



November 10, 2020

Vodafone in the 3rd quarter: 4G in rural area and organic revenue growth

Vodafone increased its revenue growth rate for Q3 2020. The company's income in July-September 2020 amounted to UAH 4.8 billion, 12% more than in the same period last year. For several years now, Vodafone has been demonstrating high dynamics of revenue growth associated with an increase in the consumption of data services and coverage of high-speed mobile Internet.

The third quarter became a period of national 4G coverage active development. During July-September 2020, Vodafone launched over 400 base stations in LTE900, providing cover for more than 2,000 settlements with a population of over 2 million people.

Today, the Vodafone network has more than 600 base stations in the 900 MHz range, which cover over 3800 settlements with a population of about 3.2 million people. LTE900 network operates in Kiev, Odessa, Vinnitsa, Volyn, Zhytomyr, Poltava, Khmelnytsky, Transcarpathian, Ivano-Frankivsk, Kirovograd, Lviv, Nikolaev, Sumy, Ternopil, Rivne, Chernivtsi, Cherkassy, Chernigov, Kharkov Frankivsk regions and the city of Ivano-Frankivsk.

The company has significantly increased the availability of 4G over the year: according to the results of the 3rd quarter, 80% of Ukrainians can use 4G, compared to 66% a year earlier.

Vodafone invested UAH 871 million in the network in Q3 2020. The company's total investments in the construction of high-speed mobile Internet networks amounted to UAH 28.1 billion.

The volume of Internet traffic on the Vodafone network has almost doubled over the past two years, this figure increased by more than 40% over the year. The main reasons for the growth in speed and traffic: an increase in 4G coverage, network capacity and the number of data users.

ARPU amounted to UAH 79.1 in the 3rd quarter, the growth of the indicator is associated with an increase in the geography of 4G coverage, as well as an increase in the use of high-speed mobile Internet. Consumption has increased 1.4 times over the past year. Vodafone data client averagely uses more than 5 GB of mobile Internet per month.

Operating efficiency indicators show the growth: OIBDA increased by 11% compared to Q3 2019 and exceeded UAH 2.5 billion. OIBDA margin remains stable at 53.4%. Operating efficiency was improved thanks to cost optimization and increased revenue from data services.

Vodafone Ukraine's net profit in the 3rd quarter amounted to UAH 157 million, which is 81% less than in the same period last year. This is due to the exchange rate difference on the revaluation of the Eurobonds in the amount of \$500 million issued by the company in February 2020.

According to the results of the third quarter of 2020, the company's subscriber base amounted to 19 million, the annual fluctuations are -4.1%, which is associated with a decrease in the dynamics of new connections as a result of quarantine measures. At the same time, there is an increase in the contract and corporate adds segments, as well as in connected IoT cards.

In two years, the base of IoT connections has grown by 79%. Over the past year, Vodafone Ukraine launched its own NB-IoT network, connected to the Vodafone global IoT platform. The company customized technical platforms according to the needs of Ukrainian customers and implemented a number of pilot projects in the Smart City area, preparing new services for large-scale commercial operation. Other new directions, such as big data analytics, cloud solutions, services for electronic document management, also show positive dynamics.



On November 11, 2020, the Vodafone UA management will be holding a conference call to discuss its 2Q 2020 results. Please find more details for [joining the conference](#).

For additional information, please contact:

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About Vodafone

Vodafone is one of the world's largest telecommunications companies and provides a range of services including mobile voice, data, messaging, fixed broadband and cable television. The operator has mobile operations in 22 countries, partners with mobile networks in 48 countries, and fixed broadband operations in 17 markets. As of 30 June 2020, Vodafone had over 300 million mobile customers, 27 million fixed broadband customers. For more information, please visit www.vodafone.com.

Vodafone Ukraine is a leading mobile operator in Ukraine that provides high-speed 3G and 4G Internet services. Vodafone's investments during the active construction of high-speed Internet networks in 2015-3Q2020 exceeded UAH 28.1 bil.

Record investments allowed to provide technological leadership and to develop new technological services – Internet of Things (IoT), technologies and solutions for Smart City, big data analytics, Mobile ID, Fintech services, cloud services. Vodafone has 19 million customers in Ukraine. See our website www.vodafone.ua for more details.