



# Energy Management

SECTOR UPDATE | Q2 2021

# Select Energy Management M&A Transactions

March 3, 2021



## Uplight Adds New Investors Schneider Electric and Huck Capital-Led Investment Group in Deal Valued at \$1.5B

- › Uplight, the technology partner of energy providers transitioning to the clean energy ecosystem, announced that it has agreed to a new investment from a consortium of investors, co-led by Schneider Electric, the global leader in sustainable energy solutions; AES, a global company accelerating the future of sustainable energy; and a group of private equity investors led by Huck Capital that includes Coatue and Inclusive Capital Partners Spring Fund II.

January 27, 2021



## TRC Companies Inc. Acquires EMI Consulting

- › TRC Companies announced the expansion of its advanced energy capabilities with the acquisition of EMI Consulting, a Seattle-based firm that consults on the strategic development of clean energy solutions, including energy efficiency, demand management, decarbonization, and customer engagement.

January 26, 2021



## Enphase Energy Enhances Its Digital Platform With the Acquisition of Sofdesk Inc.

- › Enphase Energy Inc., a global energy management technology company and the world's leading supplier of microinverter-based solar-plus-storage systems, announced the closing of its acquisition of Sofdesk Inc., headquartered in Montreal, Canada. Sofdesk's Solargraf integrated software platform offers the industry's leading digital tools and services designed to simplify and accelerate the end-to-end sales process across the residential solar industry.

January 25, 2021



## Spartan Acquisition Corp. II Announced It Has Entered Into a Definitive Business Combination Agreement With Sunlight Financial

- › Sunlight Financial LLC, a premier U.S. residential solar financing platform, and Spartan Acquisition Corp. II, a publicly traded special-purpose acquisition company sponsored by funds managed by an affiliate of Apollo Global Management Inc., announced that they have entered into a definitive agreement for a business combination that will result in Sunlight becoming a publicly listed company.

January 12, 2021



## 424 Capital Announces Investment in Radian Generation

- › 424 Capital announced it closed on an investment in Radian Generation. The investment makes 424 Capital the majority owner of Radian Generation LLC, while SP Energy One LLC, a subsidiary of Plus Renewable Technologies, remains a significant minority holder. The investment in Radian will support continued growth of its renewable energy asset management services and RadianLENS software offerings and provide capital for expansion opportunities.

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

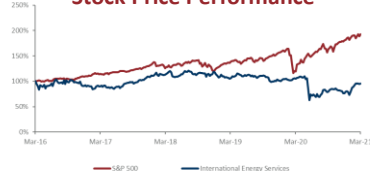
## INTERNATIONAL ENERGY SERVICES

### Key Public Comps



Enterprise Value /  
2020 EBITDA      2021E EBITDA  
5.8x                      8.3x

### Stock Price Performance



### Market Observations

Renault SA is collaborating with Veolia Environment SA and Solvay SA to recycle end-of-life, electric-vehicle battery (“EV”) metals. The French car maker said the three companies are setting up a preindustrial demo plant in France to extract and purify end-of-life EV battery metals under an experimental phase of their partnership. The partnership effort seeks to establish a sustainable supply source for battery metals, such as cobalt, nickel, and lithium.

[Renault, Veolia, Solvay to partner on EV batteries](#)

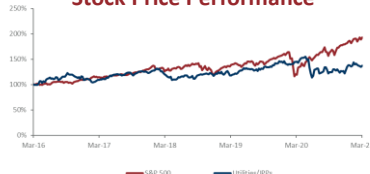
## UTILITIES / IPPS

### Key Public Comps



Enterprise Value /  
2020 EBITDA      2021E EBITDA  
11.4x                      12.6x

### Stock Price Performance



### Market Observations

Six major utilities announced a plan to ensure EV drivers have access to a seamless network of charging stations connecting major highways in the South, Midwest, Gulf, and Central Plains regions. The Electric Highway Coalition made up of Duke Energy, American Electric Power, Dominion Energy, Entergy Corporation, Southern Co., and the Tennessee Valley Authority will enable EV drivers to travel seamlessly across a broad portion of the country through a network of DC fast chargers.

[Duke Energy partners with five other utilities to push for more EV charging for customers](#)

## ENERGY MGMT & BUILDING TECHNOLOGY

### Key Public Comps



Enterprise Value /  
2020 EBITDA      2021E EBITDA  
11.7x                      20.8x

### Stock Price Performance



### Market Observations

Nicole Bulgarino, executive vice president for federal solutions at energy efficiency and renewables integrator Ameresco, says that battery storage can be the “link” between renewable energy and electric utilities in the U.S. Bulgarino’s work with Ameresco Federal Solutions already shows federal government entities how they can reduce their energy costs and increase energy efficiency in tandem with increasing renewable energy penetration, and using battery storage is a key part of this.

