

IJInvestor Awards 2024 – Digital Infrastructure Acquisition, Latin America

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Ardian's acquisition of a 50% stake in MXT was awarded Digital Infrastructure Acquisition of the Year in Latin America, with judges lauding the complexity of the deal.

Ardian in October 2023 closed the acquisition of the stake in the Mexican telecommunications infrastructure company. Ardian entered into a 50-50 partnership alongside existing shareholder Mexico Infrastructure Partners, Mexico's largest energy and infrastructure asset manager.

Ardian's investment, which was made through [Ardian Americas Infrastructure Fund V](#), was primarily used to support asset acquisition, which, according to the submission, has already delivered significant expansion.

The principal add-on acquisition following Ardian's investment was Centennial Towers Mexico, which was a roughly 800-tower portfolio purchased from Madison Dearborn and which completed at the same time as the MXT investment. The company was around 50% larger than MXT, offering significant scale to the company.

Ardian's investment will also be used by MXT to support its asset acquisition completed in 2022 for around 200 towers and 1,800 km of metro fiber from Telefónica.

The submission said: "These 2 parallel transactions expanded the size of MXT's portfolio significantly from around 450 towers at the end of 2022 to over 1,400 towers today, making it the fourth largest tower company in the country. As of November 2023, MXT's assets include 1,445 telecom towers, 11 in-door DAS systems and 3,500+ km of optic fiber networks."

One judge said: "It is an impressive deal, the team's ability to navigate complexities with jurisdiction and structure added to the impressive nature of the transaction."

While another said: "It was an innovative and complex deal, that had a major impact on Mexico's fiber space."

The deal was the second transaction from the fifth America's fund and marked Ardian's first direct investment in Mexico.

The submission said: "Ardian identified MXT as a well-positioned asset for future growth, particularly given the significant consolidation opportunities in the Mexican market. With a population of 130 million and as the second largest economy in Latin America, the Mexican market offers enormous opportunity for telecommunications growth. The middle class in the region is growing steadily, leading to increasing mobile penetration. Furthermore, Mexico is the second largest trading partner to the US with increased nearshoring trends, which will benefit MXT.

"The company is uniquely placed to develop advanced greenfield fiber projects in areas of Mexico that currently lack long-haul connectivity and consolidation in the Mexican tower sector."

Advisers to MXT:

- BTG Pactual – financial
- BBVA – financial
- Greenberg Traurig – legal

Advisers to Ardian:

- Rothschild – financial
- Gibson Dunn – international legal
- Galicia Abogados – Mexico legal

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