

EY, A&O, GARRIGUES ADVISE ON AMERICAN TOWER'S €7.7BN ACQUISITION OF TELXIUS TOWERS

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EY Abogados and Allen & Overy have advised US communications company American Tower on its

acquisition of Telxius Towers from Telefónica, advised by Garrigues, for €7.7 billion



American Tower Corporation, the leading independent owner, operator and developer of multitenant communications real estate, with a portfolio of over 183,000 communications sites, has entered into definitive agreements with Telefónica, S.A., under which it will acquire Telxius Towers, comprising approximately 31,000 existing communications sites in Germany, Spain, Brazil, Chile, Peru and Argentina. The total consideration for the transaction is approximately €7.7 billion (approximately \$9.4 billion at current foreign exchange rates), subject to customary closing adjustments.

American Tower expects the assets to generate approximately \$775 million in property revenue, approximately \$410 million in gross margin, and approximately \$390 million in Adjusted EBITDA at current foreign exchange rates, in their first full year in its portfolio, pro forma for contributions from the committed future build-to-suits. This implies an Enterprise Value / Adjusted EBITDA multiple of less than 26x.

The transaction is anticipated to be immediately accretive to Consolidated AFFO per Share and is expected to close in multiple tranches, beginning in the second quarter of 2021, subject to government and regulatory approvals and customary closing conditions.

EY Abogados provided Tax advice with a cross-border team led from EY USA by partner Gary E Silacci, along with director Dane A Heilner. EY Abogados advised from its Madrid office with International Tax and Transaction Services (ITTS) partner Anil Bharwani (pictured right), along with its team senior manager José Enrique Padilla.

Allen & Overy also advised American Tower with a team led by Madrid office Corporate partner Fernando Torrente (pictured centre), with London office partner and TMT global co-head Tom Levine and Hamburg Real Estate partner Christian Hilmes. In Spain, the team included Corporate counsel Teresa Méndez, senior associate Bosco De Checa and associate Santiago Gil-Gruart.

Advising Telefónica, Garrigues' team was led, from the Commercial side, by executive president Fernando Vives (pictured left), along with partner Álvaro López-Jorrín, senior associate Aída González, senior associate Juan González Ortega, of counsel Manuel Rodríguez Bethencourt, and associate Carlos Lozano. From the Competition side, the team counted with partner Susana Cabrera, principal associate Fernando Las Navas, and from the Tax area with partner Rafael Calvo, senior associate Javier Valderrama.