



# Omantel Group Performance – H1 2021

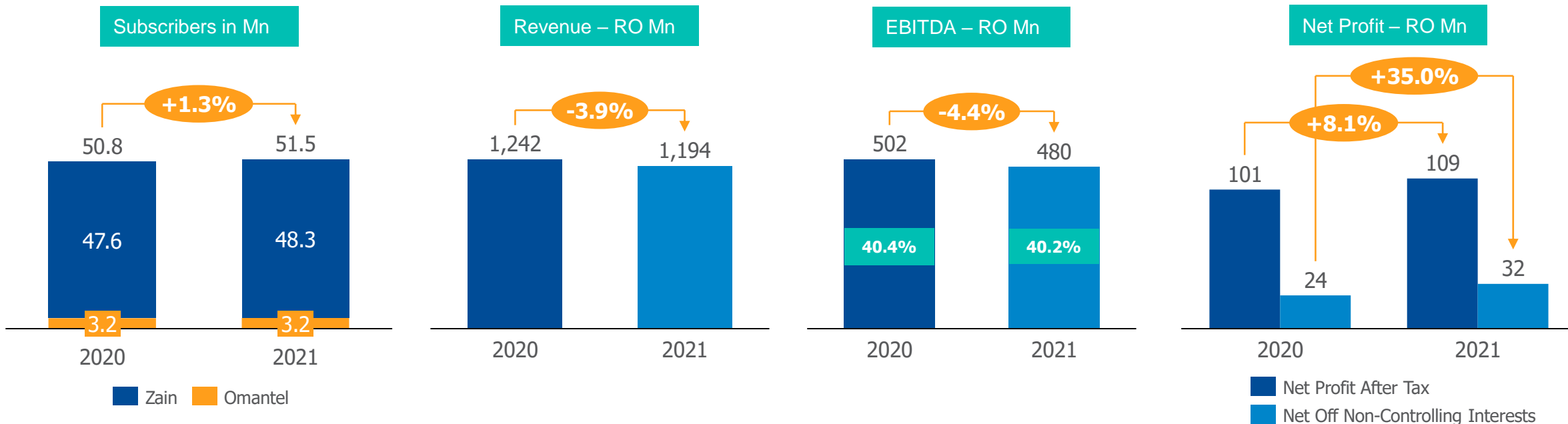
## Presentation to Investor Community

Conference Call

11<sup>th</sup> August 2021 at 2 P.M. (Oman Time)

# Omantel Group (Incl Zain Group) – H1 2021 Performance

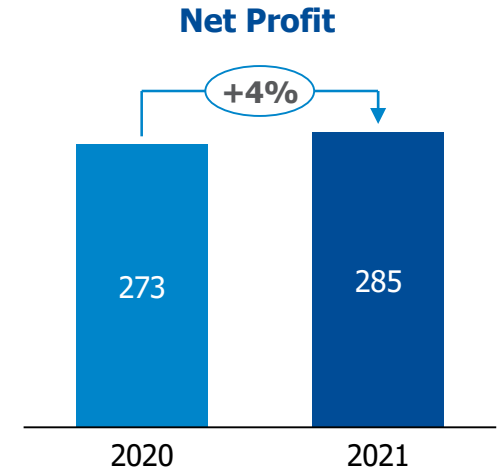
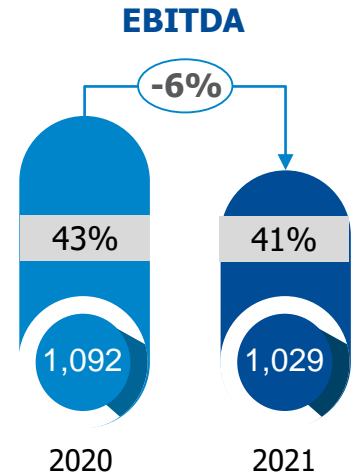
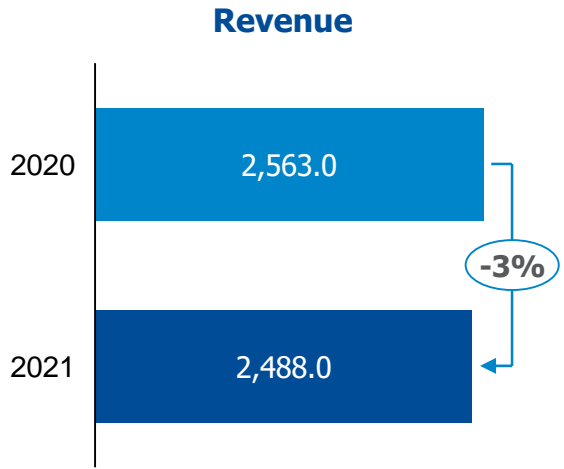
Group Revenue stands at RO 1.2 Bn and Net Profit is at RO 109 Mn



