

# Q3 2023 UNAUDITED RESULTS

28 NOVEMBER 2023



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# PRESENTING TODAY



**HASSANEIN HIRIDJEE**

Chairman and Founder



**NICOLAS SYLVESTRE-BONCHEVAL**

Chief Financial Officer

# INDUSTRY AND HIGHLIGHTS

## MACROECONOMIC ENVIRONMENT

### Madagascar:

- 2023 projected real GDP of 4.0%<sup>(1)</sup>
- 2023 projected inflation of 10.5%<sup>(1)</sup> (vs. 8.2% in 2022)
- \$/MGA at 4,549<sup>(2)</sup> in Q3'23, -7.7% YoY

### Tanzania:

- 2023 GDP growth projected is 5.2%<sup>(1)</sup>
- 2023 inflation projected is 4.0%<sup>(1)</sup> (vs. 4.4% 2022)
- \$/TZS at 2,503<sup>(2)</sup> in Q3'23, -6.9% YoY
- Q3'23 Foreign Reserve stood at \$4.9bn<sup>(3)</sup> (-\$0.1bn YoY)

### Togo:

- 2023 projected real GDP of 5.4%<sup>(1)</sup>
- 2023 projected inflation of 5.0%<sup>(1)</sup> (vs. 7.6% in 2022)
- \$/XOF at 620<sup>(2)</sup> in Q3'23, +7.9% YoY

## TELECOM INDUSTRY

### Madagascar<sup>(4)</sup>:

- Total subscribers as of Q3'23 were 19.0m which is a +21.0% increase YoY
- Mobile and data penetration of 62.7% and 35.6% respectively as of Q3'23, which is +8.7pp and +4.3pp YoY

### Tanzania<sup>(5)</sup>:

- Total subscribers as of Q3'23 were at 67.1m, which is a +15.5% increase YoY
- Mobile and data penetration of 108.6% and 55.8% respectively as of Q3'23, which is +14.6pp and +5.4pp YoY

### Togo<sup>(6)</sup> <sup>(7)</sup>:

- Total subscribers as of Q3'23 were at 6.9m which is a +6.8% increase YoY
- Mobile and data penetration of 84.3% and 64.4% respectively as of Q3'23, which is +3.6pp and +4.3pp YoY

## AXIAN TELECOM HIGHLIGHTS

- In 9M'23 we delivered strong revenue growth of 13% on a Pro Forma including Tanzania basis, despite YoY currency deterioration in Madagascar and Tanzania
- Our Pro Forma Adjusted EBITDA for the existing perimeter including Tanzania grew by 15% YoY in 9M'23, despite the pressure on operating costs and currency devaluation.
  - Excluding impact of FX, Adjusted EBITDA growth is 21% YoY

# HIGHLIGHTS 9M'23

## KEY KPIs

**Revenue  
Generating  
Subscribers** **10% YoY**  
32.2m

**Active  
Data  
Users** **29% YoY**  
8.5m

**Active  
MFS  
Users** **17% YoY**  
11.5m

## CONSOLIDATED RESULTS

**Revenue** **30% YoY**  
\$762.8m

**Excluding FX impact** **35% YoY**  
\$791.7m

**Adjusted  
EBITDA** **31% YoY**  
\$349.4m

**Excluding FX impact** **37% YoY**  
\$366.1m

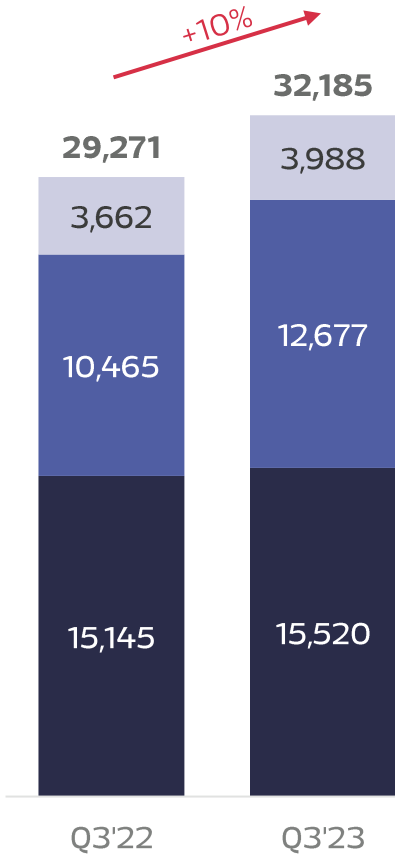
## PRO FORMA RESULTS<sup>(1)</sup>

**Revenue** **13% YoY**  
**Excluding FX impact** **17% YoY**

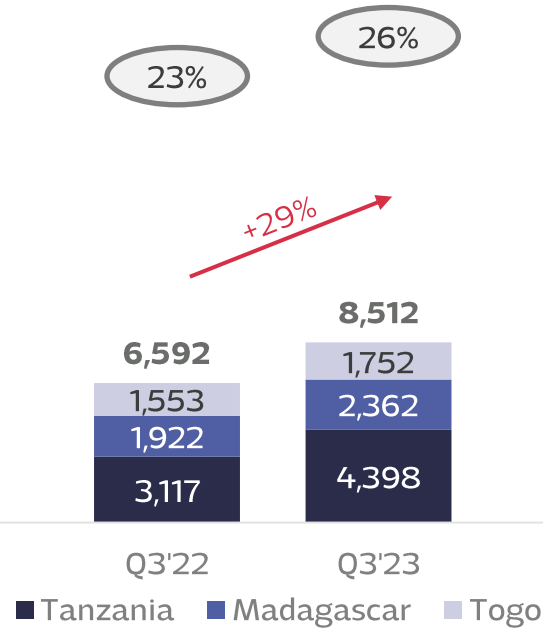
**Adjusted  
EBITDA** **15% YoY**  
**Excluding FX impact** **21% YoY**

