

# Vodafone Qatar P.Q.S.C.

Financial results: Half year ended 30 June 2021



15 July 2021



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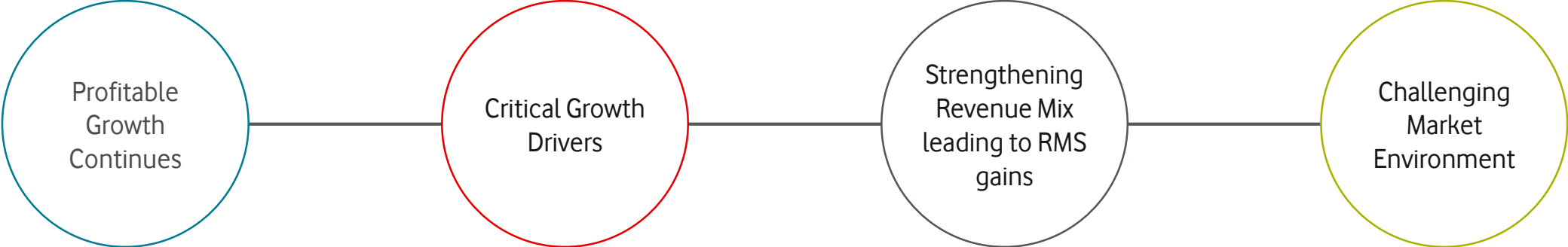
# Quarterly Highlights

Hamad Al Thani  
Chief Executive Officer

1



# Executive Summary | Key Messages



**FY21 H1 Total Revenue**  
**+8.5% Y/Y**  
14 consecutive Y/Y quarterly total revenue growth

**Enhanced Coverage & Capacity**  
Radio Access Network sites expanded +41% sites since 2017

**RMS +1.3pts Y/Y**  
RMS reached 24.1% in FY21 Q1 on a TTM basis

**Population**  
Population declined by 5.2% Q/Q and by 10.4% Y/Y largest decline observed

**FY21 H1 Net Profit**  
**+65.5% Y/Y**  
Quarterly Net Profit more than doubles Y/Y in FY21 Q2

**Improved Mobility ARPU**  
Mobility ARPU increased Y/Y by 3% in FY21 Q2

**Expanding Managed Services**  
Promising pipeline for our recently launched IoT Fleet Management Platform

**Market Value Erosion**  
The overall market declined by QR 36m as of FY21 Q1 on a TTM basis representing a Y/Y decline of 0.4%



# Financial Review

Masroor Anjum  
Chief Financial Officer (Acting)

2



# FY21 H1 Financial Performance | Highlights

## Strong Revenue growth YoY

- Total Revenue grows 8.5% led by service revenue increase of 7.8% and higher handset sales
- FY21 Q2 Service revenue is the highest ever

## Cost control

- Expenses stable YoY despite revenue increase and infrastructure growth, led by cost optimisation

## Highest ever profitability levels

- Reported EBITDA Margin of 40.6%
- EBITDA QR 472m, 21.1% higher YoY
- Net Profit QR 134m, 65.5% growth YoY

