

Vodafone Qatar The World's Fastest Mobile Network

Financial Performance:
Three months ended 31 March 2023



**WORLD'S
FASTEST
MOBILE
NETWORK**

Based on analysis by Ookla®
of Speedtest Intelligence®
data for Q3-Q4 2022.

Together we can



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Performance Highlights

Hamad Al-Thani
Chief Executive Officer



Key Messages



Profitable Growth Continues

- **21 consecutive quarters of Y/Y Revenue growth**
Q1 FY23 Total Revenue is QR 776m (+6.2% Y/Y).

- **Highest first quarter Net Profit**
Q1 FY23 Net Profit is QR 133m (+24.2% Y/Y).



Network Investments Yielding Results

- **Recognized as the World's Fastest Mobile Network**
Vodafone Qatar won the World's Fastest Mobile Network Award, according to results from tests taken with Ookla Speedtest for Q3-Q4 2022.

- **Radio network coverage & capacity expansion**
 - ✓ 2x radio network sites in 5 years.
 - ✓ >82% of outdoor sites are 5G enabled.



Planning for the Future

- **Continued focus - Customer Experience**
Focus on customer experience digitalization - build on capability developed & learnings from highly successful investments in recent years.

- **Diversification beyond core**
Digitalization, ICT & Managed Services, Fintech, and IoT are at the top of our agenda.



Macro-economic Environment

- **GDP**
Gross Domestic Product at constant prices (real GDP) increased by 8.0% in Q4 2022 Y/Y*.

- **Population**
3.0m at the end of Q1 2023; highest recorded first quarter population level (+6.3% Y/Y)*.

Financial Performance

Masroor Anjum
Chief Financial Officer



Q1 FY23 Financial Performance Highlights



Strong revenue growth

- Growth momentum continues with total revenue growing by 6.2%, led by service revenue growth of 12.3%



Cost efficiency

- Expenses increase YoY remained lower than revenue growth, driven by cost optimisation initiatives



Continued growth in profitability

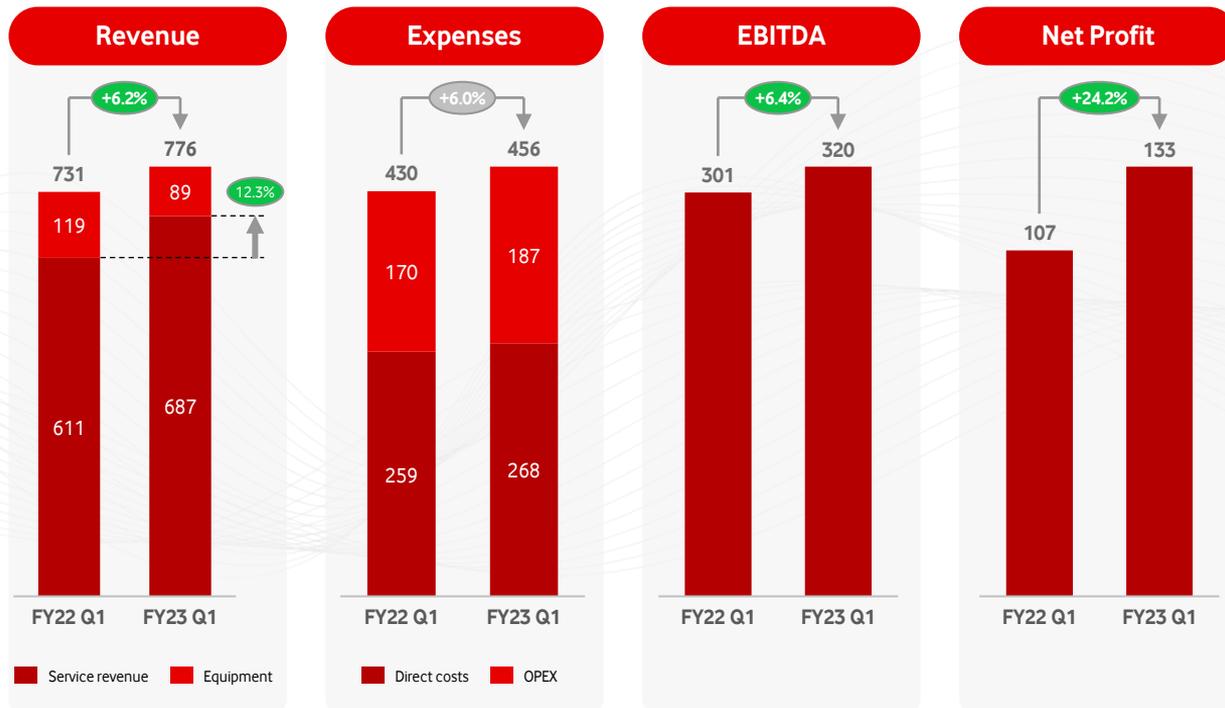
- EBITDA QR 320m, 6.4% increase YoY
- EBITDA margin of 41.3%, 0.1ppts increase YoY
- Net profit QR 133m, grows 24.2% YoY



