



Media Release – May 10, 2022

Strong sequential revenue growth aided by tariff hikes; Preferential Equity contribution of Rs. 45 billion by promoters

Highlights for the Quarter

- Revenue grew to Rs. 102.4 billion, a QoQ growth of 5.4% supported by tariff hikes effective Nov 25, 2021
- Average Daily Revenue growth of 7.7% QoQ, highest quarterly growth since merger
- ARPU for the quarter stands at Rs. 124 vs Rs. 115 in prior quarter, a QoQ increase of 7.5%
- EBITDA (pre IndAS116) improved to Rs. 21.2 billion, compared to Rs. 16.2 billion in Q3FY22
- Continued network capacity expansion supported by spectrum refarming and network upgrade to 4G
- Vi GIGAnet continued to offer superior network experience on both, data and voice, as reflected in top rankings on 4G download speeds in independent external reports and TRAI “MyCall” app data
- Expanded digital portfolio with several new offerings across music, games, education & jobs in partnership with leading service providers to improve customer engagement
- Preferential equity contribution of Rs. 45 billion by promoters

Financial Highlights

| Consolidated (Rs Mn) | Q3FY22 | Q4FY22 |
|--|-----------------|-----------------|
| Revenue | 97,173 | 102,395 |
| EBITDA | 38,165 | 46,490 |
| EBITDA% | 39.3% | 45.4% |
| Depreciation & Amortisation | 57,388 | 59,130 |
| EBIT | (19,223) | (12,640) |
| Interest and Financing Cost (Net) | 52,903 | 52,839 |
| Exceptional Items | | |
| - Impairment (non-cash) | - | (137) |
| - Others | (134) | - |
| Share of Profit/(Loss) from JV & associates | 1 | 3 |
| PBT | (72,259) | (65,613) |
| PAT | (72,309) | (65,631) |
| Other Comprehensive Income (net of Tax) | (32) | 182 |
| Total Comprehensive Income (Consolidated) | (72,341) | (65,449) |

Ravinder Takkar, MD & CEO, Vodafone Idea Limited, said “We are pleased to announce third consecutive quarter of revenue growth driven by tariff interventions taken in November 2021. While the overall subscriber base has been impacted primarily on account of the tariff increase, the 4G subscriber base continued to grow on the back of superior data and voice experience offered by Vi GIGAnet. We are in the process of creating differentiated digital experience for our customers and added several new digital offerings across various genres during the quarter. We successfully completed first tranche of fund raising in the form of preferential equity contribution of Rs. 45 billion from our promoters. We continue to actively engage with lenders and investors for further fund raising.”



Financial highlights

Revenue for the quarter was Rs. 102.4 billion, a QoQ improvement of 5.4% (+6.6% YoY), aided by tariff hikes taken in November 2021. The average daily revenue for the quarter witnessed a QoQ growth of 7.7%, highest since the merger. On a reported basis, EBITDA for the quarter was Rs. 46.5 billion. EBITDA excluding IndAS 116 impact improved to Rs. 21.2 billion, compared to Rs. 16.2 billion in Q3FY22 driven by improvement in revenue which is partially offset by higher subscriber acquisition costs due to higher gross additions during the quarter. This quarter had one-off of Rs. 1.5 billion primarily in network & IT costs.

Capex spend for Q4FY22 was Rs. 12.1 billion vs Rs. 10.5 billion in Q3FY22. Total capex spend for FY22 stands at Rs. 44.9 billion vs Rs. 41.5 billion in FY21.

The total gross debt (excluding lease liabilities and including interest accrued but not due) as of March 31, 2022 stands at Rs. 1,978.8 billion, comprising of deferred spectrum payment obligations of Rs. 1,138.6 billion, AGR liability of Rs. 659.5 billion that are due to the Government and debt from banks and financial institutions of Rs. 180.7 billion. Cash & cash equivalents were Rs. 14.6 billion and net debt stood at Rs. 1,964.2 billion.

Operational highlights

We continue to invest in 4G to increase our coverage and capacity. During the year, we added ~27,000 4G FDD sites primarily through refarming of 2G/3G spectrum to expand our 4G coverage and capacity as well as continued to upgrade our core and transmission network. Our overall broadband site count stood at 455,264 as of March 31, 2022 compared to 452,650 a year ago. We have shut down ~32,000 3G sites during the year while we added over 35,000 4G sites. Till date, we have deployed nearly 70,400 TDD sites in addition to the deployment of ~13,900 Massive MIMO sites and ~13,200 small cells. Further, we continue to expand our LTE 900 presence in 12 circles at multiple locations, including through dynamic spectrum refarming, to improve customer experience. Our 4G network covers over 1 billion Indians as of March 31, 2022 (4G coverage is the population reached/covered by VIL with its 4G network).

