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Infrastructure
Industry Insight

August 2019

Infrastructure Industry Update

Infrastructure categories continue to see strong M&A activity

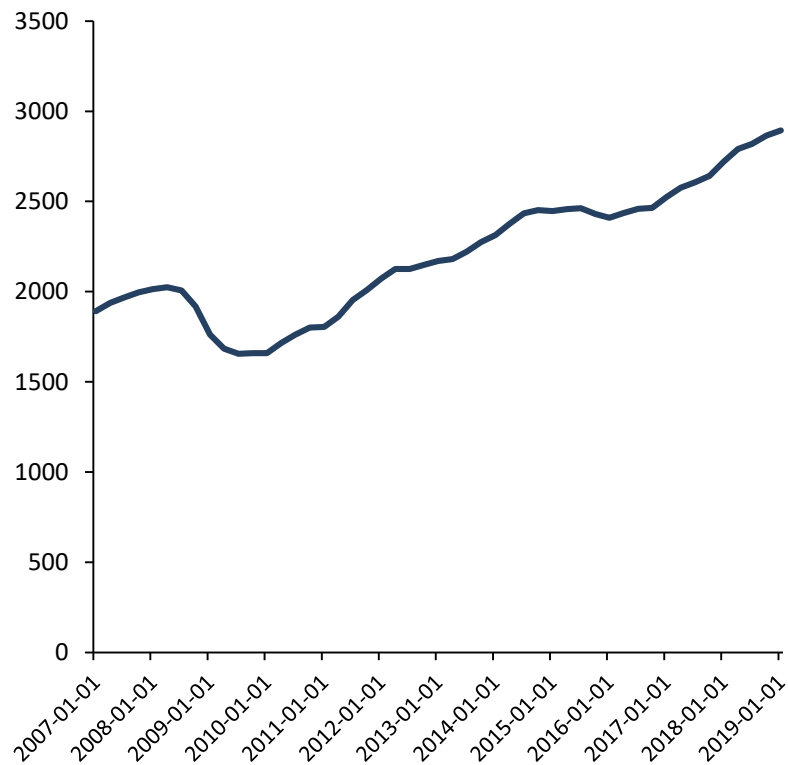
Select Recent Notable Publicly Announced M&A Transactions				
Date	Status	Target	Transaction Size	Buyer
Jun-2019	Closed		\$335 million	 AURORA CAPITAL PARTNERS
May-2019	Announced		\$72 million	 BROOKHAVEN CAPITAL PARTNERS
Apr-2019	Announced	 Long Beach Container Terminal	\$1.7 billion	 MACQUARIE
Feb-2019	Closed	 BILLY BISHOP TORONTO CITY AIRPORT	Undisclosed	 J.P.Morgan Asset Management
Jan-2019	Closed	 ENVIRONMENTAL STONEWORKS	\$186 million	 PLY GEM BUILDING PRODUCTS. BUILDING SUCCESS.
Nov-2018	Closed	 ACG MATERIALS	\$315 million	 ARCOSA

