

# Omantel Group Performance Q3 2014

January – September 2014

Presentation to Investor Community

Conference Call

13<sup>th</sup> November 2014 at 2 PM (Oman Time)

عمانتل  
Omantel

# Group Performance Highlights



# Group Performance Highlights

## Revenue



- Group Revenue at RO 357.6 Mn compared to RO 351.5 Mn of the corresponding period (increase of 1.7%).
- **Domestic** Revenues increased by **2.8%**, mainly contributed by growth in;
  - **9.9%** from *Fixed Line Business Revenues*.
  - **31.3%** from *Mobile Broadband revenue*.
  - **32.6%** from *Fixed Broadband*.
  - **13.9%** from *Corporate Data services*.
  - **6.6%** *Corporate revenues*.

## Healthy margin



- Group Net Profit of **RO 95.9 Mn**. Domestic Net Profit of **RO 101.8 Mn**, an increase of **9.4%** over last year.
- Maintained **Healthy EBITDA** of **45%** (*51% excluding Royalty*)
- Domestic EBITDA **46%**. (*Excluding Royalty 53%*)
- Group Net profit margin (after *MI*) is **27%**

## Strong subscriber base



- Group customer base grown by **5.0%**. (*from 4.204 Mn compared to 4.002 Mn - incl WTL*).
- Continued robust Mobile Subscriber acquisition – Total Market Growth 8.2%, Omantel Mobile achieved growth of 9.4%. (Q3'2014 Vs Q3'2013).
- Growth in both post & pre paid Omantel mobile subscriber base (6.0% and 5.4% respectively) and mobile broadband by 19.3% (*subscription based*).

# Group Performance Highlights

## Market Leadership



- Oman Mobile network subscriber base YoY grown to 3.546 Mn (59.1% Market share) from 3.243 Mn
- Mobile Revenue Share 61.3%.
- Fixed line subscriber market share is 84.1%
- Fixed Line Revenue share 82.7%

## Strong balance sheet



- Debt Ratio is 30.7%
- Group total assets at RO 788 Mn.
- Net worth of RO 546 Mn.
- Net Asset per share is RO 0.726

## Impressive market fundamentals



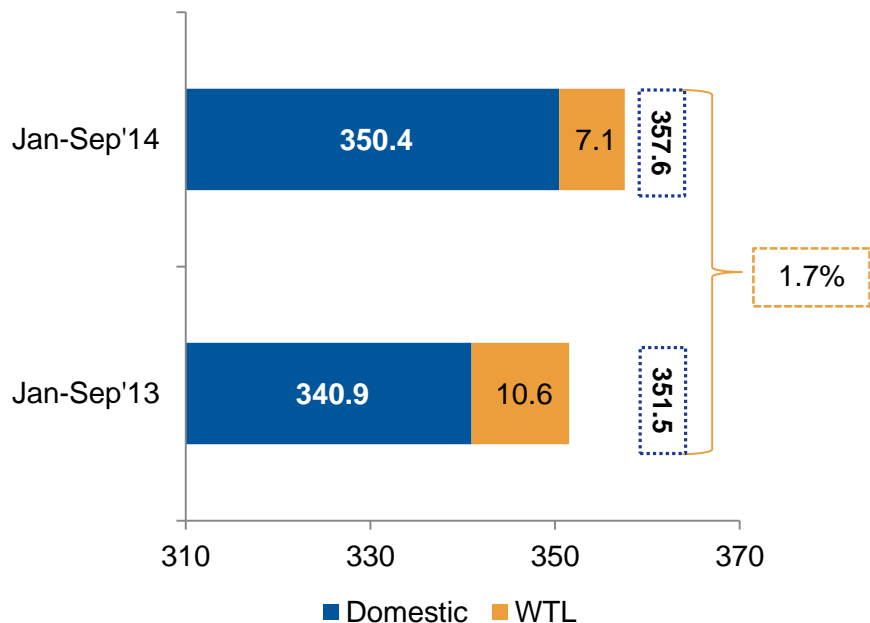
- Dividend Yield **7.6%** (*Dividend at 115 Bz / share - based on 31 Dec 2013 Closing Price of RO 1.505*)
- Market Capitalization at RO 1.245 Bn (Sep'14)
- Price Earning Ratio {P/E 9.74}
- EV / EBITDA 5.85
- Price to Book Value 2.29

