



Vodafone Qatar P.Q.S.C.
Financial results: Year ended 31 December 2020

03 February 2021

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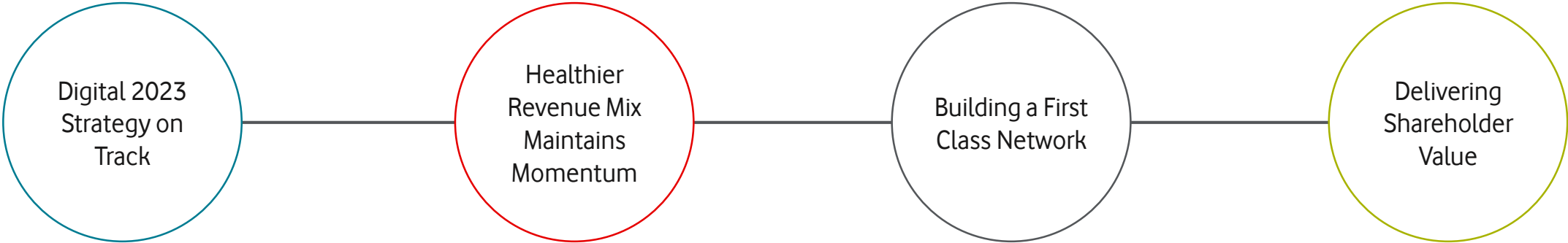




Quarterly highlights

Hamad Al Thani
Chief Executive Officer





12 Quarters

Consecutive Y/Y quarterly total revenue growth

Net Profit

FY'20 Net Profit grows 29% Y/Y

Healthier Revenue Mix

VFQ consumer revenue contribution represents 62.5% of total revenue (-8.2pts vs FY'17)

Enterprise Growth

ICT managed services and solutions emerging growth drivers

Enhanced Coverage & Capacity

Radio Access Network expanded > +35% sites since 2017

5G Deployment

5G Population Coverage is greater than 70%

Proposed Dividend

Dividend of 5% per share totalling to QR 211.4m. This is subject to shareholder approval in AGA on 24 February 2021



Financial review

Brett Goschen
Chief Financial Officer



FY 2020 | Financial Performance Highlights

Service Revenue + 3.7% YoY

GigaHome, postpaid and enterprise growth

Costs 1.7% Lower YoY

Cost control and optimisation

EBITDA Margin 36.7%

Highest ever and +3.3 ppts YoY

Net Profit +29% YoY

Growth in EBITDA

CAPEX QR 411m

Investments in site expansion, fixed & 5G

Net debt QR 645m

Net debt to EBITDA ratio at 0.8

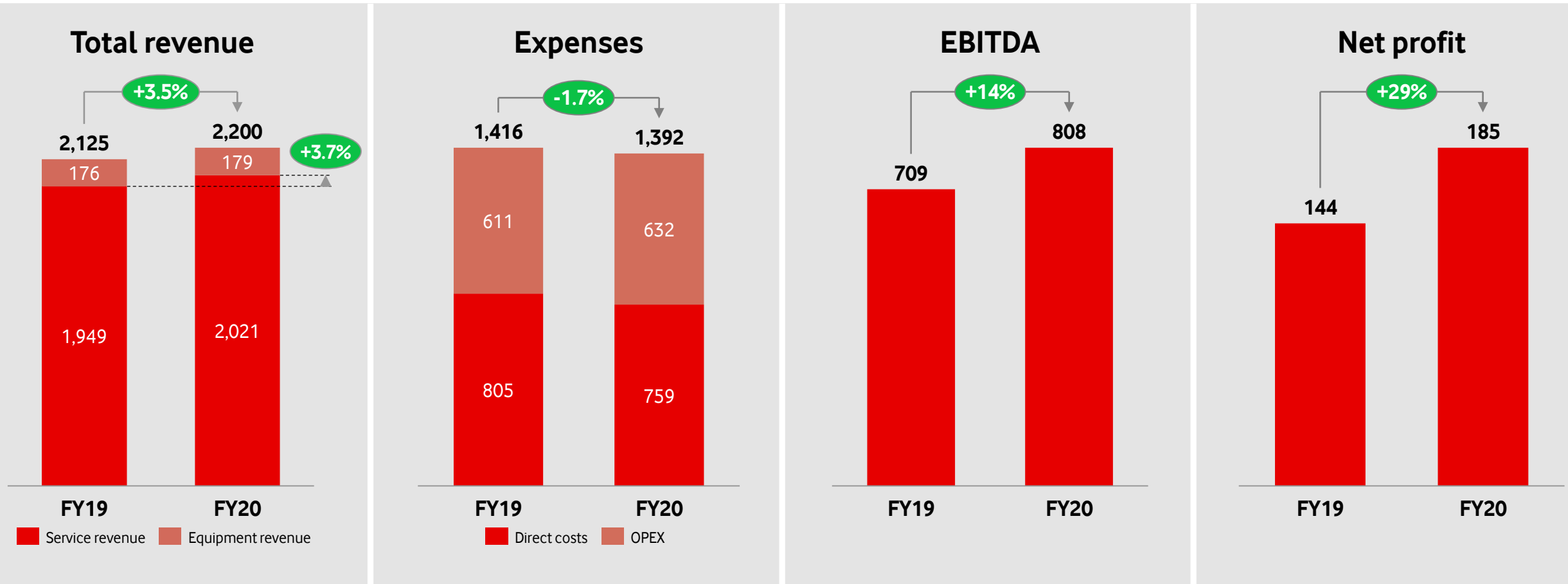
Items impacting YoY comparisons:

