Telkom

Interim Results

For the six months ended
30 September 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/.

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

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Contents

Strategic Highlights

Serame Taukobong
Group CEO

Telkom

Data-led growth. Quality earnings sustained

Group Revenue

3.4%

TO **R22.1bn**

Driven by data-led strategy

Group Data Revenue

7.9%

TO **R13.1bn**

Now 59.1% of Group revenue

Group EBITDA

7.4%

TO **R6.0bn**

Costs kept below inflation

HEPS

16.4%

TO **305.6c**

Sustained value post Swiftnet

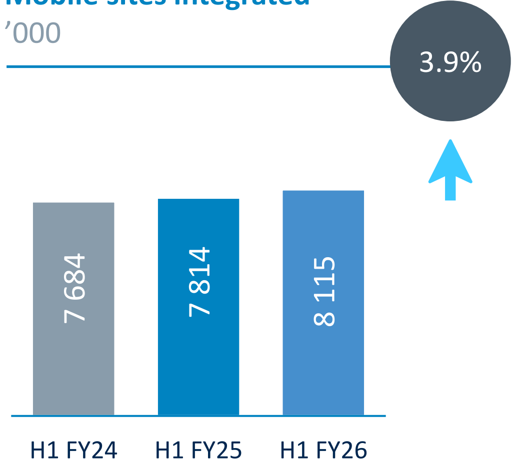
Free Cash Flow

AT **R724m**

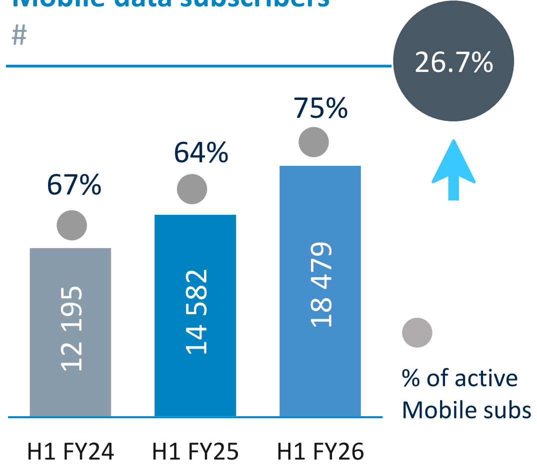
Consistent execution

Unique infrastructure. Operational performance sustained

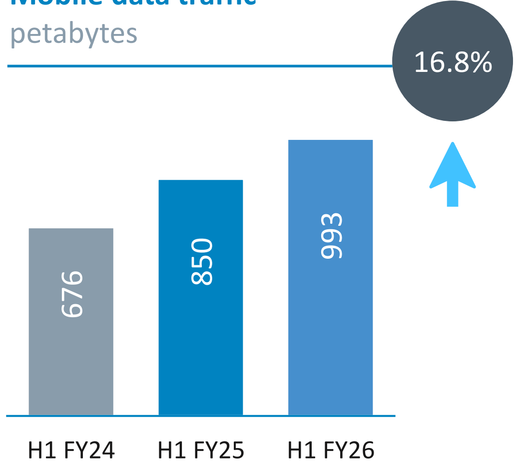
Mobile sites integrated
’000



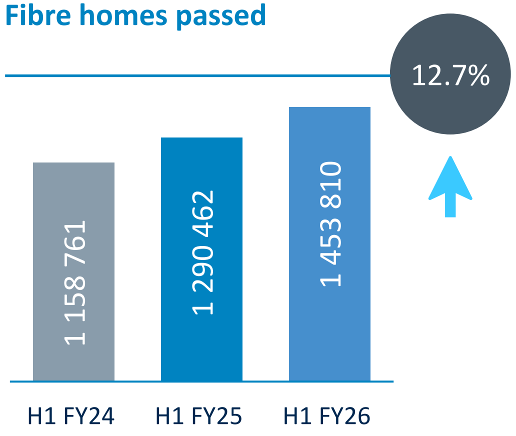
Mobile data subscribers
#



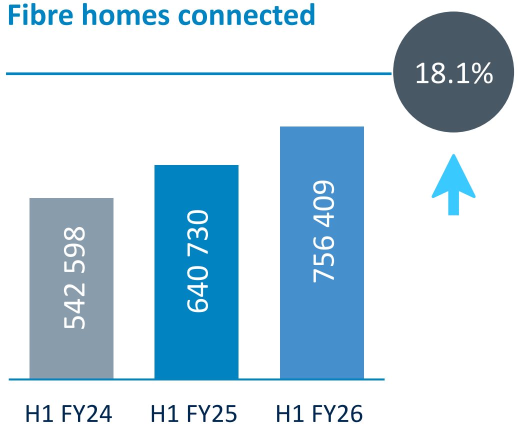
Mobile data traffic
petabytes



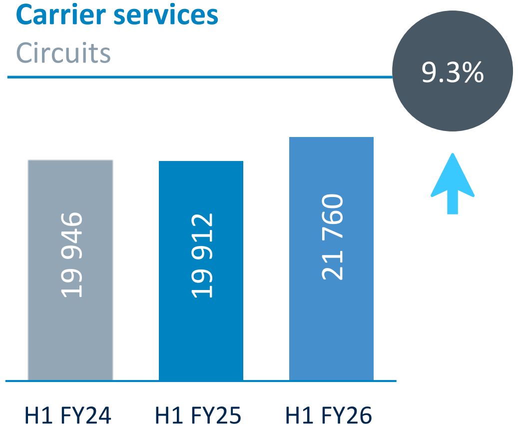
Fibre homes passed



Fibre homes connected



Carrier services
Circuits



KEY POINTS

- **Mobile sites** expanded to **8 115**, primarily to increase **capacity**
- **Mobile data** growth of **16.8%,** largely converted to revenue
- Mobile **data subscribers** now at **75%** of total active mobile subscribers
- **115 679** additional homes connected year-on-year
- **Carrier services** up 9.3% to **21 760**

Telkom Consumer

Benchmark of mobile growth

15 years of Telkom Mobile | Building the most competitive, value compelling data propositions

2010 — Telkom Launches **Mobile offering**

2012 — Telkom launches **LTE**

2016 — Telkom Launches **FreeMe**

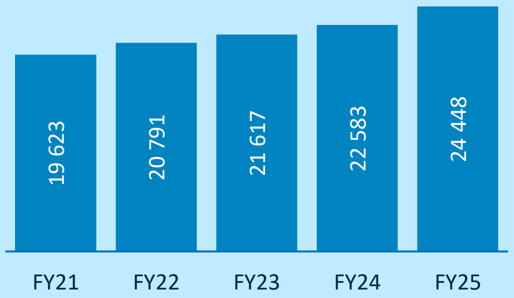
2022 — Telkom moves to **3rd biggest mobile operator**

