



# Omantel Group Performance – Q3 2021

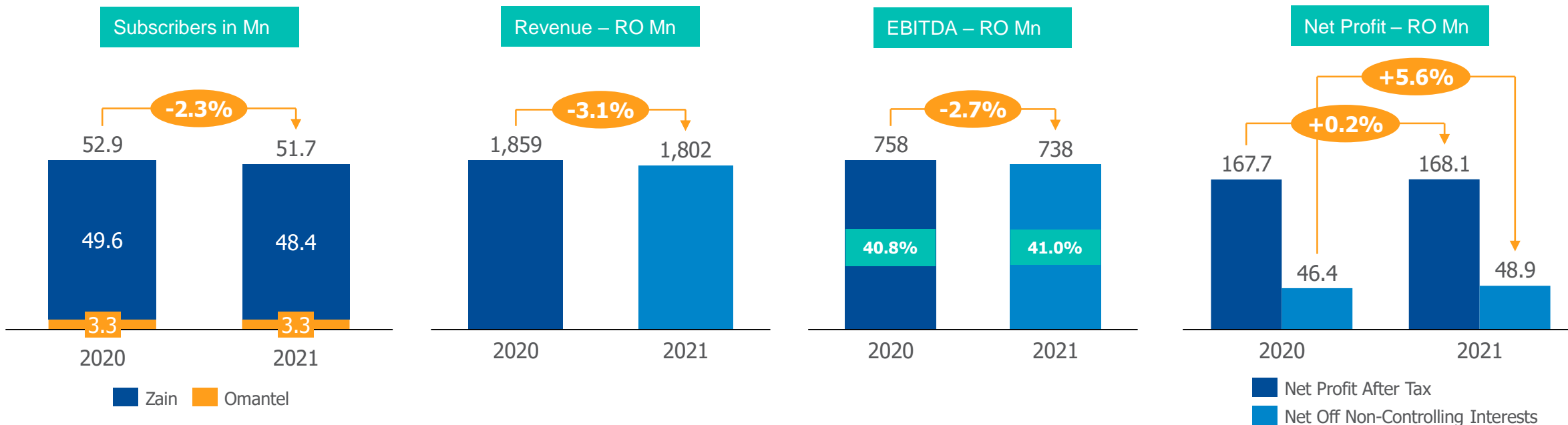
## Presentation to Investor Community

Conference Call

16<sup>th</sup> November 2021 at 2 P.M. (Oman Time)

# Omantel Group (Incl Zain Group) – Q3 2021 Performance

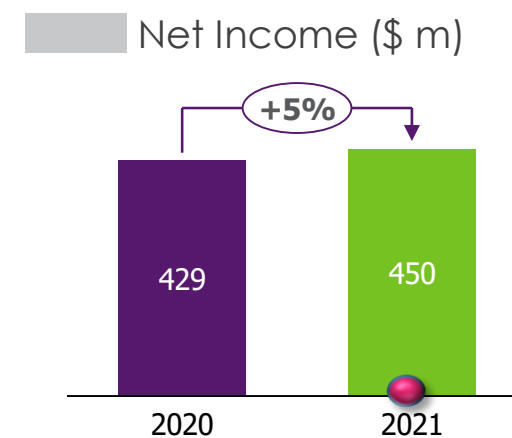
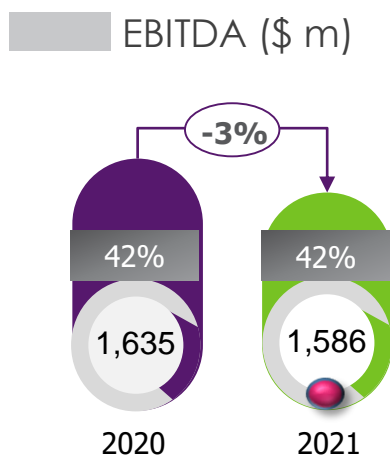
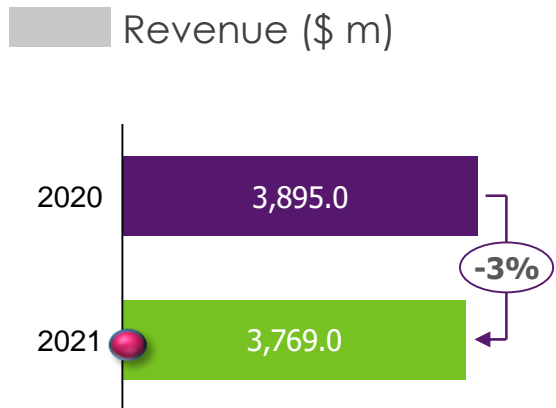
Group Revenue stands at RO 1.8 Bn and Net Profit is at RO 168 Mn



