helios towers

Results
Q1 2018

14 May 2018

Agenda

1. Executive Summary
2. Financial Results
3. Q&A

Helios Towers Team Today

Kash Pandya
Chief Executive Officer

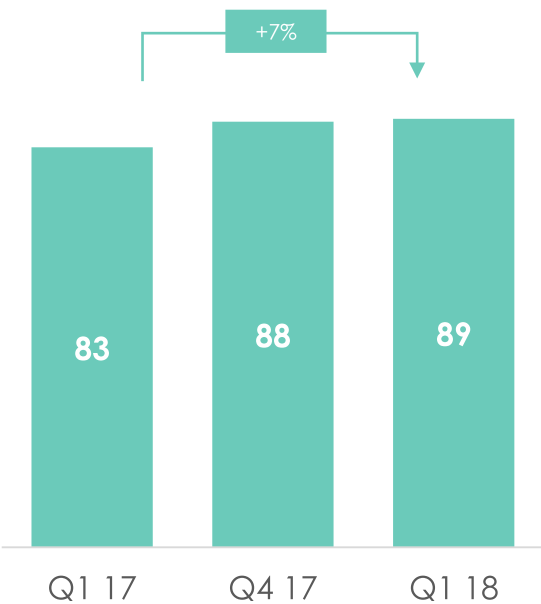
Tom Greenwood
Chief Financial Officer

Manjit Dhillon
Head of Corporate Finance

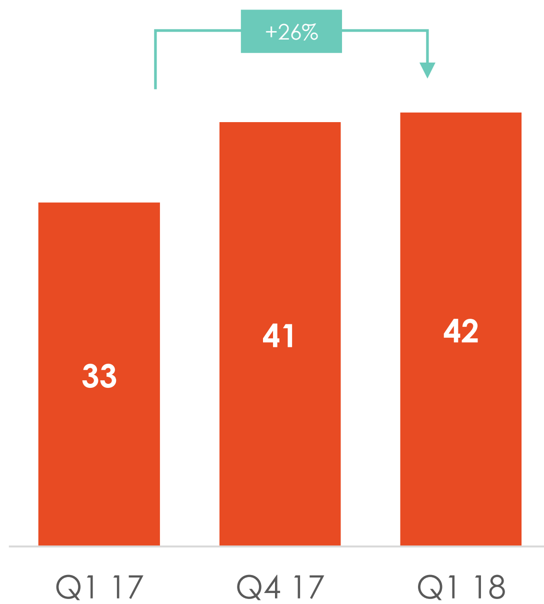
Key Highlights

Year-on-year growth in Revenues and Adj. EBITDA driven by organic demand and Business Excellence Program