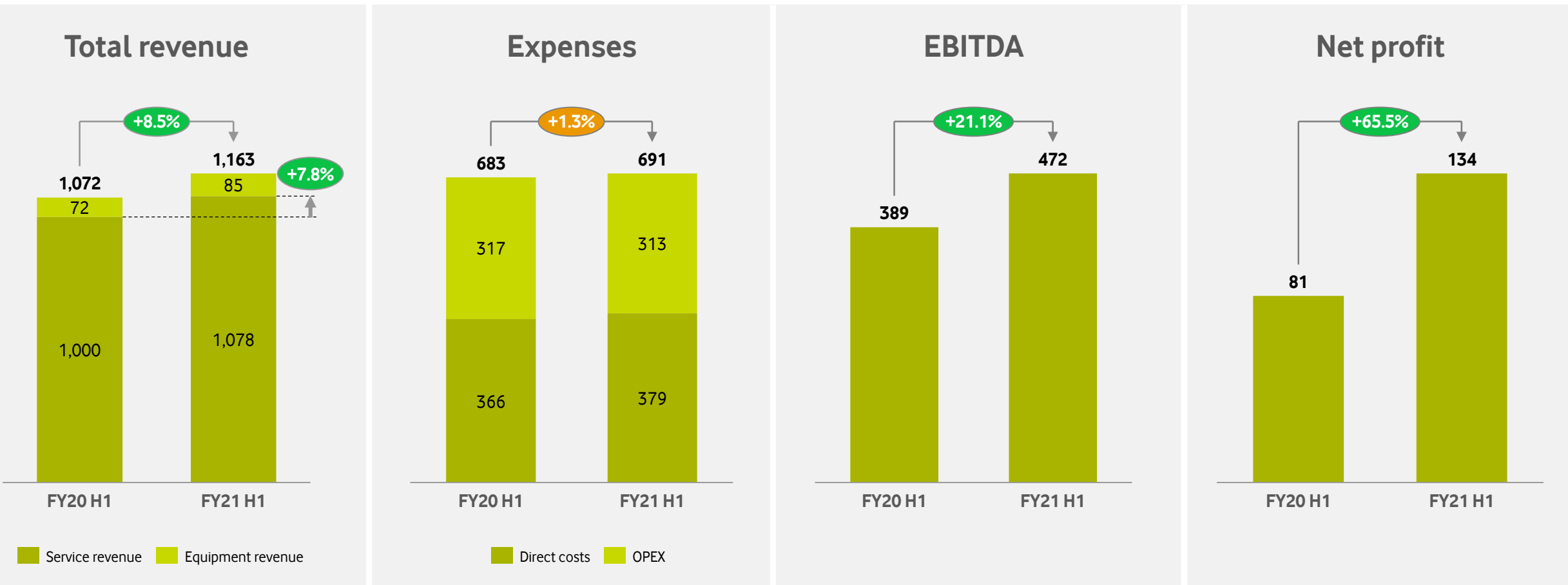
## Growing mobility subscribers

- Subscribers grew 3.1% (51k) during FY21 H1 despite 6.7% population decline since December 2020



# FY21 H1 Financial Performance

Year on Year (QRm)



- 1 Total revenue 8.5% (QR 91m) higher led by 7.8% growth in service revenue
- 2 Expenses higher by 1.3% due to growth in direct cost corresponding to higher revenue partially offset by cost optimisation savings
- 3 EBITDA 21.1% (or QR 83m) higher led by growth in service revenue. Reported EBITDA Margin of 40.6%, 4.2 pts higher YoY
- 4 Net profit 65.5% (or QR 53m) higher following EBITDA growth partially offset by higher depreciation



# FY21 Q2 Financial Performance

Year on Year (QRm)



- 1 Total revenue grew 8.7% led by service revenue growth of 10.6%
- 2 Expenses QR 2m lower due to cost optimization despite growth in revenue and higher operational costs (fixed and 5G)
- 3 EBITDA QR 47m higher led by service revenue growth. Reported EBITDA Margin of 41.1%, 5.4 ppts higher YoY
- 4 Net profit QR 35m higher following EBITDA flow through partially offset by higher depreciation

