

AXIAN TELECOM

Q1 2022 unaudited results

June 14th, 2022



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This information contains numbers which have been rounded and ratios which have been calculated on the basis of rounded numbers. Subtotals and totals may not add, and ratios may not be recalculated exactly, as a result of the applied rounding.



HASSANEIN HIRIDJEE

Chairman and Founder



PHILIPPE PRODHOMME

Chief Financial Officer



NICOLAS SYLVESTRE-BONCHEVAL

Head of Corporate Finance & IR

MACROECONOMIC ENVIRONMENT

Madagascar:

- 2022 projected real GDP of 5.1%⁽¹⁾
- 2022 projected inflation of 8.8%⁽¹⁾ (vs. 5.8% in Dec'21)
- \$/MGA at 3,989⁽²⁾ in Mar'22, -7.0% YoY

Togo:

- 2022 projected real GDP of 5.6%⁽¹⁾
- 2022 projected inflation of 4.6%⁽¹⁾ (vs. 4.3% in Dec'21)
- \$/XOF at 596⁽²⁾ in Mar'22, -9.1% YoY

Tanzania:

- 2022 projected real GDP of 4.8%⁽¹⁾
- 2022 projected inflation of 4.4%⁽¹⁾ (vs. 3.7% in Dec'21)
- \$/TZS at 2,320⁽²⁾ in Mar'22, -0.1% YoY
- Foreign exchange reserves of \$5.6bn⁽³⁾ as of Dec'21 (vs. \$5.0bn 12 months prior)

TELECOM INDUSTRY

Madagascar⁽⁴⁾:

- Total subscribers as of Mar'22 were 14.2m which is a 2.9% increase compared with Dec'21
- Mobile and data penetration of 50% and 30% respectively as of Mar'22, which is +1pp and +2pp compared with Dec'21

Togo⁽⁴⁾:

- Total subscribers as of Mar'22 were at 6.5m which is a 2.0% decrease compared with Dec'21
- Mobile and data penetration of 81% and 62% respectively as of Mar'22, which is +6pp and +6pp compared with Dec'21

Tanzania⁽⁵⁾:

- Total subscribers as of Mar'22 were at 55.4m, which is a 2.3% increase compared with Dec'21
- Mobile and data penetration of 92% and 50% respectively as of Mar'22, which is +1pp and flat compared with Dec'21

AXIAN TELECOM HIGHLIGHTS

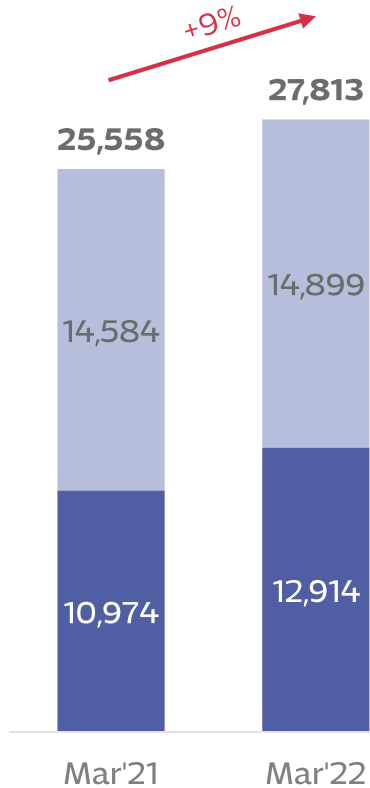
- Strong Q1'22 YoY operational and financial performance
- Double digit revenue and Adjusted EBITDA growth, respectively +14% and +25% YoY for the quarter ended March 31, 2022
- Growth principally driven by acquisition of Axian Financial Services Limited, increase in subscriber base, as well as cost savings
- On April 5, 2022, we completed the acquisition of MIC Tanzania for a consideration of \$101.4m

