



Strategy  
Consultants

# European data centre market

Discussion document

November 2025

Strictly private and confidential

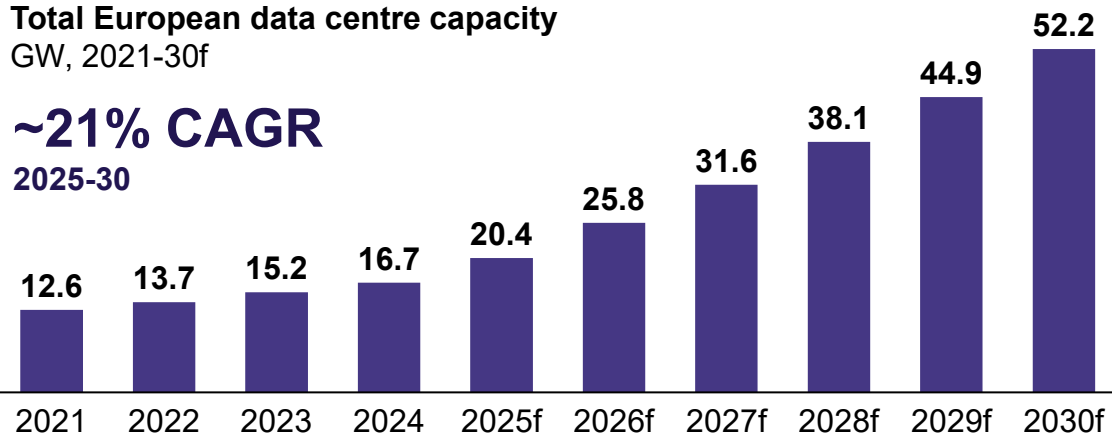


## Key takeaways

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 -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.



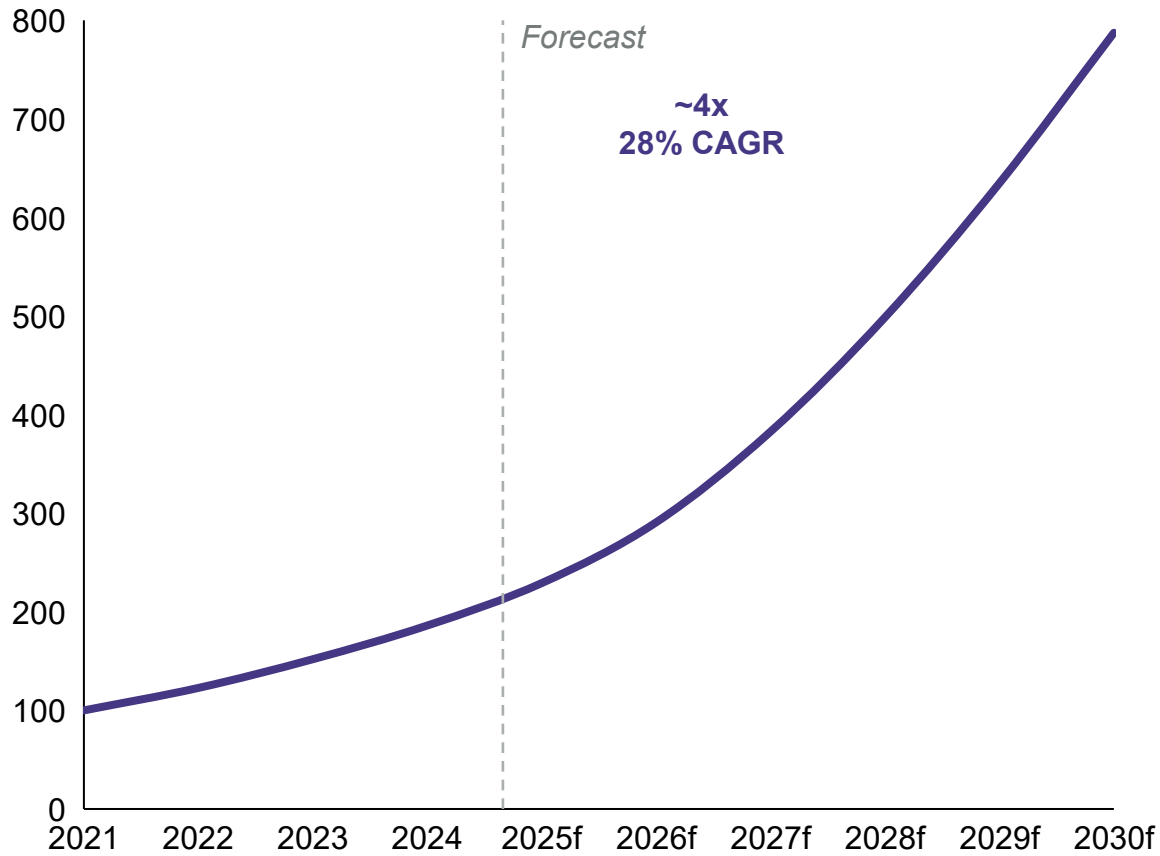
**I expect European data  
centre capacity to be 200%  
larger (3x) by 2030.**

*Amazon Web Services*

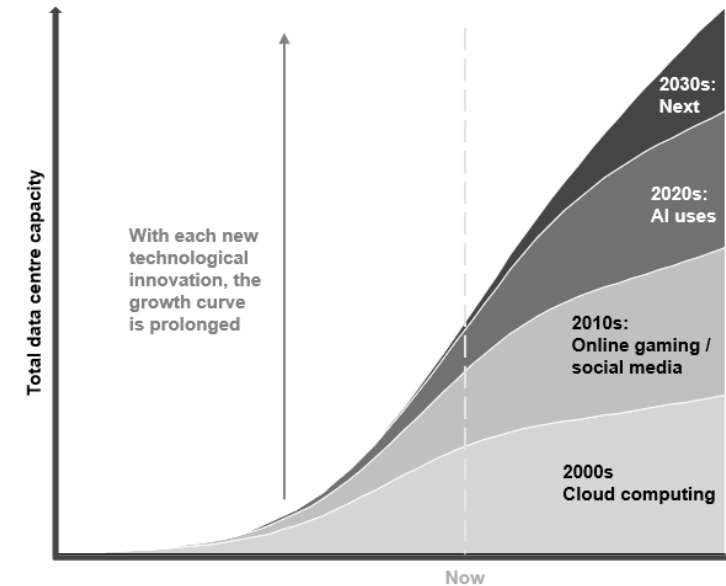
## Data creation

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)



