



SPAFID CONNECT

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Oggetto : Enel acquires 21% of Ufinet International, a fibre optic network operator in Latin America

Testo del comunicato

Vedi allegato.



PRESS RELEASE

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ENEL ACQUIRES 21% OF UFINET INTERNATIONAL, A FIBRE OPTIC NETWORK OPERATOR IN LATIN AMERICA

- *Enel signed an agreement with the Sixth Cinven Fund to acquire 21% of the share capital of a NewCo, established for the acquisition of Ufinet International*
- *The Sixth Cinven Fund, managed by the international private equity firm Cinven, will in turn own the remaining 79% of the NewCo's share capital*
- *Ufinet International represents a platform for growth in Latin America in the ultra-broadband sector, which, in line with Enel's 2018-2020 Strategic Plan, is one of the business objectives of Enel X, the Enel Group company for advanced energy solutions*

Rome, June 25th, 2018 - Enel S.p.A. ("Enel"), acting through Enel X International S.r.l. ("Enel X International"), a fully-owned subsidiary of Enel X S.r.l. ("Enel X"), the Enel Group advanced energy solutions company, has signed an agreement with a holding company controlled by the Sixth Cinven Fund, which is managed by international private equity firm Cinven, to acquire, for 150 million euros, about 21% of the share capital of a vehicle company ("NewCo") to which 100% of Ufinet International will be transferred. The latter is a leading wholesale operator of fibre-optic networks in Latin America. In turn, the Sixth Cinven Fund will own around 79% of the NewCo's share capital.

Under the agreement, Enel X International will have the right to exercise a call option to acquire the Sixth Cinven Fund's stake between December 31st, 2020 and December 31st, 2021 for an additional consideration of between 1,320 million euros and 2,100 million euros dependent upon various business key performance indicators (KPIs). Enel X International and the Sixth Cinven Fund will jointly control Ufinet International, each by exercising 50% of voting rights in the NewCo's shareholders' meeting. Should Enel X International not exercise its call option by December 31st, 2021, it will forego its right of joint control over NewCo. In such a scenario, Sixth Cinven Fund would then have the right to sell its stake with a "drag along"¹ right on Enel X International's stake, while the latter would have the right to exercise a "tag along"² in the event that Sixth Cinven Fund sells down to below 50%.

*"Our positive momentum in Latin America continues with the acquisition of Ufinet International," said **Francesco Starace**, CEO and General Manager of Enel. "Following the successful completion of the reorganisation of our businesses in Chile earlier this year, and the recent acquisition of Eletropaulo, this deal further strengthens our position as a leading infrastructure operator in the region. Enel X will benefit from our experience in Italy through the Open Fiber joint venture to develop wholesale ultra-broadband*

¹ The right of the majority shareholder of a company to obligate minority shareholders to join the sale of its stake, in such a way that minority shareholders are bound to sell their stakes under the same conditions as those agreed upon by the majority shareholder for the sale of its own.

² The right of minority shareholders of a company to sell their stakes under the same conditions as those agreed upon by the majority shareholder for the sale of its own.



services in synergy with the distribution grids that we operate in the largest metropolitan centres in Latin America, where the demand for connectivity is seeing rapid growth.”

The closing of the transaction, which the Enel Group will finance through its own funds, is scheduled for July 2018.

Ufinet International, on grounds of its size, business model and geographic footprint, represents for the Enel Group a significant opportunity to speed up growth in Latin America in the ultra-broadband sector, which is part of the business objectives of Enel X as envisaged in Enel Group's 2018-2020 Strategic Plan. Through this transaction, the Group will immediately position itself in the Latin American value-added services market, accelerating its development through skills and technologies already consolidated by Ufinet International and opening up to a vast customer base in a region with high growth and urbanisation rates.

Ufinet International operates in 14 countries in Latin America³, where it manages over 49,000 kilometres of fibre, of which approximately 17,000 in metropolitan areas, boasting a backlog of long-term contracts worth about 700 million euros with large industrial customers, including major multinational telecoms groups. In 2017, Ufinet International generated revenues of around 159 million euros. The company employs about 1,000 people. Ufinet International is a telecom infrastructure company with a business model that limits the risk on investments. In addition to fibre-optic services, Ufinet International provides value-added ICT services, such as cloud services, through its subsidiary IFX.

Enel is a multinational power company and a leading integrated player in the global power, gas and renewables markets. It is Europe's largest utility in terms of market capitalisation and figures among Europe's leading power companies in terms of installed capacity and reported EBITDA. The Group is present in over 30 countries worldwide, producing energy with around 88 GW of managed capacity. Enel distributes electricity and gas through a network of over 2 million kilometres, and with around 72 million business and household customers globally, the Group has the largest customer base among European competitors. Enel's renewables arm Enel Green Power manages around 42 GW of wind, solar, geothermal, biomass and hydropower plants in Europe, the Americas, Africa, Asia and Australia.

Enel is one of the major private players of **South America's** energy sector with a consolidated presence in the generation, distribution and transmission sectors through Enel Américas and its subsidiaries in Argentina, Brazil, Colombia and Peru, while in Chile through Enel Chile and its subsidiaries. The Enel Group is also one of the leading players in the region's green energy sector through its renewable energies division Enel Green Power. In South America, the Enel Group has a total installed capacity of around 21 GW and provides electricity to over 26 million customers.

³ Argentina, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru and Uruguay.

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