Strategy Consultants

European data centre market

Discussion document

2026

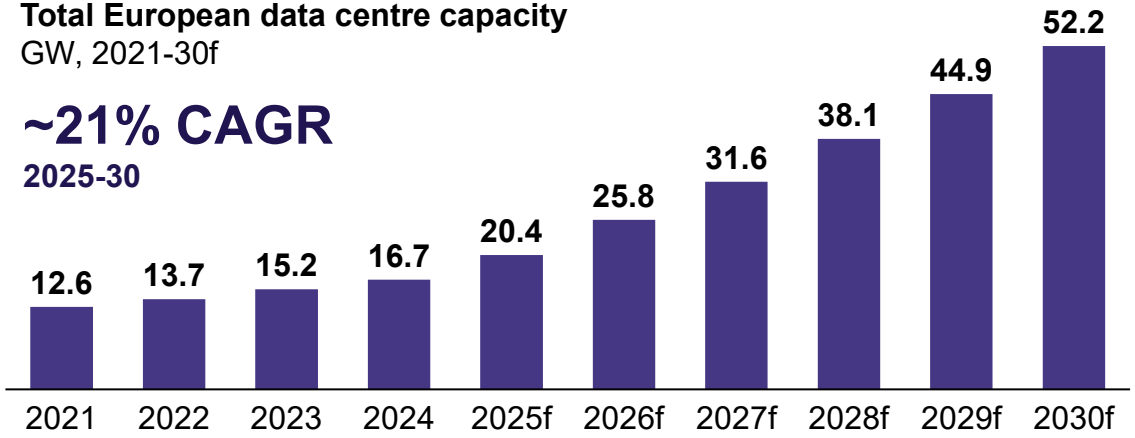
Strictly private and confidential

Key takeaways

The European data centre industry is in a golden decade of growth. By 2030, capacity is expected to more than double, creating a range of opportunities.

Total European data centre capacity
GW, 2021-30f

~21% CAGR
2025-30



Key market dynamics

Sustained, long-term growth

European data centre capacity will more than double to over 50GW by 2030, driven by a fourfold increase in global data creation and the rapid adoption of AI, cloud, and future disruptive technologies.

AI as the latest game-changer

The mix of workloads could flip from 80% cloud today to 80% AI by 2030, requiring significantly more power, advanced cooling, and infrastructure investment, creating huge opportunities for innovators and solution providers.

Mega-campuses & new region focuses

Hyperscalers are leading a move toward 100MW+ campuses, while secondary regions (Nordics, Southern, C. Eur) are emerging thanks to grid availability and lower energy costs, even as grid constraints reshape traditional hubs.

Opportunity 1

Euro-wide partnerships

Data centre owners think “Euro-wide” for their value chains, which provides a good opportunity for local players to expand geographically with their clients.

There are some challenges to serving new countries with local regulations, supply chains etc. but the opportunities to piggyback on an international client who wants region-wide consistency means the investment is worth it.

Opportunity 2

Expansion into adjacent areas

Asset owners prefer trusted relationships with fewer partners, meaning embedded players are well placed to extend their offerings to adjacent segments.

This can be horizontal expansion into similar areas (e.g. from substation to temporary power) or it can be across the lifecycle (e.g. from install to ongoing maintenance). Organic and M&A strategies can suit.

Opportunity 3

Diversification into other markets

While a strong strategy is to focus on a core market in high growth, players could look to diversify into other areas of complex, critical infrastructure.

Examples include semi-conductor plants, power plants and high-voltage industries where complex assets in regulated industries require high-skilled supply chains that can manage large and sophisticated projects.

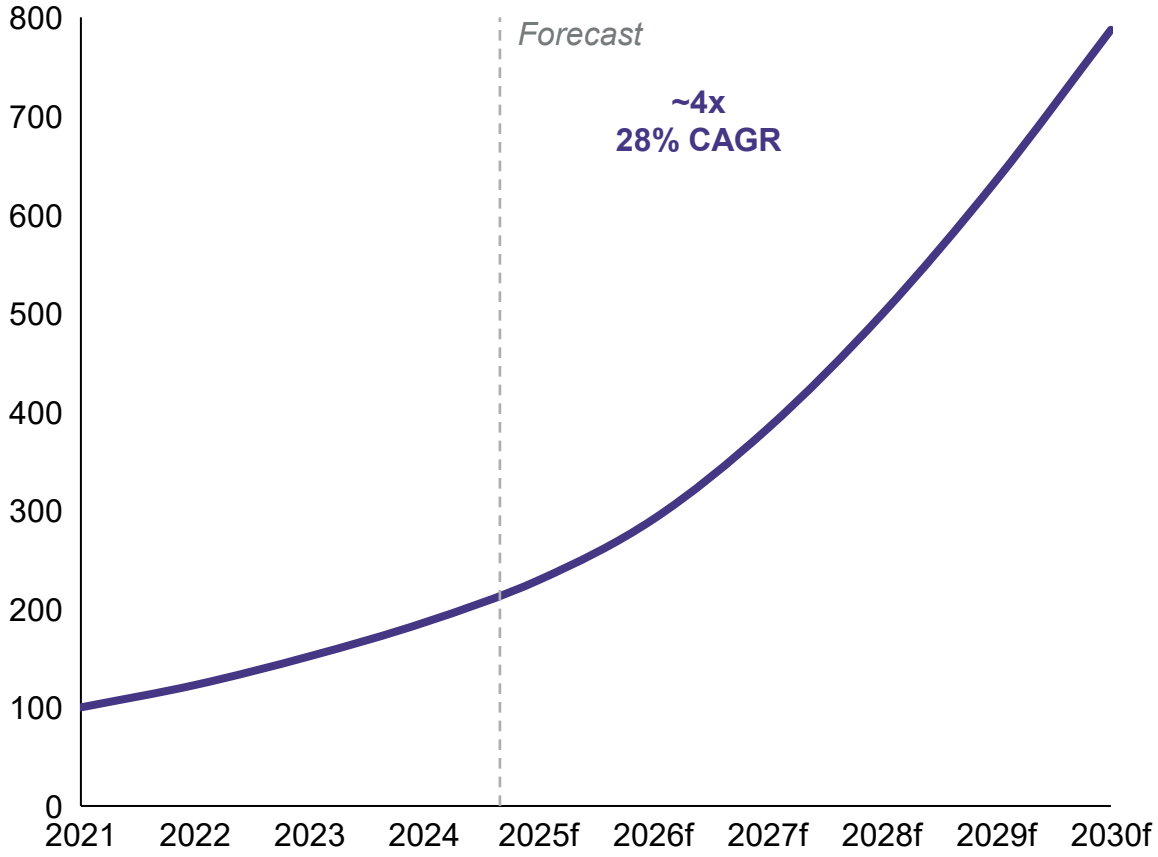
I expect European data centre capacity to be 200% larger (3x) by 2030.

Amazon Web Services

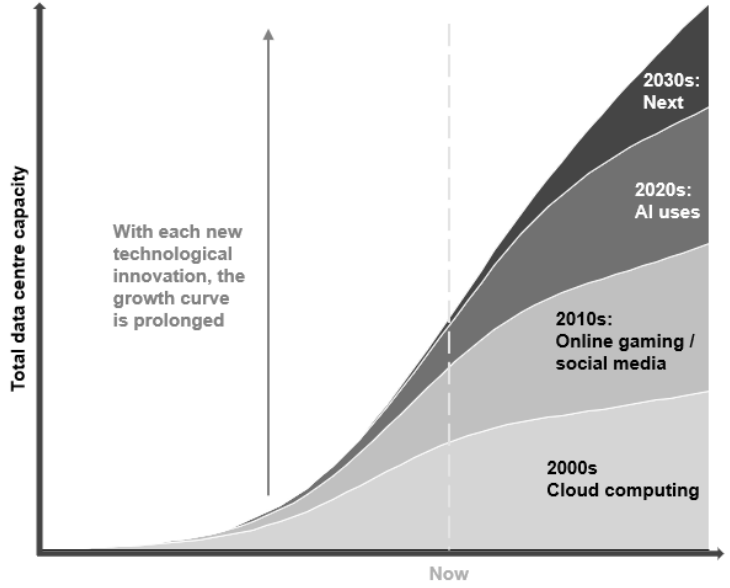
Data creation

In 2030, data demand is expected to be 4x 2025 levels, with GenAI and other technology adoption driving need.

