

Vodafone Qatar P.Q.S.C.

Financial results:

Nine months ended 30 September 2021



17 October 2021



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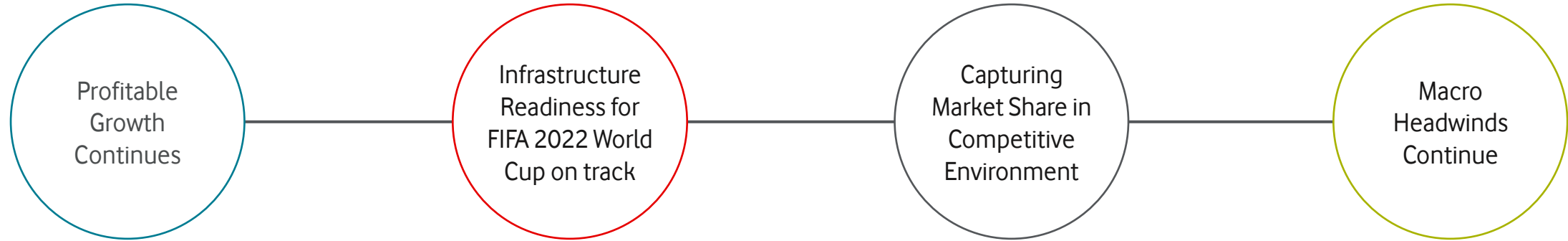
Quarterly Highlights



Hamad Al Thani
Chief Executive Officer

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Executive Summary | Key Messages



15 Quarters Y/Y Consecutive Revenue Growth

Y/Y quarterly total revenue grows 8%

Enhanced Coverage & Capacity

Radio Access Network sites expanded +43% since 2017

Revenue Market Share +1.1pts Y/Y

RMS reached 24.0% in FY21 Q2 on a TTM* basis

Population

Population continues to decline Y/Y with a seasonal recovery Q/Q

Net Profit

FY21 YTD Net Profit grows 58.1% Y/Y

5G Deployment

5G population coverage in Doha is greater than 85%

Innovative Solutions

Introducing new IoT and AI based Big Data solutions to lead the adoption of digital technologies

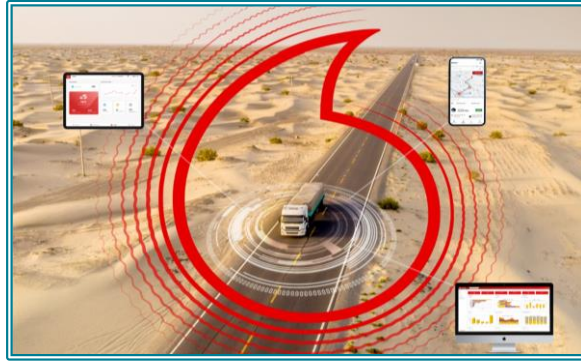
Global Chipset Shortage

Business continuity plan in place to mitigate the risks related to Global chipset shortage



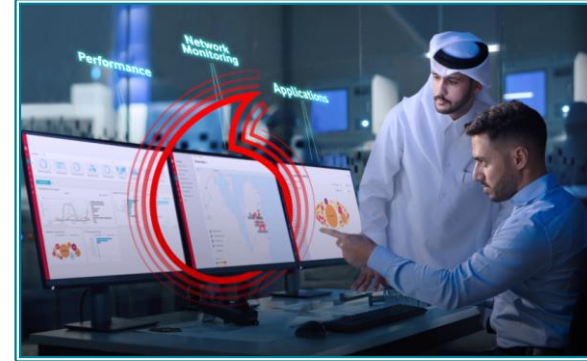
IoT Fleet Management

End-to-end Fleet Management enables delivery of real-time information such as traffic data, vehicle location, driver fuel consumption, vehicle status, and employee work-time



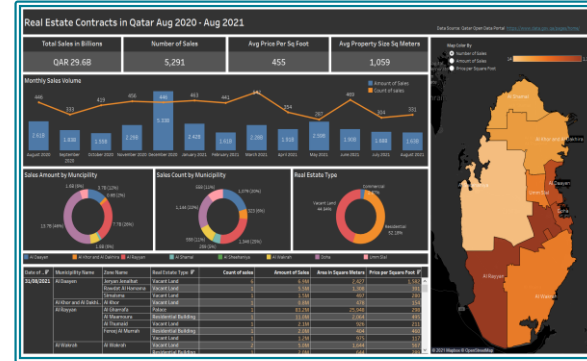
Complex Connectivity Solutions

Providing highly available domestic and global connectivity solutions such as high bandwidth private international capacity, cloud connect services, as well as dedicated Event and Broadcast Contribution networks, based on leading edge Technologies



IoT Smart Buildings

Smart Building solution that enables smart controls, power consumption analysis, alerts, and utilization reports

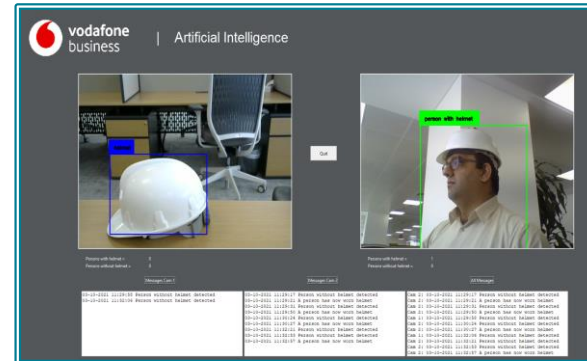


Big Data Real Estate Insights

Big Data tools showcasing visual analytics capabilities (including sales figures, trends, regional breakdowns for the Real Estate industry)

IoT Smart Workforce

State-of-the-art IoT solution for Workforce Performance that uses sensor data from the wearable device and provides meaningful health & activity parameters of the worker



Big Data Safety Helmet Detection

Artificial Intelligence based computer vision system to detect safety violation at worksites with multiple camera feeds. Could be integrated with other modules to send notifications of violations

Financial Review



Masroor Anjum
Chief Financial Officer (Acting)

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Financial Performance Highlights

Nine months ended 30 September 2021



Strong Revenue growth YoY

- Total Revenue grows 8.3% led by service revenue increase of 8.7%
- FY21 Q3 service revenue is highest ever

Cost control

- Despite significant expansion in mobile & fixed network and growth in customers, expenses remained largely stable, led by cost optimisation

