Helios Towers
FY 2024 Results

Thursday, 13th March 2025

Overview

Tom Greenwood

CEO, Helios Towers

Introduction

Hi, everyone, and welcome to the Helios Towers 2024 earnings call. I hope you and your families are all doing well, and thank you very much for your time today. I am Tom Greenwood, Group CEO. We are very excited to be here discussing our 2024 results, which included record tenancy additions and strong organic top line and bottom-line growth.

2024 marks a pivotal point in the Helios Towers evolution, where we moved into a surplus free cash flow phase of our journey. Our rigorous capital allocation framework is serving us well. First, we invest CAPEX in high return projects to deliver this organic growth. Second, we optimise our balance sheet with the appropriate level of financial leverage.

What we saw over 2024 is that Helios Towers now has the scale in our business model, where recurring surplus free cash flow will be generated with an improvement of $100 million over the course of the year to report $19 million of free cash flow for the full year.

Our capital allocation framework will remain firmly in place investing and continuing this organic growth. But with rising returns on our capital, the surplus free cash flow will grow. So we will move our capital allocation framework focus to the third bucket that of shareholder return.

You will hear more on this topic as the year progresses, and I look forward to discussing this more with you, our shareholders, through the course of this year.

Today's presenters

Moving to page two. We have got the usual lineup for you of me, Tom, Manjit and Chris.

Agenda

And as we see on page three, we will cover the business, strategic and financial highlights and then be open for Q&A at the end.

Now first of all, I would like to say a huge thank you and well done to all of our people, partners and customers across the business whose collective efforts have driven the strong performance in 2024. The business continues to be optimally positioned in closing the digital infrastructure gap across Africa and Middle East. The region grows faster than anywhere else in the world.

Our telecom tower leasing and tower model, which involves hosting multiple mobile operators on individual sites, ensures a robust and predictable cash flow stream, which grows significantly as tower utilisation increases with the proliferation and densification of mobile networks.

Our business model, coupled with our ability to execute operational excellence has driven 10 years of uninterrupted EBITDA growth at 26% compounded annual growth rate since 2015. There is fundamental and structural growth across the region with population growth of 3% per year, which has been doubling by 2050. Coupled to this, only 50% of the population have a mobile phone today, which compares to 90% in Europe and North America.

Subscribers are growing at 5% per year and data consumption is forecast to grow by 4 times in the next five years, which is double the rate of the rest of the world.

Through our laser-focused business excellence strategy, we aim to provide the best customer service in the market and deliver global quality standards to ensure we are the digital infrastructure partner of choice for our customers. In doing so, we support the essential connectivity for the 150 million people who are covered by our mission-critical towers, where mobile is often the only available form of communication. As well as voice and messaging, this provides the platform for data applications such as banking, education, health, AI, social media and streaming, services essential for life in today's world.

In short, our business provides investors with a unique opportunity of world-leading infrastructure growth rates and high quality cash flow returns to deliver significant value as we move forward in our next chapter.

Highlights

Now to page five for the highlights. In 2024, I am pleased to report that we delivered very strong growth and exceeded expectations across all key metrics. It was a particular standout year because we inflected the bottom-line free cash flow generation for the first time, following previous years of large platform investments.

We are now really seeing that switch in the business and motoring forward, going up the gears and accelerating performance and recurring surplus cash flow generation. We have made solid progress towards our 2.2 by 2026 tenancy ratio strategic objective arriving at 2.1 tenants per site by the end of 2024, driven by adding close to 2,500 tenants in the year, most of which were colocations, and this was our highest year for organic tenancy additions of all time.

The largest rollouts were in Tanzania and Oman, where respectively, 4G and 5G coverage and densification were the key focus. Through our customer partnerships and operational capabilities, we were able to ensure safe and fast rollout of hundreds of new points of service, thereby enabling mobile access and improved quality of service to millions of people across the market.

Organic tenancy growth and tenancy ratio increased are the main drivers for our strong financial metrics. In 2024, we delivered 10% revenue growth, 14% EBITDA growth, 1 percentage point ROIC increase, and very importantly, a $100 million positive swing in our free cash flow versus the prior year.

2024 was the first year in our history, where we delivered surplus free cash flow of $19 million, whilst at the same time delivering strong top and bottom-line growth. This shows our strategy of increasing asset utilisation to drive returns and cash flow is very much delivering.

Furthermore, our leverage continues to decrease now to 3.98. Our credit rating has now been rerated upwards again for the second time within 12 months. We now stand at BB- with S&P.

We move forward with a strong balance sheet with fixed interest costs, meaning that growth in operational cash flow, off a fixed cost base, drives amplified growth in bottom line free cash flow.

Turning our focus now to 2025, we see the momentum of 2024 very much continue in terms of operational business growth, cash flow generation and leverage reduction. We are guiding to 2,000 to 2,500 tenancy additions, which drives EBITDA growth. And with our CAPEX, focusing on high returning tenancies being carefully controlled at similar levels to 2024. All of this drives 2025 bottom line free cash flow surplus up 2 to 3 times from 2024 levels and leverage down 0.5 turn again to 3.5.

