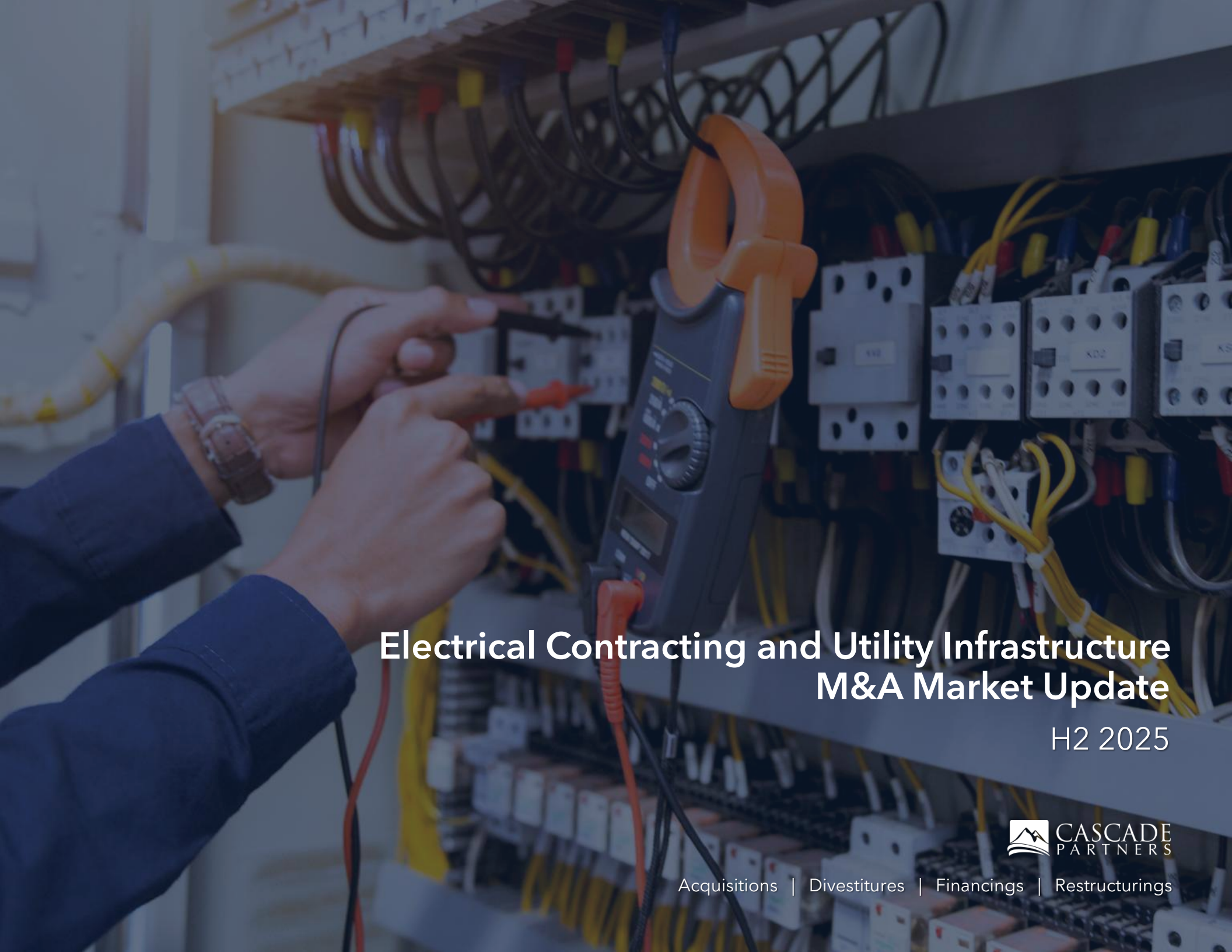

Electrical Contracting and Utility Infrastructure M&A Market Update

H2 2025

CASCADE PARTNERS

Acquisitions | Divestitures | Financings | Restructurings

About Cascade

Cascade Partners is a boutique investment bank focused on infrastructure/construction services, specialty industrial & niche manufacturing, healthcare, and business services companies within the middle-market. Electrical contractors, utility infrastructure, sports construction, contractor services, and related business services are core areas of specialty for Cascade Partners.

With more than 250 years of combined experience, we work with business owners and shareholders to achieve their objectives and explain the impact and opportunity of their options. Our expertise extends beyond just being transaction advisors; we have been operators, board members and investors. Cascade's services range from sell-side and buy-side advisory to securing growth financing, restructurings, or recapitalizing businesses, our expertise and insight go deeper than the economic factors of a deal.

We recognize and respect the long-term impact of transactions on our clients' companies, employees, families, wealth, and personal lives. We are committed to creating not only long-term value for companies but transformative solutions for people.

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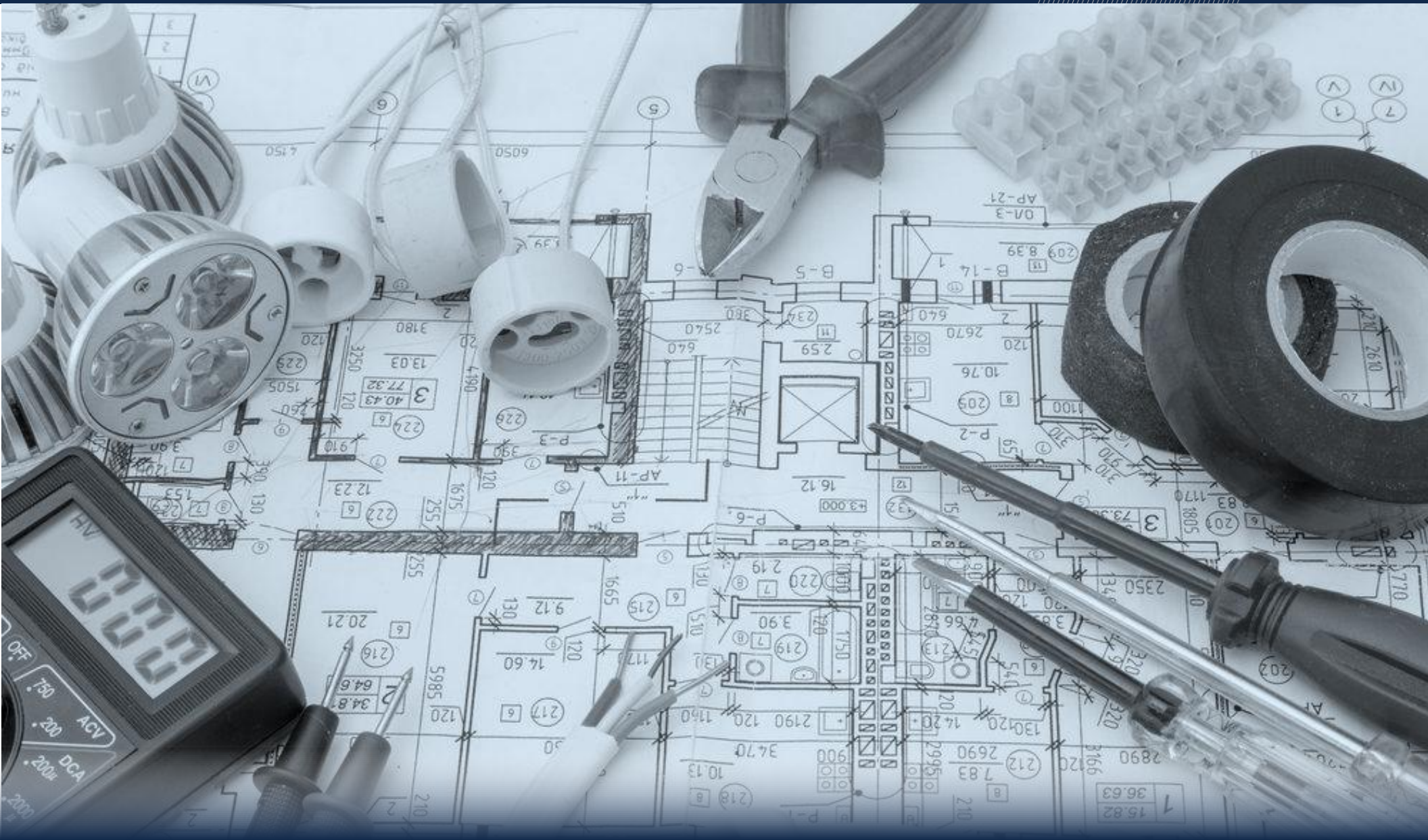

1 Cascade Partners Experience

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Cascade Partners Select Transaction Experience

Active: Sell-Side Advisory

Midwest-based electrical contractor serving residential and commercial markets, specializing in generator installation and related services

Active: Sell-Side Advisory

Southeast provider of Weatherization and HVAC services delivering improved efficiency and lower utility costs

Sell-Side Advisor

Powerline Xtreme Construction has sold a majority interest to AECON Utilities

an Oaktree Capital portfolio company

Sell-Side Advisor

NLG Norlee Group has received a growth investment from Heartwood Partners

WhiteWolf Capital LLC fully exits its investment in Norlee

Cascade served as exclusive advisor to Norlee & White Wolf

Financial Advisor

Pinnacle MEP Holdings a portfolio company of Aquila Equity Partners has partnered with Parker-Arntz Plumbing & Heating, Inc.

Sell-Side Advisor

AMDG Architects has been acquired by a The Stonewall Group

Sell-Side Advisor

Pipetek Infrastructure Services has been acquired by Duke's Rooted in Innovation a portfolio company of Comvest Partners

Buy-Side Advisor

NLG Norlee Group has acquired Adkins Electric

Sell-Side Advisor

Capitol Supply & Service was acquired by Stylecrest

Financing & Buy-Side Advisor

NLG Norlee Group has acquired Tietjen Technologies Inc.

Sell-Side Advisor

Water Watch Corporation has been acquired by Conservice a portfolio company of TA Associates

Buy-Side Advisor

NLG Norlee Group has acquired AEC Electrical Contractors Inc.

