

Analyst Presentation: U.S. Digital Water Market Overview



March 2024

Presented by:



bluefield
RESEARCH

Key Takeaways

MARKET GROWTH

- The nearly **US\$8 billion** U.S. digital water market is growing at an **8% CAGR**, or 3x to 4x the pace of growth in the broader municipal water and wastewater infrastructure sector.
- Data and digital solutions enable utilities to do **more with less** as financial, environmental, and regulatory pressures grow, driving robust and reliable demand for digital water moving forward.

COMPETITIVE LANDSCAPE

- The competitive landscape for digital water is highly fragmented and ripe for consolidation, with **more than 1,600** companies globally selling digital technology and services into the water sector.
- Several incumbent water infrastructure, technology, and services providers have staked out positions in the digital water market, offering **lessons and cautionary tales**.

BLUEFIELD CAN HELP

- Bluefield is a leading provider of **market intelligence** on the U.S. digital water market, with robust market forecasts, project and investment data, and competitive analysis.
- Bluefield's consulting team can offer **tailored support** to help develop a digital water strategy, including market adjacency prioritization, market entry evaluation, and execution support.

Source: Bluefield Research



Digital water offers significant growth, profit opportunities for water incumbents and new market entrants with well-calibrated strategies.

presentation OUTLINE

1) What Is Digital Water?

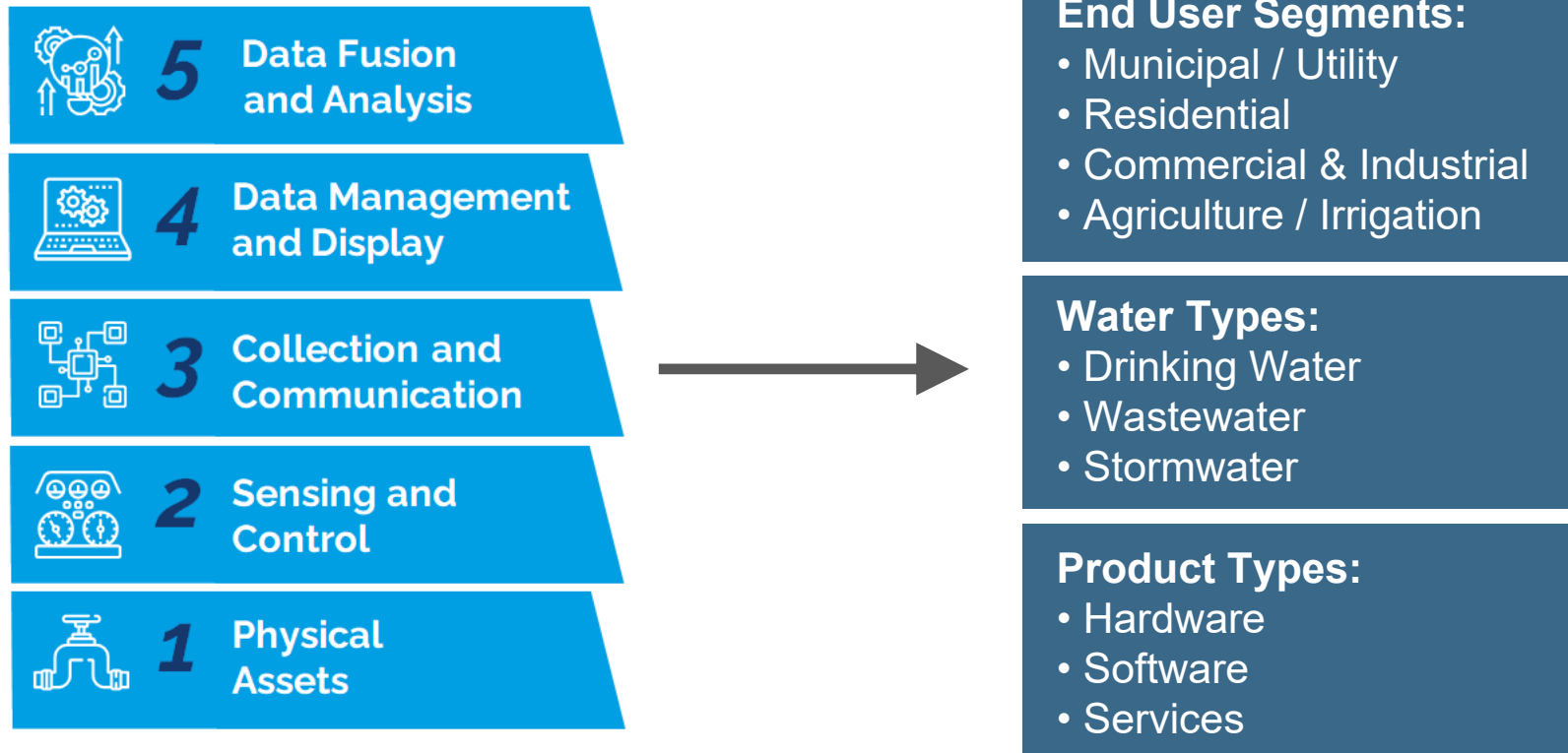
2) How Big Is the Market?

