Telkom

Telkom SA SOC Ltd

Interim Results

For the six months ended
30 September 2026

Seamlessly connecting
our customers to a better life



Disclaimer | Forward-looking statements

Telkom

Many statements in this presentation, and verbal statements made by Telkom or its officers, Directors or employees, are forward-looking statements. These include statements on strategy, future financial position, plans, objectives, capital expenditure, costs, cost savings, financing and growth in the communications market. They are identified by words such as “may”, “will”, “should”, “expect”, “intend”, “plan”, “estimate”, “anticipate” and “believe”, although their absence does not mean a statement is not forward-looking.

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Strategic Highlights

Serame Taukobong
Group CEO



H1 FY2027 at a glance | Key takeaways

1 GROUP FINANCIALS

Earnings growth well ahead of revenue

Quality earnings, driven by structural cost efficiencies

2 MOBILE

Continues leading the market

Best-in-class data monetisation; pre-paid growth still top-tier

3 OPENSERVE

Filling the network we built

Filling the existing network

4 BCX

Perform while reforming

Portfolio review advanced; sequential Q2 recovery

5 CASH & BALANCE SHEET

Strong cash, robust balance sheet

Smart capex deployment, headroom to fund high-return growth

THE BOTTOM LINE Data-led strategy execution sustains data revenue growth, delivered improved free cash flow

Stronger earnings demonstrate the quality of our growth

Group revenue

2.0% ↑

to R22.5bn

Driven by mobile and fibre-related data

Group data revenue

6.6% ↑

to R13.9bn

Now 61.8% of Group revenue

Group EBITDA

5.8% ↑

to R6.4bn

Margin up 1.1 ppts to 28.3%

HEPS

9.3% ↑

to 334.1c

Quality earnings, no normalisations

Free cash flow

37.8% ↑

to R998m

Disciplined capital allocation

All percentage changes are relative to the corresponding prior period, unless otherwise stated.

OneTelkom is central to how we compete and win

Telkom Consumer
R3.6bn EBITDA[1]

openserve
R2.2bn EBITDA[1]



BCX
R0.4bn EBITDA[1]

Where the businesses meet

Openserve → Consumer
Fibre to the home on Openserve's open-access network, plus the Openserve ISP launched in July as an added route to market

+7.8%
Consumer fibre revenue

Openserve → Mobile
Fibre backhaul to our base stations carries the 17.6% growth in data traffic

5 742
Fibre-to-site links

Openserve → BCX
Enterprise and public-sector connectivity on our own fibre, including a major government contract

R926m
BCX fibre revenue

ONE STANDARD | Shared network, platforms and data · revenue quality · cost and capital discipline

[1] The EBITDA of the business units are on a standalone basis.
All percentage changes are relative to the corresponding prior period, unless otherwise stated.

Sustainability is creating value for Telkom and South Africa

Prosperity

Expanding connectivity to enable economic participation and grow the markets we serve

9 567
jobs enabled through entrepreneur support
Target by 2030: 25,000

7.8%
of spend with micro and small enterprises
Target by 2030: 11.0%

People

Building digital skills and inclusion to support participation in the digital economy and develop future talent

167 725
digital skills and connectivity beneficiaries
Target by 2030: 491,141

37.5%
women in leadership
Target by 2030: 50%

Planet

Improving network and energy efficiency to reduce emissions and operating costs.

1.7% ↓
reduction in Scope 1 and 2 emissions (H1FY27 vs H1FY26)
Target by 2030: 50% of the FY2022 baseline

36.1% ↓
reduction in water consumption (H1FY27 vs H1FY26)
Target by 2030: 25% of the FY2025 baseline

Practice

Strengthening governance and ethical conduct to protect stakeholder trust and our licence to operate

70.0%
ethics and fraud training completion
Target by 2030: 99%

75.0%
supplier code compliance
Target by 2030: 100%

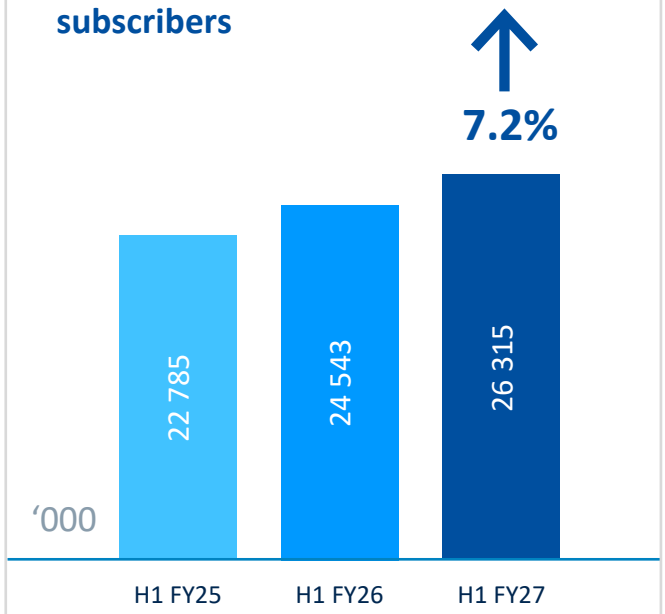
Network simplification and site decommissioning improve energy efficiency, reducing electricity consumption, operating costs and emissions.

All percentage changes are relative to the corresponding prior period, unless otherwise stated.


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Consumer
Turning customer value into competitive advantage

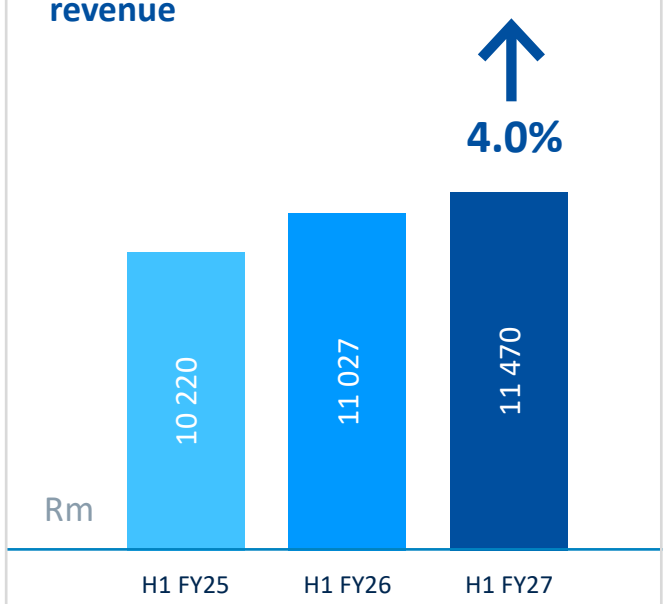
Mobile margin up 3.2 ppts in a year, the fastest expansion in the market

Total mobile subscribers



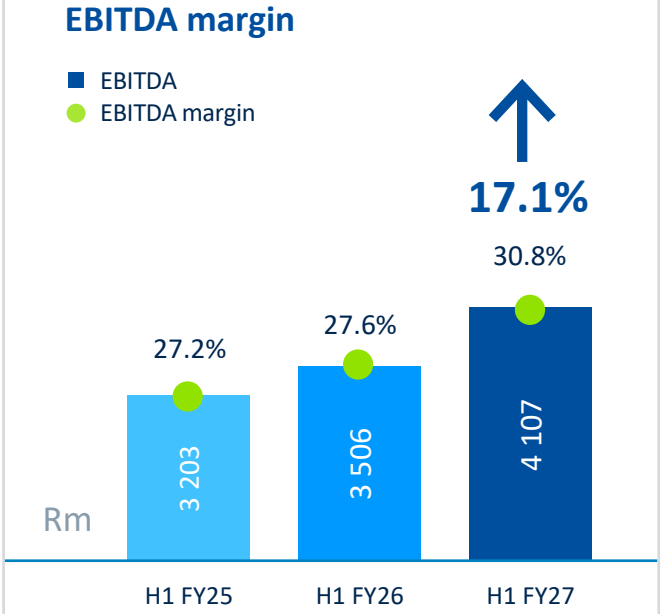
Led by prepaid: 79.8% of subscribers now use data

Mobile service revenue



Data revenue up 8.7% more than offsets the voice decline

Mobile EBITDA/ EBITDA margin

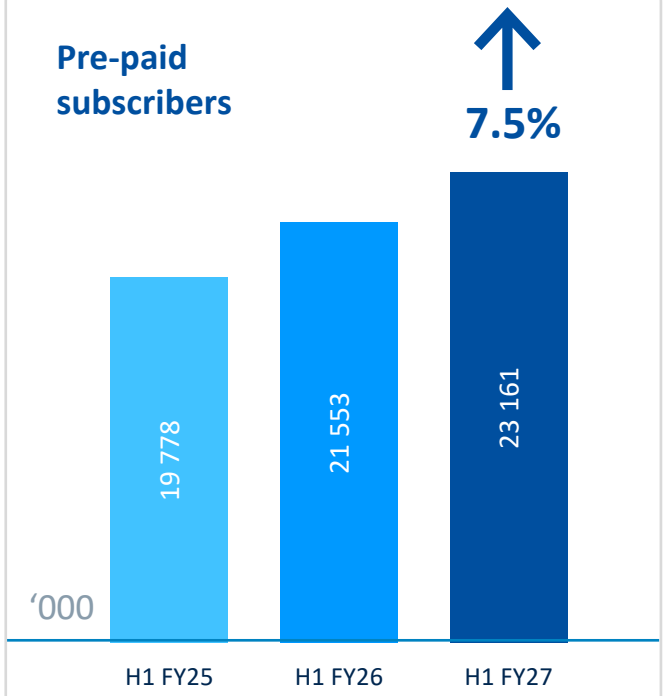


Structural cost efficiencies, including lower roaming costs

All percentage changes are relative to the corresponding prior period, unless otherwise stated.

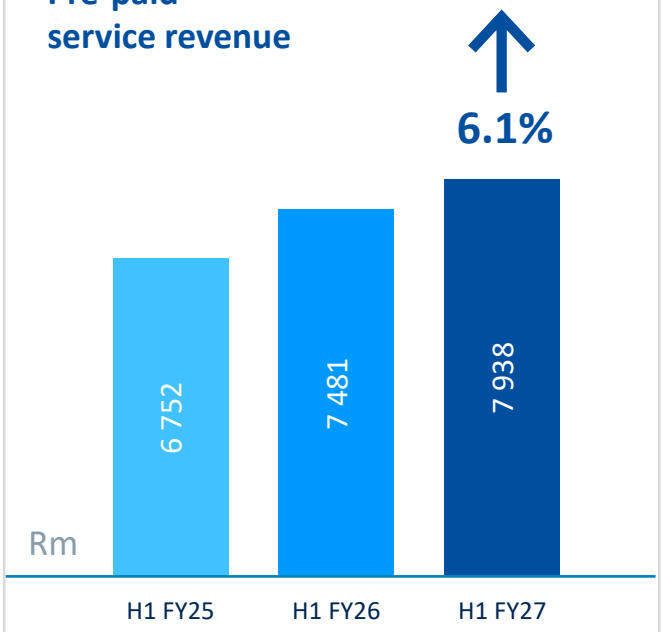
Data-led customer strategy driving double-digit pre-paid growth

Pre-paid subscribers



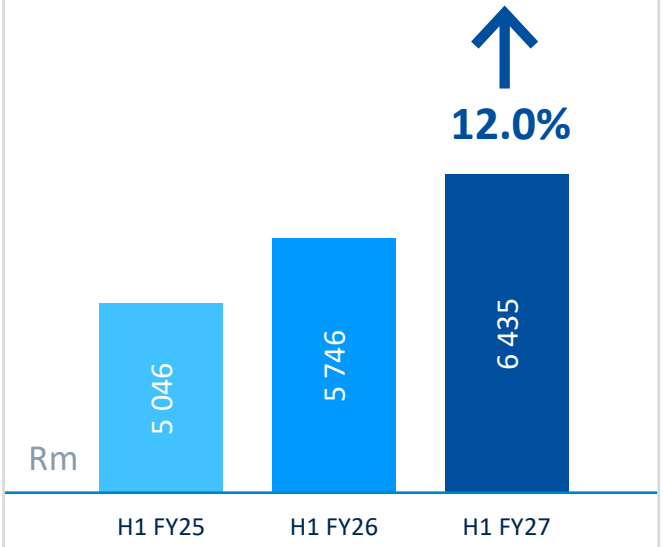
1.6 million more prepaid subscribers year-on-year

Pre-paid service revenue



Mo'Nice and Mo'Town contributes 54.0%
ARPU stable R59 (H1 FY26: R60)

Pre-paid data revenue



Now 81.1% of prepaid service revenue

All percentage changes are relative to the corresponding prior period, unless otherwise stated.

