

The Times and The Sunday Times

Gatwick owners' £175m windfall as sale is tipped
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Gatwick's value has soared to an estimated £6bn-£8bn

Gatwick's private equity owners have reaped a £175m dividend as speculation mounts over a sale of the airport.

The dividend, paid in October, swelled from £125m a year earlier and followed six months of growing passenger numbers and profits.

Gatwick is owned by Global Infrastructure Partners (GIP) and a consortium of investors, which acquired it for £1.5bn in 2009 from the former airports monopoly BAA.

The owners have since transformed the airport, luring more airlines and handling more than 44m passengers a year. That has sent Gatwick's value soaring to an estimated £6bn-£8bn.

GIP made a blockbuster profit from its £2bn-plus sale of London City airport almost two years ago, and City bankers believe it is now wrestling with whether to offload one or both of its two remaining airports — Gatwick and Edinburgh.

A sale of Gatwick would eclipse the returns on London City.

GIP is understood to have held a beauty parade of investment banks in May to handle a sale of Edinburgh, but a source said it got cold feet because of uncertainty caused by the German general election and postponed the sale. Brexit is also complicating its plans, with airport bosses steeled for a hit to passenger numbers.

Gatwick has been thwarted in its ambition to build a second runway, with both the independent Airports Commission and the government backing Heathrow's bid for a third runway instead. Parliament is due to vote on whether to approve the expansion of Heathrow in the first half of next year.

GIP owns 42% of Gatwick, alongside infrastructure investors from Abu Dhabi, California, South Korea and Australia. Rather than an outright sale of Gatwick, the private equity giant could opt to reduce its stake while maintaining a lucrative management role.

Edinburgh airport might fetch as much as £2bn, said investment bankers. GIP bought the airport from BAA for £807m in 2012, beating competition from JP Morgan Asset Management.

GIP declined to comment.

Brexit is also complicating its plans, with airport bosses steeled for a hit to passenger numbers. Good old Brexit - never will we spend so much making ourselves poorer.

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