Strong subscriber growth

- Mobility subscribers grew 4.1% YoY

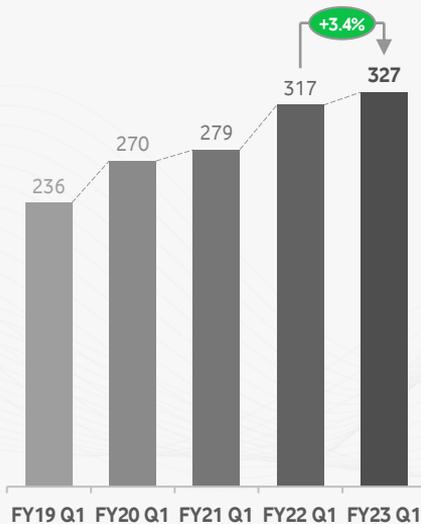
Q1 FY23 Year on Year : Strong performance across all financial KPIs



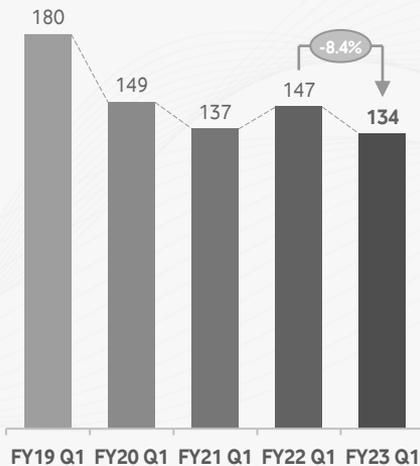
- Total revenue grew QR 45m (6.2%) led by service revenue growth (+12.3%) partially offset by lower projects revenue
- Expenses higher primarily due to growth in revenue, subscribers and network expansion
- EBITDA increased 6.4% primarily driven by service revenue growth
- Net profit grew 24.2% resulting from higher EBITDA and lower depreciation

Service Revenue : Service revenue growth continues

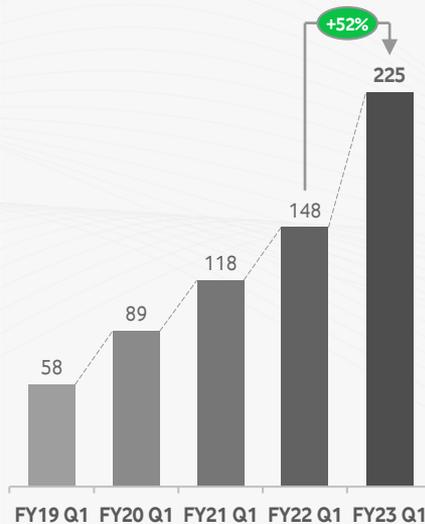
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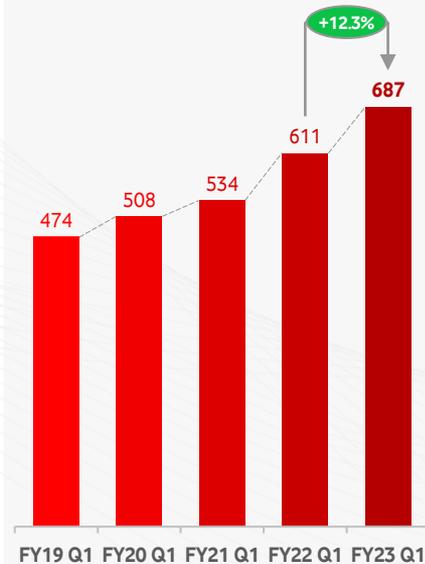
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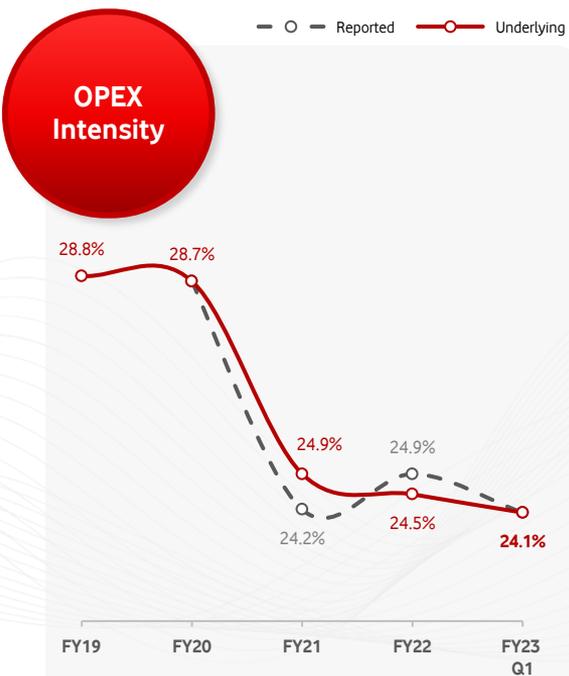
Managed services, Fixed & Others



