

| 2018 |

# ACTIVITY OF INFRASTRUCTURE FUNDS

MANAGED IN FRANCE

**2<sup>nd</sup> edition**

12 March 2019



# Contents

---

## KEY FIGURES

P.3

---

## EQUITY ACTIVITY IN 2018

P.13

---

## REPRESENTATION RATE

P.5

---

## DEBT ACTIVITY IN 2018

P.23

---

## PLAYERS OVERVIEW

P.6

---

## DEFINITIONS AND METHODOLOGY OVERVIEW

P.34

---



**2018**

# INFRASTRUCTURE FUNDS: FRENCH PLAYERS CONFIRM THEIR ATTRACTIVENESS

## CAPITAL MANAGED

**€57bn**

capital under  
management at end-  
2018, o/w

- €38bn in equity
- €19bn in debt.

## CAPITAL RAISED

**€14.6bn**

capital raised in 2018,  
o/w,

- €2.1bn in equity
- €2.5bn in debt,

which will be used to  
back infrastructure  
development..

## INVESTMENTS

**€6.5bn**

invested in 2018  
o/w,

- €3.9bn in equity
- €2.6bn in debt

in more than

**170 transactions.**



## Late 2018, a €57 billion stock of capital under management

- ✓ Two-thirds of the amounts managed correspond to equity investment and one-third to debt financing.
- ✓ €34 billion has already been deployed: 61% in equity in 446 companies, 39% in debt in 272 assets.
- ✓ The sector therefore has €23 billion in "dry powder" that will be invested in the coming years.

## In 2018, fundraising amounted to €14.6 billion, 2.1x compared to 2017

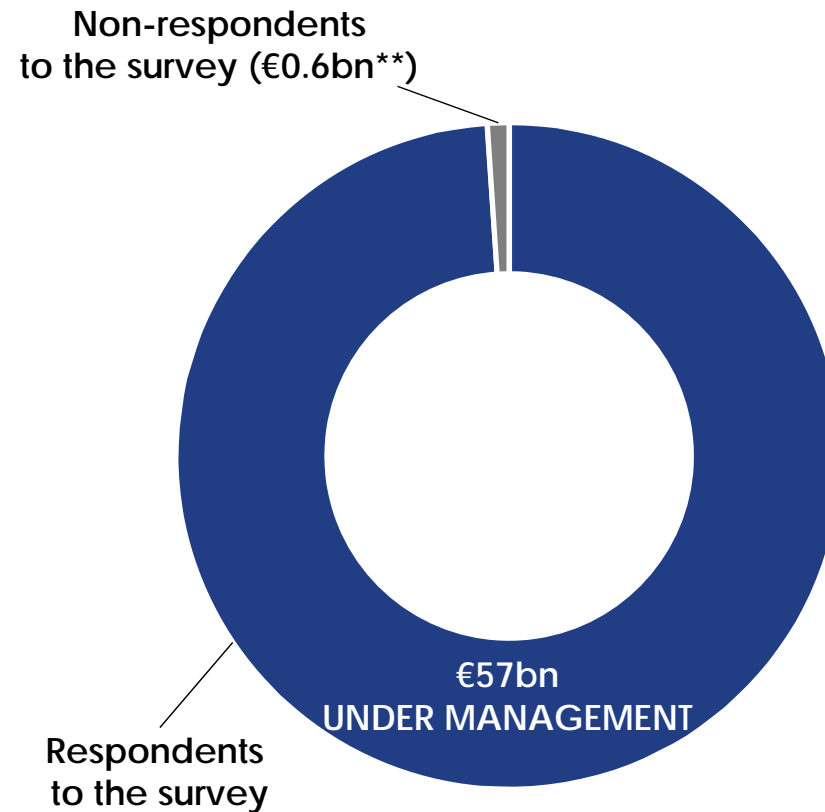
- ✓ €12.1 billion will be invested in equity, and €2.5 billion will be used for debt financing.
- ✓ Insurance companies/mutual insurance companies and pension funds/pension schemes are the main subscribers.
- ✓ 63% of the capital came from foreign investors (2.6x compared to 2017).

## In 2018, €6.5 billion was invested in 172 transactions

- ✓ €3.9 billion was invested in equity in 111 companies, and €2.6 billion in debt financed 61 assets.
- ✓ Predominance of the energy and transport sectors, in equity as in debt.
- ✓ Europe is the main destination for the investments and financing carried out.



22 respondents out of 25 members surveyed, a **88% participation rate**  
The 22 respondents accounted for **99% of the amounts managed\***  
by all the players.



\* Total commitment amounts.

\*\* Amounts estimated based on public information





# PLAYERS OVERVIEW



## Capital under management\* and outstanding amount\*\* at end-2018

- ✓ **€57 billion** in capital under management in infrastructure funds managed in France
  - o/w **€38 billion** in **equity** activity (**equity and quasi-equity\*\***)
  - o/w **€19 billion** in **debt** activity
- ✓ **Outstanding amount and dry powder** in **equity** activity (**equity and quasi-equity\*\***)
  - **€21 billion** in outstanding amount invested
  - **€17 billion** in dry powder
- ✓ **Outstanding amount and dry powder** in **debt** activity
  - **€13 billion** in outstanding amount invested
  - **€6 billion** in dry powder

## Asset portfolio at end-2018

- ✓ Infrastructure funds managed in France represent
  - **446 companies with equity investments** (o/w 57% in France)
  - **272 debt-financed assets** (o/w 29% in France)

## ESG in infrastructure funds

- ✓ 21 asset firm have signed the Principles for Responsible Investment (PRI)
- ✓ 6 asset firm have signed the IC20 (Climate Initiative 2020)

\* Total commitment amounts.

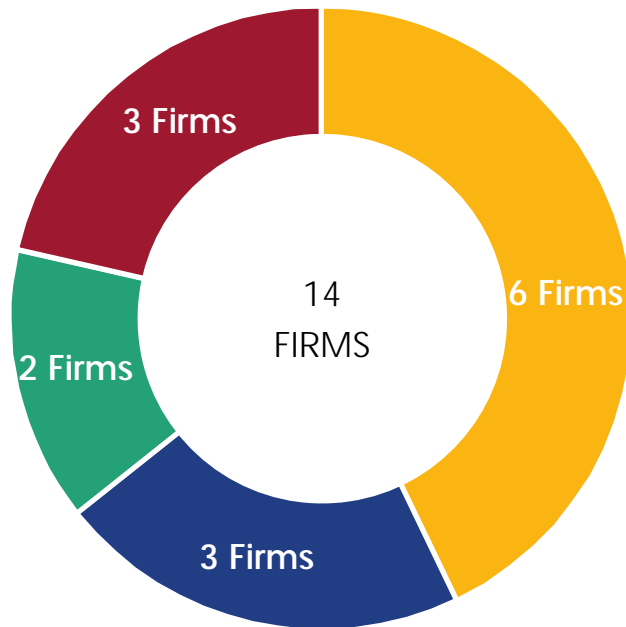
\*\* Total amounts invested.

\*\*\* Quasi equity also includes mezzanine/junior debt

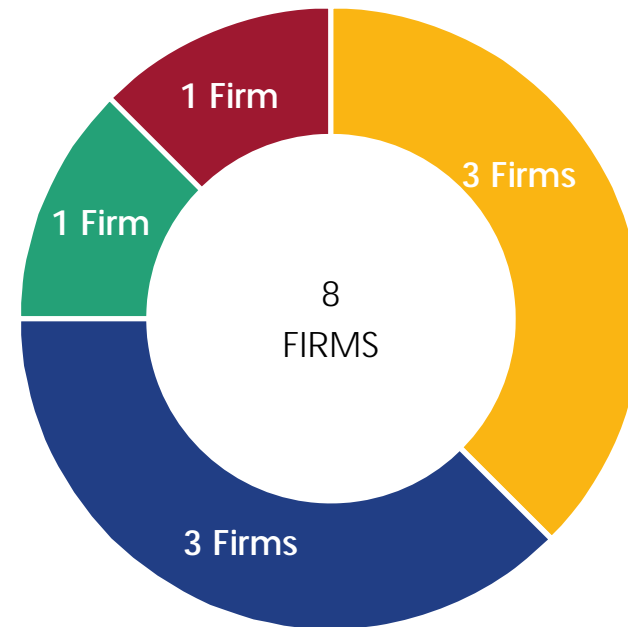


60% of the players manage more than one billion euros.

