



7 June 2023

## **Infratil to take full control of One New Zealand and announces equity raise of NZ\$850 million to fund the deal and other growth opportunities**

Infratil Limited ('Infratil') (IFT.NZ, IFZ.AX) is pleased to announce that it has reached an agreement with Brookfield Asset Management Ltd (together with its affiliates, 'Brookfield'), to acquire Brookfield's 49.95% stake in One New Zealand ('One NZ') for NZ\$1.8 billion, increasing Infratil's ownership from 49.95% to 99.90% (the 'Acquisition').

Infratil will fund the NZ\$1.8 billion acquisition via a NZ\$850 million equity raising, cash reserves and debt facilities.

### **Key highlights**

- The Acquisition values One NZ at an enterprise value of NZ\$5.9 billion<sup>1</sup> and an implied EV/EBITDA multiple of 9.8x<sup>2</sup> for Infratil's increased stake and a normalised EV/EBITDA multiple of 9.3x<sup>3</sup>
- Increased conviction around data and connectivity tailwinds and strong trading momentum, with further upside expected through its simplification initiatives, supports further investment in One NZ
- Full control provides business plan flexibility and a focus on long term value creation under 100% New Zealand ownership
- One NZ continues to deliver strong, stable cash flows and is well positioned to achieve a target 30% EBITDA margin in the near term
- Strengthens Infratil's cash generative core, providing stable and growing cashflows to support further Infratil's development platforms
- FY2024 Proportionate EBITDAF guidance range increased to NZ\$800 million – NZ\$840 million, reflecting an increased contribution from One NZ
- Underwritten<sup>4</sup> NZ\$750 million Placement ('Placement') priced at NZ\$9.20 per New Share ('Placement Price'), representing a 8.9% discount to last close and a 7.9% discount to 5-day VWAP of NZ\$9.99
- Retail offer of NZ\$100 million (plus the ability to accept oversubscriptions) enabling retail shareholders to participate in the equity raising on a pro rata basis
- Post equity raise and completion of the One NZ transaction, Infratil's wholly owned group gearing is expected to be 18.7%<sup>5</sup> with NZ\$927.7 million of available liquidity<sup>6,7</sup>, providing flexibility to support growth investment across Infratil's portfolio
- The acquisition is unconditional
- Completion of the One NZ investment is expected shortly after receipt of the Placement proceeds

<sup>1</sup> Enterprise value assumes net debt of \$2.3 billion, including \$918 million lease liabilities

<sup>2</sup> Reflects implied Enterprise Value of \$5.9 billion and midpoint of FY2024PF EBITDA range of \$580-\$620 million

<sup>3</sup> Reflects implied Enterprise Value of \$5.9 billion and midpoint of FY2024PF EBITDA range of \$580-\$620 million adjusted for \$35 million of one-off project and rebranding costs, and capitalisation of SaaS development expenditure

<sup>4</sup> The Placement is fully underwritten, other than in respect of pre-committed pro rata participation in the Placement by interests associated with Morrison & Co and related parties amounting to \$43.7 million worth of new shares in the aggregate

<sup>5</sup> Gearing calculated as total net debt / total capital based on the Infratil share price of NZ\$10.10 as at 6 June 2023 and assuming NZ\$850 million equity raise

<sup>6</sup> Includes impact of equity raise (net of transaction fees) and payment of incentive fee and any other adjustments on 31 March 2023 balance sheet, but excluding commitments

<sup>7</sup> Available liquidity includes undrawn debt facilities and cash on hand

One NZ is a leading New Zealand digital services and connectivity company with 2.7 million connections and population coverage of more than 98% of New Zealand. One NZ has been transformed since Infratil's initial acquisition in 2019 and today holds a strong market position in mobile and is delivering growth across multiple segments.

Infratil CEO Jason Boyes said, "Further investment in One NZ is strategically and financially compelling for Infratil and our shareholders. One NZ has had strong momentum following the recent rebrand and other business transformation initiatives that are ongoing, with further upside to be realised. Full control of One NZ provides business plan and capital allocation flexibility and a renewed focus on long term value creation".

