

Vodafone Qatar P.Q.S.C.

Financial results: Quarter ended 31 March 2021

26 April 2021



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Quarterly Highlights

Hamad Al Thani
Chief Executive Officer

1



Executive Summary | Key Messages



Total Revenue
+8.3% Y/Y
13 consecutive Y/Y quarterly total revenue growth

Net Profit
+38% Y/Y
FY21 Q1 Net Profit grows to QR 66m



Enhanced Coverage & Capacity
Radio Access Network sites expanded +37% sites since 2017

Home Connected
~ 2X Y/Y
Deployment at scale continues across major zones of Qatar



Dependency on Prepaid Mobility Reduced
Prepaid revenue contribution represents 27% of total service revenue vs. 53% in FY'17

Deepening our Engagement
Product innovation in Enterprise with the launch of Push-to-Talk Plus, Ready Network – SDN and Self-service



Population*
Population declined by 1.6% Q/Q and by 5.5% Y/Y

COVID-19
Business continuity plan reactivated and simulation for remote work initiated successfully



(*) Note: Qatar Planning and Statistics Authority. "Monthly Figures on Total Population.", 2021, www.psa.gov.qa/en/statistics1/StatisticsSite/pages/population.aspx.

Financial Review

Masroor Anjum
Chief Financial Officer (Acting)

2



FY21 Q1 Financial performance | Highlights

Strong Revenue growth YoY

- Total Revenue grew 8.3% led by service revenue increase of 5.1% and higher handset sales

Cost control

- Expenses (excluding equipment) decline YoY despite revenue growth, led by cost optimisation

Highest ever profitability levels

- Reported EBITDA Margin at 40% for first time
- EBITDA QR 234m, (+17% YoY)
- Net Profit QR 66m (+38% YoY)

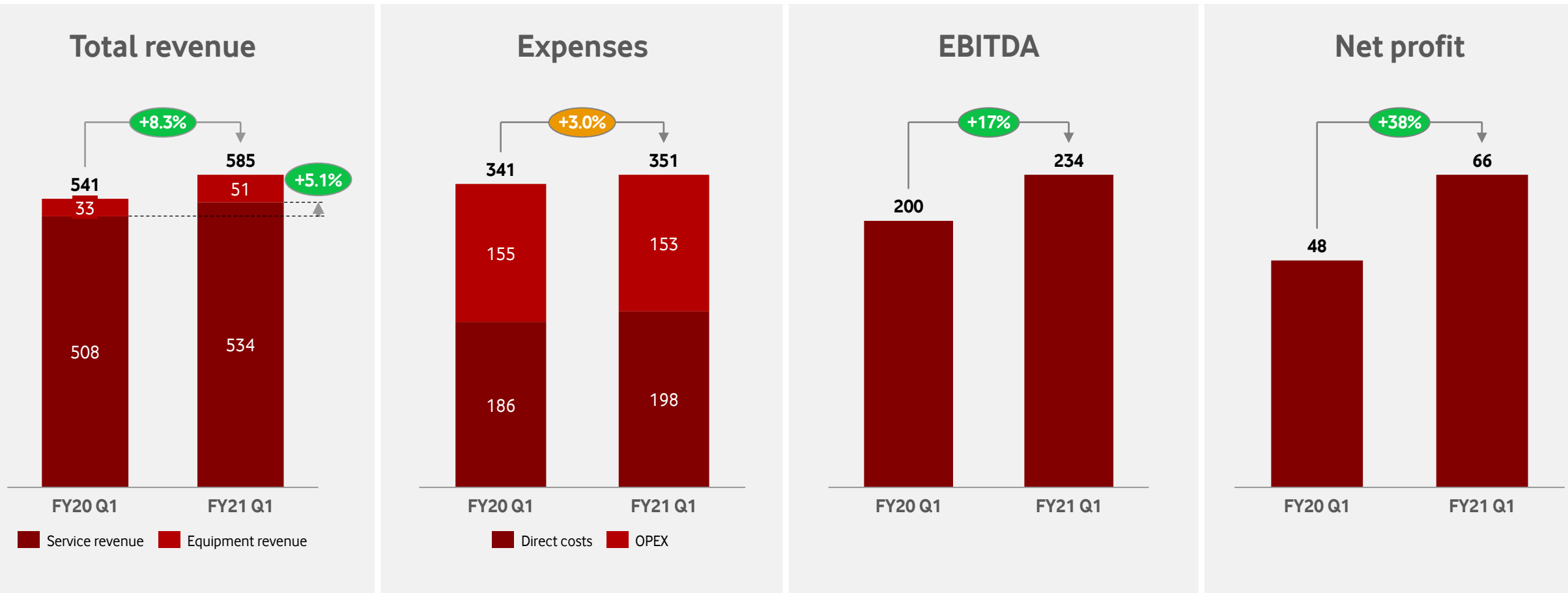
Growing mobility and fixed subscribers

- Mobility subscribers grew 2.1% QoQ despite population decline



FY21 Q1 Financial Performance

Year on Year (QR m)



