

Omantel

Oman moves onto FTSE Russell's upgrade watch list

FTSE Russell's addition of Oman to its watch list for a potential upgrade from Frontier to Secondary Emerging status is a positive development for Omantel. A successful reclassification could bring the shares into a broader range of emerging market investment mandates and generate incremental benchmark-related demand. Oman Investment Bank (OIB) estimates potential inflows of c US\$28m into Omantel in its base case, equivalent to 2.3 days of average trading volume. The decision was anticipated but formally establishes an upgrade pathway. Implementation could begin as early as September 2027, although approval, timing and constituent eligibility remain subject to further assessment.

Year end	Revenue (OMRm)	EBITDA (OMRm)	PBT (OMRm)	EPS (OMR)	DPS (OMR)	P/E (x)	Yield (%)	EV/EBITDA (x)
12/24	3,030.1	1,028.1	336.5	0.10	0.06	14.9	3.5	3.5
12/25	3,413.1	1,155.4	425.7	0.12	0.06	13.1	3.5	3.1
12/26e	3,825.0	1,267.9	483.1	0.13	0.05	12.2	3.3	2.8
12/27e	4,122.3	1,367.8	529.5	0.14	0.05	11.4	3.5	2.6

Source: Omantel, Edison Investment Research. Note PBT and EPS are reported.

Oman clears the eligibility hurdle

FTSE Russell has added Oman to its watch list for a potential move from Frontier to Secondary Emerging status, reflecting Oman meeting market-quality, size and securities-count requirements. An upgrade remains conditional on maintaining eligibility. The next update is due to be published on 6 April 2027.

Broader investor access and potential demand

An upgrade would open eligible Omani companies to a wider range of emerging market investment mandates, potentially attracting both index-tracking flows and active investors ahead of implementation. OIB estimates potential market-wide inflows of US\$190-466m, with a base case of c US\$301m, equivalent to approximately three days of combined trading volume across the seven qualifying stocks. This could broaden international ownership, improve liquidity and support valuations, although actual demand would depend on final constituent eligibility, index weights and transition arrangements. While the capital pool will be significantly larger, competition for this capital will also be more intense, with scale, liquidity, disclosure, corporate governance and research availability, all being factors influencing this, as well as the strength of the investment case. We note the positive initiatives from Omani companies such as Omantel and the broader Omani ecosystem should improve the marketability of relevant companies on the international stage.

Omantel: On the front foot, catalyst for broader ownership

Omantel represents c 9.4% of the qualifying Omani universe, with OIB estimating base-case inflows of c US\$28m into its shares. Omantel has taken a proactive approach to understanding investor feedback, improving disclosures and strengthening global investor visibility and market engagement. We retain our fair value assessment of OMR1.90/share at this stage, awaiting greater visibility on margins, costs and the growth trajectory of Otech/ICT and Zain Omantel International before revisiting our valuation.

Telecoms

8 October 2026

Price OMR1.55
Market cap OMR1,158m

Net cash/(debt) at H126excluding OMR(2,443.0)m
leases

Shares in issue 747.0m

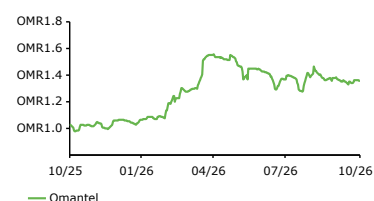
Free float 46.0%

Code OTEL

Primary exchange MUS

Secondary exchange N/A

Share price performance



Business description

Omantel is a leading provider of telecommunications and related services in Oman and a strategic investor in the MENA region. The company is driving digital transformation through innovation and strategic global partnerships.

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