

Aurelius investment group reaches agreement to buy SSE Contracting from SSE plc

April 1, 2021



Aurelius, the pan European investment group, has reached an agreement with SSE plc to buy its Contracting business for an undisclosed sum. Aurelius has a track record of investing in public and private companies to enhance their growth potential.

SSE Contracting is one of the biggest contracting businesses in the UK providing mechanical, electrical and street lighting services. It is the largest street light contractor in the UK and its HV [high voltage] engineers install energy infrastructure for clients including schools, hospitals and substations. Its rail division delivers mechanical, electrical and civils activity for the likes of Transport for London and Network Rail.

The sale process is expected to be completed by the end of June 2021, when around 1,900 Contracting employees will work under the new ownership.

SSE's sale of its Contracting business is part of its stated ambition to secure at least £2bn from disposals of non-core assets by autumn 2021. This is also designed to give each of the businesses leaving the group a strong platform for future success.

SSE has a clear strategy to refocus investment on its core networks and renewables businesses, with plans to invest £7.5bn in low-carbon energy infrastructure over the next five years and to treble its renewable electricity output by 2030.

Stuart Chaston, Managing Director of SSE Contracting and Rail, said the news would mean that his business would be able to take fuller advantage of growth opportunities.

He said: “Aurelius has a proven record of actively supporting the companies they work with, so this partnership heralds an exciting era of growth for our Contracting business. The UK has a strong pipeline of infrastructure projects, so we see an addressable market of significant scale for companies with the experience of SSE Contracting.

“I am confident the Contracting business will flourish once it has established itself as a standalone business – winning and delivering new work across the UK. We will be working flat out with our clients and partners to ensure a smooth period of transition.”

Tristan Nagler, UK Managing Director of Aurelius, said: “As other sellers before, SSE recognised Aurelius to be the partner of choice to execute the divestment of a promising business unit, establishing SSE Contracting as a standalone business so it can fully take advantage of new growth opportunities. We are mutually committed to ensuring that SSE and SSEC continue to have a productive working relationship into the future.”

In September 2020 SSE plc announced in its half year results that the SSE Contracting and Rail business would be part of the group’s overall disposals programme. Since then the Contracting management team have focused on ensuring the business is in a position to thrive as a standalone company, able to capitalise on growth opportunities under its new ownership.

Photo credit: SSE