



## OQ Gas Networks: IPO

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## (Investment Case)

HORIZONS  
CAPITAL MARKETS



- *OQ Gas Network (OQGN) holds a natural monopoly over critical gas transportation infrastructure in Oman as the exclusive owner and operator of the National Gas Transportation Network (NGTN), with a total 4,031 kms of pipelines, and a concession expiring in 2070.*
- *This key infrastructure would also support, in future, the company's contemplated growth strategy to contribute to energy transition, including potential hydrogen and captured carbon transportation and storage.*
- *The company maintains a 90% payout policy, which has been assured for 2023, 24 and 25. On this basis, the dividend yield works out to 8.06% for retail, and 7.26% for institutional investors (at upper band).*
- *FY2023 dividends would be received substantially in Jan 2024 and remaining in April 2024, making the yield proposition more attractive.*
- *Investors could '**Subscribe**' to the offer with a medium to long term outlook.*

# IPO Summary

Issuer	OQ Gas Networks SAOG (Under transformation)
Purpose of IPO	The divestiture of a minority stake in the Company in accordance with the Government's privatisation programme.
Securities Offered	Ordinary Shares
Listing	Muscat Stock Exchange (MSX)
Type of Issue	Initial Public Offering (Offer for sale)
Commencement of Category I Subscription	26 <sup>th</sup> September, 2023
Closing of Category I Subscription	09 <sup>th</sup> October 2023
Commencement of Category II Subscription	26 <sup>th</sup> September, 2023
Closing of Category II Subscription	05 <sup>th</sup> October, 2023
Notification of Share Allotment	12 <sup>th</sup> October, 2023
Expected Listing Date on MSX	24 <sup>th</sup> October, 2023
Issued Share Capital	4,330,623,920 Shares with a nominal value of RO 0.100 each
Paid up Share Capital	RO 433,062,392
Public Offer	Initial public offering of 2,122,005,720 shares, represent 49% of the shares owned by the Selling Shareholders. The IPO is split into the Category I (book-building) Offer and the Category II (discounted price).




## IPO Summary

Issue Price	Category I Subscription (bidding) Price Range: Bzs 131 to Bzs 140 per Share.
	Category II Subscription Price (fixed): discounted price of Bzs 126 per Share, calculated as the maximum price of Bzs 140 less a discount of 10 per cent.
Offer Structure	Category I: 848,802,288 Shares (40% of the Offer)
	Anchor Investors: 636,601,716 Shares (30% of the Offer)
	Category II: 636,601,716 Shares (30% of the Offer)
Category I - Investors	Institutional investors, both Omani and Non-Omani who apply for a minimum of 100,000 Shares and in multiples of 100 Shares thereafter.
Category II - Investors	Individual investors, being Omani and non-Omani individuals and juristic persons who apply for a minimum of 1,000 Shares and in multiples of 100 Shares thereafter.
Issue Manager	Bank Muscat SAOG
Colleting Agents	<b>Horizons Capital Markets SAOC</b> , Ahli Bank SAOG, Bank Dhofar SAOG, Bank Muscat SAOG, Bank Nizwa SAOG, EFG Hermes Oman LLC (Vision Capital), National Bank of Oman SAOG, Oman Arab Bank SAOG, Sohar International SAOG, Ubhar Capital SAOG and United Securities LLC
<i>Source: The Company IPO Prospectus and Company Announcements.</i>	

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