

**NetRoadshow** Event Transcript

# Meeza Fy2025 Results Call

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**Omar Maher (Moderator)**

Good morning and good afternoon, everyone. This is Omar Maher from EFG Hermes. I would like to welcome everyone to MEEZA's Full Year 2025 Results Conference Call. I'm pleased to be joined by Mr. Mohamed Ali Al-Ghaithani, Chief Executive Officer of MEEZA; and Mr. James Corby, Chief Financial Officer. As usual, the call will begin with a discussion of the key highlights, and this will be followed by a Q&A session. And I will now hand the call over to Yaman AlJundi, Investor Relations Director for the safe harbor statement. Thank you.

**Yaman AlJundi (Director of Investor Relations)**

Thank you, Omar, and thank you all for joining us. A couple of items before we begin. The investor presentation that we're showing now is available on the Investor Relations section of the MEEZA website. And also, please note the disclaimer on Slide 2, which is an important part of this presentation regarding any information provided in any forward-looking statements made. I'll now hand over to our CEO, Mr. Mohamed Ali Al-Ghaithani.

**Mr. Mohamed Ali Al-Ghaithani (Chief Executive Officer)**

Good afternoon, ladies and gentlemen. First of all [Foreign Language] I just tried to [indiscernible] (00:01:18) in Arabic. [Foreign Language] So I would like to thank all the investors for their trust and keep looking for the growth for MEEZA [Foreign Language] in the coming few years. Our focus, as you know, that to build more data centers and to add more correlated business that complement our portfolio like managed services and to strengthen that by specializing in some areas like security, cybersecurity besides we are looking to expand in OT and other related parties here in Qatar.

So the highlights for this year, we managed to achieve double digits in net profit growth. And we are keeping the momentum for the data center expansion. We are building three data centers. We are handing over MV4, 4 megawatts during the -- between Q1 and Q2 this year. And we are building MV6, which is the biggest data center in Qatar. The total plan is 44. However, the first phase will build 24 megawatts and to deliver the 6 megawatts by next year [Foreign Language].

Final stage in MV7 of design, and we expect to start tendering this very soon in the coming two to three months maximum and to award by end of this year [Foreign Language] to start construction and delivering the project by end of next year. [Foreign Language] Financial results, 8% year-on-year in revenue growth, we achieved QAR 403 million. EBITDA growth, 4% to almost QAR 128 million, plus, as I said, double-digit growth in the net profit to QAR 66.5 million.

Operational highlights, which is very important. MEEZA is focused on the long-term growth for the company. So we've secured -- we try to secure longer period of contracts, higher values, and we secured this year QAR 1.4 billion contract values. And then the backlog now is around the QAR 3 billion, and more to come this year [Foreign Language]. We successfully acquired 51% of Black Arrow company, and this is to strengthen our capabilities in IT and smart city operations to expand in this area, which will complement our portfolio.

As you can see that our plan in the coming four years is to go from 14 megawatts up to 62 megawatts. And all of these are in the pipeline. Some of them are constructed and started construction, and some of them under tendering, as mentioned. So to show that we are investing in data centers. In the coming four years, we expect to invest QAR 2 billion. That's to reach the 62 megawatts.

And we are reaching number eight in terms of number of data centers. The latest update from the 4 megawatts, the site is fully energized. Now it is under client inspection. It is a lengthy and complex process because the client nature is hyperscaler, its standard is very high. And we expect this to be handed over very soon in two to three months maximum [Foreign Language]. Try to do this very soon. As you can see the pictures, all the site is energized, clean, and ready for operation.

Just to give you a glimpse about what we are doing in 2026, MV6, the first phase is 24 megawatts. This will be the biggest data center in Qatar. We expect the first 6 megawatts in early H1 2027. Also MV7 inside QSTP. That site is outside Doha, flagship, is really big in terms of operations and in terms of CapEx being spent in this project.

