



# OnMobile Global Limited

## Q4 FY2013 Earnings Presentation

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May 15, 2013

OnMobile Proprietary & Confidential



## 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.*

## Growth driven by expanding international businesses and stabilizing domestic business

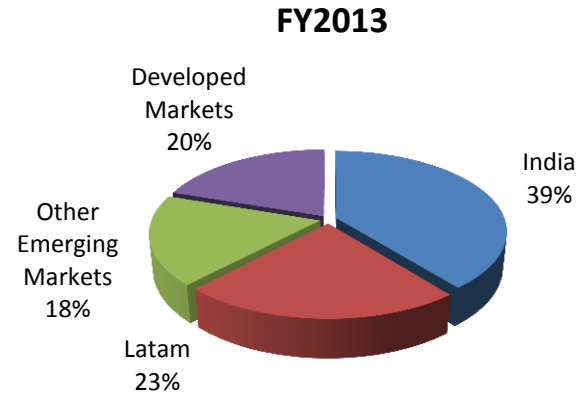
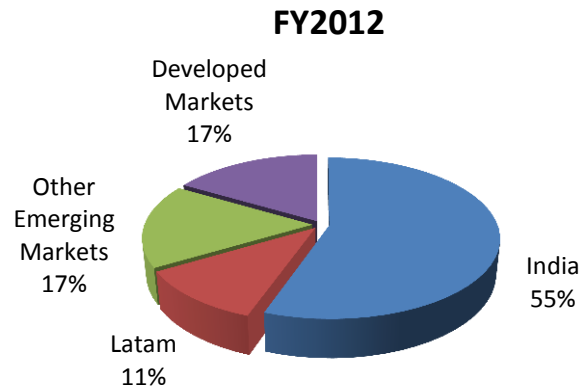
- India: Stability witnessed in revenues during the quarter
- Robust growth in International business continues. International businesses posted a 26.1% y-o-y growth in revenues in Q4 FY2013 and 55.1% growth for the full year FY2013
  - Latin America:
    - Recorded strong growth: Revenue increased 64.5% y-o-y in Q4 FY2013 and 135.7% for FY2013
    - Won a RBT contract with an operator in Mexico
  - Steady growth in Other Emerging Markets continues
    - Africa: Revenue increased by 39.8% y-o-y in Q4 FY2013 and 105.3% for FY2013
  - Europe revenues increased by 39.7% y-o-y during Q4 FY2013 and 48.4% during FY2013
    - Went live with a Converged VAS (CVAS) project for an operator in Spain for powering operator-branded content services
- Higher return to shareholders: A dividend payout of 15% as compared to 10% for FY2012

# Operational performance

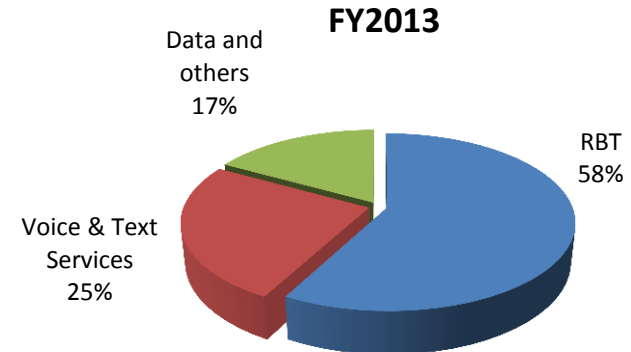
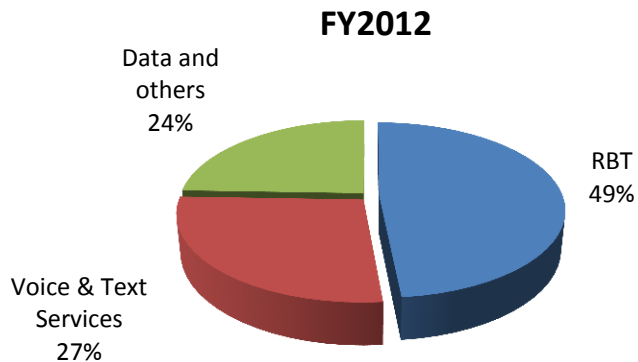
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## Profitable mix of diversified revenue sources