In \$m, unless otherwise stated

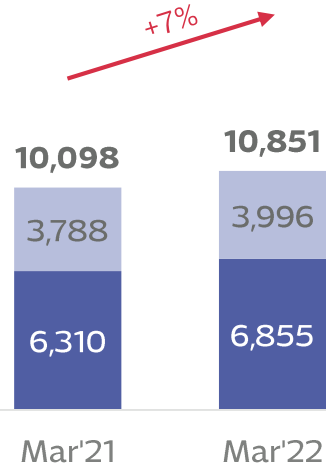
	Q1'22	Q1'21	Var.
Existing perimeter			
Revenue generating subscribers ('000)	12,914	10,974	18%
Active data users ('000)	6,855	6,310	9%
Active MFS users ('000)	3,350	1,142	193%
Revenue	128	112	14%
Adjusted EBITDA	70	56	25%
Adjusted EBITDA Margin	55%	50%	5 pp
Capital Expenditure	37	21	77%
As a % of revenue	29%	18%	10 pp
Adjusted Net Debt	574		
Adjusted Net Debt to Adjusted EBITDA ratio (x)	2.2x		
Pro forma adjusted ⁽¹⁾			
Revenue generating subscribers ('000)	27,813	25,558	9%
Active data users ('000)	10,851	10,098	7%
Active MFS users ('000)	10,821	8,099	34%
Revenue	216	201	7%
Adjusted EBITDA	105	87	21%
Adjusted EBITDA Margin	49%	43%	5 pp
Capital Expenditure	45	26	75%
As a % of revenue	21%	13%	8 pp
Adjusted Net Debt	615		
Adjusted Net Debt to Adjusted EBITDA ratio (x)	1.6x		

- Strong YoY operational and financial growth
- Growth in Active MFS users for the twelve month period ended March 31, 2022 includes 1.5m users from Axian Financial Services acquired in August 2021
- Capital expenditure increase due to, passive infrastructure rollout, network strengthening, and timing of supplier payments
- Adjusted Net Debt to Adjusted EBITDA Ratio at 2.2x due to proceeds of Notes being in escrow. Pro forma measure of 1.6x reflected post release of funds from escrow

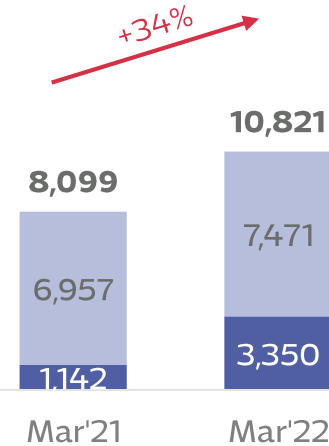
Revenue generating subscribers ('000)



Active data users ('000)



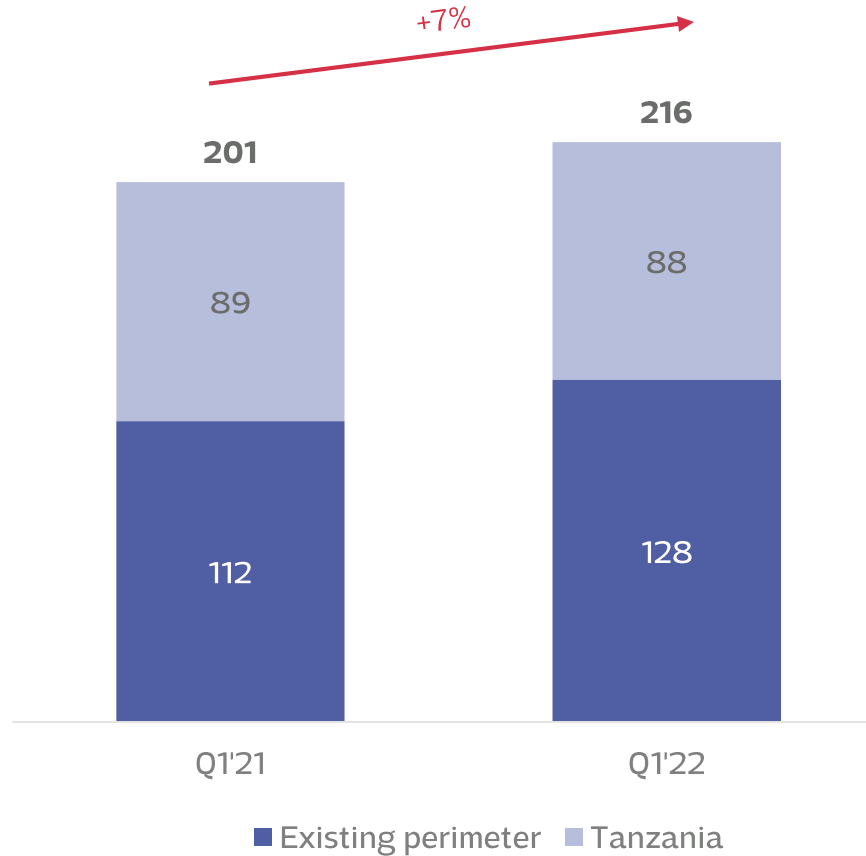
Active MFS users ('000)



