

Infrastructure Deal Activity Stalls in 2018

Renewable energy accounts for an even larger proportion of infrastructure deal activity

In 2018, 2,454 infrastructure deals were made worth a total \$322bn. Preqin expects 2018's figures to rise by up to 5% as more information becomes available. The year represents a slowing in activity from 2017, which saw 3,165 deals made for a total of \$387bn. Renewable energy increasingly accounts for the bulk of infrastructure investments, going from making up 45% of deals completed in 2016 to accounting for 57% of infrastructure deals in 2018. Additionally, the largest deal completed in 2018 was the sale of Innogy to E.ON SE for €20bn – the largest renewable energy deal ever completed. Europe deal activity surpassed that of North America, as 859 deals were made in the region worth a total of \$152bn, while 801 transactions were made worth an aggregate \$78bn.

For more information and analysis, see the full 2018 Infrastructure Deals factsheet here:

<http://docs.preqin.com/reports/Preqin-Infrastructure-Deals-Q4-2018.pdf>

Patrick Adefuye, Head of Real Assets:

“Following a peak in 2016 which saw a record amount of capital invested in infrastructure, the industry has seen deal activity decrease year-on-year. The number of deals made in 2018 has declined from 2017, posing a particular challenge at a time when fundraising is at record levels. The influx of capital has put upwards pressure on asset pricing, and has made finding attractive opportunities more difficult for many managers. On the flipside, renewable energy has had a stellar year, accounting for over half of deals made, and the two largest deals made this year were also the two largest deals in renewable energy ever made.”

Key Infrastructure Deals Facts:

- **In 2018, there were 2,454 deals worth a total of \$322bn.** This is a decrease from 2017 which saw 3,165 deals made worth \$387bn.
- **Renewable energy accounted for over half (57%) of deals completed, up from 45% in 2016.** Deals made in social infrastructure dropped, making up just 6% of deals in 2018 down from 18% the previous year.
- **E.ON SE acquired Innogy for €20bn, making it the largest deal in 2018 as well as the largest renewable energy deal ever.**
- The second largest deal made this year was the acquisition of Direct Energie by Total for €14bn – this deal is also the second largest renewable energy deal ever.
- **Europe recorded 859 deals worth \$152bn,** surpassing deal activity in North America which recorded 801 transactions worth \$78bn.
- **The proportion of deals less than \$100mn has continued to drop,** with deals of that size accounting for 45% of transactions in 2018, down from 53% in 2016.
- **Secondary stage deals accounted for 64% of deals in 2018,** while greenfield accounted for 33% of transactions and brownfield made up 4% of deals.

Preqin is the home of alternative assets, providing industry-leading intelligence on the market and cutting-edge tools to support participants at every stage of the investment cycle. More than 60,000 industry participants in over 90 countries rely on Preqin as their indispensable source of data, solutions and insights.

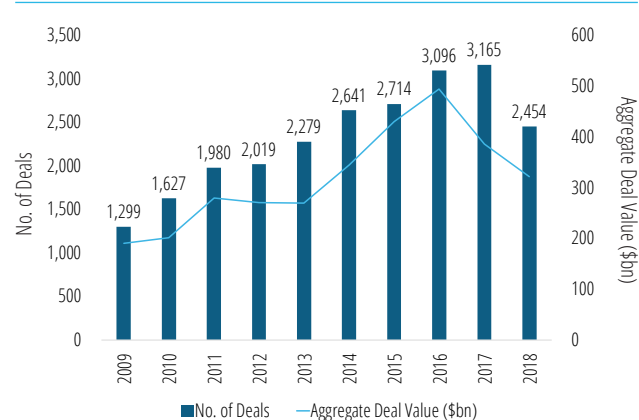
Preqin's data and analysis is frequently presented at industry conferences, and is used in the global financial press and academic journals & white papers. We are always happy to support journalists by providing reports, custom data and one-on-one interviews.

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

2018 INFRASTRUCTURE DEALS

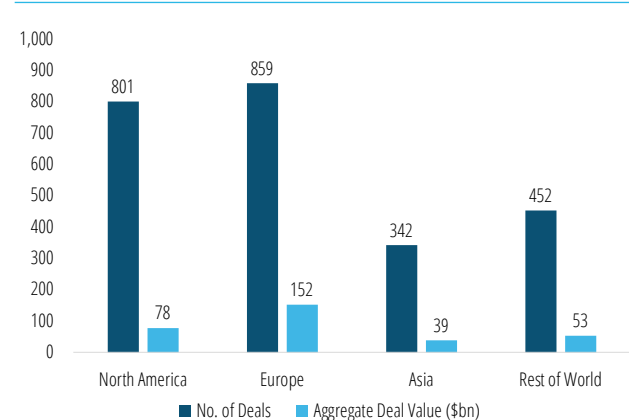
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Fig. 1: Annual Global Infrastructure Deals, 2009 - 2018



