



Results Q1 2019

13 May 2019

Agenda

- 1 Key Highlights
- 2 Financial Results
- 3 Q&A

Helios Towers Team Today



Tom Greenwood
Chief Financial Officer



Kash Pandya
Chief Executive Officer



Manjit Dhillon
Head of Corporate
Finance

Key Highlights



17 Consecutive Quarters of Adj. EBITDA⁽¹⁾ Growth

Group Annualised Adj. EBITDA (\$m)

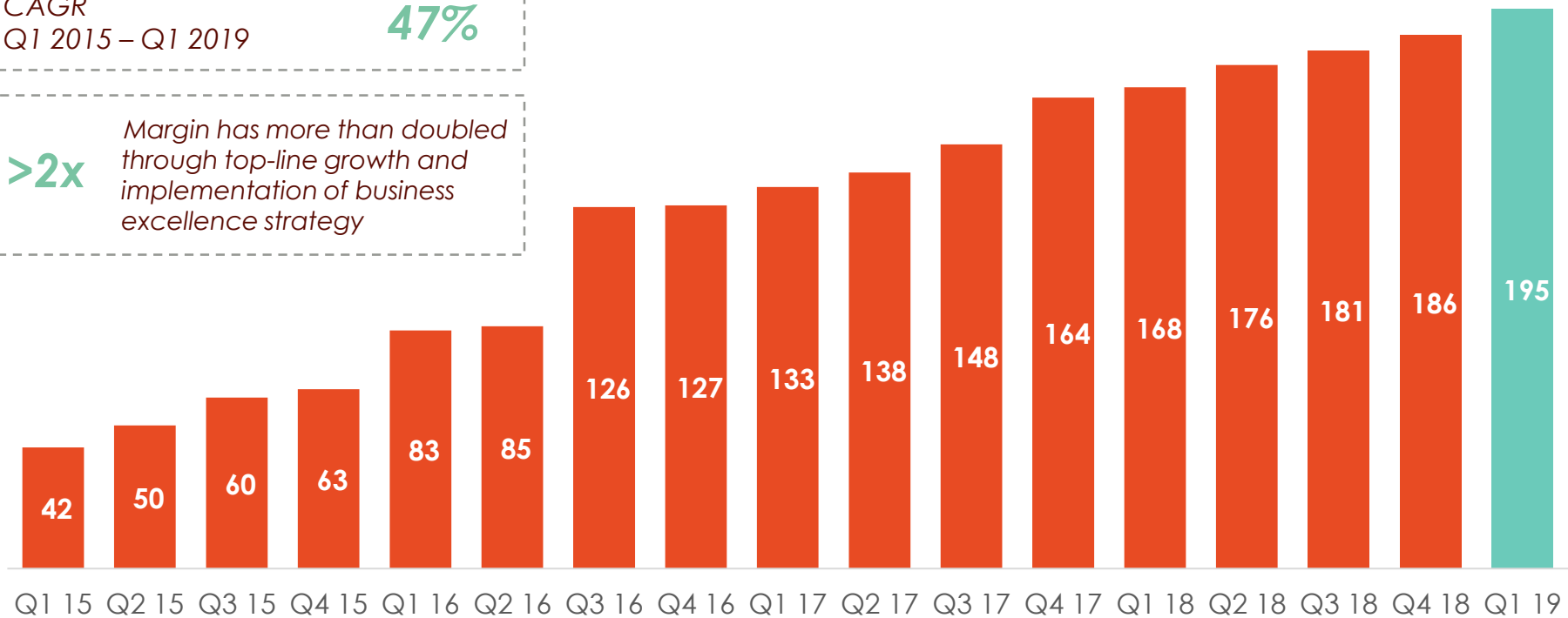
Margin

25% 27% 28% 28% 35% 35% 39% 38% 40% 40% 42% 46% 47% 49% 51% 52% 52%

CAGR
Q1 2015 – Q1 2019 **47%**

>2x

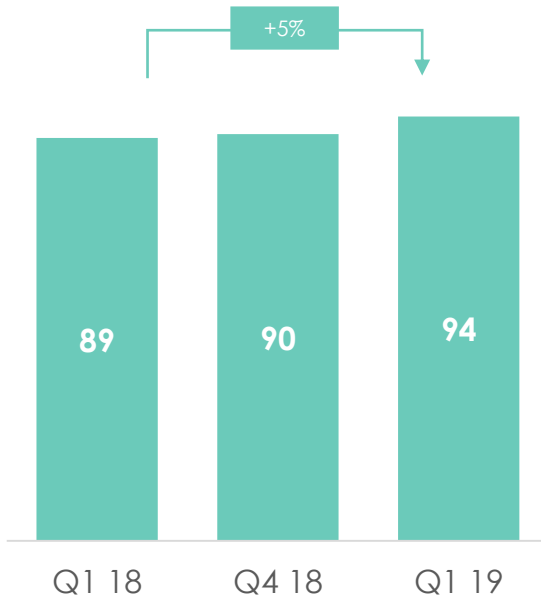
Margin has more than doubled through top-line growth and implementation of business excellence strategy