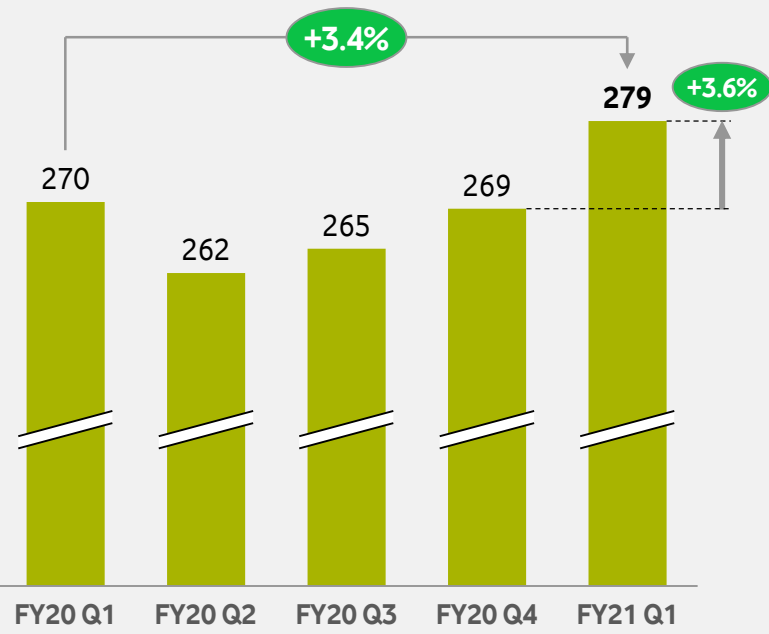
- 1 Total revenue 8.3% higher led by 5.1% growth in service revenue driven by higher fixed and postpaid revenues
- 2 Expenses higher by 3% mainly due to higher equipment cost
- 3 EBITDA QR 34m or 17% higher led by growth in service revenue
- 4 Net profit 38% higher following EBITDA growth partially offset by higher depreciation



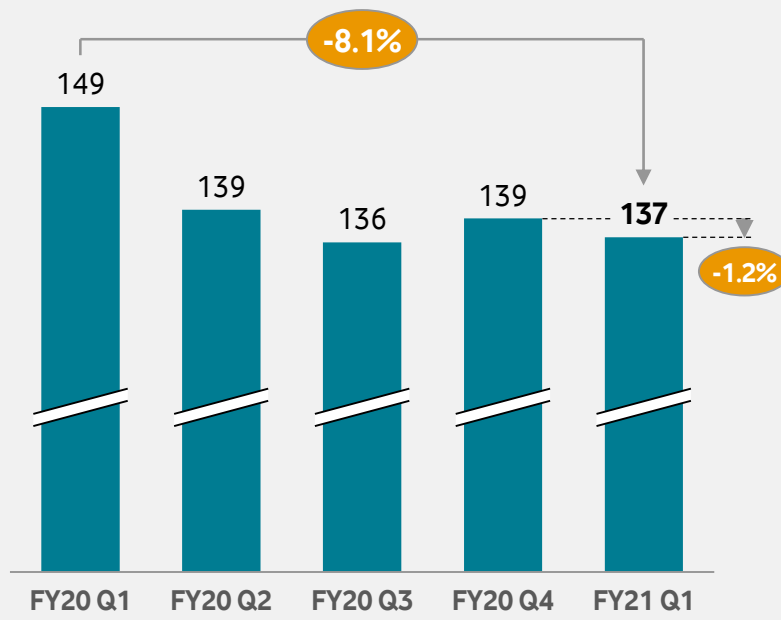
FY21 Q1 Financial Performance

Service revenue (QR m)

