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Helios Towers Capital Markets Day 2022

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Introduction

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Head of Strategic Finance and Investor Relations, Helios Towers

Welcome

Good afternoon, everyone. Welcome to Helios Towers' Capital Markets Day 2022. I would like to thank you all for taking the time to join us today, whether here in person or virtually. I am Chris Baker-Sams, Head of Strategic Finance and Investor Relations for Helios Towers.

Disclaimer

Before we start, here are a couple of housekeeping items. Our presentation today will contain forward-looking statements, which do not guarantee future events or performance. Please refer to slide two of our presentation for our cautionary statements.

We have presentations from our executive leadership team that will last three hours in total, with two short breaks between various presenter slots. We ask that Q&A is held until the end after all presenters have presented. If you would like to ask a question virtually, please submit that through the chat box online.

Now before I hand over to our new CEO, Tom Greenwood, I will play a short introductory video to who we are and what we do.

[Video]

Company Overview and Strategy

Tom Greenwood

CEO, Helios Towers

Introduction

Welcome, everyone. I see some familiar faces here and some new faces, and it is really great to see you all today. We thank you very much for your time. We are going to run through the presentation and then have lots of time at the end for Q&A. For those who do not know me, my name is Tom Greenwood, and I am the CEO of Helios Towers. I, along with some colleagues, will be taking you through our business model, our investment proposition and why we are so excited about the growth, returns and value creation for the next five years and beyond.

Our business is at a pivotal point in its evolution. Having recently doubled our platform in terms of size and diversification - five to 10 markets, 7,000 to 14,000 towers, and we are uniquely positioned to capture the unparalleled mobile communications growth in Africa and Middle East for years to come.

Over the past 18 months, we have reloaded our platform, acquiring other underutilised assets, which have embedded lease-up and growth now to drive higher margin and returns. Our platform, combined with our operating capabilities and our strong market positioning, make it a very solid outlook. This is why we believe, and we will take you through this today, we offer the best risk-adjusted returns for investors across the towerco space globally. We are, indeed, one of the best propositions across all sectors.

But first, let me properly introduce myself. I joined the business 12 years ago when it was a start-up before we owned a single tower. I have held a number of key C-suite roles through

that time and being part of the team building the business from the bottom-up through what I would characterise as first three phases.

We are now entering Phase four. And the thing that makes me so passionate about the next five years is that the business is entering its strongest point yet.

- We are now the most geographically diversified towerco in the region.
- We are now the most customer-diversified towerco in the region.
- We are now the fastest growing towerco in the region.
- We now have the most high-quality earnings for any towerco in the region.
- We bring world-class service to customers in very challenging environments.
- We have best-in-class service delivery.

Our business excellence at ethos, which is based on Lean Six Sigma methodology, is driving this to even higher levels. I am a Lean Six Sigma Black Belt, and you will see a lot of these throughout our presentation today.

Operational execution is a key USP for us, because as a towerco in our regions, we are not only a real estate manager but also a power company for our mobile operator customers. We operate to world-class quality levels, in sometimes very challenging environments. Our customers trust us to deliver.

Our purpose and mission

So, what is the purpose of Helios Towers and what is our mission? Well, our purpose is to drive the growth of communications across Africa and Middle East. And our mission is to deliver exceptional customer service through our business excellence platform and create sustainable value for our people, environment, customers, communities and investors.

Helios Towers Investment proposition

Our investment proposition is summarised in these five areas.

- One, we are a uniquely positioned towerco, focusing solely on Africa and the Middle East;
- Our regions have the highest structural growth, both organic and inorganic in the world;
- Three, we have a proven execution capability, our power uptime levels, business excellence, platform and highly experienced teams;
- Four, we have a very robust and high-quality earnings and cash flow stream; and
- Five, of course, we combine superior financial return with sustainability impact in everything we do.

Our unique platform primed for strong growth and returns

So, of what platform will we be driving our performance? Here is our platform today, the most diversified towerco in the region, 10 markets. Eight of those markets are very strong or hold leading market positions. Our 14,000 sites have a tenancy ratio of 1.7 tenants per tower. Our sites typically have a capacity of three or four tenants per tower, meaning we have got a significant runway to increase tower utilisation, and therefore, margin returns.

Our revenues and earnings are underpinned by global mobile operators and majority hard currency contracts; and the structural growth potential in our markets is unparalleled for both organic and inorganic. There are 25,000 new points of service required over the next five years in our 10 markets driving the organic side; and there are 300,000 sites still owned by mobile operators, who are continuing to divest their tower portfolios as they seek to drive capital and operational efficiency.

Our leading mix of high growth, deep diversification, strong market positioning and execution capability creates the optimum investment proposition

So, as we think about our platform, we are always monitoring our competition and how we stack up from the perspectives of growth, diversification, and investment proposition. As you know, we are part of a global sector, and we think we offer a unique proposition in terms of:

- Our diversified platform;
- Operational execution excellence;
- Market position strength; and
- Growth prospects over the coming years.

We are the second fastest-growing independent multinational towerco, globally over the past 3 years after Cellnex. And with market-leading positions in eight of our markets and a maximum country exposure of 34%, we provide the best de-risk growth opportunity in our region.

Our core product and its operational leverage

So why do we offer such attractive long-term revenue quality and growth? The answer is in our core product. We own, operate passive infrastructure on the telecom side. This includes:

- The tower itself;
- The power equipment;
- The civils;
- The security equipment.

Our model is very simple. We start with one tenant on it. Then we aim to put as many tenants on the site as possible, which we called colocation. And then we try and get those tenants to add more equipment over time, and we charge revenue for more equipment going on our sites.

It is a fairly fixed cost to run a site. So, each time we add an incremental tenant, we see around 80% margin flow-through. And this is why the site ROIC jumps from 11% to 19% to 32% each time we add a new tenant.

We have a saying at Helios, we are not a towerco, but we are a coloco. We only own towers so that we can add multiple tenants to them because that is what drives value.

Our impact

And it is not just financial return and value that we deliver. We deliver real impact in our markets, communities, and environments. We facilitate digital inclusion. Today, covering 139 million people. This will grow to 0.25 billion by 2026.

Because our business model is to facilitate sharing of infrastructure rather than having lots of single mobile operator towers, we inherently drive carbon emission reduction, which is further

complemented by our commitment to invest $100 million in lower carbon and renewable technology by 2030, driving environmental improvements, and at the same time, financial margin improvement.

Our Board has significant experience in towers, Africa, telecoms, power, industry and investment

A key part of our strategy is to promote and develop local talent. We are a global quality business led and operated by local people, creating sustainable business and a sustainable future. Our Board is fully focused on all elements of our sustainable impact and financial return. We have a diverse Board of 11 people, majority Independent, which includes a wealth of experience across all relevant industries and areas of expertise. In fact, Alison Baker, our audit chair is here today. So perhaps you will meet her in the breaks.

Our global standard values and governance

Our values and governance are, of course, core and fundamental to our business right from the top-down through the organisation. Our business is founded on three core values:

- Integrity, and how we work;
- Partnership with all our stakeholders; and
- Excellence in everything we do.

These values are complemented by standards and accreditations, including the four key ISO standards. Our other procedures focused around:

- Health and safety;
- Ethics and compliance;
- Site structural integrity; and
- Environmental management.

All of which we run to the highest global quality.

Executive leadership Team has over 350 years of tower, power, telco and EM experience, built with localised leadership and dedicated ExCo, regional and functional experts

Here is the team, who will lead and deliver the successful execution of our five-year sustainable business strategy. We work together under the one team, one business ethos, and we have got a wealth of country, sector, and functional experts with over 350 of experience between us.

This slide also demonstrates our commitment and focus to develop people and promote from within. Over 60% of people on here have been promoted internally, complementing that with new talent being recruited to the team.

As we mentioned before, we regionalised our Group team when expanding from five to 10 markets, which provides capacity, Helios culture and process embedding, as well as enlarged experience for our next generation of business leaders.

In fact, a lot of the team are here today, Manjit, Phil, Sainesh, Lara and Sima, you will be hearing from through the presentation. I really encourage you to meet the others: Fritz, Ramsey, Karim, Marinus, Beki, Léon-Paul, Craig, Paul, and Nick are all here, and hopefully you will meet them through the Q&A and drinks at the end.

Our story to date and next phase

Let us provide some history for our business, where we have come from, and most importantly, where we are going. So, our business can be characterised in four phases, the fourth one being what we are entering now.

Phase one was the initial buy and build of the platform. We did the first-ever tower sale and leaseback in Africa in 2010. From there, we built the initial business in four markets with 5,000 towers.

We then entered Phase two in 2015, where we focused on performance centred around business excellence, driving margins and returns significantly upwards and cementing our reputation for customer service excellence and delivery. Additionally, during this time, we continued to grow our site count by 40%, which meant that we continue to grow our asset base, albeit, slower than Phase one.

Following our IPO in 2019, a key part of our strategy to strengthen our platform was to geographically diversify. We succeeded in five acquisition processes whilst COVID was going on, which enabled us to double our country coverage and platform size pretty much overnight.

We therefore emerged from phase three and enter phase four, the strongest we have ever been, the most diversified towerco in Africa and Middle East with embedded growth in our asset base prime to drive future lease-up, margins, returns and sustainable value for all stakeholders. And as you will see in a couple of slides time, we anticipate site count growth and margin growth in phase four that looks and feels pretty similar to phase two.

Our five-year Sustainable business Strategy

Our five-year sustainable business strategy being founded on our purpose and mission is centred around three core pillars:

- Customer service excellence;
- People and business excellence; and
- Sustainable value for all our stakeholders, people, environment, customers, communities, and of course, investors.

Our five-year strategic target – "22 by 26"

Margin and scale growth driven by significant organic and inorganic pipelines

This is how we characterise this as a five-year objective, 22 by 26 - 22,000 towers by 2026. So, we are targeting to continue our growth with roughly a 50% site count increase over the next five years, and at the same time, driving margin up to 55% to 60%. This is all driven by the organic and inorganic opportunity and our customer service excellence, orientated delivery, which enables us to do more business with our existing and new mobile operator customers.

In terms of the split between organic and inorganic, we expect this to be roughly half and half. More importantly, this plan can be fully financed through existing cash flows and debt with no further equity raises required.

Now in terms of how we expect this growth to come and our near-term versus medium-term focus, in the short term, so this year and next year, we are very focused on integrating our new markets, driving the organic growth and performance, bringing them all up to the same level on business excellence and ultimately driving lease-up margin and returns.

Beyond that, in years three to five, we expect further geographic diversification bit by bit in conjunction with continued organic growth in all markets, all driving our margin up to the 55% to 60% range. Beyond that, the margin will be 60% to 65%, which is a natural long-term margin level of our business.

Probably worth also taking a moment here to remind ourselves of our previously communicated strategic targets from the time of our IPO in 2019. So, we said eight markets, 12,000 towers in five years. Well, in 2.5 years, we are back here with 10 markets and 14,000 towers, which is why we are launching a new five-year strategy today.

Our seven-pillar customer service excellence proposition

And our customer service excellence pillar is clearly centred around our customer proposition. So, what can we offer customers that no one else can? What we offer is a combination of operational performance excellence around power uptime, rollout speeds, attractive pricing, and capital efficiency, which is enabled really through our infrastructure sharing model, and of course, quality, and regulatory support.

Because we are enabling ubiquitous coverage for all faster and more efficient and with higher quality than the mobile operators doing it themselves.

As you can see, some of the biggest mobile in the world are our main customers, and they trust us to deliver. Our focus over the coming years is to build that trust further, build that partnership further and grow our service offering and revenues with all our current customers and build relationships with new ones as well.

Our people and business excellence is founded on Lean Six Sigma principles, and we deliver best-in-class customer service

The key to delivering on our customer proposition is all about people and business excellence. We focus on:

- Recruiting the best people;
- Retaining the best people;
- Developing the best people; and
- Ultimately, investing in our people.

Our business excellence we are working is based off Lean Six Sigma principles. So, the theory behind Lean Six Sigma is that it teaches people to improve processes through data analytics by removing waste and improving reliability in any process. It came out of the Japanese automotive industry around manufacturing in the 1950s and has been used by many industries and companies around the world since then.

The benefits of its teachings are that it teaches people to make decisions based on data rather than on hunches and emotion. It is also for everyone through the organisation, not just for the senior executives. In fact, it is quite the opposite. The biggest value you get from it is when mid- or junior- level colleagues in our markets are applying it to solve problems and drive efficiencies in the field without the need for a senior manager to be there.

So whether it is a zone or head coming up with a new or better route for the maintenance team to take saving 80 kilometres driving a week, 4,000 kilometres a year, $10,000 savings a year and reducing health and safety risk, or a fuel manager who identifies that a certain group of

sites have abnormally higher fuel consumption, works with the site engineer to deduce that by installing phase selectors on the site, we can harness the grid power better and use less diesel, thereby saving $100,000 a year and 200 tonnes of carbon.

If you have these sorts of activities happening at hundreds or even thousands of times across the business each year, it adds up to millions in savings, carbon reduction, customer service improvements, and of course, health and safety improvements.

We therefore have a big focus to take our workforce from 30% Lean Six Sigma trained to 70% Lean Six Sigma trained over the next five years, which will in turn drive further customer service excellence, including our target to hit 30 seconds downtime by 2026.

Our sustainable value creation; real impact and real returns

Our sustainable value creation pillar sums up what we provide: the combination financial return and sustainability impact. In fact, our business is inherently sustainable, as we can see here.

All of the sustainable areas I mentioned earlier, digital inclusion, talent development, carbon efficiency, in fact, are all inextricably linked to financial return metrics, driving revenue, EBITDA, long-term earnings and margin. We are, therefore, providing all stakeholders, people, environment, customers, communities, and investors with sustainable value creation for many years ahead.

Our markets are some of the fastest growing in the world

Now taking a step back, what attracts us to Africa and Middle East? Our markets are about amazing growth. And our focus is how in a controlled and methodical way, we go about both driving and capturing this growth through prudent capital allocation in order to drive margin, returns and sustainable value.

Our regions have the best growth dynamics by far anywhere in the world, and that is structural growth for decades ahead. So, whilst the rest of the world is stagnating, Africa and Middle East is tripling its population in this century, and in fact, almost doubling by 2050. Along with this phenomenal dynamic, it also has the fastest-growing mobile market, the highest rate of urbanisation and the fastest-growing economies.

An interesting fact for you - our countries contain five out of the top 10 urbanising cities in the world. One of these cities, Kinshasa, the capital of DRC, has today 17 million people. By 2035, it is forecast to have 27 million people. It will be the next global mega city, so watch this space. This city alone will need 5,000 plus telecoms point as a service in getting to that size. So, there is really quite phenomenal growth and demand coming.

Structurally attractive markets

As you can see here, there is a huge gap between Africa and Middle East versus the G7 countries in terms of mobile usage, which, of course, means there is a huge infrastructure gap, and we are a key part of the solution to close it.

Our 10 markets are forecast to require 25k more PoS in the next 5 years – an 8% CAGR from today

In terms of closing that gap over the next five years, our 10 markets need 25,000 points of service to satisfy that growth in mobile telephony. This equates to 25,000 potential tenants for us. Today, we have 24,000 tenants.

Now a mobile antenna has a capacity limit of subscribers, or data that can adequately handle. So, it is fairly simple to come up with a forecast of 25,000 points of service. This is independent research by the way. It is all driven by the 63 million new subscribers coming online and the tripling of data usage over the next five years. All of this additional throughput requires additional network locations propagating signal, and we make our revenue from the presence of that equipment on sites.

HT will benefit as operators densify their networks to support evolution from 2G ➔ 3G ➔ 4G ➔ 5G

As well as simply more subscribers driving our growth as the networks evolve, up the generation curve from 2G to 3G to 4G to 5G and beyond, networks need to densify to ensure high-quality end user experience. In other words, mobile operators need more towers and more colocations within a given area. We contractually gain from this both from standard tenancy rollout, but also amendments that existing customers on that site make by adding more equipment using more space using more power, we charge for all this through our contracts.

