



Graham Matthews, CEO Infrastructure, PATRIZIA

With climate-risk mitigation, digital connectivity and the future of cities rising to the top of the agenda for economies and societies, the need to invest in new and revitalised infrastructure is becoming ever more urgent.

“The four global megatrends of decarbonisation, digitalisation, urbanisation and demographic change make the long-term picture for infrastructure highly attractive for investors,” says **Graham Matthews, CEO Infrastructure at PATRIZIA**, a leading partner for investment in real assets with a global network of 28 offices.

Infrastructure topped the asset to-buy list in the latest Mercer Investments’ *Large Asset Owner Barometer*, with 70 per cent of those surveyed planning to either maintain or increase their allocation to infrastructure in 2024.

“As an asset class, infrastructure is attractive for investors because of the long-term cashflows, and the very high degree of visibility and predictability over those cashflows,” says Matthews, who is based in the London offices of PATRIZIA’s global network.

“Over the past few years, we’ve seen a perfect example of how infrastructure provides downside protection. We’ve been in an environment of higher inflation, higher interest rates, lower economic activity, and in that environment, infrastructure has proven to be the most attractive asset class for investors.”

Why infrastructure is the top asset class for investors

► **New investment opportunities are emerging in infrastructure, explains PATRIZIA, a leading partner for global investment in real assets**

Opportunities in energy transition

Around the world, cash-strapped governments are increasingly relying on private capital to finance infrastructure projects.

Taking energy transition and decarbonisation as an example, the UK’s National Infrastructure Commission calculates that private sector investment in infrastructure needs to increase from an average of £30-40 billion a year over the last decade to £40-50 billion a year in the 2030s and 2040s to arrive at a resilient, low-carbon economy.

Across the Channel, the European Union must invest €2.4 trillion by 2050 to meet its carbon neutrality goals, with €800 billion required by 2030, according to the European Round Table for Industry, which represents Europe’s leading industrial and tech companies.

“It’s impossible for governments to be able to fund *[the energy transition and decarbonisation]*,” says Matthews. “There isn’t the budgetary flexibility to be able to do that. And that’s where private investors come in.”

Mid-market opportunities

With a track record stretching over three decades and a total €9.7 billion of investments, PATRIZIA Infrastructure offers investors access to the full spectrum of equity investment, listed infrastructure and debt. The mid-market is particularly attractive as an infrastructure investment for institutional and private investors, says PATRIZIA. This is because more deals are available than in the large-

cap market and greater scope exists for improvements in efficiency.

PATRIZIA’s recent investments

With 47 currently active infrastructure investments globally, PATRIZIA’s portfolio companies in the UK include Connexin, a mid-market, Hull-based digital services and smart technologies provider with B Corp™ Certification.

Across Europe and Asia Pacific, new infrastructure investments made by PATRIZIA since October include:

- An equity investment in YES Group, including a commitment to fund a solar photovoltaic generation and battery energy storage programme across regional Australia.
- The financing of the rollout of 400 ultrafast electric vehicle charging stations in Germany.
- An 85 per cent stake in Italian smart streetlighting operator Atlantico and a stake in Greenthesis, Italy’s leading independent waste management group.

With 2050 set as a crucial target for halting historic rises in global temperatures, and as digital technology expands exponentially, infrastructure is an asset class that is here to stay.

Contact the PATRIZIA Infrastructure team in London today to find out how they can help add value to your portfolio: infrastructure@patrizia.ag

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