



IHS NETHERLANDS HOLDCO B.V.

**Q2 2018 Unaudited Interim
Consolidated Results**

August 28, 2018



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Mohamad Darwish
Co-founder, SVP and Nigeria
Chief Executive Officer



Olivier Angot
Nigeria Chief
Financial Officer



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VP & Group Head of
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Agenda

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Executive Summary

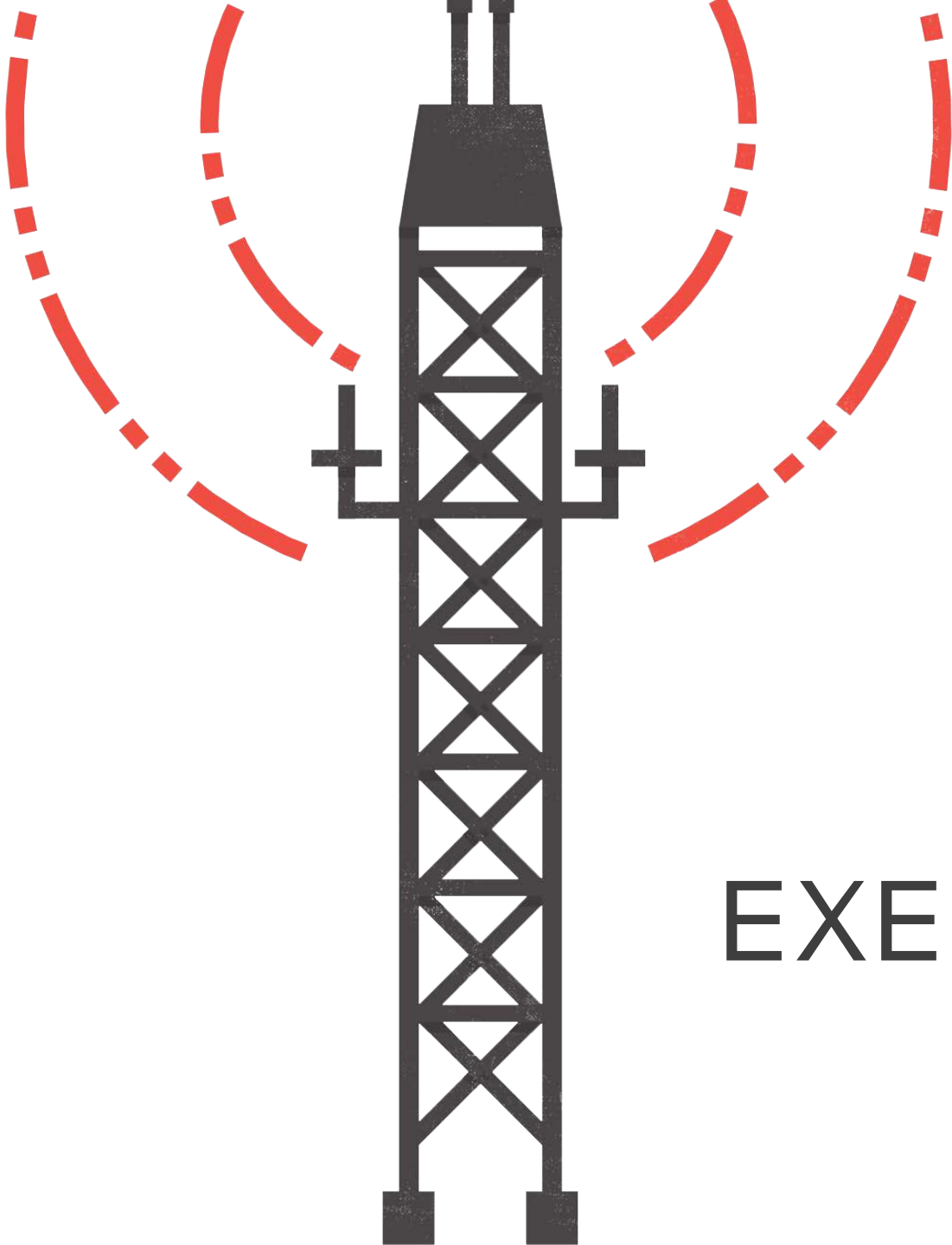
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Operational & Financial Review

