



# CHIEF FINANCE OFFICER'S REVIEW

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# Chief Finance Officer's review



*We recorded strong performance in FY2022 with significant commercial momentum recovery despite the extraordinary circumstances occasioned by the COVID-19 pandemic. This delivery was supported by prudent financial management, strong strategy execution, recovery of business activity in the economy and placing our customers at the heart of our business priorities through our customer-obsession programme.*

● Dilip Pal, Chief Finance Officer

# Chief Finance Officer's review

***This is also the year in which we were awarded the telecommunications licence in Ethiopia and consolidated the subsidiary fully into the Group's performance in FY2022. While there were no revenues arising from Ethiopia in the year, we nevertheless spent KShs 10.4 billion in Capex and incurred KShs 5.1 billion in operating costs for the Ethiopian operating company.***

## Background

Inflationary pressures remained elevated at 7.9% as at June 2022, up from 7.1% in May 2022, heading above the CBK upper limit of 7.5%. Concerns about rising food and fuel prices remain high, as these commodities, major contributors to the inflation basket, are expected to put more pressure on the consumer wallet. Geopolitical conflict, especially with regard to the Russia-Ukraine war, has disrupted supply chains and capital flows, and has been driving up prices of commodities, constraining consumer spending/wallet and reducing purchasing power.

The Kenyan Shilling saw a depreciation trend during 2020 and 2021 and this continued into 2022, with the currency depreciating by 4.3% against the US Dollar as at 7 July 2022. The poor performance of the Shilling is mainly attributable to increased Dollar demand by energy and general importers, with Kenya largely being a net importer.

In addition, global oil prices rose during the year under review, attributable to persisting supply-chain constraints and following global geopolitical tensions. This, coupled with the opening of economies globally, resulting in demand outpacing fuel supply, further inflated the country's import bill and consequently weakened the Shilling. For more on our operating environment, see page 20.

## Key highlights Strong Group performance in FY2022

### Service revenue

Grew 12.3% YoY to KShs 281,107.3 million

### Mobile data revenue

Grew 8.1% YoY to KShs 48,441.0 million

### Fixed line and wholesale revenue

Grew 18.3% YoY to KShs 11,242.5 million

### One-month active M-PESA customers

Increased 7.8% YoY to 30.53 million

### Voice revenue

Grew 0.8% YoY to KShs 83,211.8 million

### M-PESA revenue

Grew 30.3% YoY to KShs 107,691.8 million

### Total customers

Grew 6.4% YoY to 42.44 million

### Distinct bundle users

Grew 5.3% YoY to 17.60 million

### Messaging revenue

Declined 20.0% YoY to KShs 10,876.7 million

### Other mobile service revenue

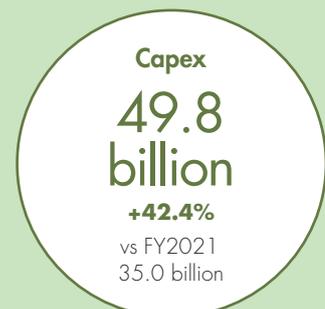
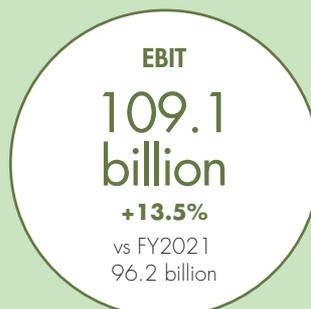
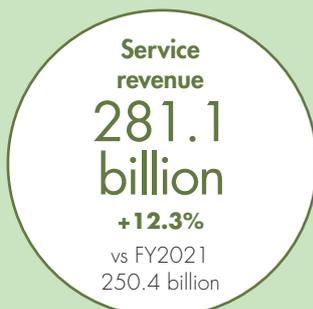
Grew 25.9% YoY to KShs 9,795.3 million

### One-month active customers

Increased 4.3% YoY to 32.81 million

### FTTH customers

Grew 20.8% to 166,000  
Activity rate (Active Customers/Homes Connected) stood at 86.0%





# Chief Finance Officer's review continued

## Regulatory impact

There a number of regulatory changes that occurred during the year under review, impacting on our ability to deliver value. These changes included the following:

- New directives issued by the regulator in revising Mobile Termination Rates (MTR), presenting a challenge to our voice business in the future. If this review is implemented there would be both a direct and indirect impact on our revenues.

Safaricom therefore launched an official appeal at the Communications and Multimedia Appeals Tribunal due to concerns about the procedure undertaken by the regulator to adopt the new rates.

This matter is still with the tribunal as at the time of publishing this report.

- Excise duty adjustments on telco products and services, which resulted in increment from 15% to 20% from 1 July 2021, weighed down mobile data performance in H1 FY2022 with growth slowing down to 6.3% YoY but recovery was seen in the second half. These adjustments also slowed down industry momentum.
- Ongoing implementation of changes in the subscriber registration process caused customer growth to slow down.
- Reinstatement on corporate tax to 30% - In FY2020, the government lowered the tax rate to 25% to support businesses during a demanding period owing to the COVID-19 pandemic. However, this was revised back to 30% in 2021, with the effective tax rate in 2021 thus reverting to pre-Covid-19 levels. We saw the impact of this on our bottom line where our tax expense grew by 39.1% to KShs 34.7 billion.

## Financial performance in year under review

We are pleased with the strong set of results delivered in the year attributed to strong execution of our five-year strategy despite the challenging operating environment, characterised by the global COVID-19 pandemic and heightened regulatory risk for our industry. Service revenue grew 12.3% YoY to KShs 281.1 billion in FY2022, supported by M-PESA, Mobile Data recovery and Fixed Data growth. Customer growth slowed down in the period due to the ongoing implementation of changes in subscriber registration acquisition channels in the year. Despite this, overall customers grew 6.4% YoY to 42.44 million while one-month active customers grew 4.3% YoY to 32.81 million.

We continue to leverage on our purpose-driven business model and products that combines the power of mobile technology and innovation, to Transform Lives. Thanks to our customer offerings, our mobile subscriptions stood at 42 million as at 31 March 2022 while our Voice traffic share stood at 67.8% as per the March 2022 Communications Authority Industry Statistics quarterly report.

## Voice, messaging and mobile data

Voice revenue rose marginally by 0.8% YoY to KShs 83.21 billion attributed to increased Customer Value Management (CVM) initiatives enabling us to offer differentiated value propositions and personalised offers to our customers. Messaging revenue declined 20.0% to KShs 10.88 billion in the year in line with global industry trends as customers migrate to newer technologies. Voice and messaging revenue now account for 33.5% of Service Revenue.

