



Vodafone Qatar P.Q.S.C.
Financial results: Three months ended
31 March 2018

1 May 2018



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Sheikh Hamad Al Thani
Chief Executive Officer

Strategic review



Key Highlights



Subscriber Growth driven by postpaid

25% YoY Growth in
Postpaid Subs



Network Performance Improvement

Ranked #5 in data and voice
performance across Vodafone
Group footprint



1st Quarterly Net Profit

QR 80m reduction in amortisation
results in **quarter net profits**



Company returns to YoY Growth

Key financial metrics
higher YoY



Fixed coverage expansion plan

100% fixed coverage in 21 selected
business areas & FWA coverage
nationwide within 12 months



Status update: Structural changes

- Mobile telecommunication licence extended by additional 40 years to 2068
- Capital Reduction approved in Extraordinary General Assembly (EGA) on 19 March 2018 and pending regulatory approval from Qatar Financial Markets (QFMA) and Ministry of Economy and Commerce
- Share purchase transaction between Qatar Foundation and Vodafone Europe B.V completed
- Vodafone Group Plc Co-Operation Agreement signed and now effective for an initial period of five (5) years



Brett Goschen

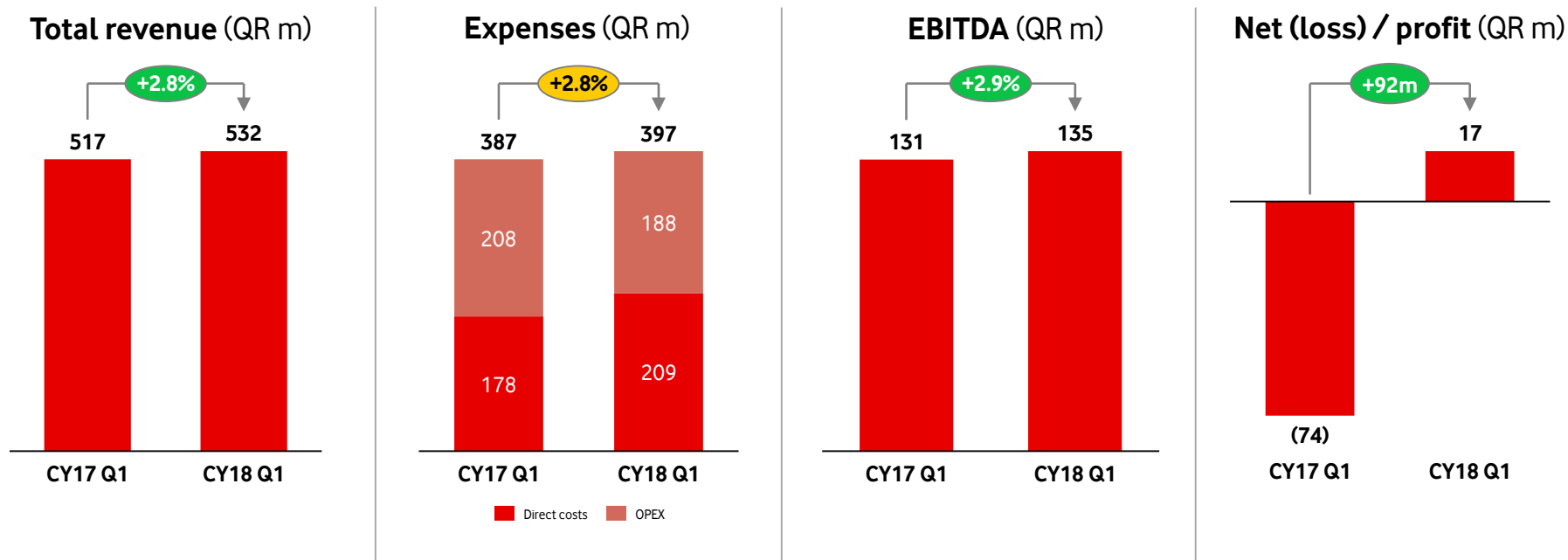
Chief Financial Officer

Financial review



Quarterly Financial performance (Year on Year)