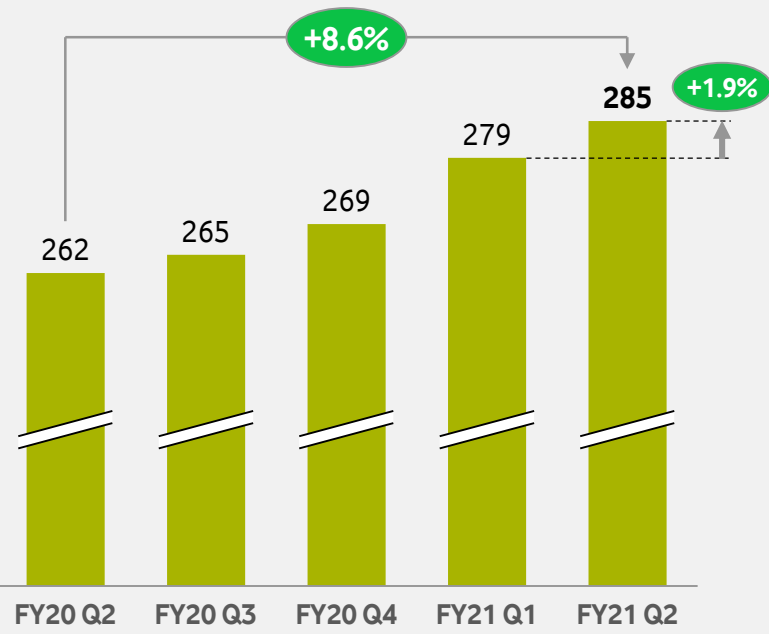




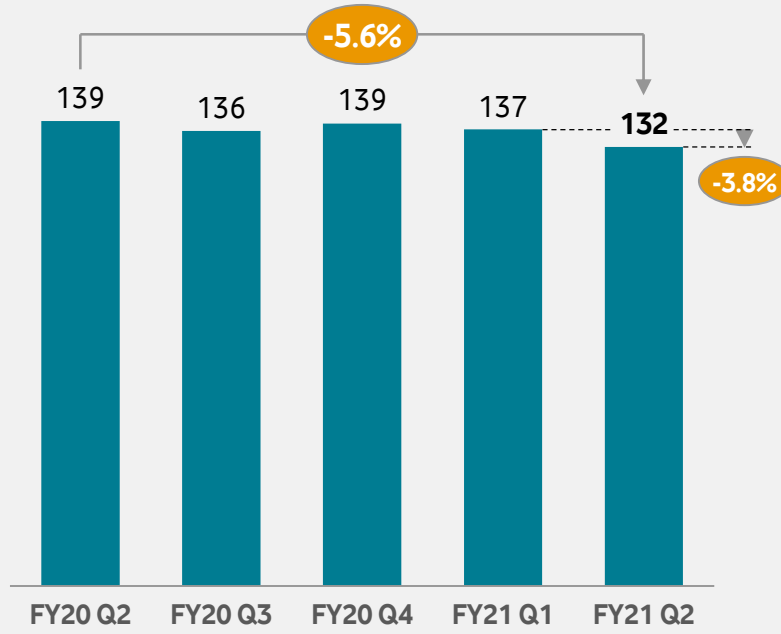
# FY21 Q2 Financial Performance

## Service revenue (QRm)

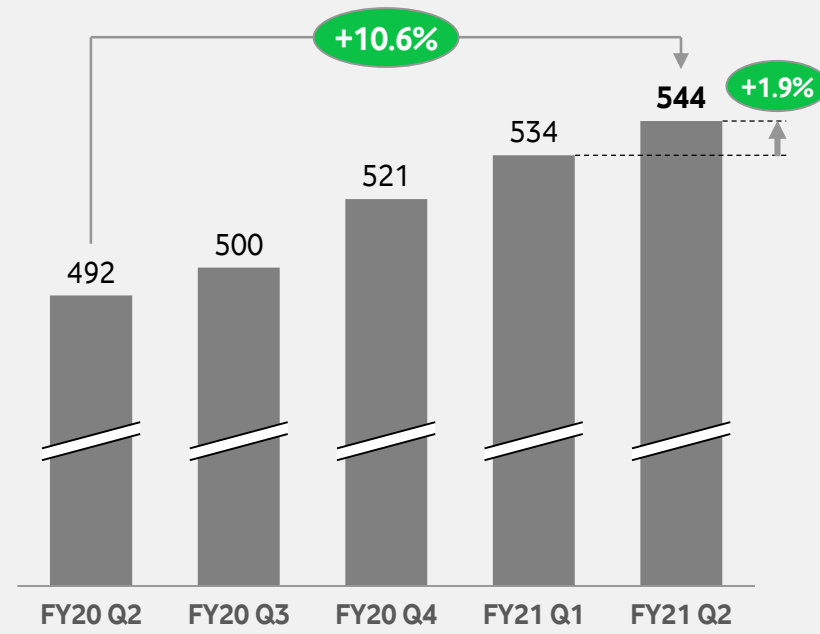
### Postpaid Revenue



### Prepaid Revenue



### Total Service Revenue

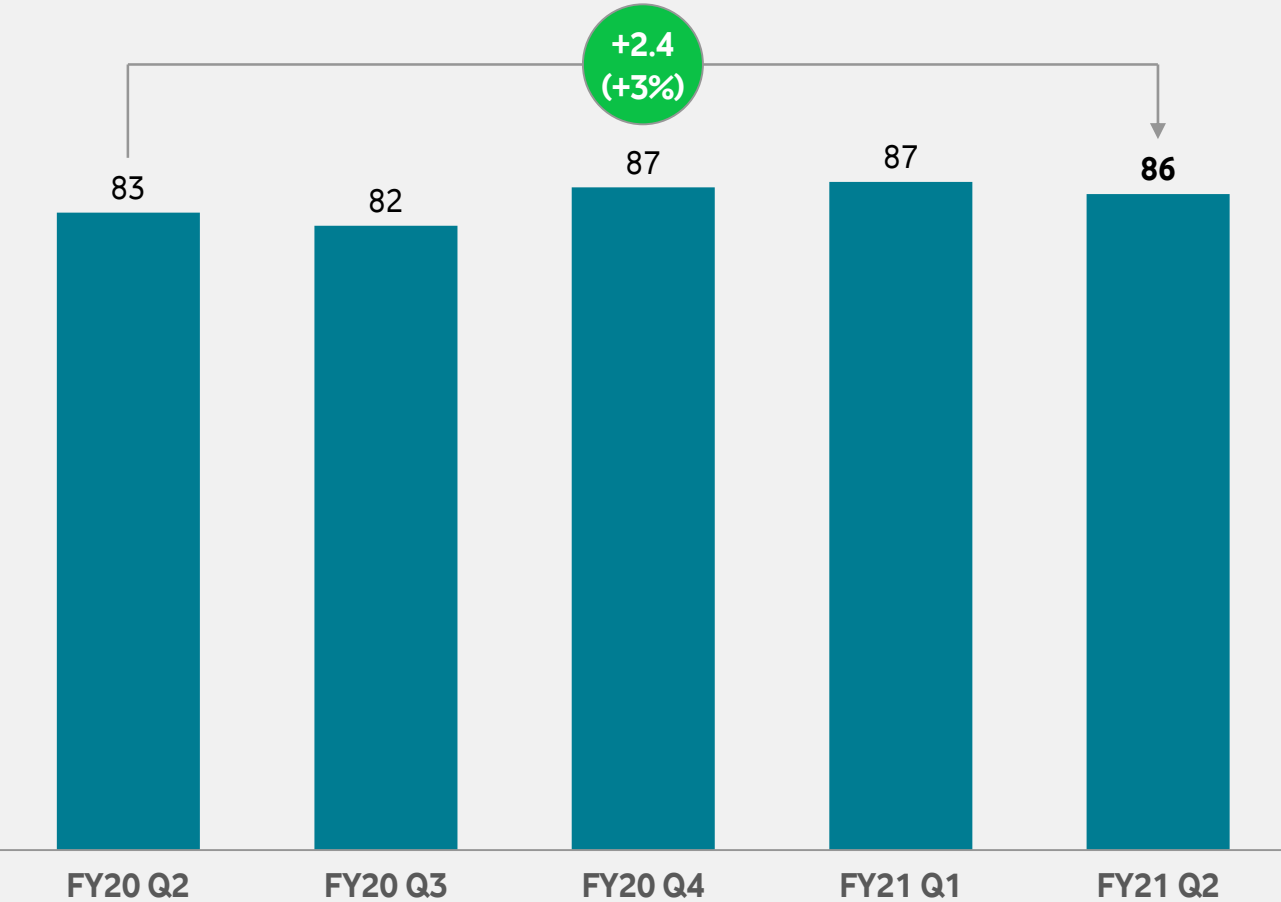


- 1 Postpaid revenue grew 8.6% YoY mainly driven by higher ARPU
- 2 Prepaid revenue declined by 5.6% YoY as a result of lower population and an overall declining market
- 3 Total service revenue 10.6% higher driven by growth in postpaid, fixed and other revenue segments



