

“ The period under review experienced an unprecedented disruption due to political, social, and economic challenges. Despite reduction in inflation rates consumers continued to face shrinking wallets, due to high interest rates that continue to put pressure on cost of living. In Ethiopia, the foreign exchange regime reforms, although with great long-term gains, consumers and businesses including Safaricom Ethiopia, will have to bear the short-term pains. We are mitigating the impact of the Birr depreciation by renegotiating foreign-currency denominated contracts, onboarding local suppliers, reducing expatriates, and rationalising prices for long term sustainability.

The Board is pleased with management's commitment to being the technology provider for the country with innovative solutions and services that cater to the ever-evolving needs of our customers. This has helped us weather the storm and remain resilient. I wish to congratulate all staff for the 24 years of Safaricom transforming lives. The Board remains confident in the management as they steer the company towards its strategic goals.

Adil Arshed Khawaja (MGH)
Chairman of the Board

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“ We have once again delivered a strong performance for the first half year of the financial year 2025 despite facing a very challenging period. We have now defined the next 5-year vision of being Africa's leading purpose-led technology company by 2030 as we complete our 5Yr strategy cycle this financial year. In October this year we turned 24 and I am extremely grateful to all our staff members for their dedication and collaborative efforts in delivering this great results. Over the next 12 months leading to our silver jubilee, we shall be delighting our customers, staff and stakeholders with different offers and products celebrating 25 years of transforming lives.

Furthermore, we remain steadfast in our commitment to sustainability and investment in our communities through our Foundations which empower us to impact the communities we serve positively. Ethiopia continues to make great progress with our network now covering 46% of population. We are encouraged by the strong commercial momentum despite the impact of foreign exchange regime reforms on our business. As we look ahead, we are confident that we will deliver value to our shareholders and customers. We remain committed to being the digitization and financial services partner of choice for customers, enterprises and the public sector through delivery of cutting-edge technology solutions.

Dr. Peter Ndegwa (CBS)
Chief Executive Officer

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Condensed consolidated statement of profit or loss and other comprehensive income for the six months ended:	Group (KShs Mn)		Company (KShs Mn)	
	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23
Service revenue	179,923.9	159,135.9	175,777.6	155,682.7
Handset revenue and other revenue	7,813.3	3,839.0	7,587.7	2,944.4
Other income	1,684.8	1,641.9	1,862.1	1,963.8
Total revenue	189,421.9	164,616.8	185,227.4	160,590.9
Direct costs	(49,512.6)	(44,398.7)	(47,495.9)	(40,988.8)
Expected credit losses on financial assets	(4,589.7)	(2,804.1)	(4,776.8)	(2,974.2)
Other operating expenses	(60,248.9)	(37,741.1)	(31,780.9)	(27,185.2)
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	75,070.7	79,672.9	101,173.8	89,442.6
Depreciation and amortisation	(32,866.2)	(38,226.1)	(23,701.0)	(23,320.3)
Operating profit (EBIT)	42,204.5	41,446.8	77,472.8	66,122.3
Net finance cost	(10,914.0)	(7,121.3)	(7,561.9)	(5,747.2)
Share of associate and joint venture loss	(871.7)	(412.5)	(915.8)	(412.5)
Dividend Income	-	-	2,251.0	-
Hyperinflationary monetary gain	3,440.4	13,027.4	-	-
Profit before income tax	33,859.2	46,940.4	71,246.1	59,962.6
Income tax expense	(23,847.1)	(19,753.1)	(23,185.9)	(19,353.5)
Profit after tax	10,012.1	27,187.3	48,060.2	40,609.1
Attributable to:				
Equity holders of the parent	28,117.2	34,164.6	48,060.2	40,609.1
Non-controlling interests	(18,105.1)	(6,977.3)	-	-
Profit for the period	10,012.1	27,187.3	48,060.2	40,609.1
Basic and diluted earnings per share (EPS)	0.70	0.85	1.20	1.01
Other comprehensive income:				
Exchange differences on translation of foreign operations	(148,241.0)	19,670.1	-	-
Other comprehensive (loss)/ income for the period	(148,241.0)	19,670.1	-	-
Total comprehensive income for the period	(138,228.9)	46,857.4	48,060.2	40,609.1
Attributable to:				
Equity holders of the parent	(48,482.3)	44,328.5	48,060.2	40,609.1
Non-controlling interests	(89,746.6)	2,528.9	-	-
Total comprehensive income for the period	(138,228.9)	46,857.4	48,060.2	40,609.1

