

# TPG to Acquire AT&T's 70% Stake in DIRECTV

September 30, 2024

*Stronger Financial Profile to Enable DIRECTV to Accelerate Investments in Innovative Next-Generation Streaming Services*

*Transaction Reflects TPG's Long-Term Focus on Content Distribution and Ability to Provide Bespoke Solutions to Corporate Partners*

SAN FRANCISCO & FORT WORTH, Texas--(BUSINESS WIRE)--Sep. 30, 2024-- TPG (NASDAQ: TPG), a leading global alternative asset management firm, today announced it has reached an agreement to acquire from AT&T the remaining 70% stake in DIRECTV that it does not already own. TPG will invest in DIRECTV through TPG Capital, the firm's U.S. and European private equity platform.

Since 2021, DIRECTV has operated as a joint venture between AT&T and TPG consisting of DIRECTV, DIRECTV STREAM and U-verse video services previously owned and operated by AT&T. This transaction is expected to provide DIRECTV with a stronger financial platform to increase investments in innovative video offerings that benefit consumers.

This transaction will strengthen TPG's existing partnership with DIRECTV, and TPG's proven expertise in the internet, digital media and communications sectors will support DIRECTV's efforts to grow its next-generation streaming service, which has millions of subscribers and delivers multi-billion dollars of revenue annually.

"This transaction is the right next step for DIRECTV as we advance our vision and continue to evolve our product to offer consumers the broadest array of content," said Bill Morrow, CEO of DIRECTV. "Our team is the best in the business, and we are driven to provide innovative video services with an outstanding customer experience. We are eager to deepen our support from TPG and invest in our video services to benefit customers nationwide."

"DIRECTV is a pioneer in pay TV, and we are eager to continue to support the company's innovation of value-oriented streaming and video offerings for consumers," said David Trujillo, Partner at TPG. "DIRECTV will be in a stronger position to reinvigorate its core product offerings and accelerate investment in its next-generation streaming service. We look forward to continuing to support DIRECTV, alongside its talented team, to accelerate the company's strategic vision."

"DIRECTV has a 30-year legacy of innovating for consumers while providing greater value and better service than incumbent providers, and we are thrilled to extend our highly successful partnership together. With this transaction, DIRECTV will be better able to invest in advancing the next generation of video services that benefit consumers and provide a broad diversity of programming," said John Flynn, Partner at TPG.

## Transaction Terms

Under the terms of the transaction, TPG will make an initial payment of \$2.0 billion, subject to certain deductions, to AT&T during 2025 and additional payments to AT&T totaling \$500 million in 2029. AT&T expects to receive approximately \$7.6 billion in cash payments from DIRECTV through 2029. The transaction also contemplates that DIRECTV will make a special distribution prior to March 31, 2025, of at least \$1.625 billion that will be paid to the equity holders of DIRECTV, proportional to their respective ownership positions.

The transaction is expected to close in the second half of 2025, subject to customary closing conditions, including receipt of required regulatory approvals. Upon completion of the transaction, DIRECTV will continue to be led by its current management team, including CEO, Bill Morrow.

## Advisors

Barclays is serving as lead financial advisor to TPG, and BofA Securities, Evercore, LionTree and Morgan Stanley also provided financial advice. Ropes & Gray LLP, Cleary Gottlieb Steen & Hamilton LLP and Mintz, Levin are serving as legal advisors to TPG.

## About TPG

TPG is a leading global alternative asset management firm, founded in San Francisco in 1992, with \$229 billion of assets under management and investment and operational teams around the world. TPG invests across a broadly diversified set of strategies, including private equity, impact, credit, real estate, and market solutions, and our unique strategy is driven by collaboration, innovation, and inclusion. Our teams combine deep product and sector experience with broad capabilities and expertise to develop differentiated insights and add value for our fund investors, portfolio companies, management teams, and communities.

## Forward Looking Statements; No Offers

This document contains "forward-looking statements." Forward-looking statements can be identified by words such as "expect," "will" and similar references to future periods. Examples of forward-looking statements include, but are not limited to, statements we make regarding the expected benefits, timing and terms of the transaction.

Forward-looking statements are based on our current expectations and assumptions. Because forward-looking statements relate to the future, by their nature, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. As a result, our actual results may differ materially from those contemplated by any forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements include the inability to realize the anticipated benefits of the contemplated transaction or to close the transaction on the timeline we expect; and regional, national or global political, economic, business, competitive, market and regulatory conditions, among various other risks discussed in the Company's SEC filings.

For the reasons described above, we caution you against relying on any forward-looking statements, which should be read in conjunction with the other cautionary statements included elsewhere in this document and risk factors discussed from time to time in the Company's filings with the SEC, which can be found at the SEC's website at <http://www.sec.gov>. Any forward-looking statement in this document speaks only as of the date of this document. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to update or revise any forward-looking statement after the date of this document, whether as a result of new information, future developments or otherwise, except as may be required by law. No recipient should, therefore, rely on these forward-looking statements as representing the views of the Company or its management as of any date subsequent to the date of the document.

This document does not constitute an offer of any TPG Fund.

View source version on [businesswire.com](https://www.businesswire.com/news/home/20240929836245/en/): <https://www.businesswire.com/news/home/20240929836245/en/>

**Media**

Luke Barrett / Courtney Power

TPG

415-743-1550

[media@tpg.com](mailto:media@tpg.com)

Tom Johnson / Dan Scorpio

H/Advisors Abernathy

212-371-5999

[Tom.johnson@h-advisors.global](mailto:Tom.johnson@h-advisors.global) / [dan.scorpio@h-advisors.global](mailto:dan.scorpio@h-advisors.global)

Source: TPG Inc.