

1 of 1 DOCUMENT

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LGIAsuper, VicSuper fly into Queensland airport deal

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HIGHLIGHT: Industry superannuation funds **VicSuper** and LGIAsuper will take direct stakes in Sunshine Coast Airport.

Industry superannuation funds **VicSuper** and LGIAsuper will take stakes in Sunshine Coast Airport as part of a consortium put together by infrastructure manager, Palisade Investment Partners.

It is understood the two industry funds will have minority shareholders in the airport, with Palisade's Diversified Infrastructure Fund to control the investment and oversee the planned airport expansion in coming years.

Palisade and its partners will pay \$82 million for a 99-year lease of the airport and another \$290 million in five years, once Sunshine Coast's new runway has been completed.

The deal was announced on Thursday after Palisade won a tender to negotiate exclusively with Sunshine Coast Council in December.

As always, there is some conjecture over how to value the transaction.

At face value, Palisade's group is contracted to pay \$370 million or 37-times historical annual EBITDA of \$10 million, although that EBITDA number is expected to increase markedly following the airport's expansion which is when the bulk of Palisade's funds fall due.

RBC Capital Markets ran the process for Sunshine Coast Council, while Gresham Partners and Gilbert + Tobin advised Palisade and Frontier Advisors tended to the industry funds.

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