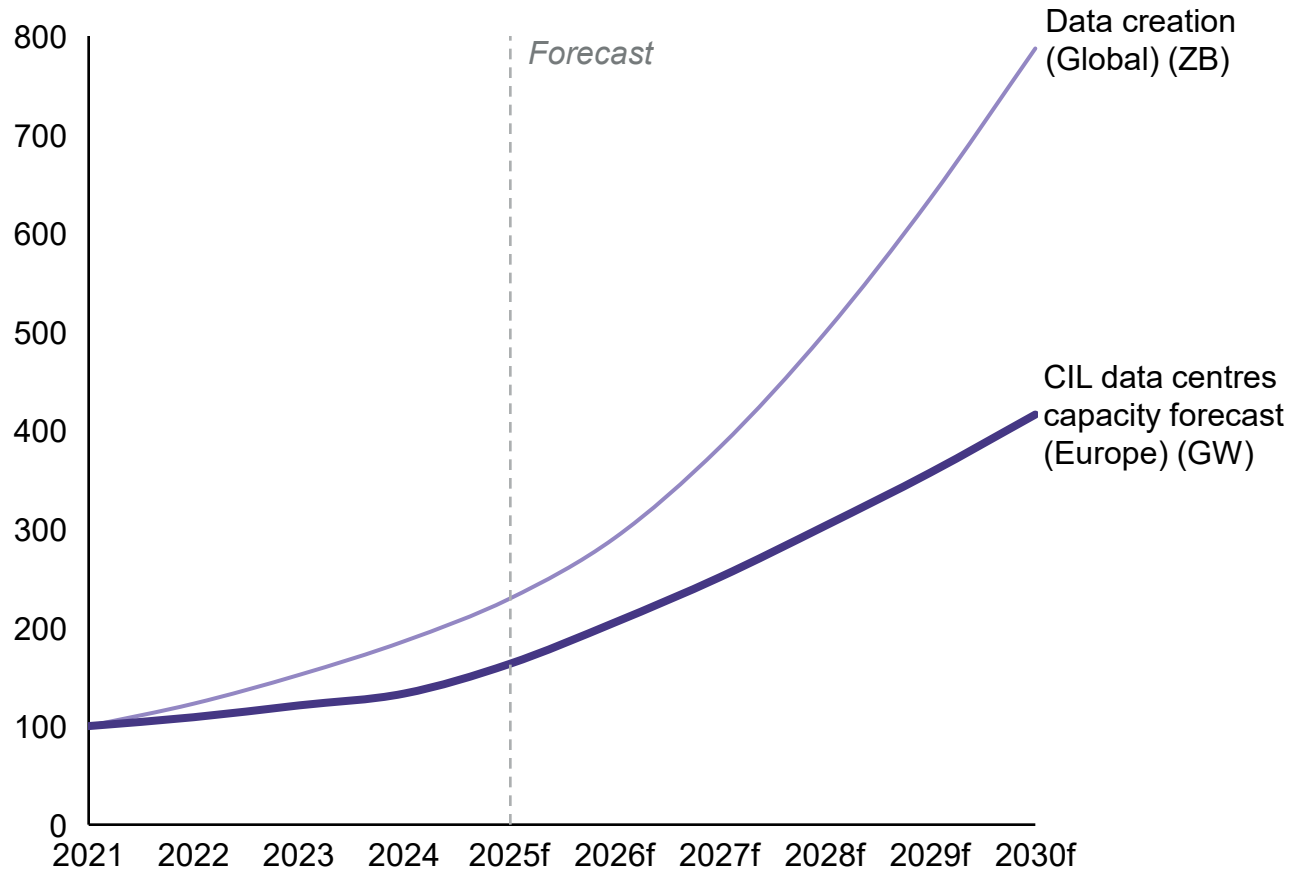
- Each decade brings disruptive innovation that drives need for data. GenAI is the latest technology evolution, which has a long way to play through.
- However, other ways of technology evolution continue to drive future growth – e.g. ongoing adoption of cloud computing.
- Beyond GenAI, one can expect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



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

## Data centre capacity growth

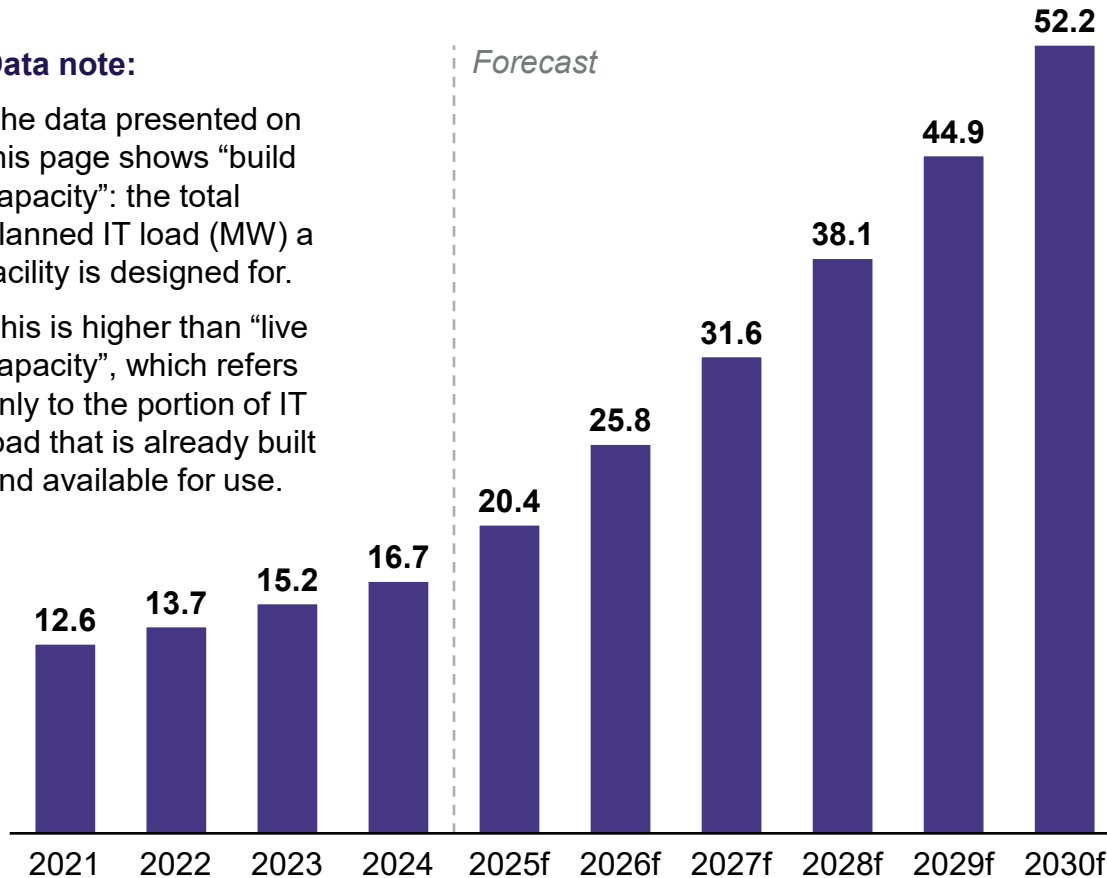
# CIL estimates European capacity will more than double to 2030, surpassing 50GW.

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.