# FY21 Q2 Financial Performance

## Mobility ARPU (QR)

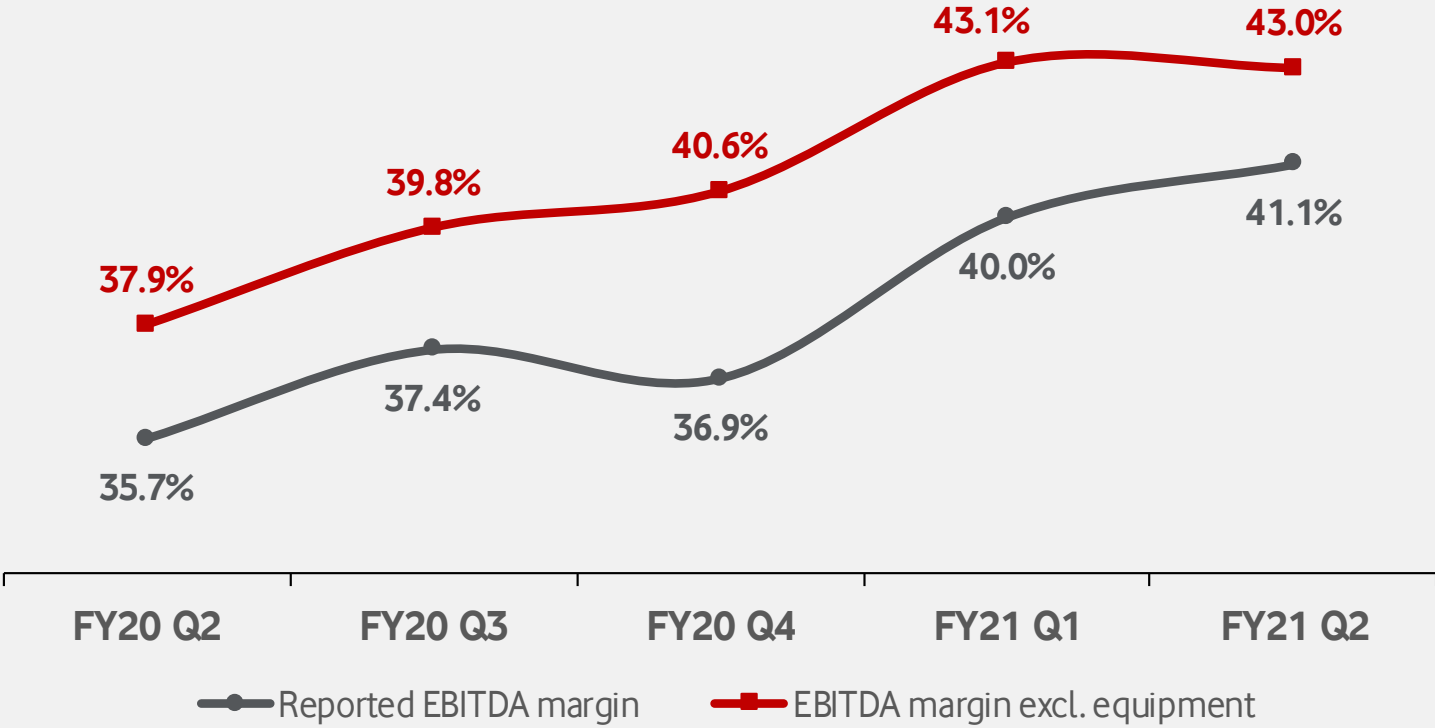


Mobility ARPU increases QR 2.4 YoY driven by growth in postpaid ARPU



# FY21 Q2 Financial Performance

## EBITDA Margin



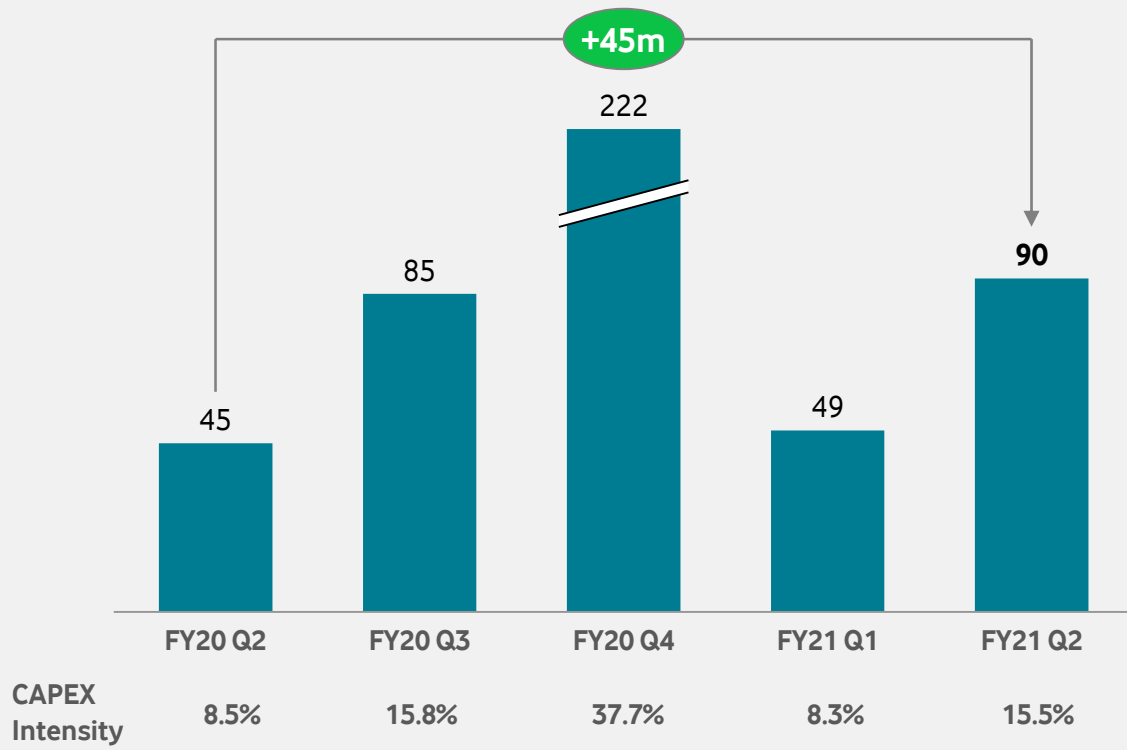
- **Underlying EBITDA margin of 43% (growth of 5.1 pts YoY)** led by growth in service revenue and continued cost optimisation initiatives
- **Reported Margin at 41.1% grows 5.4 pts YoY, highest ever**