[U.S. Rejoins Paris Agreement on Climate Change](#)

## FACILITY SERVICES

### Key Public Comps



Enterprise Value /  
2020 EBITDA      2021E EBITDA  
10.2x                      17.1x

### Stock Price Performance



### Market Observations

Whatever kind of facility you manage, all buildings need expert engineering services to maximize operational efficiency and ensure occupant safety. This infographic offers statistics for how on-site engineering maintenance can help save money, reduce risk, and more.

[Facility Engineering Services \(and Why They Matter\)](#)

## PROFESSIONAL SERVICES

### Key Public Comps



Enterprise Value /  
2020 EBITDA      2021E EBITDA  
12.5x                      14.4x

### Stock Price Performance



### Market Observations

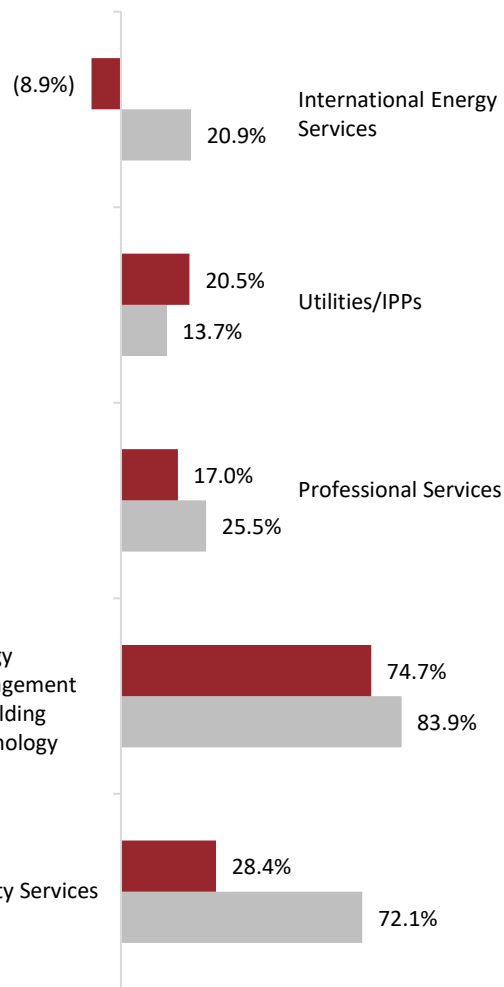
Bureau Veritas joins the Coalition for the Energy of the Future, gathering 14 international companies committed to accelerating the energy transition in transport and logistics. Launched in late 2019, the Coalition for the Energy of the Future aims to accelerate the development of future energies and technologies to sustain new green mobility models and reduce the impact of transport and logistics on climate change.

[Bureau Veritas Joins the Coalition for the Energy of the Future](#)

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

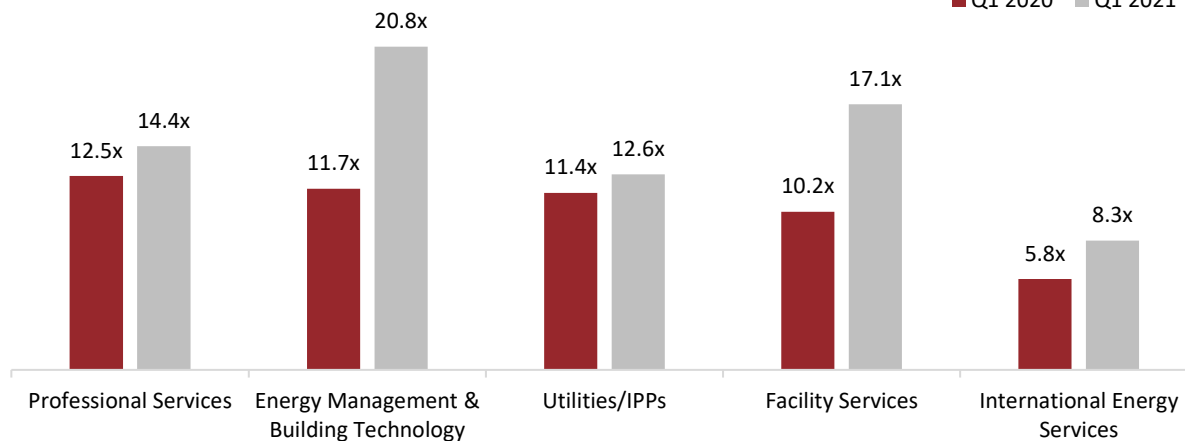
Stock Performance (1- & 3-Year)

