Management presentation

Andreas Goldau, Investor Relations:

Welcome to Ooredoo's Financial Results Call for the year 2023. My name is Andreas Goldau and I'm in charge of Investor Relations. This is my 58th consecutive and final results call for Ooredoo. Happy to finish on a high note with some record numbers. Thank you for your support for the last almost 15 years. I'm handing over the ESG part to Ahmad Al-Naama and the investor relations part to Luelle Pillay. Over to you Luelle. What do you have on the agenda for today?

Luelle Pillay, Investor Relations:

Thank you, Andreas. Today, I am joined by Aziz Aluthman Fakhroo, CEO and Managing Director as well as Eyas Assaf, our Deputy CFO, filling in for Abdulla, our Group CFO, who has out of office commitments this week. Aziz will start with an update on how we've progressed against our strategy and take us through the consolidated results. After which, Eyas will provide an overview on the operational performance.

As always, we will keep the presentation brief to allow ample time for your questions. Please type your questions into the Q&A section of the Zoom seminar at any time. The presentation is available on the Ooredoo website at Ooredoo.com, as well as on this webcast. The recording and transcription of the session has started now. So, by attending the session, you consent to being included. Please note the usual disclaimer on slide number two, and on that note, I hand over to Aziz.

Aziz Aluthman Fakhroo, Managing Director and CEO of Ooredoo Group:

Hello and welcome to our 2023 investor call. Before we dive into our 2023 performance, it's worth taking a minute to affirm and reiterate our strategy. We're positioning Ooredoo as the leading digital infrastructure provider in the region, an efficient telecom operator at the core, and enhancing the value of existing assets within our infrastructure stack by turning them into independent profit centers. To do so means: we need to invest in our people, protect and grow our customer base and drive growth by positioning our tower and data center asset, as well as our FinTech activities as standalone entities.

2023 has been a very busy year, so let me update you briefly on our progress against our priorities. In December, as many of you are aware, we finalized the significant agreement to establish the largest tower company in the MENA region. This transaction crystallizes the value on our passive mobile infrastructure, valuing our 18,000 towers at roughly USD 1.7 billion. It also gives us a 49.3% stake in the resulting JV valued at USD 2.2 billion. And upon the closing in each market, we'll receive cash equalization payments.

In the data center vertical, we have completed the carve-outs in Qatar and Tunisia. Kuwait, and Iraq will follow suit. We are in discussions with specialized data center operators to partner or come in as minority investors, bringing in the skills and expertise needed to accelerate this vertical.

In the FinTech vertical, we've carved out our Qatari operation as a wholly owned subsidiary. We have received an approval in principle for our license in Oman and are in the testing phase. We continue to pursue licenses application in Iraq, Kuwait, and Tunisia, which we're hoping to receive within this year.

Turning to our 2023 financial results, we maintain our positive momentum into the last quarter of 2023 with an improvement in all financial metrics. In 2023, we grew revenue and improved profitability. A key highlight to note is that we achieved an all-time high reported net profit at 3 billion riyals. I'm pleased to announce that the Board has recommended a dividend of 55 dirhams compared to 43 dirhams last year per share. This is a 28% year on year increase.

From a strategic perspective, as I've already mentioned, we signed definitive agreements with our partner, Zain and TASC, to create the MENA's largest TowerCo company with over 30,000 towers. And IOH continue to realize realizes synergies from the merger at the higher end of our target range and in an accelerated timeframe.

The key financial highlights for the full year are growth on all key metrics. A 2% increase in revenue to 23 billion riyals. Reported EBITDA grew by 4%, just shy of 10 billion riyals. Reported EBITDA margin improved by one percentage point to 42%. Free cash flows are up by 4% to 6.9 billion riyals. And as already mentioned, reported net profit is up by 28% to 3 billion riyals. And on a normalized basis, net profit was up by 16%. We had a solid fourth quarter as you can see on this slide. Let's move on to the next slide for the revenue bridge.

Our full-year revenue was up by 2%. This was driven by our operations in Iraq, Algeria, Kuwait, and Maldives which maintained their growth trajectory through the year. Myanmar and Palestine grew in local currency but were impacted by currency depreciation. Qatar's revenue was softer as the 2022 base was boosted by the World Cup. Onto the next slide for an overview of our EBITDA performance.

On a full-year basis, we grew EBITDA by 4% and improved margin by one percentage point to 42%. We benefited from solid growth in service revenue and a strict OPEX control. Oman's. EBITDA was affected by lower gross margin and higher OPEX. Qatar's lower EBITDA was mainly due to softer top line growth.

