

Q3 2018 results and business update

Amsterdam – 8 November 2018

Vincenzo Nesci

Chief Executive Officer

Gerbrand Nijman

Chief Financial Officer

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Q3 2018 financial highlights

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Total revenue

(USD MILLION)

733

- + 6.3% organic¹ YoY
- 5.1% reported YoY

Mobile customers

(MILLION)

104

+ 4.3% YoY

EBITDA

(USD MILLION)

330

- 1.4% organic¹ YoY
- 12.5% reported YoY

EBITDA margin

(%)

45.0%

- 3.7 p.p. YoY

- Total revenue increased organically by 6.3% YoY:
 - ▶ Strong organic revenue growth in Pakistan
 - ▶ Offset declining performance in Algeria and Bangladesh
- Strong organic growth in mobile data revenue of 64.7% YoY
- EBITDA decreased organically by 1.4% YoY:
 - ▶ Lower EBITDA in Algeria and Bangladesh
 - ▶ Offset strong performance in Pakistan with 7.9% YoY organic growth
- Strong EBITDA margin of 45.0%
- Customer base grew 4.3% YoY, driven by:
 - ▶ Customer acquisition in all markets
 - ▶ First time YoY growth in Algeria since 2015
- Non-cash impairment of USD 367 million of Bangladesh asset

Corporate developments

- VEON offer to purchase GTH's assets in Pakistan and Bangladesh:
 - ▶ VEON submitted its offer on 2 July 2018
 - ▶ FinCorp, an Independent Financial Advisor authorized by FRA, appointed for independent valuation of the assets
 - ▶ Lazard appointed as GTH's International Financial Advisor
 - ▶ VEON withdrew its offer on 10 October 2018
- RCF USD 100 million maturing 30 November 2018:
 - ▶ OGM on 15 November 2018 for extending the maturity
 - ▶ EGM 15 November 2018 for amendment articles (17) and (48) of Articles of Association:
 - ▶ Improve shareholder rights and corporate governance
 - ▶ In line with new changes to the law
- Preparation of preliminary required steps and procedures for potential rights issue of at least USD 500 million:
 - ▶ Finance debt maturities, interest payments, general corporate purposes and capital requirements until end 2019

Q3 2018 income statement

USD millions	3Q18	3Q17	Reported YoY
Service revenue	702.5	735.3	(4.5%)
-Of which mobile data revenue	164	112	46.4%
Other revenue	30.8	37.8	(18.5%)
Total operating Revenue	733.3	773.1	(5.1%)
Total expenses	(403.4)	(396.4)	1.8%
EBITDA	329.9	376.7	(12.5%)
Depreciation and amortization	(148.8)	(150.2)	(0.9%)
(Loss) on disposals of non-current assets	(0.6)	(2.6)	(74.4%)
Impairment losses	(366.5)	(0.5)	N/M
Technical services expense	(5.0)	(10.0)	(50.1%)
Other operating (loss)/gain	7.5	9.2	(18.4%)
Operating profit	(183.5)	222.6	N/M
Finance costs	(89.1)	(79.0)	12.8%
Finance income	1.0	2.9	(65.7%)
Net foreign exchange loss	(4.7)	(20.3)	(76.84%)
Profit before income tax	(276.3)	126.2	N/M
Income tax expense	(78.4)	(105.7)	(25.8%)
Profit/(loss) for the period	(354.7)	20.5	N/M
Attributable to:			
The owners of the parent	(378.9)	(9.1)	N/M
Non-controlling interests	24.2	29.6	(26.1%)
Profit for the period	(354.7)	20.5	N/M
(Losses)/earnings per share	(0.08)	(0.002)	N/M

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

▶ Mainly due to impairment of Bangladesh asset

▶ Due to lower technical costs in Global Telecom Holding and Bangladesh

▶ Mainly due to increased interest payments in Bangladesh

▶ Due to the rate of depreciation of Bangladesh Taka was lower in Q3 2018 vs. Q3 2017

