



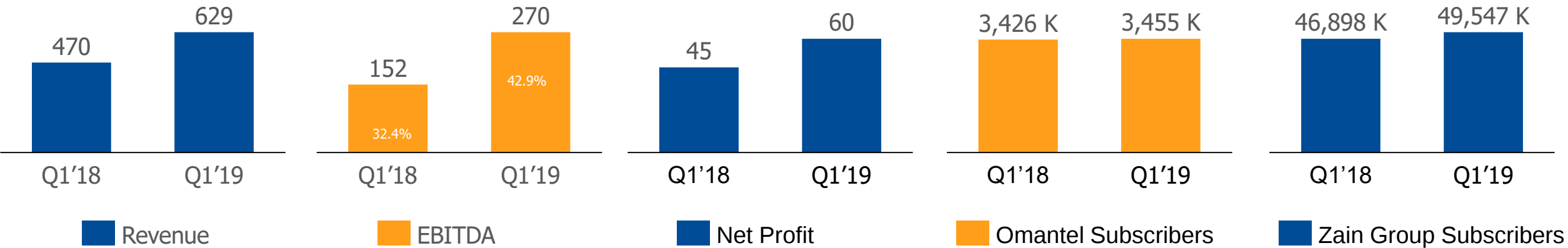
Omantel Group Performance – Q1 2019 (Jan-March)

Presentation to Investor Community

Conference Call

16 May 2019 at 2PM (Oman Time)

Group Revenue for the period Mar'19 is RO 628.6 Mn with EBITDA of RO 270 Mn and Net Profit of RO 60.5 Mn (*net off non-controlling interest is RO 14.9Mn*)



Key Business Updates



- Group Revenue for the Q1'19 has grown to RO 628.6 Mn compared to RO 470 million for the corresponding period 2018, a growth of 34%. The Group revenue include acquired business of Zain Group, which contributed revenues of RO 496 Mn.
- Group Net Profit after tax is RO 60.5 Mn. After adjusting for the non-controlling interest, the net profit is RO 14.9 Mn.



- Group results for Q1-2019 includes the effect of consolidation of results of Zain KSA whereas in Q1-2018 the Zain KSA was an associate and as such only share of profits/losses were considered in the results.
- Interest costs incurred by Omantel Group relating to Zain acquisition is RO 13.3 Million in Q1-2019 (Q1-2018: RO 13.4 Million) and is accounted at Omantel Group level.

