



Energy Management

SECTOR UPDATE | Q3 2022

What We're Reading

Mission Sustainable:
5G Efficiencies and the Green Network

GMSA Intelligence / Read [here](#)

“Sustainability is now fundamental in how operators design and implement networks. In the telco toolbox are efficient network technologies, renewables and circularity. However, a number of outstanding questions and, in some cases, barriers could hold back industry progress towards net zero by 2050. Those operators that do not invest sufficiently in this green transformation are also risking their long-term competitiveness.

Energy efficiency is a top purchasing priority among operators in the design and operation of mobile networks.”

Global Energy
Perspective 2022

McKinsey & Co. / Read [here](#)

“An economic rebound after the COVID-19 pandemic has triggered price spikes for multiple commodities. The conflict in Ukraine has led to even further increasing energy prices and security-of-supply concerns. However, the transition to a lower-carbon energy system continues and accelerates, and the coming decades will likely see a rapidly-changing energy landscape.

Substantial investments are required across sectors to accelerate the energy transition, and expected returns are highly scenario dependent, especially in the conventional energy segment.”

High Energy Prices, Ukraine War and
Rising Demand Response Potential Spur
Energy Efficiency Efforts

Utility Dive / Read [here](#)

“Energy efficiency, or EE, is fundamental to the clean energy transition, analysts have long agreed. But the Ukraine war-driven urgency for the European Union to end reliance on Russian natural gas and arbitrary Russian threats like the July 11 shutdown of the Nord Stream 1 natural gas pipeline to Germany, and avoid stopgap coal burning now makes EE vital, a June 10 statement co-signed by the U.S. and 25 IEA parties in the Americas, Africa, Asia and the EU recognized.”

Retailers Warn Demand Charges, Utility
Competition Could Impede National EV
Charging Network

Utility Dive / Read [here](#)

“Convenience stores, truck stops, and other retailers are sounding the alarm on certain electric vehicle charging policies they say will stymie investment in a network of charging stations, just as the federal government prepares to provide billions in incentives for a national rollout. The Biden administration’s National Electric Vehicle Infrastructure, or NEVI, formula program is preparing to disburse \$5 billion to states to support the installation of 500,000 charging stations — but experts say greater levels of private investment are needed to assuage concerns over range anxiety.”

Global Heat Waves Are So Bad That
Utilities Are Paying Their Customers To
Use Less Energy

Fortune / Read [here](#)

“Today, with climate change causing longer and fiercer heat waves more frequently, and with the shift to renewable energy reducing supply-side flexibility, utility operators are increasingly looking to demand response agreements to maintain balance in electricity networks.”

Select Energy Management M&A Transactions

June 21, 2022

evconnect

Schneider
Electric

EV Connect Acquired by Schneider Electric To Accelerate EV Revolution

- › EV Connect, Inc., a premier electric vehicle (EV) charging solution provider, announced that it has been acquired by Schneider Electric, the leader in energy management and automation. With a strong foundation in sustainability and eMobility, Schneider Electric's acquisition of EV Connect will enable the Company to accelerate its growth.

June 8, 2022

Eurotherm.
by Schneider Electric

WATLOW
Powered by Possibility

Watlow Signs Agreement To Acquire Eurotherm From Schneider Electric

- › Watlow, a designer and manufacturer of complete industrial thermal systems, is pleased to announce that it has signed an agreement to acquire Eurotherm from Schneider Electric, the global leader in the digital transformation of energy management and automation. Eurotherm is a premier global provider of temperature, power, and process control, measurement and data management equipment, systems, software, and services for global industrial markets. The company's headquarters are in Worthing, UK, with core manufacturing operations in Łędziny, Poland, and headcount of about 650 people worldwide.

May 24, 2022

urjanet

Arcadia

Arcadia Acquires Urjanet To Accelerate the Transition to a Zero-carbon Economy

- › Arcadia, the technology company empowering energy innovators to fight the climate crisis, today announced the acquisition of Urjanet, the largest utility data provider in the world. Urjanet's global data access will integrate with Arcadia's industry-leading data and API platform, Arc, enabling Arc to become the universal software layer for the zero-carbon economy.

