



Vodafone Qatar P.Q.S.C Financial Results

Quarter ended 30th June 2017

30th July 2017

Disclaimer

- The following presentation is made only to, and is directed only at, persons to whom such a presentation may lawfully be communicated (“relevant persons”). Any person who is not a relevant person should not act or rely on this presentation or any of its contents.
- This presentation contains forward-looking statements that are subject to risks and uncertainties, including statements about Vodafone Qatar’s beliefs and expectations.
- These forward-looking statements are based on assumptions that Vodafone Qatar has made in light of its experience in the industry in which it operates, as well as its perceptions of historical trends, current conditions, expected future developments and other factors which Vodafone Qatar believes are appropriate under the circumstances. Prospective investors should understand that these statements are not guarantees of future performance or results.
- Due to these factors, Vodafone Qatar cautions that prospective investors should not place undue reliance on any forward-looking statements. Further, any forward-looking statement speaks only as of the date on which it is made. New risks and uncertainties arise from time-to-time, and it is impossible to predict these events or how they may affect Vodafone Qatar.
- Vodafone and the Vodafone logo are trademarks of the Vodafone Group.





Introduction

Ian Gray

Chief Executive Officer

The strategy developed last year was followed and it delivered

Recent performance

- Higher quality services and products
- Segmented offers allowed margin management
- Introduction of more Vodafone Global initiatives

Outcome of progress

- Brand / Network perception improved
- EBITDA Margin continues improvement
- Cash position improved

Outlook

- Recent network outage adverse impact on reputation
- Potential impact of blockade reducing roaming income etc.
- Regulatory action needed on open fixed access
- International voice revenue likely to decline further
- Data traffic and fixed will require investment
- Company in strong position to deal with challenges



Network Outage

- Extremely disappointing and unprecedented
- Network now fully restored
- “You First” customer appreciation programme announced
- No impact on our share price

What happened & when

- Monday 17 July 2017 at 3:30AM
- Major network outage with VQ Home Location Register (HLR)
- Extended to the network back-up and redundancy systems
- Impacted the ability to make and receive calls and data sessions

Actions Taken

- VQ team with the support of global network experts worked around the clock to restore full connectivity
- Kept updating our customers and Investors through social media, website and press releases
- 18 July: 2G network partially restored
- 19 July: 2G & 3G network restored
- 24 July: full restoration of all services

Actions to be taken

- Ensure a similar incident will not recur
- Regaining our customers trust and satisfaction
- Regaining our reputation
- Minimizing impact on the business
- Implementing our compensation plan to our customers in appreciation for their patience and loyalty





