

ENERGY, POWER, AND INFRASTRUCTURE SUMMARY REPORT

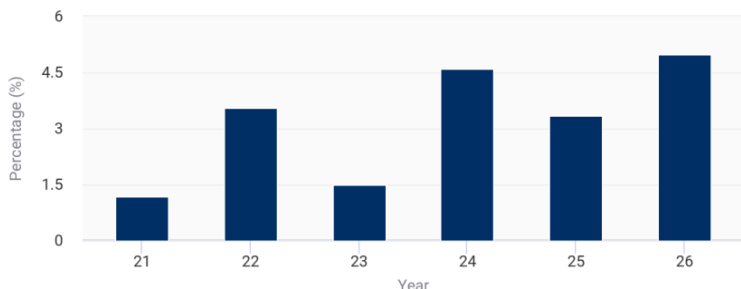
3rd Quarter 2021 Outlook



TRANSMISSION & DISTRIBUTION INDUSTRY OVERVIEW

- Revenue for the Transmission Line Construction industry increased amid the COVID-19 pandemic as industry services were deemed essential to critical infrastructure and household electricity and internet use increased amid stay-at-home orders.
- Favorable industry conditions and revenue growth are expected to continue throughout 2021, as nonessential businesses fully reopen, providing the industry with several recovering downstream markets. As a result, industry revenue is forecast to increase 1.2% in 2021 alone.
- As the economy rebounds from the pandemic, increased government expenditure for the construction and maintenance of electrical power and telecommunication lines are anticipated to rise in 2021 and over the outlook period. On March 31, 2021, the Biden Administration announced expansion plans for industry-relevant infrastructure.
- The industry has experienced consistent growth over the five years to 2021, driven by an expansion in demand from the industry's primary downstream market, electric power companies.
- Favorable industry conditions and revenue growth are expected to continue throughout 2021. Nonessential businesses are anticipated to fully resume operations due to the widespread distribution of the coronavirus vaccine, which will provide the industry with several recovering downstream markets. As a result, over the five years to 2021, industry revenue is expected to increase at an annualized rate of 4.0% to \$77.3 billion, with a 1.2% increase estimated in 2021. Industry profit is also expected to grow during the five-year period.
- Over the five years to 2026, industry growth is projected to continue growing along with the anticipated economic recovery, with revenue expected to rise at an annualized rate of 3.6% to \$92.3 billion.
- Increased electrical infrastructure development throughout the United States is expected to bolster industry revenue, as many areas do not have adequate electrical power grid development to sustain the nation's ever-increasing power needs. The value of utilities construction and private nonresidential construction are forecast to grow an annualized 2.1% and 3.1%, respectively, supporting industry growth over the next five years.
- Additionally, the industry is anticipated to benefit as power generation increasingly shifts from coal to natural gas and renewable sources, which requires higher infrastructure investment.

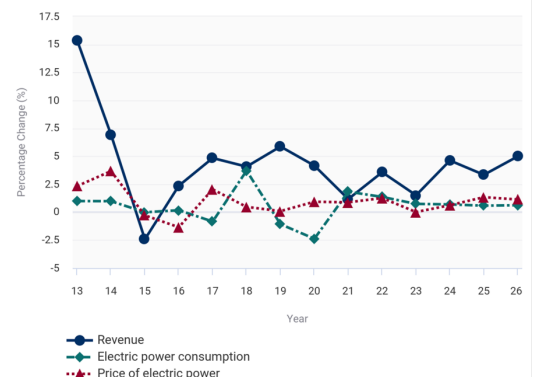
Industry Outlook 2021–2026



Transmission Line Construction
Source: IBISWorld

Source: IBISWorld

Key External Drivers 2013–2026



Transmission Line Construction
Source: IBISWorld

T&D INDUSTRY GROWTH DRIVERS



Renewables Integration

- **Renewables Integration** – Increasing use and incorporation of renewable generation sources requires a significant transmission and substation investment to interconnect the renewable facilities into the power grid and to facilitate overall system reliability. Renewables' share of electricity generation may more than double from 2020 to 2050.

Grid Hardening

- **Grid Hardening** – Electric utilities are in the early stages of making investments aimed at improving the grid to better withstand severe weather – including hurricanes, extreme winter storms, and several wildfires – as recently experienced throughout the western U.S.

Outsourcing Trends

- **Outsourcing Trends** – As the utility and communications industries invest record levels of capex, they are also faced with an aging and retiring workforce – this is expected to only intensify their demand for qualified outsourced construction and maintenance solutions. Electrical utilities currently outsource over 90% of their transmission work and 35% of their distribution work, or approximately 50% of total T&D work.

Communications & 5G

- **Communications & 5G Infrastructure** – Continued growth in consumer and industrial demand for data and bandwidth-intensive communications infrastructure for interconnected devices will continue to drive significant investments in fiber networks and their respective infrastructure.

Electric Vehicle Trends

- **Electric Vehicle Trends** – Greater EV adoption will require significant changes to the grid, including upgrades, new construction, increased maintenance and construction of a distributed EV charging infrastructure.

Aging Infrastructure

- **Aging and Inadequate T&D infrastructure** – Much of the nation's grid is aging, with some components over a century old — far past their 50-year life expectancy — and others, including 70% of T&D lines, are well into the second half of their lifespans. Decades of underinvestment and neglect in the US are now requiring non-discretionary maintenance, repairs and upgrades from various infrastructure service providers, especially in the T&D sector.

