

Vodafone Qatar P.Q.S.C.
Financial results: half year ended
30 September 2017



25 October 2017



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Ian Gray

Chief Executive Officer

Introduction



The strategy developed last year was executed and it delivered

1

Background

- Sustained period of improving performance which was impacted by the July outage
- Outage incident successfully managed from both a technical and customer perspective
- Temporary revenue impact from compensation and customer loss

2

Recent Performance

- Performance quickly recovered post outage.
- Brand consideration with customers remains strong, with continued challenges with non customers
- Strong cash flow generation
- Cost management remains tight
- Continuing to lead the market in innovation by expanding the Flex proposition into the prepaid market
- Brand relaunch in October delivered using Qatar based agencies

3

Outlook

- Current political environment has had a limited impact
- Full year outlook almost unchanged with growth in prepaid consumer and enterprise
- Continued increase in data %
- Alignment to local market timetables simplify market comparisons
- EGA agreement to facilitate borrowings for expansion

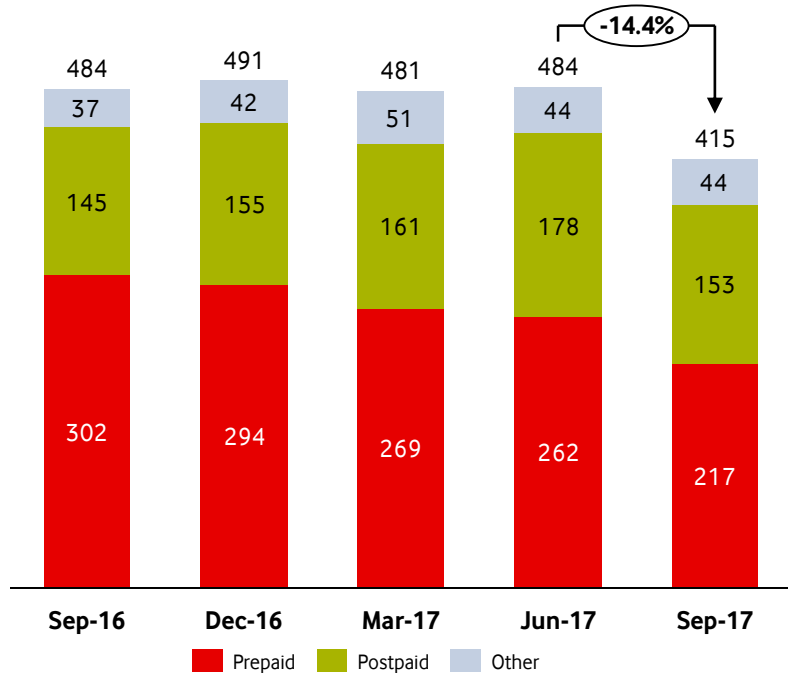
Brett Goschen

Chief Financial Officer

Financial summary



Service Revenue (QR m)

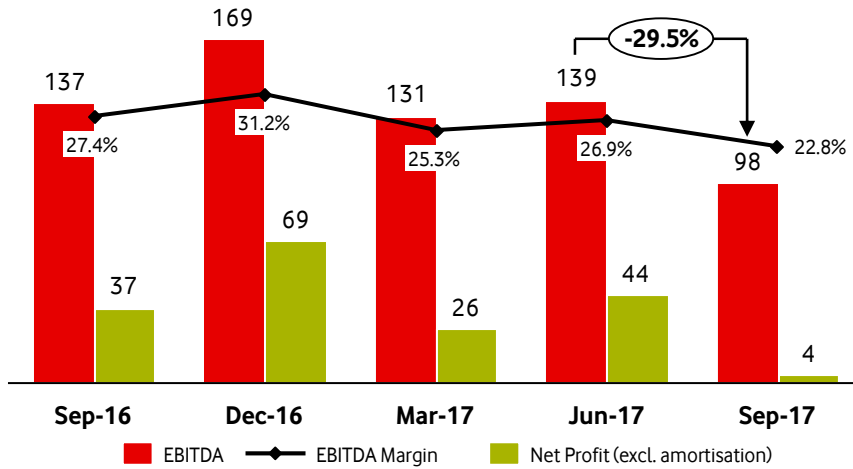


- **Service Revenue** decline of 14.4% across Prepaid & postpaid a result of the Network outage including compensation, customer and usage loss of ~QR 70Mn
- Excluding impact of Network Outage, service revenue would have been broadly flat, with:
 - Prepaid at ~QR 260Mn, aided by strong usage around EiD-Al-Adha.
 - Postpaid at ~3.3% QoQ growth driven by strong customer led uptake of our Flex plan
- Prepaid data revenue has expanded 2.3pp QoQ to 48.2% of total prepaid revenue
- **Total Revenue** 16.8% lower due to lower service revenue and lower equipment revenue.

