Ooredoo Group Q4 2025 Investor Call Transcript

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Management presentation

Luelle Pillay, Head of Investor Relations:

Good afternoon, everyone. Thank you for joining us today. Welcome to Ooredoo Group's Full Year Results Call for the Year Ended 31st December 2025. My name is Luelle Pillay, and I'm Head of Investor Relations at Ooredoo Group. Before we begin the discussion of our 2025 results, I would like to take a brief moment to share an important update regarding the Investor Relations team. Today marks my final investor call as the Head of Investor Relations. Over this journey, I had the privilege of leading 12 investor calls, two Capital Market Days and most recently contributed to the fully marketed global secondary offering.
Along the way, we onboarded two new analysts, strengthened investor engagement, and saw our share price increase from QAR9 to QAR14. I'm grateful to our investors for your trust and engagement and to our finance teams for your support and collaboration. It has truly been an honor to work alongside such a seasoned and inspiring management team.
As I hand over, I'm pleased to introduce Ali Yagci, currently Head of Treasury, who will assume the role of Head of Investor Relations. Ooredoo is entering an exciting new phase, and I leave confident in the group's strategy, leadership, and growth trajectory. Thank you.

Ali Serdar Yagci, Head of Group Treasury and Investor Relations:

Good afternoon, everyone. My name is Ali. I'm Head of Group Treasury and Investor Relations. Today's presentation will be divided into two parts. First, our CEO, Aziz Aluthman Fakhroo, will provide an overview of 2025, highlighting the key milestones we achieved during the year, followed by a presentation on our strategy and consolidated financial results. He will be followed by our Group CFO, Abdulla Al-Zaman, who will deliver an in-depth review of operational performance across our nine markets. We will then move into a Q&A session. Please feel free to submit your questions at any time via the Q&A function on this Zoom webinar.
For your reference, the presentation slides are available on our website at ooredoo.com and are also accessible through this webcast. Please note that today's session is being recorded and transcribed. By attending, you agree to this. Our usual disclaimer can be found on Slide 2. And with that, I will now hand it over to Aziz to begin the presentation.

Aziz Aluthman Fakhroo, CEO of Ooredoo Group:

Good afternoon, and thank you all for joining us. Our full year 2025 results underscore Ooredoo's strong record of growth and disciplined execution with consistent performance, continued strategic progress, and tangible shareholder value creation. Let me start by calling out a key few highlights. We had another year of strong delivery marked by operational excellence with continued profitability expansion and healthy balance sheet. Our portfolio remains well balanced, with high-growth markets playing an increasingly important role. They now contribute nearly 47% of Group revenue, up from 44% last year. We delivered another year of double-digit reported net profit growth, marking our fourth consecutive year of strong profitability expansion. Reported net profit reached an all-time high of QAR3.9 billion, crossing the $1 billion mark on a reported basis. Our financial position remains healthy, supported by strong cash generation. We closed the year with QAR15 million in cash, plus around QAR6 billion of undrawn committed facilities, giving us ample flexibility for future opportunities. And against our 2025 guidance, we exceeded revenue targets and delivered in line with both our EBITDA margin and CapEx targets.

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We have announced a refreshed strategy to support our future growth and advance our ambition to become a regional leader in digital infrastructure. On towers, towards the end of 2025, we secured regulatory approval in Qatar, clearing the way for the first tower closing expected in early 2026. Following the acquisition of Q Data, Syntys now operates 30 megawatts of active IT capacity. Strengthening our digital infrastructure position, OFTI continues to scale up successfully.

Our operational and financial performance enables us to provide enhanced value for our shareholders. We raised our target dividend payout to 50% to 70% of normalized net profit. The Board has recommended a dividend of QAR0.75 per share, up by 15% from last year. We successfully completed a fully marketed global secondary offering with ADIA, reducing its stake by 5%, boosting our free float from 22% to around 27%, and significantly improving stock liquidity and index weighting.

