



## Scalable investment with high return potential in the telecom tower business consolidation in Africa

- **Strong underlying growth in a high risk environment**

Rapid expansion of mobile phone use in Africa  
Ongoing consolidation

- **Undisputed African leader**

- **Recent hypergrowth** leading to ...

- ...an already **large installed base of towers**

**\$779m** equity invested

**~26%** equity stake

**35%** of voting rights with  
**co-investors**

# Issam Darwish – Executive Vice-Chairman and CEO of IHS Holding Ltd

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1992 BSc Computer Communications with distinction, American University of Beirut

Worked in many emerging countries & for close to 20 years in Nigeria

More than 25-year experience in the telecom industry

Co-founded IHS in 2001



W E N D E L



Towers of strength



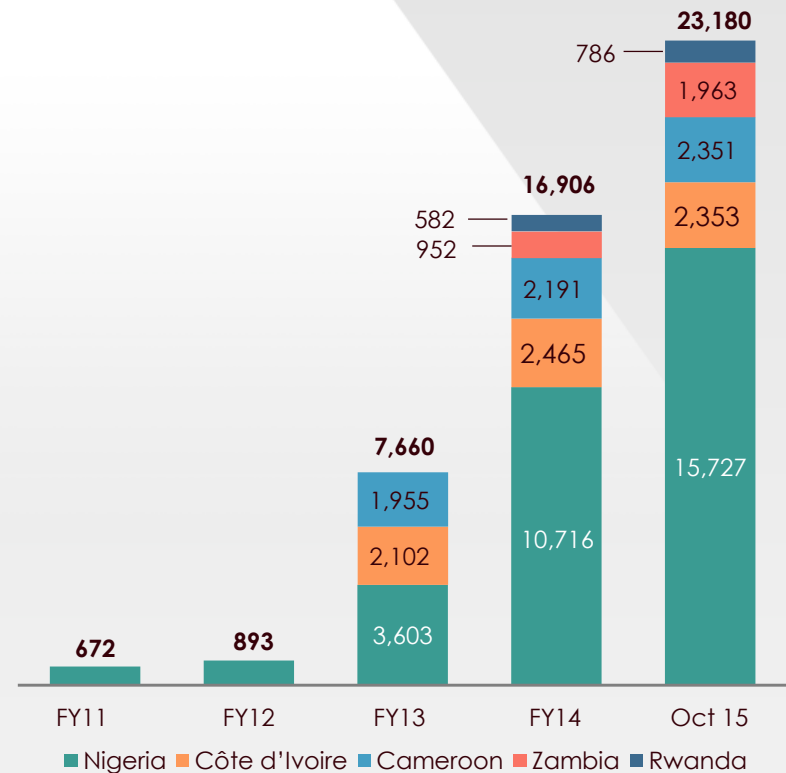
IHS

Issam Darwish – Vice-Chairman and CEO of IHS Holding Ltd

# IHS – a top ten global towerco

IHS is one of the leading towercos in the world which has grown significantly over the last 3 years

Rank	Towerco	Countries	Count
1	American Tower <sup>(1)</sup>	USA, Brazil, Chile, Col, Per, Mex, CR, Ger, Ind, Gh, SA, Ug, Nig	141,077
2	China TowerCo	China	120,000
3	Indus Towers	India	116,942
4	Reliance Infratel	India	52,000
5	Crown Castle	USA	39,663
6	Bharti Infratel	India	37,196
7	GTL Infra.	India	29,432
8	SBA Com.	USA, Pan, CR, Nic, Guat, Salv.	24,393
9	<b>IHS Towers<sup>(2)</sup></b>	<b>Nig, Cam, CIV, Rw, Zam</b>	<b>23,180</b>
10	CTIL	UK	18,000
11	MBNL	UK	18,000
12	KGI Wireless	USA	18,000
13	Tower Bersama	Indonesia	15,199
14	Cellnex	Spain, Portugal, Italy	15,140



(1) American Tower count pro forma for 42,200 Viom towers in relation to the acquisition of a controlling interest announced on 21 October 2015.

