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Orange

CFC Project

Jordan Telecom Group (JTG)



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List of acronyms

JTG	Jordan Telecom Group (Orange)
ICTs	Information and communication technologies
WSSD	The World Summit for Social Development
IoT	Internet of Things
FTG	France Telecom Group
TRA	Telecommunications Regulatory Authority

1. Investment Summary

Settled telecommunications services are the biggest business areas of the Group. After the market was opened to competition, JTG keeps on gaining a good market share in spite of the expanding competition for international calls towards and from Jordan.

In 2016 earnings of Jordan Telecom Group increased by 1.8 % to 344.1 million JD in comparison with 337.8 million JD in 2015, mainly because of the expansion of total sales earnings (transit calls) and earnings from services Cellular communications. And operating profit increased by 0.7% in 2016 to reach 100.7 Million JD Compared to 100 million JD in 2015, this increase was the result of higher revenues and lower sales commissions.

The Group's net profit after tax increased by 12.2% to reach JD18.1 million for the year 2016 compared to JD16.1 million in the previous year. This rise came despite the implementation of the group's replacement plan the previous cellular network at a reduced cost of 16 million Jordanian dinars for the end of December 2016 in addition to increasing the expenses of the amortization license for the use of frequencies 2G and 4G compared to the previous year.

Based on financial ratio showing the status of good liquidity and profitability ratios during four year previous comparing with average industry ratios and we explain as more details in page 23.

From other side The Telecommunications market is witnessing a massive transformation towards digitization as data usage is increasing exponentially, however, Orange Jordan was able to anticipate and tangibly cope with those developments thanks to its five-year strategy Essentials 2020, which took into consideration all changes in the ICT sector.

It is for certain that we will continue to invest in Jordan's future by introducing state-of-the-art technologies, reinforcing company infrastructure and make these technologies available to all. Thus, the operational performance of Orange Jordan would be strengthened and consequently its financial results.

Our priorities include strengthening our presence in the local market even more, eventually increasing the company's profitability.

Our attention and keenness will be directed toward maintaining our Home Broadband subscribers' base, expanding the fiber optic network services and coverage, and expanding the mobile subscribers' base by diversifying segments with more focused approach and activities in the governorates, while keeping our operational costs under control by further transformation of our internal processes.

Also, Orange Jordan will continue its investments to strengthen its infrastructure in all networks, especially the New Generation Networks, including Fiber-To-The-Home (FTTH), Fiber-to-Businesses (FTTB) and the deployment of 4G+ plus network to cover all kingdom areas.

We shall continue to develop our internal working environment to be more proactive, efficient and be the leading digital and caring employer of choice for Jordanian talents.

After Orange analysis for actual and forecasted financial position value of share is 2.23 JOD while closing stock price at end of 31 December 2016 is 2.31 JOD on Amman Stock Exchange our recommendation "Hold "at current market price.

2. Telecommunication Industry Overview

- **Introduction:**

Telecommunications has turned the world into a small, global village, and it plays a central part in the development of societies and other fields of life including businesses, individuals and organizations, these factors rise the question of the importance of telecommunication companies. This paper is going to shed the light upon Telecom sector in Jordan, neighboring countries and worldwide. Telecom sector includes companies providing communication services on a global scale, and these services are delivered via phone, Internet, or through airwaves and cables, as well as using wires in this regard or even making communications possible wirelessly. Telecommunication companies have found the required infrastructure that allows data in words, voice, audio or video to be sent and shared worldwide. Wireless operators, satellite companies, cable companies and Internet service providers are considered key players in this sector dominating provision of Telecommunication services.

The telecom area keeps on being a basic power for development, advancement, and interruption over different businesses. Maybe nothing exhibits this more obviously than the smartphone. Smartphones have turned into a center for a lot of what we do, coordinating the exercises of basically the greater part of our associated lives—in both work and individual settings. They are the course for both substance and a horde of utilizations, including recordings, music, in-store installments, online business, and remote control of our associated homes and vehicles. As we in 2018, we foresee considerably more opportunities for telecom to address the issues of the versatile customer. Telephone services are the largest business segments of the Group, after the market was opened to competition, the Jordanian Telecom Group still the key player in this sector and holds a majority Market share Despite the intensifying competition for international calls to and from the Jordan.

Orange is the leading Internet service provider in Jordan. In 2001, Jordan Telecom acquired Global One (Orange), the Company has gone into a concurrence with Orange Internet to utilize the Orange brand Orange Internet Orange Internet for

companies through rented circuits, notwithstanding homes and companies through ADSL, email administrations and web facilitating E-mail facilitating, and Internet wandering through normal or remote correspondence and Wi-Fi service.

- The company's share of the total domestic market

Orange Fixed-telephone More than 90%

Orange Mobil (30-35%)

Orange internet 50%

- **Global outlook:**

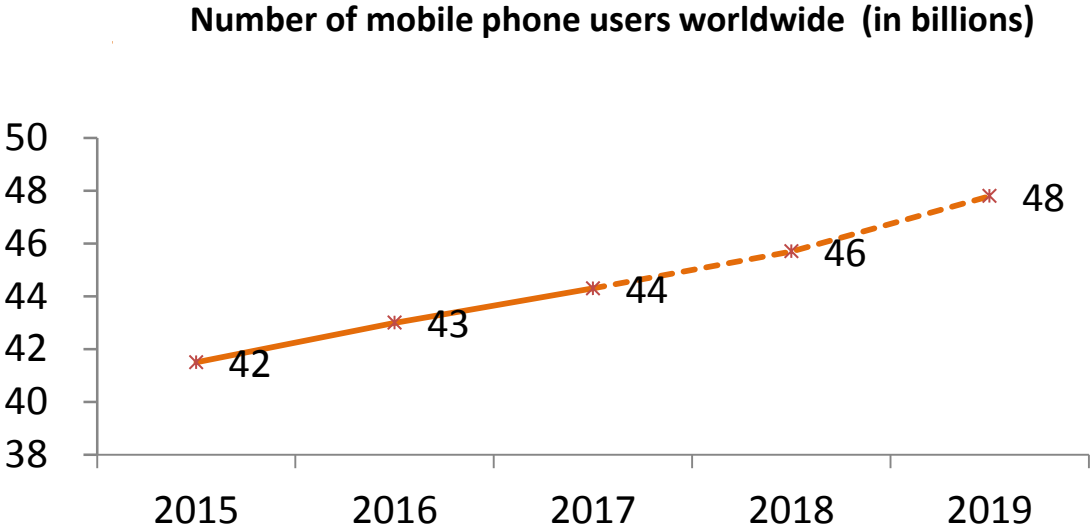
There is growing global consensus and a rising concern that the Information and communication technologies (ICTs), and particularly Internet are giving another structure and huge opportunities for economic, political and social development. The World Summit for Social Development (WSSD, Copenhagen, 1995) perceived that the new information technologies and new ways to deal with access to and utilization of these technologies by people living in neediness can help in fulfilling social development objectives; and along these lines perceive the need to encourage access to such innovations. WSSD stressed that elevating access for all to training, data, innovation and know-how is a fundamental means for upgrading correspondence and investment in civil, political, financial, social and social life, and for guaranteeing regard for common, political, economic, social and cultural rights.