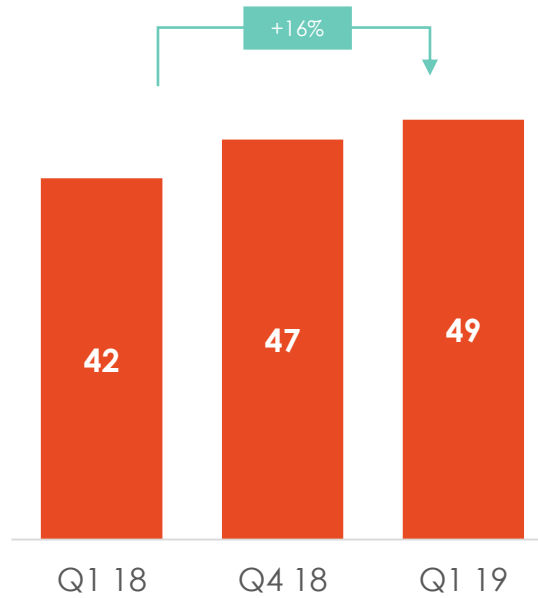
(1) "Adjusted EBITDA" is defined as earnings before interest, tax, depreciation and amortization adjusted for discontinued operations, other gains and losses, investment income, loss on disposal of PP&E, impairment of intangible assets and PP&E, deal costs relating to unsuccessful tower transactions or successful tower transactions that cannot be capitalized, and exceptional items. Exceptional items are material items that are considered exceptional in nature by management by virtue of their size and/or incidence. Annualised Adjusted EBITDA calculated as per the bond definition as the most recent fiscal quarter multiplied by 4. This is not a forecast of future results

