



FUND LAUNCHED

2005

FUNDS UNDER
MANAGEMENT

£521.1
MILLION

NET ASSET VALUE
PER SHARE

470.6%
SINCE INCEPTION*



Empowering Connectivity: Helios Towers' Path to Sustainable Growth and Value Creation

August 2025

How Helios Towers' maturing business model has the potential to continue to drive value creation for UEM's investors.

Helios Towers Plc ("Helios"), listed on the London Stock Exchange and a FTSE 250 constituent, is a growing digital infrastructure company operating in ten countries across Africa and the Middle East. After a period of acquisitive growth, the company has entered a new phase of organic driven growth, positive cash flows, and deleveraging. The company does not currently pay dividends, but a new shareholder remuneration policy is expected to be announced later this year.

What does Helios Towers do?

Helios has a portfolio of over 14,500 telecoms towers spread across 10 countries, with its biggest countries of operation being Tanzania, DR Congo, Oman, and Ghana. Its customers are leading mobile telecoms operators including MTN, Vodafone/Vodacom, Orange, Omantel, and Airtel Africa.

Helios has a "tower + power" model. It leases space on its strategically located telecoms towers for mobile operators to mount their antennas on and host telecoms equipment and additionally provides power for the equipment with a high level of availability. Helios' towers are often sited in remote locations with no or intermittent grid electricity requiring generators, solar panels, and batteries to consistently power their customers' equipment, which its local teams achieve very successfully. Across its tower portfolio, the average downtime per tower per week was 1 minute and six seconds in the first half of 2025.¹

Helios typically enters into long-term (10 year+) contracts with its customers, which have fuel price pass-throughs, inflation, and currency escalators. Around two-thirds of its revenues are generated from

Empowering Connectivity: Helios Towers

August 2025

contracts that are pegged to the USD or Euro. This results in strong visibility on future hard currency denominated returns, with US\$5.3bn of future revenues under contract with an average remaining contract life of 6.8 years² at 30th June 2025.

Although leasing a tower to a single customer is profitable for Helios, returns are enhanced significantly when multiple mobile operators share the same infrastructure. Most countries that the company operates in have at least 3 mobile operators and on average, each tower in its portfolio has more than two tenants. As at 30 June 2025, the company reported an average of 2.11 mobile tenants per tower, up from 2.01 tenants at 30 June 2024. The company has a target to exceed 2.2 tenants per tower by the end of 2026.³

The sharing of infrastructure enhances returns. The company claims in an illustrative example that a typical newly constructed tower would generate a return on invested capital (ROIC)⁴ of 12% if there was a single tenant, 25% with two tenants, and 34% with three tenants.

Helios' management believes that rapid growth in mobile data consumption, particularly in Africa, will drive long-term demand for new tenancies - both to expand coverage into new areas and to enhance capacity in existing ones through network densification.⁵ The company's tower infrastructure is designed to be largely technology agnostic, allowing customers to upgrade their systems (eg from 3G to 4G to 5G) while Helios' physical tower and power assets remain largely unchanged, offering considerable longevity.

Helios' management sees limited scope for consolidation amongst mobile operators in their markets, but their long-term contracts give them significant leverage if operators combine and seek to renegotiate contracts on towers where there is resulting duplication of equipment.

Why does UEM like Helios Towers now?

Helios Towers listed on the London Stock Exchange in 2019. UEM had been engaging with and monitoring the company prior to its IPO, but chose not to invest initially, citing concerns over valuation and its acquisition-led growth strategy of purchasing tower portfolios from telecoms operators.

The acquisition of tower portfolios in Senegal, Madagascar, Malawi and Oman in 2021 and 2022 broadly doubled the company's tower portfolio, but also resulted in a significant increase in debt at a time of increasing interest rates. With the average tenancy ratio on the acquisitions at just 1.2x, the new additions initially diluted the company's ROIC, although they did provide a strong platform for future tenancy growth.

Rising interest rates increased the company's cost of debt, and the yield on Helios' 7% Dec 2025 bonds temporarily rose to a double-digit yield-to-maturity. UEM found this attractive and invested, later selling when the bond's valuation returned to near par. The bonds were subsequently redeemed by the company.

Whilst the value of bonds recovered in 2024, the company's share price declined and this allowed UEM to build a stake in the shares of Helios Towers at attractive valuation levels.

In recent years, Helios has changed to a more conservative strategy as it seeks to reduce leverage on its balance sheet by



Empowering Connectivity: Helios Towers

August 2025

concentrating on organic growth. It has successfully integrated its new tower assets into its business and, having grown the average tenancy ratio, is now experiencing higher returns, stronger cash flows, and is deleveraging its balance sheet, enabling it to refinance its debt at more attractive rates. Helios' effective interest rate in July 2025 was 6.9%.⁶

The company will announce its new five-year business plan to investors in November 2025 and is expected to introduce a shareholder remuneration policy, including dividends and/or buybacks.

Helios Towers exemplifies the type of attractively priced, well-managed, and growing infrastructure investments that UEM holds in its portfolio - providing shareholders with both dividend income and potential capital appreciation.

Mark Lebbell

29 August, 2025

Source Data: ICM Limited.

[1] Helios Towers H1 2025 Results Presentation, p32 [National Bureau of Statistics, China](https://www.stats.gov.cn/sj/sjld/202507/t20250716_1960440.html). Retrieved from https://www.stats.gov.cn/sj/sjld/202507/t20250716_1960440.html

[2] Helios Towers H1 2025 Results Presentation, p14

[3] Helios Towers H1 2025 Results Presentation, p7, p13 <https://www.heliostowers.com/media/qgmnpva0q/ht-h125-presentation-vf4.pdf>

[4] Helios Towers H1 2025 Results Presentation, p24 <https://www.heliostowers.com/media/qgmnpva0q/ht-h125-presentation-vf4.pdf>

[5] Helios Towers H1 2025 Conference Call, 31 July 2025

[6] Helios Towers H1 2025 Results Presentation, p17 <https://www.heliostowers.com/media/qgmnpva0q/ht-h125-presentation-vf4.pdf>

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