



ENERGY, POWER & INFRASTRUCTURE

SUMMARY REPORT

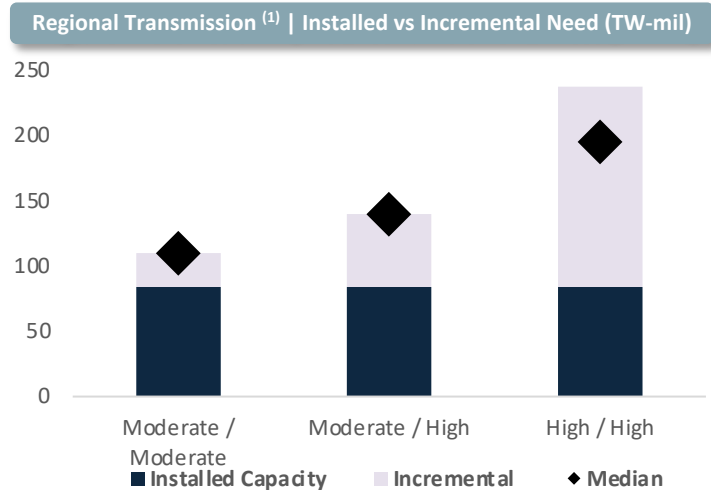
Q1 2024

MAXIMIZE THE VALUE OF YOUR BUSINESS | Positioning for Grid/Infrastructure Growth

- The Transmission & Distribution (“T&D”) industry has seen significant growth, funded by federal mandates and supported by a robust regulatory framework, that has attracted large amounts of private capital to small and medium sized business owners.
- Today, operators across the T&D value chain can maximize the value of their business by partnering with these capital suppliers to capture future spending necessary to grow transmission infrastructure to 2.0x + its current capacity by 2035.
- Additional insights on how industry operators can become more attractive targets for private capital suppliers provided herein.

TRANSMISSION DEMAND | Historic Underinvestment and Extreme Near-term Demand

- The graph to the right shows the incremental transmission needs for the US under three model scenarios recently released by the US Department of Energy (“DOE”). From Left to Right, Moderate Load / Moderate Clean Energy Penetration, Moderate Load / High Clean Energy Penetration, and High Load / High Clean Energy Penetration.
- Over the last decade, annual average spending on transmission ranged from \$0.17/MWh (Florida) and \$5.90/MWh (New England). These investments resulted in annual average builds between 5 (Alaska) and 800 circuit-miles (Texas) of new or upgraded transmission. Many of these investments were made in the first half of the decade, with transmission investments steadily declining since 2015 in several regions. Addressing incremental reliability needs remained the main driver of transmission investments through 2023.



SUPPLEMENTAL FACTORS | Value-Add Considerations for Business Owners

Resiliency

Ability to Sustain Extreme Conditions

- West Coast wildfires, East and Southern coast storms, and Midwestern extreme winter conditions have caused billions in economic damages over the last several years, including damage to transmission and distribution infrastructure.
- Strong Emergency Response programs alongside the technical capacity to perform resiliency upgrades, which prevent damage from these sources are attractive acquisition to acquirers.

Reliability

Operational Response to Various Scenarios

- Cleaner generation produces significantly higher demand for related grid components including power inverters with grid-forming capabilities, and bi-directional transmission lines, among other components which are experiencing supply-chain constraints.
- Operators with the technical expertise or sourcing advantages for grid components can realize significant value in M&A transactions. Service providers have begun to directly acquire manufacturers.

Storage

Ability to Manage Vagaries of Generation

- Electricity is unique relative to other value chains, given that consumption and generation takes place simultaneously.
- Higher levels of clean energy generation have been impeded by a lag in storage technologies, given the intermittent nature of wind and solar generation throughout the day.
- Companies with technical expertise in storage design and construction enable acquirers to cross-sell generation and T&D services, thus serving as valuable acquisition targets.

