



# Vodafone Qatar P.Q.S.C.

Financial results: Three months ended 31 March 2022

27 April 2022

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QUARTERLY  
HIGHLIGHTS

**Hamad Al Thani**  
Chief Executive Officer



# Executive Summary Key Messages



## Turnaround Strategy is On Track

- **Q1 FY'22 Total Revenue +24.8% Y/Y**  
17 Consecutive Y/Y Quarterly Revenue Growth
- **Q1 FY'22 Net Profit +62.7% Y/Y**  
Net Profit Grows to QR107m in Q1 FY'22



## Capturing Revenue Market Share with Healthier Revenue Mix

- **Revenue Market Share +1.6pts Y/Y**  
RMS reached 25.3% in FY'21
- **Deepening Engagement with Enterprises**  
Healthy contribution across all revenue lines; Fixed, Mobile, Business solutions and IoT



## Investment in Network Driving Performance Gains

- **+50% Radio Access Network Sites since 2017**  
97% of 5G sites have speeds above 800 Mbps
- **World Cup Readiness is on course**  
Our connectivity plans on track across the country for the biggest event of the year



## Enhanced Customer Experience and Digitalization

- **Consistently Growing Digital Adoption**  
Investments in digital platforms ensured our readiness to handle shift in customer behaviour
- **Building New Age Capabilities**  
Continuing focus on digital first products, Big Data, AI/ML and IoT



**FINANCIAL**

**REVIEW**

**Masroor Anjum**

Chief Financial Officer



# Q1 FY 2022 Financial Performance Highlights

## Strong Revenue growth YoY

- Total Revenue grows 24.8% led by service revenue growth and projects
- Growth across all revenue segments

## Cost control

- Despite significant expansion in mobile & fixed network and growth in customers, OPEX growth remained lower than service revenue growth, led by cost optimisation

## Continuing profitability growth

- EBITDA QR 301m, 28.4% growth YoY
- EBITDA Margin of 41.2%, expanded 1.2ppts YoY
- Net Profit QR 107m, 62.7% growth YoY

