helios towers

Q1 2022 Results

5 May 2022

Strong organic growth and continued progress with our transformational platform expansion

Helios Towers team today

Manjit Dhillon
Chief Financial Officer

Tom Greenwood
Chief Executive Officer

Chris Baker-Sams
Head of Strategic Finance and Investor Relations

Agenda

This morning:

1. Q1 2022 highlights
2. Financial results
3. Q&A

This afternoon:

4. Capital Markets Day

(click here to register virtually)

Q1 2022 Highlights

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Q1 2022: Highlights

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

1 CONSISTENT AND STRONG ORGANIC TENANCY GROWTH

- Seasonally strong Q1, with +359 organic tenancies added in the quarter (+1,545 YoY), including 228 new sites
- +43% YoY site growth *(+9% organic)*
- +29% YoY tenancy growth *(+9% organic)*

2 ROBUST FINANCIAL PERFORMANCE

- +23% YoY revenue growth
- +20% YoY Adj. EBITDA growth
- -2ppt Adj. EBITDA margin to 52% *(in line with guidance)*
- +34% YoY portfolio free cash flow growth(1)

3 CONTINUED TRANSFORMATION THROUGH M&A

- Entered our eighth market, Malawi, through the acquisition of Airtel Africa's portfolio (723 sites, 1,098 tenancies)
- Oman and Gabon transactions(2) expected to close around the end of Q2 2022 and H2 2022 respectively

4 FY 2022 GUIDANCE REITERATED

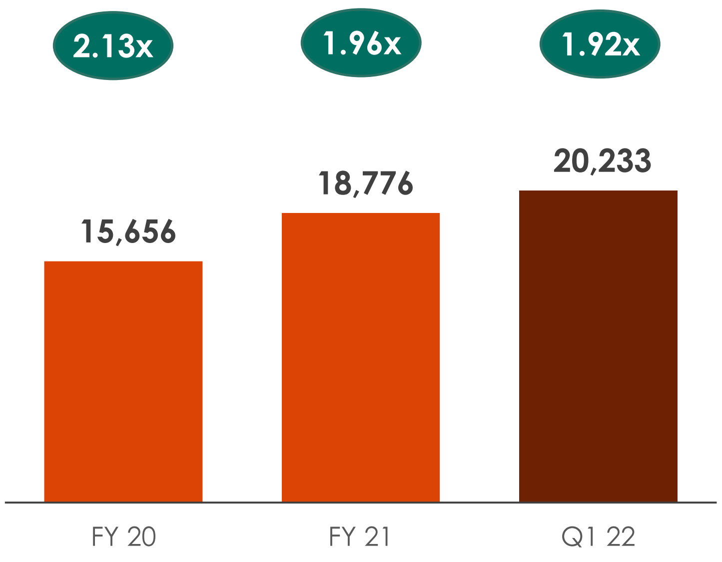
- Targeting 1,200 – 1,700 organic tenancy additions in 2022 *(+8% at the mid-point)*
- Revenues protected against inflation and power price movements

(1) Portfolio free cash flow is defined as Adjusted EBITDA less maintenance and corporate capital additions, payments of lease liabilities (including interest and principal repayments of lease liabilities) and tax paid.
(2) Reflects announced acquisition of Oman Telecommunications Company's ('Omantel') passive tower infrastructure portfolio and signed memorandum of understanding arrangement with Airtel Africa for the potential acquisition of their tower assets in Gabon. Both are subject to completion.

Q1 2022: Strong growth driven by organic and inorganic expansion

Tenancies
(#)

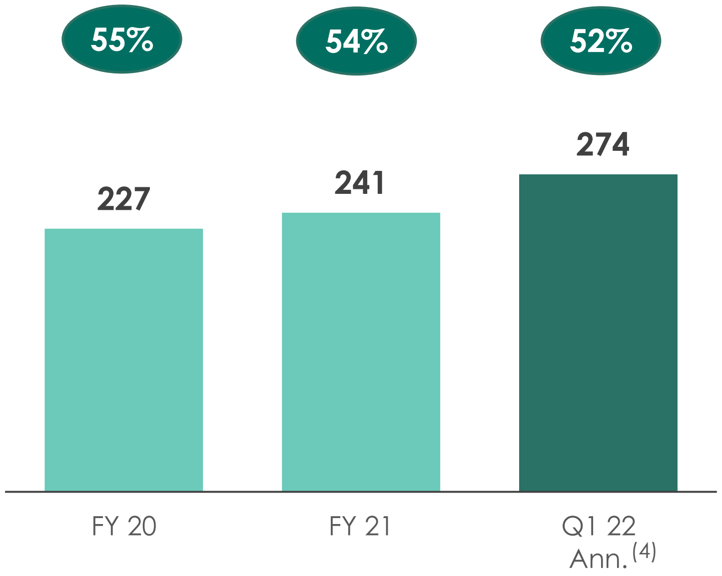
Tenancy ratio



- Increase of 8% from FY 21 driven by +359 organic tenancy additions and acquisition of Airtel Africa's passive infrastructure company in Malawi (+1,098 tenancies)

Adj. EBITDA
(US$m)