Adj. EBITDA Increased +16% year-on-year in Q1 2019 to \$49m

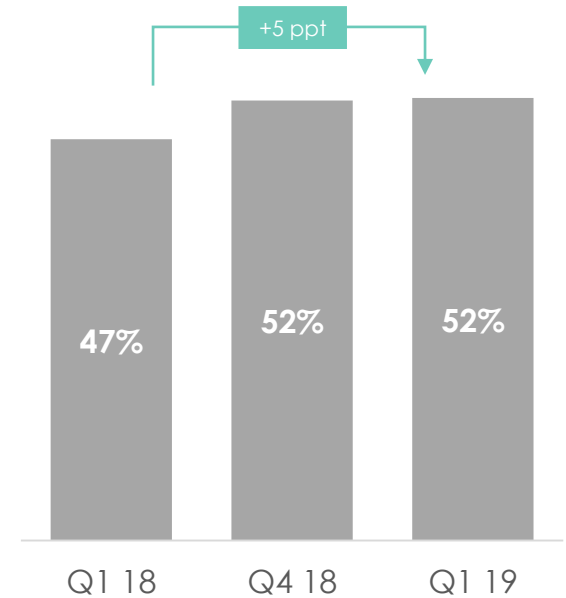
Revenue growth



Adj. EBITDA growth

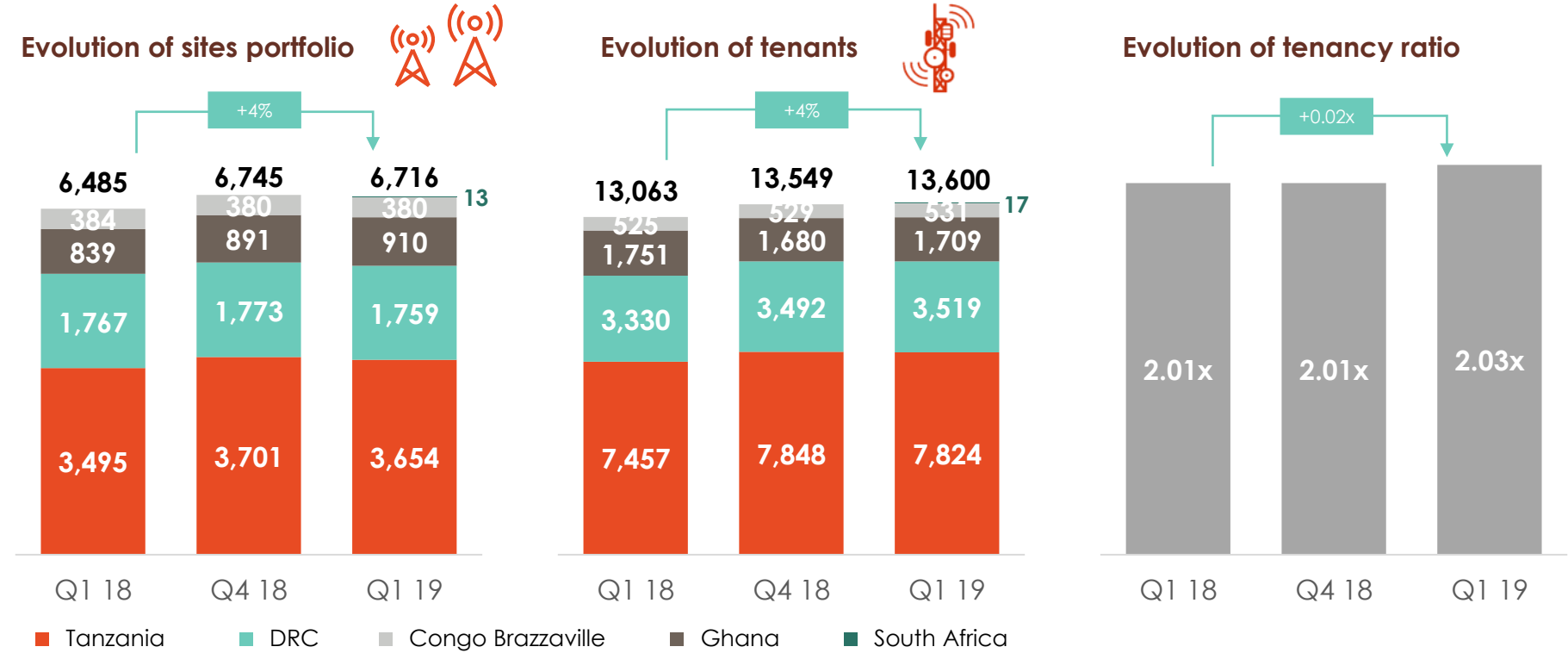


Adj. EBITDA margin expansion



- Q1 19 Revenue of \$94m increased 5% year-on-year (Q1 18: \$89m) and 4% quarter-on-quarter (Q4 18: \$90m)
- Adj. EBITDA up 16% year-on-year to \$49m with Adj. EBITDA margin at 52%, increasing 5 ppt year-on-year
- Outlook: continued Adj. EBITDA growth and margin expansion through top-line growth and leveraging the Business Excellence Strategy

Tenancies up by +4% year-on-year, achieving a tenancy ratio of 2.03x for Q1 19



- Tenancy ratio of 2.03x increased +0.02x year-on-year and quarter-on-quarter
- Addition of 13 sites in South Africa following acquisition of edge data centres
- Outlook: continued growth in sites and tenancies through our organic and acquisition strategy

Recent Developments

Acquisition of 13 Edge Data Centres

- On 31 March 2019 Helios Towers South Africa ("HTSA") closed its first acquisition
- HTSA acquired 13 edge data centres
- Highlights Helios Towers' strategy to diversify into adjacent verticals within telecoms infrastructure



Completion of SA Towers Acquisition

- On 30 April 2019 HTSA closed its acquisition of SA Towers
- The acquired business contains a pipeline of c.500 site locations
- Provides further geographic diversification into a highly attractive infrastructure market