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Appendix





EXECUTIVE SUMMARY



Macroeconomic Environment

- World Bank latest 2018 and 2019 forecasted Nigeria GDP growth over 2% (vs. 1.0% in 2017) ⁽¹⁾
- Foreign exchange reserves: \$47BN as of 13 July 2018 (vs. \$30BN 12 months prior)⁽²⁾
- Capital importation: \$6.3BN in Q1'18 or +594% VPY | +17% vs Q4'17⁽³⁾
- Inflation: 11.2% in June 2018 (vs. 16.1% in June 2017)⁽³⁾



Nigeria Telecom Industry

- GSM data subscribers grew by 2.2M in Q2 2018 after growing 2.0M in Q1 2018 ⁽⁴⁾
- Telecom accounted for 9.2% of the Nigerian GDP in Q1 2018 compared with 8.7% in Q4 2017⁽⁴⁾



Key Themes

- Underlying Growth ↑
- Towers ↑
- Tenants & Lease Amendments ↑

(1) Source: WorldBank.org
(2) Source: Central Bank of Nigeria
(3) Source: Nigeria Bureau of Statistics
(4) Source: Nigeria Communications Commission

Results Snapshot

In US\$M, unless stated

	Q2'17	Q2'18	VPY
Towers (#)	5,927	6,107	3.0%
Tenants (#)	9,692	9,408	(2.9%)
Colocation rate	1.64x	1.54x	(5.8%)
Revenue	97.3	89.8	(7.7%)
EBITDA	63.0	55.3	(12.2%)
EBITDA margin	64.8%	61.6%	(320 Bps)
L2QA EBITDA	253.8	214.8	(15.4%)
Capex	14.7	32.9	124.0%
Gross Debt	920.8	901.4	(2.1%)
Gross Debt / L2QA EBITDA	3.6x	4.2x	15.7%
Average FX ⁽¹⁾	305.3	360.8	(15.4%)
Closing FX ⁽¹⁾	305.4	361.3	(15.5%)

+9.1%

Q2'18 Underlying Revenue Growth Rate⁽²⁾

- We constructed 145 new sites, rationalized 6 towers, added 186 tenants, and 397 lease amendments in Q2

+3.7%

Q2'18 Underlying EBITDA Growth VPY⁽²⁾

- Increased Naira EBITDA expansion VPY driven by increased revenue

Note: Operational KPIs are combined KPIs for IHS Nigeria Limited and IHS Towers NG Limited. Financials are unaudited interim consolidated financials for IHS Netherlands Holdco B.V. and its subsidiaries.

