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M&G backs significant infrastructure investment in Welsh broadband

- Deal will initially bring high-speed broadband to 150,000 homes and businesses in southern towns and villages
- New infrastructure investment will create at least 140 local jobs
- Brings M&G's direct investments into the Welsh economy to almost £2 billion

Infrastructure funds managed by M&G plc, a leading savings and investments business, have today agreed to acquire a controlling stake in Welsh telecoms company Spectrum, to secure a major roll out of high-speed broadband in underserved areas of south Wales.

The deal secures capital to invest in full fibre broadband infrastructure, transforming the digital landscape for communities within the region, as well as creating at least 140 jobs locally to support the network buildout.

This latest investment by M&G brings the amount directly invested into the Welsh economy to almost £2 billion, through deals such as this, its ownership of commercial real estate and private lending to housing associations, infrastructure assets and companies.

The greenfield and digital infrastructure funds are managed by Infracapital, the infrastructure equity investment arm of M&G Plc, and seek to build, deliver and operate essential and sustainable infrastructure across Europe.

Jack Daniels, Chief Investment Officer, M&G plc, says: "Deals such as this demonstrate the impact patient capital can have when invested directly into local economies – creating jobs, supporting companies, providing homes and businesses with an improved service and in turn, it should benefit our pension fund and institutional investors with much needed investment returns."

Giles Phelps, Spectrum Founder, says: "Spectrum is well known in Wales as a broadband innovator. We already provide high-quality broadband to underserved communities and start-up businesses. As we grow, we are committed to working closely with the communities we serve and to provide customers with an even better service from our local team. With Infracapital's support we aim to be Wales's biggest and best homegrown broadband service provider, and a key contributor to helping shape the future Welsh economy."

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About M&G plc

M&G plc is an international savings and investments business, managing money for both individual savers and institutional investors in 28 markets. As at 30 June 2020, we had £339 billion of assets under management and administration, around 5 million retail customers and more than 800 institutional clients.

With a heritage dating back more than 170 years, M&G plc has a long history of innovation in savings and investments, combining asset management and insurance expertise to offer a wide range of solutions. We serve our savings and insurance customers under the Prudential brand in the UK and Europe and for asset management in South Africa, and under the M&G Investments brand for asset management clients globally.

About Infracapital

Infracapital has raised and managed over £6.5 billion of capital across its funds, investing on behalf of institutional investors, including many pension funds in both the UK and Europe.

Infracapital has significant experience in the telecoms sector and manages a portion of the UK Government's Digital Infrastructure Investment Fund supporting the nationwide roll out of high speed fibre.

The UK is currently one of Europe's most underserved fibre broadband markets and has created multiple investment opportunities for Infracapital who have been active in the sector since 2015 and on the European Continent too. In May, the firm invested in Fibrus, a broadband provider based in Northern Ireland and in the following month, agreed to acquire the German broadband provider BBV.