Sell-Side Advisor

PPS Pacific Power & Systems a portfolio company of NLG Norlee Group has been acquired by AGD Consulting & Development LLC

Sell-Side Advisor

GA Sports Construction has been acquired by AstroTurf a portfolio company of KPS Capital Partners, LP

Buy-Side Advisor

NLG Norlee Group has acquired Millennium Electric

Financing

PPS Pacific Power & Systems has secured a working capital facility with IberiaBank First Horizon

Financing & Buy-Side Advisor

NLG Norlee Group has acquired Colwill Engineering

Sell-Side Advisor

UIS Underground Infrastructure Services has been acquired by Duke's Rooted in Innovation a portfolio company of Comvest Partners

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2 U.S. M&A Market Overview

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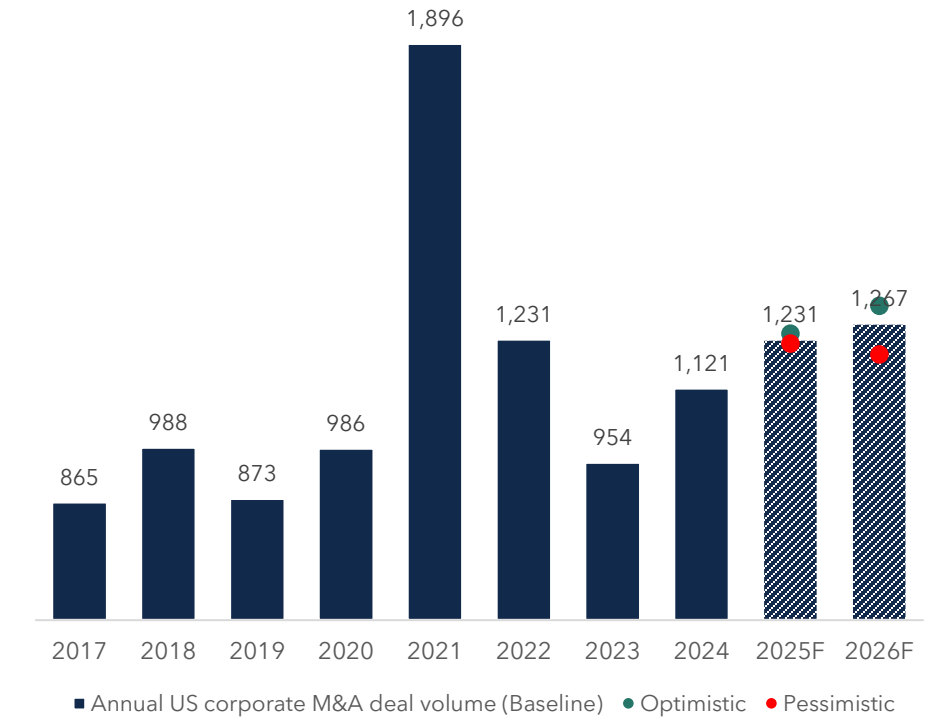
M&A volume is expected to strengthen heading into 2026 following healthy deal flow in 2025.

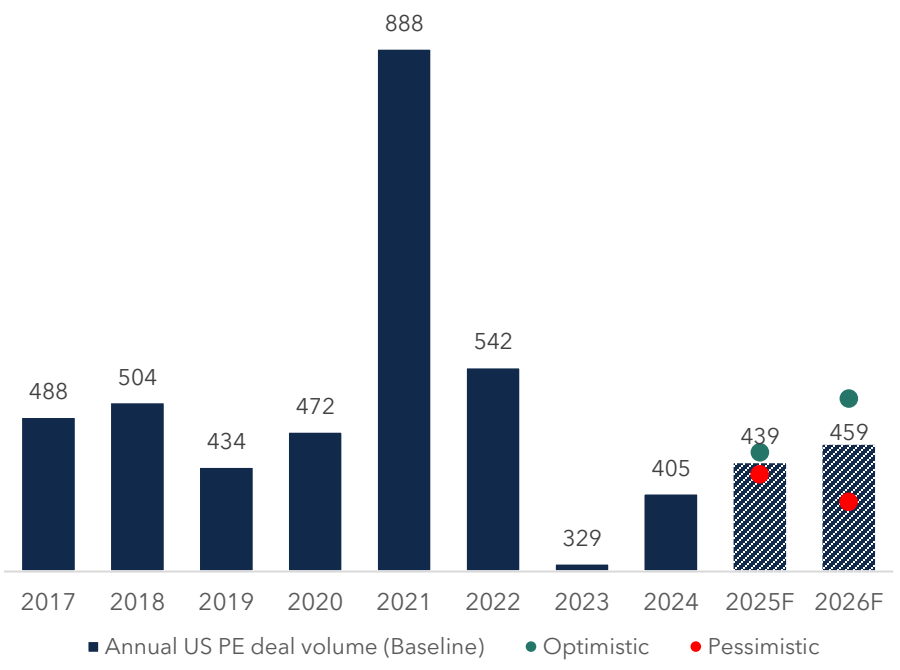
2025 was not a lost year for U.S. lower-middle and middle-market M&A; it was a reset. Following the extraordinary surge in 2021 and the pronounced pullback through 2023–24, the combination of higher interest rates, tariffs, and fiscal-policy volatility forced buyers, lenders, and sellers to adopt a more disciplined playbook. By late 2025, most market participants adjusted to the higher, yet steadier interest rate environment, real GDP growth of roughly 2%, and unemployment slightly above 4%. Deal activity remained below the 2021 peak; however, both corporate and private equity volumes were tracking modestly higher than 2024 levels, with consensus forecasts, including the EY-Parthenon Deal Barometer, pointing to steady, incremental volume expansion into 2026 rather than another abrupt contraction. The result is a "reset-to-release" phase: more rigorous underwriting, elongated diligence timelines, and a clear, accumulated need to transact.

Annual U.S. Corporate M&A Deal Volume

Deals over $100M



Annual U.S. PE Deal Volume



Sources: Dealogic; EY-Parthenon; EY M&A Outlook (2025–2026)

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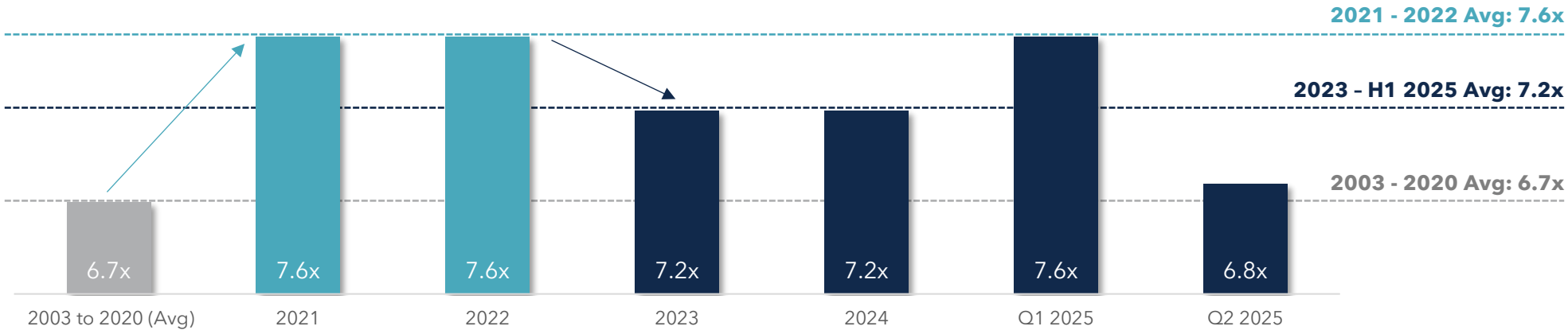
Structural capital positioning is fueling a reaccelerating environment.

Several structural positives continue to support the recovery. Global private capital sources still hold an estimated $2.5T of dry powder, much of it raised before the rate environment shifted and now facing aging investment periods. Private credit is now the reference lender for middle-market transactions, with AUM around $1.7T today and projected to approach the high-$2T range over the next several years. Direct lenders continue to outcompete banks on speed, certainty, and structuring flexibility, particularly for sponsor-backed platforms and scaled founder-owned businesses.

At the same time, U.S. corporates head into 2026 with stronger balance sheets, better leverage metrics, and more disciplined capital allocation after a multi-year period of refinancing, cost rationalization, and selective divestitures. This "balance sheet reset" positions strategic buyers to re-engage in M&A both as a growth lever and as a tool to accelerate portfolio repositioning.

These tailwinds collide with a constrained supply of high-quality assets, particularly in advantaged sectors such as infrastructure, industrials, business services, healthcare, and software-enabled business models. Lower-middle-market data show that EBITDA multiples, while off 2021 highs, remain above long-term averages, with a persistent premium for resilient, recurring-revenue models.

Annual Average EBITDA Multiples for $10M–$500M LBOs



The trend above shows how multiples have normalized from the 2021 to 2022 spike yet remain structurally above pre-2020 levels, what might be called a "quality squeeze," where abundant capital continues to chase a limited pool of grade-A assets.

Sources: GF Data®, CIBC Capital Markets, Preqin, 2025 Global Report: Private Debt; S&P Global Market Intelligence data

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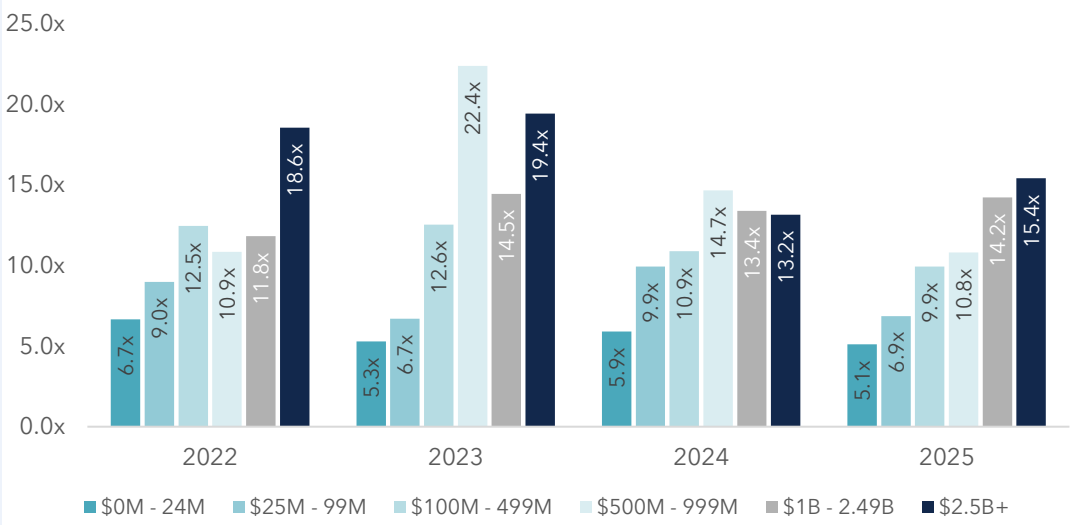
U.S. M&A Market

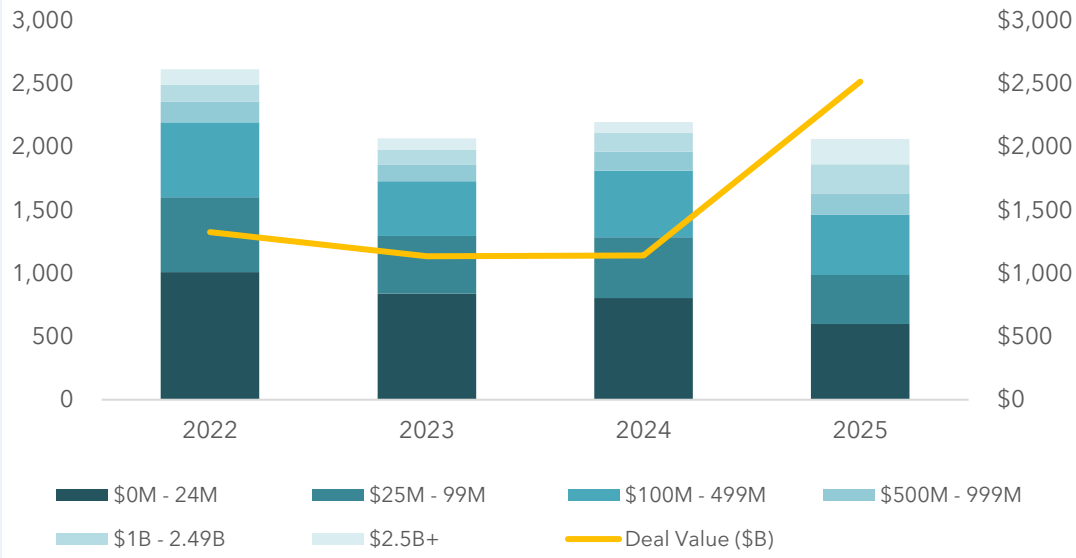
U.S. M&A middle-market activity has moderated from the COVID-driven peak in 2021 amid elevated interest rates, inflationary pressures, and recession concerns. While several macro headwinds are easing, uncertainty around U.S. trade policy and potential tariff actions is introducing supply-chain volatility and execution risk. Despite this backdrop, buyers and sellers are increasingly comfortable operating in the current environment. **Looking ahead to 2026, activity is positioned to re-accelerate**, supported by improving confidence among corporate executives and private equity sponsors following a period of uneven conditions. Private capital reserves continue to grow, with a meaningful portion now aging, increasing pressure to deploy capital.