# Group Performance Analysis

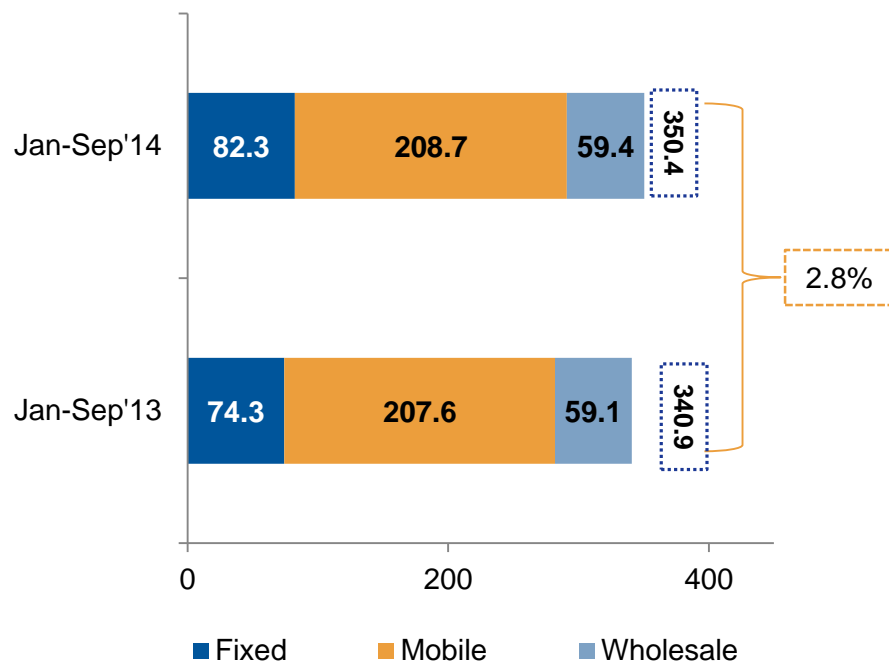


# Revenues- Domestic operation Revenue grown by 2.8%, while Group Revenue has grown by 1.7%

Consolidated with Worldcall  
Group Revenue in RO Mn



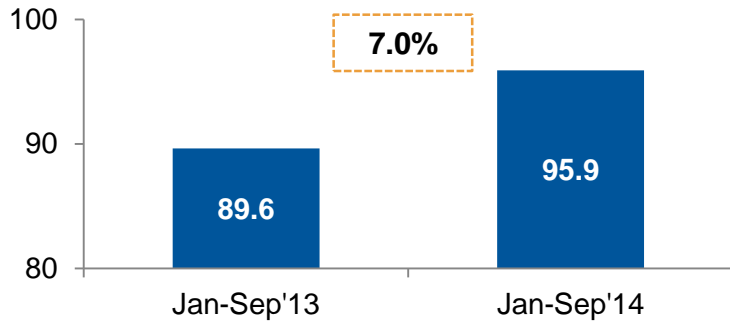
Domestic Operation  
Domestic Revenue in RO Mn



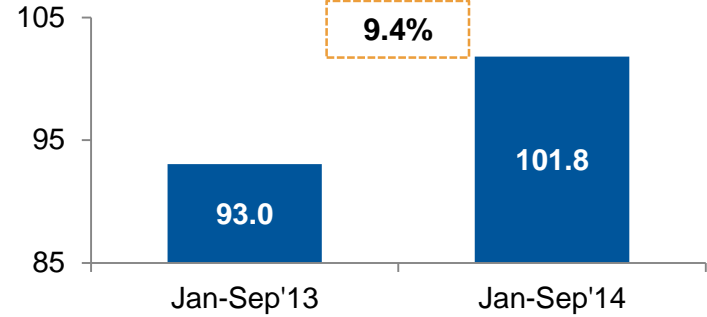
2.0% of the total revenue contributed by International operation (WTL)

# Net Profit and EBITDA continue to be healthy

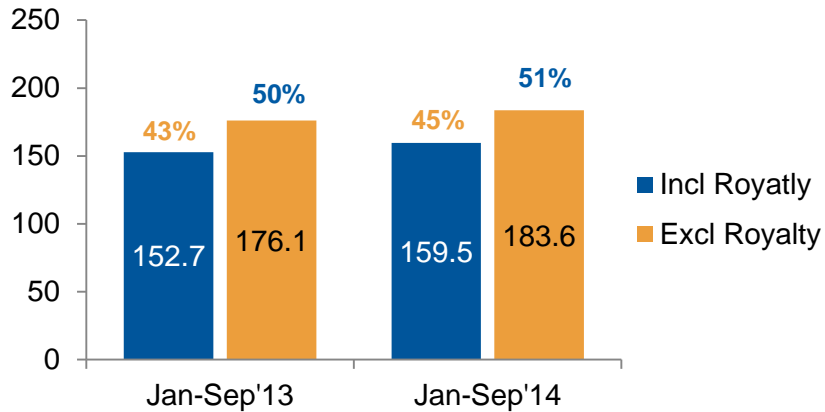
Consolidated with Worldcall  
Group Net Profit in RO Mn



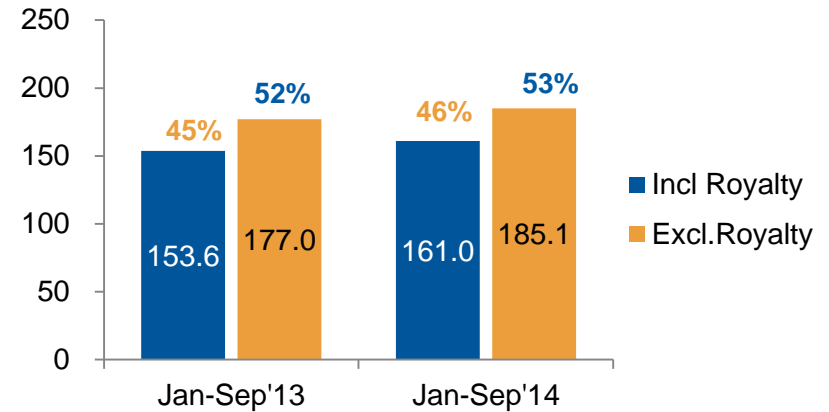
Domestic Operation  
Domestic Net Profit in RO Mn