Highest ever profitability levels

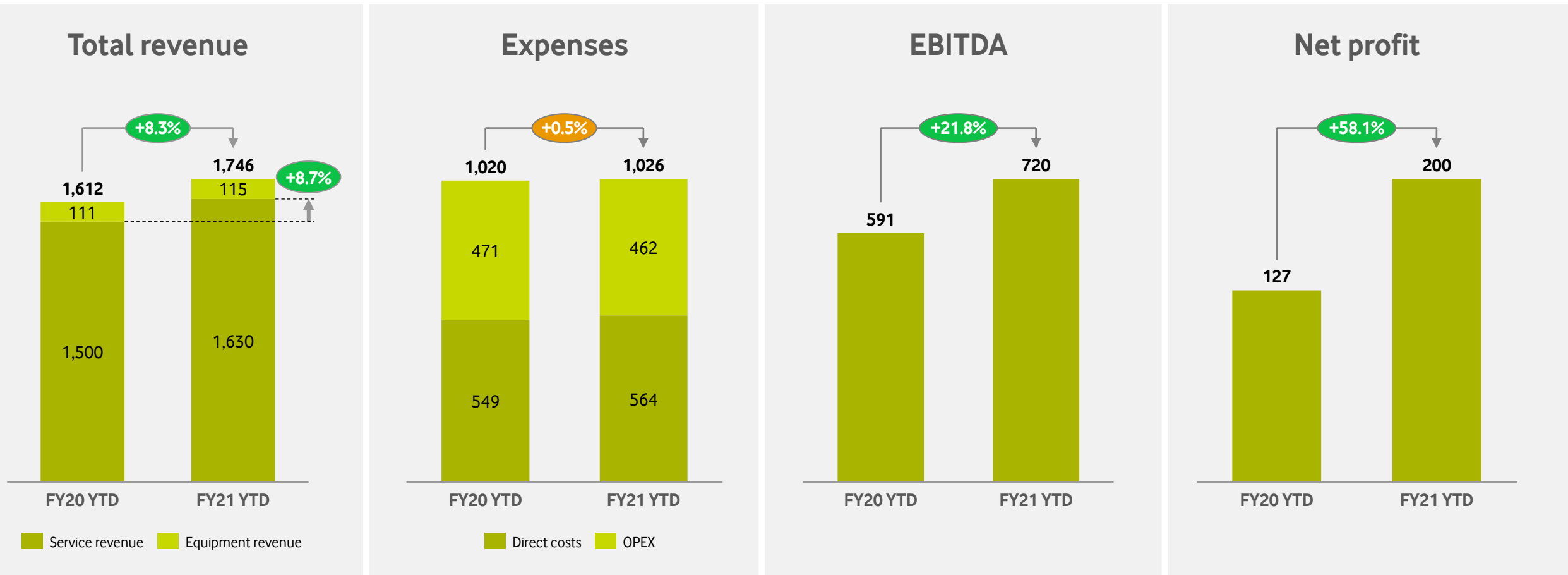
- Reported EBITDA Margin of 41.3%
- EBITDA QR 720m, 21.8% growth YoY
- Net Profit QR 200m, 58% growth YoY

Growing mobility subscribers

- Total mobility subscribers grew 7.1% (119k) YoY despite 3.2% population decline

FY21 Financial Performance | Nine months ended 30 September 2021

Year on Year | QRm

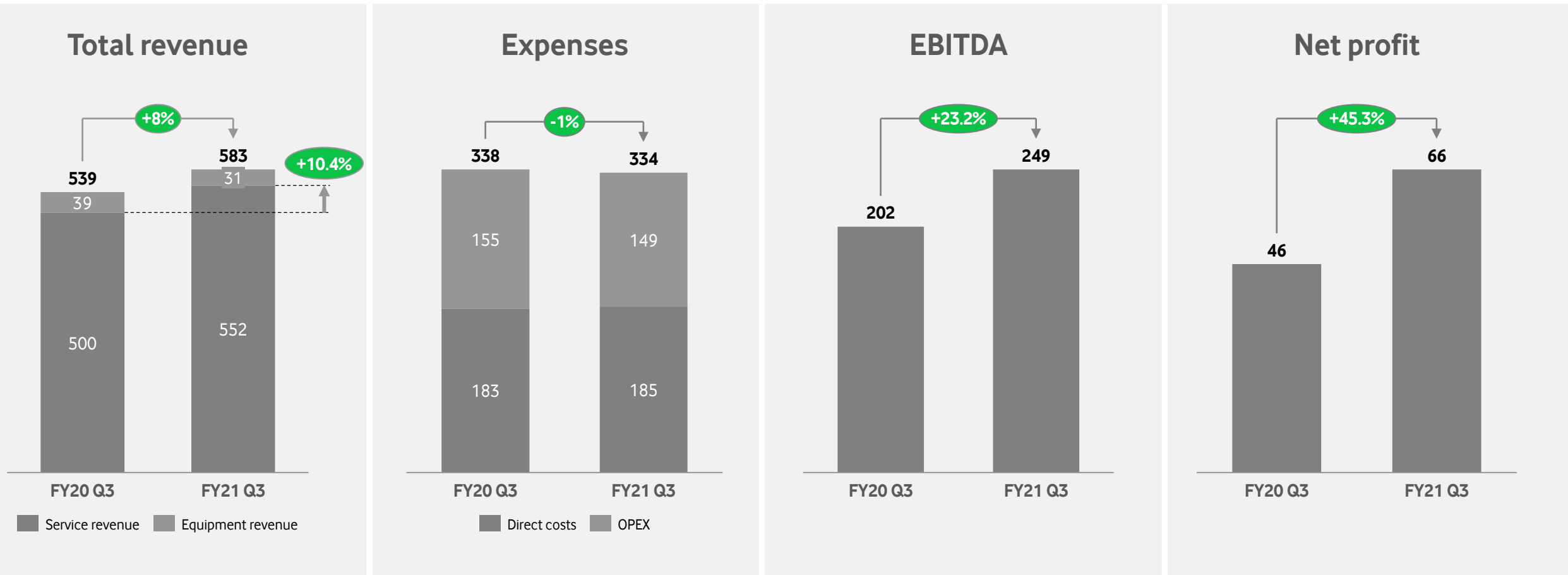


- 1** Total revenue grew 8.3% (QR 134m) led by service revenue growth of 8.7%
- 2** Expenses QR 6m higher primarily due to growth in direct cost corresponding to higher revenue offset by the impact of cost optimisation
- 3** EBITDA QR 129m (21.8%) higher led by service revenue growth. Reported **EBITDA Margin of 41.3%, 4.6 ppts higher YoY**
- 4** Net profit 58% higher following EBITDA flow through partially offset by higher depreciation

