

Vodafone Qatar P.Q.S.C.

Investor Presentation

Financial Performance
Nine months ended 30 September 2023

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Performance Highlights

Hamad Al-Thani
Chief Executive Officer



Key Messages



Profitable Growth Continues

- **23 consecutive quarters of Y/Y Revenue growth**
FY23 Q3 YTD Total Revenue QR2,298mn.
- **Highest recorded 9M Net Profit**
FY23 Q3 YTD Net Profit is QR392m.



Customer Experience Reflecting on Market Share

- **Revenue Market Share +1.7pts Y/Y**
RMS reached 29.2% in FY23 H1
- **Mobility Customer Market Share at 44.6% at FY23 H1**
Reported Mobility CMS +2.9 pts YoY



Critical Focus Areas

- **Fintech Progress**
Driving adoption with the new partnerships and continuous enhancements.
- **Digital, AI & ICT**
Executing our diversification roadmap with the aim of providing the best customer experience



Market Environment

- **Population**
Population exceeded 3 million in September 2023.
- **Hosting International Events**
Our established network infrastructure is ready to provide best customer experiences.

Financial Performance

Masroor Anjum
Chief Financial Officer



Key Highlights



Strong Revenue Growth

- Growth momentum continues with total revenue growing by 5.6%, led by service revenue growth of 10.1%



Cost Efficiency

- OPEX intensity declines by 0.6ppts to reach 24.3% despite significant expansion in network and increase in subscribers, driven by cost optimisation initiatives



Continued Growth in Profitability

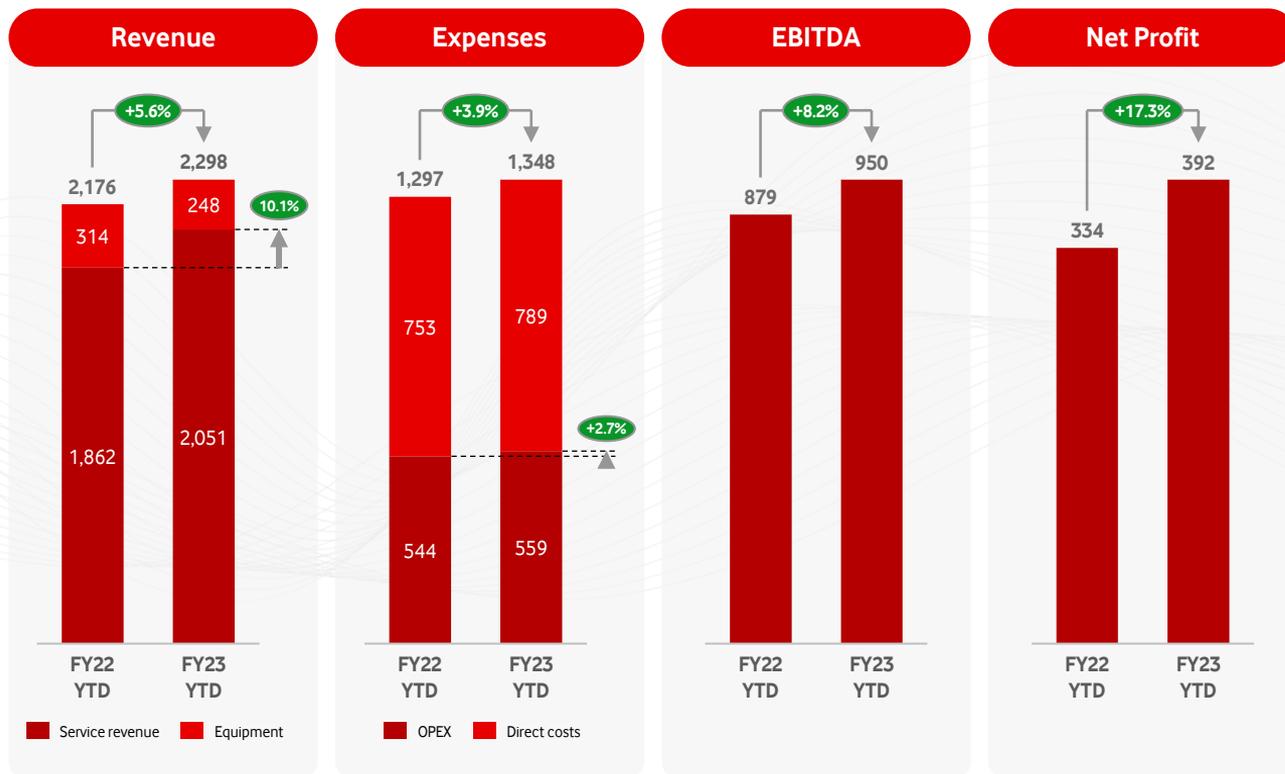
- EBITDA QR 950m, 8.2% increase YoY
- EBITDA margin of 41.4%, improves 1.1 ppts v/s FY22
- Net profit QR 392m, grows 17.3% YoY