In 2018, there will be three primary drivers of income development of ICT sector companies. To begin with, the Internet of Things (IoT) and the advancement of 5G networks will drive development for the media communications industry

In 2018. All significant telecom companies on the planet are presently setting focuses for the 5G networks sending in 2018. Second, block chain technology is required to go standard and get a noteworthy offer of IT spending plans of organizations working in a huge scope of fields extending from finance to social insurance.

Besides, artificial intelligence (AI) is required to be a piece of almost every new IT item dispatch in 2018, despite the fact that in many cases this is a marketing exercise for a fresher more refined variant of the present item. As dependably, the hazard in the area exists in the cash flow statement, especially amid periods of new innovation adoption, and organizations' liquidity should keep on being carefully observed.

Figure (1) showing increase in Number of mobile phone users in worldwide this rise indicator that world Telecom industry potential to growth over next years



Sources: www.statista.com

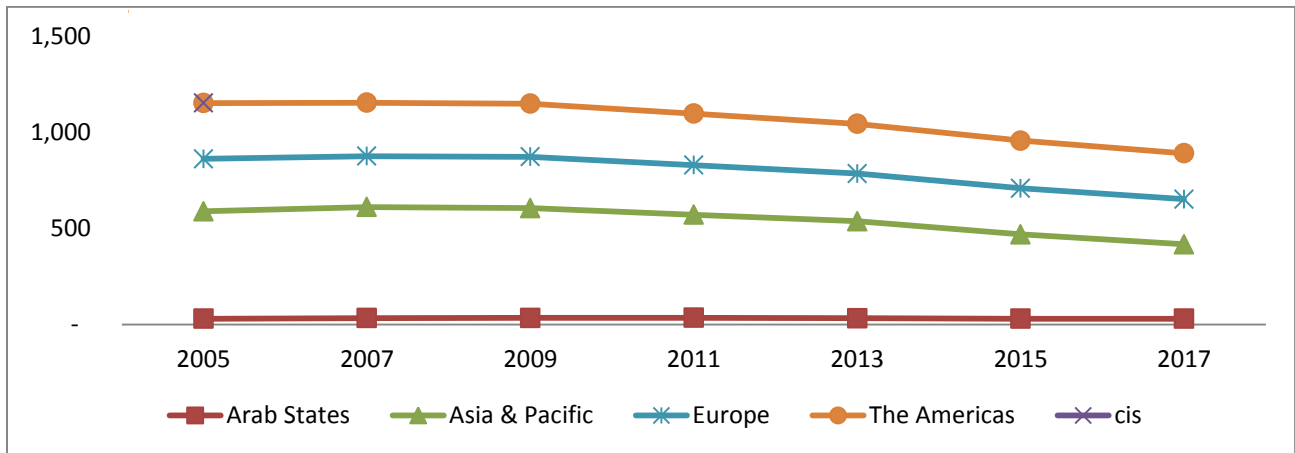
The statistic demonstrates the aggregate number of cell phone clients worldwide from 2015 to 2020. In 2019 the quantity of cell phone clients is forecast to achieve 4.68 billion.

The quantity of cell phone clients on the planet is relied upon to pass the five billion check by 2019. In 2016, an expected 62.9 percent of the populace overall effectively claimed a cell phone. The cell phone user worldwide is anticipated to keep on growing, gathering together to 67 percent by 2019. China was anticipated to have a little more than 1.4 billion mobile connections in 2017, while India was estimate to reach more than one billion. By 2019, China is relied upon to achieve just about 1.5 billion mobile connections and India very nearly 1.1 billion.

The vast majority of the mobile market development can be credited to the expanding prominence of cell phones. By 2014, around 38 percent of every single mobile user were cell phone clients. By 2018, this number is relied upon to reach more than 50 percent. The quantity of cell phone clients worldwide is relied upon to develop by one billion in a time span of five years, which implies the quantity of cell phone users in the world is required to achieve 2.7 billion by 2019. Samsung and

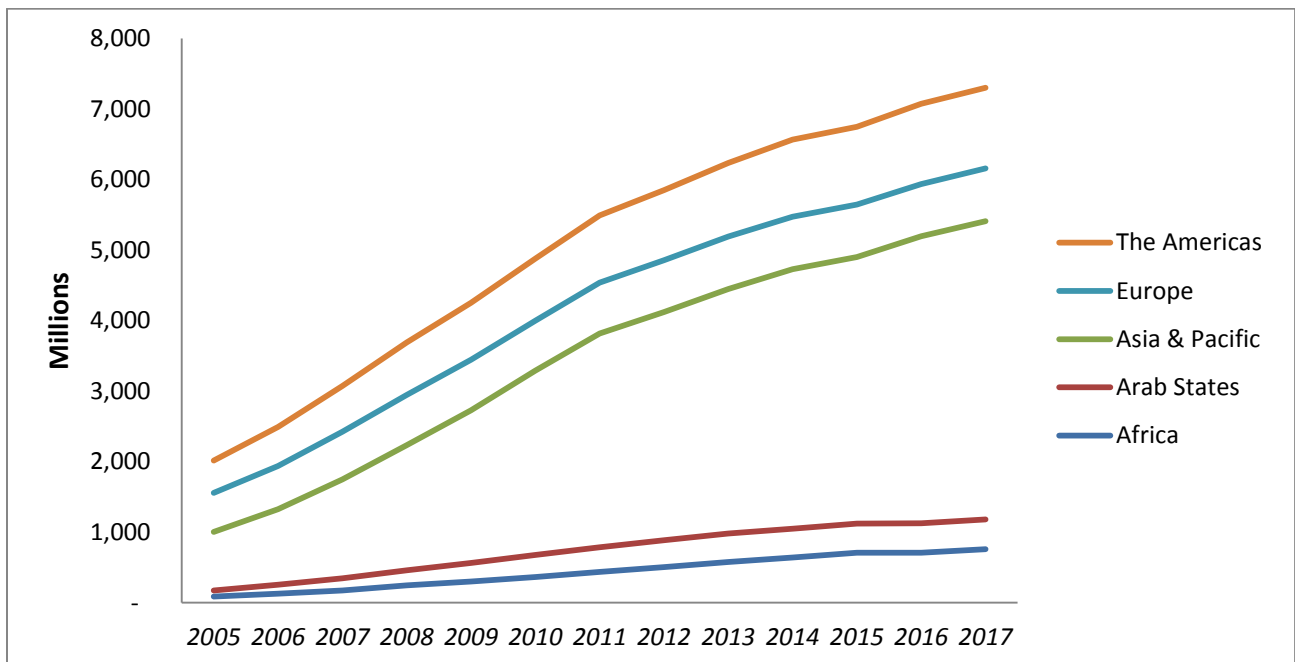
Apple are driving smartphone phone sellers, with around 18 percent of the piece of the overall industry each.

