

Vodacom annual profit rises on demand, new services

Vodacom Group said on Monday, 16 May, its full-year operating profit climbed, supported by sustained demand for connectivity and growth in new services such as financial and digital sectors.



A Vodacom branch in Cape Town is shown in this picture taken on 10 November 2015. Reuters/Mike Hutchings

Vodacom, majority-owned by Britain's Vodafone, said its normalised operating profit for the full year ended on 31 March rose to R28.23bn (\$1.74bn) from R27.65bn in 2021, while headline earnings per share rose by 3.4%.

Group revenue climbed 5.8% to R102.7bn, underpinned by service revenue growth of 4.6% at R79.9bn.

Revenue from domestic operations grew 5.3% on a reported basis, while its international operations reported muted revenue growth of 0.6% in the year, affected by a stronger rand and new levies on mobile money in Tanzania, "which has proven to be a setback for our financial inclusion efforts in that country," Vodacom Group chief executive officer Shameel Joosub said. But normalised growth came in at 5.6%.

On a normalised basis, operating profit from the international business rose by 11.8%.

Financial services revenue increased 14.4% to R7.6bn, with strong adoption of its South African "super-app", VodaPay,

which allows users to pay for bills and shop from various online stores in the app using their smartphones, and continued growth of its M-Pesa mobile money service.

Since its launch last October, VodaPay has attracted 2.2 million downloads and 1.6 million registered users, Joosub added.

Vodacom, which partly owns Kenyan telecoms operator Safaricom, declared a final dividend of 430c per share.

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