Mobile data revenue recovered strongly in H2 FY2022 growing 10.0% YoY to 24.81 billion, 6.3% in H1 FY2022 to KShs 23.63 billion and 8.1% YoY in FY2022 to KShs 48.44 billion, supported by our CVM initiatives driving personalised offers to our customers. Data performance in H1 FY2022 was weighed down by absorbed excise duty adjustments from August 2021 which slowed down industry momentum and price rationalisation efforts.

Average rate per MB declined further by 31.2% YoY to KShs 8.88 cents while usage per chargeable data subscriber grew 60.5% YoY to 2.3GB. Mobile Data ARPU increased 10.4% to KShs 205.73. The launch of "Mwelekeo Ni Internet" campaign launched in November 2021 introduced affordable data offers and new use cases effectively driving affordability and usage.

Active 4G devices on our network rose 29.3% YoY to 10.95 million of which 51.3% are 4G handsets using more than 1GB. Data customers using more than 1GB in our network grew 26.5% YoY to 7.7 million. Mobile data now accounts for 17.2% of Service Revenue. 4G population coverage now stands at 97% and smartphones on our network grew 10.2% to 18.5 million.

We remain committed to investing in a superior network quality for our customers and deepening mobile internet penetration through enhancing network coverage, increasing 4G handset penetration and driving affordability of data. CVM initiatives have continued to unlock latent potential in usage and growth as well as drive smartphone penetration through our device financing programme.

## M-PESA

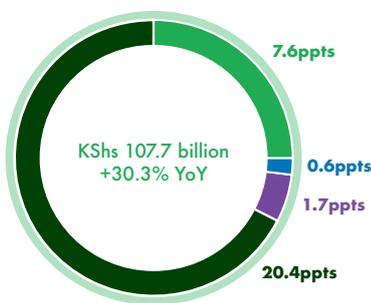
M-PESA revenue rebounded strongly as we celebrated 15 years in the market, recording a 30.3% YoY growth to KShs 107.69 billion. This was supported by resumption to charging of previously zero-rated transactions beginning January 2021. Increased usage continues to fuel growth as one-month active M-PESA ARPU rose 18.9% YoY to KShs 305.37 while chargeable transactions per month per customer grew 16.6% YoY to 20.25 transactions.

One-month active M-PESA customers crossed the 30 million mark in the year growing 7.8% YoY to 30.53 million. Velocity in the ecosystem continues to grow driven by our FinTech solutions including payments, lending and savings and international remittances.

Total value of M-PESA transactions grew 34.0% YoY to KShs 29.55 trillion while volume of transactions grew 34.9% YoY to 15.75 billion. M-PESA wallet-to-bank and bank-to-M-PESA wallet transactions continue to be free and these account for 18.9% of the total value of M-PESA transactions and 3.2% of total volumes.

M-PESA is now the biggest revenue contributor accounting for 38.3%

### Contribution to M-PESA growth



- Business payments, +37.2% YoY**  
 C2B +33.9%  
 B2C +23.7%  
 B2B +39.1%  
 LNM +60.9%
- Global payments, +22.9% YoY**  
 Remittances (IMT) +23.0%  
 AliExpress +3.0%
- Financial services, +17.8% YoY**  
 Fuliza +31.0%  
 M-Shwani -13.4%  
 KCB M-PESA -18.7%  
 Others (M-Kesha, M-Kapa, Commissions Savings), +88.9%
- Personal payments +30.3% YoY**  
 Transfers +55.4%  
 Withdrawals +11.0%

M-PESA revenue profile naming has changed to break down the various domains of our FinTech business. The changes in naming has no impact in the totals or subtotals presented or previously reported.

### M-PESA Super App



- Downloads +5.3 million
- Monthly active customers 1.0 million
- Revenue generated via the App KShs 3.1 billion
- Transactions per month per active customer 18
- Transactions via the app, value at KShs 621.2 billion
- 22 Active Mini Apps, 87 under development

### Fixed line and wholesale transit

We recorded double-digit growth in fixed data driven by increased demand for home fibre due to work from home, a trend that has become normalised as companies adopt hybrid ways of working. Our fixed data market share stood at 35.8% as at March 2022 followed by Wananchi Group at 28.1% and Jamii Telecommunications at 20.4% as per the Q3 (January-March 2022) CA Quarterly Statistics report.

Fixed service and wholesale transit revenue grew 18.3% YoY to KShs 11.24 billion driven by increased activity and penetration of Fibre to the Home (FTTH) and growth in Enterprise fixed data revenue. The growth was supported by 16.9% increase in Enterprise revenue to KShs 7.05 billion as well as 20.6% growth in Consumer revenue to KShs 4.19 billion. FTTH customers grew 20.8% YoY to 165.98k. Fixed Enterprise customers grew 24.1% YoY to 48.31k, of which 58.9% account for LTE customers and grew 33.2% YoY to 28.47k. FTTH penetration now stands at 52.9%, homes connected stood at 193.1k while homes passed were 364.98k as at 31 March 2022.



- Active merchants using the app +176,000
- Value transacted via the app KShs 143.4 billion
- Active LNM tills using the app 20%
- Downloads 462,000
- Activity rate 80.7%



# Chief Finance Officer's review continued

## Performance of new growth business segments

Our transformation into a technology company is well on track and our focus in FY2023 is to accelerate new growth areas to complement our organic growth strategy. On a small base, we are encouraged by the impressive growth recorded by these growth areas including IoT, ICT, Content aggregation and DigiFarm among others.

DigiFarm generated revenues of KShs 0.4 billion which more than doubled compared to prior year driven by increase in sales. Our IoT business which majorly serves the enterprise clients also grew their revenue by 64.5% driven by new connections which grew 67% to close at 1.2 million.

Content revenue on the other hand recorded KShs 0.5 billion in revenues from video streaming services after launch of the Baze platform, gaming subscriptions and educational content. Our ICT (cloud and hosting services) revenue stood at KShs 0.4 billion and continues to be an area of growth with great potential.

We are committed to delivering diversified and differentiated offerings to our customers so as to meet their constantly evolving digital needs and further strengthening and growing our relationships with them. The SME and MSME segments remain a key contributor to business activity and growth of our economy. We are enhancing our service offerings to these segments and will continue offering technology driven solutions to the markets we serve so as to become the number one provider of technology solutions in our markets.