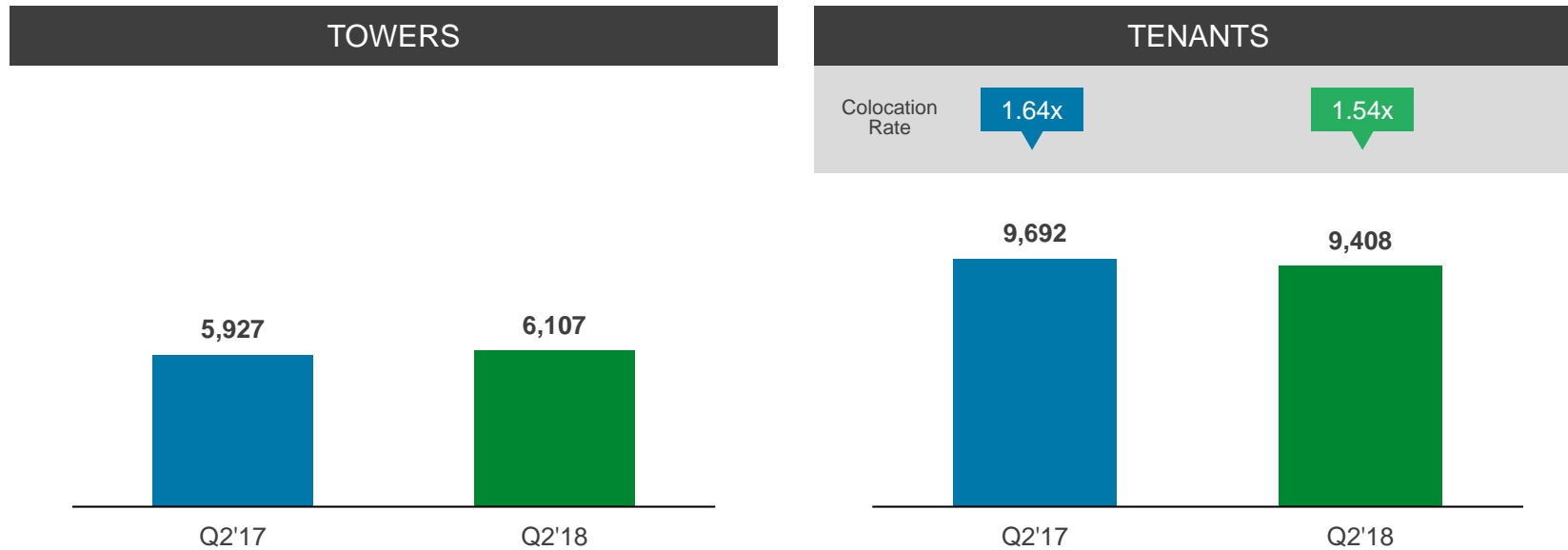
(1) VPY change is calculated as the devaluation in the NGN rate between the periods.

(2) Underlying growth is calculated as the growth in the underlying Naira financials.



