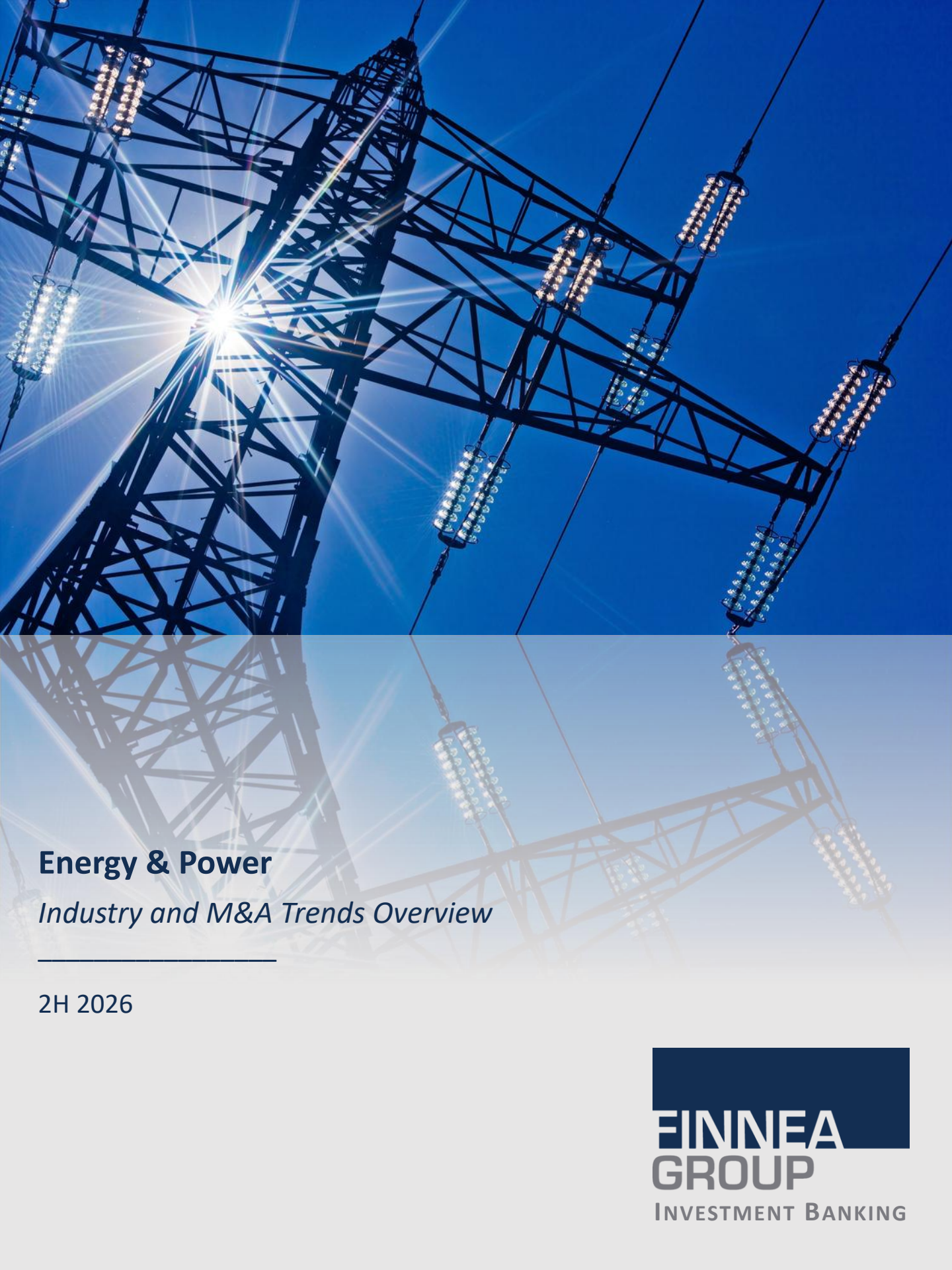




Energy & Power

Industry and M&A Trends Overview

2H 2026

FINNEA
GROUP
INVESTMENT BANKING

ENERGY & POWER INDUSTRY OVERVIEW

\$570B

Energy & Power
Jun-26 LTM Revenue

5.5%

Blended Growth
CAGR 2023 – 2027

\$200B

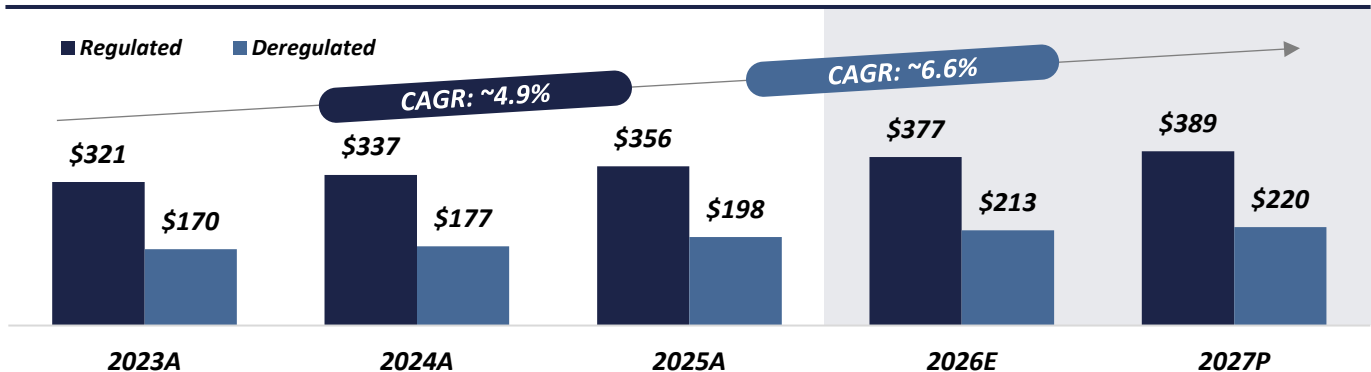
2025 Energy
& Power Capex

\$1.3T

Est. Energy & Power
Capex 2026 – 2030

- The energy and power industry is split into two core segments: regulated markets, where vertically integrated utilities earn a set return on rate base, and deregulated markets, where generation and supply are sold competitively.
- Regulated utilities own generation, transmission, and distribution; retail rates are set by state commissions, while the Federal Energy Regulatory Commission (FERC) oversees wholesale and transmission rates, producing stable, predictable cash flows.
- In deregulated markets, the wires stay a regulated monopoly, but independent power producers and retail suppliers compete on price in restructured regions like the Electric Reliability Council of Texas (ERCOT), PJM Interconnection (Mid-Atlantic), and ISO New England (ISO-NE), with earnings tied to power and capacity prices.
- Operators compete on cost of generation, fuel mix, reliability, and rate base growth, with regulatory execution key in regulated markets and wholesale/retail pricing key in competitive ones.
