



## **GIP and KKR-led Consortium Enters Into Strategic Co-control Partnership With Vodafone to Invest in Vantage Towers AG**

November 9, 2022

*Two of the world's leading infrastructure investors and Vodafone team up to jointly transform Vantage Towers into a leading player in the European telecoms tower sector*

- The Consortium, as partner to Vodafone, will co-control Vodafone's c. 81.7% stake in Vantage Towers and launch a public takeover offer to the minority shareholders of the company for the remaining c. 18.3%
- GIP and KKR together with Vodafone intend to provide the deep infrastructure expertise needed to accelerate Vantage Towers' strategic and operational development
- The strategic partners intend to support an ongoing multibillion euro investment program over the next five years in order to improve Vantage Towers' existing infrastructure and expand and upgrade its network
- The Consortium will support the development of Europe's digital infrastructure by driving network expansion and enabling the deployment of next-generation technologies
- The public takeover will be launched at an offer price of EUR 32.0 per Vantage Towers share, representing a 19% premium to the 3-month volume-weighted average share price

LONDON & FRANKFURT--(BUSINESS WIRE)-- Today, a consortium of funds led by Global Infrastructure Partners ("GIP") and KKR (together "the Consortium") entered into a strategic co-control partnership with Vodafone GmbH ("Vodafone") for Vodafone's c. 81.7% stake in Vantage Towers AG ("Vantage Towers" or "the company"), a leading telecoms tower company in Europe. Vodafone will transfer its stake in Vantage Towers to a holding company ("Oak BidCo"), which will be indirectly co-controlled by Vodafone and the Consortium. The Consortium will obtain a shareholding of up to 50%. Oak BidCo will launch a voluntary public takeover offer for all outstanding free float shares of Vantage Towers AG comprising c. 18.3% of the share capital.

GIP and KKR will be investing through their core infrastructure strategies. Tower Bridge Infrastructure Partners<sup>1</sup> will be part of the Consortium as a co-investor, with additional funding for the transaction provided by the Public Investment Fund ("PIF").

Together, GIP, KKR and Vodafone will provide deep infrastructure expertise to help advance the company's strategic plans. The Consortium and Vodafone share a joint ambition to accelerate the company's growth trajectory through additional investments by Vantage Towers in its network and expansion into fast-growing adjacent markets. The Consortium and Vodafone aim to expand Vantage Towers' business to create a leading pan-European telecoms tower business.

Already a leader in its core markets today, Vantage Towers has a large footprint of approximately 83,000 sites in ten countries, long-term agreements with high-quality tenants and a deep and dense network in the markets in which it operates. The company benefits from consistent organic growth, stable margin development and strong cash generation driven by significant revenue visibility and enhanced commercialization of its tower footprint. In 2021, Vantage Towers signed a landmark agreement with 1&1 Mobilfunk GmbH to support the company in the rapid roll-out of its 5G network, covering potentially up to 5,000 existing sites throughout Germany for the next 20 years.

"We're delighted to join forces with Vodafone and KKR to invest in Vantage Towers, a high-quality European tower portfolio with strong upside potential. We are looking forward to capturing the exciting value-creating opportunities in the European telecoms infrastructure sector by advancing Vantage Towers' strategy and supporting its capacity to build new sites. As strategic partners with Vodafone and KKR, we will bring our deep infrastructure expertise and resources to help the company deliver the best data connectivity for individuals and businesses and contribute to enabling Europe's digital future in the interest of all stakeholders," said Will Brilliant, Partner and Head of Digital Infrastructure at GIP.

"Together with our strategic partners Vodafone and GIP, we believe Vantage Towers' high-quality footprint and network across the region ideally position it to meet the ever-growing demand for mobile connectivity in Europe. We have a shared goal of creating a pan-European telecoms champion by continuing to grow and develop the business, leveraging the Consortium's significant telecoms infrastructure investment experience and global resources. At KKR we are long-term conviction investors in Europe's digital infrastructure and at Vantage Towers we intend to pursue value-creating investments to capitalise on the growth in this sector and to help drive consolidation in a fragmented market," said Vincent Policard, Partner and Co-Head of European Infrastructure at KKR.

"This is a landmark moment for both Vodafone and Vantage Towers. This transaction successfully delivers on Vodafone's stated aims of retaining co-control over a strategically important asset, deconsolidating Vantage Towers from our balance sheet to ensure we can optimise its capital structure and generate substantial upfront cash proceeds for the Group to support our priority of deleveraging. We are excited to partner with GIP and KKR, both world-class investors who bring significant expertise in digital infrastructure and share our long-term vision for Vantage Towers as we collectively take the business to the next stage of its growth," said Nick Read, Vodafone Group Chief Executive.