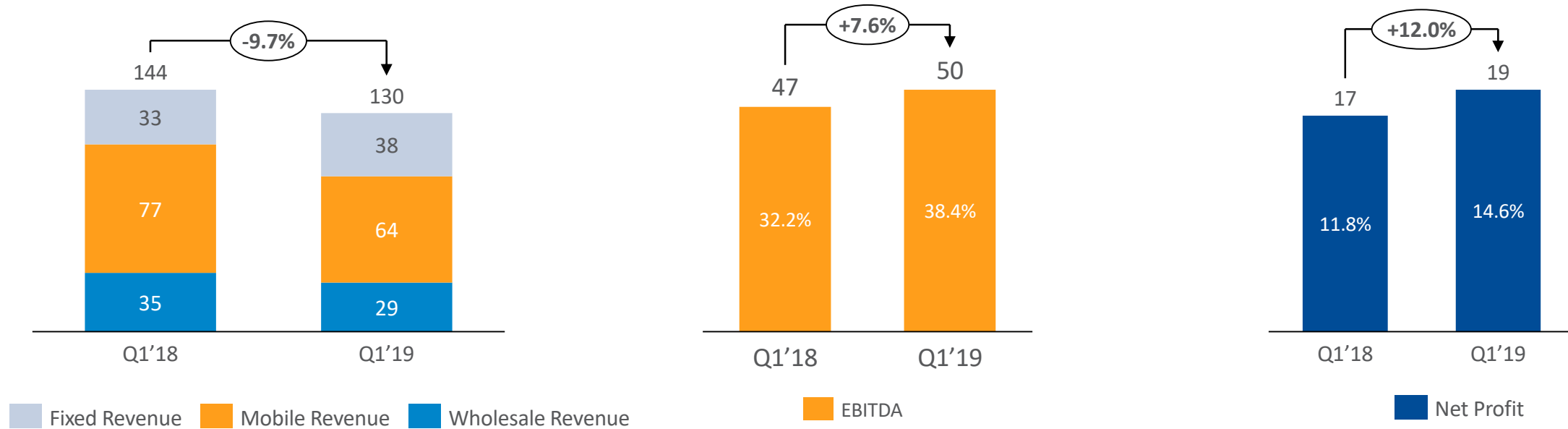


- Zain Group & Omantel customer base increased by 6% and 1% respectively.
- Omantel Fixed Line and Mobile Subscribers grown by 6.7% and 0.8% respectively.

Omantel (Domestic performance)

Omantel + International SPVs + Domestic subsidiaries & associates

Omantel (Domestic performance) revenue compared to last year is lower by 9.7% mainly due to decline in device & IRU revenues. EBITDA and Net Profit are impacted positively due to change in revenue mix plus the IFRS 16 impact



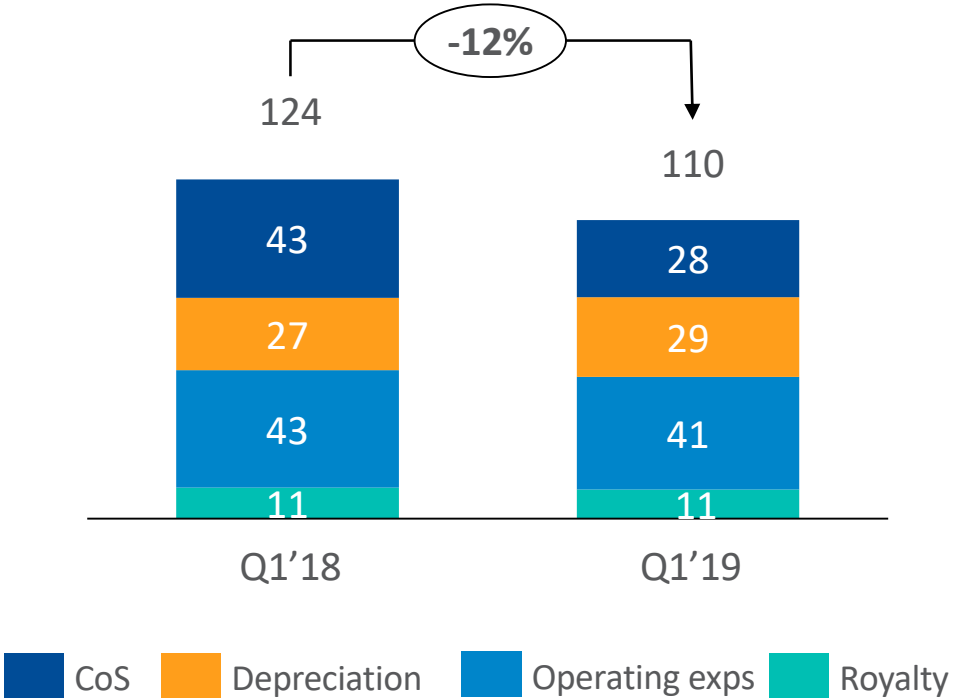
- Revenue recorded a decline of 9.7% compared to last year mainly due to decline in IRU and Device sale, which contributed approx. 8% of the decline. If Device & IRU revenues are excluded, then the decline is 2.7%
- EBITDA & Net Profit is 38.4% and 14.6% respectively.
- 5.6% growth from Fixed Line Retail revenues compared to last year. 11.4% increase in Fixed Broadband revenue and Growth in Fixed Broadband subscriber by 10%
- Mobile Retail revenues decreased by 14% compared to last year mainly due to decline device sales and prepaid revenues.
- Wholesale revenue declined by 19.1% mainly due to lower IRU Sale.
- Smartphone penetration reached 82% in Omantel Mobile Network
- Voice revenues (both national and international calls) continues its declining trend mainly due to increase in OTT services

