



helios  towers

Omantel  
TowerCo  
Acquisition

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# Helios Towers team today



**Tom Greenwood**  
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Officer



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Chief Financial  
Officer

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# Summary

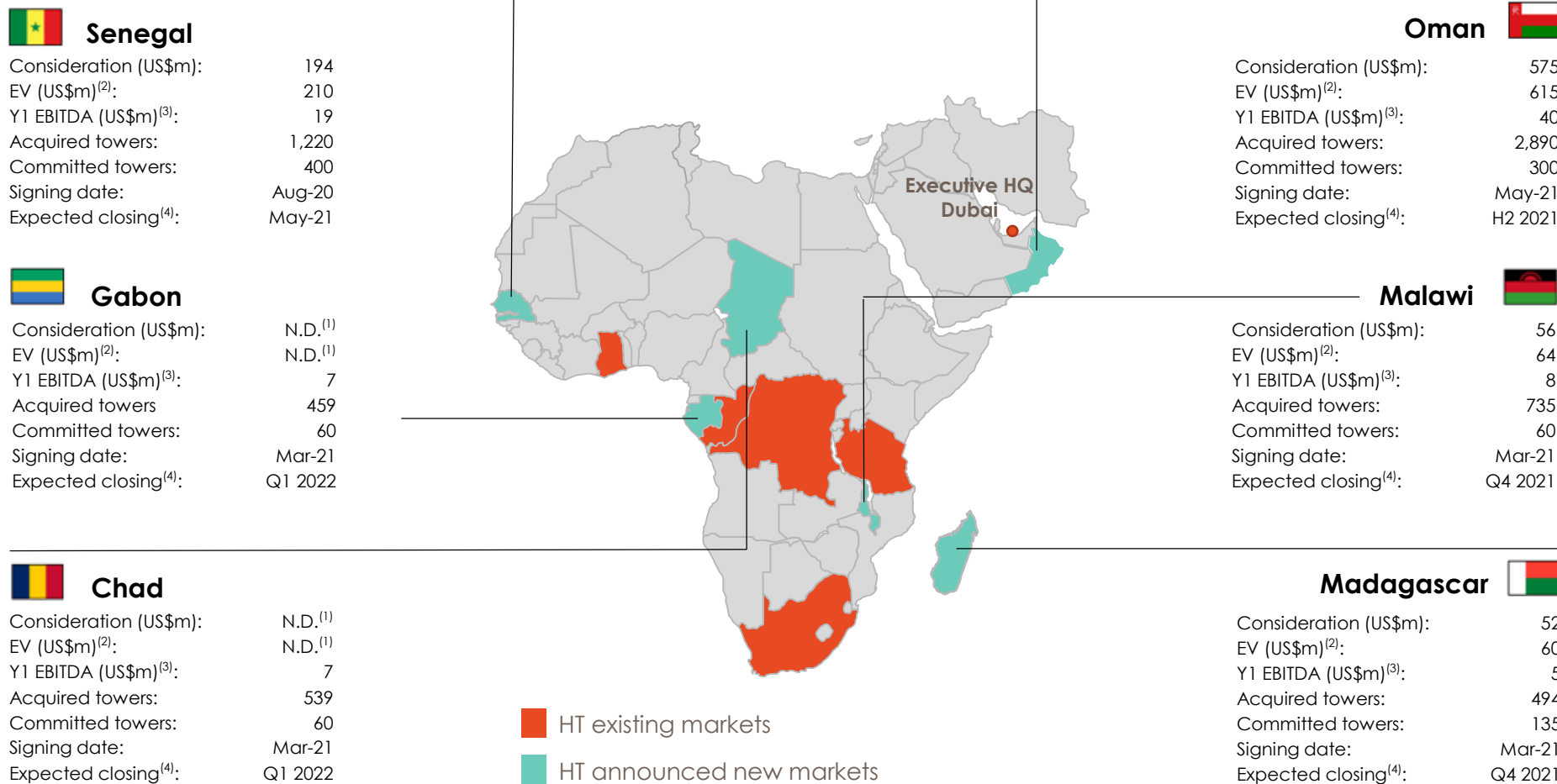
- Acquisition of c.3k sites from Omantel, supporting entry into one of the fastest growing markets in the Middle-East region
- Another transformational transaction that takes pro forma Group tower count to c.15k<sup>(1)</sup> – doubling since IPO in 2019 and exceeding our 2025 vision targets well in advance
- Provides further geographic and customer diversification, making HT the most geographically diverse tower company in the Middle-East and Africa, with a strong Tier 1 MNO customer base
- Further strengthens business with 15 year service agreement providing c.\$800 million additional contracted revenue and increases Group Adj. EBITDA in hard-currency to 73%<sup>(1)</sup>
- Closing expected in H2 2021 and to be immediately accretive to earnings

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(1) Reflects acquisition of Free Senegal's tower portfolio and signed agreements with Airtel Africa Group Companies ("Airtel") across Malawi, Madagascar, Chad and Gabon which are subject to completion.

