

# Q1 2017 results update

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# Q1 2017 financial highlights

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## Service revenue

(USD million)

720

- 4.5% organic<sup>1</sup> YoY
- + 4.8% reported YoY

## Mobile customers

(million)

99.1

- + 12.7 million YoY<sup>2</sup>

## Underlying EBITDA

(USD million)

341

- 6.1% organic<sup>1</sup> YoY
- 1.6% reported YoY

## Underlying EBITDA margin

(%)

45.4

- 3.6 p.p. YoY

- ▶ Service revenue declined organically 4.5% YoY:
  - Weak performance in Algeria
  - Leap year in 1Q16
  - Partially compensated by growth in Pakistan
- ▶ Mobile data revenue organic growth of 39% YoY
- ▶ Underlying EBITDA declined organically 6.1% YoY:
  - Strong performance in Pakistan
  - Offset by a decline in Algeria
- ▶ Continued strong underlying EBITDA margin of 45.4% and reported EBITDA margin of 44.2%
- ▶ Continued customer growth of 15%, with 12.7 million customers added YoY due to strong performance in Pakistan and the consolidation of Warid
- ▶ Share buy-back and GDR program cancellation completed

<sup>1</sup> Revenue and EBITDA organic growth are non-IFRS financial measures that exclude the effect of foreign currency movements and other factors, such as businesses under liquidation, disposals, mergers and acquisitions; in the organic calculation, Warid is pro-forma consolidated within GTH's results with effect from 1 January 2016.

<sup>2</sup> Customers number includes Warid customers

# Q1 2017 income statement

USD millions	1Q17	1Q16	Reported YoY
Service revenue	720.1	686.9	4.8%
-Of which mobile data revenue	95.4	63.0	51.4%
Other revenue	32.3	20.2	60.0%
<b>Total operating Revenue</b>	<b>752.5</b>	<b>707.1</b>	<b>6.4%</b>
Total expenses	(420.1)	(368.0)	14.2%
<b>EBITDA</b>	<b>332.4</b>	<b>339.1</b>	<b>(2.0%)</b>
Depreciation and amortization	(159.7)	(142.9)	11.8%
(Loss) on disposals of non-current assets	(4.9)	(0.1)	n.m.
Reversal of impairment loss from assets	1.7	0.6	n.m.
Technical services expense	(27.9)	(8.3)	n.m.
Other operating (loss)	(2.7)	(1.0)	n.m.
<b>Operating profit</b>	<b>138.8</b>	<b>187.4</b>	<b>(25.9%)</b>
Finance costs	(70.6)	(65.5)	7.9%
Finance income	3.5	2.1	70.1%
Net foreign exchange (loss) / gain	(11.0)	6.7	n.m.
<b>Profit before income tax</b>	<b>60.7</b>	<b>130.7</b>	<b>(53.6%)</b>
Income tax expense	(59.6)	(43.2)	37.9%
<b>Profit for the period</b>	<b>1.1</b>	<b>87.5</b>	<b>(98.7%)</b>
<b>Attributable to:</b>			
The owners of the parent	<b>(26.3)</b>	<b>48.1</b>	<b>n.m.</b>
Non-controlling interests	27.4	39.4	30.5%
<b>Profit for the period</b>	<b>1.1</b>	<b>87.5</b>	<b>(98.7%)</b>
Basic and diluted, (loss)/earnings per share attributable to ordinary equity holders of the parent	(0.01)	0.01	(98.7%)

▶ Primarily due to consolidation of Warid from 1 July 2016

▶ EBITDA decline was mainly related to weak performance in Algeria and affect of leap year in 1Q16

▶ Mainly due to equipment accelerated depreciation for ongoing swap project in Bangladesh

▶ Loss from sale of obsolete equipment in Bangladesh

▶ Transformation costs and support provided to operations, such as network swap, network modernization and 3G/4G/LTE roll-out

▶ Mainly due to change in fair value of embedded derivatives in financial liability contracts in Bangladesh

▶ Unrealized foreign exchange losses mainly due to BDT depreciating against USD by 2.4% YoY