Omantel Group -Segment Report

Omantel Group									
In RO Mn	Year to Date								
	Oman	Kuwait	Jordan	Sudan	Iraq	Bahrain	KSA	Others	Total
Revenue	130.5	101.6	43.8	24.7	98.2	15.5	209.9	4.4	628.6
Net Profit Before Interest & Tax	22.3	18.5	8.9	5.2	11.6	1.1	37.1	4.5	109.2
- Interest Income	0.5	0.1	0.2	0.3	0.2	0.1	0.7	0.1	2.1
- Finance Costs	(0.4)	(0.1)	(2.3)	(0.1)	(5.5)	(0.2)	(26.6)	(0.0)	(35.2)
- Income Tax Expenses	(3.4)	0.0	(2.0)	(1.5)	(1.4)	0.0	0.0	(0.2)	(8.5)
Sub Total	19.1	18.5	4.8	3.9	5.0	0.9	11.1	4.4	67.7
Unallocated Items									
- Investment Income									(1.3)
- Share of Results of Associates & JVs									1.8
- Others									(7.7)
Profit for the Period									60.5
Segment assets including goodwill	937.6	983.9	556.5	129.8	907.9	112.2	3,010.1	107.4	6,745.4
- ROU assets	22.2	8.1	16.7	1.4	40.7	10.3	150.0	1.0	250.4
- Unallocated items:									0.0
- Investment securities at fair value through profit or loss									54.6
- Investment securities at amortised cost									3.0
- Investment securities at FVOCI									9.1
- Investment in associates and joint ventures									102.0
- Others (Refer note in Financials)									461.6
Consolidated Assets									7,626.1
Segment liabilities	287.1	126.4	166.0	53.6	196.9	24.7	1,570.9	101.1	2,526.9
- Lease liabilities (Current and non-current)	23.4	7.9	17.1	1.5	43.6	10.8	155.0	1.1	260.4
- Due to banks	27.1				190.2		706.6		923.9
Sub Total	337.7	134.3	183.2	55.1	430.7	35.6	2,432.5	102.2	3,711.2
Unallocated items:									
- Due to banks									1,726.8
- Others									(272.6)
Consolidated liabilities									5,165.4
Net consolidated assets									2,460.7
Capital expenditure incurred during the period	85.8	2.3	1.3	1.5	5.4	0.1	85.3	0.1	181.8
Unallocated									0.6
Total Capital expenditure									182.3
Depreciation and amortization	25.7	17.9	9.4	2.5	24.7	3.3	48.8	1.1	133.6
Amortisation of ROU assets	3.6	1.3	1.0	0.1	2.1	1.1	10.4	0.3	19.7
Unallocated									0.7
Total depreciation and amortization									154.1

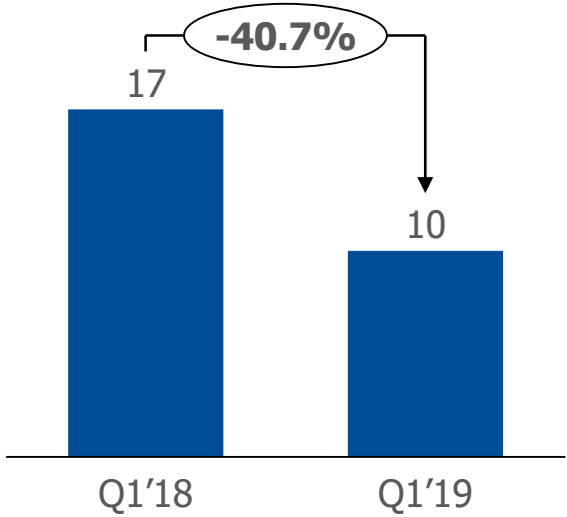
Opex and Capex to revenue ratios are lower than last year mainly due to cost optimization drives

Total OPEX RO Mn (incl Depreciation)



