



 Harris Williams

# Energy Management

SECTOR UPDATE | Q2 2022

# Select Energy Management M&A Transactions

March 3, 2022



## One Rock Capital Partners to Acquire Therm-O-Disc From Emerson

- › One Rock Capital Partners, LLC (“One Rock”) today announced that one of its affiliates has entered into a definitive agreement to acquire Therm-O-Disc, a subsidiary of Emerson (NYSE: EMR). Therm-O-Disc is a leading designer and manufacturer of safety-critical sensors, thermal cutoffs, and sealed connecting components primarily used in heating, ventilation and air conditioning, appliance, water heater, industrial, aerospace and defense, and transportation applications. Headquartered in Mansfield, Ohio, Therm-O-Disc has over 4,000 employees globally.

February 18, 2022



## Plug Power Acquires Joule Processing for \$160 million

- › Plug Power has agreed to acquire Joule Processing, a process solution and engineered equipment provider with a strong track record of execution among the largest EPC (Engineering, Procurement, and Construction) and oil and gas midstream companies. The proven cryogenic process technology that Joule developed for the gas processing industry is directly applicable to hydrogen liquefaction and has the potential to reduce the cost of liquified hydrogen by 25%.

January 13, 2022



## Schneider Electric Acquires Renewable Energy Platform Zeigo to Expand Digital Procurement Capabilities Globally

- › Schneider Electric, the leader in the digital transformation of energy management, automation, and sustainability today announced that it has acquired start-up climate-tech platform Zeigo to enhance the company’s digital capabilities in energy, sustainability, and environmental commodity consulting.

January 13, 2022



## Electric Power Engineers Announces Investment from Lime Rock New Energy

- › Electric Power Engineers, LLC (“EPE”), a leading consulting engineering firm focused on the power, renewable energy, grid modernization, and energy storage industries, today announced the acquisition of a controlling interest in EPE by Lime Rock New Energy, growth equity investors for the energy transition. As part of its investment in EPE, Lime Rock New Energy has also committed additional capital to accelerate EPE’s continued growth.

