

DATE

October 30, 2018

SECTORS

Infrastructure

DEAL LOCATIONS



DEAL TEAM



Neale Marvin

Managing Director

DC Advisory advised Infracapital on the acquisition of Energetics from Macquarie Principal Finance



Background

- Energetics is one of the largest independent network owners in the UK. Founded in 2006, the company designs, builds, owns and operates 'last-mile' electricity and gas connections
- Energetics currently has a network of 225K installed connections servicing residential and commercial customers, alongside a large contracted order book of further connections
- The company delivers stable inflation-linked cashflows over the long term, benefiting from a well-established regulatory framework and long-life assets

Process

- DC was engaged by Infracapital to act as financial adviser to provide buy-side M&A and debt advice on the acquisition
- DC has a strong knowledge of the 'last-mile' distribution sector, having previously advised on various transactions in the sector
- DC provided comprehensive financial advisory services to Infracapital throughout the acquisition process, including:
 - (i) process strategy and tactics;
 - (ii) due diligence co-ordination;
 - (iii) business plan review;
 - (iv) financial modelling and valuation;

- (v) support in negotiations with the seller; and
- (vi) advice on transaction documentation including SPA and management incentive plan.
- DC also advised on debt strategy including running a focused debt process by engaging with a number of Infracapital relationship banks

Outcome

- DC ensured all workstreams were successfully completed within a challenging timeframe while maintaining an entirely confidential process (only a very select number of parties were invited into the transaction)
- On 23 October 2018, Infracapital completed the acquisition of a controlling equity stake in Energetics from Macquarie Principal Finance, part of Macquarie's Corporate and Asset Finance Division, and other individual shareholders including management. Senior management retained a stake in the business