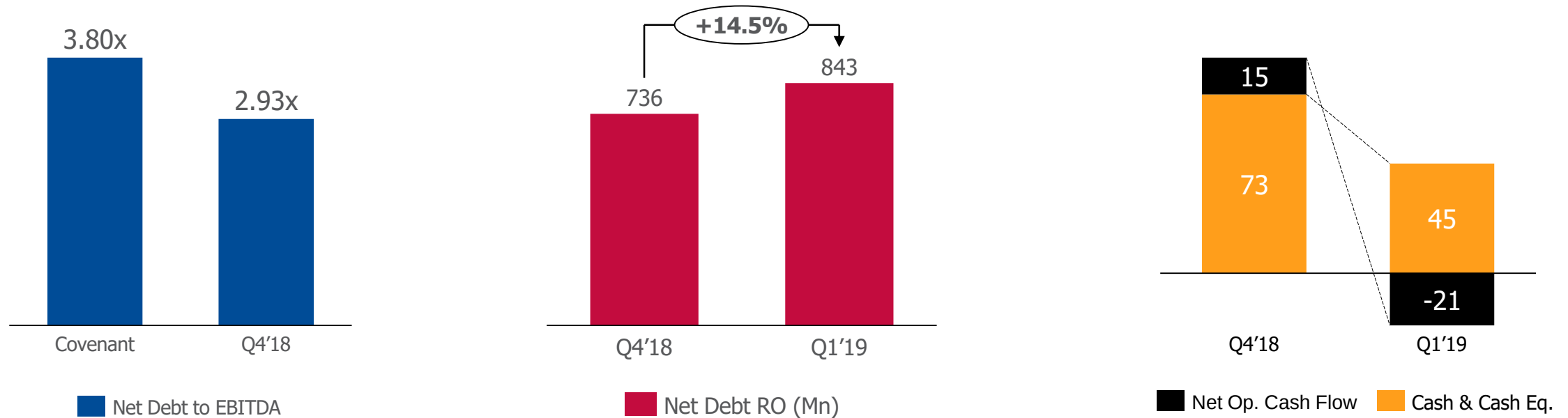
- Opex to Revenue ratio for 2019 is 84% and for Yr 2018 is 86.2%.
- Royalty for Fixed Business is 7% and for Mobile is 12%.
- The decrease is mainly due to decline in revenue related expenses and cost optimization measures.

CAPEX additions RO Mn



- Capex to Revenue ratio is at 7.6% in Year 2019 compared to 12% in Yr 2018. Excludes Mobile License Fee of RO 75 Mn