1) National Transmission Needs Study – US Department of Energy

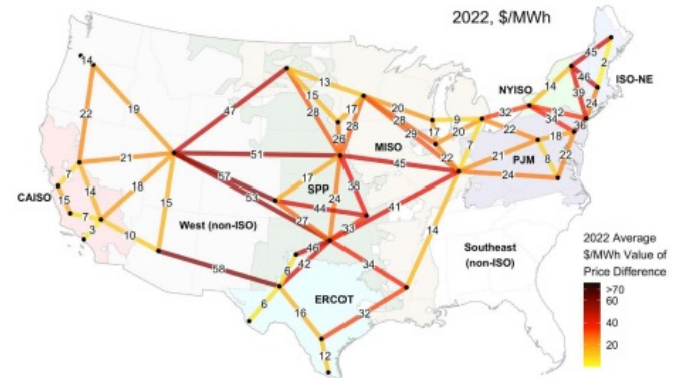
Transmission Spotlight



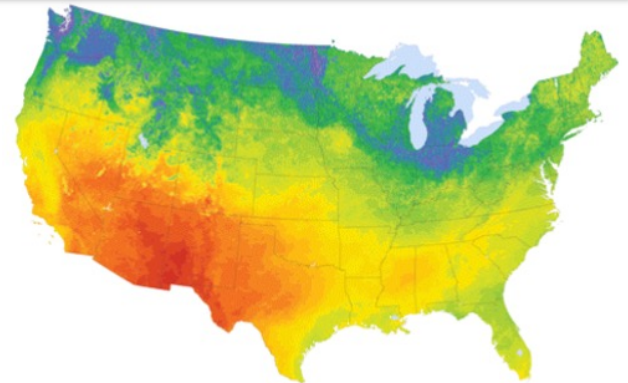
The Regional Problem

- Transmission congestion throughout the country is leading to significant increases in the costs of delivered electricity, primarily borne by consumers.
- Solar and Wind resources are primarily concentrated in the most transmission-congested regions of the United States, with the lowest population densities and unique terrain challenges.
- Marginal clean energy penetration into the supply mixture alongside growing load demand requires outsized marginal investment in transmission infrastructure to alleviate congestion alongside significant technological upgrades and additions to the grid that address resiliency, reliability and storage concerns.
- Distribution congestion in highly developed, high clean-energy fuel mixture regions (California and the Northeast) coincide with high population densities in those areas and meaningful regulatory burdens on operators in the regions to provide the electrical infrastructure services needed to improve and upgrade grid infrastructure. The need for major transmission upgrades or add-ons in those areas have largely been addressed, and the problem for those regions is predominantly one of distribution upgrades and build-outs, rather than transmission.
- Notable intra-regional transmission is required in most states to meet load demand and clean energy initiatives, and additional transmission connectivity between regions is necessary to provide the ability of the national grid to match clean energy generation with its major demand centers.

Transmission Congestion (1)



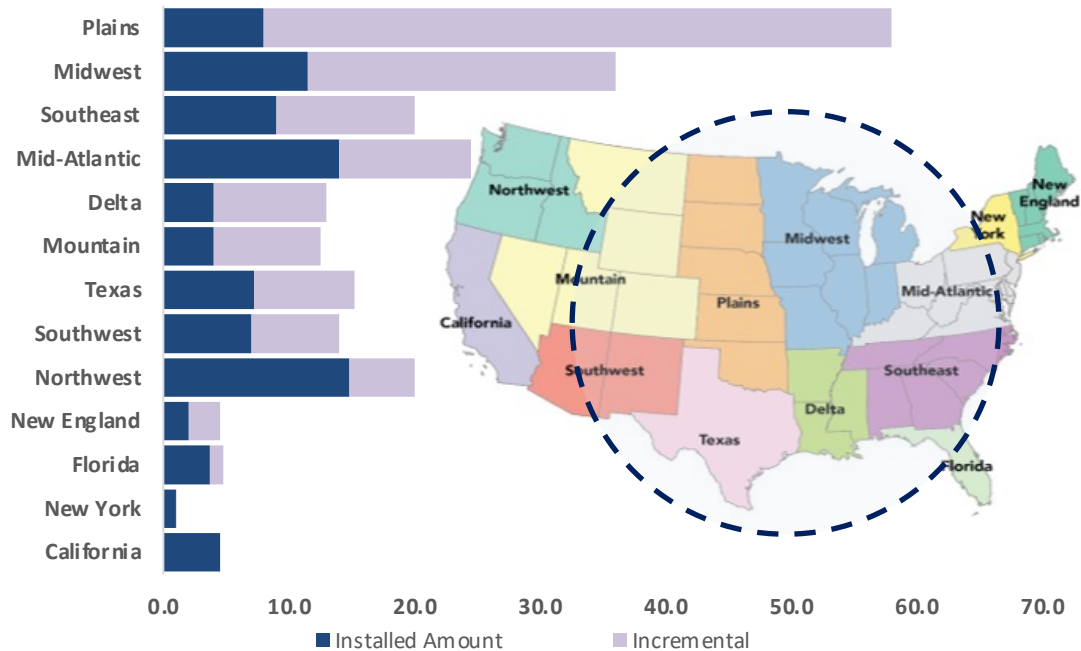
Solar Resource (1)