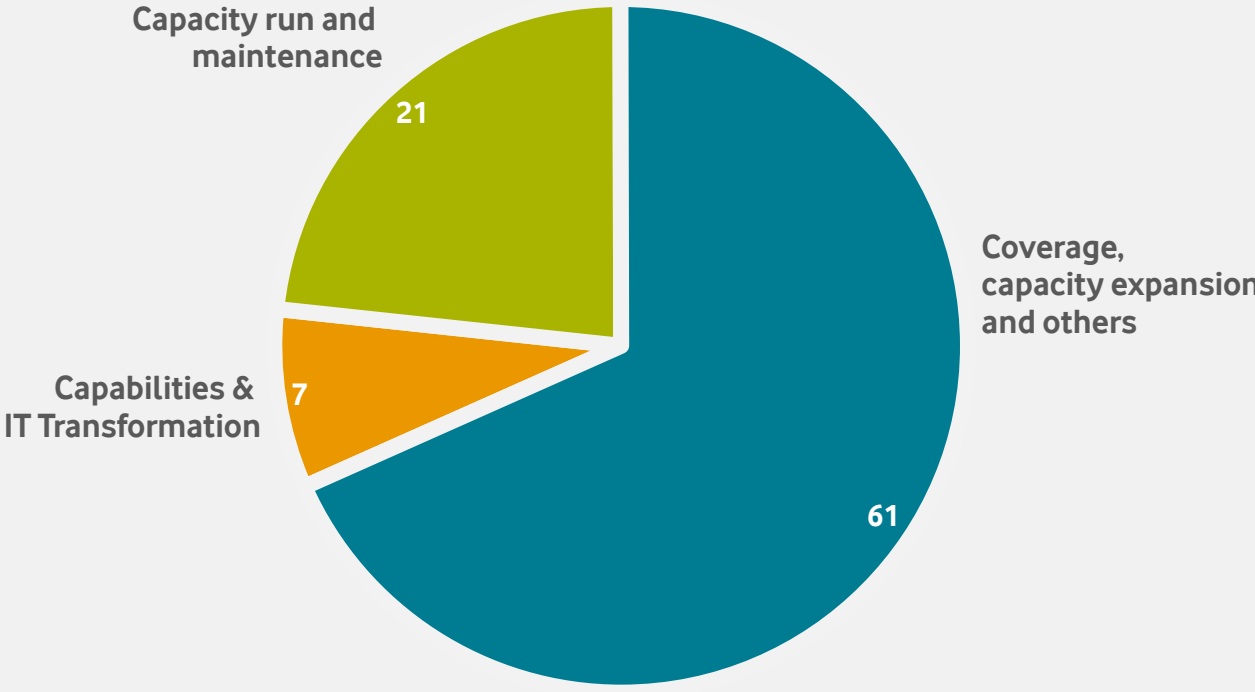
# FY21 Q2 Financial Performance

## CAPEX (QRm)

### Total CAPEX



### Quarterly CAPEX Mix



### CAPEX investment QR 90m focusing on:

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





# Consolidated Statement of Income

Six months ended 30 June 2021

## COMMENTARY

QR m (unless otherwise stated)	Six months ended		
	30 Jun 21	30 Jun 20	YoY
Consumer revenue	707	684	22
Enterprise, equipments and other revenue	456	388	68
<b>Total revenue</b>	<b>1,163</b>	<b>1,072</b>	<b>91</b>
Interconnection and other direct expenses	(379)	(366)	(13)
Network, rentals and other operational expenses	(198)	(205)	7
Employee salaries and benefits	(114)	(111)	(3)
Depreciation of property, plant and equipment	(158)	(122)	(36)
Amortisation of intangible assets	(93)	(91)	(2)
Depreciation of right-of-use assets	(51)	(53)	2
Industry fee	(15)	(9)	(7)
<b>Operating profit</b>	<b>154</b>	<b>115</b>	<b>40</b>
Finance costs	(16)	(22)	6
Other financing costs	(5)	(13)	8
Other income	0	1	(1)
<b>Profit for the period</b>	<b>134</b>	<b>81</b>	<b>53</b>
<b>Basic and diluted earnings per share (QR per share)</b>	<b>0.032</b>	<b>0.019</b>	<b>0.013</b>