Financial Summary

R.Ramamoorthy

Chief Financial Officer

Financial Summary

For the three months ended 30th June 2017

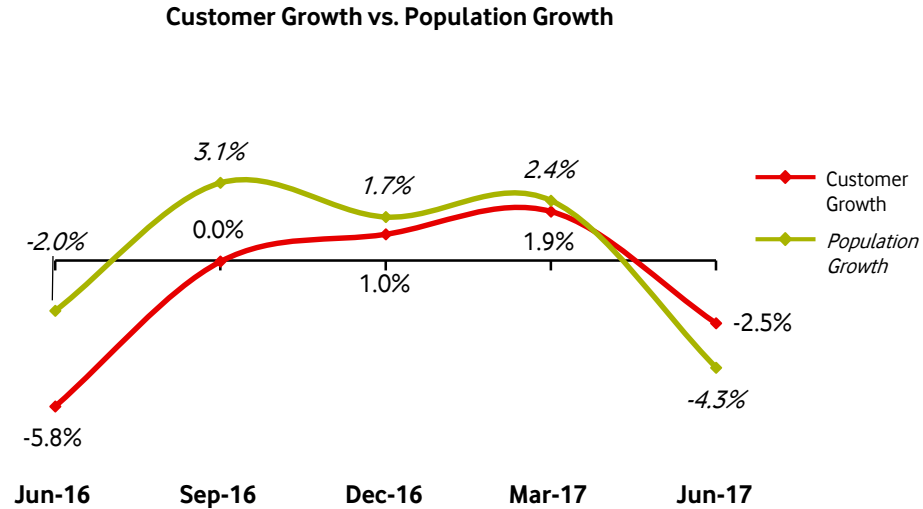
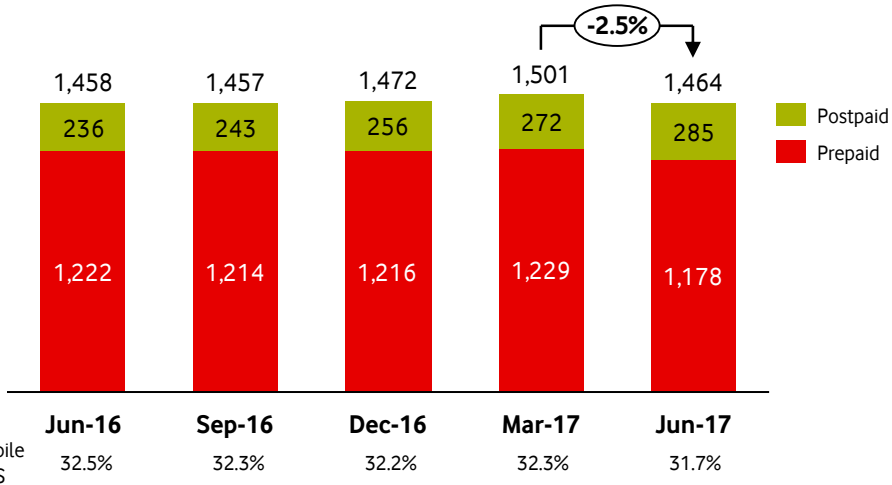
QR m (unless otherwise stated)	3m to June-17	3m to June-16	YoY Growth (%)
Mobile Customers (000)	1,464	1,458	0.4%
Total Revenue	516	501	3.1%
<i>Service Revenue</i>	<i>484</i>	<i>485</i>	<i>(0.2%)</i>
EBITDA	139	100	38.6%
<i>EBITDA Margin %</i>	<i>26.9%</i>	<i>20.0%</i>	<i>6.9pp</i>
Net Profit Excl Amortization*	44	1	3858%
Net Loss	(57)	(100)	42.6%
Profit (Excl Amortization) per Share (QR)*	0.05	0.001	3858%
Loss per Share (QR)	(0.07)	(0.12)	42.6%
Capital Expenditure	21	40	47.3%
Movement in Net Debt	96	(25)	489%

- **Customer Base expansion** led by postpaid data.
- **Total Revenue grew by 3.1%** led by postpaid and fixed
- **Service Revenue stable** with more postpaid in the mix
- **EBITDA grew by 38.6% and 6.9pp** aided by better revenue mix and strong cost control
- **Net Profit (Excl Amortization)** better with EBITDA flow through
- **Capital Expenditure 47.3%** lower
- **Net Debt reduced by QR 96m** driven by EBITDA flow through and working capital improvements

* Net Profit (Excl Amortization) = Distributable Profit



Mobile Customers (000's)

