

03 October 2018

INFRACAPITAL ACQUIRES CONTROLLING STAKE OF INDEPENDENT UK UTILITY BUSINESS ENERGETICS

Infracapital, the infrastructure equity investment arm of M&G Prudential, has agreed to acquire a controlling equity stake in Energetics, one of the UK's largest Independent Network Owners, from Macquarie Principal Finance, part of Macquarie's Corporate and Asset Finance division ("Macquarie") and other individual shareholders including management. Senior management will retain a stake in the business.

Energetics designs, owns and operates 'last mile' electricity and gas connections across the UK. Since 2006 the business has built a significant existing network of 225k installed connections servicing residential and commercial customers. The investment is expected to deliver stable inflation-linked cashflows over the long term, benefiting from a well-established regime and long-life assets.

Energetics is led by a strong management team, supported by a highly skilled workforce, possessing deep experience in the sector, plus a demonstrable strong track record in delivering stable performance and sustainable growth.

Energetics is the second investment made by Infracapital Partners III ("Fund III") following the Fund's Final Close in June 2018. Fund III's strategy is to deliver essential infrastructure to meet the changing needs of society and support long-term economic growth across Europe.

Martin Lennon, Head of Infracapital, said:

"We are delighted to announce Fund III's latest investment, a bedrock investment for the portfolio with the potential to deliver both yield and attractive capital returns. Energetics represents a rare opportunity to invest in a sizeable essential multi-utility business in the UK, underpinned by a supportive regime and favourable market dynamics. We look forward to working with the management team and staff to help them realise their significant ambitions for the business."

Mathieu Lief, Transaction Director, said:

"Notwithstanding Energetics' significant established network, the business presents an ideal platform for future growth, having developed proven design & build capabilities, and is well placed to capitalise on the sizeable opportunity available within a growing UK housing market. Evidencing this, the business already has visibility over a substantial set of near term opportunities."

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About Infracapital

Infracapital invests in, builds and manages a diverse range of essential infrastructure to meet the changing needs of society and support long-term economic growth. We take an active role in all of our investments, whether nascent or large, to fulfil their potential and ensure they are adaptable and resilient. Our approach creates value for our investors, as we target investments with the scope for stable and sustainable growth. Our portfolio companies work closely with the communities where they are based, to the benefit of all stakeholders. Infracapital is well positioned to deliver the significant investment required to help build the future. The founder-led team of experienced specialists has worked with more than 45 companies around Europe and has raised and managed over £5 billion across five funds.

Infracapital is part of M&G Prudential, the European savings and investments business of Prudential plc, the global financial services group. M&G Prudential manages the long-term savings of more than 7 million people and is a major investor in the UK and in the global economy. Total assets under management are £342 billion (as at 30 June 2018).

www.infracapital.co.uk