

November 22, 2016

To,  
The Secretary  
**BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort  
Mumbai-400 001  
**BSE Symbol: 532944**

The Secretary  
**National Stock Exchange of India Limited**  
Bandra Kurla Complex  
Bandra East  
Mumbai – 400 051  
**NSE Symbol : ONMOBILE**

Dear Sir/Madam,

**Sub: Earnings Presentation- Q2 FY 2016-17**

Pursuant to Regulation 30 & 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith a copy of the Earnings Presentation on the Financial Results of the Company for the quarter ended September 30, 2016 which was already made available on Company's website: [www.onmobile.com](http://www.onmobile.com).

Request you to kindly take the same on record.

Thanking you,

Yours sincerely,  
For OnMobile Global Limited

*P. V. Varaprasad*  
P.V. Varaprasad  
Company Secretary

Encl: a/a



# Q2 FY2017 Earnings Presentation

NOVEMBER 11, 2016



# 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.

# Financial snapshot (IND AS)

## Consolidated financials

| (Rs. Mn)         | Q2<br>FY2017 | Q1<br>FY2017 | % Q-o-Q | Q2<br>FY2016 | % Y-o-Y |
|------------------|--------------|--------------|---------|--------------|---------|
| Revenue          | 1,871        | 1,886        | (0.8%)  | 2,070        | (9.6%)  |
| Gross Margin     | 1,105        | 1,133        | (2.4%)  | 1,297        | (14.8%) |
| Manpower cost    | 528          | 542          | (2.5%)  | 566          | (6.8%)  |
| Other Opex       | 323*         | 294          | 9.8%    | 349          | (7.5%)  |
| EBITDA           | 255          | 297          | (14.4%) | 382          | (33.3%) |
| <i>% Margin</i>  | 14%          | 16%          |         | 18%          |         |
| Operating Profit | 113          | 151          | (25.2%) | 11           | 933.1%  |
| <i>% Margin</i>  | 6%           | 8%           |         | 1%           |         |
| Net Profit       | 41           | 93           | (56.0%) | 62           | (33.6%) |
| <i>% Margin</i>  | 2%           | 5%           |         | 3%           |         |
| EPS (Rs.)        | 0.38         | 0.84         | (54.5%) | 0.55         | (30.4%) |

\* Other opex includes a forex loss of Rs. 13 Mn in Q2 FY'17.

# Financial snapshot (Previous GAAP)

## Consolidated financials

| (Rs. Mn)         | Q2<br>FY2017 | Q1<br>FY2017 | % Q-o-Q | Q2<br>FY2016 | % Y-o-Y |
|------------------|--------------|--------------|---------|--------------|---------|
| Revenue          | 1,871        | 1,886        | (0.8%)  | 2,070        | (9.6%)  |
| Gross Margin     | 1,105        | 1,133        | (2.4%)  | 1,297        | (14.8%) |
| Manpower cost    | 523          | 537          | (2.6%)  | 555          | (5.7%)  |
| Other Opex       | 310          | 294          | 5.4%    | 349          | (11.3%) |
| EBITDA           | 272          | 302          | (9.8%)  | 393          | (30.8%) |
| <i>% Margin</i>  | 15%          | 16%          |         | 19%          |         |
| Operating Profit | 130          | 155          | (16.0%) | 22           | 485.0%  |
| <i>% Margin</i>  | 7%           | 8%           |         | 1%           |         |
| Net Profit       | 35           | 139          | (75.0%) | 13           | 178.3%  |
| <i>% Margin</i>  | 2%           | 7%           |         | 1%           |         |
| EPS (Rs.)        | 0.33         | 1.27         | (73.7%) | 0.12         | 178.2%  |

# IND AS

## IndAS Vs Previous GAAP

| Rs. Mn                            |   |           |             |           |
|-----------------------------------|---|-----------|-------------|-----------|
| Items Impacted                    | Impact of IndAS on Net Profit   | Q2 FY2017 | Q1 FY2017   | Q2 FY2016 |
| <b>Manpower Cost</b>              | <b><i>Increase in Manpower cost:</i></b><br>1. Incremental cost on account of Employee stock option scheme valued at fair value in IndAS as compared to intrinsic value method used in the previous GAAP.<br>2. Reclassification of actuarial gain/(losses) pertaining to employee schemes to Other Comprehensive Income. | (5)       | (5)         | (11)      |
| <b>Other Opex</b>                 | On account of Forex loss under IndAS as against forex gain without IndAs  | (13)      |             |           |
| <b>Other Income</b>               | Increase in Forex Gain/(loss) or reduction in forex loss under IndAs  | 30        | (43)        | 58        |
| <b>Tax adjustments</b>            | Impact of tax on the above items  | (7)       | 1           | 3         |
| <b>Total Impact on Net Profit</b> |   | <b>6</b>  | <b>(46)</b> | <b>49</b> |

# Business highlights

## OnMobile unveiled its new product portfolio and consumer brand

- ONMO the new consumer brand from OnMobile Global Ltd, was launched by company's CEO Rajiv Pancholy in Bangalore. The company also showcased some of its new products which it plans to launch in global markets. Company will build upon its competency and introduce a new generation of Apps that will position OnMobile as a powerhouse in sound based communication.
- This complements the earlier announcement on our contract with Sprint to take over complete customer lifecycle management of Ringback Tone subscribers under our new consumer brand.

