1. RESULTS OF OPERATIONS

1.1 Segmental summary

The Group's segment reporting follows the organisational structure as reflected in its internal management reporting systems, which are the basis for assessing the financial performance of the business segments and for allocating resources to these segments. Management's assessment of the Group's organisational structure takes the geographical location of the segments into account.

Operating segments are reported internally to the Chief Operating Decision-maker in a manner consistent with the financial statements. In addition, the Chief Operating Decision-maker uses core headline earnings as a non-IFRS measure in evaluating the Group's performance on a segmental level. The Chief Operating Decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Directors, who are responsible for making strategic decisions on behalf of the Group.

Transactions between reportable segments are conducted on similar terms as other transactions of a similar nature.

1. RESULTS OF OPERATIONS continued

1.1 Segmental summary continued

The segment results for the year ended 31 May 2025 are as follows:

	Total		Africa Distribution	
	2025 R'000	2024 R'000	**2025 R'000**	2024 R'000
Total segment revenue	**18 651 636**	20 480 909	**18 111 662**	19 626 058
Internal revenue	**(4 601 459)**	(5 882 465)	**(4 287 107)**	(5 282 105)
Revenue	**14 050 177**	14 598 444	**13 824 555**	14 343 953
Segment result				
Operating profit/(loss) before depreciation, amortisation and the additional items listed below	**1 718 170**	1 758 620	**1 872 701**	1 889 223
Fair value gain on surety receivable	**2 885**	2 555	**—**	—
Fair value gain on other financial instruments	**171 431**	4 658	**171 431**	4 658
Expected credit loss on loans	**284 981**	(124 227)	**285 208**	(123 102)
Bad debts and expected credit losses on trade receivables, other receivables and advances to customers	**(520 505)**	(383 555)	**(519 789)**	(383 574)
Loss on modification/derecognition of financial instruments	**(52 872)**	(32 576)	**(52 872)**	(32 576)
Depreciation and amortisation	**(192 774)**	(163 879)	**(176 371)**	(157 504)
Operating profit/(loss)	**1 411 316**	1 061 596	**1 580 308**	1 197 125
Finance costs	**(1 090 314)**	(1 121 356)	**(1 087 912)**	(1 120 225)
Finance income	**803 857**	901 884	**799 853**	896 028
Reversal of impairment of investment in associate	**1 555 042**	—	**1 558 621**	—
Share of (losses)/profits from associates and joint ventures	**(55 376)**	15 416	**(80 624)**	(2 489)
Taxation	**(143 805)**	(197 955)	**(153 136)**	(197 927)
Profit/(loss) for the year	**2 480 720**	659 585	**2 617 110**	772 512
Profit/(loss) for the year attributable to:				
Equity holders of the parent	**2 484 243**	647 386	**2 628 052**	769 270
Non-controlling interest	**(3 523)**	12 199	**(10 942)**	3 242
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	**2 484 243**	647 386	**2 628 052**	769 270
Amortisation of intangibles raised through business combinations net of tax and non-controlling interest	**50 890**	21 791	**50 890**	21 791
Headline earnings adjustment	**1 612 163**	10 311	**1 601 195**	10 510
Core headline earnings for the year	**4 147 296**	679 488	**4 280 137**	801 571

The Company is domiciled in the Republic of South Africa. The revenue earned from external customers in South Africa is R14.0 billion (2024: R14.6 billion), and from external customers from other countries is R4.1 million (2024: R3.1 million).

The Africa Distribution segment includes revenue of R2.1 billion and R1.7 billion from two external customers.

At 31 May 2025, the Group is managed on the basis of four main business segments:

- Africa Distribution includes the distribution of prepaid airtime, starter packs and electricity of the South African network operators and utility suppliers, the distribution of ticketing and universal vouchers, as well as the distribution and financing of handsets, tablets and other devices within South Africa and certain African countries.
- International includes the investment in Oxigen Services India.
- Solutions include 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.

International		Solutions		Corporate	
2025 R'000	2024 R'000	**2025 R'000**	2024 R'000	**2025 R'000**	2024 R'000
—	—	**259 894**	268 474	**280 080**	586 377
—	—	**(34 272)**	(13 983)	**(280 080)**	(586 377)
—	—	**225 622**	254 491	**—**	—
(276)	(1 564)	**20 602**	28 918	**(174 857)**	(157 957)
2 885	2 555	**—**	—	**—**	—
—	—	**—**	—	**—**	—
(391)	(1 381)	**164**	256	**—**	—
—	—	**(716)**	19	**—**	—
—	—	**—**	—	**—**	—
—	—	**(695)**	(672)	**(15 708)**	(5 703)
2 218	(390)	**19 355**	28 521	**(190 565)**	(163 660)
(2)	—	**(213)**	(39)	**(2 187)**	(1 092)
—	28	**3 495**	3 901	**509**	1 927
(3 579)	—	**—**	—	**—**	—
—	—	**25 248**	17 905	**—**	—
(722)	(1 378)	**6 455**	2 699	**3 598**	(1 349)
(2 085)	(1 740)	**54 340**	52 987	**(188 645)**	(164 174)
(2 085)	(1 740)	**46 921**	44 030	**(188 645)**	(164 174)
—	—	**7 419**	8 957	**—**	—
(2 085)	(1 740)	**46 921**	44 030	**(188 645)**	(164 174)
—	—	**—**	—	**—**	—
3 579	—	**6 953**	(199)	**436**	—
1 494	(1 740)	**53 874**	43 831	**(188 209)**	(164 174)

Core headline earnings

Core headline earnings is a non-IFRS measure used by the Group in evaluating the Group's performance. This supplements the IFRS Accounting Standards measures. Core net profit is calculated by adjusting net profit for the year with the amortisation of intangible assets net of deferred taxation and non-controlling interests that arise as a consequence of the purchase price allocations completed in terms of IFRS 3 – *Business Combinations*. Core headline earnings is calculated by adjusting core net profit with the headline earnings adjustments required by SAICA circular 1/2023.

Reconciliation of core headline earnings to relevant IFRS Accounting Standards is presented in note 1.5.