■ Existing perimeter ■ Tanzania

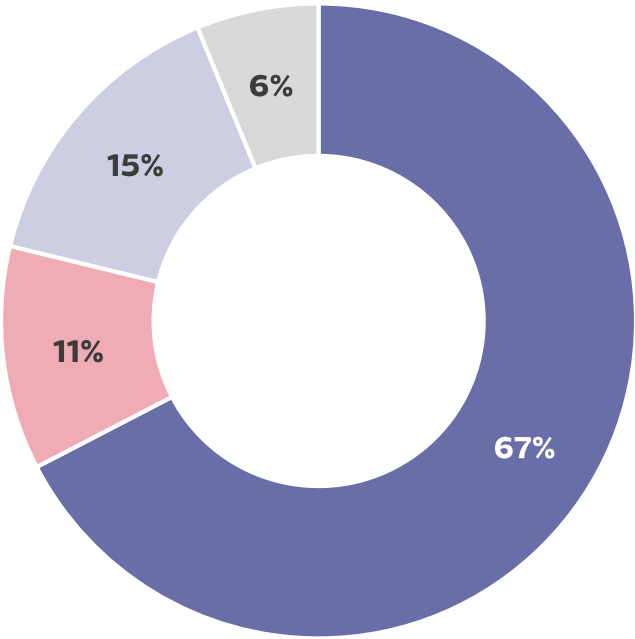
- Revenue generating subscribers +9% YoY, mainly driven by +1.5m subscribers in Madagascar
 - during Q1'22, +0.8m subscribers for the combined Group
- Active data users +7% YoY, mainly driven by +0.3m users in Togo
 - during Q1'22, -0.4m users for the combined Group, mostly due to -0.6m users related to a change in low-value data offers in Madagascar
- Active MFS users +34% YoY
 - +1.5m users in Madagascar following acquisition of Axian Financial Services in August 2021
 - organic growth of +1.2m users for the combined Group
 - during Q1'22, +0.2m subscribers for the combined Group

Q1 Revenue (\$m)



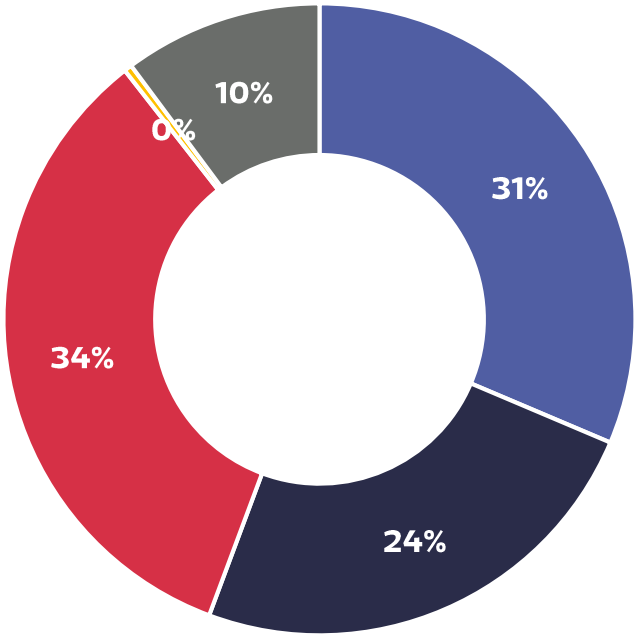
- +14% revenue growth YoY from our exiting perimeter
 - Q1'22 includes \$12m in revenue from Axian Financial Services which also drives increase in revenue from Digital and mobile financial services segment
 - organic growth partially offset by foreign exchange impact in Madagascar and Togo
 - Growth in our Mobile and fixed-line communications segment is mostly driven by Madagascar
 - Increase in revenue from our Infrastructure segment in Madagascar and Uganda
- Tanzania revenue -1% YoY, impacted by implementation of mobile money levy increasing MFS transaction costs for Active MFS users, mostly offset by organic growth