January 10, 2022



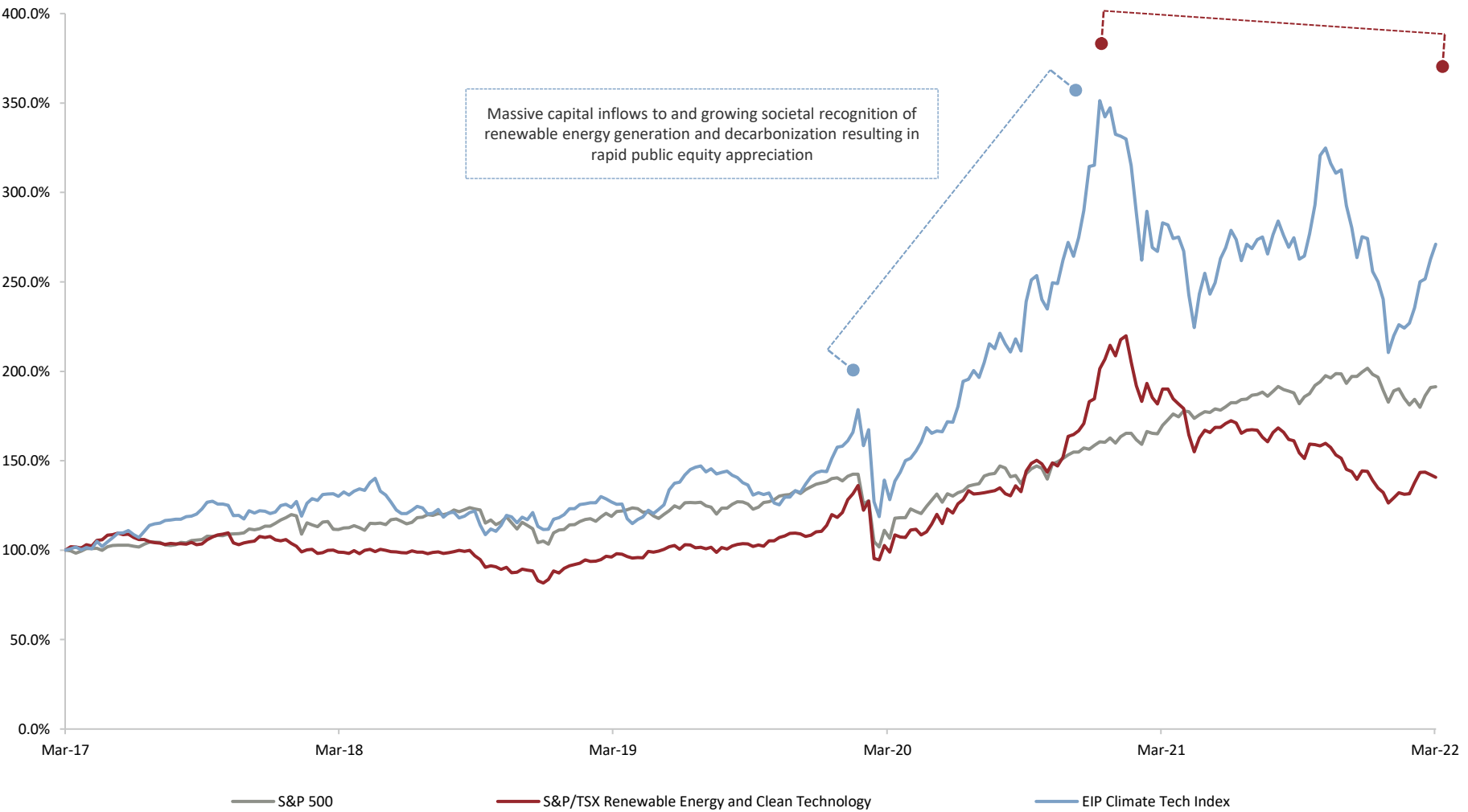
## GE Digital Will Acquire Opus One Solutions to Advance the Energy Transition

- › GE Digital (NYSE:GE) has entered into an agreement to acquire Opus One Solutions Energy Corporation (“Opus One”), a software company that helps electric utilities optimize energy planning, operations, and market management.

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

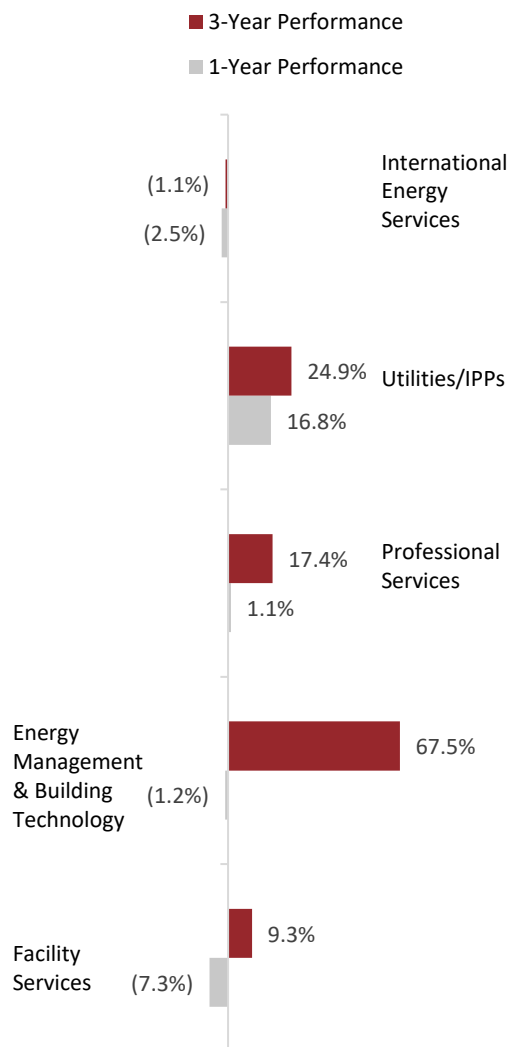
**YTD Performance**  
 EIP Climate Tech: **(14.0%)**  
 S&P Renewable Energy and Clean Tech: **(23.8%)**  
 S&P 500: **20.6%**

