

# Energy Management

SECTOR UPDATE | Q1 2023

# Select Energy Management M&A Transactions

December 7, 2022<sup>1</sup>

Utegration

cognizant

## Cognizant acquires Utegration

- › Cognizant [NASDAQ: CTSI], the Teaneck, New Jersey-based provider of consulting and technology services, has agreed to acquire Utegration, a Houston, Texas-based full-service consulting and solutions provider specializing in SAP® technology and SAP-certified products for the energy and utilities sectors.
- › "We believe Utegration's rich industry expertise and differentiated portfolio of energy and utilities-focused products and accelerators is a perfect complement to our SAP practice," said Rob Vatter, Executive Vice President of Cognizant's Enterprise Platform Services.

December 6, 2022

LORD  
GREEN STRATEGIES

LEGENCE

## Legence (Blackstone Energy) acquires LORD Green Strategies

- › Legence, a Blackstone company, announced today its acquisition of LORD Green Strategies, a leading sustainability consultancy headquartered in Texas. LORD Green will merge with RE Tech Advisors, an existing Legence company. This deal will strengthen Legence's environmental, social, and governance (ESG) consulting and advisory services to help clients fulfill their fiduciary and investment objectives while decarbonizing their operations and asset portfolios.

December 6, 2022

vivint.  
SmartHome™

nrg®

## NRG Energy acquires Vivint Smart Home for \$2.8B

- › NRG Energy [NYSE: NRG], a New Jersey-based company engaged in wholesale power generation, and Vivint Smart Home [NYSE: VVNT], the Utah-based provider of integrated smart home systems, today (December 6) announced they have entered into a definitive agreement under which NRG will acquire Vivint for USD 12 per share or USD 2.8bn in an all-cash transaction with an implied multiple of 6.3x run-rate Enterprise Value to Adjusted EBITDA.

November 9, 2022

CF PATHWAYS

Ara Partners

## Ara Partners acquires CF Pathways

- › CF Pathways, a UK-based risk management and solutions provider in the energy and environmental markets, has secured a strategic equity investment by Ara Partners, a private equity and infrastructure firm that specializes in industrial decarbonization investments. CF Pathways provides net-zero solutions and sustainable energy supply to over 5,000 large customers across Europe and the UK as they navigate the energy transition. Comprising CF Partners and Brook Green Supply, the company achieved GBP 3bn of revenue in 2021.