May 12, 2022

SUMMIT CARBON
SOLUTIONS

THE RISE
FUND

Summit Carbon Solutions Announces \$1+ Billion Equity Raise From TPG Rise Climate

- › Today, Summit Carbon Solutions ("Summit"), developer of the world's largest carbon capture and storage project, which will capture and permanently store up to 20 million tons per year of carbon dioxide from dozens of ethanol and other industrial facilities across the Midwestern United States, announced the successful completion of its equity fundraising efforts, which have resulted in over \$1 billion in total equity commitments.

May 3, 2022

Frontline POWER
SOLUTIONS

SinglePoint

SinglePoint Enters Into Definitive Agreement to Purchase Frontline Power Solutions

- › SinglePoint, Inc. (OTCQB: SING) ("SinglePoint" or "the Company"), a renewable energy and sustainable solutions provider, announced it has entered into a definitive agreement to purchase energy services company, Frontline Power Solutions ("Frontline" or "FPS"). Frontline specializes in electrical supply, demand response and energy efficiency programs in most deregulated markets.

Deal Snapshot: Fidelity Building Services Group

Harris Williams advises Fidelity BSG on its sale to Onex Corporation



COMPANY OVERVIEW

Fidelity Building Services Group (Fidelity BSG) provides technical building solutions for the commercial and industrial facilities market through every phase of a building's life cycle. Harris Williams recently advised Fidelity BSG, a portfolio company of Oaktree Capital Management, on its sale to Onex Corporation.

Here, Luke Semple, Bob Baltimore, and Brian Lucas, managing directors in the Energy, Power & Infrastructure Group and Business Services Group, share their thoughts on the building solutions space, what made Fidelity BSG such an attractive acquisition, and what other investors interested in this space should consider.



DEAL SNAPSHOT

Fidelity Building Services Group

» ACCESS INSIGHTS

What made Fidelity BSG especially attractive?

ESG: Building owners, particularly commercial, industrial, and corporate customers, are increasingly focused on the environmental impact of their infrastructure. Companies that can deliver highly technical building solutions, such as Fidelity BSG, can drive meaningful improvements to building performance to not only lower costs and downtime but also reduce energy consumption, improve air quality, and provide actionable, real-time insights through building system data and analytics.

Different Entry Points: One important factor is having three different entry points to the building—HVAC services and controls, power systems, and building automation services—and getting in the door with customers from a few different service lines and then offering a holistic solution. In comparison, most competitors have only one point of entry.

Strong Barriers: The opportunity to build a defensible position in the market is another attractive factor. The industry requires specialized expertise, which, especially in a tight labor market, can be a meaningful barrier to entry. In addition, customer relationships can be very sticky. These companies keep mission-critical systems running, and there are risks and costs associated with switching.

Select Recent M&A Transactions

Date Closed	Acquirer	Target	Business Description
6/28/2022	CLEAResult Consulting	Ecofitt	Canada-based residential energy efficiency program implementer for utilities, retailers, and distributors
6/21/2022	Schneider Electric	EV Connect	U.S.-based premier electric vehicle charging solution provider
6/8/2022	Watlow Electric Manufacturing Company	Eurotherm	Global provider of temperature and power control and measurement solutions
5/24/2022	Arcadia	Urjanet	The largest utility data provider in the world
5/12/2022	TPG Rise Climate	Summit Carbon Solutions	U.S.-based developer of the largest carbon sequestration projects of its kind
5/11/2022	Schneider Electric	AutoGrid Systems	U.S.-based leader in artificial intelligence-driven optimization for distributed energy resources (DERs)
5/10/2022	CLEAResult Consulting	ChooseEV	U.S.-based leading provider of electric vehicle market awareness and education tools
5/5/2022	Caterpillar	Tangent Energy Solutions	U.S.-based energy-as-a service (EaaS) company providing customers with turnkey solutions for reducing energy costs, increasing energy efficiency, reducing emissions, monetizing electric grid support, and providing resiliency for customer operations
5/3/2022	SinglePoint	Frontline Power Solutions	U.S.-based provider of electrical supply, demand response, and energy efficiency programs in most deregulated markets
4/4/2022	Advanced Energy Industries	SL Power Electronics	U.S.-based provider of customized power solutions for medical and advanced industrial applications

