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## Singtel to invest US\$250m in Airtel Africa; funding round includes Temasek, Warburg Pincus, Softbank

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SINGTEL will invest US\$250 million in Airtel Africa Ltd in an effort to tap the continent's burgeoning use of mobile money and mobile wallets.

Airtel Africa will be valued at US\$4.4 billion after the funding round, the proceeds of which will be used to reduce Airtel Africa's existing debt of around US\$5 billion and grow its business ahead of an intended initial public offering, Singtel said.

The investment forms part of US\$1.25 billion in global funding which the African telco has secured from international investors, which includes Singapore investment firm Temasek

Singtel to invest US\$250m in Airtel Africa; funding round includes Temasek, Warburg Pincus, Softbank Holdings, American private equity firm Warburg Pincus and Softbank Group International.

The African continent is projected to be the world's second-fastest growing economic zone and the fastest-growing mobile market with unique mobile subscribers expected to rise to more than half a billion by 2020, from 420 million at the end of 2016, Singtel said in a Wednesday morning press



which has operations in 14 African countries including Ghana, Kenya and Nigeria. Singtel holds a 39.5 per cent effective stake in the parent company.

According to Singtel, only a quarter of Africa's population has access to formal banking services. Mobile money has filled the gap and has become the engine for financial inclusion for both individuals and small businesses.

Airtel Africa is the second-largest telecom operator in the continent with a customer base of 91 million, Singtel said, adding that it ranks among the top two operators in most of its 14 markets, and has been delivering "healthy revenue growth" in voice and data services. Its mobile wallet service Airtel Money has 11.8 million subscribers and has performed "strongly".

Chief executive of Singtel's International Group Arthur Lang said the telco's investment into Airtel Africa was reflective of their confidence in Africa's long-term growth potential with its young and growing population.

For many of Airtel Africa's customers, the mobile phone is a "key enabler" for digital and financial inclusion, he noted.

"As Airtel continues to execute on its transformation strategy to become a leader in data and mobile money in Africa, we believe it is in a strong position to benefit from increasing smartphone penetration and mobile money adoption," Mr Lang said.

Singtel ended lower on Tuesday, down 1.26 per cent to S\$3.13.

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