



# Omantel Group Performance 2015

January – March 2015

Presentation to Investor Community

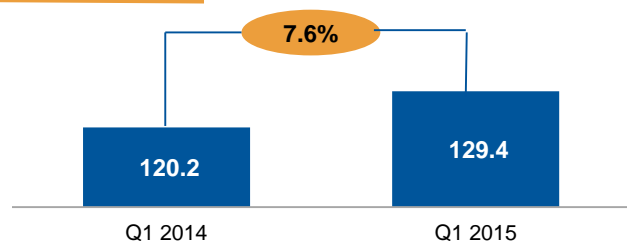
Conference Call

14<sup>th</sup> May 2015 at 2 PM (Oman Time)

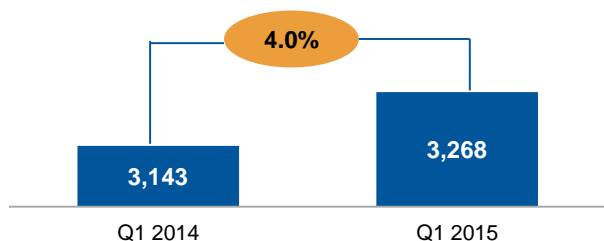
# Group Performance Highlights

## Revenues & Subscribers growth

### Revenue – RO Mn

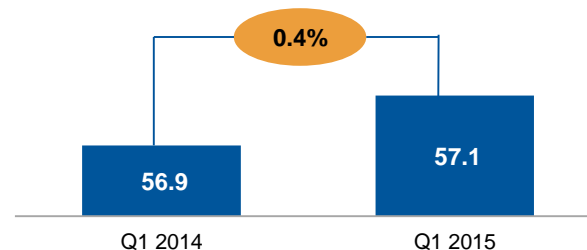


### Domestic Subscribers'000s

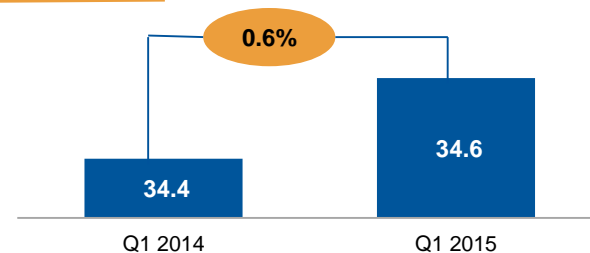


## EBITDA & Net Margin

### EBITDA – RO Mn



### Net Profit – RO Mn



- Group Revenue at RO 129.4 Mn compared to RO 120.2 Mn of the corresponding period, mainly contributed by 8.5% growth in Domestic Operation.
- WTL contribution (international operation) to the total revenue stands at 1.4%.
- Domestic customer base grown by 4.0%.
- Continued robust Mobile Subscriber acquisition. Omantel Mobile achieved growth of 6.7%

- Growth in EBITDA by 0.4%. EBITDA as % is 44.1% compared to 47.3% of the corresponding period.
- Group Net Profit after tax is RO 34.6 million compared to RO 34.4 million of the corresponding period, an increase of 0.6%
- Group Net profit margin (after MI) is 26.7% compared to 28.6% of the corresponding period.

# Group Performance Highlights



## Strong Balance Sheet

- Debt Ratio is 32.9%
  - Group total assets at RO 817 Mn.
  - Net worth of RO 548 Mn.
  - Net Asset per share is RO 0.732
- 

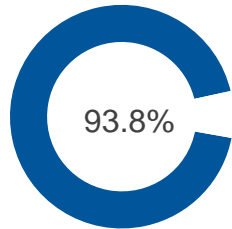
## Impressive Market Fundamentals

- Dividend Yield 6.8% (Dividend at 115 Bz / share based on 31 Dec 2014 Closing Price of RO 1.695)
- Market Capitalization at RO 1.260 Bn (Mar'15)
- Price Earning Ratio {P/E 9.12}
- EV / EBITDA 5.52
- Price to Book Value 2.30

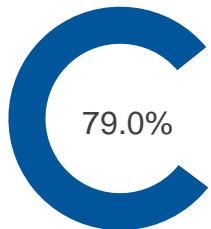
# Customer experience

## Coverage

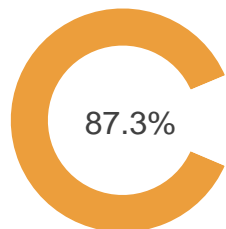
3G (Population)



4G (Population)



ADSL (Household)