## Capital investments

We continued with sustained investment in our network and systems to support capacity upgrades and user experience. Our Group capital additions for the period increased by 42.4% to KShs 49.8 billion, with the Ethiopia operations portion being KShs 10.4 billion. The Ethiopia capex split included:

- KShs 8.3 billion for network
- KShs 0.9 billion for IT
- KShs 1.2 billion for other capital expenses

We revamped our approach in capital allocation in line with our strategic pillar of accelerating new growth areas. This will assist us in focusing on fuelling more innovations and solutions as we transform into a purpose-led technology company.

## Consolidation of Safaricom Telecommunications Ethiopia (STE) into Group performance

FY2022 is the financial year we ventured into our first cross border investment – Ethiopia. Safaricom PLC in partnership with Vodacom Group, Sumitomo and CDC partnered to invest in Ethiopia. Safaricom PLC and Vodacom Group through the Vodafamily Ethiopia Holding Company Limited (a private limited company incorporated under the laws of England and Wales, United Kingdom), Sumitomo and CDC incorporated the Global Partnership for Ethiopia (GPE) B.V. (a private limited company incorporated in the Netherlands), as the investment vehicle to Ethiopia with the respective shareholding into the company being Vodafamily Ethiopia Holding 61.9% (Safaricom PLC 55.71%, Vodacom Group 6.19%), Sumitomo Corporation 27.2% and CDC Group PLC 10.9%. The intention was to bid for one of the telecommunications licences in Ethiopia. On 26 April 2021, the GPE submitted a response to the Request for Proposals (the "RFP") by the Government of Ethiopia (the "GoE") that was issued by the Ethiopian Communications Authority (the "ECA").

On 24 May 2021, the ECA formally notified the GPE of its decision to award it one of the two telecommunication licences that were available in the bid process. Licence fee paid was USD 850 million to Government of Ethiopia. In addition, a transaction fees of USD 4 million was paid to the International Finance corporation (IFC). The total cost was distributed proportionate to each consortium partner shareholding in GPE.

GPE thereafter incorporated a fully-owned subsidiary in Ethiopia – STE and the certificate of operation was issued on 6 July 2021 as per the requirements of Ethiopian regulation. The indirect shareholding of Safaricom PLC in STE is 55.71%. STE's primary purpose is to hold and operate a full-service telecommunications licence granted to GPE by the Federal Republic of Ethiopia. The subsidiary was established within the current financial reporting period and has been consolidated in the Group's 31 March 2022 financial statements.

Below is the contribution for non-controlling interest (NCI) arising from their ownership in GPE and STE:

Name	Non-controlling percentage	Contribution by NCI shareholders	Translation reserve	Loss allocated to NCI	Totals Non-controlling
Vodacom Group Limited	6.19%	6,514.0	(590.3)	(300.8)	5,622.9
Sumitomo Corporation	27.2%	28,623.5	(2,593.8)	(1,321.6)	24,708.1
CDC Group PLC	10.9%	11,470.4	(1,039.5)	(529.6)	9,901.3
<b>Total</b>	<b>44.29%</b>	<b>46,607.9</b>	<b>(4,233.6)</b>	<b>(2,152.0)</b>	<b>40,232.3</b>

See more on Safaricom Ethiopia on page 91.

## Ethiopia performance

Being the first year after setting up operations in Ethiopia, we consolidated the entity 100% in our financial performance. While there was no revenue generated in year one, we invested capital in setting up operations in readiness for launch this year as well as incurred operating expenses and took up debt financing to fund these activities during the period.

The OpCo incurred KShs 5.11 billion in operating costs and there being no revenue, incurred a loss of KShs 4.86 billion. We also spent KShs 10.4 billion in Capex.

The summarised financial information of Vodafamily Ethiopia Holding Limited Consolidated is provided on page 245 of the financial statements.

### Impact of Ethiopia consolidation in year one on:

- Debt position and financing costs**

To support the payment of licence fees for the telecommunications license awarded to the Safaricom-led consortium by the Government of Ethiopia in 2021, we undertook a one-year bridge facility of USD 400 million to finance this venture. During the year, the bridge facility was converted into a five-year long term facility of USD 120 million and a KShs 31.1 billion (USD 280 million KShs equivalent) seven-year with two years moratorium on principal repayment. The new facility was done through a syndication process where both local and international and local banks participated in. Our net debt position therefore closed the year at KShs 34.53 billion. This therefore resulted in KShs 4.66 billion incremental financing costs for Safaricom Ethiopia and was fully consolidated in the books of Safaricom PLC Group.

- Net income**

Safaricom Kenya net income grew by 12.1% to KShs 77.01 billion, excluding financing costs related to Ethiopia, and supported by growth in EBIT. This was partly weighed down by higher taxes after the reversion of corporate tax rates to 30% from 25% in 2020.

On a consolidated basis including our Ethiopian operations, our net income (PAT) grew by 1.4% to KShs 69.65 billion, excluding Ethiopia loss attributable to minority interest.

## Dividends and shareholder returns

During the year, an interim dividend of KShs 0.64 per Ordinary share amounting to KShs 25.64 billion (2021: KShs 18.03 billion) was declared. At the AGM to be held on 29 July 2022, a final dividend in respect of the year ended 31 March 2022 of KShs 0.75 per ordinary Share amounting to a total of KShs 30.04 billion is to be proposed for approval. This brings the total dividend for the year to KShs 55.69 billion (2021: KShs 54.89 billion) which represents KShs 1.39 per share in respect of the year ended 31 March 2022 (2021: KShs 1.37 per share).





# Chief Finance Officer's review continued

## Outlook and guidance for FY2023

We remain committed to delivering a consistent return to our investors. I believe we are well positioned to deliver on this promise as we pivot into the next phase of growth. We are pleased with the improving macro-economic environment and the economic tailwinds realised in the year supporting the market's recovery and consumer spend, however, we remain cautious of the increasing inflationary pressure seen after year end in the country.

Despite heightened regulatory risk in the year, we are hopeful that the regulatory environment will be predictable and will continue to encourage investment in a critical industry for the benefit of the country and Kenyans. We also remain mindful of the increasing geopolitical risks and the export-import supply chain disruption arising thereof, affecting global oil prices as well as the increasing political risks ahead of the August General Elections in Kenya.

In view of this, for FY2023 we expect:

- Group performance including Ethiopia
  - › Group EBIT to be in the range of KShs 87 to 93 billion; and
  - › Capex to be in the range of KShs 100 to 108 billion.
- For Safaricom Kenya excluding Ethiopia, we expect:
  - › EBIT to be in the range of KShs 120 to 123 billion and;
  - › Capex to fall within KShs 40 to 43 billion.

Guidance for Safaricom PLC Kenya (excluding Ethiopia) does not include any changes in the regulatory environment (MTR determination pending the ongoing appeal) and the unforeseen impact from the Russia-Ukraine conflict if it persists.