- The Consumer Price Index for All Urban Consumers increased 0.3% on a seasonally adjusted basis in December 2025, with the all-items index rising 2.7% year over year, unchanged from the prior reading. Persistent fiscal deficits and elevated government spending, reinforced by the One Big Beautiful Bill Act, may continue to exert upward pressure on prices over the longer term.
- At its January 2026 meeting, the Federal Reserve held the federal funds rate steady at a range of 3.5%–3.75%, in line with expectations, following three consecutive rate cuts in 2025 that pushed borrowing costs to their lowest level since 2022. Policymakers reiterated a cautious, data-dependent stance, citing solid economic activity, labor market stabilization, and still-elevated inflation.
- The Conference Board's Leading Economic Index declined 0.3% in November 2025, bringing the index to 97.9 and reflecting a 1.2% contraction over the past six months. The decline was driven primarily by weaker consumer expectations and softer new orders and continues to point to slowing economic momentum into 2026, despite strong Q3 2025 GDP growth.

U.S. Median EV/EBITDA Multiples



U.S. M&A Activity (Deal Count, Deal Value in $B)



Source: PitchBook as of 01/28/2026

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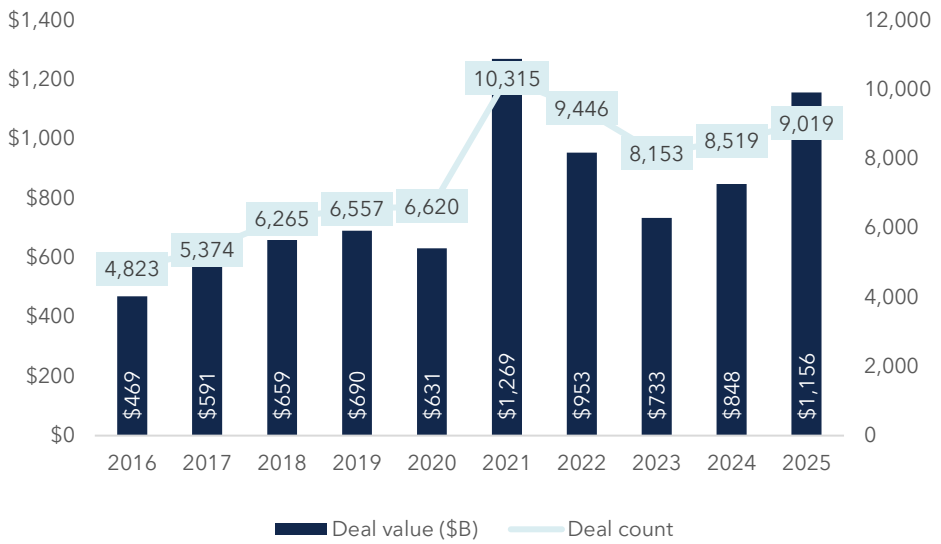
U.S. PE Deal Activity

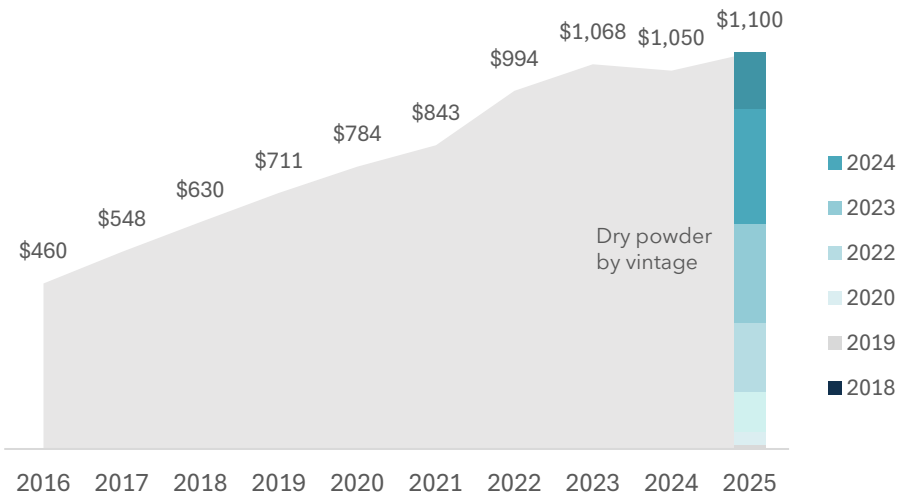
Private equity deal activity is re-accelerating, supported by improving financing conditions, increased market clarity, and a renewed risk-on posture among sponsors, setting a constructive backdrop for M&A.

- Deal volumes and values are stabilizing and trending upward into 2026, as easing borrowing costs and improved underwriting certainty enable sponsors to pursue scaled platform and add-on transactions.
- Add-on acquisitions remain central to PE value creation, consistently representing a majority of buyouts as sponsors focus on scaling platforms, enhancing purchasing power, and driving operational efficiencies.
- Sustained dry powder levels above $1T reinforce forward deal momentum, reflecting strong fundraising, investor confidence, and ample capacity to deploy capital into high-quality middle market targets.

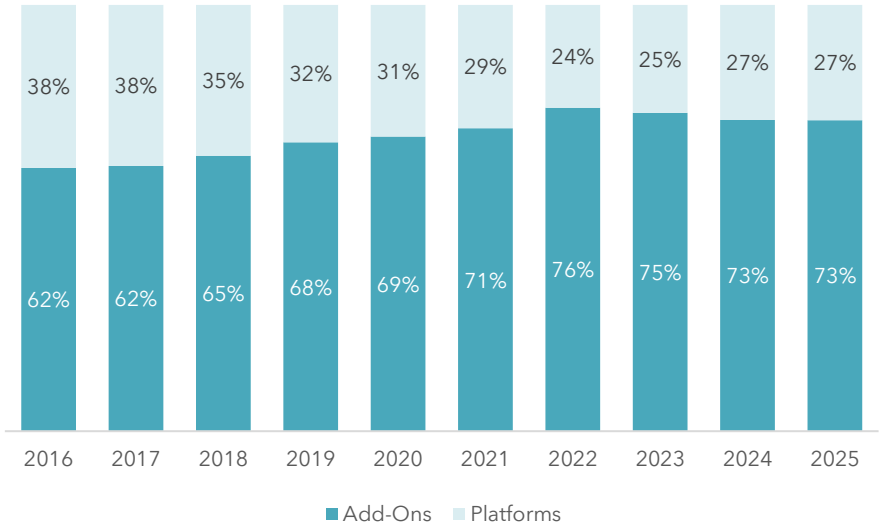
PE Deal Count and Deal Value ($B)



PE Dry Powder ($B)



Add-ons as a Share of PE Buyouts



Source: PitchBook as of 12/31/2025 except for PE Dry Powder which is as of 3/31/2025

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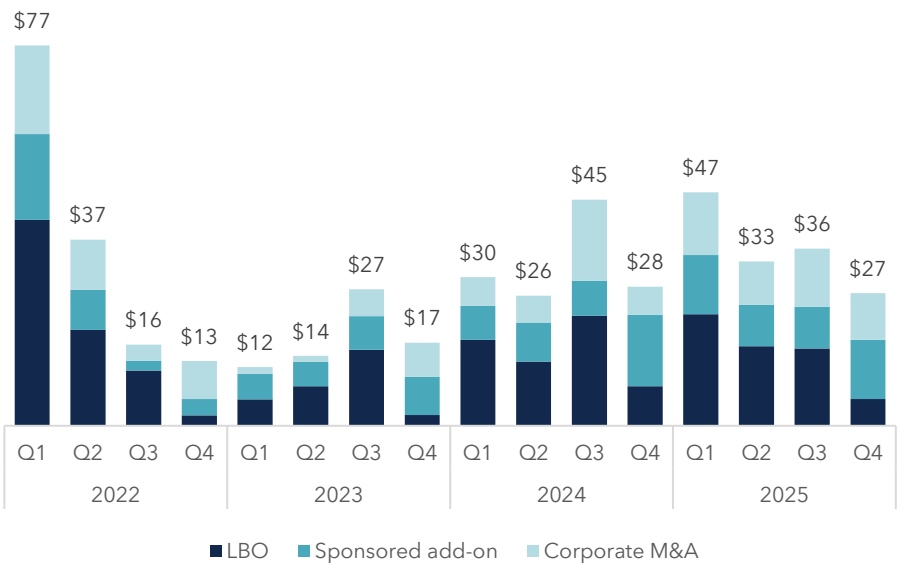
U.S. Debt Activity

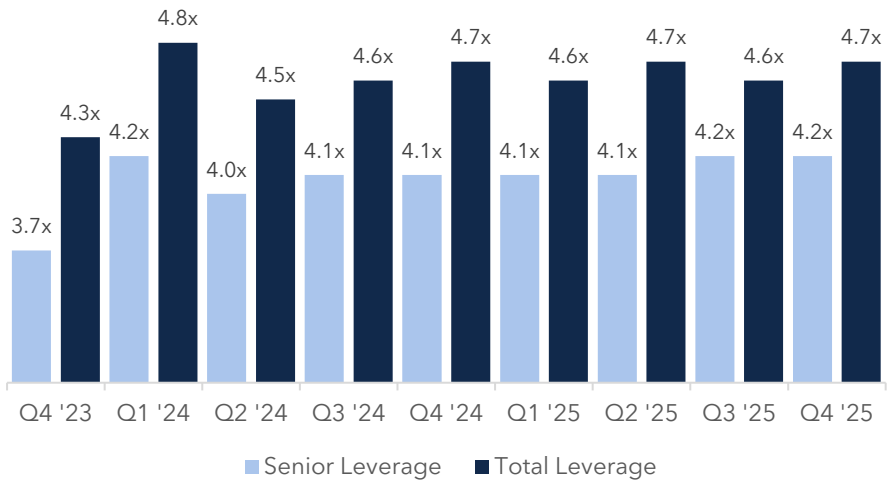
U.S. deal activity remains financeable, with open credit markets, stable underwriting, and sufficient lender appetite supporting transaction execution despite a measured pace of new deals.

