

Optus announces sale of towers to AustralianSuper for AU\$1.9 billion

Optus' parent company Singtel has entered into an agreement to sell a 70% stake in Australia Tower Network (ATN), a wholly-owned subsidiary which operates Optus' passive telecommunications tower infrastructure, to AustralianSuper.

The transaction, involving Australia's largest independent tower company and comprising 2,312 mobile network towers and rooftop sites, values ATN at approximately AU\$2.3 billion, representing FY21 pro-forma EV/EBITDA transaction multiple of 38x, or 28x following completion of the build-to-suit (BTS) program, reflecting the high quality of the assets and tenancy arrangements.

Under the terms of the deal, Optus will have continued access to the sites through a long-term lease agreement with ATN. Optus will be the anchor tenant for 565 new BTS sites to be built over the next three years forming an integral part of Optus' 5G network.

Kelly Bayer Rosmarin, Optus CEO, notes the transaction unlocks significant value for the organisation.

"The sale of these assets positions Optus well for the future as it provides capital to support core business growth while importantly allowing us to maintain the competitive advantage of our network's active elements which continue to top independent reports on speed and quality of our network.

"There has been strong interest from a competitive field of high-quality prospective buyers, and we are pleased with the outcome of the sales process. We very much look forward to a bright future partnering with AustralianSuper, an iconic Australian infrastructure investor."

AustralianSuper's Head of Infrastructure, Nik Kemp said that ATN is a great addition to AustralianSuper's \$24 billion infrastructure portfolio.

"ATN is a high-quality infrastructure asset that will benefit from growing demand for communication and digital services across Australia. This is a unique opportunity to partner with Singtel in owning Australia's largest independent tower company and delivering value for AustralianSuper members."

Singtel expects net cash proceeds after transaction costs of approximately AU\$1.9 billion, which will enhance cash flow and balance sheet flexibility, supporting the acceleration of Optus' rollout of Australia's fastest 5G experience, the Optus Living Network and other growth initiatives.

Completion is expected by the end of October, subject to the fulfilment of certain conditions precedent.

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