

New partnership for ENW between KDM and Iberdrola

19th August 2024

Daiwa Energy & Infrastructure Co. Ltd. (“DEI”) has entered into certain agreements to sell a part of its investment in Electricity North West Limited (“ENW”) through KDM Power Limited (“KDM”), a Japanese consortium with Kansai Electric Power Co., Ltd. (“Kansai”) and Mitsubishi HC Capital Inc. Iberdrola S.A., (“Iberdrola”) will acquire 88% of ENW via share sale and cash capital increase, and KDM will retain 12% of ENW’s capital. DEI welcomes Iberdrola S.A. as new shareholder to collaborate with on a long-term basis, and is delighted to continue to contribute for achieving net zero in UK via ENW. Completion of the transaction is subject to regulatory approvals.

In 2019, DEI acquired ENW along with other KDM members and Equitix, a UK infrastructure fund, from First State Investments and J.P. Morgan Asset Management. In 2023, the shareholders, advised by Jefferies, began a strategic review of the business, including an analysis of the future capital requirements needed to deliver on the next stage of growth for achieving net zero.

Covering rural Cumbria through to urban Greater Manchester, the second largest urban area in the UK, ENW represents approximately 9.2% of Britain’s electricity distribution and consumer base. Regulated by Ofgem, under the Distribution Future Energy Scenarios as defined by National Grid, ENW will be one of the fastest growing DNOs by electricity demand by 2030, underpinning the need for network investment to facilitate the electrification of heat and transport in the UK.

Daiwa Securities Group will continue to work with stakeholders to create a prosperous future and enhance corporate value through financial and capital markets under the management vision “Vision 2030”.

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Daiwa Energy & Infrastructure Co. Ltd.

URL: <https://daiwa-ei.jp/en/>

(Reference) Daiwa Securities Group's Sustainability initiatives:

https://www.daiwa-grp.jp/english/sustainability/?cid=ad_eir_ensdgspress