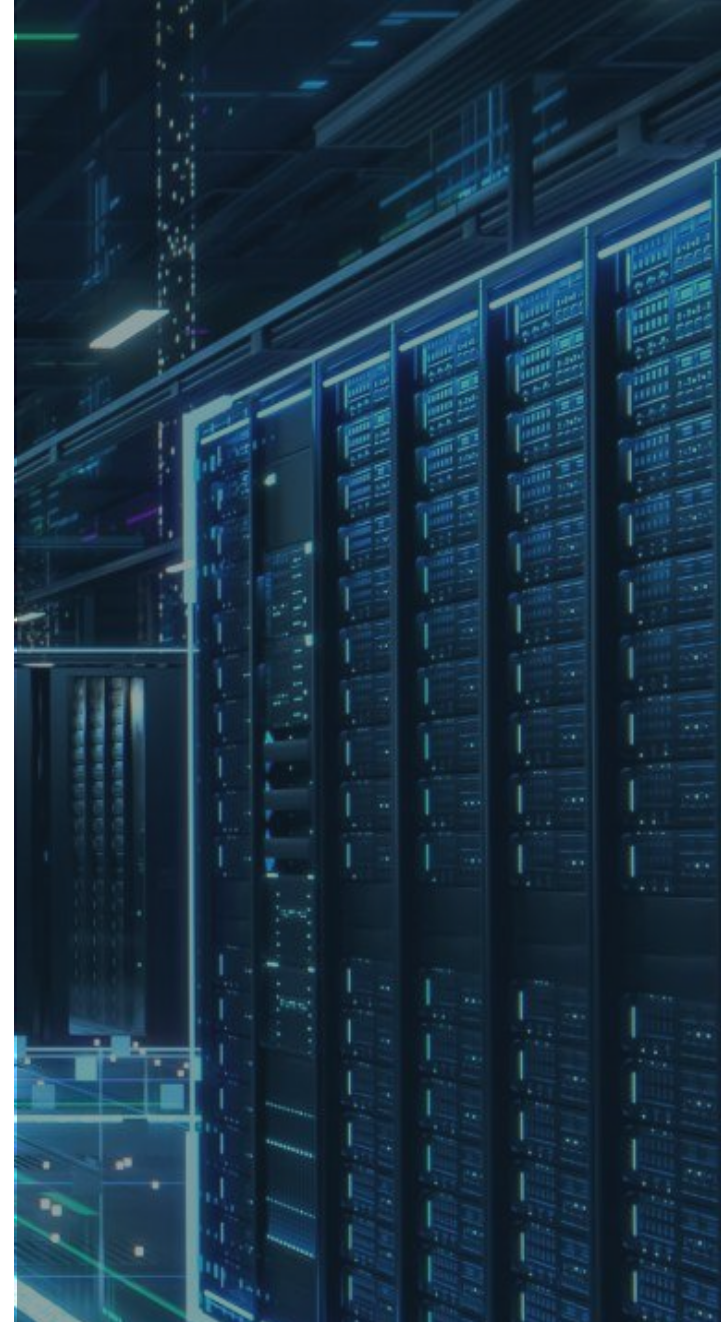




Electrical Contracting Services Market Update

FALL 2025



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Relevant Construction & Electrical Contracting Services Experience

Meet the Team



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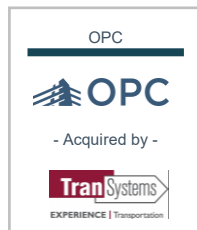
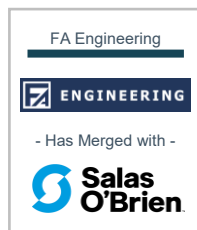
Overview

Meridian Capital's Architecture, Engineering, and Construction team has extensive transaction experience in the Construction and Electrical Contracting Services sector.

The coverage team possesses deep industry relationships with the leading acquirers in the space and is up-to-date on the latest sector trends and considerations.

Meridian Capital is pleased to present its Fall 2025 Electrical Contracting Services Market Update.

Relevant Transaction Experience



AEC Services Subsectors

Specialty Contractors

Design-Build

Electrical Contracting Services

Engineering Services

Architecture Services



Meridian Capital Overview

Meridian Capital leverages deep industry knowledge to execute complex and important transactions for middle market founder-focused clients

Our Services

We focus exclusively on middle market investment banking services including acquisitions, divestitures, recapitalizations, and strategic advisory

SELL-SIDE ADVISORY

*Strategic Sales
Minority Sales
Subsidiary Divestitures*

RECAPITALIZATION

*Mergers
Growth Equity
Shareholder Liquidity
Management Buyouts*

BUY-SIDE ADVISORY

*Targeted Buy-side Execution
Add-on Acquisitions
Vertical and Horizontal
Acquisitions*

STRATEGIC ADVISORY

*Exit Strategy Assessment
Exit Planning and Preparations
Corporate Finance Consulting*

Our Coverage Sectors



**ARCHITECTURE,
ENGINEERING &
CONSTRUCTION SERVICES**

- ✓ Electrical Contracting Services
- ✓ Specialty Contractors
- ✓ Construction & Related Services
- ✓ Design-Build

- ✓ Construction Materials Testing
- ✓ Engineering Services
- ✓ Architecture Services
- ✓ Environmental & Remediation Services