# A transformational period for the Group

Announced six transactions in six new markets over the last 18 months, which together with c.1k committed BTS, increases site count to c.15k sites



(1) The agreements signed for Chad and Gabon on 23/03/2021 are exclusive memorandum of understanding arrangements. The consideration for these transactions is anticipated to be disclosed upon signing of the acquisition agreements in each market.

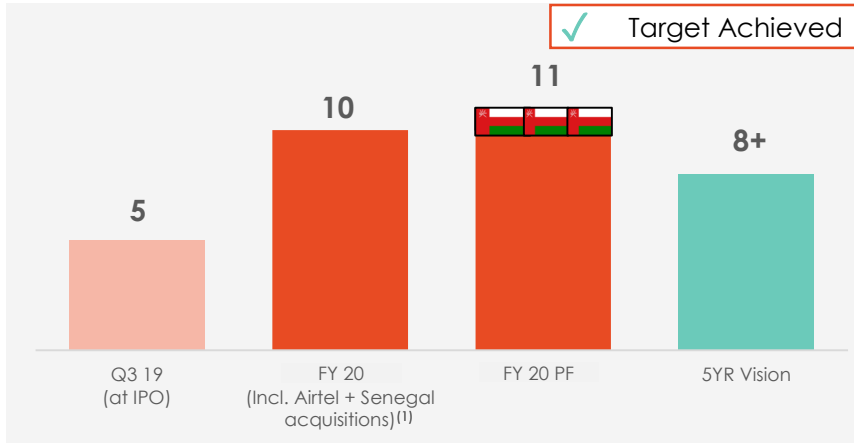
(2) Includes estimated capitalised ground leases and transaction costs.

(3) Adjusted EBITDA values are Group estimates, reflecting expected performance of the acquired assets in the first full year of ownership, with further growth expected through committed BTS and colocation lease-up.

(4) Expected closing is based on the Group's current best estimates. All acquisition closings are subject to the completion of all customary and relevant conditions.

# Achieving our 5-year vision, well-ahead of plan

## Markets



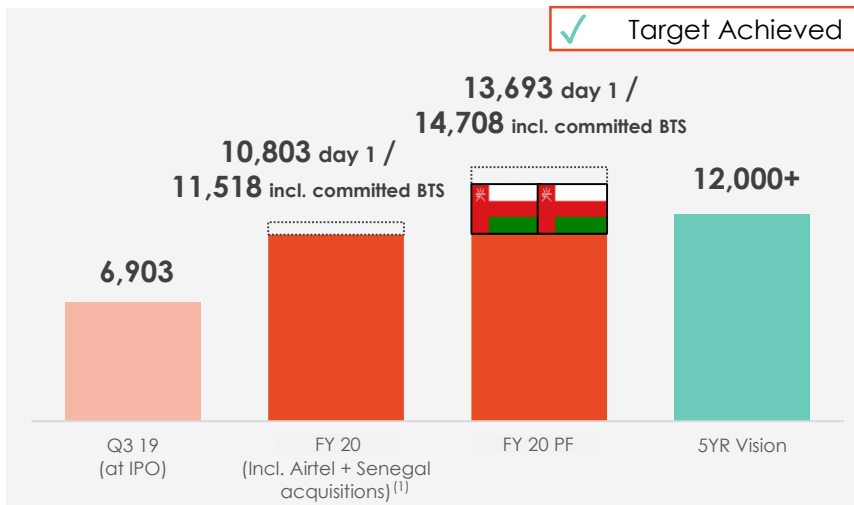
## Overview

- Upon closing and together with the other announced acquisition agreements<sup>(1)</sup>, the acquisition of Omantel's tower portfolio allows us to achieve our vision, laid out during our IPO in 2019, of 12,000+ sites in 8+ markets

## Markets

- Following the announced acquisitions, our operational presence increases to 11 markets, compared to 5 during our IPO in 2019, and establishes Helios Towers as the most diverse Towerco in Africa & the Middle-East<sup>(1)</sup>

## Sites



## Sites

- The sites consolidated on Day 1 of the acquisition allow us to exceed our target by +14% (+23% of target including committed BTS), well-ahead of plan initially laid out during our IPO in 2019

## What next?

- We will work to close and integrate announced acquisitions and establish our 5 year vision to reflect the larger business in due course

(1) Reflects acquisition of Free Senegal's tower portfolio and signed agreements with Airtel Africa Group Companies ("Airtel") across Malawi, Madagascar, Chad and Gabon which are subject to completion.

