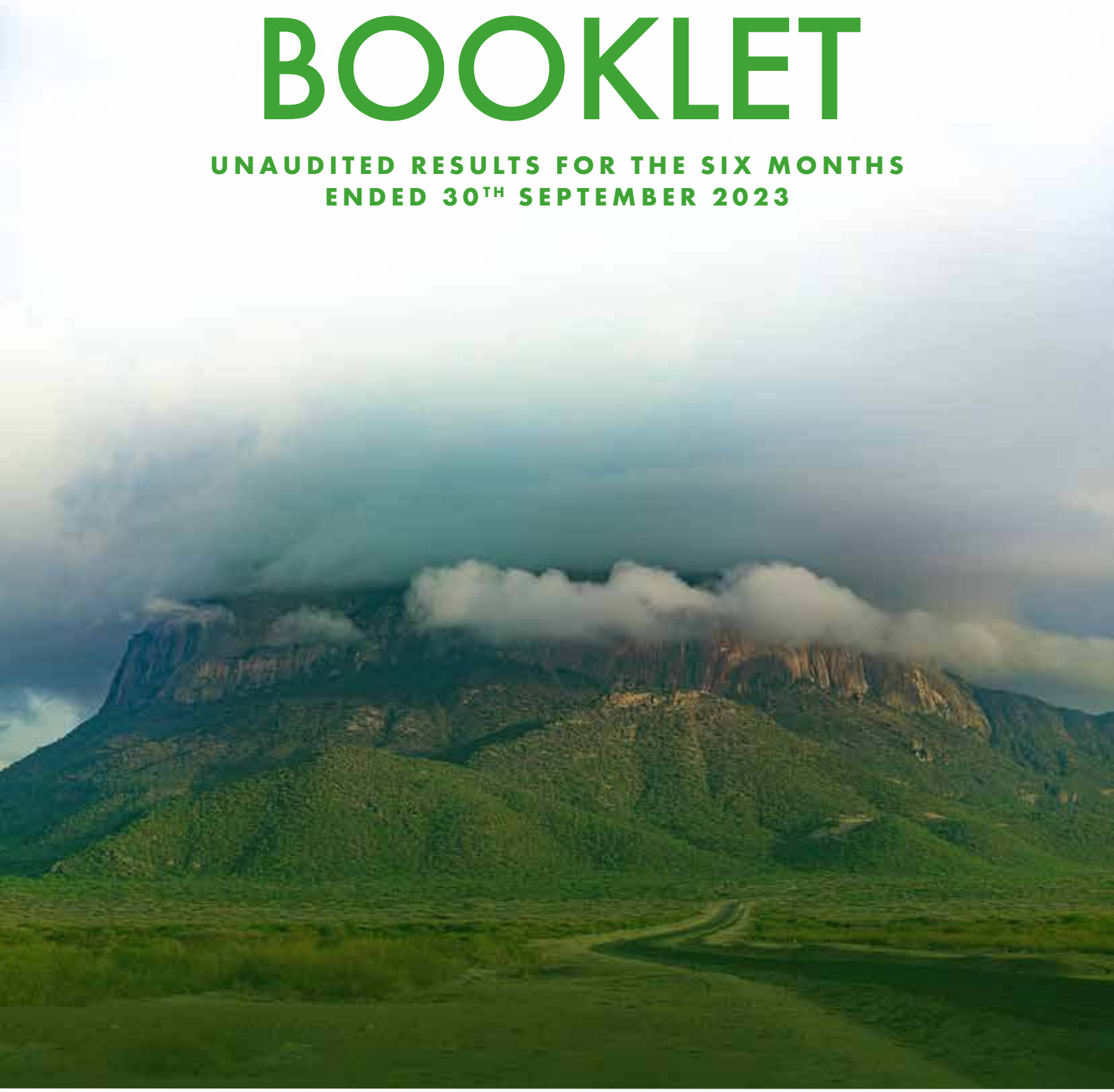
SAFARICOM PLC

RESULTS BOOKLET

UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2023



Safaricom

SAFARICOM PLC ANNOUNCES UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2023

Key Highlights

Strong Performance in HY24

Safaricom Kenya Performance

- Service revenue grew **8.5% YoY** to **KShs 157,184.5Mn**
- M-PESA revenue grew **16.5% YoY** to **KShs 66,232.2Mn**
- Voice revenue declined **3.0% YoY** to **KShs 38,685.6Mn**
- Fixed Line and Wholesale Revenue grew **9.1% YoY** to **KShs 7,370.3Mn**
- Messaging revenue grew **6.0% YoY** to **KShs 5,745.5Mn**
- Active Customers grew **2.5% YoY** to **33.27Mn**
- Mobile data revenue grew **12.5% YoY** to **KShs 29,585.4Mn**
- Active M-PESA Customers grew **3.1% YoY** to **32.13Mn**

Safaricom Telecommunications Ethiopia (STE) Performance

- Service revenue **KShs 1,975.5Mn**
- Mobile data revenue **KShs 1,364.4Mn**
- Voice revenue **KShs 424.0Mn**
- Mobile incoming revenue **KShs 156.6Mn**
- M-PESA revenue **KShs 7.2Mn**
- Messaging revenue **KShs 19.1Mn**
- Total Gross adds **7.0Mn**
- Three-month active customers **4.1Mn**
- One-month active customers **2.6Mn**

Safaricom Group Performance

- Service revenue grew **9.9% YoY** to **KShs 159,135.9Mn**
- M-PESA revenue grew **16.5% YoY** to **KShs 66,239.4Mn**
- Voice revenue declined **1.9% YoY** to **KShs 39,109.6Mn**
- Mobile data revenue grew **17.7% YoY** to **KShs 30,949.8Mn**
- Messaging revenue grew **6.3% YoY** to **KShs 5,764.6Mn**
- Fixed Line and Wholesale Revenue grew **9.1% YoY** to **KShs 7,370.3Mn**

Peter Ndegwa, Safaricom PLC CEO commented:

Operating environment

The period under review was a challenging one for the business, our consumers, and the country at large. The accelerated pressure on our consumers' wallet, increased taxation, fuel price hikes, currency depreciation amongst others have had a substantial effect on our business during this period. Our performance has been exceptional despite these strong headwinds caused majorly by strong economic headwinds.

This performance is supported by excellent strategy execution focused on delighting our customers coupled with strong governance practices, unparalleled leadership from the Board and management as well as a supportive regulatory environment.

Regulatory Support

On the regulatory front, we have had robust engagements with the Government and our regulators on various industry related matters largely focused on digitisation of the economy and reducing the number of digitally excluded people. In Ethiopia, we are working closely with the regulators as we expand our coverage and roll out of our products and services.

A conducive regulatory environment for both telecommunications and financial services is paramount to the success of the Government of Ethiopia's digital ambition. We are grateful to our regulators both in Kenya and Ethiopia for the engagements and willingness to support innovation and industry developments.

Financial Performance Overview

Our business in Kenya has delivered excellent results coming in ahead of market expectations and the FY24 guidance we gave in May 2023. As you will note from the results, most of our business lines performed well led by M-PESA and Mobile Data. This has been fueled by continued efforts to provide greater value to our customers.

In Ethiopia, we have achieved major milestones such as the recent commercial launch of M-PESA services from 15 August 2023, rolling out 2,057 sites in 22 cities and attaining over 4 million three-month active customers. As a result, we are in line with our network roll out and business plans to establish a world class network.

M-PESA in Ethiopia is gaining quick traction in the market with over 1 million registered customers within the first month of commercial launch. Our vision for M-PESA in Ethiopia is to build a robust digital payment platform for inclusive financial services. We are focused on promoting a cash-lite economy and deepening financial inclusion that empowers customers and businesses. We remain committed in our purpose of transforming lives for a digital future in Ethiopia.

Supporting a Digital Kenya & Creating Digital Societies

We are working closely with the public sector and relevant industry stakeholders to provide connectivity, infrastructure development such as cloud and fiber, financial technology, and affordable smartphones to Kenyans.

In Agriculture, we digitized the roll out of the revolutionary fertilizer subsidy program to over 3.3 million farmers in 41 counties across the country. Under the Financial Inclusion programs, over 22 million Kenyans have benefited from the Hustler and Women Enterprise Fund through which we facilitate access to affordable credit. In partnership with TeleOne and Jamii Telkom, we have launched a smartphone device assembly in Kenya, through the East Africa Device Assembly Kenya to accelerate the access & penetration of affordable 4G devices in the country.

In Health, we are partnering with the National Government to support County Governments in strengthening Community Health Services through the Afya Bora Mashinani program. As the technology partner, we are committed to providing connectivity, infrastructure to store the data, our cybersecurity solutions to ensure data integrity and safety, and call center support amongst other services to the program. We continue to support these initiatives as the tech partner of choice in public services for the benefit of all Kenyans.

Purpose and a focus on Environment, Social and Governance (ESG) priorities

During this period, our social investment arm Safaricom Foundation turned 20 years. Through the Foundation, we have a footprint in all 47 counties, partnering with over 4,000 partners & implemented over 4,000 projects, with an investment of over KShs 5Bn which

impacted over 10 million Kenyans over the years. As we celebrate 20 years of positively impacting lives, we aim to inspire hope for a brighter future through sustained community engagements. Additionally, the M-PESA Foundation, which has been in existence for 13 years, has invested over KShs 21.4Bn further impacting another 3.2 million Kenyans.

Our Purpose is the relentless commitment to making a meaningful impact in the world, to create positive change, and to shape a future where sustainability, responsibility, and progress intersect. Transforming Lives is the source of our inspiration, the foundation of our values; the driving force behind our unwavering dedication to building a more sustainable and equitable world for all.

Thanks to our sustainability focused efforts, we recently announced a KShs 15 billion Sustainability Linked Loan, the first of its kind and the largest ESG-linked loan facility ever undertaken in East Africa. This funding will unlock our ability to create more diversified investments supporting transformative investments in innovative technologies, systems and services that allow us to manage our ESG footprint comprehensively.

Diversity and Inclusion

We continue to focus on purpose and people before profits. We have made commendable progress in enhancing diversity and inclusion with 55% women representation on the board and 45% women in senior leadership. This has enriched our deliberations and brought new perspectives to our decision-making processes at the Board and management level. Further, we now have 3% of the workforce being differently abled as we target to reach 5% in the next two years. Additionally, 5.1% of our procurement spend now goes to local marginalized groups including women, youth and persons with disabilities.

Outlook and FY24 Guidance Revision

We are pleased with the results delivered for HY24 despite the tough operating environment. We continued to pursue our strategic goal for the year which is to scale technology solutions in order to be a purpose-led technology company by 2025.

