



Earnings Flash Note
Vodafone Qatar
3Q 2023 / 9M 2023



Vodafone Qatar (VFQS)

- > Net profit increased by 12.0% YoY to QR132.3mn (+4.6% QoQ) due to higher revenue and lower network & other operational expenses in 3Q2023. For 9M2023, net profit was up by 17.3% YoY to QR392.1mn.
- > Revenue of QR747.4mn increased by +1.0% YoY (-3.5% QoQ) in 3Q2023 while for 9M2023, it was up by 5.6% YoY to QR2,298.2mn.
- > Operating profit came at QR147.8mn (+16.4% YoY, +2.3% QoQ) while the corresponding margin rose by 2.6ppts YoY (+1.1ppts QoQ) to 19.8% in 3Q2023.
- > EBITDA increased by 9.5% YoY to QR315.9mn (+0.6% QoQ) and margin improved by 3.3ppts YoY to 42.3% (+1.7ppts QoQ) in 3Q2023.
- > For 3Q2023, EPS came at QR0.03 vs. QR0.03 in 3Q2022 while for 9M2023, EPS was 0.09 vs 0.08 in 9M2022.

- > As of 24th Oct 2023, the stock has increased 10.4% YTD, outperforming the QSE index, which was down by 11.1% YTD.
- > The stock is currently trading at a TTM P/E multiple of 13.2x, lower than its 3Y historical average of 22.5x. For now, we maintain our PT of QR 2.07/share and our Accumulate rating.

3Q 2023 Earnings Performance

	3Q2023	3Q2022	YoY	2Q2023	QoQ
Revenue	747.4	740.2	1.0%	774.9	-3.5%
Operating Profit	147.8	127.0	16.4%	144.4	2.3%
Operating Margin %	19.8%	17.2%		18.6%	
EBITDA	315.9	288.5	9.5%	314.2	0.6%
EBITDA Margin	42.3%	39.0%		40.5%	
Net Profit	132.3	118.1	12.0%	126.5	4.6%
Net Margin %	17.7%	16.0%		16.3%	
EPS (QR)	0.03	0.03	12.0%	0.03	4.6%

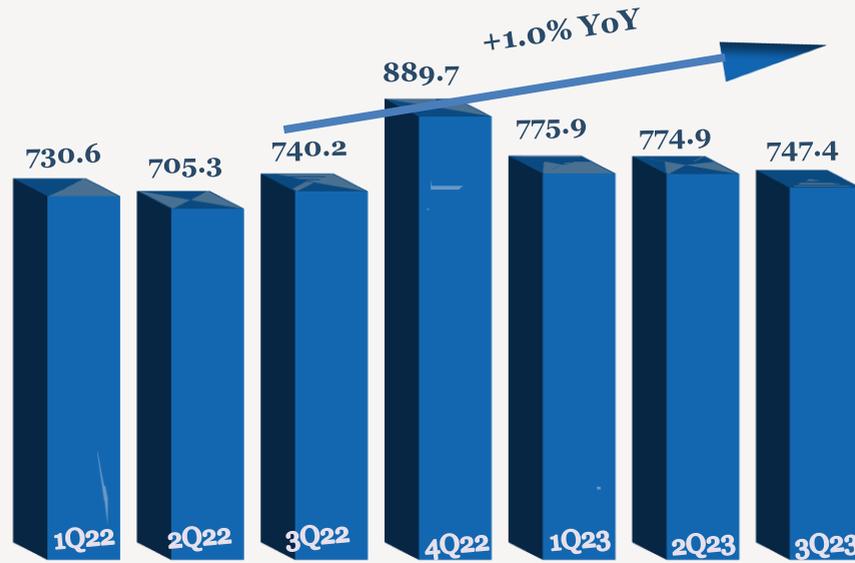
Note: Values are expressed in QR'mn unless explicitly stated