3) What Is Driving Digital Transformation in Water?

4) Who Are the Market Leaders?

5) How Can Bluefield Help?

Digital Water Architecture & Applications



Source: SWAN Forum, Bluefield Research

> Digital water spans the full range of technology and services used to collect, transmit, manage, analyze, and use data in the water sector.

Key Utility Data Sources by Type

Operations Data



- Flow
- Quality
- Pressure
- Level
- Acoustics
- Energy use / emissions
- Chemical use
- Weather / precipitation
- Asset operating status (on / off, open / closed)

Asset Data



- Location
- Age
- Specs (size, material)
- Health / condition
- Maintenance history
- Vibration
- Temperature
- Financial profile
- Engineering profile
- Battery / signal strength

Customer Data



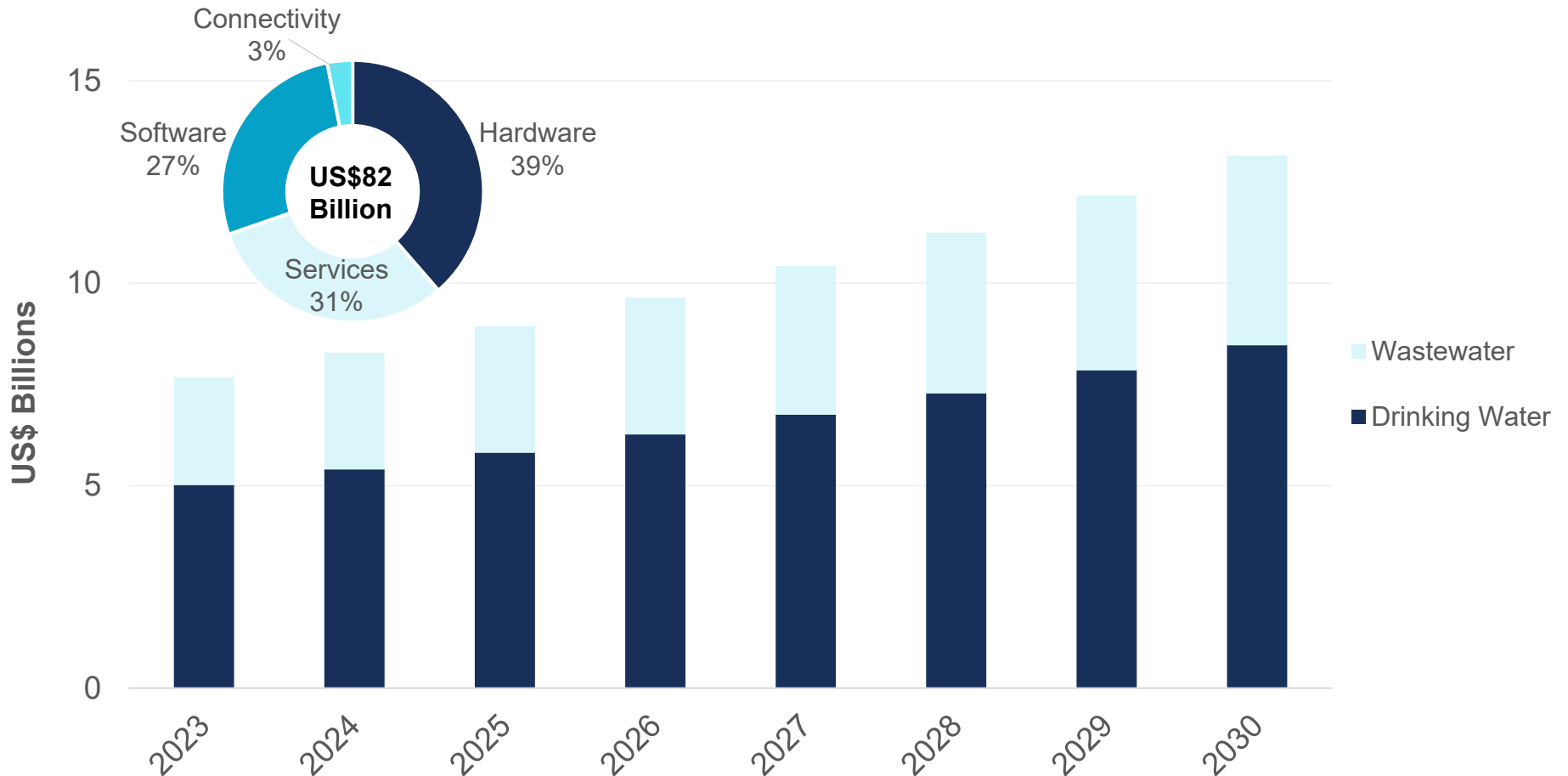
- Location
- Contact information
- Consumption
- Billing history
- Customer satisfaction
- Calls / complaints
- Social media
- Household / community demographics
- Parcel information