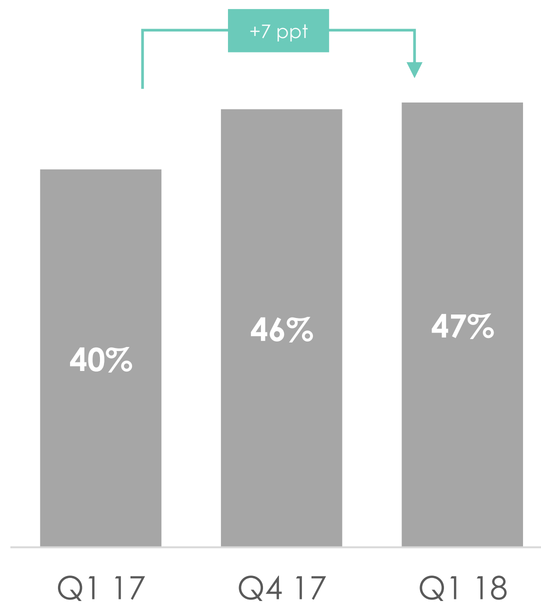
Revenue Growth



Adj. EBITDA growth

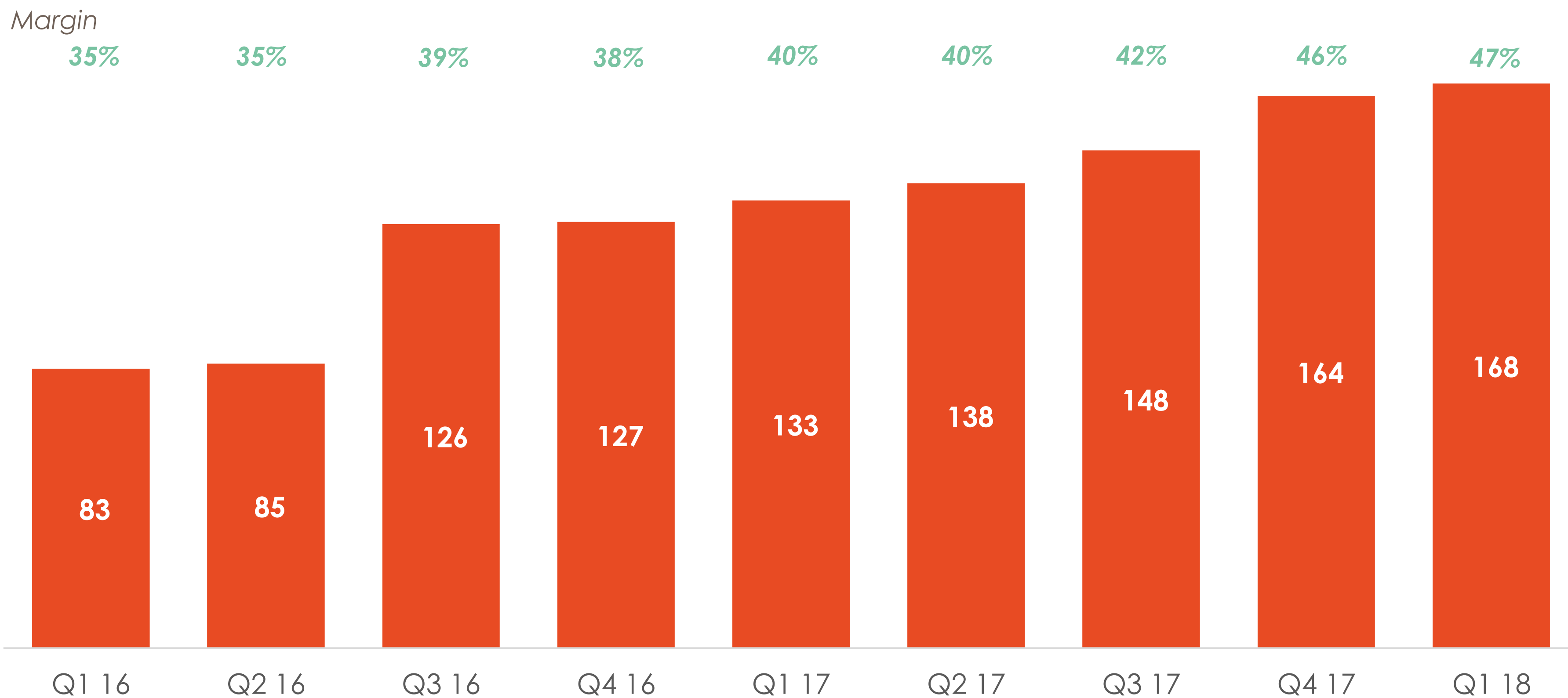


Adj. EBITDA margin expansion



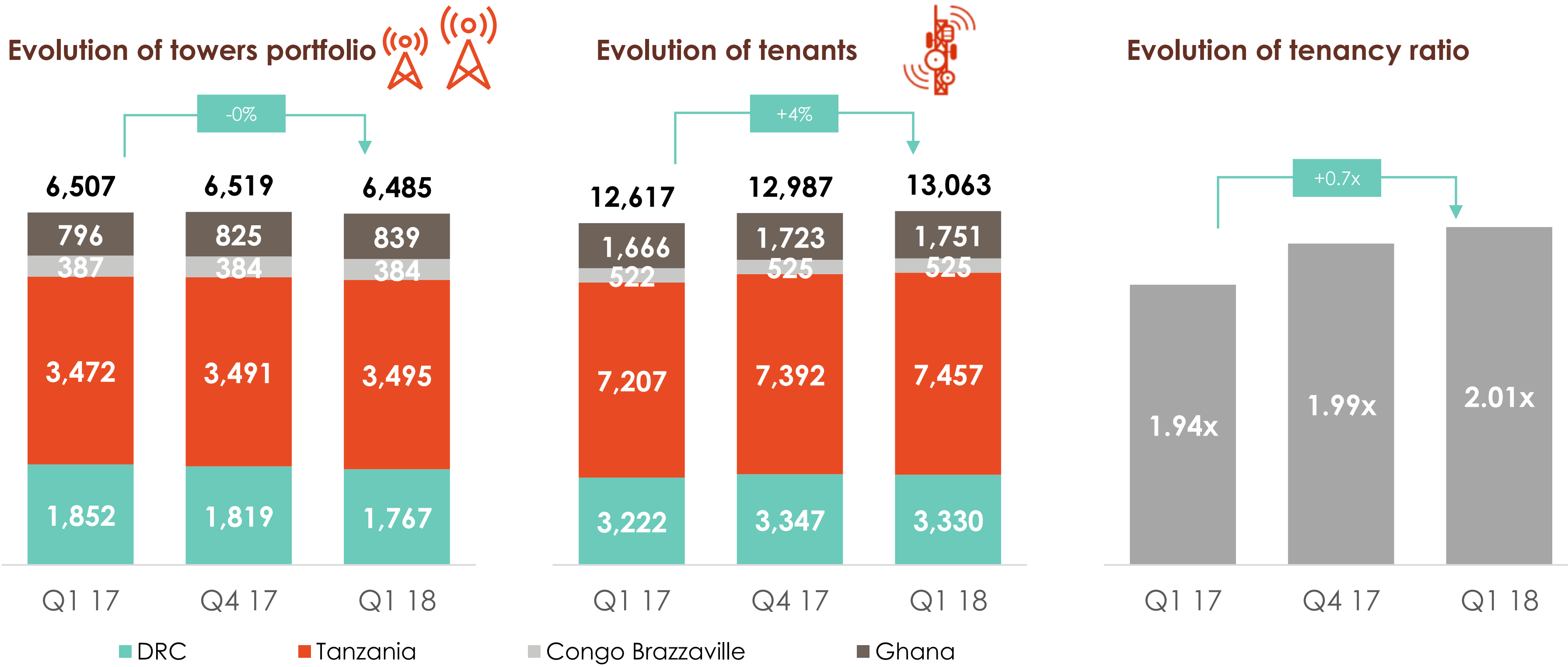
- Revenue for the Q1 18 increased 7% year-on- year to $89m (Q1 2017: US$83m)
- Adj. EBITDA up 26% year-on-year to $42m with Adj. EBITDA margin at 47% with an increase of 7ppts year-on-year
- Outlook: continued EBITDA growth and margin expansion through top-line growth and continued implementation of the business excellence program

Group Annualised Adj. EBITDA(1) Evolution



(1) Calculated as per the bond definition as the most recent fiscal quarter multiplied by 4. This is not a forecast of future result

Strong Pipeline Drove Tenancies up by +4%, Achieving a Tenancy Ratio of 2.01x for Q1 18



- Tenancy ratio improved to 2.01x due to an increase in the number of tenancies (+4% YoY)
- Site consolidation program ongoing, driving efficiency in cost base
- Outlook: adding more collocation, amendment and built-to-suit tenancies to support the focus on margin expansion

Recent Developments

LSE and JSE Listing

- On the 2nd March Helios Towers announced its intention to float on the LSE with a secondary float on the JSE and met with considerable institutional investor interest, endorsing its business model, strategy and growth prospects
- However, shareholders have decided not to proceed with an initial public offering of the Company's shares at the current time

Moody's and S&P rating