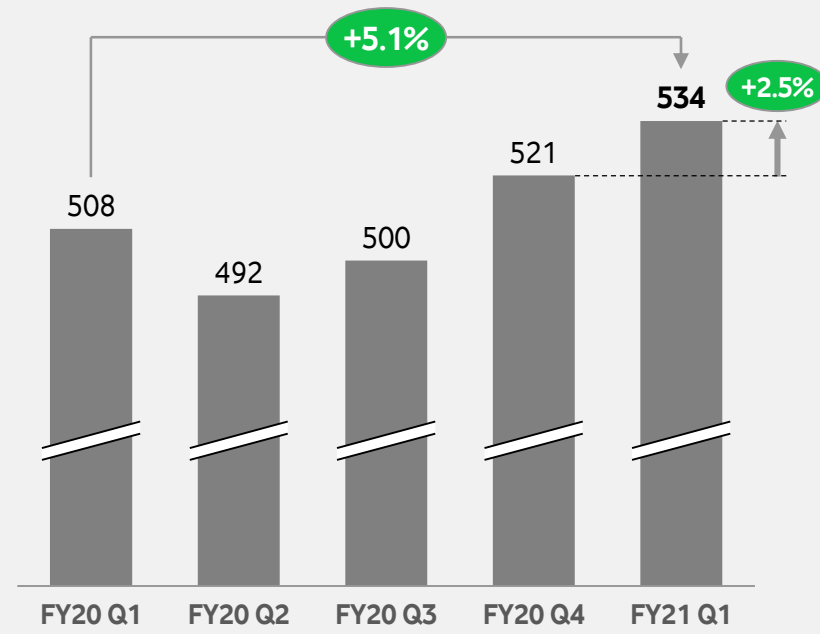
Postpaid Revenue



Prepaid Revenue



Total Service Revenue

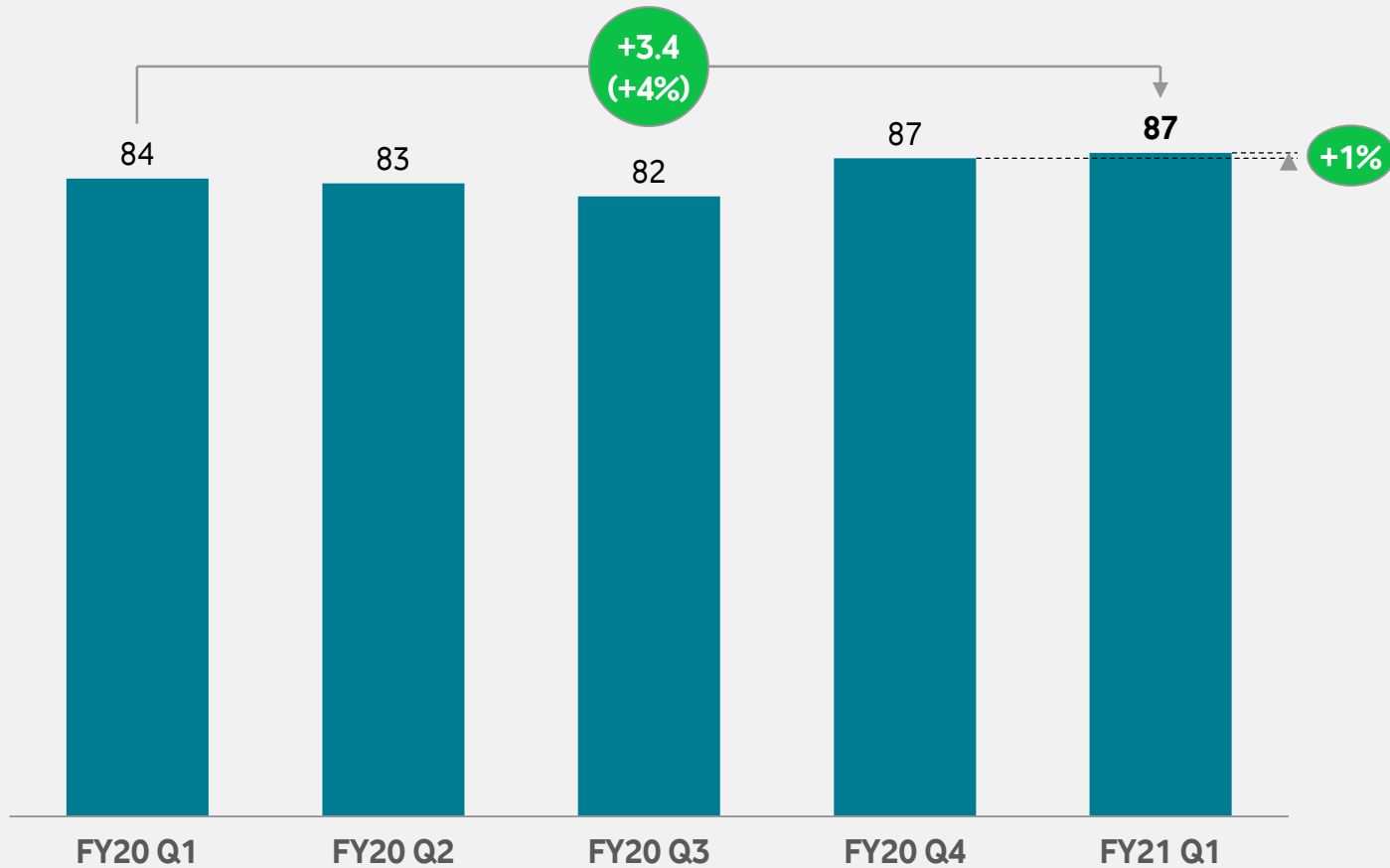


- 1 Postpaid revenue grew 3.4% YoY mainly driven by higher ARPU
- 2 Prepaid revenue declined by 8.1% YoY as a result of lower population and an overall declining market
- 3 Total service revenue 5.1% higher driven by growth in postpaid, fixed and enterprise