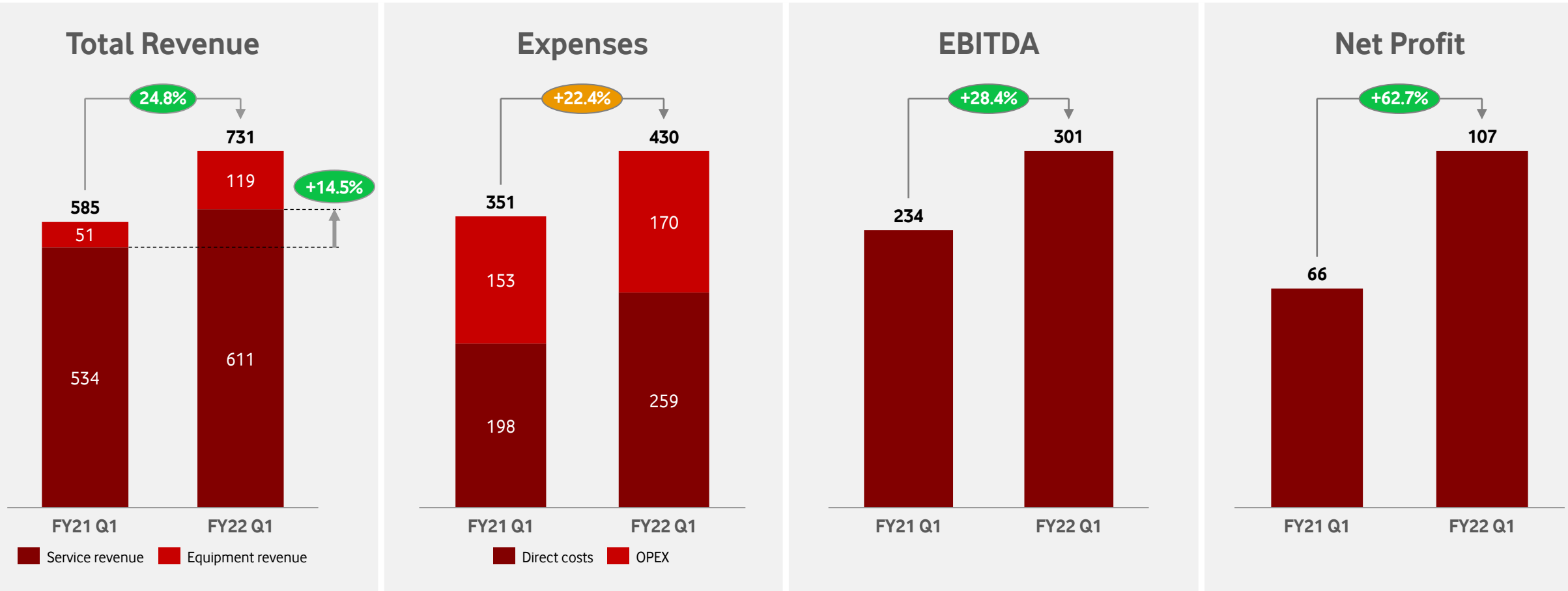
## Strong subscriber growth

- Mobility subscribers grew 18.6% YoY exceeding 2m customers, for the first time



# Q1 FY 2022 Financial Performance

Year on Year | QRm



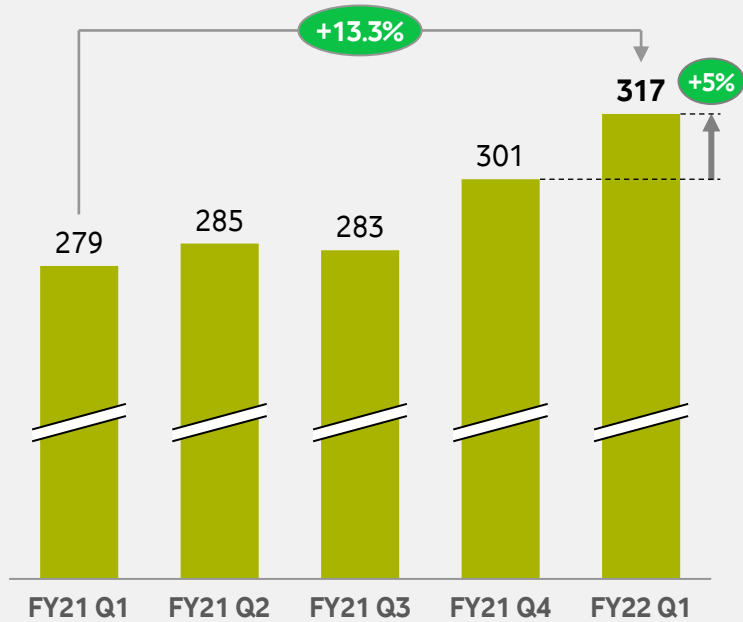
- 1 Total revenue grew 24.8% (or QR 145m) led by service revenue growth of 14.5% and projects revenue
- 2 Expenses increased by QR 79m corresponding to growth in revenue and expansion of network, partially offset by cost optimisation benefits
