

Infrastructure Insights

Infrastructure Investments: Insights and Trends from H1 2025

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Editorial



Infrastructure assets form the foundation of a thriving economy and society. They facilitate human connection, support the flow of goods, and play a vital role in the energy transition and efforts to combat climate change. Ongoing debates around infrastructure financing highlight the need for both public and private sector investment.

As a long-term infrastructure asset manager, we not only recognize the potential for stable returns but also see a chance to actively promote sustainable development. Through our newsletter, we aim to showcase selected projects, provide insights into market trends, and identify investment opportunities that deliver lasting value for both the economy and society.

This edition of our newsletter highlights two distinctive investments that offer an attractive development potential and a high degree of security due to their characteristics and market positioning. With the acquisition of modern rail milling machines, we are promoting efficient and resource-friendly maintenance of rail networks — occupying a genuine market niche in Europe. Our investment in a battery storage facility contributes to the energy transition. Storage solutions are essential to ensuring grid stability and maximizing the use of renewable energy. The widespread power outage in Spain in April 2025 once again underscored how vulnerable electricity infrastructures can be, even in highly developed countries. Such events highlight the critical need for high-performance storage systems to stabilize the grid and ensure a secure energy supply.

This newsletter is also intended to foster dialogue. Please don't hesitate to get in touch if you have any questions, suggestions, or would like to learn more about our investment solutions.

We look forward to hearing from you and hope you enjoy reading this edition!

With kind regards,
Dr Stefan Hasenböhler



**Dr Stefan
Hasenböhler**
CEO & Partner

Spotlight: Reichmuth Infrastructure strengthens its network with new industrial partners in the transport sector



Oliver Kraft



Oliver Kraft is regarded as an experienced and respected expert in the fields of rail transport and rail technology. He draws on many years of experience in both state-owned and private companies. Before taking on his advisory role at Reichmuth Infrastructure, he served for several years as a member of the executive board at DB Netz AG (now DB InfraGo). He then became Senior Vice President at voestalpine Railway Systems, where he was jointly responsible for expanding the company's rail maintenance division. In addition, he served as Chairman of UNIRAILINFRA — an organization dedicated to promoting innovation in railway construction and maintenance in Europe.

Eric Malitzke



Eric Malitzke is a recognized expert in various infrastructure sectors. His in-depth knowledge across various logistics industries is expected to generate significant added value for our clients. In addition, he brings extensive international leadership experience from previous executive roles, including serving as CEO of DPD Germany. He began his career at Fraport in the "Joint Ventures and Acquisitions" division and went on to become Germany's youngest airport director in Leipzig/Halle, where he played a key role in expanding the infrastructure and establishing DHL Express at the site.





Growing Acceptance of Infrastructure Assets: Developments in Switzerland and Germany



Over the past decade, infrastructure assets have evolved from a niche category to an integral part of the strategic asset allocation for many institutional investors. This trend is evident in Switzerland, where pension funds are increasingly relying on the resilient characteristics of this asset class. In Germany, the creation of a €500 billion Special Infrastructure Fund is fueling high expectations.

Switzerland: From a Portfolio Add-On to a Strategic Component



According to a study by the consulting firm Complementa, around 45 percent of Swiss pension funds now invest in infrastructure assets — compared to just 26 percent in 2018. The capital-weighted average portfolio allocation stands at 2.5 percent, more than double the level five years ago. The main reasons cited for this development are diversification benefits (37%), the search for new sources of return (29%), and the (partial) replacement of bonds (16%).¹ Regulatory conditions have also changed in recent years. Since October 2020, infrastructure investments have been classified as a standalone asset class under the BVV2 regulation, with their own maximum allocation limit of 10% of total assets.²

In a challenging market environment in recent years, the infrastructure asset class has demonstrated particular stability. In 2022, while both equities and bonds posted losses, especially defensive, NAV-based core infrastructure strategies proved resilient in value.³ In addition, many infrastructure assets offer a degree of inflation protection — either through indexed revenues or due to their quasi-monopolistic market positions.

The growing popularity of this asset class is also supported by the wide diversification across investment types and sectors, particularly in the two largest areas: energy transition and transport. Political pressure for decarbonization and digitalization is further driving infrastructure demand and, in turn, investor interest.



Germany: Special Infrastructure Fund – A Boost for Private Infrastructure Investments?



The announcement of a €500 billion debt-financed special fund for infrastructure investments sends a very positive signal for Germany as a location for business and investment. Investment in Germany's infrastructure is urgently needed: forecasts estimate that €450 billion will be required for grid infrastructure and rail system expansion alone.⁴

In addition to key sectors such as transport and energy infrastructure, other urgently needed investments — such as in education, healthcare, and climate protection — are also coming into focus.⁵ These are essential to securing Germany's long-term competitiveness and enabling the transition to a climate-neutral economy.

