



The Growth Wire

Critical Infrastructure and Industrial Sector Overview

Winter 2025



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Glenn Tofil
 Managing Director
 (202) 386-6503
 gtofil@englandco.com

“In 2024, England & Company completed its 20th year of advising closely held companies in critical infrastructure and industrial markets, with a particular focus on utility and commercial and industrial electrical products and services. Throughout those 20+ years, we have thoroughly enjoyed helping our clients raise capital to grow their businesses and create generational wealth for shareholder groups through well-orchestrated M&A transactions.”

- We enter 2025 bullish on the continued growth of the industrial and infrastructure markets we cover and believe that many of the secular tailwinds seen over the past several years will continue well into the future. As shown in the following pages, the demand for electricity on a global basis is expected to increase significantly as countries outside of North America electrify their economies. In countries like the U.S., demand growth from power-hungry energy users like AI-oriented data centers is pushing existing generation, transmission, and distribution infrastructure to their limits.
- The growth in electrical infrastructure has been a boom for many products and service providers, resulting in unprecedented revenue and profit growth over the last three years. This growth has led to heightened acquisition activity by strategic and financial buyers, with many “mega-fund” PE investors aggressively entering the space. It has also led to significant appreciation in the stock price of publicly traded companies, as shown at right.
- Questions have emerged about near-term growth prospects for the renewables market due to the upcoming change in Administrations; however, we believe investments in renewable energy technology will remain strong over the long term. We also see a rebound in spending on telecommunications infrastructure to support bipartisan programs to build out broadband infrastructure through programs like the Broadband Equity Access and Deployment Program (BEAD).
- As in the past and demonstrated below, England & Company intends to be at the forefront of many transactions supporting the growth of critical infrastructure and industrial markets.

Public Market Metrics

EII Manufacturers Index

54.8%
Q4 YoY Growth
 Infrastructure & Industrial Manufacturers median stock appreciation

↑

EII Services Index

47.0%
Q4 YoY Growth
 Infrastructure & Industrial Services median stock appreciation

↑

Representative Recent Transactions

SARGENT ELECTRIC

has been acquired by

CONSTRUCTEL VISABEIRA

Sell-side Advisor

ALLIED BOLT

has been acquired by

POWER GRID COMPONENTS, INC.

Sell-side Advisor

POWERSIDE

Growth Financing

Exclusive Placement Agent

inertia ENGINEERING

has been acquired by

MacLean™ POWER SYSTEMS

Sell-side Advisor

CG Power and Industrial Solutions Ltd.

has divested

QEI
The Executive Process

to

CIC

Sell-side Advisor

Electro Industries GaugeTech

has been acquired by

HUBBELL

Sell-side Advisor

Hayward Gordon

has been acquired by

EBARA

Sell-side Advisor

BECKWITH ELECTRIC CO. INC.