# SUBSCRIBERS

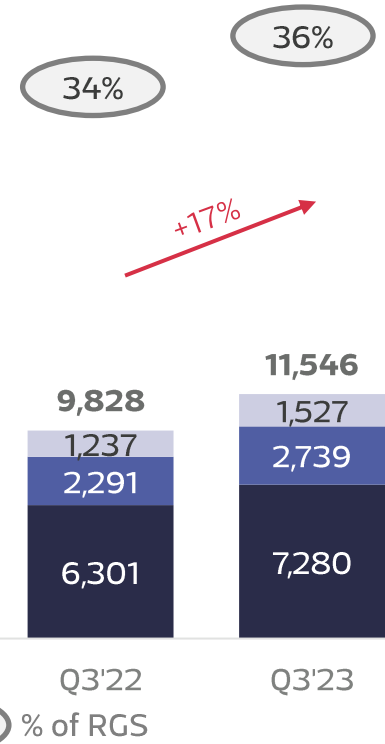
## Revenue generating subscribers ('000)



## Active data users ('000)



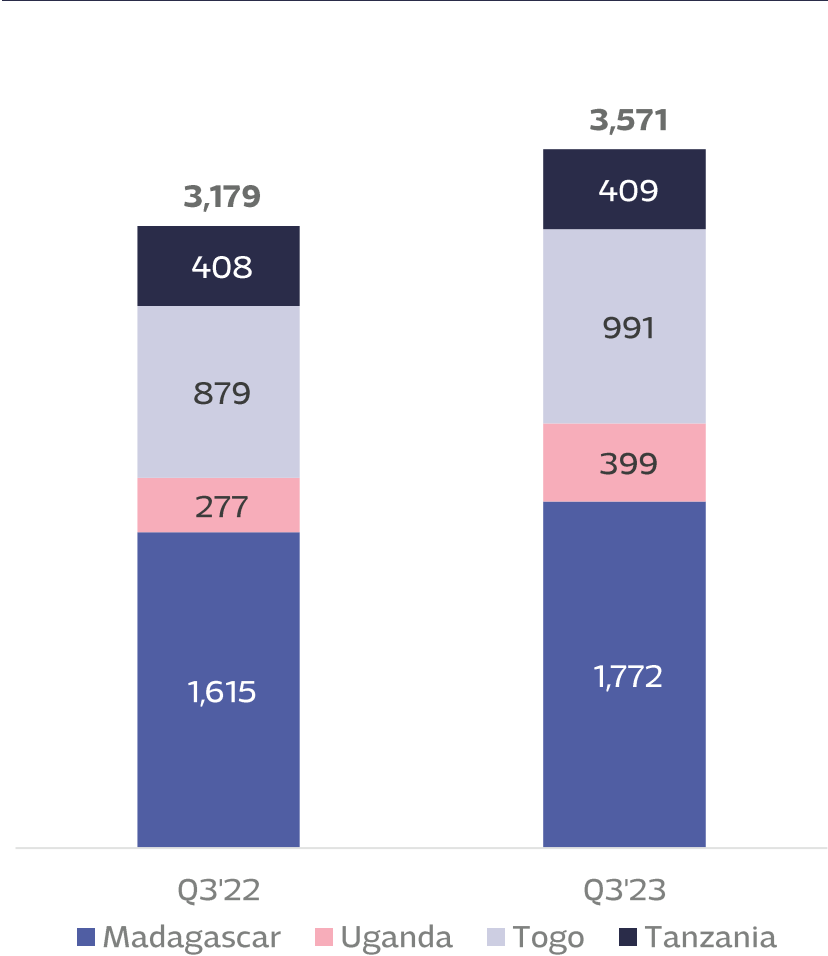
## Active MFS users ('000)



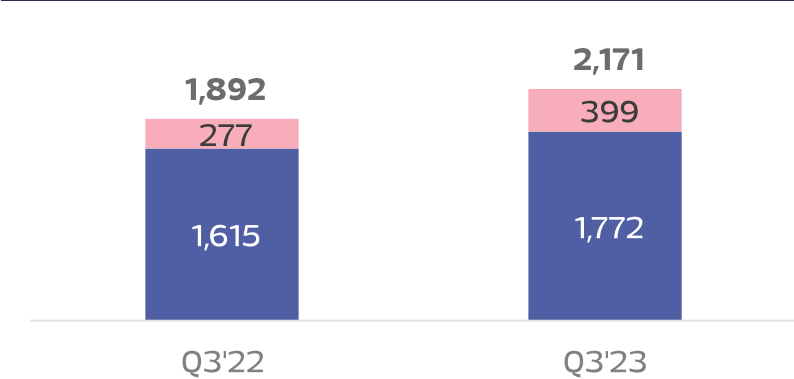
- Revenue generating subscribers +10% YoY, mainly driven by
  - +2.2m subscribers in Madagascar, a 21% increase YoY
  - +0.3m subscribers in Togo, a 9% increase YoY
  - +0.4m subscribers in Tanzania, a 2% increase YoY
- Active data users +29% YoY, strong growth in Tanzania with +1.3m, and Madagascar +0.4m
- Active MFS users +17% YoY with strong growth across all operations
  - +20% and +23% YoY for Madagascar and Togo respectively
  - +16% YoY growth in Tanzania

