



NewStreet
Research

EM Tower Trends

Q2 CY24 review: Improving trends in China and Africa, Indonesia stable while Indus slowed

9th October 2024

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Research Analysts

Chris Hoare
+44 20 7375 9130
chris@newstreetresearch.com

David Lopes
+44 20 7375 9147
david@newstreetresearch.com

Kelvin Oh, CFA
+65 9159 2469
kelvin@newstreetresearch.com

What's new: Revenue and EBITDA trends improved again for China Tower, which alongside stable depreciation supported bottom-line momentum. In Indonesia, MTEL and TOWR continued to perform where the latter benefited from faster growth in its Fibre business thus should act as a buffer should the XL and Smartfren deal were to proceed. In India, Indus' growth came at the expense of its tenancy ratio as it adds on more single tenancy towers. IHS was better on an underlying basis led by the FX reset in Nigeria and following [our recent call with the CFO](#), we still see strong upside potential given the dichotomy between its share price and the positive steps taken by the firm. Separately, we also [initiated on Helios Towers with a Buy](#), backed by stable macro and growth in Oman.

Thesis: Fundamentally, we prefer Telcos over Towers in EM. That said, a number of EM Towers are on sufficiently cheap valuations to justify a Buy we think.

- **Stay positive on IHS' value crystallization plan, cheap valuation and potential capex upside.** The stock has been very weak and as a result initiated a strategic review back in March, expecting to raise between US\$500m and US\$1bn over the next year. Despite the [renewal of contracts with MTN Nigeria](#) on less favourable terms, we view the removal of the operational overhang as positive. Separately, we also see upside in capex guidance given the modest spend thus far (\$110m in 1H vs \$300-330m guided for 2024).
- In India, whilst we expect decent growth for Indus following Vodafone Idea's capex guidance during this period, we believe [new fears may re-emerge once the government repayment holiday ends for Vodafone Idea](#). **Longer term prospects for Indus remain poor for us.** [Vodafone's recent monetisation of Indus Towers](#) is sensible given the valuation we think. Therefore, we retain our Reduce rating.
- For China Tower, core Tower revenue has started to recover post 2023's MSA revision whilst fundamentals in its ancillary businesses remained strong; contribution is becoming material (11% revenue). Moreover, the **falling depreciation bodes well for dividend growth** (+15% in 2023) in our view. In Indonesia, we remain nervous on the impact of the potential merger between XL and Smartfren, in particular TOWR and TBIG which are more exposed. However, we stay Buyers of TOWR as weakness in Tower revenue is likely to be offset by strength in its higher-growth fibre businesses.

Valuation: By far, China Tower is the cheapest EM TowerCo in our coverage on 3.4x FY25E EV/EBITDA and has a strong earnings growth dynamic; this seems to be the easiest TowerCo to support at this stage. Protelindo, Tower Bersama and Mitratel trade on 7.5x, 11x and 7.8x FY25E EV/EBITDA respectively, but the consolidation of Indonesian telcos continues. IHS trades at 4.7x FY25E EV/EBITDA; Helios at 8x; Indus trades at 6.0x March-26E EV/EBITDA.



Section 1: India

India – Summary and thesis impact

What's new: We think the market is mis-reading the improvement in revenue growth. This reflects the fact that Bharti is now present on almost all of Indus' towers which means the latter's growth is predominantly coming from single tenancy towers. As a result, capex intensity is through the roof, and Indus' better growth is at the expense of a significant decline in ROIC. Separately, Indus is expected to be consolidated under Bharti Airtel after its shareholding breached the 50% threshold post the [share buyback by Indus](#). While there is a case for Indus to be an infrastructure arm, there is no early intention from Bharti to shift its data centre business into Indus yet.

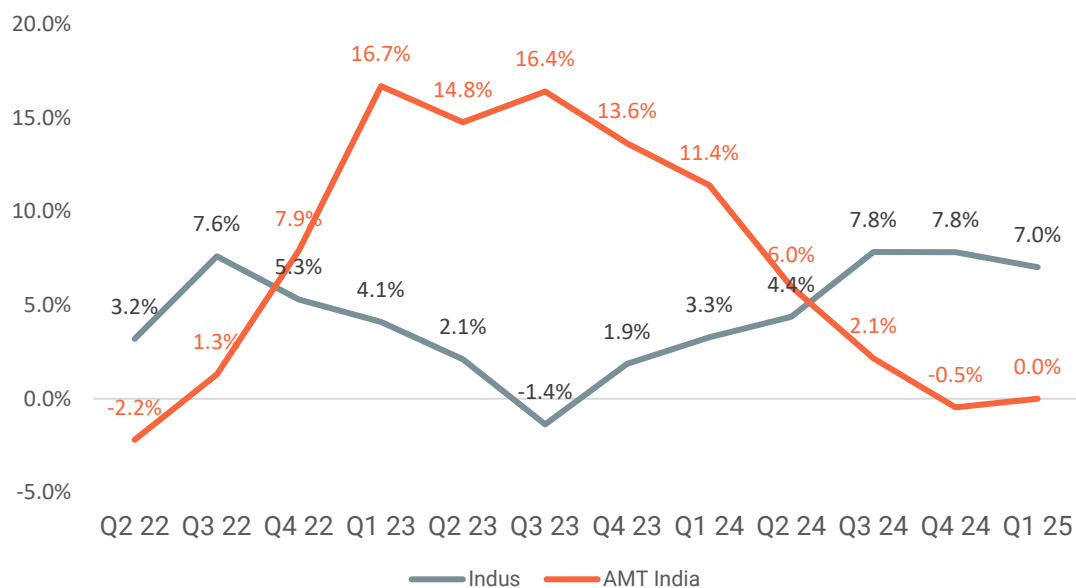
Thesis: Despite higher expected spend by Vodafone Idea, we remain sceptical on the fundamentals of the tower industry in India which are weak. Poor contracts with low rents, lack of sharing at Indus by Jio. Near term growth has improved, but ROIC is falling, and we think this is structural.

VIL's fundraise will enable this growth to persist for some time but cash flow for Indus remains impacted by high capex spend off higher single tenancy towers which saw dividends being skipped again. In our view, Vodafone Idea is likely to need new liquidity again after 2 years which makes Indus' longer-term prospect unclear to us. More recently, [Vodafone had sold down c.18% of its 21% stake in Indus Towers](#). Thus, we remain at Reduce with an INR 265 price target.

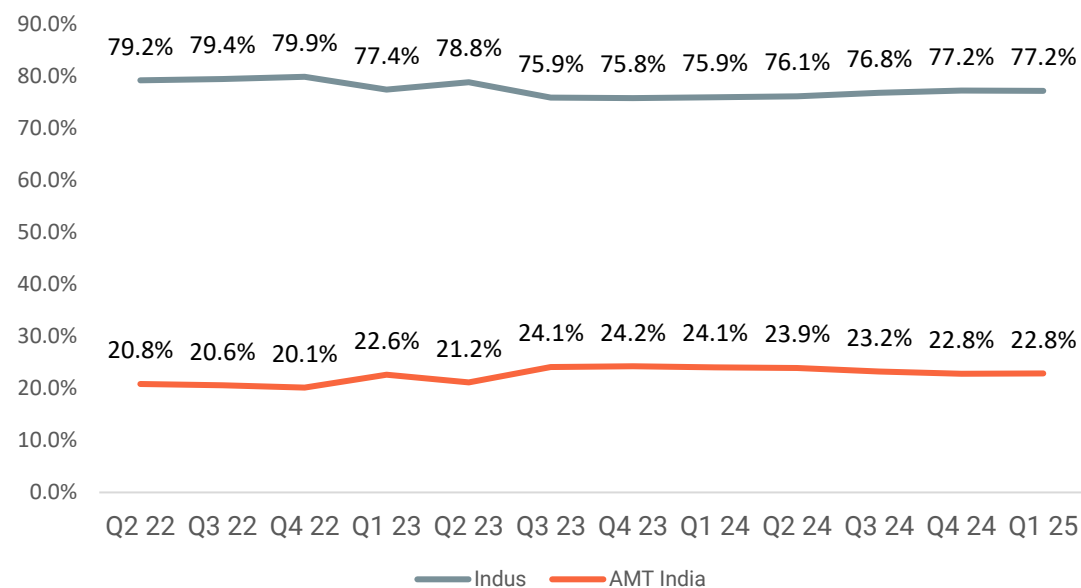
Tower revenue – MSD again

Indian towers sustained MSD trend again, up 5.4% YoY against 5.9% last quarter. This was marked by the flattish trend at AMT India, while Indus rose by 7.0% from 7.8% on an underlying basis.

Underlying tower revenue growth - YoY %



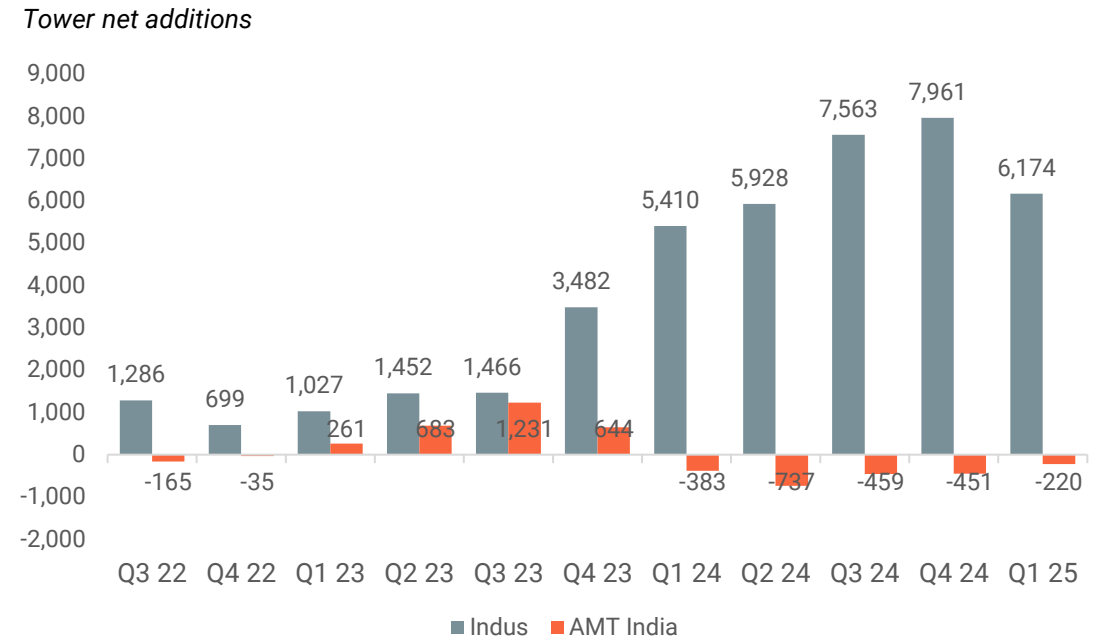
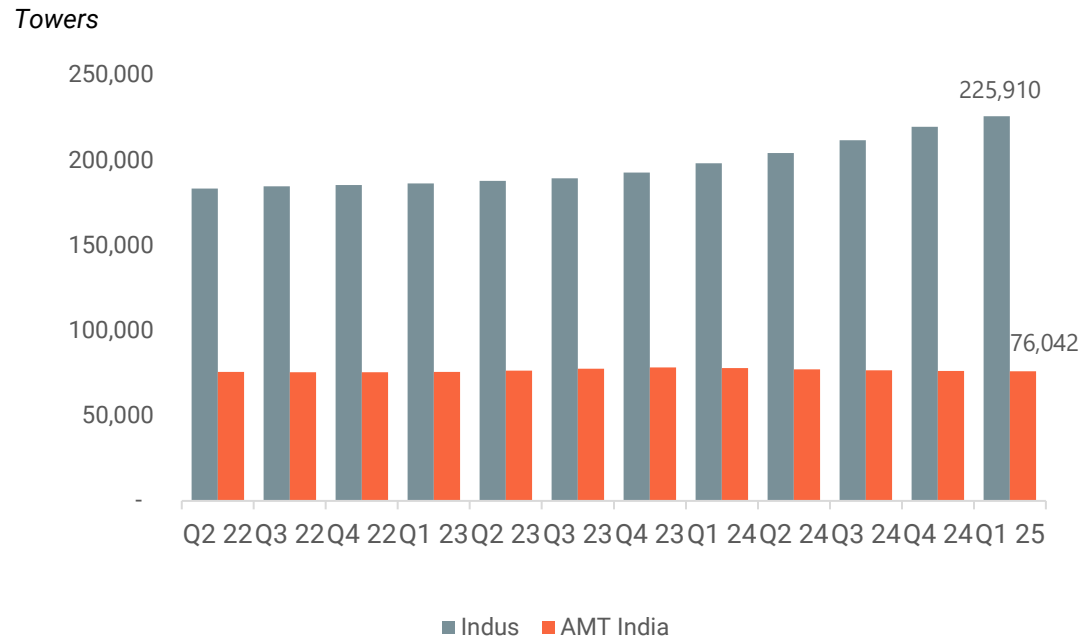
Tower revenue share (excludes Reliance Jio towers), %



Source: New Street Research analysis
 *As AMT India does not disclose revenue by country, we proxied figures from its Asia Pacific region where most are derived from India.

Towers

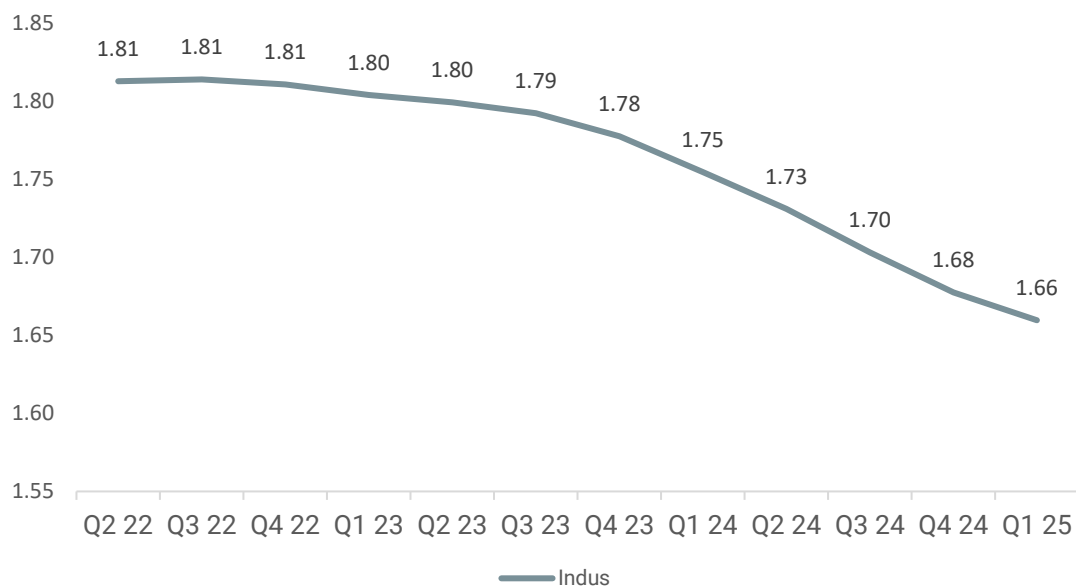
Tower net additions for Indus stayed decent as India’s data trend continue to move healthily. Over the short term, order book for Indus is said to be “strong” over the next few quarters. However, AMT India continued to fall short.



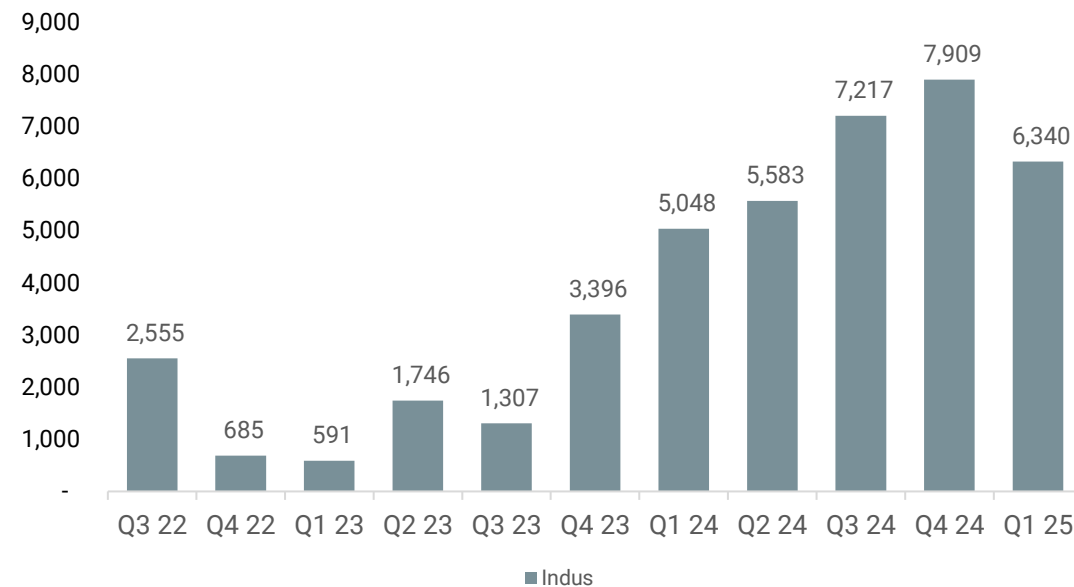
Tenancy ratio and tenant net additions

Downward trend in tenancy ratio had been driven by higher number of single tenancy towers. This in our view is a risk as it erodes ROIC although we should expect tenancy net additions to sustain in the next 2-3 years from Vodafone's expansion.

Tenancy ratio, x



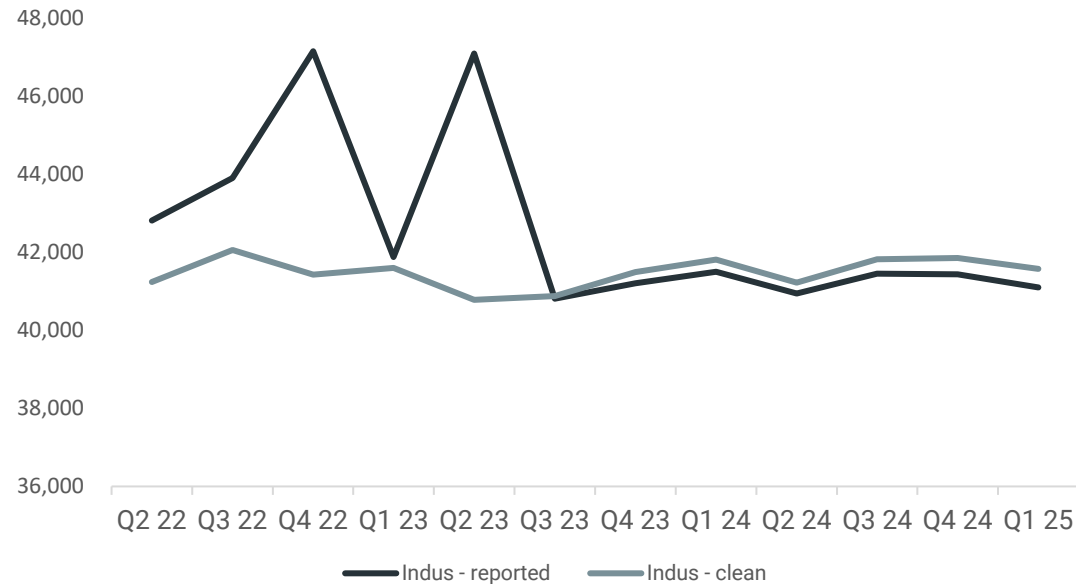
Tenant net additions



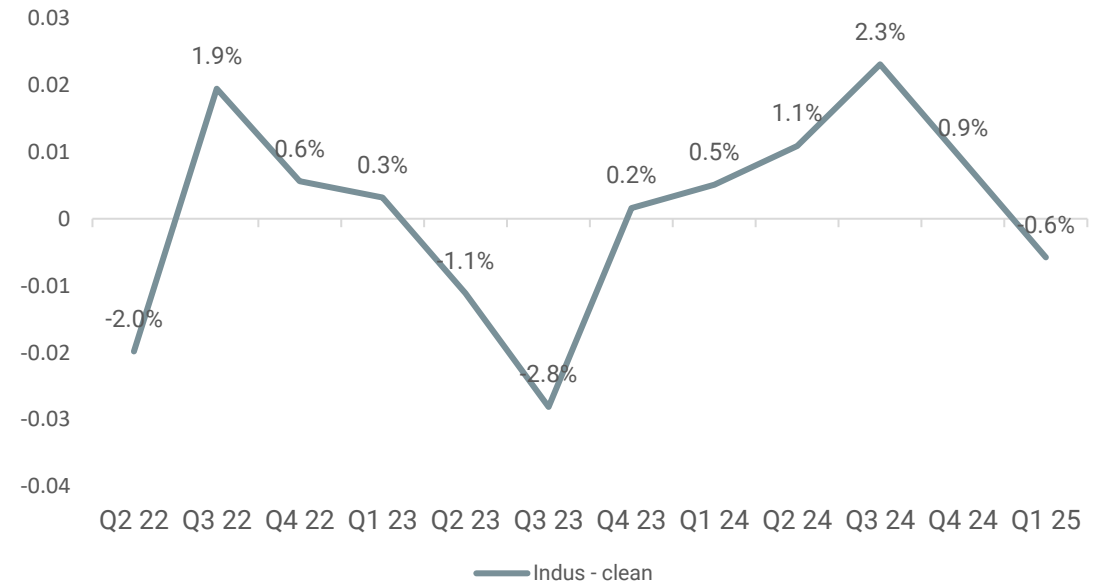
ARP/Tenant

ARP/Tenant trends are expected to remain modest as new roll outs are said to lean towards “more agile and nimble” designs thus “lower rental”. This is partly offset by the annual 2.5% escalation on older towers.

