



Omantel Group Performance – Q1 2022

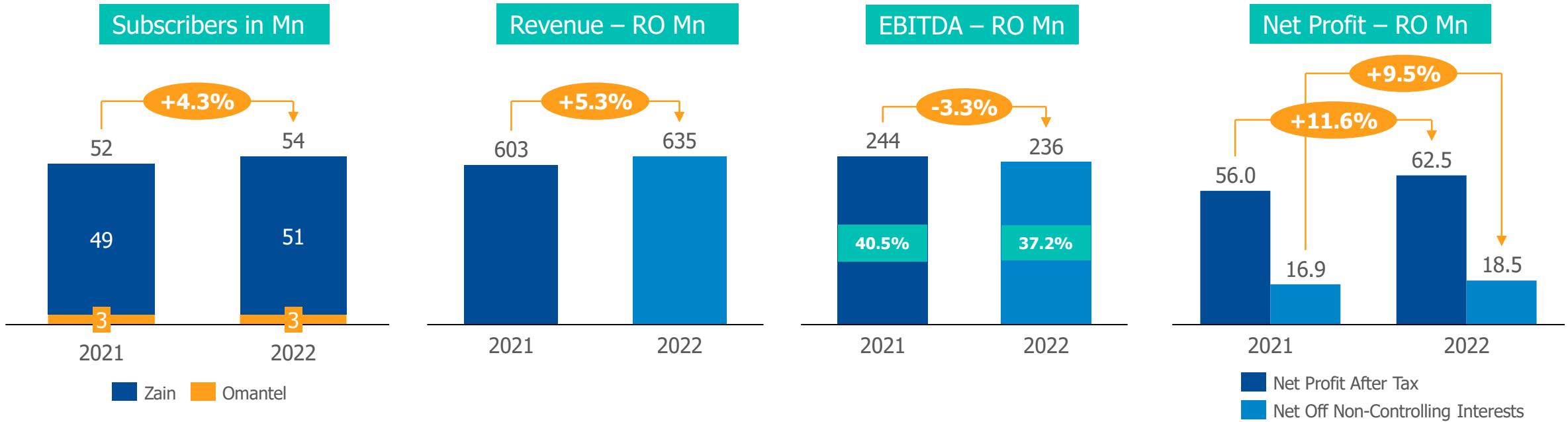
Presentation to Investor Community

Conference Call

10 May 2022 at 2 P.M. (Oman Time)

Omantel Group (Incl Zain Group) – Q1 2022 Performance

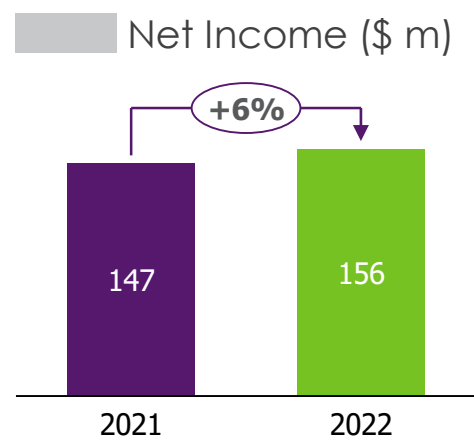
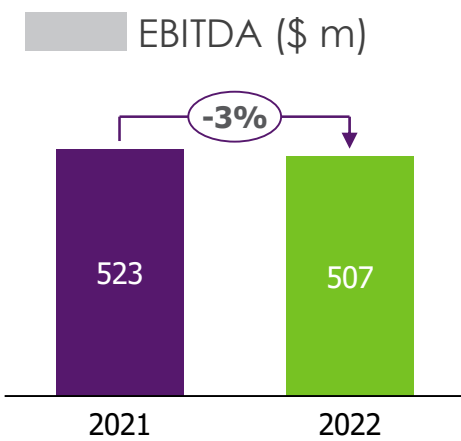
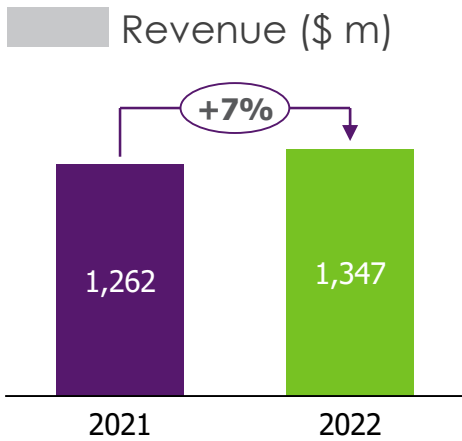
Group Revenue stands at RO 635 Mn and Net Profit is at RO 62.5 Mn, an increase of 11.6% YoY



