

# Vodafone Qatar P.Q.S.C.

Investor Presentation

Year ended 31 December 2023



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# Performance Highlights

**Hamad Al-Thani**  
Chief Executive Officer



# Key Messages



**Successful results with a stronger mix**

- **FY23 Total Revenue is QR3,111mn**  
+6.1% Y/Y growth excluding World Cup impact and exceeded FY22 full year reported number
- **Increased non-core contribution to Topline**  
29% of service revenue comes from non-mobile business (+4% points Y/Y).



**Gaining market share in challenging conditions**

- **Revenue Market Share reached 29.2% in FY23 Q3 TTM**  
+1.7% Y/Y.
- **Mobility Customer Market Share reached 44.6% in FY23 Q3**  
+2.4% Y/Y based on reported figures.



**Expanding our world-class network**

- **Radio Access Network**  
+8.8% Y/Y sites across country.
- **5G coverage**  
>85% of outdoor sites are 5G enabled.



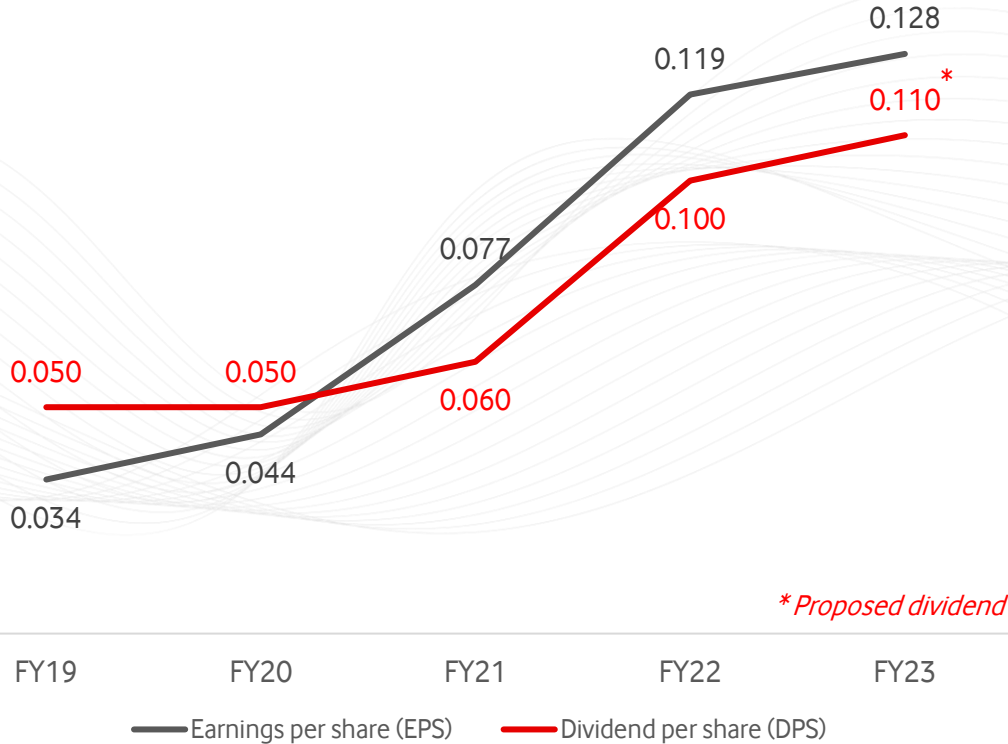
**Delivering Value to Shareholders and Society**

- **Proposed Dividend**  
Dividend of 11% of the nominal share value totaling to QR 465m. This is subject to shareholder approval at the upcoming AGA.
- **Sustainability**  
Our sustainability framework in place and our initiatives delivering strong results YoY.

# Shareholder Value : Strong track record of dividend pay-out

## EPS & DPS Trend

(in QAR)

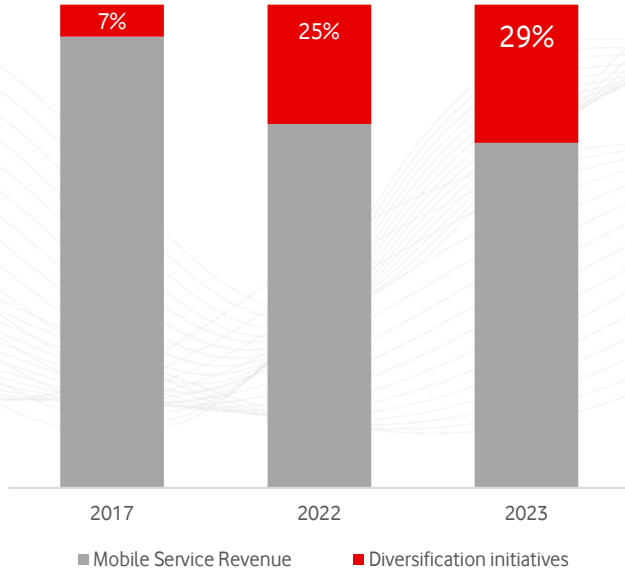


- Continued growth in EPS
- 10% increase in dividend YoY (QR 465m), subject to approval in upcoming AGA.

# Diversification : Agenda is on Track

## Revenue Contribution of Non-core

% of Service Revenue



**Fixed:** Continued roll-out and business growth.



**ICT/Managed services:** On track with large projects under delivery and continued capability development, and GTM



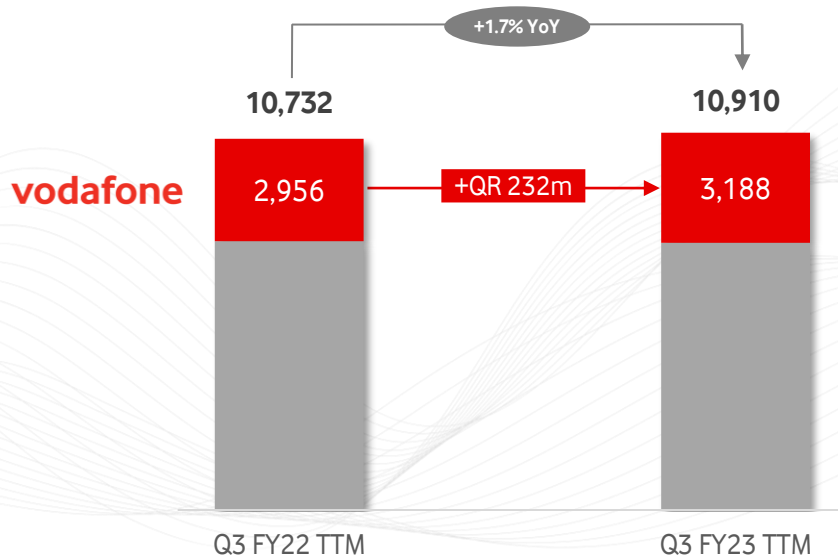
**IoT & Big Data:** Continued capability, customer and revenue growth



**FinTech:** Launched new features (including around convenient 3<sup>rd</sup> party bill payment), and added new partners to the platform, with initiatives seeing strong early traction.