Figure (2), Fixed-telephone subscriptions. (Millions)



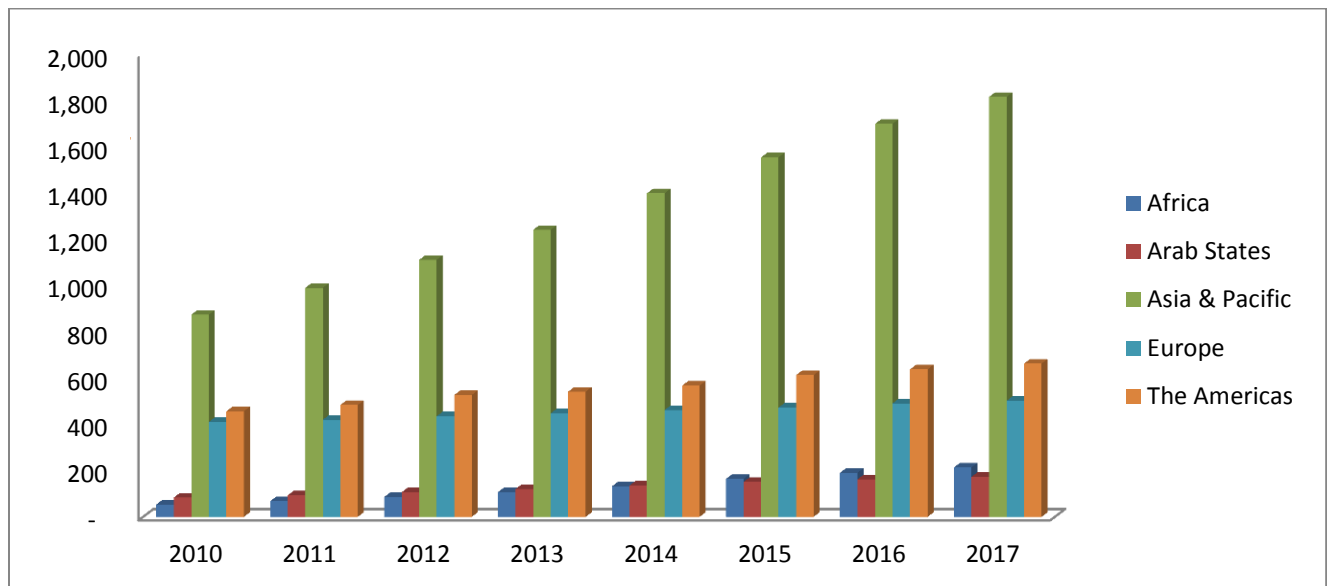
Source: www.itu.int

Figure (3), Mobile-cellular telephone subscriptions. (Millions)



Source: www.itu.int

Figure (4), *Internet subscriptions. (Millions)*



Source: www.itu.int

- **Reginal outlook**

The growing telecom market in the Middle East is in the midst of a defining moment.

In the course of recent years, the market has enjoyed a growth in penetration rates and profitability exceeding worldwide rates, with annual growth of 3.5 per cent. high population increase, especially the youth segment, allowed the MENA telecom market to assume control over the mobile broadband subscriber base to more than a billion, as indicated by the most recent industry report from McKinsey and Company.

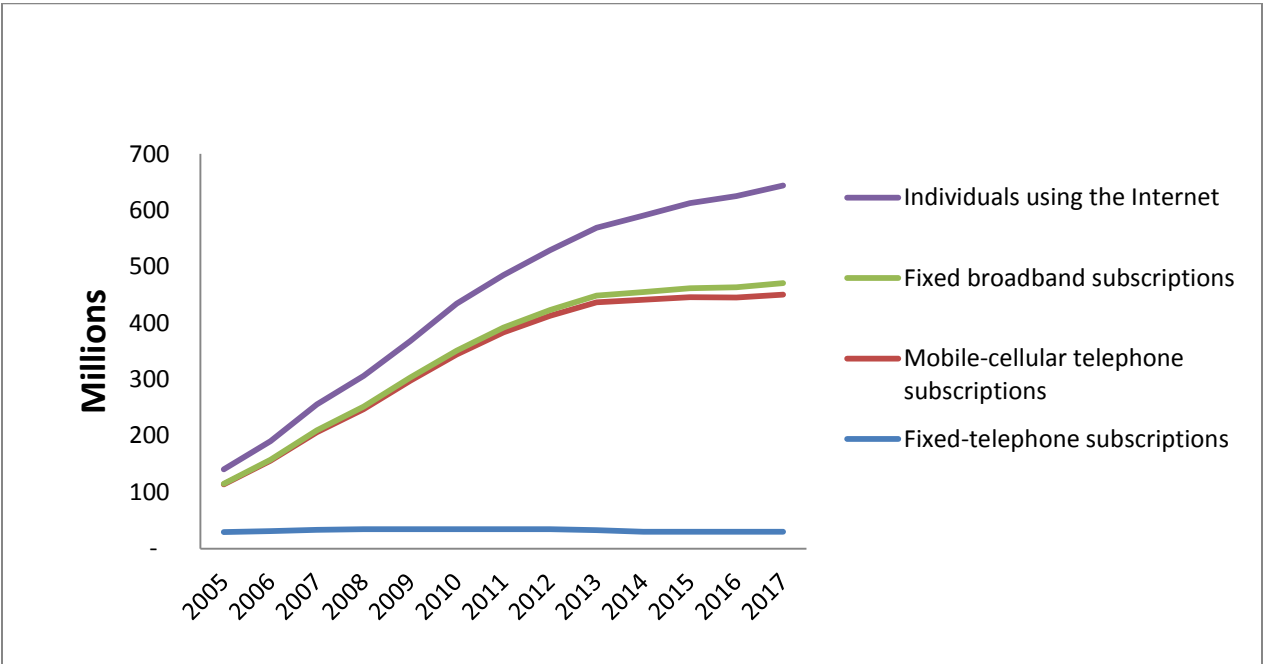
On the off chance that we survey the ten-year time frame from a business viewpoint. The money related crisis has impeded the economy in the area ICT spending in the Middle East grew by 6.6 per cent, and in the GCC alone, private and private ICT spending reached \$ 318 billion in 2015, according to the Information and Communication Technology Development Council report.

ICT spending in the Middle East developed by 6.6 per cent, and in the GCC alone, private and private ICT spending came to \$ 318 billion out of 2015, as indicated by the Information and Communication Technology Development Council report.

In Arabic status, demonstrates increase in using telecom on average 15% per year from 2005 to 2017

Based on ITU World Telecommunication showing a significant reduction on Fixed-telephone subscriptions and a 15% growth rate of 30 million subscribers in 2017 compared to 34.5 million subscribers in 2012. Despite the decline in the use of the Fixed-telephone subscriptions in the Arab countries, but it is witnessing a marked growth in the number of Mobile-cellular telephone subscriptions and Internet subscribers and a rise of 10% in the participation of mobile phone subscriptions from 2012 to 2016 and also showing increase in Internet subscribers is 38% in same period

Figure (5) Using Telecommunication parts in Arab regional



Source: <https://www.itu.int>

- **Local Outlook:**

In the past, Telecommunications networks used to heavily rely on landline telephones fax and telex, most of these devices were a state-owned Telecom means, and the government is working on building developed, and new telecommunications infrastructure to provide communications to everyone, as well as make it available everywhere. The boost of the communication process, resulting from the innovation of electronic and mobile phones has led to the emergence of a number of telecommunications companies, providing services to the private sector, public and serves a wide range of customers especially in the field of cell phones, as we can notice that countries around the world have multiple communication companies. For instance, the Jordanian market includes four mobile companies, some of which are groupings for a number of regional companies and partners in these company groups, such as Zain, while others are partners in international companies, such as Jordan Telecom Orange Group. These companies providing settled line services, cellular, And Internet services.