- Zain Group customer base recorded a growth of 5%. Omantel customer base declined by 2.3%.
- Main reasons for the decrease in Omantel subscriber base is due to drop in mobile prepaid. However, growth has been observed in Mobile Postpaid & Fixed Broadband subscriber base.

- Group Revenue for the period is RO 635 Mn compared to RO 603 Mn for the corresponding period 2021, a growth of 5.3%. Revenue include acquired business of Zain Group, which contributed revenues of RO 0.5 Bn.
- Net Profit observed a growth due to the growth in revenues, cost optimization measures across the group and lower impairment provision and depreciation.

Zain Group Performance – Q1 2022 Performance (In US Dollars)

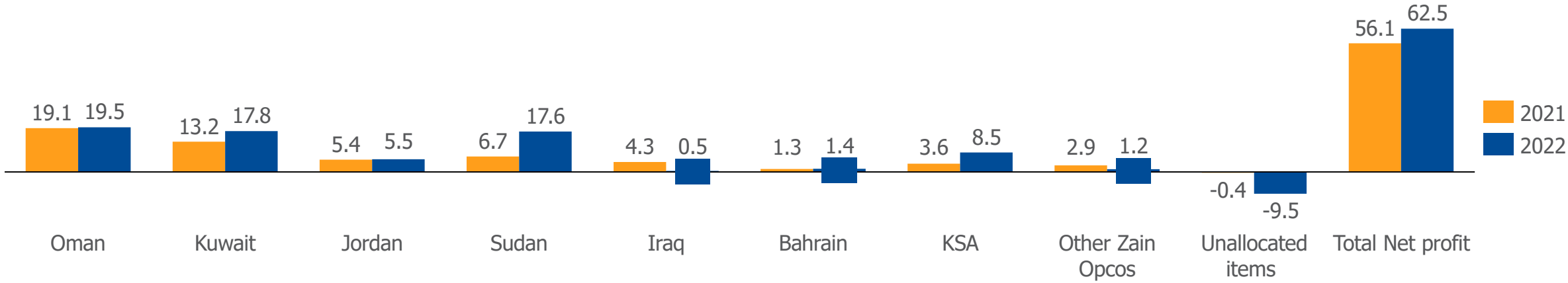


- All key operations reported healthy top line performance for the first 3 months.
- Currency devaluation in Sudan 44% and South Sudan 59%.
- Excluding the FX impact of USD 120 million for Q1'22, the Group consolidated revenue growth would have been up 16%.

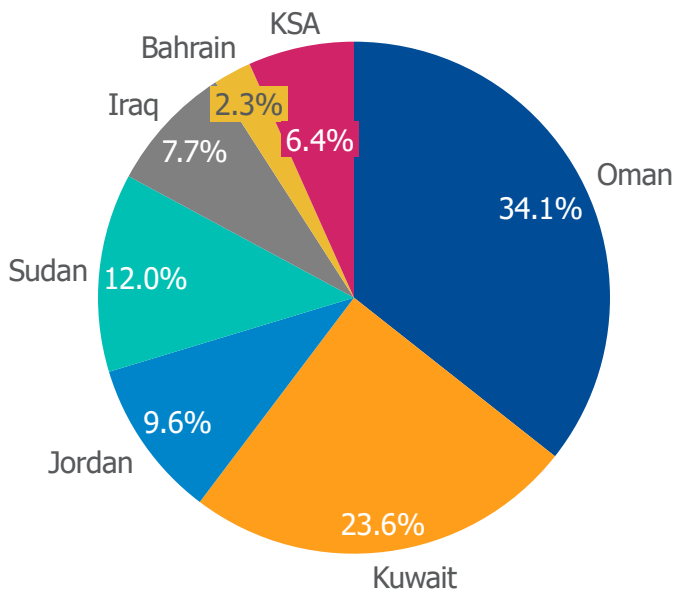
- Rate Change and FX Translation impact in Sudan and South Sudan.
- Excluding the FX translation impact, EBITDA would have been +12% YoY.
- Decrease in amortization mainly from KSA (Held for sale).
- Increase in Currency Variance Gain.