# Market Performance : VQ is Driving Market Revenue Growth

## Total Market Revenue (in QRmn)

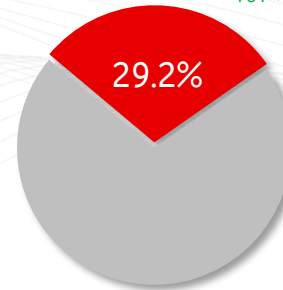


- Total market revenue has grown by 1.7% Y/Y in Q3 FY23 TTM.
- **Vodafone Qatar has accounted for all the total market revenue growth** (QR 232m out of QR 177m).

## Market Share

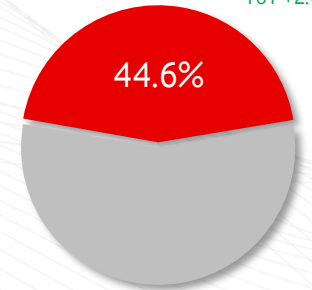
### Total Revenue Market Share Q3 FY23 TTM

vodafone   
YoY +1.7pts



### Mobility Subscriber Market Share Q3 FY23

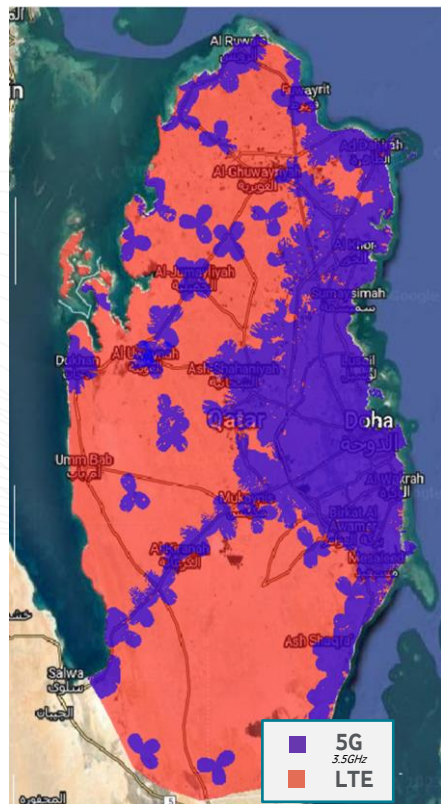
vodafone   
YoY +2.4pts



- Revenue market share has increased by 1.7pts YoY in Q3 FY23 TTM, with contributions from all business units
- Mobility subscriber market share stands above 44% in Q3 FY23

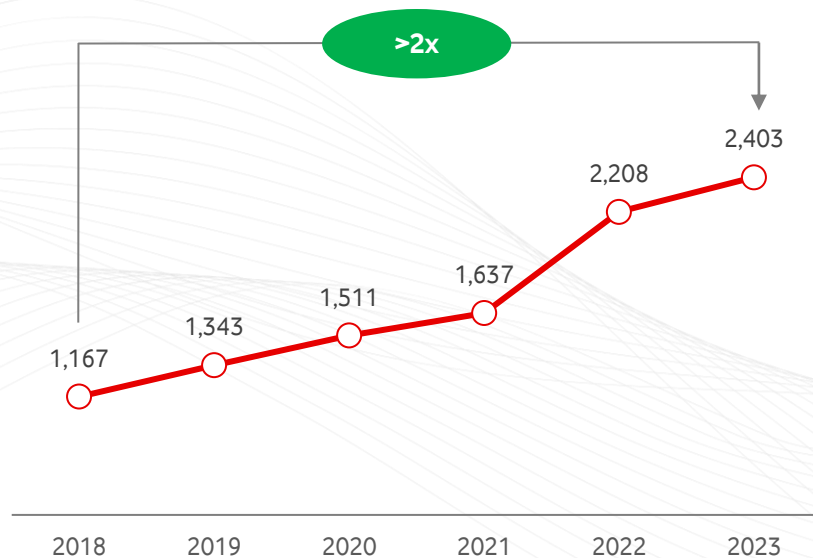
# Growing Our Radio Network : >2,400 Radio Network Sites Across the Country

## Mobile Network Coverage



Exceptional Vodafone 5G coverage in Doha

## Radio Access Network Sites Evolution

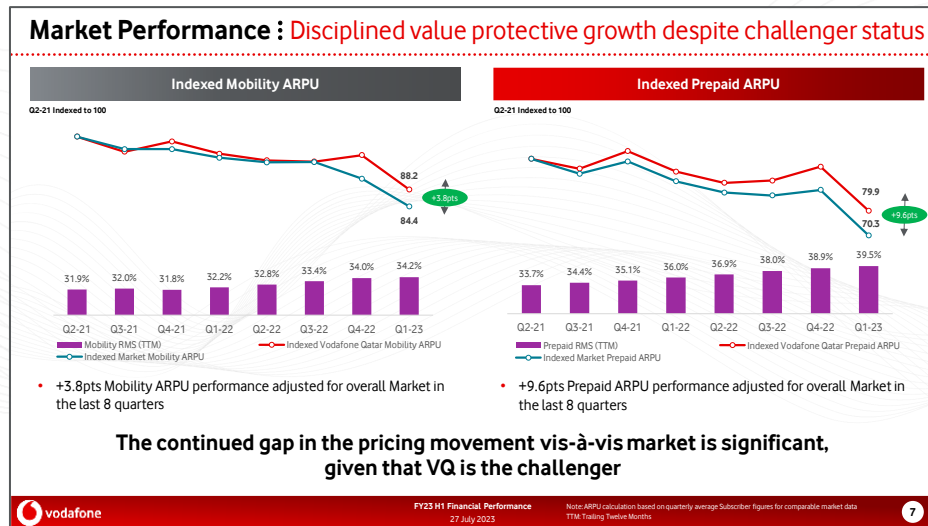


- More than doubled the radio network sites since 2018
- >85% of the outdoor network sites are 5G enabled

