



# Q2 FY2015 Earnings Presentation

October 30, 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.

# Q2 FY2015 Business highlights

- **India:** Robust revenues with growth of 24.3% q-o-q and 13.8% y-o-y to ₹576 million
  - Continue to increase penetration with key operators
  - Renewed contract for SMS, WAP and USSD services with a leading operator
  - Became the exclusive caller ring back tone partner to Tata Teleservices
  
- **International business** (72% of the revenues): Revenues grew 9.2% q-o-q to ₹1,499 million and remained relatively flat y-o-y after normalizing for Voxmobili revenue which was sold at the beginning of the quarter
  - Developed Markets: Voxmobili revenue was mainly derived from the developed markets and hence Q2 FY2015 numbers are not comparable with the historical quarters. Adjusted for the sale of Voxmobili, revenues increased 17.7% q-o-q to ₹630 million and 6.5% y-o-y

# Q2 FY2015 Business highlights

- Other Emerging Markets: Revenues increased 7.6% q-o-q to ₹350 million and declined (8.5)% y-o-y
  - Launch of cRBT service in Nigeria
  - 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
  - Went live with four more countries in MTN taking total deployments in MTN to five countries
- Latin America: Revenue up 1.4% q-o-q to ₹519 million
- **Cashflow:**
  - Cash & cash equivalents position improved from ₹1,463 million in the last quarter to ₹2,898 million in Q2 FY2015 as a result of:
    - Cash inflow from the sale of Voxmobili
    - Significant improvement in cash from operations due to better working capital management

# Other highlights

- **Board and Management Appointments**

- Appointed Mr. Francois-Charles Sirois as Non-Executive Chairman. Mr. Sirois was named on the Board earlier this year and replaces Mr. H.H. Haight who served as the Company's Chairman for the period, December 2011 – August 2014
- Appointed Mr. Praveen Kumar as the Chief Financial Officer. Mr. Kumar is an OnMobile veteran and has been with the Company since 2006. He has been an integral part of the Company's various growth phases and transitions

# Financial snapshot

## Consolidated financials

(₹ million)	Q2 FY2015	Q2 FY2014	% Y-o-Y	Q1 FY2015	% Q-o-Q	H1 FY2015	H1 FY2014	% Y-o-Y
Revenue	2,075	2,250	(7.8)%	1,988	4.4%	4,062	4,147	(2.0)%
Adjusted Revenue <sup>1</sup>	2,075	2,035	1.9%	1,836	13.0%	3,910	3,769	3.7%
EBITDA	278	335	(17.2)%	156	77.5%	434	754	(42.4)%
% Margin	13.4%	14.9%		7.9%		10.7%	18.2%	
Net Profit	(12)	15	nm	(239)	nm	(251)	156	nm
% Margin	(0.6)%	0.7%		(12.0)%		(6.2)%	3.8%	
Basic EPS (₹)	(0.11)	0.13	nm	(2.09)	nm	(2.20)	1.36	nm

Note:

1 Adjusted Revenue: Revenues adjusted for the sale of Voxmobili in Q2 FY2015

2 Other Income

- Q2 FY2014 included forex gain of Rs. 89 million
- Q2 FY2015 included profit on sale of Voxmobili Rs. 67 million and forex gain of Rs. 30 million

# Q2 FY2015 Financial performance

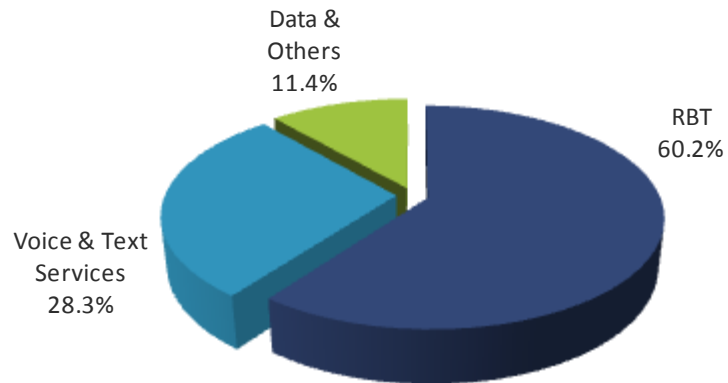
- Adjusted for the sale of Voxmobili in Q2 FY2015, revenue increased by 13.0% q-o-q and 1.9% y-o-y to ₹2,075 million
- EBITDA increased significantly by 77.5% q-o-q to ₹278 million at 13.4% margin (up 552 bps compared with Q1 FY2015)
  - EBITDA growth is despite a one-time impact of the minimum guarantee of ₹78 million in Q2 FY2015, for a contract in Europe. FY2015 is the second year of the two year minimum guarantee obligation. The first year's impact was accounted in Q3 FY2014
  - Efforts to rationalize manpower and operating expenses initiated in Q2 FY2015 have started yielding results. Both manpower cost and other operating expenses have declined sequentially by around 15% which has resulted in a significant EBITDA margin expansion
- Net Profit was ₹(12) million, as compared ₹(239) million in Q1 FY2015 and to ₹15 million in Q2 FY2014