Second project is MV7. The initial plan was 14, but we managed to change the design during the year and increasing the capacity by adding another 2 megawatts for the same building. And we are in negotiation to sell all of this capacity to the client. So it was 14, now it's 16, because -- and we are expecting to start construction by H2 this year, H2 2026, to deliver by end of next year. MV8, also, QSTP, this is a fast track project. It is 4 megawatts, and we expect this project by Q4, this year. [Foreign Language]

Regarding the acquisition for the Black Arrow, we acquired 51% stake in Black Arrow in December. And the idea is to accelerate our transformation into a fully digital infrastructure provider, not only in IT, but OT, so we can expand. We see there is a potential growth in the OT sector, complementing the IT. Most of the big manufacturers in OT, now they are integrating their services with the IT. So we expect this sector to grow in the few years coming.

The business adds proven execution capabilities, also strong client relationship. We expect to have cross sales with the company because they have different sector complementing our business in the ELV and IT services. This will enable us to have cross-selling and operational

synergies since we worked with this company for a long time, for six years in many projects, and we think that there will be some synergies and cross-selling in projects. And this will expand our pipeline and supporting our sustainable growth and long-term shareholders' value. Now I'll hand over to CFO.

**James Corby (Chief Financial Officer)**

Thank you, Mohamed, and good afternoon, [Foreign Language]. As discussed by Mohamed, we have acquired 51% of Black Arrow and therefore, the results in the coming slides show a consolidated position with one month of Black Arrow's results included from the 2 December 2025, being the date of acquisition. Slide 10 that shows Q4 this year -- oh, 2025 versus Q4 2024. It's important to note that Q4 is seasonally MEEZA's strongest quarter.

Total revenue shows a small increase, but significantly, the recurring revenue segments of Data Center and Managed Services grew QAR 15 million or 19% year-on-year. Because of this growth in higher-margin segments, EBITDA grew 24% and net profit 31%. Moving to the quarter-on-quarter performance, Q3 versus Q4, which is also positive, again, noting that Q4 is seasonally MEEZA's strongest quarter. Total revenue grew 16%, primarily due to higher managed services revenue with a 3% increase in expenses, EBITDA grew 49% and net profit grew 76% quarter-on-quarter.

On Slide 12, you can see financial year 2025 performance versus 2024. Revenue is higher year-on-year by QAR 29 million or 7.8% due to growth in all segments, Solutions, Managed Services and Data Center Services. Expenses grew QAR 24 million due to this higher revenue. Revenue mix as well was an impact as well as the one-off MV2 data center electricity actualization we had in 2024. OpEx increase is mainly due to costs associated with Black Arrow.

This results in EBITDA increasing 3.8% year-on-year and net profit increasing by QAR 6.1 million or 10.1%, reaching MEEZA's highest ever full year net profit of QAR 66.5 million. Moving to gross margin by service. Absolute gross margin increase is QAR 6.4 million or 5.4% year-on-year, driven by that higher revenue. The gross margin percent of 30.9% is 0.7 percentage points lower year-on-year, primarily coming from that electricity one-off.

The underlying total gross margin expands 0.6 percentage points. Excluding this adjustment in FY '24, data center gross margin expands 3.6 percentage points, from 36.1% to 39.7%, driven by higher utilization of our data centers. Solutions Services margin expands 2.8 percentage points to 17.3%, due to mix.

Moving to the margin trends. EBITDA margin pleasingly is now starting to show a favorable trend, increasing [CORRECTION: on an underlying basis by 0.6] percentage points year-on-year coming from mix and cost optimization. The net profit margin has expanded from

13.4% in 2021 to 16.5% in 2025, driven by EBITDA flow-through, higher returns from capital expenditure and higher finance income.

Slide 15, CapEx. The main CapEx spend in 2025 relates to the MV4 Phase 2, 4-megawatt expansion and the MV6 work in progress as referred to by Mohamed. We've incurred CapEx of QAR 173 million on MV4 Phase 2 in FY '25 and QAR 13 million on MV6. Other CapEx relates to the business combination and data center refresh CapEx. Return on capital employed is flat at 8%, but we expect this to increase as we expand our DC portfolio.