# Q2 FY2017 performance

## Key Financial Highlights

- Revenue remains flat q-o-q.
- Revenue is down by 9.6% y-o-y principally on account of LatAm and termination of RBT services in Vivo, Brazil during the quarter.
- Manpower cost reduced by 2.5% and 6.8% as compared to Q1 FY'17 and Q2 FY'16 respectively.
- Operating expenses in the current quarter includes a forex loss of Rs.13 Mn; excluding the same, opex declined by 14.9% y-o-y and increased by 5.4% q-o-q.
- Operating profit grew multifold y-o-y from 1% to 6% and remained essentially stable q-o-q.



# Q2 FY2017 Business highlights

## Domestic and International business

Overall international business was stable at 76% of total revenue during the quarter and domestic business at 24%:

### India

India revenue was Rs. 450 Mn in Q2 FY'17 and remained stable q-o-q.

### Europe

Recorded a revenue growth of 8.6% q-o-q.

- Identity RBT App crossed 250K active users in a major operator in Spain thereby witnessing a growth of 51% since April.

# Q2 FY2017 Business highlights

## Domestic and International business

### Asia

Revenue down by 4.3% q-o-q.

- CVAS off-deck portal launched in operators in Srilanka and Thailand.
- Won RBT deal with a major operator in Vietnam.

### Africa & Middle East

Revenue grew by 4.9% q-o-q.

- Devaluation of Nigerian currency negatively impacted the revenue. Excluding this, Africa q-o-q growth is 11%.
- CRBT launched in Airtel Nigeria in Q1 has achieved a penetration of 13.5% by September 2016.

### Latin America

Revenue down by 30.5% q-o-q.

- As anticipated and mentioned in our last earnings call, termination of RBT services in Vivo, Brazil during the quarter has negatively impacted the revenue in the region.

# Q2 FY2017 Financial performance

## Strong balance sheet and cash position

| (Rs. Mn)                                  | Sep 30,<br>2016 | Jun 30,<br>2016 | Mar 31,<br>2016 |
|---|-----------------|-----------------|-----------------|
| Short Term Borrowings                     | -               | 125             | 196             |
| <b>Total Debt</b>                         | <b>-</b>        | <b>125</b>      | <b>196</b>      |
| Cash & Cash<br>Equivalents                | 2,520           | 2,652           | 3,209           |
| <b>Net Cash</b>                           | <b>2,520</b>    | <b>2,528</b>    | <b>3,013</b>    |
| <b>Net Worth<br/>(excluding Goodwill)</b> | <b>5,714</b>    | <b>5,842</b>    | <b>6,186</b>    |

- Total loan repayment of Rs. 125 Mn
- Dividend Payment of Rs. 156 Mn

# Financial Statements – Balance Sheet

| (Rs. Mn)                       | As at<br>Sep 30,<br>2016 | As at<br>Jun 30,<br>2016 |
|--------------------------------|--------------------------|--------------------------|
| <b>EQUITY AND LIABILITIES</b>  |                          |                          |
| <b>Shareholders' Funds</b>     | <b>5,714</b>             | <b>5,842</b>             |
| Deferred tax liabilities (net) | 1                        | 1                        |
| Long-term provisions           | 52                       | 49                       |
| <b>Non-Current Liabilities</b> | <b>53</b>                | <b>50</b>                |
| Short-term borrowings          | -                        | 125                      |
| Trade payables                 | 1,882                    | 1,714                    |
| Other financial liabilities    | 23                       | 47                       |
| Other current liabilities      | 430                      | 561                      |
| Short-term provisions          | 266                      | 256                      |
| <b>Current Liabilities</b>     | <b>2,601</b>             | <b>2,703</b>             |
| <b>Total</b>                   | <b>8,368</b>             | <b>8,596</b>             |

| (Rs. Mn)                  | As at<br>Sep 30,<br>2016 | As at<br>Jun 30,<br>2016 |
|---------------------------|--------------------------|--------------------------|
| <b>ASSETS</b>             |                          |                          |
| Fixed assets              | 884                      | 1,010                    |
| Deferred tax assets       | 248                      | 239                      |
| Financial assets          | 54                       | 50                       |
| Others non current assets | 1394                     | 1,400                    |
| <b>Non-Current Assets</b> | <b>2,580</b>             | <b>2,700</b>             |
| Current investments       | 832                      | 754                      |
| Trade receivables         | 1,931                    | 1,698                    |
| Cash and cash equivalents | 1,688                    | 1,899                    |
| Loans                     | 41                       | 33                       |
| Others financial assets   | 71                       | 65                       |
| Other current assets      | 1,225                    | 1,447                    |
| <b>Current Assets</b>     | <b>5,788</b>             | <b>5,896</b>             |
| <b>Total</b>              | <b>8,368</b>             | <b>8,596</b>             |

# THANK YOU

## **OnMobile Global Limited**

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