NUMBER OF FIRMS  
IN EQUITY\*\*



NUMBER OF FIRMS  
IN DEBT\*\*



■ Amounts under management less than €1 billion 
 ■ Between €1bn and €3bn 
 ■ Between €3bn and €5bn 
 ■ More than €5bn

\* Total commitment amounts.

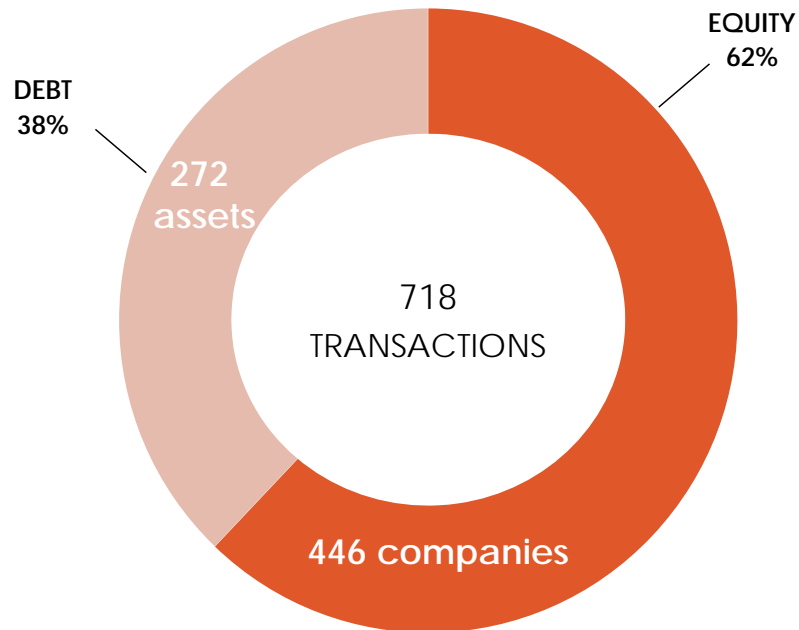
\*\* Firms are classified according to their main activity.



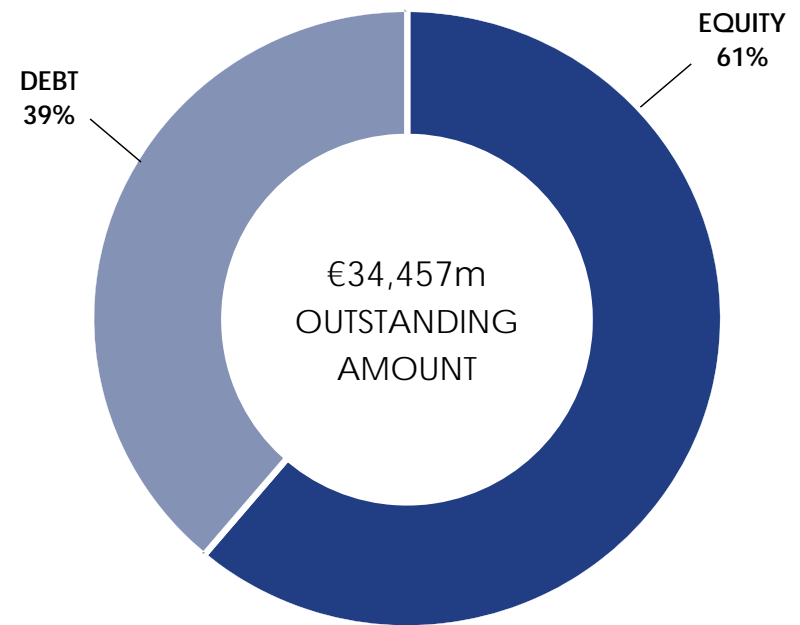


Nearly two-thirds of infrastructure transactions were equity based.

### BREAKDOWN OF PORTFOLIO INVESTMENTS



### BREAKDOWN OF OUTSTANDING AMOUNT INVESTED

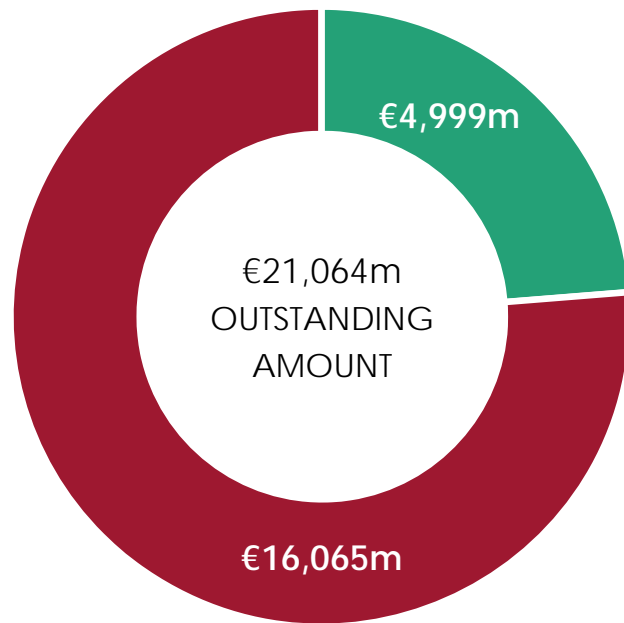


Source: AFG/France Invest infrastructure survey

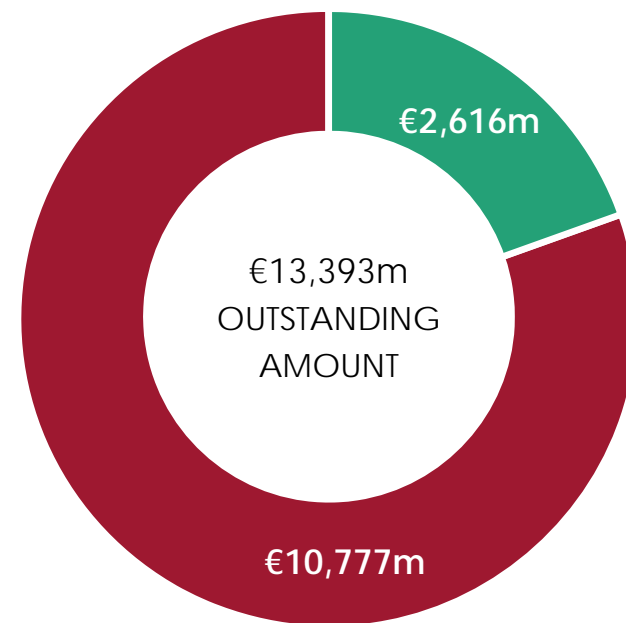


A large majority of brownfield for all players.

### BREAKDOWN OF OUTSTANDING AMOUNT INVESTED IN EQUITY



### BREAKDOWN OF OUTSTANDING AMOUNT INVESTED IN DEBT



■ Brownfield      ■ Greenfield

Source: AFG/France Invest infrastructure survey



**Transport and energy sectors predominance, in equity and in debt.**

	OUTSTANDING AMOUNT <i>IN EQUITY</i>		OUTSTANDING AMOUNT <i>IN DEBT</i>	
<b>TOTAL INFRASTRUCTURE</b>	<b>€21,064M</b>		<b>€13,393M</b>	
TRANSPORT	€8,678M		€5,231M	
CONVENTIONAL ENERGY	€3,821M		€3,178M	
RENEWABLE ENERGY	€3,443M		€2,841M	
SOCIAL INFRASTRUCTURE	€2,839M		€508M	
TELECOMMUNICATION	€2,030M		€953M	
ENVIRONMENT	€188M		€493M	
OTHER	€65M		€189M	

Source: AFG/France Invest infrastructure survey



**A market focused on Europe.**

	OUTSTANDING AMOUNT <i>IN EQUITY</i>		OUTSTANDING AMOUNT <i>IN DEBT</i>	
<b>TOTAL INFRASTRUCTURE</b>	<b>€21,064M</b>		<b>€13,393M</b>	
EUROPE (EXCL. FRANCE)	€12,318M		€9,058M	
FRANCE	€5,341M		€3,575M	
AMERICAS	€3,049M		€760M	
AFRICA	€357M		€0M	
ASIA / MIDDLE EAST / OCEANIA	€0M		€0M	