# TOWERS AND TENANTS

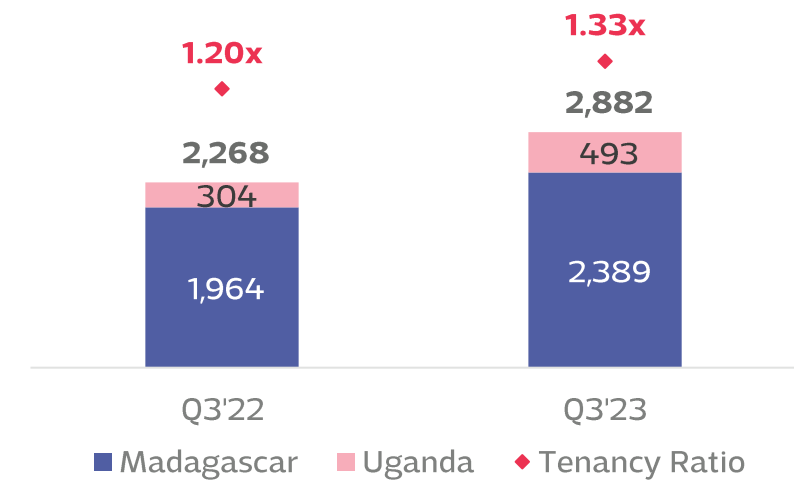
## Owned Towers



## Shared Towers

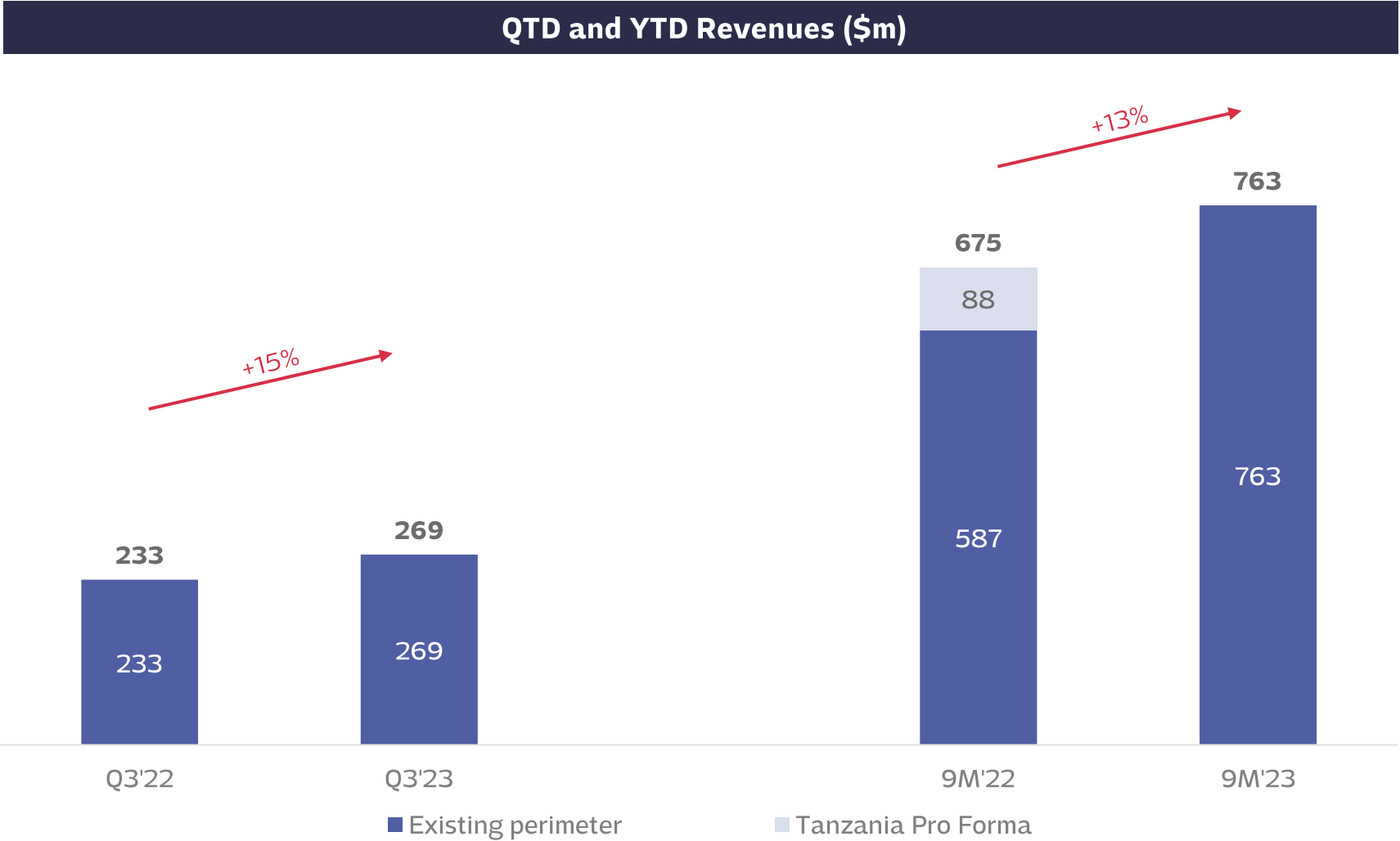


## Tenants on Shared Towers



- Number of Owned Towers increased by 392 YoY in Q3'23, while Shared Towers increased by 279 YoY; increase in Owned Towers comprised of:
  - +157 in Madagascar
  - +122 in Uganda
  - +112 in Togo
  - +1 in Tanzania
- Tenants on Shared Towers increased by 614 YoY in Q3'23, while Tenancy Ratio grew from 1.20x to 1.33x:
  - +425 in Madagascar
  - +189 in Uganda