# Transaction overview

## TRANSACTION DETAILS

Signed agreement to acquire passive infrastructure assets, representing **2,890 sites**, from Omantel for an upfront cash consideration of **\$575m**. Represents an enterprise value of **\$615m** including the Group's estimate of transaction costs and capitalised ground leases of \$40m.

**300 build-to-suit sites have also been committed** over the next seven years with a planned investment of **\$35m** growth capex

## SITES AND TENANCIES

**2,890 sites expected** on closing with a tenancy ratio of 1.2x and **300 build-to-suit sites** committed to be rolled out over the subsequent seven years, with a master service agreement of 15 years entered into with Omantel representing **\$0.8bn contracted revenue**

## FINANCIALS

Acquired assets are expected to generate **revenues of \$59m** and **Adjusted EBITDA of \$40m** in the first full year upon closing, with further growth expected through committed BTS and colocation lease-up<sup>(1)</sup>

## FINANCING

Following capital raising activities in 2020 and 2021, the Group has **sufficient cash and available facilities to finance the transaction**, in addition to the previously announced acquisitions.

In-line with our financial strategy and medium-term target leverage of 3.5 – 4.5x, we continue to actively review options to optimise funding capacity to support our organic and inorganic growth opportunities


## CLOSING

Transaction is anticipated to close in H2 2021 subject to customary completion conditions and shareholder approval. Received irrevocable undertakings to vote in favour of the acquisition at a General Meeting from certain shareholders representing over 50% shares at the time of the acquisition announcement

(1) Revenues and adjusted EBITDA are Group estimates and reflect expected performance of the acquired assets in the first full year of ownership. These figures should not be treated as a profit forecast nor are they audited.

