

Infrastructure Deal Activity Falls Further in Q1 2018

Quarter marks a three-year low for first quarter deal activity

In Q1 2018 there were 564 infrastructure deals announced globally, worth a combined \$61bn. Although Preqin expects these figures to rise by up to 5% as more information becomes available, this marks a significant decrease from Q1 2017, which saw 676 deals announced worth \$106bn. North America was the most active region, with 215 deals announced worth a combined \$12bn. However, Europe saw the highest aggregate deal value, as the 199 deals announced there were worth a total of \$31bn. Renewable energy accounted for over half (53%) of infrastructure deals in the quarter, while social infrastructure accounted for a further 17%. Q1 2018 also saw a continued shift towards larger deals of \$1bn or more: they comprised 14% of the number of deals announced in Q1, up from 11% seen through 2017.

For more information, see the full [Q1 2018 Infrastructure Deals factsheet here:](#)

<http://docs.preqin.com/reports/Preqin-Infrastructure-Deals-Q1-2018.pdf>

Key Infrastructure Deals and Exits Facts:

- In Q1 2018, **564 infrastructure deals were announced, worth a combined \$61bn**. This is a sharp decrease from Q1 2017, which saw 676 transactions announced for a total of \$106bn.
- **North America saw the greatest number of deals** (215), but Europe recorded the highest aggregate deal value (\$31bn).
- By industry, **renewable energy made up over half (53%) of the number of deals** announced in the quarter, while social infrastructure accounted for 17% of deal numbers.
- **Deals of \$1bn or more accounted for 14% of infrastructure transactions announced in Q1 2018** – a three-year high. Deals of less than \$100mn made up almost half of the number of deals (49%).
- **Sixty-seven percent of deals were secondary stage transactions**, while 4% were brownfield and 29% were greenfield.
- The largest infrastructure deal was the **DKK 40bn acquisition of TDC Group** by ATP, MIRA, PFA Pension and PKA AIP.

Patrick Adefuye, Head of Real Assets Products:

“2017 saw a strong start to the year in terms of infrastructure deal activity, but it seems that 2018 has not replicated this. The total number of deals fell to a three-year low for an opening quarter, suggesting that the decline we saw from 2016’s record levels of activity may still be ongoing. However, the total value of those deals was in line with levels seen in the last quarter of 2017, driven by a high proportion of mega deals valued at \$1bn or more.

Crucially, over two-thirds of infrastructure deals announced in Q1 2018 were at the secondary stage – the acquisition of already-functioning assets. This is in line with proportions seen in previous quarters, and signifies a key challenge for the infrastructure industry globally. Many demands for infrastructure investment are based on the development of greenfield sites, essentially building new infrastructure, but this is only a small proportion of total deal activity. This challenge may influence the rollout of some of the large-scale infrastructure programs put forth in North America and Asia in particular.”

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.

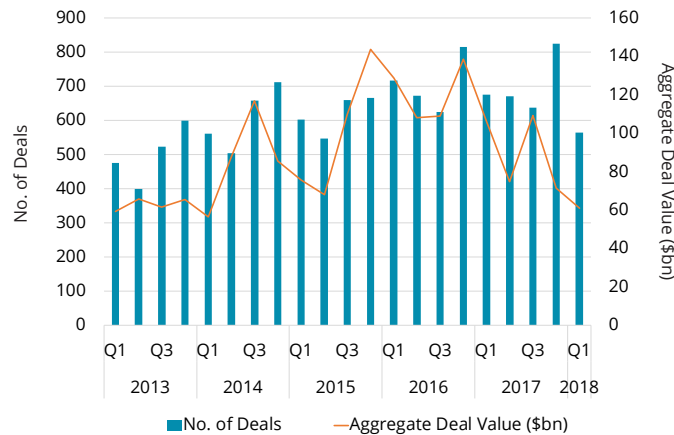
For more information, contact our dedicated press team at press@preqin.com or call (+44) 20 3207 0265.