■ 3-Year Performance ■ 1-Year Performance



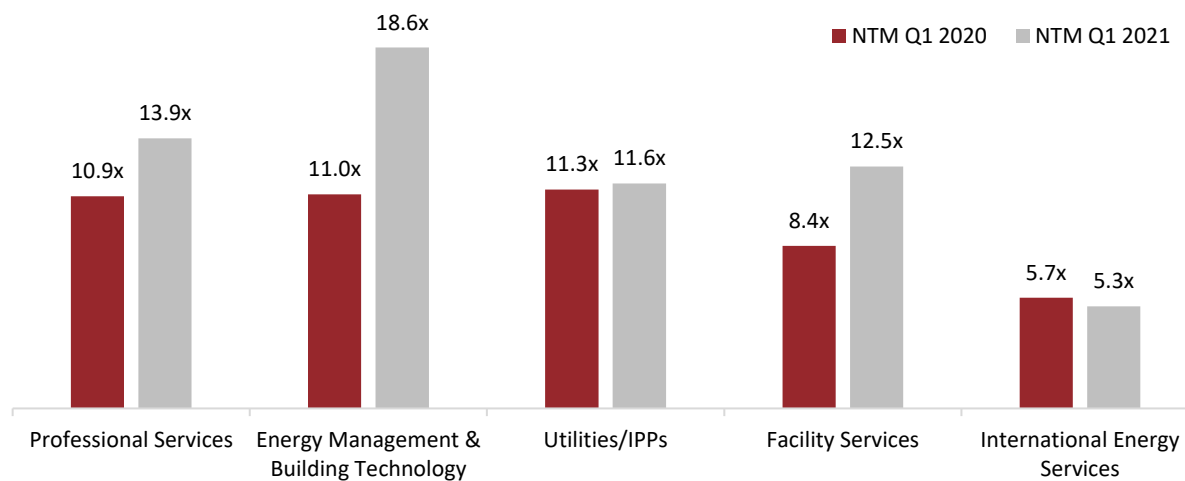
EBITDA Multiple Comparison Q1 2020 vs. Q1 2021

■ Q1 2020 ■ Q1 2021



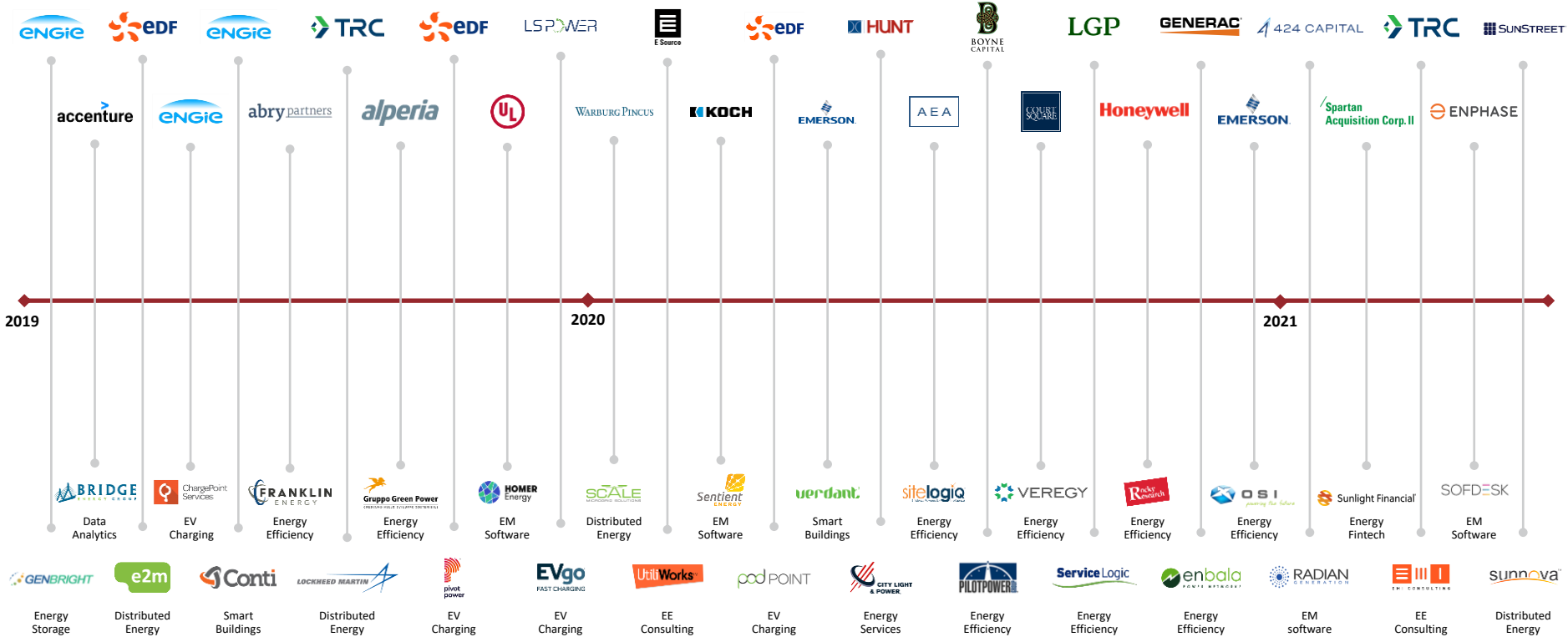
EBITDA Multiple Comparison NTM Q1 2020 vs. NTM Q1 2021