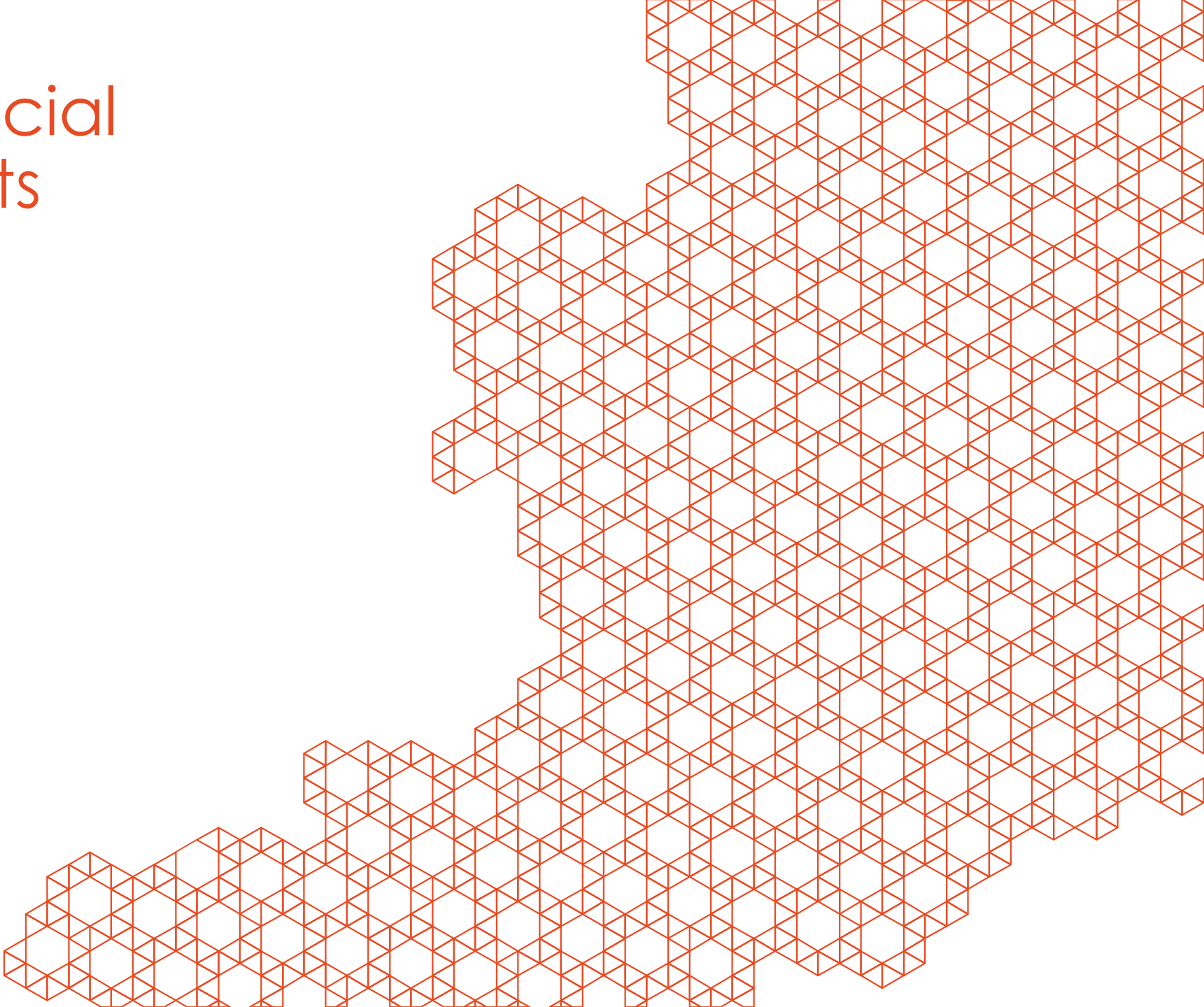


Strategic Announcement

- As a result of continued financial and strategic progress made in 2018 and Q1 2019, the company continues to explore strategic options
- This could include the possibility of listing its equity on an exchange



Financial Results



Q1 2019 Key Highlights

Results Snapshot

	Q1 18	Q4 18	Q1 19	% change	% change
				Y-o-Y	Q-o-Q
<i>In US\$m, unless otherwise stated</i>					
Revenue	89	90	94	5%	4%
Adj. EBITDA⁽¹⁾	42	47	49	16%	5%
Annualised adj. EBITDA⁽²⁾	168	186	195	16%	5%
<i>Adj. EBITDA margin (%)</i>	<i>47%</i>	<i>52%</i>	<i>52%</i>	<i>+5ppt</i>	<i>0ppt</i>
Sites (#)	6,485	6,745	6,716	4%	0%
Colocations (#)⁽³⁾	6,578	6,804	6,884	5%	1%
Tenancies (#)	13,063	13,549	13,600	4%	0%
<i>Tenancy Ratio (x)</i>	<i>2.01x</i>	<i>2.01x</i>	<i>2.03x</i>		
Capex	37	25	16	-57%	-38%
Net Debt⁽⁴⁾	612	657	672	10%	2%

(1) Adj. 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, 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 results

(3) Includes standard and amendment colocations

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

Financial Summary

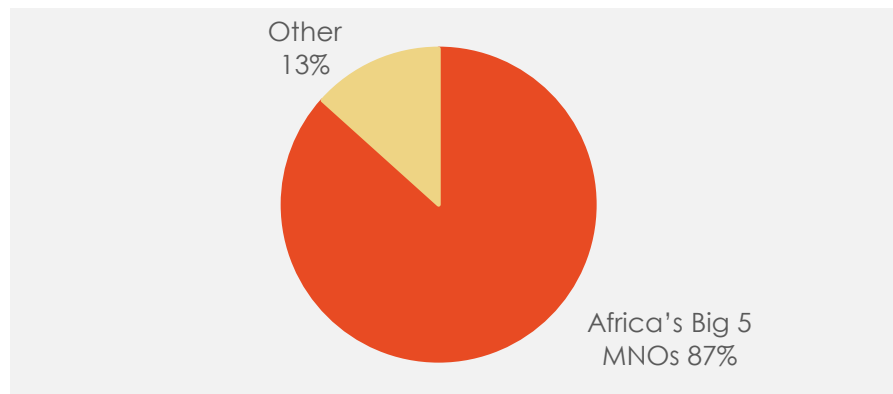
- Revenue: +5% Y-o-Y / +4% Q-o-Q
- Adj. EBITDA: +16% Y-o-Y / +5% Q-o-Q
- Adj. EBITDA margin: +5ppt Y-o-Y / 0ppt Q-o-Q

Operational Summary

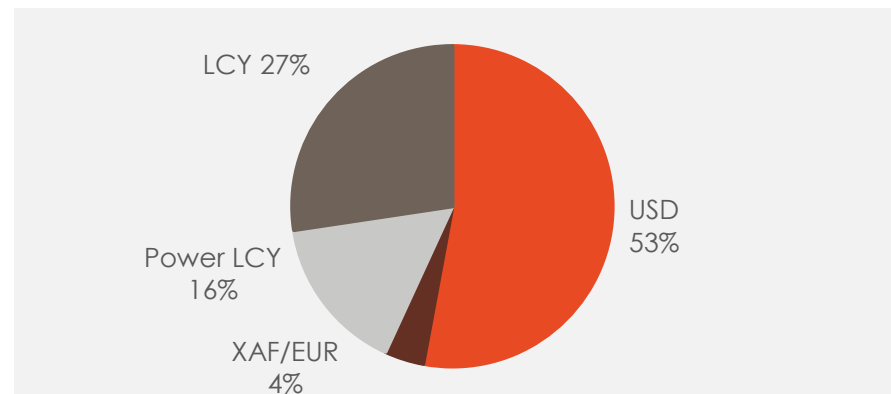
- Y-o-Y +231 sites (+4%) and +306 colocations (+5%)
- Y-o-Y growth driven by organic demand and Business Excellence Strategy
- Tenancy ratio increased to 2.03x
- Q-o-Q -29 sites (0%) and +80 colocations (+1%)