Q1 2018 INFRASTRUCTURE DEALS

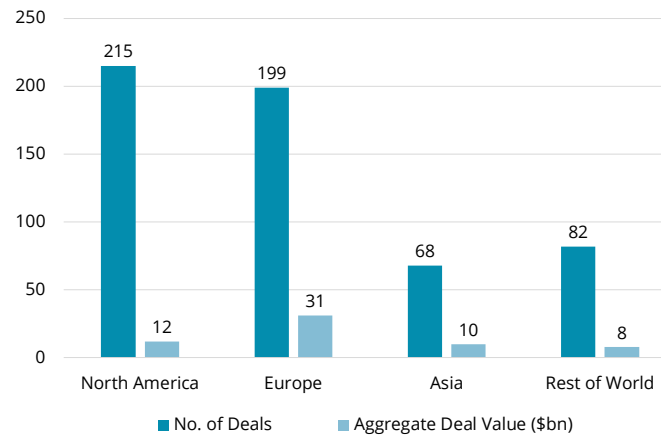
4 APRIL 2018

Fig. 1: Global Infrastructure Deals, Q1 2013 - Q1 2018



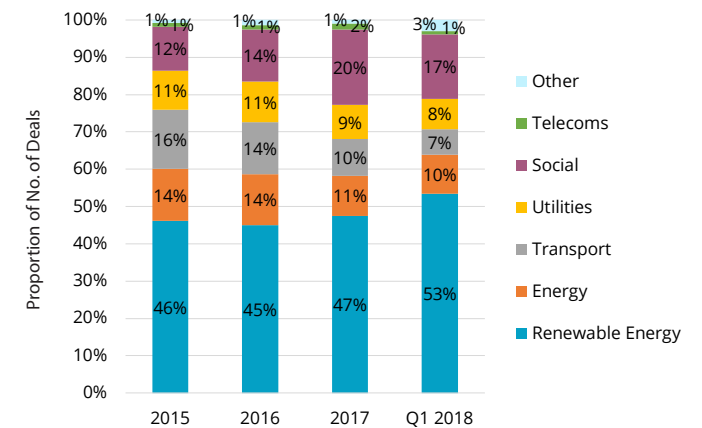
Source: Preqin

Fig. 2: Infrastructure Deals in Q1 2018 by Region



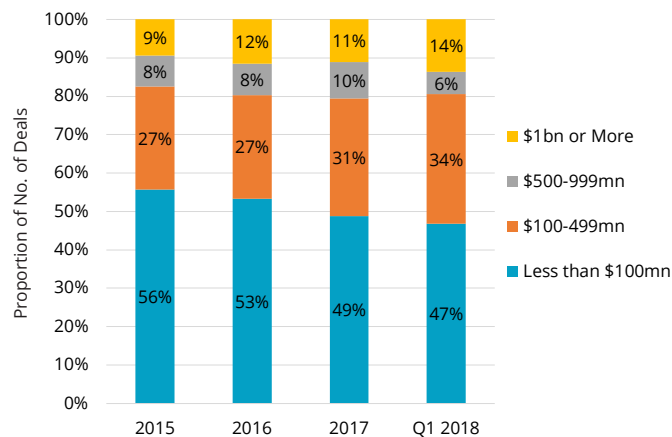
Source: Preqin

Fig. 3: Infrastructure Deals by Primary Industry, 2015 - Q1 2018



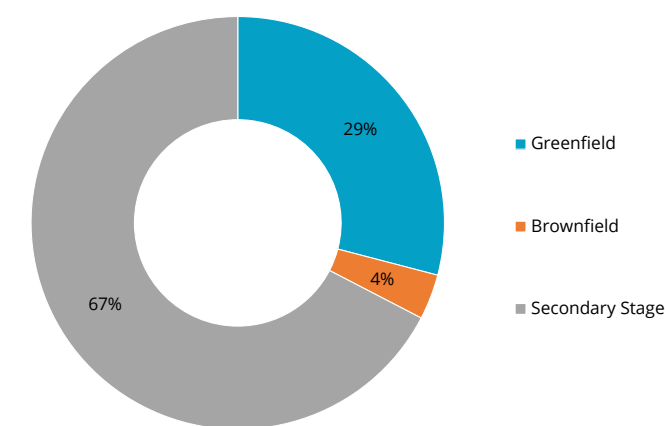
Source: Preqin

Fig. 4: Infrastructure Deals by Value Band, 2015 - Q1 2018



Source: Preqin

Fig. 5: Infrastructure Deals in Q1 2018 by Project Stage



Source: Preqin

KEY FACTS



564

No. of infrastructure deals announced in Q1 2018, down from 676 announced in Q1 2017.



\$31bn

Total value of Q1 infrastructure deals in Europe, the largest of any region.



14%

Proportion of Q1 infrastructure deals worth \$1bn or more, up from 11% in all of 2017.

Q1 2018 INFRASTRUCTURE DEALS

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Fig. 6: Largest Infrastructure Deals Announced Globally in Q1 2018

| Asset | Location | Primary Industry | Investor(s) | Deal Size (mn) | Stake (%) | Deal Date |
|--------------------------------------|----------|-----------------------------|---|----------------|-----------|-----------|
| TDC Group | Denmark | Telecoms | ATP, Macquarie Infrastructure and Real Assets (MIRA), PFA Pension, PKA AIP | 40,300 DKK | 100 | Feb-18 |
| Gas Natural Fenosa | Spain | Energy | CVC Capital Partners | 3,820 EUR | 20 | Feb-18 |
| Uniper | Germany | Energy | Fortum | 3,780 EUR | 47 | Jan-18 |
| Los Angeles Airport Rail Project PPP | US | Transport | ACS Group, Balfour Beatty Investments , Bombardier, Dragados USA, Flatiron Construction Corp, Fluor Corporation, HOCHTIEF Concessions | 1,950 USD | 100 | Jan-18 |
| Trans-Adriatic Pipeline | Greece | Natural Resources Pipelines | Axpo Holding, BP, Enagas, Fluxys, Snam, Socar | 1,500 EUR | 100 | Feb-18 |
| Ghatampur Power Plant | India | Utilities | NLC India, UPRVUNL | 110,670 INR | - | Jan-18 |
| LUCID Energy | US | Energy | Citi Private Equity, Goldman Sachs Merchant Banking Division, GS Infrastructure Investment Group, Riverstone Holdings | 1,600 USD | 100 | Jan-18 |
| India Toll Road Concession | India | Transport | Macquarie Infrastructure and Real Assets (MIRA) | 96,820 INR | 100 | Mar-18 |
| NRG Yield | US | Renewable Energy | Global Infrastructure Partners | 1,380 USD | 46 | Feb-18 |
| Eurotunnel | UK | Transport | Atlantia | 1,100 EUR | 15 | Mar-18 |

Source: Preqin

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@peqin.com