FY21 Financial Performance | Quarter 3



Year on Year | QRm



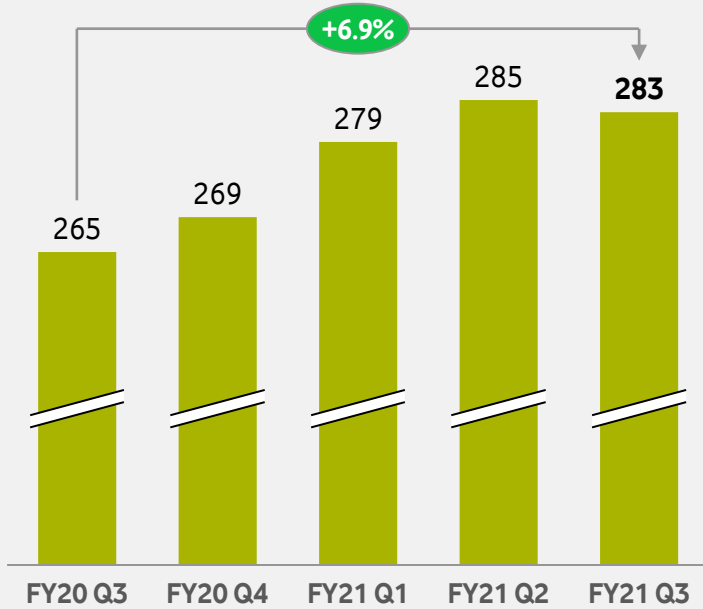
- 1** Total revenue grew 8% led by service revenue growth of 10.4%
- 2** Expenses QR 4m lower due to cost optimization despite growth in revenue and higher operational costs (fixed and 5G)
- 3** EBITDA QR 47m higher led by service revenue growth. **Reported EBITDA Margin of 42.7%, 5.3 pts higher YoY**
- 4** Net profit 45% higher following EBITDA flow through partially offset by higher depreciation