9M 2023 Earnings Performance

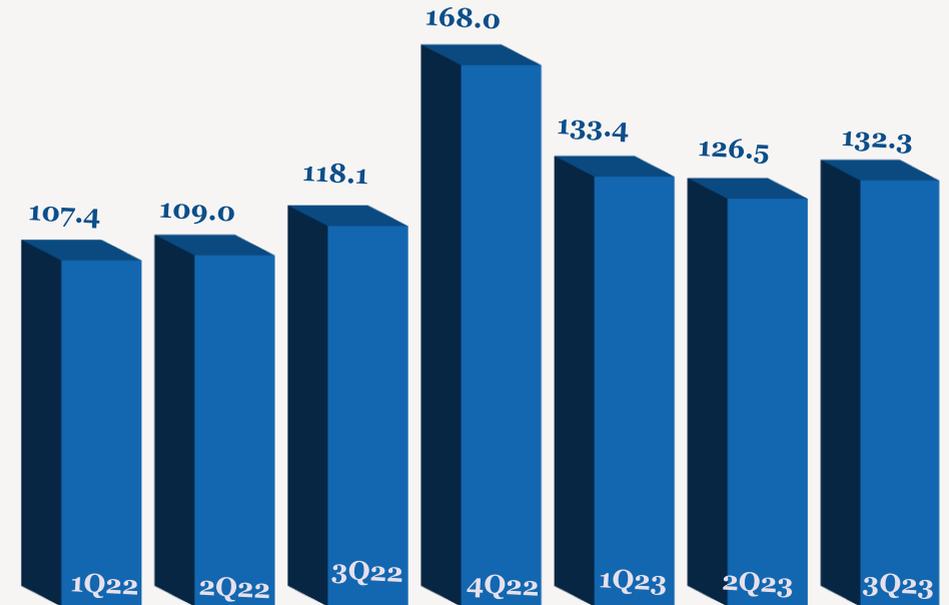
	9M2023	9M2022	YoY
Revenue	2,298.2	2,176.1	5.6%
Operating Profit	440.1	363.8	21.0%
Operating Margin %	19.1%	16.7%	
EBITDA	950.3	878.7	8.2%
EBITDA Margin	41.4%	40.4%	
Net Profit	392.1	334.4	17.3%
Net Margin %	17.1%	15.4%	
EPS (QR)	0.09	0.08	17.3%

Note: Values are expressed in QR'mn unless explicitly stated

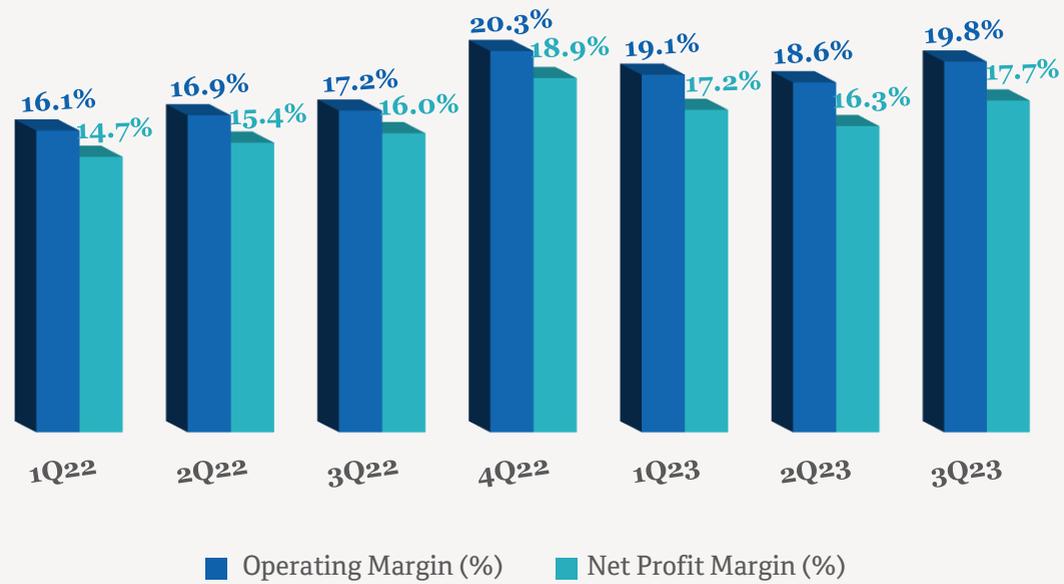
Quarterly Revenue Trend (QRmn)



