

Infrastructure Deal Value Falls Sharply in 2017

While North America and Europe experience increased deal activity from previous year, Asia sees significant drop

In 2017, 2,378 deals were completed, worth \$337bn. While the number of deals announced is on par with 2016, which saw 2,529 deals, the aggregate value has fallen sharply from \$470bn to \$337bn in the same period. Preqin expects 2017's figures to rise by up to 5% as more information becomes available. Close to three-quarters (72%) of the deals were made at the secondary stage, and around half (51%) of deals were made for renewable energy assets.

Asia accounts for the majority of the slowed infrastructure deal activity, with the region seeing 309 deals worth \$65bn. This is a significant decrease from 2016, when the region accounted for \$113bn from 577 deals. By contrast, deal activity in Europe and North America picked up from last year, signifying an influx in the number of attractive opportunities available to fund managers. While North America accounted for the largest proportion of deal value of \$135bn from 775 deals, Europe, by a significant margin, saw the most deals completed with 935 financings.

For more information and analysis, see the full 2017 Preqin Infrastructure Deals factsheet here:
<https://docs.preqin.com/reports/Infrastructure-Deals-2017.pdf>

Key Infrastructure Deals Facts:

- **2017 saw 2,378 infrastructure deals completed, worth \$337bn.** The number of deals was on par with the 2,529 deals made in 2016, but aggregate value is sharply down from \$470bn in that year.
- North America accounted for the largest proportion of deal value, with 775 deals completed worth \$135bn, while **Europe accounted for highest number of financings**, with 735 deals worth \$82bn.
- **Renewable energy accounted for 51% of deals** made this year, an increase from 46% in 2016. The transport industry continued to account for a shrinking proportion of deals, from 15% in 2016 to 9% in 2017.
- **Deals of less than \$100mn accounted for a lower proportion of deals in 2017**, down from 53% in 2016 to 46%, while deals of every other value band experienced an increase.
- **Secondary stage deals made up close to three-quarters (72%) of all infrastructure deals**, while brownfield deals accounted for just 3% of all deals.
- **Half of the 10 largest infrastructure deals occurred in North America**, while two were based in Europe and Asia, respectively.

Tom Carr, Head of Real Assets Products:

"2017 has been another active year for the infrastructure deal making market, and encouraging sign of an expanding asset class. However, the total value of deals has fallen sharply from levels seen in 2016, perhaps indicating a slight lull in mega deal making; following a record-breaking year like 2016 it is common to see a period of slowed activity levels. It may be that high asset pricing resulting from record dry powder available to fund managers, along with fierce competition for deal opportunities, are making it difficult for managers to effectively deploy capital into big-ticket assets, even as overall deal flow remains robust.

Interest in Asian infrastructure has cooled, however, since the record-setting investment levels seen in the previous year. Although Asia is a fertile market with many opportunities for fund managers and investors alike, it can difficult to monetize infrastructure assets in the region. However, it nonetheless comprises several major economies that are currently enacting modernization programs, and so there is significant scope for private investment opportunities over the coming months."

Preqin is the leading source of information for the alternative assets industry, providing insight and analysis gathered by its global teams of dedicated researchers. Founded in 2003, the company is a frequent source of intelligence used in the global financial press, through its online databases, regular publications and bespoke data requests.

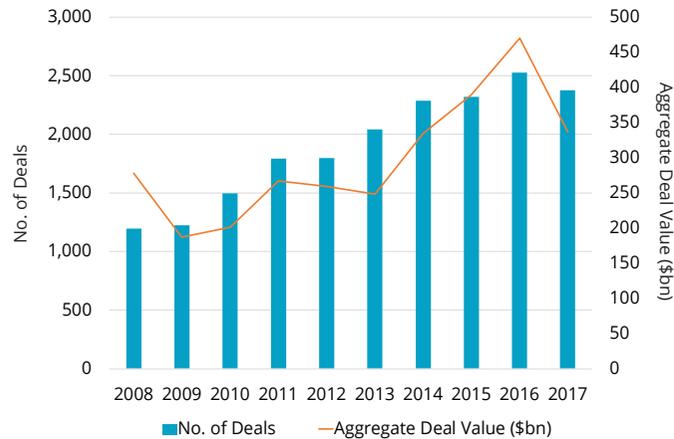
For more information, contact our dedicated press team at press@preqin.com or call (+44) 20 3207 0265.