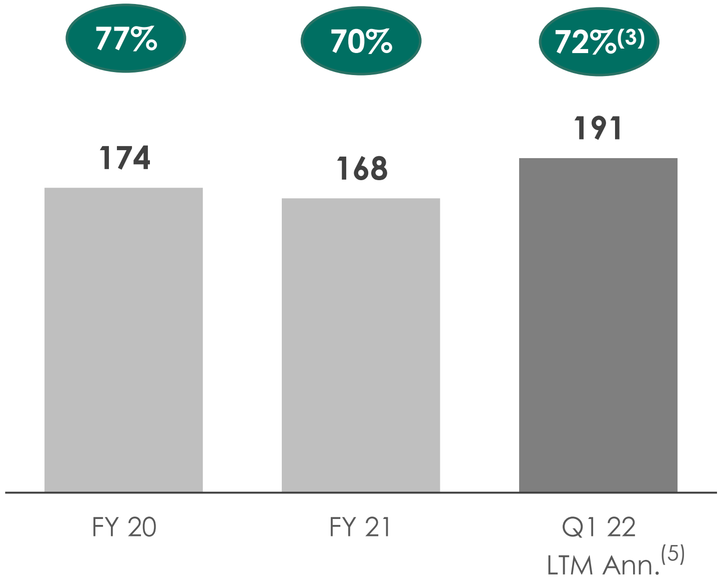
Adj. EBITDA Margin



- Annualised Adj. EBITDA increase of 14% from FY 21 driven by organic tenancy growth and acquisitions across Senegal, Madagascar and Malawi

Portfolio free cash flow[1]
(US$m)

Cash conversion[2]



- Last twelve months PFCF, annualised for acquisitions, increased by 14% from FY 21 driven by Adjusted EBITDA growth and higher cash conversion

(1) Portfolio free cash flow is defined as Adjusted EBITDA less maintenance and corporate capital additions, payments of lease liabilities (including interest and principal repayments of lease liabilities)and tax paid.
(2) Cash conversion calculated as portfolio free cash flow divided by Adjusted EBITDA for the period.
(3) 72% cash conversion calculated as LTM annualised PFCF of $191m divided by LTM annualised Adjusted EBITDA of $265m, which has been adjusted to annualise for acquisitions completed during the last 12 months.
(4) Annualised (Ann.) EBITDA calculated as the most recent fiscal quarter (Q1 22) for seven operational markets throughout the quarter multiplied by four plus announced Y1 Adj. EBITDA for Malawi.
(5) LTM Annualised (LTM Ann.) PFCF calculated as trailing 12 months PFCF, adjusted to annualise for acquisitions closed in the period.

Sustainable Business Strategy

Committed to the highest levels of reporting and transparency

2020

2021

United Nations Global Compact

CDP

2022

Second Sustainable business report published in Mar-22

- Details progress of our sustainable business strategy
- Aligned to GRI[1] and SASB[2] reporting frameworks
- Signed up to the UN Global Compact's CFO principles

Refreshed Sustainable Business Strategy launching today

Our purpose

is to drive the growth of mobile communication across Africa and the Middle East

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

Click here to register virtually for our Capital Markets Day held today (1pm – 5pm BST)

(1) Global Reporting Initiative.
(2) Sustainability Accounting Standards Board.

Q1 2022: Acquisition update

Continued platform expansion and diversification with Malawi closed in Q1 22; pending acquisitions in Oman and Gabon tracking in-line with expectations

Market	Closing / expected closing date		Local leadership	Acquired sites	Acquired Revenues[1] (US$m)	Acquired Adj. EBITDA[1] (US$m)
Senegal	***Closed:*** Q2 2021		**Karim Ndiaye** Managing Director, Senegal[2]	1,207[3]	38	19
Madagascar	***Closed:*** Q4 2021		**Jérôme Gautier** Acting Managing Director, Madagascar	490[3]	15	5
Malawi	***Closed:*** Q1 2022		**Matthews Mtumbuka** Managing Director, Malawi	723	23	8
Oman	Q2 2022		**Ramsey Koola** Managing Director, Oman[2]	2,890	59	40
Gabon[4]	H2 2022		**Souany Adamo** Head of Legal, Gabon	459	22	7

Markets where HT is (or expected to be) the leading independent TowerCo operating in the market

(1) Revenues and Adjusted EBITDA reflect expected performance of the acquired assets in the first full year of ownership, with further growth expected through the committed BTS and colocation lease-up.
(2) Karim Ndiaye is also the Regional Director of West Africa. Ramsey Koola is also the Regional Director of Middle-East & East Africa.
(3) Helios Towers acquired 1,207 sites from Free Senegal in Q2 2021, with a further 54 BTS subsequently rolled-out in that market. Helios Towers acquired 490 sites for Airtel Africa in Madagascar in Q4 2021, with 2 sites decommissioned upon closing.
(4) Helios Towers and Airtel Africa Group Companies ("Airtel Africa") have signed a memorandum of understanding arrangement for the potential acquisition of Airtel Africa's passive infrastructure assets in Gabon.