Q1 2019 Revenue Breakdown

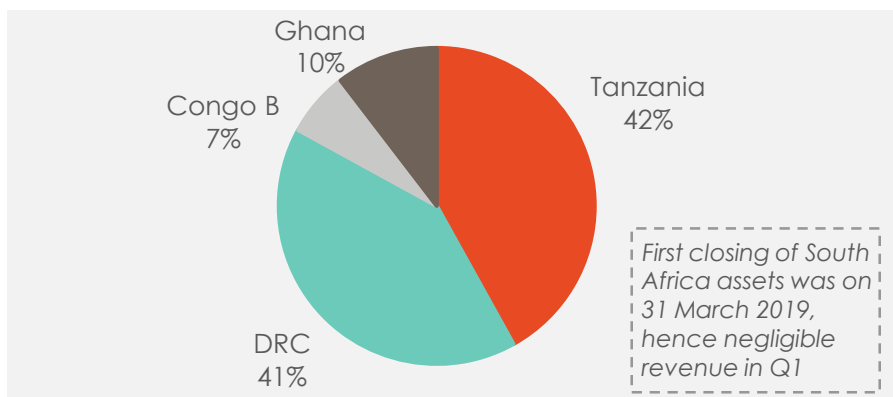
Q1 2019 Revenue Breakdown by Customer



Q1 2019 Revenue Breakdown by FX



Q1 2019 Revenue Breakdown by Country



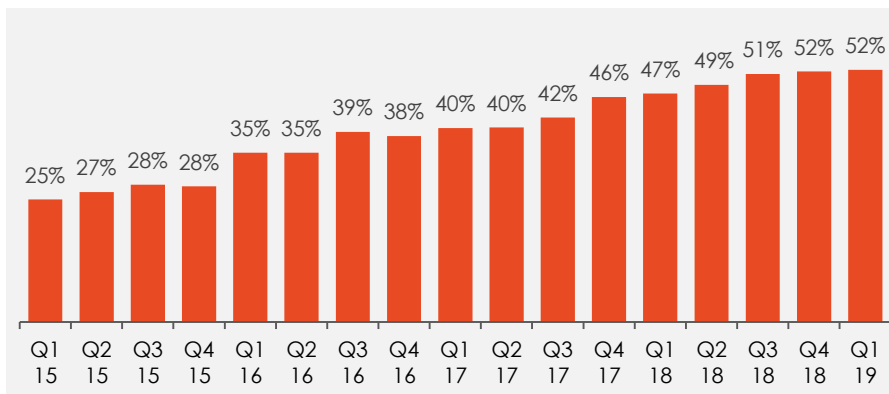
Commentary

- **87%** of Q1 19 revenues from Africa's Big 5 MNOs (Q1 18: 86%)
- **57%** of revenues in USD or XAF (which is pegged to the Euro)

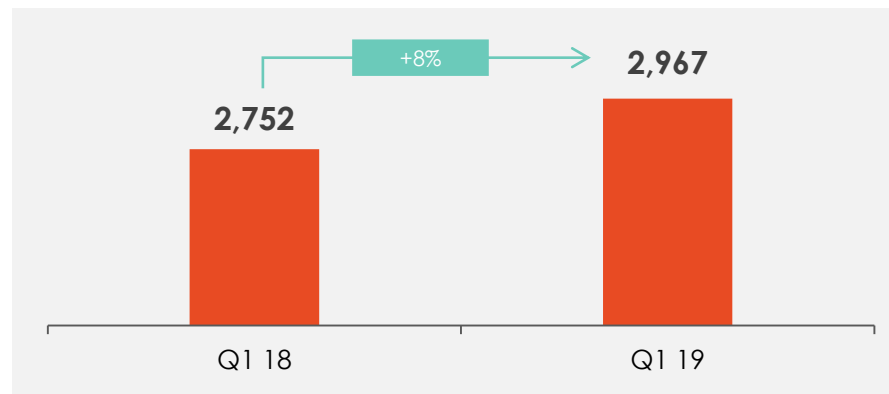
(1) Big 5 MNOs defined as: Airtel, MTN, Orange, Tigo and Vodafone/Vodacom