Source: AFG/France Invest infrastructure survey



# EQUITY ACTIVITY



## EQUITY FUNDRAISING IN 2018

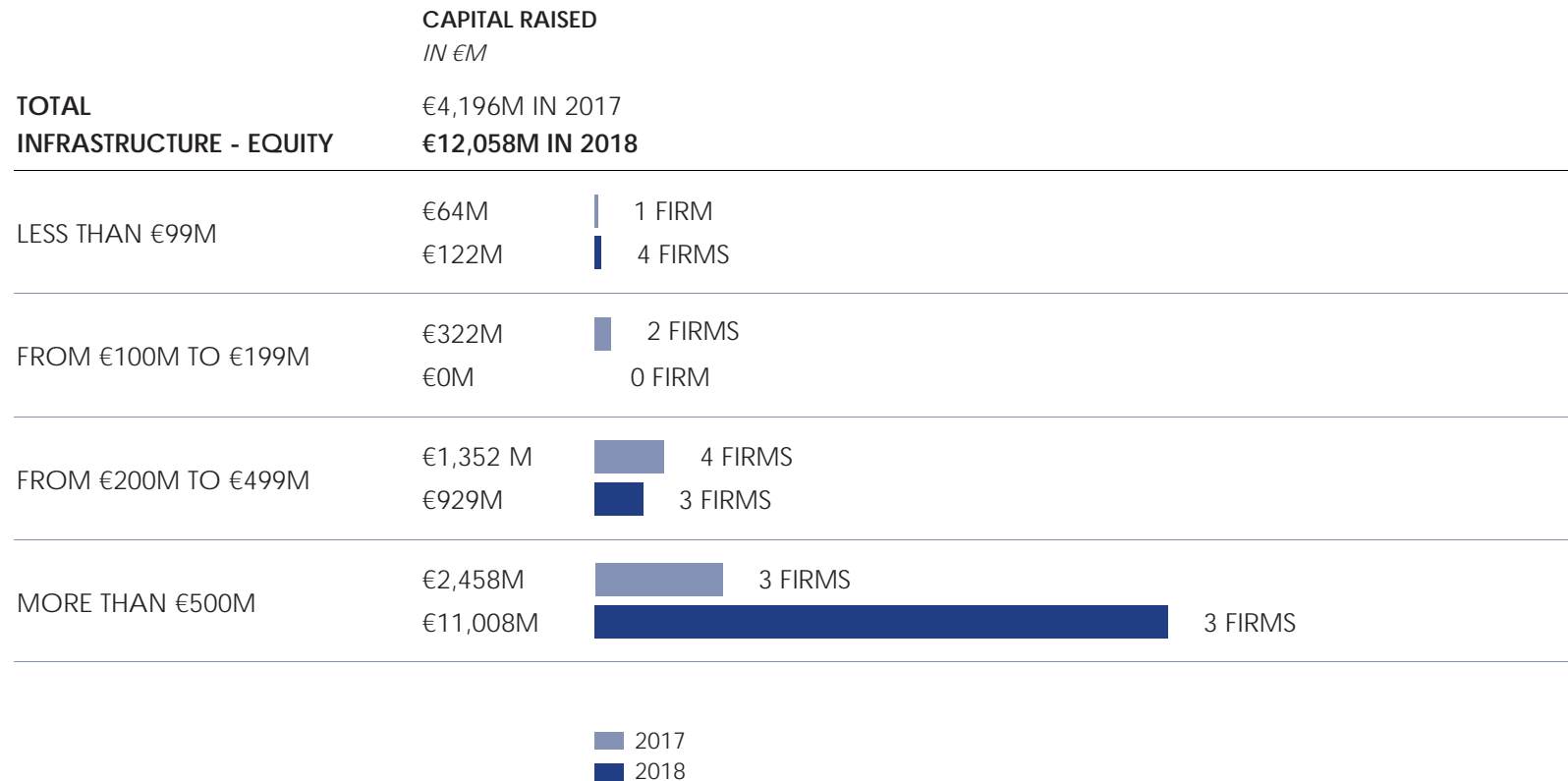
**€12.1** bn in capital raised in 2018 (almost three times more than in 2017)

Strong presence among insurers and pension funds

Nearly 70% of capital raised from foreign investors



The asset firms that raised more than €500 million accounted for more than 90% of the capital raised.



Source: AFG/France Invest infrastructure survey



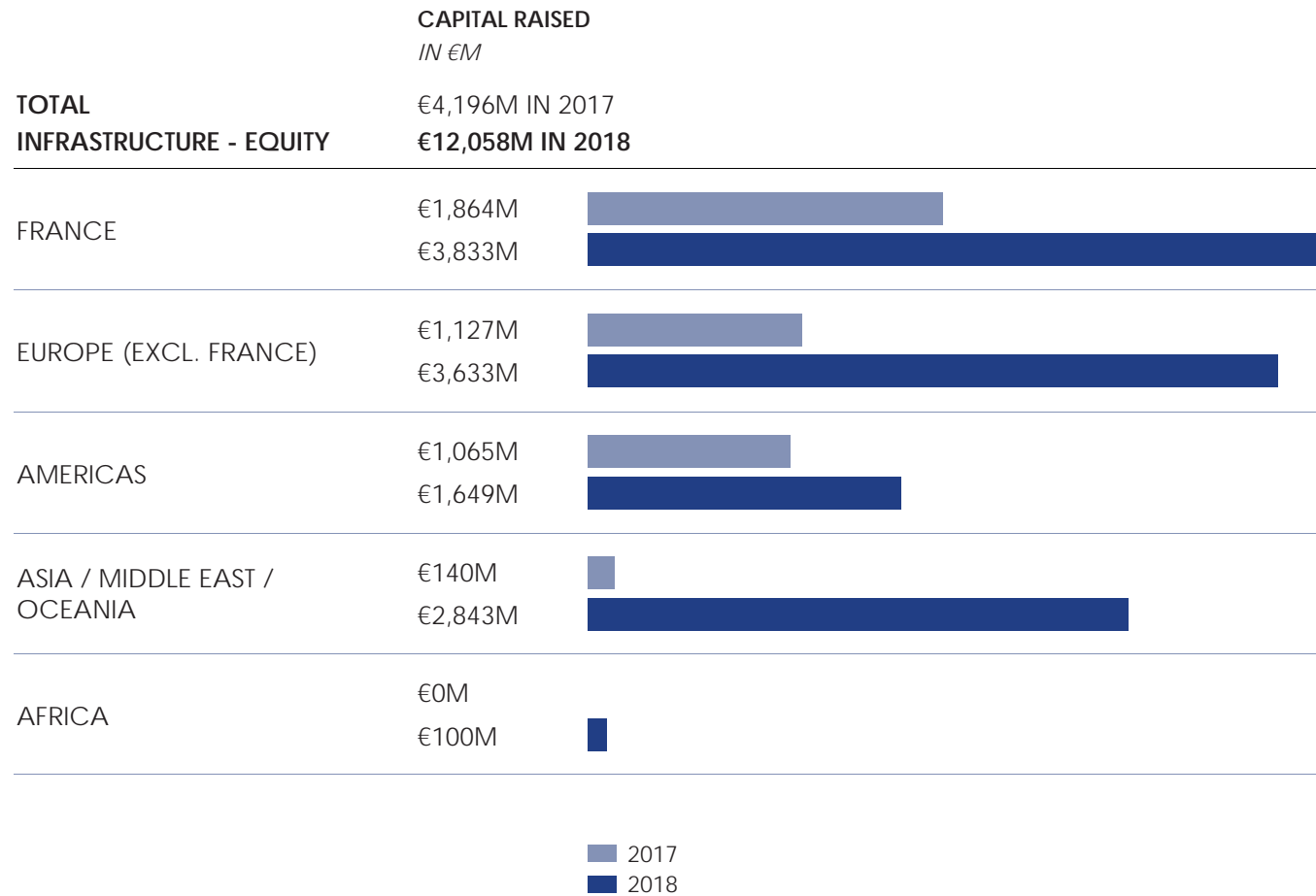
**Insurance companies (46%) and pension funds (31%) predominant in capital raised in 2018.**

	CAPITAL RAISED IN €M		RECAP 2017 IN €M
<b>TOTAL INFRASTRUCTURE - EQUITY</b>	<b>€12,058M</b>	■ FRANCE ■ ABROAD	€4,196m (+187%)
INSURANCE COMPANIES / MUTUAL INSURANCE	€5,533M		€1,730m (+220%)
PENSION FUNDS / PENSION SCHEMES	€3,785M		€1,727m (+119%)
BANKS	€845M		€268m (+215%)
PUBLIC SECTOR / SOVEREIGN FUNDS	€667M		€100m (+567%)
FUNDS OF FUNDS	€653M		€182m (+259%)
INDIVIDUALS / FAMILY OFFICE	€505M		€39m (+1,204%)
INDUSTRIAL COMPANIES	€54M		€118m (-54%)
ENDOWMENT FUNDS	€15M		€32m (-52%)

Source: AFG/France Invest infrastructure survey



68% of the capital was raised from foreign investors and 32% from French investors.



