Telkom SA SOC Limited
Registration number 1991/005476/30
JSE share code: TKG
JSE bond code: BITEL
ISIN: ZAE000044897
("Telkom" or the "Company" or the "Group")

Group Annual Results and ordinary dividend declaration for the year ended 31 March 2026

Telkom delivers another year of strong earnings, with dividend payout ratio and declaration increase supported by healthy free cash flow

Group highlights

- Data-led strategy gains further traction:
    - Group revenue up 1.4% to R44 477 million, driven by growth in Consumer and Openserve, partly offset by revenue decline at BCX.
    - Group data revenue up 7.6% to R26 598 million, contributing 59.8% to total revenue (FY2025: 56.4%).
    - Mobile data revenue grew by 10.5% and fibre-related data revenue by 6.3%.
- Cost and cash management discipline yield continued progress:
    - Group EBITDA[1,2] up 5.8%[3] to R12 480 million, reflecting structural improvements in the cost base, resulting in EBITDA margin[1] expanding to 28.1%.
    - Further improvement in cost to income ratio[2] to 73.0% from 75.1%[3], benefitting from 1.1% decline in total costs.
    - Free cash flow[4] increased by 10.4% to R3 068 million, reflecting disciplined cash generation management.
- Headline earnings per share (HEPS)[1] up 21.5%[3] to 708.5 cents.
- Basic earnings per share (BEPS) up 5.5%[3] to 719.5 cents.
- Shareholder returns enhanced, with the free cash flow dividend payout ratio range raised to 40%–60%, supporting the declaration of an ordinary cash dividend of 270 cents per share, up 65.7%.
- Net debt to EBITDA[1,2] slightly reduced to 0.5x (FY2025: 0.6x).

1. Earnings before interest, tax, depreciation and amortisation. Earnings before investment income and finance costs (which includes gains and losses on foreign exchange transactions), tax, depreciation, amortisation, write-offs, impairments and losses of property, plant and equipment and intangible assets, and is also presented inclusive of interest revenue and interest on overdue accounts. Also presented on an unadjusted basis in the current year, as there are no pro forma items requiring normalisation, unlike the prior year.
2. This is a non-IFRS financial measure.
3. This financial measure is presented to show the adjusted performance of the Group's operations for the prior year and is internally used by management to assess the performance of the business. Adjusted FY2025 (prior year) financial measures exclude the impact of the R160 million restructuring cost, and the Telkom Retirement Fund derecognition loss of R618 million in continuing operations.
4. Free cash flow is defined as cash generated from operations before dividend paid, less cash paid for capital expenditure and repayment of principal lease liabilities.
5. Swiftnet met the IFRS 5 requirements and was classified as held for sale as a discontinued operation and was therefore excluded from the results for continuing operations. Telkom disposed of its 100% equity shareholding in Swiftnet effective 31 January 2025.

Summary financial results

Financial indicators Continuing operations Rm	Reported FY2026	Reported FY2025	Reported % change	Adjusted[3] FY2025	Adjusted[3] % change
Revenue	44 477	43 880	+1.4		
EBITDA[1,2]	12 480	11 014	+13.3	11 792	+5.8
Profit for the year	3 548	2 783	+27.5	3 351	+5.9
Dividend (cps)	270	261	+3.5		

Financial indicators Total operations (Continuing and discontinued) Rm	Reported FY2026	Reported FY2025	Reported % change	Adjusted[3] FY2025	Adjusted[3] % change
Basic earnings per share (cents)	719.5	1 528	(52.9)	1 643.7	(56.3)
Continuing	719.5	566.0	+27.1	681.7	+5.5
Discontinued[5]	—	962.0	(100.0)	962.0	(100.0)
Headline earnings per share (cents)[2]	708.5	544.5	+30.1	660.2	+7.3
Continuing	708.5	467.5	+51.6	583.2	+21.5
Discontinued[5]	—	77.0	(100.0)	77.0	(100.0)

Message from Serame Taukobong, Group CEO

These results validate our strategy for Telkom's transformation as we confidently position the Group for consistent quality earnings that allow for enhanced shareholder returns. As a result, we have increased our dividend payout ratio to a range of 40% to 60%, with the Board declaring an ordinary dividend at 45% of free cash flow.

Further validation is provided by our Mobile business, which surpassed 25 million subscribers and sustained market-leading service revenue growth for the 14th consecutive quarter, in its 15-year anniversary. Openserve also achieved a remarkable milestone, recording full-year overall revenue growth for the first time in nine financial years, an indication that the transition to fibre services is largely complete.

