

# **VODACOM Tz EARNINGS HIGHLIGHT**

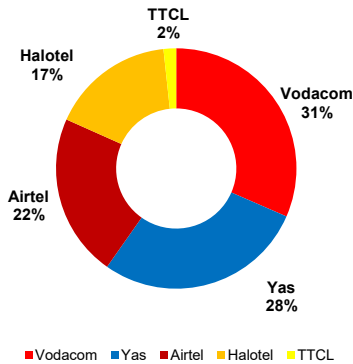
**Sept 2025**



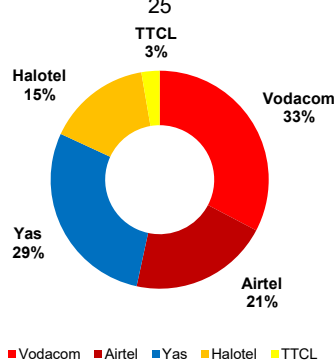
## VODACOM TZ FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING SEPT 2025

### INDUSTRIAL OVERVIEW

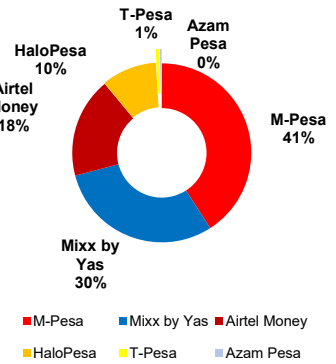
SIM Subscription Market Share 30-Sep-25



Mobile Internet Market Share as of 30-Sep-25



Mobile Money Market Share 30-Sep-25



### INCOME STATEMENT ANALYSIS

Net Profits surged by 289.74% QoQ from TZS 8.51 billion as of June 2025 to TZS 33.16 billion as of Sept 2025

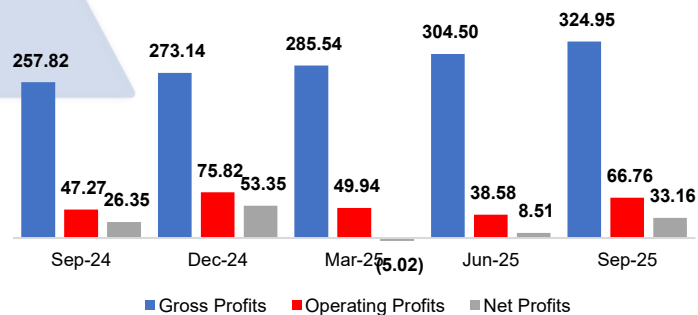
#### Reasons:

Revenues saw a 7.71% QoQ surge amounting to TZS 469.48 billion brought about by increased revenues from M-Pesa due to stronger consumer uptake over its advanced service propositions, increased mobile data usage brought about by increased smartphone penetration and average data per user, increased mobile voice revenues due to increased customer growth and minutes consumed despite falling tariffs per minute. On a more broadbased perspective the registered growth is underpinned by customer and ARPU growth (which has been registered across most revenue segments except for voice)

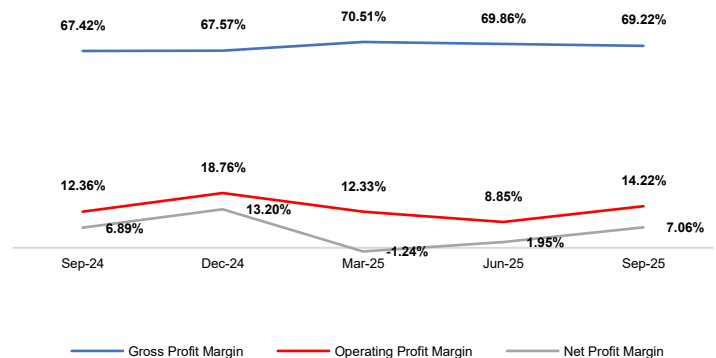
A 11.84 billion reversal in net losses on foreign currency translations due to strengthening of the TZS against hard currencies such as the USD, EUR and GDP which between 30-Ju-25 and 30-Sep-25 these 3 currencies saw a 6.70%, 6.60% and 8.71% drop against the TZS according to Bank of Tanzania Mean Currency Data. The foreign currency translation gains were particularly felt against Vodacom's foreign currency lease liability payments