- Net Profit increased by \$9m YoY, mainly due to:
- Increase in Currency Variance Gain \$26m; mainly from Sudan and Group Management
 - Increase in Investment Income \$4m
 - Decrease in Amortization \$19m mainly from KSA (Assets held for sale)

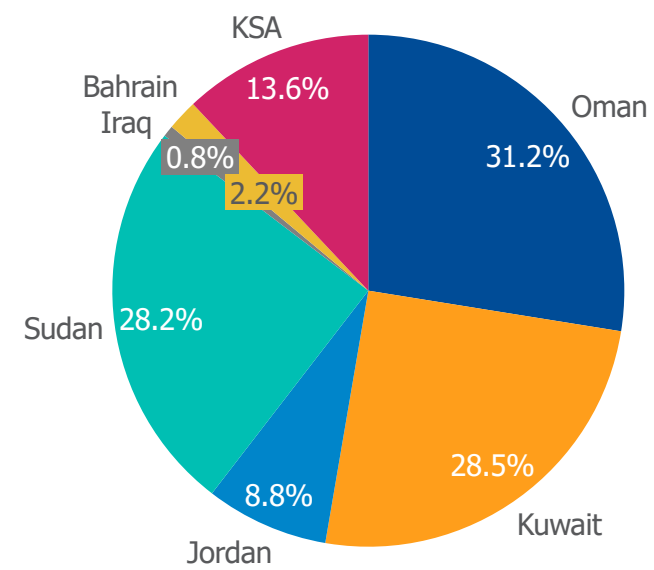
Segmental information – Q1 2022 Performance



Net Profit Contribution Year 2021



Net Profit Contribution Year 2022

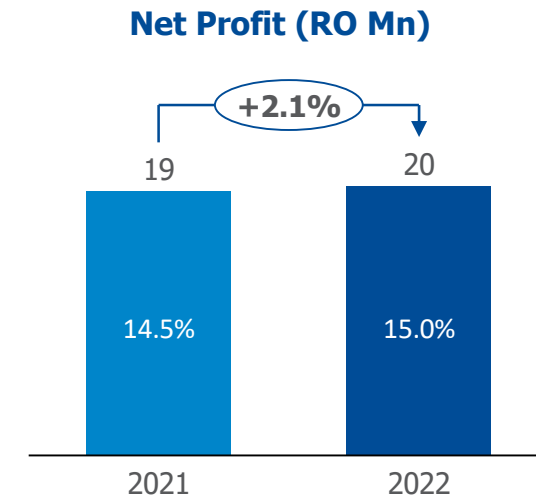
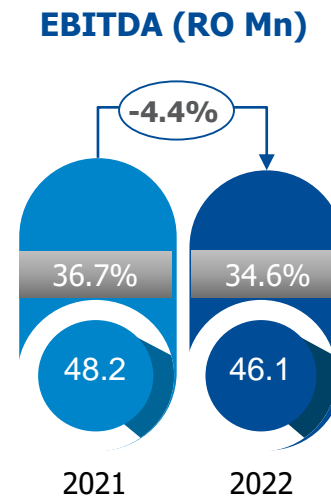
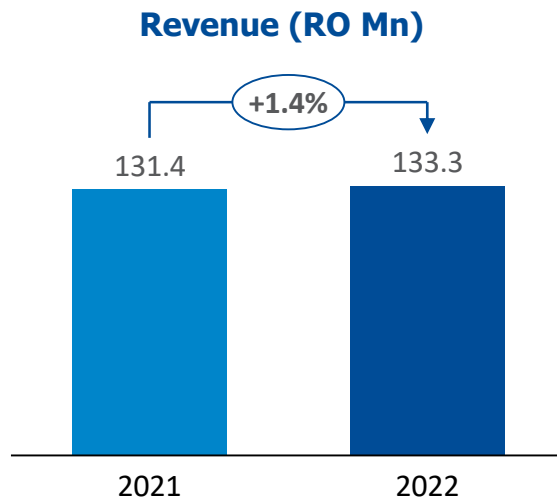