ARP/Tenant, INR per month



ARP/Tenant - % YoY



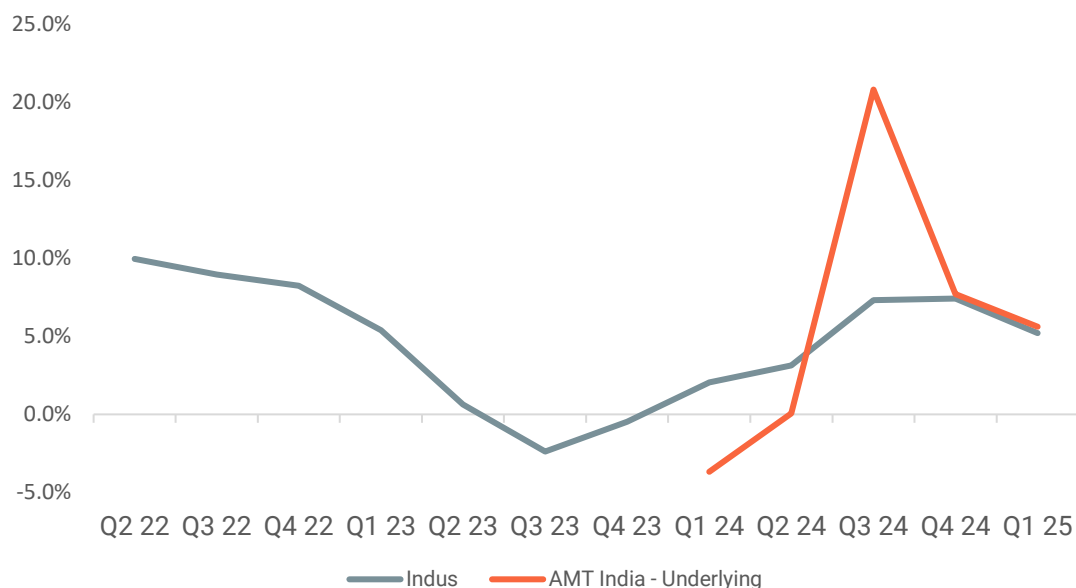
Source: New Street Research analysis
Clean ARP/Tenant defined as sharing revenue excluding exit penalties divided by average number of tenants

Group EBITDA and margin

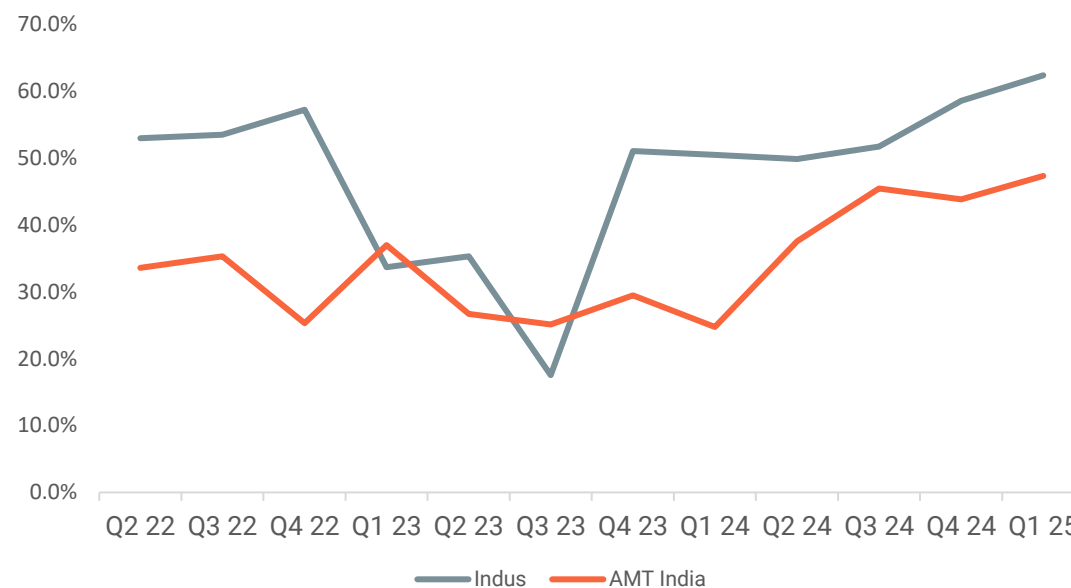
Underlying EBITDA (ex. Energy, exit penalties and bad debt) slightly slowed for Indus, up 5.2% YoY from 7.4% last quarter. For AMT, accounting for the reversal of revenue reserves associated with Vodafone, we estimate that it grew 5.6% YoY from 7.7%

Underlying EBITDA was up 7.4% and 7.7% YoY respectively for Indus and AMT

EBITDA – YoY growth, %



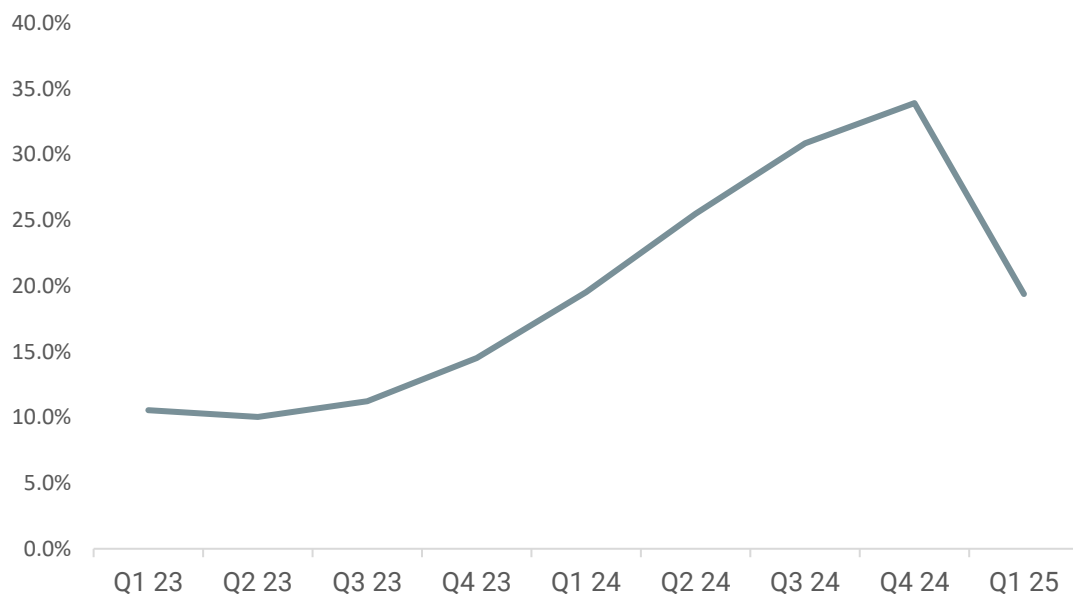
Reported EBITDA margin, %



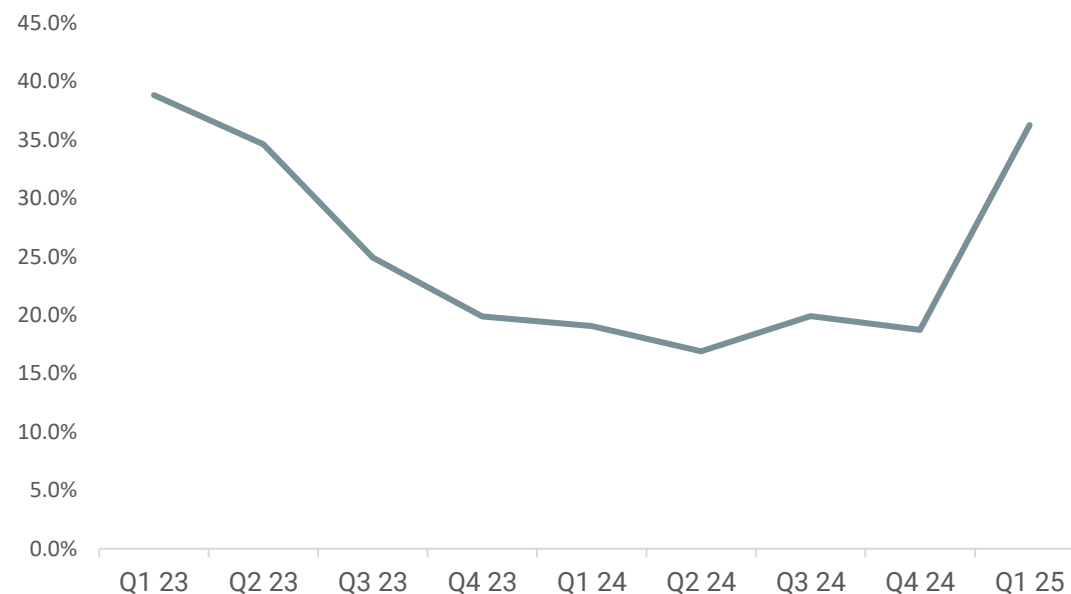
Capex and OpFCF – Expect to remain elevated as Vodafone is poised to spend more

While capex spend is slightly lower this quarter, capex spend is expected to remain elevated following Vodafone's capex guidance although both Jio and Bharti are done with urban 5G rollout now.

LTM Capex/sales, %



LTM OpFCF margin, %





Section 2: China

China – Summary and thesis impact

Q2 24 recap: Topline trend improved further on higher contribution from Tower revenue and sustained momentum from DAS, backed by the urbanization trend. Two Wings was slower due to a one-off in Energy (large event held last year). Currently at 12% of overall revenue, we expect Two Wings mix to rise over time as it continues to grow in the teens (management had target 15% by 2025; NSR at 14.8%). Importantly, falling/stable depreciation (>50% of sales) and falling finance cost continued to support the strong bottom-line trend.

Thesis: Our thesis that [group growth will be supported by Two Wings business while lower depreciation costs support bottom line growth](#). Depreciation is expected to come down by 2-3% per annum through FY25 as certain equipment obtained in FY15-18, are fully depreciated. In addition, Tower revenue has resumed growth after lapping the [renegotiated service agreement](#). Group topline has been improving off its higher growth ancillary businesses (Smart Tower and Energy) and DAS as demand for indoor coverage is driven by urbanization efforts. We continue to expect Smart Tower to be driven by higher utilization for tower monitoring (only 10% towers currently utilized), with still room to take advantage of the applications of Smart Tower. Its Energy business is likely to capitalize on its current market leadership (>50% share) as more battery exchange users come onto the platform.

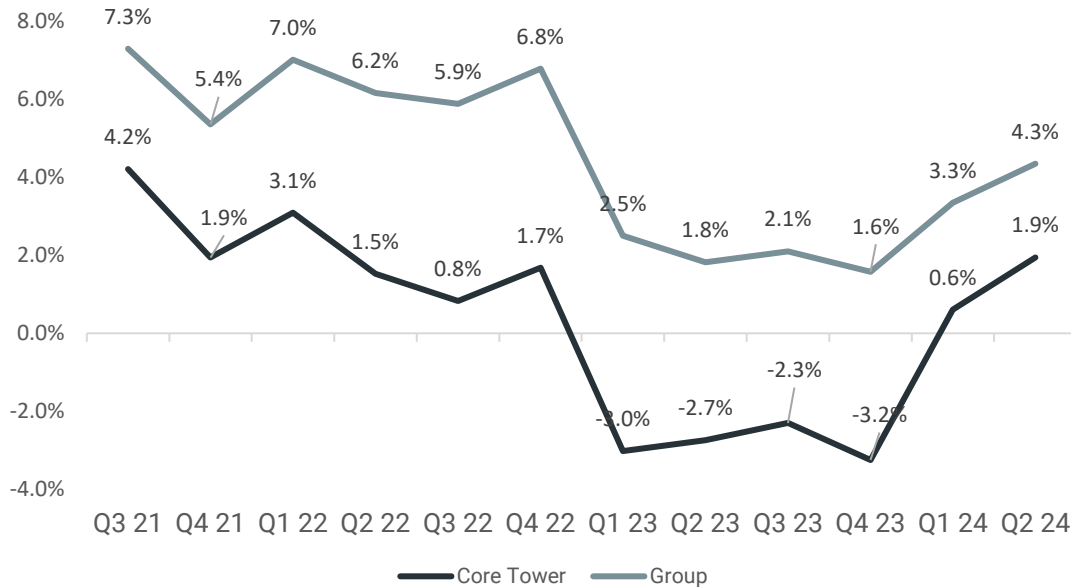
Valuation remains cheap: Despite recent share movements driven by the positive sentiment over China's stimulus, China Tower remains extremely attractive as a valuation play at 3.4x FY25E EV/EBITDA. With a stable core, strong growth dynamics from ancillary services and the potential for accelerated earnings growth, we remain Buyers with a price target of HKD 1.4.

Group and Towers Revenue – More balanced growth from Tower and DAS

Tower trend improved on strong tenancy additions while DAS contribution rose, backed by the structural urbanization trend in China. Despite the slowdown in Two Wings as Energy was impacted by a one-off, we expect its mix to rise as growth has been in the teens. To meet the company’s 15% target by 2025, Two Wings would need to accelerate to high-teens.

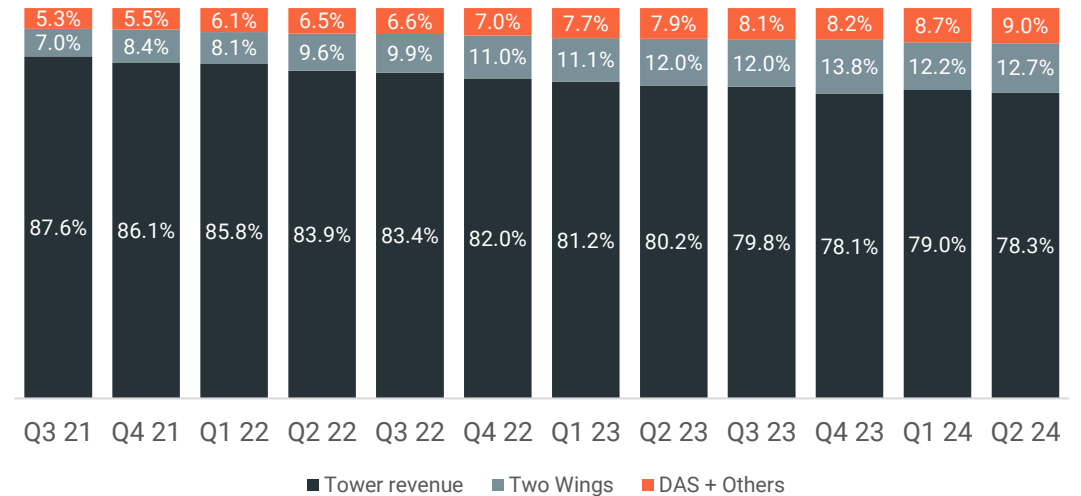
Improved topline as Tower resumed growth

Revenue growth - YoY %



Two Wings contribution almost doubled since 2021

% of revenue



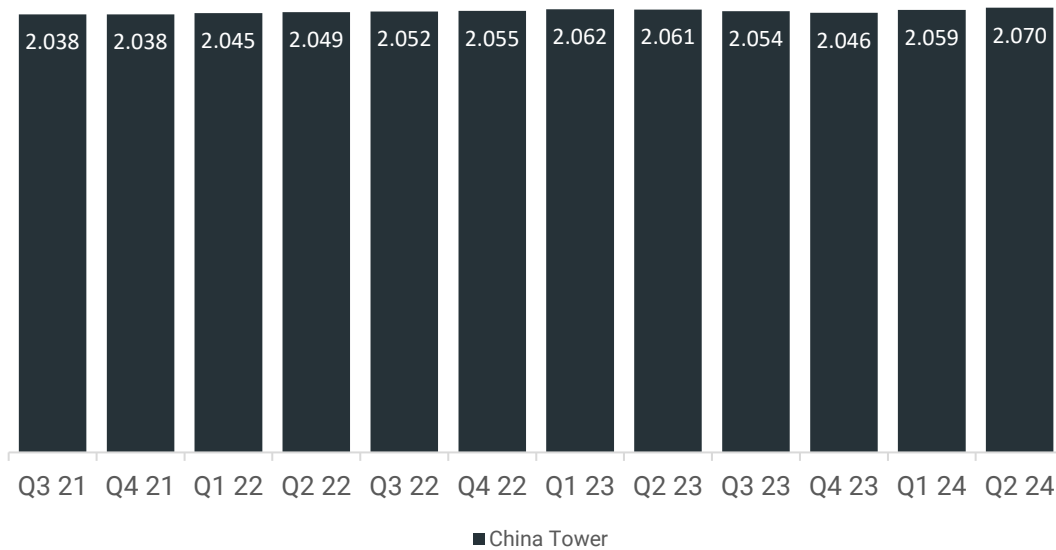
Source: New Street Research analysis

*For context, weakness in 2023 was post the effects of the MSA renegotiation (effective from Jan 2023 until Dec 2027) which impacted Tower revenue growth

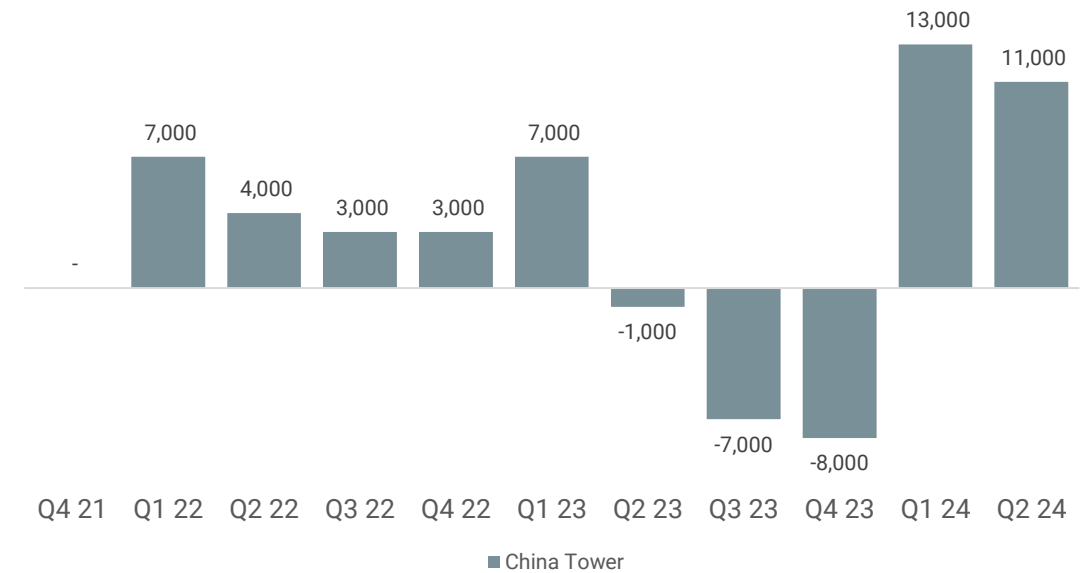
Towers

Despite suffering from contractually low lease rates, China Tower remains the largest TowerCo by far. Consolidation of tower equipment to single towers appeared to have stopped since Q1 as net additions resumed.

