

Directors' Report

Dear Shareholders,

On behalf of your Board of Directors, please find hereunder the Un-audited results of Oman Oil Marketing Company SAOG for the period ended 30th of September 2019.

	Group		
	OMR'000 YTD September 2019	OMR'000 YTD September 2018	Variance (%)
Revenue	438,209	466,877	(6.14)
Profit after tax	5,207	7,935	(34.4)
Earnings per share (Bz)	81	123	(34.4)
Net Assets per share	1.181	1.157	2.0

Financial Performance

Operations in the third quarter of 2019 remained challenging with a net profit reduction by 34.38% compared to the same period last year. The total turnover is reported at OMR 438 million, 6.14% below the sales turnover of OMR 467 million as of 30 September 2018.

The drop in turnover comes from a volume decrease in the whole fuel market and some loss of volume in our aviation business.

HSEQ-Technical & Sustainable Development

OOMCO has successfully completed the third quarter with an excellent HSEQ record of Zero Lost Time Injury and less than 0.5 as Total Recorded Injury Rate. Furthermore, the company was again recertified with 4 ISO certificates. OOMCO continues its program of sustainable growth with two new Solar Service Stations connected to the grid and CSR initiatives.

Business Development

Committed to exceed customers' expectations with its "More & Better" promise, Oman Oil Marketing Company ramped up its activities for the Salalah's khareef season. The highlight was a first-of-its-kind promotion in the Sultanate, where five lucky winners in multiple locations were given 30 seconds of free shopping at Ahlain c-stores.

Expanding its services across the Sultanate, your Company has signed a long-term agreement with Marafi, the port management arm of ASYAD Group, to provide bunker fuel services at the port berths and anchorage areas of Port Sultan Qaboos.

Spearheading the future of Oman's fuel industry, Oman Oil Marketing Company recently held its Commercial Event highlighting its latest innovative fuel solutions for businesses and announcing the launch of its new Mobile Fuel Container.

Human Resources

OOMCO Omanization rate has been maintained at 83%, one of the highest in the market. An Employee engagement survey was carried out with the participation of 95% of employees showing an increase by 12% since last year survey. The employee engagement reached its highest with a score of 85%.

Corporate Social Responsibility

For the fourth session of Tasweik Program, OOMCO in partnership with Al Raffd Fund started the evaluation process of the received applications. All applications will get evaluated to select 10 winners who will get dedicated support to elevate the marketing capabilities of their projects.

Outlook

Oman Oil Marketing Company continues to be innovative and undertakes changes through new investment opportunities to ensure that it remains resilient to challenges in the market. The company will spare no efforts to enter all viable opportunities that will enhance the overall company performance in a sustainable way.

The Board and the Management are fully dedicated and committed for the challenges in 2019 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.

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. 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