



# Results

## Q3 2017

27 November 2017

# Agenda

- 1\_\_\_\_\_Executive Summary
- 2\_\_\_\_\_Financial Results
- 3\_\_\_\_\_Q&A

# Today's Team

## Team from Helios Towers ("HT")

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**Kash Pandya**  
*Chief Executive Officer*



**Tom Greenwood**  
*Chief Financial Officer*



**Alex Leigh**  
*Chief Commercial Officer*



**Jeffrey Kriek**  
*Head of Corporate Finance and Investor Relations*



# Executive Summary

# Group Q3 2017 Key Highlights

## Results Snapshot

	Q2 17	Q3 17	% change Q-o-Q	YTD 16	YTD 17	% change Y-o-Y
<i>In US\$m, unless otherwise stated</i>						
<b>Revenue</b>	86	88	2%	200	257	28%
<b>Adj. EBITDA<sup>(2)</sup></b>	29	31	8%	59	87	49%
<i>Adj. EBITDA margin (%)</i>	33%	36%		29%	34%	
<b>Sites (#)</b>	6,501	6,540	1%	6,495	6,540	1%
<b>Colocations (#)<sup>(1)</sup></b>	6,200	6,033	-3%	5,496	6,033	10%
<i>Colo Ratio (x)</i>	1.95x	1.92x		1.85x	1.92x	
<b>Capex</b>	45	42	-7%	231	105	-55%
<b>Gross Debt<sup>(3)</sup></b>	611	603	0%	369	603	64%
<b>Gross Leverage</b>	5.3x	4.8x				

## Financial Summary

- Revenue: +28% Y-o-Y / +2% Q-o-Q
- Adj. EBITDA: +49% Y-o-Y / +8% Q-o-Q
- Adj. EBITDA margin: +5% Y-o-Y / +3% Q-o-Q

## Operational Summary






- Y-o-Y +45 sites (+1%) and +537 colocations (+10%) added
- Y-o-Y growth driven by organic demand and Business Excellence Program
- Y-o-Y colo ratio increased to 1.92x
- Q-o-Q +39 sites (+1%) and -167 net colocations (-3%) movement during Q3 17

(1) Total Colocations is equal to Standard Colocations plus Amendment Colocations (further details provided in the Appendices)

(2) Adjusted EBITDA is defined as loss for the year, adjusted for loss for the year from discontinued operations, additional tax, income tax, finance costs, other gains and losses, investment income, loss on disposal of property, plant and equipment, amortization and impairment of intangible assets, depreciation and impairment of property, plant and equipment, deal costs relating to unsuccessful tower acquisition transactional and exceptional items

(3) Excluding unamortised financing costs and derivative financial instruments

# Recent Developments

	<b>Vodacom Buy-out</b>	<ul style="list-style-type: none"> <li>▪ \$62m option for Vodacom’s shares in Tanzania</li> <li>▪ Buyout completed in October 2017 following Fair Competition Commission (FCC) and TCRA (Tanzanian Communications Regulatory Authority) approval</li> </ul>
	<b>Tanzania listing</b>	<ul style="list-style-type: none"> <li>▪ Recent Tanzanian law for network facilities licenses (incl. HT) requires 25% listing of shares locally</li> <li>▪ 1 February 2017 HTT interim prospectus submitted</li> <li>▪ Undertaking capital reorganisation before submitting revised draft prospectus for approval</li> </ul>
	<b>Zantel acquisition</b>	<ul style="list-style-type: none"> <li>▪ During September 2016, we executed a sale and purchase agreement with Zanzibar Telecom Ltd (“Zantel”), pursuant to which we agreed to acquire tower sites in mainland Tanzania</li> <li>▪ On 28 July 2017, HTT Infraco Limited completed its first close, acquiring 86 mainland towers sites from Zantel with a further 15 sites transferred on 2 October 2017</li> </ul>
	<b>Business Excellence</b>	<ul style="list-style-type: none"> <li>▪ Operational improvement program continues to be rolled out with rationalization of maintenance partners, digitisation, office space reduction, improvement in towers per headcount</li> <li>▪ Power saving initiatives phase 2 underway with 165 solar sites rolled out as at September             <ul style="list-style-type: none"> <li>▪ 400 DRC solar systems planned by Q1 2018</li> <li>▪ On schedule for 400 hybrid sites in 2017</li> <li>▪ 300 grid connections planned by 2017</li> </ul> </li> </ul>
	<b>Updated colocation KPI</b>	<ul style="list-style-type: none"> <li>▪ Growing trend of operators increasing the amount of equipment on towers due to technological upgrades which is in excess of the existing lease agreements</li> <li>▪ Amendment revenue has become a growing driver of growth for the business and we have updated our KPIs to reflect this</li> </ul>

