

LIQUID
INTELLIGENT TECHNOLOGIES

Full Year and Q4 FY22 Results

28 June 2022



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Presenters and agenda



Nic Rudnick
Chief Executive Officer

1. Strategic update



Kate Hennessy
Chief Financial Officer

2. Financial review

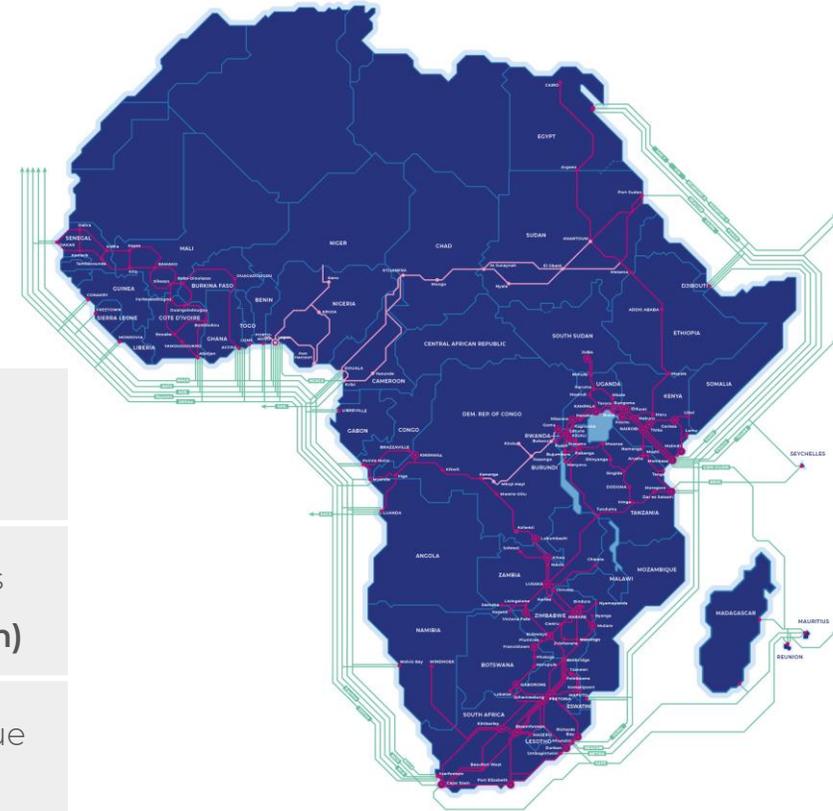
Nic Rudnick

1. Strategic update

A leading Pan-African digital infrastructure provider

Overview

- The leading cross-border communications solutions provider with largely owned proprietary network across more than 20 countries in Africa
- High-speed, reliable connectivity, hosting and co-location and digital services to mobile carriers and blue-chip enterprise customers
- Extensive metropolitan and last-mile access networks



Financial metrics for FY22	Revenue USD 711.7m	Adjusted EBITDA ¹ USD 299.5m	Net Leverage ² 2.68x
Key macro and industry metrics	GDP ³ ~USD 600b	Urbanisation growth ~48% (up 208m)	SSA internet users ~480m (from 270m)
Key performance indicators ⁴	Total fibre network 101,724km	Average churn rate 0.69%	Monthly rec. revenue 90.0%

Source: Company information, IMF (June 2020), World Bank (2020), United Nations (2020), GSMA

¹ Adjusted EBITDA is defined as earnings before interest, taxation, depreciation, impairment and amortisation, and is also presented having adjusted for the following items: restructuring costs, acquisition and other investment costs, fair value gain on derivatives and gain on disposal of investments at fair value through other comprehensive income, net foreign exchange (loss)/gain, hyperinflation monetary gain and share of profit from associate

² Gross debt including lease liabilities less unrestricted cash and cash equivalents divided by adjusted EBITDA

³ Includes South Africa, Zimbabwe, Tanzania, Kenya, Zambia and the DRC

⁴ See slide 14 for definitions

FY22: Strong performance in the year

Continued strategic execution

Strategic highlights

- **+100,000km network reinforcing our position as Africa's largest independent fibre network**
- **Partnership with Meta (Facebook) to build an extensive long-haul and metro fibre network in the DRC**
- **Launched the shortest East to West fibre route across Africa**
- **Strong Digital Solutions growth; exclusive launch of Microsoft's One Voice for Operator connect in Africa**
- **Delivered a good operating and financial improvement in South Africa**