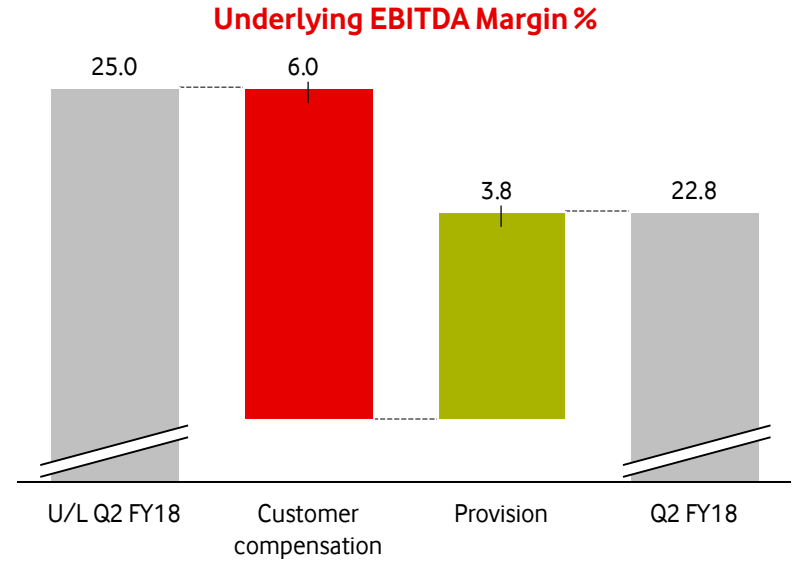
Mobile ARPU (QR)	105	106	102	101	91
Total RMS	20.4%	21.1%	20.2%	20.5%	n/a
Total Revenue	499	541	517	516	429



EBITDA & Net Profit (excl. amortisation)(QR m)



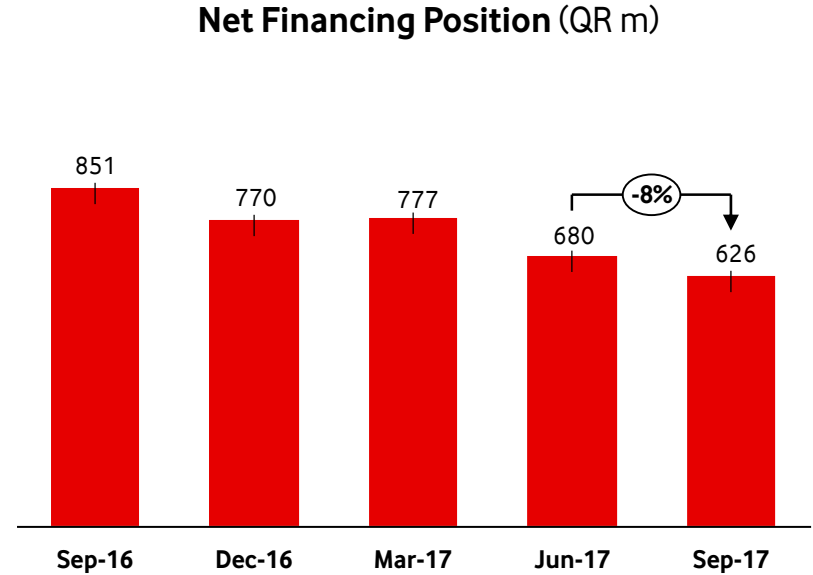
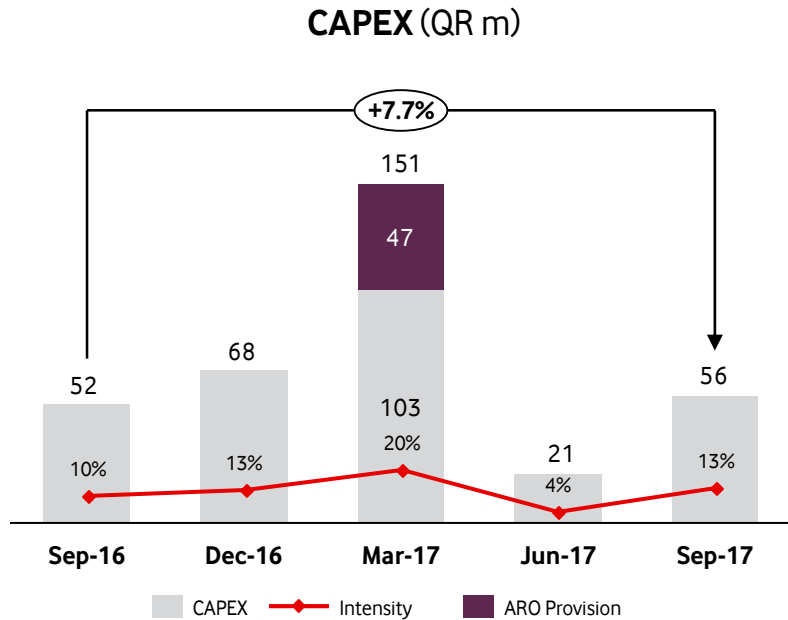
Underlying EBITDA %
 27.4% 27.4% 26.7% 26.9% 25.0%



- On a reported basis, **EBITDA margin** has declined to 22.8% largely due to the Network Outage partially offset by a provision no longer required.
- Excluding the customer compensation for the outage & provision release, the underlying EBITDA margin is 25%
 - Publicity spend in the quarter was lower, on the backdrop of planned new brand launch in Oct'17
- Lower **Net profit (excl. amortisation)** led by lower EBITDA flow through.



