



**LatAm MINING**  
Congress 2009

**June 29 - July**  
**Coral Gables, F**

[Home](#)
[Intelligence](#)
[IPO](#)
[Dealscope](#)
[Deals](#)
[League Tables](#)
[New Search](#) | [Last Search](#)

## Intelligence: Results

[\[Select Page\]](#)[\[Deselect Page\]](#)
[\[Print Selected\]](#) [\[P](#)

<input type="checkbox"/>	<b>25/03/2009</b>	<b>SBA will seek buys after refinancing debt, CEO says</b> <a href="#">mergermarket</a>	<b>Target</b>	1
	<b>Story</b>	<ul style="list-style-type: none"> <li>* SBA CEO expects to look at buys after it sorts out refinancing</li> <li>* Three small auctions ongoing, executive says</li> <li>* TowerCo and Global Tower Partners attractive, analyst says</li> </ul>	<b>Bidder</b>	9 (
		<p>SBA Communications Corporation will look for acquisitions after it sorts out its refinancing, which should occur by year-end, said Jeffrey Stoops, chief executive officer. The company is a Boca Raton, Florida-based wireless communications tower owner and operator.</p> <p>Debt refinancing is the company's first priority, he asserted. Stoop said he sees a number of M&amp;A opportunities available in the next year to year and a half. Asked when the company would start to look actively at acquisitions again, he said "the day after we complete our refinancing."</p> <p>SBA recorded USD 2.55bn of debt as of 31 December 2008. In 2010, SBA is obliged to repay USD 392m in commercial mortgage-backed certificates, USD 380m in two credit facilities and USD 104m in 0.375% convertible senior notes. The following year, it must repay USD 1.1bn in mortgage-backed certificates. It recorded cash and short-term investments of USD 117m as of 31 December and anticipates USD 355m in tower cash flow for the year ended 31 March 2009. Its market capitalization is USD 2.6bn.</p> <p>SBA stated in its most recent 10-K that if the company is unable to refinance debt, it may "sell certain assets or lines of business, issue common stock or securities convertible into common stock to fulfill our debt obligations." When asked about potential divestitures, however, Stoop said the company has no particular assets it is looking to sell.</p> <p>Gregory Lundberg, an analyst at Communications Equity Research, speculated that SBA will sell towers on an ad-hoc basis, a common type of real estate transaction in the tower business, but divest no business units. SBA needs to raise USD 1.3bn, starting with USD 500m in 2010 and USD 800m in 2011, he said.</p> <p>According to a corporate development executive in the space, many wireless concerns are divesting towers here and there. But since towers are good cash generators and attractive in this economy, only three small whole companies or business units, with about 50 towers a piece, are for sale in the US. "The sellers are tower construction companies that have rung out capacity," he said.</p> <p>The US tower industry is fragmented and provides lucrative opportunities up to USD 600,000 per tower or approximately USD 200,000 per tenant, Lundberg said. Price depends on additional factors including the number of tenants for each tower, and the tower's age and location. Private company</p>	<b>Target</b>	(
			<b>Bidder</b>	9 (
			<b>Sectors</b>	
			<b>SubSectors</b>	
			<b>Intel Type</b>	
			<b>Countries</b>	
			<b>Intel. Grade</b>	
			<b>Intelligence ID</b>	

multiples tend to be higher than public companies because of the greater opportunity to scale, he added.

TowerCo and Global Tower Partners, in Cary, North Carolina and Boca Raton, Florida respectively, are attractive longer-term private targets, said Lundberg. Both are sizeable operations with roughly 3,000 towers. Both would allow for the signing of a single master lease and enable easy build out of a new network or the addition of a new technology layer, Lundberg said.

TowerCo is not in the market for a sale, said CEO Richard Byrne. It's large for a private company, so it's "logical" that others would consider it attractive. But he said the company is not pursuing takeout talks.

A consortium led by Australian PE firm Macquarie purchased Global Tower Partners for USD 1.4bn in 2007. Macquarie sold its 29% interest last August for USD 363m.

SBA works primarily with law firm Holland & Knight and Simpson Thatcher. This past fall, SBA completed the purchases of OptaCite for USD 278m and Light Tower Wireless for USD 224m. Its financial advisors were the now defunct Lehman Brothers and Deutsche Bank.

by Sarah Cohen, Karen Schwartz and Sherice Brammer

Keywords: carrier network, mobile, bolt-on, tuck-in

<b>Source</b>	mergermarket
<b>Value</b>	USD 2,600m (market cap)
<b>Stake Value</b>	N/A

[Select Page][Deselect Page]

[Print Selected] [P