



BAIRD

Global Investment
Banking


BAIRD'S PERSPECTIVES ON THE ELECTRICAL POWER SOLUTIONS MARKET

October 2025

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For more regarding our industry teams and bankers, please visit:
<http://rwbaird.com/investment-banking/teams/industry>



BAIRD'S ELECTRICAL POWER SOLUTIONS COVERAGE

Baird's Electrical Power Solutions Team

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BAIRD ELECTRICAL POWER SOLUTIONS KEY M&A METRICS – SINCE 2021 ⁽¹⁾



~\$19 Billion
Total M&A
Transaction Value



28+
Total M&A
Transactions



~40%
Strategic Buyer
Outcomes



~14x
Average
EV/EBITDA Outcome

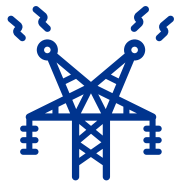
Source: Baird Investment Banking and Market Research.

(1) Includes relevant Baird Electrical Power Solutions M&A transactions from January 2021 to September 2025.

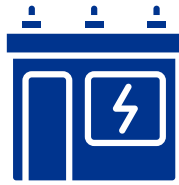
Baird's Coverage Focus

BAIRD

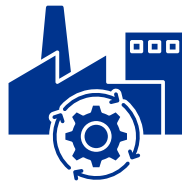
ELECTRICAL / GRID



Transmission &
Distribution

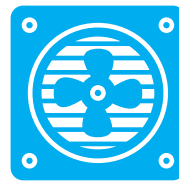


Energy Storage /
Grid Stability

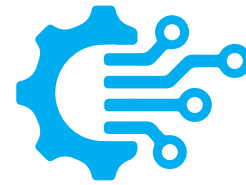


Utility
Services

DATA CENTER



Power &
Cooling

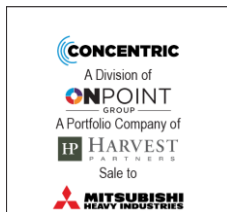


Connectivity, Cables
and Components



Maintenance
& Services

SELECTED BAIRD PRECEDENT TRANSACTIONS



Note: Select transactions shown.

MACRO THOUGHT LEADERSHIP



STRATEGAS

- Despite ongoing tariff-related uncertainties, **data center supply chains have shown resilience** and major tech firms continue to uphold their capital investment plans
- As **energy sources diversify**, managing variable power inputs demands innovative load balancing strategies to ensure grid stability and consistent delivery
- There's room for the **AI investment surge to continue**, with **Big Tech spending set to continue**, a more accommodative tax environment in 2026 & institutional adoption broadening
- Artificial intelligence, crypto mining and a desire to bring manufacturing back home **all significantly increase demand for electricity and require grid modernization**
- Expanded manufacturing activity fueled by recent investment trends **will necessitate additional grid resources to sustain higher industrial power consumption**
- While growth in the U.S. private sector has slowed, the continued expansion in technology is now driving the economy, a **positive sign for the future of the electric grid and infrastructure development**

LEADING EQUITY RESEARCH COVERAGE



"We believe that the massive CapEx build-out by today's hyper-scalers, which will likely total in the multi-trillions over the next 5-10 years, will create significant value in the form of AI infrastructure moats."

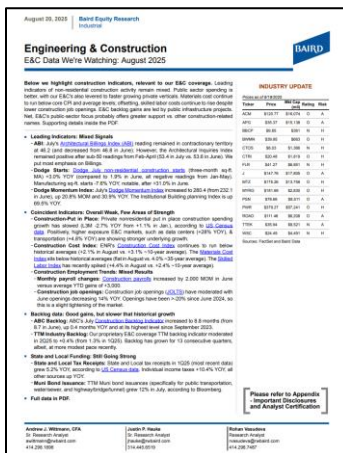
“

The scale of this investment cycle is reshaping capex plans for the foreseeable future, with a potential aggregate bill we think **could reach the multi-trillions for hyperscalers over the next 5-10 years.**

— Colin Sebastian, August 2025

”

ELECTRICAL / GRID SERVICES



"Further, the 'electrification' trends in the market are resulting in electricity load demand growth, reversing decades of efficiency-led demand stability/declines."

“

Coal / nuclear plant retirements, new gas-fired and renewable power generation assets and an aging power grid facing reliability and storm hardening concerns **all support continued power delivery investment.**

— Justin Hauke, July 2025

”



INDUSTRY OVERVIEW

Robust Demand Across the Electrical Power Sector, Supporting Continued Expansion and Growth



Increased Power Demand and Electrical Grid Investment

The U.S. electrical grid is under pressure as data center and manufacturing growth drive record demand, driving capacity increases and triggering infrastructure upgrades



Exploding Demand Forecasts

Data center electricity demand is projected to more than double reaching approximately **945 TWh** by 2030



Multiyear Utility CapEx Investments

Utilities are expected to spend **~\$195B** in 2025E in response to aging infrastructure, electrification and growing load requirements – an increase of **~\$75B** from 2019



Cooling Loads Driving Power Demand in Data Centers

As AI workloads intensify, cooling systems are becoming a major contributor to data center energy consumption, driving demand for efficient power delivery



20%+

Data Center Immersion Cooling Market CAGR (2024 – 2032P)



20%+

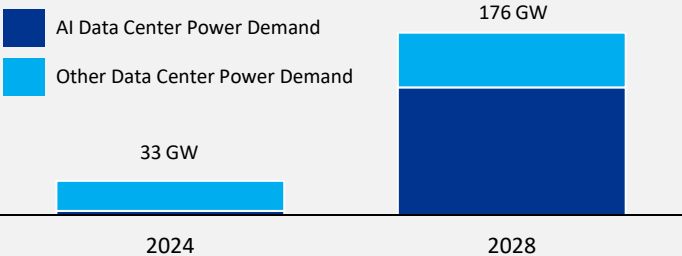
of Total Data Center Electricity Use Attributable to Cooling



AI-Driven Data Center Power Demand

Growth in AI data centers is the key driver for overall growth in U.S. data center-driven power demand

U.S. Data Center Power Demand Growth
(\$ in GW)



Nuclear Energy Emerging as Data Center Power Source

To meet rising AI-driven energy needs, tech firms are turning to nuclear, exploring grid-tied and on-site small modular reactors and fusion partnerships

Investment in Small Modular Reactors



Major tech firms are turning to nuclear power, announcing plans to deploy SMRs to meet the rising energy demands of AI-driven data centers



