



Vodafone Qatar P.Q.S.C.
Financial results: Half year ended
30 June 2018

25 July 2018



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Sheikh Hamad Al Thani

Chief Executive Officer

Strategic review



Key Messages



Service Revenue Growth Momentum

First YoY Quarterly service revenue growth in 5 Quarters



Fixed Infrastructure Access Agreements

Access agreements secured to improve time to market and deployment costs



Network Modernization

Network modernization in progress in preparation for 5G



Number 1 Network in Qatar

CRA independent audit confirms Vodafone Qatar as the number 1 for data and voice



Rightsizing Cost Structure

Focused Company wide review of cost base to drive efficiencies



Strong Net Profit growth

Q2 Net profit increased QoQ by QR 14m to QR 31m



Brett Goschen

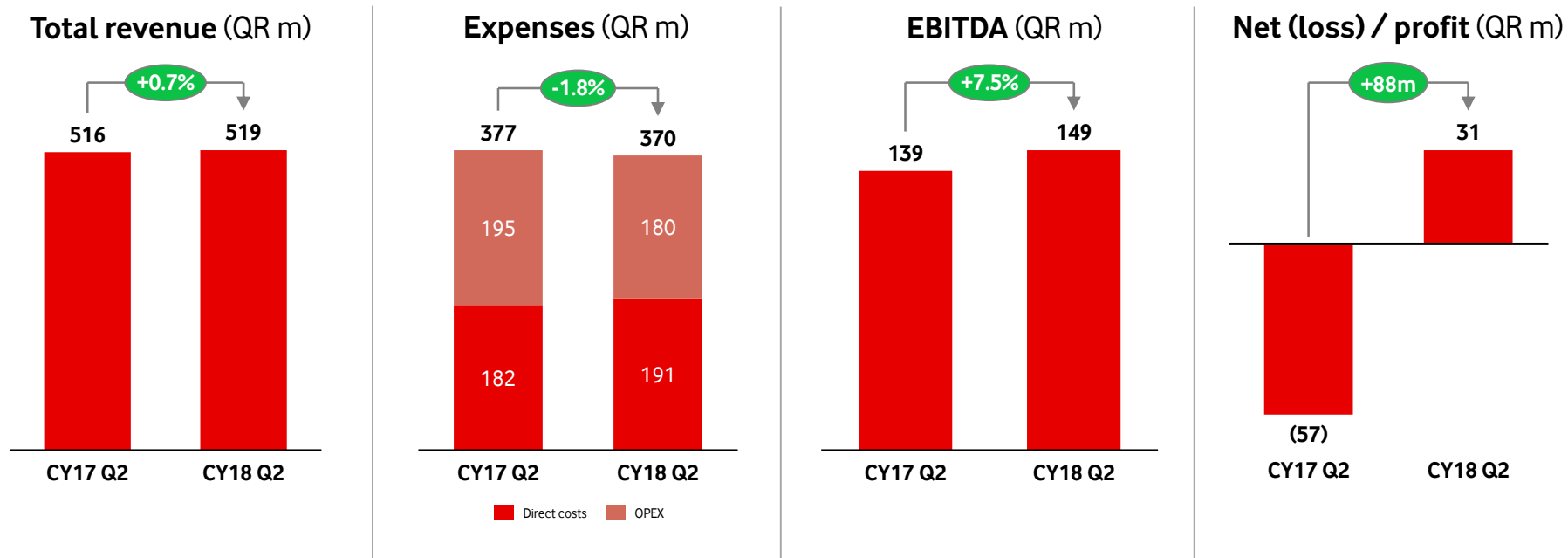
Chief Financial Officer

Financial review



Quarterly Financial Performance (Year on Year)

