

Vodafone Qatar P.Q.S.C.

Financial Performance:
Year ended 31 December 2022



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Strategy and Performance Highlights

Hamad Al-Thani

Chief Executive Officer



Key Messages (1 / 2)



Best Ever Financial Results



- **Total Revenue exceeds 3 billion for the first time**
FY22 Total Revenue is QR 3,066m (+21.4% YoY)

- **Net Profit exceeds half a billion for the first time**
FY22 Net Profit is QR 502m (+53.4% YoY)



Strengthened Market Position



- **Revenue Market Share +3.1pts YoY**
RMS reached 27.5% in FY22 Q3 on a TTM* basis. Improved competitiveness with ever stronger and healthier revenue mix.

- **Mobility Customer Market Share +2.9pts YoY**
Mobility CMS reached 42.2% in FY22 Q3. Both prepaid and postpaid are contributing to the subscriber growth.



Exceptional Numbers During the Tournament Shows our Execution Capability



- **Commercial Highlights**
 - ✓ More than 419k Fan SIMs
 - ✓ 15million calls were made
 - ✓ ~1,188TB of data consumed by fans in stadiums**
 - ✓ 1.8 million total roamers
 - ✓ Public Wi-Fi service spanned over 4,000 buses, 1,000 taxis and QRail

- **Technology Highlights**
 - ✓ Average download speed at the stadiums was 707Mbps on 5G with maximum download speeds in excess of 1.89Gbps
 - ✓ Invested in a 1.2Tbps backbone capacity
 - ✓ Call setup rates remained high at 99.92%
 - ✓ Deployed more than 365 engineers and experts



Delivering Shareholder Value



- **Proposed Dividend**
Dividend of 10% per share (QR 0.10 per share)
This is subject to shareholder's approval in the upcoming AGA

Key Messages (2 / 2)

Consistently among the Regional Telco Growth Leaders



- ✓ We are consistently ranked as one of the fastest growing Telcos in GCC / Middle East
- ✓ We are one among the leaders across both Revenue and absolute EBITDA growth
- ✓ Our analysis shows sustained regional growth outperformance on a quarterly TTM basis for ~2 years

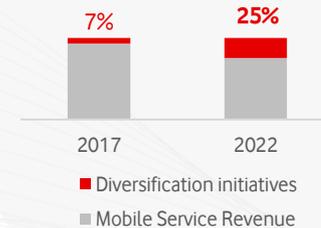
Network Investments on Track



- ✓ Radio Access Network sites +35% YoY
- ✓ >80% of outdoor network sites are 5G activated
- ✓ Deployed mmWave 5G which supports higher data speeds than other 5G spectrums reaching up to 4.6 Gbps on the downlink and 734Mbps on the uplink
- ✓ Upgraded the core network, capacity doubled YoY
- ✓ Fibre – Deployment at scale continues

Diversification Agenda is on Track

% of Service Revenue



- Our Diversification Initiatives include:
- Fixed
 - Managed Services
 - IoT
 - Big Data
 - FinTech

Continuing focus on CX & Innovation



- ✓ eKYC and eSignature feature along with eSim implemented for self activation of fan SIMs
- ✓ Real time tracking of digital orders with home delivery
- ✓ First IoT Tracker for consumers in Qatar
- ✓ Big Data as a Service offering to enterprises
- ✓ Guaranteed Home WiFi coverage
- ✓ Launched national campaign 'We Fan Together' in metaverse for the first time

Sustainability Matters



- ✓ **Sustainable Network:** incl continued change of power source to National Grid; and incorporating newer methodologies of deployment– e.g. RDMS
- ✓ **Connectivity and access:** Promoting digital inclusion and expand access to underserved communities.
- ✓ **2023 Focus:** Sustainability reporting; expanding our AmanTech program to focus on Digital Awareness & Wellbeing

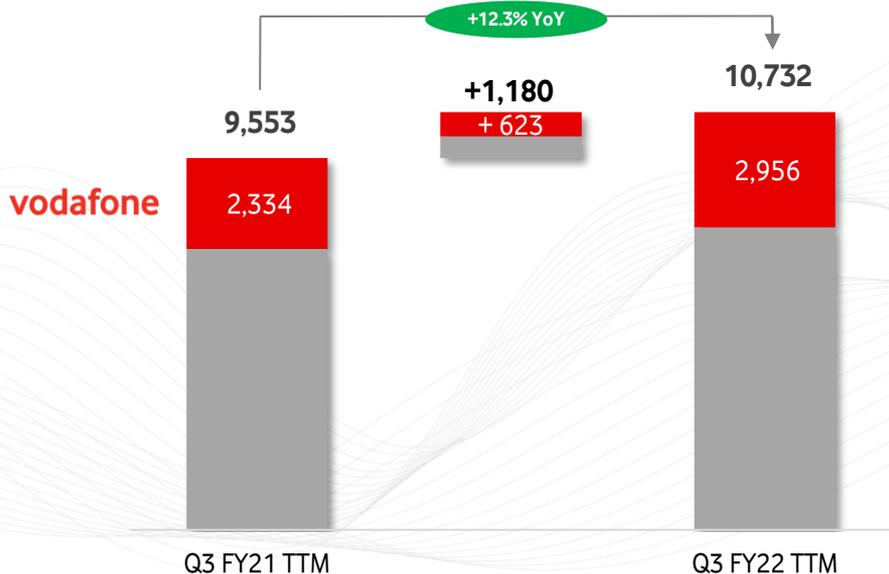
Planning for the Future



- ✓ Continued focus on the Customer – new products, services, and digitalization
- ✓ Work towards being the Enterprise Segment's partner of choice
- ✓ **Scale-up FinTech:** leverage iPay and our status as early market entrant with QCB license

Market Performance : VQ is Driving >50% of the Market Revenue Growth

Total Market Revenue (in QRmn)

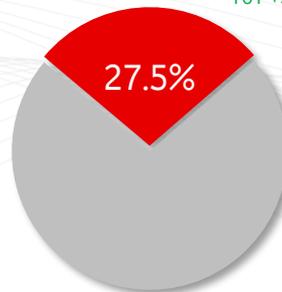


- Total market revenue has grown by 12.3% YoY in Q3 FY22 TTM
- Vodafone Qatar has accounted for 52.8% of the total market revenue growth (QR 623mn out of QR1,180mn) in Q3 FY22 TTM