**DIVERSIFIED
INDUSTRIALS**



**AEROSPACE,
DEFENSE, & SPACE**



CONSUMER



**FOOD, BEVERAGE &
AGRIBUSINESS**



BUSINESS SERVICES



TECHNOLOGY



INDUSTRY EXPERTS

*Deep expertise across 8 distinct
coverage sectors*

CLIENT DRIVEN

*\$15B+ in transaction value realized for
our clients*

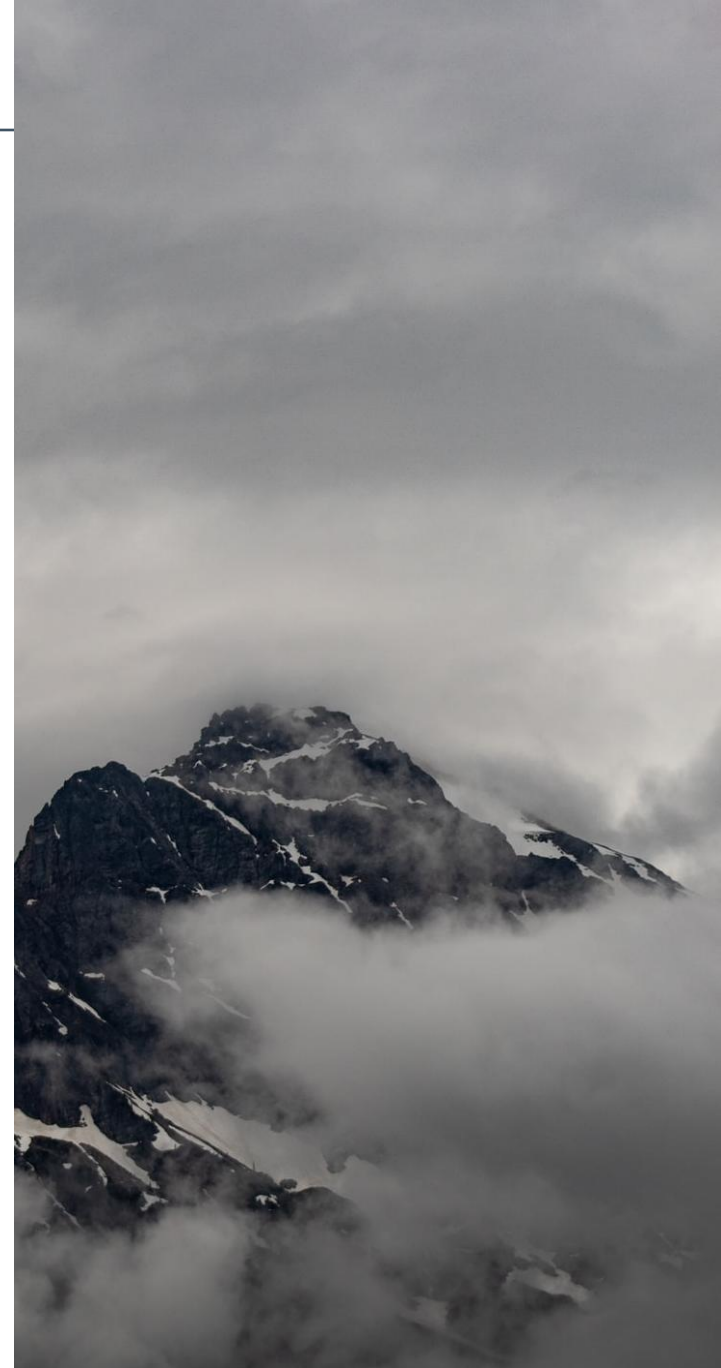
EXECUTION FOCUSED

*300+ transactions
completed*



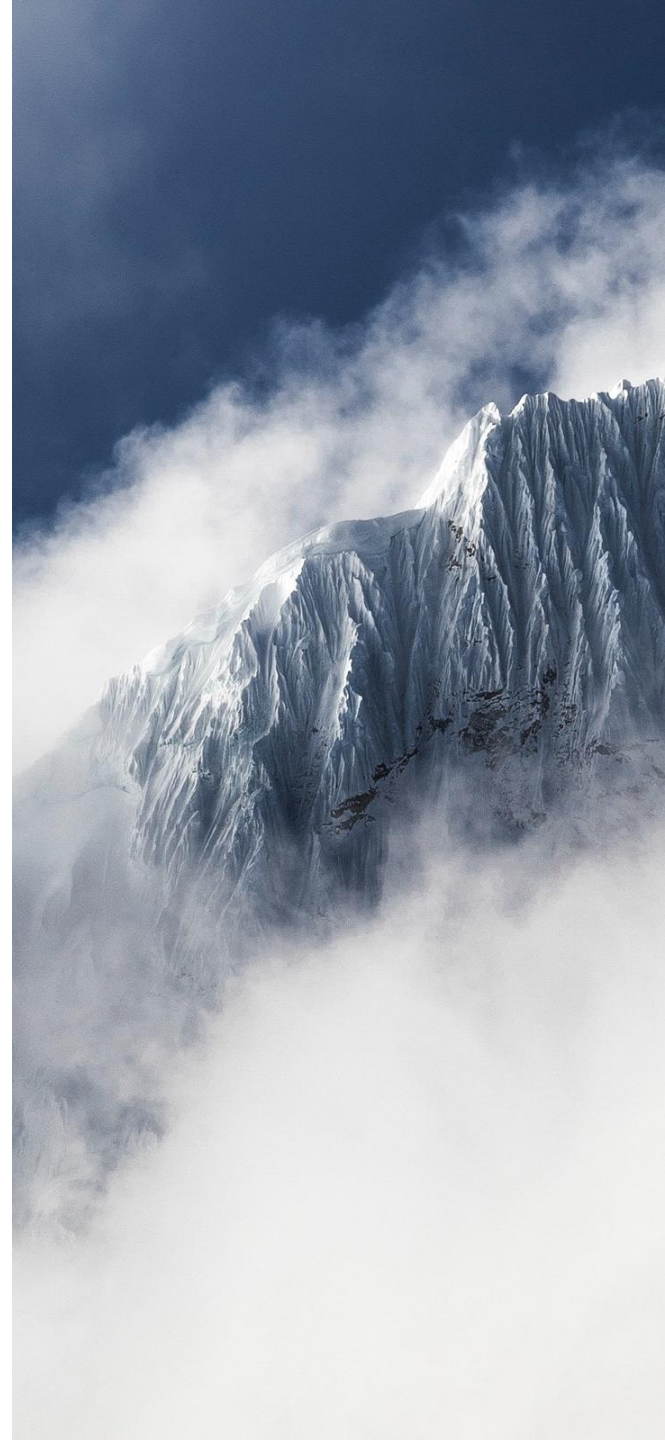
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01.