Source: Bluefield Research



Utilities rely on a wide range of data to manage customers, assets, and operations, often siloed across multiple departments, systems.

U.S. Digital Water Forecast by Application & Product Type, 2023–2030

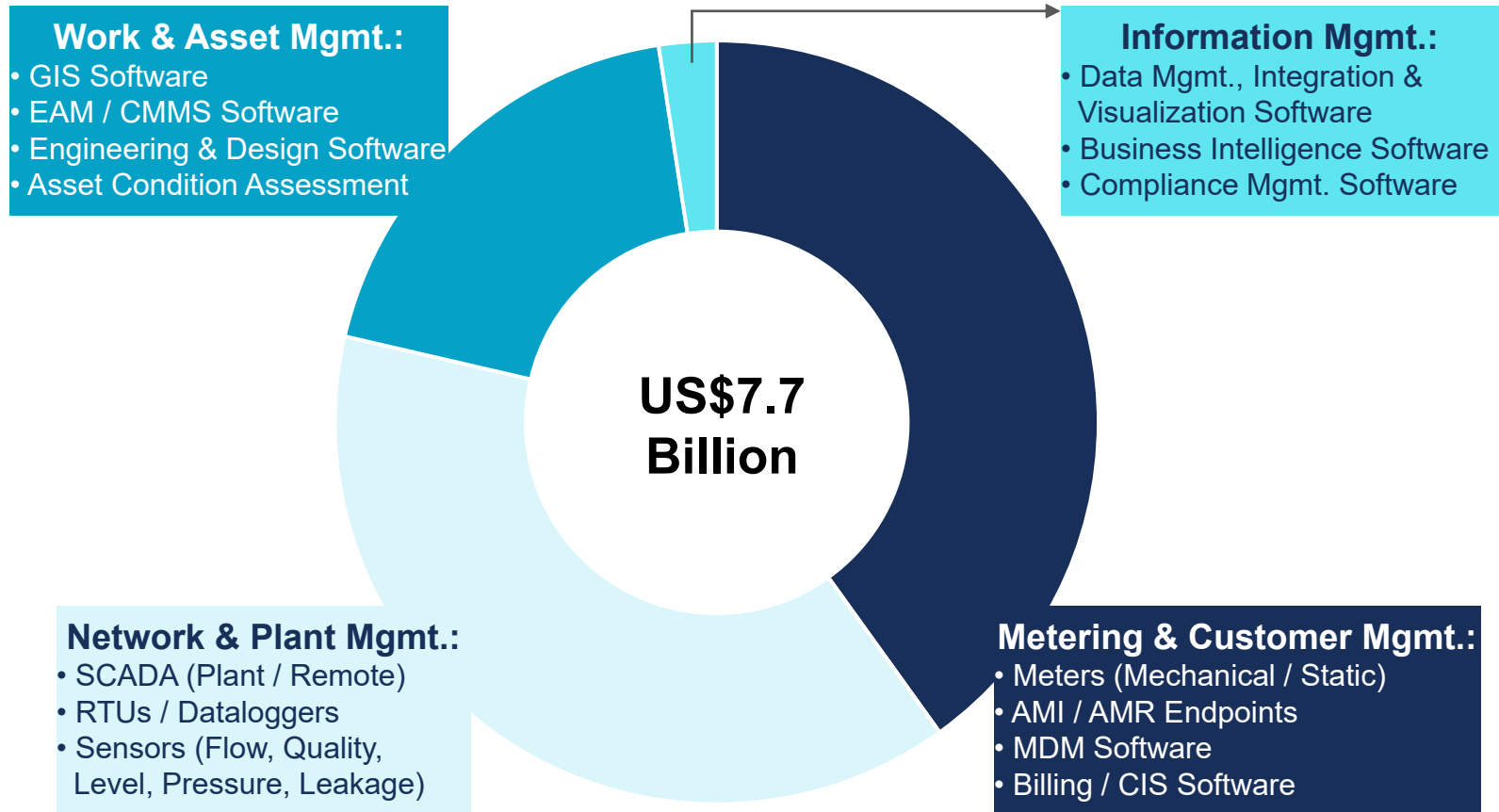


Source: Bluefield Research



U.S. digital water tech and services spend is expected to scale at an 8.0% CAGR from US\$7.7 billion in 2023 to US\$13.2 billion in 2030.

