

The BAIRD logo is a white, sans-serif font set against a dark blue, parallelogram-shaped background.

Global Investment  
Banking

A white, stylized circuit board pattern with various geometric shapes and lines is overlaid on a dark blue background.

# BAIRD'S PERSPECTIVES ON THE ELECTRICAL POWER SOLUTIONS MARKET

June 2026

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For more regarding our industry teams and bankers, please visit:  
<https://www.rwbaird.com/corporations-and-institutions/investment-banking/industries-of-focus>

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## BAIRD ELECTRICAL POWER SOLUTIONS KEY LTM M&A METRICS



**~\$11 Billion**  
Total M&A  
Transaction Value



**9**  
Total M&A  
Transactions



**~\$1.4 Billion**  
Average Transaction  
Value

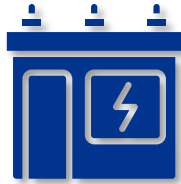


**~17x**  
Average EV/EBITDA  
Multiple

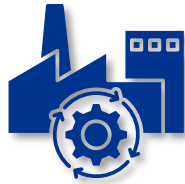
## ELECTRICAL / GRID



Transmission & Distribution

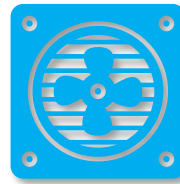


Energy Storage / Grid Stability

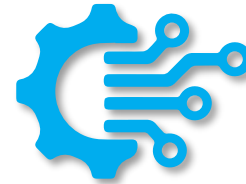


Utility Services

## DATA CENTER



Power & Cooling



Connectivity, Cables and Components



Maintenance & Services

**ORMAT**  
 \$1,000,000,000  
 Convertible Notes  
 Convertible Senior Notes

**SOLV ENERGY**  
 \$621,000,000  
 Common Stock  
 Follow-on Offering

**Paragon**  
 A Portfolio Company of  
**WINDJAMMER CAPITAL**  
 Sale to  
**MIRION**

**GROOME**  
 A Portfolio Company of  
**ARGOSY**  
 Sale to  
**Ariel Alternatives**

**FERVO ENERGY**  
 \$2,173,500,000  
 Common Stock  
 Initial Public Offering  
 Pending

**NSI**  
 A Portfolio Company of  
**Sentinel CAPITAL PARTNERS**  
 Sale to  
**HUBBELL**

**RESA POWER**  
 A Portfolio Company of  
**INVESTCORP**  
 Sale to  
**KOHLBERG**

**INTERMATIC**  
 Sale to  
**MPE PARTNERS**

**CoolIT systems**  
 A Portfolio Company of  
**KKR**  
 Sale to  
**ECOLAB**  
 PROTECTING WHAT'S VITAL

**PDU Cables | epco**  
 Sale to  
**WINDJAMMER CAPITAL**

**TRACHTÉ**  
 A Portfolio Company of  
**PALLADIUM**  
 Sale to  
**nvent**

**XACS**  
 A Portfolio Company of  
**GENESYS**  
 Acquisition of  
**AboveAir TECHNOLOGIES**

**GI PARTNERS**  
 Recapitalization of  
**FLEXENTIAL**  
 Single Asset Continuation Vehicle

**CERTREC**  
 Regulatory and Technology Solutions for the Energy Industry  
 Sale to  
**MIRION**

**APG**  
 A Portfolio Company of  
**AEA**  
 Sale to  
**WARREN EQUITY PARTNERS**

**SUNBELT SOLOMON**  
 A Portfolio Company of  
**Trilantic**  
 NORTH AMERICA  
 Recapitalization  
 Senior Term Loan  
 Revolving Credit Facility  
 Delayed Draw Facility

**Sentinel CAPITAL PARTNERS**  
 Acquisition of  
**NSI**  
 A Portfolio Company of  
**Odyssey ENERGY**

**MIRATECH**  
 A Portfolio Company of  
**ENERGY PARTNERS**  
 Sale to  
**TPG RISE ENERGY**

**CONCENTRIC**  
 A Division of  
**ONPOINT GROUP**  
 A Portfolio Company of  
**HARVEST PARTNERS**  
 Sale to  
**MITSUBISHI HEAVY INDUSTRIES**

**GOLDEN GATE CAPITAL**  
 Acquisition of  
**DMCPower**

**GSE SOLUTIONS**  
 Future of Power Operations  
 Sale to  
**PELICAN ENERGY SERVICES**

**Dominion Engineering, Inc.**  
 Sale to  
**AlliedPower**  
 A Portfolio Company of  
**Barnhard Capital Partners**

**BHI energy**  
 A Portfolio Company of  
**ae** Industrial Partners  
 Sale to  
**Westinghouse**  
 A Portfolio Company of  
**Brookfield**

**gabocom**  
 A Portfolio Company of  
**Bregal** Unternehmenskapital  
 Sale to  
**APTIV**

BAIRD DEAL	TRANSACTION SNAPSHOT
<p>Pending</p>  <p>A Portfolio Company of</p>  <p>Sale to</p> 	<ul style="list-style-type: none"> <li>■ <i>Global leader in scalable direct liquid cooling (DLC) solutions for AI and high-performance computing for data center environments</i></li> <li>■ <i>Partners with leading semiconductor manufacturers and hyperscale cloud providers, supported by global R&amp;D, manufacturing and on-site service</i></li> </ul>
 <p>A Portfolio Company of</p>  <p>Sale to</p> 	<ul style="list-style-type: none"> <li>■ <i>Category-leading manufacturer of branded electrical fittings, connectors, components and wire management products</i></li> <li>■ <i>15,000+ SKUs sold through 2,000+ North American distributors, with growing exposure to data center and electrification end markets</i></li> </ul>
 <p>Sale to</p> 	<ul style="list-style-type: none"> <li>■ <i>PDU Cables is the industry leader in custom-engineered power distribution solutions for data center environments</i></li> <li>■ <i>Primarily serves electrical contractors, colocation owner / operators, hyperscalers and enterprise customers, with more than 7,000 installations completed since 1981</i></li> </ul>
 <p>A Portfolio Company of</p>  <p>Sale to</p> 	<ul style="list-style-type: none"> <li>■ <i>Leading provider of safety-critical parts and instrumentation &amp; controls solutions with systems present in 100% of nuclear reactors in North America</i></li> <li>■ <i>Only U.S.-owned supplier of approved digital Reactor Protection Systems with a sizeable early-mover advantage in the small modular reactor segment</i></li> </ul>
 <p>A Portfolio Company of</p>  <p>Sale to</p> 	<ul style="list-style-type: none"> <li>■ <i>Proven leader in specialty maintenance, providing turnkey solutions that reduce emissions and improve plant performance</i></li> <li>■ <i>Offers the nation's widest service portfolio for critical infrastructure, employing over 800 technicians across more than 20 U.S. locations</i></li> </ul>
<p>GI PARTNERS</p> <p>Recapitalization of</p>  <p>Single Asset Continuation Vehicle</p>	<ul style="list-style-type: none"> <li>■ <i>Leading provider of secure, flexible data center solutions and high-density colocation services for complex IT environments</i></li> <li>■ <i>Operates more than 40 data centers across 18 highly connected markets</i></li> </ul>
 <p>Sale to</p> 	<ul style="list-style-type: none"> <li>■ <i>Leading regulatory compliance and digital solutions provider for the power generation industry</i></li> <li>■ <i>Offers NERC and nuclear compliance services, SaaS applications and AI-integrated solutions to streamline operations and regulatory adherence</i></li> </ul>