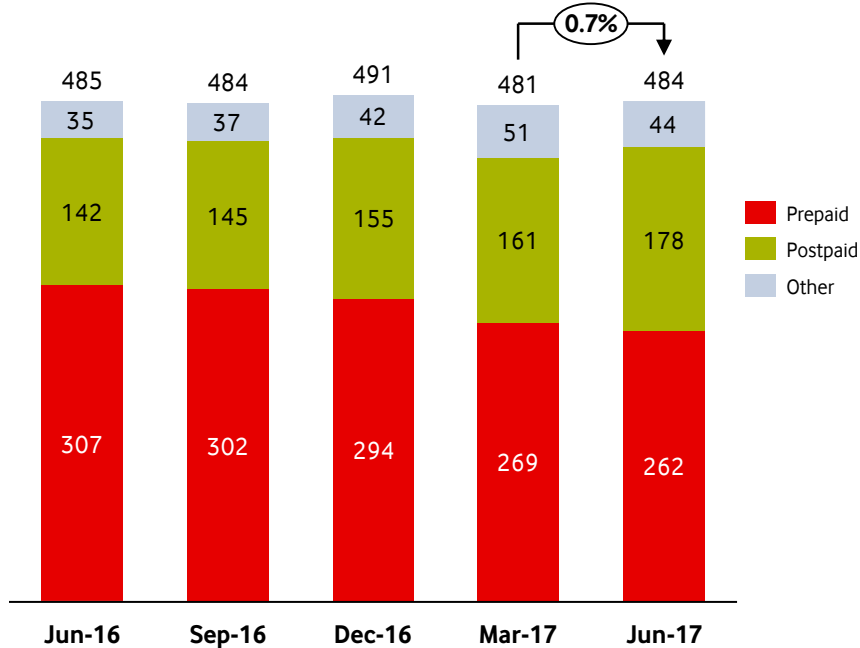


- **2.5% seasonal decline in overall customers**

- Postpaid: 4.8% growth led by our revamped Data plans and popularity of our connect plans
- Prepaid: 4.1% decline led by seasonal impact during the Q1



Service Revenue (QR m)



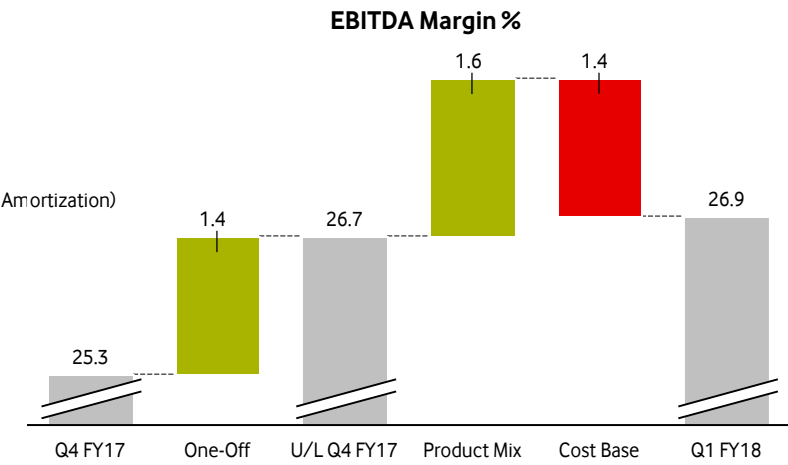
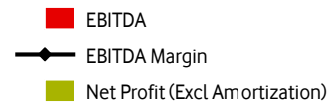
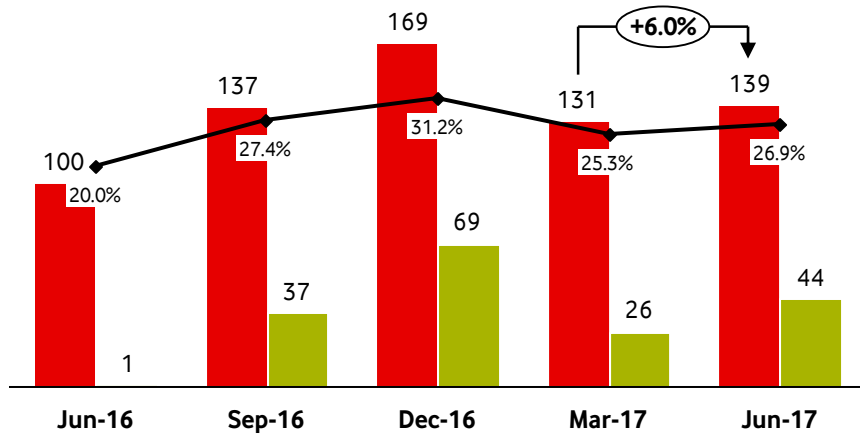
Sequentially