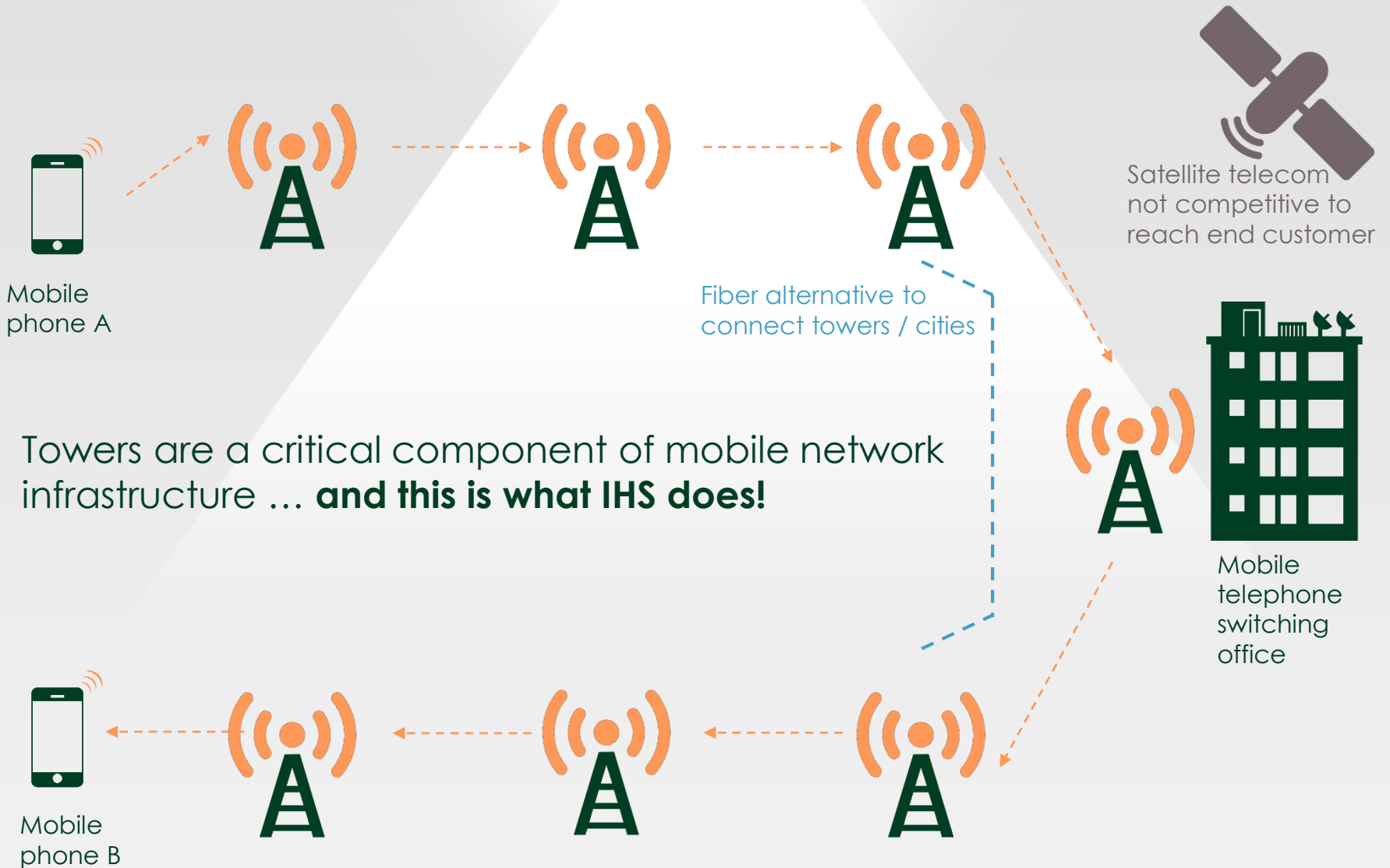
(2) Actuals as of October 2015 incl. Work in Progress towers.



# African telecom markets

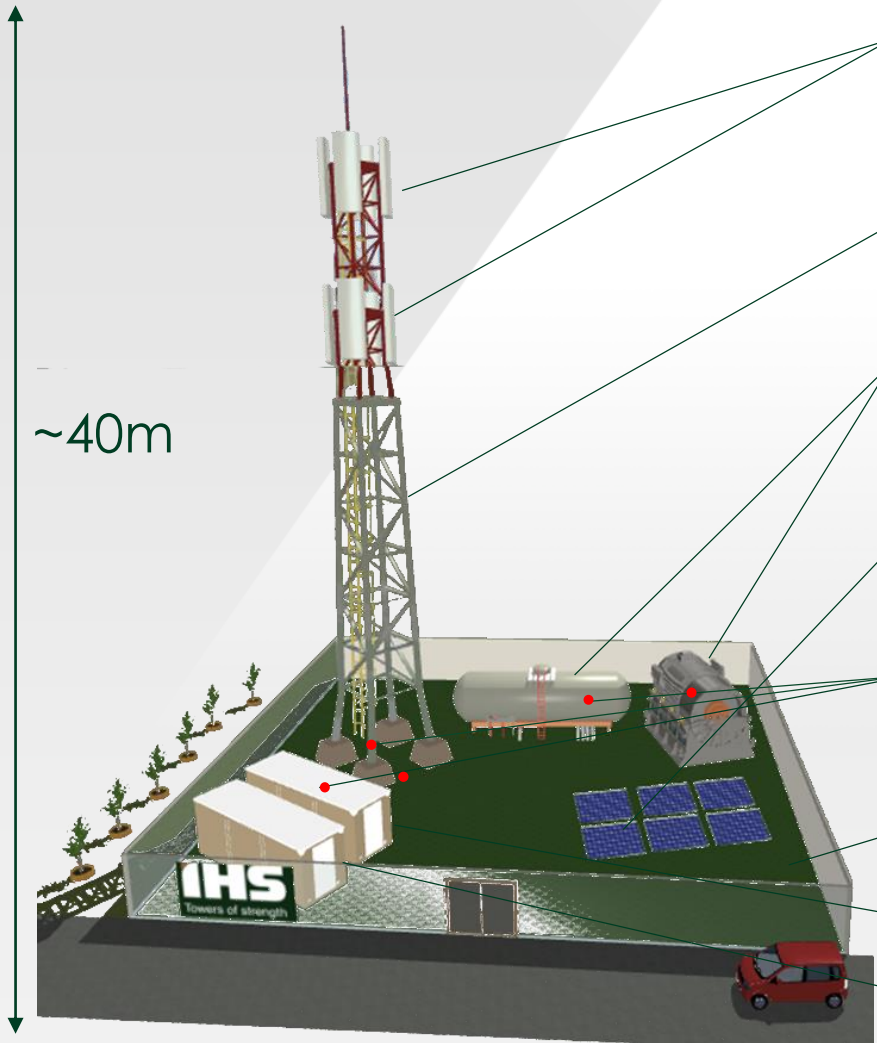
A high growth market

# Let's take a look at infrastructure



# Let's take a look at a tower

The model is constantly evolving, while taking into account African specificities



**Active equipment antenna**  
Sharing potential?

## Tower structure

Capacity for multiple antennas  
Galvanized steel or lightweight material

## Generator

Diesel-run generator, fuel saving technology and battery

## Solar panel

By end of 2016, 80% of tower connected

## Sensors

Connected to the Network Operating Center (NOC)