Converting data traffic growth into stronger profitability

17.6% ↑
Mobile data traffic to 1 168, reflecting stronger data consumption

17.1% ↑
Mobile EBITDA outpaced revenue growth of 4.7%

19.0% ↓
Payments to other operators, as more traffic stays on our network

54.3% ↓
Mobile impairment of receivables from ongoing stricter vetting

Context for the first half

- Service revenue growth of 1.7% in Q2 (Q1: 6.4%) impacted by civil demonstrations that disrupted recharge activity
- Proactive migration to data contributed to 13.1% decline in mobile voice revenue
- EBITDA margin drivers are structural

What comes next

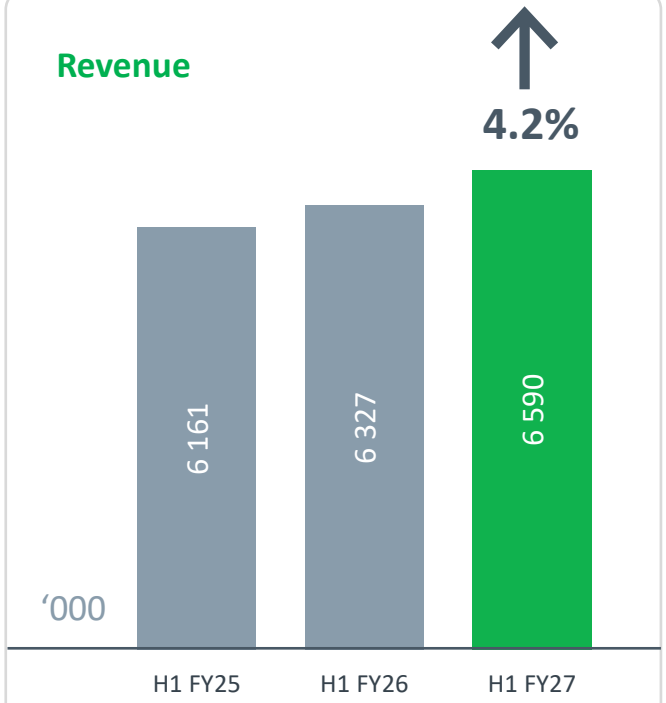
- Expanding distribution through national retail chains
- Early launch of Datanaires Summer Campaign
- Airtime advance kept within its 30% ceiling (H1 FY27: 25.6%)
- VoLTE enabled for 100% subscribers supporting voice migration and 3G site retirement

All percentage changes are relative to the corresponding prior period, unless otherwise stated.


open serve
Our network is driving value

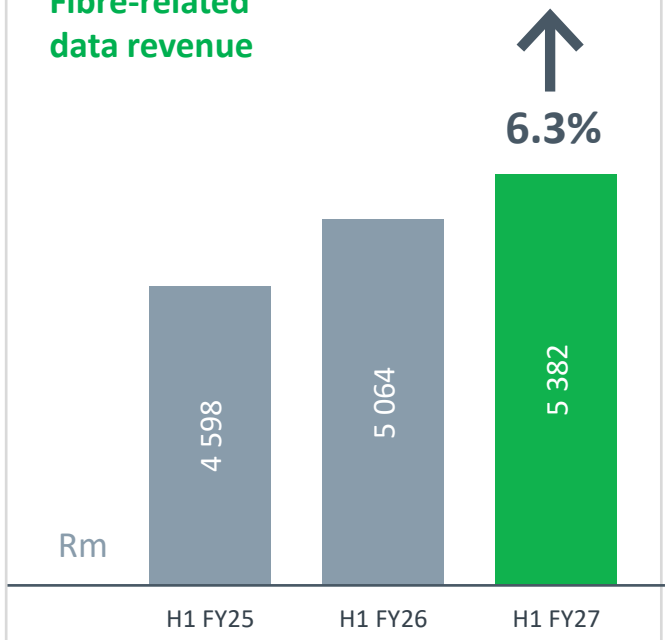
Our infrastructure advantage is delivering growth

Revenue



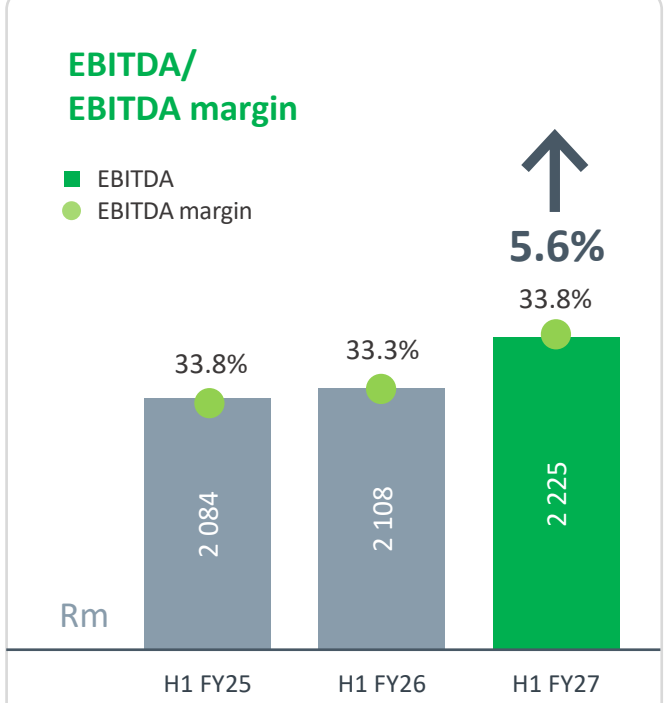
External revenue up **11.9%**

Fibre-related data revenue



Broadband up **10.1%;**
Connectivity rate **54.8%**

EBITDA/ EBITDA margin



Cost discipline and network simplification supports **35% target**

All percentage changes are relative to the corresponding prior period, unless otherwise stated.

More connections. Greater utilisation. Stronger returns

15.1% ↑

Homes connected, with 114k added on the existing footprint

54.8%

Connectivity rate, up from 52.0%: more of the network earning

35.3% ↓

Capex, as growth comes from filling the network, not extending it

89.7%

Fibre-led revenue contribution to operating revenue (H1 FY26: 86.1%)

Context for the first half

- Fibre-related data revenue up 6.3%
- Fibre capex efficiency
- Enhanced pre-paid fibre proposition gained momentum

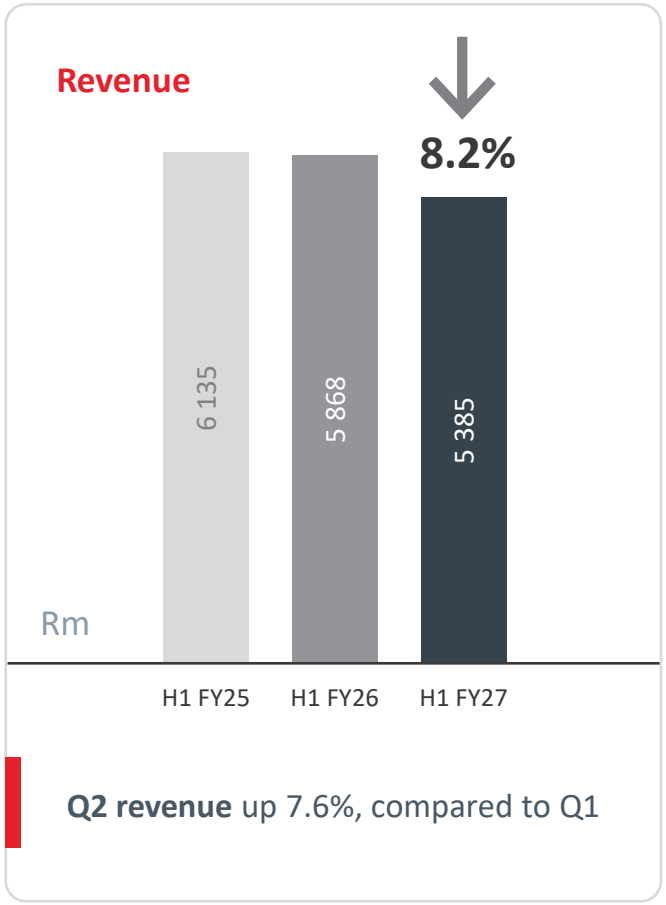
What comes next

- Openserve ISP, launched in July, as an added route to market alongside partner ISPs
- H2 capex spend expected to increase
- Copper migration through the SITA migration programme

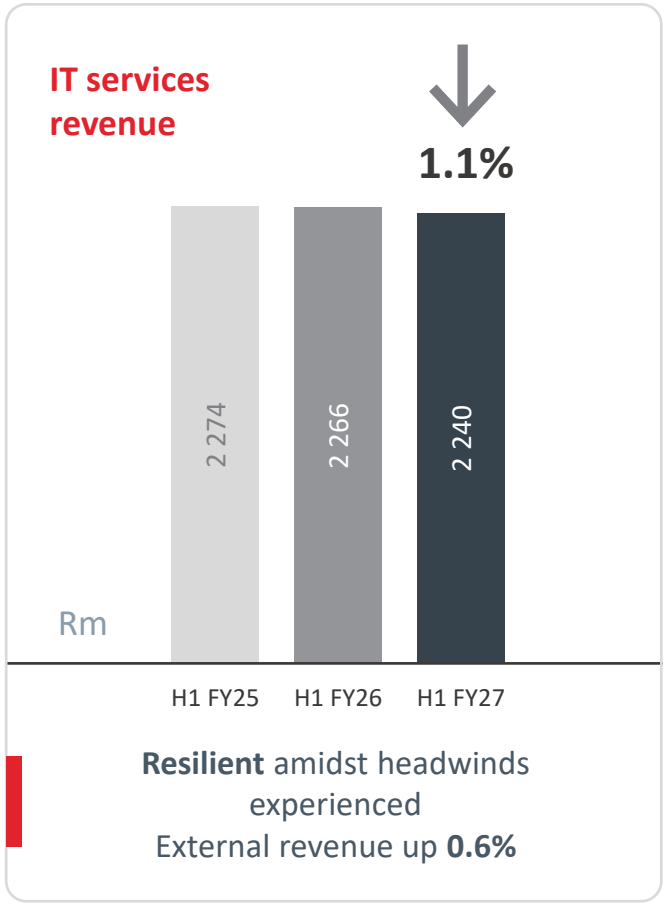
All percentage changes are relative to the corresponding prior period, unless otherwise stated.


BCX
Perform whilst we reform

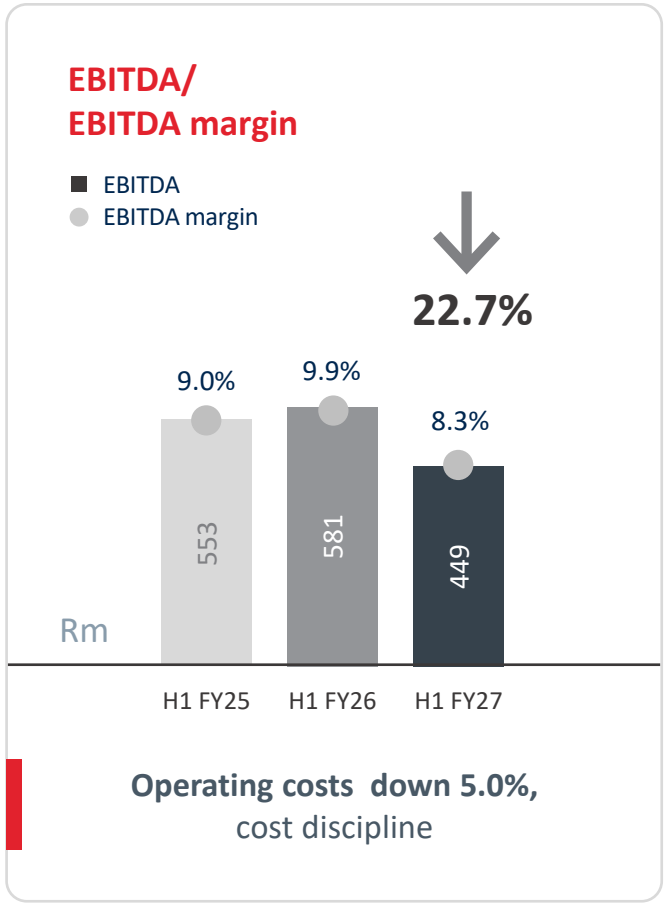
Focused execution is building momentum at BCX



Q2 revenue up 7.6%, compared to Q1



Resilient amidst headwinds experienced
External revenue up **0.6%**



Operating costs down 5.0%, cost discipline

All percentage changes are relative to the corresponding prior period, unless otherwise stated.

Sharpening our focus to restore profitable growth

Declining areas

11.0%
Converged Communications: legacy decline, a key client loss and a contract moved to Openserve

15.7%
IT hardware and software: delayed customer decisions and supply chain disruptions

Growth areas

16.2%
Cloud revenue

8.7%
Cybersecurity revenue

7.6%
Q2 revenue against Q1

Execution levers

5.0%
Operating expenditure

Intensive performance programme
Executive reviews of every underperforming business; weekly pipeline and margin gates

Advanced
Portfolio review; segment-led model for SMB and mid-market

- IT portfolio review identified core portfolio representing approximately 70% of revenue
- Progressed connectivity repositioning – some capabilities commercialised, others in development
- Launched two MVNOs

All percentage changes are relative to the corresponding prior period, unless otherwise stated.