- 3 EBITDA QR 67m higher following higher service revenue. Reported EBITDA Margin of 41.2%, 1.2 ppts higher YoY
- 4 Net profit 62.7% higher following EBITDA flow through partially offset by higher depreciation



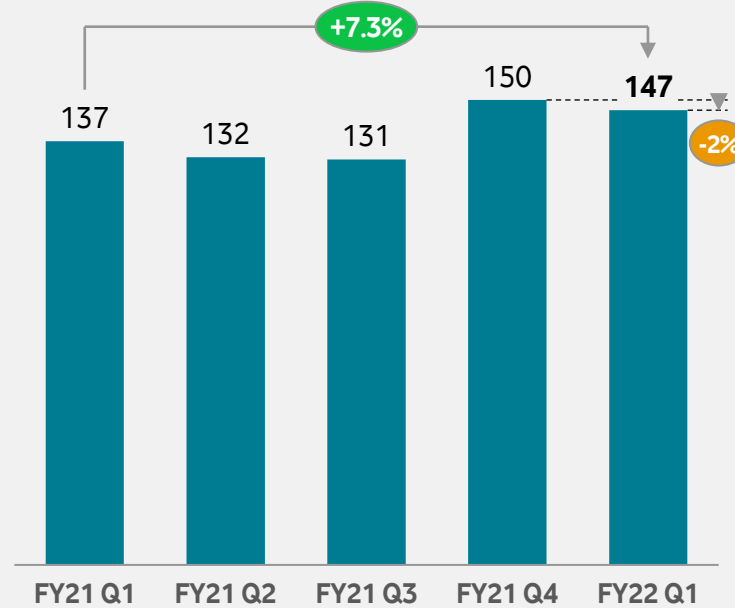
# Q1 FY 2022 Financial Performance

## Service Revenue | QRm

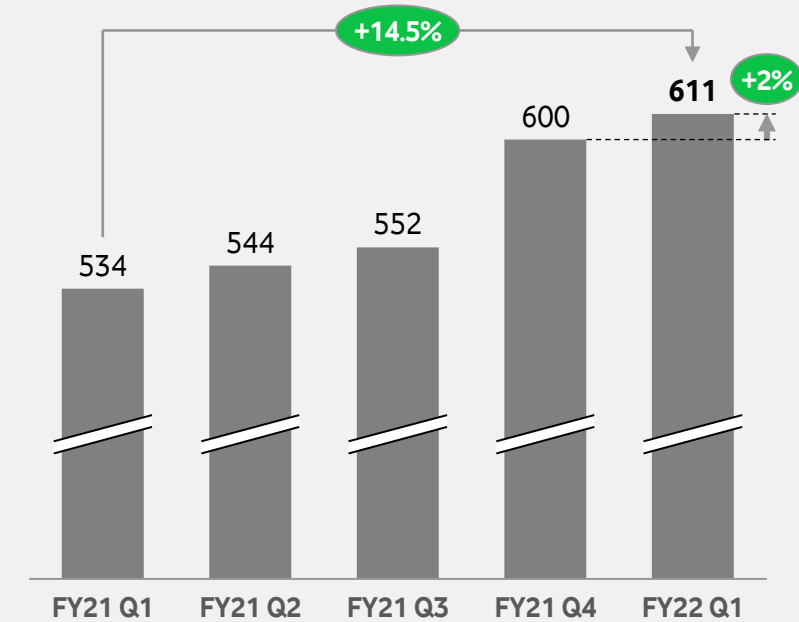
### Postpaid Revenue



### Prepaid Revenue



### Total Service Revenue



- 1 Postpaid revenue grew 13.3% YoY mainly driven by higher subscribers
- 2 Prepaid revenue increased 7.3% YoY due to higher subscribers

