



**Media Release – November 3, 2022**

## **Fifth consecutive quarter of revenue and 4G subscriber growth**

### **Highlights for the Quarter**

- Revenue grew to Rs. 106.1 billion, a QoQ growth of 2.0% (YoY growth of 12.8%)
- EBITDA (pre IndAS116) improved to Rs. 21.2 billion, vs Rs. 21.1 billion in Q1FY23
- ARPU for the quarter stands at Rs. 131 vs Rs. 128 in Q1FY23 (YoY growth of 19.5%)
- 4G subscriber base increased to 120.6 million (vs 119.0 million in Q1FY23), 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 20 out of 23 months between November 2020 and September 2022
- Showcased a wide range of 5G solutions for enterprise and consumers on Vi 5G Live network at recently held India Mobile Congress (IMC)
- Board approved issuance of Optionally Convertible Debentures (OCDs) amounting to Rs. 16 billion to ATC Telecom Infrastructure Private Limited (ATC India) subject to conditions precedent

### **Financial Highlights**

<b>Consolidated (Rs Mn)</b>	<b>Q1FY23</b>	<b>Q2FY23</b>
Revenue	104,101	106,146
EBITDA	43,284	40,975
EBITDA%	41.6%	38.6%
Depreciation & Amortisation	58,043	56,557
EBIT	(14,759)	(15,582)
Interest and Financing Cost (Net )	58,174	60,331
Share of Profit/(Loss) from JV & associates	4	(1)
PBT	(72,929)	(75,914)
<b>PAT</b>	<b>(72,967)</b>	<b>(75,955)</b>
Other Comprehensive Income (net of Tax)	10	30
<b>Total Comprehensive Income (Consolidated)</b>	<b>(72,957)</b>	<b>(75,925)</b>

**Akshaya Moondra, CEO, Vodafone Idea Limited**, said *“We are pleased to report fifth consecutive quarter of revenue growth and 4G subscriber addition. Such performance is primarily driven by the continued increase in 4G subscriber base on the back of superior data and voice experience offered by Vi GIGAnet. In the recently held IMC, we showcased a wide range of 5G offerings for our enterprise and consumers on the Vi 5G Live network. Our board has recently approved issuance of Optionally Convertible Debentures amounting to Rs. 16 billion to ATC India. We continue to remain engaged with our lenders and investors for further fund raising to make required investments for network expansion and 5G rollout.”*



## **Financial highlights**

Revenue for the quarter stands at Rs. 106.1 billion, a QoQ improvement of 2.0%. On a YoY basis, revenue growth was strong at 12.8%. On a reported basis, EBITDA for the quarter was Rs. 41.0 billion. EBITDA excluding IndAS116 impact improved to Rs. 21.2 billion, compared to Rs. 21.1 billion in Q1FY23 driven primarily by higher revenue and savings in spectrum usage charges offset by higher network expenses and customer acquisition costs. Capex spend for the quarter stands at Rs. 12.1 billion vs Rs. 8.4 billion in Q1FY23.

The total gross debt (excluding lease liabilities and including interest accrued but not due) as of September 30, 2022 stands at Rs. 2,203.2 billion, comprising of deferred spectrum payment obligations of Rs. 1,366.5 billion (including Rs. 172.6 billion towards spectrum acquired in recent spectrum auction) and AGR liability of Rs. 685.9 billion that are due to the Government, and debt from banks and financial institutions of Rs. 150.8 billion. Cash & cash equivalents were Rs. 1.9 billion with that net debt stood at Rs. 2,201.3 billion.

## **Operational highlights**

We continue to focus on expanding our high speed broadband network coverage and capacity. We also continue to refarm 2G/3G spectrum to expand our 4G coverage and capacity as well as upgrade our core and transmission network. We have shut down ~19,000 3G sites during the quarter while we added ~8,500 4G sites. Our overall broadband site count stood at 444,228 as of September 30, 2022. Till date, we have deployed ~74,300 TDD sites in addition to the deployment of ~13,800 Massive MIMO sites and ~13,200 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 as of September 30, 2022 (4G coverage is the population reached/covered by VIL with its 4G network).

These network investment initiatives continue to deliver a significant uplift to our overall data capacity. Our relentless pursuit to have a superior 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 20 out of 23 months between November 2020 and September 2022.

On 5G front, we showcased a wide range of real world 5G solutions for enterprises as well as consumers, in partnership with leading technology companies and other domain leaders, on Vi 5G Live network at the recently held India Mobile Congress 2022 in New Delhi. Vi 5G use cases are designed to catalyse digital economy growth by ushering industry 4.0 for enterprise efficiency and productivity, and provide for smarter and safer solutions for our cities, businesses and citizens. Vi also demonstrated industry first Cloud Gaming experience on Vi 5G, as well as various social transformation initiatives in areas of Agriculture, Health, Education and Public Safety.

Our unified brand "Vi", celebrated its second anniversary in September 2022, and has already garnered strong awareness and continues to build brand affinity across all customer segments in the country.

ARPU improved to Rs. 131, up 2.0% QoQ vs Rs. 128 in Q1FY23. On a YoY basis, ARPU witnessed strong growth of 19.5% aided by tariff hikes and migration of subscribers to unlimited plans. The subscriber base declined to 234.4 million vs 240.4 million in Q1FY23. However, the 4G subscriber base continued to grow and with 1.5 million 4G customers added



in Q2, 4G subscriber base now stands at 120.6 million. We continue to see high data usage per broadband customer at ~15.0 GB/month with the total data traffic witnessing healthy sequential growth of 5.4%. Blended subscriber churn for the quarter was higher at 4.3% vs 3.5% in Q1FY23.

In line with our digital offering strategy, we continue to add to our array of content offerings, digital products and services through partnerships. Recently, we have launched our own Ad-tech platform called “Vi Ads” which empowers marketers to engage with Vi users, as per their own targeting requirements, on both, Vi media assets as well as external media channels and publisher partners of Vi Ads. Further, in association with Hungama Music, we are also launching LIVE EVENTS/concerts where Vi users can watch LIVE music concerts by renowned artists virtually on their smartphones.

### **Spectrum Auction**

In the recently concluded spectrum auction, we acquired mid band 5G spectrum (3300 MHz band) in our 17 priority circles, mmWave 5G spectrum (26 GHz band) in 16 circles and incremental 4G spectrum in 3 circles of Andhra Pradesh, Karnataka and Punjab. The total commitment for the spectrum acquired in this auction is Rs. 187.9 billion, with annual instalment of Rs. 16.8 billion over 20 years. Payment of first annual instalment has been made post which spectrum has been allocated.

### **Issuance of OCDs to ATC India**

ATC India is one of the largest infrastructure service provider for the company and both entities have a strong long-term relationship. In the spirit of this partnership, we are pleased to announce that ATC India has agreed to subscribe to OCDs amounting to Rs. 16 billion. These funds will be used to pay certain agreed amounts owed to ATC India under the master lease agreements and, to the extent of remainder, for general corporate purposes. The issuance of OCDs would be subject to certain conditions precedent, including the approval by VIL shareholders and conversion of the interest from deferment of Adjusted Gross Revenue and spectrum dues, into equity, by Government of India.

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 the company.

### **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)  
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