

Vodafone Qatar P.Q.S.C.

Financial results:
Nine months ended 30 September 2022

26 October 2022



Quarterly Highlights

Hamad Al-Thani
Chief Executive Officer



Key Messages



Profitable Growth Continues



- **19 consecutive quarters of Y/Y Revenue growth**
YTD Total Revenue +24.7% Y/Y. Growing across both Mobile & Fixed.

- **YTD FY'22 Net Profit grows to QAR 334m, already crossed 2021 Full Year figure**
YTD Net Profit +66.9% Y/Y



Network Infrastructure Expansion



- **Radio Coverage & Capacity Expansion**
>70% increase in Radio Access Network Sites since 2017

- **Fibre Footprint Expansion**
Deployment at scale continues across Qatar



Going Beyond Core



- **IoT Roadmap**
A range of IoT solutions have already been launched in the market (including Asset Tracking, Smart Tracker, Fleet Management). Developments ongoing for many more use cases.

- **FinTech Entry**
iPay is the first licensed wallet by Qatar Central Bank. It is an operator independent e-wallet and is available for all consumers in Qatar.



Critical Focus Areas



- **Readiness for the Biggest Event**
Our infrastructure, technology and products are geared to serve the demand of expected 1.5m visitors, over and above Qatar's highest recorded population of ~3m.

- **Enterprise Growth Acceleration**
Providing innovative digital technologies and solutions to support the digital transformation of the businesses in Qatar.

Financial Performance

Nine months ended 30 September 2022

Masroor Anjum
Chief Financial Officer



Key Highlights : Nine months ended 30 September 2022



Strong revenue growth

- Total Revenue grows 24.7% led by service revenue growth and projects revenue
- Growth across all revenue segments



Cost efficiency

- OPEX intensity continue to decline with 1.5 pts improvement YoY
- This is despite significant expansion in network and increase in subscribers



Highest ever profitability

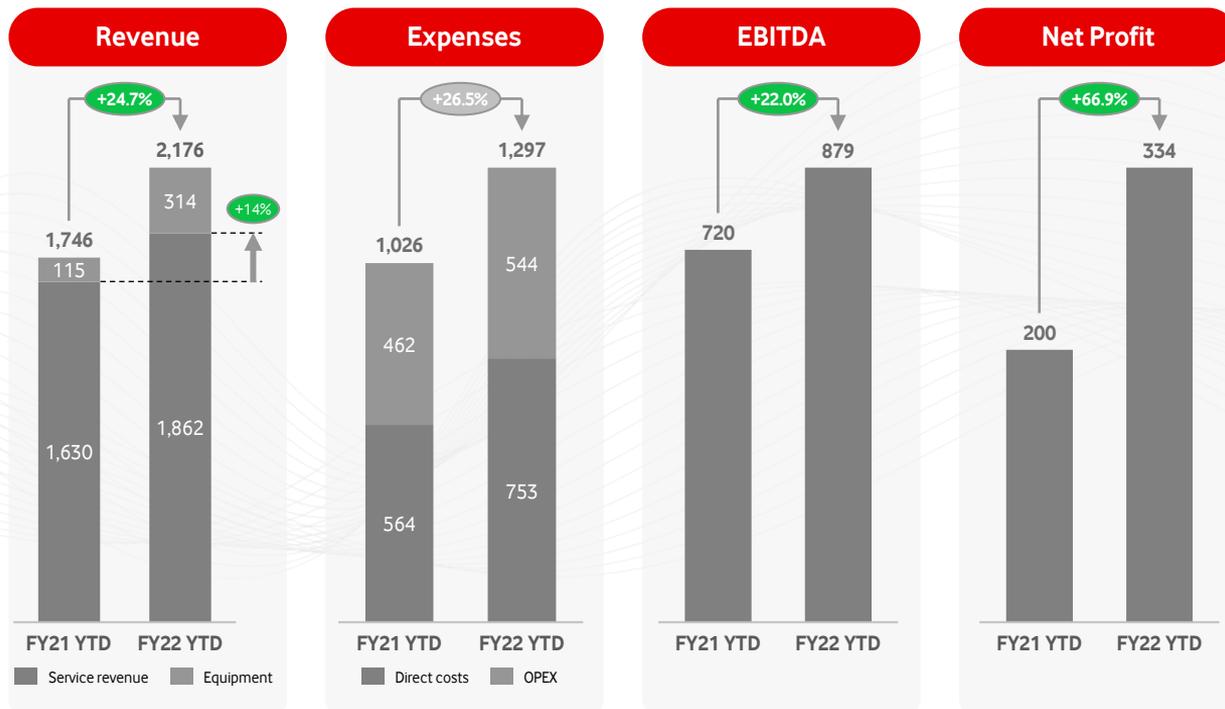
- EBITDA QR 879m, 22% increase YoY
- Underlying EBITDA* margin of 45.3%, 1.9pts increase YoY
- Net profit QR 334m, 66.9% growth YoY