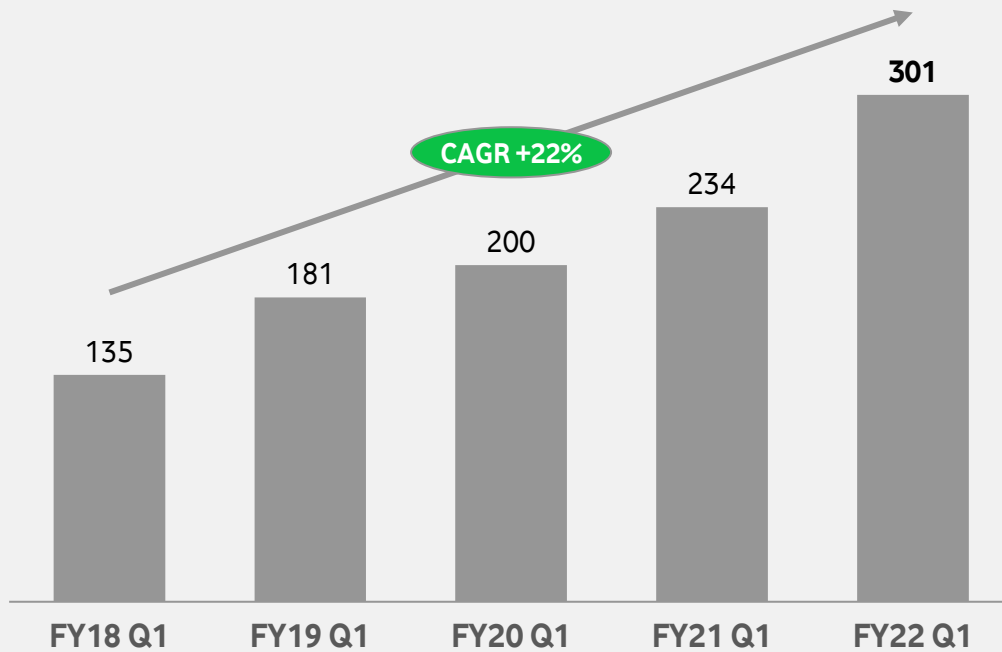




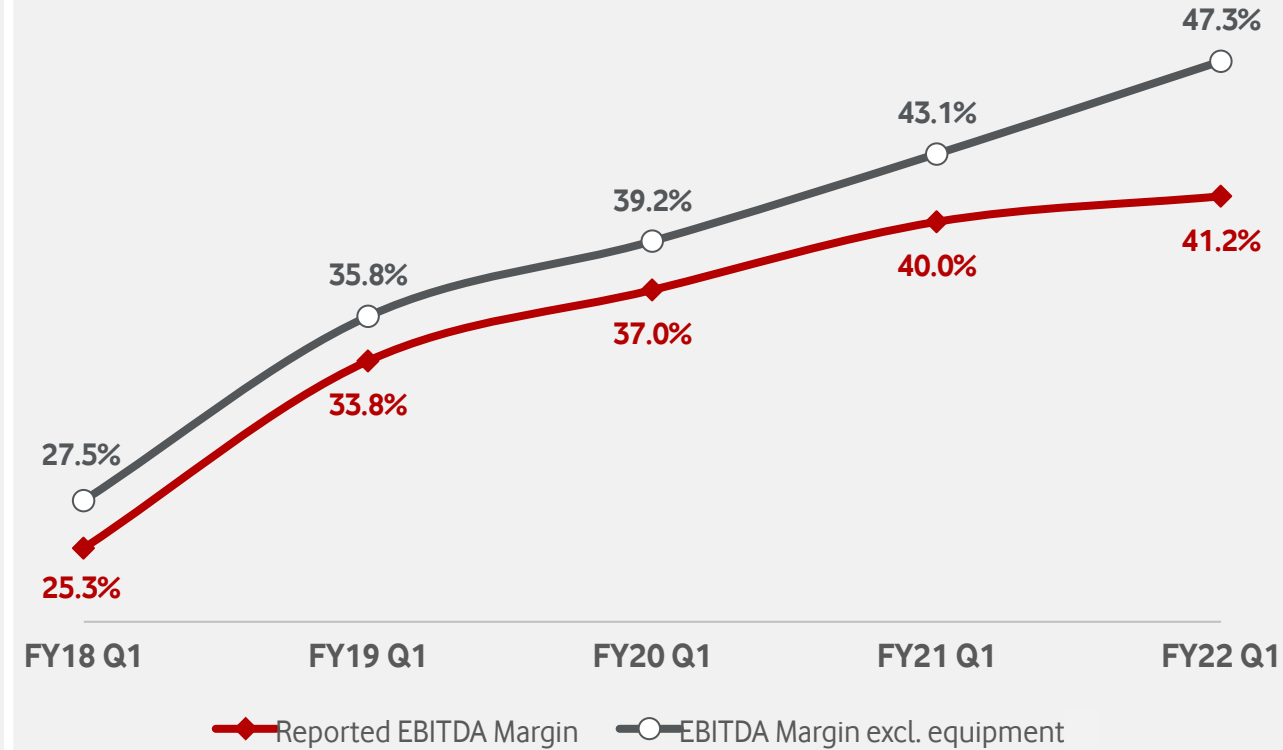
# Q1 FY 2022 Financial Performance

## EBITDA and EBITDA Margin Trends

### EBITDA (QRm)



### EBITDA Margin %



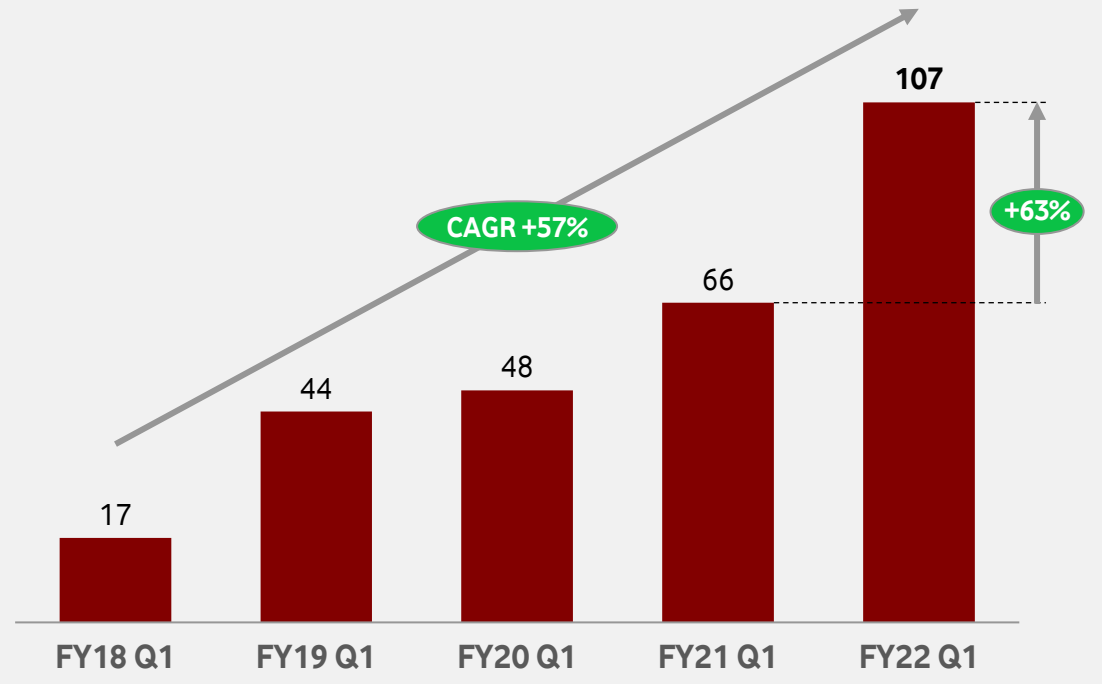
- 1 The EBITDA is more than doubled since FY18 Q1
- 2 Reported EBITDA Margin at 41.2%, grew 1.2 pts YoY
- 3 Underlying EBITDA margin of 47.3% (growth of 4.2 pts YoY) led by growth in service revenue with continued cost optimisation