## Looking ahead

In the short- to medium-term, we will be expanding our financial services offerings to cover wealth management, insurance and credit. We will also be seeking to redefine customer engagement with high quality, seamless and personalised experiences.

In addition, with the growth of global trade and international remittances we will focus on introducing innovative products to support global online payments and transfers. We will also be leveraging partnerships to grow mobile money channels and diversify their revenues – all through an increased range of FinTech innovations which will further enhance financial inclusion.

## Acknowledgements

My appreciation goes to the Board of Directors for their great steer through out the year.

I would like to also thank my team for their exceptional input and commitment during the year, as well as all my colleagues across the Group whose hard work and unstinting support in executing our strategy, has helped deliver the excellent results that we have shown.

Our enduring industry leadership in coverage, capacity, and innovation, are the result of slightly over two decades of steadfast support from our customers, many of whom have been with us since day one. Thank you to all our customers.

I would also like to thank all our stakeholders, and in particular our shareholders and investors for the loyalty, trust and confidence they have shown in Safaricom, its strategy and operations. Their support continues to add great value to the Group.

**Dilip Pal**

Chief Finance Officer

# Financial highlights

KShs'm	FY2022	FY2021	FY2020	FY2019	FY2018
Voice revenue*	<b>83,211.8</b>	82,552.0	86,529.9	87,683.7	88,639.0
Messaging revenue*	<b>10,876.7</b>	13,602.4	15,403.5	17,865.3	16,751.3
Mobile data revenue*	<b>48,441.0</b>	44,793.2	40,157.5	35,868.4	36,040.0
M-PESA revenue	<b>107,691.8</b>	82,647.4	84,438.0	74,989.8	62,907.1
Mobile incoming revenue*	<b>9,848.2</b>	9,470.4	8,481.8	8,525.3	7,063.4
Other mobile service revenue*	<b>9,795.3</b>	7,779.2	7,236.5	6,733.5	6,461.1
<b>Mobile service revenue</b>	<b>269,864.8</b>	<b>240,844.6</b>	<b>242,247.2</b>	<b>231,666.0</b>	<b>217,861.9</b>
Fixed line and wholesale transit revenue	<b>11,242.5</b>	9,507.2	8,966.9	8,101.0	6,673.4
<b>Service revenue</b>	<b>281,107.3</b>	<b>250,351.8</b>	<b>251,214.1</b>	<b>239,767.0</b>	<b>224,535.3</b>
Handset revenue and other revenue	<b>16,527.3</b>	12,316.5	10,487.8	9,448.0	8,980.4
Construction revenue	-	837.7	583.9	603.2	201.9
Other income	<b>443.3</b>	520.5	269.9	464.3	510.7
<b>Total revenue</b>	<b>298,077.9</b>	<b>264,026.5</b>	<b>262,555.7</b>	<b>250,282.5</b>	<b>234,228.3</b>
Direct costs	<b>(91,467.8)</b>	(80,015.1)	(74,701.0)	(71,795.6)	(69,489.5)
Provision for expected credit loss (ECL) on receivables	<b>(2,361.2)</b>	(3,009.7)	(1,669.6)	9.6	(1,041.1)
Construction costs	-	(837.7)	(583.9)	(603.2)	(201.9)
<b>Contribution margin</b>	<b>204,248.9</b>	<b>180,164.0</b>	<b>185,601.2</b>	<b>177,893.3</b>	<b>163,495.8</b>
Total operating costs	<b>(55,187.0)</b>	(46,034.8)	(47,559.6)	(53,590.4)	(50,660.8)
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>149,061.9</b>	<b>134,129.2</b>	<b>138,041.6</b>	<b>124,302.9</b>	<b>112,835.0</b>
Depreciation, impairment and amortisation	<b>(39,933.3)</b>	(37,964.3)	(36,547.7)	(35,332.0)	(33,568.1)
<b>Earnings before interest and tax (EBIT)</b>	<b>109,128.6</b>	<b>96,164.9</b>	<b>101,493.8</b>	<b>88,970.9</b>	<b>79,266.9</b>
Net finance income	<b>(6,439.2)</b>	(2,022.4)	922.2	2,240.20	633.4
Share of associate and joint venture profit/(loss)	<b>(476.0)</b>	(507.0)	3,357.0	5.5	10.2
<b>Profit before income tax</b>	<b>102,213.4</b>	<b>93,635.5</b>	<b>105,773.0</b>	<b>91,216.6</b>	<b>79,910.5</b>
Income tax expense	<b>(34,717.3)</b>	(24,959.3)	(32,115.1)	(28,727.3)	(24,620.0)
<b>Profit after tax</b>	<b>67,496.1</b>	<b>68,676.2</b>	<b>73,657.9</b>	<b>62,489.3</b>	<b>55,290.5</b>
Other comprehensive income	<b>(9,536.3)</b>	-	-	-	-
<b>Profit and total comprehensive income for the year</b>	<b>57,959.8</b>	<b>68,676.2</b>	<b>73,657.9</b>	<b>62,489.3</b>	<b>55,290.5</b>
Earnings per share (KShs)	<b>1.74</b>	1.71	1.84	1.56	1.38
<b>Free cash flow</b>	<b>63,669.7</b>	<b>64,515.6</b>	<b>70,273.4</b>	<b>43,515.0</b>	<b>55,387.0</b>
<b>Ordinary dividend (paid/proposed) (KShs'm)</b>	<b>55,691.0</b>	58,896.2	56,091.6	50,082.0	44,071.0
Ordinary dividend per share (KShs)	<b>1.39</b>	1.37	1.40	1.25	1.10
<b>Special dividend (paid/proposed) (KShs'm)</b>	-	-	-	<b>24,841.0</b>	-
Special dividend per share (KShs)	-	-	-	0.62	-

\* Disclosures on service revenue streams (FY2019 and FY2018) have been reclassified to align to Group reporting needs



# Strategic performance review

*Assessing and monitoring our performance constitutes an important part of our strategy execution. During the year under review, we mapped our activities, innovations, products, services and initiatives against the strategic goals associated with the four pillars of our strategy.*

## STRATEGIC PRIORITY #1

### DEMOCRATISE DATA BY REVAMPING PRODUCT PORTFOLIO AND GO-TO-MARKET (GTM) STRATEGY

#### Business area

#### Our strategic focus for FY2022 goal

#### Operating/Strategic context

#### Mobile data

Double >1GB data usage customer base in order to win in the new digital led services

- Uncertain operating environment
- Increased regulatory scrutiny
- Adjusted telco products excise duty
- Sustained consumer wallet pressure with rising inflation
- Increasing need for cellphone usage

