

## Saudi Arabia's PIF to buy 10pc stake in Heathrow Airport

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**Riyadh: Saudi Arabia's Public Investment Fund (PIF) has struck a share purchase agreement to buy a 10 per cent stake in TOPCO, the holding company of Heathrow Airport Holdings Ltd, from Ferrovial, state news agency (SPA) reported on Nov 29.**

Spain's Ferrovial agreed to sell its 25 per cent stake in London Heathrow Airport to French and Saudi entities, pulling in \$3 billion for a holding it had valued at zero. Ardian, a Paris-based private equity firm, will acquire a 15 per cent stake in FGP Topco, owner of the busy London hub, while Saudi Arabia's Public Investment Fund will buy 10 per cent, according to a statement late Tuesday.

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Ferrovial, an infrastructure firm whose airport interests span the UK, Turkey and a stake in one terminal at New York's John F. Kennedy, said earlier this month it would consider a sale of its holding in London Heathrow, one of Europe's busiest hubs. Traffic has rebounded after being decimated during the COVID-19 pandemic, helping Heathrow to narrow its losses over the first nine months of this year.

Still, it remains burdened with more than GBP14 billion of debt. Ardian and the

Saudi public fund would join existing FGP Topco owners including Qatar Investment Authority, which holds 20 per cent, and smaller investors Caisse de dA(c)pA't et placement du QuA(c)bec, Singapore's GIC sovereign wealth fund, and Alinda Capital Partners of the US. Each has a stake below 13 per cent.

The Heathrow deal is subject to approvals, as well as the rights of existing shareholders to join the transaction as sellers or buyers under a prior shareholder agreement.

Ferrovial said it remains committed to advancing its airport business. It owns a 50 per cent share in Aberdeen, Glasgow and Southampton airports in the UK, 60 per cent of Dalaman Airport in Turkey and 49 per cent of JFK's New Terminal One.

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