



Media Release – February 14, 2023

Sixth consecutive quarter of revenue and 4G subscriber growth; Equity issued to Government towards conversion of interest dues

Highlights for the Quarter

- Revenue up 9.3% YoY to Rs. 106.2 billion; supported by improving subscriber mix and tariff interventions
- ARPU for the quarter stands at Rs. 135 vs Rs. 131 in Q2FY23 (Rs. 115 in Q3FY22; YoY growth of 17.4%)
- 4G subscriber base increased to 121.6 million (vs 120.6 million in Q2FY23), supported by superior data experience offered by Vi GIGAnet
- Continued network capacity expansion supported by spectrum refarming and network upgrade
- Vi continued to offer best voice quality as per TRAI “MyCall” app data for 23 out of 26 months between November 2020 and December 2022
- Vi won the best social media brand in Telecom and the best use of Video for #LookUp this Diwali at the SAMMIES 2022

Significant Updates post Quarter

- Board approved issuance of Optionally Convertible Debentures (OCDs) amounting to Rs. 16 billion to ATC Telecom Infrastructure Private Limited (ATC India) subject to shareholders’ approval
- Issuance of 16.13 billion equity shares to Government of India (GoI) at Rs. 10 per share, in line with GoI order to convert NPV of interest related to deferment of spectrum and AGR dues into equity.

Financial Highlights

Consolidated (Rs Mn)	Q2FY23	Q3FY23
Revenue	106,146	106,206
EBITDA	40,975	41,808
EBITDA%	38.6%	39.4%
Depreciation & Amortisation	56,557	58,860
EBIT	(15,582)	(17,052)
Interest and Financing Cost (Net)	60,331	62,847
Share of Profit/(Loss) from JV & associates	(1)	2
PBT	(75,914)	(79,897)
PAT	(75,955)	(79,900)
Other Comprehensive Income (net of Tax)	30	20
Total Comprehensive Income (Consolidated)	(75,925)	(79,880)

Akshaya Moondra, CEO, Vodafone Idea Limited, said “We are pleased to report sixth consecutive quarter of revenue growth and 4G subscriber addition on the back of superior data and voice experience offered by Vi GIGAnet. We have issued equity shares to the Government of India recently, consequent to conversion of the interest related to deferment of spectrum and AGR dues into equity. Separately, our board has approved issuance of Optionally Convertible Debentures amounting to Rs. 16 billion to ATC India. With these positive developments, we continue to remain engaged with our lenders for further debt fund raising as well as with other parties for equity or equity linked fund raising, to make required investments for network expansion and 5G rollout.”



Financial highlights

Revenue for the quarter stands at Rs. 106.2 billion. On a YoY basis, revenue growth is strong at 9.3% aided by improvement in subscriber mix, tariff intervention and 4G subscriber additions. On a reported basis, EBITDA for the quarter stands at Rs. 41.8 billion and EBITDA margins at 39.4%. EBITDA for the quarter, excluding IndAS 116 impact, is Rs. 20 billion compared to Rs. 21.2 billion in Q2FY23, primarily due to higher charge on account of customer acquisition costs and higher network expenses partially offset by the savings in spectrum usage charges. Capex spend for the quarter stands at Rs. 7.5 billion vs Rs. 12.1 billion in Q2FY23.

The total gross debt (excluding lease liabilities and including interest accrued but not due) as of December 31, 2022 stands at Rs. 2,228.9 billion, comprising of deferred spectrum payment obligations of Rs. 1,398 billion and AGR liability of Rs. 699.1 billion that are due to the Government, and debt from banks and financial institutions of Rs. 131.9 billion. With Cash & cash equivalents of Rs. 1.6 billion, the net debt stands at Rs. 2,227.3 billion.

Operational highlights

We continue to focus on expanding our high speed broadband network coverage and capacity by rolling out new sites, upgrading our core and transmission network as well as by refarming 2G/3G spectrum to 4G. We shut down ~2,800 3G sites during the quarter while adding ~2,000 4G sites. Our overall broadband site count stood at 443,450 as of December 31, 2022. Till date, we have deployed ~74,500 TDD sites in addition to the deployment of ~13,700 Massive MIMO sites and ~13,300 small cells. Further, we continue to expand our LTE 900 presence in 14 circles at multiple locations, including through dynamic spectrum refarming, to improve customer experience. Our 4G network covers over 1 billion Indians (4G coverage is the population reached/covered by VIL with its 4G network).

Our relentless pursuit to have a superior 4G network in the country, through these network investment initiatives, is clearly visible with 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 23 out of 26 months between November 2020 and December 2022. Further, we are in discussion with various network vendors for finalisation of our 5G rollout strategy which can be executed quickly once funding is in place.

ARPU improved to Rs. 135, up 3.3% QoQ vs Rs. 131 in Q2FY23. On a YoY basis, ARPU witnessed strong growth of 17.4% aided by tariff hikes and migration of subscribers to unlimited plans. The 4G subscriber base continued to grow and with 1 million 4G customers added in Q3, 4G subscriber base now stands at 121.6 million, though the overall subscriber base declined to 228.6 million vs 234.4 million in Q2FY23. We continue to see high data usage per broadband customer at ~15.1 GB/month with the total data traffic witnessing sequential growth of 0.8%.

We continue to make extensive progress on the marketing front by communicating key differentiators to consumers, entering into alliances and introducing various innovative products and services. With these initiatives, Vi won the best social media brand in Telecom and the best use of Video for '#LookUp this Diwali' campaign at the SAMMIES 2022.

In line with our digital offering strategy, we continue to add to our array of content offerings, digital products and services through partnerships on Vi App. On our ad-tech platform Vi Ads, we are empanelled with almost all the top media agencies and are part of the media plan for some of the big brands. We also launched a new channel 'BYTES', on Vi app



in partnership with NDTV to provide quick bytes of trending news & stories across sports, films & lifestyle. Further, on the back of our partnership with Zee, for the first time, LIVE International League T20 cricket is available on Vi app.

Issuance of OCDs to ATC India

The shareholder resolution approving the preferential issue of OCDs to ATC India, one of the largest infrastructure service provider for the company, had lapsed as the allotment of OCDs could not be completed within the prescribed period. Fresh approval has been given by the Board for issue of OCDs amounting to Rs. 16 billion, subject to approval of the shareholders. These funds will be used to pay amounts owed to ATC India under the master lease agreements and, to the extent of remainder, for general corporate purposes.

The engagement, cooperation and support through this transaction reflects ATC India's underlying confidence in the company and its plans. Both parties remain committed to develop a top quality nationwide 4G & 5G network as well as contribute towards India's digital transformation. We believe that this step will facilitate further capital raise by company.

Issuance of Equity shares to GoI

In line with the Reforms and Support Package for Telecom Sector communicated on September 15, 2021, we had opted for the upfront conversion of interest arising due to deferment of spectrum instalments and AGR dues into equity. On February 3, 2023, Ministry of Communications, GoI has passed an order directing the Company to convert the NPV of the interest related to deferment of spectrum auction instalments and AGR Dues into equity shares to be issued to GoI. The total amount to be converted into equity shares is Rs. 161.33 billion. The board of the company has taken necessary steps and issued 16.13 billion equity shares of the face value of Rs. 10 each at an issue price of Rs. 10 each. With this issuance, the Promoter shareholding now stands at ~50% and GoI shareholding at ~33%.

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. Company holds large spectrum portfolio including mid band 5G spectrum in 17 circles and mmWave 5G spectrum in 16 circles. 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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