

Our value-creating business model

Our value-creating business model forms a fundamental part of our financial and intellectual capital. It frames the way we create value for all our stakeholders, and is the foundation of our growth through sustained investment centred on customer experience.



Financial capital

- **KShs 1.37 trillion** market capitalisation (FY2021: KShs 1.45 trillion)
- **KShs 63.67 billion** Free cash flow -1.3% YoY (FY2021: KShs 64.51 billion)

Intellectual capital

- A deliberately shaped *Agile* culture
- Marketing campaigns and initiatives
- IT systems and enterprise architecture
- Strong balance sheet, diversified portfolio
- Market and data analysis
- Investment in training and development
- Strong corporate governance

Human capital

- **5,941 full-time employees** and contractors – 4.6% YoY (FY2021: 6,230)
- An experienced and ethical leadership team
- Digital operating model and agile ways of working
- Strong EVP and unique reward propositions
- Commitment to equal opportunities, safety and well-being
- Digital leadership upskilling and reskilling

Social and relationship capital

- **42.44 million** customers +6.4% YoY (FY2021: 39.90 million)
- **30.53 million** +7.8% YoY one-month active M-PESA customers (FY2021: 28.31 million)
- **262,004 M-PESA agents**, +5.7% YoY (FY2021: 247k)
- Informed engagement with regulators
- Effective brand promise
- Investor confidence
- Long-standing supplier partnerships
- A trustworthy brand that resonates with consumers
- **3%** employees with disabilities
- **KShs 193 million** invested in employee training

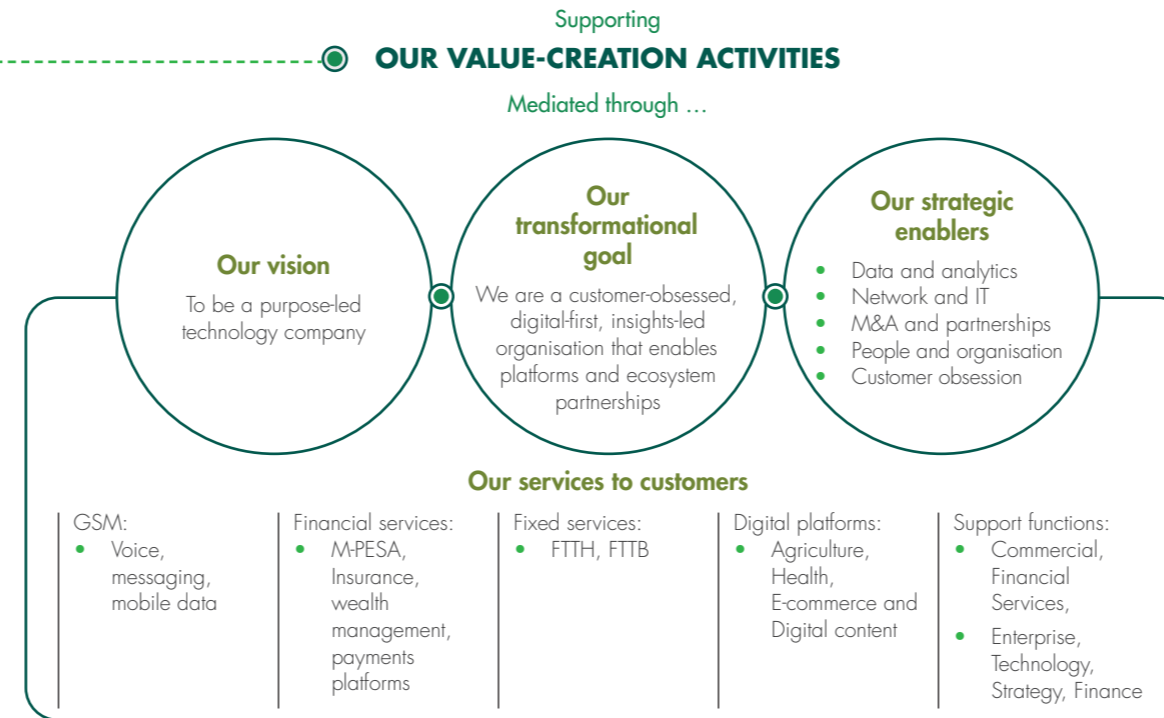
Manufactured capital

- **10,880km fibre footprint** +7.9% YoY (FY2021: 10,080km)
- **KShs 49.78 billion in Capex** of which KShs 10.4 billion was Ethiopia spend, +42.4% YoY (FY2021: KShs 34.96 million)
- A total of **6,046 2G base stations**, of which 6,025 are 3G, and 5,920 4G
- **Optimised capital allocation** and diversification of revenue growth areas
- **Neon Ray 2** – Kenya's most affordable 4G smartphone at KShs 4,499

Natural capital

- **700, 800, 900, 1,800, 2,100 and 3,500MHz radio bands**
- **172,080,010 KWh electricity consumed** (FY2021: 171.1MWh)
- **58,294m³ water used** (FY2021: 57,103m³)
- **10,018,842 litres fuel used** (FY2021: 11.6 million litres)

OUR VALUE-CREATION ACTIVITIES



Financial capital

- Service revenue **KShs 281.11 billion: +12.3% YoY** (FY2021: KShs 250.35 billion)
- EBITDA growth was **KShs 149.06 billion +11.1% YoY** (FY2021: KShs 134.13 billion)
- Proposed dividend **KShs 55.69 billion, +1.5% YoY** (FY2021: 54.89 billion)
- **KShs 510 million** invested by Safaricom and M-PESA Foundations (FY2021: KShs 339 million)