CY18 Q2 v CY17 Q2



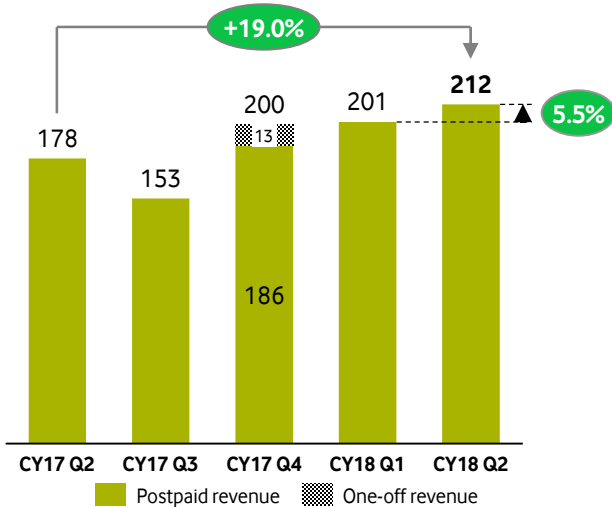
- **Total Revenue increased by 0.7%** driven by postpaid subscriber growth
- **Lower expenses** due to lower OPEX including a one-off dispute provision release offset by higher equipment costs
- **EBITDA increased by 7.5%** majorly due to lower OPEX
- **Net profit QR 88m higher** driven by QR 80m lower amortisation costs and higher EBITDA



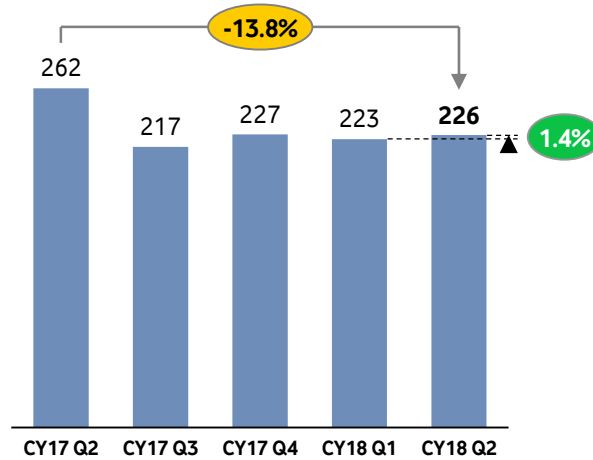
Service Revenue (QR m)

CY18 Q2 v CY17 Q2

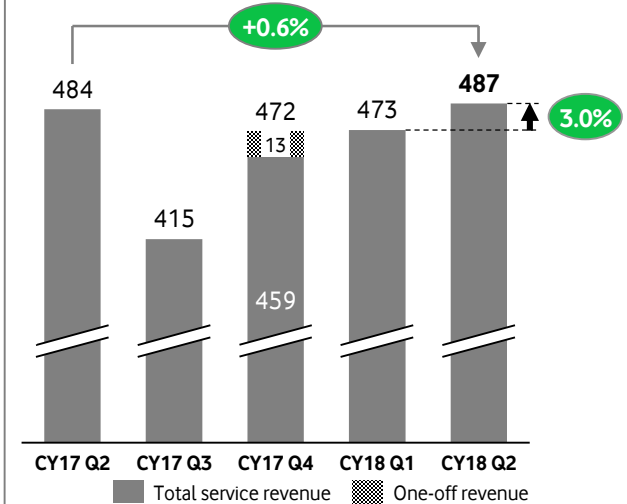
Postpaid Revenue



Prepaid Revenue



Total Service Revenue



Total Service Revenue 0.6% higher YoY:

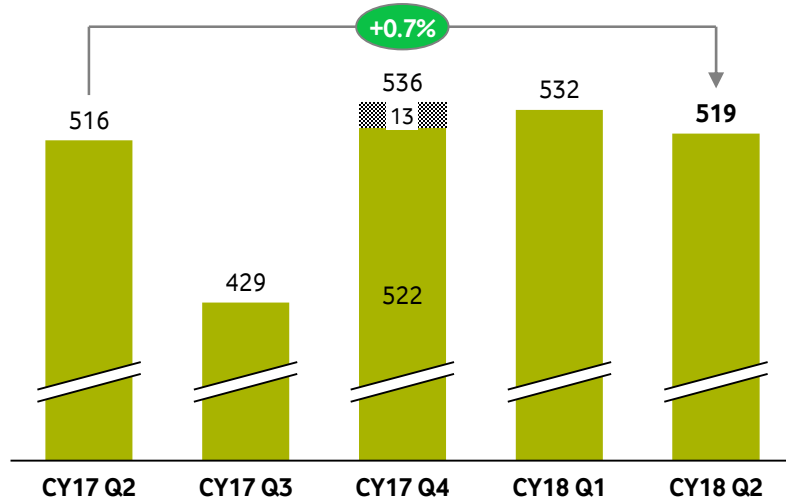
- Postpaid revenue increased by 19% primarily due to growth in subscribers
- Prepaid revenue 13.8% lower due to migrations to postpaid, prior year network outage impact and slowing prepaid market