Q1'22 Revenue⁽¹⁾ by segment (%)

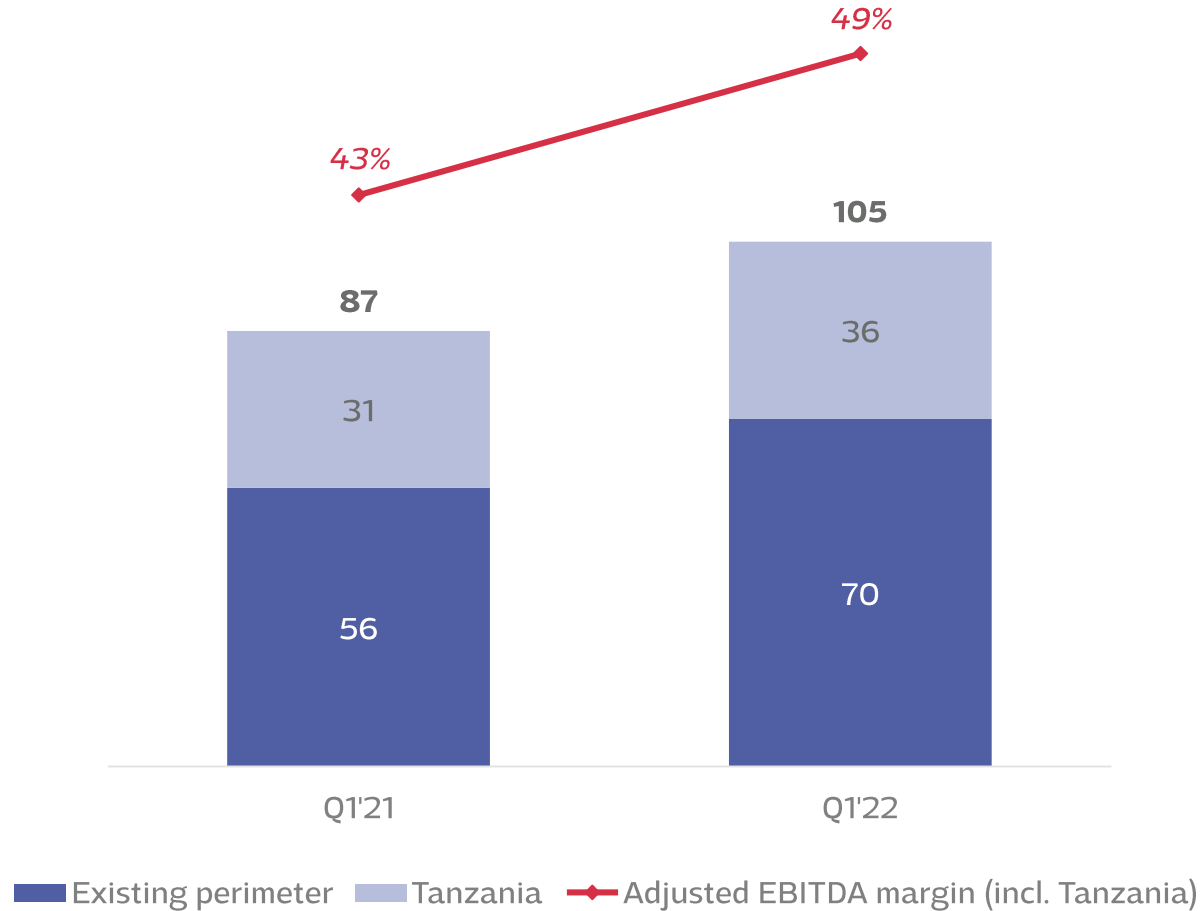


- Mobile and fixed-line communications
- Infrastructure
- Digital and mobile financial services
- Other