Data creation forecast, global
2021-2030f, indexed (2021=100)



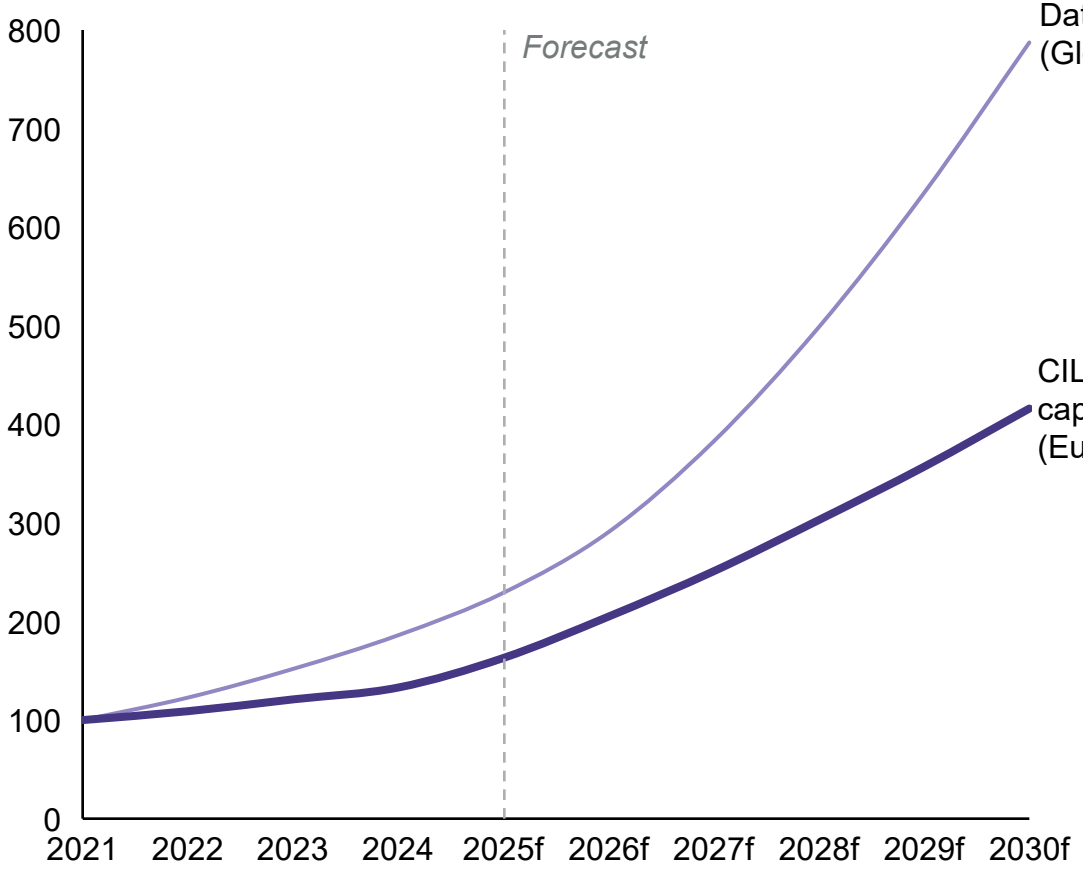
- Each decade brings disruptive innovation that drives need for data. GenAI is the latest technology evolution, which has a long way to play through.
- However, other ways of technology evolution continue to drive future growth – e.g. ongoing adoption of cloud computing.
- Beyond GenAI, one can expect another disruption to technology to create additional demand in the 2030s and 2040s.



Data processing efficiency

Significant growth in data centre capacity is required to support the demand for data, albeit at a lower rate due to processing efficiency gains.

Data centre data creation vs. data centre capacity forecast
2021-2030f, indexed (2021=100)



~28% CAGR

~21% CAGR

Process efficiency gap:

Optimised data processing techniques such as next gen chips and liquid cooling technology mean the growth in power capacity is lower than the data growth, albeit still 20+% CAGR

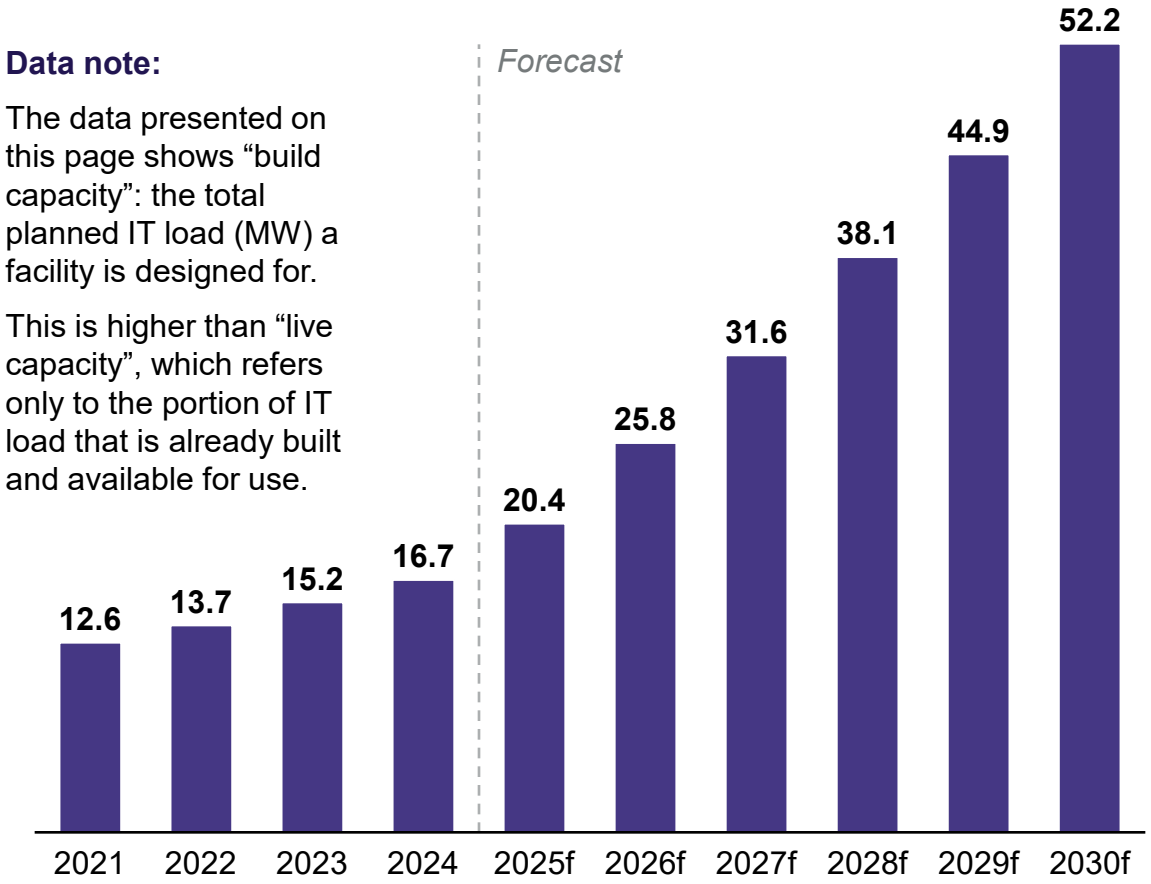
Meta

"Liquid cooling means you can pack more computing power into the same space, driving efficiency."

Data centre capacity growth

CIL estimates European capacity will more than double to 2030, surpassing 50GW.

Total European data centre build capacity
GW, 2021-30f



Data note:

The data presented on this page shows "build capacity": the total planned IT load (MW) a facility is designed for.

This is higher than "live capacity", which refers only to the portion of IT load that is already built and available for use.

47GW

Known committed project capacity (as of Sep-25)

CIL has built a proprietary database of data centre sites – both built and planned.

While some projects may not go live by 2030 other currently unknown sites will be built between 2025 and 2030.

This provides confidence in our forecasts.