FY21 Q1 Financial Performance

Mobility ARPU

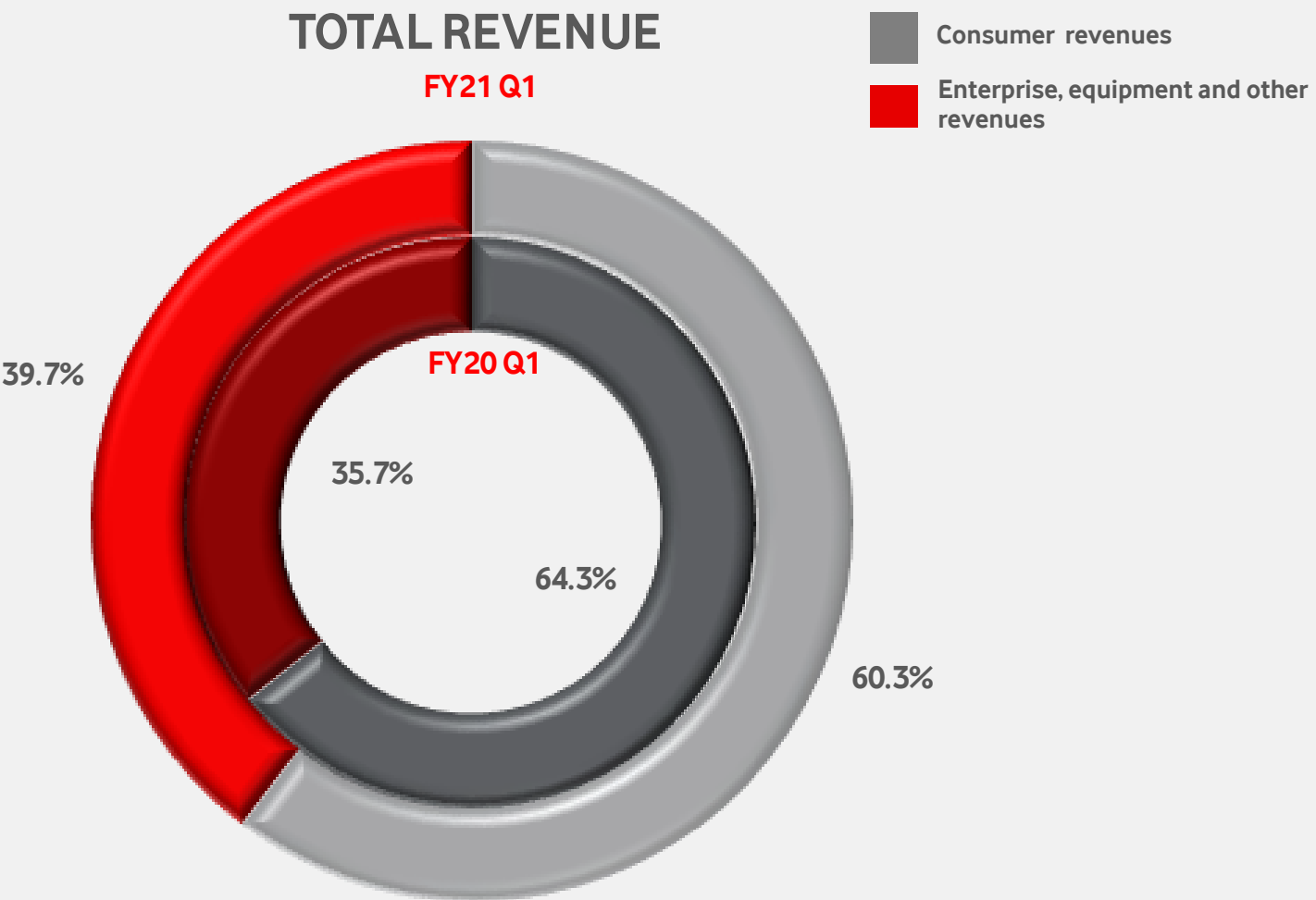


- 1 Mobility ARPU increases QR 3.4 YoY driven by higher postpaid ARPU
- 2 Mobility ARPU 1% higher QoQ