## STRATEGIC PRIORITY #2

### MANAGE VOICE DECLINE THROUGH BUNDLE-BASED PRICING, FOCUSING ON CONTENT/SERVICES ENABLED BY CONNECTIVITY, AFFORDABILITY IN SENSITIVE SEGMENTS, A STRONG HOUSEHOLD OFFERING AND LOYALTY/ENGAGEMENT

#### Business area

#### Our strategic focus for FY2022 goal

#### Operating/Strategic context

#### Voice

Secure voice and messaging revenues

- Unfavourable regulatory context
- Strict pricing for Safaricom
- Excise duty revisions in the year
- Mobile termination rate revision from KShs 0.99 to KShs 0.12 – appeal by Safaricom on this directive is currently in the Communications and Multimedia Appeals Tribunal

What we did	Performance as at 31 March 2022	Our strategic focus for FY2023
<ul style="list-style-type: none"> <li>Launched Lipa Mdogo Mdogo (LMM-Device financing) to drive smartphone penetration</li> <li>Introduced Opera Okoa in partnership with Tenspot that enables customer to borrow data after exhausting their limits</li> <li>One bundle data sharing</li> <li>Introduced Facebook (FB) Mobile Centre enabling customers to purchase data bundles within the FB App.</li> <li>ClearSee usage statement tool enabling customers to customer to query their data usage per application and filter by date and bringing transparency on their usage</li> <li>DIY portal for bulk data purchase for enterprise customers</li> </ul>	<ul style="list-style-type: none"> <li>25.22 million, +6.1% YoY one-month active data customers</li> <li>KShs 48.44 billion mobile data revenue, +8.1% YoY</li> <li>+10.0% YoY revenue growth in H2 FY2022, +6.3% in H1 FY2022</li> <li>7.7m data customers using &gt;1GB, +26.5% YoY growth</li> <li>18.46m smartphones on the network, +10.2% YoY growth</li> <li>10.95 million 4G devices, +29.3% YoY, 51.3% using &gt;1GB</li> <li>502,000 active LMM devices, +117.7% YoY</li> <li>4G everywhere coverage at 97%</li> </ul>	<ul style="list-style-type: none"> <li>Accelerating mobile data growth to secure connectivity customer share</li> <li>Transforming the data experience, offering more value for money and growing data relevance in the lives of Kenyans</li> <li>Develop and execute robust mobile data CVM model, leveraging on:                             <ul style="list-style-type: none"> <li>Data</li> <li>Machine learning</li> <li>Propensity models</li> </ul> </li> <li>Founded on five key areas of focus:                             <ul style="list-style-type: none"> <li>Best experience</li> <li>Best value</li> <li>Always-on communication</li> <li>Right devices</li> <li>Right use-cases</li> </ul> </li> </ul>

What we did	Performance as at 31 March 2022	Our strategic focus for FY2023
<ul style="list-style-type: none"> <li>Provided affordable value, airtime credit and loyalty to defend voice usage/minutes share</li> <li>Offered customers individualised tariff plans, offers and rewards</li> <li>Use of IBM and Recommender engines for real-time offers that:                             <ul style="list-style-type: none"> <li>Unlock value in GSM and M-PESA activities</li> <li>Offer real-time dynamic pricing</li> </ul> </li> <li>Segmenting customers by spend, preferences, location and age and advanced relevant offers that would unlock 3X value compared to open market pricing</li> </ul>	<ul style="list-style-type: none"> <li>67.8% Voice traffic share as at March 2022</li> <li>-2.2% decline in Voice and Messaging revenue</li> <li>KShs 83.21 billion Voice revenue, +0.8% YoY</li> <li>KShs 10.88 billion Messaging revenue, -20.0% YoY</li> <li>28.38 million one-month active customers, +3.1% YoY</li> <li>22.27 million one-month active messaging customers, +2.2% YoY</li> <li>KShs 1.42 outgoing rate per minute, -11.5% YoY, KShs 1.28 incoming rate per minute, -5.0% YoY</li> <li>KShs 248.91 Voice ARPU, -3.4% YoY</li> <li>KShs 41.71 Messaging ARPU, -20.9% YoY</li> </ul>	<ul style="list-style-type: none"> <li>Growing voice personalisation by leveraging on artificial intelligence and digital platforms</li> <li>New voice innovation with new products</li> <li>Communication and regional execution to drive insights and deliver NPS No1</li> </ul>



# Strategic performance review continued

## STRATEGIC PRIORITY #3

## TRANSFORM ROUTE-TO-CUSTOMER (RTC) IN ORDER TO DRIVE UNMATCHED OMNI-CHANNEL EXPERIENCE

### Business area

### Our strategic focus for FY2022 goal

### Operating/Strategic context

#### Channels

Design and implement a comprehensive future-proof Route to Customer (RTC) strategy and operating model to accelerate growth and drive new revenue opportunities

Route to Customer strategy guided by five principles:

- Customer-centricity
- Optimising – matching channels and offerings to maximise revenue and customer-obsession
- Proactivity – identifying opportunities and pre-empting issues
- Omni-channel – cross-channel data flow and visibility
- Data-centricity – to facilitate decision-making

## STRATEGIC PRIORITY #4

## CREATE A FINTECH-ANCHORED ECOSYSTEM THAT IS THE “PLATFORM OF CHOICE” FOR SMES

### Business area

### Our strategic focus for FY2022 goal

### Operating/Strategic context

#### Financial services

Transforming M-PESA to be the #1 provider in financial services as measured by NPS

- Become a fully-fledged financial services provider by leveraging on new technology to deliver great customer experience
- Provide sector-centric end-to-end business solutions across different sectors with focus on SMEs and Large Enterprises
  - › M-Banking and SACCO platforms
  - › Retail point of sale
  - › E-Government
  - › Bill manager
  - › School fees and rent platform

# Strategic performance review continued

## What we did

- Addressed key issues:
- Channel complexity
  - Rich digital availability
  - Alignment with Customer Obsession

## Performance as at 31 March 2022

- Successfully established Digital Channels Agile tribe
- Maintained channels excellence
- +0ppt Customer NPS improvement
- IVR revamped to simplify journeys, made the menus leaner and provided an option for customers to speak to an agent
- Automated monitoring of the SIM swap service to ensure system stability
- Improved usage of our Digital channels: Zuri, IVR, USSD
- ZURI integration with SMS100 doubled the daily average usage in the year

