

Vodafone Qatar P.Q.S.C.

Investor Presentation

Financial Performance:
Three months ended 31 March 2024

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Performance Highlights

Hamad Al-Thani
Chief Executive Officer



Key Messages



Profitable Growth Trend Continues

FY24 Q1 Revenue QR806m
+3.9% Y/Y

FY24 Q1 Net Profit is QR150m
+12.5% Y/Y



Stronger Market Position

**29.9% Revenue Market Share
in FY23**
Gained +9.5pts RMS since FY17.

**44.6% Mobility Customer
Market Share in FY23**
+4.6% Y/Y based on reported
figures.



Critical Drivers of Growth

Network Coverage and Capacity

- Majority of the 5G sites upgraded with 2nd carrier.
- Enhanced 5G presence on developing economy engine areas.

Enterprise Solutions
Diversified range of ICT & Managed services driving Enterprise business unit growth despite pressure on enterprise mobility.



Our Results Despite Challenging Environment

Overall telco market declined
-5.7% Y/Y in FY23

**Vodafone is showing strong
resilience**

- Continued to gain market share in mobility in FY23.
- Service revenue from Managed Services, Wholesale and Fixed grew by 8.1% Y/Y in FY24 Q1.

Financial Performance

Masroor Anjum
Chief Financial Officer



Key Highlights



Revenue growth continues

- Growth momentum continues with total revenue growing by 3.9%, led by service revenue growth of 2.5%



Cost efficiency

- Despite growth in service revenue, operating expenses (excl. equipment costs) remain constant YoY, driven by cost optimisation initiatives
- OPEX intensity further reduces by 0.7ppts YoY



Continuing profitability growth

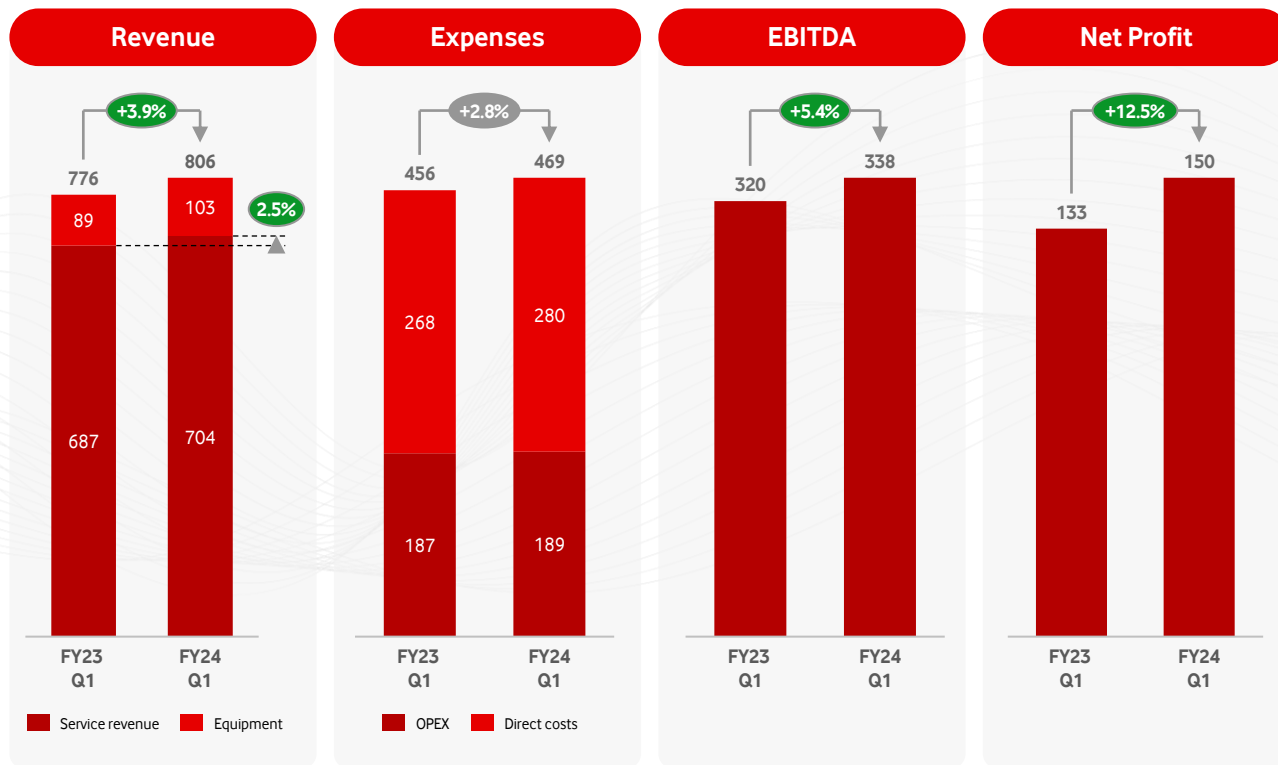
- EBITDA QR 338m, 5.4% increase YoY
- EBITDA margin of 41.9%, expands 0.6 ppts YoY
- Net profit QR 150m, grows 12.5% YoY