Market Share

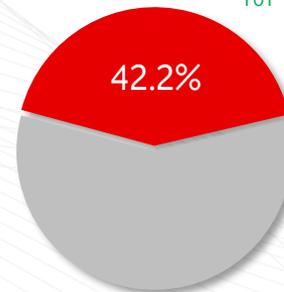
Total Revenue Market Share Q3 FY22 TTM

vodafone 
YoY +3.1pts



Mobility Subscriber Market Share Q3 FY22

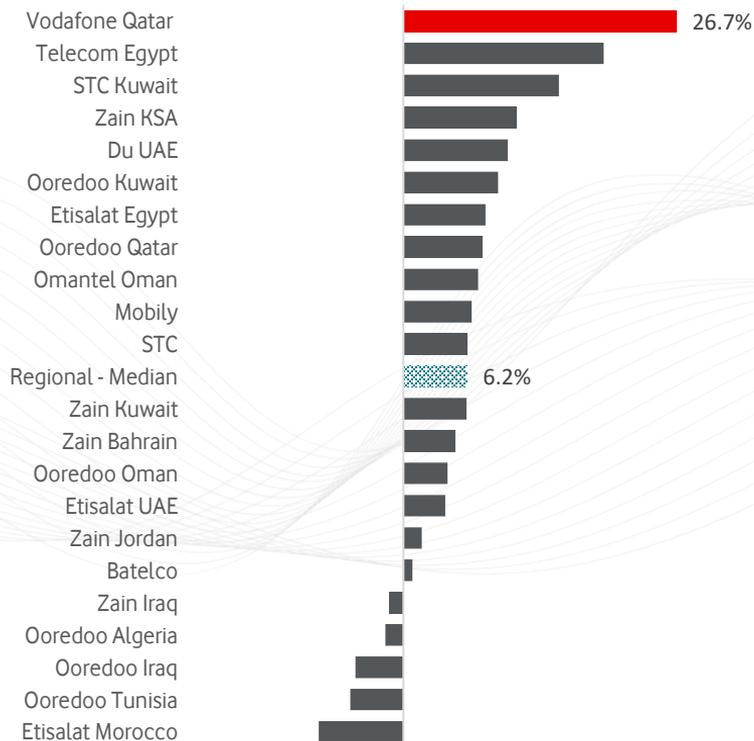
vodafone 
YoY +2.9pts



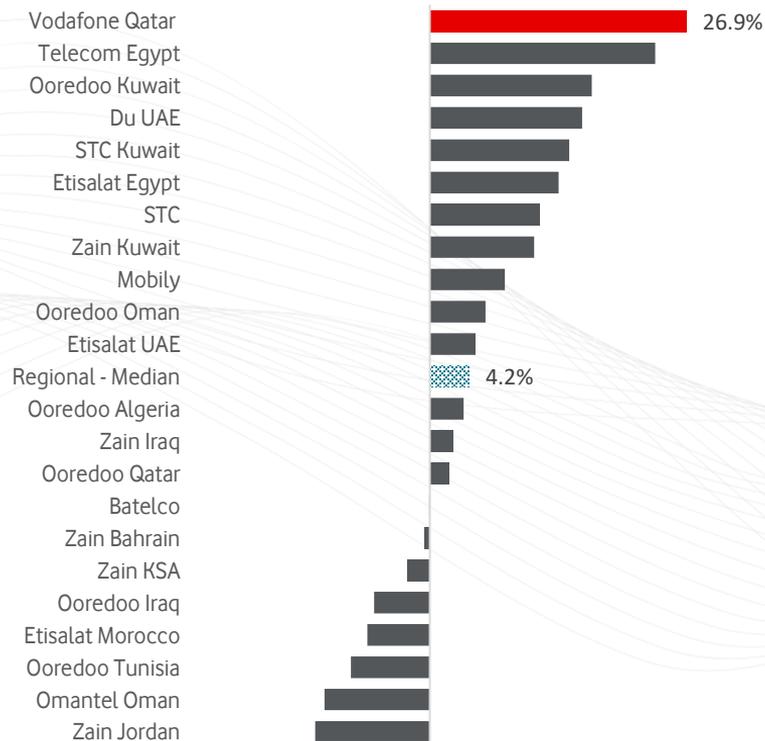
- Revenue market share has increased by 3.1pts YoY in Q3 FY22 TTM, with contributions from all business units
- Mobility subscriber market share stands above 42% in Q3 FY22

Regional Performance : Leader in Revenue and EBITDA Growth

Revenue Growth (Q3 FY22 TTM YoY)



EBITDA Growth (Q3 FY22 TTM YoY)



(*) Note: Figures are calculated on reported currency basis from company financial reports and presentations that are publicly available; (**) Note: Zain revenue and EBITDA growth calculation based on quarterly reported USD figures in investor presentations; (***) Note: STC and Batelco revenue and EBITDA on group level

Corporate Strategy : 5 Pillars of Success since 2018

GET THE FUNDAMENTALS RIGHT

SUSTAINABLE GROWTH

PLAN FOR TOMORROW

GENERATE VALUE

1

SIMPLIFY

Clear focus and commitment to common targets to reduce complexity & unlock growth

2

CUSTOMER EXPERIENCE

Always on, frictionless journeys at the moment of customer intent to differentiate against our competitor

3

GROW

Build world class infrastructure and lead the market with our products and services

4

DIVERSIFY

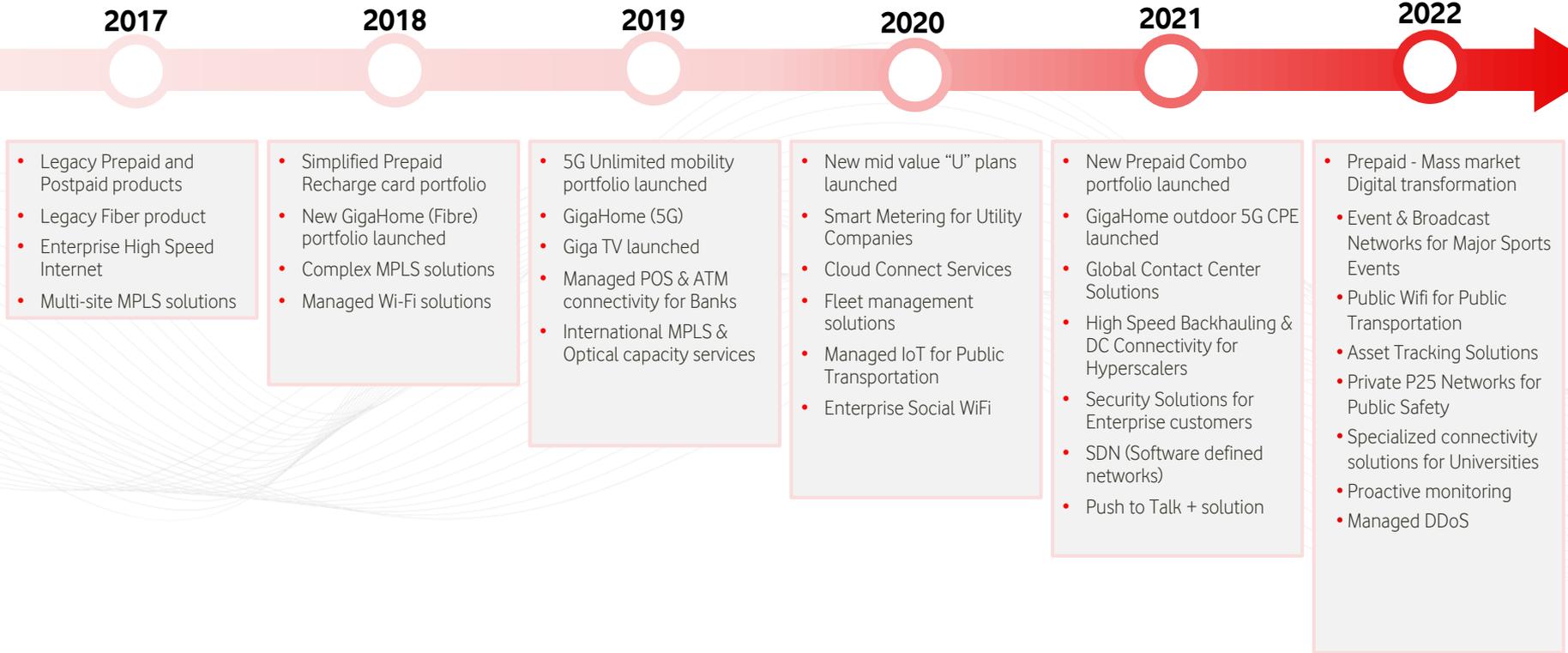
Pursue strategic partnerships and adjacent growth opportunities where and when it will deliver superior value to the company