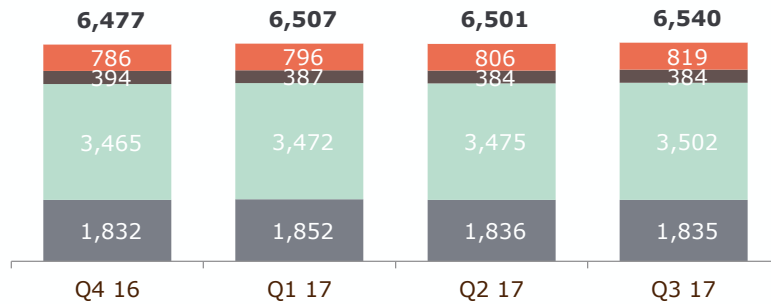


# Financial Results

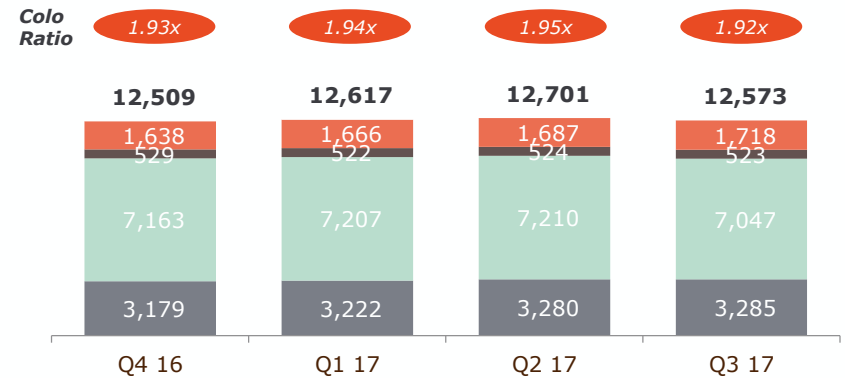
# Historical Performance of KPIs

■ DRC ■ Tanzania ■ Congo Brazzaville ■ Ghana ■ Holdco costs

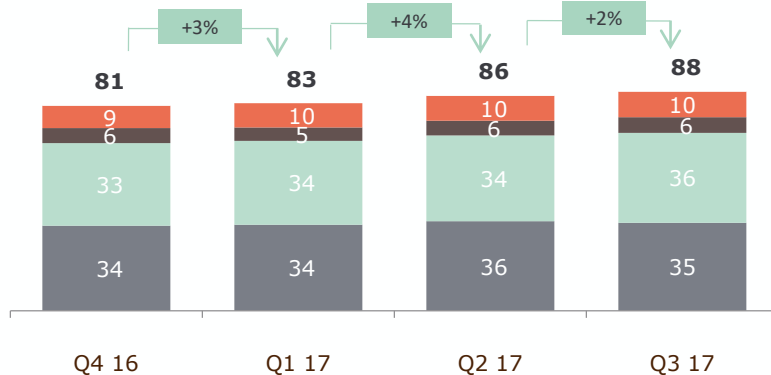
## Evolution of Tower Portfolio



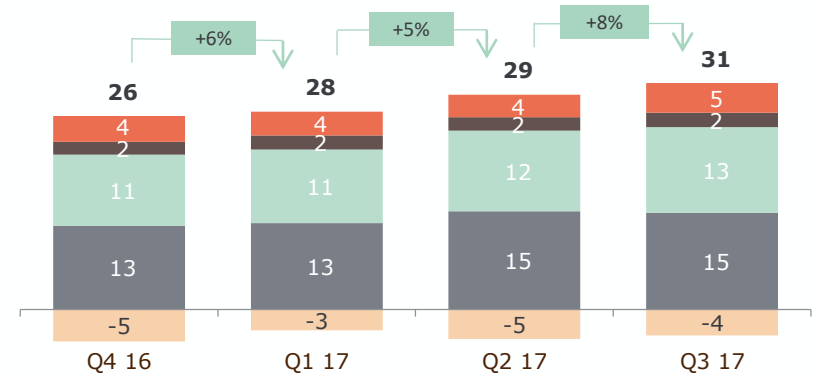
## Evolution of Tenants



## Revenue Growth (\$m)



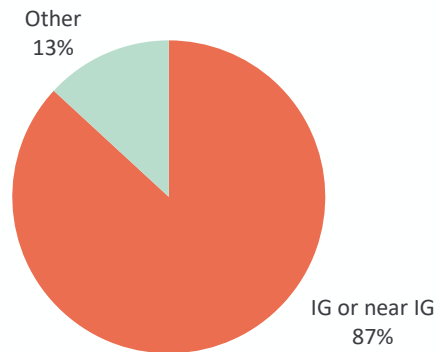
## Adjusted EBITDA Growth (\$m)



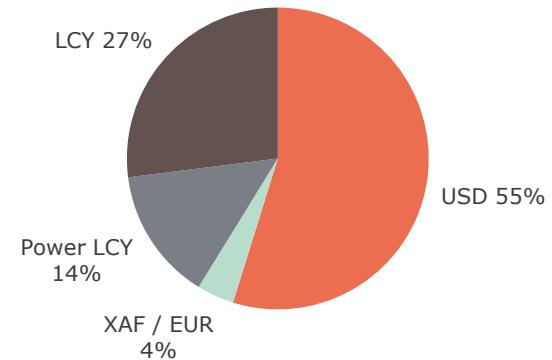