The Regional Solution

Intra-Regional Transmission Requirements | Current Installed Transmission Capacity and 2035 Requirements (Tw-Mil) (1)

- The target region in the map to the right has suffered from historical underinvestment in transmission infrastructure.
- Furthermore, these regions now play a key role in delivering grid infrastructure and clean energy targets to the remainder of the United States.
- In addition, many of these states are pursuing infrastructure and clean energy upgrades of their own.
- It is therefore critical to the success of America's state and federal electrical infrastructure mandates for these regions to double and triple their current installed capacity over the next few years.



1) National Transmission Needs Study – US Department of Energy

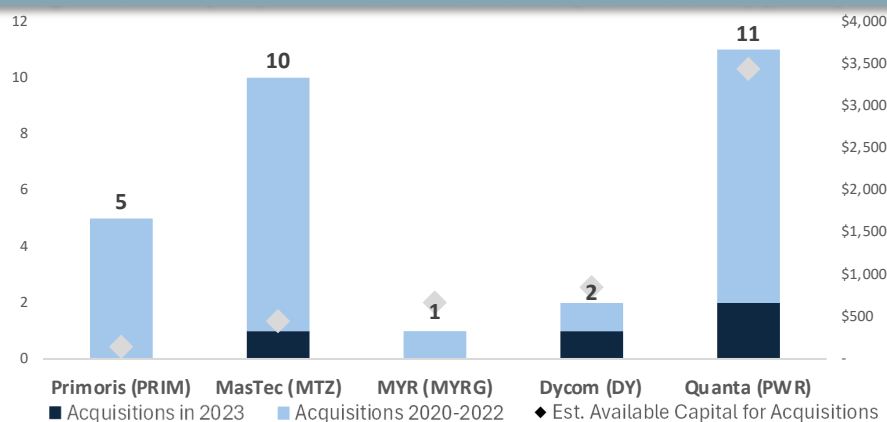
Public Company Overview



Overview

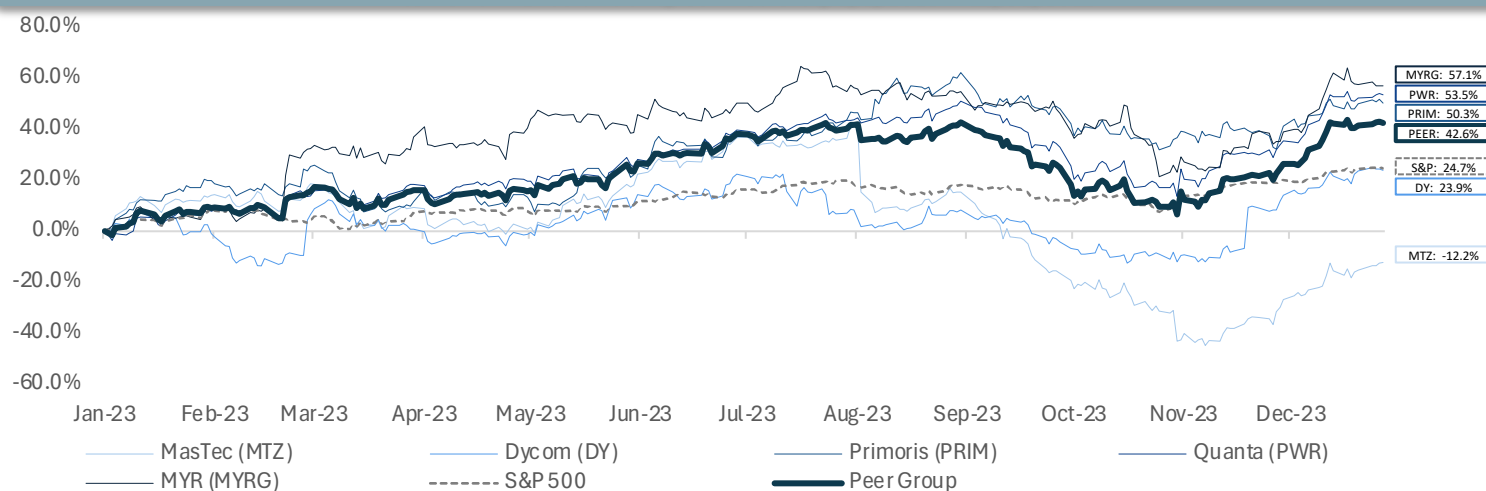
- Public Utility Contractors have been acquisitive in recent years, with high debt capacity and cash balances for future inorganic growth alongside stated desires to continue inorganic growth.
- The sector outperformed the S&P 500 by nearly 2.0x in 2023 T&D focused companies (MYRG, PWR, PRIM) outperforming their telecom focused peers (DY, MTZ).
- T&D focused operators in the sector maintained higher EV/EBITDA multiples, with PWR, the leader in T&D services, receiving a premium of nearly 2.0x its peers, signaling investor confidence in future T&D growth.