- M&A-related loan volumes are recovering from 2023 lows, reflecting continued lender support for sponsor-backed and corporate transactions.
- Syndicated Loan LBO financings have remained disciplined, with leverage multiples broadly stable, reinforcing rational pricing and executable capital structures amid ongoing macro uncertainty.
- Leverage capacity has remained relatively robust for the last two years though largely flat during the period at approximately 4.5x - 5.0x, well below post-COVID peak conditions. This is supported by strong lender competition and tight spreads. Expectations for incremental interest-rate cuts may increase leverage ratios and support higher transaction volumes.

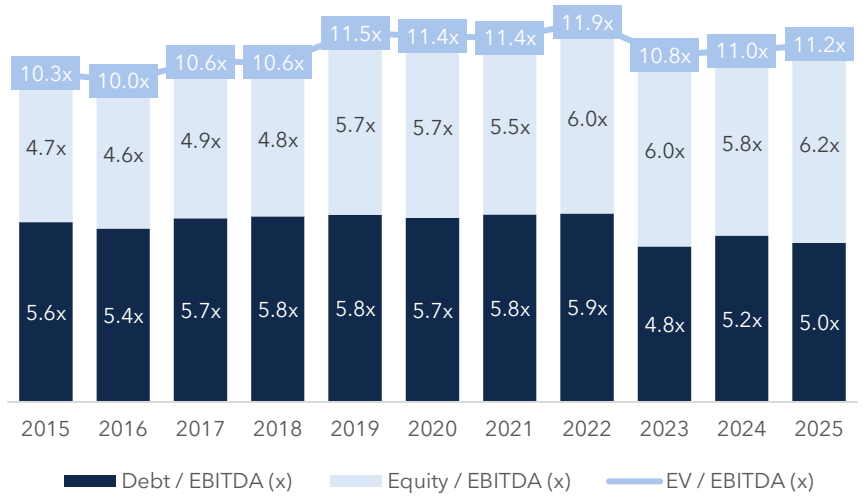
M&A-Related Loan Volume ($B)



Leveraged Loan Multiples (Debt / EBITDA)



Multiples on Syndicated Loan LBOs



Source: PitchBook as of 12/31/2025

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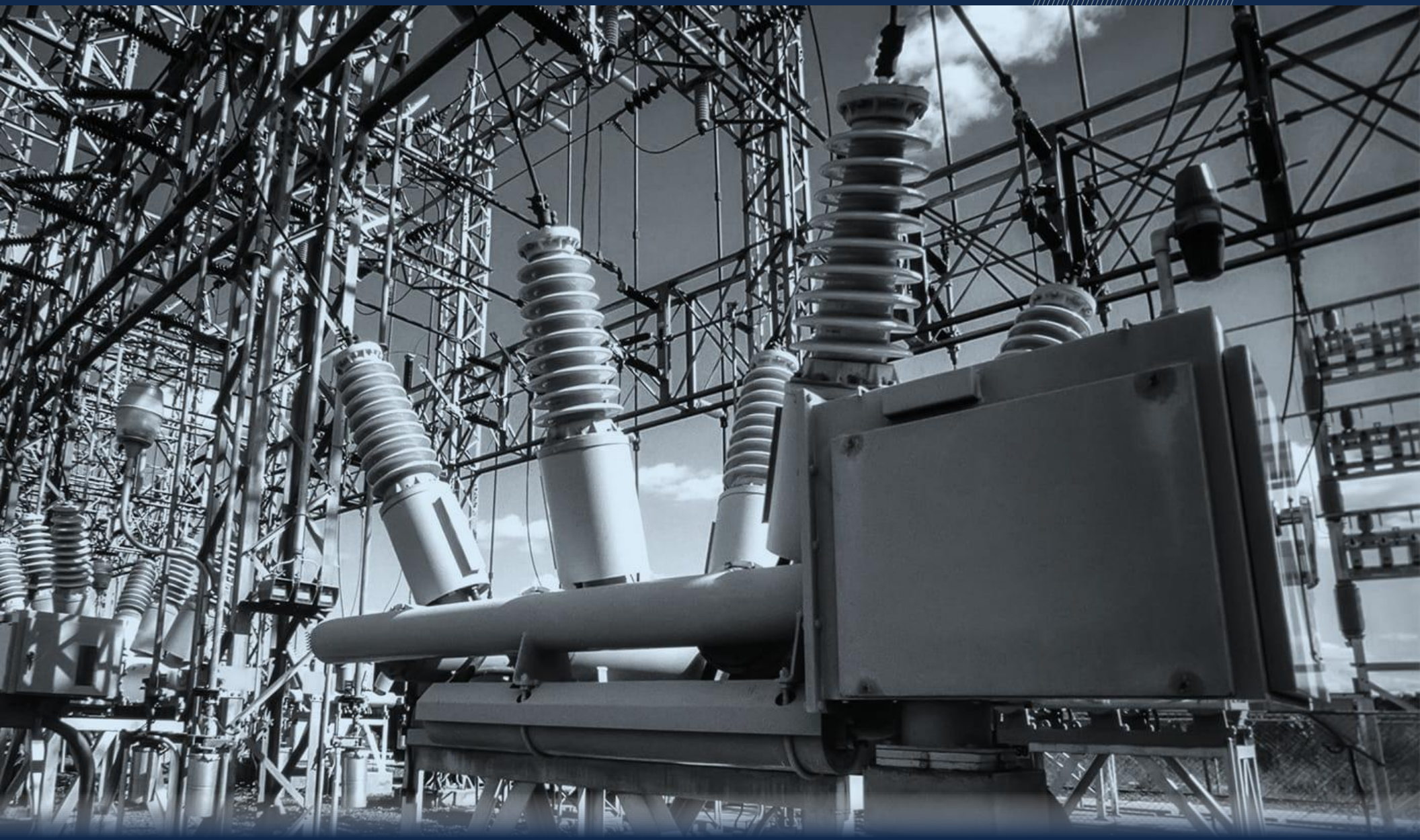

3 Electrical Contracting and Utility Infrastructure Insights and M&A Activity

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Electrical Contracting ("EC") and Utility Infrastructure ("UI") Overview

Market Trends and Demand Drivers

AI Infrastructure & Data Center Build-Out

» AI and data center demand is the largest structural power load driver in the U.S., with utilities facing demonstrated electricity demand growth due to AI workloads and cloud expansion

» U.S. tech firms have committed up to $500B to new data centers in the near-term, with McKinsey projecting ~$7T global spending over the next five years

Grid Modernization & Aging Infrastructure Replacement

» Utilities are investing heavily in smart grids and efficiency upgrades driven by a continued aging infrastructure

» Replacement cycles for aging utility infrastructure equipment are generating multiyear capex commitments

Electrification Acceleration

» Unprecedented load growth is triggering multiyear grid modernization programs, substation expansions, and hardening projects

» Electrified systems (heat pumps, induction heating, electric boilers, industrial processes) are creating new loads for distribution networks and requiring extensive system integration

Project Complexity and Time-to-Build

» Contractors with engineering depth, commissioning capabilities, and technically trained electricians capture an increasing share of sophisticated and large-scale work as complexity and timelines rise

» More complex electrical rooms, larger switchgear packages, advanced controls, and code-driven verification steps extend schedules and elevate the need for highly skilled labor

Sources: FMI Corporation; Wall Street Journal, Associated Builders and Contractors (ABC), IBISWorld

Industry Headwinds and Constraints

Power Capacity Constraints & Interconnection Delays

! Site selection for data centers is increasingly determined by power availability, as opposed to strictly cost or a specified geography, and leads to long queue times for grid connections

Input Cost Volatility & Supply Chain Bottlenecks

! Electrical equipment, switchgear, cooling systems, and commodities remain volatile due to soaring hyperscale demand. Lead times and delays persist in high-voltage components

Skilled Labor Shortage

! Availability of qualified electricians and skilled labor remains a binding constraint on growth and project execution (e.g., data center buildouts)

! Retirements continue to outpace new entrants as fewer workers pursue trades

Growth Opportunities

AI / Data Center Build-Out

Nearly 100 GW of new global data center capacity projected for 2026–2030, much requiring new substations, high-capacity feeds, and on-site generation

Utility Grid Hardening, Smart Metering & Distributed Energy Integration

Utilities are increasing capex for reliability, grid automation, and load-balancing infrastructure to reinforce transmission lines, substations, poles, feeders, and protection systems as demand continues to rise

Automation & Digital Grid Controls

As electricity use rises across sectors, grids must become more flexible and digitally managed. Utilities are increasing investments in automation, real-time monitoring, advanced metering, and digital control systems to meet reliability standards

Sources: FMI Corporation; Wall Street Journal, Associated Builders and Contractors (ABC), IBISWorld, JLL

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Key Valuation Drivers

Valuation Framework

Valuations for electrical contractors and utility infrastructure providers are generally based on a multiple of Normalized EBITDA. To determine this figure, a Quality of Earnings ("QofE") analysis is conducted by an independent accounting firm. This in-depth financial review is essential, even for companies with audited and GAAP compliant financial statements, because of the project-based nature of the industry and the complexities introduced by Percentage of Completion ("POC") accounting. For contractors in particular, a "Lookback Analysis" is often performed as part of the QofE to recast revenues and margins based on the final project gross margin, eliminating the effects of changes in project estimates over time. **These adjustments can result in significant differences from a company's GAAP financials.** Ultimately, valuations hinge on the resulting Normalized EBITDA.