**Land** Leased for c.10 years,  
Fenced and often protected by security

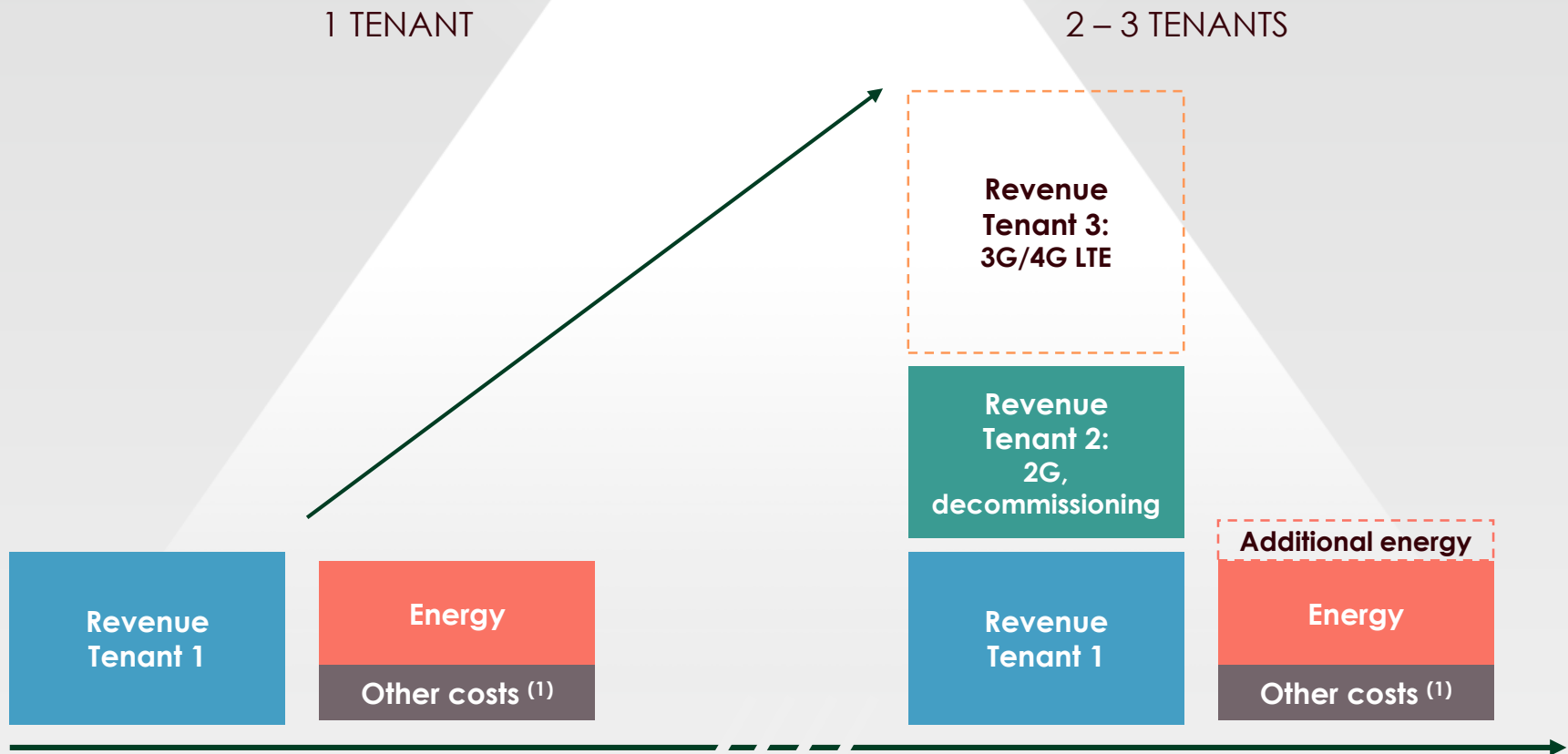
## Shelters

**Operator electronic equipment**  
**Fiber connection**

*Africa-specific:*  
Due to the lack of infrastructure and power supply, tower have to be self-sufficient

# The power efficiency and number of tenants are the key profitability drivers

Operating leverage effect



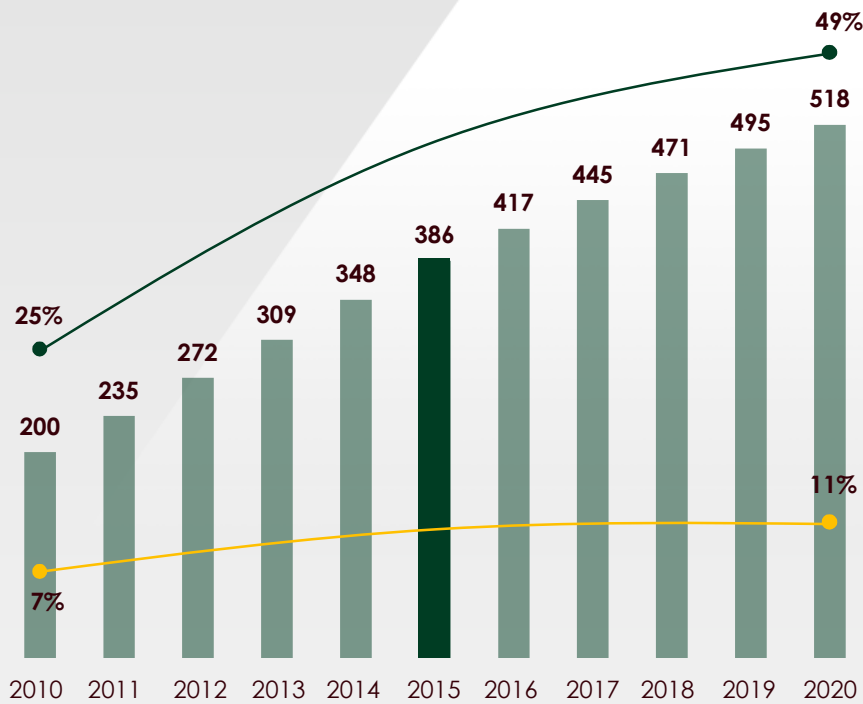
FX strategy:

- Maximize USD revenues (> 40% of total revenues) whereas costs are mostly local currency
- CPI clauses



# Telecoms are rapidly growing in Sub-Saharan Africa driven by subscriber growth and technology shift

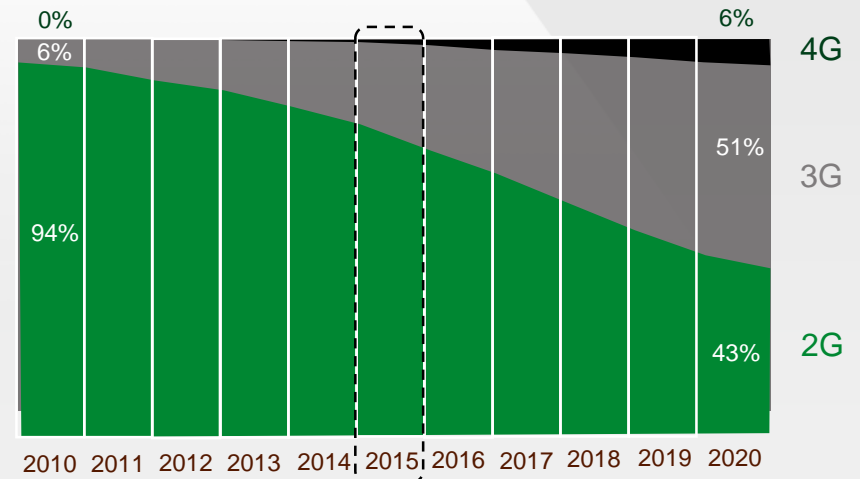
## SUBSCRIBER GROWTH IN SUB-SAHARAN AFRICA



■ Unique subscribers, M  
—● Share of global subscribers

—● Penetration

## TECHNOLOGY SHIFT ONGOING IN SUB-SAHARAN AFRICA



# Tower sharing is now a key feature of the mobile industry in Sub-Saharan Africa

## Coverage

- Population
- Geography

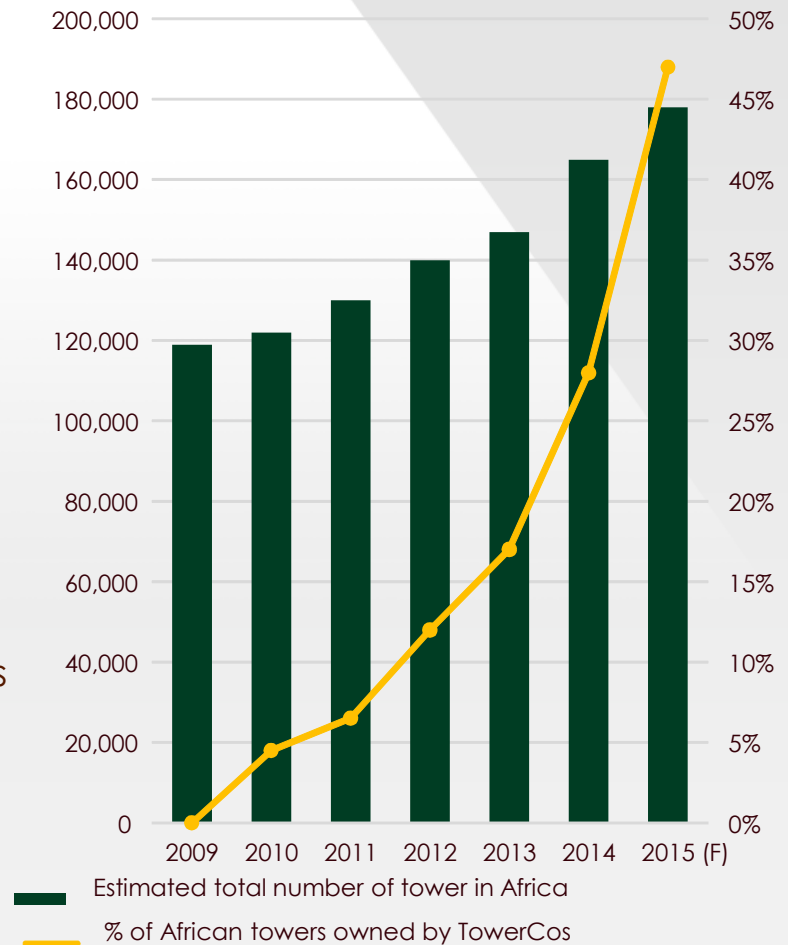
## Bandwidth

- Network saturation
- From voice to data

## Service level

- Pre-paid communications
- Economic disruptions

Tower sales to tower companies to continue increasing



The image shows two men in green polo shirts and orange hard hats at an outdoor site. They are looking at a clipboard held by the man on the left. The man on the right is holding a red clamp meter. In the background, there is a large metal tower structure. The scene is overlaid with a semi-transparent dark grey banner containing white text. The text reads: 'IHS is now #1 tower company in Africa and EMEA'. The IHS logo and tagline 'Power of Strength Across Africa' are visible on the man's shirt.