FY21 Q1 Financial Performance

Revenue mix



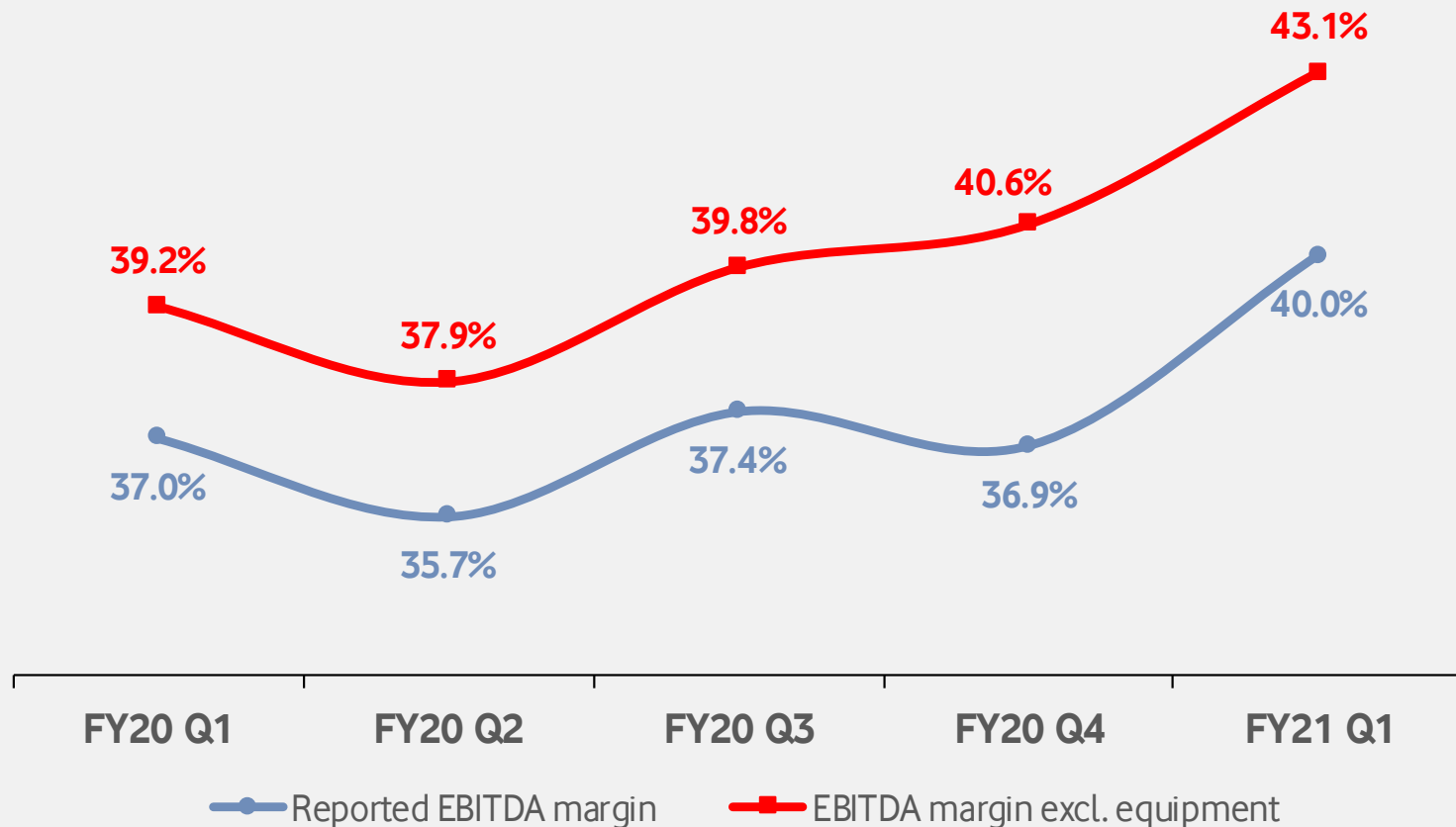
1 Enterprise and other revenue mix improved 4ppts YoY due to growth in fixed broadband and equipment revenue