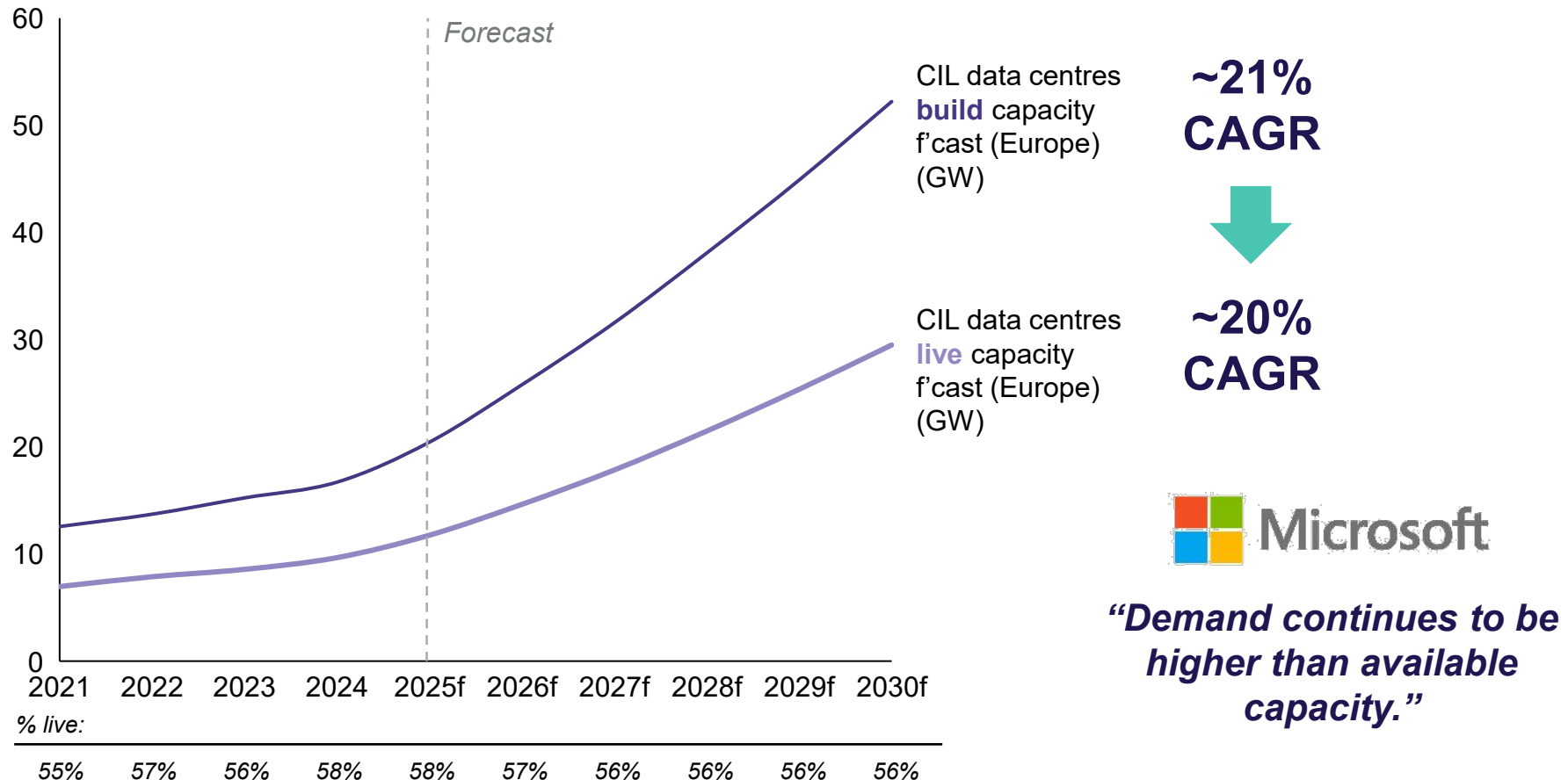
**Infrastructure  
Investor**

*“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.**

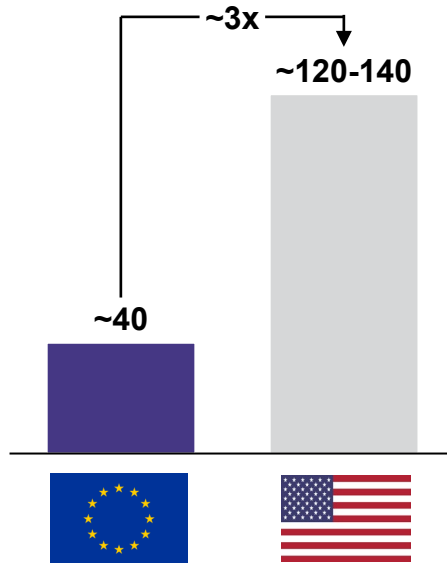
**Data centre build capacity vs. live capacity forecast**  
2021-2030f, GW



# 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

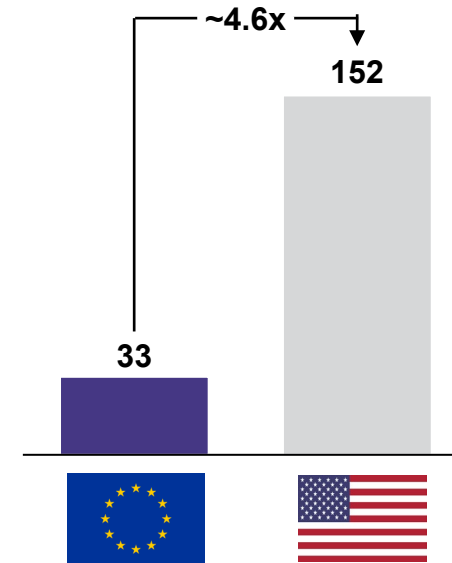
Data centre capacity per capita – Europe vs. US  
MW capacity per m people, 2025



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)



***“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.”***

## Drivers of data centre demand

# 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.



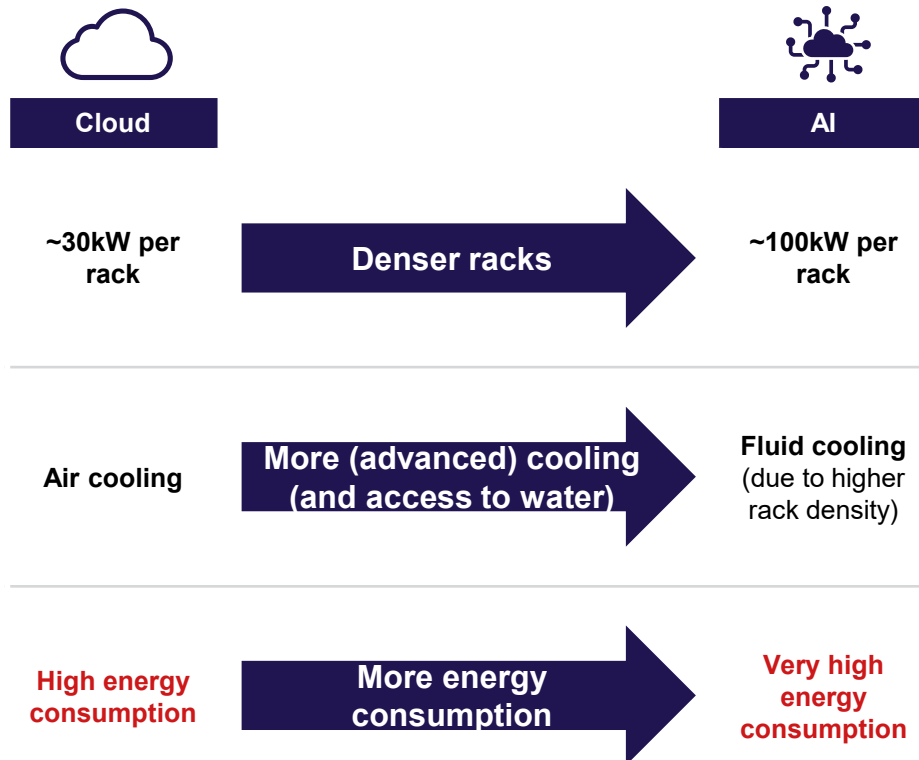
***“Currently, 80% of data centre capacity is cloud computing compared to 20% in AI. However, this ratio is going to reverse by 2030.”***

## Impact of AI

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.



