Ooredoo Group 9M 2025 Investor Call Transcript

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Management presentation

Luelle Pillay, Head of Investor Relations: "Good afternoon, everyone, and thank you for joining Ooredoo Group's 2025 Results Call, covering the nine-month period ending 30th September. I'm Luelle Pillay, Head of Investor Relations here at the Group. We're joined by our Group CEO, Aziz Aluthman Fakhroo, who will begin with the key highlights for the period. He'll then delve into the progress of our data centre and FinTech verticals before presenting the Group's consolidated financial results. Following that, our Group CFO, Abdulla Al-Zaman, will present a comprehensive review of the operational performance across our nine markets. As always, we aim to keep the presentation concise, allowing enough time for your questions at the end. You're welcome to submit your questions at any point using the Zoom Q&A function. The presentation deck is available on our website at ooredoo.com and on this webcast platform. Please note that today's session is being recorded and transcribed. By participation, you acknowledge and consent to this. Before we begin, I'd like to draw your attention to the disclaimer on slide 2. With that, I'll now hand over to Aziz to begin the presentation."

Aziz Aluthman Fakhroo, Ooredoo Group CEO: "Good afternoon, everyone, and welcome to our Q3 2025 investor all. Let's begin with a few key highlights. Our strong results reflect the strength of our balanced portfolio. Our GCC markets continue to demonstrate strong cash generation, underscoring their resilience and stability. At the same time, our high-growth markets are making an even bigger impact, now accounting for nearly 47% of growth revenue, up from 44% a year ago. We are delivering consistent profitability, thanks to both strong top-line growth and continued focus on operation excellence. This quarter, we achieved an impressive high single-digit growth in both EBITDA and net profit at 9% and 8% respectively. Our balance sheet remains healthy, supporting our plans for ongoing growth. We are maintaining a strong cash position of just under 16 billion riyals, with over 5.5 billion riyals available in undrawn facility, giving us maximum financial flexibility. We remain fully committed to returning value back to our shareholder and are pleased to announce that the Board has approved an increase in our target dividend payout ratio, ranging from 50% to 70% of normalized net profit. This is a clear reflection of our confidence in our business and our disciplined approach to capital allocation.

Now turning to our Syntys and Fintech verticals. We'll be sharing more on these and our other verticals at our upcoming Capital Markets Day, where we'll also take a deeper look at our refreshed strategy. As you recall, we took a major strategic step this year by carving out our data center asset and establishing Syntys as a fully independent entity. This move has given us the focus, speed, flexibility needed to lead in the digital infrastructure and AI-ready data center solution across the MENA region. Today, Syntys operates 13 active data centre and holds a market leading position in all three countries where we operate. Our installed capacity now stands at 20 MW. In Qatar, we operate 6 data centers totalling 16 MW, and an additional 4.5 MW will go live by year-end. In Tunisia, we operate 5 facilities with 2 MW, and in Kuwait, we operate 2 facilities with 2.2 MW. We continue to work on the carve-out of the remaining countries within our footprint.

Most of our IT capacity is concentrated in Qatar, accounting for 79% of our total footprint, with Kuwait representing 11%, and Tunisia 10%. Looking at the financial, over the first 9 months of the year, Syntys delivered revenues of over 100 million riyals and an EBITDA of 38 million riyals. In Qatar alone, 68% of our revenue comes from hyperscaler customers, demonstrating the strong partnership and relationship the business is building. We're investing around $1 billion, with half already in place, as we scale to reach 120 MW of capacity over the next few years.

We continue to advance financial inclusion through mobile-led solutions and have growing market share in the international remittance market. We're currently operating in Qatar, Oman, and the Maldives. For the 9-month period, revenue was of around 65 million Riyals, with more than 80% of this coming from international remittances. We've invested just under 30 million riyals of CapEx to enter new markets. We currently have around 348,000 active users each month. In Qatar, we continue to build on the great progress we've already made. We remain the fintech market leader in Qatar, where we have processed over $6 billion in transactions, with an EBITDA of 26 million riyals. We also continue to scale in Oman, where we had great traction with walletii, which has delivered consistent month-on-month growth of 30% over the last 8 months. We continue our OFTI expansion. We received license approval in Tunisia, and we are now gearing up for launch with the app scheduled for Q1 2026. In Iraq, we have secured regulatory approval, and implementation is underway. Our license applications are currently in progress as well in Kuwait and in Algeria, one of the largest unbanked populations in North Africa.