Launch of **Infinite** and **FlexOn**

2025 — **24.5 million subscribers**

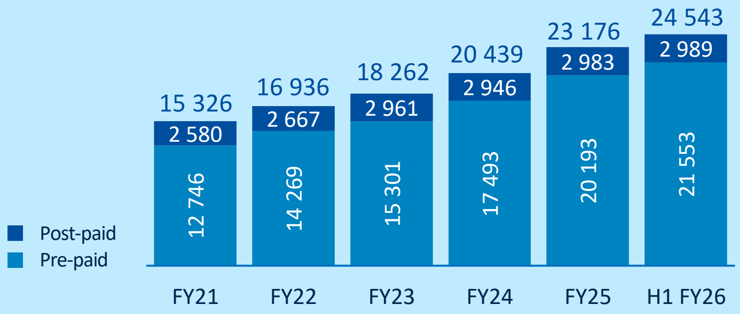
Mobile revenue
Rm

R4.8 billion revenue growth



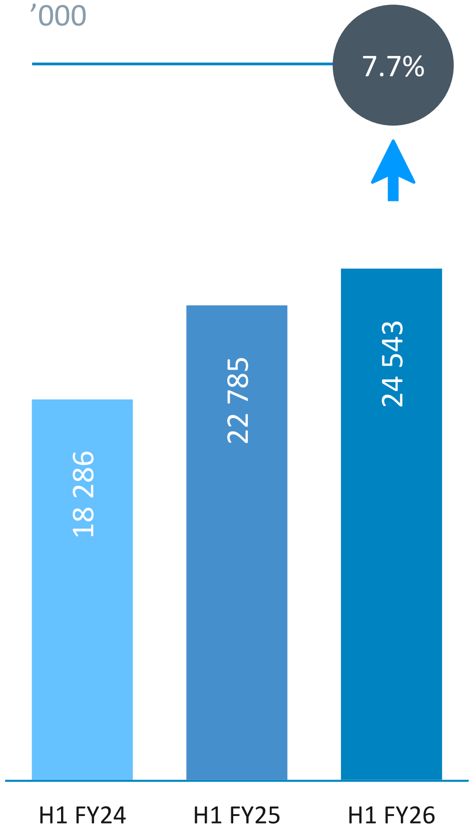
Mobile subscribers
'000

9.2 million subscribers acquired

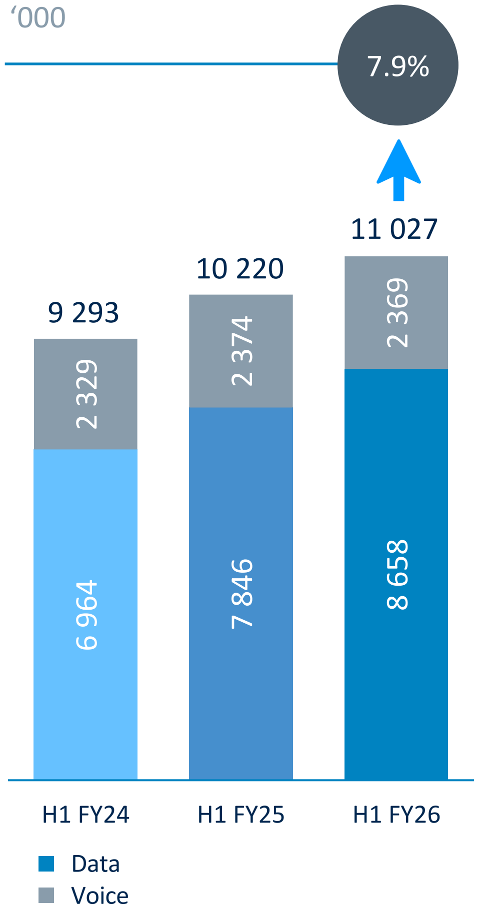


12 consecutive quarters of market-leading service revenue growth

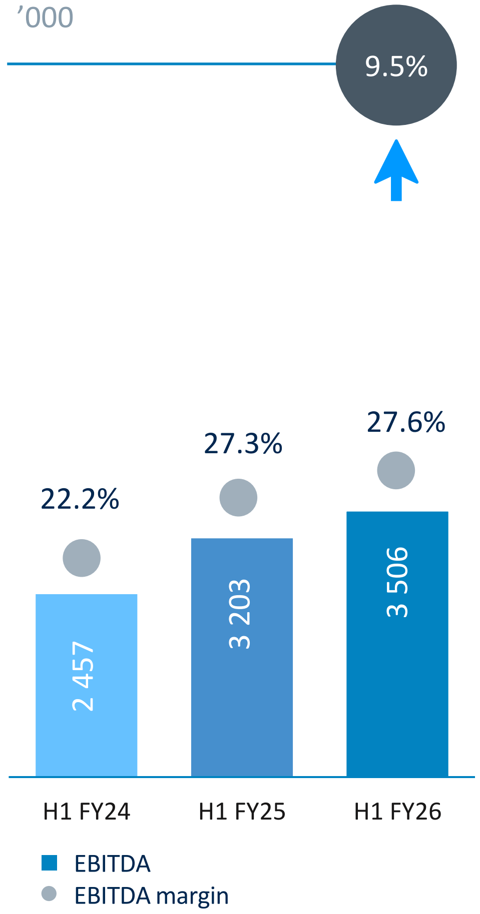
Total mobile subscribers
'000



Mobile service revenue
'000



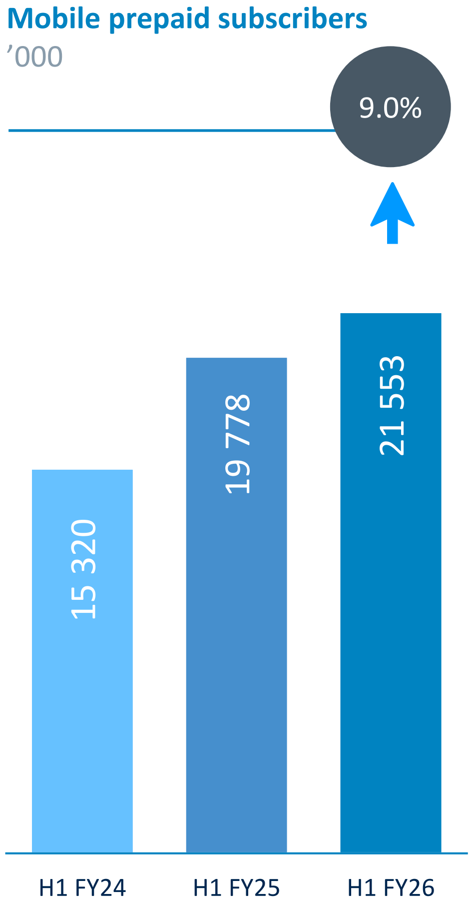
Mobile EBITDA/EBITDA margin
'000

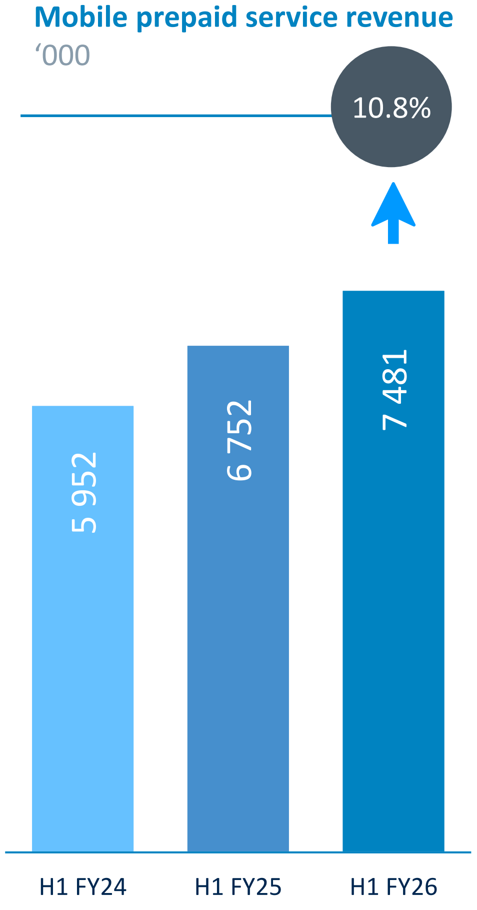


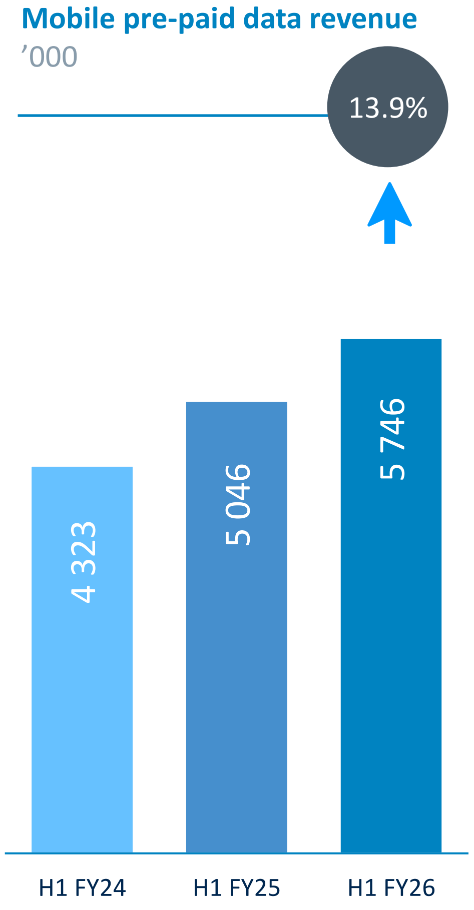
KEY POINTS

- **Total subscriber** growth of **7.7%,** driven by **pre-paid**
- **Mobile service revenue** increase of **7.9%,** in a competitive landscape
- **EBITDA margin** expanded to **27.6%**
- **Roaming costs** and **impairment of receivables** held steady

Targeted CVM and optimised pricing power prepaid growth







KEY POINTS

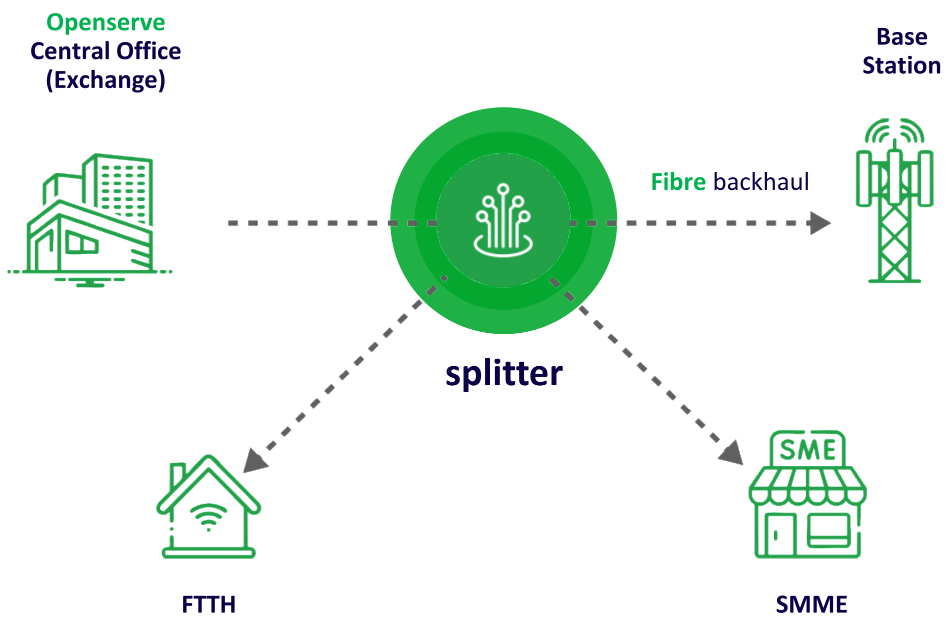
- **Pre-paid service revenue** growth of **10.8%,** with **Mo’Nice** being a **key driver**
- **Mo’Nice** contributed **48.2%** to pre-paid service revenue
- **ARPU** held at **R60**
- **Compelling pricing** and **packages** in our **CVM**
- **Headline pricing** – increased value for 1G package to **1.2G+1.2G** at the **same price**


open serve
Beacon of competitiveness

Pervasive fibre network close to homes and businesses

Commercial

- **3** undersea cable landings
- **SA's largest** NOC
- **Over 1 700** exchanges



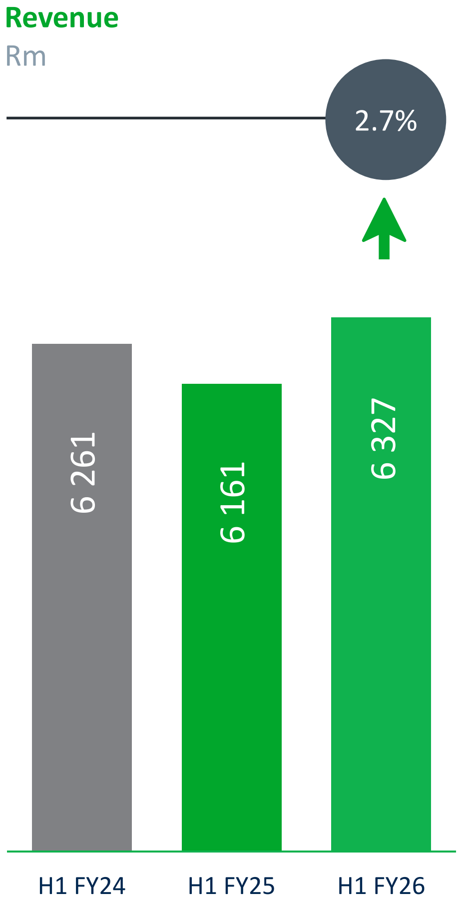
Network

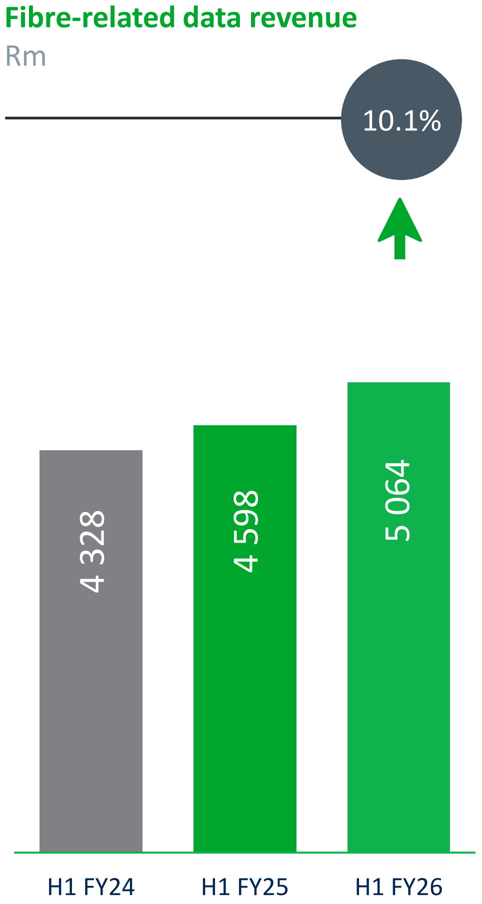
- **6 000 mobile sites** equipped with fibre backhaul
- **800 towers** in townships
- **78%** of towers within 1km of an Openserve fibre access point

