

Infrastructure Outlook 2026

We are in a phase of accelerated industrial transformation and deepening digitalization. Capacity requirements across energy, transport, and data networks are rising steadily. In this environment, infrastructure quality and location fundamentals are becoming increasingly central to economic decision-making. Geopolitical tensions and heightened security considerations are reinforcing existing trends.

Infrastructure investments are a key driver of long-term structural growth. They enable productivity gains, economic scaling, and technological value creation. Despite extensive political initiatives, Germany continues to face a substantial investment gap. Political willingness to mobilize private capital is increasing.

Demand for new, high-performance systems remains significant – from digital networks and transport infrastructure to energy systems.

A differentiated assessment of the macro environment and individual sectors highlights where the most attractive opportunities for infrastructure investors will lie in 2026.

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1 The Macro Environment in 2026

1.1. Global fragmentation reshapes location decisions and capital allocation. Investment security becomes a locational factor

Global context

- Companies are increasingly reconfiguring their supply chains, in particular through friend-shoring and near-shoring strategies. This realignment is primarily driven by economic considerations such as supply security, cost stability, and delivery reliability. Geopolitical factors act as an additional accelerator.¹

These location decisions determine where new infrastructure capacity is required – and, by extension, where long-term investment capital is deployed.

Investment decisions are heavily influenced by political frameworks. Political stability, the rule of law, and reliable regulation remain core considerations for investors.

At the same time, tangible locational factors such as grid connectivity, energy availability, skilled labor, and established industrial clusters are critical for real-economy and digital investments. Political stability can support these factors, but it cannot substitute for functional infrastructure.²

- Global foreign direct investment declined by 11 percent in 2024 to approximately USD 1.5 trillion. In an increasingly volatile environment, the interest of investors is shifting towards stable, defensive real assets.³
- In this context, demand is rising for long-term, operationally utilized assets with predictable cash flows – particularly in sectors characterized by structural usage growth, including energy, networks, data, and logistics.⁴

¹ McKinsey Global Institute: Global supply chains: The shift from efficiency to resilience; BCG: Supply Chain Resilience Reports.

² World Economic Forum: Global Competitiveness Reports; EIB Investment Survey.

³ World Investment Report 2025: International investment in the digital economy

Europe/Germany

- Europe is increasingly establishing itself as an attractive and reliable safe haven for long-term international capital:** Evidence of a structural reorientation of global capital flows towards Europe continues to grow.
- Beyond institutional stability, Europe benefits from high industrial density, a large internal market, and established value-creation clusters. These factors underpin sustained real demand for infrastructure capacity.⁵
- In 2025, Europe accounted for 34 percent of global private capital allocations – the highest level since 2010 – with fund volumes totaling USD 311 billion, including infrastructure investments.
- Investors view the measures proposed by Mario Draghi to strengthen European competitiveness positively.⁶
- Germany benefits structurally from the size of its economy,** its strong industrial base, and a high degree of institutional stability. These factors create lasting advantages in the global competition for capital.

As a result, base-load demand across energy, transport, and data networks remains structurally high – largely independent of short-term political programs.

Implications for investors / infrastructure investments

- From an investor's perspective, the quality of a location has become an integral component of the risk-return assessment.

What matters is not regulation alone, but above all the sustainable utilization of assets by industry, commerce, and private households.

⁴ OECD Infrastructure Investment Outlook; EDHECinfra Market Review.

⁵ Eurostat Industrial Production; OECD Manufacturing Value Added.

⁶ [Mario Draghi calls for €800bn EU investment boost](#)

1.2 Rising economic vulnerability brings resilience and security of supply to the forefront of infrastructure development

Global context

- Companies and public-sector actors are now explicitly factoring supply disruptions, grid outages, and logistical bottlenecks into their economic risk assessments. Geopolitical tensions – most notably the war in Europe – have exposed these vulnerabilities and significantly increased the pressure to act.
- In this context, energy supply, transport infrastructure, and digital networks are increasingly classified as critical systems.