- Zain Group customer base recorded a growth of 1.3%. Omantel customer base increased by 0.5%, mainly due to growth in mobile postpaid & fixed broadband subscriber base.
- Main reasons for growth in Omantel subscriber base is due to migration from mobile pre to post and uptake on wireless fixed broadband services.

- Group Revenue for the period is RO 1.19 Bn compared to RO 1.24 Bn for the corresponding period 2020, a decline of 3.9%. Revenue include acquired business of Zain Group, which contributed revenues of RO 932 Mn.
- Decline in revenue impacted the EBITDA. However, Net Profit observed a growth due to the series cost optimization measures across the group.

# Zain Group Performance – H1 2021 Performance (In US Dollars)



- The impact of COVID-19 still affects the operations, coupled with the FX rate change impact mainly due to the currency devaluation in Sudan and Iraq.
- Rate per USD moved from SDG 55 in H1-20 to SDG 444 in H1-21.
- Excluding the rate change and FX translation impact of USD 378 million, the Group consolidated revenue growth would have been 12%.

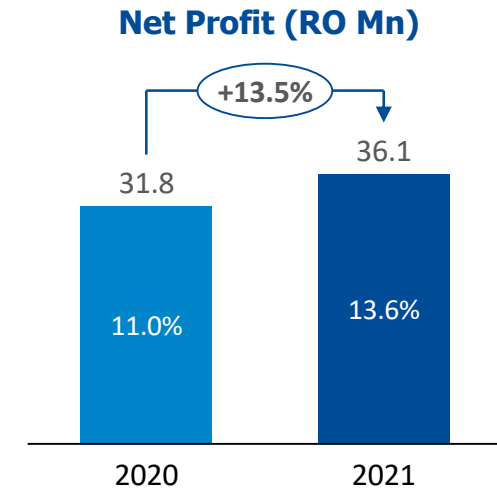
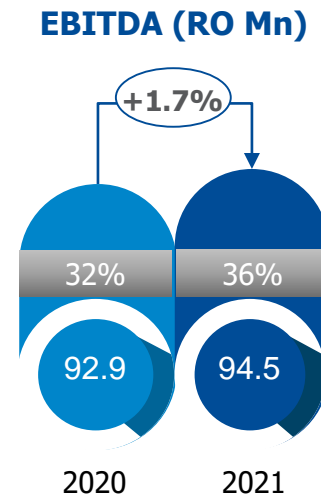
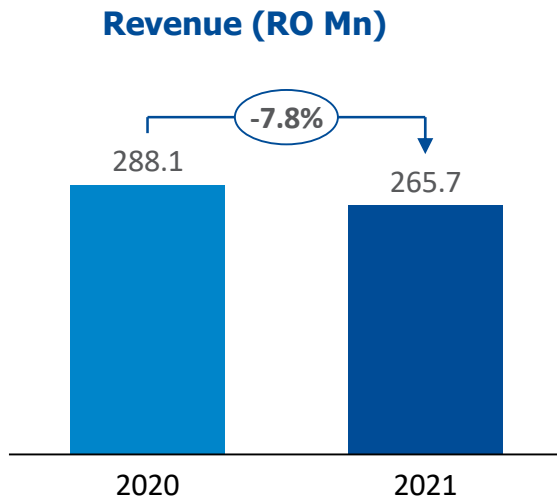
- Conclusion of the 3-year CITC agreement with KSA.
- Rate Change and FX Translation impact in Iraq and Sudan affected EBITDA.
- Excluding the FX translation impact USD 233 million, EBITDA would have been 16% YoY

- Decrease in Finance costs mainly from loan settlements, drop in LIBOR and margin reduction by negotiations held with lenders
- Zain Board has announced an Interim dividend of 10 fils per share as part of the minimum 33 fils annual dividend policy.

