

Vodacom halves dividend payment

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Dar es Salaam. Shareholders of Vodacom Tanzania will this year receive nearly half of what they earned as dividend after the company recorded less profits.

The company said in a statement yesterday that it recommended a dividend of Sh12.26 per share for the year to March 31, 2020. The amount is about 50 percent decrease from Sh24.41 recommended during the previous year.

The dividend notice came after Vodacom Tanzania PLC announced its preliminary financial results in May, showing that its annual profits also reduced from Sh90.7 billion in 2019 to Sh45.7 billion in the year to March 31, 2020.

"The Board of Directors of Vodacom Tanzania PLC is pleased to, subject to obtaining approval from the Annual General Meeting of shareholders to be

held on Friday October 30, 2020 recommending a gross dividend of Sh12.26 per share per issued and fully paid up share," the firm's statement reads. Vodacom's dividend policy is to pay out at least 50 percent of earnings after tax, according to its prospectus issues before listing on the Dar es Salaam Stock Exchange.

The firm stated it intends to pay as much of its after tax profits after retaining such sums and repaying such bor-

rowings owing to third parties as shall be necessary to meet the requirements reflected in the budget and business plan, taking into account monies required for investment opportunities.

The company also announced that earnings per share has declined to Sh20.43 from Sh40.52.

The trading of shares cum dividend will go on from July 27 and close on August 14.

However for the twelve months ended March 31, 2020 the company's service revenue which hit Sh1 trillion mark last year increased slightly by 0.9 percent (Sh8.67 billion).

The revenue was largely pushed by the increased customer base, M-Pesa revenues and mobile data.

M-Pesa contributed to 35 percent of the service revenue while mobile data contributed by 17.7 percent.

Driven by increased transactions per customers to the year that ended March 2020, M-Pesa grew by 7.4 percent.

The board is pleased to recommend a gross dividend of Sh12.26 per issued and fully paid up share

STATEMENT | BOARD OF DIRECTORS