- Zain Group customer base recorded a decline of 2.4%. Omantel customer base increased by 0.5%, mainly due to growth in mobile postpaid & fixed broadband subscriber base.
- Main reasons for growth in Omantel subscriber base is due to migration from mobile pre to post and uptake on wireless fixed broadband services.

- Group Revenue for the period is RO 1.8 Bn compared to RO 1.86 Bn for the corresponding period 2020, a decline of 3.1%. Revenue include acquired business of Zain Group, which contributed revenues of RO 1.4 Bn.
- Decline in revenue impacted the EBITDA. However, Net Profit observed a growth due to the reduction in receivable provisions, series cost optimization measures across the group and lower depreciation.

# Zain Group Performance – Q3 2021 Performance (In US Dollars)



The impact of COVID-19 still affects the operations, coupled with the FX rate change impact mainly due to the currency devaluation in Sudan and Iraq

- Currency devaluation in Sudan from 55 in January 2021 to 439 (SDG / USD) end of September 2021,
- 19% currency devaluation in Iraq from 1,190 to 1,470 (IQD / USD)
- Excluding the above FX impact of USD 609 million for 9M'21, the Group consolidated revenue growth would have been 12%.

## EBITDA decreased by \$49 vs L/Y mainly due:

- Conclusion of the three-year CITC agreement with KSA
- Rate Change and FX Translation impact in Iraq and Sudan
- Excluding rate change and FX translation impact of \$316m, EBITDA growth would have been 16%

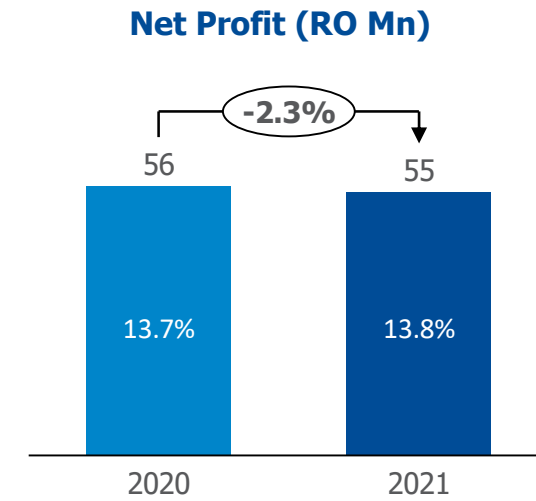
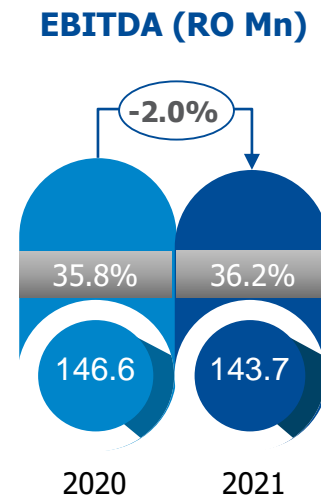
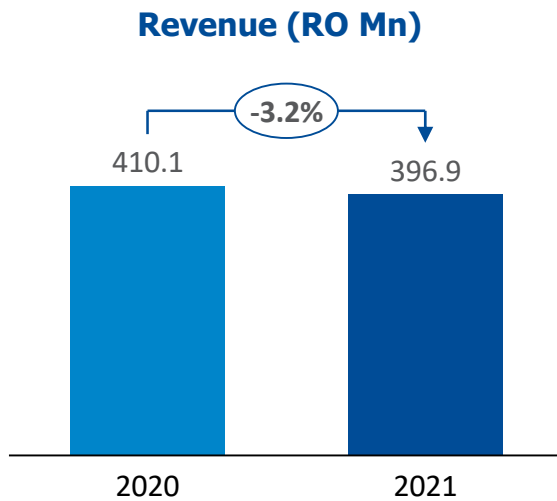
## Net Income increased by \$21m YoY, mainly due to:

- Decrease in Finance costs mainly from loan settlements, drop in LIBOR and margin reduction by negotiations held with lenders
- Savings in Finance Cost resulting from Loan repayments reflecting solid Liquidity
- Drop in Currency Variance Losses

# Omantel (Domestic performance)

Omantel + International SPVs + Domestic subsidiaries & associates

## Domestic Performance



- 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 (20.3%), Fixed Broadband (9.8%), while prepaid revenue declined due to challenging market conditions.
- Operating & Admin costs (excluding Impairment) decreased by 3.5% mainly due to cost optimization measures.
- EBITDA & Net Profit Margin is 36.2% and 13.8% respectively.

# Segmental information – Q3 2021 Performance

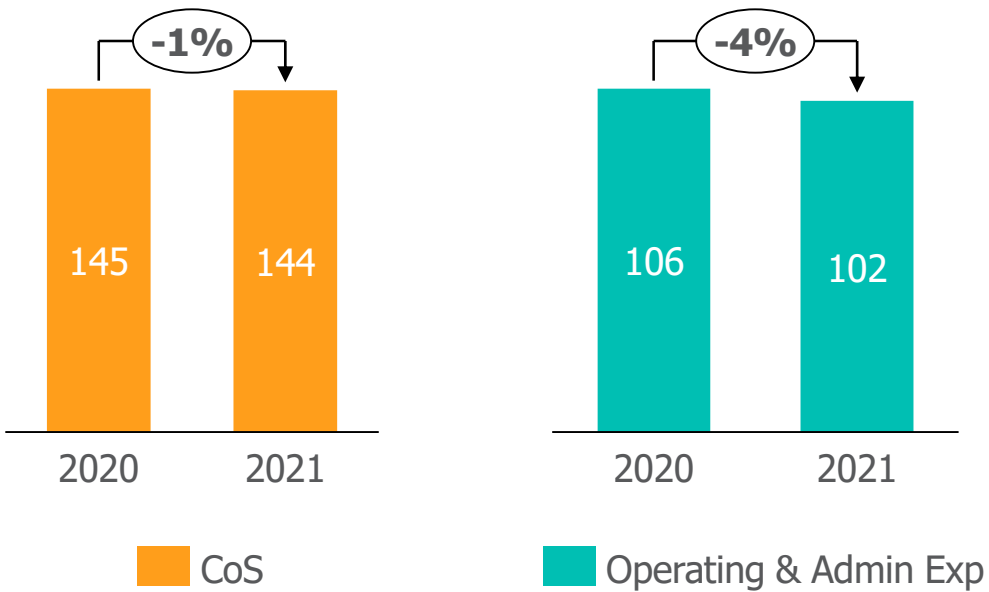
	Omantel Group – Segment Report								
In RO Mn	Oman	Kuwait	Jordan	Sudan	Iraq	Bahrain	KSA	Others	Total
Revenue	396.9	291.9	139.9	90.6	215.1	47.8	582.7	37.4	<b>1,802.2</b>
Net Profit	55.2	48.8	20.1	27.1	9.5	3.8	12.9	11.3	<b>188.7</b>
Others (Unallocated items)									<b>(19.9)</b>
Profit for the Period	<b>55.2</b>	<b>48.8</b>	<b>20.1</b>	<b>27.1</b>	<b>9.5</b>	<b>3.8</b>	<b>12.9</b>	<b>11.3</b>	<b>168.7</b>

Note:

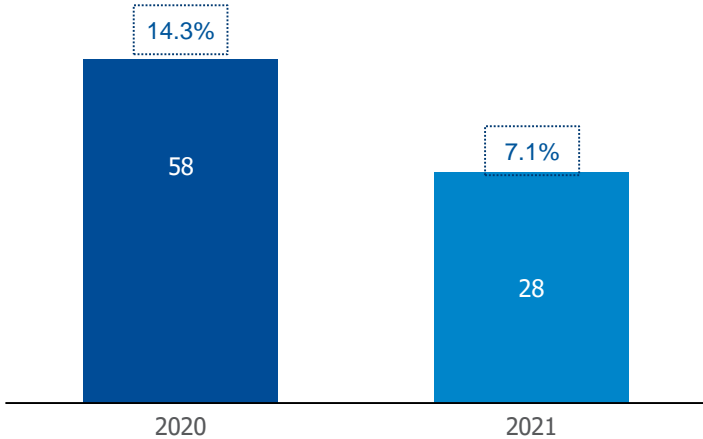
- 1) Net profit are adjusted for Purchase Price Allocation (PPA).
- 2) Others include unallocated adjustments which are of non-operating nature (include interest cost, finance income, etc).