Financial Results

Q1 2022: Financial overview

In US$m, unless otherwise stated	YoY			QoQ		
	Q1 22	**Q1 21**	**% change**	**Q1 22**	**Q4 21**	**% change**
Revenue	128	104	+23%	128	122	+4%
Adj. EBITDA[(1)]	67	56	+20%	67	66	+2%
Adj. EBITDA margin (%)	*52%*	*54%*	*-2ppt*	*52%*	*54%*	*-2ppt*
Portfolio free cash flow[(2)]	49	37	+34%	49	50	-0%
Sites (#)	10,511	7,358	+43%	10,511	9,560	+10%
Colocations (#)[(3)]	9,722	8,374	+16%	9,722	9,216	+5%
Tenancies (#)	20,233	15,732	+29%	20,233	18,776	+8%
Tenancy ratio (x)	*1.92x*	*2.14x*	*-0.22x*	*1.92x*	*1.96x*	*-0.04x*
Capex	73	27	+170%	73	124	-41%
Net debt[(4)]	1,013	673	+50%	1,013	949	+7%
Net leverage (x)[(5)]	3.7x	3.0x	+0.7x	3.7x	3.6x	+0.1x

(1) Management defines Adjusted EBITDA as loss before tax for the period, adjusted for, finance costs, other gains and losses, interest receivable, loss on disposal of property, plant and equipment, amortisation of intangible assets, depreciation and impairment of property, plant and equipment, depreciation of right-of-use assets, deal costs for aborted acquisitions, deal costs not capitalised, share-based payments and long-term incentive plan charges, and other adjusting items. Adjusting items are material items that are considered one-off by management by virtue of their size and/or incidence.

(2) Portfolio free cash flow is defined as Adjusted EBITDA less maintenance and corporate capital additions, payments of lease liabilities (including interest and principal repayments of lease liabilities) and tax paid.

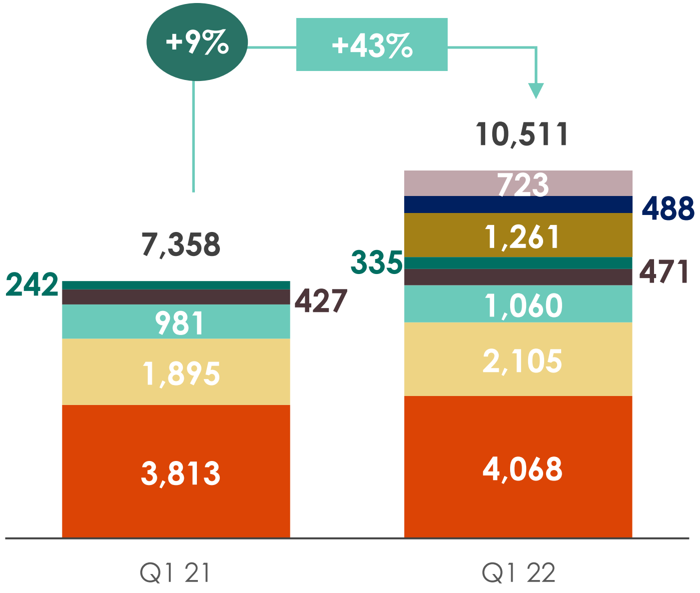
(3) Includes standard and amendment colocations.

(4) Net debt is calculated as non-current loans and current loans and long-term and short-term lease liabilities less cash and cash equivalents.

(5) Calculated as net debt divided by Annualised Adj. EBITDA.

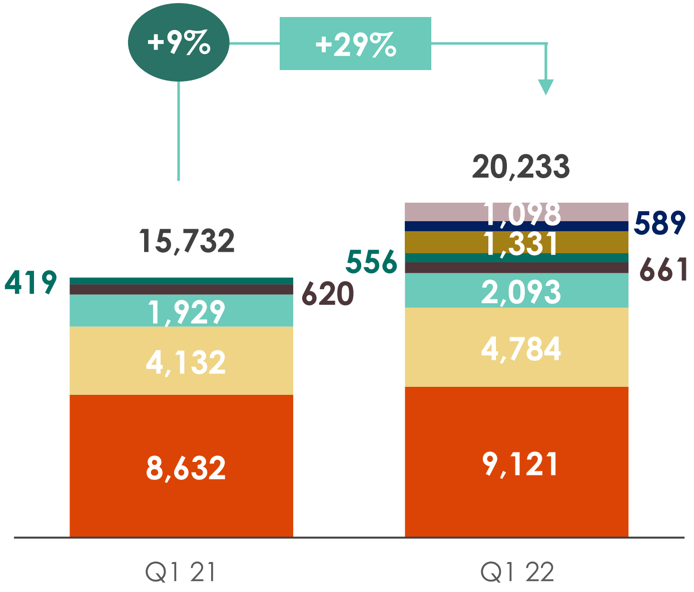
Q1 2022: Strong organic and inorganic tenancy growth

