



Vodafone Qatar Q.S.C Financial Results

Quarter ended 31 December 2016

31 January 2017

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Introduction

Ian Gray

Chief Executive Officer

The turnaround is evident and follows plan previously shared

Recent Performance

- Higher quality services and products
- Brand / Network perception improved
- Segmented offers allows margin management
- Introduction of more Vodafone Global initiatives

Outcome of Progress

- EBITDA Margin continues improvement
- Cash position improved
- Strengthening of reputation

Longer Term / Outlook

- 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





Financial Summary

R.Ramamoorthy

Chief Financial Officer

Financial Summary

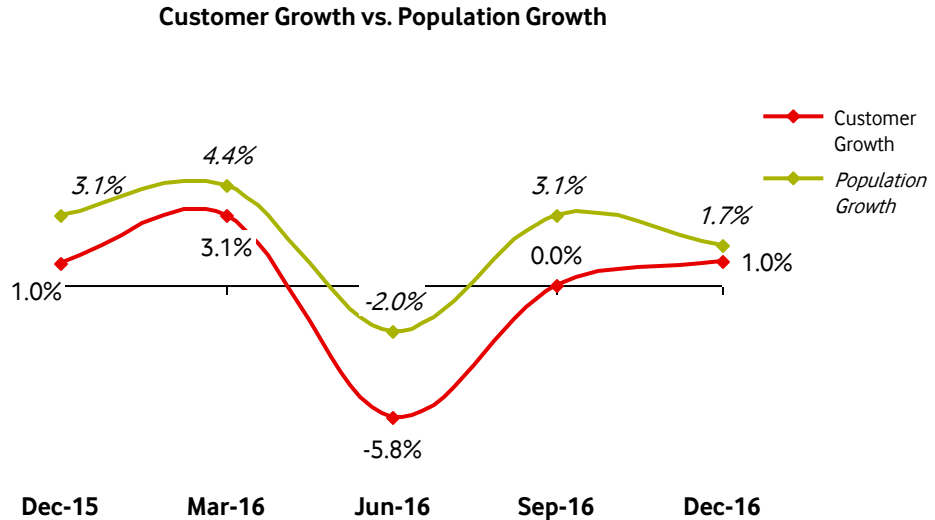
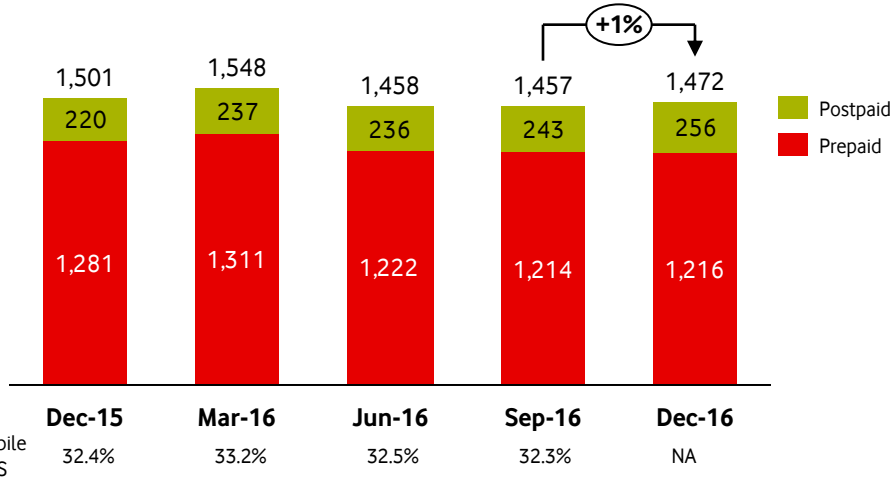
For the nine months ended 31 December 2016

QR m (unless otherwise stated)	9m to Dec-16	YoY Growth
Mobile Customers (000)	1,472	<i>(2%)</i>
Total Revenue	1,541	<i>(3.9%)</i>
<i>Service Revenue</i>	<i>1,460</i>	<i>(2.3%)</i>
EBITDA	406	<i>18%</i>
<i>EBITDA Margin %</i>	<i>26.3%</i>	<i>5.0pp</i>
Distributable Profit	107	<i>523%</i>
Net Loss	(195)	<i>32%</i>
Loss per Share (QR)	(0.23)	<i>32%</i>
Capital Expenditure	160	<i>41%</i>