Total service revenue



Margin Trends : Improving efficiency and margins



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



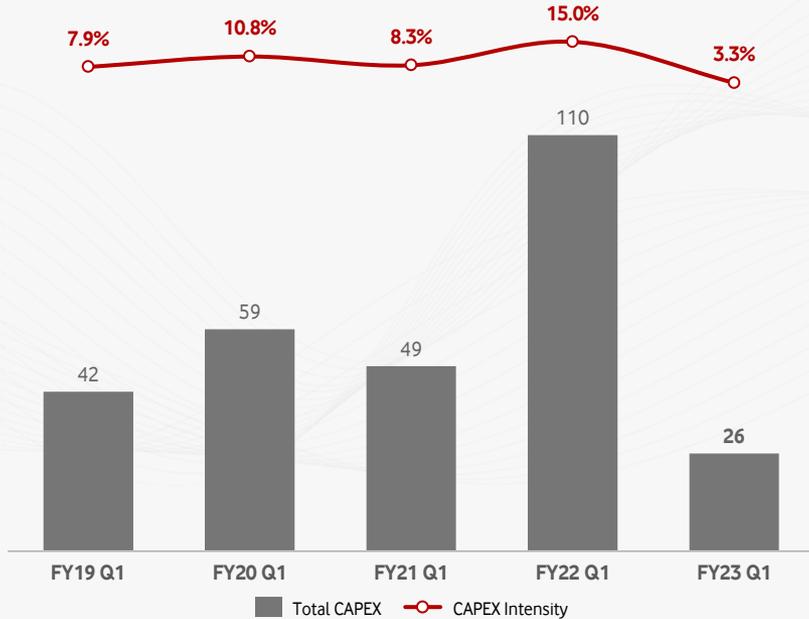
- **Underlying EBITDA margin (excl. equipment) of 45.3% (+0.1 pts increase than FY22)** led by growth in service revenue
- **Reported EBITDA margin at 41.3%**, 1.1 pts higher than FY22



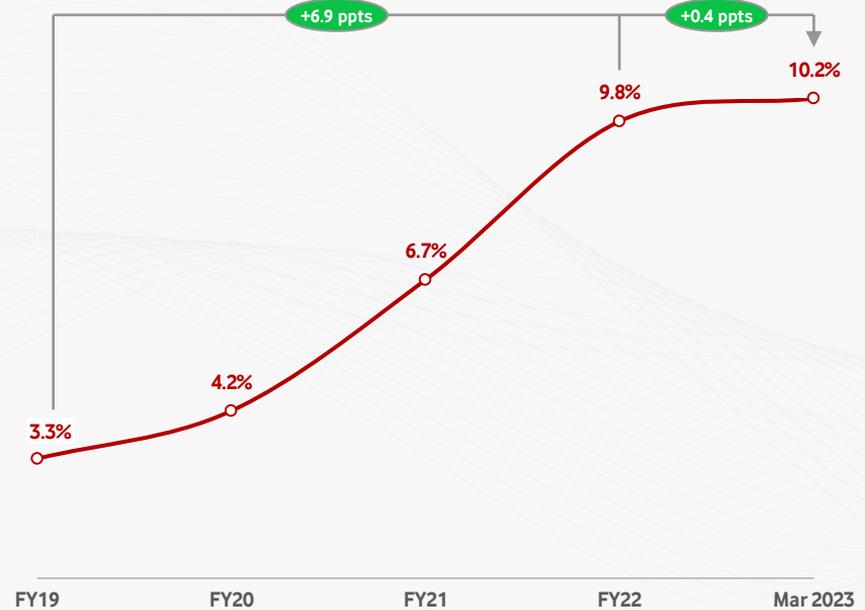
- **Net Profit margin of 17.2% (+0.8 pts higher than FY22)** led by growth in EBITDA