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Financial Review

Nonkululeko Dlamini
Group CFO



Financial review at a glance | Five proof points of financial strength

REVENUE QUALITY

Data-led revenue driving growth

Data more than offsets the legacy voice decline

COST & MARGIN IMPROVEMENT

Structural savings lifting margin

Total costs down, benefitting from the ongoing cost optimisation programme

SMART CAPEX DEPLOYMENT

Utilisation of our existing infrastructure

Capital productivity in action

STRONG BALANCE SHEET

Strong cash, lower debt

Prudent leverage management; preserving financial flexibility

CASH GENERATION

Focus on cash conversion

Disciplined capital allocation balancing reinvestment opportunities with shareholder returns

THE BOTTOM LINE — **Consistent delivery: quality growth from a structurally sound foundation**

All percentage changes are relative to the corresponding prior period, unless otherwise stated.

Group financial highlights | Strong operational execution powering growth

Growth & profitability

Data-led revenue streams	**7.2%** R13.7bn	↑
EBITDA	**5.8%** R6.4bn	↑
BEPS	**10.4%** 359.6 cents	↑
HEPS	**9.3%** 334.1 cents	↑

Strong balance sheet

Net Debt	**0.9%** R7.8bn	↓
Net debt to Group EBITDA	**0.1x** 0.6x	↓
Interest bearing debt reduction	**14.9%** R5.8bn	↓

Cash generation & reinvestment

FCF	**37.8%** R998m	↑
Capex	**22.5%** R2.2bn	↓
Capex intensity	**3.1 ppts** 9.9%	↓

All percentage changes are relative to the corresponding prior period, unless otherwise stated.

Group performance | Profit for the period up 10.8%, with growth fully reflected in reported results

Rm	**Reported H1 FY27**	Reported H1 FY26	Movement %
Revenue	**22 537**	22 104	2.0
Other income[1]	**429**	684	(37.3)
Total expenses	**(16 591)**	(16 765)	1.0
EBITDA	**6 375**	6 023	5.8
Depreciation, amortisation, impairment and write-offs	**(3 443)**	(3 268)	(5.4)
Operating profit	**2 932**	2 755	6.4
Investment income	**214**	250	(14.4)
Finance charges and fair value movements	**(709)**	(814)	12.9
Profit before taxation	**2 437**	2 191	11.2
Taxation	**(660)**	(587)	(12.4)
Profit for the period	**1 777**	1 604	10.8

EBITDA growth continues to outperform revenue growth

3.8ppts

Excluding gain on sale of properties – 7.2ppts

Excluding the gain on sales of properties EBITDA grew

9.2%

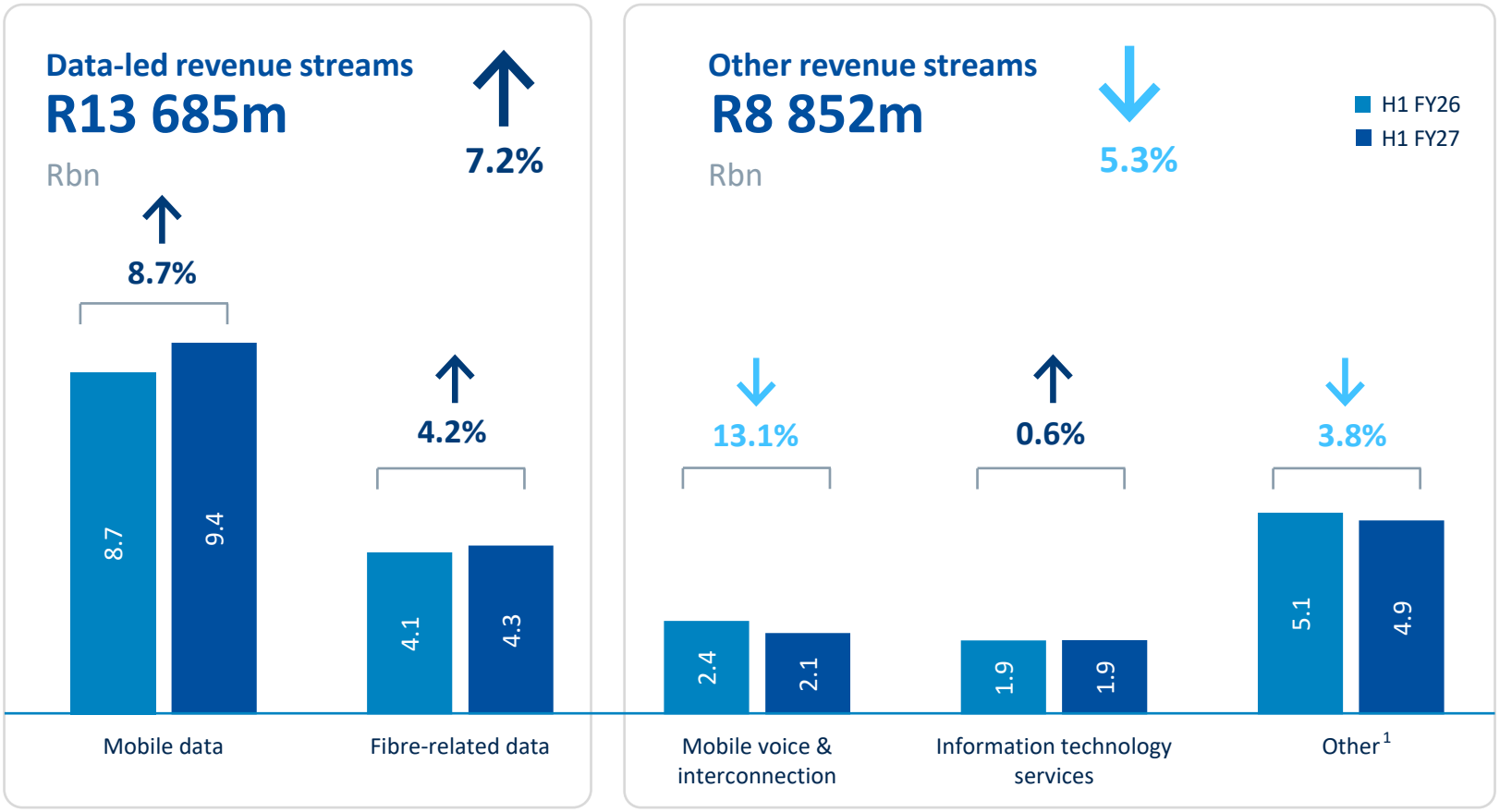
Lower finance charges supported by a reduction in interest-bearing debt of

14.9%

[1] Includes gain on sale of properties of R185 million in the prior period.
All percentage changes are relative to the corresponding prior period, unless otherwise stated.

Revenue by stream | Data-led growth strengthens the Group's revenue mix

Group revenue



Mobile data growth underpinned by growth in prepaid data revenue

12.0%

Fibre-related data contribution to fixed service revenue

78.7%

(H1 FY26: 74.3%)

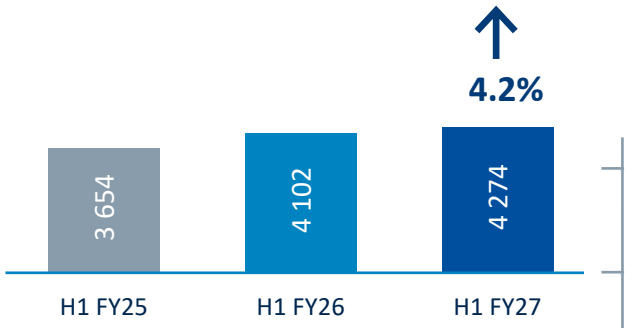
Information technology services held steady amid macroeconomic headwinds

[1] Decrease largely driven by fixed voice and interconnection, partly offset by mobile handset sales and customer premises equipment sales and rentals, sundry revenue, digital media sales, insurance and lease revenues.
All percentage changes are relative to the corresponding prior period, unless otherwise stated.

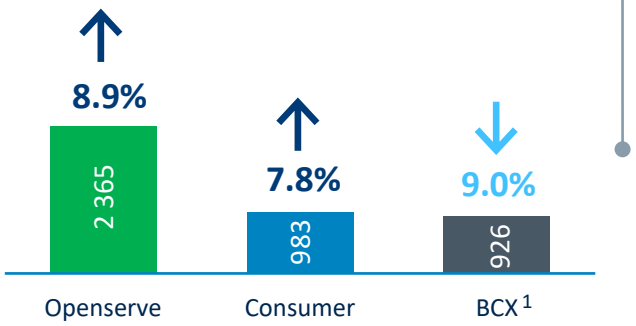
Fibre-related data revenue | Growing fibre moderating fixed service revenue decline

Fibre-related data revenue
Rm

Group

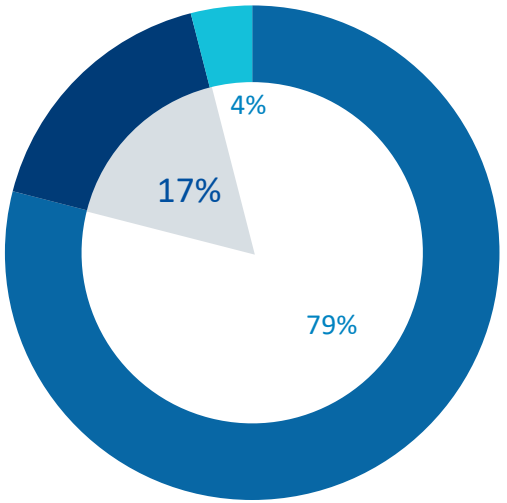


H1 FY27 business unit external revenue



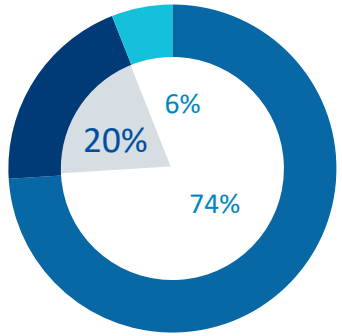
Fixed service revenue mix
%

H1 FY27
R5.4bn
1.6%

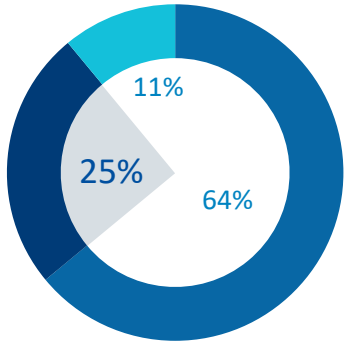


Fibre-related data
Voice and interconnection
Other data

H1 FY26
R5.5bn
2.8%



H1 FY25
R5.7bn
3.4%

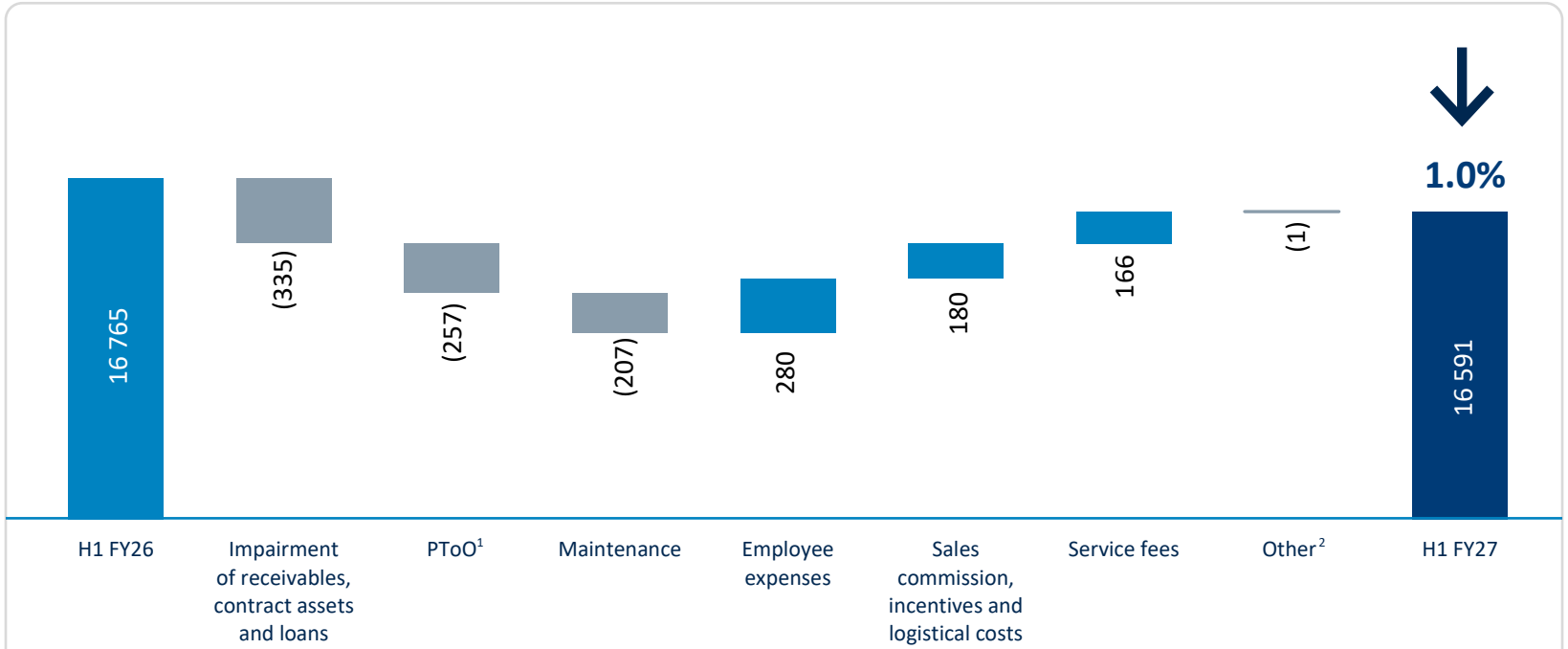


[1] Decline is driven by the transfer of a major government contract to Openserve and loss of a key client contract.
All percentage changes are relative to the corresponding prior period, unless otherwise stated.