As we move into this new territory of lower leverage and surplus free cash flow generation, we are very much looking forward to engaging with investors over the coming months on potential shareholder distributions from 2026.

FY 2024 guidance exceeded

Moving now to page six. We can see here that the consistency of our delivery against guidance across the board. We have exceeded guidance on all metrics in 2024, following upgrades and tightening through last year and feel very good about the strength of our team in delivering this performance and our ability to continue our disciplined growth and delivery in 2025 and beyond.

The 2025 year for all of us is about the operational metrics driving a steep step-up in surplus free cash flow to our guided range of $40 million to $60 million, and leverage coming down to the mid-3s.

Ten years of uninterrupted adjusted EBITDA growth through our resilient and predictable business model

Our focus and drive for future performance is backed up by our historical performance, as we see on page seven.

2024 marks 10 years of US dollar EBITDA growth at an annual compounded rate of 26%, showing our resilience and ability to deliver. The drivers for this are threefold:

- One, the structural macroeconomic and mobile telecoms growth in our market, which are growing multiple times faster than the rest of the world when it comes to population, GDP, mobile subscribers and data;
- Two, our long-term cash flow business model, which provides predictability and I will come to this on the next page; and
- Three, the strategy and capability of our team to deliver customer service excellence in a structured and methodical way to our leading mobile operator customers aiming to be the partner of choice for all mobile infrastructure needs.

With the growth dynamics set to continue for decades ahead and our team's dedication to customer partnership and operational excellence, we are ready to continually innovate and continue this trend for the next 10 years and beyond.

Our business model: long-term tenant cash flow with ROIC enhanced through multi-occupancy

Now on page eight. I will talk you through our business model. Whilst the operational complexities of running thousands of sites across millions of miles of land, often with poor road and grid infrastructure, can sometimes be highly complex. The high level unit economics of our business is beautifully simple.

We are essentially a real estate and power company for mobile operators and create cash-on-cash returns in excess of our cost of capital through enabling the sharing of infrastructure. We own and operate the passive infrastructure of a site, which means the tower, the power and the security equipment.

We guarantee power uptime at close to 100%, providing maintenance and security services at the site. In this way, the mobile operators have outsourced a non-core but essential activity to us, which means they can focus on the front-end radio and transmission networks and all the intricacies that come with that, whilst we keep the site powered up and manage site access.

When we buy or build a site, we will always have at least one tenant on, the anchor tenant from day one. We then increased the utilisation of the tower over time through adding colocation tenants. The first tenant, the anchor provides a cash-on-cash ROIC of 12%, covering our cost of capital. Then with the second and third tenant, the ROIC steps up to 25% and 34%, respectively, reflecting the incremental revenue coming through on the relatively fixed cost base.

The long-term cash flows and resilience of the business come back about to the long-term nature of mobile networks, which is mirrored in our lease contracts. These are typically 10 to 15 years minimum term, include annual CPI and power price escalators. The majority of our revenue is dollar or euro based.

As at the end of FY2024, we had $5.1 billion of minimum contracted future lease revenue across all our tenancies, equating to an average seven years of lease length remaining. This is before renewals or adding any new tenancies. This provides a very robust future revenue stream base for the coming years, supporting our balance sheet and further growth as we add incremental tenancies to drive higher earnings and cash flow generation in the future.

Strong and consistent tenancy additions reflects structural growth and customer service focus

On the subject of adding tenancies, let us move to page nine. Here, it shows our consistent track record of successfully adding tenancies at a 7% to 10% rate every year since 2019. This reflects our 24/7 relentless focus on delivering customer service excellence on power uptime, speed of rollout and overall customer experience to ensure that we work with our customers and partners to understand their needs and requirements early so that we can be operationally ready to deliver for them when they need us.

Our focus for 2025 is clear, we aim to deliver between 2,000 to 2,500 new tenancies, and we already have a strong pipeline at this point in the year.

2024 was a milestone year as the business inflects to positive and growing free cash flow

Now moving to page 10. I wanted to talk about how our tenancy ratio focus and 2.2 by 2026 target is directly driving ROIC and free cash flow returns. In 2021 and 2022, we successfully acquired portfolios in four new markets, doubling the size of the platform and diversifying our business on a geographic and customer basis whilst also increasing our hard currency earnings mix.

We were acquiring tower portfolios from mobile operators, which are often inherently underutilised. These four portfolios came with an average tenancy ratio of 1.2. Therefore, on a short-term basis, this brings about dilution of key metrics like tenancy ratio and ROIC, as well as being free cash flow consumptive with over $1 billion invested.

Then following ownership transfer to Helios Towers, we said about embedding our operational excellence on the assets to drive efficiencies, and most importantly, start adding second and third tenancies to the new towers we have just acquired.

We have made strong progress since 2022, with tenancy ratio going from 1.81 to 2.05, ROIC going from 10.3% to 12.9% and free cash flow going from $721 million negative in 2022 to $19 million positive in 2024. In the space of two years since our last acquisition, ROIC is in the excess of our WACC and growing, and free cash flow has inflected by almost $750 million to become positive in 2024, and the surplus will be stepping up steeply in 2025 and beyond.

