

Vodafone Qatar P.Q.S.C.

Financial results:
Six months ended 30 June 2022

10 August 2022



Quarterly Highlights

Hamad Al-Thani
Chief Executive Officer



Executive Summary : Key Messages



Profitable Growth Continues



- **H1 FY'22 Total Revenue +23.5% Y/Y**
18 consecutive quarters of Y/Y revenue growth.
- **H1 FY'22 Net Profit +61.3% Y/Y**
Net Profit grows to QR 216mn in H1 FY'22.

- **9.2% Return on Equity as at June 2022***
Continuously improving our competitiveness in our effort to generate shareholder value.



Our Results Outperform the Market



- **Revenue Market Share +2.9pts Y/Y in Q2 FY'22****
Growth resulting in total RMS of 27.0% in Q2 FY'22.

- **Growth Leader in the Region**
Our analysis of publicly listed Telecom companies in GCC markets indicates that we are one of the fastest growing operators in terms of Y/Y revenue and EBITDA performance in Q1 FY22.



Critical Performance Drivers



- **Enhanced Coverage & Capacity**
+61% increase in Radio Access Network Sites since 2017. We are well-poised to provide a world class telecom & digital experience to the expected fans and visitors.

- **Customer Experience**
Our Digitalization initiatives are delivering value. Consistently transforming customer touch-points and channels; backed extensively by digitalization, effective channel strategy, AI and analytics.



Mixed Macroeconomic Environment



- **Population**
Positive annual growth trend in population, but with seasonal decline in Q2 as anticipated.

- **Challenging Global Environment**
Business continuity and risk management continues to be a strategic priority.

FY22 H1 : Financial Performance

Masroor Anjum
Chief Financial Officer



Key Highlights



Strong revenue growth

- Total revenue grows 23.5% led by service revenue growth and projects revenue
- Growth across all revenue segments



Cost efficiency

- OPEX increase remained lower than revenue growth despite significant expansion in network and increase in subscribers, led by cost optimisation



Continuing profitability growth

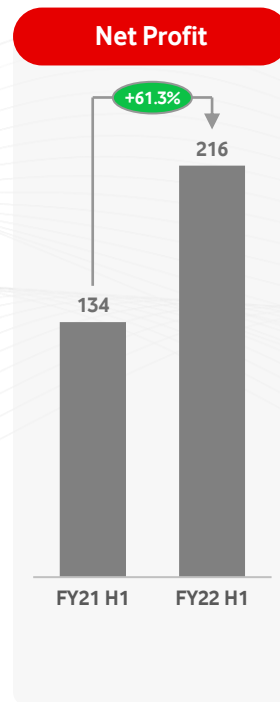
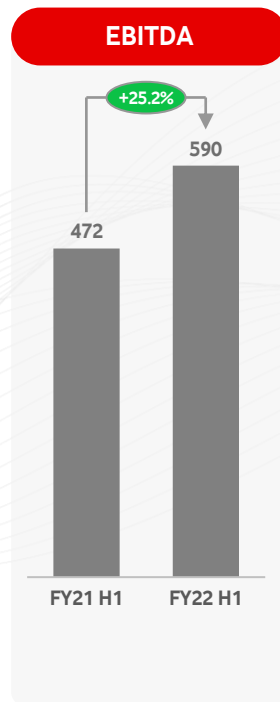
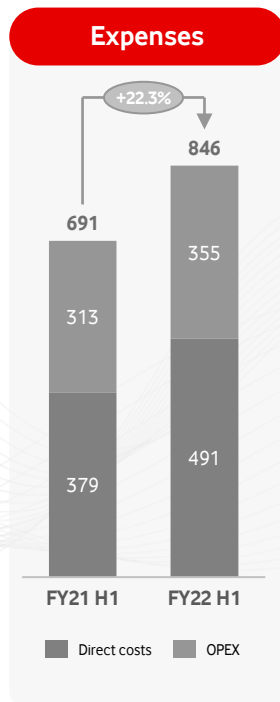
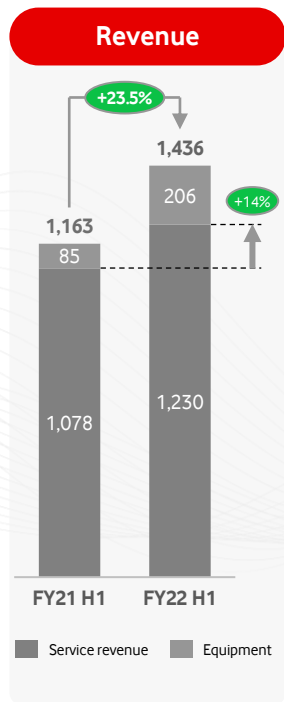
- Net profit QR 216m, 61.3% growth YoY
- EBITDA QR 590m, 25.2% increase YoY
- EBITDA margin of 41.1%, 0.5ppts increase YoY