OPERATIONAL & FINANCIAL REVIEW

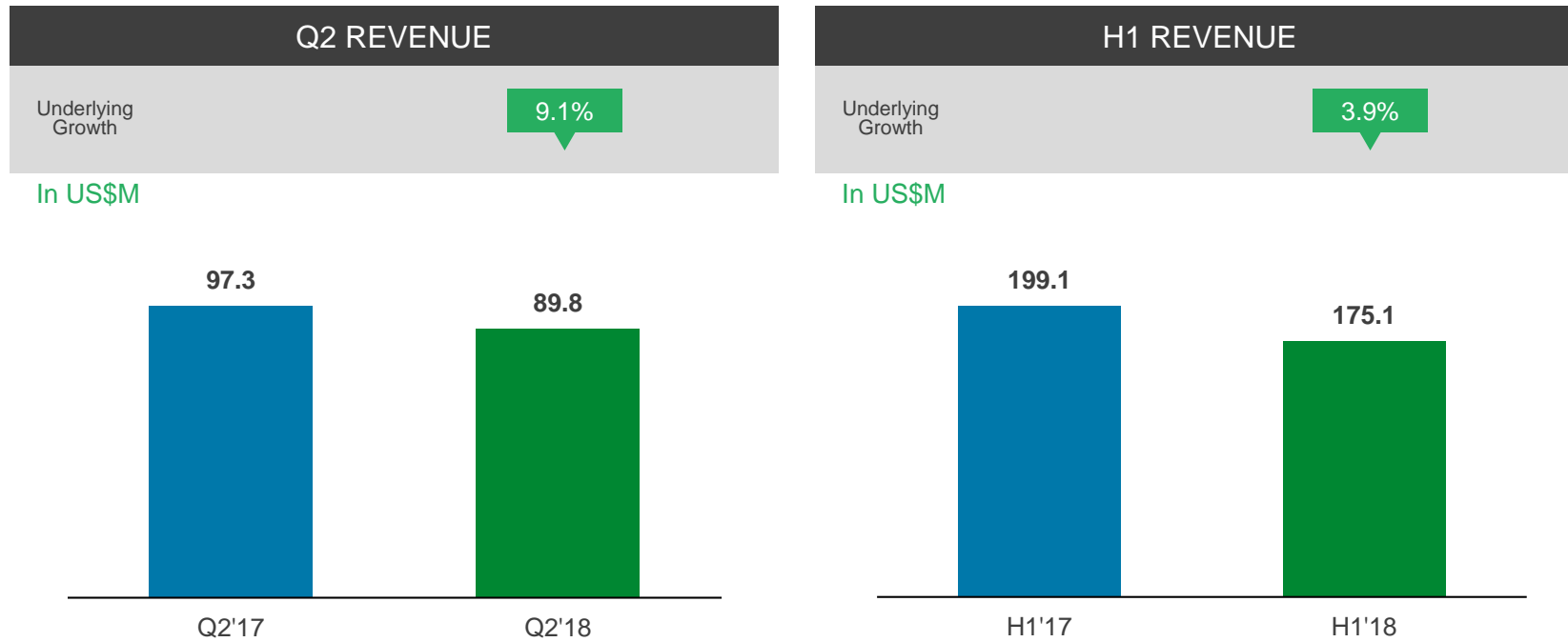




1.54x
Colocation Rate at end Q2'18

- Net increase of 180 towers versus Q2 2017
- We constructed 212 new towers, rationalized 7 towers, added net 273 new tenants, and 822 lease amendments in H1 2018
- Improved customer base and associated quality of revenue following removal of certain non-performing customers driving the lower colocation rate VPY

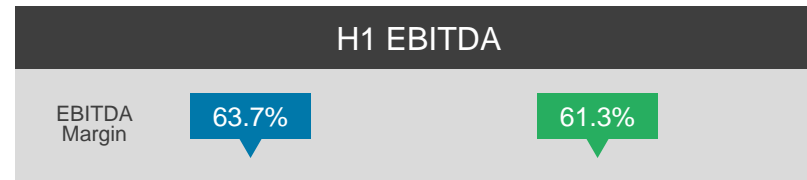
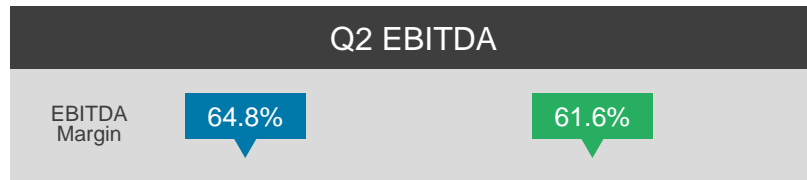
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+3.9%
H1'18 Underlying Growth Rate

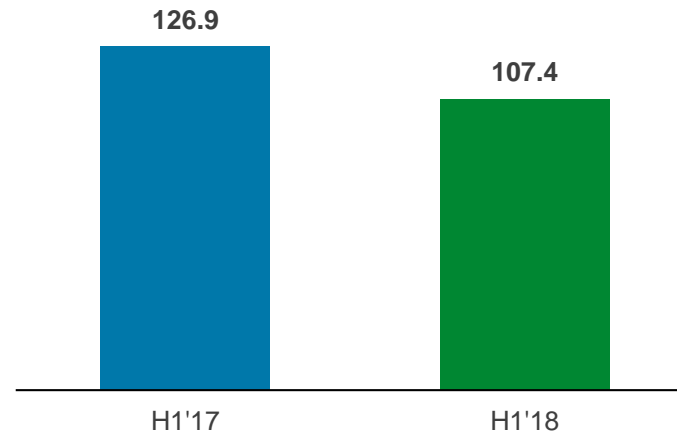
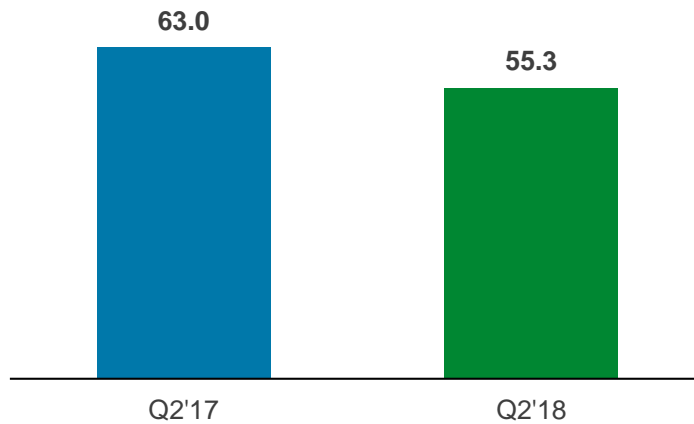
- H1'18 underlying growth +3.9% VPY being offset by FX pressure of (15.9%)
- Q2'18 underlying growth +9.1% VPY being offset by FX pressure of (16.8%)