## Q1'15 Achievements

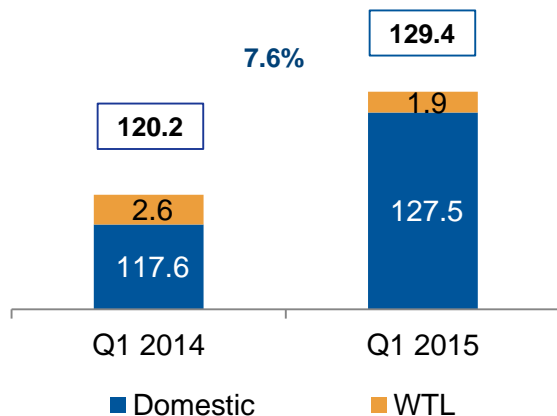
- Omantel contact center been awarded **“The Best Contact center Experience in Middle East Award”** in Customer Experience Management in Telecoms Middle East Summit.
- **First Contact Resolution** : Improve technical complaint resolution process by developing & empowering technical team
- **Multiple payment channels:** IVR , BPM, Portal , Mobile app, collection agents.
- **Makasib enrollment campaign** to boost the customers interaction and loyalty.

## 2015 Focus

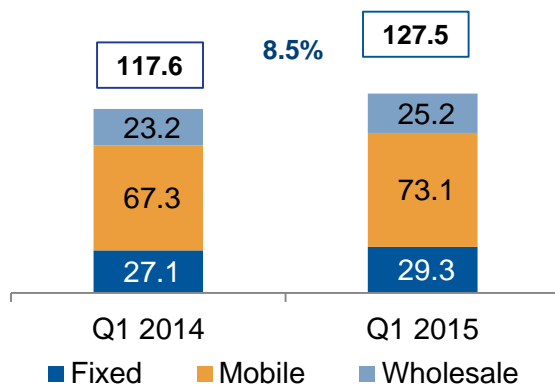
- **Net Promoting Score (NPS):** is a global standard that provides a best practice framework for how companies collect, evaluate, and act on customer feedback.
- **Meet & Greet Concept:** a concept of Meeting & Greeting in the flagship outlets across the country.
- **Technician visit booking** capability in place with contact center for complaint resolution.
- Introducing **Online Chat** and Developing **video tutorials** to improve customer experience.

# Revenue Breakup

## Group Revenue RO Mn



## Domestic Revenue RO Mn



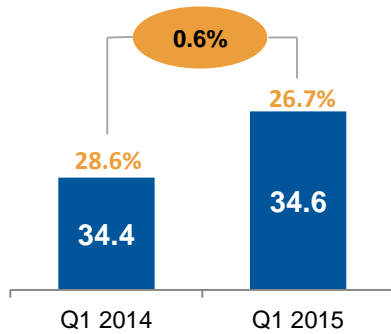
## Domestic Highlights

**Domestic** Revenues increased by **8.5%**, mainly contributed by growth in;

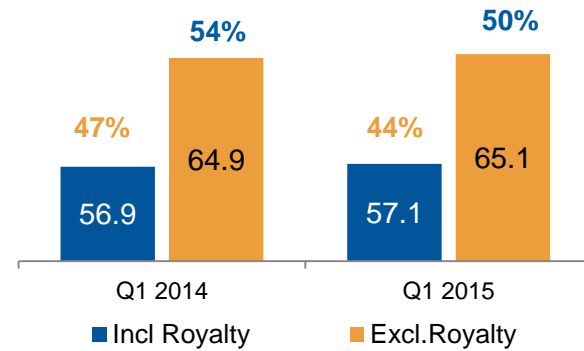
- **8.8%** from Fixed Line Business Retail Revenues (include internet & data).
- **27.0%** increase in Fixed Broadband revenue.
- **28.5%** increase in Mobile Broadband revenue.
- Increase in revenues from all 3 segments;
  - **Consumer by 10%.**
  - **Corporate by 7.1%.**
  - **Wholesale by 6.5%.**
- Total Fixed Broadband subscriber growth of 31%.
- Growth in mobile broadband subscribers by 14%
- 57.62% Smartphone penetration in Omantel Mobile Network