A photograph of a server rack in a data center, illuminated with blue light. The rack is filled with server units, each featuring a prominent hexagonal pattern on its front panel. The left side of the rack is covered by a perforated metal mesh. A central graphic overlay consists of a white hexagonal pattern with circuit-like lines. The text "2026 MARKET OUTLOOK" is centered within this graphic.

# 2026 MARKET OUTLOOK

# Q1 2026 Update: AI Power Demand Intensifies and Grid Capex Hits Record Levels

## Data Center & AI Trends



### 1 MW Rack Era Arrives

Vera Rubin entered production in January, with Rubín Ultra targeting 1 MW racks in 2027; Industry leaders are developing new power architectures to support megawatt-scale AI facilities



100 kW

Current Rack Densities, with Liquid Cooling now Standard



1+ MW

Rubin Ultra Target Rack Density



### Liquid Cooling Becomes Industry Default

Direct-to-chip and immersion cooling have shifted from optional to required for AI workloads; coolant distribution units and high-capacity heat rejection are scaling rapidly



\$50B

Liquid Cooling Market (2034P)



35 – 40%+

1-Phase Liquid Cooling Market 2025 – 2030P CAGR

## Utility & Power Grid Infrastructure Trends



### Utility Capex Plans Expand

Investor-owned utilities boosted capital plans to fund data center load growth, generation build and transmission / distribution modernization



20%+

Increase in Investor-owned Utility Capex Plan Value (2026 – 2031)



\$1.3T+

Cumulative Utility Capex (2026 – 2030)



### DOE Backs Reconductoring & GETs

The DOE made \$1.9B available in Mar-26 for transmission reconductoring and grid-enhancing technologies – the largest federal push to date for near-term capacity unlocks



\$1.9B

DOE funding for reconductoring & advanced grid tech (Mar 2026)



+78%

Ampacity increase from advanced conductors (Montana-Dakota field result)

## Other Electrical Power Technology Trends



### Co-Packaged Optics (CPO) Inflection

Industry is transitioning to Silicon Photonics and Co-Packaged Optics (CPO) to scale interconnect speeds while utilizing micro-LEDs to slash the ~60% of data center energy currently lost to data movement



~60%

DC energy spent on data movement (CPO opportunity)



~95%

Interconnect power reduction (micro-LED CPO vs. copper)



### LDES Iron-Air Moves Commercial

85 MW advancement, alongside major iron-air contracts from industry leaders, signals a structural shift beyond 4-hour storage limits that's driving SEIA forecasts for record 70 GWh U.S. BESS deployments



85 MW

Form Energy iron-air project, Lincoln, ME (100-hr duration)



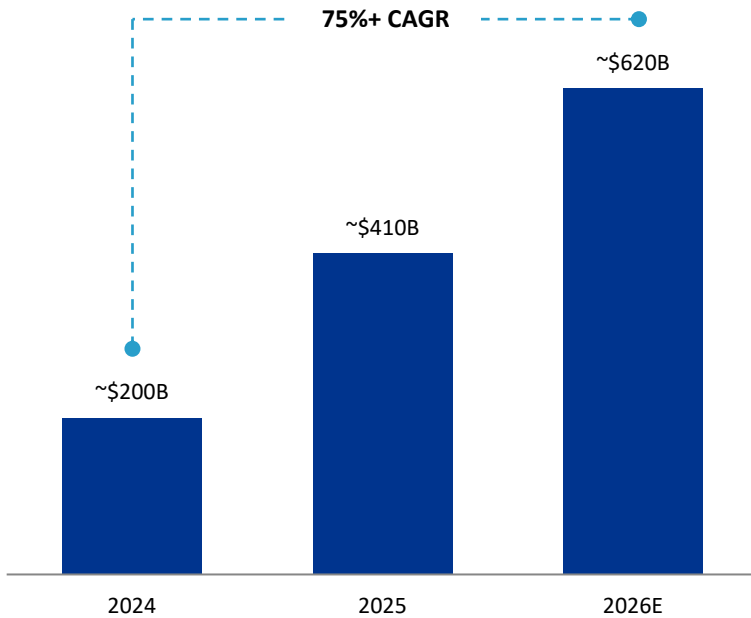
~70 GWh

SEIA projection for 2026 U.S. BESS deployments

# Rising Electricity and Power Services Demand Led by Data Center Expansion

## BIG TECH AI INFRASTRUCTURE CAPEX

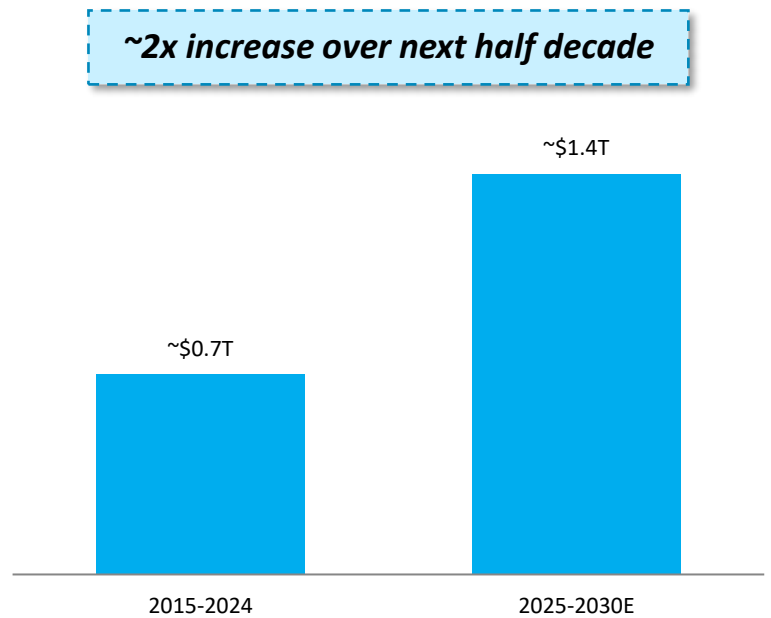
(\$ in Billions, hyperscaler aggregate)