Now turning to the net profit. Full-year net profit numbers were solid. Reported Net profit increased by 28% to 3 billion riyals, an all-time high for the group. On a normalized basis growth was 16% to 3.3 billion rials also an all time, all time high. These numbers are a testament to our ongoing focus on profitability and efficiencies.

In the following slide, you can see the bridge between reported and normalized net profit. I think these charts are self-explanatory. In 2023, we took a goodwill impairment charge on Ooredoo Tunisia as well as an impairment on Iraqi and Palestinian fixed asset. That was offset by a one-off gain: NMTC won its legal case this year. That translated into a gain of 446 million riyals. And we made 139 million reevaluation gain on the Meeza IPO in Qatar. Q4 net profit increased by 27% on a reported basis and 8% on a normalized basis.

In the following slide, you can see the bridge between reported and normalized net profit. The main adjustment for Q4 were: additional impairment charges on Tunisia goodwill; an impairment on fixed assets in Iraq; restructuring of the network and Palestine Gaza war infrastructure damage.

We maintained our 2023 CapEx spend around the 2022 levels. Spend in Tunisia and Iraq were driven by network upgrades in Maldives, we extended fiber coverage across the islands. In Kuwait, Oman, Qatar, CapEx spend declined as most of the network upgrades and the 5G upgrades were done in the previous years. In Myanmar, we continue to manage this operation on minimal CapEx only.

We ended the year with strong free cashflow generation. Free cashflow grew by 4% to 6.9 billion rials on improved profitability mainly.

On a consolidated basis, we grew our customer base by 3% from 56 million subscribers to about 58 million subscribers. Every OpCo managed to grow their customer base. As previously reported, the decline in our Qatari customer base is due to a change in the definition of prepaid customer. On a like-for-like basis, and excluding the FIFA connection in 2022, our customer base in Qatar grew by 2%.

As you have seen through this presentation, we have delivered strong results for the year and in turn achieved the 2023 guidance targets. Our revenue is ahead of our guidance, up by 2%. EBITDA margin expanded by one percentage point to 42%, and CapEx spend was within our target. We maintain the same guidance for 2024 financial year expecting revenues to remain flat with revenue growth in most of our OpCos in local currency. In terms of EBITDA, we expect to have an EBITDA margin in the low to mid-forties with a strong focus on cost control. Lastly, on CapEx, given our strategic focus on the data center vertical, our CapEx spend will increase to around 3.5 billion riyals this year.

This slide reiterates the group's strong financial position. Our gearing is low and below our board guidance. We have worked with our lenders to extend availability of our existing RCF up to 2028. We now have ample liquidity to cover our various maturities. We are also structurally hedged for interest rate hikes as 96% of our debt is a fixed rate.

Given that this is the most recurrent question we get, I thought we would conclude my section by highlighting our shareholder returns over the past five years. In the chart, you'll see the trajectory of dividend payments affirming the value we have generated for our shareholder over the years. Healthy dividend payouts with a cumulative increase of 120% since 2019. Our dividend policy aims for a dividend payout of between 40 to 60% of normalized earnings. And for the past two years, we have been at the top of that range. For 2023, the board recommended a dividend of 55 dirhams per shares and a dividend yield of 5.2%, representing a 28% increase over 2022 and a 59% payout ratio. That concludes my section. I now hand over to Eyas for the operational review.

Eyas Naif Assaf, Deputy Group Chief Financial Officer:

Thank you, Aziz. Good afternoon everyone. I'll take you through our operational performance for 2023.

Let's start with our home market, Qatar. Full-year reported revenue declined by 8%. A few impacts to note. First, we discontinued our low margin transit revenue. Second, we carved out the FinTech business. And the last point, or the third point, as you remember, that '22 benefited from the FUFA World Cup. On a normalized basis, revenue was a EBITDA decreased by 6% year on year due to higher comparison base and one-off impact. Normalizing for the revenue impact I mentioned and as well as one-off provisions, EBITDA declined only by 1%. Reported EBITDA margin remains solid at 49%. It's worth highlighting that the normalized EBITDA margin was 52%.

Moving to Kuwait. Kuwait benefited from operational efficiencies and solid commercial momentum. The operation grew customer base by 5%. That helped drive a revenue growth of 4%. EBITDA for the year increased by 14%, while the margin expanded by 3 percentage point thanks to higher service revenue and effective cost control.

