

M&G makes investment to revolutionise the environmental impact of data centres

Investment will scale the adoption of immersion cooling and the construction of waterless data centres

London, 17 October 2024 – M&G today announces it has led a Series C investment round into Submer, one of the market leaders in data centre immersion cooling technology. Founded in 2015 in Spain, Submer’s mission is to play a crucial role in shaping a more efficient, environmentally conscious future for data centres worldwide as increases in energy requirements and stricter regulation compel operators to act on their environmental impact.

Submer’s ground breaking technology comes in the form of ‘Smart Pods’ in which server racks are fully submerged into containers of thermally conductive di-electric fluid - allowing generated heat to be transferred to the liquid, before being cooled and recycled. Now at a pivotal scale-up stage, M&G’s commitment will fuel Submer’s next phase of growth and plans for global expansion with an immediate focus on increasing its presence in key markets such the US and Asia Pacific as it supports clients in their growing infrastructure needs whilst complying with emerging environmental regulation.

Surging data centre capacity spurred on by the AI and data growth waves is rapidly becoming one of the world’s largest rising energy demands, placing immense pressure on grids and impeding the electric transition. By 2030, data centres are projected to consume approximately 8% of electricity worldwide, which will align their carbon footprint with the global airline industry¹.

With rack density (the amount of power that the equipment within a server rack uses) advancing far beyond the capabilities of traditional air cooling systems, liquid cooling is emerging as a sustainable and scalable solution to solve the key challenges created by the escalating emphasis on AI and its associated infrastructure demands. Unlike traditional air cooled units which require large towers, extensive piping and significant real estate, Submer’s Smart Pods can be installed with minimal supporting infrastructure and are interoperable with other cooling frameworks.

M&G’s investment has been made on behalf of Catalyst - its purpose-led private markets strategy which aims to meet the rising global demand for capital from innovative, responsible businesses that are currently underserved by providers of institutional finance. The team manages a mandate on behalf of M&G’s £126 billion With Profits Fund, which includes PruFund*.

Niranjan Sirdeshpande, Global Head of Catalyst Investment, said: “As global demand for AI and data capacity soars, Submer's technology is a critical counter to the intensive energy and water requirements of digital infrastructure. Widespread adoption of liquid cooling will attract further institutional investment for its cost savings, sustainability benefits, not to mention the positive real estate fundamentals for property investors.

"Private capital has real potential to drive positive change and broaden the appeal for long term investors in this asset class and we're excited to support Submer at this important time as they scale their capabilities globally."

Pol Valls, Founder and CFO of Submer, added: "We are grateful for the strong interest from investors and are thrilled to partner with M&G who very much align with our sustainability values. With this strong backing we are well positioned to continue to lead the liquid immersion cooling market and meet the growing demands of hyperscale data centres, enabling us to scale faster with our customers, whilst remaining focused on driving growing and meaningful impact in our industry."

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Notes to Editors

*as of June 2024

1: Electricity 2024 - Analysis and forecast to 2026 (iea.blob.core.windows.net)

About M&G Investments

M&G Investments is part of M&G plc, a savings and investment business which was formed in 2017 through the merger of Prudential plc's UK and Europe savings and insurance operation and M&G, its wholly owned international investment manager. M&G plc listed as an independent company on the London Stock Exchange in October 2019 and has £346.1 billion of assets under management (as at 30 June 2024). M&G plc has customers in the UK, Europe, the Americas and Asia, including individual savers and investors, life insurance policy holders and pension scheme members.

For nearly nine decades M&G Investments has been helping its customers to prosper by putting investments to work, which in turn creates jobs, homes and vital infrastructure in the real economy. Its investment solutions span equities, fixed income, multi asset, cash, private debt, infrastructure and real estate.

M&G recognises the importance of responsible investing and is a signatory to the United Nations Principles for Responsible Investment (UNPRI).

M&G plc has committed to achieve net zero carbon emissions by 2050 at the latest, across our investment portfolios and operations.

For more information, please visit: <https://global.mandg.com/>

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