Now looking at our strategy. For those who joined our Capital Markets Day in November, you will recall this slide showing how our strategy has evolved following the successful smart telco transformation. Building on that, we introduced RISE, a clear, disciplined strategy across three investment horizons to deliver superior returns, drive sustainable growth, and guide our transition towards a leading digital infrastructure position. At its core, RISE reinforces what works. We continue to strengthen our core telco business with best-in-class capabilities in data science, AI, customer value management, and operational excellence while expanding our digital infrastructure footprint. We are also growing platform businesses in adjacency where Ooredoo has a clear right to win. Since early 2025, we have rolled out initiatives across four clusters: Refresh, Intensify, Scale, and Expand, which are already contributing to the financial performance. A key objective of RISE is revenue diversification. Today, the core telco business accounts for 96% of group revenue. By 2030, we expect digital infrastructure and platform adjacency to contribute around 15%, up from 4% today.

Now let us delve into the progress of Syntys and Fintech. Syntys our fast-growing data center business operating in Qatar, Kuwait and Tunisia continues to scale strong, progressing towards our target of 120 megawatts of IT capacity. During the year, we completed 4.5 megawatts of newly commissioned capacity. Shortly after the year-end, Syntys acquired Q Data, two Tier 3 hyperscaler data centers in Doha free zones, adding 12.5 megawatts of capacity, 5 megawatts live and 7.5 megawatts under construction. This brings our total Qatar capacity to 26 megawatts and Syntys's overall capacity to 30 megawatts. The acquisition is expected to be revenue and EBITDA accretive from the 2026 financial year, with a clear path to higher utilization and additional capacity comes online.

Looking at the financials, Syntys delivers over QAR160 million in revenue and more than QAR50 million of EBITDA, supported by a strong hyperscale demand, particularly in Qatar. Our ecosystem of strategic partners continues to strengthen our competitive position as we scale. We plan to invest $1 billion to reach 120 megawatts of capacity over the medium term. We continue to drive financial inclusion across Qatar, Oman, and the Maldives.

In 2025, OFTI processed more than $7 billion in transactions, reflecting the growing trust and adoption of our services. Revenue came in just under QAR90 million, and we invested just under QAR48 million in CapEx to enter new markets.

Today, we have over 360,000 active users. In Qatar, we are building on our strong progress. We delivered EBITDA of nearly QAR35 million while growing our share of international remittance by 3% year-on-year to around 23% of the market. We are scaling successfully in Oman and have approval for launch in Tunisia in Q1 2026. In Iraq, implementation is underway following license approval with a go-live targeted for 2027. Applications are also in progress in Kuwait and Algeria, where we are actively engaging with regulators in both markets.

Turning to our full year highlights, which shows strong year-on-year gains across most of our KPIs. In terms of growth, revenue expanded by 6%. We added around 2 million customers, growing our network to reach just over 53 million customers. And including IOH, our total customer base reached 147 million. A clear focus on profitability have yielded impressive results. Normalized EBITDA grew by 7%, delivered a strong EBITDA margin of 43%. As mentioned earlier, reported net profit rose by an impressive 12%, and normalized net profit grew by 10%. On the balance sheet, we invested just under QAR5 billion in CapEx. The net debt-to-EBITDA ratio stood at 0.4 times. Lastly, dividend per share increased by 15%. Free cash flow moderated by 13%, reflecting increased strategic investments. We ended 2025 on a strong high note with our strongest revenue quarter of the year, driving the full year performance. Revenue increased by 8%, normalized EBITDA grew by 15%, and reported net profit was up by 51%.

Looking at revenue, we delivered a strong revenue growth underpinned by our sustained operational excellence. When you exclude the impact of the Myanmar exit, our full year revenue grew by 6% to just shy of QAR25 billion. This was largely driven by our operation in Algeria, Iraq, Tunisia, Kuwait, and Qatar, which continued to deliver excellent performance and maintains their growth trajectory through the year. Revenue for Q4 grew by 8%, supported by growth across the majority of our operations despite the competitive environment impacting Oman.

On to the next slide for an overview of our EBITDA performance. We delivered a solid EBITDA performance and an industry-leading margins, thanks to our strong revenue momentum and continued focus on driving efficiency across the group. On a full year basis, normalized EBITDA expanded by 7% to around QAR11 billion. Q4 normalized EBITDA was up by a very strong 15%. And our margin remained a solid 43%, which is among the best in the industry.