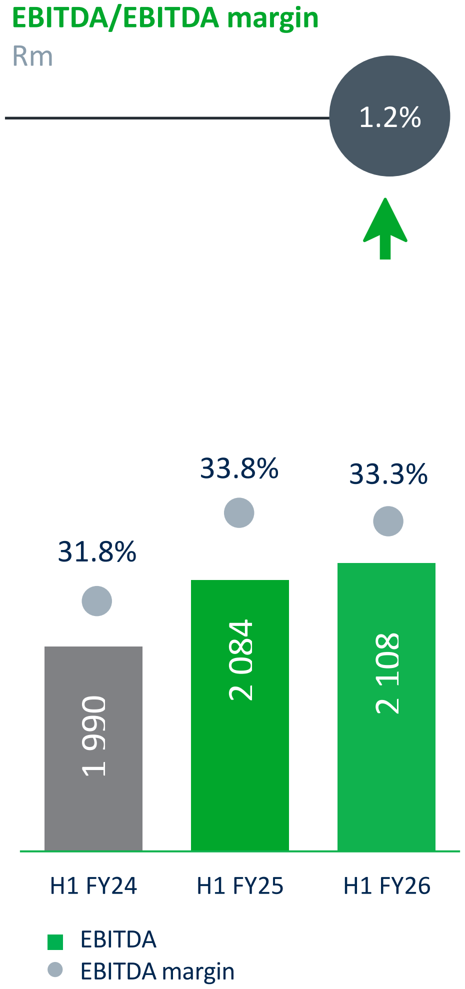
Expansion opportunity

- **Over 3 million** homes and **1 million** businesses within **0.5km** radius of fibre sites

Fibre drives revenue transformation







KEY POINTS

- **Overall revenue** increase underpinned by growth **across all segments**
- **Fibre-related** revenue grew **10.1%** and **external revenue** increased by **9.1%**
- EBITDA improved by **1.2%**
- **Resilient EBITDA margin** of **33.3%,** driven by revenue growth and cost efficiencies

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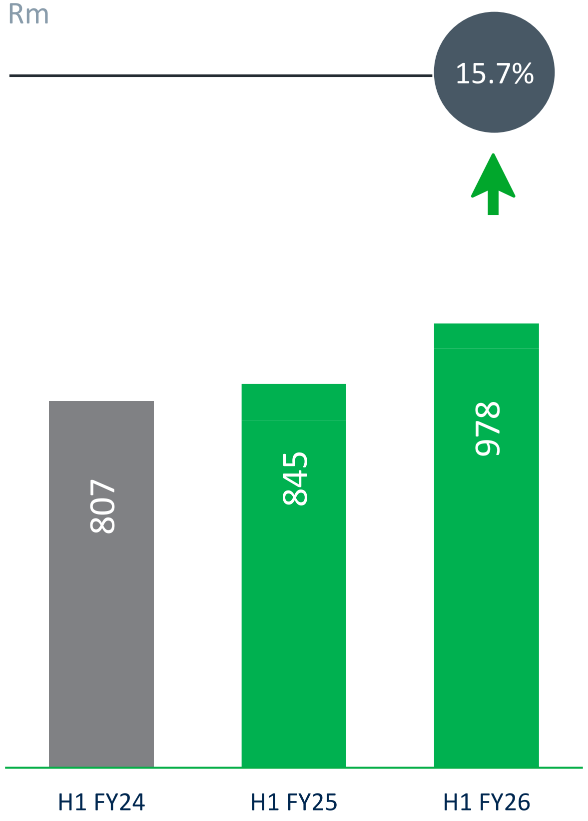
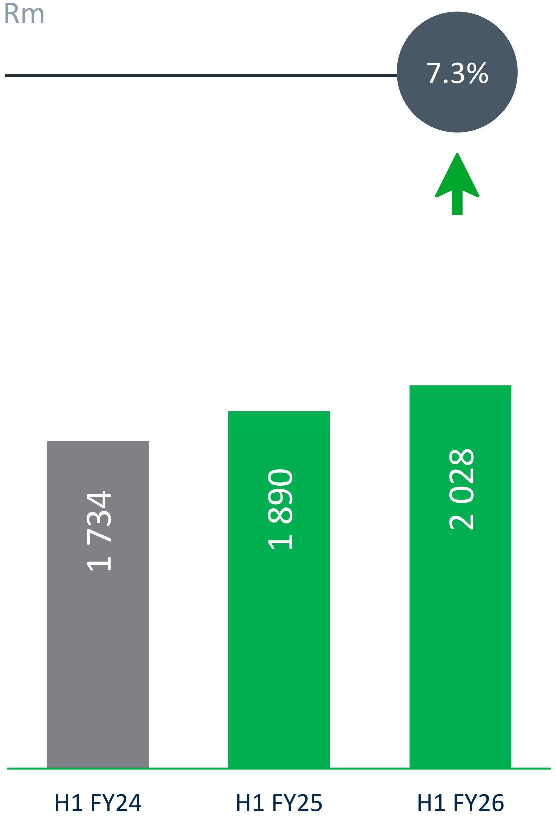
Overall growth by leading the fibre revolution

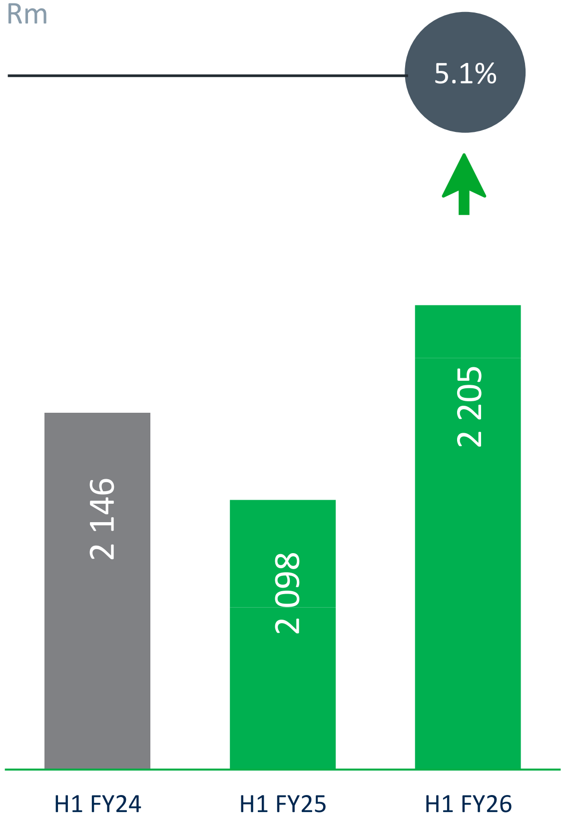
Enterprise Revenue
Rm



Broadband revenue[1]
Rm



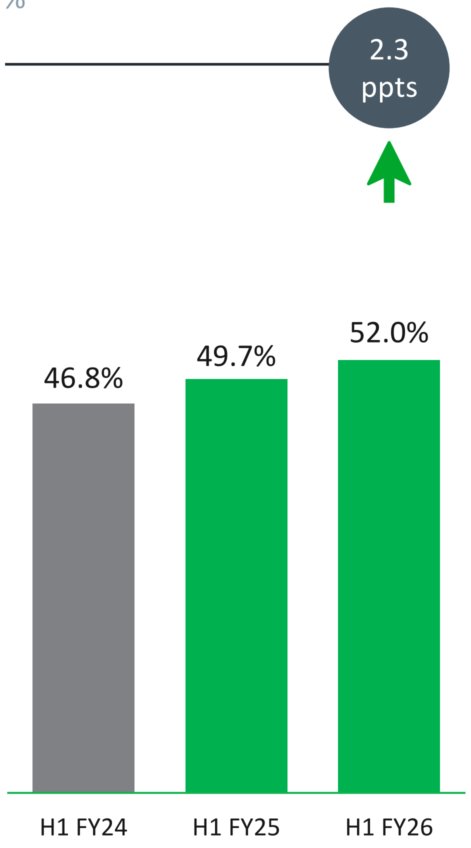
Carrier Revenue
Rm



Industry leading connectivity and service competitiveness

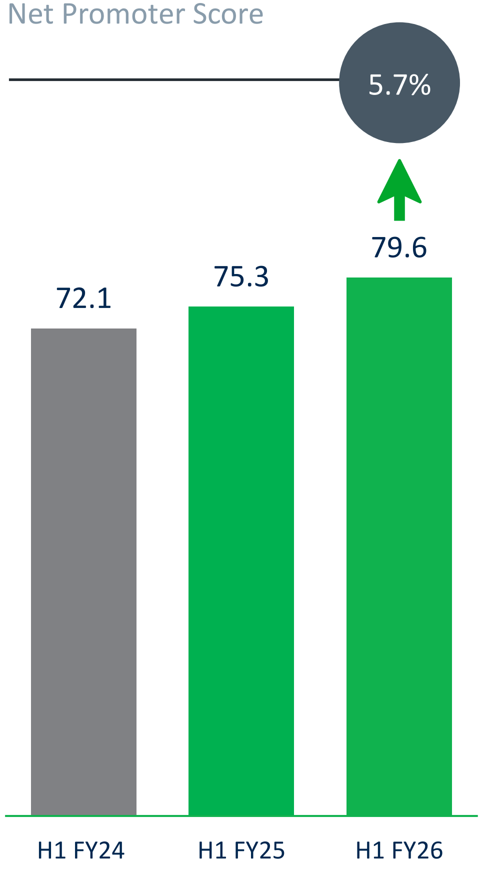
Connectivity rate

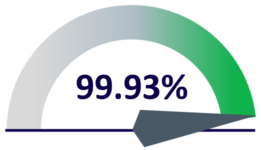
%



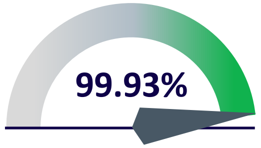
NPS

Net Promoter Score





Broadband access availability



Transport availability

Core availability

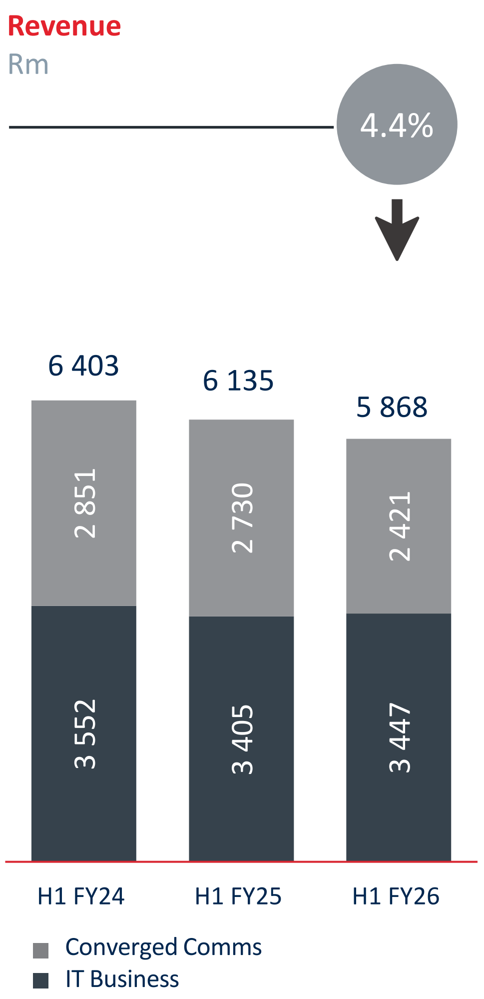
KEY POINTS

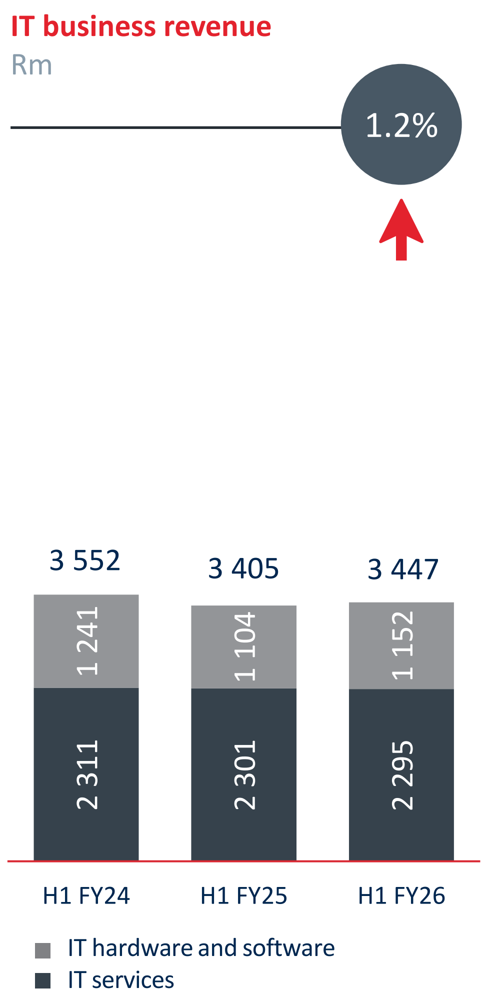
- Industry **leading** connectivity rate of **52.0%**.
- Our **innovation** and **automation** translated into improved **customer satisfaction**
- Strong **NPS** score **of 79.6**
- **Exceptional network** reliability across **access**, **transport** and **core** layers

