

DATE

March 22, 2022

SECTORS

Infrastructure

DEAL TYPE

M&A Advisory

DEAL LOCATIONS



DEAL TEAM



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UN SDG ACTIVITY



Background

DC Advisory advised a consortium of Hafslund Eco, Infranode and HitecVision on their acquisition of Fortum Oslo Varme

Fortum Oslo Varme is a member of the Fortum Group, a leading provider of district heating in Europe.

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- Fortum Oslo Varme is Norway's largest supplier of district heating, supplying 36% of district heating generated in Norway in 2021
- Fortum Oslo Varme delivers sustainable district heating and power to commercial and residential properties throughout Oslo, providing heating and hot water to more than 200,000 people
- In addition, Fortum Oslo Varme has ambitious growth plans in district heating and cooling, as well as its plans to implement an innovative Carbon Capture and Storage (CCS) project at its Klemetsrud Waste-to-Energy (WtE) facility, that has potential to reduce Oslo's emissions by approximately 14%
- Fortum Oslo Varme has circa 200 employees and was owned by the City of Oslo and Fortum with 50% stake each

Process

- DC Advisory (DC) was engaged by a consortium of Hafslund Eco, Infranode and HitecVision to provide M&A advice on their acquisition of Fortum Oslo Varme
- DC leveraged its extensive experience and deep sector knowledge to assist the consortium throughout their review of the potential investment and contributed to several detailed work streams including:
 - Process strategy and bid tactics
 - Business plan formulation and analysis
 - Financial modelling and valuation
 - Drafting of Investment Committee materials
 - Advice on transaction documentation including Share Purchase Agreement, Transitional Services Agreement and Shareholders' Agreement

Outcome

- On 22 March 2022, a new industrial joint venture of Hafslund Eco, Infranode and HitecVision entered into a definitive agreement with Fortum to purchase a 50% stake in Fortum Oslo Varme
- The transaction represents an Enterprise Value for Fortum Oslo Varme of approximately NOK 20bn on a 100% basis
- As part of the transaction, the City of Oslo will transfer its 50% stake to Hafslund Eco. Following the transaction, Hafslund Eco will become the majority owner with 60% ownership in Fortum Oslo Varme, while Infranode and HitecVision will each own 20%
- The partnership has a clear goal of realising Fortum Oslo Varme's CCS project, which will capture and store CO₂ from the Klemetsrud WtE plant, reducing emissions by approximately 14%.

which will contribute to achieving the City of Oslo's ambitious climate goal of reducing emissions by 95% by 2030

- This transaction demonstrates DC's ongoing expertise in the energy infrastructure sector and continued track record in advising on large transactions across Europe