New technologies (4G/5G) support new product development

> *We have a selective approach to new product development, complementary to our core tower offering*

In addition to our standard tower colocations or build-to-suit product as the networks are densifying and evolving, so is our product offering. So, we are getting more innovative at providing solutions to our customers' network problems as they step-up the network generation curve. So, we look to provide products, which are as close to the tower product as possible, both from an operational point of view, a customer point of view and an earnings quality point of view.

For example, we are providing In Building Solutions, ensuring that large offices and residential blocks have good mobile service on every floor and in every room. We are also making sure that at street level, we are providing optimum connectivity through our outdoor DAS and Smart Solutions products. We are also providing small Fringe Edge Data Centres for our customers to boost their signal to ensure that the strength of their network is maintained even away from their core network hubs. In the future, we might provide Network-as-a-Service and possibly fibre to the tower.

We ensure first and foremost, that we are providing our key customers with the solutions and services they need and want. We have some great examples of this, which we will dig into later.

Medium-term opportunity: expand our platform

> *MNOs have been selling towers across Africa and the Middle East but outsourcing still significantly lags behind the rest of the world*

We have looked at organic growth. How about inorganic growth? Structurally, Africa and Middle East are behind the rest of the world in terms of mobile operators divesting their towers. As you can see from the charts on the left-hand side, in our regions, 24% of towers are owned by independent towercos. That compares to 70% for the rest of the world.

So, for us, this means there are 300,000 towers still owned by mobile operators in Africa and the Middle East, and we believe a large amount of them will be sold over the coming years.

Proven M&A and integration capabilities across Africa and the Middle East

And we are in a prime position to secure the ones we like. We have strict acquisition criteria for every portfolio acquisition. We will come to this later. We are very confident of being successful in deals for the ones we believe will add significant value for our business as we have demonstrated time after time. We have done 16 successful acquisitions over the past 12 years.

Africa and the Middle East tower pipeline today looks similar to US in 2000 and Europe in 2015

The time for towers in Africa and Middle East really is now. It looks very similar to the US in 2000 when American Tower, Crown Castle, SBA, all got established, and in Europe in 2015, when Cellnex established itself.

Helios Towers investment proposition

I will bring it back to the beginning, our investment proposition. Now these are the areas we will focus on through the rest of our presentation:

- Unique market positioning;
- Unparalleled structural growth;
- Proven execution capabilities;
- High-quality earnings and cash flows; and
- Overarching everything, our sustainable business.

In summary, we believe that this amounts to arguably the best risk-adjusted returns available to investors in the market today.

Now it is my great pleasure to hand over to Manjit Dhillon, our Chief Financial Officer.

Our Business Model

Manjit Dhillon

CFO, Helios Towers

Introduction

Thanks, Tom. Hello, everyone. It is great to be able to speak with you all today. I am meeting physically after such a long time. For those dialling in, we will be on the road very soon and aiming to meet you all over the coming months.

My name is Manjit Dhillon, and I am the Chief Financial Officer at Helios Towers. I joined Helios Towers six years ago towards the beginning of Phase two that Tom just spoke about. I really saw the business adopt and drive business excellence utilising Lean Six Sigma principles. You can see from the page, I am an orange belt, but very much hoping to do my training this year and become a black belt towards the back half of the year.

It has been really amazing to see how this has really taken hold in the company from top to bottom. It has set the foundations for growth and allowed us to move forward with our corporate actions, for example, becoming public that our various bond issuances and our listing in the back end of 2019.

I have got a couple of functions in the company, leading the corporate finance and investor relations functions prior to being appointed as CFO at the beginning of last year. And alongside Tom, I have overseen raising $3 billion worth of capital across the Group.

Key takeaways

So, getting straight into it. We have heard from Tom about the fantastic growth opportunities in our markets and our five-year vision. Now I will be going through how our disciplined capital deployment will drive sustainable value creation in our existing markets and new markets; how our expertise and business model, which is built from the same foundations as US towercos, will continue to drive these growth drivers to deliver sustainable value creation for all our stakeholders.

I will demonstrate our proven track record of gaining scale and diversification through acquisitions and using that as a springboard for driving lease-up and returns in all our markets and how we utilise that same playbook in all of our new markets. Excitingly today, through careful investments we have made, we brought the platform to deliver on our five-year growth strategy.

Doubling our platform in high-growth markets

Through five material acquisitions, we achieved our five-year targets laid out at IPO, of creating a stronger and more diverse towerco in the fastest growing regions for mobile

Let me give you a reminder of our journey since we listed in late 2019. Our IPO, we communicated that our vision was to expand from five markets to eight markets and site count from 7,000 to 12,000. Through five material acquisitions, we have achieved our five-year target, creating a stronger, more diverse towerco in some of the fastest-growing mobile markets in Africa and the Middle East.

Following the closing of Oman and Gabon, we will be the leading independent tower company in eight of 10 markets with 14,000 towers. We have increased our percentage of EBITDA in hard currency to 72% and increased our contracted revenues to $5.3 billion with an average contract life of eight years.

Whilst this has been a transformational period for the group, growing significantly by new markets acquisitions is how we have historically entered new markets, which is then used as the springboard for additional organic growth and operational improvements, which drive returns. This playbook is going to be utilised in our new markets, too.

Helios Towers playbook

Market entry by acquisition provides a springboard for growth and returns

We enter new markets by acquiring portfolios of towers from mobile network operators through sale and leaseback transactions. By doing so, we gain immediate scale in attractive high-growth markets.

The portfolio to buy typically come with low lease rates on day one, and the assets have been sub-optimised under MNA ownership, but fundamentally offer attractive opportunities for lease-up and operational improvements. To-date, we have completed 16 acquisitions across 10 markets with an average day one tenancy ratio of 1.2. We then use that portfolio as the foundation for further growth. One route is to be partnering with all MNOs in the market and building new build-to-suit towers.

We never build speculatively, always having a tenant on day one, and we utilise our proprietary geo-marketing tools to proactively identify and the market attractive locations for building sites that have a high likelihood of lease-up. Since 2010, we have built over 2,900 towers.

Importantly, from this base of acquired and built sites, we then increasingly drive-up lease rates. We drive lease rates on our acquired sites. We drive lease-up on our built sites. Why do we do this? Because as Tom mentioned earlier, adding more tenants to towers is really the aim of the game, as the costs to operate tower are broadly fixed. So, for each incremental tenant, you will see that we add 80% EBITDA margin flow-through from these incremental tenants.

Buying and building is effectively one route to getting the base to which we then drive these attractive lease-ups. We have been very successful in driving lease-up on both acquired and build-to-suit sites with 0.1 average lease-up on our portfolio since inception.

Importantly as well, we drive operational improvements. The towers would have been run to higher levels of downtime under MNO ownership as power and tower expertise is not their core competency, but it is ours. We utilise business excellence principles to drive operational improvements, operating the sites more efficiently and effectively with higher uptime. Uptime is crucially important to our mobile network operator partners because with higher uptime, that means more time in which network is powered, and therefore, more time in which they can generate revenues.

Finally, where possible, we invest in alternate power solutions to reduce the utilisation of fuel, which is not only the most carbon positive action but also reduces the utilisation of the most expensive form of powering a site.

Today, we have 31% of our sites utilising either solar or hybrid, something we are looking to drive over the future with our CO2 targets and ambitions of being net zero.

The combination of these actions resulted in us taking what was previously an operational headache, depreciating asset from a mobile network operator and turning into the base which drives real returns.

Leasing up drives returns and cash generation

You have heard about the importance of lease-up from Tom, and you will hear it as a theme throughout the presentation today. The reason for this is simply shown here. On the left-hand side, you will see the attractive returns we are able to generate from a site. These returns remained fairly consistent since IPO. We generate 11% return on invested capital with a one tenant site, which, whilst being fairly strong, is not the reason why we build sites or buy sites.

We buy and build to add more tenants, and that is because the incremental tenants have about 80% EBITDA margin flow-through, which should generate really attractive step-up to return on invested capital, with 19% for a two-tenant site and 32% for our three-tenant sites.

Now these tenants are not on the tower for one month or one year. They sign up some long-term contracts, and I will speak about the contractual makeup shortly, but these are long-term compounding cash flows. On the right-hand side, we show illustrative cumulative tower cash flows. Towers last for 40 years plus. The quicker we are able to lease them up, the quicker the payback. On the right-hand side chart, we call out that on a two-tenant site, there is a five-year payback, which means 35 years of incremental cash generation.

So, building sites for mobile network operators in attractive locations and actively marketing those and leasing them up is one of the main ways in which we can drive cash flows and returns. This year, we have guided to a strong rollout of new sites, and this is great because we will continue to build from the base to which we can then drive these attractive levels of lease-up and returns that you see here.

We select acquisitions in attractive, high-growth markets

Now when we look at new acquisitions in new markets, we conduct extensive due diligence on the site portfolio and ensure there are compelling dynamics for lease-up. One key element of the analysis of sites and locations is utilising our proprietary geo-marketing tools to plot the site locations against demographic information and network design principles to get confidence that the sites are in attractive locations with good lease-up potential. Sainesh will talk through this analysis during his presentation.

But we also take a very disciplined approach and analytical approach to broader new market characteristics. On this page, we have set out some of the characteristics we look for. Whilst we have been successful with a number of acquisitions that we have spoken about, we have also walked away from a number of potential transactions team, which did not align to these criteria.

So going through these characteristics of what we look for, we look for opportunities in emerging markets and specifically Africa and the Middle East, all of our markets align to that. Where possible, we look for market share populations over 10 million people with multiple mobile network operators. In seven of the 10 markets we operate in, we have three-plus mobile network operators, and the number of markets is expected to increase to 8, with a potential new entrant in Malawi.

We look for the possibility of being the number one or number two towerco, and we are the leading towerco in eight to 10 markets. We look for stable and/or pegged currencies and a number of our markets are pegged to the US dollar and euro, and we have 72% of our EBITDA in hard currency. That reflects some of the innate hard currency makeup of five of our markets combined with some contract structuring in other markets.

We look for markets where there is a power and tower infrastructure gap, high subscriber growth and low mobile penetration, which all of our markets have. As mentioned by Tom earlier, the structural growth drivers in our markets are incredibly compelling with independent forecasts showing an organic requirement for 25,000 more points of service and a point of service is effectively an incremental tenancy across our markets.

Given that we have market-leading positions in the majority of these markets and growing market shares in the rest, we are really strategically positioned to get a good chunk of that organic growth. Ultimately, the combination of the above will drive the bottom requirement, i.e., investment will enhance Group returns over the medium term, which all of our markets do.

Our new markets provide a similar opportunity for tenancy lease-up as delivered in our established markets

Now the portfolios we have recently purchased present a very similar characteristic and opportunities for lease-up as our established markets. Actually, the day one blended colocation

ratio of our established markets is the same as our blended colocation ratio of our new markets at 1.2x. We were able to drive that up to 2.1x in our established markets.

Average lease-up has been about 0.1x, and we are guiding to a broadly similar level in our new markets of 0.05x to 0.1x. Now lease-up is not linear. We would not see 0.1x every year, and they have all come in fits and bursts, i.e., some years where we may see more build-to-suits, some where we may see more colos, which is normal for tower infrastructure. In our established markets, we have had a range in some years of some years being zero and some years being 0.2x.

But ultimately, looking at this over the medium term and smoothing out some of those lumps and bumps, we expect to see an average of between 0.05x to 0.1x.

Track record of driving lease-up on acquired towers and organic sites

An important part of the playbook, though, is using the acquisition as a platform for building sites, and we see attractive lease-up on our organic build-to-suits too. On this page, we set out our track record of driving lease-up on both acquired and organic towers and really the benefits of picking strategically attractive markets and combining it with our proactive sales approach.

On the left-hand side, you will see the acquired sites. On the right-hand side, you see our organic portfolios. For both, you can see that with the earlier vintages, i.e., 2010 to 2015, both have been leased up to above 2x.

Now the acquired portfolio has come in some lower levels of colocation on day one. But if you look at the numbers in the overalls above the bars, these show the average annual tenancy lease-up. Build-to-suit is slightly ahead of the acquired portfolios, which is due to the fact that we use the GIS analysis that Sainesh will go through to help us guide the location of new sites, leading to slightly faster lease-ups than some of our acquired sites. However, both are in a very strong range of 0.1x to 0.2x, and this demonstrates that whether we are building or buying be a proven experience of successfully identifying good assets and good locations and then driving lease-up. It is this proven track record, which we will take into our new markets we have recently entered.

Our model in action: Tanzania case study

Bringing all of this together, we show a case study of Tanzania, which really shows our model in action. Philippe will be going through this later on in the presentation as he lived and breathed this on the ground as Tanzanian MD for a number of years. Ramsey is also here today. He also drove the growth during his time as MD in Tanzania too.

But fundamentally, Tanzania is an example of what we do, entered by acquisition, used that portfolio as a springboard for growth, driving lease-up, organic growth and operational improvements.

We entered in 2011, where we purchased Tigo's portfolio and supplemented that through the subsequent acquisition of Vodacom's portfolio in 2014. Subsequently, we constructed 1,600 built-to-suits in the market and drove our colocation ratio from one in 2011 to 2.3x today. With that, comes EBITDA and return on invested capital growth.

In 2015, we saw adjusted EBITDA step up substantially from $29 million to $113 million today. Our return on invested capital increasing by 13 percentage points.

What is really exciting here though is that this is just the beginning. Mobile subscriber penetration is still at 2% and it is forecast that there will be 8% point of service growth over the next five years. We are strategically positioned as the number one towerco to get a good chunk of that growth going forward.

Now Sainesh will present another case study, which shows exactly the same playbook being utilised in DRC, entry by acquisition, lease-up, operational improvement, driving returns. This is what we do, and we will utilise the same playbook again in all of our attractive new markets over the coming years.

Today: Broader platform, primed for lease-up and driving returns

So, looking at where we are today and what we have seen over the past few years. From 2016 to 2020, we have grown sites, tenancies, tenancy ratio, EBITDA margin through the actions I have just broken through over the last few pages.

Now as we stand here today, sites and tenancies have seen a step-change, given the new acquisitions. As mentioned earlier, given we purchased portfolios of towers with low day one tenancy ratios, they have all diluted a few metrics in the short-term, including tenancy ratio and EBITDA margin.

However, we bought a broader, stronger, more diverse portfolio in high-growth markets, but we are strategically positioned as leader in eight of 10. The platform really is primed for lease-up. And especially when you bear in mind the expected market growth of 25,000 points of service over the next five years. And we will take our proactive sales approach and expertise and lease up and operational improvements to drive returns from this bigger base over the next few years to hit our five-year targets that we set out earlier.

Business model underpinned by diversified and highly visible, contracted revenues

Now I am going to shift gears slightly, and I will focus on how our business is sustainably set up to capture the compelling growth drivers we have been talking through. So, our model is underpinned by long-term contracts with a diverse set of blue-chip mobile network operators, across multiple markets with strong hard currency earnings. We have strong US towerco style long-term contracts with our customers, and today, pro forma for acquisitions, we have contracted revenues of $5.3 billion with an average main life of 8.3 years.

This means excluding any new wins and rollout, we already have that revenue contracted, and that provides a strong underlying earnings stream for the business to which we will then layer on top organic growth and potential inorganic growth.

Importantly, given the mix of our established markets and new markets, we have 72% of our EBITDA in hard currency being in the US dollar or euro pegged, which provides a fantastic natural FX hedge for the business, and which is further complemented by our annual inflation escalators, which we have in our contracts with our customers, which I will come on to you very shortly.

99% of our revenue come from large blue-chip mobile network operators with a diversified mix with maximum single customer exposure at 28%.

Finally, with the new markets expansion, we are the most diversified tower company operating in Africa and the Middle East being in 10 markets with no single market accounting for more than 31% of revenues.