Capital allocation priorities

Which brings me on to page 11 to reiterate again our disciplined capital allocation policy. We continue to prioritise capital-efficient and high-returning organic growth, principally colocations and selective new builds. This drives our operational EBITDA and cash flow growth, meaning that we continue to delever at about 0.5 turn per year, now being below 4x and heading to 3x in 2026.

Having delivered positive surplus free cash flow in 2024 and expecting for that to step up in 2025 and each year beyond, our cash flow profile and balance sheet will be in the position to support potential investor distributions from 2026, and we will be engaging with all investors on this over the coming months.

Finally, M&A continues to be deprioritised for us for the foreseeable as we prioritise organic growth within our existing markets to drive high quality cash flow generation and shareholder returns.

With that, I will hand over to Manjit for the financials and look forward to talking with you at the Q&A.

Financial Results

Manjit Dhillon

CFO, Helios Towers

Targeting compounding free cash flow growth in 2025

Thanks, Tom, and hello, everyone. Great to be speaking with you all today. Starting on slide number 13, I will be going through the financial results.

As Tom has outlined, 2024 was a year of continued delivery across multiple metrics and free cash flow inflection, as is shown in the chart on this page. On the far left-hand chart, you will see we have delivered another year of strong tenancy growth, beating our upside guidance and improving lease up by 0.1x. This has really been the key driver of our EBITDA growth of $51 million year-on-year.

It is the combination of capital efficient growth through colocation lease-up and also leveraging operational improvements, which has driven our return on invested capital by 1% to 13%. We are expecting similar progression in 2025, expecting to reach 14%.

Importantly, we saw an inflection in our free cash flow. We had guided to neutral and ended 2024 with positive $19 million, which is a $100 million increase year-on-year. You can really see the swing over the last few years on the far right-hand chart, where following key investments to expand to new high-growth markets, we have and will continue to leverage the expanded portfolio to drive capital-efficient organic growth in line with our capital allocation strategy, which Tom just went through.

Excitingly, we see the cash compounding returns come through, and we expect to see 2025 ending at circa $40 million to $60 million of free cash flow. I think this page really sums up the key successes of 2024 but also sets up that this is just the springboard for 2025.

FY 2024: Tenancy additions driven by structural growth, leading market positions and customer service focus

Now to jump into some of the detail and moving on to page 14, our sites and tenancy growth.

From a site perspective, we saw our sites growing by 2%, representing an incremental 228 sites year-on-year. We are very selective in our approach to new site rollout, ensuring the sites have clear lease-up potential and try to partner with M&As to identify and build in the most attractive locations.

From a tenancy perspective, we had record organic tenancy additions of 2,481 tenancies year-on-year, a 9% increase, and that was really driven by our three largest markets of Oman, Tanzania and DRC. We are pleased to see that our tenancy ratio continues to track well to our 2.2 tenancy ratio target by 2026, following a 0.14 tenancy ratio expansion year-on-year, ending at 2.05.

FY 2024: Revenue growth driven by tenancy additions, underpinned by contracted revenues with multinational customers

Moving on to slide 15, our revenue growth. We have seen revenue growth of 10% year-on-year with growth in revenues across all three of our geographic regions. We have a strong hard currency profile with 68% of our revenues being in hard currency, which translates to 71% of our adjusted EBITDA being in hard currency.

Four of our markets are innately hard currency, including DRC, Senegal, Oman and Congo Brazzaville being either dollarized or pegged to the euro, meaning that the revenues our customers receive are hard currency, which is also what they pay us.

In our remaining markets, we also have a portion of revenues linked to hard currency, adding further to the overall mix. Our earnings are then further protected by contractual protections, including power and CPI escalators, with CPI escalators typically escalating in Q1 and power escalators escalating either quarterly or annually depending on the contract.

98% of our revenue comes from the large blue-chip mobile network operators with no single customer accounting for more than 26% of our revenue as you can see in the second pie chart.

Finally, we signed into a long-term agreement with our M&A partners with initial terms of 10 to 15 years and are largely noncancelable. Today, our contracted revenue of $5.1 billion has an average remaining initial life of 6.9 years. In other words, we have secured a minimum revenue stream of $5.1 billion without pursuing any new business. This provides a strong

underlying earnings stream that we can complement with further growth driven by tenancy rollout.

All the dynamics mentioned in the bullet, really do demonstrate the robust earnings stream we have.

Adjusted EBITDA growth is highly correlated to tenancy additions and resilient to FX, CPI and power price movements

Moving on to slide number 16, we show how these dynamics work in action. Here, we present the usual analysis showing the key drivers of revenue and EBITDA growth in a bit more detail. As with previous results presentations, the key driver of growth has been tenancy additions with the escalators effectively working to offset macro movements to protect our EBITDA on a dollar basis. This is shown clearly on the two bridges presented here. With power, CPI and FX broadly offsetting one another to ensure growth is driven predominantly by tenancy additions and operational leverage.