# REVENUE

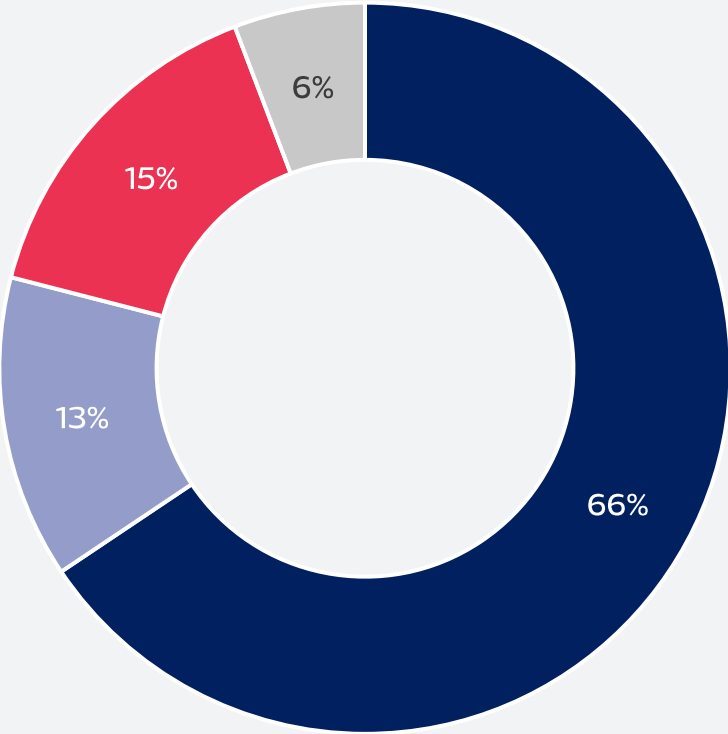


- +30% YoY revenue growth in 9M'23 in our existing perimeter and 13% YoY growth including Tanzania
  - Strong growth in infrastructure revenue with +16m YoY
  - Mobile and Fixed Services grew \$109m YoY, of which \$85m attributable to inclusion of Tanzania
  - Digital and Mobile Financial services grew \$52m YoY, of which \$45m attributable to inclusion Tanzania
- 9M'23 Pro forma Tanzania revenue +15% YoY with growth in Mobile Services, and Mobile Money Services
- Without FX impact, our 9M'23 Pro forma revenue would have been 4% higher, and would have reflected YoY growth of 17%



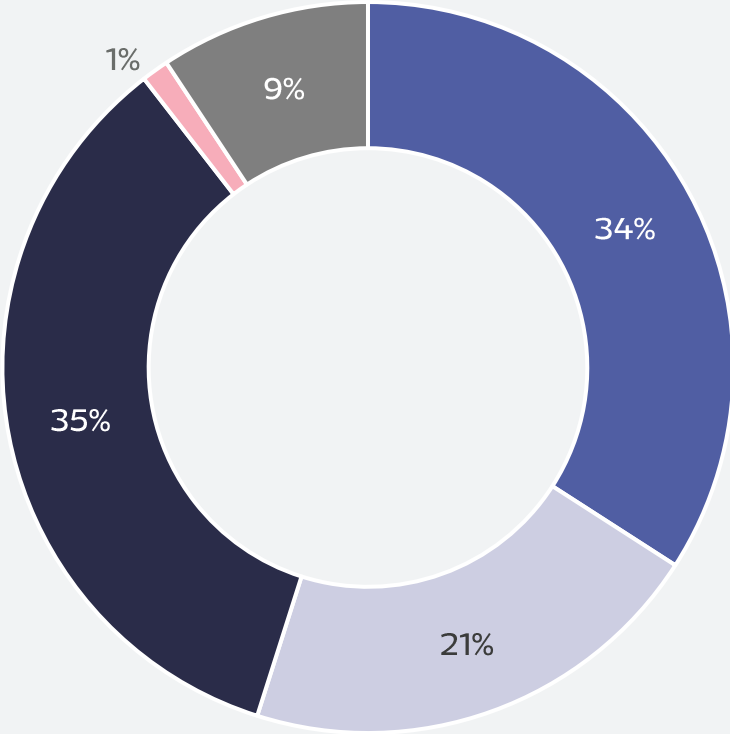
# REVENUE SPLITS

9M'23 Revenue by segment (%)



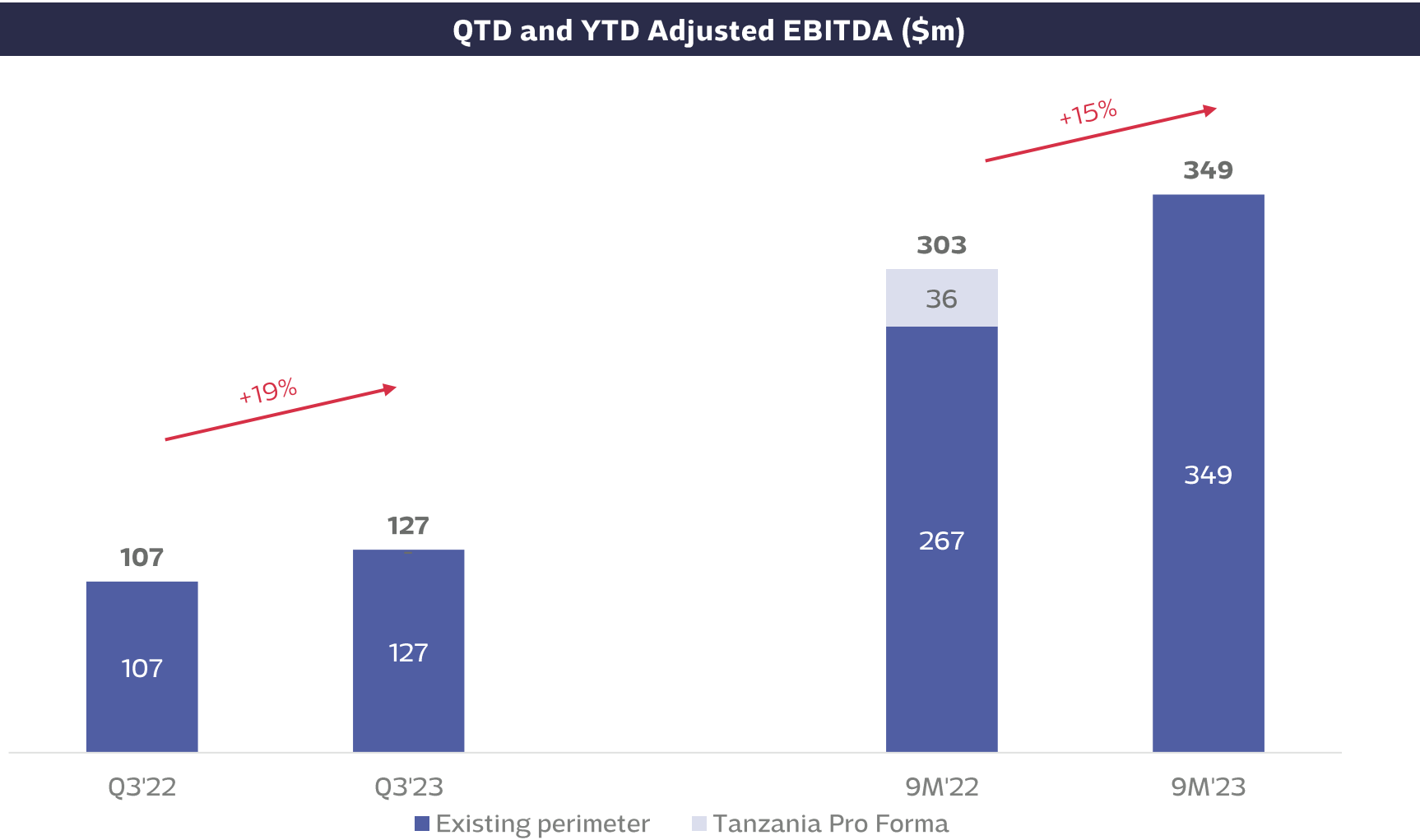
■ Mobile & Fixed ■ Infrastructure ■ Digital ■ Others