Operating & Admin costs are reduced by 3.5% 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 7.1%

CoS & Operating /Admin Expenses RO Mn

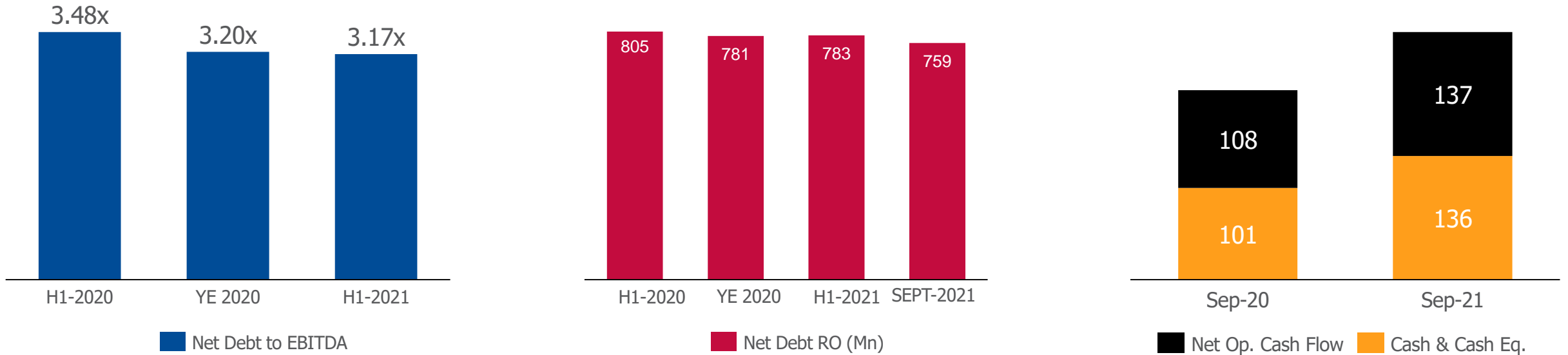


CAPEX additions RO Mn



- YTD Opex to Revenue ratio for 2021 is 84% Vs 85% last year.
- Ratio decrease is mainly due to drop in both CoS & Operating/ Admin Expenses. The decline in CoS is mainly driven by decrease in revenues.