FY21 Q1 Financial Performance

EBITDA margin trends

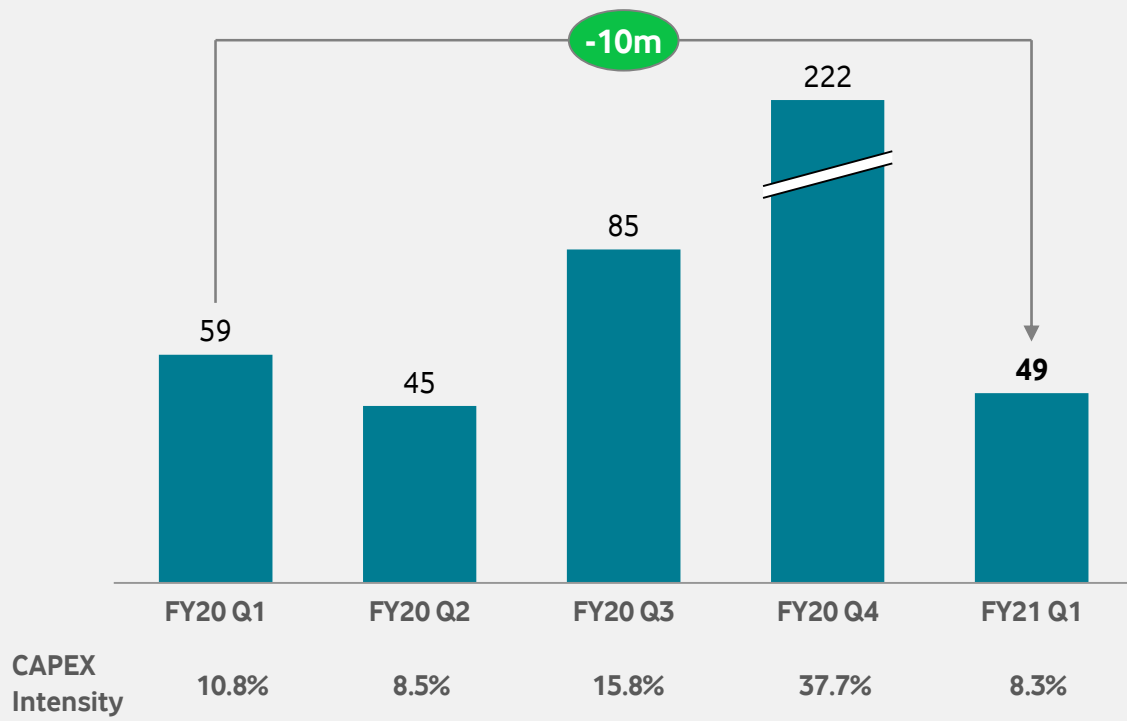


- 1 Underlying EBITDA margin of 43.1% (growth of 3.9 pts YoY) led by growth in fixed and postpaid revenue, and continued cost optimisation initiatives
- 2 Reported Margin at 40% grows 3 pts YoY, highest ever

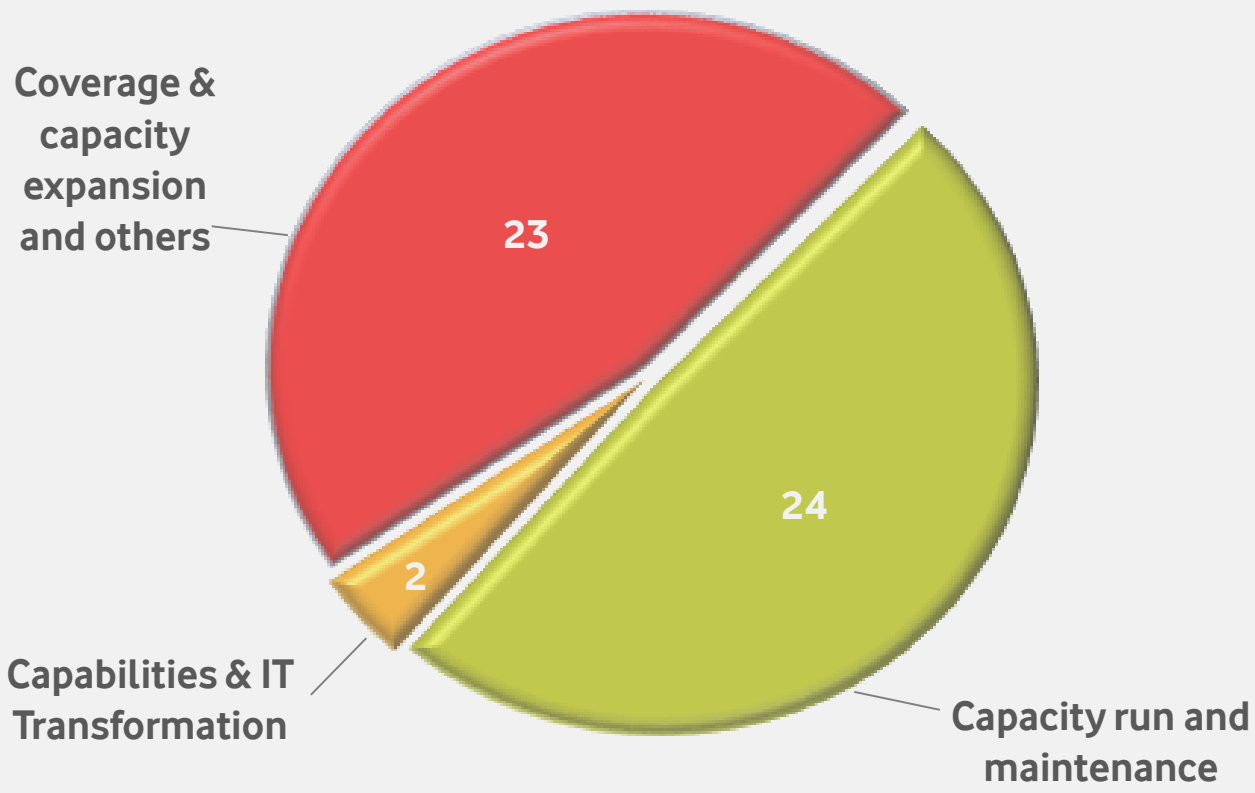
FY21 Q1 Financial Performance

CAPEX (QR m)