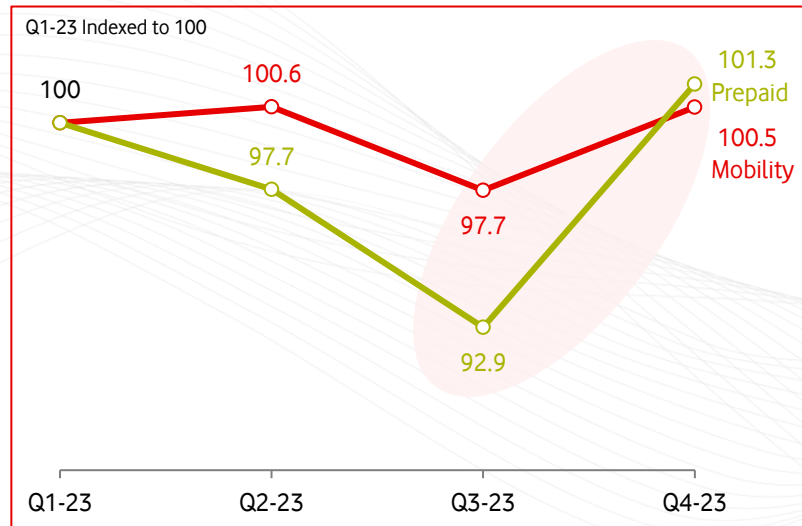


# Market Repair : Initiatives around ARPU climb-back are showing early results

## Our message to you 2 quarters back...



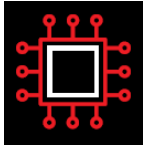
## ARPU repair is showing early green-shoots



# Sustainability : Continued expansion of focus

## Our Sustainability Framework

Connecting for a Better Future



### Digital Enrichment

- Digital innovation for all
- Advanced customer experience
- Data protection and cyber security
- World class infrastructure investments
- Governance and business integrity



### Human Prosperity

- Empowered employees
- Equal, diverse & inclusive environment
- Healthy and safe workplace
- Community development

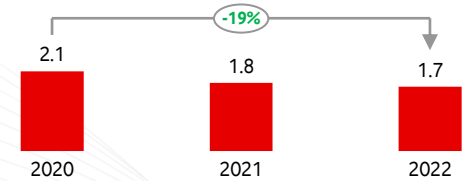


### Safeguarding the Planet

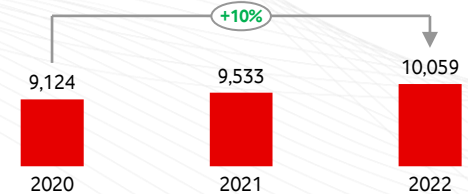
- Tackling climate change
- Effective use of resources
- Responsible value chain

## Improving Metrics in All Pillars

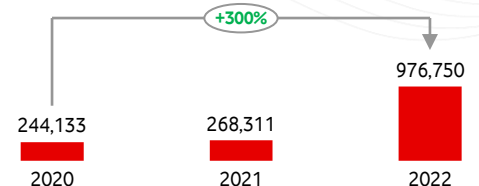
### Customer Effort Score



### Total Hours of Training



### Reduced energy consumption driven by initiatives (kwh)



# Financial Performance

**Masroor Anjum**  
Chief Financial Officer



# Key Highlights



## Strong revenue growth

- Total revenue increased 1.5% (U/L +6.1%) driven by strong service revenue growth (U/L +8.9%)



## Cost efficiency

- Despite substantial network expansion and customer acquisition, OPEX intensity achieved a historical low of 24.1% (0.8ppts lower YoY), through cost optimization initiatives



## Continued growth in profitability

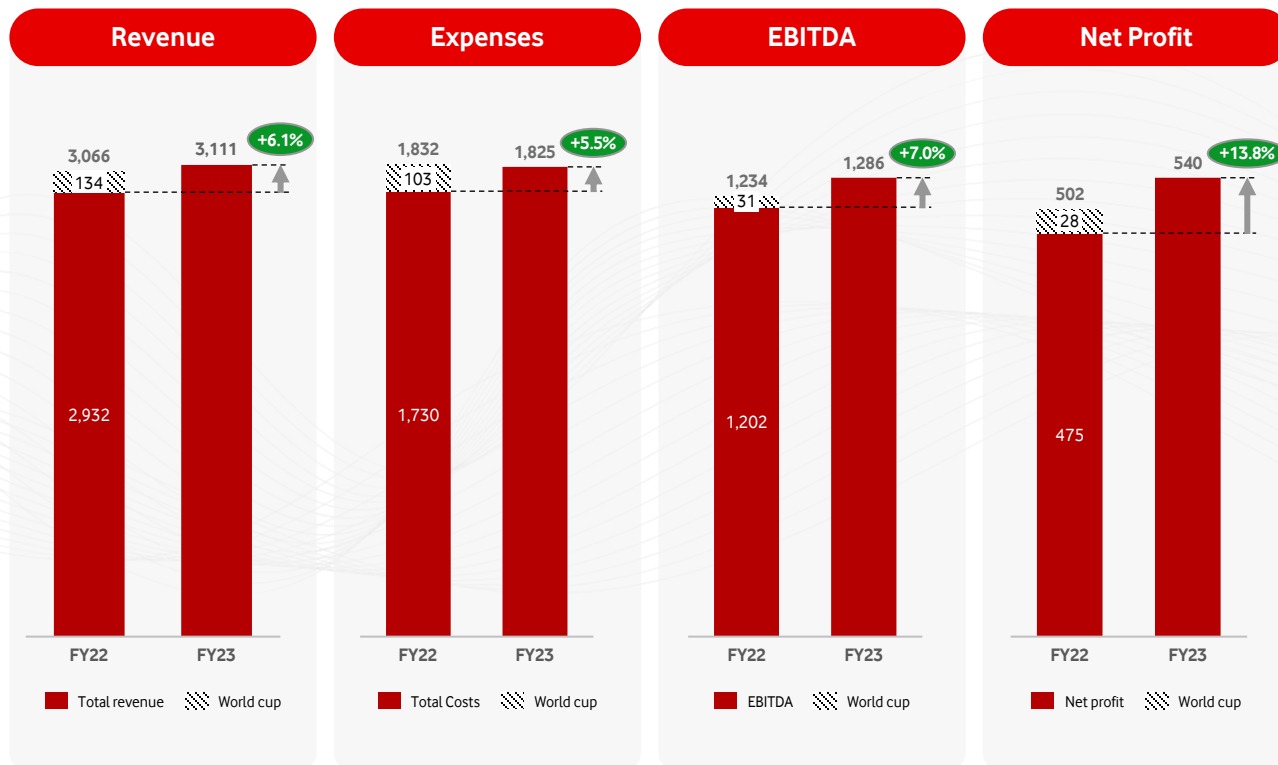
- EBITDA QR 1,286m, 4.2% increase YoY (U/L +7%)
- EBITDA margin of 41.3%, expanded 1.1 ppts YoY
- Net profit QR 540m, grew 7.5% (U/L +13.8%)