- During the annual rating review by our rating agencies, Moody's and S&P, our ratings have both been reaffirmed at B2 and B, respectively
- The rating is supported by the continued growth of HT since the bond issuance through both top-line growth and margin expansion

Ghana – Airtel/Tigo Merger

- In Feb-18 HTG was awarded a 15 year contract with the newly merged Airtel-Tigo business replacing the pre-existing arrangements with these customers
- Airtel-Tigo are now the number 2 player in the market having previously been number 4 and 3, respectively
- This creates a renewed competitive dynamic in the Ghana mobile market and HT is well placed with a secure long-term contract with a key customer

Tanzania Listing

- Recent Tanzanian law for network facilities licences (incl. HT) requires 25% listing of shares locally
- 1 February 2017 HTT interim prospectus submitted
- HTT currently undertaking capital reorganisation prior to submitting a revised prospectus for approval

Financial Results

Group Q1 2018 Key Highlights

Results Snapshot

In US$m, unless otherwise stated	Q1 17	Q4 17	Q1 18	% change Y-o-Y	% change Q-o-Q
Revenue	83	88	89	7%	1%
Adj. EBITDA(1)	33	41	42	26%	2%
Annualised adj. EBITDA(2)	133	164	168	26%	2%
Adj. EBITDA margin (%)	*40%*	*46%*	*47%*	6ppt	1ppt
Sites (#)	6,507	6,519	6,485	0%	-1%
Colocations (#)	6,110	6,468	6,578	8%	2%
Tenancy Ratio (x)	*1.94x*	*1.99x*	*2.01x*		
Capex	18	66	37	104%	-45%
Net Debt (3)	431	595	612	42%	3%
Net leverage (4)	*3.2x*	*3.6x*	*3.6x*		