Financial highlights

- **Revenue up 9.2% YoY to USD 711.7 million, driven by good growth across Network, Digital Solutions and Data Technologies**
- **Strong Adjusted EBITDA growth of 24.3% YoY to USD 299.5 million, reflecting revenue growth and a 7.2pp increase in the gross profit margin to 74.4%**
- **Cash generated from operations in the year totalled USD 258.5 million**
- **Net debt at the end of the year was USD 802.0 million; net debt to adjusted EBITDA ratio of 2.68x**

Key achievements in FY22

Group

- The network surpassed 100,000 kilometres
- Exciting Partnership with Meta (Facebook) to build an extensive network in the DRC
- Equiano subsea cable investment
- Launched the shortest East to West fibre route across Africa
- Strong Digital Solutions growth; exclusive launch of Microsoft's One Voice for Operator connect in Africa

South Africa

- Good operational improvements in network quality, driving NPS advances
- First 150 sites of Eastern Cape Government roll out, covering 2,700 Govt. buildings
- Strong Digital Solutions performance; driving new recurring revenues orders

Southern Africa

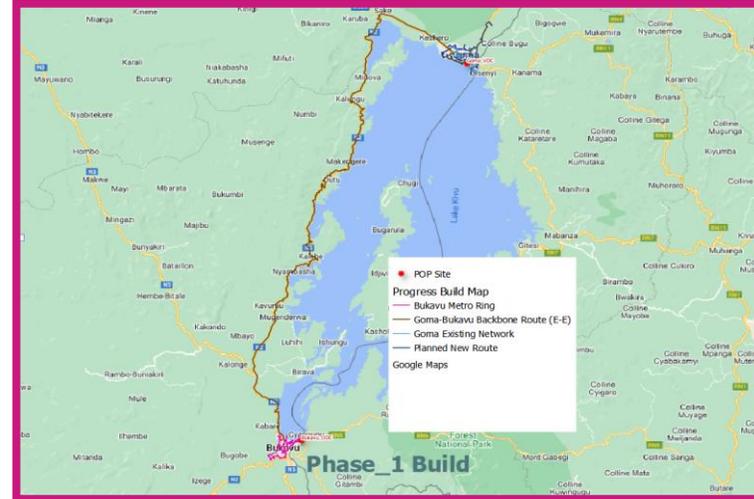
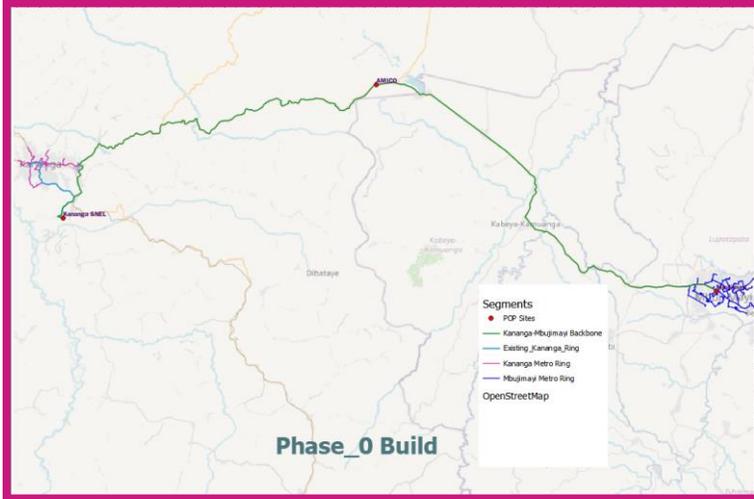
- Increased network footprint, proximity to customers and better customer experiences via metro builds in Kananga, Mbuji-Mayi, Goma and Bukavu in the DRC
- Deployment of 60 LTE sites in Zimbabwe to increase footprint and additional capacity
- Increased IP transmission capacity from Zimbabwe into South Africa

Eastern Africa

- In partnership with Google, building a 1TB per second ring in Mombasa between cable landing station and Data centres
- Successful implementation of low-cost fibre access in low income and densely populated areas through the AMN project
- Strategic win with Microsoft that has opened up further growth opportunities in Uganda

DRC: Partnership with Meta (Facebook)

Kananga > Mbuji-Mayi > Bukavu > Goma



The project's objective is a fully functional backbone network that has the necessary capacity to connect mobile base stations and other enterprise customers along the route.