9M'23 Revenue by country (%)



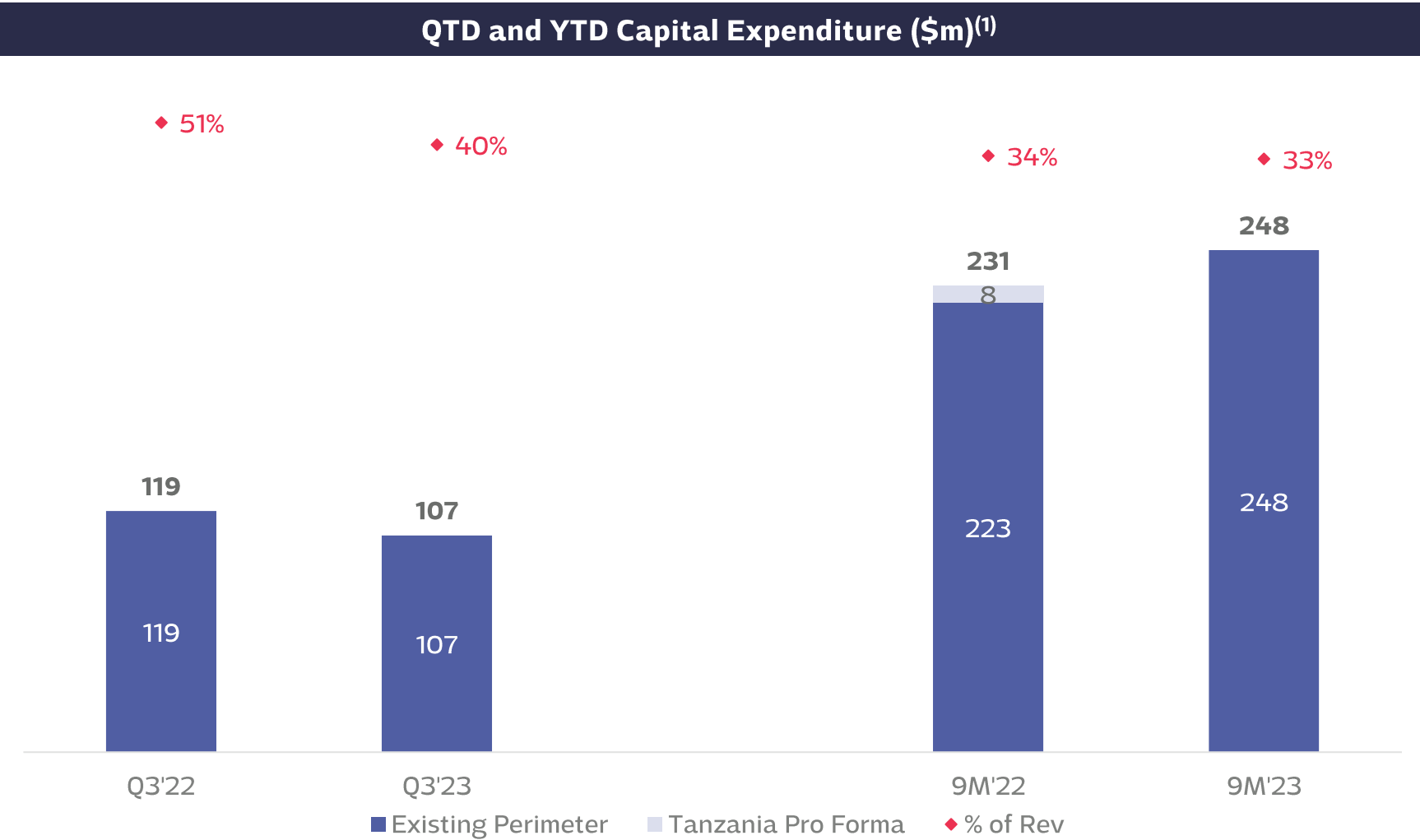
■ Madagascar ■ Togo ■ Tanzania ■ Uganda ■ Holdings

# ADJUSTED EBITDA



- +31% YoY Adjusted EBITDA growth in 9M'23 in our existing perimeter
  - YoY Growth in Digital Services in Madagascar by \$5m and Mobile Services by \$10m
  - YoY Growth is also impacted by expenses in 9M'22 related to MIC Acquisition and related party loan write-off
  - 9M'23 includes additional +\$62m in Adjusted EBITDA from MIC Tanzania
- 9M'23 Pro Forma Tanzania Adjusted EBITDA +25% YoY driven by revenue growth and efficiencies on operating expenses
- 9M'23 Pro Forma Adjusted EBITDA grew 15% YoY. Without FX impact, Pro Forma Adjusted EBITDA would have been 5% higher, and would have reflected YoY growth of 21%