Critical Factors Impacting M&A Valuations

- **Recurring revenue** from services such as preventative maintenance, service level agreements, O&M agreements, protection services and monitoring improves cash flow stability
- **Upgrade and retrofit projects** typically command higher multiples due to lower cyclicality; similarly **grid hardening, undergrounding, and substation upgrade programs** are viewed as repeatable work
- **Value-added offerings** such as design & engineering, prefabrication, underground, protection & controls, commissioning, and testing diversify revenue and expand margin profiles
- **End-markets served**, such as data centers, infrastructure, life sciences and healthcare in accompany to **long-standing utility or direct customer relationships** support revenue predictability
- **Customer base minimizing concentration risk** and balancing GC-led vs direct work
- **Experienced management**, supported by reliable bench strength, and a team of licensed professionals
- **Strong and stable profit margins,** driven by project complexity, technical scope, and disciplined project management and financial controls
- **Backlog and pipeline visibility** with appropriate mix of project sizes to manage working capital
- **Bonding requirements and union affiliations** deter some financial buyers, but strategic buyers tend to be more amenable; skilled labor access (recruiting, retention) are critical across EC and UI

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Electrical Contracting Industry Overview

Scope: The Electrical Contracting ("EC") industry includes operators that service, sell and install electrical equipment and perform electrical work. The three major categories of contracting work are new construction, electrical systems replacement in existing buildings ("retrofitting"), and service, repair, and replacement work

Outlook: The U.S. Electrical Contracting market was valued at **$312B** in 2025 and is expected to reach **$360B** by 2031, growing at a CAGR of 2.4%

Key Considerations

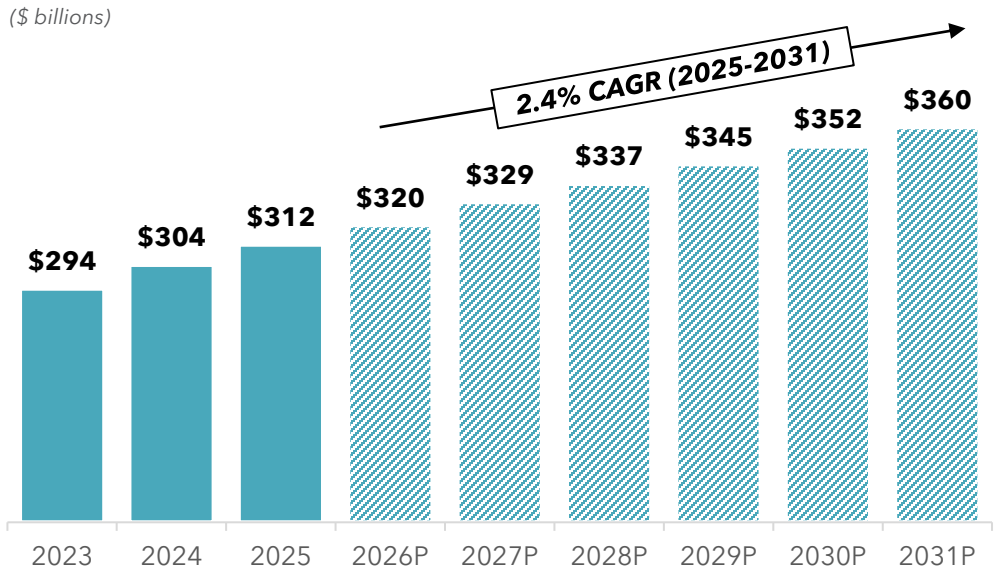
- **Geographic concentration:** The Southeast hosts ~25% of all U.S. electricians reflecting strong population-driven demand and contractor density
- **End-market mix:** Demand is predominantly non-residential, led by institutional / education / civic facilities (23%), commercial (19%), and office (19%); infrastructure / utilities (10%) and residential (9%) are secondary contributors
- **Work profile & funding sensitivity:** Electrical spend skews toward new construction, with ~⅓ in upgrades / maintenance and ~ ¼ tied to systems integration (e.g., HVAC, fire suppression, signaling); public-sector projects offer higher complexity and margins but remains exposed to government budgeting cycles

Growth Drivers

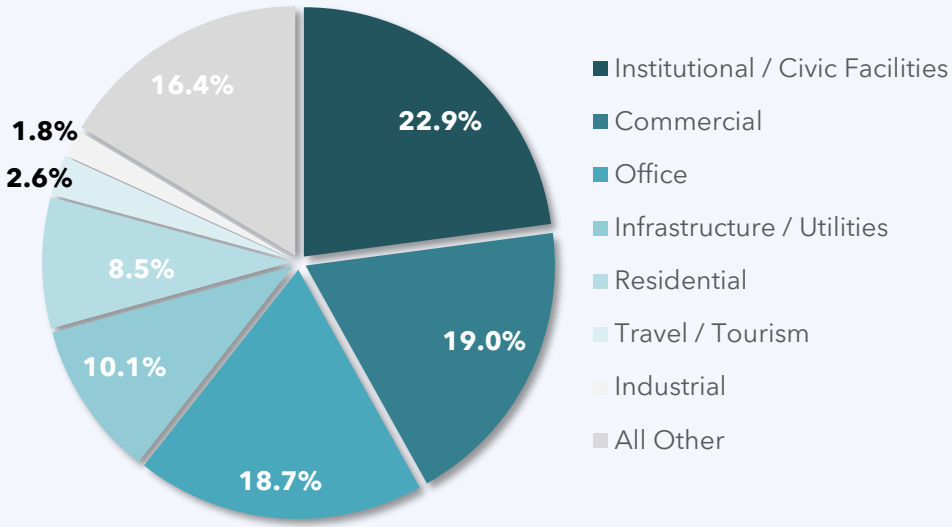
- **Electrification & Clean Energy:** EV charging, solar, storage, and energy-efficient systems are expanding high-value, code-driven electrical work
- **Construction & Rate Tailwinds:** Infrastructure spending and a housing recovery across new builds and renovations support sustained volume growth as interest rates ease
- **Technology Load Growth:** Data centers, AI, and rising household electricity usage are driving power upgrades and system complexity
- **Defensive Service Base:** Recurring maintenance across a diversified end-market mix provides resilience through market cycles

Sources: IBISWorld

U.S. Market Size



Revenue by Market Segment (2025)



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Data Center Industry Overview

Data center ("DC") infrastructure is poised for significant growth. While traditional non-gen-AI drivers, like cloud migration, are projected to sustain a 16% CAGR on their own. McKinsey & Company estimates total U.S. demand for data center capacity could grow at a 20% to 25% CAGR through 2030, with gen-AI accounting for the significant acceleration.

Whether traditional or gen-AI, DC buildouts are a powerful demand engine for electrical contractors. U.S. DC construction spend ran at a $40B annual rate through July 2025 and surged to a $170B+ run-rate by the end of the third quarter (up ~400% from the prior year).

For data-center electrical contractors, these multi-year build programs drive sustained demand for busway systems, cable trays, conduit, switchgear, UPS integration, grounding infrastructure, and power-distribution assemblies, with extended construction schedules improving forecast accuracy and labor planning.

Further, the power demand required to operate these DCs is forecasted to more than double to 109GW with the fastest growth taking place in North America according to JLL Research. Ensuring this level of power capacity infrastructure is in place will promote additional demand for electrical contractor services.

Data Centers and Power Infrastructure Support Growth Outlook

Long-Term Market Opportunity: Global data-center investment is projected to reach nearly $7 trillion by 2030 with the U.S. capturing 40% of total global data-center spend

Critical Infrastructure Expansion: Required massive investment in power distribution, redundancy systems, busway, switchgear, grounding, and high-capacity electrical systems

Multi-Year Construction Pipeline: Large-scale data-center programs are running on multi-phase, multi-year timelines, offering contractors consistent backlog visibility and predictable demand for labor, installation, commissioning, and ongoing service.

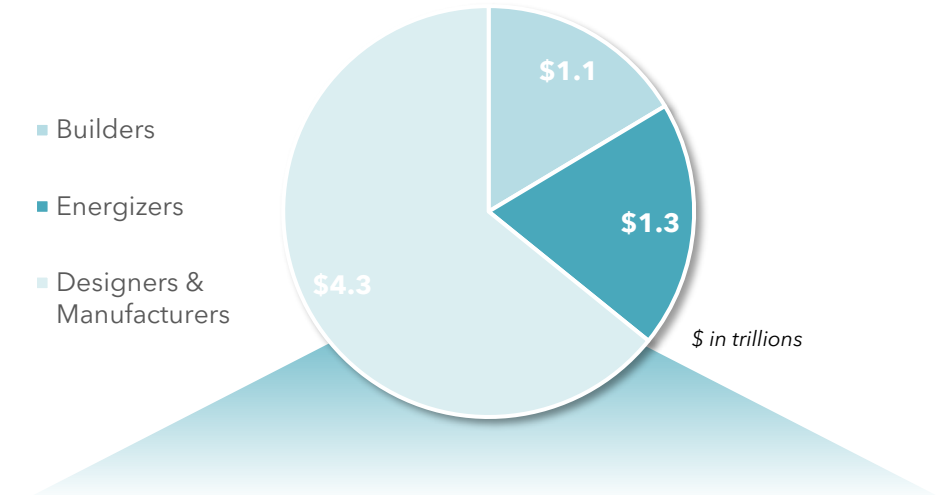
Sources: McKinsey, NVIDIA, JLL, Cascade Estimates

Capital Investment Across Data Centers (2025-2030)

According to investor reports produced by **McKinsey and Nvidia global data center capital expenditure is expected to reach ~$6.7 Trillion with roughly half allocated towards AI Infrastructure Spend through 2030.**

$6.7T	$2.7T | 40%	$1.3T
Capital expenditure will be cumulatively deployed in data center infrastructure through 2030P	*More than 40 percent of the projected CapEx spend will be invested in the United States.*	*CapEx associated with Energizer Segment: Electrical Infrastructure, Cooling, Power Generation, Connectivity*

DC/AI-DC infrastructure buildout represents a sea-change in the demand for electrical contracting and utility infrastructure services, which McKinsey and Nvidia predict will grow at a CAGR exceeding 25% for at least the next five years.



$800B Electrical and Mechanical Equipment + **$400B** Power Generation + **$100B** Network Infrastructure

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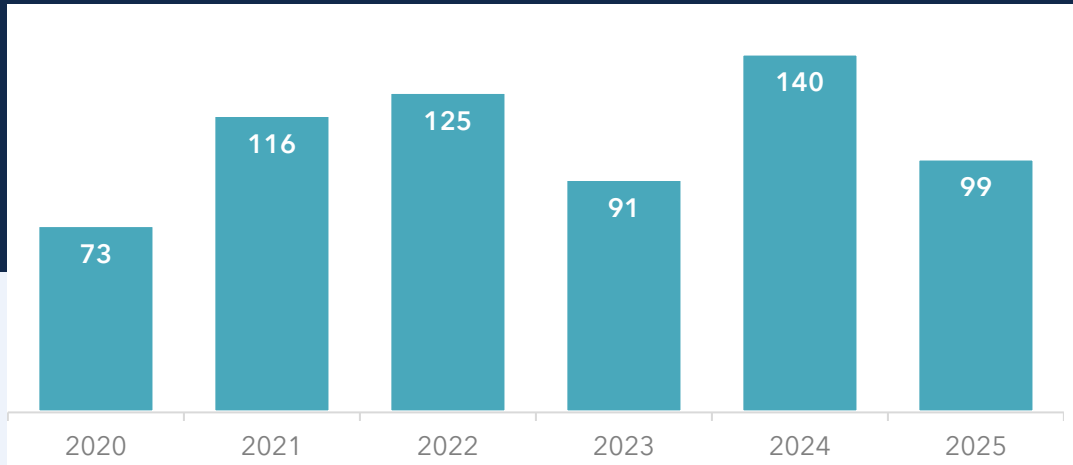
M&A Landscape: Electrical Contracting

The buyer universe for electrical contractors has increased significantly since 2024 and valuations remain strong for attractive targets. Smaller, "bolt-on" acquisitions have driven activity, however, larger transactions from both strategics and private equity were prevalent in 2025.