# YTD 2017 Revenue Breakdown

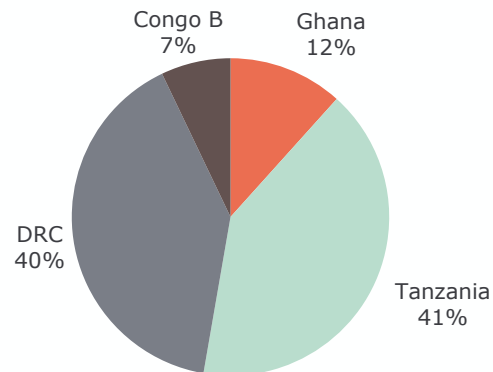
## YTD 17 Revenue Breakdown by Customer



## YTD 17 Revenue Breakdown by FX



## YTD 17 Revenue Breakdown by Country

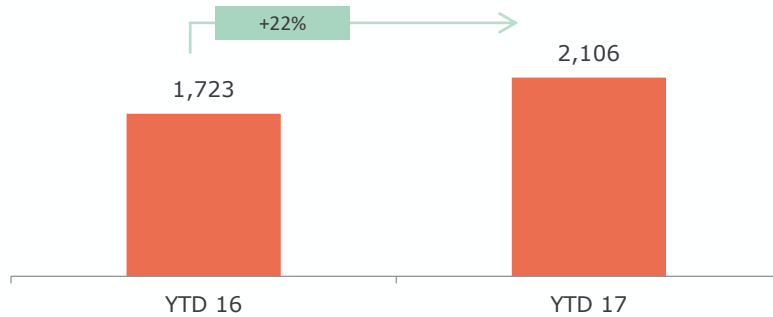


## Commentary

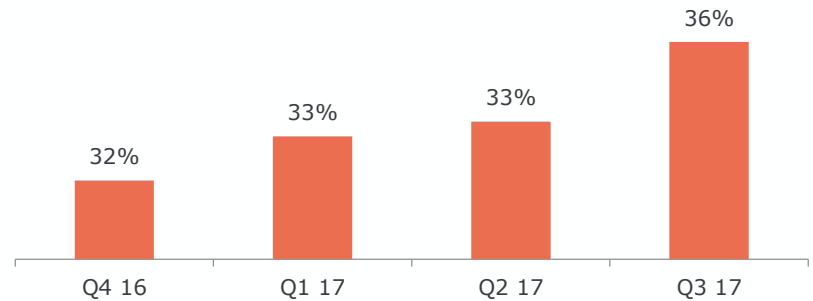
- 87% of YTD 17 revenues from Investment Grade (IG) or near IG customers
- 59% of revenues in USD or XAF (which is pegged to the Euro)

