

THE ANTIN IP ASSOCIATE PROFESSORSHIP IN INFRASTRUCTURE FINANCE

Enlightening the Future of European Infrastructure: The Case of the Power and Transportation Sectors

17 October 2024
3:00 pm – 5:30pm CET

Welcome speech Angelika Schöchlin, Managing Partner

Introduction:

Good afternoon, Ladies and Gentlemen,

I'm Angelika Schöchlin, Managing Partner at Antin Infrastructure Partners. I joined the firm in 2010, and I am a member of its Executive Committee as well as its Investment Committee. I also serve as the firm's global sponsor for all the transactions falling under the transport and social infrastructure sectors. It's a real pleasure to welcome you today to discuss the evolving landscape of infrastructure investment, particularly in the context of the profound changes we are witnessing globally.

In today's rapidly shifting global environment, the infrastructure sector is evolving in response to three key megatrends: decarbonisation, digitalisation, and demographic shift. These forces are fundamentally reshaping how we approach infrastructure development and investment, creating both challenges and opportunities for long-term growth.

At Antin, we view these megatrends not as obstacles, but as a catalyst for innovation. By aligning our investments with these transformative shifts, we are helping to build infrastructure that is resilient, adaptable, and positioned to meet the critical needs of the future.

Today's discussion will explore how these megatrends are influencing the global infrastructure sector; while highlighting the significant opportunities they present for sustainable growth.

Decarbonisation and the transition to sustainable energy:

First, decarbonisation is a critical priority. The global effort to reduce carbon emissions and transition to renewable energy is an environmental necessity to ensure human life on this planet. It requires a fundamental driver of new infrastructure projects. As many countries

push to meet their climate goals, we see significant opportunities in renewable energy, electrification, and the broader green economy. The International Energy Agency projects annual clean energy investments worldwide to triple to around \$4 trillion by 2030¹, if we are to achieve net-zero emissions by 2050. This transition to renewable energy is expected to save the world at least \$12 trillion when compared to continuing the current use of fossil fuels. However, this transition requires us to rethink our investment approach by building infrastructure that is resilient, adaptable, and capable of supporting the energy needs of tomorrow.

Digitalisation and infrastructure innovation:

Next, digitalisation continues to improve but also disrupt industries and cities. As technology becomes more integrated into everyday life, the demand for digital infrastructure - from fiber networks to data centers - has never been greater. The digital economy is rapidly expanding, with annual smartphone shipments hitting 1.2 billion in 2023 and IoT devices projected to surge to 39 billion by 2029². Smart cities, AI-driven systems, and interconnected networks are no longer futuristic ideas; they are essential components of the infrastructure landscape. Investors must recognize that the future of infrastructure lies at the intersection of physical and digital development.

Demographics and the Future of Infrastructure:

Lastly, demographic changes are influencing infrastructure demands in profound ways. With populations aging in developed countries and rapid urbanization in emerging markets, there is a growing need for more social infrastructure—housing, transport, healthcare, and more. The global population is projected to reach 8.5 billion by 2030 and 9.7 billion by 2050³. We must invest into smarter, more cost-efficient and technologically driven societal infrastructure, given the accelerating shift to an aging society in most western countries. We have to ensure that our infrastructure investment strategies cater for these shifting demographic realities.

The Antin Infrastructure Partners paradigm

These trends do not exist in isolation; they intersect in powerful ways. Decarbonisation drives demand for new energy systems and digitalisation enables smarter cities. All while, demographic shifts heighten the need for adaptable social infrastructure.

At Antin, we recognize the complexity of these megatrends and their implications for the future. Our focus has always been on investing in infrastructure that is not only resilient to today's challenges but capable of fostering sustainable growth and adapting to tomorrow's needs.

It is for these reasons that we have developed a tool called the "Infrastructure Test," which outlines the essential characteristics in businesses that must qualify for us as infrastructure. These are:

1. An "essential" service to the community,
2. High barriers to entry,
3. Stable and predictable cash flows,
4. An inflation linkage, and;
5. An isolation from business cycles.

By adhering to this set of criteria, we ensure that our investments are directed towards businesses that are well-prepared to thrive in an increasingly complex and evolving global landscape.

It is worth noting that the infrastructure test has not changed over the years since we created it in 2007.

Conclusion

To conclude, together with our strategic partner Bocconi University, we continue to explore the evolving landscape of infrastructure investing. This journey, while complex, represents numerous opportunities for innovation and growth. The research conducted by Professor Gatti and his team is invaluable in helping us maintain a deep understanding of these dynamics. Their academic insights, combined with our ongoing dialogue with leading researchers and faculty members, enable us to approach infrastructure investing with a data-driven, forward-thinking perspective.

I look very much forward to what is going to be a very stimulating discussion on these topics. With that, I shall turn over to Professor Gatti.

Thank you.

¹ [Net Zero by 2050 – Analysis - IEA](#)

² [Digital Economy Report 2024 | UNCTAD](#)

³ [Trend Deck 2021: Demographics - GOV.UK \(www.gov.uk\)](#)