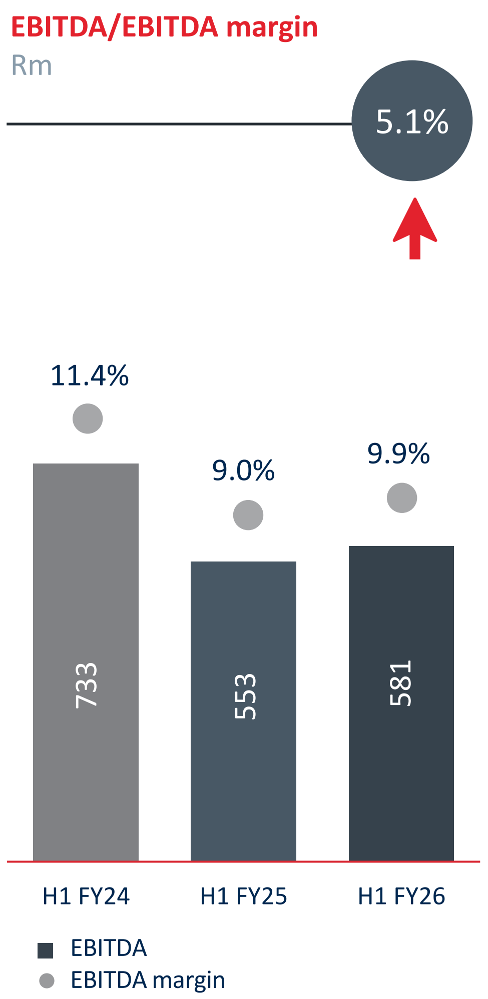
BCX

Task team in action

Disciplined execution and continued cost management







KEY POINTS

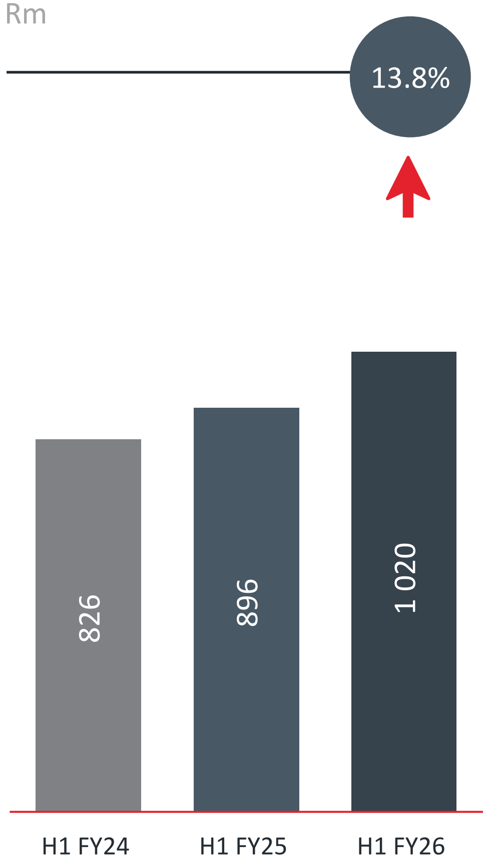
- **Revenue decline** due to revenue decrease of **11.3%** in **Converged Communications**
- **IT business** revenue up **1.2%**
  - **Cybersecurity revenue** up **10,4%,** reflecting sustained demand
  - **IT services portfolio resilient**, with **improved profitability**
- **EBITDA margin** improved, due to **cost transformation programme**
- **Operational expenditure** declined by **4.5%**

BCX

Planned revenue transition in progress

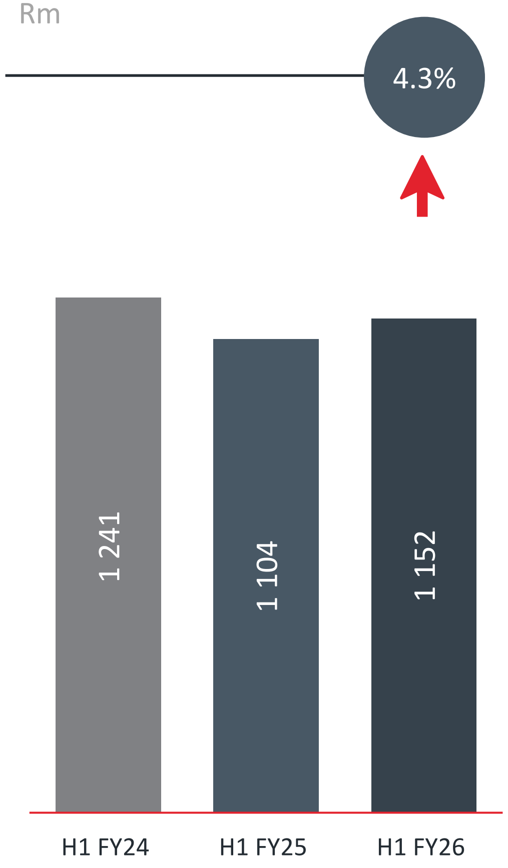
Fibre revenue

Rm



IT hardware and software revenue

Rm



KEY POINTS

- **Fibre-related data** revenue growth of **13.8%** and now represents **83%** of total **data revenue**
  - Offsetting a decline in **traditional connectivity** and **voice services**
- IT **hardware** and **software** revenue grew **4.3%**
  - Due to **conclusion** of projects towards **end of period**
  - **Profitability improved** and attaching annuity based revenue
  - Strategy to **curtail low-margin** revenue **bearing fruit**

Financial Review

Nonkululeko Dlamini
Group CFO

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Financial strategy | Progress made on executing our strategy

Earnings

- Momentum in revenue growth from H1 FY25 to H1 FY26
- Improved our cost base underpinned by the realisation of cost efficiencies from strategic infrastructure investments initiatives
- Cost increase below inflation

Financial position

- Lowered debt resulted in leverage remaining at lower end of guidance
- A strong balance sheet and liquidity management remains a focus
- Flexibility to invest in growth, navigate market volatility, and sustain value creation

Cash flow

- Higher capex deployed to support growth and network expansion
- Successful deconsolidation of Swiftnet and smooth transition from internal to external lease agreements
- Absorbed higher IT-related prepayments and cost of sale payments in the first half, while maintaining positive cash generation

Financial highlights | Delivered quality financial performance

Growth		Earnings		Financial position		Cash allowing for growth investment	
Group revenue	+3.4% R22.1bn	Group EBITDA	+7.4%[1] R6.0bn	Net debt	R7.9bn	FCF	R724m
Mobile data revenue	+10.3% R8.7bn	Group EBITDA margin	+1.0 ppt[1] 27.2%	Net debt to Group EBITDA	0.7x	Capex	R2.9bn
Fibre-related data revenue	+12.3% R4.1bn	HEPS	+16.4%[1] 305.6c	Interest cover	12.1x	Capex intensity	13.0%

Momentum in revenue growth underpinned by the data-led strategy

Profitability driven by revenue growth and cost efficiencies

Strength and flexibility to invest in growth

Cash generation from operating activities improved 7.9%, accommodating capex requirements and a positive FCF

1 Excludes the impact of the TRF derecognition loss of R618 million and restructuring cost of R160 million and the related tax impact in the prior period.

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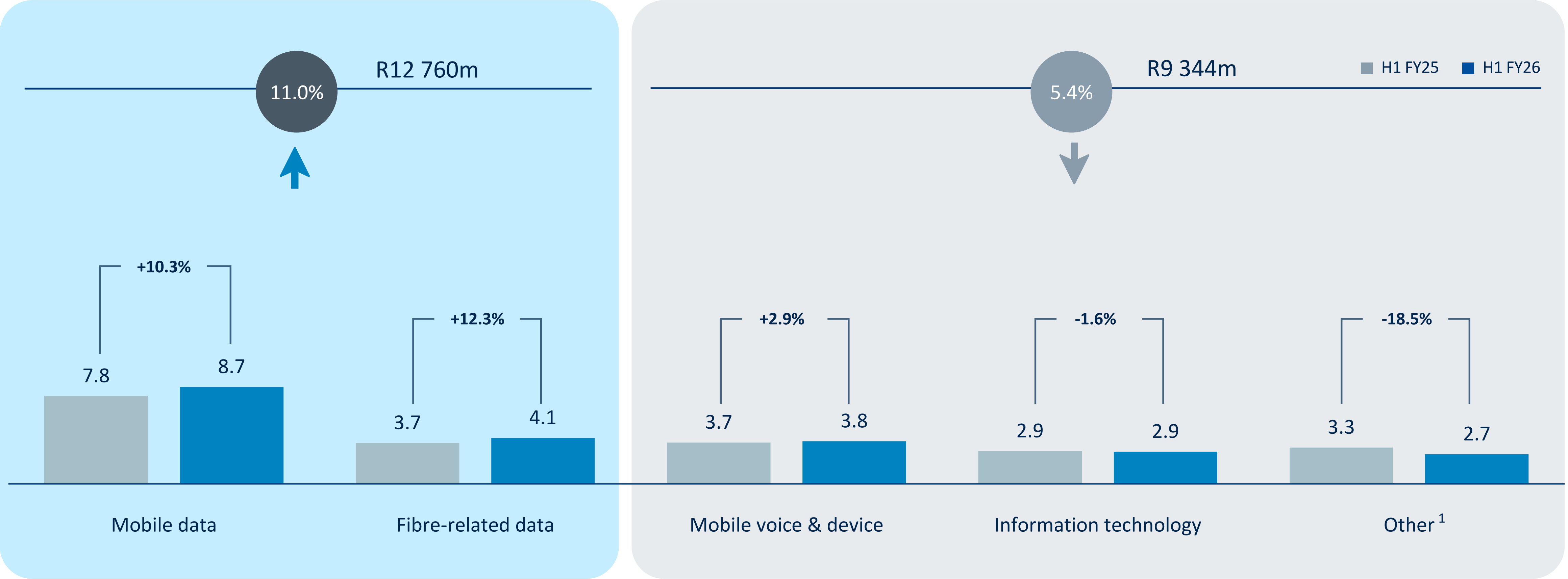
Group performance | Sustained growth even after adjusting for prior period once-off items

Continuing operations Rm	Reported H1 FY26	Reported H1 FY25	Variance %	Adjusted[1] H1 FY25	Variance %
Revenue	22 104	21 382	3.4		
Other income	684	635	7.7		
Total expenses	(16 765)	(17 189)	2.9	(16 411)	(2.2)
EBITDA	**6 023**	**4 828**	**24.8**	**5 606**	**7.4**
Depreciation, amortisation, impairment and write-offs	(3 268)	(2 943)	(11.0)		
Operating profit	**2 755**	**1 885**	**46.2**	**2 663**	**3.5**
Investment income	250	164	52.4		
Finance charges and fair value movements	(814)	(900)	9.6		
Profit before taxation	**2 191**	**1 149**	**90.7**	**1 927**	**13.7**
Taxation	(587)	(296)	(98.3)	(506)	(16.0)
Profit for the period	**1 604**	**853**	**88.0**	**1 421**	**12.9**

1 Excludes the impact of the TRF derecognition loss of R618 million and restructuring cost of R160 million and the related tax impact in the prior period.