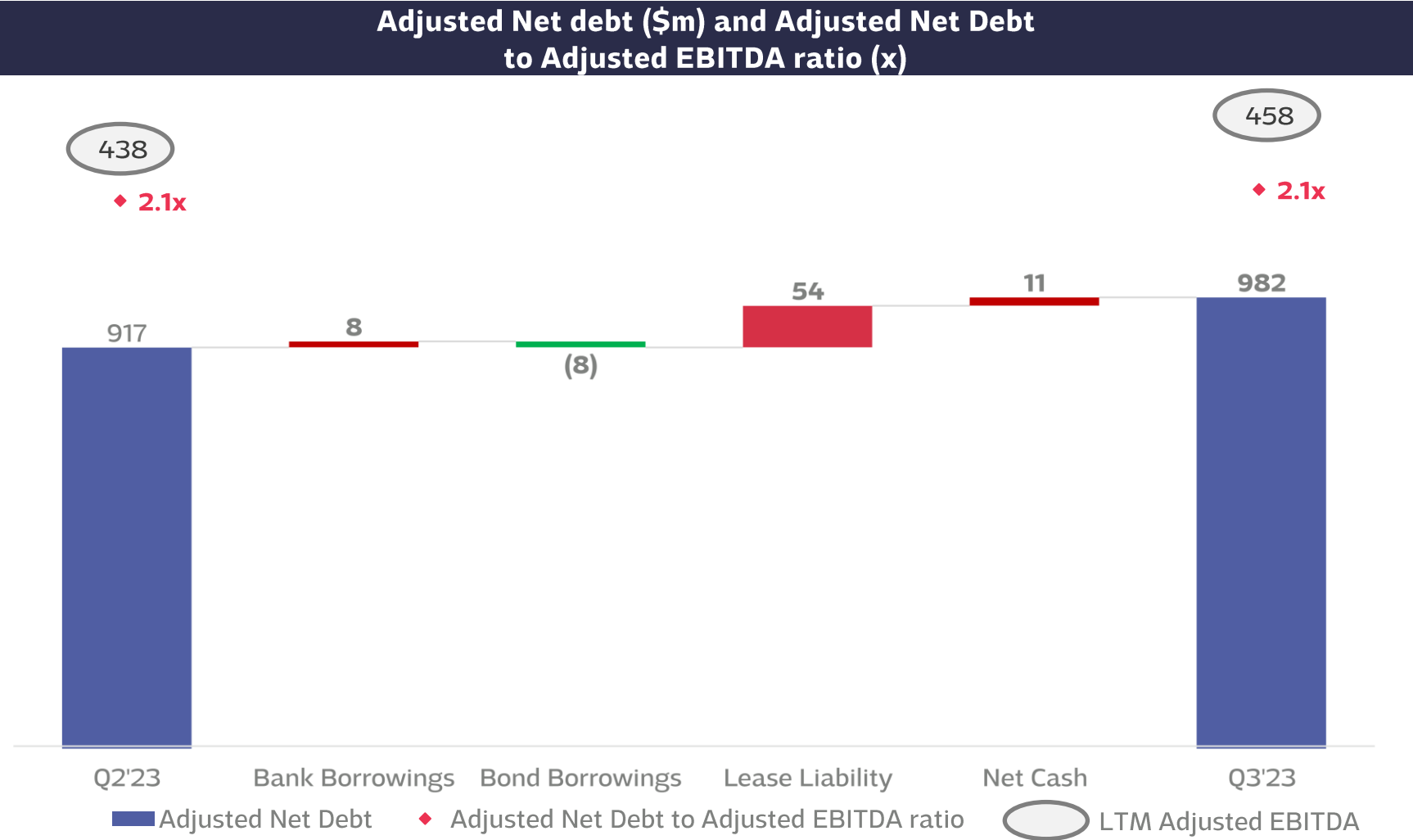
# CAPITAL EXPENDITURE



- 9M'23 Capital Expenditure ("Capex") for the existing perimeter at \$248m. Pro forma Capex decreased to 33% of revenue vs. 34% last year
  - Our Mobile & Fixed segment contributed 78% to the current period's Capex driven by network development in Tanzania, which contributed \$121m to the Mobile & Fixed perimeter Capex
  - Our Infrastructure segment contributed 21% to the current period's Capex. Lower contribution is mainly driven by timing of the supplier payments in Madagascar

(1) Capex % of revenue are based on Proforma figures presented on a combined basis; combining the results for Axian Telecom and MIC Tanzania as if they were a part of the same group from January 1, 2022. Refer to slide 18 for the definition of Capital Expenditure ("Capex")