## Highest cash flow and lowest net debt

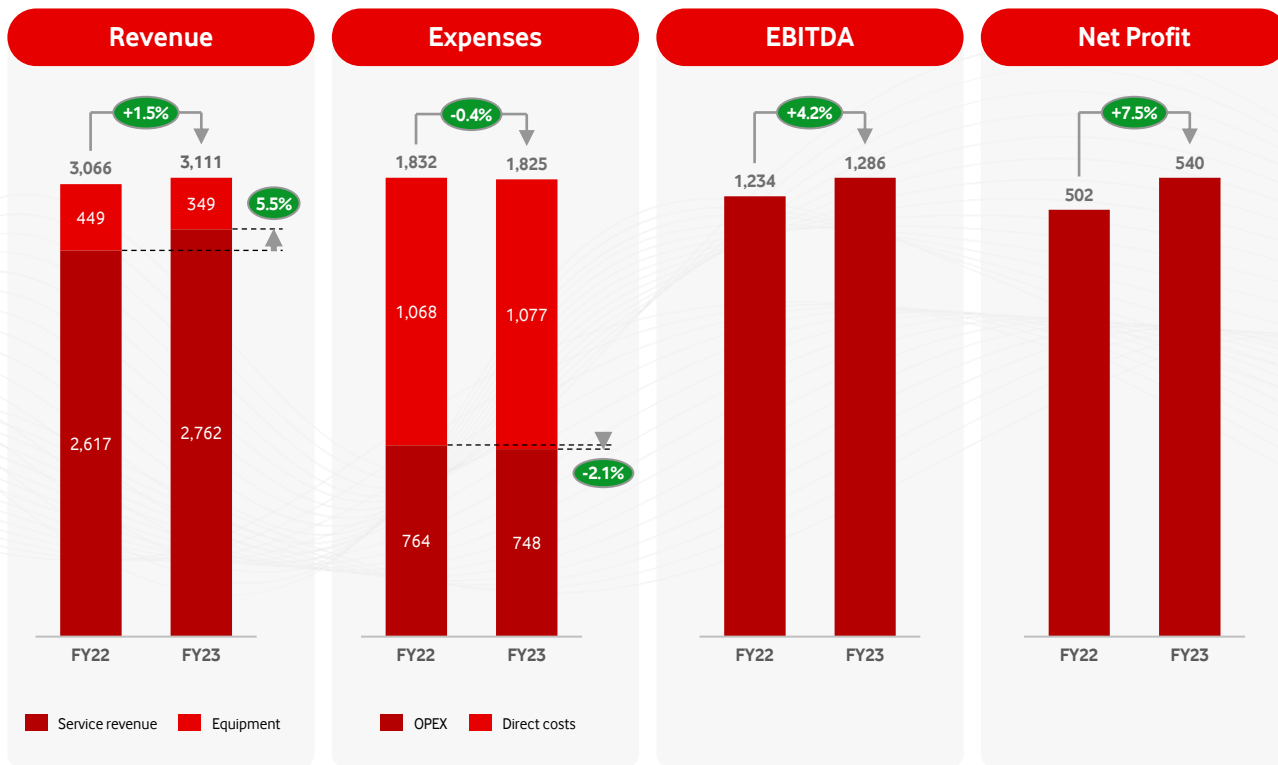
- Highest operating cash flow of QR 697 million
- Lowest ever net debt of QR 300 million, despite 67% increase in dividend payout

# FY23 Year on Year : Strong underlying performance across all financial KPIs



- Total revenue [excl. World cup] grew QR 179m (+6.1%) led by underlying service revenue growth (+8.9%), partially offset by lower projects revenue
- Expenses increased primarily due to growth in revenue, subscribers and network expansion offset by cost optimization initiatives
- EBITDA grew 7% primarily driven by service revenue growth
- Net profit grew 13.8% following higher EBITDA

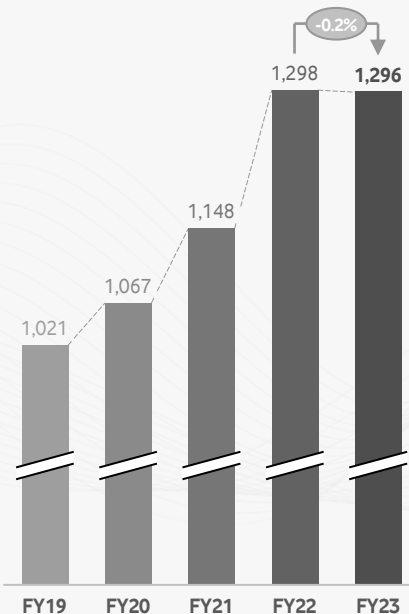
# FY23 Year on Year : Persistent Topline and Profitability Growth



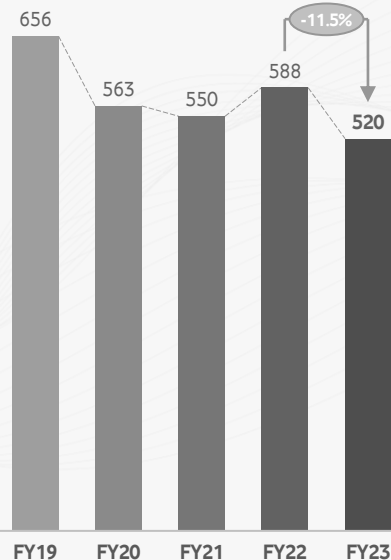
- Total revenue grew QR 45m (+1.5%) led by service revenue growth (+5.5%) partially offset by lower projects revenue and one-off World cup revenues
- Expenses lower primarily due to cost optimization offset by growth in revenue, subscribers and network expansion
- EBITDA grew 4.2% driven by service revenue growth
- Net profit grew 7.5% following higher EBITDA

