infranity

Financing infrastructure energy and renewables

We recently spoke with Sacha Kamp, Infranity's managing director and global head of the debt investment team, and Katherine McElroy, investment managing director, about the advantage of being an infrastructure specialist, and where we are in the energy transition. Following is an excerpt of that conversation.

PARTICIPANTS



Katherine McElroy
Investment Managing Director



Sacha Kamp
Investment Managing Director – Global Head of Investment Debt

Let's start with a short overview of Infranity.

Sacha Kamp: Infranity is a 100 percent infrastructure investment platform focused on the middle market. That singular focus keeps us true to the core facets of the asset class – defensiveness, visibility on quality cash flows, and businesses that are either fully contracted or quasi-monopolistic, and therefore resilient through business cycles and unexpected shocks. We manage north of $17 billion of AUM on behalf of leading institutional investors and have invested in more than 100 separate investments in Europe and North America, diversified across energy, power, telecom, transportation and social infrastructure. Diversification is a hallmark of our strategy and a defensive discipline we seek to build into every portfolio we construct.

Why are you focused on the middle market?

Kamp: We believe the middle market gives us access to superior risk-adjusted returns. It offers a rich, diverse pipeline. In Europe, where businesses tend to be more fragmented than in the U.S., we estimate that more than 80 percent of sub-investment grade deal flow sits in the $10 million to $100 million EBITDA range, where many successful, resilient infrastructure businesses operate, often with a genuine growth angle as we help scale and professionalize them.

This segment is also more complex, shaped by the specific needs of the underlying businesses, and less well served by available capital. That's where we add value: pairing our origination machine with sophisticated execution and structuring capabilities to deliver the bespoke solutions needed in the mid-market.

Katherine McElroy: We typically write check sizes from $50 million to $300 million, often as the sole lender. Doing that on a bilateral basis can be very meaningful for a borrower. Once a transaction grows beyond $300 million, we observe that borrowers have a notable amount of other capital markets options to tap into – U.S. securitization, the term-loan B market, issuing bonds and so on. Part of the mid-market appeal is staying below that threshold, where those options may not yet make sense for a borrower, or they are not yet accessible due to size, despite already having well-established operating assets.

Where are you finding opportunities in the middle market?

Kamp: Both Europe and North America have thriving middle markets. The pipelines in this market segment are deep enough that we can remain highly selective in the transactions we pursue. We seek to mobilize our team around the specific business priorities of our borrowers, to structure thoughtful solutions for them. That lead structuring role is important to us and our investors, because we can build defensive protections into the financing package itself and typically extract good value, both on the risk side and the return side.

McElroy: There is a large opportunity set underpinned by the need to replace aging infrastructure, as well as the growth and strong demand we are seeing across various infrastructure subsectors. We've seen tremendous growth in private capital allocated to infrastructure equity, but not yet the same scale of allocation to infrastructure debt, even though debt represents a significant share of the capital structure.

Lastly, banks continue to play an important role in project finance, but their risk and capital parameters can create constraints. We aim to complement that market by offering borrowers additional flexibility.

Comparing the regions, what key differences do you see in renewable investment opportunities?

Kamp: Financing structure is one of the prime differences between the U.S. and Europe. Historically, the U.S. has relied heavily on tax credit to encourage renewable investment – an important component for utility-scale projects as well as more localized, distributed schemes. Last year showed the risks of depending too heavily on federal tax credits and other policy-driven incentives, given the political turmoil and regulatory uncertainty around them. In general, though, the U.S. market tends to have longer contracted periods than Europe. European markets, particularly in Southern Europe, are largely merchant- or power purchase agreement (PPA)-based, without any subsidy or government benefit. Each approach has its own challenges and benefits, and building a diversified portfolio means being able to draw on both. It's worth remembering, too, that even similar solar projects in Europe and the U.S. can carry quite different underlying risk profiles.

We seek to position ourselves where the market looks most attractive from a risk-return perspective. The U.S. renewable-energy market looks quite attractive at the moment on that basis, whereas there has been a bit more compression in pricing in Europe in spite of increasing prevalence of construction and grid connections delays and lower merchant prices. Being able to invest in whichever market is offering the best opportunities is a notable strength of our platform.