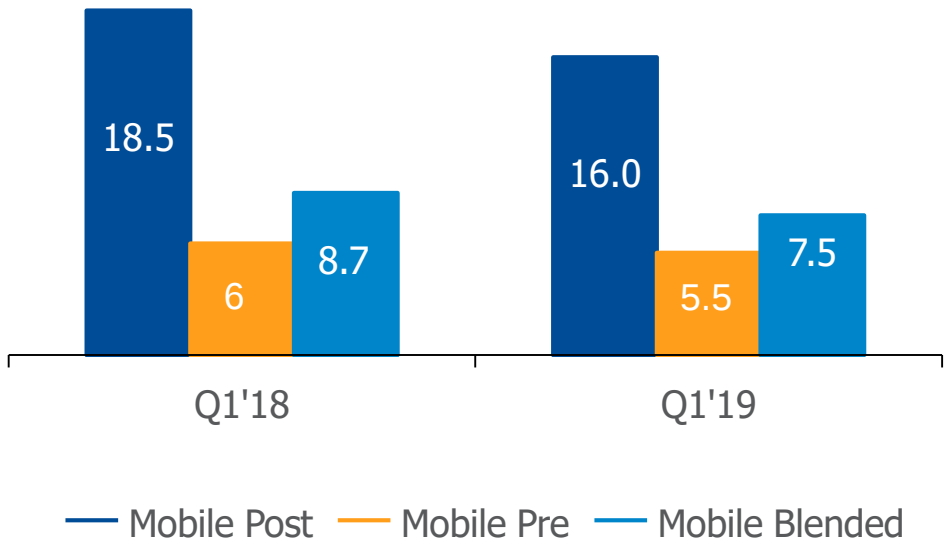
Leverage and Cash Flow position



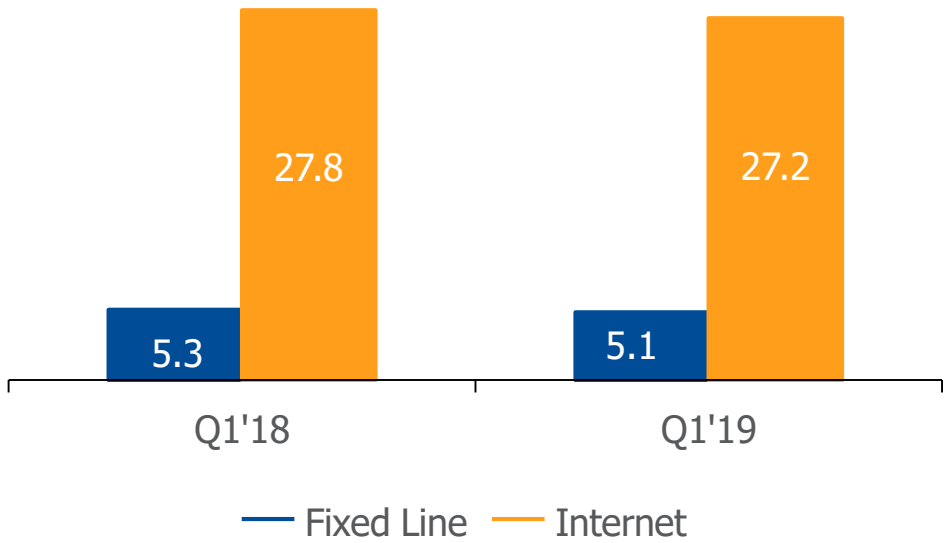
- The Net Debt to EBITDA is measured at the end of every half and full year. Net Debt to EBITDA (Leverage ratio) as per the Covenant is 3.8. Based on adj EBITDA (EBITDA plus Dividend from Zain), the leverage as of Dec 2018 is 2.93 and Interest cover is 4.37 against the target of 4.
- The Net Debt as of March 31 2019 is higher is mainly due to lower cash balance, impact as a result of large payments made during the quarter and on account of higher debts arising from implementation of IFRS 16 (Additional debt of RO 23.4 mn on account of IFRS 16).
- Net operating cash flow for Q1 is RO (21m) mainly due to significant payouts (1st instalment of mobile license fee RO 37.5 Mn, royalty, tax) during Q1. This is expected to normalize over the year.
- Omantel carries a Corporate Family Rating (CFR) of '**Ba1**' assigned by Moodys and a rating of '**BB+**' assigned by Fitch

ARPU / month for major products shows marginal variation compared to previous year

Mobile Services RO / Month



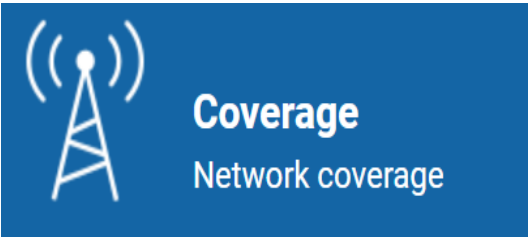
Fixed Line Services RO / Month



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

Extensive & Wide Network Coverage with High Quality of Service

Coverage &
QoS



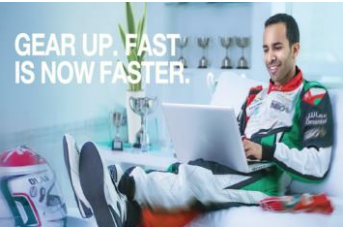
Extensive Network coverage across Sultanate

Omantel mobile 3G and 4G/LTE network covers 99.3% and 94.3% of population & Fixed Broad Band coverage is 90% of household. We are extensively focused on maintaining a technically advanced network through modernization and deployment of future technologies such as NFV (network function virtualization), massive MIMO, and 5G. Omantel’s network further continuously exceeds QoS targets on both Voice and Data services set by Regulatory Authority.