# Omantel (Domestic performance)

Omantel + International SPVs + Domestic subsidiaries & associates

## Domestic Performance - Net Profit recorded an increase of 13.5% mainly due to closing off high margin Capacity Sales.



- Domestic operations covers Fixed Line business, Mobile business, Omantel International (OTI)- Wholesale arm of Omantel engaged in international voice aggregation business and Omantel subsidiaries (Oman Data Park and Internet of Things- MOMKIN).
- Revenues growth achieved in Mobile Postpaid (19.5%), Fixed Broadband (10.7%), while prepaid revenue declined due to challenging market conditions.
- Operating & Admin costs decreased by 1.8% mainly due to cost optimization measures.
- EBITDA & Net Profit is 36% and 13.6% respectively.

## Segmental information – H1 2021 Performance

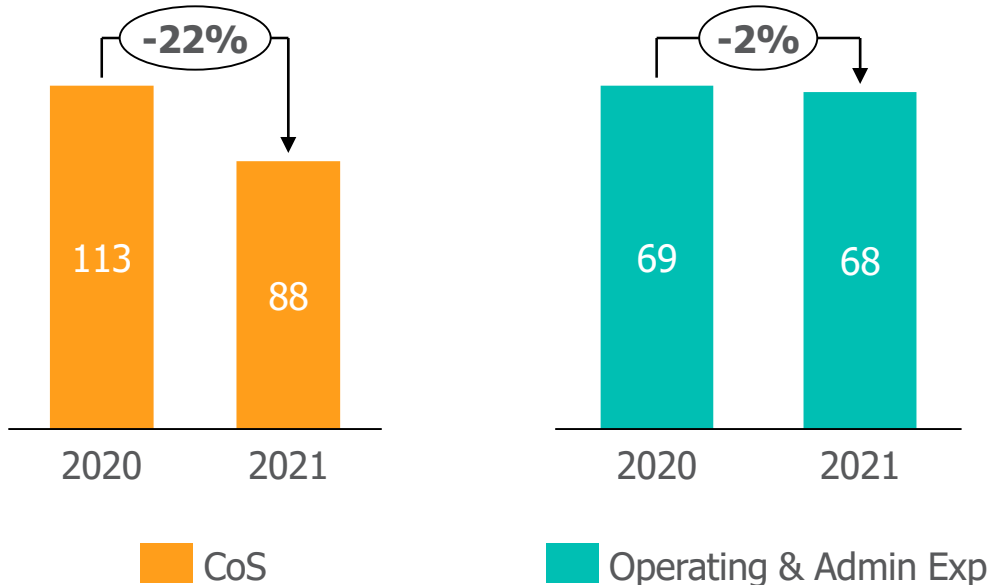
	Omantel Group – Segment Report								
In RO Mn	Oman	Kuwait	Jordan	Sudan	Iraq	Bahrain	KSA	Others	Total
Revenue	265.7	193.2	91.8	60.1	140.7	32.6	383.9	26.1	<b>1,194.1</b>
Net Profit	36.1	30.4	12.1	15.5	8.6	2.4	8.2	8.1	<b>121.3</b>
Others (Unallocated items)									<b>(12.7)</b>
Profit for the Period	<b>36.1</b>	<b>30.4</b>	<b>12.1</b>	<b>15.5</b>	<b>8.6</b>	<b>2.4</b>	<b>8.2</b>	<b>8.1</b>	<b>108.6</b>

Note:

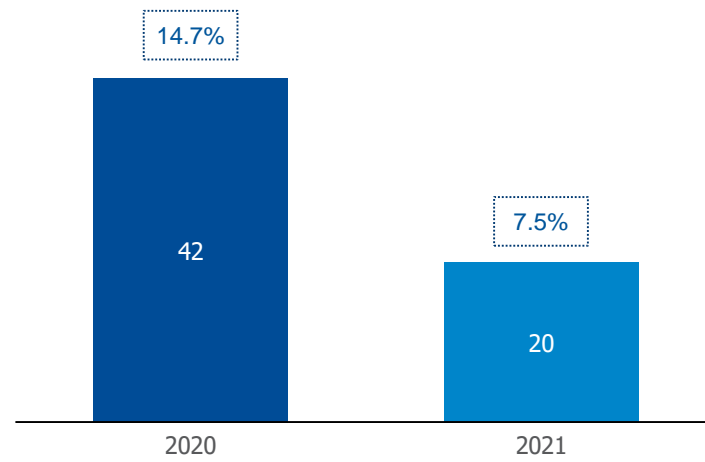
- 1) Net profit are adjusted for Purchase Price Allocation (PPA).
- 2) Others include unallocated adjustments which are of non-operating nature (include interest cost, finance income, etc).

Operating & Admin costs are reduced by 2% YoY mainly due to cost optimization measures. OPEX to Revenue ratio is lower than last year due to decrease in revenue related costs. Capex to revenue ratio is at 7.5%

### CoS & Operating /Admin Expenses RO Mn

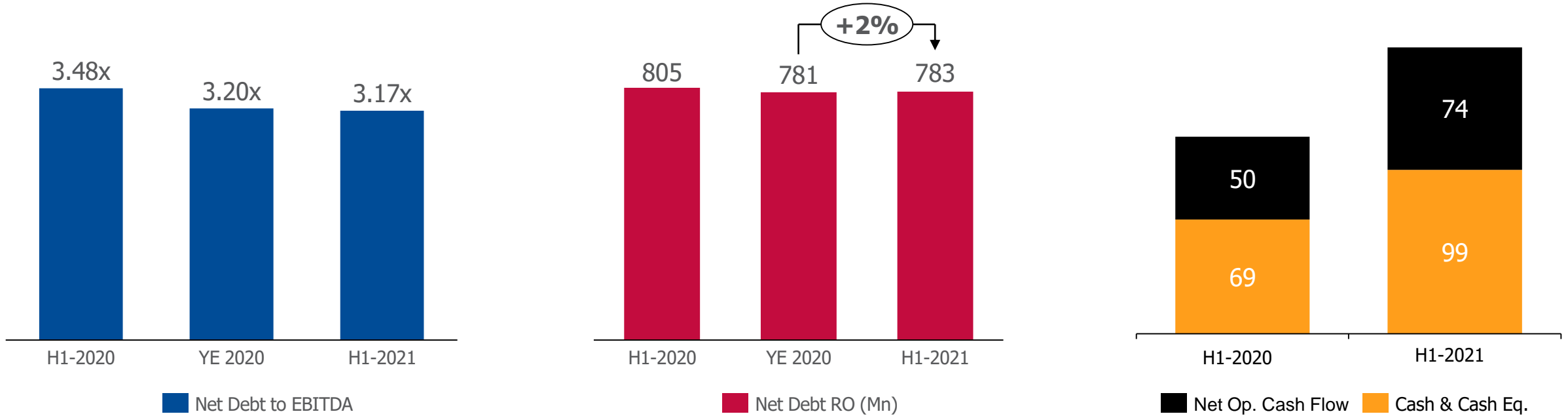


### CAPEX additions RO Mn



- YTD Opex to Revenue ratio for 2021 is 85% Vs 87% last year.
- Ratio decrease is mainly due to drop in both CoS & Operating/ Admin Expenses. The decline in CoS is mainly driven by decrease in External Admin (Hubbing), which in line with decrease in revenues.