### Revenues by Geography



### Revenues by Products



# Financial performance

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## Consolidated financials

(₹ million)	Q4 FY2013	Q4 FY2012	% Y-o-Y	Q3 FY2013	% Q-o-Q	FY2013	FY2012	% Y-o-Y
<b>Net Revenue</b>	<b>1,841</b>	<b>1,776</b>	<b>3.7%</b>	<b>1,762</b>	<b>4.5%</b>	<b>7,253</b>	<b>6,380</b>	<b>13.7%</b>
India	667	845	(21.0)%	630	5.9%	2,845	3,538	(19.6)%
Latam	476	289	64.5%	434	9.6%	1,661	705	135.7%
Other Emerging Markets	327	298	9.8%	338	(3.2)%	1,311	1,078	21.6%
Developed Markets	372	344	8.1%	360	3.2%	1,437	1,059	35.7%
<b>EBITDA<sup>1</sup></b>	<b>350</b>	<b>413</b>	<b>(15.3)%</b>	<b>437</b>	<b>(20.0)%</b>	<b>1,494</b>	<b>1,399</b>	<b>6.8%</b>
% Margin	19.0%	23.3%		24.8%		20.6%	21.9%	
<b>EBITDA (Excl. Forex)</b>	<b>433</b>	<b>422</b>	<b>2.5%</b>	<b>396</b>	<b>9.5%</b>	<b>1,610</b>	<b>1,423</b>	<b>13.2%</b>
% Margin	23.5%	23.8%		22.5%		22.2%	22.3%	
<b>Net Profit</b>	<b>108</b>	<b>48</b>	<b>125.4%</b>	<b>206</b>	<b>(47.6)%</b>	<b>472</b>	<b>831</b>	<b>(43.2)%</b>
% Margin	5.9%	2.7%		11.7%		6.5%	13.0%	
<b>Normalized Net Profit <sup>2</sup></b>	<b>191</b>	<b>57</b>	<b>233.6%</b>	<b>127</b>	<b>51.0%</b>	<b>551</b>	<b>492</b>	<b>12.0%</b>
% Margin	10.4%	3.2%		7.2%		7.6%	7.7%	
<b>Normalized Basic EPS (₹)</b>	<b>1.68</b>	<b>0.48</b>	<b>250.4%</b>	<b>1.11</b>	<b>51.0%</b>	<b>4.82</b>	<b>4.20</b>	<b>14.7%</b>

Notes:

- 1 EBITDA: Profit from operations before Other income, Interest and Exceptional items and Depreciation
- 2 Net Profit for FY2012 and Q3 FY2013 is normalized for profit (post tax) on sale of long-term investment in Ver se Innovation of ₹363 million and ₹38 million, respectively



## Full year FY2013 consolidated financial highlights

**Net Revenue, EBITDA and Net Profit normalized for exceptional income and forex loss increased by 13.7%, 13.2% and 12.0%, respectively**

- Net Revenue increased by 13.7% to ₹7,253 million
  - International revenues were ₹4,409 million, up 55.1% driven by strong performance in Latam (up 135.7%), Africa (up 105.3%) and Europe (up 48.4%)
  - India revenues declined by 19.6% to ₹2,845 million due to financial and regulatory pressures in the Indian telecom industry during the year. However, witnessed stability in the last quarter
- EBITDA increased by 6.8% to ₹1,494 million; 20.6% margin
  - Rates and Taxes increased in Brazil due to a change in interpretation of tax policy and levy of repatriation tax
  - Further reduced by forex loss of ₹117 million as compared to ₹24 million in FY2012
    - Normalized for forex impact, EBITDA increased 13.2% to ₹1,610 million at 22.2% margin
- Net Profit decreased by 43.2% at 6.5% margin
  - Effective Tax Rate for FY2013 increased to 32.7% as compared to 31.0% for FY2012 as a result of increased revenues in higher tax geographies
  - Normalized for Ver Se sale in Q3 FY2013 and FY2012 and forex loss, Net Profit increased by 12.0%, in line with Revenue growth
- Net Cash was ₹1,518 million as on Mar 31, 2013 compared to ₹1,612 million as at March 31, 2012

## Q4 FY2013 consolidated financial highlights

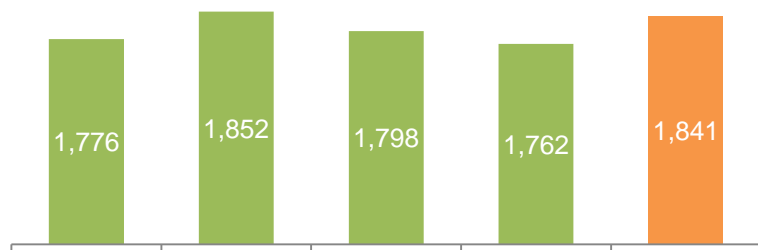
**Net Revenue, EBITDA and Net Profit normalized for exceptional income and forex impact increased by 3.7%, 2.5% and 233.4% y-o-y respectively**

