

DATE

November 01, 2018

SECTORS

Infrastructure

DEAL LOCATIONS



DEAL TEAM



Neale Marvin
Managing Director



Phillip Hyman
Managing Director



Daniel Younger
Director

DC Advisory advised Dalmore Capital, Equitix, JII and Rock Rail on the acquisition of a 30% stake in Agility Trains West from Hitachi Rail Limited



Background

- Agility Trains West (ATW) was established in 2012 to finance, own and maintain 57 Hitachi class 800 trains that form the first phase of the Intercity Express Programme (IEP)
- IEP is a £5.7bn government-led rolling stock programme to build and maintain 122 new intercity trains for the East Coast and Great Western main lines

Process

- DC Advisory was engaged by the Consortium comprising Dalmore Capital (Dalmore), Equitix Investment Management (Equitix), Japan Infrastructure Initiative (JII) and Rock Rail (Rock) to act as financial adviser providing buy-side M&A and debt advice on the acquisition of a 30% stake in ATW, recognising DC's extremely strong expertise and knowledge in the UK rail sector
- DC provided comprehensive financial advisory services to the Consortium throughout the acquisition process including:
 - Financial modelling and valuation;
 - Structuring;
 - Process;
 - Consortium management and support in negotiations with the seller, including the transaction documents.
- DC also advised on:

- Debt strategy;
- Debt structuring;
- Documentation negotiation and full execution;
- Successfully supported the Consortium in delivering a fully financed transaction on a certain funds basis with the debt financing provided by long-dated “MidCo” index linked private placement lenders, a first for an acquisition financing in the UK.

Outcome

- DC ensured all workstreams were successfully completed and guided the Consortium to win in the competitive auction process
- On 1 November 2018, the Consortium announced the signing of the acquisition of a 30% stake in ATW
- The deal closed on 18 December 2018