Financial Summary

- Revenue: +7% Y-o-Y / +1% Q-o-Q
- Adj. EBITDA: +26% Y-o-Y / +2% Q-o-Q
- Adj. EBITDA margin: +7ppt Y-o-Y / +1ppt Q-o-Q

Operational Summary

- Y-o-Y -22 sites (-0%) and +468 colocations (+8%)
- Y-o-Y growth driven by organic demand and Business Excellence Program
- Y-o-Y tenancy ratio increased to 2.01x
- Q-o-Q -34 sites (-1%) and +110 colocations (+2%)

Financials are presented post-IFRS 16 adoption

(1) Adjusted EBITDA is defined as loss for the period, adjusted for loss for the period from discontinued operations, additional tax, income tax, finance costs, other gains and losses, investment income, share-based payments charges, loss on disposal of property, plant and equipment, amortisation and impairment of intangible assets, depreciation and impairment of property, plant and equipment, deal costs relating to unsuccessful tower acquisition transactions or successful tower acquisition transactions that cannot be capitalised, and exceptional items. Exceptional items are material items that are considered exceptional in nature by management by virtue of their size and/or incidence.

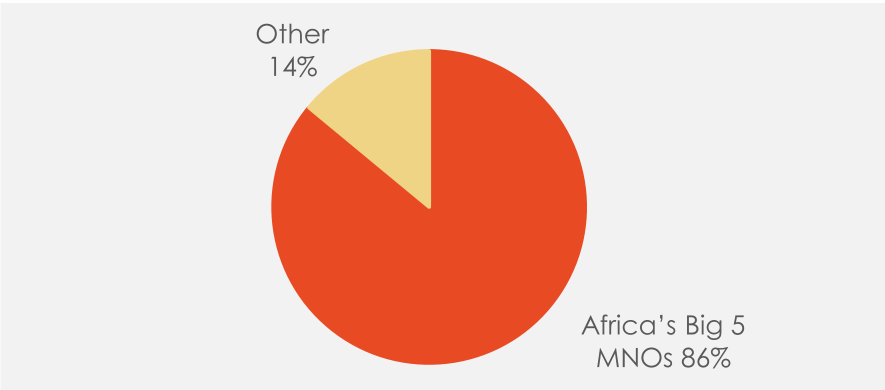
(2) Annualised Adj. EBITDA calculated as per the bond definition as the most recent fiscal quarter multiplied by 4. This is not a forecast of future result

(3) Net debt is calculated as our gross debt less cash and cash equivalents

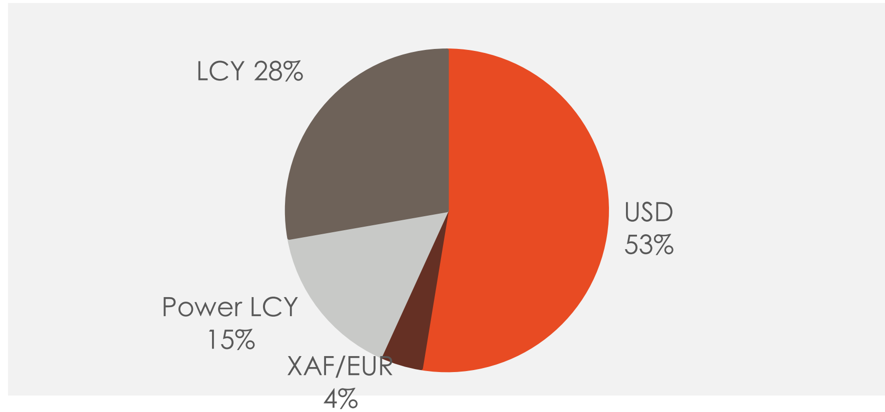
(4) Calculated as net debt divided by Annualised Adj. EBITDA for quarterly and Adj. EBITDA for yearly financial information