Sites



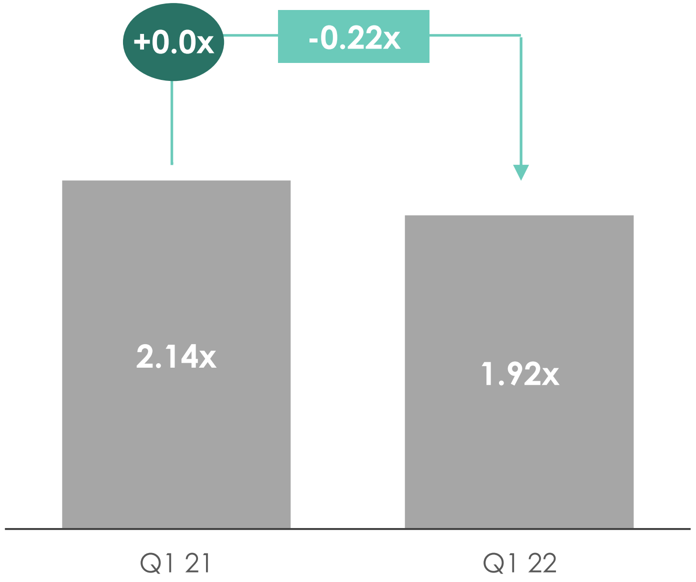
- Site count +3,153 YoY
  - +733 organic additions with strong growth across all markets
  - +2,420 acquired day 1 sites across Malawi, Madagascar and Senegal

Tenancies



- Tenancy count +4,501 YoY
  - +1,545 organic additions with strong growth across all markets
  - +2,956 acquired day 1 tenancies across Malawi, Madagascar and Senegal

Tenancy ratio



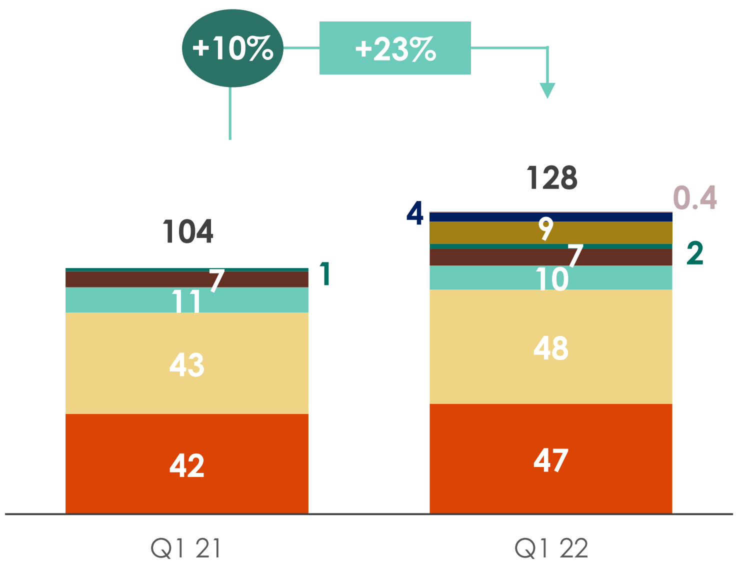
- Tenancy ratio –0.22x
  - Driven by new market acquisitions, with a combined day-1 tenancy ratio of 1.2x, which we target to lease-up over the medium term
  - Tenancy ratio flat in our five established markets at 2.14x

Organic growth[(1)] ■ Tanzania ■ DRC ■ Ghana ■ Congo Brazzaville ■ South Africa ■ Senegal ■ Madagascar ■ Malawi

(1) YoY% organic growth calculated as organic additions divided by Q1 21 site position, updated for day-1 acquired Senegal and Madagascar sites / tenancies.

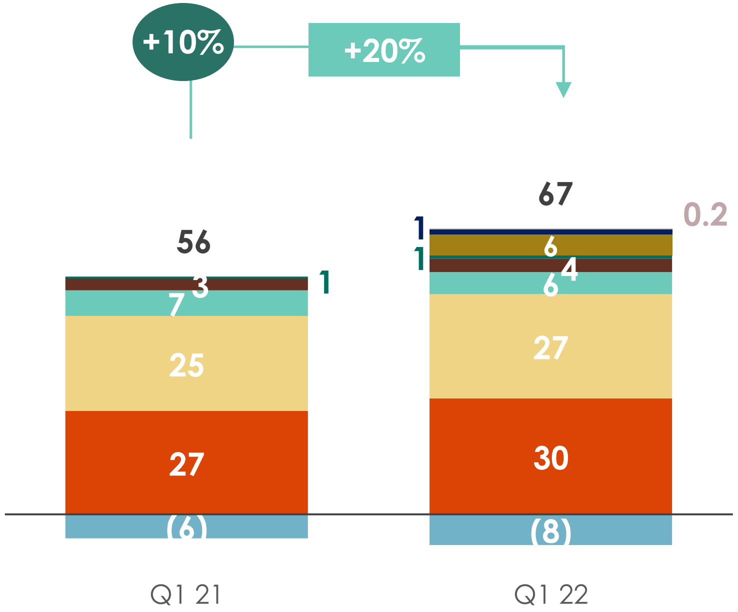
Q1 2022: Double-digit organic revenue and Adj. EBITDA growth

Revenue (US$m)