U.S. Digital Water Market by Technology Category, 2023

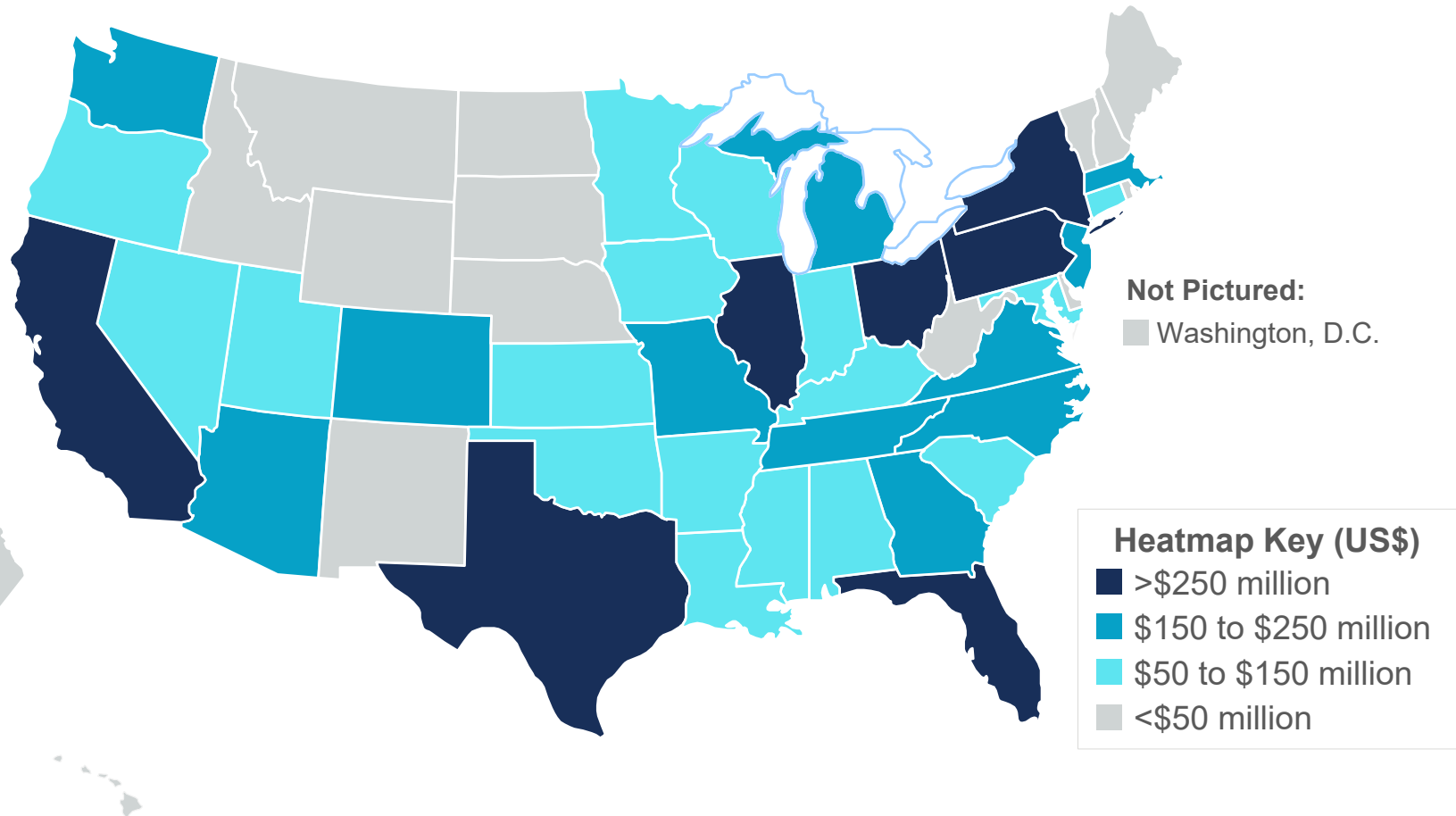


Source: Bluefield Research



Legacy technologies (meters, SCADA, GIS) continue to account for the lion's share of U.S. utilities' digital water spending.

U.S. Digital Water Market Size by State, 2023



Source: Bluefield Research



Digital water market opportunities are centered in states and regions with largest concentrations of utilities, assets, service populations.

Key Digital Water Market Drivers & Trends



Demographic Shifts

- Population growth / urbanization
- Utility staff shortages / retirements



Climate & Environmental Risks

- Water scarcity / extreme weather
- Investment in sustainability / resilience



Financial Pressures

- Chronic underinvestment / budget limits
- Acute inflationary pressures



Regulatory & Funding Drivers

- Tightening regulatory pressure
- Federal infrastructure funding



Aging Infrastructure

- Aging assets / operational challenges
- Growing maintenance / rehab backlog



Technology Change

- Evolving tech / data landscape
- Shifting customer expectations

Source: Bluefield Research



Amid rising financial, environmental, regulatory pressures, digital water helps utilities better monitor, manage assets and operations.