- **Phase_0:** Kananga to Mbuji-Mayi including metro rings, 314km
- **Phase_1:** Goma to Bukavu including metro rings, 321km
- **Phase_2:** Mbuji-Mayi to Bukavu, 1,000km
- **Phase_3:** Kindu spur and metro ring, 295km

Kinshasa, DRC: FTTX

Project planned to cover 6,000 premises with 18,000 potential connectable units

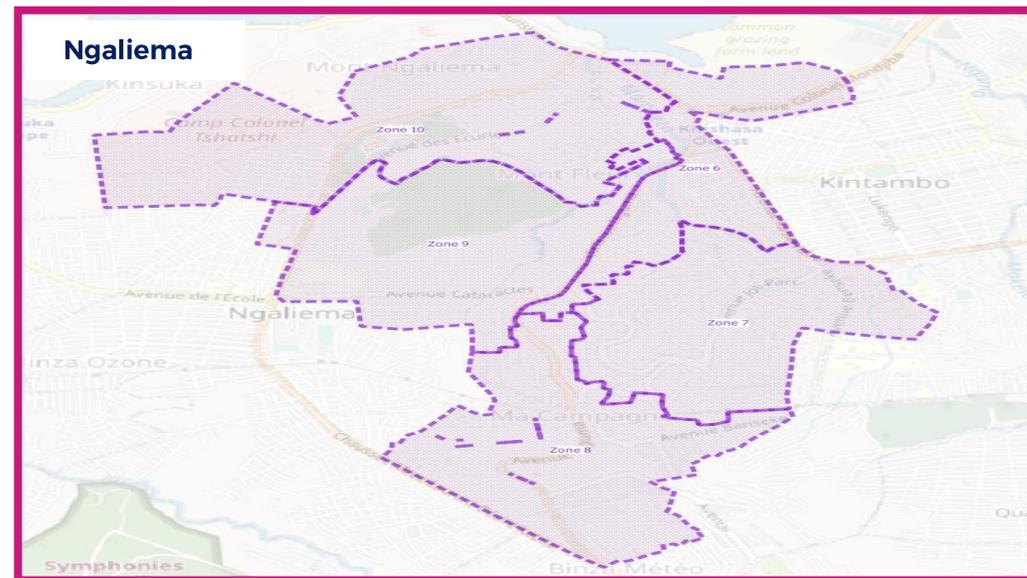
Completed

- 2,700 premises with 6,000 connectable units passed in the Gombe suburb in Feb-22



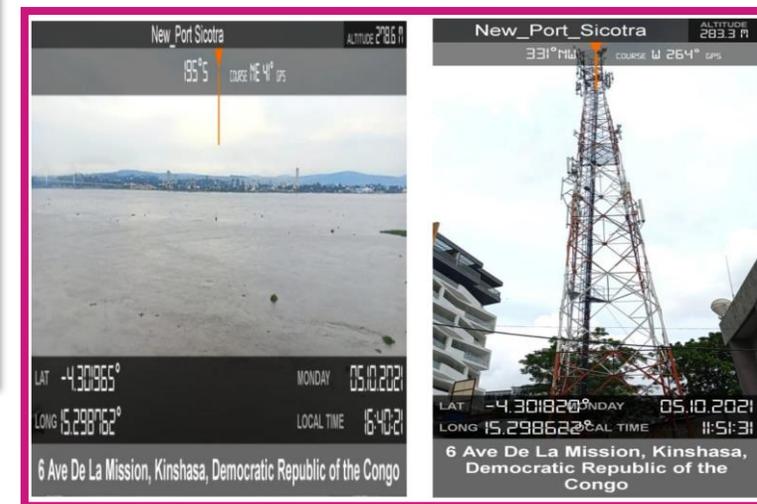
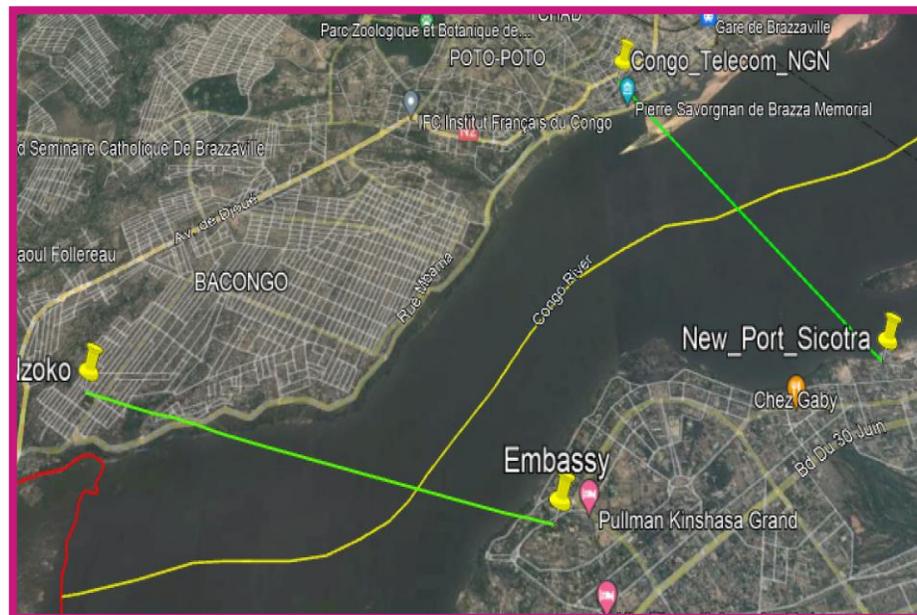
In Progress