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

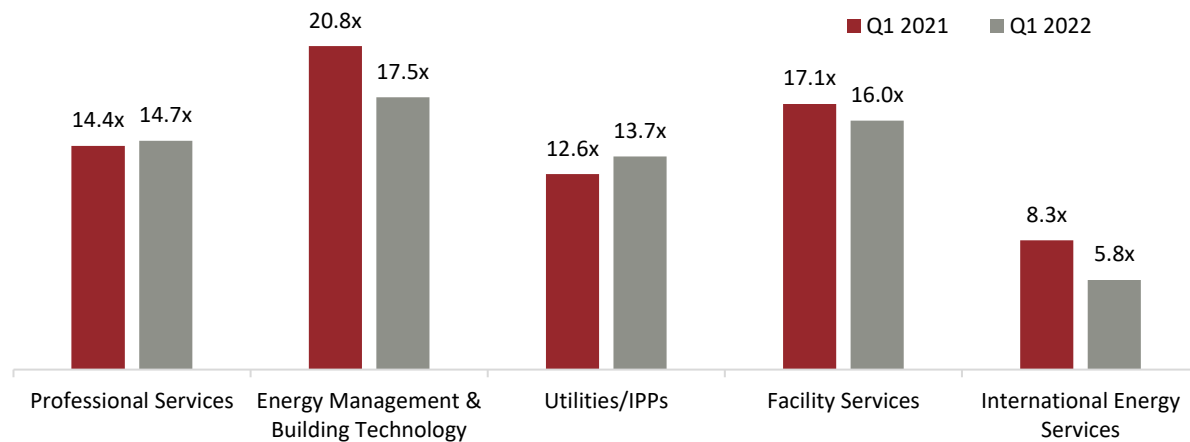


# Public Valuation Multiples by Sector<sup>1</sup>

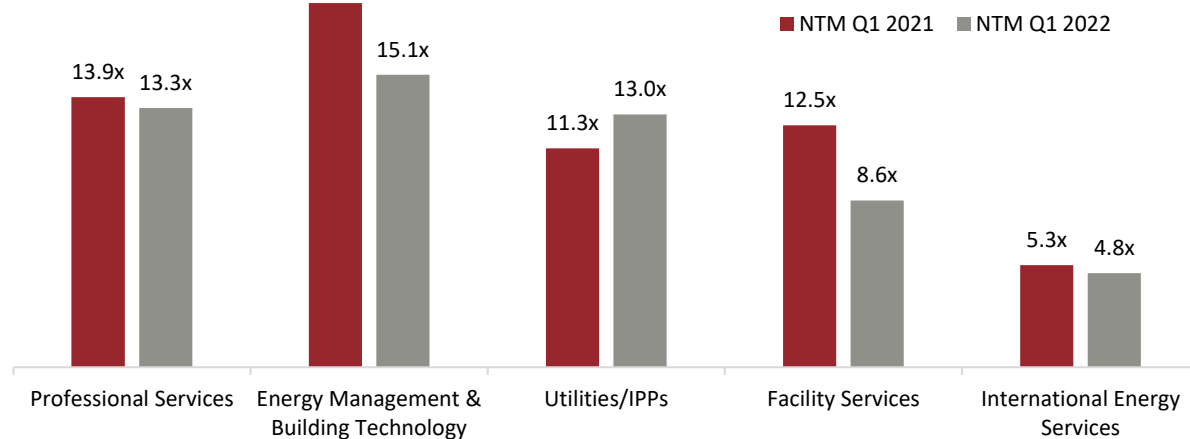
Stock Performance (1- and 3-Year)