Robust Subscriber Base

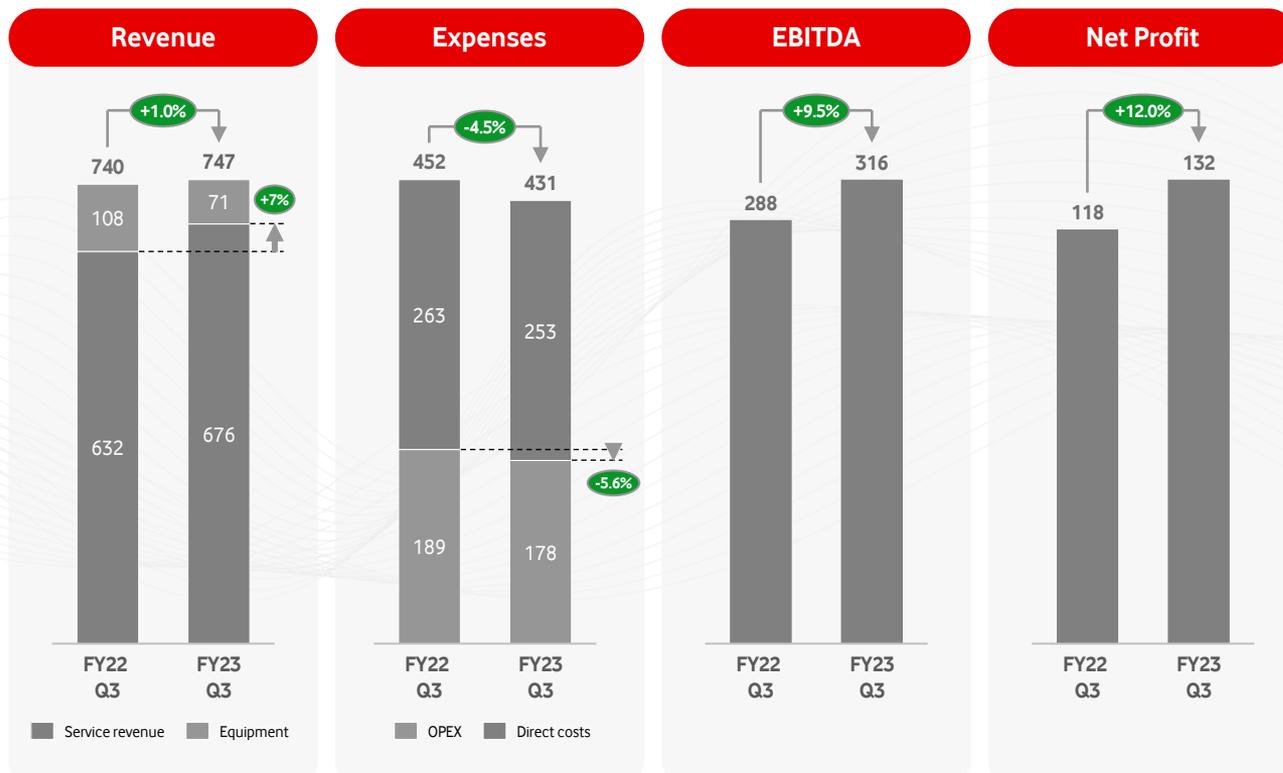
- Mobility subscribers grew 2% YoY*

FY23 Q3 YTD Year on Year : Strong performance across all financial KPIs



- Total revenue grew QR 122m (5.6%) led by service revenue growth (+10.1%) partially offset by lower projects revenue
- Expenses increased primarily due to growth in revenue, subscribers and network expansion
- EBITDA grew 8.2% primarily driven by service revenue growth
- Net profit grew 17.3% resulting from higher EBITDA