# Oman aligns to our target market criteria

## Helios Towers Acquisition Criteria

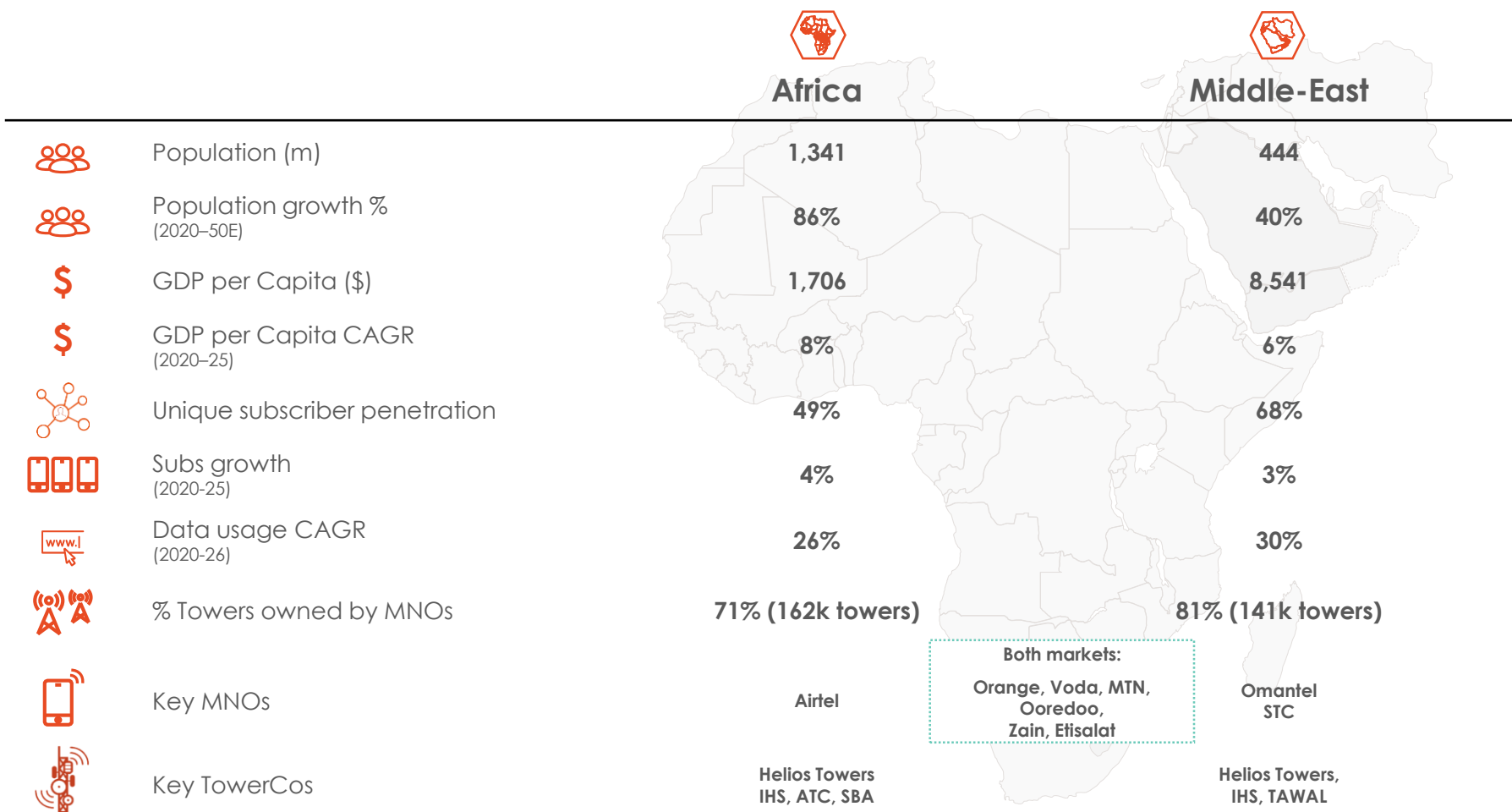
-  Emerging market
-  Population of >10m
-  3+ Operators
-  Possibility to achieve #1 or #2 market share
-  Stable and / or pegged currencies
-  Power and tower infrastructure gap
-  High subscriber growth and low mobile penetration
-  Enhances Group's returns

## Omantel Tower Portfolio Acquisition

- ✓ **3%** GDP CAGR forecast (2020 – 2026)
- Population of **5m** with **2%** annual growth forecast to 2026
- ✓ **3 Operators** Omantel and Ooredoo, with Vodafone partner Oman Future Telecommunications receiving licence in Jan-21
- ✓ **A leading independent towerco** in Oman with 2,890 sites
- ✓ Omani Rial is **pegged to the USD**, with low inflation (ranging from 0.1% to 1.6% between 2015 - 2019)
- ✓ **+3,000 Points of Service forecast over the next six years (+7% CAGR)**, one of the fastest growing areas in the Middle-East
- ✓ Mobile penetration low at **66%** (G7: 86%) and 4G subscriptions expected to grow **6%** annually (2020 – 2025)
- ✓ Accretive to Group returns

Sources: IMF, Fitch Database, GSMA Intelligence, Hardiman Report (March 2021)

# Middle-East is a natural extension of Africa, with strong macro dynamics and multiple Tier 1 MNOs

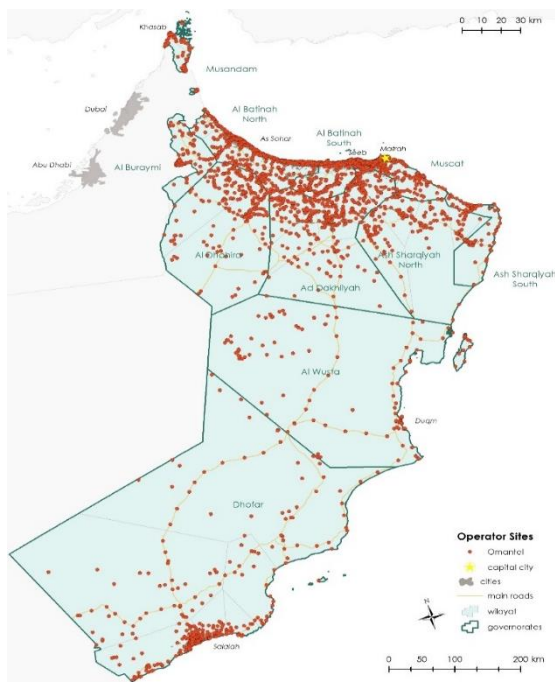




# Portfolio and market characteristics

Largest portfolio of telecom sites in Oman with attractive mobile market dynamics through anticipated Vodafone entry in 2021