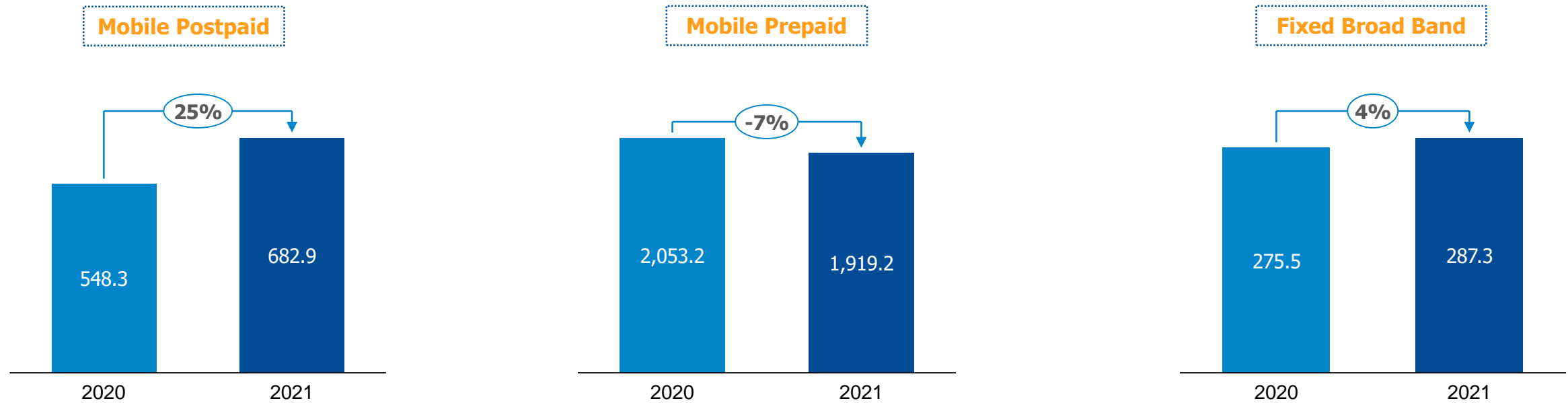
# Leverage and Cash Flow position



- The Net Debt to EBITDA is measured at the end of every half and full year. Net Debt to EBITDA (Leverage ratio) required as per the Covenant is 3.7. Based on adj EBITDA (EBITDA plus Dividend from Zain), the leverage as of H1-'2021 is 3.17x and Interest cover is 4.56 against the target of 4.
- Omantel carries a Corporate Family Rating (CFR) assigned **by Moodys 'Ba3'** and **by Fitch 'BB-'** with outlook revised from neutral to **positive**.



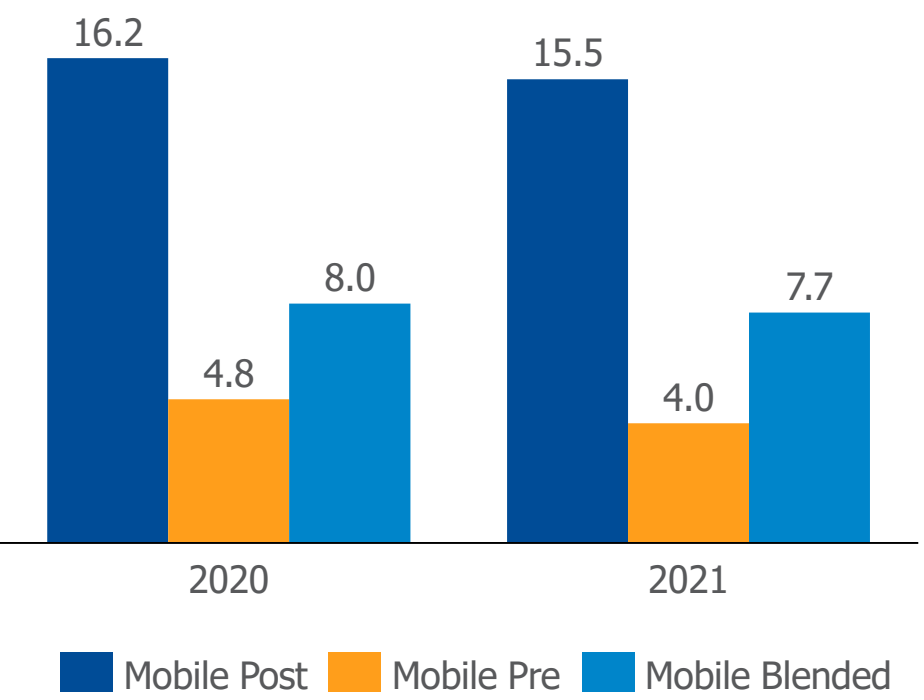
# Omantel Subscriber base analysis shows FBB and Mobile postpaid continued its growth trajectory, while pre-paid declined YoY.