And finally, in terms of cash generated from operations, it reached QAR 150 million. This is the highest it's been in the last five years, impacted by higher collections in this year, QAR 411 million of collections, which in turn improved our AR position, actually MEEZA's AR position, not the consolidated one, from QAR 134 million reducing to QAR 128 million, and cash from operations has also been aided by improved treasury management.

The company is in a net cash position with QAR 331 million cash on hand, which will support the data center expansion plan, a dividend payment, should it be approved, and the payment of the consideration for the subsidiary. That ends our presentation, and we'll now move to questions, please. Thank you.

**Omar Maher (Moderator)**

Thank you. We'll now move to the Q&A session. So if anyone has any verbal questions that you'd like to ask to, you can use the raise hand function or you can put your question in writing in the Q&A box, the Slido box. And we'll take the first question from Phani Kanumuri. Please go ahead.

**Phani Kanumuri (Analyst)**

Hello, thanks everyone for taking my question. The first one is regarding MV8. So it seems that it is on a fast track. So what is driving this new data center? And is it likely to start impacting revenues from 2026 -- 2027?

**James Corby (Chief Financial Officer)**

Yes. So in relation to MV8, as Mohamed said, we expect that to come online before the end of this year, hopefully, in Q4. We're currently working on our pipeline to ensure that, that data center is occupied, not fully occupied, but is occupied from completion. And there is a plan to then fill out that data center driven by the demand that we're seeing in the market within one to two years from RFS.

**Phani Kanumuri (Analyst)**

Okay. And second question is regarding your timing of the data center. So if you look at your timing, you have like 10 megawatts that is getting added in 2027, out of which 6 is coming from like MV6. So where is the other 4 coming from?

**James Corby (Chief Financial Officer)**

So in our plan, we've got 2 megawatts coming additionally in FY '26 from MV8 and then we expect to fill out the remainder of MV8 in 2027.

**Phani Kanumuri (Analyst)**

And maybe, can I continue? I just wanted to check. Otherwise, I can go back.

**James Corby (Chief Financial Officer)**

Yes, carry on.

**Phani Kanumuri (Analyst)**

Sure. So in terms of the Black Arrow acquisition, so how is that impacting or what's the cost that you had? And what is the impact on the revenue and EBITDA that you have from the Black Arrow acquisition in 4Q and the full year for 2026?

**Mr. Mohamed Ali Al-Ghaithani (Chief Executive Officer)**

This will -- the acquisition, we start consolidation last December 2025. As I told you, this acquisition is to help us to expand in the other sectors and other industries that we try to penetrate. This company have strong pipeline within the OT and different industries with different type of contractors. This is with construction companies for mega projects. So we think this will help us big time.

And as we work with this company for the last six years in mega projects, and we successfully delivered projects together. So it will be mixed -- it will not be coming from only one business line, but will come from different. Still, we are working with the business plan. We didn't want to jeopardize and try to overtake the company strategy. We keep them doing what they are doing, and we're slowly engaging them and doing the synergies.

**Phani Kanumuri (Analyst)**

Okay. Perfect. And then in MV7, so you are trying to get like 16 megawatts online. Is it going to be in one phase? Or is it going to be in several phases?

**Mr. Mohamed Ali Al-Ghaithani (Chief Executive Officer)**

Which one?

**Phani Kanumuri (Analyst)**

The MV7 16 megawatts plan that you had, that you are currently designing.

**Mr. Mohamed Ali Al-Ghaithani (Chief Executive Officer)**

It will come in trenches. There is trenches based on the client, but it will come in over three to four years. But we expect -- we are always engaging with our client to expedite the process to start the service earlier, but still, there is no commitment from the client. Once we have the commitments for our client, we will disclose this to the market. But we are optimistic to fill all of this data center very soon, in maximum three years.

