

STRATEGIC PRIORITY #1					
Business area	Our strategic focus for FY2022 goal	Operating/Strategic context	What we did	Performance as at 31 March 2022	Our strategic focus for FY2023
DEMOCRATISE DATA BY REVAMPING PRODUCT PORTFOLIO AND GO-TO-MARKET (GTM) STRATEGY					
Mobile data	Double >1GB data usage customer base in order to win in the new digital led services	<ul style="list-style-type: none"> Uncertain operating environment Increased regulatory scrutiny Adjusted telco products excise duty Sustained consumer wallet pressure with rising inflation Increasing need for cellphone usage 	<ul style="list-style-type: none"> Launched Lipa Mdogo Mdogo (LMM-Device financing) to drive smartphone penetration Introduced Openo Oloa in partnership with Tenspot that enables customer to borrow data after exhausting their limits One bundle data sharing Introduced Facebook (FB) Mobile Centre enabling customers to purchase data bundles within the FB App. ClearSee usage statement tool enabling customers to query their data usage per application and filter by date and bringing transparency on their usage DIY portal for bulk data purchase for enterprise customers 	<ul style="list-style-type: none"> 25.22 million, +0.1% YoY one-month active data customers KShs 48.44 billion mobile data revenue, +8.1% YoY +10.0% YoY revenue growth in H2 FY2022, +6.3% in H1 FY2022 7.7% data customers using >1GB, +26.5% YoY growth 18.4m smartphones on the network, +10.2% YoY growth 10.95 million 4G devices, +29.3% YoY, 51.3% using >1GB 502,000 active LMM devices, +117.7% YoY 4G everywhere coverage at 97% 	<ul style="list-style-type: none"> Accelerating mobile data growth to secure connectivity customer share Transforming the data experience, offering more value for money and growing data relevance in the lives of Kenyans Develop and execute robust mobile data CVM model, leveraging on: <ul style="list-style-type: none"> Data Machine learning Propensity models Founded on five key areas of focus: <ul style="list-style-type: none"> Best experience Best value Always-on communication Right devices Right use-cases
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					
Voicemail	Secure voice and messaging revenues	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Provided affordable value, airtime credit and loyalty to defend voice usage/minutes share Offered customers individualised tariff plans, offers and rewards Use of IBM and Recommender engines for real-time offers that: <ul style="list-style-type: none"> Unlock value in GSM and MPESA activities Offer real-time dynamic pricing Segmenting customers by spend, preferences, location and age and advanced relevant offers that would unlock 3X volume compared to open market pricing 	<ul style="list-style-type: none"> 67.8% Voice traffic share as at March 2022 -2.2% decline in Voice and Messaging revenue KShs 83.21 billion Voice revenue, +0.8% YoY KShs 10.88 billion Messaging revenue, -20.0% YoY 28.38 million one-month active customers, +3.1% YoY 22.27 million one-month active messaging customers, +2.2% YoY KShs 1.42 outgoing rate per minute, -11.5% YoY; KShs 1.28 incoming rate per minute, -5.0% YoY KShs 248.91 Voice ARPU, -3.4% YoY KShs 41.71 Messaging ARPU, -20.9% YoY 	<ul style="list-style-type: none"> Growing voice personalisation by leveraging on artificial intelligence and digital platforms New voice innovation with new products Communication and regional execution to drive insights and deliver NPS No1
STRATEGIC PRIORITY #3					
TRANSFORM ROUTE-TO-CUSTOMER (RTC) IN ORDER TO DRIVE UNMATCHED OMNI-CHANNEL EXPERIENCE					