FY21 Q3 Financial Performance

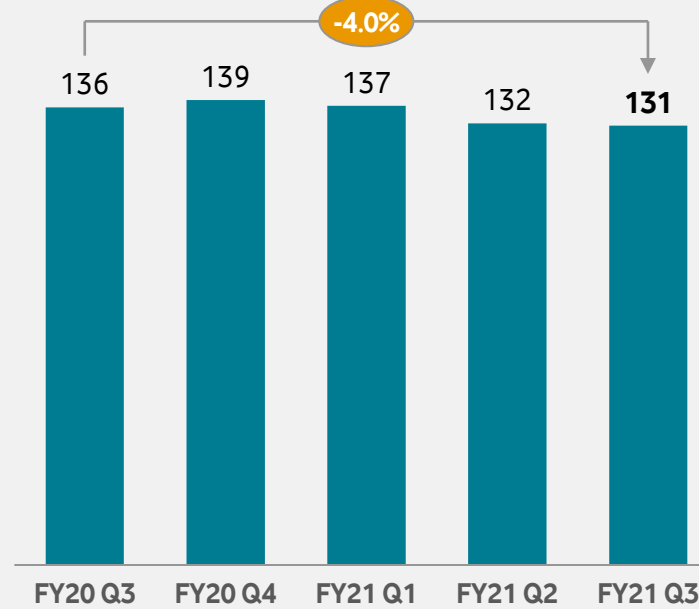


Service revenue | QRm

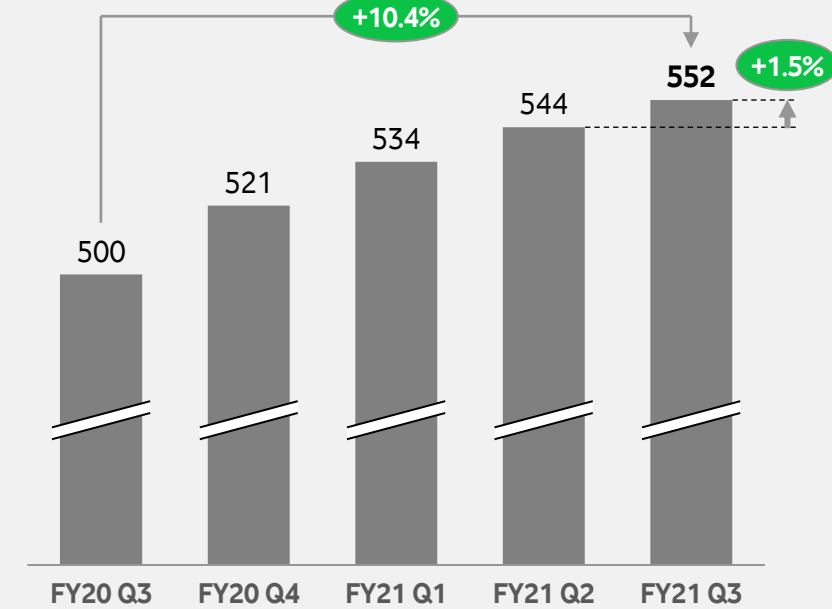
Postpaid Revenue



Prepaid Revenue



Total Service Revenue

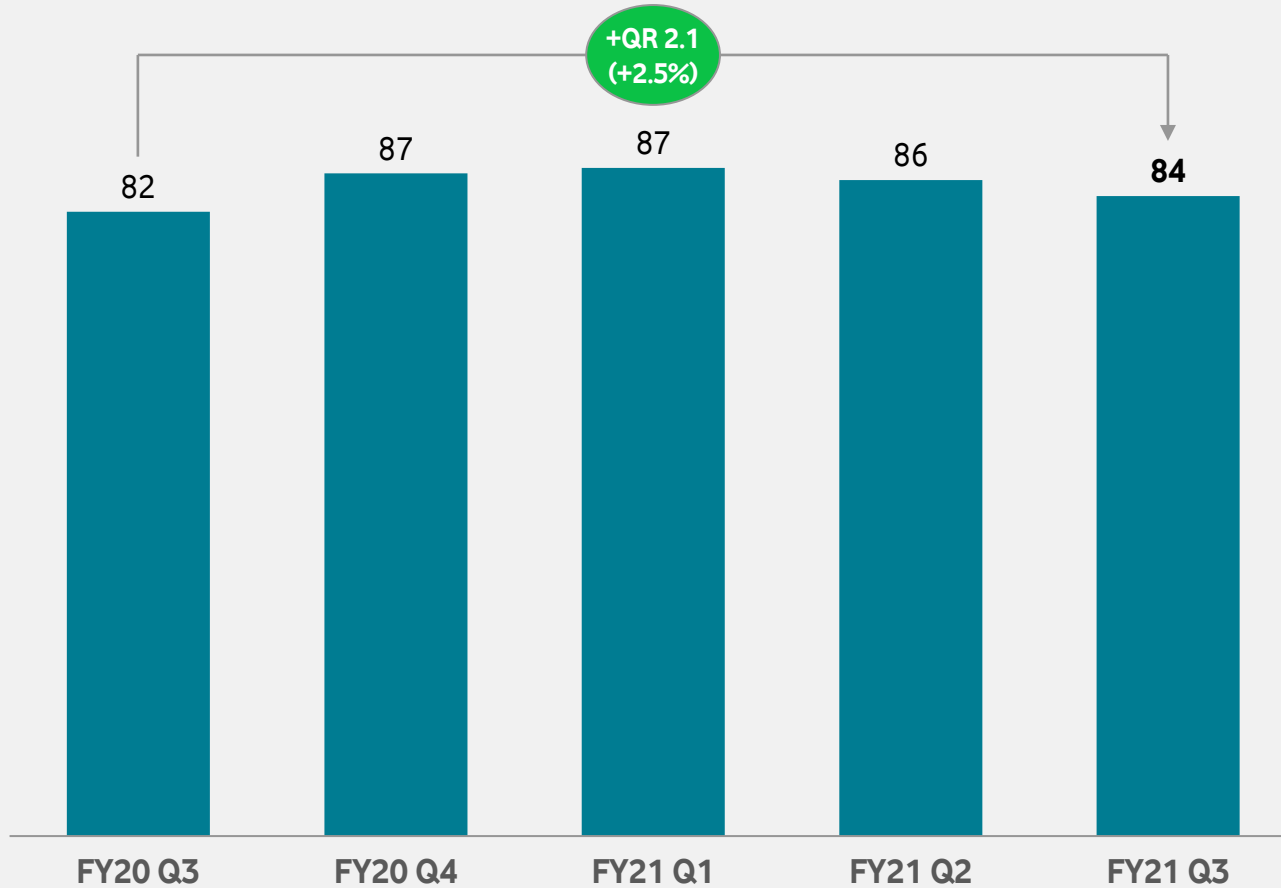


- 1 Postpaid revenue grew 6.9% YoY mainly driven by higher subscribers
- 2 Prepaid revenue declined by 4% YoY due to lower ARPU in an overall declining market
- 3 Total service revenue 10.4% higher driven by growth in postpaid, fixed and other revenue segments

FY21 Q3 Financial Performance



Mobility ARPU | QR



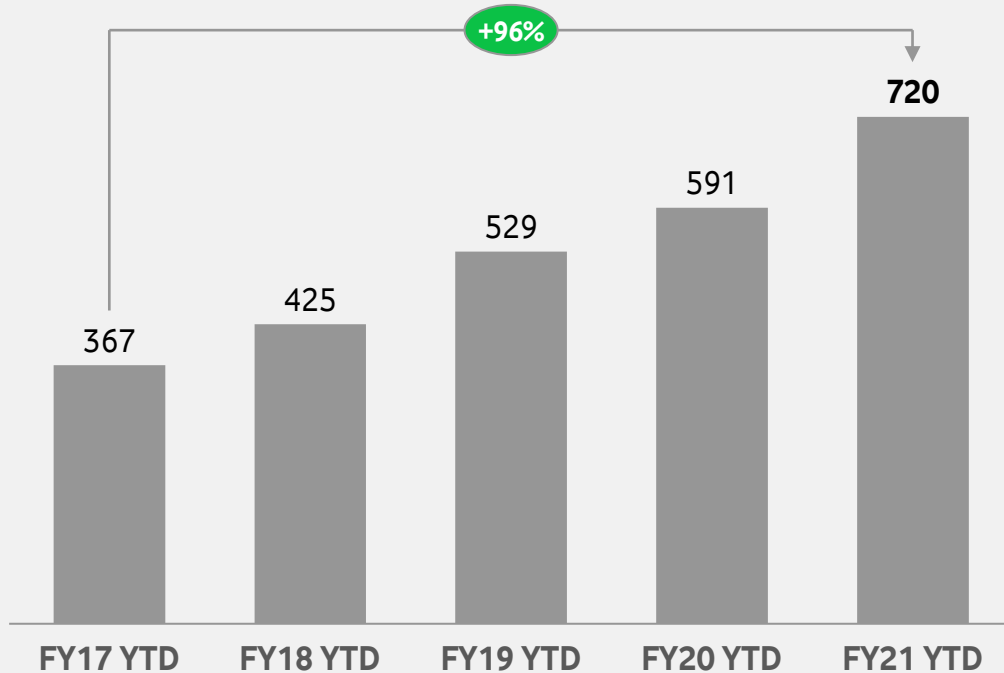
Mobility ARPU increased QR 2.1 YoY driven by growth in postpaid ARPU

Financial Performance | Nine months ended 30 September 2021

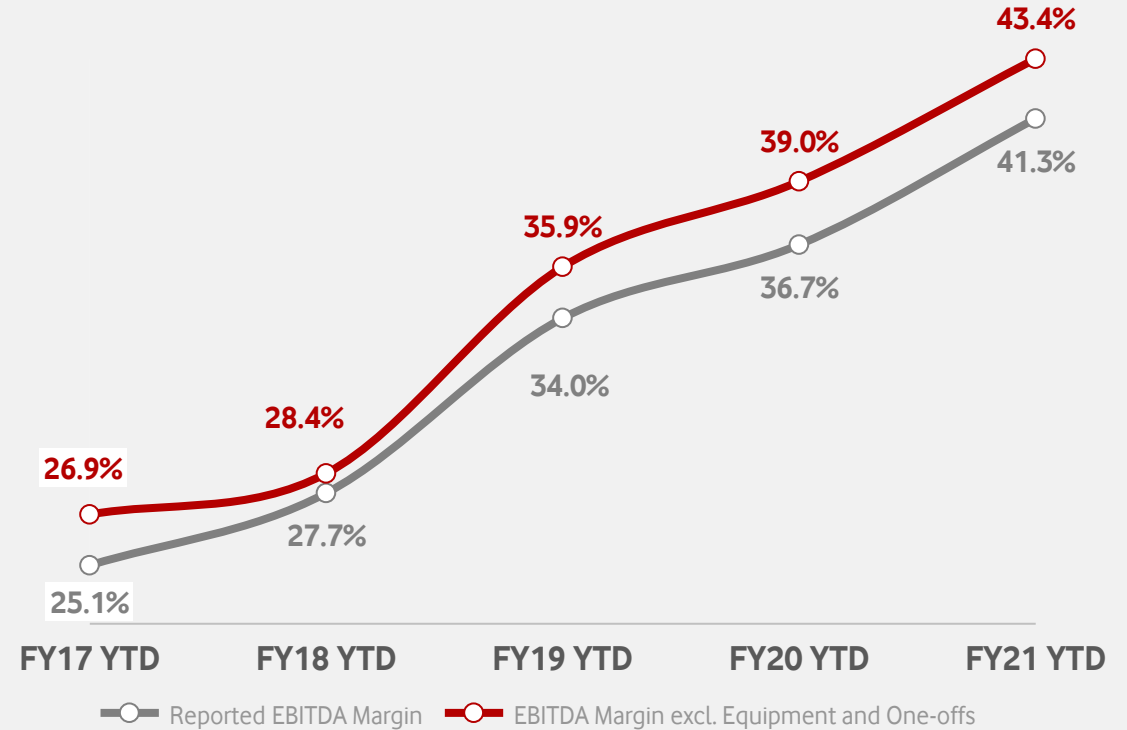


EBITDA and EBITDA Margin Trend

EBITDA (QRm)