- Key themes include record load growth from data centers and electrification, a sharp capex ramp, dispatchable gas and nuclear capacity, renewables build-out, and an active mergers and acquisitions (M&A) and infrastructure cycle.

U.S. POWER & UTILITIES MARKET SIZE (\$B)



KEY INDUSTRY TRENDS



Regulated Market Trends

Record Capital Investment

U.S. energy utilities are entering a historic investment cycle, with approximately \$1.3 trillion of capex planned through 2030 to modernize the grid, improve reliability and serve large-load growth.

Structural Load Growth

Data centers and industrial reshoring are driving the strongest period of U.S. electricity-demand growth since 2000, requiring significant incremental grid and generation investment.

Regulatory Execution

Record utility capex can drive rate-base and earnings growth, but realizing returns depends on favorable rate-case outcomes amid rising customer-affordability pressure.



Deregulated Market Trends

Tightening Capacity Markets

Rapid large-load growth and continued plant retirements are creating capacity shortfalls in competitive markets, increasing the value of reliable existing generation.

Renewables Policy Reset

Shortened wind and solar tax-credit timelines increase financing and execution risk for projects unable to meet 2026 construction or 2028 service deadlines.

Nuclear Resurgence

Hyperscaler demand and federal policy are accelerating nuclear restarts, uprates and new development, including long-term contracts for firm, carbon-free power.