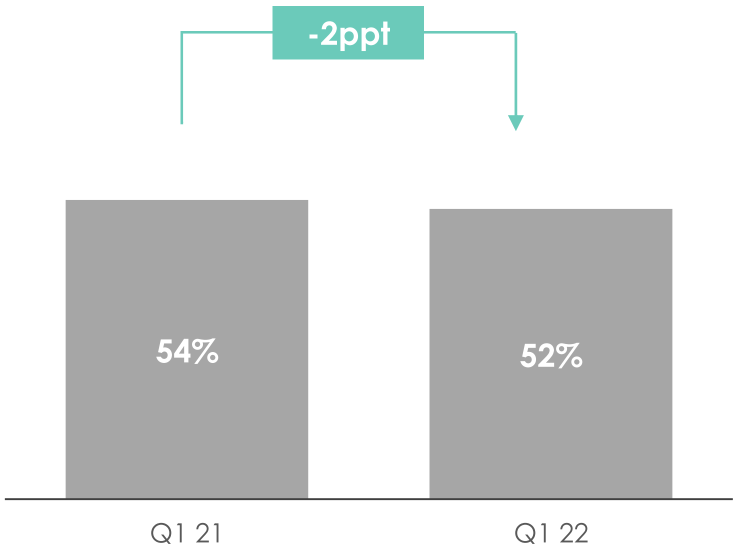
- Growth driven by organic and inorganic tenancy additions and higher revenue per tenant (+2% YoY), reflecting partial benefit of lease rate escalations across January and February

Adj. EBITDA (US$m)



- Growth driven by organic revenue growth and acquisitions, partially offset by increased corporate SG&A investments to support our expansionary strategy, as previously guided

Adj. EBITDA margin (%)



- Adj. EBITDA margin decreased 2ppt YoY to 52%, in line with guidance and driven by corporate SG&A growth investments along with lower blended Adj. EBITDA margin for newly acquired assets

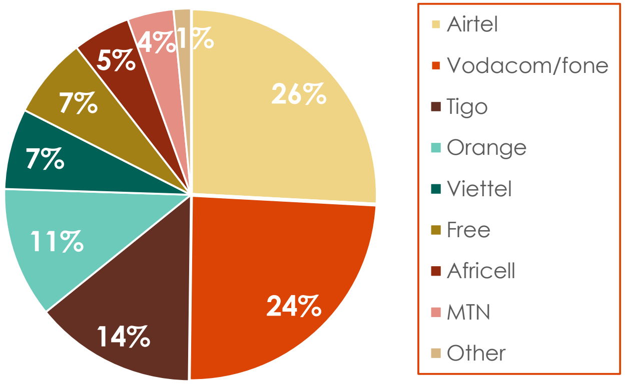
Organic growth[(1)] Tanzania DRC Ghana Congo Brazzaville South Africa Senegal Madagascar Malawi Holdco

(1) Organic growth excludes revenues and Adjusted EBITDA from Senegal, Madagascar and Malawi assets acquired in Q2 2021, Q4 2021 and Q1 2022, respectively. 2022 Adjusted EBITDA excludes corporate SG&A investments undertaken to support its expansionary strategy.

Diverse currency hedged business underpinned by long-term contracts with blue-chip MNOs

Diverse, quality customer base

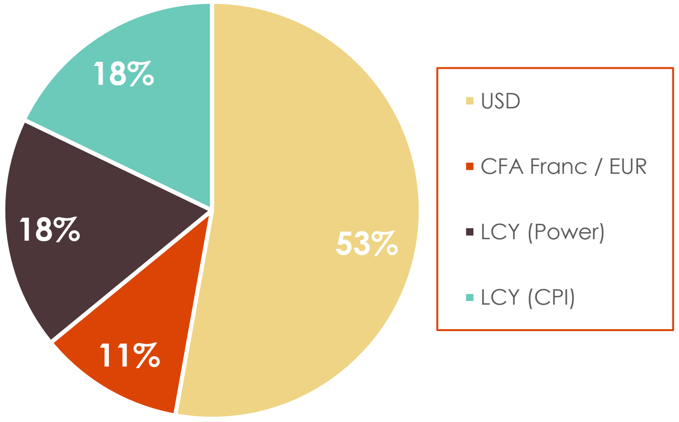
Q1 2022 revenue breakdown by customer



- Strong customer base with **99%** revenues from large, blue-chip MNOs[1]
- Revenues underpinned by long-term contracts, with **$4.2bn** future contracted revenue at Q1 22 (Q1 21: $2.8bn), with an average remaining life of **7.4 years**
- Pro forma contracted revenues of **$5.3bn**[4]

Robust hard-currency earnings

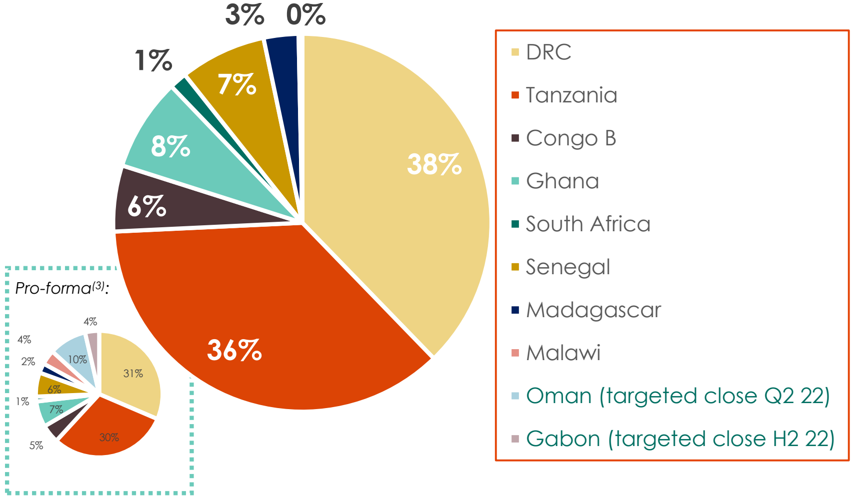
Q1 2022 revenue breakdown by FX[2]