*Hyperscaler AI infrastructure capex is set to triple in two years to ~\$620B in 2026 (+50% YoY), anchoring an unprecedented multi-year demand cycle for power, T&D and electrical infrastructure*

## U.S. ELECTRIC UTILITY CAPEX "SUPER-CYCLE"

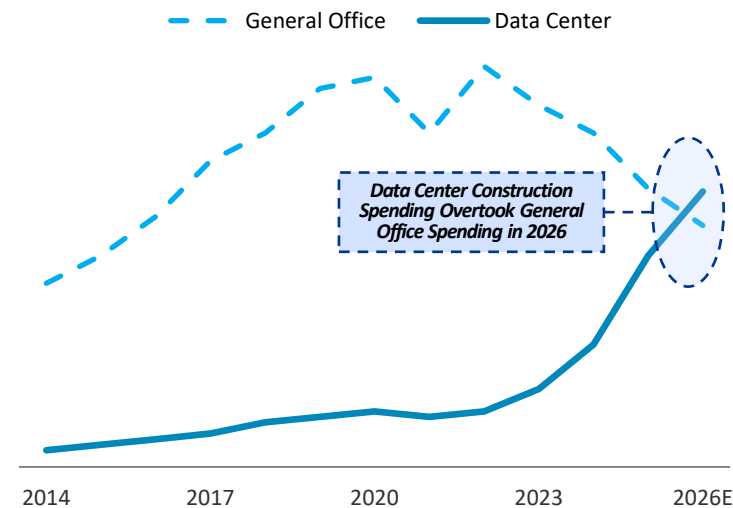
(\$ in Trillions)



*U.S. electric utility capex is set to total \$1.4T over 2025–2030, double the prior decade, as utilities respond to AI-driven load growth forecasts now running at ~11.6% over the next ten years*

## DATA CENTER CONSTRUCTION SURPASSES GENERAL OFFICE

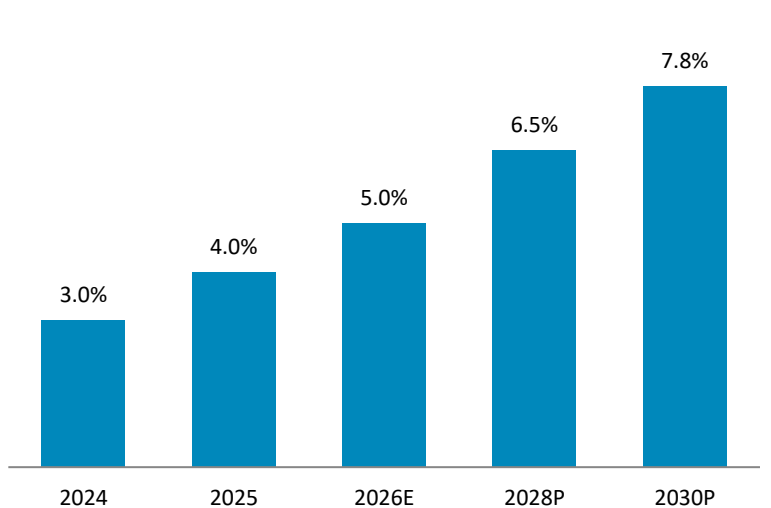
(U.S. construction spending, \$ in Billions)



*For the first time on record, U.S. data center construction has surpassed general office, running at ~\$50B in March 2026, up roughly 5x in three years*

## DATA CENTER'S SHARE OF U.S. ELECTRICITY DEMAND

(% of total U.S. electricity consumption)



*U.S. data center electricity consumption is set to roughly double by 2030, from ~4% to ~8% of total U.S. electricity, anchoring the strongest four-year power demand growth since 2000*



## KEY INSIGHTS



### **AI Reshaping Load Planning**

Shift from steady-state 10–40 MW sites to volatile GW-scale GPU campuses is breaking traditional utility planning models and forcing recurring cluster-study rework across the system



### **Speed vs. Reliability Tension**

Hyperscaler urgency is colliding with legacy utility reliability mandates, accelerating adoption of behind-the-meter generation, batteries and developer-funded grid-adjacent infrastructure



### **The Permitting Bottleneck**

Easements, permitting and community approvals, not equipment or engineering, have become the binding constraint, stranding pre-procured gear and creating churn across the development pipeline



### **Early Engagement & "Realness" Screening**

Utilities now require pre-land-acquisition engagement to filter speculative projects, while credible developers secure land and power ahead of signed leases in markets with deep utility relationships



### **Partnerships as Competitive Moat**

Tight developer utility EPC coordination is emerging as the dominant success factor, with EPCs pulled in earlier in the lifecycle and repeat utility relationships becoming a durable competitive advantage



### **Grid Architecture Redesign**

Utilities are rearchitecting systems with redundant 230kV feeds, load looping and isolation strategies, potentially a "dual network" model, while developers layer batteries to smooth AI workload volatility



### **Site Selection & Community Integration**

Site viability now hinges on transmission access, easement security and community acceptance, pushing developers to invest meaningfully upfront in local infrastructure and long-term community integration

The background of the cover features a dark blue sky with several high-voltage power line towers. Bright blue and yellow light trails streak across the scene, suggesting energy or data flow. A central horizontal band contains a white circuit board pattern on the left and the title text on the right.

# **PUBLIC MARKETS OVERVIEW**

## Electrical / Grid



## Data Center



## Services





“ On the positive side, **data centers clearly stands out**. Other segments to mention would be a strong utilities market with investment in **grid build-out, stability and reliability**. Customers are also continuing to spend on upgrades of electrical infrastructure for land-based transport. And linked to transport, we still see good market conditions in the marine and rail markets.