Robust underlying growth in cash flows

- 26.1% increase in underlying operating cash flows YoY, driven by working capital optimisation initiatives

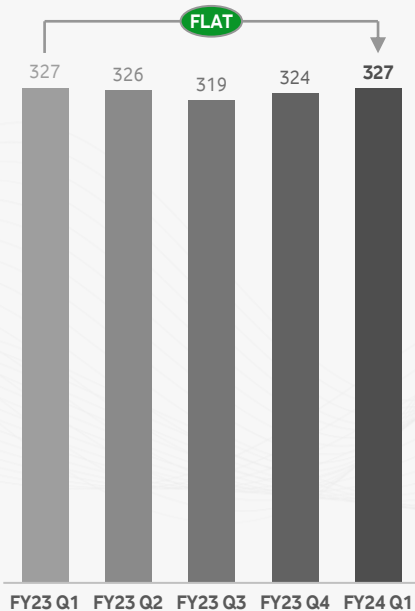
FY24 Q1 Year on Year : Persistent Topline and Profitability Growth



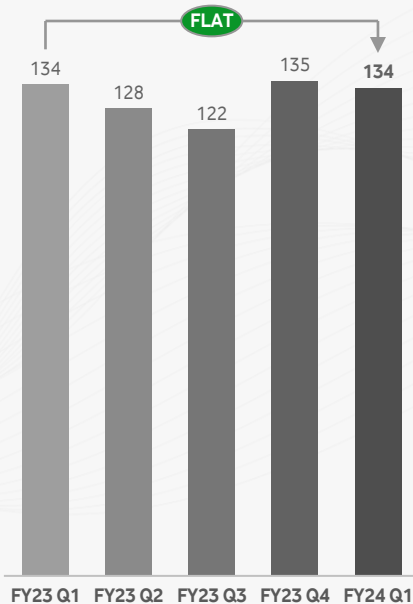
- Total revenue grew QR 30m (+3.9%) led by service revenue growth (+2.5%) and higher handset sales
- Expenses higher primarily due to growth in revenue and subscribers
- EBITDA grew 5.4% primarily driven by service revenue growth
- Net profit grew 12.5% following higher EBITDA