# Service Revenue (excl. World Cup) : Revenue growth in a declining market

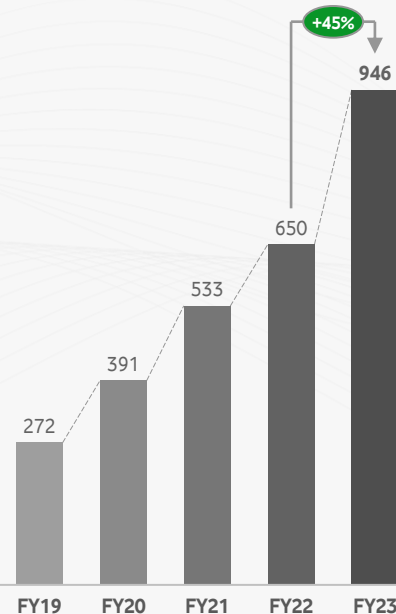
## Postpaid



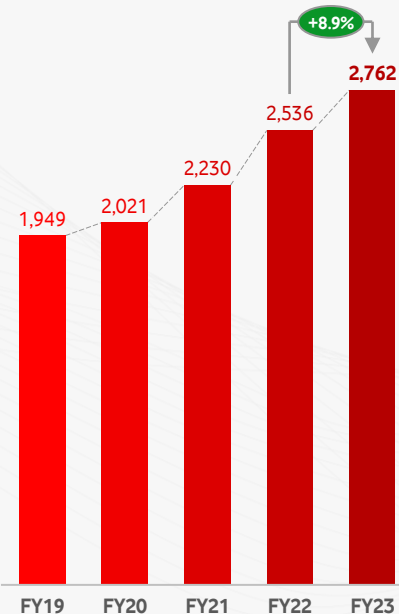
## Prepaid



## Managed services, Wholesale & Fixed

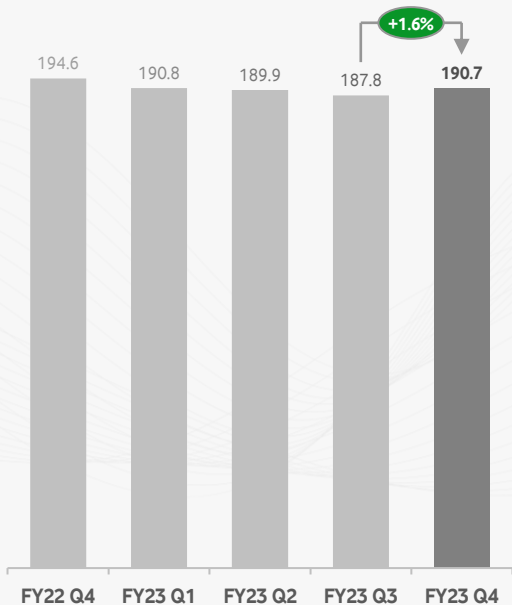


## Total service revenue

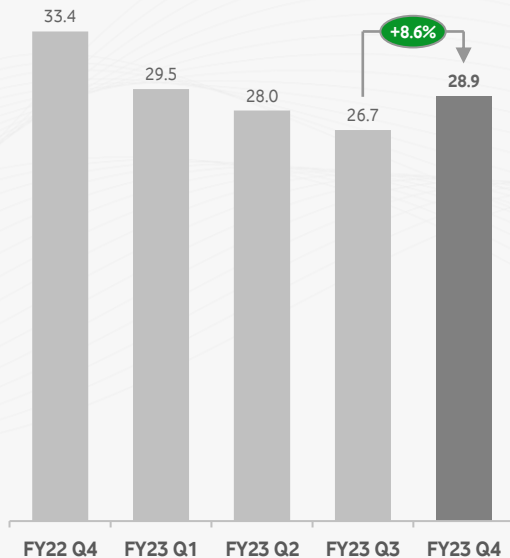


# Mobility ARPU\*

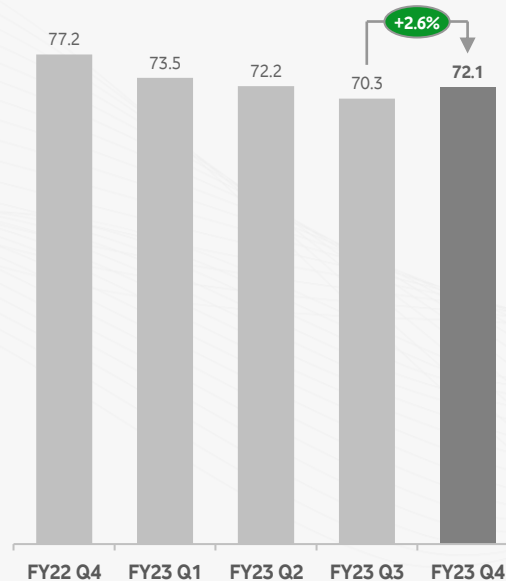
## Postpaid



## Prepaid



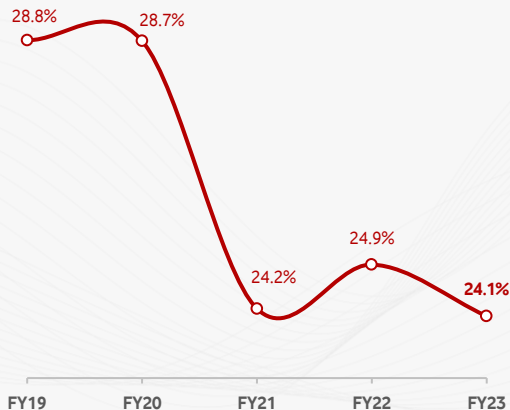
## Total Mobility





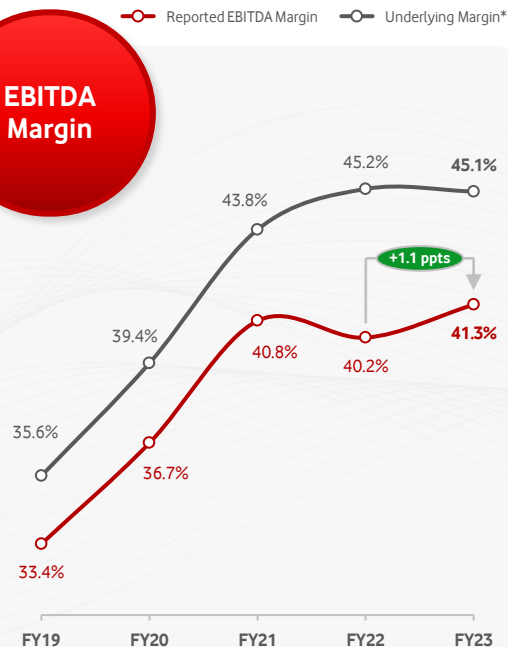
# Margin Trends : Improving efficiency and margins

## OPEX Intensity



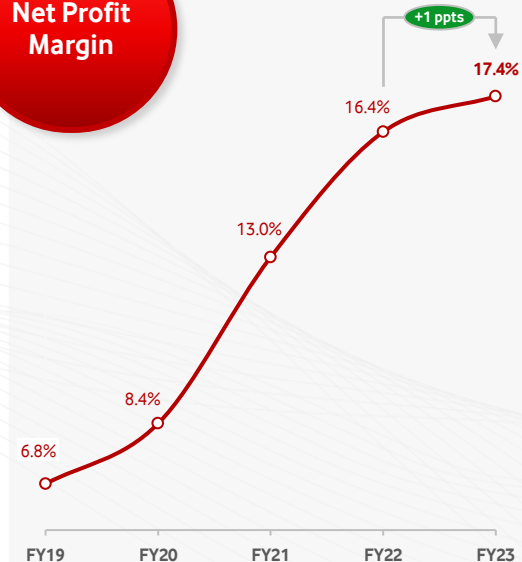
- **OPEX intensity** continues to decline driven by cost optimisation