## Asset characteristics



Sites and tenancy ratio

**2,890** sites

**1.2x** tenancy ratio

**300** committed sites

(over 7 years)

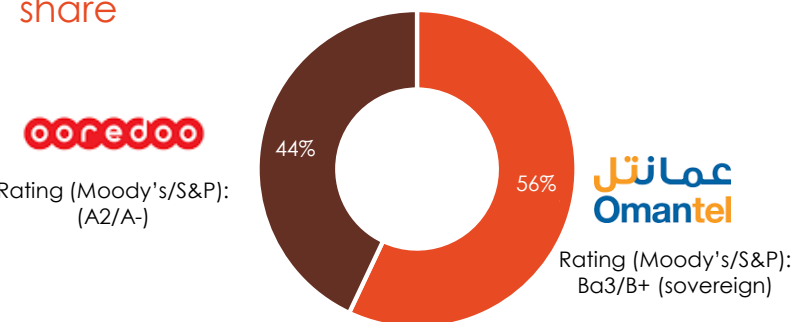
Run-rate Financials (US\$m)<sup>(1)</sup>

**\$59m** revenue

**\$40m** Adj. EBITDA

## Market Overview

Operator market share



**3<sup>rd</sup> MNO, Vodafone partner Oman Future Telecommunications, received licence in 2021**

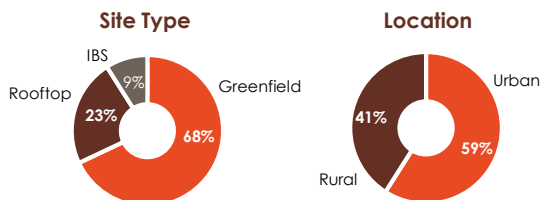
Unique subscribers

**3.4m**

**66% penetration +7% CAGR**

Points of Service (2020 – 2026E)

**3,000**










Sources: Fitch Database, GSMA Intelligence, Hardiman Report (March 2021), Company Estimates

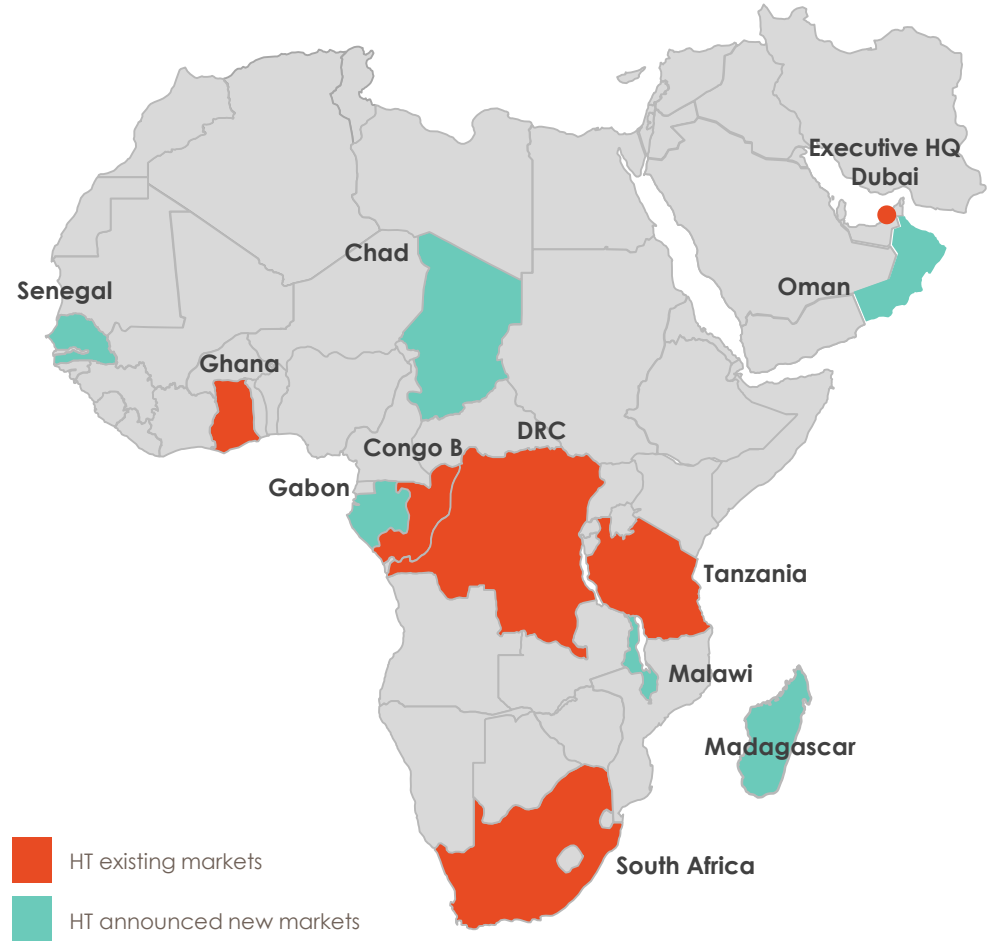
(1) These figures are based on the Company's annualised day 1 estimates of (i) revenue from Omantel under the MSA, (ii) revenue from other MNO tenants and (iii) operating and administration expenses. These figures should not be treated as profit forecasts nor are they audited figures.

