



MARKET RELEASE
11 April 2022

Spark commences process to explore introduction of third-party capital into Spark TowerCo

As foreshadowed at its half year results, Spark New Zealand has today commenced a process to explore the introduction of third-party capital into its subsidiary, Spark TowerCo.

Spark TowerCo will be a leading New Zealand towers business with approximately 1,263 sites¹. Spark intends to maintain a shareholding in Spark TowerCo and will be a key, long-term, anchor tenant and strategic partner. Forsyth Barr and Jarden have been appointed to undertake the market engagement process, however there is no certainty that a transaction will proceed.

Stefan Knight, Spark Finance Director says, “The infrastructure build programmes needed to support New Zealand’s increasing data needs and new technologies like 5G, and potentially 6G in the future, will be very different from the build programmes of today – requiring many more, smaller sites, closer to the end customer, and greater overall densification.

“Spark TowerCo will have a sole focus on passive mobile assets so will be able to achieve greater focus, service innovation, and efficiency, reducing costs and increasing speed to market for these build programmes.”

Spark TowerCo is projected to have EBITDA in FY23 of ~NZ\$35m with a strong growth profile over the next 10 years.

“Spark has the largest mobile and wireless broadband customer base in New Zealand which means we have a significant build program to execute in the future,” explains Knight. “With that in mind, Spark TowerCo will have a commitment from Spark to a comprehensive new site build programme over a 10-year period.”

The establishment of Spark TowerCo will not create any change for Spark’s customers, who will continue to benefit from Spark’s investment in enhancing its network experience and improving coverage for Aotearoa.

¹ In Spark’s 1H22 results, we disclosed that Spark owns ~1,500 mobile sites. The transaction excludes ~250 sites related to outbound co location on third party owned infrastructure that have been considered out of scope, so approximately 1,263 sites will transfer to Spark TowerCo.



Notes:

Spark TowerCo will incorporate Spark's passive mobile assets. The definition of active vs passive mobile assets is as follows:

- Spark's 'active' mobile assets include the core of the mobile network, the radio equipment that creates the mobile network, including the antennas, and the connection of these antenna back to the core network.
- Spark's 'passive' mobile assets are the physical towers that support the active equipment, including standalone macro towers, rooftops, and lamppost towers.

Authorised by:
Alastair White
GM Capital Markets

- ENDS -

For media queries, please contact:
Ellie Cross
Corporate Relations Lead Partner
+64 (0) 22 630 0665

For investor relations queries, please contact:
Chante Mueller
Head of Investor Relations
+64 (0) 27 469 3062