U.S. Infrastructure Industry - Key Data Overview

Infrastructure market was booming over the past 10 years

U.S. Private Nonresidential Fixed Investment

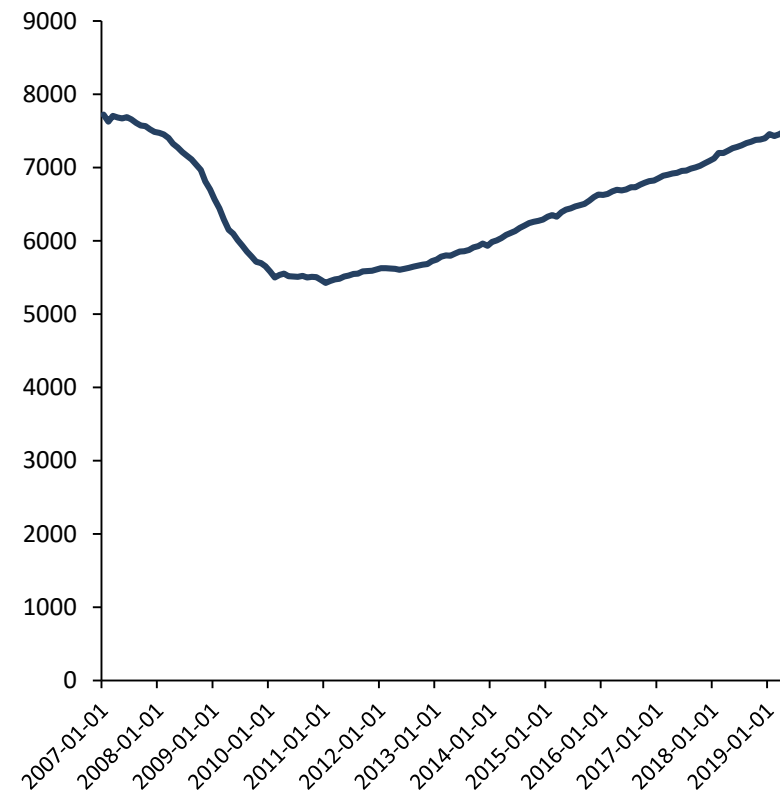
(\$ in billions)



Source: Federal Reserve Bank of St. Louis

U.S. Construction Employees

(thousands of persons)



Public Trading Comparables by Sector

Selected Infrastructure Public Trading Comparables

(\$ in millions)								
Company Name	Market Cap	Enterprise Value	Enterprise Value /			Forward P/E Ratio	Gross Margin %	EBITDA Margin %
			Revenue	EBITDA	EBIT			
Energy & Utilities								
NextEra Energy, Inc.	\$99,677	\$143,959	8.1x	15.4x	29.5x	24.9x	58%	52%
Duke Energy Corporation	\$63,311	\$124,803	5.2x	12.1x	23.0x	17.5x	45%	42%
Dominion Energy, Inc.	\$59,989	\$104,466	7.1x	15.0x	24.3x	17.0x	47%	46%
Kinder Morgan, Inc.	\$44,914	\$83,068	6.0x	11.3x	16.7x	19.2x	53%	46%
American Electric Power Company, Inc.	\$43,464	\$72,351	4.6x	14.4x	25.6x	20.9x	40%	31%
Sempra Energy	\$36,274	\$66,810	5.5x	15.1x	23.5x	21.4x	35%	33%
The Williams Companies, Inc.	\$28,822	\$53,786	6.3x	12.7x	21.2x	22.2x	53%	45%
Consolidated Edison, Inc.	\$28,392	\$49,224	3.9x	12.2x	19.9x	19.1x	52%	32%
Xcel Energy Inc.	\$30,710	\$50,405	4.3x	13.8x	27.2x	22.3x	38%	31%
FirstEnergy Corp.	\$23,114	\$43,624	4.0x	12.1x	19.1x	18.1x	68%	33%
ONEOK, Inc.	\$27,946	\$38,761	3.3x	15.4x	18.8x	20.3x	28%	20%
NiSource Inc.	\$10,495	\$20,668	3.9x	39.8x	NM	21.1x	17%	10%
Targa Resources Corp.	\$8,255	\$17,452	1.7x	13.5x	39.4x	NM	22%	12%
NRG Energy, Inc.	\$9,008	\$15,245	1.6x	10.2x	15.6x	9.1x	23%	16%
Equitrans Midstream Corporation	\$3,910	\$14,270	9.2x	10.4x	13.7x	10.1x	89%	81%
EnLink Midstream, LLC	\$4,258	\$10,453	1.4x	9.3x	19.5x	26.9x	22%	14%
Antero Midstream Corporation	\$4,010	\$6,528	14.1x	0.0x	30.6x	7.9x	83%	0%
U.S. Silica Holdings, Inc.	\$823	\$2,094	1.3x	9.6x	48.9x	37.0x	23%	14%
Chesapeake Utilities Corporation	\$1,489	\$2,127	3.0x	14.3x	21.7x	25.4x	23%	21%
Matrix Service Company	\$474	\$427	0.3x	10.7x	19.9x	12.6x	8%	3%
Energy & Utilities Median	\$25,530	\$41,193	4.2x	12.4x	21.7x	20.3x	39%	31%
Railway								
Union Pacific Corporation	\$120,807	\$146,880	6.5x	13.7x	17.2x	18.4x	52%	47%
CSX Corporation	62,718	77,046	6.2x	12.0x	15.1x	17.7x	51%	51%
Canadian National Railway Company	65,629	75,852	6.9x	13.8x	17.3x	19.2x	53%	50%
Norfolk Southern Corporation	53,156	65,022	5.6x	12.3x	15.7x	18.2x	45%	45%
Canadian Pacific Railway Limited	32,324	39,027	7.0x	13.5x	16.2x	17.8x	54%	52%
Kansas City Southern	11,803	14,880	5.4x	11.2x	15.2x	17.1x	48%	48%
Genesee & Wyoming Inc.	5,559	8,272	3.5x	12.1x	19.5x	22.0x	36%	29%
Railway Median	\$53,156	\$65,022	6.2x	12.3x	16.2x	18.2x	51%	48%