CY18 Q1 v CY17 Q1



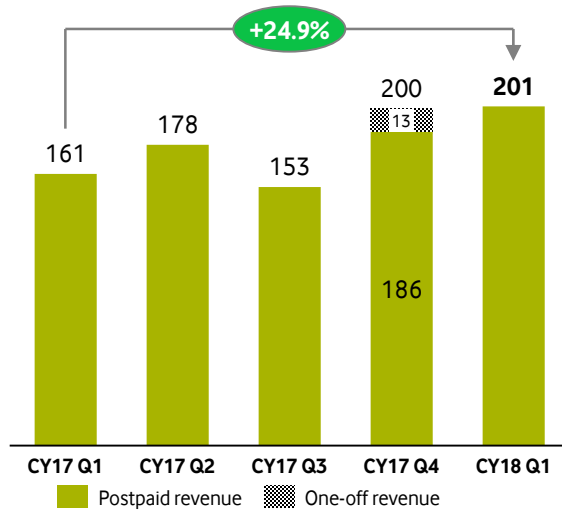
- **Total Revenue increased by 2.8%** driven by postpaid growth and higher equipment sales
- **Higher costs due to** higher equipment sales partially offset by lower publicity
- **EBITDA increases by 2.9%** majorly due to lower OPEX
- **Net profit recorded for the first time** driven by lower amortisation costs QR 80m and higher EBITDA



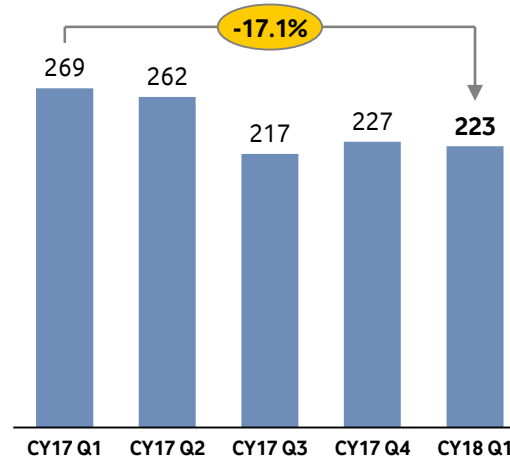
Service Revenue (QR m)

CY18 Q1 v CY17 Q1

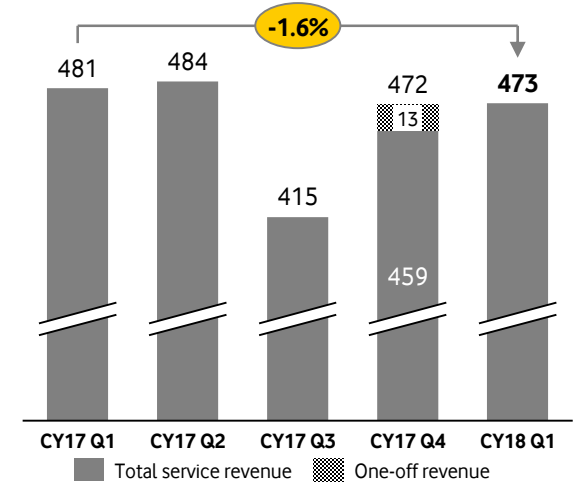
Postpaid Revenue



Prepaid Revenue



Total Service Revenue



Total Service Revenue 1.6% lower YoY:

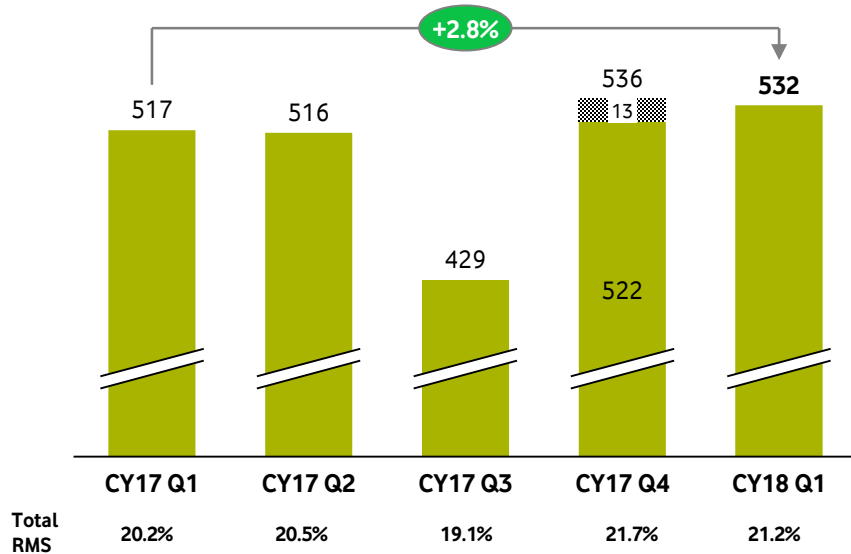
- Postpaid revenue grows 24.9% primarily due to growth in subscribers
- Prepaid 17.1% lower due network outage impact and slowing prepaid market