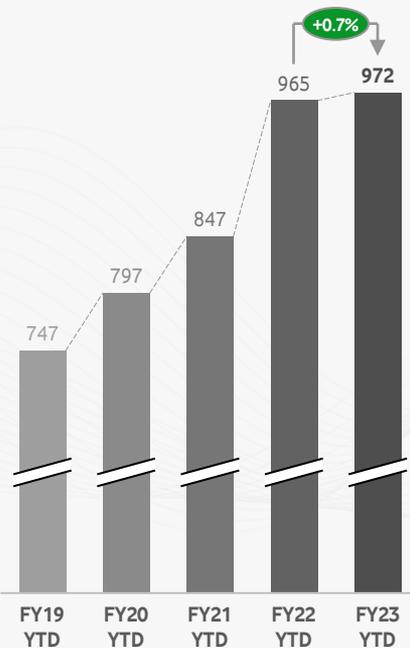
FY23 Q3 Year on Year : Strong service revenue growth of 7% improves profitability



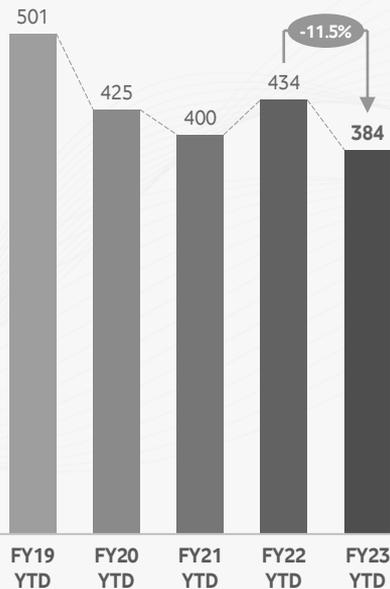
- Service revenue growth of 7% offsetting one-off projects revenue reduction
- Expenses lower primarily due to cost optimization initiatives and lower project costs
- EBITDA increased 9.5% primarily driven by service revenue growth
- Net profit grew 12% resulting from higher EBITDA, partially offset by higher depreciation and borrowing costs

Service Revenue : Service revenue growth continues

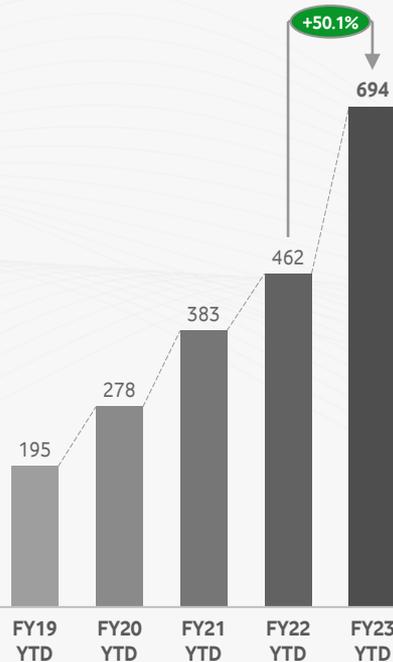
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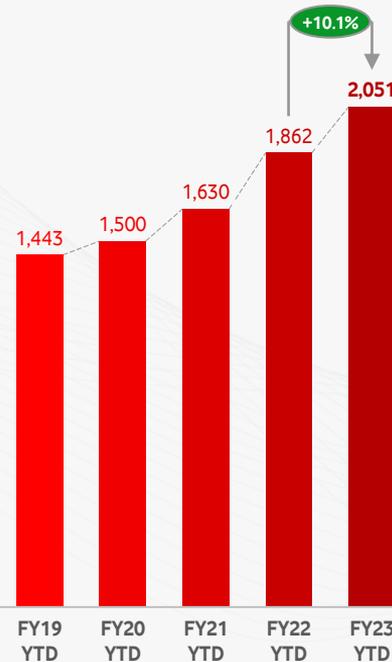
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Managed services, wholesale & Fixed