High quality contractual structure with a diversified blue-chip customer base providers revenue visibility

Now our contract structure is very similar to US towercos. We refer to US towercos because they are some of the strongest contracts in the world, and we utilise exactly the same structure in our high-growth markets, i.e., they are long term, 10 to 15 years minimum initial term with expected duration of 40 years plus with automatic renewal clauses and minimal cancellation rates.

MNOs are only able to cancel a small amount of tenancies per annum at roughly 1%. If they want to cancel the contract, they have to pay to term, which is a high capital outlay for the MNO. The contracts have menu pricing for amendment revenues, meaning that if MNOs want to add more equipment to the tower and utilise more power outside of their allotted amounts, they have to pay for that. This is incredibly important as you move up the generations, where we see mobile network operators put their 3G equipment next to their 2G equipment and their 4G equipment next to their 3G, and all of this is captured in our contracts.

We also have inflation and power price escalators, which I will come on to shortly. But ultimately, our contractual structure provides revenue visibility with a strong set of customers, and as mentioned earlier, with $5.3 billion worth of contracted revenues today.

Structurally protected against movements in FX, power prices and inflation

Now, as a business, we operate in some markets where there are innately hard currency. And here we show those markets on the left-hand five columns. DRC is a dollarised economy. Oman is dollar pegged. Senegal, Congo B and Gabon are all euro-pegged with a peg guaranteed by the French Central Bank.

All of these markets provide 100% EBITDA in hard currency. In our other markets, where there is a more prevalent local currency, we either receive a small portion of revenues in US dollars or have contract structuring such that we are able to align a portion of our revenues to have US dollar resets. When you bring all of that together, 72% of our EBITDA is therefore in hard currency, which is a fantastic position to be in and provides a resilient and robust earnings stream.

Additionally, in all of our contracts across all of our markets, we have inflation and power price escalators. The combination of these three components provides substantial protection against macro movements.

Contracts provide effective hedge against inflation and fuel price movements

Now here we set out some details behind our inflation and power price escalators. For inflation, these are annual escalators, which typically escalate between December and February, with the escalation linked to the revenue we receive, i.e., if we receive US dollars, it is US CPI. If it is local currency, it is local currency CPI. This helps to supplement the FX protection that we have.

For our power price escalators, these are roughly split 50-50 escalating annually and escalating quarterly. For power price escalators, the adjustment in the contract go either up or down

depending on the local power prices. So, in this circumstance, there are falling prices, the escalator reduces. If the power prices increase, the escalator increases.

The fuel escalator is linked to the local fuel prices. So, whilst you may see Brent crude volatility, which you see here in the dotted line, it does take time for what you see on screen to impact our local prices in our markets. We have shown the analysis here at the bottom of the page, which we have shown previously as well.

Typically, we see anywhere between three months to even a year to really have an impact locally. And typically, the movements in the markets are more muted without so many peaks and troughs, particularly in comparison to Brent crude. And it is the local markets, which we experienced with regards to reference pricing for our contracts and for the procurement of fuel.

How HT is protected against FX & cost inflation risk

Illustration: 365 Days Case Study

So how do these escalators actually work in practice? There is a fair bit going on in this page, I am going to take the time to go through it. But we set out an illustrative case study of how our contracts provide protection in a situation where there has been an increase in both fuel prices and some currency devaluation.

So, on the top of the slide, we showed 28% of our EBITDA that is in local currency, and I will go through that portion first. On day one, you will see our site adjusted EBITDA is 100. On day two, in this circumstance, we show that there has been a local currency FX devaluation of 10%. And as a consequence, the 100 goes down to 90.

On day 30, we also see fuel prices increase by 10%, which increases the cost of fuel, and therefore, reduced our EBITDA further to 86.4. However, on day 90, our quarterly fuel escalator kicks in and our revenue increases. As a consequence, our EBITDA goes up to 91.8.

Finally, on day 365, our annual CPI escalator kicks in of 12%, which is assumed in this example, at 2% US CPI and 10% local currency, which broadly matches the FX depreciation, which results in EBITDA going back to 99.4. So, in a year where there has been FX depreciation of 10%, fuel price increases of 10%, we are still able to get our site adjusted EBITDA broadly back to where we started.

Now on the bottom part of the graph, we show our 72% in US dollar EBITDA, and the impact of that under exact same scenarios. So, we go to day two, where there has been local FX depreciation, no impact on our US dollar EBITDA. Local currency fuel increases by 10%. It does not impact our US dollar EBITDA. We have no movement all the way up until day 365, where the US CPI escalator kicks in at 2%, which results in an end point of 101.4. Now this case study really shows how our contracts work and the proof is there.

Earnings growth driven by tenancy additions and well protected from macro volatility

Where we show our quarter US dollar EBITDA plotted against both FX rates and fuel price movements. You will see that despite FX and fuel price movements being more volatile, and you see that with the dotted lines, our US dollar growth more closely ties to our growth in our tenancies rather than to any peaks and troughs raised to fuel or FX. So much so that when you look at the R-squared of EBITDA versus tenancy growth, with R-squared being a measure of correlation with one being very highly correlated, we get to 0.93.

But also, the FX and oil price movements have negligible correlation. This demonstrates that the natural hedge complemented by our contractual escalators are effective in providing protection against macro volatility.

When you combine this with our long-term contracts with blue-chip customers, we really do have a very robust business model to capture the exciting growth ahead in our existing and new markets. Ultimately, this gives us a lot of confidence in security, because if we succeed in rolling out more tenancies, we succeed in growing EBITDA, and therefore, succeed in growing returns and tenancy growth is what we do.

Now I have touched on a number of points around our expertise and experience in entering new markets by acquisition, driving growth and returns. After the break, my colleagues will be able to further demonstrate this with lived examples.

But what I find really exciting here is that there is a really compelling growth opportunity, especially when you combine this business model, our proven track record with a broader, more diversified base in high-growth markets; all of which are primed for lease-up that will help us reach our five-year strategy and continue this trend of EBITDA growth.

So, with that, we are going to stop pause for a short 10-minute break. Lara and Allan will take us through our operational execution capabilities. Thank you.

Our Proven Execution Capabilities

Allan Fairbairn

Director of Delivery and Business Excellence, Helios Towers

Introduction

All right. Thank you for coming back, everyone. We appreciate it. My name is Allan Fairbairn, and I am the Director of Delivery and Business Excellence. This is my colleague Lara Coady, who is Director of Operations and Engineering. And we are going to take you through a presentation on our proven execution capabilities, delivering best-in-class service in our markets.

By way of introduction, I joined Helios last year. Prior to that, I spent 15 years at Aggreko, where I spent all of my career working in Africa and the Middle East. I left Scotland in 2006, having travelled to only a handful of countries. And during that time, I travelled to over 90 countries, mainly across Africa and the Middle East, as I said, but I worked in Madagascar, South Africa, and Senegal in most of the markets that Helios are in today or moving into in the future.

Let me give you a specific example I want to call out is where I was prior to joining Helios, I was MD for Western Central Africa. And I ran a business in Nigeria, where we had 50 distributed power plants across the country, providing critical power infrastructure and manufacturing, mining and oil and gas.

I am also a fellow of the Institute of Engineering and Technology, and I spent time volunteering helping young engineers across Africa and the Middle East to become chartered engineers. And

in my first nine months with Helios, it has been a fantastic journey and the depth of talent and potential in this organisation is absolutely fantastic.

Over to Lara.

Our Proven Execution Capabilities

Lara Coady

Director of Operations and Engineering, Helios Towers

Introduction

Thank you, Allan. Good afternoon, everybody. I am Lara Coady, Director of Operations and Engineering. I have been with Helios for six years. And prior to that, I worked alongside Allan at Aggreko. I have been working in Africa and the Middle East for over 13 years in various operational and technical roles.

As my first role joining Helios, I established the project management office at Group, so developing the skills and processes to be able to deliver critical growth for our customers. Returning from maternity leave in 2019, I was promoted to Head of Performance Engineering. Now this was a new function, so I spent most of my time developing the teams within the regions to focus on improving the performance across our sites.

I have been a key player in driving power uptime improvements over the years, which I will talk to you in a little bit more detail.

I became a Black Belt in 2013 from Ohio State University, and this has enabled me to support and champion the business excellence culture that we have today across Helios.

So, I will hand over to Allan, who will take you through the first part of our presentation.

Our Proven Execution Capabilities

Allan Fairbairn

Director of Delivery and Business Excellence, Helios Towers

Our operational highlights

Thank you, Lara. So, these are the four key operational highlights that we would like you to take away today. The first being that we bring global operating standards to highly complex markets, and we do this by training our people and developing them. The second key takeaway is that we create value through enhancing revenue opportunities and reducing our cost base.

The third key point, we have a consistent and strong tenancy growth being delivered since 2019, and we are going to continue to do this in 2022 and beyond. And the final takeaway is that we have a very clear plan in place to reduce our carbon intensity and achieve our net zero ambition by 2040.

Operating towers in Africa and the Middle East requires a unique operational skillset

Operating towers in Africa and the Middle East requires a unique skill set, and this skill set is not easy to replicate. In developed markets, towers are traditionally connected to the national utility grid and the lowest cost of capital wins. But in Africa and the Middle East, there are

significant challenges. We have vast geographies to cover. We have significant infrastructure challenges and power challenges, which I will talk more about.

I have a specific example of this is recently we are working on a project in Madagascar, where there are some really complex phases of the country. And we have actually split the country into three levels of complexity due to the really complex topography. It has got very high wind speeds, and a number of the sites are very difficult to access. So, Helios Towers really brings organisation to very complex markets.

To expand on this a bit further, the land mass of our markets compared to the EU is 60% larger, but we have a fraction of tarmac roads. So, connectivity between the sites is often challenging. And the key point is that the grid availability in our markets is on average 18 hours per day versus 24 hours a day in the EU. And on the next slide, I will do a deeper dive into the grid availability.

Power challenges in Africa and the Middle East

So, it is a fact that many people in our markets are more used to having a mobile phone signal than power in their own homes. So, for example, in DRC, the grid is only available on average six hours per day. In Madagascar, nine hours per day and some other examples, Senegal, 23, and Ghana 22 hours per day. But our customers demand that we have 24/7 power availability on our sites to allow them to connect their subscribers.

We utilise Lean Six Sigma principles to deliver best-in-class operations

And how do we create such value? We create this value by training and developing our people over and over again. And we use Lean Six Sigma as a vehicle for turning our strategy into a real action on the ground. And Lean Six Sigma is the way that we achieve this. Lean Six Sigma teaches us to have a laser focus on customer requirements, both for today and in the future. It also helps us to align with our colleagues across the Group by speaking a common language and focusing on the real high-value initiatives.

What we have delivered

But what have we delivered with Lean Six Sigma? We have delivered in excess of 1,000 tenancies per year since 2019. We announced this morning a fantastic start to Q1 2022, and that will continue in the years to come.

We have also improved our power uptime by 95%. And Lean Six Sigma has also contributed to the improvement in EBITDA margin expansion over the period. But this is the foundation for our next five-year strategy, and we are going to continue to train the people, targeting 70% by the year 2026.

What our customers want

I will talk a bit more about our customer focus. So, we spend a lot of time visiting our customers in the markets that we operate and also at Group level. And there are very common themes of what our customers want.

They want world-class levels of power uptime even in markets where the national grid is not often available. They want fast and efficient rollout deployment of build-to-suit and colocations.

And increasingly, they want us to ensure that we have a robust sustainability programme and are evaluating new technologies for the future. And this creates values for all stakeholders.

Streamlined Sales and Operations Planning (S&OP) to deliver customers' rollout

I will talk more about our rollout plans. So, this graph represents our sales and operation planning model. And we have used this in Helios since 2015. And it starts on the left-hand side by really focusing on what the customer wants. So, the operational teams and the sales teams connect with the customer and establish what rollout plans they are looking to make in the coming years or that particular year, and we ensure that we have the right people and the right infrastructure on the ground at the right time to exceed their expectations.

We have proven this through COVID where our supply chain processes have enabled us to continue to deliver for our customers.

In the centre phase of the life cycle in the construction phase, we aim to shorten the construction time as much as possible but also optimise our cost base when we are constructing towers and delivering colocations. We then hand these assets over to operations to operate these assets for 10 to 15 years.

Well-invested platform primed for growth

So, I have explained that we have the capability, but what does this all mean? It means that we are primed for growth. And in established markets and our new markets, we have tenancy ratios that have a significant opportunity to expand and deliver more colocations for our customers.

I will now hand over to Lara, who is going to discuss power availability and our sustainability strategy.

Our Proven Execution Capabilities

Lara Coady

Director of Operations and Engineering, Helios Towers

We offer the regions' best power uptime and target further improvement

Thank you, Allan. So, Allan has outlined the structures that we have in place to be able to support the customers growth. But it is equally important that we are able to provide an excellent operational experience. Now why is this so important?

If we consider annually for every 1% of downtime for the MNOs, this is the equivalent of $175 million of lost revenue. Additionally, 92% of their subscribers are pay-as-you-go. So, like you and I, if they experience poor network coverage, it is very easy for them to move to a different mobile operator provider.

Over the last seven years, we have seen a 95% improvement in this performance. Back in 2015, we are at 22 minutes downtime per tower per week. And last year, we were at one minute and 10 seconds. But we are not stopping there. As Tom mentioned earlier, we have set ourselves a target of 2026, achieving 30 seconds downtime per tower, more than 50% reduction on where we are at today.

Now coming back to the Lean Six Sigma principles, we have a second measure. We also measure the number of sites that achieve Lean Six Sigma. Lean Six Sigma is the equivalent of 3.4 defects per one million events, and that equates to only two seconds downtime per tower. And we can see that as last year, 93% of our towers actually achieved that Lean Six Sigma performance.

How our Lean Six Sigma processes methodically drive continuous improvement

So how have we achieved this? So, leveraging on the wealth of knowledge and experience that we have in applying those Lean Six Sigma principles, we have broken the operational method into three key areas.

It is about having a robust maintenance plan to actually prevent outages from occurring in the first place, making sure that the technicians are well trained, have the right tools to carry out this work. We have actually digitalised this process, giving all of our technicians handheld devices to be able to capture the information through photographs while they are on site.

The second area is a dedicated focus on those sites with a high defect rate, which in this instance, is outages. Every month, we analyse to understand which sites have the largest outage. We assess what corrective action is required. We complete the work and then we reanalyse the site to ensure that an improvement has been seen.

Now to put this into some context, when we launched this initiative back in 2015 in Tanzania, only 18% of the towers contributed to 95% of the downtime. So, you can quite quickly see that by focusing on a few issues has a significant improvement in the overall performance.

And the third area is around incident management. It is about making sure we can respond to any issues quickly. We have worked with our maintenance partner under the ethos of One Team, One Business to make sure we can do this. We have great visibility on our sites, and we have a network operating centre that can respond to the alarms. Mobilising technicians that have been positioned in the prime locations to be able to get to site to fix the issue before we actually have an outage in the first place.

MNOs appreciate the performance improvements after divesting their towers to Helios Towers

Now one of the reasons mobile operators sell their towers to us outside of the financial benefit is that they are actually outsourcing a significant operational challenge. What we can see here with the two examples is that we consistently drive power uptime to better levels than before.

The first example on the left, we have got the acquisition in Congo B from Airtel back in 2015. We have seen a 95% improvement over the last six years. And then more recently, an acquisition in Senegal with Free. Between May last year and March this year, we have seen a 98% improvement with the performance in March this year, reaching only six seconds of downtime per tower per week on average. This is proving that the blueprint that we apply across our new markets works.

From day one, we implement our processes. As well as the benefits for the customer, there is also benefits for Helios. Fewer callouts means that we can dedicate that time to optimising the performance of the sites, less reacting, more about optimising, which brings me nicely on to the next slide.

46% carbon reduction per tenant targeted by 2030

At the end of last year, we communicated a 46% reduction on carbon emissions per tenant by 2030. And as I mentioned in the introduction, we have established the performance engineering team, which has been a great foundation to achieve this. And we have been making great progress.