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: <ul style="list-style-type: none"> 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 	Addressed key issues: <ul style="list-style-type: none"> Channel complexity Rich digital availability Alignment with Customer Obsession 	<ul style="list-style-type: none"> Successfully established Digital Channels Agile tribe Maintained channels excellence +4ppt Customer NPS improvement NR revamped to simplify journeys, made the menu 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 	<ul style="list-style-type: none"> Evolve channel roles to better serve customers through alignment with customer needs, across: <ul style="list-style-type: none"> B2C – Dealers become SIM, fixed and device-centric, increased self-service via digital channels B2B – proactive telesales to guide new service uptake; Centres of excellence to drive IoT/ICT sales Enhanced control of channel and customer experience through: <ul style="list-style-type: none"> Data gathering Analysis and feedback automation Micro-market management Revised operating and incentive models
STRATEGIC PRIORITY #4					
CREATE A FINTECH-ANCHORED ECOSYSTEM THAT IS THE “PLATFORM OF CHOICE” FOR SMES					
Financial services	Transforming MPESA to be the #1 provider in financial services as measured by NPS	<ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> M/ Banking and SACCO platforms Retail point of sale E-Government Bill manager School fees and rent platform 	<ul style="list-style-type: none"> Developed a digital platform that empowers business owners to onboard to MPESA payments Merchants grew 63.4% YoY to 492,800 Created a FinTech anchored ecosystem as the platform of choice for SMEs, through: <ul style="list-style-type: none"> Enterprise payments – digital onboarding MSME payments – Business Till Bishara ni ipan a MPESA promotional campaign MSME payments – Pochi la Bishara Simplified Customer journey – ensuring opt-in process is easy 	<ul style="list-style-type: none"> 30.53m one-month active MPESA customers KShs 107.69 billion MPESA revenue, +30.3% YoY KShs 29.55 billion value of MPESA transactions, +34.0% YoY 15.75 billion volume of MPESA transactions, +34.9% YoY 20.3 chargeable transactions per customer, +16.6% YoY 	<ul style="list-style-type: none"> Evolve MPESA into an open innovation platform, enabling third-party integrators 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 MPESA systems and technology – MPESA 2.0 – Core technology. Invest MPESA 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 PRIORITY #5					
EXPAND INTO NEXT FINANCIAL SERVICES – WEALTH MANAGEMENT, INSURANCE, INSTALLMENT, CREDIT FOR MORE EXPENSIVE CATEGORIES					
Financial services	Deepen financial services to our customers and businesses by fostering a savings culture that is accessible, affordable and reliable	<ul style="list-style-type: none"> 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 	Credit portfolio: <ul style="list-style-type: none"> Partnered with EDOMx to leverage our scoring and lending platform to enable partners to offer a credit proposition Piloting of Faraja, a 0% interest rate free invoice credit product that allows customers to transact at our UNM merchants Partnered with Gulf African Bank and launched the first Sharia-compliant digital mobile financing: Halal Peso with USSD and App access 	<ul style="list-style-type: none"> Obtained approval for our wealth management product KShs 502.66 billion value of Fuliza disbursements, +43.1% YoY with 101.5% repayment versus disbursement rate KShs 5.94 Fuliza revenue, +31.0% YoY Launched Fuliza for Airtime Launched Halal Peso Launched Halal Peso 	Accelerate next Financial Services growth areas in order to Turbocharge digital Financial Services ecosystem empowering society. <ul style="list-style-type: none"> Leverage M&A, Licenses and Partnerships to unlock growth and shape our investment profile in Financial Services Accelerate new financial services (Insurance, Micro Wealth, e-commerce) and Services (for Consumer and SME). Roll out Pan African Global payments in partnership with MPESA Africa. Lead Financial Services Diversification in Credit, Insurance, Universal Payments and Global acceptances. Roll out relevant financial solutions for SME/Soho starting with Merchant Credit including closed loop, insurance, investment, global commerce.