Source: Capital IQ, as of August 2019

Public Trading Comparables by Sector (cont.)

Selected Infrastructure Public Trading Comparables

(\$ in millions)

Company Name	Market Cap	Enterprise Value	Enterprise Value /			Forward P/E Ratio	Gross Margin %	EBITDA Margin %
			Revenue	EBITDA	EBIT			
Environmental Services								
Waste Management, Inc.	\$48,265	\$59,144	3.9x	13.9x		21.5x	25.4x	38%
Republic Services, Inc.	\$27,864	\$36,523	3.6x	13.2x		22.0x	25.7x	39%
Waste Connections, Inc.	\$23,353	\$27,487	5.3x	17.1x		30.8x	31.6x	41%
Veolia Environnement S.A.	\$13,378	\$28,582	1.0x	9.1x		16.6x	15.8x	16%
Stericycle, Inc.	\$3,997	\$7,190	2.1x	12.2x		22.4x	15.5x	38%
Clean Harbors, Inc.	\$4,090	\$5,598	1.7x	11.2x		28.0x	36.4x	30%
Advanced Disposal Services, Inc.	\$2,882	\$4,783	3.0x	12.9x		59.8x	66.1x	35%
US Ecology, Inc.	\$1,338	\$1,676	2.8x	12.7x		19.8x	24.8x	30%
Environmental Services Median	\$8,734	\$17,338	2.9x	12.8x		22.2x	25.5x	36%
Engineering and Construction								
MYR Group Inc.	\$493	NM	0.3x	7.1x		14.0x	13.1x	10%
EMCOR Group, Inc.	\$4,527	NM	0.6x	9.1x		10.8x	13.8x	15%
Aegion Corporation	\$585	NM	0.7x	9.9x		16.5x	13.7x	20%
MasTec, Inc.	\$4,357	\$5,905	0.8x	7.4x		10.4x	12.0x	15%
McDermott International, Inc.	\$909	\$5,030	0.6x	16.5x		89.8x	10.2x	7%
Tutor Perini Corporation	\$585	\$1,410	0.3x	5.3x		6.5x	4.7x	11%
Primoris Services Corporation	\$970	\$1,436	0.5x	6.2x		9.9x	10.9x	11%
Quanta Services, Inc.	\$4,645	\$6,428	0.5x	7.2x		10.2x	9.5x	13%
Matrix Service Company	\$474	\$427	0.3x	10.7x		19.9x	12.6x	8%
Orion Group Holdings, Inc.	\$132	\$241	0.5x	NM		NM	NM	2%
Jacobs Engineering Group Inc.	\$10,975	\$11,273	0.7x	12.1x		14.9x	15.3x	18%
Tetra Tech, Inc.	\$4,108	\$4,343	1.9x	18.0x		20.5x	22.5x	17%
White Group Public Company Limited	\$84	\$46	1.3x	7.0x		8.0x	0.0x	27%
Team, Inc.	\$469	\$881	0.7x	56.7x		NM	203.3x	26%
Sterling Construction Company, Inc.	\$314	\$353	0.3x	6.1x		8.5x	9.2x	10%
Granite Construction Incorporated	\$1,430	\$1,529	0.5x	20.1x		NM	19.0x	7%
AECOM	\$5,262	\$8,522	0.4x	9.3x		12.7x	11.1x	4%
Dycom Industries, Inc.	\$1,560	\$2,461	0.8x	8.3x		21.3x	18.5x	18%
Fluor Corporation	\$2,951	\$3,156	0.2x	NM		NM	12.8x	-1%
Trident Resources Plc	\$4	\$2	0.0x	0.0x		0.0x	0.0x	0%
Engineering and Construction Median	\$939	\$1,529	0.5x	8.7x		11.8x	12.6x	11%