has been acquired by

HUBBELL

Sell-side Advisor

Electro Mechanical

has been acquired by

GRAYCLIFF PARTNERS

Sell-side Advisor

MITSUBISHI ELECTRIC

has acquired

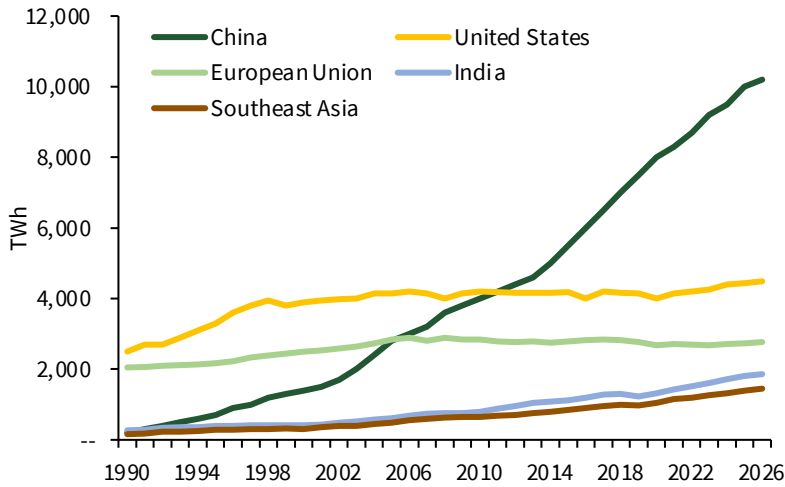
CPT
Computer Protection Technology

Buy-side Advisor

Representative End-Market Drivers



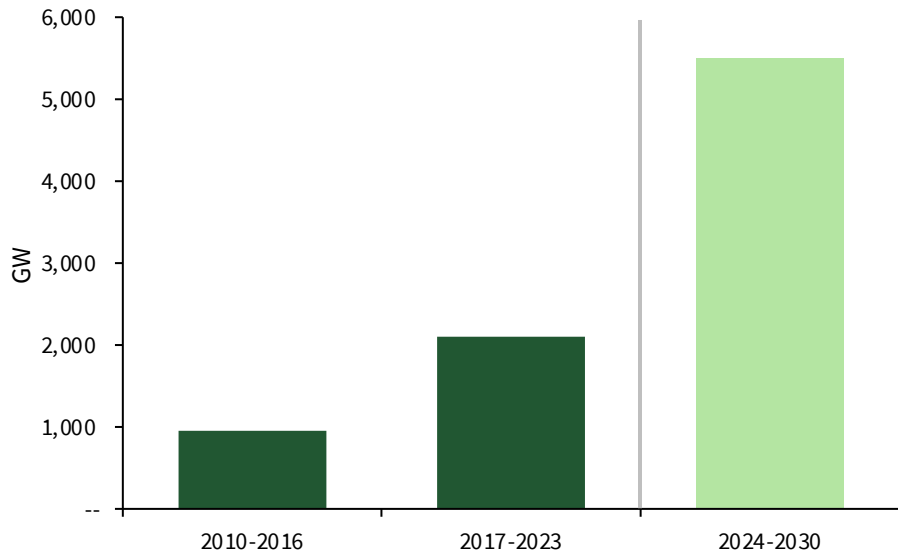
Significant Load Growth



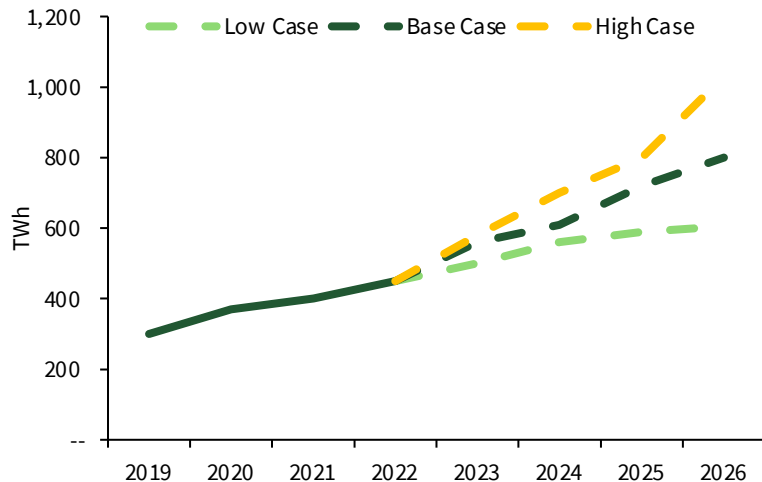
- Historically, relatively low growth in power demand worldwide allowed utilities to have a clear view of the energy resources needed to meet demand. However, over the past five years, load growth has surged due to several factors: i) the electrification of transportation, buildings, and industry; ii) increases in advanced manufacturing; and iii) significant investments in data centers and artificial intelligence.
- Significant load growth has occurred over the past five years, specifically in China (2,000 TWh), the U.S. (250 TWh), and Southeast Asia (350 TWh). Load growth is expected to continue to be robust over the next five years.

Rapid Shift to Renewable Energy

- The commitment to Net Zero carbon emissions paired with decreasing costs for renewable energy is driving the “electrify everything” movement and the demand for electricity generated from renewable sources.
- The European Union and the United States are forecast to double the pace of renewable capacity growth between 2024 and 2030, while India sees the fastest growth rate among large economies.
- New solar capacity added between now and 2030 will account for 80% of the growth in renewable power globally by the end of this decade.