Moving to Oman. Competition remained intense mainly in the mobile prepaid segment. As a result, revenue remained flat despite the growth on mobile postpaid segment. Pressure on top line and the gross margin as well as slightly higher operational cost led to EBITDA decreasing by 9% year on year. Oman managed to sustain a solid EBITDA margin of 47% through the year. There has been a positive trend sequentially and the Q4 revenue was 5% higher than Q3'23.

Turning to Iraq. Asiacell was once again a strong performer, delivered double digit revenue and EBITDA growth while expanding its customer base. Full-year revenue grew by 21%. VAT exemption on telecom recharge encouraged usage in voice and data services supporting growth. EBITDA increased by 24% while margin expanded by one percentage point to 44%. One-off costs have been incurred in Q4, impacting EBITDA performance for the quarter.

Moving to Algeria, Ooredoo Algeria was another star performer for the group in ‘23. The customer base grew 3% to 13.4 million. We had a strong momentum and revenue as it's increased by 11% in part due to a 5% appreciation of the dinar. EBITDA surged by 26% with a notable five percentage point increase in margin, which now stand at 40%. This strong performance is a testament to enhance efficiency and driving profitability within the organization.

Moving from Algeria to Tunisia. Ooredoo Tunisia felt the impact of a challenging operating environment. Full-year revenue remained flat while EBITDA declined 15%. And the EBITDA margin compressed by seven percentage points. We continue to invest in the country with the spend on the mobile infrastructure is paying off. We rank first also in the customer satisfaction. And we also continue to roll out fiber to advance our competitiveness.

Now moving to Asia. In Myanmar, currency depreciation had impact in our reported financials. However, on a local currency basis, revenue grew by 4% due to growth in voice and fixed revenue. EBITDA improved by 4% despite the challenging external environment.

Turning to Maldives, we increased our investment in the infrastructure, which help us to gain market share, grow our share of the customer wallet, increase revenue, and improve profitability. And in ‘23, our revenue grew by 9%. EBITDA also increased by 14% while margin improved by three percentage point to 56%, which is the highest margin within the group.

In Palestine, our focus is on the wellbeing of our staff and ensuring our customers stay connected through the challenging situation in the country. On a reported basis, revenue decrease due to a 9% depreciation of the local currency against the US dollar, which is our reporting currency. Excluding the negative exchange rate, revenue increased by 2%. EBITDA increased by 14% with robust EBITDA margin of 39%.

Last but not least, Indonesia. IOH released result two weeks ago reflecting double digit growth revenue. Revenue grew by 10% with an even stronger growth EBITDA of 22% and 47% EBITDA margin.

This concludes my operation review. Back to the IR Team. Thank you.

Luelle Pillay, Investor Relations

Thank you very much Eyas. Before we head into the Q&A session, you will see on your screen the upcoming conferences that we intend to participate in. Details to be confirmed. Our annual general meeting is scheduled for the 6th of March.

Now to the Q&A part. For the Q&A session, I'm joined by senior leadership. In addition to Aziz the MD and CEO, Eyas our deputy CFO and we also have our Head of Strategy, Rene Werner.

To ask a question, type your question in the Q&A section of the Zoom session or raise your virtual hand and I'll unmute your audio when it's your turn. Or if you're connecting via phone line, please push star nine to ask a question.

Questions and Answers

Question
Luelle Pillay, Investor Relations
So we have our first question in the text part of this Q&A session. For EBITDA growth guidance, the slide said low 40s percentage margin, but the commentary said low to mid 40s. Which should we use?

Aziz Aluthman Fakhroo, Managing Director and CEO, responding
Well, we're, we're currently at 42% this year. So our target is to sustain that level or improve it. We had given during the strategy days that we were looking to target the mid-forties within the next couple of years. So we're staying on that guidance. We should appreciate our mission.

Luelle Pillay, Investor Relations
Definitely. Thank you.

Question
Luelle Pillay, Investor Relations
Our next question is from Nishit Lakhotia from SICO Bank. Which countries will see first progress in the TowerCo deal? when is it expected to begin?

Aziz Aluthman Fakhroo, Managing Director and CEO, responding
So for the tower deal, TowerCo deal, our priority are two folds. Probably Qatar first as this is our home market. And Iraq as it's the largest market, and also the market where both Zain our partner and ourself operate, and therefore where there's the most synergies. We then look to very quickly, within the year or maybe a bit towards next year close the subsequent markets, which are Kuwait, Algeria and Tunisia.

Luelle Pillay, Investor Relations
Thank you.

Question
Luelle Pillay, Investor Relations
Our next question is also a typed question. Please feel free to also ask an audio question. Ooredoo has recently modified its articles of association to include quarterly payout for dividends. So should we expect dividend to be paid more frequently this year? This is from Nishit Lakhotia.