Q1'22 Revenue⁽¹⁾ by country (%)

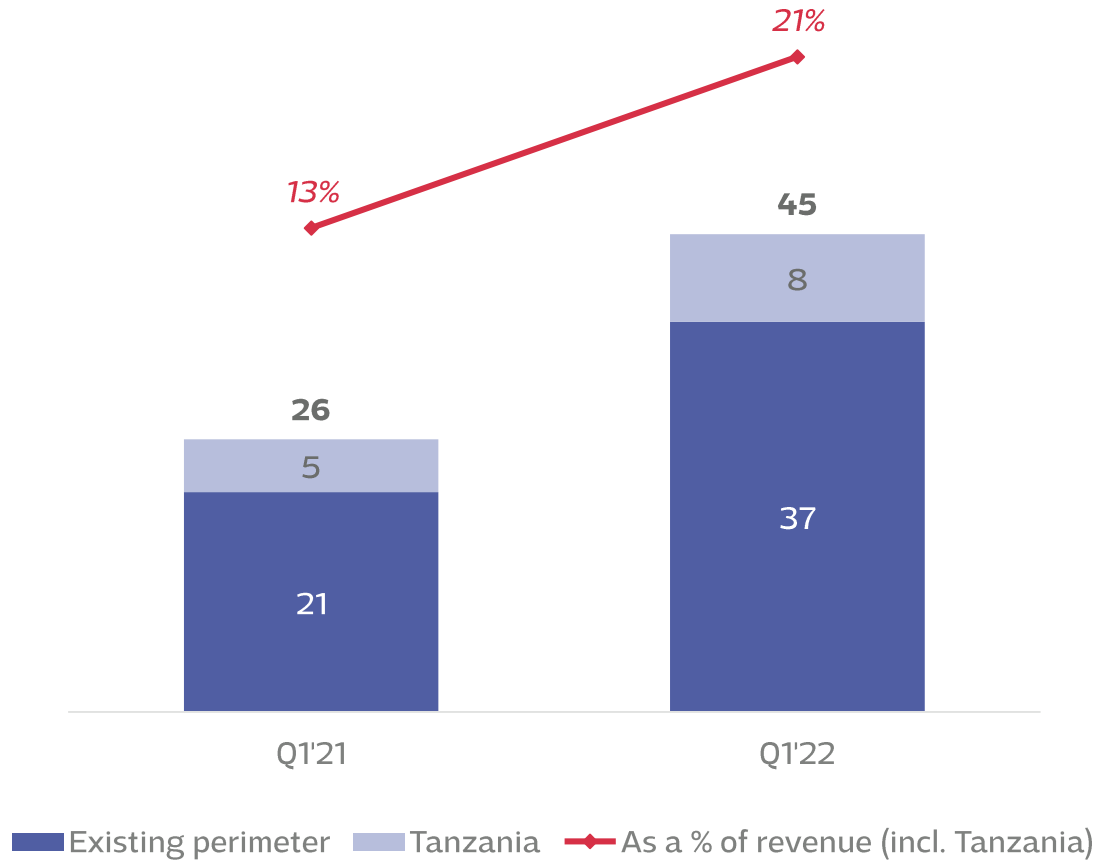


- Madagascar
- Togo
- Tanzania
- Uganda
- Mauritius

Q1 Adjusted EBITDA (\$m)

