



Vodafone Qatar Q.S.C Financial Results

Quarter ended 30 September 2016

8 November 2016

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Introduction

Ian Gray

Chief Executive Officer

Realising the Turnaround



- No dividend recommendation
- Staff Redundancies
- Asset cleanup

- Higher quality services and products
- Brand / Network perception
- Compete on level of quality and service more than price
- Diversification through segmented approach
- Culture of excellence
- New growth opportunities

- Market rates increases
- Service Revenue growth
- Leaner organization
- New attractive offers
- Fixed Roadmap
- Superior Network “Best in Test” certification

- Exciting new Board
- Fixed roadmap
- Other adjacent opportunities





Financial Summary

Chief Financial Officer

Financial Summary

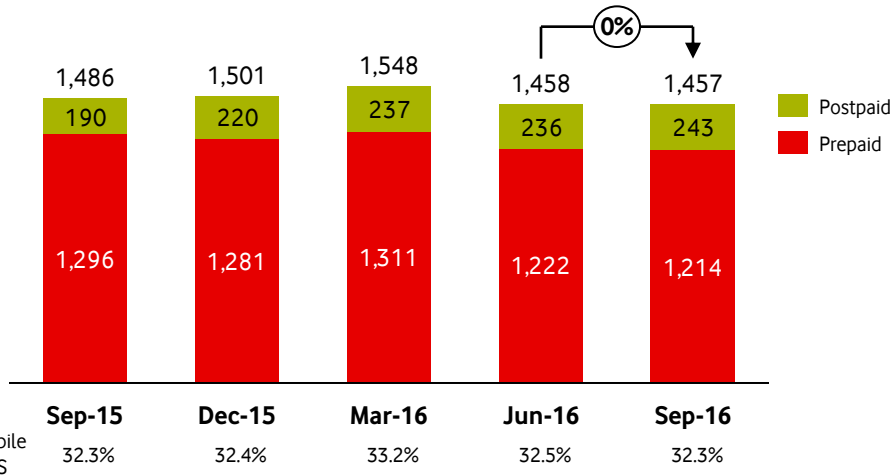
For the six months ended 30 September 2016

QR m (unless otherwise stated)	6m to Sep-16	YoY Growth
Mobile Customers (000)	1,457	<i>(2%)</i>
Total Revenue	1,000	<i>(6%)</i>
<i>Service Revenue</i>	<i>969</i>	<i>(3%)</i>
EBITDA	237	<i>12%</i>
<i>EBITDA Margin %</i>	<i>23.7%</i>	<i>3.9pp</i>
Distributable Profit	38	<i>426%</i>
Net Loss	(164)	<i>23%</i>
Loss per Share (QR)	(0.19)	<i>23%</i>
Capital Expenditure	93	<i>(39%)</i>

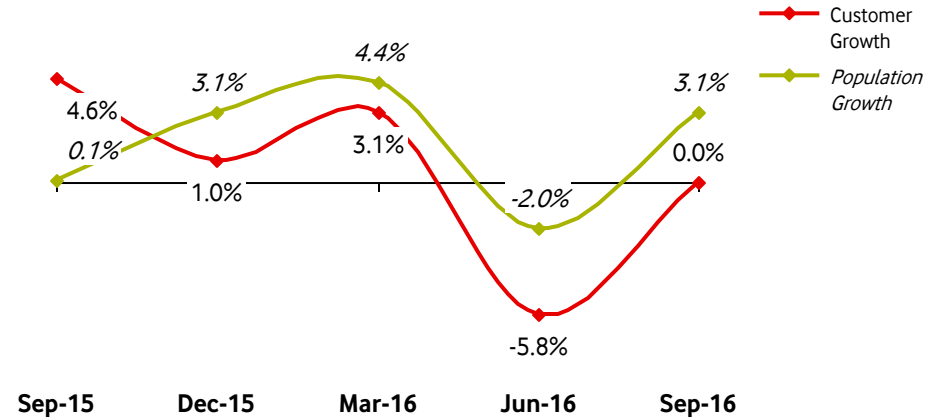
- **Customer Base decline** – completion of one-time base clean-up. Postpaid customers up 3.9% to 16.7% of base
- **Service Revenue** – Excluding low margin business and reduction in regulated telecom rates (MTR) grew by 4.2%
- **Total Revenue** – Underlying Service revenue offset weak handset conscious decision to move away from lower margin business and reduction in regulated telecom rates. Excluding these Total Revenue grew by 0.1%
- **EBITDA margin improvement** – better market pricing and higher data mix
- **Improved Net Loss and Distributable Profit** from EBITDA flow through



Mobile Customers (000's)