- Total revenue 8.5% (QR 91m) higher led by 7.8% growth in service revenue
- Interconnect and other direct expenses QR 13m higher primarily driven by higher handset sale
- Network, rentals and other operational expenses decreased by QR 7m due to cost optimisation benefits despite increase in fixed and 5G operational costs
- Employment costs QR 3m higher
- Depreciation and amortization QR 36m higher as a result of CAPEX investment and accelerated depreciation for old assets
- Finance costs decreased by QR 6m due to reduction in interest rates and lower net debt
- Other financing costs decreased by QR 8m due to extinguishment of a previously recognised liability

# Appendix



# Consolidated Statement of Financial Position



As at 30 June 2021

QR m (unless otherwise stated)	30 Jun 21	31 Dec 20	Var
Property, plant and equipment	1,590	1,647	(57)
Intangible assets	4,224	4,280	(56)
Right-of-use assets	323	372	(48)
Trade and other receivables	25	30	(4)
<b>Total non-current assets</b>	<b>6,162</b>	<b>6,328</b>	<b>(165)</b>
Inventories	20	22	(2)
Trade and other receivables	387	305	82
Cash and bank balances	180	175	5
<b>Total current assets</b>	<b>587</b>	<b>502</b>	<b>85</b>
<b>Total assets</b>	<b>6,749</b>	<b>6,829</b>	<b>(80)</b>
Share capital	4,227	4,227	-
Legal reserve	85	76	9
Retained earnings	96	185	(89)
<b>Total equity</b>	<b>4,408</b>	<b>4,489</b>	<b>(81)</b>
Loans and borrowings	733	615	118
Lease liabilities	229	283	(54)
Provisions and trade payables	132	157	(24)
<b>Total non-current liabilities</b>	<b>1,094</b>	<b>1,054</b>	<b>39</b>
Loans and borrowings	205	205	-
Lease liabilities	127	113	15
Trade and other payables	915	969	(53)
<b>Total current liabilities</b>	<b>1,248</b>	<b>1,287</b>	<b>(39)</b>
<b>Total equity and liabilities</b>	<b>6,749</b>	<b>6,829</b>	<b>(80)</b>

## COMMENTARY

### Assets

- **Property, plant and equipment and intangibles decreased QR 113m** due to depreciation QR 251m partially offset by CAPEX of QR 138m
- **Right of use assets QR 48m decreased** driven by depreciation QR 51m offset by new properties QR 3m
- **Trade and other receivables QR 78m higher** due to growth in revenue and higher prepayments.
- **Cash and bank balances QR 5m higher**

### Equity

- **Equity decreased by QR 81m** due to dividend payment offset by the net profit for the period