CONSTRUCTION & ELECTRICAL CONTRACTING SERVICES SECTOR UPDATE AND INDUSTRY TRENDS





Key Market Trends in the Electrical Contracting Sector



Data-Center & AI Buildout

The buildout of hyperscale and AI data centers is driving record electrical intensity, requiring an increased volume of MV gear, UPS, switchgear, and gen-sets. U.S. data center spending hit a record run rate in mid-2025. Double-digit growth is expected into 2026, keeping backlogs strong in key markets nationwide.



Grid Modernization Driving Demand

Utility upgrades, including feeders, substations, and transformers, remain a backbone of electrical contractor demand. The Department of Energy's final rule on distribution transformers, effective in 2024, provides planning certainty even as near-term gear constraints persist.



Dispatchable Generation & Resiliency Buildout

Panel and service upgrades, load studies, and utility make-ready work are rising as new gas plants and modernized hydroelectric facilities come online. Contractors are winning both the balance-of-plant scopes for new energy projects and recurring O&M contracts as resiliency programs become standardized.



Mandatory Maintenance: NFPA 70B

The shift of NFPA 70B to an enforceable maintenance standard is prompting owners to formalize their Electrical Maintenance Programs. This change is driving demand for recurring service work, including testing, IR scans, breaker maintenance, arc-flash studies, and documentation.



Consolidation, Mega-Projects & Labor

Private Equity roll-ups and ENR-scale megaprojects are reshaping the industry. Elevated construction spending is keeping bid calendars active, helping firms navigate continued labor and cost challenges.



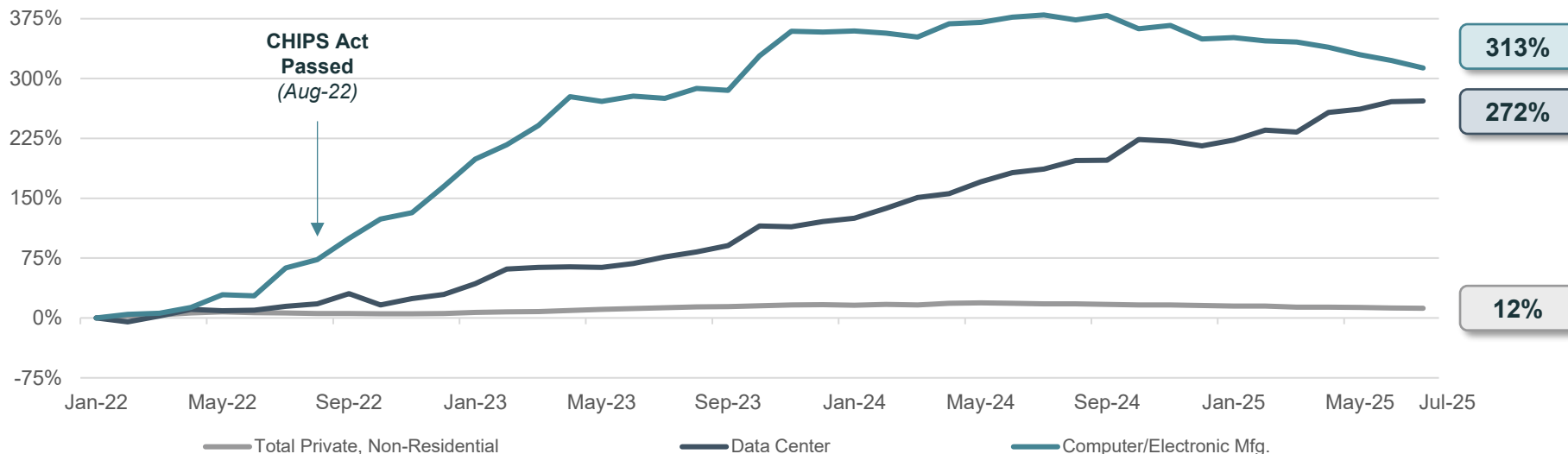


Construction Services Market Dynamics

Strong end-market tailwinds are driving sustained growth for Construction Services firms, positioning the firms for long-term expansion

Growth in Private Construction Spending ¹

Put in Place, Seasonally Adjusted Annual Rate



Construction Spending Supported by High-Tech

- While overall construction expenditures have largely stagnated over the past few years due to heightened interest rates and sluggish demand, spending on data center and semiconductor manufacturing construction has experienced explosive growth
- Since 2022, over 60% of the increase in construction spending is due to high-tech capacity expansion

Source: (1) U.S. Census Bureau

Jan '22 – Jul '25
CAGRs



Computer/Electronic Mfg.: **50.0%**



Data Center: **45.6%**



Private, Non-Residential: **3.4%**



Semiconductor and Data Center Investment by State

Massive capital investment across semiconductor and data center sectors is reshaping the U.S. industrial and technological landscape, driven by government incentives and rising digital infrastructure demand