Aziz Aluthman Fakhroo, Managing Director and CEO, responding
Well, we tried to give you a slide, the full slides on dividends this time, but the questions keeps coming. No, we've modified the articles of associations in accordance with the change of regulations of the QFCRA, which gives the Board the flexibility to decide on interim or one-off dividends, as we currently pay. But, once again, this will be a decision reserved by the Board.

Question
Luelle Pillay, Investor Relations
Next question from Hula Adamson, please elaborate more on your capital allocation priorities going forward. The leverage ratio remains below the target level. Are you looking at more M&A opportunities, or do you expect to keep the low leverage on a sustainable basis?

Aziz Aluthman Fakhroo, Managing Director and CEO, responding
So maybe I'll let Eyas to take it a bit further. In general, from an operational standpoint, as a telco, we like to sustain quite a low leverage. I think this gives us a competitive advantage. Also, as you mentioned, this would give us the firepower, if needed, on opportunistic basis to do inorganic growth. So through acquisition, whether by buying telco operation, as we've been doing over the past year, some very small ancillary requisition in the footprints where we operate or to enhance our TowerCo platform and data center platform and FinTech platform. This gives us quite a lot of agility. But you should also remember that from the moment we close the TowerCo transaction, from an accounting perspective, the leases will suddenly be accounted as debt liabilities through IFRS. So normally on a status quo basis, once we close all our markets in the TowerCo basis, and correct me if I'm wrong, I think we go from 0.9 to 1.2 times net debt to EBITDA just by the virtue of the lease.

Eyas Naif Assaf, Deputy CFO, responding
Yeah, we'll move from as Aziz mentioned, develop to 1.7x and we are expecting, once we close all of them, we'll go between 1.5 even. We might reach 1.5. Therefore, the, the current guidance is the 1.5 to 2.5 is, is we keep it as it is for time being until we finish the Tower deal

Luelle Pillay, Investor Relations
Great.

Question
Luelle Pillay, Investor Relations
Let's move to an audio question from Omar from EFG-Hermes. You may ask your question.

Omar Maher, EFG-Hermes
Thank you. Hi everyone and thank you very much for the presentation. Question on, on Iraq, specifically on the outlook for '24 post or, or, you know beyond the positive impact that you're seeing from the cancellation of the value added tax. And the question is basically, should we see a return to return normal like lower growth after the, the one-time impact from this cancellation? I'm, I'm specifically looking at what happened back in 2017. I think that was implemented towards the end of '16. And for, for the two operators whose data is available publicly, we saw like immediately a 20% drop in revenue in the year following that. And then, you know, kind of like the growth return to normal. So I'm wondering if we're expecting to see the same, you know like trends but the other way around.

Eyas Naif Assaf, Deputy CFO, responding
Yeah. For, for Iraq rightly said. Last year we saw an increase or movement due to different factors. One of them is the VAT or the, this sales tax removal. But also, we saw in the Q3, Q4, this interconnection related to Korek where the regulatory stop the interconnection. Therefore, it's given more reason or more help to push the numbers. We're not expecting that the regulatory of the government would cancel on the VAT. Therefore, we don't expect a drop, but maybe also we don't expect two-digit growth in '24. In general, as you know, we usually give outlook for the the Group as Aziz highlighted, what is our outlook for the Group. We don't go Opco by Opco

Omar Maher, EFG-Hermes
Understood. Thank you.

Luelle Pillay, Investor Relations
Okay, thank you.

Question
Luelle Pillay, Investor Relations
Sticking on Iraq, the Iraq operation, can you please elaborate on the kind of one-off costs occurred in Q4? And can you elaborate the driver behind the top line growth in Q4?

Eyas Naif Assaf, Deputy CFO, responding
The driver for the top line growth I highlighted is a mix of many things we said is: the VAT which happened in the year of December 22. Also in Q4, this stoppage of interconnection with Korek by regulator. Regarding the one time of, there's two items. One is related to restructuring happened in December. And the second item is related to sites related costs related to municipality. Both items is given around 37 billion Iraqi dinars.

Luelle Pillay, Investor Relations
Thank you.

Question
Luelle Pillay, Investor Relations
Next question. Any update on introducing corporate tax in Qatar in 2025? If so, what kind of a percentage would be charged? Any color on this is appreciated.

Eyas Naif Assaf, Deputy CFO, responding
As of today, we are discussing this with the tax authority and mostly it would be around 15%. But the date of implementation is not yet finalized by the tax authority.