▶ Mainly due higher total income tax in Pakistan lower in Q3 2018 vs. Q3 2017

Debt overview

As at 30 September 2018

Net debt / LTM¹ EBITDA

1.8x

Gross debt / LTM¹ EBITDA

2.2x

Weighted average
cost of debt

8.9%

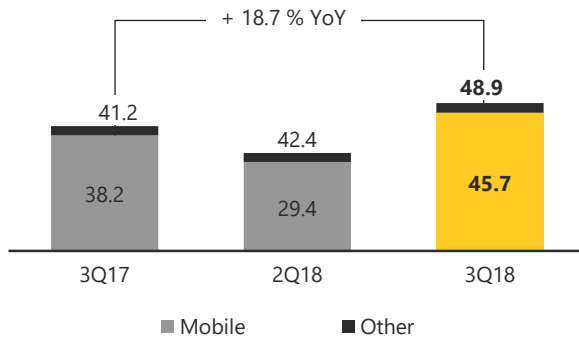
Total gross debt (USD million)		Type of debt		
Entity		Loans	Bonds	Total
GTH Holding		295	-	295
GTH Finance BV		-	1,200	1,200
Pakistan		651	23	675
Banglalink		156	300	456
Algeria		95	-	95
Total Gross Debt		1,197	1,523	2,720

¹ LTM is Last twelve months

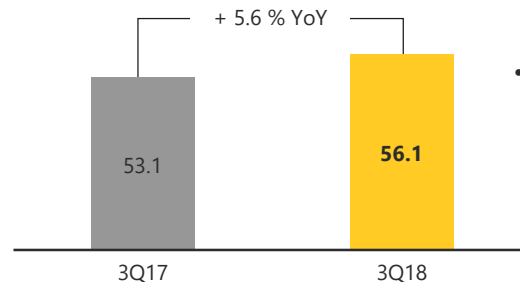
Q3 2018 OpCo performance

Pakistan: strong revenue and EBITDA growth continued into Q3

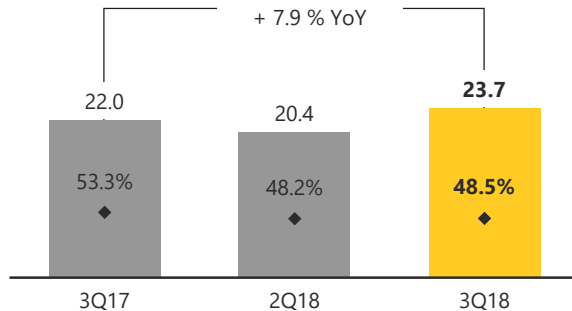
Total Revenue
(PKR BILLION)



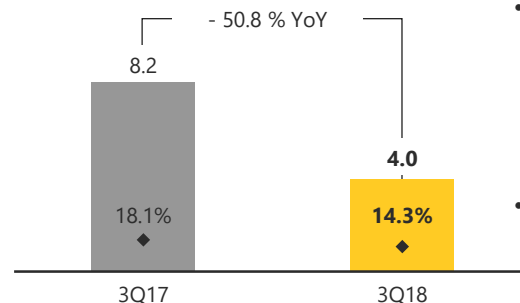
Mobile Customers
(MILLION)



EBITDA and EBITDA Margin
(PKR BILLION AND %)



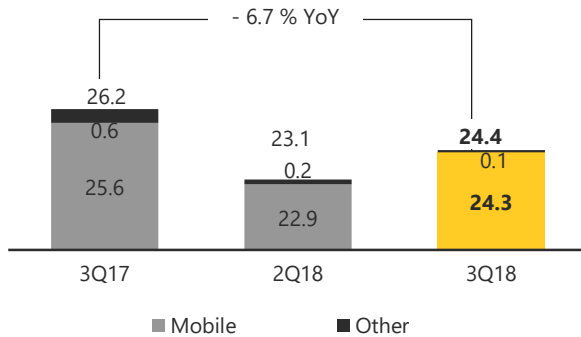
CAPEX excl. Licenses and LTM CAPEX/revenue
(PKR BILLION AND %)