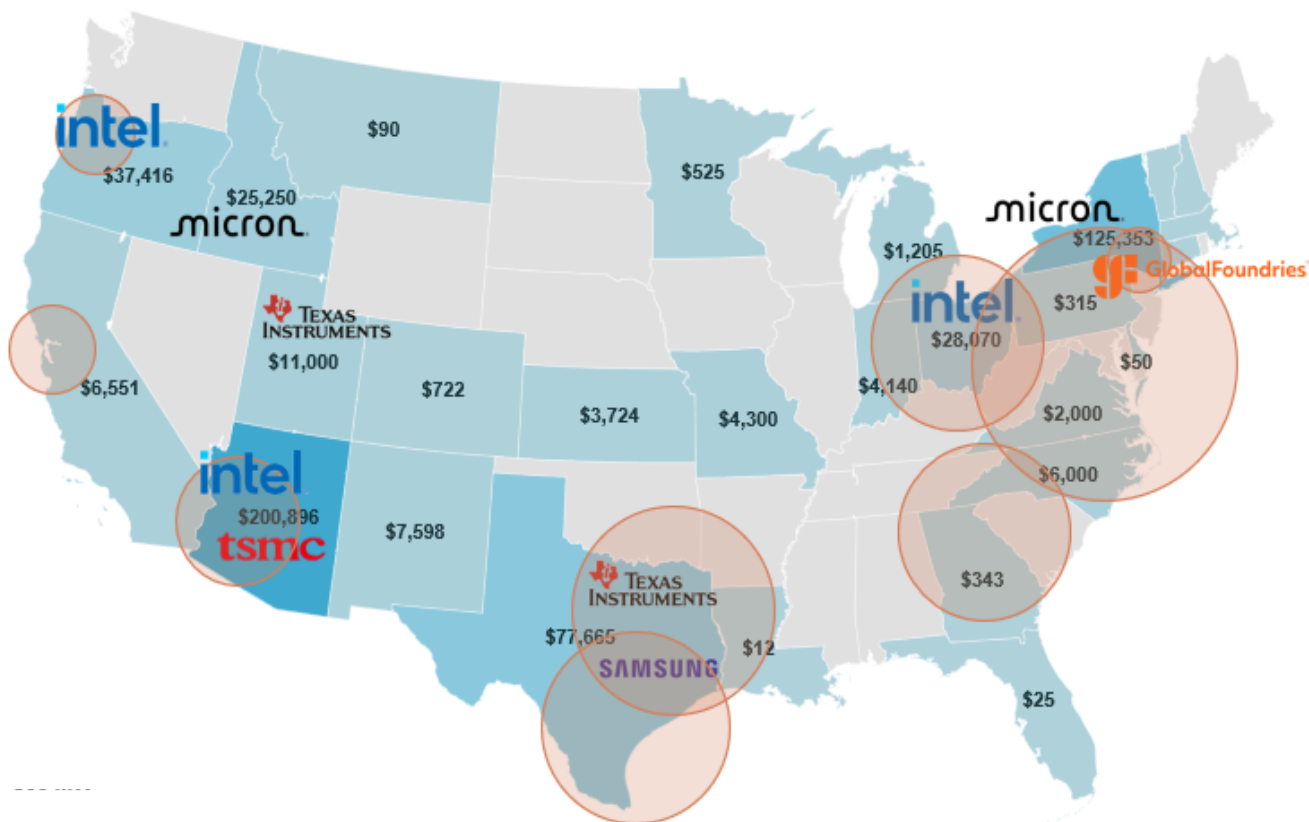
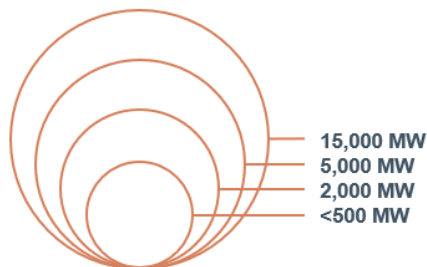
U.S. Data Center and Semiconductor Investment ^{1,2}

\$ in millions

Economy Macro Trends:

- Since 2020, semiconductor companies have announced 100+ projects across 28 states, backed by over \$500B in private investment
- These projects are expected to create 500,000+ U.S. jobs, including 68,000 in semiconductor facilities and 122,000 in construction
- Broader economic impact includes over 320,000 additional jobs across the U.S. economy

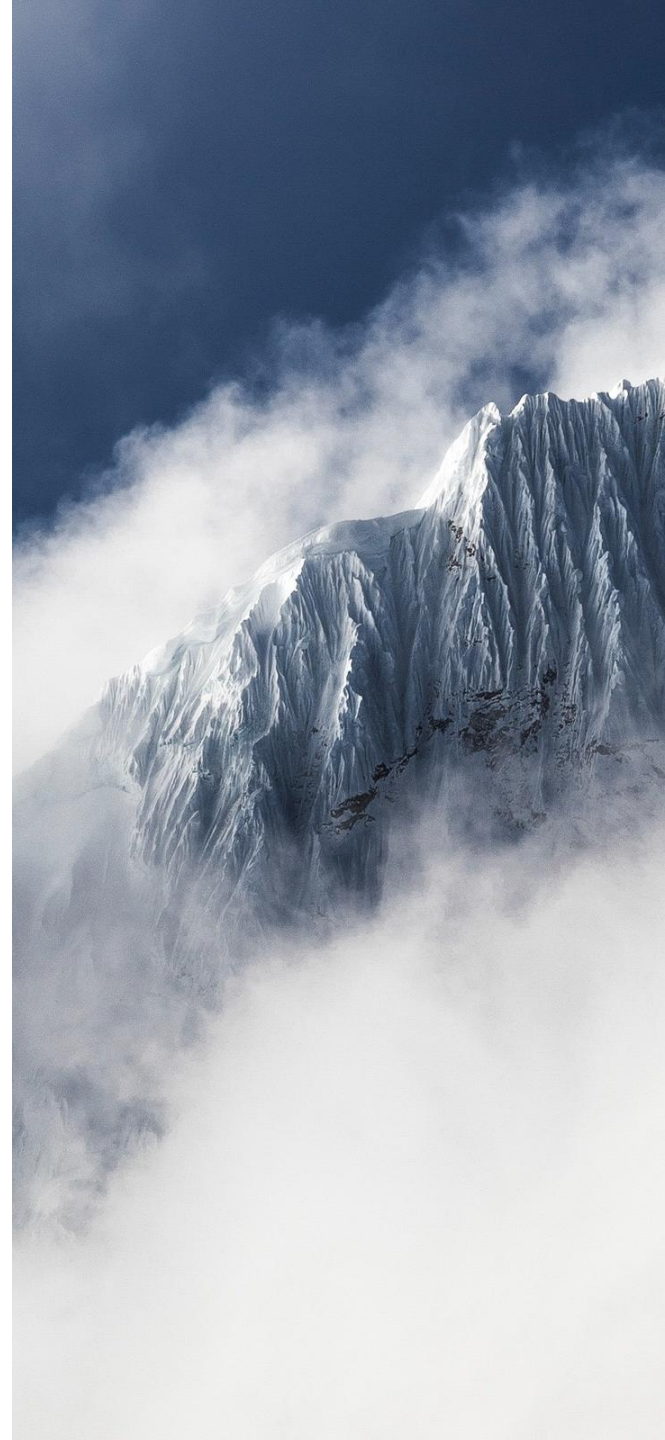
● Dot Sizes: MW Capacity



Source: (1) Semiconductor Industry Association figures as of March 7, 2025, (2) Cushman & Wakefield Americas Datacenter Update as of 2024YE

02.

