

# Brookfield, AusNet tap advisers for \$9.6bn buyout



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By **BRIDGET CARTER**, DATAROOM EDITOR

9:59AM SEPTEMBER 20, 2021 •  NO COMMENTS

Canadian private equity firm Brookfield has tapped Barrenjoey Capital Partners for its \$9.6bn acquisition proposal for AusNet Services while Citi, Adara Partners and law firm Allens are working for Ausnet.

Brookfield has been granted exclusive due diligence to potentially buy the Victoria electricity transmission network owner for \$2.50 per share after it had earlier been trading at about \$1.98 per share, or \$7.6bn.

AusNet Services is 32.3 per cent owned by Singapore Power, 19.9 per cent owned by State Grid of China and around 48 per cent publicly owned.

The two major shareholders have not yet indicated their voting intention, but the expectation is that Brookfield has engaged with both before making its proposal.

Other groups have circled AusNet, but have not bid due to the dominant position held by State Grid and Singapore Power, say sources.

The offer comes after Brookfield bid \$2.35 per share for the business on August 30 and later \$2.45 per share, AusNet said in a statement.

The offer is a 26 per cent premium to AusNet's closing price on September 17 of \$1.98.

AusNet said the proposal is subject to due diligence, Foreign Investment Review Board approval and unanimous support and recommendation by the AusNet board.

The company said that the AusNet board considered it in the best interests of shareholders to engage further with Brookfield on the indicative proposal.

Should Brookfield make a \$2.50 per share offer, the board intends to recommend the proposal.

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The company has a regulated and contracted asset base worth over \$11bn and the draw card for the buyer is that the assets are 100 per cent owned.

The offer is 1.68 times the group's regulated asset base of more than \$11bn.

It comes after Kohlberg Kravis Roberts, Ontario Teachers Pension Plan and PSP recently agreed to buy Spark Infrastructure for \$5.2bn.

That deal equated to 1.51 times the company's RAB.

However, Spark only owned minority interests of electricity transmission and distribution assets in NSW, South Australia and Victoria, unlike AusNet.

The latest deal provides further evidence of the soaring demand by private equity and pension funds for low risk assets like infrastructure amid a low interest rate environment.

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Bridget Carter has worked as a writer and editor for The Australian's DataRoom column since it was launched in 2013, focusing on capital markets, mergers and acquisitions, private equity and investment banking... [Read more](#)