5

RESPONSIBLE

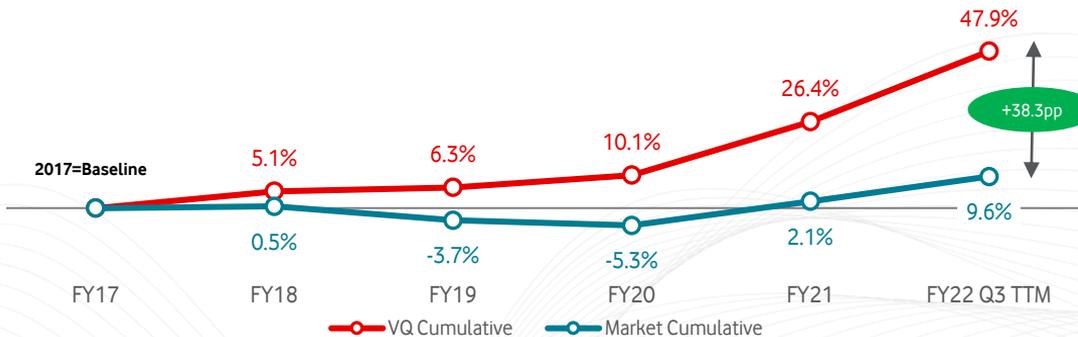
Run the business in a responsible and ethical manner to deliver shareholder value

Products & Services : Evolution over the years



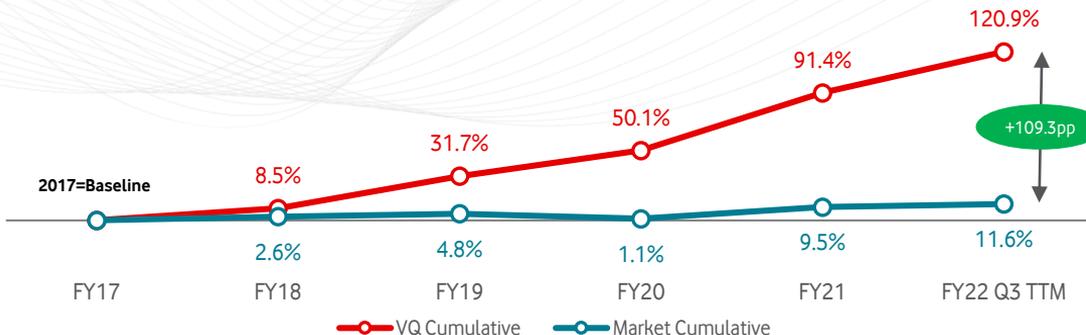
Performance Evolution : Revenue & EBITDA Performance Indexed to 2017

Indexed Cumulative Revenue Growth (2017-2022 Q3 TTM)



- Vodafone has realized **47.9% revenue growth** while the overall Market revenue has increased by 9.6% since 2017

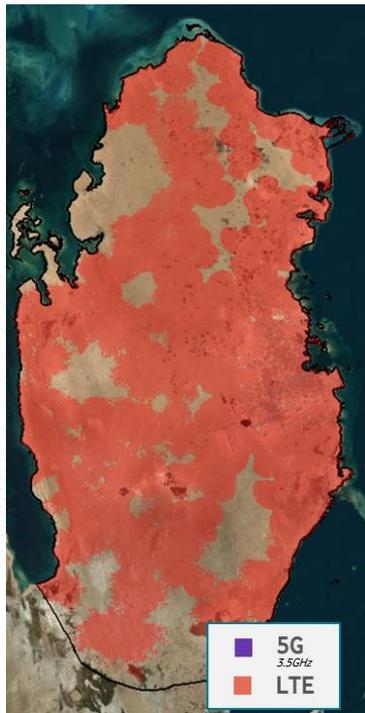
Indexed Cumulative EBITDA Growth (2017-2022 Q3 TTM)



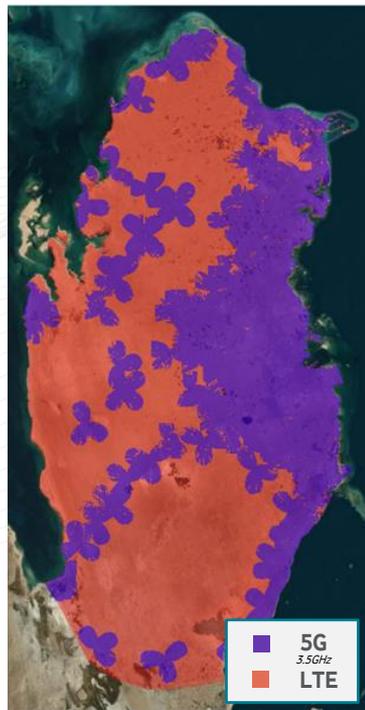
- Vodafone has realized **120.9% EBITDA growth** while the overall Market EBITDA has increased by 11.6% since 2017

Growing Our Radio Network : >2,200 Radio Network Sites Across the Country

2018



2022



Significant Growth in Mobile Coverage over the years

- >1,000 new radio network sites deployed since 2018
- >80% of the outdoor network sites are 5G enabled
- 100% of the sites are 4G & 3G enabled

Radio Access Network Sites Evolution



Financial Performance

Year ended 31 December 2022

Masroor Anjum
Chief Financial Officer



FY22 Financial Performance Highlights



Strong revenue growth

- Total Revenue grows 21.4% led by service revenue growth of 17.3% and projects revenue
- Growth across all revenue segments



Cost efficiency

- Underlying OPEX intensity continues to decline YoY
- This is despite the significant expansion in network and increase in customers