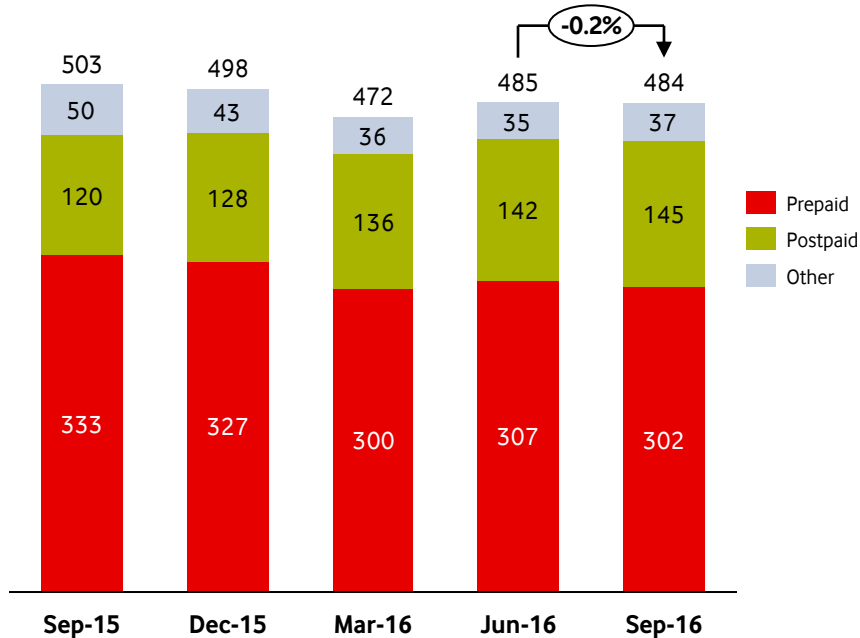
Customer Growth vs. Population Growth



- **Customers stable after completion of one-time customer base clean-up:**
 - Prepaid: 0.6% lower → completion of customer base clean-up
 - Postpaid: 3.1% higher → Connect plan growth
- **Customer growth** excluding base clean up is in line with population growth



Service Revenue (QR m)



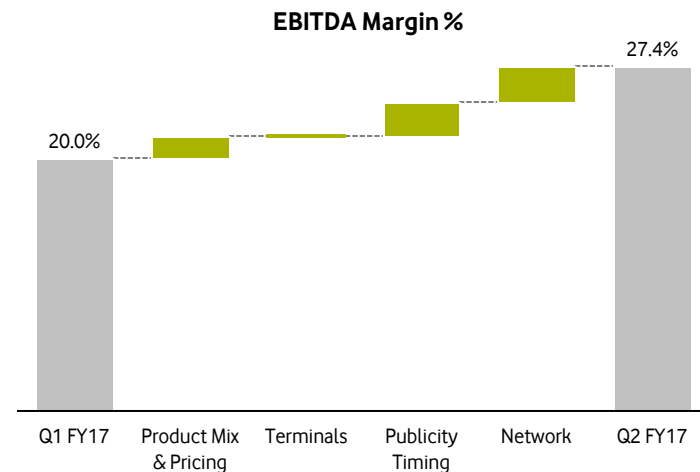
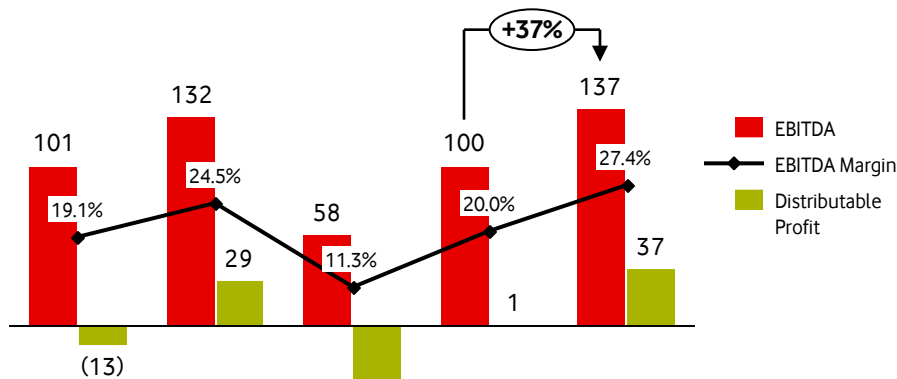
■ Prepaid
■ Postpaid
■ Other

- **Prepaid revenue 1.6% lower** in seasonally weak quarter
 - Impact of one-time customer base clean up
 - Continued migration of international voice to VOIP
 - Offset improvement in pricing
- **Postpaid grew by 1.8%**
- **Total Revenue 0.4% lower** impacted by weaker handset sales
- **ARPU improvement** aided by price increases and fewer customers

Mobile ARPU (QR)	111	107	99	101	105
Mobile RMS	29.6%	29.7%	27.8%	26.5%	27.5%
Total Revenue	528	537	516	501	499