- **Lower Customer Base decline** completion of one-time base clean-up in Q2
- **Total Revenue decline** from lower margin business and MTR offset with postpaid & Fixed growth. Underlying total revenue grew by 3.7%
- **Service Revenue** (Excluding MTR) and low margin business grew by 3.3%
- **EBITDA** benefits from improved market pricing and better revenue mix
- **Improved Net Loss and Distributable Profit** from EBITDA flow through



Mobile Customers (000's)

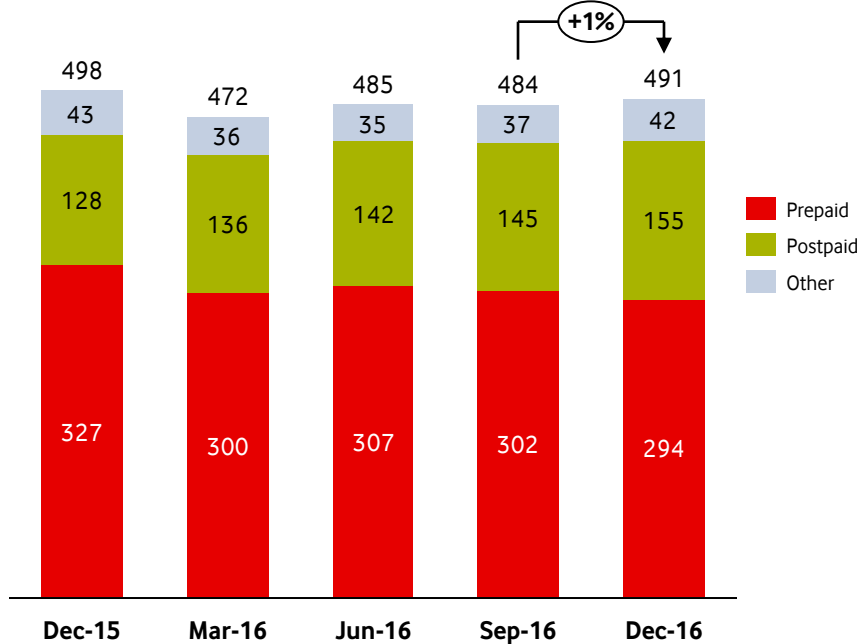


- **Steady customer growth across prepaid and post-paid**

- Prepaid: 0.1% growth, after the impact of disconnection customers with incomplete details
- Postpaid: 5.5% growth led by mid-range Connect plans



Service Revenue (QR m)



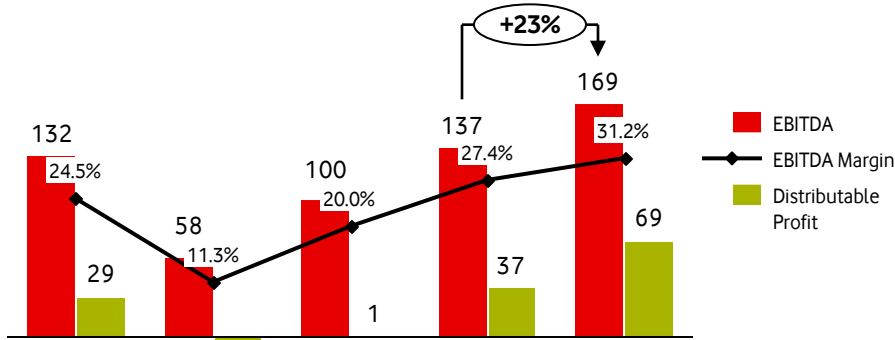
■ Prepaid
■ Postpaid
■ Other

- **Prepaid revenue 2.7% lower**
 - Continued declined in international voice to VOIP
 - Offset by growth in data usage
- **Postpaid grew by 7.3%** driven by customer growth
- **Total Revenue 8.4% higher** impacted by strong iPhone 7 sales
- **ARPU improvement** led by higher mix of Postpaid plans

Mobile ARPU (QR)	107	99	101	105	106
Mobile RMS	29.7%	27.8%	26.5%	27.5%	NA
Total Revenue	537	516	501	499	541

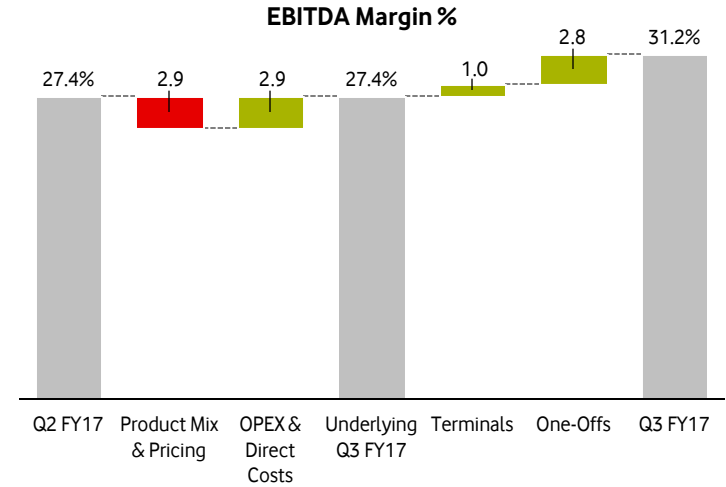


EBITDA & Distributable Profits (QR m)