As part of our strategic goals, we have focused on leveraging technology and driving customer innovation to offer relevant products, services and solutions to meet their needs. During the period, we launched 'Gomoka na Go Monthly' promotion ensuring that customers can enjoy more data for less, cushioning them against the current challenging economic times.

In light of the improved business performance seen in H1, we are revising EBIT guidance for Kenya and the Group to KShs 129 - 132Bn and KShs 87 - 93Bn respectively. We are also revising the Kenya Capex guidance due to foreign exchange impact from the depreciating Kenyan shilling from KShs 42 - 45Bn to KShs 45 - 48Bn, consequently changing the Group guidance to KShs 85 - 93Bn. Ethiopia guidance remains unchanged.

Looking forward

We will continue to drive value for our shareholders and establish a sustainable business on our pathway to be a purpose-led technology company by the end of 2025. I thank our board, management, staff, business partners, regulators and the Government who enable us to continue providing services that keep Kenya running. I also appreciate our customers who remain at the core of everything we do.

We believe that our business is well positioned to unlock Kenya & Ethiopia's economic growth, solve customer and societal issues as well as deepen digital and financial inclusion in both countries.

Dilip Pal, Safaricom PLC CFO commented:

Business Review - Group

We are pleased with our performance in HY24 despite the tough operating environment characterized by high inflation levels adversely affecting our customers disposable income. Service revenue grew 9.9% YoY to KShs 159.1Bn in HY24 mainly supported by M-PESA and Mobile Data.

Overall Group customers grew 11.3% YoY to 48.24Mn while one-month active customers grew by 9.9% YoY to 35.86Mn. Safaricom Kenya's overall market share stood at 66.1% as at June 2023.

Group Net Income excluding minority interest grew 2.1% YoY to KShs 34.4Bn (3.7% YoY based on constant currency). When further adjusted for Mobile Termination Rate (MTR) revision impact, net income grew 4.9% YoY.

Business Review – Kenya

Voice and Messaging

Voice revenue declined by 3.0% YoY to KShs 38.69Bn in line with global trends. We continue to leverage on our Customer Value Management (CVM) initiatives to provide better segmented and personalized offers and customers propositions. In addition, we have consistently been optimising our pricing over the years to ensure that we continue driving affordability and usage. During the period, rate per min declined 14.6% YoY to KShs 1.28 while minutes of use per subscriber rose 21.6% YoY to 184.31.
Messaging grew 6.0% YoY to KShs 5.75Bn supported by 10.7% YoY growth in ARPU to KShs 45.85. Voice and messaging revenue are now 28.3% of service revenue.

M-PESA

M-PESA revenue recorded a strong growth of 16.5% YoY to KShs 66.23Bn driven by 12.0% YoY growth in ARPU to KShs 344.05. There was an uptick in usage with chargeable transactions per one-month active customers increasing 28.9% YoY to 28.94.
Total transaction value grew marginally by 1.1% YoY to KShs 18.28Trn due to slowdown in C2B/B2C banking transactions while volumes rose 34.7% YoY to KShs 12.93Bn. Following Central Bank's approval, we increased M-PESA daily transaction limits to KShs 500,000 effective 15 August 2023 and the limit per transaction to KShs 250,000 from 21 September 2023.

During the period one-month active M-PESA customers grew by 3.1% YoY to 32.13Mn. Lipa Na M-PESA active merchants grew 22.3% YoY to 658.35k while pochi tills stood at 405.21k. M-PESA now accounts for 42.1% of service revenue, further complementing traditional voice and messaging services.

Mobile Data

Mobile data revenue recorded a double-digit growth of 12.5% YoY to KShs 29.59Bn with ARPU increasing marginally by 0.8% YoY to KShs 231.94. We continue to leverage on personalised offers through our Customer Value Management (CVM) initiatives which support usage and growth. Data usage per chargeable subscriber increased by 11.7% YoY to 3.75GB. We have also enhanced affordability or our data offerings with average rate per MB declining further by 9.8% YoY to 6.18cents during the period.

We continue to support customers in purchasing 4G-enabled devices through our affordable Lipa Mdogo Mdogo (LMM) offering and similar device financing offerings from our partner ecosystem. LMM has enabled over 1Mn customers to enjoy more features at their convenience. The number of smart phones on our network grew by 11.4% YoY to 21.37Mn. 4G devices grew by 18.8% YoY to 14.39Mn with 51.2% using more than 1GB while 5G devices more than doubled growing by 123.5% YoY to 509.74k. Mobile data now accounts for 18.8% of Service Revenue.

Fixed service and Wholesale transit

Fixed service and wholesale transit revenue rose by 9.1% YoY to KShs 7.37Bn supported by growth in consumer revenue which rose 28.8% YoY to KShs 3.01Bn which offset the 1.4% YoY decline in Enterprise revenue to KShs 4.36Bn. According to Communications Authority, as at the end of June 2023 our fixed data market share stood at 36.2%. FTTH and fixed enterprise now account for 4.7% of service revenue.
During the period, FTTH customers grew 28.8% YoY to 223.19k. FTTH penetration rose to 61.4% with homes connected growing 41.5% YoY to 320.27k while homes passed increased by 26.1% YoY to 521.27k. Fixed Enterprise customers grew by 0.4% YoY to 54.74k.

Net Income
Net income grew 10.9% YoY supported by M-PESA, Mobile Data and effective cost management initiatives in the period.

Business Review – Ethiopia

Voice and Messaging
Voice revenue stood at KShs 424.0Mn driven by growing number of customers and increased usage. Voice active users stood at 2.2Mn while minutes of use (MoU) per subscriber closed the half year at 63.8mins. Messaging revenue closed the half year at KShs 19.1Mn with 30-day active SMS customers at 0.8Mn and SMS per subscriber at 15.9.

M-PESA
We had a successful launch of M-PESA in Q2 and as at HY24 revenue stood at KShs 7.2Mn while registered M-PESA customers stood at 1.2Mn with 67% of them being active. 22.7k M-PESA agents were onboarded during the period with volume and value transacted at 2.0Mn and KShs 43.7Bn respectively.

Mobile Data
Mobile Data revenue stood at KShs 1.4Bn in HY24 driven by increased usage with ARPU growing to KShs 180.35 while active users rose to 1.4Mn during the period. Data usage per subscriber more than tripled to 3.1GB for the period (4.3GB usage for September 2023) driven by accelerated post launch customer onboarding & acquisition activities.

1. Key Performance Indicators

a) Kenya Business

Key Performance Indicators	HY24	HY23	% Change
Total customers (Mn)	44.12	43.17	2.2%
90-day active total customer ARPU*	593.32	565.51	4.9%
One month active customers (Mn)	33.27	32.47	2.5%
One month active customer ARPU*	785.76	738.82	6.4%
Churn (%)	34.49%	36.37%	1.9ppt
Voice			
One month active voice customers (Mn)	25.73	26.71	(3.7%)
One month active voice customer ARPU*	250.10	241.52	3.6%
M-PESA			
Number of M-PESA agents	259,730	262,978	(1.2%)
Lipa na M-PESA active merchants	658,351	538,504	22.3%
One month active M-PESA customers (Mn)	32.13	31.17	3.1%
One month active M-PESA ARPU*	344.05	307.06	12.0%
Chargeable Transaction per One Month active Customers	28.94	22.45	28.9%
Value transacted (KShs Trn)	18.28	18.09	1.1%
Volume transacted (Bn)	12.93	9.60	34.7%
Mobile Data			
One month active mobile data customers (Mn)	26.09	25.20	3.5%
Distinct Bundle Users (Mn)	18.84	16.58	13.6%
One month active chargeable mobile data customers (Mn)	21.34	18.30	16.6%
Data customers using >1GB (Mn)	9.16	8.43	8.7%
MBs per chargeable Mobile Data subscriber	3,753	3,360	11.7%
One month active chargeable data ARPU*	231.94	230.15	0.8%
Messaging			
One month active Messaging customers (Mn)	20.82	21.25	(2.0%)
One month active Messaging customer ARPU*	45.85	41.41	10.7%
Fixed Service			
FTTH Home Customers	223,191	173,239	28.8%
FTTH ARPU*	2,248	2,320	(3.1%)
Activity rate (active customers/homes connected)	61.4%	54.8%	6.6ppt
Fixed Enterprise customers**	54,745	54,547	0.4%
of which LTE	29,013	32,807	(11.6%)
Fixed Enterprise ARPU*	11,032	12,011	(8.2%)
of which LTE	3,286	3,668	(10.4%)
Base Stations			
2G base stations	6,456	6,203	4.1%
3G base stations	6,453	6,190	4.2%
4G base stations	6,388	6,088	4.9%

Average Revenue Per User (ARPU) is in KShs.

***Fixed enterprise customer numbers for HY23 have been revised to mirror new categorisation of Enterprise customers as in HY24.*

b) Safaricom Telecommunications Ethiopia (STE)

Key Performance Indicators	HY24	HY23**	% Change
90-day active customers (Mn)	4.12	0.17	>100.0%
90-day active total customer ARPU*	108.94	105.44	3.3%
One month active customers (Mn)	2.58	0.17	>100.0%
One month active customer ARPU*	154.01	53.77	>100.0%
Voice			
90-day active total customers (Mn	3.71	0.16	>100.0%
One month active voice customers (Mn)	2.18	0.16	>100.0%
One month active voice customer ARPU*	37.91	27.88	36.0%
M-PESA***			
Number of M-PESA agents (k)	16.5	-	100.0%
Lipa na M-PESA active merchants (k)	12.4	-	100.0%
Registered M-PESA customers (Mn)	1.16	-	100.0%
Value transacted (KShs Bn)	43.7	-	100.0%
Volume transacted (Mn)	2.0	-	100.0%
Mobile Data			
90-day active total customers (Mn)	2.31	0.11	>100.0%
One month active mobile data customers (Mn)	1.43	0.11	>100.0%
One month active chargeable mobile data customers (Mn)	1.43	0.11	>100.0%
MBs per chargeable Mobile Data subscriber	3,062.35	816.49	>100.0%
One month active chargeable data ARPU*	180.35	34.85	>100.0%
Messaging			
90-day active total customers (Mn)	1.96	0.05	>100.0%
One month active Messaging customers (Mn)	0.83	0.05	>100.0%
One month active Messaging customer ARPU*	4.60	5.63	-18.3%
Base Stations			
2G/3G/4G base stations	2,057	436	>100.0%

**Average Revenue Per User (ARPU) is in KShs excluding hyperinflationary impact.*
Conversion of ETB to KShs at an average exchange rate of KShs 2.564 to ETB.
***STE started operations on 29th August 2022 on a phased approach before the commercial launch on 6th October 2023. The HY23 numbers therefore represent one month of operation.*
****M-PESA was switched on from 15 August 2023 and the results thereof represent one and a half months performance.*