Capacity

State of the Art Network Platform / Strongest Gigabit Network

Our Fiber networks are quite extensive and resilient to support exponential data growth. Our transport networks are established over 10,000+ kilometers of Highly meshed fiber network, Omantel owns highly resilient nationwide IP/MPLS core and metro network providing L2/L3 packet services across Oman



Innovative
Services

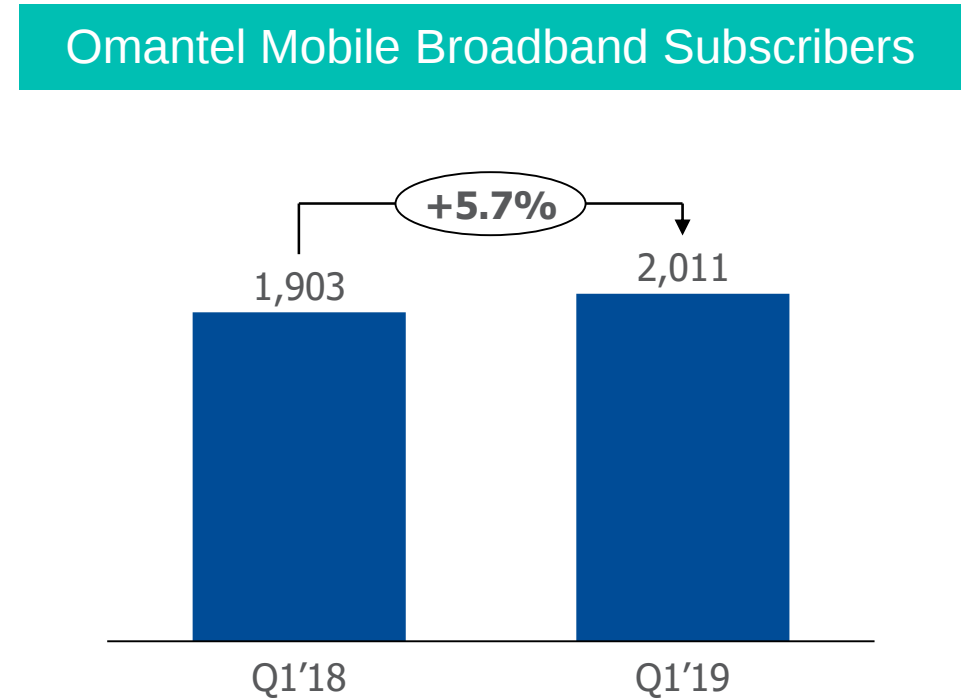
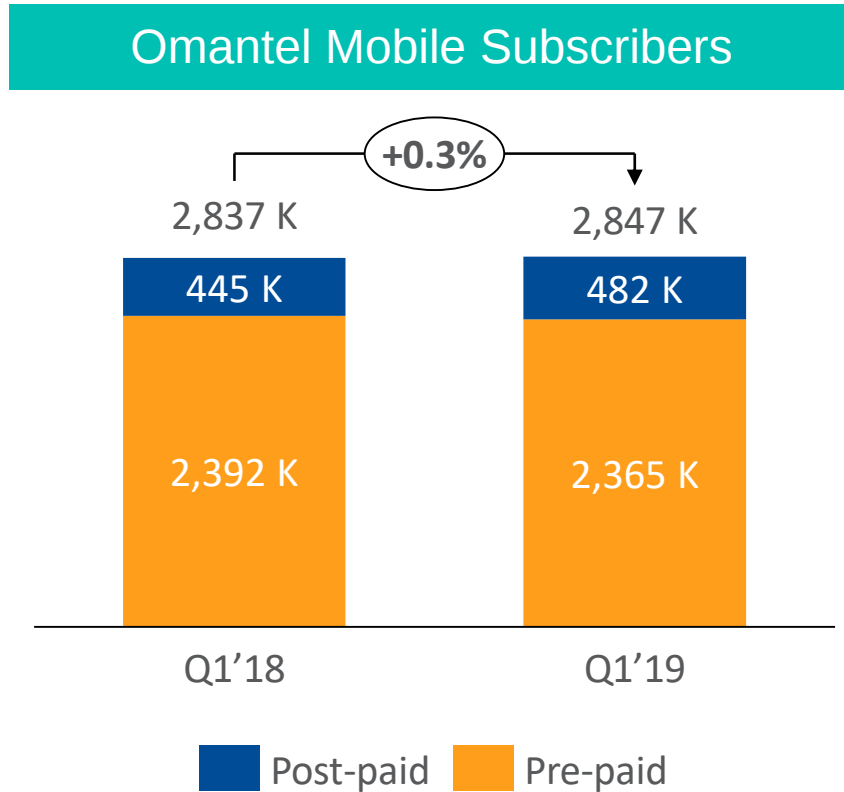


