



Press release

29 October 2019

Regional Rail expands its geographic footprint through acquisition of Pinsly Railroad Company's Florida operations

3i-backed Regional Rail, a leading owner and operator of short-line freight railroads and rail-related businesses in the Mid-Atlantic U.S., has agreed to acquire Pinsly Railroad Company's ("Pinsly") Florida operations with 208 miles of track across three short-line railroads, subject to authorisation from the Surface Transportation Board.

Pinsly's Florida operations include the Florida Central Railroad, the Florida Midland Railroad and the Florida Northern Railroad. The railroads provide freight transportation, transload and railcar-storage services to a broad customer base of over 65 blue-chip companies covering a diverse set of end-markets, including heating, fuel blending, building products, chemicals, food and agriculture, scrap metal and plastic resins.

Given its location in and around Orlando and Tampa, Pinsly's Florida operations provide freight traffic that is over 90% inbound serving multiple, high-growth consumption markets throughout the state. With strong population and economic trends forecast for the region, the lines are well positioned to continue the impressive traffic growth they have experienced historically.

Al Sauer, CEO, Regional Rail, commented:

"Pinsly's Florida operations are highly complementary to Regional Rail and expand our geographic footprint. The lines have a large and diverse customer base, a strong pipeline of new freight customers and service many highly attractive industrial development sites, all of which provide an exciting growth opportunity. We also intend to retain all of the lines' employees and look forward to supporting and working with the local management team to continue the lines' impressive growth."

John Levine, CEO, Pinsly, commented:

"We are delighted to have reached an agreement with Regional Rail and 3i to acquire our Florida operations. I have known the Regional Rail management team for many years and believe they will be very good stewards of the culture and team we have created."

Rob Collins, Managing Partner, 3i North American Infrastructure, commented:

"This is an attractive and strategic acquisition for Regional Rail, given the similarities between the businesses. Combined, the two companies will operate 21 line segments across four states, with over 355 miles of track. The U.S. short-line network is attractive to 3i and the combined company will be well positioned for potential future acquisitions."

3i invested in Regional Rail in July 2019. The company provides freight transportation, railcar storage and transloading services in New York, Pennsylvania and Delaware across three railroads

with over 155 miles of track connecting into a diversified Class 1 railroad network. In 2018, the company moved over 13,000 carloads while serving over 70 customers across an extensive set of end-user markets including heating, fuel blending, food & beverage, agriculture, chemicals and metals. In addition to rail transportation services, the company also provides railroad crossing signal design, construction, inspection and maintenance services to a diverse base of over 100 short-line and industrial customers across 20 states.

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For further information, contact:

3i Group plc

Silvia Santoro
Investor enquiries

Tel: +44 20 7975 3285
Email: silvia.santoro@3i.com

Kathryn van der Kroft
Media enquiries

Tel: +44 20 7975 3021
Email: kathryn.vanderkroft@3i.com

About 3i Group

3i is a leading international investment manager focused on mid-market Private Equity and Infrastructure. Its core investment markets are northern Europe and North America. For further information, please visit: www.3i.com

About Regional Rail, LLC

Regional Rail, LLC is a transportation-holding company headquartered in Kennett Square, PA. It is the parent company of East Penn Railroad LLC (ESPN); Middletown & New Jersey Railroad, LLC (MNJ); Tyburn Railroad, LLC (TYBR) and Diamondback Signal, LLC. For further information, please visit: www.regional-rail.com

About Pinsly

Pinsly, through its subsidiaries, is a short-line railroad operator headquartered in Westfield, MA. Pinsly's Florida operations include the Florida Central Railroad Company, Inc. (FCEN); Florida Midland Railroad Company, Inc. (FMID) and Florida Northern Railroad Company, Inc. (FNOR). For further information, please visit: <https://www.pinsly.com/>

Regulatory information

This transaction involved a recommendation of 3i Corporation, a US wholly owned subsidiary of 3i Group.