Capital Expenditure : Investments driving profitable growth

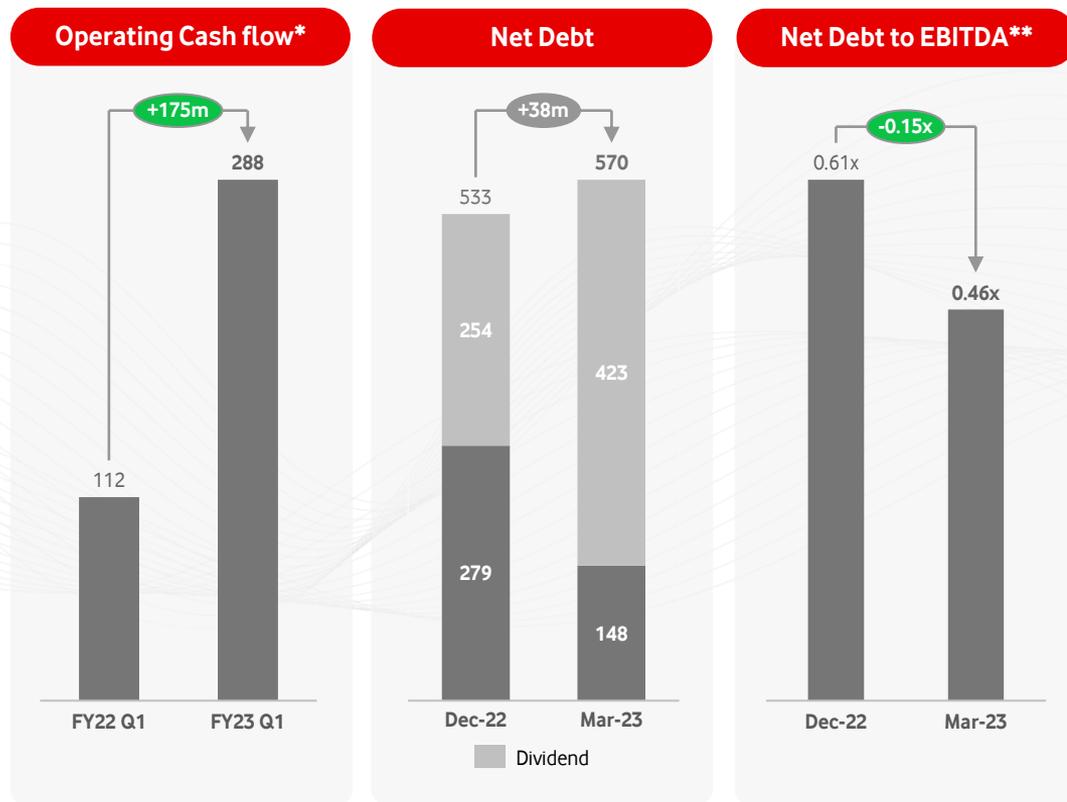
Capital expenditure (CAPEX)



Return on capital employed (ROCE*)



Q1 FY23 Year on Year : Generating strong cash flows



- Strong cash flow generation with 157% growth YoY reflecting strong collections and working capital optimisation initiatives
- Despite dividend pay out of QR 423m, net debt remained largely stable
- Net debt to EBITDA ratio continues to decline reaching 0.46x

Q1 FY23 Year on Year : Statutory results summary

QR m (unless otherwise stated)	31 Mar 23	31 Mar 22	YoY
Consumer revenue	397	395	2
Enterprise, equipment and other revenues	379	336	43
Total revenue	776	731	45
Direct costs	(268)	(259)	(9)
Operational expenses	(187)	(170)	(17)
Depreciation and amortisation	(159)	(172)	13
Industry fee	(13)	(12)	(2)
Financing costs and other income/expenses	(14)	(10)	(4)
Profit for the period	133	107	26
Basic and diluted earnings per share (in QR)	0.032	0.025	0.007