— ABB CEO, Q1 2026 Earnings Call



“ The demand in data center and distributed IT market **continues to grow even faster than we estimated 3 months ago**. We now estimate **32 gigawatts of total data center capacity under construction in the U.S., of which 70% is AI**. Total data center backlog has grown to **228 gigawatts or 12 years of backlog at the 2025 build rates**, up from the 11 years in our last update.

— Eaton CEO, Q1 2026 Earnings Call



“ As global electrification accelerates, **the structural drivers underpinning demand for our solutions continue to strengthen**. The growth is just starting, and there is no company better positioned to serve and transform the global electricity system than GE Vernova. Since our spin, we launched with a \$116 billion backlog. **We've grown this backlog to \$163 billion** with an 80% increase in our equipment backlog at considerably better margins.

— GE Vernova CEO, Q1 2026 Earnings Call



“ Hubbell delivered strong financial performance to begin the year with **double-digit growth in sales, adjusted operating profit and adjusted earnings per share**. Organic growth of 8% in the first quarter was driven by double-digit organic growth in our Electrical Solutions segment as well as our grid infrastructure businesses within the Utility Solutions segment. Our core utility T&D markets remain strong with **highly visible load growth driving continued strong demand in transmission and substation markets**.

— Hubbell CEO, Q1 2026 Earnings Call



“ The amount of investment going into critical infrastructure right now is significant and is being driven by some very durable trends, whether that's **AI and data centers, grid reliability, energy demands, critical infrastructure or connectivity**. And the way we're positioned at MasTec, we're right in the middle of all of that... **In Power Delivery, the visibility remains strong. We're in the middle of a multiyear investment cycle in the grid**.

— MasTec CEO, Q1 2026 Earnings Call



“ Our data center business grew across the portfolio in both the gray and white spaces. **In the white space, we had outstanding growth in liquid cooling**, along with strong growth in power distribution units and cable management. We are winning with a wide range of customers **from hyperscalers to neo clouds and multi-tenants** and also through our distribution partners.

— nVent CEO, Q1 2026 Earnings Call



“ What ran through everything we presented in our Investor Day was one word, **certainty — execution certainty, labor certainty, supply chain certainty, schedule certainty**. That is what our customers need right now, and that is what this company is built to deliver. **Utilities are being asked to double in size. Technology customers are demanding speed at scale they haven't dealt with before**.

— Quanta Services CEO, Q1 2026 Earnings Call



“ The momentum we're seeing across the business is strong, and it's translating into the kind of performance that gives us confidence to **raise our outlook for the full year**. What we're seeing in customer conversations is different than 6 months ago. **The urgency has increased. The scale of deployments is larger** and the technical complexity is creating opportunities for companies that can solve system-level problems, which is exactly where we excel.

— Vertiv CEO, Q1 2026 Earnings Call

## SELECTED PEER INDEXES PREMIUM OVER BICC (CURRENT EV / NTM EBITDA MULTIPLE)

- Data center stocks have seen a steep rise in valuation in the first half of 2026, with their premium expanding compared to peer groups and the broader industrial market; the expanding valuation is underpinned by ongoing capacity constraints in available compute and well-publicized backlogs in the semiconductor supply chain
- Since the end of 2025, Electrical / Grid and Services peer groups have also expanded their premium compared to the broader market; realized stock performance has also grown more stratified as grid modernization trends accelerate
- These peer groups remain well-positioned for sustained long-term growth, supported by a projected \$470B+ annual global grid investment, the essential maintenance of aging U.S. infrastructure and accelerating domestic manufacturing electrification

### 3.9x

Electrical / Grid Multiple Premium vs Industrial Market

### 14.2x

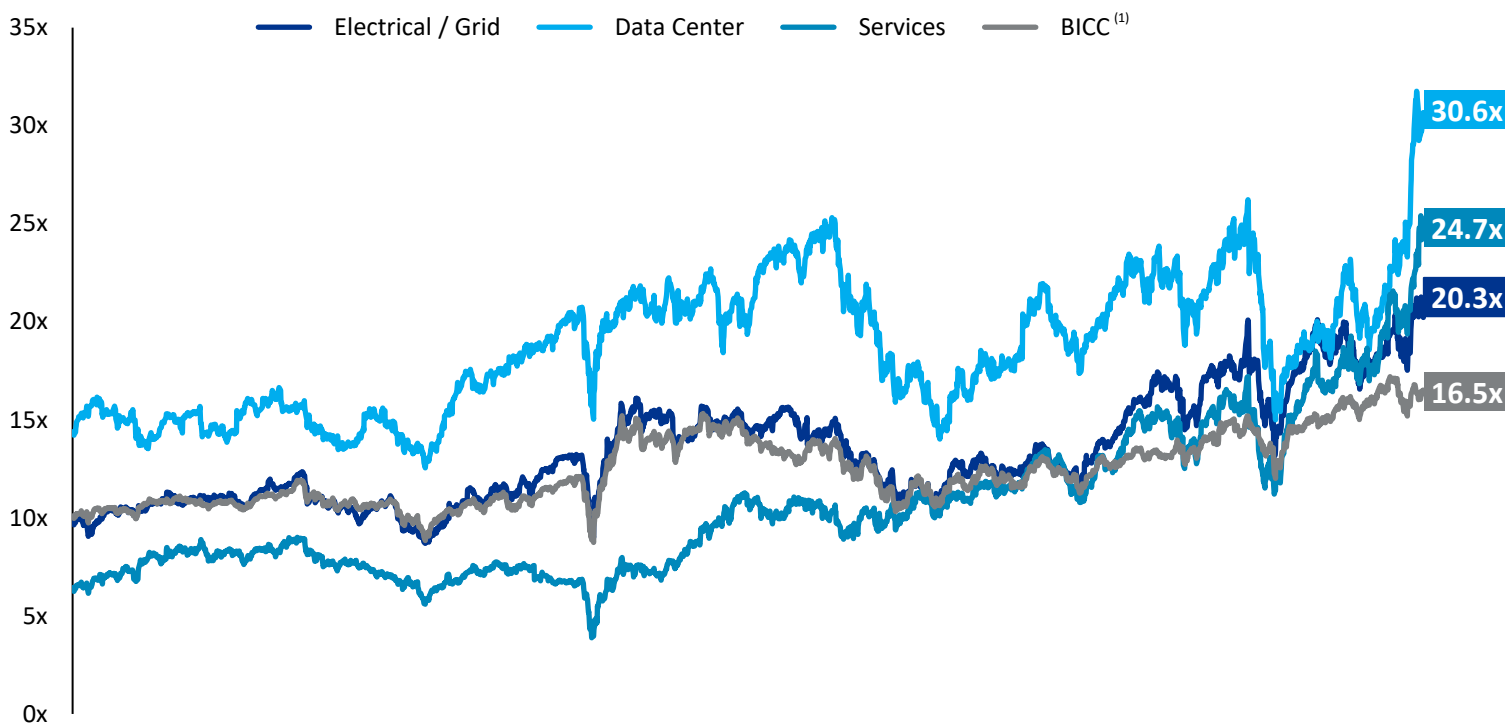
Data Center Premium vs Industrial Market