Service Revenue : Service revenue growth continues

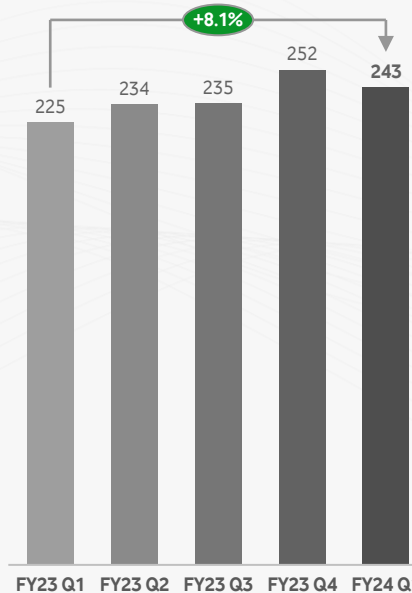
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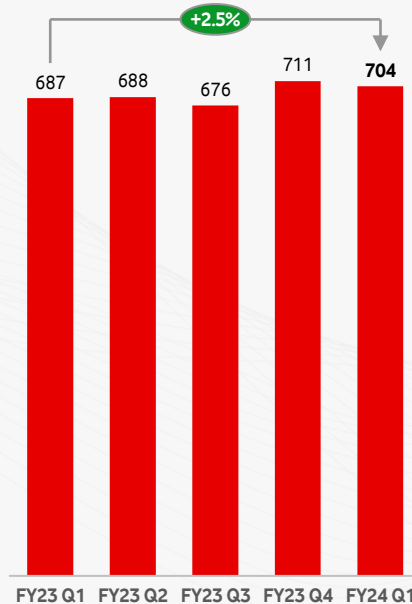
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Managed services, wholesale & Fixed

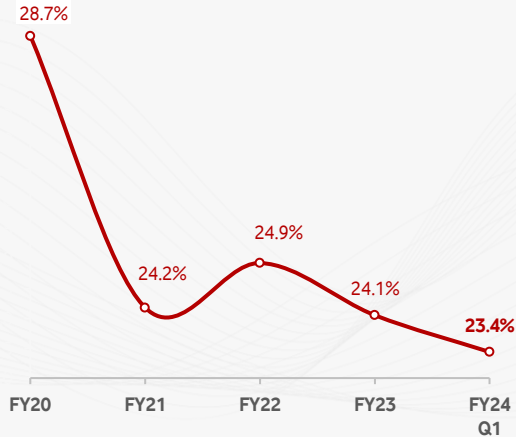


Total service revenue



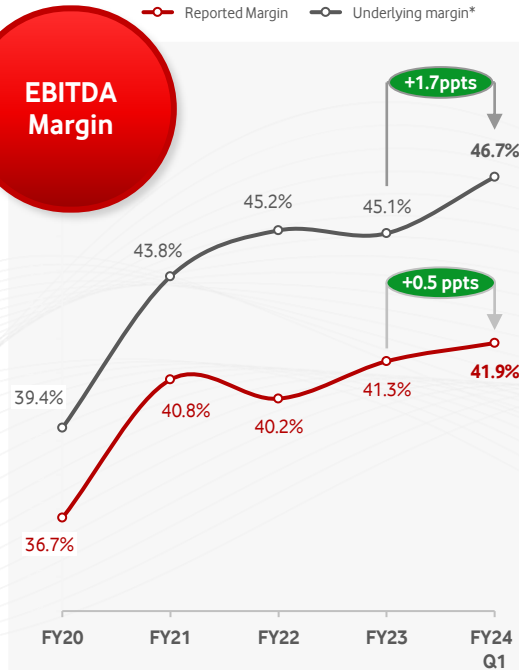
Margin Trends : Improving efficiency and margins

OPEX Intensity



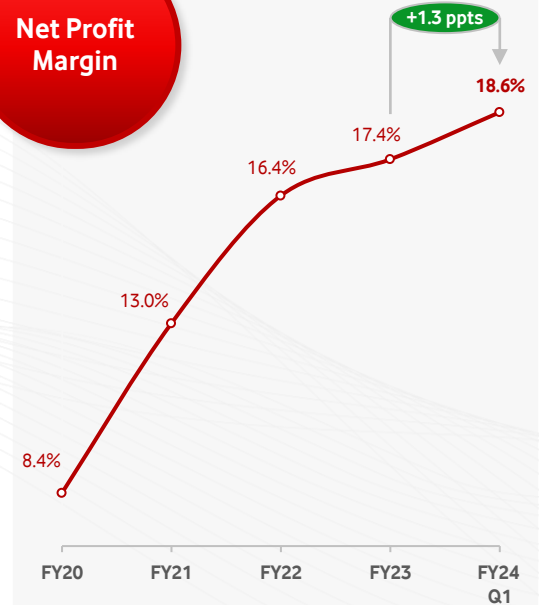
- **OPEX intensity** continues to decline driven by cost optimisation