"Beyond One NZ, we continue to see exciting near-term opportunities for investment across our portfolio, in particular across our digital and renewables platforms. Since our full year results announcement on 22 May, CDC Data Centres continues to see strong demand signals for capacity. We will maintain balance sheet capacity and flexibility following the transaction to support our investments in assets such as CDC and Longroad, with a focus on long term growth and value for shareholders."

"The equity raise is a \$750 million underwritten placement, which happens today, and then a \$100 million retail offer that runs until 27 June and is not underwritten. This is a similar offer structure Infratil has used before that, given the make-up of our share register, gives almost all shareholders the ability to maintain their proportionate ownership of Infratil if they wish, but also minimises the cost of the offer for those who cannot."

One NZ CEO Jason Paris said, "Infratil's increased investment in One New Zealand is a huge vote of confidence in the direction and momentum within our business and means this important New Zealand company will be 100 percent locally owned and managed for the first time. We thank Brookfield for its outstanding contribution as a shareholder, and we welcome Infratil's increased investment to full ownership, which reflects the significant additional opportunities available within the business."

Udhay Mathialagan, Brookfield Managing Director and Global CEO of Data Centres, and outgoing chair of One NZ, said, "During our ownership of One NZ, we have overseen the investment of more than a billion dollars to expand and strengthen New Zealand's digital infrastructure. Personally, it's been a privilege to lead the board through a period of significant change that involved the rebrand to One NZ, the carve-out of the tower assets and navigating through the pandemic. While we continue to see further long-term value in One NZ, we were attracted to realising a strong return now. We wish Infratil and the One NZ management team the best for what will be a bright future."

## **Acquisition funding**

Infratil's consideration will be funded by:

- A NZ\$850 million equity raise, comprising a NZ\$750 million underwritten Placement<sup>8</sup> and a NZ\$100 million non-underwritten Retail Offer ('Retail Offer') (together, the 'Equity Raising'); and
- The balance will be funded by cash reserves and debt facilities of NZ\$950 million

Post equity raise and completion of the One NZ transaction, Infratil's wholly owned group gearing is expected to be 18.7% with NZ\$927.7 million of available liquidity.

All Infratil directors intend to participate in the equity raising.

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<sup>8</sup> The Placement is fully underwritten, other than in respect of pre-committed pro rata participation in the Placement by interests associated with Morrison & Co and related parties amounting to \$43.7 million worth of new shares in the aggregate

Barrenjoey Markets Pty Limited (acting jointly with Forsyth Barr Limited) and UBS New Zealand Limited are Joint Lead Managers.

## **Further details of the Equity Raising are as follows:**

### **Placement**

The Placement will be conducted through a bookbuild in which eligible investors in New Zealand, Australia, and certain other jurisdictions will be invited to participate. A trading halt has been granted by NZX and ASX to facilitate the Placement.

The Placement will comprise the issue of 81.5 million new shares, representing approximately 11.2% of existing issued capital, to raise NZ\$750 million. The Placement Price of NZ\$9.20 per new share represents a discount of 8.9% to the last NZX close price on Tuesday, 6 June 2023.

It is intended that eligible shareholders who bid for an amount up to their 'pro rata' share of new shares under the Placement will be allocated their full bid on a best-efforts basis.

Interests associated with Morrison & Co and related parties have pre committed to subscribe for \$43.7 million worth of new shares in the Placement equivalent to their pro rata share.

### **Retail Offer**

Infratil intends to conduct a non-underwritten Retail Offer to eligible existing shareholders to raise up to NZ\$100 million, with the ability to scale applications or accept over subscriptions at Infratil's discretion.

Eligible shareholders in New Zealand and Australia will be invited to apply for up to NZ\$80,000 and A\$45,000<sup>9</sup>, respectively of new shares under the Retail Offer, free of any brokerage, commission and transaction costs. The maximum application size has been selected with the objective of enabling as many retail shareholders as possible to apply for their pro rata share of the equity raising via the Retail Offer.

New shares to be issued under the Retail Offer will be issued at the lower of the Placement Price or a 2.5% discount to the five-day VWAP of Infratil on the NZX up to, and including, the closing date of the Retail Offer.

New Shares to be issued under the Retail Offer will rank equally with existing Infratil shares on issue and will be quoted on the NZX and ASX from the date of Retail Offer allotment.