Total Revenue & ARPU

CY18 Q2 v CY17 Q2

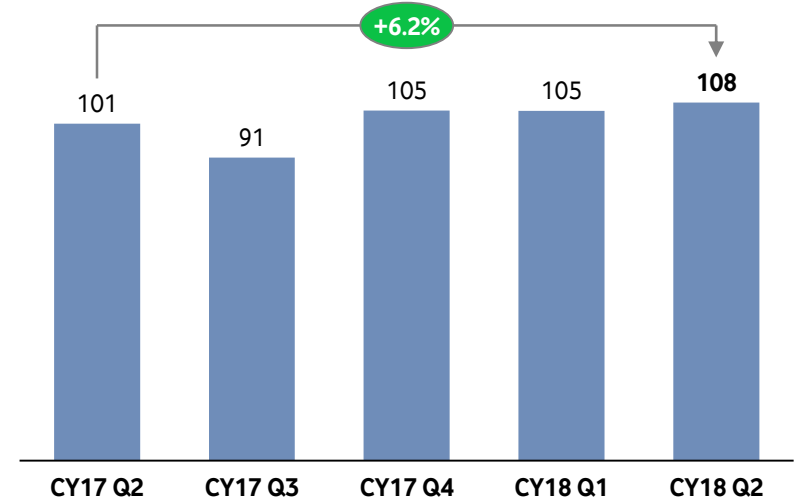
Total Revenue (QR m)



Total RMS

Quarter	Total RMS
CY17 Q2	20.5%
CY17 Q3	19.1%
CY17 Q4	21.7%
CY18 Q1	21.2%
CY18 Q2	N/A

ARPU (QR)

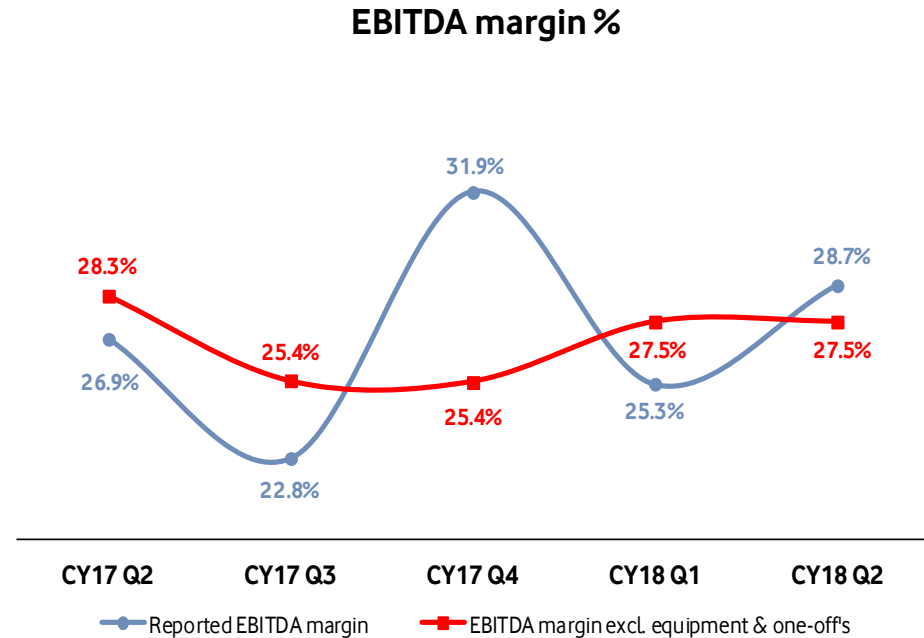
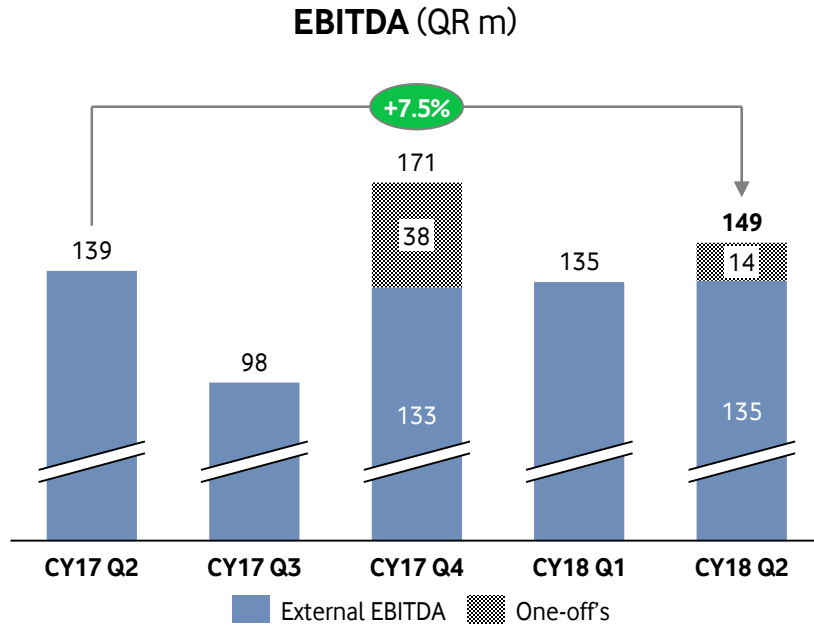