Q1 2018 Revenue Breakdown

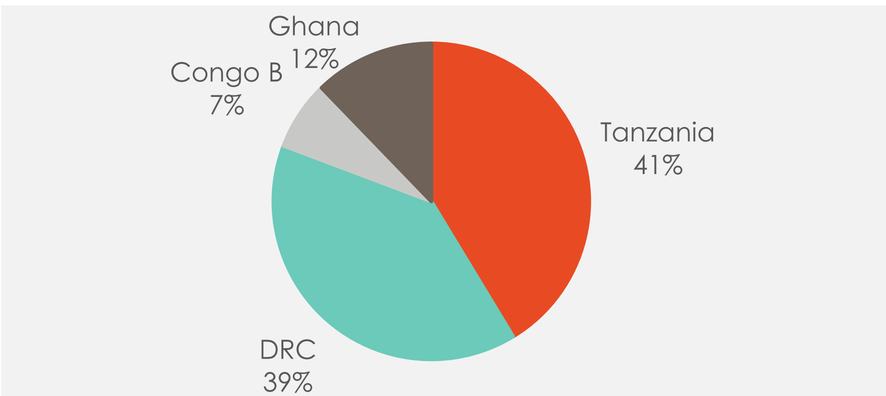
Q1 2018 Revenue Breakdown by Customer



Q1 2018 Revenue Breakdown by FX



Q1 2018 Revenue Breakdown by Country

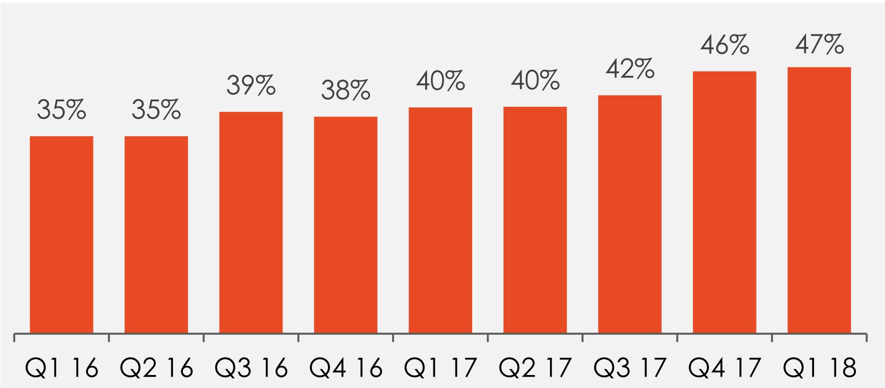


Commentary

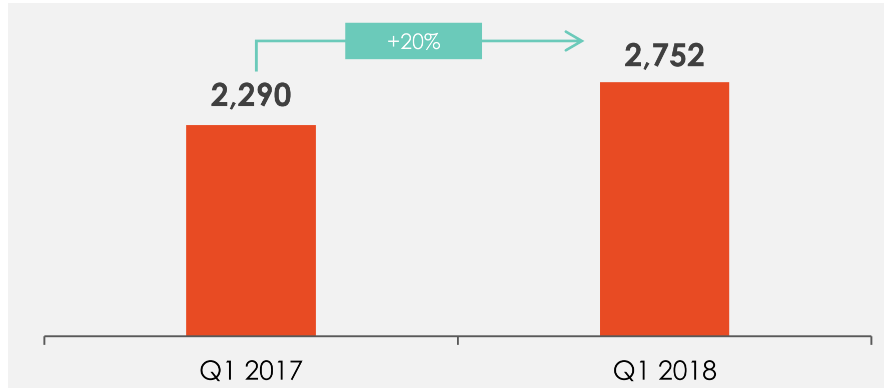
- **86%** of FY 17 revenues from Africa's Big 5 MNOs
- **57%** of revenues in USD or XAF (which is pegged to the Euro)

Costs and Margin Analysis

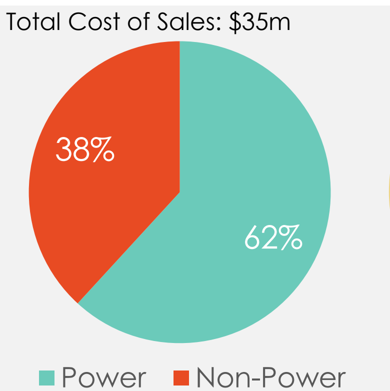
Q-o-Q Adj. EBITDA Margin Growth

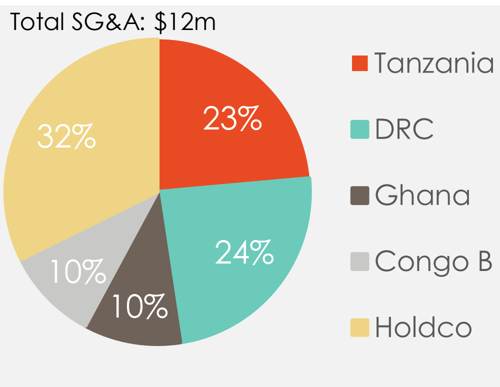


Monthly Tower Cash Flow per Tower ($) (1)



Q1 18 Costs Breakdown (excl. depreciation) (2)





