

## Swiss Life Asset Managers completes the acquisition of majority stake in the district heating portfolio of Equans

8 January 2024

Swiss Life Asset Managers acquires Equans' UK portfolio of district heating and cooling networks in consortium with Schroders Greencoat and backs the company's growth and decarbonisation efforts.

Swiss Life Asset Managers, on behalf of its funds, and as the majority partner in the consortium with Schroders Greencoat, the specialist renewables manager of Schroders Capital, undertook the acquisition of Equans' UK district heating and cooling portfolio after having obtained the necessary approvals from the European Commission and the Cabinet Office.

The portfolio is fully operational and consists of 12 district heating and cooling networks, servicing residential, commercial, public and retail customers making it with a capacity of 432MW heating, 117MW cooling and 67MW of electricity the largest city-scale district heating company in the UK

As such Swiss Life Asset Managers further diversifies its portfolio with this additional investment in energy services. The acquisition of Equans' district heating and cooling portfolio is a complimentary fit to the infrastructure investment strategy of the funds involved, as the company has a strong operating asset case with long term and inflation-linked contracts with a remaining life on average of 22 years and is committed to accelerating the transition towards net zero.

In the coming years it is planned to increase the density of the networks and support the continued decarbonisation and growth of both existing and new heat networks. This will serve the UK's wider Net Zero objectives as well as the UK Government's Levelling Up agenda, by supporting local employment and investment in critical infrastructure.

District heating involves generating heat in centralised energy centres with distribution to businesses, industry and residents in a defined local area. District heating networks offer great potential for efficient, cost-effective, and flexible large-scale use of low-carbon energy for heating.

In October 2023, the Energy Security Bill became law, introducing regulation to enable industry growth via heat network zoning. Heat networks are a crucial part of how the UK will reach its net-zero targets as it is one of the most cost-effective ways of decarbonising heating at a fair price to consumers, while supporting local regeneration. The Climate Change Committee has estimated that around 18% of heat consumption in the United Kingdom needs to be supplied through heat networks by 2050.

"District heating and cooling uptake has grown with the increasing need for cleaner and more efficient energy supply. We look forward to developing and innovating the portfolio further, as associated technologies have the potential to be a key way to reduce the carbon footprint of the heating and cooling infrastructure, especially if based on renewable energy sources and not reliant on fossil fuels. We look forward to being part of this journey." Says Roman Wyss, Senior Portfolio Manager at Swiss Life Asset Managers.

## About Swiss Life Asset Managers' Infrastructure Equity

Established in 2011, the Swiss Life Asset Managers Infrastructure Equity platform manages over EUR 10bn in Assets under Management for its clients and partners. The team consists of more than 50 investment specialists with an average of over 20 years industry experience across the senior level members. The platform has made over 70 infrastructure investments, across 12 solutions, in both direct and indirect opportunities across the Energy, Communications, Transportation, Regulated Utilities, Social Infrastructure and Renewable Energy sectors.

## Information

### Swiss Life Asset Managers

Communications

Phone: +41 43 547 66 88

communications@swisslife-am.com

www.swisslife-am.com



### Swiss Life Asset Managers

Swiss Life Asset Managers has more than 165 years of experience in managing the assets of the Swiss Life Group. This insurance background has exerted a key influence on the investment philosophy of Swiss Life Asset Managers, which is governed by such principles as value preservation, the generation of consistent and sustainable performance and a responsible approach to risks. Swiss Life Asset Managers offers this proven approach to third-party clients in Switzerland, France, Germany, Luxembourg, the UK, Italy and the Nordic countries.

As at 30 June 2023 assets under management for third-party clients amount to EUR 114.8 billion. Together with insurance assets for the Swiss Life Group, total assets under management at Swiss Life Asset Managers stood at EUR 265.8 billion. Swiss Life Asset Managers is a leading real estate manager in Europe<sup>1</sup>. Of the assets totalling EUR 265.8 billion, EUR 91.7 billion is invested in real estate. In addition, Swiss Life Asset Managers, in cooperation with Livit, manages real estate totalling EUR 21.6 billion in value. Total real estate assets under management and administration at the end of June 2023 thus came to EUR 113.3 billion.

Swiss Life Asset Managers employs more than 2200 people in Europe.

### Self-determined Life

Swiss Life enables people to lead a self-determined life and look to the future with confidence. Swiss Life Asset Managers pursues the same goal: We think long-term and act responsibly. We use our knowledge and experience to develop future-oriented investment solutions. This is how we support our customers in achieving their long-term investment objectives, which in turn also take account of their client's needs so they can plan their financial future in a self-determined manner.

<sup>1</sup> INREV Fund Manager Survey 2023 (AuM as of 31.12.2022)