Source: AFG/France Invest infrastructure survey

## EQUITY INVESTMENTS IN 2018

€3.9bn invested in 111 companies

Predominance of investments in renewable energies and transport (*65% of amounts invested*)

Over 90% of activity carried out in France and Europe (*70% in 2017*)





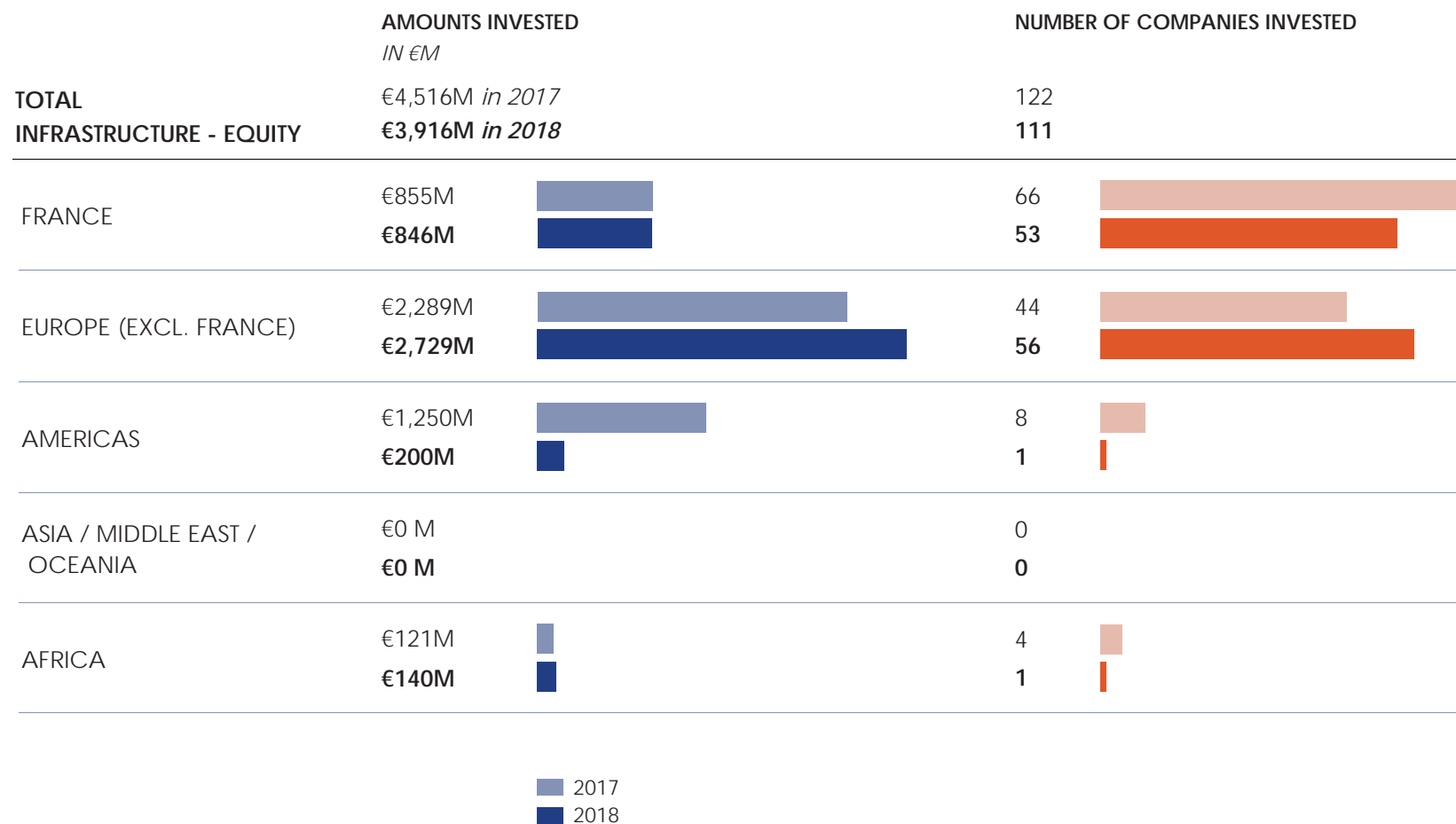
The main sectors that received investments were the renewable energy (37% of amounts invested) and transport sectors (28% of amounts invested).

	AMOUNTS INVESTED IN €M		NUMBER OF COMPANIES INVESTED	
	2017	2018		
<b>TOTAL</b>	€4,516M		122	
<b>INFRASTRUCTURE - EQUITY</b>	€3,916M		<b>111</b>	
RENEWABLE ENERGY	€423M	€1,447M	42	63
TRANSPORT	€2,300M	€1,101M	25	16
SOCIAL INFRASTRUCTURE	€687M	€487M	21	12
OTHER	€46M	€387M	7	5
TELECOMMUNICATION	€135M	€229M	10	4
CONVENTIONAL ENERGY	€710M	€158M	5	5
ENVIRONMENT	€216M	€106M	12	6

Source: AFG/France Invest infrastructure survey



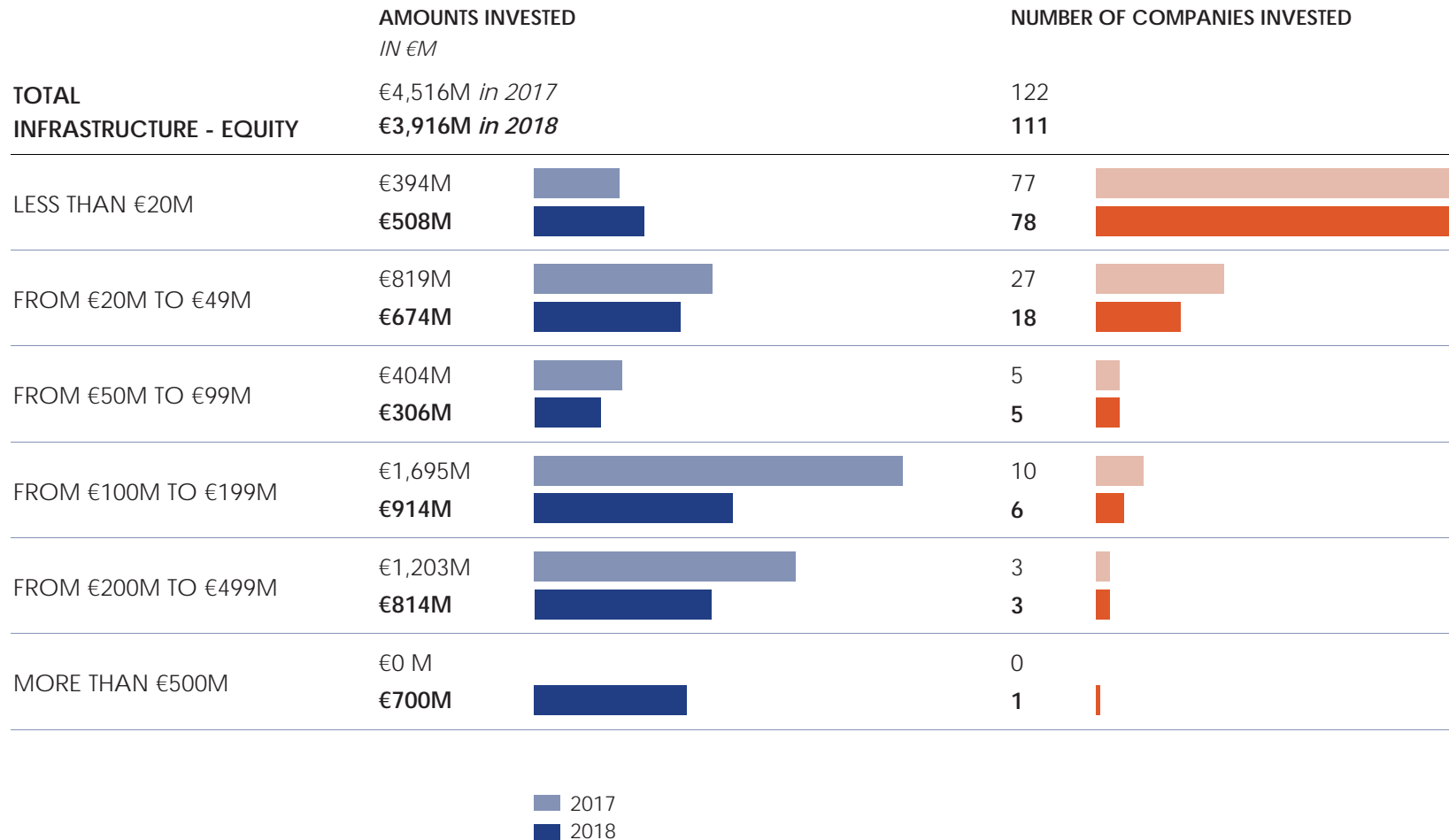
**Activity in France and Europe grew by 14% in 2018 compared to 2017.**