# Successfully executing growth strategy

## Pro forma characteristics

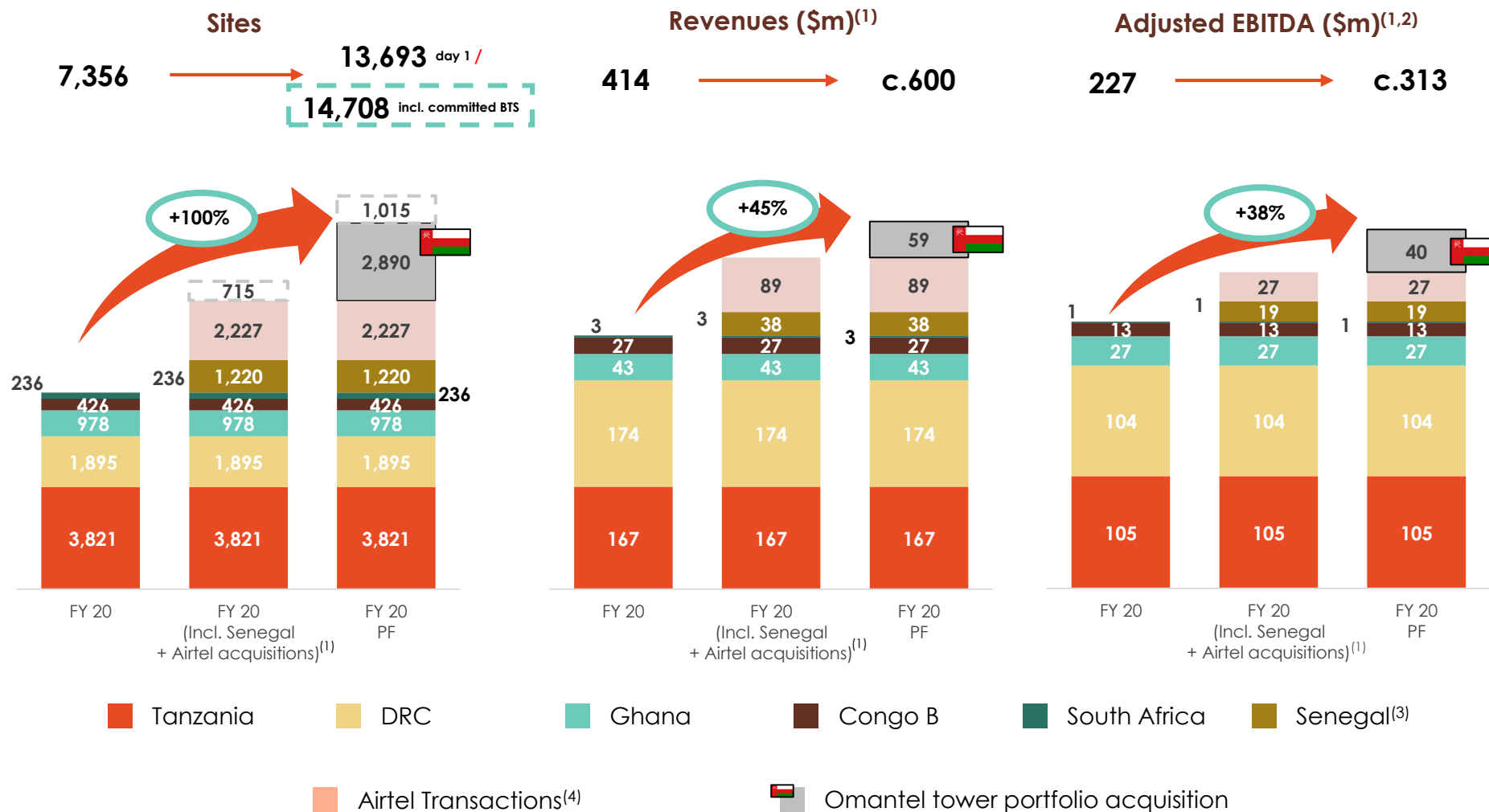
	FY 2020		Pro Forma Acquisitions <sup>(1)</sup>
 Markets	5	→	11
 Sites	7,356	→	13,693 (14,708 incl. committed BTS)
 Revenues (\$m)	414	→	600
 Adj. EBITDA (\$m)	227	→	313
 EBITDA % Hard-Currency	65%	→	73%
 Contracted Revenues	\$2.8bn	→	\$5.4bn
 Average remaining contract life	6.8yrs	→	8.8yrs