Strong subscriber growth

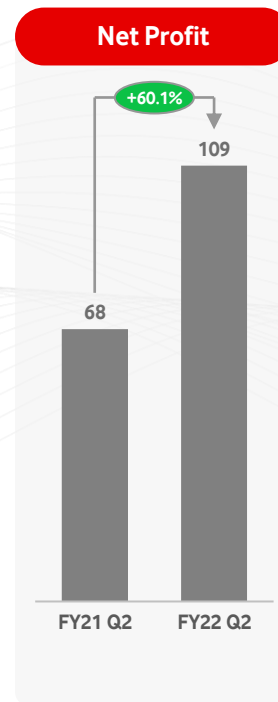
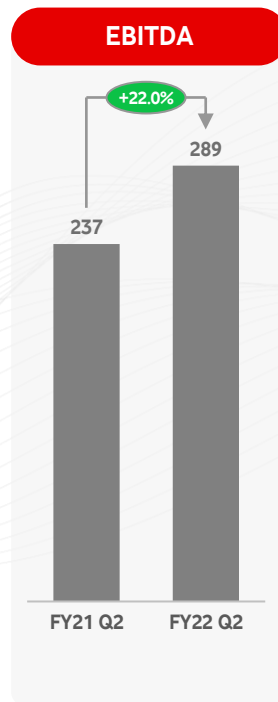
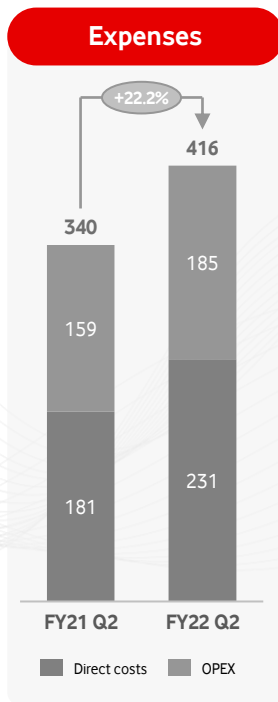
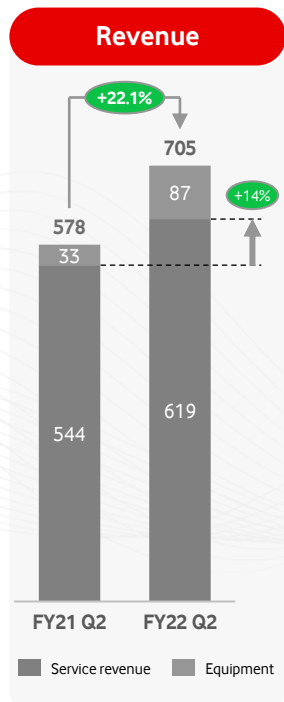
- Mobility subscribers grew 17.6% YoY and exceeded 2 million customers

FY22 H1 Year on Year : Strong performance across all financial KPIs



- Total revenue growing by 23.5% (QR 273m) led by service revenue growth (+14%) and projects revenue
- Expenses higher primarily due to growth in revenue and network expansion
- EBITDA growing by 25.2% primarily driven by service revenue growth
- EBITDA Margin 41.1%, 0.5ppts higher YoY
- Net profit growing by 61.3% resulting from higher EBITDA

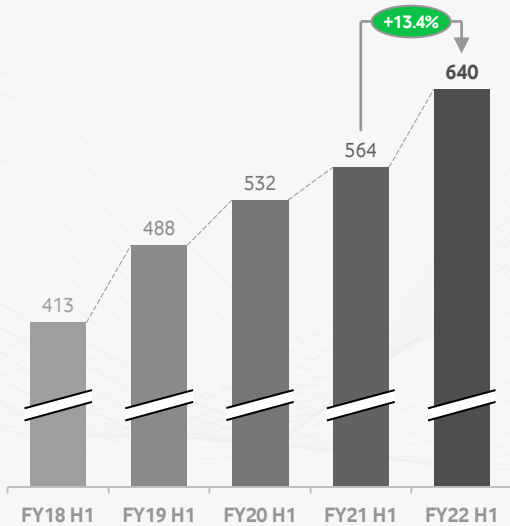
FY22 Q2 Year on Year : Topline growth continues to drive profitability



