

Sector Snapshot

Smart Grid

Software and IT

ARGONAS

Smart Grid Definition*

- Digitalized, self-monitoring electricity network with automation, real-time control, and self-healing capabilities
- Bi-directional electricity flow & real-time data exchange between generation, storage, and consumers
- Integrates renewables, demand response, and smart devices for efficiency, reliability, and sustainability



Sector Segmentation

**Architecture, Engineering
and Construction**

**Hardware and
Components**

Transformers, switchgear,
cables, smart meters,
sensors, energy storage
systems, inverters etc.

Software and IT

Energy management systems, data analysis, demand
response platforms, virtual power plant software etc.

Grid Operators and Energy Suppliers

Independent Service Providers

Grid maintenance, certification services



Market Size & Growth*

- **Global Market:** Valued at USD 60 bn in 2024, projected to reach 289 bn in 2034 (CAGR 16.9%)
- **Main Growth Areas:** Renewable energy integration, grid automation & digitalization, electric vehicle infrastructure, energy storage
- **Regional:** North America leads the market, with rapid growth expected in Asia-Pacific due to urbanization and renewable energy adoption



Underlying Key Drivers*

- **Energy Efficiency & Modernization:**
Demand for grid optimization, distributed energy resources (DERs), renewables integration & EV charging
- **Tech Advancements & Growth:**
Integration of smart meters, sensors, AI and IoT enables real-time monitoring, and digitalized grid management
- **Investments & Government Support:**
Policies, incentives & investments for grid modernization, e.g. U.S. Inflation Reduction Act and EU's Green Deal



Recent Key Trends*

- **Technological Advancements:**
Growth in AI-driven grid optimization, demand-side management, real-time monitoring & predictive maintenance
- **Decentralization & Grid Resilience:**
Shift towards decentralized energy production, microgrids, and resilience measures to prevent outages
- **Cybersecurity & Data Management:**
Increased focus on protecting grid infrastructure & managing vast amounts of real-time data



Sector Definition

- **Purpose:** Develop and implement software & IT solutions to enhance grid reliability, efficiency & cybersecurity
- **Key Customers & Applications:** Primarily utilities and grid operators, enabling real-time monitoring, automation, and renewable energy integration
- **Products/Services:** Software for grid management, AI analytics, cybersecurity, SCADA/EMS, demand response, and DER integration



Market Structure

- **Mix of Global and Niche Players:** Dominated by large software providers but with many specialized regional firms
- **Utility-Centric Market:** Key customers are utilities, grid operators, and energy infrastructure providers integrating renewable energy and automation
- **Regional Influence:** Market dynamics depend on government policies, grid modernization efforts, and investment in digital infrastructure



Selected Key Players



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Transaction Market

Historical Activity:

- **Software-Led M&A Surge:** Demand for grid software, energy analytics, VPPs & cybersecurity drives deal activity
- **Strategic Consolidation:** Niche providers acquired to expand SaaS portfolios and regional presence
- **Tech Integration Fuels M&A:** Synergies between software and energy storage, smart meters, and renewables drive deals



Transaction Market

Key Drivers of Potential Deal Activity:

- Surge in demand for VPPs, AI-based forecasting & dynamic pricing platforms
- Grid operators & OEMs seek software to enhance flexibility, stability & asset control
- Strategic buyers push to integrate end-to-end digital solutions (e.g. EMS + storage + DERs)

Transaction Market

Outlook & Potential Opportunities:

- **Consolidation & Buy-and-Build:** Fragmented market offers opportunities in demand response, digital twins & predictive maintenance
- **Cross-Sector Synergies:** Integration with energy storage, e-mobility, and digital services
- **Investment in SaaS:** Continued capital inflow targets SaaS solutions for AI forecasting, VPPs & dynamic pricing



Selected Deals



Sale to ¹⁾

IEQT
VENTURES

HV
CAPITAL
20/01/25



Sale to ¹⁾

verium 
31/07/24


SOLANDEO
Sale to

ANCALA
27/06/24



Sale to

SCADA
international
30/04/24



Sale to ¹⁾

VOYAGER 
19/03/24


kwest
Sale to


octopusenergy
23/01/24



Sale to

FLUENCE
A Siemens and AES Company
30/04/22



Sale to

Elvaston
09/03/22

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1) Undisclosed stake



Get in Touch



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