EBITDA RO Mn & %

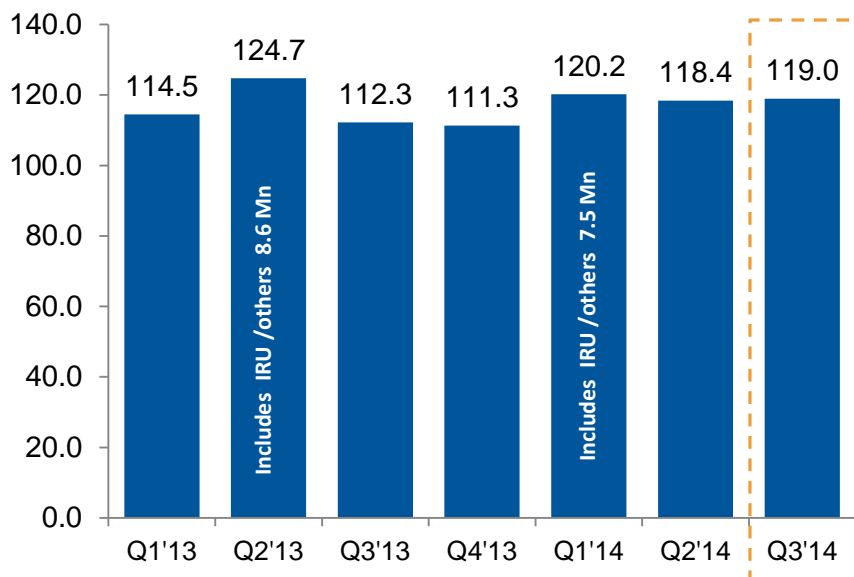


EBITDA RO Mn & %

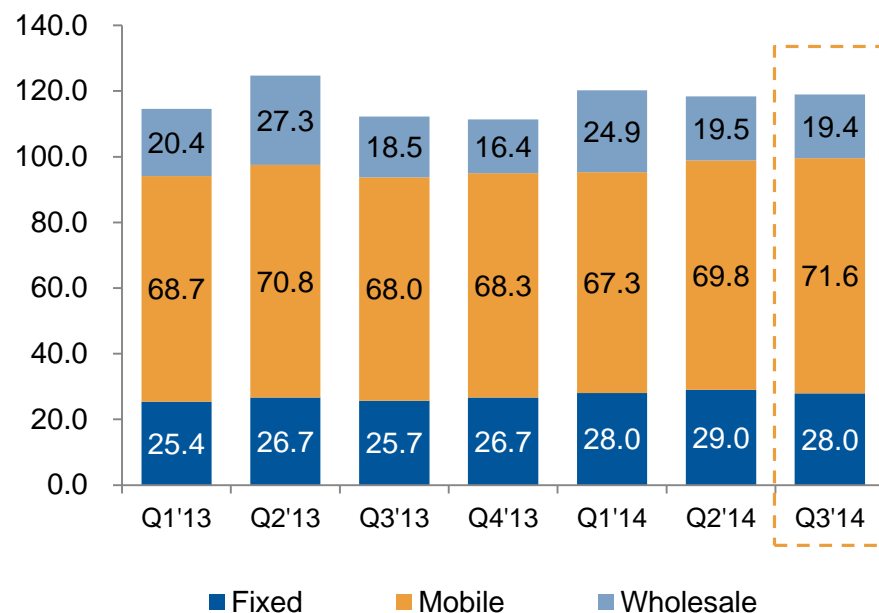


# Group Revenue - Quarterly Analysis shows mobile revenue has achieved highest growth in this quarter.

Group Revenue in RO Mn



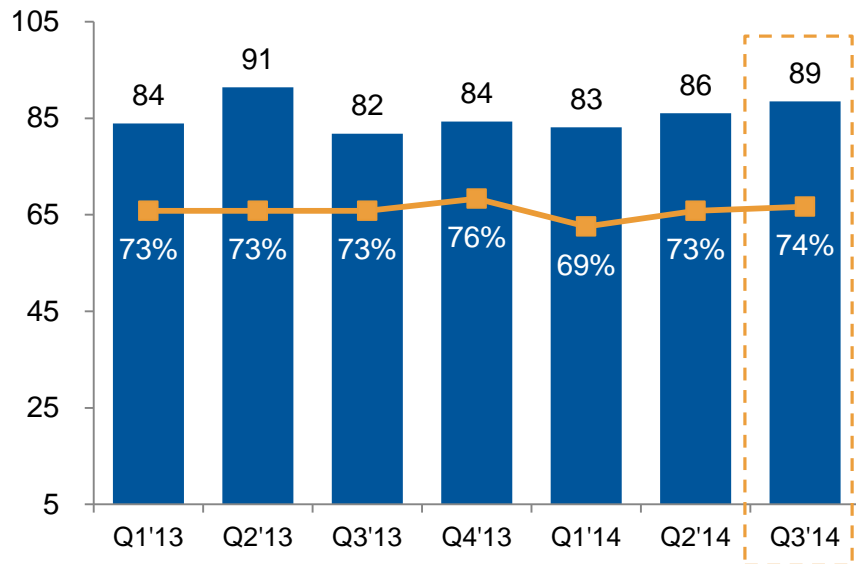
Group Revenue by Segment RO Mn





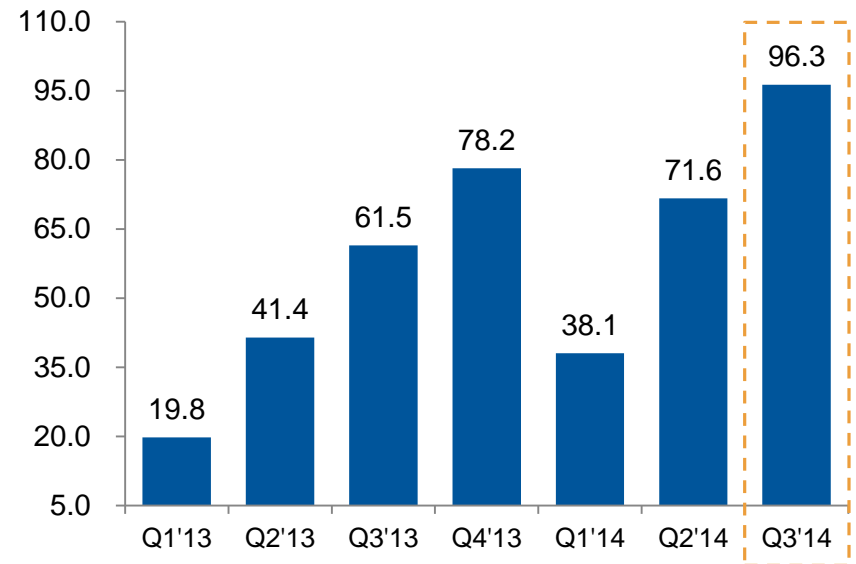