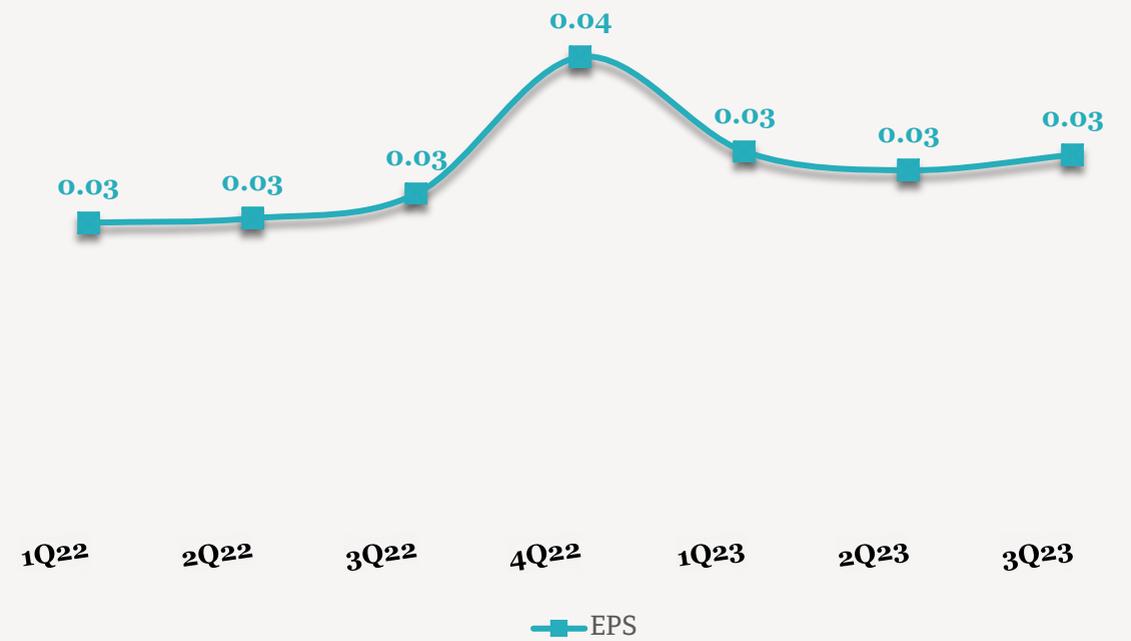
Quarterly Earnings Trend (QRmn)



Quarterly Margins Trend



EPS (QR) Trend



Contacts

QNB Financial Services Co. W.L.L.

Contact Center: (+974)4476 6666

info@qnbfs.com.qa

Doha, Qatar

Saugata Sarkar, CFA, CAIA

Head of Research

saugata.sarkar@qnbfs.com.qa

Shahan Keushgerian

Senior Research Analyst

shahan.keushgerian@qnbfs.com.qa

Phibion Makuwerere, CFA

Senior Research Analyst

phibion.makuwerere@qnbfs.com.qa

Roy Thomas

Senior Research Analyst

roy.thomas@qnbfs.com.qa

Dana Saif Al Sowaidi

Research Analyst

dana.alsowaidi@qnbfs.com.qa

Disclaimer and Copyright Notice: This publication has been prepared by QNB Financial Services Co. W.L.L. ("QNBFS") a wholly-owned subsidiary of Qatar National Bank (Q.P.S.C.). QNBFS is regulated by the Qatar Financial Markets Authority and the Qatar Exchange. Qatar National Bank (Q.P.S.C.) is regulated by the Qatar Central Bank. This publication expresses the views and opinions of QNBFS at a given time only. It is not an offer, promotion or recommendation to buy or sell securities or other investments, nor is it intended to constitute legal, tax, accounting, or financial advice. QNBFS accepts no liability whatsoever for any direct or indirect losses arising from use of this report. Any investment decision should depend on the individual circumstances of the investor and be based on specifically engaged investment advice. We therefore strongly advise potential investors to seek independent professional advice before making any investment decision. Although the information in this report has been obtained from sources that QNBFS believes to be reliable, we have not independently verified such information and it may not be accurate or complete. QNBFS does not make any representations or warranties as to the accuracy and completeness of the information it may contain, and declines any liability in that respect. For reports dealing with Technical Analysis, expressed opinions and/or recommendations may be different or contrary to the opinions/recommendations of QNBFS Fundamental Research as a result of depending solely on the historical technical data (price and volume). QNBFS reserves the right to amend the views and opinions expressed in this publication at any time. It may also express viewpoints or make investment decisions that differ significantly from, or even contradict, the views and opinions included in this report. This report may not be reproduced in whole or in part without permission from QNBFS.

COPYRIGHT: No part of this document may be reproduced without the explicit written permission of QNBFS.