

# 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%  |

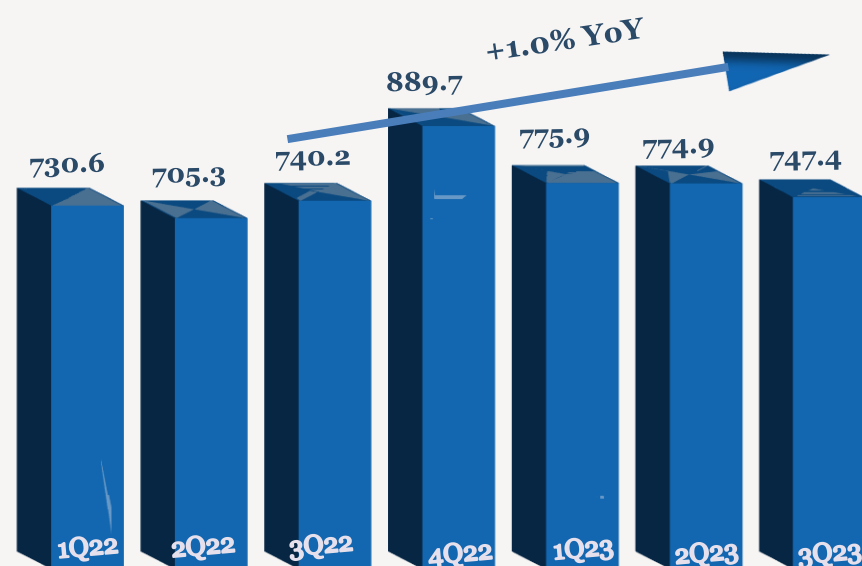
Note: Values are expressed in QR'mn unless explicitly stated

### 9M 2023 Earnings Performance

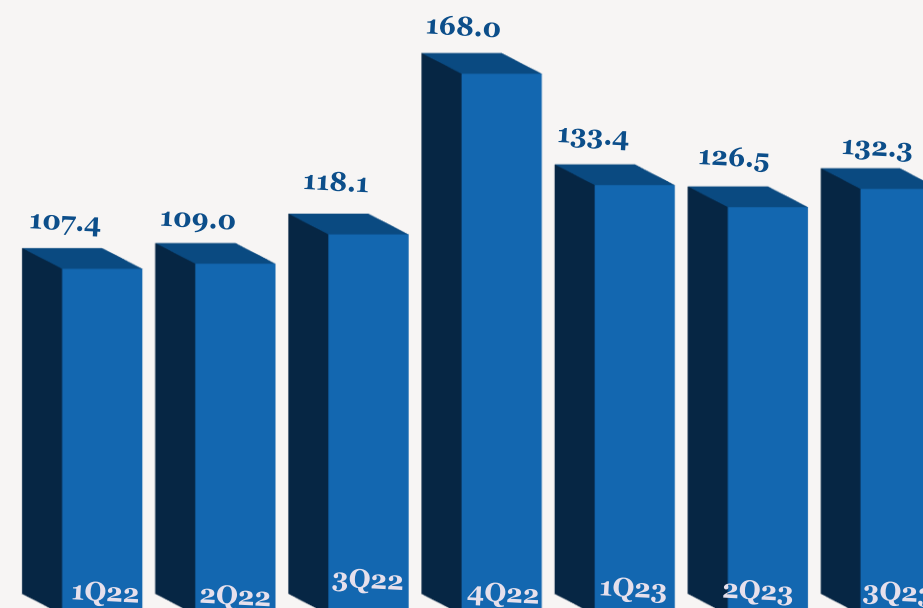
|                    | 9M2023  | 9M2022  | YoY   |
|--------------------|---------|---------|-------|
| Revenue            | 2,298.2 | 2,176.1 | 5.6%  |
| Operating Profit   | 440.1   | 363.8   | 21.0% |
| Operating Margin % | 19.1%   | 16.7%   |       |
| EBITDA             | 950.3   | 878.7   | 8.2%  |
| 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% |