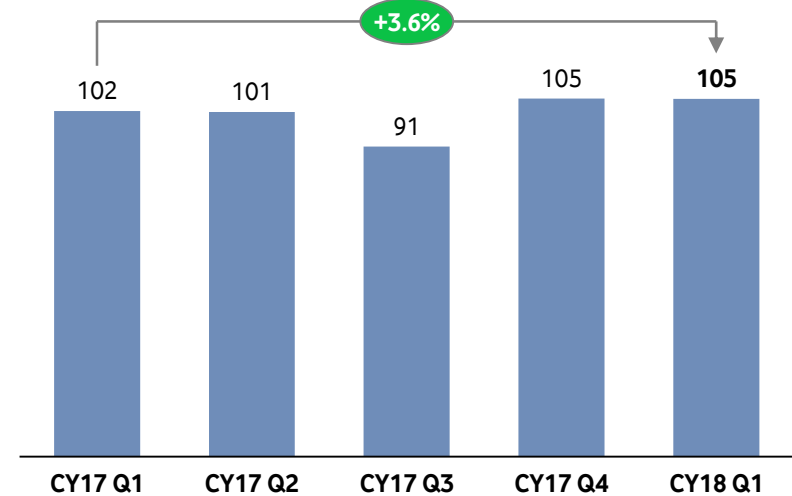
Total Revenue & ARPU

CY18 Q1 v CY17 Q1

Total Revenue (QR m)



ARPU (QR)

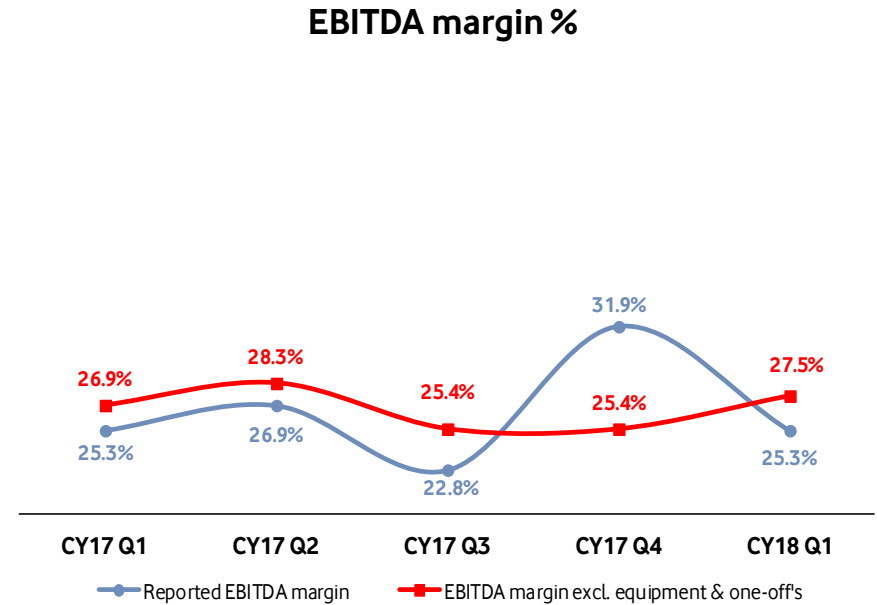
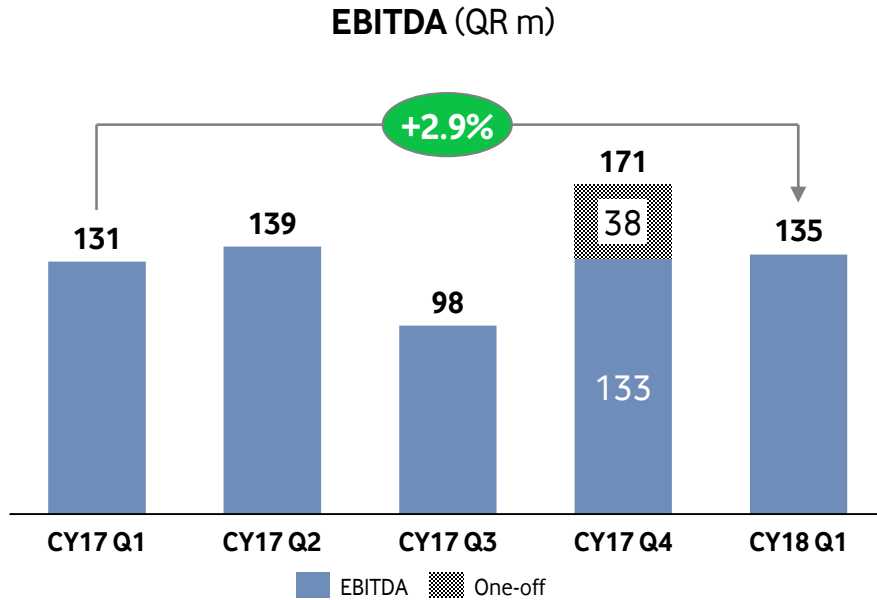