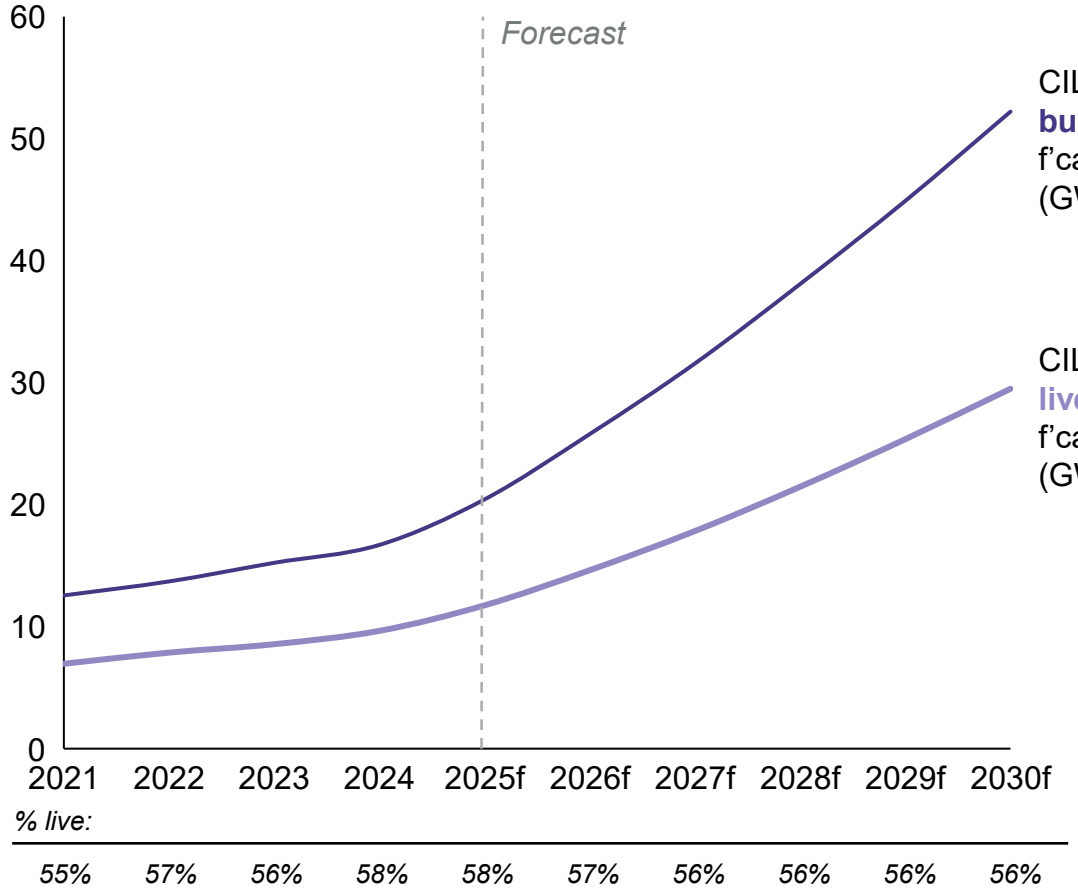
Infrastructure Investor

"Europe needs to more than triple its data centre capacity by 2030 to meet demand for cloud and AI workloads."

Data capacity utilisation

Not all built capacity becomes live capacity immediately. With gradual go-live of new sites, the true available capacity is a bit smaller – but still growing.

Data centre build capacity vs. live capacity forecast
2021-2030f, GW



CIL data centres **build** capacity f'cast (Europe) (GW)

~21% CAGR

CIL data centres **live** capacity f'cast (Europe) (GW)

~20% CAGR

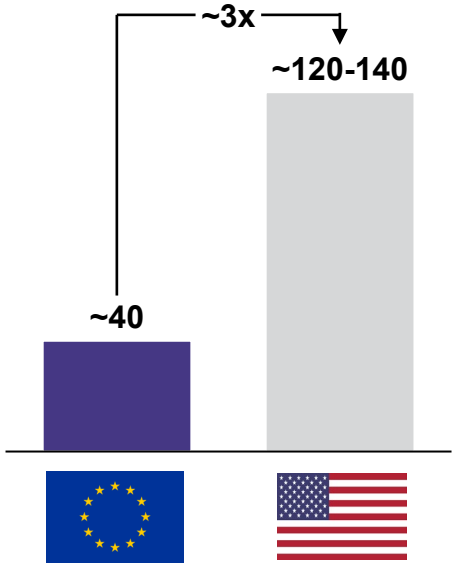
Microsoft

"Demand continues to be higher than available capacity."

US data centre capacity and new build activity is much higher than Europe, signalling a long-term growth trajectory pathway for Europe.

Current capacity per capita

Data centre capacity per capita – Europe vs. US
MW capacity per m people, 2025

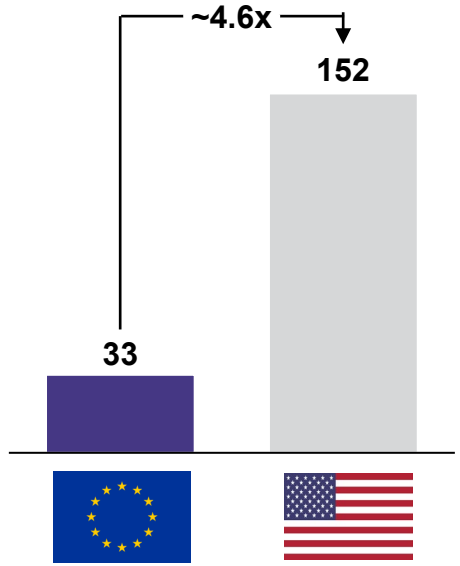


CIL's European capacity forecast of **~2.56x** to 2030, would bring Europe more in line with the US current capacity per capita.

However, the US is continuing to invest in significant capacity adds, meaning Europe will still lag US capacity by a large amount.

Planned capacity growth

Committed future project capacity – Europe vs. US
GW, 2025 (announced projects only, as of Sep-2025)



CTS Nordics

"Data centre capacity has experienced huge growth globally. The US remains the strongest market, followed by Europe. I expect both markets to grow at ~20-30% per year to 2030."

The drivers behind data centre investment are long-term and resilient.

Dynamics driving data centre capacity demand

Consumer demand for digital services

Highly Positive

Global demand for digital services is expected to grow rapidly driven by growing demand for streaming content services, continued growth in the adoption of IoT products and smartphones and increasing digitalisation in less developed geographies.

Revolution in AI applications and demand

Highly Positive

AI applications have developed rapidly in recent years, and the global industry is expected to grow at ~35-40% CAGR and could represent 80%+ of data centre usage by 2030. AI processes are highly data intensive and will require significant additional dedicated data centre capacity to support this growth.

Increasing adoption of cloud services

Highly Positive

Corporate adoption and usage intensity of cloud services are both expected to increase as more cloud-native offerings with enhanced functionality emerge. The overall cloud industry is expected to grow at ~14% CAGR 2023-30f, increasing the requirement for back-end data centre capacity to support these services.

Growth of edge computing demand

Positive

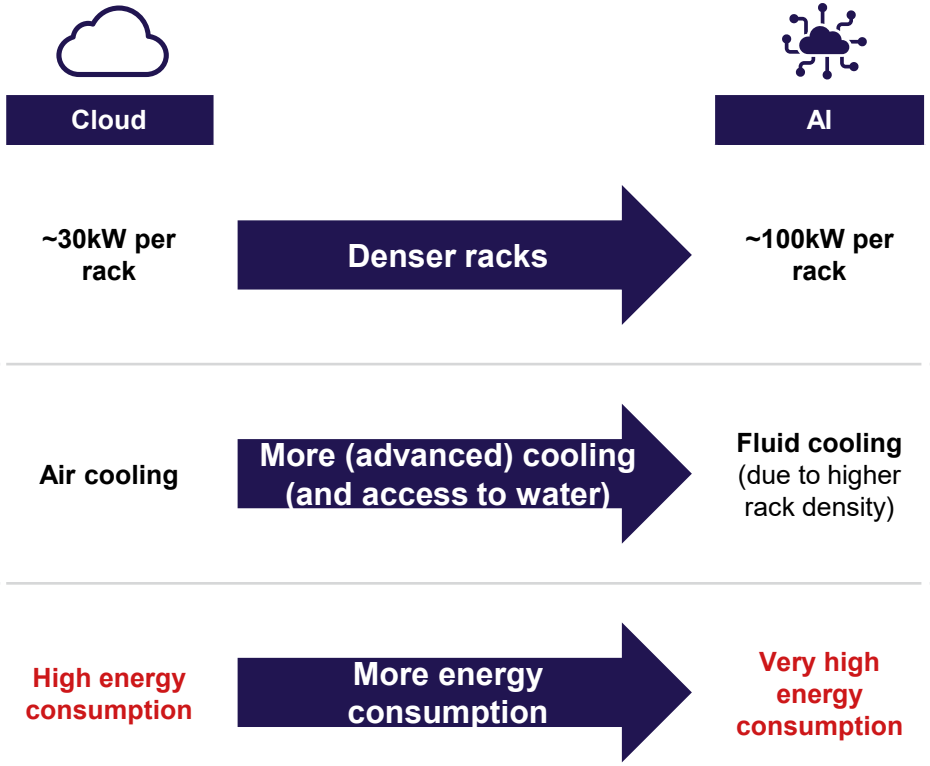
Demand for edge processing data centres located closer to end users is expected to grow, driven by the need to reduce latency for AI and other applications. Edge facilities are typically compact, self-contained units rather than full-scale buildings, reducing the need for bespoke MEP design on a project-by-project basis.

exyte

"Currently, 80% of data centre capacity is cloud computing compared to 20% in AI. However, this ratio is going to reverse by 2030."

Differences in operational requirements between AI and cloud are expected to create additional demand for new AI data centres, rather than solely retrofit.

AI requires a different setup, with data centres being more power-intensive and needing more efficient cooling.



Data centres are moving to denser racks within large, hybrid sites, requiring more flexible, hybrid-ready systems.

ABEC
INSTALL | MAINTAIN | OPTIMISE | VISUALISE

"Cooling is even more important now. A traditional chip would last 20 minutes without cooling before blowing up, while a GenAI chip only lasts 2 seconds."

Lenovo Infrastructure Solutions Group

"Hybrid setups are ideal because they allow companies to grow and digitally transform at their own pace."