Source: AFG/France Invest infrastructure survey



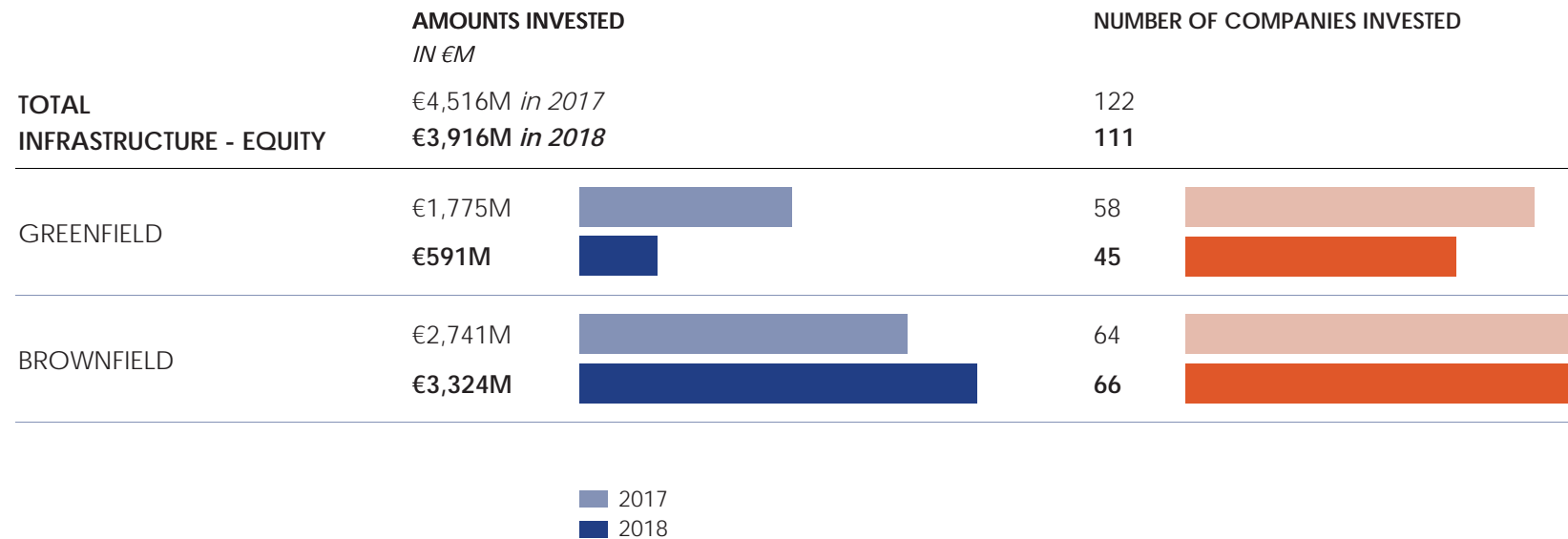
**70% of the investments in terms of number received €508m (investments of less than €20m), and 30% of the investments in terms of number received €3.4bn (investments of more than €20m).**



Source: AFG/France Invest infrastructure survey



**Growth in amounts invested in Brownfield (+21% compared to 2017).**



Source: AFG/France Invest infrastructure survey



# DEBT ACTIVITY



## DEBT FUNDRAISING IN 2018

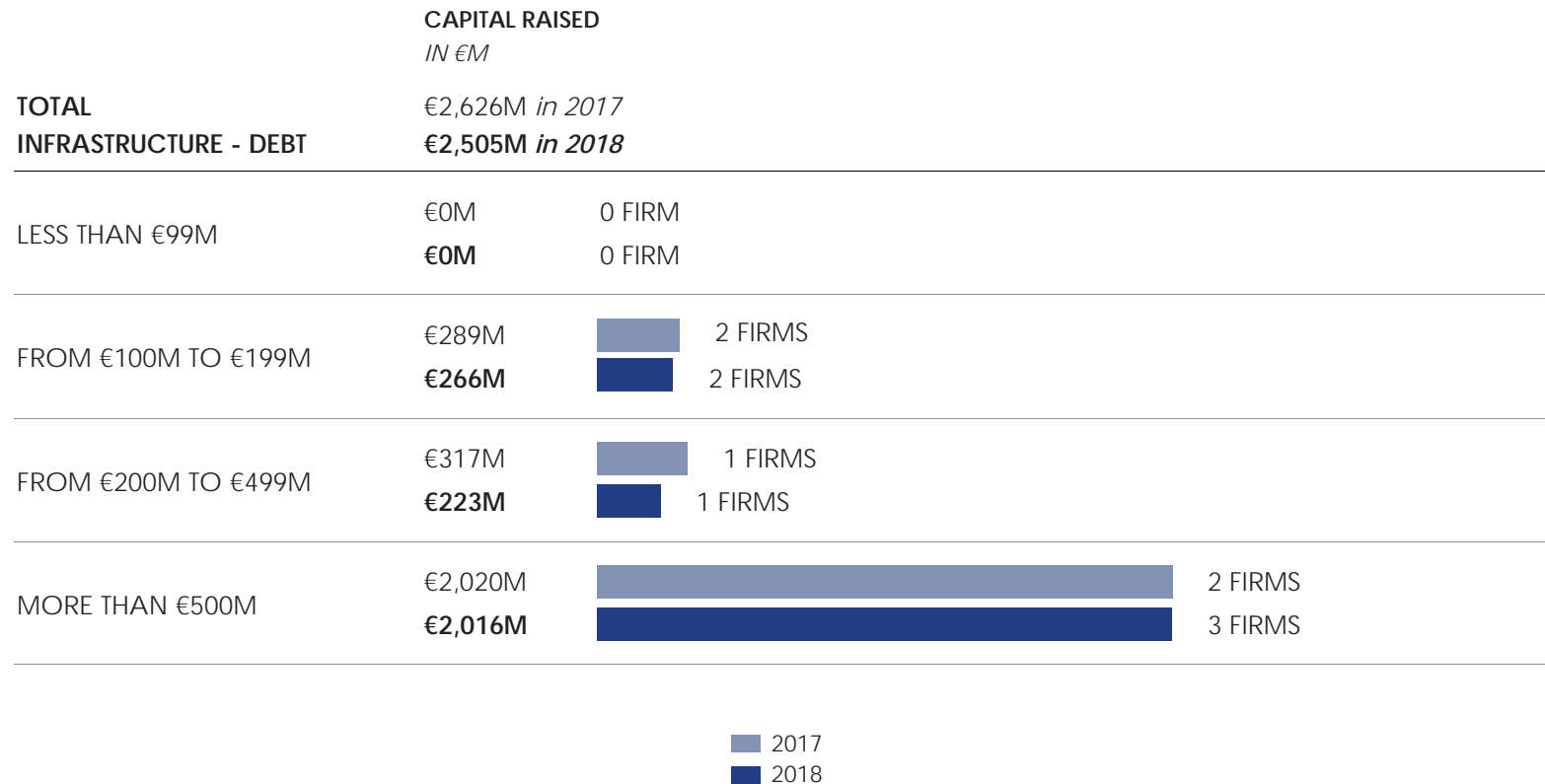
€2.5bn in capital raised in 2018

Insurance companies were the main subscribers (*89% of capital raised*)

Strong increase in funds raised from European investors (*2.2x compared to 2017*)



Inflows were concentrated in asset firm that raised more than €500m.