Total CAPEX



Quarterly CAPEX Mix



CAPEX investment QR 49m 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

Period ended 31 March 2021

QR m (unless otherwise stated)	Three months ended		
	31 Mar 21	31 Mar 20	YoY
Consumer revenue	353	348	5
Enterprise, equipments and other revenue	232	193	39
Total revenue	585	541	45
Interconnection and other direct expenses	(198)	(186)	(12)
Network, rentals and other operational expenses	(97)	(101)	4
Employee salaries and benefits	(56)	(54)	(2)
Depreciation of property, plant and equipment	(74)	(61)	(12)
Amortisation of intangible assets	(48)	(44)	(4)
Depreciation of right-of-use assets	(27)	(24)	(3)
Gain/(loss) on disposal of property, plant and equipment	0	-	0
Industry fee	(8)	(5)	(2)
Operating profit	79	65	14
Finance cost	(8)	(10)	2
Other financing costs	(6)	(7)	1
Other income	1	0	0
Profit for the period	66	48	18
Basic and diluted earnings per share (QR per share)	0.016	0.011	0.004

Commentary YoY:

- **Total revenue grows 8.3% (QR 45m)** driven by higher fixed, postpaid and equipment revenues
- **Interconnect and other direct expenses QR 12m higher** driven by higher handset costs, offsetting cost optimisation benefits
- **Network, rentals and other operational expenses decreased by QR 4m** due to cost optimisation benefits despite increase in fixed and 5G operational costs
- **Depreciation and amortization QR 19m higher** due to higher CAPEX incurred in FY 2020 and additional property leases
- **Finance costs decreased by QR 2m**



Appendix



Consolidated statement of financial position

As at 31 March 2021

QR m (unless otherwise stated)	31 Mar 21	31 Dec 20	Var
Property, plant and equipment	1,599	1,647	(48)
Intangible assets	4,254	4,280	(25)
Right-of-use assets	344	372	(27)
Trade and other receivables	28	30	(1)
Total non-current assets	6,226	6,328	(102)
Inventories	25	22	3
Trade and other receivables	361	305	56
Cash and bank balances	206	175	31
Total current assets	592	502	90
Total assets	6,818	6,829	(12)
Share capital	4,227	4,227	-
Legal reserve	81	76	4
Retained earnings	34	185	(151)
Total equity	4,342	4,489	(147)
Loans and borrowings	744	615	129
Lease liabilities	276	283	(6)
Provisions and trade payables	130	157	(26)
Total non-current liabilities	1,150	1,054	96
Loans and borrowings	205	205	-
Lease liabilities	99	113	(13)
Trade and other payables	1,021	969	53
Total current liabilities	1,326	1,287	39
Total equity and liabilities	6,818	6,829	(12)

Assets

- **Property, plant and equipment & Intangible assets decreased by QR 73m** due to depreciation and amortization QR 122m offset by CAPEX of QR 49m
- **Right of use assets QR 27m decreased** driven by depreciation QR 27m
- **Trade and other receivables QR 56m higher** mainly due to growth in revenue and higher prepayments.
- **Cash and bank balances QR 31m higher**

Equity

- **Equity decreased by QR 147m** due to dividend payment offset by the net profit for the period