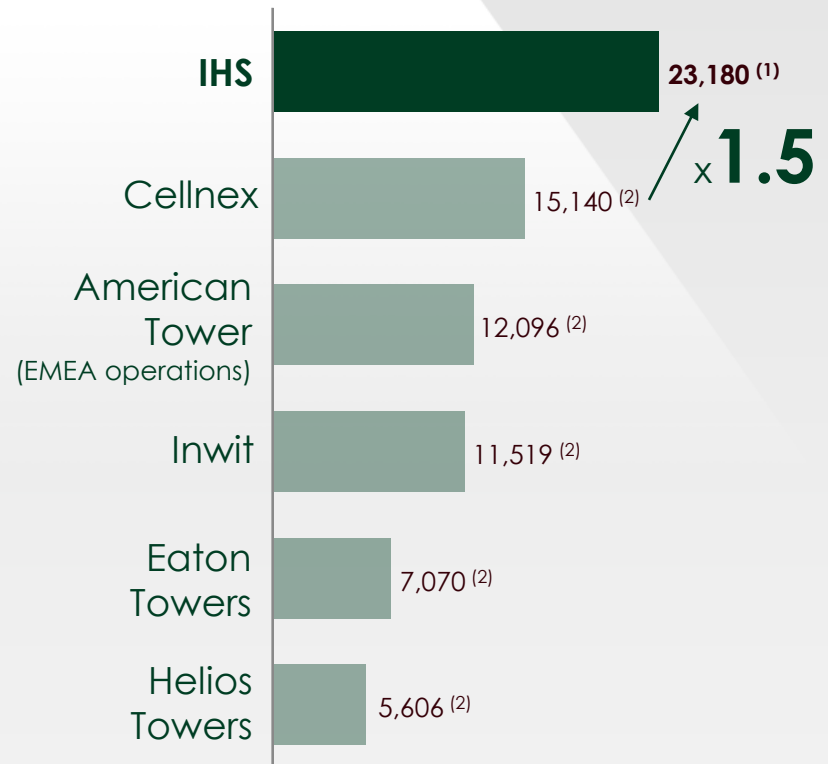
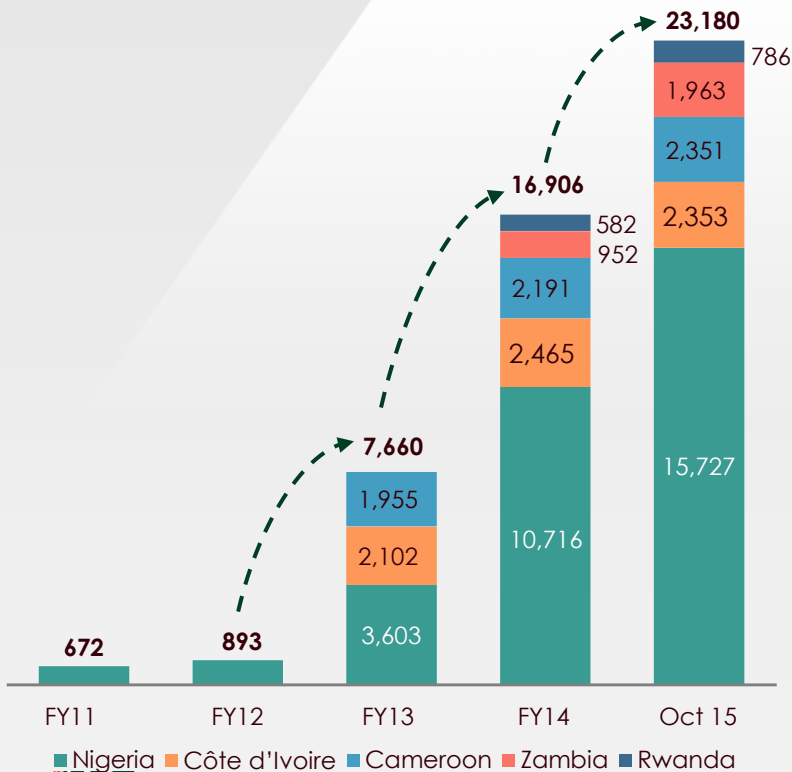
IHS is now #1 tower company  
in Africa and EMEA

# IHS will continue to leverage platform to lead growth and expansion in EMEA

IHS has become the **clear leader in Africa** and is the **largest TowerCo in EMEA**. This growth has provided IHS with relevant experience in differing operating environments, customer diversification and market **leading position in the 5 existing markets**.

MORE THAN 22,000 NEW TOWERS INTEGRATED OVER THE LAST 3 YEAR ...

... AND HAS BECOME THE LARGEST TOWER OPERATOR IN EMEA



# The best and largest tower portfolio in EMEA

IHS owns, operates and leases space on its towers to MNOs that install communications antennae.

**~23,200** towers portfolio, **~1,700** direct employees, of which ca. **80%** are technical, and **~42,000** indirect employees

## NIGERIA

#1 TowerCo in Nigeria

15,700 sites

Core market with 14 years of on the ground operating experience

Major clients:



## COTE D'IVOIRE

#1 TowerCo in Côte d'Ivoire

~2,350 sites

Since April 2013

Major clients:



## CAMEROON

#1 TowerCo in Cameroon

~2,350 sites

Since March 2013

Major clients:



## RWANDA

#1 TowerCo in Rwanda

~800 sites

Recently acquired MTN and Airtel towers

Major clients:



## ZAMBIA

#1 TowerCo in Zambia

~2,000 sites

Recently acquired MTN and Airtel towers

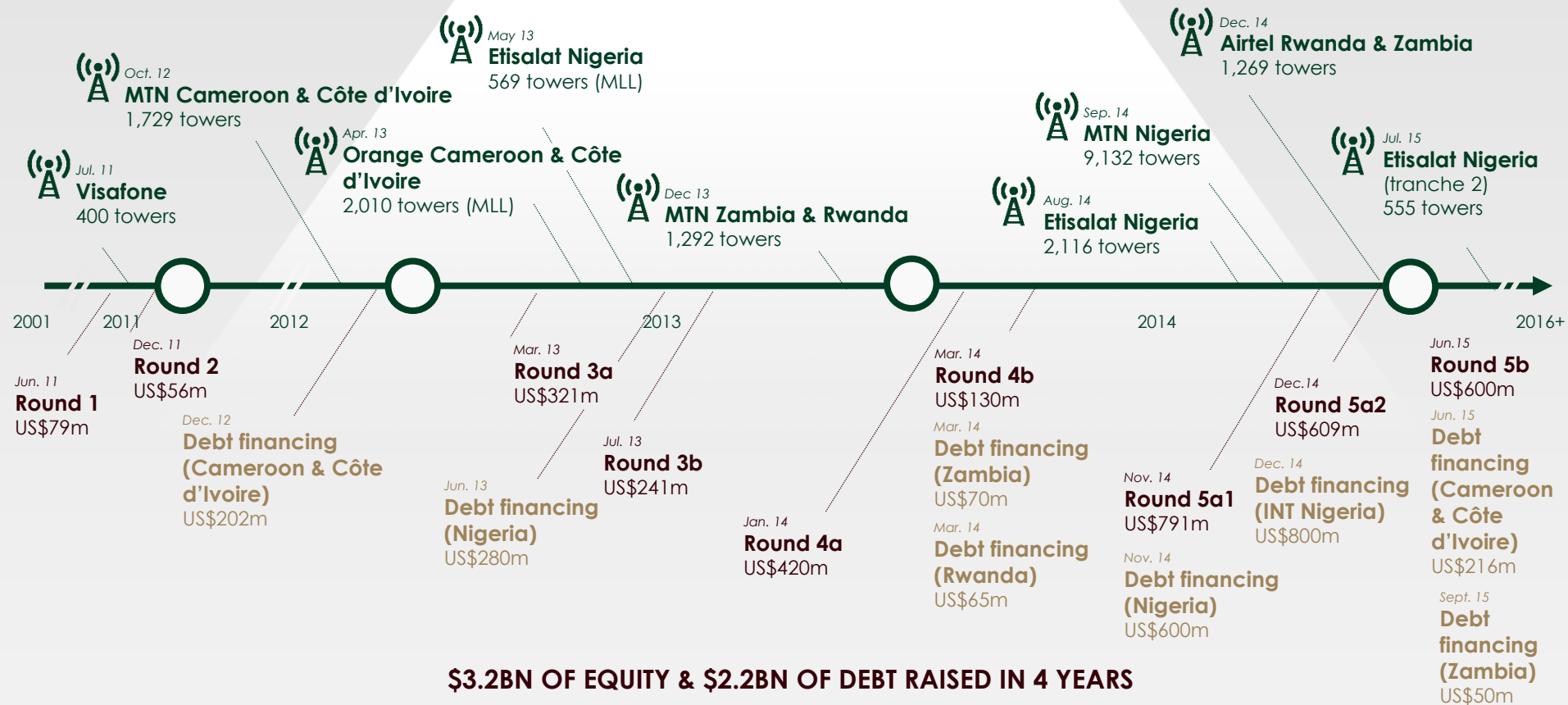
Major clients:



# IHS transformational change

- IHS has achieved substantial growth in a short period of time and built a significant platform for future growth
- 2015 has been focused on integration and operational excellence scale-up

## 13 ACQUISITIONS IN 4 YEARS



**\$3.2BN OF EQUITY & \$2.2BN OF DEBT RAISED IN 4 YEARS**

# IHS achieved its strategic plan 2 years early

## INITIAL STRATEGIC PLAN



Nigeria  
Côte d'Ivoire  
+ additional markets in 2016



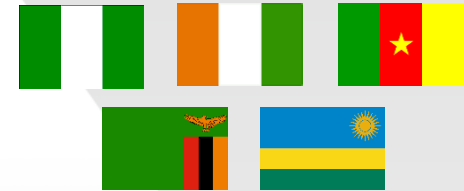
20,000 towers in 2018



Develop partnerships with key MNOs such as: MTN, Orange, Airtel & Etisalat

## ACHIEVEMENTS

2014: IHS is the leader in each country of its footprint



23,000 towers in 2015  
>15,000 integrated in 2014 & 2015



# Nigeria's strong market conditions will continue to fuel organic growth

## Nigeria Overview

- Successful democratic transition (general elections in Mar-15)
- #1 economy in Africa since 2014 following a decade of robust growth
- Population of 180m people, 60%+ under the age of 25
- Depreciation of the naira (-18% vs. USD over the last twelve months) but significant oil reserves and low debt

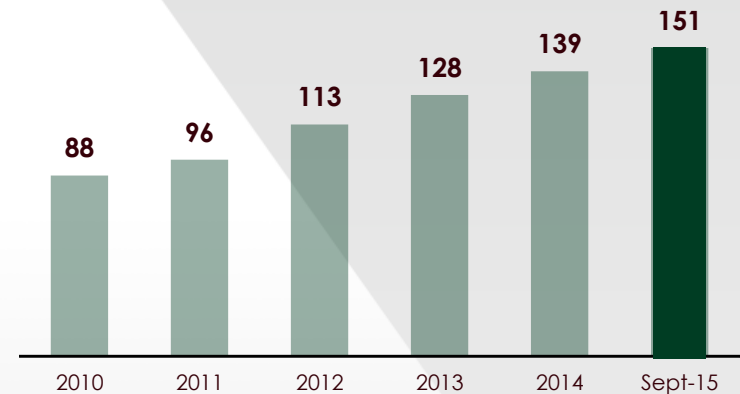
## Wireless Market Statistics

- Largest wireless market in Africa
- ~80% wireless penetration with strong potential
- Early stages of wireless technology development
  - Fixed line penetration of ~1%
  - Over 80% of subscribers using 2G handsets
  - Smartphone penetration of ~15%