Source: AFG/France Invest infrastructure survey



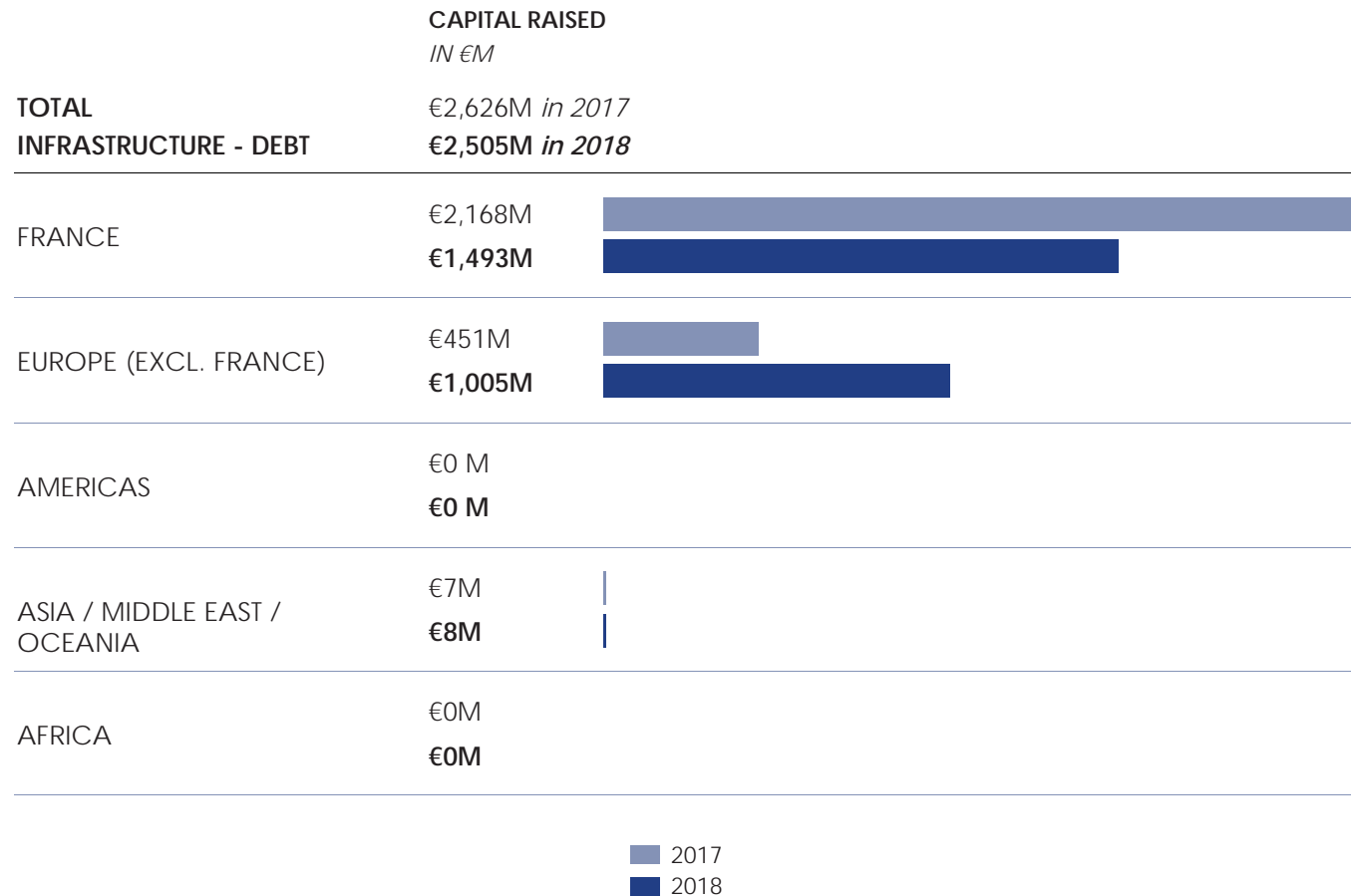
Debt funds raised almost all their capital from insurance companies (89% of subscriptions).

	CAPITAL RAISED IN €M		RECAP 2017 IN €M
<b>TOTAL INFRASTRUCTURE - DEBT</b>	<b>€2,505M</b>	■ FRANCE ■ ABROAD	€2,626m (-5%)
INSURANCE COMPANIES MUTUAL INSURANCE COS	€2,229M		€2,414m (-8%)
PUBLIC SECTOR / SOVEREIGN FUNDS	€150M		€100m (+50%)
INDUSTRIAL COMPANIES	€57M		€0m (+0%)
FUNDS OF FUNDS	€55M		€m (+5,400%)
PENSION FUNDS / PENSION SCHEMES	€8M		€110m (-93%)
ENDOWMENT FUNDS	€4M		€0m (+0%)
INDIVIDUALS / FAMILY OFFICE	€2M		€m (+100%)
BANKS	€0M		€0m (+0%)

Source: AFG/France Invest infrastructure survey



**A strong increase in funds raised from European investors (2.2x compared to 2017)**



Source: AFG/France Invest infrastructure survey

## DEBT FINANCING IN 2018

€2.6bn financed 61 assets

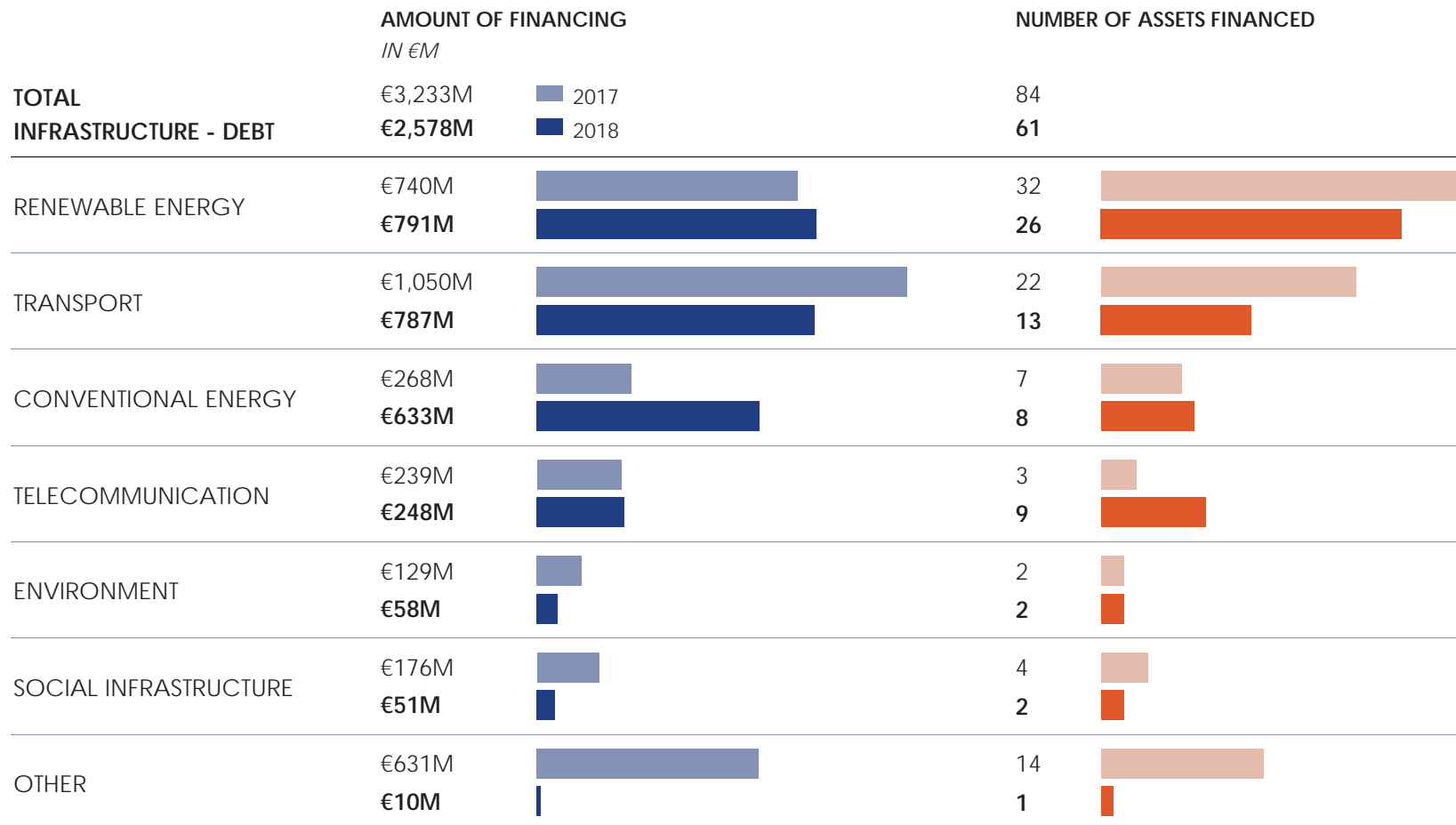
Predominance of financing in the renewable energy and transport sectors (*62% in terms of amounts*)