### 8.3x

Services Premium vs Industrial Market

## 10-YEAR EV / NTM EBITDA PERFORMANCE

(Indexed Performance)



Average Multiples	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Electrical / Grid	10.2x	11.1x	10.5x	11.2x	13.9x	14.8x	12.2x	12.7x	16.1x	17.6x	19.3x
Data Center	14.9x	15.2x	14.4x	17.2x	20.3x	22.5x	18.1x	19.0x	22.1x	19.9x	24.5x
Services	7.1x	8.3x	7.4x	7.1x	7.0x	10.4x	10.3x	12.0x	14.6x	15.9x	20.9x

Source: Capital IQ and Company filings as of May 2026.

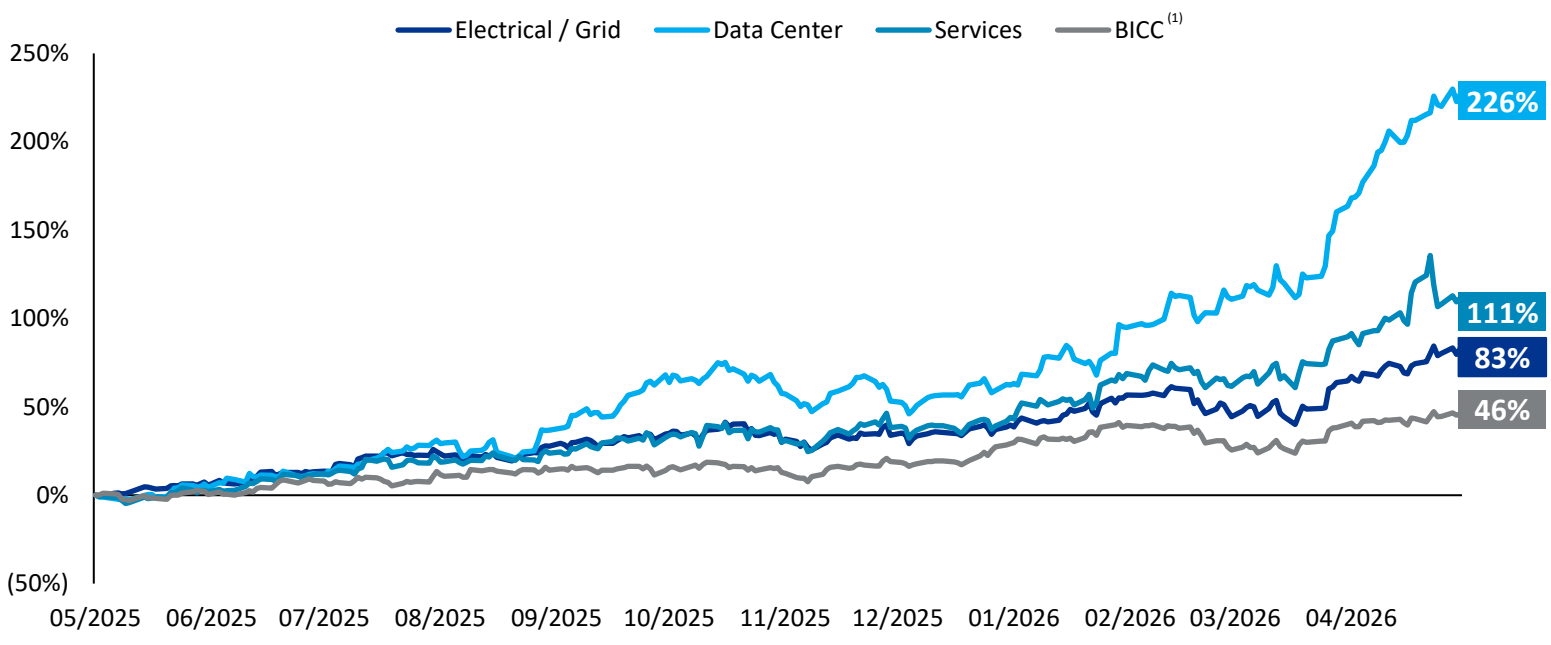
Note: The selected peer groups are defined on page 9.

(1) Baird Industrial Company Composite ("BICC") represents ~470 companies which Baird views as indicative of the publicly traded industrial universe.