- **64%** revenues in hard-currency (68% pro forma acquisitions[3])
- **67%** hard-currency Adj. EBITDA (72% pro forma acquisitions[3])
- **High quality contracts with embedded inflation and power price escalators**

Geographically diverse

Q1 2022 revenue breakdown by market

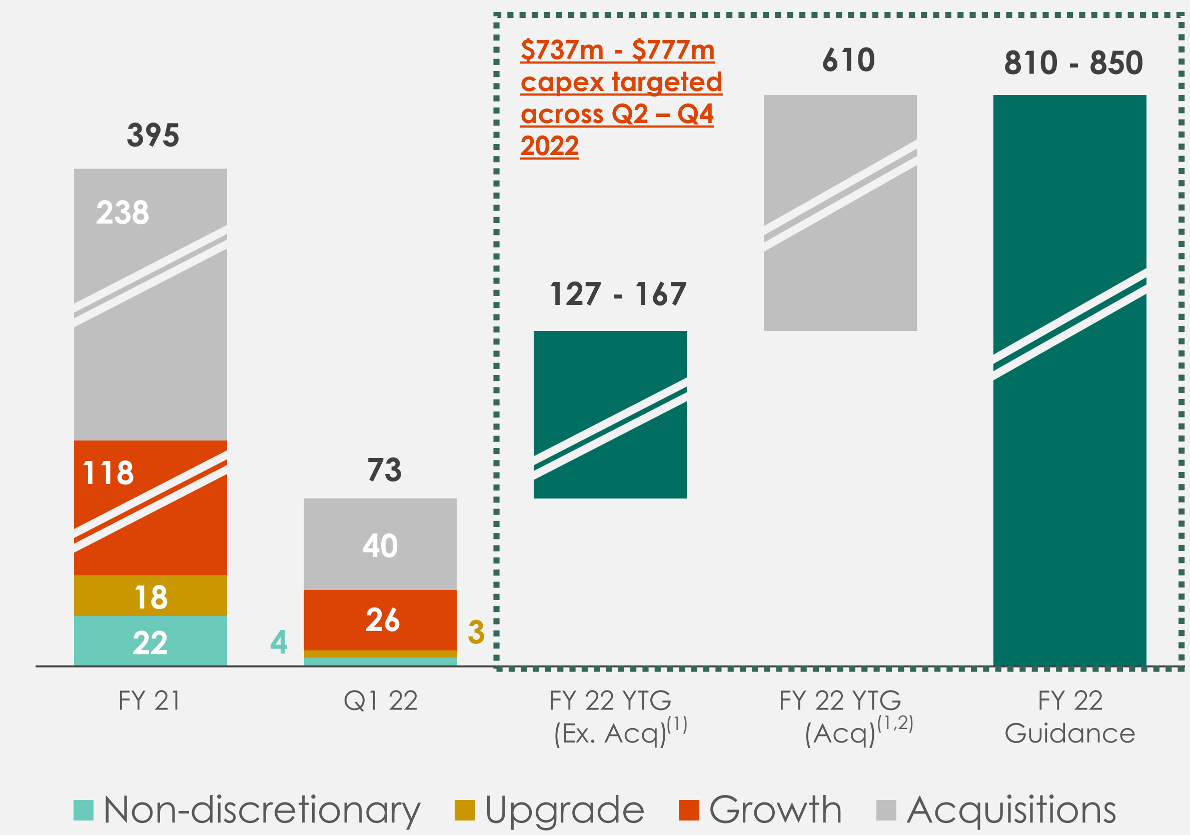


- Continued diversification through expansion into Malawi in Q1 22, with two further markets targeted in 2022
- Pro forma pending acquisitions, no single market accounts for more than **31%** revenues[3]

(1) Blue-chip MNOs includes Airtel, Tigo, MTN, Orange, Vodafone/com, Free, Viettel and Africell.
(2) Percentage values may not sum to 100% due to rounding.
(3) Pro forma estimates include pro-rata benefit of the Malawi acquisitions as well as annualised estimated day 1 revenues from the announced acquisitions from Omantel and Airtel Africa in Gabon, which are subject to completion. This does not include revenues from committed BTS or potential future colocation growth. These figures should not be treated as profit forecast, nor are they audited.
(4) Reflects reported Q1 22 contracted revenues in addition to estimated contracted revenues from announced transactions in Gabon and Oman, both of which are subject to completion.

Capital expenditure: Tightly controlled and focused on accretive growth

Capex breakdown ($m)



Commentary

Q1 22

- Q1 22 capex of $73m, including $40m acquisition capex, principally related to the Malawi acquisition

FY 22

- FY 22 capex guidance of $810m - $850m unchanged
- $650m targeted for acquisitions (Oman and deferred consideration in Malawi, Senegal and Madagascar), with $40m spent in Q1
- $160m - $200m targeted for growth, upgrade and non-discretionary capex, with $33m in Q1
- Upgrade capex includes targeted spend for newly acquired assets
- Non-discretionary capex anticipated to be $27m - $32m in the year – reflects c.$3k per site; consistent with guidance provided across 2020 and 2021

(1) "YTG" means the nine months from 1 April 2022 to 31 December 2022.

