

## Directors' Report

Dear Shareholders,

On behalf of your Board of Directors', it gives me great pleasure to present the Un-audited results of Oman Oil Marketing Company SAOG for the period ended 30<sup>th</sup> September 2018.

	30 <sup>th</sup> Sept 2018	30 <sup>th</sup> Sept 2017	Variance
	OMR '000	OMR '000	(%)
<b>Sales</b>	<b>468,351</b>	<b>375,837</b>	<b>25%</b>
<b>Profit after tax</b>	<b>7,935</b>	<b>6,775</b>	<b>17%</b>
<b>Earnings per share</b>	<b>123</b>	<b>105</b>	<b>17%</b>
<b>Net Assets per share</b>	<b>1.157</b>	<b>1.062</b>	<b>9%</b>

### Financial Performance

Oman Oil Marketing Company SAOG is leading the sector in terms of volume growth. As of 30<sup>th</sup> September 2018 the turnover growth is 25% when compared to same period last year. This growth is supported by opening of new service stations, increase in organic sale and active marketing campaigns.

The net profit after tax has increased by RO 1.160 million when compared to 9 months 2017. Despite the negative impact following the move to the new terminal in Jifnain and the decrease in the Marketers' margin our company's Net profit has increased by 17%.

### Business Development

Having customer centricity as its core objective OOMCO is looking at enhancing the customer experience and efficiency to drive business growth in the Sultanate. The Company plans to continuously enhance both customer and shareholders value through expansion and innovation.

Oman Oil Marketing Company SAOG is focused on building a brand that provides more than just fuel, it is creating an unparalleled chain of service hubs that provide access to integrated offerings including shopping, food products and services. OOMCO in its efforts to diversify and grow the Non-Fuel Revenue stream, celebrated the official opening of Café Amazon, a specialized Thai coffee house at its Ghobra Beach service station.

OOMCO continues its efforts to introduce innovative product and services across all aspect of business both locally and internationally. Dedicated to provide the highest levels of convenience for its customers, Oman Oil Marketing Company signed an agreement with Thawani Technologies introducing the e-payment application 'Thawani' in its service stations. All 'Thawani' application users at the Oman Oil Qurm Heights service station will be able to keep their banking data completely private. With this new application, customers will only need to scan the buyer's Quick

Response (QR) Code and enter the amount of payment required to complete the transfer process. Users will not have to share any card, bank, or account information at any point to complete transactions. The pilot project was held under the auspices of HE Eng. Salim bin Nasser bin Said Al-Aufi, Undersecretary of the Ministry of Oil & Gas, at Qurm Heights service station.

Another first in the Sultanate, Oman Oil Marketing Company installed a rapid electric vehicle (EV) charger at its Mazoon Street service station in Muscat. Leading the way to serve a new era of customers, the company is providing electric car drivers an easy and convenient way to recharge.

In its efforts to be close to its customers OOMCO successfully engaged with the youth during the World Cup. It sponsored the World Cup Arena in Avenus mall "Powered by Ultimax", sponsored Oman Sport TV World Cup daily episodes and initiated Ultimax Balls campaign in all OOMCO service stations selling Ultimax branding. Ultimax is the only 98 Octane fuel in the country; this new performance fuel was introduced by Oman Oil Marketing last January.

Another strategic initiative is the Duqm Bunker Terminal Project. The Duqm project will continue to enhance the Port's premium service standards, improve cost effectiveness, and also create efficient fuel supply and delivery to all customers within Duqm. This in turn will support the growth of the regional economy as part of the company's commitment to establishing long term In-Country Value.

Oman Oil Marketing is expanding its footprint in the region and reaching onto other international markets. We will operate our first service station in KSA this year and explore new opportunities in other countries while targeting sustainability and carrying proudly the name of the Sultanate. The company plans to implement a Unique business model that will help build its reputation as the preferred one stop shop.

## **Health, Security, Safety, Environment and Quality**

Safety being OOMCO's fundamental objective, it continued to promote a culture of safety within the organization and outside with several initiatives, such as training and safety campaigns. Oman Oil Marketing Company, in collaboration with Oman Road Safety Association launched a Road Safety Awareness Village at Oman Avenues Mall.

## **Human Resources**

Your company has progressed in implementing a complete new strategy in human resources management and development, which has proven to enhance our employee satisfaction level and long term relationship. Our newly created "OOMCO Training Academy" offered several employees its first course and a new training plan has been designed after analyzing the needs of our employees. We also started online training programs whenever deemed efficient for our colleagues, alongside a mentorship program where general managers can guide mentees on a month-by-month basis.

## **Corporate Social Responsibility**

As part of its commitment to support the social development within the Sultanate, OOMCO under the patronage of His Excellency Dr. Hamoud bin Khalfan Al Harthy, Undersecretary of the Ministry of Education for Education and Curricula designed a specific program to educate children on the best road safety policies. The children were educated about road safety inside the Road Safety Awareness Village. It was launched as one of the company 2018 initiatives in the field of Corporate Social Responsibility.

## **Outlook**

Oman Oil Marketing Company continues to be innovative and undertakes changes through new investment opportunities to ensure that it remains resilient and ahead of competitors while achieving sustainable growth for shareholders, customers, and the company as a whole

The company is strategically focused on the qualitative development of its retail network by introducing premium sites with modern concepts and innovations with continued focus on plans to grow non fuel revenue.

Strong emphasis has been placed upon cost efficiency and delivery without compromising customer service and product quality. We are meeting the needs of customers via the development of human capability, high reliability of our IT systems, and solid HSEQ practices. Customer service will continuously be improved along our new motto "Oman Oil Marketing: You trust. We care." which perfectly translates our dedication towards our customers.

The Board and the Management are fully dedicated and committed for the challenges in 2018 and are confident that the Company will continue to deliver value to all our stakeholders.

## **Acknowledgments**

I would like to take this opportunity to thank all our customers, the government authorities, our dealers, their staff and our own dedicated employees for their continued support. I would reiterate our unwavering commitment to the provision of the highest level of service at all times.

On behalf of the Board of Directors, the management and all our employees, we would like to express our sincere gratitude and appreciation to His Majesty Sultan Qaboos bin Said – Allah save him- and His Honorable Government. Under his wise leadership and guidance, Oman continues to be in the forefront path of prosperity, growth and development.

Thank you.

**On behalf of the Board of Directors**

**Board Chairman**