

DATE

April 23, 2020

SECTORS

Infrastructure

DEAL TYPE

Debt Advisory & Restructuring

DEAL LOCATIONS



DEAL TEAM

DC Advisory advised Aberdeen Standard Investments, DIF Capital Partners and LPPI Infrastructure Investments LP on the arrangement of a multi-creditor financing platform for Loimua Oy



Background

- Loimua Oy (Loimua), formerly known as Elenia Lämpö Oy, is the second largest private supplier of District Heating (DH) in Finland, providing environmentally sustainable DH to residential, commercial and public sector customers
- Loimua owns and operates 640 MW of heat production capacity across 16 DH networks, covering c.500 kilometres and c.4,600 supply points
 - This broad geographical coverage facilitates Loimua's diverse customer base with c.85,000 end-users
 - Customer retention is very high due to the reliable service provided by Loimua and the price competitiveness of DH
- Loimua has a well-invested and environmentally sustainable asset base. The majority of its production will be based on biomass after completing the ongoing investment programme in 2020

Process

- DC Advisory (DC) was engaged by Aberdeen Standard Investments, DIF Capital Partners and LPPI Infrastructure Investments LP (the Consortium) to provide advice on the

arrangement of new debt facilities, following their acquisition of Loimua in July 2019

- DC ran a comprehensive refinancing process, engaging various sources of liquidity
- DC led a number of detailed work streams, such as financial modelling, business planning, debt structuring and full documentation negotiations in order to address a number of key objectives, including:
 - Implement a long term capital structure with a blended maturity profile by creating a common terms platform (bank and private placement debt)
 - Increase the flexibility of facilities to support new acquisitions and further growth capex in order to deliver the business plan
 - Secure favourable pricing and rates, as well as re-profiling covenants

Outcome

DC delivered a market-leading outcome in meeting the Consortium's key refinancing objectives:

- The establishment of a long-term, sustainable common terms platform with seven-year bank debt, as well as 10, 12 and 14-year private placement tranches, alongside a revolving capex facility, and a general corporate purposes revolving credit facility
- Refinancing risk reduced by multi-tenor financing, and on improved terms reflective of the stable, mature nature of the business
- A package tailored to support day-to-day operations in addition to Loimua's strategic initiatives