10% revenue growth from organic tenancy additions drove 10% revenue growth year-on-year. 15% EBITDA growth from tenancy additions drove 14% EBITDA growth year-on-year.

In short, the key driver of growth is through tenancy additions and operational leverage from lease-up and we demonstrate again that the business structure continues to be robust and resilient and operating our designs.

Over the last ten years our adjusted EBITDA has been driven by tenancies, with little impact from macro volatility

On to slide number 17. Here, we present the correlation between our adjusted dollar EBITDA growth and tenancy additions over the past 10 years. Despite movements in some FX rates and Brent crude, as shown in the dotted lines, our business model has continually delivered consistent US dollar EBITDA growth over that time and demonstrates an extremely high correlation to tenancy growth with an R-squared of 0.96, which is almost perfectly correlated. Again, this demonstrates that our business has been effectively set up to grow with tenancy additions, which, as you saw in Tom's section, has been remarkably consistent since IPO. And importantly, through structural growth dynamics is expected to continue to grow over the long term. Therefore, drive further dollar growth.

CAPEX is tightly controlled and focused on ROIC accretive opportunities

Now moving on to slide 18 and look at our CAPEX. CAPEX is tightly controlled and focused on capital-efficient opportunities that drive return on invested capital expansion. For the full year, we incurred total CAPEX of $169 million, which is primarily made up of $93 million of growth CAPEX, reflecting the record tenancy growth we have seen this year and $42 million of non-discretionary CAPEX.

This was slightly below our guidance, largely reflecting the fact that we had a higher number of colocation additions.

Looking out to FY2025, we are guiding to $150 million to $180 million of full year CAPEX of which $50 million is non-discretionary.

Extended maturities and largely fixed rate debt provides interest cost visibility

On to slide number 19. Looking at our leverage and debt. Our net leverage at the end of Q4, decreased by 0.4x year-on-year to just under 4 at 3.98, as two decimal place and in line with

guidance. We have approximately $255 million of undrawn facilities at both Group and OpCo levels. Together with $160 million cash on balance sheet, means we have over $400 million of available bonds.

As a reminder, 92% of our debt continues to be at fixed rates following our successful bond refinance earlier in 2024, and we have no near-term maturities until 2027.

Finally, we were delighted to receive our second credit rating upgrade by S&P within a year to be awarded a BB- in February 2025, which reflects a combination of the business performance but also the improved software and credit ratings of our market with Tanzania, in particular, receiving a positive update.

Operational and financial leverage supporting +$100M FCF improvement

On to slide 20. We set out a bridge here showing the drivers of our free cash flow. Our strong adjusted EBITDA performance supported portfolio free cash flow growth of 11% year-on-year. Our recurring leverage free cash flow and the bar that says RLFCF is a metric that reflects the capital available to management to deploy on discretionary CAPEX, debt paydowns and/or shareholder distributions.

This increased by 59% to $148 million, demonstrating the leverage on our largely fixed cost finance costs and improving working capital. Importantly, we have now inflected our free cash flow to positive $19 million, as mentioned earlier, and that reflects an improvement of $100 million year-on-year.

With continued execution of our capital allocation strategy, again, targeting capital-efficient organic growth investments, we expect to see further free cash flow growth in 2025 and beyond, which takes us to slide 21, where we provide guidance for 2025.

FY 2025 Guidance

As we continue to see progress in our 2.2 strategy, we target between 2,000 to 2,500 tenancies for the year. For adjusted EBITDA, we target between $460 million to $470 million, meaning we are estimating double-digit growth at the midpoint in 2025. CAPEX target $150 million to $180 million, of which $100 million to $130 million is discretionary and $50 million is non-discretionary.

Free cash flow, we expect to be between $40 million and $60 million, more than doubling from 2024 levels.

Finally, we expect to end 2025 at roughly 3.5 net leverage. All in all, we are really pleased with the delivery in 2024 and the two milestones of inflecting free cash flow and our 10th year of adjusted EBITDA growth, reflecting the efforts of our fantastic colleagues. I am really very excited about the prospects for 2025 and beyond.

With that, I will pass back to Tom to wrap up.

Conclusion

Tom Greenwood

CEO, Helios Towers

Key takeaways

Thank you very much, Manjit. I am on page 22 now for the takeaways. Look, I think the business has really had a good rhythm. We have got great momentum coming into 2025. We are getting closer to our strategic target of 2.2 tenants per tower, making really good progress on that. The operational and cash flow related items are all growing significantly as we have outlined. We have got a solid pipeline of further tenancies to come in 2025.

As we have talked about, big focus on free cash flow expansion this year, doubling or tripling from bottom line surplus free cash flow that we delivered in 2024. We will be engaging with investors over the coming months for potential shareholder distributions from 2026. So a lot to be excited about, and we are very much looking forward to it.

I will hand back to Drew now to take the Q&A. Thanks, everyone.