Note:
 1) Net profit are adjusted for Purchase Price Allocation (PPA).
 2) Unallocated adjustments which are of non-operating nature (include interest cost for Zain acquisition and interest cost on Borrowings at Zain group).

Omantel (Domestic performance)

Omantel + International SPVs + Domestic subsidiaries & associates

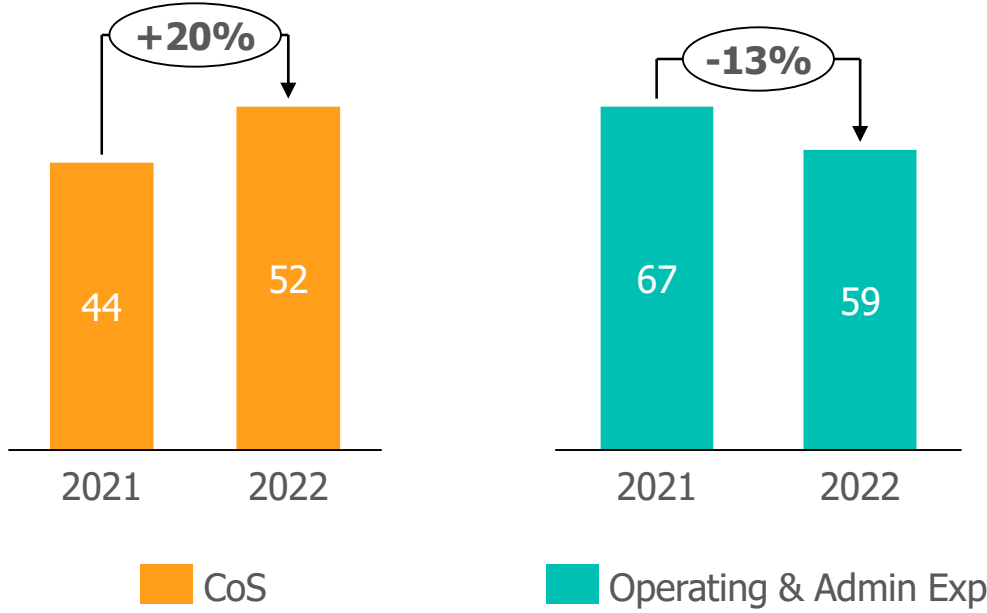
Domestic Performance – Q1 2022 (Including domestic subsidiaries)



- Domestic operations covers Fixed Line business, Mobile business, Omantel International (OTI)-Wholesale arm of Omantel engaged in international voice aggregation business and Omantel subsidiaries (Oman Data Park, Infoline and Internet of Things- MOMKIN).
- Revenues growth achieved in Mobile Postpaid (11.6%), Fixed Broadband (2.1%), while prepaid revenue declined due to challenging market conditions.
- Operating & Admin costs decreased by 4.8% mainly due to cost optimization measures.
- EBITDA & Net Profit Margin is 34.6% and 15% respectively. Growth in Net Profit is predominantly on account of cost optimization measures, reduction in impairment provision against receivables (contributed by healthy collections) and depreciation.