- Total revenue increased 0.7% due to postpaid subscriber growth
- **ARPU 6.2% higher YoY** driven by an increase in the contribution of postpaid subscribers to the total base



EBITDA & Underlying EBITDA margin

CY18 Q2 v CY17 Q2



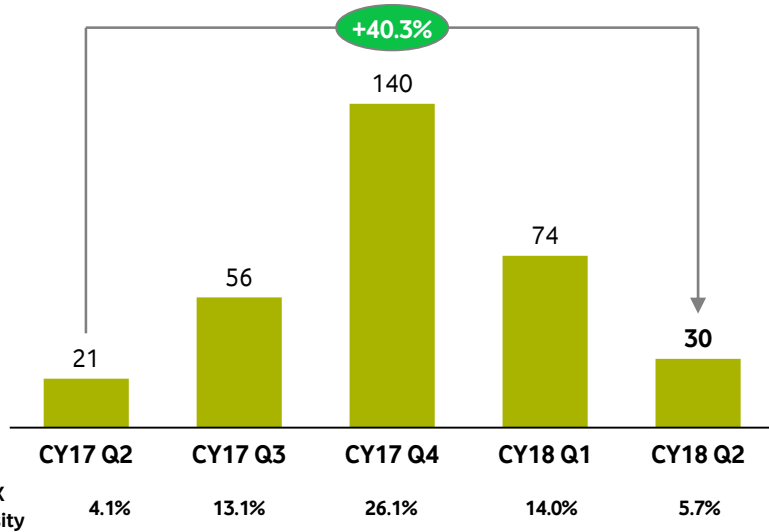
- **EBITDA margin of 27.5%** excluding equipment business and one-offs
- EBITDA increases 7.5% majorly due to lower OPEX



