CFO interview:

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Analysys Mason Principal, Harmeet Chana, talked to Axian Telecom's CFO, Nicolas Sylvestre-Boncheval, to explore the specifics of raising finance in emerging markets, and in particular to understand how raising high-yield bonds has changed the company's options for financing.

The following are edited highlights from their conversation.

Harmeet Chana:
Tell us about your experience of financing at Axian and the different instruments you have used.

Nicolas Sylvestre-Boncheval (Axian Telecom):
The first phase was our initial launch in Madagascar. At that stage, the financing structure was pretty straightforward: each facility was linked to specific assets, secured accordingly, with a single borrower – the OpCo – working with local banks in local currency.

The second phase emerged towards the end of the 2010s. As we transitioned into larger M&A activities that required acquisition debt. We started raising funds at the BidCo level from pan-African and international banks, using securities like share pledges. Sometimes we even bundled acquisition debt with capex financing.

From 2020 onwards, we began thinking about debt at the holding company level. We looked at options with development finance institutions (DFIs) and spoke to investment banks about private placements. This eventually led us to explore issuing a high-yield listed bond. The first step was to create a compelling credit story, which earned us initial ratings from Standard & Poor's and Fitch, both B+ with a stable outlook. The natural next step was issuing our first bond in February 2022.

> "Axian Telecom is the fastest-growing mobile operator in Africa and the 6th largest overall, serving over 40 million customers through its main brands, Yas and Mixx. Its strong organic and deliberate growth highlights the strategic importance of agile financing to support its expansion."
>
> Nicolas Sylvestre-Boncheval, CFO, Axian Telecom

Harmeet Chana:

You've just raised your second bond after the first one in early 2022. Why did Axian decide to raise finance through a high-yield bond as opposed to using other instruments?

Nicolas Sylvestre-Boncheval (Axian Telecom):

Bonds give us access to a much wider pool of investors than conventional loans, both in terms of type (including asset managers, pension funds and hedge funds), and geography (mainly in the USA and the UK).

They also give us a better repayment profile thanks to the bullet structure, where the principal is only repaid at maturity. During the life of the bond, we just pay the interest, usually every six months.

Bonds let us lock in a fixed rate, which can be more cost-efficient than variable bank financing, assuming there's strong appetite in the capital markets for our credit at the time.

Another big advantage is flexibility. Bond covenants tend to be more accommodating, which is especially helpful for a fast-growing and acquisitive group like ours.

Harmeet Chana:

How different was the process this time round in comparison to the first time?

Nicolas Sylvestre-Boncheval (Axian Telecom):

In some ways, this process was a bit easier because the documentation, marketing and overall approach were similar to our previous transaction. Plus, we could lean on the investor relations experience we've built over the years.

That said, every deal brings its own challenges. For this one, there were some unsettling headlines about the Middle East in the week leading up to the transaction, along with uncertainty around the US political situation.

Even so, we picked a great window to execute the deal successfully, and we had strong support from our global co-ordinators – J.P. Morgan, Standard Chartered, and Standard Bank.

Harmeet Chana:

How is the presence of different underlying businesses within Axian's portfolio (from infrastructure to telco to fintech) perceived by lenders given the different growth rates and investment profiles?

Nicolas Sylvestre-Boncheval (Axian Telecom):

Each of our business segments really has its own characteristics. Take infrastructure, for example: it's capital-intensive, with payback periods anywhere from around four years to over a decade. It's mostly B2B, with a limited number of clients, but those clients usually sign long-term contracts. The big advantage here is predictable cash flow, a strong asset base on the balance sheet, and mechanisms like indexation that help hedge against inflation, currency devaluation, and energy price spikes.

Fintech, on the other hand, is very capex-light. About 95% of EBITDA can be turned into free cash flow. It's a B2C business that's cash-generative and growing fast. Returns tend to be higher, payback periods shorter, and there's a wide range of adjacent products across banking, insurance, e-commerce, and more.

Overall, lenders see our mix of businesses as a good source of diversification. Structurally, we've set up sub-holdings for each segment. That way, depending on investor appetite, we can arrange financing, or even offer minority stakes, at the sub-holding level independently.

Harmeet Chana

How are decisions to raise debt at holdco or opco level made and what are the pros and cons of each decision?

Nicolas Sylvestre-Boncheval (Axian Telecom):

At the holding company level, we usually raise debt in hard currency – mostly US dollars, which is our consolidation currency, and sometimes euros. The pricing can actually be better at the HoldCo level because lenders see the risk as spread across the whole group, not just one part of the business or one country. Their assessment is also supported by our B+ rating from Standard & Poor's and Fitch.

We still raise some financing at the OpCo level, and there are two main reasons for that: First, access to local currency: borrowing from local banks gives a natural hedge against potential currency mismatches between cash flows and liabilities. The interest rates might be slightly higher, but across most of our footprint, the difference is quite manageable. Second, it's often quicker and simpler at the OpCo level. The process is less complex, so if we need financing fast, it's a practical option.

Harmeet Chana:

What was the role of your anchor investors on the bond issuance?

Nicolas Sylvestre-Boncheval (Axian Telecom):

For this issuance, we had five DFIs as anchor investors: IFC, BII, DEG, EAAIF, and Proparco. Four of these had also been anchor investors in our first issuance back in 2022.

Anchor investors commit a set amount before the deal goes public, and they're publicly acknowledged when the transaction is announced. As part of our investment agreements with them, we also follow an action plan on environmental, social, and governance principles, as well as business integrity.

I think having these institutions on board really boosted our credibility, especially during our first issuance. Before that, our financing had been mostly private, so our visibility among investors, particularly in the USA, and to some extent in the UK and Europe, was limited. Having IFC and the other DFIs as anchor investors gave other investors a lot of reassurance and really strengthened confidence in the transaction.

Harmeet Chana:

What are the key success factors for raising finance in African markets?

Nicolas Sylvestre-Boncheval (Axian Telecom):

A lot of the key success factors really depend on the country and the project itself. If the macroeconomic environment is favourable and the local currency is stable, like in countries where it's pegged to a hard currency, it definitely makes things easier.

The type of project matters too. There's strong interest in new infrastructure, like towers to improve service quality and coverage, data centres, or fibre networks. Banks like these projects because they're tangible, while development finance institutions see the impact on people and the economy, which is a big plus.

But beyond all that, trust is crucial. Being transparent with lenders, even about weaknesses, helps build stronger long-term relationships and leads to more realistic financing. Everyone needs to understand that operating in emerging markets isn't easy. When you're all on the same page about the challenges, it creates clarity, a shared vision, and room to discuss how to manage risks.

And trust also comes from knowing your numbers. Lenders want honest, detailed presentations and open discussions, especially during due diligence. Showing that you're hands-on with the project gives them confidence that you can actually deliver.

Nicolas Sylvestre-Boncheval

Nicolas Sylvestre-Boncheval has been Group CFO at Axian Telecom since July 2023. He has extensive corporate finance expertise from his previous role as Head of Corporate Finance at Axian.

He has held key roles at IHS Towers in Nigeria and Dubai, and worked in investment banking at JP Morgan and Lazard. Nicolas holds Master's degrees in Management from HEC Paris and GSOM SPbU.

Harmeet Chana

Harmeet is a Principal in Analysys Mason's London office, advising investors and operators across Europe, Africa and North America.

He specialises in technology services – spanning IT, cloud, software, cyber security and data centres – and supports clients across the full transaction lifecycle. With prior experience at BT and Vodafone, Harmeet combines strategic insight with operational depth. He is a Chartered Accountant and holds an MEng from UCL.

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