CAPEX and Financing Position (QR m)



- **Capex spend** in line with normal trends
- **Net Financing Position** continues to improve and is currently at the lowest level in our History.



Financial Summary

For the Six Months ending 30th Sep 2017

QR m (unless otherwise stated)	6m to Sep-17	6m to Sep-16	YoY Growth (%)
Mobile Customers (000)	1,389	1,457	(4.7%)
Total Revenue	945	1000	(5.5%)
<i>Service Revenue</i>	<i>899</i>	<i>969</i>	(7.3%)
EBITDA	236.4	236.9	(0.2%)
<i>EBITDA Margin %</i>	<i>25.0%</i>	<i>23.7%</i>	<i>1.3pp</i>
Net Profit Excl Amortization*	47.8	37.8	26.4%
Net Loss	(153.5)	(163.5)	6.1%
Profit (Excl Amortization) per Share (QR)*	0.06	0.04	26.4%
Loss per Share (QR)	(0.18)	(0.19)	6.1%
Capital Expenditure	77	93	(16.3%)
Movement in Net Debt	150	42	259.4%

* Net profit (excl. amortisation) = Distributable Profit

9

- **Customer Base lower** – Largely impacted by seasonality and a loss of ~50k customers due to Network outage.
- **Total Revenue and Service Revenue decline** led by events arising from Network Outage (~QR 70Mn) and aggressive pricing environment (across prepaid and postpaid).
 - Excluding Outage total revenue grew by 1.8% YoY
- **Flat EBITDA with EBITDA margin expanding by 1.3pp** despite Network Outage (~QR 60Mn), aided by better product mix and provision no longer required (QR 18Mn)
- **Net Profit (Excl Amortization)** benefited by assets being fully depreciated
- **Capital Expenditure 16.3%** lower.
- **Net Debt reduced by QR 150m** - EBITDA less Capex flow through and timing on working capital.



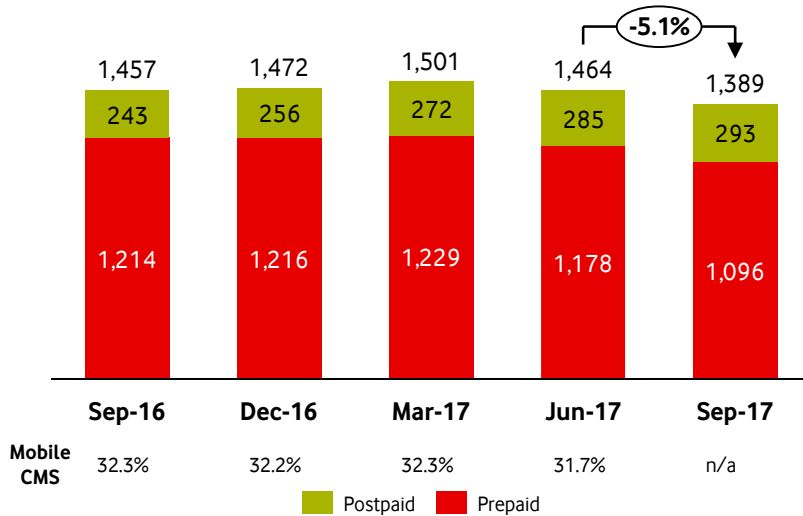


Questions ?

Appendix



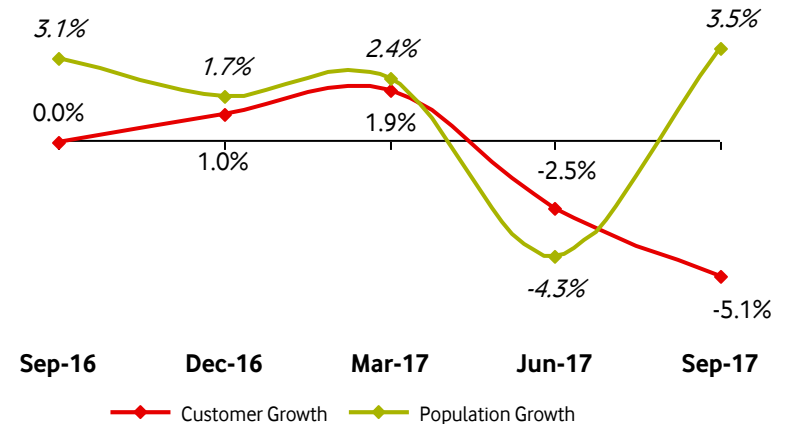
Mobile Customers (000's)



5.1% decline in overall customers

- Postpaid: 2.9% growth led by popularity of Flex plans
- Prepaid: 7% decline due to impact of Network outage and seasonality.

Customer Growth vs. population growth



Thank you !



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

Or email us:
InvestorRelationsQatar@vodafone.com