Our focus on driving profitability is evident in our performance. This was the fourth consecutive year of double-digit reported net profit growth. Reported net profit increased by 12% to just under QAR4 billion. If we exclude the impact of Pillar 2, reported net profit increased by a strong 18%. As I mentioned, this marks another all-time high for the group and is the fourth year in a row that we have delivered record net profit.

On a normalized basis, net profit grew by 10% to QAR4 billion, exceeding QAR4 billion for the first time and surpassing $1 billion for the second consecutive year. The strong topline and EBITDA performance in the fourth quarter led to an impressive net profit growth. Reported Q4 net profit increased by an excellent 51%, and normalized grew by 24% to just QAR1 billion. For the year, we strategically deployed QAR4.6 billion, increasing our investment by 44% to drive further growth, strengthen our market leadership, and enhance our network across our markets. Most of our CapEx went towards network expansion, while we also continued to invest in the growth and development of Syntys.

In 2025, we strategically accelerated capital expenditure in line with our guidance to invest in high-growth markets and infrastructure businesses. The strategic CapEx acceleration had a transitional impact on our free cash flow, which declined by 13% to just under QAR6 billion. With the fourth quarter notably lower in Algeria and Iraq due to continued investments, these investments are already generating returns, driving strong performance in high-growth markets and positioning the business for sustainable long-term value.

Our best-in-class network and top-quality consumer experience continues to attract more customers to Ooredoo. We added 2 million customers, up by 3%, bringing our overall total to just over 53 million customers. Including IOH, our network now serves just over 147 million customers. More than 80% of our customers are in fast-growing market, primarily Iraq, Algeria, and Tunisia, highlighting our leading position in the fast-growing markets.

Looking at our financial position, our net debt-to-EBITDA ratio of 0.4 times remains well below Board guidance. We have a strong liquidity position with QAR15 billion in cash, plus QAR6 billion of committed and undrawn RCF, primarily at the Group level and in US dollar.

Our debt profile is balanced with long maturities and 87% fixed-rate debt, keeping interest rate risk minimal.
S&P and Moody's maintained investment-grade ratios for the group. For 2025, the Board has recommended a dividend of QAR0.75 per share, a 15% increase over last year.
Dividends have tripled since 2020, reflecting how the strong business performance has consistently returned as value to our shareholders.
Wrapping up, with how we delivered versus full year guidance, from a revenue perspective, we exceeded expectations, delivering a 6% uplift, better than the 2% to 3% targeted growth. We delivered an EBITDA margin of 43% in 2025, which was in line with guidance of delivering in the low 40s. In terms of CapEx, we invested QAR4.6 billion, which was in line with our guidance of investing between QAR4.5 billion to QAR5 billion.
Looking ahead to 2026, we are guiding for revenue growth between 3% and 5%, with EBITDA margins remaining in the low 40% range, reflecting our ongoing investment in infrastructure and adjacencies, particularly data centers and subsea cables asset, CapEx is expected to increase to between QAR5 million and QAR6.5 billion.
In conclusion, the full year 2025 performance once again reflects Ooredoo's consistently strong track record of sustainable growth and disciplined execution. It underscores the strength of our strategy, the advantage of our balanced portfolio, and our commitment to enhancing long-term value. As we enter 2026 from this strong position, Ooredoo is well placed, highlighting our leading position in fast-growing markets to sustain growth, execute on our RISE strategy, and capture value-accretive opportunities.
Thank you. And with this, I hand over to Abdulla.

Abdulla Al Zaman, CFO of Ooredoo Group:

Thank you, Aziz. Good afternoon, everyone. I will take you through the Group year-on-year operational performance for the 2025 financial year. Starting with Qatar. Qatar delivered solid results, sustained positive momentum, and returned its position as a leading premium telecom provider in Qatar. Reported revenue increased by 2% driven by core service and ICT.
When normalized for the impact of the AFC tournament and the data center carve-out, revenue increased by 3%, and EBITDA grew by 4%. The operation maintained its industry-leading EBITDA margin at 52%. Customer base remained stable at 3 million, supported by a 4% increase in postpaid customers.
Moving to Kuwait, the operation delivered strong service revenue growth of 7% in a mature market, driven by higher ARPU and continued success on adding high-value customers. Revenue rose by 4%, driven by uplift in service revenue, partially offset by a moderation in device sale. EBITDA increased by 27%, while normalized EBITDA grew by 14% after adjusting for net of bad debt provision in both 2024 and 2025. EBITDA margin expanded by a notable 6 percentage points to reach 33%. The customer base grew by 1% to reach 2.9 million customers.
Next, Oman, performance continued to be impacted by a higher competitive market environment as a result of revenue, declined by 4%, mainly due to lower service revenue and device sales. EBITDA decreased by 20%, impacted by topline headwinds as well as one-off restructuring costs of QAR151 million. This restructuring is an important step, and it is expected to improve efficiency and strengthen our cost base over the mid- to long term. Excluding this one-off impact, EBITDA declined by 6%, with the EBITDA margin remained resilient at 44%, reflecting disciplined cost management. The customer base expanded by 5% year-on-year, reaching 2.9 million.

Turning to Iraq, one of our highest growth market, delivering another year of strong growth. The strong customer addition and rising demand for data service supported by ongoing network investment driven high single-digit growth in both revenue and EBITDA.
Further strengthening our market position in Iraq, revenue increased by a strong 8%, driven by both customer growth and continued strength of data services. EBITDA increased by 8%, benefiting from solid topline performance. EBITDA margin remained healthy at 46%.
Despite investment in network infrastructure, in the long run, these investments will enable scalable growth and strong margins. A key highlight is that the customer base reached a record high of 20 million customers, up by 5% year-on-year, reaffirming Iraq's position as one of the Group's top growth market.
Moving to another top performance market in the group, Algeria. For the second consecutive year, Ooredoo Algeria positions itself well to capture rising demand for voice and data service through strategic network investment. Revenue grew by 16%, while EBITDA increased by 24%, expanding the EBITDA margin by 3 percentage points to reach 45%. The customer base also continued to grow, increasing by 4% to 15.3 million.
Next, Tunisia, strong performance in both mobile and fixed segments supported Ooredoo Tunisia to sustain its healthy growth in 2025. Revenue increased by 12%, driven by effective mobile execution, successful subscriber acquisition, and enhanced customer value management. EBITDA rose by 13%, underpinned by higher data revenue across mobile and fixed segments. EBITDA margin remained strong at 42%. The customer base expanded by 3%, reaching 7.2 million customers.
Turning to Maldives, we continue to see a healthy performance, with the business maintaining a strong profitability margin despite a high competitive market environment.
Revenue increased by 1%, EBITDA increased by 5%, helped by improving on operation efficiency. EBITDA margin expanded by 2 percentage points to an impressive 57%.
Moving to Palestine, where our colleagues ensure continued connectivity for customers while maintaining operational discipline. Palestine continued to navigate external pressure but remained resilient. Revenue decreased by 3%. EBITDA improved by 2%, with EBITDA margin up by 2 percentage points to 38%. Customer base declined by 4% to 1.5 million. IOH results show a resilient performance for the business, with strong second half results supported a solid 2025 performance. Both revenue and EBITDA grew by 1%, with EBITDA margin at 47%.
This concludes my operational review. Back to Luelle. Thank you.

Luelle Pillay, Head of Investor Relations:

Thank you very much, Aziz and Abdulla. We have now reached the Q&A session of today's call, and here's how you can participate. You can raise your virtual hand and I'll unmute your line when it comes to your turn. Alternatively, you can type your questions in the Q&A box. And if you're dialing in by phone line, please press 9 to ask a question. For the Q&A portion, I'm joined by our senior leadership team. Together with Aziz and Abdulla, we have Fadi, who is our new deputy CFO, and Thomas, who is our head of M&A, who has taken over strategy as well.
So let's open up the floor to questions. Our first question comes from Thando Skosana of UBS. Please go ahead, Thando.

Thando Skosana, UBS:

Hi everyone. Also, congratulations on the results. And Luelle, I thank you for the last six months or so that we've been working together. All the best in the new role. Looking forward to working with you, Ali. Just in terms of -- from my side, I wanted to focus more on the guidance, particularly

margin of the low-40%-s. So this year you did 43.2% if you strip out the one-off. So I'm just wondering whether you're expecting an expansion from 2025 in 2026. If not, what would be the drivers, because when I look at Algeria and Iraq, margins seem to be quite good there.
The second question is just on the CapEx, if you could break down this QAR5 billion to QAR6.5 billion by segment, please, just between telecom synthesis, subsea, et cetera? So I'll just start with those two and then I'll go back in line.