Strong subscriber growth

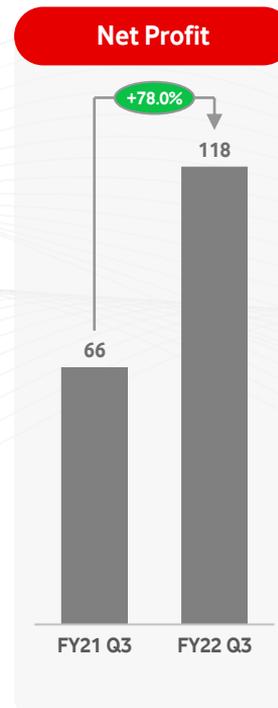
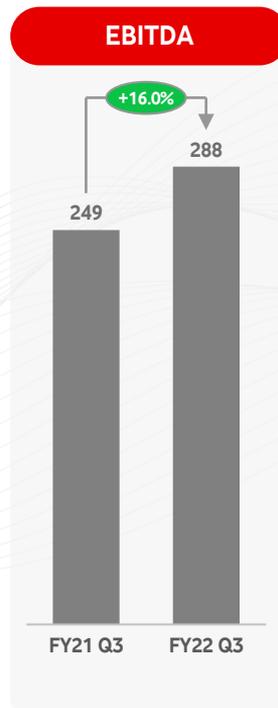
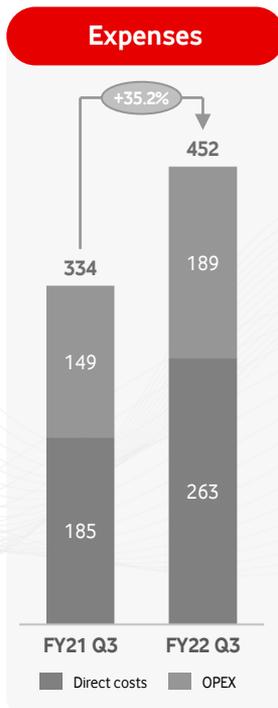
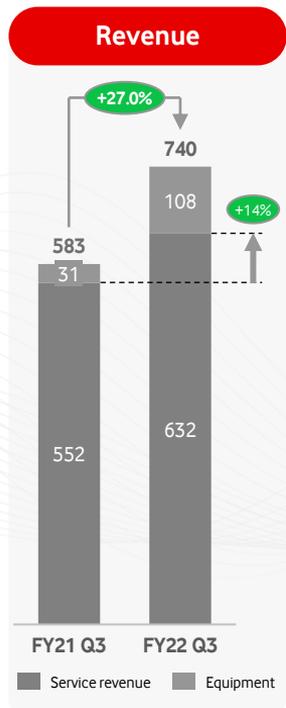
- Mobility subscribers grew 14.9% YoY

FY22 Q3 YTD Year on Year : Strong performance across all financial KPIs



- Total revenue grew QR 430m (24.7%) led by service revenue growth (+14.2%) and projects revenue
- Expenses higher primarily due to growth in revenue (incl. projects costs), subscribers and network expansion
- EBITDA increased 22% primarily driven by service revenue growth
- Net profit grew 67% resulting from higher EBITDA