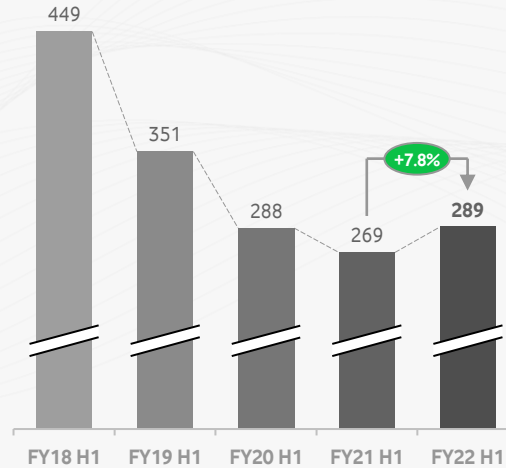
- Total revenue growth of 22.1% (QR 128m) led by service revenue and projects
- Growth in revenue and network expansion driving higher expenses
- EBITDA 22% higher following higher service revenue
- Net profit increased 60.1% resulting from higher EBITDA

Service Revenue : Subscriber growth driving increase in revenue

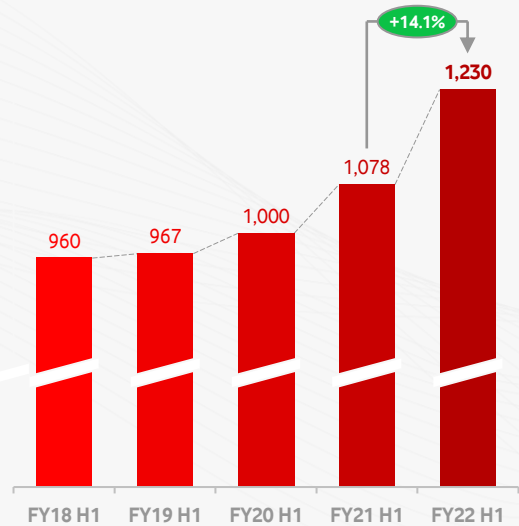
Postpaid



Prepaid



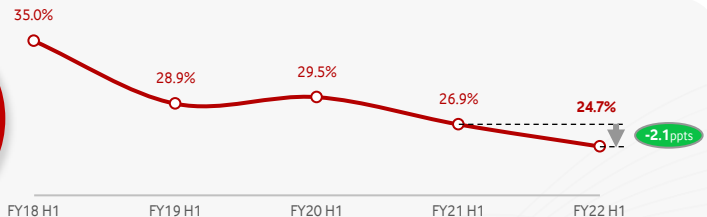
Total service revenue



FY22 H1 Year on Year : Improving efficiency and margins

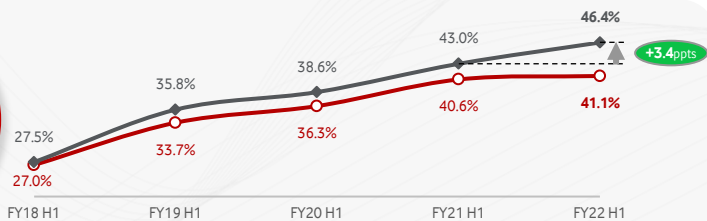
○ Reported ◆ EBITDA Margin excl. equipments

OPEX Intensity



- **OPEX intensity of 24.7%** (-2.1 pts YoY) as a result of continued cost optimisation despite network expansion
- **10 ppts improvement since FY18**

EBITDA Margin



- **Underlying EBITDA margin** (excl. equipment) of **46.4%** (+3.4 ppts YoY) led by growth in service revenue and continued cost optimisation
- **Reported EBITDA margin at 41.1%**, grew 0.5 ppts YoY