- Net Revenue increased 4.5% q-o-q and 3.7% y-o-y to ₹1,841 million
  - India revenues showed a stabilizing trend with a 5.9% q-o-q improvement but declined 21.0% y-o-y
  - International revenues increased 26.1% y-o-y with Latam up by 64.5%, Africa by 39.8% and Europe by 39.7%; increased 3.7% q-o-q to ₹1,174 million
- EBITDA declined 20.0% q-o-q and 15.3% y-o-y to ₹350 million at 19.0% margin
  - Manpower Cost declined for the second quarter in a row as a result of the rationalization measures initiated in the previous quarters
  - Rates and Taxes increased in Brazil due to a change in interpretation of tax policy and levy of repatriation tax, with retrospective effect from April 2012
  - Further affected by forex loss of ₹83 million in Q4 FY2013 as compared to a gain of ₹42 million in Q3 FY2013 and a loss of ₹9 million in Q4 FY2012
    - Normalized for forex impact, EBITDA increased 9.5% q-o-q and 2.5% y-o-y to ₹433 million at 23.5% margin
- Net Profit decreased 47.7% q-o-q while increasing 125.2% y-o-y to ₹108 million at 5.9% margin
  - Normalized for Ver Se sale in Q3 FY2013 and forex impact, Net Profit increased by 51.0% q-o-q and 233.4% y-o-y

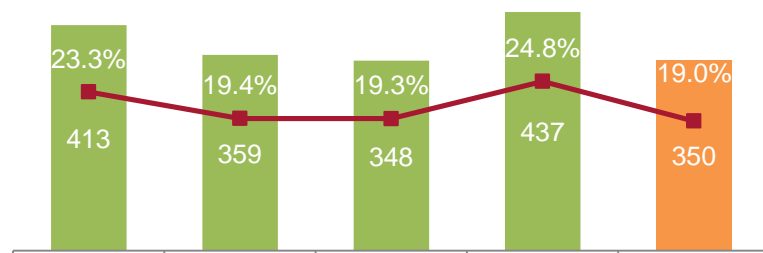
# Financial performance: Quarterly

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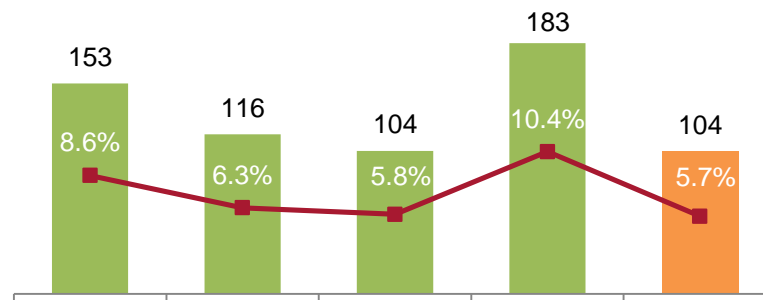
Q4 FY12	Q1 FY13	Q2 FY13	Q3 FY13	Q4 FY13
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Net Revenue (₹ million)