EBITDA Margin



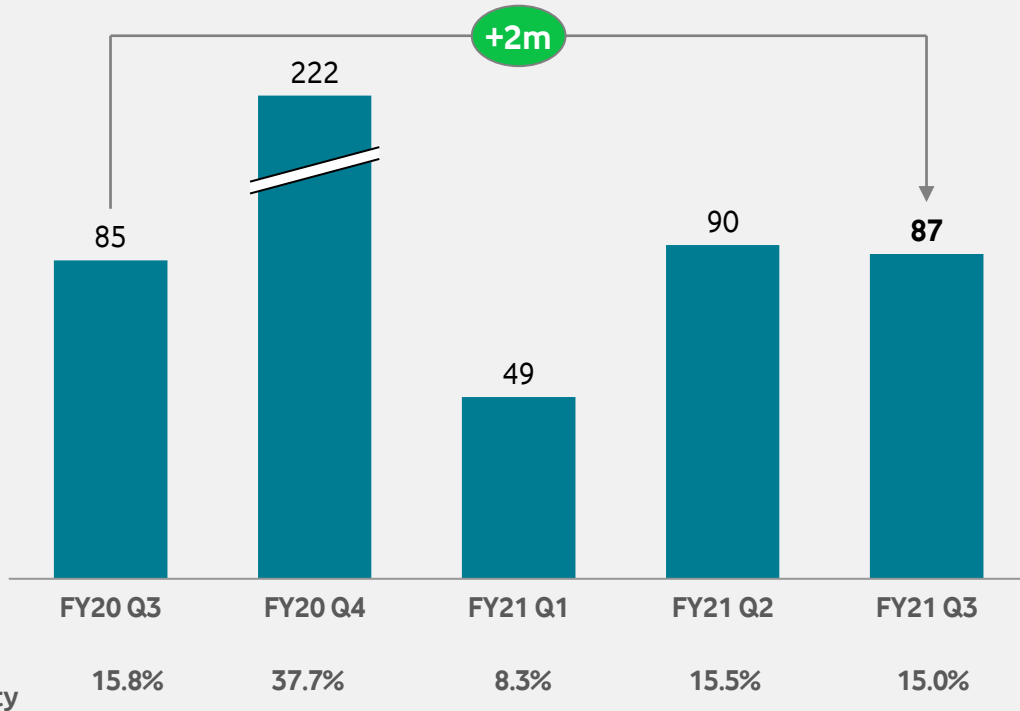
- 1 The EBITDA is almost doubled since FY17
- 2 Reported EBITDA Margin at 41.3%, grew 4.6 pts YoY
- 3 Underlying EBITDA margin of 43.4% (growth of 4.4 pts YoY) led by growth in service revenue with continued cost optimisation