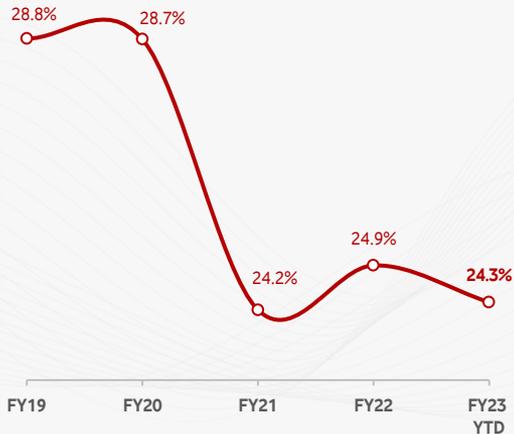


Total service revenue



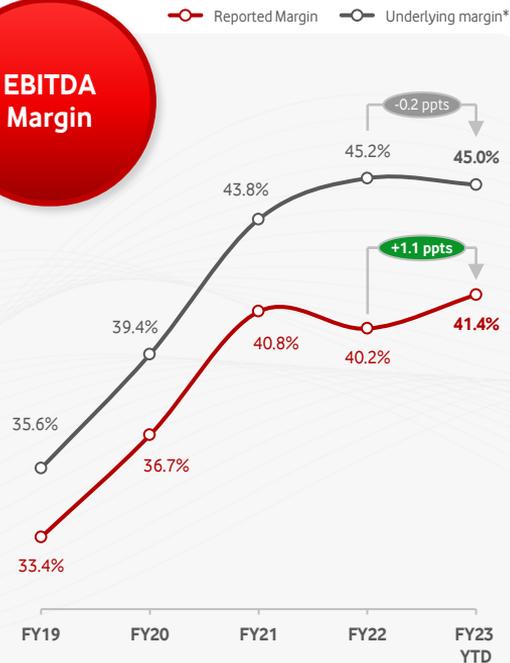
Margin Trends : Improving efficiency and margins

OPEX Intensity



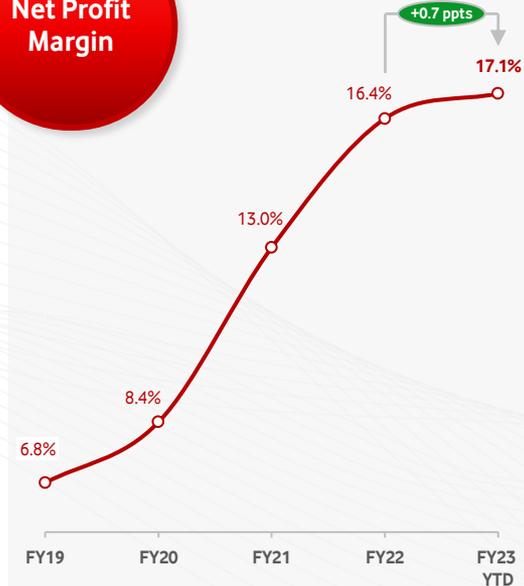
- **OPEX intensity** continues to decline driven by cost optimisation

EBITDA Margin



- **Reported EBITDA margin at 41.4%**, 1.1 pts higher than FY22
- **Underlying EBITDA margin (excl. equipment) of 45%**, 0.2 pts decrease due to change in revenue mix