# Net Profit and EBITDA

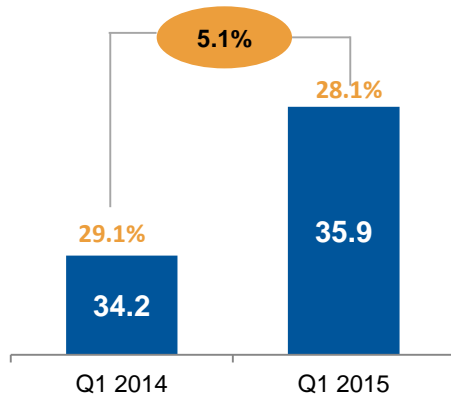
Group Net Profit RO Mn



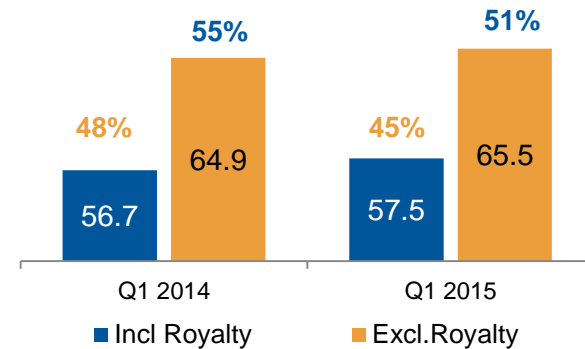
Group EBITDA RO Mn & %



Domestic Net Profit RO Mn

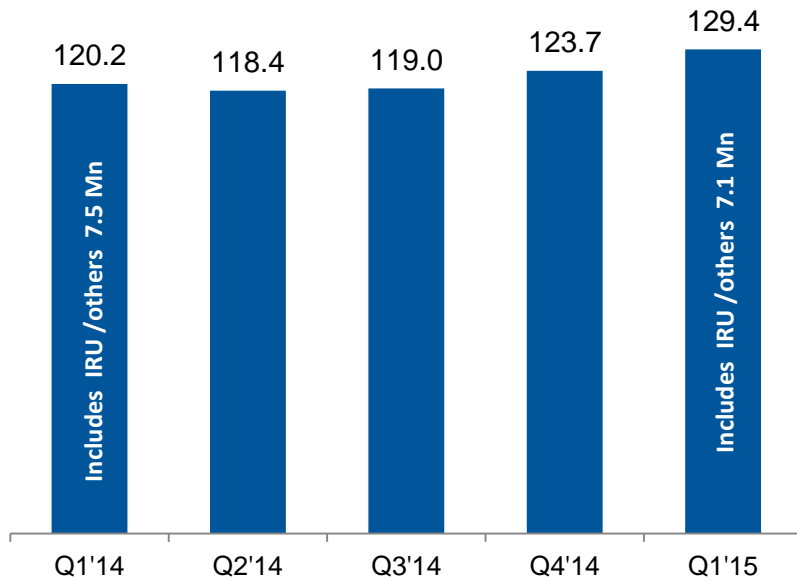


Domestic EBITDA RO Mn & %

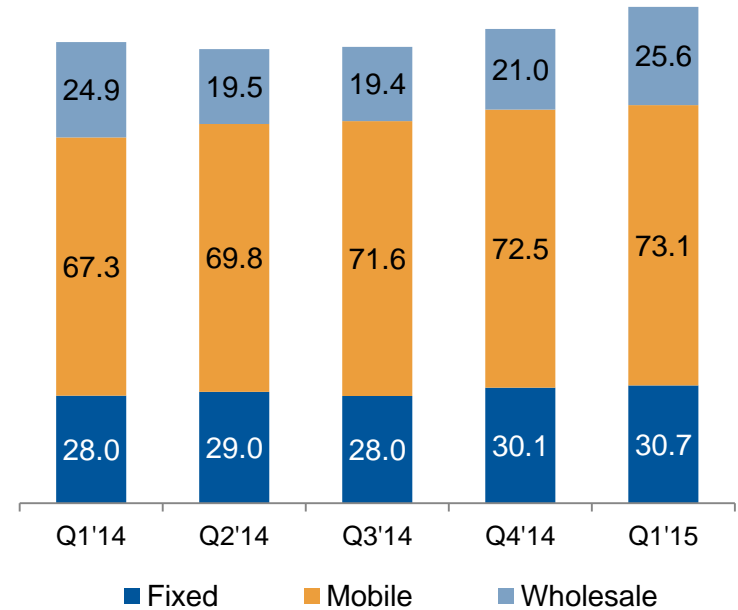


# Group Revenue - Quarterly Analysis

Group Revenue in RO Mn

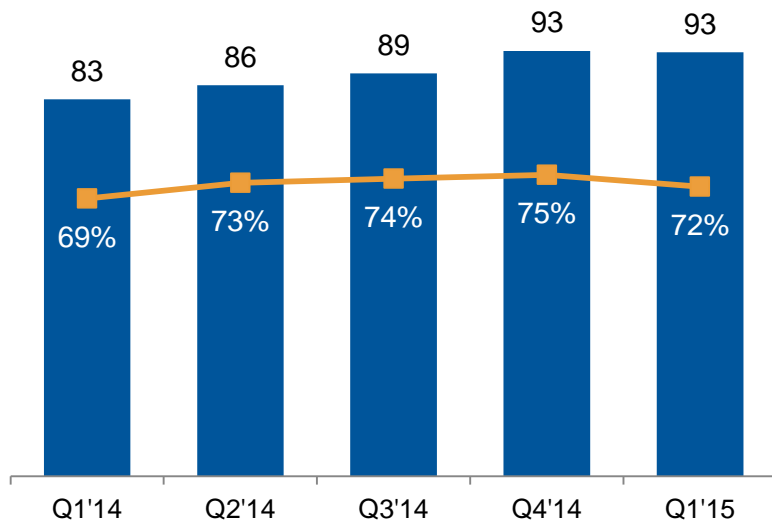


Group Revenue by Segment RO Mn



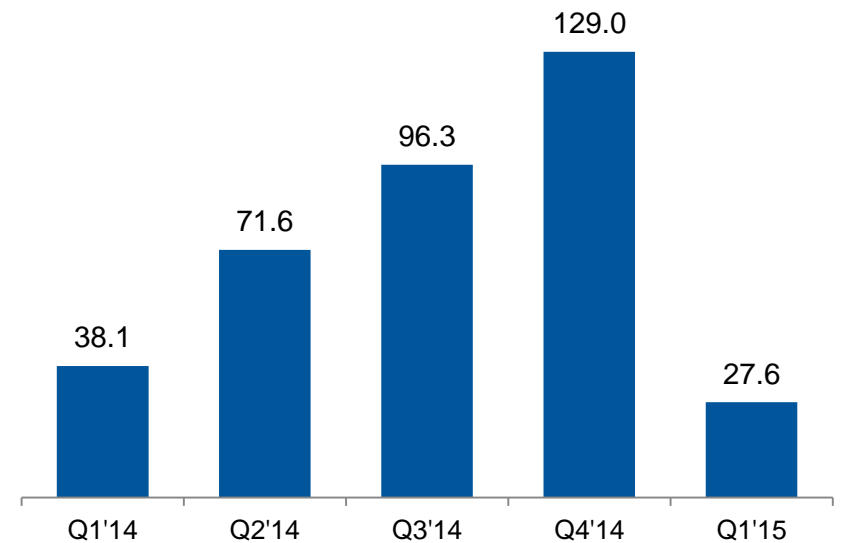