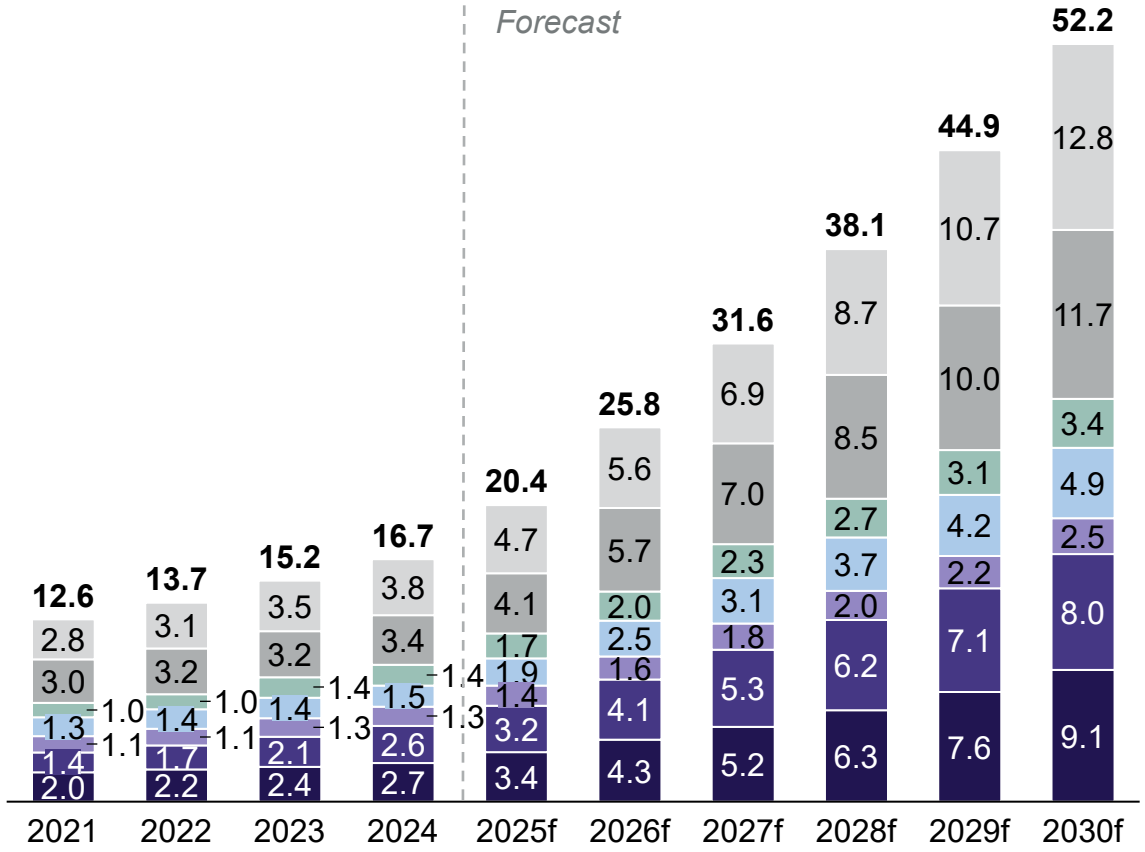
Facilities of unprecedented size are expected to be built in Europe.

CBRE

Data centre capacity growth by region

All European regions will grow, with some secondary locations projected to outpace historic hubs.

Total European data centre capacity, by region
GW, 2021-30f

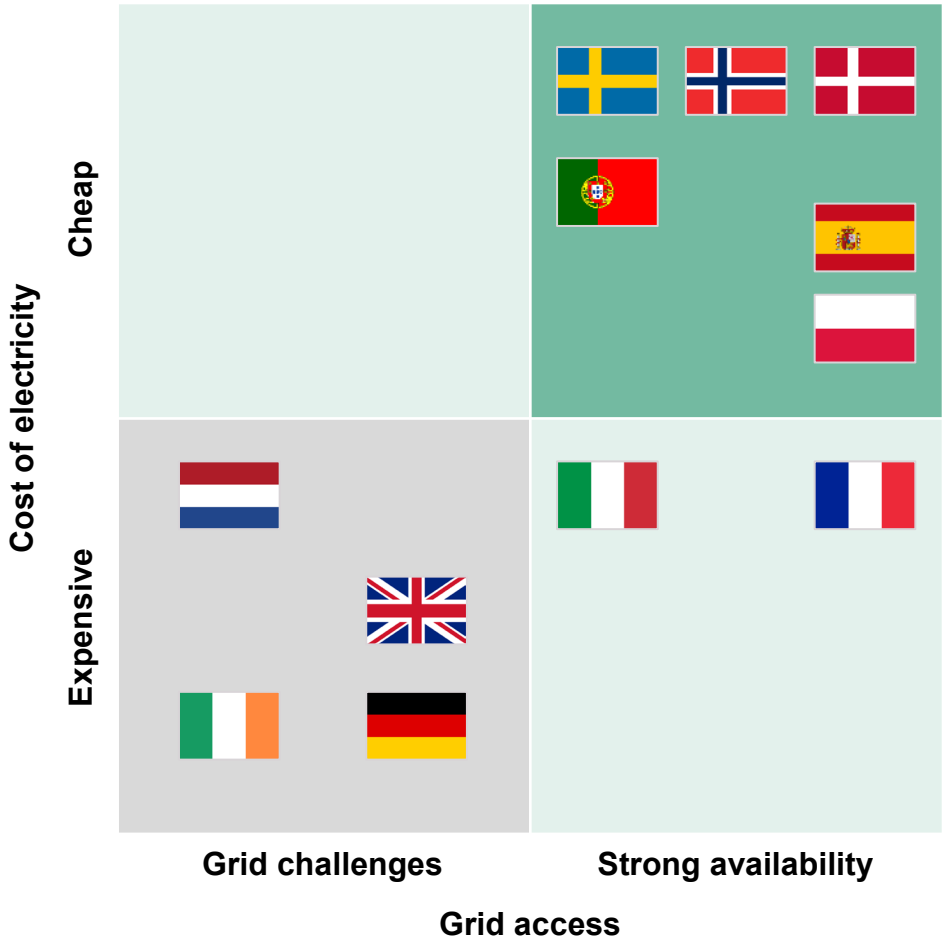


	2021-25f CAGR	2025-30f CAGR	*2025-30f (share of capacity added)*
Total	**12.9%**	**20.6%**	***100.0%***
Rest of Europe	14.3%	22.2%	*25.5%*
Nordics	8.4%	23.0%	*23.7%*
Ireland	14.4%	14.5%	*5.2%*
France	10.0%	20.8%	*9.3%*
Netherlands	5.3%	12.0%	*3.3%*
Germany	23.6%	20.2%	*15.1%*
United Kingdom	14.0%	21.6%	*17.8%*

Microsoft

"We are expanding data centre operations in 16 European countries… This will more than double our European capacity between 2023 and 2027."

Access to the grid and cheaper power is supporting growth in the Nordics, Southern and Central Europe. However, every region will experience growth.



Access to cheap plentiful power

- Regions with lower energy costs and high renewable penetration are increasingly attractive to hyperscale and colocation data centre operators, particularly given the energy-intensive nature of AI training.

CTS Nordics

"Spain, Portugal, and the Nordics are attracting significant data centre investment due to their lower costs and green energy potential."

Challenges with access to grid – case studies

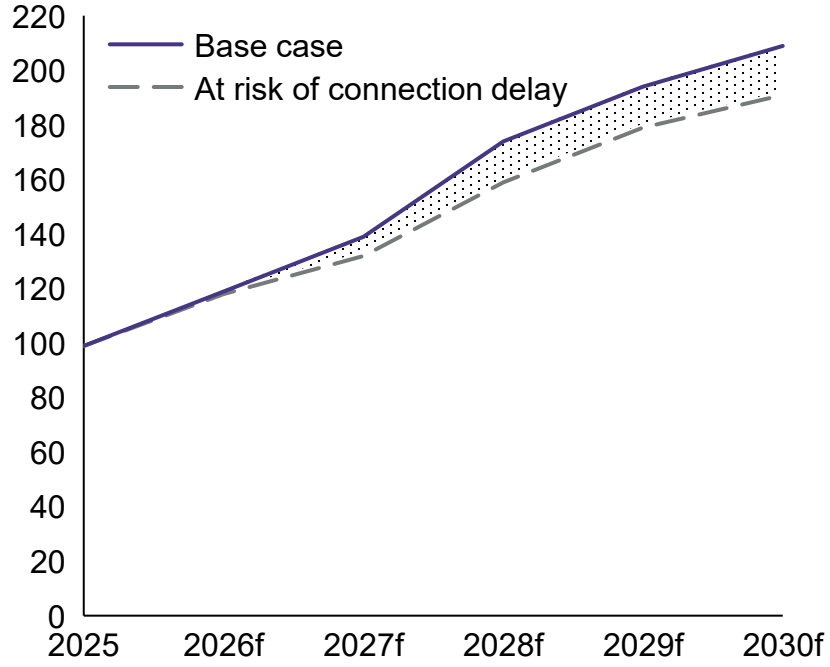
- **Ireland:** Microsoft warned in March 2025 that the investment is being put at risk by such delays. Ireland had a ban on data centre developments in the greater Dublin vicinity (shifting demand outside the area), albeit Ireland has now lifted its moratorium.
- **UK:** Grid access delays in the UK can be up to 13 years. The National Grid could not guarantee connections "before 2035" to some developers. However, the UK is reforming grid access, prioritising active projects to ease backlogs.

