



SENCO

INSIGHTS

ZOOM-IN: POWER GRID MARKET A LONG-LASTING GROWTH CASE

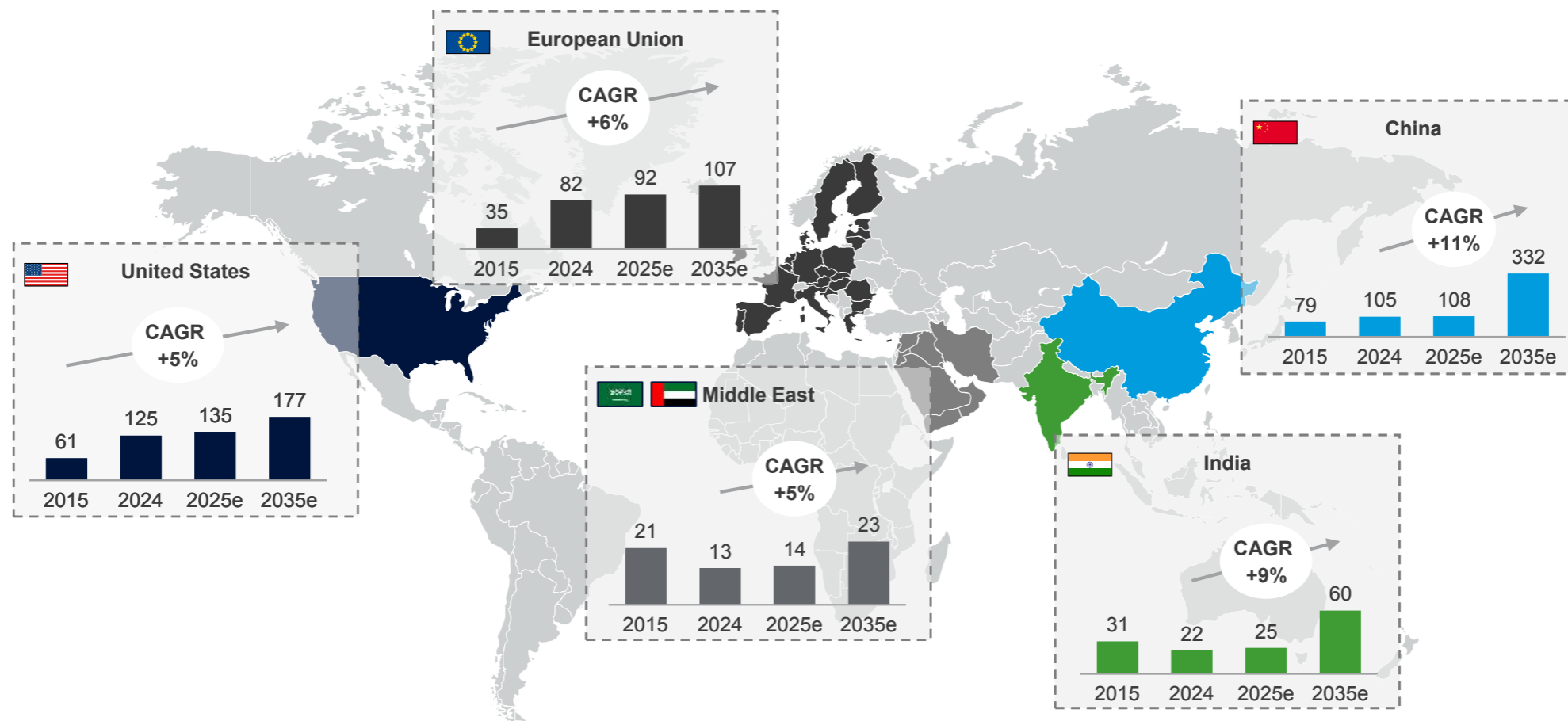
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ZOOM-IN: GLOBAL INVESTMENTS IN POWER GRID INFRASTRUCTURE

