The shape and evolution of the global tower market

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www.towerxchange.com

Networking club and reference for the tower industry

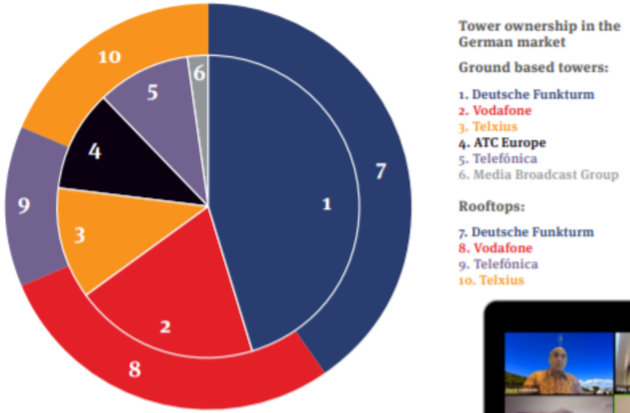
Meetups, must-read journal, key industry data points

Global Meetups assembling the who's who in towers

Meetup Europe	25-27 May 2021
Meetup Americas	13-15 July 2021
Meetup Africa	October 2021
Meetup Asia	December 2021
Meetup MENA	March 2022

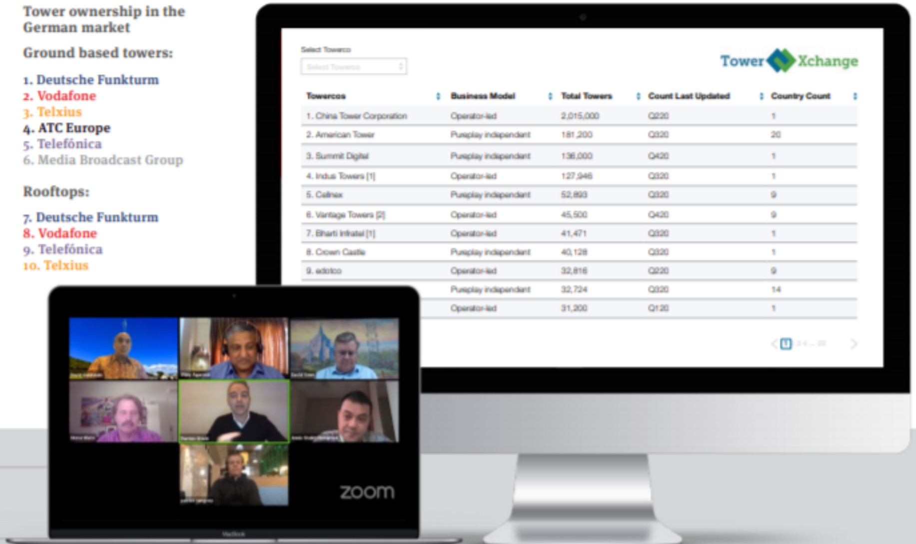
Part of: Euromoney Institutional Investor PLC