EBITDA Margin



- **Reported EBITDA margin at 41.9%**, 0.5 pts higher than FY23
- **Underlying EBITDA margin of 46.7%**, 1.7 pts higher than FY23

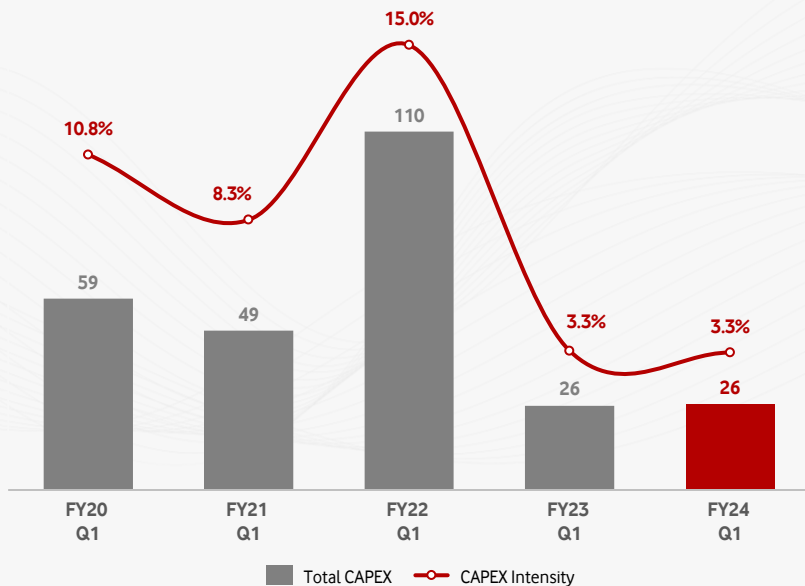
Net Profit Margin



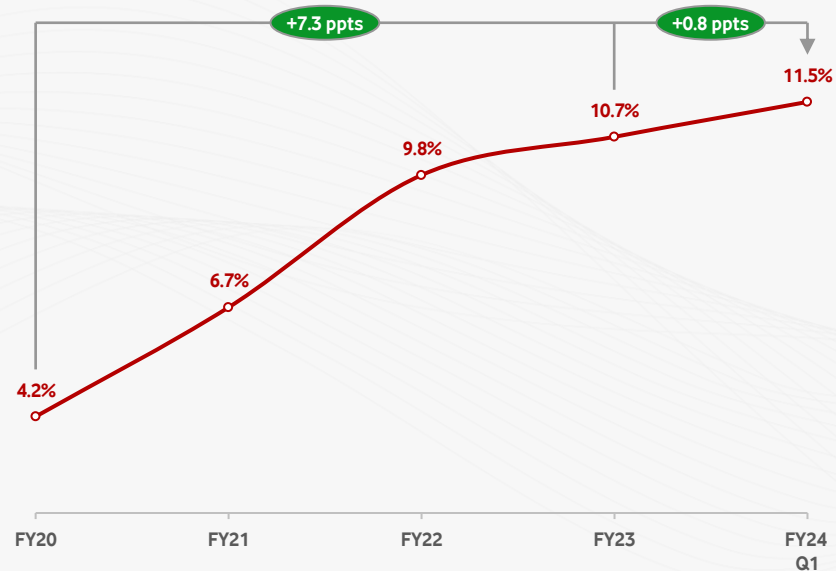
- **Net Profit margin of 18.6%** (1.3 pts higher than FY23) led by growth in EBITDA

Capital Expenditure : Investments driving profitable growth

Capital expenditure (CAPEX)