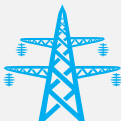
Data Center Construction Boom Driving Utility Investment

Hyperscale data center expansion is reshaping utility planning, accelerating investment in substations, transmission lines and grid modernization projects



1,000+

New Large-Scale Data Centers Projected to be Needed over Next Decade



12%+

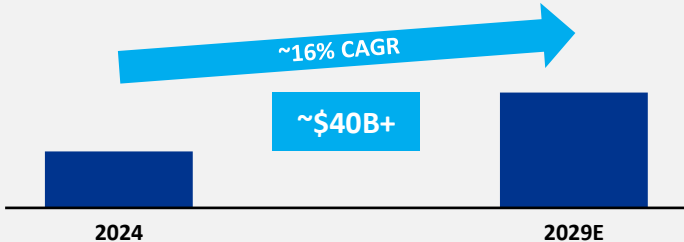
% of Total U.S. Electricity Consumed by Data Centers by 2028



Microgrids Taking on a Critical Role

Data centers are deploying microgrids and battery storage to ensure uptime, manage energy costs and reduce reliance on increasingly unstable regional grids

Global Microgrid Market Growth
(\$ in billions)

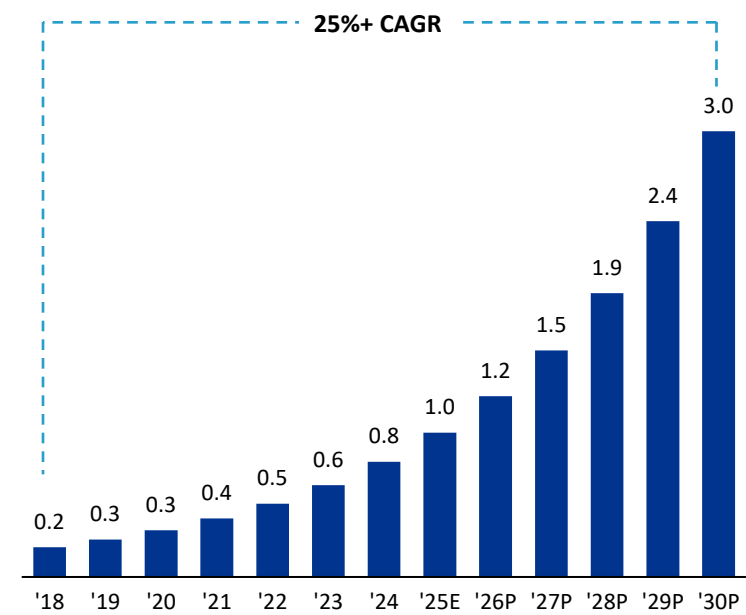


Rising Electricity and Power Services Demand Led by Data Center Expansion



DATA CENTER ELECTRICITY USAGE

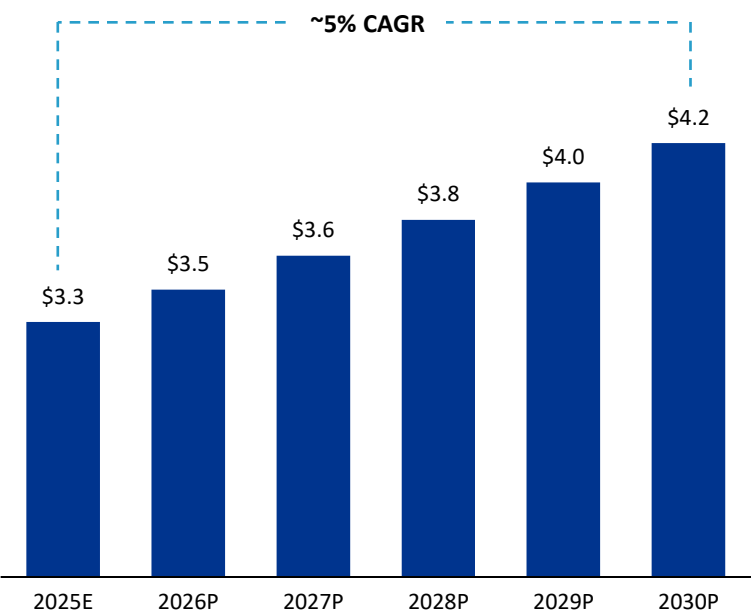
(In Thousand TWh)



High-performance core electronics, combined with advanced cooling and distribution systems, are fueling exponential growth in data center power demand

GLOBAL POWER INVESTMENT

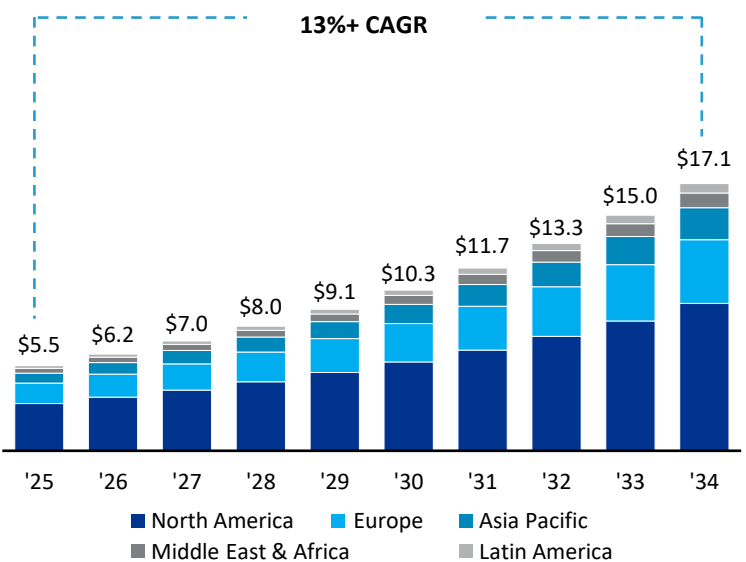
(\$ in trillions)



AI investment, diversified power generation, electrification and re-industrialization are driving strong energy demand over the next decade