Condensed statement of financial position as at:	Group (KShs Mn)		Company (KShs Mn)	
	30-Sep-24	31-Mar-24	30-Sep-24	31-Mar-24
Non-current assets	408,798.3	558,622.4	349,434.6	316,743.4
Current assets				
Inventories	2,192.4	4,526.0	1,582.6	2,639.0
Trade and other receivables	37,047.7	48,119.0	29,454.0	28,079.9
Net cash and cash equivalents	29,101.0	22,868.2	19,556.8	19,072.1
Restricted cash - letter of credit	400.0	1,563.4	-	-
Contract assets	5,323.0	5,202.0	5,049.6	4,748.8
Mobile financial deposit	262.0	263.3	-	-
Current income tax	-	-	-	7.9
Total assets	483,124.4	641,164.3	405,077.5	371,291.1
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	163,757.3	134,314.0	219,701.0	171,640.5
Other reserves	(12,625.4)	61,789.3	-	-
Proposed dividend	-	26,042.5	-	26,042.5
Equity attributable to equity holders of the parent	155,335.2	226,349.1	223,904.3	201,886.3
Non-controlling interests	34,337.7	109,398.8	-	-
Total equity	189,672.9	335,747.9	223,904.3	201,886.3
Non-current liabilities	135,070.4	137,594.3	71,235.4	60,693.5
Current liabilities				
Current income tax	1,626.7	193.1	1,806.3	-
Dividend payable	1,075.3	6,649.2	1,075.3	6,649.2
Borrowings	38,772.8	45,053.6	36,311.0	41,555.8
Lease liabilities	5,723.7	6,411.0	5,139.6	5,163.1
Payables and accrued expenses	96,743.4	94,919.5	51,979.0	41,822.5
Provisions	2,938.9	2,938.9	2,938.9	2,938.9
Mobile financial payable	262.0	263.3	-	-
Contract liabilities	11,238.3	11,393.5	10,687.7	10,581.8
Total liabilities	293,451.5	305,416.4	181,173.2	169,404.8
Total equity and liabilities	483,124.4	641,164.3	405,077.5	371,291.1

Condensed consolidated statement of cash flows for the six months ended:	Group (KShs Mn)		Company (KShs Mn)	
	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23
Cash flows from operating activities				
Cash generated from operations	100,786.2	54,404.1	101,993.6	77,986.1
Interest received	1,690.1	965.6	1,415.0	890.1
Income tax paid	(24,856.0)	(23,366.8)	(23,844.7)	(21,447.1)
Net cash generated from operating activities	77,620.3	32,002.9	79,563.8	57,429.1
Net cash used in investing activities	(24,436.3)	(51,033.4)	(43,607.3)	(45,107.7)
Cash flows from financing activities				
Dividends paid	(31,616.7)	(25,060.5)	(31,616.4)	(25,060.5)
Interest paid on borrowings	(7,172.7)	(5,748.5)	(6,131.9)	(5,088.7)
Other financing activities	16,976.1	43,225.4	2,273.4	12,567.1
Net cash (used in)/from financing activities	(21,813.3)	12,416.4	(35,475.0)	(17,582.0)
Increase/(decrease) in cash and cash equivalents	31,370.7	(6,614.1)	481.5	(5,260.7)
Movement in cash and cash equivalents:				
At start of year	22,868.2	22,098.7	19,075.2	18,063.2
Net foreign exchange differences	4,133.1	3,701.2	-	-
Net monetary gain/(loss) on cash and cash equivalents	(29,271.0)	1,273.0	-	-
Increase/(decrease) in cash and cash equivalents	31,370.7	(6,614.1)	481.5	(5,260.7)
Cash and cash equivalents at end of period	29,101.0	20,458.8	19,556.7	12,802.5

COMMENTARY ON RESULTS

The Board of Directors is pleased to release the unaudited results for the six months ended 30 September 2024. The same accounting policies and methods of computation have been used in the last financial statements.

Business review - Group

We are pleased with our performance in HY25 despite the various challenges that faced the operating environment including floods, economic disruptions, and foreign exchange reforms in Ethiopia. Our Group Service revenue grew 13.1% YoY to KShs 179.9Bn in HY25 mainly supported by M-PESA, Mobile Data and Fixed Data. Overall Group customers grew 7.8% YoY to 52.01Mn while one-month active customers grew by 10.8% YoY to 39.75Mn. Safaricom Kenya's overall market share stood at 65.4% as at June 2024 according to the quarterly statistics report by the Communication Authority of Kenya. In Ethiopia, the Ethiopian Birr depreciated by 106%. As of 30 September 2024, the Birr's value against the US Dollar was 118.99, a significant decrease from 57.69 in June 2024. The impact of currency depreciation is incorporated in these consolidated financial statements. Group capital expenditure for the six months to 30 September 2024 stood at KShs 58.68Bn (+40.1% YoY), with KShs 27.91Bn (+59.9% YoY), being investment in rolling out operations in Ethiopia.