Looking at the group's performance, the accelerated momentum has delivered impressive results, supported by our strategic investment, positioning us for even stronger growth ahead. For the first 9 months, we delivered growth across most of our key metrics. Excluding the impact of our exit from Myanmar, revenue and EBITDA grew 5%. Our EBITDA margin was strong at 44%, customer grew by 4%, net profit rose by a healthy 6%. We are maintaining a strong financial position, with our net debt-to-EBITDA ratio at 0.6%.

As shown in the slide, we have delivered another strong quarter, continuing our growth trajectory. Earlier, I highlighted strong Q3 EBITDA and net profit growth. I would also like to draw attention to the impressive revenue growth of 7% and the acceleration in CapEx of 1.3 billion riyals. Looking at the top-line performance, we continue to see an uplift in our revenue, driven by operation excellence across our markets.

Excluding Myanmar, revenue was up by 5% to 18.2 billion riyals. Q3 revenue saw a strong 7% growth, driven by solid performance across most of our operations, partially offset by market-specific conditions in Oman and Palestine.

Looking at EBITDA, which continues to expand, backed by top-line growth, cost discipline and operational efficiency. Excluding Myanmar, EBITDA increased by a healthy 5% to 8 billion riyals. In Q3, EBITDA grew by a strong 9%. EBITDA margin was solid at 44%, driven by healthy profitability in Algeria, Kuwait, Iraq, Tunisia and the Maldives.

Net profit is accelerating at an even higher rate than revenue and EBITDA, reflecting enhanced profitability leverage. Net profit grew by an impressive 6% on both a reported and normalized basis to 3.1 billion riyals. In Q3 2025, we delivered double-digit net profit growth of 11% on a normalized basis and 8% on a reported level.

We continue to invest strategically to further strengthen our market position and accelerate our growth. In the first 9 months, we invested just under 3 billion riyals, up 46% year-over-year, reflecting increased investments in Iraq, Algeria, Syntys and Tunisia.

Turning to free cash flow, the strategic capex acceleration to capture growth opportunities is having a transitional impact on free cash flows, reducing it by 11% to just over 5 billion riyals. In Q3, free cash flows was lower, mainly in Iraq and Algeria, where we're investing more capex to support continued growth along with ongoing data center expansion under Syntys. Thanks to our superior network and services, our customer base keeps growing, and our focused initiatives are supporting growth. By the end of Q3, we had around 53 million customers across our network, an increase of 4%. Including IOH, our customer base is just under 148 million subscribers. Over 75% of our customers are in Iraq, Algeria and Tunisia, which are all growth markets.

Turning to the balance sheet, the chart here illustrates a strong healthy financial position. We have a strong liquidity and well-structured debt profile, with most maturities extending to 2030 and beyond. Our leverage remains low, at 0.6 times, below board's guidance. We are structurally hedged against interest rate fluctuation, as 91% of our debt is on a fixed rate. Most of our debt is in the form of bonds. We are pleased to note the successful repayment of the $750 million bond that matured earlier this month. We maintain investment-grade ratings from both S&P and Moody's.

Turning to an update on our dividend policy, this rationale for change is clear. Over the past three years, we've consistently paid dividends at the upper end of our policy range. From 2020 to 2024, we've achieved an impressive dividend per share growth of 160%. Our financial position remains strong, with healthy liquidity, low leverage and consistent earnings and cash flows. In shaping our updated dividend policy, we've aligned with debt practice while maintaining flexibility to invest in future growth. Following a thorough review, the Board has approved an increase in our dividend payout range. Historically, it stood at 40-60%, and today, from 50-70% of normalized net profit. This upgrade reinforces our commitment to returning value to shareholders while maintaining disciplined capital allocations. To conclude, I have taken you through our strong results, which indicate that we remain firmly on track to achieve our full year's guidance.

