

Q2 FY2016 Earnings Presentation

October 28, 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.

Financial snapshot

Consolidated financials

(Rs.Mn)	Q2 FY2016	Q1 FY2016	% Q-o-Q	Q2 FY2015	% Y-o-Y
Revenue	2,070	2,018	2.6%	2,075	(0.2%)
EBITDA	393	351	12.0%	278	41.6%
<i>% Margin</i>	19.0%	17.4%		13.4%	
Net Profit	13	(2)	Nm	(12)	Nm
<i>% Margin</i>	0.6%	(0.1%)		(0.6%)	
Basic EPS (Rs.)	0.12	(0.02)	Nm	(0.11)	Nm

Q2 FY2016 Financial performance

EBITDA margin at 19.0% in Q2 FY16 with 42% growth YoY

- Revenue improved by 2.6% sequentially from Rs.2,018 Mn in Q1 FY'16 to Rs.2,070 Mn in Q2 FY'16. Revenue as compared to y-o-y Q2 FY'15 remains flat.
- Headcount optimization during the last financial year and quarter resulted in a reduction of manpower cost by 23.6% y-o-y and 3.8% q-o-q. Our employee base at the end of Sep'15 was 1,075.
- EBITDA grew by a healthy 42% y-o-y and 12% q-o-q to Rs.393 Mn in Q2 FY'16. Expenditure to support the development of new products and brand continues at the rate of 2% of revenues in the current quarter.
- Other income includes a net forex gain of Rs.45 Mn contributed by favourable movement in Euro and USD partly offset by the BRL depreciation.
- Tax rate in Q2 FY16 is higher due to the higher forex gain arising in Brazil on account of favourable movement of USD in Brazil local financials but gets negated on consolidation and also due to tax on annual dividend income from our Bangladesh subsidiary.

Q2 FY2016 Business highlights

International business

International business (78% of total revenue):

International revenue grew by 8.0% in y-o-y and 2.8% q-o-q.

Developed Markets:

Europe recorded a revenue growth of 49.2% y-o-y and 4.4% q-o-q.

Other Emerging Markets:

Revenues grew by 6.7% y-o-y and 7.0% q-o-q to Rs.373 Mn.

Asia:

- Won CVAS deals in 2 major operators in Sri Lanka, each with a subscriber base of around 6 million.
- Robust growth of RBT in a major operator in Bangladesh with 16% Penetration and a Subscriber base of 8 Mn.

Q2 FY2016 Business highlights

International business

Africa & Middle East

Revenue grew by 9.0% q-o-q and down by 4.2% in y-o-y.

- New business win for Ring Back Tones in Airtel Nigeria increases our coverage in Africa to 50 million and makes OnMobile, Airtel's largest RBT partner in Africa.
- New business win for RBT with the leading operator in South African country Lesotho, which will be the first music service in the market.

Latin America

Revenue down by 1.5% q-o-q and 23.9% y-o-y respectively. Latam revenues grew by 5% q-o-q excluding the forex impact of movement in Latam currencies.

Q2 FY2016 Business highlights

Domestic Business

Domestic business (22 % of total revenue):

India revenue was Rs.451 Mn in Q2 FY'16, grew by 1.7 % q-o-q and down by 21.6% y-o-y.

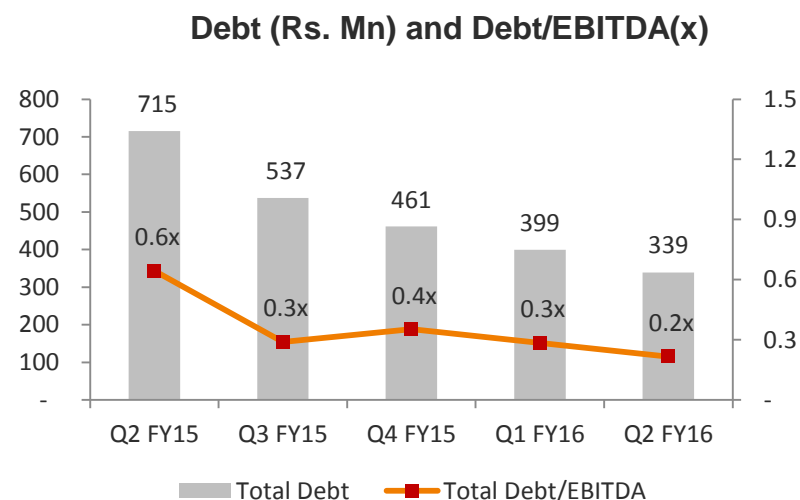
- Won western Circles from Airtel for Ring Back Tone business to become the largest RBT partner for Airtel in India which increased our reach in Airtel from over 60 million subscribers to over 115 million subscriber.
- Launched CVAS (D2C) product in one of the large operators in India.

Q2 FY2016 Financial performance

Strong balance sheet, low leverage and improving cash position

(Rs. million)	Sep 30, 2016	Jun 30, 2016	Mar 31, 2015
Long Term Borrowings	48	117	185
Short Term Borrowings	291	282	277
Total Debt	339	399	461
Cash & Cash Equivalents	2,896*	2,941*	2,713*
Net Cash	2,557	2,542	2,252
Net Worth (excluding Goodwill)	6,518	6,535	6,543

* Includes Escrow balance of Rs.165 Mn.



- Cash outflow of Rs. 200 Mn on account of dividend payment in Q2
- Total loan repayment of Rs.61 Mn

Financial Statements – Balance Sheet

(Rs. Mn)	As at Sep 30, FY 2016	As at Jun 30, FY 2016
EQUITY AND LIABILITIES		
Shareholders' Funds	6,544	6,560
Long-term borrowings	48	117
Deferred tax liabilities (net)	1	1
Long-term provisions	43	37
Non-Current Liabilities	93	155
Short-term borrowings	291	282
Trade payables	2,128	2,073
Other current liabilities	664	696
Short-term provisions	251	435
Current Liabilities	3,334	3,486
Total	9,970	10,202

(Rs. Mn)	As at Sep 30, FY 2016	As at Jun 30, FY 2016
ASSETS		
Deferred tax assets	297	231
Goodwill on Consolidation	26	26
Fixed assets	1,818	2,152
Long-term loans & advances	1,418	1,442
Non-Current Assets	3,559	3,850
Current investments	659	698
Inventories	6	5
Trade receivables	1,688	1,833
Cash and cash equivalents	2,237	2,243
Short-term loans & advances	727	686
Other current assets	1095	887
Current Assets	6,411	6,352
Total	9,970	10,202

THANK YOU

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