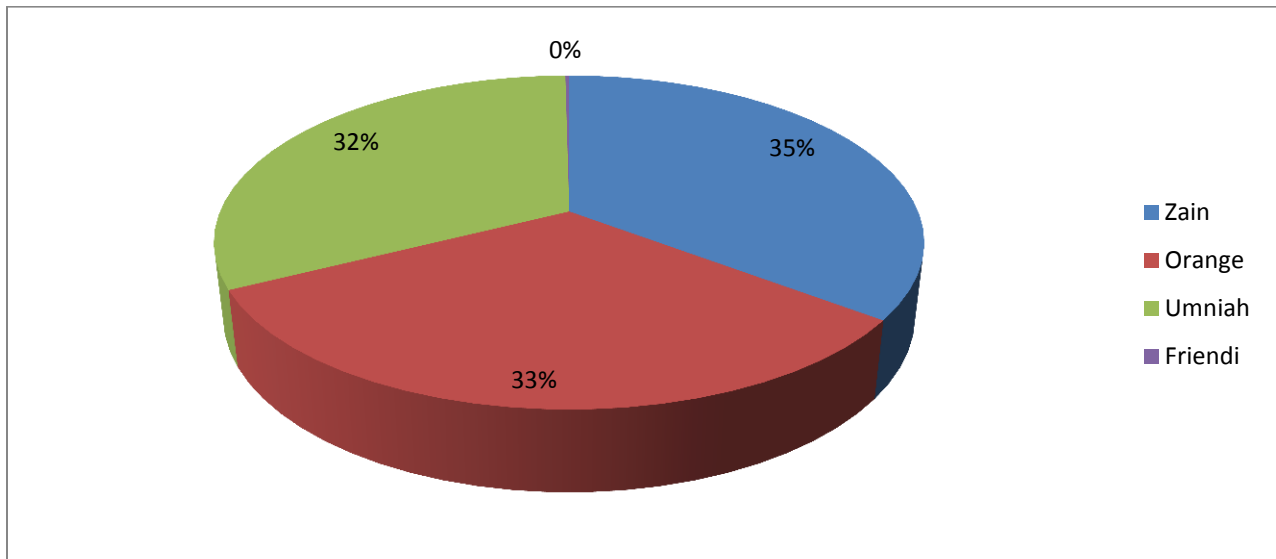
The number of cell phone subscriptions in the Kingdom amounted to 16.7 million at the end of last year, according to official figures released by the Telecommunications Regulatory Authority (TRA). The number of Internet users in the Kingdom has risen by more than 8.6 million at the end of last year, Internet users increased by 900,000 compared with the previous year's record of 7.7 million users.

With the increase in the number of Internet users in the Kingdom has increased the expansion of service among the customers, in accordance with the annual report of the Communications Authority, which amounted to the end of 2016 about 87% in comparison with 83% at the end of the previous year 2015.

The number of Internet subscriptions in the local market registered about 3.05 million subscribers at the end of last year. The spread of 3G and 4G networks and the use of smartphones in the Internet rose the use of the Internet in the Kingdom. These networks enable these devices to use mobile Internet broadband with the user wherever he goes. In a related context, the figures showed that the the Kingdome has witnessed an increase in the number of cell phone subscriptions by the end of last year 2016 about 16.7 million subscriptions. Zain took the lead concerning the

number of users, as it has a list of 5.9 million users, followed by Orange with 5.4 million mobile users and has a market share of 33% of total users. Then it is followed by Umniah with 5.3 million users and FRIENDi mobile ranked four with a minimum number of subscribers and a total of 34,848 users.

Figure (6), % of companies by mobile phone subscriptions in Jordan Market 2016



The figures show that, by the end of 2016, mobile phone subscriptions had reached 168% of the population.

Concerning to fixed telephone services, the number of subscriptions to this service until the end of 2016 has reached 357 thousand subscriptions, the figures also showed that the expansion of fixed line subscriptions compared to the population was about 3.6%

Fixed telephone services have been witnessing a decline in subscription rates for years, as a result of the widespread use of mobile phone services. The number of fixed line subscriptions in the previous year was about 369 thousand, with a deployment rate of 4%

As mentioned below, there are four main sector indicators for the year of 2016:

Revenues in the ICT sector = \$ 2,046 million

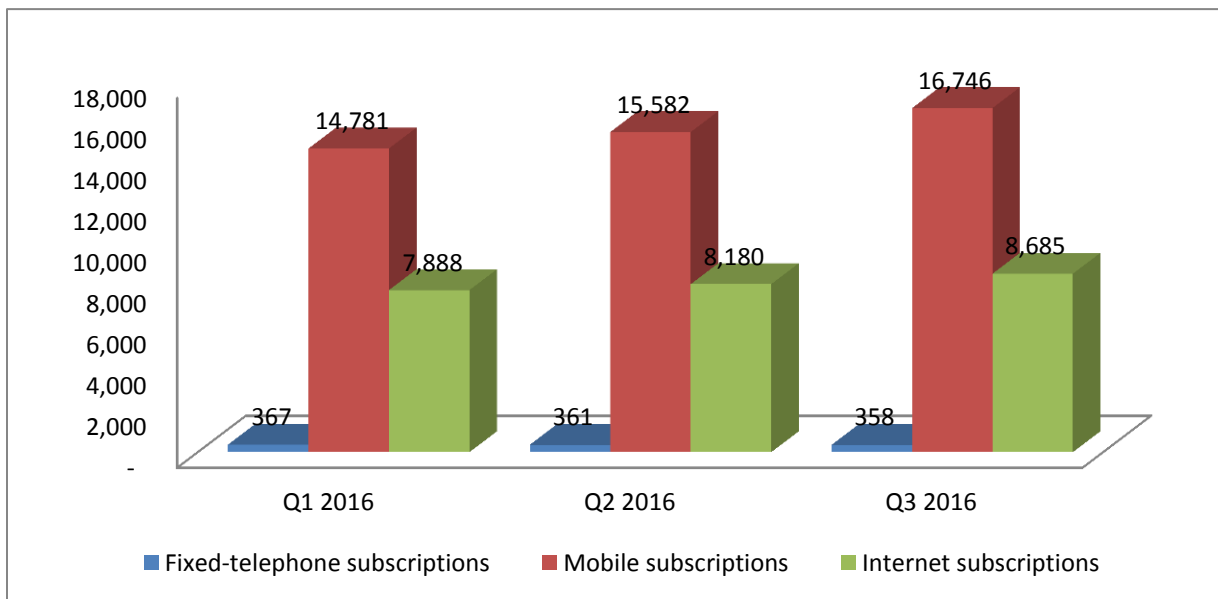
The volume of exports in the ICT sector is \$ 225 million

Employment in the ICT sector = 17412 employees

Number of companies in Telecommunications & Information Technology = 631 companies.