# Operational performance

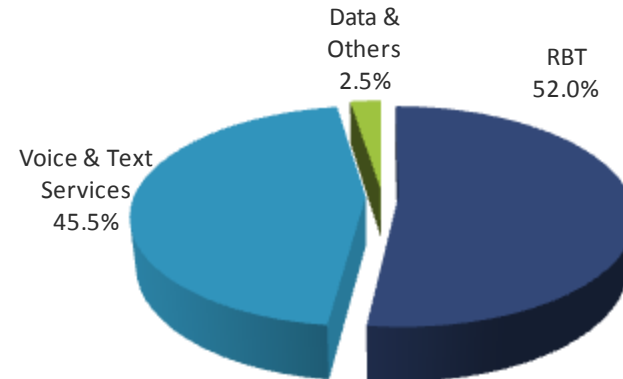
Diversified revenue sources

## Revenues by Products

Q2 FY2014



Q2 FY2015

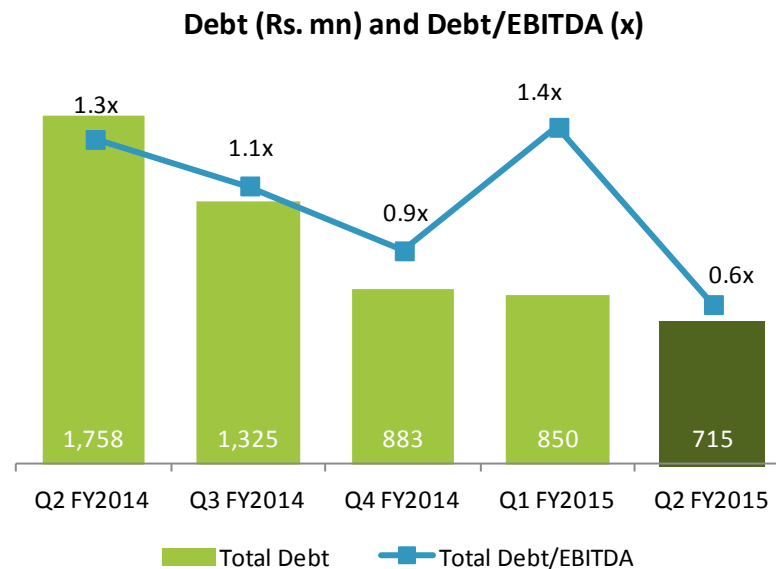




# Financial performance

Strong balance sheet with low leverage provides operational flexibility

(₹ million)	Sep 30, 2014	Mar 31, 2014
Long Term Borrowings	318	443
Short Term Borrowings	397	440
<b>Total Debt</b>	<b>715</b>	<b>883</b>
Cash & Cash Equivalents	2,898*	1,240
<b>Net Cash / (Net Debt)</b>	<b>2,183</b>	<b>357</b>
<b>Net Worth (excluding Goodwill)</b>	<b>7,239</b>	<b>6,303</b>



- 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. 168 million

\* Includes Escrow balance of Rs 143 million

# Financial Statements – Balance Sheet

(₹ million)	As at Sep 30, 2014	As at Jun 30, 2014
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' Funds</b>	<b>7,265</b>	<b>7,428</b>
Long-term borrowings	318	377
Deferred tax liabilities (net)	7	7
Long-term provisions	61	93
<b>Non-Current Liabilities</b>	<b>386</b>	<b>477</b>
Short-term borrowings	396	470
Trade payables	1,896	1,902
Other current liabilities	769	912
Short-term provisions	189	442
<b>Current Liabilities</b>	<b>3,250</b>	<b>3,726</b>
<b>Total</b>	<b>10,901</b>	<b>11,630</b>

(₹ million)	As at Sep 30, 2014	As at Jun 30, 2014
<b>ASSETS</b>		
Deferred tax assets	167	152
Goodwill on Consolidation	26	1,367
Fixed assets	3,128	3,446
Long-term loans & advances	1,329	1,493
Escrow balance with bank <sup>1</sup>	143	0
<b>Non-Current Assets</b>	<b>4,793</b>	<b>6,457</b>
Current investments	273	306
Inventories	5	5
Trade receivables	1,755	1,686
Cash and cash equivalents	2,482	1,157
Short-term loans & advances	764	866
Other current assets	828	1,154
<b>Current Assets</b>	<b>6,107</b>	<b>5,173</b>
<b>Total</b>	<b>10,901</b>	<b>11,630</b>

Note

1. Escrow relating to the sale of Voxmobili

# Financial snapshot – OLI

(₹ million)	Q1 FY2015	Q2 FY2015
<b>Revenue</b>	<b>168</b>	<b>157</b>
COGS	63	43
<b>Gross Margin</b>	<b>105</b>	<b>115</b>
<i>% Margin</i>	62.5%	72.9%
<b>EBITDA</b>	<b>(49)</b>	<b>(30)</b>
<b>Net Profit</b>	<b>(117)</b>	<b>(106)</b>

- OLI expected to record further improvement in margins in future quarters due to cost optimization initiatives underway

# THANKS

for your attention

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