- Total revenue grew QR 45m primarily driven by enterprise and equipment revenue
- Higher direct costs resulting from revenue and customer growth
- Operational expenses higher due to network expansion, increase in subscribers and revenue growth
- Financing costs higher reflecting increase in effective borrowing rates

Q&A



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)	Three months ended		
	31 Mar 23	31 Mar 22	YoY
Consumer revenue	397	395	2
Enterprise, equipment and other revenues	379	336	43
Total revenue	776	731	45
Interconnection and other direct expenses	(258)	(252)	(6)
Network and other operational expenses	(121)	(110)	(12)
Employee salaries and benefits	(66)	(61)	(5)
Depreciation of property, plant and equipment	(84)	(98)	13
Amortisation of intangible assets	(47)	(48)	1
Depreciation of right-of-use assets	(28)	(26)	(2)
Expected credit losses	(10)	(7)	(3)
Industry fee	(13)	(12)	(2)
Operating profit	148	118	30
Finance costs	(11)	(6)	(5)
Other financing costs	(6)	(5)	(2)
Other income/expenses	3	1	2
Profit for the period	133	107	26
Basic and diluted earnings per share (in QR)	0.032	0.025	0.007

- Total revenue grew QR 45m primarily driven by enterprise and handset revenue
- Higher interconnect and other direct expenses resulting from revenue growth
- Network and other operational expenses increased due to network expansion and growth in subscribers and revenue
- Financing costs higher due to increase in borrowing rates

Consolidated Statement of Financial Position

QR m (unless otherwise stated)	31 Mar 23	31 Dec 22	Var
Property, plant and equipment	1,820	1,885	(65)
Intangible assets	4,010	4,050	(40)
Right-of-use assets	415	430	(15)
Receivables, prepayments and contract costs	251	298	(47)
Total non-current assets	6,495	6,662	(167)
Inventories	48	38	10
Receivables, prepayments and contract costs	484	535	(50)
Cash and bank balances	299	187	112
Total current assets	832	760	72
Total assets	7,327	7,422	(95)
Share capital	4,227	4,227	-
Legal reserve	134	126	8
Retained earnings	179	479	(300)
Total equity	4,540	4,833	(293)
Loans and borrowings	661	512	149
Lease liabilities	308	315	(7)
Provisions	105	102	3
Total non-current liabilities	1,075	929	146
Loans and borrowings	208	207	1
Lease liabilities	140	141	(1)
Trade and other payables	1,364	1,311	52
Total current liabilities	1,712	1,660	52
Total equity and liabilities	7,327	7,422	(95)

Assets

- Property, plant & equipment and intangible assets decreased by QR 105m due to depreciation and amortisation of QR 131m offset by CAPEX of QR 26m
- Right of use assets decreased by QR 15m as a result of depreciation QR 28m offset by new leases QR 13m
- Receivables, prepayments and contract costs QR 97m lower driven by collections from world cup and related projects

Equity

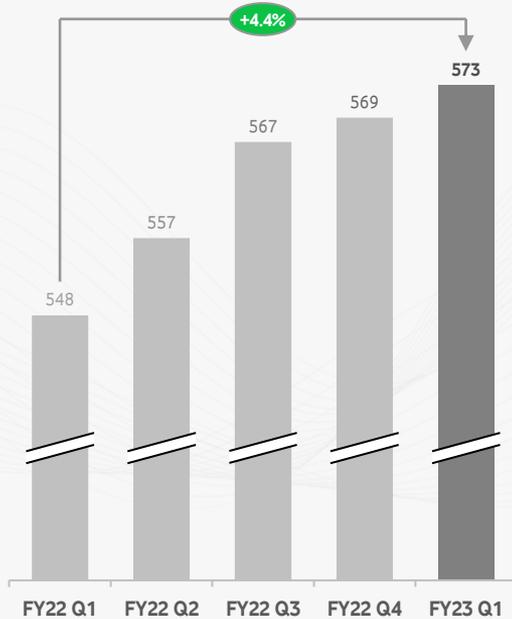
- Equity decreased by QR 293m resulting from dividend payment QR 423m and social and sports fund contribution QR 3m offset by net profit for the period QR 133m

