

INTERNATIONAL CONSORTIUM STRIKES USD 229M DEAL FOR CT SERVICE PLAZAS

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IST3 Infrastruktur Global, TD Greystone Asset Management and Applegreen PLC conditionally agreed to acquire Connecticut Service Plazas (CT Service Plazas) for an enterprise value of USD 229m, a 7 August press release states.

The equity consideration in the deal was USD 129.6m. The deal will also be funded with existing cash reserves and an amendment and restatement to an existing non-recourse debt within the acquired entity, which equates to roughly USD 30m in additional debt.

Equitix and Dalmore acquired JLIF in 2018, then put CT Service Plazas on the block after deeming it a non-core asset. *Inframation* reported exclusively IST3 had emerged as a **frontrunner** for the assets.

The assets consist of 23 on-highway service plazas located across I-95, I-395 and route 15. The CT Service Plazas concession with the state of Connecticut has 25 years remaining but the potential to extend for a further 10 years.

The publicly-listed Applegreen, in regulatory filings, indicated it would be purchasing a 40% stake in the consortium for USD 37.6m. The current ownership structure would consist of Applegreen and IST3R holding 40% each in CT Service Plazas while TD Greystone would hold the balance. The deal also gives Applegreen a call option with Greystone, exercisable at five years after completion of the deal, that will enable Applegreen to increase its stake in the business to 60%.

The business generated USD 14.5m in EBITDA for the fiscal year ended 30 June 2018.

Advising the consortium on the deal was KPMG (financial, tax), Hogan Lovells (legal), Insurance (Marsh), Stantec (Traffic), PWC (Model Audit) and Ecology and Environment (Environmental). Separately, IST3 was supported by Baker McKenzie.

KeyBanc served as debt advisor on the deal and the lender's legal counsel was Mayer Brown.

Equitix and Dalmore hired Macquarie Capital to sell the business.

The acquisition is subject to approval from the Connecticut Department of Transportation and is expected to close in 3Q19.

Deal Profile

Connecticut Service Plazas Sale (2018)

 USA | Transport | Transport Other | PPP | Brownfield

Seller Financial Advisor

Macquarie

Investor Profile

IST3 Infrastruktur Global FUND

 SWITZERLAND | Unlisted | Open-ended | Equity fund

TD Greystone Asset Management (formerly Greystone) GP

 CANADA | Unlisted

Advisor Profile

Baker McKenzie

 USA | Legal | Deal count: 209

KPMG

 NETHERLANDS | Financial | Deal count: 698

Macquarie

 AUSTRALIA | Financial | Deal count: 422

Hogan Lovells

 UNITED KINGDOM | Legal | Deal count: 274

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