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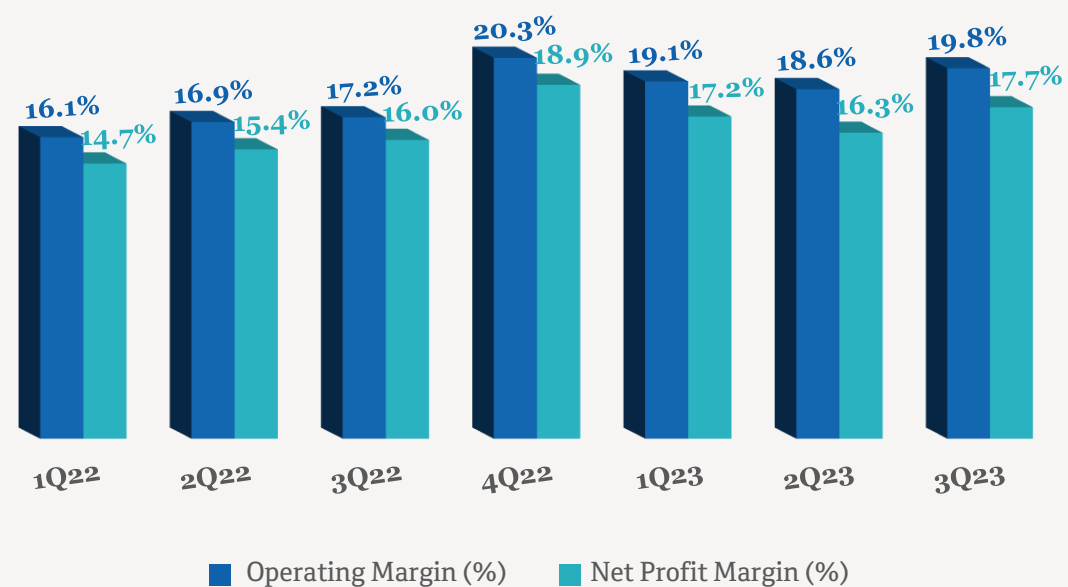
## Quarterly Revenue Trend (QRmn)



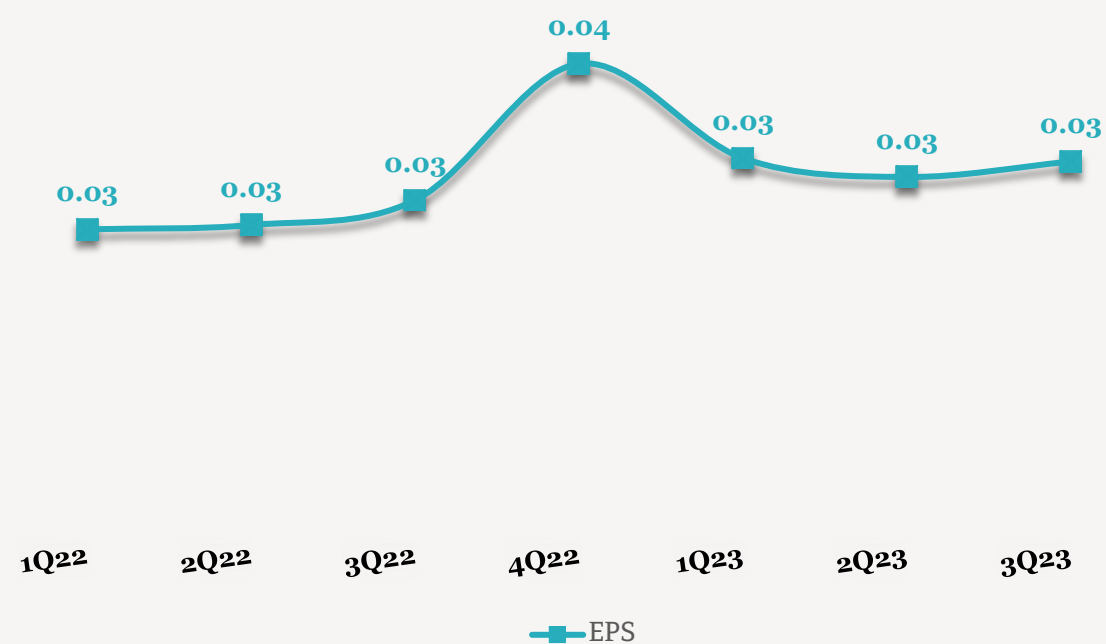
## Quarterly Earnings Trend (QRmn)



## Quarterly Margins Trend



## EPS (QR) Trend



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