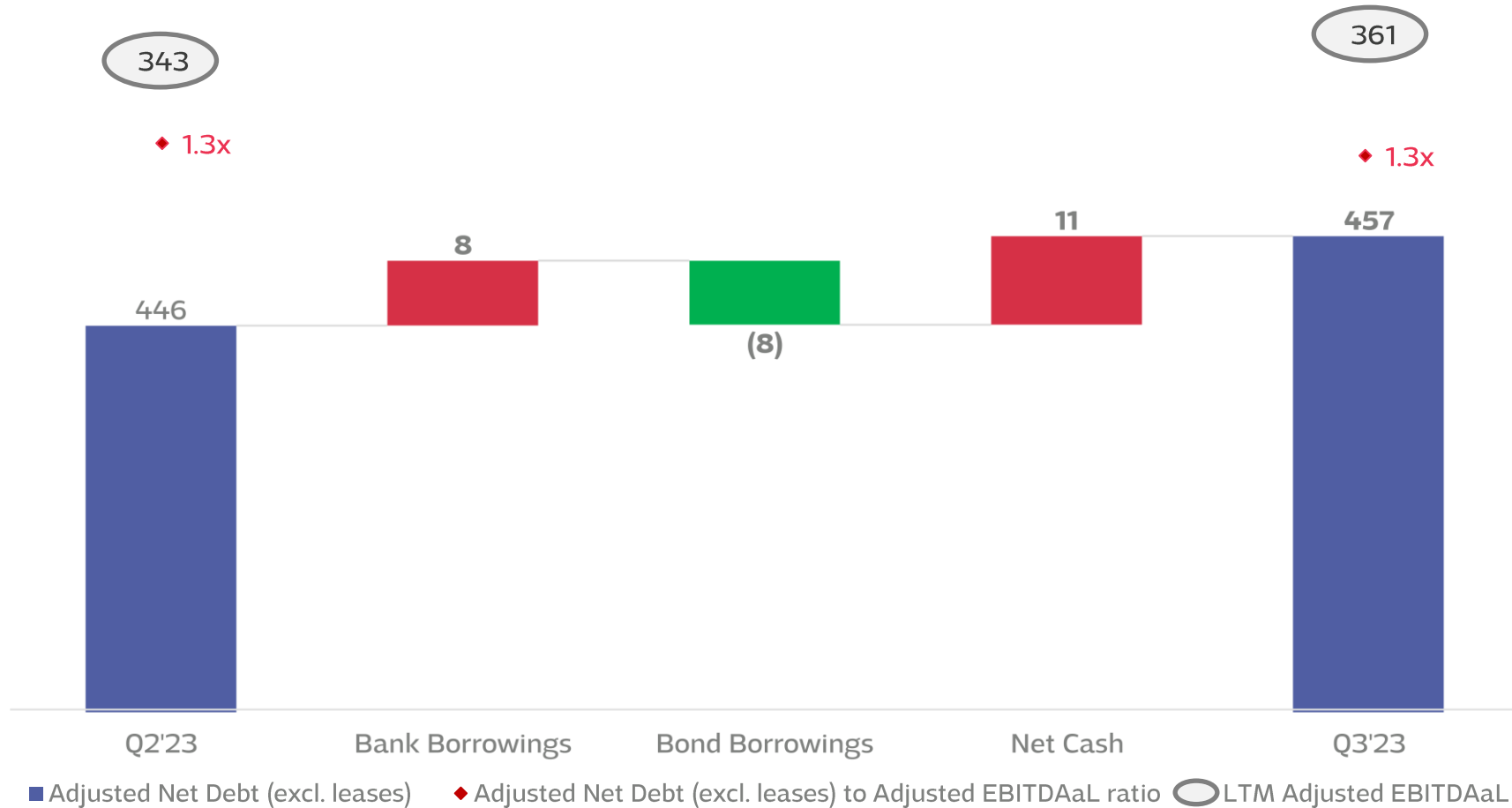
# LEVERAGE



- Adjusted Net Debt to Adjusted EBITDA ratio of 2.1x as at Q3'23
  - Decrease in Net Cash primarily impacted by increase of additional shares in Agou Holding SAS
  - Increase in Lease Liabilities due to renewal of lease contracts in Tanzania
  - Impact of YoY growth in Adjusted Net Debt is mostly offset by YoY growth in LTM Adjusted EBITDA

# LEVERAGE EXCLUDING LEASES

Adjusted Net debt (excl. leases) (\$m) and Adjusted Net Debt (excl. leases) to Adjusted EBITDAaL ratio (x)



- Adjusted Net Debt (excl. leases) to Adjusted EBITDAaL ratio of 1.3x as at Q3'23
  - Decrease in Net Cash primarily impacted by increase of additional shares in Agou Holding SAS
  - Impact of YoY growth in Adjusted Net Debt (excl. leases) is mostly offset by YoY growth in LTM Adjusted EBITDAaL

# Appendix

# RESULTS SNAPSHOT

*In \$m, unless otherwise stated*

## Existing perimeter

### Revenue generating subscribers ('000)

Active data users ('000)

Active MFS users ('000)

### Revenue

### Adjusted EBITDA

*Adjusted EBITDA Margin*

### Capital Expenditure

*As a % of revenue*

Adjusted Net Debt

### Adjusted Net Debt to Adjusted EBITDA ratio (x)

Q3'23	Q3'22	Var.	9M'23	9M'22	Var.
32,185	29,271	10%	32,185	29,271	10%
8,512	6,592	29%	8,512	6,592	29%
11,546	9,828	17%	11,546	9,828	17%
269	233	15%	763	587	30%
127	107	19%	349	267	31%
47%	46%	1 pp	46%	45%	0 pp
107	119	(10%)	248	223	12%
40%	51%	(11) pp	33%	38%	(5) pp
982			982		
2.1x			2.1x		

## Pro Forma<sup>(1)</sup>

### Revenue generating subscribers ('000)

Active data users ('000)

Active MFS users ('000)

### Revenue

### Adjusted EBITDA

*Adjusted EBITDA Margin*

### Capital Expenditure

*As a % of revenue*

32,185	29,271	10%	32,185	29,271	10%
8,512	6,592	29%	8,512	6,592	29%
11,546	9,828	17%	11,546	9,828	17%
269	233	15%	763	675	13%
127	107	19%	349	303	15%
47%	46%	1 pp	46%	45%	1 pp
107	119	(10%)	248	231	8%
40%	51%	(11) pp	33%	34%	(2) pp

## Existing Perimeter Excluding Tanzania

### Revenue generating subscribers ('000)

Active data users ('000)

Active MFS users ('000)

### Revenue

### Adjusted EBITDA

*Adjusted EBITDA Margin*

### Capital Expenditure

*As a % of revenue*

16,665	14,126	18%	16,665	14,126	18%
4,114	3,475	18%	4,114	3,475	18%
4,266	3,528	21%	4,266	3,528	21%
159	136	17%	446	400	11%
78	70	11%	217	197	10%
49%	52%	(3) pp	49%	49%	(1) pp
63	101	(38%)	127	195	(35%)
39%	74%	(35) pp	29%	49%	(20) pp