Towers, millions



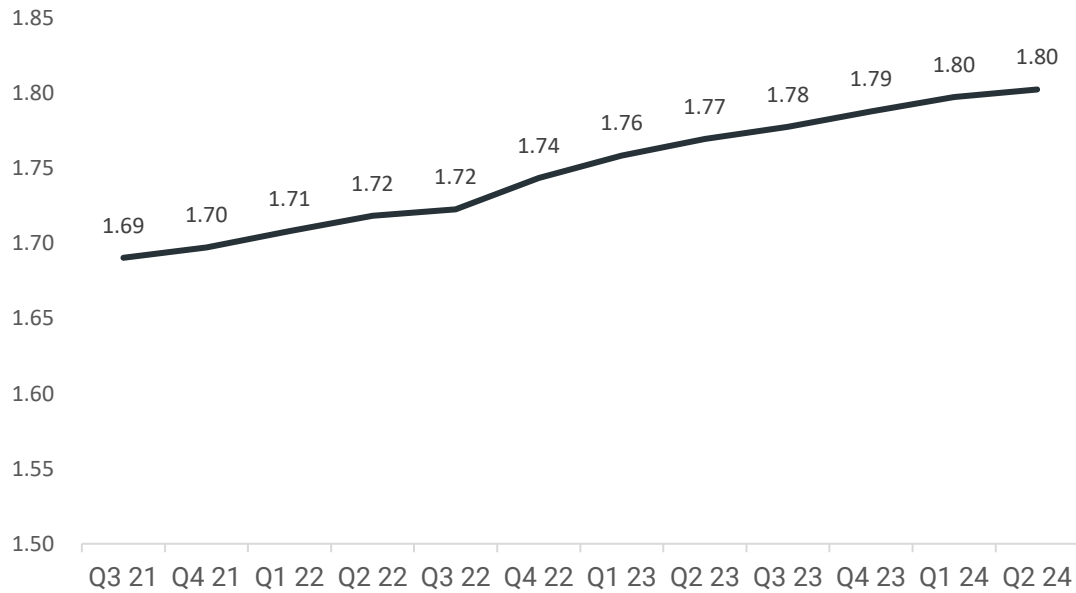
Tower net additions



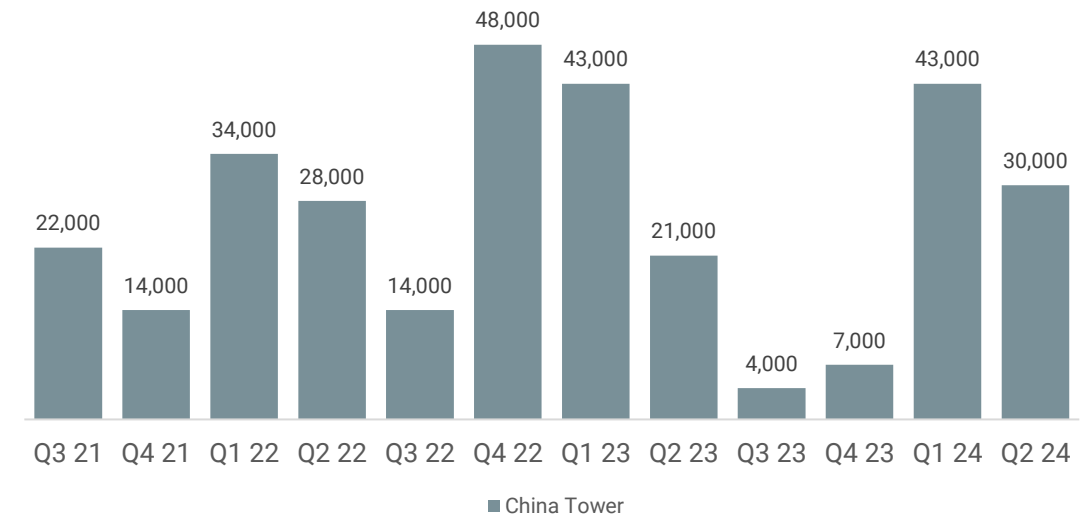
Tenancy ratio and tenant net additions

Tenancy ratio continued to improve as tenancy additions stayed decent.

Tenancy ratio, x

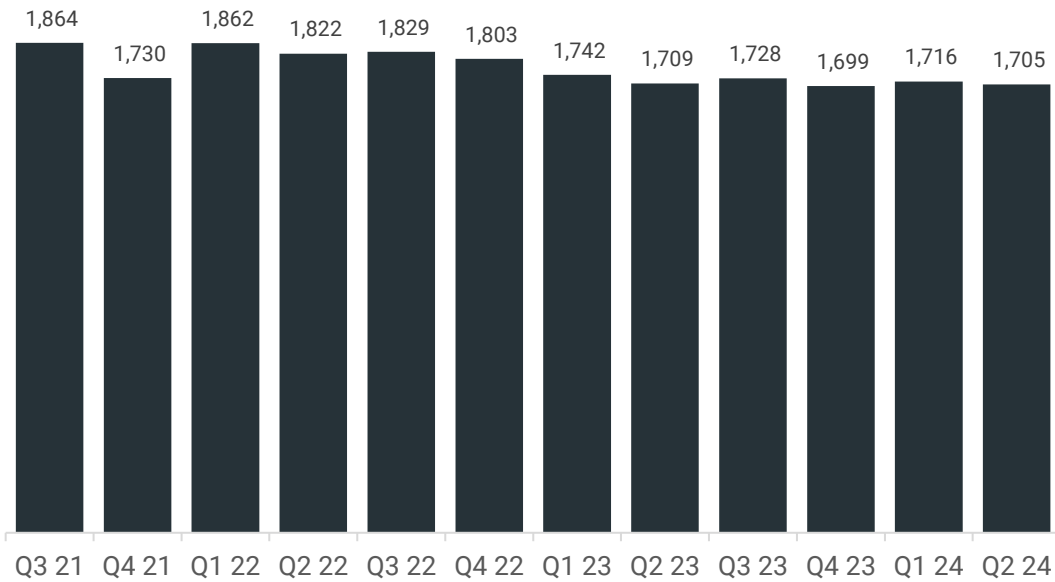


Tenant net additions

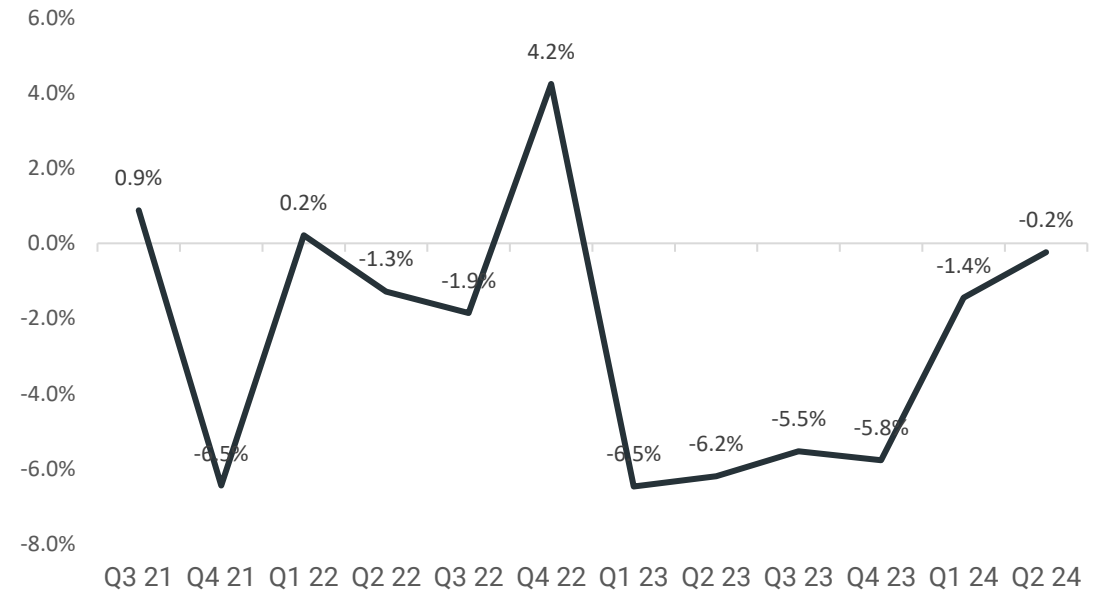


ARP/Tenant - Recovering

ARP/Tenant, RMB per month



ARP/Tenant - % YoY

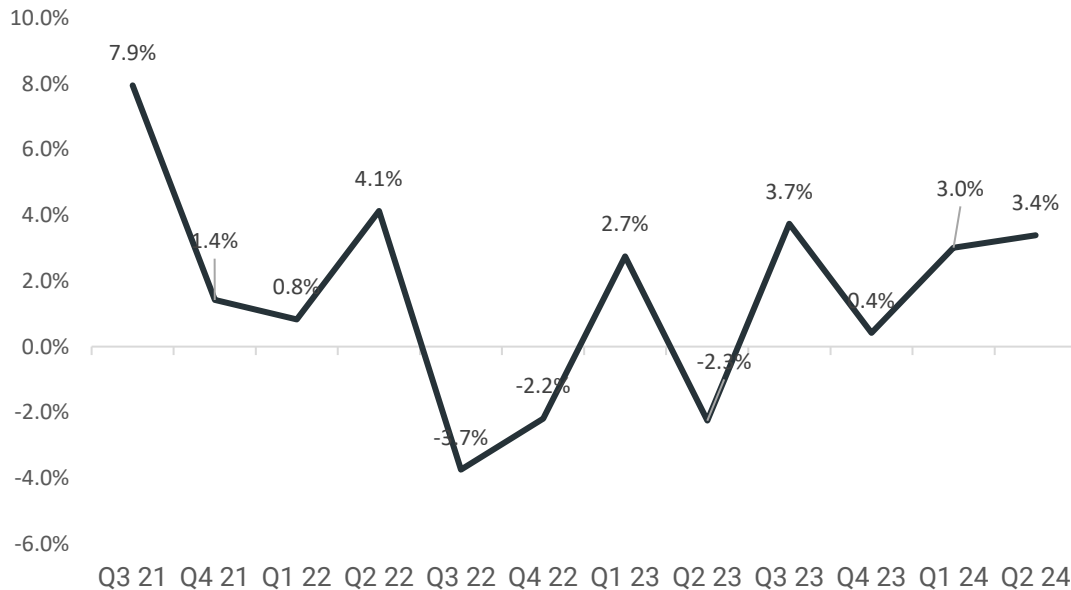


Source: New Street Research analysis
 ARP/Tenant = Tower revenue/average tenants
 Note: 2023's decline was attributed to the revised MSA which saw a [2.4% rise in co-tenancy discount](#).

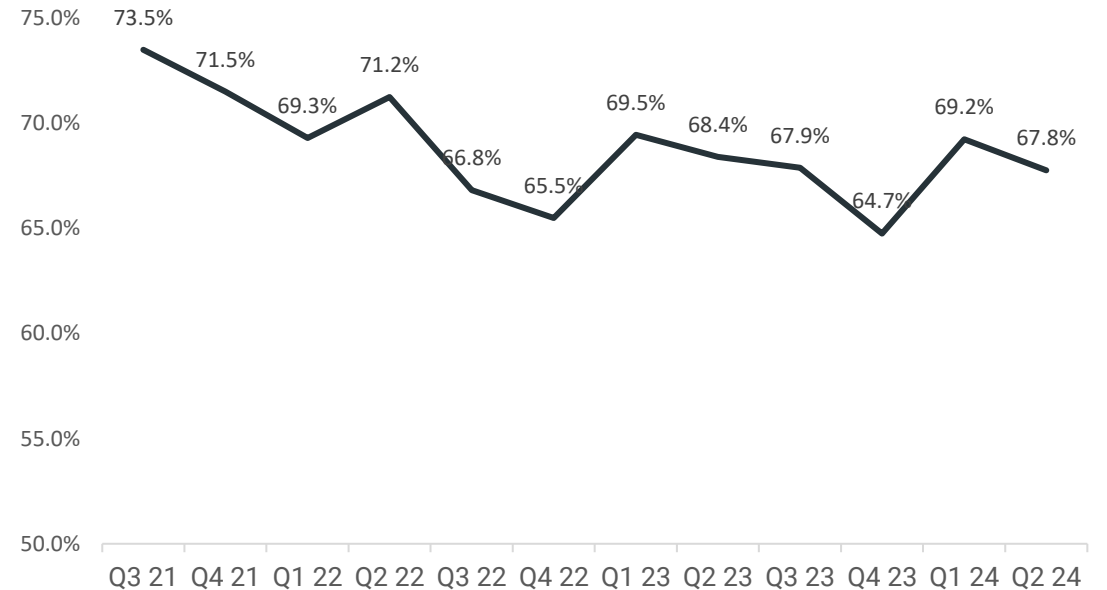
Group EBITDA and margin – Better growth but margins weaker

Over time, we expect margins to either stabilize or improve as telcos consolidate their equipment and idle towers are being decommissioned. Within the Two Wings mix, Smart Tower margin typically rise as they scale, though it was less clear for Energy as the margins are varied.

EBITDA – YoY growth, %



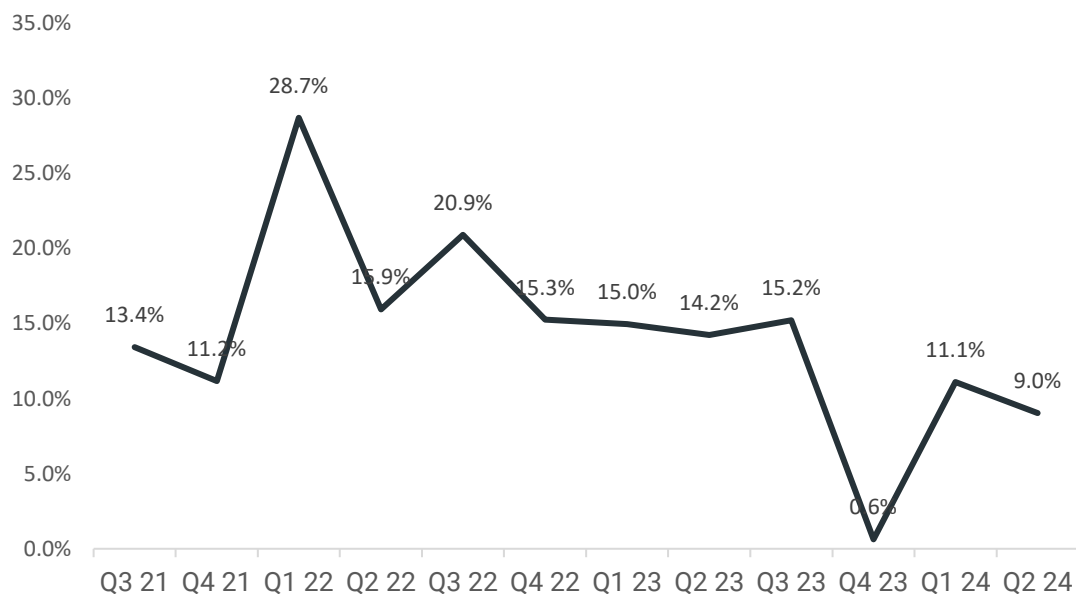
EBITDA margin, %



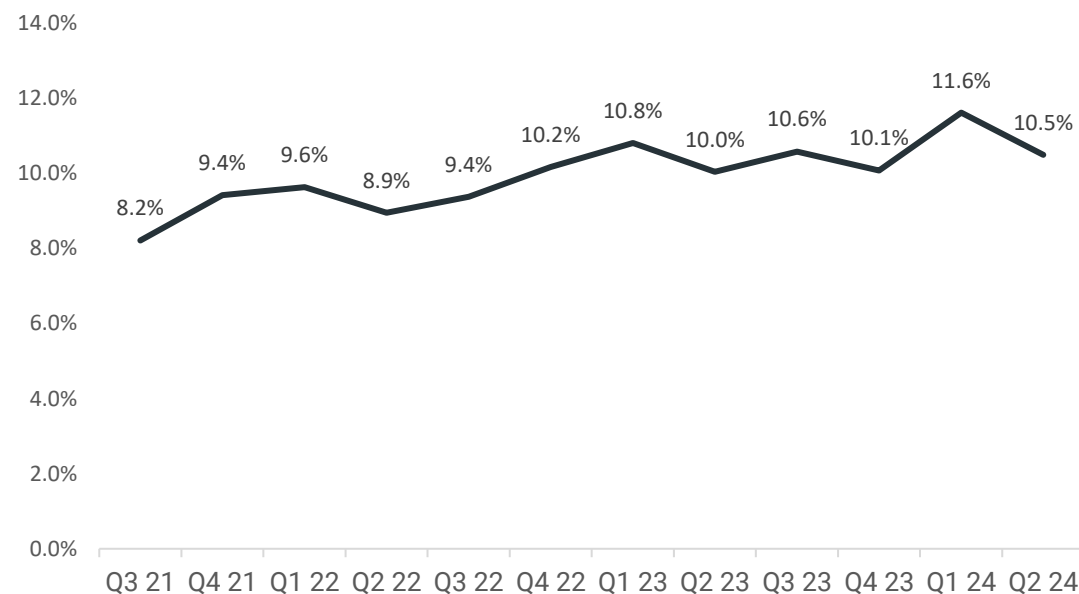
Net profit and margins – Near double-digits, supported by lower finance and depreciation costs

The trend of declining depreciation and improving finance costs continue to support its bottom-line. Much of its equipment is nearing the end of lifespan which means depreciation (c.50% of cost) is falling c.1% per year. This underscores part of our Buy thesis on the firm, where we expect earnings & therefore dividends to grow double-digits over time.

Net profit – YoY growth, %



Net profit margin, %





Section 3: Indonesia

Indonesia – Summary and thesis impact

Q2 24 recap: On a headline basis, tower operators reported faster topline growth with bulk of the growth driven by non-Towers such as fiber optics, FTTH and FTTT. In terms of tower revenue performance, MTEL remained ahead as peers are more exposed to the relocation of towers by Indosat. EBITDA margin continued to rise YoY for MTEL but fell for TBIG and TOWR again, with the latter attributing it to the rise in non-tower contribution (~75% margin). Beginning from Q3, TOWR is expected to add 3k towers to its portfolio from the consolidation of IBST.

Industry's leverage (Net debt/LQA EBITDA) improved to 3.6x, with MTEL having the most headroom for further M&A. Fixed debt are 44% and 51% for TOWR and MTEL respectively.

In terms of geography split, MTEL remains most exposed to the ex-Java region (58% of its towers) while Protelindo is seeking to expand its ex-Java coverage as well (48% of its towers).

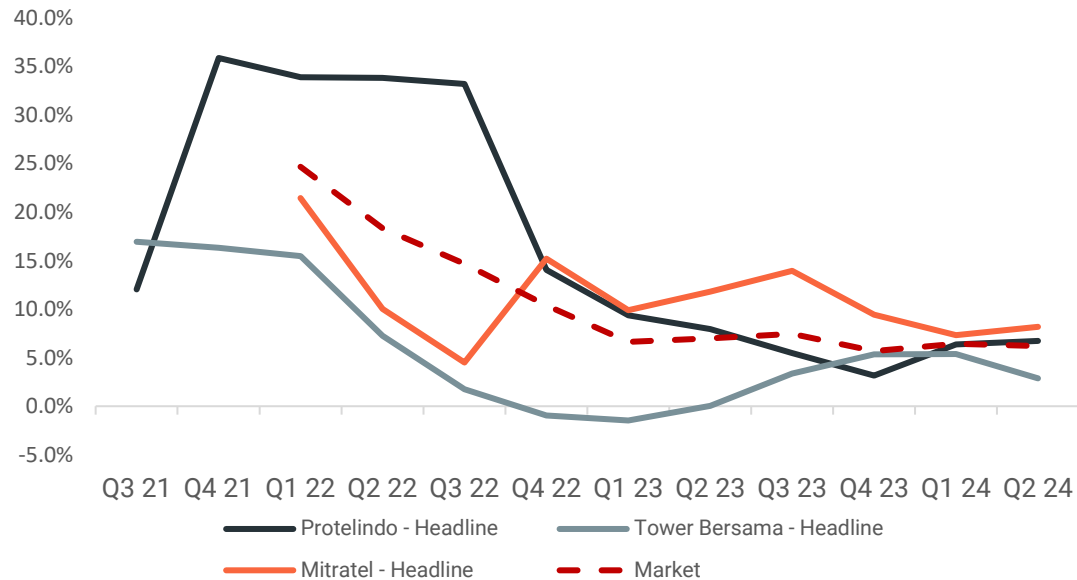
Thesis: Key catalyst would be the [XL-Smartfren merger now that the pair are in negotiations](#). In our view, this would negatively impact TOWR (40% tower revenue) and TBIG (33%) given that they are more exposed to them. For TOWR however, it is likely to be cushioned by its adjacent businesses (32% of revenue) like Connectivity as demand for satellite-based solutions like “Very Small Aperture Terminal” is high especially in remote areas. Other non-tower includes FTTH as challenger telcos are expanding their fixed broadband footprint (<20% penetrated). In addition, we believe FTTT has further room to grow as only 50% of the Towers are fiberized today. For MTEL, it is likely to remain a key beneficiary telcos' expansion into ex-Java as they seek to narrow their coverage gap against Telkomsel.

Group and Towers Revenue

Industry's headline revenue sustained mid-single digit growth, up 6.2% YoY vs 6.4% prior. Tower growth was slower at 1.5% against 2.1% last quarter. Bulk of the growth (~80%) remains driven by non-Tower segments like Fibre, as been the case since 2022.