# OPEX - CAPEX

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



Domestic Opex to Revenue ratio for Q1'15 is 70%

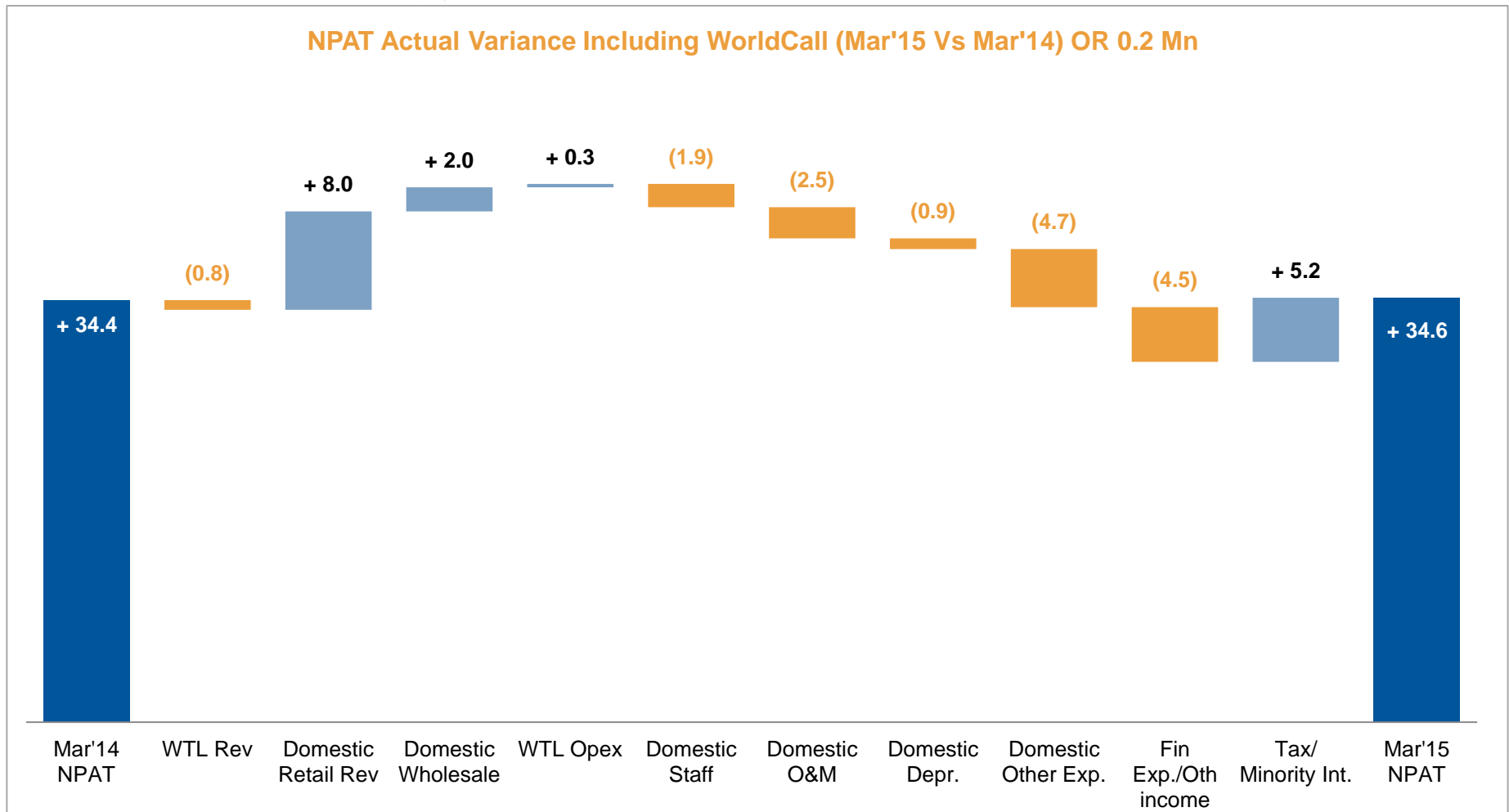
Capex Additions (Cumulative) RO Mn



Capex to Revenue ratio is at 21%

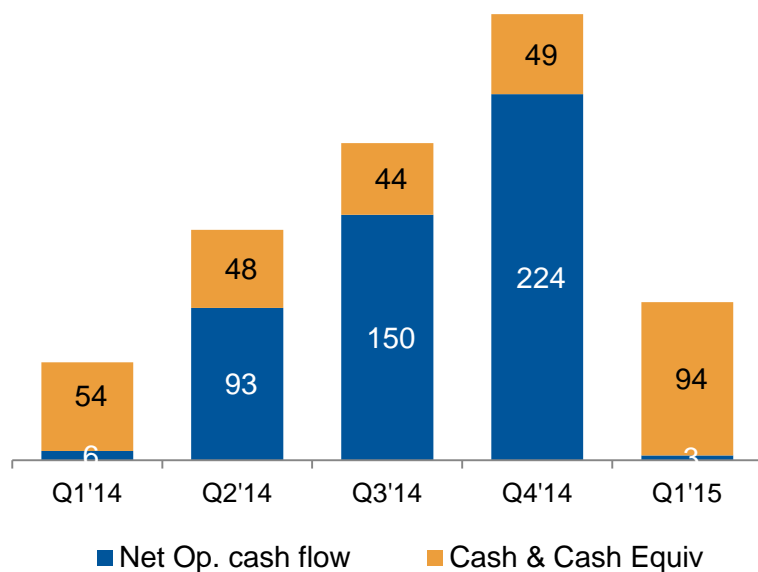


# Net profit after Tax

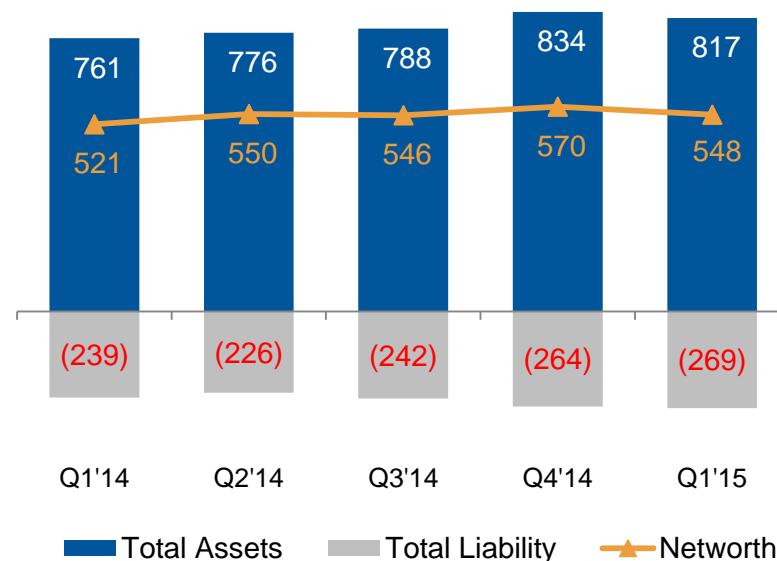


# Healthy Cash flow and strong Balance sheet

Cash Flow (Cumulative) RO Mn



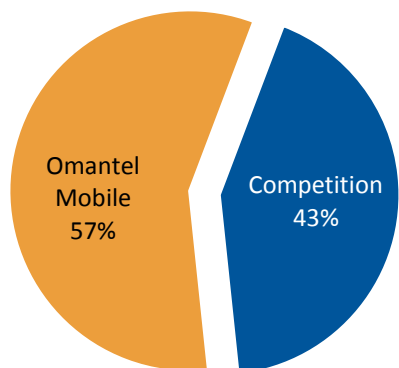
Assets, Liability & Net worth RO Mn