**Phani Kanumuri (Analyst)**

Okay. Perfect. So the final question from my end. So you have this CapEx of QAR 2 billion till 2030. So how are you phasing the CapEx in terms of the years, how are you looking at CapEx in 2026, '27, '28, et cetera?

**James Corby (Chief Financial Officer)**

It's going to be a function of the megawatt rollout in terms of the data center build. We can give more information on that separately.

**Phani Kanumuri (Analyst)**

That's it. Thanks, everyone.

**Omar Maher (Moderator)**

Thank you. And next question is from [ Mohammed Al-Qahtani, ] please go ahead.

**Mohammed Al-Qahtani (Analyst)**

[Foreign Language]. Am I audible?

**Omar Maher (Moderator)**

Yes.

**Mohammed Al-Qahtani (Analyst)**

Just one small question from my side on your Managed Services segment. Since you're increasing your data centers, wouldn't that bring in increased competition on your managed services segment? How would that affect margins going forward? What's your outlook on that?

**James Corby (Chief Financial Officer)**

There is going to be, obviously, as the hyperscalers grow within the market, there is going to be pressure on managed services. But our managed services offerings are growing in terms of looking at GPU-as-a-Service, AI-as-a-Service and the security elements of our managed services. So we intend to continue to grow our Managed Services segment. The margins are under pressure. It is obviously very competitive. So there might be some erosion of margin, but we expect it to be in and around the 25% mark in terms of the gross margin on managed services.

**Mohammed Al-Qahtani (Analyst)**

One just small follow-up question, if I may. Roughly, just roughly, how much are you spending per megawatt on all of your expansions?

**Mr. Mohamed Ali Al-Ghaithani (Chief Executive Officer)**

\$10 million plus/minus.

**Mohammed Al-Qahtani (Analyst)**

\$10 million, Qatari.

**Mr. Mohamed Ali Al-Ghaithani (Chief Executive Officer)**

U.S. dollars.

**Mohammed Al-Qahtani (Analyst)**

Okay. Thank you very much.

**Mr. Mohamed Ali Al-Ghaithani (Chief Executive Officer)**

If this is Qatari, or it will be the most profitable data center.

**Mohammed Al-Qahtani (Analyst)**

Thank you, thank you very much.

**Omar Maher (Moderator)**

Thank you. Next question is from [ Fabian Macquarie ]. Please go ahead.

**Fabian (Analyst)**

Yes, good afternoon. I hope I'm audible. And congratulations, James, on the good numbers. Yes. So a few things that stand out with these results. I think it's a good set of results, much better than expected. In terms of your dividend, I see you have paid a dividend. I thought that you wouldn't give in your CapEx outlook. So I was just wondering what's the outlook on

dividend? Is it something that we should expect through and through, or things will change depending on your CapEx requirements? Hello?

**Mr. Mohamed Ali Al-Ghaithani (Chief Executive Officer)**

Can you repeat your question? I couldn't understand exactly [ what you look. ]

**Fabian (Analyst)**

Okay. So I've got several questions. So the first question is around your dividend. I was just wondering whether we should continue to expect dividend given your CapEx requirements in the future in the short to medium term.

**Mr. Mohamed Ali Al-Ghaithani (Chief Executive Officer)**

It's an open discussion. Even we are -- in the company, for sure, we look for the -- to give the highest returns every year to the shareholders, then dividends or creating value for the company. So all options is being discussed with the Board with -- mainly with the Board to see how we can compensate. This year, since we have a good cash balance, so we decided to distribute dividends as we announced in the numbers. And as long -- and this is what we -- our plan. As long as we can distribute dividend, we will distribute dividend.

There are options to give bonus shares. If this is possible, we could do it. But let's keep this open until next year -- end of this year to see our position. It will be clear by Q3. I cannot answer this question now. And you know that since we are expanding, we required a lot of CapEx to be injected in the company. So we are creating the value for the company and for shareholders. And this is the real driver for us. Of course, we look into if there is any chance. And as you see, this year, we always take care about distributing more dividend as we can.