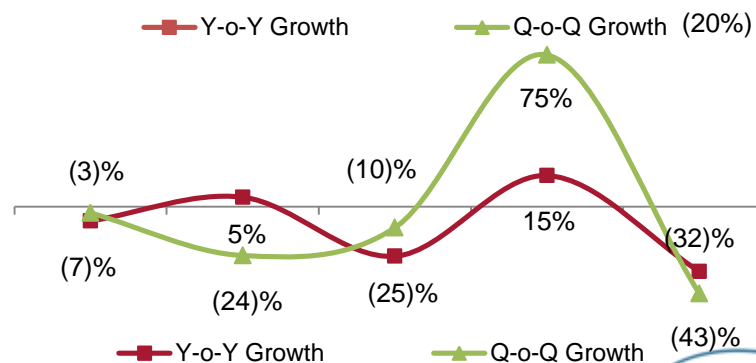
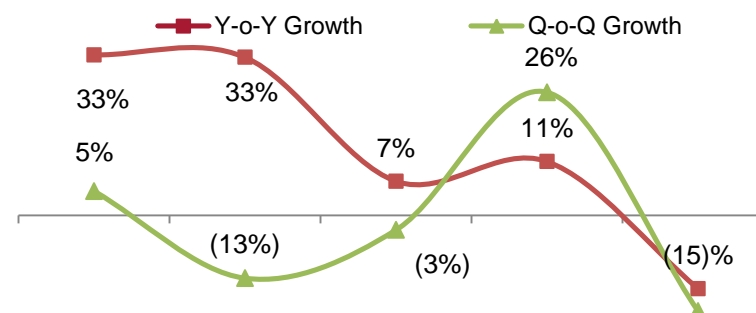
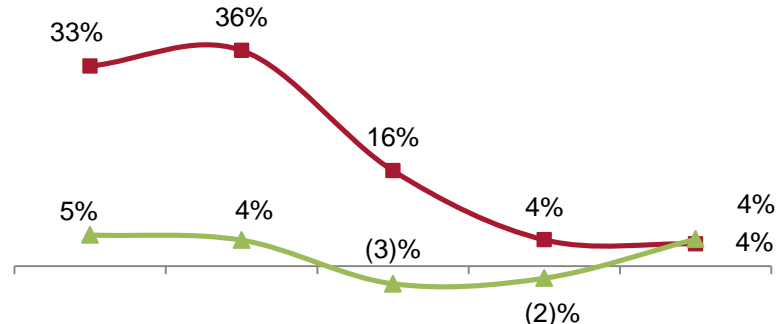


EBITDA (₹ million) and Margins (%)



Operating Profit (₹ million) and Margin (%)

Q4 FY12	Q1 FY13	Q2 FY13	Q3 FY13	Q4 FY13
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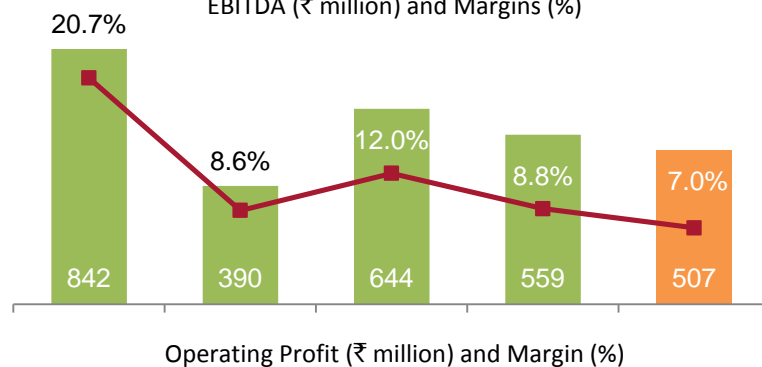
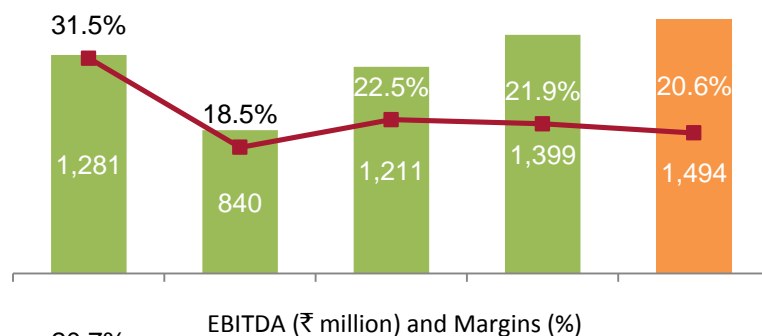
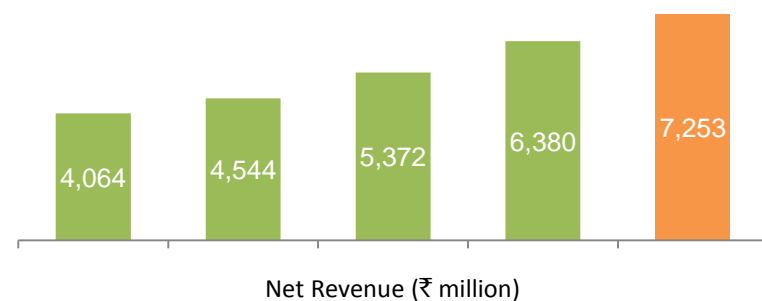




