

Majority stake in Teraco to be acquired by Digital Realty

Digital Realty, a large global provider of cloud and carrier-neutral data centres, has entered into a definitive agreement to acquire a majority stake in Teraco Data Environments from a consortium of investors, including Berkshire Partners and Permira.



Teraco's CEO Jan Hnizdo | image supplied

Digital Realty will own approximately 55% of the total equity interests in Teraco, while the remaining 45% will be held by a consortium of existing shareholders, including management, Berkshire Partners LLC, Permira, van Rooyen Group, Columbia Capital, Stepstone Ventures and the Teraco Connect Trust.

The transaction is expected to close in the first half of 2022 and is subject to customary closing conditions. Goldman Sachs is acting as financial advisor to Teraco and Weil, Gotshal & Manges LLP and ENSafrica are serving as legal advisors to Teraco. Solomon Partners is acting as financial advisors, and Latham & Watkins LLP and Bowmans are acting as legal advisors to Digital Realty.

The Teraco management team will remain in place and maintain day-to-day responsibility for operations in South Africa. In addition, Teraco's existing investors, including several leading global digital infrastructure investors with significant experience investing in Africa, are rolling forward a significant portion of their equity interests. The continuing involvement

of management and the existing investors is consistent with Digital Realty's new market entry strategy of partnering with strong local management teams and experienced regional capital partners.

Teraco chief executive officer Jan Hnizdo says: "We are excited to enter our next chapter by joining forces with Digital Realty to create a truly global, scaled platform serving our customers in Africa and beyond.

We look forward to working with the Digital Realty team to capitalise on the favourable industry trends and tremendous market opportunity."

Digital Realty chief executive officer A. William Stein adds: "This investment will enhance our ability to serve customers on a global basis by adding significant regional scale with a premier, network-dense portfolio in South Africa's most strategically important metro areas. Teraco will also advance our strategy of increasing exposure to highly connected, network- and carrier-dense facilities to enhance our global coverage and connectivity capabilities."

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