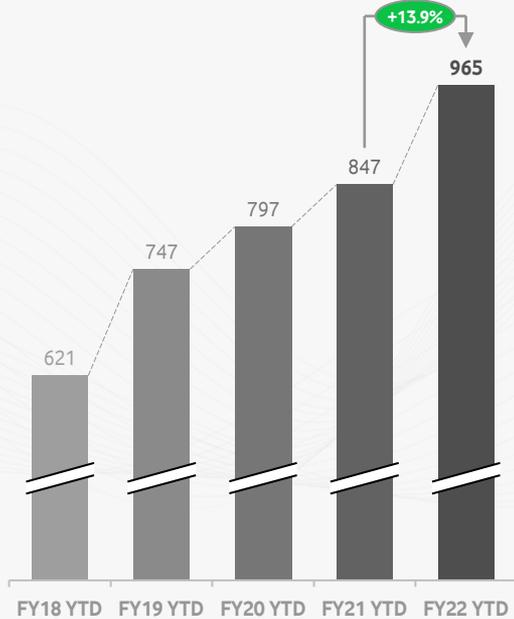
FY22 Q3 Year on Year : Revenue growth continues to drive profitability



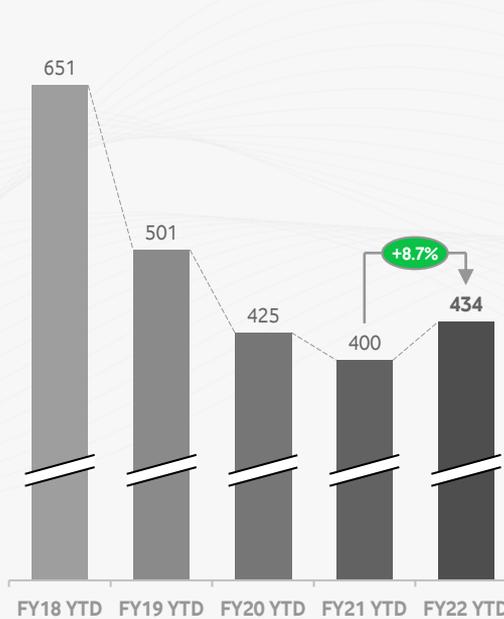
- Total revenue growth of 27% (QR 157m) led by service revenue and projects
- Growth in revenue and network expansion driving higher expenses
- EBITDA 16% higher following higher service revenue
- Net profit increased 78% resulting from higher EBITDA

Service Revenue : Subscriber growth driving increase in revenue

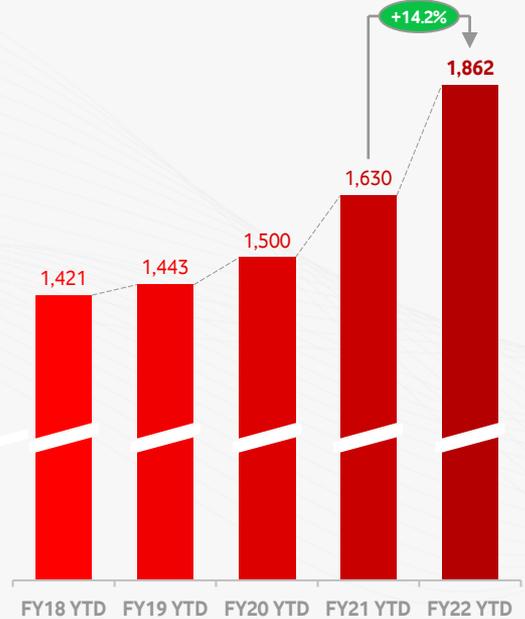
Postpaid



Prepaid



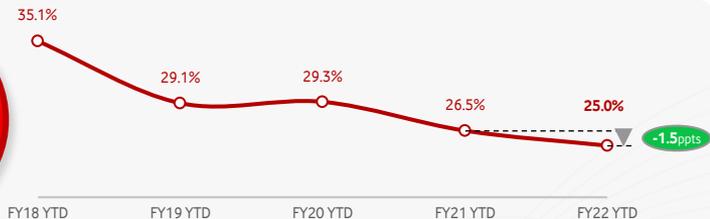
Total service revenue



FY22 Q3 YTD Year on Year : Improving efficiency and margins

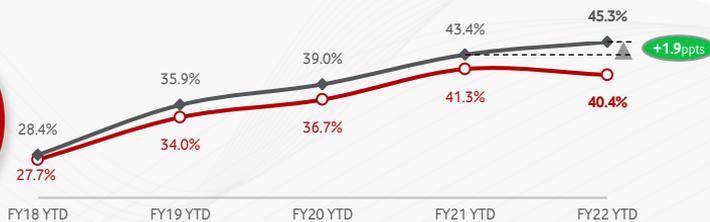
○ Reported ◆ EBITDA Margin excl. equipments