Total expenses | Cost efficiency structurally embedded

Total expenses

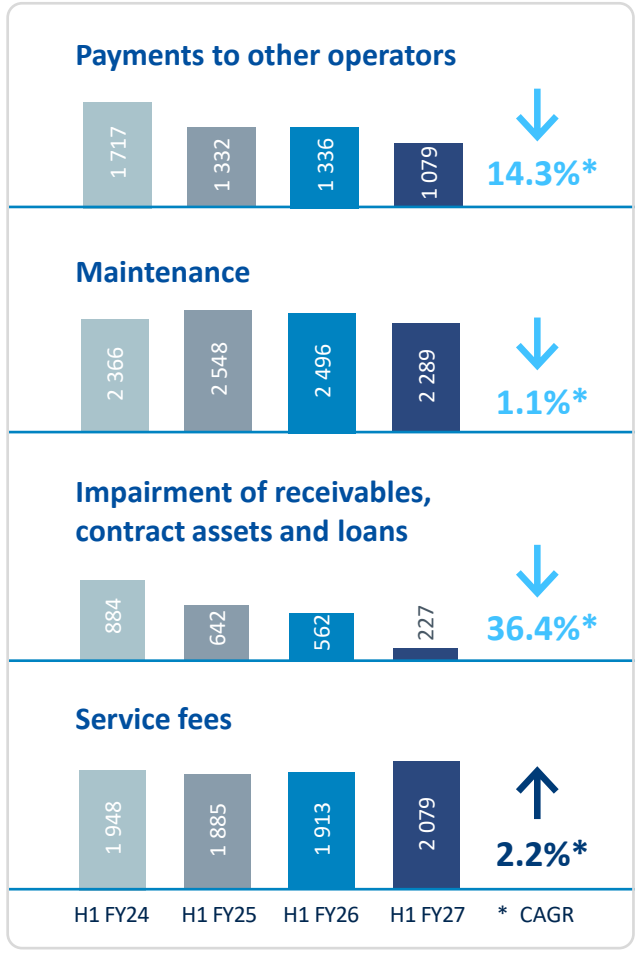
Rm



[1] Payments to other operators

[2] Includes cost of handset, equipment, software and directories, sales commissions and incentives, insurance service expense, other expenses, marketing and lease-related expenses

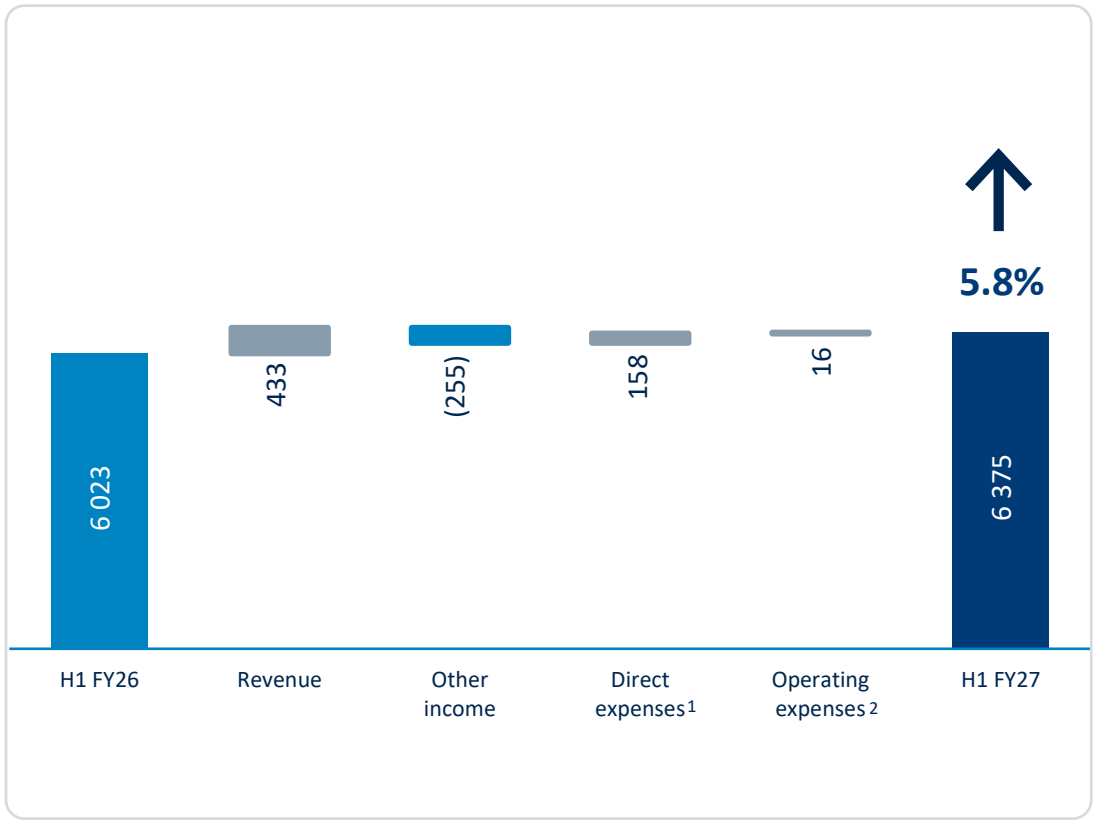
All percentage changes are relative to the corresponding prior period, unless otherwise stated.



Profitability | EBITDA outperformance drives margin gains

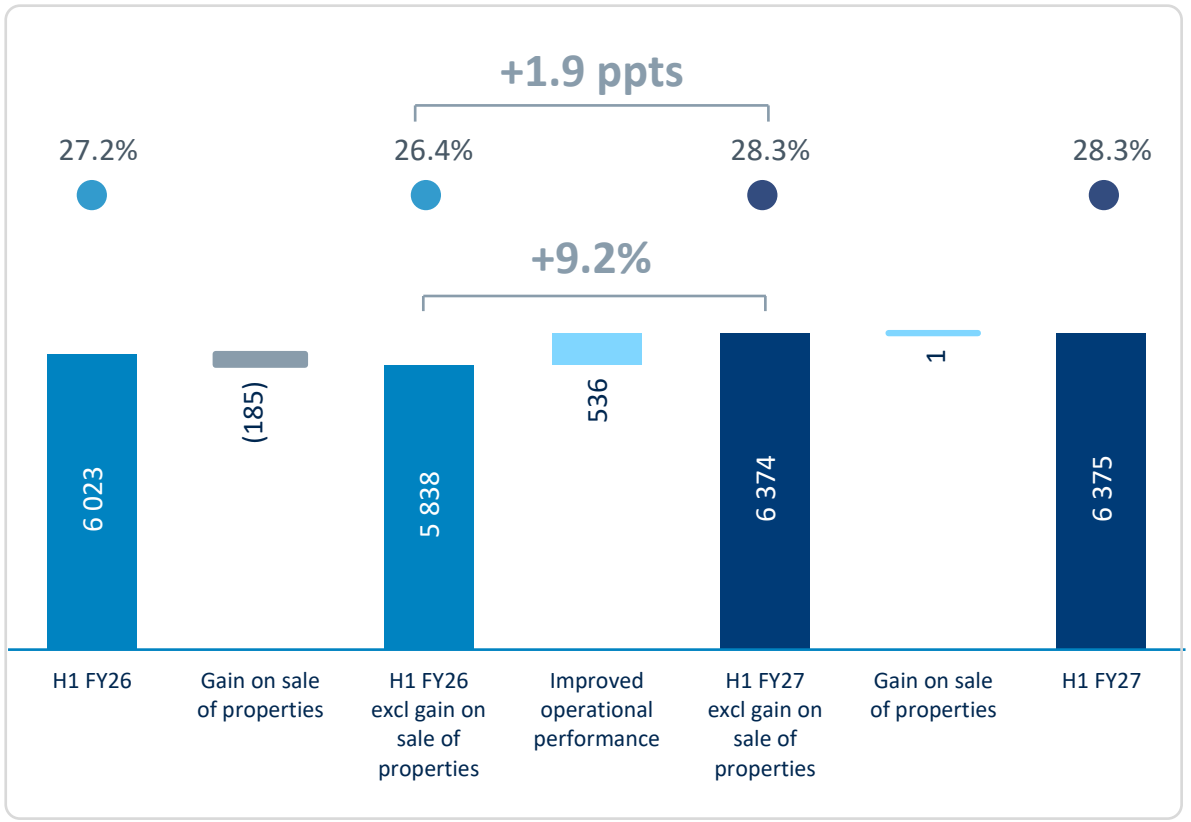
EBITDA

Rm



EBITDA margin

%



1 Includes cost of handset, equipment, software and directories, sales commissions and incentives and payments to other operators

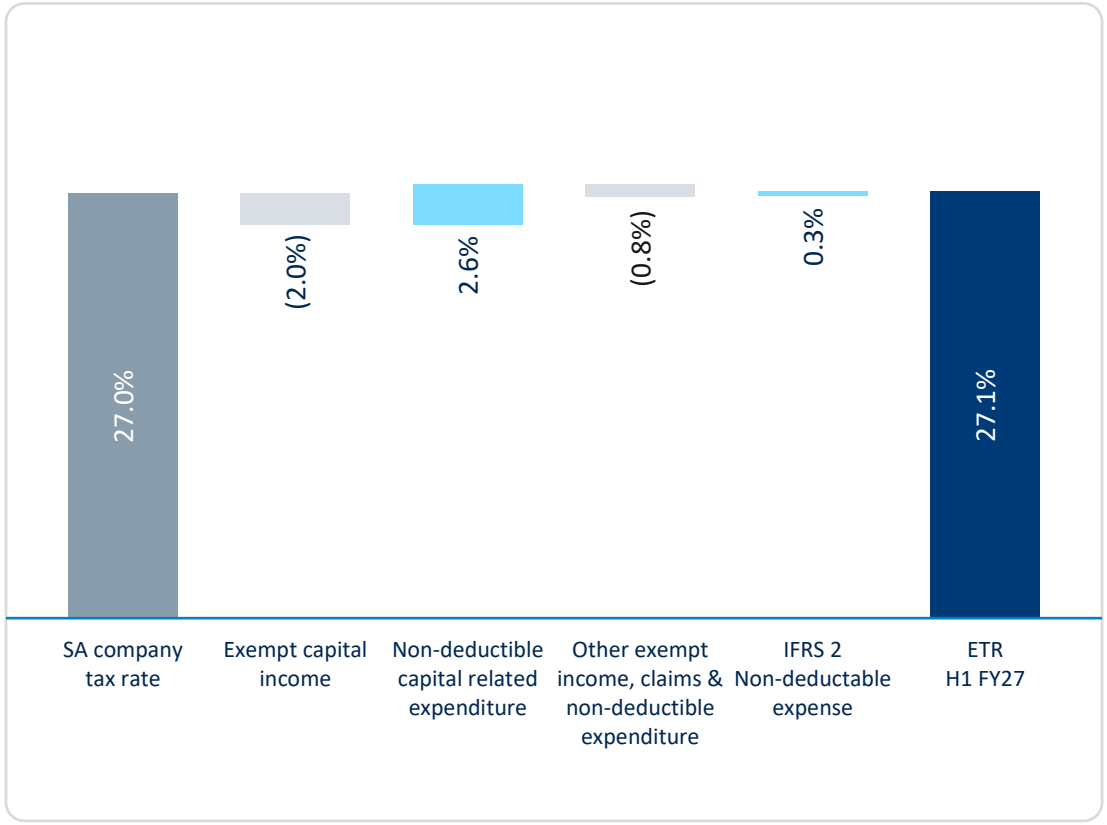
2 Includes employee expenses, insurance service expense, other expenses, maintenance, marketing, impairment of receivables, contract assets and loans, service fees and lease-related expenses

All percentage changes are relative to the corresponding prior period, unless otherwise stated.