FY21 Q3 Financial Performance

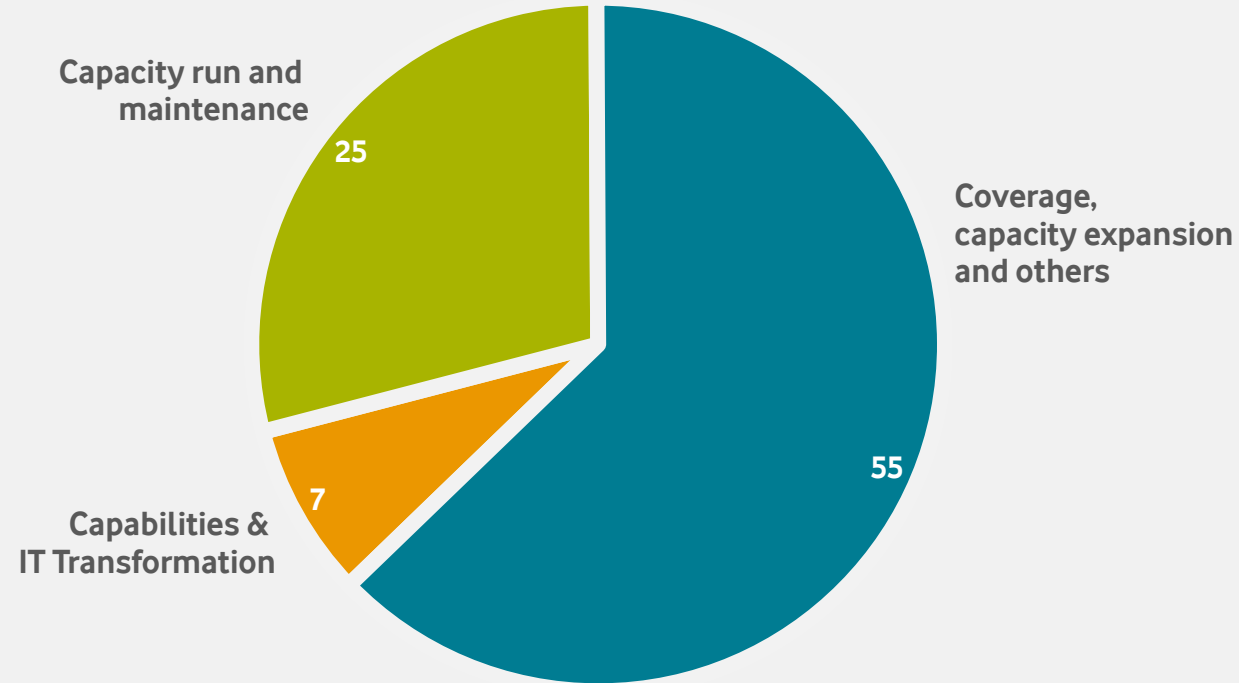


CAPEX | QRm

Total CAPEX



Quarterly CAPEX Mix



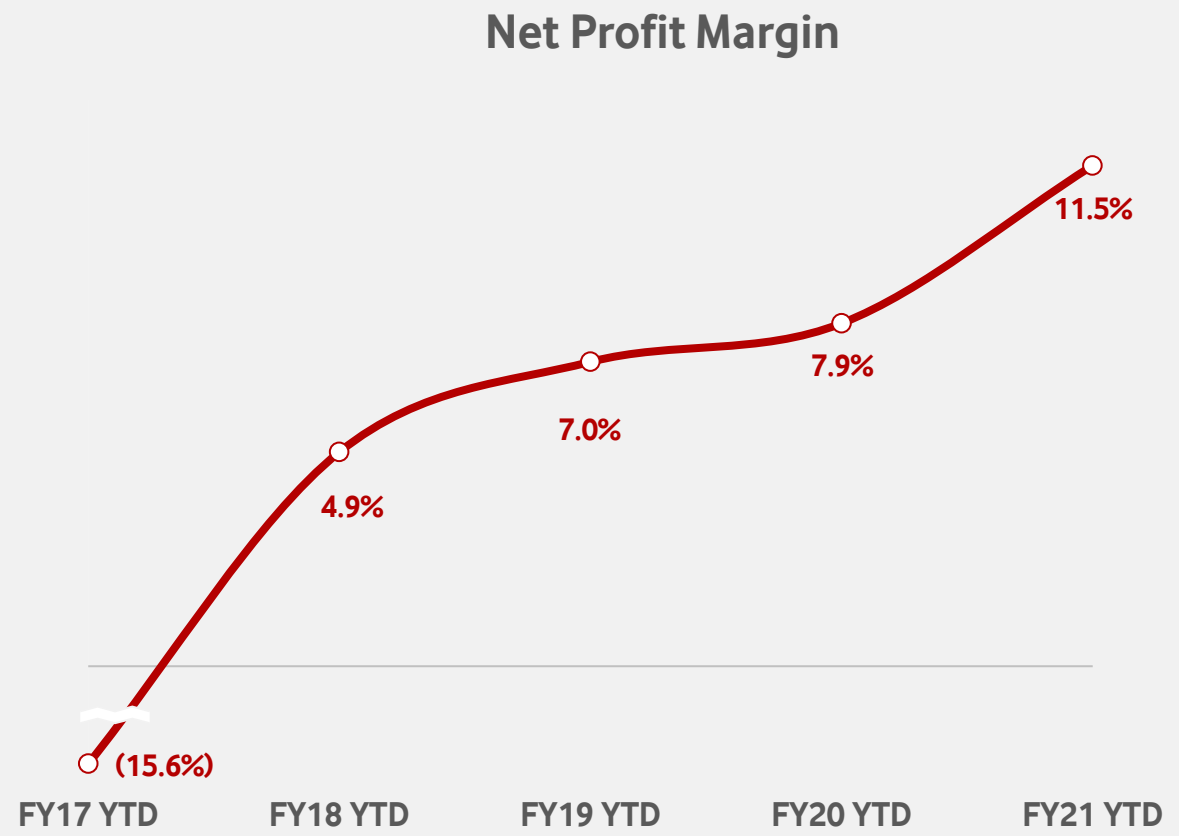
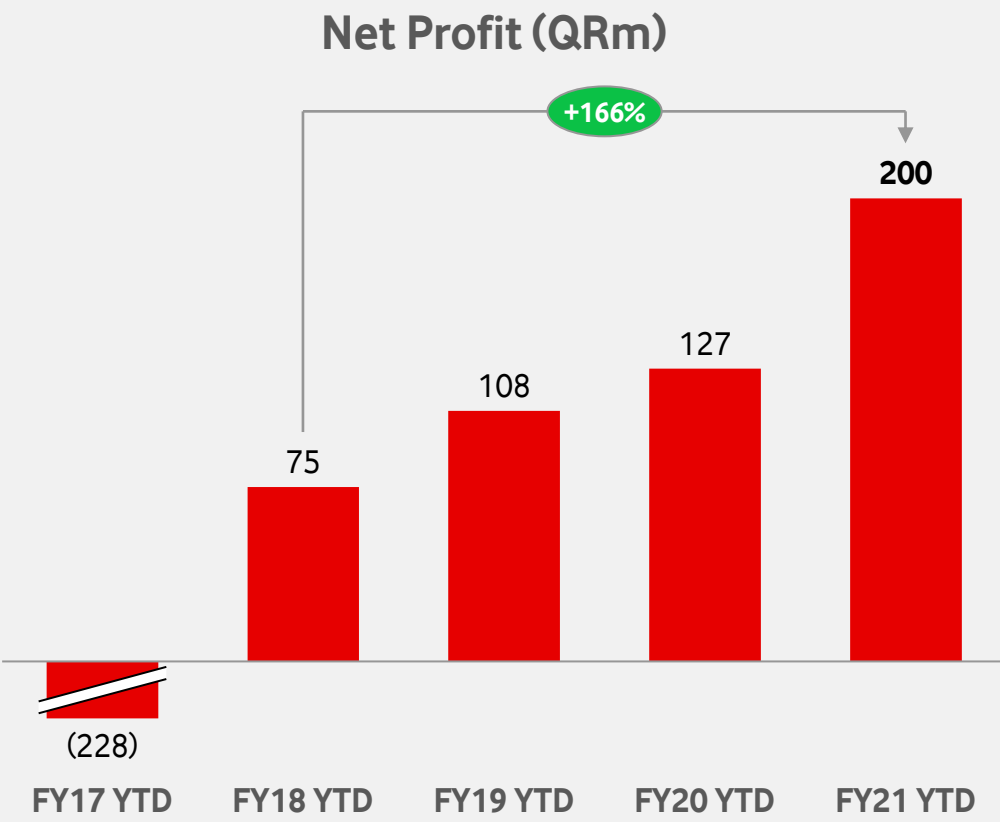
CAPEX investment QR 87m during FY21 Q3 focusing on:

- 1 Capacity expansion and coverage foot print enhancement
- 2 Enhancing digital capabilities and products
- 3 Investments to maintain the network