**CONSTRUCTION & ELECTRICAL
CONTRACTING SERVICES M&A MARKET
ACTIVITY**



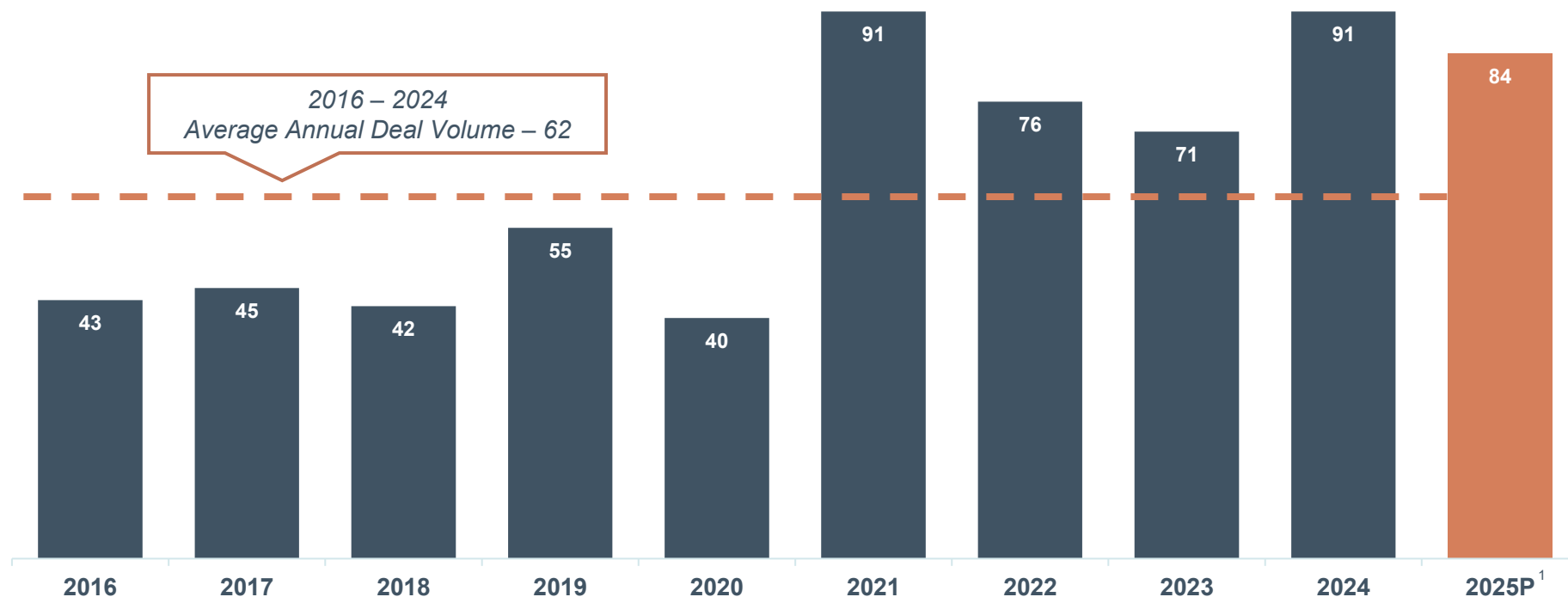


Notable Transaction Activity

U.S. Construction & Electrical Contracting Services M&A Deal Volume

What We're Seeing in the Market

The Construction & Electrical Contracting services market saw robust M&A activity in 2024 that continued through the first half of 2025. Deal volume is expected to remain strong through the end of this year and into 2026 due to increased consolidation, PE investment activity, and macroeconomic trends.



1. 2025E Meridian's estimate based on market feedback and economic trends
Sources: Pitchbook, Mergermarket, Press Releases, Meridian Research



Key Investors for Specialty Electrical Services

Active Electrical Contracting Investors

Strategic Platforms



PE-Backed Strategic / PE Firms with Experience in Contracting Business





Recent Construction & Electrical Services M&A Transactions

Date	Target	Acquirer	Description	Target HQ
Sep-25	Diefenderfer Electrical Contractors	ArchKey Solutions (26North Partners)	Provider of full-service electrical contracting services.	Allentown, PA
Sep-25	Staco Electric	Platform Ventures	Provider of full-service electrical contracting services.	Kansas City, MO
Aug-25	Richard L. Orear & Co.	The Haskell Company	Operator of an electrical contracting firm.	Jacksonville, FL
Jul-25	Dynamic Systems	Quanta Services (NYS: PWR)	Provider of contracting and construction services.	Austin, TX
Jul-25	Weifield Group	Loenbro (Braemont Capital)	Provider of full-service electrical contracting services.	Centennial, CO
Jul-25	Lyons Electric	Potawatomi Ventures	Provider of electrical contracting services.	Delafield, WI
Jun-25	A.N.J. Electric	McDonald Electrical Corporation	Provider of electrical services.	Morton, IL
Jun-25	CEC Facilitate Group	Sterling Infrastructure (NAS: STRL)	Provider of integrated construction services.	Irving, TX
Jun-25	Spartan Infrastructure	SOLV Energy (American Securities)	Provider of high-voltage transmission construction services.	Mesa, AZ
May-25	United Civil	Quanta Services (NYS: PWR)	Provider of construction services.	Danvers, CA
Apr-25	Bay Line Construction	Quanta Services (NYS: PWR)	Provider of utility construction.	Georgetown, DE
Apr-25	Stewart Electric	Loenbro (Braemont Capital)	Provider of electrical services.	Henderson, NV
Mar-25	BCU Electric	Meptagon	Provider of electrical services.	Ashland, OH
Mar-25	EC Electric	E-J Electrical Installation	Manufacturer of commercial electrical systems.	Portland, OR
Feb-25	East Coast Power	A&M Capital	Provider of electric utility services.	Albany, NY
Feb-25	Miller Electric Company	Emcor Group (NYS: EME)	Provider of electrical contracting services.	Jacksonville, FL
Jan-25	Industrial Construction Services	Stellex Capital Management	Provider of electrical services.	Houston, TX
Jan-25	SCI Contractors	Humble Enterprises	Provider of electrical services.	Stratford, Canada
Nov-24	State Electric	E-J Electrical Installation	Operator of electrical construction and related services.	Bedford, MA
Nov-24	The State Group	Apollo Asset Management (NYS: APO)	Provider of electrical contracting services.	Franklin, TN
Nov-24	ArchKey Solutions	26North Partners	Operator of an electrical and technology construction firm.	Saint Louis, MO