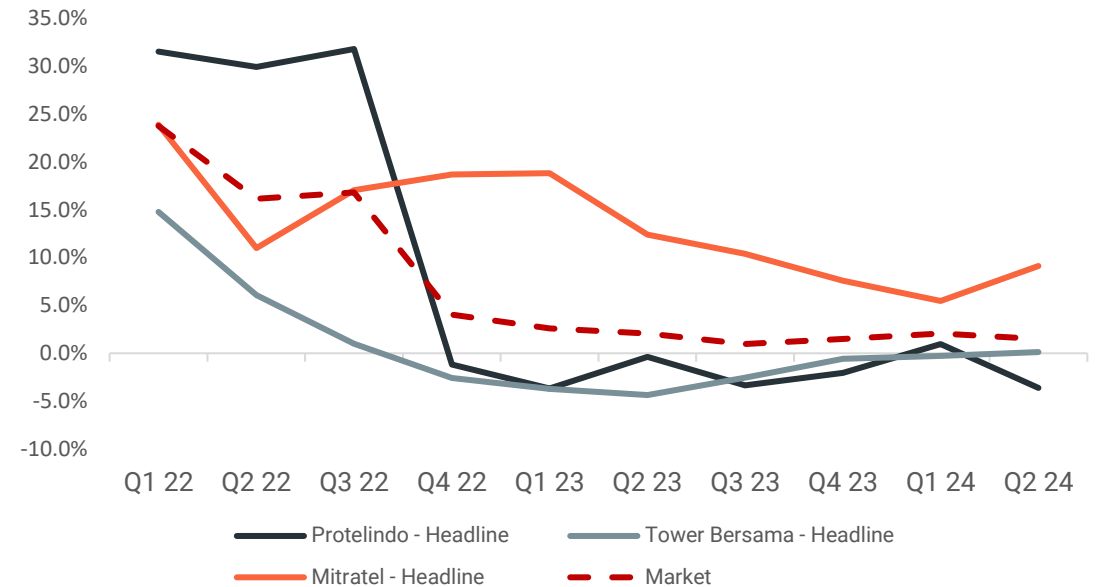
MTEL ahead at 8.2% YoY compared to 6.7% at TOWR and 2.9% for TBIG

Headline revenue growth - YoY %*



MTEL still benefiting from the PT Gametraco Tunggal acquisition (Dec 2023); peers remain challenged due to consolidation of Indosat towers

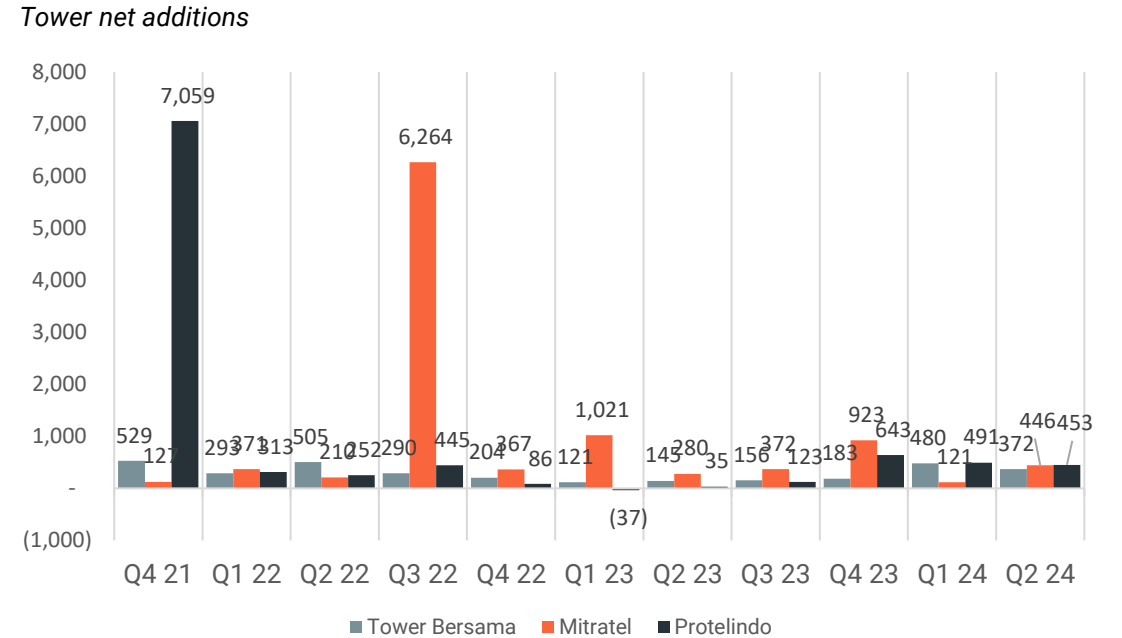
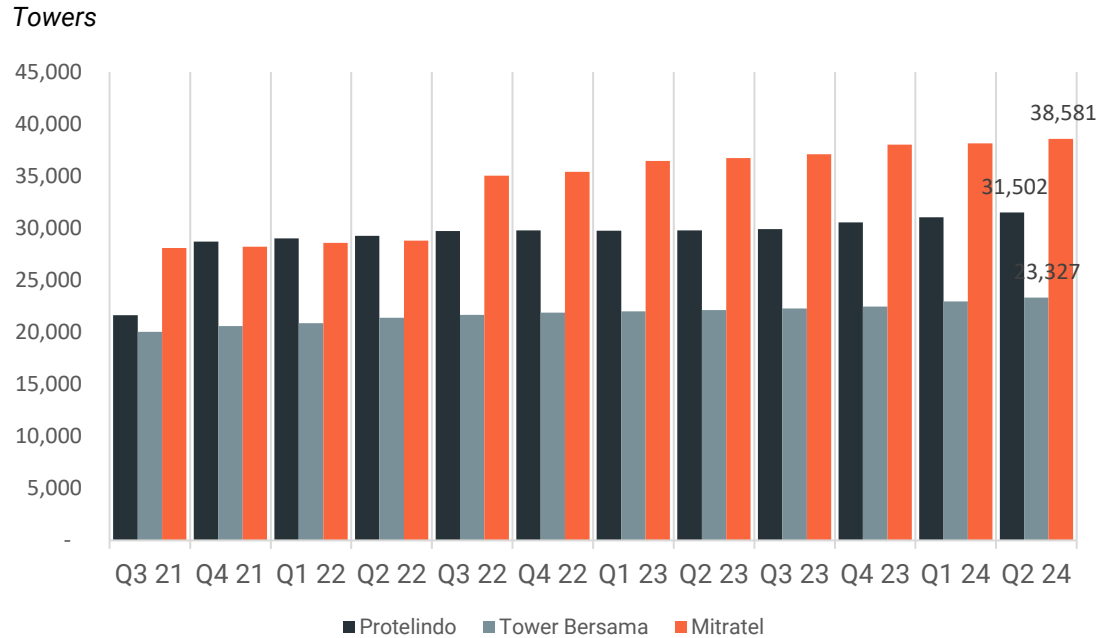
Tower revenue growth* - YoY %



Source: New Street Research analysis
*TOWR acquired STP in October 2021 hence the spike in growth in 2022

Towers

Collectively, the big three own 93.4k towers with TWR adding the most in Q2 followed by MTEL. If the merger between Smartfren and XL goes through, we anticipate TWR (~40% exposed) and TBIG (~33%) to be more impacted given their higher revenue exposure to both telcos.

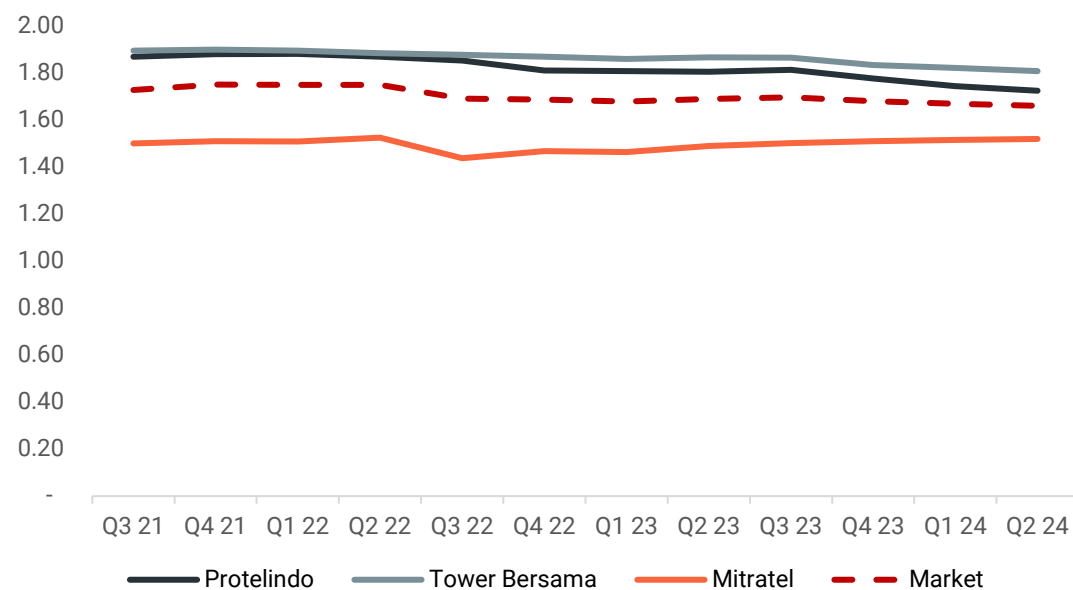


Source: New Street Research analysis
 *In October 2021, TWR acquired 6.78k towers from STP; MTEL acquired 6,049 towers in Q3 2022

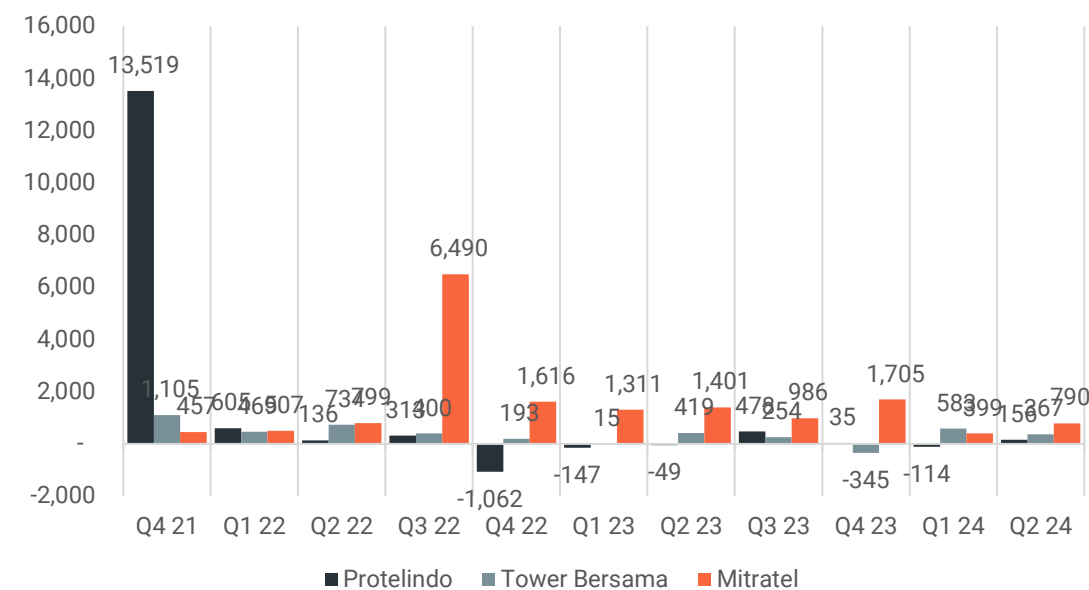
Tenancy ratio & Tenant net additions

Tenancy ratio kept steady at 1.52x for MTEL but fell slightly for TOWR (1.72x from 1.74x) and TBIG (1.81x from 1.82x).

Tenancy ratio, x



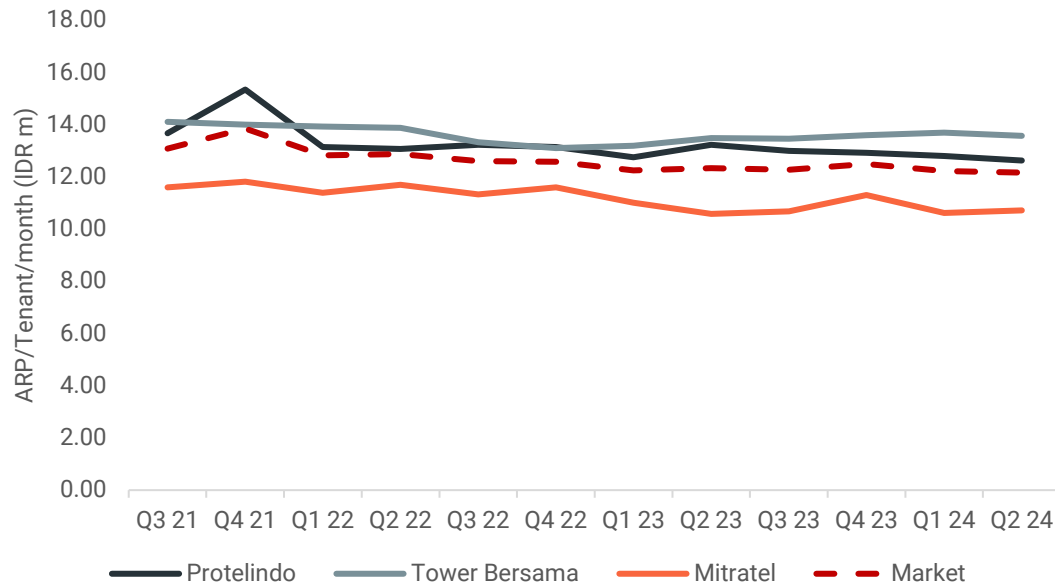
Tenant net additions



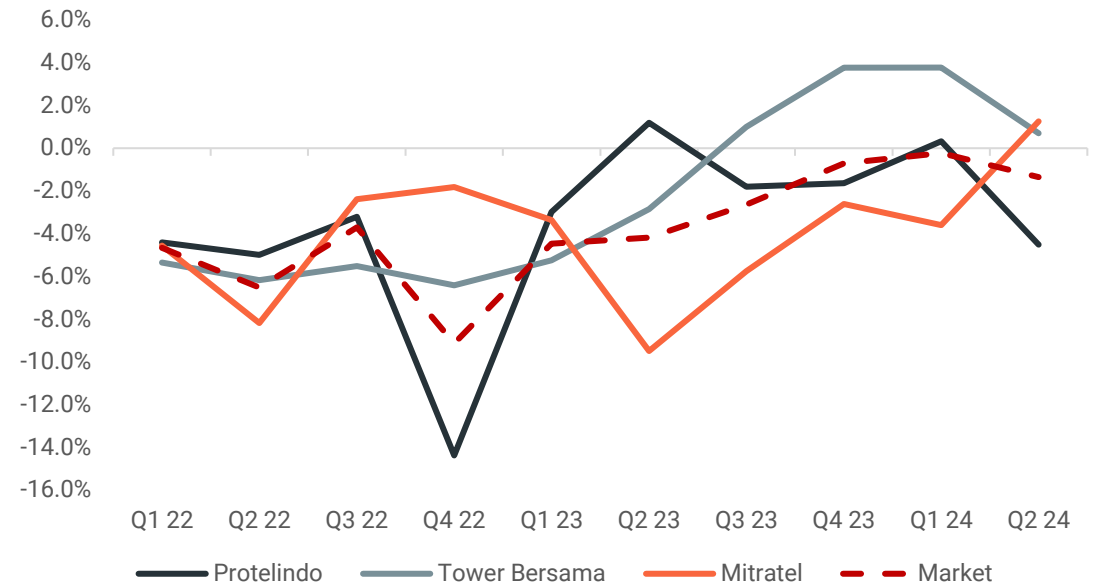
ARP/Tenant

ARP/Tenant fell by 1.4% YoY from -0.2% prior, dragged by TOWR. Meanwhile, MTEL recovered to 1.3% after several quarters of decline, likely due to the lower ARP/Tenant in ex-Java where MTEL is most exposed to.

ARP/Tenant, IDR per month



ARP/Tenant, IDR per month - % YoY



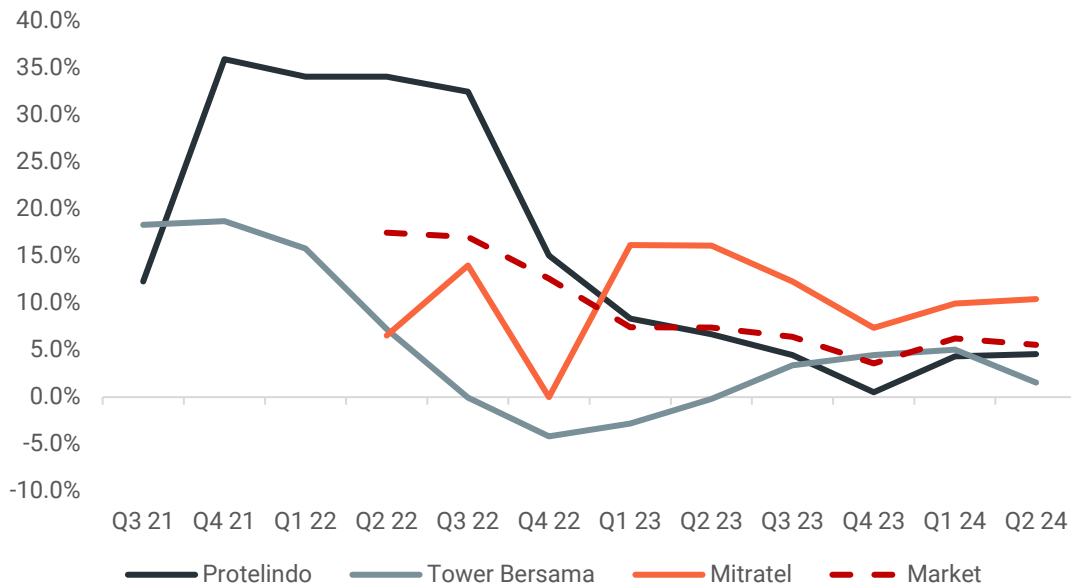
Source: New Street Research analysis
 ARP/Tenant = Tower revenue/average tenants; for TBIG, we used total revenue

Group EBITDA

Industry EBITDA slowed slightly to 5.5% from 6.2% prior. Both TOWR and MTEL improved while TBIG was weaker. Margins were better YoY for MTEL again but continue to fall for TOWR as non-tower contribution rose.