Public Valuation Indices¹

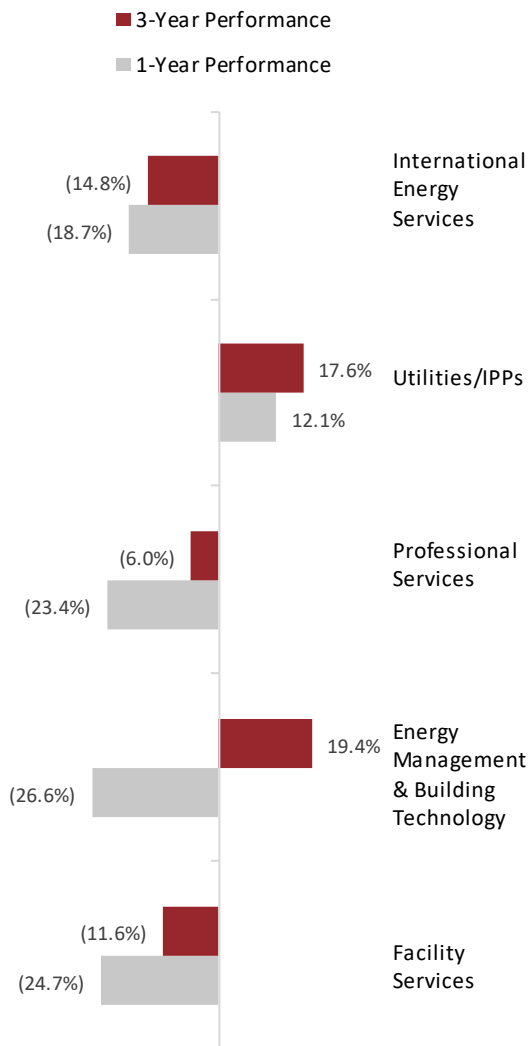
YTD Performance
 EIP Climate Tech: (22.4%)
 S&P Renewable Energy and Clean Tech: (16.3%)
 S&P 500: (19.7%)

Surging global gas prices, anticipation of higher U.S. interest rates, and continued supply chain woes drove a correction in renewable energy and decarbonization public equities