*“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.”*



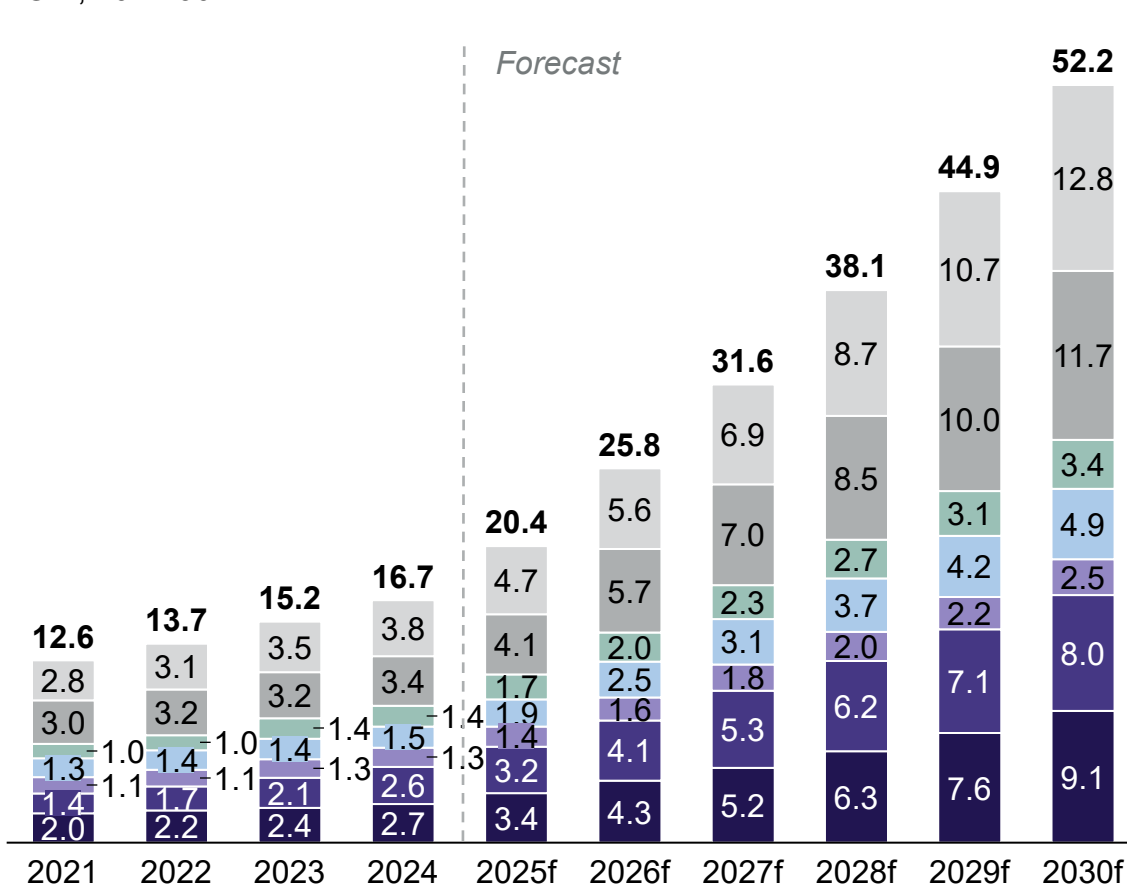
**Facilities of  
unprecedented size  
are expected to be  
built in Europe.**

*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



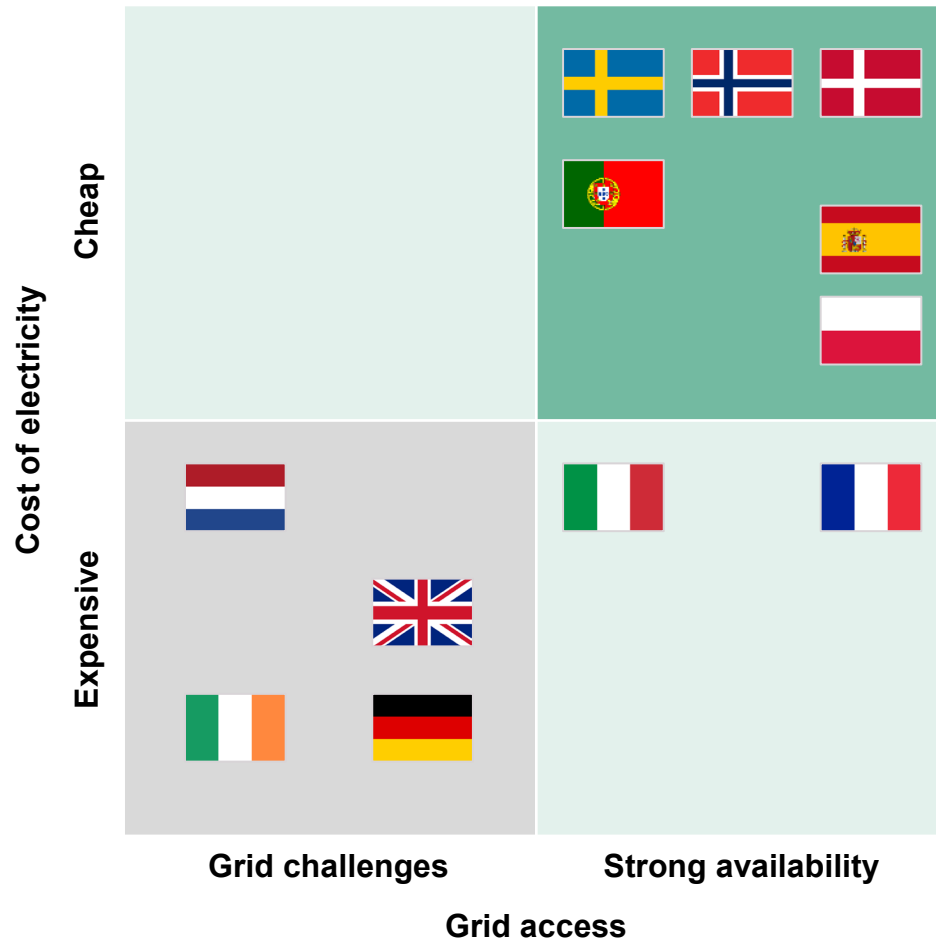
	2021-25f CAGR	2025-30f CAGR	2025-30f (share of capacity added)
<b>Total</b>	<b>12.9%</b>	<b>20.6%</b>	<b>100.0%</b>
Rest of Europe	14.3%	22.2%	25.5%
Nordics	8.4%	23.0%	23.7%
Ireland	14.4%	14.5%	5.2%
France	10.0%	20.8%	9.3%
Netherlands	5.3%	12.0%	3.3%
Germany	23.6%	20.2%	15.1%
United Kingdom	14.0%	21.6%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



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

## Attractiveness of regions

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.