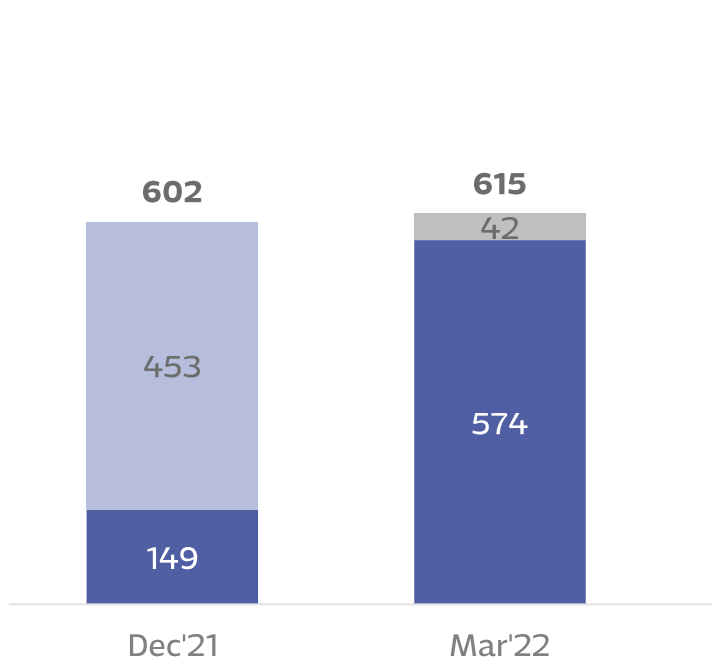
- +25% Adjusted EBITDA growth YoY from our exiting perimeter
 - Q1'22 includes \$6m in Adjusted EBITDA from Axian Financial Services which also drives increase in Adjusted EBITDA from Digital and mobile financial services segment
 - organic growth and cost savings, partially offset by foreign exchange impact on revenue in Madagascar and Togo
- +13% Adjusted EBITDA growth YoY from Tanzania
 - mainly from savings on commercial and technical costs

Q1 Capital Expenditure (\$m)



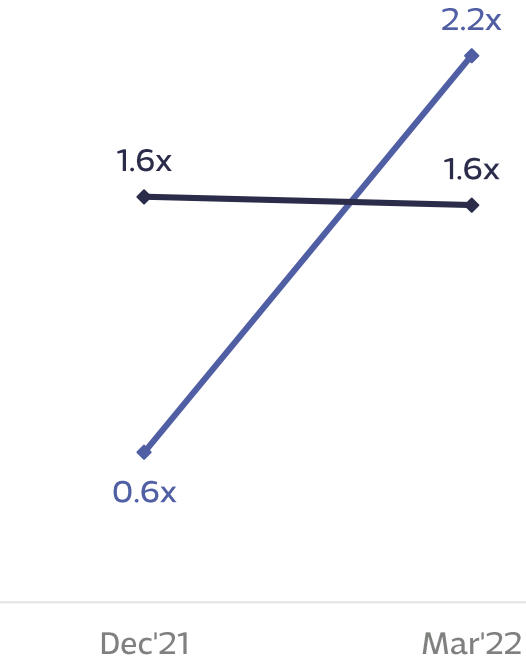
- Q1'22 Capital Expenditure for the exiting perimeter at \$37m, representing 29% of revenue, mainly driven by
 - continued tower deployment for our Infrastructure segment in Madagascar and Uganda, and
 - active network improvement in Madagascar and Togo
- Lower Capital Expenditure levels in Tanzania, representing 9% of Q1'22 revenue, due to delayed investment during transaction process

Adjusted Net debt (\$m)



- Existing perimeter
- Pro forma adjusted for Tanzania acquisition, issue of the Notes, and related transactions
- Pro forma adjusted for Tanzania acquisition, escrow release, and related transactions

Adjusted Net Debt to Adjusted EBITDA ratio (x)



- ◆— Existing perimeter
- ◆— Pro forma adjusted

- Mar'22 Adjusted Net Debt for the existing perimeter excludes the proceeds of the Notes held in escrow at the reporting date; hence the Adjusted Net Debt to Adjusted EBITDA ratio at 2.2x
- Adjusted Net Debt to Adjusted EBITDA ratio of 1.6x as of Mar'22, on a pro forma basis (flat vs Dec'21)