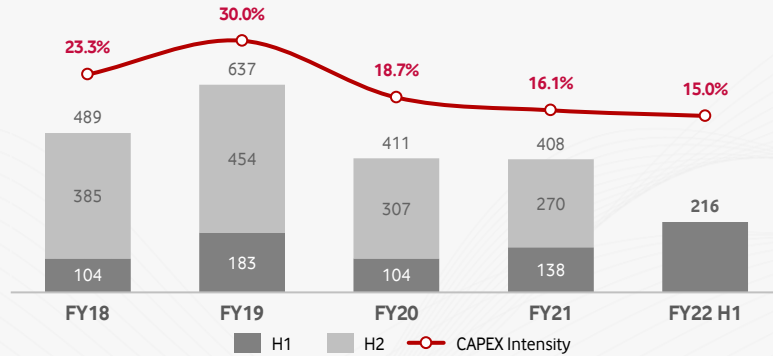
Net Profit Margin



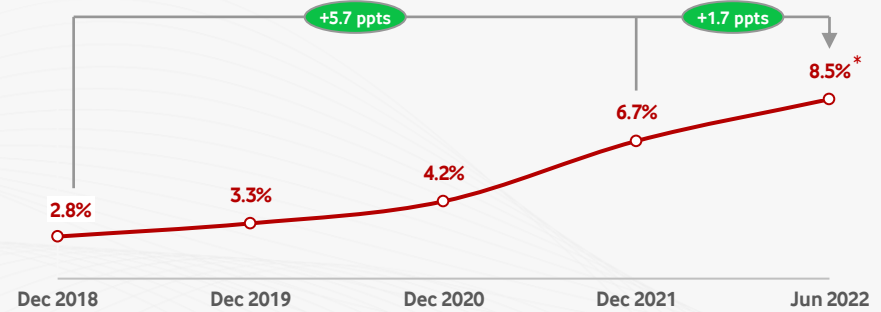
- **Net Profit margin of 15.1%** (+3.5 ppts YoY) led by growth in EBITDA
- **3.3x margin expansion** since FY18

Capital Expenditure : Investments driving profitable growth

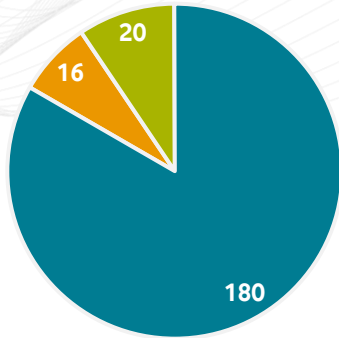
Capital expenditure (CAPEX)



Return on capital employed (ROCE*)



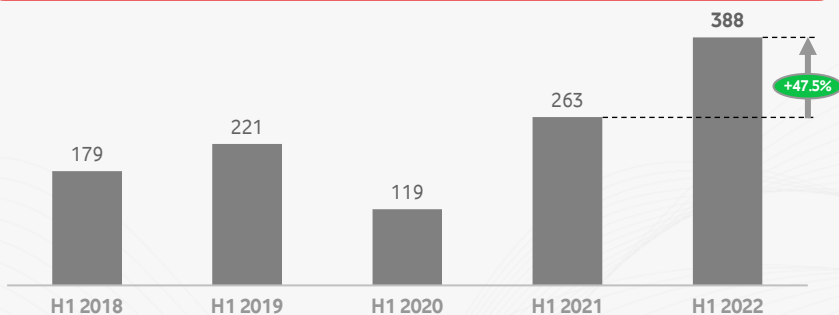
- Capabilities & IT Transformation
- Coverage & capacity expansion
- Capacity run & maintenance



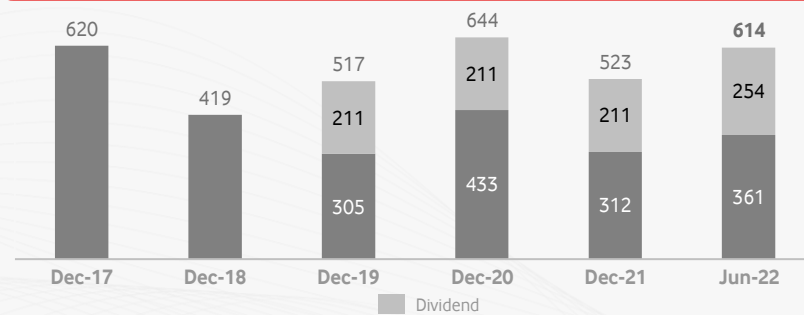
- CAPEX investment QR 216m during H1 FY22 focusing on:
 - Capacity expansion and coverage footprint enhancement
 - Enhancing digital capabilities and products
 - Investments to maintain the network
- FY22 full year CAPEX intensity expected to be between 20% to 23%