Example Benefits of Digital Water Solutions



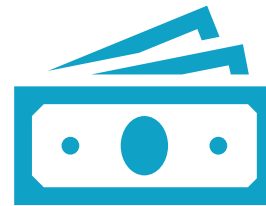
90%

*cost savings from
smart stormwater
management*



15%

*energy savings
from intelligent
pump optimization*



2%

*recovered revenue
from digital meter
health analytics*



\$60b

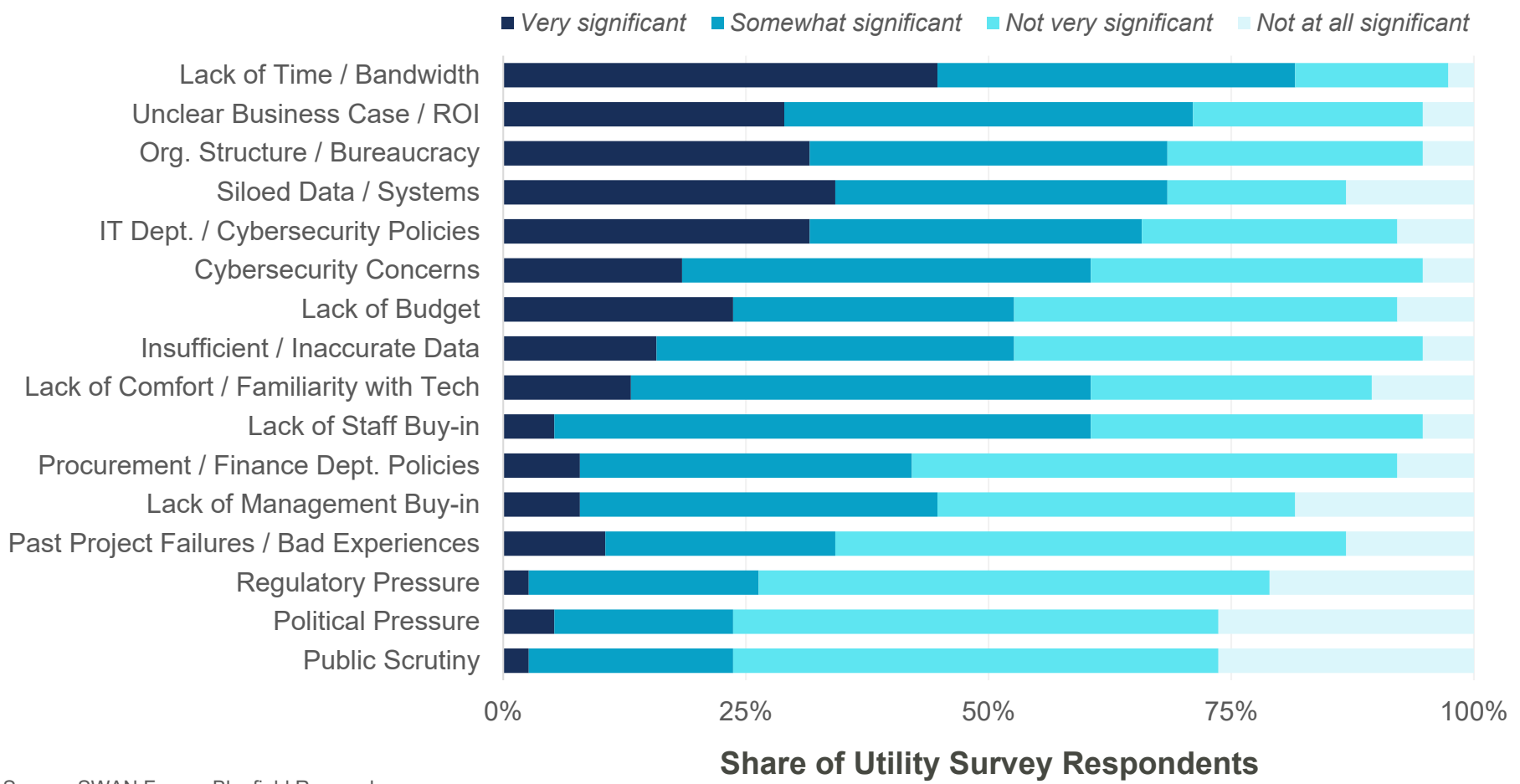
*cost savings from
advanced asset
management
(2019–2030)*

Source: Bluefield Research



Digital water technologies have a variety of proven economic and environmental benefits for utilities and the communities they serve.

Top Utility Barriers to Digital Water Investment



➤ Lack of staff bandwidth, unclear ROI, and organizational structures and policies are among the top inhibitors to digital water innovation.

Select Digital Water Market Leaders by Technology Segment



Source: Bluefield Research

➤ The digital water competitive landscape is highly fragmented, encompassing water incumbents, tech firms from adjacent sectors.