- 1 Regulatory license fees paid to CRA increased from 1% of net service revenue to 1.5% of gross service revenue, increasing FY20 costs by QR 14m
- 2 Core Telecom Agreements confirmed to be exempted from Withholding Tax (WHT) benefiting QR 10m in FY20 Q4



FY20 Financial Performance

Year on Year (FY19 v FY20) (QR m)

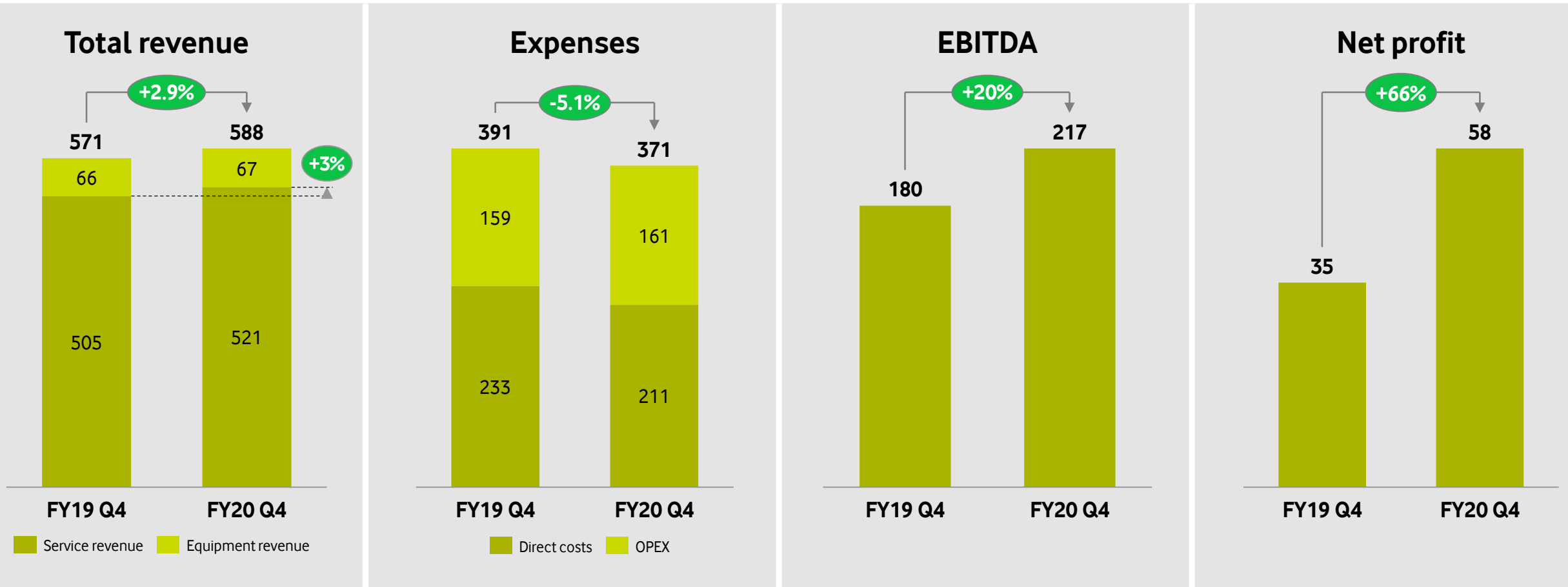


- 1 Total revenue 3.5% higher** led by **3.7% growth in service revenue**
- 2 Expenses 1.7% lower** due to cost optimization program despite higher operational costs (fixed & 5G), FX losses (Euro appreciating) and license fee increase
- 3 EBITDA higher by QR 99m** led by higher service revenue coupled with lower expenses
- 4 Net profit 29% higher** following EBITDA growth partially offset by higher depreciation and financing costs



FY20 Financial Performance | Quarter 4

Year on Year (FY19 v FY20) (QR m)

