

MTN to sell and leaseback SA towers for \$412m

By [Ngobile Dlodla](#)

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Africa's largest mobile operator MTN Group said on Wednesday it will sell and leaseback more than 5,000 towers in South Africa to London-based IHS Towers for R6.4bn (\$412m) to help lower costs.



The logo of MTN is pictured in Abuja, Nigeria, 11 September 2018. Reuters/Afolabi Sotunde/File Photo

MTN, with 277.3 million subscribers across 21 countries in Africa and the Middle East, is in the middle of a R25bn divestment plan launched in March 2019 to simplify its portfolio over the next three-to-five years.

The tower sales form part of that plan, with proceeds expected to be reinvested in strategic growth initiatives, such as securing high demand spectrum radio frequencies and lowering debt.

The deal entails the sale and leaseback of 5,709 towers, comprising about 4,000 greenfield and 1,700 rooftop sites.

It also includes the outsourcing of power and related services across the MTN South Africa site footprint of approximately 12,800, MTN said.

Long-term income streams tied to inflation have turned towers into [prized investment targets](#) in a world of low returns. These networks are set to expand to accommodate next-generation 5G internet and eventually link up billions of smart devices.

Last month IHS Holding, the parent company of IHS Towers, which is partly owned by MTN, completed a \$378m IPO on the New York Stock Exchange.

(\$1 = 15.5304 rand)

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