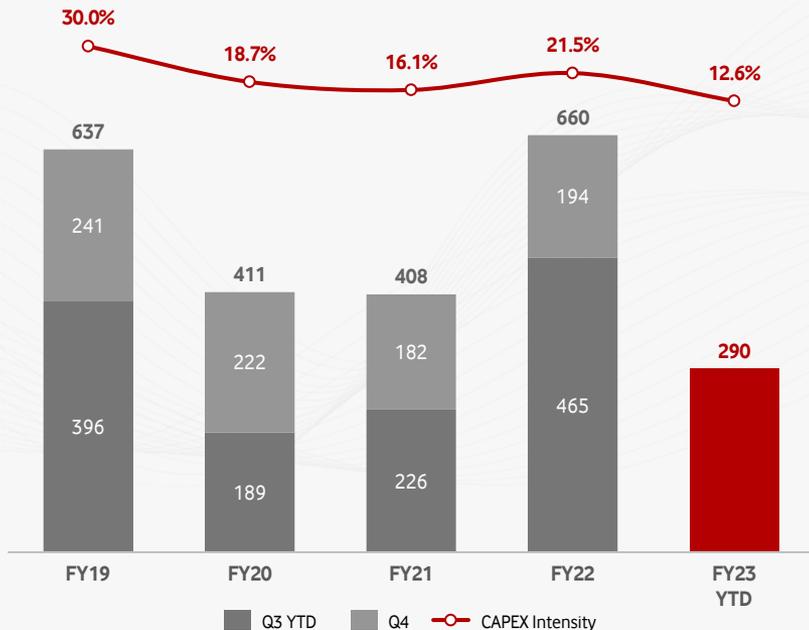
Net Profit Margin



- **Net Profit margin of 17.1%** (+0.7 pts higher than FY22) led by growth in EBITDA

Capital Expenditure : Investments driving profitable growth

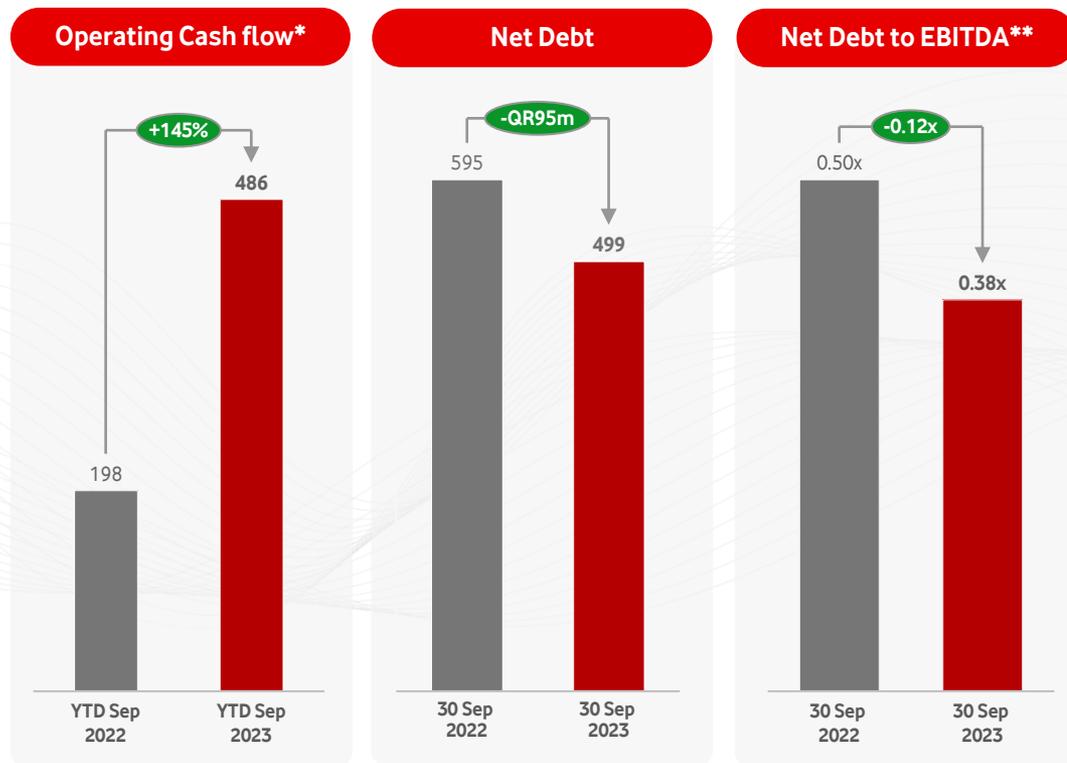
Capital expenditure (CAPEX)



Return on capital employed (ROCE*)



FY23 Q3 YTD Cash Position : Generating strong cash flows



- Cash flow generation increased 145% reflecting strong collections and working capital optimisation initiatives
- Net debt decreased despite higher dividend pay-out in FY23 due to strong OFCF
- Net debt to EBITDA ratio continues to decline, reaching 0.38x

FY23 Q3 YTD Year on Year : Statutory results summary

QR millions (unless otherwise stated)	30 Sep 23	30 Sep 22	YoY
Consumer revenue	1,171	1,205	(34)
Enterprise, equipment and other revenues	1,127	971	156
Total revenue	2,298	2,176	122
Direct costs	(789)	(753)	(36)
Operational expenses	(559)	(544)	(15)
Depreciation and amortisation	(473)	(477)	4
Industry fee	(38)	(38)	0
Borrowing cost	(34)	(20)	(14)
Other finance costs (net)	(14)	(9)	(4)
Profit for the period	392	334	58
Basic and diluted earnings per share (in QR)	0.093	0.079	0.014