LONG DURATION ENERGY STORAGE MARKET

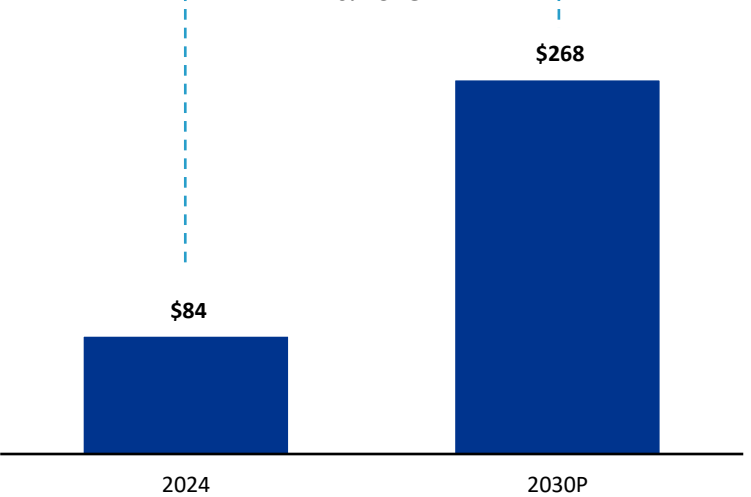
(Size by Region, \$ In Billions)



Long-duration energy storage market projected to triple over the next decade, underscoring critical role in enhancing grid reliability

N.A. POWER SERVICES FIELD SERVICE MARKET

(\$ In Billions)



Growing IT complexity is driving demand for managed data center services, as companies seek support to ensure uptime, enhance security and remain flexible

The background of the slide features a digital theme. On the left, there are vertical server racks with glowing green lights. The right side is filled with a pattern of binary code (0s and 1s) in various shades of green and blue, some appearing as if they are floating or falling like rain. A dark blue rectangular box is positioned on the left side, containing the title text.

PUBLIC MARKETS OVERVIEW

Select Electrical Power Solutions Industry Participants

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Electrical / Grid Products



Electrical / Grid Services



Data Center Products



Nuclear Products / Services





On the utility, I think we see very strong demand environment at the moment, particularly U.S. when they need to sort of strengthen the grid. And there, of course, we have a really good product portfolio, especially for the underground infrastructure, which is happening, and we really expect that this to be a very long-term trend in the U.S., of course, given by increased demand in electricity time."

— ABB CFO, Q2 2025 Earnings Call



There's a general positive trend across all electric transmission, distribution, distributed power, data centers. It's certainly more favorable than at the early part of the year. And it even extends into gas. Customers are very much focused on quality and quantity of resource delivery and looking at maximizing outsourcing because they're ultimately resource constrained themselves. So this is as close to a seller's market that I've seen in my 35 years."

— Centuri CEO, Q2 2025 Earnings Call



This era of accelerated electrification is driving unprecedented investments in reliable power, grid infrastructure and decarbonization solutions. We see attractive end markets converging with better-run businesses, giving us a substantial opportunity to create value from here."

— GE Vernova CEO, Q2 2025 Earnings Call



Our optimism and bullishness on overall grid investment remains unchanged. The need for substantial utility customer capital expenditures in the coming years is pressing as power demand drives the need to upgrade and add to an aging infrastructure. This demand requires large CapEx commitments across transmission, substations, distribution as well as new generation capacity."

— MasTec, Inc. CEO, Q2 2025 Earnings Call



The infrastructure vertical, which was our smallest vertical at spin is now the largest. We believe it has the highest growth with the trends of electrification, sustainability and digitalization... We believe we are well positioned to win. We have partnerships with the chip manufacturers and data center players from hyperscalers to enterprise to multi-tenant customers. Our strong technical expertise, coupled with innovative design, and the ability to manufacture at scale, our strengths."

— nVent Electric CEO, Q2 2025 Earnings Call



Beyond work directly tied to data centers, power generation and electric utility needs are even more substantial. We are trusted providers to our nation's utilities with extensive plans to build transmission lines and substations in the coming years. We believe this will be a multiyear opportunity that could last for a decade or longer."

— Primoris CEO, Q2 2025 Earnings Call



We continue definitely on our side to see a strong demand... All our end markets are growing, of course, with a different speed, but going from Data Center & Networks to Buildings to Industry & Infrastructure, we are confident to continue to see a good momentum despite some weakness, of course, still in rest of '25 in Residential. As we said, we continue to see a strong demand in Systems. We have a strong backlog for this year. We are getting prepared for next year, both in Data Center, but also in Infrastructure. It's very, very important."

— Schneider CEO, Q2 2025 Earnings Call



We're in a digital revolution that's got a long way to go, and data centers remain fundamental to all of it... This digital age is just getting started, and Vertiv is poised to capitalize on the massive long-term opportunities."

— Vertiv Chairman, Q2 2025 Earnings Call

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

- Electrical and grid infrastructure peers continue to trade at a premium to the broader industrial market, supported by structural tailwinds from rising electricity demand driven by AI data centers, EV adoption and domestic manufacturing investment
- Data center and related services peers have rebounded sharply, outperforming broader industrials on the back of accelerating AI infrastructure demand, increased cloud provider capex and strong earnings from key players
 - These peer groups are well-positioned for long-term growth, supported by ongoing hyperscaler investment, rising demand for sustainable data centers, expansion of edge infrastructure and increasing electrification across industries