Financial Performance | Nine months ended 30 September 2021



Net Profit and Net Profit Margin Trend

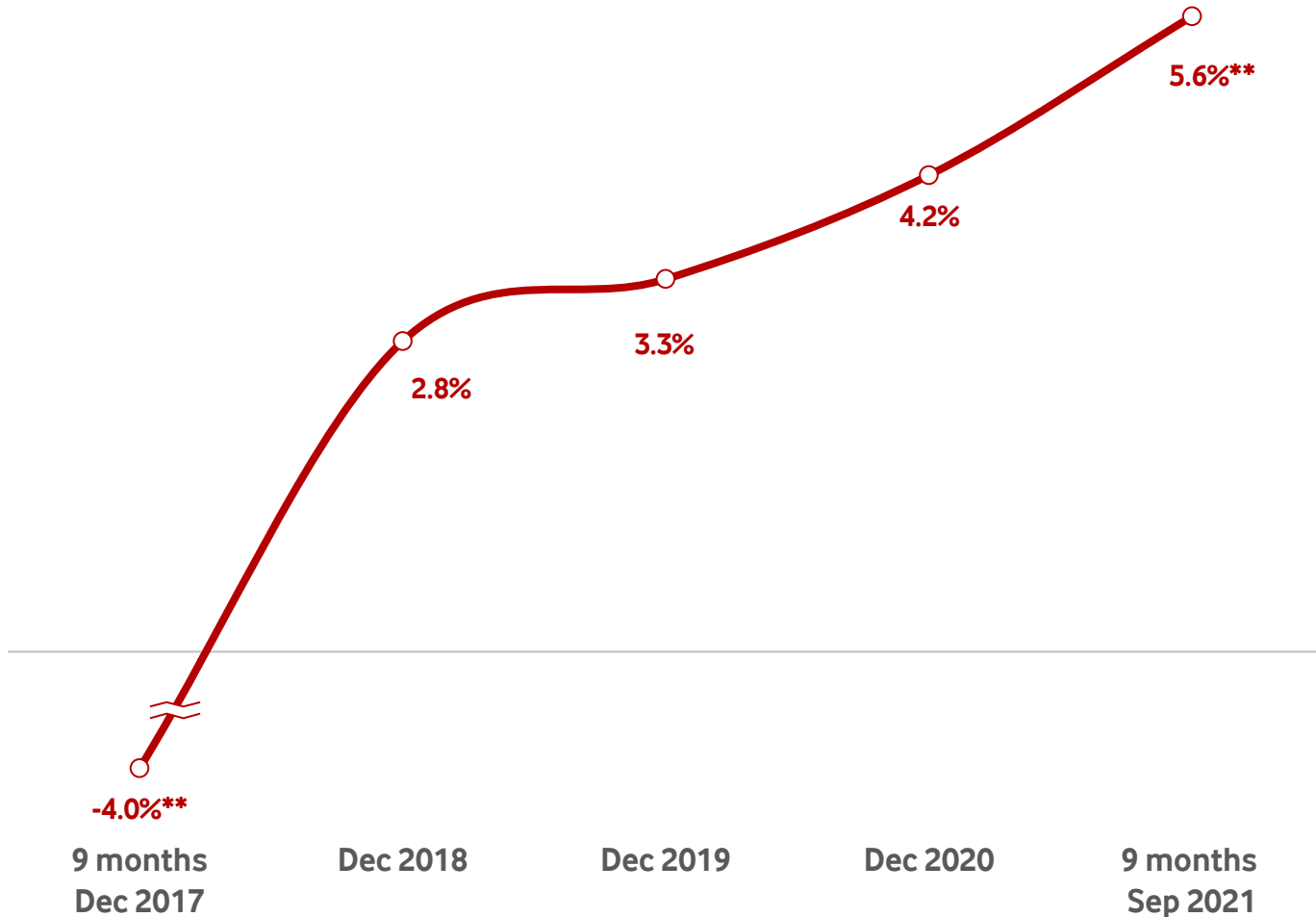


- 1 Net profit has grown 2.7x since FY 2018
- 2 The net profit margin more than doubled since FY 2018 and grew 3.6 pts YoY in FY 2021

Financial Performance | Nine months ended 30 September 2021



Return on Capital Employed (ROCE*)



COMMENTARY



- ROCE improved **+9.6 ppts** since FY 2017 to 5.6%
- The Company is continuously improving the returns to its shareholders **led by revenue growth and continued cost control**, delivering highest profitable growth

* ROCE calculated as: (Net Profit + financing cost on borrowings) / Average (Equity + Loans and borrowings)

** Annualised for full year impact

Consolidated Statement of Income

Nine months ended 30 September 2021



COMMENTARY

QR m (unless otherwise stated)	Nine months ended		
	30 Sep 21	30 Sep 20	YoY
Consumer revenue	1,059	1,027	32
Enterprise, equipments and other revenue	686	584	102
Total revenue	1,746	1,612	134
Interconnection and other direct expenses	(564)	(549)	(15)
Network, rentals and other operational expenses	(282)	(305)	23
Employee salaries and benefits	(179)	(166)	(13)
Depreciation of property, plant and equipment	(256)	(189)	(67)
Amortisation of intangible assets	(140)	(133)	(7)
Depreciation of right-of-use assets	(76)	(80)	4
Loss on disposal of property, plant and equipment	(1)	-	(1)
Industry fee	(23)	(14)	(9)
Operating profit	224	175	49
Finance costs	(24)	(32)	8
Other financing costs	(1)	(18)	17
Other income	1	1	(0)
Profit for the period	200	127	74
Basic and diluted earnings per share (QR per share)	0.047	0.030	0.017



- **Total revenue grew 8.3% (QR 134m)** led by service revenue growth of 8.7%
- **Interconnect and other direct expenses QR 15m higher** driven by growth in service revenue
- **Network, rentals and other operational expenses decreased by QR 23m** due to cost optimisation benefits despite increase in fixed and 5G operational costs
- **Employment costs QR 13m higher** largely driven by insourcing (benefit in other operational expenses)
- **Depreciation and amortization QR 70m higher** as a result of CAPEX investment and accelerated depreciation on few assets
- **Finance costs decreased by QR 8m** due to reduction in interest rates and lower outstanding debt
- **Other financing costs decreased by QR 17m** due to extinguishment of a previously recognised liability and a litigation settlement benefit



Appendix

Consolidated Statement of Financial Position

As at 30 September 2021



QR m (unless otherwise stated)	30 Sep 21	31 Dec 20	Var
Property, plant and equipment	1,564	1,647	(83)
Intangible assets	4,191	4,280	(89)
Right-of-use assets	307	372	(65)
Trade and other receivables	26	30	(4)
Total non-current assets	6,088	6,328	(240)
Inventories	20	22	(2)
Trade and other receivables	435	305	130
Cash and bank balances	190	175	15
Total current assets	645	502	143
Total assets	6,733	6,829	(97)
Share capital	4,227	4,227	-
Legal reserve	89	76	13
Retained earnings	156	185	(29)
Total equity	4,473	4,489	(16)
Loans and borrowings	629	615	14
Lease liabilities	210	283	(72)
Provisions and trade payables	144	157	(12)
Total non-current liabilities	983	1,054	(71)
Loans and borrowings	205	205	-
Lease liabilities	131	113	18
Trade and other payables	940	969	(28)
Total current liabilities	1,277	1,287	(10)
Total equity and liabilities	6,733	6,829	(97)