2. Interim consolidated statement of comprehensive income

KShs Mns	Notes	Group HY24	Group HY23	Company HY24	Company HY23
Voice Revenue		39,109.6	39,881.4	38,685.6	39,877.0
Messaging Revenue		5,764.6	5,422.4	5,745.5	5,422.1
Mobile Data Revenue		30,949.8	26,296.6	29,585.4	26,292.8
M-PESA Revenue		66,239.4	56,863.2	64,738.0	55,457.4
Mobile Incoming Revenue		4,075.7	4,420.4	3,943.2	4,419.8
Other Mobile Service Revenue		5,626.5	5,184.8	5,614.8	4,858.7
Mobile Service Revenue		**151,765.6**	**138,068.8**	**148,312.4**	**136,327.8**
Fixed Line and Wholesale Transit Revenue		7,370.3	6,756.6	7,370.3	6,756.6
Service Revenue		**159,135.9**	**144,825.4**	**155,682.7**	**143,084.5**
Handset revenue and other revenue		3,839.0	7,273.6	2,944.4	7,184.3
Other Income		1,641.9	1,331.3	1,963.8	1,591.2
Total Revenue		**164,616.8**	**153,430.3**	**160,590.9**	**151,860.0**
Direct Costs	5.a	(44,398.7)	(46,812.2)	(40,988.8)	(46,034.1)
Provision for expected credit loss (ECL) on receivables		(2,804.1)	(1,611.8)	(2,974.2)	(1,781.3)
Contribution margin		**117,414.0**	**105,006.3**	**116,627.9**	**104,044.6**
Contribution margin %		*71.3%*	*68.4%*	*72.6%*	*68.5%*
Total operating costs	5.b	(37,741.1)	(30,964.1)	(27,185.2)	(24,716.0)
Operating costs- % of total revenue		*22.9%*	*20.2%*	*16.9%*	*16.3%*
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)		**79,672.9**	**74,042.2**	**89,442.6**	**79,328.6**
EBITDA margin %		*48.4%*	*48.3%*	*55.7%*	*52.2%*
Depreciation, impairment & amortisation		(38,226.1)	(22,796.3)	(23,320.3)	(21,665.5)
Operating profit (EBIT)		**41,446.8**	**51,245.9**	**66,122.3**	**57,663.1**
Operating profit margin %		*25.2%*	*33.4%*	*41.2%*	*38.0%*
Net finance cost		(7,121.3)	(2,932.3)	(5,747.2)	(4,619.4)
Share of associate & Joint Venture loss		(412.5)	(62.6)	(412.5)	(62.6)
Hyperinflationary monetary gain		13,027.4	-	-	-
Profit before income tax		**46,940.4**	**48,251.0**	**59,962.6**	**52,981.2**
Income tax expense		(19,753.1)	(18,021.8)	(19,353.5)	(17,249.1)
Profit after tax		**27,187.3**	**30,229.2**	**40,609.1**	**35,732.1**
Attributable to:					
Equity holders of the parent		34,164.6	33,472.2	40,609.1	35,732.1
Non-controlling interests		(6,977.3)	(3,243.0)	-	-
Profit for the period		**27,187.3**	**30,229.2**	**40,609.1**	**35,732.1**
Basic and diluted earnings per share (EPS)*		**0.9**	**0.8**	**1.0**	**0.9**
Profit for the period		**27,187.3**	**30,229.2**	**40,609.1**	**35,732.1**
Other comprehensive income/(loss) for the period					
Exchange differences on translating foreign operations		19,670.1	1,679.7	-	-
Other comprehensive income/(loss) for the period		**19,670.1**	**1,679.7**	**-**	**-**
Total comprehensive income for the period		**46,857.4**	**31,908.9**	**40,609.1**	**35,732.1**
Attributable to:					
Equity holders of the parent		44,328.5	34,408.0	40,609.1	35,732.1
Non-controlling interests		2,528.9	(2,499.1)	-	-
Total comprehensive income for period		**46,857.4**	**31,908.9**	**40,609.1**	**35,732.1**

*EPS is calculated by dividing the profit attributable to equity holders of the parent excluding hyperinflationary impact, by the weighted average number of ordinary shares issued in the year

3. Interim consolidated statement of financial position (KShs Mns)

	Group		Company	
As at	30-Sep-23	31-Mar-23	30-Sep-23	31-Mar-23
Non-current assets				
Deferred income tax assets	15,813.3	15,337.0	15,814.7	15,338.0
Property and equipment	261,143.7	221,987.6	146,911.6	141,803.5
Right-of-use-assets	53,424.2	36,885.5	18,502.8	17,691.3
Indefeasible rights of use	2,142.3	2,283.0	2,142.3	2,283.0
Investment properties	935.0	935.0	935.0	935.0
Intangible assets	203,913.8	150,198.8	16,992.2	14,163.0
Investment in subsidiaries	-	-	97,781.7	78,013.4
Investment in associates and joint venture	3,603.1	3,943.9	3,531.5	3,943.9
Contract costs	2,382.0	1,852.7	1,748.2	1,578.3
Loans receivable from related company	2,777.7	1,588.4	2,777.7	1,588.4
Restricted & Deferred restricted cash asset	1,551.6	1,759.6	1,551.6	1,759.6
Loan receivable from subsidiaries	-	-	558.4	565.5
	547,686.7	**436,771.5**	**309,247.7**	**279,662.0**
Current assets				
Net cash and cash equivalents	20,458.8	22,098.1	12,802.5	18,061.9
Trade and other receivables	44,651.9	40,791.5	32,140.9	23,862.0
Inventories	3,587.0	3,655.6	2,443.2	2,231.5
Current income tax	1,580.2	851.6	1,424.6	-
Restricted cash - letter of credit	671.1	615.1	-	-
Other financial assets	-	28.6	-	-
Mobile financial deposit	273.9	-	-	-
Contract costs	5,219.3	4,395.0	4,835.9	4,236.3
	76,442.2	**72,435.5**	**53,647.1**	**48,391.7**
Total assets	**624,128.9**	**509,207.0**	**362,894.8**	**328,053.7**
Equity				
Share capital	2,003.3	2,003.3	2,003.3	2,003.3
Share premium	2,200.0	2,200.0	2,200.0	2,200.0
Retained earnings	153,856.9	121,823.6	177,674.3	137,065.2
Other reserves	63,827.5	36,688.4	-	-
Proposed dividend	-	24,840.6	-	24,840.6
Equity attributable to equity holders of the parent	**221,887.7**	**187,555.9**	**181,877.6**	**166,109.1**
Non-controlling interests	123,663.1	75,810.0	-	-
Total equity	**345,550.8**	**263,365.9**	**181,877.6**	**166,109.1**
Non current liabilities				
Borrowings	59,203.4	42,050.0	46,110.8	38,533.6
Contract liabilities	1,701.6	1,607.8	1,701.6	1,607.8
Provisions for liabilities	5,216.6	4,462.8	3,595.8	3,410.7
Payables and accrued expenses	22,177.5	27,359.3	-	-
Lease liabilities	42,667.6	29,984.0	18,071.6	17,070.1
Financial guarantees liability	-	-	960.4	960.4
	130,966.7	**105,463.9**	**70,440.2**	**61,582.6**
Current liabilities				
Payables and accrued expenses	77,386.6	72,688.2	45,356.4	44,298.6
Current income tax	-	2,408.8	-	192.2
Borrowings	46,242.4	43,492.3	43,651.0	35,500.0
Dividend payable	1,563.1	1,783.0	1,563.1	1,783.0
Lease liabilities	6,737.4	5,354.9	5,298.2	4,376.6
Provisions for liabilities	4,524.1	4,524.1	4,524.1	4,524.1
Mobile financial deposit	273.9	-	-	-
Contract liabilities	10,883.9	10,125.9	10,184.2	9,687.5
	147,611.4	**140,377.2**	**110,577.0**	**100,362.0**
Total liabilities	**278,578.1**	**245,841.1**	**181,017.2**	**161,944.6**
Total equity and liabilities	**624,128.9**	**509,207.0**	**362,894.8**	**328,053.7**

4. Interim consolidated statement of cash flows

KShs Mns	Group		Company	
	HY24	HY23	HY24	HY23
Cash flows from operating activities				
Cash generated from operations	54,404.1	67,027.7	77,986.1	71,917.5
Interest received	965.6	654.0	890.1	619.0
Income tax paid	(23,366.8)	(27,202.5)	(21,447.1)	(26,805.2)
Net cash generated from operating activities	**32,002.9**	**40,479.2**	**57,429.1**	**45,731.3**
Cash flows from investing activities				
Purchase of property and equipment	(26,574.7)	(23,298.7)	(21,362.7)	(17,549.0)
Proceeds from disposal of property and equipment	97.7	44.0	68.7	44.0
Acquisition of intangible assets	(23,644.7)	(4,139.5)	(3,167.0)	(4,139.5)
Investment in other financial assets	28.6	0.0	-	(120.0)
Movement in restricted cash	206.4	(1,844.1)	(1,075.0)	-
Loans to joint ventures	(1,075.0)	-	196.5	216.5
Investment in associates and joint ventures	(71.7)	-	-	-
Net cash used in investing activities	**(51,033.4)**	**(29,238.3)**	**(25,339.5)**	**(21,547.9)**
Cash flows from financing activities				
Dividends paid	(25,060.5)	(40,688.0)	(25,060.5)	(40,688.0)
Repayment of lease liabilities -principal	(2,693.8)	(5,356.4)	(3,161.1)	(3,050.5)
Repayment of lease liabilities -interest	(1,948.5)	-	-	-
Interest paid on borrowings	(5,748.5)	(3,083.6)	(5,088.7)	(2,986.9)
Proceeds from borrowings	31,751.2	38,953.8	23,593.4	33,153.4
Repayment of borrowings	(13,047.9)	(21,148.2)	(7,865.2)	(21,801.6)
Investment in subsidiaries	-	-	(19,768.3)	(6,573.9)
Capital contribution from NCI shareholders	29,164.4	5,226.2	-	-
Net cash generated from / (used in) financing activities	**12,416.4**	**(26,096.2)**	**(37,350.3)**	**(41,947.5)**
Net decrease in cash and cash equivalents	**(6,614.1)**	**(14,855.3)**	**(5,260.7)**	**(17,764.2)**
Movement in cash and cash equivalents				
At start of the period	22,098.7	30,794.2	18,063.2	25,571.7
Net foreign exchange differences	3,701.2	43.5	-	-
Net monetary gain on cash and cash equivalents	1,273.0	-	-	-
Decrease in cash and cash equivalents	(6,614.1)	(14,855.3)	(5,260.7)	(17,764.2)
Closing cash and cash equivalents	**20,458.8**	**15,982.4**	**12,802.5**	**7,807.6**