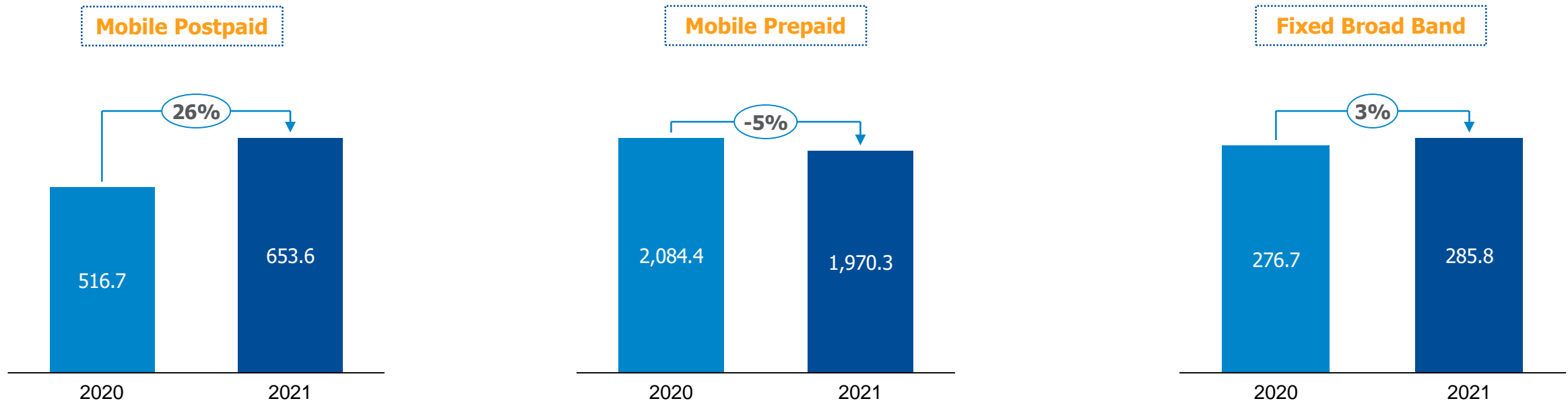
# Leverage and Cash Flow position



- The Net Debt to EBITDA is measured at the end of every half and full year. Net Debt to EBITDA (Leverage ratio) required as per the Covenant is 3.7. Based on adj EBITDA (EBITDA plus Dividend from Zain), the leverage as of H1-'2021 is 3.17x and Interest cover is 4.56 against the target of 4.
- Omantel carries a Corporate Family Rating (CFR) assigned **by Moodys 'Ba3'** and **by Fitch 'BB-'**



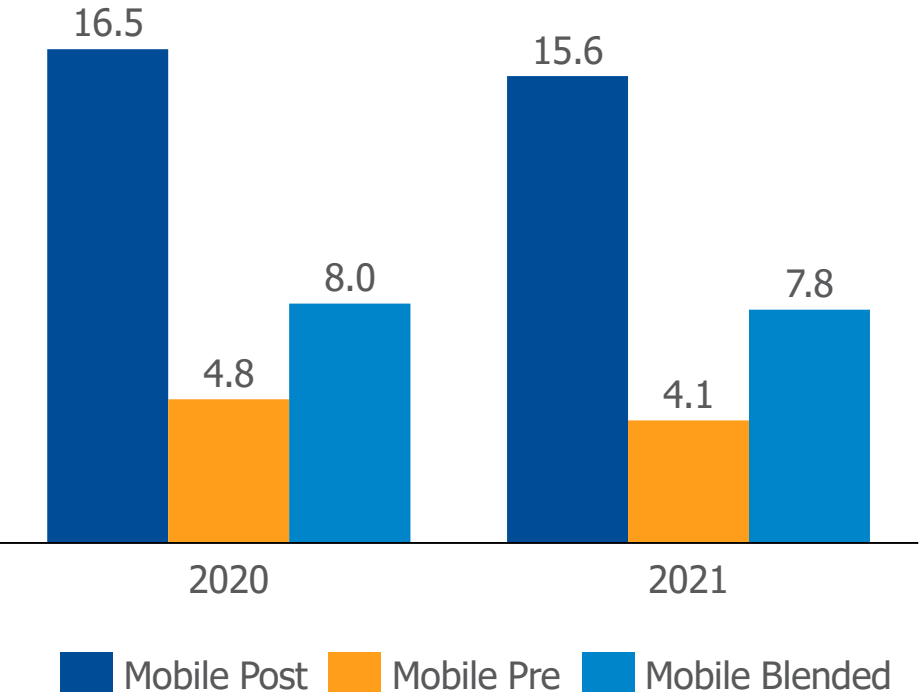
# Omantel Subscriber base analysis shows FBB and Mobile postpaid continued its growth trajectory, while pre-paid declined YoY.