# ADJUSTED EBITDA RECONCILIATION

*In \$m, unless otherwise stated*

	Q3'23	Q3'22	9M'23	9M'22	9M'23	9M'22
	Existing perimeter				Proforma <sup>(1)</sup>	
<b>Profit/(loss) for the period</b>	<b>11</b>	<b>14</b>	<b>28</b>	<b>46</b>	<b>28</b>	<b>44</b>
Income tax expense/(credit)	0	12	30	34	30	39
Finance income	(9)	(15)	(36)	(30)	(36)	(30)
Finance costs	58	48	157	103	157	117
Depreciation of property, plant and equipment	33	34	97	93	97	104
Amortization of right of use assets	14	10	42	22	42	30
Amortization of intangible assets	9	4	24	9	24	11
<b>EBITDA</b>	<b>116</b>	<b>108</b>	<b>343</b>	<b>279</b>	<b>343</b>	<b>315</b>
Share of net (profit)/loss in joint ventures	(6)	1	(13)	(11)	(13)	(11)
(Reversal of impairment)/impairment of property, plant	-	(1)	4	(1)	4	(1)
(Gain)/loss on disposal of property, plant and	(0)	(0)	(0)	(0)	(0)	(0)
Other non-operating expense/(income)	16	-	16	-	16	(0)
<b>Adjusted EBITDA</b>	<b>127</b>	<b>107</b>	<b>349</b>	<b>267</b>	<b>349</b>	<b>303</b>



# CALCULATION OF ADJUSTED NET DEBT TO ADJUSTED EBITDA RATIO

## Q3'23 - Adjusted Net Debt Calculations

<i>In \$m, unless otherwise stated</i>	Q3'23	Q2'23
Borrow ings (non-current)	248	253
Borrow ings Bonds (non-current)	414	414
Borrow ings (current)	69	66
Borrow ings Bonds (current)	4	12
<b>Total Borrow ings</b>	<b>735</b>	<b>744</b>
Loans payable to related parties (non-current)	147	156
Loans payable to related parties (current)	-	-
IFRS adjustment to the Issuance canceled	(6)	(6)
<b>Less: Adjusted Debt Amount</b>	<b>140</b>	<b>149</b>
<b>Adjusted Borrow ings</b>	<b>595</b>	<b>594</b>
IFRS 16 non-current	455	402
IFRS 16 current	71	69
<b>Lease Liability</b>	<b>525</b>	<b>471</b>
<b>Total Adjusted Debt</b>	<b>1,120</b>	<b>1,065</b>
Cash and cash equivalents	172	194
Bank overdraft	(34)	(46)
<b>Excluding: Net Cash</b>	<b>137</b>	<b>148</b>
<b>Adjusted Net Debt</b>	<b>982</b>	<b>917</b>
Last Tw elve Month Adjusted EBITDA	458	438
<b>Adjusted Net Debt to Adjusted EBITDA Ratio</b>	<b>2.1x</b>	<b>2.1x</b>

## Q3'23 - Adjusted Net Debt (excl. leases) Calculations

<i>In \$m, unless otherwise stated</i>	Q3'23	Q2'23
Borrow ings (non-current)	248	253
Borrow ings Bonds (non-current)	414	414
Borrow ings (current)	69	66
Borrow ings Bonds (current)	4	12
<b>Total Borrow ings</b>	<b>735</b>	<b>744</b>
Loans payable to related parties (non-current)	147	156
Loans payable to related parties (current)	-	-
IFRS adjustment to the Issuance canceled	(6)	(6)
<b>Less: Adjusted Debt Amount</b>	<b>140</b>	<b>149</b>
<b>Adjusted Borrow ings</b>	<b>595</b>	<b>594</b>
IFRS 16 non-current	-	-
IFRS 16 current	-	-
<b>Lease Liability</b>	<b>-</b>	<b>-</b>
<b>Total Adjusted Debt</b>	<b>595</b>	<b>594</b>
Cash and cash equivalents	172	194
Bank overdraft	(34)	(46)
<b>Excluding: Net Cash</b>	<b>137</b>	<b>148</b>
<b>Adjusted Net Debt (excluding leases)</b>	<b>457</b>	<b>446</b>
Last Tw elve Month Adjusted EBITDAaL	361	343
<b>Adjusted Net Debt (excl. leases) to Adjusted EBITDAaL Ratio</b>	<b>1.3x</b>	<b>1.3x</b>

# GLOSSARY

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.

**Adjusted EBITDA:** EBITDA adjusted for: (i) share of net profit of joint ventures; (ii) loss on disposal of subsidiary; (iii) gain on disposal of property, plant and equipment, and (iv) other non-operating expenses/(income) – net;

**Adjusted EBITDAaL:** Adjusted EBITDA after deducting lease payments made in the period;

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

**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 (excl. leases):** Adjusted Net Debt excluding lease liabilities;

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

**Adjusted Net Debt (excl. leases) to Adjusted EBITDAaL Ratio:** Adjusted Net Debt (excl. leases) divided by Adjusted EBITDAaL for a stated period, expressed as a multiple;

**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;

**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;

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

**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;

**Owned Towers:** Refers to ground-based towers, rooftop towers, and cell-on-wheels. Our Towers support wireless telecommunication equipment, and we measure the number of Owned Towers by considering the number of towers which are owned by all consolidated subsidiaries of the Group;

**Revenue generating subscribers (“RGS”):** 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;

**Shared Towers:** Refers to a subset of Owned Towers, specifically those towers which are owned by companies in our Group which provide passive telecommunications infrastructure services. We measure the number of Shared Towers by considering only those Towers with at least one Tenant at the date of measurement;

**Tenancy Ratio:** Represents the average number of Tenants per Shared Tower across our portfolio. Tenancy Rate is calculated by dividing the number of Tenants on Shared Towers by the number of Shared Towers at the date of measurement;

**Tenants:** Refers to the number of distinct customer points of presence across our Shared Tower portfolio;

**YoY:** Year-over-Year;