*“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

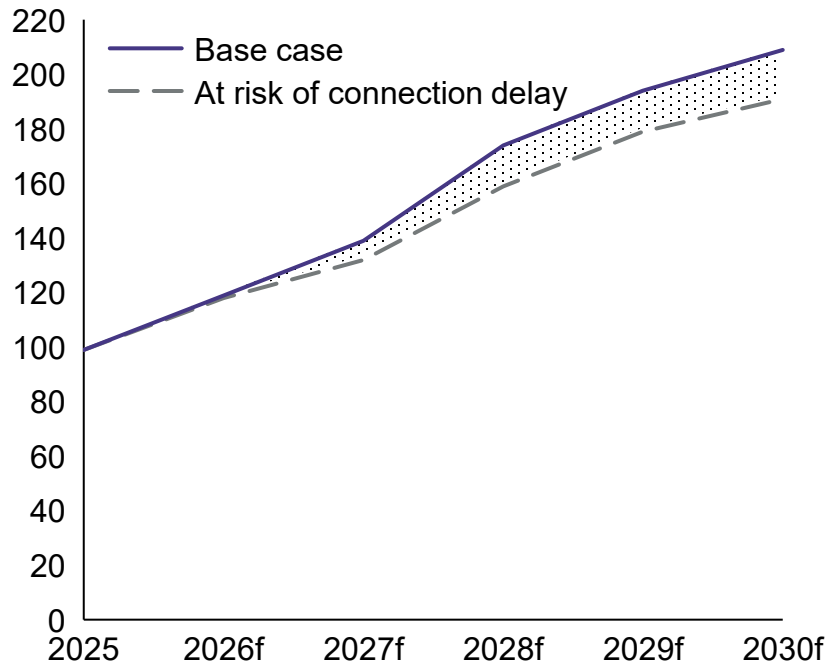
- Ireland:** Microsoft warned in March 2025 that the investment is being put at risk by such delays. Ireland had a ban on data centre developments in the greater Dublin vicinity (shifting demand outside the area), albeit Ireland has now lifted its moratorium.
- UK:** Grid access delays in the UK can 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.

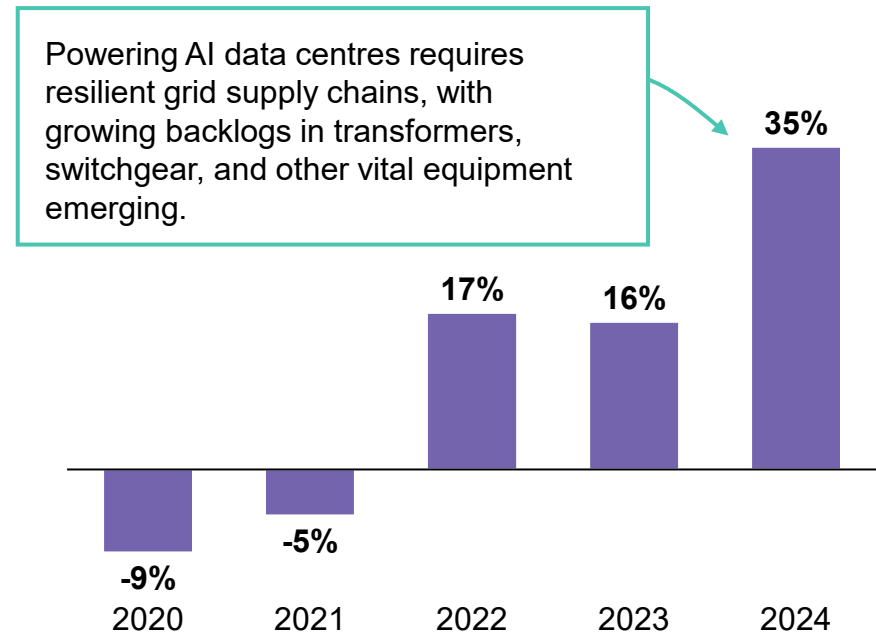
### Grid constraints

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

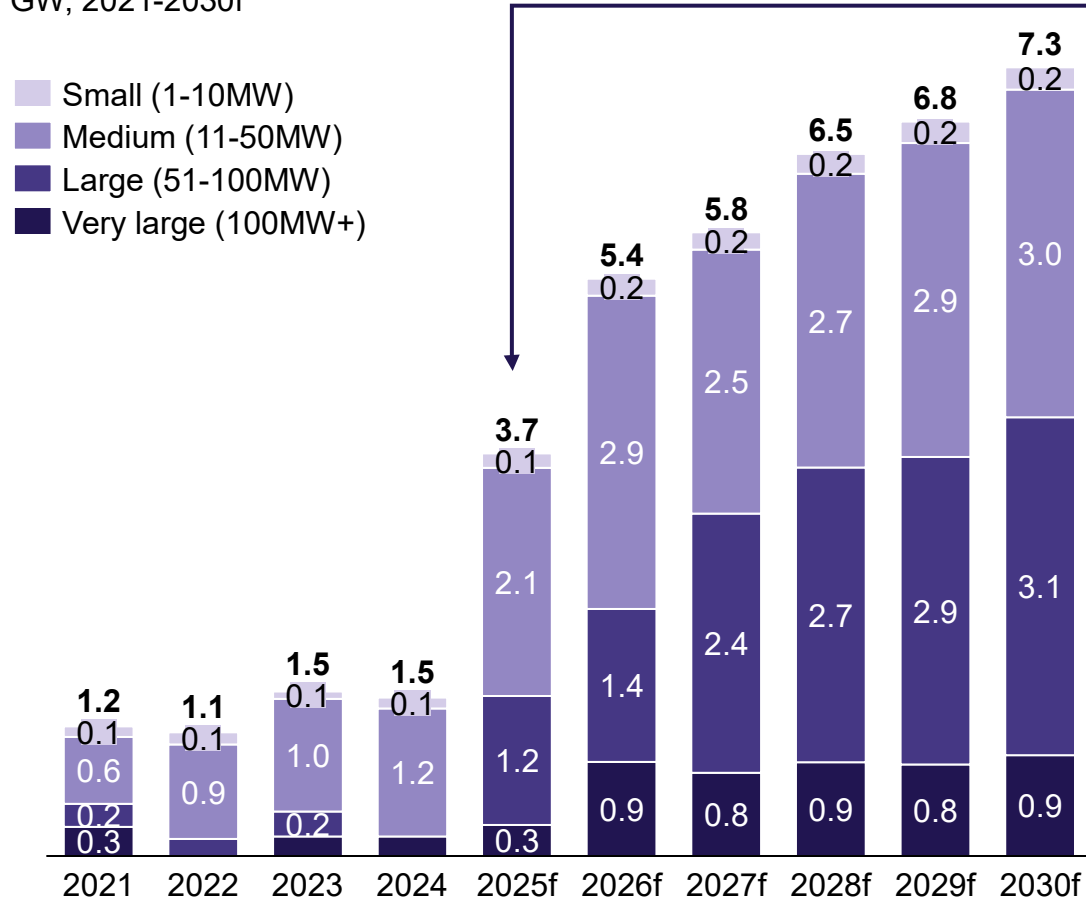
Power transformer order backlog (year-on-year change) in selected manufacturing companies (IEA)  
% growth, 2020-24