Detailed market studies



Country by country tower counts for the world's 305 towercos

Access to webinars and working group meetings

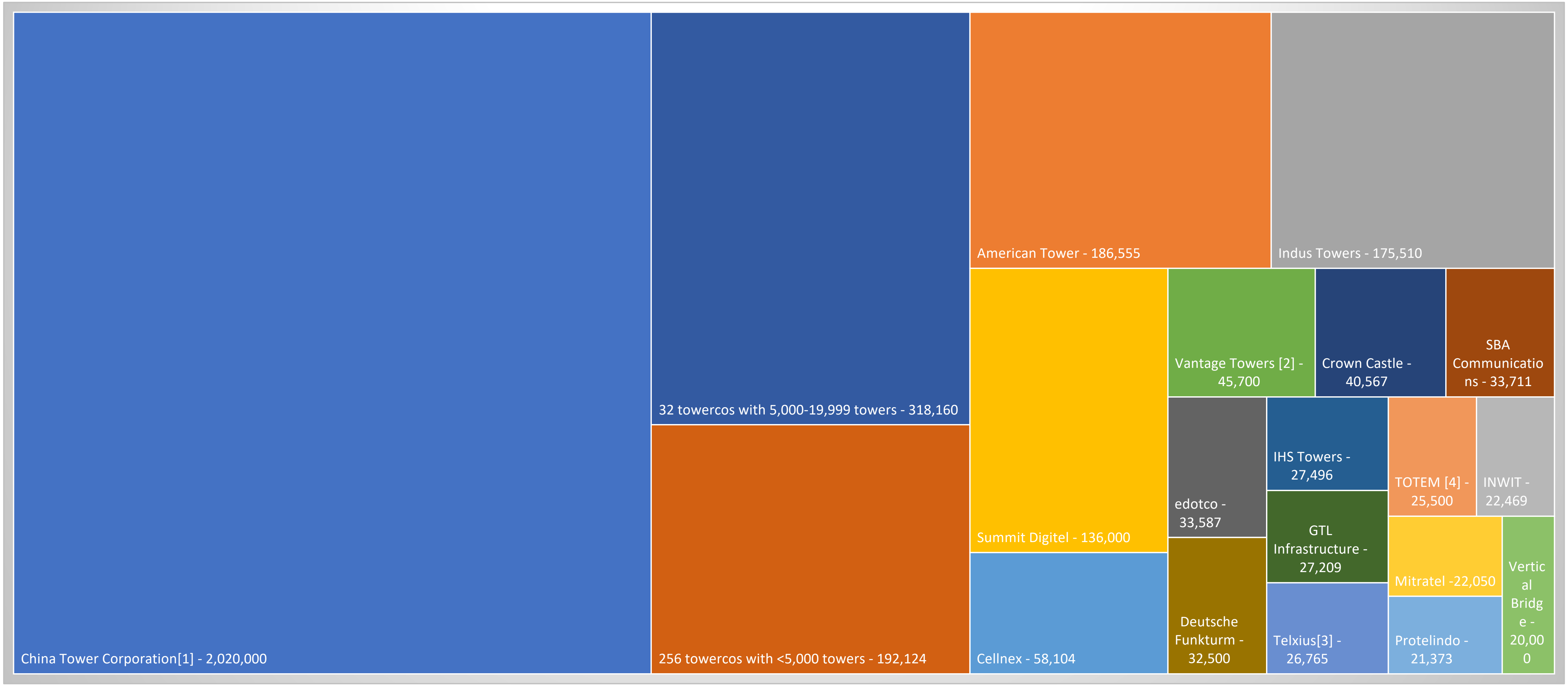


Reports, journals and CXO interviews

A complete history of all major tower transactions globally

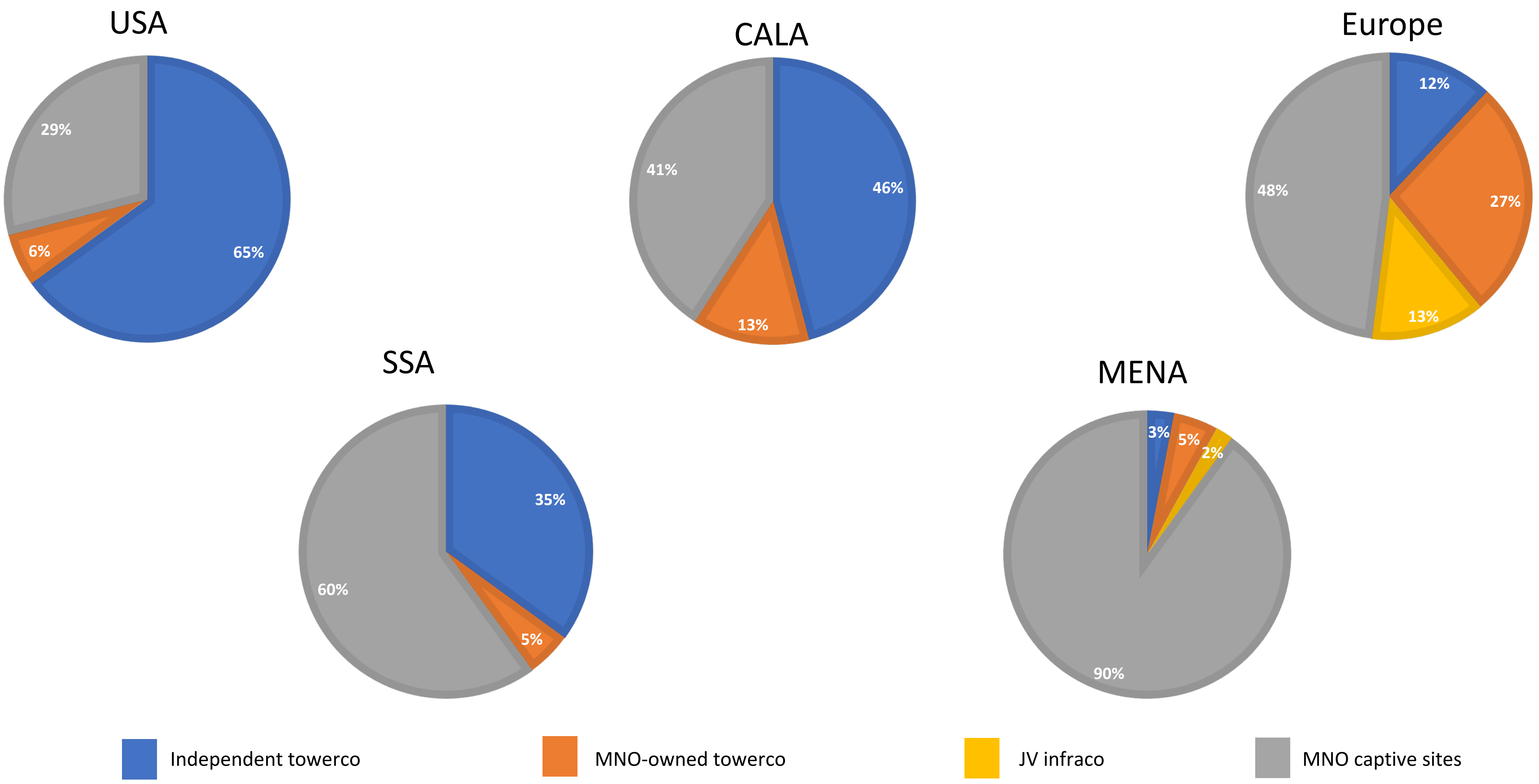
Year	Country	Seller	Buyer	Tower count	Deal value US$	Cost per tower US$	Deal structure
2020	Brazil	Telefónica	Telxius	1,909	$151,000,000	$79,099	Portfolio acquisition
2020	Brazil, Peru & Colombia	Cell Site Solutions	IHS Holdings Limited	2,300			Portfolio acquisition
2019	Chile & Peru	Entel	American Tower Corporation	3,243	$772,000,000		SLB
2019	Brazil	Highline do Brasil	Digital Colony	~300			Portfolio acquisition
2019	Brazil	Grupo TorreSur	SBA Communications	1,313	$460,000,000	$350,342	Portfolio acquisition
2019	Ecuador & Colombia	Telefónica	Phoenix Tower International	2,029	$317,000,000		SLB
2019	Bolivia	Trilogy	Phoenix Tower International	600	$100,000,000	$166,666	SLB
2019	Mexico, Nicaragua, Colombia	Uniti Towers	Phoenix Tower International	500	$100,000,000	$200,000	Portfolio acquisition
2018	Dominican Republic	Teletorres	Phoenix Tower International	1,049	$170,000,000	$162,059	Portfolio acquisition
2018	Guatemala	Undisclosed	Phoenix Tower International	20			
2018	Jamaica	Digicel	Phoenix Tower International	451	$90,000,000	$199,556	SLB
2018	French Antilles	Digicel	Phoenix Tower International	215			SLB
