

# Q3 FY2015 Earnings Presentation

February 06, 2015

# 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.

# Q3 FY2015 Business highlights

## Strong International revenue growth and Stable India Revenue

### **International business** (77% of total revenue):

Revenues grew 17.0% q-o-q to Rs. 1,753 million. On a y-o-y basis, normalized for Voxmobili business, international revenue growth was 16.3%.

### **Developed Markets:**

Europe recorded a revenue growth of 50.2% q-o-q and 39.6% y-o-y to Rs. 796 million.

### **Other Emerging Markets:**

Revenues grew 5.5% and 4.7% respectively for q-o-q and y-o-y to Rs. 369 million.

- Achieved 10% paid RBT penetration with an operator in Qatar. It was a green field deployment and was achieved within 12 months of go live.
- We are currently live in 6 countries in MTN, Africa.
- Significant growth in Asia region: 28.8% q-o-q and 63.0% y-o-y. Increase in active subscribers from 1 million to 5 million in a key operator, since the date of launch.

### **Latin America:**

Revenue down by (5.9)% q-o-q to Rs. 489 million and declined (1.7)% y-o-y mainly due to currency fluctuation.

# Q3 FY2015 Business highlights

Strong International revenue growth and Stable India Revenue

**India** (23% of total revenue):

Revenue remained stable on a KPI basis.

A key contract was renewed for 2 more years with one of the major Operators.

# Financial snapshot

## Consolidated financials

(Rs. million)	Q3 FY2015	Q3 FY2014	% Y-o-Y	Q2 FY2015	% Q-o-Q	YTD FY2015	YTD FY2014	% Y-o-Y
Revenue	2,268	2,255	0.6%	2,075	9.3%	6,330	6,402	(1.1)%
Adjusted Revenue <sup>1</sup>	2,268	2,030	11.7%	2,075	9.3%	6,178	5,799	6.5%
EBITDA	465	295	57.6%	278	67.4%	899	1050	(14.4)%
% Margin	20.5%	13.1%		13.4%		14.2%	16.4%	
Net Profit	74	(84)	nm	(12)	nm	(177)	72	nm
% Margin	3.3%	(3.7)%		(0.6)%		(2.8)%	1.1%	
Basic EPS (Rs.)	0.64	(0.69)	Nm	(0.11)	nm	(1.54)	0.67	nm

<sup>1</sup>Adjusted Revenue: Revenues adjusted for sale of Voxmobili

# Q3 FY2015 Financial performance

## Significant improvement in profitability

Revenue increased by 9.3% q-o-q and 0.6% y-o-y (11.7% normalized) to Rs. 2,268 million.

EBITDA increased significantly by 67.4% q-o-q and by 57.6% y-o-y to Rs. 465 million at 20.5% margin (Increase of 711 bps from Q2 FY2015).

- Ongoing efforts to rationalize manpower and operating expenses continue to show results and improve the financial performance. Manpower cost declined by 14.6% and other operating expenses by 25.8% sequentially which has resulted in a significant EBITDA margin expansion.

Operating Profit of Rs. 116 million as compared to loss of Rs. 85 million in the last quarter and loss of Rs. 48 million in Q3 FY2014.

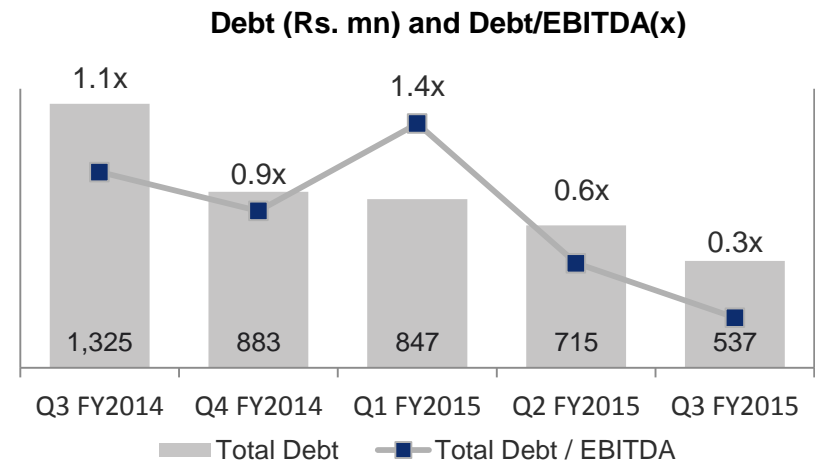
Net Profit of Rs. 74 million, as compared to a loss of Rs. 12 million in Q2 FY2015 and loss of Rs. 84 million in Q3 FY2014.

# Financial performance

Strong balance sheet with low leverage provides operational flexibility

(Rs. million)	Dec 31, 2014	Mar 31, 2014
Long Term Borrowings	257	443
Short Term Borrowings	280	440
<b>Total Debt</b>	<b>537</b>	<b>883</b>
Cash & Cash Equivalents	2,746	1,240
<b>Net Cash / (Net Debt)</b>	<b>2,209</b>	<b>357</b>
<b>Net Worth (excluding Goodwill)</b>	<b>7,298</b>	<b>6,303</b>

\* Includes Escrow balance of Rs. 159 million



- Higher cash balance due to cash proceeds from the sale of Voxmobili, improved collections and working capital.
- Total long and short term loan repayment of Rs. 182 million.
- Cash utilized for buyback on Q3 Rs. 113 million.

# Financial Statements – Balance Sheet

(Rs. million)	As at Dec 31, 2014	As at Sep 30, 2014
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' Funds</b>	<b>7,323</b>	<b>7,265</b>
Long-term borrowings	257	318
Deferred tax liabilities (net)	7	7
Long-term provisions	55	61
<b>Non-Current Liabilities</b>	<b>319</b>	<b>386</b>
Short-term borrowings	280	396
Trade payables	2,230	1,896
Other current liabilities	750	769
Short-term provisions	190	189
<b>Current Liabilities</b>	<b>3,451</b>	<b>3,250</b>
<b>Total</b>	<b>11,093</b>	<b>10,901</b>

(Rs. million)	As at Dec 31, 2014	As at Sep 30, 2014
<b>ASSETS</b>		
Deferred tax assets	180	167
Goodwill on Consolidation	26	26
Fixed assets	2,820	3,128
Long-term loans & advances	1,356	1,329
Escrow balance with bank <sup>1</sup>	159	143
<b>Non-Current Assets</b>	<b>4,540</b>	<b>4,793</b>
Current investments	518	273
Inventories	5	5
Trade receivables	1,865	1,755
Cash and cash equivalents	2,069	2,482
Short-term loans & advances	921	764
Other current assets	1175	828
<b>Current Assets</b>	<b>6,554</b>	<b>6,107</b>
<b>Total</b>	<b>11,093</b>	<b>10,901</b>

<sup>1</sup>Escrow relating to the sale of Voxmobili



# THANK YOU

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