## 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

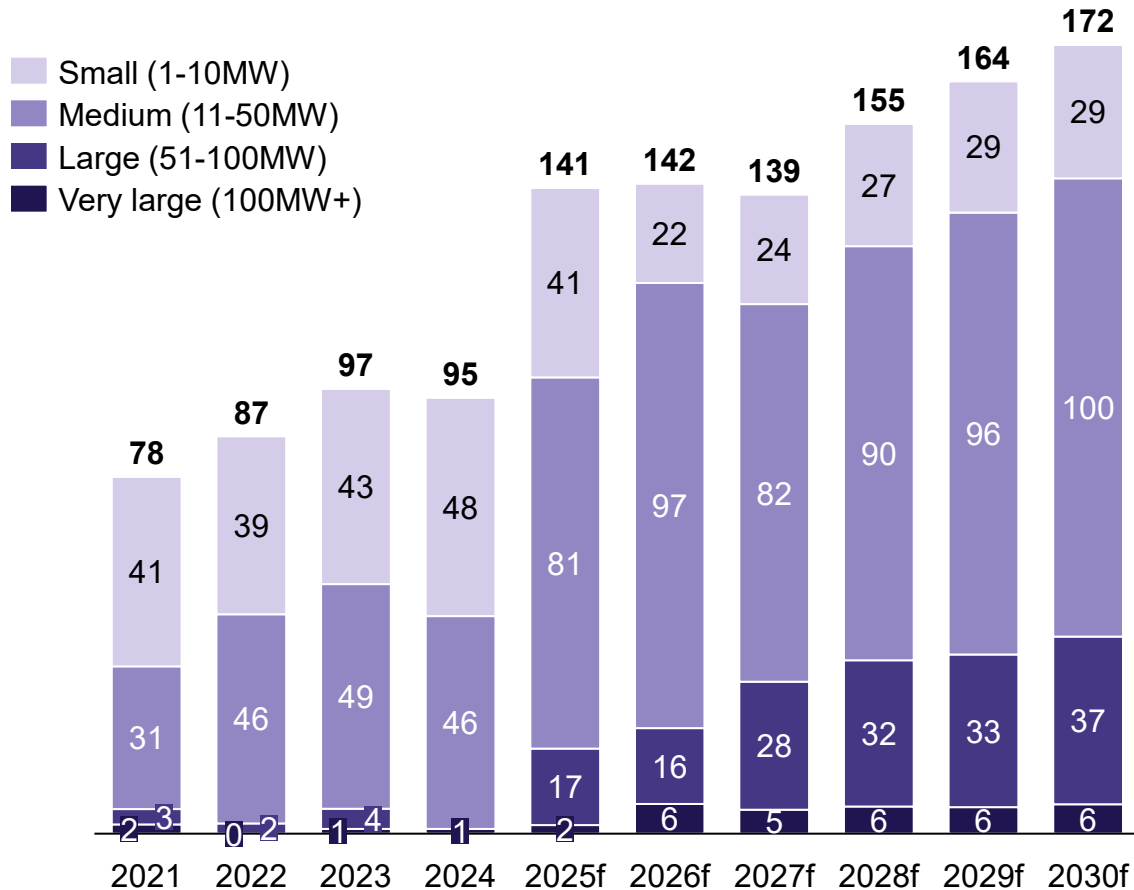


*“All the major projects we hear about are mega data centres, indicating a clear trend in this direction. Data centres are not only booming in number, but also in size.”*

## 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.

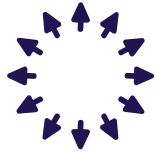


***“Data centre developers are opting to construct new, larger facilities specifically designed for AI workloads.”***

## New build trends

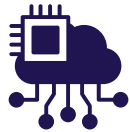
**The market is shifting to 100MW+ campus builds, sidelining mid-sized projects, with power efficiency remaining critical to new build decisions.**

### 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.

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



### Primary markets<sup>1</sup> (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).

### 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).

- 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.

- 4 data centre sites announced (~0.4 GW).
- New land, building permission and expansion plans for Norway, Denmark, Sweden and Finland.

- 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).

- 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.

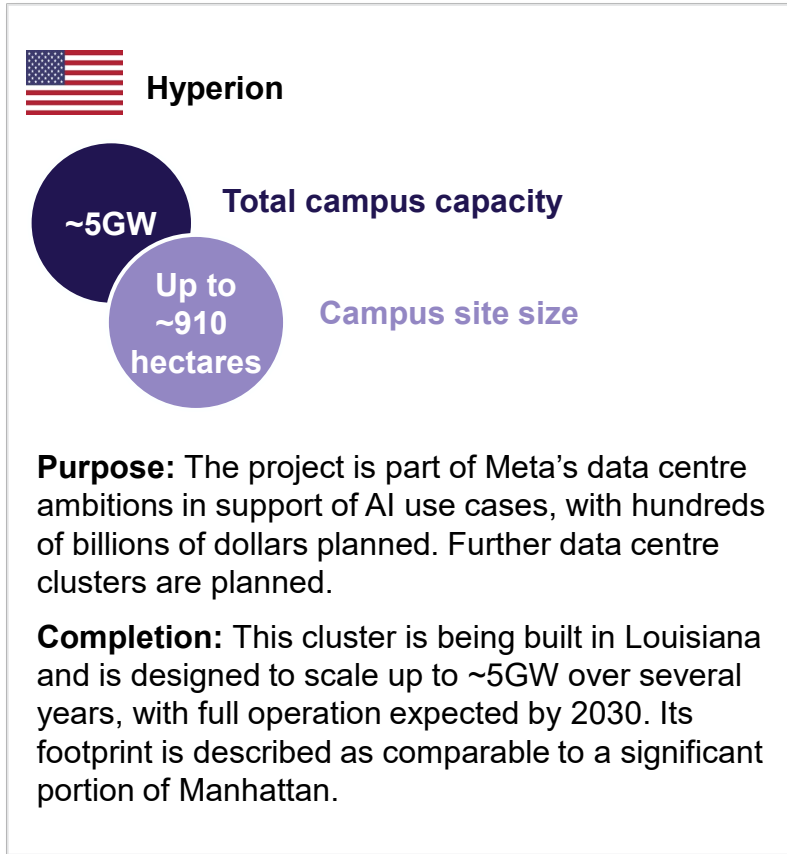
## Largest data centre in Europe

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



### Largest planned data centre (campus) in the US



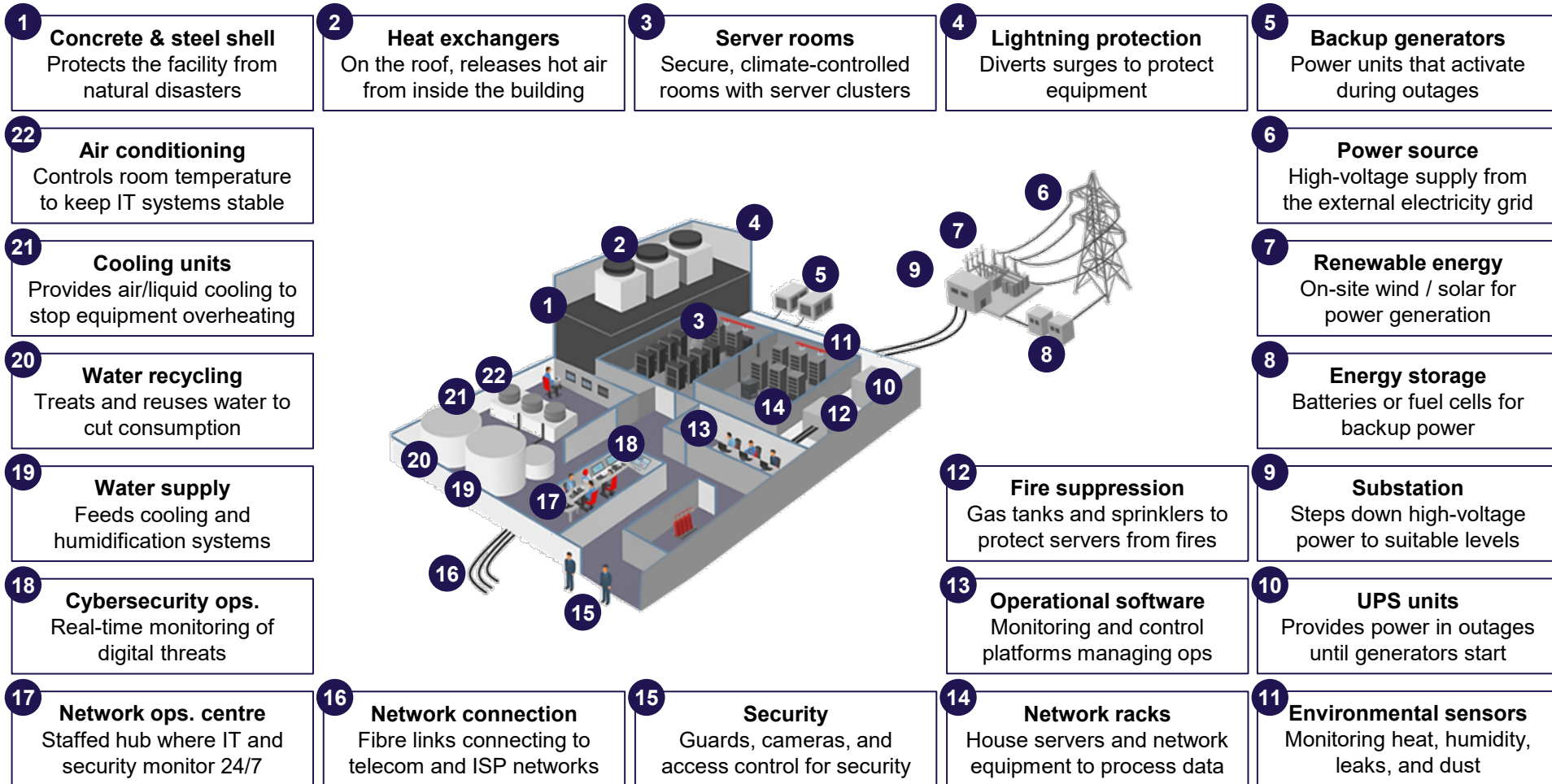
***“Meta CEO Mark Zuckerberg sets sights on superintelligence with Prometheus & Hyperion, multi-GW data centres forming the core of its global AI infrastructure.”***