5.a Direct costs

KShs Mns	Group		Company	
	HY24	HY23	HY24	HY23
M-PESA commissions	(18,259.0)	(17,930.8)	(18,032.8)	(17,753.6)
Airtime commissions	(3,945.5)	(4,202.7)	(3,360.6)	(4,201.9)
License fees	(5,796.9)	(5,239.0)	(5,416.7)	(5,187.5)
Interconnect and roaming costs	(4,179.8)	(3,770.7)	(3,590.2)	(3,767.5)
Handset costs	(3,186.5)	(7,054.9)	(2,337.2)	(6,963.1)
Customer acquisition and retention	(5,846.4)	(4,784.8)	(5,078.6)	(4,685.1)
Promotions and value-added services costs (Voice & SMS)	(2,776.4)	(2,680.2)	(2,772.1)	(2,680.2)
Other direct costs	(408.2)	(1,149.1)	(400.6)	(795.3)
Totals	**(44,398.7)**	**(46,812.2)**	**(40,988.8)**	**(46,034.1)**

5.b Operating costs

KShs Mns	Group		Company	
	HY24	HY23	HY24	HY23
Repairs and maintenance	(141.1)	(151.9)	(136.6)	(146.9)
Non-lease operating costs – buildings*	(82.9)	(23.3)	(25.5)	(18.6)
Non-lease operating costs – sites *	(1,076.3)	(469.6)	(1,071.3)	(449.6)
Auditor's remuneration	(41.6)	(34.8)	(26.1)	(30.6)
Computer maintenance	(1,729.1)	(1,377.2)	(1,233.1)	(1,218.9)
Consultancy and legal fees	(369.2)	(514.9)	(181.8)	(222.0)
Employee benefits expense	(14,081.0)	(13,602.2)	(10,584.5)	(10,402.5)
Net foreign exchange losses, other than on borrowings and cash and cash equivalent	(24.9)	701.2	(698.6)	(74.2)
Office administration	(336.5)	(332.9)	(271.0)	(235.0)
Other operating expenses	(4,320.3)	(3,843.5)	(2,579.7)	(2,607.7)
Sales and advertising	(2,525.1)	(2,076.9)	(1,745.4)	(2,048.6)
Network operating costs	(12,013.7)	(8,507.9)	(8,146.5)	(6,875.1)
Travel and accommodation	(789.9)	(598.6)	(285.5)	(259.7)
Inventory storage costs	(209.6)	(131.6)	(199.7)	(126.9)
Totals	**(37,741.1)**	**(30,964.1)**	**(27,185.2)**	**(24,716.0)**

*Relates to non-lease components of the lease e.g. service charges, VAT disallowed on payments of leases. The cost is excluded from the measurement of the lease liability as provided for in IFRS 16.

6. Safaricom PLC Group & Safaricom Telecommunications Ethiopia (STE) financial performance

i) Income Statement for Group, Kenya and Ethiopia*

KShs Mns		Safaricom Kenya	Safaricom Ethiopia	Safaricom Plc Group	Safaricom Kenya %YoY	Safaricom Plc Group % YoY
Voice Revenue		38,685.6	424.0	39,109.6	(3.0%)	(1.9%)
Messaging Revenue		5,745.5	19.1	5,764.6	6.0%	6.3%
Mobile Data Revenue		29,585.4	1,364.4	30,949.8	12.5%	17.7%
M-PESA Revenue		66,232.2	7.2	66,239.4	16.5%	16.5%
Mobile Incoming Revenue		3,943.3	156.6	4,075.7	(10.8%)	(7.8%)
Other Mobile Service Revenue		5,622.3	4.2	5,626.5	8.4%	8.5%
Mobile Service Revenue		**149,814.2**	**1,975.5**	**151,765.6**	**8.5%**	**9.9%**
Fixed Line and Wholesale Transit Revenue		7,370.3	0.0	7,370.3	9.1%	9.1%
Service Revenue		**157,184.5**	**1,975.5**	**159,135.9**	**8.5%**	**9.9%**
Handset revenue and other revenue		2,944.4	894.6	3,839.0	(59.0%)	(47.2%)
Other Income		1,622.0	19.8	1,641.9	21.8%	23.3%
Total Revenue		**161,750.9**	**2,889.9**	**164,616.8**	**5.5%**	**7.3%**
Direct Costs	6.i	(41,265.9)	(3,156.9)	(44,398.7)	(11.5%)	(5.2%)
Provision for expected credit loss (ECL) on receivables		(2,803.8)	(0.3)	(2,804.1)	74.8%	74.0%
Contribution margin		**117,681.3**	**(267.3)**	**117,414.0**	**12.0%**	**11.8%**
*Contribution margin %***		*72.8%*	*-9.2%*	*71.3%*	*4.2ppt*	*2.9ppt*
Operating costs	6.ii	(27,186.9)	(10,450.7)	(37,741.1)	8.7%	21.9%
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)		**90,494.4**	**(10,718.0)**	**79,672.9**	**13.0%**	**7.6%**
Operating profit margin %		*55.9%*	*-373.9%*	*48.4%*	*3.7ppt*	*0.1ppt*
Depreciation, impairment & amortisation		(23,381.8)	(14,844.4)	(38,226.1)	7.7%	67.7%
Operating profit (EBIT)		**67,112.6**	**(25,562.3)**	**41,446.8**	**14.9%**	**(19.1%)**
Operating profit margin %		*41.5%*	*-884.5%*	*25.2%*	*3.4ppt*	*(8.2ppt)*
Net finance (cost)		(5,315.7)	(1,812.1)	(7,121.3)	92.3%	>100.0%
Share of associate & Joint Venture profit/(loss)		(412.5)	0.0	(412.5)	>100.0%	>100.0%
Hyperinflationary monetary gain		-	13,027.4	13,027.4	-	100%
Profit / (loss) before income tax		**61,384.4**	**(14,437.1)**	**46,940.4**	**10.5%**	**(2.7%)**
Income tax expense		(19,753.1)	0.0	(19,753.1)	9.6%	9.6%
Profit /(loss) after Tax		**41,631.4**	**(14,437.1)**	**27,187.3**	**10.9%**	**(10.1%)**
Attributable to:						
Equity holders of the parent		41,631.4	(7,413.1)	34,164.6	10.9%	2.1%
Non-controlling interests		-	(6,933.9)	(6,977.3)	-	>100.0%
Profit/(loss) after tax		**41,631.4**	**(14,437.1)**	**27,187.3**	**10.9%**	**(10.1%)**

**Safaricom Kenya in the table above refers to the Kenya region with all subsidiaries in Kenya consolidated therein, while Safaricom Ethiopia numbers relate to the Safaricom Telecommunications Ethiopia (STE) (which consolidates Safaricom M-PESA Mobile Financial Services PLC) numbers adjusted for hyperinflationary impact. Safaricom Group column consolidates Safaricom Kenya, STE, Vodafamily and GPE. Intercompany eliminations relating to all subsidiaries under the group are reflected at group level.*

Safaricom Telecommunications Ethiopia (STE) Plc Costs

i. Direct Costs

KShs Mns	HY24	HY23
M-PESA commissions	(20.9)	0.0
Airtime commissions	(584.9)	(0.8)
License fees	(317.0)	(1.7)
Interconnect and roaming costs	(613.8)	(3.2)
Handset costs	(849.3)	(91.8)
Customer acquisition and retention	(767.8)	(99.7)
Other direct costs	(3.4)	(0.4)
Totals	**(3,156.9)**	**(197.6)**

ii. Operating Costs

KShs Mns	HY24	HY23
Operating lease cost - buildings*	(57.4)	(4.8)
Operating lease cost - sites*	(5.1)	(20.2)
Auditors remuneration	(5.8)	(35.7)
Computer maintenance	(483.6)	(144.3)
Consultancy	(23.8)	(243.6)
Employee benefits expense	(3,417.9)	(3,066.4)
Net foreign exchange gains, other than on borrowings and cash and cash equivalent	460.0	813.4
Office administration	(62.5)	(95.1)
Other operating expenses	(1,461.7)	(883.5)
Repairs and maintenance expenditure on property, plant and equipment	(3.7)	(4.4)
Sales and advertising	(1,024.9)	(316.3)
Network operating costs	(3,866.6)	(1,630.7)
Travel and accommodation	(487.8)	(323.2)
Inventory storage costs	(10.0)	(4.9)
Totals	**(10,450.7)**	**(5,959.7)**

** Relates to non-lease components of the lease e.g. service charges, VAT disallowed on payments of leases. The cost is excluded from the measurement of the lease liability as provided for in IFRS 16.*

iii) Safaricom Ethiopia Financing costs incurred by Safaricom PLC

KShs Mn	HY24	HY23
Financing costs	-	0.8
Interest costs	(2,421.8)	(2,375.0)
Forex & Hedge costs	(445.2)	(653.4)
Total	**(2,866.9)**	**(3,027.6)**

7. Net Debt

KShs Mns As at	Group		Company	
	30-Sep-23	31-Mar-23	30-Sep-23	31-Mar-23
Cash and cash equivalents	20,458.8	22,098.1	12,802.5	18,061.9
Borrowings				
Short term borrowings	(46,242.4)	(43,492.3)	(43,651.0)	(35,500.0)
Long term borrowings	(59,203.4)	(42,050.0)	(46,110.8)	(38,533.6)
Total net debt	**(84,986.8)**	**(63,444.2)**	**(76,959.3)**	**(55,971.7)**

8. Free cash flow- Safaricom Kenya

KShs Mns	HY24	HY23
EBITDA	**90,494.4**	**80,108.8**
Net Working Capital Changes	**(6,370.4)**	**(8,063.8)**
Other Cash flow movements		
Movement in;		
RoU assets and lease liabilities	(2,501.6)	(2,854.8)
Gain on lease terminations	(186.9)	(0.9)
Gain (Loss) on PPE disposal	(89.4)	(43.7)
Operating cash flow	**81,346.1**	**69,145.6**
Capital Additions	(24,443.0)	(18,036.1)
Proceeds from disposal of Property, Plant & Equipment	97.7	44.0
Operating free cash flow	**57,000.8**	**51,153.6**
Net Interest paid/received	(4,010.1)	(2,332.9)
Income tax paid	(23,366.8)	(27,202.5)
Free cash flow	**29,623.9**	**21,618.2**

9. Supplementary Information

The foregoing information was extracted from the Group's financial statements for the six months ended 30 September 2023.

a) Basis of preparation

These interim consolidated financial statements for the six months ended 30 September 2023 have been prepared in accordance with International Accounting Standards (IAS) 34, Interim Financial Reporting and the framework concepts and the measurement and recognition requirements of IFRS. The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2023.