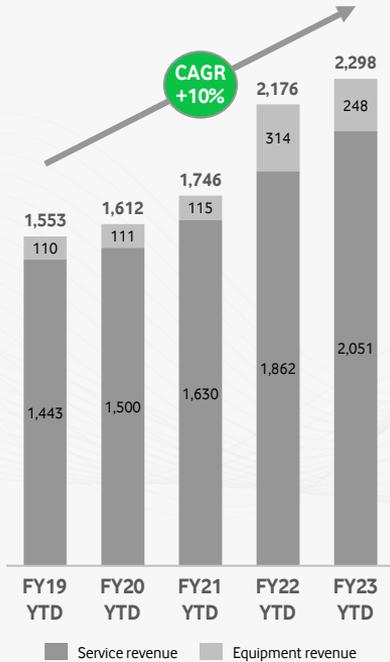
- Total revenue grew QR 122m (5.6%) led by service revenue growth (+10.1%) partially offset by lower projects revenue
- Higher direct costs resulting from revenue and customer growth
- Operational expenses higher due to network expansion and revenue growth
- Financing costs higher reflecting increase in effective borrowing rates from 3.21% to 5.47%

FY23 Guidance

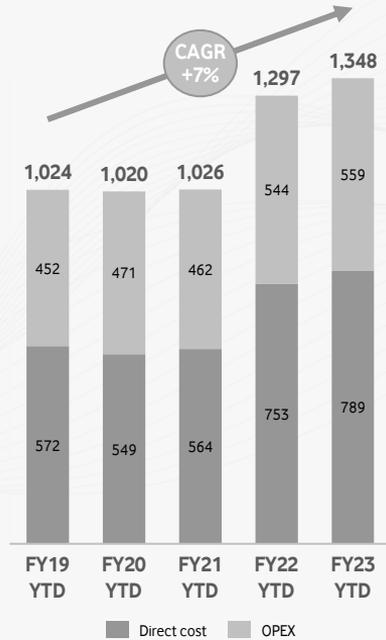


Key Financial Performance Indicators

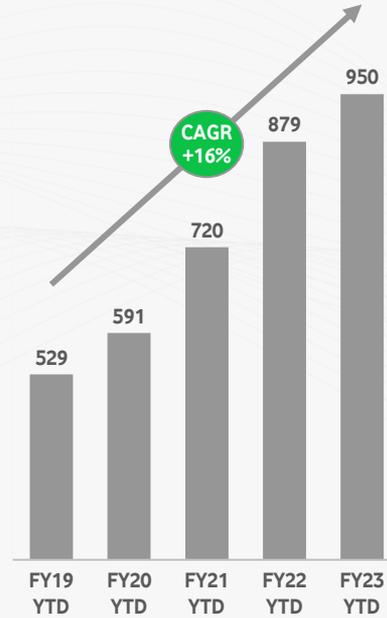
Total Revenue



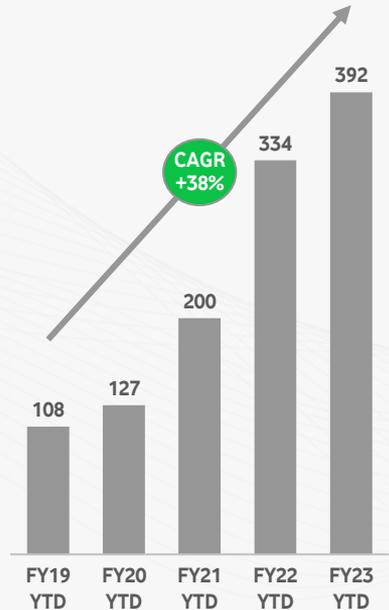
Expenses



EBITDA



Net profit



FY23 Guidance

Financial KPIs	FY22 Results	FY23 Expectation
Total revenue	QR 3,066m	+ YoY %
EBITDA Margin	40.2%	+ 1 – 1.5 pts
CAPEX intensity	21.5%	17% to 18%