- Total revenue increased 2.8% due to postpaid growth and higher handset sales
- **ARPU 3.6% higher YoY** driven by increase in postpaid base



EBITDA & Underlying EBITDA margin

CY18 Q1 v CY17 Q1

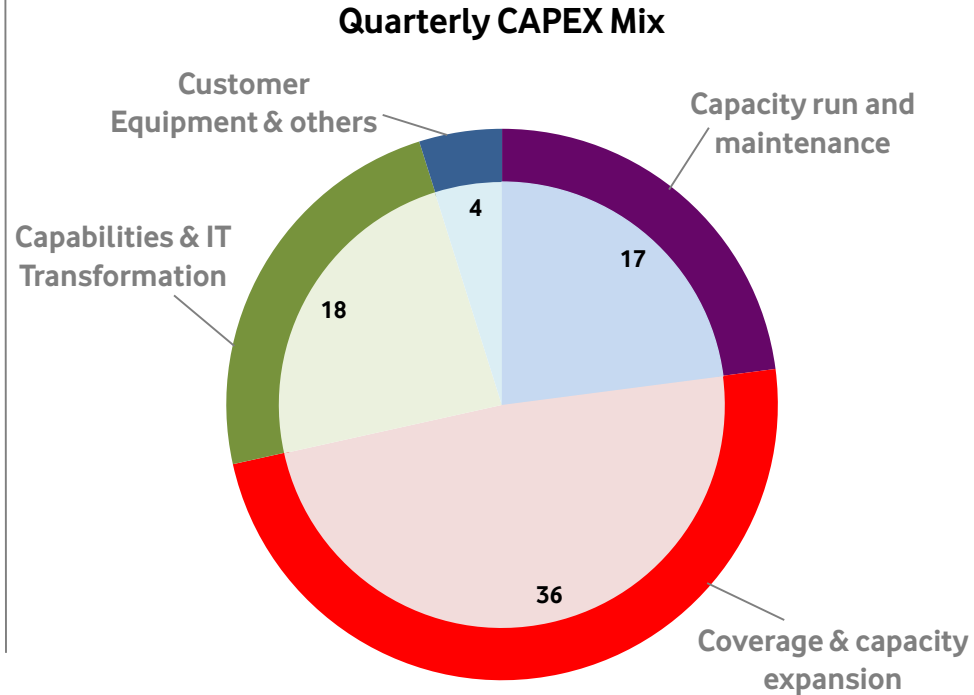
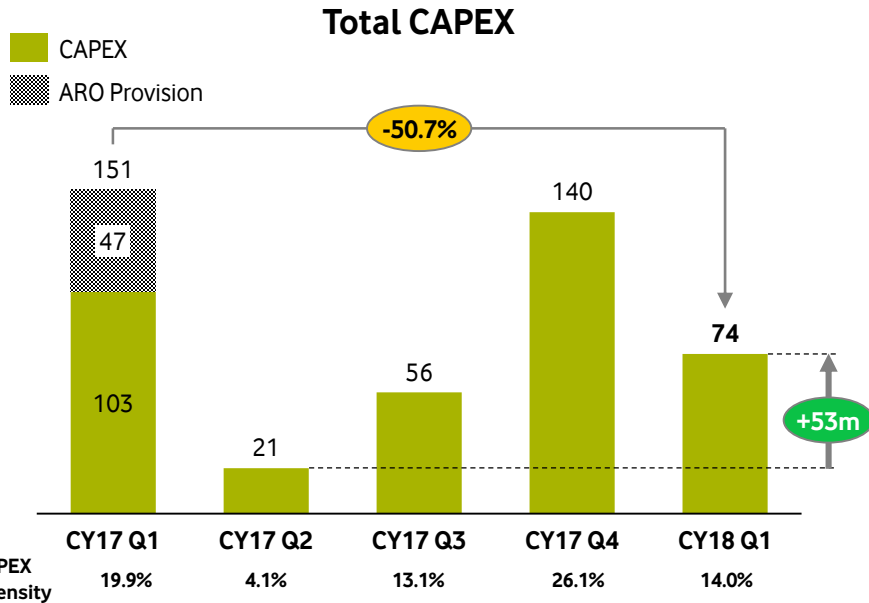