# Market Performance Overview

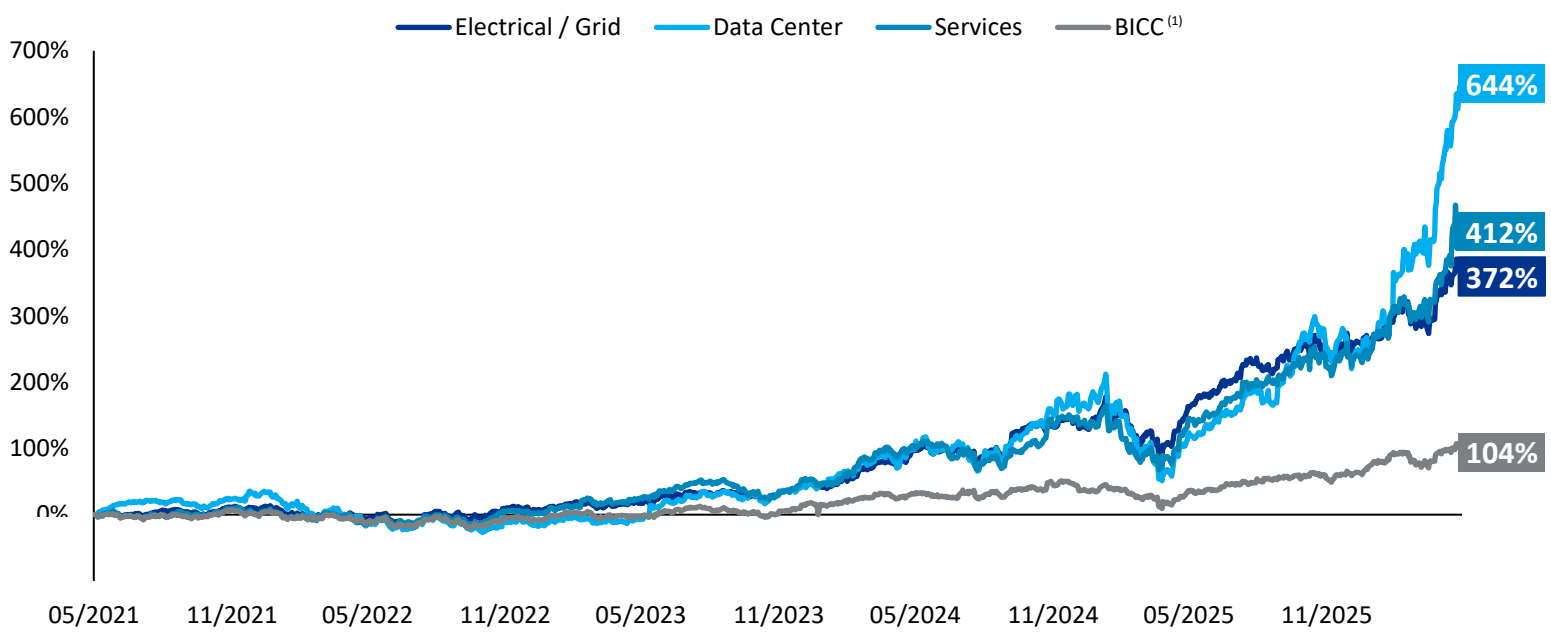
## 1-YEAR STOCK PERFORMANCE

(Dividend-adjusted, Indexed Performance)



## 5-YEAR STOCK PERFORMANCE

(Dividend-adjusted, Indexed Performance)



*Electrical / Grid stocks have outperformed the BICC over both short (LTM) and long-term (L5Y) investment horizons*

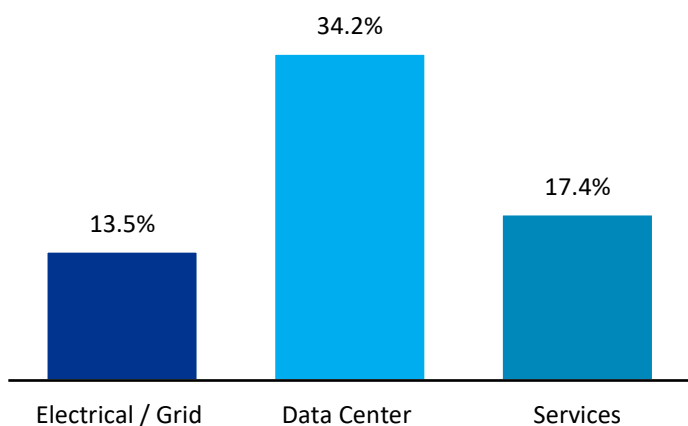
*Data Center stocks have outperformed the broader industrials market, achieving a 644% five-year return*

*Services have outperformed the BICC over both 1 and 5-year horizons*

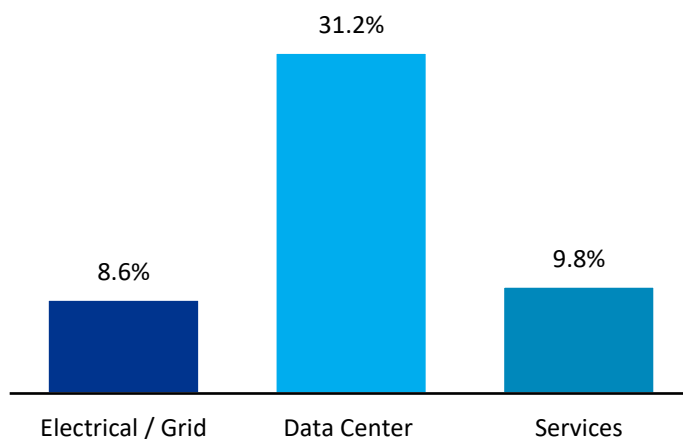
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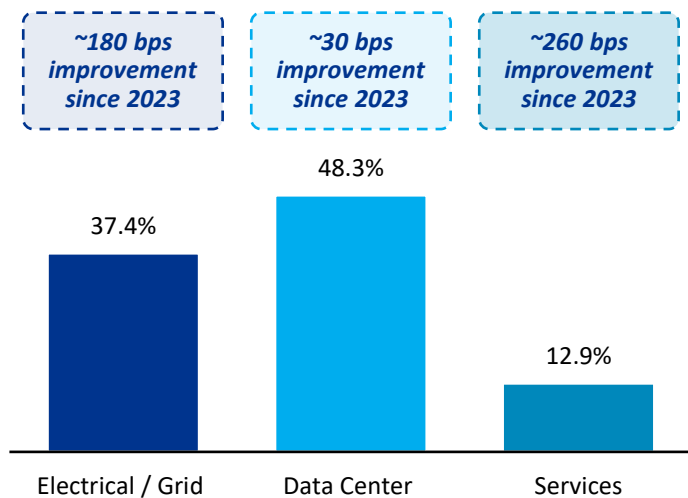
## 2026E REVENUE GROWTH



