



2 September 2019

Completion of sale of NZ Bus to Next Capital

Infratil has today completed the sale of its NZ Bus business (**NZ Bus**) to funds controlled by Next Capital.

Infratil initiated a strategic review of its investment in NZ Bus in February 2018, and a conditional sale agreement was executed with Next Capital in December 2018. The sale agreement was conditional upon counterparty consents to the change of control and Overseas Investment Office approval (among other things), which have now been received.

The final consideration after post-completion adjustments for working capital, capital expenditure, and an earnout mechanism is expected to be between \$125 – 145 million, and values 100% of the business at between \$145 million - \$165 million. The final consideration reflects the challenging environment the business has operated in over the last eight months and Infratil's mid-point estimate of the earn-out component outcome. Upfront cash proceeds of approximately \$93 million have been received. The balance (after the post-completion adjustments and earnout) will be paid in cash and a vendor loan of up to \$20 million (based on the expected proceeds), repayable within 5.5 years of completion.

'The sale concludes a 14-year investment period for Infratil in public transport and enables it to focus on its other core investment sectors and NZ Bus the opportunity to continue to grow its business and people under new ownership. NZ Bus staff are highly capable, valued and committed to high standards of delivery and we wish NZ Bus staff, its other stakeholders and Next Capital every success in the future', said Morrison & Co executive and NZ Bus Chairman Kevin Baker.

'The acquisition of NZ Bus is the eighth and final investment in Next Capital's Fund III and we look forward to working with the company's people and customers to invest in the growth of the business in coming years' said Next Capital partners John White and James Murphy.

UBS New Zealand advised Infratil on the strategic review and the transaction, and Murray & Co advised Next Capital.

Any enquiries should be directed to:

Kevin Baker
Kevin.Baker@hrlmorrison.com

info@infratil.com