Strong investment surge between 2025 and 2035 expected in all world regions

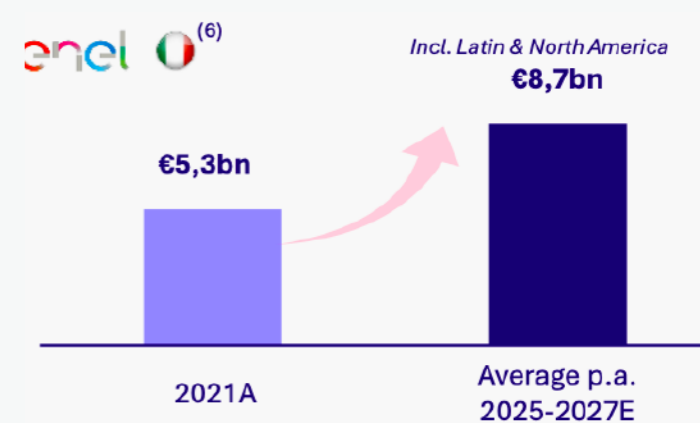
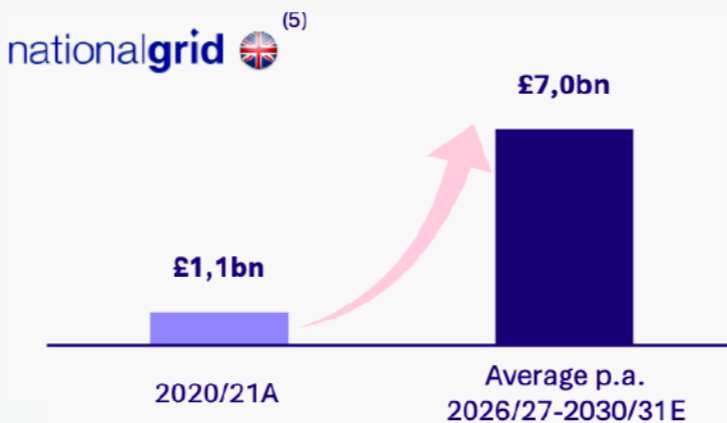
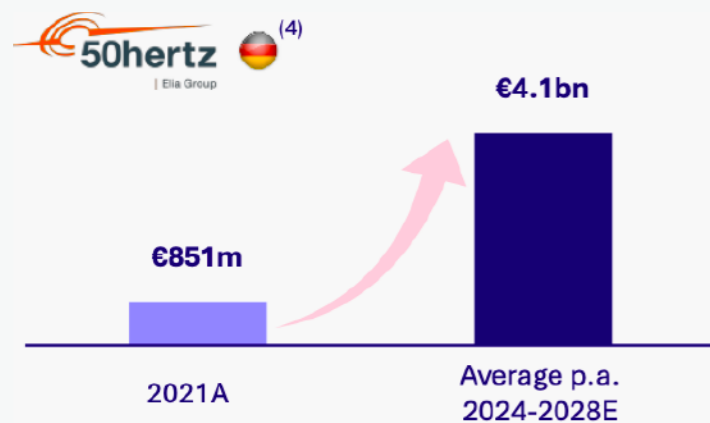
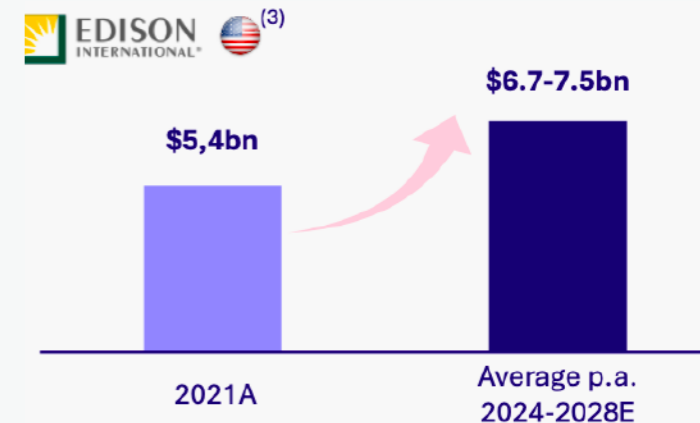
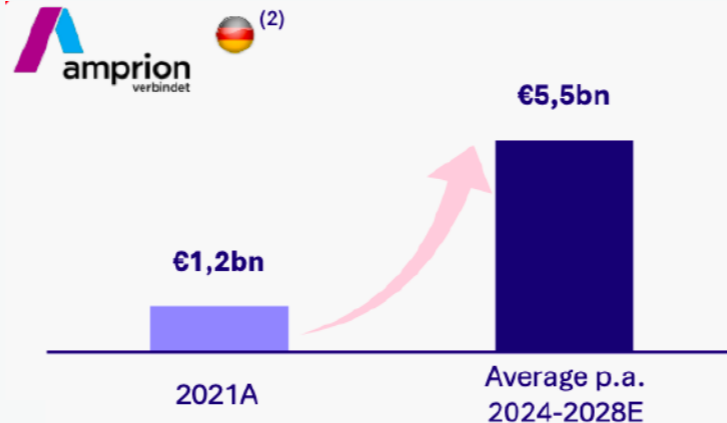
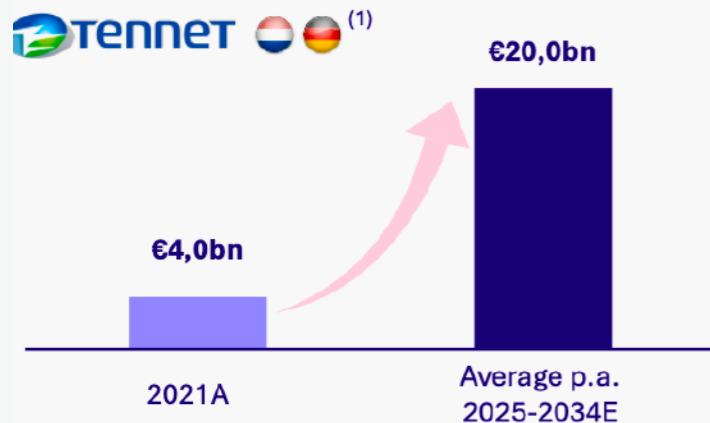
Annual Investment Development in Power Grid Infrastructure and Storage in Selected Regions in bn \$ and CAGR [%]