# OPEX - CAPEX

Total Opex (incl Depreciation) by Qtr – RO Mn & Opex Ratio- % to Revenue



Domestic Opex to Revenue ratio for Sep'14 is 72%

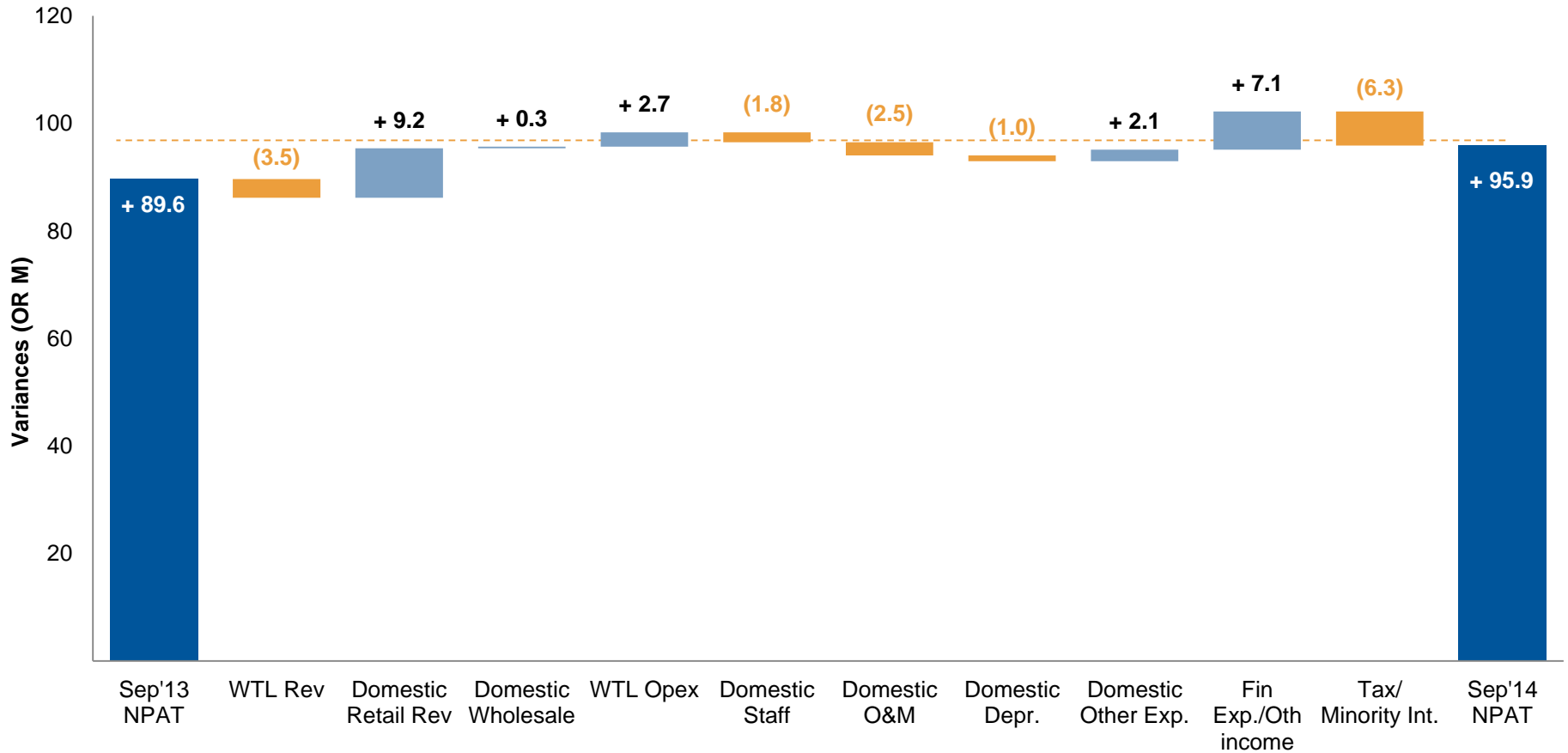
Capex Additions (Cumulative) RO Mn



Capex to Revenue ratio is at 27%

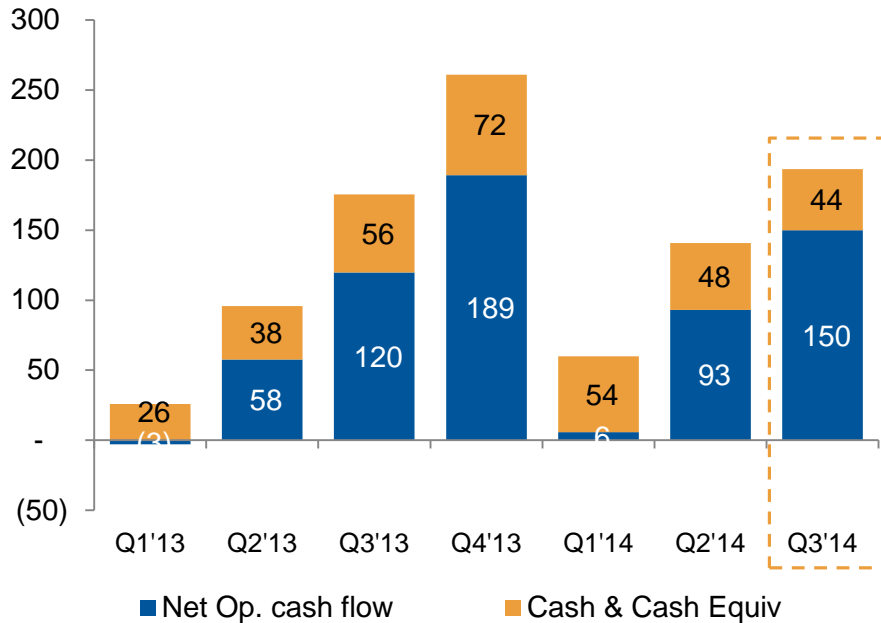
# Net profit after Tax

## NPAT Actual Variance Including WorldCall (Sep'14 Vs Sep'13) OR 6.3 Mn

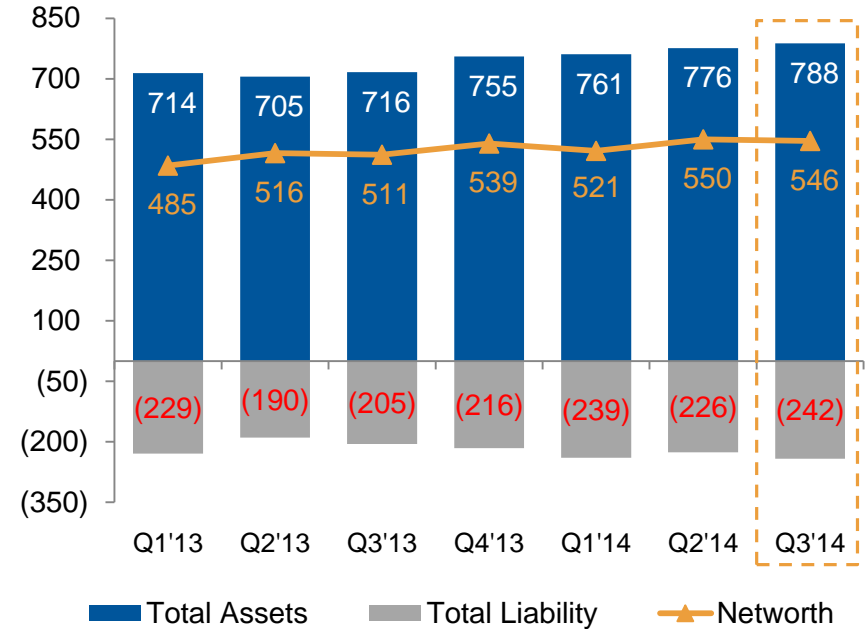


# Healthy Cash flow and strong Balance sheet

Cash Flow (Cumulative) RO Mn



Assets, Liability & Net worth RO Mn



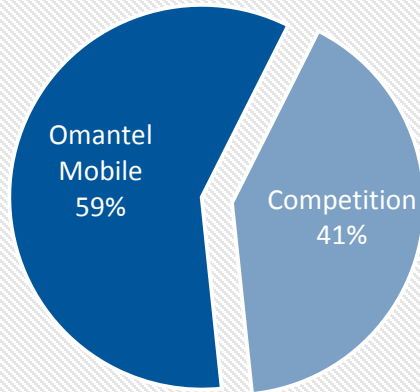
Note:

- 1) Operating cash flow before working capital changes is RO 161.7 Mn which is 45.2% of revenue.
- 2) Cash & Cash equivalent excludes Fixed deposit with banks amounting to RO 51.8 Mn