▶ Mainly due to Warid consolidation

# Debt by entity

As at 31 March 2017

**Net debt /  
underlying<sup>1</sup> LTM EBITDA**

1.7x

**Gross debt /  
underlying<sup>1</sup> LTM EBITDA**

2.2x

**Weighted average  
cost of debt**

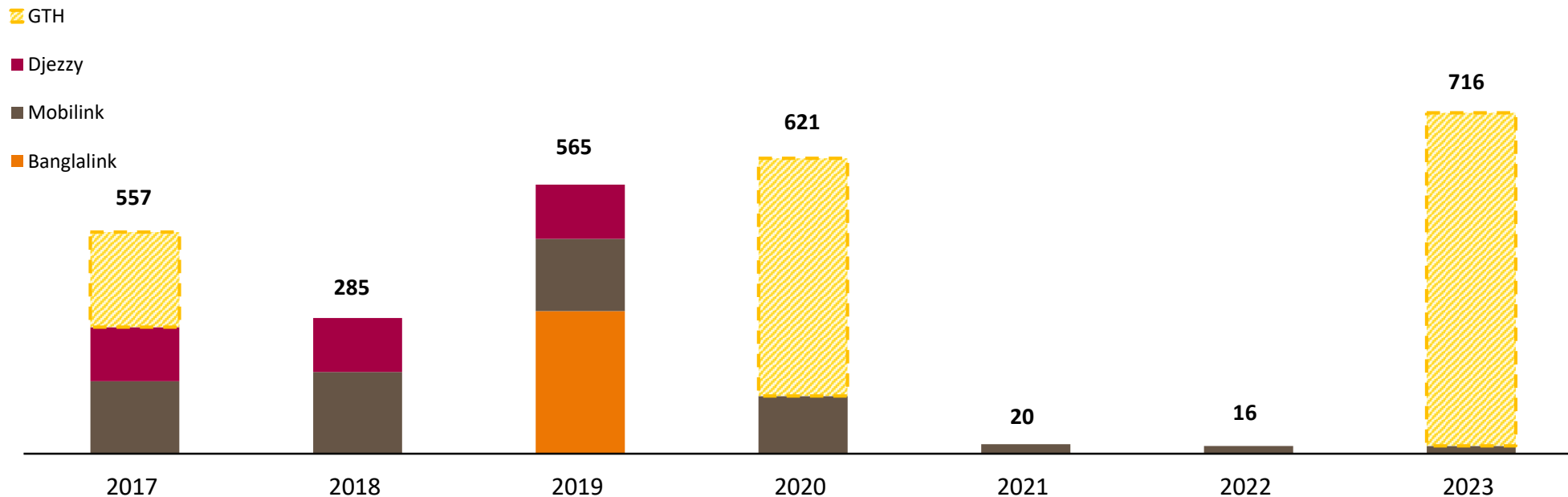
8.0%

## Outstanding external debt (USD million)

Entity	Type of debt			
	Loans	Bonds	Other	Total
GTH Holding	290	-	-	290
GTH Finance BV	-	1,200	-	1,200
Pakistan	611	38	187	836
Bangladesh	-	300	1	301
Algeria	341	-	-	341
<b>Total Debt</b>	<b>1,242</b>	<b>1,538</b>	<b>189</b>	<b>2,968</b>
Interest accrued & arrangement fees	14	35	302	351
<b>Total Financial Liabilities</b>	<b>1,255</b>	<b>1,574</b>	<b>491</b>	<b>3,320</b>

# Balanced maturity profile

As at 31 March 2017

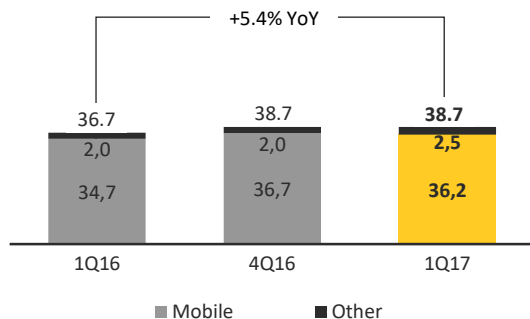


# Q1 2017 OpCo performance

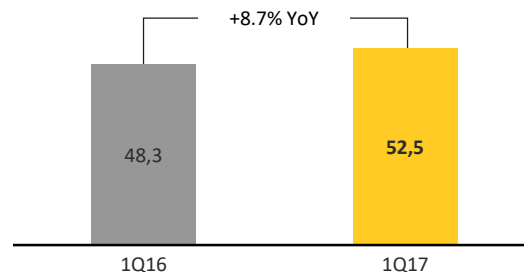


# Pakistan: continued growth while integration synergies drive margin expansion

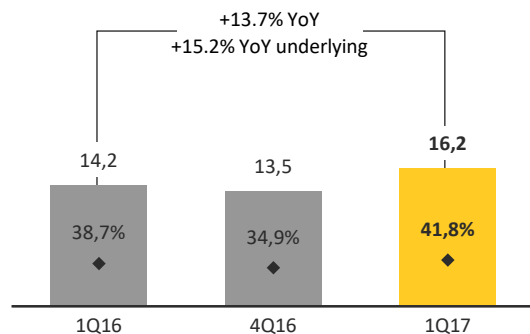
TOTAL REVENUE  
(PKR BILLION)