Exits from first round platforms have started, are increasingly likely to come to market in the near-term, as those platforms approach scale that is attractive to the next tier of buyers.

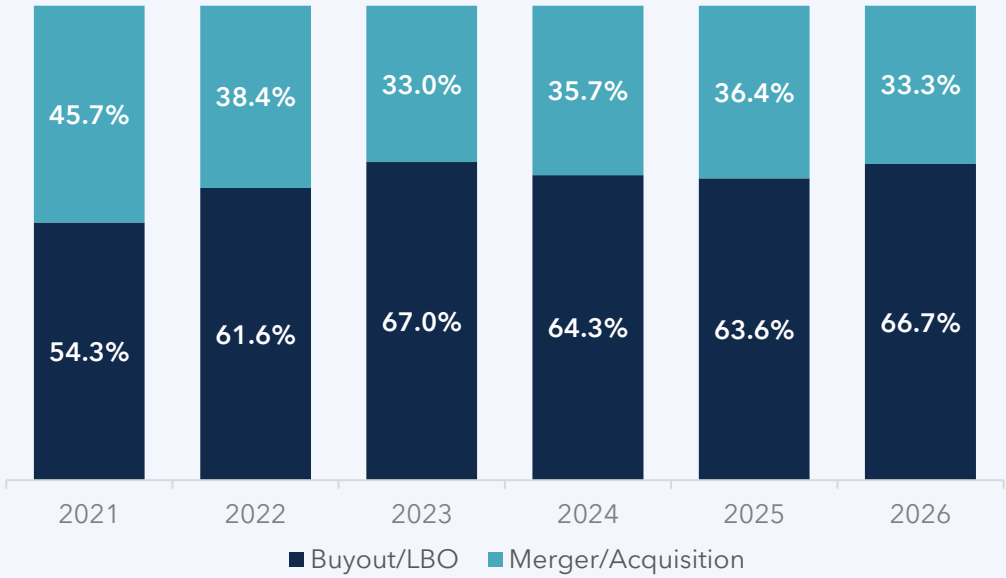
- Historically, private equity players have not invested in electrical contractors due to the traditional project-based nature of the business, working capital constraints, and lack of financing from lenders
- However, over the past five years, there has been a surge in interest from private equity players due to a few factors:
  1) The HVAC/MEP roll-up strategy has faded due to consolidation and higher valuations; now those players are seeking to diversify service offerings through added electrical capabilities,
  2) Forecasted tailwinds driving need for electrical contractors provides attractive trajectory (i.e., data center build-outs, grid modernization, etc.), and
  3) Fragmented market opportunity across the U.S. provides ample roll-up opportunity
- After a slowdown in 2023, electrical contracting M&A rebounded sharply in 2024, with deal volume increasing by ~54% year-over-year. **Activity moderated in 2025, reflecting a more normalized M&A environment, which is anticipated to continue or grow into 2026**
- In recent years, most of the activity has been led by financial buyers pursuing platform companies, followed by add-on acquisitions. Since 2023, **financial buyers represent the majority of M&A transactions** in the space. Strategic acquirers remain active and are seeking accretive opportunities

U.S. Electrical Contractor Acquisitions (Number of Deals)



Source: Pitchbook, S&P Capital IQ data as of 2/1/2026

U.S. Electrical Contractor Acquisitions By Transaction Type



Source: PitchBook data as of 2/1/26

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Key M&A Drivers: Electrical Contracting

Optionality exists for potential sellers within Electrical Contracting, as there is interest from multiple types of buyers; including HVAC & MEP providers (e.g., Pinnacle MEP), Facility Management providers (e.g., TEAM Group), traditional electrical contactors (both large and small), private equity, and family offices.

Platform Acquisition Drivers

- **Seeking contractors with established scale** to serve as a platform to build around
- **Typical platform characteristics:**
  - Ideally 50/50 new construction to TI/retrofit/service revenue mix
  - Serves at least two high-growth end-markets
  - Strong local presence, but likely regional scale
  - Management team capable of driving growth
  - At least $10 million of EBITDA
  - Diversified service offerings, such as Design Build, BIM, and Pre-Fab
  - Travel crews are a plus

Add-On / Strategic Acquisition Drivers:

- **Enhance labor force** and attrition by retaining or **adding new skilled labor** through attractive benefits and strong training programs
- **Geographic expansion**, by taking advantage of a **highly fragmented market**, provides opportunity for operating footprint expansion in key local markets, regionally or nationally
- **Bolsters market share and wallet share within customers** by focusing on attractive subsectors such as low-voltage, smart building management systems, or underground work
- Pursue **growth sectors**, including data and telecom centers, life sciences, healthcare, renewable energy and infrastructure
- **Diversify service offerings** and **opportunities to cross-sell**: expand service capabilities by providing comprehensive mechanical, electrical, and plumbing solutions to an established customer base, or vice versa for MEP providers adding electrical capabilities; **added capabilities** such as medium/high voltage, design & engineering, pre-fabrication, etc.)

Select M&A Activity (H2 2025 and January 2026)

Transaction Date	Target	Buyer Platform	Buyer Owner
Jan-26	PRIME	New Platform	TRUELINK CAPITAL
Jan-26	TRIO ELECTRIC	New Platform	PACELINE Equity Partners
Dec-25	POWER SOLUTIONS	DYCOM INDUSTRIES INC.	N/A
Dec-25	LOENBRO	New Platform	KOHLBERG & COMPANY
Dec-25	J&J ELECTRIC of INDIANA, Inc.	The State Group	APOLLO
Dec-25	GEI ELECTRICAL CONTRACTORS	ALLIED	BEAR CASTLE
Nov-25	BE Inter-Bay Electric Company	NLG NORLEE GROUP	HEARTWOOD PARTNERS
Oct-25	McClintock ELECTRIC, INC.	KELSO INDUSTRIES	OXBOW
Oct-25	MEISNER ELECTRIC / fz feyen zylstra	COMFORT SYSTEMS USA	N/A
Sept-25	CEC	STERLING INNOVATION IN INFRASTRUCTURE	N/A
Sept-25	TUSCAN ELECTRIC HEATING PLUMBING	THE SEER GROUP	GENSTAR CAPITAL
Sept-25	Bruce & Merrilees POWERFUL SOLUTIONS / DIEFENDERFER	ArchKEY SOLUTIONS	26NORTH
Sept-25	slaco ELECTRIC CONSTRUCTION CO.	New Platform	PLATFORM VENTURES

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Select Electrical Contracting Private Equity-Backed Platforms

Financial Buyer	Year Transacted	Platform Name	Total Acquisitions	Geography
TRUELINK CAPITAL (Truelink Capital)	2026	PRIME (Prime Electric)	2	West Coast
PACELINE Equity Partners (Paceline Equity)	2026	TRIO ELECTRIC (TRIO Electric)	-	South
ALIGN COLLABORATE IX PARTNERS	2025	TEAGUE ELECTRIC (Teague Electric)	-	Midwest
PLATFORM VENTURES (Platform Ventures)	2025	staco ELECTRIC CONSTRUCTION CO. (Staco Electric)	-	Central
BROAD SKY PARTNERS (Broad Sky Partners)	2025	COMMONWEALTH ELECTRICAL TECHNOLOGIES (CET)	1	Northeast
SHOREVIEW NORTHSTAR CAPITAL	2025	OAK Generators Electrical•Solar Heating•Cooling Plumbing (Oak Electric)	2	Midwest
KOHLBERG & COMPANY (Kohlberg & Co)	2025	LOENBRO (Loenbro)	5	National
PENINSULA CAPITAL PARTNERS INFLIGHT CAPITAL PARTNERS	2025	TRINITY ELECTRICAL SERVICES INC. (Trinity Electrical)	-	Southeast
stellex CAPITAL MANAGEMENT (Stellex Capital)	2025	ICS (ICS Holding)	8	National
HEARTWOOD PARTNERS (Heartwood Partners)	2024	NLG NORLEE GROUP (Norlee Group)	9	Southeast
26NORTH (26North Partners)	2024	ArchKey SOLUTIONS (ArchKey Solutions)	5	National
AQUILA EQUITY PARTNERS BLUEPOINT	2024	Pinnacle HVAC - Plumbing - Electrical - Piping (Pinnacle MEP)	17	Midwest

Financial Buyer	Year Transacted	Platform Name	Total Acquisitions	Geography
bdc (BDC Capital)	2024	KROON BCES GLOBAL (Kroon Electric)	3	North America
TWO ROADS PARTNERS (Two Roads Partners)	2024	ONE TEAM ELECTRICAL GROUP (One Team Electrical)	3	West
H/C/P (Huron Capital)	2023	CRITICORE (Criticore)	2	West
ALDINE WATCHTOWER CAPITAL	2023	ALLY SERVICES (Ally Services)	7	Mid-Atlantic
SKYKNIGHT (SkyKnight Capital)	2022	FIRSTCALL GROUP (FirstCall Group)	17	National
CAI CAPITAL PARTNERS (CAI Capital Partners)	2021	GreenArrow (GreenArrow)	4	Midwest
CHURCHILL from nuveen GRYPHON INVESTORS	2021	SOUTHERN HOME SERVICES (Southern Home Sr.)	27	National
THE CAMBRIA GROUP SPRING CAPITAL	2021	PirTano (PirTano Construction)	2	Midwest
OXBOW PETERSON PARTNERS	2021	KELSO INDUSTRIES (Kelso Industries)	25+	National
Hastings (Hastings Equity)	2021	MKD ELECTRIC (MKD Electric)	5+	Midwest
NorthCurrent PARTNERS (NorthCurrent)	2020	Liberty Service Partners (Liberty Service)	16	National
ALPINE (Alpine Investors)	2019	APEX SERVICE PARTNERS (Apex Service)	130+	National

Sources: Cascade Research, CapIQ, PitchBook

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Select Strategic Electrical Contracting Profiles

Strategic Company	Company Description	Total Acquisitions	Recent Relevant Acquisition	Acquisition Date
DYCOM (Dycom Industries)	Provider of specialty contracting services to the telecommunications infrastructure and utility industries throughout the United States.	27	POWER SOLUTIONS (Power Solutions)	Dec-25
HUNT ELECTRIC (Hunt Electric)	Provides preconstruction, electrical construction, infrastructure service and maintenance, low voltage system integration, renewable energy options, residential and commercial generator services.	8	RICK ELECTRIC INC. (Rick Electric)	Dec-25
COMFORT SYSTEMS USA (Comfort Systems USA)	Provides comprehensive mechanical contracting services, including heating, ventilation, & air conditioning, or HVAC; plumbing; piping & controls; construction; and other electrical components.	66	MEISNER ELECTRIC, feyen zylstra (Meisner, Feyen Zylstra)	Oct-25
THE WALDINGER CORPORATION (The Waldinger Corporation)	Operates as a specialized construction services provider, delivering fabrication, maintenance, and repair solutions across mechanical, electrical, sheet metal, and related service contracting.	8	PRO ELECTRIC (Pro Electric)	Oct-25
STERLING INNOVATION IN INFRASTRUCTURE (Sterling Infrastructure)	Provider of infrastructure solutions, specializing in e-infrastructure, building solutions and transportation.	17	CEC (CEC Facilities Group)	Sept-25
QUANTA SERVICES, INC. (Quanta Services)	Provider of specialty contracting services, delivering comprehensive infrastructure solutions for the electric and gas utility, communications, pipeline, and energy industries.	200+	DYNAMIC SYSTEMS, INC. (Dynamic Systems)	July-25
E-J (E-J Electrical)	Provider of electrical installation services intended to help clients in all-electric contracting.	5	EC electric (EC Electric)	Mar-25
EMCOR (EMCOR Group)	Provider of electrical and mechanical construction and facilities services, building services, and industrial services.	50	MILLER (Miller Electric)	Feb-25
IES (IES Holdings)	Designer and installer of integrated electrical and technology systems and provides infrastructure products and services in the United States.	75+	ARROW ENGINE ENGINES & COMPRESSION (Arrow Engine Company)	Jan-25