Supply challenges

Despite grid constraints and delivery challenges, market forecasts remain positive, with success driven from the most innovative players and operators.

Grid constraints

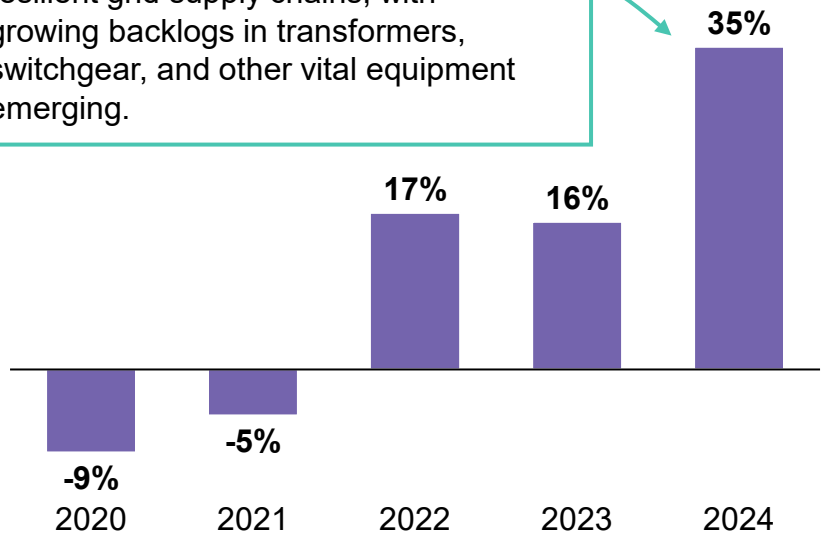
Global data centre capacity additions in the base case and capacity at risk of connection delay due to grid constraints (IEA)
MW, 2025-30f



Lead times

Power transformer order backlog (year-on-year change) in selected manufacturing companies (IEA)
% growth, 2020-24

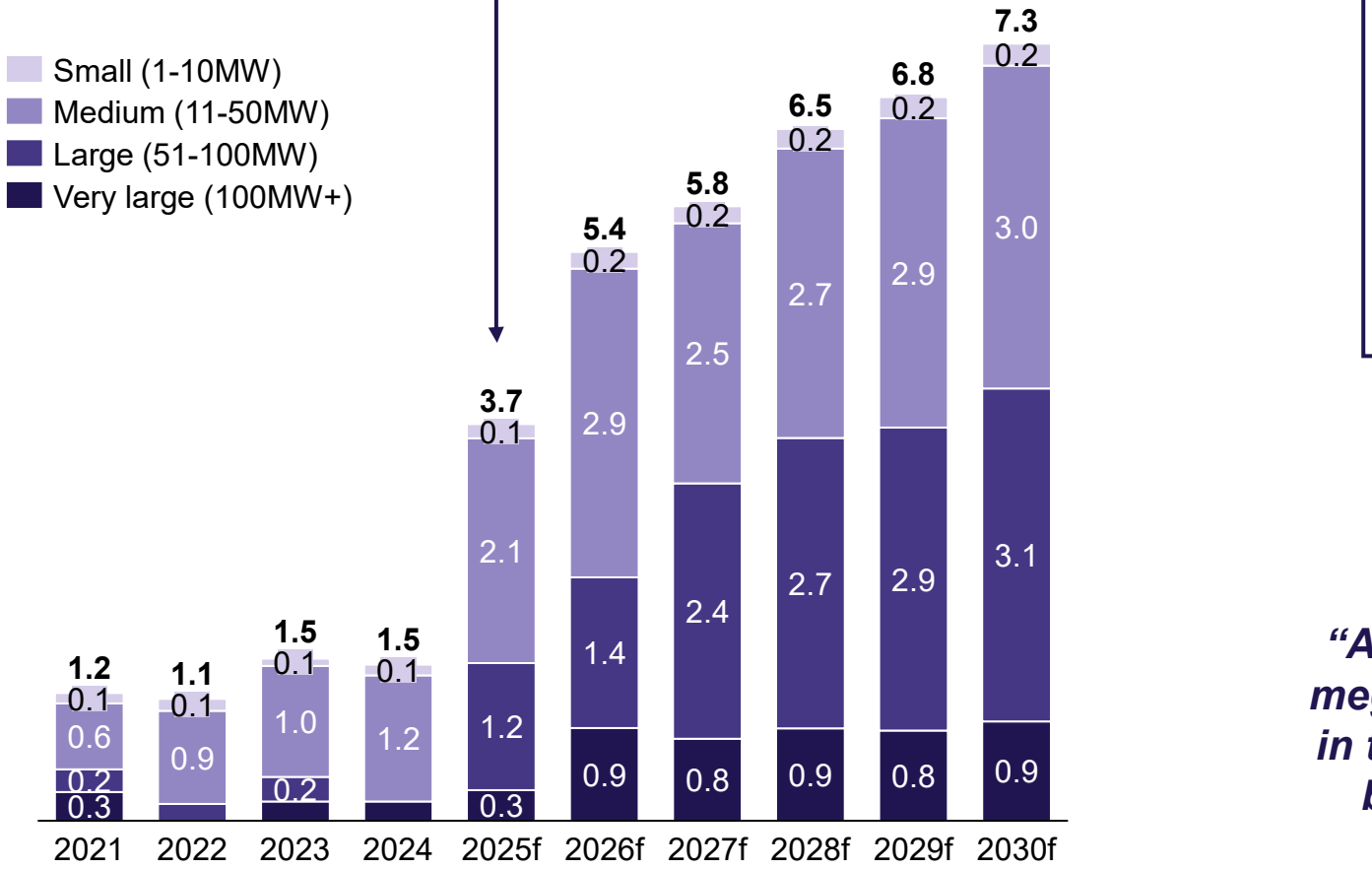
Powering AI data centres requires resilient grid supply chains, with growing backlogs in transformers, switchgear, and other vital equipment emerging.



Data centre capacity additions

The market is driving YoY growth in new capacity, with greater focus around the creation of very large data centre campuses (100MW+).

European data centre capacity added each year, by size
GW, 2021-2030f



European data centre CapEx

~€35-40bn
2025

Assumptions

- Capacity added (2025): ~3.7GW
- Development costs per MW: ~€10m / MW

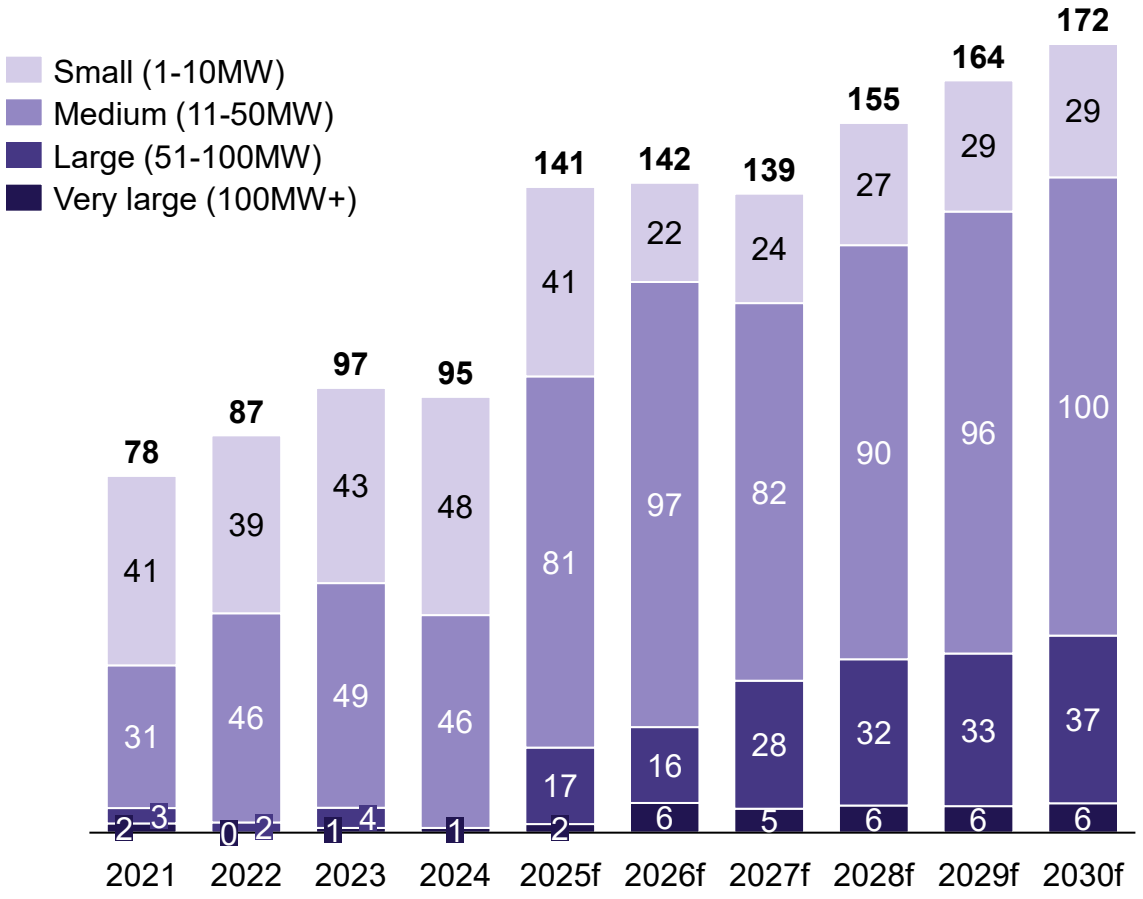
nVent

"All the major projects we hear about are mega data centres, indicating a clear trend in this direction. Data centres are not only booming in number, but also in size."