- 3,300 premises with 12,000 connectable units in Ngaliema in progress
- 70% of the project complete, expected completion this summer



Kinshasa, DRC: FSOC link

Kinshasa, DRC > Brazzaville, Republic of the Congo



- Two links installed
- Each with a capacity of 10Gb with the potential to increase to 20Gb
- Provides for the pass through of traffic from the DRC to South Africa via the Republic of the Congo

Environmental and Social Management System – Q4 activity

E

	FY23	FY24	FY25	
ESG	<ul style="list-style-type: none"> Sustainability Policy (Q1) Regional ESG Plans (Q2) Training and awareness around the systems with each OPCO with regional HSE managers (Q2 - Q3) ISO 14001 readiness and internal assurance (Q2 - Q3) Green House Gas Verification of tool (Q2 - Q3) 	<ul style="list-style-type: none"> Continued progress and embedding Regional ESG plans (Q1 - Q2) External assurance of selected Environmental KRI's (Q3 - Q4) Conduct ISO 14001 readiness audit (Q3 - Q4) GHG emission verification (Q2 - Q3) 	<ul style="list-style-type: none"> ISO 14001 certification across all LIT and ADC OPCO's (Q3 - Q4) Ensure all 5 companies have fully embedded ESMS where applicable (Q3 - Q4) Setting targets based on last 2 years for specific KRIS on a regional basis (Q3 - Q4) 	<p>Data collection commencement over the past FY and continued focus on Data validation in this FY</p>

S

ESG	<ul style="list-style-type: none"> Human rights Framework (Q2 - Q3) CSI and SDG tagging mechanism (Q2 - Q3) Tighten controls on IFC Implementation on projects (Q2 - Q3) 	<ul style="list-style-type: none"> Implementation and integration of Ethics and Human rights framework (Q2 - Q3) Continued improvement on a monitoring / reporting mechanism for CSI and SDG relevant initiatives (Q2 - Q3) Ensure that all projects are implemented and internally assured in line with IFC PS (Q2 - Q3) 	<ul style="list-style-type: none"> Ensure all projects are externally assured in line with ISO 14001 (Q3 - Q4) Obtain third party opinion on Human Rights framework implementation (Q3 - Q4) 	<p>Group Physical security plan in line with IFC standards commencement</p>
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G

ESG	<ul style="list-style-type: none"> Process implementation on risk, controls and assurance elements including updating relevant charters and committees (Q1 - Q2) Ensure climate risk matters integration within the existing E & S committees (Q3) 	<ul style="list-style-type: none"> Obtain internal assurance on the effectiveness of the ESG related committees (Q3 - Q4) Obtain external opinion on Sustainability Report in line with GRI standards. (Q2 - Q3) 	<ul style="list-style-type: none"> Obtain external assurance on certain governance related KRI's (Q3 - Q4) 	<p>Group HR policy approval by Board</p>
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Commenced with a 3-year ESG roadmap to align with international best practices