The preparation of the financial statements in conformity with International Financial Reporting Standards (IFRSs) requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the Group's accounting policies.

b) Measurement basis

The measurement basis used is the historical cost basis adjusted for the effects of inflation where entities operate in hyperinflationary economies except for investment property that has been measured at fair value. The financial statements have been adjusted for the effects of inflation for Safaricom Telecommunication Ethiopia Plc as the Ethiopian economy has been declared hyperinflationary on or after 31 December 2022.

Under the historical cost basis, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or, in some cases, at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

c) Translation of foreign operations

The results, cash flows and financial position of Group entities which are not accounted for as entities operating in hyperinflationary economies and that have a functional currency different from the presentation currency of the Group are translated into the presentation currency as follows:

- Assets and liabilities, including goodwill and fair value adjustments arising on acquisition, are translated at rates of exchange ruling at the reporting date
- Specific transactions in equity are translated at rates of exchange ruling at the transaction dates
- Income and expenditure and cash flow items are translated at weighted average exchange rates for the period or translated at exchange rates at the date of the transaction, where applicable; and
- Foreign exchange translation differences are recognised in Other Comprehensive Income (OCI) and accumulated in the foreign currency translation reserve (FCTR), except to the extent the difference is allocated to non-controlling interests.

The results, cash flows and financial position of the Group entities, which are accounted for as entities operating in hyperinflationary economies and that have functional currencies different from the presentation currency of the Group are translated into the presentation currency of its immediate parent at rates of exchange ruling at the reporting date. As the presentation currency of the Group is that of a non-hyperinflationary economy, comparative amounts are not adjusted for changes in the price level or exchange rates in the current financial year.

An entity may have a monetary item that is receivable from a foreign operation. An item for which settlement is neither planned nor likely to occur in the foreseeable future is, in substance, a part of the entity's net investment in that foreign operation. On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive income and accumulated in the foreign currency translation reserve.

d) Hyperinflation

The financial statements of the Group entities whose functional currencies are the currencies of hyperinflationary economies are adjusted in terms of the measuring unit current at the end of the reporting period.

The carrying amounts of non-monetary assets and liabilities are adjusted to reflect the change in the consumer price index from the date of acquisition to the end of the reporting period. On initial application of hyperinflation, prior period gains and losses are recognised directly in equity.

An impairment loss is recognised in profit or loss if the restated amount of a non-monetary item exceeds its estimated recoverable amount. Gains or losses on the net monetary position are recognised in profit or loss. All items recognised in the income statement are restated by applying the change in the consumer price index from the dates when the items of income and expenses were initially earned or incurred.

At the beginning of the first period of application, the components of equity, except retained earnings, are restated by applying a consumer price index from the dates the components were contributed or otherwise arose. These restatements are recognised directly in equity as an adjustment to opening retained earnings. Restated retained earnings are derived from all other amounts in the restated statement of financial position. If on initial application of hyperinflation accounting the restated value of the non-monetary assets exceed their recoverable amount, the amount in excess of the recoverable amount is recorded as a reduction in retained earnings.

At the end of the first period and in subsequent periods, all components of equity are restated by applying a consumer price index from the beginning of the period or the date of contribution, if later. All items in the statement of cash flows are expressed in terms of the consumer price index at the end of the reporting period.

The Ethiopian economy has been classified as hyperinflationary. Accordingly, the results, cash flows and financial position of the Group's subsidiary; Safaricom Telecommunication Ethiopia Plc have been expressed in terms of the measuring unit current at the reporting date.

e) Gain on monetary position

The consumer price indices (CPI) used in the restatement of the balances are indicated on the table below and were published by the trading economics.

Month	**Consumer price index**
Opening CPI - April 2023	364.7
Closing CPI – September 2023	408.8
Movement	**(44.1)**

The financial statements have been adjusted for the effects of inflation for Safaricom Telecommunication Ethiopia PLC and Safaricom M-PESA Mobile Financial Services Plc as the Ethiopian economy was declared hyperinflationary on or after 31 December 2022. The gain in monetary position as a result of translating the financial statements as at 30 September 2023 was KShs 13,027.4 million (2022; Nil).

Management has restated all balance sheet amounts that are not expressed in terms of the measuring unit current at the balance sheet date. Monetary items were not restated, because they represent money held, to be received or to be paid. Monetary items are therefore already expressed in current purchasing power at the reporting date.

	Monetary *ETB' Mn	Non-monetary *ETB' Mn	Total *ETB' Mn
Assets	9,573.4	126,757.9	136,331.4
Liabilities	(37,256.9)	(261.9)	(37,518.8)
	(27,683.5)	**126,496.0**	**98,812.6**
Equity			117,268.0
Retained earnings			(23,374.7)
			93,893.3
Net monetary gain ETB			**4,919.3**
Exchange rate (USD/KShs)			146.91
Exchange rate (USD/ETB)			55.48
Net hyperinflationary monetary gain (KShs)			**13,027.4**

*ETB is the national currency of the Federal Democratic Republic of Ethiopia also known as the Ethiopian Birr

Use of Closing rate

IAS 29 requires that financial statement for entities operating in hyperinflation economy are translated using the closing rates for both Income statement and Balance Sheet.

The impact of using the closing rate (in place of average rates) is a gain KShs 307 million.

The overall impact on income statement:

Details	30 Sep 2023
(a) Loss on restatement of profit and loss items (application of CPIs)	(5,643)
(b) Impact of using closing rate on P&L items	307
(c) Net monetary position - gain	13,027
Net IAS 29 Impact on net income	**7,691**

f) Normalised growth

The table below represents normalised growth, which presents performance on a comparable basis. This adjusts for foreign currency fluctuation on a constant currency basis (using the current year as base), to show a like-for-like comparison of results. We believe that normalised growth, which is not intended to be a substitute for, or superior to reported growth, provides useful and necessary information to investors and other interested parties for the following reasons:

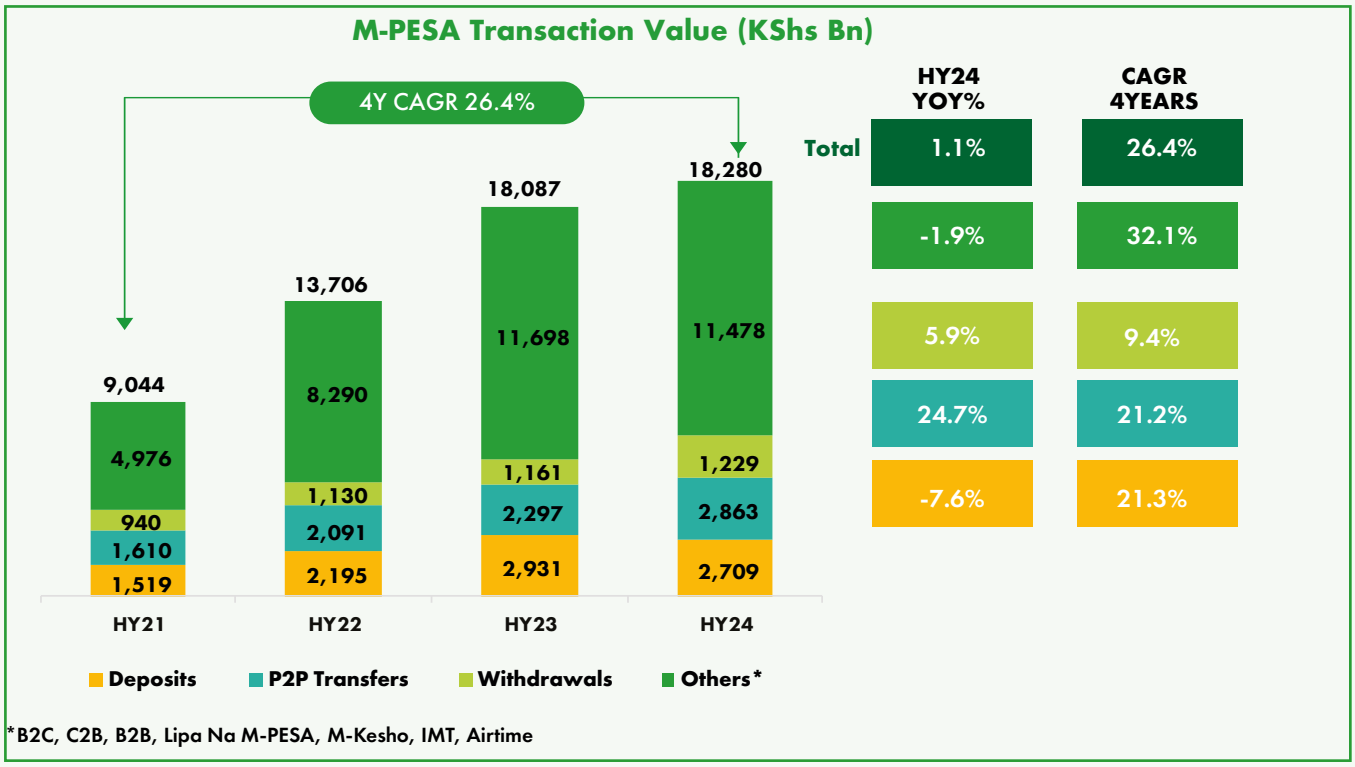
- It provides additional information on underlying growth of the business without the effect of certain factors unrelated to the operating performance of the business;
- It is used for internal performance analysis; and
- It facilitates comparability of underlying growth with other companies, although the term normalised is not a defined term under IFRS and may not, therefore, be comparable with similarly titled measures reported by other companies