As of last year, we have already achieved a 7% reduction on that target. This is driven in three key areas. The first, colocation growth. Fundamentally, as we add more tenants to the tower, those tenants will share the same power from the same generator, making it much more efficient. The second area, carbon reduction programme, this is continuing the work that the performance engineering teams do today. And the third area is around innovation, and I am going to talk you through a little bit more on that now.

Our pledged power investments to 2030

Project 100: $100 investment in carbon reduction between 2022-2030

As Tom mentioned earlier, at the end of last year, we committed $100 million across Project 100 focused on reducing our carbon. This is broken into two sections. The first, the reduction programme is that continuation of the work we have been doing over the last few years, analysing the sites to understand where the best opportunity is for us to install solar connect to the expanding national grid.

Additionally, we have been focusing on battery technology. And recently, we made the decision to move away from lead acid batteries and across the lithium-ion batteries. And this is because we can operate them at higher temperatures that we see across the Africa regions. They have a longer life. So, we are actually using battery technology to reduce the amount of time the generators are running.

Looking ahead at the innovation, while it states here 27% to 30%, this is something that we are working on today. We are looking at new technologies that we have not today installed that we think would be viable in our markets. And to give you a couple of examples, we are currently looking at wind technology, and we have run a number of business cases across South Africa, Senegal and Tanzania and we have seen a great opportunity across approximately 300 sites in Tanzania, where the wind speed is above five metres per second, and we will be running a pilot in Q3 this year.

A second example I would like to highlight is mini-grid installations in DRC. We are working with a number of partners to install independent grid installations that we can connect to as the primary customer but will additionally provide power to those local communities that are without today.

Looking ahead to Net Zero by 2040

So, I have spoken about the 46% reduction per tenancy, but we have also set an ambition to be net zero by 2040. However, we recognise we are not going to be able to achieve this alone.

We have seen a step change in the collaboration with our customers as we recognise we have the same value chain, and we have been working together closely, particularly with one customer to evaluate what technology they have seen has worked and what technology we have seen has worked. It has been very interesting to see that we are actually looking at the same solutions.

There are three key areas that we have identified that will enable us in achieving this. The first is about local expansion of national grids to greener and cleaner power provisions. And if we look at some examples here, DRC, where we have relatively low grid availability only six hours a day is actually very green. It is the greenest power provision we have across our markets as it mainly comes from hydro in comparison to South Africa, where the grid availability is much better comes from predominantly coal.

If we think about carbon financing in November last year at COP26, there was an $8.5 billion financing deal agreed between the EU, the US, and South Africa to move away from coal over the next 15 years to use more sustainable solutions.

The third item is around innovation and technology itself. Again, I would like to give another example to bring this to light. Since we began installing solar back in 2016, we have seen a 36% increase in the power density, meaning we can actually get 36% more power out of the same sized solar panel. This means we can reduce the footprint of solar installations; I mean, it becomes a more likely option for more sites in our portfolio.

Key takeaways

So, to summarise, Allan and I have demonstrated that:

- We have got proven capabilities in complex Africa and Middle East markets.
- We had one of the highest tenancy rollouts in 2021 and we are targeting higher levels in 2022 and beyond.
- We have seen the region's best power uptime performance, and I think Senegal is a great example to show how our blueprint works.
- We have a clear plan in place to achieve our carbon intensity targets, and the 7% reduction shows we are making good progress on that.

So, thank you for your time. I will now welcome my colleague, Sainesh.

Driving Customer Partnerships, Real Impact and Real Returns

Sainesh Vallabh

Regional CEO – Southern & Central Africa, Helios Towers

Introduction

Thanks, Lara. Good afternoon all. It is great to be speaking to you today about how we drive customer partnerships, which in turn drives real impact in our markets and real return for our stakeholders.

Before we go into some of the details, let me properly introduce myself. I am Sainesh Vallabh, Regional Chief Executive for Southern & Central Africa. I cover five markets within the group being DRC, Congo Brazzaville, Ghana, Madagascar, and South Africa. In addition, I have functional responsibility over sales and new product development across the Group.

I joined Helios a little under two years ago and what a fantastic journey it has been so far, working with talented and dedicated people in a business that has a well-defined strategy, as

well as robust processes and a culture that promotes success and excellence in everything that we do.

Prior to joining Helios, I was the Managing Executive at Vodacom Group, where I was responsible for mergers and acquisitions and strategy across the continent. Overall, my career spans 18 years with experience in 17 countries across Africa. I am passionate about telecoms in Africa and driven by the impact that digital communications have as a key enabler for driving and bridging the economic divide that exists on the continent.

Our markets and leadership team

Let us take a snapshot view of the region. Our opcos are led by an experienced and localised team, who collectively have about 100 years of experience in Africa. Joining us today is Fritz Dzeklo, who is our Managing Director in Ghana, but also the Regional Director supporting the operations in Congo Brazzaville and DRC, as well as Marinus Gieselbach, who is our Managing Director in South Africa, but also the Regional Director for Southern Africa, supporting the operations in Madagascar. You will have the opportunity to engage with both of them during the breaks as well as the drink session after the presentation.

Southern & Central Africa macro and telecom overview

The region has attractive macro and sector indicators that promote our business model. There are over 240 million people in the region, and more than two-thirds are under the age of 30. Population is also expected to grow by 4% per annum over the next five years. In addition to that, more than half the population remains unconnected to mobile network. Unique subscriber penetration stood at just 46% at the end of 2021, a young, growing and largely underserved population underpins the growth in connectivity into the future.

Furthermore, there is an average of three to four mobile operators in each of our markets in the region. With a tenancy ratio of just about 2 times, this signals a compelling opportunity for driving colocations, which as you have heard today, is a key driver of returns in our business.

Southern & Central Africa asset characteristics

Looking at the region's asset characteristics. There are about 4,500 sites across the five markets, representing about one-third of the Group's assets. This, in turn, generates about $285 million of revenue and about $155 million of EBITDA, almost a 45% contribution to the Group.

The largest and most profitable market is DRC with over 2,100 sites, representing about 50% of that of the region, generating over $190 million of revenue and about $110 million of EBITDA, which is just under 30% of the Group.

Driving customer partnerships across the Group

You will hear more of the success story in DRC later on in my presentation. But first, let us take a look at how we are driving customer partnerships across the Group through our strategic sales approach and new product development.

Proactive partnerships with our customers

We have a proactive partnership approach with our customers. This allows us to be deeply embedded in the network and range of planning thought processes of our customers, as well as understanding their future requirements so that we are able to tailor solutions and delivery.

Two key elements define our partnership approach with customers: our sales approach and the usage of our proprietary GIS analysis, which is our geo-marketing tool.

Strategic sales approach

In terms of our sales approach, our teams are structurally aligned to that of our customers. Local commercial engagements are complemented by Group functioning engagements to ensure we remain on top of requirements, expectations, and seamless delivery. This partnership engagement is fully supported by all functions, including operations, supply chain and finance to ensure best-in-class service delivery.

In addition, we have a standardised and structured sales process. Miller Heiman methodology is deeply embedded within our opcos, which gives an ability to better understand customer requirements and decision-making process. It also ensures that all relevant customer engagements are recorded and transparent while also ensuring that all our teams speak the same language when engaging.

This methodical approach works well with our business excellence ethos and Lean Six Sigma principles and is highly effective when dealing with large complex customers such as ours.

Currently, 60% of our sales staff are trained in Miller Heiman, and we are targeting 100% to be trained up by 2026. We will also be embedding this strategic sales process in all of the newly acquired markets to manage and develop the new relationship in these markets.

We utilise GIS analysis to understand the value of sites and drive lease-up

Our proprietary GIS analysis fully complements our strategic sales approach. GIS is a platform that leverages network infrastructure and demographic information to assess the uniqueness of sites and determine the best network fit that will be most impactful for our customers' network quality.

The benefits of GIS are not only in colo sales or identifying optimum locations for new builds. We also use it for assessing attractiveness of portfolio acquisitions and entry into new markets. We are currently observing an 80% predictive accuracy, which is a huge value add to us and to our customers as it proactively assists our customers in their radio and network planning, while also maximising the usage of our sites. You will later see in my presentation, an example of this in the DRC.

We have attractive site portfolios, ready for lease-up

Our site portfolio is attractive to our customers. About 72% of our sites are unique. This means that there are no other sites close by, and it is ready for new operators to lease up. The remaining 28% is ideal for capacity loading, as technology evolves, and consolidation, where an operator may look to terminate its site and collocate on our own.

In addition, over 60% of our sites are in urban areas. This is where we tend to see colocations first, as these are typically the areas where operators deploy new technologies first. But of course, over time, new technologies will also be deployed in rural areas, driven by coverage obligations and our customers' growing demand in connectivity.

Furthermore, about 85% of the portfolio still has either one or two tenants on them. This means we are well positioned and ready for lease-up on our sites as on average, we can accommodate between three or four tenancies.

Africa and the Middle East are at the early stages of 4G deployment

Technology evolution also plays a hand in driving the growth of infrastructure. Africa and the Middle East are at the early stages of 4G deployment. Today, just over 20% of the subscriber base utilised 4G. In fact, it was only in 2019 where 3G and 4G utilisation was greater than 2G, meaning that data usage is still in its initial growth phase.

As 4G and data usage evolves, so will the need for network infrastructure for densification and coverage to cater for the additional traffic, which basically means more points of service.

New technologies (4G/5G) support new product development

We have a selective approach to new product development, complementary to our core tower offering

Technology evolution is also a driver of amendment colocation revenue. This is where operators need more space and more power on an existing site to accommodate new radio systems. We generate about 5% of our revenue from amendment colocations, and we expect this to remain broadly in this ballpark as the business grows.

New technologies also support our new product development strategy, which further drives partnerships with our customers. Tom mentioned a few key points earlier. To add to this, our selective approach on new products ensures it remains complementary to our core tower business, while also maximising customer and operational synergies. We are currently getting good revenue and earnings from our In Building Solutions, our Outdoor DAS and Smart Solutions as well as Fringe Edge Data Centres.

We may also, in the future, look to provide Network-as-a-Service, which is basically a full turnkey solution, predominantly focused for rural coverage, as well as Fibre-to-the-Site, which will allow mobile operators to backhaul more effectively, further supporting 4G and eventual 5G rollout.

New product development example: outdoor DAS

Case study highlights our focus on partnering with our MNOs to improve coverage, with financial characteristics comparable to towers

Let us take a look at the case study in Tanzania of how new products improve customer partnerships and drive returns. Working collaboratively with two of our key customers and the regulator in Tanzania, we developed a solution to enhance network coverage and quality in a dense marketplace in Dar es Salaam, the capital of Tanzania.

The lack of coverage in this area was a key pain point for our customers. It was not possible to deploy a macro site, given the limited space. As such, we work jointly with our customers and developed two lamp solutions. These lamp posts are connected via fibre to an existing Helios site, which basically allows operators to amplify coverage in the area. We have two tenants on day one, which basically means our customers' customer remains connected, a key government objective of improving coverage.

For us, this means greater than 20% return on capital, which is in line with that of a macro site but delivered faster.

Real impact and real returns

A DRC case study

Okay. Now let us look at how we are driving real impact and returns by using DRC as a case study.

Our story in the DRC highlights our ability to lease-up assets, driving growth and returns while delivering real impact in complex environments; a blueprint that we apply to all of our other markets.

Driving growth, returns and impact in the DRC

Over $500 million invested in DRC since entering the market in 2011

We have invested over $500 million in the DRC since 2011. The graph on the bottom left showcases the successful execution of our business model, which you have heard about, where we acquire underutilised portfolios from operators, and through our business excellence approach, drive lease-up while also building new sites to increase customer relevance and drive returns.

In 2011, we acquired about 520 sites from Tigo with a tenancy ratio of just 1.1. In 2016, a further 1,000 sites were acquired from Airtel with similar dynamics. We have successfully driven lease-up in addition to new build. Today, we have about 2,100 sites with a tenancy ratio of 2.3x.

This is the blueprint we use across our markets, and you will hear later about another good example when my colleague, Phil will speak about Tanzania.

With the capital invested, we are now generating over $100 million of EBITDA and about 16% return, which has more than doubled over the past six years.

Underpenetrated mobile markets with huge structural growth

However, despite the growth in mobile telephony in recent years, DRC still remains relatively underpenetrated market. There are 37 million people connected to our mobile network. However, this means that a whopping 60% are not and remain unconnected.

Furthermore, 47 million people are in a location that does not have mobile coverage at all. This underpins the huge potential for Helios. A driver for this growth is the evolution of technology. Currently, more than 95% of the subscribers use mobile for 2G voice or 3G basic data services. As 4G evolves, so will the need for additional points of service.

For us, this means more sites and more colocations. We expect points of service in the country to grow by over 5,000 to reach 13,000 by 226 in order to address the growing demand of connectivity.

DRC is a vast market with inherent infrastructure challenges

Notwithstanding the great opportunity presented, DRC is a complex market with inherent challenges.

Firstly, transportation. DRC is a vast country. Its land mass is about nine times the size of the UK, however only 1% of its roads are tarmac compared to the UK. This means that alternative modes of transport to build and operate sites are almost always required. This includes air freight, use of rivers and other waterways and sometimes transportation on foot as well. We

have a dedicated operations team supported by a vast network of partners, including supply chain to navigate this complexity.

Secondly, Power. DRC is one of the world's most underpowered countries. Only 19% of its people are connected to the grid. This is compared to almost 50% in Sub-Saharan Africa.

Despite the power infrastructure challenges, we deliver exceptional power uptime for our customers

Despite this power challenge, we deliver exceptional power uptime to our customers. 100% of our sites are connected to a diesel generator providing about 14 hours of uptime per day.

Through our sustainability objectives and investment in Project 100, which you have heard about, we have reduced this by one hour from 15 hours the year prior, and we will continue to reduce this into the future.

19% of our sites in DRC is solar and 50% use batteries, which together generate about four hours of uptime per day. The remaining six hours are then the grid. This combined power solution, together with our business excellence approach and our customer service excellence centricity, has resulted in substantial improvements in our downtime, not only just over three minutes per tower per week.

From my time at Vodacom, I can tell you that this is a key measure of impact for mobile operators as it not only sustains connectivity for customers, for their customers, but also drives revenue for them. This means they like us a lot.

Despite the transportation challenges, we roll out and maintain sites effectively across the vast country

Despite the transportation challenges, we continue to roll out and maintain our sites. As an example of this, in 2018, we invested in the build of a substantial microwave backbone across challenging jungle terrain covering 1,800 kilometres. To put that into perspective, that is equivalent to the distance between London and Rome.

In addition, some of the sites are an altitude of over 1,000 metres. You can imagine the complexities that, that creates for maintaining our sites. This investment, however, has resulted in the connection of six million people that were previously largely unconnected. It also promotes our customers' rollout of 4G services in the area. That is a real impact right there.

We continue to invest in the DRC. Between 2021 and 2022, we expect to connect a further one million unconnected people through our delivered build as well as our strong committed pipeline.

GIS analysis in practice: predicting rollout in the DRC

I mentioned our proprietary GIS analysis and how we use this to drive customer partnerships and impact. To highlight this, the map here gives a view of how it works. This is the map of Kinshasa, the capital city of DRC. The lines highlight existing mobile coverage cells and potential gaps in the network as predicted by GIS.

Using this too, over 80% of the rollout in 2021 was predicted. The red dots highlight new, where new points of service were taken up, and it basically shows that we have proactively marketed the build of 80% of all new points of services to our customers, a huge value add not only to our customers but also to the growth of mobile telephony in general.

Expanding mobile infrastructure across DRC

Overall, our impact in DRC can be demonstrated in these two charts. To put the scale into perspective, the distance from Kinshasa on the East to Gama on the West is equivalent to the distance from London to Athens. In 2015 with about 1,600 tenancies, mainly in the key cities, we covered about 28 million of the population and generated about $61 million of revenue.

Today, with 4,800 tenancies across this vast country, we cover well over 45 million people and generate about $192 million of revenue. This is a real impact to the lives of millions of people and real return for our stakeholders, as well as meaningful contribution to the growth of the economy, something that I am personally proud of.