Global Electricity Demand from Data Centers, AI, and Cryptocurrency

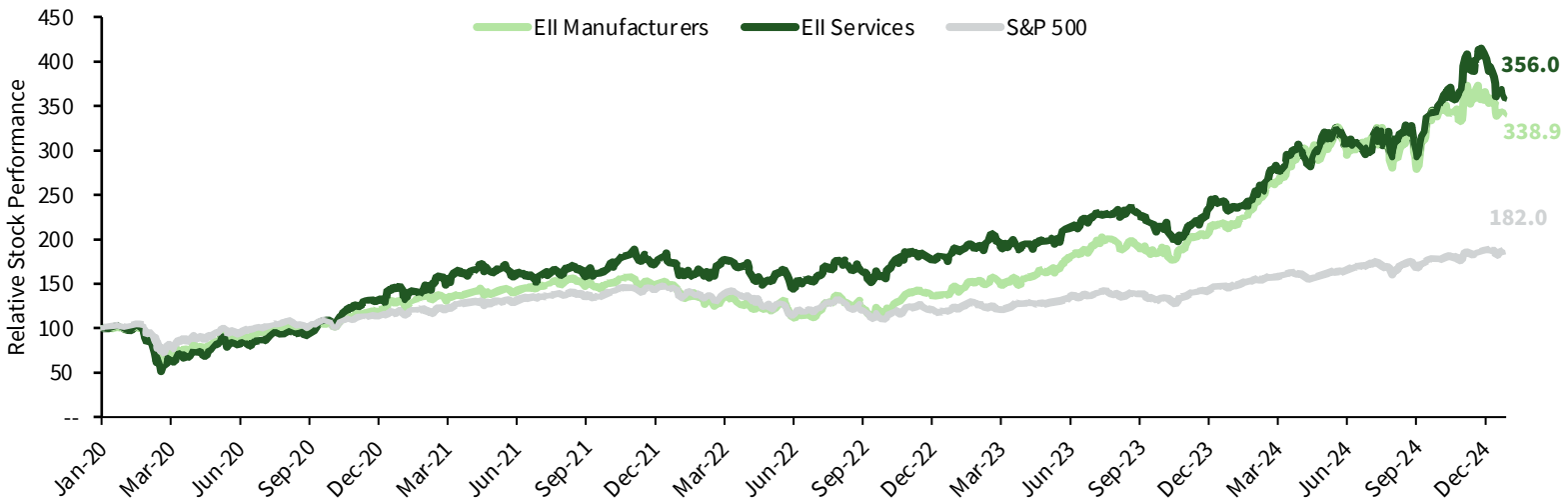


- The International Energy Agency (IEA) estimates that traditional data centers, cryptocurrencies, and AI consumed approximately 460 TWh of electricity worldwide in 2022, almost 2% of total global electricity demand.
- As more data centers are built, the IEA expects global electricity consumption for data centers, cryptocurrencies, and AI to range between 620 – 1,050 TWh by 2026, which corresponds to an additional 160 TWh up to 590 TWh of electricity demand, roughly equivalent to adding at least one Sweden or at most one Germany.
- Electricity demand in data centers is mainly from two processes, with computing accounting for 40% of electricity demand, cooling requirements another 40%, and the remaining 20% comes from other associated IT equipment.