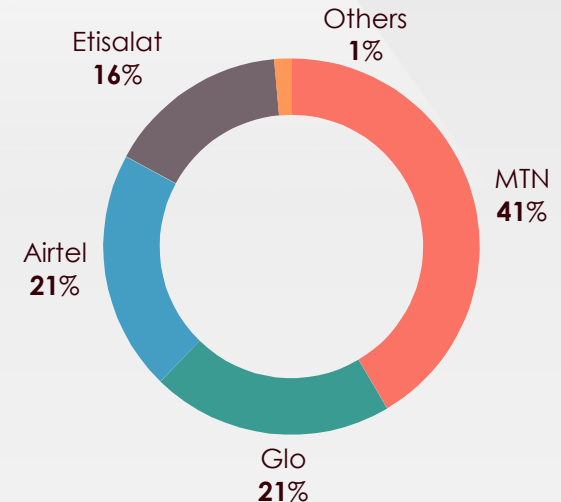
## Strong Ambitions of MNOs

- Increased coverage through colocation and BTS
- Renewed licenses for Airtel and MTN in Nov-15, while MTN is negotiating its fine

## ACTIVE LINES, MM



## MNOs MARKET SHARES, SEPT-2015

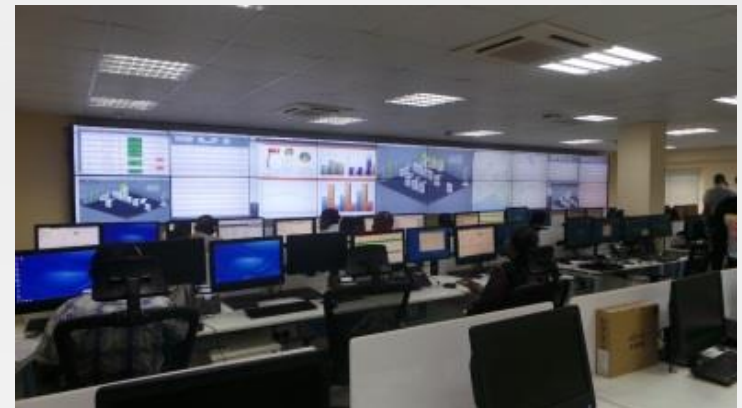




# Sept YTD – Strong operational and financial performance

	9M 2014	9M 2015
<b>Towers <sup>1</sup></b>	11,047	23,180
<b>Revenues, \$m</b>	207.6	507.6
<b>Growth</b>	81.5%	144.5%

- **4 acquisitions totaling c. 6,000 towers have been realized in 2015** (Airtel Rwanda, 2<sup>nd</sup> batch of MTN Nigeria towers, Etisalat additional portfolio and Airtel Zambia)....
- ....while maintaining top level quality of services (99%+ ) in all countries of operation
- **Accelerated deployment program to connect towers to the NOCs:**
  - Over \$70m invested in Nigeria in 2 state-of-the-art NOCs in Nigeria
  - All towers should be connected by end of 2016
- **Continuous improvement in profitability**
- **Lease-up ratio (LUR) has increased for every vintage**
- **Strong commercial momentum**
  - Strong colocation order book
  - Significant BTS program



The image shows two male technicians in green polo shirts and orange hard hats. They are standing outdoors at what appears to be a power station, with a large metal lattice tower in the background. The technician on the left is holding a clipboard and a pair of yellow and grey work gloves. The technician on the right is holding a red handheld electronic device. Both shirts feature the IHS logo and the slogan 'Power of Strength Across Africa'. A semi-transparent dark grey horizontal band is overlaid across the middle of the image, containing the text 'Key IHS initiatives' in white serif font. A thin white diagonal line is positioned to the left of the text.

# Key IHS initiatives

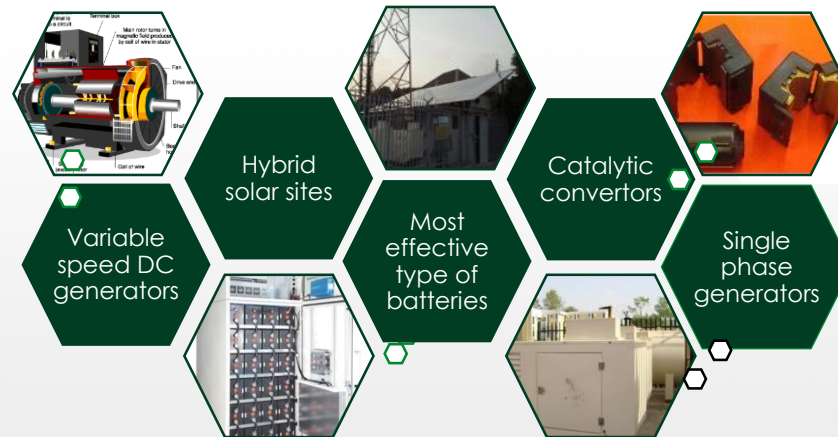
# IHS has massively invested in power solutions

