



Q3 FY2014 Earnings Presentation

January 28, 2014

Cautionary statement

Forward Looking Statements

This presentation contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to OnMobile Global Limited’s (OnMobile Global or the Company) future business developments and economic performance.

While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance.

OnMobile Global undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.

Business highlights

Challenging quarter: Revenue softness partly offset by cost rationalization

- International business: Grew 53.1% y-o-y, declined 0.7% q-o-q and constituted 77% of the revenues during the quarter
 - Latin America:
 - Revenue grew 14.6% y-o-y, declined 10.6% q-o-q
 - Impacted by technical issues affecting all core and VAS services during the first half of Q3: issues since resolved and monthly run rate back to normal
 - Revenue share declined, driven by volume of business, as per contract
 - Other Emerging Markets:
 - Revenues grew 4.3% y-o-y and declined 7.6% q-o-q
 - Bangladesh:
 - Softness owing to local political situation
 - Launched RBT services with another operator in the country
 - Signed a contract with another top operator for RBT services

Business highlights

Challenging quarter: Revenue softness partly offset by cost rationalization

- Developed Markets:
 - Europe:
 - Continued robust growth with revenues increasing 128.4% y-o-y and 9.7% q-o-q, driven by CVAS offering
 - OnMobile Live (OLI):
 - Final stages of integration and migration in progress – revenue run-rate of Q2 maintained
 - EBITDA burn for Q3 was marginally higher at USD 0.7 million on account of separation cost of USD 0.2 million – Opex optimization measures on track
- India: Revenues stabilized after a long period of decline
 - Revenue declined 17.1% y-o-y, however grew 3.2% q-o-q

Football & Health making rapid strides

Football

- Successful re-launch of Football in Africa
- Club centric marketing propelled by consumer insight

3.2 Mn

Users of product

50%

Growth q-o-q

Health

- Project Ananya focusses on reducing maternal and infant mortality
- In partnership with BBC

3 States

Contracts with 3 States

National Approval

National Rural Health Mission has approved Mobile Kunji

Financial snapshot – excluding OLI

Consolidated financials excluding OLI

(₹ million)	Q3 FY2014	Q3 FY2013	% Y-o-Y	Q2 FY2014	% Q-o-Q	YTD FY2014	YTD FY2013	% Y-o-Y
Net Revenue	2,043	1,762	16.0%	2,069	(1.2)%	6,009	5,412	11.0%
India	522	630	(17.1)%	506	3.2%	1,672	2,178	(23.2)%
Latam	497	434	14.6%	556	(10.6)%	1,566	1,186	32.0%
Other Emerging Markets	355	340	4.3%	384	(7.6)%	1,095	988	10.8%
Developed Markets	670	358	87.1%	623	7.4%	1,677	1,061	58.1%
EBITDA¹	338	437	(22.8)%	359	(6.0)%	1,116	1,143	(2.4)%
% Margin	16.5%	24.8%		17.4%		18.6%	21.1%	
EBITDA (Excl. Forex)²	338	396	(14.7)%	359	(6.0)%	1,116	1,177	(5.2)%
% Margin	16.5%	22.5%		17.4%		18.6%	21.8%	
Net Profit	30	206	(85.7)%	100	(70.3)%	271	364	(25.6)%
% Margin	1.4%	11.7%		4.8%		4.5%	6.7%	
Basic EPS (₹)	0.24	1.81	(86.6)%	0.85	(71.6)%	2.54	3.18	(20.2)%
Normalized Net Profit³	72	135	(46.6)%	49	48.4%	193	348	(44.6)%
% Margin	3.5%	7.7%		2.3%		3.2%	6.4%	
Normalized Basic EPS (₹)	0.59	1.18	(50.1)%	0.42	42.1%	1.81	3.05	(40.6)%

Notes:

1 EBITDA: Profit from operations before Other income, Interest and Exceptional items and Depreciation

2 EBITDA normalized for Forex gain/(loss) of ₹42 million and ₹(34) million in Q3 FY2013 and YTD FY2013

3 Net Profit normalized for post tax impact of Forex gain/(loss) of ₹(57) million, ₹42 million, ₹89 million, ₹131 million and ₹(34) million in Q3 FY2013, Q2 FY2013, Q2 FY2014, YTD FY2014 and YTD FY2013 respectively

Financial performance – excluding OLI

Q3 FY2014 consolidated financial highlights excluding OLI

- Net Revenue increased 16.0% y-o-y, however declined 1.2% q-o-q to ₹2,043 million
 - International revenues grew 34.4% y-o-y to ₹1,521 million
 - Latam and Africa & Middle East reported growth rates of 14.6% and 4.5% y-o-y, respectively
 - International revenue decreased by 2.7% q-o-q
- EBITDA decreased 22.8% y-o-y and 6.0% q-o-q to ₹338 million at 16.5% margin
 - Primarily on account of the one-time impact of minimum guarantee of ₹144 million (7.0% of revenues), for a contract in Europe
 - Opex rationalization measures partly offset the impact of lower revenues and minimum guarantee
- Operating margin improved q-o-q despite moderation in revenues
- Effective Tax Rate for the quarter (ETR) stood at 26.0%
 - Normalized for forex impact, Net Profit increased by 48.4% to ₹72 million