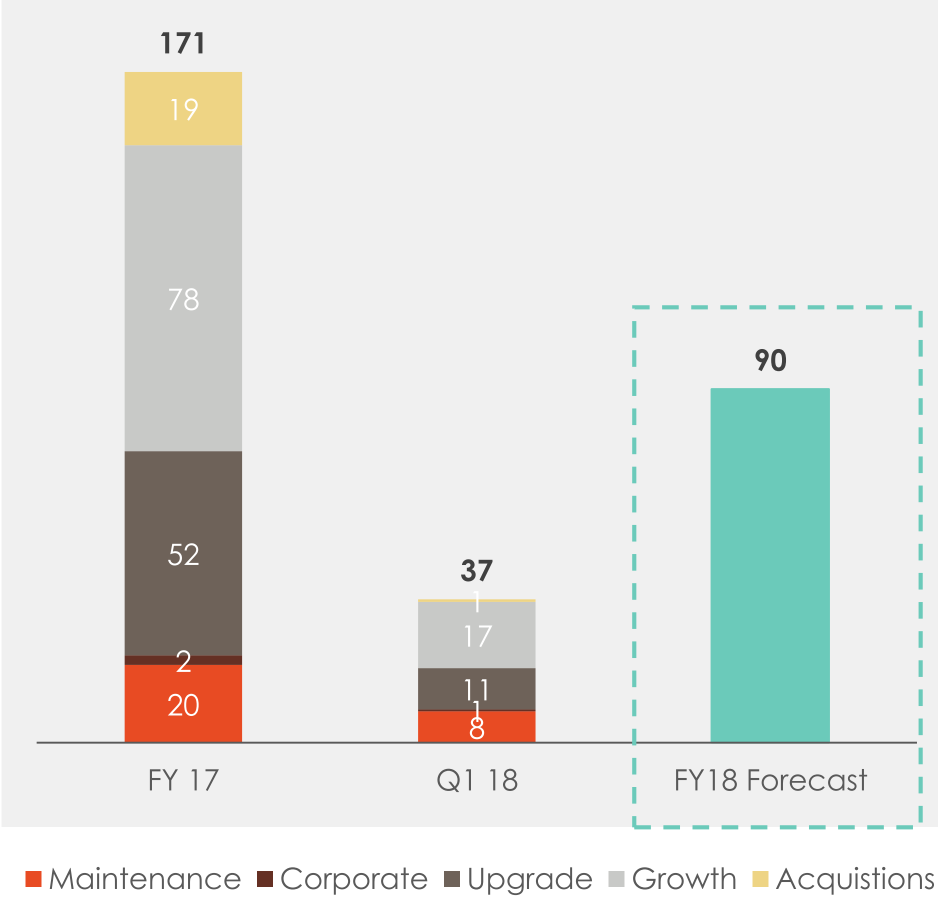
Commentary

- Strong growth in Tower Cash Flow and Adj. EBITDA
- Organic demand
- Opex saving initiatives
- Business Excellence Program

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

Capital Expenditure

Capex Breakdown ($m)



Commentary

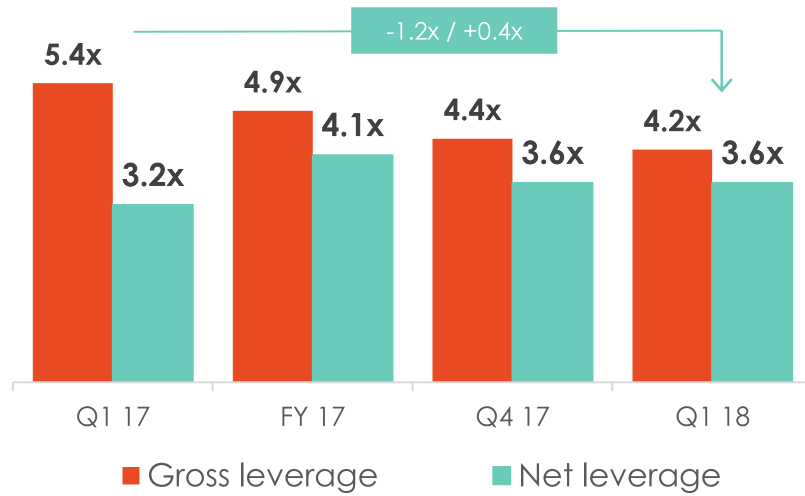
- Capex guidance for 2018 remains at $90m
- Ongoing maintenance and corporate capex guidance of c.$20-25m per annum

Summary of Financial Debt

Debt KPIs

($m)	Q1 17	FY 17	Q4 17	Q1 18
Cash & cash equivalents	289	120	120	90
Bond	600	600	600	600
Lease Obligations + Other [2]	120	115	115	102
Gross Debt	720	715	715	702
Net Debt	431	595	595	612
Annualised adj. EBITDA	133[3]	146	164[3]	168[3]
Gross Leverage [4]	**5.4x**	**4.9x**	**4.4x**	**4.2x**
Net Leverage [5]	**3.2x**	**4.1x**	**3.6x**	**3.6x**