Highest ever margins and profits

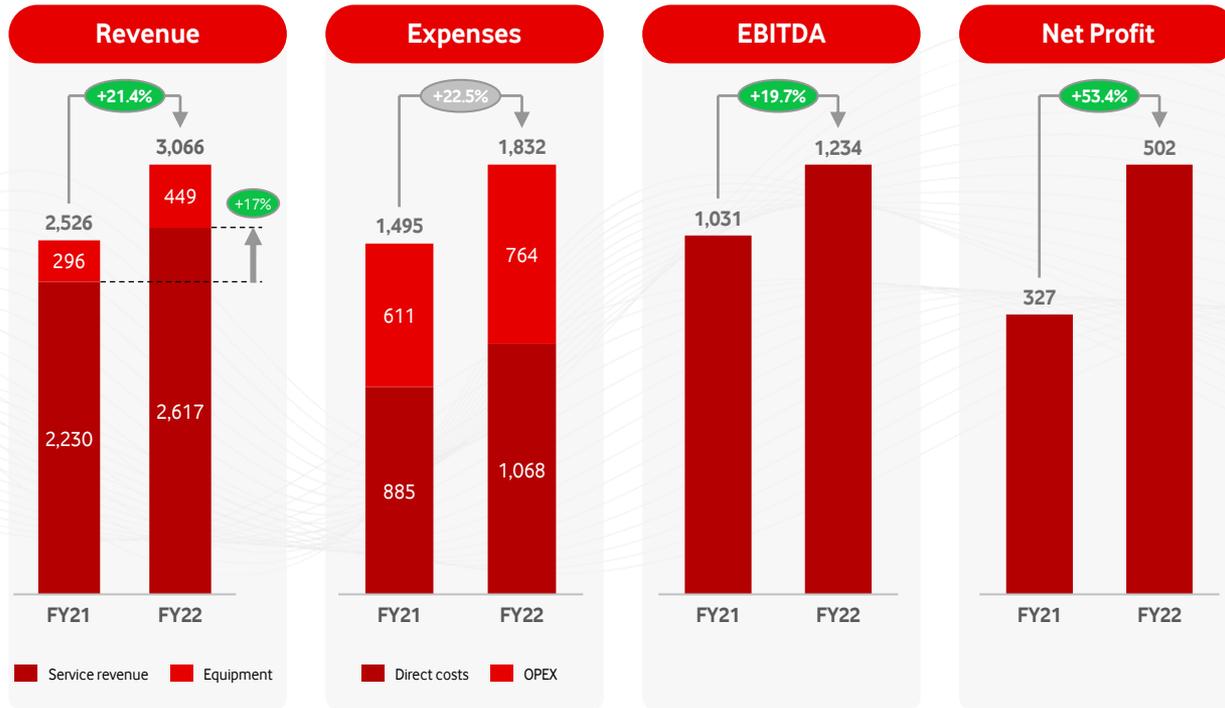
- EBITDA QR 1,234m, 19.7% increase YoY
- Underlying EBITDA margin of 45.2%, 1.4ppts increase YoY
- Net profit QR 502m, 53.4% growth YoY



Strong subscriber growth

- Mobility subscribers grew 8.9% YoY (excl. world cup)

FY22 Year on Year : Strong performance across all financial KPIs



- Total revenue grew QR 540m (21.4%) led by service revenue growth (+17.3%) and projects revenue
- Expenses higher primarily due to growth in revenue (incl. projects costs), subscribers, network expansion and world cup related expenses
- EBITDA increased 19.7% primarily driven by service revenue growth
- Net profit grew 53.4% resulting from higher EBITDA

Financial Performance : Impact of World Cup

Fan sims activated

419k

Roamers

1.8m

Event specific
postpaid connections

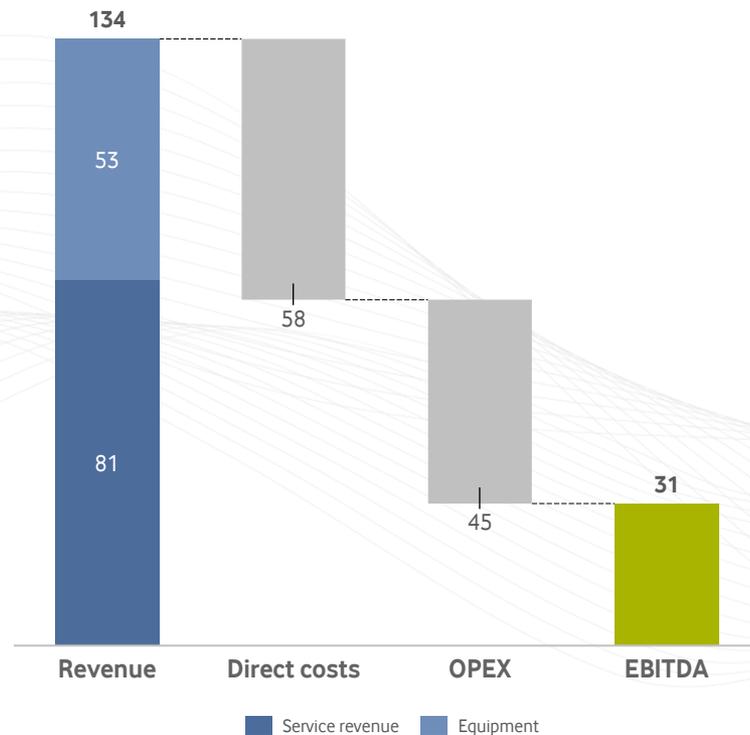
15k

Buses and Taxi MiFi
connectivity

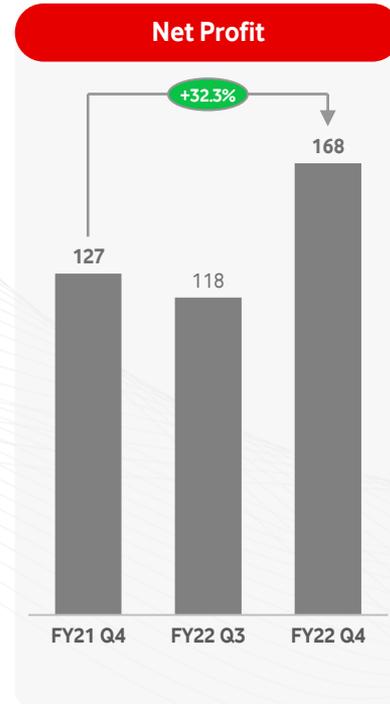
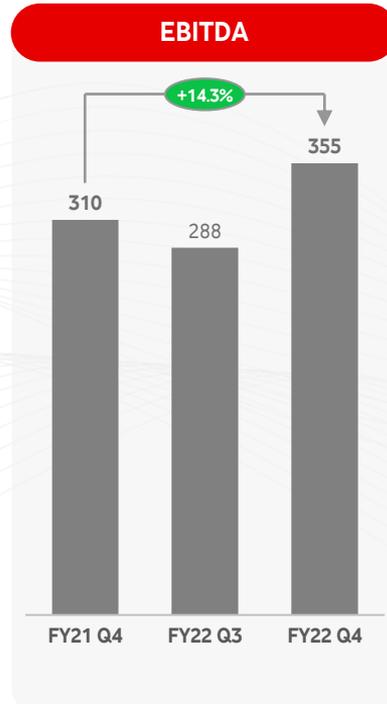
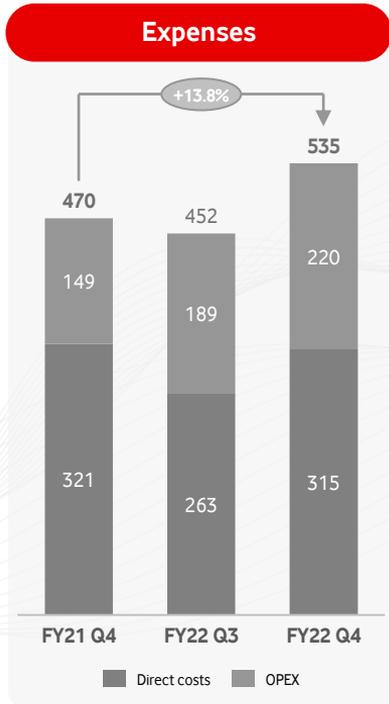
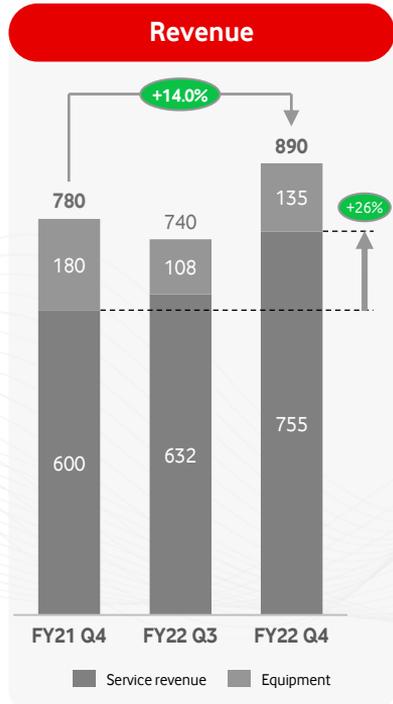
5k

