

**DATE**

August 02, 2019

**SECTORS**

Infrastructure

**DEAL LOCATIONS**



**DEAL TEAM**



**Sam Hodgson**  
Director

# DC Advisory advised Elenia Lämpö Oy on its sale to Aberdeen Standard Investments, DIF and LPPI



**Background:**

- Elenia Lämpö Oy (Elenia Heat) is the second largest private supplier of district heating (DH) in Finland, providing environmentally sustainable DH to residential, commercial and public sector customers
- Elenia Heat 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 Elenia Heat's diverse customer base with c.85,000 end-users
  - Customer retention is very high due to the reliable service provided by Elenia Heat and the competitive price of DH
- Elenia Heat 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
- In 2018, Elenia Heat's DH sales were c.0.9 TWh with a revenue of €79 million

**Process:**

- DC Advisory (DC) and Danske Bank were jointly mandated as sell-side advisers in early 2019 and coordinated the sale process through a competitive two stage auction
- Following a process of pre-marketing, including a lender education process, the sale formally launched in April 2019 with a number of indicative bids received in under four weeks
- The second round of the process kicked off in early May with binding bids received at

the end of June

- Throughout the transaction, DC and Danske Bank managed a number of detailed work streams, including supporting the production of a full suite of due diligence and marketing materials, an information memorandum, a detailed operating model, a management presentation, W&I insurance, transaction documentation (including SPA & TSA), as well as overall process management

**Outcome:**

- DC and Danske Bank ran a focused and competitive process with multiple binding bids received within a period of less than 12 weeks from the start of Phase I
- On 1 July 2019, it was announced that funds managed by Aberdeen Standard Investments, DIF and Local Pensions Partnership Investments (LPPI) would acquire 100% of the issued share capital in Elenia Heat
- The successful outcome of the transaction is a testament to DC's strong track-record in the infrastructure space, and its ability to leverage its extensive DH experience, having also recently advised on the refinancing of Coriance District Heating in France and Värmevärden in Sweden