## EBITDA Margin



- **Reported EBITDA margin at 41.3%**, 1.1 pts higher than FY22
- **Underlying EBITDA margin of 45.1%**, 0.1 pts decrease due to change in revenue mix

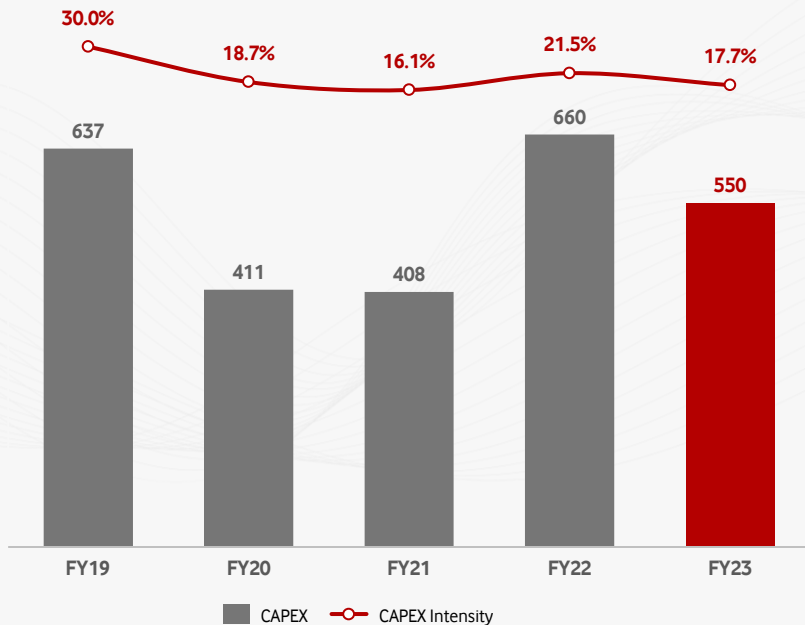
## Net Profit Margin



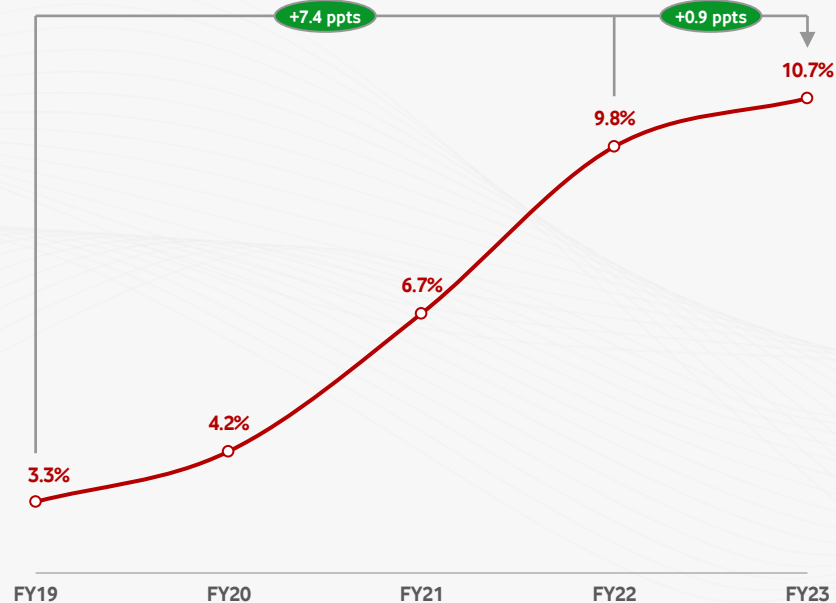
- **Net Profit margin of 17.4%** (1 pts higher than FY22) led by growth in EBITDA

# Capital Expenditure : Investments driving profitable growth

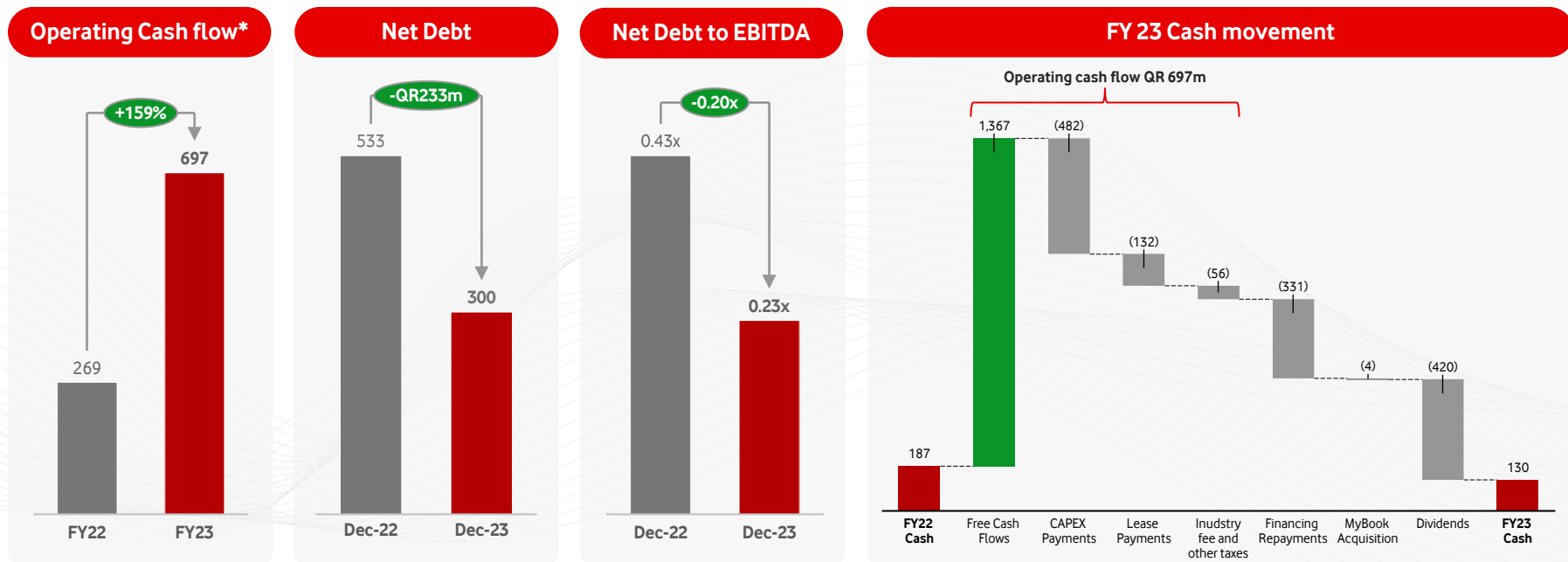
## Capital expenditure (CAPEX)