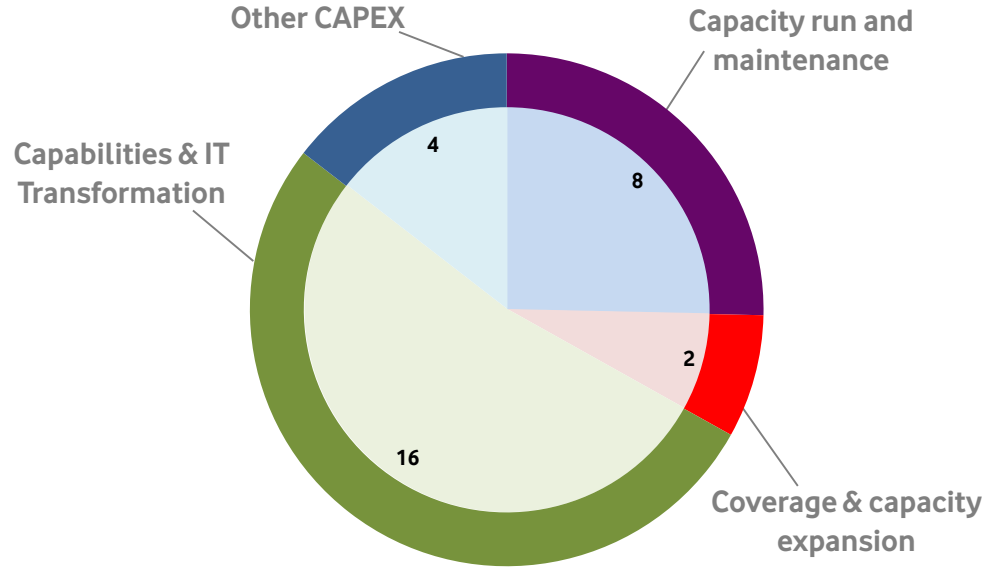
CAPEX (QR m)

CY18 Q2 v CY17 Q2

Total CAPEX



Quarterly CAPEX Mix



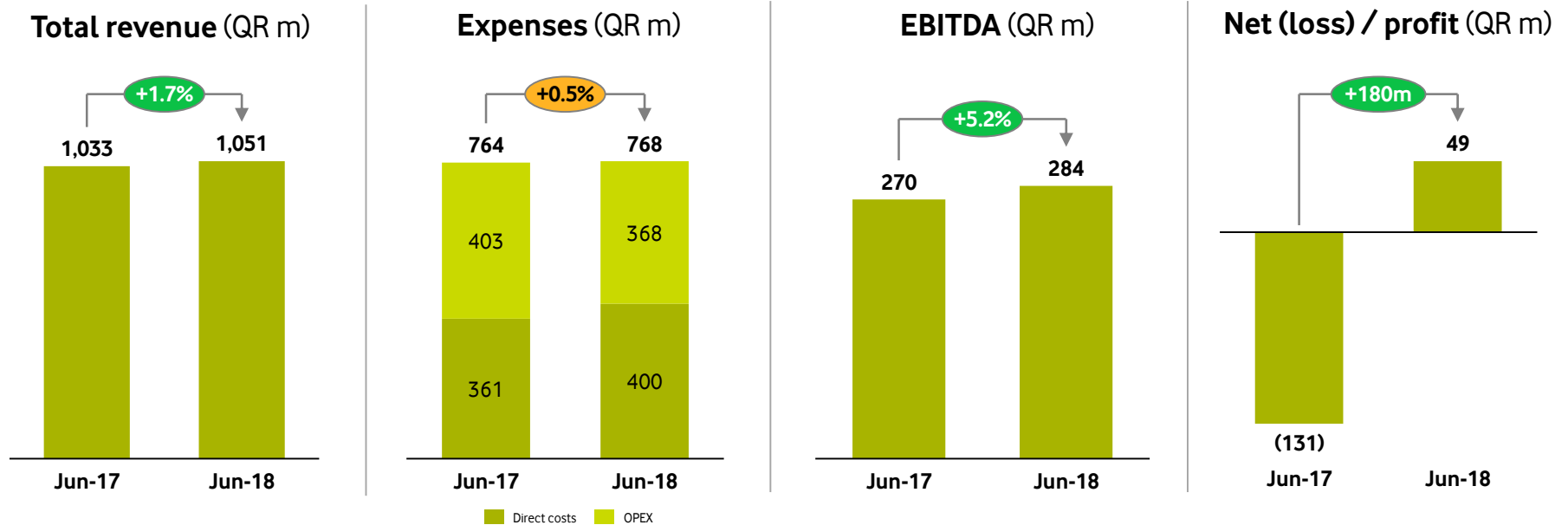
CAPEX investment QR 30m focusing on:

- Development of new commercial capabilities and products
- Fixed coverage expansion



Half year ended: Financial performance (Year on Year)