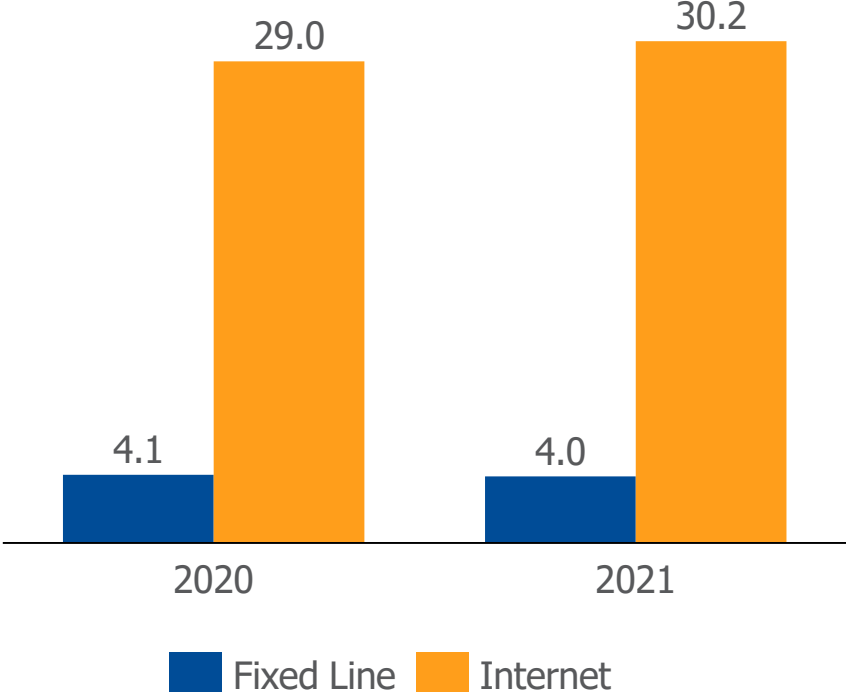
- Mobile postpaid customer base shows steady growth, mainly driven by pre to post migrations .
- Although prepaid market base is dropping in the country (YoY -11%), Omantel is maintaining the prepaid subscriber market share. The general drop on the Prepaid Customers base comes from migrations Postpaid plans, as well as, expats leaving.
- Fixed Broadband customer base keeps on growing, fundamentally on WFBB (4G/5G) with increased uptake in line with 5G network rollout and Fiber customers.

ARPU / month for Internet shows growth mainly due to uptake of higher ARPU services, while mobile continue to record marginal decline compared to previous year

### Mobile Services RO / Month



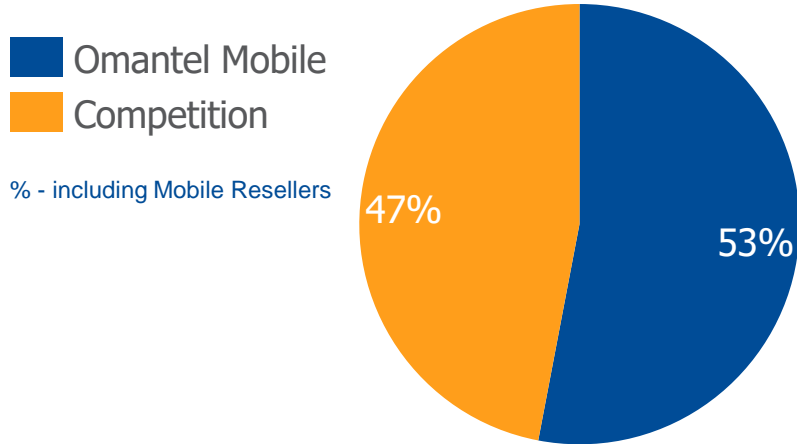
### Fixed Line Services RO / Month



- Fixed line include post & pre-paid voice services.
- Internet include Fixed Broadband and all internet services (dialup post & prepaid, enterprise data services)