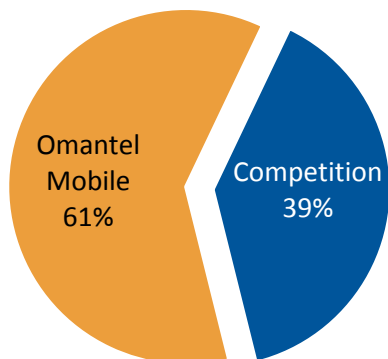
- 1) Operating cash flow before working capital changes is RO 58.1 Mn which is 44.9% of revenue.
- 2) Cash & Cash equivalent excludes Fixed deposit with banks amounting to RO 10.6 Mn

# Mobile Market Share

## Subscriber Market Share - (incl. Mobile Resellers)



## Revenue Market Share - (incl. Mobile Resellers)

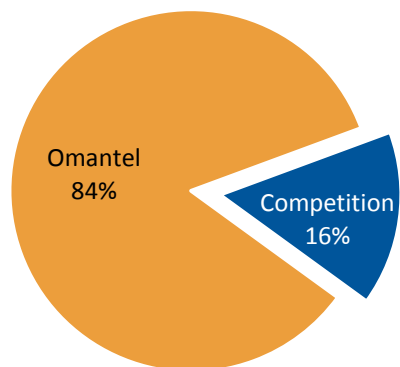


## Highlights

- 1) Omantel Mobile continue to be the leading mobile operator – Subscriber