Against this backdrop, it quickly becomes clear that even the €500 billion special fund will not be sufficient to cover the required investment. This makes it essential to mobilize private capital. For Germany, this is not entirely new — investments in infrastructure have long been a staple in the portfolios of institutional investors.⁶ It is all the more encouraging that pension funds and sub-Solvency-II-threshold insurance companies will now be allowed to allocate up to five percent of their assets to infrastructure, in addition to the existing 15 percent quota for alternative investments.^{7,8}

Private Capital: A Key Opportunity for Tomorrow's Infrastructure



Looking at the growing popularity of infrastructure assets in the portfolios of Swiss pension funds and recent investment developments in Germany, it becomes clear that there is still untapped potential when it comes to deploying private capital. Particularly regarding the use of Germany's special infrastructure fund, it would be desirable to dovetail public and private investment more closely - in other words, the use of public funds should create targeted incentives for increased private capital involvement.⁹

Reichmuth Infrastructure is already putting private capital from its investor base to effective and sustainable use. The investments shown on page 3 are just two of a total of 25 examples of how we provide institutional investors with access to infrastructure opportunities. Those who take a long-term view, can allocate illiquid assets, and seek inflation-protected, stable returns will find infrastructure to be a compelling choice. Expanding infrastructure investments is not only beneficial from a portfolio perspective, but also socially relevant. The demand for investment in sustainable transport infrastructure, energy, and resilient supply systems is enormous — and private capital providers play a key role in meeting it.

Sources:

¹Cf. Gyalzur Tseten, Rensch, Janick (Complementa AG): Die Attraktivität von Infrastruktur als Anlageklasse, 2024; ²Cf. PPCmetrics – Investieren in Infrastruktur, eine Anlagekategorie, die immer wichtiger wird, 2024; ³Cf. Gyalzur Tseten, Rensch, Janick (Complementa AG): Die Attraktivität von Infrastruktur als Anlageklasse, 2024; ^{4,5} Cf. Anne-Louise Stranne Petersen: Why private Infrastructure may eventually benefit from new German initiatives, 2025, Infrastructure Investor; ⁶Cf. Drwenski, Axel (Helaba): Das Sondervermögen „Infrastruktur“ des Bundes – Zu wenig für die Herausforderungen (<https://www.helaba-invest.de/alternative-investments/das-sondervermoegen-infrastruktur-des-bundes-zu-wenig-fuer-die-herausforderungen/>); ⁷Cf. Achte Verordnung zur Änderung von Verordnungen nach dem Versicherungsaufsichtsgesetz, Februar 2025; ^{8,9} Cf. Anne-Louise Stranne Petersen: Why private Infrastructure may eventually benefit from new German initiatives, 2025, Infrastructure Investor.





News & Developments: Current developments and news from two Reichmuth Infrastructure transactions



Nicolas Wyss

Head of Energy

"With the successful inauguration of our Battery Energy Storage System (BESS), we have taken another significant step toward a sustainable and decentralized energy future. The facility in Arzberg (Wunsiedel district, Bavaria) is the result of solid planning, innovative technology, and committed collaboration. I'm delighted that senior representatives from politics and business, as well as the local community, joined us in celebrating this milestone."

Inauguration of the Battery Energy Storage System (BESS)



The official opening of the battery storage facility took place in a festive setting, attended by local and regional politicians — including the Minister President of Bavaria, Markus Söder, who gave a speech. The television station BR24 was also on site and produced a segment covering the event. The atmosphere was welcoming for the approximately 150 guests in attendance, many of whom showed great interest in this milestone for the energy transition.

The BESS facility has a capacity of 100 MW and 200 MWh of storage. It is designed to store energy for six hours from ten wind turbines, each with an output of 3.5 megawatts, or for over 20 hours from a 10-megawatt solar park. When discharging this amount of electrical energy, the system can supply electricity to the Wunsiedel district — with its approximately 80,000 residents — for around 12 hours.

Source: Press release "Mega-Batteriespeicher im Landkreis Wunsiedel eingeweiht" - Zenob



Battery Energy Storage System in Germany, district of Wunsiedel. Source: SKP



Roland Kaufmann

Head of Transportation

"Given the ongoing shift towards alternative modes of transport, rail infrastructure plays a vital role in achieving emissions neutrality. As a result, corrective maintenance has become a key component of rail infrastructure operators' maintenance strategies — and RCS Milling is ideally positioned to capitalize on these opportunities. This investment aligns perfectly with our commitment to sustainable infrastructure solutions, and together with our partner, we look forward to the continued and lasting success of RCS Milling."

Winning the Tender Secures High Operational Capacity



At the end of the third quarter of 2024, RCS Milling (formerly s-milling Technologies) won a major tender from a leading rail network operator in continental Europe. This not only ensures consistently high utilization of the portfolio company's machine capacities but also results in a significant increase in revenue and EBITDA.

Based in Austria, RCS Milling is a company specializing in rail processing services. Using a fleet of milling trains, it effectively mills damaged rail tracks by removing worn sections of the rail profile and returning them to near-original condition. This milling process not only extends the lifespan of the rail track but also makes a meaningful contribution to achieving the goal of a circular economy.



Track milling machine from RCS Milling. Source: s-milling Technologies



In the next Issue: Sustainability in Focus – Construction of a State-of-the-Art PET Recycling Plant in England

















Source: enviroo

In April 2025, we successfully completed our next investment on behalf of our investors by investing in the construction of a PET recycling plant in the northwest of England. Recycling PET bottles is an excellent example of our approach to investing in sustainable infrastructure. This investment combines stable, long-term returns with clear sustainability goals. You can find out more about this in the next issue of our newsletter.

Reichmuth Infrastructure – Your Partner for Infrastructure Investments



 2012 Foundation of Reichmuth Infrastructure Platform	 EUR 2.4 billion Assets under Management	 25 Invested Portfolio companies	 27 Dedicated investment specialists
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Energy Transition		Circular Economy	Rail, Road, Shipping		Aviation	
						
100MW	890MW	20'000t recycled PET	6'000+	220	8'000+	28
						
290MW	600MW		166	9	3	17

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