Effective tax rate | Broadly inline with statutory tax rate

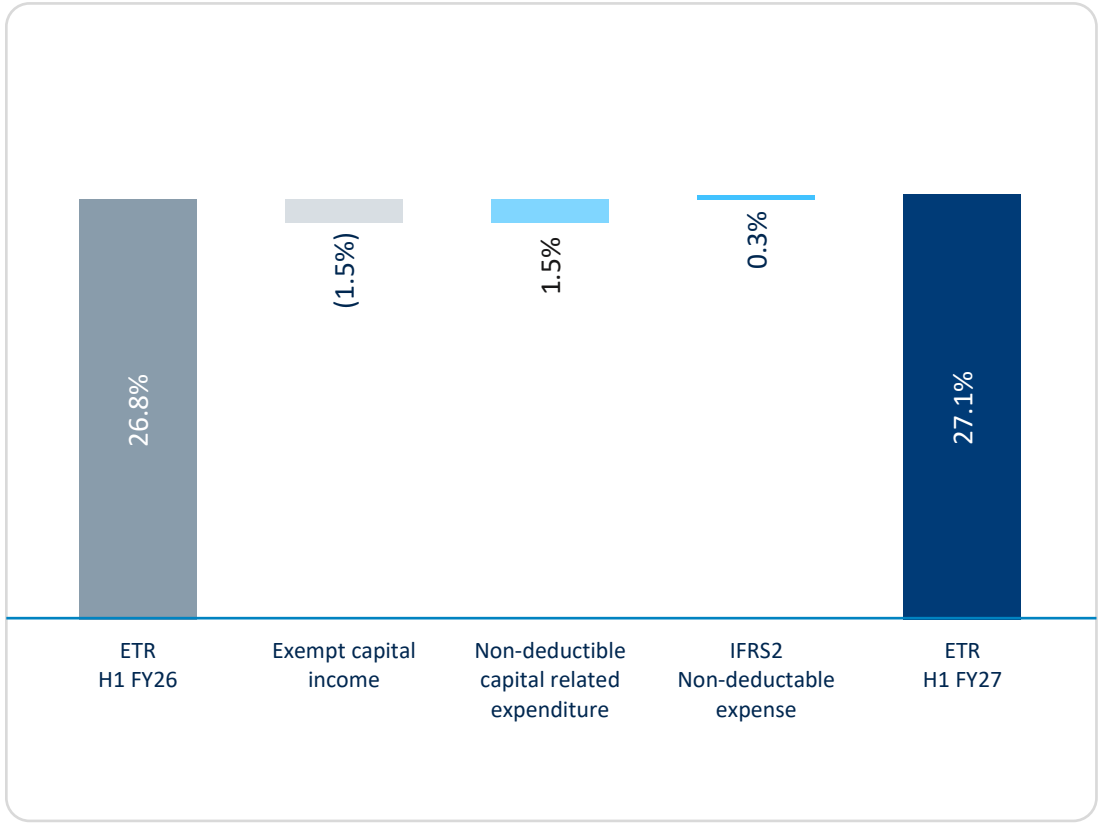
Comparison against SA companies tax rate

%



Year on year ETR comparison

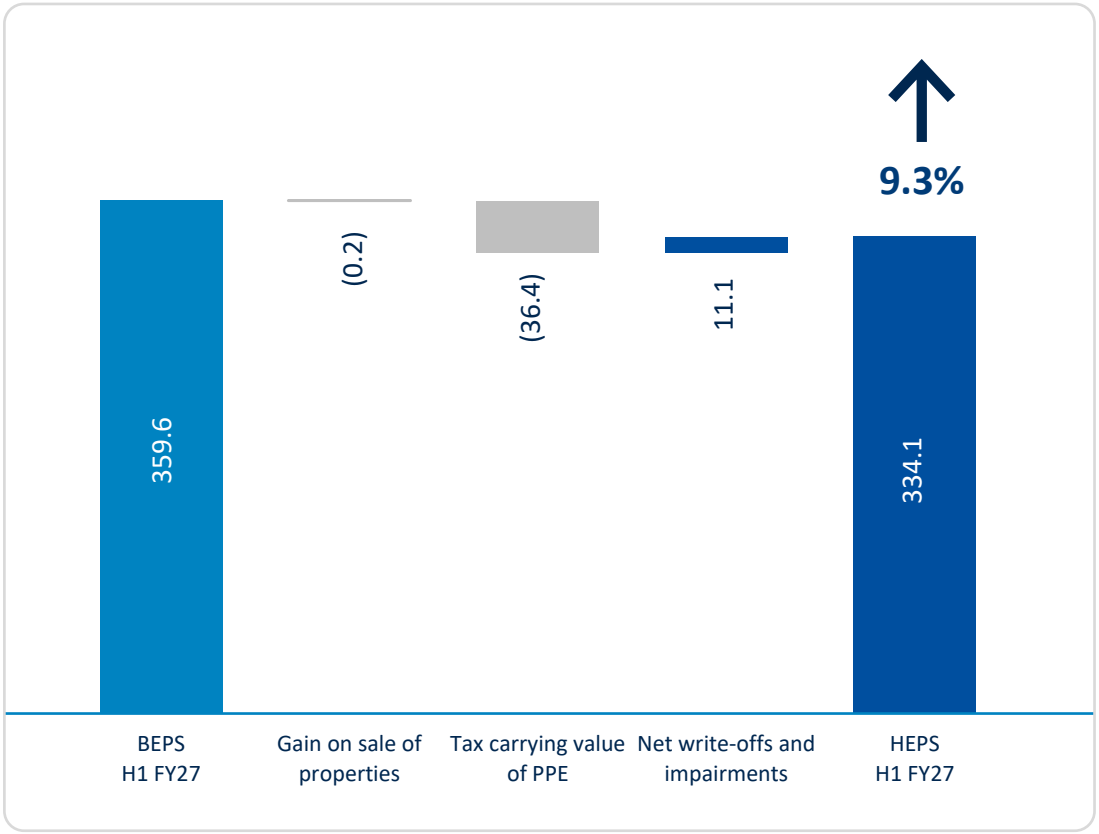
%



Earnings | Strong execution translating into sustainable EPS growth

Earnings per share

cents



Cents per share	**Reported H1 FY27**	Reported H1 FY26	Movement %
BEPS	**359.6**	325.7	10.4%
Property, plant and equipment and intangible assets	**(25.5)**	(20.1)	(26.9%)
Net profit on disposal	**(36.6)**	(46.9)	22.0%
Net write-offs and impairment	**11.1**	26.8	(58.6%)
HEPS	**334.1**	305.6	9.3%
WANOS[1]	**494 156 688**	492 453 984	0.3%

All percentage changes are relative to the corresponding prior period, unless otherwise stated.

[1] Weighted average number of shares.

Financial strength | Robust balance sheet affirming financial flexibility for growth

Net debt

Rm	H1 FY27	FY26	%
Cash balances	**6 393**	7 723	(17.2)
Interest bearing debt	**(5 769)**	(6 593)	12.5
Lease liabilities	**(8 463)**	(7 556)	(12.0)
Restricted cash	**56**	60	(6.7)
Net debt	**(7 783)**	(6 366)	(22.3)

Net debt to EBITDA

0.6x

(FY26:0.5x)

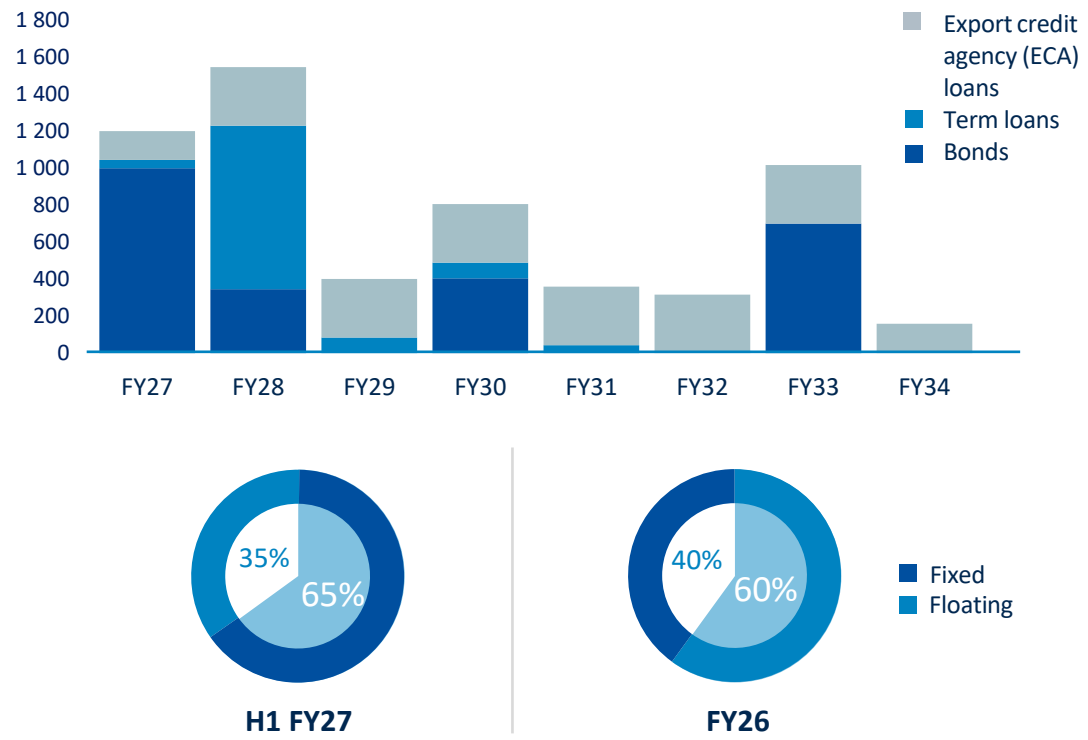
Average cost of debt

9.0%

(FY26: 8.5%)

Debt maturity profile

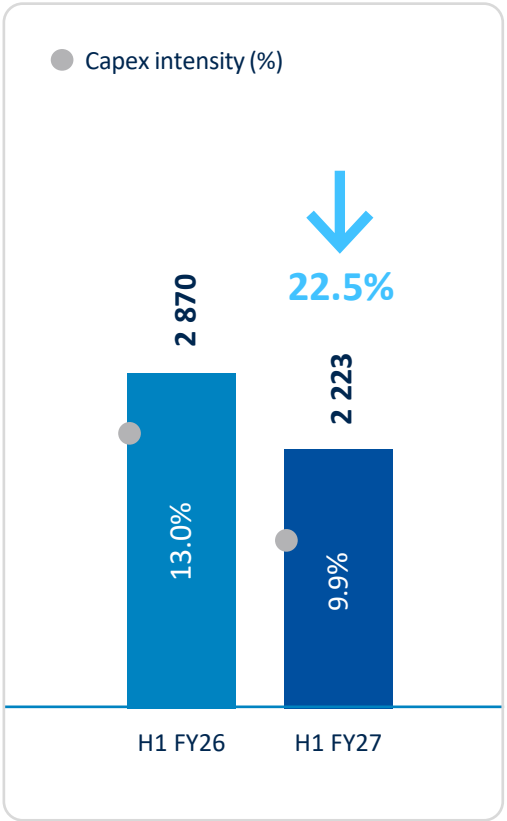
Rm



Capital expenditure | Optimising capital deployment while enhancing network value