Source: Capital IQ, as of August 2019

Selected Infrastructure Industry Transactions

Selected Infrastructure Transactions					
Date	Target / Issuer	Transaction Size (\$mm)	Buyers / Investors	EV / EBITDA	Transaction Comments
07/26/2019	Winchester & Western Railroad Company, Inc.	\$105	OmniTRAX, Inc.	-	OmniTRAX, Inc. signed a definitive agreement to acquire Winchester & Western Railroad Company, Inc. from Covia Holdings Corporation (NYSE:CVIA) for approximately \$110 million on July 25, 2019.
07/01/2019	Genesee & Wyoming Inc. (NYSE:GWR)	\$9,561	DJP XX, LLC	14.1x	DJP XX, LLC entered into an agreement to acquire Genesee & Wyoming Inc. (NYSE:GWR) from Blue Harbour Group, L.P. and others for \$6.4 billion on July 1, 2019. Under the terms of the agreement, DJP XX, LLC will pay \$112 in cash to stockholders.
06/24/2019	Petroleum Services Corporation	\$335	Aurora Capital Partners	-	Aurora Capital Partners acquired Petroleum Services Corporation from SGS SA (SWX:SGSN) for approximately \$340 million on June 24, 2019. Petroleum Services Corporation had an annual turnover of approximately \$300 million in 2018.
05/17/2019	Pioneer Railcorp, Inc. (OTCPK:PRRR)	\$72	Related Infrastructure; Brookhaven Rail Partners, LLC	-	Related Infrastructure and Brookhaven Rail Partners, LLC entered into a definitive agreement to acquire Pioneer Railcorp, Inc. (OTCPK:PRRR) from Heartland Rail Investments LLC and other shareholders for \$72.4 million on May 17, 2019.
05/10/2019	Buckeye Partners, L.P. (NYSE:BPL)	\$10,502	IFM Global Infrastructure Fund	18.6x	IFM Global Infrastructure Fund entered into an agreement to acquire Buckeye Partners, L.P. (NYSE:BPL) for \$6.5 billion on May 10, 2019. Under the terms, IFM Global will pay \$41.50 in cash for each partnership unit of Buckeye.
05/10/2019	Fraser Surrey Docks Terminal	\$90,502	DP World	-	DP World will be acquiring Fraser Surrey Docks terminal from a Macquarie Group fund. The deal is expected to close in the first half of 2019.
05/08/2019	Andeavor Logistics LP (NYSE:ANDX)	\$3,276	MPLX LP (NYSE:MPLX)	11.8x	MPLX LP (NYSE:MPLX) entered into a definitive agreement to acquire 36.4% stake in Andeavor Logistics LP (NYSE:ANDX) for \$3.3 billion on May 7, 2019.