SELECT PUBLIC COMPARABLES

(\$ Millions)							
Company	Market Cap	Total Enterprise Value (TEV)	LTM		EBITDA Margin %	TEV as a Multiple of:	
			Revenue	EBITDA		LTM Revenue	LTM EBITDA
Regulated Utilities							
Duke Energy (DUK)	\$91,826	\$186,444	\$32,803	\$16,617	51%	5.7x	11.2x
American Electric Power (AEP)	\$65,660	\$119,792	\$22,791	\$9,029	40%	5.3x	13.3x
Dominion Energy (D) ¹	\$56,175	\$115,489	\$18,119	\$8,341	46%	6.4x	13.8x
Entergy (ETR)	\$49,173	\$80,256	\$13,482	\$5,538	41%	6.0x	14.5x
Xcel Energy (XEL)	\$45,280	\$84,913	\$14,616	\$6,123	42%	5.8x	13.9x
Exelon (EXC)	\$43,556	\$94,416	\$25,326	\$8,355	33%	3.7x	11.3x
Consolidated Edison (ED)	\$38,921	\$65,771	\$17,689	\$6,162	35%	3.7x	10.7x
WEC Energy Group (WEC)	\$33,729	\$57,140	\$10,137	\$3,965	39%	5.6x	14.4x
PG&E Corporation (PCG)	\$28,959	\$94,521	\$25,837	\$10,453	40%	3.7x	9.0x
Ameren (AEE)	\$28,520	\$50,445	\$8,411	\$3,910	46%	6.0x	12.9x
DTE Energy (DTE)	\$27,135	\$54,938	\$16,465	\$3,617	22%	3.3x	15.2x
FirstEnergy (FE)	\$26,230	\$56,641	\$15,636	\$5,422	35%	3.6x	10.4x
Eversource Energy (ES)	\$25,316	\$53,460	\$13,998	\$4,933	35%	3.8x	10.8x
PPL Corporation (PPL)	\$25,007	\$45,051	\$9,398	\$3,759	40%	4.8x	12.0x
Edison International (EIX)	\$20,995	\$65,940	\$19,423	\$8,930	46%	3.4x	7.4x
CMS Energy (CMS)	\$20,671	\$40,580	\$8,813	\$3,018	34%	4.6x	13.4x
NiSource (NI)	\$19,465	\$39,158	\$6,882	\$3,026	44%	5.7x	12.9x
Pinnacle West Capital (PNW)	\$11,502	\$28,038	\$5,554	\$2,149	39%	5.0x	13.0x
					Median	4.9x	12.9x
					Mean	4.8x	12.2x
Diversified Regulated & Competitive							
NextEra Energy (NEE)	\$169,110	\$287,474	\$28,700	\$14,593	51%	10.0x	19.7x
Southern Company (SO)	\$98,874	\$175,749	\$30,179	\$14,258	47%	5.8x	12.3x
Sempra (SRE)	\$53,097	\$100,334	\$13,552	\$5,874	43%	7.4x	17.1x
Engie (ENGI)	\$66,264	\$140,766	\$80,604	\$15,374	19%	1.7x	9.2x
Public Service Enterprise Group (PEG)	\$35,099	\$59,585	\$12,543	\$4,463	36%	4.8x	13.4x
AES Corporation (AES) ²	\$10,559	\$49,531	\$13,054	\$4,070	31%	3.8x	12.2x
					Median	5.3x	12.8x
					Mean	5.6x	14.0x
Competitive Power & Retail							
Constellation Energy (CEG)	\$92,081	\$116,429	\$31,270	\$7,952	25%	3.7x	14.6x
Vistra (VST)	\$47,502	\$70,063	\$19,212	\$6,646	35%	3.6x	10.5x
NRG Energy (NRG)	\$22,280	\$46,235	\$33,125	\$3,253	10%	1.4x	14.2x
Talen Energy (TLN)	\$13,519	\$22,884	\$3,741	\$582	16%	6.1x	39.3x
					Median	3.7x	14.4x
					Mean	3.7x	19.7x

SELECT ACTIVE PLAYERS IN THE INDUSTRY

Regulated Utilities	Diversified Regulated & Competitive	Competitive Power & Retail
 	 	 
 	 	 
 	 	