Connectivity and Equipment Delivery

Connectivity for World Cup through Vodafone Fixed and Mobility network coupled with delivery and installation of related equipment



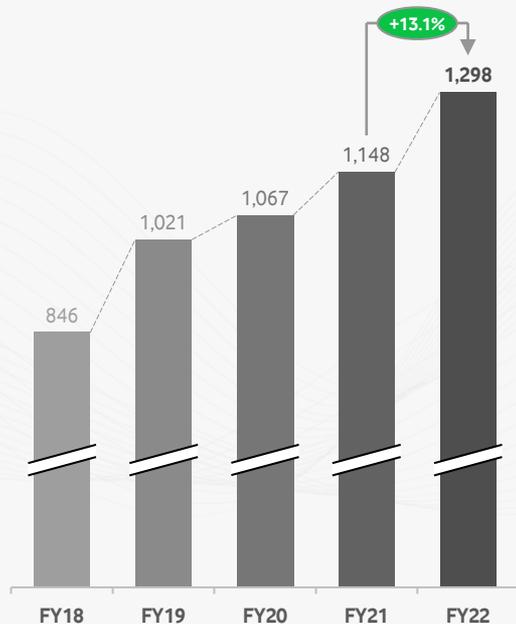
FY22 Q4 Year on Year : Revenue growth continues to drive profitability



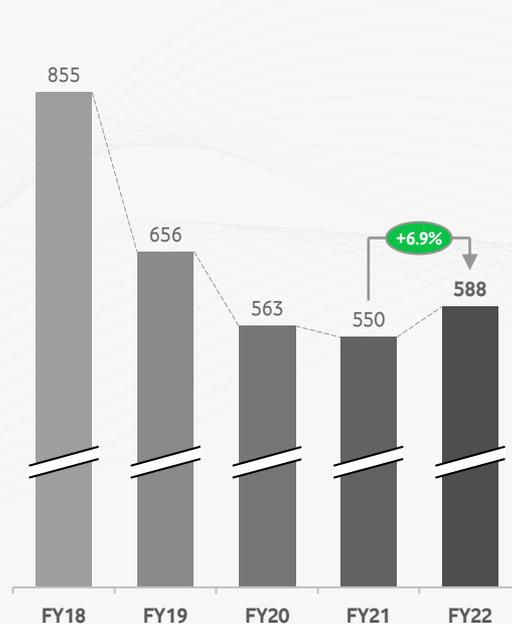
- Growth across all segments of service revenue
- Growth in revenue and customers, network expansion, project costs and world cup related expenses driving higher expenses

Service Revenue (excl. World Cup) : Subscriber growth driving revenue

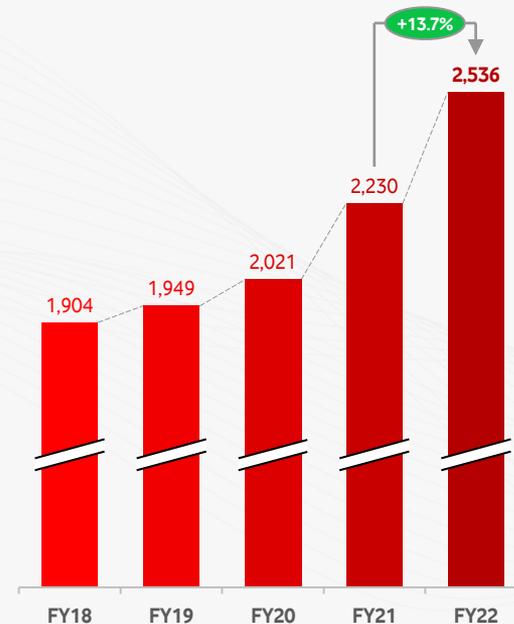
Postpaid



Prepaid



Total service revenue



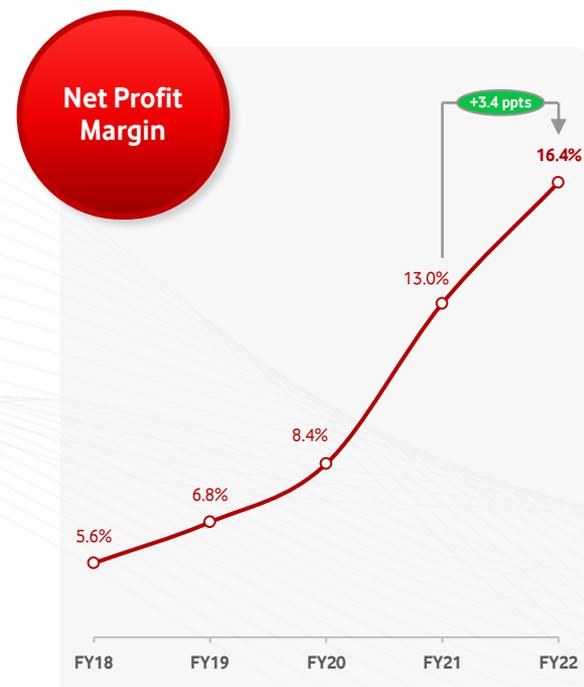
Margin Trends : Improving efficiency and margins



- **Underlying OPEX intensity** excluding world cup and one-offs continues to decline