Appendix

ADJUSTED EBITDA RECONCILIATION

In \$m, unless otherwise stated

	Q1'22	Q1'21
Existing perimeter		
(Loss)/profit for the period	23	27
Income tax (credit)/expense	9	(0)
Finance income	(8)	(7)
Finance costs	21	12
Depreciation of property, plant and equipment	23	22
Amortization of right of use assets	6	2
Amortization of intangible assets	2	2
EBITDA	75	57
Share of net loss/(profit) in joint ventures	(5)	(2)
(Gain)/loss on disposal of property, plant and equipment	-	0
Adjusted EBITDA	70	56

CALCULATION OF PRO FORMA ADJUSTED NET DEBT TO ADJUSTED EBITDA RATIO

In \$m, unless otherwise stated

	Q1'22
Borrow ings (non-current)	289
Bond Borrow ings (non-current)	412
Borrow ings (current)	24
Bond Borrow ings (current)	4
Total Borrow ings	729
Lease liability (non-current)	199
Lease liability (current)	43
Total Lease Liability	243
Loans payable to related parties (non-current)	(137)
Loans payable to related parties (current)	(0)
Capitalised issuance costs and IFRS adjustments	8
Adjustments	(129)
Pro forma Adjusted Total Debt	842
Cash and cash equivalents	251
Bank overdraft	(24)
Cash and cash equivalents⁽¹⁾	227
Pro forma Adjusted Net Debt	615
Pro forma Adjusted EBITDA ⁽²⁾	394
Pro forma Adjusted Net Debt to Adjusted EBITDA ratio (x)	1.6x

In this presentation, we present certain financial measures of the Group that are not defined in, and thus, not calculated in accordance with International Financial Reporting Standard (“IFRS”), United States Generally Accepted Accounting Practice (“U.S. GAAP”) or generally accepted accounting principles in any other relevant jurisdiction. These include EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin (each as defined below). Because these measures are not standardized, they may not be comparable to other similarly titled measures used by other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS.

We do not regard these non-IFRS measures as a substitute for, or superior to, the equivalent measures calculated and presented in accordance with IFRS or those calculated using financial measures that are calculated in accordance with IFRS.

Revenue generating subscribers: revenue generating subscribers over fixed periods, usually a 90-day period at the Group level (a block of which we refer to as an “RGS90”), and one-, seven-, 30- and 60-day periods at the operational level;

Active data users: the total number of customers using more than 5 MB of mobile data over a 30-day period;

Active MFS users: total number of mobile financial users that made, received or participated in a Mobile Money Active Event within 30 days. A Mobile Money Active Event is a transaction initiated by a mobile money user, whether or not it is revenue-generating;

EBITDA: profit or loss for the year/period, excluding the impact of: (i) income tax expense; (ii) finance income; (iii) finance costs; (iv) depreciation of property, plant and equipment; (v) amortization of intangible assets; and (vi) amortization of right-of-use assets;

Adjusted EBITDA: EBITDA adjusted for: (i) share of net profit of joint ventures; (ii) loss on disposal of subsidiary; and (iii) gain on disposal of property, plant and equipment;

Adjusted EBITDA Margin: ratio of Adjusted EBITDA to our revenue, expressed as a percentage;

Capital Expenditure: purchases of property, plant and equipment and purchases of intangible assets as stated in the Financial Statements;

Adjusted Total Debt: current and non-current borrowings plus capitalized debt issuance costs (excluding the Subordinated Shareholder Loans and loans payable to entities under common control) and lease liability as at the date of the consolidated statement of financial position;

Adjusted Net Debt: Adjusted Total Debt less cash and cash equivalents (excluding deposits held at banks and bank overdraft) as at the date of the consolidated statement of financial position;

Adjusted Net Debt to Adjusted EBITDA ratio: Adjusted Net Debt divided by Adjusted EBITDA for a stated period, expressed as a multiple;

VPY: versus prior year.

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