



CASE STUDY

Dunkerque LNG Commercial & Regulatory Due Diligence

Total and EDF were tendering bids for their majority equity stake in the Dunkerque LNG terminal. FTI Consulting provided commercial and regulatory due diligence advice to an infrastructure investment firm considering bidding for Total and EDF's share.

FTI Consulting's work provided the investment firm with realistic 20+ year revenues scenarios for the terminal, based on a quantitative assessment of expected LNG input, as well as specific assessment of all regulatory risks.

SITUATION

Total and EDF were tendering bids for their majority stake in the Dunkerque LNG import terminal, while at the same time remaining long-term users of the terminal.

OUR ROLE

FTI Consulting was retained to provide commercial due diligence advice to an infrastructure investment firm considering bidding for Total and EDF's share.

We analysed the assumptions in the vendor's business plan, providing critique and alerting of red flags.

We assessed and quantified the potential future demand for regasification services, likely prices for those services, and the future demand for ancillary services.

We also reviewed the risks regarding changes to the regulated regime after the expiry of the terminal's exemption from regulation.

OUR IMPACT



FTI Consulting's analysis provided a comprehensive revenues forecast (with low/base/high scenarios) to allow the investor to fully assess the expected returns of the asset. We further provided detailed analyses on every key commercial and regulatory risk area. Our specific forecasts were markedly different from the vendor's, and formed the basis of the investor's bid for the asset.

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