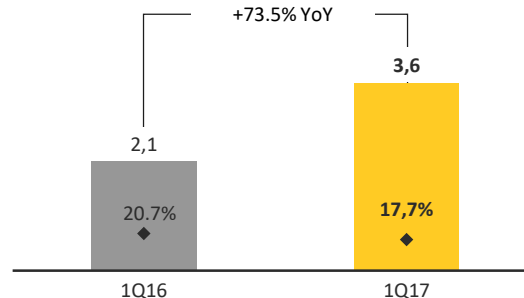
MOBILE CUSTOMERS  
(MILLION)



EBITDA AND EBITDA MARGIN  
(PKR BILLION AND %)



CAPEX EXCL. LICENSES  
AND LTM CAPEX/REVENUE  
(PKR BILLION AND %)



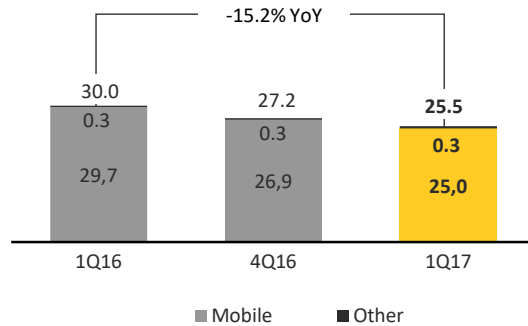
- ▶ Merger integration well on track:
  - Annual run rate of gross synergies >PKR 11 billion (>USD 100 million)
  - Focus on network integration in 2017
- ▶ Revenue increase boosted by data revenue (+29% YoY) and MFS (+24% YoY)
- ▶ Underlying EBITDA margin in Q1 of 43.4%, 3.7 p.p. YoY margin expansion
- ▶ 3G population coverage reached 42%
- ▶ The regulator has issued the Information Memorandum (IM) for the auction of 10 MHz of paired spectrum:
  - Auction currently expected in Q2 2017
  - Base price of USD 295 million

NOTE: Q1 2016 pro-forma results assume that the results of Warid have been consolidated (including intercompany eliminations) with effect from 1 January 2016

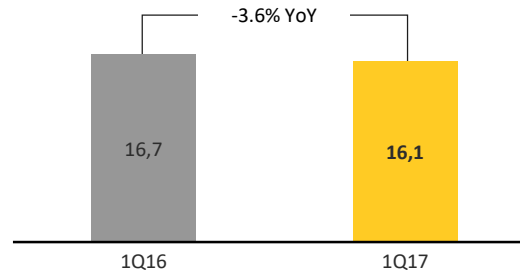
9 <sup>1</sup>Q1 2016 EBITDA negatively impacted by performance transformation costs of PKR 0.3 billion. Q1 2017 EBITDA negatively impacted by performance transformation/integration costs of PKR 0.6 billion

# Algeria: prepared for turnaround in a challenging environment

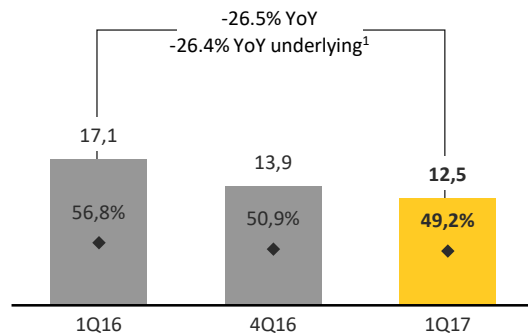
TOTAL REVENUE  
(DZD BILLION)



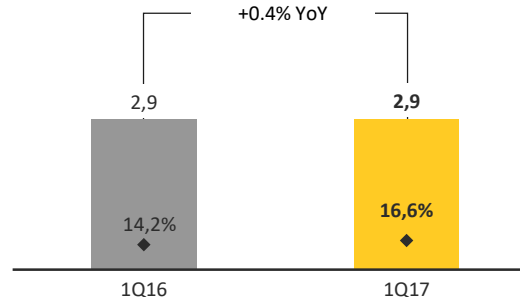
MOBILE CUSTOMERS  
(MILLION)



EBITDA AND EBITDA MARGIN  
(DZD BILLION AND %)



CAPEX EXCL. LICENSES  
AND LTM CAPEX/REVENUE  
(DZD BILLION AND %)