Question
Luelle Pillay, Investor Relations
Okay. Next question. When does Management expect to receive cash proceeds from the asset equalization process? Would it be in tranches or in bulk?

Aziz Aluthman Fakhroo, Managing Director and CEO, responding
So as mentioned during our capital markets today, also I think during the slides, it will be in tranches as we close different markets. First, our first market goes as an equity contribution. And then as the value of our contribution exceeds the existing value of the assets within TASC, which is basically Jordan and Iraq, then we will start receiving equalization payments.

Luelle Pillay, Investor Relations
Thank you.

Question
Luelle Pillay, Investor Relations
The 1.5 times net debt to EBITDA you mentioned, you will have after sending the towers and taking into account the PV on these obligations. Does it also account for the USD 550 to 600 million in cash get from Zain? Also, what is the timing of these? Will they be paid in tranches within six months to one year, which I think it will?

Eyas Naif Assaf, Deputy CFO, responding
Yeah, without going at exactly the amount we're going to receive from Zain because it'll take one or two years. We have to pay the income tax on the in the OpCos. And then we'll see the dividends. When we highlight this 1.5, we said it's high-level estimation, and again, it depends about the timing of the closing and other items related to the tax paid in each country.

Question
Luelle Pillay, Investor Relations
Next question. Are you expecting to raise capital in the near term, so between 2024 and 2025 for Ooredoo? If yes, will it be in the form of debt? Also, once you start transferring these towers to to the… Also where once you start transferring towers to a new entity, do you expect to raise the debt before the full transaction is complete? Or once all the towers are transferred, you'll look at the capital market activity?

Aziz Aluthman Fakhroo, Managing Director and CEO, responding
So, different things. We're always also, and we have a slide on that. We've currently ensured that till 2028, all our maturities are covered easily by our existing facilities. Then again, we are in quite uncertain times in terms of rates. So if we do see a window where rates might be extremely compelling, like we did by the way when we preemptively refinanced some of our debt in 2021, which today seems a very good decision, we will probably act on it. As of today, we have no requirement for additional capital. We're definitely not looking to issue any equity. We wouldn't require this.

When it comes to the asset transactions, and I'll talk of the broader than just the towers and the data center co, there's different logic which we expect we explain, but also these are slightly different businesses than the pure telco. They're annuity businesses and therefore their capital stack is optimal with a different level of leverage. So over time, as, as the transaction are closed and their revenue and EBITDA secure, definitely we will look to refinance this vehicle to drive optimal returns for our shareholders.

Luelle Pillay, Investor Relations
Great, thank you.

Question
Luelle Pillay, Investor Relations
Next question, do you have any color on the corporate tax in Kuwait, please?

Eyas Naif Assaf, Deputy CFO, responding
Again, I think it's like Qatar. I think that we are expecting that there would be corporate income tax around 15%. Timing and the cut -off date is not yet finalized.

Question
Luelle Pillay, Investor Relations
Okay. Let's move to an audio question from Omar who has another question.

Omar Maher, EFG-Hermes
Thank you. Hi again. So, so two questions from please. The first one is a follow-up on on the tax issue again, in, in Kuwait and, and and Qatar. Do you see a scenario or are you maybe negotiating with the regulatory authorities? Is there any sort of consultation whereby you could, see, see, some sort of a relief on the tax being offset against something else? Like for instance, in Kuwait you have the the two taxes: the NLST and the KFAS. So I think these jointly are about 5%. So is there a scenario where you could see those being offset against part of the corporate tax and, and same for Qatar as well?

Aziz Aluthman Fakhroo, Managing Director and CEO, responding
Maybe I'll take this one that. Of course, of course, as Ooredoo we are in constant discussion with the different authorities and we are striving to minimize any impact due to tax, taxation to Ooredoo Group and to its shareholders. Then the level and the

details of this conversation, I think you would appreciate till nothing has been agreed or nothing has been done, it's not our place here to discuss them.

Omar Maher, EFG-Hermes
Sure. I understand this, Aziz its appreciated. But the reason I'm asking is because we saw kind of like a, sort of a similar scenario in the UAE when they were about to implement the 9% corporate tax. I think there was a lot of back and forth discussion with the telecom operators on the potential reduction or, you know, review of the royalty to, to include some sort of deductibility for, for the once tax is implemented.