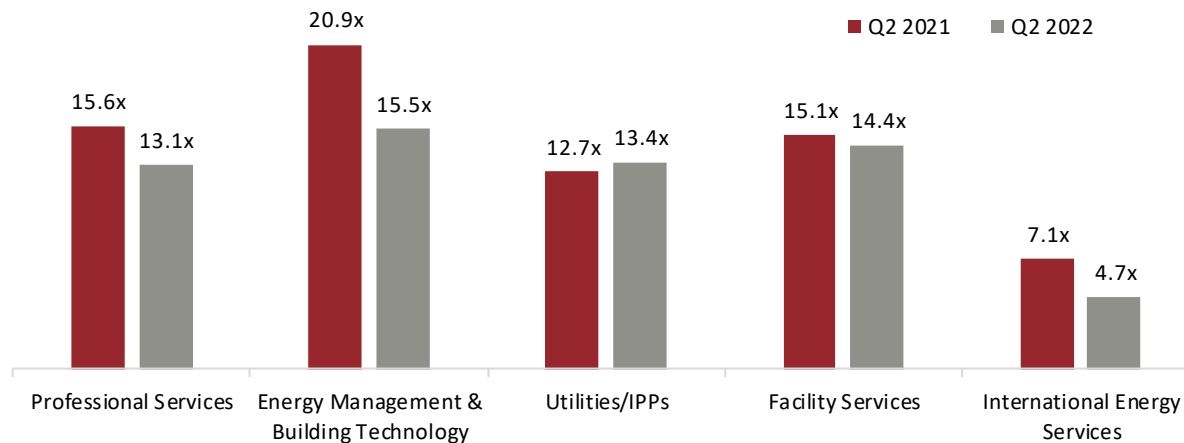


Public Valuation Multiples by Sector¹

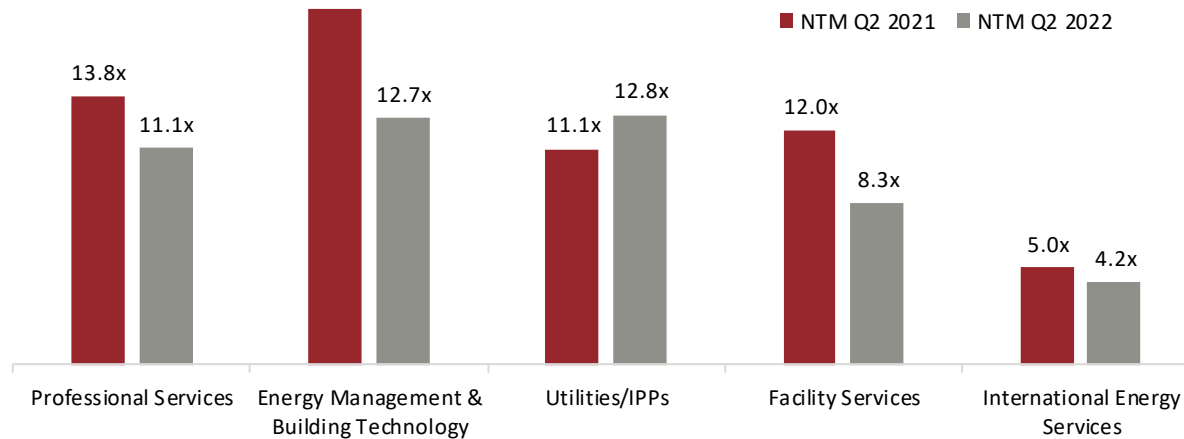
Stock Performance (1- and 3-Year)