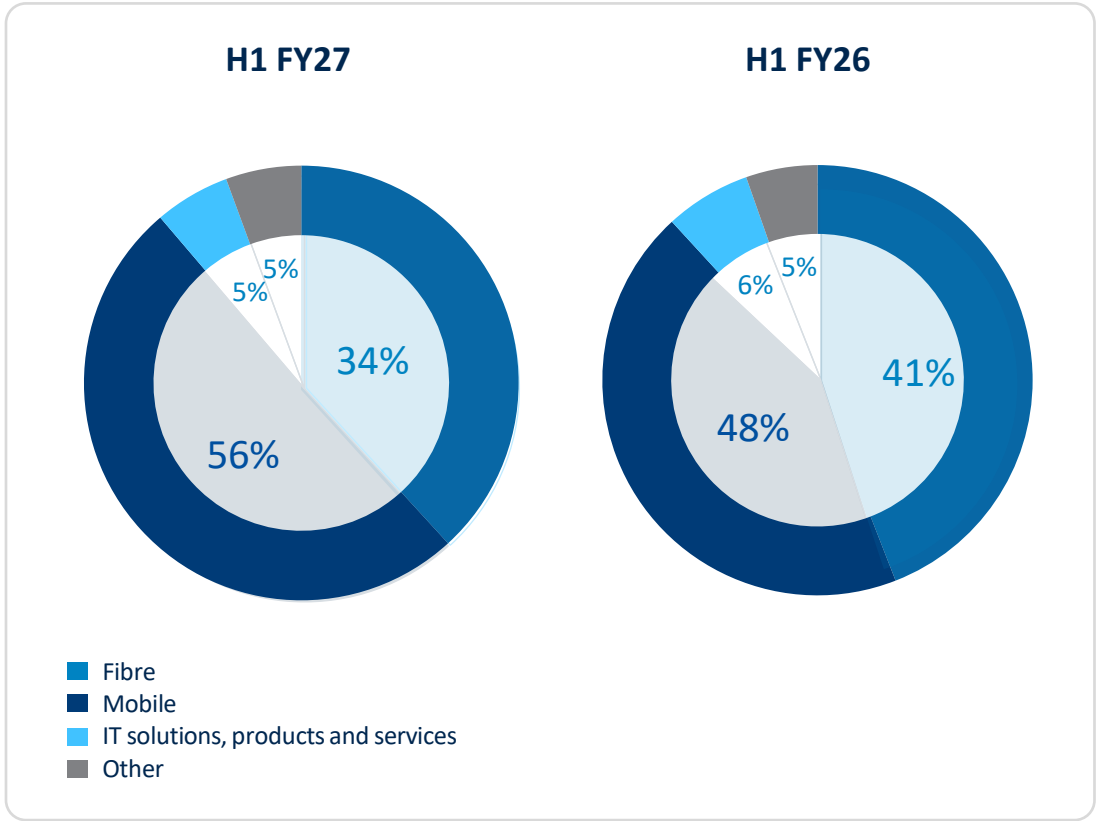
Capex spend and intensity

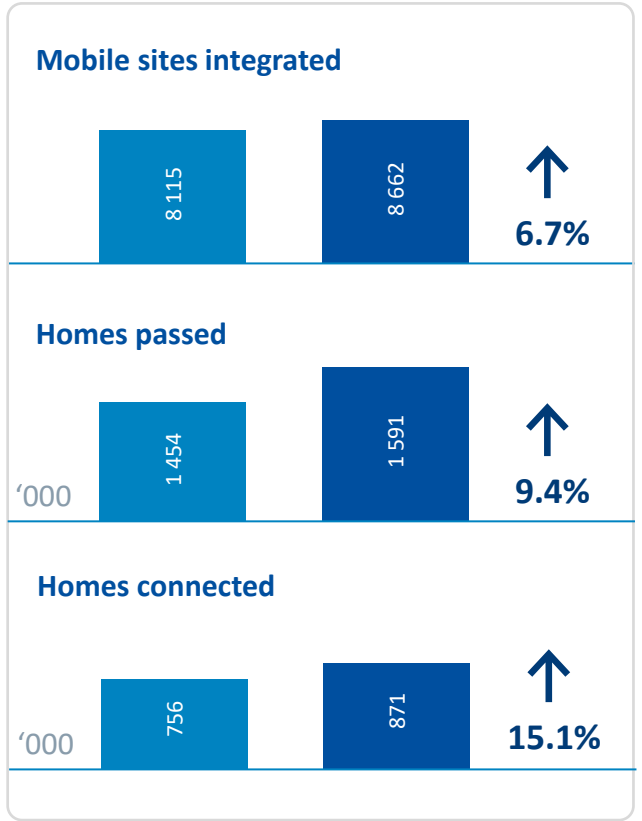
Rm



Capex allocation

%

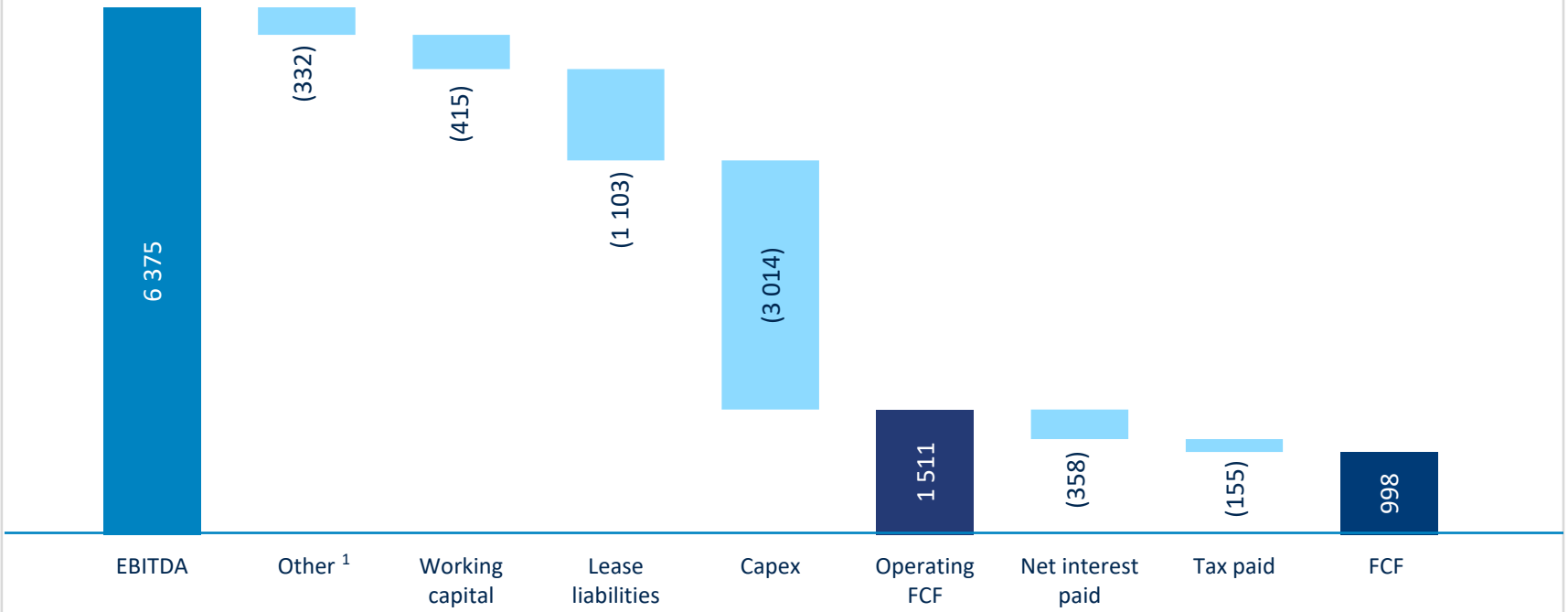




Cash generation | FCF up 37.8%

Free cash flow

Rm



1 Includes dividend received and non-cash items relating to impairment of receivables and contract assets, provisions and deferred revenue.

Ongoing realisation of cost optimisation initiatives

Leveraging our robust network footprint and ongoing modernisation driving capital efficiencies

Balance sheet strength resulting in lower finance charges

Medium term guidance | Remains unchanged

Metrics	FY26 – FY28 guidance	H1 FY27	
Group revenue	Mid-single digit	**2.0%**	Data growth partly moderated by revenue mix changes in BCX
EBITDA margin	25% - 27%	**28.3%**	Benefits from embedded structural cost initiatives
Capex intensity	12% - 15%	**9.9%**	Investing selectivity; expected to be back in guidance range for full year
Net debt to EBITDA	0.5x – 1.5x	**0.6x**	Low leverage debt management

Capital allocation priority levers | From operating discipline to financial capacity

01

Strengthen the earnings engine

28.3%
Group EBITDA margin

Data-led revenue up 7.2%
Growth and structural cost efficiencies

02

Deploy capital efficiently

R2.2bn
Capex invested

9.9% capex intensity
90% into data-led networks

03

Strategic liquidity

R998m
Free cash flow

R824m debt repaid
Capacity for future priorities

Operating metrics demonstrate the capacity to fund investment; H1 figures should not be read as a reconciled cash flow bridge.

All percentage changes are relative to the corresponding prior period, unless otherwise stated.

Telkom

Outlook and Priorities

Serame Taukobong
Group CEO



Delivering on our commitments

FY2026 commitment	H1 FY2027 delivery	Status
GROUP FINANCIALS Quality earnings, strong free cash flow, robust balance sheet	• **Growth** in EBITDA, HEPS and FCF • **Stable** net debt to EBITDA	✓
MOBILE Sustain Mobile performance	• **Market-leading** service revenue • **Strong** pre-paid performance	✓
OPENSERVE Build on Openserve's revenue inflection	• Overall revenue growth **accelerated**	✓
BCX Improve BCX execution and portfolio quality (18–24-month horizon)	• Portfolio review **advanced** • **Progressed** connectivity repositioning	✓

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STRATEGIC GROWTH | Extending the reach and resilience of Telkom's terrestrial networks through Amazon Leo

Combining Amazon's low earth orbit satellite services with Telkom's national network, integration and service capability

01 **Extend network reach** (BCX)
Connect remote enterprise and qualifying public-sector sites

02 **Strengthen resilience** (openserve)
Add a diverse satellite path to fibre, mobile and fixed-wireless

03 **Support base-station backhaul** (Telkom)
Enable mobile base-stations in remote areas

Targeted commercial availability: **2027** Telkom will provide further information on service availability and approved channel arrangements closer to launch



Forward-looking statement: commercial availability remains subject to readiness milestones and applicable approvals.

Accelerating growth. Delivering sustainable value

Consumer

Sustain profitable data-led growth

Strengthen pre-paid distribution: broader reach and availability

Deepen customer engagement: increase share of wallet

Openserve

Accelerate fibre commercialization

Connectivity rate rising from 54.8%

Openserve ISP scaling alongside partner ISPs

BCX

Improve commercial execution

Q2 sequential recovery sustained

Advance portfolio reshaping

EBITDA margin milestone: 9%-10%

Disciplined execution

Maintain cost, capital and cash discipline

Prudent capital allocation

Focus on free cash flow generation

FY2027 capex of R5.5bn - R6.0bn

OneTelkom

Unlock value across the Group

Combine reach, infrastructure and ICT capabilities

Deliver differentiated customer solutions

Execution, quality growth and cash generation remain the core priorities.