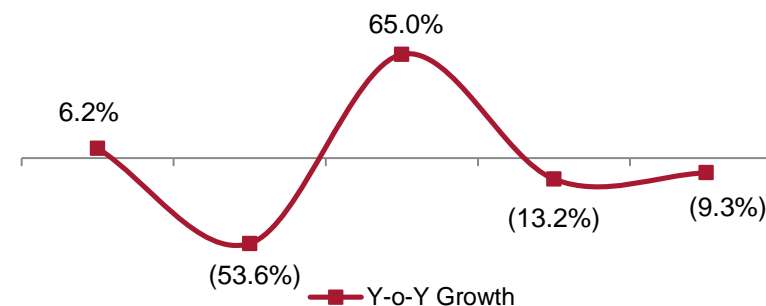
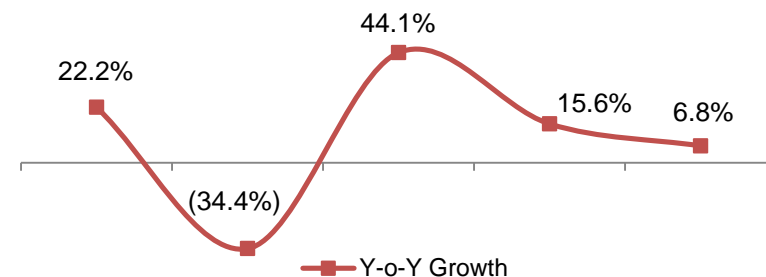
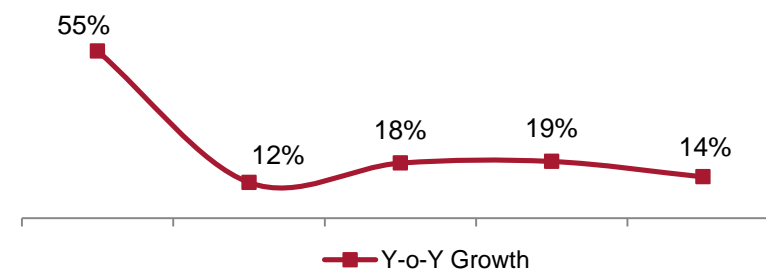
# Financial performance: Yearly

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FY09	FY10	FY11	FY12	FY13
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FY09	FY10	FY11	FY12	FY13
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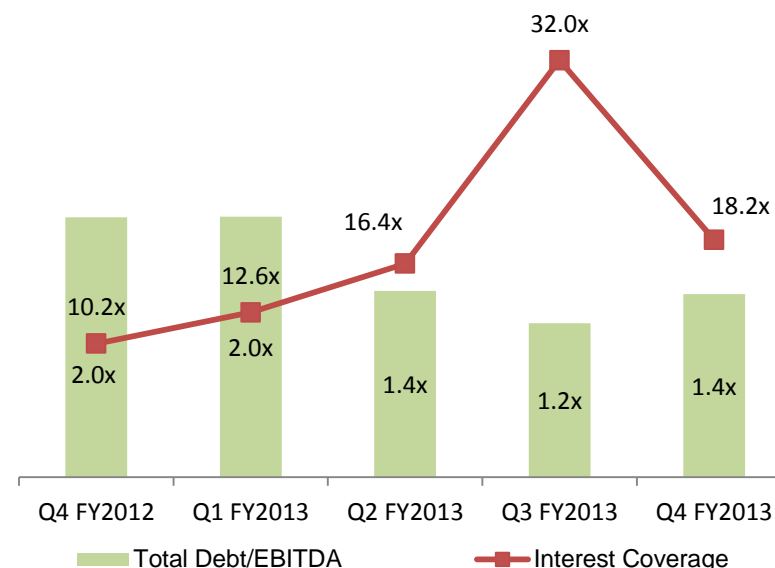


# Financial performance

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## Low leverage and steady cash balance provides operational flexibility

(₹ million)	Consolidated Mar 31, 2013	Consolidated Mar 31, 2012
Long Term Borrowings	3	5
Short Term Borrowings	488	817
<b>Total Debt</b>	<b>491</b>	<b>823</b>
Less: Cash & Cash Equivalents	2,009	2,435
<b>Net Cash / (Net Debt)</b>	<b>1,518</b>	<b>1,612</b>
<b>Net Worth (excluding Goodwill)</b>	<b>7,044</b>	<b>6,808</b>



- Higher return to shareholders: A dividend payout of 15% as compared to 10% for FY2012
- Net Cash position changed slightly due to decrease in borrowings

Note:

1 Interest Coverage defined as Operating Profit divided by the Interest Expense

# Rapidly expanding international presence

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