Kate Hennessy

2. Financial review

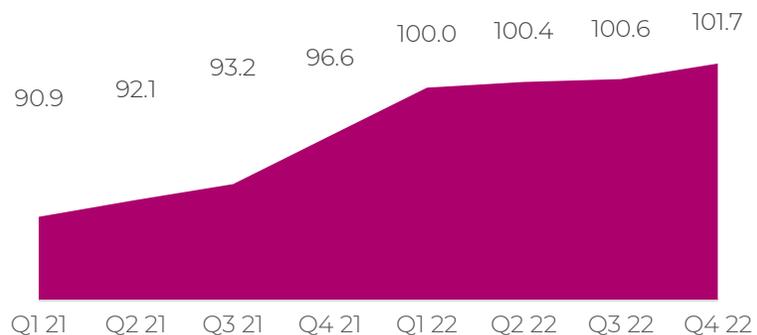
FY22 financial highlights

Continued strategic execution and strong financial performance

- **Good revenue growth, up 9.2% YoY to USD 711.7 million, driven by good growth across the Network, Digital Solutions and Data Technologies segments. Excluding the data centre revenue in the prior year, revenue grew 13.3%**
 - **Revenue for the fourth quarter was USD 190.7 million (Q4 2020-21: USD 194.6 million) due to the removal of data centre revenue and the weaker South African Rand. Excluding data centre revenue in the prior year, revenue grew 1.5%**
- **Strong Adjusted EBITDA growth of 24.3% for the full year to USD 299.5 million, reflecting a 7.2pp increase in the gross profit margin to 74.4%, driven by an increasing contribution from Zimbabwe**
 - **Adjusted EBITDA for the fourth quarter was USD 72.5 million (Q4 2020-21: USD 82.4 million) largely reflecting a more stable gross margin and higher administration and staff costs**
- **Cash generated from operations in the year totalled USD 258.5 million (FY 2020-21: USD 261.9 million) and USD 92.8 million for the final quarter (Q4 2020-21: USD 112.8 million)**
- **Net debt at the end of the year was USD 802.0 million, resulting in a net debt to adjusted EBITDA ratio of 2.68x compared to the 4.50x covenant threshold**