market share including mobile resellers is at 57.4% with Revenue market share of 61.0%
- 2) Omantel Mobile (incl Mobile Resellers) achieved a growth rate of 6.7%, net addition is around 225 K.

# Fixed Line Market Share

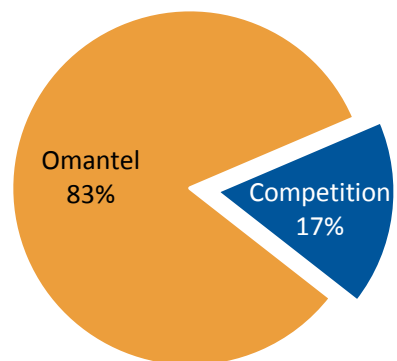
## Subscriber Market Share



## Highlights

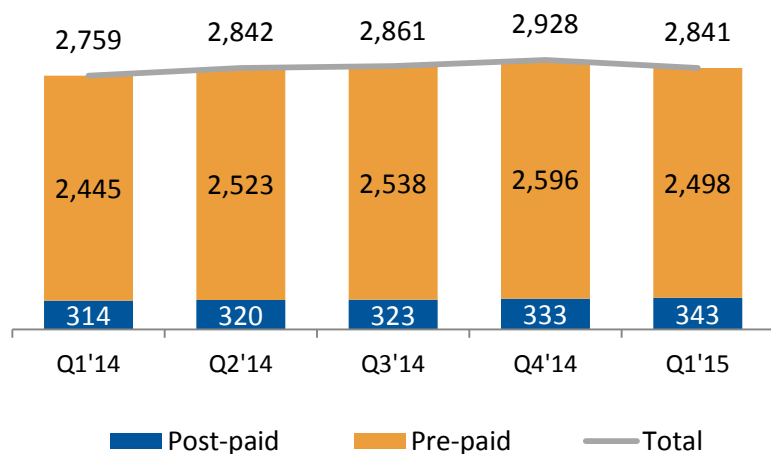
- 1) Omantel continues to be the leading fixed line operator –Subscriber market share is at 84%.
- 2) Revenue market share is around 83%