■ NTM Q1 2020 ■ NTM Q1 2021



# Continued Momentum in Energy Management Investment Activity

## Acquirers



## Targets

# What We're Reading

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## VINCI SEALS \$5.8 BILLION DEAL MARKING PUSH INTO RENEWABLES

**Bloomberg**

Vinci SA's move to buy a core business of Spain's Actividades de Construccion y Servicios SA for about 4.9 billion euros (\$5.8 billion) will turn the French infrastructure giant into a global player in renewable energies.

Read the full article [here](#).

## STRONG STARTING POINT FOR TRANSFORMING OUTDATED INFRASTRUCTURE

**ACEEE**

The American Council for an Energy-Efficient Economy (ACEEE) released the following statement from Steven Nadel, its executive director, in response to President Biden's announcement of his infrastructure plan: "This sweeping plan is an excellent starting point for transforming our infrastructure to create jobs, increase equity, and enable a low-carbon future. President Biden campaigned on many of these smart ideas, and today he has followed through to press for making them law."

Read the full article [here](#).

## NO, THE BLACKOUTS IN TEXAS WEREN'T CAUSED BY RENEWABLES. HERE'S WHAT REALLY HAPPENED

**NPR**

Wind turbines did, in fact, freeze. But so did natural gas wells. And pipelines. And critical pipes at coal and nuclear power plants. And equipment panels.

Read the full article [here](#).

## HERE'S WHAT CLEAN ENERGY COMPANIES WANT FROM PRESIDENT BIDEN

**LA Times**

When people talk about "energy companies," they're typically referring to the world's oil and gas giants: Shell. Exxon Mobil. BP. But as solar and wind power increasingly outcompete fossil fuels in the marketplace, renewable energy companies are flexing their newfound political and economic muscle. Tesla is the most high-profile example—last year, the company's market value surpassed that of Exxon Mobil—but it's far from the only clean power provider with a big runway, especially as President Biden pitches climate-friendly energy as a centerpiece of his "Build Back Better" economic recovery plan.

Read the full article [here](#).