Data centre unit additions

With larger data centres taking share, the overall number of new units is not growing in line with capacity growth. But spend on new build will still grow YoY.

Number of new European data centres built each year, by size
#, 2021-2030f



While most new capacity expected from 2025-30f is in medium-to-large data centres, a growing proportion of that capacity is expected to be on very large campuses (>100MW across multiple buildings), representing a substantial portion of activity.

~51% of total additional capacity (2025-30f) is expected to come from the largest campus sites.

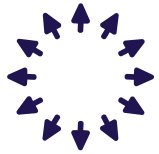
exyte

"Data centre developers are opting to construct new, larger facilities specifically designed for AI workloads."

New build trends

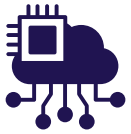
The market is shifting to 100MW+ campus builds, sidelining mid-sized projects, with power efficiency remaining critical to new build decisions.

Trends impacting data centre new build



Growing focus on larger data centre campuses

- There is a trend towards larger data centres to cater to increasing customer demand for AI and cloud services.
- Hyperscalers and colocation operators are increasingly seeking approvals for 100MW+ campuses made up of multiple buildings which they can build out over a longer development period.
- This reduces the number of overall projects in the market but increases the potential opportunity associated with each depending on the services required.



Increasing hyperscaler self-build

- Hyperscalers have greater flexibility and potential expansion capabilities from their own-build data centres compared to colocation.
- Traditionally the hyperscalers have relied upon colocation partners to build and operate data centres in geographies outside of the US, but there has been a significant growth in direct investment plans of the key hyperscalers in Europe and the Middle East, with multiple self-build projects already announced.

New technologies / increasing focus on data centre efficiency

- Given land and power capacity constraints in many key growth markets, hyperscalers are investing heavily into making data centres more efficient to cater to more demand.
- European governments are also increasingly looking at mandating efficiency requirements for new build data centres. Germany has passed legislation requiring any new data centres built after 2026 to have a PUE of 1.2.

Hyperscaler European investment summary

Microsoft, Google and Amazon have announced significant investments across primary and secondary markets in Europe.

	Microsoft	Google	aws
Primary markets[1] *(Example investments)*	▪ While Microsoft has scaled back some investments historically (spare capacity was quickly absorbed by others such as Google), it maintains a strong outlook. – 11 data centre sites announced (~0.8 GW). – ~€3bn investment in the UK between 2023-26 to double its AI infrastructure. – ~€18bn investment in Germany, including €7.8bn sovereign cloud + €10 bn cloud / logistics (by 2040).	▪ 8 data centre sites announced (~0.9 GW). ▪ ~€1bn investment into a new data centre in the UK between 2022-25. ▪ ~€1bn long-term investment from 2021-30 into Germany's digital infrastructure (data centres and renewable energy). ▪ Continued investment in Netherlands.	▪ 3 data centre sites announced (~0.4 GW). ▪ Plans to invest ~€10bn in the UK over 2024-28. ▪ Amazon to build 3 new data centres to expand its 65-acre Irish (Dublin) campus. ▪ Investing ~€8bn into its European Sovereign Cloud through 2040 (Brandenburg, Germany).
Rest of Europe *(Example investments)*	▪ 13 data centre sites announced (~0.7 GW). ▪ Spanish regions (Madrid & Aragon) will account for ~€11bn between 2024-2034. ▪ ~€1bn investment in Italy between 2020-25 to support the launch of its new region. ▪ Further investment in the Nordics, (particularly Denmark and Finland, also planned).	▪ 4 data centre sites announced (~0.4 GW). ▪ New land, building permission and expansion plans for Norway, Denmark, Sweden and Finland.	▪ Planned investment expected to largely expand capacity of existing sites. ▪ ~€16bn investment to expand 3 data centres and a new enclave in Zaragoza (by 2033). ▪ $2.7bn investment from 2022-32 into new data centres in Aragon, Spain. ▪ >€1bn investment from 2022-29 into its Milan region.

Note: 1) UK, Germany, Netherlands, France, Ireland.

Europe's largest campuses remain modest compared to the US, whose hyperscale sites outpace the rest of the world in scale and capacity.

Largest planned data centre (campus) in Europe

Paris AI campus

1.4GW Total campus capacity

Up to ~400 hectares Campus site size[1]

Purpose: It will be a full-scale AI hub supporting the entire AI lifecycle (incl. training and inference)

Partnership: The project is a collaboration between several key players: NVIDIA, Mistral AI, Bpifrance, and MGX.

Completion: While the campus' build will be phased and based on multiple individual sites, the first site is expected to go live from 2028.

Largest planned data centre (campus) in the US

Hyperion

~5GW Total campus capacity

Up to ~910 hectares Campus site size

Purpose: The project is part of Meta's data centre ambitions in support of AI use cases, with hundreds of billions of dollars planned. Further data centre clusters are planned.

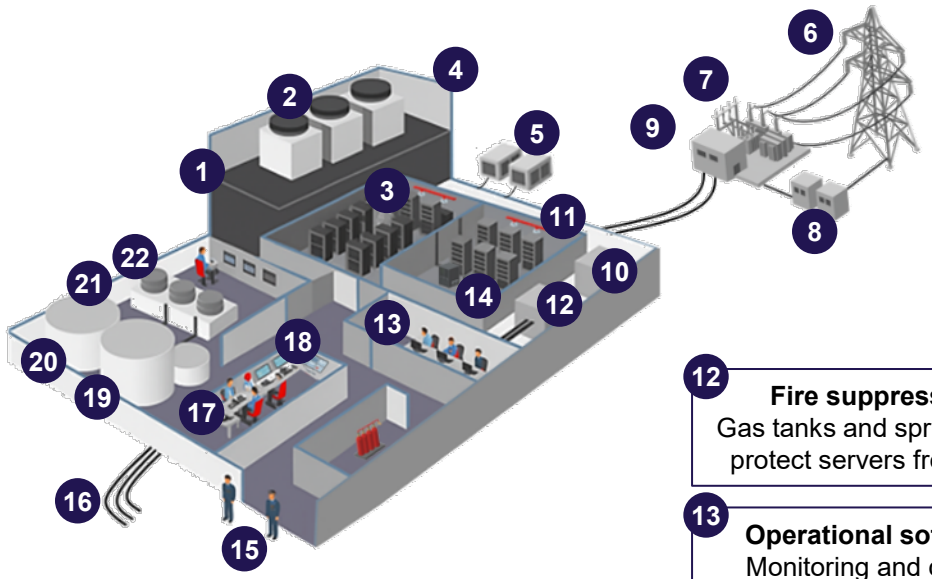
Completion: This cluster is being built in Louisiana and is designed to scale up to ~5GW over several years, with full operation expected by 2030. Its footprint is described as comparable to a significant portion of Manhattan.

"Meta CEO Mark Zuckerberg sets sights on superintelligence with Prometheus & Hyperion, multi-GW data centres forming the core of its global AI infrastructure."

Note: 1) Actual site size not publicly available. Estimate based on DC campuses of similar sizes in Europe.

The data centre ecosystem comprises a range of complex systems and support services, with multiple players involved.