Source: Capital IQ, as of August 2019

Selected Infrastructure Industry Transactions (cont.)

Selected Infrastructure Transactions					
Date	Target / Issuer	Transaction Size (\$mm)	Buyers / Investors	EV / EBITDA	Transaction Comments
04/30/2019	LBCT LLC	\$1,780	Macquarie Infrastructure and Real Assets	-	Macquarie Infrastructure Partners IV, L.P. of Macquarie Infrastructure and Real Assets and others entered into the sale and purchase agreement to acquire LBCT LLC from Long Beach Container Terminal, Inc. and OOCL LLC for approximately \$1.8 billion.
03/25/2019	Enviva Wilmington Holdings, LLC	\$166	Enviva Partners, LP (NYSE:EVA)	-	Enviva Partners, LP (NYSE:EVA) entered into a contribution agreement to acquire an unknown stake in Enviva Wilmington Holdings, LLC from Enviva Development Holdings, LLC for approximately \$170 million on March 21, 2019.
03/18/2019	Williams Ohio Valley Midstream/Utica East Ohio Midstream, LLC	\$1,304	Canada Pension Plan Investment Board	-	Canada Pension Plan Investment Board entered into a definitive agreement to acquire 35% stake in Williams Ohio Valley Midstream and Utica East Ohio Midstream, LLC from The Williams Companies, Inc. (NYSE:WMB) for approximately \$1.3 billion.
02/25/2019	Nieuport Aviation Infrastructure Partners (Billy Bishop)	\$90,502	J.P. Morgan Asset Management	0.0x	InstarAGF Asset Management has sold its interest in Nieuport Aviation Infrastructure Partners GP, the owner and operator of the passenger terminal at Billy Bishop Toronto City Airport. Terms weren't disclosed.
01/31/2019	Tallgrass Energy GP, LLC	\$3,200	The Blackstone Group L.P. (NYSE:BX); GIC Pte. Ltd.; Enagás, S.A. (BME:ENG)	-	The affiliates of Blackstone Infrastructure Partners, L.P. managed by The Blackstone Group L.P. (NYSE:BX), GIC Pte. Ltd and Enagás, S.A.
01/17/2019	Environmental Materials, LLC	\$186	Ply Gem Industries, Inc.	-	Ply Gem Industries, Inc. entered into a unit purchase agreement to acquire Environmental Materials, LLC from a consortium of sellers for approximately \$190 million on January 12, 2019.
12/31/2018	EQGP Holdings, LP	\$222	Equitrans Gathering Holdings, LLC	12.7x	Equitrans Gathering Holdings, LLC exercised the limited call right to acquire an additional 3.7% stake in EQGP Holdings, LP (NYSE:EQGP) from Vicky A. Bailey, Kenneth M. Burke, Margaret K. Dorman, Phillip D.

Source: Capital IQ, as of August 2019

Selected Infrastructure Industry Transactions (cont.)


