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<input type="checkbox"/> 26/03/2009	<p>TowerCo seeks opportunistic buys, organic growth; uninterested in sale, CEO says mergermarket</p> <p>Story</p> <p>TowerCo, a privately held Cary, North Carolina-based entity, is seeking opportunistic buys and organic growth, according to Chief Executive Officer and cofounder Richard Byrne.</p> <p>The company would consider opportunistic acquisitions given the right opportunity Byrne said, adding that he has typically acquired from carriers over tower companies.</p> <p>TowerCo is primarily focused on lease upgrades and the addition of new tower tenants, he said. It has roughly 3,115 towers in 46 US states and Puerto Rico. The company also builds towers for carriers on occasion.</p> <p>It acquired approximately 3,080 towers for an estimated USD 670m in cash from Sprint Nextel last year. TowerCo was advised by UBS Investment Bank with Executive Director David Lowham. Its relationship with UBS is "situational and not exclusive," Byrne said. Legal counsel was Paul, Weiss, Rifkind, Wharton and Garrison, with lead partner Bruce Gutenplan. Paul Weiss will remain its corporate counsel and will "definitely" be used again for mergers and acquisitions, the CEO said.</p> <p>On the sale front, Byrne said, "It's large for a private company, so it would be logical to see us as a target." However, TowerCo is uninterested in selling itself in the current market.</p> <p>Gregory Lundberg, an analyst at Communications Equity Research, said TowerCo and Global Tower Partners could be attractive private US targets for American Tower and SBA. "It is sizable and would allow for the signing of a single master lease. An acquisition of TowerCo would enable the easy build-out of a new network or the addition of a new technology layer," Lundberg said.</p> <p>The US tower industry is fragmented and provides lucrative opportunities up to USD 600,000 a tower or approximately USD 200,000 a tenant. Price depends on additional factors such as the number of tenants for each tower, the tower's age and location. Private company multiples tend to be higher than public companies because there is a greater opportunity for scale, he added.</p> <p>TowerCo sold 424 wireless communications towers to SBA for USD 190.8m, approximately USD 450,000 a tower in June 2008.</p> <p>Tailwind Capital, Soros Strategic Partners II LP, Stone Tower Equity Partners and Vulcan Capital are company investors. "We have patient capital invested," Byrne said, making it clear that there was no plan to take TowerCo public.</p>	<p>Bidder 7</p> <p>Lawyer P C</p> <p>Other Equity Provider S</p> <p>Other Equity Provider S</p> <p>Other Equity Provider T</p> <p>Financial advisor U ii</p> <p>Other Equity Provider V</p> <p>Target 7</p> <p>Lawyer P C</p> <p>Financial advisor U ii</p> <p>Bidder /</p> <p>Bidder S C</p> <p>Vendor V</p> <p>Vendor 7 L</p> <p>Vendor S</p> <p>Vendor S</p> <p>Sectors</p> <p>SubSectors</p> <p>Intel Type</p> <p>Countries</p> <p>Intel. Grade</p>
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TowerCo has 59 employees and projects that the 2009 revenue will exceed USD 100m. It has another office in Southern California and sales offices in Florida, Massachusetts, Ohio, Washington (Seattle) and Georgia.

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Byrne was president of the tower division of SpectraSite Communications. He was national director for business development at Nextel Communications. He earned his bachelor's degree in Business from Bloomfield College in New Jersey.

by Sherice Brammer

Source

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Value

USD 100m (projected revenue at TowerCo)

Stake Value

N/A

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