Aziz Aluthman Fakhroo, Managing Director and CEO, responding
Once again, I understand what your question is. We're very aware of what was done in the UAE. We've looked at all the neighboring countries where this has been implemented. We're trying to show precedent. We are in discussion with the authorities in the respective countries where the corporate tax might be implemented in a goal to reduce, as much as we can, the impact it would have to the group and to shareholders. Now, as you appreciate, these are ongoing discussions with, which take time, which are also extremely sensitive, and therefore, as long as we haven't reached a conclusion, we can't share the content of these conversations.

Omar Maher, EFG-Hermes
Understood. Thank you. And, and my second question is actually on Qatar. So, are, are you starting to see any like early signs of positive impact on growth from the inflow of expats ahead of the like North field LNG expansion projects?

Aziz Aluthman Fakhroo, Managing Director and CEO, responding
So I don't know if we can attribute it to the inflow of expat from the North field. What we did see, and the way I would qualify it is probably, and it's quite normal, the first couple of quarters post World Cup, there was a slowdown in the general activity within the country, and that's usually symptomatic of any country which goes through these exceptional events. There's a huge buildup of economic activity prior to the event. And post the event, a bit like a recovery time or taking your breath, the economy just slightly slow down. What we have seen, and you saw it in our reported numbers, is towards the end of Q3 and especially in Q4, we're starting to see a pickup in economic activity and Ooredoo is seeing its share.

Omar Maher, EFG-Hermes
And, and what would you attribute it to?

Aziz Aluthman Fakhroo, Managing Director and CEO, responding
The pickup in the economic activity?

Omar Maher, EFG-Hermes
In in the last two quarters? Yes. You said at the beginning you said you're not sure if it's attributable to the expansion of North field.

Aziz Aluthman Fakhroo, Managing Director and CEO, responding
So probably the North field had… I think there's many components. There is also a component, as I explained this, after a significant event like the World Cup, there is a bit of a dormant period in the economic cycle of that country post the event. A lot of entities, a lot of government entities, private entities sort of have invested a lot of resources, energy, time, and take a breather, and that usually last for two to three quarters, which has been the case in Qatar.

Omar Maher, EFG-Hermes

That's clear. Thank you. Thanks Aziz.

Luelle Pillay, Investor Relations
Thank you.

Question
Luelle Pillay, Investor Relations
The next question is from anonymous. How do you plan to gain market share from Korek in Iraq following the regulatory intervention? Any updates on the new telecom license tender with 5G exclusivity?

Aziz Aluthman Fakhroo, Managing Director and CEO, responding
So look, given the regulatory development on Korek, and as you know interconnect has been ceased between the operators and Korek. There was a natural outflow of subscribers from Korek to both us and Zain, which is our competitor there. We've taken the lion's share what we believe actually quite a proportionate share of that versus our respective market share. Of course, our teams on the ground are commercially active and will seize on any opportunity to try and gain subscribers, whatever the events are.

What was the second part of the question?

Luelle Pillay, Investor Relations
Updates on the new telco license tender with 5G?

Aziz Aluthman Fakhroo, Managing Director and CEO, responding
No, so we've seen the government announcement. That again, we are in discussion. We are in discussion with the authorities to get clarity on what are the events. What does that mean? But we have no update. Again, it wasn't that much of a surprising news as it was being announced many times in the past in Iraq. It is one step forward, but then I think there's still a long road to go before this becomes an active competitor.

Question
Luelle Pillay, Investor Relations
Great. From Yeijide any plans to issue bonds in the international markets this year?

Aziz Aluthman Fakhroo, Managing Director and CEO, responding
I think I've answered that question is we have no requirements. We've renewed our RCFs, which gives us full funding to repay all our maturities till 2028. Then again, we will try to be opportunistic if we believe that there is an exceptional windows in the rate environment, which would benefit our capital structure and our shareholders.

Question
Luelle Pillay, Investor Relations
Do you see competitive environment in Oman stabilizing? Or do you expect further aggressive competition and pricing pressure there? Will you be able to maintain your EBITDA margin in Oman? Also, what is your tower strategy?

Rene Werner, Chief Strategy Officer, responding
So, with regards to the market, the Oman telecom market we feel is overcrowded. And it will stay as such. So the competitive intensity is expected to stay where it is currently. We have put into place measures and activities to kind of maintain and protect the margin in terms of efficiencies as well as in terms of products and go-to-market activities to basically protect our market

position there. We're quite optimistic that we can maintain that position. We have growth areas around fixed as well, mobile and ICT and want to basically move forward with this. Good customer experience across the group is perceived as a priority. Ooredoo Oman has recently received also awards in this space, so we intend to kind of follow that path moving forward to really keep our customer base happy and loyal to Ooredoo and with this win in the market

Aziz Aluthman Fakhroo, Managing Director and CEO, responding
When it comes to the tower transaction, Oman is of course a valuable block, a valuable asset. Especially when you are talking about creating the leading tower company in the region. We are currently in discussion to see how to get Oman integrated in the future within our general tower portfolio strategy. That being said, our immediate focus right now on priorities, our resources is to close the key markets as discussed previously in the I think it was the first question.