Sources: PitchBook, CapIQ

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Select Strategic Electrical Contracting Public Comparables

Company Name	Enterprise Value ($M)	TTM Revenue ($M)	TTM EBITDA ($M)	Gross Margin	EBITDA Margin	EV / Revenue	EV / EBITDA	Company Description
QUANTA SERVICES, INC.	$83,721	$27,191	$2,462	15.2%	9.1%	3.1x	34.0x	Quanta Services offers infrastructure solutions for the electric and gas utility, renewable energy, communications, pipeline, and energy industries in the United States, Canada, Australia, and internationally.
COMFORT SYSTEMS USA	$46,622	$8,323	$1,252	23.5%	15.0%	5.6x	37.2x	Comfort Systems USA provides mechanical and electrical installation, renovation, maintenance, repair, and replacement services for the mechanical and electrical services industry in the United States.
EMCOR	$35,478	$16,243	$1,710	19.4%	10.5%	2.2x	20.8x	EMCOR Group provides electrical and mechanical construction and facilities, building, and industrial services in the United States and the United Kingdom.
MasTec	$23,407	$13,762	$1,014	12.5%	7.4%	1.7x	23.1x	MasTec provides engineering, building, installation, maintenance, and upgrade services for communications, energy, utility, and other infrastructure primarily in the United States and Canada.
APi GROUP	$21,652	$7,655	$882	31.1%	11.5%	2.8x	24.5x	APi Group Corporation provides safety and specialty services worldwide. The company offers end-to-end integrated occupancy systems.
DYCOM	$13,603	$5,173	$666	20.7%	12.9%	2.6x	20.4x	Dycom Industries provides specialty contracting services to the telecommunications infrastructure and utility industries in the United States.
IES	$9,792	$3,493	$456	25.8%	13.1%	2.8x	21.5x	IES Holdings designs and installs integrated electrical and technology systems and provides infrastructure products and services in the United States.
EVERUS CONSTRUCTION GROUP	$5,418	$3,495	$270	12.1%	7.7%	1.6x	20.1x	Everus Construction Group provides contracting services in the United States. It operates through two segments, Electrical & Mechanical and Transmission & Distribution.
MYR GROUP	$4,239	$3,514	$202	11.3%	5.7%	1.2x	21.0x	MYR Group provides electrical construction services in the United States and Canada. It operates through two segments: Transmission and Distribution, and Commercial and Industrial.
Median	**$21,652**	**$7,655**	**$882**	**19.4%**	**10.5%**	**2.6x**	**21.5x**	
Mean	**$27,104**	**$9,872**	**$990**	**19.1%**	**10.3%**	**2.6x**	**24.7x**	

Source: S&P CapIQ as of Feb 24, 2026

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Utility Infrastructure Industry Overview

Scope: The Utility Infrastructure ("UI") industry includes transmission & distribution contractors and service providers that design, build, upgrade, and maintain electric power transmission lines, substations, distribution networks, and infrastructure. Work is driven by grid expansion, modernization, interconnection of new generation sources, and ongoing maintenance for utilities, cooperatives, and municipalities

Outlook: The U.S. UI market was valued at **$536B** in 2025 and is expected to steadily grow and reach **$570B** by 2031

Key Considerations

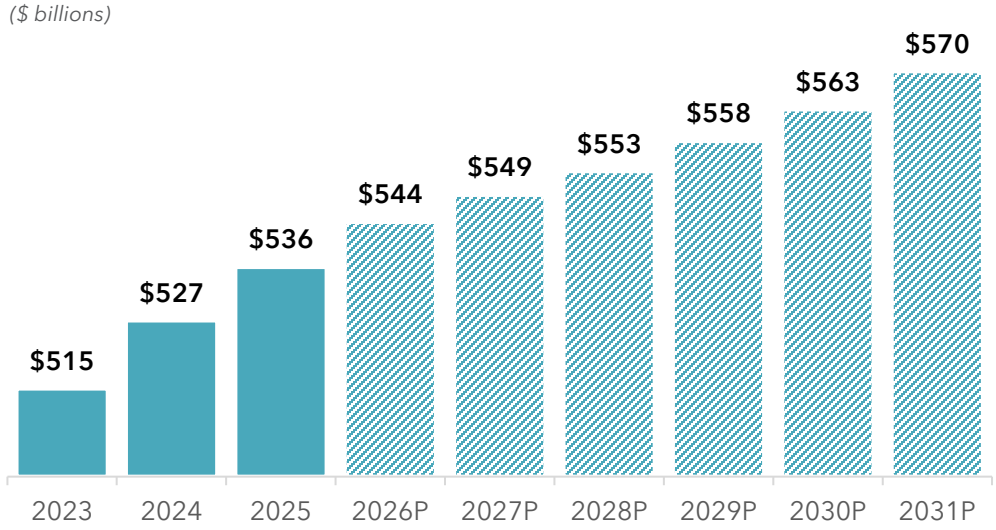
- **Geographic concentration:** Electric power transmission activity is concentrated in the Great Lakes, Mid-Atlantic, and Southeast regions, driven by dense metropolitan populations and energy-intensive manufacturing hubs providing infrastructure
- **End-market mix:** Industry revenue is dominated by residential (48%) and commercial demand (36%), with industrial users contributing 16% and the remainder in transportation, reflecting electricity's essential role across diversified sectors
- **Work profile & funding sensitivity:** Sector growth is supported by sustained infrastructure and technology investment, with smart grid deployment, government funding, and renewable energy mandates driving ongoing transmission upgrades and capacity expansion

Growth Drivers

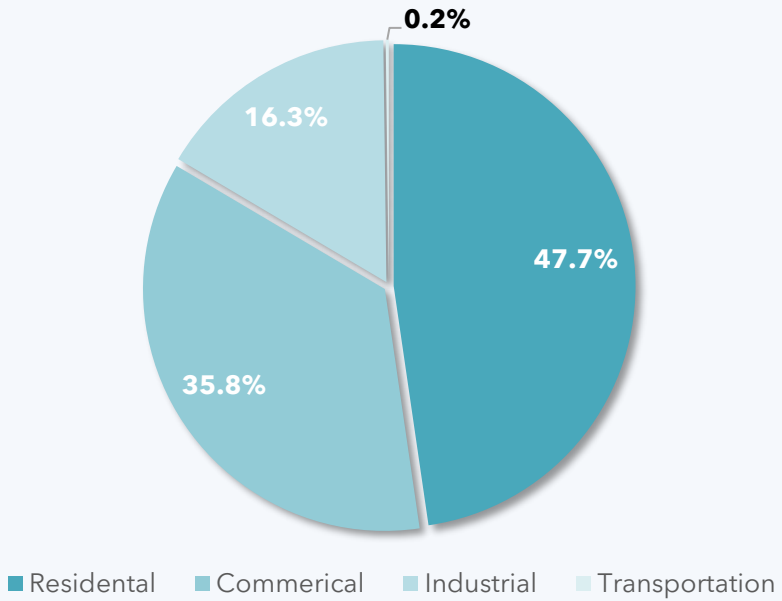
- **Grid Modernization:** Aging infrastructure, load growth, and reliability mandates are driving significant investment in transmission expansion, substation upgrades, and distribution automation
- **Electrification & Load Growth:** Data centers, EV adoption, electrification of heating and industrial processes, and population migration are increasing system load and driving incremental UI capacity requirements
- **Renewable Integration:** Large-scale renewable generation and distributed energy resources require substantial transmission expansion, interconnection work, and upgrades to maintain grid stability

Sources: IBISWorld

U.S. Market Size



Revenue by Industry End-Market Segment (2025)



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M&A Landscape: Utility Infrastructure

Utility Infrastructure assets continue to trade at attractive valuations, supported by long-term grid investment and strengthening buyer demand. M&A activity is focused on specialized UI contractors as private equity sponsors and strategic acquirers look to build scaled platforms with exposure to regulated utility spending and infrastructure resiliency.

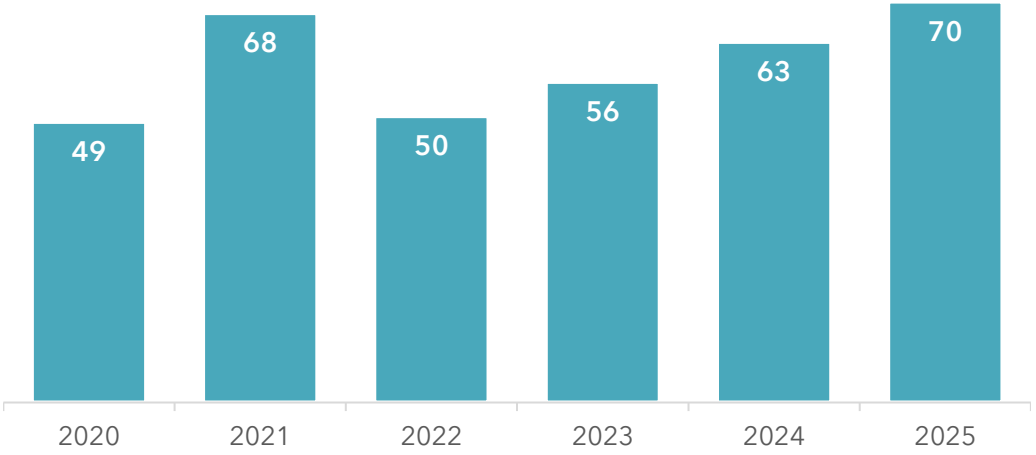
- Utility Infrastructure has historically exhibited lower levels of institutional ownership relative to other adjacent service subsectors and provides an opportunity for consolidation.
- UI has shifted meaningfully over the past several years, driven by structural tailwinds:

  1) Grid modernization, renewables interconnection, and load growth (data centers, AI, EVs, electrification) are driving sustained demand for transmission hardening, substations, and distribution upgrades,

  2) Utilities' increasing reliance on outsourced contractors to meet capex requirements has improved backlog visibility and customer stickiness,