**Fabian (Analyst)**

Okay. Thank you. That's very helpful. It's a good guidance, I suppose. I've got two more other questions that are not really related to that. I think the first one relates to your -- I see that in the fourth quarter, this -- the other segment, the managed services, cloud services, working place services, it has seen quite a jump relatively either by looking at it from a quarter or from an annual perspective. I was just wondering what might have been -- is this the impact of Black Arrow or what did Black Arrow contribute? I'm just wondering.

And then the question -- a more general question on your outlook. In the past several months, I've noticed that your guidance -- I mean, you build-out megawatt guidance has just been accelerating, and it looks like -- the sales pipeline is looking good. I was just wondering what sort of -- in your conversations with your clients, what are they saying they want to use this capacity for? Is it AI-specific? Or it's still because I remember last time I spoke with

James, he said the demand at that time was still really just around more of the traditional services.

**Mr. Mohamed Ali Al-Ghaithani (Chief Executive Officer)**

It's still the same. The discussion is traditional. You know that we have about the ecosystem for the country. So the country now it's -- most of the government entities, enterprises look for transformation. So we believe that the demand for normal services from our clients is to keep. Plus there is a new company called Qai that is really focusing to put a strategy for the country for the AI, which will dominate the AI services.

We are talking to this company. Still now, there is no solid discussion about their plans, but we expect -- our expansion, what you see is a conventional and normal services. And why Q4 is higher than Q3. This is a hockey stick. In our history, all Q4s have the highest revenue for the company. So this is always the trend that we have. It is like the hockey stick. We start good. We dropped during the summer, then it will pick up and rapidly increase by the end of Q3, Q4.

**Fabian (Analyst)**

Okay. Just one point of clarification. In terms of Black Arrow, how much did it contribute to your revenue, if that's something you're willing to disclose?

**James Corby (Chief Financial Officer)**

Hi, Fabian, are you well? Yes, as Mohamed alluded to, I think in terms of Black Arrow numbers, we'll give more insight into that in the coming months. Some of the managed services increase in Q4 was related to the acquisition of Black Arrow, just to give a bit of flavor around that increase.

**Fabian (Analyst)**

Yes, thanks, that helps. Thank you. I'm done, thank you.

**Omar Maher (Moderator)**

Thank you. Next question is from Ryan Durham. It says, can you help us understand the Black Arrow deal better, the rationale behind the acquisition? What's the revenue base? What margins do they carry? And strategically, is this a one-off? Or should we expect more acquisitions?

**Mr. Mohamed Ali Al-Ghaithani (Chief Executive Officer)**

Well, more acquisitions, there is nothing now in the pipeline, to be honest, but it is case by case. Our role here is not to go into investment and acquisitions. This is not our strategy.

Our strategy is clear. We are focusing, it is to expand data center managed services. And I said, why we acquired Black Arrow because we see there is a synergy that we can create because we worked with this company in the last six years, and we have worked in many projects, mega projects, more than QAR 50 million, QAR 60 million projects. So we think that in the long run, we can create more businesses together and more synergies.

**Omar Maher (Moderator)**

Thank you. Next question is from Bashir. Bashir, it says, just to clarify, should we consider 29.2% or 32.9% as the correct reported full year '24 EBITDA margin? And what explains the difference between the two figures is the...

**James Corby (Chief Financial Officer)**

Hi, we have a print error on EBITDA margin. But on an underlying basis, our EBITDA margin is increasing, and we'll be happy to give an explanation of that if you remove the electricity adjustment in 2024. So that's just a print error.

**Omar Maher (Moderator)**

Okay. That's understood. Thank you. And then next one is from Harry Welton, it says, please, can you share how much of the current capacity, the 14 megawatts is occupied? And what that is expected to look like over 2026 and '27?