We expect revenue growth between 2% to 3% and EBITDA margin in the low 40% range. Additionally, full year capex is projected to range between 4.5 to 5 billion riyals. We remain committed to driving strong and sustainable profitability while advancing our strategic priorities. We look forward to sharing more on our growth plans and refreshed strategy our upcoming Capital Markets Day on the 3rd of November. We hope you can join us. On this note, I leave it to Abdulla to take you through our operational review.

Abdulla Ahmed Al-Zaman, Ooredoo Group CFO: "Thank you Aziz. Good afternoon, everyone. I'm pleased to share the group's strong operational performance for the first nine months of 2025, starting with our home market, Ooredoo Qatar. Ooredoo Qatar maintains a positive momentum thanks for its market-leading position and a strong presence in the premium segment. The financial momentum is clear with normalized revenue up by 2% driven by an uplift in ICT revenue. EBITDA also increased by 2% on the normalized basis. The operation continues to maintain excellent profitability with EBITDA margin at 52%. The customer base stood at 2.9 million with the mobile post-paid customer growing by 3.6%, reflecting ongoing demand for our premium offering.

Moving to Kuwait, the operation maintained its strong growth, a trend in mature market. Impressive service revenue growth of 8% was a key contributor to the strong result, driven by higher ARPU and the ongoing acquisition of a quality customer. Revenue increased by 4% thanks to the accelerated service revenue growth, partially offset by modernization and devices. Normalizing for one-off bad debt provisions recorded in 2024 and 2025, Ooredoo Kuwait delivered double-digit EBITDA growth of 17%, driven by higher service revenue and disciplined cost management. EBITDA margin expanded to 32%, up by 6% points. The customer base increased by 1% to 2.9 million.

Turning to Oman, the operation delivered another quarter of resilient profitability in a higher competitive market. Looking ahead, we expected the regulatory change from the TRA to further support profitability in the market. Revenue decreased by 4% due to lower service revenue and device sales. EBITDA was down by 7%, reflecting top-line headwinds. EBITDA margin remains healthy and resilient at 45%. The customer base grew by 8% to 3 million.

In Iraq, Asiacell delivered another excellent performance, continuing to make a positive contribution to the group overall result. Revenue increased by a strong 8%, supported by customer growth and solid performance on the data segment. EBITDA increased by 5%, supported by strong revenue growth, driven by strategic network investment. The increase in OPEX was due to network investment, which are expected to support long-term growth and improve profit margins. The operation maintained a solid EBITDA margin at 46%. The customer base grew by a notable 6% to 19.8 million.

Moving to Algeria, who is also a strong driver of the group overall growth. Ooredoo Algeria delivered an impressive performance with a double-digit growth. Revenue increased by 14% in local currency, driven by strong momentum across voice and data services. EBITDA grew by an outstanding 21%, with an EBITDA margin of 46%, up by 3 percentage points. The customer base grew by 3% to 15 million year-on-year, on the back of targeted campaigns, excellent customer service, and mobile network growth.

Looking at Tunisia, the operation delivered another period of strong performance, driven by the mobile and fixed segment. Revenue grew a healthy 7% in local currency, driven by strong execution in mobile quality, customer acquisition, and enhanced customer value management. The fixed segment contributed significantly to overall revenue supported by a strong demand for high-speed broadband with through fiber and fixed wireless access. This revenue uplift and enhanced operational efficiency led to double-digit EBITDA growth of 11% on local currency. EBITDA margin was up 1% point to 43%. The customer base grew by 5% to 7.4 million.

In Maldives, profitability was sustained despite ongoing competitive pressure. Discipline, cost control remains a core focus which is delivering a positive result. Revenue was flat, remained resilient despite the intensified competition on the mobile segment. EBITDA increased by 4% while EBITDA margin was up by 2% point, delivered a strong margin of 56%. The customer base grew by 6%, reaching over 421,000.

Moving to Palestine, the operation continues to lead in customer experience, providing much-needed connectivity to its customers despite the ongoing challenges. Revenue decreased by 5% year-on-year and EBITDA down by 4% on a reported basis. EBITDA margin was steady at 39% reflecting a cost control and operation resilience amid challenging conditions. The operation continues to maintain its solid market presence with 1.5 million customers.