- EBITDA increases 2.9% majorly due to lower OPEX
- **EBITDA margin of 27.5%** excluding equipment business and one-offs



CAPEX (QR m)

CY18 Q1 v CY17 Q1



CAPEX investment QR 74m focusing on:

- Coverage & capacity enhancements
- Core network infrastructure upgrades
- Development of new commercial capabilities and products

CAPEX 51% lower YoY due to change in accounting estimates of Asset Retirement obligation in Q1 CY17 and change in year end



Financial Summary

For Three Months ended 31 March 2018

QR m (unless otherwise stated)	3m to Mar-18	3m to Mar-17	YoY Growth (%)
Mobile Customers (000)	1,410	1,501	(6.1%)
Total Revenue	532	517	2.8%
<i>Service Revenue</i>	<i>473</i>	<i>481</i>	<i>(1.6%)</i>
EBITDA	135	131	2.9%
<i>EBITDA Margin %</i>	<i>25.3%</i>	<i>25.3%</i>	<i>0.0pp</i>
Net Profit Excl Amortization*	38	26	45.2%
Net Profit / (Loss)	17	(74)	n/a
Profit (Excl Amortization) per Share (QR)*	0.05	0.03	45.2%
Profit / (Loss) per Share (QR)	0.02	(0.09)	n/a
Capital Expenditure	74	151	(51%)
Movement in Net Debt	17	(6)	n/a

- **Customer Base lower**, largely impacted by network outage and reduction in market sim duality
- **Total Revenue increase** led by growth in postpaid & higher equipment sales partially offset by lower prepaid revenue
- EBITDA margin flat with **EBITDA increase of 2.9%** majorly due to lower OPEX
- **Net Profit for the first time ever QR 17m** driven by EBITDA flow through and lower amortisation costs (mobile license extension benefit of QR 80m)
- **Capital Expenditure 51% lower** due to change in accounting estimates of asset retirement obligation in Q1 CY17 and change in year end
- **Net Debt reduced by QR 17m** to QR 603m, **the lowest ever**



* Net profit (excl. amortisation) = Distributable Profit

Questions ?