EBITDA Multiple Comparison LTM Q1 2021 vs. LTM Q1 2022



EBITDA Multiple Comparison NTM Q1 2021 vs. NTM Q1 2022



# 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 only have 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.

# What We're Reading

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**Biden Administration Announces Investments to Make Homes More Energy Efficient and Lower Costs for American Families**

*Energy.gov / Read [here](#)*

“President Biden and the U.S. Department of Energy (DOE) today announced DOE is accepting applications from states, Tribes, and territories for \$3.16 billion in new funding through the Weatherization Assistance Program (WAP) – DOE’s largest residential energy retrofit program. This expanded funding, which is enabled by the Bipartisan Infrastructure Law, will allow states to retrofit thousands of low-income homes to make them healthier and more energy efficient while lowering utility bills. WAP retrofit funding is designed to address the “whole home” including installing insulation, updating heating and cooling systems, upgrading electrical appliances, and taking other actions that will make homes warmer in the winter and cooler in the summer with less energy usage.”

**Building a Power Grid to Span the World**

*WSJ / Read [here](#)*

“Cross-border power trading in relatively small quantities is common now—between the U.S. and Canada, for instance, or within Europe. But the prospect of supersizing such linked electricity grids is becoming more important, those in the industry say, because it could help mitigate the inherent capriciousness of power sources that depend on the weather.”

**National Grid – Scaling Demand Response with Behavioral Outreach**

*Smart Energy International / Read [here](#)*

“Actively engaging consumers in where and how much energy they use is arguably one of the biggest challenges for today’s utilities. Yet, it is one of the most important as they work to decarbonize their operations and introduce options into the system to manage the growing demand and penetration of renewable energies.

In the US, one of the country’s largest investor-owned energy utilities, National Grid, serving more than 20 million people throughout New York, Massachusetts, and Rhode Island, is pursuing an ambitious plan to achieve net-zero emissions by 2050.”

**Johnson Controls and Newark Board of Education Usher in Award-Winning Sustainability Initiative**

*Johnson Controls / Read [here](#)*

“Johnson Controls (NYSE: JCI), the global leader for smart, healthy and sustainable buildings, is collaborating with the Newark, N.J., Board of Education under a \$95M Energy Savings Improvement Program (ESIP) initiative. The far-reaching sustainability effort will modernize 60 schools throughout the district by implementing Johnson Controls' energy-efficient, water saving and renewable energy solutions.”

**How High Energy Prices Could Help Both the Climate and the U.S.**

*WSJ / Read [here](#)*

“Higher prices, if sustained, could reduce global fossil-fuel consumption and encourage the shift to zero-emission energy. At the same time, sanctions and boycotts on Russia pave the way for U.S. oil-and-gas producers to expand market share. They may thus provide Mr. Biden a pathway to both combat climate change and promote the U.S. oil-and-gas industry.”