2017 INFRASTRUCTURE DEALS

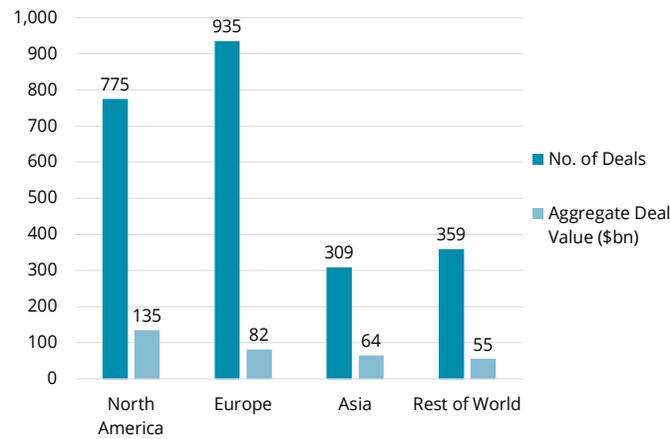
4 JANUARY 2018

Fig. 1: Global Infrastructure Deals, 2008 - 2017



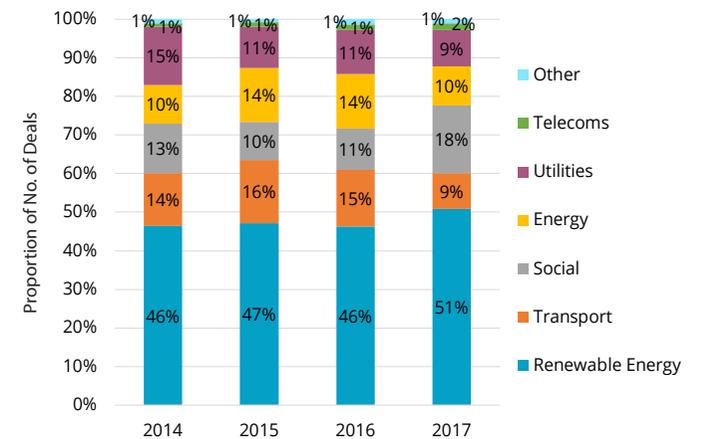
Source: Preqin Infrastructure Online

Fig. 2: Infrastructure Deals in 2017 by Region



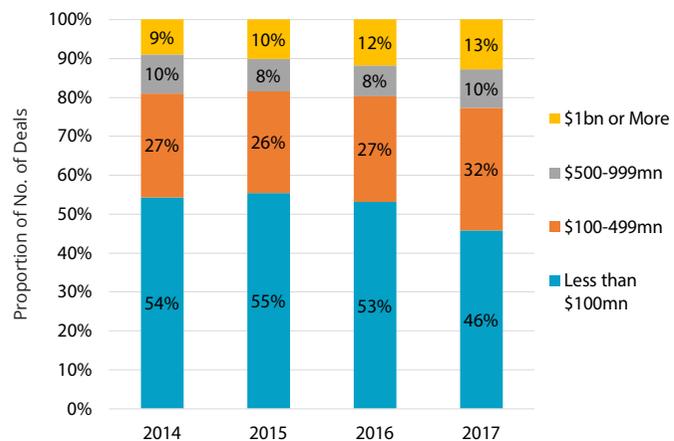
Source: Preqin Infrastructure Online

Fig. 3: Infrastructure Deals by Primary Industry, 2014 - 2017



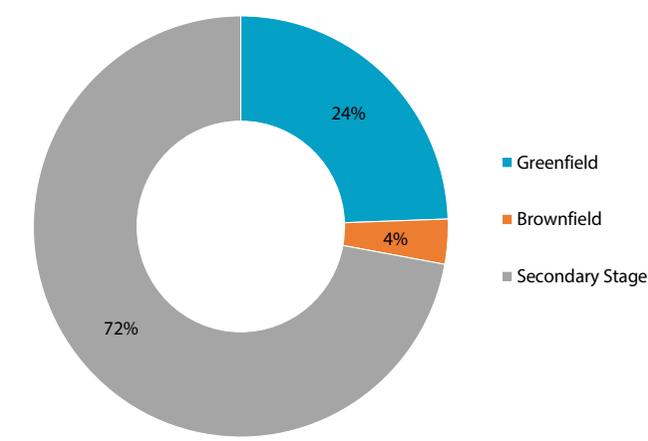
Source: Preqin Infrastructure Online

Fig. 4: Infrastructure Deals by Value Band, 2014 - 2017



Source: Preqin Infrastructure Online

Fig. 5: Infrastructure Deals in 2017 by Project Stage



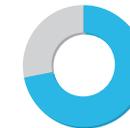
Source: Preqin Infrastructure Online

KEY FACTS



\$337bn

Aggregate value of infrastructure deals announced in 2017, down from \$470bn in 2016.



72%

of infrastructure deals in 2017 were made at the secondary stage.



\$18.8bn

Value of largest deal announced in 2017, the acquisition of Oncor by Sempra Energy.

2017 INFRASTRUCTURE DEALS

4 JANUARY 2018

Fig. 6: Largest Infrastructure Deals Announced Globally in 2017

Asset	Location	Primary Industry	Investor(s)	Deal Size (mn)	Stake (%)	Deal Date
Oncor	US	Power Distribution	Sempra Energy	18,800 USD	80	Aug-17
Essar Oil	India	Natural Resources	Rosneft, Trafigura, United Capital Partners	12,900 USD	98	Feb-17
Rosneft	Russia	Energy	CEFC China Energy Company	9,100 USD	14	Sep-17
Canadian Oil Sands Portfolio	Canada	Natural Resources Pipelines	Canadian Natural	11,100 CAD	100	Nov-17
Veresen	Canada	Natural Resources Pipelines	Pembina Pipeline Corporation	9,700 CAD	100	May-17
Maersk Oil	Denmark	Natural Resources	Total SA	7,450 USD	100	Aug-17
WGL Holdings	US	Natural Resources	AltaGas	6,400 USD	100	Jan-17
Taiwan Strait Wind Assets	Taiwan	Wind Power	Copenhagen Infrastructure Partners	180,000 TWD	100	May-17
Endeavour Energy	Australia	Power Utilities	AMP Capital Investors, British Columbia Investment Management Corporation, Macquarie Infrastructure and Real Assets (MIRA), Qatar Investment Authority	7,620 AUD	50	May-17
Bass Family Oil Companies Portfolio	US	Natural Resources	ExxonMobil	5,600 USD	100	Jan-17

Source: Preqin Infrastructure Online

LOOKING FOR MORE DATA AND ANALYSIS?

Preqin provides information, data and research on the infrastructure industry across fund performance, fundraising, fund managers, investors, deals, fund terms and more.

If you have more detailed requests for private equity data or any questions, please contact us:

 +44 (0)20 3207 0265 |  www.preqin.com |  press@preqin.com