- **Prepaid revenue 2.5% lower** driven by
 - Seasonally high customer impact
 - Aggressive price competition during EiD
- **Postpaid grew by 10.7%** driven by customer growth
- **Total Revenue 0.3% lower** from lower handset sales
- **ARPU lower** due to prepaid revenue decline

Mobile ARPU (QR)	101	105	106	102	101
Total RMS	19.7%	20.4%	21.1%	20.2%	20.5%
Total Revenue	501	499	541	517	516



EBITDA & Net Profit (Excl Amortization)(QR m)

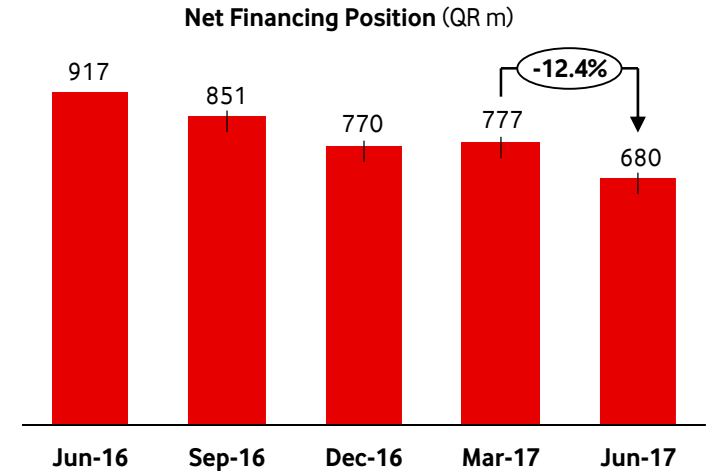
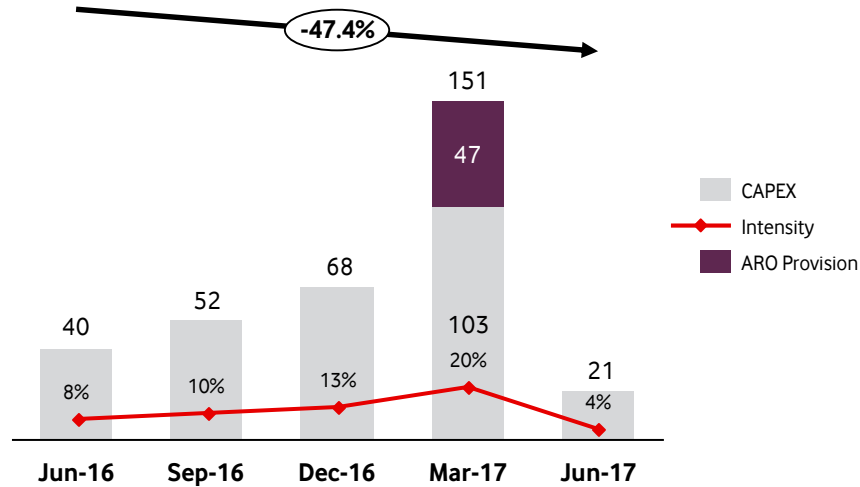


	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17
Underlying EBITDA %	20.0%	27.4%	27.4%	26.7%	26.9%
Net Loss	(100)	(64)	(31)	(74)	(57)

- **6% increase** in reported EBITDA
- **EBITDA% grew by 1.6pps** driven by higher data mix and high publicity spend in Q4
- **Higher Net Profit (Excl Amortization) and a lower Net Loss** led by EBITDA flow through and lower depreciation



CAPEX and Financing Position (QR m)



- **Seasonally low Capex**
- **Improvement in Net Financing** due to higher EBITDA and working capital improvements.



Questions



Contact Details

Visit our website for more information or send an email to InvestorRelationsQatar@vodafone.com



www.vodafone.qa/en/investor-relations