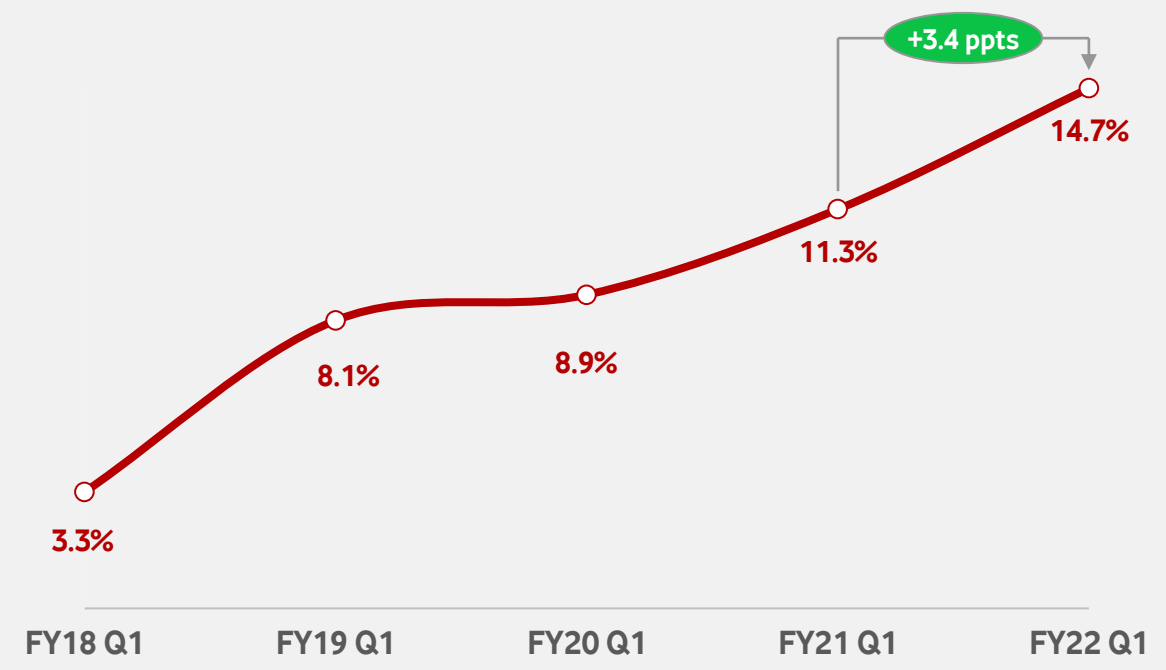
# Q1 FY 2022 Financial Performance

## Net Profit and Net Profit Margin Trends

### Net Profit (QRm)



### Net Profit Margin %



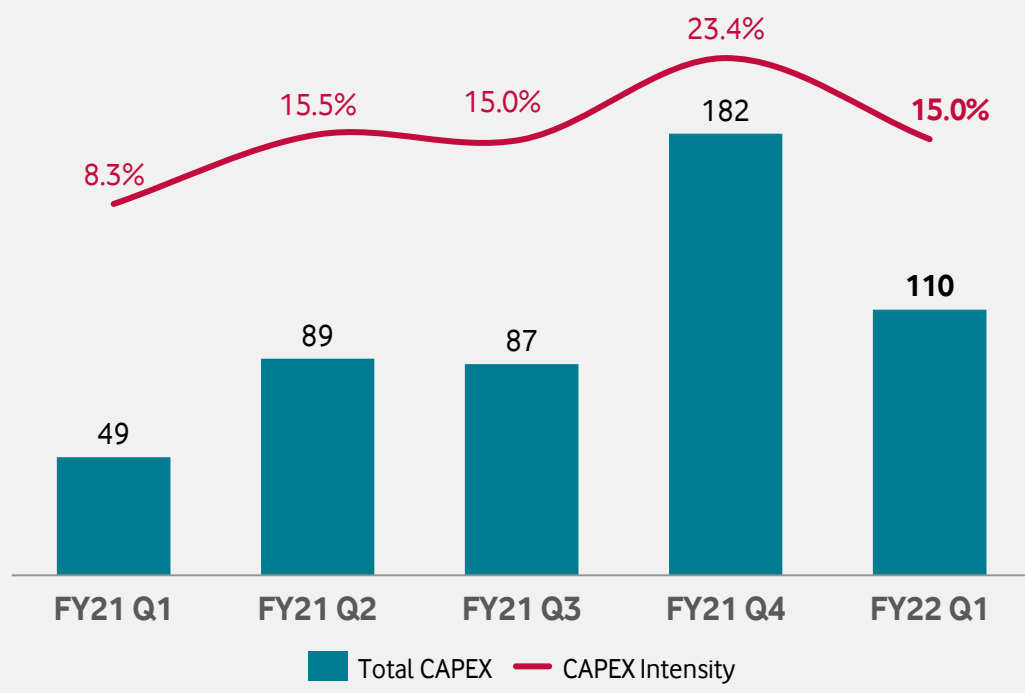
- 1 Net profit grew at CAGR of 57% since FY18 and 62.7% YoY
- 2 Net profit margin of 14.7%, 3.4ppts growth YoY as a result of higher EBITDA flow through



