

DATE

December 13, 2019

SECTORS

Infrastructure

DEAL TYPE

Debt Advisory & Restructuring

DEAL LOCATIONS



DEAL TEAM



Neale Marvin
Managing Director



Phillip Hyman
Managing Director

DC Advisory advised Aberdeen Standard Investments and Rock Rail on the refinancing of new Hitachi intercity trains



Background

- A joint venture between First Group and Trenitalia, known as the 'West Coast Partnership' was recently awarded the new West Coast Partnership rail franchise (commencing intercity operations as Avanti West Coast in December 2019) by the Department for Transport (DfT) on an twelve-year basis
- As part of this franchise, Aberdeen Standard Investments (ASI) and Rock Rail (Rock), were selected to procure a new fleet of:
 - 13 five-car bi-mode multiple unit trains; and
 - 10 seven-car electric multiple unit trains.
- This fleet which will replace the existing diesel multiple unit Super Voyager fleet on the services between London Euston, North Wales, the West Midlands and Liverpool
- The new 'state of the art' Hitachi intercity trains will be built for the needs and specifications of the West Coast Partnership rail network - comprising fully bi-mode and electric units and with the ability to operate at 125mph in both diesel and electric fuel mode. The fleet will begin operations in 2022

Process

- DC Advisory (DC) was mandated to provide debt advice to ASI and Rock Rail and supported the consortium throughout the process
- DC engaged with funders during ASI and Rock's initial bid to support the West Coast

Partnership for the franchise concession

- DC ran a focused process, covering a number of detailed work streams and working with a group of two institutional funders to achieve an optimal long-dated financing outcome, as well as leading the overall execution protocol

Outcome

- The debt package was highly attractive and executed on very competitive terms
- The senior financing was signed with a group of two institutional investors comprising Sun Life Investments and Aviva Investors (on behalf of Aviva Life & Pensions UK and other third party clients)