Liabilities

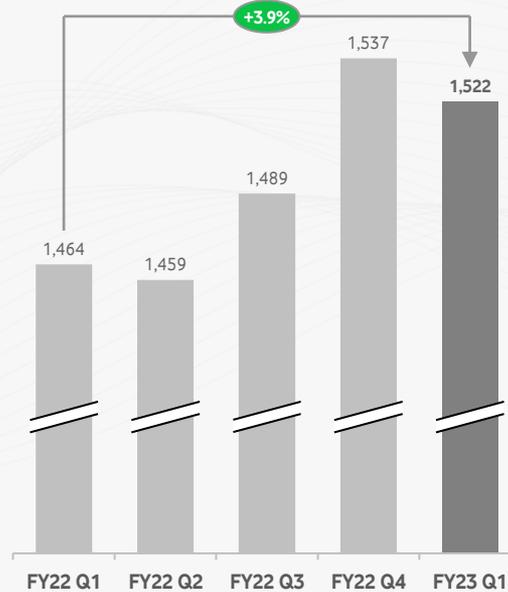
- Loans and borrowings QR 150m higher due to drawdown for dividend payment
- Lease liabilities QR 8m lower due to settlements QR 26m partially offset by new leases QR 13m and finance cost unwinding QR 5m
- Trade and other payables increased by QR 52m due to uncollected dividends

Mobility Subscribers*

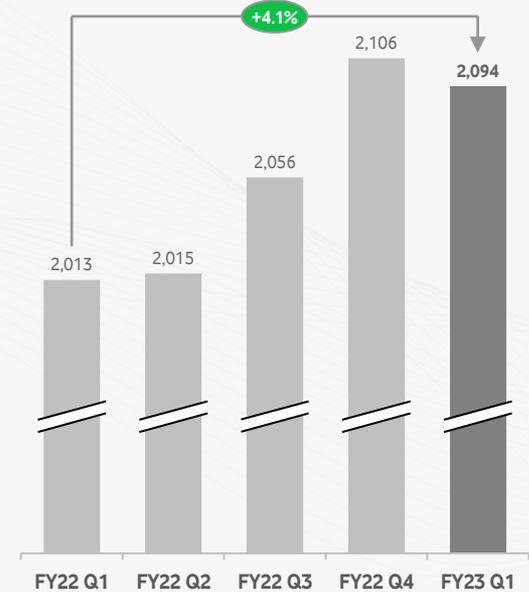
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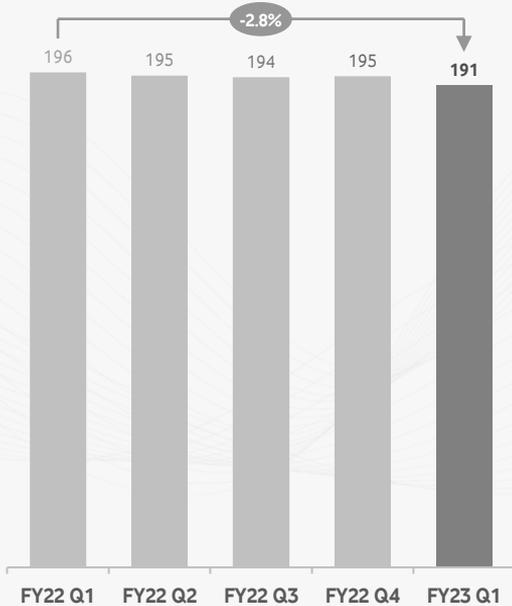


Total Mobility

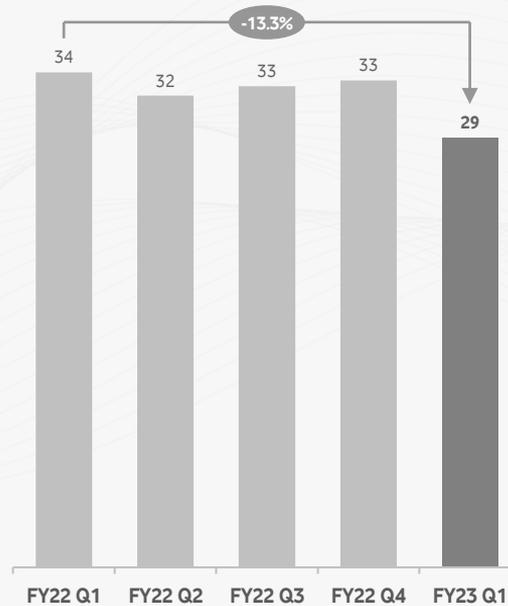


Mobility ARPU*

Postpaid



Prepaid



Total Mobility