Opportunities & Challenges for Digital Water Market Entry

OPPORTUNITIES

- High **growth potential** relative to more mature traditional water infrastructure segments, with new business models built on **recurring revenues** and stickier customer relationships
- High **margin potential** for digital hardware, software, and services
- Existing scale, capital can support **inorganic growth** in a fragmented market ripe for consolidation
- Existing water market relationships, brand awareness, installed base, and domain expertise can help overcome **customer trust gap** relative to market newcomers – to an extent

CHALLENGES

- New **roles / capabilities** needed to successfully develop and sell digital products
- New **management approaches / structures**, nontraditional KPIs (e.g., monthly recurring revenue) required to successfully manage and run digital business units
- New **stakeholders** involved in procurement process (IT, finance, engineering firms, integrators)
- **Integration risks / challenges** can present significant obstacles to inorganic growth

Source: Bluefield Research



Succeeding in the digital water market requires new approaches to marketing, sales, product development, and business development.



Reports & Analysis



Corporate Subscription



Custom Research

Corporate Subscriptions

Subscribe to receive ongoing, monthly data sets, reports, and insights on key topics related to the technology industry.

Subscription



Digital Water

Analyzing the impact of digital trends and technologies on company strategies and market opportunities

[Browse Reports & Analysis ->](#)

Digital Water Data



Data Navigator

Clients of this service receive access to interactive data dashboards on digital water.

- M&A Transactions
- Project Announcements
- Venture Capital & Private Equity Funding Announcements
- Market Forecasts

Support & Interaction



Analyst Access

Dedicated team on-call to meet client inquiries, review forecast methodologies, or clarify proprietary data and analysis.



Custom Client Support

Board meeting presentations, onsite client workshops, and customer-focused events.

Learn more about how Bluefield can advance your water market strategy



**Schedule
a call**



Bluefield offers timely insights, actionable data, and dedicated analyst support to help firms navigate, capitalize on market shifts.

Bluefield Digital Water Consulting – Sample Project References

Client Types	Geographies Covered	Digital Segments Covered	Bluefield Support
<ul style="list-style-type: none"> ➤ Multinational Water Companies ➤ Consumer Goods Companies ➤ Technology Start-ups ➤ Engineering Firms ➤ Software Pure-Plays ➤ Private Equity Firms ➤ Water Utilities 	<ul style="list-style-type: none"> ➤ Australia ➤ Canada ➤ China ➤ Denmark ➤ France ➤ Germany ➤ India ➤ Spain ➤ United States ➤ United Kingdom 	<ul style="list-style-type: none"> ➤ Smart Metering ➤ GIS ➤ Advanced Asset Management ➤ Leakage Management ➤ Dataloggers / RTUs ➤ SCADA ➤ Billing / CIS ➤ Water Quality Monitoring ➤ Smart Sewer Monitoring 	<ul style="list-style-type: none"> ➤ Market Sizing & Forecasting ➤ Competitive Analysis ➤ Demand Driver Identification ➤ Utility Case Studies ➤ Voice of the Customer ➤ M&A Due Diligence ➤ Procurement Strategy Assessments ➤ Market Entry Strategy Assessments

Source: Bluefield Research

➤ **Bluefield's consulting team has experience supporting digital water strategies across a range of client types, segments, geographies.**



Global companies across the value chain are developing strategies to capitalize on greenfield opportunities in water – new build, new business models, and private investment. Bluefield Research supports a growing roster of companies across key technology segments and industry verticals addressing risks and opportunities in the new water landscape.

Companies are turning to Bluefield for in-depth, actionable intelligence into the water sector and the sector's impacts on key industries. The insights draw on primary research from the water, energy, power, mining, agriculture, financial sectors and their respective supply chains.

Bluefield works with key decision makers at utilities, project development companies, independent water and power providers, EPC companies, technology suppliers, manufacturers, and investment firms, giving them tools to define and execute strategies.

Contact Bluefield Research

Boston
Barcelona
Chicago
Paris
San Francisco

NORTH AMERICA: +1 (617) 910 2540

EUROPE: +34 932 716 546

waterexperts@bluefieldresearch.com

www.bluefieldresearch.com