FY22 key performance indicators

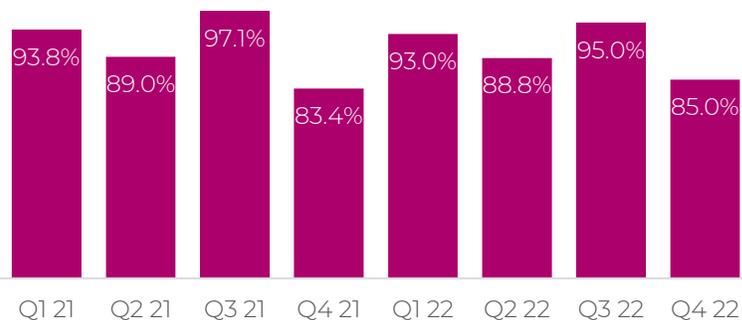
Total fibre network (kms 000)¹



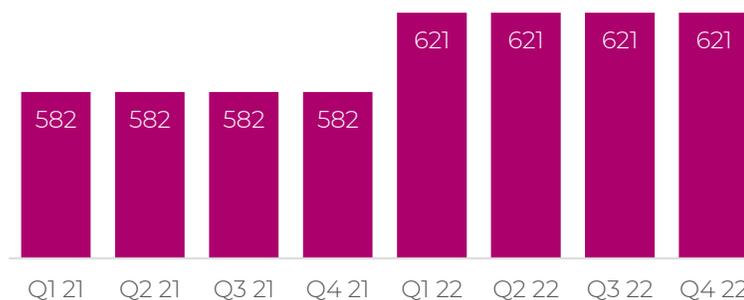
Average churn rate²



Monthly recurring revenue³



Subsea capacity (Gbps)⁴



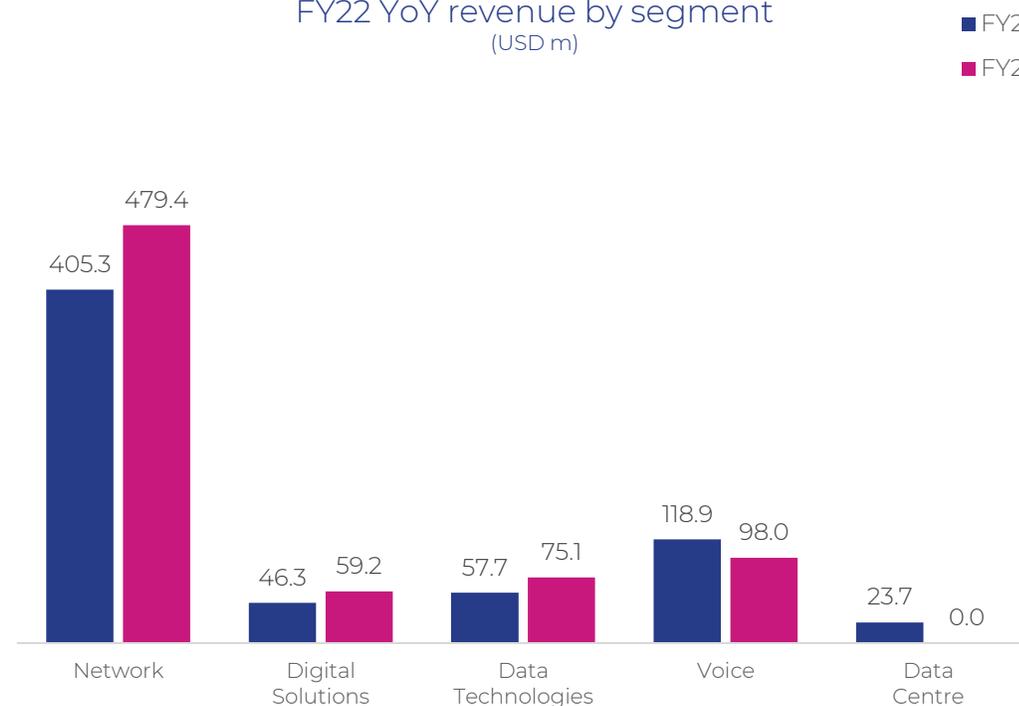
Source: Company information

¹ Total fibre network in kilometres (incl. backbone, metro and FTTX) through which fibre is installed. Multiple kilometres of fibre cables or ducts within the same trench/overhead line are counted individually. Includes both owned and leased capacity through partnerships. ² Average churn rate represents the monthly recurring revenue that was lost during the month following a price reduction or termination of service due to disconnections, downgrades, price reduction and non-renewals, divided by the total revenue for the month. ³ Monthly recurring revenue is the total of all recurring revenue in the period normalised into a monthly amount and expressed as a percentage of total revenue in the same period. ⁴ Capacity, in gigabits per second, purchased by, activated by, or reserved for, Liquid Intelligent Technologies on subsea cables (incl. IRUs).

FY22 YoY revenue by segment

- **Network revenue grew strongly, up 18.3% to USD 479.4 million, driven by South Africa, the DRC and Tanzania, whilst Zimbabwe was boosted by the annualisation of prior year tariff increases.**
- **Digital Solutions revenue increased 27.9% to USD 59.2 million driven by increased demand for all products across our portfolio**
- **Data Technologies revenue grew strongly to USD 75.1 million, up 30.2% driven by new connections in South Africa and Rest of World and favourable exchange rates**
- **Voice revenue declined 17.6% to USD 98.0 million. Due to our focus on better performing markets, absolute margin was stable YoY**
- **Data Centre revenue is no longer reported within LT Holdings**

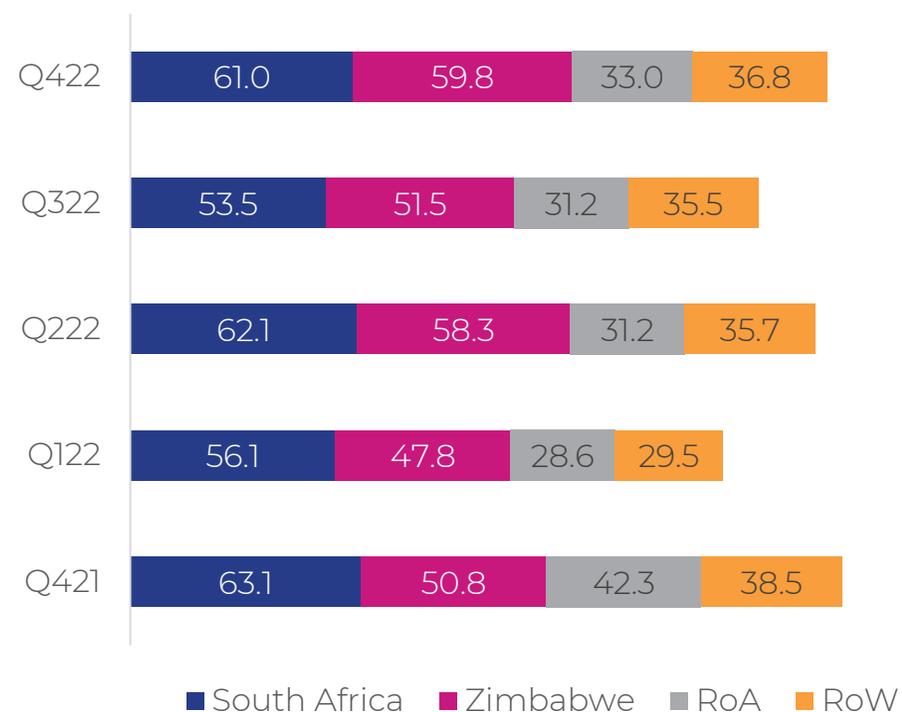
FY22 YoY revenue by segment
(USD m)



Quarterly revenue by geography

- **South African revenue was down modestly as a result of the ADC transfer and adverse exchange rates compared to the prior year**
- **Another quarter of relatively stable exchange rates and CPI helped to deliver good growth in Zimbabwe with growth across all segments**
- **Rest of Africa revenue declined largely due to a particularly strong prior year which included a benefit from dark fibre connections and ADC revenue**
- **Rest of World decreased marginally YoY driven by the improvement in Data Technologies**