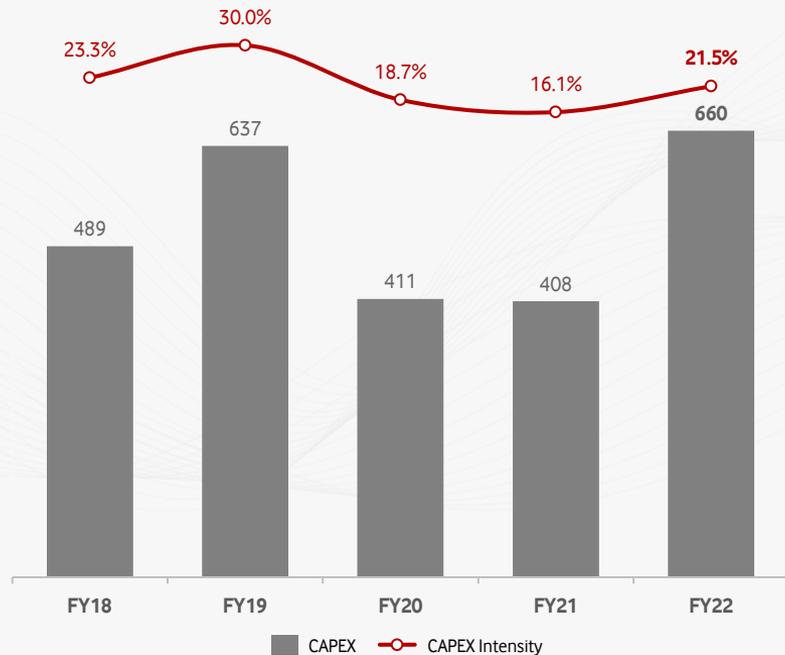
- **Underlying EBITDA margin (excl. equipment) of 45.2% (+1.4 pts YoY)** led by growth in service revenue
- **Reported EBITDA margin at 40.2%**, 0.6 pts lower YoY due to mix of low margin projects revenue



- **Margin grew nearly 3 times** since FY18

Capital Expenditure : Investments driving profitable growth

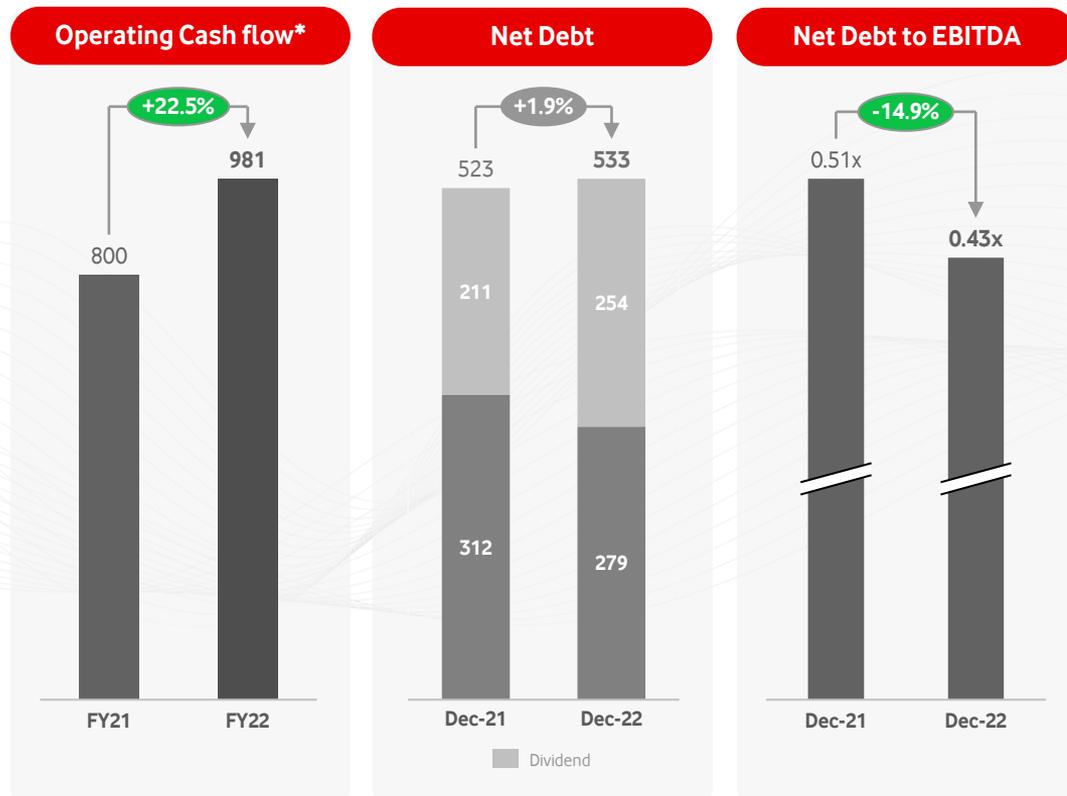
Capital expenditure (CAPEX)



Return on capital employed (ROCE)



FY22 Year on Year : Generating strong cash flows



- Strong cash flow generation with 22.5% growth YoY reflected growth in EBITDA
- Net debt remained stable despite increase in dividend and higher CAPEX intensity
- Net debt to EBITDA ratio continues to decline reaching 0.43x

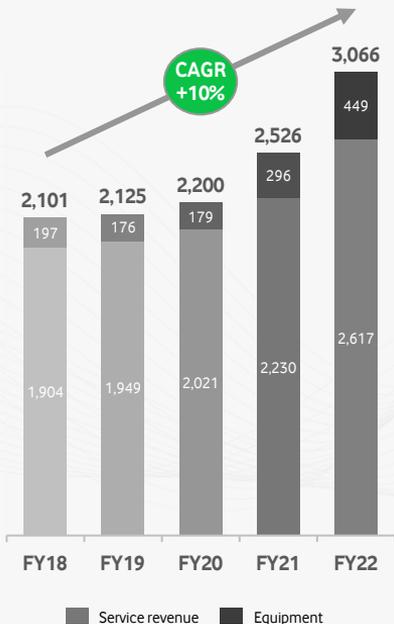
FY22 Year on Year : Statutory results summary

QR m (unless otherwise stated)	31 Dec 22	31 Dec 21	YoY
Consumer revenue	1,633	1,443	190
Enterprise, equipment and other revenues	1,433	1,083	350
Total revenue	3,066	2,526	540
Direct costs	(1,068)	(885)	(183)
Operational expenses	(764)	(611)	(154)
Depreciation and amortisation	(635)	(628)	(7)
Industry fee	(54)	(39)	(15)
Financing costs and other income	(42)	(35)	(7)
Profit for the year	502	327	175
Basic and diluted earnings per share (in QR)	0.119	0.077	0.042

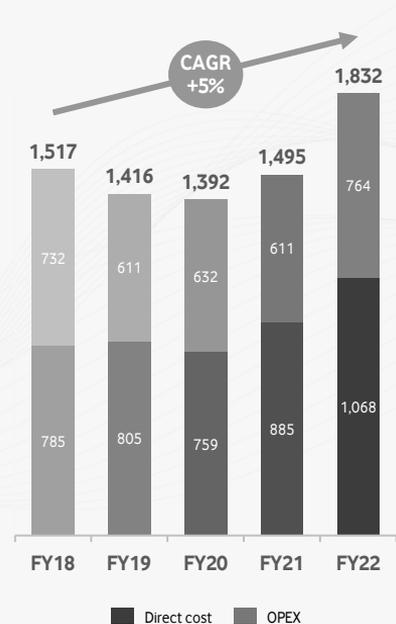
- Total revenue grew QR 540m (21.4%) led by service revenue growth (+17.3%) and projects revenue
- Higher direct costs resulting from revenue and customer growth
- Operational expenses higher due to network expansion, revenue growth and world cup related expenses, partially offset by cost optimization
- Industry fee higher being function of higher net profit