If the Retail Offer is oversubscribed, applications may be scaled in Infratil's discretion, having regard to existing shareholdings at 7:00pm NZST on Tuesday, 6 June 2023. This approach is intended to ensure, as far as is practicable, shareholders who apply for a number of shares that will allow them to maintain their proportionate ownership in Infratil will receive those shares<sup>10</sup>.

All eligible shareholders will be able to participate through either the Placement or the Retail Offer.

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<sup>9</sup> If an eligible shareholder in Australia applies for an Australian dollar amount of shares, and the exchange rate varies such that the Australian dollar amount applied for exceeds the NZ\$50,000 regulatory limit (on the basis of the NZ\$:A\$ exchange rate published by the New Zealand Reserve Bank on its website at 3.00pm New Zealand time on the closing date of the Retail Offer), shares having a total issue price equal to NZ\$50,000 (converted in accordance with the Retail Offer booklet), which may be less than A\$45,000, will be issued to the shareholder and they will be refunded the excess cash amount.

<sup>10</sup> Infratil's ability to scale in this manner is subject to the overall size of the Retail Offer and regulatory restrictions on the number of shares that can be offered to eligible Australian shareholders. Refer to the Retail Offer booklet, when published, for further details regarding Infratil's intended approach to scaling.

Full details of the Retail Offer will be set out in the Retail Offer booklet, which will be released to the NZX and ASX, and sent to eligible shareholders in New Zealand and Australia on Tuesday, 13 June 2023. The closing date for applications by eligible shareholders is Tuesday, 27 June 2023.

### Further information

Further details of the acquisition of One NZ and the Equity Raising are set out in the Investor Presentation provided to the NZX and ASX today.

There will be a briefing for institutional investors, analysts and media commencing at 10.30am.

The Webcast link is [here](#).

### Any investor enquiries should be directed to:

Mark Flesher

Investor Relations

Infratil Limited

Email: [mark.flesher@infratil.com](mailto:mark.flesher@infratil.com)

### Equity Raising Key dates:

Placement	Date
Trading halt and Placement bookbuild	Wednesday, 7 June 2023
Announcement of results of Placement and trading halt lifted	Thursday, 8 June 2023
ASX settlement	Tuesday, 13 June 2023
NZX settlement	Wednesday, 14 June 2023
Allotment & commencement of trading of new shares on NZX/ASX	Wednesday, 14 June 2023

  

Retail Offer	Date
Record date	Tuesday, 6 June 2023
Expected despatch of Retail Offer document and application form	Tuesday, 13 June 2023
Retail Offer opens	Tuesday, 13 June 2023
Retail Offer closes	Tuesday, 27 June 2023
Announcement of results of Retail Offer	Friday, 30 June 2023
Allotment of shares on NZX and ASX	Tuesday, 4 July 2023
Commencement of trading of shares on NZX	Tuesday, 4 July 2023
Commencement of trading of shares on ASX	Wednesday, 5 July 2023

## **About One NZ**

One NZ is a leading New Zealand digital services and connectivity company with 2.7 million connections and population coverage of more than 98% of New Zealand

One NZ has an integrated network with a full-service telecommunication offering, a strong market position across mobile, and is delivering growth across multiple segments. One NZ is one of New Zealand's largest fixed infrastructure owners with over 11,000km of fibre and cable, extensive spectrum holdings and long-term access to over 1,500 mobile towers.

One NZ is a technology leader with proven track record of improving customer experience through innovation and leading the market in launching next generation technologies, including the recently announced partnership with SpaceX to deliver coverage to 100% of New Zealand by 2024.

To learn more about One NZ, please visit [www.one.nz](http://www.one.nz)

## **About Infratil**

Infratil is a New Zealand headquartered global infrastructure investor with a significant portfolio of investments in digital infrastructure, renewables, healthcare and airports. Infratil was founded and publicly listed by Morrison & Co in 1994 as a platform offering investors access to long-term infrastructure investment. Infratil is listed on both the New Zealand and Australian Stock Exchanges (IFT.NZ, IFZ.AX) with a current market capitalisation of NZ\$7.4 billion<sup>11</sup>.