Data centre environment – simplified & non-exhaustive



1. **Concrete & steel shell** — Protects the facility from natural disasters
2. **Heat exchangers** — On the roof, releases hot air from inside the building
3. **Server rooms** — Secure, climate-controlled rooms with server clusters
4. **Lightning protection** — Diverts surges to protect equipment
5. **Backup generators** — Power units that activate during outages
6. **Power source** — High-voltage supply from the external electricity grid
7. **Renewable energy** — On-site wind / solar for power generation
8. **Energy storage** — Batteries or fuel cells for backup power
9. **Substation** — Steps down high-voltage power to suitable levels
10. **UPS units** — Provides power in outages until generators start
11. **Environmental sensors** — Monitoring heat, humidity, leaks, and dust
12. **Fire suppression** — Gas tanks and sprinklers to protect servers from fires
13. **Operational software** — Monitoring and control platforms managing ops
14. **Network racks** — House servers and network equipment to process data
15. **Security** — Guards, cameras, and access control for security
16. **Network connection** — Fibre links connecting to telecom and ISP networks
17. **Network ops. centre** — Staffed hub where IT and security monitor 24/7
18. **Cybersecurity ops.** — Real-time monitoring of digital threats
19. **Water supply** — Feeds cooling and humidification systems
20. **Water recycling** — Treats and reuses water to cut consumption
21. **Cooling units** — Provides air/liquid cooling to stop equipment overheating
22. **Air conditioning** — Controls room temperature to keep IT systems stable

Asset lifecycle

The value chain for data centres includes a range of segments spanning the lifecycle. All areas are in growth.

Data centre value chain – simplified & non-exhaustive

Example segments

- Site identification
- Planning permission
- Collaboration with local energy provider
- Collaboration with municipality
- Site and route feasibility assessments

Example segments

- MEP design consulting
- Substation design
- Cable route design (HV/EHV)
- Fibre network design
- Lightning & earthing protection electrical design

Example segments

- Data connections
- Grid connection
- Back-up power
- Water connection
- Procurement of HV equipment (transformers, switchgear, cable)
- Procurement of fibre optic cabling

Example segments

- Racks & servers
- Fibre install
- Electrical ground protection
- HVAC & cooling
- Fire suppression
- Security systems
- HV cable laying & jointing

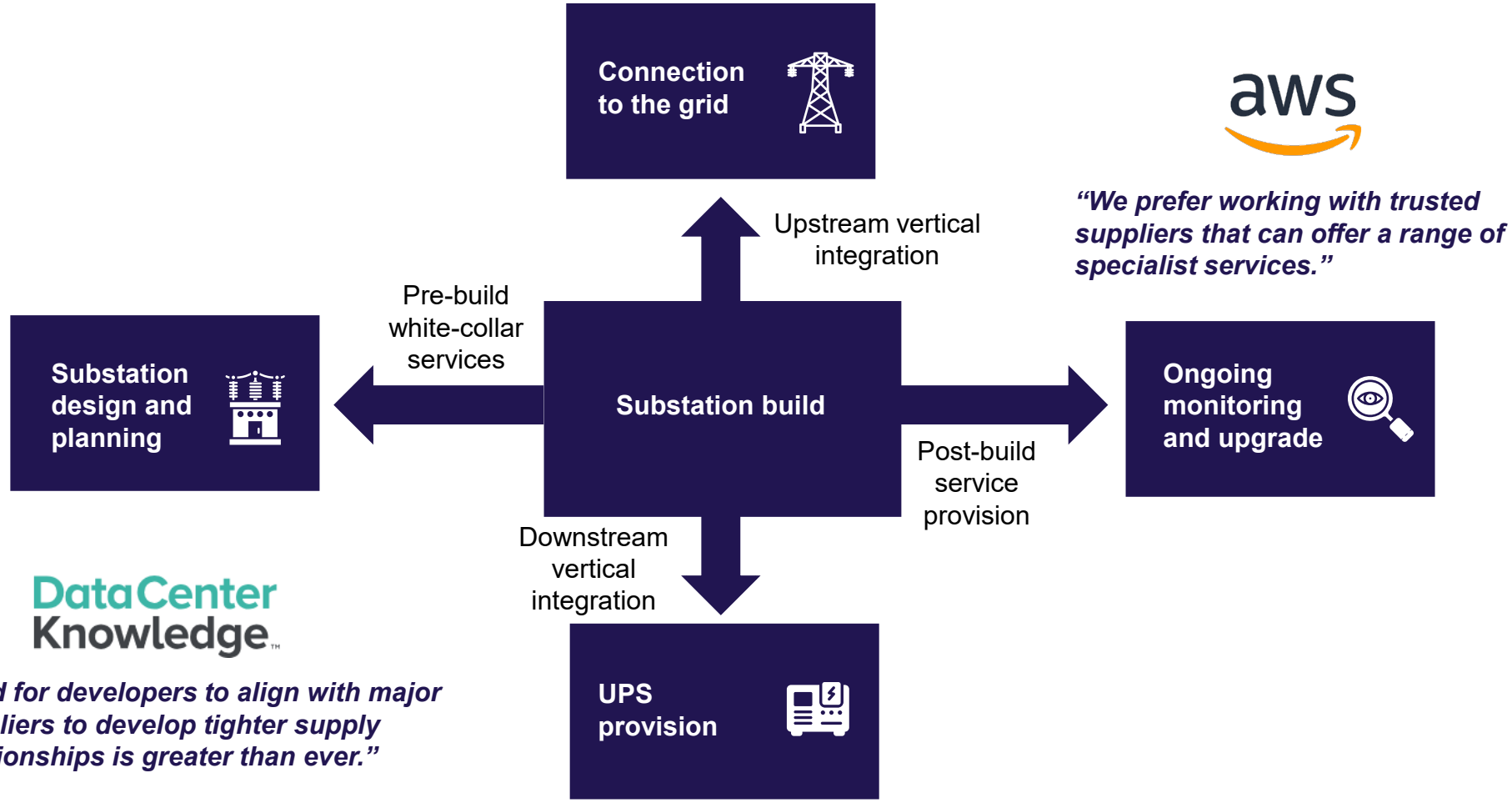
Example segments

- Hosting & cloud services
- Substation maintenance
- Power and cooling optimisation software
- Emergency call outs
- Fault and cable repairs

Companies can play across the value chain to provide end-to-end solutions and embed with clients over the asset lifecycle

Expansion of proposition

Asset owners prefer trusted relationships with fewer partners, meaning strong players are well placed to extend their offerings to adjacent segments.



aws

"We prefer working with trusted suppliers that can offer a range of specialist services."

DataCenter Knowledge

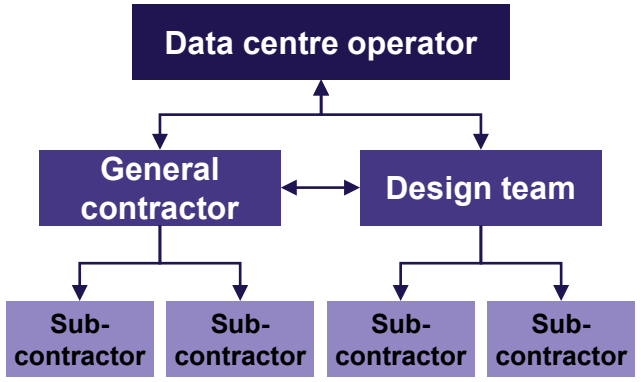
"The need for developers to align with major suppliers to develop tighter supply relationships is greater than ever."

European platforms

Data centre owners think “Euro-wide” for their value chains, which provides a good opportunity for local players to expand geographically with their clients.

Data centre owners outsource build and design work to contractors

Data centre build team structure
Illustrative



- The nature of data centre design and build means operators are unlikely to develop an in-house delivery team:
  - Design and build work is complex, and operators do not have the expertise in-house.
  - Working with external partners allows operators to transfer liability for design or build flaws.
  - Operators can lack local partnerships in new geographies.

Supplier selection is often on a regional framework basis

- Large operators look to build European-wide frameworks and preferred supplier agreements, seeking suppliers with:
  - European reach
  - Strong credentials
  - Breadth of expertise
- Securing positioning on a framework provides opportunities for local suppliers to expand their operations and create embedded client relationships.