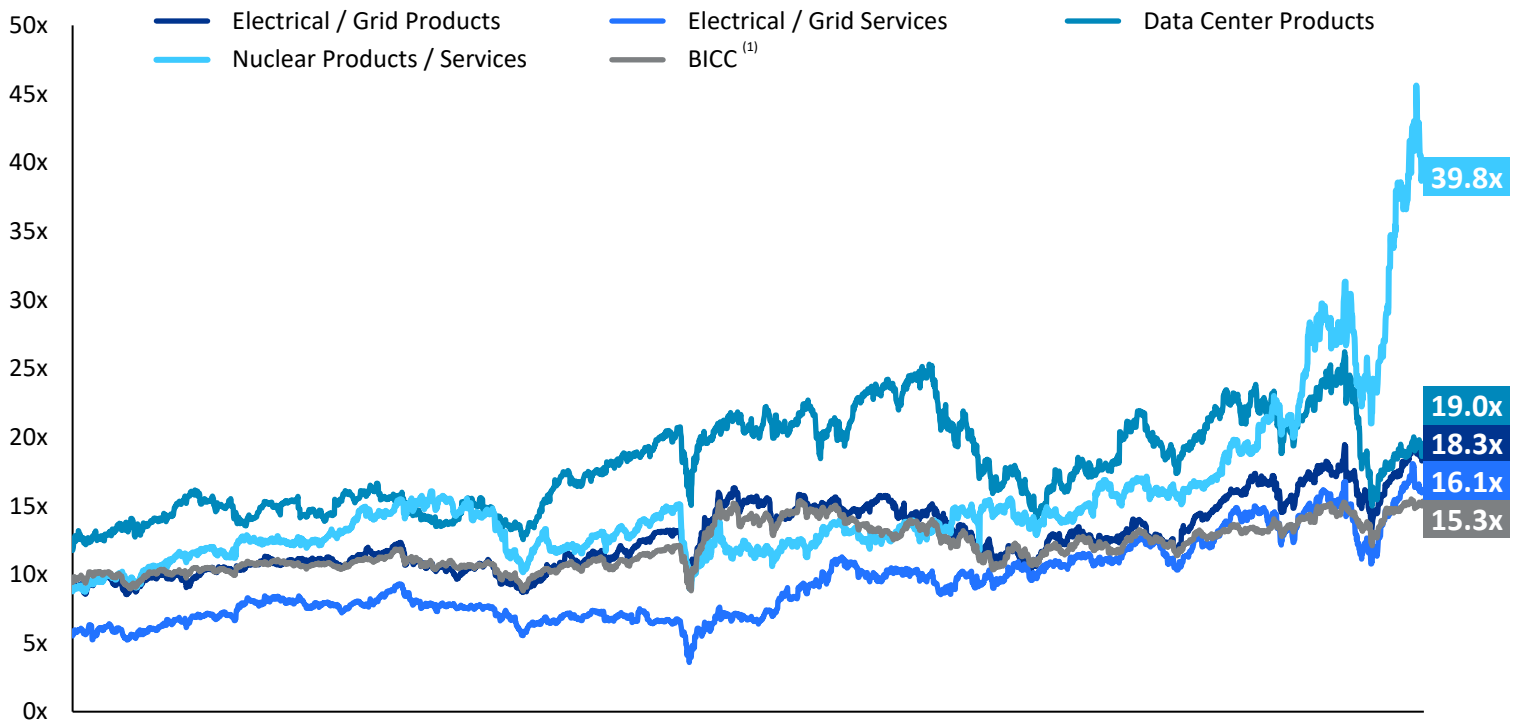
MULTIPLE PREMIUM VS. INDUSTRIAL MARKET

(Difference vs. BICC EV/EBITDA value)

3.0x	0.8x	3.7x	24.5x
Electrical / Grid Products	Electrical / Grid Services	Data Center Products	Nuclear Products / Services

10-YEAR EV / NTM EBITDA PERFORMANCE

(Indexed Performance)



Median Multiples	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Electrical / Grid Products	10.0x	10.4x	11.4x	10.5x	10.9x	13.8x	14.9x	12.6x	13.0x	14.9x	17.2x
Electrical / Grid Services	6.0x	6.7x	7.9x	7.4x	6.6x	6.6x	9.7x	8.7x	10.4x	12.2x	14.6x
Data Center Services	12.0x	10.7x	11.1x	10.7x	11.0x	11.7x	14.2x	10.9x	13.3x	16.8x	18.8x
Nuclear Products / Services	9.5x	11.3x	12.6x	14.7x	12.6x	11.9x	12.9x	14.3x	16.0x	20.9x	28.6x

Source: Capital IQ and Company filings as of August 2025.

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

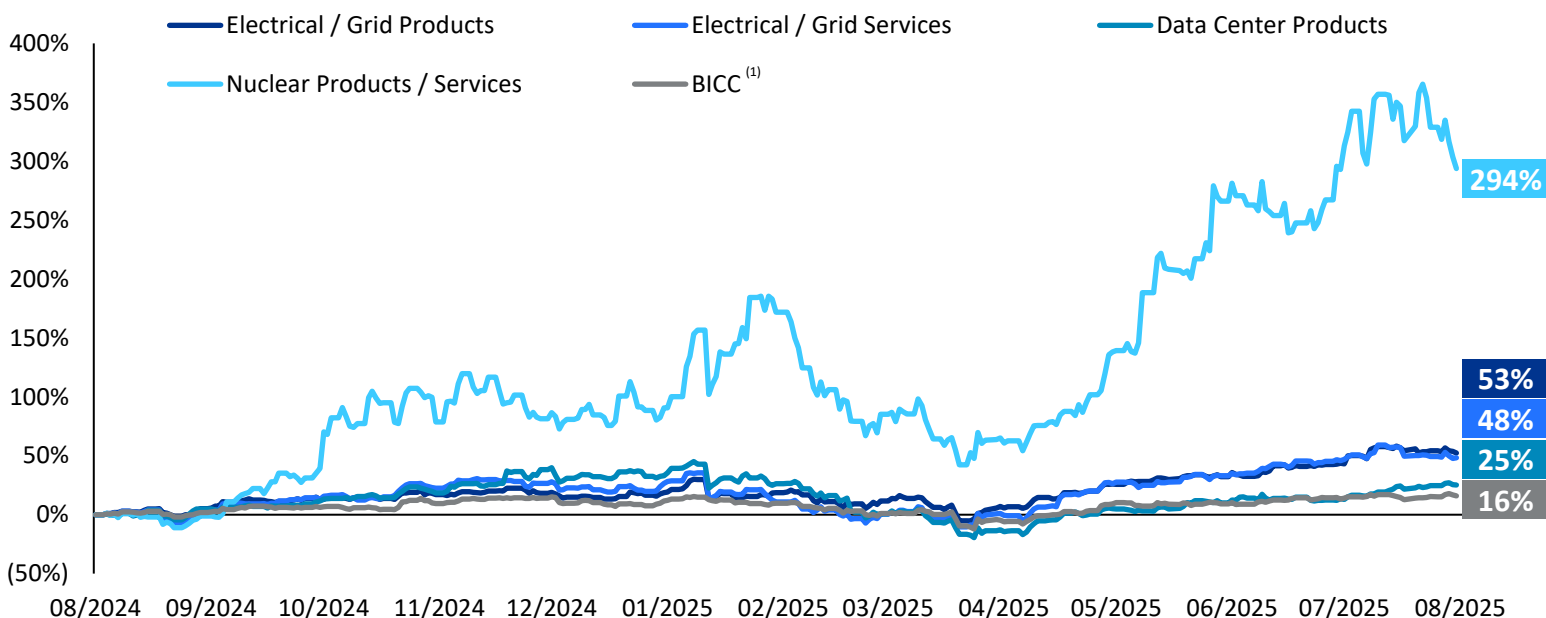
(1) Baird Industrial Company Composite ("BICC") represents ~500 companies which Baird views as indicative of the publicly traded industrial universe.