## Return on capital employed (ROCE\*)



# FY23 Cash Position : Generating strong cash flows



- 1 Cash flow generation increased 159% reflecting strong collections and working capital optimization initiatives
- 2 Net debt decreased to lowest ever QR 300m, despite 67% higher dividend pay-out in FY23, driven by strong OFCF
- 3 Net debt to EBITDA ratio continues to decline, reaching 0.23x

# Financial Performance v/s FY23 Guidance

Financial KPIs	FY22 Results	FY23 Guidance	FY23 Actuals		
Total revenue	QR 3,066m	+ YoY %	QR 3,111m	+ 1.5 %	✓
EBITDA Margin	40.2%	+ 1 – 1.5 ppts	41.3%	+ 1.1ppts	✓
CAPEX intensity	21.5%	17% to 18%	17.7%	Within	✓

# FY23 Year on Year : Statutory results summary

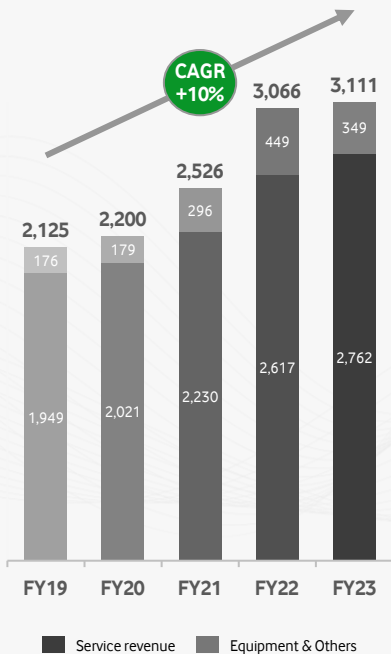
QR millions (unless otherwise stated)

	31 Dec 23	31 Dec 22	YoY
Consumer revenue	1,595	1,649	(54)
Enterprise, equipment and other revenues	1,516	1,417	99
<b>Total revenue</b>	<b>3,111</b>	<b>3,066</b>	<b>45</b>
Direct costs	(1,077)	(1,068)	(9)
Operational expenses	(748)	(764)	16
Depreciation and amortisation	(631)	(635)	4
Borrowing cost	(42)	(29)	(13)
Other financing costs (net)	(22)	(13)	(9)
<b>Profit before tax related fees</b>	<b>591</b>	<b>556</b>	<b>35</b>
Tax related fees	(51)	(54)	3
<b>Profit for the year</b>	<b>540</b>	<b>502</b>	<b>38</b>
<b>Basic and diluted earnings per share (in QR)</b>	<b>0.128</b>	<b>0.119</b>	<b>0.009</b>

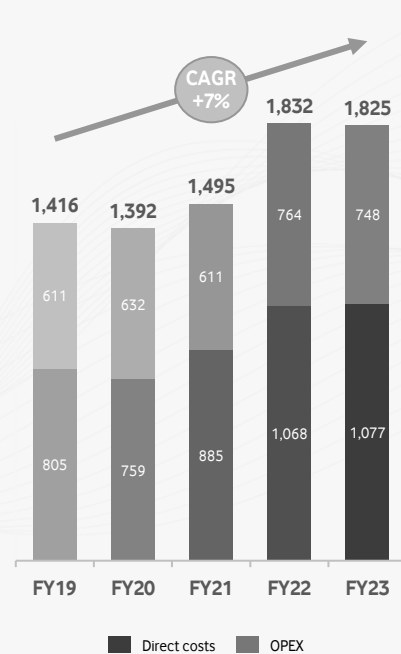
- 1 Total revenue grew QR 45m (+1.5%) led by service revenue growth (+5.5%) partially offset by lower projects revenue and one-off World cup revenues
- 2 Higher direct costs resulting from revenue and customer growth
- 3 Operational expenses lower due to cost optimisation
- 4 Financing costs higher reflecting increase in effective borrowing rates from 3.5% to 5.6% partially offset by impact of lower drawdown

# Key Financial Performance Indicators

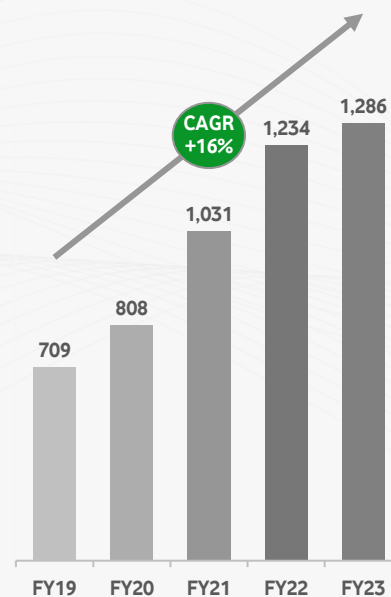
## Total Revenue



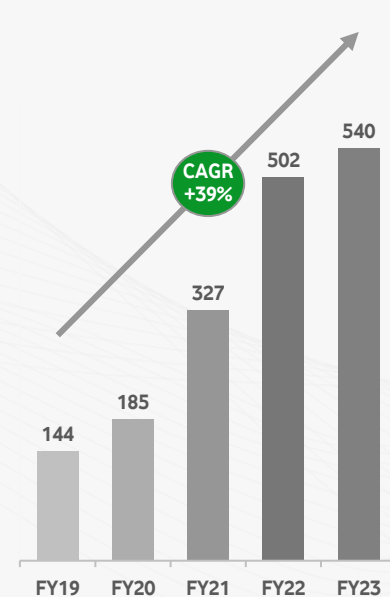
## Expenses



## EBITDA



## Net profit



# Q&A



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**Or email us:**

[InvestorRelationsQatar@vodafone.qa](mailto:InvestorRelationsQatar@vodafone.qa)