Implications for investors / infrastructure investments

- **The focus of infrastructure investment is shifting.** Efficiency alone is no longer sufficient. Increasingly, redundancy, grid stability, and logistical performance are moving to the forefront.
- Companies are more frequently and deliberately building in excess capacity and network redundancies to safeguard production and delivery capabilities. This demand creates stable utilization profiles for the relevant infrastructure assets.
- In parts of Germany, existing infrastructure shows a substantial maintenance and modernization backlog.⁷
- Digital sovereignty cannot be achieved without high-performance, locally anchored data centers. Against the backdrop of current geopolitical crises, this insight has gained additional urgency.
- At the same time, economic demand continues to grow, driven by cloud services, AI applications, Industry 4.0 processes, and platform-based business models – each requiring significant additional capacity in high-performance digital infrastructure.

- Certain infrastructure segments are being politically prioritized, increasing their attractiveness for investors. This prioritization coincides with existing market bottlenecks and an investment requirement driven by real usage and growth dynamics, rather than regulation alone.
- At the same time, requirements for robustness, availability, and resilience are rising sharply. These factors now play a central role in investment decisions.

1.3 Transformation and industrial policy drive structurally new infrastructure demand

Global context

- Across global markets, electrification, automation, digitalization, and the restructuring of supply chains are driving a significant increase in demand for energy, network, and data infrastructure. Without additional capacity, new industrial, logistics, and digital projects are effectively not feasible.⁸
- **Governments are investing strategically in energy infrastructure, digitalization, and key industrial sectors to support these real-economy developments.**



Germany

- **The ongoing electrification of industrial processes is driving a sharp increase in electricity demand,** fueled by industry, mobility, and digitalization. This growth is closely linked to

⁷ [Marode Brücken: Wo der Sanierungsbedarf in Deutschland am höchsten ist](#)

⁸ IEA World Energy Outlook 2025

real production and digitalization processes—not solely to climate-policy targets.

- Data centers provide a particularly illustrative example. Germany currently has more than 2,700 megawatts of installed IT capacity, with expected growth to approximately 4.8 gigawatts by 2030.
- Networks and system-relevant infrastructure are increasingly becoming bottlenecks. These constraints already act as hard limits on new industrial, logistics, and data-center projects.
- Despite geopolitical uncertainty and energy price pressure, around 90 percent of German companies continue to invest – a clear signal of the strength of the EU internal market and Germany’s role as a global industrial and innovation hub.
- At the same time, the high share of replacement investment highlights the aging nature of the existing infrastructure and asset base. Significant modernization is required to maintain competitiveness.
- However, **compared with the United States, German and European companies allocate a larger share of capital to replacement** and a smaller share to growth and innovation. US companies expand capacity more aggressively and bring new products to market more frequently.
- If this trend persists, productivity and scale advantages risk shifting further toward the United States – strengthening the case for leveraging Europe’s deep internal market and public investment instruments to mobilize private capital for future-oriented investments.

Implications for investors / infrastructure investments

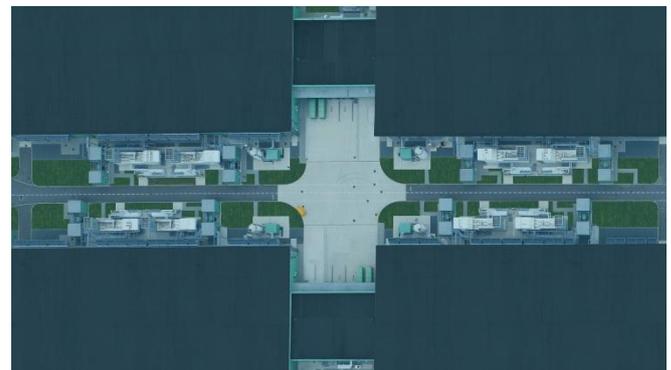
- **Infrastructure is increasingly becoming an enabler of corporate scaling, productivity, and technological value creation.** Industrial-policy programs are designed to accelerate and de-risk these investments.
- Infrastructure investments function as long-term structural growth drivers with high strategic relevance, supported by real usage, rising

capacity requirements, and reliable payment streams from businesses and households.