2018	El Salvador	Tigo	SBA Communications	800	$145,000,000	$181,250	SLB
2017	Colombia/Peru	Torres Andinas	SBA Communications	~350			Portfolio acquisition
2017	Brazil	Highline do Brasil	SBA Communications	[illegible]			Company acquisition

TowerXchange is tracking 306 towercos who now own 3.47mn of the world's 4.69mn investible towers and rooftops (70.0%)



[1] China Tower Corporation area reduced to better illustrate the relative global market share of the other towercos; [2] Vantage Tower's site count excludes their share in joint ventures INWIT and Cornerstone; [3] Telxius is in the process of being acquired by American Tower; [4] TOTEM is in the process of being formed

Towerco penetration and business models in different regions



Towers can no longer sit captive on an MNO's balance sheet
Europe example

TowerXchange

A1 Telekom Austria
Shareholders, America Movil, announce tower carve out in CALA. Europe under discussion

Altice
Create Hivory (FR) and OMTEL (PT). After stake sales to investors both subsequently sold to Cellnex

Deutsche Telekom
Creation of GD Towers into which DFMG (DE), NL and recently AT towers move. NL towers merge with Cellnex NL. Form DIV

Hutchison
Sell pan-European portfolio to Cellnex

Iliad/ NJJ
Sold towers in FR, IT, CH and PL to Cellnex, opting to retain minority stakes. Eir sold towers to PTI (IRE)

Orange
Towerco plans announced for FR & ES. Potential to rollout across rest of Europe.

