

Coverage Initiation

Oman Telecommunications (OTEL)

From Telco to TechCo: A Regional Digital Platform in the Making

We initiate coverage on Omantel (OTEL OM) with an xxx rating and a 12-month target price of OMR xxx, implying xxx% upside and a xxx% dividend yield (xxx% total return). At xxxx FY26E EV/EBITDA, a ~xx% discount to the GCC peer median of xxxx, the market appears to be pricing OTEL as a legacy telecom operator.

FY25 represented a clear inflection point. Group revenue increased by 11.4% YoY to OMR 3.41bn, with EBITDA reaching OMR 1.16bn (33.9% margin). Reported shareholder net income of OMR 88.4mn included a one-off dividend from Zain, with adjusted earnings at OMR 78mn, providing a cleaner base for forward growth.

- **TechCo transition gaining traction.** Otech revenue grew +57% to OMR 46.6mn (FY25) but remains pre-profit (~1% EBITDA) as investment continues across cloud, fintech, and digital platforms.
- **ZOI and Zain underpin regional growth optionality.** ZOI revenue doubled to USD 401mn (FY25), Zain continues to deliver strong earnings growth and committed dividends through FY28.
- **Capex normalisation drives FCF expansion.** Domestic capex peaked at ~20% (FY25) and is guided to ~16–17% from FY26E. While absolute capex rises with growth, capital intensity declines, supporting Group FCF expansion, enabling deleveraging, tech investment and dividend sustainability.

THIS IS A SYNOPSIS OF OUR 37 PAGE REPORT. PLEASE CONTACT OUR RESEARCH TEAM AT: researchteam@oib.om FOR THE FULL VERSION OF THE REPORT.

Figure 1. Key Financial Snapshot

OMR Mn	FY24A	FY25A	FY26E	FY27E	FY28E	FY29E	FY30E
Group Revenue	3,063	3,413					
YoY Growth	4.1%	11.4%					
Group EBITDA	1,045	1,155					
EBITDA Margin	34.1%	33.9%					
Net Profit (Group)	198	327					
Net Profit (Attrib. SH)	54	78					
EPS (OMR)	0.072	0.104					
DPS (baisa)	55	55					
Dividend Yield	5.9%	5.3%					

Source: Omantel financials, Oman Investment Bank Research.

Oman
Equity research
Telecommunications

Rating: XXX

12m Price target (OMR)

Current price (OMR)	Available in the full report
Dividend Yield	

Total Expected Return

Company Information

Market Cap (USD bn)	3.0
Shares Outstanding (Mn)	75.0
Exchange	MSX
Bloomberg Ticker	OTEL OM
Reuters Ticker	OTEL.OM

Valuation Multiples

	25A	26E	27E
P/E(x)	10.0	Available in the full report	
EV/EBITDA(x)	5.0		
Div Yield (%)	5.3		

Major shareholders

Investor	Ownership (%)
OIA	51
Free Float (incl. institutional)	49

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Overweight: A return of greater than 15% nominal over the next twelve months, based on Dividend + Price performance.

Neutral: A return between 4% and 15% nominal over the next twelve months, based on Dividend + Price performance.

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