

Notes to the Group annual financial statements

continued

for the year ended 31 May 2021

1. Results of operations continued

1.1 Segmental summary continued

The segment results for the year ended 31 May 2021 are as follows:

	Total		Africa Distribution	
	2021	2020	2021	2020
	R'000	R'000	R'000	R'000
Continuing operations				
Total segment revenue	26 524 093	30 818 506	26 177 843	30 165 762
Internal revenue	(7 702 803)	(9 683 180)	(7 536 312)	(9 219 540)
Revenue	18 821 290	21 135 326	18 641 531	20 946 222
Segment result				
Operating profit/(loss) before depreciation, amortisation and the additional items listed below	1 340 578	1 305 929	1 436 184	1 331 270
Impairment of goodwill	—	(213 583)	—	(213 583)
Fair value (loss)/gain on surety receivable	(21 116)	19 826	—	—
Fair value gain/(loss) on SPV1 and SPV2	16 009	(48 694)	16 009	(48 694)
Fair value gain/(loss) on other financial instruments	12 902	(121 782)	3 556	(73 516)
Expected credit loss on loans	61 810	(56 214)	(6 176)	(4 458)
Financial guarantee contracts	33 455	7 829	8 250	7 829
Bad debts and expected credit losses on trade receivables, other receivables and advances to customers	(83 365)	(67 947)	(83 088)	(67 673)
Depreciation and amortisation	(188 883)	(189 314)	(168 402)	(168 855)
Operating profit/(loss)	1 171 390	636 050	1 206 333	762 320
Finance costs	(131 947)	(229 988)	(126 381)	(215 296)
Finance income	59 717	78 175	59 361	75 474
Share of profits/(losses) from associates and joint ventures	2 951	16 598	3 783	2 635
Taxation	(249 416)	(219 752)	(280 271)	(203 637)
Profit/(loss) for the year from continuing operations	852 695	281 083	862 825	421 496
Profit/(loss) for the year from continuing operations attributable to:				
Equity holders of the parent	805 286	226 786	820 819	375 952
Non-controlling interest	47 409	54 297	42 006	45 544
Profit/(loss) from discontinued operations attributable to equity holders of the parent	25 321	(102 305)	25 321	(261 707)
Profit/(loss) for the year attributable to equity holders of the parent	830 607	124 481	846 140	114 245
Reconciliation of profit/(loss) for the year to core headline earnings for the year				
Profit/(loss) for the year attributable to equity holders of the parent	830 607	124 481	846 140	114 245
Amortisation of intangibles raised through business combinations net of tax and non-controlling interest	30 663	40 819	30 663	36 357
Headline earnings adjustment	(73 690)	396 832	3 859	372 374
Core headline earnings for the year	787 580	562 132	880 662	522 976

The Company is domiciled in the Republic of South Africa. The continuing revenue earned from external customers in South Africa is R18.8 billion (2020: R21.1 billion), and from external customers from other countries is R1.9 million (2020: R6 million).

The Africa Distribution segment includes revenue of R3.4 billion and R2.3 billion earned from two external customers.

	International		Mobile		Solutions		Corporate	
	2021 R'000	2020 R'000	2021 R'000	2020 R'000	2021 R'000	2020 R'000	2021 R'000	2020 R'000
	—	—	—	—	186 145	191 830	160 105	460 914
	—	—	—	—	(6 386)	(2 726)	(160 105)	(460 914)
	—	—	—	—	179 759	189 104	—	—
	30 752	31 397	—	—	17 028	40 798	(143 386)	(97 536)
	—	—	—	—	—	—	—	—
	(21 116)	19 826	—	—	—	—	—	—
	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	9 346	(48 266)
	41 189	(31 749)	—	—	(5)	(194)	26 802	(19 813)
	—	—	—	—	—	—	25 205	—
	—	—	—	—	(277)	(274)	—	—
	—	—	—	—	(748)	(923)	(19 733)	(19 536)
	50 825	19 474	—	—	15 998	39 407	(101 766)	(185 151)
	—	(48)	—	—	(166)	(196)	(5 400)	(14 448)
	—	998	—	—	234	1 470	122	233
	(6 554)	(5 806)	—	—	5 722	19 769	—	—
	23 750	(8 547)	—	—	5 026	(10 784)	2 079	3 216
	68 021	6 071	—	—	26 814	49 666	(104 965)	(196 150)
	68 021	6 071	—	—	21 411	40 913	(104 965)	(196 150)
	—	—	—	—	5 403	8 753	—	—
	—	14 617	—	144 785	—	—	—	—
	68 021	20 688	—	144 785	21 411	40 913	(104 965)	(196 150)
	68 021	20 688	—	144 785	21 411	40 913	(104 965)	(196 150)
	—	3 835	—	627	—	—	—	—
	(79 493)	(2 908)	—	27 369	—	(3)	1 944	—
	(11 472)	21 615	—	172 781	21 411	40 910	(103 021)	(196 150)

Notes to the Group annual financial statements

continued

for the year ended 31 May 2021

1. Results of operations continued

1.1 Segmental summary continued

At 31 May 2021, the Group is managed on the basis of five main business segments:

- Africa Distribution includes the distribution of prepaid airtime, starter packs and electricity of the South African network operators and utility suppliers, and the distribution and financing of handsets, tablets and other devices within South Africa and certain African countries.
- International includes associate operations involved in the distribution of prepaid airtime in Mexico, which was disposed of in the current year, and the investment in Oxigen Services India. Refer to note 2.1.
- Mobile included the provision of a complete mobile transactional ecosystem and services provisioning platform delivering mobile-centric products and services through any mobile channel, including location-based and WASP services, and music and digital content provision. The entities within this segment, forming part of the VAS operations, were disposed of in the prior year and accounted for as discontinued operations.
- Solutions includes marketing of cellular and financial products and services through outbound telemarketing and other channels, provides inbound customer care and technical support, and markets data and analytics services.
- Corporate performs the head office administration function.