Q&A

John Karidis (Deutsche Bank): I would like to hit two topics, please. One, guidance for adjusted EBITDA in 2025, and secondly, frontier risk. Consensus estimates right now are a whisker away from the top end of your guidance for 2025. How do you feel about that?

Then secondly, can you talk about the consequences to Helios Towers of the strife that seems to be continuing between Rwanda and DRC?

Tom Greenwood: Thanks very much, John. I will take both, and Manjit please feel free to chip in as well. We are really very confident about the business performance. The momentum that we are moving into 2025 is strong. I think the guidance we put out, it is solid growth, it is in line with market consensus. As we always do, we will be keeping everyone updated as we move through the year. We are confident of delivering well this year, like we always do.

On DRC. DRC, one of our most exciting markets, always has been. There is amazing opportunity there. We have operated in DRC for 15 years. Civil disturbances have been and is a part of working life there. We have had multiple elections, dollar outbreaks, sometimes unrest. But the key thing we focus on is we operate effectively in these environments by focusing relentlessly on the safety of our people and enabling the critical mobile services to continue.

Indeed, we maintain our virtually 100% levels of power upside during these times. That is the same today as it has been in the past. That is where our customers rely on us.

We are focused. Our DRC team is doing a great job. We have got a small number of towers, immaterial number for the Group in the affected area at the moment. Of course, mobile services are very much continuing to support the millions of people who live and reside there.

Manjit Dhillon: Yes. If I could just add on the consensus point. I mean one thing I would definitely point out here is that from a lease tenancy perspective, if you look back on the last few years, initial guidance, which, by the way, is also challenging, was always around 1,600 to 2,100. We are now effectively saying it is 2,000 to 2,500 from the beginning of the year,

which shows a sign of confidence in terms of how we are seeing the year shape up. I think that is a really key positive.

As I mentioned at the midpoint year-on-year, we are still seeing double-digit EBITDA growth on a dollar basis. Whilst we are keeping an eye on consensus, it is going to be a good year that we expect, and we will see how it comes out during the year, and we will keep people updated probably at the half year in terms of how we are panning out.

David Wright (Bank of America): A couple from me, please. First, just conceptually on the cash return debate. What are the factors that you think could weigh on your decision making? I would probably propose and I am sure you would agree with me that stock price does not reflect the value at the end of the business. So that could obviously represent very accretive M&A, so to speak, but you also have a liquidity issue. Just how you are thinking about the factors that drive the potential mix?

Then the second question is a little bit more top down. One of the attractive characteristics behind your business model is, of course, that mobile telephony is the dominant driver of connectivity across emerging markets because of the poor economics of fixed line. But there is a new player in town, which is satellite. I am just wondering to what extent you feel some of the operators are starting to think differently about network topography, whether it is essential to run mobile more deeply into rural areas or whether they might consider partnerships with satellite operators? I am interested in your thinking around that top-down subjects. Those two questions, please.

Tom Greenwood: Yes. Very good. Thank you. David, great questions. Manjit, why do not you take the first one on the capital allocation, and then I will take the second.

Manjit Dhillon: Yes, absolutely. Look, on capital allocation, not to punt the debate, but the reality is at the moment, we are still sticking to the capital allocation framework that we have today, which is very much focused on driving the really good organic investments that we have, a real focus on deleveraging and then looking at how that capital gets dispersed after that point.

We would very much agree with you that the shares are undervalued. As we go through our next phase of engagement with investors and as we continue to update our thinking, we will be looking at how we then look at that broader capital allocation framework there afterwards.

But to my mind, I think it is very exciting on the basis that at this process, we are at the point where we are now going to be generating further free cash flow and it really is then about that decision on how you then utilise it, whether it be dividend buyback, a combination of other thing, we will have to wait and see. But that is where we see things at the moment.

Tom Greenwood: Yes. Just to add, I mean, clearly, there is a great buying opportunity for investors. I think when the business is inflecting on free cash flow with a clear trajectory upwards and giving itself option on introducing potential new shareholder distribution policies. By the way, we are inflected on actually bottom line profit net income as well in 2024. It is really showing the direction of travel of the business and our ability to create real return for investors in the coming months and years. Very exciting time.

Then on satellite, yes, I mean, look, great question. Lot of the news about that at the moment. The satellites are a very interesting area because I think what they do, they

provide a complement and essentially increase the size of the pie of the connectivity market worldwide. There has huge differences between the spectrum capacity possible in a satellite beam versus a terrestrial beam and just to the extent that there will never be directly comparable from a quality of service point of view with any reasonable number of people using devices under that beam.

To put some numbers around that, LEO satellite beam has a diameter of between 25 to 100 kilometres. A terrestrial beam has a diameter of half a kilometre or one kilometre or something like that. They are both using the same spectrum capacity.

So the ability for satellite is very much for rural locations. It is very much for areas that towers and terrestrial networks cannot get to, like shipping and airplanes and some IoTs. Certainly, you can have a viable satellite business, particularly one of scale because of all of that growing demand in those areas. But the minute there is enough users in a location [inaudible] terrestrial antenna.