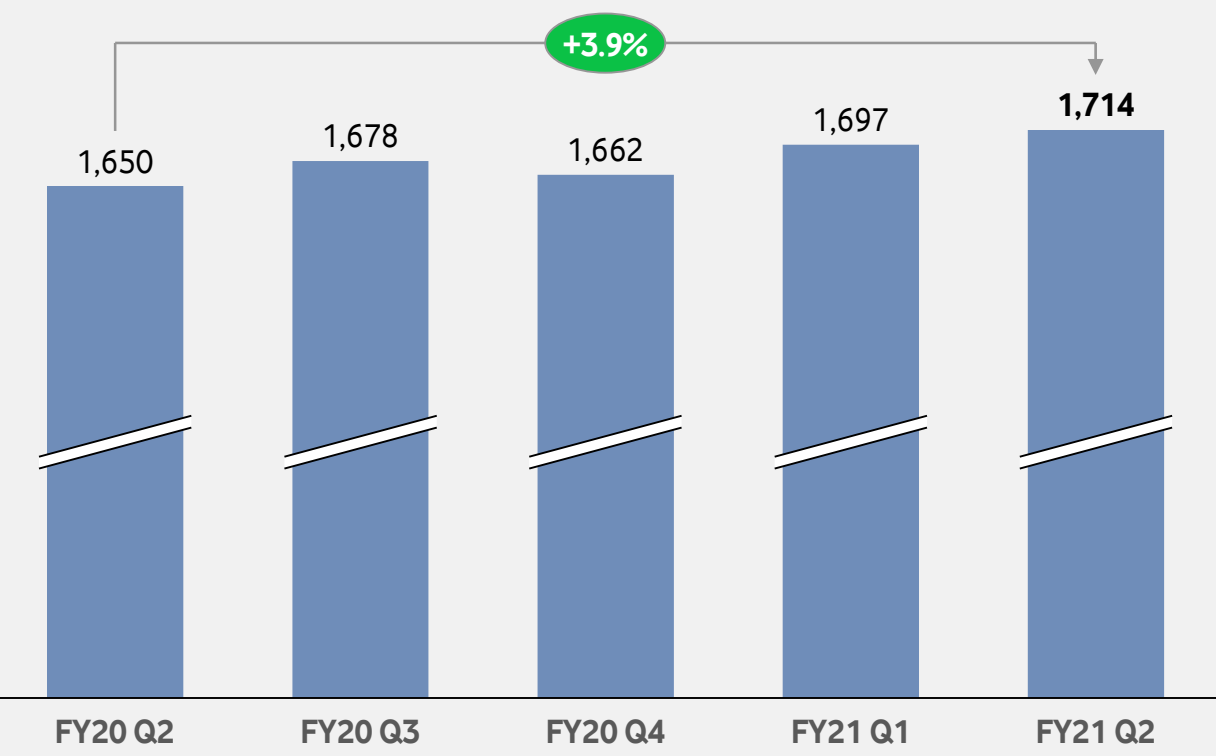
### Liabilities

- **Loans and borrowings QR 118m higher** due to drawdown
- **Lease liabilities QR 39m lower** due to lease payments QR 50m partially offset by lease unwinding QR 8m and new leases QR 3m
- **Provisions, trade and other payables decreased QR 77m** due to settlement of FY20 CAPEX liabilities, regulatory and other charges

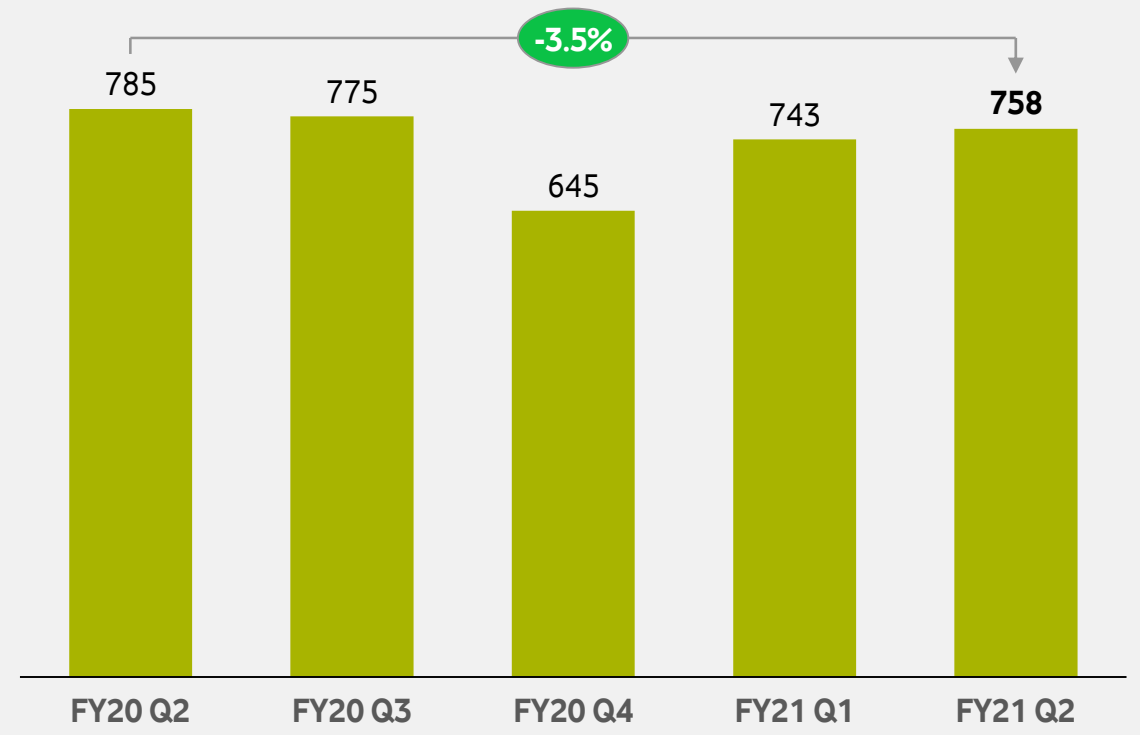


# Mobile Customers & Net Debt

Mobile Customers ('000)



Net Debt (QRm)





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