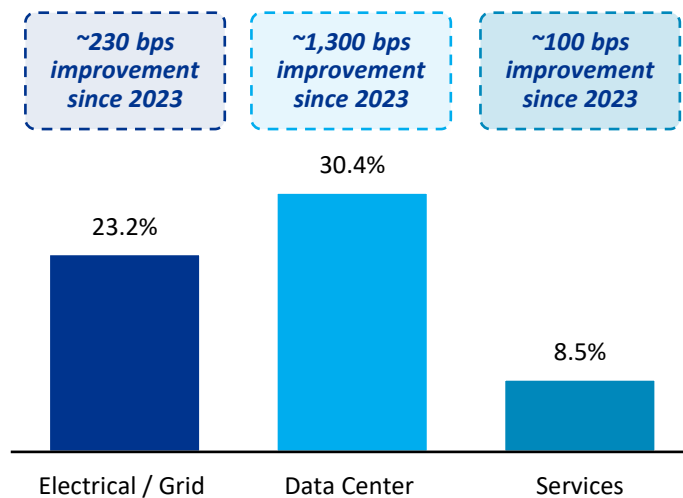
## 2027P REVENUE GROWTH



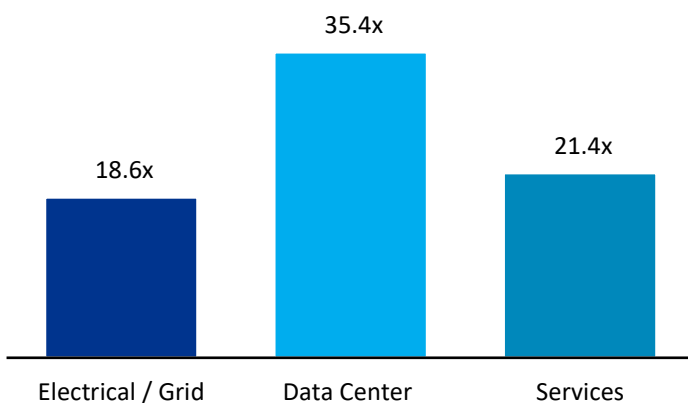
## 2026E GROSS MARGIN



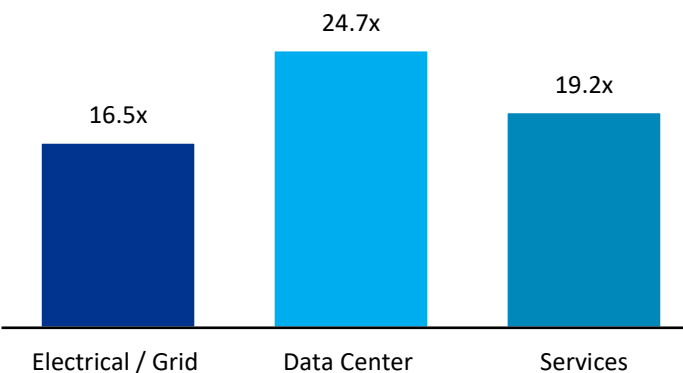
## 2026E EBITDA MARGIN



## 2026E EV / EBITDA MULTIPLE



## 2027P EV / EBITDA MULTIPLE



Source: Capital IQ and Company filings as of May 2026.  
 Note: The selected peer groups are defined on page 9. Values represent the median.

# Public Company Analysis – Valuation & Operating Metrics

(\$ in millions)

	Market Cap.	Enterprise Value	EV / 2026E EBITDA	EV / 2027P EBITDA	2026E Revenue	2026E Gross Margin	2026E EBITDA Margin	2026E Rev. Growth	2027P Rev. Growth	Net Debt / LTM EBITDA
<b>Electrical / Grid</b>										
ABB	\$195,020	\$198,995	24.4x	22.3x	\$37,514	40.6%	22.3%	11.3%	8.3%	0.5x
Constellation	108,245	130,184	15.4x	13.8x	34,685	51.9%	26.0%	35.9%	3.0%	2.7x
Curtiss-Wright	26,915	27,720	32.6x	29.8x	3,761	N/A	23.0%	9.6%	7.9%	1.0x
Eaton	162,698	183,824	24.2x	20.6x	32,047	37.7%	24.9%	16.8%	10.5%	3.3x
Forgent	10,439	11,245	28.1x	19.6x	1,779	N/A	25.9%	56.8%	36.4%	4.2x
GE Vernova	288,358	283,484	45.6x	30.3x	45,481	24.4%	16.0%	21.9%	14.1%	N/M
Hubbell	25,901	28,133	17.9x	16.6x	6,407	35.8%	25.0%	9.7%	5.8%	1.5x
Legrand	48,068	53,609	18.0x	16.5x	12,323	51.0%	24.2%	13.4%	8.6%	2.2x
Littelfuse	11,781	12,009	18.6x	16.1x	2,786	39.6%	23.9%	17.0%	8.6%	0.4x
Mirion Technologies	4,519	5,398	18.6x	16.1x	1,138	48.9%	26.1%	22.7%	7.4%	4.0x
nVent Electric	28,041	29,548	26.9x	23.0x	5,001	37.2%	23.0%	30.3%	13.2%	1.6x
Prysmian	53,029	57,843	17.6x	15.4x	25,005	37.4%	13.5%	9.9%	7.5%	1.4x
Schneider Electric	181,863	200,165	18.1x	16.0x	50,078	42.9%	22.3%	8.9%	8.6%	1.9x
Siemens Energy	179,919	170,894	19.2x	16.1x	52,339	N/A	17.3%	13.5%	13.2%	N/M
TE Connectivity	60,166	65,065	12.4x	11.0x	19,879	N/A	26.9%	10.7%	7.3%	1.0x
<b>Mean</b>	<b>\$92,331</b>	<b>\$97,208</b>	<b>22.5x</b>	<b>18.9x</b>	<b>\$22,015</b>	<b>40.7%</b>	<b>22.7%</b>	<b>19.2%</b>	<b>10.7%</b>	<b>2.0x</b>
<b>Median</b>	<b>53,029</b>	<b>57,843</b>	<b>18.6x</b>	<b>16.5x</b>	<b>19,879</b>	<b>39.6%</b>	<b>23.9%</b>	<b>13.5%</b>	<b>8.6%</b>	<b>1.6x</b>
<b>Data Center</b>										
Delta Electronics	\$185,888	184,705	32.1x	22.1x	\$24,407	36.9%	27.9%	40.7%	35.2%	N/M
Equinix	107,128	129,124	24.6x	22.3x	10,240	69.0%	52.7%	10.6%	9.9%	5.1x
Marvell Technology	149,392	151,544	38.7x	27.2x	11,523	58.5%	43.6%	32.7%	36.5%	0.8x
Vertiv	141,321	142,086	41.5x	30.8x	13,878	38.6%	26.1%	35.7%	27.2%	0.3x
<b>Mean</b>	<b>\$145,932</b>	<b>\$151,864</b>	<b>34.2x</b>	<b>25.6x</b>	<b>\$16,990</b>	<b>47.2%</b>	<b>32.8%</b>	<b>29.9%</b>	<b>27.2%</b>	<b>2.1x</b>
<b>Median</b>	<b>145,357</b>	<b>146,815</b>	<b>35.4x</b>	<b>24.7x</b>	<b>16,878</b>	<b>40.1%</b>	<b>27.0%</b>	<b>34.2%</b>	<b>31.2%</b>	<b>0.8x</b>
<b>Services</b>										
API	\$19,114	\$21,539	18.2x	16.2x	\$8,662	32.0%	14.1%	9.5%	6.3%	2.3x
Centuri Holdings	3,351	4,238	14.7x	12.8x	3,481	8.6%	8.6%	20.3%	9.7%	3.5x
EMCOR	41,396	40,997	20.9x	19.2x	19,006	19.2%	10.5%	13.3%	6.8%	N/M
Everus Construction	8,363	8,451	23.5x	21.4x	4,375	12.5%	8.4%	20.2%	8.8%	0.3x
MasTec	32,865	35,731	23.6x	19.6x	17,550	13.0%	9.0%	24.7%	12.1%	2.3x
MYR Group	7,138	7,036	21.9x	19.2x	4,107	12.6%	8.1%	14.7%	9.8%	N/M
Primoris Services	6,206	6,773	14.2x	11.5x	7,641	10.5%	6.8%	1.4%	12.4%	1.2x
Quanta Services	117,254	123,307	34.3x	30.1x	35,030	15.4%	10.5%	24.9%	11.9%	2.2x
<b>Mean</b>	<b>\$29,461</b>	<b>\$31,009</b>	<b>21.4x</b>	<b>18.7x</b>	<b>\$12,482</b>	<b>15.5%</b>	<b>9.5%</b>	<b>16.1%</b>	<b>9.7%</b>	<b>2.0x</b>
<b>Median</b>	<b>13,739</b>	<b>14,995</b>	<b>21.4x</b>	<b>19.2x</b>	<b>8,151</b>	<b>12.8%</b>	<b>8.8%</b>	<b>17.4%</b>	<b>9.8%</b>	<b>2.2x</b>



