



## **PRESS RELEASE: VETIVA FORECASTS STRONG GROWTH PROSPECTS FOR SAFARICOM PLC**

---

In its coverage initiation report titled "Positioned for long-term growth", Vetiva Research ("Vetiva") projects strong growth prospects for Safaricom PLC, the leading telecommunications provider in Kenya. The SSA Telecoms Analyst at Vetiva, Victoria Ejugwu, highlighted that this projection is hinged on the opportunities that exists in the telecom market in East Africa, in which Safaricom has positioned itself to uptake.

Additionally, she noted that data services and mobile money are two strongholds for the company, as these business segments remained under-tapped, due to the low coverage within the region. Thus, she asserted that these service segments would remain growth drivers for the company both in the Kenyan market, and the East African market at large. Victoria also noted that the company has a strong brand positioning and thus would remain very competitive in the market. She, however, highlighted that downside risk to growth remains weak macro-economic factors. According to Victoria, "the weak macro environment has a dwindling effect on purchasing power, and that might ultimately dampen demand for telco services.

The report also noted that the changing regulatory landscape could be a challenge for Safaricom, as players continue to be pressured by regulators. She asserted, "In Kenya, the heavy regulatory policies of the Communications Authority of Kenya have slowed the growth and expansion of some major players. One instance was the downward revision of data and voice tariffs. Also, more recently, the Authority gave a directive to mobile network operators (MNOs) to block SIM cards that were yet to be registered. However, despite this drawback, the sector has proved to be resilient, and has maintained growth thus far.

Vetiva is a Pan-African Financial Services Company incorporated in Nigeria and duly regulated and registered by the Nigerian Securities & Exchange Commission ("SEC") to carry on business as an Issuing House and Financial Adviser. Also, the company, through subsidiaries, is registered to act as Fund/Portfolio Managers, Trustees and Broker/Dealer by the Nigerian SEC.

**VETIVA RESEARCH**  
**LAGOS, NIGERIA**  
**16<sup>th</sup> May 2023**  
**Contact: [research@vetiva.com](mailto:research@vetiva.com)**



# VETIVA

CAPITAL MANAGEMENT LIMITED  
RC.485600

**Disclosure:**

*This note is for information purposes only and is not intended to provide personal investment advice. This note does not take into account the specific investment objectives, financial situation and the particular needs of any specific person. Investments and securities discussed in this note may not be suitable for all investors and certain investors may not be eligible to purchase or participate in some or all of them. Investors should independently determine the suitability of, and evaluate the investment risks associated with investments and securities discussed herein. All investors are solely responsible for their investment decisions. Any decision to purchase or subscribe for securities in any offering must be based solely on existing public information on such security or the information in the prospectus or other offering document issued in connection with such offering, and not on any information contained herein. Thus, Vetiva and its officers and employees shall not accept liability for any loss arising from the use of this note or its contents in making investment decisions or recommendations. It is instructive to note that a company's past performance is not necessarily indicative of its future performance as estimates are based on assumptions that may or may not be realized. Accordingly, the value, price or income from investments mentioned in this note may fall, as well as rise, due to economic conditions, industry cycles, market indices, operational or financial conditions of companies or other factors. Any ratings, forecasts, estimates and opinions set forth in this note constitute the analyst(s) position as at the date and time of this note and may not necessarily be so thereafter, as they are subject to change without notice. Vetiva is not obliged to update this note or bring any such changes to your attention. Whilst reasonable care has been taken in preparing this note, no responsibility or liability is accepted either by Vetiva, its officers or any of its employees for any error of fact or opinion expressed herein. This note provides general information only. Vetiva, through other business units, may have issued, and may in the future issue trading ideas or recommendations that are inconsistent with, and reach different conclusions from, the information presented in this report. Such ideas or recommendations reflect the different time frames, assumptions, views and analytical methods of the persons who prepared them, and Vetiva is under no obligation to ensure that such other trading ideas or recommendations are brought to the attention of any recipient of this note. Vetiva may make investment decisions or take proprietary positions that are inconsistent with the recommendations or views expressed herein. Also, Vetiva may have financial or other beneficial interest in any of the securities or related investments listed in this note. Facts and views presented herein have not been reviewed by, and may not reflect information known to, professionals in other business areas of Vetiva, including the Investment Banking team and the Wealth Management team, as Vetiva has established information barriers between its Research team and certain business groups.*

---