Inorganic Growth | Acquisitions Last 3 Years and Capital Availability (\$000s) ⁽¹⁾ ⁽²⁾

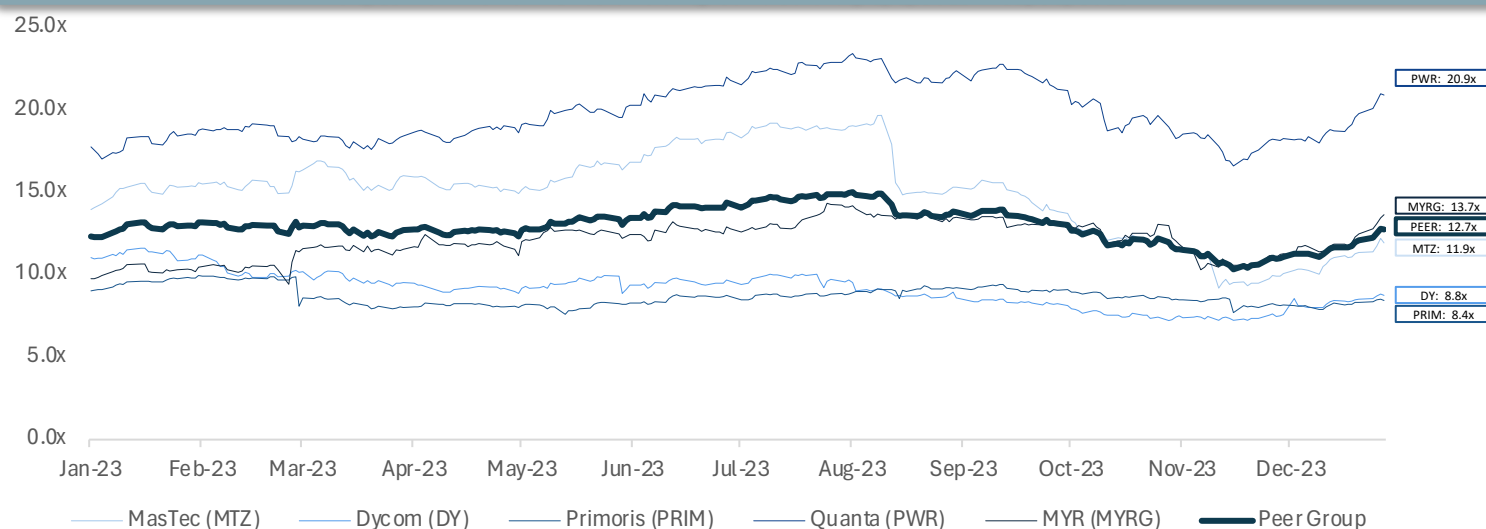


Price Performance and Valuation

Price Performance of Utility Contractors | 1/1/2023 – 12/31/2023 ⁽¹⁾



EV/EBITDA Performance of Utility Contractors | 1/1/2023 – 12/31/2023 ⁽¹⁾



1) Public company filings, Pitchbook and RCO Research
 2) Assumes Maximum debt capacity of 4.0x EBITDA