# SECTOR M&A ACTIVITY

# Electrical Power Solutions M&A Activity

Global M&A activity hit a record \$1.6 trillion in Q1 2026, the strongest start to a year on record, with U.S. Power & Utilities deal value surging to \$50 billion in March alone, up ~1,270% year-over-year. The dominant theme of the quarter was the convergence of power and cooling for AI data centers, with multiple large strategic and sponsor-led acquisitions announced.

Strategics continued to execute on record backlogs (Eaton, Quanta and GE Vernova each pushed backlog to all-time highs in Q1 2026) and pivoted aggressively toward grid-to-chip platforms. Hyperscaler capex announcements re-rated demand estimates higher, AI is now projected to consume ~3.5% of global electricity by 2030, and U.S. data center construction put-in-place is tracking toward ~\$550 billion of capex in 2026 (+52% versus three years ago).

Valuations for high-quality platforms continue to command a material scarcity premium, recent precedents include Flex's \$1.1 billion acquisition of EP<sup>2</sup> and Ecolab's \$4.75 billion acquisition of CoolIT at 29x NTM EBITDA. Given the structural, multi-year tailwinds from data center expansion and grid modernization, we expect Electrical Power Solutions M&A to continue outpacing the broader M&A market well into 2026 and beyond.

## SELECT RECENT TRANSACTIONS



Announced Date: March 2026

*EP<sup>2</sup> is a leading provider of engineered-to-order electrical power control and protection systems, supplying utility, power generation and data center customers from a scaled Midwest manufacturing footprint*

Announced Date: March 2026

*CoolIT Systems is a pure-play direct-to-chip liquid cooling company, supplying CDUs and cold plates to major hyperscalers and chip designers including NVIDIA and AMD*

Announced Date: May 2026

*NSI is a leading manufacturer and supplier of over 15,000 branded electrical products serving industrial, infrastructure and commercial end markets across North America.*

“  
This acquisition strengthens our Critical Power platform and supports our strategy to meet growing demand for resilient electrical infrastructure. EP<sup>2</sup>'s engineering expertise, customer-focused culture, and utility-grade solutions further enhance our power portfolio  
- Flex CEO  
”

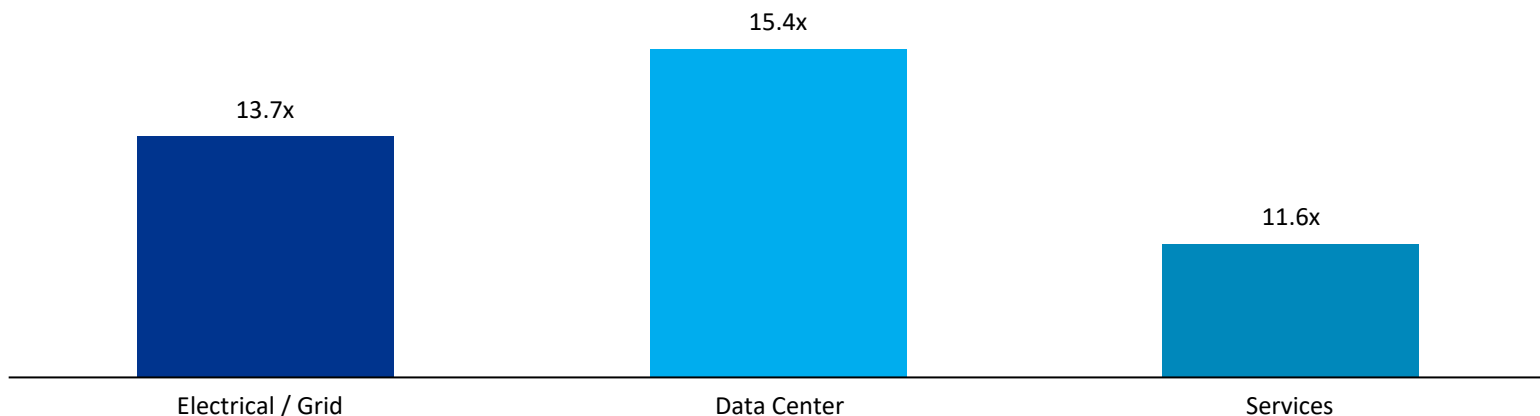
“  
By bringing together CoolIT's engineered cooling technologies with Ecolab's expertise in water, chemistry and digital service, we can provide our customers a complete cooling solution that improves performance and reliability while reducing water and energy use  
- Ecolab CEO  
”

“  
As electrification megatrends drive attractive growth across the electrical industry over the next several years, NSI offers highly complementary products and industry-leading brands to our HES portfolio across strategic growth verticals  
- Hubbell CEO  
”

## 2022 – 2026 M&A VALUATIONS

(Average EV / EBITDA Multiples)

Average EV / EBITDA transaction multiples for deals within Baird's proprietary database of Electrical Power Solutions transactions have traded in the low-teens over this period.



The logo for BAIRD, featuring the word "BAIRD" in a white, serif font on a dark blue, trapezoidal background.

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