Question
Luelle Pillay, Investor Relations
Okay. Hamad wants you to please re-answer the issue of our dividends quarterly. If you are going to introduce dividends quarterly?

Aziz Aluthman Fakhroo, Managing Director and CEO, responding
We've allowed the flexibility within our article of association. Hamad, please note that dividend policy is not at the discretion of the Management, it's at the discretion of the Board. So no one around the table has the authority to decide dividend policy. It's actually your elected representative that decides, to which we report to, that decide, develop, the dividend policy of the company.

Question
Luelle Pillay, Investor Relations
The next question from Anonymous. Your guidance for flat revenues: is this because of expected FX headwinds? Why don't you expect growth even though your biggest two markets, Qatar and Iraq are expected, as per prior comments, to register recovery and further growth respectively?

Aziz Aluthman Fakhroo, Managing Director and CEO, responding
We, we've historically announced them even this year we have announced that we saw the top line nearly flat lining. We actually managed to grow the said the top line, by 2%. In a similar way, when we look at provisions for the different markets between the different pressures, currency pressure, inflationary pressure, we do not see material or significant growth of the top line. But our big area of focus is actually growth in profitability. And this is really where we're focusing. And the top line growth is usually more driven by macro events, which are outside of our own control. Whereas the profitability of the company is driven by management control. So this is where we're more comfortable to capture.

Question
Luelle Pillay, Investor Relations
Another dividend one, the doubling of dividends is in what Wataniya this year. Was it mainly because of the number ranges case win or do you see this as sustainable?

Aziz Aluthman Fakhroo, Managing Director and CEO, responding
No, this, this was exceptional,

Question
Luelle Pillay, Investor Relations

From Yejide, discuss the outlook for the difficult markets Oman and Tunisia. Is competition becoming more rational in Iran?

Aziz Aluthman Fakhroo, Managing Director and CEO, responding
That is mistake. It is Iraq

Rene Werner, Chief Strategy Officer, responding
Yeah. All right. So in Tunisia, we went through a difficult macro environment. We've seen also our competition, in, in that sense being at base. So we have actually had a good last Q3 results. The Q4 results for our competition have not been published, so we can only refer to the Q3 results where we see a market share stabilization in Tunisia. We have been having stable market share in Tunisia for the last four quarters in that sense. But obviously within the market fluctuation that we have basically the top line moves very obviously.

In Oman, I mentioned earlier we believe that the competitive intensity will stay there and that every market participant tries to hopefully act a little bit rational going forward. But we see there are growth opportunities in the fixed market, which is a quite substantial piece actually of our revenue mix in Oman. This nevertheless comes at a different margin given that it is a wholesale based business in Oman. So we believe there is growth, but it will come at a different margin structure.

Competition in Iraq. Will they act more rational? I think we have seen in Iraq a very strong performance of Asiacell over the last couple of quarters. With the recent, special events I would call that with the interconnection changes with Korek, we see a substantial inflow of customers where Asiacell benefits from its strong brand, its strong customer experience, and its strong sales and marketing capabilities in the market. So we feel we'll kind of take share as we have seen also that our competition in Zain has taken share.

The outcome of the 5G discussion, as Aziz mentioned earlier, is still to be sort of validated going forward with the respective authorities. So again, we feel well prepared for competing in the Iraq market at rational terms.

Question
Luelle Pillay, Investor Relations
Great. And any price increases across the markets that you've seen?

Rene Werner, Chief Strategy Officer, responding
We usually look at this in, in a perspective where we say, where we offer more value, we might look at how prices relate to this. There is per se, not in general a price increase statement. Obviously where we see opportunities to kind of do rational pricing moves, especially with the introduction of new tariffs, we do the right things in the interest of also maintaining and keeping our profitability.

Question
Luelle Pillay, Investor Relations
Okay. A compliment from anonymous. The Ooredoo management has done an excellent job in turning around the business and maximizing shareholder returns in the past three years. Having said that, would management consider recommending to the Board to change the dividend policy to be tied with the free cash flow instead of normalized EPS as other telcos do, such as Vodafone Egypt?