Selected Infrastructure Transactions					
Date	Target / Issuer	Transaction Size (\$mm)	Buyers / Investors	EV / EBITDA	Transaction Comments
12/19/2018	Coach USA Administration Inc	\$271	Variant Equity Advisors, LLC	-	Variant Equity Advisors, LLC agreed to acquire Coach USA Administration Inc. from Scusi Limited for an enterprise value of approximately \$270 million on December 19, 2018.
11/08/2018	Western Midstream Operating, LP	\$12,548	Western Midstream Partners, LP (NYSE:WES)	14.4x	Western Gas Equity Partners LP (NYSE:WGP) (WGP) entered into a merger agreement to acquire the remaining 67.15% stake in Western Gas Partners LP (NYSE:WES) (WES) from Anadarko Petroleum Corporation (NYSE:APC) (APC) and public shareholders for \$5.
10/22/2018	EnLink Midstream Partners, LP	\$11,356	EnLink Midstream, LLC (NYSE:ENLC)	12.1x	EnLink Midstream LLC (NYSE:ENLC) entered into an agreement to acquire the remaining 75.
10/09/2018	Antero Midstream Partners LP	\$7,360	Antero Midstream Corporation (NYSE:AM)	11.6x	Antero Midstream GP LP (NYSE:AMGP) entered into a definitive agreement to acquire Antero Midstream Partners LP (NYSE:AM) from Antero Resources Corporation (NYSE:AR) and other shareholders for \$5.8 billion on October 9, 2018.
09/28/2018	American Midstream Partners, LP (NYSE:AMID)	\$1,506	ArcLight Capital Partners, LLC	13.4x	ArcLight Energy Partners Fund V, L.P., a fund managed by ArcLight Capital Partners, LLC made a non-binding offer to acquire the remaining stake in American Midstream Partners, LP (NYSE:AMID) for approximately \$250 million on September 27, 2018.
09/18/2018	DesertXpress Enterprises, LLC	\$120	Virgin Trains USA LLC (NasdaqGM:VTUS)	-	Virgin Trains USA LLC (Brightline) entered into an agreement to acquire DesertXpress Enterprises, LLC for \$120 million on September 17, 2018.
08/23/2018	U S Rail Holdings LLC	\$5	United Rail, Inc. (OTCPK:URAL)	-	Las Vegas Railway Express, Inc. (OTCPK:XTRN) acquired U S Rail Holdings for \$4.5 million on August 23, 2018. Danielle M.

Source: Capital IQ, as of August 2019


Infrastructure Industry Expertise

Peakstone principals have completed infrastructure and government transactions totaling \$10+ billion in value

M&A Advisory

 <p>Purple Line P3 Transaction Maryland Economic Development Corporation</p> <p>Sell-Side Advisor</p>	 <p>Partners Group Acquisition of Billy Bishop Toronto City Airport Passenger Terminal</p> <p>Buy-side Advisor</p>	 <p>Melford International Terminal Financial Advisor to marine terminal developer</p> <p>Sell-Side Advisor</p>	 <p>& Consortium Acquisition of Montreal Gateway Terminals from Morgan Stanley Infrastructure Partners</p> <p>Buy-side Advisor</p>	 <p>Navy Base Container Terminal Project</p> <p>Sell-side Advisor</p>	 <p>Divestiture of LCRA Water & Wastewater Systems</p> <p>Sell-side Advisor</p>
 <p>Sale of Blue Creek Terminal</p> <p>Sell-side Advisor</p>	 <p>Advisor to Bidder Chicago Midway Privatization</p> <p>Buy-side Advisor</p>	 <p>Illinois International Port District Implement Use Agreement(s) Process</p> <p>Sell-side Advisor</p>	 <p>Virginia Port Authority Port Concession Bid</p> <p>Buy-side Advisor</p>	 <p>Kitimat Marine Liquid Bulk Terminal Sold to Royal Dutch Shell PLC, Korea Gas Corp, China National Petroleum Co & Mitsubishi Corp</p> <p>Sell-Side Advisor</p>	 <p>Minority Stake in Carrix Inc. Sold to Goldman Sachs Infrastructure Partners</p> <p>Buy-side Advisor</p>

Financing

 <p>\$500 million Dominican Republic Punta Catalina Power Station Senior Notes Due 2027</p> <p>Joint Bookrunner</p>	 <p>Undisclosed Senior Facility</p> <p>Joint Bookrunner</p>	 <p>\$875 million 6.75% Senior Secured Notes \$275 million 9.75% Senior Notes</p> <p>Co-Lead Manager</p>	 <p>\$405 million Senior Secured PIK Toggle Notes due 2019</p> <p>Co-Lead Manager</p>	 <p>\$1.8 billion General Obligation Bonds Tax-exempt Series</p> <p>Joint Bookrunner</p>	 <p>\$416 million City of Chicago General Obligation Bonds</p> <p>Senior Manager</p>	 <p>\$249 million Maryland Economic Dev Corp Seagirt Marine Terminal Acquisition and CapEx Financing</p> <p>Co-Senior Manager</p>
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Infrastructure Industry Expertise