PUBLIC COMPANY OVERVIEW



Company	Overview	Commentary
	<ul style="list-style-type: none"> • Leader among specialty contractors for electric transmission and distribution services as well as newly acquired renewable engineering procurement and construction business. • Electric Power segments (69% of operating profit) dominates industry capturing nearly 15% of T&D spending in the US, with 3.0x the next largest competitor. • More insulated from large-project work relative to EPC peers (<10% of revenues tied to large projects). 	<ul style="list-style-type: none"> • Strategic Focus: Continue to execute to inorganic growth to capture and defend market share within T&D contracting space. • The Company acquired Pennsylvania Transformers, a leading manufacturer of transformers in the United States, in preparation of future supply chain shortages in the Electrical Components market, which is currently experiencing a large wave of reshoring activity. Quanta has indicated the potential to add on additional manufacturing capacity and capabilities at the 1.0mm sq foot facility gained in the acquisition.
	<ul style="list-style-type: none"> • Core competency in oil and gas (large-diameter pipeline construction and maintenance) and telecommunications (particularly wireless), less competitive in utility construction than peers. • Power Delivery Segment has been primarily built through M&A in recent years, where MasTec retains a competitive moat in Transmission related work given the high capital requirements and technical expertise needed. However, most of the segment's revenue comes from Distribution work, where PE backed competitors are aggressively competing for market-share. 	<ul style="list-style-type: none"> • Strategic Focus: Net Debt Reduction to maintain investment grade rating, which includes reducing capital expenditures. Separately, MasTec suffered in price performance relative to peers due to missing on financial performance relative to guidance, related to execution issues on larger projects. • CFO Paul DiMarco, promoted internally in 2023 from the Power Delivery segment has recently stated significant focus on expanding power services segment, highlighting multi-year initiatives on the West coast related to fire-proofing and undergrounding, alongside similar resiliency upgrades throughout the remainder of the Company's national footprint.
	<ul style="list-style-type: none"> • T&D Segment reported LTM Revenue of \$2.0bn with 50% of the work performed under MSA. • Acquired Powerline Plus Companies in January of 2022 with integration of that acquisition nearing completion, expanding T&D presence in North US and Canada. • T&D related service activity primarily consists of small to medium-sized projects, with some larger transmission, High Voltage Direct Current (HVDC) and utility scale solar projects. 	<ul style="list-style-type: none"> • Strategic Focus: Continue to operate with capital discipline in key core competencies. • Texas and California are currently key markets for Transmission related work. • Currently focused on winning transmission projects tied to MISO Tranche 1, with many of those project tied to current MSA partners within the Companies customer base.
	<ul style="list-style-type: none"> • Reportable segments: (a) Utilities (Power, Gas Operations and Telecom) and (b) Energy (Refining/Petrochemicals, Renewables, and O&G pipelines). • Utilities Segment reported \$2.4bn LTM Revenue. • Current Utilities Backlog of \$2.0bn+ • Average Project Size <\$3.0mm, utilizing unit pricing and reimbursable contracts, with MSAs accounting for >70.0% of Utilities Revenue. 	<ul style="list-style-type: none"> • Strategic Focus: Acquire market share and shift service mix toward higher margin business lines in the Utility segment (Power) and pursue accretive acquisitions. • Estimates total Power Delivery Market to be \$313bn for T&D work in 2024 and 2025. • Expects increase in margins from Utility work from renegotiation of base rates in 2024, alongside improved equipment utilization and large project work.
	<ul style="list-style-type: none"> • Primarily focused on Telecom Services with only ~3.0% of Revenues directly tied to T&D related work, and an additional ~7.3% of revenues indirectly tied to T&D work through the Underground Facility locating services segment. • Acquired Bigham Cable Construction in July 2023 for \$127mm. 	<ul style="list-style-type: none"> • Strategic Focus: Pursue tighter capital allocation discipline while selectively acquiring businesses that further strengthen customer relationships, geographic scope and technical services offerings.

