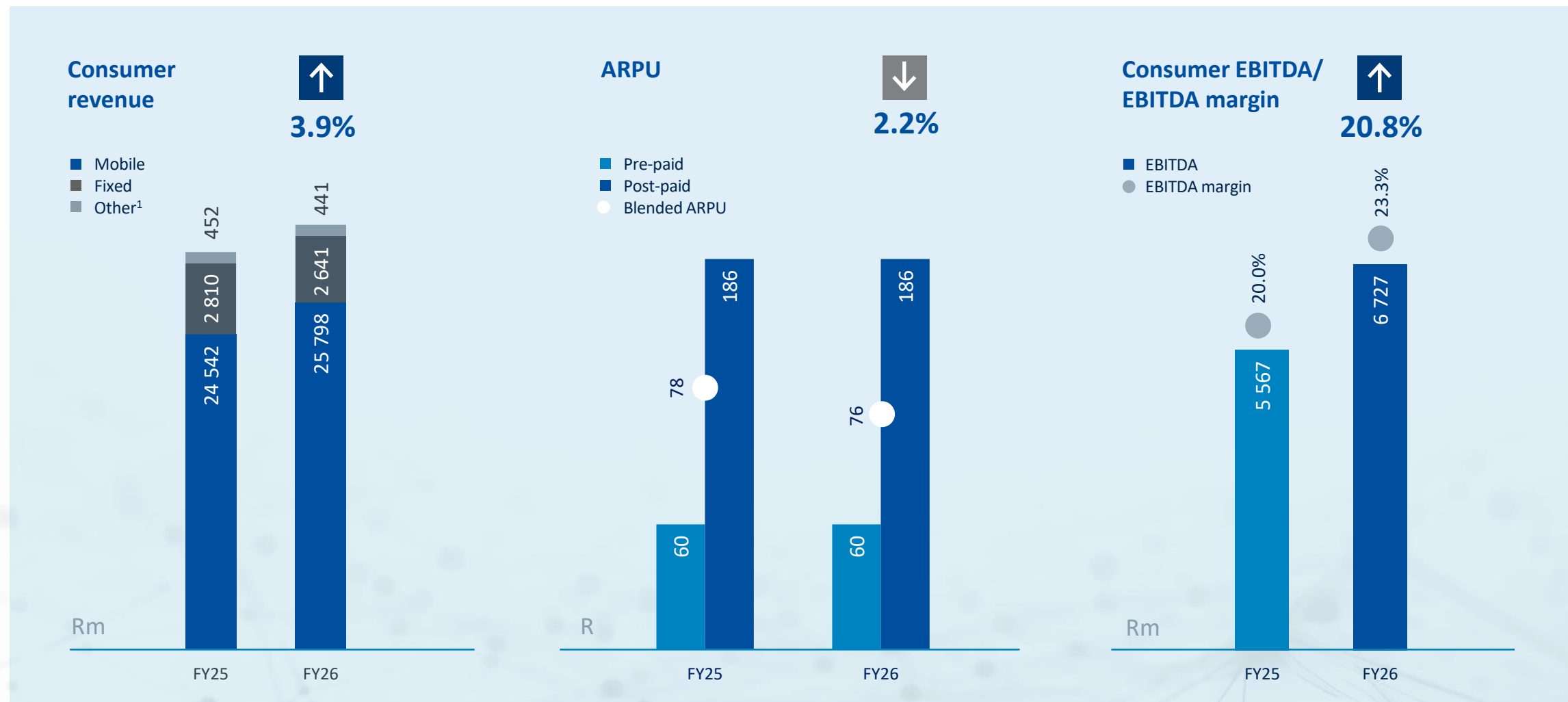


# Telkom

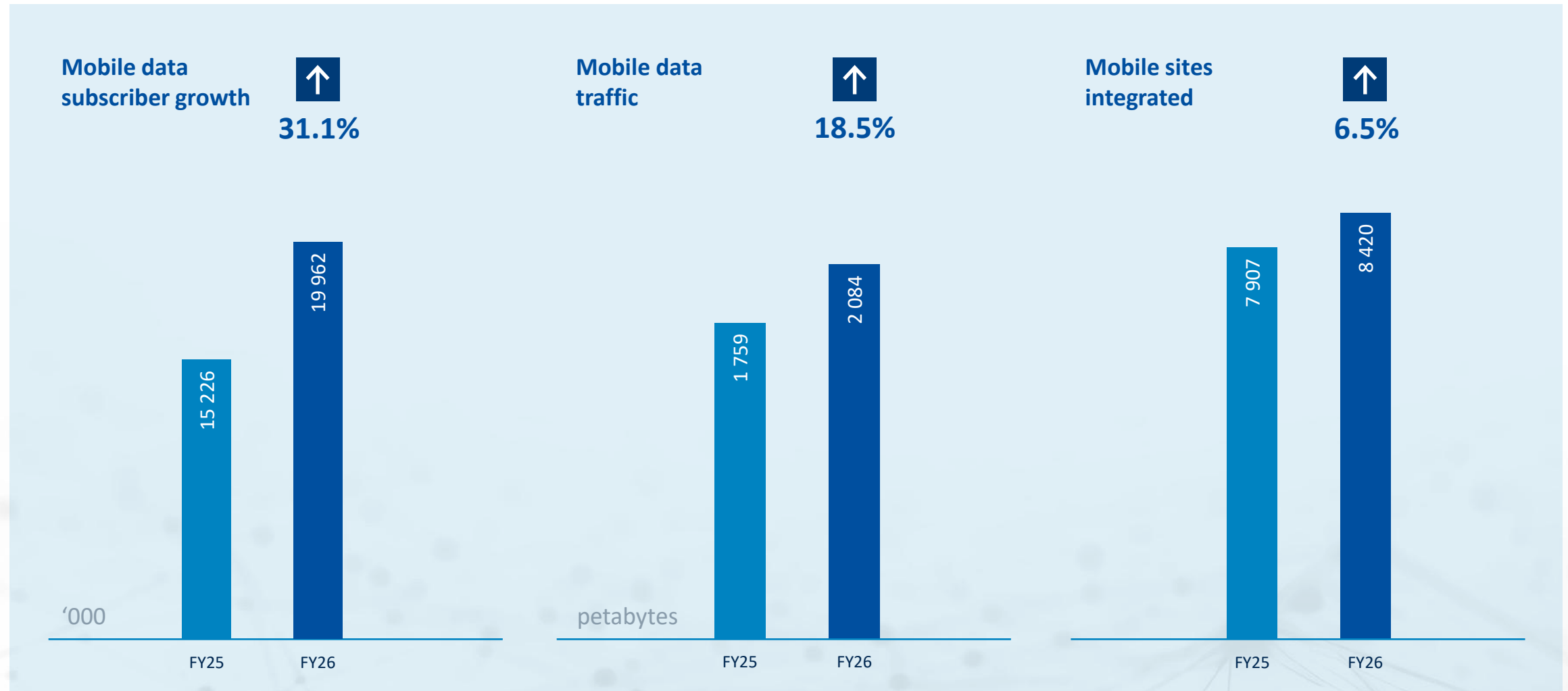
*Consumer*

Benchmark of mobile growth

# Continued Consumer revenue growth, with profitability momentum



## Network expansion supports growth

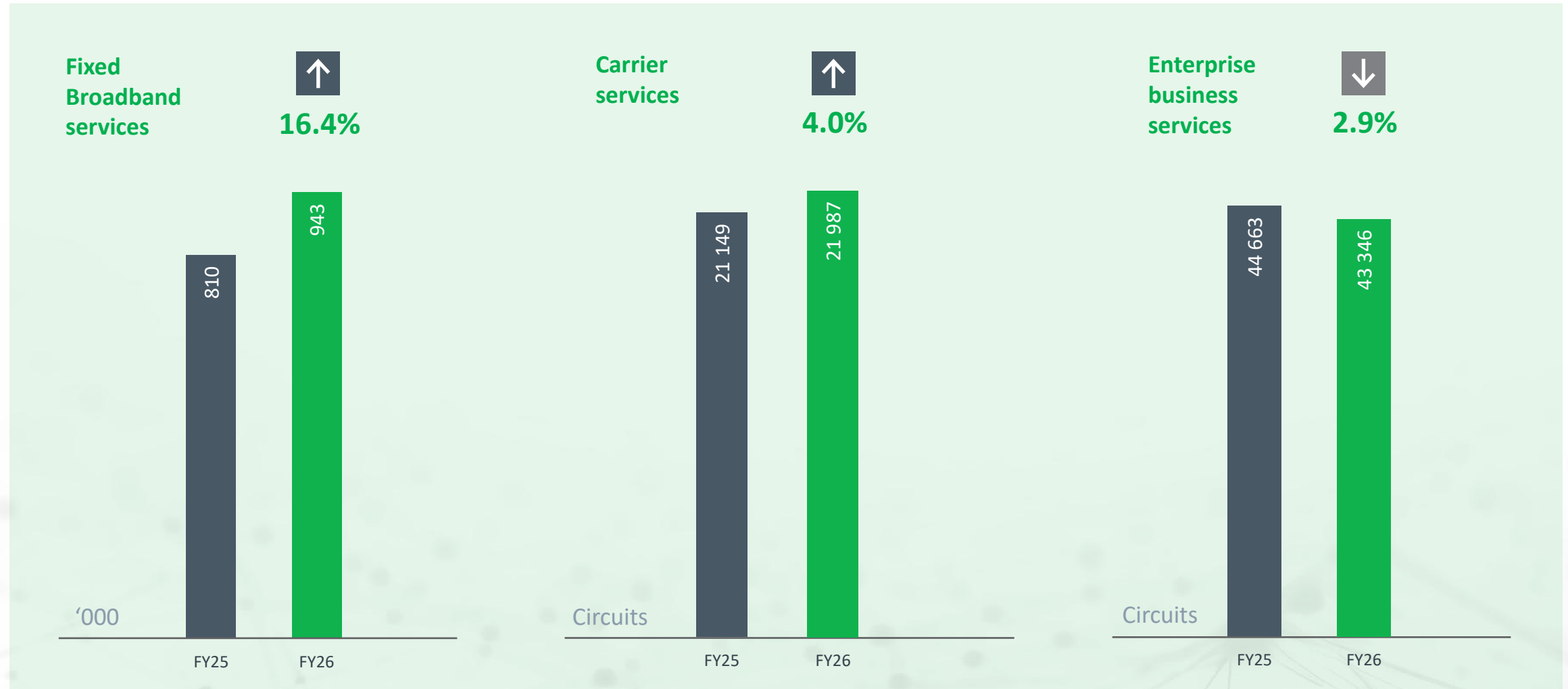




Beacon of competitiveness



## Ongoing migration to fibre drives broadband growth



<sup>1</sup> Insurance and advertising

## Abbreviations and definitions

|                     |  |
|---------------------|--|
| AI                  | Artificial intelligence  |
| ARPU                | Average revenue per user   |
| BCX                 | Business Connexion (Pty) Ltd   |
| BEPS                | Basic earnings per share   |
| Capex               | Capital expenditure  |
| Capex intensity     | Measures capital expenditure as a percentage of revenue  |
| Cost-to-income      | Total expenses as a percentage of revenue and other income, excluding the profit on disposal of property, plant and equipment.   |
| cps                 | Cents per share  |
| EBITDA <sup>1</sup> | Earnings before investment income and finance costs, tax, depreciation, amortisation, write-offs, impairments and losses of property, plant and equipment and intangible assets. |

|       |   |
|-------|---|
| FCF   | Free cash flow is cash generated from operations before dividend paid, less cash paid for capital expenditure and repayment of principal lease liabilities. |
| HEPS  | Headline earnings per share   |
| IT    | Information technology  |
| ppts  | Percentage points   |
| Rb    | Rand billion  |
| Rm    | Rand million  |
| ROIC  | Return on invested capital  |
| SMMEs | Small, medium and micro enterprises   |
| TRF   | Telkom Retirement Fund  |

<sup>1</sup> Please refer to the FY26 booklet for the full definition.