# Costs and Margin Analysis

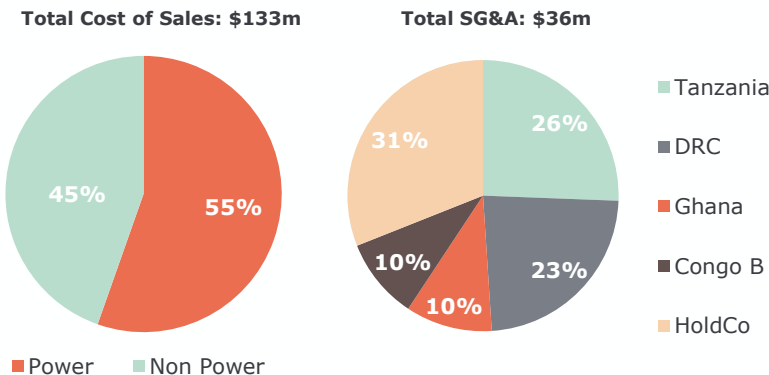
Monthly Cash Flow per Tower (\$) <sup>(1)</sup>



Q-o-Q Adj. EBITDA Margin Growth



YTD 17 Costs Breakdown (\$m) <sup>(2)</sup>



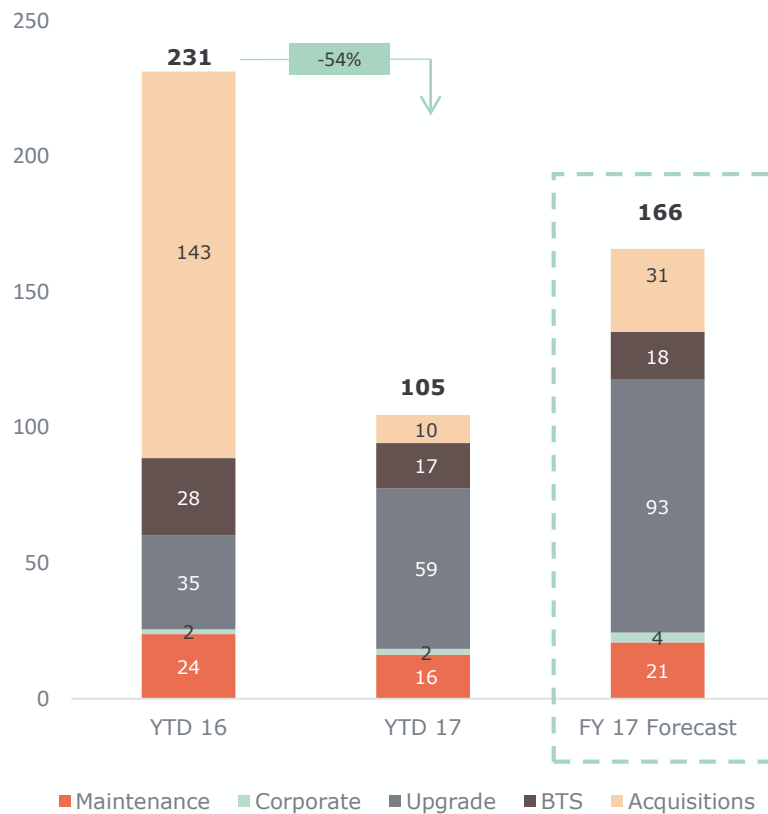
## Commentary

- Strong growth in Tower Cash Flow and EBITDA
- Organic demand
- Opex saving initiatives
- Business excellence program

<sup>(1)</sup> Tower Cash Flow calculated as Reported Gross Profit + Site Depreciation  
<sup>(2)</sup> Costs breakdown excludes depreciation, amortisation, one-off restructuring costs and aborted deal costs

