IJGlobal League Tables – Q1 2021

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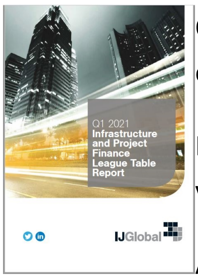
After an unprecedented year marked by the unforeseen unravelling of the Covid-19 pandemic, global infrastructure finance is off to a slow start in 2021.



Quarterly data for the last year outlines the ups and downs in global infra finance, following closely the curves of temporary lighter measures and the enactment of supportive policies and regulations.

Insecurity over the near- and longer-term effects of the pandemic translated to lower results in deal value and volume in Q1 2021 (though data is subject to change as more comes available).

As dictated by the on-and-off tightening and release of restrictions, in Q1 global deal value dropped in half to nearly $197 billion, compared to the previous quarter ($404.9 billion).

Global deal count for the first trimester dropped to its lowest levels since the start of 2020 and the pandemic.

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Global infra activity has been moving forward mainly thanks to M&A deals and bonds, as companies turned to capital markets and portfolio disposals and consolidations – a trend that ran throughout the entirety of 2020. European infra funds were particularly active in the M&A field.

In the inaugural quarter of the year a number of high-value deals reached financial close, as market participants reported having to solve diverse issues, such as delays and complicated coordination of multinational transactions due to the ongoing pandemic.

A diverse top 5 was thus formed, comprising:

- massive bond refinancing of ADNOC Gas Pipelines completed by a consortium of fund managers, sovereign and pension funds ($4 billion, UAE)
- funding of Telefonica’s rural fibre network majority-financed by a European banking consortium ($3.1 billion, Germany)
- Courseulles-Sur-Mer Offshore Wind Farm with a 450MW capacity in which the EIB joined French and Japanese lenders ($2.1 billion, France)
- TEPCO/Chubu Electric/ENEOS Corp sponsored 3GW Ichihara City Goi gas-fired plant ($2.1 billion, Japan)
- Global Infrastructure Partners’ acquisition of a minority stake in Shell's mixed-use infrastructure at the Curtis LNG facility in ($1.9 billion, Australia)

IJGlobal data shows that renewable energy has the highest overall transaction value among all sectors, riding on a successful wave that started in 2020. Favourable regulatory regimes and investor appetite for offshore wind were among the factors allowing for the completion of a number of high-value deals across all regions.

This trend goes hand-in-hand with the expansion of ESG-linked and green financing in all types of financing, with Italian power-sector giant Enel scoring a $11.59 billion sustainability-linked loan from a large banking consortium.