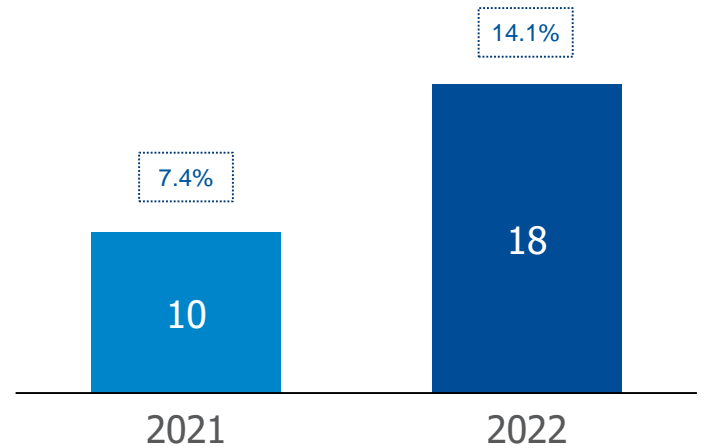
Operating & Admin costs are reduced by 13% YoY mainly due to cost optimization measures. OPEX to Revenue ratio is lower than last year due to decrease in revenue related costs. Capex to revenue ratio is at 14.1%

CoS & Operating /Admin Expenses RO Mn



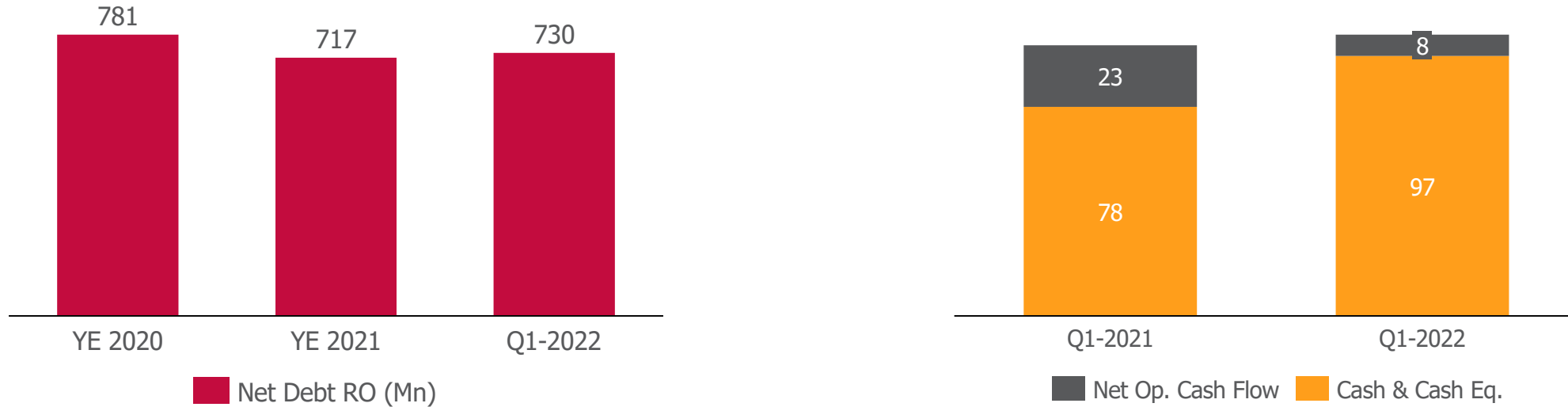
- YTD Opex to Revenue ratio for 2021 is 83.5% Vs 84.6% last year.
- Ratio decrease is mainly due to drop in Operating/ Admin Expenses. The increase in CoS is mainly driven by decrease in revenues.

CAPEX additions RO Mn



Decline in Capex to Revenue Ratio is predominantly resulting from the global supply chain disruption in addition to cost optimization measures