# Select Recent M&A Transactions

Date Closed	Acquirer	Target	Business Description
3/3/2022	One Rock Capital Partners	Therm-O-Disc	U.S.-based provider of highly engineered sensors and hermetic feedthroughs for customers in the HVAC, appliance, industrial, automotive, and aerospace and defense markets.
2/18/2022	Plug Power	Joule Processing	A leading engineering and industrial equipment provider focused on turnkey hydrogen solutions.
2/7/2022	Jacobs Engineering Group	StreetLight Data	A pioneer of mobility analytics that uses its vast data and machine learning resources to shed light on mobility, enabling users to solve complex transportation problems.
2/2/2022	Acciona Energy	Eqinov	France-based company that specializes in corporate energy efficiency and energy management services.
1/27/2022	ABB	InCharge Energy	Provides end-to-end EV charging infrastructure solutions, from initial consultancy and recommendations on required energy upgrades to the procurement, installation, operation, and maintenance of charging systems.
1/13/2022	Schneider Electric	Zeigo	A leading climate-tech platform enabling businesses to quickly, easily, and cost-effectively source impactful energy.
1/13/2022	Lime Rock New Energy	Electric Power Engineers	U.S.-based consulting engineering firm focused on the power, renewable energy, grid modernization, and energy storage industries.
1/12/2022	Aspiration	Carbon Insights	A leader in climate tech whose proprietary algorithm translates spending behavior and transactions into carbon footprints.
1/10/2022	GE Digital	Opus One Solutions	A key provider of the DERMS software in use by utilities in the states of California, Hawaii, Illinois, and New York, as well as in Ontario, Canada and the U.K.
1/6/2022	CES Power	Production Power & Air	U.S.-based provider of temporary power generation, power distribution, and climate control services.
1/5/2022	Kohler Co.	Heila	Based in Somerville, Massachusetts, Heila focuses on simplifying the integration and operation of Distributed Energy Resources (DERs) and microgrids.
1/5/2022	AEGIS Hedging Solutions	Emission Advisors	U.S.-based company that serves multiple sectors to understand, purchase, sell, and retire voluntary and compliance offsets in multiple environmental markets.
1/5/2022	Eaton	Royal Power Solutions	U.S.-based manufacturer of electrical connectivity components used in electric vehicle, energy management, industrial, and mobility markets.