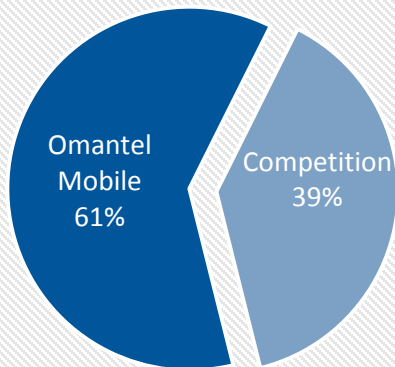
# Growth & Market Share

# Mobile Market Share

## Mobile Subscriber (incl Mobile Resellers) Market Share – Sep'14



## Mobile Revenue (incl Mobile Resellers) Revenue Share – Sep'14

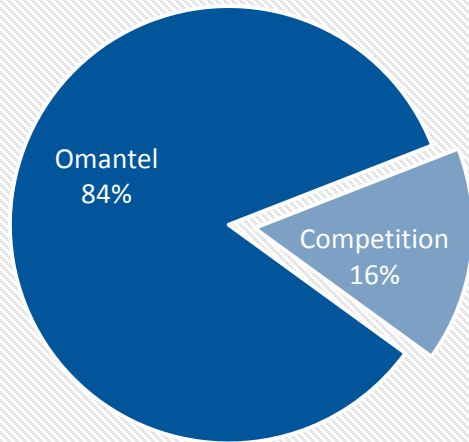


## Highlights

- 1) Omantel Mobile continue to be the leading mobile operator –Subscriber market share including mobile resellers is at 59.1% with Revenue market share of 61.3%
- 2) Total Mobile market grew by 8.2% as compared to Q3'13. Omantel Mobile (incl Mobile Resellers) achieved a growth rate of 9.4%, net addition is around 304 K, which is around 67% of total net additions.
- 3) Compared to Q3 2013, Omantel Mobile subscriber market share increased by 0.6%, while revenue share declined by 2.1% (in absolute terms).

# Fixed Line Business Market Share

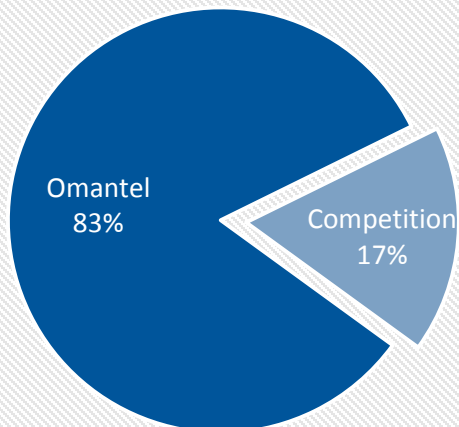
## Fixed Market Share – Sep'2014



## Highlights

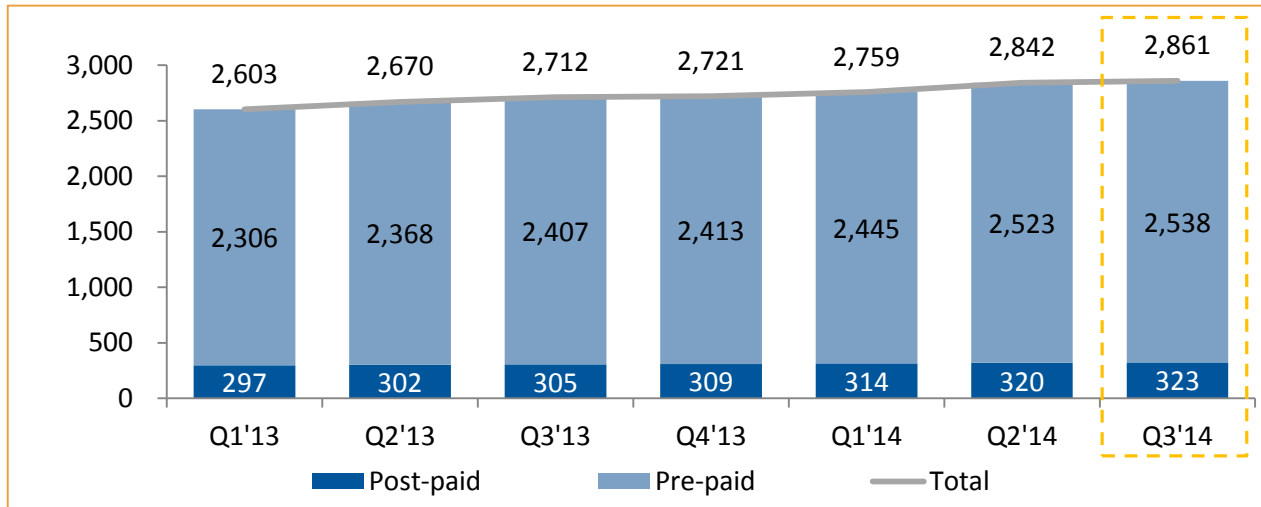
- 1) Omantel continues to be the leading fixed line operator –Subscriber market share is at 84% with Revenue market share of 83%
- 2) Total Fixed Line market grew by 5.5% as compared to Q3'13. Omantel Fixed line achieved a growth rate of 2.6%.
- 3) Compared to Q3 2013, Fixed line subscriber market share declined by 2.3%, while revenue share declined by 0.2% (in absolute terms).