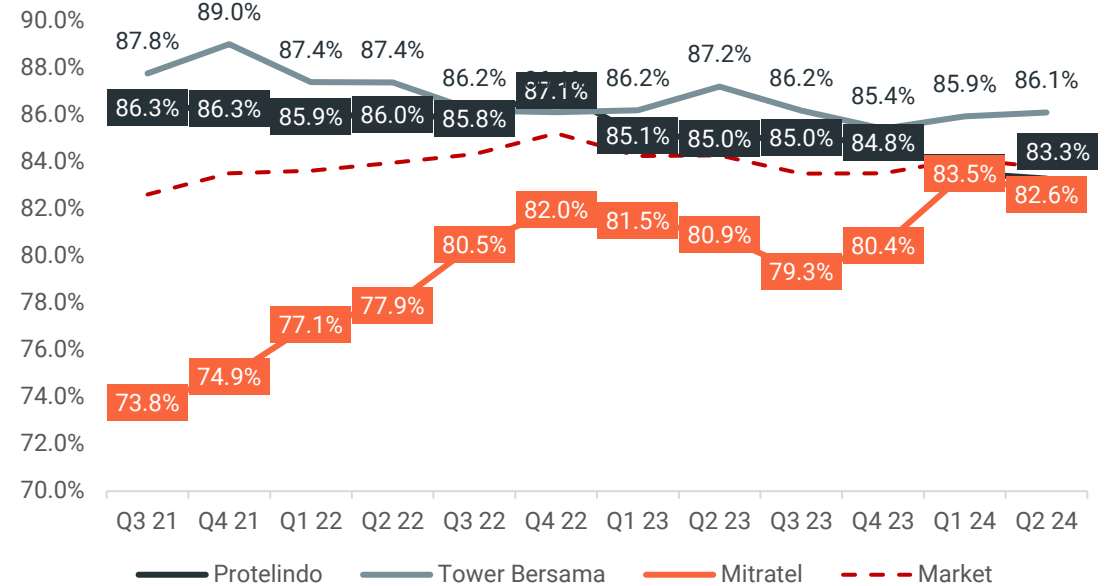
MTEL, TOWR and TBIG all improved to 9.9%, 4.4% and 5% YoY respectively

EBITDA – YoY growth, %



Strong uplift from MTEL this quarter as it bridges EBITDA margin gap with peers

EBITDA margin, %

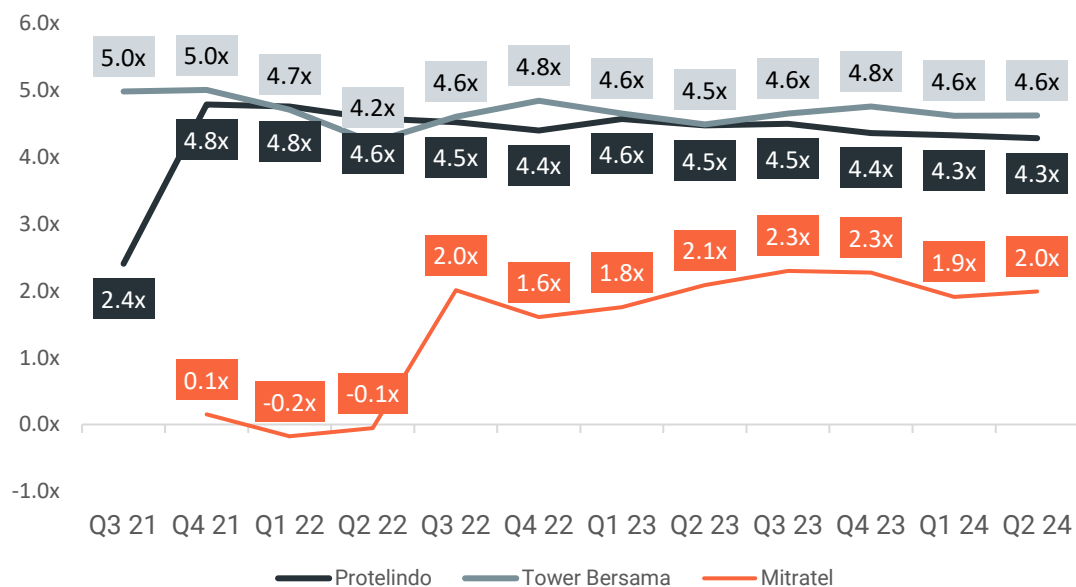


Leverage

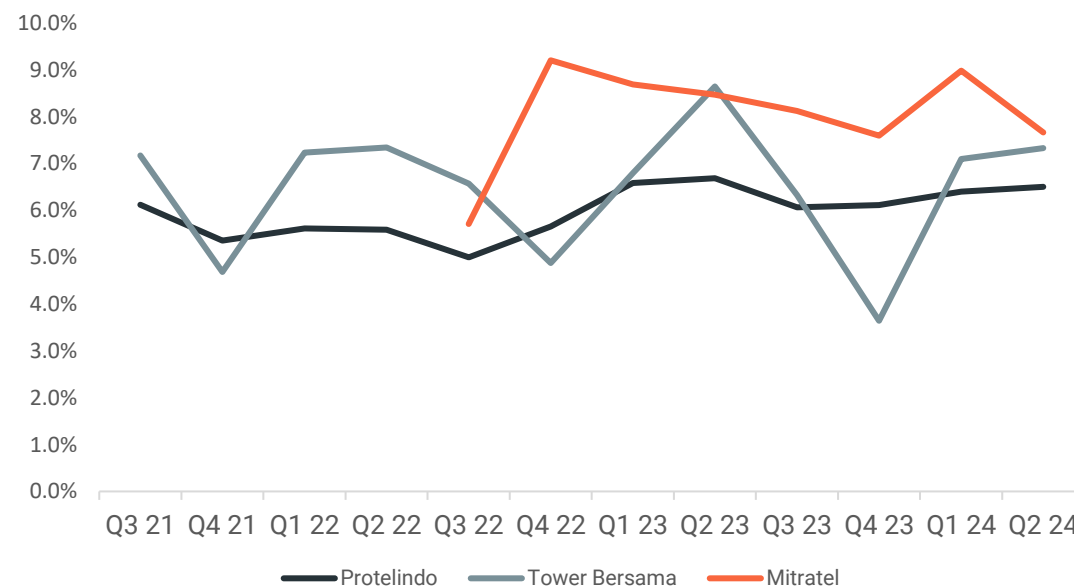
Average leverage stayed at 3.6x; MTEL remains the least leveraged. However, we estimate that its implied interest rate is higher than peers. The Bank of Indonesia's decision to cut rates by 0.25% in Q3 is incrementally positive for the industry.

More M&A headroom for MTEL

Net debt/LQA EBITDA, x



Implied interest rate**



Source: New Street Research analysis

*Net debt includes lease liabilities.; Net debt/LQA EBITDA

**Implied interest rate estimated based on LQA net interest cost divided by net debt.



Section 4: Africa

Africa – Summary and thesis impact

Q2 performance remained decent for Helios while the narrative for IHS Towers is turning more positive following the [contract renewal with MTN Nigeria](#) despite the near-term cut to guidance. [IHS performed well in Q2, with topline helped by the Naira FX resets and EBITDA ahead of consensus](#). It is worthwhile to note that comparison between IHS and Helios is not perfect as the two operate in different countries (with different risks). For instance, Q3 23 was the first quarter where the impact from the Naira devaluation was full for IHS and IHS is more exposed to the rise in energy costs than Helios.

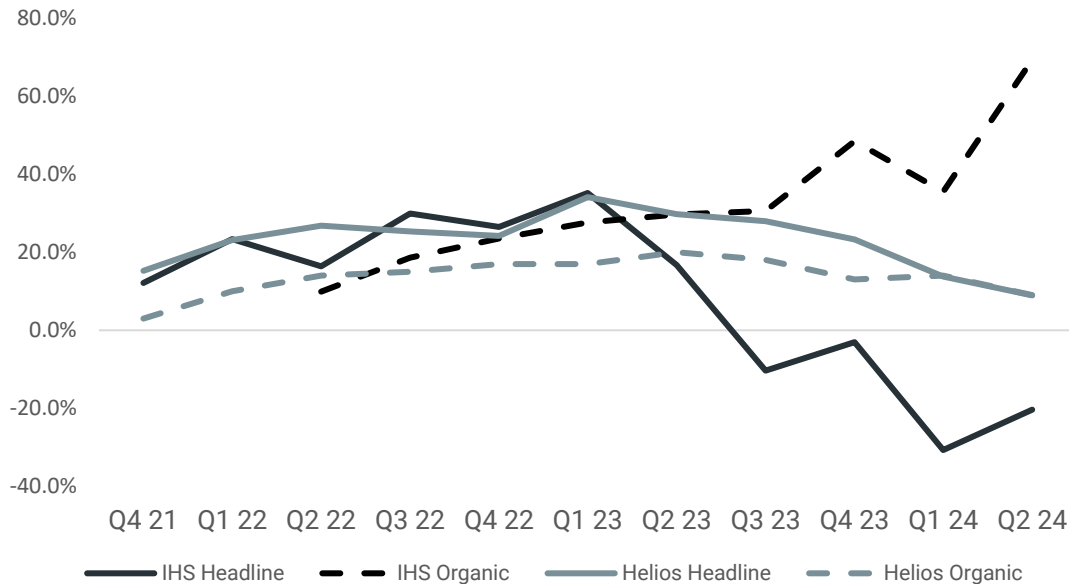
Slight cut in guidance for IHS due to renewed contracts with MTN Nigeria (shift to majority NGN-based leases). The impact is effective from April 2024 despite being signed in August. As a result, [IHS had cut its revenue guidance in August by \\$30m and its EBITDA and ALFCF guidance by \\$35m](#). It now targets between \$1.67bn and \$1.7bn in revenue and \$900m and \$920m in EBITDA. This implies a 54% (55% previously) margin for the full year which is still a 0.7pp YoY improvement relative to FY23. Capex is maintained at between \$330m and \$370m (FY23: \$587m) which was significantly lower than last year since most of the investments for Project Green have been made.

Following [our recent call with IHS CFO](#), we believe 2025 outlook should be relatively stable versus 2024. We stay [positive on IHS' value crystallization programme](#) with the company saying the review is on track. As a result of the near-term financial impact from the renewed contracts, we had recently [adjusted our price target down to US\\$ 6 from US\\$ 8](#). However, we stay Buyers on valuation and the fact that the [commercial risk has been alleviated in our view](#).

Group and Towers Revenue

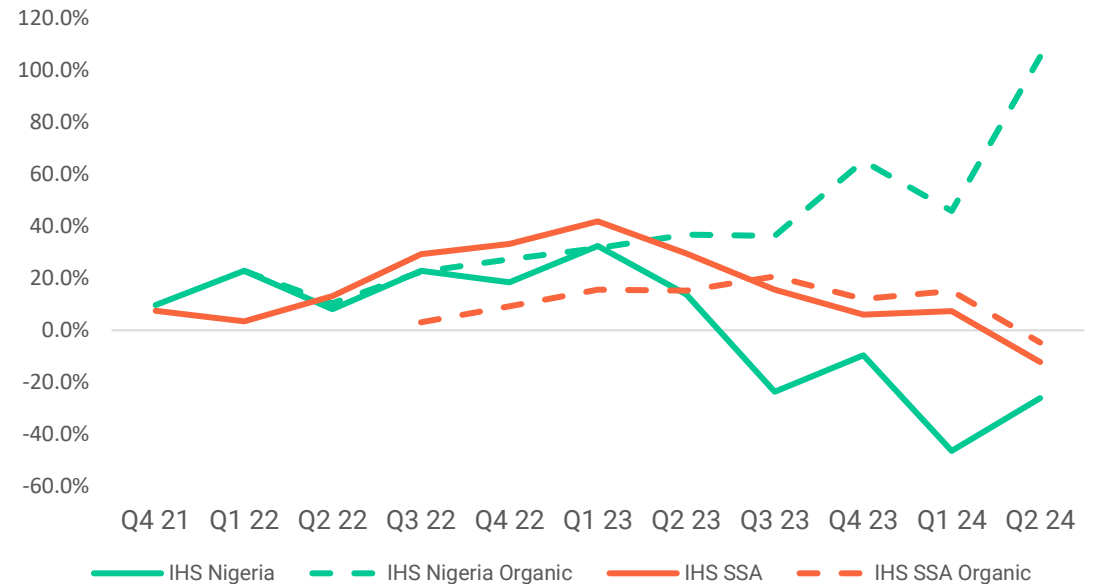
Underlying revenue for IHS was up 69% YoY on FX reset in Nigeria and to a less extent, CPI escalators and growth in lease amendments. Meanwhile, Helios rose by 9% from 14% earlier on an organic basis.

Revenue growth - YoY %



IHS Nigeria benefited from FX reset

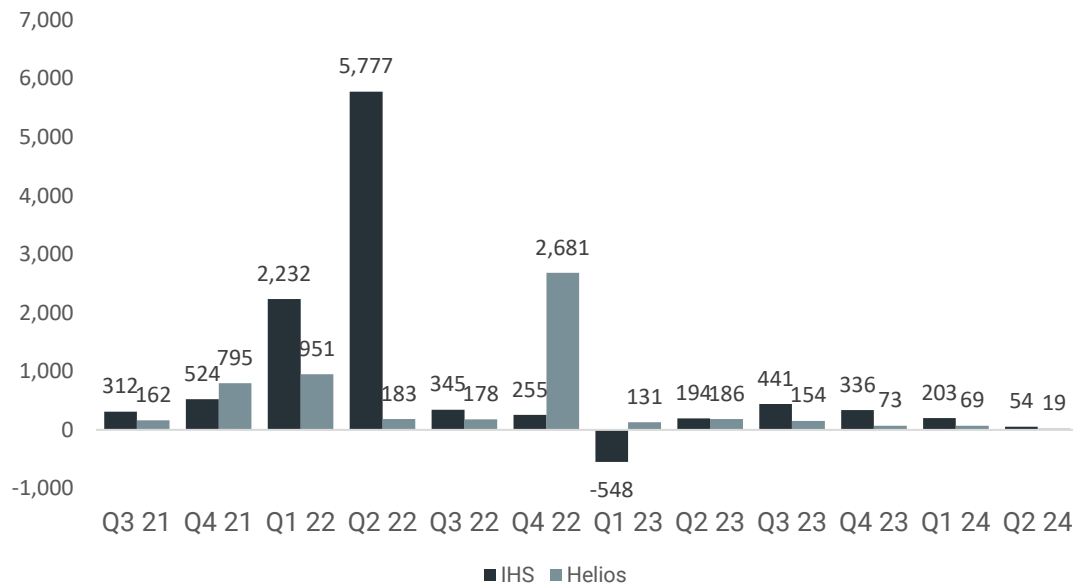
IHS segments revenue growth - YoY %



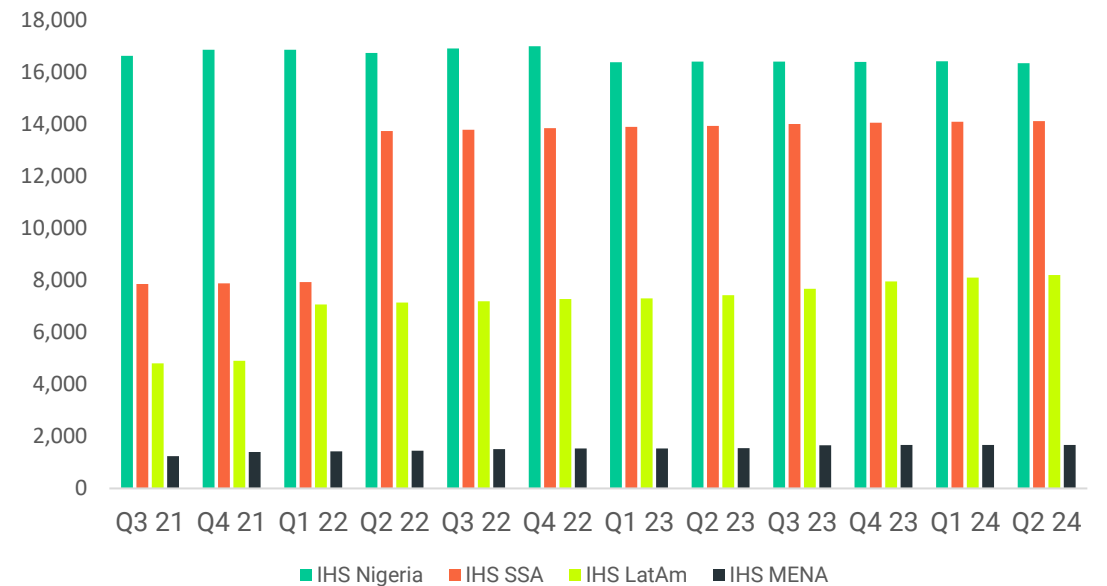
Towers

Helios rose by 19 while IHS was driven by LatAm net additions, partially offset by tower consolidation in Nigeria.

Tower net additions*



IHS Tower by segments



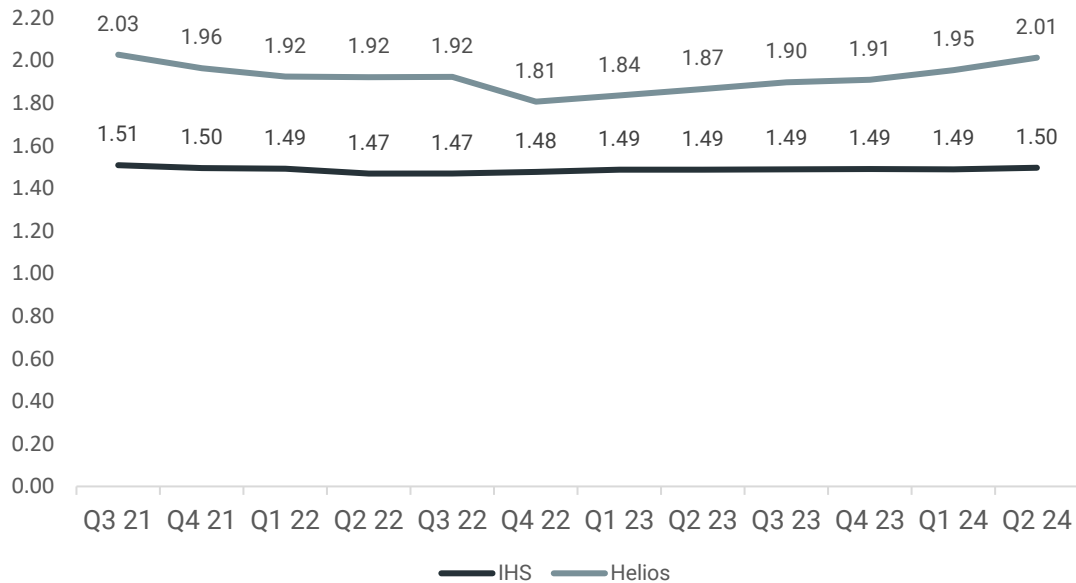
Source: New Street Research analysis
 Note: IHS acquired GTS's SP5 towers in Brazil in 1Q22; MTN South Africa's tower portfolio in 2Q22. Helios acquired Omantel's towers in 4Q22

Tenancy ratio & Tenant net additions

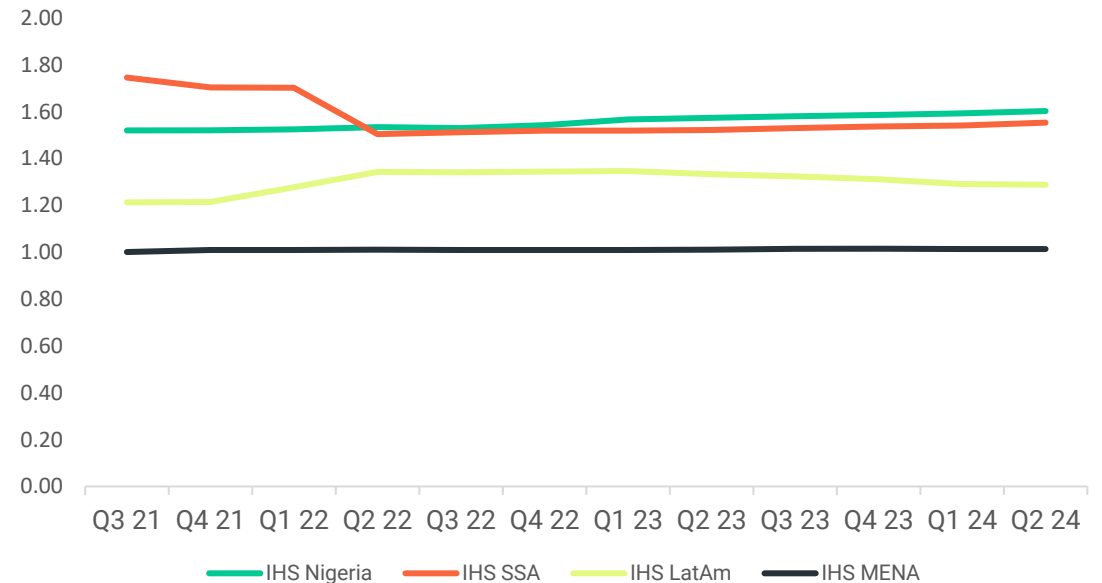
Tenancy ratio rose sharply for Helios while IHS inched higher, led by Nigeria and SSA. Over the medium term, Helios and IHS target 2.2x (by 2026) and 2.0x respectively.