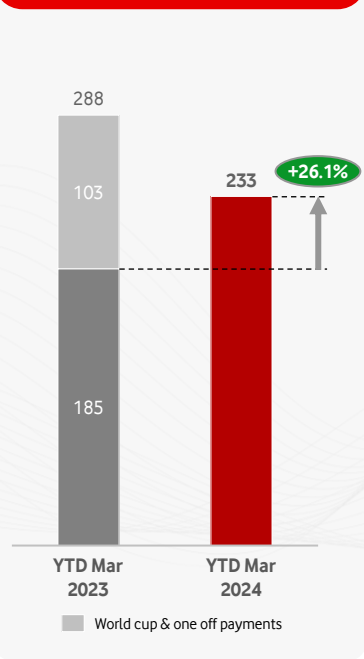


Return on capital employed (ROCE*)

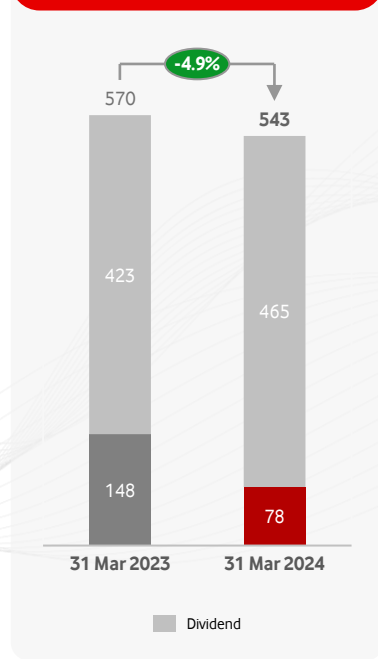


FY24 Q1 Year on Year : Generating strong cash flows

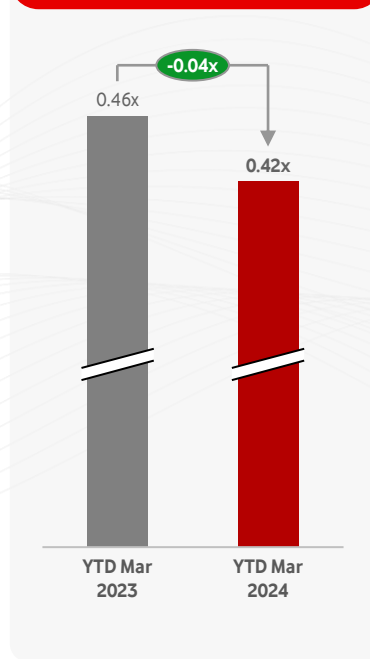
Operating Cash flow*



Net Debt



Net Debt to EBITDA **



- 1 Underlying operating cash flow increased 26% reflecting strong collections and working capital optimization initiatives
- 2 Despite higher dividend pay-out for FY23, net debt decreased due to strong OFCF
- 3 Net debt to EBITDA ratio continues to decline reaching 0.42x

FY24 Q1 Year on Year : Statutory results summary

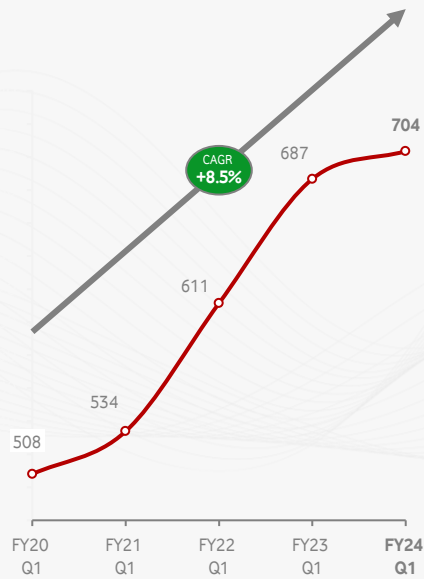
QR millions (unless otherwise stated)

	31 Mar 24	31 Mar 23	YoY
Consumer revenue	405	397	8
Enterprise, equipment and other revenues	401	379	22
Total revenue	806	776	30
Direct costs	(280)	(268)	(11)
Operational expenses	(189)	(187)	(2)
Depreciation and amortisation	(158)	(159)	1
Borrowing cost	(9)	(11)	3
Other financing costs (net)	(5)	(3)	(2)
Profit before tax related fees	165	147	19
Tax related fees	(15)	(13)	(2)
Profit for the period	150	133	17
Basic and diluted earnings per share (in QR)	0.036	0.032	0.004