Financing activity focused on Europe





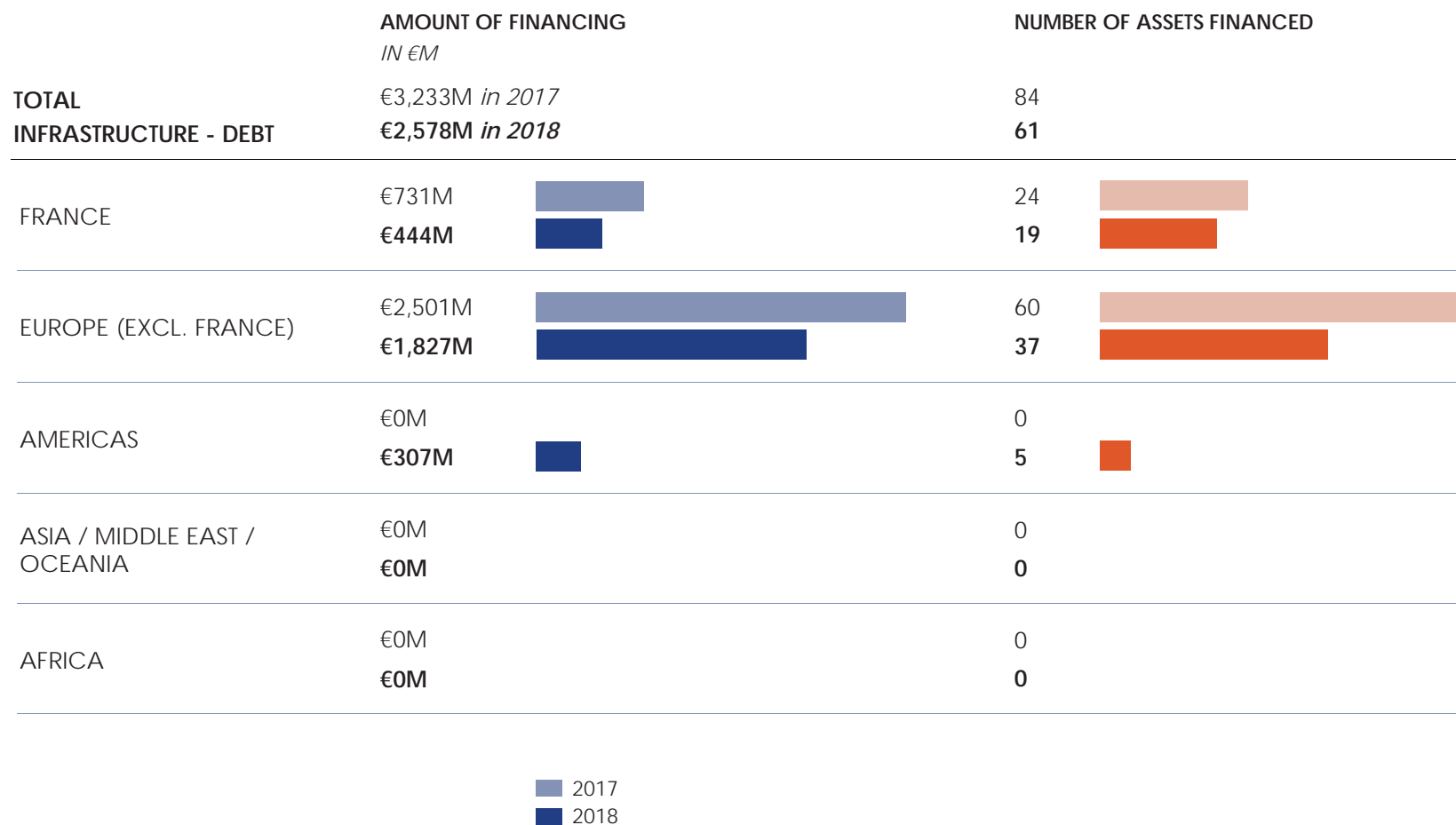
**Predominance of renewable energies (31% of amounts invested) and transport (31% of amounts invested) in debt financing.**