1.4 Infrastructure is a competitiveness factor – policy realigns its instruments

Societal and economic trends

- Infrastructure needs differ between increasingly urbanized metropolitan regions and rural areas. Companies and households generate regionally distinct load profiles, shaped by industrial clusters, logistics hubs, commuter flows, and data-intensive services.
- Ageing infrastructure is meeting changing usage



patterns, driven by changes in mobility behavior, digitalization, and new forms of work and living.

Conclusion

- **Infrastructure is no longer only a matter of basic provision. It has become a central factor of location quality.** It directly influences corporate investment decisions. Companies choose between locations with and without available grid, energy, and data capacity.
- This results in a higher political priority for infrastructure projects, new financing instruments, and a stronger focus on implementation and acceleration.
- **Germany seeks to attract global capital for infrastructure expansion:**
 - Katherina Reiche (German Federal Minister for Economic Affairs and Energy) stated at a KfW investor conference that, alongside the public stimulus from the planned multi-billion-euro spending programs, Germany also

requires capital from investors worldwide in order to secure growth.

- KfW CEO Stefan Wintels emphasized that substantially more private capital, both domestic and international, must be mobilized.

Implications for investors / infrastructure investments

- Infrastructure is shifting away from being a traditional “administrative topic” towards becoming a strategic location factor.
- Political willingness to mobilize private capital is increasing.
- At the same time, implementation capacity remains a key bottleneck – less on the demand side, and more with regard to planning, permitting, and construction capacity.

1.5 Private capital becomes system-relevant due to fiscal constraints

Current situation

- Public investment requirements are high. However, fiscal rules and budget constraints limit the scope for government action.
- Public budgets alone cannot cover this volume efficiently, neither in terms of timing nor in terms of risk, particularly given the parallel transformation and modernization programs.
- Despite extensive political initiatives, Germany continues to face a substantial investment gap. In infrastructure alone, this gap is estimated at up to EUR 1,000 billion by 2030.⁹

Political response

- With the special fund “Infrastructure and Climate Neutrality”, the federal government is providing a volume of EUR 500 billion, designed over a period of twelve years.
- At the same time, the German government is increasingly relying on fund and guarantee instruments to mobilize private capital. Within the

framework of the Germany Fund (Deutschlandfonds), the state is providing around EUR 30 billion in guarantees and funding to enable approximately EUR 130 billion of private capital investment, particularly in key areas such as energy infrastructure.

- It has been clearly recognized that political objectives in infrastructure cannot be achieved without private investors.

Implications for investors / infrastructure investments

- Private markets investors are increasingly not only providers of capital, but also implementation partners in infrastructure projects, contributing operational expertise in the planning, construction, operation, and optimization of complex assets.
- The attractiveness of infrastructure investments lies in long-term, predictable cash flows and inflation-linked structures, supported by real demand, long-term usage contracts, and system-relevant services.

2 Sector Outlook 2026

Macro and policy trends do not affect all infrastructure sectors in the same way. Instead, they unfold different dynamics across individual segments. Transport, energy, and digital networks each face distinct constraints and opportunities and offer different investment profiles. It is in these areas that Germany's ability to combine industrial strength, innovative capacity, and transformation capability will be determined.

A differentiated view of the individual infrastructure sectors is therefore appropriate.

2.1 Digital infrastructure – key investment theses

Digital infrastructure is among the fastest-growing infrastructure segments in Europe.

Driven by artificial intelligence, cloud computing, 5G, IoT and the increasing importance of data sovereignty, the sector is becoming a strategic component of institutional portfolios. Digital infrastructure often offers long-term stable cash flows, inflation protection, and low correlation with traditional asset classes.