Source: IEA

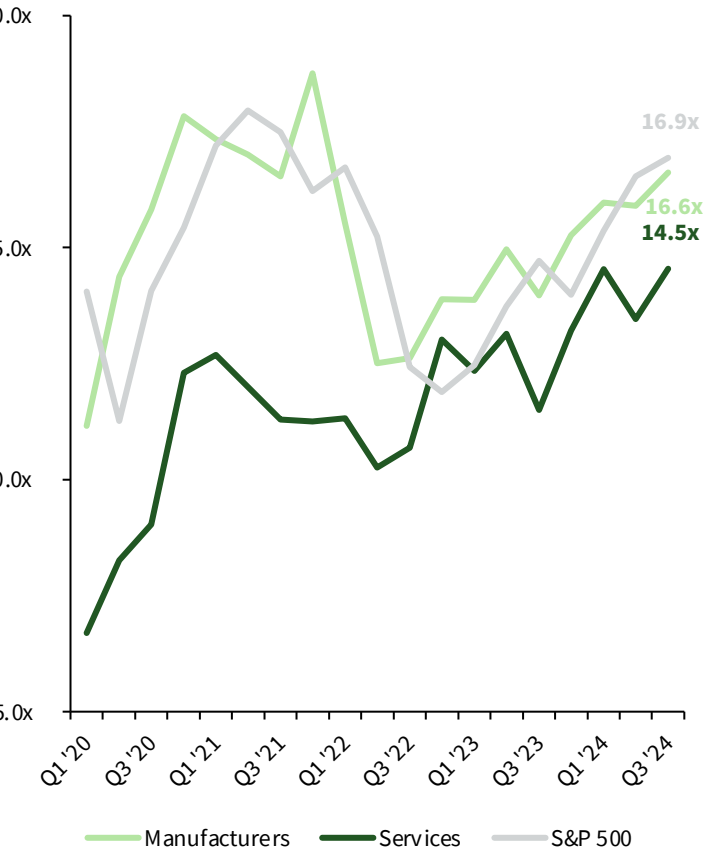


S&P 500 vs. England Infrastructure & Industrial (“EII”) Indices

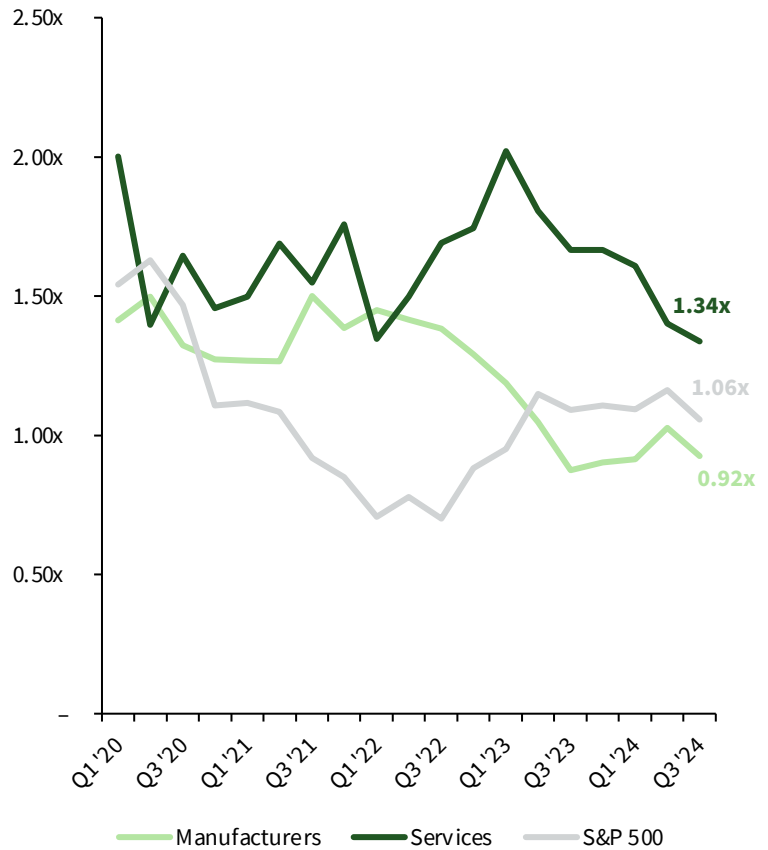


- Manufacturers and service providers in the critical infrastructure and industrial products sector maintained strong performance in the fourth quarter of 2024, propelled by the ongoing momentum of the electrification drive and the continuing build-out of data centers.
- EBITDA multiples for manufacturers and service providers have rebounded significantly since their decline in late 2022, driven by strong recent financial performance, an optimistic 2025 outlook, and easing interest rates. Stock performance has exceeded the growth in multiples, indicating that valuation increases are primarily attributable to earnings growth rather than multiple expansion. Companies have capitalized on this recent financial growth to effectively reduce debt levels despite active M&A agendas.

EII EV / EBITDA



EII Net Debt / EBITDA



Source: S&P Capital IQ



Clips from Recent Earnings Reports from Companies within the England Infrastructure & Industrial Index

Vertiv – FQ3 2024 Earnings Call – October 23, 2024

- “Data centers are fundamental to all computing. There is no other alternative even on the horizon. Distributed architecture enhances need for data centers; even quantum computing relies on digital-based data centers.”
- “We believe, from a market value standpoint, that air and heat rejection combined will be 70% of the cooling market and liquid 30% over the next few years. Air and heat rejection will grow at a 10% CAGR and liquid at a 30% CAGR. We have serious intentions to be the market leader in liquid cooling.”

Hubbell – FQ3 2024 Earnings Call – October 29, 2024

- “Grid modernization and electrification continue to drive strong growth in transmission, substation, and grid automation markets as utility customers invest in grid infrastructure to accommodate electrification-driven load growth and interconnect new sources of renewable generation. We believe we are at the early stages of a multi-year T&D investment cycle...”
- “On the T&D side, the real strength is on the transmission piece, double-digit growth, benefiting from megatrends of electrification and renewables, both requiring new miles and new grid interconnections.”
- “The year has evolved a little differently than we expected back in January; namely, we’ve generated lower sales volume as the Telcom market weakness persisted longer than we believed, and the utility customers on the distribution side holding more inventory than we believed.”

MasTec – Company Presentation at Baird’s Global Industrial Conference – November 13, 2024

- “It’s a lot of money [BEAD]. I think we have a lot of different customers that are planning to get a piece of it. So, I think it could be very incremental to ’26 and beyond. We don’t expect a huge impact of BEAD in ’25. We still think a lot of those dollars haven’t been awarded, so they’re not really going to make it into the system until some point in the mid-’25, and then at that point, by the time you start engineering, you get prework done, you’re not seeing significant activity until ’26, but we do think it will have an impact in ’26.”
- “...most of these data centers are building their own substations; they’re building their own conduit structure for things like electrical and things like water and sewer and telecom.”

Quanta – FQ3 Earnings Call – October 31, 2024

- “I think everyone is hearing the market demand from load. In order for load to work, we need the transmission infrastructure... we’re talking about record levels year-over-year, record levels in ’25, record levels in ’26, record levels in ’27. And we continue to see more bid opportunities, more discussions on larger transmission capacity constraints.”
- “...excited about where we’re at as an industry, what I would consider moving forward against the big doubling or maybe tripling of generation over the next two decades. So all the transmission build and substation build behind that is substantial, and it has to get started. And I think we’re in the early – very early stages of getting that started today.”

nVent – Goldman Sachs Industrials and Materials Conference – December 4, 2024

- “We believe that liquid cooling as a portion of that overall cooling of data centers is roughly 5% of that today. But we expect in the next 5 years, that’s going to be 20% plus...in terms of that overall opportunity.”
- “...[referencing short-cycle industrial business] heading into the quarter, we do expect our distributors to manage those inventory levels tightly here as we exit the year. Now with that being said, we did also point to positive orders in Q3. So that was a positive across the segments and expect as we roll into next year that we could expect industrial and commercial resi to be more positive.”

