

Sector Snapshot

Smart Grid

Independent Service Providers

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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

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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:** Specialized services to ensure grid reliability, safety, and compliance
- **Key Customers:** Utilities, grid operators, energy suppliers, and industrial clients requiring ongoing grid operations support and compliance
- **Products/Services:** Consulting, maintenance, certification, performance audits, predictive maintenance, real-time monitoring, independent demand response and balancing among others

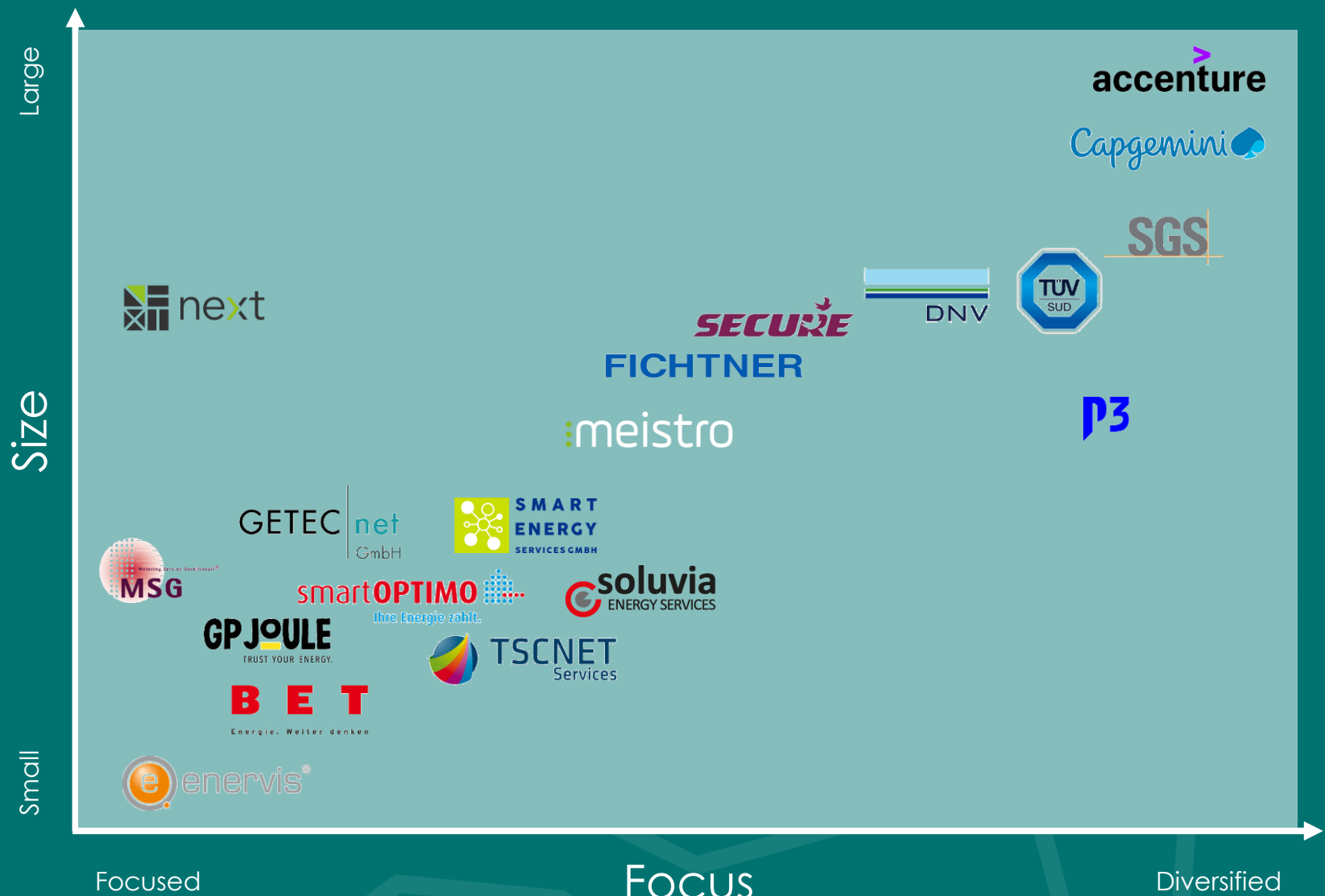


Market Structure

- Highly fragmented landscape with a mix of engineering firms, software specialists, system integrators, and niche consultancies
- Often act as subcontractors or tech partners to utilities, OEMs, or EPCs, focusing on real-time monitoring, data analytics, and operational efficiency
- Focused on specialized services such as commissioning, testing, predictive maintenance & interoperability solutions across components



Selected Key Players



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Transaction Market

Historical Activity:

- Increased demand for maintenance, compliance, and security services boosts ISP M&A activity
- **US & Europe Lead:** Policy mandates like FERC (US) and EU Network Codes drive deals; emerging markets growing
- **Fragmented Market:** Regional players dominate; larger firms seek acquisitions for scale

Transaction Market

Key Drivers of Potential Deal Activity:

- Stricter compliance (security, grid resilience, real-time monitoring) drives demand for specialized ISPs
- Utilities outsource non-core functions (e.g., predictive maintenance, audits) to cut costs, fueling M&A in the ISP segment
- AI, IoT & automation enhance ISP capabilities, attracting acquisitions for scalability & IP-driven services

Transaction Market

Outlook & Potential Opportunities:

- The fragmented market presents opportunities for roll-ups and strategic partnerships into full-service providers
- Increased investment in smart grid technologies may lead to the emergence of specialized buy-and-build platforms
- ISPs expanding into DER management, VPP operations & digital grid security via M&A



Selected Deals


8COM
CYBER SECURITY

Sale to


HF

18/02/25


hausheld
vernetzt intelligent

Sale to


ANCALA

31/10/24


GETEC **ENERGIE**
GmbH

Sale to


bp

01/08/24


QUADRA
energy

Sale to


TE
TotalEnergies

12/01/24


eta DYNAMICS
GmbH

Sale to


GP JOULE
TRUST YOUR ENERGY.

17/07/23


next

Sale to




02/08/21


energielenker

Sale to


FMC
FLUID MANAGEMENT SYSTEMS

15/01/21


GFW
WINDENERGIE

Sale to




23/01/20

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Get in Touch



**Christian
Berkhoff**

Managing Partner /
Co-Founder

+49 (172) 99 05 977
c.berkhoff@argonas.de



**Sascha
Männel**

Managing Director /
Co-Founder

+49 (173) 39 38 216
s.maennel@argonas.de



**Maximilian
Bechtold**

Associate

+49 (173) 29 25 948
m.bechtold@argonas.de

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