CY18 H1 v CY17 H1



- **Total revenue increased by 1.7%** led by growth in postpaid, fixed and higher equipment sales partially offset by lower prepaid revenue
- **Higher expenses** due to higher equipment costs offset by lower OPEX
- **EBITDA increased by 5.2%** due to higher revenue and lower OPEX
- **Half yearly Net profit QR 180m higher** driven by EBITDA flow through and lower amortization costs (mobile license extension benefit of QR 159m)



Financial Summary

For Six Months ended 30 June 2018

QR m (unless otherwise stated)	6m to Jun-18	6m to Jun-17	YoY Growth (%)
Mobile Customers (000)	1,390	1,464	(5.0%)
Total Revenue	1,051	1,033	1.7%
<i>Service Revenue</i>	<i>960</i>	<i>965</i>	<i>(0.5%)</i>
EBITDA	284	270	5.2%
<i>EBITDA Margin %</i>	<i>27.0%</i>	<i>26.1%</i>	<i>0.9pp</i>
Net Profit Excl Amortization*	91	70	29.5%
Net Profit / (Loss)	49	(131)	<i>n/a</i>
Profit (Excl Amortization) per Share (QR)*	0.11	0.08	29.5%
Profit / (Loss) per Share (QR)	0.06	(0.16)	<i>n/a</i>
Capital Expenditure	104	124	(16.3%)
Movement in Net Debt	66	90	(27.1%)

- **Customer Base lower**, largely impacted by prior year network outage and reduction in market sim duality
- **Service revenue decline** due to a slowing prepaid market and a conscious decision to move away from low margin business
- **Total Revenue increase** led by growth in postpaid, fixed and higher equipment sales partially offset by lower prepaid revenue
- EBITDA margin improved by 0.9pp to 27% with an **EBITDA increase of 5.2%** majorly due to higher revenue and lower OPEX
- **Half Yearly Net Profit of QR 49m** driven by EBITDA flow through and lower amortisation costs (mobile license extension benefit of QR 159m)
- **Capital Expenditure 16% lower** due to change in year end
- **Net Debt reduced by QR 66m** to QR 554m



* Net profit (excl. amortisation) = Distributable Profit

FY18 Guidance

Qatari Riyals	Year ended 31 Dec 2017 (unaudited)	Guidance Year ending 31 Dec 2018
Total Revenue	1,998m	2,070m – 2,110m
EBITDA Margin %	26.9%	27.0% – 28.0%
Capex intensity %	16.0%	~ 22%

Disclaimer:

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Questions ?



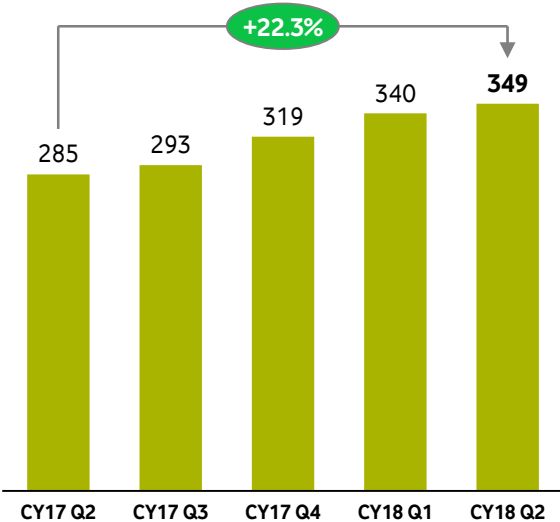
Appendix



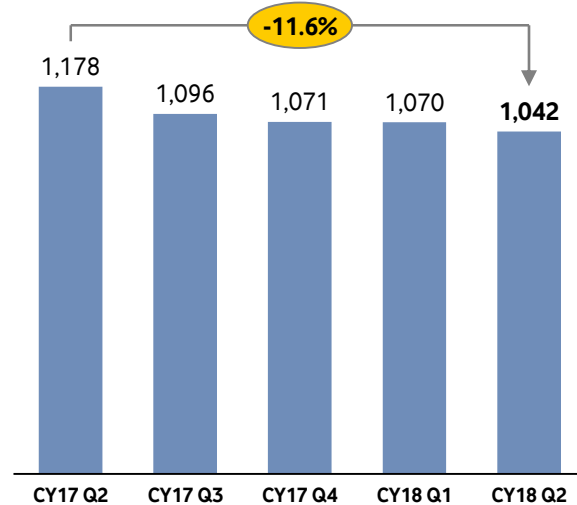
Mobile Customers ('000s)