## Our strategic focus for FY2023

- Evolve channel roles to better serve customers through alignment with customer needs, across:
  - › B2C – Dealers become SIM, fixed and device-centric, increased self-service via digital channels
  - › B2B – proactive tele-sales to guide new service uptake; Centres of Excellence to drive IoT/ICT sales
- Enhanced control of channel and customer experience through:
  - › Data gathering
  - › Analysis and feedback automation
  - › Micro-market management
  - › Revised operating and incentive models

## What we did

- Developed a digital platform that empowers businesses and customers to onboard to M-PESA payments
- Merchants grew 63.4% YoY to 492,800
- Created a FinTech-anchored ecosystem as the platform of choice for SMEs, through:
  - › Enterprise payments – digital onboarding
  - › MSME payments – Business Till
  - › Biashara ni ipan a M-PESA promotional campaign
  - › MSME payments – Pochi la Biashara
  - › Simplified Customer Journey – ensuring opt-in process is easy

## Performance as at 31 March 2022

- 30.53m one-month active M-PESA customers
- KShs 107.69 billion M-PESA revenue, +30.3% YoY
- KShs 29.55 trillion value of M-PESA transactions, +34.0% YoY
- 15.75 billion volume of M-PESA transactions, +34.9% YoY
- 20.3 chargeable transactions per customer, +16.6% YoY

## Our strategic focus for FY2023

- Evolve M-PESA into an open innovation platform, enabling third-party integrations in order to deliver a turbocharged digital Financial Services ecosystem while empowering society.
- Deliver and evolve a superior financial services technology platform.
- Ensure robust, Secure and up to date M-PESA systems and Technology – M-PESA 2.0 + Core Technology.
- Invert M-PESA to an open platform and support for 3rd party integration.
- Implement integrated solutions for SME, Large Enterprise and public sector businesses.
- Deliver and support end-to-end integration solutions for businesses.



# Strategic performance review continued

## STRATEGIC PRIORITY #5

### EXPAND INTO NEXT FINANCIAL SERVICES – WEALTH MANAGEMENT, INSURANCE, INSTALMENT, CREDIT FOR MORE EXPENSIVE CATEGORIES

#### Business area

#### Our strategic focus for FY2022 goal

#### Operating/Strategic context

#### Financial services

Deepen financial services to our customers and businesses by fostering a savings culture that is accessible, affordable and reliable

- Credit and savings
- Wealth management
- Insurance

- Develop truly mobile-centric solutions for wealth management and insurance
- Shift financial services towards inclusive finance, helping customers manage liquidity, risk and investments while creating stronger focus on customer experience

## STRATEGIC PRIORITY #6

### EVOLVE M-PESA INTO A BROADER PLATFORM – LIFESTYLE PLATFORM, UNIVERSAL PAYMENT NETWORK, INTEGRATED BUSINESS SOLUTIONS

#### Business area

#### Our strategic focus for FY2022 goal

#### Operating/Strategic context

#### Financial services

Evolve M-PESA into a broader digital platform

Deliver the suite of M-PESA solutions to our consumers and businesses in a customer-centric approach – lifestyle payment App

- Consumer App with chat
- SME business App
- Conversation platform M-PESA on USSD Enterprise portal
- MiniApps for consumer lifestyle and business empowerment

## STRATEGIC PRIORITY #7

### LAUNCH AND SCALE ACTIVE MOBILE CUSTOMERS IN ETHIOPIA

#### Business area

#### Our strategic focus for FY2022 goal

#### Operating/Strategic context

#### Safaricom Telecommunications Ethiopia

Expand the core and financial services into new geographies by entering Ethiopia

- Lifted state of emergency, easing conflict
- Partnership with Ethiotel. Signed as per April 2022 public announcement

**What we did | Performance as at 31 March 2022 | Our strategic focus for FY2023**

<p><i>Credit portfolio:</i></p> <ul style="list-style-type: none"> <li>Partnered with EDOMx to leverage our scoring and lending platform to enable partners to offer a credit proposition</li> <li>Piloting of Faraja, a 0% interest rate free in-store credit product that allows customers to transact at our LNM merchants</li> <li>Partnered with Gulf African Bank and launched the first Shari'ah-compliant digital mobile financing; Halal Pesa with USSD and App access</li> </ul>	<ul style="list-style-type: none"> <li>Obtained approval for our wealth management product</li> <li>KShs 502.66 billion value of Fuliza disbursements, +43.1% YoY with 101.5% repayment verses disbursal rate</li> <li>KShs 5.94 Fuliza revenue, +31.0% YoY</li> <li>Launched Fuliza for Airtime</li> <li>Launched Halal Pesa</li> </ul>	<p>Accelerate next Financial Services growth areas in order to Turbocharge digital Financial Services ecosystem empowering society.</p> <ul style="list-style-type: none"> <li>Leverage M&amp;A, Licenses and Partnerships to unlock growth and shape our investment profile in Financial Services.</li> <li>Accelerate new financial services (Insurance, Micro Wealth, e-commerce) and Services (for Consumer and SME).</li> <li>Roll out Pan African Global payments in partnership with M-PESA Africa.</li> <li>Lead Financial Services Diversification in Credit, Insurance, Universal Payments and Global acceptances.</li> <li>Roll out relevant financial solutions for SME/Soho- starting with Merchant Credit including closed loop, insurance, investment, global commerce.</li> </ul>
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**What we did | Performance as at 31 March 2022 | Our strategic focus for FY2023**

<p><i>Digital lifestyle:</i></p> <ul style="list-style-type: none"> <li>Developed M-PESA Super App and integrated 22 Mini Apps</li> </ul> <p><i>Financial inclusion:</i></p> <ul style="list-style-type: none"> <li>Developed M-PESA Junior Account, controlled by parents/guardians</li> <li>Developed M-PESA GlobalPay in partnership with Visa to enable global online payments</li> </ul>	<ul style="list-style-type: none"> <li>+5.3 million downloads on M-PESA Super App</li> <li>22 active Mini apps, 87 under development</li> <li>18 transactions done via the app per active customer</li> <li>KShs 3.1 billion revenue generated via the App</li> <li>Launched M-PESA Virtual Global pay card with Visa in June 2022</li> </ul>	<p>Deepen adoption of digital payments and platforms to power consumer lifestyle, and Empower businesses in order to Turbo charge digital Financial Services empowering society.</p> <ul style="list-style-type: none"> <li>Evolve M-PESA Consumer Super-App into the leading digital lifestyle and eCommerce platform.</li> <li>Define and roll out a refreshed two sided M-PESA brand architecture for consumers and businesses to unleash M-PESA.</li> <li>Make M-PESA the leading Business Empowerment enabler in integrated digital financial services.</li> <li>Grow number and variety of mini-apps available to consumers and implement a new commercial model to unlock e-commerce.</li> </ul>
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**What we did | Performance as at 31 March 2022 | Our strategic focus for FY2023**

