

Digital Bridge's Towerco ATP Snaps Up Torres Unidas as LatAm Mobile Demand Surges

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December 14, 2017 – Telecom Finance by Ms. Katy Hunt

Andean Tower Partners (ATP), a US-based Digital Bridge portfolio company, has acquired Torres Unidas from private equity firm Berkshire Partners, gaining 1,644 sites in the critically underserved Andean Region of Latin America.

As the largest privately owned towerco in the region, ATP now owns more than 2,150 sites. It also manages more than 32,000 master leased sites and 13 small cell network deployments.

The deal follows a US\$230m capital raise by communications infrastructure investment firm Digital Bridge in March, which was earmarked for expansion in the Andean Region of Colombia, Chile and Peru.

The combined company's pipeline of new builds totals approximately 1,000 for the three countries, Digital Bridge CEO and ATP chair Marc Ganzi told TelecomFinance, noting the 800 towers Torres Unidas is working on, along with ATP's backlog of 140-250 towers.

Founded by Digital Bridge in 2015, Florida-based ATP owns, operates and manages telecommunications towers, rooftops, small cells and distributed antenna systems solutions for mobile operators.

ATP has master lease agreements (MLAs) and build-to-suit (BTS) agreements with all major operators in the three countries, Ganzi added.

Financial terms of the transaction were not disclosed.

Leadership

The three markets of Colombia, Chile and Peru are the "best in region", said Torres Unidas CEO Daniel Seiner, who has been appointed to lead the combined company.

Seiner noted the "huge deficit in telecoms infrastructure in the markets, combined with great economic conditions". Seiner previously headed the Latin American telecoms investment banking group at JPMorgan.

"The combined portfolio will give Andean Tower Partners an enhanced footprint in the region, and we are eager to continue to help operators densify their 4G networks and bring the dream of 5G to life in our region," Seiner said.

Small cell opportunity

Berkshire Partners formed Torres Unidas in September 2012, along with founding shareholder and co-investor Torrecom Cayman.

Through a combination of acquisitions and BTS agreements with carriers, Torres Unidas grew its portfolio to more than 1,500 wireless towers. It achieved “significant” colocation activity across its portfolio, helping carriers efficiently expand their networks while reducing the need for redundant infrastructure, Berkshire noted.

As mobile operators continue to densify networks, ATP is best positioned to serve customers, Ganzi said, adding that the combined company was passionate about the deployment of small cell networks.

Seiner noted that South America – with huge cities such as Lima and Bogota in dense areas – offers demographics that are “very appealing to small cell deployment”.

“We believe networks will be densified, Seiner said. “We have to be able to provide all types of solutions to all of the carriers to support growth of data communications in the country.”

Advisers

Equity financing for the transaction was provided by ISA, Equity International, TC Latin America Partners, and The Olayan Group, who collectively committed US\$230m earlier this year, and followed on with additional commitments to support the acquisition, Digital Bridge said.

In addition to the existing investor group, US-based REIT Colony NorthStar (NYSE: CLNS) partnered with Digital Bridge to form a communications infrastructure fund. The ATP commitment is the fund’s first investment, Ganzi said.

Scotiabank was lead arranger and bookrunner for the financing and acted as ATP’s financial adviser. Linklaters provided legal counsel to ATP.

US-based Berkshire partners said PJT Partners acted as exclusive financial adviser to the sellers and Weil, Gotshal & Manges provided legal counsel. Greenberg Traurig provided legal counsel to the company’s management.

Digital Bridge in Europe

Looking ahead, Ganzi said the firm is “really busy right now” with at least seven fibre-related or fibre-specific deal opportunities.

Digital Bridge also continues to move on towers, both in North and South America, and in Europe, he said, adding that the company expects to have a European tower platform.

“There is no geography that is out of bound for us”, Ganzi said, noting the UK, France, Italy, Germany and Spain are all areas of interest.

He cited the massive consolidation of towers in Europe, citing players such as Spanish towerco Cellnex Telecom (BME:CLNX) and American Tower (NASDAQ:AMT).