Business Review - Kenya

Voice and Messaging

Voice revenue grew 4.8% YoY to KShs 40.55Bn driven by increased usage with minutes of use per subscriber rising 7.6% YoY to 198.31 while customers grew 10.6% to 28.46Mn. We are leveraging our Customer Value Management (CVM) initiatives to drive affordability. During the period, rate per minute declined by 9.9% YoY to KShs 1.15. Messaging revenue grew 8.0% YoY to KShs 6.20Bn benefiting from the campaigns such as Chat Ibambe which has boosted usage and performance. Voice and messaging revenue contributed 26.4% of service revenue as at HY25.

M-PESA

M-PESA revenue recorded a strong growth of 16.6% YoY to KShs 77.22Bn driven by 13.1% YoY growth in ARPU to KShs 389.27. Chargeable transactions per one-month active customers increased by 25.6% YoY to 37.37. One-month active customers grew by 4.1% to 33.46Mn while M-PESA agents rose by 2.4% YoY to 266,07k.

We have seen great performance in new products like Pochi la Biashara and Merchant overdraft products as we continue to support our SMEs in our ecosystem. The number of Pochi tills more than doubled to 869,02k while merchant overdraft customers grew 72.9% YoY to 52,27k. Total transaction value rose 10.8% YoY to KShs 20.84Tn while volumes grew 30.6% YoY to 17,09Bn. M-PESA now accounts for 43.5% of service revenue.

Mobile Data

Mobile data revenue recorded a strong double-digit growth of 20.2% YoY to KShs 35.55Bn driven by 13.5% YoY growth in ARPU to 263.25. The growth has also been fueled by increase in customers, device penetration, provision of the right content to encourage usage, personalized offers through data analytics and our Customer Value Management platform. One-month active mobile data customers grew by 10.5% YoY to 28.83Mn. Data usage per chargeable subscriber rose by 9.8% YoY to 4.12GBs while distinct bundle users went up by 10.2% YoY to 20.76Mn customers.

We continue to drive the penetration of 4G-enabled mobile devices through our device financing program in addition to cheaper 4G devices assembled through our East Africa Device Assembly (EADAK) factory established in 2023. The number of smart phones on our network grew by 15.7% YoY to 24.72Mn. 4G devices rose by 33.5% YoY to 19.22Mn with 50.3% customers using more than 1GB while 5G devices increased by 64.1% YoY to 836.55k. Mobile data now accounts for 20.0% of Service Revenue.

Fixed Service and Wholesale Transit

Fixed service and wholesale transit revenue grew by 14.7% YoY to KShs 8.45Bn supported by increased connections and initiatives to encourage uptake like the family share plan. Consumer revenue rose 23.0% YoY to KShs 3.71Bn while Enterprise revenue grew by 8.9% YoY to KShs 4.75Bn. We have increased internet speeds for our home and business customers to meet the growing needs of individual and enterprise customers. Our broadband position remains strong with our market share rising to 36.4% as at June 2024 according to the Communications Authority sector statistics report. Fixed service and wholesale transit now account for 4.8% of service revenue.

Fibre to the Home (FTTH) customers grew 17.8% YoY to 262.85k. FTTH penetration rose to 65.4% with homes connected growing 30.9% YoY to 419.16k while homes passed increased by 22.9% YoY to 640.78k. Fixed Enterprise customers grew by 20.8% YoY to 66.16k.

Net Income

Net income for Kenya, which includes the company performance and Kenyan based subsidiaries grew 14.1% YoY to KShs 47.50Bn supported by robust performance across all service lines which was driven by sustained growth in customers, usage and ARPU.

Business Review - Ethiopia

Safaricom Ethiopia recorded KShs 4.10Bn in service revenue (SR) excluding for IAS 29 impact, in the period and over 6Mn active three-month customers. Mobile data now accounts for 77.8% of total SR at KShs 3.22Bn with 3.5Mn one-month active customers and great usage levels of 6.6GB per user. Voice revenue stood at KShs 0.52Bn while Messaging stood at KShs 0.04Bn. M-PESA now has 8.3Mn registered customers, 3.2k active agents, 6.7k active Lipa na M-PESA merchants and closed the period with KShs 0.02Bn in revenues. We have rolled out 3,008 active sites covering 46% of the population in Ethiopia, in line with license obligations.