In Below Figure (7) demonstrating a rise in the number of mobile users compared to the first quarter and the third quarter of 2016 with the growth of the number of Internet users and this is an indicator of the growth of the telecommunications sector with the presence of strong competition and low ARPU.

Figure (7), Mobile Subscribers Number. 2016 (Thousand)



Source: <http://trc.gov.jo>

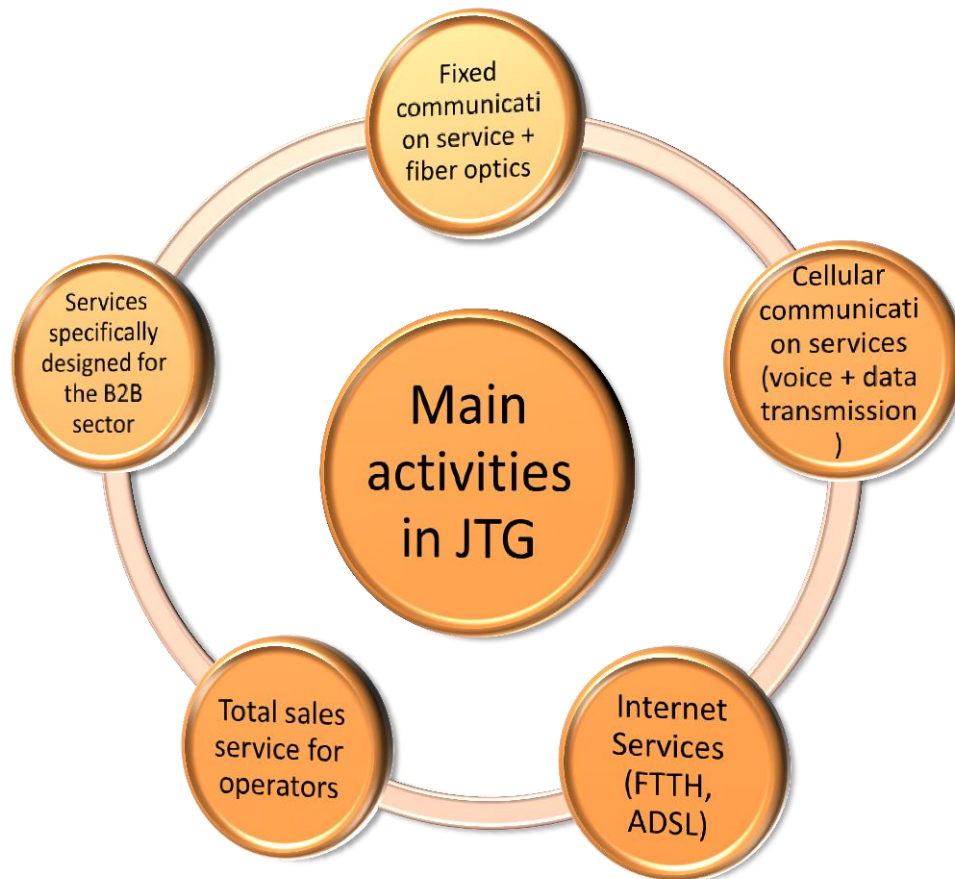
3. Company Overview

Jordan Telecom Group (JTG) (www.orange.jo) is a leading telecom company and one of the major telecom firms in Jordan and is a public mobile telephone network operator: Orange is the operator of the mobile communications license granted to JTG. The company consolidate local Jordanian capacity with the technological advantages and network management/operation experience of one of the world's leading telecommunication operators, France Telecom Group (FTG). JTG's fixed, mobile, and Internet services constitute the real base for the Kingdom's telecommunications renaissance and leadership in the Arab world, as well as, the company is keen to participate in achieving a promising telecom services that facilitate use of new technologies in terms of internet services and contribute to its integration with the region and the world. It is the second biggest telecom operator in Jordan as far as number of clients. In 2007, the group adopted the Orange brand – the commercial brand of FTG – for all its fixed, mobile, Internet, and content services as part of a strategic plan. The company's first milestone was the rebranding of Wanadoo, the group's Internet and data-services business unit, into Orange. The group moved to the next phase by rebranding the fixed-line services and GSM operator MobileCom into Orange. In 2006the JTG combined its four subsidiaries (Jordan Telecom, MobileCom, Wanadoo, ande-Dimension) under one management structure, becoming the single most integrated operator in Jordan. At this juncture, the company is faced with regulatory bottlenecks, increasing competition, and a changing customer profile.

Main activities in Jordan Telecom Group

- Fixed communication service + fiber optics
- Cellular communication services (voice + data transmission)
- Internet Services (FTTH, ADSL)
- Total sales service for operators
- Services specifically designed for the B2B sector (Network management services and other advanced services such as data center, cloud service or interconnection services).

Figure (5), Main Activities in JTG.



4. **SWOT Analysis of JTG:**

SWOT analysis that identify as an Factors that affect company objective and performance

And provide strong business strategy, **SWOT** good analysis tool to new business and existing business. By summarized point for two main component


Internal Factors that shown **Strengths** and **Weaknesses**.

External Factors that shown **Opportunities** and **Threats**



STRENGTHS

- Leverage global brand image of Orange
- Diversified products portfolio suiting all customer needs
- Orange company is the only one that owns Smart exhibitions in Jordan
- Vast physical assets for fixed and mobile networks and continued focus on improving quality
- Huge customer base




WEAKNESSES

- Economics crisis & Jordan's price – Commercial market
- Low coverage
- There are no patents



OPPORTUNITIES

- Launch 4G+ advanced services
- Develop roaming alliances & franchising
- Business Cloud



THREATS

- stiff competition in domestic market (ZAIN 4G& fiber)
- Increasing taxes, fees.

