

IJGlobal Awards 2019 – The Arup Interview

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Arup has been voted the *IJGlobal Technical Adviser of the Year* for Europe and Africa as well as winning for North and South America, recognising the role it played on transactions that closed in the 2019 calendar year – and repeating its success from 2018.

Votes were cast early this year by *IJGlobal's* independent judging teams in London and New York – all established experts in the fields of energy and infrastructure – making them the most stringently peer-reviewed awards to be presented in this space.

Comments from judges included a particularly glowing one: “You know when you bring Arup to the table that you’re working with true professionals and that they leverage knowledge and experience that goes far beyond technical and due diligence.”

Others noted that Arup brings a “wide discipline of available resources covering financial, technical and economics” and that in 2019 its “roles included advising lenders and equity across regulated and non-regulated sectors”.

The compliments kept coming with one singling it out for praise based on Arup’s exposure to “private and public sector work” while another lauded it for a “good breadth of projects”.

Arup advised on a slew of transactions across the globe over the course of 2019, integrating technical asset knowledge with financial and commercial acumen delivered by specialist deal teams – not just engineers, but experienced corporate finance specialists and economists.

Primary among these deals in Europe, Arup acted for 3i on the €210 million [lonisos acquisition](#) that saw the fund buy the cold sterilisation provider. The firm also worked on [Belgrade Waste-to-Energy PPP](#), advising the lending team on Serbia’s landmark €400 million deal; and [Electricity North West](#), acting for the vendors – JP Morgan and First State Investments.

Meanwhile, in the Americas Arup advised Upper Bay Infrastructure Partners and co-investors – with Blackrock, Ullico, Silverfern and another US pension fund – on the acquisition of [Tidewater Transportation & Terminals](#). It also acted for IFM Investors on its \$10.3 billion take-private of [Buckeye Partners](#), owner and operator of more than 6,000 miles of midstream energy pipelines across the US.

Also in the Americas, Arup advised CPPIB and OTTP on the acquisition of a 40% stake in Mexican infrastructure [concession company IDEAL](#); while also being commissioned by Abertis and GIC as technical and ESG adviser on the acquisition of [Red de Carreteras del Occidente](#), a major highway operator in Mexico.

Filippo Gaddo (pictured), London-based head of business & investor advisory at Arup, believes the deals Arup worked on in 2019 puts the firm in a good position to tackle the evolving infrastructure and energy market, which is in need of a large capital investment program to deal with the shift to net zero emissions, particularly in the power sector.

He says: “One area we are going to see an uptick in activity is power distribution deals along the lines of Electricity North West in the UK. As we move towards electric vehicles and greater reliance on electricity for heat, pressure on the power grids will drive investment.

“These networks will need to be reinforced, but even more importantly – they will need to change the way they operate. There will be a shift from asset heavy distribution network operators to opex focused distribution system operators, and they will need to adopt more digital technologies and solutions.

“All these networks require a great deal of investment, which will involve refinancing and fresh capital deployment. Electricity North West was a first in the UK with many more to follow, a trend that will be mirrored across Europe and beyond.”

Filippo believes Arup is well positioned to support these changes, not just having gained first-mover advantage with the UK deal, but also



because it speaks to the firm's strategy to provide a more integrated advisory service that was championed by Craig Forrest, now Canadian country lead for the firm.

"From an advisory point of view, our USP is that Arup is not just a technical adviser, we integrate this skill with commercial and regulatory expertise," says Filippo. "It is not enough these days just to be involved in assessing deals from a technical point of view – and advisors can't focus only on transaction.

"It is now more about understanding how the technical aspects meet commercial drivers. It is a combination of understanding the macroeconomic environment, the regulatory regime, the business models and incentives – combined with the technical aspects."

As to the future, Filippo is gearing up for increased activity in the sustainability and climate change agenda: "We are increasingly involved with our clients on advising them on their sustainability plans and programs, with some of them being asked to report on their methods.

"We are now offering our services for sustainability due diligence and assessing portfolios of assets to see how they contribute to this agenda. Twelve months ago, this was slow... but it is picking up pace now."

Given Arup's strategy over the years to take a broader role across infrastructure and energy advisory, bringing in economic and financial to support technical, it is likely that the firm will continue to gain favour among *IJGlobal* judging panels and – coronavirus aside – 2020 is already shaping up to be a busy year for the firm.

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