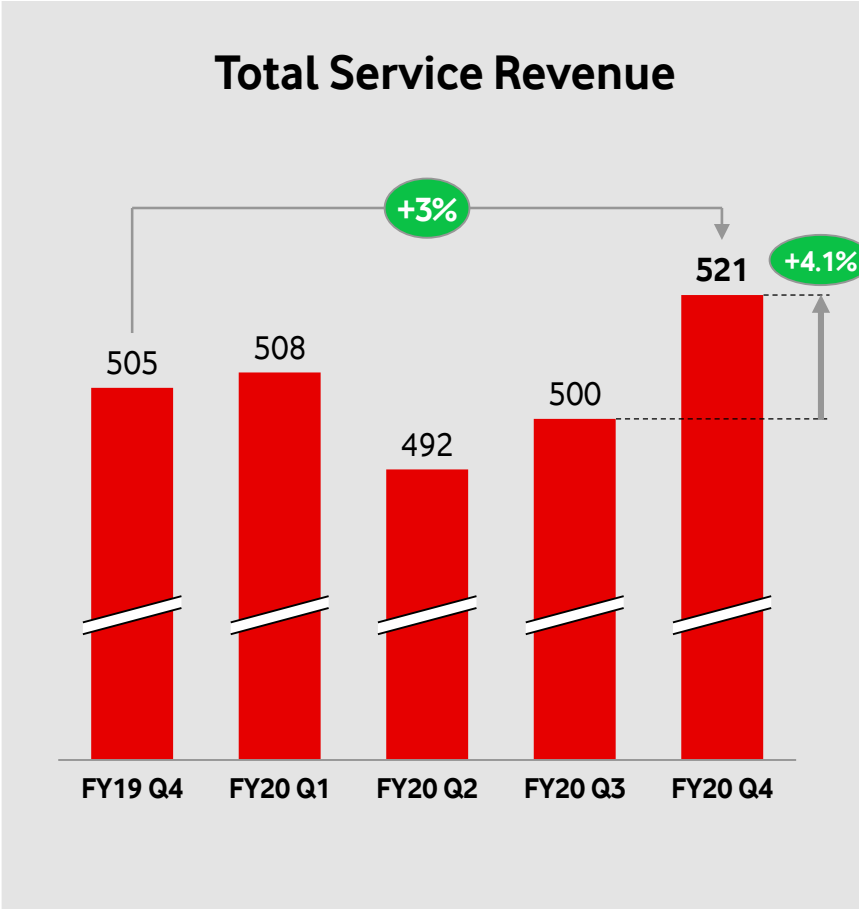
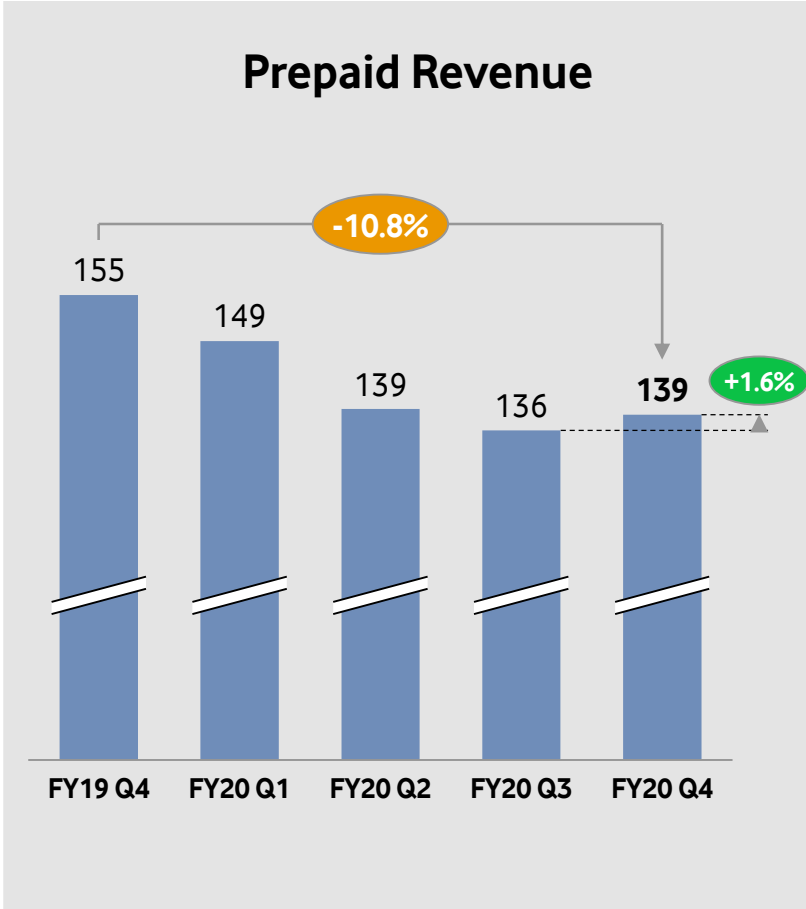