<ul style="list-style-type: none"> <li>Won the Telecommunications licence in Ethiopia via the Safaricom-led consortium</li> </ul> <p><i>Network &amp; IT:</i></p> <ul style="list-style-type: none"> <li>First data centre deployed (one under construction)</li> <li>First test call done (network under construction)</li> </ul> <p><i>Sales &amp; Distribution:</i></p> <ul style="list-style-type: none"> <li>Distributors and retail shops identified</li> <li>Simcard production commenced</li> <li>Contact centre established</li> <li>Products: Voice, SMS, mobile data and VAS services</li> </ul>	<ul style="list-style-type: none"> <li>Plans under way to launch operations within 2022</li> <li>Invested KShs 10.4 billion in capex</li> <li>KShs 5.1 billion operating costs incurred</li> <li>No revenue generated in the year</li> <li>Signed five-year lease infrastructure agreements with Ethiopian Electric Power (EEP) and Ethiopian Electric Utilities (EEU) for our transmission self-build</li> <li>29 distributors, four retail shop locations set up</li> <li>305 staff onboarded, 50% local talent with plans to onboard 1,000 in FY2023</li> <li>Graduate trainee recruitment process ongoing</li> <li>Board of Directors and Executive teams fully established</li> </ul>	<ul style="list-style-type: none"> <li>A successful commercial launch this year and deployment of fully-fledged telecommunications licence</li> <li>Secure mobile money licence</li> </ul>
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# Strategic performance review continued

## STRATEGIC PRIORITY #8

## SCALE CONTENT AGGREGATION PLATFORM (MUSIC, CLOUD GAMING, VIDEO, EDUCATION) TO DRIVE USAGE AND STICKINESS

### Business area

### Our strategic focus for FY2022 goal

### Operating/Strategic context

#### Digital services and product (video, music, gaming)

Build a sustainable digital content service business, enabling Kenyans' offline habits and passions online. Develop new business through:

- Growing data usage
- Retention and stickiness
- Enabling monetisation within the local creative industry
- New revenue streams – subscription, transaction and advertising

Positioning as a super aggregator, providing platform, product proposition, customer management, distribution and marketing

- Evolving customer behaviour and dynamic business environment
- Promising OTT content opportunity
- Increasing data usage, smartphone penetration and high data costs

## STRATEGIC PRIORITY #9

## LEVERAGE IOT AND ICT TO EXPAND ENTERPRISE PORTFOLIO, BECOME A PARTNER FOR DIGITISING ECONOMY WITH NETWORK INFRASTRUCTURE AS A SERVICE

### Business area

### Our strategic focus for FY2022 goal

### Operating/Strategic context

#### Enterprise

Establish an insights-led technology solutions organisation focused on our SME, Corporate and Government customers

- Become a Platform of Choice for SME customers delivering E2E digital solutions by FY2022
- Become the leading ICT solutions provider in Kenya with a focus on cloud, cyber security and professional services
- Accelerate IOT solutions penetration in the market through the creation of vertical led solutions for LE, Public and SMEs

### What we did

*Digital services portfolio:*

- Introduced Baze music platform for local music, partnering with Digi Spice
- Partnered >40 merchants in Bonga Deals to provide discounts and points redemption at merchant locations

### Performance as at 31 March 2022

- KShs 0.5 million content revenue, +100% YoY
- 0.5 million education customers
- 0.7 million mobile gaming customers
- 45k one-month active Baze customers

### Our strategic focus for FY2023

Become an orchestrator in the market, through:

- Providing relevant content mix
- Strategic partnerships
- Scalable business models, both subscription-based and bundled
- Seamless customer experience for digital-first customer journeys for mobile and home users

### What we did

*IoT – LPG Cylinder Tracking solution:*

- Worked with our customers to build a solution to solve a tracking problem
- Partnered with a local device manufacturer to design and build a GPS LPG tracking device
- IOT.Next platform application build

*ICT:*

- On-boarded critical security partners i.e Palo alto, Sentigo, Kaspersky, Sophos to enable us sell their broad security products
- Onboarded 3 digital service providers; M-Tech, Roam-tech and Africa is talking to accelerate our ability to scale integrations with corporate eco-systems
- Accelerated Cloud & Productivity solutions sales leveraging existing partnerships with AWS, Google and Microsoft

### Performance as at 31 March 2022

- +18.3% YoY of which:
  - › KShs 0.5 million IoT revenue, +64.5% YoY of which:
  - › 1.21 million IoT customers, +66.6 YoY
  - › KShs 11.24 billion Fixed line and Wholesale Transit revenue, +18.3% YoY

### Our strategic focus for FY2023

Delivering solutions to enable SMEs to have better digital engagement. The focus will be on providing:

- Establish the right operating model and partnerships to scale ICT
- Establish the right Solutions and Partnerships to scale IOT
- Become the one-stop shop for E2E services in Technology, Financial services and connectivity for SMEs
- Scale fixed solutions (FTTB/Fixed Wireless Access) for businesses
- Enhance focus on Public Sector in order to grow Revenue and Market share

# Strategic performance review continued

**STRATEGIC PRIORITY #9**

**LEVERAGE IOT AND ICT TO EXPAND ENTERPRISE PORTFOLIO, BECOME A PARTNER FOR DIGITISING ECONOMY WITH NETWORK INFRASTRUCTURE AS A SERVICE**

<b>Business area</b>	<b>Our strategic focus for FY2022 goal</b>	<b>Operating/Strategic context</b>
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**STRATEGIC PRIORITY #10**

**WIN IN FTX AS A CONVERGED BUSINESS 1 MILLION CONNECTIONS (HOMES AND BUSINESSES)**

<b>Business area</b>	<b>Our strategic focus for FY2022 goal</b>	<b>Operating/Strategic context</b>
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**Fixed business – Home and Enterprise**

Create a customer-centric always-on fixed business as the trusted partner of choice for connectivity, security and entertainment for homes and businesses

- For fixed-data connections, customer experience is primary to the product proposition and we therefore intend to transform our customer journeys to deliver excellent experience, cementing our customers' loyalty

### What we did

### Performance as at 31 March 2022

### Our strategic focus for FY2023

*SME:*

- Completed phase 1 of the SME Digital Hub DIY customer discovery portal fully optimised for a mobile experience.
- The Digital Hub also allows for the on-boarding of Lipa Na M-PESA, Shiriki, and gives an in-life management tool for Fixed Data
- Rolled out business apps to enable a digital experience to our customers and these include NSSF, NHIF, SGR and Onfon media for bulk SMS