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

## Data centre environment

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

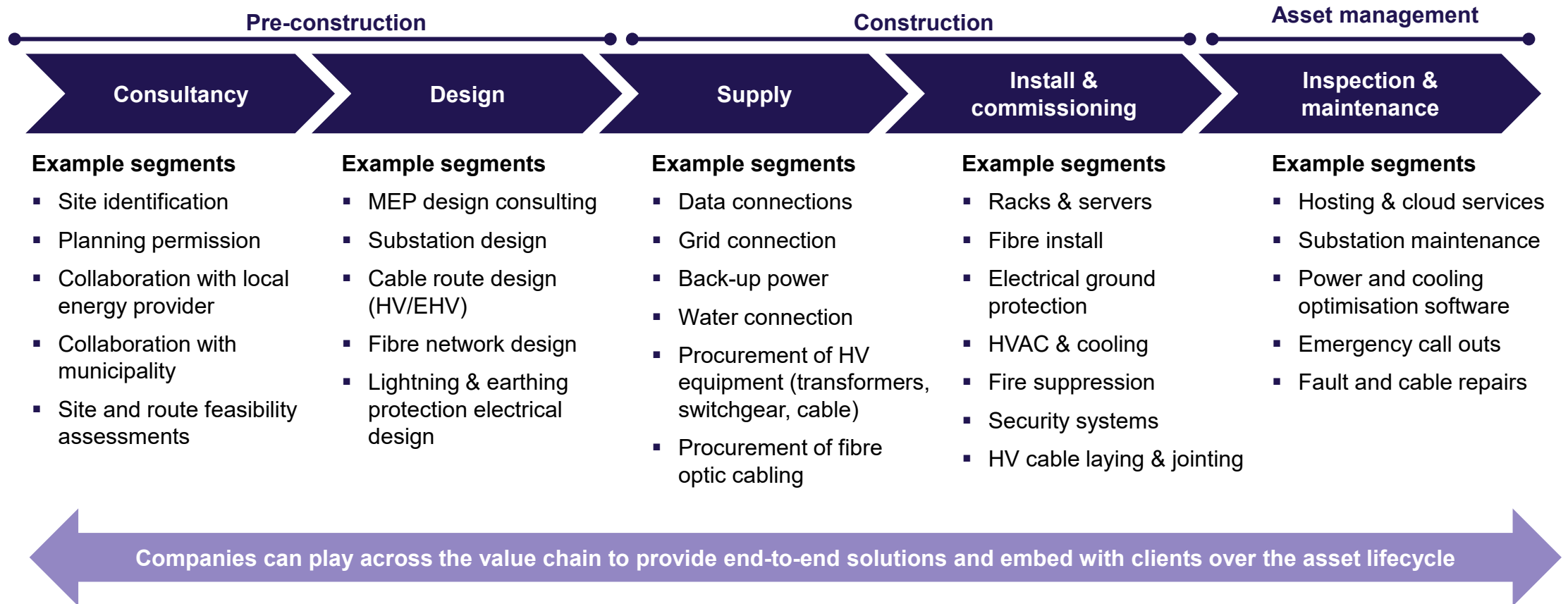
### Data centre environment – simplified & non-exhaustive



## Asset lifecycle

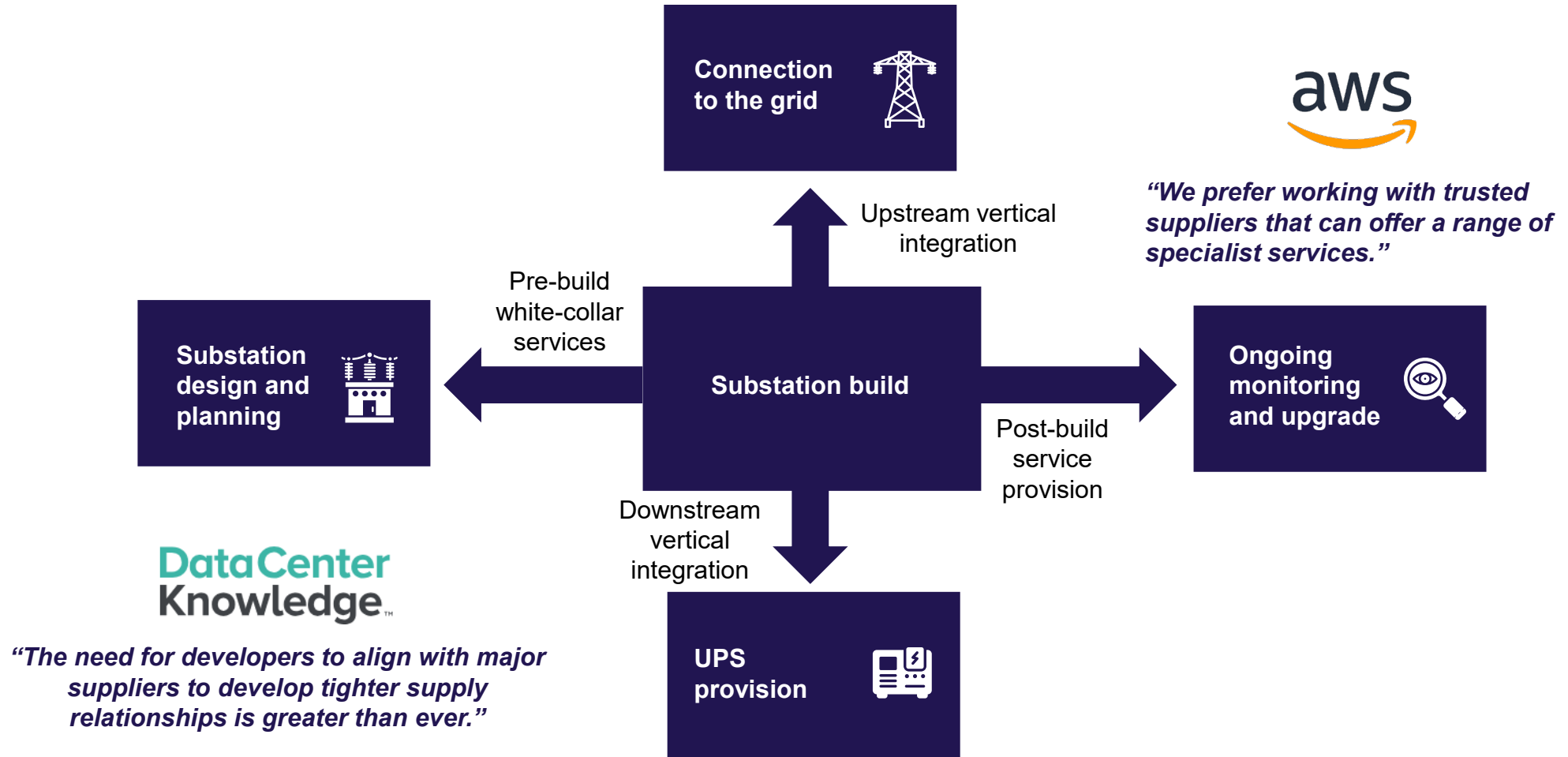
The value chain for data centres includes a range of segments spanning the lifecycle. All areas are in growth.