	Group HY24				
	Actual (KShs Bn)	YoY% Actual	YoY% Constant Currency	Actuals Ex-MTR impact	YoY% Excl. MTR impact
Service Revenue	159.1	+9.9%	+9.9%	160.2	+10.6%
EBIT	41.4	-19.1%	-17.6%	42.0	-16.5%
Net Income	27.2	-10.1%	-7.1%	27.6	-5.8%
Net Income excl. Minority interest	34.2	+2.1%	+3.7%	34.5	+4.9%

g) M-PESA

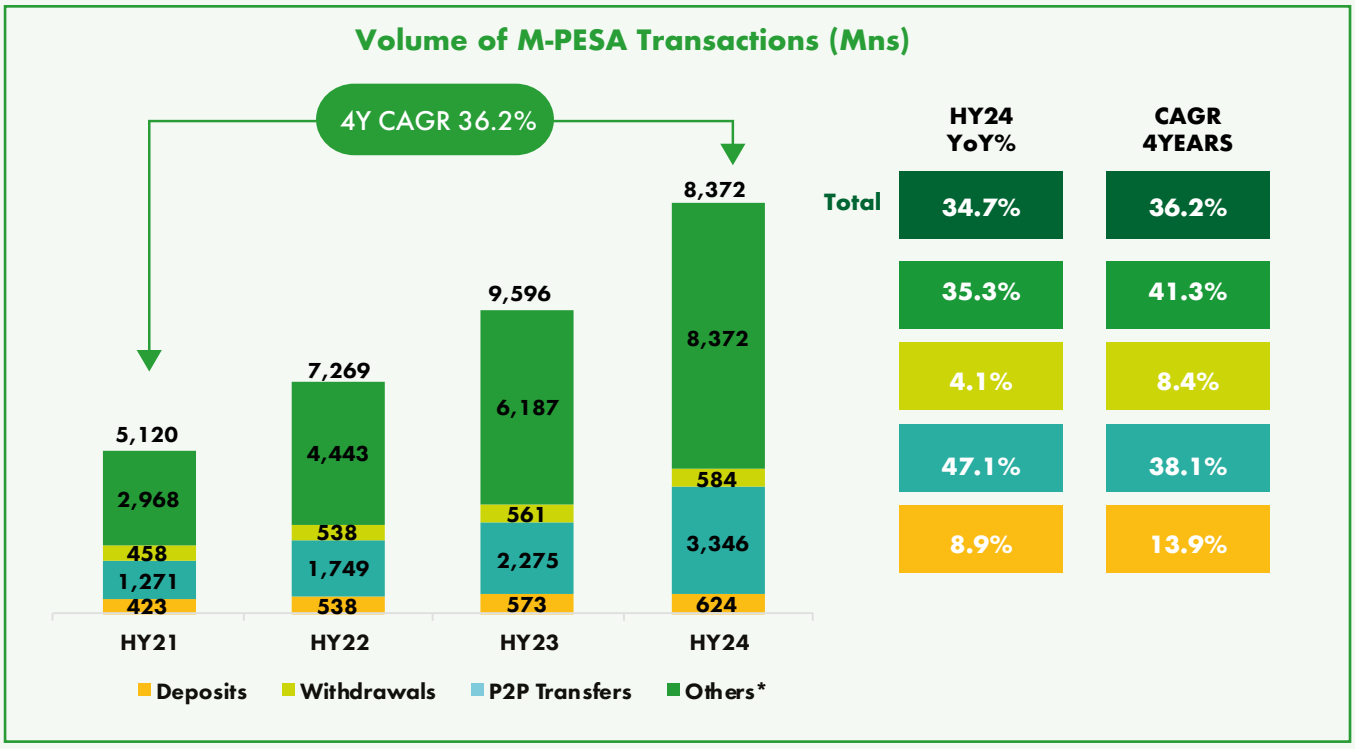
Additional M-PESA KPIs

i. M-PESA Value of Transactions (KShs Bn)



*B2C, C2B, B2B, Lipa Na M-PESA, M-Kesho, IMT, Airtime

ii. M-PESA Volume of transactions (Mn)

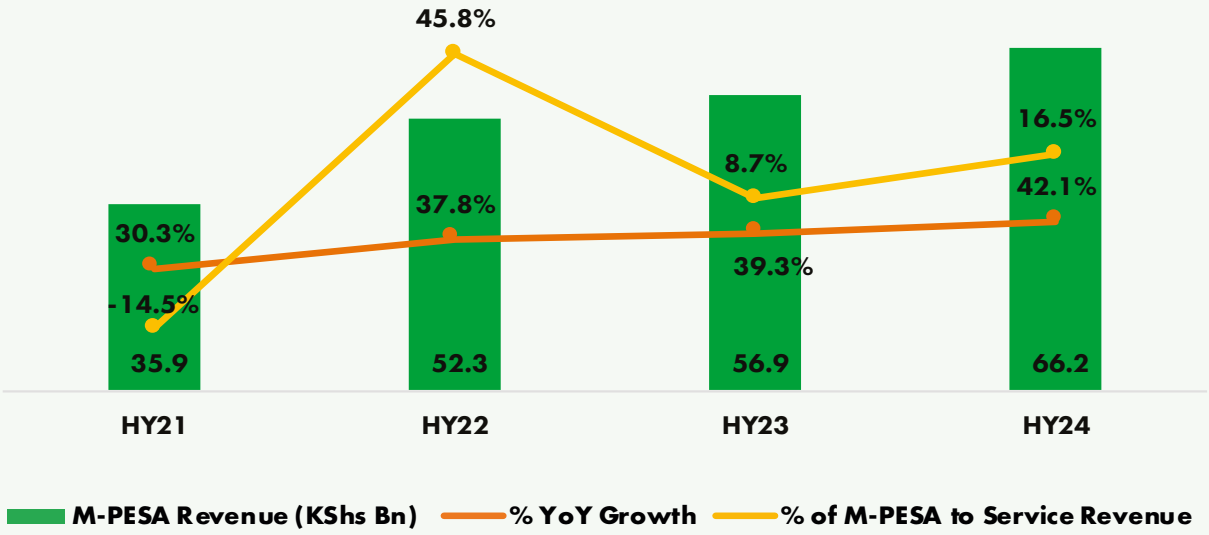


*B2C, C2B, B2B, Fuliza, Lipa Na M-PESA, M-Kesho, M-Shwari, KCB M-PESA, IMT, Airtime

iii. M-PESA Revenue contribution, profile mix and customer evolution

KShs Bn	HY21	HY22	HY23	HY24	% Change YoY HY24	% Contribution to growth
Personal Payments (Transfers & Withdrawals)	24.17	35.50	37.89	43.00	13.5%	10.7%
Business Payments (C2B, B2C, B2B, LNM, other savings)	6.93	11.18	12.58	17.64	40.2%	4.4%
Global Payments (Remittances, Alipay)	0.93	1.14	1.42	1.56	9.5%	0.4%
Financial Services (Lending)	3.85	4.51	4.97	4.03	-19.0%	1.0%
Total	**35.89**	**52.33**	**56.86**	**66.23**	**16.5%**	**16.5%**

Evolution of contribution of M-PESA Revenue to Service Revenue (KShs Bn)



M-PESA usage continues to grow as we accelerate new growth areas

Velocity in the M-PESA ecosystem continues to grow driven by our FinTech solutions including payments, lending and savings and international remittances. HY24, the total value of M-PESA transactions grew 1.1% YoY to KShs 18.28Trn while total volume of M-PESA transactions grew 34.7% YoY to 12.9Bn.

We continue to leverage on our digital platforms and solutions such as M-PESA Super App for end-to-end excellent customer experience. We now have 8.5 million Consumer App downloads, 1.6 million Active Consumers and over 1.3 million downloads on the businesses App.

iv. Lending value and revenue trends

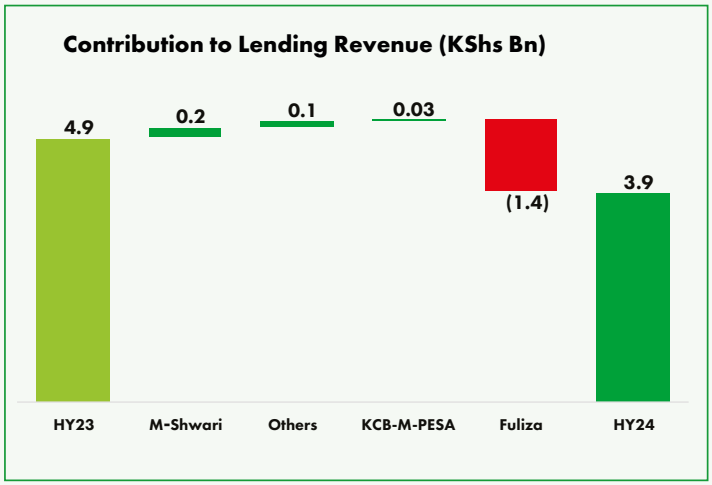
	HY24	HY23	% Change
Fuliza			
Value of disbursements (KShs Bn)	419.2	315.6	32.8%
Value of Repayment (KShs Bn)	400.8	304.6	31.6%
Repayment vs Disbursal rate	95.6%	96.5%	(0.9ppt)
Average Ticket Size (KShs)	260.7	320.9	(18.7%)
Revenue (KShs Bn)	2.0	3.4	(40.3%)
Distinct Customers (Mn)	7.5	7.4	1.4%
KCB M-PESA			
Value of disbursements (KShs Bn)	23.1	21.7	6.7%
Value of Repayment (KShs Bn)	21.7	21.3	1.9%
Repayment vs Disbursal rate	93.7%	98.1%	(4.4ppt)
Average Loan (KShs)	5,484	5,033	9.0%
Revenue (KShs Bn)	0.4	0.3	10.3%
One month active KCB M-PESA customers (Mn)	3.4	3.6	(6.0%)
M-Shwari			
Value of disbursements (KShs Bn)	52.3	43.4	20.5%
Value of Repayment (KShs Bn)	43.0	24.1	78.7%
Repayment vs Disbursal rate	82.3%	55.5%	26.8ppt
Average Loan (KShs)	9,688	7,260	33.4%
Revenue (KShs Bn)	1.2	1.0	20.2%
One month active M-Shwari customers (Mn)	6.0	4.4	36.9%

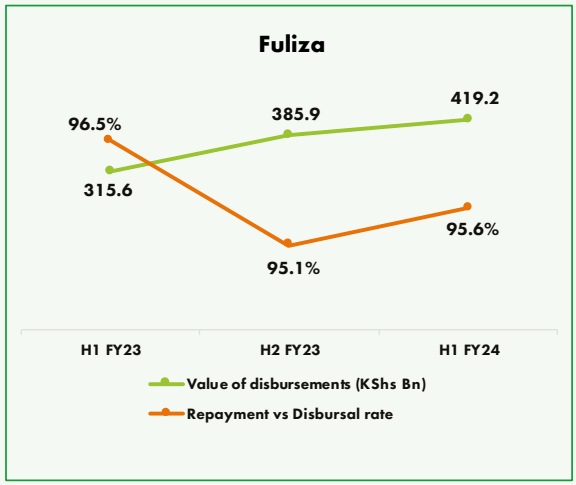
Fuliza

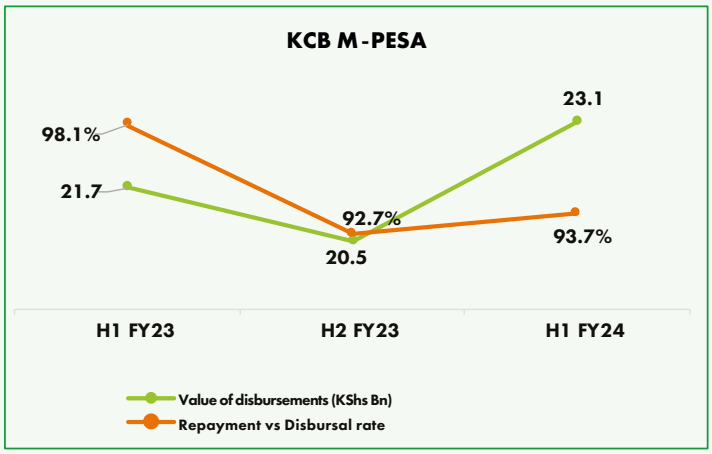
In partnership with Kenya lenders, NCBA and KCB Bank, the Group operates Overdraft (OD) facility dubbed "Fuliza", a product that enables customers to access unsecured line of credit by overdrawing on M-PESA to cover short-term cash-flow shortfalls subject to an applicable pre-determined limit. Fuliza is underwritten by Kenyan lenders, NCBA and KCB Bank.