To learn more about Infratil, please visit [www.infratil.com](http://www.infratil.com)

## **About Morrison & Co**

Morrison & Co has managed Infratil since its inception in 1994. Morrison & Co is a global infrastructure investment management specialist, founded in 1988. Morrison & Co manages multiple client mandates, with total funds under management of approximately NZ\$30 billion at 31 March 2023. Morrison & Co is a pioneer in innovative infrastructure investing, supporting businesses that help enhance the lives of local communities. Morrison & Co integrates deep industry specialisation with financial and transactional expertise, with investment decisions supported by research and high-conviction beliefs in long-term trends that bridge business cycles.

To learn more about Morrison & Co, please visit [www.hrlmorrison.com](http://www.hrlmorrison.com)

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<sup>11</sup> As at 6 June 2023

## IMPORTANT INFORMATION

This announcement has been prepared by Infratil Limited (NZ company number 597366, ARBN 144 728 307, ticker IFT (NZX and ASX)) (the “Company” or “IFT”) and is dated 7 June 2023. This announcement provides information in relation to the Placement and Retail Offer for new shares in the Company (the “New Shares”) under clause 19 of Schedule 1 of the Financial Markets Conduct Act 2013 (“FMCA”) and in Australia under part 6D.2 of the Corporations Act 2001 Cth (the “Corporations Act”) and Australian Securities and Investments Commission (“ASIC”) Corporations (Share and Interest Purchase Plans) Instrument 2019/547 as notionally modified by ASIC Instrument 23 0443.

## INFORMATION

This announcement contains summary information about the Company and its activities which is current as at the date of this announcement. The information in this announcement is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in the Company or that would be required in a product disclosure statement under the FMCA or a prospectus under the Corporations Act 2001 (Cth). The historical information in this announcement is, or is based upon, information that has been released to NZX Limited (“NZX”) and/or ASX Limited (“ASX”). This announcement should be read in conjunction with the Company’s annual report, market releases and other periodic and continuous disclosure announcements, which are available at [www.nzx.com](http://www.nzx.com) and [www.asx.com.au](http://www.asx.com.au).

Any decision to acquire New Shares under the Retail Offer should be made on the basis of all information provided in relation to the Offer, including the separate offer document to be lodged with NZX and ASX (the “Offer Document”). Any Eligible Shareholder who wishes to participate in the Retail Offer should review the Offer Document and apply in accordance with the instructions set out in the Offer Document and Application Form accompanying the Offer Document or as otherwise communicated to the shareholder. This announcement and the Offer Document do not constitute an offer, advertisement or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer, advertisement or invitation.

## NOT FINANCIAL PRODUCT ADVICE

This announcement is for information purposes only and is not financial or investment advice or a recommendation to acquire the Company’s securities, and has been prepared without taking into account the objectives, financial situation or needs of prospective investors. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and consult a financial adviser, solicitor, accountant or other professional adviser if necessary.

## FORWARD-LOOKING STATEMENTS

Certain statements made in this announcement (including references to FY2024 guidance) are ‘forward-looking statements’. These forward-looking statements are not historical facts but rather are based on IFT’s current expectations, estimates, beliefs, assumptions and projections about IFT, its portfolio companies (including One New Zealand), the industries in which it operates, the outcome and effects of the Offer and use of proceeds. These forward-looking statements include forecast financial information and guidance, statements about IFT’s expectations about the performance of its businesses, statements about the future performance of IFT and statements about the use of proceeds from the Offer. Forward looking statements can generally be identified by the use of forward looking words such as “anticipate”, “believe”, “expect”, “project”, “forecast”, “estimate”, “likely”, “intend”, “should”, “will”, “could”, “may”, “target”, “plan” and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on future earnings, distributions or financial position or performance are also forward-looking statements.

These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, many of which are beyond the control of IFT, its directors and management, are difficult to predict and may involve significant elements of subjective judgement and assumptions as to future events which may not be correct and could cause actual results to differ materially from those expressed in the forward-looking statements. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements.

The forward-looking statements made in this presentation relate only to events as of the date of this announcement. The Company undertakes no obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this release except as required by law or by any appropriate regulatory authority.

Investors are strongly cautioned not to place undue reliance on any forward-looking statements, such as indications of, and guidance on, outlook, future earnings and financial position and performance, which reflect the Company's views only as of the date of this release.