Rising for Helios while IHS remained unchanged

Tenancy ratio, x



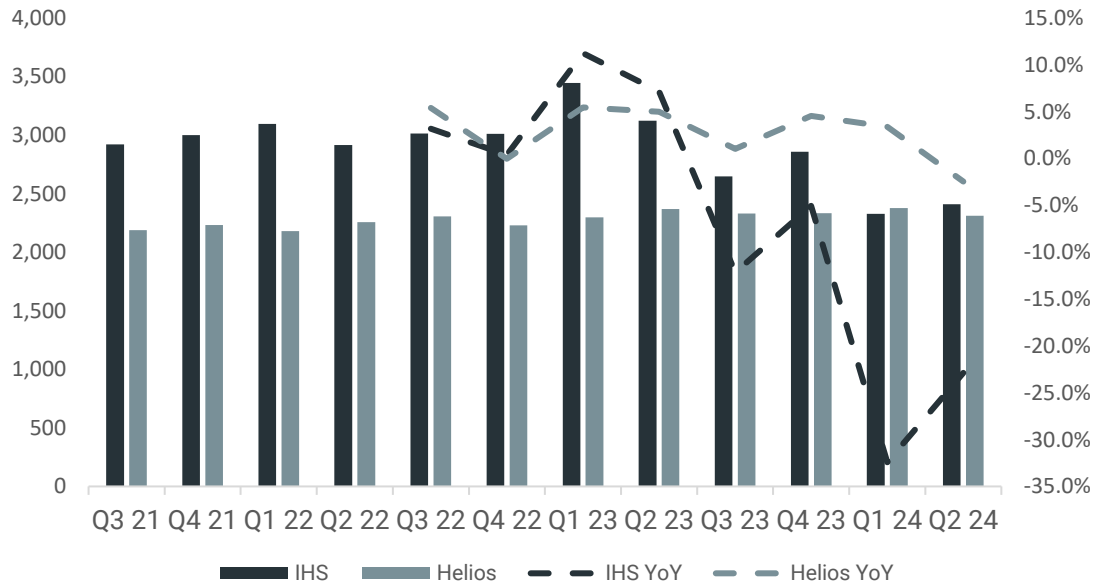
IHS segments' tenancy ratio



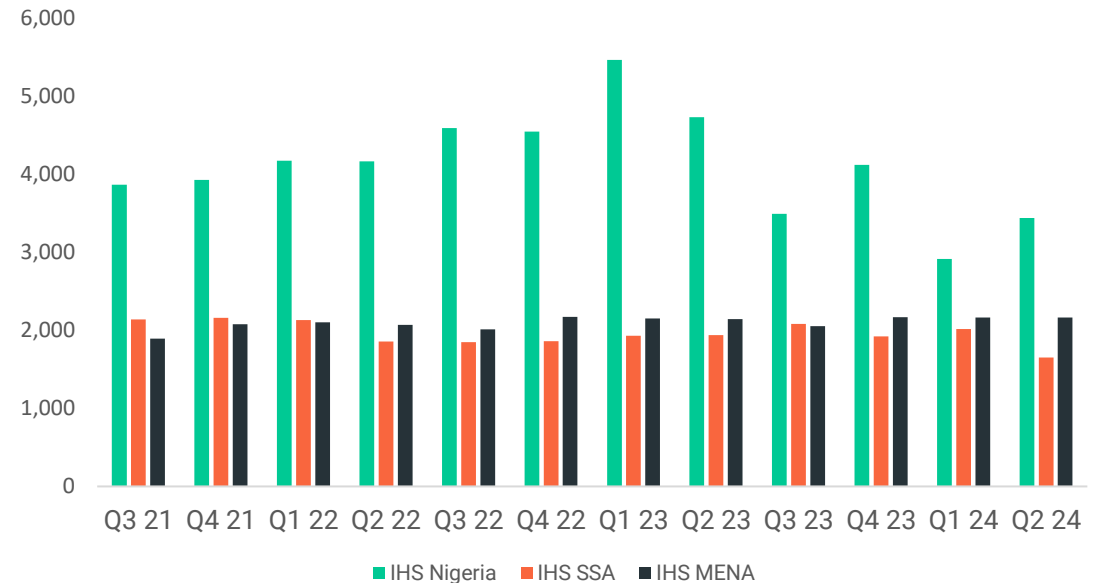
ARP/Tenant

ARP/Tenant fell sharply by 23% YoY for IHS on slower SSA and Latam and a result of the Naira devaluation. Helios declined by 2.5% YoY, down from +3.4% prior.

ARP/Tenant, LHS: USD per month, RHS: YoY %



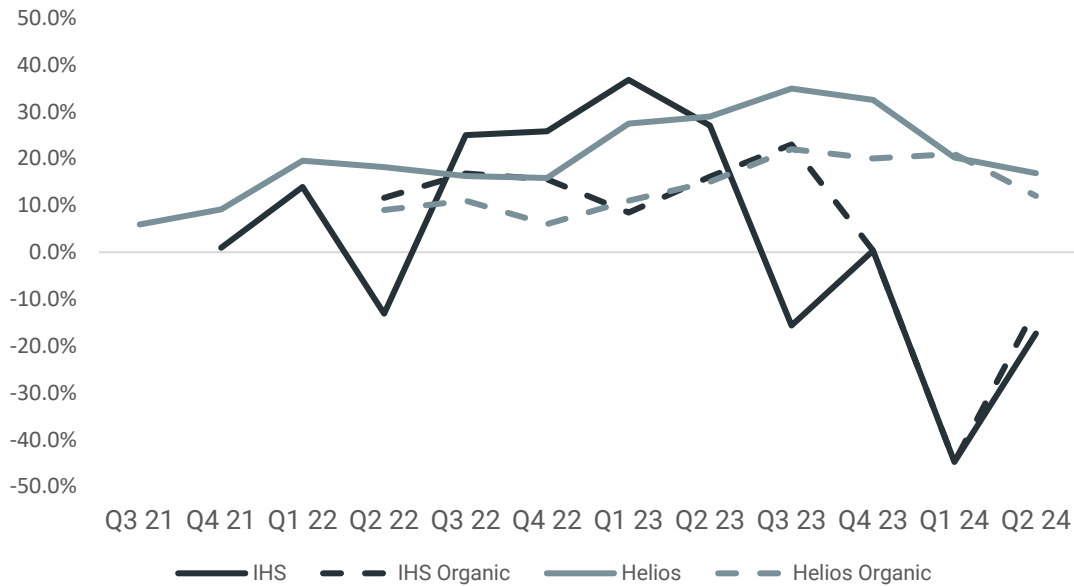
ARP/Tenant by IHS segments, USD per month



Group EBITDA

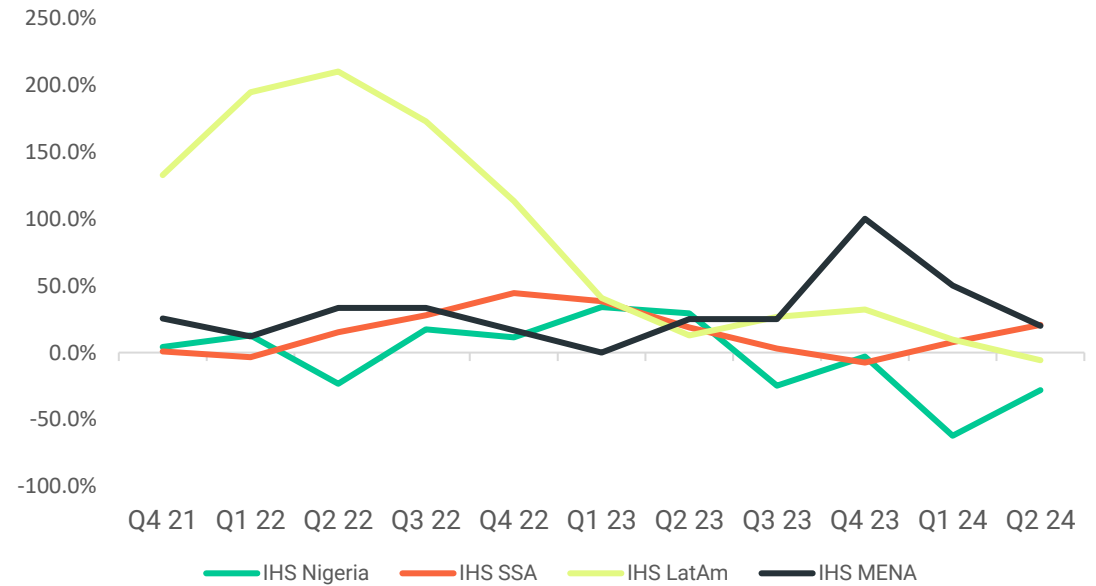
Reported EBITDA eased for IHS, supported by the Naira FX reset and better SSA contribution. Helios was up 16.9% YoY from 20% last quarter.

EBITDA – YoY growth*, %



IHS decline partly impacted by LatAm weakness too

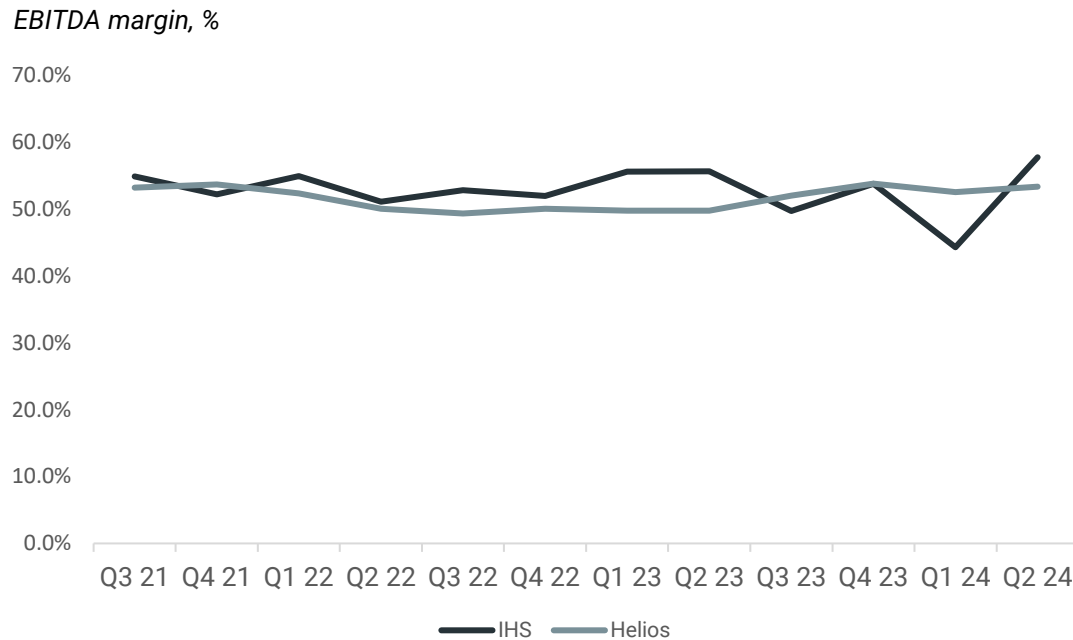
EBITDA by IHS segments – YoY growth, %



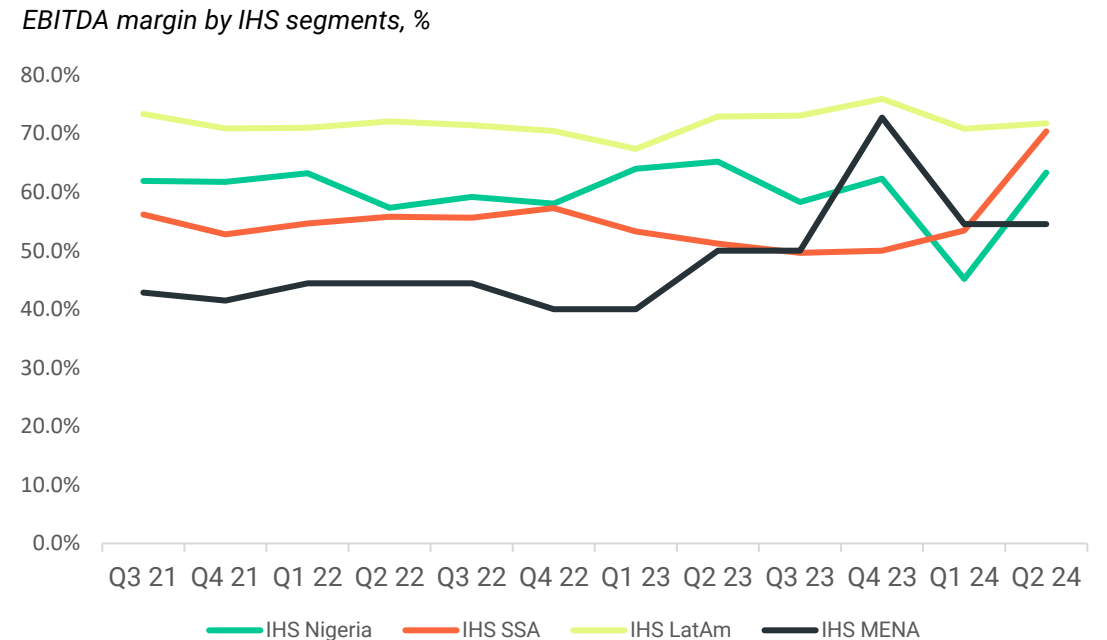
Source: New Street Research analysis
 *Omitted organic EBITDA for IHS from Q4 23 onwards as it was not disclosed.

Group EBITDA margin

Margins were better for both; up 2.1pp and 0.8pp YoY for IHS and Helios respectively.



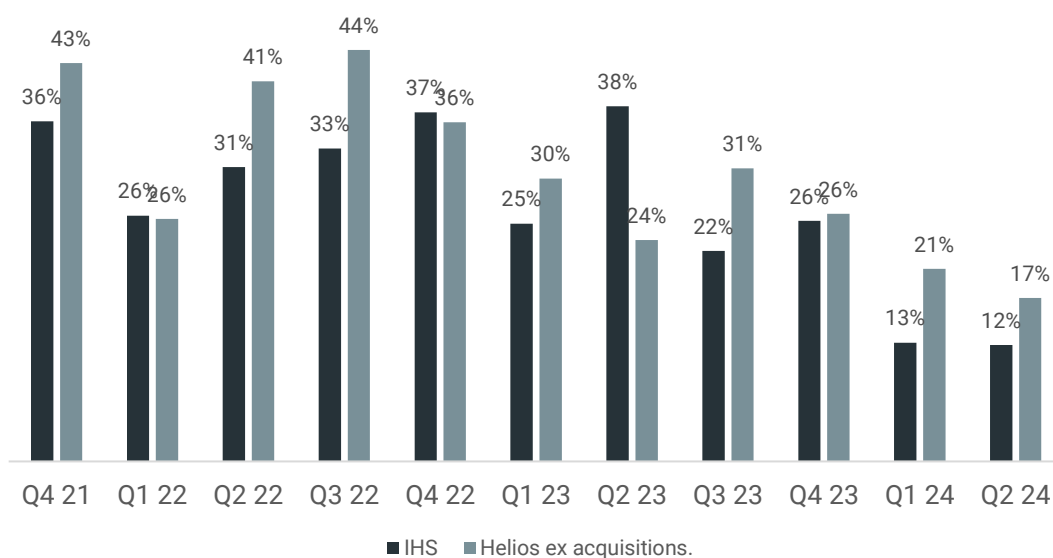
Margins improved MENA and SSA YoY for IHS



Capex intensity

Capex intensity improved for both. YTD, IHS and Helios have spent \$107m and \$80m respectively. Against IHS' full year guidance of between \$330m and \$370m, we see scope for upside despite a little uptick from BTS capex in 2H. Meanwhile, Helios has updated its guidance in Q2 to between \$155m and \$190m (\$150-190m previously).

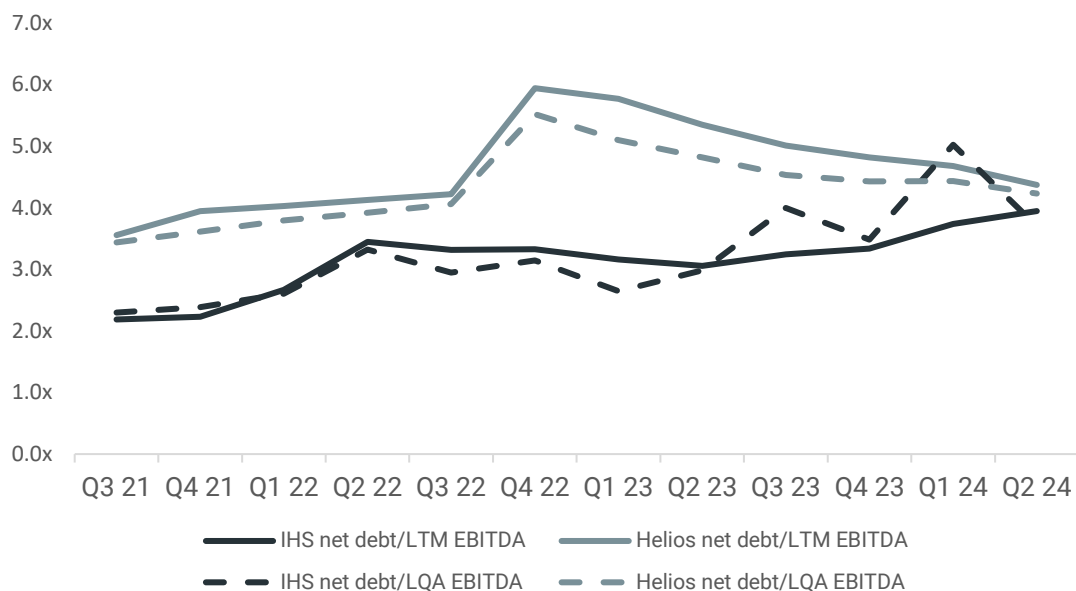
Capex/sales, %



Leverage

Net debt/LTM EBITDA rose slightly to 3.9x from 3.7x for IHS due to the Naira weakness again. There are no material maturities before 2025, and this was still within its 3-4x target range. Helios improved slightly from 4.4x from 4.7x as it inches closer its 4x target by end of the year.

Net debt/LQA EBITDA, x





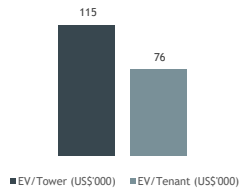
Company slides

Mitratel, Buy, pt IDR 1,135, +89%

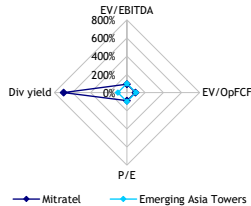
EV CALCULATION (IDRbn)	2024E	2025E	2026E	2027E	CAGR 24E-27E
Share price, IDR	600				
Number of shares (bn)	83	83	83	83	
Market cap.	49,572	49,572	49,572	49,572	
Plus: Net debt (Cash)	19,638	19,095	18,387	17,440	
Plus: Other financial liabilities	0	0	0	0	
Less: Associates	0	0	0	0	
Plus: Minorities	0	0	0	0	
Less: Cumulative dividends	0	2,852	6,013	9,468	
Less: NPV YE tax credit	0	0	0	0	
Enterprise Value	69,210	65,815	61,946	57,543	-6.0%

MULTIPLES & RATIOS	2024E	2025E	2026E	2027E	CAGR 24E-27E
EV/Revenue	7.2	6.4	5.6	4.9	7.0%
EV/EBITDA	8.9	7.8	6.9	6.0	7.0%
EV/OpFCF	31.6	11.8	10.0	8.4	-21.5%
EV/FCF	42.1	15.7	13.3	11.2	46.2%
EV/Invested capital	1.3	1.3	1.2	1.2	46.2%
EV/NFA	2.3	2.2	2.1	1.9	175.4%
P/EFCE	nm	15.3	13.4	11.7	175.4%
Adjusted P/E	13.3	13.0	11.8	10.8	nm
Dividend yield	5.6%	5.8%	6.4%	7.0%	7.3%
EFCE yield	0.4%	6.5%	7.5%	8.5%	175.4%
Net debt/EBITDA	2.5	2.3	2.0	1.8	-10.2%
OpFCF/Net interest	3.4	5.7	6.4	7.2	27.7%

EV/TOWER/TENANT (2024E)

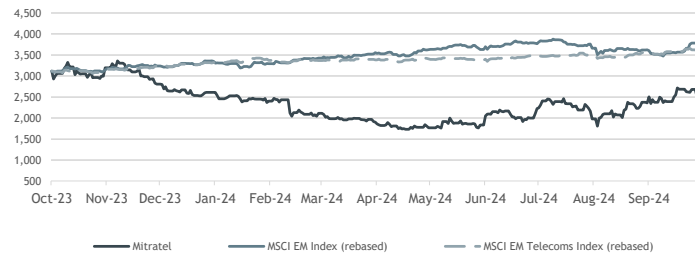


RELATIVE VALUATION (2024E)



FINANCIALS (IDRbn)	2023A	2024E	2025E	2026E	2027E	CAGR 24E-27E
Revenue	8,595	9,552	10,306	11,034	11,718	7.0%
EBITDA	6,921	7,793	8,408	9,002	9,560	7.0%
Capex	6,287	5,600	2,809	2,797	2,705	-21.5%
OpFCF (EBITDA - capex)	634	2,193	5,599	6,205	6,855	46.2%
FCF (OpFCF * (1-tax rate))	475	1,645	4,199	4,653	5,141	46.2%
EFCE	-996	202	3,240	3,705	4,228	175.4%
Adj net Income	0	0	0	0	0	nm
Clean EPS	24.32	45.16	46.02	51.01	55.77	7.3%
DPS	23.00	33.87	34.51	38.26	41.83	7.3%
Cash flow						
OpFCF	634	2,193	5,599	6,205	6,855	
Less: Interest payments	-1,174	-714	-825	-806	-781	
Less: Tax paid	-729	-1,354	-1,380	-1,529	-1,672	
Less: Change in WC	0	0	0	0	0	
Less: Restructuring payments	0	0	0	0	0	
Less: Other	0	0	0	0	0	
Sub total	-1,269	125	3,395	3,869	4,402	
Less: Disposals/acquis.	0	0	0	0	0	
Less: Dividends paid	-1,767	-2,798	-2,852	-3,161	-3,456	
Less: Share buyback/ special dividend	0	0	0	0	0	
Chg in Net debt/Cash	-3,037	-2,673	543	708	947	
Net debt (Cash)	16,965	19,638	19,095	18,387	17,440	