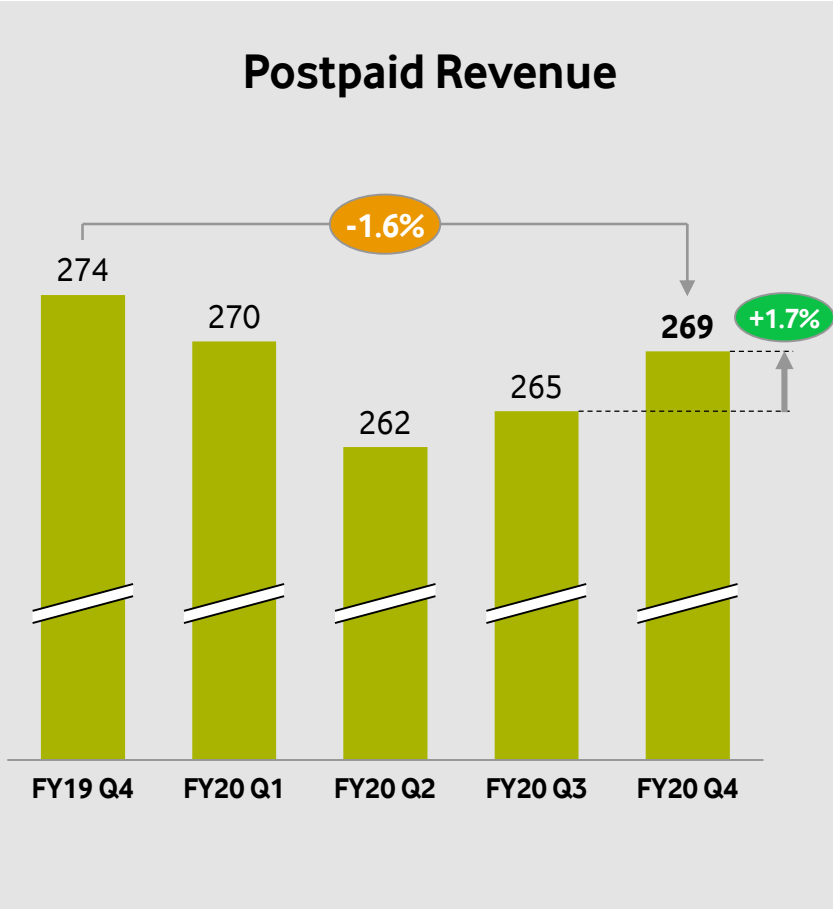