Fully funded for organic and inorganic expansion

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Debt KPIs

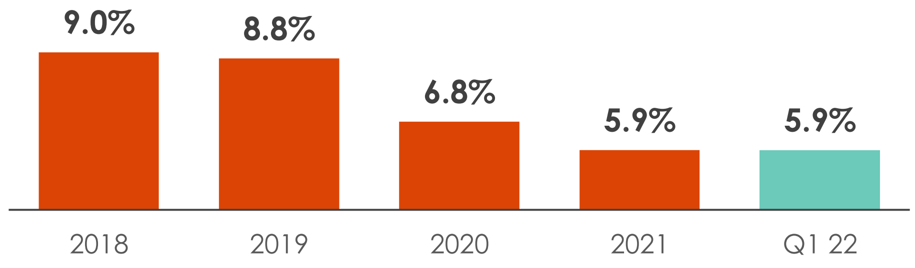
($m)	Q1 21	Q4 21	Q1 22
Cash & cash equivalents	**670**	**529**	**483**
Bond	975	975	975
Convertible bond[1]	205	247	247
SA loan facility	12	13	-
SN loan facility	-	60	59
Lease obligations + other[2]	151	182	215
Gross debt	1,343	1,477	1,496
Net debt[3]	673	949	1,013
Annualised Adj. EBITDA[4]	223	264	274
Gross leverage[5]	**6.0x**	**5.6x**	**5.5x**
Net leverage[6]	**3.0x**	**3.6x**	**3.7x**

-0.5x / +0.7x

Commentary

- **Net leverage increased by +0.7x YoY and +0.1x QoQ to 3.7x, the low end of the Group's medium term target range of 3.5 - 4.5x, providing capacity for announced acquisitions**
- **Ample liquidity with $483m cash on balance sheet and c.$345m undrawn debt facilities across the Group; c.$830m in available funds**

Blended cost of debt[7]



(1) The convertible bond is accounted for as a compound instrument. On initial recognition of the $250m March issue this created a $205m liability and an equity component of $45m before transaction costs. At Q1 2022 and including the $50m bond tap, this represents a $247m liability and an equity component of $53m before transaction costs and excluding accrued interest.
(2) 'Other' relates to unamortised loan issue costs, accrued bond and loan interest, derivative liability and shareholder loans.
(3) Net debt is calculated as gross debt less cash and cash equivalents.
(4) Annualisation is calculated as the most recent fiscal quarter multiplied by four, adjusted to annualise the impact of acquisitions completed during the period.
(5) Calculated as gross debt divided by Annualised Adj. EBITDA for the quarter.
(6) Calculated as net debt divided by Annualised Adj. EBITDA for the quarter.
(7) Cost of debt calculated using a weighted average cost based on drawn debt. Cost of debt for our bond and convertible bond instruments are calculated using the effective YTM at issuance.

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

	Q1 2022	FY 2022 guidance	Medium term (enlarged portfolio)
Organic tenancy additions	✓ +359 organic tenancies of which, c.64% new sites	+1,200 – 1,700 (mid-point: +8%) of which, c.60% new sites	+1,600 – 2,100 Gradually reducing from c.40% sites to c.30% sites
Tenancy Seasonality	✓ Strong Q1 performance	c.25% H1 / c.75% H2	c.25% H1 / c.75% H2
Lease rate per tenancy	$26.8k (+2% YoY) ✓	+3 - 5% YoY	+USD inflation YoY
Adj. EBITDA margin	✓ 52%	51 - 53%	c. 1-2ppt per annum

CPI and power escalators effected across the quarter, with March lease per tenant within guided range

+

New acquisitions:

Malawi	**Closed end of March 2022** FY22: $6m Adj. EBITDA contribution (Annualised Adj. EBITDA run rate c.$8m)
Oman	Closing expected Q2 2022 Annualised Adj. EBITDA run rate c.$40m
Gabon	Closing expected H2 2022 Annualised Adj. EBITDA run rate c.$7m

Q1 2022 takeaways

1. Seasonally strong tenancy additions and Q1 financial performance in-line with expectations
2. Malawi deal closed; taking us into our eighth market and increasing tower count to over 10,500 towers
3. FY 22 guidance reiterated
4. Refreshed five-year strategy launching today at Capital Markets Day