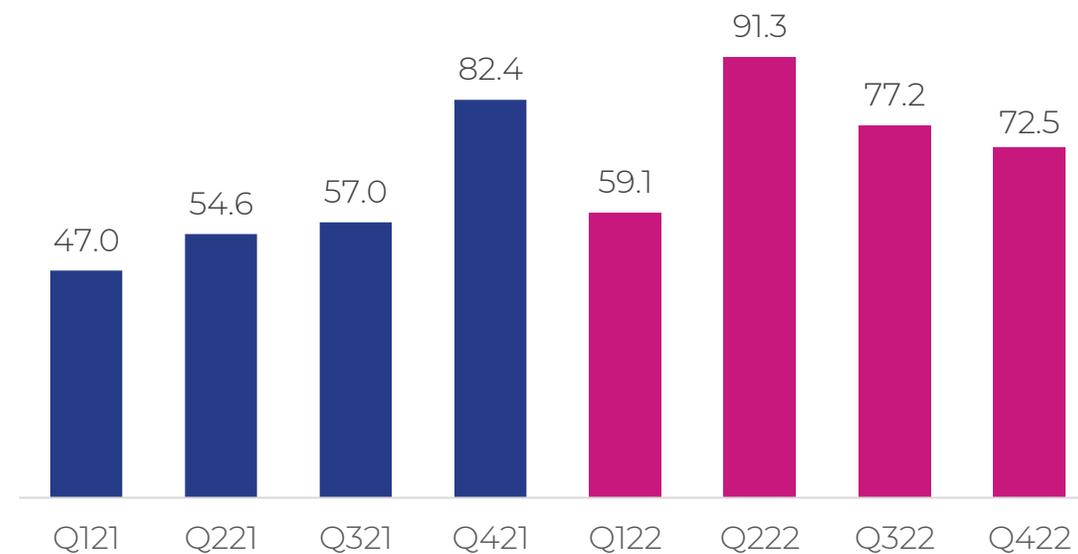
Quarterly revenue progression by geography
(USD m)



