

Telkom SA SOC Limited  
 Registration number 1991/005476/30)  
 JSE share code: TKG  
 JSE bond code: BITEL  
 ISIN: ZAE000044897

("Telkom" or "the Group")

## Trading Statement

Shareholders are advised that Telkom is currently finalising its interim results for the six months ended 30 September 2021 ("H1 2022" or "the half year"), which will be released on the Stock Exchange News Service ("SENS") of the JSE Limited ("JSE") on 09 November 2021.

In accordance with paragraph 3.4(b) of the Listings Requirements of the JSE, shareholders are advised that reported headline earnings per share (HEPS) is expected to increase between 25% - 35% and basic earnings per share (BEPS) is expected to increase between 20% and 30% compared to the prior interim period ended 30 September 2020 ("the prior period"). This was mainly due to a significant decline in finance charges, fair value movements and foreign exchange losses compared to the prior period.

Finance charges, fair value movements and foreign exchange losses declined by 35% from R1 012 million reported in the prior year to R659 million attributable to:

- Our funding strategy and the ongoing settlement of maturing debt resulted in finance charges reducing by 25% from R723 million reported in the prior period to R541 million. Our conservative funding approach enabled us to strengthen our balance sheet by repaying maturing debt of approximately R1.1 billion in the prior financial year, with R900 million repaid in the first half of the prior financial year. In the first half of the current financial year, we settled a further R100 million maturing debt. Our funding strategy allowed us to balance our cost of debt ratio to 52:48 floating to fixed, this ensures that the risk to changes in interest rates remain balanced; and
- Fair value movements and foreign exchange losses reduced significantly by more than 90% from R209 million reported in the prior period to R17 million, due to currency volatility and favourable foreign exchange hedging position.

Notwithstanding the strong performance in earnings, the trading environment remains challenging. Telkom expects to sustain its topline revenue compared to the prior year and grow its profitability slightly ahead of revenue.

	30 September 2020	30 September 2021		
	Reported Earnings(cents)	Expected ranges	Movement (cents)	Expected earnings
<b>BEPS</b>				
Reported	217.5	20%-30% higher	43.5 to 65.3 cps higher	261.0 to 282.8 cps
<b>HEPS</b>				
Reported	219.0	25%-35% higher	54.8 to 76.7 cps higher	273.8 to 295.7cps

The difference between BEPS and HEPS recorded in H1 FY2022 is due to the impairment of assets and profit or loss on sale of assets.

The above information has not been reviewed or reported on by Telkom's independent external auditors.

The Group's interim results for the six months ended 30 September 2021 will be released on SENS on 09 November 2021 with a presentation in Centurion on the same day. The presentation will be available for all stakeholders on the Group's website, [www.telkom.co.za/ir](http://www.telkom.co.za/ir). A live presentation will be webcast (a link will be available on Group's website) and a live broadcast on BDTV (Channel 412 on DSTV) at 12 pm.

Centurion  
29 October 2021

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