Finally, our joint venture, IOH, published their results for the first nine months of 2025. While revenue was down by 2% and EBITDA decreased by 3%, the operation delivered an improved performance quarter-on-quarter. This concludes the operational review. Back to Luelle. Thank you."

Luelle Pillay: "Thank you very much Aziz and Abdulla. Before we head into the Q&A session, you'll see the Capital Markets Day agenda and our speakers for the day on your screens. Please register to join us on the 3rd of November at 3pm Doha time. Now let's get into the Q&A segment of today's call. Here's how you can participate. Raise your virtual hand and I'll unmute your line when it's your turn. Alternatively, type your questions in the Q&A box. And for those joining via phone line, please press star 9 to ask a question. For Q&A, I'm joined by the Senior Leadership Team, including Aziz and Abdulla. We have Eyas Assaf, our Deputy CFO. So, let's open up the floor. We have a couple of hands raised. Our first question comes from Thando Skosana from UBS – please go ahead Thando."

Thando Skosana, Director, Telecoms Analyst at UBS: "Hi, good morning, everyone, and congratulations on the Q3 results. Let me start off with maybe three questions, please. The first one is just on your 2025 guidance. I mean, if I look at where you're tracking now in the first nine months, you know, it seems like you're at the top end of your guidance, both on revenue and EBITDA. So just wondered, you know, what are you guys expecting in Q4 that could bring that to the lower end of your guidance? And just to add on to that question, you know, in the nine months ex-Myanmar exit, you grew 5%. You know, what can we expect now in 2026? What do you think is tougher comes as we go into that year? The second question, just on dividend payout ratio. Again, congratulations on this one. I was just wondering, because I know you are a very conservative management team, and also you take pride in the progressive dividend payout ratio, which is at 60%. Just wondered why the payout ratio did not start with a 60% rather than a 50%. And then the last one, just Iraq, the growth there is just a little bit lower than what your peers are doing right now. Just wondered what you're seeing in the market and whether there's any initiatives to drive further growth in that market. Thank you."

Aziz Aluthman Fakhroo: "Thank you, I counted four questions, not three. So, just from the top of the head, what was the first one?"

Luelle Pillay: "The guidance."

Aziz Aluthman Fakhroo: "The guidance, we're at the top range of our guidance. We are, as you mentioned, usually very conservative. We, in our planning, in our discipline, but also in our guidance, we operate in certain markets which have an inherent level of volatility. So, it's always good to have a bit of cushion and room under our feet. If we continue on that trajectory, we will be at the top end if not higher on our guidance. It won't be the first year that we beat our guidance. It will actually be probably the fourth or fifth year in a row that we beat our guidance. The second question?"

Luelle Pillay: "The 9 months is 5% growth, what are you expecting in 2026?"

Aziz Aluthman Fakhroo: "9 months?"

Luelle Pillay: "Excluding Myanmar, 5% growth in revenue and EBITDA. So, what are you expecting in 2026?"

Aziz Aluthman Fakhroo: "Well, yeah, 2026, look, we have a capital markets day coming up, I invite you Thando to join. Right now, we haven't issued any official guidance for 2026. We are at the heart of the planning and budgeting season for 2026. We, of course, have our management insights that still needs to be ratified by the board. So, unfortunately, I can't comment on that one.

Luelle Pillay: "Your dividend? 60% [undiscernible]"

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Aziz Aluthman Fakhroo: “You guys are never happy about dividends. First is, why aren't you paying the top of the range? Now is, then was, why don't you increase the range? The day we increased the range, you're saying we didn't increase it enough. Look, we've increased our dividend by 160% over the last 3-4 years. We've been at the top of the range. It was only normal and commensurate that we increased the guidance. It is a prerogative of the board, 50-70%. We are also keeping a very healthy balance sheet and some dry powder for accelerated growth, whether it's organic or inorganic. And you've seen this year, we've increased our CapEx this year compared to the previous year as we kept our telco CapEx standard at around 14-15% capex-to-sales ratio, but we are investing quite significantly of the data center and FiberCo assets. So, we're keeping room for that as well.”

Luelle Pillay: “The last one was on Iraq, your growth compared to your peers. They are relatively lower?”