October 31, 2022

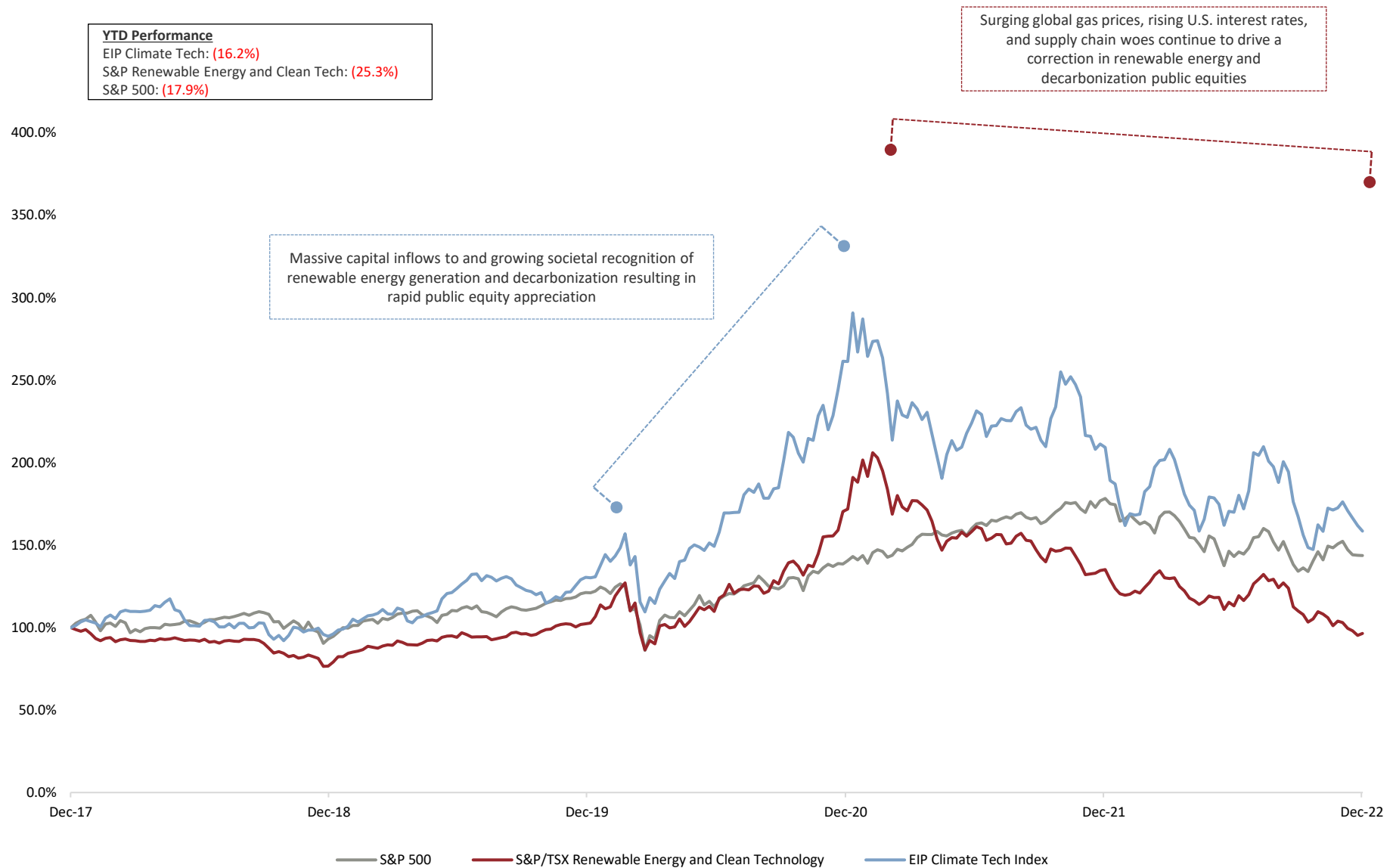
Wood  
Mackenzie

VERITAS  
CAPITAL

## Veritas acquires Wood Mackenzie from Verisk for \$3.1B

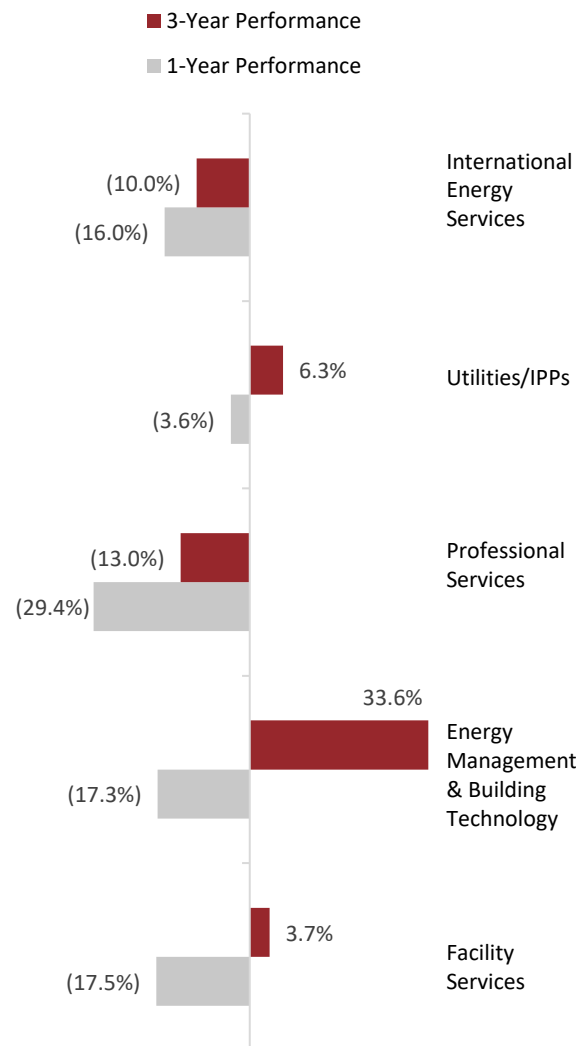
- › Verisk [NASDAQ: VRSK], a global data analytics provider, and Veritas Capital, an investor at the intersection of technology and government, today (October 31) announced the signing of a definitive agreement, under which an affiliate of Veritas has agreed to acquire Verisk's Edinburgh-based energy business Wood Mackenzie for \$3.1B.
- › Wood Mackenzie is a globally recognized industry leader that has been providing quality data, analytics, and insights used to power the energy, renewables, and natural resources industry for nearly 50 years.