## Revenue Market Share



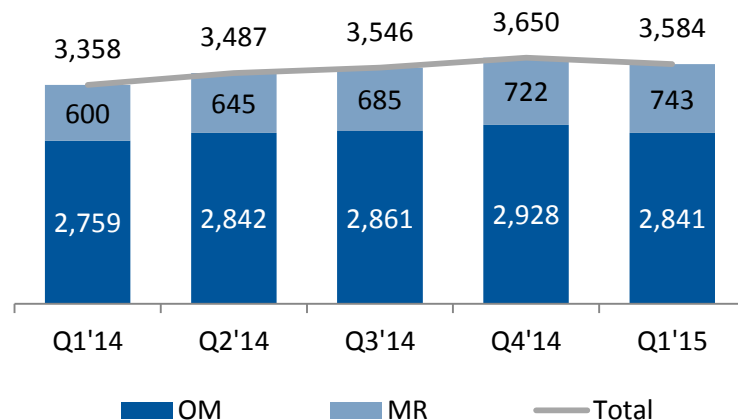
# Mobile subscriber base - Quarterly

Oman Mobile Subscribers – In '000s



Growth in both post & pre paid Omantel mobile subscriber base by 9.3% and 2.2% respectively compared to Q1'14.

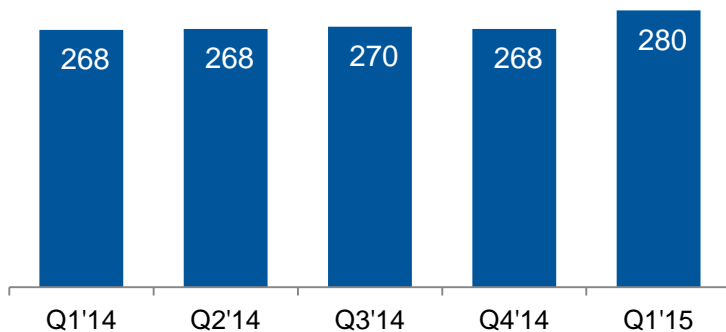
With Mobile Resellers – In '000s



Omantel Mobile Resellers grew by 23.8% as compared to Q1'14.

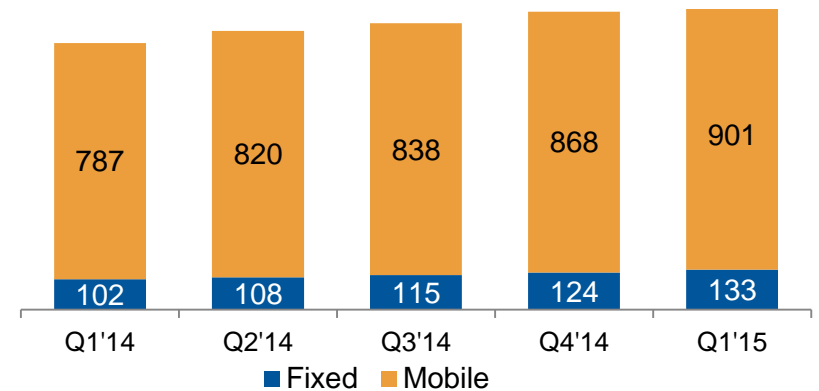
# Fixed line and Broadband Subscriber base

Fixed Line Subscribers – In '000s



- 1) Fixed line include pre-paid and payphone.
- 2) Fixed Line subscribers recorded a growth of 4.8% compared to Q1'14.