Aziz Aluthman Fakhroo, CEO of Ooredoo Group:

I'll take it. In terms of -- sorry, in terms of margin, it's very hard to guide on an absolute precise number. So when we say the low-40s, we sort of put the range of low-40s between where we are today all the way to probably 45%. We always strive year-on-year to increase the profitability of our business through efficiencies, revenue growth through different sets of tools. At the same time, there are a number of items which we don't control, including competition, cost of sales sometimes, et cetera. So it's very hard to guide precisely. Our aim and has always been stated, is to improve our profitability year on year, which we've been doing. I think over the past years, we've been constantly gaining at least 1 percentage points of EBITDA margin year-on-year.
When it comes to CapEx, it's the same structure as last year. So our CapEx, we try to stay on the core telco side in the CapEx to sales ratio of around 16% and then the rest of the CapEx is mainly driven by expansion on the data centers where we have new capacity going online and which is currently in build and also the C cable part. So the rough split is around 68% of the CapEx is core telco. So rough 70-30 split between core telco and then infrastructure growth.

Thando Skosana, UBS:

Okay. Thank you. And if I could just sneak in one more please. Just in terms of the data center, I mean you did the acquisition of Q Data this year and I wonder if we should be expecting more of these sort of small acquisitions in 2026 going forward.

Aziz Aluthman Fakhroo, CEO of Ooredoo Group:

So first of all on the acquisition of Q Data, we believe that was a very good opportunity for many reasons from day one, it's revenue and EBITDA accretive, it's a strong asset. It allows us to consolidate our leadership position in the market. In Qatar also, as you know, maybe you know, the structure of the Qatar market, you have what you call three availability zones. We're very predominant in one. Another is mainly dominated by our main competitor.
The third was these assets in Q Data. So now we really have a very strong foothold in two of the availability zones and this gives us more flexibility with hyperscaler for their expansion plans. To your question, we remain very opportunistic, very disciplined. One of the benefits of having that strategy between core telco and then the different buckets of adjacencies, whether it's data center undersea cable towers or even fintechs, this multiplies the opportunities we can look for in organic growth because we don't need to just acquire a core telco business. We can acquire data center businesses or assets, fiber on the sea, connectivity businesses or assets. Once we close the transaction on tower, we can also look with our partners of Ooredoo on how to accelerate the growth of that business and fintech also, same story.

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Luelle Pillay, Head of Investor Relations:

Thanks, Thando. Thanks, Aziz. Our next question comes from Maddy Singh of HSBC. Please go ahead. Maddy.

Maddy Singh, HSBC:

Yes, hi, can you hear me okay?

Luelle Pillay, Head of Investor Relations:

Yes.

Maddy Singh, HSBC:

Great, thanks. Congrats on a great set of results, especially in Q4, I think Qatar was very strong. So would be very interested to hear your thoughts on sustainability of the growth we saw in Qatar in Q4 in the coming quarters. So that's the first question.

And then second question is on dividends. You recently revised the policy up from 40% to 60% to 50% to 70%, but the payout still is for -- is at 60%. So I just wonder is there any technical issue which stops you from going up to 70%, or is that part of strategy that you want to get to 70% a bit slower? Anything you could talk about for this year will be very helpful. Thank you.

Aziz Aluthman Fakhroo, CEO of Ooredoo Group:

So in terms of growth momentum, one, yes, Q4 was a very strong quarter. You also need to slightly caveat that Q4 is usually a very strong quarter. There is some seasonality built in there. In all our markets, we always strive to build on the momentum of the end of the year for the next year. So this is our ambition is to continue on the strong performance in all our Ooredoo. And yes great credit to the team in Qatar which has done a very strong job this year and we hope for it and we believe that they will continue in that way.