**James Corby (Chief Financial Officer)**

Yes. The current 14 megawatts is fully utilized in terms of our existing capacity to answer that question. In terms of how that looks going forward, we expect the 14 megawatts to be - continue to be fully occupied. We're adding the 4 megawatts of MV4 expansion, as Mohamed alluded to in Q1, Q2 this year. That's also fully sold from RFS. So once that comes in, it will be 18 megawatts fully utilized. I hope that answers the question.

**Omar Maher (Moderator)**

Thank you. And there's a follow-up from Harry, it says for MV6, can you elaborate on the timeline of how that comes online?

**James Corby (Chief Financial Officer)**

Yes. So in terms of MV6, as Mohamed said, we started to build that data center, and we've started to incur CapEx. We expect revenue to come in the back end of 2027. We've already sold the first 6 megawatts of that data center. So that initial 6 megawatts will be live and occupied from Q4 2027.

**Omar Maher (Moderator)**

Thank you. And next, we have a question from Advaita Nair. Please go ahead.

**Advaita Nair (Analyst)**

Hi, am I audible?

**Omar Maher (Moderator)**

Yes.

**Advaita Nair (Analyst)**

Yes, thank you for the presentation. I had a quick question regarding the finance costs. I specifically noticed that they decreased about 26% year-over-year despite the addition in borrowings of about QAR 96 million. So I just wanted a bit of context in terms of the efficiencies that led to this outcome. And additionally, I wanted to also understand the funding mix for the Black Arrow acquisition. And is there any potential for margin uplift and which segment the revenue is recorded for Black Arrow?

**James Corby (Chief Financial Officer)**

Okay. There's quite a few questions there. In terms of interest cost, the finance cost, so the interest rate went down by 50 bps in 2025, which has a knock-on effect in reducing obviously the finance cost. Obviously, we've also paid some of the capital repayments on existing loans for MV4, which has also brought the interest cost down. In terms of Black Arrow's revenue, it's split between solutions and managed services. What was the -- there was a third question.

**Advaita Nair (Analyst)**

The funding mix for Black Arrow.

**James Corby (Chief Financial Officer)**

Funding mix, yes. So we're funding the business combination through equity or existing cash.

**Advaita Nair (Analyst)**

Understood, thank you.

**Omar Maher (Moderator)**

Thank you and next, we have a question from [ Julius Fechtrup. ] Please go ahead.

**Julius Fechtrup (Analyst)**

Hi, good afternoon, gentlemen. I just wanted to ask in terms of the megawatt rollout that you have guided, it looks like you've raised the guidance this year from 18 megawatts to 22 megawatts. Maybe I missed that at the beginning, but I know you're delivering the expansion at MV4 this year, but where do the additional 4 megawatts come from?

**Mr. Mohamed Ali Al-Ghaithani (Chief Executive Officer)**

We are, as we said at the beginning of the presentation, there is a new fast project -- fast track project to deliver 4 megawatts. We expect to sell the 4 megawatt -- 2 megawatts by end of this year. [indiscernible] (00:34:45). It is MV8.

**Julius Fehtrup (Analyst)**

Is that MV8?

**Mr. Mohamed Ali Al-Ghaithani (Chief Executive Officer)**

Yes, indeed.

**Julius Fehtrup (Analyst)**

Got it. Understood. Sorry. And then my second question is just on this Brookfield and joint venture on building an AI hub in Qatar. Is there any way you can get involved in this build-out? Is there any benefit you at MEEZA can get from that joint..

**Mr. Mohamed Ali Al-Ghaithani (Chief Executive Officer)**

Yes. There is a discussion with the Qai management about how MEEZA can participate and help. But to be honest, still it's not clear that they have a plan and this is Qai is building the AI hub. It will take some time. So we're still engaging with them and discussing how MEEZA -- but it's not clear yet. And hopefully, it will be more clear this year.