Public Equity Markets



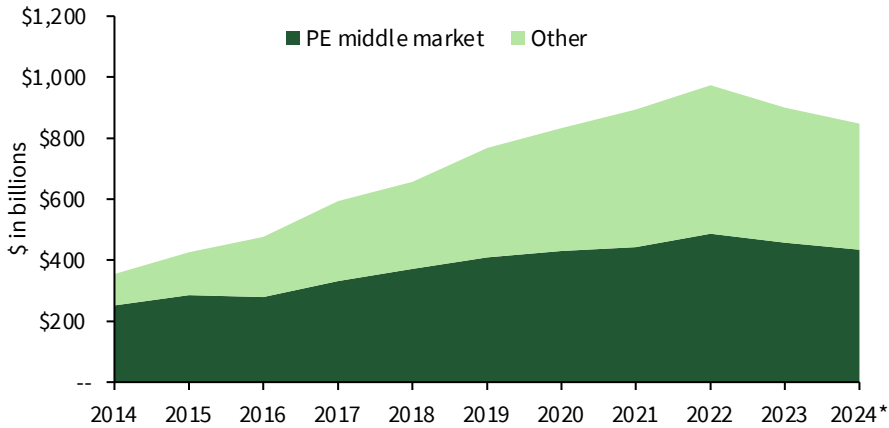
EII Manufacturers	Enterprise Value	EV / EBITDA		EV / Revenue		Net Debt / LTM EBITDA	Revenue Growth	
		LTM	2025P	LTM	2025P		2024A	2025P
Schneider Electric S.E.	\$152,463	20.19x	16.92x	3.87x	3.63x	1.61x	4.8%	3.1%
Eaton Corporation plc	139,284	25.56x	21.48x	5.66x	5.17x	1.48x	7.9%	7.7%
Hitachi, Ltd.	118,695	13.28x	12.82x	1.91x	1.91x	0.34x	(18.3%)	(5.4%)
ABB Ltd	103,202	17.17x	14.99x	3.17x	2.98x	0.54x	1.8%	5.5%
GE Vernova Inc.	85,273	NM	27.17x	2.48x	2.31x	(4.59x)	5.5%	5.1%
Emerson Electric Co.	81,616	17.69x	16.28x	4.67x	4.46x	1.03x	15.1%	4.8%
TE Connectivity plc	46,326	12.31x	11.47x	2.92x	2.81x	0.91x	(1.6%)	4.7%
Vertiv Holdings Co	44,832	30.07x	21.72x	5.95x	4.84x	1.47x	14.1%	18.3%
AMETEK, Inc.	43,857	20.51x	18.60x	6.35x	5.91x	1.01x	6.4%	5.7%
Siemens Energy AG	38,911	25.18x	13.31x	1.04x	0.98x	(1.87x)	12.5%	6.6%
Rockwell Automation, Inc.	36,055	22.34x	21.49x	4.36x	4.39x	2.24x	(8.1%)	(1.4%)
WEG S.A.	35,264	23.61x	20.23x	5.09x	4.89x	(0.29x)	7.9%	2.6%
Mitsubishi Electric Corporation	33,924	8.83x	8.39x	0.95x	0.96x	(0.67x)	(3.4%)	(0.9%)
Fortive Corporation	29,257	17.23x	15.50x	4.72x	4.49x	1.90x	2.9%	4.3%
Legrand SA	28,848	14.77x	13.16x	3.19x	3.08x	1.83x	1.3%	1.6%
Dover Corporation	28,738	16.27x	15.31x	3.39x	3.50x	1.70x	(7.5%)	5.1%
Hubbell Incorporated	24,142	19.07x	16.87x	4.28x	4.01x	1.30x	6.2%	5.4%
nVent Electric plc	13,467	16.51x	17.08x	3.81x	4.08x	2.74x	(5.5%)	7.1%
Lincoln Electric Holdings, Inc.	11,497	14.73x	14.05x	2.84x	2.79x	1.18x	(4.9%)	3.5%
Generac Holdings Inc.	10,592	16.04x	12.01x	2.57x	2.27x	2.07x	7.0%	8.4%
HD Hyundai Electric Co., Ltd.	9,374	18.28x	14.10x	3.81x	3.34x	0.09x	24.6%	8.7%
OMRON Corporation	8,025	18.55x	13.68x	1.52x	1.52x	0.69x	(12.4%)	(6.7%)
Valmont Industries, Inc.	7,042	11.76x	10.92x	1.74x	1.70x	1.42x	(3.0%)	2.4%
Badger Meter, Inc.	5,986	32.89x	28.82x	7.45x	6.69x	(1.39x)	17.0%	8.7%
Itron, Inc.	5,203	16.75x	15.90x	2.16x	2.12x	0.92x	11.9%	0.9%
Franklin Electric Co., Inc.	4,500	14.66x	13.81x	2.24x	2.15x	0.14x	(2.9%)	4.5%
LS ELECTRIC Co., Ltd.	3,592	11.21x	9.41x	1.14x	1.12x	1.20x	(1.9%)	1.2%
ESCO Technologies Inc.	3,550	17.52x	14.72x	3.46x	3.06x	0.56x	11.8%	8.5%
Atkore Inc.	3,512	4.72x	7.09x	1.10x	1.17x	0.81x	(10.1%)	(5.5%)
AZZ Inc.	3,381	10.58x	9.72x	2.15x	2.11x	2.92x	15.0%	5.1%
Powell Industries, Inc.	2,307	12.43x	11.03x	2.28x	2.08x	(1.92x)	50.2%	5.8%
Hammond Power Solutions Inc.	1,050	14.07x	10.60x	1.86x	1.73x	(0.13x)	8.4%	6.1%
Preformed Line Products Company	622	10.13x	N/A	1.09x	N/A	(0.06x)	N/A	N/A
Median	\$24,142	16.63x	14.41x	2.92x	2.89x	0.92x	5.1%	4.9%