COMMENTARY

Assets

- **Property, plant and equipment and intangibles decreased QR 172m** due to depreciation and amortisation QR 396m partially offset by CAPEX of QR 226m
- **Right of use assets decreased by QR 65m** driven by depreciation QR 76m offset by new properties QR 11m
- **Trade and other receivables QR 126m higher** due to growth in postpaid and fixed revenue, and higher prepayments.
- **Cash and bank balances QR 15m higher**

Equity

- **Equity decreased by QR 16m** following dividend payment offset by the net profit for the period

Liabilities

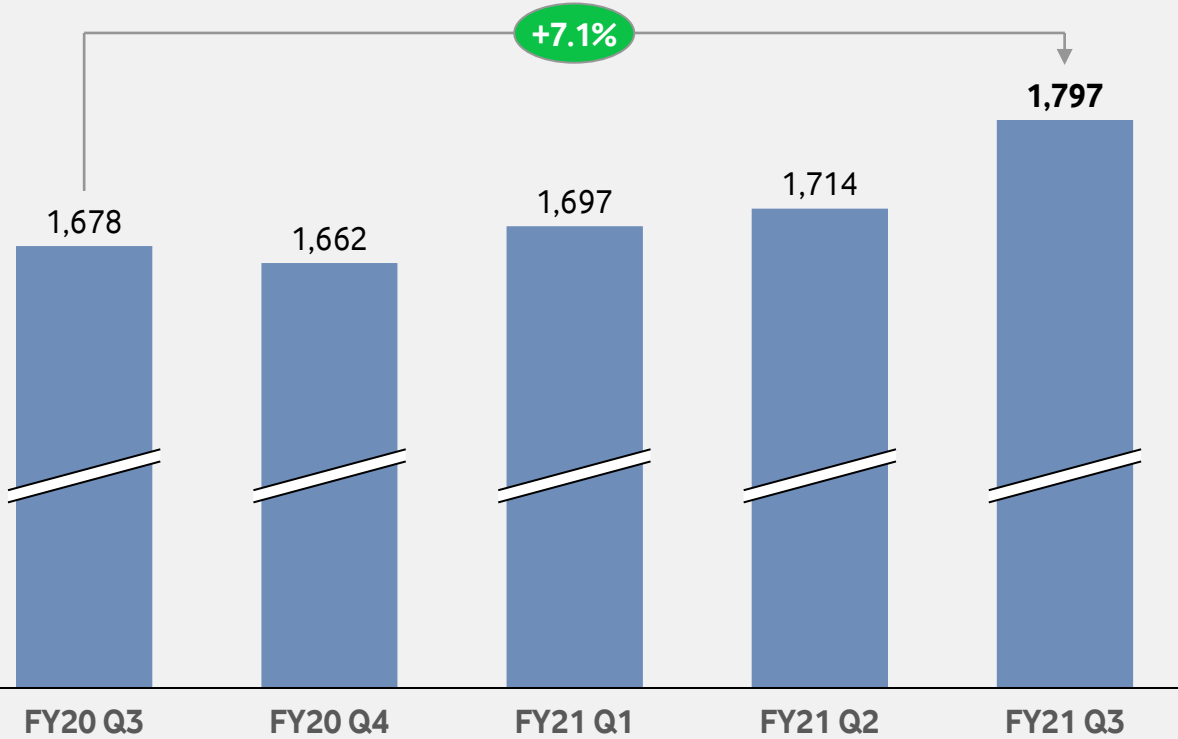
- **Loans and borrowings QR 14m higher**
- **Lease liabilities QR 54m lower** due to lease payments QR 75m partially offset by lease unwinding QR 12m and new leases QR 11m
- **Provisions, trade and other payables decreased QR 40m** due to settlement of FY20 CAPEX liabilities and regulatory charges



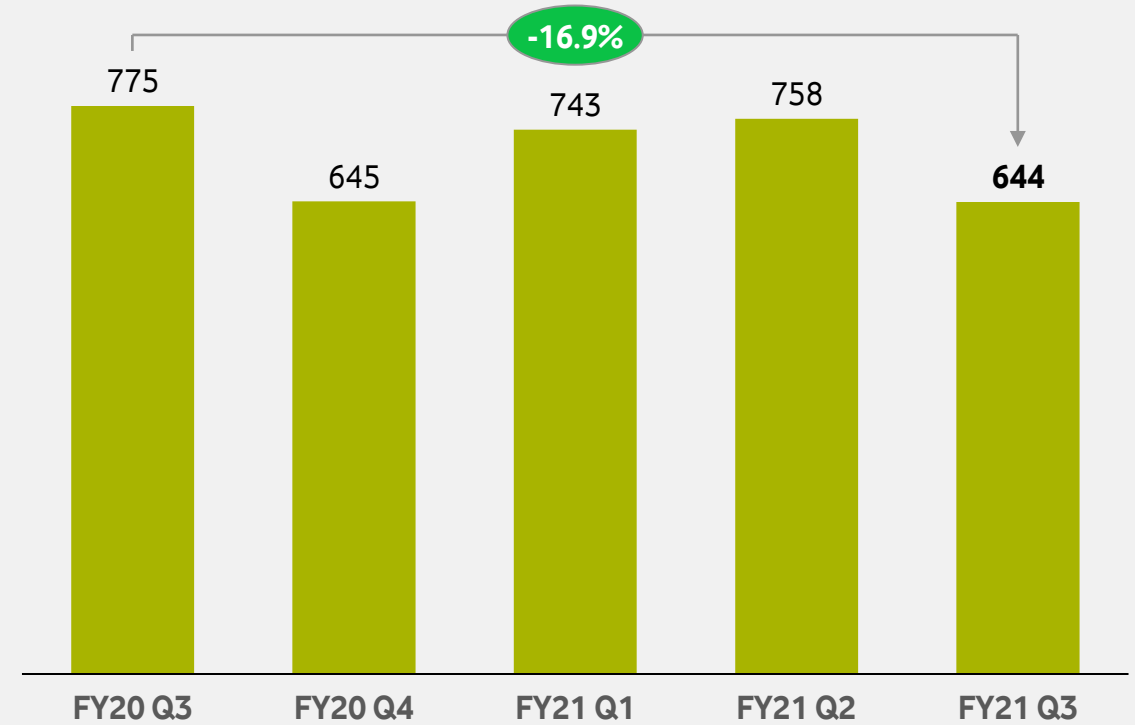
Mobile Customers & Net Debt



Mobile Customers (‘000)



Net Debt (QRm)



For more information visit our website:

www.vodafone.qa/en/investor-relations

Or email us:

InvestorRelationsQatar@vodafone.com



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