



SMS joins forces with Horizon Energy Infrastructure and Smart Meter Assets to advance smart energy and water solutions in the UK, while also expanding into Germany

- Enhances the combined group's ability to deliver innovative energy and water solutions and support the UK and Germany's energy transition goals
- Creates significant opportunities in adjacent markets, including solar, heat pumps and other verticals

November 28, 2024 – SMS, a leading fully integrated energy infrastructure company, today announced that it will join forces with Horizon Energy Infrastructure (HEI) and Smart Meter Assets (SMA), to create one of the leading providers of UK smart metering infrastructure (“the Group”). HEI and SMA’s portfolio represent a total of 3.5 million installed energy meters, and together the Group will manage over 6 million meters. HEI and SMA are currently owned by Arcus Infrastructure Partners, who will transfer ownership to KKR, who acquired SMS in April 2024.

Smart meters are a key enabler of the UK’s net zero 2050 ambitions, providing critical infrastructure to support the transition to a decarbonised and digitised energy system. The combination represents an important step in the Group’s growth, expanding the existing meter asset base and pipeline with complementary assets. Further, the combination supports the Group’s mission to create a more sustainable energy future by adding opportunities in adjacent markets such as solar, energy storage, heat pumps, and EV charging infrastructure. It also enables the Group to broaden its presence in the UK and expand its innovative solutions into new regions and sectors, such as Germany and the UK water sector.

“The combination represents a meaningful step forward for SMS,” said Tim Mortlock, CEO of SMS. “It significantly expands our business and enhances our ability to deliver cutting-edge energy solutions to our customers. We are excited to welcome the teams from HEI and SMA, and look forward to working together to deliver on our shared pipeline and growth ambitions.”

Tom Thorp, CEO of HEI/SMA, said: “We are delighted to be joining forces with KKR and SMS as we progress at speed with our expansion within the UK from both an energy metering and adjacent solutions perspective while also targeting the exciting new areas of smart water metering and smart energy metering in Germany. The strength and breadth of knowledge and experience that we have across our teams will be invaluable in providing optimised solutions for all our customers, both now and into the future.”

Andrew Furze, Managing Director at KKR, said: “This integration highlights the long-term perspective offered by private capital, enabling the Group to build on its core strengths in smart metering and explore opportunities in adjacent markets. We are excited to support SMS, HEI and SMA in their mission to address the growing need for decarbonization and digitization of the energy system in the UK and Europe.”

Stefano Brugnolo, Partner and Head of Energy at Arcus, commented: “When we began investigating the smart metering market in 2016, we saw significant opportunity, driven by its vital role in the energy transition and strong market fundamentals. The HEI and SMA businesses stood out within this market, and we are incredibly proud of what’s been achieved alongside management during Arcus’ ownership. We are deeply grateful to Tom, Jeff and the rest of the HEI and SMA teams and are confident that alongside SMS and under the ownership of KKR, they will continue on their exceptional growth trajectories.”

The transaction, which is subject to regulatory approvals, is expected to close in early 2025.

About SMS

Smart Metering Systems Ltd is a leading integrated energy infrastructure company owning and managing smart meters, energy data, grid-scale batteries and other carbon reduction assets to facilitate effective energy management. The Group manages and optimises these assets through its in-house technology and data analytical platform “METIS”. SMS provides a full end-to-end service, from funding and installation to management and maintenance, with a highly skilled workforce, deep engineering expertise and well-established industrial and energy supplier partnerships. SMS is leading the low carbon, smart energy revolution in the UK and is headquartered in Glasgow with a national presence.

About KKR

KKR is a leading global investment firm that offers alternative asset management as well as capital markets and insurance solutions. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people, and supporting growth in its portfolio companies and communities. KKR sponsors investment funds that invest in private equity, credit and real assets and has strategic partners that manage hedge funds. KKR’s insurance subsidiaries offer retirement, life and reinsurance products under the management of Global Atlantic Financial Group. References to KKR’s investments may include the activities of its sponsored funds and insurance subsidiaries. For additional information about KKR & Co. Inc. (NYSE: KKR), please visit KKR’s website at www.kkr.com. For additional information about Global Atlantic Financial Group, please visit Global Atlantic Financial Group’s website at www.globalatlantic.com.

About Arcus Infrastructure Partners

Arcus Infrastructure Partners is an independent fund manager focused solely on long-term investments in European infrastructure. Arcus invests on behalf of institutional investors through discretionary funds and specialist co-investment vehicles and, through its subsidiaries, currently manages investments with an aggregate c. €24bn (as of 30 June 2024). Arcus targets mid-market, value-add infrastructure investments, with a particular focus on businesses in the digital, transport, logistics & industrials, and energy sectors.

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