

Market Announcements Office
Australian Securities Exchange
Level 4, 20 Bridge Street
Sydney NSW 2000

Sydney, 9 May 2022

Sale of TPG Tower Assets

Please find attached a release regarding the sale of TPG Telecom's tower assets, for immediate release to the market.

Authorised for lodgement with ASX by:

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Company Secretary
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TPG Telecom sells Tower Assets to OMERS

Monday 9 May 2022 – TPG Telecom Limited (ASX: TPG) (**TPG Telecom** or **the Company**) is pleased to announce that it has entered into a binding agreement to sell 100% of its passive mobile tower and rooftop infrastructure (**Tower Assets**) to OMERS Infrastructure Management Inc. (**OMERS**) for an enterprise value of \$950 million (**the Transaction**).

The Transaction implies an enterprise value/EBITDA multiple of approximately 32.1 times¹, reflecting the important role the Tower Assets will play in supporting the projected growth and densification requirements of the industry through 1,237 existing sites, primarily in key metropolitan locations, and a committed build-to-suit development program of 252 new sites.

TPG Telecom anticipates the Transaction will deliver net cash proceeds of approximately \$890 million (being the enterprise value less total transaction costs), which the Company expects to use to repay existing bank debt.

TPG Telecom CEO and Managing Director, Iñaki Berroeta, said: "We are delighted to have concluded the strategic review of these assets with such a strong outcome for TPG Telecom shareholders. The transaction represents competitive long-term financing, which will reduce our total financial leverage and deliver lower borrowing costs.

"The tower sale demonstrates the disciplined approach we are taking to asset utilisation and capital allocation as we pursue opportunities to unlock value and maximise our potential for customers and shareholders. It builds on the landmark multi-operator core network (MOCN) agreement we announced in February of this year to enable regional network sharing with Telstra (subject to regulatory approval).

"We are excited to welcome OMERS as a strategic partner and long-term custodian of these mobile network sites. We look forward to working with OMERS to transition the business and then to support its growth as it provides critical telecommunications infrastructure services to our customers and the broader Australian telecommunications sector."

Subject to finalisation and audit of accounting treatment, TPG Telecom estimates, on a preliminary basis, that it will recognise an accounting gain on sale from the Transaction of approximately \$350 million to \$400 million after tax. TPG Telecom will provide further details at the Company's FY22 half-year results on 19 August 2022.

The Transaction includes a master services agreement with a 20-year term and an option for TPG Telecom to extend. The Transaction is subject to customary conditions precedent including

¹ Reflects pro forma FY21 Tower Assets EBITDA of \$29.6 million.



Foreign Investment Review Board approval and, subject to the satisfaction of those conditions, is expected to close in the third quarter of FY22.

The 1,237 Tower Assets sites include 428 towers and 809 rooftops. This represents approximately 21% of TPG Telecom's total mobile network footprint, the remainder of which is already owned and operated by other tower companies. The portfolio includes 120 sites in non-metropolitan locations at which TPG Telecom intends to decommission its active equipment conditional on regulatory approval of the MOCN agreement. The Transaction perimeter comprises passive tower and rooftop infrastructure only and TPG Telecom will retain ownership of all radio access network infrastructure.

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