Key Financial Performance Indicators

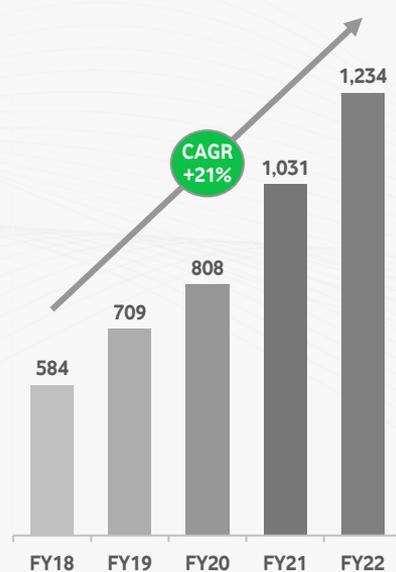
Total Revenue



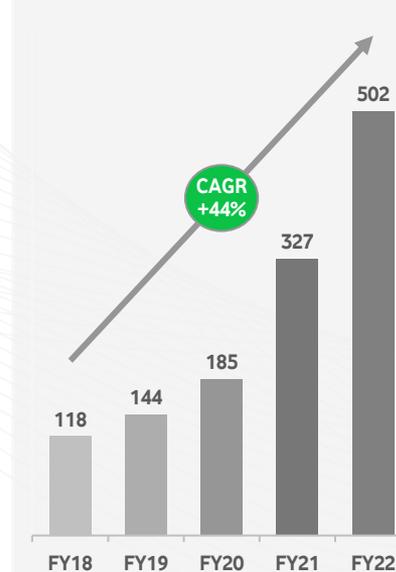
Expenses



EBITDA



Net profit



FY23 Guidance

Financial KPIs	FY22 Results	FY23 Expectation
Total revenue	QR 3,066m	+ YoY %
EBITDA Margin	40.2%	+ >1.5 ppts
CAPEX intensity	21.5%	17% to 18%

- The Management expects continuing top line growth in FY23
- Higher revenue along with cost optimisation initiatives will enable growth in profitability margins
- CAPEX investments into profitable growth segments will continue

Q&A



For more information visit our website:

www.vodafone.qa/en/investor-relations

Or email us:

InvestorRelationsQatar@vodafone.com

APPENDIX



Consolidated Statement of Income

Year ended 31 December

QR m (unless otherwise stated)	2022	2021	YoY
Consumer revenue	1,633	1,443	190
Enterprise, equipment and other revenues	1,433	1,083	350
Total revenue	3,066	2,526	540
Interconnection and other direct expenses	(1,025)	(856)	(169)
Network and other operational expenses	(495)	(368)	(128)
Employee salaries and benefits	(269)	(243)	(26)
Depreciation of property, plant and equipment	(340)	(337)	(3)
Amortisation of intangible assets	(191)	(190)	(1)
Depreciation of right-of-use assets	(104)	(101)	(3)
Expected credit losses	(43)	(29)	(15)
Loss on disposal of property, plant and equipment	-	(1)	1
Industry fee	(54)	(39)	(15)
Operating profit	544	363	182
Finance costs	(29)	(30)	1
Other financing costs	(19)	(6)	(13)
Other income	6	1	5
Profit for the year	502	327	175
Basic and diluted earnings per share (in QR)	0.119	0.077	0.042

- Total revenue growth led by service revenue (+17.3%) and projects revenue
- Higher interconnect and other direct expenses reflecting revenue growth
- Network and other operational expenses increased due to network expansion, customer growth and world cup related expenses, offset by cost optimization
- Industry fee higher being function of higher net profit
- Other financing costs higher due to one-off benefit in FY21

Consolidated Statement of Financial Position

QR m (unless otherwise stated)	31 Dec 22	31 Dec 21	Var
Property, plant and equipment	1,885	1,638	247
Intangible assets	4,050	4,169	(119)
Right-of-use assets	430	291	138
Receivables, prepayments and contract costs	298	92	206
Total non-current assets	6,662	6,190	472
Inventories	38	35	3
Receivables, prepayments and contract costs	535	389	146
Cash and bank balances	187	190	(3)
Total current assets	760	613	146
Total assets	7,422	6,803	619
Share capital	4,227	4,227	-
Legal reserve	126	97	29
Retained earnings	479	273	207
Total equity	4,833	4,596	236
Loans and borrowings	512	506	6
Lease liabilities	315	197	118
Provisions	102	83	19
Total non-current liabilities	929	786	143
Loans and borrowings	207	206	1
Lease liabilities	141	115	26
Trade and other payables	1,311	1,099	212
Total current liabilities	1,660	1,420	240
Total equity and liabilities	7,422	6,803	619

Assets

- Property, plant & equipment and intangible assets increased by QR 128m due to CAPEX of QR 660m offset by depreciation and amortisation QR 531m
- Right of use assets increased by QR 138m as a result of net new leases QR 68m and lease horizon reassessment 174m offset by depreciation QR 104m
- Receivables, prepayments and contract costs QR 352m higher driven by long-term projects receivables, prepayments and advances, and growth in billed revenue (incl. world cup)

Equity

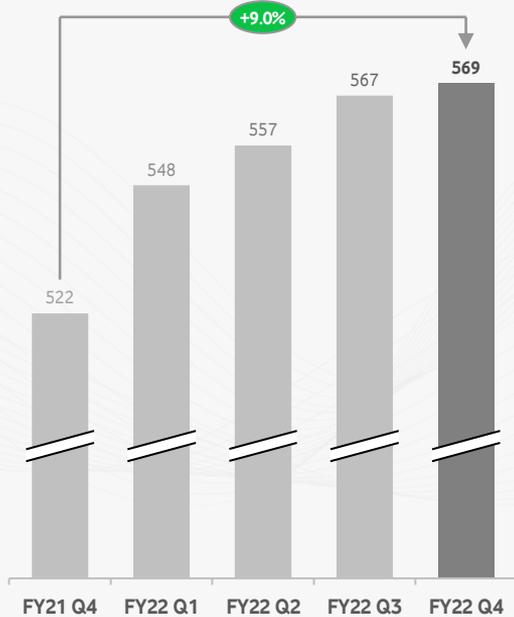
- Equity increased by QR 236m resulting from net profit for the period offset by dividend payment QR 254m and social and sports fund contribution QR 13m