# Capital Expenditure

## Capex Breakdown (\$m)



## Commentary

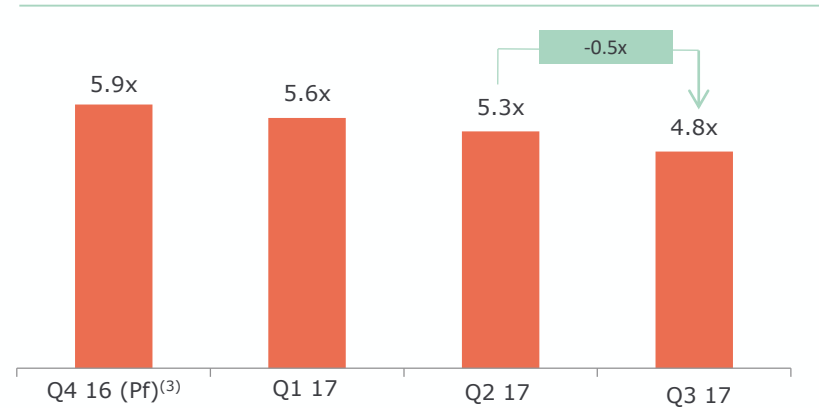
- Capex guidance for 2017 remains at \$166m
- Upgrade capex includes:
  - Planned strengthening and improvements on acquired sites
  - Colocation installations
  - Power investments

# Summary of Financial Debt

## Debt KPIs

<i>In US\$m, unless otherwise stated</i>	Q2 17	Q3 17
<b>Cash &amp; cash equivalents</b>	268	236
<b>Debt (Principal)</b>		
Loans <sup>(1)</sup>	11	3
HTA Group Ltd Senior Notes	600	600
<b>Gross Debt<sup>(2)</sup></b>	611	603
<b>Net Debt</b>	343	367
<b>Annualised Adj. EBITDA<sup>(4)</sup></b>	115	124
<b>Leverage</b>		
Gross Leverage	5.3x	4.8x
Net Leverage	3.0x	3.0x

## Gross Leverage



## Commentary

- Continued deleveraging supported by Q-o-Q growth in EBITDA

- (1) Including Shareholder Loans  
 (2) Excluding unamortised loan issue costs and derivative financial instruments  
 (3) Proforma for \$600m bond refinancing  
 (4) Calculated as per the bond definition as the most recent fiscal quarter multiplied by 4. This is not a forecast of future results

# Outlook for Q4 and 2018

Q4 and 2018 Performance Outlook

2017 performance in line with management forecasts

Revenue and Business Excellence program continue to be on track

Organically we expect strong momentum to continue in 2018 along with improved capital efficiency



# Q&A



# Appendix

# Standard and Amendment Colocations

## Total Colocations Breakdown

<i>In US\$m, unless otherwise stated</i>	Q3 16	Q4 16	Q1 17	Q2 17	Q3 17
<b>Standard Colocations as previously reported</b>	5,262	5,798	5,876	5,966	5,736
<b>Amendment Colocations</b>					
Ghana	113	113	113	113	113
Tanzania	121	121	121	121	184
	<b>234</b>	<b>234</b>	<b>234</b>	<b>234</b>	<b>297</b>
<b>Total Colocations</b>	<b>5,496</b>	<b>6,032</b>	<b>6,110</b>	<b>6,200</b>	<b>6,033</b>

## Commentary

- A Standard Colocation tenant is defined as a customer occupying tower space under a standard tenancy lease rate and configuration with defined limits in terms of the vertical space occupied, the wind load (effective plate area) and power consumption
- HT earns revenue from amendments to existing leases when tenants add or modify equipment, taking up additional space, wind load capacity and/or power consumption under an existing lease agreement
- HT calculates an "Amendment Colocation Tenant" on a weighted basis as compared to the market average lease rate for a standard tenancy lease in the month the amendment is added
- Amendment revenue was first recognised in July 2016 and the historical colocation KPIs have been updated in the table opposite
- Total Colocations going forward is equal to Standard Colocations plus Amendment Colocations