Telkom Consumer

- Market-leading mobile service revenue growth of 6.8%
- Pre-paid service revenue growth of 10.3%
- 31.1% increase in mobile data subscribers to almost 20.0 million
- Mobile EBITDA margin expanded to 29.0%

Openserve

- Overall revenue grew by 2.3%
- Fibre-related data revenue grew by 8.2%
- Industry-leading fibre to the home connectivity rate of 53.1%
- EBITDA margin improved to 33.5%

BCX

- IT business revenue stable at R6 722 million
- Cybersecurity revenue increased by 21.1%
- IT hardware and software revenue growth of 5.6%
- EBITDA margin resilient at 9.4%

Outlook

Our data-led strategy remains our key growth driver. Having established the OneTelkom approach and as the backbone of South Africa's digital future, we are now focused on the next phase of value creation. This will be through further increasing efficiencies and improving growth across the board. By allocating capex to projects that enhance returns, we will continue the disciplined execution that is by now the hallmark of our transformation.

We will balance growth investment and cost discipline in the coming year. Capex intensity will remain within the 12%-15% range, primarily funding Mobile and fibre to support revenue growth, while cost efficiencies protect margins. The combined effect will be geared towards free cash flow generation and a prudent leverage position.

Entering the second year of our medium-term guidance in FY2027, we remain confident that the guidance provided on 10 June 2025 captures our commitment to disciplined execution in an evolving market.

Declaration of ordinary dividend

Aligned with our dividend policy, the Board declared a final ordinary dividend, number 29, of 270.10200 cents per ordinary share (cps) (FY2025: 163.04723 cps) in respect of 31 March 2026. The dividend declared for the current year is at 45% of the Group's free cash flow. No special dividend was declared in the current year. In the prior year, a special dividend of 97.82051 cps was declared from the proceeds of Swiftnet disposal. The ordinary dividend has been declared out of available cash balances. The total dividend for FY2026 is 270.10200 cps (FY2025: 260.86774 cps).

The dividends will be subject to a local dividend withholding tax for those shareholders who are not exempt from paying dividend withholding tax.

Dividend	Gross amount	Dividend withholding tax	Net amount
Ordinary	270.10200 cps	20%	216.08160 cps

The number of ordinary shares in issue at the date of this declaration is 511 140 239. Telkom SA SOC Ltd's tax reference number is 9/414/001/710.

Salient dates regarding the ordinary dividend are as follows:	
Declaration date	Tuesday, 2 June 2026
Last date to trade cum dividends	Tuesday, 23 June 2026
Shares trade ex-dividend	Wednesday, 24 June 2026
Record date	Friday, 26 June 2026
Payment date	Monday, 29 June 2026

Share certificates may not be dematerialised or rematerialised between Wednesday, 24 June 2026 and Friday, 26 June 2026, both days inclusive. On Monday, 29 June 2026, dividends due to holders of certificated securities on the South African register will be transferred electronically to shareholders' bank accounts. Dividends in respect of dematerialised shareholders will be credited to shareholders' accounts with their relevant central securities depository participant or broker.

Pro forma financial information

Certain financial information presented in this results announcement constitutes pro forma financial information in terms of the JSE Listings Requirements. The Group presents various non-IFRS financial measures in the results announcement, including (i) EBITDA, (ii) HEPS, (iii) net debt, (iv) free cash flow (FCF), (v) return on invested capital (ROIC) and (vi) cost-to-income ratio for both the current and prior year. In addition to these non-IFRS financial measures, the financial information in the prior year excludes the impact of the loss from the settlement of the Telkom Retirement Fund and restructuring costs with the related tax impact. These measures constitute pro forma financial information and are annotated throughout the results announcement. The pro forma financial information was presented to illustrate the impact of the pro forma adjustments on the audited consolidated annual financial statements for the year ended 31 March 2025 to achieve a comparable year-on-year analysis and show the adjusted performance of the business. The pro forma adjustments were determined in terms of the Group accounting policies disclosed in the audited consolidated annual financial statements for the year ended 31 March 2026. The pro forma financial information is the responsibility of the Directors and because of its nature, may not fairly present the financial position, changes in equity, results of operations or cash flows of Telkom.

Further information

The short-form announcement is the responsibility of the Board. It is only a summary of the information contained in the annual financial statements for the year ended 31 March 2026 (AFS 2026) and does not contain full or complete details. Any investment decisions should be based on the AFS 2026 published on the JSE's cloud link on Tuesday, 02 June 2026 and also available on Telkom's website. The outlook statement has not been reviewed or reported on by Telkom's external auditor.

The AFS 2026, which include the Group's external auditor, PricewaterhouseCoopers Inc. unmodified opinion and their unmodified reasonable assurance report prepared in terms of ISAE 3420, are available on the Company's website at:
https://group.telkom.co.za/ir/financial-information.html and on the JSE's cloud link at:
https://senspdf.jse.co.za/documents/2026/jse/isse/TKG/ie2026.pdf.

Copies of the AFS 2026 may be requested from our Group Company Secretary, Ephy Motlhamme at motlhae1@telkom.co.za.

Mvuleni Geoffrey Qhena	Serame Taukobong	Nonkululeko Dlamini
Chairman	Group Chief Executive Officer	Group Chief Financial Officer

02 June 2026

Sponsor
Nedbank Corporate and Investment Banking, a division of Nedbank Limited

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