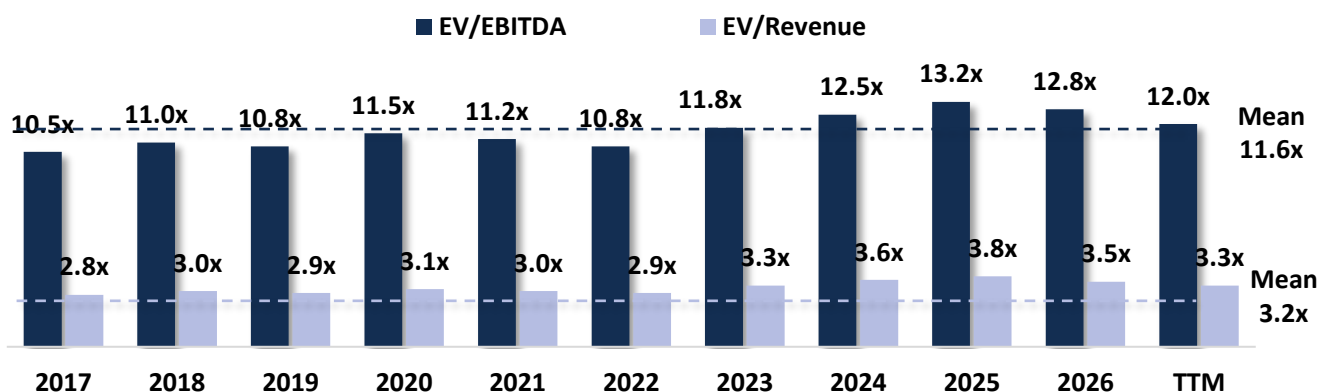
1) Dominion Energy is currently in the process of being acquired by NextEra Energy.

2) AES is currently in the process of being taken private; financial data reflects the latest publicly available financial information.

RECENT M&A TRANSACTIONS

2026 M&A activity has accelerated materially, driven by both higher transaction volume and larger deal sizes

(\$ Millions) Date Announced	Target Company	Acquirer	Target Location	Sub-Sector / Asset Type	Transaction Value (\$M)
8/20/2026	PCI Energy Solutions	Mitsubishi Electric	Norman, OK	Deregulated	\$1,400
7/6/2026	Global Energy Services Alliance	Solaris Energy Infra.	Houston, TX	Deregulated	\$257
6/3/2026	Mountain & Canyon Peak Power	TransAlta	Denver, CO	Deregulated	\$1,000
5/18/2026	Dominion Energy	NextEra Energy	Richmond, VA	Diversified	\$66,800
3/2/2026	AES Corporation	GIP (BlackRock) / EQT consortium	Arlington, VA	Deregulated	\$33,400
1/6/2026	Cordelio Power (1,550 MW)	Pattern Energy	Toronto, ON	Deregulated	N/A
1/5/2026	Cogentrix Energy (gas, ~90%)	Vistra	Charlotte, NC	Deregulated	\$4,700
12/15/2025	ALLETE	CPP Investments	Duluth, MN	Regulated	\$6,200
9/24/2025	ProEnergy (1.6 GW Gas)	CPS Energy	Sweeny, TX	Deregulated	\$1,387
8/18/2025	Freedom & Guernsey Plants	Talen Energy	PA / OH	Deregulated	\$3,800
5/19/2025	TXNM Energy	Blackstone Infrastructure	Albuquerque, NM	Regulated	\$11,500
5/12/2025	LS Power Portfolio (13 GW)	NRG Energy	New York, NY	Deregulated	\$12,000
1/10/2025	Calpine	Constellation Energy	Houston, TX	Deregulated	\$26,600

HISTORICAL TRADING MULTIPLES

SELECT ACTIVE ENERGY & POWER INVESTORS
ARCLIGHT
Blackstone
Brookfield
CPP Investments
ECP
EQT
GLOBAL INFRASTRUCTURE PARTNERS
i I SQUARED
KKR
Stonepeak