Sources: Pitchbook, Mergermarket, Press Releases, Meridian Research



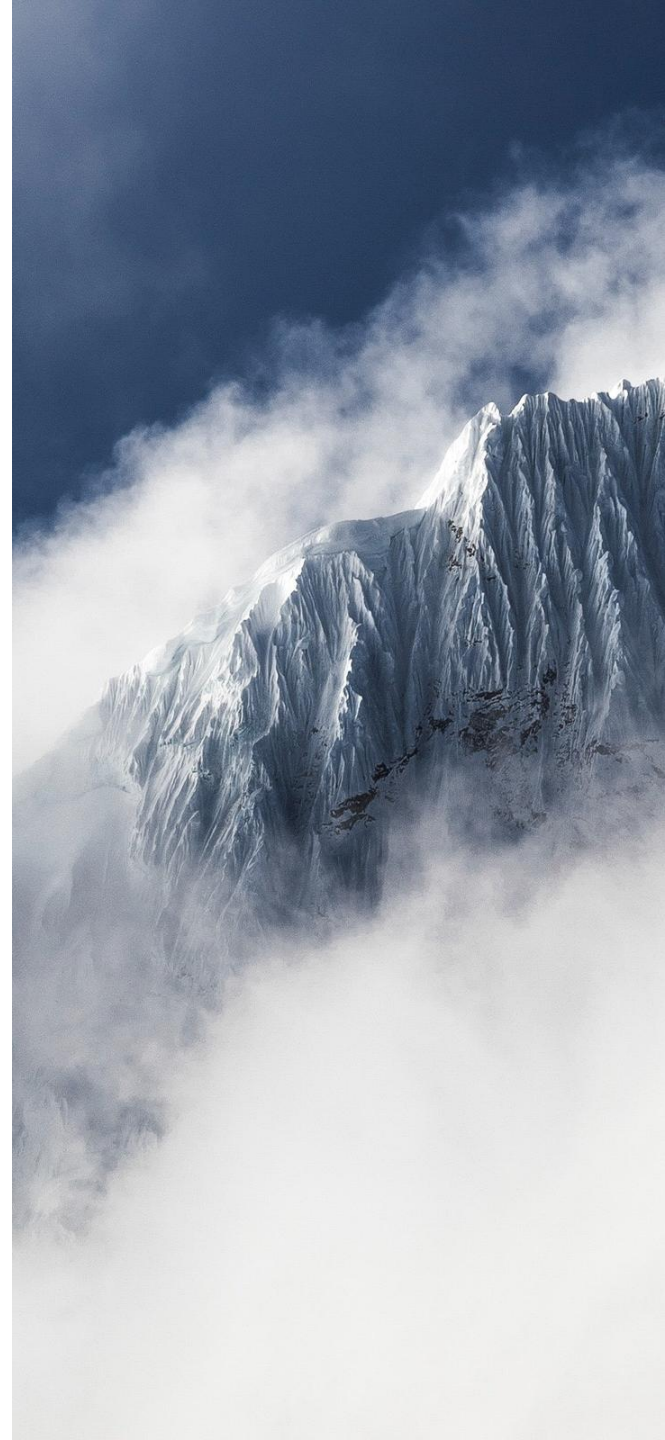
Recent Construction & Electrical Services M&A Transactions

Date	Target	Acquirer	Description	Target HQ
Oct-24	Bear Electrical Solutions	Midwestern Electric (CAI Capital Partners)	Provider of construction services.	Alviso, CA
Oct-24	Freestate Electric	Sojitz (TKS: 2768)	Provider of electrical contracting services.	Laurel, MD
Oct-24	Fontanesi and Kann Company	Tom Barrow Company (Ardian)	Provider of architectural and electrical contracting services.	Ferndale, MI
Sep-24	Niagara Power Transformer	Quanta Services (NYS: PWR)	Manufacturer of power transformers.	Buffalo, NY
Sep-24	Sargent Electric	Constructel Visabeira	Operator of an electrical contracting firm.	Pittsburgh, PA
Sep-24	All Bright Electric	Kiely Family of Companies	Provider of electrical services,	Clarkstown, NY
Aug-24	Luminous Electric	Liberty Service Partners (NorthCurrent Partners)	Provider of electrical services.	Bradenton, FL
Jul-24	Cupertino Electric	Quanta Services (NYS: PWR)	Operator of an electrical engineering/construction company.	San Jose, CA
Jul-24	Electrical Automation Services	Exigent Services (Huron Capital)	Provider of systems installation.	Pasadena, MD
Jul-24	Xtreme Powerline Construction	Aecon Utilities Group	Provider of utility infrastructure services.	Port Huron, MI
Jul-24	Clinton Electric	Mid-Am Building Solutions	Provider of electrical contracting services.	Ina, IL
Jun-24	Sabino Electric	Kroon Electric (BDC Capital)	Provider of electrical services.	Tucson, AZ
Apr-24	Sherman+Reilly	Quanta Services (NYS: PWR)	Manufacturer of conductor equipment.	Chattanooga, TN
Apr-24	Standard Electric Company	Sonepar	Distributor of electrical and industrial products.	Saginaw, MI
Apr-24	AFC Technologies	Hunt Electric	Provider of limited energy contracting services.	Ramsey, MN
Apr-24	Mayer Electric	Hunt Electric	Provider of electrical and low voltage contracting services.	Minot, ND
Feb-24	Goss Electric	Industrial Construction Services (Stellex Capital)	Provider of electrical services.	Decatur, AL
Jan-24	Greenleaf Energy Solutions	Facility Solutions Group	Provider of consultancy services.	Oxford, CT
Jan-24	H&R Electric	Hunt Electric	Provider of electrical services.	Chippewa Falls, WI
Dec-23	Total Electric	ArchKey Solutions (26North Partners)	Operator of an electrical contracting firm.	Upper Marlboro, MD
Dec-23	Stoner Electric Group	Prime Electric (WestView Capital Partners)	Provider of electrical contracting services.	Milwaukie, OR