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

Company	Market Capitalization	Stock Price Current	Enterprise Value	Multiples Summary				
				Enterprise Value / Revenue		Enterprise Value / EBITDA		
				CY2021E	CY2022E	CY2021E	CY2022E	
<b>Energy Management &amp; Building Technology</b>								
Ameresco, Inc.	\$ 3,128,225	\$ 60.38	\$ 4,612,810	3.8x	2.5x	30.6x	22.3x	
Carrier Global Corporation	33,098,393	39.02	39,901,766	2.0x	2.0x	12.7x	12.6x	
Eaton Corporation plc	54,762,750	137.25	65,301,180	3.3x	3.2x	17.9x	15.3x	
Honeywell International Inc.	131,694,593	193.46	144,998,911	4.2x	4.0x	16.6x	15.8x	
Itron, Inc.	2,340,504	51.94	2,701,652	1.3x	1.3x	19.2x	20.8x	
Johnson Controls International plc	37,802,648	54.34	48,141,045	2.0x	1.8x	13.3x	12.4x	
Schneider Electric S.E.	77,443,012	139.49	84,977,776	2.7x	2.5x	14.1x	12.3x	
Trane Technologies plc	31,982,747	136.76	36,369,885	2.6x	2.4x	15.3x	13.8x	
Willdan Group, Inc.	347,174	26.29	487,879	1.3x	1.1x	18.9x	12.3x	
<b>Median</b>	<b>\$ 33,098,393</b>	<b>\$ 60.38</b>	<b>\$ 39,901,766</b>	<b>2.6x</b>	<b>2.4x</b>	<b>16.6x</b>	<b>13.8x</b>	
<b>Facility Services</b>								
ABM Industries Incorporated	\$ 3,186,311	\$ 47.65	\$ 4,366,004	0.7x	0.6x	9.9x	8.9x	
FirstService Corporation	5,573,489	126.12	8,203,674	2.5x	2.2x	25.0x	22.7x	
ISS A/S	3,373,242	18.26	37,141,369	3.7x	3.4x	74.5x	55.8x	
Sodexo S.A.	10,996,534	75.21	14,378,683	0.8x	0.6x	11.6x	8.5x	
<b>Median</b>	<b>\$ 4,473,366</b>	<b>\$ 61.43</b>	<b>\$ 11,291,178</b>	<b>1.7x</b>	<b>1.4x</b>	<b>18.3x</b>	<b>15.8x</b>	
<b>International Energy Services</b>								
Electricité de France S.A.	\$ 33,269,332	\$ 8.91	\$ 69,002,467	0.9x	0.8x	3.6x	11.7x	
Enel SpA	66,076,333	6.50	145,455,955	1.8x	1.5x	7.2x	7.0x	
ENGIE SA	32,434,626	13.40	53,926,214	0.8x	0.8x	4.6x	4.2x	
E.ON SE	26,587,852	10.19	62,054,880	0.9x	0.7x	7.4x	7.5x	
Veolia Environnement S.A.	19,480,225	28.35	28,990,150	1.0x	0.7x	6.5x	4.3x	
<b>Median</b>	<b>\$ 32,434,626</b>	<b>\$ 10.19</b>	<b>\$ 62,054,880</b>	<b>0.9x</b>	<b>0.8x</b>	<b>6.5x</b>	<b>7.0x</b>	
<b>Professional Services</b>								
Bureau Veritas SA	\$ 13,057,525	\$ 28.85	\$ 13,777,627	2.6x	2.4x	12.6x	11.5x	
CBRE Group, Inc.	26,624,978	83.20	30,425,038	1.1x	0.9x	10.9x	9.4x	
ICF International, Inc.	1,890,810	100.61	2,579,123	1.6x	1.5x	16.3x	15.1x	
Jones Lang LaSalle Incorporated	9,862,999	198.82	13,204,489	1.2x	1.3x	9.7x	8.8x	
Leidos Holdings, Inc.	14,181,425	103.77	19,874,718	1.4x	1.4x	13.1x	13.5x	
<b>Median</b>	<b>\$ 13,057,525</b>	<b>\$ 100.61</b>	<b>\$ 13,777,627</b>	<b>1.4x</b>	<b>1.4x</b>	<b>12.6x</b>	<b>11.5x</b>	
<b>Utilities / IPPS</b>								
Consolidated Edison, Inc.	\$ 35,213,374	\$ 99.39	\$ 60,957,985	4.6x	4.3x	12.7x	12.0x	
Duke Energy Corporation	86,575,309	112.45	161,307,615	6.3x	6.1x	14.1x	13.4x	
Edison International	26,379,058	69.20	60,335,890	4.1x	3.9x	12.0x	10.4x	
National Grid plc	54,142,279	14.85	85,399,729	4.5x	3.4x	12.4x	11.2x	
NextEra Energy, Inc.	149,321,623	76.01	218,692,212	12.2x	10.3x	22.1x	17.7x	
NRG Energy, Inc.	11,040,804	46.53	18,966,821	0.9x	0.7x	8.0x	8.8x	
<b>Median</b>	<b>\$ 44,677,827</b>	<b>\$ 72.61</b>	<b>\$ 73,178,857</b>	<b>4.6x</b>	<b>4.1x</b>	<b>12.6x</b>	<b>11.6x</b>	
<b>Total Median</b>	<b>\$ 26,483,455</b>	<b>\$ 60.38</b>	<b>\$ 37,141,369</b>	<b>2.0x</b>	<b>1.8x</b>	<b>12.7x</b>	<b>12.3x</b>	



# 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

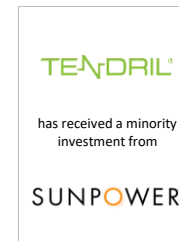
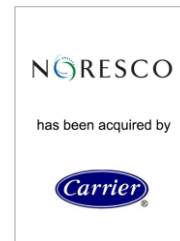
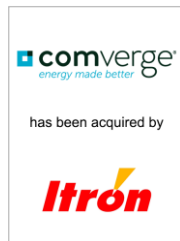
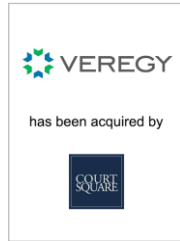
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## Select Recent Harris Williams Energy Management Transactions



# 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](http://www.harriswilliams.com).

## Industry Group Expertise

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[Energy, Power & Infrastructure](#)

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[Building Products & Materials](#)

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