



# Q2 FY2018 Earnings Presentation

October 30, 2017



# Cautionary statement

## Forward Looking Statements

This presentation may contain 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 FY18	Q1 FY18	% Q-o-Q	Q2 FY17	% Y-o-Y
Revenue	1,657	1,637	1.2%	1,871	(11.5%)
Gross Margin	911	955	(4.6%)	1,105	(17.6%)
Manpower cost	485	492	(1.4%)	528	(8.0%)
Other Opex	254	268	(5.0%)	323	(21.2%)
EBITDA	171	195	(12.3%)	255	(32.7%)
% Margin	10%	12%	(13.4%)	14%	(24.0%)
Operating Profit	60	67	(11.3%)	113	(46.8%)
% Margin	4%	4%	(12.3%)	6%	(39.9%)
Net Profit	19	25	(26.8%)	41	(54.7%)
% Margin	1%	2%	(27.7%)	2%	(48.9%)
EPS (Rs.)	0.18	0.26	(32.8%)	0.38	(53.4%)

# Q2 FY2018 performance

## Key Financial Highlights

- Revenue is marginally higher q-o-q. It is down 11.5% y-o-y mainly due to the reasons we have highlighted in the earlier quarters – double confirmation in a leading Operator in Asia and discontinuation of Vivo Brazil services.
- Gross margin is lower by 4.6% q-o-q because of change revenue mix during the quarter.
- Manpower lower by 1.4% q-o-q and by 8% y-o-y. Operating expenses also reduced by 5% q-o-q and by 21.2% y-o-y.
- EBITDA margin at 10% as compared to 12 % in the last quarter due to reduction in gross margins during the quarter. Operating profit unchanged at 4%.
- Net Profit at Rs. 18.5 Mn as compared to Rs. 25 Mn in Q1.

# Q2 FY2018 Business highlights

## Domestic and International Business

Overall international business was at 78% of total revenue during the quarter and domestic business at 22%:

### India

India revenue was Rs. 360 Mn in Q2 FY'18 down by 22% q-o-q.

### Europe

Revenue was up by 14% q-o-q at Rs. 863 Mn in Q2 FY'18 aided by organic growth as well as favorable foreign exchange rate. Constant currency growth is around 7%.

- The marketing campaign that we launched in June to promote Kids services in TIM Italy has shown positive results.

### Latin America

Revenue down by 6.8% q-o-q.

# Q2 FY2018 Business highlights

## Domestic and International Business

### Asia (excluding India)

Revenue up by 5% q-o-q.

- In the last quarter, we had communicated the deal for deploying our Ringback tone and Reverse Ringback tone services in Banglalink, Bangladesh. We have successfully deployed and launched the services in September and migrated 500K Subscribers on to our platform.
- We have renewed our Ringback tone service Contract with a leading Operator in Bangladesh for one year.

### Africa & Middle East

Revenue up by 11% q-o-q.

- We have achieved a milestone of 5 Mn subscribers at 18% penetration in one of the key Operators in Nigeria.
- We have crossed a milestone of 3.6 Mn Ringback Tone user base in a large Operator in South Africa, thus becoming the largest VAS partner for the Operator.
- In one of our Operators in Mozambique, we have achieved 1.4 Mn RBT subscribers with 23% penetration helping us contribute to almost 90% of Operator VAS revenue.

# Q2 FY2018 Financial performance

## Strong Balance sheet and cash position

Rs. Mn	Sept 30, 2017	Jun 30, 2017	Mar 31, 2017	Dec 31, 2016
Cash and Cash Equivalents	2,782*	2,866	3,061	2,551
Net worth	5,670	5,728	5,635	5,667

*\* After the dividend payout of Rs. 155 Mn in September.*

# Financial Statements – Balance Sheet

Rs. Mn	Sept 30, 2017	Jun 30, 2017
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' Funds</b>	<b>5,670</b>	<b>5,728</b>
Deferred tax liabilities	1	1
Long-term provisions	52	51
<b>Non-Current Liabilities</b>	<b>53</b>	<b>52</b>
Short-term borrowings	-	-
Trade payables	2,013	1,908
Other financial liabilities	56	57
Other current liabilities	431	345
Short-term provisions	186	194
<b>Current Liabilities</b>	<b>2,686</b>	<b>2,505</b>
<b>Total</b>	<b>8,408</b>	<b>8,286</b>

Rs. Mn	Sept 30, 2017	Jun 30, 2017
<b>ASSETS</b>		
Fixed assets	552	645
Deferred tax assets	378	386
Financial assets	50	49
Others non current assets	1,309	1,305
<b>Non-Current Assets</b>	<b>2,289</b>	<b>2,386</b>
Current investments	873	964
Trade receivables	1,874	1,762
Cash and cash equivalents	1,909	1,902
Loans	31	41
Others financial assets	770	677
Other current assets	663	554
<b>Current Assets</b>	<b>6,120</b>	<b>5,900</b>
<b>Total</b>	<b>8,408</b>	<b>8,286</b>



# THANK YOU

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