Forecast 2035: The investment expectations for the year 2035 are based on the Stated Policies Scenario, which builds on a detailed analysis of the current political landscape as well as energy-related measures and targets. Since it does not assume as given that governments will achieve all announced targets, the scenario reflects a rather conservative orientation.

ZOOM-IN: SIGNIFICANT POWER GRID INVESTMENTS RECENTLY ANNOUNCED

Announced grid investment plans by selected TSOs and DSOs

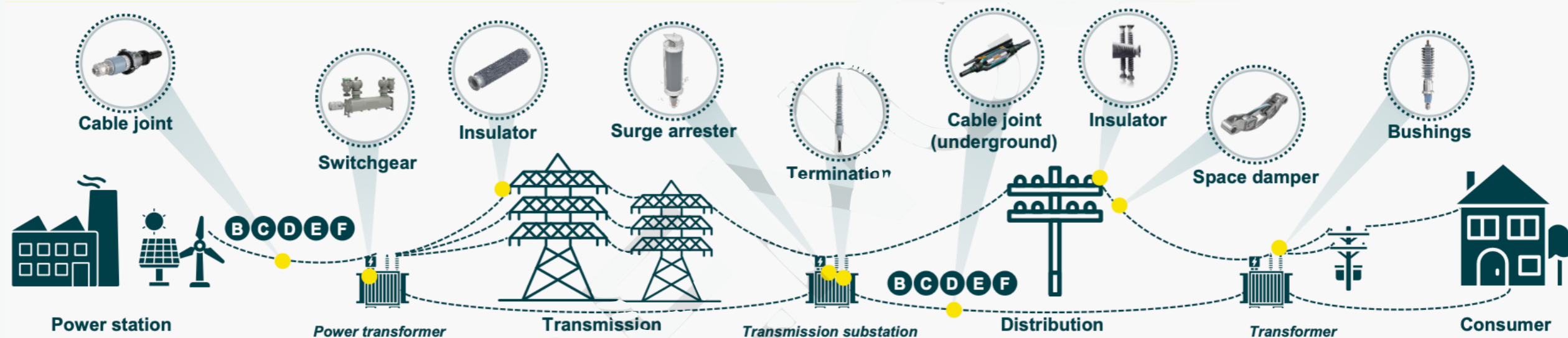


Selective companies shown subject to availability of public capex plan data. Sources: (1) TenneTannual report 2021 and press release; (2) Amprion annual report 2021 and press release; (3) EDISON International full-year 2021 results and third quarter 2024 financial results; (4) 50Hertz Almanac presentation (2022) and Elia Group press release; (5) National Grid annual report