- 1 Total revenue 2.9% higher led by Service revenue (+3% YoY)** driven by growth in GigaHome partially offset by decline in prepaid market and reduction in termination rates
- 2 Expenses lower by 5.1%** as a result of cost optimization and WHT reversal partially offset by impact of license fee increase
- 3 EBITDA QR 37m or 20% higher** as a result of the higher service revenue coupled with lower expenses
- 4 Net profit QR 23m higher** from the EBITDA flow through, partially offset by higher depreciation



FY20 Financial Performance

Service Revenue (QR m)

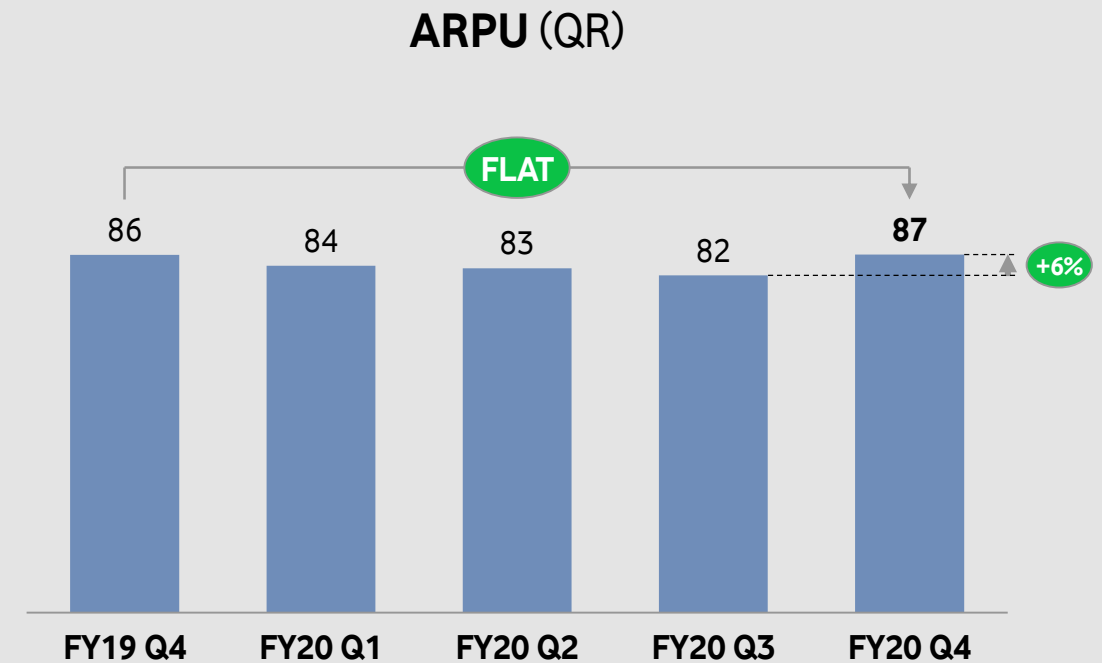
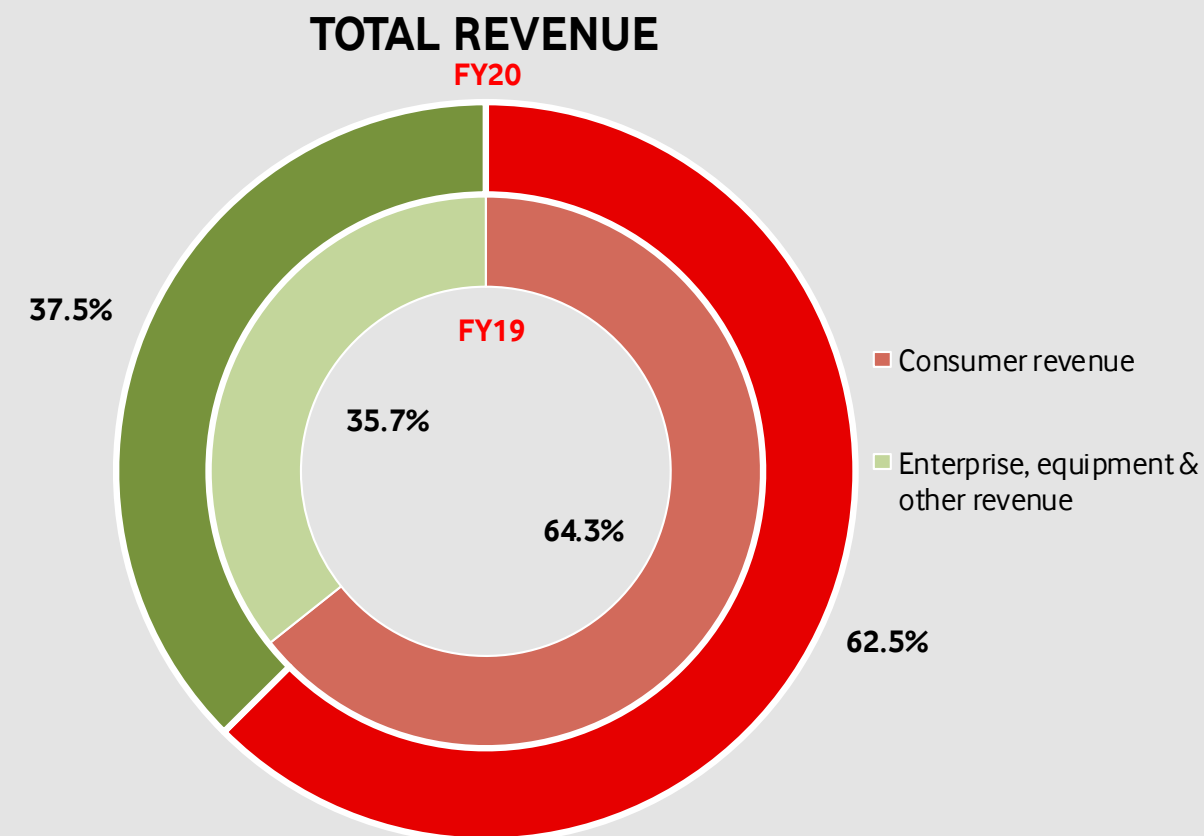


- 1** Postpaid revenue recovering post COVID with growth of 1.7% QoQ
- 2** Prepaid revenue declined by 10.8% YoY due to reduction of mobile termination rates (MTR) and overall declining prepaid market
- 3** Total service revenue 3% higher driven by growth in GigaHome and enterprise