Q1 2019 Costs and Margin Analysis

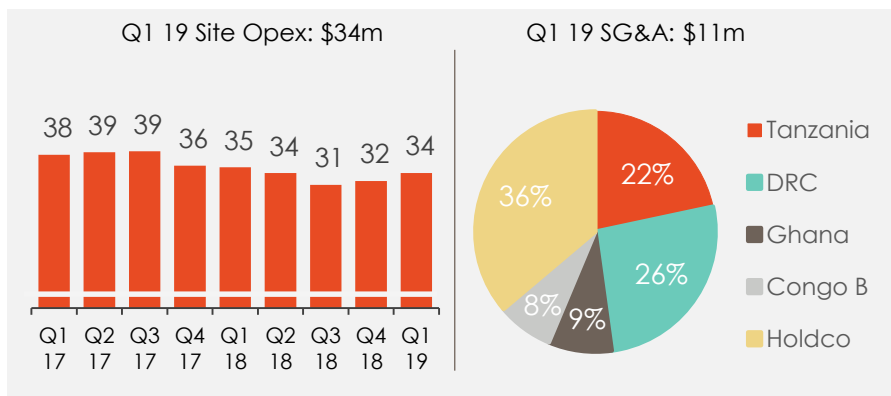
Q-o-Q Adj. EBITDA Margin



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



Q1 19 Operating Cost Breakdown⁽²⁾



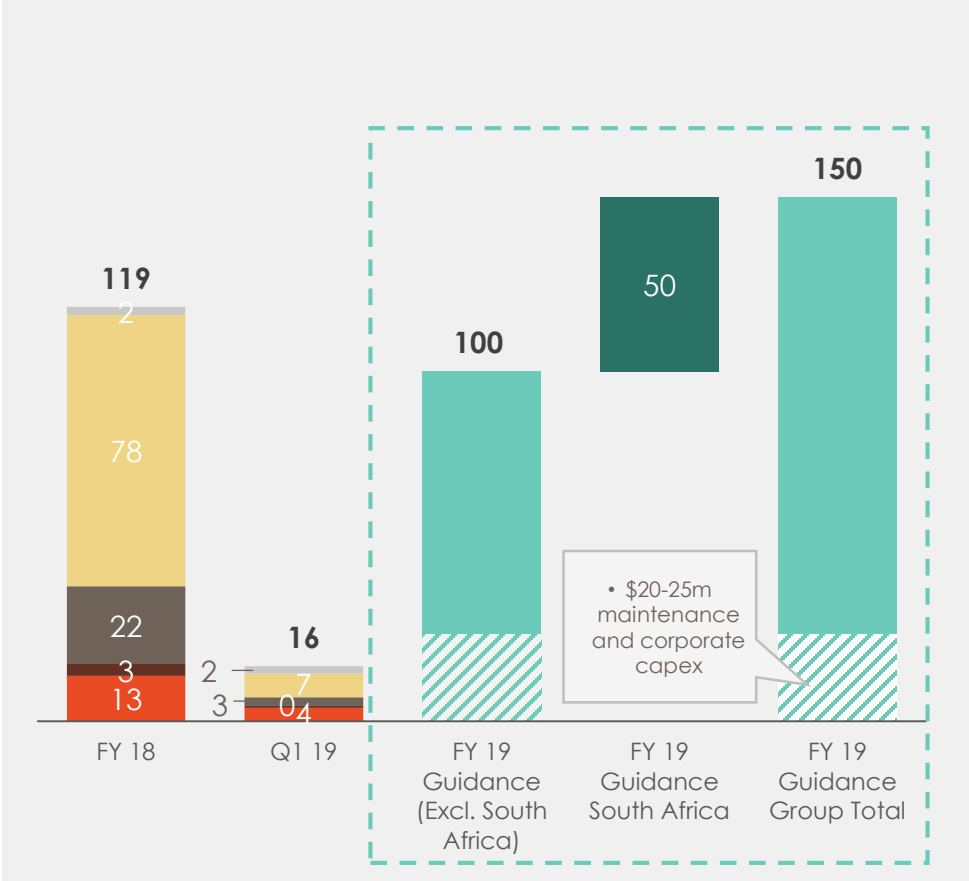
Commentary

- Strong growth in Tower Cash Flow and Adj. EBITDA
- Cost saving initiatives driving down expenses year-on-year

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

Capital Expenditure

Capex Breakdown (\$m)



■ Maintenance ■ Corporate ■ Upgrade ■ Growth ■ Acquisitions

Commentary

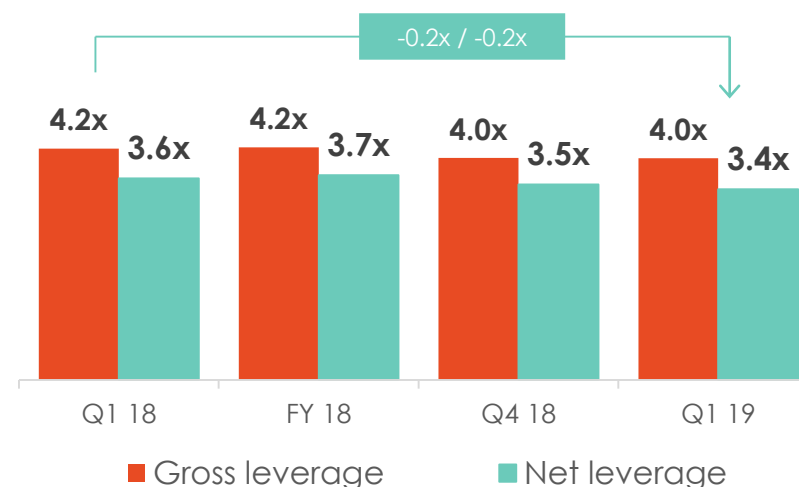
- Capex guidance for FY 19 (excl. South Africa) remains at \$100m, a 16% reduction from FY 18
- Ongoing maintenance and corporate capex guidance unchanged at c.\$20-25m per annum
- \$100m plan for South Africa through FY 19 & FY 20. Guidance is \$50m each year, however this is highly dependent on customer timing. Updates will follow should expectations change

Summary of Financial Debt

Debt KPIs

(\$m)	Q1 18	FY 18	Q4 18	Q1 19
Cash & cash equivalents	90	89	89	109
Bond	600	600	600	600
Term Loan	-	25	25	75
Lease Obligations + Other ⁽¹⁾	102	121	121	106
Gross Debt	702	746	746	781
Net Debt	612	657	657	672
Annualised Adj. EBITDA	168 ⁽²⁾	178	186 ⁽²⁾	195 ⁽²⁾
Gross Leverage ⁽³⁾	4.2x	4.2x	4.0x	4.0x
Net Leverage ⁽⁴⁾	3.6x	3.7x	3.5x	3.4x