Market Performance Overview

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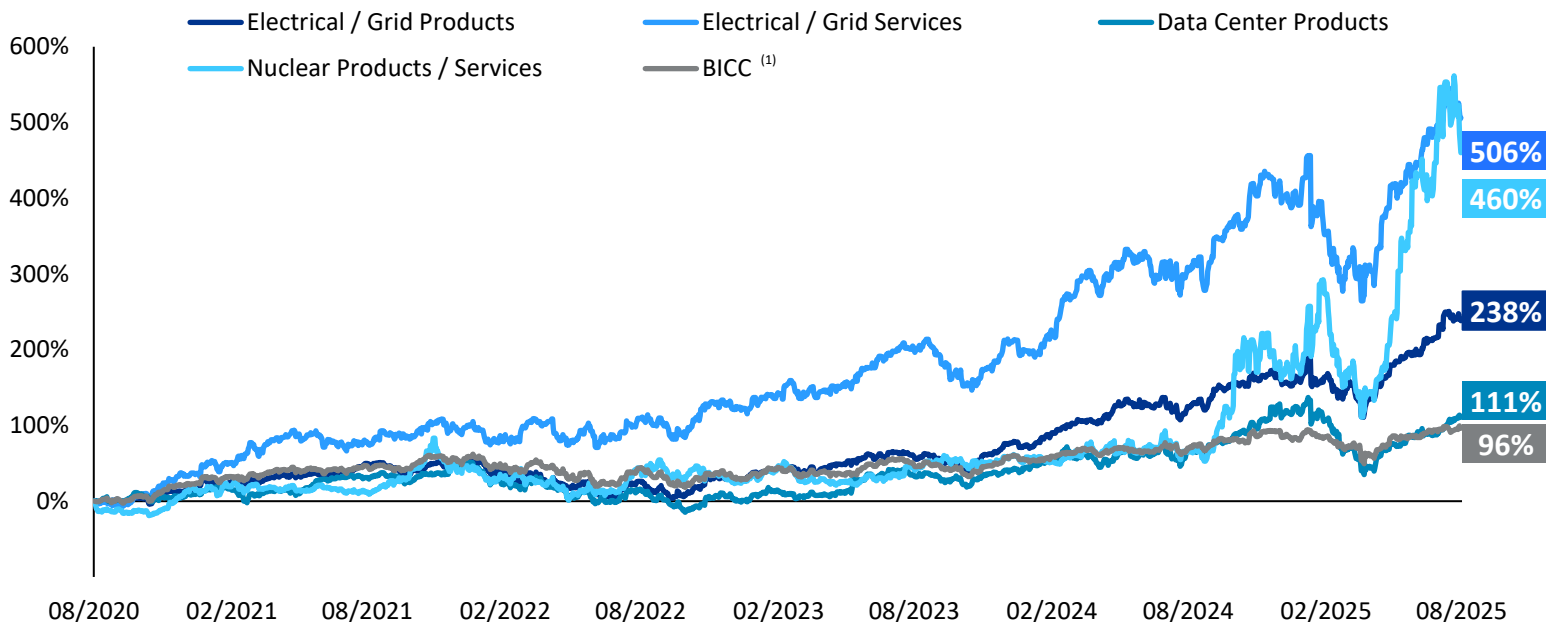
1-YEAR STOCK PERFORMANCE

(Dividend-adjusted, Indexed Performance)



5-YEAR STOCK PERFORMANCE

(Dividend-adjusted, Indexed Performance)



Both Electrical / Grid Products and Data Center stocks have consistently outperformed the BICC across short term and long term investment horizons

Electrical / Grid Services have maintained their outperformance long term and have led the recovery amongst peers since April 2025

Nuclear stocks have performed in-line with the Services peer group over the L5Y, but have significantly outperformed all peer groups over the LTM period

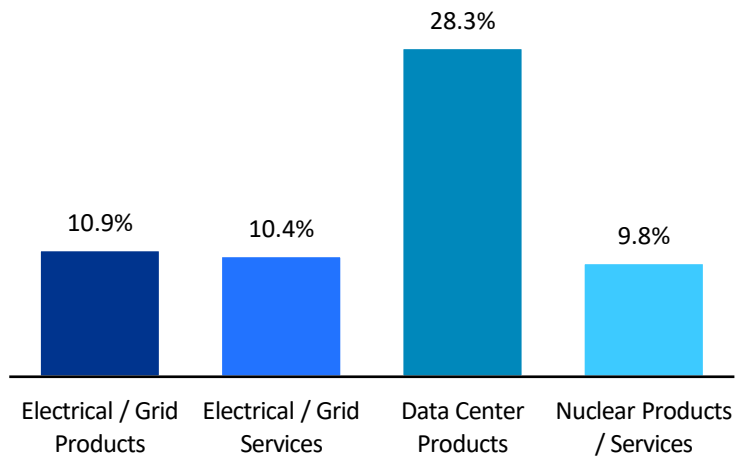
Source: Capital IQ and Company filings as of August 2025.

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

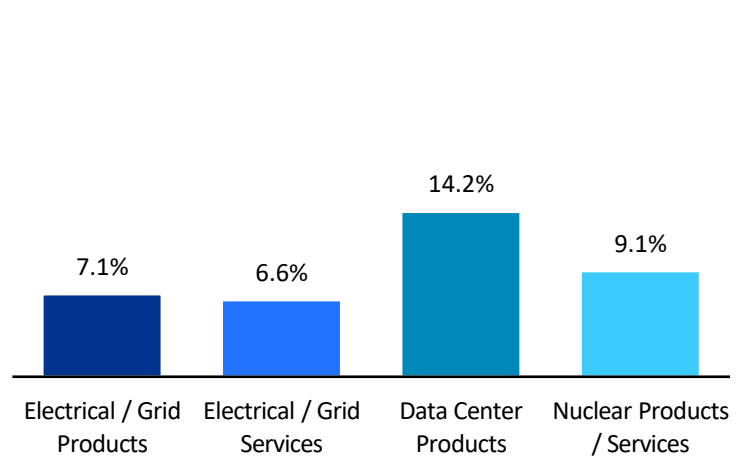
(1) Baird Industrial Company Composite ("BICC") represents ~500 companies which Baird views as indicative of the publicly traded industrial universe.