## Fixed Revenue Share –Sep'2014

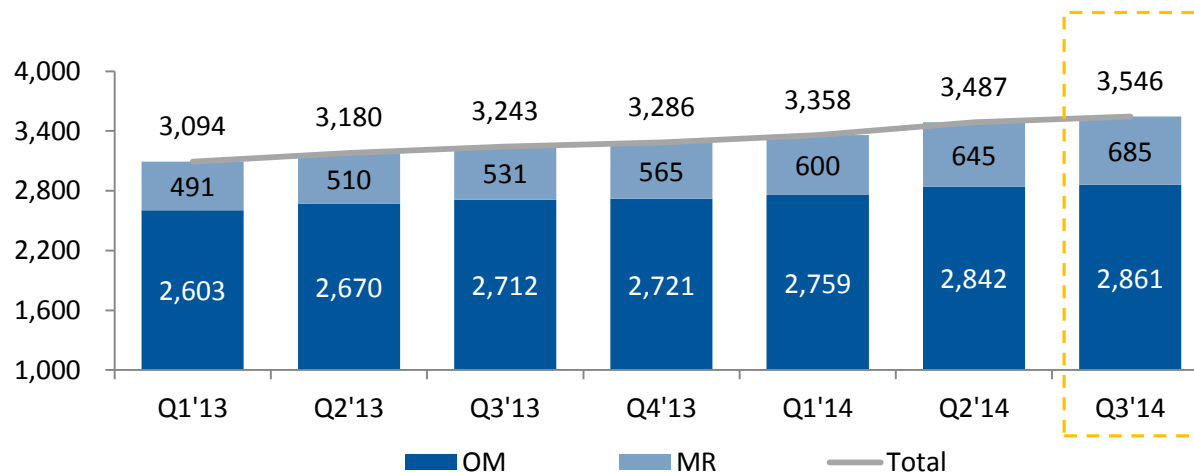


# Mobile subscriber base - Quarterly

## Oman Mobile Subscribers – In '000s



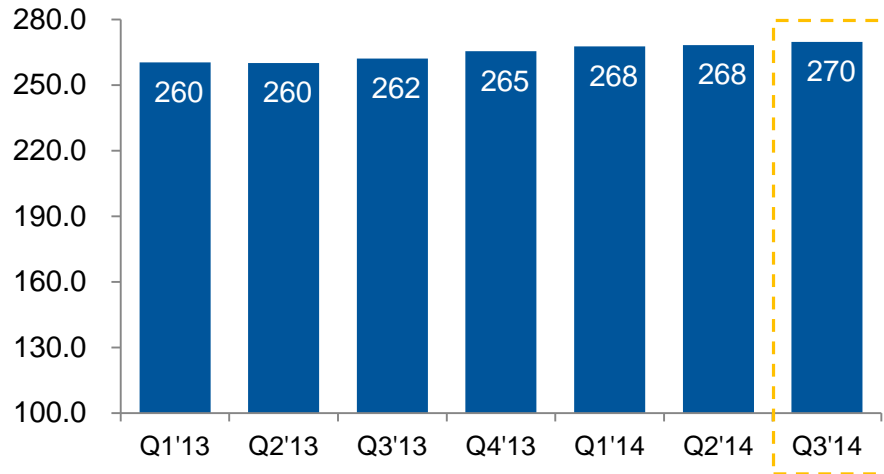
## With Mobile Resellers – In '000s



# Fixed line and Broadband Subscriber base

Fixed Line shows marginal increase in Q3 2014. Combined Broadband Subscribers recorded a growth of 21%

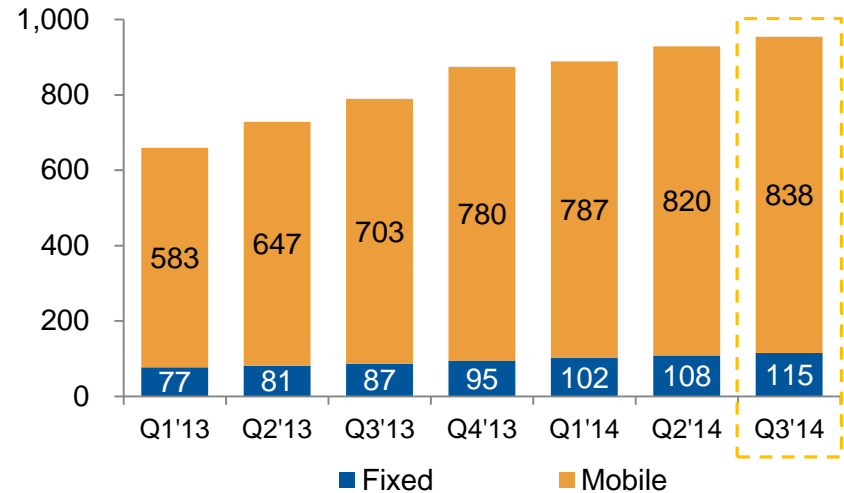
Fixed Line Subscribers – In '000s



Note:

- 1) Fixed line include pre-paid and payphone.