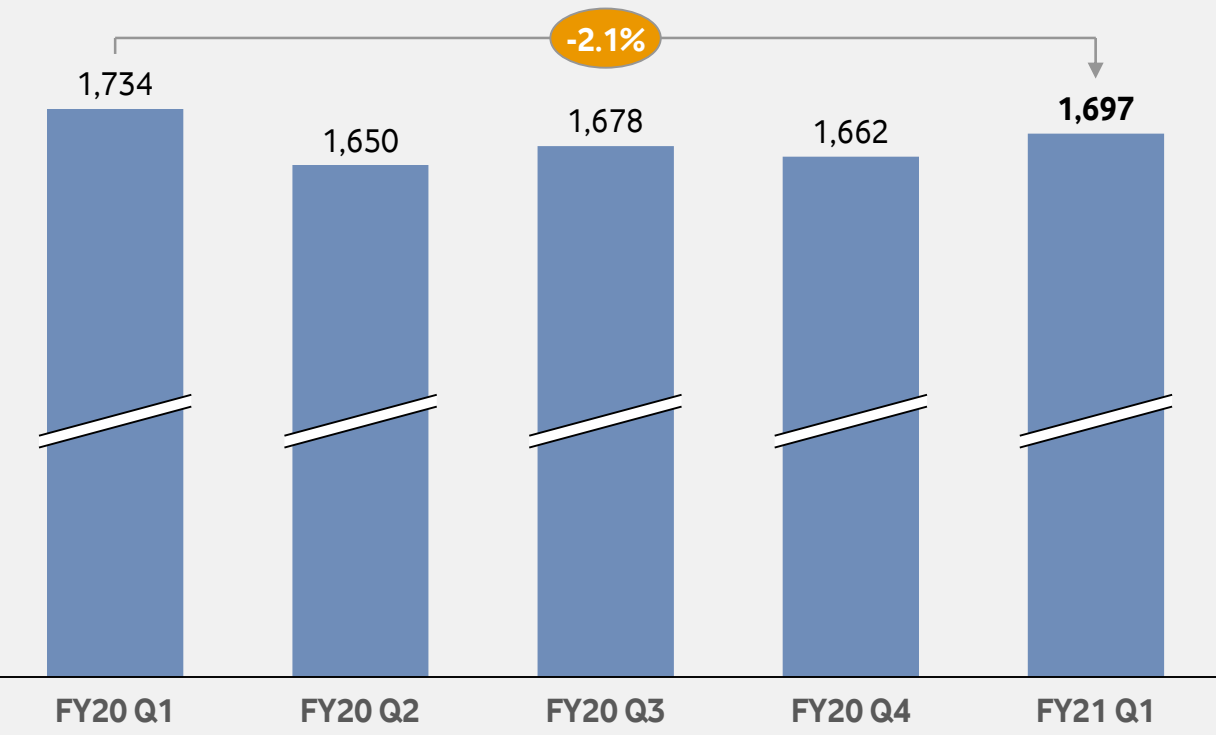
Liabilities

- **Loans and borrowings QR 129m higher** due to additional drawdown QR 180m offset by loan repayment QR 51m
- **Lease liabilities QR 19m lower** as a result of payments made during the period
- **Provisions, trade and other payables increased QR 27m** majorly due to increase in regulatory payables and uncollected dividends

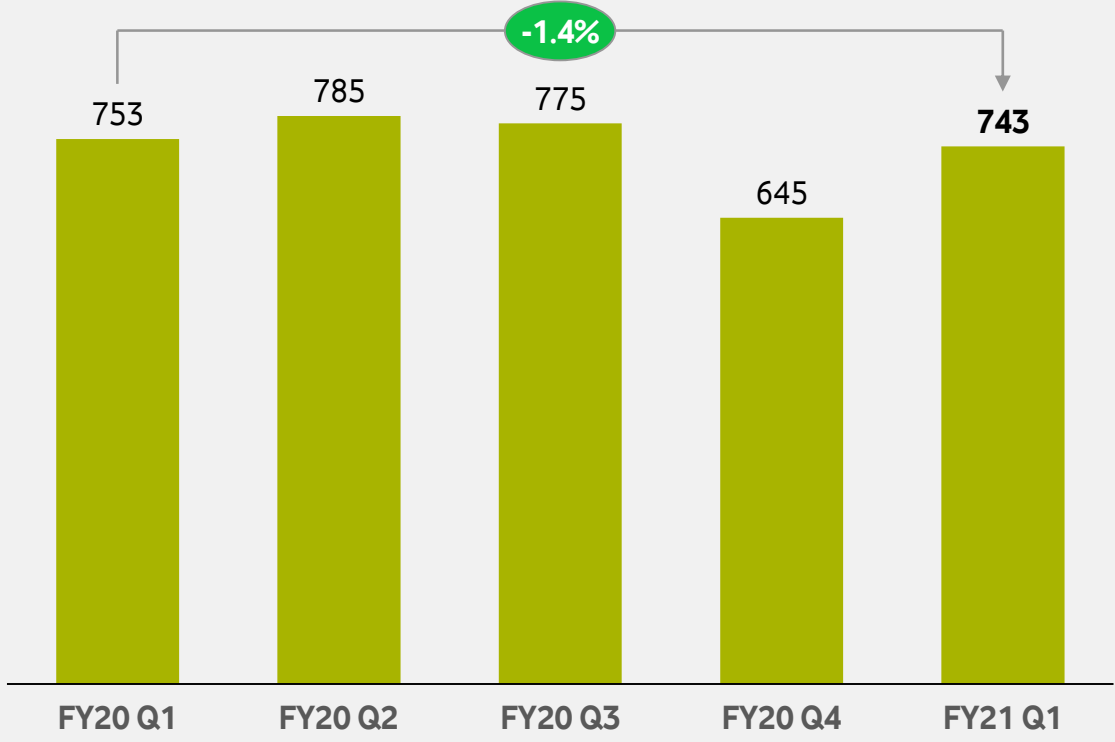


Mobile Customers & Net Debt

Mobile Customers ('000)



Net Debt (QRm)



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Or email us:

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