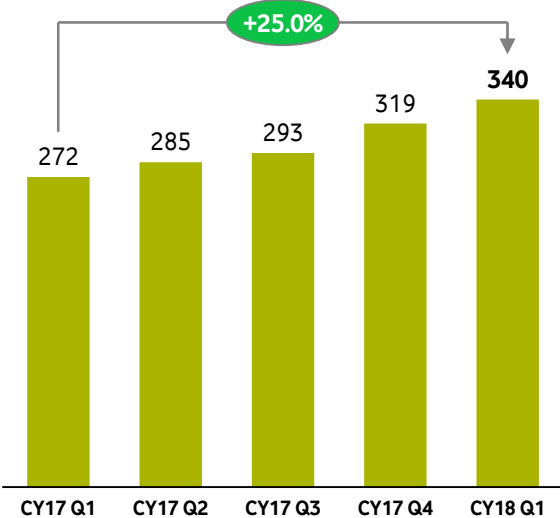
Appendix



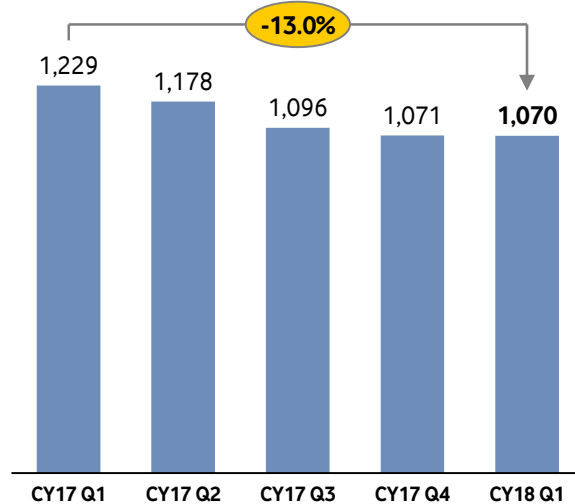
Mobile Customers ('000s)

CY18 Q1 v CY17 Q1

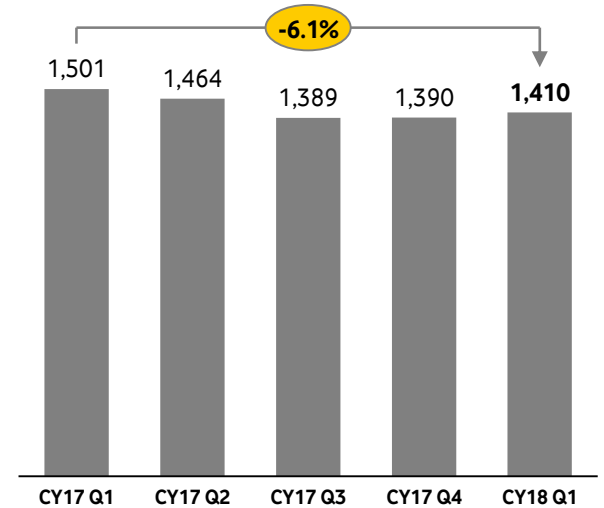
Postpaid



Prepaid



Total Mobile Customers



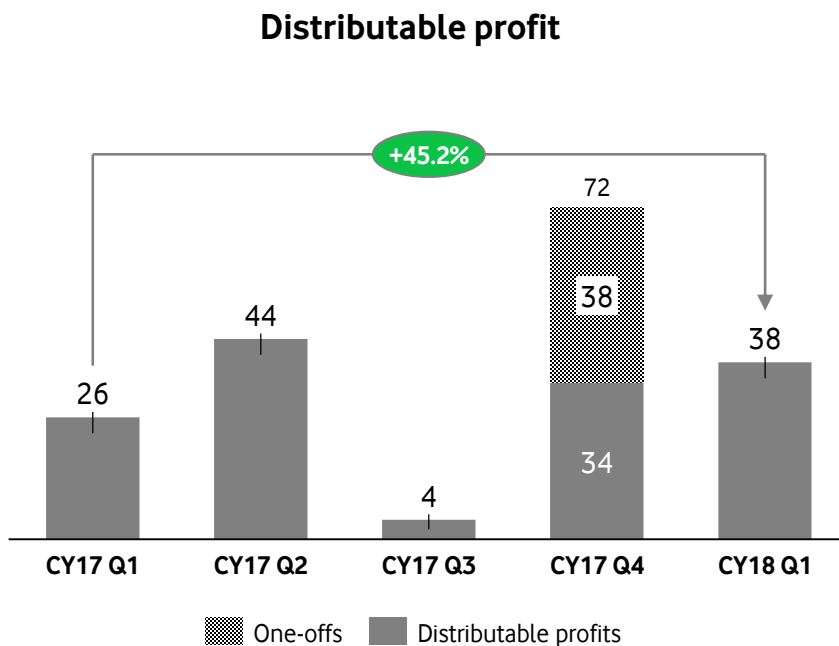
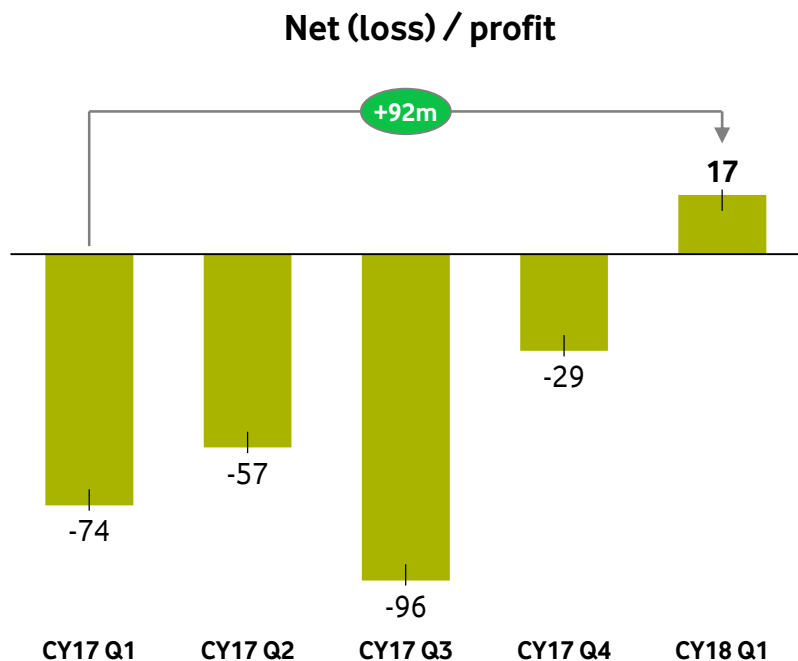
Total Mobile Customers 6.1% lower YoY:

- Postpaid: 25% growth led by Flex and Enterprise plans
- Prepaid: 13% lower due to network outage impact, slowing prepaid market and reduction in market sim duality



Net (Loss) / Profit & Distributable Profit (QR m)

CY18 Q1 v CY17 Q1



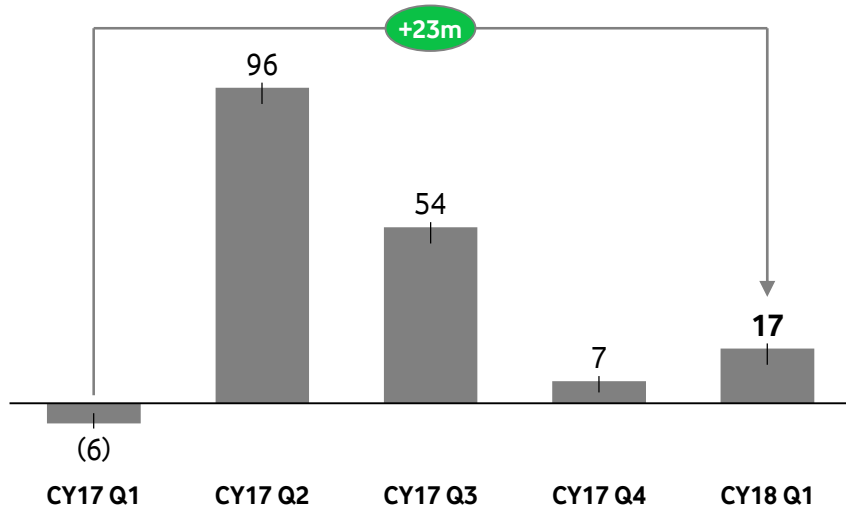
- **Net Profit of QR 17m** driven by mobile license amortisation benefit QR 80m and higher EBITDA
- **Distributable Profit increases 45.2%** due to higher EBITDA and lower depreciation