5. PESTEL Analysis



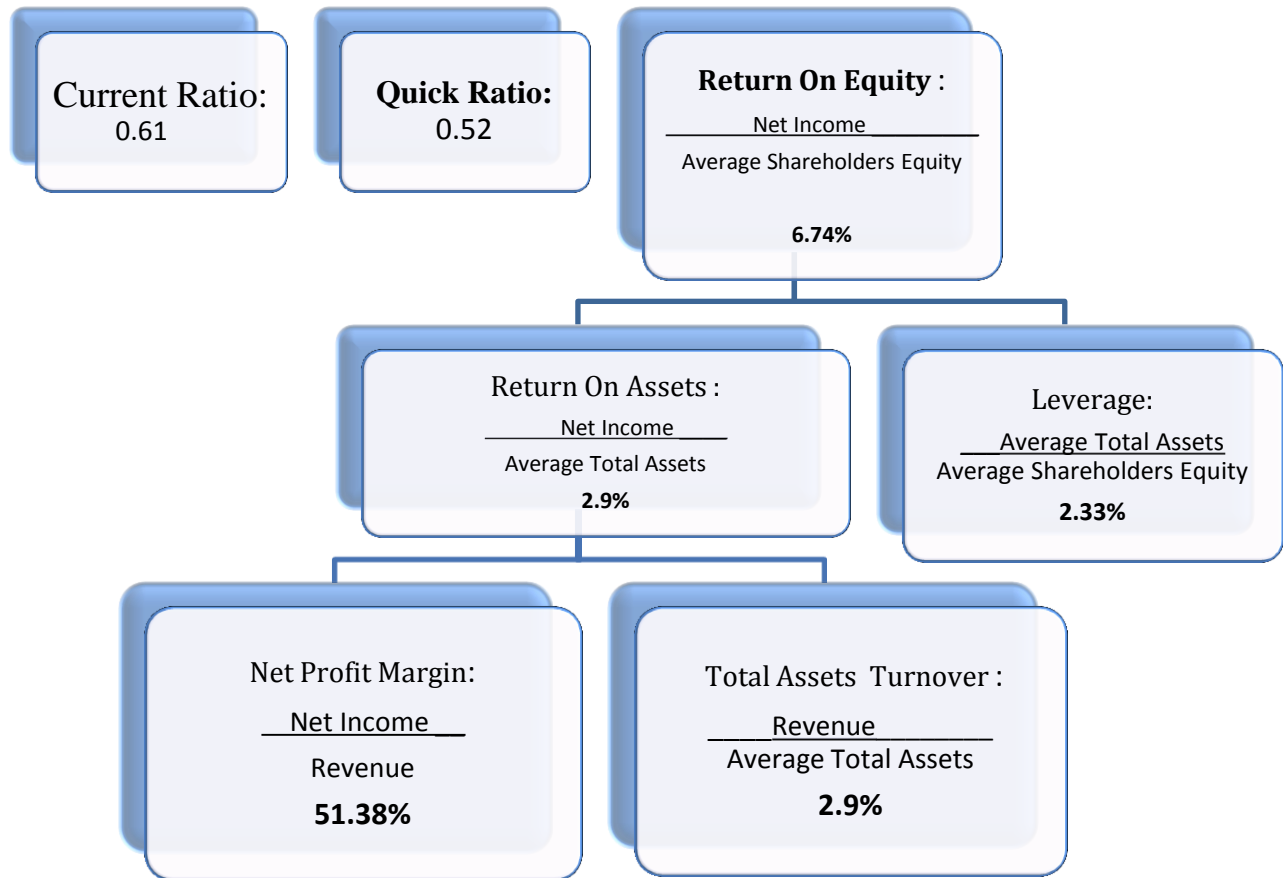
6. Dupont Analysis

Is break down Return on Equity (that is, the return to equity that investors have contributed to the firm) into three distinct elements. This analysis enables the analyst to understand the source of superior (or inferior) return by comparison with companies in similar industries (or between industries) this elements are:

- Operating efficiency (measured by [profit margin](#))
- Asset use efficiency (measured by [asset turnover](#))
- Financial leverage (measured by equity multiplier)

Increasing in return on equity from 4.9% in 2015 to 6.74% in 2016 because of the increase in return on assets from 2.79% in 2015 to 2.9% in 2016 which indicate that company could manage its assets efficiency and improved its operating activates in addition to that we noted the company continues financial leverage during four years in average 1.86 , when compared to the industry average of 3.09.

Figure (6) DuPont Analysis 2016



7. Financial Overview

Financial statements are several reports about an organization's financial results, financial condition, and cash flows. and it's useful for many reasons to determining the capacity of a business to generate cash, and the sources and using cash, determining whether a business has the capability to pay back its debts, tracking financial results on a trend line to spot any looming profitability issues deriving financial ratios from the statements that can indicate the condition of the business. And investigate the details of certain business transactions, as outlined in the disclosures that accompany the statement.

Financial Statement divided for three main statement :

Balance Sheet it's an accounting snapshot of company value on particular date and have two sides Assets (what company owns) support making investment decision and another side liabilities and share holder equity (who assets financed) support making financing decision .

Income statement it's a measure of performance over specific period its easily shown as Revenue minus Expenses, and its uses for taxes calculation and calculate earnings per share.

Cash Flow Statement it's explain change in cash and equivalent balances over time period , this statement dived cash sources and use for three major parts , Cash from Operating Activities , Cash from Investing Activates and Cash of Financing Activities .

Financial statements analysis linked balance sheet statement and income statement component to compare company performance with budgeting and company performance with other companies using DuPont analysis to link balance sheet statement and income statement by profitability measures.

Financial statements provide important information used internally such as top management and decision makers that help in forecasting and budgeting to achieve company target, shareholder and externally using for creditors ,venders , investors .

8. Financial Ratio Analysis

The average revenue per user is among the most important factors in the volatility of total profits and income, Due to the fierce competition that the Jordanian telecom sector is characterized by. From the results in Orange ratio analysis results for (2013-2019) table, the liquidity Ratios as of current ratio showed that the company enjoys the availability of liquidity and going the right direction as liquidity for this period. Consequently, it can be said that the company is financially capable and has adequate liquidity level to pay its current liabilities when compared to the industry average of 0.72 which reached 1.07 as on average from 2013 to 2016.

The results of the quick ratio reported that the company has an adequate level of liquidity although this percentage is getting lower year by year. Yet it is able to cover its current liabilities without having to liquidate any of its inventory compared to the industry average ratio of .63, this indicates that the company is close to the industry average which reached .76 times in 2015 and Decrease to reach .52 times in 2016.

The results of the inventory turnover ratio demonstrated that the company is operating well in its inventory management during four years in average 38.33 times, whereas, the industry average of 30 times, and we expected to keep on same ratio in next three years . And it remains within the acceptable level and according to the company's policy, the ratio of cash conversion cycle results concluded that average length of time in days that company needs to convert its inventory to cash flows was (112) days over four years period, This is a clear indicator of the efficiency and effectiveness of company's performance in its funds managing to invest in order to achieve profits from operating activities.

The results of total assets turnover revealed that the ratio did not exceed.6 time over the whole period when compared to the industry average of .61 times, these are due to poor management performance and lack of effectiveness in the use of assets. The company needs to pursue policies that enhance sales or reducing investments volume by disposing surplus assets. The accounts receivables turnover ratio results confirmed that the company is enjoying a good collection period of 4 days when

compared to the industry average at a rate of 8 days during the last two years of analysis. This demonstrates the efficiency of the management, and its intensive efforts in achieving future profits.

The results of the gross profit margin revealed that the management is maintaining a good and acceptable gross profit margin rate in average 52% during four years period and shows the operations management efficiency. With respect to the return on total assets, the results confirm that profitability and company investment are good and efficient investment and operational management policies also good and promising. The ratio ranging on average 5.3% in first four years of analysis and this is good ratio when compared to the industry average rate of 1.58%. For the return on common equity, in 2016 the management with its investment capabilities achieves a high rate of return 6.74%. However, this ratio is anticipated to decline from 2% in next year.

To sum up, this analysis aims to analyze the financial statements of Jordan Telecommunications Co. (Orange) and the through ratio analysis technique. This analysis is of high importance to appraise the company's overall performance and status. Which in turn would help the company's decision makers to make well-informed decisions, improve the value and the overall situation of the company, and consequently enhance the shareholders wealth. The raw data was extracted from the company's' annual report the period between 2013 and 2016. The findings of this analysis revealed that the company should work better on the standard rates with regard to all the ratios on which to measure and compare the actual and normative; this is because those indicators would achieve the goal of the performance evaluation and measurement of the performance efficiency more effectively. Furthermore, budgets planning used as an instrument in order to monitor and follow up the implementation of the budget plans and objectives.

