

Q2 2018 results and business update

Amsterdam – 02 August 2018

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Q2 2018 financial highlights

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Total revenue

(USD MILLION)

693

- 1.7% organic¹ YoY
- 9.4% reported YoY

Mobile customers

(MILLION)

102.9

- + 4.3% YoY

EBITDA

(USD MILLION)

304

- + 1.2% organic¹ YoY
- 7.6% reported YoY

EBITDA margin

(%)

43.8%

- + 0.9 p.p. YoY

- Total revenue declined organically by 1.7% YoY:
 - ▶ Declining performance in Algeria and Bangladesh
 - ▶ Slightly offset by good revenue growth in Pakistan
- Strong organic growth in mobile data revenue of 44.8% YoY
- EBITDA increased organically by 1.2% YoY:
 - ▶ Strong performance in Pakistan with 16.8% YoY organic growth
 - ▶ Offset by lower EBITDA in Algeria and Bangladesh
- Solid EBITDA margin of 43.8%
- Customer base grew 4.3% YoY, driven by:
 - ▶ Continued customer acquisition in Pakistan and Bangladesh; and
 - ▶ Stabilization of customer base in Algeria

Q2 2018 income statement

USD millions	2Q18	2Q17	Reported YoY
Service revenue	660.3	731.6	(9.7%)
-Of which mobile data revenue	140	105	33.6%
Other revenue	33.2	33.5	(0.9%)
Total operating Revenue	693.5	765.0	(9.4%)
Total expenses	(389.9)	(436.7)	(10.7%)
EBITDA	303.6	328.4	(7.6%)
Depreciation and amortization	(127.1)	(162.4)	(21.7%)
(Loss)/gain on disposals of non-current assets	(5.8)	2.6	N/M
(Impairment losses)/reverse impairment of assets	(1.1)	(1.4)	(21.1%)
Technical services expense	(5.0)	(1.8)	N/M
Other operating (loss)/gain	0.5	(0.5)	N/M
Operating profit	165.0	164.9	(0.1%)
Finance costs	(86.0)	(77.2)	11.4%
Finance income	1.1	3.1	(63.4%)
Net foreign exchange loss	(12.2)	(1.1)	N/M
Profit before income tax	67.9	89.7	(24.5%)
Income tax expense	(87.4)	(54.6)	60.0%
Profit/(loss) for the period	(19.5)	35.1	N/M
Attributable to:			
The owners of the parent	(40.7)	7.6	N/M
Non-controlling interests	21.2	27.5	(23.0%)
Profit for the period	(19.5)	35.1	N/M
(Losses)/earnings per share	(0.009)	0.002	N/M

▶ Mainly due to lower revenue in Algeria and Bangladesh and the effect of the depreciation of the currencies in all of our markets

▶ Mainly due to the reclassification of Deodar as disposal group held for sale and accelerated depreciation in Bangladesh in Q2 2017

▶ Due to increased technical costs in Pakistan

▶ Mainly due to increased interest payments in Bangladesh

▶ Due to currency devaluations in all of our markets

▶ Mainly due to higher income tax in Pakistan

Debt overview

As at 30 June 2018

Net debt / LTM¹ EBITDA

1.8x

Gross debt / LTM¹ EBITDA

2.1x

Weighted average
cost of debt

8.9%

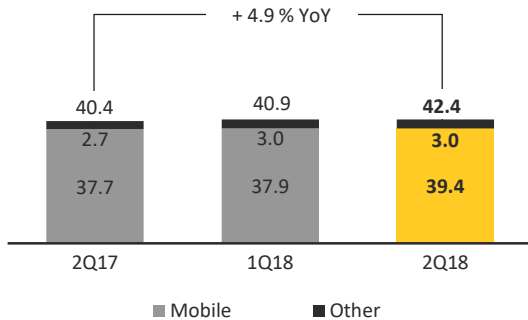
Total gross debt (USD million)		Type of debt		
Entity		Loans	Bonds	Total
GTH Holding		291	-	291
GTH Finance BV		-	1,200	1,200
Pakistan		636	28	664
Banglalink		156	300	456
Algeria		128	-	128
Total Gross Debt		1,210	1,528	2,738