*Cold chain solution:*

- Partnered with Vodacom Innovus to offer an end-to-end cold chain solution

*Telematics:*

- Partnered with Whitelabel and digital telematics for an end-to-end telematics solution

*Smart water:*

- Partnered with Earthview Management Limited for an end-to-end smart water solution

### What we did

### Performance as at 31 March 2022

### Our strategic focus for FY2023

*Fixed business portfolio:  
Parental control*

- Secure Net – ensures full control over Safaricom Home connection offering parental control, protection against security threats
- Converged offerings
- Home Plus enables shared connection for Home and Away from Home, integrating voice, mobile data and SMS bundles

- KShs 7.05 billion Fixed Enterprise and Wholesale revenue, +16.9% YoY
- KShs 4.19 billion Consumer revenue, +20.6% YoY
- 365,000 homes passed with 53% conversion rate and 86% activity rate
- 48,300 Fixed data customers, +24.1% YoY of which 18.8k are FTTB customers

- Scaling the Fixed Data business by transforming the fixed ecosystem, providing differentiated experience and expanding offering beyond connectivity
- Focus will shift to network growth and multi-product propositions in the coming year, guided by the four strategic pillars for Fixed Business
  - > Unparalleled customer experience
  - > Network growth and operational excellence
  - > Multi-product and compelling propositions
  - > Fit-for-scale organisation



# Strategic performance review continued

## STRATEGIC PRIORITY #11

### SCALE SELECTED DIGITAL PLATFORMS IN AGRICULTURE, HEALTH AND EDUCATION

#### Business area

#### Our strategic focus for FY2022 goal

#### Operating/Strategic context

##### DigiFarm

Our purpose is to leverage technology and partnerships to resolve key challenges in order to make smallholder farmers wealthier in a commercially sustainable way

Overcoming issues and challenges including:

##### Issues

- Production at 30% of potential
- 30% to 40% postharvest loss
- Lack of markets
- Not able to get fair market price

##### Key challenges

- Limited data to develop predictable credit score for farmers
- Infrastructure constraints – aggregation, quality management and logistics

## STRATEGIC PRIORITY #12

### STEP CHANGE PRODUCTIVITY ACROSS THE ORGANISATION THROUGH COST TRANSFORMATION, WORKING CAPITAL EFFICIENCY, AI-ENABLED NETWORK MAINTENANCE, SIMPLIFICATION AND NET REVENUE MANAGEMENT/COMMERCIAL EXCELLENCE

#### Business area

#### Our strategic focus for FY2022 goal

#### Operating/Strategic context

##### Cost leadership

Drive an optimal cost structure in the business

- Safaricom has been on a growth trajectory over the last 21 years, and as revenue growth slows, there is need to ensure an optimal cost structure
- With the market becoming more and more competitive it is necessary to continuously give value back to customers
- The COVID-19 pandemic in FY2021 and FY2022 has driven cost avoidance which has contributed to savings in the two years



What we did	Performance as at 31 March 2022	Our strategic focus for FY2023
<p>Various solutions and execution models have been tested to address key farmer challenges with significant impact created for farmers engaged but commercial viability and scale is yet to be achieved:</p> <ul style="list-style-type: none"> <li>• 15% growth in farmer yield – Driven mainly by quality input and advisory services</li> <li>• 100% access to market – Driven by contract buyers in DigiFarm platform and spot payments</li> <li>• 10% to 50% price value – Driven by direct engagement with farmers and improved quality</li> <li>• 6% reduction in cost of production – Driven by lower cost of input and mechanisation</li> <li>• 8% post-harvest losses – Driven mainly by ready market and improved quality</li> </ul>	<ul style="list-style-type: none"> <li>• KShs 407.27 million DigiFarm revenues</li> <li>• 1.4 million registered farmers, 160,000 actively engaged farmers</li> <li>• KShs 919 million loans disbursed to farmers</li> <li>• 760 Village DigiFarm Advisors</li> </ul>	<p>To accelerate active farmer acquisitions in order to scale new business opportunities</p> <p><i>Scale production</i></p> <ul style="list-style-type: none"> <li>• Farmer acquisition and engagement</li> <li>• Commercialisation of remote private extension service providers to drive sustainability</li> <li>• Precision agriculture capabilities – Leverage emerging technologies</li> </ul> <p><i>Develop partnerships</i></p> <p>Platform play to orchestrate service provision by diverse multiple players</p> <ul style="list-style-type: none"> <li>• Financial institutions</li> <li>• Development partners</li> <li>• Post-harvest and aggregation service providers</li> <li>• Localised logistics service providers</li> </ul> <p><i>Develop infrastructure</i></p> <p>Accelerate development of village-based infrastructure</p> <ul style="list-style-type: none"> <li>• Cold chain and dry warehouses</li> <li>• Quality management-ready aggregation centres</li> <li>• Quality management services</li> <li>• Value-adding services</li> </ul>



What we did	Performance as at 31 March 2022	Our strategic focus for FY2023
<p>Our cost optimisation drive was achieved through these three pillars:</p> <ul style="list-style-type: none"> <li>• Operating model transformation to drive operational structure changes</li> <li>• Smart procurement</li> <li>• Process simplification and digitisation</li> </ul>	<p>Delivered a total KShs 11.3 billion; KShs 6.9 billion in FY2021 and KShs 4.4 billion in FY2022 since the roll out of cost leadership journey</p>	<p>Our main effort in our strategic focus for FY2023 is to step change the capability and mindset towards smart investments in order to provide financial capacity for fueling growth. With productivity in mind it is necessary to increase and enhance productivity through:</p> <ul style="list-style-type: none"> <li>• Funding new growth areas</li> <li>• Delivering customer value</li> <li>• Baselining costs and applying benchmarks across emerging market telcos</li> <li>• Earmarking 60% of potential under technology, including re-design and re-architecture</li> <li>• Turbo-charging the cost saving programme on five pillars:                     <ul style="list-style-type: none"> <li>› <i>Governance</i> – leadership ownership targeting holistic value-creation</li> <li>› <i>Approach</i> – phased execution, prioritising quick wins</li> <li>› <i>Leverage</i> – Combining expertise from different markets, earlier efforts and employee ideas, incentivised with a reward programme</li> <li>› <i>Execution</i> – rigorous monitoring, value measurement linked profit and loss (P&amp;L)</li> <li>› <i>Organisation and capability</i> – focus on structural change management</li> </ul> </li> <li>• Collaboration, Agile ways of working, incentives</li> <li>• Ideas funnel with gates to validate, plan, implement and track</li> </ul>