OPEX Intensity



- **OPEX intensity of 25%** (-1.5 ppts YoY) as a result of continued cost optimisation despite network expansion and higher subscribers

EBITDA Margin



- **Underlying EBITDA margin (excl. equipment) of 45.3%** (+1.9 ppts YoY) led by growth in service revenue and continued cost optimisation
- **Reported EBITDA margin at 40.4%**, 0.9 ppts lower YoY due to mix of low margin projects revenue

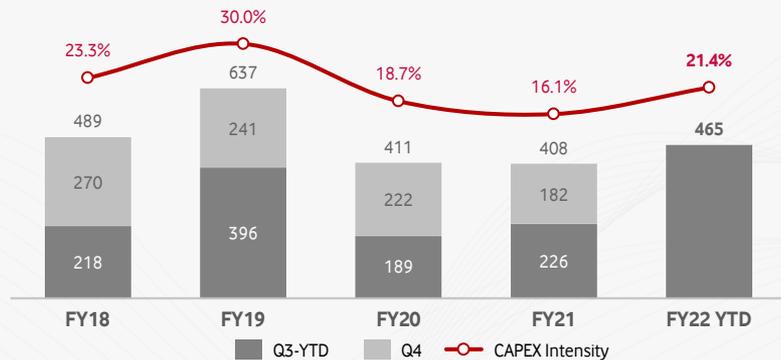
Net Profit Margin



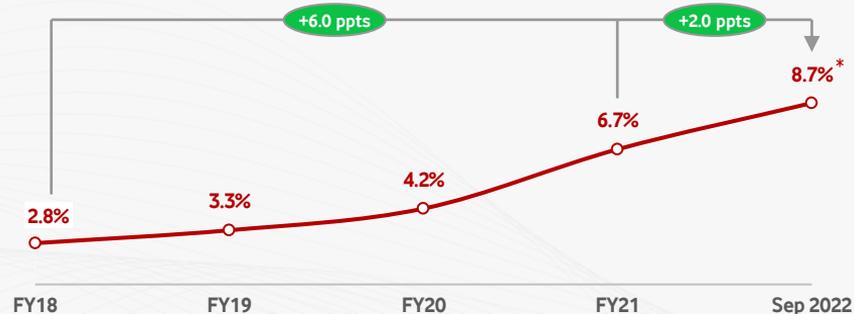
- **Net Profit margin of 15.4% (+3.9 ppts YoY)** led by growth in EBITDA
- **More than 3 times margin growth since FY18**

Capital Expenditure : Investments driving profitable growth

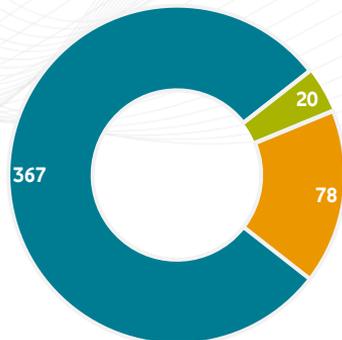
Capital expenditure (CAPEX)



Return on capital employed (ROCE*)