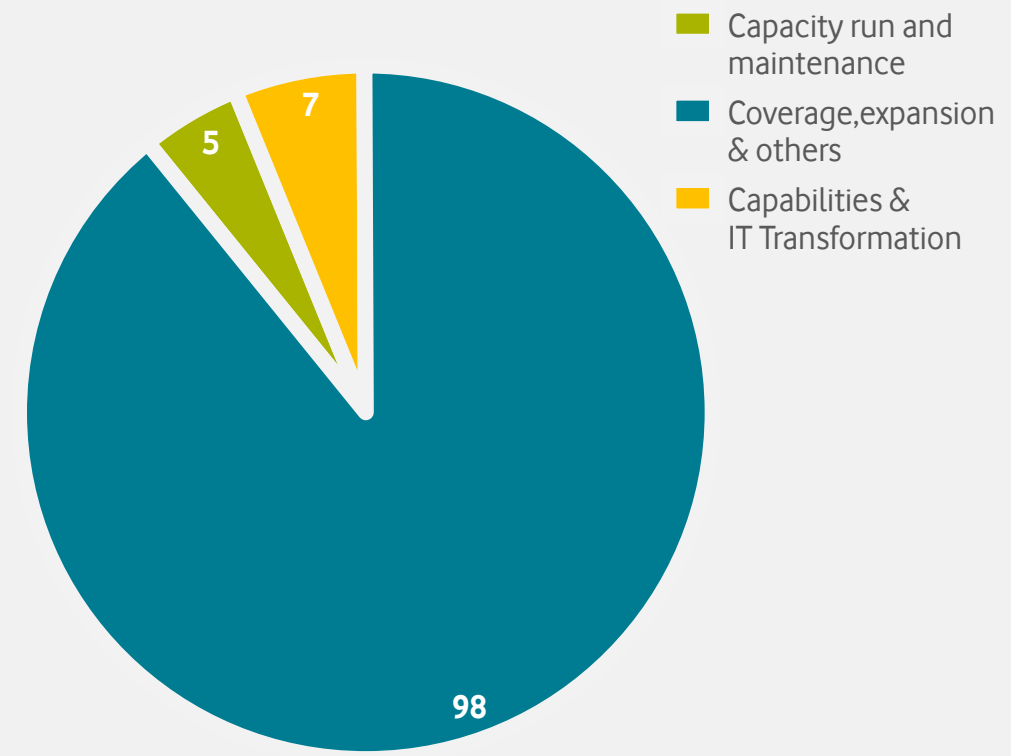
# Q1 FY 2022 Financial Performance

## CAPEX | QRm

### Total CAPEX



### CAPEX Mix



CAPEX investment QR 110m during Q1 FY22 focusing on:

- 1 Capacity expansion and coverage footprint enhancement
- 2 Enhancing digital capabilities and products
- 3 Investments to maintain the network



# Consolidated Statement of Income

## Three months ended 31 March 2022

QR m (unless otherwise stated)	Three months ended		
	31 Mar 22	31 Mar 21	YoY
Consumer revenue	395	353	42
Enterprise, equipments and other revenue	336	232	103
<b>Total revenue</b>	<b>731</b>	<b>585</b>	<b>145</b>
Interconnection and other direct expenses	(252)	(191)	(62)
Provision for expected credit losses	(7)	(7)	0
Network and other operational expenses	(110)	(97)	(13)
Employees' salaries and benefits	(61)	(56)	(4)
Depreciation of property, plant and equipment	(98)	(74)	(24)
Amortisation of intangible assets	(48)	(48)	(0)
Depreciation of right-of-use assets	(26)	(27)	1
Industry fee	(12)	(8)	(4)
<b>Operating profit</b>	<b>118</b>	<b>79</b>	<b>39</b>
Finance costs	(6)	(8)	1
Other financing costs	(5)	(6)	1
Other income	1	1	0
<b>Profit for the period</b>	<b>107</b>	<b>66</b>	<b>41</b>
<b>Basic and diluted earnings per share (in QR per share)</b>	<b>0.025</b>	<b>0.016</b>	<b>0.010</b>

- **Total revenue 24.8% (or QR 145m) higher led by increase in service revenue of 14.5%** driven by continued growth in fixed and mobility coupled with project revenue
- **Interconnect and other direct expenses QR 62m higher** corresponding to higher revenues
- **Network and other operational expenses increased by QR 13m** due to increase in fixed and 5G operational costs offset by cost optimization
- **Employment costs QR 4m higher**
- **Depreciation and amortization QR 24m higher** as a result of CAPEX investment and accelerated depreciation following modernisation of assets

Note: The reported numbers and YoY variances are rounded to the nearest millions.



# APPENDIX



# Consolidated Statement of Financial Position

## As at 31 March 2022

QR m (unless otherwise stated)	31 Mar 22	31 Dec 21	Var
Property, plant and equipment	1,642	1,638	5
Intangible assets	4,128	4,169	(41)
Right-of-use assets	267	291	(24)
Trade and other receivables	155	92	63
<b>Total non-current assets</b>	<b>6,192</b>	<b>6,190</b>	<b>3</b>
Inventories	30	35	(4)
Trade and other receivables	460	430	30
Cash and bank balances	257	190	67
<b>Total current assets</b>	<b>747</b>	<b>654</b>	<b>93</b>
<b>Total assets</b>	<b>6,940</b>	<b>6,844</b>	<b>95</b>
Share capital	4,227	4,227	-
Legal reserve	103	97	6
Retained earnings	117	273	(155)
<b>Total equity</b>	<b>4,448</b>	<b>4,596</b>	<b>(149)</b>
Loans and borrowings	715	506	209
Lease liabilities	171	197	(26)
Provisions	84	83	1
<b>Total non-current liabilities</b>	<b>970</b>	<b>786</b>	<b>184</b>
Loans and borrowings	207	206	0
Lease liabilities	143	136	7
Trade and other payables	1,173	1,119	53
<b>Total current liabilities</b>	<b>1,522</b>	<b>1,461</b>	<b>61</b>
<b>Total equity and liabilities</b>	<b>6,940</b>	<b>6,844</b>	<b>95</b>

### Assets

- **Property, plant and equipment and intangible assets decreased by QR 36m** due to depreciation and amortisation QR 146m partially offset by CAPEX of QR 110m
- **Right of use assets decreased by QR 24m** as a result of depreciation QR 26m
- **Trade and other receivables QR 93m higher** primarily due to receivables related to projects and impact of growth in postpaid and fixed revenue
- **Cash and bank balances QR 67m higher**