¹Last twelve months

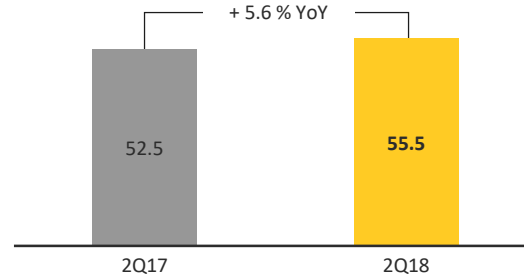
Q2 2018 OpCo performance

Pakistan: continued data-driven revenue growth and further margin expansion

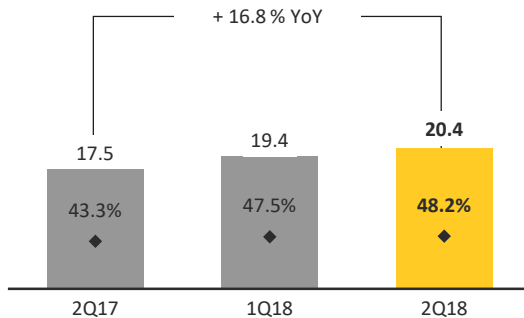
Total Revenue
(PKR BILLION)



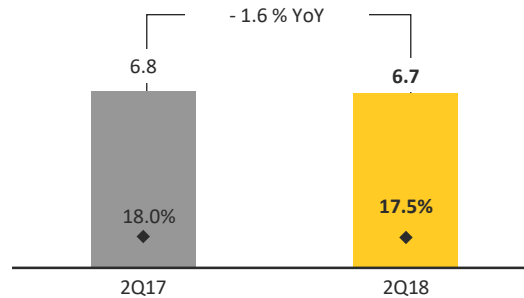
Mobile Customers
(MILLION)



EBITDA and EBITDA Margin
(PKR BILLION AND %)



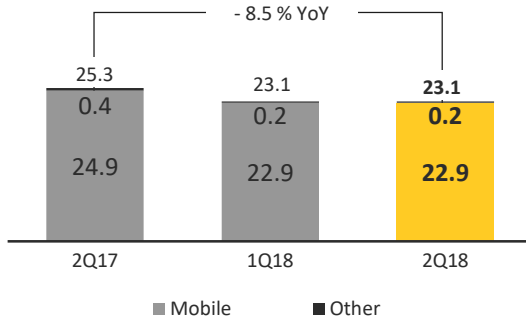
CAPEX excl. Licenses and LTM CAPEX/revenue
(PKR BILLION AND %)



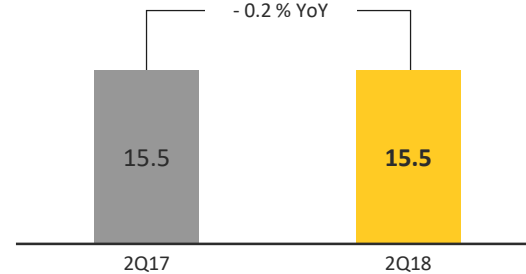
- The market during Q2 remained competitive, in particular on data and social network offers
- Despite market condition, revenue grew YoY, driven by strong data revenue growth (+37.0% YoY)
 - ▶ Data customer growth of 18% YoY
 - ▶ QoQ customer growth, fuelled by 4G/LTE expansion
- Double-digit EBITDA YoY increase due to revenue growth, synergies and the absence of performance transformation and integration costs (PKR 0.6 billion in Q2 2017)
 - ▶ EBITDA margin expansion +4.9 p.p. YoY
- Capex excluding licenses broadly stable YoY, supporting 4G/LTE network expansion with a more balanced quarterly distribution

Algeria: improving trends now visible with sequential customer growth and revenue stability

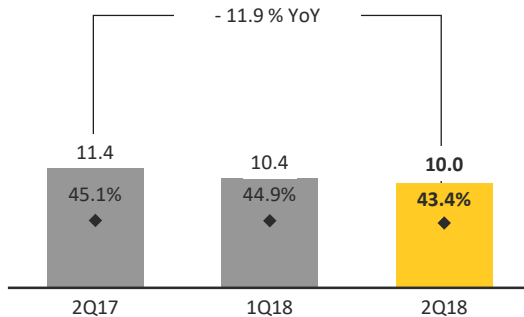
Total Revenue
(DZD BILLION)



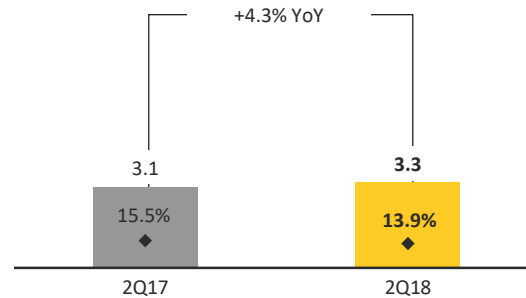
Mobile Customers
(MILLION)



EBITDA and EBITDA Margin
(DZD BILLION AND %)



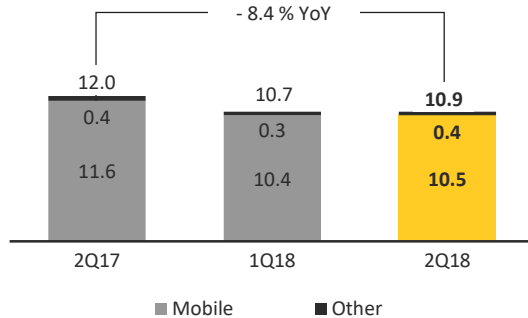
CAPEX excl. Licenses and LTM CAPEX/revenue
(DZD BILLION AND %)