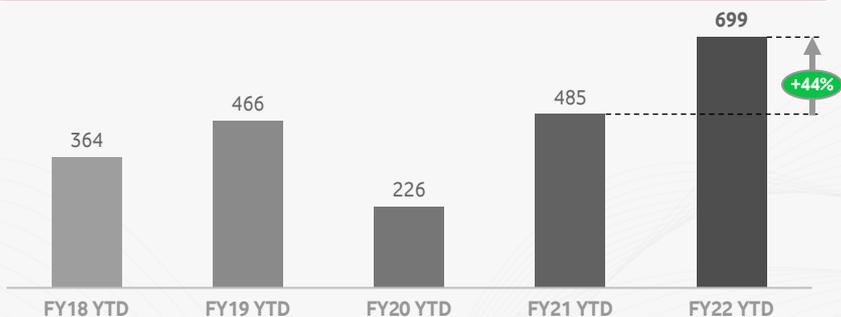
- Coverage & capacity expansion
- Capacity, run & maintenance
- Capabilities & IT Transformation



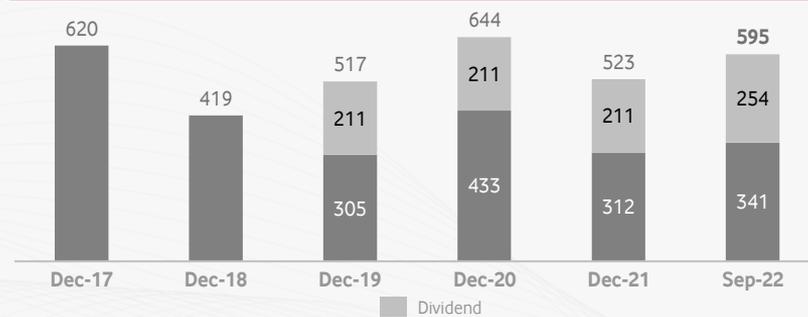
- CAPEX investment QR 465m during the period focusing on:
 - Capacity expansion and coverage footprint enhancement
 - Enhancing digital capabilities and products
 - Investments to maintain the network
- FY22 full year CAPEX intensity expected to range between 20% to 23%

Cash Flows from Operations : Generating strong cash flows

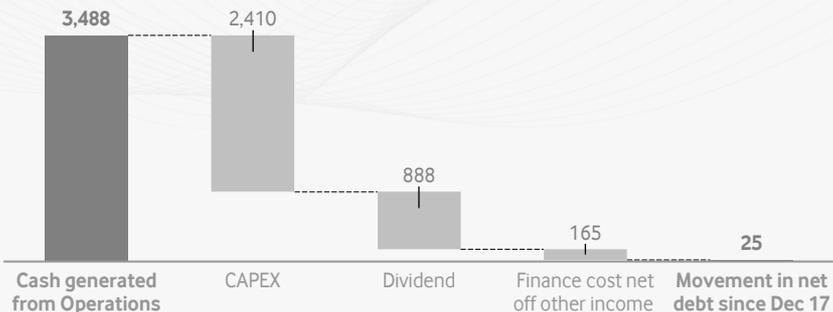
Cash generated from operations*



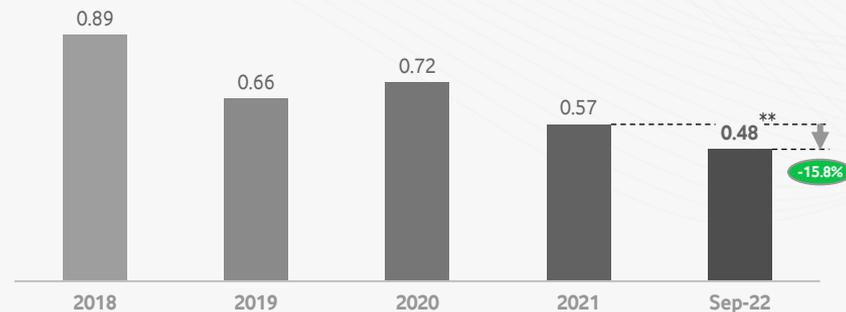
Net Debt



Cash Flow since FY18



Net debt to EBITDA Ratio



FY22 Q3 YTD : Statutory results summary

QR m (unless otherwise stated)	30 Sep 22	30 Sep 21	YoY
Consumer revenue	1,205	1,059	146
Enterprise, equipments and other revenue	971	686	285
Total revenue	2,176	1,746	430
Direct costs	(753)	(564)	(190)
Operational expenses	(544)	(462)	(82)
Depreciation and amortisation	(477)	(473)	(4)
Industry fee	(38)	(23)	(15)
Financing costs and other income	(29)	(24)	(6)
Profit for the period	334	200	134
Basic and diluted earnings per share (in QR)	0.079	0.047	0.032