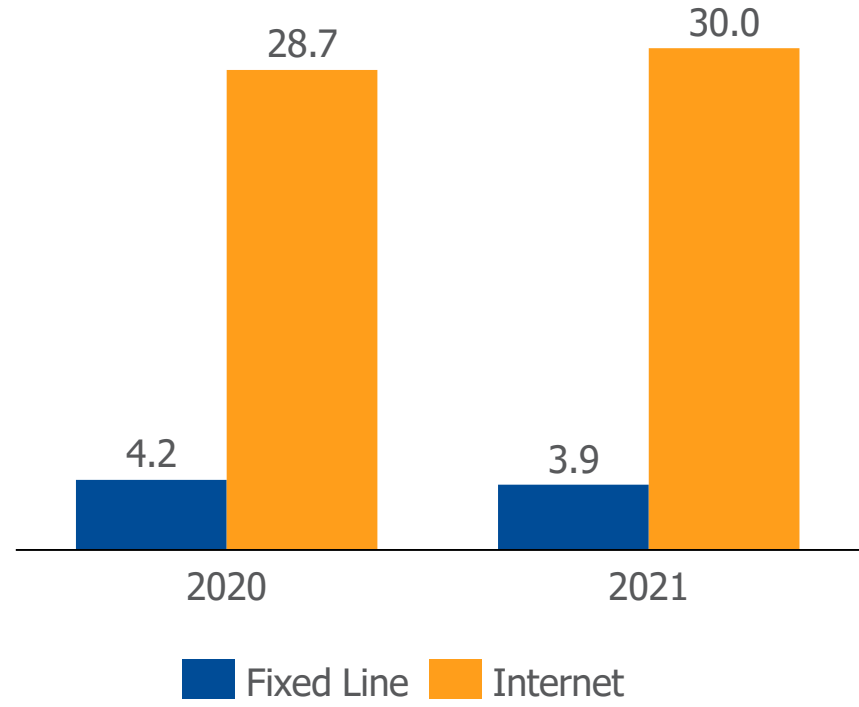
- Mobile postpaid customer base shows steady growth, mainly driven by pre to post migrations .
- Although prepaid market base is dropping in the country (YoY -13%), Omantel is maintaining the prepaid subscriber market share. The general drop on the Prepaid Customers base comes from migrations Postpaid 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 continue to record marginal decline compared to previous year

### Mobile Services RO / Month



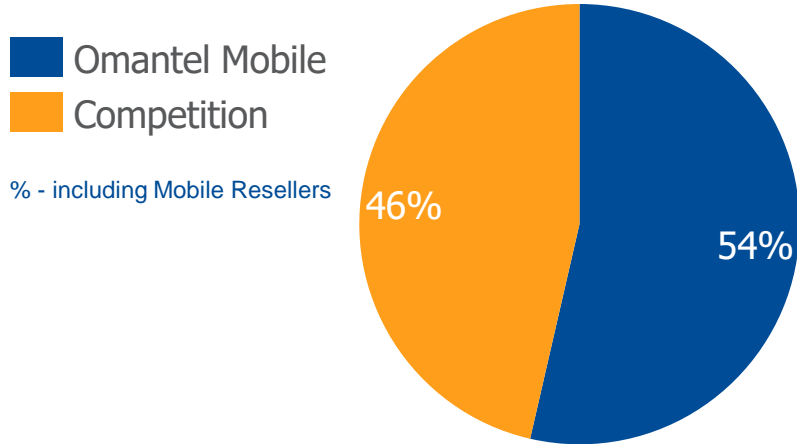
### Fixed Line Services RO / Month



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

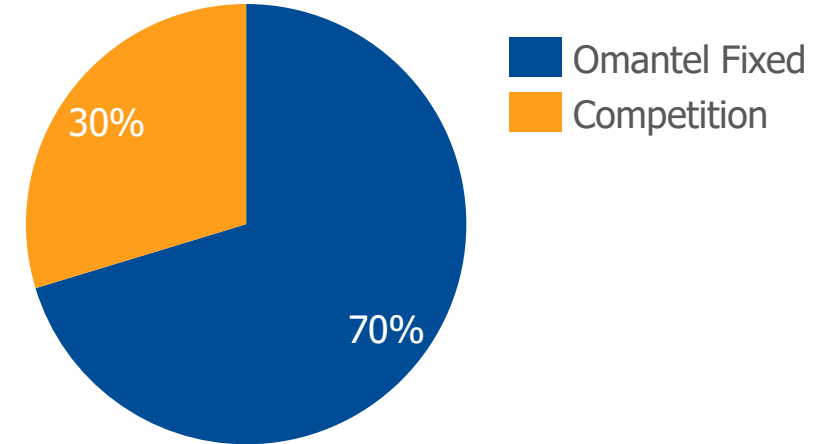
# Mobile & Fixed Line Business Market share (Subscriber & Revenue share)