### **Investing in the modernization of Europe's mobile infrastructure**

Together, the strategic partners plan to support Vantage Towers' multibillion investment program over the next 5 years in order to improve existing infrastructure and to expand as well as upgrade the network. Through their strategic co-control partnership, the Consortium and Vodafone intend to support Vantage Towers to:

- Accelerate the company's ambitious program to build new sites for existing clients ("Build-to-suit", "BTS") that helps them to meet their coverage obligations and densification requirements.
- Enhance Vantage Towers' commercial capabilities and drive the utilization of existing assets by capturing additional co-location opportunities from new and existing third-party customers.
- Expand the company's activities beyond its core business into fast-growing adjacent markets such as 5G private networks, data centers, edge computing, small cells and the internet-of-things ("IoT"), and deploying fiber to the tower ecosystem.
- Further drive consolidation in the European tower sector.

This European growth strategy is expected to allow Vantage Towers to further diversify its tenant base, increase the size and depth of its tower portfolio, while also creating further cost efficiencies and improving its profitability.

With further investments into Vantage Towers' network, the Consortium and Vodafone are supporting Europe's digitalization efforts and ensuring that mobile telecommunications infrastructure can keep up with the rapidly rising demand for data traffic and connectivity. Emerging trends such as autonomous driving, telemedicine, virtual/augmented reality, smart farming and IoT depend on the data services and infrastructure that enable them. Vantage Towers has the DNA of a carrier-neutral infrastructure provider, which will play a key role in empowering a sustainably connected Europe. The Consortium is aware of its responsibility to provide access to communications services for the community. It also recognizes the importance of sustainably stewarding these critical assets and is committed to ensuring that Vantage Towers remains a highly attractive employer in the industry.

### **GIP and KKR have a long track record of collaboration in the infrastructure sector**

Both GIP and KKR are leading global infrastructure investors. Together, they form a Consortium with unique experience and expertise in global infrastructure investing, particularly in the digital and communications sector. Both companies share a longstanding institutional relationship and have a proven track record of acting together within one consortium. The Consortium is a strong financial partner for Vantage Towers with access to ample liquidity and long-term value creation objectives to support the business and the necessary investments at this pivotal moment for the industry.

### **Voluntary takeover offer**

As part of their strategic co-control partnership, the Consortium and Vodafone will launch a voluntary public takeover offer to the shareholders of Vantage Towers through Oak BidCo. Vantage Towers' shareholders will be offered EUR 32.0 per share in cash. Vantage Towers' shareholders will benefit from a 19% premium to the 3-month volume-weighted average share price.

The voluntary takeover offer will be subject to various customary offer conditions, including the receipt of regulatory antitrust and FDI approvals, with closing expected in the first half of 2023.

As part of the transaction, Oak BidCo and Vantage Towers have entered into a Business Combination Agreement in which Vantage Towers undertook to support the takeover offer. Subject to their review of the offer document, the management board and supervisory board of Vantage Towers welcome and support the offer and intend to recommend that Vantage Towers' shareholders accept the offer. The current management board members of Vantage Towers will continue to lead the company.

Further, the Consortium and Vodafone intend to implement a domination profit and loss transfer agreement ("DPLTA") if the final shareholding of Oak BidCo in Vantage Towers is below 95%, or a squeeze-out of non-Oak-BidCo minority shareholders if the aggregate shareholding of Oak BidCo in the company is 95% or higher. Post-closing, Vodafone and the Consortium will consider removing Vantage Towers' public listing from the Frankfurt Stock Exchange.

### **Offer document and further information**

The voluntary public takeover offer will be made pursuant to an offer document to be approved by the German Federal Financial Supervisory Authority (BaFin). This offer document will be published following receipt of permission from BaFin, at which point the initial acceptance period of the takeover offer will commence. The offer document (in German and a non-binding English translation) and other information pertaining to the public takeover offer will be published on the following website: <https://angebot.wpueg.de/oak/>.

GIP and KKR are advised by Morgan Stanley as exclusive financial advisor and Latham & Watkins as legal advisor.

###

### **About Vantage Towers**

Vantage Towers is a leading tower company in Europe with around 83,000 sites in ten countries, connecting people, businesses and devices in cities and rural areas.

The company was founded in 2020 and is headquartered in Düsseldorf. Vantage Towers has been listed on the Deutsche Börse's Prime Standard in Frankfurt since 18 March 2021. The shares are included in the MDAX, TecDAX, STOXX Europe 600 and FTSE Global Midcap Indices.

Vantage Towers' portfolio includes towers, masts, rooftop sites, distributed antenna systems (DAS) and small cells. By building, operating and leasing this infrastructure to MNOs or other network providers such as IoT companies or utilities, Vantage Towers is making a significant contribution to a better-connected Europe.

While already 100% of the electricity that Vantage Towers uses to operate its infrastructure is obtained from renewable energy sources, green energy is increasingly being generated directly on site with the help of solar panels, micro wind turbines and in future also hydrogen solutions. This fits well into the overall strategy of the company to drive a sustainable digitalisation in Europe and to support partners through technological innovation in decarbonisation and achieving their climate goals.