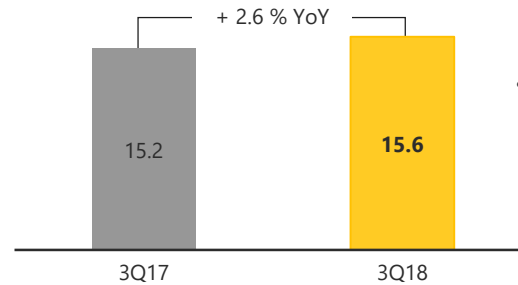
- The market remained competitive in Q3, particularly in data and social network offers, against which Jazz maintained its premium price positioning
- Revenue grew by 18.7% YoY, including:
 - ▶ 6.3 p.p. from business performance
 - ▶ 13.0 p.p. from suspension of taxes collected by MNOs in Q3 2018, which provided the market with additional revenue growth, on account of higher usage by customers
- Jazz's customer base grew by 1.1% sequentially (+5.6% YoY), driven by data network expansion and growth in data subscribers (+5.7% QoQ and +17.2% YoY)
- Healthy EBITDA growth (+7.9% YoY):
 - ▶ Excluding tax-related factors for both Q3 2017 and 2018, EBITDA growth would have been 6.4% YoY, with stable EBITDA margin YoY
- Capex excluding licenses decreased sequentially and YoY due to a more balanced quarterly distribution of expenditures in 2018 and lower YoY 3G and 4G/LTE roll-out activity

Algeria: signs of stabilization, sequential customer and revenue growth

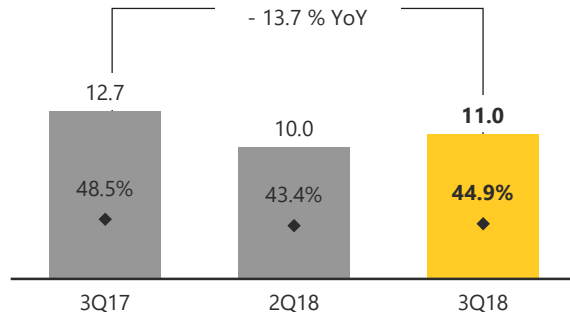
Total Revenue
(DZD BILLION)



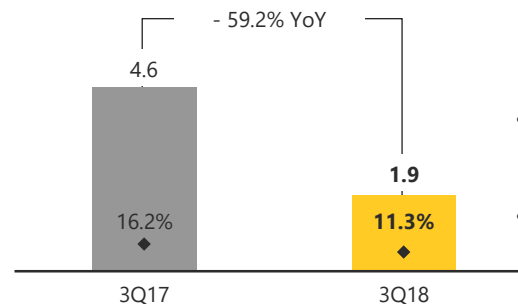
Mobile Customers
(MILLION)



EBITDA and EBITDA Margin
(DZD BILLION AND %)



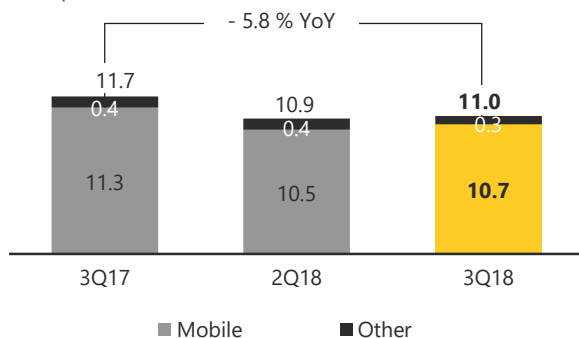
CAPEX excl. Licenses and LTM CAPEX/revenue
(DZD BILLION AND %)



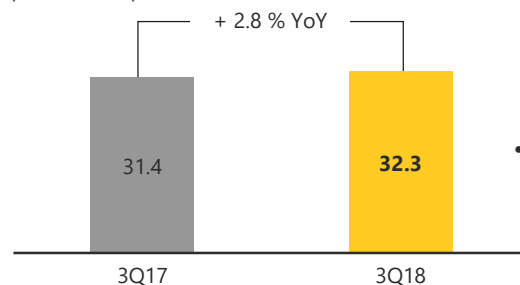
- Q3 2018 saw continued intense price competition as competitors reacted to Djezzy's H1 customer base expansion
- Macroeconomic and regulatory challenges persisted:
 - ▶ Economic slowdown and high inflation, along with import restrictions
 - ▶ New direct taxation since 1 January 2018, with further increases from mid-July
- Sequential revenue growth continued, despite market challenges (+5.6% QoQ following +3.6% QoQ in Q3 2017):
 - ▶ Customer base grew both YoY (+2.6%) and QoQ (+0.8%) in response to the success of new offers
 - ▶ Data revenue grew strongly (+71.8% YoY), leveraging our 4G/LTE network
- EBITDA decreased YoY faster than revenues mainly as a result of new taxation in Q3 and higher technology costs
- Capex excluding licenses decreased due to lower YoY 4G/LTE roll-out activity and a more targeted investment approach