Aziz Aluthman Fakhroo: “It depends on how you measure the growth. In terms of customer base, we might have a slightly lower growth. We've always been number 2 when you look at us on customer base. That being said, we've been number 1 in terms of revenue, market share and more importantly, what matters to us is EBITDA and EBITDA market share and EBITDA margin. We're really focused on capturing the healthy revenue in the market and not to go in what we call internally, I think more importantly across the industry, the washing machine.”

Luelle Pillay: “Great, thank you. Our next question is from Nishit Lakhotia. Please go ahead, Nishit. I see you typed a few. I'm not sure if you're going to cover these as well. Nishit? Okay. I'll ask the questions for Nishit because I think he typed. Other incomes filed in the third quarter, there's some miscellaneous items there. Eyas, would you like to take that one?”

Eyas Assaf, Deputy Group CFO: “Yeah, this is mainly coming from a case, a legal case [undiscernible] last year in Iraq. It was provisioned at almost 91 million Qatar Riyal. Fortunately, we win it in Q3 this year. Therefore, we reversed it. The main difference is between negative 91, positive 91. The difference is 182. I think this is the main reason for the difference between last year and this year.

Luelle Pillay: “Thank you, Eyas. The second question from Nishit is gross margin has been very strong, one of the strongest in four years post-COVID. Is this sustainable and did it have any one-offs?”

Aziz Aluthman Fakhroo: “Look, we've been working diligently in enhancing our profitability, and that goes from driving, as I previously said, healthy revenues, but also core efficiencies. We had a statement, a guided statement, to reach to the mid-40s and exceed the mid-40s in terms of EBITDA margin in the media world. We did that statement two years ago. I think at the time, we were around 41, 42% of our margin. We're inching closer. We're at 44 right now and we won’t lift our foot off the throttle on that.

Luelle Pillay: “Great. Let’s see our next question is from Maddy Singh from HSBC. Please go ahead, Maddy.”

Madhvendra Singh, Stock Analyst at HSBC: “Yes, hi. Can you hear me okay?

Luelle Pillay: “Yes, we can. Go ahead, Maddy.”

Madhvendra Singh, Stock Analyst at HSBC: “Great, thanks. Thanks a lot for taking my questions and congrats on great set of results as well as the new policy. Very pleased to see that. The questions are - starting with the dividend again. Given that policy now allows you to go up to 70% and historically we have seen that you have actually touched the high end of the range quite often. So, is that how we should think about it? That unless there is something extraordinary you would strive to pay at the upper end of the range? So that's the first question. Then second question is on your tower deal. Any update there? What timeline should we expect there for closing? What is it that is holding it up so far? And is there any final equalization payment which we can think of? Because we hear different numbers from different parties. So just trying to square that. And then on the Omani performance, it has been one of the weaker links I would say in the group's recovery. So what action is being taken and how long before we should expect any stabilization there? And then finally, any update on the fourth operator in Iraq and the 5G? Is there any change there because we haven't heard of any launch or anything? So what's the update there? Thank you.”

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Aziz Aluthman Fakhroo: "First of all, you are usually the first to ask the question. We have Thando who has just joined as UBS. Be careful, competition is coming. He beat you to the punch this time. I appreciate you are consistent on your dividend questions. And I will be consistent with my answers. The dividend is a prerogative of the board. So, I can't make any statement on that fact. We just changed the range. That's an indication. But to this, I can't expand more and that's normal standard compliance policies.

Luelle Pillay: "What about towers?"

Aziz Aluthman Fakhroo: "Towers. We are waiting one regulatory approval in Qatar. We've been recently given verbal assurance that everything is okay. It's a long and tedious process. No exception in Qatar. We hoped we could short-circuit it. We looked at all the previous transactions, which was IHS in Kuwait, which was the first, Tawal in Saudi, Helios in Oman. That all took around two years. We thought we could, given the precedence in other markets, we could short-cut that timeline. Apparently, we need to set a precedent here. So long story short, we got verbal assurance. You do as me, as long as I don't see it in writing, I can't act on it. When it comes to the equalization payments, we have the formulas within the deal. The big issue, which is not an issue, but it's actually positive for the TowerCo, is we've been growing and growing very fast and so, in certain markets, as Zain, we both operate in Iraq. I think at the time of the deal, we had announced jointly between Zain and us something like 13,000 towers. Today, ourselves only, we're close to 9 to 10,000 towers. And Zain has grown at the same speed as us. So yes, it will be a more mathematical application on who has grown out where and at what speed. This is what is going to affect the equalization payment. But it will be a positively accretive transaction once fully closed in all the markets. This won't change. Are we talking about, I've heard numbers between 300 to 700, which was our initial statement in million dollars. I think we'll be closer to the 500 to 700 range. But I'm just waiting for that final approval in writing."