To the famous dividend question, yes, the board did raise the guidance I think to give more flexibility going forward. At the same time the board was staying on the same position. They believe a 15% increase on dividends and nearly a threefold increase in dividends over the last four years was maybe conservative but safe approach. There is also quite -- we are constantly looking at a number of inorganic opportunities and depending on the outcome having some cash balance, especially in a market where we're starting to see some volatility coming up, we're going starting to see some asset class prices reduce. It might give us more optionality.

Maddy Singh, HSBC:

Understood. Thank you.

Luelle Pillay, Head of Investor Relations:

Thanks, Maddy. Thanks, Aziz. I see Abhishek Sukhatme. Please go ahead. Abhishek. Abhishek? Okay. He also has typed questions, so let me just go through them. Could you please throw some light on Ooredoo Tunisia? We see impairment on these assets over the last three consecutive years.

Should we view this as temporary write-downs? Are there more structural issues at play that could impact Tunisia's performance? And what steps are being taken to address these challenges?

Aziz Aluthman Fakhroo, CEO of Ooredoo Group:

Look, we have been putting in place a very conservative approach over the last five years. And as we've been having exceptional years in terms of performance and we hope it sustains and continues, we're proactively taking a bit of a conservative approach to the asset values and operation, the goodwill within our books. I think it's a better school of thought to try and be very conservative, especially with goodwill in very good years to create a bit of headroom than in volatile years. And we never know in our portfolio what can happen. Geopolitical issues, currency issues, and then you sort of get hit multiple times. You get hit by poor performance on the asset and at the same time an impairment which is triggered at that time. We are benefiting from very strong performance. Actually Tunisia is performing extremely well. But this is just a proactive, conservative approach to risk management.

Luelle Pillay, Head of Investor Relations:

Thank you, Aziz. Another question from Abhishek. The rise in equipment costs, network and operational maintenance expenses led to lower gross margins in Q4. What could be the underlying reason?

Abdulla Al Zaman, CFO of Ooredoo Group:

A few reasons. One of them is the investments on the network in Iraq and Algeria. The second one is the low-margin business investment in Qatar, especially in ICT and the fourth quarter devices, the Apple devices especially.

Luelle Pillay, Head of Investor Relations:

Thank you, Abdulla. We have a raised hand from Ali. Ali? Please go ahead and ask your question.

Ali:

Yes. Good morning, and thank you for the call. I have two questions. I mean, the first one is in regard of the tower transaction. I mean this has been launched two years ago. You always guided for the fact that it will be a long process and it will be country by country. But just wanted to get the sense of when do you expect the process to be completed, and if there is any kind of revised guidance in regards of the impact on the balance sheet. I see that in your presentation, you mentioned that Qatar should be done imminently. But I just wanted to get an update on this major transaction, and what we should expect in terms of leverage.
And my second question is in regards of your funding plans for this year. I mean, you have a bond maturing in the coming months. Will you look to come back in the Oman market or the Sukuk market or would you just use your stronger liquidity to pay it back?
And just related to liquidity, I mean, you used to have a bit of cash that was trapped in Iraq. Can you update us on how much is left there, the cash that was restricted? That's it on my side. Thank you.

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Aziz Aluthman Fakhroo, CEO of Ooredoo Group:

So I'll take them one by one. When it comes to TowerCo, as you know, we got ultimately the regulatory approval very late December last year. So now we're working on the closing process. We're actually working right now as we speak on. It's a two step. First, there's an asset transfer in Qatar from Ooredoo Qatar to the vehicle and then there's the share transfer. We're currently working and quickly hoping to finalize the asset transfer with innovations of all the contracts. We had everything tied up, everything lined up. But these are sequential processes, which takes some red tape and administrative approvals.
But these are very basic approvals. They're not like the regulatory one. So this is on track. As I said, we're very optimistic to finally close this transaction towards Q2 of this year. And the first closing will be Qatar on our side with Iraq and Jordan on their side. Then there's a number of markets that are going to follow this. Kuwait, there's Iraq and Tunisia and Algeria. So this is moving according to plan, finally at the right pace and we're very confident.
The second was regarding...

Abdulla Al Zaman, CFO of Ooredoo Group:

Paying the...