Source: AFG/France Invest infrastructure survey



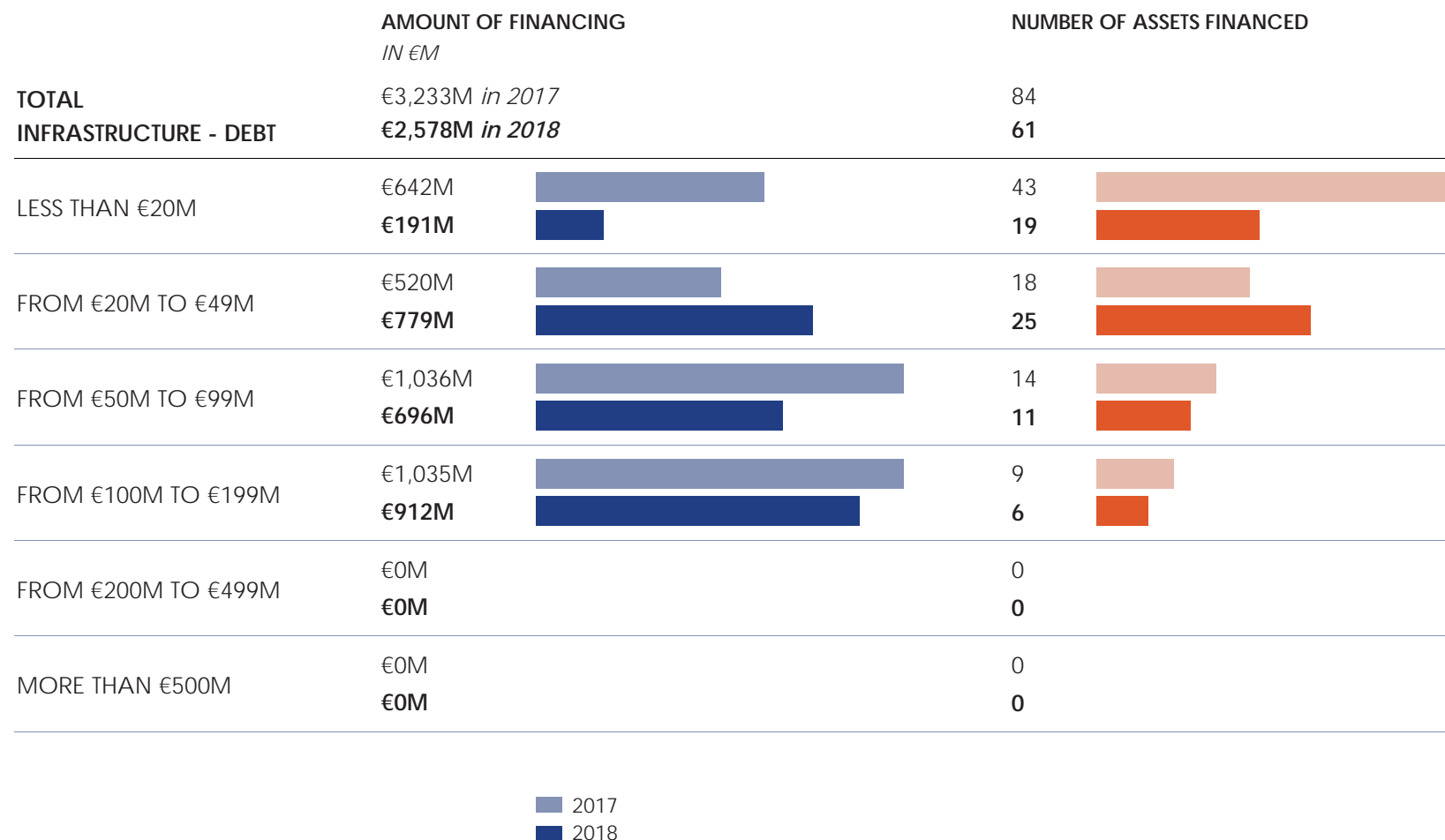
**Players mainly focused on Europe.**



Source: AFG/France Invest infrastructure survey



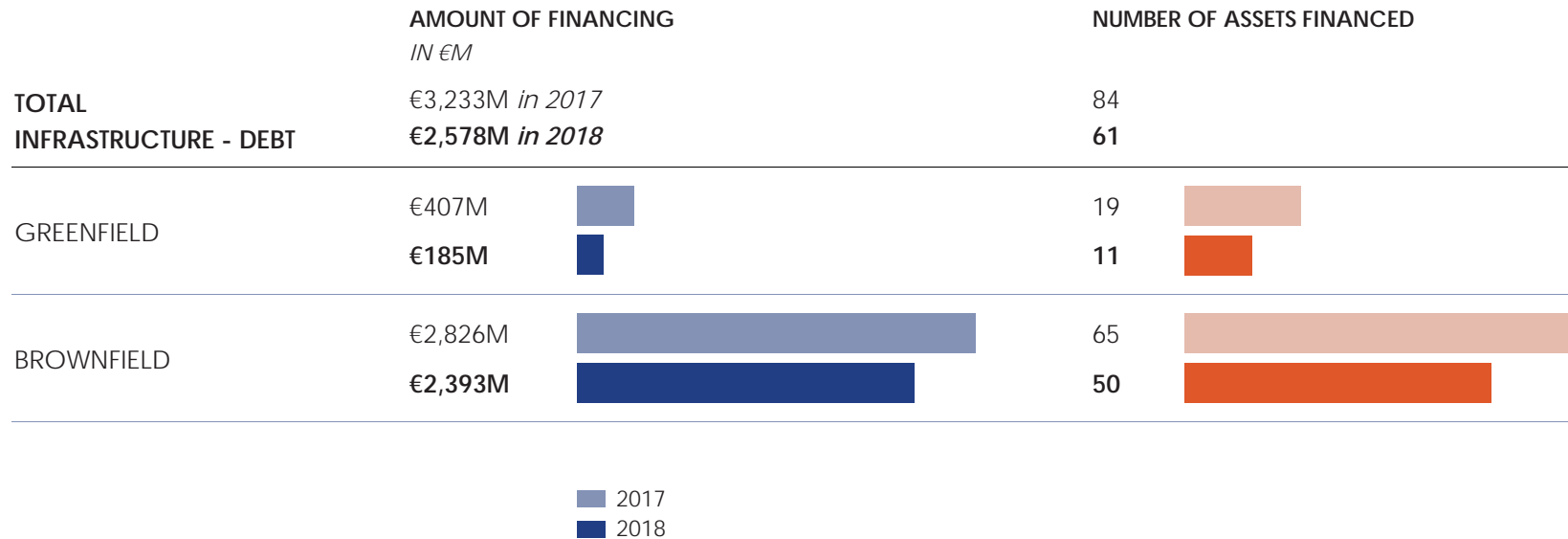
**Increase in transactions with a ticket of between €20m and €49m (*in number and amounts*).**



Source: AFG/France Invest infrastructure survey



**A vast majority of debt transactions were for brownfield projects in 2018 (93% of amounts invested).**



Source: AFG/France Invest infrastructure survey



## FIRMS INVOLVED IN EQUITY

ACCESS CAPITAL PARTNERS	INFRAVIA CAPITAL PARTNERS
ACOFI GESTION	MERIDIAM
AMUNDI TRANSITION ENERGETIQUE	MIROVA
ANTIN INFRASTRUCTURES PARTNERS	OMNES CAPITAL
ARDIAN FRANCE	QUAERO CAPITAL
ATLANTE GESTION	RGREEN INVEST
INFRALION CAPITAL MANAGEMENT	SWEN CAPITAL PARTNERS

## FIRMS INVOLVED IN DEBT

ALLIANZ GLOBAL INVESTORS France	RIVAGE INVESTMENT SAS
AXA REAL ESTATE INVESTMENT MANAGERS	SCHRODER AIDA
BNP PARIBAS ASSET MANAGEMENT	SCOR INVESTMENT PARTNERS SE
LA BANQUE POSTALE ASSET MANAGEMENT	ZENCAP



## Outstanding amount and amount under management

- ✓ The amount under management is defined as the sum of drawn commitments not yet distributed and undrawn commitments for all infrastructure funds.
- ✓ The outstanding amount is defined as total investments in the portfolios' assets.

## Type of project

- ✓ Greenfield: Financing of infrastructure under construction or in the pre-operational phase. In this type of investment, there are no revenues yet.
- ✓ Brownfield: Financing of already existing and operational infrastructure, for the purpose of renovation and development..

## Sectors

- ✓ Transport: Motorways, rail networks, public transport, airports, ports, etc.
- ✓ Telecommunication: Radio and television broadcasting towers, fibre optic, communications satellites, etc.
- ✓ Social infrastructure: Public buildings characterised by the fact that the revenues are paid by public authorities and not by the user (schools, hospitals, sports and cultural facilities, etc.).
- ✓ Conventional energy: Transport and distribution (and sometimes production) of electricity, gas and oil.
- ✓ Renewable energy: Production, distribution and transport of renewable energies, energy efficiency.
- ✓ Environment: Distribution and treatment of water and waste, recycling.





## Scope

The statistics concern the activity of infrastructure funds managed in France (whatever the geographic destination of their investments), including the activity of funds managed under delegation. They refer to activity in greenfield and brownfield projects, and include both equity and debt financing. The statistics exclude the share of co-investors in infrastructure financing.

## Processing principle

Fundraising is recorded at the closing date (initial, intermediate, or final), and investments taken into account on the actual cash outflow/inflow date during the year.

## About France Invest

With over 310 active members and almost 200 associate members, France Invest represents nearly all private equity firms in France. Its work to promote professional ethics and compliance and to develop best practices has made it one of the two associations in which membership is required for certification by the AMF, the French financial markets authority. France Invest is the only trade association that specialises in private equity.

France Invest's priorities include promoting the position and role of private equity, actively participating in its development by serving as a hub for the entire industry and establishing best practices, methods and tools for professional and responsible shareholder conduct.

For more information see the France Invest website at [www.franceinvest.eu](http://www.franceinvest.eu)

## About AFG

The French Asset Management Association (AFG) represents the French asset management industry. Our members include all market participants working for individual investors or collective investment schemes. Its members are portfolio management companies, entrepreneurial firms or subsidiaries of financial groups.

The profession, represented by around 630 companies, manages almost €4,000 billion, of which almost €2,350 billion in the form of financial management of collective funds. This management makes a significant contribution to the financing of the real economy, particularly by providing equity to French companies and by financing SMEs via private equity and small- and mid-cap funds. For more information: [www.afg.asso.fr](http://www.afg.asso.fr)

### Contacts France Invest :

France VASSAUX - Managing Director | [f.vassaux@franceinvest.eu](mailto:f.vassaux@franceinvest.eu)

Simon PONROY - Head of Economic and Statistical Studies | [s.ponroy@franceinvest.eu](mailto:s.ponroy@franceinvest.eu)

Lei ZHANG - Junior Economist / statistician | [l.zhang@franceinvest.eu](mailto:l.zhang@franceinvest.eu)

### Contacts AFG :

Dominique de PRENEUF - Managing Director | [d.depreneuf@afg.asso.fr](mailto:d.depreneuf@afg.asso.fr)

Thomas VALLI - Head of Economic Research | [t.valli@afg.asso.fr](mailto:t.valli@afg.asso.fr)

Cyril GRECO - Economist / statistician | [c.greco@afg.asso.fr](mailto:c.greco@afg.asso.fr)