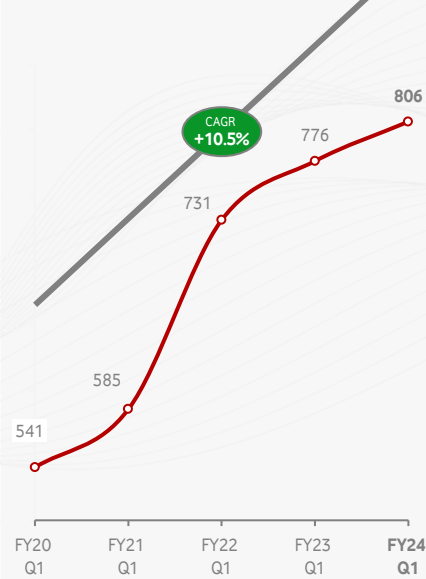
- Total revenue grew QR 30m (3.9%) led by service revenue growth (+2.5%) and higher handset sales
- Higher direct costs resulting from revenue and customer growth
- Financing costs lower due to impact of lower net debt

Key Financial Performance Indicators

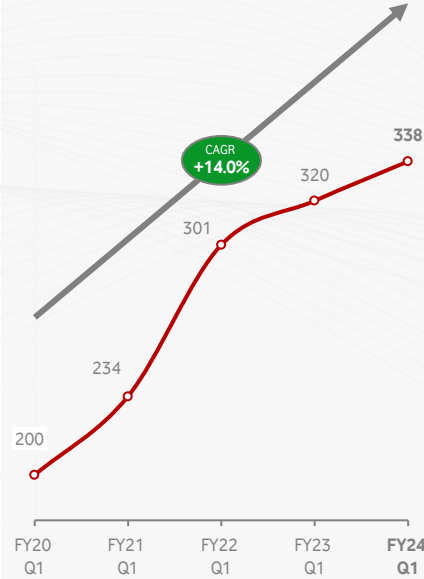
Service Revenue



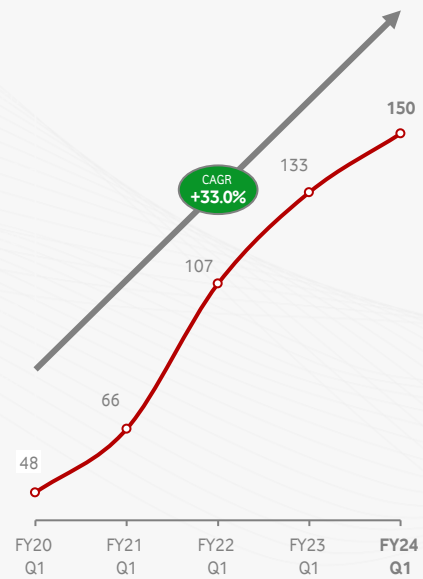
Total Revenue



EBITDA



Net Profit



FY24 Guidance

Financial KPIs	FY23 Results	FY24 Guidance
Total revenue	QR 3,111m	+ YoY%
EBITDA Margin	41.3%	+ 0.5 to 1 ppts
Earnings Per Share (EPS)	0.128	+8% - 12%
CAPEX intensity	17.7%	12% - 14%

Q&A



For more information visit our website:

www.vodafone.qa/en/investor-relations

Or email us:

InvestorRelationsQatar@vodafone.qa

APPENDIX



Consolidated Statement of Income

QR m (unless otherwise stated)	Three months ended		
	31 Mar 24	31 Mar 23	YoY
Consumer revenue	405	397	8
Enterprise, equipment and other revenues	401	379	22
Total revenue	806	776	30
Interconnection and other direct expenses	(269)	(258)	(11)
Network and other operational expenses	(124)	(121)	(3)
Employee salaries and benefits	(65)	(66)	1
Depreciation of property, plant and equipment	(81)	(84)	3
Amortisation of intangible assets	(49)	(47)	(2)
Depreciation of right-of-use assets	(28)	(28)	(0)
Expected credit losses	(11)	(10)	(0)
Finance costs	(9)	(11)	3
Other financing costs	(8)	(6)	(2)
Other income	2	3	(1)
Profit before tax related fees	165	147	19
Tax related fees	(15)	(13)	(2)
Profit for the period	150	133	17
Basic and diluted earnings per share (in QR)	0.036	0.032	0.004