Revenue by stream | 11% growth in mobile and fibre-related data revenue driven by the execution of the data-led strategy

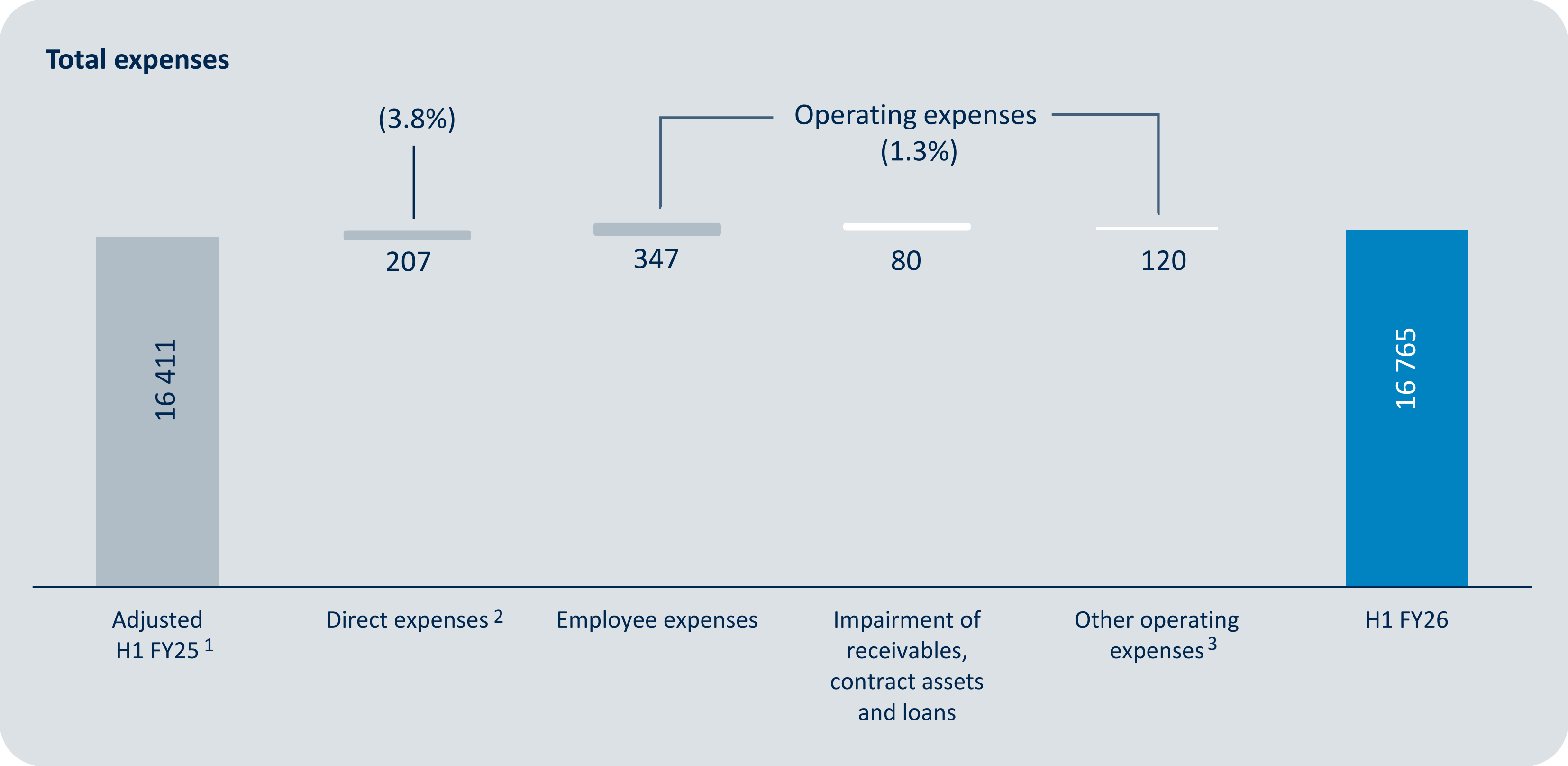
Continuing operations
Rbn



1 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 | Disciplined cost management delivering below-inflation expense increase

Continuing operations
Rm



2.2%

OVERALL INCREASE

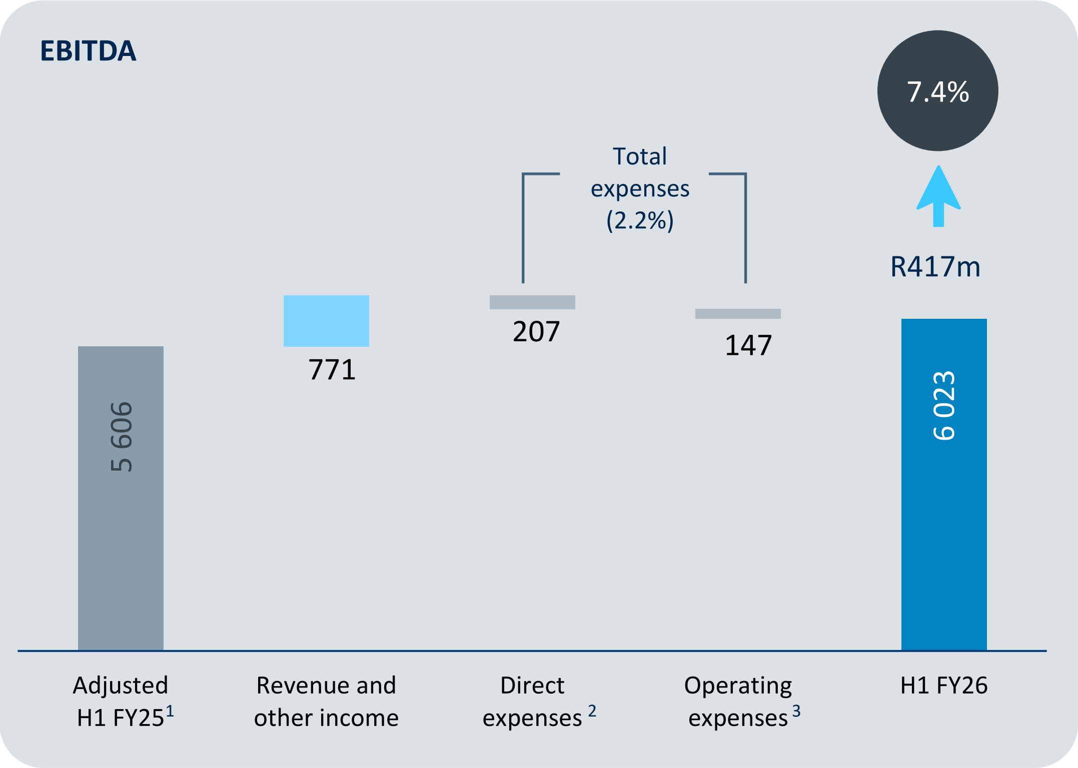
in total expenses limited to below-inflation driven by:

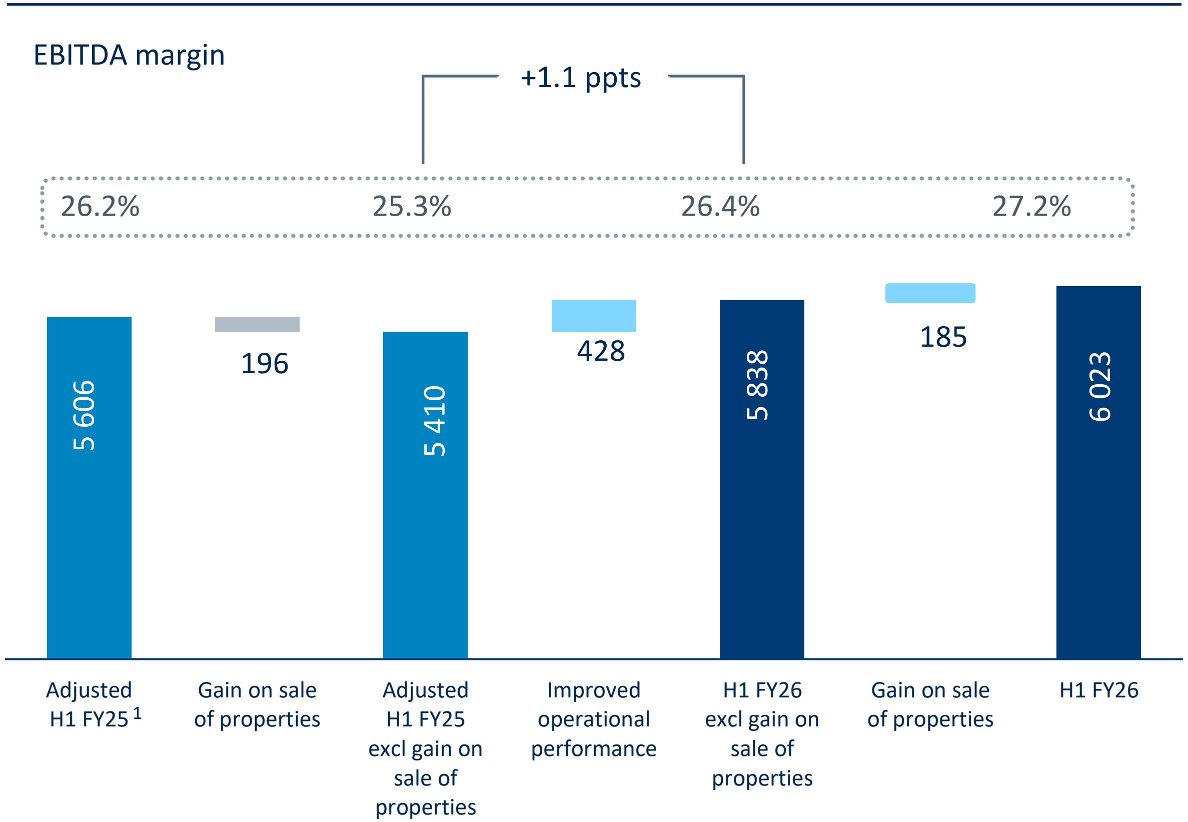
- Network simplification and energy transformation
- Strict traffic threshold efficiencies across our infrastructure
- Restructuring benefits realised
- Facilities optimisation
- Stronger debtor management underpinned by improved credit quality and collections driving lower impairments