Effective Tax rate against the company's profits before tax fell from 52.53% in Q1'26 to 31.35% in Q2'26 more inline with the 30% corporate tax level with this drop partly brought about by deferred tax asset recognitions

Vodacom Tanzania Profitability Trend in Billions TZS



Vodacom Tanzania Profit Margin Trend



Income Statement Analysis Amounts in Billions TZS	Sept-24	Dec-24	Mar-25	Jun-25	Sept-25
Revenue	382.38	404.21	404.96	435.86	469.48
Growth Rate	9.94%	5.71%	0.19%	7.63%	7.71%
Operating Expenses	335.12	328.38	355.02	397.28	402.72
Growth Rate	7.18%	-2.01%	8.11%	11.90%	1.37%

# VODACOM TZ FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING SEPT 2025

## BALANCE SHEET STATEMENT ANALYSIS

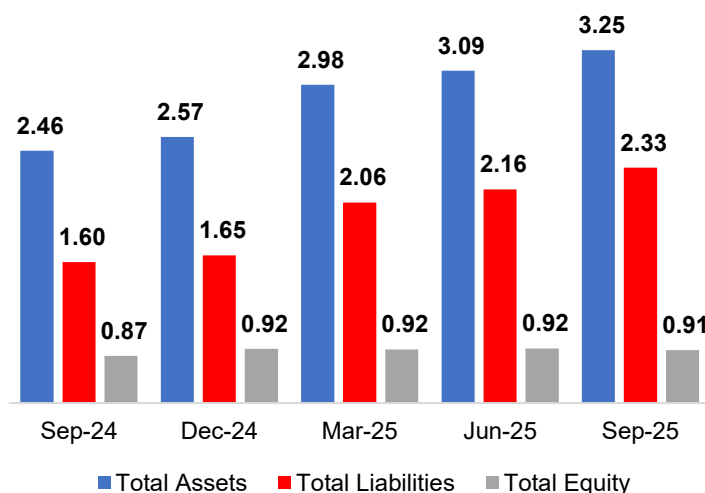
Total assets recorded a strong surge of 5.13% QoQ amounting to TZS 3.25 trillion in June 2025

### Reasons:

Mobile financial deposits grew 5.44% amounting to TZS 1.06 trillion on the back of growth in customers and their respective deposit inflows in light of increased usage of their M-Pesa's advanced revenue proposition and more specifically their savings propositions such as M-Koba and M-Wekeza which have seen strong growth in savings mobilized and currently accounting for about TZS 600 billion as of Sep-25.

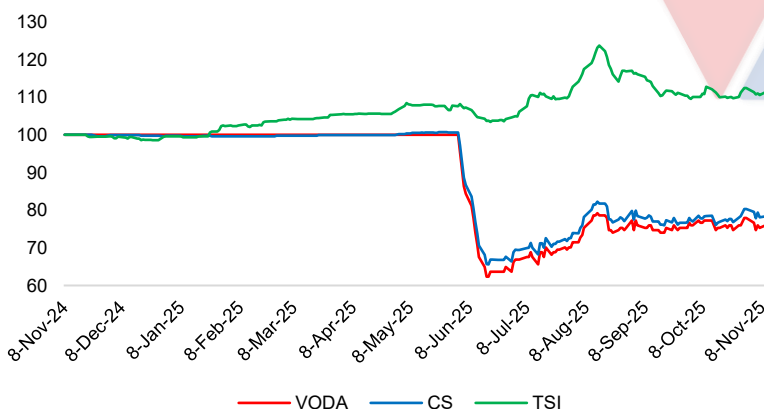
Intangible assets registered a 12.75% QoQ growth amounting to TZS 332.44 billion following increased spectrum license acquisitions all while cash and cash equivalents grew 11.17% amounting to TZS 298.01 Billion