EII Services	Enterprise Value	EV / EBITDA		EV / Revenue		Net Debt / LTM EBITDA	Revenue Growth	
		LTM	2025P	LTM	2025P		2024A	2025P
Quanta Services, Inc.	\$50,914	15.65x	N/A	2.22x	1.89x	2.27x	13.7%	13.4%
EMCOR Group, Inc.	20,202	14.69x	14.07x	1.42x	1.29x	(0.49x)	16.1%	7.3%
Jacobs Solutions Inc.	18,260	15.94x	16.88x	1.59x	1.49x	0.75x	6.4%	5.9%
AECOM	15,912	14.41x	14.55x	0.99x	0.93x	1.43x	12.0%	6.0%
MasTec, Inc.	13,180	14.81x	13.31x	1.08x	0.99x	2.87x	1.9%	8.7%
Tetra Tech, Inc.	11,450	19.54x	19.76x	2.65x	2.46x	1.34x	15.0%	7.8%
Applied Industrial Technologies	9,241	17.08x	16.96x	2.06x	2.03x	0.06x	2.1%	0.9%
The Timken Company	7,093	8.88x	8.55x	1.55x	1.50x	2.42x	(4.2%)	3.3%
Fluor Corporation	6,659	21.98x	12.37x	0.42x	0.37x	NM	7.1%	8.0%
Dycom Industries, Inc.	6,253	11.96x	12.26x	1.37x	1.35x	2.25x	10.1%	10.7%
Sulzer Ltd	5,151	10.64x	9.24x	1.35x	1.28x	0.52x	8.8%	1.1%
IES Holdings, Inc.	3,991	11.84x	N/A	1.38x	N/A	(0.19x)	NA	NA
MYR Group Inc.	2,528	21.09x	23.26x	0.71x	0.71x	1.08x	(6.1%)	3.6%
Median	\$9,241	14.81x	14.07x	1.38x	1.32x	1.21x	7.9%	6.6%

Source: S&P Capital IQ as of December 31, 2024



Private Equity Dry Powder

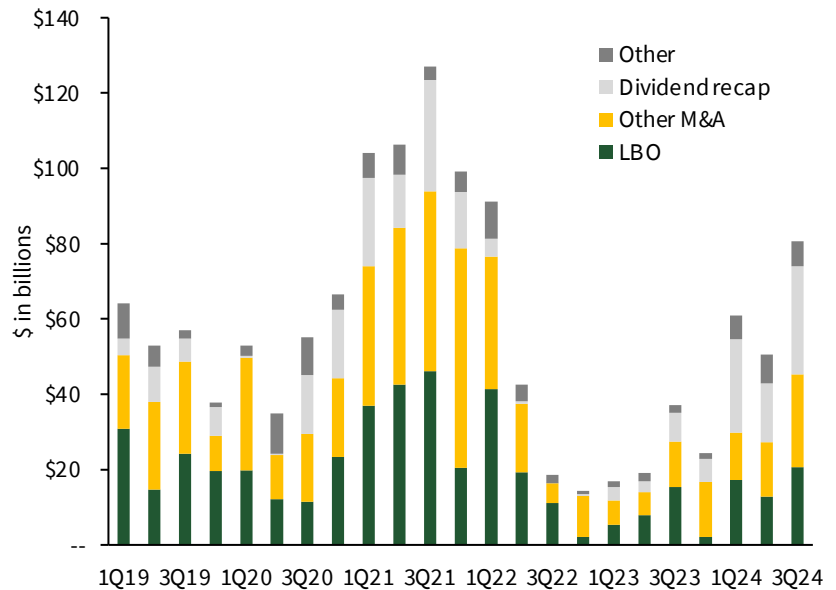


*Data as of 03/31/24

- Through the first quarter of 2024, middle-market PE funds held \$434.5 billion of dry powder, representing 51.2% of the total dry powder in the U.S. PE landscape. As deployment activity continues to pick up after two years of lackluster activity, dry powder continues to decline from its peak in 2022.
- Despite the recent decline, middle-market dry powder sits well above the pre-Covid-19 (2017 – 2019) median of \$371.6 billion, which is still elevated as middle-market fundraising remained robust in 2023 and into early 2024.