STRATEGIC PRIORITY #6					
EVOLVE MPESA INTO A BROADER PLATFORM – LIFESTYLE PLATFORM, UNIVERSAL PAYMENT NETWORK, INTEGRATED BUSINESS SOLUTIONS					
Financial services	Evolve MPESA into a broader digital platform	Deliver the suite of MPESA solutions to our consumers and businesses in a customer-centric approach – lifestyle payment App <ul style="list-style-type: none"> Consumer App with chat SME business App Conversation platform MPESA on USSD Enterprise portal MiniApps for consumer lifestyle and business empowerment 	Digital lifestyle: <ul style="list-style-type: none"> Developed MPESA Super App and integrated 22 Mini Apps Financial inclusion: <ul style="list-style-type: none"> Developed MPESA Junior Account, controlled by parents/guardians Developed MPESA GlobalPay in partnership with Visa to enable global online payments 	<ul style="list-style-type: none"> +5.3 million downloads on MPESA Super App 22 active Mini apps, 87 under development 18 transactions done via the app per active customer KShs 3.1 billion revenue generated via the App Launched MPESA Virtual Global pay card with Visa in June 2022 	Deepen adoption of digital payments and platforms to power consumer lifestyle, and empower businesses in order to Turbo charge digital Financial Services empowering society. <ul style="list-style-type: none"> Evolve MPESA Consumer SuperApp into the leading digital lifestyle and eCommerce platform. Define and roll out a refreshed two sided MPESA brand architecture for consumers and businesses to unleash MPESA. Make MPESA the leading Business Empowerment enabler in integrated digital financial services. Grow number and variety of mini-apps available to consumers and implement a new commercial model to unlock e-commerce.
STRATEGIC PRIORITY #7					
LAUNCH AND SCALE ACTIVE MOBILE CUSTOMERS IN ETHIOPIA					
Safaricom Telecommunications Ethiopia	Expand the core and financial services into new geographies by entering Ethiopia	<ul style="list-style-type: none"> Lifted state of emergency, easing conflict Partnership with Ethicel. Signed as per April 2022 public announcement 	<ul style="list-style-type: none"> Won the Telecommunications licence in Ethiopia via the Safaricom-led consortium Network & IT First data centre deployed (one under construction) First test call done (network under construction) Sales & Distribution: <ul style="list-style-type: none"> Distributors and retail shops identified Simcard production commenced Contact centre established Products: Voice, SMS, mobile data and VAS services 	<ul style="list-style-type: none"> Plans under way to launch operations within 2022 Invested KShs 10.4 billion in capex KShs 5.1 billion operating costs incurred No revenue generated in the year Signed five-year lease infrastructure agreements with Ethiopian Electric Power (EEP) and Ethiopian Electric Utilities (EEU) for our transmission self-build 29 distributors, four retail shop locations set up 305 staff onboarded, 50% local talent with plans to onboard 1,000 in FY2023 Graduate trainee recruitment process ongoing Board of Directors and Executive teams fully established 	A successful commercial launch this year and deployment of fully-fledged telecommunications licence <ul style="list-style-type: none"> Secure mobile money licence
STRATEGIC PRIORITY #8					
SCALE CONTENT AGGREGATION PLATFORM (MUSIC, CLOUD GAMING, VIDEO, EDUCATION) TO DRIVE USAGE AND STICKINESS					
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: <ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Evolving customer behaviour and dynamic business environment Promising OTT content opportunity Increasing data usage, smartphone penetration and high data costs 	Digital services portfolio: <ul style="list-style-type: none"> Introduced Boze music platform for local music, partnering with Dig Space Partnered >40 merchants in Bonga Deals to provide discounts and points redemption at merchant locations 	<ul style="list-style-type: none"> KShs 0.5 billion content revenue, +100% YoY 0.5 million education customers 0.7 million mobile gaming customers 45k one-month active Boze customers 	Become an orchestrator in the market, through: <ul style="list-style-type: none"> 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
STRATEGIC PRIORITY #9					
LEVERAGE IOT AND ICT TO EXPAND ENTERPRISE PORTFOLIO, BECOME A PARTNER FOR DIGITISING ECONOMY WITH NETWORK INFRASTRUCTURE AS A SERVICE					
Enterprise	Establish an insight-led technology solutions organisation focused on our SME, Corporate and Government customers	<ul style="list-style-type: none"> 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 IE, Public and SMEs 	IoT – LPG Cylinder tracking solution: <ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> Onboarded 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, Roomtech and Africa is talking to accelerate our ability to scale integrations with corporate ecosystems Accelerated Cloud & Productivity solutions sales leveraging existing partnerships with AWS, Google and Microsoft 	<ul style="list-style-type: none"> +18.3% YoY of which: <ul style="list-style-type: none"> KShs 0.5 billion 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 	Delivering solutions to enable SMEs to have better digital engagement. The focus will be on providing: <ul style="list-style-type: none"> 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 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	What we did	Performance as at 31 March 2022	Our strategic focus for FY2023