Sources: Pitchbook, Mergermarket, Press Releases, Meridian Research

03.

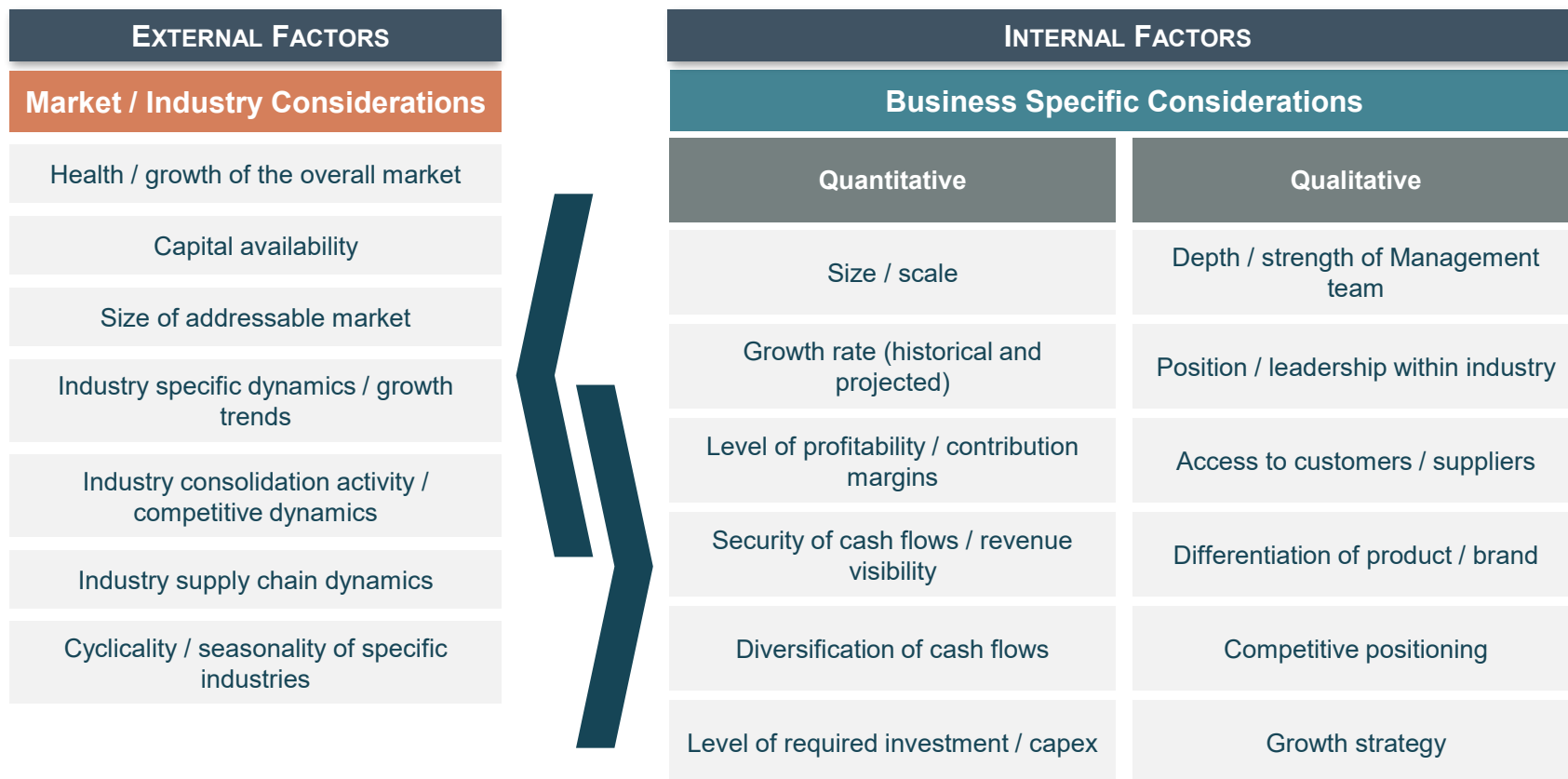
ILLUSTRATIVE TRANSACTION PROCESS





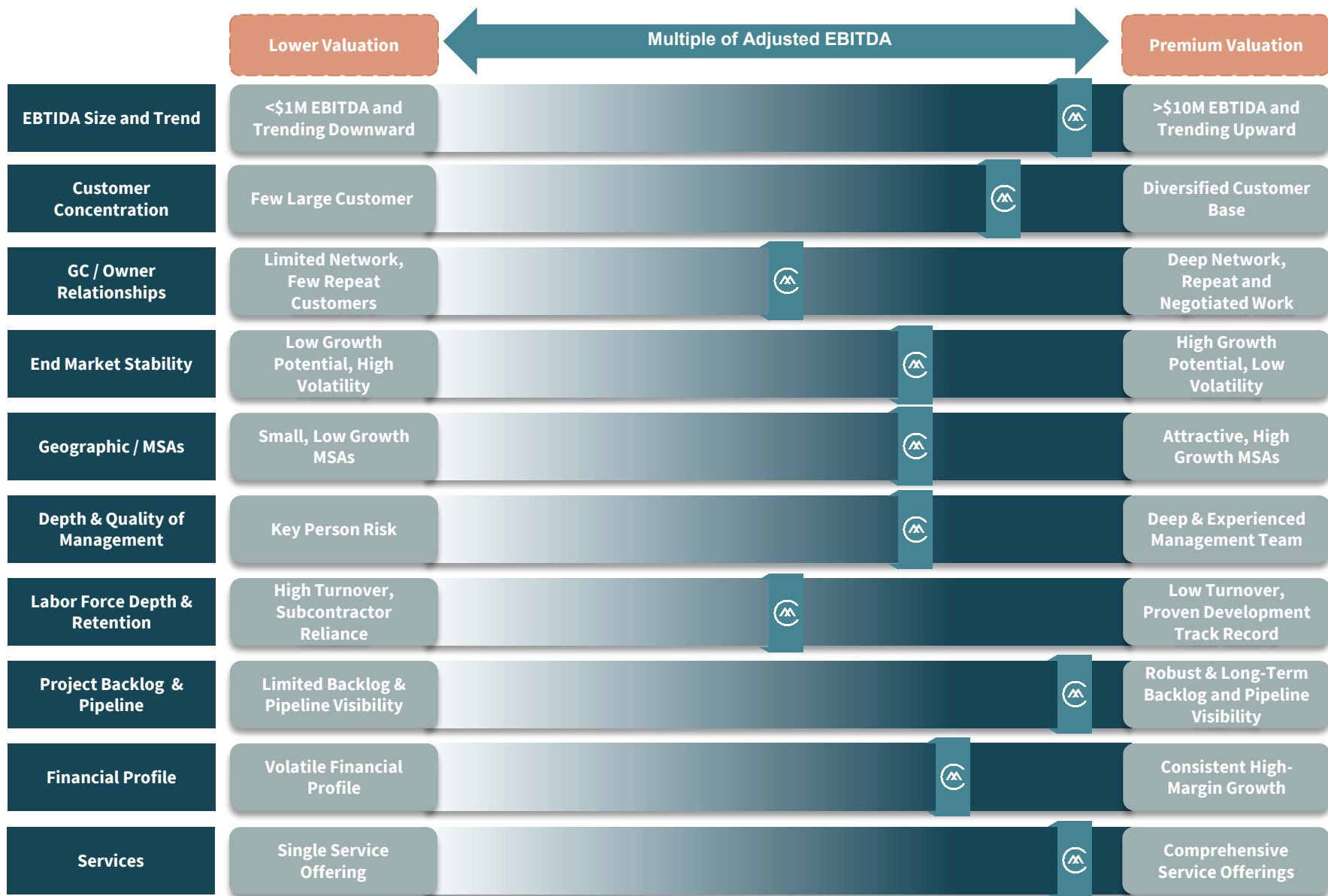
What Impacts Valuation?

Valuation ranges are often impacted by a combination of external, macro, and industry considerations, along with business-specific characteristics which should all be considered when evaluating timing.





Representative Electrical Contracting Firms Valuation Drivers





What Type of Transaction Should I Pursue?

Electrical & Construction Services Providers

Strategic *(Electrical & Construction Services)*

- Domestic and international strategics operating in the Electrical & Construction Services space
- Opportunity for customer / service diversification, end-market exposure, and increased footprint in the U.S.
- Historically acquisitive

Strategic – PE Backed *(Electrical & Construction Services)*

- Private equity-backed companies with an existing portfolio of Electrical & Construction Services
- Expanded service offering, customer and end-market diversification, and a larger U.S. geographical footprint
- Historically acquisitive / executing on roll-up strategies

Private Equity *(New Platform)*

- Broad investor universe interested in Electrical & Construction Services, businesses of scale (\$5M+ EBITDA), and specified end-markets
- Investment experience and expertise in built environment with buy and build strategies







Transaction and Shareholder Considerations:

- Cultural fit assessment is critical
- Strategic alignment
- Continued equity participation in question
- Potential resources and synergies
- Retained ownership, deferred proceeds, etc.
- Ongoing management and shareholder roles
- Certainty of close (financing, diligence process, legal terms, etc.)



Transition Preparation Checklist

Key steps and initiatives to execute on, integrate, and maximize options for an eventual business transition.