1 Excludes the impact of the TRF derecognition loss of R618m and restructuring cost of R160m in the prior period.
2 Includes cost of handset, equipment, software and directories, sales commissions and incentives and payments to other operators
3 Includes insurance service expense, other expenses, maintenance, marketing, service fees and lease-related expenses

EBITDA | Revenue growth and ongoing cost optimisation delivering sustained margin expansion

Continuing operations
Rm





1 Excludes the impact of the TRF derecognition loss of R618m and restructuring cost of R160m in the prior period.
2 Includes cost of handset, equipment, software and directories, sales commissions and incentives and payments to other operators
3 Includes employee expenses, insurance service expense, other expenses, maintenance, marketing, impairment of receivables, contract assets and loans, service fees and lease-related expenses

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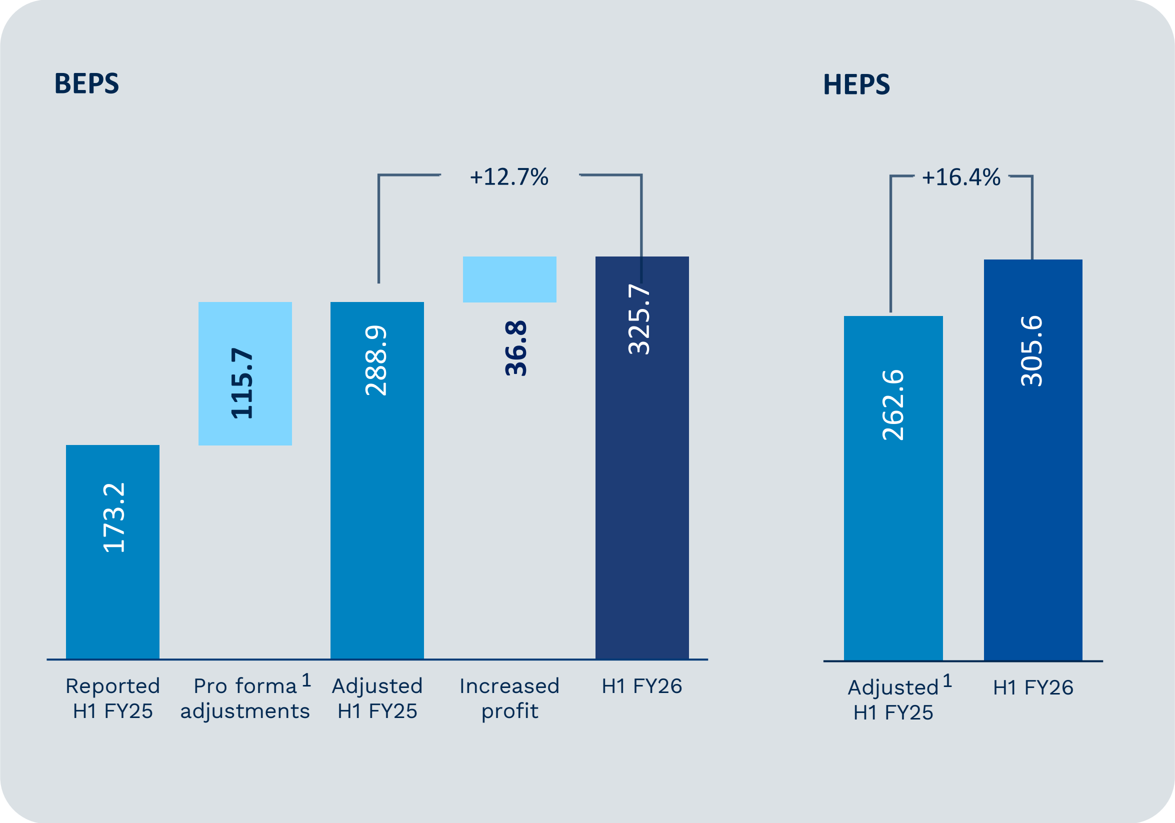
Earnings | Strong quality earnings growth highlighting profit momentum

Continuing operations
Cents per share



cents per share	Reported H1 FY26	Reported H1 FY25	Adjusted[1] H1 FY25
BEPS	325.7	173.2	288.9
Property, plant and equipment and intangible assets	(20.1)	(26.3)	(26.3)
Net profit on disposal	(46.9)	(45.2)	(45.2)
Net write-offs and impairment	26.8	18.9	18.9
HEPS	305.6	146.9	262.6
WANOS[1]	492 453 984	490 870 655	

1 Weighted average number of shares.

1 Excludes the impact of the TRF derecognition loss of R618 million and restructuring cost of R160 million and the related tax impact in the prior period.

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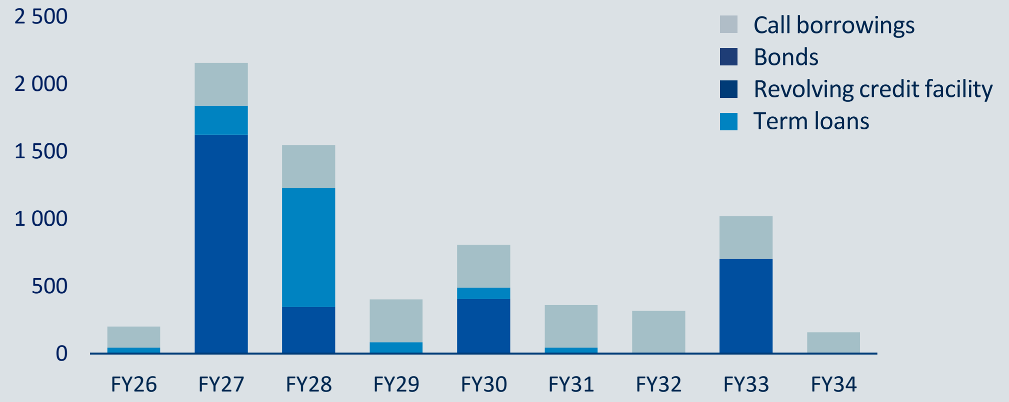
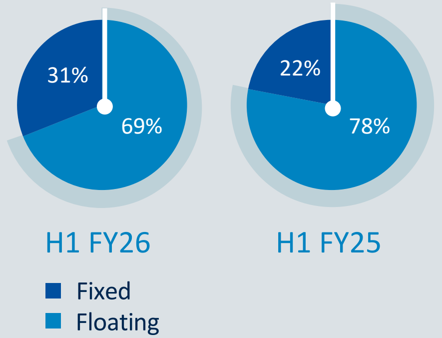
Strong financial position | Well-placed for investing in growth opportunities

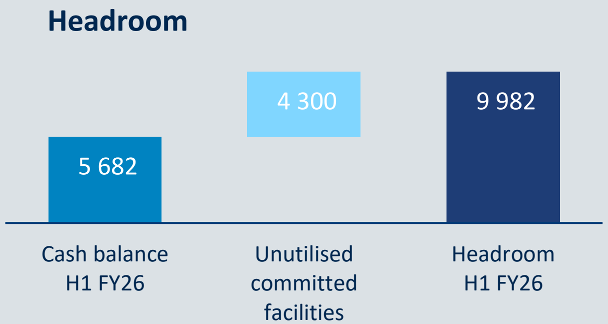
Net debt
Rm

	H1 FY26	FY25	%
Cash balances	**5 682**	11 054	(48.6)
Interest bearing debt	**6 781**	11 617	(41.6)
Opening balance	**11 617**	14 217	(18.3)
Net funding raised/(repaid)	**(4 834)**	(2 629)	(83.9)
Other	**(2)**	29	(>100.0)
Lease liabilities	**6 751**	6 920	(2.4)
Opening balance	**6 920**	6 461	7.1
Repayment of lease liabilities	**(942)**	(2 496)	62.3
Other	**773**	2 955	(73.8)
Net debt	**7 850**	7 483	4.9
Net debt to adjusted EBITDA	0.7	0.6	(1.0)
Average cost of debt (%)	8.8	9.3	(0.5)
Interest cover (times)	12.1	9.8	2.3

Debt maturity profile
Rm







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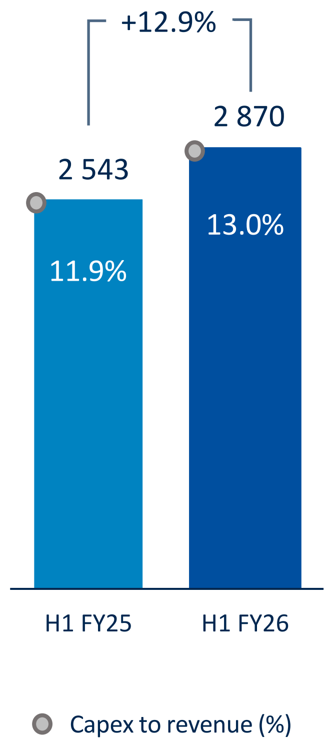
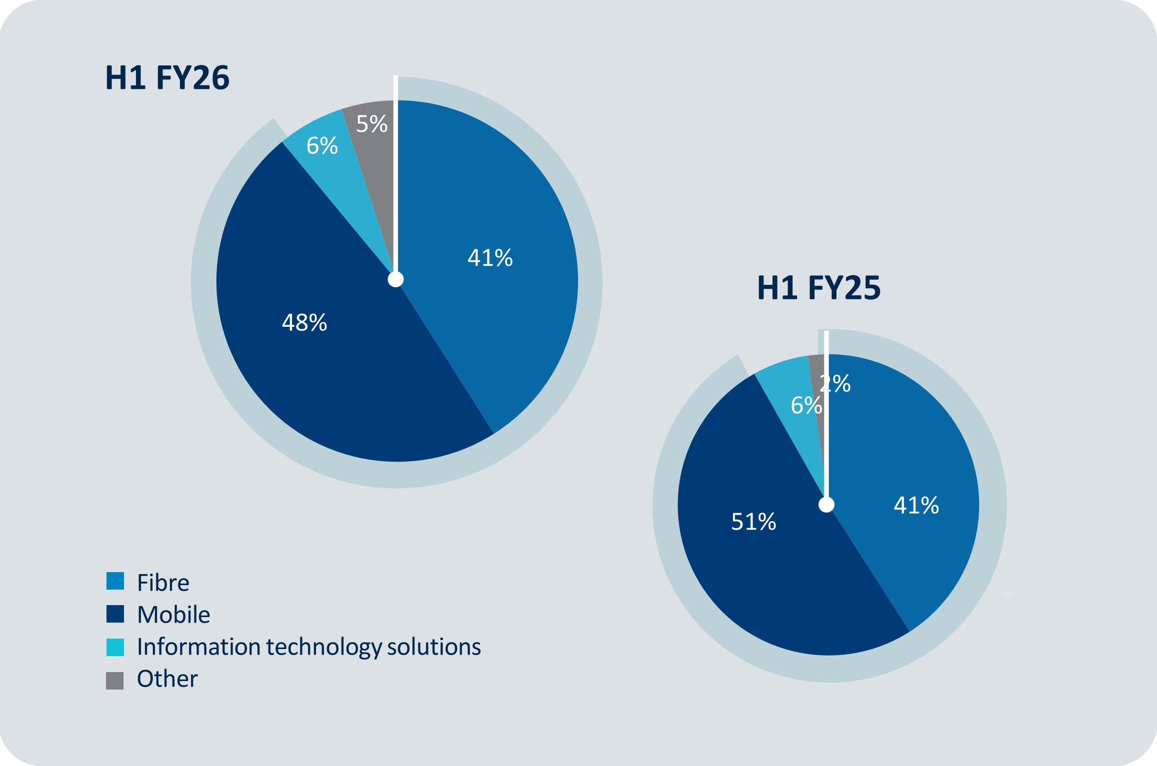
Capital expenditure | Focused on enhancing returns in the long run

Capex spend and intensity
Rm



Capex allocation
%



MONETISING OUR ASSETS

- Disciplined smart capex deployment.
- Capital is directed toward projects with the high return potential.
- Investments were prioritised in high-demand, high-return areas consistent with our data-led strategy.