To extent that satellite companies doing partnerships with mobile operators, we think that is great, that opens up some ubiquitous coverage to areas that simply be impossible or uneconomical to cover currently. But as and when there becomes a reasonably small mass of users in those areas. There will need to be terrestrial tower put up.

In some circumstances, that could actually potentially see some acceleration of tower deployment, we think, in some rural locations.

Emmet Kelly (Morgan Stanley): I have also got a question, please, on the DRC. An announcement that actually came from a couple of your telco customers with Orange and Vodacom, announcing a JV, a TowerCo partnership to extend their networks. I think they plan to construct up to 2,000 base stations with solar power in that market. Can you say a few words about this? Is this a complementary? Is the threat to your business model? Is this something that we need to keep an eye on across emerging markets if telcos are building more of their own towers?

Then secondly, just on the capital allocation. You were pretty clear that M&A is off the table at the moment. You said that you will be selective about BTS. Can you say a few words about building towers, please? If you just set the balance sheet aside, would you rather build a lot more towers? As the balance sheet leverage comes down towards three, could we expect you maybe to build more towers in the future? So two connected questions, please.

Tom Greenwood: Yes. Thanks very much, Emmet. Great questions. Yes, DRC. Vodacom and Orange are two of our key customers there. We are continually working with them day in, day out. We very much enjoy working with them and very much continue to do. They are looking at this telco. We saw the release for that.

Yes, look, that is very much focused on the rural locations, where ARPUs are low. It is not really global or economical at the moment to have full scale towers. So we very much welcome that to improve connectivity across DRC. Remember, DRC is actually an outlier versus our other markets. It is over 100 million people but only 60% of those live in an area with any coverage whatsoever today.

There is 40 million people in DRC with no coverage, which is actually different to all of our other markets, where 95% plus people live in an area of some coverage. We are very

pleased to see that progression, and we continue to work with both of those customers and our other valued customers in DRC and expect to be very busy this year as well in DRC on new rollout.

Then capital allocation. Manjit, do you want to take that one?

Manjit Dhillon: Yes, sure. This is really about the build cycle. We had perhaps a light year in terms of builds during 2024. I think what we have seen actually is some of those builds that we had in the hopper during 2024 are actually coming into 2025. So we will see a bit of a tick up during the course of 2025.

But I would not say leverage is necessarily the reason why we are not building. We will always go and build and look at optimise organic investments. What I mean by that is there are a number of really attractive build-to-suit you can do, where you have high visibility in terms of potential lease up, which is a good investment. That will drive return on invested capital improvement, which is ultimately the aim of the game, trying to make that higher than our cost of capital.

As Tom went through earlier, 12% on day one, but really steps up their afterwards. So we will have capital available to do that to support our M&A partners to build. We will see a bit more coming during the course of the year. But we are very laser-focused as always, in terms of ensuring that we are trying to find the best locations where it has got the most opportunity to lease up and where we can partner with the most customers possible because that will actually: one, provide better coverage; and two, provide more of the cheaper coverage for the end consumer because you are sharing that fixed cost with more M&A means that the end consumer should get a cheaper product as well. It has a ripple on effect and say that is what we do at the moment.

Graham Hunt (Jefferies): Just two from me. First one, on DRC. Is it possible just to quantify the number of sites you have in regions that you are, I suppose, tracking on the eastern borders that could be a risk? Just to get a sense of your site exposure in terms of numbers?

Then second question, just coming back to Starlink. Am I understanding correctly that you do not see that as a risk to the TAM that you are addressing, if anything, it is on top of? If that is not right, I would just be interested to understand with your coverage rollout growth plans, how much of that you see as potentially exposed to alternative models like satellites?

Tom Greenwood: Yes, thanks very much for the questions. Great questions. On DRC, the Eastern side. As I mentioned before, operations are very much continuing there. The mobile service is essential. There are millions of people who live there as well as the UN, the Red Cross and humanitarian efforts like that. But it is a de minimis amount. It is 1% to 2% of Group towers are in that area. We are keeping a watchful eye on it. But from a financial perspective, it is not material. We expect operationally to very much continue providing service.

On the point around satellite companies, the real use cases there as well as for things like shipping and airplanes and very rural locations. There is essentially two ways of doing it. One is direct to device, where largely the satellite company partners with the mobile operator

to use a bit of the spectrum that the mobile operator has or it's a dish service, whereby you have an antenna dish put on your house or your building, which uses the satellite frequencies.

The spectrum density of the beam allows for a small number of users on a single beam, which enables people largely living in very rural locations to benefits of it. Obviously, you can use in a city but only a very small handful of people can use it in a city before it stops working. So yes, it is very much complementary. It could, as I mentioned before, leads to potential accelerated rollout of some sites in some locations. This is partly because direct to device, if it happens, could get a few people using phones who did not before. Then you need to put a tower up as soon as there is a small critical mass.

That being said, the pricing point for people in rural locations in Africa is just not viable but that is a potential evolution, albeit, difficult. The other one is actually using it for backhaul.