EBITDA & Distributable Profits (QR m)

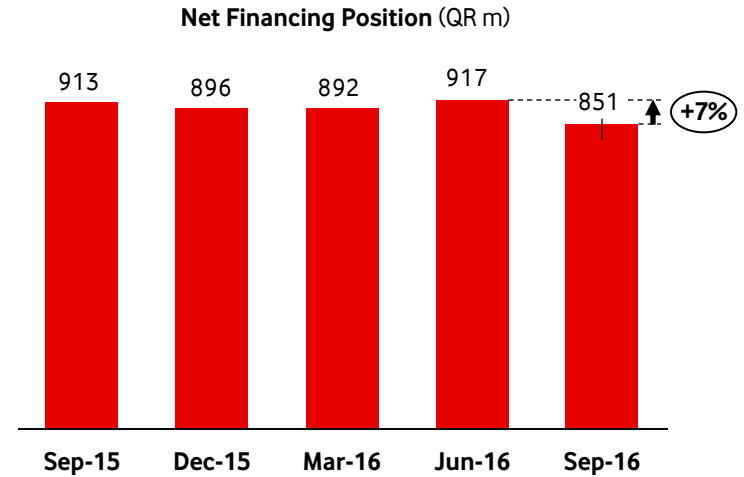
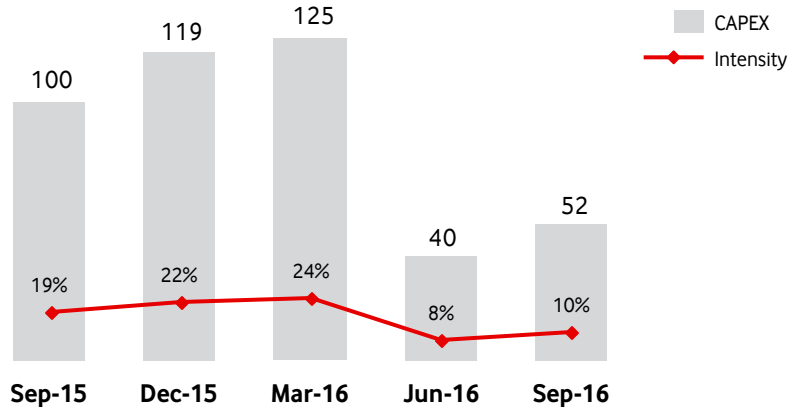


	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16
Underlying EBITDA %	19.8%	23.5%	20.9%	20.0%	27.4%
Net Loss	(114)	(72)	(180)	(100)	(64)

- **37% growth in reported EBITDA QoQ** and 7.4pps EBITDA margin expansion driven by
 - Improvement in product mix and pricing, publicity timing and saving on leased lines & other costs
- **A return to surplus in the Distributable Profits and a lower Net Loss** led by EBITDA flow through



CAPEX and Financing Position (QR m)



- **Increase Capex investment** → Network upgrade & new sites
- **Decrease in Net Financing** due to EBITDA flow through and timing of vendor payments



FY17 Guidance

Qatari Riyals	Actual FY16	Guidance FY17
Total Revenue	2,119m	2,030m – 2,070m
Service Revenue	1,966m	1,940m – 1,980m
EBITDA Margin %	18.9%	24.5% - 25%
Capital Intensity %	18.7%	12.7%
Free Cash Flow	(134.4m)	90m to 110m

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Questions



Appendices



Financial Summary

	Q2 Sep-15	Q3 Dec-15	Q4 Mar-16	Q1 Jun-16	Q2 Sep-16
	QRm	QRm	QRm	QRm	QRm
Total Revenue	528	537	516	501	499
Service Revenue	503	498	472	485	484
EBITDA	101	132	58	100	137
Net Loss	(114)	(72)	(180)	(100)	(64)
Distributable Profit	(13)	29	(79)	1	37
Capital Expenditure	100	119	125	40	52
Free Cash Flow	(152)	18	3	(25)	67
Net Financing Position	913	896	892	917	851

Key Performance Indicators (KPIs)

	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16
Qatar's Population	2,347	2,421	2,527	2,477	2,533
Qatar's Mobile Penetration	196%	191%	184%	181%	177%
Total Mobile Customers	1,486	1,501	1,548	1,458	1,457
Quarterly Mobile ARPU	111	107	99	101	105
Mobile Customer Market Share	32.3%	32.4%	33.2%	32.5%	32.3%
Quarterly Mobile Revenue Market Share ¹	29.6%	29.7%	27.8%	26.5%	27.5%

¹ Revenue market share is based on Vodafone Qatar's total mobile revenue (in which content revenue is reported as net) versus the competitor's reported postpay, prepay and other mobile revenue.



Contact Details

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