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Free cash flow | Remains robust with 7.9% growth in cash generated from operations

Free cash flow Rm	Reported H1 FY26	Reported H1 FY25	Variance %
Cash receipts from customers	**22 941**	22 255	**3.1**
Cash paid to suppliers and employees	**(17 316)**	(16 028)	**(8.0)**
Cash generated from operations	**5 625**	6 227	**(9.5)**
Repayment of the principal lease liability	**(942)**	(1 672)	43.2
Interest received	**244**	248	(1.6)
Dividend received from cell captive	**90**	-	100.0
Finance charges paid	**(841)**	(1 039)	19.1
Taxation paid	**(265)**	(140)	(89.3)
Cash generated from operations before dividend paid	**3 911**	3 624	7.9
Cash paid for capex	**(3 187)**	(2 856)	(11.6)
Free cash flow	**724**	768	**(5.7)**

KEY POINTS

- External lease payments impacted by the deconsolidation of Swiftnet
- Increased capital expenditure paid
- Lower finance charges due to lower debt
- Higher investment income due to improved average cash balances

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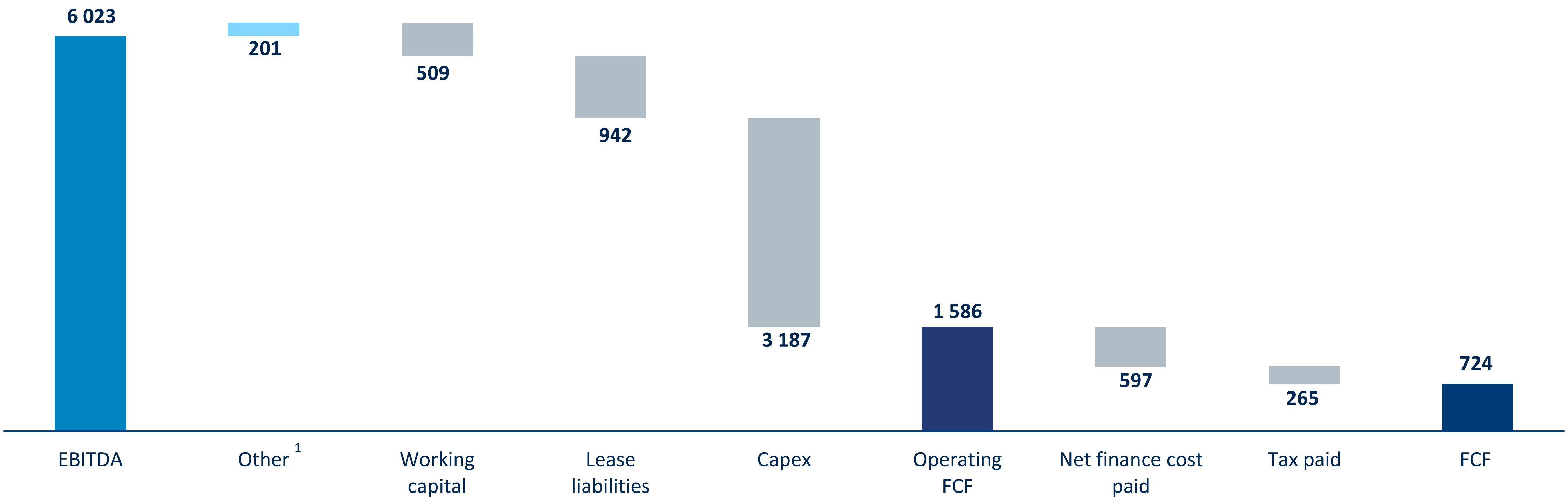
Cash conversion | Stability maintained

Free cash flow

Rm



1 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.

Medium term guidance unchanged (FY26 – FY28)

Key performance indicator	Targets	H1 FY26
Revenue growth	Mid-single digit	3.4%
EBITDA margin	25% - 27%	27.2%
Capex to fund growth	12% - 15%	13.0%
Net debt to EBITDA	0.5x - 1.5x	0.7x

Outlook & priorities

Serame Taukobong
Group CEO

Sustainability excellence is embedded into our operations

Prosperity

Creating economic value for our stakeholders through expanded and new forms of connectivity.

Planet

Committing to environmentally conscious practices and adopting principles of circularity.

People

Connecting and empowering our stakeholders to thrive in a digital world.

Practice

Embracing stewardship to embed sustainable and innovative ways of working that fosters customer trust.

Celebrating 10 years of impact by FutureMakers

>250 000
lives impacted through support and procurement spend on MSMEs

36%
majority (>50%) female-owned and SMMEs funded through our FutureMakers Programme.

28%
majority (>50%) youth-owned SMMEs funded through our FutureMakers Programme..

Over 2 600
FutureMakers supported since 2015.

73 890
direct jobs and indirect jobs created by Future Makers Programmes.

R1.0bn
in procurement spend
Telkom spend on FutureMakers suppliers grew to R1.0bn in H1 FY2026.

R350m towards
MSME funding
R250m through IDF Capital, R58m through AIONS Venture Builder and R39 through ABSA SD Fund Plus annual programmes funding of circa R20m.

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Confident meeting medium-term commitments

1 Continue revenue growth

- Consumer: CVM and focused regional expansion.
- Openserve: FTTH, enterprise and carrier segment.

Accelerate commercial negotiations to bring LEO satellite services to our customers across the various segments

3 Smart CAPEX deployment

- Expand mobile and fibre network for data-led growth.
- Enhance operational efficiencies.
- Enhance customer experience.

2 Sustain profitability through operational discipline

- Continue cost optimisation and network simplification.
- Continue to transform service delivery.
- Maintain EBITDA within guidance range .

4 Continue focus on Free Cash Flow

- Disciplined cash management.
- Sustainable cash generation from operations.

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Quality growth unlocked

Continued execution of the data-led strategy as **OneTelkom**

Unrivalled infrastructure gives results momentum

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

Focused relentlessly on **delivering hard results** for stakeholders

Excellent execution of data-led strategy

Committed to **sustainability** ambitions

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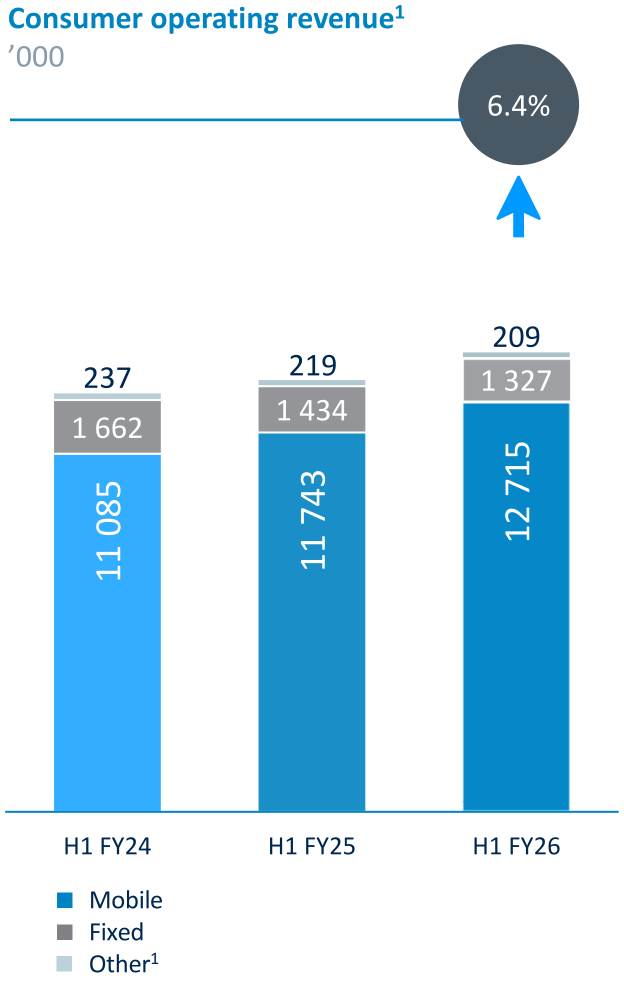
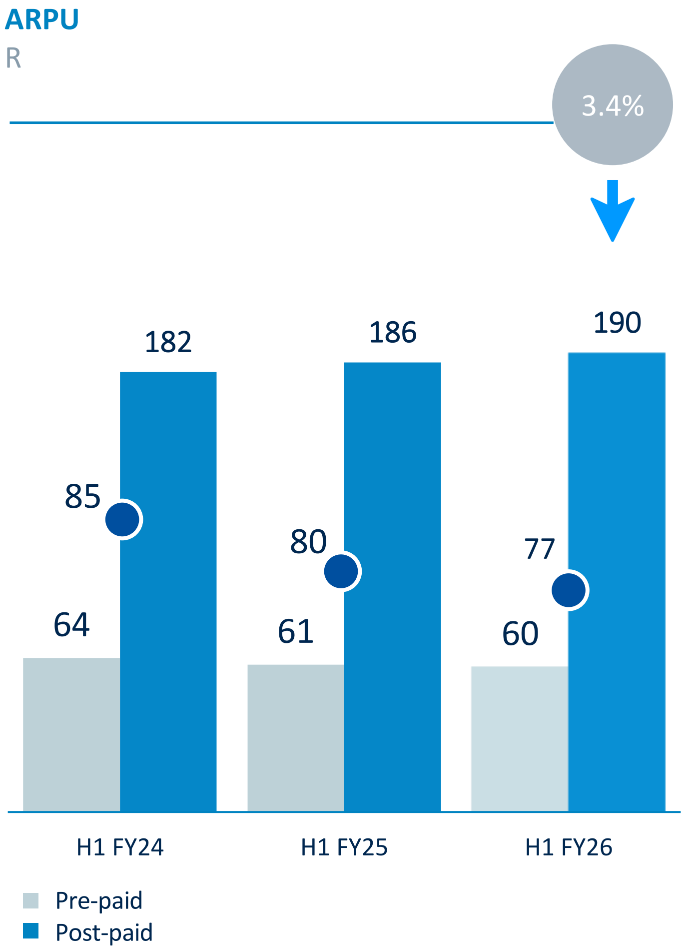
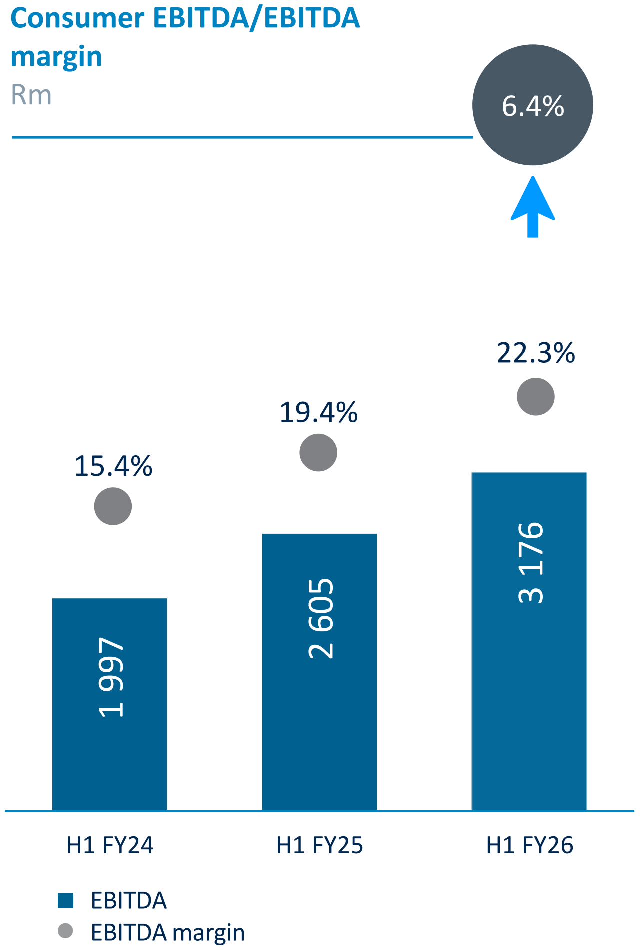
Thank you.