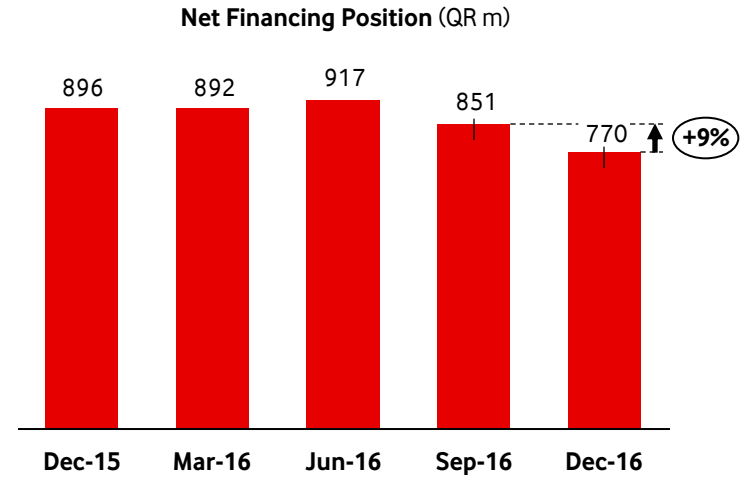
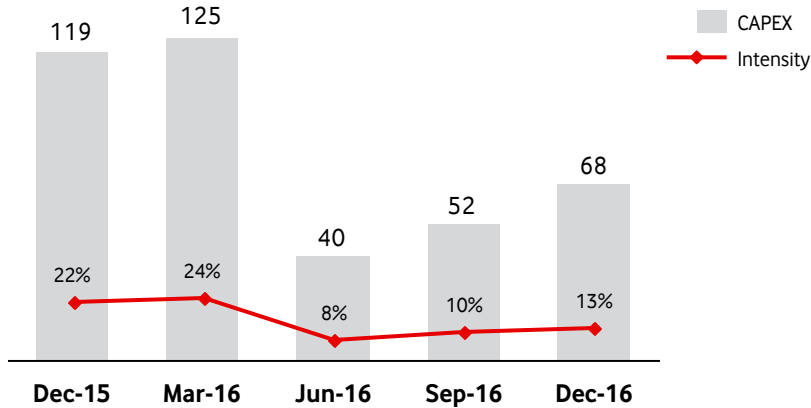


	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16
Underlying EBITDA %	23.5%	20.9%	20.0%	27.4%	27.4%
Net Loss	(72)	(180)	(100)	(64)	(31)

- **23% growth in reported EBITDA QoQ**
- **EBITDA% expanded by 3.8pps** driven by benefit from iPhone 7 led by one-off prior period discounts
- **Highest Distributable Profits and a lower Net Loss** led by EBITDA flow through



CAPEX and Financing Position (QR m)



- **Increase Capex investment** driven by sites rollout and IT infrastructure
- **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

	Q3 Dec-15	Q4 Mar-16	Q1 Jun-16	Q2 Sep-16	Q3 Dec-16
	QRm	QRm	QRm	QRm	QRm
Total Revenue	537	516	501	499	541
Service Revenue	498	472	485	484	491
EBITDA	132	58	100	137	169
Net Loss	(72)	(180)	(100)	(64)	(31)
Distributable Profit	29	(79)	1	37	69
Capital Expenditure	119	125	40	52	68
Free Cash Flow	18	3	(25)	67	80
Net Financing Position	896	892	917	851	770

Key Performance Indicators (KPIs)

	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16
Qatar's Population	2,421	2,527	2,477	2,533	2,597
Qatar's Mobile Penetration	191%	184%	181%	177%	NA
Total Mobile Customers	1,501	1,548	1,458	1,457	1,472
Quarterly Mobile ARPU	107	99	101	105	106
Mobile Customer Market Share	32.4%	33.2%	32.5%	32.3%	NA
Quarterly Mobile Revenue Market Share ¹	29.7%	27.8%	26.5%	27.5%	NA

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

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



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