## HT presence



(1) Reflects acquisition of Free Senegal and Omantel's tower portfolios and signed agreements with Airtel Africa Group Companies ("Airtel") across Malawi, Madagascar, Chad and Gabon, which are subject to completion.

# Helios Towers pro forma characteristics



(1) Revenue and Adjusted EBITDA for the acquired assets from Free Senegal, Airtel Africa Group Companies ("Airtel") and Omantel reflects estimated Day 1 annualised estimates. This does not include revenues and EBITDA from committed BTS or potential future colocation growth. These figures should not be treated as a profit forecast nor are they audited. These transactions are subject to completion.

(2) Difference between stated Group EBITDA and sum of OpCo EBITDA shown in the chart is \$23m of HoldCo costs.

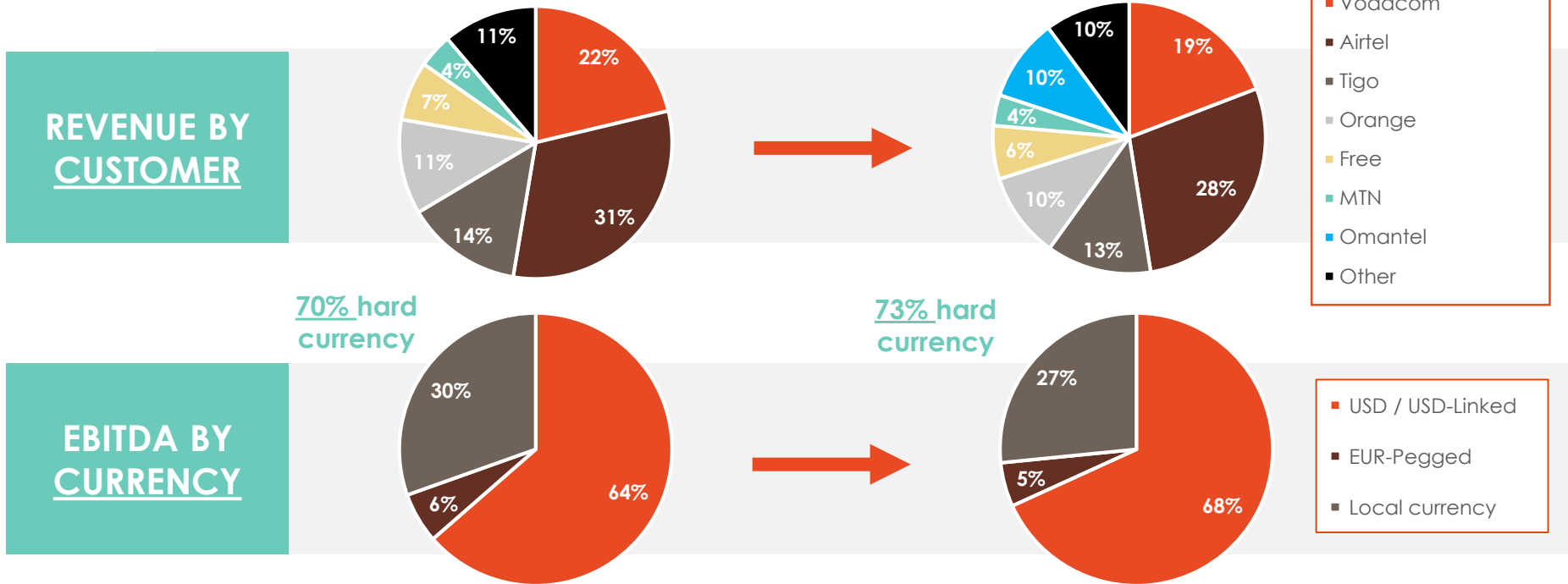
(3) The acquisition of Free Senegal's tower portfolio is subject to completion.