FY20 Financial Performance

Total Revenue & ARPU



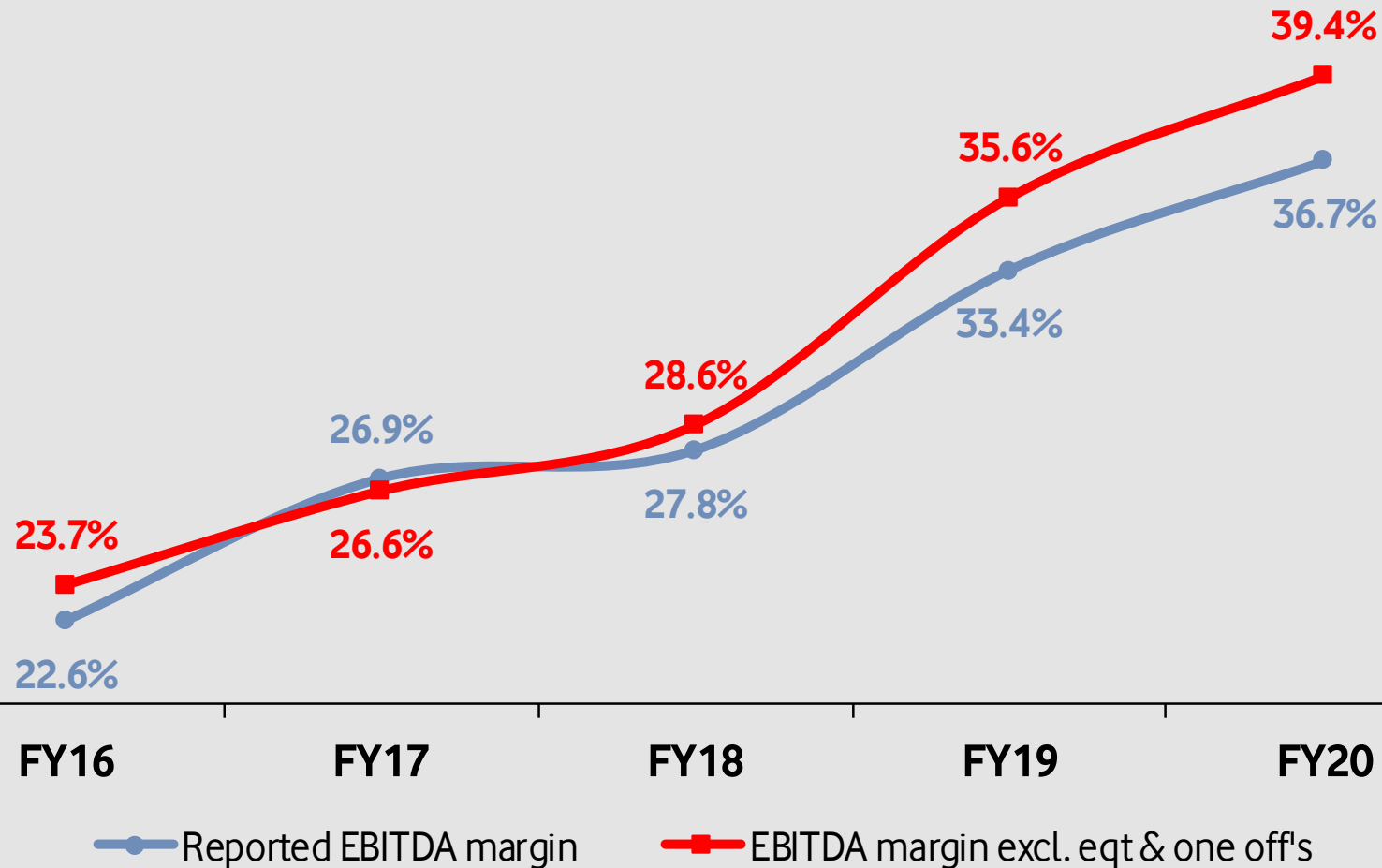
- 1 Enterprise and other revenue increased their contribution by 1.8ppts YoY
- 2 ARPU is largely flat YoY





FY20 Financial Performance

EBITDA margin

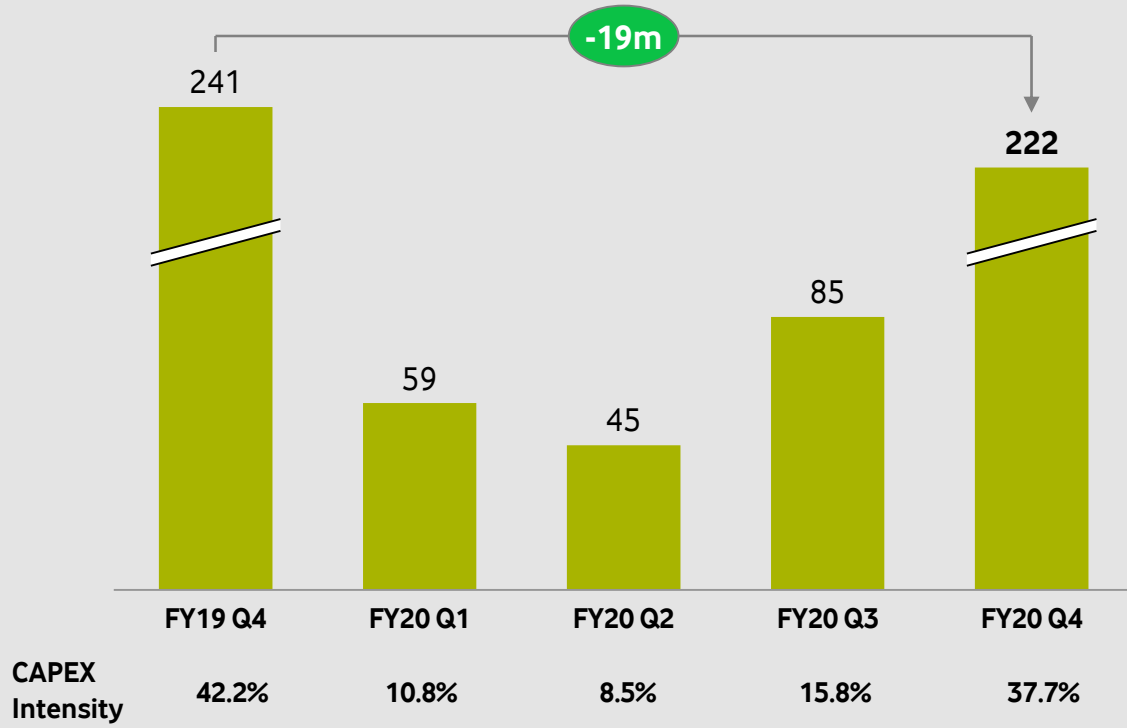


- 1** Underlying EBITDA margin of **39.4%** (growth of 3.8 pts YoY) majorly led by cost optimization and growth in GigaHome and postpaid revenue
- 2** Reported Margin at **36.7%** grows 3.3 pts YoY