Cash Flows from Operations : Funding investments and dividends

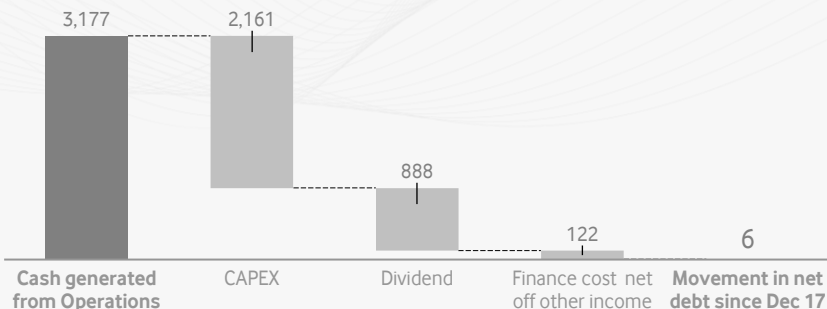
Cash generated from operations*



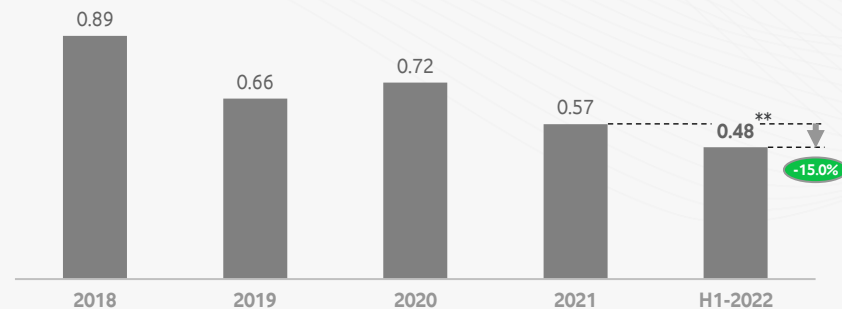
Net Debt



Cash Flow since FY18



Net debt to EBITDA



FY22 H1 : Statutory results summary

QR m (unless otherwise stated)	30 Jun 22	30 Jun 21	YoY
Consumer revenue	797	707	90
Enterprise, equipments and other revenue	639	456	183
Total revenue	1,436	1,163	273
Direct costs	(491)	(379)	(112)
Operational expenses	(355)	(313)	(43)
Depreciation and amortisation	(329)	(302)	(27)
Industry fee	(25)	(15)	(9)
Financing costs and other income	(20)	(20)	(0)
Profit for the period	216	134	82
Basic and diluted earnings per share (in QR)	0.051	0.032	0.019

- Total revenue growth led by service revenue (+14%) and projects revenue
- Higher direct costs reflecting revenue growth
- Operational expenses higher due to network expansion and customer growth, partially offset by cost optimization
- Depreciation and amortization higher as a result of CAPEX and accelerated depreciation following modernisation of assets

APPENDIX



Consolidated Statement of Income

QR m (unless otherwise stated)	Six months ended		
	30 Jun 22	30 Jun 21	YoY
Consumer revenue	797	707	90
Enterprise, equipments and other revenue	639	456	183
Total revenue	1,436	1,163	273
Interconnection and other direct expenses	(477)	(366)	(111)
Provision for expected credit losses	(13)	(13)	(1)
Network and other operational expenses	(229)	(198)	(30)
Employees' salaries and benefits	(126)	(114)	(12)
Depreciation of property, plant and equipment	(174)	(158)	(17)
Amortisation of intangible assets	(103)	(93)	(10)
Depreciation of right-of-use assets	(51)	(51)	0
Industry fee	(25)	(15)	(9)
Operating profit	237	154	82
Finance costs	(14)	(16)	2
Other financing costs	(9)	(5)	(5)
Other income	3	0	2
Profit for the period	216	134	82
Basic and diluted earnings per share (in QR)	0.051	0.032	0.019

- Total revenue growth led by service revenue (+14%) and projects revenue
- Higher interconnect and other direct expenses reflecting revenue growth
- Network and other operational expenses increased due to network expansion and customer growth offset by cost optimization
- Depreciation and amortization higher as a result of CAPEX and accelerated depreciation following modernisation of assets