Partly due to constraints in energy markets, the investment focus is shifting toward AI-ready infrastructure design: high computing power per square meter, energy efficiency, and edge data centers located close to users. EU regulations such as the Digital Networks Act (DNA) are intended to stimulate investment in networks and digital infrastructure, ensure fair competitive conditions and strengthen digital sovereignty.

Investment thesis 1: AI drives structural demand for data centers

Generative AI, high-performance computing and data-intensive applications increase demand for GPU-capable, energy-intensive data centers. On the supply side, power availability, land constraints, and permitting processes remain limiting factors. This supports stable utilization and predictable long-term investment conditions.

Edge data centers are gaining importance, as applications such as IoT, autonomous driving, and real-time AI require local data processing.

Investment thesis 2: Access to power becomes a key competitive factor

Investors are shifting their focus from traditional FLAP markets (Frankfurt, London, Amsterdam, Paris) toward secondary locations with better access to renewable energy and grid capacity, such as Berlin, Düsseldorf, or Hamburg.

Regions with strong local power generation, ideally based on renewable sources, such as Northern Germany, are becoming attractive locations for large-scale data center developments, provided sufficient fiber connectivity is available.

Data sovereignty is another relevant investment theme in 2026. Investors and data center users are increasingly seeking alternatives beyond the major US technology companies. Long-term partnerships with cloud and network operators offer opportunities to reduce project risks.

For Germany as a location, this means that its attractiveness for digital value creation increasingly depends on regional grid and energy infrastructure. Digital infrastructure itself thus becomes a factor of location quality for industry, research, and services.

→ The bottleneck is not demand for computing power, but access to electricity, grid connections, and permit-ready sites. In many regions, project feasibility is determined less by user demand than by the availability of energy and network infrastructure.

Investment thesis 3: Fiber and connectivity provide stable cash flows

Despite currently negative media coverage, Fiber-to-the-Home (FtTH) and wholesale networks – that is, fiber networks on which multiple service providers operate – offer long-term, contractually secured revenues, and low volatility. From an institutional investor’s perspective, such investments continue to provide attractive risk-return profiles.

Germany remains significantly behind its political targets of nationwide FtTH coverage by 2030. With broadband coverage of around 50 percent, Germany still ranks in the lower third among European countries.

Sustained demand for fiber infrastructure is supported by the fact that copper-based broadband technologies, which still dominate in Germany, will no longer be sufficient in the medium term to meet the requirements of a smart economy. User behavior continues to shift toward higher bandwidths. Download speeds of at least 1 Gbit/s are already being booked by 37 percent of customers with gigabit-capable connections.

However, the fundamentally positive growth outlook in the German and UK FtTH markets is currently constrained by limited access to external financing. Upcoming market consolidation is expected to create entry opportunities for new investors.

Investment thesis 4: ESG becomes a return driver

Energy efficiency, waste heat utilization, and green power purchase agreements reduce operating costs, improve financing conditions and support valuation levels. In the data center sector in particular, ESG considerations are becoming increasingly relevant in investment decisions.

Projects that consistently integrate sustainability aspects into their development processes are expected to benefit from stronger positioning in future valuation environments.

CONCLUSION FOR INVESTORS

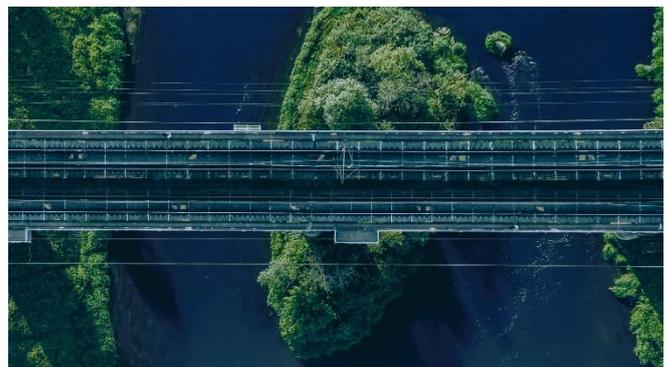
Digital infrastructure remains strategically relevant in 2026, offering a combination of structural growth and predictable returns. Early access to power, regulatory expertise, ESG integration, and partnerships with cloud and network operators are key success factors.