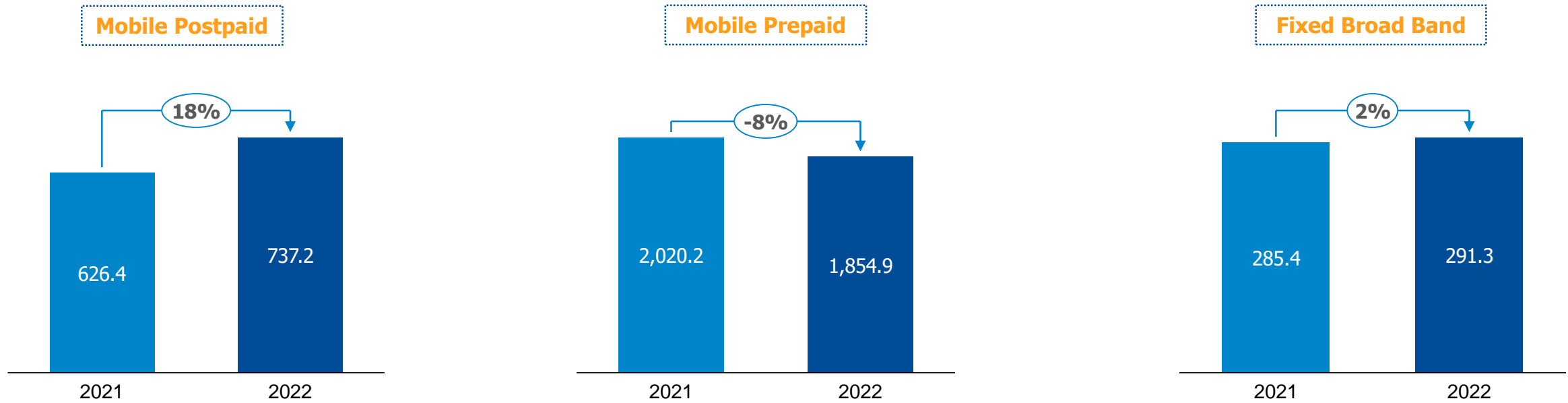
Leverage and Cash Flow position



- The Net Debt to EBITDA Covenant ratio is measured at the end of every half and full year.
- Net Debt is slightly higher than Year 2021 is mainly due to increase in supplier financing and lower cash & Cash Equivalents compared to Dec'21.
- Omantel carries a Corporate Family Rating (CFR) assigned **by Moodys 'Ba3'** and **by Fitch 'BB-'** with outlook revised from **negative to stable**.

Note: As of Year 2021, Net Debt to EBITDA (Leverage ratio) is 3.04x (Required Covenant is 3.7x) and Interest cover is 4.39 against the target of 4.

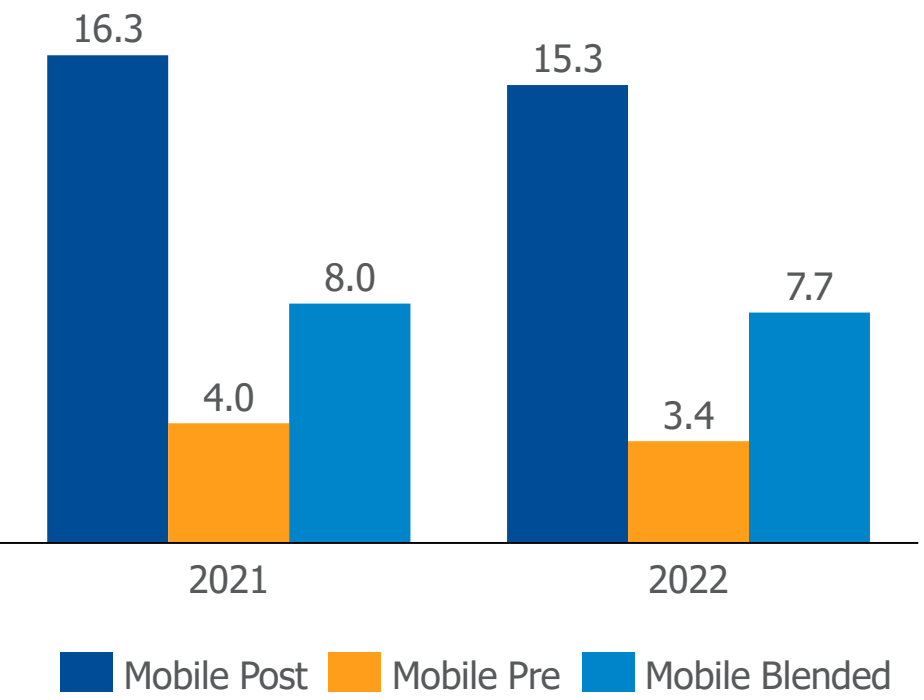
Omantel Subscriber base analysis shows FBB and Mobile postpaid continued its growth trajectory, while pre-paid declined YoY.



