

DATE

May 29, 2019

SECTORS

Infrastructure

DEAL LOCATIONS



DEAL TEAM



Neale Marvin
Managing Director



Theodoros Patramanis
Director



DC Advisory advised Aberdeen Standard Investments on the acquisition of Oikos Storage from Challenger Life Company

Background

- Oikos Storage Limited (Oikos) is an independent, modern, highly automated liquid bulk storage terminal, strategically located on the River Thames. Oikos supplies the South East of the UK with jet fuel (including Heathrow, Gatwick and Stansted airports) and diesel via the UKOP and CLH pipelines as well as by truck through its road loading facilities
- Oikos' current capacity is c.300,000 cbm and is contracted to an oil & gas super major and an independent distributor under long-term take-or-pay contracts. Oikos has the potential to increase its capacity utilising surplus land on the south side of the terminal
- The company benefits from attractive margins due to its modern and highly automated infrastructure (c. 90% of the tanks were built in the last seven years) and by being the only independent Thames terminal able to receive the largest refined product tankers (LR1 / LR2s) via its own deep-water jetty, offering customers materially improved freight economics
- Challenger Life Limited (Challenger), which had owned the asset since 2007, launched a sale process of Oikos at the beginning of 2019

Process

- DC Advisory (DC) was engaged by Aberdeen Standard Investments (ASI) to act as financial adviser to provide buy-side M&A and debt advisory on the acquisition

- material advice to provide buy side M&A and debt advisory on the acquisition.
- DC has a strong knowledge of the oil & gas midstream sector, having previously advised on various M&A and refinancing transactions in the sector, both in the UK and continental Europe
 - Process strategy and tactics;
 - Due diligence coordination;
 - Business plan review, including advice on commercial contracts and renewal risks;
 - Financial modelling and valuation;
 - Debt advice and raising of acquisition finance;
 - Support in negotiations with the seller; and DC provided comprehensive financial advisory services to ASI throughout the acquisition process, including:
 - Advice on transaction documentation, including SPA and a comprehensive W&I package.

Outcome

- DC ensured all work streams were successfully completed within a challenging timeframe, amidst a competitive auction process – including a BAFO – while maintaining a very concentrated and entirely confidential process
- On 29 May 2019, ASI completed the acquisition of a 100% equity stake in Oikos from Challenger
- This transaction underpins ASI's strong track record of investing in the liquid bulk storage sector and high quality infrastructure assets
- The acquisition price was not disclosed