Intellectual capital

- Better response to changing consumer needs
- Brand reinforcement and market communication
- Accelerated deployment of new technologies
- Agile project management
- Effective controls processes
- Improved business practices

Human capital

- Fair and transparent pay and benefits
- **50:50** male/female workforce ratio (FY2021: 50:50)
- **35%** women in senior leadership positions (FY2021: 33%)
- **21.8%** women in technology (FY2021: 24.2%)
- **3.0% employees with disabilities** (FY2021: 2.6%)
- **KShs 193 million** invested in employee training (FY2021: KShs 128 million)

Social and relationship capital

- **+6.4%** growth in customer base to 42.44 million (FY2021: 39.90 million)
- **30.53 million** one-month M-PESA customers: +7.8% YoY (FY2021: 28.31)
- **43.7%** of procurement spend with local suppliers
- **40 hours** of learning per employee (FY2021: 1.37)
- KShs 1.39 Dividend per share, +1.5% (FY2021: 1.37)

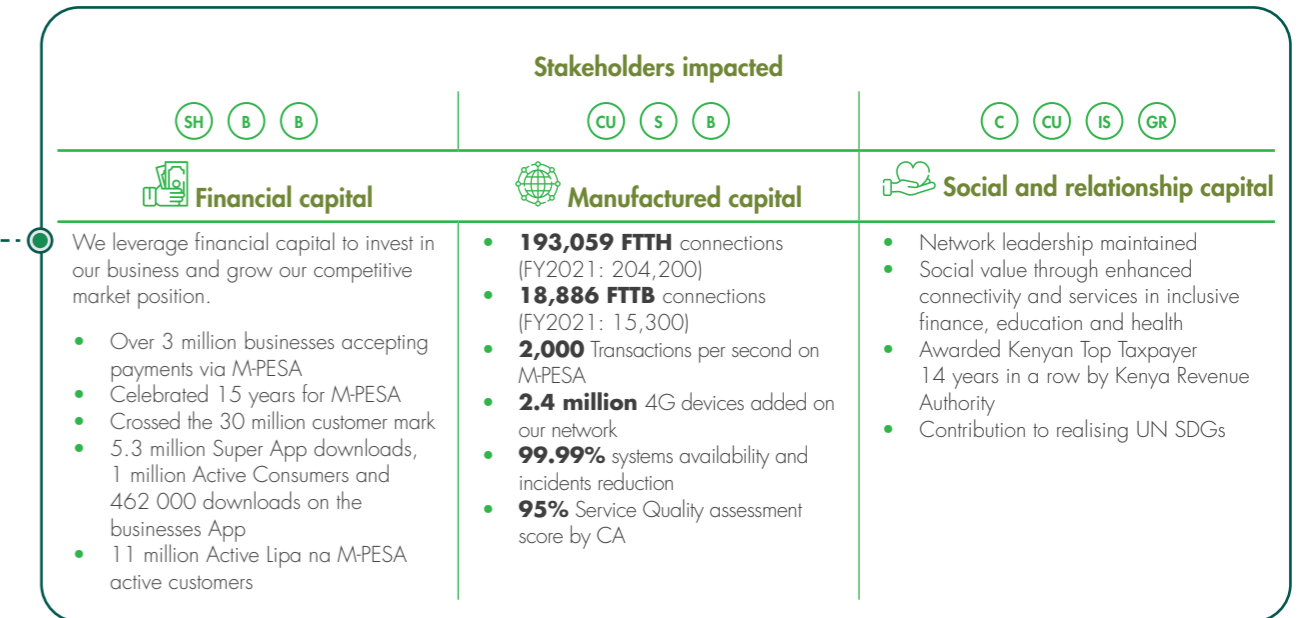
Manufactured capital

- Kenya's best 4G network covering **97%** of the population (FY2021: 94%)
- **193,059** homes connected to fibre-optic network, -5.5% YoY (FY2021: 204,200)
- **18,886** businesses connected to fibre-optic network: +22.9% YoY (FY2021: 15,300)
- **Smartphone penetration grew** 10.2% YoY to 18.5 million. FY2022: 56.2% (FY2021: 53.3%)

Natural capital

- **172,080,010 KWh** electricity consumed
- **58,294m³** water consumed
- **10,018,842 litres** fuel consumed

Creating OUTCOMES



- 1 Significant people-related investments in initiatives negatively impacts our financial capital in the short term but positively impacts both the human social and relationship capitals, which, over the longer term, enables us to have the people and capabilities required to deliver our strategy and performance targets.
- 2 Our network infrastructure, data centres, distribution infrastructure and software applications are an important source of competitive differentiation. Investing in building and maintaining this infrastructure requires significant financial capital and appropriate levels of human and intellectual capital, as well as certain natural capital inputs and outcomes. Over the long term, the investments in manufactured capital typically generate net positive outcomes.
- 3 Ongoing investment in business processes and new systems is growing our intellectual capital and indirectly benefiting our human and social and relationship capitals, but negatively impacting financial capital in the short term.
- 4 While certain business activities impact our natural capital (for example, use of fossil fuels and related emissions), these positively impact the human, social and relationship and financial capitals.