Financial snapshot – including OLI

Consolidated financials including OLI

(₹ million)	Q3 FY2014	Q3 FY2013	% Y-o-Y	Q2 FY2014	% Q-o-Q	YTD FY2014	YTD FY2013	% Y-o-Y
Net Revenue	2,255	1,762	28.0%	2,250	0.2%	6,402	5,412	18.3%
India	522	630	(17.1)%	506	3.2%	1,672	2,178	(23.2)%
Latam	497	434	14.6%	556	(10.6)%	1,566	1,186	32.0%
Other Emerging Markets	355	340	4.3%	384	(7.6)%	1,095	988	10.8%
Developed Markets	881	358	146.1%	805	9.5%	2,070	1,061	95.2%
EBITDA¹	295	437	(32.5)%	335	(12.0)%	1,048	1,143	(8.3)%
% Margin	13.1%	24.8%		14.9%		16.4%	21.1%	
EBITDA (Excl. Forex)²	295	396	(25.4)%	335	(12.0)%	1,048	1,177	(10.9)%
% Margin	13.1%	22.5%		14.9%		16.4%	21.8%	
Net Profit	(84)	206	nm	15	nm	72	364	(80.3)%
% Margin	(3.7)%	11.7%		0.7%		1.1%	6.7%	
Basic EPS (₹)	(0.69)	1.81	nm	0.13	nm	0.67	3.18	(78.8)%
Normalized Net Profit²	(42)	135	nm	(36)	nm	(6)	348	nm
% Margin	(1.8)%	7.7%		(1.6)%		(0.1)%	6.4%	

Notes:

1 EBITDA: Profit from operations before Other income, Interest and Exceptional items and Depreciation

2 EBITDA normalized for Forex gain/(loss) of ₹42 million and ₹(34) million in Q3 FY2013 and YTD FY2013

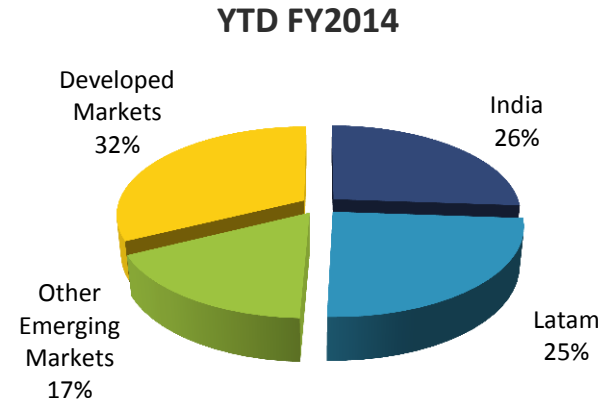
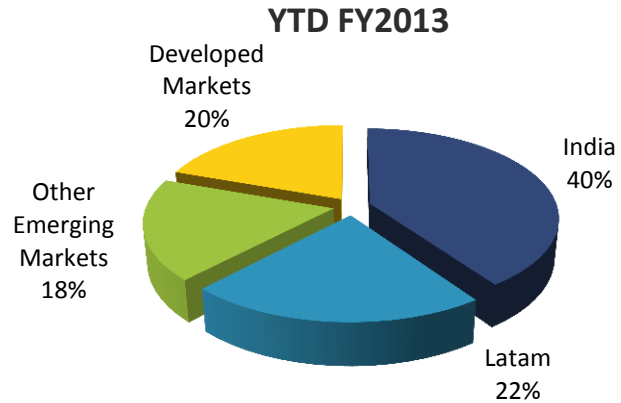
3 Net Profit normalized for post tax impact of Forex gain/(loss) of ₹(57) million, ₹42 million, ₹89 million, ₹131 million and ₹(34) million in Q3 FY2014, Q3 FY2013, Q2 FY2014, YTD FY2014 and YTD FY2013 respectively