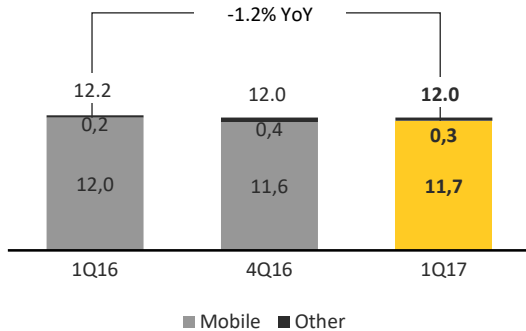


- ▶ New leadership team on board to drive the turnaround in a highly competitive market
- ▶ Challenging environment continues:
  - Accelerating inflation (~8% in February)
  - New Finance law in force since January 1: increase in VAT and tax on recharges
- ▶ Service revenue continued to decrease YoY, notwithstanding strong data revenue (+58% YoY)
- ▶ Leading in NPS (Net Promoter Score)
- ▶ Established leadership in 4G/LTE with >20% population coverage
- ▶ Underlying EBITDA margin remains strong at ~50% as a result of the Performance Transformation program:
  - Excluding indirect tax increases, EBITDA margin would have been 51%

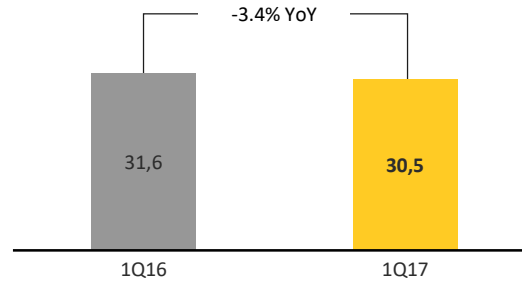
10 <sup>1</sup> Q1 2017 EBITDA negatively impacted performance transformation costs of DZD 6 million

# Bangladesh: sustained data growth, market remains competitive

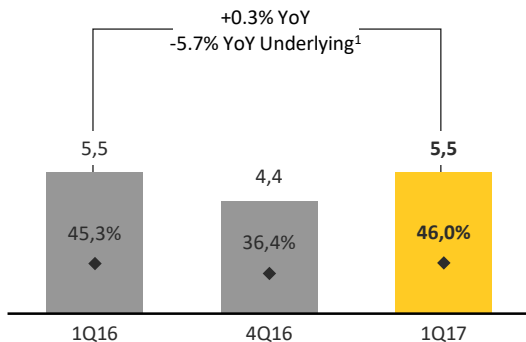
TOTAL REVENUE  
(BDT BILLION)



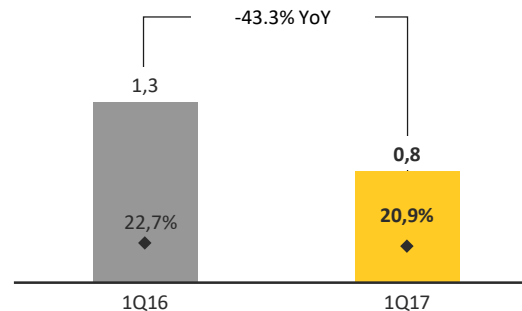
MOBILE CUSTOMERS  
(MILLION)



EBITDA AND EBITDA MARGIN  
(BDT BILLION AND %)



CAPEX EXCL. LICENSES  
AND LTM CAPEX/REVENUE  
(BDT BILLION AND %)



- ▶ Service revenue decline of 2.5% YoY:
  - Aggressive competition on customer acquisition after in-market consolidation
  - Additional supplementary duty on recharges since June 2016, in addition to the increase from March 2016
- ▶ Sustained strong growth in data revenue of 43% YoY
- ▶ Growth in ARPU of 2.3% YoY
- ▶ Underlying EBITDA declined as a result of higher customer acquisition costs
- ▶ 3G population coverage reached 65% and catch up vs competition in line with expectations

11 <sup>1</sup> Q1 2016 EBITDA negatively impacted by performance transformation costs of BDT 0.4 billion

# Q&A

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**Gerbrand Nijman – Chief Financial Officer**

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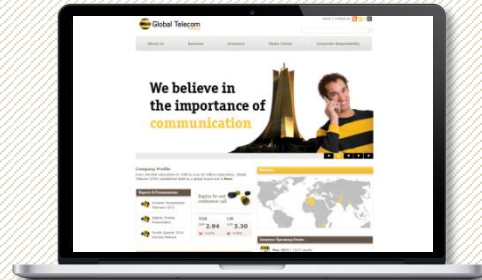
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# Appendix

## FOREIGN EXCHANGE RATES APPLIED TO THE FINANCIAL STATEMENTS

	Average rates			Closing rates		
	1Q17	1Q16	YoY	1Q17	1Q16	YoY
Egyptian pound	17.8294	8.0549	121.3%	18.175	8.8749	104.8%
Algerian Dinar	109.9253	107.8196	2.0%	110.0652	108.3936	1.5%
Pakistan Rupee	104.791	104.7422	0.0%	104.83	104.705	0.1%
Bangladeshi Taka	79.5040	78.4669	1.3%	80.2500	78.3750	2.4%