# Public Valuation Indices<sup>1</sup>

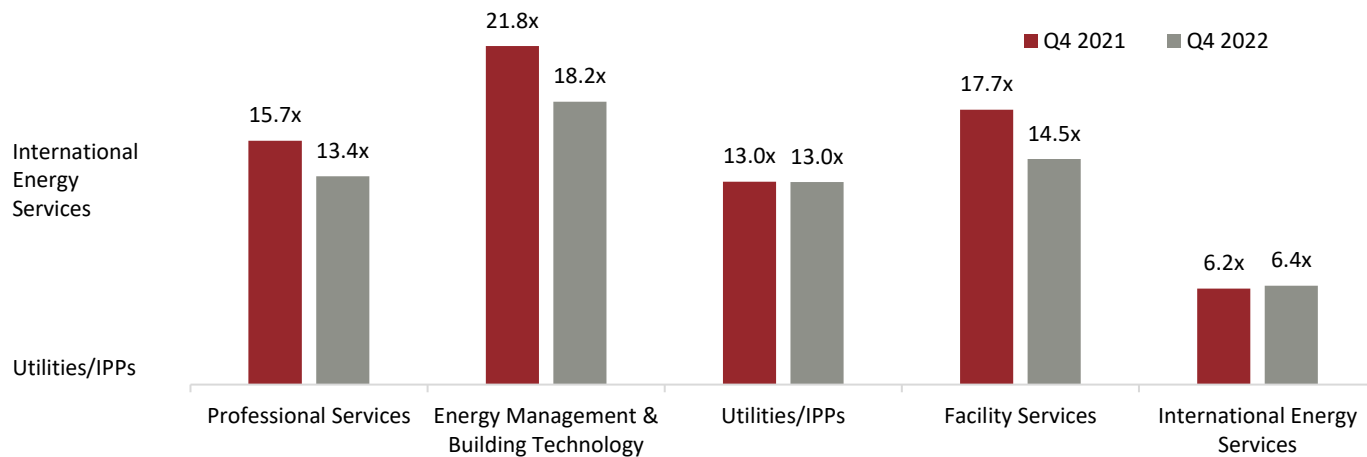


# Public Valuation Multiples by Sector<sup>1</sup>

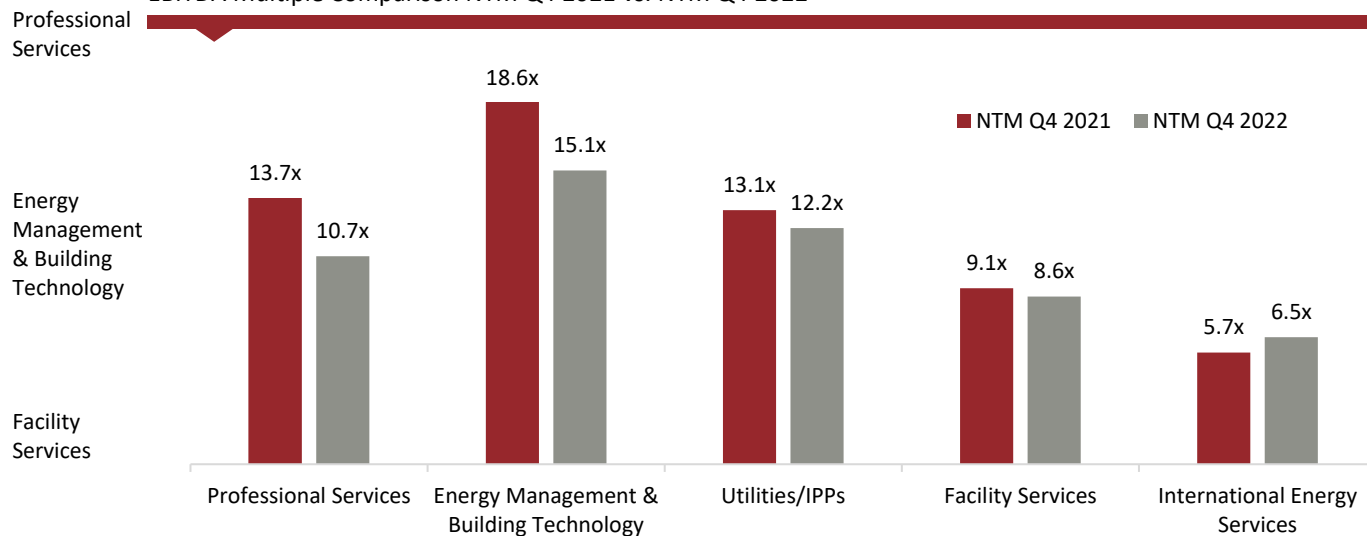
Stock Performance (1- and 3-Year)



EBITDA Multiple Comparison LTM Q4 2021 vs. LTM Q4 2022



EBITDA Multiple Comparison NTM Q4 2021 vs. NTM Q4 2022



# What We're Reading

## 23 Intriguing Microgrid Projects to Watch in 2023

*Microgrid Knowledge / Read [here](#)*

As microgrids become an increasingly important topic, Microgrid Knowledge's list of several key projects coming up provides both a helpful overview of the projects as well as a good general primer on microgrids and why they matter.

Microgrid Knowledge divided the list thematically to give a sense of key trends in the space. Themes include – "Rethinking the utility model," "Microgrids for food," "Big tech goes big on microgrids," "Military microgrids march on," "Nesting and clustering microgrids," "Clean fuels plus reliability," and "Just because they are cool and do good."

## How a Solar Microgrid Became a Town's Lifeline in Blackout-Prone Puerto Rico

*Bloomberg / Read [here](#)*

Puerto Rico, home to 3.2 million people, has some of the most expensive and least reliable electricity in the US. In 2017, Hurricane Maria decimated its already fragile power grid, leaving some regions in the dark for almost a year. Luma Energy took over grid management from the bankrupt public power company last year, but frequent outages remain a fact of life.

An experiment in producing resilient, renewable and cost-efficient energy, this project provides another helpful example of the role microgrids can play in a more resilient grid.

## Energy Efficiency on Buildings – The Pressure is On

*3BL CSR Wire / Read [here](#)*

The value of properties is largely impacted by the energy efficiency of the buildings. With the help of IoT, energy optimization is becoming one of the most efficient ways to reduce energy use and, as a result, increase property value and cut CO2 emissions.

Europe is undergoing an energy crisis, and many utility companies are falling back to fossil-based energy production in order to meet the demand. The call to action couldn't be more vigorous, but capital, time, and resources are limited. The million-dollar question is where to invest – steel and concrete or IoT and AI?

## How Energy Management Strategies Help Beat Inflation Squeeze

*QSR web / Read [here](#)*

An interesting read on the impact energy management can have on businesses, this report dives into the quick service restaurant (QSR) space. Businesses of all kinds have been feeling the squeeze from rising inflation, but QSR businesses that already operate on razor-thin margins are especially vulnerable to the impacts. Much to the dismay of customers, many chains have been forced to raise their prices on menu items. For owners and operators looking to cut costs and keep their customers happy, energy management is a great place to start.