Refinancing & Repricing Levels

- Although overall U.S. loan market activity slowed in the third quarter, better visibility on rates provided a much-needed boost to M&A. Indeed, for the first time in almost two years, refinancings took a back seat to buyouts, acquisitions, recapitalizations, and other transactions that typically represent net supply for loan investors.
- Private equity sponsors raised \$20.6 billion in the broadly syndicated market to finance LBOs, the highest reading in two and a half years. That's roughly twice the average level since the rate-hiking cycle began and ahead of the pandemic-induced slowdown in 2020. Although the market still has a long way to go to reach peak levels of 2021 or 2018, it has topped the long-term quarterly average—\$19.9 billion between 2011 and 2021.



Deal Component	November 2024		November 2023	
Cash Flow Senior Debt (x EBITDA)	Small Cap:	2.00x-3.50x	Small Cap:	2.00x-3.00x
	Midcap:	4.00x-5.00x	Midcap:	2.50x-4.50x
Total Debt Limit (x EBITDA)	Small Cap:	3.50x-5.50x	Small Cap:	3.50x-4.50x
	Midcap:	5.00x-6.00x	Midcap:	4.00x-5.00x
Senior Cash Flow Pricing (SOFR Spread: >\$40M EBITDA)	Bank:	S+3.50%-4.00%	Bank:	S+3.75%-5.00%
	Non-Bank:	S+5.00%-5.75%	Non-Bank:	S+6.00%-8.00%
Unitranche and Second Lien Pricing (SOFR Spread)	Small Cap:	S+5.25%-7.50%	Small Cap:	S+6.75%-8.50%
	Midcap:	S+4.50%-6.00%	Midcap:	S+6.50%-8.00%
Subordinated Debt Pricing	Small Cap:	12.00%-14.00%	Small Cap:	12.50%-14.00%
	Midcap:	11.00%-12.50%	Midcap:	11.00%-14.00%

Source: Pitchbook, Lead Left

Note: Small Cap => \$10mm EBITDA; Midcap => \$20 mm EBITDA

Representative 2024 Deals



Announc. Date	Target	Target - Main Product / Service	Acquirer
Dec-24	 SWITCHGEAR SOLUTIONS INC	Medium Voltage Switchgear	 IPS INTEGRATED POWER SERVICES
Dec-24	 POWER BUS WAY	Cable Bus	 legrand [®]
Dec-24	Ainsworth Power Construction	Electrical Contracting & Maintenance Services	AECOM
Nov-24	 The State Group	Multi-Trade Industrial & Commercial Contracting	APOLLO
Oct-24	 prime	Electrical Engineering	 RESA  POWER [™]
Oct-24	 JEFFERSON ELECTRIC	Transformers	MILL POINT CAPITAL
Oct-24	 motivair	Advanced Cooling Systems	 Schneider Electric
Oct-24	 PRECINMAC	Precision Machining & Fabrication	 Centerbridge
Oct-24	 vizimax	Automation & Control Solutions	 POWER GRID COMPONENTS, INC.
Sep-24	 NEMA ENCLOSURES	Enclosures	FCP FARRAGUT
Sep-24	 SARGENT SARGENT ELECTRIC	Electrical Contracting	 CONSTRUCTEL
Sep-24	 Trayer SWITCHGEAR	Medium Voltage Switchgear	SIEMENS
Sep-24	 ArchKEY SOLUTIONS	Electrical Contracting	26NORTH
Sep-24	 mi Miller Industries	Air Supply Systems	TOWER ARCH CAPITAL
Aug-24	 JSET AUTOMATED TECHNOLOGIES	Automation & Control Systems Integration	 MKD ELECTRIC
Aug-24	 D&L ELECTRIC	Electrical Contracting	 MKD ELECTRIC
Aug-24	 POWER ENGINEERS	Engineering Consulting	WSP