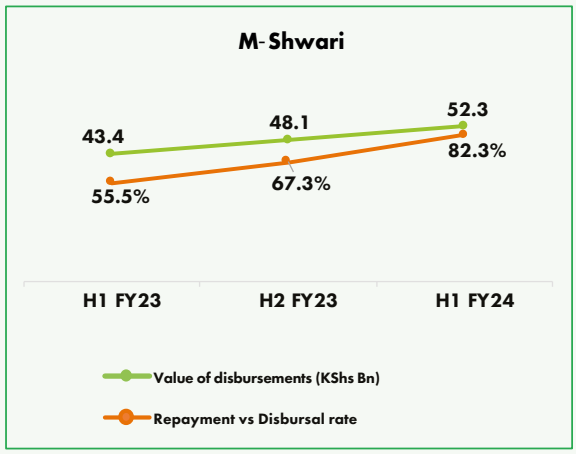
M-Shwari and KCB M-PESA

Safaricom partnered with NCBA and KCB Bank Kenya Limited to offer Mshwari and KCB-M-PESA micro lending services respectively. These services enable customers to save as little as KShs 1 (USD 0.01) and get loans from KShs 50 to KShs 1 million.



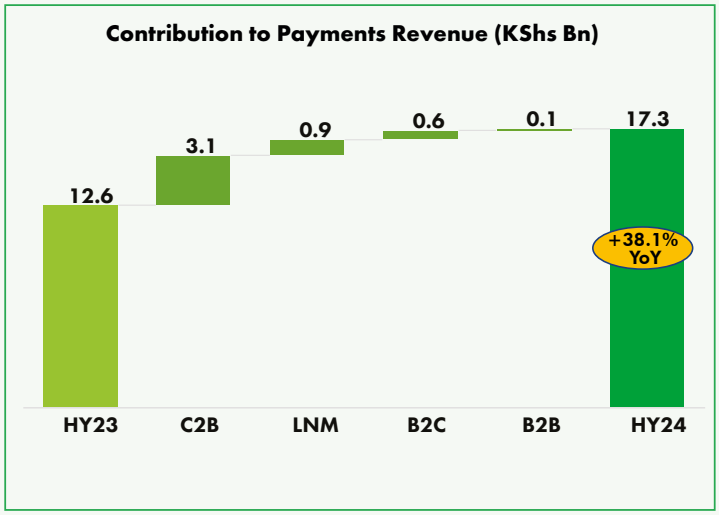


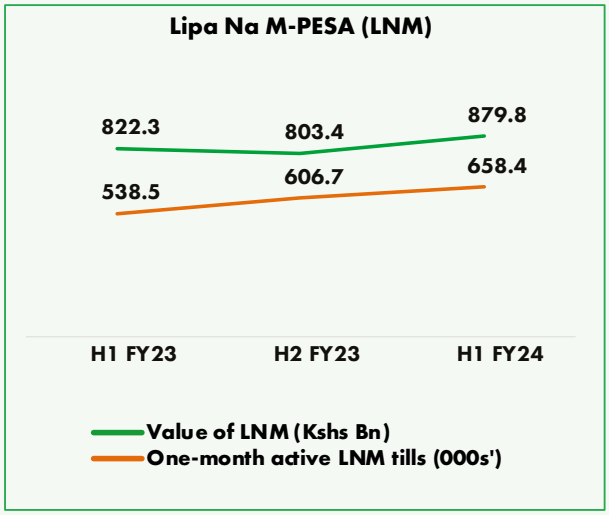




v. Payments performance

	Value (KShs Bn)			Volume (Mn)			Revenue (KShs Bn)			
Payments	**HY24**	**HY23**	**% YoY**	**HY24**	**HY23**	**% YoY**	**HY24**	**HY23**	**% YoY**	**% Contribution to growth**
B2C	2,108.31	2,115.64	-0.3%	330.48	325.94	1.4%	1.71	1.12	52.3%	4.7%
C2B	2,975.66	3,363.41	-11.5%	2,463.13	1,705.14	44.5%	11.93	8.78	35.9%	25.1%
B2B	93.12	84.07	10.8%	4.63	4.78	-3.0%	0.20	0.10	102.9%	0.8%
LNM	879.83	822.26	7.0%	1,182.50	893.74	32.3%	3.50	2.56	37.1%	7.6%
Totals	**6,056.93**	**6,385.38**	**-5.1%**	**3,980.74**	**2,929.60**	**35.9%**	**17.34**	**12.56**	**38.1%**	**38.1%**

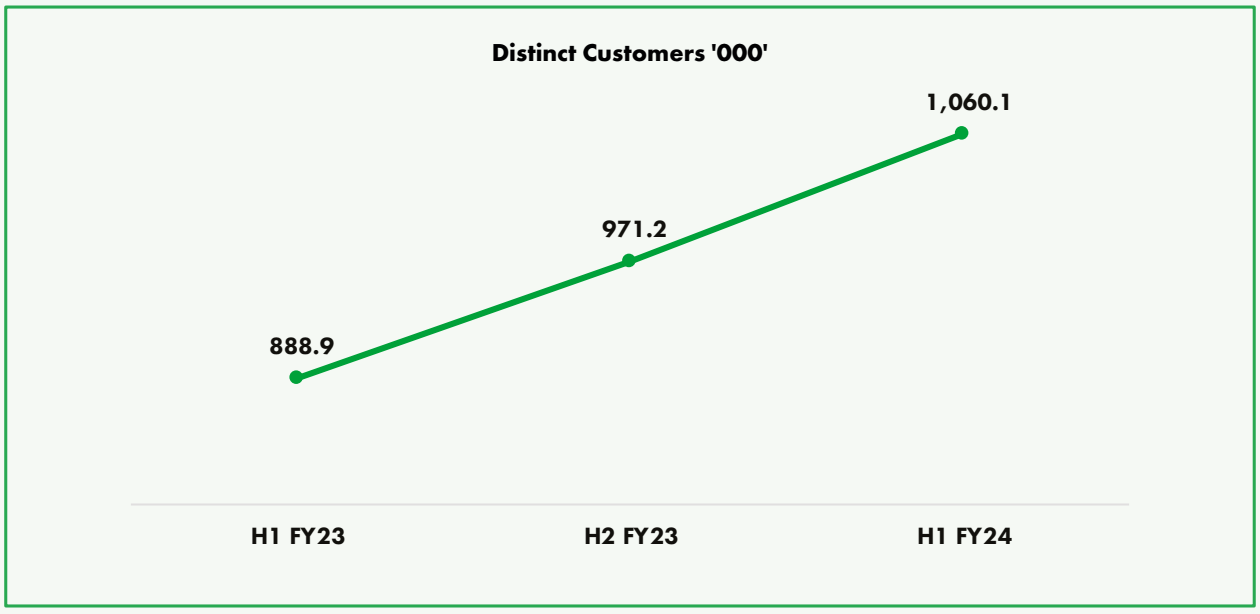




vi. M-PESA Global

Launched in FY19, M-PESA Global service enables M-PESA registered customers to send and receive money from countries across the world. M-PESA Global service remittance partnerships include: Western Union, MoneyGram, Ria, WorldRemit, Wave, Remitly among others.

	Value (KShs Bn)			Volume (Mn)			Revenue (KShs Bn)		
	HY24	HY23	% YoY	HY24	HY23	% YoY	HY24	HY23	% YoY
International Money Transfer (IMT)	254.58	205.38	24.0%	17.92	16.03	11.8%	1.49	1.41	6.3%