3 2020/21 and Electricity Transmission Business Plan as per Dec 2024; (6) Enel annual report 2021 (Capex Infrastructure and Networks) and Capital Markets Day 2024

ZOOM-IN: FRAMEWORK OF POWER GRID INFRASTRUCTURE

A core market segment for industrial technology



Electricity grids are an industrial backbone of the energy transition and energy security, relying on specialised, often **mid-sized suppliers and their products** across the value chain. From generation to transmission and distribution, grid performance depends on mission-critical components such as **transformers, switchgear, insulators, cable joints and protection systems**, typically produced by specialised SMEs with deep engineering know-how.

Rising electrification, renewable integration and grid hardening to ensure supply security are structurally increasing demand for replacement, upgrades and aftermarket services. This creates **defensive growth profiles, high entry barriers and recurring revenues**, making grid-focused SMEs highly attractive targets for private equity value creation.

“Power utilities heavily rely on high voltage cables to ensure a stable and continuous power supply. With the increasing adoption of renewable energy sources, the demand for advanced high voltage cables and accessories is expected to rise.”

INKWOOD
RESEARCH

“Expanding and modernising transmission grids is essential for a secure, affordable and sustainable energy system.”

iea
International
Energy Agency

“Globally, electricity grids will need to increase by more than 20 % in length by 2030 to meet energy and climate pledges in time and in full, which requires annual average investment in grids to rise to US\$600 billion from around US\$300 billion today, according to the International Energy Agency.”



“For the network-dimensioning expansion, the 82 distribution network operators expect projects with an investment requirement of around €110 billion by 2033. Some of these projects are already under construction. By 2045, the need for network-dimensioning expansion increases to approximately €207 billion.”

 **SMARD**

“Power grids will need to expand to meet the increasing demand for electricity and renewable energy: to achieve net-zero emissions by 2050, countries would need to double their investment in transmission lines and other infrastructure to €550 billion per year by 2030.”

**McKinsey
& Company**

“Annual grid investment reaches \$811 billion by 2030 in BloombergNEF’s Net Zero Scenario, driven by rapid growth rates in clean power, electric vehicles, and other low-carbon technologies.”

BloombergNEF

“Global grid capacity needs to grow 2.5 times its current size, with annual expenditure on grids more than doubling to USD 970 billion by 2050.”


DNV

“The energy transition’s Achilles’ heel isn’t generation—it’s the electricity grid. Without a seismic shift in grid investment, the promise of clean, secure, and affordable energy is in danger of stalling.”

BCG

“Today, 30% of our grids are over 40 years old, which by 2050 could reach 90%. Such developments challenge the reliability of our power system. Investments in modernization: digitalization, reinforcement and expansion, are therefore crucial for an electric future.”

eurelectric

SENCO



ABOUT SENCOCAPITAL

As a sector-focused private equity firm, SENCOCAPITAL invests in **growth-oriented mid-sized companies in Europe** whose products and services support the energy transition and ensure energy security.

SENCOCAPITAL means “purpose” in Esperanto. We share the conviction that investments in the energy transition and hydrogen are key drivers of industrial transformation and a secure energy supply.

SENCOCAPITAL’s team shows a successful track record (e.g. realised multiple of 3,5x). The SENCOCAPITAL fund targets **returns of >20% p.a.** and a **multiple of >2,5x** – directly contributing to the energy transition and decarbonisation.

Alongside renowned institutional investors from the areas of insurance, pension schemes, and leading single family offices, SENCOCAPITAL has received an **additional €50 million commitment from the European Investment Fund.**

SENCOCAPITAL is an independent, Federal Financial Supervisory Authority (BaFin) registered investment firm (AIFM).

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