Operational Performance Overview

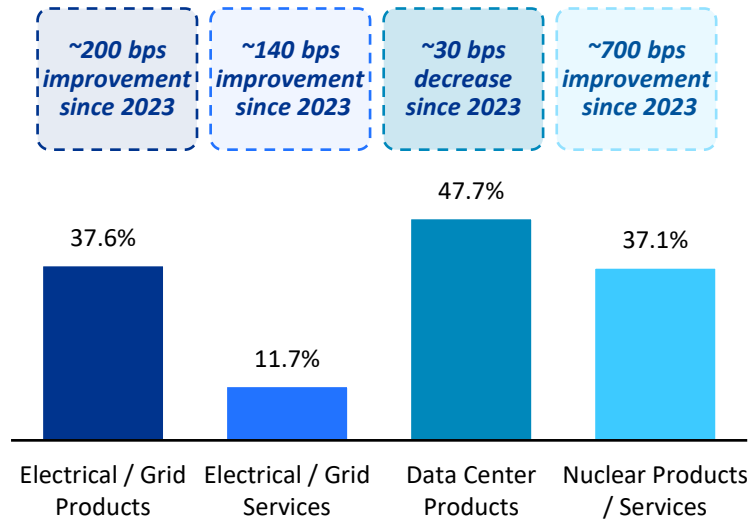
2025E REVENUE GROWTH



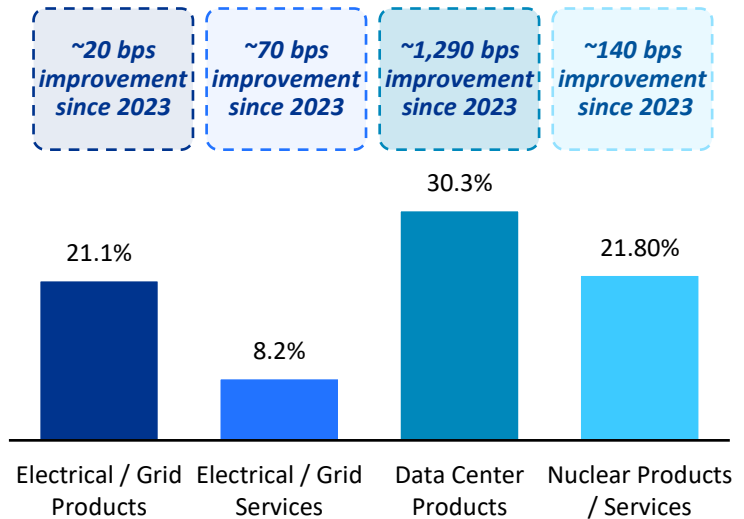
2026P REVENUE GROWTH



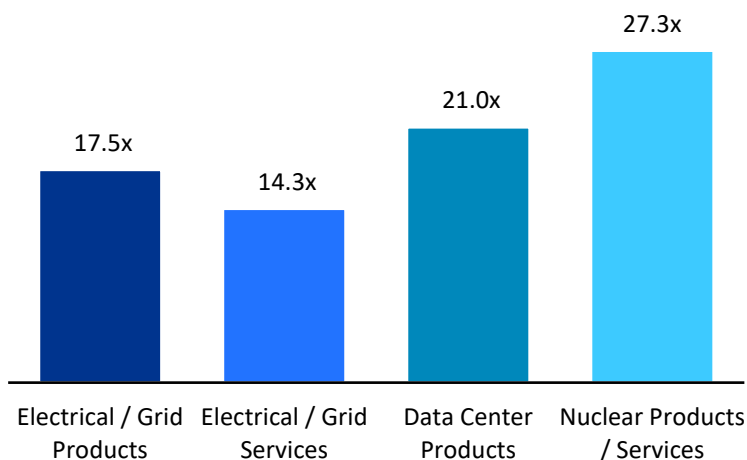
2025E GROSS MARGIN



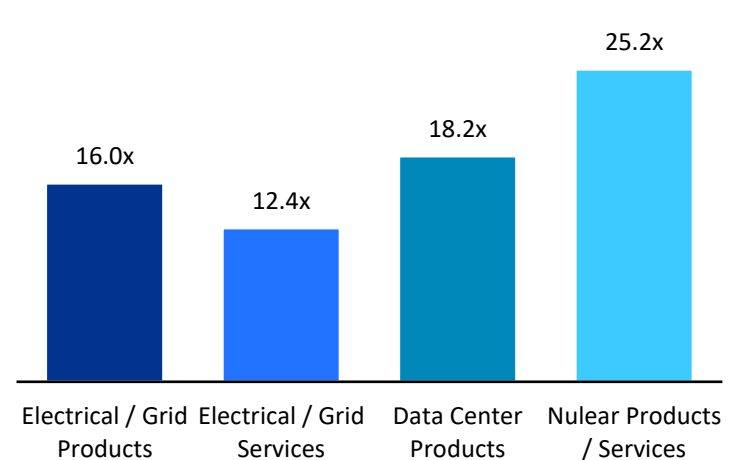
2025E EBITDA MARGIN



2025E EV / EBITDA MULTIPLE



2026P EV / EBITDA MULTIPLE



Public Company Analysis – Valuation & Operating Metrics

BAIRD

(\$ in millions)