As public funding and network operators alone cannot finance the required expansion, private capital becomes increasingly important for the scaling of digital infrastructure, particularly for energy-intensive and location-dependent projects.

2.2 Transport infrastructure – key investment theses

For investors in transport infrastructure, 2026 remains a year shaped by strong structural drivers such as urbanization, sustained demand for mobility, and decarbonization, alongside operational challenges including cost pressure, shortages of skilled labor, and dependence on global economic developments.

The focus of investment activity is increasingly shifting toward digitalization, sustainability, and flexible financing models in order to support stable returns in a transforming environment. In addition, the resilience of individual transport modes with regard to military conflict and cybercrime is gaining importance.



Changes in global trade patterns, for example as a result of US tariff policies, are also leading to a stronger focus on intra-European trade, with corresponding requirements for European transport corridors.

Investment thesis 1: Rail infrastructure as a growth driver

Investments in rail networks, stations, and digital signaling and control systems offer long-term, stable, and regulated cash flows. Investments in signaling and control technology are currently not directly accessible to private infrastructure investors in most European countries, but they represent a key driver of sustainable growth in rail transport, for example

through the European Train Control System (ETCS), as they increase the capacity of existing rail corridors.

Investments in rail infrastructure, particularly in Germany, are necessary to sustainably support intra-European trade, as road infrastructure is reaching its capacity limits.

- The key to more growth in rail infrastructure lies in the modernization of existing networks. Without the digitization of signaling and control systems, the intended modal shift toward rail cannot be implemented in practice.

Investment thesis 2: Zero-emission vehicles reach market adoption

Zero-emission vehicles such as electric buses and electric trucks can be operated at lower cost over their lifecycle than traditional diesel vehicles.

The combination of economies of scale in manufacturing, continuous improvements in battery technology, and lower operating costs, including maintenance and energy costs, supports the ongoing expansion of zero-emission fleets in the German and European transport sectors.

Investment thesis 3: Charging and refueling infrastructure for commercial vehicles as a critical enabler

The expansion of electric trucks and hydrogen-powered commercial vehicles creates first-mover opportunities in charging infrastructure and hydrogen corridors along major transport routes.

In combination with the option of bidirectional charging, the batteries of modern electric buses and electric trucks can function as mobile energy storage systems. This can contribute to grid stability while also creating additional revenue opportunities for infrastructure investors.

Investment thesis 4: Urban mobility and multimodality

Urban transport systems such as tram networks, metro systems, bus depots, and mobility hubs benefit from urbanization and from the political prioritization of sustainable mobility.

Investments in intelligent traffic management, predictive maintenance (as a driver of infrastructure availability) and sensor technology increase the capacity of existing transport systems and reduce operating costs. Digitalization therefore represents a key value driver for existing transport assets.

Investment thesis 5: Ports as geopolitical assets

Seaports and inland ports are no longer only transport infrastructure. They function as strategic nodes within global value chains. Increasing trade policy fragmentation, particularly involving the United States, acts as an important catalyst in this context. Tariff-related re-routing effects are also increasing the relevance of inland ports. These are developing more and more from secondary logistics assets into independent infrastructure hubs.

Assets with strong hinterland connections, by rail and/or road, are of particular interest to institutional investors. Ports offer fee-based revenues, such as handling charges, port dues, and infrastructure usage fees, typically based on long-term concession models and, in some cases, indexed tariffs that provide inflation protection.

CONCLUSION FOR INVESTORS

In 2026, transport infrastructure offers attractive investment opportunities, particularly in assets that are digitalized, sustainable, and supported by stable regulatory frameworks. Key success factors include selective capital allocation, operational excellence, and a long-term investment horizon.