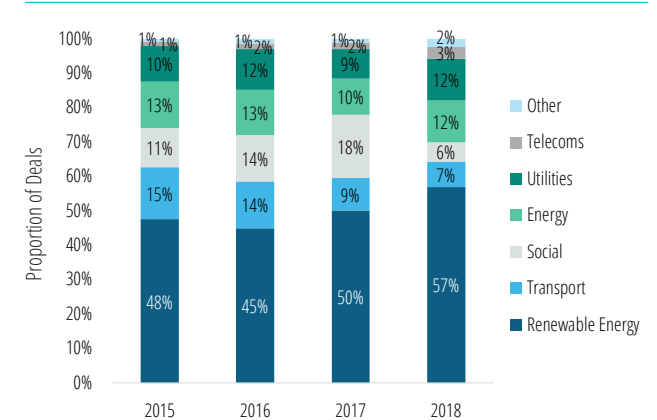
Source: Preqin Pro

Fig. 2: Infrastructure Deals in 2018 by Region



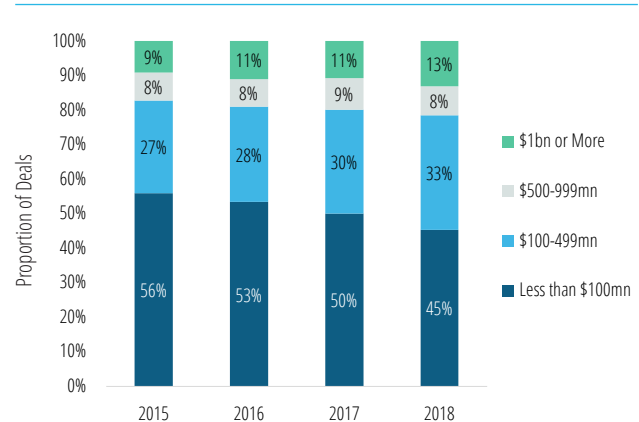
Source: Preqin Pro

Fig. 3: Proportion of Number of Infrastructure Deals by Primary Industry, 2015 - 2018



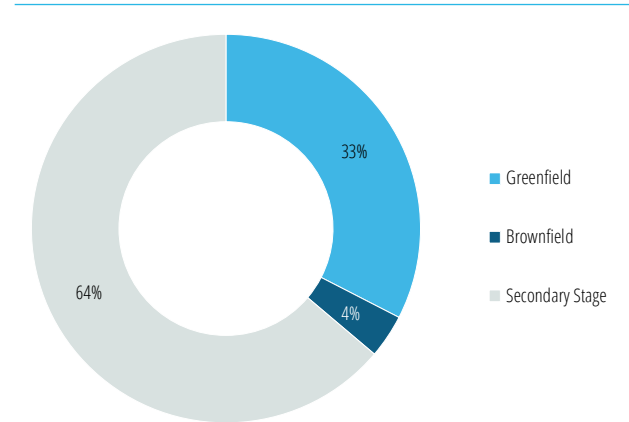
Source: Preqin Pro

Fig. 4: Proportion of Number of Infrastructure Deals by Value Band, 2015 - 2018



Source: Preqin Pro

Fig. 5: Proportion of Number of Infrastructure Deals in 2018 by Project Stage



Source: Preqin Pro

KEY FACTS



2,454 infrastructure deals were announced globally in 2018, down from 3,156 the previous year.



64% of infrastructure deals in 2018 were at secondary stage, the largest proportion across all project stages.



\$152bn Total value of infrastructure deals in Europe in 2018, the highest of any region.

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Fig. 6: Largest Infrastructure Deals Globally in 2018

<u>Asset</u>	<u>Location</u>	<u>Primary Industry</u>	<u>Investor(s)</u>	<u>Deal Size (mn)</u>	<u>Stake (%)</u>	<u>Deal Date</u>
Innogy	Germany	Renewable Energy	E.ON SE	20,420 EUR	76.8	Mar-18
Direct Energie	France	Renewable Energy	Total	14,000 EUR	73.0	Apr-18
SCANA Corporation	US	Other	Dominion	15,000 USD	100	Jul-18
WestConnex Motorway	Australia	Transport	Abu Dhabi Investment Authority, AustralianSuper, Transurban Group	9,260 AUD	51.0	Jul-18
TDC Group	Denmark	Telecoms	ATP, Macquarie Infrastructure and Real Assets (MIRA), PFA Pension, PKA AIP	40,300 DKK	100	Feb-18
Hornsea Project One	UK	Renewable Energy	Global Infrastructure Partners	4,460 GBP	50.0	Sep-18
Techem	Germany	Utilities	CDPQ, Ontario Teachers' Pension Plan, Partners Group	4,600 EUR	100	May-18
Naturgy Energy Group S.A.	Spain	Energy	CVC Capital Partners	3,820 EUR	20.0	Feb-18
Duqm Refinery Project	Oman	Energy	Kuwait Petroleum Corporation, Oman Oil Company	4,600 USD	-	Nov-18
Uniper	Germany	Energy	Fortum	3,780 EUR	46.7	Jan-18

Source: Preqin Pro

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 infrastructure data or any questions, please contact us:

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