PRICE PERFORMANCE, -1Y



DIVISIONAL (IDRbn)	2023A	2024E	2025E	2026E	2027E	CAGR 24E-27E
Revenues:						
Tower leasing	7,136	7,907	8,511	9,097	9,648	6.9%
Reseller	628	674	707	730	743	3.3%
Fiber	207	316	400	484	569	21.6%
Total	7,971	8,897	9,618	10,312	10,959	7.2%
% change		11.6%	8.1%	7.2%	6.3%	
EBITDA:						
Total	6,921	7,793	8,408	9,002	9,560	7.0%
% change		12.6%	7.9%	7.1%	6.2%	
EBITDA margin	86.8%	87.6%	87.4%	87.3%	87.2%	
Capex:						
Total capex	6,287	5,600	2,809	2,797	2,705	-21.5%
Capex/sales	78.9%	62.9%	29.2%	27.1%	24.7%	
OpFCF:						
Indonesia	634	2,193	5,599	6,205	6,855	46.2%
OpFCF margin	8.0%	24.6%	58.2%	60.2%	62.5%	

OPERATIONAL KPIs	2023A	2024E	2025E	2026E	2027E	CAGR 24E-27E
Towers	38,014	38,014	39,314	40,314	41,314	2.8%
Tenants	57,409	57,409	61,450	65,219	68,842	6.2%
Colocations	1.51	1.51	1.56	1.62	1.67	3.3%
EV/Tower (US\$'000)	115	115	115	107	98	
EV/Tenant (US\$'000)	76	76	74	66	59	

Sarana Menara Nusantara, Buy, pt IDR 1,500, +78%

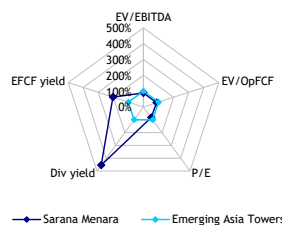
EV CALCULATION (IDRbn)	2024E	2025E	2026E	2027E	CAGR 24E-27E
Share price, IDR	845				
Number of shares	49,799	49,799	49,799	49,799	
Market cap. (000m)	42,080	42,080	42,080	42,080	
Plus: Net debt (Cash)	43,479	41,664	39,159	36,233	
Plus: Other financial liabilities	0	0	0	0	
Less: Associates	0	0	0	0	
Plus: Minorities	-65	-76	-88	-100	
Less: Cumulative dividends	0	1,623	3,370	5,251	
Less: NPV YE tax credit	0	0	0	0	
Enterprise Value	85,494	82,045	77,781	72,962	-5.1%

MULTIPLES & RATIOS	2024E	2025E	2026E	2027E	CAGR 24E-27E
EV/Revenue	6.9	6.2	5.6	4.9	5.8%
EV/EBITDA	8.2	7.5	6.7	5.9	5.7%
EV/OpFCF	12.8	10.8	9.3	8.2	9.9%
EV/FCF	18.3	15.5	13.3	11.8	9.9%
EV/Invested capital	1.4	1.3	1.3	1.2	-4.8%
EV/NFA	2.1	2.0	1.9	1.8	-4.8%
P/EFCE	14.0	10.7	8.8	7.8	21.4%
Adjusted P/E	12.4	11.6	10.8	10.0	7.1%
Dividend yield	3.6%	3.9%	4.2%	4.5%	7.3%
EFCE yield	7.1%	9.4%	11.4%	12.8%	21.4%
Net debt/EBITDA	4.2	3.8	3.4	3.0	-10.9%
OpFCF/Net interest	2.4	2.8	3.2	3.7	15.6%

WACC CALCULATION

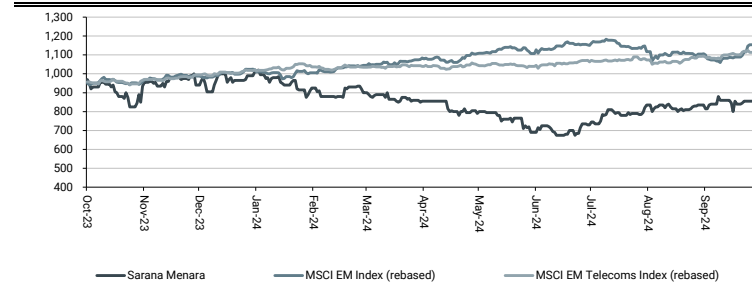
Risk free rate	7.1%
Tax rate	25.0%
Equity premium	4.0%
Debt Premium	2.0%
Cost of Equity	11.1%
Cost of Debt	6.8%
Debt/Equity	30.0%
WACC	9.8%
Terminal growth	3.0%

RELATIVE VALUATION (2024E)



FINANCIALS (IDRbn)	2023A	2024E	2025E	2026E	2027E	CAGR 24E-27E
Revenue	11,740	12,452	13,171	13,948	14,766	5.8%
EBITDA	9,980	10,409	10,992	11,619	12,278	5.7%
Capex	6,554	3,732	3,409	3,257	3,427	-2.8%
OpFCF (EBITDA - capex)	3,426	6,677	7,582	8,361	8,851	9.9%
FCF (OpFCF * (1-tax rate))	2,398	4,674	5,308	5,853	6,196	9.9%
EFCE	-263	3,001	3,938	4,783	5,369	21.4%
Adj net Income	3,448	3,827	4,076	4,380	4,706	7.1%
Clean EPS	65.32	68.11	72.60	78.14	84.12	7.3%
DPS	29.33	30.58	32.60	35.09	37.77	7.3%
Cash flow						
OpFCF	3,426	6,677	7,582	8,361	8,851	
Less: Interest payments	-2,838	-2,801	-2,712	-2,574	-2,402	
Less: Tax paid	-963	-800	-853	-910	-979	
Less: Change in WC	-716	-139	-48	-50	-54	
Less: Restructuring payments	0	0	0	0	0	
Less: Other	-1,145	-27	-12	-12	-13	
Sub total	-1,145	2,910	3,958	4,815	5,403	
Less: Disposals/acquis.	785	2,197	0	0	0	
Less: Dividends paid	-1,200	-1,461	-1,523	-1,623	-1,747	
Less: Share buyback/ special dividend	0	0	0	0	0	
Chg in Net debt/Cash	163	1,005	1,815	2,505	2,926	
Net debt (Cash)	44,484	43,479	41,664	39,159	36,233	

PRICE PERFORMANCE, -1Y



DIVISIONAL (IDRbn)	2023A	2024E	2025E	2026E	2027E	CAGR 24E-27E
Revenues						
Total	11,740	12,452	13,171	13,948	14,766	5.8%
% change		6.1%	5.8%	5.9%	5.9%	
EBITDA						
Indonesia	9,980	10,409	10,992	11,619	12,278	5.7%
Total	9,980	10,409	10,992	11,619	12,278	5.7%
% change		4.3%	5.6%	5.7%	5.7%	
EBITDA margin	85.0%	83.6%	83.5%	83.3%	83.2%	
Capex						
Indonesia	6,554	3,732	3,409	3,257	3,427	-2.8%
Total	6,554	3,732	3,409	3,257	3,427	-2.8%
% change		-43.1%	-8.7%	-4.5%	5.2%	
Capex/sales	55.8%	30.0%	25.9%	23.4%	23.2%	
OpFCF						
Indonesia	3,426	6,677	7,582	8,361	8,851	9.9%
Total	3,426	6,677	7,582	8,361	8,851	9.9%
% change		94.9%	13.6%	10.3%	5.9%	
OpFCF margin	29.2%	53.6%	57.6%	59.9%	59.9%	

OPERATIONAL KPIs	2023A	2024E	2025E	2026E	2027E	CAGR 24E-27E
Towers (macro)	30,558	31,258	31,958	32,658	33,358	2.2%
Tenants	54,284	53,862	54,517	55,154	56,618	1.7%
Colocations	1.78	1.72	1.71	1.69	1.70	-0.5%
EV/Tower (US\$ '000)	185.5	179.2	168.2	156.0	143.3	
EV/Tenant (US\$ '000)	104.4	104.0	98.6	92.4	84.4	

Tower Bersama, Neutral, pt IDR 1,700, -9%

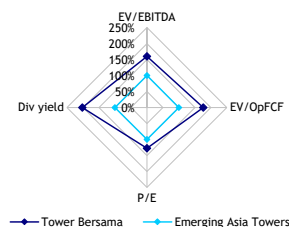
EV CALCULATION (IDRbn)	2024E	2025E	2026E	2027E	CAGR 24E-27E
Share price, IDR	1,865				
Number of shares	22,637	22,637	22,637	22,637	
Market cap.	42,217	42,217	42,217	42,217	
Plus: Net debt (Cash)	27,251	26,865	26,400	25,960	
Plus: Other financial liabilities	0	0	0	0	
Less: Associates	0	0	0	0	
Plus: Minorities	711	777	847	924	
Less: Cumulative dividends	0	807	1,666	2,595	
Less: NPV YE tax credit	0	0	0	0	
Enterprise Value	70,179	69,052	67,799	66,506	-1.8%

MULTIPLES & RATIOS	2024E	2025E	2026E	2027E	CAGR 24E-27E
EV/Revenue	10.3	9.8	9.3	8.8	3.7%
EV/EBITDA	12.0	11.5	10.9	10.3	3.4%
EV/OpFCF	18.7	17.1	16.2	15.6	4.4%
EV/FCF	23.4	21.4	20.3	19.5	4.4%
EV/Invested capital	1.7	1.6	1.6	1.5	-3.3%
EV/NFA	1.9	1.8	1.8	1.7	-3.2%
P/EFCF	22.4	19.5	18.1	17.5	8.6%
Adjusted P/E	16.6	16.1	15.2	14.3	5.2%
Dividend yield	1.8%	1.9%	2.0%	2.2%	6.0%
EFCF yield	4.5%	5.1%	5.5%	5.7%	8.6%
Net debt/EBITDA	4.7	4.5	4.2	4.0	-4.9%
OpFCF/Net interest	2.2	2.4	2.5	2.6	5.5%

WACC CALCULATION

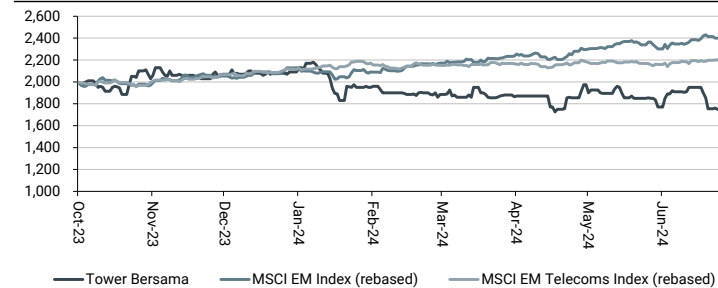
Risk free rate	7.1%
Tax rate	25.0%
Equity premium	4.0%
Debt Premium	2.0%
Cost of Equity	11.1%
Cost of Debt	6.8%
Debt/Equity	45.0%
WACC	9.2%
Terminal growth	3.0%

RELATIVE VALUATION (2024E)



FINANCIALS (IDRbn)	2023A	2024E	2025E	2026E	2027E	CAGR 24E-27E
Revenue	6,641	6,815	7,027	7,278	7,591	3.7%
EBITDA	5,728	5,854	6,022	6,223	6,475	3.4%
Capex	2,746	2,107	1,990	2,038	2,218	1.7%
OpFCF (EBITDA - capex)	2,982	3,747	4,032	4,184	4,257	4.4%
FCF (OpFCF * (1-tax rate))	2,386	2,997	3,226	3,347	3,406	4.4%
EFCF	1,123	1,881	2,168	2,329	2,410	8.6%
Adj net Income	2,360	2,544	2,630	2,772	2,960	5.2%
Clean EPS	104.24	112.39	116.18	122.47	130.75	5.2%
DPS	30.17	34.44	35.65	37.95	41.03	6.0%
Cash flow						
OpFCF	2,982	3,747	4,032	4,184	4,257	
Less: Interest payments	-1,676	-1,678	-1,670	-1,649	-1,624	
Less: Tax paid	-183	-188	-194	-207	-223	
Less: Change in WC	385	-31	-26	-23	-16	
Less: Restructuring payments	0	0	0	0	0	
Less: Other	-799	-920	-949	-983	-1,025	
Sub total	709	930	1,193	1,323	1,369	
Less: Disposals/acquis.	0	0	0	0	0	
Less: Dividends paid	-731	-780	-807	-859	-929	
Less: Share buyback/ special dividend	0	0	0	0	0	
Chg in Net debt/Cash	-694	151	386	464	440	
Net debt (Cash)	27,401	27,251	26,865	26,400	25,960	

PRICE PERFORMANCE, -1Y



DIVISIONAL (IDRbn)	2023A	2024E	2025E	2026E	2027E	CAGR 24E-27E
Revenues						
Tower Bersama	6,641	6,815	7,027	7,278	7,591	3.7%
Total	6,641	6,815	7,027	7,278	7,591	3.7%
% change		2.6%	3.1%	3.6%	4.3%	
EBITDA						
Indonesia	5,728	5,854	6,022	6,223	6,475	3.4%
Total	5,728	5,854	6,022	6,223	6,475	3.4%
% change		2.2%	2.9%	3.3%	4.1%	
EBITDA margin	86.3%	85.9%	85.7%	85.5%	85.3%	
Capex						
Indonesia	2,746	2,107	1,990	2,038	2,218	1.7%
Total	2,746	2,107	1,990	2,038	2,218	1.7%
% change		-23.2%	-5.6%	2.4%	8.8%	
Capex/sales	41.3%	30.9%	28.3%	28.0%	29.2%	
OpFCF						
Indonesia	2,982	3,747	4,032	4,184	4,257	4.4%
Total	2,982	3,747	4,032	4,184	4,257	4.4%
% change		25.6%	7.6%	3.8%	1.7%	
OpFCF margin	44.9%	55.0%	57.4%	57.5%	56.1%	

OPERATIONAL KPIs	2023A	2024E	2025E	2026E	2027E	CAGR 24E-27E
Towers	22,475	23,075	23,675	24,275	24,875	2.5%
Tenants	41,227	41,481	42,134	42,770	44,046	2.0%
Colocations	1.83	1.80	1.78	1.76	1.77	-0.5%
EV/Tower (US\$ '000)	205	199	191	183	175	
EV/Tenant (US\$ '000)	112	111	107	104	99	

China Tower, Buy, pt HK\$1.4, +32%

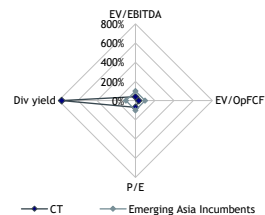
EV CALCULATION (RMB m)	2024E	2025E	2026E	2027E	24E-27E	CAGR
RMB/US\$	7.02					
Share price, HK\$	1.06					
Number of shares	174,812	174,812	174,812	174,812		
Market cap.	167,491	167,491	167,491	167,491		
Plus: Net debt (Cash)	80,235	70,456	63,392	59,515		
Plus: Other financial liabilities	0	0	0	0		
Less: Associates	0	0	0	0		
Plus: Minorities	0	0	0	0		
Less: Cumulative dividends	0	-9,157	-22,109	-39,283		
Less: NPV YE tax credit	0	0	0	0		
Enterprise Value	247,726	247,104	252,992	266,290		2.4%

MULTIPLES & RATIOS	2024E	2025E	2026E	2027E	24E-27E	CAGR
EV/Revenue	2.5	2.3	2.3	2.3	5.1%	
EV/EBITDA	3.6	3.4	3.3	3.4	5.3%	
EV/OpFCF	5.7	5.3	5.1	5.1	6.7%	
EV/FCF	5.7	5.3	5.1	5.1	6.7%	
EV/Invested capital	0.9	1.0	1.1	1.2	9.3%	
EV/NFA	1.4	1.6	1.8	2.1	15.5%	
P/EFCF	4.4	4.2	4.0	3.9	3.9%	
Adjusted P/E	14.1	10.2	7.1	5.7	35.2%	
Dividend yield	4.8%	6.6%	9.4%	11.8%	35.2%	
EFCF yield	22.7%	24.0%	24.7%	25.5%	3.9%	
Net debt/EBITDA	1.2	1.0	0.9	0.8	-14.0%	
OpFCF/Net interest	-13.7	-16.5	-19.6	-22.4	17.8%	
					-1.3%	
					-3.7%	

WACC Calculation

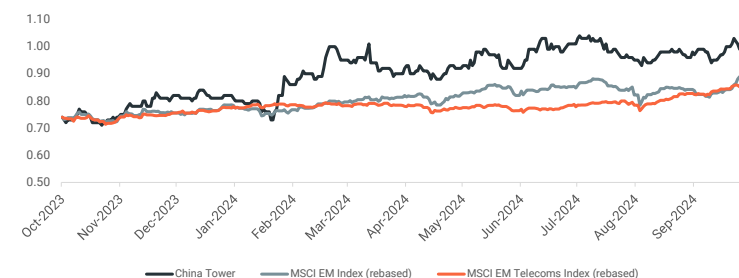
Risk free rate	3.7%
Tax rate	25.0%
Equity premium	4.5%
Debt Premium	5.0%
Cost of Equity	8.2%
Cost of Debt	6.5%
Debt/Equity	15.0%
WACC	7.9%
Terminal growth	0.5%

RELATIVE VALUATION (2024E)



FINANCIALS (RMB m)	2023A	2024E	2025E	2026E	2027E	24E-27E	CAGR
Revenue	94,009	98,003	103,285	108,522	113,741		5.1%
EBITDA	63,551	66,497	70,267	74,101	77,581		5.3%
Capex	31,715	24,124	24,779	25,457	26,151		2.7%
OpFCF (EBITDA - capex)	31,836	42,373	45,487	48,644	51,430		6.7%
FCF (OpFCF * (1-tax rate))	31,756	42,267	45,374	48,523	51,301		6.7%
EFCF	27,084	36,764	38,836	40,065	41,261		3.9%
Adj net Income	9,750	11,491	15,827	22,814	28,425		35.2%
Clean EPS	0.06	0.07	0.09	0.13	0.16		35.2%
DPS	0.04	0.04	0.06	0.09	0.11		35.2%
Cash flow	31,836	42,373	45,487	48,644	51,430		
OpFCF	-2,784	-3,091	-2,762	-2,482	-2,298		
Less: Interest payments	-3,082	-3,632	-5,003	-7,211	-8,985		
Less: Tax paid	-28,584	-1,639	-2,167	-2,149	-2,142		
Less: Change in WC	-16,292	-16,455	-16,620	-16,786	-16,954		
Less: Other	-18,906	17,556	18,935	20,016	21,051		
Sub total	0	0	0	0	0		
Less: Disposals/acquis.	-6,093	-7,120	-9,157	-12,952	-17,175		
Less: Dividends paid	0	0	0	0	0		
Less: Share buyback/ special dividend	-24,999	10,436	9,779	7,064	3,877		
Chg in Net debt/Cash	90,671	80,235	70,456	63,392	59,515		
Net debt (Cash)							

PRICE PERFORMANCE, -1Y



DIVISIONAL (RMB m)	2023A	2024E	2025E	2026E	2027E	24E-27E	CAGR
Revenues							
Tower business	75,023	76,222	77,832	79,476	81,154		2.1%
DAS	7,140	8,485	9,848	11,087	12,253		13.0%
Smart Tower	7,283	8,528	9,744	10,981	12,241		12.8%
Energy	4,214	4,416	5,506	6,619	7,729		20.5%
Others	349	352	356	360	363		1.0%
Total	94,009	98,003	103,285	108,522	113,741		5.1%
% change		4.2%	5.4%	5.1%	4.8%		
EBITDA							
China	63,551	66,497	70,267	74,101	77,581		5.3%
Total	63,551	66,497	70,267	74,101	77,581		5.3%
% change		4.6%	5.7%	5.5%	4.7%		
EBITDA margin	67.6%	67.9%	68.0%	68.3%	68.2%		
Capex							
China	31,715	24,124	24,779	25,457	26,151		2.7%
Total	31,715	24,124	24,779	25,457	26,151		2.7%
% change		-23.9%	2.7%	2.7%	2.7%		
Capex/sales	33.7%	24.6%	24.0%	23.5%	23.0%		
OpFCF							
China	31,836	42,373	45,487	48,644	51,430		6.7%
Total	31,836	42,373	45,487	48,644	51,430		6.7%
% change		33.1%	7.3%	6.9%	5.7%		
OpFCF margin	33.9%	43.2%	44.0%	44.8%	45.2%		

OPERATIONAL KPIs	2023A	2024E	2025E	2026E	2027E	24E-27E	CAGR
Towers ('000)	2,046	2,058	2,070	2,082	2,094		0.6%
Tenants ('000)	3,658	3,773	3,892	4,014	4,140		3.1%
Colocations	1.79	1.83	1.88	1.93	1.98		2.5%
EV/Tower (US\$ '000)	18.2	17.4	17.2	17.5	18.4		
EV/Tenant (US\$ '000)	10.2	9.5	9.2	9.1	9.3		