World Class Innovative Services

Omantel received ‘Best Middle Eastern Project’ award at the Global Carrier Awards 2018 in London. The award recognizes Omantel’s work in establishing the first world-class carrier-neutral hub in Oman and accelerating innovation regionally and globally. Omantel investments in 20 subsea cable systems and six diverse landing stations in Oman making it one of the well diversified and resilient international hub in the region.

Omantel won “IoT Security Champions Award” from GSMA, in recognition of its contribution to GSMA IoT working group and successful adoption of GSMA IoT Security Guidelines & Assessment Scheme. The company now stands among the top 14 operators worldwide that have adopted these guidelines

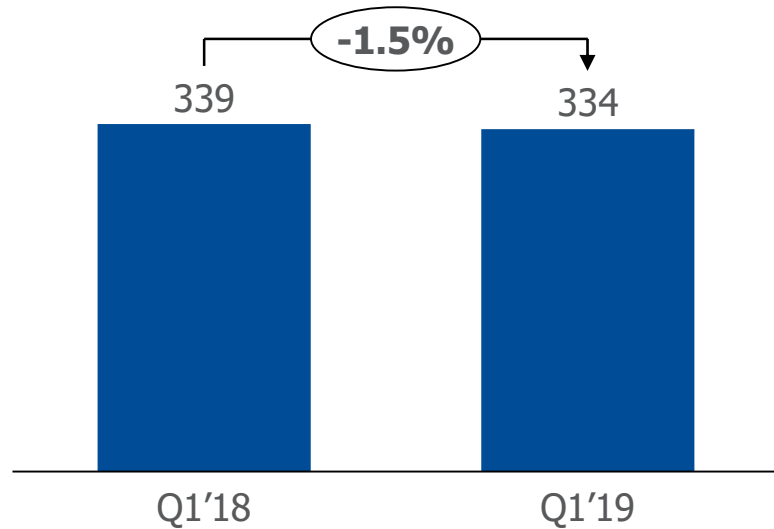
Omantel Mobile Subscribers grown by 0.3% mainly due to growth in Postpaid Subscribers



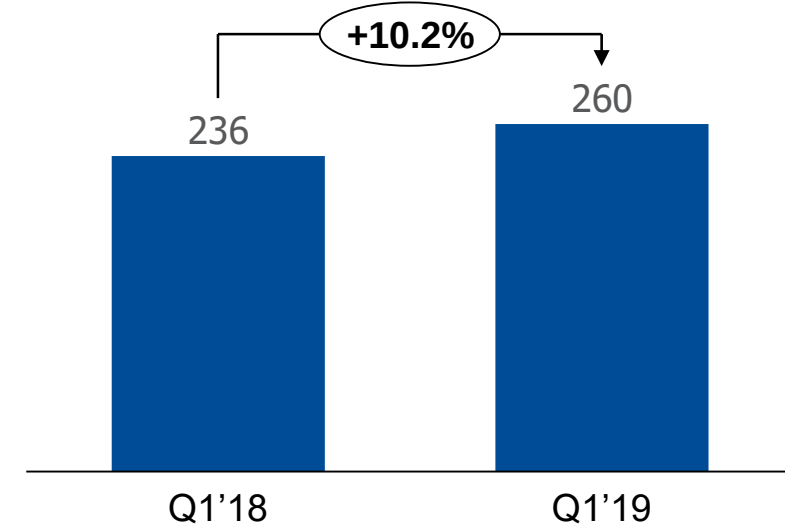
- Mobile subscriber base (excluding mobile resellers) – Post paid continue to grow and achieved 8.4% growth YoY, while prepaid decline by 1.1% due to stricter starter kit promotional measures and macro economic situation.
- Mobile Broadband subscribers increased by 5.7% compared to Q1'18, which includes Pay As You Go (PAYG) subscribers.
- With Mobile Resellers, the total subscriber base is 3,594 K compared to last year base of 3,825 K, a decline of 6%