- The Management expects continuing top line growth in FY23
- Higher revenue along with cost optimisation initiatives will enable growth in profitability margins
- CAPEX investments into profitable growth segments will continue

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)	Nine months ended		
	30 Sep 23	30 Sep 22	YoY
Consumer revenue	1,171	1,205	(34)
Enterprise, equipment and other revenues	1,127	971	156
Total revenue	2,298	2,176	122
Interconnection and other direct expenses	(774)	(728)	(46)
Network and other operational expenses	(353)	(350)	(3)
Employee salaries and benefits	(205)	(194)	(11)
Depreciation of property, plant and equipment	(246)	(248)	3
Amortisation of intangible assets	(142)	(147)	5
Depreciation of right-of-use assets	(84)	(81)	(3)
Expected credit losses	(15)	(25)	10
Industry fee	(38)	(38)	0
Operating profit	440	364	76
Borrowing costs	(34)	(20)	(14)
Other financing costs	(22)	(14)	(9)
Other income/expenses	8	4	4
Profit for the period	392	334	58
Basic and diluted earnings per share (in QR)	0.093	0.079	0.014

- Total revenue grew QR 122m (5.6%) led by service revenue growth (+10.1%) partially offset by lower projects 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 effective borrowing rates from 3.21% to 5.47%

Consolidated Statement of Financial Position

QR m (unless otherwise stated)	30 Sep 23	31 Dec 22	Var
Property, plant and equipment	1,784	1,885	(100)
Intangible assets	4,058	4,050	8
Right-of-use assets	370	430	(59)
Receivables, prepayments and contract costs	268	298	(30)
Total non-current assets	6,481	6,662	(181)
Inventories	37	38	(1)
Receivables, prepayments and contract costs	462	535	(73)
Cash and bank balances	118	187	(69)
Total current assets	617	760	(143)
Total assets	7,098	7,422	(324)
Share capital	4,227	4,227	-
Legal reserve	149	126	23
Retained earnings	416	479	(63)
Total equity	4,792	4,833	(40)
Loans and borrowings	460	512	(52)
Lease liabilities	265	315	(51)
Provisions	114	102	12
Total non-current liabilities	839	929	(91)
Loans and borrowings	157	207	(50)
Lease liabilities	150	141	9
Trade and other payables	1,159	1,311	(152)
Total current liabilities	1,467	1,660	(193)
Total equity and liabilities	7,098	7,422	(324)

Assets

- Property, plant & equipment and intangible assets decreased by QR 92m due to depreciation and amortisation of QR 388m offset by CAPEX of QR 290m and assets acquired as part of investment
- Right of use assets decreased by QR 59m as a result of depreciation QR 84m offset by new leases QR 25m
- Receivables, prepayments and contract costs QR 103m lower driven by collections from world cup and related projects

Equity

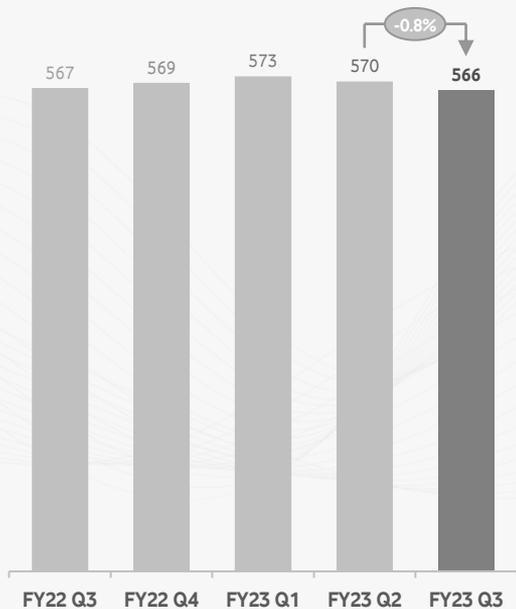
- Equity decreased by QR 40m resulting from dividend payment QR 423m and social and sports fund accrual QR 10m offset by net profit for the period QR 392m