EBITDA Multiple Comparison LTM Q2 2021 vs. LTM Q2 2022



EBITDA Multiple Comparison NTM Q2 2021 vs. NTM Q2 2022



Public Market Observations¹

Company	Market Capitalization	Stock Price Current	Enterprise Value	Multiples Summary				
				Enterprise Value / Revenue		Enterprise Value / EBITDA		
				2021	2022E	2021	2022E	
Energy Management & Building Technology								
Ameresco, Inc.	\$ 2,361,552	\$ 45.56	\$ 4,795,056	4.0x	2.6x	31.8x	23.1x	
Carrier Global Corporation	30,010,866	35.66	40,638,942	2.0x	2.0x	12.9x	12.8x	
Eaton Corporation plc	50,181,817	125.99	68,728,210	3.5x	3.3x	18.9x	16.2x	
Honeywell International Inc.	117,094,462	173.81	141,084,079	4.1x	3.9x	16.2x	15.4x	
Itron, Inc.	2,227,399	49.43	2,969,318	1.5x	1.5x	21.1x	22.9x	
Johnson Controls International plc	33,308,627	47.88	47,841,908	2.0x	1.8x	13.2x	12.3x	
Schneider Electric S.E.	65,516,209	118.02	87,690,761	3.0x	2.7x	15.4x	13.4x	
Trane Technologies plc	30,093,134	129.87	38,714,767	2.7x	2.5x	16.3x	14.7x	
Willdan Group, Inc.	364,210	27.58	503,197	1.3x	1.1x	19.5x	12.7x	
Median	\$ 30,093,134	\$ 49.43	\$ 40,638,942	2.7x	2.5x	16.3x	14.7x	
Facility Services								
ABM Industries Incorporated	\$ 2,899,941	\$ 43.42	\$ 4,254,019	0.6x	0.6x	9.6x	8.7x	
FirstService Corporation	5,357,107	121.22	8,640,522	2.7x	2.4x	26.3x	23.9x	
ISS A/S	2,907,477	15.74	37,935,571	4.0x	3.7x	80.3x	59.4x	
Sodexo S.A.	10,249,353	70.10	15,498,616	0.9x	0.7x	13.1x	9.6x	
Median	\$ 4,132,292	\$ 56.76	\$ 12,069,569	1.8x	1.5x	19.7x	16.8x	
International Energy Services								
Electricité de France S.A.	\$ 30,484,292	\$ 8.16	\$ 30,874,836	0.4x	0.4x	1.7x	9.1x	
Enel SpA	55,440,204	5.46	135,942,009	1.8x	1.5x	7.1x	6.9x	
ENGIE SA	27,744,032	11.46	53,601,907	0.9x	0.8x	4.8x	4.4x	
E.ON SE	17,977,273	8.37	55,852,676	0.9x	0.7x	7.0x	7.1x	
Veolia Environnement S.A.	16,745,281	24.35	40,368,779	1.4x	1.0x	9.5x	6.4x	
Median	\$ 27,744,032	\$ 8.37	\$ 53,601,907	0.9x	0.8x	7.0x	6.9x	
Professional Services								
Bureau Veritas SA	\$ 11,556,414	\$ 25.56	\$ 13,800,236	2.7x	2.5x	13.3x	12.1x	
CBRE Group, Inc.	23,556,066	73.61	30,281,032	1.1x	0.9x	10.9x	9.4x	
ICF International, Inc.	1,785,379	95.00	2,436,929	1.6x	1.4x	15.4x	14.2x	
Jones Lang LaSalle Incorporated	8,674,617	174.86	12,171,632	1.1x	1.2x	8.9x	8.1x	
Leidos Holdings, Inc.	13,751,008	100.71	19,152,871	1.4x	1.3x	12.6x	13.0x	
Median	\$ 11,556,414	\$ 95.00	\$ 13,800,236	1.4x	1.3x	12.6x	12.1x	
Utilities / IPPS								
Consolidated Edison, Inc.	\$ 33,693,449	\$ 95.10	\$ 60,079,333	4.6x	4.3x	12.6x	11.9x	
Duke Energy Corporation	82,541,030	107.21	158,565,371	6.2x	6.0x	13.9x	13.3x	
Edison International	24,121,759	63.24	61,243,237	4.2x	4.0x	12.2x	10.5x	
National Grid plc	46,655,682	12.78	84,682,320	4.7x	3.5x	12.8x	11.4x	
NextEra Energy, Inc.	152,191,795	77.46	238,764,808	13.3x	11.4x	24.1x	19.9x	
NRG Energy, Inc.	9,057,113	38.17	16,812,287	0.8x	0.6x	7.1x	7.8x	
Median	\$ 40,174,566	\$ 70.35	\$ 72,962,778	4.6x	4.1x	12.7x	11.6x	
Total Median	\$ 20,766,669	\$ 49.43	\$ 38,714,767	2.0x	1.8x	13.1x	12.3x	

Harris Williams Energy Management Overview

Harris Williams Energy Management Sector Focus Areas

- › ESCOs
- › Utility Program Management
- › Building Optimization
- › Energy Management Systems
- › LED and Smart Lighting Systems
- › Energy Storage
- › Electric Submeters
- › Demand Response / Smart Grid
- › Billing and Workforce Management
- › Distribution Automation
- › Microgrids / Asset Management
- › EV Charging

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Select Recent Harris Williams Energy Management Transactions



CRETE
MECHANICAL
GROUP

has been recapitalized by



Ridgemoor EQUITY PARTNERS



FIDELITY
BUILDING SERVICES GROUP

a portfolio company of




OAKTREE

has been acquired by




ONEX



VEREGY

has been acquired by



COURT SQUARE




ServiceLogic

Building Efficiency and Sustainability

has been acquired by




LGP LEONARD GREEN & PARTNERS



FRANKLIN ENERGY

has been acquired by



abry partners




CPower

has been acquired by




LSPower
Innovation and Investment in Energy



comverge
energy made better

has been acquired by



Itron

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Consistent Recognition for Quality



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