

## Macquarie Infrastructure Corp. (MIC) Update

*We are ending coverage of MIC at this time as the company has announced the sale of all remaining units.*

### Summary

MIC announced a deal 10-days ago to sell its MIC Hawaii – the gas utility for Hawaii. The purchase price was \$514 million with assumed debt and transaction fees. This came in lower than our forecast of \$600 million for the valuation based on 10x pre-Covid EBITDA of \$60 million. Instead it will be 8.6x. The lower multiple will lower our forecast for ultimate value by about \$1 per share.

The lower figure means shareholders will receive \$3.83 in cash per share from MIC Hawaii or \$4.11 if the deal is completed after June 22, 2022. The difference is a \$25 million bonus fee payable to management if the deal is approved by the Public Utility Commission of Hawaii and closed with the acquirer before that date.

With the Atlantic Aviation sale to KKR expected to occur no later than December 2021 providing \$37.35 per share in cash and now the MIC Hawaii deal of \$3.83 by June 2022 – shareholders are set to receive \$41.18 with the bulk arriving within six months. The only issue for shareholders to still decide is if they want to earn the last 7% discount from the current market value of about \$38.50.

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