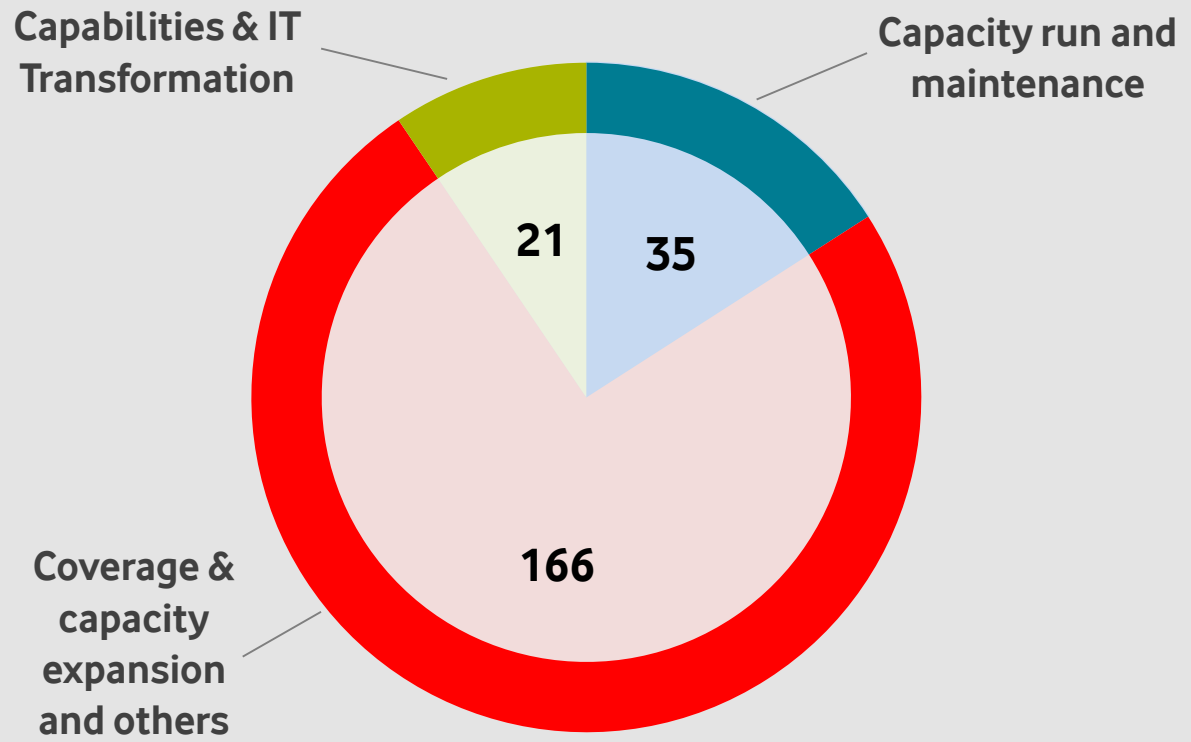
FY20 Financial Performance

CAPEX (QR m)

Total CAPEX



Quarterly CAPEX Mix



CAPEX investment QR 222m focusing on:

- 1 Capacity expansion and coverage foot print enhancement
- 2 Enhancing digital capabilities and products
- 3 Investments to maintain the network





Consolidated statement of income

For the year ended 31 December 2020

QR m (unless otherwise stated)	Year ended		
	31 Dec 20	31 Dec 19	YoY
Consumer revenue	1,376	1,367	9
Enterprise, equipments and other revenue	824	758	66
Total revenue	2,200	2,125	75
Interconnection and other direct expenses	(759)	(805)	45
Network, rentals and other operational expenses	(404)	(384)	(20)
Employee salaries and benefits	(228)	(227)	(1)
Depreciation of property, plant and equipment	(262)	(227)	(34)
Amortisation of intangible assets	(178)	(176)	(3)
Depreciation of right-of-use assets	(99)	(85)	(13)
Industry fee	(21)	(18)	(3)
Operating profit	248	203	45
Finance cost	(40)	(34)	(6)
Other financing costs	(25)	(29)	4
Other income	2	4	(2)
Profit for the period	185	144	41
Basic and diluted earnings per share (QR per share)	0.044	0.034	0.010

Commentary YoY:

- **Revenue increased QR 75m** led by service revenue growth of 3.7% driven by postpaid, enterprise and GigaHome.
- **Interconnect and other direct expenses QR 45m lower** driven by cost optimisation program and lower termination rates offset by increase in license fees and higher equipment costs
- **Network, rentals and other operational expenses increased by QR 20m** due to additional operational costs (Fixed & 5G) and FX losses (Euro appreciating), partially offset by cost optimisation benefits
- **Depreciation and amortization QR 50m higher** due to higher CAPEX incurred in FY 2019 and additional property leases
- **Finance costs increased by QR 6m** due to local refinancing of Vodafone Group facility and higher net debt