	Management Team Continuity	<ul style="list-style-type: none">• Identify management succession and/or post-transaction transition plan• Secure any key hires for needed positions within the management team	
	Accounting Consolidation and QoE	<ul style="list-style-type: none">• 3rd party validation of consolidated historical financial performance• Determine credible and supportable adjustments to EBITDA	CPA
	Establish Budget and Financial Forecasts	<ul style="list-style-type: none">• Robust 2023 bottom-up monthly budget, replicate in future years• Develop 3 to 5-year financial projections including required capex/infrastructure investment to achieve plan	
	Validate Growth Plan	<ul style="list-style-type: none">• Vet / establish 3 to 5-year growth plan and required metrics (Budget to Actuals)• Compile and analyze historical KPIs• Identify key revenue and cost drivers (track KPIs)	
	Evaluate Market Landscape	<ul style="list-style-type: none">• Validate or calculate current market share• Identify new and adjacent market opportunities• Consolidate list of potential acquisition targets	
	Evaluate Legal, Tax, and Compliance Considerations	<ul style="list-style-type: none">• Ongoing litigation and potential exposure• Transferability and term considerations of intellectual property• Renewal or securing any key major contracts• Tax structuring analysis	Legal



Key Levers For Maximizing Value & Optimizing Outcome in a Transaction

PRE-TRANSACTION



Clearly define transaction objectives and shareholder goals



Establish appropriate advisory team



Early and proper preparation

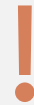


Thoughtful strategic positioning strategy

DURING TRANSACTION



Comprehensive, tailored investor universe



Proactively addressing key investor concerns



High-touch, tightly-managed process



Maintain competitive dynamics



Achieve budget and key milestones



Illustrative Sale Process Timeline



Thank you

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