Aziz Aluthman Fakhroo, CEO of Ooredoo Group:

The month? Yeah, the month. Look, we've always had a very opportunistic approach to our -- thanks to the deleveraging exercise we've done in the past, a very opportunistic approach to our financing and refinancing especially. We always try to go into the market at a time where we believe we can secure very favorable terms and usually at par or slightly lower in terms of our existing funding costs. This has always been our approach, and this is what we're going to do. As you know, from a cash standpoint, we're fully funded for all the four years, so we have no pressure to refinance at a bad point in time. Cash in Iraq, this issue was legacy and it's been solved for the last four years -- yeah, lastfour years. We've been repatriating. All the historical proceeds have been repatriated. We repatriate dividends as they're paid out. We usually have a three-month horizon between paying out of dividends and full repatriation. On this, there is no issue. We're not experiencing any major repatriation, cash repatriation issues across our footprint.

Luelle Pillay, Head of Investor Relations:

Thank you. Thanks, Ali. Thanks, Aziz. We have a question from anonymous attendee. While the fintech vertical has achieved strong milestones across markets, why progress is slower in Kuwait and Algeria? And then -- I'll ask them one by one. This is the first question.

Aziz Aluthman Fakhroo, CEO of Ooredoo Group:

So in Kuwait and Algeria, both are quite similar issues, different problematics, regulatory approvals. So in Algeria they are just starting on the framework of a regulation to allow mobile financial services. We're working very closely with the different stakeholders there to be part of that exercise, bringing our experience to the table as we have experiences in a number of markets, also helping them with different regulatory, international regulatory body. So this is a process which is taking their time. We're lining up ourselves to be ready in first execution once the licenses and the process is clear. Kuwait, slightly different issue. We're working on getting a new mobile financial service license. The central bank had stopped issuing new licenses because my understanding in the past when they issued them there were a lot of opportunistic buyers that applied for the licenses, never really developed these licenses and were hoping to hold the license and flip them. We've of course explored that approach of trying to acquire an existing license. But as of today, the value expectation for just empty licenses are nonsensical. So we are going through a process and we've convinced the central bank and we're still in discussion with the different parties that we are not a buy and flip. We are an established company in the country with a very strong record. So we're going through -- we were going through a sandboxing period right now. Hopefully, we should acquire a license, but this is less clarity on that.

Luelle Pillay, Head of Investor Relations:

Okay. The next one from anonymous. There's huge CapEx spending in Iraq. What are the reasons?

Aziz Aluthman Fakhroo, CEO of Ooredoo Group:

Well, the huge CapEx spending in Iraq, there's a couple of things. One, we've been experiencing more mid-teens, double-digit growth year-on-year. That means significant capacity usage on our network, which is very good thing. And we're expanding to continue growing in the country in terms of retaining a very high quality of service and expanding our coverage that requires CapEx. The very good news in Iraq and in a number of our markets like Algeria, which are fastgrowing, that CapEx is very quickly cash generating and positive -- positively accretive.
Second thing, we are also future proofing our networks in the event of the issuance of a 5G license. We still don't have much clarity on the arrival of a fourth player. But either/or, with or without the fourth player, we believe 5G will be coming. We're extremely well positioned for that.

Luelle Pillay, Head of Investor Relations:

Next one on Tunisia, there's almost double growth in fixed-line subscribers. What happened there?

Aziz Aluthman Fakhroo, CEO of Ooredoo Group:

Well, two parts in Tunisia. One is there's 5G which had, which helped us expand our mobile broadband coverage. But we've also been investing quite a lot into to fiber. When you combine both and you have a very good conversion system from mobile broadband to fixed line, you can get a very efficient sales and distribution and layout system to capture market share into fixed broadband. For us, conversion between mobile and fixed in any market, we can drive it. We will drive. We think it's a very strong pillar to growth and to reduce churn as well.

Luelle Pillay, Head of Investor Relations:

And then on Kuwait's EBITDA margin, it jumped to reach 36% in Q4 2025. What are the causes?

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Abdulla Al Zaman, CFO of Ooredoo Group:

Well, there is one-off bad debt provision that took place on quarter three and also it's sort of push from the top line. This is what's causing the margin to be increased.

Luelle Pillay, Head of Investor Relations:

And then from Rian Durham from Ashmore, could you share your thoughts on the competitive dynamics in Oman? What is your current view on the pricing rationality and churn and what would be the realistic path back to growth?