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In US\$M

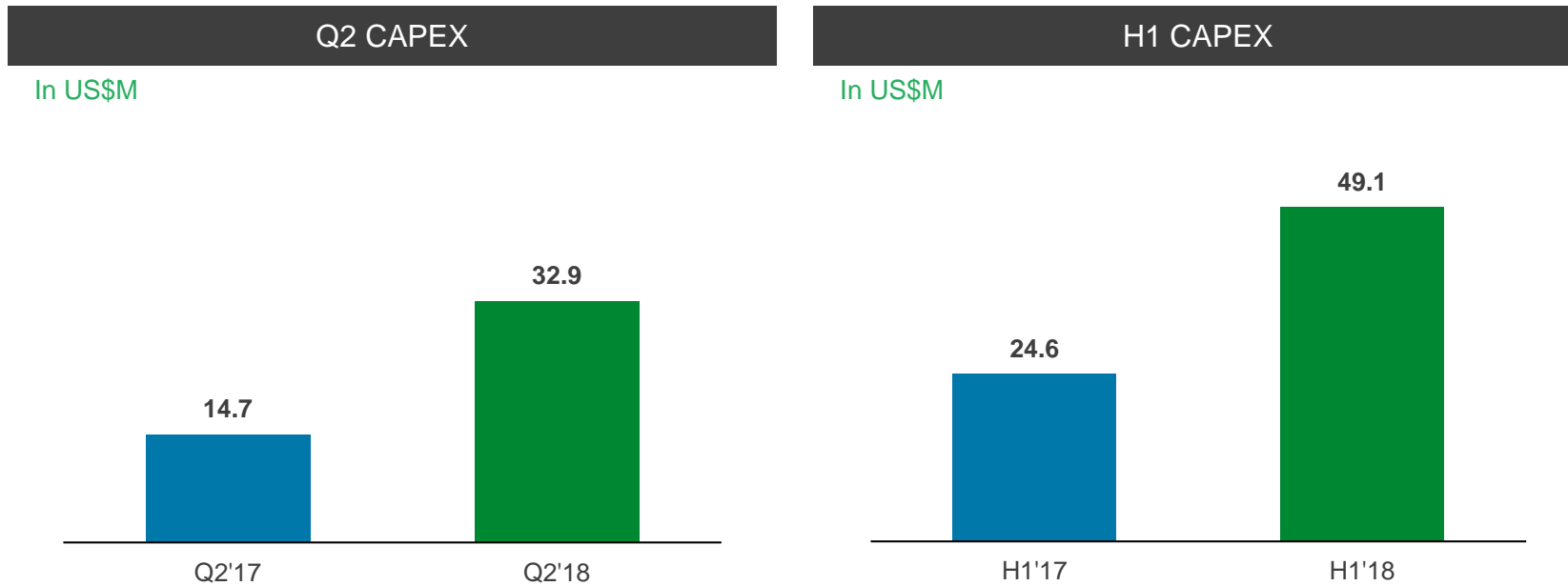
In US\$M



61.3%
H1'18 EBITDA Margin

- EBITDA VPY impact largely caused by NAFEX

Financials are unaudited interim consolidated financials for IHS Netherlands Holdco B.V. and its subsidiaries.



