

QUEENSPPOINT REFINANCES THE METRO LIGERO OESTE LIGHT RAIL CONCESSION IN MADRID

The refinancing of Metro Ligero Oeste S.A. (“MLO”), the concessionaire of the ML2 and ML3 light rail lines in Madrid, reached financial close on September 29 2022, becoming one of the largest refinancings for a transport concession project to complete in Spain in recent years.

The transaction involved raising around EUR 615m of debt from 19 banks and institutional investors to refinance existing loans provided by domestic banks over a decade ago to finance the construction of the project, as well as entering into interest rate swaps to hedge 100% of the floating rate debt raised.

The debt package comprised a bank loan tranche and an institutional tranche. The 8-year floating rate bank loan was provided by Spanish and other European and Asian banks. European and Asian institutionals subscribed to the 13-year fixed rate institutional tranche.

Morgan Stanley and BBVA acted as arrangers. Clifford Chance acted as MLO’s legal adviser, while Deloitte acted as MLO’s transaction coordinator. Lenders’ advisers included Allen & Overy (legal), Arup (technical), Willis (insurance) and PwC (financial model audit).



MLO holds the concession until September 2036 for designing, building, financing, operating and maintaining the ML2 and ML3 light rail lines (28 stations) of the Madrid subway system, which connect Madrid’s city centre with the Pozuelo de Alarcón, Aravaca and Boadilla del Monte suburbs to the north-west. The grantor is the Madrid regional government (*Comunidad Autónoma de Madrid*).

MLO’s shareholders are Queenspoint, an investment vehicle owned by Allianz and Danish pension fund Arbejdsmarkedets Tillaegspension (ATP), with 20.0%; Aleatica (fully owned by IFM), with 23.3%; and investment vehicles managed by Abrdn, with a total 56.7%.

Queenspoint also holds 36.5% in Linia Nou Tram Dos, S.A. (“L9T2”, the concessionaire of Barcelona’s subway Line 9 Tranche 2), Linia Nou Tram Quatre, S.A. (“L9T4”, the concessionaire of Barcelona’s subway Line 9 Tranche 4) and 36.5% in Linia Nou Manteniment, S.A. (“L9M”, the operator for both L9T2 and L9T4).

The refinancing of MLO adds to Queenspoint’s recent refinancings of L9T2 in October 2019 (EUR 725m, relevered for an additional EUR 60m in December 2021) and L9T4 in December 2020 (EUR 721m). Therefore, in the last four years Queenspoint has successfully closed the refinancing of the entirety of the EUR 2.1+ bn debt in its investment portfolio.

The full EUR 2.1+ bn debt in Queenspoint’s investment portfolio has been certified by ISS ESG as “green loans” under the Loan Market Association’s Green Loan Principles, with BBVA acting as green loan coordinator.