Aziz Aluthman Fakhroo, CEO of Ooredoo Group:

So the good news in Oman, and there's different things, the good news in Oman is we're starting to see some stabilization and rationalization in the market. The new entrant, which is not that new now I think it's is in his third or fourth year, I forgot exactly.

Abdulla Al Zaman, CFO of Ooredoo Group:

Fourth year.

Aziz Aluthman Fakhroo, CEO of Ooredoo Group:

Fourth year is now rationalizing his behavior. I think there was also -- it did a lot of damage even to the existing players. So we're seeing stabilization. We've also done organizational structure changes in Oman to reposition the organization from a cost perspective to be much more competitive and efficient. But also these were not just cost driven restructuring, they are also efficiency-driven and in terms of better structuring the organization in terms of sales, distribution, and commercial efforts. So hopefully, within the next 12 to 18 months, that restructuring should be delivering returns to our shareholders.

Luelle Pillay, Head of Investor Relations:

Thanks, Aziz. From Nikhil Phutane. Is the increase in prepaid subscribers in Qatar during 4Q 2025 a more seasonal pattern?

Abdulla Al Zaman, CFO of Ooredoo Group:

Well, we don't see it seasonal, maybe partially seasonal due to the AFC [ph] which took place probably in October, November of last year. But as Aziz said, mentioned earlier, the seasonal -- the seasonality sometime during the quarter four is part of also our environment by increasing our revenue during the quarter.

Aziz Aluthman Fakhroo, CEO of Ooredoo Group:

We're also seeing -- it's still a bit anecdotal, but we're starting to see through this. And since especially the World Cup, and I think this was the plan behind the World Cup, we're seeing more and more drive of tourism in the country, especially in, I would say, Q4, Q1, and maybe a bit of Q2, which is the beautiful season. And we're seeing it as citizen living in Qatar, when you go out in malls and restaurants and hotels, we're seeing a higher pickup in terms of real tourism, not business tourism. And that of course is beneficial to our business.

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Abdulla Al Zaman, CFO of Ooredoo Group:

Especially from our neighbor GCC.

Luelle Pillay, Head of Investor Relations:

Yeah. And then another one from Nikhil. Can you provide an update on the proceeding against Asiacell relating to USF? Can you provide an update on the legal -- I'm assuming legal proceedings against Asiacell relating to USF?

Aziz Aluthman Fakhroo, CEO of Ooredoo Group:

Yeah, this is closed.

Abdulla Al Zaman, CFO of Ooredoo Group:

This is closed.

Luelle Pillay, Head of Investor Relations:

This is closed. And then I have last typed question from Maddy Singh. Any M&A plans you can share with us?

Aziz Aluthman Fakhroo, CEO of Ooredoo Group:

Look, we only share M&A plans when we have certainty on execution and certainty on the fact that the transaction is value-accretive. So unfortunately, Thomas, which is now also our Head of Strategy, has a plate full because we have a very full pipeline. As you can imagine, in the current environment, especially with a balance sheet like ours, which is extremely strong in cash risk and very well positioned for inorganic growth, we do tend to see a lot of inbounds. But we remain extremely disciplined in terms of value creation for our shareholders. We don't want money burning a hole through our pocket and putting pressure for driving foolish acquisition. But we have a robust pipeline constantly. Hopefully, I'll be happier to announce more value-accretive M&As, but we'll stay true to our discipline.

Luelle Pillay, Head of Investor Relations:

Okay. I don't see any more questions. Give it five seconds or so.

Aziz Aluthman Fakhroo, CEO of Ooredoo Group:

Thank you very much.

Luelle Pillay, Head of Investor Relations:

Thank you. That brings us to the end. And thank you for taking the time to join us. If you have any further questions, please reach out to the IR team, and I hope our paths cross again.

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Aziz Aluthman Fakhroo, CEO of Ooredoo Group:

I would like to take this moment for all of you to thank Luelle for her -- we're very sad to lose her. We're very sad to lose her, and do thank her very much for her exercise over the past few years with Ooredoo. Thank you.

Luelle Pillay, Head of Investor Relations:

Thank you very much.