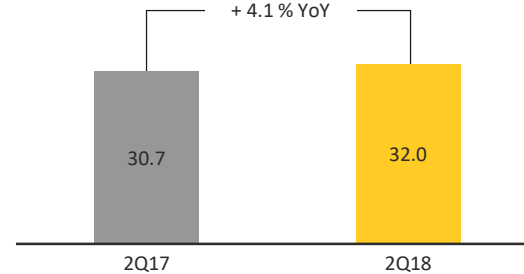
- Despite Q2 characterized by intense price competition, signals of turnaround are now evident
- Continuing macroeconomic and regulatory challenges
 - ▶ Economic slowdown and high inflation continue, along with import restrictions
 - ▶ New direct taxation since 1 January 2018
- Whilst top line remains under pressure, the negative trend has improved with stable revenue QoQ
 - ▶ Customer base stable YoY and now growing 1.1% QoQ, through the success of new offers
 - ▶ Data revenue +80.7% YoY, due to new commercial offers leveraging our 4G/LTE network
- EBITDA decrease mainly as a result of revenue YoY trend

Bangladesh: 4G/LTE rollout progressing well, competitive pressure still weighing on results

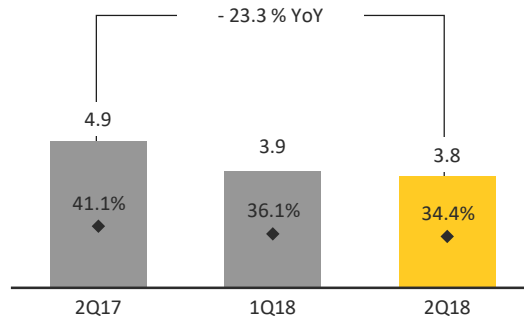
Total Revenue
(BDT BILLION)



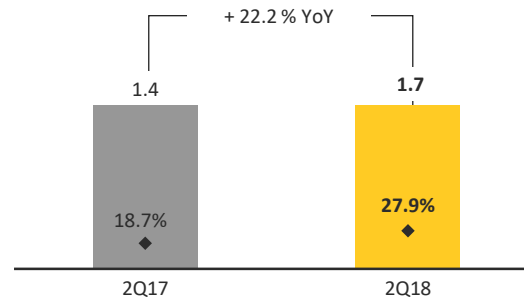
Mobile Customers
(MILLION)



EBITDA and EBITDA Margin
(BDT BILLION AND %)



CAPEX excl. Licenses and LTM CAPEX/revenue
(BDT BILLION AND %)



- The market during Q2 was characterized by accelerated price pressure from competition
- The revenue trend was affected by ARPU decrease (-14.1% YoY); however:
 - ▶ Customer growth (+4.1% YoY) supported by improved distribution
 - ▶ Service Revenue grew by 0.8% QoQ
 - ▶ Data revenue grew by +14.5% YoY, with acceleration of data customer growth at 20.8% YoY and data usage (+88% YoY)
- EBITDA decline due to revenue trend and structural opex mostly related to network expansion
- Capex increase driven by investments to improve network resilience and 4G/LTE sites roll-out
 - ▶ 4G/LTE launched in February, roll-out gaining pace with current population coverage at ~15%

Q&A

Vincenzo Nesci

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Gerbrand Nijman

Chief Financial Officer

Further information

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Cairo Registered Office

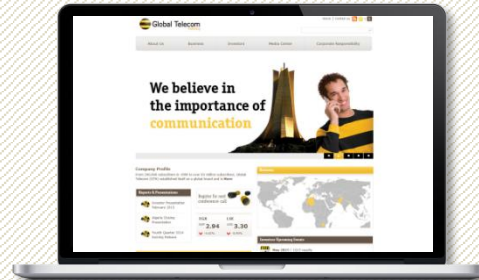
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Appendix

Foreign Exchange rates TO USD AS applied to the Financial Statements

	Average rates			Closing rates		
	2Q18	2Q17	YoY	2Q18	2Q17	YoY
Egyptian Pound	17.80	18.10	(1.7%)	17.89	18.12	(1.3%)
Pakistan Rupee	115.80	109.04	6.2%	117.50	107.80	9.0%
Algerian Dinar	116.80	104.81	11.4%	121.58	104.83	16.0%
Bangladeshi Taka	83.78	80.86	3.6%	83.78	80.64	3.9%

Debt Maturity

As at 30 June 2018
Amounts in USD/million