(4) Includes signed acquisition agreements with Airtel Africa Group Companies ("Airtel") across Madagascar and Malawi and exclusive memorandum of understanding arrangements in Chad and Gabon, which are subject to completion.

# Strengthened business through increase in hard-currency EBITDA and customer diversification across Tier 1 MNOs

**FY 20 (incl. Senegal + Airtel acquisitions)**

**FY 20 pro forma**



- Long-term service contracts for an initial period of 15 years provides \$0.8bn of future contracted revenue, which alongside previously announced transactions<sup>(1)</sup>, **increases Group contracted revenue to c.\$5.4 billion and extends average remaining life to 9 years**
- **Strengthens Group Adjusted EBITDA in hard currency to 73%**

(1) Reflects acquisition of Free Senegal's tower portfolio and signed agreements with Airtel Africa Group Companies ("Airtel") across Malawi, Madagascar, Chad and Gabon which are subject to completion.

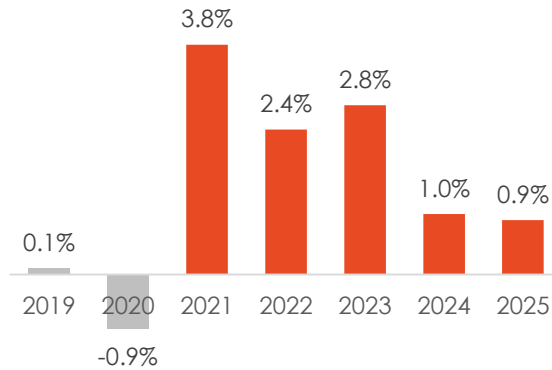


Q&A

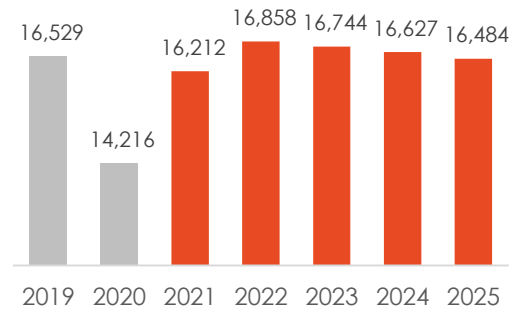
# Economy



## Inflation



## GDP per Capita (\$)



## Population

5m

## Urban Population<sup>(1)</sup>

85%

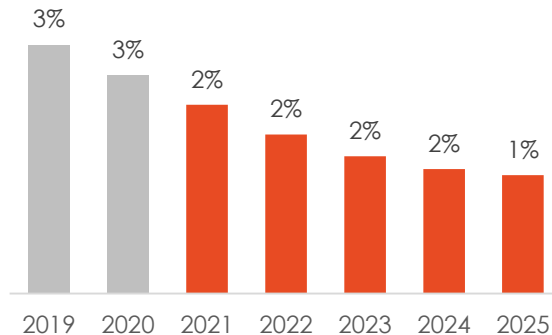
## Unemployment rate

5%

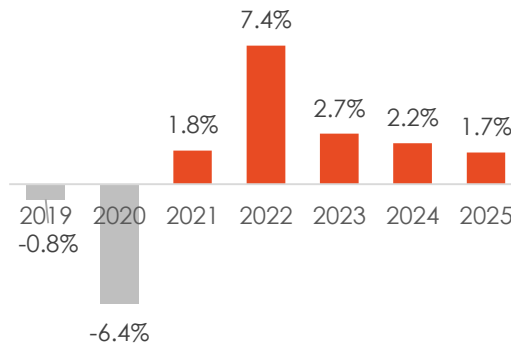
## Literacy rate<sup>(1)</sup>

96%

## Population Growth



## GDP Growth



## Market Commentary

- Seeking diversification away from oil, with expansion into Manufacturing, Tourism, Fisheries, Mining and Transportation & Logistics
- Foreign Capital investment law was made effective from 1<sup>st</sup> Jan 2020, relaxing the rules on FDI through allowing 100% foreign ownership (previously 70%), outside of certain prohibited activities
- GDP contracted in 2020
- Oil price shock due to Covid-19

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