Key takeaways

So, what are the key takeaways of my presentation?

- Firstly, we have a strategic and systemised approach that drives sales and partnership with our customers;
- Two, all macro and sector indicators underpin our business model and strategy to drive returns and impact;
- Three, we are well positioned to capture future growth as well as being well structured to deal with market-specific intricacies and complexities;
- Four, business excellence is a key pillar of our strategy, and we will continue to invest in our people and partners to deliver customer service excellence; And
- Fifth, last but not least, we are all committed to sustainable value creation for all of our stakeholders.

This marks the end of my presentation. And I will hand over to my colleague, Phil Loridon, who will take us through the next section.

Setting up our New Markets for Success

Phillippe Loridon

Regional CEO – Middle East, East & West Africa, Helios Towers

Introduction

Good afternoon, ladies and gentlemen. It is a great pleasure, obviously, to be with you this afternoon. My name is Philippe Loridon, and I am the Regional CEO for Middle East, East and West Africa.

This afternoon, I will talk less about ratios and numbers, things that you guys like. But I will talk more about the key strategic and operational pillars, which made the success of Helios, and as importantly, the way we have been replicating it across our new markets. This is all about the radical transformations the business went through. How did we do it and the value of the people who grew this business from three markets seven years ago to eight operating businesses today and soon 10.

If there is one takeaway that I want all of you to remember from this presentation, simply the fact that we, Helios have developed a tried and well-tested, systemised way to build exceptional local tower businesses across Africa and now across in the Middle East.

But before getting on to this, let me quickly introduce myself. I am a pure product of Helios, being there from its very beginning. Having run its two largest opco as a CEO for both DRC and Tanzania. Those have been eight years on the ground, eight years on the operating field. Over the last three years, as a Regional CEO, I have been responsible for most of our markets, except South Africa. On the top of my Regional CEO hat, I am also in charge of market integration. I am French, 57 years old, married and having four great kids.

Our markets and leadership team

I feel being privileged to be part of Helios' history as a key player. But I am even more excited to be part of the team that will bring this business to the next level, Good to Great: Jim Collins.

So, what are the markets, the countries that I cover? Today, I am responsible for three operating businesses. Tanzania, our largest opco with 4,000 towers, then Senegal, a new market that we closed last year with 1,200 sites. Finally, Malawi, our most recent acquisition six weeks ago, where we bought seven towers from Airtel. Those three running opcos represent over 6,000 operating sites.

I am also accountable for two other upcoming markets, which we are expecting to launch throughout the year. The first one, big Oman, our first country to the Middle East, a very exciting market for us, where we are close to acquire 3,000 additional towers. The second one is Gabon, the last market to be integrated within our Group, taking over 450 sites from Airtel.

To help me drive growth in my region, I am supported by a fantastic and very strong operational team.

Starting by Ramsey Koola, Ramsey was my first key recruitment back in 2015 when he joined Helios as our NOC Manager. Four years later, he took over the business as CEO and did that for two years. Today, Ramsey is also supporting me as my Regional Director for East Africa.

Karim Ndiaye is our Managing Director in Senegal. Coming from Agrekko and Lean Six Sigma certified before joining Helios, Karim spent the last 12 years, implementing important power project in West and Central Africa. He is also my Regional Director looking after West Africa markets.

Gwakisa Stadi, our MD in Tanzania. Gwakisa has a very similar journey as Ramsey. I recruited him back in 2016 as our Financial Controller. Gwakisa was promoted CFO three years ago. Since last July, he has taken full responsibility of the business.

Dr Matthews Mtumbuka. First, he is our Managing Director for Malawi, and he is the first Malawian to obtain a PhD from Oxford. Most importantly, Matthews spent over 10 years working for the Airtel Africa Group as the IT Director.

Finally, Souany Adamo, our Head of Legal in Gabon, who joined Helios 13 months ago. Souany has worked for the Schlumberger Group for many years with regional responsibilities for West Africa. As you can see, difficult to get a better team than this.

Middle East, East & West Africa macro and telecoms characteristics

So, what are the key macro and telecom economics of my region? They are very similar to the ones from Sainesh. To start with, most of our markets, again, have a young urban and growing population. Three people out of five are below 30 years old. The average growth of the region is almost 10% for the next four years. But what is common denominator really in both of our regions? It is simply the fact that the mobile penetration is still very, very low in our markets, and in my region, averaging just over 50%. So, there is a great opportunity for us and our customers to keep growing those markets, expanding current network capacities because of the data exposure, as well as increasing coverage in overall areas.

There are almost 18 million people in my region that are still underserved and connected. Therefore, plenty of room for our colocation ratio of 1.6x today to keep increasing.

Middle East, East & West Africa asset characteristics

How do those markets contribute to the Group financial performance? Well, first of all, and by year-end, my region will account for over 9,000 towers, representing 68% of the total group volume of sites, and that includes the upcoming acquisition of Oman.

Our Tanzanian opco is the largest contributor to the Group, not only in terms of number of towers, but in terms of financial KPIs. It is the largest EBITDA contributor to the Group, over $120 million expected by year-end with a margin of 65%. With the Oman upcoming acquisition, those two countries will contribute to 45% of the Helios Group EBITDA.

Overall, my region will reach by year-end over $320 million of annualised revenue and almost $200 million adjusted EBITDA with an average operational margin of just 60%.

How to create best-in-class, local telecoms infrastructure companies

A Tanzania cast study

So hard to create best-in-class local telecom infrastructure companies. Well, one of the greatest examples is our Tanzanian opco.

Building a platform for success

So let us dive into Tanzania, where we have been able, over the last six years to build a true business platform for success. As mentioned earlier by Manjit, Helios Tanzania started through two main acquisitions back in 2011 and 2014 with both Voda and Tigo amounting to 2,600 towers.

When I joined the company in 2015, it was, at that time, a high expat culture and still a lot to do to drive and improve the performance of the business. 2015 was also the year where the Group launched our Lean Six Sigma business principles across the entire organisation.

So, from this situation, how did we turn the business to the success of today? One, first, building up the right team, attracting local talent, boosting local productivity. I mentioned Ramsey and Gwakisa, but there are more that I will mention in the next slide. Reorganising and refining our key operational processes through new training platforms and adequate business tools. We heard about ServiceNow from Lara a few minutes ago. This mobile application that allows our field engineers to report live either by video or picture site defects for us to correct.

Engaging more with our customers, Sainesh talked about the Miller Heiman training, which help us to better anticipate on our customer needs, becoming more proactive instead of reactive.

Then we implemented our One Team, One Business; and I call it motto, where all stakeholders lead the business together, not only within ourselves, but also externally and particularly with our maintenance partners, as rightly defined by Sainesh as our hands and feet on the ground.

Finally, we launched our Lean Six Sigma business principles and philosophy in every single part of the business. Within 18 months, the entire management team was certified, myself included. But what really made it happen was the fact that by the end of 2017, the local team selected over 30 of our most critical operating processes.

Each of those went through a formal Orange Belt project in order to be improved. Each of them was thoroughly analysed. Waste was removed. And our performance across the organisation started to increase. As a result of all those actions and six years down the line, we were able to deliver substantial growth with a colocation ratio of 1.5x when I started to now a colocation ratio of 2.3x today.

The EBITDA growth more than doubled, and our return on capital was multiplied by five within six years.

Instilling business excellence in Tanzania

How those key improvements impacted our customers and what have been the key ingredients of our success? Well, back in 2015, as explained by Lara, a few minutes ago, our customers were losing a lot of revenue. In Tanzania, it was 15 minutes of revenue lost per week per tower.

As you can see on the left side, we brought down our power downtime below one minute in 2018 and below 30 seconds today. How did we do it? Simply by investing in our people. And when I say our people, it is not only our people. It is also our partners in the field.

We instilled across the entire team the cultural values of Helios. As mentioned by Tom, there are three. On the ground, it does make a difference.

- Excellence in everything that we do;
- Integrity, that is to do more what is right and that is what we like; and
- Partnership, as mentioned earlier.

There has been also a huge focus on training, skill gap analysis, talent development, leadership coaching. Most importantly, continuous process improvement has allowed the local organisation to keep stretching up internal target, and that really made the difference.

Today, one out of three of our colleagues in Tanzania are Lean Six Sigma certified. As I said at the beginning of the session, a good number of my colleagues have become real stars from the Tanzanian opco over the last few years.

I have mentioned Ramsey and Gwakisa, but there are a few other examples. Jaffary was our zonal operating head up north in Tanzania five years ago. He is today our Group Operation Manager. Rajab started as our NOC Admin Assistant. He is today our Group NOC Manager. Jeremiah started as a Fuel Administrator six years ago. Today, he is our Group Energy Performance Manager. All this to tell you that it is important for Helios to invest in our colleagues and keep developing talent within all of our opcos.

Integration

Next is Integration. So let me now talk more about the key learnings from Tanzania that we keep applying wherever we go, wherever we grow.

Key learnings from developing Tanzania into a leading platform

There are three main strategic pillars that we keep relying on, and all those are part of our sustainability strategy. First and foremost, our people and ensuring that we have strong operating capabilities within our approach, hiring again the right colleagues and investing in their carrier development.

I was a couple of days ago, last Monday, part of the leadership training session at Cranfield University. There were 25 managers of Helios attending that event. I knew that the months before, there was another 25 of our managers there as well, attending a similar session. I got to say that I was very impressed by the quality of the debate being brought by those colleagues of mine. I can tell you that without any doubt, those 50 colleagues have gone through that session, are the future stars of our tomorrow business.

Our second strategic pillar is a close integration we need to have with our multiple partners. First, with our suppliers and contractors, and this is going back to the One Team, One Business motto, where both parties keep going together and a true win-win partnership. It means working as one team under the same roof within the same office, sharing the same operating tools and driving efficiency and continuous process improvement within both organisations, and at the same time. Close integration as well with our customers, engaging them early enough to maximise sales pipeline at closing.

The third and final key learning is to ensure that we do have solid processes in place and that we keep improving on them. This is a basic of Lean Six Sigma and the centre pillar of business excellence developed lean by my friend and colleague, Allan. For me and deep inside, Lean Six Sigma have been a true eye opener, a real game changer. This has radically changed my way of thinking of operating or managing a business. There will be a before Lean Six Sigma and there will be clearly an after.

What I really like about it is its philosophy. It is all about humility. It is all about spending more time at least into the last element of the chain with the one the most impacted by the efficiency or the inefficiency of a process.

We have the organisational structure and processes in place that will replicate success in our new markets

So back to our key earnings, how are we optimising the integration of our new acquired and upcoming markets?

We have, within the last 12 months, started three new businesses: Senegal last year, Madagascar last December and Malawi six weeks ago. Oman and Gabon remain the last two markets to acquire within the next few months. So, what do we need to do to ensure that those new and upcoming opcos are up and running, achieving Tanzania performance standards within the first six months from launch?

First of all, we need a strong operational team on the ground. This team is usually composed of an in-country launch team with a launch director and seconded by an additional team

supported by the Group. Our Regional Directors as well play an important supporting role. So, for me, for example, Ramsey helps me directly on issues in regards to Tanzania or Malawi. Karim helps me on Gabon.

Then in learning from our past experiences in our eight existing markets, we have developed a systemised approach to our acquisition integration process. And for this, we have two sets of plans. First one is our 100-day plan, which happens pre-closing and which is all about initiating and setting up our new opco. It is about engaging as well with our future customers to ensure that we have a robust sales pipeline at the time of closing.

The second plan is our 200-day plan, which happens post-closing with two key main objectives. One is to quickly improve our customer network performance, making the difference straight away. Two, adding tenancy as soon as we start.

So let me go through the Senegalese experience on the next slide.

Integration – Senegal case study

In Senegal, we closed our transaction and started operating our business almost a year ago. Today, and looking back at the last 12 months, the local team has successfully completed 200-day plan and well underway to drive further operational growth.

So how did we achieve this? First, being very early on the ground, not only to interface with Free, our customer, at that time the seller, but also to engage with the regulator and the other local authorities and the license award process. Usually, in those markets, we are the first towerco to come in. There is a strong need to educate the regulator on the benefits that we are bringing to the country, which sometimes explain as well the delays we may have in closing a transaction.

In January 2021, we recruited Karim and started our 100-day plan. This was all about:

- Recruiting the A team;
- Onboarding business partners;
- Testing our operating tools and systems;
- Selecting an office.

But as I said as well, engaging with our customer to start building up our sales pipeline.

Straight after closing, we then launched our 200-day plan fully focused on improving on customer network and starting delivery growth within our business. To achieve this, we kept replicating the same ingredients that made Tanzania successful, implementing our business excellence programme and Lean Six Sigma derived process.

As a result, Karim and his team, within a year of operation, has been able to achieve a downtime per tower per week that is below 10 seconds. Lara was talking about two, which is the best-in-class Group-wise. But importantly, because of the team's earlier engagement with those customers were able to secure 160 build-to-suits with the last one to be actually delivered in October this year.

Methodical and seamless integration ongoing

Where did we replicate the learning from Senegal? Well, to start with in Madagascar in December last year. Also in Malawi, which started business barely six weeks ago. In Malawi, we have improved our uptime by 50% since March. Importantly, the local team has secured and signed our 43 build-to-suit and over 100 colocations.

Talking about Oman, our first new opco in the Middle East, Ramsey has already launched our 100-day plan 10 weeks ago. Today, we have recruited 85% of our management team. Staff onboarded is over 60% and full audit of sites have been completed, preparing our tower for future colocations.

In Oman, and over the last three months, the team has consistently engaged with our customers, with both, one, Omantel, our anchor tenant, but also Vodafone, the third mobile entrant who just launched their network last December. And we hope to be able to repeat in Oman, the successful Viettel story in Tanzania, where Viettel are the fourth mobile entrant back in 2015, jumped on to 1,200 of our towers within six months.

So, the next few months are going to be very exciting for the team in Oman, and I can tell you, we are ready to go.

Key takeaways

Finally, our last slide summarises the main takeaways from my session. Our presence can be found in strong market positions with significant growth ahead. We are the sole and leading independent towerco in all our markets. Mobile penetration remains very low. We said that. Therefore, huge growth is expected in our countries, pushing our customers to further expand the network by increasing capacity and coverage.

Takeaway number two, business excellence and Lean Six Sigma embedded across our different opcos continued to be the pillars that keeps making the company successful, and most importantly, growing.

The third takeaway is about our seamless, agile, and replicable integration approach, whereby having the right team and the right processes in place minimises our risk when starting new in a country.

Finally, foundation is set pre-closing to deliver immediate tenancy growth and operational improvement. As I mentioned earlier, this is what the team in Senegal has delivered throughout last year, and this is what we are currently delivering today in Malawi.

I may have taken a bit more time than expected, and I apologise for that; but it was difficult to do better when you keep talking about the value of your team. As you would have noticed throughout our session since the beginning, since 13.00 today, people are the most valuable assets of our business. This is the reason why I keep enjoying my journey 12 years down the line at Helios.

To me, there is no better satisfaction, and there is no better fun in a professional carrier than to work with colleagues that you see keeping growing, leaders that you have invested in, leaders that you have developed. That is where to me, the real fun is.

I am closing my session here. Thank you for your attention. I think we have a break right away, for about 10 minutes, and then Sima will take over from me. Thank you.

Driving Impact

Sima Varsani

Group Head of Sustainability, Helios Towers

Introduction

Good afternoon, everyone. I am Sima Varsani. I am Group Head of Sustainability. In this next session, I will be talking to you about our ambition to drive and to deliver long-term sustainable impact for all of our stakeholders.

To start with, I want to give you one example of what we mean by impact. I would like to do that by sharing Patricia's story with you.

[Video]

This video is on our website, and it was filmed two years ago pre-COVID. Since then, Patricia has grown her business. She now employs over 50 women drivers. During lockdown to support communities, she also expanded her business to do vital food deliveries for communities.