Suppliers must overcome challenges to increase chances of selection

Knowledge of local regulations
- Navigate permits, planning permission and grid connection rules
- Meet local H&S, fire and environmental codes

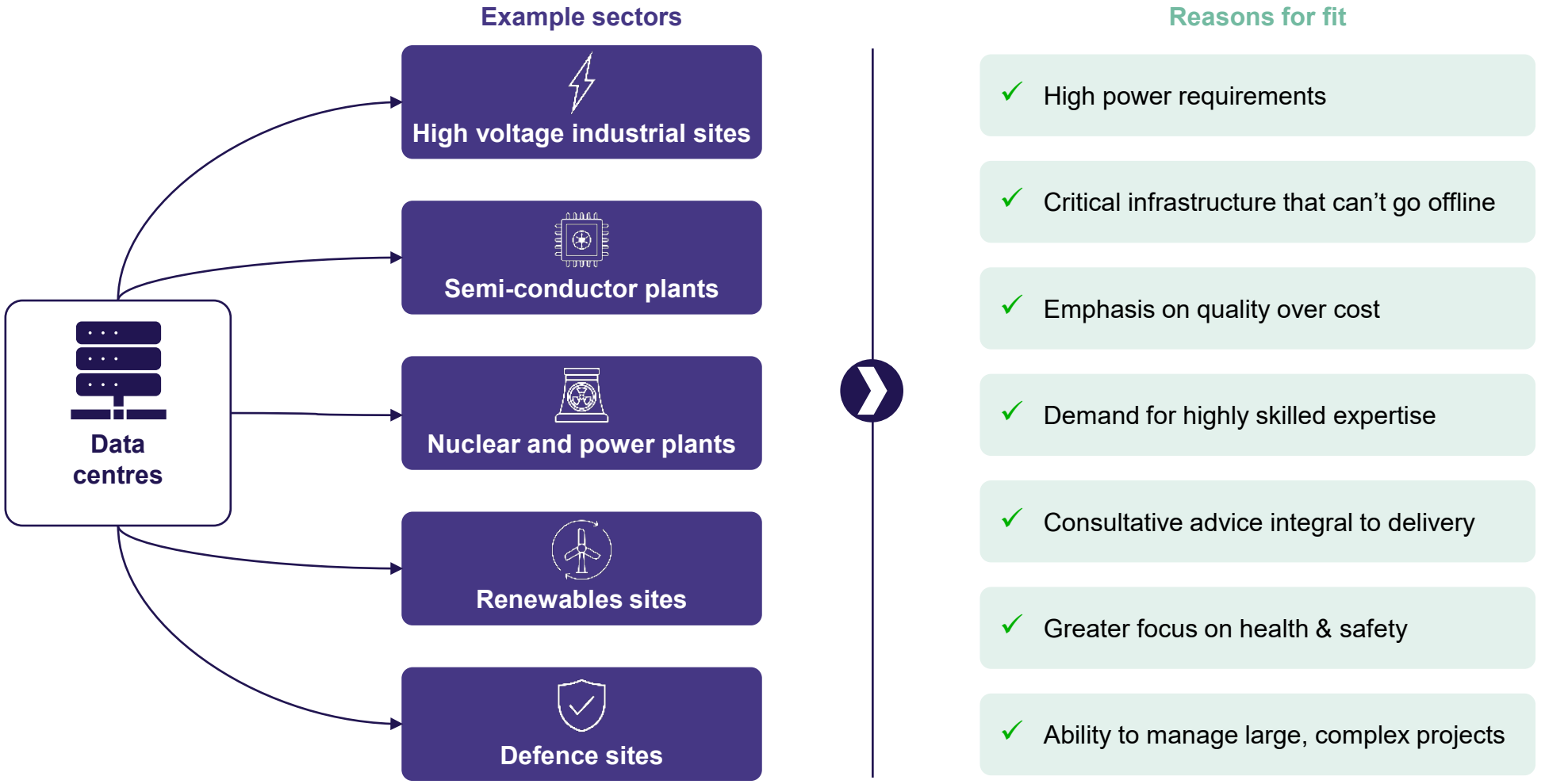
Capacity & availability of local teams
- Mobilise multilingual crews across EU
- Maintain capacity during peak periods
- Cross-border staff certifications

Building local supply chains
- Connect with reputable local suppliers and specialist trades
- Establish partnerships with local service and logistics hubs

Commercial readiness
- Locally compliant contracts
- Multi-regional PI insurance

Expansion beyond data centres

While a strong strategy is to focus on a core market in high growth, players could look to diversify into other areas of complex, critical infrastructure.



M&A activity surrounding the data centre sector will be prolific in the coming years.

Financier Worldwide

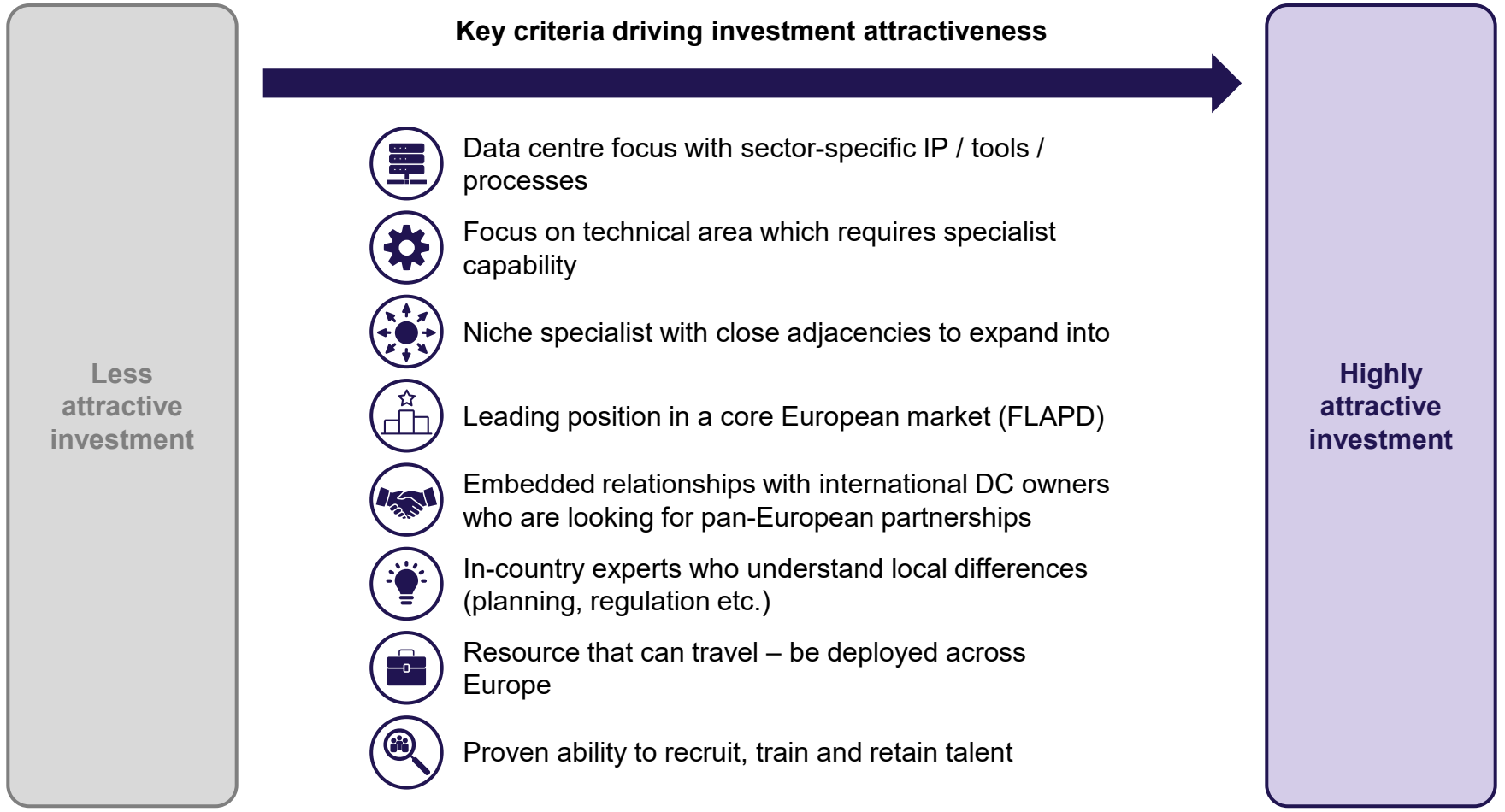
The European data centre space is an attractive area for private equity and corporates to acquire within, which has led to strong activity across Europe.

Example recent deals

	Target	HQ	Estimated financials		Acquirer	Deal date
			Latest revenue, £m	EBITDA margin, %		
Contractors / design consultants	ELEDA		~1,600	~5-10%	Bain Capital	Dec-23
	Winthrop Technologies		~920	~5-10%	Blackstone	Apr-24
	DORNAN		~510	~5%	Turner Construction	Jan-25
	SUIR		~370	~5%	Duke Street	Nov-22
	H&MV		~310	~10-15%	Exponent Private Equity	Feb-22
	eunetworks		~210	~60%	Stonepeak	Aug-24
	ARDMAC		~200	~5-10%	Purever Industries	Jul-24
	JSM		~180	~10-15%	TowerBrook Capital Partners	Jul-24
	TTSP/HWP/		~50	~15-20%	Tikehau Capital	Jan-25
	Jones Engineering		~50	~5%	Cathexis Holdings LP	May-22
	ETHOS		~40	~15-20%	Exponent Private Equity	Mar-24
	Black&White		~30	~5-10%	Waterland Private Equity	Jun-24
	ABEC		~20	~5-10%	Magnesium Capital	Jun-25
Other services	blancco		~30	~30-40%	Francisco Partners	Oct-23
	ERREVI SYSTEM		~35	~15-20%	Kyip Capital	Dec-24
	indevis		~25	~15-20%	Sophora Unternehmerkapital	Jun-25
	checkmk		~25	~20-25%	PSG Equity	Feb-25

Attractive investments

Several factors make assets in the European data centre space more attractive.



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