Liabilities

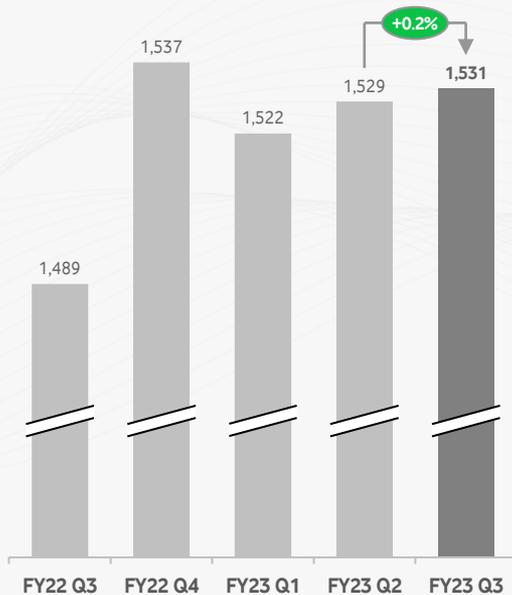
- Loans and borrowings QR 102m lower due to repayment
- Lease liabilities QR 41m lower due to settlements of QR 81m partially offset by new leases QR 25m and finance cost unwinding QR 14m
- Trade and other payables decreased by QR 152m due to CAPEX and regulatory payments

Mobility Subscribers*

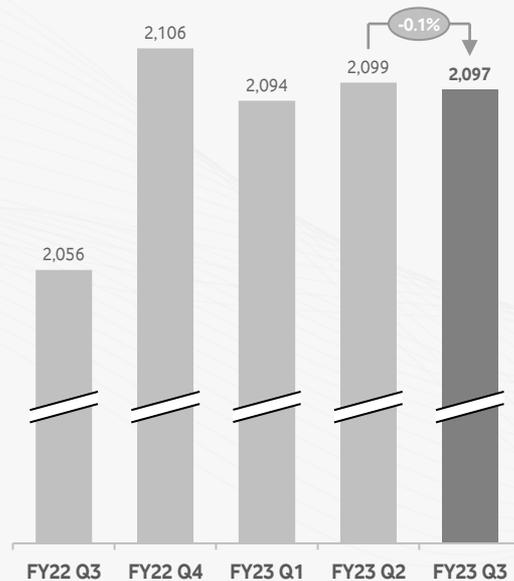
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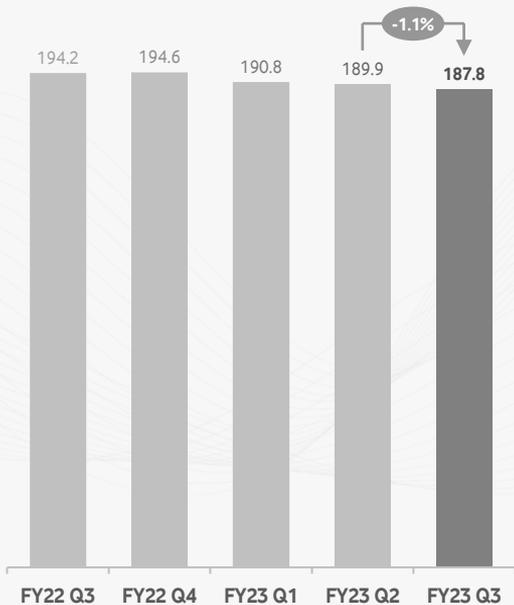


Total Mobility

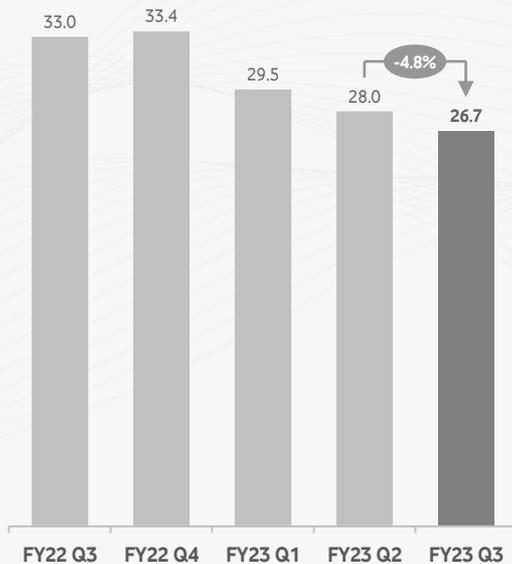


Mobility ARPU

Postpaid



Prepaid



Total Mobility