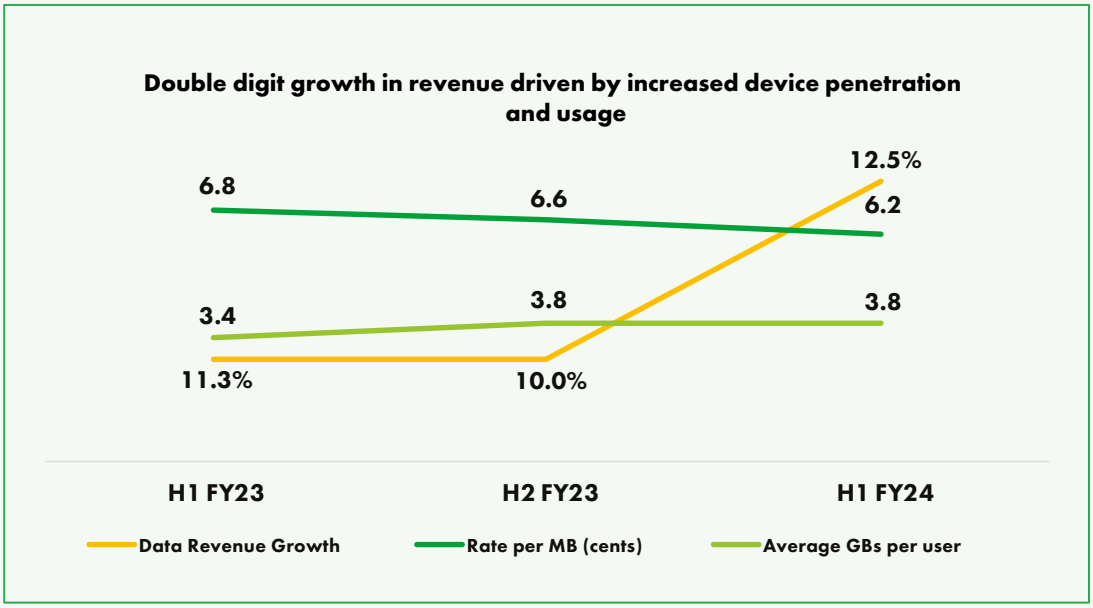


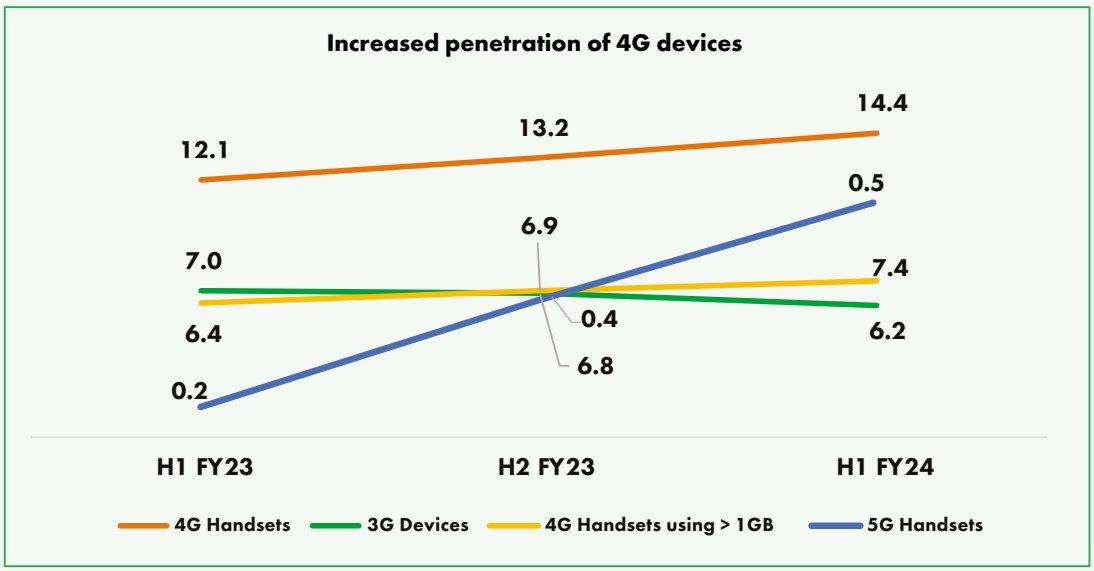
vii) M-PESA Super App and Consumer App

	HY24	HY23	% Change
M-PESA Consumer App			
Active revenue generating Customers (Mn)	1.6	1.0	62.4%
Number of downloads	8.5	5.3	60.0%
Value transacted (KShs Bn)	897.0	603.8	48.6%
Volume transacted (Mn)	902.9	224.9	>100.0%
Revenue (KShs Bn)	5.2	3.0	71.2%
Transactions per customer	96.2	38.9	>100.0%
M-PESA Business App			
Active Customers (k)	142.1	118.8	19.7%
Number of downloads (Mn)	1.3	0.5	>100.0%
Value transacted (KShs Bn)	143.4	101.7	41.0%
Volume transacted (Mn)	28.9	23.6	22.5%
Revenue (KShs Bn)	0.3	0.3	3.9%

h) Additional Mobile Data KPIs

	Smart Phone Devices (Mn)			Mobile Data ARPU (KShs)			Mobile Data Revenue (KShs Bn)		
	HY24	HY23	% YoY	HY24	HY23	% YoY	HY24	HY23	% YoY
Mobile Data	21.37	19.18	11.4%	231.94	230.15	0.8%	29.59	26.29	12.5%


Double digit growth in revenue driven by increased device penetration and usage
6.8
6.6
6.2
12.5%
3.4
3.8
3.8
11.3%
10.0%
H1 FY23
H2 FY23
H1 FY24
Data Revenue Growth
Rate per MB (cents)
Average GBs per user


Increased penetration of 4G devices
12.1
13.2
14.4
0.5
6.9
7.0
7.4
0.4
6.4
6.2
6.8
0.2
H1 FY23
H2 FY23
H1 FY24
4G Handsets
3G Devices
4G Handsets using > 1GB
5G Handsets

Glossary

i. Description of M-PESA Profile

Item	Description
Transfers (P2P)	This represents customer deposits in the M-PESA e-wallet that can be funded by direct cash deposits at agent level or through person to person (P2P) transfers.
M-PESA Agents	M-PESA Agents include Safaricom authorized dealers, operating one or more outlets around Kenya, retailers with a substantial distribution network like petrol stations, distributors, supermarkets, registered SMEs and selected Banks and Micro-Finance Institutions. Their key tasks include; registering M-PESA customers, depositing cash into registered customers' M-PESA wallets, processing cash withdrawals for registered and non-registered M-PESA customers and compliance with Safaricom AML & KYC Policy and business practices.
Withdrawals/ Cash out	Withdrawal is the removal of e-money from M-PESA e-wallet to cash through M-PESA agents.
Deposits/Cash in	Customers fund their M-PESA e-wallet through M-PESA agents or directly from their bank accounts.
Payments	
C2B, B2C and B2B	Customer to Business (C2B) or Business to Customer (B2C) are mainly bank transfers while Business to Business (B2B) is for business transactions. These together with LNM transactions form the payments channels in the M-PESA ecosystem.
Lipa Na M-PESA (LNM)	LNM is a platform that enables merchants to transact using a till number to collect payments from customers. LNM has two major use cases; • Buy Goods - mainly used for one-off payments to merchants, this is done 'on the go', mainly face to face but can also be done remotely. • Billers - This is the paybill option/C2B of LNM which mostly happens remotely/online and is mainly used for repetitive transactions done on utility payments to government agencies, SACCOs, electricity & water providers and hospitals.
Savings and Lending	
M-Shwari	M-Shwari is a micro-lending/savings product in partnership with NCBA (a tier 1 Kenyan Bank). The M-Shwari Loan Account is a micro-credit product which allows customers to borrow money or to complement their savings towards an investment or enterprise. The M-Shwari Deposit Account is a micro-savings product which allows customers to securely store their money for a specific purpose or for unexpected events.
KCB-M-PESA	KCB M-PESA is a savings and loan service in partnership with KCB Bank (a tier 1 Kenyan bank) that enables M-PESA customers to save as little as KShs 1, and access credit from KShs 1,000. The KCB M-PESA loan account is a micro-credit product which gives customers access to loans for an emergency or to fund a project or an enterprise.

Fuliza	In partnership with Kenyan lenders, NCBA and KCB Bank, the Group operates an Overdraft (OD) facility dubbed 'Fuliza', a product that enables customers to access unsecured line of credit by overdrawing on M-PESA to cover short-term cash-flow shortfalls subject to an applicable pre-determined limit. Fuliza is available to all M-PESA customers, however the awarding of limits will depend on the customer's credit scoring and how long they have been using M-PESA. Customers who 'opt in' on Fuliza are charged a one-off access fee and daily maintenance fees on unpaid loan amounts based on a pre-determined matrix.
M-Kopa	M-KOPA provides solar home systems that innovatively integrate machine-to-machine technology (M2M) with a micro-payment solution. The system includes embedded GSM technology for monitoring and metering usage, while its pay-as-you-go service carries the advantage of no large initial cash outlay. After an initial deposit, customers pay daily instalments via a mobile money service (M-PESA) until paying off the balance. Once this repayment is complete, customers own the unit outright. Importantly, this solution is cheaper and healthier than the alternative, kerosene lamps for rural households with no electricity. M-KOPA solar is currently available in 750 outlets nationwide in Kenya through the Safaricom distribution network.
IMT	
International Money Transfer (IMT)	**M-PESA Global** Safaricom Plc through its fully owned subsidiary, Safaricom Money Transfer Services Limited (SMTSL), operates remittance services that allows customers to send and receive money to a beneficiary through registered mobile phone numbers in partnership with third party International Money Remittance (IMT) providers. Revenue is earned from transaction fees charged to customers for international money transfers (inbound and outbound). M-PESA global enables M-PESA registered customers to send and receive money: 1. To East Africa: Rwanda, Tanzania & Uganda. 2. Globally: To millions of Bank accounts and over 500,000 Western Union locations globally. 3. Through PayPal: Access funds quickly and shop around the world with PayPal mobile money service with M-PESA. **M-PESA GlobalPay Virtual VISA Card** M-PESA GlobalPay Virtual VISA Card is a Partnership between M-PESA and VISA. The virtual card is linked to your M-PESA wallet and enables you to make payments to international online merchants for goods and services using your card details. The M-PESA GlobalPay virtual VISA card is only used to facilitate payments on global websites such as Amazon and Netflix. For local sites eg. Jumia, customers will continue to use Lipa na M-PESA, Buy goods option.
AliPay Partnership	Safaricom partnered with AliPay to integrate M-PESA as a payment method on AliExpress e-commerce.
E-Commerce	
Paypal Partnership	Safaricom, PayPal and TransferTo announced a collaboration on 9 April 2018 for a new service that allows movement of funds between M-PESA and PayPal accounts. Qualifying M-PESA customers in Kenya can link their PayPal accounts to their M-PESA wallets, enabling them to easily and securely buy goods and services from merchants around the globe.

Smart Lifestyle Channels	
M-PESA Consumer App	The M-PESA App for consumers delivers the suite of M-PESA solutions to our consumers in a customer centric approach. This has redesigned the M-PESA customer experience journey to reduce demand in Call Centre and simplify multiple payments. It serves as a one stop shop for all SMEs needs including instant Lipa Na M-PESA sign up through the Merchant App, increased access to market to achieve scale through SME Marketplace and integration of third party services through Mini Apps.
M-PESA Business/ Merchants Transacting Till (Buy Goods)	The M-PESA Business till is an enhancement of the existing Lipa Na M-PESA Buy Goods till that enables business owners to collect payments on the till and use the money collected to make other transactions directly from their till. The M-PESA for Business till is ideal for businesses in retail, such as supermarkets, restaurants, hardware, pharmacies, boutiques, salons etc. that collect money from customers regularly as part of their business. The product can be accessed via USSD *234*2# or via app M-PESA for Business App.
M-PESA Business App	M-PESA for Business App allows merchants and businesses to better visualize their payment collections and spend, see full statements and transact directly from their M-PESA Business till using the App. The App provides users a faster and simpler payment experience. Its an alternative to the USSD service *234# Option 2.
M-PESA Bill Manager	This is a service that allows customers to save and pay bills in one transaction, memorizing all paybills and account numbers and better still, a way for them to be reminded of the bill payment due dates. The service is available to all M-PESA registered customers and can be accessed by dialling *234# then selecting M-PESA Products followed by Bill Manager.
Pochi la Biashara	Pochi La Biashara, translated to 'Business Wallet' in English, is a product that allows M-PESA registered customers who own informal businesses such as; food vendors, kiosk owners, boda-boda operators, second hand clothes dealers, etc. to receive and separate business funds from personal funds on their M-PESA line.

Abbreviation

ARPU	Average revenue per user
CAGR	Compound Annual Growth Rate
Churn	Total gross customer disconnections in the period divided by the average total customers in the period
CVM	Customer Value Management
2G	Second-generation Technology
3G	Third-generation Technology
4G	Fourth-generation Technology
FTTH	Fibre to the Home
Bn	Billion
LNM	Lipa na M-PESA
LTE	Long-Term Evolution
Mn	Million
MTR	Mobile Termination Rate
MSMEs	Micro Small and Medium Enterprises
IFRS	International Financial Reporting Standards
IoT	Internet of Things
MB	Megabyte
Ppt	Percentage points
SMS	Short Message Service
ROU	Rights of Use
Trn	Trillion

Corporate Information

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