\$49.1M
H1'18 Capex Spend

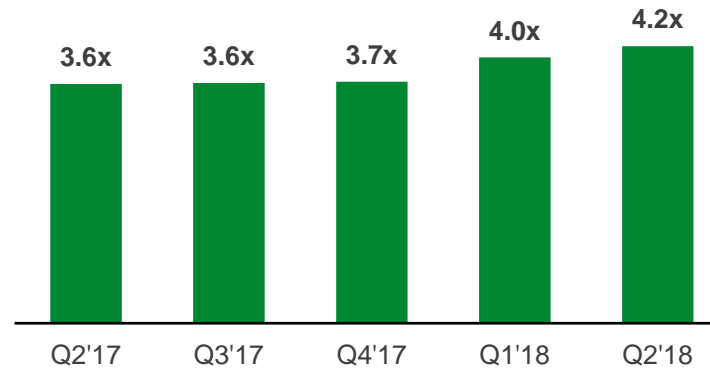
- Capex increase VPY mostly driven by investments building new towers

Financials are unaudited interim consolidated financials for IHS Netherlands Holdco B.V. and its subsidiaries.

DEBT OVERVIEW ⁽¹⁾

(US\$M)	Q2'18
2021 Senior Notes	800.0
NGN Credit Facility ⁽²⁾	88.3
2019 Senior Notes	13.1
Gross Debt	901.4
L2QA EBITDA	214.8
Gross Leverage	4.2x
Cash and cash equivalents ⁽³⁾	113.1