APPENDIX





# Consolidated Statement of Income

## Year ended 31 December

QR m (unless otherwise stated)	2023	2022	YoY
Consumer revenue	1,595	1,649	(54)
Enterprise, equipment and other revenues	1,516	1,417	99
<b>Total revenue</b>	<b>3,111</b>	<b>3,066</b>	<b>45</b>
Interconnection and other direct expenses	(1,053)	(1,025)	(28)
Network and other operational expenses	(465)	(495)	30
Employee salaries and benefits	(283)	(269)	(14)
Depreciation of property, plant and equipment	(327)	(340)	13
Amortisation of intangible assets	(191)	(191)	(0)
Depreciation of right-of-use assets	(112)	(104)	(8)
Expected credit losses	(24)	(43)	19
Finance costs	(42)	(29)	(13)
Other financing costs	(35)	(19)	(16)
Other income	13	6	7
<b>Profit before tax related fees</b>	<b>591</b>	<b>556</b>	<b>35</b>
Tax related fees	(51)	(54)	3
<b>Profit for the year</b>	<b>540</b>	<b>502</b>	<b>38</b>
<b>Basic and diluted earnings per share (in QR)</b>	<b>0.128</b>	<b>0.119</b>	<b>0.009</b>

- Total revenue grew QR 45m (1.5%) led by service revenue growth (+5.5%) partially offset by lower projects revenue and one-off world cup related revenues
- Higher interconnect and other direct expenses resulting from revenue and customers growth
- Network and other operational expenses lower due to cost optimization offset by network expansion and impact of growth in subscribers and revenue
- Financing costs higher reflecting increase in effective borrowing rates from 3.5% to 5.6% partially offset by impact of lower drawdown

# Consolidated Statement of Financial Position

QR m (unless otherwise stated)	31 Dec 23	31 Dec 22	Var
Property, plant and equipment	1,934	1,885	50
Intangible assets	4,037	4,050	(12)
Right-of-use assets	429	430	(1)
Receivables, prepayments and contract costs	267	298	(31)
<b>Total non-current assets</b>	<b>6,667</b>	<b>6,662</b>	<b>5</b>
Inventories	34	38	(4)
Receivables, prepayments and contract costs	457	535	(78)
Cash and bank balances	130	187	(57)
<b>Total current assets</b>	<b>621</b>	<b>760</b>	<b>(139)</b>
<b>Total assets</b>	<b>7,288</b>	<b>7,422</b>	<b>(134)</b>
Share capital	4,227	4,227	-
Legal reserve	158	126	31
Retained earnings	552	479	72
<b>Total equity</b>	<b>4,936</b>	<b>4,833</b>	<b>104</b>
Loans and borrowings	325	512	(187)
Lease liabilities	315	315	0
Provisions	110	102	8
<b>Total non-current liabilities</b>	<b>751</b>	<b>929</b>	<b>(179)</b>
Loans and borrowings	105	207	(102)
Lease liabilities	156	141	15
Trade and other payables	1,340	1,311	29
<b>Total current liabilities</b>	<b>1,601</b>	<b>1,660</b>	<b>(59)</b>
<b>Total equity and liabilities</b>	<b>7,288</b>	<b>7,422</b>	<b>(134)</b>

## Assets

- Property, plant & equipment and intangible assets increased by QR 38m due to CAPEX of QR 550m and assets acquired as part of investment offset by depreciation and amortisation of QR 518m
- Right of use assets decreased by QR 1m as a result of depreciation QR 112m and lease termination QR 4m offset by new leases QR 115m
- Receivables, prepayments and contract costs QR 109m lower driven by collections from world cup and projects

## Equity

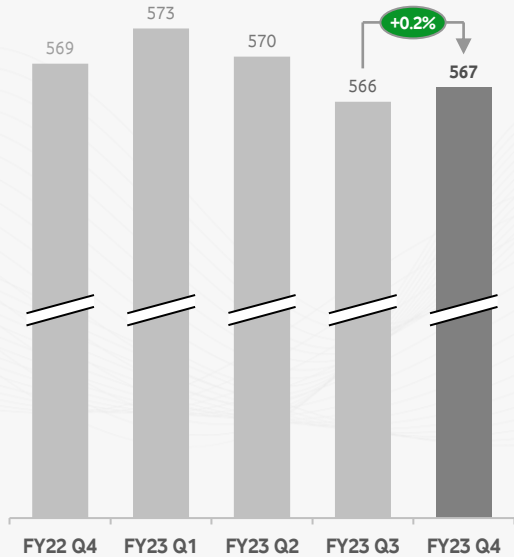
- Equity increased by QR 104m resulting from net profit for the period QR 540m offset by dividend payment QR 423m and social and sports fund accrual QR 14m

## Liabilities

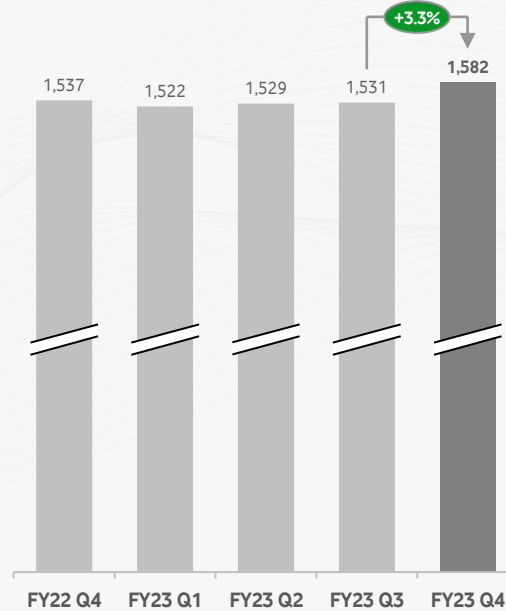
- Loans and borrowings QR 289m lower due to repayments
- Lease liabilities QR 15m higher due to new leases QR 115m and interest unwinding QR 21m offset by settlements QR 117m
- Trade and other payables increased by QR 29m due to CAPEX payables

# Mobility Subscribers\*

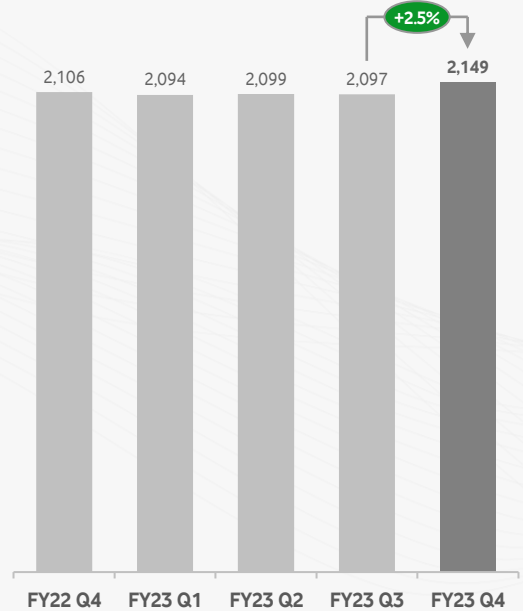
## Postpaid



## Prepaid



## Total Mobility



# FY23 Q4 Year on Year