Bangladesh: sequential improvement in revenue decline, supported by good data revenue growth

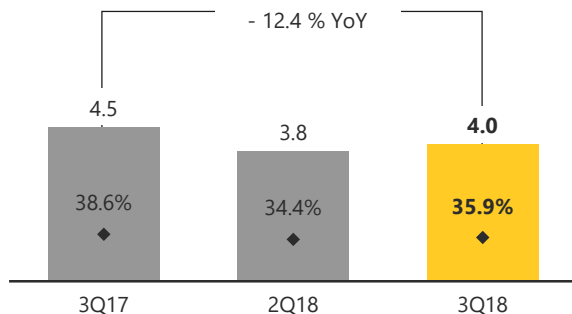
Total Revenue
(BDT BILLION)



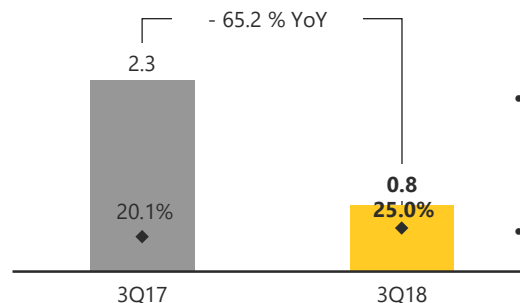
Mobile Customers
(MILLION)



EBITDA and EBITDA Margin
(BDT BILLION AND %)



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



- Double-digit data revenue growth (+11.9% YoY) achieved despite pricing pressures in the market
 - ▶ Data customers (+15.2% YoY) and data usage (+40.2% YoY) showed strong growth during Q3
- Decline in revenue (-5.8% YoY) showed sequential improvement (-8.4% YoY in Q2 2018)
 - ▶ Service revenue grew by 1.9% QoQ
 - ▶ Customer growth (+2.8% YoY and +1% QoQ) supported by improved distribution and network availability
 - ▶ ARPU decreased by 9.0% YoY (-14.1% YoY in Q2 2018)
- EBITDA decline YoY outpaced the fall in revenues due to structural opex, mostly related to 4G/LTE network expansion, but EBITDA improved sequentially (+5.2%)
- Capex excluding licenses decreased YoY as a result of a more balanced quarterly distribution, with Q3 2017 expenditure focused on restoring network availability
- Key regulatory developments during the quarter: flat on-net/off-net tariffs, MTR reduction and launch of MNP on 1 October 2018

Q&A

Vincenzo Nesci

Chief Executive Officer

Gerbrand Nijman

Chief Financial Officer

Further information

Investor Relations

Noha Agaiby

Cairo Registered Office

2005C Nile City Towers - North Tower

Cornish El Nile Ramlet Beaulac

Cairo 11221, Egypt

Tel: +202 2461 5120

Amsterdam Head Office

Claude Debussylaan 92

1082 MD Amsterdam

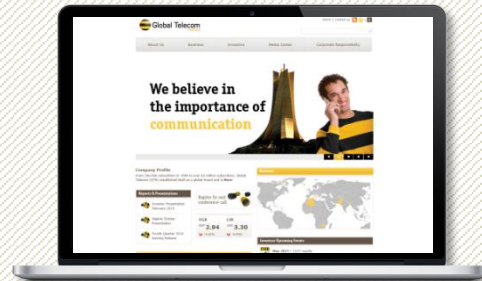
The Netherlands

Tel: +31202351900

E: ir@gtelecom.com

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Appendix

Foreign Exchange rates to USD as applied to the Financial Statements

	Average rates			Closing rates		
	3Q18	3Q17	YoY	3Q18	3Q17	YoY
Egyptian Pound	17.90	17.78	0.7%	17.92	17.64	1.6%
Algerian Dinar	118.01	109.90	7.4%	118.22	113.04	4.6%
Pakistan Rupee	123.69	105.37	17.4%	123.18	105.39	16.9%
Bangladeshi Taka	83.89	81.11	3.4%	83.97	82.31	2.0%