Look, satellites have been used to a backhaul for 30, 40 years. This is nothing new for us to use satellites for backhaul. It is just with the LEO satellites, the pricing point is lower and the connectivity is better than the previous versions of it. That could open up more sites and locations where there is no fibre in the ground, and there is no line of sight to the next tower to pin the microwave signal.

Usually, the maximum distance you can use for that is about 20 to 25 miles due to the curvature of the earth. In the past, there is some limitation of where you can put the next tower because you are more than 25 miles from the previous one, whereas with the potential for better satellite backhaul, that could open up a few more locations to do it in. There is a few ways where there could be complementary elements to it. That is great. That is exciting for us, and obviously, the communities.

But in order to deliver real good quality to any kind of mass of people, you need terrestrial antennas because of the capacity requirements on the spectrum.

Gustavo Campos (Jefferies): Just a few questions from my side. Firstly, if I may understand it correctly, your EBITDA margins on your fourth quarter were slightly lower at around like 51%. I was trying to understand if that is a one-off. If you could please elaborate on what happened there? That is my first question.

Tom Greenwood: Thank you very much, Gustavo. Manjit, do you want to take that one?

Manjit Dhillon: Yes, absolutely. I think in Q4, actually, it was actually coming out at around well, for the half year, it was about 53% for Q4 on an EBITDA margin perspective. Actually, it was close to 53%, 53.6%. There might be a little bit of an error in the calc north side. But in general, I think as you go throughout the course of the year, this bounced anywhere between 52% to 54%. We are slight behind in the range of that. So yes, I think nothing more to mention. There would not any one-offs or anything like that.

Gustavo Campos: Understood. The other question, I just wanted to quickly follow up on Graham's question. As far as the conflict in the DRC and the surrounding areas, you mentioned that it represents 1% to 2% of the towers. Is that towers of the total Group or just the towers in the DRC?

Tom Greenwood: Yes, that is of the Group. But again, just to reiterate, operationally, there, service very much continues. Remember Gustavo, we have operated in DRC for 15 years. We are used to managing complex situations and the mobile networks are absolutely critical

infrastructure and critical service for everyone there because there is virtually no fixed line and the mobile is how people communicate. It is a real critical service that we are providing and our teams are very, very experienced in dealing with situations and we move on and we continue to grow.

Gustavo Campos: Understood. Yes, that is very clear and very helpful. I was also wondering if you are planning on meeting with Fitch. I think their update was sometime in the middle of last year. Are you expecting an upgrade from them as well? If you could comment on that, that would be great.

Manjit Dhillon: Yes, I can take that one. We have got our annual catch-ups with both Moody's and Fitch actually. We will be having hopefully some very constructive conversations with them, as we always have done. And from our side, we will be pushing, and we will see where we get to on that one.

Gustavo Campos: Sounds good. Last question, if I may. How much of your discretionary CAPEX would you able to reduce, if needed? Just trying to understand. We understand that this is focused on expansion but understand your flexibility would also be very helpful.

Manjit Dhillon: Yes, sure. I can take that, too. In terms of the CAPEX guidance we gave, so the $150 million to $180 million. The $50 million is really the CAPEX that we need to have to do normal course maintenance and what we call non-discretionary, i.e., that is something that we very much expect that we will have to be incurring on an annual basis to look after the fleet of towers that we currently have today.

Theoretically, and this is why we distinguish between non-discretionary and discretionary, the balance, i.e., the discretionary CAPEX could theoretically be switched off, as you stand at the beginning of the year. If you wanted to curtail a little bit of the growth because you are not going to be rolling out tenancies, etc., and run it for cash, and that could theoretically go down to your free cash line, but then clearly your EBITDA would be a bit lower.

Yes, as it has done at the beginning of the year, the split would be $100 million to $130 million discretionary, and therefore, at the disposal of management and the non-discretionary part, the $50 million is what we would need to do to keep the towers in good order.

Rohit Modi (Citi): Most of my questions have been answered. Just a few follow-up and one other question. Follow-up, firstly, in terms of site additions. Your discretionary CAPEX going down as an absolute amount from last year. If I look at per tower CAPEX, there will be inflation included. I am just trying to understand, are you expecting much lower site additions compared to last year? In that case, how much of your tenancy guidance is committed based on assumption?

Second on capital allocation, again, sorry. Just trying to understand. Your 3 times leverage guidance in 2026, I believe, based on not having any shareholder return or that includes some assumption of shareholder return as well? And if not, what could change your view on capital allocation in near term, I mean as you discuss on any rating upgrade or rate changes, anything that could change your view of capital allocation and expect early shareholder return?

Lastly, on something on markets, smaller markets, Senegal, Madagascar, where you are not seeing the tenancy growth in line with other markets. In terms of your return on capital, how it looks like in those markets? What do you think about those markets in the future?

Tom Greenwood: I will take the second two first, and then Manjit, you take the CAPEX one.

Look, on the capital allocation, I mean we are very much on the track. We are not changing course on the capital allocation. We are very focused on, one, high returning organic growth; two, cash flow generation and deleveraging. As you mentioned, tracking towards 3 in 2026. Then the third bucket being shareholder distribution potential, which we will be engaging with investors with over the coming months.