CY18 Q2 v CY17 Q2

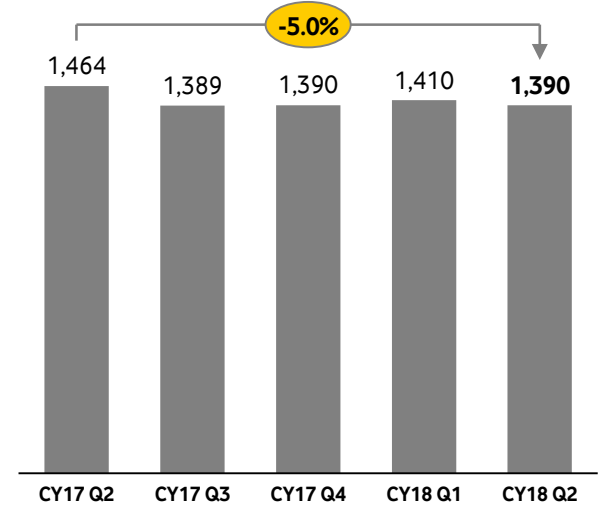
Postpaid



Prepaid



Total Mobile Customers



Total Mobile Customers 5% lower YoY:

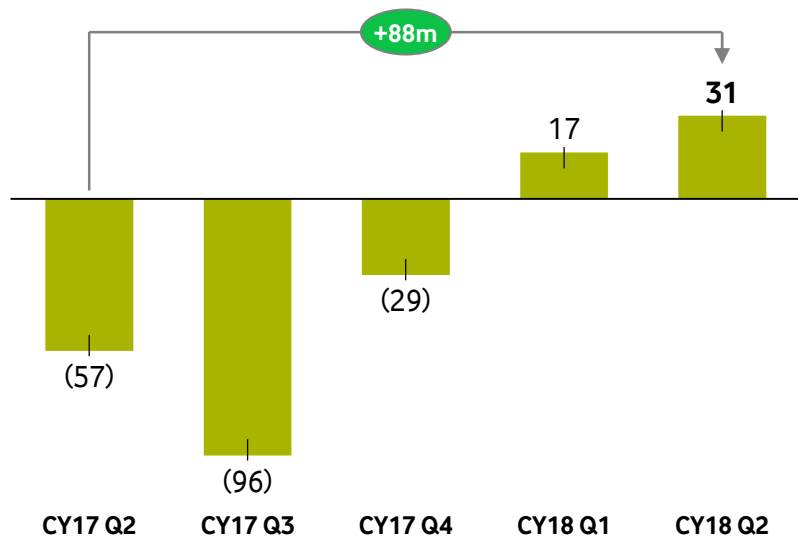
- Postpaid: 22.3% growth led by Flex, Red and Enterprise plans
- Prepaid: 11.6% lower due to prior year network outage impact, slowing prepaid market and reduction in market sim duality



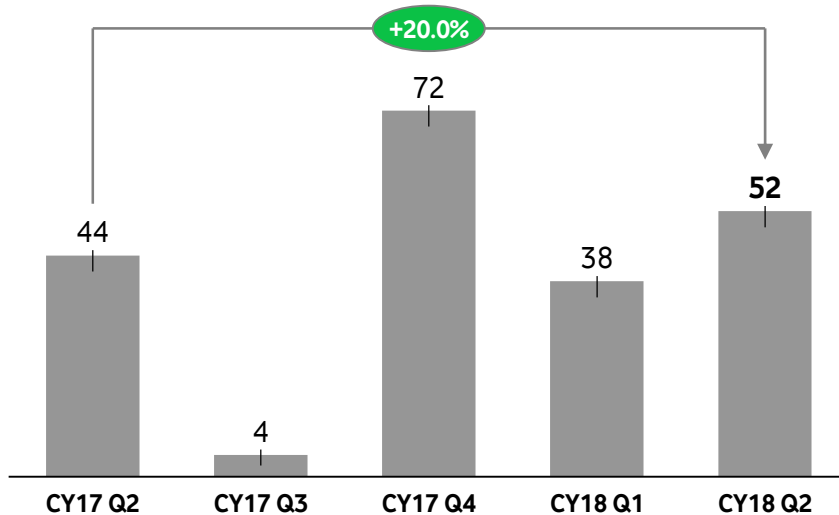
Net Profit / (Loss) & Distributable Profit (QR m)