Consolidated Statement of Financial Position

QR m (unless otherwise stated)	30 Jun 22	31 Dec 21	Var
Property, plant and equipment	1,656	1,638	18
Intangible assets	4,089	4,169	(80)
Right-of-use assets	276	291	(15)
Trade and other receivables	141	92	49
Total non-current assets	6,162	6,190	(28)
Inventories	29	35	(5)
Trade and other receivables	425	389	36
Cash and bank balances	156	190	(33)
Total current assets	611	613	(3)
Total assets	6,772	6,803	(31)
Share capital	4,227	4,227	-
Legal reserve	110	97	13
Retained earnings	217	273	(56)
Total equity	4,554	4,596	(43)
Loans and borrowings	564	506	58
Lease liabilities	173	197	(24)
Provisions	91	83	8
Total non-current liabilities	828	786	42
Loans and borrowings	206	206	0
Lease liabilities	144	136	8
Trade and other payables	1,040	1,078	(38)
Total current liabilities	1,390	1,420	(30)
Total equity and liabilities	6,772	6,803	(31)

Assets

- Property, plant & equipment and intangible assets decreased by QR 62m due to depreciation and amortisation QR 278m offset by CAPEX of QR 216m
- Right of use assets decreased by QR 15m as a result of depreciation QR 51m offset by new leases QR 36m
- Trade and other receivables QR 85m higher driven by projects, prepayments and growth in billed revenue

Equity

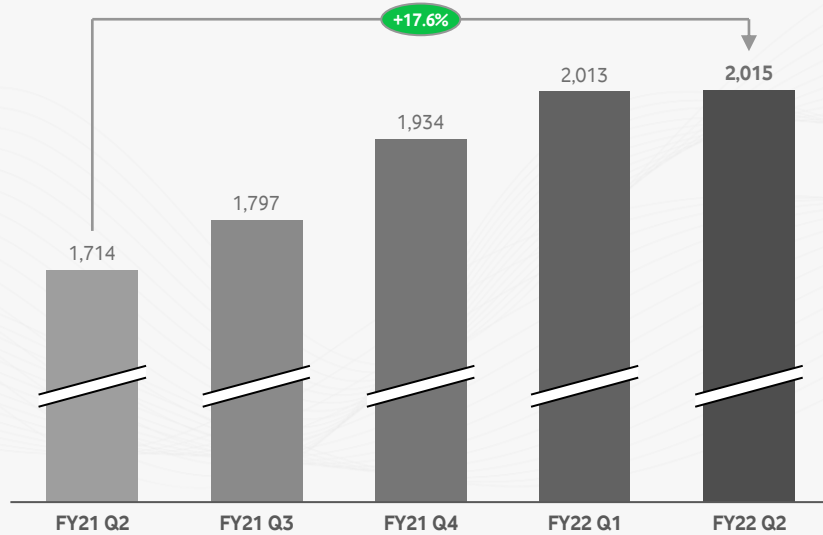
- Equity decreased by QR 43m following dividend payment offset by the net profit for the period

Liabilities

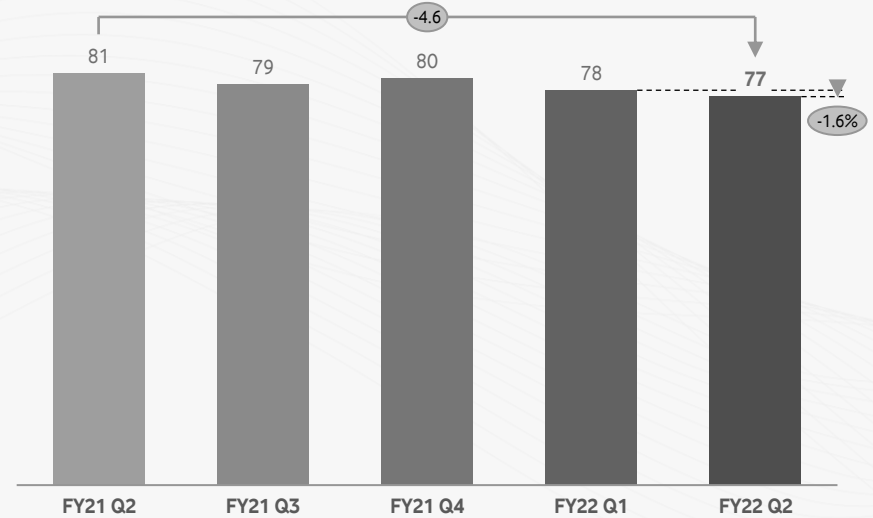
- Loans and borrowings QR 58m higher following dividend payment
- Lease liabilities QR 16m lower due to payments QR 58m partially offset by new leases QR 36m and interest unwinding QR 6m
- Trade and other payables decreased by QR 38m due to timing of payments

Mobility Subscribers & ARPU

Subscribers ('000)



ARPU (QR)



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