Omantel Fixed Broad Band Subscribers continued the growth trend and achieved a growth of 10% YoY

Fixed Line Subscribers



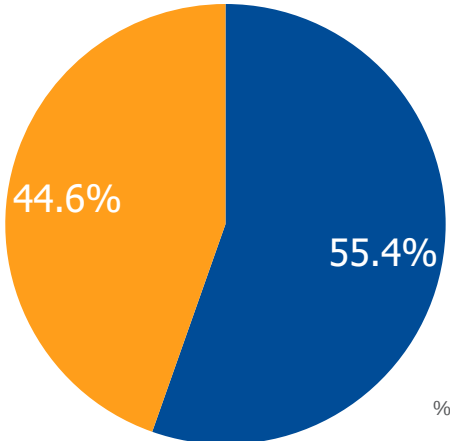
Fixed Broadband Subscribers



- Fixed line subscribers include postpaid, pre-paid and payphone Including ISDN primary, the total fixed line reported is 416,159

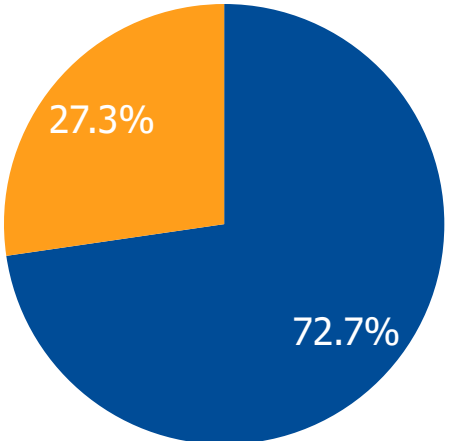
Despite stiff competition, Omantel able to manage both Mobile & Fixed Market Share

Mobile Subscriber Market share



% - including Mobile Resellers

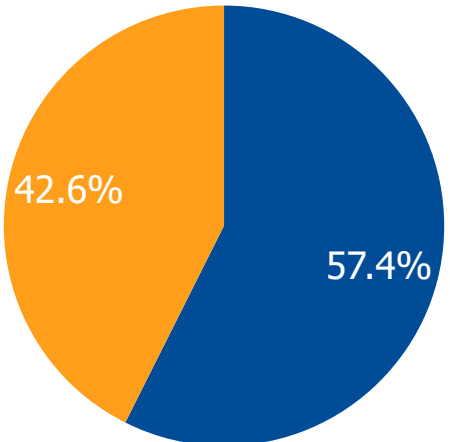
Fixed Line Subscriber Market share



■ Omantel Mobile
■ Competition

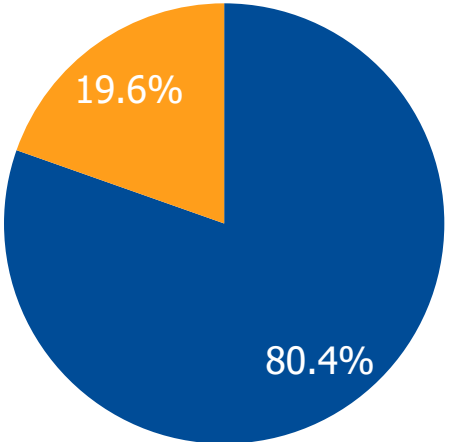
Omantel Mobile (incl Mobile Resellers) subscribers declined by 6%, net drop is around 231K

Mobile Revenue Market share



% - including Mobile Resellers

Fixed Line Revenue Market share



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Q&A