CY18 Q2 v CY17 Q2

Net profit / (loss)



Distributable profit



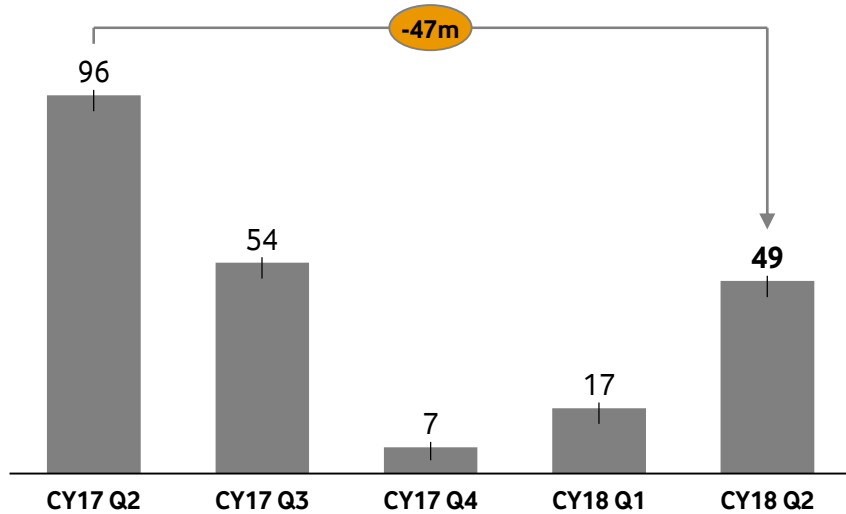
- **Net Profit of QR 31m, QR 88m higher** driven by mobile license amortisation benefit QR 80m and higher EBITDA
- **Distributable Profit increases 20%** due to higher EBITDA



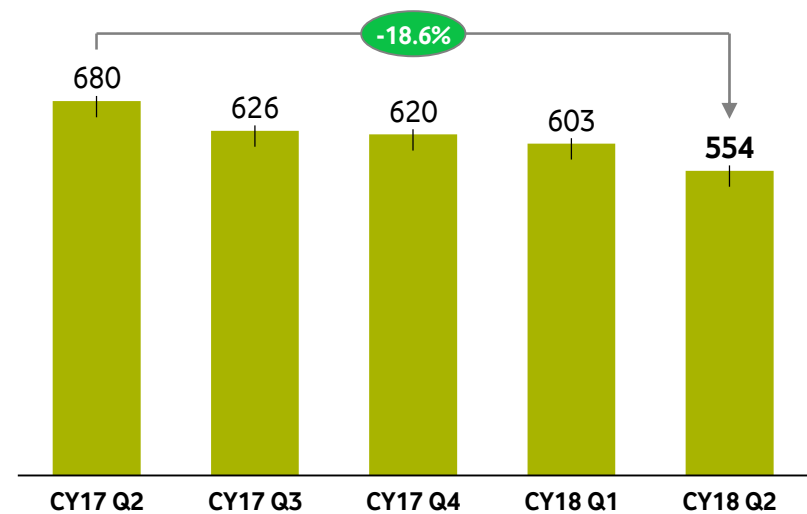
Free Cash Flow & Net Debt (QR m)

CY18 Q2 v CY17 Q2

Free Cash Flow



Net Debt (QR m)



- **Free Cash Flow decreased QR 47m YoY** due to timing of vendor payments
- **Lower Net Debt** due to continued strong cash flows





Thank you !

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

Or email us:
InvestorRelationsQatar@vodafone.com