	Market Cap.	Enterprise Value	EV / EBITDA		LTM Revenue	LTM Margins		Revenue Growth		Net Debt / LTM EBITDA
			2025E	2026P		Gross	EBITDA	2025E	2026P	
Electrical / Grid Products										
ABB	\$121,385	\$126,559	18.1x	16.8x	\$33,576	38.2%	20.0%	6.2%	5.6%	0.7x
Eaton	137,618	148,709	22.8x	20.4x	25,989	38.2%	22.6%	10.7%	8.5%	1.9x
GE Vernova	170,145	164,782	48.7x	31.6x	36,615	18.5%	6.6%	6.4%	9.7%	N/M
Hubbell	22,968	24,580	17.5x	16.3x	5,626	34.8%	23.8%	4.1%	5.7%	1.2x
Legrand	40,838	44,710	17.1x	16.0x	10,820	51.3%	22.0%	23.6%	6.1%	1.6x
Littelfuse	6,257	6,467	13.0x	11.3x	2,265	36.8%	19.7%	9.1%	7.5%	0.5x
nVent Electric	14,390	16,163	19.3x	17.3x	2,819	46.0%	25.3%	49.1%	9.4%	2.5x
Prysmian	25,254	30,962	11.4x	10.3x	23,558	34.3%	10.1%	19.3%	5.9%	2.3x
Schneider Electric	143,600	159,796	16.0x	14.5x	46,173	42.2%	19.7%	19.7%	7.1%	1.7x
Siemens Energy	89,273	84,125	19.7x	12.7x	45,085	15.6%	6.3%	25.2%	8.8%	N/M
TE Connectivity	60,190	65,717	15.1x	13.9x	16,581	35.0%	24.1%	10.9%	7.1%	1.3x
Mean	\$75,629	\$79,325	19.9x	16.5x	\$22,646	35.5%	18.2%	16.7%	7.4%	1.5x
Median	60,190	65,717	17.5x	16.0x	23,558	36.8%	20.0%	10.9%	7.1%	1.6x
Electrical / Grid Services										
Api	\$14,781	\$17,408	17.0x	15.2x	\$7,396	31.1%	11.2%	10.4%	5.8%	3.2x
Centuri Holdings	1,846	2,886	11.0x	9.7x	2,711	8.7%	8.5%	5.1%	5.2%	4.5x
EMCOR	27,437	27,629	16.0x	15.0x	16,444	18.5%	10.5%	8.8%	6.6%	N/M
Everus Construction	3,885	4,163	16.5x	15.0x	3,269	11.9%	7.7%	18.4%	7.5%	1.1x
Fluor	6,809	5,637	13.3x	9.7x	16,313	3.0%	2.5%	1.4%	4.5%	N/M
MasTec	13,848	16,395	14.3x	12.2x	13,048	12.6%	7.3%	13.6%	8.9%	2.6x
MYR Group	2,848	2,985	12.9x	11.5x	3,452	10.5%	5.1%	6.0%	6.2%	0.6x
Primoris Services	6,091	6,772	13.7x	12.4x	6,929	11.3%	6.9%	11.4%	6.8%	1.4x
Quanta Services	57,117	61,726	21.9x	19.1x	27,115	14.4%	8.8%	12.1%	12.9%	1.9x
Mean	\$14,962	\$16,175	15.2x	13.3x	\$10,742	13.6%	7.6%	9.7%	7.2%	1.9x
Median	6,809	6,772	14.3x	12.4x	7,396	11.9%	7.7%	10.4%	6.6%	1.7x
Data Center Products										
Delta Electronics	\$59,426	\$59,704	18.3x	15.5x	\$16,050	33.3%	18.2%	31.3%	13.3%	N/M
Equinix	75,321	93,535	20.6x	18.7x	8,931	50.0%	42.3%	6.0%	8.3%	4.8x
Marvell Technology	66,165	69,791	21.5x	17.7x	6,502	48.7%	26.9%	43.0%	18.7%	2.1x
Vertiv	51,815	53,229	25.0x	20.2x	9,094	35.3%	20.6%	25.3%	15.1%	0.8x
Mean	\$63,182	\$68,907	21.3x	18.0x	\$10,144	42.1%	27.6%	26.4%	13.9%	2.4x
Median	62,795	64,433	21.0x	18.2x	9,013	42.4%	24.9%	28.3%	14.3%	1.7x
Nuclear Products / Services										
BWX Technologies	\$15,624	\$17,119	30.1x	26.9x	\$2,865	24.3%	14.4%	15.2%	9.1%	3.6x
Centrus Energy Corp.	3,233	2,830	29.2x	33.5x	437	36.1%	22.8%	2.5%	11.9%	N/M
Curtiss-Wright	18,599	19,397	25.5x	23.5x	3,305	37.4%	22.6%	9.8%	6.8%	1.1x
Mirion Technologies	4,283	4,931	21.7x	18.8x	886	47.0%	21.4%	7.4%	8.0%	3.2x
NuScale Power Corporation	4,684	4,069	N/M	N/M	56	72.2%	N/M	20.1%	245.6%	3.2x
Oklo Inc.	10,184	9,651	N/M	N/M	N/M	N/M	N/M	N/M	N/M	7.3x
Mean	\$9,434	\$9,666	26.6x	25.7x	\$1,510	43.4%	20.3%	11.0%	56.3%	3.7x
Median	7,434	7,291	27.3x	25.2x	886	37.4%	22.0%	9.8%	9.1%	3.2x



SECTOR M&A ACTIVITY

Electrical Power Solutions M&A Activity



The M&A market has rebounded during 2025, especially in high-growth sectors like electrical, grid infrastructure and data center. Global M&A values surged to become the third-highest quarterly total in four years, increasing 23% year-over-year. In the U.S. middle market, deal activity proved similarly robust, shaking off early-quarter jitters with a sharp rise in deal value as firms prioritized strategic growth and operational efficiency.

Deal activity remained exceptionally strong in the electric power and computing sectors, extending its leadership from the prior quarter. The sector's outperformance is strongly tied to the explosive, AI-driven demand for data center capacity, which has made power availability the single most critical bottleneck. As a result, M&A is being driven by a strategic imperative to control the entire power delivery stack, from grid infrastructure to mission-critical components.

Valuations for high-quality platforms in the space continue to command a material premium, with buyers aggressively pursuing targets that offer scalable energy solutions and grid modernization capabilities. Given the structural, multi-year tailwinds from data center expansion and the broader energy transition, we expect the sector to continue attracting significant capital and to outperform the broader M&A market.