At the same time, transport infrastructure remains strongly dependent on global economic developments. This exposure can be mitigated, for example, through long-term concession models or availability-based revenue structures.

2.3 Energy infrastructure – key investment theses

Europe is in a multi-year transformation phase of its energy system. Decarbonization, electrification, geopolitical resilience, and digitalization are leading to a structurally higher need for investment in grids, storage, generation, and new energy carriers. The regulatory framework supports long-term private

capital participation, particularly where public funding is insufficient.

Key value drivers are regulatory stability, efficient financing structures, operational excellence, and active asset management. Value creation is increasingly driven by flexibility, digitalization, and portfolio combinations rather than by pure capacity expansion.

Investment thesis 1: Grid infrastructure as a value-stable core asset

Transmission and distribution grids benefit directly from the electrification of transport and heating in Germany. The continued expansion of renewable energy generation creates additional requirements for grid stability, while at the same time opening concrete investment opportunities in grid expansion, grid stabilization, and grid digitalization.

Regulated revenue models enable predictable cash flows, inflation pass-through, and low correlation with economic cycles. In this context, however, the substantial capital requirements needed for the sector's transformation must be taken into account, as they can pose challenges, particularly for smaller infrastructure investors. Accordingly, structured participation models, consortia, and fund vehicles are gaining importance as a means of efficiently pooling investments.

Investment thesis 2: Storage and flexibility become critical bottlenecks

With the increasing share of volatile renewable generation, battery storage, and other storage solutions, such as underground caverns, are becoming system relevant.

Investors can benefit from several revenue streams, including arbitrage, grid services, and capacity markets.

Especially the German market offers attractive opportunities in this area, as structural under-supply of storage capacity coincides with the continued expansion of renewable generation. A key constraint for storage projects is limited access to grid connections, which must be ensured by energy utilities.

Investment thesis 3: Renewable generation with a focus on hybridization

From an institutional investor's perspective, traditional standalone wind and solar parks generally no longer offer sufficient returns.

However, their value increases when combined with storage solutions, direct marketing structures, or power purchase agreements (PPAs).

In the German market, such business models are currently gaining importance, as these projects are often prioritized in grid connection processes. From the perspective of grid operators, they contribute to grid stability.

The value of generation assets is increasingly determined not by installed capacity alone, but by the ability to market electricity in a flexible, time- and location-specific manner. This reflects a clear trend toward integrated infrastructure platforms.

Investment thesis 4: EV charging infrastructure with scaling potential

Public fast-charging infrastructure for private vehicles is evolving from a subsidy-driven market toward a usage-based business model. Platform strategies with strong site quality and power procurement capabilities are particularly relevant.

From an institutional investor's perspective, partial demand protection, for example through take-or-pay structures that define minimum offtake volumes, can help stabilize revenue potential.

Investment thesis 5: Hydrogen as a high-risk strategic growth option

Green hydrogen is developing into a long-term link between electricity, industry, and mobility. Early-stage infrastructure investments carry higher risk but offer asymmetric upside potential, particularly where political support mechanisms are in place, such as the hydrogen core network.

For infrastructure investors, hydrogen is currently less a near-term return driver and more a strategic positioning along future industrial value chains. Accordingly, hydrogen investments are currently more suitable for investors who deliberately seek market risk and, in return, are willing to accept potential capital losses.

CONCLUSION FOR INVESTORS

Investments in energy infrastructure offer an attractive combination of long-term visibility, structural growth, and political support. Clear investment theses allow for targeted allocation aligned with individual risk-return profiles.

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An owner-managed specialist in the asset classes of infrastructure investments, private equity and private debt, it was founded in Frankfurt in 2012. Today, with its payroll of around 100 staff members, it has assets of approximately EUR 11 billion under management (including investment advisory mandates).

The firm administers its own funds and advises investors on realizing their individual investment strategies, offering access to attractive investment opportunities in Germany and globally.

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