- Total revenue grew QR 30m (+3.9%) driven by growth in fixed revenue (+7.7%) and higher handset sales
- Increase in direct costs corresponds with growth in handset sales, partially offset by the benefits of cost optimisation initiatives
- Financing costs lower due to impact of lower net debt

Consolidated Statement of Financial Position

QR m (unless otherwise stated)	31 Mar 24	31 Dec 23	Var
Property, plant and equipment	1,874	1,934	(60)
Intangible assets	3,994	4,037	(43)
Right-of-use assets	408	429	(20)
Receivables, prepayments and contract costs	220	267	(47)
Total non-current assets	6,497	6,667	(171)
Inventories	47	34	13
Receivables, prepayments and contract costs	460	457	3
Cash and bank balances	113	130	(17)
Total current assets	620	621	(1)
Total assets	7,116	7,288	(172)
Share capital	4,227	4,227	-
Legal reserve	166	158	9
Hedging reserve	(2)	-	(2)
Retained earnings	225	552	(327)
Total equity	4,616	4,936	(321)
Loans and borrowings	600	325	275
Lease liabilities	280	315	(35)
Provisions	112	110	2
Total non-current liabilities	992	751	241
Loans and borrowings	56	105	(49)
Lease liabilities	177	156	20
Trade and other payables	1,276	1,340	(64)
Total current liabilities	1,508	1,601	(93)
Total equity and liabilities	7,116	7,288	(172)

Assets

- Property, plant & equipment and intangible assets decreased by QR 103m due to depreciation and amortisation of QR 130m offset by CAPEX of QR 26m
- Right of use assets decreased by QR 20m as a result of depreciation QR 28m offset by new leases QR 7m
- Receivables, prepayments and contract costs QR 44m lower due to higher projects collections

Equity

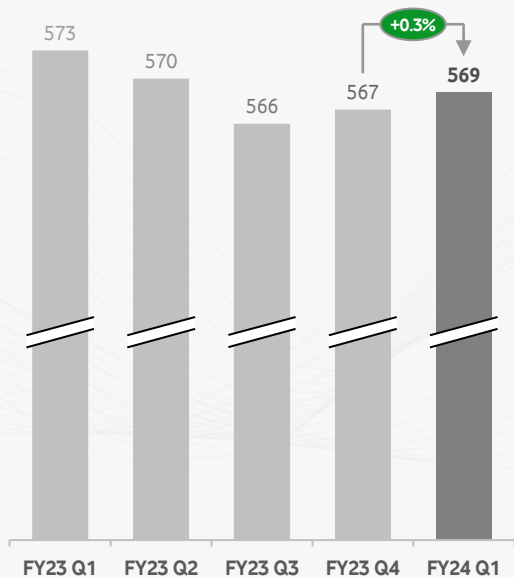
- Equity decreased by QR 321m due to dividend payment QR 465m, partially offset by profit for the period QR 150m