Peakstone Infrastructure Team



Patrick Sandercock – Managing Director
psandercock@peakstone.com

- 10+ years M&A & capital markets experience
- Prior to Peakstone, Pat worked for BMO Capital Markets and a boutique NY investment bank
- Significant experience in infrastructure advisory and public-private partnerships
- Pat is a Coast Guard Academy graduate



Terri Smalinsky – Managing Director
tsmalinsky@peakstone.com

- 30+ years M&A & capital markets experience
- Prior to Peakstone, Terri worked for Ziegler, Stern Brothers and ABN AMRO
- Advised or placed \$6+ billion domestic and international infrastructure projects



Eric Zampol – Managing Director
ezampol@peakstone.com

- 15+ years M&A & capital markets experience
- Prior to Peakstone, Eric worked for Goldman Sachs, BMO Capital Markets and a boutique NY investment bank
- Over \$30 billion successful M&A advisory / lead managed capital markets experience

Select Principal Infrastructure Experience

Energy

- Advised Cenovus Energy Inc. on its sale of the Kitimat Marine Terminal (BC) to Royal Dutch Shell and its LNG partners
- Advised Walter Energy on its sale of the Blue Creek Terminal

Utility

- Advised on the divestiture of LCRA Water & Wastewater Systems

Transport - Port

- Melford International Terminal – Sellside financial advisor to marine terminal developer
- Buyside advisor for acquisition of Billy Bishop Toronto City Airport Passenger Terminal
- Advised South Carolina Ports on the Navy Base Container Terminal Project
- Buyside advisor in the Chicago Midway privatization project
- Advised Highstar Capital - Ports America on multiple projects, including most notably the Seagirt Marine Terminal in Baltimore
- Advised Axiom Infrastructure on its acquisition of Montreal Gateway Terminals
- Co-senior managing underwriter for the Maryland Economic Development Corp's \$249 million Seagirt financing
- Advised the Port of Chicago (IIPD) on P3/concession redevelopment initiative (ongoing)

Transport - Rail

- Co-lead debt manager on the \$1.15 billion Florida East Coast Railway and Industries financings
- Co-lead manager on a \$400 million All Aboard Florida financing
- Lead debt manager for the City of Reno's \$191 million ReTRAC rail corridor financing
- Sellside advisor to Maryland Economic Development Corporation on the Purple Line P3 Transaction
- Advisor to Desert Ranch Railway

Multi/Gen Govt

- Lead underwriter for the City of Chicago's \$416 million bond issuance supporting infrastructure and other general government needs
- California Energy and Earthquake Bonds

Peakstone Momentum

 <p>M&A Advisor PEAKSTONE</p>	 <p>M&A Advisor PEAKSTONE</p>	 <p>M&A Advisor PEAKSTONE</p>	 <p>M&A Advisor PEAKSTONE</p>	 <p>M&A Advisor PEAKSTONE</p>	 <p>M&A Advisor PEAKSTONE</p>	 <p>M&A Advisor PEAKSTONE</p>	 <p>Strategic Investor & Financial Investor M&A Advisor PEAKSTONE</p>
 <p>M&A Advisor PEAKSTONE</p>	 <p>M&A Advisor PEAKSTONE</p>	 <p>M&A Advisor PEAKSTONE</p>	 <p>M&A Advisor PEAKSTONE</p>	 <p>M&A Advisor PEAKSTONE</p>	 <p>M&A Advisor PEAKSTONE</p>	 <p>M&A Advisor PEAKSTONE</p>	 <p>M&A Advisor PEAKSTONE</p>
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Contact Us

About Peakstone

Peakstone is an investment bank that specializes in mergers and acquisitions advisory and capital raising for middle market clients. Our team is comprised of senior investment banking professionals who have decades of experience and have executed hundreds of transactions totaling billions of dollars. For additional information, visit www.peakstone.com.

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