For more information, please visit our website at [www.vantagetowers.com](http://www.vantagetowers.com), follow us on Twitter at @VantageTowers or connect with us on LinkedIn at [www.linkedin.com/company/vantagetowers](http://www.linkedin.com/company/vantagetowers).

#### **About Vodafone**

Unique in its scale as the largest pan-European and African technology communications company, Vodafone transforms the way we live and work through its innovation, technology, connectivity, platforms, products and services.

Vodafone operates mobile and fixed networks in 22 countries, and partners with mobile networks in 47 more. As of 30 June 2022, we had over 300 million mobile customers, more than 28 million fixed broadband customers and 22 million TV customers. Vodafone is a world leader in the Internet of Things (“IoT”), connecting around 160 million devices and platforms.

We have revolutionised fintech in Africa through M-Pesa, which celebrates its 15th anniversary in 2022. It is the region’s largest fintech platform, providing access to financial services for more than 50 million people in a secure, affordable and convenient way.

Our purpose is to connect for a better future by using technology to improve lives, digitalise critical sectors and enable inclusive and sustainable digital societies.

We are committed to reducing our environmental impact to reach net zero emissions across our full value chain by 2040, while helping our customers reduce their own carbon emissions by 350 million tonnes by 2030. We are driving action to reduce device waste and achieve our target to reuse, resell or recycle 100% of our network waste.

We believe in the power of connectivity and digital services to improve society and economies, partnering with governments to digitalise healthcare, education and agriculture and create cleaner, safer cities. Our products and services support the digitalisation of businesses, particularly small and medium enterprises (SMEs).

Our inclusion for all strategy seeks to ensure no-one is left behind through access to connectivity, digital skills and creating relevant products and services such as access to education, healthcare and finance. We are also committed to developing a diverse and inclusive workforce that reflects the customers and societies we serve.

For more information, please visit <http://www.vodafone.com>, follow us on Twitter at @VodafoneGroup or connect with us on LinkedIn at <http://www.linkedin.com/company/vodafone>.

#### **About Global Infrastructure Partners**

GIP is a leading independent infrastructure fund manager that makes equity and debt investments in infrastructure assets and businesses. GIP targets investments in the energy, transport, digital infrastructure, and water/waste sectors in both OECD and select emerging market countries. Headquartered in New York, GIP operates out of 10 offices: New York, London, Stamford (Connecticut), Sydney, Melbourne, Brisbane, Mumbai, Delhi, Singapore and Hong Kong. GIP manages c. US \$84 billion for its investors. GIP’s portfolio companies have combined annual revenues of c. US \$68 billion and employ over 100,000 people. For more information, visit [www.global-infra.com](http://www.global-infra.com).

#### **About KKR**

KKR is a leading global investment firm that offers alternative asset management as well as capital markets and insurance solutions. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people and supporting growth in its portfolio companies and communities. KKR sponsors investment funds that invest in private equity, credit and real assets and has strategic partners that manage hedge funds. KKR’s insurance subsidiaries offer retirement, life and reinsurance products under the management of Global Atlantic Financial Group. References to KKR’s investments may include the activities of its sponsored funds and insurance subsidiaries.

KKR established its Global Infrastructure business in 2008 and has since grown to one of the largest infrastructure investors globally with a team of more than 75 dedicated investment professionals. The firm currently oversees approximately US\$50 billion in infrastructure assets globally as of 30 September, 2022, and has made over 65 infrastructure investments across a range of sub-sectors and geographies. KKR’s infrastructure platform is devised specifically for long term, capital intensive structural investments.

For additional information about KKR & Co. Inc. (NYSE: KKR), please visit KKR’s website at [www.kkr.com](http://www.kkr.com) and on Twitter @KKR\_Co.

<sup>1</sup> Separately Managed Account managed by GIP

View source version on [businesswire.com](https://www.businesswire.com/news/home/20221109005530/en/): <https://www.businesswire.com/news/home/20221109005530/en/>

Media Contact Consortium (on behalf of GIP and KKR)

#### **Germany**

Thea Bichmann  
Mobile: +49 172 13 99 761  
Email: [thea.bichmann@fgsglobal.com](mailto:thea.bichmann@fgsglobal.com)

Christian Falkowski  
Mobile: +49 171 86 79 950  
Email: [christian.falkowski@fgsglobal.com](mailto:christian.falkowski@fgsglobal.com)

**UK**

Alastair Elwen  
Telephone: +44 20 7251 3801  
Email: [alastair.elwen@fgsglobal.com](mailto:alastair.elwen@fgsglobal.com)

Sophia Johnston  
Telephone: +44 20 7251 3801  
Email: [sophia.johnston@fgsglobal.com](mailto:sophia.johnston@fgsglobal.com)

Source: KKR