We are very much continuing on that track, and M&A is very much off the table for the foreseeable future. We are very confident in delivering on what I have just described across the first three buckets.

Then just on the market questions. Look, markets at different times are going to have different growth rates. That is just simply a factor of the investment cycles from the mobile operators. That basically is what drives it. I think we look at the business and the assets on a very long-term basis is an extremely long-term infrastructure assets, which stands for decades.

We are essentially providing that platform for the network to proliferate and densify over time. In some markets, in some years, it is going to be very busy times. In some markets in some years, it is going to be quite at times when there is lull in rollout, for example.

But the key is to ensure that the quality of assets is high. The assets are in the right locations. Over time, those assets are going to be utilised more and more. That is our view. We are very happy with the overall performance of the portfolio as we move into 2025.

Manjit, if you take the CAPEX?

Manjit Dhillon: Yes, absolutely. From an overall quantum perspective, CAPEX was still broadly in line on a year-on-year basis. But one thing to mention is that in prior years, you have had probably higher levels of upgrade CAPEX, which is effectively the CAPEX that we underwrite as part of our acquisition thesis, that is effectively used to get the newly acquired sites up to Helios standards, so they are ready to colocation, etc.

That is, as you can see on the charts on page 18, that is reducing over a period of time, and we can expect that to reduce further. Also the acquisition earn-out payments will reduce as well. Actually, what you are finding is not necessarily a reduction. You are finding that the CAPEX spend is flicking from being around upgrading acquisition flicking into growth. We will see a bit more coming through on that basis.

All things being equal, we will see a few more sites being built during 2025 than we did see in 2024. But again, this expands the base to which we can then drive that really high returning colocation growth on top. Yes, I think that is going to be a pretty good year in terms of the capital deployment.

Ulle Adamson (T. Rowe Price): Just regarding your clients in countries where they receive revenues in local currencies, do you get any of them approaching you and trying to

renegotiate the contracts which you have, as you say, most set up in a way that it is effectively in hard currency in several cases? Is that a widespread tendency for that?

Secondly, just as your willingness to outsource this service from the mobile operation across Africa. Do you see that that willingness is growing or decreasing, given that some of the examples of some of those operators being hurt by the hard currency contracts?

Manjit Dhillon: Sure. I will take the first part of that question. In terms of the more local currency market, I think the key distinction and the important part here is that when we do get a portion of revenues that might be linked to hard currencies, it is more often than not on a minority of our overall contract. It is more in the periphery than being necessarily asking in the local currency market to receive 100% or a large portion of the revenue to come through to us in hard currency, i.e., passing all the FX risk onto the mobile network operator.

In that regard, it is more fairly shared, and therefore, more sustainable. Just is it an area of conversation? Occasionally. I think what we provide as well is stable pricing point as well. On average, across all of our contracts, we provide a pricing point that is 30% lower than the total cost of ownership that it would cost the mobile network operator to operate the sites by themselves.

What that, therefore, means is that you have that buffer between what we are providing, not in term quality in terms of what we are providing, but from a price point, that means if there are these areas where sometimes FX might be a little bit of a determining factor, you have got that buffer to say, well, actually, we are actually still providing this at a vast, vast improvement versus what you can do yourselves.

That, therefore, gives us a little bit more sustainability and also why you see year-on-year, we resigned contracts, you do not see a change in our contracted revenue base or our contracted earnings. That is the proof point as it were.

In terms of the propensity for mobile network operators to try and partner with tower companies, including ours, particularly in our markets, I will start and then Tom, please feel free to add in. But I think that pricing point and the quality points are really critical on this journey. The fact that we are able to provide the highest levels of power, uptime, speed to market around really does put us at a competitive advantage, not just against peers, but also against the mobile network operators doing it themselves.

We are able to do that very efficiently and keep that network up and running to the highest levels, almost perfect power in a lot of situations when there is an imperfect broader infrastructure environment. And also, we have a very, very good, expanded portfolio, which is always ready for lease up.

If an MNO does want to roll out, we more than often are not in very, very valuable locations, how that site ready to go. We can go to the MNO proactively to say, if you want to put your equipment on our site, you can often go within 24 hours, meaning that they are able to get that revenue almost overnight on the investment that they have made in their active infrastructure.

We are not seeing any reduction. In fact, given the guidance we have given for the year of 3,000, 3,500, what we are effectively saying is we are seeing that partnership deepen and slight accelerate.

Tom Greenwood: Thank you very much, everyone, today for dialling in and spending time with us. Thank you to everyone asking the great questions we just went through. We are really looking forward to seeing a lot of you on the road show over the next couple of weeks. Look forward to more discussion. We are really excited about the business for this year and beyond.

The business is really motoring forward and generating high quality cash flow. We are going to keep performing. We are going to keep delivering for our customers the world-class service that we aim to day in, day out and we are going to continue growing and generating those cash flows.

Very much looking forward to engaging with everyone over the next couple of weeks and through this year and beyond. Take care, and have a great day.

[END OF TRANSCRIPT]