This is just one example of how mobile has changed lives, has improved livelihoods and driven growth and innovation in our markets. There were other stories on our website that you can look at, too. It is these stories that make me so excited and so passionate about what we do and why it is so important for us to continue growing our business, expanding our infrastructure, and delivering on our purpose to drive the growth of mobile communications in our markets.

Before we talk more about that, let me share a little bit more about me. So, I joined the business two years ago. It will be two years ago, tomorrow, in fact. My role is really to drive our positive impact by working with different teams and functions across the business to embed sustainability to look at collecting and analysing more ESG type data to help us make better business decisions.

I started working at sustainability almost 12 years ago, and I have experience across consultancy and across corporates. Before I joined Helios, I was at GSMA, where I was a Sustainability Director, and my role was advising international MNOs, including a number of our customers on how to integrate sustainability into their business.

When I joined Helios, I saw lots of synergies because ultimately we are in a value chain. We are all looking to deliver the same impact for more people to use mobile and for more people to benefit from the life-enhancing services that it brings.

So, I hope that you already have a sense of what sustainability means to our business through all the presentations that you have heard today. In this session, I would like to highlight more but more of the macro context of how mobile is driving sustainable development and how that has informed our strategy and our ambition for impact.

Maximising our impact

When we talk about our impact, we are building on strong foundations. So, Tom, at the beginning, shared our business story in the different phases, and our impact has grown in line with those.

In 2010, we were the first towerco in Africa, bringing the infrastructure sharing model to MNOs in Africa. In 2015, saw us prioritise business excellence, which you heard from Lara and Allan

about, and then Phil really just brought to life here our championing of local teams for local business.

In 2020, we developed our Sustainable Business Strategy. When I joined Helios, the leadership team was looking to articulate a sustainability strategy. But when we went through the strategy development process and we looked at our materiality, it was very clear, very quickly, in fact, that actually we were articulating our business strategy for long-term success.

Delivering on the Sustainability Development Goals

We have produced our first Sustainable Business Report, which was, again, the first comprehensive communication really about our approach on all of our material issues and our progress on the KPIs and targets which we had formalised.

So, where we are today when we look at 2021 and on the value that we have created is really an evolution of this journey. But I think back to 2020, we were analysing our carbon footprint and what makes up our carbon footprint. And today, we are starting to look at how we are going to achieve net zero by 2040. For me, this is a real reflection of our ambition. I am really proud that actually it is our leadership team. It is our Board that is championing sustainable business as better business and wanting us to maximise our impact.

So now let us take a step back and look at the impact of mobile more broadly. There is clear evidence that mobile drives sustainable development. The mobile industry is unique in the fact that it can contribute positively to all 17 SDGs. We saw the story of Patricia. Mobile is driving economic growth. It is also driving good health, education. It is allowing millions of people who have never had a bank account to access financial services for the very first time. These are just a few examples.

The GSMA produces a report every year called the SDG Impact Report. The report shows how mobile is contributing to each of the goals and the contribution that it is making to each goal is increasing year-on-year.

Last year, the UN accredited the mobile industry for making critical breakthroughs in climate change. That is because mobile can avoid emissions. It can avoid 10 times more emissions than it creates itself. That is through things like the internet of things and making things smart. So, we are really proud to be part of a value chain that is helping to tackle these global challenges, but also through our own business, the way that we work, contributes to a number of SDGs that you can see here.

Phil really brought to life SDG 8 by how we work with our own people but also with our partners, creating safe workplace, safe work environments and investing in our people and our partners, which leads to economic productivity.

Through our building resilient infrastructure, we are contributing to SDG 9, industry innovation and infrastructure.

The mobile economy in Africa and the Middle East

The mobile industry generates significant economic value. Globally, mobile contributes 5% to GDP. In our markets, we generate more value. In Sub-Saharan Africa, it is 8% of GDP. In MENA, it is 6%.

Mobile also makes a significant contribution to public funding and creates significant job opportunities. Now when you consider everything we have heard today about fast-growing economies, young, urbanising population, mobile is going to be so critical to the future prosperity of our markets.

Enabling faster expansion of mobile coverage

On to the next slide, which is about enabling mobile faster expansion. Through what we do, we are driving digital inclusion. We are helping our customers to increase and improve coverage in our markets.

Beside that was supposed to be here, but you see in front of you is builds on what Sainesh said about DRC.

For me, this slide sums up our sustainable business model. In 2015, 78 million people came under the coverage footprint of our sites. When you look at it today, including our acquisitions, we are looking at almost 160 million people. That is double the number of people in six years.

Now when I think back to Patricia and I think about how mobile is changing lives and improving livelihoods, for me, it is inspiring. It is all inspiring. But what makes it even more exciting for us is that this impact in terms of digital inclusion and coverage is fully aligned to our business growth. Over the same time period, you can see our tenancies over doubled, our revenues over tripled. This is why we call it sustainable business.

It makes complete business sense for us to help more people use and more people benefit from mobile and to support the development of our communities.

Digital inclusion and socio-economic development

Our projects address local needs. In Sub-Saharan Africa, less than half of the population has access to electricity. Even the half that does, does not have access to reliable or consistent electricity.

So, to help encourage and help more people to use their phones, we offer phone charging points for the community to come and plug their phones and use for free so that they can actually use their phones more.

In terms of digital inclusion, over half of the population that is covered by mobile internet is not actually using it. One of the main reasons for this is lack of digital skills and digital literacy. So, to break this barrier, we are engaging with schools. We are building ICT (Information & Communication Technology) labs in Ghana. Fritz can talk to you about this more in more detail.

We are working with a rural school, which has about 200 children, 200 students. It has never had a computer before. We have partnered with one of our customers to refurbish one of their old active equipment shelters. We have equipped it with solar panels and we have furnished it and we donated recycled laptops, and we are delivering mobile broadband connectivity.

There are examples like this that show actually how aligned our strategies are with our customers. We have also recently launched a Group-wide internship program called the Helios Towers School of Engineers, which offers engineering students and graduates opportunities to gain hands-on work experience within our business. This not only builds a pipeline of talent for us and our partners, but also contributes to improving employability and economic growth. We are trialling this in DRC at the moment, and we have a view to roll this out across the Group.

We are also setting a target for female representation to drive our impact on gender equality and to support more women in STEM (science, technology, engineering, and mathematics) in our markets.

I hope with these three examples, you can see that our approach moves away from traditional CSR (corporate social responsibility) as it were, and much more towards strategic social investment that not only benefits our communities, but also benefits our business.

Our five-year Sustainable Business Strategy

So, our five-year sustainable business strategy is the way that we are going to deliver on our purpose and our mission. Strong governance and ethics underpin the strategy. As I said, our Board and our leadership team are accountable for the delivery of the strategy, but ultimately, they are also the champions of it.

Our new KPIs and targets

So how do we know and how will we know we are making progress? These are the KPIs and the targets that you have seen throughout today's presentation. They reflect our ambition and where we want to move the needle.

If you look at people and business excellence, we set a target for gender diversity. We want to move from 24% in 2021 to at least 30% in 2026. When you consider that we work in a traditionally male-dominated industry, and you look at our cultural context in our markets, this is a stretch target, and we want to drive real meaningful change for gender equality over the long-term.

On the environmental side, Lara already spoke to us about our 2030 intensity target, but also our ambition for net zero and the fact that this is going to require systemic change for all businesses, but also for us, and it is going to require real collaboration across our value chain. It is great that we have already started talking so closely with our customers on this.

Committed to reporting and transparency

In line with our commitment to sustainable business is our commitment to reporting and transparency. In March this year, we published our second Sustainable Business Report, and we are using best practice reporting frameworks and standards to not only inform our reporting, but also to guide our approach and our strategy, looking at indicators looking at data to again help us make better, more informed decisions.

Our focus is on improving our reporting, but also our transparency initiatives, such as CDP, which we started responding to last year. We are also starting to be rated by various rating agencies.

Key takeaways

So, what do I hope that you take away today? That mobile drives sustainable development. I hope you remember Patricia's story, and I hope that you go on to our website and you look at the other stories that are there.

But we have an inherently sustainable business model, but we also want to go further, and we will do that via our new sustainable business strategy and that we are committed to being open and honest about how we are doing on the journey.

So, with that, I will hand over to Manjit.

Our Financials and Guidance

Manjit Dhillon

CFO, Helios Towers

Q1 recap

Thanks, Sima. I think that Patricia's example is actually really, really interesting, and we have got a number of those actually on our website. We tried to bring our markets to you during this session. Hopefully, in a year's time, we can take you to one of the markets. You can actually see it first-hand about how what we do really does make a real difference for people's lives.

But let's move on and go through the financials and guidance. Just to start off, we released our Q1 results this morning, and I am going to give a very quick recap of those results now.

Q1 2022: Highlights

Seasonally strong tenancy additions and Q1 financial performance in-line with expectations

So, we had a seasonally strong Q1 this year with regards to tenancy rollouts and our financials were in line with our expectations and guidance that we have given at the beginning of the year.

We have seen strong organic growth with 359 organic tenancies added in the quarter, 1,545 organic tenancies year-on-year, which drove a 9% growth in organic sites and tenancies and 10% organic growth in revenue and EBITDA.

Including new acquisitions, we have seen year-on-year growth of 23% of revenue, 20% EBITDA and 34% portfolio free cash flow. EBITDA margin has slightly reduced by 2 percentage points, and that is due primarily to the integration of new markets, and I will speak about that very shortly.

Exciting as well as Phil mentioned, we closed our eighth market, Malawi and Phil and Ramsey and the broader teams are working very hard on closing Oman and Gabon during the course of this year.

And importantly as well, guidance has been reiterated, and I will go through that detail in a few slides time.

Q1 2022: Strong growth driven by organic and inorganic expansion

Here, we have just set out a few of the key metrics on a Group perspective. As mentioned on the last slide, we are seeing good progression in tenancies, especially considering Q1 and Q2 are our seasonally quieter quarters. That is particularly because MNOs are going through their budgetary processes during this period of the year. So, we typically see a bit lower seasonality than it really picks up in the second half of the year.

It was great work by Allan and Lara and their respective teams, as well as the teams on the ground, to get the tenancies rolled out quickly at the start of the year. We have managed our supply chain effectively, forward purchasing $30 million last year so that we could really hit the ground running.

Our 2022 Adj. EBITDA margin guidance reflects acquisitions and SG&A growth investments

We have seen adjusted EBITDA and portfolio free cash flow growth, and that is driven by both our organic and inorganic tenancy additions. So, we are progressing very well. But you will notice, again, tenancy ratio and EBITDA margins are slightly reduced, and again, due to the impact of some of the acquisitions coming through.

On this slide, we just set it out diagrammatically what has really been happening, and some of the moving parts for the margin dilution, at least on a Group EBITDA perspective. We will see this right now for Q1, and we will see it for the rest of the year as well. The majority of the movement related to EBITDA margin is purely mathematical. As I spoke through during my section earlier, we acquire low-margin day one portfolios, and then drive lease-up and returns. On the left-hand side, you can see that pre-acquisition, our margin was 54%.

The combined margins for Senegal and Madagascar were 45%, and pro forma the impact is to reduce margins by 1 percentage points. For the markets we are due to acquire or just acquired in the case of Malawi, the margin impact is neutral.

Importantly, we have also invested in our SG&A base, given that we have doubled scale and size of platform, as Phil has spoken earlier, about some of the structural changes that we have had within the business. So, the combined effect of the M&A and SG&A investment means that we see margin dilution down to 52% by year-end, which is in line with our guidance.

SG&A investment will be leveraged on expanded platform

Now in preparation for doubling from five to 10 markets and doubling our tower footprint, we have invested in our SG&A, so that we can deliver for our customers on day one, like we have in Senegal. In total, including spend in 2022, we will have incurred $13 million, and that is:

- Principally setting up and recruiting the new regionalised structure;
- Increased professional fees; and
- Having a broader infrastructure, for example, IT.

In 2020 and 2021, we had incurred some of our SG&A early, and you can see the elevated levels of SG&A as a proportion of sites and revenue. However, the investment that we made will be leveraged by the expanded portfolio, and we will see corporate SG&A as a percentage of both sites and as a percentage of revenue returning back to 2019 levels.

Driving incremental returns on our enlarged platform

Now I have discussed the impact of acquisitions. Again, portfolio purchases can be accretive on day one to a number of metrics, for example, a number of sites, adjusted EBITDA on a quantum perspective, contracted revenues, but also dilutive to tenancy ratio margins and ROIC.

Broader, stronger platform primed for growth

Significant portfolio expansion dilutes near-term ratios; targeted tenancy ratio expansion will drive margin and ROIC expansion in the medium term

As you can see on the far right-hand column, we see in red where it has been slightly dilutive and green row has been very positive. Importantly though, we will grow from here, and we guide towards 0.05x to 0.1x average tenancy ratio increase per annum. Again, there will be some years where we see increases and decreases in this range, as explained earlier. But over

the medium term, we will see this to be the average. We would also expect to see margin expansion of 1 to 2 percentage points per annum over the medium term.

Clear path to drive cash flow returns through operational leverage on our enlarged platform

Now what will drive this? There are three key areas:

- Lease-up;
- Leveraging our cost base; and
- Operational improvements.

The lease-up is going to be utilising our proven execution capabilities on the expanded platform and driving tenancy growth. This is with the backdrop of the really compelling structural growth drivers of 25,000 points of service over the next five years.

Second, leveraging our cost base. Whilst we are still going through some upgrade work on some of the recently acquired sites, on average, we have structural capacity for three to four tenants, meaning we can move very, very quickly when we get that colocation order through.

We can also look to further leverage our SG&A investment and per site fixed costs. As always, we look to operate sites more efficiently, utilising business excellence principles, investing in renewable power systems, where possible to reduce the usage of fuel, which again is our highest cost of powering the site.

Recurring cash flows driven by growth in Adj. EBITDA and operational leverage on our fixed cost base

Now taking a look at our cash flow, and this bridge sets up pro forma for acquisitions, the key blocks to get to portfolio free cash flow.

Non-discretionary CapEx and ground lease payments are both broadly fixed at $3,000 per site. So, as we add more tenants to towers, these costs will be leveraged. From a portfolio free cash flow perspective, we will see conversion in the range of 65% to 70%.

As we grow our EBITDA, we will not only leverage some of the fixed costs we see on an OpEx perspective and SG&A perspective, but we will also leverage the non-discretionary CapEx and ground lease payments, and you will see that all coming through within our cash flows. That will all be utilised on a disciplined accretive investment.

Highly selective and disciplined capital deployment

On this slide, we set out our capital allocation priorities. Firstly, to reinvest in the business to drive organic growth and margin improvement. That will be primarily through colocations on our expanded platform, as well as further build-to-suits and investing in power improvements through our Project 100 programme, reducing again the utilisation of carbon heavy power forms.

Secondly, investment accretive acquisitions. Similar to what we have done, we will continue to look at attractive portfolio acquisitions in our existing markets and new markets, and we expect to purchase circa 4,000 to 5,000 towers over the next five years, in line with the "22 by 26" Strategy.

Finally, we are focused on returning cash to our shareholders and aim to pay a dividend over a three to five-year time horizon.

Expanded platform primed to drive return on invested capital

Transformational period, with >$1bn invested; capital intensity decreasing thereafter

Fundamentally, utilising the capital for the purposes I have just set out, principally reinvesting in growth will drive return on invested capital. We have seen great progression in return on invested capital from 2016 to 2020 and you can see that it is really driven by the tenancy ratio growth and EBITDA margin growth that we have seen on the left-hand box called out there.

That also coincided with a steady reduction in discretionary CapEx, which you see on the right-hand side. Following the expenditure for new markets, we have set the base for driving compounding growth from this broader base and will be focused on increasing our return on invested capital over the coming years.

Cash flow focus rather than accounting net income

Now for towercos, there is a dynamic of net income, not necessarily being the best indicator of towerco performance, unlike other industries. This effect is really demonstrated on the left-hand side.

Towers have accounting depreciation of about 12.5 years. However, they can stand for over 40 years. So, there is a disconnect between the book value that you see and the real value that we generate from these assets. This dynamic is the same for all towercos. Effectively what you will find is an element of accelerated depreciation in the early years, which will have a negative impact on net income.