DEREGULATED VS REGULATED MARKET MAP BY ENERGY TYPE



Electricity Market

➤ Deregulation stays regional

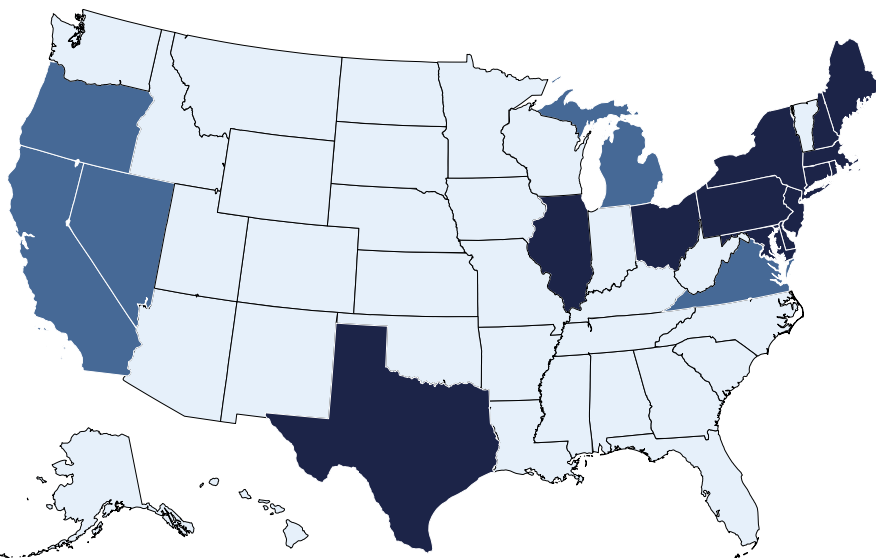
Retail choice is concentrated in the Northeast, Mid-Atlantic (PJM, ISO-NE) and Texas (ERCOT); most of the South and Mountain West stay vertically integrated.

➤ Merchant power drives M&A

Competitive markets see the most deal flow as IPPs and sponsors compete for generation (Constellation / Calpine, NRG / LS Power).

➤ Regulated names go private

Infrastructure capital keeps taking, rate-regulated utilities private for stable, rate-base-driven growth (TXNM / Blackstone Infrastructure).



Map Key

Deregulated

Hybrid

Regulated



Natural Gas Market

➤ Gas choice runs wider

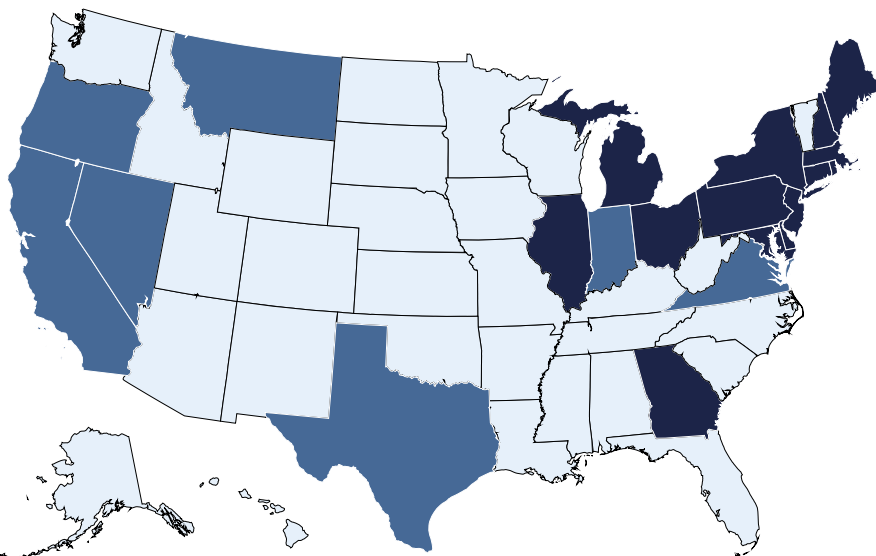
Retail gas deregulation reaches more states than power, led by fully open Georgia and choice programs across the Midwest and Northeast.

➤ Utilities reshape portfolios

Regulated owners are monetizing gas distribution to redeploy capital (Dominion's gas utilities to Enbridge, \$14B).

➤ Demand re-rates assets

Data center and AI load plus LNG exports are lifting valuations for gas generation and midstream.



Map Key

Deregulated

Hybrid

Regulated