Luelle Pillay: "Oman's performance, recovery action."

Aziz Aluthman Fakhroo: "So Oman's performance, we had a change in management. Saud, who's taken over Oman. Great dynamism in the team. What you have probably noticed it's been a very hard market, like the reality of Oman is very simple. You have a very small country, 6 million population based circa you have now three real operators. You have an additional three virtual operators. It's highly congested in the world where, you know, in Indonesia, we started the consolidation, going from five operators to four. Now it's going from four to three with Smartfren-Axiata merger. Malaysia has consolidated. Thailand has consolidated. Spain has consolidated. UK is consolidating to reduce the number of operators in countries where we're talking about 60 to 80 million inhabitants, all the way to 300 million inhabitants, Oman has decided to increase the number of operators. This can only dilute the market share and our pool of every single operator. The good news is usually within a three-year run, you see a stabilization of the third-round trend anywhere between 10 to 15% restorative scene at a 12% quarter of quarter revenue market share. So, I think the erosion has gone at least. We're hitting a standardization and we're working on with the new management team on a number of initiatives to try to push more efficiency and to regain value in the market.

Luelle Pillay: "Fourth operator in Iraq?"

Aziz Aluthman Fakhroo: "Fourth operator in Iraq, like the less news we haven't heard much than you guys, the less news we hear, the happier we are. I know there was some political contestation regarding the issuance of the license. We're, of course, contesting it. Zain is contesting it. We're working jointly on that as well, given that the exclusivity for 5G is a violation of our existing license and of any GSMA or ITU rules, so we're fighting against it, as anyone would, the less news we hear, the happier we are that being said, we're preparing - we're preparing our commercial strategy, our network strategy, our distribution strategy, to be ready as soon as they are."

Luelle Pillay: "Thank you, question from Rowan Chekker, what percentage of CapEx is telecom and not telecom?"

Aziz Aluthman Fakhroo: "So I think I touched on that, our own rate capex, in terms of telecom, has been stable between 14 to 16% CapEx for sales ratio. We're trying to keep it at this this year, what you've seen is an increase in capex. So, in riyal numbers, we're talking about anywhere between 3 to 3.5 billion riyals every year, given in telco core capex this year, we're around 4.5 we have a guidance of 4.5 to 5, and that is not telco. That is mainly data centres and subsea cables and to a lesser extent, fintech - the capex on Fintech is quite small.

Luelle Pillay: "Give it a minute. We don't have any other questions. Okay, please go ahead Maddy."

Aziz Aluthman Fakhroo: "Is it a dividend question or not?"

Madhvendra Singh, Stock Analyst at HSBC: "I can go on that one, but I don't think I'll get an answer. So, I'll move on just checking on the data centre side, if I remember correctly, your previous plan was to spend around one to one and a half billion, but I think in the latest release you have talked about 1 billion. So, is there a reduction we are seeing here?"

Aziz Aluthman Fakhroo: "No, no, there's no reduction. Is we've already spent some money. We have some commitments which are ongoing, and discussions. We know we'll spend that, and probably sooner than later, when I'm looking at the current pipeline we have under our eyes, and none of it when it's firm, signed up, commitments and deployment, of course, it will be announced. I'm pretty sure we'll exceed our guidance in terms of [undiscernible] spend, but also in terms of capacity."

Abdulla Al Zaman: "Our announcement is 1 billion riyals. We never announced 1.5 billion."

Madhvendra Singh, Stock Analyst at HSBC: "And just to follow up on your comment on Indonesia, so on the market share trends in Indonesia, You know, with the consolidation of the other two operators. You know, do you think you have any risk of, let's say, change in the market share trends there? Can, can they gain market share at all? Or, put it other way, is there a risk for you to lose market share because of this?"

