

Clean Power Infrastructure

The must-know trends for middle market dealmakers



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Global CO2 emissions are expected to fall in 2024 as adoption of renewables and electric vehicles climb. To keep up the momentum, the infrastructure supporting clean power generation — including installation and maintenance, microgrids, grid management and optimization, energy storage, and EV charging — is crucial.

Within the US, California, Texas, and New York are home to the most clean power companies. Notably, Texas has been the top state for wind power generation for the last 17 years, with over 18,000 active turbines. In 2023, wind accounted for 28.6% of the state's total energy generation, only falling behind natural gas.

The clean power space is fairly fragmented. While the vast majority of companies in the space are independently owned, publicly traded companies and their subsidiaries account for 61% of employee headcount.

Installation and maintenance companies have the largest industry share at 52.5%, followed by energy storage companies with 26.2%.

Companies that create and maintain microgrids have the smallest slice at 3%.

Generally speaking, companies that support clean power generation are showing strong financial performance. The EV charging sector stands out for its 15.1x mean EV/EBITDA multiple, the highest among the spaces we analyzed.

Energy storage sees the most average revenue, but it is the only space analyzed here with negative average gross margins. The technology is evolving rapidly, but it still has a long way to go before it's suitable for large-scale projects. Meanwhile, the cost of the battery components needed for energy storage projects remain at historic levels, eating away at company returns.

Energy storage companies also lead the private sector in terms of average estimated revenue and raised funding. Notably, returns for energy storage focused on mobility (e.g., electric vehicles) tend to be higher than those focused on grid energy storage. EV-focused companies generally receive more investor attention and funding, hindering the progress of utility-scale energy storage.

The clean power infrastructure space has seen a high amount of activity in the last six months alone, led by the installation and maintenance sector. Most of the deals allowed the acquirer to considerably expand its geographical presence. For example, Swell Energy reported that its acquisition of Renu Energy Solutions will grow its presence in the Southeast and mid-Atlantic markets, strengthening its residential and commercial energy solutions there.

If you're an investor interested in making moves in the clean power infrastructure space, Grata can help you put the insights in this article into action. Schedule a demo today to get started.

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New research suggests that global CO2 emissions may have hit their peak in 2023, due largely to the rapid transition to renewable energy and electric vehicles. Companies across the clean power infrastructure market are helping to drive the shift.

Precedent Transactions

Buyer Name	Date	Target Name	Acquisition Value	Employee Count at Deal	Annual Growth Rate at Deal
Good Energy	6/22/23	Wessex ECOEnergy	\$5.1M	17	16.1%
Fortum	6/07/23	Telege Energi	\$40.9M	251	6.8%
Shell US	3/31/23	Volta Charging	\$169M	724	-22.2%
Parsons Corporation	2/14/23	IPKeys Power Partners	\$43M	37	-9.6%
I Squared Capital Advisors	2/07/23	Polaris Smart Metering	\$100M	48	5.4%

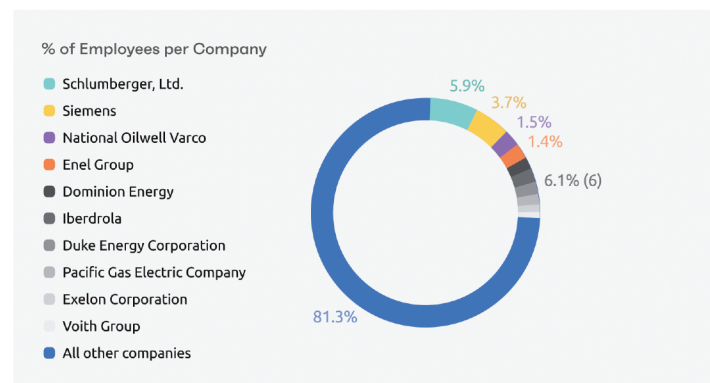
Public Comps

Segment	EV/Rev	EV/EBITDA	EV/Gross Profit	Revenue	Gross Margin
Industry Average	4.4x	13x	13x	\$20.4B	37%
Grid Management & Optimization	3.4x	13x	10x	\$43B	34.4%
Energy Storage	3x	13.3x	112.8x	\$30.3B	-11.8%
EV Charging	2.5x	15.1x	108.9x	\$28.5B	24.6%
Installation & Maintenance	3.2x	14.6x	11x	\$25.2B	26.1%
Microgrids	3.1x	13.7x	130.9x	\$19.3B	26.9%

Private Comps

Segment	Revenue Estimate	Employee Estimate	Annual Growth Estimate	Total Capital Raised
Industry Average	\$10.6B	11,614	19%	\$116.9M
Energy Storage	\$43.3M	493	11.9%	\$493.2M
Installation & Maintenance	\$41.1M	202	32.4%	\$374.9M
Grid Management & Optimization	\$32.4M	230	26.4%	\$48.6M
Microgrids	\$4M	33	23.2%	\$7.3M
EV Charging	\$2.3M	43	24.1%	\$24.7M

Fragmentation by Top Companies



Fragmentation by Ownership