Telkom
Consumer

Consumer revenue growth, with improved profitability

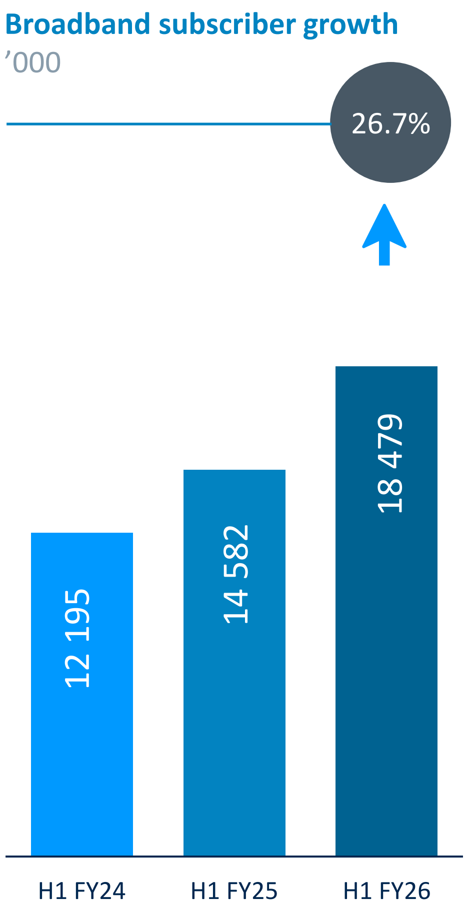


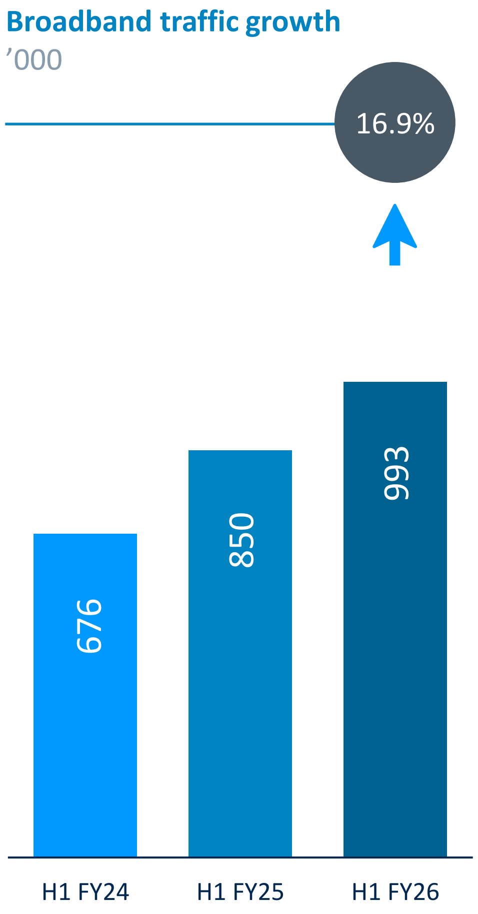


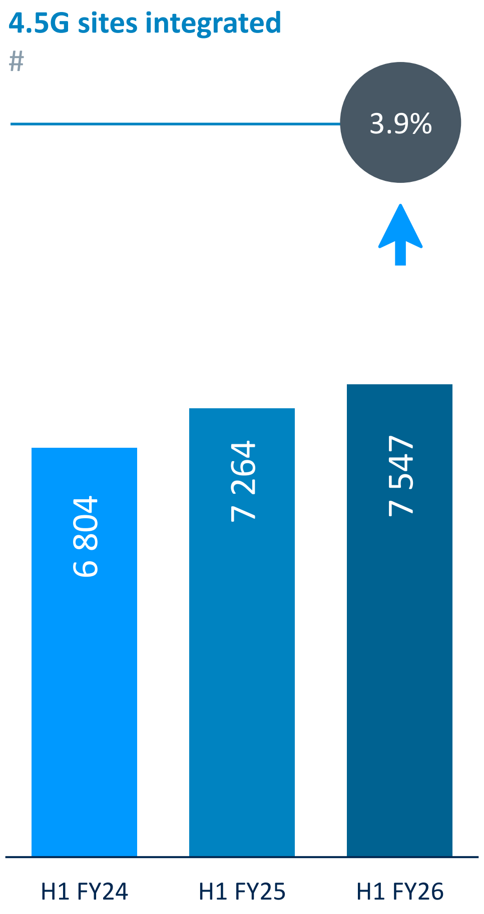


1 Insurance and advertising

Population coverage at 85%, due to network expansion and site upgrade





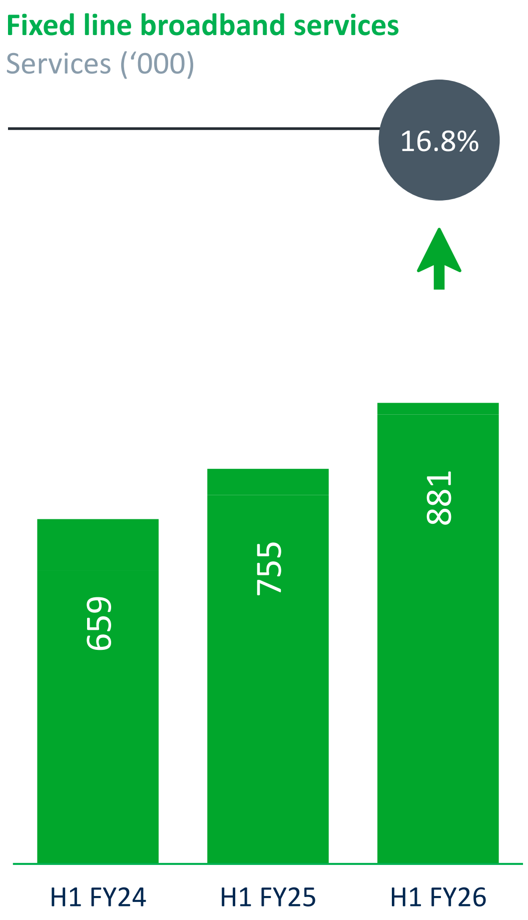


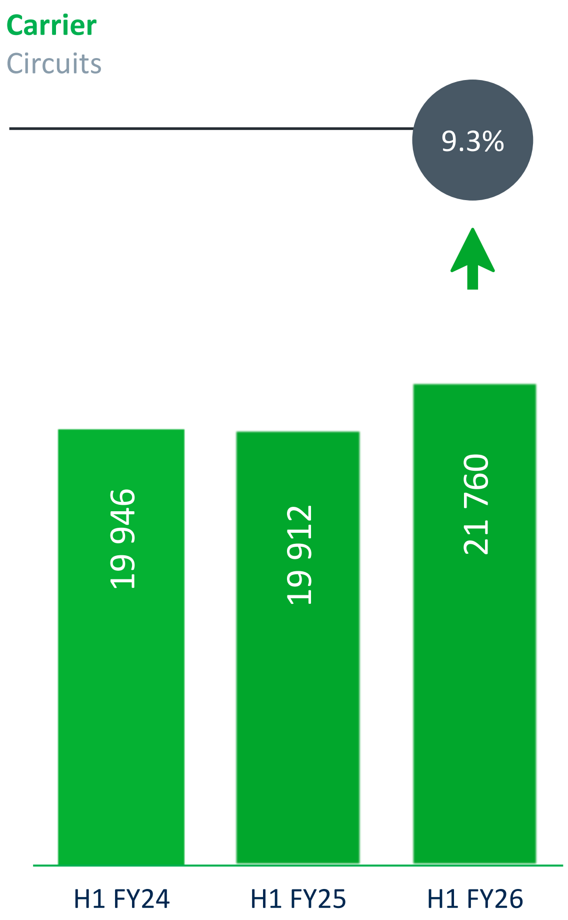
KEY POINTS

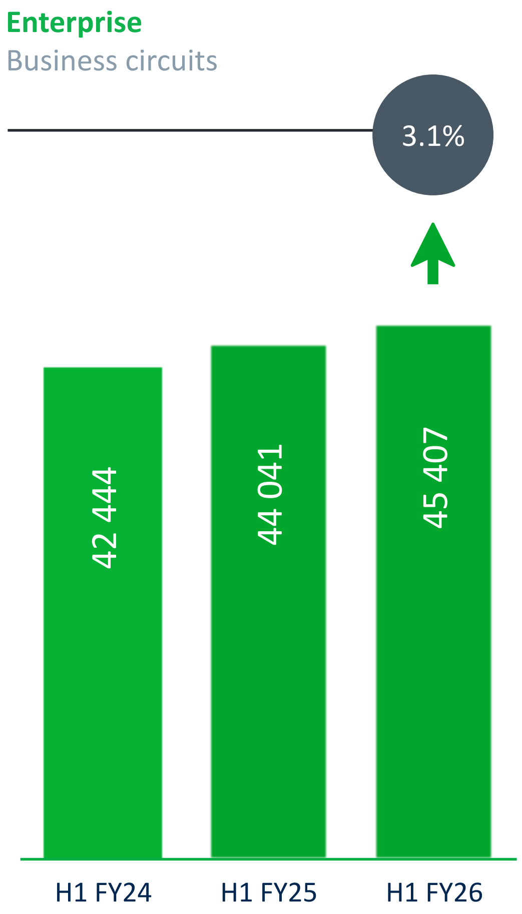
- **Broadband subscribers** grew **+26.7% YoY** to 18.5m.
- Surge in demand resulted in a **+16.9% data traffic** growth
- **4.5G sites** integrated rose to **7 547**, reflecting steady network densification.
- Mobile integrated sites **rose to 8 115 sites**.


openserve

Ongoing migration to fibre drives broadband growth







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Thank you.