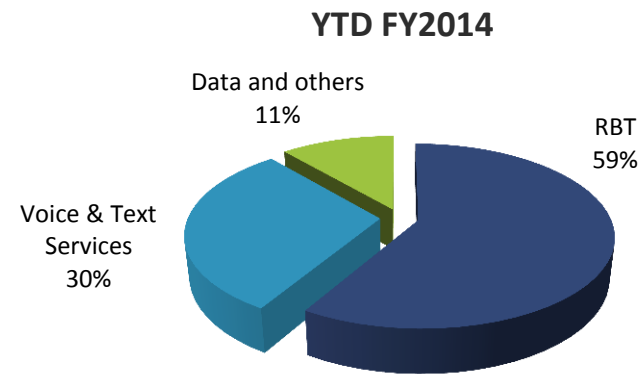
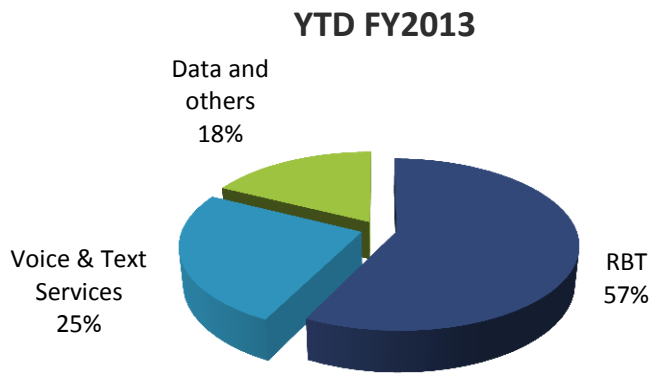
Operational performance – including OLI

Diversified revenue sources

Revenues by Geography



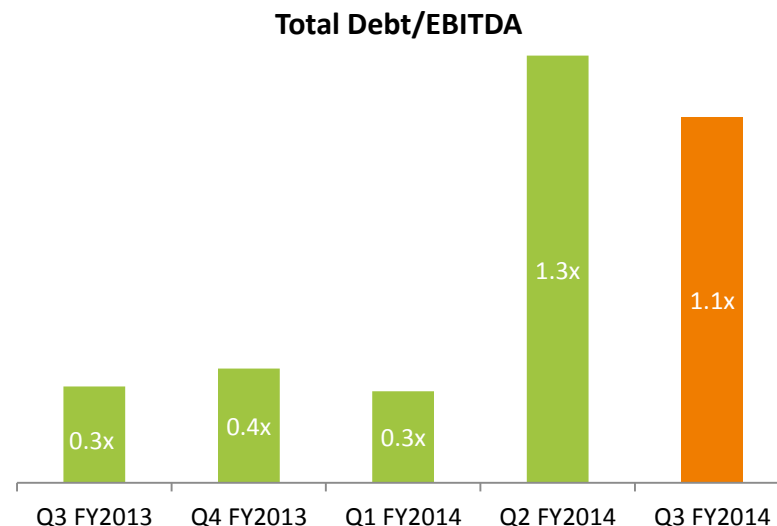
Revenues by Products



Financial performance

Strong balance sheet with low leverage provides operational flexibility

(₹ million)	Dec 31, 2013	Sep 30, 2013	Mar 31, 2013
Long Term Borrowings	593	602	3
Short Term Borrowings	732	1,156	488
Total Debt	1,325	1,758	491
Less: Cash & Cash Equivalents	2,126	2,011	2,009
Net Cash / (Net Debt)	801	254	1,518
Net Worth (excluding Goodwill)	7,229	7,304	7,044



- Robust cash generation due to improved collections and resolution of unbilled receivables in many geographies

Financial Statements – Balance Sheet

(₹ million)	As at Dec 31, 2013	As at Sep 30, 2013
EQUITY AND LIABILITIES		
Shareholders' Funds	9,275	9,350
Long-term borrowings	593	602
Deferred tax liabilities (net)	7	10
Long-term provisions	154	170
Non-Current Liabilities	755	782
Short-term borrowings	722	1,140
Trade payables	1,890	1,952
Other current liabilities	1,052	1,234
Short-term provisions	411	447
Current Liabilities	4,074	4,773
Total	14,104	14,905

(₹ million)	As at Dec 31, 2013	As at Sep 30, 2013
ASSETS		
Deferred tax assets	119	91
Goodwill on Consolidation	2,046	2,046
Fixed assets	4,038	4,309
Non-current investments	0	0
Long-term loans & advances	1,362	1,272
Non-Current Assets	7,566	7,719
Current investments	401	284
Inventories	5	5
Trade receivables	2,303	2,778
Cash and cash equivalents	1,725	1,727
Short-term loans & advances	1,017	1,055
Other current assets	1,086	1,337
Current Assets	6,538	7,186
Total	14,104	14,905

Financial snapshot – OLI

(₹ million)	Q3 FY2014	Q2 FY2014 ¹	YTD FY2014
Net Revenue	211	181	393
COGS	83	83	167
Gross Margin	128	98	226
<i>% Margin</i>	<i>60.5%</i>	<i>54.2%</i>	<i>57.6%</i>
EBITDA	(42)	(24)	(66)
Net Profit	(114)	(85)	(199)

Notes:

1 Q2 FY2014 represents financials from the closing date of acquisition i.e. July 19, 2013, hence not comparable

- EBITDA burn for Q3 was marginally higher at USD 0.7 million on account of separation cost of USD 0.2 million – Opex optimization measures on track

THANKS

for your attention

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