

**DATE**

October 23, 2020

**SECTORS**

Infrastructure

**DEAL TYPE**

M&A Advisory

**DEAL LOCATIONS**



**DEAL TEAM**

# DC Advisory advised SEEIT on their acquisition of Värtan Gas



## Background

- Located and headquartered in Stockholm, Sweden, Värtan Gas AB (VGAB) is the capital's independent and regulated gas Distribution System Operator (DSO) with a long history of supplying and distributing gas to the city's inhabitants
- The majority of volumes consist of renewable biogas – sourced primarily from the city's wastewater facilities – and are distributed to a diverse customer base in and around Stockholm city
- VGAB operates two business units:
  - Gasnätet Stockholm AB (GSAB), the regulated DSO which distributes gas through two networks (city gas and vehicle gas), totalling c.540km, supported by a 200-tonne storage terminal at Högdalen with 100MW of regasification capacity, along with another 40-tonne reserve storage facility at Frihamnen
  - Stockholm Gas AB (SGAB), currently the sole gas supplier on the GSAB network
- SDCL Energy Efficient Income Trust (SEEIT) are a listed company that invests exclusively in the energy efficiency sector. Sustainable Development Capital LLP is the fund manager of SEEIT

## Process

- DC Advisory (DC) provided M&A advice to SEEIT throughout the acquisition process, including:
  - Process and bid strategy
  - Review and analysis of the business plan
  - Financial modelling and valuation

- Coordination of due diligence advisers
- Assisted on drafting Investment Committee materials; and
- Advice on transaction documentation including the SPA.
- Arjun Infrastructure Partners acted as a facilitator to the transaction

**Outcome**

- In October 2020, SEEIT successfully acquired 100% of the share capital in VGAB
- Following a complex process, DC was able to deliver a successful outcome for SEEIT, having led:
  - A bilateral acquisition process with a number of interim milestones prior to signing
  - A structured due diligence and valuation process
  - Multifaceted negotiations related to the transaction documentation
- This transaction reinforces DC's experience in the regulated sector, having previously advised on several similar transactions across Europe, and in Scandinavian countries