Appendix



Consolidated statement of financial position



As at 31 December 2020

QR m (unless otherwise stated)	31 Dec 20	31 Dec 19	Var
Property, plant and equipment	1,647	1,484	163
Intangible assets	4,280	4,471	(192)
Right-of-use assets	372	358	13
Trade and other receivables	30	37	(7)
Total non-current assets	6,328	6,350	(22)
Inventories	22	38	(16)
Trade and other receivables	305	407	(102)
Cash and bank balances	175	303	(128)
Total current assets	502	748	(246)
Total assets	6,829	7,098	(269)
Share capital	4,227	4,227	-
Legal reserve	76	63	13
Retained earnings	185	230	(44)
Total equity	4,489	4,519	(31)
Loans and borrowings	615	820	(205)
Lease liabilities	283	253	29
Provisions and trade payables	157	229	(73)
Total non-current liabilities	1,054	1,302	(248)
Loans and borrowings	205	-	205
Lease liabilities	113	121	(8)
Trade and other payables	969	1,155	(186)
Total current liabilities	1,287	1,276	10
Total equity and liabilities	6,829	7,098	(269)

Assets

- **Property, plant and equipment & Intangible assets decreased by QR 29m** due to depreciation and amortization QR 440m offset by CAPEX of QR 411m
- **Right of use assets QR 13m higher** as a result of capitalisation for new leases of QR 112m offset by depreciation QR 99m
- **Trade and other receivables QR 109m lower** mainly due to higher collection from dealers and lower prepayments
- **Cash and bank balances QR 128m lower** following the dividend payment and settlement of FY19 CAPEX liabilities

Equity

- **Equity decreased by QR 31m** due to dividend payment offset by the net profit for the year

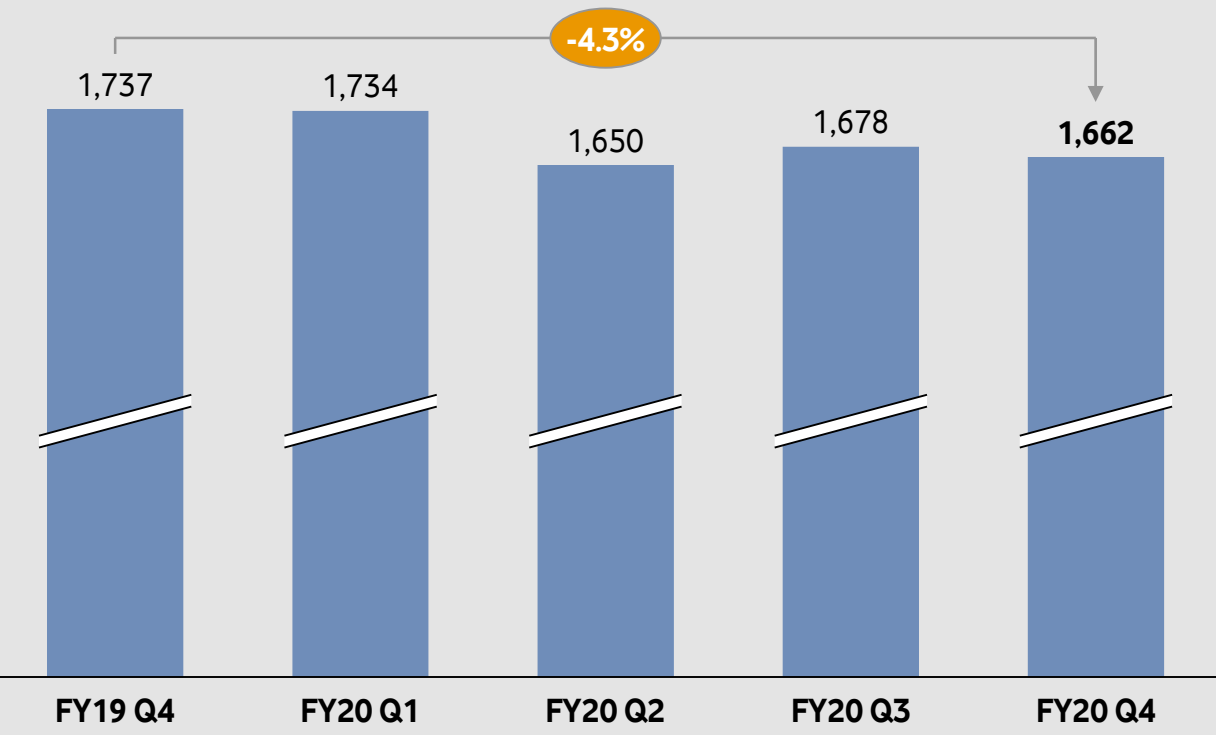
Liabilities

- **Lease liabilities QR 21m higher** as a result of new additions QR 112m and interest expense QR 16m offset by payment made during the year QR 106m
- **Provisions, trade and other payables decreased QR 259m** primarily driven by settlement of FY19 CAPEX liabilities, revision of asset retirement obligation estimates and reduction in other payables

Mobile Customers ('000s) & Net Debt

FY20 Q4 v FY19 Q4

Total Mobile Customers



Net Debt (QRm)