Q&A

Investor relations

IR Contact

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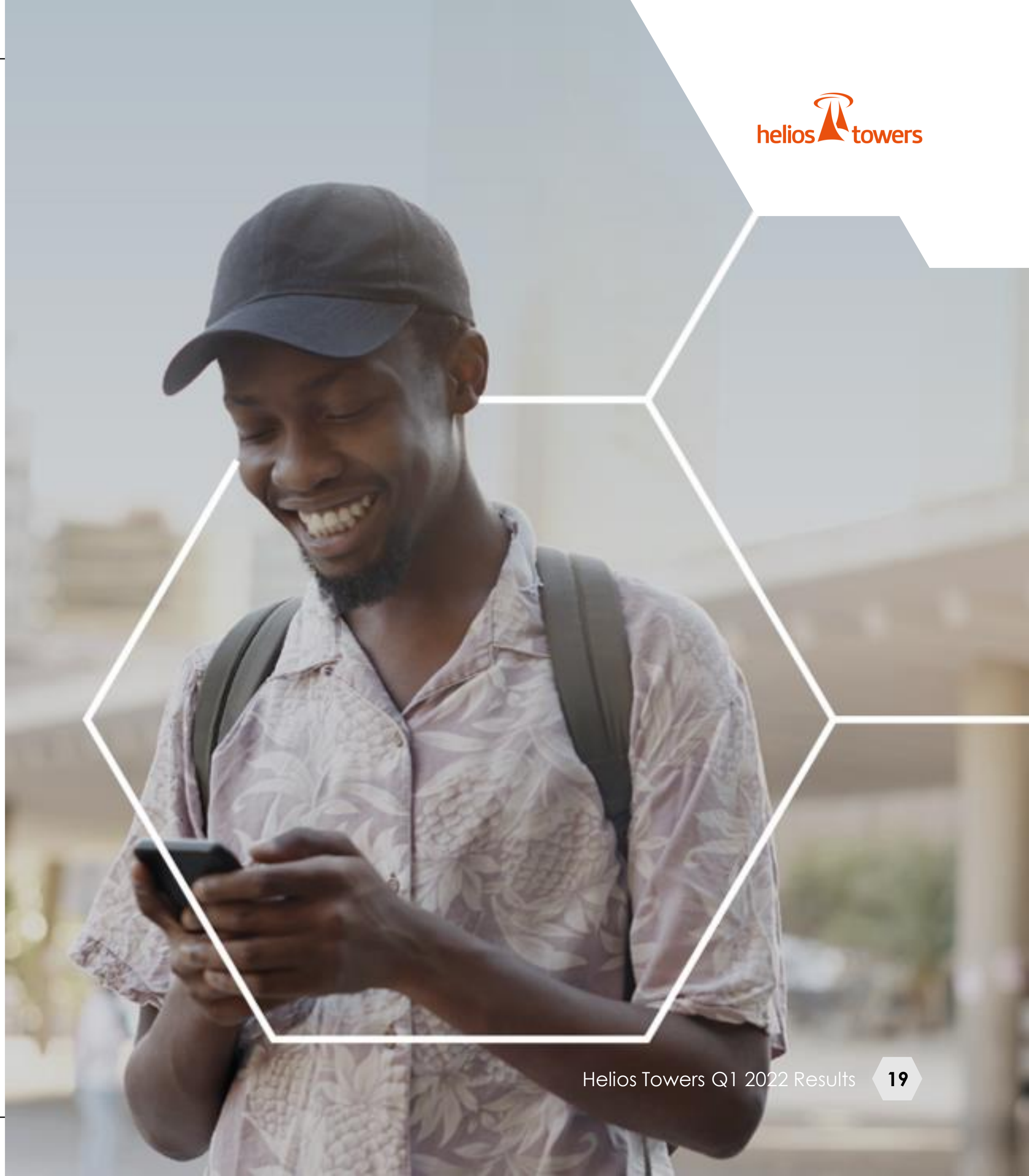
Head of Strategic Finance
and Investor Relations
investorrelations@heliostowers.com

Upcoming IR events

Date	Event
May-5	Helios Towers Capital Markets Day (13:00 BST)
May-17	Citi Bank Frontier Markets Symposium
May-24	Morgan Stanley Global Towers Symposium
May-25	J.P. Morgan Frontier Markets Fixed Income
June-1	Bank of America EM Debt & Equity Conference
June-14	Credit Suisse EM Debt & Equity Conference
June-22	Barclays ESG Day
June-28	Standard Bank Africa Conference



Appendix

Market overview

	Sites	Tenancy ratio	# MNOs	Mobile Penetration[2]	Towers held by MNOs[3]	PoS Additions[3] (2021 – 2026)	PoS Growth CAGR[4] (2021 – 2026)
Tanzania	4,068	2.2x	4+	42%	0.6k	6.5k	8%
DRC	2,105	2.3x	4	40%	1.3k	5.7k	12%
Ghana	1,060	2.0x	3	56%	0.4k	2.7k	5%
Senegal	1,261	1.1x	3	53%	2.7k	1.8k	7%
Congo B	471	1.4x	2	48%	0.3k	0.8k	10%
South Africa	335	1.7x	4	68%	18.7k	1.8k	1%
Malawi	723	1.5x	2	34%	0.8k	1.0k	8%
Madagascar	488	1.2x	4	37%	0.6k	1.1k	7%
Oman[1]	2,890	1.2x	3	71%	3.0k	3.8k	9%
Gabon[1]	459	1.0x	2	63%	0.6k	0.2k	3%
Group	**13,860**	**1.7x**	**3+[5]**	**51%**	**29k**	**25k**	**8%**

(1) Oman and Gabon transaction expected to close in Q2 22 and H2 22 respectively. Previously disclosed expected closing sites and tenancy ratio used here.
(2) GSMA Intelligence Database, accessed April 2022. Market penetration; Unique mobile subscribers 2021. Group figures weighted based on pro forma Q1 22 site count.
(3) Analysys Mason, February 2022. Towers held by MNOs reflects marketable tower held by MNOs across our markets.
(4) Analysys Mason, February 2022. Group figures weighted based on pro forma Q1 22 site count.
(5) Figures are calculated on a site weighted basis across our 8 operational markets and our announced acquisitions in Gabon and Oman.

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