## Proven and successful strategy

ca. **\$500m** spent across Africa in power systems since Q1 2013



**Reduction of diesel consumption by 50%** last year across the continent



## Going forward

ca. **\$1bn** to upgrade power systems throughout 2015-17



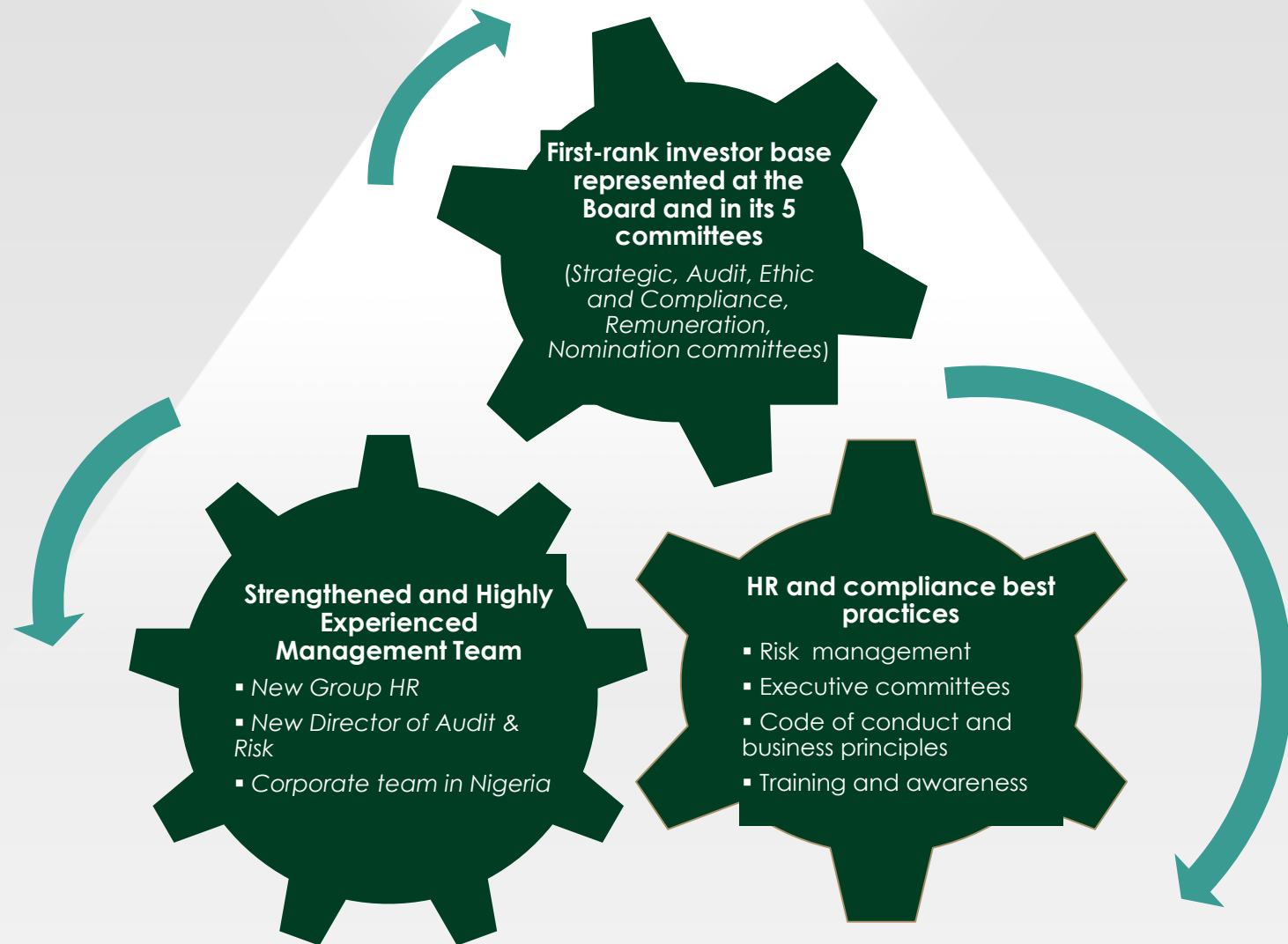
By the end of 2016, **80% of all tower sites** will be run on **hybrid solar** solutions

Objective of up to **72MW of solar energy** produced in **Nigeria**, generating a **saving of 500l diesel / tower / month**.

Over the next 2 years, IHS plan to become **diesel neutral** in **Zambia**

# Corporate governance has been taken to the next level

In line with the UK corporate governance code



# Sustainable business for all Africa

4 interdependent key areas of CSR policy



## Education & empowerment

*Ex. of education projects: scholarships to refurbishments*



## Business ethics

*IHS abides by every anti-bribery and corruption law, whether international or local*



## People

*1,700 employees in Africa (direct workforce)  
42,000 including indirect subcontractors, o/w > 300  
work exclusively for IHS*

***IHS wants to be the 'best company' to work with, in  
all its countries of operations within three years***



## Environment

*Green Energy and hybrid solutions*

# IHS updates its medium & long-term strategy

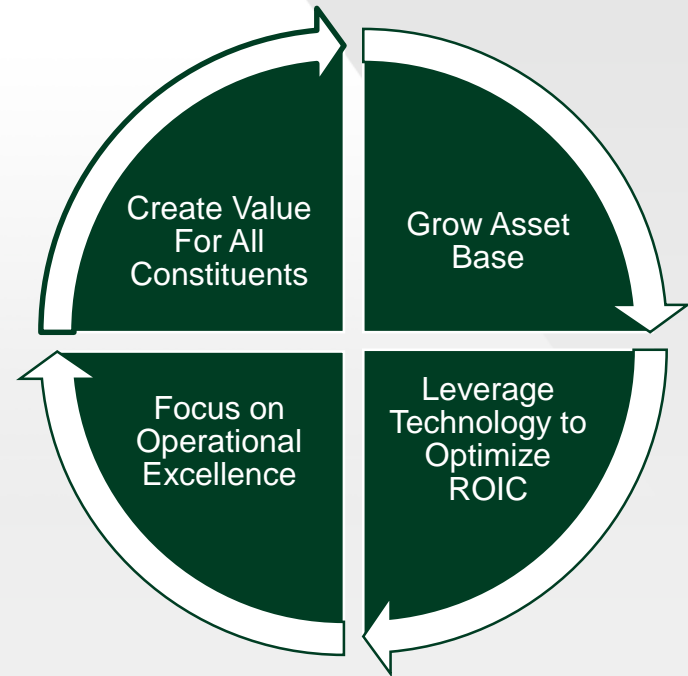


## 2015

- Focus on cost saving initiatives
- Focus on driving LUR
- Organic BTS programme
- Consolidate leading position in each market
- Refinancing of local debt

## 2016 - 2019

- Continue improving margin through LUR and cost
- In-market consolidation
- Portfolio diversification
- Potential bond issuance and IPO (?)



Number of Owned Towers:

**23,000+**

Number of Owned Towers:

**c.40,000**

**DEVELOP IHS AS A GLOBAL LEADER**