In addition, an attention should be given to internal sources of financing represented the shareholder equity (capital, reserves, and retained earnings), as it represents a safe.

- **CHART GALLERY OF ORANGE**

Figure (8), Gross Profit Margin %

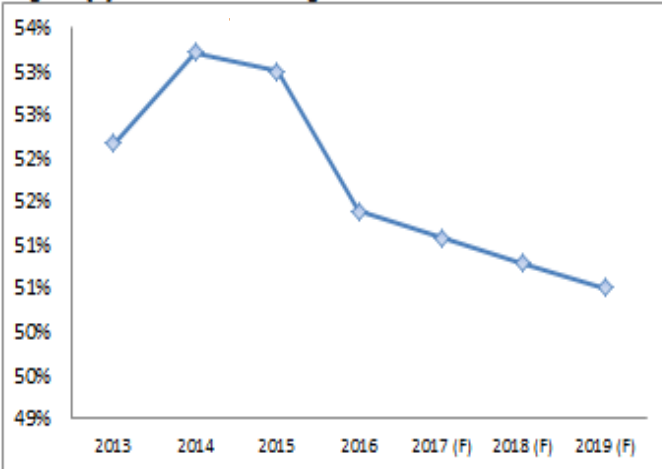


Figure (9), Return on Equity %

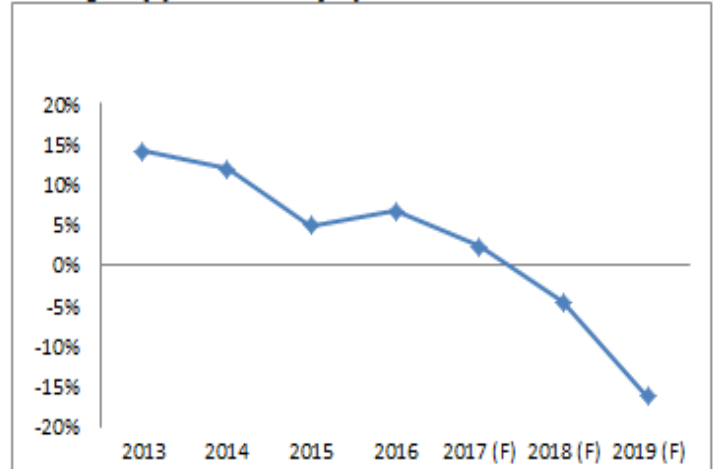


Figure (10), Return on Assets %

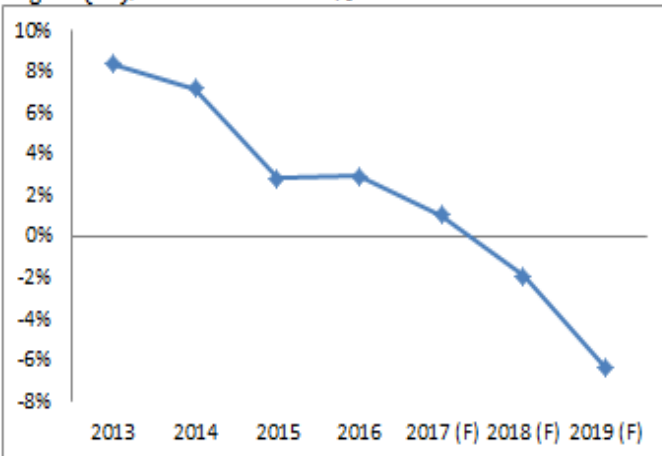
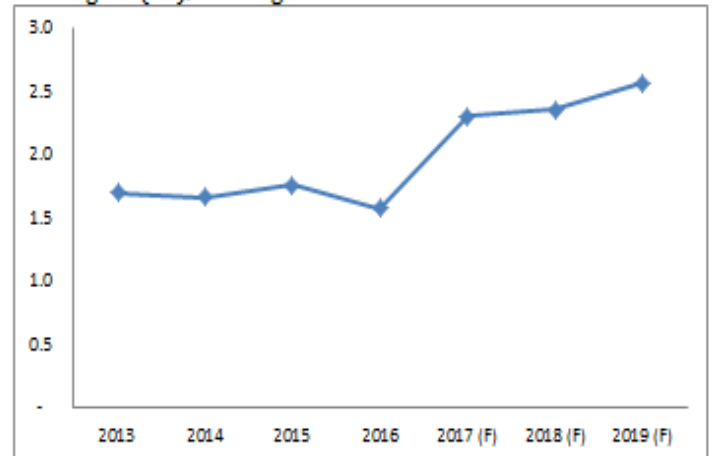


Figure (11), Leverage Ratio



9. Outlook & Valuation:

- In valuation of **Orange** used the Capital Asset Pricing Model (CAPM).

- The following assumptions have been made in order to arrive at the intrinsic value of Orange:

- ❖ A risk-free rate of 2.08 %.
- ❖ A return on the market index of .046%.
- ❖ Beta 36% has been calculated.
- ❖ The cost of equity derived from the above assumptions using the Capital Asset Pricing Model (CAPM) is 1.34%
- ❖ The cost of debt 1.14%.
- ❖ Based on the above assumptions, the Weighted Average Cost of Capital (WACC) works out to be 1.28%
- ❖ Tax rate of 1.2%
- ❖ Cash Flow constant growth rate of 4.45% has been assumed.

- FCF Valuation (JD, 000)

Items	2013	2014	2015	2016	2017 (F)	2018 (F)	2019 (F)
EBIT	70,844	58,732	25,322	26,031	9,552	(8,610)	(28,677)
Tax Rate	0.27	0.28	0.36	0.28	0.24	0.24	0.24
Net operating profit after tax NOPAT	51,761	42,164	16,133	18,808	7,260	(6,544)	(21,795)
Net Operating working capital	112,701	58,077	(1,341)	(47,257)	(36,838)	(37,533)	(38,212)
Net Fixed Assets	188,839	189,614	197,488	206,822	205,418	204,024	202,639
Total Operating Capital	301,540	247,691	196,147	159,565	168,580	166,491	164,427
NOPAT		42,164	16,133	18,808	7,260	(6,544)	(21,795)
Net Operating Capital		(53,848)	(51,545)	(36,582)	9,015	(2,090)	(2,064)
Free cash Flow (FCF)		96,012	67,677	55,390	(1,756)	(4,454)	(19,731)

- Valuation of Orange

Based in future value and above assumptions, the value of **Orange** comes out to be 2.23 JOD per share

(JD, 000)

Value Operations at the end of 2016	623,239
add: Value of Non operation Assets	-
Total Corporate Value	623,239
less: Value interest - Bearing debt	166,083
Intrinsic Value of the Firm's Equity	457,156
Number of Shares outstanding	205,137
Intrinsic value per share	2.23

Intrinsic value of share is 2.23 JOD while closing stock price at end of 31 December 2016 is 2.31 JOD on Amman Stock Exchange our recommendation **“Hold “**at current market price.