Gross and Net Leverage



Commentary

- Continued deleveraging supported by Q-o-Q growth in Adj. EBITDA
- Term loan drawn for South Africa deployment

(1) 'Other' relates to unamortised loan issue costs, accrued bond and loan interest, derivative liability and shareholder loans

(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) Calculated as gross debt divided by Annualised Adj. EBITDA for the quarter and Adj. EBITDA for the year

(4) Calculated as net debt divided by Annualised Adj. EBITDA for the quarter and Adj. EBITDA for the year

Helios Towers' Story Reinforced

UNIQUE POSITIONING	MARKET LEADER...	Strong growing positions in four existing markets with exciting growth potential in the new South African market
	... CONTINUING DELIVERING GROWTH	+5% Revenue growth and +16% EBITDA growth year-on-year for Q1 2019
SECURED GROWTH	LONG-TERM CONTRACTS...	Contracted revenue of in excess of \$3.0bn with average remaining life of 7.9 years
	... IN HARD CURRENCY	57% of Revenue in Hard Currency (USD and EUR pegged)
OPERATING LEVERAGE	IMPROVEMENT IN MARGIN...	Strong margin expansion of +5 ppt year-on-year to 52% for Q1 2019
	... DRIVING CASH FLOW GENERATION	Unlevered Recurring FCF of \$44.1m⁽¹⁾ for Q1 2019, a 31% increase Y-o-Y

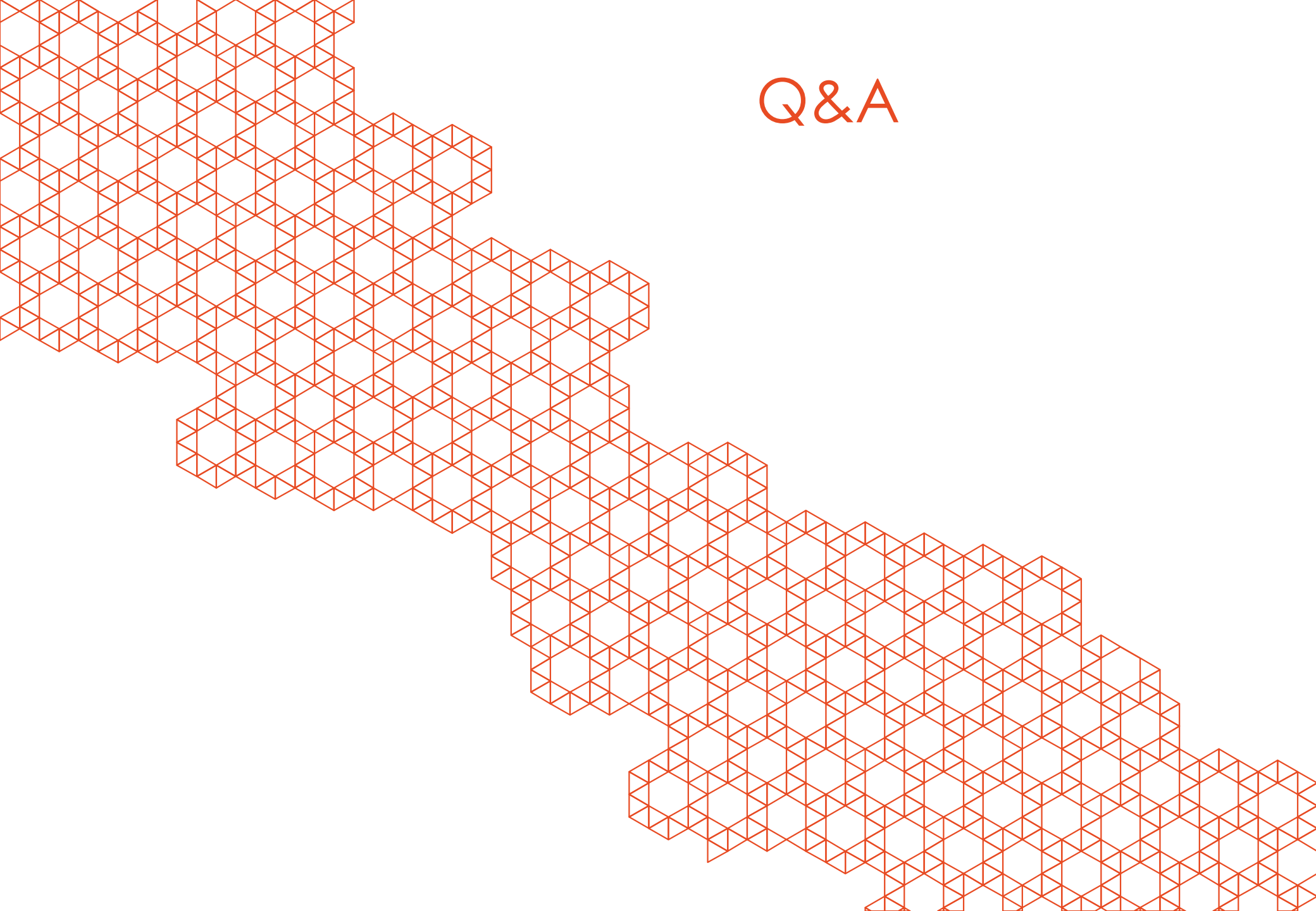
(1) Calculated as Adj. EBITDA – Tax paid – Maintenance and Corporate capital expenditure.