			SME: <ul style="list-style-type: none"> 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 onboarding of Lipa Na MPESA, Shikri, 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 Orfon media for bulk SMS Cold chain solution: <ul style="list-style-type: none"> Partnered with Vodacom Linovox to offer an end-to-end cold chain solution Telematics: <ul style="list-style-type: none"> Partnered with Whitelabel and digital telematics for an end-to-end telematics solution Smart water: <ul style="list-style-type: none"> Partnered with Earthview Management Limited for an end-to-end smart water solution 		
STRATEGIC PRIORITY #10					
WIN IN FITX AS A CONVERGED BUSINESS 1 MILLION CONNECTIONS (HOMES AND BUSINESSES)					
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	<ul style="list-style-type: none"> 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 	Fixed business portfolio: Parental control <ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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 multiproduct propositions in the coming year, guided by the four strategic pillars for Fixed Business <ul style="list-style-type: none"> Unparalleled customer experience Network growth and operational excellence Multiproduct and compelling propositions Fit-for-scale organisation
STRATEGIC PRIORITY #11					
SCALE SELECTED DIGITAL PLATFORMS IN AGRICULTURE, HEALTH AND EDUCATION					
DigiFarm	Our purpose is to leverage technology and partnerships to resolve key challenges in order to make smallerholder farmers wealthier in a commercially sustainable way	Overcoming issues and challenges including: <ul style="list-style-type: none"> Production at 30% of potential 30% to 40% postharvest loss Lack of markets Not able to get fair market price Key challenges <ul style="list-style-type: none"> Limited data to develop predictable credit score for farmers Infrastructure constraints – aggregation, quality management and logistics 	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: <ul style="list-style-type: none"> 15% growth in farmer yield – Driven mainly by quality input and advisory services 100% access to market – Driven by contract buyers in DigiFarm platform and spot payments 10% to 50% price value – Driven by direct engagement with farmers and improved quality 6% reduction in cost of production – Driven by lower cost of input and mechanisation 8% postharvest losses – Driven mainly by ready market and improved quality 	<ul style="list-style-type: none"> KShs 407.27 million DigiFarm revenues 1.45 million registered farmers, 160,000 actively engaged farmers KShs 919 million loans disbursed to farmers 760 Village DigiFarm Advisers 	To accelerate active farmer acquisitions in order to scale new business opportunities <ul style="list-style-type: none"> Scale production <ul style="list-style-type: none"> Farmer acquisition and engagement Commercialisation of remote private extension service providers to drive sustainability Precision agriculture capabilities – Leverage emerging technologies Develop partnerships <ul style="list-style-type: none"> Platform play to orchestrate service provision by diverse multiple players Financial institutions Development partners Postharvest and aggregation service providers Localised logistics service providers Develop infrastructure <ul style="list-style-type: none"> Accelerate development of village-based infrastructure <ul style="list-style-type: none"> Cold chain and dry warehouses Quality management/ready aggregation centres Quality management services Value-adding services
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					
Cost leadership	Drive an optimal cost structure in the business	<ul style="list-style-type: none"> 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 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 	Our cost optimisation drive was achieved through these three pillars: <ul style="list-style-type: none"> Operating model transformation to drive operational structure changes Smart procurement Process simplification and digitalisation 	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	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: <ul style="list-style-type: none"> Enabling new growth areas Delivering customer value Baselining costs and applying benchmarks across emerging market telcos Emarking 60% of potential under technology, including redesign and rearchitecture Turbo-charging the cost saving programme on five pillars: <ul style="list-style-type: none"> Governance – leadership ownership targeting holistic value creation Approach – phased execution, prioritising quick wins Approach – Combining expertise from different markets, earlier efforts and employee ideas, incentivised with a reward programme Execution – rigorous monitoring, value measurement linked profit and loss (P&L) Organisation and capability – focus on structural change management Collaboration, Agile ways of working, incentives Idolax funnel with gates to validate, plan, implement and track