10.References

Web Sites

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9. www.mopsd.gov.jo

11. Appendix

- Income Statement

Income Statement (JD,000)	2013	2014	2015	2016	2017 (F)	2018 (F)	2019 (F)
Operating Revenues	356,371	344,980	337,849	344,061	341,726	339,406	337,102
Operating Expenses	170,475	161,409	158,802	167,284	167,157	167,018	166,868
Gross Profit	185,895	183,572	179,047	176,777	174,569	172,388	170,234
General and Administrative Expenses	21,684	22,073	21,951	25,446	26,902	28,441	30,068
Selling and Distribution Expenses	40,317	42,987	45,185	43,155	44,197	45,265	46,358
Depreciation (period)	47,609	54,106	77,381	76,738	68,361	60,899	54,251
Other Operating Expenses	62,811	69,792	91,316	89,712	101,733	115,365	130,824
Net Operating Income	61,084	48,721	20,594	18,464	1,736	(16,683)	(37,016)
Other Revenues	9,761	10,011	4,728	7,568	7,816	8,073	8,339
Other Expenses	-	-	-	-	-	-	-
Income Before Interest & Tax	70,844	58,732	25,322	26,031	9,552	(8,610)	(28,677)
Interest Expenses	61	55	42	1,016	1,028	1,028	1,028
Net Income before Tax	70,784	58,677	25,280	25,016	8,525	(9,638)	(29,705)
Income Tax (Period)	19,067	16,553	9,174	6,942	2,046	(2,313)	(7,129)
Net Income	51,716	42,124	16,106	18,074	6,479	(11,951)	(36,834)

- Balance sheet

Assets (JD,000)	2013	2014	2015	2016	2017 (F)	2018 (F)	2019 (F)
Cash on Hand & at Banks	242,850	190,264	110,665	65,696	65,250	64,807	64,367
Short Term Investments	-	-	-	-	-	-	-
Cash & Equivalents	242,850	190,264	110,665	65,696	65,250	64,807	64,367
Account Receivables, Net	121,344	101,139	76,666	72,248	71,758	71,271	70,787
Inventory	4,985	3,372	4,697	4,467	4,463	4,460	4,456
Spare Parts	-	-	-	-	-	-	-
Total Current Assets	369,179	294,775	218,598	162,922	161,816	160,717	159,626
Long Term Investments	-	-	-	-	-	-	-
Fixed Assets, Net	188,839	189,614	197,488	206,822	205,418	204,024	202,639
Projects in Progress	-	-	-	-	-	-	-
Total Fixed Assets	188,839	189,614	197,488	206,822	205,418	204,024	202,639
Other Assets	60,275	103,834	161,457	254,486	265,117	253,248	216,494
Total Assets	618,293	588,223	577,543	624,229	632,351	617,988	578,759
Liabilities (JD,000)							
Accounts and Notes Payable	244,484	228,251	178,813	163,217	163,093	162,958	162,812
Credit Banks	-	-	-	29,787	29,585	29,384	29,185
Accrued Part of Long Term Loans	532	474	427	407	370	370	370
Total Current Liabilities	245,017	228,726	245,176	266,181	264,374	262,580	260,797
Long Term Loans & Notes Payable	5,348	4,289	3,435	2,866	2,318	2,318	2,318
Other Liabilities	3,781	674	293	86,968	90,967	90,349	89,736
Total Liabilities	254,146	233,689	248,903	356,015	357,658	355,246	352,851
Shareholders Equity (JD,000)							
Authorized Capital	250,000	250,000	250,000	187,500	187,500	187,500	187,500
Subscribed Capital	250,000	250,000	250,000	187,500	187,500	187,500	187,500
Paid-in Capital	250,000	250,000	250,000	187,500	187,500	187,500	187,500
Compulsory Reserves	62,500	62,500	62,500	62,500	62,500	62,500	62,500
Cash Dividends	52,500	42,000	16,000	18,000	18,000	18,000	18,000
Stock Dividends	-	-	-	-	-	-	-
Retained Earnings	1	34	140	214	6,693	(5,258)	(42,092)
Total Shareholders Equity	365,001	354,534	328,640	268,214	274,693	262,742	225,908
Non-controlling Interest	(853)	-	-	-	-	-	-
Total Liabilities & Shareholders Equity	618,293	588,223	577,543	624,229	632,351	617,988	578,759

- Orange Ratio Analysis Results for (2013-2019)

JOD	2013	2014	2015	2016	2017 (F)	2018 (F)	2019 (F)
Financial Ratios							
liquidity Ratios							
Current Ratio	1.51	1.29	0.89	0.61	0.61	0.61	0.61
Quick Ratio	1.49	1.27	0.76	0.52	0.52	0.52	0.52
Profitability Ratio							
Gross Profit margin	52.16%	53.21%	53.00%	51.38%	51%	51%	50%
Return on Assets	8.36%	7.16%	2.79%	2.90%	1%	-2%	-6%
Return on Equity	14.17%	11.88%	4.90%	6.74%	2%	-5%	-16%
Return on Investment	8.36%	7.16%	2.79%	2.90%	1%	-2%	-6%
Asset Management Ratios							
Days Sales Outstanding (DSO)	124.30	107.00	82.80	76.60	76.64	76.64	76.64
Days Payable Outstanding (DPO)	250.40	241.50	193.20	173.20	174.20	175.20	176.30
Days Inventory Outstanding (DIO)	5.10	3.60	5.10	4.70	4.80	4.80	4.80
Cash Conversion Cycle (CCC)	(121)	(131)	(105)	(92)	(93)	(94)	(95)
Account receivable turnover	2.94	3.41	4.41	4.76	4.76	4.76	4.76
Inventory turnover	34.19	47.87	33.81	37.45	37.45	37.45	37.45
Days Inventory	10.67	7.62	10.80	9.75	9.75	9.75	9.75
Asset turnover	0.58	0.59	0.58	0.55	0.54	0.55	0.58
Leverage Ratios							
Debt ratio	41.10%	39.73%	43.10%	57.03%	56.56%	57.48%	60.97%
Times interest earned	1,168.70	1,062.31	605.05	25.63	9.29	-8.38	-27.9
Leverage Ratio	1.7	1.66	1.76	2.33	2.3	2.35	2.56

- Global Equity Rating Definitions

Global Rating	Definitions
Buy	Fair value of the stock is >10% from the current market price
Hold	Fair value of the stock is between +10% and -10% from the current market price
Reduce	Fair value of the stock is between -10% and -20% from the current market price
Sell	Fair value of the stock is < -20% from the current market price

- Company Profile

Code:	131206		
Symbol:	JTEL		
Address:	Amman - Abdali- The Boulevard- Black iris st. central 1&2		
Telephone:	06 4606666		
P.O. Box:	(1689) Amman 11118		
Email:	info@orange.jo		
Fax:	06 4606111		
Established Date :	35287		
Listing Date:	37357		
No. of Branches:	Local 0 - Abroad 0		
Main Objectives:	Operating, Managing, Expanding and Improving communication networks		
General Manager:	Thierry Marigny		
No. of Employees			
	Male	Female	Total
Jordanian	1349	449	1798
Non Jordanian	13	2	15
Total	1362	451	1813

Source www.ase.com.jo