



OnMobile Global Limited

Q4 FY2017 Earnings Presentation

MAY 26, 2017

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.

Financial snapshot

Consolidated financials

(Rs. Mn)	Q4 FY2017	Q3 FY2017	% Q-o-Q	Q4 FY2016	% Y-o-Y
Revenue	1,640	1,805	(9.1%)	2,001	(18.0%)
Gross Margin	943	1,038	(9.2%)	1,191	(20.8%)
Manpower cost	487	503	(3.2%)	523	(6.9%)
Other Opex	260	282	(7.8%)	295	(12.1%)
EBITDA	197	252	(21.8%)	372	(47.1%)
% Margin	12%	14%		19%	
Operating Profit	66	117	(43.6%)	(4)	Nm
% Margin	4%	6%		0%	
Net Profit	16	(10)	Nm	(148)	Nm
% Margin	1%	-1%		(7%)	
EPS (Rs.)	0.2	(0.09)	Nm	(1.35)	Nm

Q4 FY2017 performance

Key Financial Highlights

- Revenue lower by 9.2% q-o-q.
 - Lower revenue from Europe coupled with unfavorable Euro rate movement contributed to more than half of the revenue decline.
 - Policy change in Q3 by one of the large Operators in Bangladesh to introduce double confirmation for service activations, continued to impact revenue from the region.
 - Further, aggressive pricing by competition in India has led to lower ARPU and lower revenue for OnMobile in India.
- Manpower cost lower by 3.3% and 6.9% as compared to Q3 FY'17 and Q4 FY'16 respectively.
- Operating expenses lower by 8.0% and 12.1% as compared to Q3 FY'17 and Q4 FY'16 respectively.
- EBITDA and Operating profit margin at 12.0% and 4.0% respectively in the current quarter as compared to 14.0% and 6.5% in the previous quarter. Lower expenses reduced the impact of revenue drop on EBITDA and Operating profit margins.
- Effective working capital management generated healthy cash during the quarter taking our cash balance up from Rs. 2,551 Mn at the end of December to Rs. 3,061 Mn at the end of March.

Q4 FY2017 Business highlights

Domestic and International business

Overall international business remained at 75% of total revenue during the quarter and domestic business at 25%:

India

India revenue was Rs. 412 Mn in Q4 FY'17 down by 4.7% q-o-q.

- Operators' ARPU took a hit of 8-10% on account of Jio; cascading impact felt on OnMobile revenues too.

Europe

Revenue down by 12% q-o-q. Negating the exchange rate impact, q-o-q revenue is down by 8.4%.

- With a healthy growth of CVAS over the quarters, OnMobile is now the third largest content aggregator for Telefonica.

Q4 FY2017 Business highlights

Domestic and International business

Asia (excluding India)

Revenue down by 20.3% q-o-q.

Policy change by one of the large operators to introduce double confirmation for all service activations continued to impact revenues in the current quarter too.

Africa & Middle East

Revenue down by 3.4% q-o-q mainly due to devaluation in EGP during Q3. Q4 includes the full quarter impact of the devaluation. Excluding currency impact, business has grown by 6.7% in this region.

- One of the Egypt operators surpassed 7 Million RBT subscribers with 20% penetration in March 2017.
- RBT base in one of the East African operators doubled to 2 Million from December 16 with a penetration of 15.8%.

Q4 FY2017 Business highlights

Domestic and International business

Latin America

Revenue down by 4.0% q-o-q.

- Signed MOU with one of the major operators in Haiti to launch RBT services with an existing RBT subscriber base of 400,000.

Corporate Highlights

Dividend

- The Board of Directors have recommended a dividend of Rs.1.50 per share payout, which represents 15% of the face value of Rs. 10 for each share.

Q4 FY2017 Financial performance

Strong balance sheet and cash position

(Rs. Mn)	Mar 31, 2017	Dec 31, 2016	Sep 30, 2016	Jun 30, 2016
Cash & Cash Equivalents	3,061	2,551	2,520	2,652
Short Term Borrowings	-	-	-	125
Net Cash	3,061	2,551	2,520	2,528
Net Worth	5,635	5,667	5,714	5,915

Financial Statements – Balance Sheet

(Rs. Mn)	Mar 31, 2017	Dec 31, 2016
EQUITY AND LIABILITIES		
Shareholders' Funds	5,635	5,667
Deferred tax liabilities	1	1
Long-term provisions	52	51
Non-Current Liabilities	162	53
Short-term borrowings	-	-
Trade payables	2,120	1,904
Other financial liabilities	41	57
Other current liabilities	379	418
Short-term provisions	183	251
Current Liabilities	2,723	2,631
Total	8,411	8,350

(Rs. Mn)	Mar 31, 2017	Dec 31, 2016
ASSETS		
Fixed assets	730	832
Deferred tax assets	378	248
Financial assets	49	48
Others non current assets	1,281	1,413
Non-Current Assets	2,438	2,541
Current investments	930	792
Trade receivables	1,676	1,839
Cash and cash equivalents	2,131	1,759
Loans	41	44
Others financial assets	716	70
Other current assets	479	1,305
Current Assets	5,973	5,809
Total	8,411	8,350

THANK YOU

OnMobile Global Limited

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