## Entergy Louisiana Proposes \$5B Grid Resilience Plan with 10 Potential Microgrids

*Utility Dive / Read [here](#)*

Grid resilience is an increasingly common and important topic among energy professionals and investors. Entergy Louisiana announced on December 19 that it filed a proposal with the state to begin the first phase of a two-phase plan that would spend approximately \$9.6 billion from 2024 to 2033 to build up resilience. The utility filed its plan for Phase I of the project with the Louisiana Public Service Commission, writing that this involves approximately \$5 billion in projects in the first five years, from 2024 through 2028. Over 10 years, the utility plans to complete 9,600 projects to harden more than 269,000 structures over more than 11,000 line miles.

# Select Recent M&A Transactions

Date Closed	Acquirer	Target	Business Description
12/7/22	Cognizant	Utegration	U.S.-based software and analytics consulting firm for the utilities industry
12/7/22	Endurant Energy	GEOptimize	Canada-based consulting firm that specializes in commercial and district ground source heat pump (GSHP) systems
12/6/22	Legence	LORD Green Strategies	U.S.-based commercial real estate sustainability consultancy
12/6/22	NRG Energy	Vivint Smart Home	U.S.-based provider of integrated smart home systems
12/2/22	Kraken	depsys	Switzerland-based end-to-end smart grid solutions startup
11/14/22	Parabellum Acquisition Corp	EnOcean	Germany-based leader in energy harvesting based IoT devices, devoted to commercial buildings and smart spaces
11/10/22	Bridges Fund Management	Evora Global	U.K.-based consultancy that helps clients improve their sustainability and reduce the climate risk of their real estate portfolios
11/9/22	Ara Partners	CF Pathways	U.K.-based risk management and solutions provider in the energy and environmental markets
11/8/22	HomeServe France	EnergyGo	France-based energy renovation solutions and services (insulation, heating, ventilation, solar energy) provider
10/31/22	Veritas	Wood Mackenzie	Scotland-based provider of data, analytics, and insights used to power the energy, renewables, and natural resources industry
10/20/22	CVC	Gridspertise	Italy-based developer of smart grid technologies
10/18/22	Priority Power Management	AB Power Advisors	U.S.-based regulatory advisory and energy consulting business