These network investment initiatives continue to deliver a significant capacity uplift with our data capacity now ~2.9x compared to September 2018. Our relentless pursuit to have a superior 4G network in the country, through integration and incremental network investments post-merger, are clearly visible through our top rankings on 4G download speeds in independent external reports. We also have the highest rated voice quality in the country as per TRAI's "MyCall" app data for 15 out of 17 months between November 2020 and March 2022. Our unified brand "Vi", thus continues to garner strong awareness building brand affinity across all customer segments in the country.

ARPU improved to Rs. 124, up 7.5% QoQ vs Rs. 115 in Q3FY22, aided by the tariff hikes in November 2021. The subscriber base declined to 243.8 million vs 247.2 million in Q3FY22, primarily due to tariff increase. However, the 4G subscriber base continued to grow and with 1.0 million customers added in Q4, 4G base now stands at 118.1 million. Subscriber churn was flat QoQ at 3.4%. We continue to see the increase in the data usage per 4G customer which now stands at ~13.9 GB/month vs ~12.9 GB/month a year ago. The total data traffic thus witnessed healthy growth of 7.9% YoY.

In line with our digital offering strategy, we continue to add to our array of content offerings, digital products and services through partnerships. During the quarter, we launched our gaming proposition on the Vi App in association



with Nazaara, an India based diversified gaming and sports media company. Through this deep-integrated association, Vi customers will get access to a wide range of gaming content including popular game titles from various franchises in India on its gaming platform - Vi Games. Vi Games on the Vi App offers an immersive gaming experience with 1200+ android and HTML5 based mobile games.

Further, to empower country's youth with employment and skilling opportunities, Vi app now has an integrated "Vi Jobs & Education" offering as a one-stop solution for youth to search for jobs, improve spoken English skills and excel in Govt. employment exams, empowering them to fulfil their career dreams, in partnership with India's largest job search platform 'Apna', leading English learning platform 'Enguru' and 'Pariksha' a platform specializing in government employment exam preparation.

Government reform package

On September 15, 2021, the Government announced a comprehensive reform package for the Indian telecom sector including measures to address the structural, procedural and liquidity issues. The company has already opted for deferment of Spectrum and AGR dues as well as conversion of interest arising from such deferment into equity, in line with the options available as a part of telecom reform package, to improve its liquidity position. The effective date for calculation of the Net Present Value of the interest being converted to equity is January 10, 2022. We have submitted the required information to DoT and conversion process is expected to conclude soon. Further, in line with the announced reform package, on March 29, 2022, the DoT has till date returned the financial bank guarantees amounting to ~Rs. 160.0 billion.

Preferential allotment

On March 31, 2022, we completed the allotment of ~33.8 billion equity shares of face value of Rs. 10/- each at an issue price of Rs. 13.30 per share (including premium of Rs. 3.30 per share) which is at a premium compared to floor price as per SEBI ICDR Regulations, for an aggregate consideration of Rs. 45.0 billion, to Promoters/Promoters Group entities on a preferential basis. Vodafone Group has contributed Rs. 33.75 billion and Aditya Birla Group has contributed Rs. 11.25 billion. As a result of this preferential allotment, the aggregate shareholding of the Promoter Group in VIL has increased from 72.05% to 74.99%. Post interest conversion into equity, the government shareholding is expected to be ~33% (~36% prior to preferential allotment) while the Promoters will hold ~50% on combined basis.

About Vodafone Idea Ltd.

Vodafone Idea Limited is an Aditya Birla Group and Vodafone Group partnership. It is amongst India's leading telecom service provider. The company provides pan India Voice and Data services across 2G, 3G and 4G platforms. With the large spectrum portfolio to support the growing demand for data and voice, the company is committed to deliver delightful customer experiences and contribute towards creating a truly 'Digital India' by enabling millions of citizens to connect and build a better tomorrow. The company is developing infrastructure to introduce newer and smarter technologies, making both retail and enterprise customers future ready with innovative offerings, conveniently accessible through an ecosystem of digital channels as well as extensive on-ground presence. The company's equity share are listed on National Stock Exchange (NSE) and the BSE in India.

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Vodafone Idea Limited (formerly Idea Cellular Limited)

An Aditya Birla Group & Vodafone partnership

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