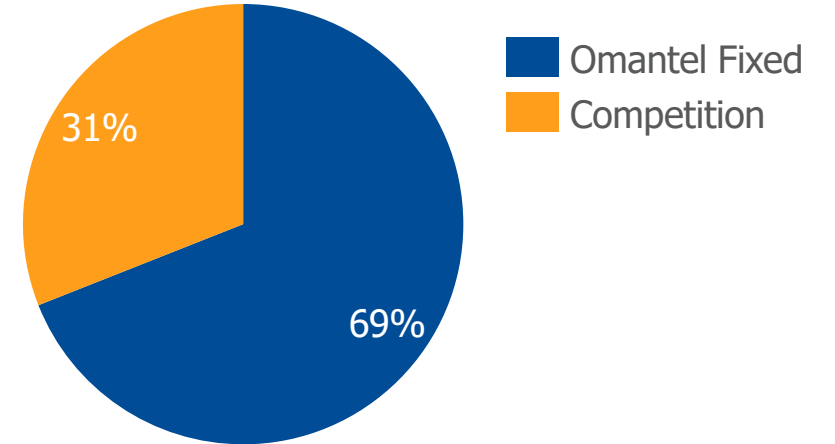
# Mobile & Fixed Line Business Market share (Subscriber & Revenue share)

### Mobile Subscriber Market share

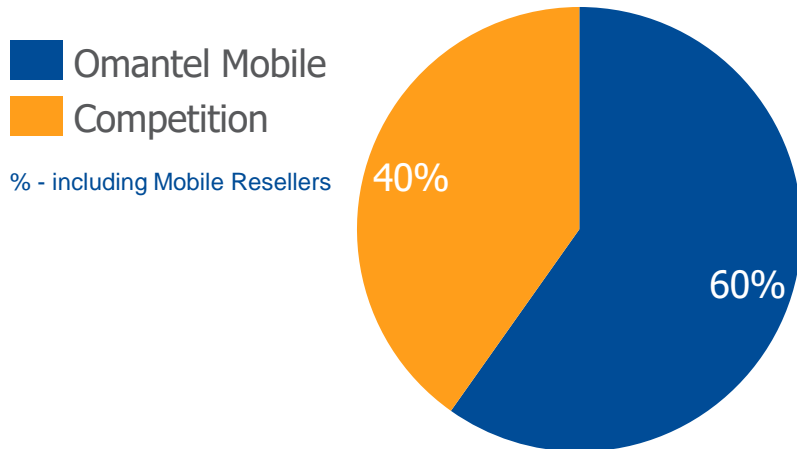


Note: Omantel Mobile (incl Mobile Resellers) subscribers declined by 4.2%, net drop is around 137 K mainly due to drop in Mobile Prepaid

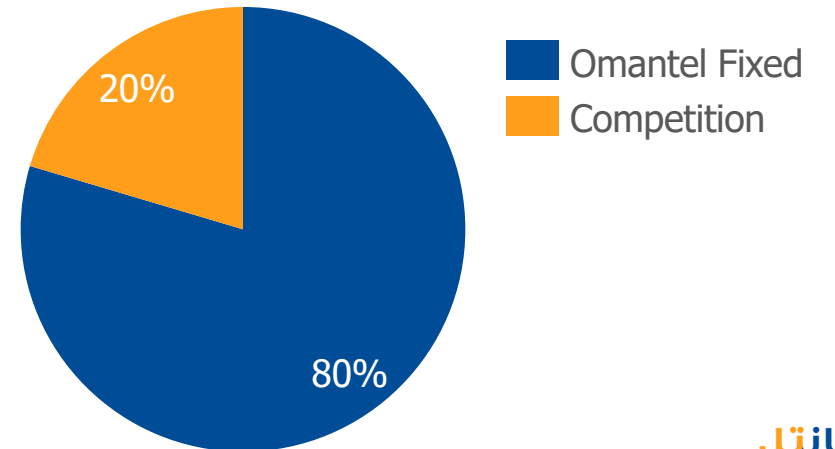
### Fixed Subscriber Market share



### Mobile Revenue Market share



### Fixed Revenue Market share



## Presented by

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Q&A