PPF Group
Replicate CZ CETIN model in Bulgaria, Hungary and Serbia. Form CETIN Group (managing active + passive).

Telefonica
Agrees sale of Telxius tower unit to American Tower. Announces commercialisation Cornerstone in UK

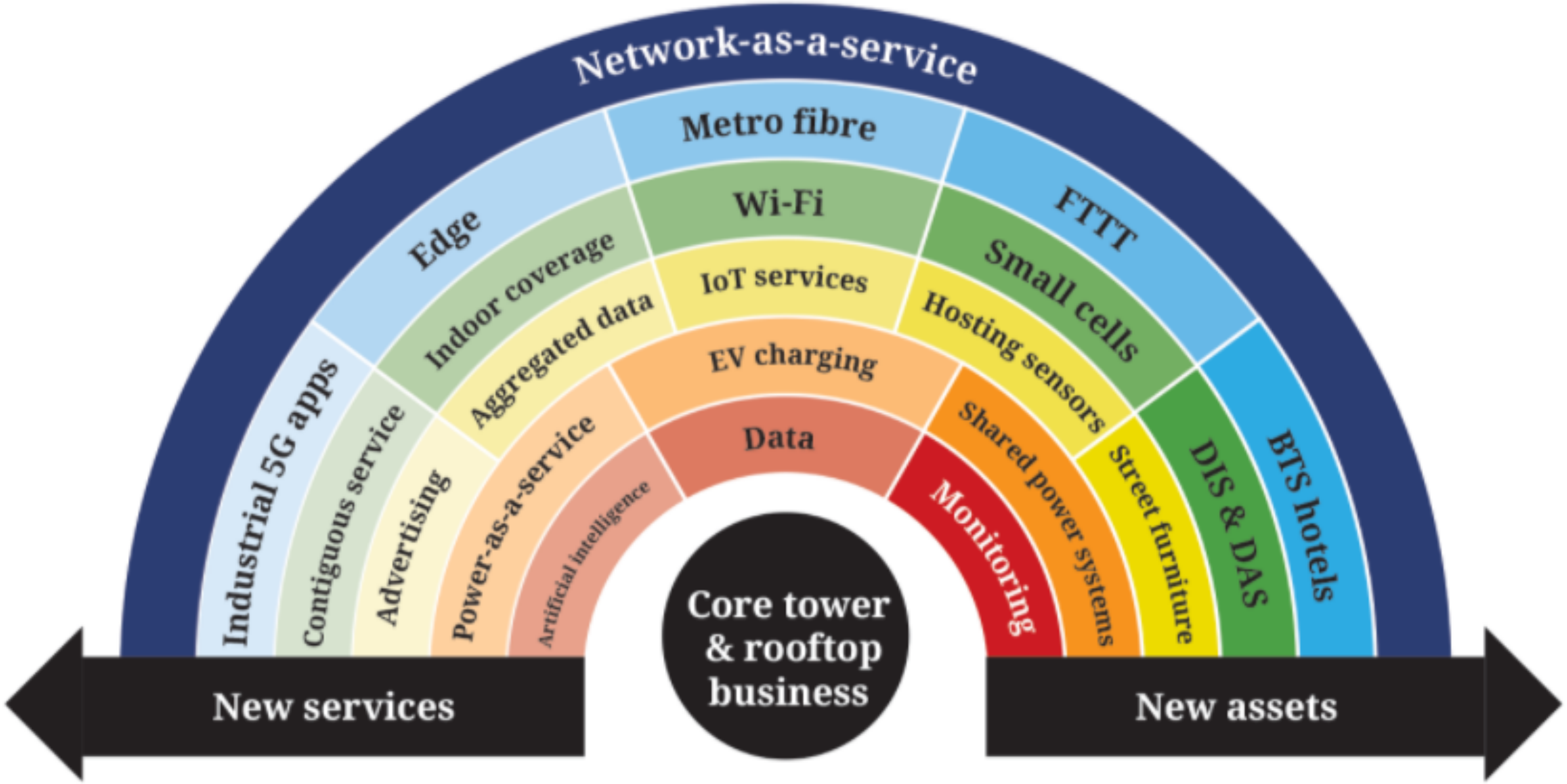
Telenor
Forms Telenor Infra in Norway. Hints that may explore similar strategy in other markets.