Liabilities

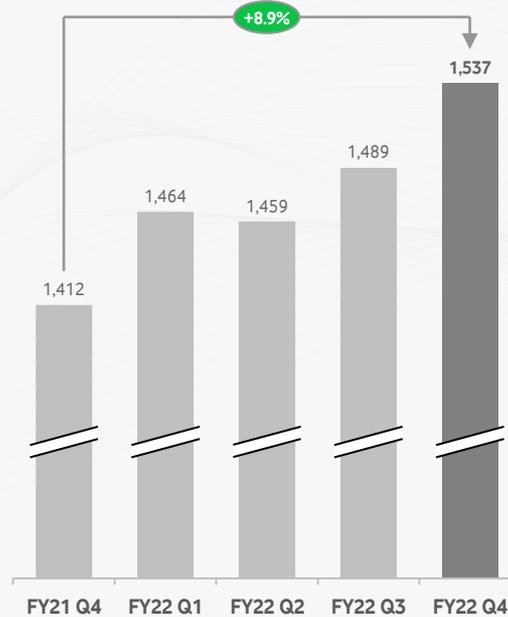
- Lease liabilities QR 144m higher due to net new leases QR 68m, lease horizon reassessment 174m and interest unwinding QR 13m partially offset by settlements QR 109m
- Trade and other payables increased by QR 212m due to higher CAPEX and projects related payables

Mobility Subscribers*

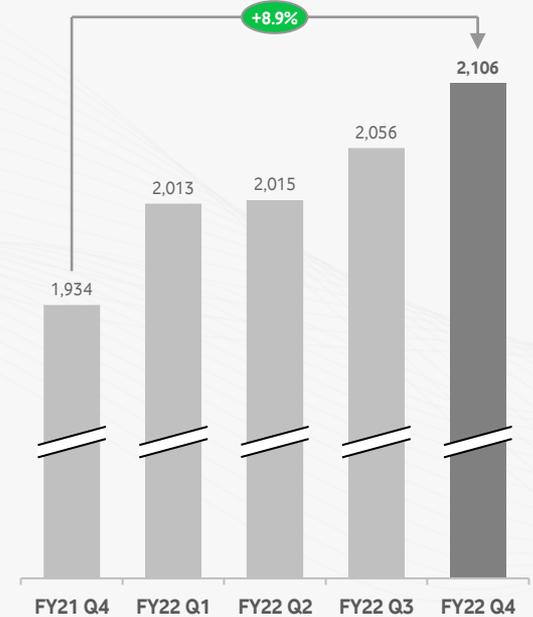
Postpaid



Prepaid

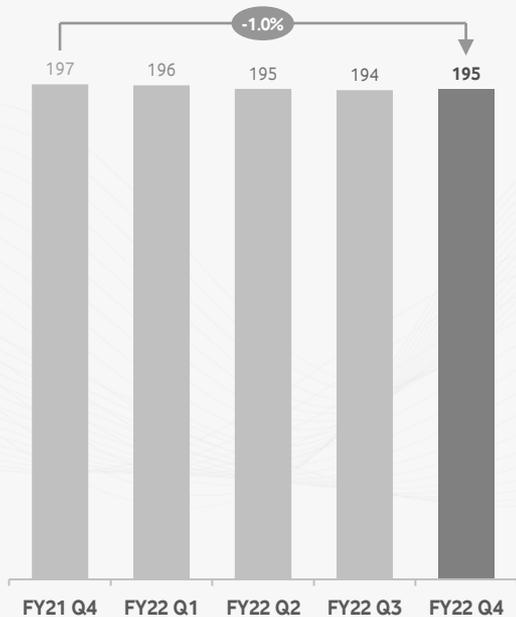


Total Mobility

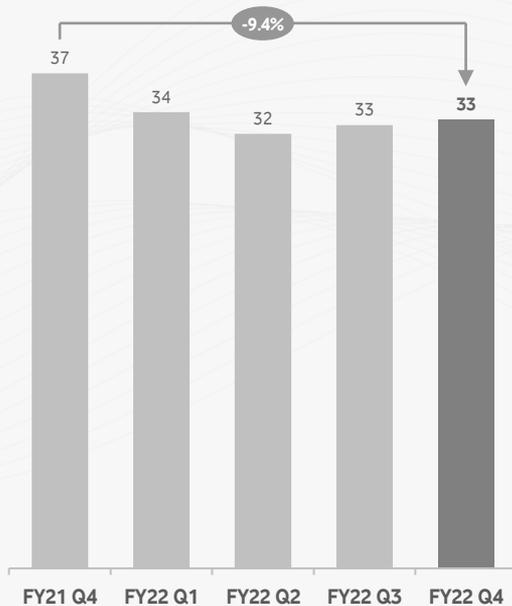


Mobility ARPU*

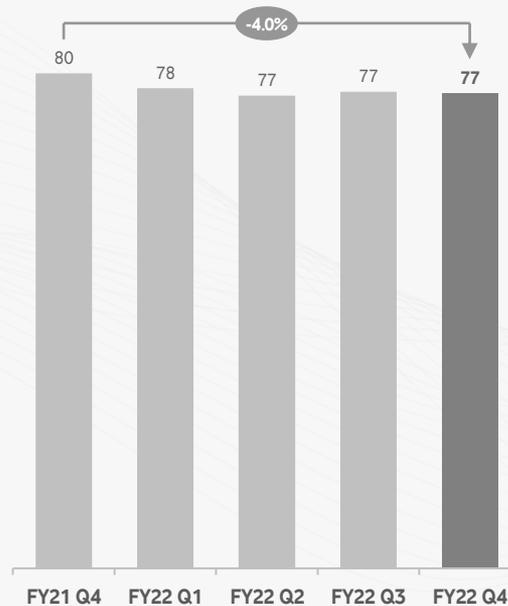
Postpaid



Prepaid



Total Mobility



Dividend policy : FY 2023 – FY 2024

The Board of Directors have approved a dividend policy for the Company for a period of 2 years commencing FY2023 aiming for a dividend of 8% to 10% of the share capital.

The Board of Directors may change the dividend percentage after evaluating a range of factors including net profits, regulatory requirements and future investment opportunities.

Tournament Performance : Achieved Exceptional Numbers

TOURNAMENT SUMMARY

ATTENDANCE

3.4 Million



DATA

1,188 GSM TB

328 TB

Data consumed on public transportation

VOICE

15.0 Million Calls



99.92% CALL SETUP SUCCESS RATE 0.09% CALL DROP RATE

ROBUST FACILITIES

365 +



8,466



CHAMPIONING DIGITAL CUSTOMER EXPERIENCES

85%

of customers successfully completed digital registration while activating their SIM

69%

of customer preferred eSIM activation via digital, and overall

>50%

recharges done via digital

0.5M

Total App downloads

TRAFFIC AT STADIUMS



ROAMING

TOTAL ROAMERS	ROAMING COUNTRIES	ROAMING DATA
1.8M	194	854 TB
ROAMING CALLS	PARTNER NETWORKS	NETWORKS ON 5G ROAMING
3.9M	618	109

FINAL MATCH STATS

MOBILE DATA

45.8 TB

32.7 TB in stadium



VOICE CALL

946K

492K in stadium



ROAMERS IN AUDIENCE

57K



FAN SIMS



419,487

PUBLIC TRANSPORTATION



4000

Buses connected with Wi-Fi

1000

Taxis connected with Wi-Fi



100%

Entire metro network connected with Wi-Fi



328 TB

Data consumed on public transportation

2.38 Million

Public Wi-Fi sessions during the tournament on Qatar Rail and Mowasalat public transportation

- Additional B2B projects and initiatives supported over the past 2 years
- Highly successful delivery – provides us the experience & confidence to take on ever more complex ICT & Managed Services projects