# Public Market Observations<sup>1</sup>

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.	\$ 2,966,377	\$ 57.14	\$ 4,496,238	3.7x	2.4x	29.8x	21.5x	
Carrier Global Corporation	34,495,788	41.25	41,877,071	2.1x	2.1x	13.3x	12.9x	
Eaton Corporation plc	62,419,015	156.95	72,134,714	3.6x	3.5x	19.8x	17.0x	
Honeywell International Inc.	144,078,654	214.30	151,826,562	4.4x	4.3x	17.4x	17.0x	
Itron, Inc.	2,288,265	50.65	2,686,099	1.3x	1.5x	19.1x	34.2x	
Johnson Controls International plc	43,949,049	64.00	54,515,116	2.3x	2.1x	15.1x	14.4x	
Schneider Electric S.E.	77,551,575	139.70	90,588,477	3.0x	2.5x	15.3x	12.9x	
Trane Technologies plc	38,712,354	168.09	43,912,165	3.1x	2.8x	18.5x	16.4x	
Willdan Group, Inc.	237,314	17.85	356,973	1.0x	0.8x	13.8x	15.3x	
Median	\$ 38,712,354	\$ 64.00	\$ 43,912,165	3.0x	2.4x	17.4x	16.4x	
Facility Services								
ABM Industries Incorporated	\$ 2,913,982	\$ 44.42	\$ 4,288,863	0.7x	0.5x	9.7x	8.6x	
FirstService Corporation	5,416,731	122.51	8,865,822	2.7x	2.4x	27.0x	25.5x	
ISS A/S	3,909,576	21.16	40,698,093	4.1x	3.8x	83.0x	60.8x	
Sodexo S.A.	13,959,458	95.63	16,737,472	0.9x	0.8x	13.7x	9.9x	
Median	\$ 4,663,153	\$ 70.02	\$ 12,801,647	1.8x	1.6x	20.3x	17.7x	
International Energy Services								
Electricité de France S.A.	\$ 47,909,592	\$ 12.82	\$ 56,374,017	0.7x	0.6x	3.0x	NM	
Enel SpA	54,613,198	5.38	157,499,444	2.0x	1.6x	7.9x	7.7x	
Engie SA	34,659,726	14.31	63,788,135	1.0x	0.9x	5.5x	4.4x	
E.ON SE	21,422,051	9.98	55,462,657	0.8x	0.6x	6.7x	6.8x	
Veolia Environnement S.A.	18,328,297	25.65	43,253,842	1.5x	1.0x	9.8x	6.6x	
Median	\$ 34,659,726	\$ 12.82	\$ 56,374,017	1.0x	0.9x	6.7x	6.7x	
Professional Services								
Bureau Veritas SA	\$ 11,897,739	\$ 26.30	\$ 12,964,888	2.5x	2.2x	12.0x	10.8x	
CBRE Group, Inc.	23,788,317	76.96	28,543,278	1.0x	0.9x	10.2x	9.9x	
ICF International, Inc.	1,866,488	99.05	2,797,966	1.8x	1.6x	17.7x	14.8x	
Jones Lang LaSalle Incorporated	7,564,108	159.37	11,335,590	1.0x	0.5x	8.3x	8.9x	
Leidos Holdings, Inc.	14,378,375	105.19	19,105,289	1.4x	1.3x	12.6x	13.0x	
Median	\$ 11,897,739	\$ 99.05	\$ 12,964,888	1.4x	1.3x	12.0x	10.8x	
Utilities / IPPS								
Consolidated Edison, Inc.	\$ 33,821,978	\$ 95.31	\$ 60,474,202	4.6x	4.2x	12.6x	11.9x	
Duke Energy Corporation	79,308,765	102.99	157,777,279	6.2x	5.8x	13.8x	13.4x	
Edison International	24,294,867	63.62	60,859,660	4.2x	3.9x	12.2x	10.5x	
National Grid plc	43,988,192	12.02	83,357,966	4.6x	3.5x	12.7x	11.0x	
NextEra Energy, Inc.	166,126,881	83.60	238,329,457	13.3x	11.2x	24.1x	19.9x	
NRG Energy, Inc.	7,330,826	31.82	15,375,029	0.7x	0.5x	6.5x	7.6x	
Median	\$ 38,905,085	\$ 73.61	\$ 72,108,813	4.6x	4.0x	12.7x	11.4x	
Total Median	\$ 22,605,184	\$ 63.62	\$ 43,253,842	2.1x	2.1x	13.3x	12.9x	

# Harris Williams / ENERGY MANAGEMENT

## Sector Coverage 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

 <p>UTegration a portfolio company of</p> <p>RLH Equity Partners</p> <p>has been acquired by</p> 	 <p>CRETE MECHANICAL GROUP</p> <p>has been recapitalized by</p> 	 <p>FIDELITY BUILDING SERVICES GROUP a portfolio company of</p>  <p>OAKTREE</p> <p>has been acquired by</p> 	 <p>VEREGY</p> <p>has been acquired by</p> 
 <p>ServiceLogic Building Efficiency and Sustainability</p> <p>has been acquired by</p> 	 <p>FRANKLIN ENERGY</p> <p>has been acquired by</p> 	 <p>CPower</p> <p>has been acquired by</p> 	 <p>comverge energy made better</p> <p>has been acquired by</p> 

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Life Sciences



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70% Revenue from repeat clients

83% Managing directors promoted from within the firm

30+ Year history



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