### Mobile Subscriber Market share

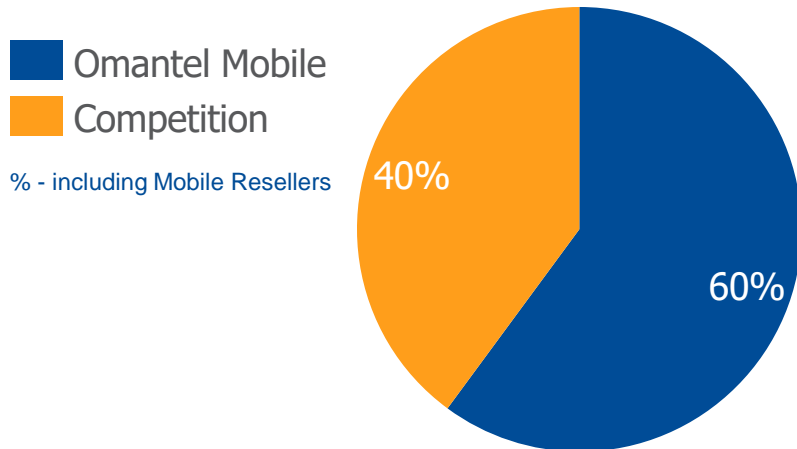


Note: Omantel Mobile (incl Mobile Resellers) subscribers declined by 2.3%, net drop is around 74 K mainly due to drop in Mobile Prepaid

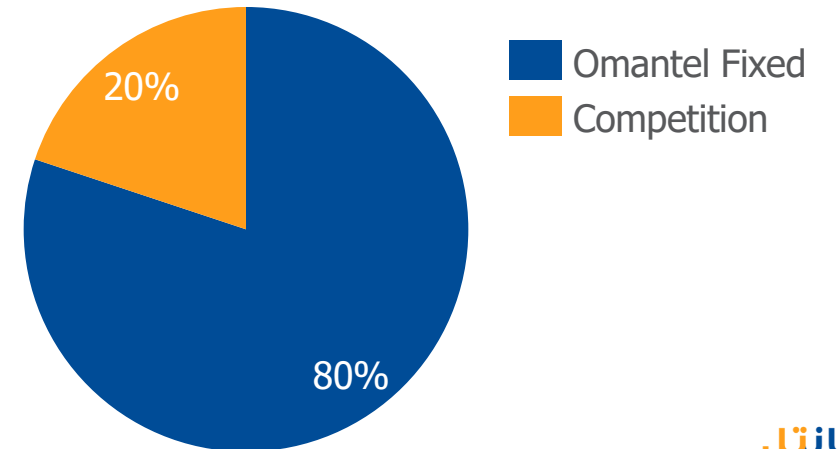
### Fixed Subscriber Market share



### Mobile Revenue Market share



### Fixed Revenue Market share



# Awards

Omantel winning  
**“Leading Corporate for Investor Relations”**  
And  
**“Best Investor Relations Professional”**

in Oman for the year 2020 by the Middle East Investor Relations Society, Dubai.



Omantel sweeps four categories  
at COMEX Excellence in Technology Awards 2021 ,  
**“Mobile Application, Big Data, Telecom categories, and a special jury  
award ‘Best of Best’ ”**



Omantel bags  
**“Outstanding Leadership and Growth”** Award  
at SAMENA endorsed MEA Business Achievement



## Presented by

- Sheikh. Talal Al Mamari, CEO
- Mr. P.G. Menon, Acting CFO
- Mr. Ghassan Al Hashar, VP Finance
- Ms. Amal Al Ojaily, GM Strategic Finance
- Ms. Bushra Al Balushi, IR Officer/ Sr. Manager Planning & Economics

Omantel

Finance Division (Investor Relations)

P.O Box 789, Ruwi, Postal Code 112, Sultanate of Oman

Website: [www.omantel.om](http://www.omantel.om), Email: [investor@omantel.om](mailto:investor@omantel.om)

## Disclaimer

Oman Telecommunications Company (S.A.O.G) has prepared this presentation in good faith for the purpose of Conference call for the Investor community.

These presentations may contain forward-looking statements based on current assumptions made by Omantel Group management. Such statements were only applicable as of the date of the presentation and the Company assumes no obligation to update them.

Users of these presentations should use caution in assessing the current applicability of any such statements and these presentations should not be distributed without the permission of Omantel's concerned authorities.

Q&A