Now whilst net income is something we continue to monitor; cash generation is our real focus and continuing to drive long-term cash compounding growth.

Balance sheet – Fully funded for near-term organic and announced acquisitions

Now a quick look at our balance sheet. We have worked very hard at reducing our cost of debt, and we have reduced that substantially over the past few years to 5.9%. We continue to target net leverage between 3.5x to 4.5x and expect to be towards the top end of that range following the closing of all of our acquisitions by the end of this year.

Importantly, whilst we target that range, that is a target, and we can operate if needed, both below and above it. Indeed, we have operated below it for a number of quarters and have ample covenant capacity to operate above it, should we so choose. But all things being equal, once we hit the target range of 4.5x following the acquisitions closing at the end of the year, we expect to then de-lever by roughly 0.5x per annum on our organic profile.

With the recent financings we have completed, we are fully funded for all near-term organic and inorganic growth with no immediate need for further capital raisings. We have average year remaining on our facilities of four years, so we stand here today in a very strong position.

However, as always, we keep a keen eye out for further ways in which we can optimise and reduce our financing costs and remain agile and ready for exploiting such opportunities.

Medium-term guidance – simple business model

So just now to focus a little bit on the guidance. Now I say simple business model at the top, but hopefully, over the last few sessions, you understand that it is actually far from simple to

actually do these things. But just to go through how the business model works mathematically, from a tenancy perspective, you bring forward your sites at the beginning of the period and you add the site rollout for the year. Same goes for colocations.

We typically see seasonality in our rollout intra-year. So, we see typically 25% of tenancies rolled out in the first half, 75% in the second half. You then take the average tenancies for a period, you times it by the lease rate per tenant and you affect that by the adjusted EBITDA margin guidance that we will give in a slide's time. That will give you adjusted EBITDA.

For CapEx, how do we do the main building blocks? You take your non-discretionary CapEx per site, times by the average sites in a period. For the new rollouts, you take your number of sites and colocations by the average cost of builds and cost for a new colocation. Again, guidance I will be providing one slide's time. Adding on to that, you add any acquisition upgrade or other investments on top of that.

Medium-term financial targets on our enlarged platform

Going through some of these more detailed guidance points, now the guidance is actually identical to what I provided at the year-end, where we set out slightly differently. So for 2022, we target 1,200 to 1,700 organic tenancies for the year for our seven markets that are excluding Malawi. 60% of those will be sites and 40% of those will be colocations. Again, seasonality profile, 25% first half of the year, balance in the second half of the year.

These rates are expected to increase by 3% to 5%, and we should be seeing up during the course of this year, and adjusted EBITDA margin being somewhere between 51% to 53%.

Now as we integrate the acquisitions, which are there at the bottom, we will then have an expanded portfolio. Over the medium term, we expect to see 1,600 to 2,100 organic tenancies per annum; of which initially 40% will be new sites and 60% colocations; then gradually reducing down to 30% new sites and 70% colocations, which again, are similar levels of seasonality. We expect to see our EBITDA margin increase by 1 to 2 percentage points per annum.

A lot of focus here on is CapEx. So again, just building on the building block I said a couple of slides ago. Effectively, for a new colocation, it is about $10,000 per colocation. For new sites, the range can be anywhere between $100,000 and $150,000 per site. We would say take the midpoint of $125,000 for modelling, but it can be within a range. And we are looking to invest $10 million on Project 100 investments during the course of this year, including batteries, grid connections, solar investments, and $5 million on non-power projects as well.

We did a $30 million pre-order during the course of 2021, which is incorporated in here too. We have got a little bit on upgrade $30 million to $40 million, and that is really to get the new sites we purchased up to the Helios Tower standard ready for colocation. We have got about $650 million that we have guided for the full year for the closing of acquisitions which we previously announced.

Again, the final piece here in the building blocks is $3,000 per sites on non-discretionary CapEx. For medium-term guidance, you effectively just utilise all the assumptions here and just drag the model to the right. But one thing I would call out though is that whilst you have got elevated CapEx for this year, we do expect it to be coming down in the medium term in the region about

$145 million. Again, going back to that return on invested capital slide, that discretionary CapEx will come recurring down whilst driving return on invested capital on the established base.

Now going to the final piece of our guidance, interest costs, as it stands today, are about $95 million. That will increase to $105 million when we fully draw the debt for the acquisitions. We expect that to remain very stable over the coming years. Ground leases, cash costs of about $3,000 per site. We do have some exceptionals, but they are exceptional in nature and related to the deals that we signed and some pre-work for new financings.

Tax, we expect at 4% to 5% of revenues in 2022, increasing to 6% by 2026. For working capital, we do not expect any real changes, just effectively modelling the same days as assumption for receivables and payables.

Seasonally strong tenancy additions and tracking in-line with financial guidance

How are we trending towards this? For Q1, we are effectively hitting all of the targets that we set out. We had a good rollout within Q1. We have seen good tenancy seasonality. In fact, slightly ahead of where we were expecting to be. So that is fantastic. Lease rate per tenant was up 2%, as you calculate the escalators coming during the course of the quarter. So, about March, we are actually well within the guidance that we set out, and you will see that coming through in Q2. EBITDA margin was at 52%, bang in the middle of guidance.

22 by 2026 – financial considerations

Now with regard to 22 towers by 2026 finance considerations, we expect that, given the cadence of when the acquisitions will come through, as Tom mentioned, in about 18 months to two years' time when we start to see those acquisitions come through. We will be able to utilise the combination of cash on balance sheet and debt capacity to fully fund that with no requirements for equity.

We expect about 3,000 to 4,000 of sites will be embedded in our model to be built organically over the medium term, the remainder being purchased.

Given the timing and given the expanded base that we have for the business, we expect marginal day-one impact on our tenancy ratios and adjusted EBITDA, if we assume the same characteristics to the assets that we recently purchased. Fundamentally, this strategy targets material increases in adjusted EBITDA and returns expansion over the medium term.

Key takeaways

So here are a few key takeaways from finance and guidance.

- Our platform is fully invested for growth in our new and existing markets;
- We take a very disciplined approach to capital allocation with a focus on accretive growth investments;
- We are fully funded for all of our near-term organic growth and announced acquisitions; and
- Our "22 by 26" strategy is expected to be funded exclusively through cash and debt.

Now I will pass it over to Tom for some wrap-up remarks.

Investment Thesis and closing remarks

Tom Greenwood

CEO, Helios Towers

Our purpose, our mission

Thanks, Manjit. Thank you, everyone, for your time today. We really appreciate you coming down. It is great to do this. It has been a long time since we have done something like this with everyone in the room. In fact, I think last time was actually at our IPO in 2019, probably in a much smaller room. So, it is great to see everyone.

Helios Towers investment proposition

Look, I will not take a huge amount of time wrapping up, so we have got the Q&A now. But just to remind everyone, what have we heard today? We are a uniquely positioned tower business operating solely in Africa and the Middle East. We have got unparalleled structural growth in our markets, and within our markets, we are very, very well positioned to capture that growth and support and accelerate it.

We have got:

- Proven execution capability;
- Business excellence;
- Lean Six Sigma;
- Very experienced teams; and of course, as we have just heard from Manjit;
- We have got very robust earnings stream and cash flow stream;
- High-quality, high hard currency mix; and
- Very strong customer base.

Finally, wrapping all of that up, sustainability really is at the core of everything we do and at the heart of our operations, which we are very, very proud of, and that will continue for many, many years ahead.

So that is it for the presentation.

Q&A

Tom Greenwood: We have now got Q&A, which can go on as long as people want. I think Manjit and I will be on stage. Other members of the executive leadership team are at the front or dotted around the room. So, if people do have questions, then please go for it. I think I can see the first one there.

John Karidis (Numis): I have three questions if I may. Firstly, you talked about inorganic growth coming in 18 to 24 months' time rather than sooner. Why is that? Is that through choice? Or is that through availability of assets that you find attractive? Secondly, any comfort you can give us about the lack of any conversations about MNO consolidation and customer

consolidation in your markets? And thirdly, also any comfort that the governments that you deal with are not tempted to want to get a bigger share of your cash flow. That would be great.

Tom Greenwood: Thanks John, for the questions. I will take that, and Manjit you jump in as well if there is anything else. So, inorganic timing, our key focus right now is to integrate and consolidate the acquisitions we have done. We have clearly been extremely busy in the past two years negotiating and signing acquisitions. And now we are in the midst of closing all of them.

What comes along with that is not just a legal closing process, but bringing on a huge amount of new people, both internally, but also externally through our partner networks, the maintenance, the securities, etc., in all the markets. So, there is huge trading programmes going on in the background. There is huge upskilling. So, we really want to focus on getting all of the deals closed, getting all of the markets up to a certain level of performance and really driving organic growth and performance and getting that tenancy ratio right.

We have heard a few snippets from Phil about it in some of the new markets where we have hit the ground running on some colo deals, etc. So that is what we are super focused on right now. And then over a five-year period, clearly, there are 300,000 towers out there, which are still owned by mobile operators. Some of them are going to come for sale over that time. And some we will like and some we will not, but we want to be positioned to go for it, if we do believe the portfolio will add significant value to us.

And based on our knowledge of the pipeline out there today, in fact, it coincides quite well with our current focus of this year and next year focusing on the organic (and what we have announced) and then maybe in a couple of years' time focusing on a little bit more geographic diversification. But I do not think we will do a doubling of the business overnight again. It might be like one extra market and another extra market the following year or something like that. So, more kind of incremental rather than a big bang, which is what we have been doing recently.

MNO consolidation happens sometimes. I mean in our history we have had a couple. We had in DRC in 2017, I think, Orange acquired Tigo. The market went from five to four. In Ghana, the market went from four to three, I think, in 2018 when Airtel and Tigo merged.

Is there any on the immediate horizon right now? Nothing particularly obvious. I think in South Africa, what we have seen recently is Cell C has done a deal with MTN to do national roaming on the network. So, in a way, that market has gone from four to three from an infrastructure point of view, even though from an end-user point of view, there are still four. That was actually good for that market. I think that market needed it. So that makes economic sense.

But in our other markets, Tanzania is a four-player market. I cannot see that consolidating anytime soon. It is highly competitive. No mobile operator there is a clear number one. DRC has very similar dynamics, four operators, all really competing with each other. So, none of that seems on the horizon.

On the contrary, in Oman, we have obviously seen a new entrant. So that market has gone from two to three. That was one of the attractive reasons for entering. And in fact, in Malawi, there is probably a new license being issued as well. So, in a way, it is slightly going in the opposite direction to consolidating, which is good news for us. And it is really all driven by just

a huge runway ahead of new subscribers that are out there for mobile operators to capture. So, nothing on the horizon on consolidation.

Finally, on governance, I mean, for taxes, regulatory fees, etc., sometimes through our history, we have experienced some increases in DRC. About 18 months ago, they brought in a regulatory fee, which actually was more just aligning the DRC to the other markets. The regulatory fee in the DRC had been virtually zero for 10 years, and they bought one in, which effectively aligned it with other markets.

We have also had tax decreases funnily enough as well. So actually, in DRC, again, about three years ago, they reduced corporation tax from 35% to 30% in an attempt to attract more foreign investment. So, there are some ups and downs. We do not see any sort of material ones on the horizon either, but we stay close. And obviously, we will try to push back if any could come. Nothing to tell people about today on that.

Manjit Dhillon: And the only thing I would add on the MNO point actually is that whilst there is no consolidation in a place like Tanzania, you have now got Millicom who have sold their stake to Axian. So, you have now got actually a very motivated new entrant who is absolutely looking to invest and raising that market. So, we are seeing a combination of new entrants coming into some markets, a bit of cycling and rotation which all leads to good positive vibes for us as a company.

Simon Coles (Barclays): Sorry, another one on M&A. You obviously had a successful couple of years with M&A, but we also saw rates coming down. Now we are seeing rates go back up quite significantly. What does that mean for your conversations on valuation and in the plan where you say you can finance things with existing cash flows? Is that assuming valuations stay where they are, come down, or go up? So, any colour around that would be very helpful. And then linked to your capital structure, you are highlighting that more and more of your EBITDA comes from hard currency. You say you will do M&A to diversify further in a couple of years. Just wondering how you think about the overall capital structure. Is there a temptation to take leverage maybe a little bit higher, given you are going to see more EBITDA coming from hard currency? Any sort of colour on how you see the capital structure developing would be great as well.

Manjit Dhillon: I will take the first point on rates. So, I think, yes, we are seeing rising USD rates, absolutely. But you have also got to bear in mind that whilst that is happening, we are a very different business to what we were when we did our last financing, where you have seen this reduction. So, from a blended perspective, when we did our raising before, we did our raising on the promise of potential M&A, but now we have actually done it. I am not saying that we have done it in very high credit quality markets like Senegal and Oman. So, our structure is actually very different and our hard currency earnings go up.

So, I would say, once you got a backdrop of rising rates, you have also got the counteraction of our business being far more solid from a credit perspective as well. So, I still think that there is ample opportunity to look for ways in which we can reduce our debt going forward. We are looking at some of those in the background as it stands right now. But I think the positive point here is that as there is no real need to do any financings right now, we can wait for our time in which we want to try and do any incremental financing to bring things down.

And one of the things we have also looked at is doing a blend of different financing. So, you have got bonds. You have got term loans at Group. You got term loans at opco. We have got convertible bonds. We have got a full suite package. So, we can look at utilising any of those in the future as well.

I will just touch on capital structure and then Tom, if you have any other further comments. But in terms of higher leverage, we have covenant capacity to do so. We try to keep a relatively prudent measure of 3.5x to 4.5x, but we reserve the right to change that, should there be a compelling reason to do so. So, if there is a good acquisition that comes about, we have got the capacity to do it, and we will monitor it at the time. But again, we have got good hard currency, long-term earnings. It does, to some extent, mean that we could go higher if we should choose to.

Simon Coles (Barclays): That is great. Just a follow-up. So, in your conversations with MNOs, I know you are saying it is a couple of years away, but presumably you have been having initial discussions. Have you seen any change on valuation demands or M&As being more demanding, given where we see valuations go in Africa and Europe, and even Latin America as well?

Tom Greenwood: I mean the answer is no. I mean, we are at too early point in the conversation, to be honest. I think that evaluations depend on a lot of different things. Obviously, rates are one of them but colocation potential in the country, things like that can mean that some towers are valued at $50,000 and others are valued at hundreds of thousands of dollars. So, there are other factors at play. But we are not at that point yet in any kind of big live discussions.

Speaker: Just again one question on M&A. We have seen in Europe, some of the MNOs actually going and doing towercos by themselves. So, are you seeing maybe a risk in Africa to have some kind of a similar path and reducing your inorganic opportunity? And then a second question on margin expansion. Is there a mix between tenancy ratio increase and some efficiency gains you could have from diversifying your power supply sources?

Tom Greenwood: So first on the MNO-led towerco question. So obviously, Vantage is one we have seen recently in Europe. Let us talk of TOTEM, I think, which is the Orange one. And we have seen this around the world over the years. In India, there was a few well-known ones, Indus, Bharti Infratel, etc. And some mobile operators have reasons to prefer that route. That is fine.

Typically, Vodafone and Orange globally in their history have shied away from selling their assets whereas other mobile operators like Airtel, like Tigo, like MTN and others we have done deals with more recently like Omantel, for example, take a more asset-light approach to their business.

In Africa, I mean, there are different dynamics to Europe. Firstly, there is a much more operational component to a towers deal. So, if a mobile operator is thinking about selling their towers in Europe, it is a lot more of a financial engineering play.

In Africa, it is that, but it is also, as we have heard today, a huge operational play as well, particularly outsourcing running the power. And I think that whilst in Europe something like Vantage was possible in terms of the regulation in every market and getting it to the same point at once, maybe in Africa, that would be more difficult from a timing perspective.