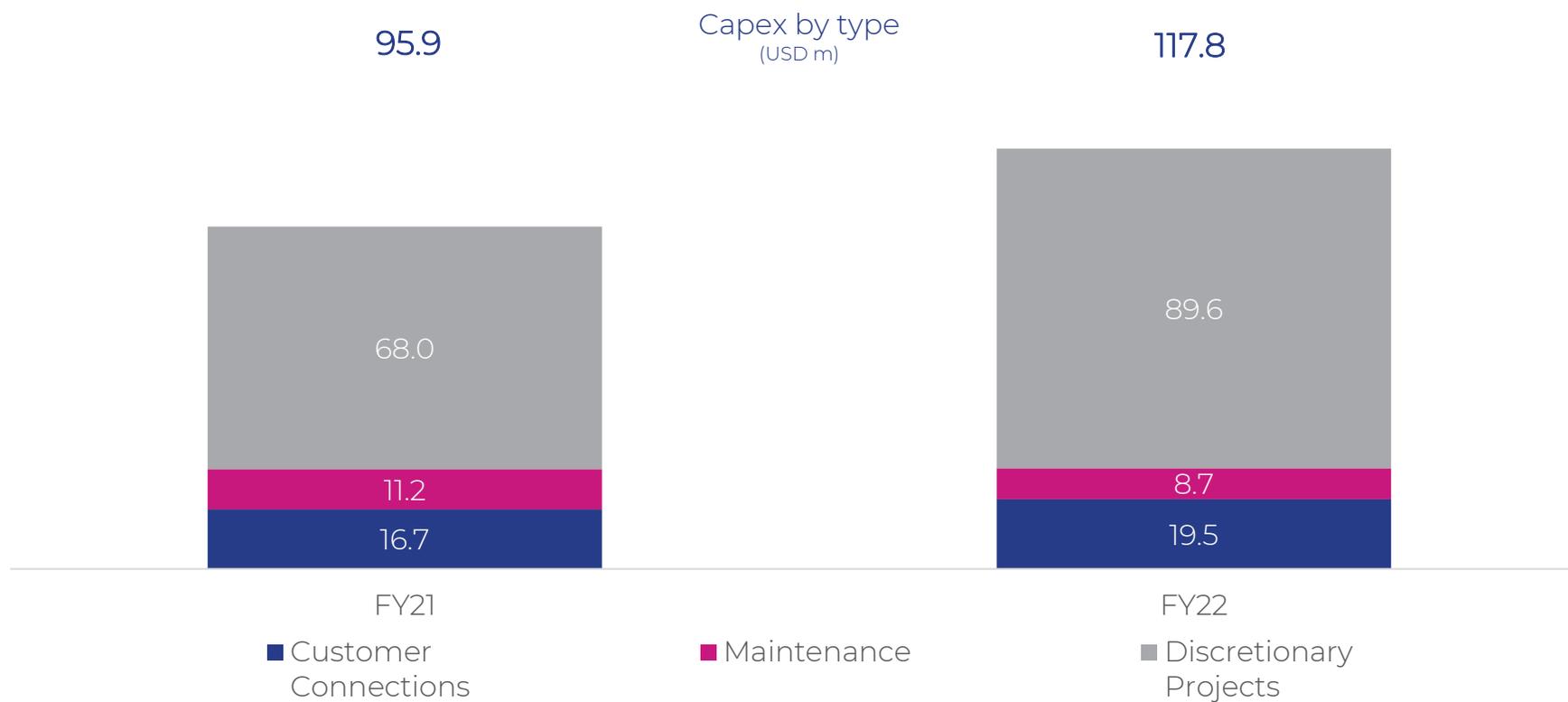
Adjusted EBITDA

All figures USD m unless stated	FY22	FY21	YoY
Revenue	711.7	651.9	9.2%
Gross profit	529.7	438.1	20.9%
<i>Gross profit margin (%)</i>	<i>74.4%</i>	<i>67.2%</i>	<i>7.2pp</i>
Overheads and other income	(230.2)	(197.1)	16.8%
Adjusted EBITDA	299.5	241.0	24.3%
<i>Adjusted EBITDA margin (%)</i>	<i>42.1%</i>	<i>37.0%</i>	<i>5.1pp</i>

Quarterly adjusted EBITDA¹ trend
(USD m)



Capex in FY22



Cash flow



Debt and leverage

Gross and net debt
(USD m)



Reported leverage

2.68x

Covenant threshold

4.50x

FY23 Outlook considerations

Revenue & Adjusted EBITDA

- Declining contribution from Zimbabwe
- Further exchange rate volatility
- Internal focus on USD revenue

Capex

- Expect a similar investment level to FY22 (~USD 120 million)



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Q&A

FY22 Income statement

All figures USD m unless stated	FY22	FY21	YoY	YoY %
Revenue	711.7	651.9	59.8	9.2%
Adjusted EBITDA ¹	299.5	241.0	58.5	24.3%
Adjusted EBITDA margin %	42.1%	37.0%	510bps	
Depreciation, amortisation and impairment ²	(135.7)	(123.9)	(11.8)	(9.5)%
Operating profit	163.8	117.1	46.7	39.9%
Finance costs	(72.8)	(99.7)	26.9	27.0%
Net foreign exchange loss	(114.1)	(386.0)	271.9	70.4%
Hyperinflation monetary adjustment	121.5	391.9	(270.4)	(69.0)%
Other ³	(40.2)	(37.6)	(2.6)	(6.9)%
Profit / (loss) for the year	58.2	(14.3)	72.5	507.0%

Source: Company information

¹ Adjusted EBITDA is defined as earnings before interest, taxation, depreciation, impairment and amortisation, and is also presented having adjusted for the following items: restructuring costs, acquisition and other investment costs, fair value gain on derivatives and gain on disposal of investments at fair value through other comprehensive income, net foreign exchange (loss)/gain, hyperinflation monetary gain and share of profit from associate

² Includes dividend paid of USD 0.3 million in FY21

³ Includes dividends received, restructuring costs, acquisition and other investment costs, fair value gain on derivatives and gain on disposal of investments at fair value through other comprehensive income, interest income, share of profit of associate and tax expense

Q422 Income statement

All figures USD m unless stated	Q422	Q421	YoY	YoY %
Revenue	190.7	194.6	(3.9)	(2.0)%
Adjusted EBITDA ¹	72.5	82.4	(9.9)	(12.0)%
Adjusted EBITDA margin %	38.0%	42.3%	(430)Bps	
Depreciation, amortisation and impairment	(42.6)	(36.9)	(5.7)	(15.4)%
Operating profit	29.9	45.5	(15.6)	(34.3)%
Finance costs	(21.2)	(40.7)	19.5	47.9%
Net foreign exchange loss	(47.1)	(51.7)	4.6	8.9%
Hyperinflation monetary adjustment	40.9	64.3	(23.4)	(36.4)%
Other ²	(26.7)	(19.8)	(6.9)	(34.8)%
Profit / (loss) for the year	(24.2)	(2.4)	(21.8)	(908.3)%

Source: Company information

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² Includes dividends received, restructuring costs, acquisition and other investment costs, fair value gain on derivatives and gain on disposal of investments at fair value through other comprehensive income, interest income, share of profit of associate and tax expense

Aged debtor analysis

Aged debtor analysis by quarter
(USD m)