Taxation

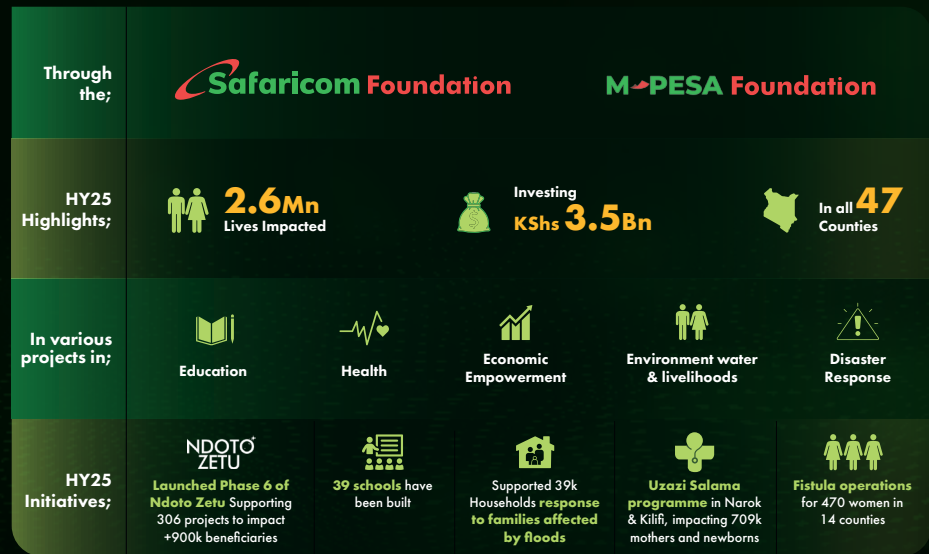
The Group continues to be a major contributor to the revenues of the Government of Kenya and remitted KShs 80.4Bn in duties, taxes and license fees in the six months ended 30 September 2024. This increased the total duties, taxes and fees paid since inception to KShs 1.40Tn.

These results were duly approved by the Board of Directors on 6 November 2024 and signed on its behalf by;

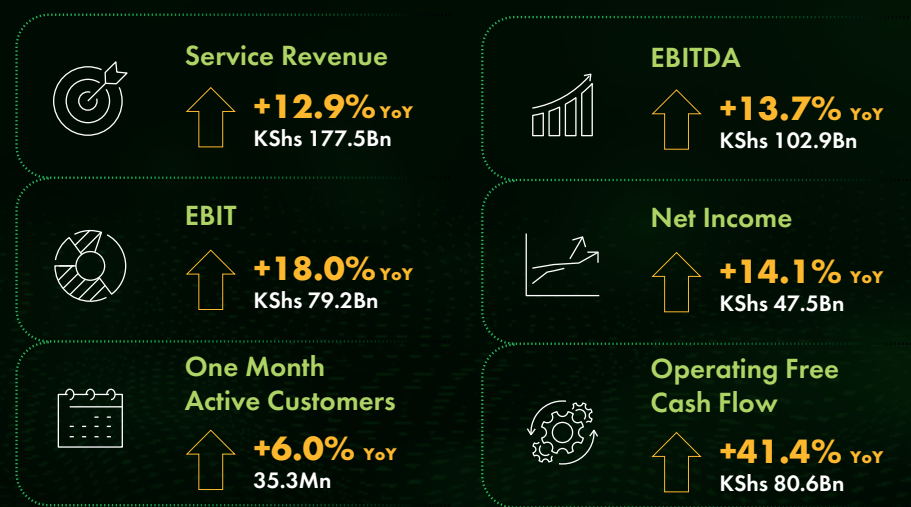
Adil Arshed Khawaja (MGH)
Chairman and Non-Executive Director

Dr. Peter Ndegwa (CBS)
Chief Executive Officer

OUR PURPOSE | Delivering on our Commitment to Transform Lives in Kenya



KEY HIGHLIGHTS | Strong Performance for Kenyan Business



ETHIOPIA | Transcending our Purpose Beyond Borders



ETHIOPIA | Retained Commercial Momentum Two Years Since Launch



OUR BRAND | Transformative Impact on Kenyans' Passion Points in Culture, Sports & Arts



SAFARICOM @24 | Twenty Four Years of Transforming Lives

24 Years, Pamoja Asante

As we celebrate 24 years of connecting Kenyans, I want to extend my heartfelt gratitude to each and every one of you, our dedicated staff. Your Passion, hard work, and commitment have made Safaricom what it is today.

From connecting Kenyans to empowering communities, your contributions have been invaluable. Your dedication to our customers and your unwavering belief in our mission have inspired us all.

Let's continue to innovate, grow and make a positive impact on the lives of Kenyans. Asante sana for being part of our Safaricom family.

Dr. Peter Ndagwa
CEO, Safaricom PLC