

INVESTORS TO BUY IRISH TOLL ROAD AFTER RESTRUCTURING

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Europe

M&A and privatisation: Secondary trade

Sector: Transport

Location:  Ireland

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Inframation

A consortium of Real Asset Investment Management (RAIM), Swiss investor IST and Daiwa Energy & Infrastructure has entered into a binding agreement to acquire the N25 toll road in Ireland for less than EUR 100m.

UK investment manager RAIM said on Tuesday (31 January) that the consortium will acquire 100% of Celtic Roads Group (Waterford) DAC, the project company of the N25 PPP, including all debt.

Infralogic [reported last November](#) that the consortium had been selected as the preferred bidder by sellers led by CVC-managed funds and Bank of America Merrill Lynch.

IST and Daiwa Securities Group's subsidiary Daiwa Energy & Infrastructure will own a RAIM-managed vehicle that will take control of all the debt and equity in the 30-year PPP, which involved the design, build, finance and maintenance of around 23km of dual carriageway in southeast Ireland.

RAIM, which led the consortium during the bidding process, will provide investment management services to the shareholders going forward.

Transport Infrastructure Ireland provided a change of control consent to the consortium last week, and financial close on the deal is expected imminently.

Sources close said that the investors are paying less than EUR 100m in an all-equity deal to take control of the N25 PPP – less than the project's outstanding debt.

The project had roughly EUR 200m of debt that was restructured and reduced to around EUR 120m in a court-approved scheme of arrangement in 2021.

After opening in 2009, the project faced financial difficulties driven by lower-than-expected traffic amidst the global financial crisis, which resulted in BAML and CVC taking control of both the equity and debt of the project.

The concessionaire is optimistic that traffic volumes will be healthy for the foreseeable future, with traffic levels in summer 2021 being higher than in 2019, according to a sale teaser. The over-congestion of an adjacent route across the nearby Rice Bridge is also expected to boost traffic figures on the N25 Waterford Bypass.

This is the second major road PPP sale in the Irish market in the last 18 months. [In April](#), Semperian acquired DIF's stakes in three Irish roads, the M3, M4 and M50 motorways.

Macquarie Capital (financial) and A&L Goodbody (legal) acted as advisors on the sell side. Paul, Weiss, Rifkind, Wharton & Garrison LLP and Matheson (legal), A3I (traffic and technical DD), Alvarez & Marsal (financial and tax DD), and Aon (insurance) advised the buyers.

 InfraLogic data

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N25 Waterford By-Pass (Southlink) Sale (2022)

Europe, Ireland | Transport, Roads, M&A

Seller Financial Advisor

Macquarie

Investor Profile

IST3 Infrastruktur Global FUND

 SWITZERLAND | Unlisted | Open-ended | Equity fund

Daiwa Securities Group Inc GP

 JAPAN | Listed

Advisor Profile

A&L Goodbody

 IRELAND | Legal | Deal count: 97

Macquarie

 AUSTRALIA | Financial | Deal count: 655

Aon

 UNITED KINGDOM | Insurance | Deal count: 468

Alvarez & Marsal

 USA | Financial | Deal count: 31

Paul, Weiss, Rifkind, Wharton & Garrison

 USA | Legal | Deal count: 35

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