Telkom

Thank you



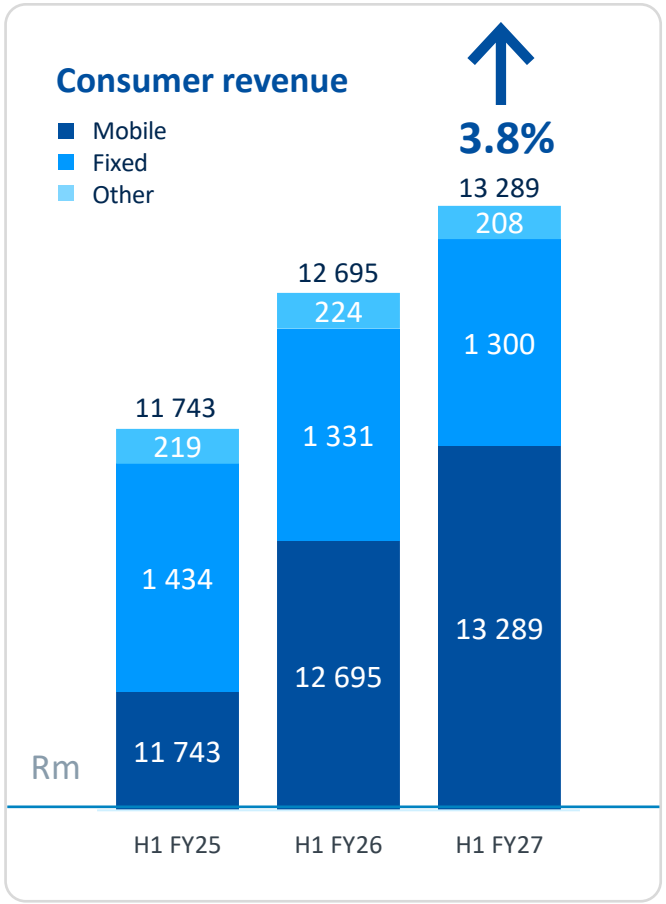
Telkom

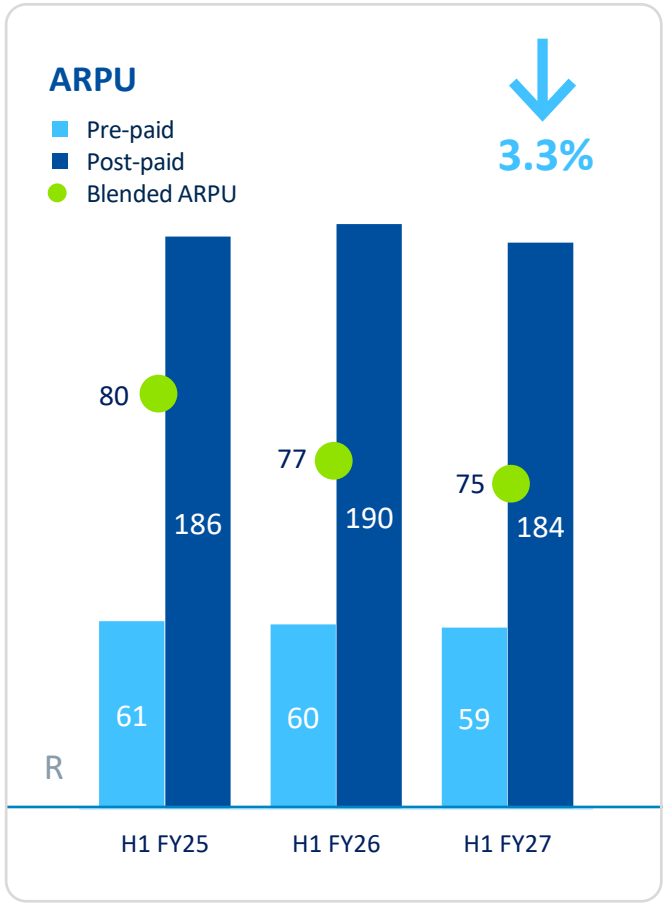
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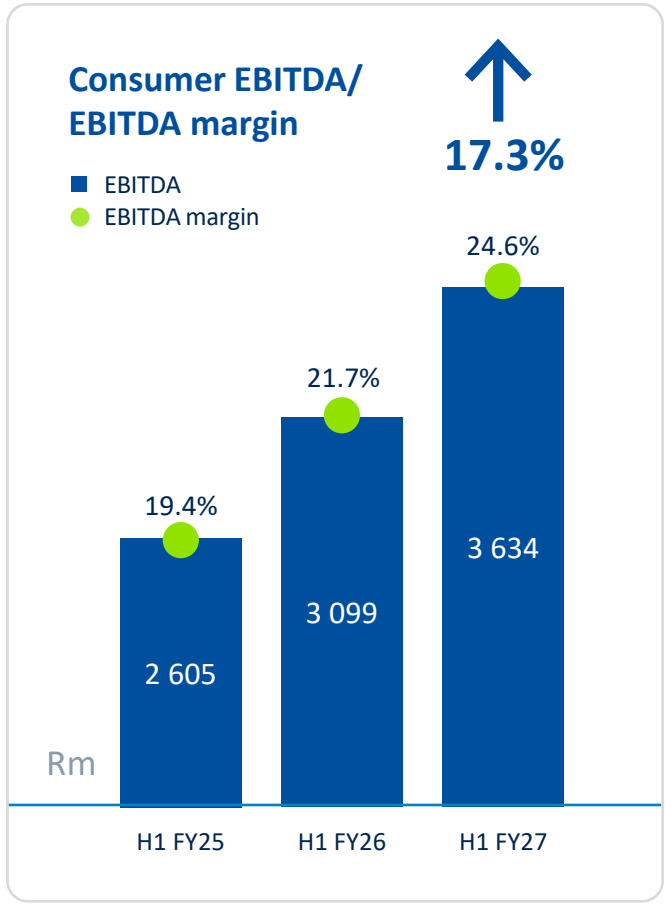



Telkom
Consumer
Benchmark of mobile growth

Consumer revenue, ARPU and EBITDA trends

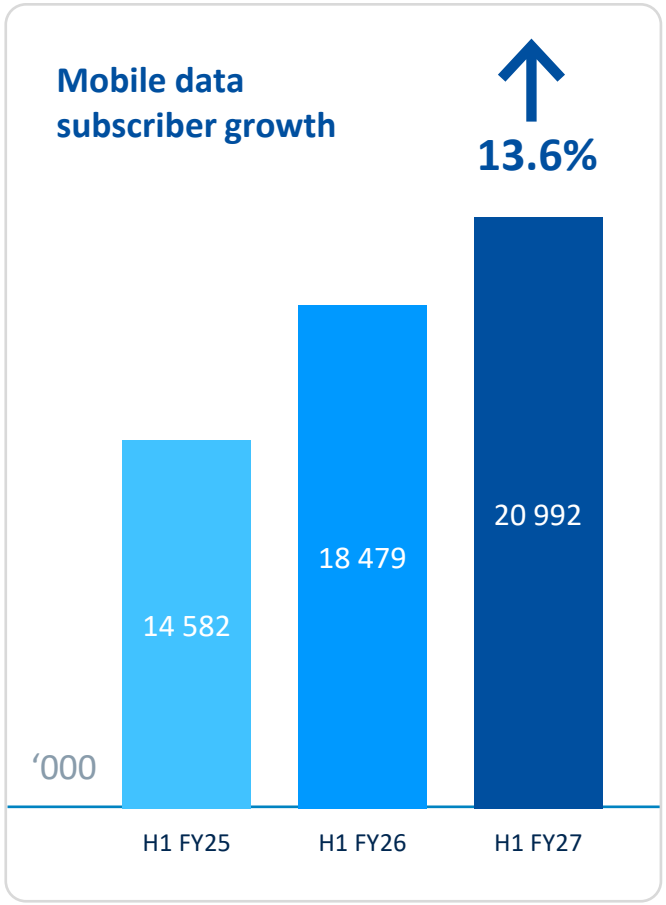


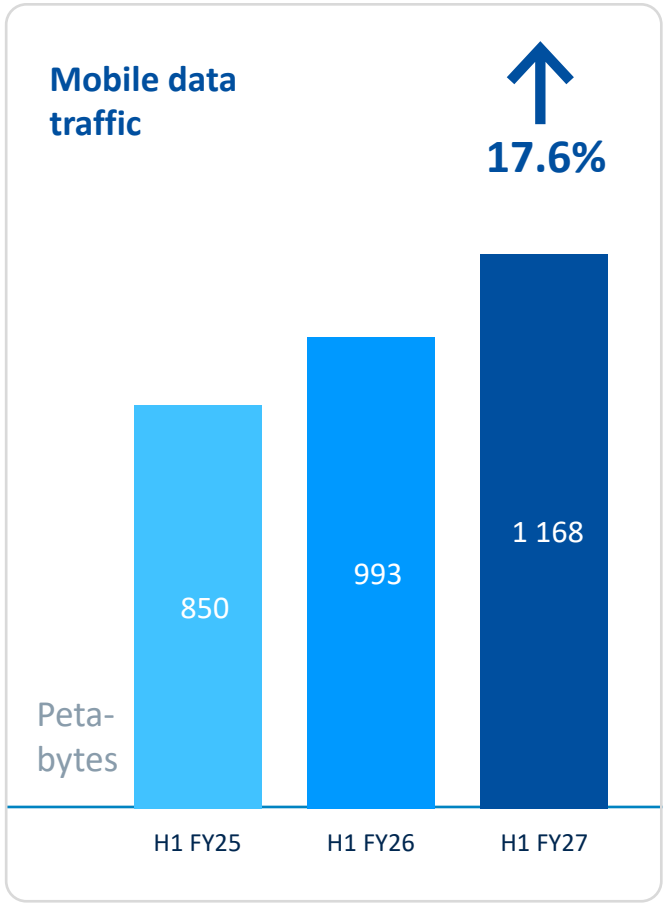


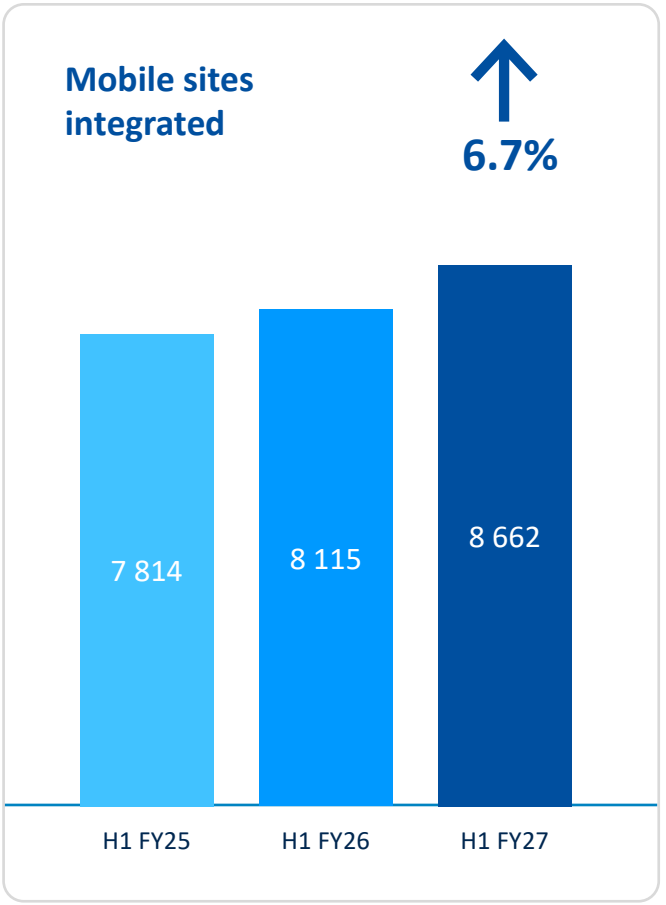


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Mobile data subscribers, data traffic and integrated sites



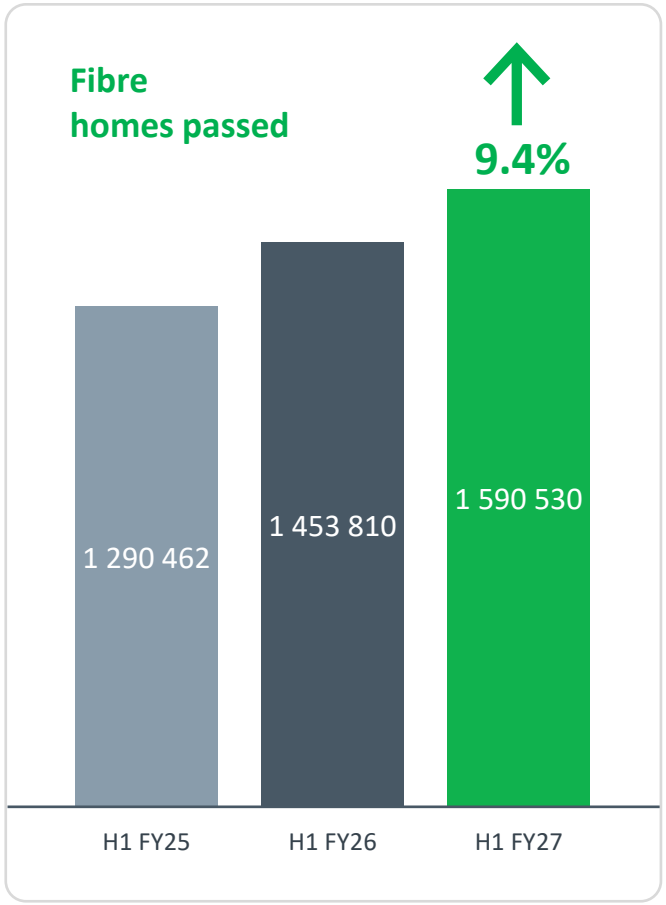


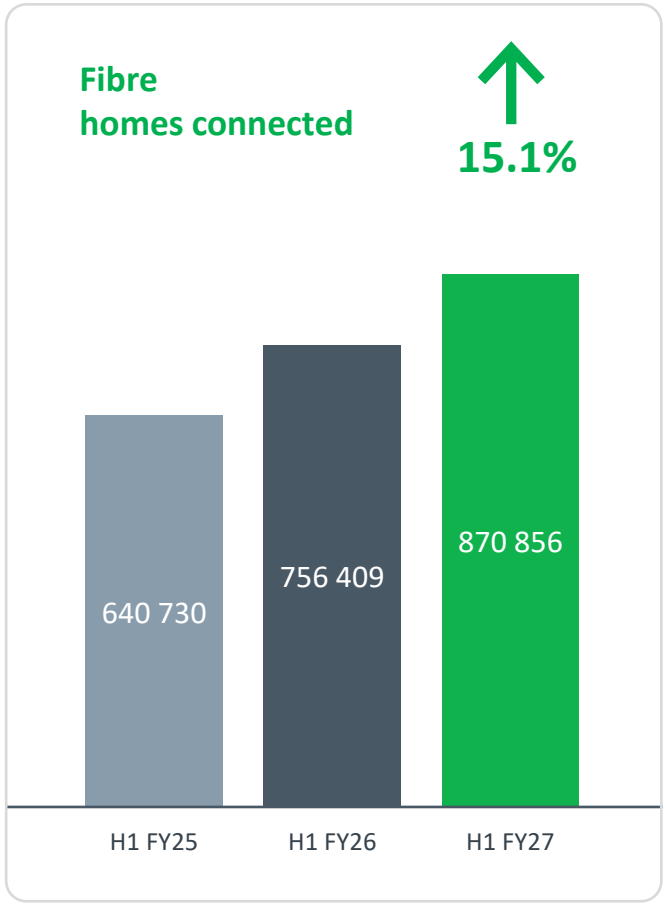


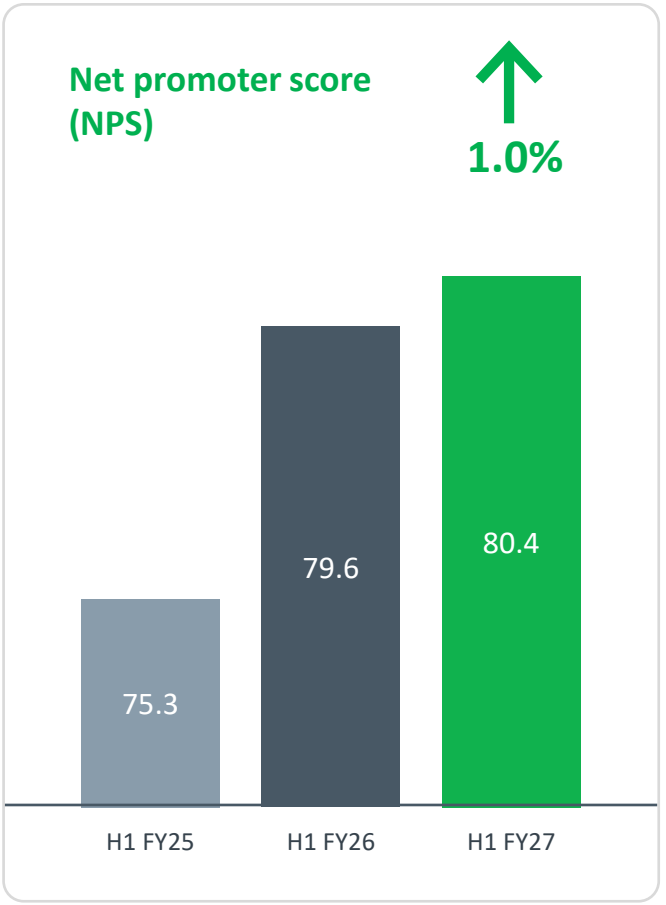
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open serve
Beacon of competitiveness