Representative 2024 Deals



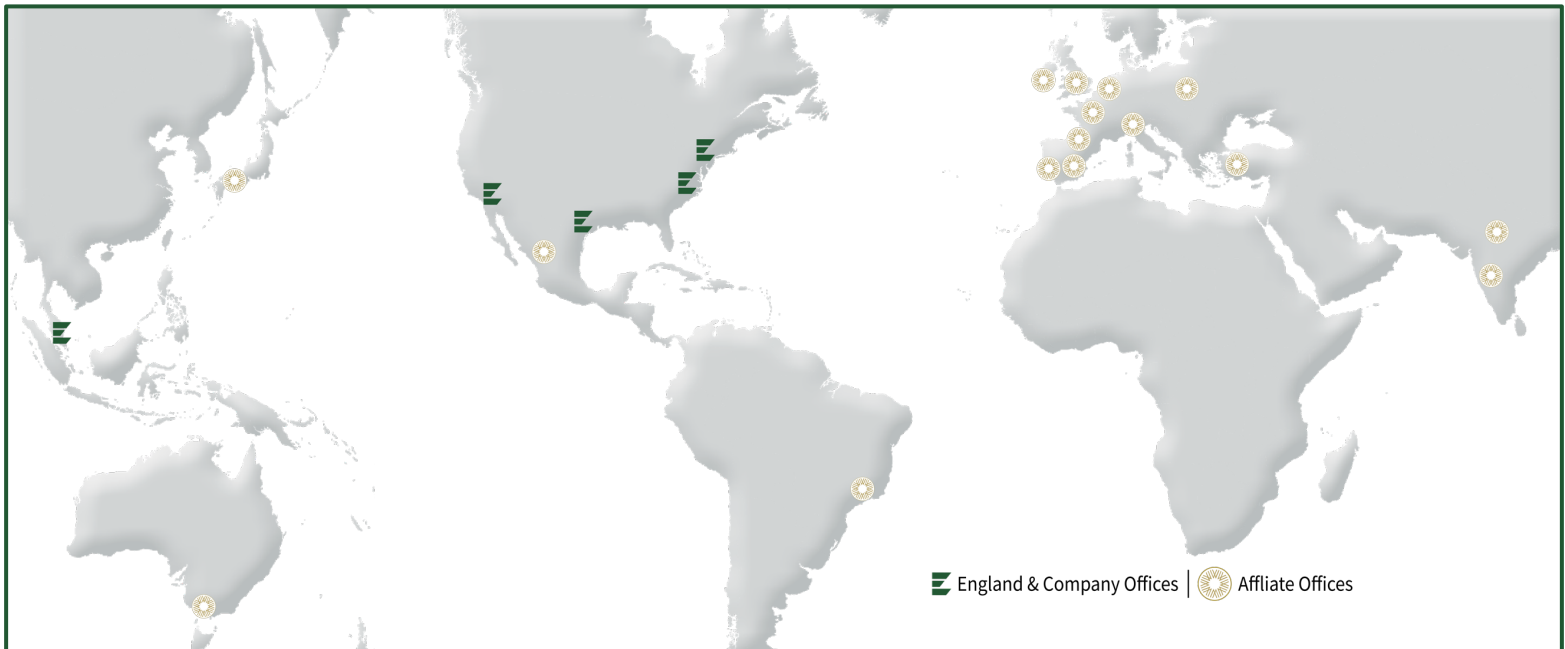
Announc. Date	Target	Target - Main Product / Service	Acquirer
Aug-24		Electrical & Precision Fabricated Products	
Aug-24		Switchgear & Electrical Distribution Products	
Aug-24		Outside Plant Hardware	
Jul-24		Electrical Contracting	
Jul-24		Critical Electrical Power Solutions	
Jul-24		Engineering Solutions	
Jun-24		Modular Buildings	
Jun-24		Insulators	
Jun-24		Energy Storage Systems	
Jun-24		Transformers	
May-24		Utility Safety Equipment	
May-24		Electrical Equipment	
May-24		Electrical Services	
Mar-24		Medium Voltage Switchgear	
Mar-24		Electrical Components	
Mar-24		Electrical Control and Distribution Systems	
Feb-24		Transformers	

About England & Company



Founded in 2003, England & Company is an independent investment bank focused on providing financial advice on mergers, acquisitions, restructurings, and capital raising to owners, executives, and boards of directors of public and private companies. The firm's clients include leading companies in the Energy & Sustainability, Healthcare, Industrial & Infrastructure, and Technology & Media markets.

England's senior professionals have been serving companies in the energy, infrastructure, and industrial products and services markets for over 20 years. Experience focused on the industrial & infrastructure growth markets includes utility and commercial and industrial electrical equipment, power generation technology and services, power conversion, engineering and specialty contracting, and communication technologies used in utility and industrial IoT applications.



Houston New York San Diego Washington, DC Singapore

Critical Infrastructure & Industrial Team

Craig England

Chief Executive Officer
(713) 357-9441

cwengland@englandco.com

Glenn Tofil

Managing Director
(202) 386-6503

gtofil@englandco.com

Bruce Craig

Managing Director
(202) 386-6502

bacraig@englandco.com

Tom Crews

Managing Director
(619) 914-4101

tom.crews@englandco.com

Richard NeJame

Managing Director
(212) 235-0852

rfnejame@englandco.com

Patrick O'Shea

Managing Director
+65 6990-3421

pjoshea@englandco.com

Erik Augustson

Senior Vice President
(202) 386-6505

eaugustson@englandco.com

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INVESTMENT BANKING