Source: Public company filings and RCO research

RECENT TRANSACTIONS



Date	Acquirer	Target	Description
11/14/2023	Neos	RMS ENERGY ENERGIZING THE FUTURE THROUGH RELIABLE POWER SOLUTIONS	Neos Partners acquired RMS Energy , a provider of testing and maintenance services intended for high-voltage electrical equipment serving the power generation, utility and industrial end markets. This investment provides direct access to the significant service industry required to maintain and operate growing transmission infrastructure in the US.
11/1/2023	QUANTA	PENNSYLVANIA TRANSFORMER TECHNOLOGY	Quanta Services has acquired Pennsylvania Transformer Technology , a manufacturer of power transformers, substation units and other components critical to the continued buildout of the electrical grid. The acquisition provides Quanta another important, secure and domestic supply chain solution in a growing energy construction market.
10/31/2023	JUMANA	OUTSOURCE UTILITY CONTRACTOR CORP.	Jumana Capital , a Houston-based private equity firm specializing in transformative partnerships with entrepreneur-led companies has acquired Outsource Utility Contractor Corporation , a premier provider of overhead and underground electrical distribution and transmission infrastructure solution solutions in the Western United States, facilitating a management buy-out and recapitalization of the business.
10/31/2023	GRIDTEK UTILITY SERVICES	Yates LINE CO. EST. 2017	First Reserve backed GridTek Utility Services has acquired Yates Line Construction a Garibaldi, OR based provider of upgrade and maintenance services for overhead and underground electrical transmission throughout the Pacific Northwest. As a result of the transaction, John Yates continues to lead his company's growth going forward, along-side his current management team.
10/01/2023	DynaGrid	GRID DD GRID, LLC	BBH Capital Partners has completed a strategic growth investment in DDGrid through its portfolio company DynaGrid . Headquartered in Dallas, DynaGrid is one of the largest independent providers of sitework services for electric utility transmission infrastructure. DD Grid is a full-service electrical substation utility contractor with additional infrastructure services including civil construction and maintenance, quality control, and inspection services.
10/1/2023	Neos	MGM TRANSFORMER COMPANY	Neos Partners , a California based private equity firm focused on the energy transition, has acquired MGM Transformer a manufacturer of both dry and liquid-filled transforms headquartered in Commerce, California. The investment leads industry reshoring activities and allows the Company to supply critical grid components to a supply-chain constrained market relative to T&D needs to facilitate the energy transition.
8/14/2023	QUALUS POWER SERVICES	FERREIRA POWER GROUP LLC	Qualus Corporation , a New Mountain Capital backed leading power engineering and technical services firm has acquired Ferreira Power Group , adding to its resources in distribution engineering in support of the grid modernization, reliability, resiliency, and the broader energy transition.
6/6/2023	DUKE'S ROOTED IN INNOVATION	UIS Underground Infrastructure Solutions	Comvest -backed Duke's Root Control, Inc. has acquired Underground Infrastructure Services ("UIS"), headquartered in Livonia, Michigan. UIS provides inspection and replacement services for underground utilities.

Source: Public company filings, Pitchbook, and RCO research

RECENT TRANSACTIONS (cont'd)



Date	Acquirer	Target	Description
5/30/2023	BANYAN GROWTH PARTNERS	AXIS POWER	Banyan Growth Partners has made a growth equity investment in Axis Power , a leading regional provider of distribution, transmission and fiber services to utilities and municipalities in the Southern US, to support expansion by adding equipment, team members and geographical coverage, and capture T&D spending growth throughout the Company's footprint and customer base.
5/4/2023	BLACK & VEATCH	BIRD	Black & Veatch , an Overland Park, KA-based provider of consulting, engineering, construction, operations and program management, has acquired Bird Electric , an Eastland, TX-based provider of electric utility construction services, from 3.5.7.11 Private Equity
4/26/2023	Hastings®	Clear Path Utility Solutions, LLC INNOVATION FOR TOMORROW	Hastings Equity Partners , a Boston, MA-based private equity firm, is pleased to announce their portfolio company, Celerity Consulting Group, LLC , has acquired Clear Path Utility Solutions , a leading provider of expert vegetation management consulting services. Senior leadership will remain with Clear Path to participate in continued growth of the platform.
3/21/2023	GRIDSOURCE TOTAL INFRASTRUCTURE SOLUTIONS	WISECONNECT	GridSource , a Baton Rouge, LA-based utility contractor, specializing in infrastructure solutions for the telecommunications and gas industries and a Hastings Equity Partners portfolio company, has acquired WiseConnect , an Overland Park, KS-based leading provider of critical solutions for telecommunications companies.
2/10/2023	JUMANA	Bright Star Solutions	Jumana Capital , a Houston-TX-based private equity firm, has recapitalized Bright Star Solutions, Inc. , a Sour Lake, TX-based provider of construction and maintenance services for overhead and underground electrical distribution systems for utilities and industrial customers.
11/15/2022	KVPOWER	STATION ELECTRIC	KV Power , an Andrews, TX-based provider of electrical infrastructure services for utility, communication, renewables and energy markets, has acquired Station Electric, Inc. ("SEI") for an undisclosed amount. SEI is a full-service electrical construction and maintenance company, specializing in installing and maintaining electrical substation infrastructure.
11/1/2022	WARREN EQUITY PARTNERS	KVPOWER	Warren Equity Partners , a Jacksonville, FL-based private equity firm, has recapitalized KV Power , a portfolio company of Rock Hill Capital . KVP is a provider of electrical infrastructure services for utility, communication, renewables, and energy markets.
8/8/2022	United Utility	BHI energy	United Utility Services , a Charlotte, NC-based provider of specialized electric transmission, distribution and substation utility services and a portfolio company of Bernhard Capital Partners , has acquired BHI Power Delivery , a Weymouth, MA-based provider of specialty utility transmission and distribution services, from Westinghouse Electric Company .