- Total revenue grew QR 430m (24.7%) led by service revenue growth (+14.2%) and projects revenue
- Higher direct costs resulting from revenue and customer growth
- Operational expenses higher due to network expansion and revenue growth, partially offset by cost optimization
- Industry fee higher being function of higher net profit

For more information visit our website:

www.vodafone.qa/en/investor-relations

Or email us:

InvestorRelationsQatar@vodafone.com

APPENDIX



Consolidated Statement of Income

QR m (unless otherwise stated)	Nine months ended		
	30 Sep 22	30 Sep 21	YoY
Consumer revenue	1,205	1,059	146
Enterprise, equipments and other revenue	971	686	285
Total revenue	2,176	1,746	430
Interconnection and other direct expenses	(728)	(543)	(185)
Provision for expected credit losses	(25)	(21)	(4)
Network and other operational expenses	(350)	(282)	(68)
Employees' salaries and benefits	(194)	(179)	(15)
Depreciation of property, plant and equipment	(248)	(256)	8
Amortisation of intangible assets	(147)	(140)	(7)
Depreciation of right-of-use assets	(81)	(76)	(6)
Industry fee	(38)	(23)	(15)
Operating profit	364	224	140
Finance costs	(20)	(24)	4
Other financing costs	(14)	(1)	(12)
Other income	4	1	3
Profit for the period	334	200	134
Basic and diluted earnings per share (in QR)	0.079	0.047	0.032

- Total revenue growth led by service revenue (+14%) and projects revenue
- Higher interconnect and other direct expenses reflecting revenue growth
- Network and other operational expenses increased due to network expansion and customer growth offset by cost optimization
- Industry fee higher being function of higher net profit
- Other financing costs higher due to one-off benefit in FY21

Consolidated Statement of Financial Position

QR m (unless otherwise stated)	30 Sep 22	31 Dec 21	Var
Property, plant and equipment	1,809	1,638	171
Intangible assets	4,067	4,169	(102)
Right-of-use assets	258	291	(34)
Trade and other receivables	211	92	119
Total non-current assets	6,345	6,190	155
Inventories	29	35	(6)
Trade and other receivables	447	389	58
Cash and bank balances	175	190	(15)
Total current assets	651	613	37
Total assets	6,996	6,803	192
Share capital	4,227	4,227	-
Legal reserve	117	97	20
Retained earnings	325	273	52
Total equity	4,669	4,596	72
Loans and borrowings	563	506	57
Lease liabilities	151	197	(46)
Provisions	95	83	12
Total non-current liabilities	809	786	23
Loans and borrowings	206	206	0
Lease liabilities	128	115	13
Trade and other payables	1,183	1,099	83
Total current liabilities	1,517	1,420	97
Total equity and liabilities	6,996	6,803	192

Assets

- Property, plant & equipment and intangible assets increased by QR 69m due to CAPEX of QR 465m offset by depreciation and amortisation QR 396m
- Right of use assets decreased by QR 34m as a result of depreciation QR 81m offset by net new leases QR 47m
- Trade and other receivables QR 177m higher driven by long-term projects receivables, prepayments and growth in billed revenue