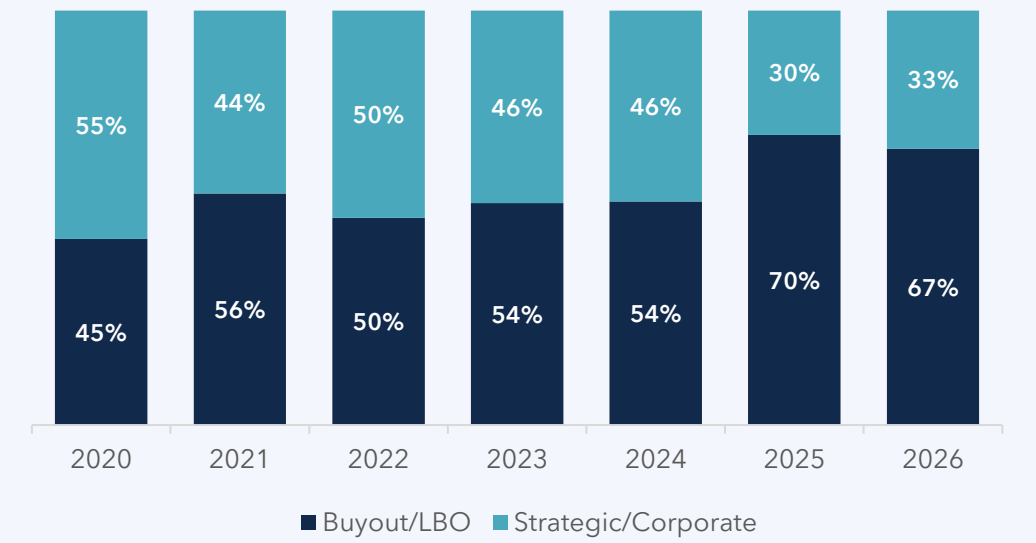
  3) Highly fragmented national footprint creates attractive roll-up opportunities across regional UI specialists with complementary customer relationships and capabilities
- Utility Infrastructure M&A activity continued to build in **2025, with deal volume increasing by ~11% year-over-year.** Early YTD 2026 activity indicates sustained momentum.
- Both financial buyers and strategic infrastructure buyers remain active, particularly in scaled or utility-adjacent assets.

U.S. Utility Infrastructure Acquisitions (Number of Deals)



Source: PitchBook

U.S. Utility Infrastructure Acquisitions By Transaction Type



Source: PitchBook

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Key M&A Drivers: Utility Infrastructure

The buyer universe for UI contractors continues to expand as utilities launch multi-year grid modernization and interconnection programs. Activity is supported by long-term regional transmission planning (FERC Order 1920), utility capex, and targeted federal funding (e.g., DOE's $10.5B GRIP program).

Platform Acquisition Drivers

- **Seeking a UI contractor with established scale** to serve as a platform to build around
- **Typical platform characteristics:**
  - Balanced mix of new line construction, upgrade projects, and recurring maintenance work
  - Serves at least two fast-growing demand drivers (renewable integration, data center load growth, system hardening, etc.)
  - Management team adept at utility program execution and multi-year capital planning

Add-On / Strategic Acquisition Drivers:

- **Expand service density within utility territories by acquiring contractors** with existing master service agreements (MSAs), improving contract coverage and increasing recurring program work
- **Deepen technical capabilities by adding specialized firms** skilled in high-voltage work, grid automation, smart-device installation, or protection and control testing
- **Bolster market share and wallet share within customers** by focusing on attractive subsectors such as low-voltage, smart building management systems, or underground work
- **Pursue growth sectors** including renewable interconnection work, data center projects, infrastructure, and grid-modernization programs
- **Broaden adjacent offerings and cross-sell potential** add management, civil construction, or substation EPC providers to deliver bundled services and win larger multi-disciplinary utility projects

Select M&A Activity (H2 2025 and January 2026)

Transaction Date	Target	Buyer Platform	Buyer Owner
Jan-26	KPC Power	AECON	N/A
Jan-26	Substations, Inc. Substation Construction	ALLIED	BEAR CASTLE
Dec-25	United Utility	New Platform	SandbrookCapital
Dec-25	PIKE	New Platform	TPG La Caisse
Dec-25	AQUAWOLF	QUALUS	NMC New Mountain Capital LLC
Nov-25	Connect Atlantic Utility Services	Centuri	N/A
Nov-25	HAWK Line Construction	Lime Rock New Energy	N/A
Oct-25	Force Electrical Services	New Platform	SKYKNIGHT
Sept-25	TBC Trans Bay Cable	Brookfield Infrastructure Partners	N/A
Jul-25	PowerGrid Services	New Platform	APOLLO
Jun-25	Spartan Infrastructure	SOLV Energy	N/A
Jun-25	C&D Utility Consulting, LLC Construction & Design	halff	N/A

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Select Utility Infrastructure Private Equity-Backed Platforms

Financial Buyer	Year Transacted	Platform Name	Total Acquisitions	Geography
(TPG)	2025	(Pike Corp)	7	National
(Bear Castle Capital)	2025	(Allied Services)	2	National
(Lime Rock)	2025	(Hawk Line)	5+	Midwest
(Sandbrook Capital)	2025	(United Utility)	3	National
(SkyKnight Capital)	2025	(Force Electrical)	-	Midwest
(Brookfield)	2025	(Trans Bay Cable)	-	West Coast
(Apollo)	2025	(PowerGrid Services)	2	National
(Kohlberg & Co)	2025	(RESA Power)	31	North America
(A&M Capital)	2025	(East Coast Power)	1	National
(BlackRock)	2024	(GridTek Utility)	2	National

Financial Buyer	Year Transacted	Platform Name	Total Acquisitions	Geography
(Oaktree Capital)	2023	(Aecon Utilities)	2	North America
(American Pacific)	2023	(Spark Power)	10	North America
(Sterling Partners)	2022	(XKIG)	2	South
(Warren Equity)	2022	(kVP Energy Services)	1	West
(New Mountain)	2021	(Qualus)	10	North America
(KLH Capital)	2020	(Jackson Infra)	2	National
(Argo Infrastructure)	2019	(Hudson Transmission)	-	Northeast
(Clayton, Dubilier & Rice)	2018	(Artera Services)	8	National
(Trilantic)	2018	(Sunbelt Solomon)	8	North America
(CFFI Ventures)	-	(Cormorant Utility)	4	North America

Sources: Cascade Research, CapIQ, PitchBook (year reflects the most recent investor added to the platform)

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Select Strategic Utility Infrastructure Profiles

Strategic Company	Company Description	Total Acquisitions	Recent Relevant Acquisition	Acquisition Date
AECON (Aecon)	Provider of construction and infrastructure development services to private and public sector clients in Canada, the United States, and internationally. It operates through two segments, Construction and Concessions.	22	KPC Power (KPC Power)	Jan-26
Centuri (Centuri Holdings)	Operator of a utility infrastructure services company in North America. The Company offers gas utility services and electric utility services encompassing maintenance, replacement, repair, upgrade, and expansion services for urban transmission and local distribution infrastructure.	6	CORMORANT ATLANTIC (Connect Atlantic Utility)	Nov-25
QUANTA SERVICES, INC. (Quanta Services)	Provider of specialty contracting services, delivering comprehensive infrastructure solutions for the electric and gas utility, communications, pipeline, and energy industries.	200+	NIAGARA POWER TRANSFORMER (Niagara Power)	Sept-24
EVERUS CONSTRUCTION GROUP (Everus Construction)	Operates as a provider of contracting services in the United States. It operates through two segments: Electrical & Mechanical and Utility Infrastructure.	6	Divestiture from MDU Resources Group	Oct-24
alectra utilities (Alectra Utilities)	Distributor and utility services provided based in Canada. Delivers electrical distributions services to residential and commercial customers.	3	GAGNON CONSTRUCTION (Gagnon Line Construction)	June-24
BLACK & VEATCH (Black & Veatch)	Engineering, procurement, consulting, and construction (EPC) firm with more than a century of infrastructure expertise and a strong presence across the power sector.	13	BIRD (Bird Electric)	May-23
Primoris (Primoris Services)	Provider of infrastructure services primarily in the United States and Canada. The company operates in two segments: Utilities and Energy.	22	PLH GROUP (Power Line Holdings)	Aug-22
MYR GROUP (MYR Group)	Provider of electrical construction services in the United States and Canada, operating through two segments: Transmission and Distribution, and Commercial and Industrial.	7	POWERLINE PLUS (Powerline Plus)	Jan-22
EDISON INTERNATIONAL (Edison International)	Generator and distributor of electric power. The company supplies and delivers electrical infrastructure throughout the West coast.	25+	-	-

Sources: PitchBook, CapIQ

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Select Strategic Utility Infrastructure Public Comparables

Company Name	Enterprise Value ($M)	TTM Revenue ($M)	TTM EBITDA ($M)	Gross Margin	EBITDA Margin	EV / Revenue	EV / EBITDA	Company Description
ENGIE	$108,550	$74,353	$14,884	34.6%	20.0%	1.5x	7.3x	Engie operates as an energy company, engages in the renewables and decentralized, energy networks, and energy services businesses internationally.
QUANTA SERVICES, INC.	$83,721	$27,191	$2,462	15.2%	9.1%	3.1x	34.0x	Quanta Services offers infrastructure solutions for the electric and gas utility, renewable energy, communications, pipeline, and energy industries in the United States, Canada, Australia, and internationally.
EMCOR	$35,478	$16,243	$1,710	19.4%	10.5%	2.2x	20.8x	EMCOR Group provides electrical and mechanical construction and facilities, building, and industrial services in the United States and the United Kingdom.
DYCOM	$13,603	$5,173	$666	20.7%	12.9%	2.6x	20.4x	Dycom Industries provides specialty contracting services to the telecommunications infrastructure and utility industries in the United States.
Primoris	$9,304	$7,459	$515	11.0%	6.9%	1.2x	18.1x	Primoris Services Corporation provides infrastructure services primarily in the United States and Canada. The company operates in two segments, Utilities and Energy.
MDU RESOURCES GROUP, INC.	$6,420	$1,875	$497	32.6%	26.5%	3.4x	12.9x	MDU Resources Group engages in the regulated energy delivery businesses in the United States. The company operates through three segments: Electric, Natural Gas Distribution, and Pipeline.
EVERUS CONSTRUCTION GROUP	$5,418	$3,495	$270	12.1%	7.7%	1.6x	20.1x	Everus Construction Group provides contracting services in the United States. It operates through two segments, Electrical & Mechanical and Transmission & Distribution.
MYR GROUP	$4,239	$3,514	$202	11.3%	5.7%	1.2x	21.0x	MYR Group provides electrical construction services in the United States and Canada. It operates through two segments: Transmission and Distribution, and Commercial and Industrial.
Median	**$11,454**	**$6,316**	**$590**	**17.3%**	**9.8%**	**1.9x**	**20.3x**	
Mean	**$33,342**	**$17,413**	**$2,651**	**19.6%**	**12.4%**	**2.1x**	**19.3x**	

Source: S&P CapIQ as of Feb 24, 2026

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Electrical Contracting and Utility Infrastructure M&A Market Update

H2 2025

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