Fibre homes passed, homes connected and NPS score

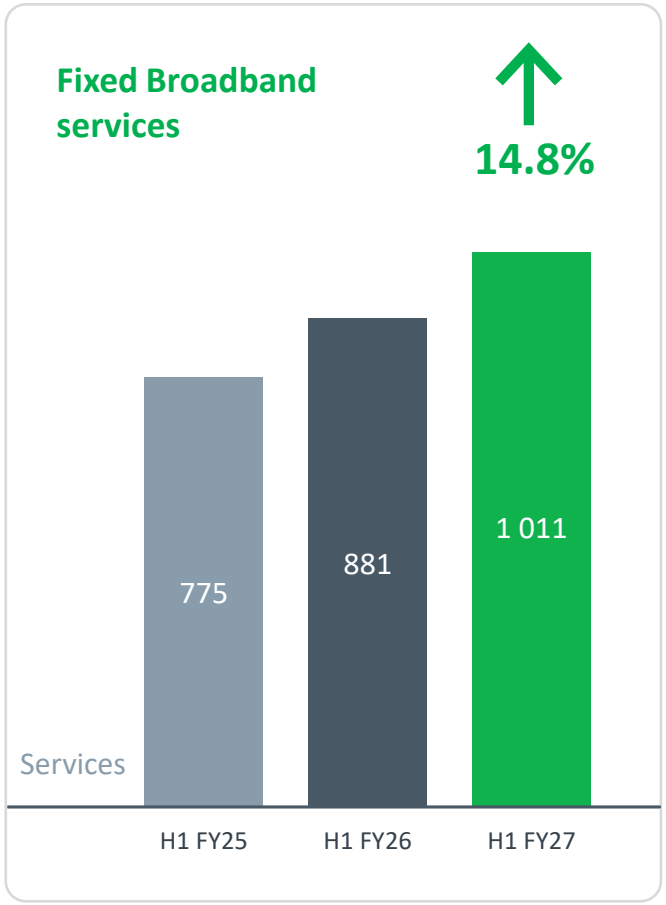


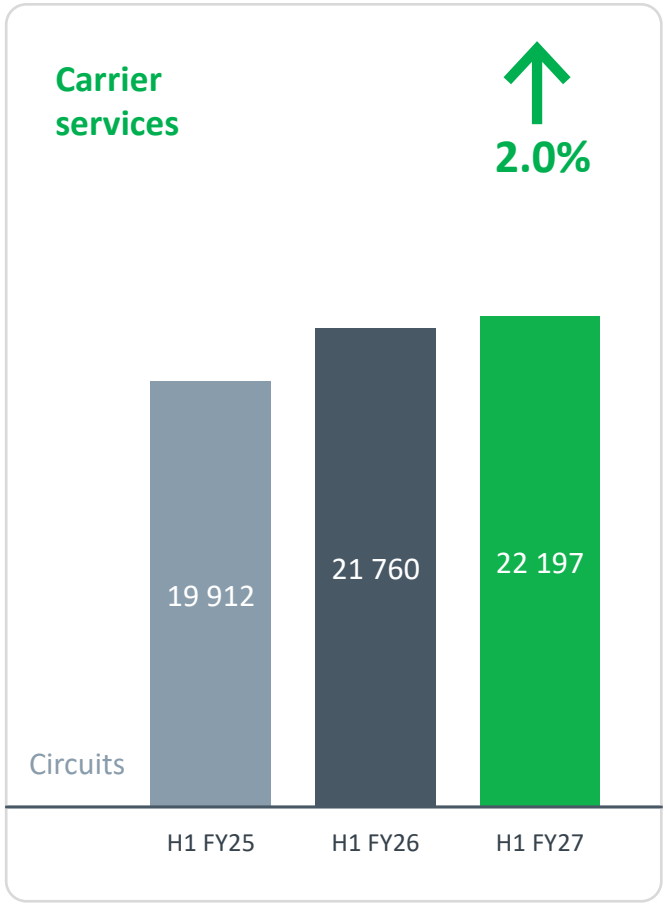


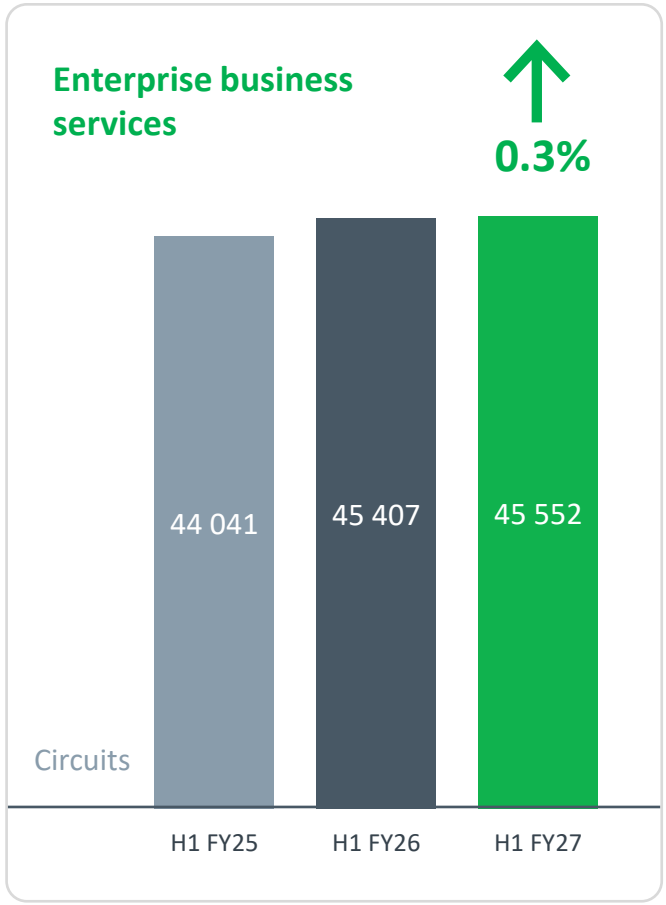


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Fixed broadband services, carrier services and enterprise services



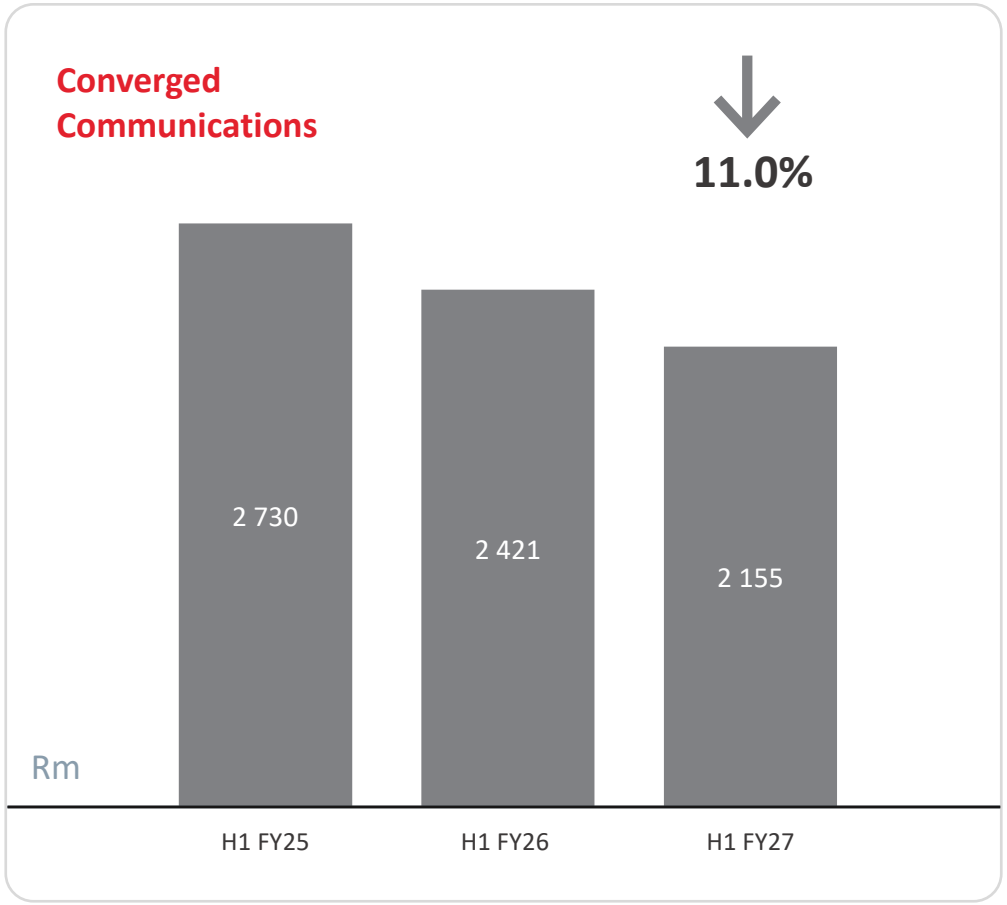


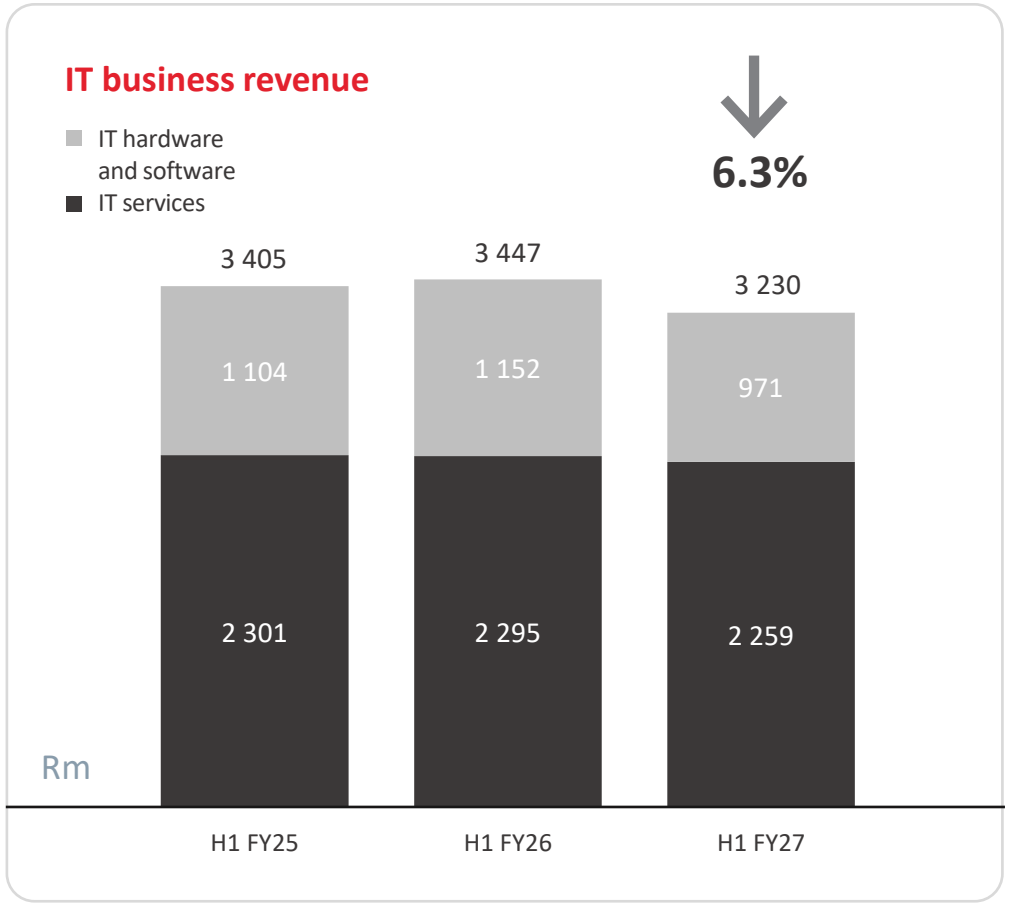


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BCX
Repositioning underway

Converged Communications and IT business revenues





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Abbreviations and definitions

Telkom

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
CVM	Customer Management value, comprising Mo'Nice and Mo'Town.
EBITDA	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
Rbn	Rand billion
Rm	Rand million
ROIC	Return on invested capital
SMMEs	Small, medium and micro enterprises
TRF	Telkom Retirement Fund