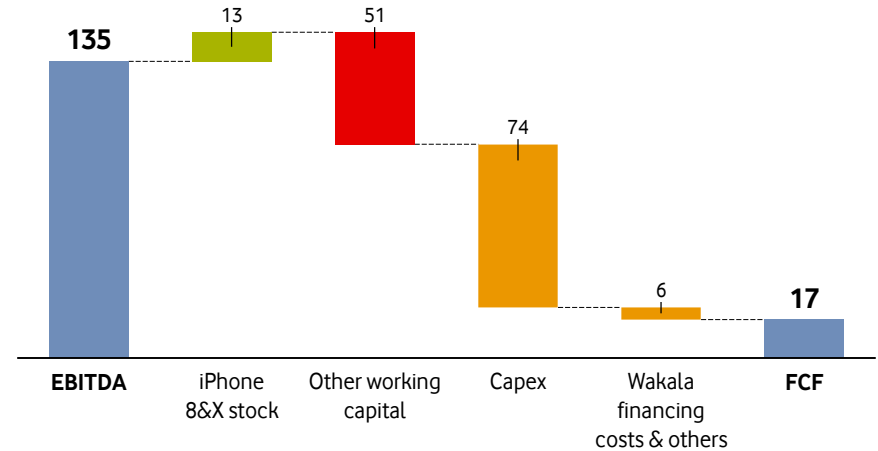
Free Cash Flow (QR m)

CY18 Q1 v CY17 Q1

Free Cash Flow



Three months ended 31 March 2018 Free Cash Flow bridge



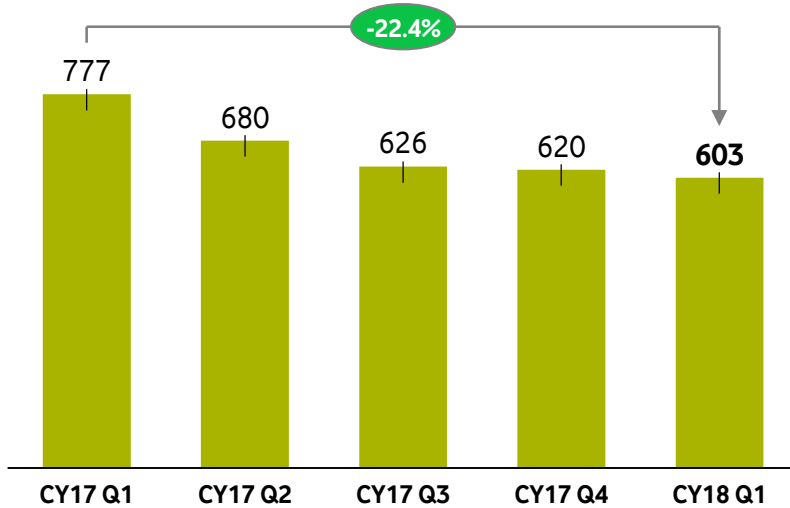
- Free Cash Flow increased QR 23m YoY due to higher EBITDA and lower CAPEX (impact of change in year end)



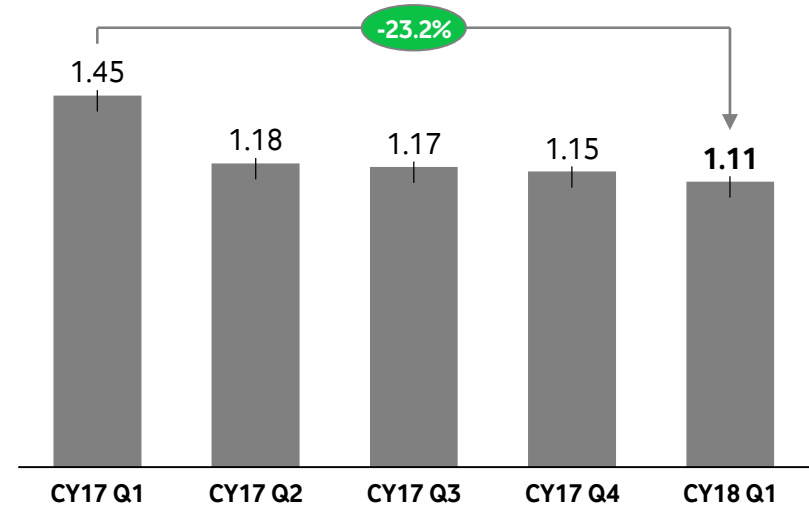
Financing Position

CY18 Q1 v CY17 Q1

Net Debt (QR m)



Net Debt to EBITDA Ratio*



- **Lowest Net Debt in Company history**
- EBITDA to Net Debt ratio reduced in line with Net Debt

* Calculated based on annualised EBITDA of previous four Quarters





Thank you !

For more information visit our website:
www.vodafone.qa/en/investor-relations

Or email us:
InvestorRelationsQatar@vodafone.com