# Select Recent M&A Transactions

Date Closed	Target	Acquirer	Business Description
3/18/2021	Sedaru	Aquatic Informatics	Provider of water utility management software
3/5/2021	DeepGreen Metals	Sustainable Opportunities Acquisition Corp.	A developer of lower-impact battery metals from unattached seafloor polymetallic nodules
3/3/2021	Uplight	Schneider Electric	Provider of software as a service solutions to more than 80 regulated utility companies, representing 110 million residential, commercial, and industrial end users in North America
2/26/2021	Next Kraftwerke	Shell	Operator of a virtual power plant that brings together clean energy capacity across Europe to sell the electricity to the market
2/24/2021	ReNew Power	RMG Acquisition Corporation II	Producer of Indian pure-play renewable energy
2/15/2021	Li-Cycle	Peridot Acquisition Corp.	Recycler of Canadian lithium-ion batteries
2/8/2021	DIN Engineering Services LLP	Enphase Energy	Leading provider of outsourced proposal drawings and permit plan sets for residential solar installers in North America
2/4/2021	Powin Energy	Trilantic North America / Energy Impact Partners	Manufacturer of lithium-ion batteries
2/1/2021	Satori Energy Solutions	Priority Power Management	Provider of industry-leading expertise and service to more than 55,000 industrial, municipal, and residential clients in 25 states and the District of Columbia, Canada, and Mexico
1/29/2021	Freyr	Alussa Energy Acquisition Corp.	Norway-based developer of clean, next-generation battery cell production capacity
1/29/2021	EMI Consulting	TRC Companies	Consultant on the strategic development of clean energy solutions, including energy efficiency, demand management, decarbonization, and customer engagement
1/27/2021	Affordable Solar Solutions	Turnkey Capital	Designer and installer of solar photovoltaic technologies
1/27/2021	Intersect Power LLC	Climate Adaptive Infrastructure and Trilantic North America	Developer of utility-scale renewable energy
1/26/2021	Peak Power	BDC Capital and Canadian Shield Capital	Developer of energy storage software
1/26/2021	Sunlight Financial	Spartan Acquisition Corp.	Platform for U.S. residential solar financing

# Deal Snapshot: Veregy

Harris Williams advises Veregy on its [sale](#) to Court Square Capital Partners



a portfolio company of



has been acquired by



## COMPANY OVERVIEW

Veregy is an engineering and energy services company (ESCO) that creates pathways to eco-friendly building and systems optimizations, generating significant immediate and future energy savings. With more than 450 employees operating across the country, Veregy offers energy-efficiency upgrades, performance contracting, commissioning, controls, engineering services, solar generation, and battery storage to clients in both the public and private sectors. Harris Williams recently advised Veregy, a portfolio company of Bow River Capital Partners, on its sale to Court Square Capital Partners.

Here, Luke Semple and Drew Spitzer, both managing directors in the Energy, Power & Infrastructure Group, share their thoughts on the ESCO space, what made Veregy such an attractive acquisition, and what other investors interested in this space should consider.



HW

“ESCOs have emerged as key players in the implementation of not only energy efficiency initiatives, but also on-site renewables, storage, and other distributed energy infrastructure.”

Luke Semple, Managing Director

[CLICK HERE](#) 

## What made Veregy especially attractive?

**Luke Semple:** Veregy is a great example of platform-building in the ESCO space. The company was built through a series of acquisitions, and it has become very successful in leveraging best-in-class capabilities of each of the component businesses and extending these capabilities across regions and the company’s customer base. That has driven exceptional revenue growth, profitability, and free cash flow. Even with all of this growth, the company still has a great opportunity for geographic and capability expansion through M&A.

**Drew Spitzer:** The comprehensive solution mix Veregy offers is a differentiator. It provides a full suite of energy solutions across the building lifecycle—from facility services, engineering solutions, and distributed and renewable energy solutions to smart building and systems integration and energy-efficient solutions. Veregy’s energy-efficiency solutions are especially attractive to the many schools and municipal operations across the country, which are often housed in aging facilities but lack the budgets for capital improvements. Veregy can bring in the expertise and technologies to help these customers squeeze the most out of this outdated infrastructure without the cost associated with replacing existing equipment. Another thing that sets Veregy apart is its proprietary integrated building and energy management software system, which enables customers to further optimize their energy savings on an ongoing basis via real-time monitoring and controls. That’s something none of Veregy’s local or regional competitors can offer.



# 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 & Workforce Management
- › Distribution Automation
- › Microgrids / Asset Management
- › EV charging

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## Select Recent Harris Williams Energy Management Transactions



has been acquired by




Building Efficiency and Sustainability

has been acquired by




has been acquired by




has been acquired by




better, faster decisions


has been acquired by





has been acquired by





has been acquired by




has been acquired by


has been acquired by





has received a minority investment from




has been acquired by

has been acquired by



# Our Firm

Harris Williams has a broad range of industry expertise, which creates powerful opportunities. Our clients benefit from our deep-sector experience, integrated industry intelligence and collaboration across the firm, and commitment to learning what makes them unique. For more information, visit our website at [www.harriswilliams.com/industries](http://www.harriswilliams.com/industries).

## Industry Group Expertise

[Aerospace, Defense & Government Services](#)

[Business Services](#)

[Energy, Power & Infrastructure](#)

[Specialty Distribution](#)

[Transportation & Logistics](#)

[Building Products & Materials](#)

[Consumer](#)

[Healthcare & Life Sciences](#)

[Industrials](#)

[Technology](#)

## Consistent Recognition for Quality



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