Aziz Aluthman Fakhroo: "So you know, I hope and advise you, if you don't, to also join the Vikram's investor call and his team on IOH, which will give you much more depth. The biggest issue in Indonesia, which started around Q3 last year, was a price war, not done by XL, Smartfren and (inaudible) but more triggered by the incumbent, because there was too much loss of market share towards us, in general, and especially, not so much in revenue, but in EBITDA market share, I think we're outperforming significantly. What we're starting to see is stabilization of that price war. We're starting to try and push ARPUs up. Normally, rationalization in the market in terms of the number of players with a strong number one, a strong number two, and strong number two creates discipline in terms of value creation for the market. So, we're hopeful that this, this consolidation and this merger will drive to further value, not just for us, but for all three players, as we saw in the first three years of our merger.

Madhvendra Singh, Stock Analyst at HSBC: "Thanks. And just to check, is Vikram presenting for the CMD, or is he not part of the CMD?"

Luelle Pillay: "No, Vikram is not presenting at the CMD this year."

Madhvendra Singh, Stock Analyst at HSBC: "Okay, alright. Thanks. Thank you very much."

Luelle Pillay: "Thank you, our next question is from Thando Skosana, please. Thando, please go ahead."

Thando Skosana: **"**Hi, thank you. I just wanted to follow up. It's probably two quick questions. In Kuwait, if you could just talk about margins in Q3. I appreciate probably seasonality and also handset sales affecting that. But just if we think about Q4 can we expect that improvement, or we should continue expecting that sort of below 30% margin. And then Qatar, if you could just share some thoughts on the competitive environment, particularly in the prepaid segment, thank you."

Aziz Aluthman Fakhroo: "So Kuwait, you nailed it on the head. Q3 coincides with was the launch of the iPhone. So, a lot of devices as you know, devices for us is more an enabler than a margin business. We have no margin. So that's the main impact in Q3 in terms of margin in Kuwait.

Eyas Assaf: "And the bad debt provision, the one time bad debt provision, 3.6 – we don't expect to see it in Q4."

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Aziz Aluthman Fakhroo: "That's number one. Look in Qatar, actually, we're very happy with the performance of OQ. We're seeing more market share. Our core, core jewel is the post-paid market, and especially the premium core post-paid market, and we're actually gaining market share on that. This is really the cash engine for OQ. On the prepaid market, what you what we see is some customer gains from Vodafone, and that's been their core market, but at the same time, we're not seeing any dilution of our profitability in that segment. So, my guess is they're probably getting the lower-end and higher acquisitions - cost acquisition in terms of customers, we're very focused on the very high-end premium segment. This is our core mantra in OQ. And by the way, most of our markets, Iraq, is the same go after premium. So, we're happy that the only slight challenges we have, but it is normal because it's an impossible and it's too expensive to defend, is our position of the fixed business, where we have 90% market share in Qatar, and now we're closer two three years down the line, or closer to 80, which is more stabilizing."

Luelle Pillay: "Thank you. We have a time to question from Arun, is there any major challenge you face in the expansion of your data center capacity in Qatar? We're hearing expansions in gigawatts from UAE and KSA."

Aziz Aluthman Fakhroo: "Yeah, couple of things. Look we've done, we've done the Microsoft expansion this summer. Very small because it's an expansion of an existing facility. We are also bringing online another expansion of an existing facility today. What you're seeing in the UAE and KSA are very major government sponsored projects, but we know that there are similar initiatives in Qatar. We will definitely be part of them. Until these projects are not fully announced, we can't – and committed – we can't announce them. What we are very focused on is growth through the hyper-scalers, and what we're seeing is continued growth in every market. We've increased our installed capacity by close to more than 25% in Qatar just as of the last six months, hopefully you'll see by this time next year, you'll see significant expansion."

Luelle Pillay: "Thank you. I don't see any further questions, so that wraps up our Q&A for today. Our four-year results will be available and announced in February 2026. If you have any further questions after the call, please feel free to reach out to me directly. Thank you for your time and attention, and we look forward to engaging with you at our virtual capital markets day on Monday. Thank you very much."

Everyone: "Thank you very much, guys. Thank you."