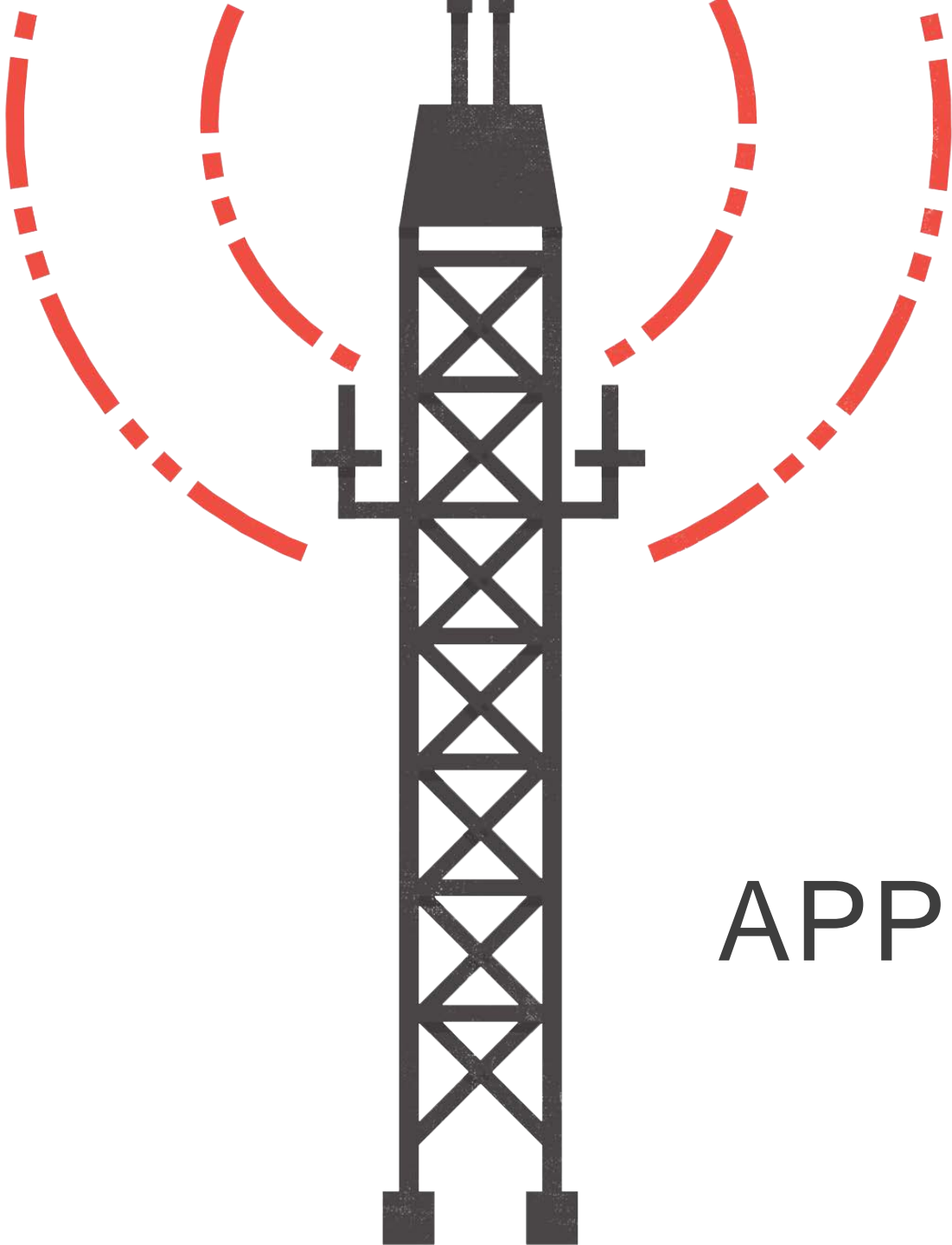
L2QA GROSS LEVERAGE



4.2x
Q2'18 Leverage Ratio

- Gross debt level lower (\$19.4M) compared with Q2'17
- \$113M does not include the post quarter release of restricted cash

(1) Summary information sets forth certain non-IFRS measures for IHS Netherlands Holdco B.V. and its subsidiaries.
 (2) Converted from Naira at 361 NGN/USD.
 (3) Excludes \$74M of cash, which is included in Other Receivables in Current Assets.
 Financials are unaudited interim consolidated financials for IHS Netherlands Holdco B.V. and its subsidiaries.



APPENDIX

EBITDA, EBITDA margin and other non-IFRS financial measures are used by Group management to monitor the underlying performance of the business and the operations. EBITDA, EBITDA margin and other non-IFRS financial measures are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. You should exercise caution in comparing EBITDA, EBITDA margin and other non-IFRS financial measures as reported by us to EBITDA, EBITDA margin and other non-IFRS financial measures as reported by other companies. EBITDA, EBITDA margin and the other non-IFRS financial measures described in this document are unaudited and have not been prepared in accordance with IFRS or any other generally accepted accounting principles. In addition, the presentation of these measures is not intended to and does not comply with the reporting requirements of any regulatory authority and will not be subject to review by any regulatory authority; compliance with such requirements may require us to make changes to the presentation of this information.

Capital expenditure (“Capex”): Any expenditure which would be treated as capital expenditure in the financial statements in accordance with applicable accounting principles including advance payments for capital expenditure and excluding any non-cash expenditure.

EBITDA: Profit or loss for the period excluding the impact of finance income, finance cost, fair value through profit or loss, depreciation and amortisation, and provision for or benefit from taxes, less other income, plus other expenditures that are sufficiently large and unusual as to distort comparisons from one period to the next. EBITDA is an indicator of the financial performance of our core business. EBITDA is a component of the calculation that has been used by our lenders to determine compliance with certain covenants under our debt facilities. EBITDA is not intended to be an alternative measure of operating income or gross profit margin as determined in accordance with IFRS.

EBITDA margin: EBITDA divided by revenue, expressed as a percentage.

Group: IHS Netherlands Holdco B.V. and each of its direct and indirect subsidiaries.

Gross debt: Borrowings as stated on the balance sheet less related party loans and finance leases.

L2QA EBITDA: EBITDA for the last two quarters on an annualised basis.

Gross Leverage: Gross debt divided by L2QA EBITDA.

VPY: Versus prior year

Towers: Refers to ground-based towers, in-building solutions, rooftop and wall-mounted towers and cells-on-wheels, each of which are constructed to support wireless transmission equipment. We measure the number of towers in our portfolio at a given time by counting the number of towers that we own or operate with at least one tenant. The number of towers in our portfolio excludes towers for which we provide managed services.

Tenants: Refers to the number of distinct customers that have leased space on each tower that we own across our portfolio..

Colocation Rate: Refers to the average number of tenants per tower that is owned or operated across a tower portfolio at a given point in time, excluding managed services.

Lease Amendments: Refers to the installation of additional equipment on a site or the provision of ancillary services for an existing tenant.



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