Gross and Net Leverage



Commentary

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

(1) Pro forma for $600m bond refinancing and excludes unamortised loan issue costs, derivative liability and shareholder loans
(2) 'Other' relates to unamortised loan issue costs, accrued bond interest, derivative liability and shareholder loans
(3) *Annualised adj. EBITDA calculated as per the bond definition as the most recent fiscal quarter multiplied by 4. This is not a forecast of future result*
(4) *Calculated as gross debt divided by Annualised Adj. EBITDA for the quarter and Adj. EBITDA for the year*
(5) *Calculated as net debt divided by Annualised Adj. EBITDA for the quarter and Adj. EBITDA for the year*
(6) $600m bond net of unamortised loan issue costs, derivative liability and shareholder loans

Helios Towers' Story Reinforced

UNIQUE POSITIONING	**MARKET LEADER…**	Continued growing customer tenancies Successfully renegotiated Ghana contracts
	… CONTINUING DELIVERING SUPERIOR GROWTH	**+7%** Revenue growth Y-o-Y
SECURED GROWTH	**LONG-TERM CONTRACTS…**	Contracted revenue of in excess of **$3.4bn** with average remaining life of **8.9 years**
	… IN HARD CURRENCY	**57%** of Revenue in Hard Currency (USD and EUR pegged)
OPERATING LEVERAGE	**IMPROVEMENT IN EBITDA…**	Strong adj. EBITDA growth of **+26%** and margin expansion of **+7 ppt** year-on-year
	… DRIVING CASH FLOW GENERATION	Unlevered Recurring FCF of **$33.5m**[1] for Q1 2018 Leveraging past capex investment

(1) Calculated as Adj. EBITDA – Tax paid — Maintenance and Corporate capital expenditure.

Outlook for 2018

"Continued momentum in our 4 markets driven by strong fundamental macro drivers and reinforced by the Business Excellence Program which is expected to continue to drive margin improvement"

Q&A

Appendix

Income Statement

($m)	Q1 2017	Q1 2018
Revenue	83.0	88.9
Cost of sales	(69.9)	(65.8)
Gross profit	**13.1**	**23.1**
Admin expenses	(21.8)	(31.3)
Loss on disposal of PPE	(0.1)	(0.4)
Operating loss	**(8.8)**	**(8.6)**
Investment income	0.0	0.2
Other gains and losses	-	(9.4)
Finance costs	(41.1)	(25.5)
Loss before tax	**(49.9)**	**(43.3)**
Tax expenses	(0.6)	(1.4)
Loss after tax	**(50.5)**	**(44.6)**
Adj. EBITDA	**33.3**	**42.0**
Adj. EBITDA margin	***40%***	***47%***
Reconciliation of Adj. EBITDA to loss before tax for Q1 2017 and Q1 2018		
Adj. EBITDA	**33.3**	**42.0**
Adjustments applied to give Adjusted EBITDA		
Exceptional items (1)	-	(15.9)
Loss on disposals of assets	(0.1)	(0.4)
Other gains and losses	-	(9.4)
Recharged depreciation	(0.3)	(0.3)
Depreciation of property, plant and equipment	(32.8)	(31.9)
Amortisation of intangibles	(9.0)	(2.1)
Investment income	0.0	0.2
Finance costs	(41.1)	(25.5)
Loss before tax	(49.9)	(43.3)

(1) Includes restructuring projects across the Group, including headcount reduction and legal costs incurred in connection with a previously terminated equity transaction. Also includes costs relating to the exploration of strategic options including, but not limited to, a potential London Stock Exchange (LSE) listing.

Balance Sheet

($m)	FY 2017	Q1 2018
Non–current assets		
Intangible assets	18.0	17.3
Property, plant and equipment	705.7	714.0
Right–of–use assets	115.3	113.5
Investments	0.1	0.1
Derivative financial assets	23.9	14.5
	863.0	859.4
Current assets		
Inventories	9.5	11.2
Trade and other receivables	108.5	116.2
Prepayments	23.4	21.0
Cash and cash equivalents	119.7	89.8
	261.1	238.2
Total assets	1124.1	1097.6
Equity		
Issued capital and reserves		
Share capital	909.2	909.2
Share premium	187.0	187.0
Stated capital	1096.1	1096.1
Other reserves	-12.8	-12.8
Minority interest buy–out reserve	0.0	0.0
Translation reserve	-79.7	-77.4
Accumulated losses	-741.8	-790.1
Equity attributable to owners	261.9	215.8
Non–controlling interest	0.0	0.0
Total Equity	261.9	215.8
Current liabilities		
Trade and other payables	147.3	180.2
Loans	20.5	19.8
Short–term lease liabilities	17.3	3.6
Minority interest buy–out liability	0.0	0.0
	185.0	203.6
Non–current liabilties		
Long–term lease liabilities	581.1	582.2
Loans	96.1	96.0
Total Liablilities	862.2	881.8
Total equity and Liabilities	1124.1	1097.6