# Income Statement

(\$m)	YTD 17	YTD 16
<b>Turnover</b>	<b>256.6</b>	<b>200.0</b>
% Growth	28.3%	
Less: Cost of sales	-212.7	-168.6
<b>Gross profit</b>	<b>43.8</b>	<b>31.4</b>
% Margin	17.1%	15.7%
Less: Operating expenses	-67.3	-50.6
<b>Operating profit (loss)</b>	<b>-23.4</b>	<b>-19.2</b>
% Margin	-9.1%	-9.6%
Plus: D&A	102.0	73.9
Plus: Other adjustments	0.6	-0.2
Plus: Exceptional Items	8.2	4.0
<b>Adj. EBITDA Post Exceptional Items</b>	<b>87.4</b>	<b>58.6</b>
% Margin	34.1%	29.3%
<b>Operating profit (loss)</b>	<b>-23.4</b>	<b>19.2</b>
Plus: Investment income	0.2	0.2
Plus / (Less): Other gains and loss	0.0	0.0
Less: Finance costs	-67.3	-40.2
<b>Profit / (Loss) before taxation</b>	<b>-90.4</b>	<b>-59.2</b>
Less: Taxation	-1.7	-1.1
Less: Discontinued operations	0.0	0.0
<b>Profit / (Loss) for the year</b>	<b>-92.1</b>	<b>-60.3</b>

# Balance Sheet

(\$m)

## **Assets**

	YTD 17	YTD 16
Inventories	8.8	19.5
Trade and other receivables	107.5	126.9
Prepayments	40.9	34.8
Cash and bank balances	235.6	133.7
<b>Total Current Assets</b>	<b>392.7</b>	<b>314.9</b>
Intangible assets	18.8	35.6
PP&E	667.6	655.1
Investments in subsidiaries	0.1	0.1
Derivative financial assets	7.6	1.4
<b>Total Non Current Assets</b>	<b>694.1</b>	<b>692.2</b>
<b>Total Assets</b>	<b>1,086.8</b>	<b>1,007.1</b>

## **Liabilities & Shareholders Equity**

Trade and other payables	149.2	166.7
Minority interest buy-out liabilities	2.9	60.5
Loans	58.5	57.9
<b>Total Current Liabilities</b>	<b>210.6</b>	<b>285.1</b>
Loans	583.5	340.6
Derivatives financial liabilities	-	-
Provisions	-	-
<b>Total Non Current Liabilities</b>	<b>583.5</b>	<b>340.6</b>
Equity attributable to owners	341.1	417.7
Non controlling interest	-48.5	-36.3
<b>Total Equity</b>	<b>292.6</b>	<b>381.4</b>
<b>Total Liabilities &amp; Shareholders Equity</b>	<b>1,086.8</b>	<b>1,007.1</b>

# Cash Flow Statement

(\$m)

	YTD 17	YTD 16
<b><u>Cash Flows from Operating Activities</u></b>		
EBITDA before loss on disposal	87.4	58.6
Exceptional costs	-9.1	-4.0
Changes in Working Capital	-7.1	-22.2
Interest paid	-37.5	-17.1
Finance costs	-	-
Tax paid	-1.3	-0.8
<b>Net Cash from Operating Activities</b>	<b>32.3</b>	<b>14.4</b>
<b><u>Cash Flows from Investing Activities</u></b>		
Payments to acquire PP&E	-98.8	-253.9
Payments to acquire subsidiaries	0.0	0.0
Payments to acquire intangible assets	-3.0	-21.3
Proceeds on disposal on assets	0.3	0.2
Interest received	0.2	0.2
<b>Net Cash from Investing Activities</b>	<b>-101.3</b>	<b>-274.8</b>
<b><u>Cash Flows from Financing Activities</u></b>		
Gross proceeds from issue of equity share capital	0.0	184.3
Loan financing costs	-24.1	-6.9
Equity issuance costs	0.0	-0.4
Net proceeds from drawn down loan	600.0	152.1
Loan repayments	-405.3	-15.4
<b>Net Cash from Financing Activities</b>	<b>170.7</b>	<b>313.7</b>
FX on translation movement	0.1	-0.4
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>101.9</b>	<b>52.9</b>

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