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ALGONQUIN POWER & UTILITIES ACQUIRES A MAJORITY STAKE IN ESSAL

Carey and Prieto make Aguas Andinas water utility deal flow

Eloise Hardy

Chilean firm Carey has helped Canadian conglomerate Algonquin Power & Utilities Corp sign a deal to acquire an indirect majority stake in Chilean water company Empresa de Servicios Sanitarios de Los Lagos (ESSAL) for US$92 million.

Prieto advised ESSAL's controlling shareholder Aguas Andinas, Chile's largest sanitation company. Aguas Andinas sold its entire – indirect – 51% stake in ESSAL through its subsidiary, Inversiones Iberaguas. The deal was signed on 11 September.

In addition to the agreement signed with Aguas Andinas, the deal will see Algonquin launch a tender offer to acquire the totality of ESSAL's shares, at a price of US$0.18 each, through which it plans to purchase Aguas' Andinas' remaining direct 2.51% stake in ESSAL.

The tender offer values the total share capital of ESSAL at US$172.5 million.

ESSAL has operations in the regions of Los Lagos and Los Ríos in southern Chile. The company is currently under review by the Chilean Superintendence of Sanitary Service, after an oil spill at a water plant in 2019 caused widespread water shortages in the Chilean city of Osorno.

Aguas Andinas, which is based in Santiago, supplies drinking water to 5 million people in the capital and treats the region's wastewater. It was the first Chilean company to issue green bonds back in 2018, raising US$68 million.

Counsel to Algonquin Power & Utilities Corp

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