Equity

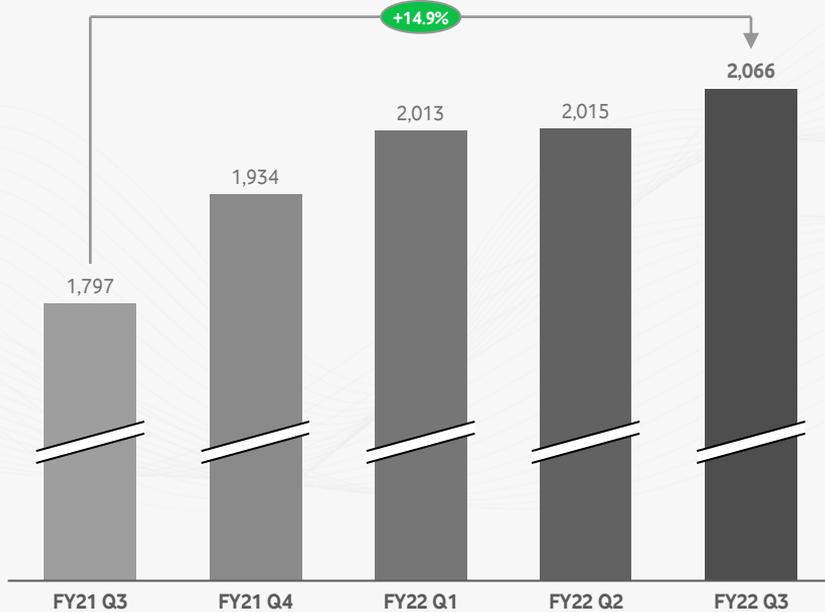
- Equity increased by QR 72m resulting from net profit for the period offset by dividend payment and social and sports fund contribution

Liabilities

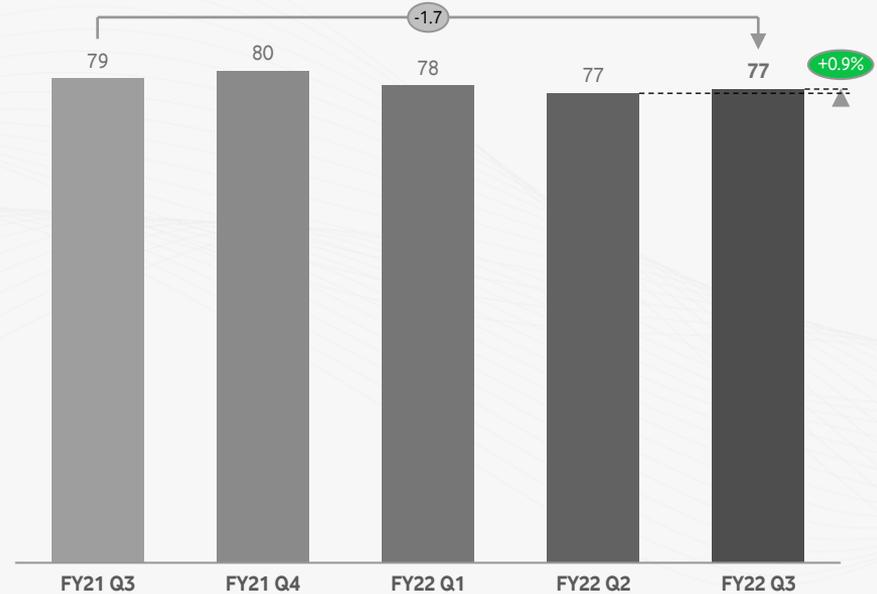
- Loans and borrowings QR 57m higher following dividend payment
- Lease liabilities QR 33m lower due to payments QR 89m partially offset by net new leases QR 47m and interest unwinding QR 9m
- Trade and other payables increased by QR 83m due to higher CAPEX and projects related payables

Mobility Subscribers & ARPU

Subscribers ('000)



ARPU (QR)



Disclaimer

- The following presentation is made only to, and is directed only at, persons to whom such a presentation may lawfully be communicated (“relevant persons”). Any person who is not a relevant person should not act or rely on this presentation or any of its contents.
- This presentation may contain forward-looking statements that are subject to risks and uncertainties, including statements about Vodafone Qatar’s beliefs and expectations.
- These forward-looking statements are based on assumptions that Vodafone Qatar has made in light of its experience in the industry in which it operates, as well as its perceptions of historical trends, current conditions, expected future developments and other factors which Vodafone Qatar believes are appropriate under the circumstances. Prospective investors should understand that these statements are not guarantees of future performance or results.
- Due to these factors, Vodafone Qatar cautions that prospective investors should not place undue reliance on any forward-looking statements. Further, any forward-looking statement speaks only as of the date on which it is made. New risks and uncertainties arise from time-to-time, and it is impossible to predict these events or how they may affect Vodafone Qatar.
- Vodafone and the Vodafone logo are trademarks of the Vodafone Group.