

Spark completes sale of 75% of data centre business to PEP

Spark New Zealand (Spark) today confirmed it has completed the sale of a 75% interest in its data centre business to Pacific Equity Partners (PEP).

Spark CEO, Jolie Hodson, said, “Spark has built a strong data centre business in New Zealand, operating over 23MW of capacity at 11 facilities across the country. We’re excited to complete this transaction with PEP, which provides a funding pathway for the planned 130MW+ capacity development pipeline and significant growth potential beyond.

“We look forward to working together through our 25% retained stake, and as a key data centre customer, to grow the business and create further value for our shareholders, while delivering the infrastructure that will support New Zealand’s digital future.”

Spark’s data centre assets and operations have now transferred over to a new stand-alone company, called TenPeaks Data Centres, with Spark holding two seats on the Board. Spark CEO, Jolie Hodson, and CFO, Stewart Taylor, have been appointed as Non-Executive Directors alongside Andrew Charlier, Evan Hattersley, and Michael Bendeli from PEP’s Secure Assets Fund.

TenPeaks CEO, Michael Stribling, says, “We are excited to complete the transaction and officially launch our new data centres business. With our experienced team and the support of both PEP and Spark, we are confident in our ability to rapidly scale our capacity to meet New Zealand’s growing data storage needs.”

The transaction values the business at up to \$705 million¹, representing a FY25 pro-forma EBITDA multiple of 30.8x². Spark has received initial cash proceeds of \$453 million³, with additional deferred cash proceeds of up to ~\$98 million contingent on the achievement of certain performance-based objectives by the end of December 2027. Proceeds will be used to reduce group net debt.

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¹ Headline enterprise value comprising base enterprise value of \$575 million and up to a further \$130m of earn-out enterprise value

² Assumes FY25PF EBITDA of \$22.9m for Spark data centre business within the transaction perimeter

³ Reduced from \$486 million at the time of announcement due to timing of capital expenditure. Final net proceeds subject to completion adjustments and deferred cash proceeds.