Telia
Creates Telia Towers in Sweden, Norway and Finland. Forms Telia Asset Management. Appetite to monetise NO & FI

Vodafone
Forms Vantage Towers. Merges IT towers with INWIT. Acquires Wind Hellas' sites in GR. Commercialises Cornerstone (UK)

Diversification of the towerco business model

TowerXchange



Source: TowerXchange

Diversification examples

Tower Xchange

DAS

Wireless Infrastructure Group

UK towerco with extensive indoor networks business

Acquired by major infra and real estate investor, Brookfield

Fibre + SC

CROWN CASTLE

Spent US$37bn+ to acquire and deploy 75,000+ route miles of fibre and 70,000+ small cells

IoT/smart cities

indus TOWERS

4 smart city projects inc smart poles LED lights, CCTV cameras, Variable Digital Messaging Board, Environment Sensors, City Public Wi-Fi & fibre connectivity

RAN

cellnex

Deal with Polkomtel (Poland)

- 7,000 towers
- 37,000 radio carriers
- 11,300km fibre

Edge Computing

AMERICAN TOWER®

6 edge data centre locations

Acquired Colo Alt

Towerco CXO views: where is the industry heading?

TowerXchange

https://www.towerxchange.com/publication/the-top-20-tower-industry-executives-2020/

"At the highest level, our goal is to extend our neutral host platform to encapsulate wireless connectivity, digital transport, storage and delivery and compute functions in a customer and revenue synergistic way, to offer tenants an integrated end-to-end suite of complementary solutions as the demands around network connectivity continue to evolve"
Tom Bartlett, President & CEO, American Tower

"The extension of our strategy into small cells was based on how similar the two business models are, and our conviction in the value creation opportunity. As we collocate new small cell customers on existing fibre assets, we are seeing returns on early investments increase. The efficiency of this model has led to our approximately 70,000 small cell nodes on air or under contract."
Jay Brown, CEO, Crown Castle

"With fiberisation, our relationships with the operators have become even more strategic and we believe that fiberised towers will become more valuable and more revenue positive for them. From an ROIC perspective, day one returns are comparable to towers.."
Pak Aming, President Director & CEO, Protelindo

"A dedicated entity such as a Cellnex that has evolved to being an augmented towerco could facilitate and enable these RANsharing agreements in a more flexible and sustainable manner. You can draw parallels between the outsourcing of the RAN and the outsourcing of passive infrastructure. Historically passive infrastructure used to be shared via barter arrangements, but the entrance of towercos brought efficiencies to the sector and created a sustainable business model with long term visibility on cash flows. The same business model exists for sharing of the RAN, augmented towercos can be a long-term partner that facilitates sharing.
Alex Mestre, Deputy CEO, Cellnex

Join the discussion

TowerXchange

TowerXchange Meetup Europe | 25-27 May | Virtual Event

M&A and new deal structures

The past 12 months have seen a swathe of new tower carve outs and deals with new finance and contract structures coming to light. What is the current outlook and how are the latest trends impacting investibility?

RAN trends impacting towercos

Active sharing, C-RAN, vRAN, SDN, NFV, Open RAN: technology and adoption roadmaps in Europe and how towercos need to adapt to seize new opportunitiesand secure their future

From innovative services to profitable revenue streams

C-RAN hubs, edge computing, NaaS and more: Progress in proof of concept studies and the road to acommercially viable model

Industrialising IBS deployment

Standardisation of system design, contract structures and operational procedures to accelerate the delivery of in-building coverage

Enhancing small cell economics

With the rollout of small cell networks set to gather pace in Europe, how can the economics be improved with increased asset utilisation, new business models and technical advances?

Rural coverage

Neutral host models provide part of the solution to addressing rural connectivity gaps and meeting spectrum license coverage obligations. How can towercos capitalise on the opportunity?

Sustainability & site resilience

The increased power and resiliency requirements of 5G, coupled with operator sustainability targets are necessitating more cost effective and green ways to address power provision and back-up on sites. How should European tower owners respond?

https://meetup.towerxchange.com/europe

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