Where are we in the energy transition?

Kamp: In Europe, decarbonization continues to garner strong support, both at the E.U. and individual country levels. Another driver that has become increasingly important over the past couple of years is energy autonomy and resilience. Europe has shifted away from reliance on Russian gas and grown less certain about importing energy from the U.S. while competing with global demand for access to supply from the Middle East, so

the region is grappling with real insecurity on the energy front. All this while trying to move toward electrification of heat and transportation. One of the clearest ways to address that, given that Europe lacks substantial oil and gas resources of its own, is through renewable-power generation assets, improved grid interconnectivity and increasing battery storage.

McElroy: In the U.S., power-generation technologies like wind and solar are also well established and very much in the mix. These are fundamental, well-proven technologies that, in many markets, are the fastest things we can add to the grid to meet growing power demand. We still see decarbonization goals at the state, regional and corporate level, but the success of wind and solar has more to do with their economic competitiveness and the speed with which they can be deployed.

In many places, wind, solar and battery storage have the potential to deliver compelling risk-adjusted returns. These proven technologies are generating power efficiently and affordably at a time when many regions of the country have growing demand. Renewables have become a core part of the infrastructure opportunity set, providing essential services that are often supported by long-term contracted revenues.

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Are you then focusing on the areas of wind, solar, and battery storage to add value, or are there other power generation assets that work for you?

McElroy: Those technologies constitute a large portion of the renewable-power opportunities in North America, where we can remain highly selective. That said, proven technologies such as renewable natural gas, hydropower, biomass and geothermal are all within scope. Essentially, we seek opportunities that use proven technology and demonstrate a sound and mature business model.

Kamp: We are now seeing things like sustainable aviation fuel, green steel plants, and carbon capture and sequestration being planned. These are all quite complex, and not all are proven – they do not have much of a track record yet. These are impressive and ambitious projects but are less of a fit for our current risk appetite. Maybe one day, they will offer an interesting opportunity set for us, but that is not the case today.

There are other segments, though, such as the decarbonization of the transportation sector, that we find noteworthy. We've been looking at the electrification of bus fleets and the leasing of electric buses to local and transportation authorities in Europe. These are businesses that are expanding and enjoying good success providing an interesting potential opportunity set.

Can you give me an example of a recent investment?

Kamp: We recently provided a $50 million financing to Redball Energy. The capital is being used to partially refinance Redball's existing debt and to provide additional capital to construct new residential and commercial distributed solar projects. This platform is a great example of a compelling mid-market opportunity that fits our established criteria. Redball has demonstrated a differentiated ability to efficiently originate, finance and operate a large number of small-scale projects. These features are aligned with what we look for, and we were pleased to be able to provide a tailored capital solution to help the platform continue to grow and scale.

Where do you see Infranity in the next three to five years?

Kamp: In three to five years, I see Infranity firmly established as one of the leading global infrastructure debt platforms, recognized for combining deep infrastructure expertise with the scale, flexibility and innovation required by a rapidly growing market.

North America will be a major pillar of that journey, complementing our strong European franchise and giving us truly global origination capabilities. I would expect deployment volumes within our sub-investment grade strategy to be broadly balanced across the two regions, creating a diversified platform with access to the best opportunities on both sides of the Atlantic.

Importantly, growth will never come at the expense of discipline. Our ambition is not simply to become larger, but to become the partner of choice for infrastructure companies and sponsors. We will remain focused on relative value, thoughtful structuring and the underserved mid-market, while continuing to invest in resilient assets that provide the long-term cash flow visibility and downside protection our investors seek.

CORPORATE OVERVIEW

Infranity is an asset management company specializing in infrastructure investments. Founded by Philippe Benaroya, Alban de La Selle and Gilles Lengaigne together with the Generali Group as part of the Generali Investments ecosystem of asset management firms, Infranity is the strategic partner of the Generali Group for infrastructure investments. Infranity operates around a disciplined model focused on infrastructure debt and equity investments that generate sustainable financial and non-financial returns with a positive, stable and long-term impact. Headquartered in Paris, Infranity manages more than €15 billion ($17 billion) AUM as of October 2026 in Europe and internationally on behalf of institutional investors.

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