**Julius Fehtrup (Analyst)**

Okay. But Qai, is Qai an infrastructure company or do they need an infrastructure provider?

**Mr. Mohamed Ali Al-Ghaithani (Chief Executive Officer)**

No. They will need. They will need us as their Chairman said before a month ago in the interview in the Web Summit, he said that they will need an infrastructure company to help them. So I expect MEEZA will be one of the companies that will be part of the AI hub. But to be honest, the discussion is not clear yet when they will start, how much they will invest at the beginning in terms of infrastructure. So it is Qai's focus in AI, it's not only the infrastructure, it's also developing the use cases, which is a different sector than MEEZA. So as I mentioned, hopefully, by this year, we have more clarity about what's their plan.

**Julius Fechtrup (Analyst)**

Got it, okay. Understood. Thank you.

**Omar Maher (Moderator)**

Thank you. Next, we have an anonymous question that says, at which tier does most of the company's DCs fall?

**Mr. Mohamed Ali Al-Ghaithani (Chief Executive Officer)**

Tier 3, all of it.

**Omar Maher (Moderator)**

Right, thank you. And then we have a follow-up from Harry that says, please, can you provide some guidance on revenue growth, EBITDA margins and net profit and CapEx for 2026?

**Mr. Mohamed Ali Al-Ghaithani (Chief Executive Officer)**

It's still too early for us to say this.

**James Corby (Chief Financial Officer)**

We don't typically provide guidance right at the start of the year, but we'll speak to the Board about that and look at maybe providing guidance in H1's call.

**Omar Maher (Moderator)**

Thank you. As a reminder, if anyone would like to ask question, you can use the raise hand function for verbal questions, or the Slido Q&A box for written questions. So we have a question from Ahmed Kamal that says, should we expect sustained margin per segment in 2026?

**Mr. Mohamed Ali Al-Ghaithani (Chief Executive Officer)**

Again?

**Omar Maher (Moderator)**

Should we expect sustained margins per segment in 2026?

**Mr. Mohamed Ali Al-Ghaithani (Chief Executive Officer)**

Yes.

**Omar Maher (Moderator)**

And another follow-up from Harry that says, is the MV8 likely to be at lower revenue per megawatt versus the current 14 megawatt you have?

**James Corby (Chief Financial Officer)**

No, it's not. I mean, obviously, our 40 megawatt is a mix at the moment of hyperscale and obviously local, large corporate, and government. So specifically, no, I mean, it's going to be similar to the average.

**Omar Maher (Moderator)**

Another written question from [ Wei Chow ] that says, how should we think about DC segment gross profit margins evolving as the expansion comes through?

**James Corby (Chief Financial Officer)**

Good questions. I think -- obviously, it's a function of the site, the size of the data center, which then obviously impacts the cost per megawatt and as well as the customers going into the data center. So we can provide a little bit more insight into that in the coming call.

**Omar Maher (Moderator)**

Thank you. And one final reminder in case there are any remaining questions before we wrap up. So there's a follow-up from Ahmed Kamal, that says, what is the targeted IRR for data centers, levered and unlevered?

**James Corby (Chief Financial Officer)**

Our IRR target, as we've communicated previously, is around sort of 10% to 12% on our data centers, including obviously debt.

**Omar Maher (Moderator)**

Thank you. There are no more questions in the queue. So I guess we'll go back to you in case you'd like to make any concluding remarks.

**Yaman Aljundi (Director of Investor Relations)**

Thanks, Omar, and thanks, everyone, for joining us today. Please don't hesitate to contact us for any further questions or to schedule any follow-up meetings, and we hope you have a great day.

**Omar Maher (Moderator)**

Thank you. Thank you, Mohamed, James, and Yaman. Thank you, everyone.

**James Corby (Chief Financial Officer)**

Thank you.

**Omar Maher (Moderator)**

Thank you, Mohamed. Thank you for your participation, everyone, and have a good day.

**Yaman Aljundi (Director of Investor Relations)**

You too. Bye.