### Data centre value chain – simplified & non-exhaustive



## Expansion of proposition

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



## 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.

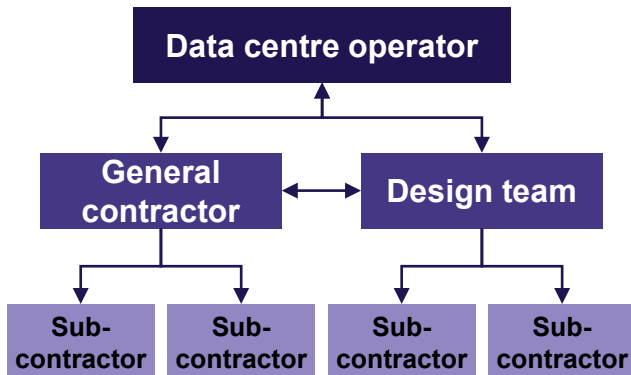
Data centre owners outsource build and design work to contractors

Supplier selection is often on a regional framework basis

Suppliers must overcome challenges to increase chances of selection

### 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.



- 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.

### 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

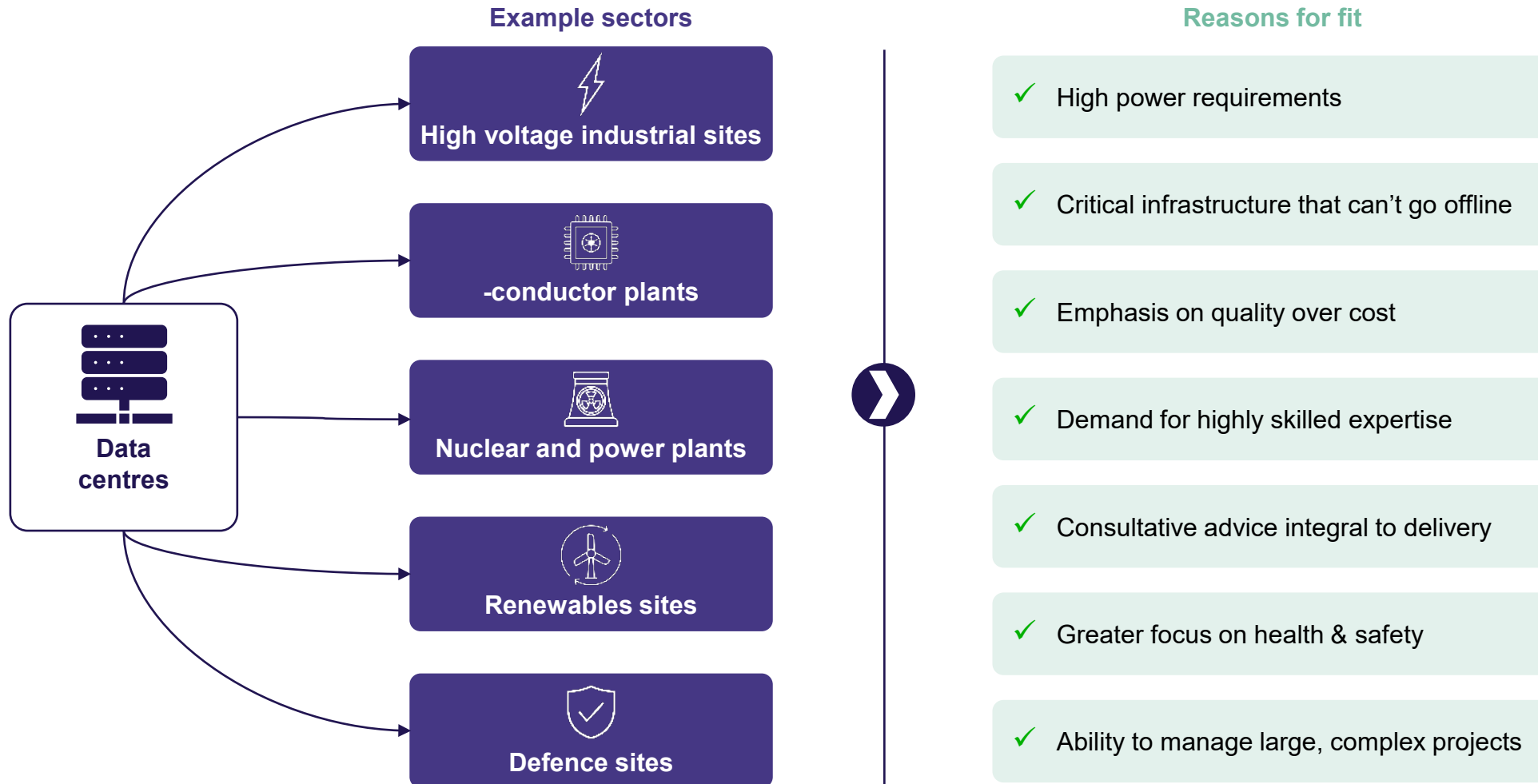
- Connect with reputable local suppliers and specialist trades
- Establish partnerships with local service and logistics hubs

### 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*

## M&A activity

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 A Turner Company		~510	~5%	Turner Construction	Jan-25
	 SUIR ENGINEERING		~370	~5%	Duke Street	Nov-22
	 H&MV ENGINEERING		~310	~10-15%	Exponent Private Equity	Feb-22
	 eunetworks		~210	~60%	Stonepeak	Aug-24
	 ARDMAC		~200	~5-10%	Purever Industries	Jul-24
	 ISM		~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
Other services	 ABEC		~20	~5-10%	Magnesium Capital	Jun-25
	 blancco technology group		~30	~30-40%	Francisco Partners	Oct-23
	 ERREVI SYSTEM IT SOLUTIONS CONSULTING		~35	~15-20%	Kyip Capital	Dec-24
	 indevis		~25	~15-20%	Sophora Unternehmerkapital	Jun-25
	 checkmk		~25	~20-25%	PSG Equity	Feb-25

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