Liabilities

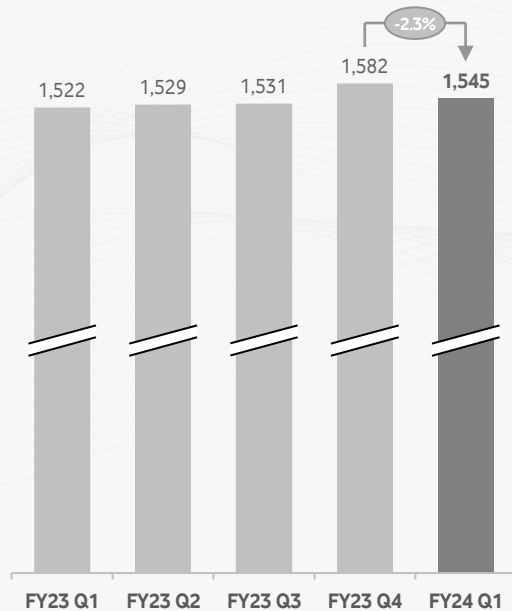
- Loans and borrowings QR 226m higher due to drawdown for dividends payment
- Lease liabilities QR 15m lower due to settlements QR 27m offset by new leases QR 7m and interest unwinding QR 5m
- Trade and other payables decreased by QR 64m due to FY23 CAPEX payments

Mobility Subscribers

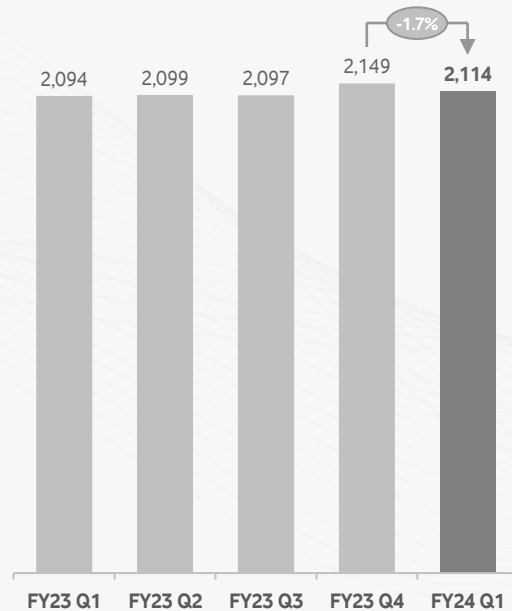
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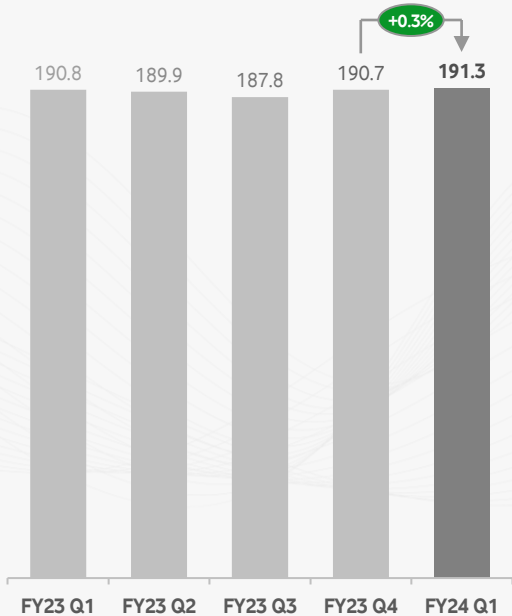


Total Mobility

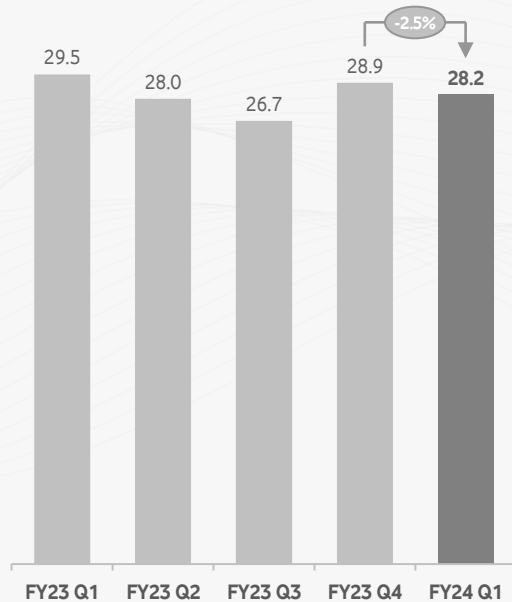


Mobility ARPU

Postpaid



Prepaid



Total Mobility