Outlook for 2019

“Continued growth in our four established markets to be driven by top-line growth and execution of our Business Excellence Strategy.

We expect this to be complimented by growth in South Africa, where we take our proven business model to this attractive new market.”

Q&A



Appendix



Summary Income Statement

(\$m)	Q1 18	Q1 19
Revenue	88.9	93.7
Cost of sales	(65.8)	(65.3)
Gross profit	23.1	28.4
Admin expenses	(31.3)	(16.3)
Loss on disposal of PPE	(0.4)	(5.1)
Operating profit/(loss)	(8.6)	6.9
Investment income	0.2	0.1
Other gains and losses ⁽¹⁾	(9.4)	15.7
Finance costs	(25.5)	(31.4)
Loss before tax	(43.3)	(8.7)
Tax expenses	(1.4)	(0.7)
Loss after tax	(44.6)	(9.4)
Adj. EBITDA	42.0	48.8
Adj. EBITDA margin	47%	52%
Reconciliation of Adj. EBITDA to loss before tax for Q1 18 and Q1 19		
Adj. EBITDA	42.0	48.8
Adjustments applied in arriving at Adjusted EBITDA		
Exceptional items:		
Litigation costs ⁽²⁾	(1.3)	-
Exceptional project costs ⁽³⁾	(14.7)	-
Loss on disposals of assets ⁽⁴⁾	(0.4)	(5.1)
Deal costs	-	(1.2)
Other gains and losses ⁽¹⁾	(9.4)	15.7
Recharged depreciation	(0.3)	-
Depreciation of property, plant and equipment	(29.5)	(31.8)
Depreciation of right-of-use-assets	(2.4)	(1.8)
Amortisation of intangibles	(2.1)	(2.0)
Investment income	0.2	0.1
Finance costs	(25.5)	(31.4)
Loss before tax	(43.3)	(8.7)

(1) Other gains and losses relates to the movement of the embedded derivative valuation of the bond for the period, based on its market trading position as at the reporting period date

(2) Relates to legal costs incurred in connection with a previously terminated equity transaction

(3) Exceptional project costs relate to the exploration of strategic options including, but not limited to, a potential listing of equity on a public exchange

(4) Loss on disposal of assets in the current period mainly relates to the disposal of sites dismantled as part of the Group's site consolidation program, whereby tenants from a given site are moved to another site in close proximity, and the given site is dismantled

Summary Balance Sheet

(\$m)	FY 2018	Q1 2019
Non-current assets		
Intangible assets	12.4	10.4
Property, plant and equipment	676.6	652.6
Right-of-use assets	103.8	101.3
Investments	0.1	0.0
Derivative financial assets	7.1	22.8
	800.1	787.2
Current assets		
Inventories	10.3	10.3
Trade and other receivables	102.3	124.2
Prepayments	16.2	19.8
Cash and cash equivalents	89.0	109.5
	217.7	263.8
Total assets	1017.8	1051.0
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
Translation reserve	-81.7	-84.0
Accumulated losses	-880.0	-889.4
Equity attributable to owners	121.7	110.0
Non-controlling interest	0.0	1.9
Total equity	121.7	111.9
Current liabilities		
Trade and other payables	149.8	157.7
Short-term lease liabilities	19.6	19.8
Loans	17.3	3.3
	186.6	180.8
Non-current liabilities		
Loans	610.8	660.2
Long-term lease liabilities	98.7	98.1
Total liabilities	896.1	939.1
Total equity and liabilities	1017.8	1051.0

Summary Cash Flow Statement

(\$m)	Q1 18	Q1 19
Adj. EBITDA	42.0	48.8
Less: Tax paid	0.0	(0.4)
Less: Maintenance and corporate capex ⁽¹⁾	(8.5)	(4.4)
Unlevered recurring cash flow	33.5	44.1
% Cash Conversion	79.8%	90.3%
Less: Finance costs paid	(27.4)	(27.7)
Less: Lease obligations paid	(5.8)	(3.7)
Levered recurring cash flow	0.3	12.7
Less: Investment capex ⁽¹⁾⁽²⁾	(28.1)	(11.4)
Adjusted free cash flow	(27.8)	1.3
Less: Change in trade working capital	(0.3)	(23.2)
Less: Change in capex working capital	14.8	(6.1)
Less: Exceptional items ⁽³⁾	(16.2)	0.0
Less: Deal Costs	0.0	(1.2)
Add: Proceeds on disposal on assets / investment income	0.2	0.2
Free cash flow	(29.4)	(29.0)
Equity	0.0	0.0
Debt	0.0	50.0
Net cash flow	(29.4)	21.0
Cash brought forward	119.7	89.0
FX	(0.4)	(0.5)
Cash carried forward	89.8	109.5

(1) Reflects capital additions

(2) Investment capex comprises of acquisition, growth and upgrade capex

(3) Includes legal costs incurred in connection with a previously terminated equity transaction and costs relating to the exploration of strategic options including, but not limited to, a potential listing of equity on a public exchange

Disclaimer

This presentation (the "Presentation") is provided on a strictly private and confidential basis for information purposes only and must not be relied upon 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 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, 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. 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.



Contact
investorrelations@heliostowers.com