Aziz Aluthman Fakhroo, Managing Director and CEO, responding
So, I can't really comment on what Vodafone Egypt has done. And to the first part of your question, in the last three years, we took the company's net profit from 900 million riyals to on a normalized basis, actually 3.2 billion riyals. And our dividend

trajectory has followed exactly that. It actually puts Ooredoo when you look at it in terms of total shareholder return. We were 47th in 2021. We were the leading telco in terms of total shareholder return last year. And we were number 11 this year. Again, I know you mentioned another operator in there. I don't think it made the top 20, so I think I delivered policy. Good.

Question

Luelle Pillay, Investor Relations

Okay. So let's go to an audio question from Omar. You can go ahead Omar. Omar, okay.

Omar Maher, EFG-Hermes

Yes, sorry, just I think I just forgot to lower the, the, the hand.

Luelle Pillay, Investor Relations

Oh, okay. Omar, old hand

Question

Luelle Pillay, Investor Relations

From Pradyumna, what kind of accounting impact do you expect from the tower deal in terms of margins and EPS accretion or dilution?

Aziz Aluthman Fakhroo, Managing Director and CEO, responding

So, maybe I'll answer very high level. In general, we do believe this is a significant value accretion deal for our shareholder in the short term and in the long term. We had shared quite a lot of information at the Capital Markets Day presentation. Actually, a whole section is dedicated on the tower deal and the effect of it. I think the most detailed answer you could go is to go into our IR section on our website and pull that presentation. It's still up there and you'll have a full breakdown on the transaction. I don't know if you want to add that.

Eyas Naif Assaf, Deputy CFO, responding

No, I think we highlight the most important things is the effect on the net leverage. It might be around, we said, around 1.5, and at that time we disclosed upon details. I agree with you. If we go to the, our website to find more details about the projection for tower presentation

Question

Luelle Pillay, Investor Relations

Okay, anonymous again. Is there any deadline for the Myanmar sale to materialize before the deal becomes void due to the lack of regulatory approval? Any chance to settle for a lower price?

Aziz Aluthman Fakhroo, Managing Director and CEO, responding

So, internal deadline was yesterday and before yesterday and before yesterday. Maybe a couple of things. If you look at the performance, and that's the silver lining, the performance of Myanmar as operator actually has been very strong in the past two years. And even on a free cash flow basis as we've kept it on bare minimum CapEx, the operation has been doing very, very well. We are pending one regulatory approval. And we are following up constantly with the authorities. I'm sorry. I know all this. We will lack a bit of credibility because probably last year at the same time I said we're expecting to close within the first half of this year. A year later repeating the same thing. But we have zero notion. The deal, the deal is still out there. We had actually, as we received preliminary approvals and telecom regulatory approval, we had renewed an extension of the transaction. So the transaction has no risk in becoming void for the time being.

Question

Luelle Pillay, Investor Relations

Okay, great. I don't see any more questions coming, perhaps, so. Oh, there is anonymous. Okay. Glad to see the plastic water bottles disappear. Thank you for noticing. Thank you, Andreas, for your long service and support. We on the sell-side appreciate it. Best of luck. Gooduck to Luelle who will be carrying the torch. Finally, thanks for the call. And that Ooredoo management keeps on delivery. Okay. So, thank you for any

Aziz Aluthman Fakhroo, Managing Director and CEO, responding

Thank you. Anonymous.

Andreas Goldau, Investor Relations

Thank you.

Luelle Pillay, Investor Relations

Yeah. Next time, put up your name. So, there's no more questions. Our Q1 results: please take note, the schedule for release at the end of April. Please feel free to send investor relations team any questions you may have after the call.

Eyas Naif Assaf, Deputy CFO, responding

Let me one comment before

Aziz Aluthman Fakhroo, Managing Director and CEO, responding

I was going to say exactly the same thing. I think we all wanted to, to thank Andreas for his contribution: 12 years journey?

Andreas Goldau, Investor Relations

Ah, yeah.

Aziz Aluthman Fakhroo, Managing Director and CEO, responding

He's also spearheaded probably every single major IPO that Ooredoo has done. He spearheaded also the TowerCo. So, thank you very much for all your close interaction with us. Of course, but especially with the IR teams and all the awards you won in terms of IR. Thank you.

Andreas Goldau, Investor Relations

Thank you. Thank you very much for the management, but also to the investors, the fund managers, and the analysts on the sell-side. I really enjoyed the interaction and hope we stay in touch in future. Thank you.

Luelle Pillay Investor Relations

That concludes our FY 2023 investor call. Thank you.

Aziz Aluthman Fakhroo, Managing Director and CEO, responding

Thank you.