#### FINANCIAL INFORMATION

All financial information in this announcement is in New Zealand dollars (NZ\$ or NZD) unless otherwise stated.

Investors should be aware that certain financial measures included in this announcement are 'non-GAAP financial measures' under the New Zealand Financial Markets Authority Guidance Note on disclosing non GAAP financial information, "non-IFRS financial information" under Regulatory Guide 230: 'Disclosing non-IFRS financial information' published by ASIC and "non-GAAP financial measures" within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934, as amended, and are not recognised under International Financial Reporting Standards (IFRS) or International Financial Reporting Standards (NZ IFRS), which is based on IFRS. Such non-IFRS financial information/non-GAAP financial measures do not have a standardised meaning prescribed by NZ IFRS or IFRS. Therefore, the non-IFRS financial information may not be comparable to similarly titled measures presented by other entities, and should not be construed as an alternative to other financial measures determined in accordance with by NZ IFRS or IFRS. The disclosure of such non-GAAP financial measures in the manner included in this presentation would not be permissible in a registration statement under the U.S. Securities Act. Although IFT believes these non-IFRS financial measures provide useful information to investors in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-IFRS financial information/non-GAAP financial measures included in this announcement.

This announcement may contain pro forma and forecast financial information. Any pro forma and forecast financial information provided in this presentation is for illustrative purposes only and should not be relied upon as, and is not represented as, being indicative of Infratil's future financial performance and/or condition. In addition, any pro forma financial information included in this presentation does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission.

#### NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES

The distribution of this announcement in jurisdictions outside New Zealand and Australia may be restricted by law and you should observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This announcement may not be released or distributed in the United States. This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or in any jurisdiction in which such an offer would be illegal. The securities to be offered and sold in the Placement and the Retail Offer have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or the securities laws of any state or other

jurisdiction of the United States. Accordingly, the securities to be offered and sold in the Placement may not be offered or sold, directly or indirectly, in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable securities laws of any state or other jurisdiction of the United States. The securities to be offered and sold in the Retail Offer may not be offered or sold, directly or indirectly, in the United States or to any person that is acting for the account or benefit of a person in the United States.

## DISCLAIMER

To the maximum extent permitted by law, each of the Company, Barrenjoey Markets Pty Limited, acting jointly with Forsyth Barr Limited, and UBS New Zealand Limited (the “Lead Managers”) and their respective affiliates, related bodies corporate, directors, officers, partners, employees, agents and advisers disclaim all liability and responsibility (whether in tort (including negligence) or otherwise) for any direct or indirect loss or damage which may be suffered by any person through use of or reliance on anything contained in, or omitted from, this announcement.

None of the Lead Managers or any of its respective affiliates, related bodies corporate, directors, officers, partners, employees, agents or advisers have authorised, permitted or caused the issue, submission, dispatch or provision of this announcement and none of them makes or purports to make any statement in this announcement and there is no statement in this announcement which is based on any statement by any of them.

The Lead Managers and its respective affiliates, related bodies corporate, directors, officers, partners, employees, agents and advisers make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of information in this announcement and, with regard to the Lead Managers and its respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees, shareholders, representatives and agents take no responsibility for any part of this announcement, the Placement or the Retail Offer.

The Lead Managers and its respective affiliates, related bodies corporate, directors, officers, partners, employees, agents and advisers make no recommendations as to whether you or your related parties should participate in the Placement or Retail Offer nor do they make any representations or warranties to you concerning the Placement or Retail Offer, and you represent, warrant and agree that you have not relied on any statements made by the Lead Managers or its respective affiliates, related bodies corporate, directors, officers, partners, employees, agents or advisers in relation to the Placement and Retail Offer and you further expressly disclaim that you are in a fiduciary relationship with any of them.

Statements made in this announcement are made only as at the date of this announcement. The information in this announcement remains subject to change without notice.

Determination of eligibility of investors for the purposes of the Retail Offer is determined by reference to a number of matters, including legal regimes and the discretion of the Lead Managers and the Company. The Company and the Lead Managers disclaim all liability in respect of the exercise of that discretion to the maximum extent permitted by law.

All capitalised but otherwise undefined terms in this Important Notice section have the meanings given to them in other sections of this announcement. This announcement has been authorised for release to NZX and ASX by the Company’s Board of Directors.