### Balance Sheet Highlights in Trillions TZS



## INVESTORS' CORNER

### VODA VS TSI & CS 52-Weeks Returns rebased at 100



### Supporting Fundamentals

Ticker	VODA
Closing Price as of Nov 10 <sup>th</sup> 2025	TZS 585
Book Value per Share	TZS 407.52
P/B Ratio	1.44x
Trailing EPS	TZS 40.21
P/E Ratio	14.55x
ROE	9.86%
ROA	2.77%

## OUTLOOK

Despite the stellar QoQ growth half year profits have seen a 1.21% YoY contraction amounting to TZS 41.66 billion. This contraction has been brought about by 53.61% YoY growth in income tax expenses amounting to TZS 24.55 billion in comparison to 13.86% YoY growth in profit before taxes which amounted to TZS 66.22 billion. Other constraining factors that led to the profit decline include a 77.57% YoY growth in finance income amounting to TZS 76.29 billion brought about by increased finance costs related to lease liabilities which grew 93.2% YoY due to the recognition of an additional TZS319.6 billion in tower lease liabilities towards the end of the previous financial year and the recognition was a result of activating an automatic renewal clause. All while other finance costs rose by 188.8%, mainly due to the recognition of the interest component on instalment payments for spectrum purchased in the auction.

Looking ahead, we anticipate strong growth in Vodacom's third quarter in line with broader historical trends since the quarter coincides with increased transaction activities, mobile data, voice and other traditional GSM services ahead of the broader end-of year and festive holiday seasons. However, its worth mentioning that the growth is likely to be skewed downwards by Vodacom's USD 100 Million Maintenance Capital Expenditure program that is set to finalize in FY'27 which is aimed at modernizing its Radio Access Network and other Network infrastructure equipment which in the short-term could result in a surge in the company's Depreciation and Amortization as old equipment is increasingly phased out of operations.

## VODACOM TZ FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING SEPT 2025

### RATIO ANALYSIS

<b>Vodacom Ratio Analysis</b>	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
<b>Capital Structure:</b>								
Debt to Equity		178.57%	173.89%	183.86%	178.95%	224.92%	233.78%	255.56%
Equity Multiplier		2.79	2.74	2.84	2.79	3.25	3.34	3.56
Interest Covergae	2.03	1.80	1.70	2.12	3.11	1.40	1.05	1.69
<b>Asset Quality</b>								
Total Asset Turnover			0.56	0.58	0.58	0.55	0.54	0.54
Return on Assets		2.25%	3.20%	2.68%	3.95%	3.04%	2.69%	2.77%
<b>Management Quality</b>								
Revenue Growth	4.00%	-1.19%	4.86%	9.94%	5.71%	0.19%	7.63%	7.71%
ARPU (Monthly) Growth	-1.39%	-4.19%	2.21%	3.06%	5.56%	-4.04%		
Active User Growth	3.37%	2.28%	3.67%	3.31%	5.00%	2.73%		
<b>Earnings Quality</b>								
Net Profit Growth	-51.58%	-65.76%	160.65%	66.51%	102.49%	-109.40%	269.60%	289.74%
Net Profit Margin	5.28%	1.83%	4.55%	6.89%	13.20%	-1.24%	1.95%	7.06%
Return on Equity		6.26%	8.78%	7.60%	11.02%	9.88%	8.99%	9.86%
<b>Liquidity Ratios:</b>								
Current Ratio		0.90	0.91	0.89	0.92	0.99	0.98	0.93
Quick Ratio		0.90	0.91	0.89	0.91	0.99	0.98	0.93
Cash Ratio		0.18	0.13	0.14	0.11	0.21	0.18	0.18

### ANALYST'S NAMES & CONTACTS

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