Source: Public company filings, Pitchbook, and RCO research

ROMANCHUK & CO. FIRM CAPABILITIES



Romanchuk & Co. is a boutique investment banking firm providing strategic advisory services to our clients across the middle-market, including sourcing, initiating, structuring and negotiating mergers and acquisitions, raising capital, as well as providing valuation and restructuring services. Our team of licensed investment banking professionals specializes in advising owners and

investors of privately-held businesses, private equity firms and corporations on the preparation and sale of their company, facilitating mergers and acquisitions, guiding companies through capital raises, and assisting in identifying and executing upon strategic opportunities. For more information, please visit our website at www.romanchukco.com.

INDUSTRY EXPERTISE

Our most recently closed deals showcase our firm's unique ability to execute transactions across the utility services sector while maximizing value for our clients in the middle-market. Drawing on our collective industry experience, Romanchuk & Co. is focused on providing creative, impactful M&A strategies to our clients across the diversified industrials sector.

 has been recapitalized by JUMANA <small>Romanchuk & Co. advised Outsource Utility Contractor Corp on this transaction.</small>	 has been acquired by GRIDTEK UTILITY SERVICES <small>Romanchuk & Co. advised Yates Line Construction on this transaction.</small>	 has been recapitalized by JUMANA <small>Romanchuk & Co. advised Bright Star Solutions on this transaction.</small>	 has been acquired by KVPOWER <small>Romanchuk & Co. advised Station Electric on this transaction.</small>	 has recapitalized KVPOWER <small>Romanchuk & Co. advised Warren Equity Partners on this transaction.</small>	 has been acquired by ORBITAL INFRASTRUCTURE GROUP <small>Romanchuk & Co. advised Front Line Power Construction on this transaction.</small>
 has been recapitalized by Rock Hill UTILITY <small>Romanchuk & Co. advised KV Power on this transaction.</small>	 has been recapitalized with financing provided by DOS RIOS PARTNERS LP <small>Romanchuk & Co. advised West Texas Boring on this transaction.</small>	 has been acquired by PowerLine SERVICES <small>Romanchuk & Co. advised Power Line Services on this transaction.</small>	 has been acquired by PowerLine SERVICES <small>Romanchuk & Co. advised Power Line Services on this transaction.</small>	 has been acquired by PowerLine SERVICES <small>Romanchuk & Co. advised Sun-Electric on this transaction.</small>	

INDUSTRY RECOGNITION

 DEAL OF THE YEAR WINNER APRIL 19, 2022 UTILITY, POWER & INFRASTRUCTURE	 DEAL OF THE YEAR WINNER APRIL 19, 2022 HOUSTON IMPACT AWARD
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Romanchuk & Co.'s recent transaction "Front Line Power Construction Acquired by Orbital Infrastructure Group" was selected as the 2022 Utility, Power & Infrastructure Deal of the Year by the Houston Chapter of the Association for Corporate Growth. The transaction was also selected as the winner of the Houston Impact Award, which recognizes the transaction that drives the most middle-market growth in the Houston region.

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