So, I think we will see how it goes. But even if you remove the operators such as Vodafone and Orange, who traditionally have not sold their towers, if you look across Africa and the Middle East, there is still significant potential there over the coming years for further divestments even if you remove those two from the mix, which typically we would attribute to a lower probability with those two players for buying their towers, for example, even though we did buy Vodacom's towers in Tanzania in 2014, which I think was actually the only time the Vodafone Group had ever sold their towers.

Manjit Dhillon: I will pick up the margin point. So, the guidance that we gave of 1 percentage point to 2 percentage points, that is not all driven purely by collocations. There is an element of that is also linked to some of the power investments we will be doing. But there could be step changes in that, like we have heard from Lara earlier, if you see proliferation of the grid accelerate at a multiple, and that will certainly have an impact, and we will be updating guidance in due course too.

But we are taking a phased approach for this Project 100. We do not want all $100 million to work right now because you know there is lots of changes coming. So, we will see that margin progress, but I think there is certainly some potential upside in the future.

Abhilash Mohapatra (Berenberg): I have got one on colocation, please. You have talked about your ambition to continue to increase colocation rates. Just wanted to understand what are the major challenges as you seek to do that? I guess in 2022, we are seeing that the tenancy growth is more weighted towards BTS. Why should that change going forward? I mean, what is stopping these operators from just building new sites as opposed to collocating on yours? And just maybe slightly related to that point. If you think about return on invested capital, you showed us the slides where we can see the strong progression in DRC and Tanzania. And obviously, you are targeting something similar for the Group going forward. Is there a figure we can keep in mind, which you can get to by 2026 as you execute this plan? Obviously, I guess, it will depend, and without M&A that you are planning. But what is the kind of returns do you think you can get to at the end of this plan?

Tom Greenwood: So on the first point around colocation versus build-to-suit. That mix does change each year. It is largely driven by what our customer strategy is in each year. As it happens at the moment, some of our key customers are looking to drive their own coverage in new areas, which typically either had zero coverage or not much coverage before. So particularly in areas like Central and Eastern DRC, for example.

We are doing quite a lot of rollouts at the moment of new build-to-suits. Other years, they might focus on increasing their stronghold in existing positions, and that would be capacity rollout predominantly, which would typically be in areas where we have a lot of sites already and they can do more colocation. So, it does go in sort of ebbs and flows depending on what the strategy is for the given year.

I would say the good news of right now, from the fact that operators are looking for new areas of coverage, which is why we are doing a lot of build-to-suits, it actually implies that they are searching for that new fringe subscriber acquisition, which means that there is simply more people in the country who are getting phones who have more disposable income to be able to afford a SIM card.

So that is actually quite a good subliminal indicator, if you like, on disposable income and the proliferation of mobile more and more into the more rural areas. Next year, it might be a few of the customers are really focusing on capacity, in which case it might swing back to colocation.

Just on the ROIC, Manjit, do you want to answer that?

Manjit Dhillon: I can take that one. So, with the dilution that we have had, given the acquisitions, some of those come with mid-teens, so about 6% ROIC on average for the new portfolios. So that is bringing us down to about 9%. Where do we get by 2026, excluding new acquisitions? I think we will see ourselves in the low teens. So, we will probably keep somewhere like that, somewhere in the middle of 10% to 15% probably by 2026.

Jerry Dellis (Jefferies): I had a couple of questions as well, please. Firstly, I would be interested in what the underpinning of your mid-term guidance is in terms of the economic growth rates in your core markets? And to what extent do you think it is valid to be concerned about operator network investment plans being sensitive to levels of economic growth in national markets? Second question would be, I would be interested to understand the nature of your discussions with key governments and regulatory officials as we have embarked in this situation where inflation is escalating rather quickly. What are the conversations that you are having with them, just to help us understand why you are evidently quite confident that you are on a firm footing? And then finally, in relation to your tenancy ratio growth forecasts. I mean, clearly, that makes sense. But would it be fair to say that higher lease-up takes you into a world where maybe not all of your tenants are going to be blue-chip multinationals and perhaps to a slightly different sort of counter party? And to what extent do we need to bear in mind a different way of dealing with such counterparties in the future?

Tom Greenwood: Sure. Thanks, Jerry. Let me take some of those. So, in terms of the government and regulatory discussions, I mean, typically, we do not interact with governments and regulators on these topics. We have contracts with our customers. They have got a very clear black and white escalations within the contracts that happens, whether that is quarterly or annually.

For example, we have just done a lot through Q1 where we have a lot of the annual CPI escalators kick in, for example. And that is just a process of billing. And the customers, by and large, know that, and that is how it works. We do not really get pushed back on that. To the extent we do, we just say no. So that is usually a fairly short conversation.

Obviously, we do monitor how our customers are thinking about local economies. Obviously, the more disposable income, the better. And I would have to say at the moment, our customers, by and large, seem to be feeling pretty bullish about the situations actually. A number of them are rolling out significantly at the moment. We are also seeing, as Manjit mentioned in Tanzania, there is the new mobile operator that has come in. That seems to be catalysing quite a lot of activity in the local market.

In DRC, customers are racing to new areas of the country to acquire that incremental customer. So, we are seeing pretty good competitive dynamics at the moment amongst our customers. And I think that the populations do seem to have more disposable income to buy that incremental SIM card, which is good.

Our markets are, as well, largely unaffected by the Ukraine-Russia situation. A few countries in Northern Africa are more impacted, but we are not operating in them. So again, economic sentiment seems reasonably good at the moment, I would say, in most of our key markets.

In terms of the tenancy ratio growth, do we therefore bring in more smaller customers? So, the answer is no. I mean, this is basically all predicated on major mobile operators. We do have a very small amount of revenue from small customers, typically ISPs, internet service providers. They probably provide about 1% of our revenue. We do not anticipate that changing anytime soon, that will always be a tiny fraction of what we are assuming.

Manjit Dhillon: Actually, just to add on that, when we provide those stats around maximum single customer exposure, that is not in one market. That is actually in three or four. So, it is not that that is the only person we have in Tanzania. It is in DRC, Tanzania. So, to Tom's point, you see that basically the same actors and the same blue-chip customers in most of our markets. So, it is not that we do not have to talk out for the internet service providers that he has mentioned.

Tom Greenwood: And just, Jerry, on your first question around the mobile operator CapEx limitations or potential cuts. The reality is that towers business does rely on mobile operators' CapEx budget and that is for sure. So, if a mobile operator cuts its CapEx budget it could probably mean we do not get many or any tenancies from them.

Now to the extent we have three or four big MNOs in each market and that probably would not happen to all of them one year. I mean, for example, right now, we have got heavy activity from a few of our big customers, but one or two actually also do have quite a lot of CapEx cuts at the moment. So next year, maybe they will get a big CapEx budget signed off.

So, it does come in fits and bursts. In some years through our history, we have had quiet years for all rollout, and it just so happened that all operators have cut down in those years. But certainly, it does not happen on a prolonged basis. So usually, there is at least one or two who are rolling out big time. But we are reliant on it to an extent.

Speaker: Three quick questions actually, starting with the quickest one is, you mentioned that structured capacity is three, four tenants. Is it both the upgrade CapEx that you mentioned on the slides? Or that is going to come on top of that? Secondly, in terms of the concentration risk on the ground leases and especially for the new markets. Is there any increase in that? Any exposure to state or larger concentration or does it remain the smaller, lesser type of contracts? And then thirdly, in terms of the new technology that you mentioned like fibre and Network-as-a-Service. In terms of your 2026 plan, how important is that? And proportion-wise, where do you imagine you will get on these technologies?

Tom Greenwood: Yes. Now, great questions. Thanks very much. So, on the capacity, the 3x to 4x. So on our existing portfolio and that is what is available today. And on the new ones, which I think we estimate roughly around three, that is post some upgrade CapEx, which we have got in our plan and was part of our acquisition base case. So typically, after any acquisition, we will have an upgrade programme, which is the same for all tower companies.

American Tower call it start-up CapEx. We call it upgrade CapEx, but that is the same thing as going around and making sure all the sites are health and safety compliant and strong enough to take more tenants, and in our case, have adequate power systems to run. So, we are busy

doing that at the moment, for example, in Senegal and started recently in Malawi and Madagascar. And we will be doing that in Oman soon.

On the ground lease concentration across our markets, we have got virtually zero concentration. The only nuance to that will be in Oman, where quite a lot of the land is under leases with the Ministry of Housing. But we see that as very low risk, given the government very much wants the towers to be proliferated across the country.

I mean we are literally talking a landlord might own one or two or sort of five sites maximum, even that will be rare actually in most of our markets.

Fibre and NaaS. So, in terms of our 2026 overall strategy, that does not play a huge part. And in fact, if we do that, that would be sort of incremental on top of our core plan, which is really focusing on towers and tower-like adjacencies like In Building Solutions, Outdoor DAS, Smart Solutions, all of which look and feel very much like towers from an operating perspective, a earnings quality perspective and a customer perspective. So that is very much our focus at the moment.

We are having some interesting conversations on NaaS at the moment, actually. So that could come into play at some point in the next couple of years. We will see.

John Davis (Bloomberg Intelligence): Over the years, many of the MNOs have chosen or being forced into having local partners and/or listings. Where do you stand on that? Philosophically, obviously, not wanting you to comment on any particular country or more similar?

Tom Greenwood: I mean, we do it sometimes, we have a local partner in South Africa, for example, more recently in Malawi. And we will look to have local partners if there is a benefit for us to do so. And we will assess that whenever we enter a market. If it is a local requirement to do so, that will be a factor and whether we decide to go into that market or not.

Most recently, it was Malawi, and there was a requirement in the towerco licenses to have a 20% local partner. We have actually partnered with Old Mutual, who have a fund in Malawi and that is classed as a local fund. So that is actually a very good partner to have. But in another market, we might look at it and think, no, we do not like that local partner, so we would not go into that market. And that has actually been a factor in us deciding not to enter some markets over the years. So, we will always think about that.

Local listings, again, I mean pretty rare. There was a requirement in Tanzania for a few years. That actually then went away because it was just basically impossible and did not make sense. And again, that would be a factor of consideration if we were going into a new market, if that was a requirement.

But yes, it is quite rare for that to happen. So, we will take that as it comes. But we typically would not want to do a local listing in a local market.

Benjamin Isaac (Brizo): Could you talk a little bit about how your contracts were adjusted for when you have alternate energy sources being used on site? Are you able to sell back into the grid on any kind of semi-regular basis, and are they still kind of being based on fuel indices? In terms of planning your balance sheet and cash needs, how long does it typically take for an MNO to start considering selling towers to ultimately accepting bids? Do you have a lot of lead time? And then clearly, over time, part of the appeal of the story here is your capital allocation

prowess or ability to get deals done on attractive terms. Could you, with some genericised examples give an instance or two when you passed as opposed to when you got it done?

Tom Greenwood: Absolutely, Manjit, why don't you start?

Manjit Dhillon: So, on the contract structure. So, the way the contracts are currently structured is that it is very much based on fuel electricity as it stands right now and how those macro movements move. So, if we reduce the volume of fuel or reduce the amount of electricity we are utilising from the grid, the pros and minuses to that will impact ourselves, but we are effectively structuring in some macro movements.

So, when we deploy things like battery solar, that will effectively reduce the amount of fuel that we are utilising, and therefore, make that saving. And that is how the contract structures work. We do not yet look at items like electricity back to the grid. We are really utilising it for our own power requirements but may look at something like that in the future. So that is how it works for all of our contracts.

Tom Greenwood: On the lead time for sales and leaseback, honestly, it depends on the operator, but anything from start to finish, probably the quickest that any mobile operator could do would be 18 months, and that would be really, really quick, anything up to five years plus on the sort of other end of it.

But as a rough rule of thumb a couple of years, so to the extent we are having a very early conversation today with one or two, maybe that would mean in a couple of years that you actually see that come to fruition. So, there is a relatively long lead time involved.

We have passed on six or seven in the last couple of years. In fact, one was about two weeks ago. I mean it is usually around the quality of the contracts or the asset for one reason or another. So, for example, one quite big one in the Southern African region that we passed on very early on last year was due to the MSA being full local currency, having very poor terms around amendment revenue, kind of needing to give new space and power to the mobile operator for free, allowing active sharing to be done on the sites for free, which we would never allow.

We would either require to be paid for it or we just say in the contract it cannot be done. So then you have to have a negotiation at the time.

To the assets themselves, not having much by way of capacity or needing a huge amount of work – I mean we always assume some upgrade is going to be needed, but sometimes it can be huge. Those reasons that sometimes crop up when we get a little bit down the road in a deal. And once we have seen the contract, we pull back. Other times, perhaps it is just not a strategic fit for us, and maybe to your point, when there is an unattractive local ownership requirement. That was actually a reason that we pulled out of one about a year ago as well, where we did not like the local ownership requirements. And that was a big market in North Africa. So different reasons, but we are quite picky.

Manjit Dhillon: I would just add that we are very, very disciplined. We want to make sure that every dollar we put into the ground, whether it be a built-to-suit, OpEx item or new acquisition, we gain the best return that we possibly can.

Now some may lead to more returns in the future such as acquisitions because your day one return is not going to be as good as colo, for example, but it will lead to more colos. And we

look at it effectively on a traffic light perspective, where we will put them all side by side and see which is the best utilisation of capital and we are disciplined about that.

Speaker: Two questions from my side. One, are you seeing pressure from your customers to increase the amount of renewable energy in your power generation side of things as a way of getting their own scope two emissions down? And secondly, when we look at that slide 49 protection against cost increases it passes through, if you want an annual escalator, particularly for fuel, is it the case that by the end of the year, you are kicked back up to where you would have been at the beginning of the year? But during the year, you are wearing the cost of that fuel. Assuming that fuel goes up and stays, you are going to have a 12-month loss and then a 12-month gain on the other side. And therefore, in the world where fuel prices keep going up, it is always going to be 12 months behind until finally they come back down when you win.

Manjit Dhillon: Simply, there will be a time lag. We have an annual escalator. So, if there is movements outside of on the escalation dates are, you will have to take on that cost. But it can go both ways, right? So, they can go with cost prices go down, but also half of our contracts are quarterly. So, it is not as though all of our contracts have that dynamic. So, when you look at it on the blend, we typically have a good amount of protection against that.

And that is really why we show that R-squared because that does actually show from a US dollar EBITDA perspective once you take into account revenue and your OpEx cost, how it really waters its way down and that barely has any correlation, which I think is really the proof to that.

Tom Greenwood: Then, on the emissions point, in the last nine or 12 months, we are having more conversations with customers about joint projects around emissions reductions. So, the big customers that we have, they have their own targets for carbon reduction. We are actually finding it quite a good collaborating sort of subject. And it has actually probably, to some extent, brought us a bit closer together.

We are also finding that it can be a USP because some other towerco maybe are not as advanced as us at this whole sustainability angle, particularly around carbon planning, availability of data and stuff like that. So, some of our big, big customers have asked us for reporting, for example, for all of their individual sites, exactly how much CO2 they are responsible for on a site-by-site basis, so literally thousands across the whole network.

We can give that to them because our systems are actually pretty good and can get that out on an automated report every month. That is actually a massive tick in the box for the customer and probably a reason for them to do more business with us than perhaps someone else who cannot do that. So, we are definitely working in collaboration with them. And it is spurring conversations like us asking them what type of run refresh they are doing, what kind of new equipment they are buying, because obviously, the new equipment can be highly power consumptive or not depending on which ones you buy, etc.

So, I suppose all the pressure across the whole industry is, I guess, doing what it is supposed to do, which is forcing everyone to talk together to find the most efficient solutions for power.

Any more questions? Covered everything. Everyone is hungry and thirsty. I think we have got some drinks on the terrace. It is hopefully not raining, so we can go out there.

Great. All right. Well, if there are no more questions, we will wrap it up there. But honestly, really massive thank you to everyone for coming. Great work all the presenters and the team involved in the preparation. And thank you for everyone dedicating your afternoon to Helios Towers. We really appreciate it and look forward to talking again soon. Thank you very much.

[END OF TRANSCRIPT]