### Equity

- **Equity decreased by QR 149m** following dividend payment offset by the net profit for the period

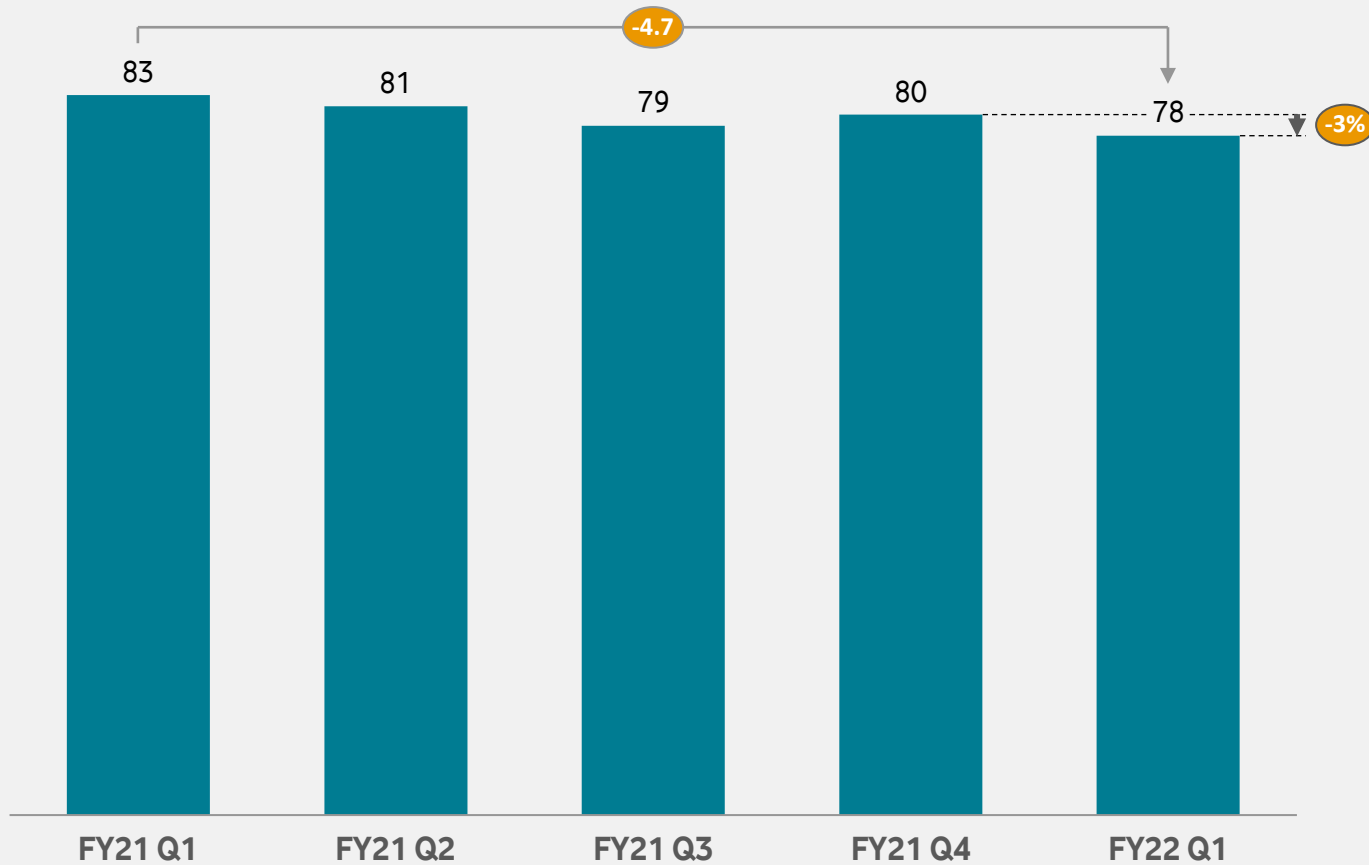
### Liabilities

- **Loans and borrowings QR 209m higher** mainly due to additional drawdown required to fund dividend payment
- **Lease liabilities QR 19m lower** due to lease payments QR 24m partially offset by lease unwinding QR 3m
- **Provisions, trade and other payables increased by QR 54m** due to timing of regulatory and vendor payments



