

Financial Performance of Telecom Industry in Sultanate of Oman

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ABSTRACT

The study aims to know the extent of Financial Performance of Telecom Industry in Sultanate of Oman as it is very important to know and understand the fundamentals of how an investor can select any one of the telecom company in Sultanate of Oman. Learning about Financial Performance can improve better profitable of Omantel and Ooredoo companies. The main objective of the study is to know the profitable of Financial Performance of Ooredoo and Omantel companies. The specific objectives are (1) to examine the overall financial performance of Omantel and Ooredoo, (2) To study the financial health by calculating various ratios and by applying “Z-Score” model, (3) to compare financial health of the selected companies.

The study has selected two major telecom companies of Oman. The financial performance of the companies are studied using financial ratios based on Altman Z- Score model. The five ratios selected for the analysis are working capital to total assets ratio, retained earnings to total assets ratio, EBIT to total assets ratio, book value of equity and sales to total assets ratio. The period of study is from 2010-2016. From the results of the Z- Score analysis it was found that Omantel has higher profitability than Ooredoo. The comparative change % is also calculated based on the calculated Z- score.

Keywords: Z-Score analysis, Ratio analysis, EBIT