Cash Flow Statement

($m)	FY 2017	Q1 2018
Adj. EBITDA	146.0	42.0
Less: Tax Paid	(1.3)	-
Less: Maintenance and Corporate Capex	(22.2)	(8.5)
Unlevered Recurring Cash Flow	**122.5**	**33.5**
% Cash Conversion	*83.9%*	*79.8%*
Less: Change in Working Capital	(16.5)	(0.3)
Less: Finance costs paid	(51.6)	(27.2)
Less: Investment Capex	(148.5)	(13.3)
Less Exceptional items and other income	(18.0)	(16.2)
Less: Vodacom buyout	(58.6)	-
Cash Flow before financing	**(170.6)**	**(23.6)**
Equity	0.1	-
Debt	156.3	(5.8)
Net Cash Flow	**(14.1)**	**(29.4)**
Cash brought forward	133.7	119.7
FX	0.2	(0.4)
Cash carried forward	**119.7**	**89.8**

Disclaimer

This presentation (the "Presentation") is provided on a strictly private and confidential basis for information purposes only and must not be relied up for any purpose. This Presentation does not constitute or form part of, and should not be construed as, an offer, invitation or inducement to purchase or subscribe for securities nor shall it or any part of it form the basis of, or be relied on in connection with, any contract or commitment whatsoever. This Presentation does not constitute either advice or a recommendation regarding any securities.

The financial figures for the Company and its consolidated subsidiaries (the "Group") in this presentation have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The quarterly financial figures for the Group in this presentation have not been audited. Certain figures in this presentation, including in a number of tables, have been rounded to the nearest whole number or the nearest decimal place. Therefore, when presented in a table, the sum of the numbers in a column may not conform exactly to the total figure given for that column. In addition, certain percentages in this presentation reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

Adjusted EBITDA is defined as EBITDA for the period, adjusted for loss for the period from discontinued operations, additional tax, income tax, finance costs, other gains and losses, investment income, loss on disposal of PP&E, amortisation and impairment of intangible assets, depreciation and impairment of PP&E, deal costs relating to unsuccessful tower acquisition transactions or successful transactions that cannot be capitalised, and exceptional items. Exceptional items are material items that are considered exceptional in nature by management by virtue of their size and/or incidence. Adjusted EBITDA is not a measurement of financial performance or liquidity under IFRS. Adjusted EBITDA is not a standardised term and as a result, a direct comparison between companies using such term may not be possible.

This Presentation contains illustrative returns, projections, estimates and beliefs and similar information ("Forward Looking Information"). This Forward Looking Information can be identified by the use of forward looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "plans", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. Forward Looking Information is subject to inherent uncertainties and qualifications and is based on numerous assumptions, in each case whether or not identified in the Presentation. Forward Looking Information is provided for illustrative purposes only and is not intended to serve as, and must not be relied on by any analyst as, a guarantee, an assurance, a prediction or a definitive statement of fact or probability. Nothing in this Presentation should be construed as a profit forecast. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions. Many actual events and circumstances are beyond the control of the Company. Some important factors that could cause actual results to differ materially from those in any Forward Looking Information could include changes in domestic and foreign business, market, financial, political and legal conditions. There can be no assurance that any particular Forward Looking Information will be realised, and the performance of the Company may be materially and adversely different from the Forward Looking Information. The Forward Looking Information speaks only as of the date of this Presentation. The Company expressly disclaims any obligation or undertaking to release any updates or revisions to any Forward Looking Information to reflect any change in the Company's expectations with regard thereto or any changes in events, conditions or circumstances on which any Forward Looking Information is based. Accordingly, undue reliance should not be placed upon the Forward Looking Information. In addition, even if the results of operations, financial condition and liquidity of the Group, and the development of the industry in which the Group operates, are consistent with the forward-looking statements set out in this Presentation, those results or developments may not be indicative of results or developments in subsequent periods.

helios towers

Contact

Investorrelations@heliostowersafrica.com