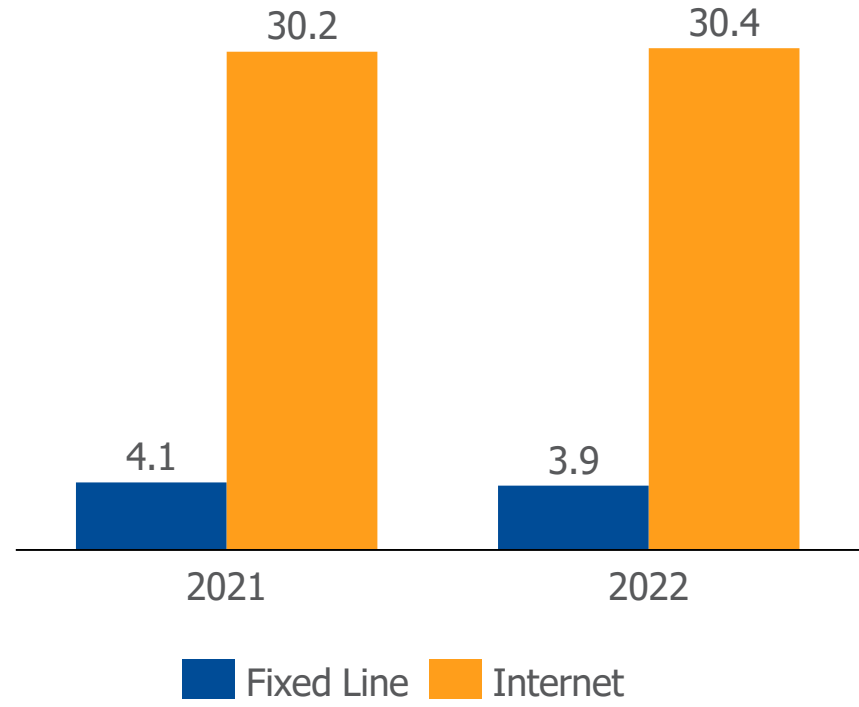
- Mobile postpaid customer base shows steady growth, mainly driven by pre to post migrations .
- Although prepaid market base is dropping in the country (YoY -8%), Omantel is maintaining the prepaid subscriber market share. The general drop on the Prepaid Customers base comes from migrations Postpaid plans, as well as, expats leaving.
- Fixed Broadband customer base keeps on growing, fundamentally on WFBB (4G/5G) with increased uptake in line with 5G network rollout and Fiber customers.

ARPU / month for Internet shows growth mainly due to uptake of higher ARPU services, while mobile ARPU declined compared previous year

Mobile Services RO / Month



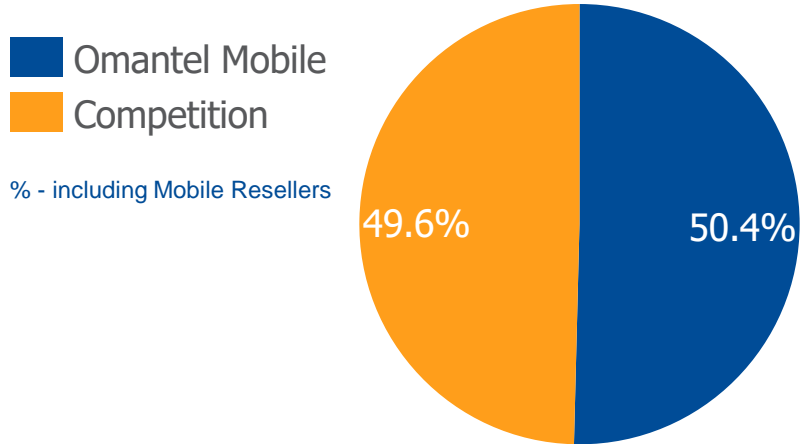
Fixed Line Services RO / Month



- Fixed line include post & pre-paid voice services.
- Internet include Fixed Broadband and all internet services (dialup post & prepaid, enterprise data services)