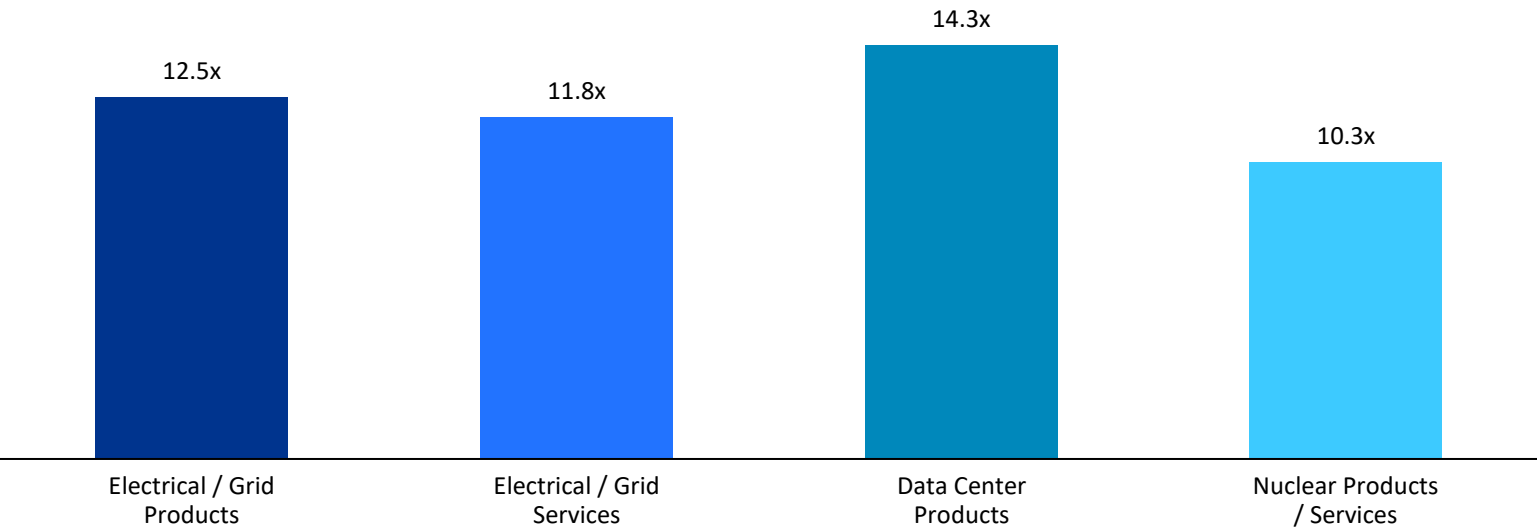
SELECT RECENT TRANSACTIONS

STRATEGIC		PRIVATE EQUITY	
			
			
			
			
			
			

2022 – 2025 M&A VALUATIONS

(Average EV / EBITDA Multiples)

Average EV / EBITDA transaction multiples for deals within Baird’s proprietary database of Electrical Power Solutions transactions over the last three years have traded in the low-teens.



Selected 2025 M&A Activity

BAIRD



Announced Date: October 2025

Avtron is a leading global provider of load banks and power quality solutions that serve a wide range of high-growth markets



In-line with our Ambition 2030 plan, this transaction marks a strategic step forward in the energy transition space, particularly in data centers.

- Legrand, CEO



Announced Date: September 2025

ADC manufactures wire and cable solutions, with a focus on low-voltage copper wire used across a diverse set of end markets



ADC's strong reputation and the powerful tailwinds behind electrification create a great platform for growth.

- ADC, CEO



Announced Date: September 2025

Manufacturer of bimetallic wire intended for building construction, power grid, utilities, communications and transportation



Copperweld has fundamentally reshaped the residential building wire market by bringing innovation, reliability and cost efficiency to an industry long dominated by copper.

- Kinderhook, Principal



Announced Date: August 2025

DMC Power designs and manufactures the highest quality connection systems for transmission, distribution, substation and industrial projects



Flexential plays a critical role in the digital infrastructure ecosystem, supporting latency-sensitive enterprise, AI, and cloud workloads for a diverse base of blue-chip customers.

- GI Partners, Head of Data Infrastructure



Announced Date: August 2025



DMC Power designs and manufactures the highest quality connection systems for transmission, distribution, substation and industrial projects

This acquisition will deepen and broaden Hubbell's technology offering with our core customers, enabling fast, reliable buildout of substation infrastructure and datacenter interconnections.

- Hubbell, President



Announced Date: August 2025

ECI is a leading supplier of complex electrical distribution systems, control box assemblies and other critical engineered components



[ECI] has expanded into strategic markets, strengthened our operations for efficiency and scale and deepened our technical and engineering capabilities, further setting ECI apart in the industry.

- ECI, CEO



Announced Date: August 2025

Provider of comprehensive electrical system maintenance, repair, testing, commissioning and design services



Shermco is well positioned to benefit from continued growth in the installed base of technically complex electrical equipment both on the grid and behind the meter.

- Global Head of Blackstone Energy Transition Partners



Announced Date: June 2025

LayerZero is a leading U.S. manufacturer of static transfer switches, power distribution units and other power management products



As AI and GPU-powered workloads drive unprecedented levels of power density and complexity in data centers, the need for reliability, precision and innovation is paramount.

- LayerZero, Chief Technology Officer



BAIRD DEAL SPOTLIGHT

TRANSACTION SNAPSHOT

- PDU Cables is the industry leader in custom-engineered power distribution solutions for data center environments
- EPCO is a trusted leader in commercial electrical solutions, best known for its high-volume supply of pigtails to nearly every major OEM in the industry

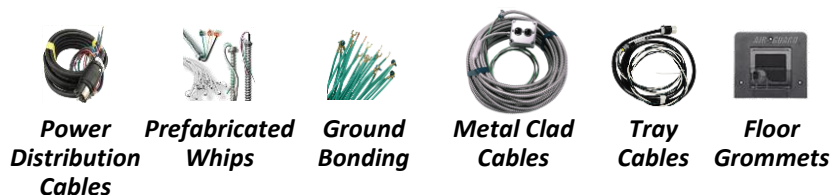


“

As market leading provider of critical components to data centers, PDU cables is ready to meet accelerated demand driven by AI, IoT, connected devices and continued cloud computing proliferation.”

– Ryan Pertz, Managing Director, Windjammer

Selected Products



Selected Applications



TRANSACTION SNAPSHOT

- Leading regulatory compliance and digital solutions provider for the power generation industry, including high-growth SMR market niche
- Offers NERC and Nuclear compliance services, SaaS applications and AI-integrated solutions to streamline operations and regulatory adherence



“

The Certrec team brings deep industry relationships and significant software and services capabilities to Mirion that will be pivotal in expanding our offerings in the nuclear power market.”

– Thomas Logan, CEO of Mirion

Selected Products



Selected Applications



TRANSACTION SNAPSHOT

- Leading provider of data center colocation, cloud and connectivity solutions tailored to modern IT infrastructure demands
- Delivers managed services, disaster recovery and professional services to strengthen business continuity and operational performance

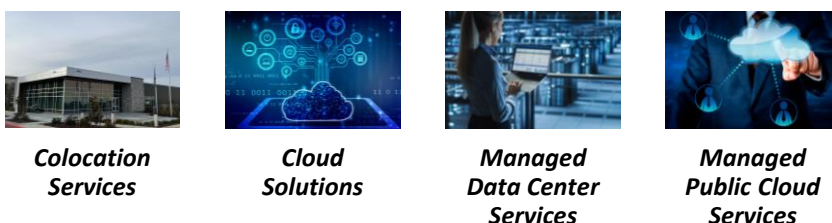


“

Flexential plays a critical role in the digital infrastructure ecosystem, supporting latency sensitive enterprise, AI and cloud workloads for a diverse base of blue-chip customers.”

– Mary Prybutok, Managing Director, GI Partners

Selected Products



Selected Applications





Global Investment
Banking

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