Regulatory Tailwinds

- **Regulatory Tailwinds** - Federal Energy Regulatory Commission ("FERC") Order 1000: Establishes transmission planning and cost allocation requirements for public utility transmission providers; Federal Solar Investment Tax Credit (ITC) that is available to project developers is driving some of the anticipated solar growth; Biden Administration infrastructure bills and push for clean energy initiatives .

T&D INDUSTRY M&A ENVIRONMENT

Deal activity in this market is expected to remain strong for the foreseeable future.

The broader infrastructure services market was highly resilient through COVID-19 as most segments were deemed essential. Those service providers that were impacted due to shutdowns and work stoppages were more heavily impacted, with industrial end markets the most severe.

The utilities market fared better than others and investment is expected to increase significantly as utilities are making considerable investments to replace, upgrade, and expand new and existing T&D infrastructure, primarily driven by the need to improve the reliability and capacity of the North American T&D network and by long-term regulatory requirements and incentives.

RECENT T&D / INFRASTRUCTURE TRANSACTIONS



Recent Transactions	Date	Target Description
 Acquired by 	9/2/2021	Quanta Services announced that it has entered into a definitive agreement to acquire Blattner Holding Company (Blattner), one of the largest and leading utility-scale renewable energy infrastructure solutions provider in North America, for approximately \$2.7 billion.
 Acquired by  United Utility	9/2/2021	United Utility , a Bernhard Capital Partners portfolio company, acquired Williams Electric Company , a comprehensive electrical utility contractor with primary operations in North and South Carolina and expanded reach throughout the southeast U.S. The acquisition adds a recognized, trusted brand to United Utility's platform of utility service providers, while growing its national footprint.
 Acquired by  CENTURI	6/29/2021	Centuri Group, Inc. , a wholly-owned subsidiary of Southwest Gas Holdings, Inc. (NYSE: SWX), today announced it has entered into a definitive agreement to acquire Riggs Distler & Company, Inc. and its affiliates. The addition of Riggs Distler provides Centuri a union electric platform and allows Centuri to provide new service offerings to a combination of utility customers. The acquisition expands Centuri's geographic reach and union electric platform.
 Acquired by 	6/3/2021	Artera Services acquired Pueblo, CO-based K.R. Swerdfeger Construction, Inc. a leading provider of natural gas distribution and water infrastructure services, with a focus on the repair and renewal of existing underground infrastructure. The acquisition expands Artera's core gas distribution services into Colorado and New Mexico while strengthening its existing water and wastewater service offerings.
 Acquired by 	6/3/2021	Pearce Renewables , a Paso Robles, CA-based leader in engineering, operations, and maintenance services for renewable energy infrastructure and backed by New Mountain Capital , a New York, NY-based private equity firm, has acquired Mortenson Energy Services , a Minneapolis, MN-based provider of operations and maintenance services for the wind and solar industries to create a leading independent service provider to the renewable energy industry.
 Acquired by 	5/27/2021	Artera Services acquired Boston-based Feeney Utility Services Group ("FUSG"), comprised of Feeney Brothers Utility Services and DDS Companies, a leading natural gas utility service provider in the Northeast and Mid-Atlantic. FUSG strengthens Artera's position as a leader in gas distribution services and expands Artera's service presence into the Northeast.
 Acquired by 	5/5/2021	MasTec, Inc. (NYSE: MTZ) acquired INTREN, LLC for approximately \$420 million. INTREN is a premier utility specialty contractor primarily providing electrical distribution network services under various multi-year master service agreements to the nation's largest utilities, municipalities, and cooperatives. INTREN is headquartered in Union, Illinois and has approximately 2,000 employees providing services in 14 states across the United States.

Source: Public Company Filings, PR Newswire, RCO Research

ROMANCHUK & CO. FIRM CAPABILITIES



Romanchuk & Co. is a boutique investment banking firm providing strategic advisory services to our clients across the lower middle-market, including sourcing, initiating, structuring and negotiating mergers and acquisitions raising capital, as well as providing valuation and restructuring services. We specialize 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. Our team of licensed investment bankers provides sell-side M&A advisory services to lower middle-market companies with enterprise values ranging from \$15 million to \$250 million. For more information, please visit our website at www.romanchukco.com.

INDUSTRY EXPERTISE

The principal of our firm has over two decades of experience advising several firms in the T&D industry, on mergers and acquisitions, capital raising strategies, operations, finance and accounting. Drawing on our collective industry experience and strengths, Romanchuk & Co. has a unique ability to execute transactions across the diversified industrial sectors, while maximizing value for our clients in the lower middle-market.



INDUSTRY RECOGNITION



Romanchuk & Co. was selected as the Boutique Investment Banking Firm of the Year for 2018. Over 230 nominees, representing over 600 companies, became finalists for the awards. An independent judging committee of 29 top M&A industry experts determined the ultimate recipients of the awards.

In addition, Romanchuk & Co. was named a finalist in the following categories: Energy Deal of the Year, Industrials Deal of the Year (\$10MM-\$50MM), M&A Deal of the Year (\$10MM-\$25MM), and M&A Deal of the Year (\$50MM-\$75MM).

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