Indus Towers, Reduce, pt INR 265, -29%

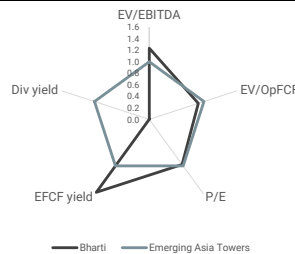
EV CALCULATION (INRm)	Mar-25E	Mar-26E	Mar-27E	Mar-28E	25E-28E	CAGR
Share price, INR	373					
Number of shares	2,695	2,695	2,695	2,695		
Market cap.	1,006,021	1,006,021	1,006,021	1,006,021		
Plus: Net debt (Cash)	171,294	84,081	-14,278	-118,153		
Plus: Other financial liabilities	0	0	0	0		
Less: Associates	0	0	0	0		
Plus: Minorities	0	0	0	0		
Less: Cumulative dividends	0	0	0	0		
Less: NPV YE tax credit	0	0	0	0		
Enterprise Value	1,177,315	1,090,102	991,743	887,868		-9.0%

MULTIPLES & RATIOS	Mar-25E	Mar-26E	Mar-27E	Mar-28E	25E-28E	CAGR
EV/Revenue	3.7	3.2	2.8	2.4	4.7%	
EV/EBITDA	7.0	6.0	5.3	4.6	4.8%	
EV/OpFCF	9.7	8.1	6.9	5.9	7.4%	
EV/FCF	35.3	12.5	10.1	8.5	46.0%	
EV/Invested capital	6.1	3.0	1.8	1.2	-166.2%	
EV/NFA	4.0	3.9	3.8	3.7	18.3%	
P/EFCE	23.2	10.5	9.6	9.2	36.1%	
Adjusted P/E	14.4	12.6	11.7	11.1	8.9%	
Dividend yield	0.0%	0.0%	0.0%	0.0%	nm	
EFCE yield	4.3%	9.5%	10.4%	10.9%	36.1%	
Net debt/EBITDA	1.0	0.5	-0.1	-0.6	-184.3%	
OpFCF/Net interest	9.5	12.3	16.3	22.9	34.0%	
EV/Tower (US\$ '000)	60.3	55.0	49.3	43.5	-10.3%	
EV/Tenant (US\$ '000)	34.5	30.9	27.1	24.1	-11.4%	

WACC CALCULATION

Risk free rate	7.3%
Tax rate	25.0%
Debt premium	6.4%
Debt Premium	5.0%
Cost of Equity	13.7%
Cost of Debt	9.2%
Debt/Equity	35.0%
WACC	12.1%
Terminal growth	0.5%

RELATIVE VALUATION (Mar-25E)

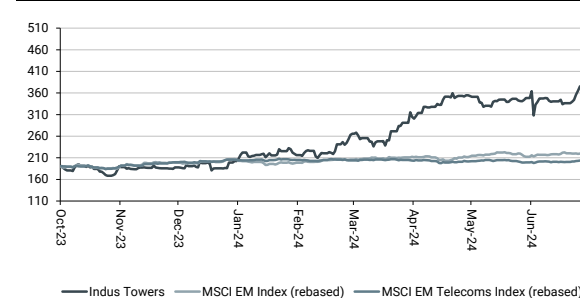


FINANCIALS (INRm)	Mar-24A	Mar-25E	Mar-26E	Mar-27E	Mar-28E	25E-28E	CAGR
Revenue	286,006	316,270	339,298	353,067	362,855		4.7%
EBITDA	150,550	168,127	180,868	188,137	193,305		4.8%
Capex	96,975	88,556	47,502	45,899	47,171		-18.9%
OpFCF (EBITDA - capex)	85,605	121,941	134,714	144,258	151,046		7.4%
FCF (OpFCF * (1-tax rate))	-11,370	33,385	87,213	98,359	103,875		46.0%
EFCF	23,986	43,406	95,795	104,790	109,446		36.1%
Adj net Income	60,362	69,969	79,878	85,811	90,248		8.9%
Clean EPS	22.40	25.96	29.64	31.84	33.49		8.9%
DPS	0.00	0.00	0.00	0.00	0.00 nm		

Cash flow

OpFCF	85,605	121,941	134,714	144,258	151,046	
Less: Interest payments	-35,800	-12,842	-10,945	-8,845	-6,605	
Less: Tax paid	-18,700	-23,323	-26,626	-28,604	-30,083	
Less: Change in WC	-10,445	-10,021	-8,582	-6,431	-5,571	
Less: Other	0	0	0	0	0	
Sub total	20,660	75,755	88,561	100,379	108,787	
Less: Disposals/acquis.	0	0	0	0	0	
Less: Dividends paid	0	0	0	0	0	
Less: Share buyback/ special dividi	0	0	0	0	0	
Chg in Net debt/Cash	20,660	75,755	88,561	100,379	108,787	
Net debt (Cash)	204,679	171,294	84,081	-14,278	-118,153	

PRICE PERFORMANCE, -1Y



DIVISIONAL (INRm)	Mar-24A	Mar-25E	Mar-26E	Mar-27E	Mar-28E	25E-28E	CAGR
Revenues							
Site rental	177,314	195,367	208,924	216,740	222,082		4.4%
Energy	108,692	120,903	130,375	136,327	140,773		5.2%
Total	286,006	316,270	339,298	353,067	362,855		4.7%
% change		10.6%	7.3%	4.1%	2.8%		
EBITDA							
India	150,550	168,127	180,868	188,137	193,305		4.8%
Total	150,550	168,127	180,868	188,137	193,305		4.8%
% change		11.7%	7.6%	4.0%	2.7%		
EBITDA margin	52.6%	53.2%	53.3%	53.3%	53.3%		
Capex							
India	96,975	88,556	47,502	45,899	47,171		-18.9%
Total	96,975	88,556	47,502	45,899	47,171		-18.9%
% change		-8.7%	-46.4%	-3.4%	2.8%		
Capex/sales	33.9%	28.0%	14.0%	13.0%	13.0%		
OpFCF							
India	53,575	79,571	133,366	142,238	146,134		22.5%
Total	53,575	79,571	133,366	142,238	146,134		22.5%
% change		48.5%	67.6%	6.7%	2.7%		
OpFCF margin	18.7%	25.2%	39.3%	40.3%	40.3%		

OPERATIONAL KPIs

	Mar-24A	Mar-25E	Mar-26E	Mar-27E	Mar-28E	25E-28E	CAGR
Towers	219,736	232,920	236,414	239,960	243,560		1.5%
Tenants	368,588	406,691	421,047	435,910	440,236		2.7%
Colocations	1.68	1.75	1.78	1.82	1.81		1.2%

IHS Towers, Buy, pt US\$6, +97%

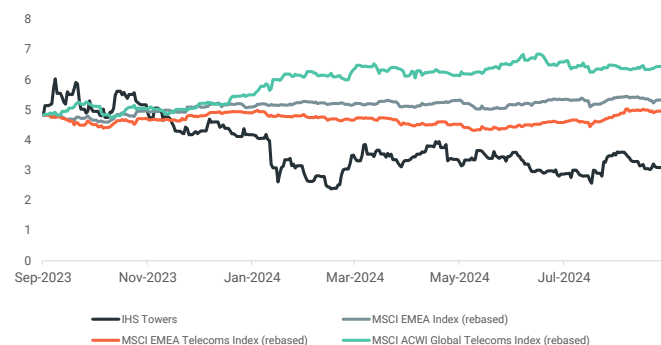
EV CALCULATION (\$m)	2024E	2025E	2026E	2027E	CAGR 24E-27E
Share price	3.0				
Number of shares	333	328	328	328	
Market cap.	1,015	999	999	999	
Plus: Net debt	3,715	3,595	3,356	3,056	
Plus: Other financial liability	0	0	0	0	
Less: Associates	0	0	0	0	
Plus: Minorities	0	0	0	0	
Less: Cumulative dividends	0	0	0	0	
Less: NPV YE tax credit	0	0	0	0	
Enterprise Value	4,729	4,595	4,355	4,055	-5.0%

MULTIPLES & RATIOS	2024E	2025E	2026E	2027E	CAGR 24E-27E
EV/Revenue	2.8	2.6	2.2	1.9	8.5%
EV/EBITDA	5.1	4.7	4.0	3.4	8.9%
EV/OpFCF	7.4	6.8	5.7	4.7	10.5%
EV/FCF	10.6	9.7	8.1	6.7	10.5%
EV/Invested Capital	1.1	1.1	1.0	1.0	-3.4%
P/FCF	51.4	13.0	6.9	5.1	114.5%
Adjusted P/E	9.9	4.9	3.5	2.8	51.1%
Dividend yield	0.0%	0.0%	0.0%	0.0%	51.5%
FCF yield	1.9%	7.7%	14.5%	19.5%	114.5%
Net debt/EBITDA	4.0	3.7	3.1	2.6	-14.0%

EV/Tower (\$ 000)	138	129	119	108	-7.9%
EV/Tenant (\$ 000)	90	84	76	69	-8.5%

FINANCIALS (\$m)	2023	2024E	2025E	2026E	2027E	CAGR 24E-27E
Revenue	2,126	1,691	1,785	1,979	2,157	8.5%
EBITDA	1,133	919	970	1,084	1,187	8.9%
Capex	586	279	295	317	324	5.1%
OpFCF (EBITDA - capex)	547	640	676	767	864	10.5%
FCF (OpFCF * (1-tax rate))	383	448	473	537	605	10.5%
FCF	-247	20	77	145	195	114.5%
Adj net Income	189	103	207	290	355	51.1%
Clean EPS	0.56	0.31	0.63	0.88	1.07	51.5%
DPS	0.00	0.00	0.00	0.00	0.00	nm
Cash flow						
OpFCF	547	640	676	767	864	
Less: Interest payments	-332	-383	-381	-368	-358	
Less: Tax paid	-45	-50	-2	-8	-37	
Less: Change in WC	-225	-28	-45	-54	-63	
Less: Leases	-73	-80	-88	-97	-107	
Sub total	-129	98	159	240	300	
Less: Disposals/acquis.	-2	6	0	0	0	
Less: Dividends paid	0	0	0	0	0	
Less: Share buyback/ specia	-10	0	-40	0	0	
Others	-242	0	0	0	0	
Chg in Net debt/Cash	-383	104	119	240	300	
Net debt	3,819	3,715	3,595	3,356	3,056	

PRICE PERFORMANCE, -1Y



DIVISIONAL (\$m)	2023	2024E	2025E	2026E	2027E	CAGR 24E-27E
Revenues						
Nigeria	1,382	952	996	1,134	1,252	9.5%
Sub-Saharan Africa	503	489	506	532	562	4.8%
Latam	200	204	235	263	289	12.3%
MENA	41	45	48	51	54	6.0%
Group revenues	2,126	1,691	1,785	1,979	2,157	8.5%
EBITDA						
Nigeria	855	571	600	689	765	10.2%
Sub-Saharan Africa	257	296	301	319	339	4.6%
Latam	146	147	169	190	209	12.5%
MENA	22	25	26	28	29	6.2%
Other	-148	-120	-127	-141	-155	8.9%
Group EBITDA	1,133	919	970	1,084	1,187	8.9%
Capex						
Total capex	586	279	295	317	324	5.1%
As a % of sales	28%	17%	17%	16%	15%	

KPIs	2023	2024E	2025E	2026E	2027E	CAGR 24E-27E
Towers	34,384	34,378	35,697	36,692	37,689	3.1%
Tenancies	52,476	52,520	54,874	56,979	58,774	3.8%
Tenancy ratios	1.53	1.53	1.54	1.55	1.56	0.7%

Helios Towers, Buy, pt GBp 140, +29%

EV CALCULATION (\$m)	2024E	2025E	2026E	2027E	CAGR 24E-27E
Share price, GBp	1.1				
Number of shares	1,049	1,049	1,049	1,049	
Market cap, US\$m	1,517	1,517	1,517	1,517	
Plus: Net debt	1,791	1,763	1,685	1,556	
Plus: Other financial liabilities	0	0	0	0	
Less: Associates	0	0	0	0	
Plus: Minorities	397	397	397	397	
Less: Cumulative dividends	0	0	0	0	
Less: NPV YE tax credit	0	0	0	0	
Enterprise Value	3,705	3,678	3,599	3,470	-2.2%

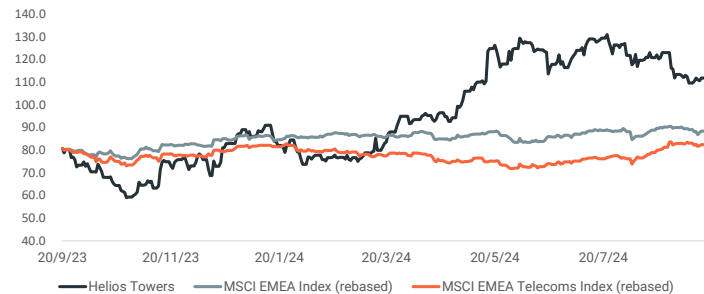
MULTIPLES & RATIOS	2024E	2025E	2026E	2027E	CAGR 24E-27E
EV/Revenue	4.6	4.2	3.8	3.5	8.1%
EV/EBITDA	9.0	8.1	7.2	6.4	9.4%
EV/OpFCF	15.6	13.3	11.0	9.2	16.9%
EV/FCF	22.3	19.0	15.7	13.1	16.9%
EV/Invested Capital	2.1	2.0	1.8	1.7	-5.8%
P/EFCF	-73.4	81.8	21.5	12.3	-281.3%
Adjusted P/E	-21.5	-43.2	-	44.3	nm
Dividend yield	0.0%	0.0%	0.0%	0.0%	nm
EFCF yield	-1.4%	1.2%	4.6%	8.1%	-281.3%
Net debt/EBITDA	4.3	3.9	3.4	2.9	-12.7%

EV/Tower (\$ 000)	260	255	247	235	-3.4%
EV/Tenant (\$ 000)	128	120	112	103	-6.8%

FINANCIALS (\$m)	2023	2024E	2025E	2026E	2027E	CAGR 24E-27E
Revenue	721	797	867	936	1,006	8.1%
EBITDA	370	413	456	497	540	9.4%
Capex	203	176	180	170	161	-2.8%
OpFCF (EBITDA - capex)	167	237	276	327	379	16.9%
FCF (OpFCF * (1-tax rate))	117	166	193	229	265	16.9%
EFCF	-78	-21	19	71	123	-281.3%
Adj net Income	-94	-71	-35	-2	34	nm
Clean EPS (cents)	-10.00	-6.72	-3.35	-0.15	3.27	nm
DPS (cents)	0.00	0.00	0.00	0.00	0.00	nm

Cash flow	2023	2024E	2025E	2026E	2027E
OpFCF	167	237	276	327	379
Less: Interest payments	-150	-142	-138	-134	-130
Less: Tax paid	-21	-40	-43	-47	-50
Less: Change in WC	-47	-20	-23	-24	-25
Less: Leases	-33	-43	-43	-44	-44
Levered ptf FCF	-83	-8	28	78	129
Less: Disposals/acquis.	0	0	0	0	0
Less: Dividends paid	0	0	0	0	0
Less: Share buyback/ special div	0	0	0	0	0
Others	-22	0	0	0	0
Chg in Net debt/Cash	-105	-8	28	78	129
Net debt	1,783	1,791	1,763	1,685	1,556

PRICE PERFORMANCE, -1Y



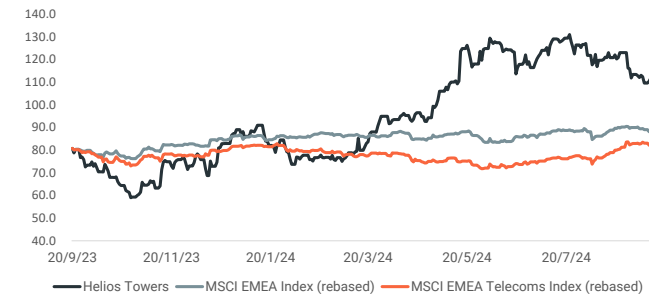
DIVISIONAL (\$m)	2023	2024E	2025E	2026E	2027E	CAGR 24E-27E
Revenues						
East & West Africa	313	319	347	375	401	8.0%
Central & Southern Africa	351	407	436	467	500	7.1%
MENA	58	71	85	94	104	13.5%
Corporate	0	0	0	0	0	nm
Others	0	0	0	0	0	nm
Group revenues	721	797	867	936	1,006	8.1%
% change		10.6%	8.8%	7.9%	7.5%	

EBITDA	2023	2024E	2025E	2026E	2027E	CAGR 24E-27E
East & West Africa	200	205	224	242	260	8.2%
Central & Southern Africa	168	203	219	237	256	8.1%
MENA	39	50	59	66	73	13.5%
Corporate	-36	-45	-46	-48	-49	3.0%
Others	0	0	0	0	0	nm
Group EBITDA	370	413	456	497	540	9.4%
% change		11.6%	10.5%	9.0%	8.5%	
EBITDA margin	51.3%	51.8%	52.6%	53.2%	53.7%	

Capex	2023	2024E	2025E	2026E	2027E	CAGR 24E-27E
Total capex	203	176	180	170	161	-2.8%
As a % of sales	28.2%	22.0%	20.8%	18.2%	16.0%	

KPIs	2023	2024E	2025E	2026E	2027E	CAGR 24E-27E
Towers	14,097	14,242	14,417	14,597	14,777	1.2%
Tenancies	26,925	29,023	30,572	32,154	33,594	5.0%
Tenancy ratios	1.91	2.04	2.12	2.20	2.27	3.7%

YIELD TO WORST



Additional Research

[Protelindo – Q2 24 Quick Take: Faster topline on fibre strength despite short-term Tower headwind](#)

[EMEA & African Telcos & Towers - High Yield Review – Initiate Coverage on Axian Telecom and Liquid Intelligent Technologies, plus VEON, IHS Towers & Helios](#)

[Helios Towers - Initiation. Buy. Price target GBP 140](#)

[IHS \(Buy, TP: US\\$8, 170%\) - INVESTOR CALL FEEDBACK – 24th September 2024 - Steve Howden, CFO](#)

[Digital Bridge to acquire JTower. Very brief thoughts and implications for Global Towers & Japanese Telcos](#)

[MTN and IHS contract renewals in Nigeria – Our thoughts and implications](#)

[China Tower \(Buy\) – Q2 24 Quick Take: Sustained profitable growth on faster trends; first interim dividend announced](#)

[Indus Towers – Q1 FY25 Quick Take: Underlying modest slowdown, but INR 26bn share repurchase approved](#)

[Mitratel – Q2 24: YTD EBITDA tracking ahead](#)

[Indus Towers - Proposed share buyback. Our thoughts.](#)

[EM Tower Trends - Q1 CY24 review: Better overall; trimmed price targets for Indonesian Towers on consolidation risk](#)

[IHS Towers – Q1 24: Slower growth \(as expected\), improving OpFCF margins; Guidance maintained](#)

[Indus Towers – Q4 24 Quick Take: Sustained growth but sharing factor declined again](#)

[Protelindo – Q1 24 Quick Take: Topline beat but margins missed slightly](#)

[Mitratel – Q1 24: Solid quarter](#)

[IHS Towers - What can the company do to crystallise value? Buy, pt US\\$ 8 from US\\$10](#)

[Indian Mobile: VIL Capital Increase – Should you participate and what does it mean for Bharti, Jio and Indus? Indus to Reduce](#)

[Protelindo – Q4 23 Quick Take: Slight miss; non-Towers continue to provide decent support](#)

[IHS \(Buy\) - Feedback from small group call](#)

[China Tower \(Buy\) – Q4 23 Quick Take: Slower but decent quarter; dividend up 15.7% YoY](#)

[IHS Towers – Q4 23: Strong underlying performance; Margins expected to improve in 2024 - Call feedback included](#)

[IHS \(Buy\) – New tenancies and contract extension with Airtel Africa](#)

[African Telcos & Towers - Outlook 2024; Fundamental strength masked by continued volatility... Left-field possibility – SA turns round?](#)

[Chinese Telcos & Towers - Outlook 2024: Expect another good year](#)



NewStreet
Research

Sales Contact

Ethan Lacy

ethan.lacy@newstreetresearch.com

Michael Chambers

michael@newstreetresearch.com

Daniel Gilroy

daniel.gilroy@newstreetresearch.com

Mark Franks

mark@newstreetresearch.com

Dimitri Livchits

dimitri@newstreetresearch.com

Heather Broffman

heather@newstreetresearch.com

Anthony Ferri

Anthony.ferri@newstreetresearch.com

Steven Perez

steven.perez@newstreetresearch.com



NewStreet
Research

THANK YOU

Chris Hoare

chris@newstreetresearch.com

+44 207 375 9130

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