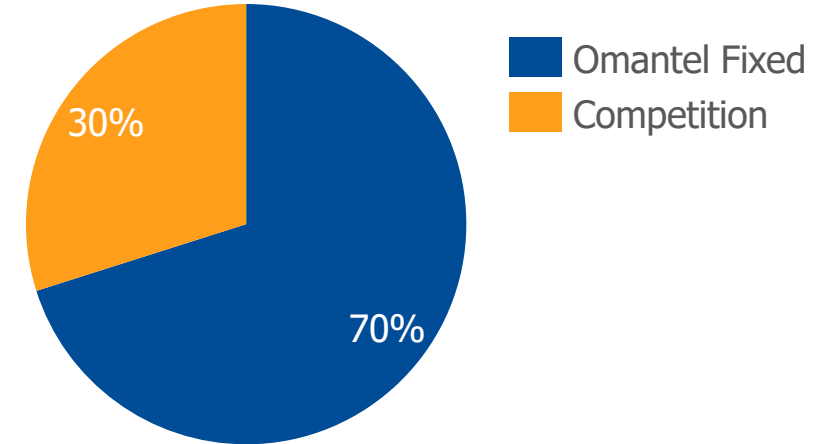
Mobile & Fixed Line Business Market share (Subscriber & Revenue share)

Mobile Subscriber Market share

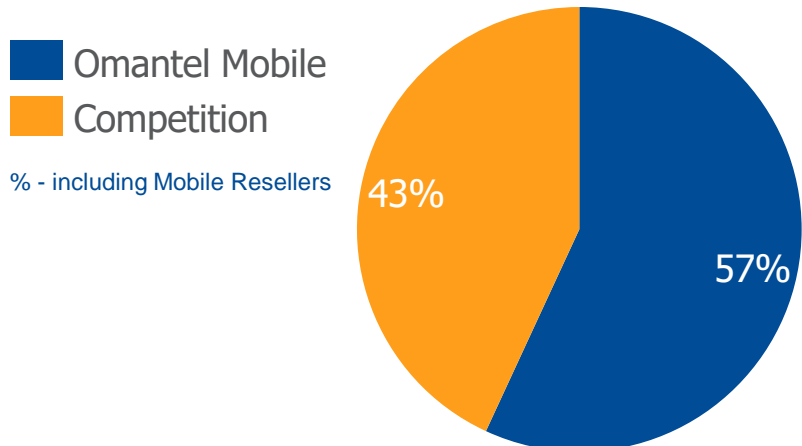


Note: Omantel Mobile (incl Mobile Resellers) subscribers declined by 3.5%, net drop is around 113 K mainly due to drop in Mobile Prepaid

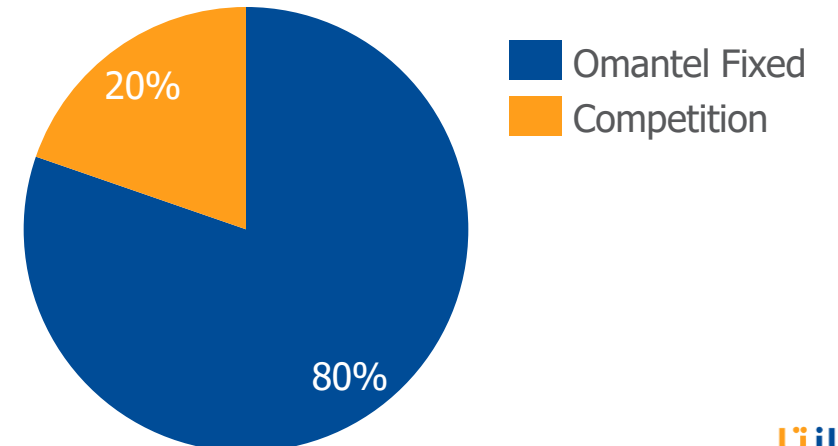
Fixed Subscriber Market share



Mobile Revenue Market share



Fixed Revenue Market share



Presented by

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Q&A