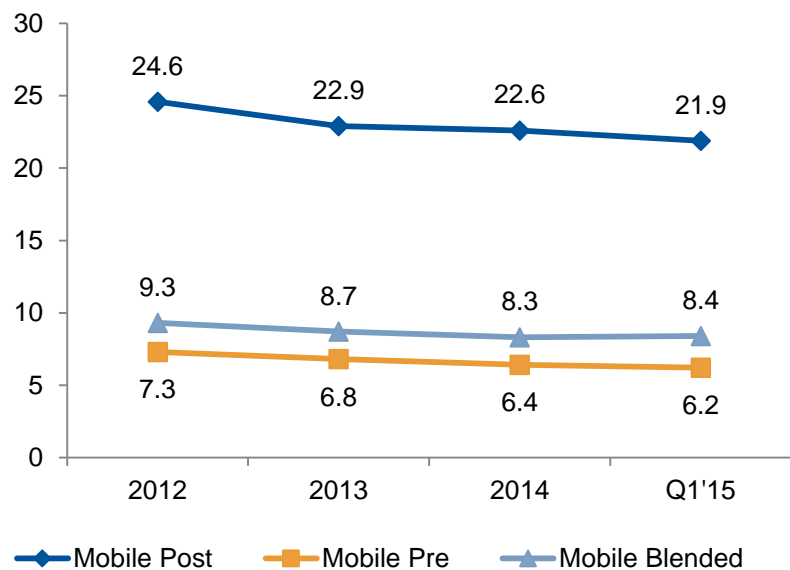
Fixed & Mobile Broadband – In '000s



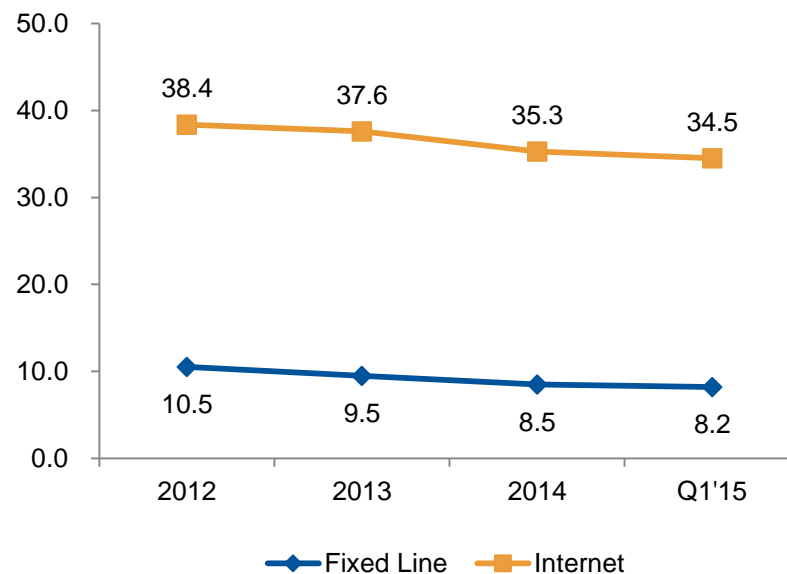
- 1) Mobile Broadband subscribers are unique subscribers subscribed to any one of the packages including Blackberry service.
- 2) Mobile Broadband grown by 14.5% while Fixed broadband increased by 30.7% compared to Q1'14. Combined Broadband Subscribers recorded a growth of 16%.
- 3) Mobile Broadband subscribers including Pay As You Go (PAYG) is estimated at 1.701 Mn as of Mar'15.

# ARPU / month for major products

## Mobile Services



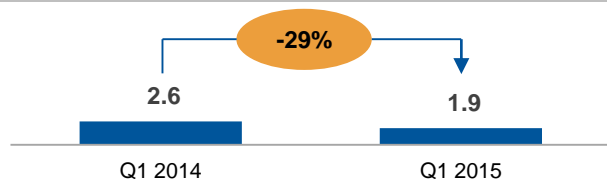
## Fixed Line Services



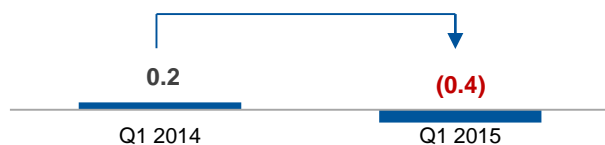
- 1) Fixed line include post & pre-paid and payphone.
- 2) Internet include Broadband and all internet services (dialup post & prepaid, dedicated)

# Worldcall Performance

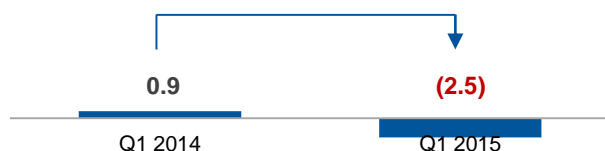
## Revenue In Mn RO



## EBITDA In Mn RO



## Net Profit In Mn RO



## Key Ratios

Jan - Mar	2015	2014
Net margin	-131.6%	33.7%
EBITDA margin	-22.2%	8.8%

## Highlights

- YTD revenues for 2015 posted RO 1.862 Mn (-29.4%) {-28.8% in PKR} lower than YTD revenues for 2014.
- EBITDA 2015 has declined to RO -0.4 Mn compared to the corresponding period of year 2014. EBITDA margin decreased from 8.8% in 2014 to -22.2% in 2015.
- The YTD bottom line posted a net loss of RO 2.5 Mn as against a profit of RO 0.9 Mn in 2014.
- As announced last year, most of the turnaround strategies are in place. The management expects relatively better performance in the coming months.



# Presented by



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