# Q1 FY 2022 Financial Performance

## Mobility ARPU\* | QR



**Mobility ARPU decreased QR 4.7 YoY** as a result of increase in prepaid subscriber mix in the overall customer base

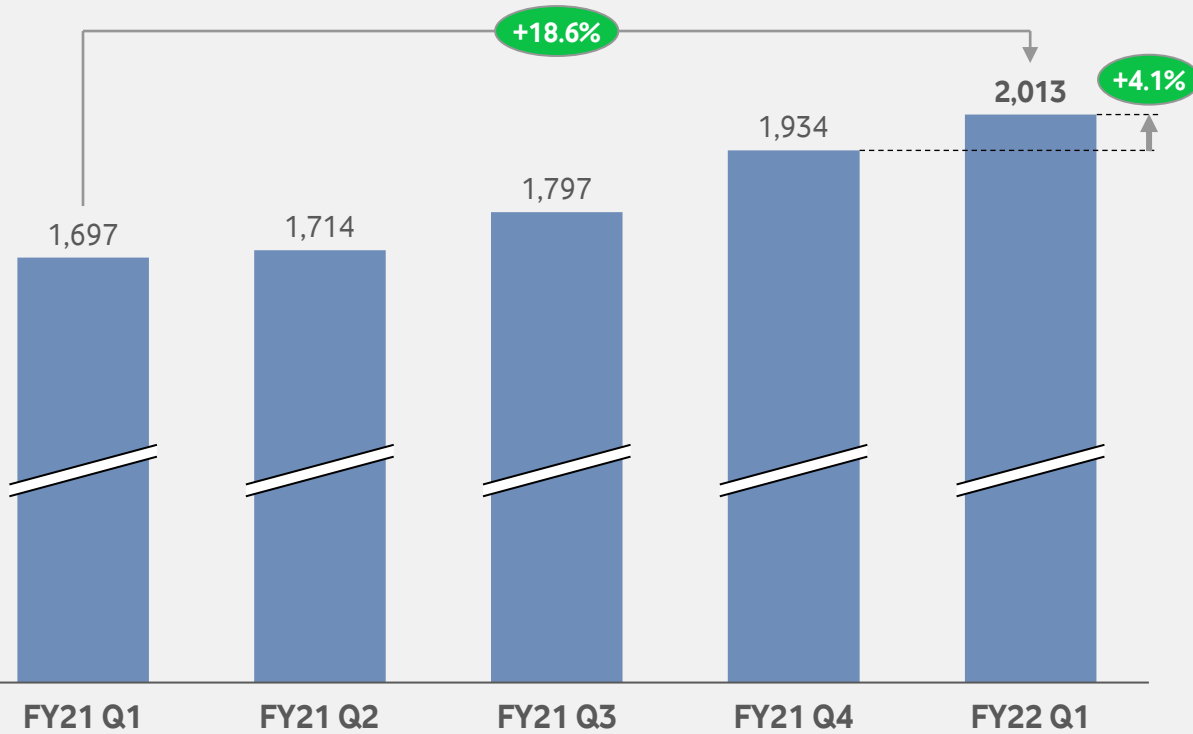


\*The previously reported ARPU is restated to exclude any revenue from customers, who are not included as part of mobility customers

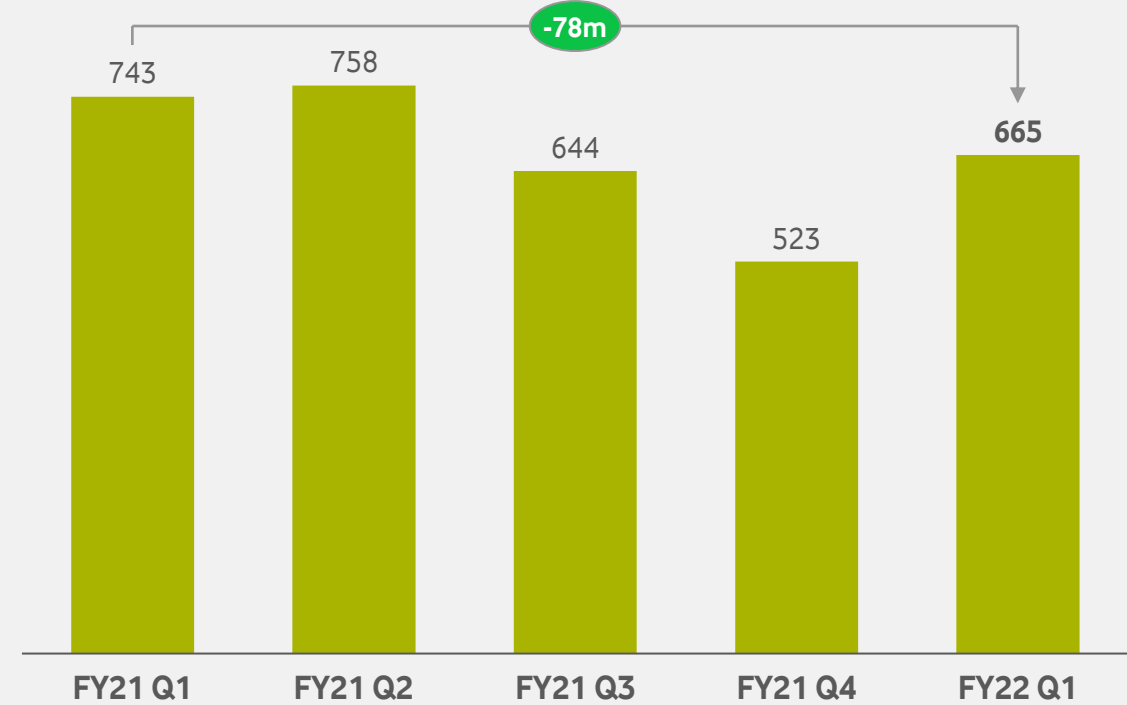
# Q1 FY 2022 Financial Performance

## Mobile Customers & Net Debt

Mobile Customers  
(‘000)



Net Debt  
(QRm)





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