Fixed & Mobile Broadband – In '000s



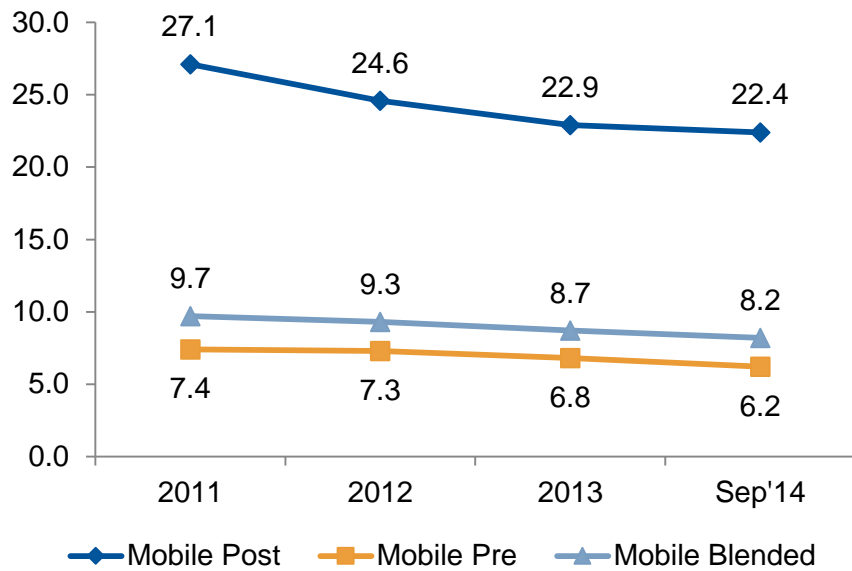
Note:

- 1) Mobile Broadband subscribers are unique subscribers subscribed to any one of the packages including Blackberry service.
- 2) Mobile Broadband subscribers including Pay As You Go (PAYG) is estimated at 1.532 Mn as of Sep'14.

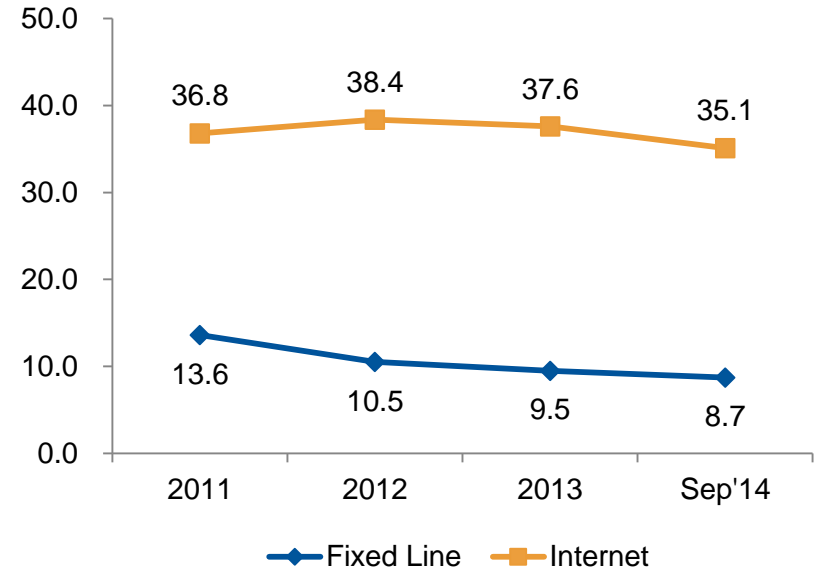


# ARPU / month for major products

## Mobile services



## Fixed line services



Note:

- 1) Fixed line include post & pre-paid including payphone.
- 2) Internet include Broadband and all internet services (dialup post & prepaid, dedicated)

# Worldcall Performance – Year to date comparison (2014 vs. 2013)

## Income Statement

Amounts in RO mln	9 Months ended September		
	2014	2013	Variance
Revenue	7.13	10.6	-32.7%
Operating Expenses	13.0	15.7	16.9%
EBITDA	(1.54)	(0.90)	-72%
Depreciation and amortization	4.35	4.17	-4.2%
Operating Profits/(Loss)	(5.89)	(5.07)	-16.2%
Finance Cost	(3.33)	(4.45)	-25.0%
Other income/(loss)	(1.36)	0.04	-3168%
Profit/(Loss) Before Taxation	(10.59)	(9.47)	-11.8%
Taxation	(0.36)	(3.09)	88.4%
Net Profit/(Loss) After Tax	(10.23)	(6.38)	-60.4%

## Key Ratios

	2014	2013
Net margin	-143.5%	-60.2%
EBITDA margin	-21.7%	-8.5%

## Highlights

- YTD revenues for 2014 posted RO 7.13 Mn (-32.7%) {-34.0% in PKR} lower than YTD revenues for 2013.
- EBITDA 2014 has declined to RO -1.54 Mn compared to the corresponding period of year 2013. EBITDA margin decreased from -8.5% in 2013 to -21.7% in 2014.
- The YTD bottom line posted a net loss of RO 10.23 Mn as against a loss of RO 6.38 Mn in 2013.

As part of the business turnaround strategies, the company has concluded network sharing deals, which is expected to result in better performance in the coming months.

# Presented by

- Mr. Talal Said Al Mamari, CEO
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