



# PCE Industry Report

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Power & Energy



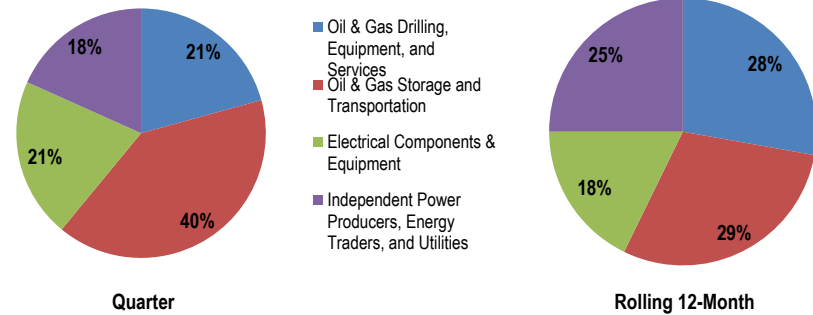
## Power - For the Quarter Ended 03/31/15

### Industry Trends During Quarter

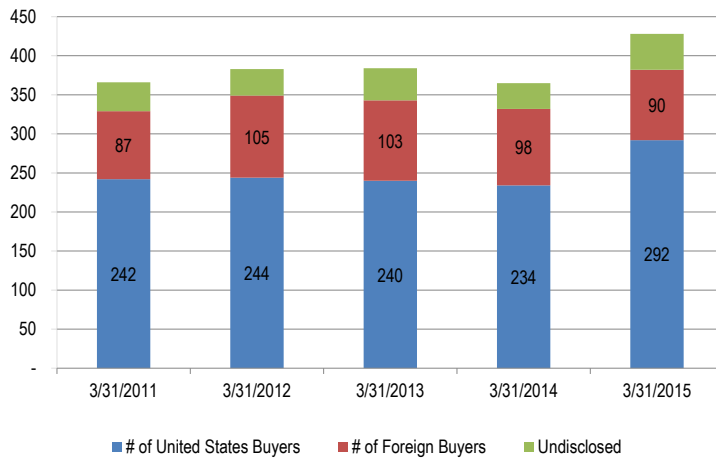
Sector	Transaction Volume	TEV/ Revenue	TEV/EBITDA
Oil & Gas Drilling, Equipment, and Services	↓	→	11.6x
Oil & Gas Storage and Transportation	↓	→	Market Data Not Available
Electrical Components & Equipment	↓	→	Market Data Not Available
Independent Power Producers, Energy Traders, and Utilities	↓	→	Market Data Not Available

\* Based on transactions with reported financial data only; historically ~ 30% to 40% of transactions report financial data

### Transaction Volume as % of Industry



### Rolling 12-Month Transaction Volume Trends by Buyer Origin



\* Results exclude transactions that did not disclose buyer information

Source: S&P Capital IQ as of 5/6/2015 and PCE Proprietary Data

### Largest Transactions Announced or Closed During Quarter by Transaction Value (\$ in millions)

Sector	Target	Buyer	Transaction Value
Electrical Components & Equip	Polypore International Inc.	ESM Holdings Corporation	\$3,219.3
Oil & Gas Storage & Transport	Hiland Partners, LP	Kinder Morgan, Inc.	\$3,000.0
Oil & Gas Storage & Transport	19.46% in Explorer Pipeline Company and 33.33% stake in EQT Gathering, LLC, Northern West Virginia Marcellus	Phillips 66 Partners LP	\$1,081.1
Oil & Gas Storage & Transport	EnLink Midstream Holdings, LP	EQM Gathering Opco, LLC	\$925.7
Oil & Gas Storage & Transport	EnLink Midstream Holdings, LP	EnLink Midstream Partners, LP	\$904.9
Ind Power Producers	Bayonne Energy Center, LLC	Macquarie Infrastructure Company LLC	\$720.0
Oil & Gas Storage & Transport	Tallgrass Pony Express Pipeline, LLC	Tallgrass PXP Holdings, LLC	\$700.0
Oil & Gas Storage & Transport	Valero Partners Houston, LLC and Valero Partners Louisiana, LLC	Valero Energy Partners LP	\$673.9
Oil & Gas Storage & Transport	Coronado Midstream Holdings LLC	EnLink Midstream Partners, LP	\$600.0
Ind Power Producers	CBAS Power, Inc.	Florida Power & Light Company	\$520.5

\* Detail above includes announced transactions

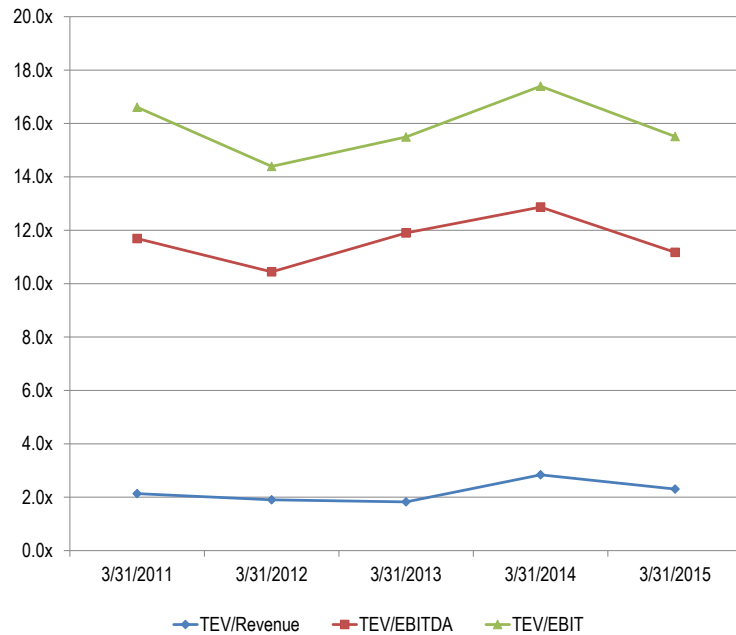
# Power - For the Quarter Ended 03/31/15

## Summary of Public Comparables as of Quarter End (\$ in millions)

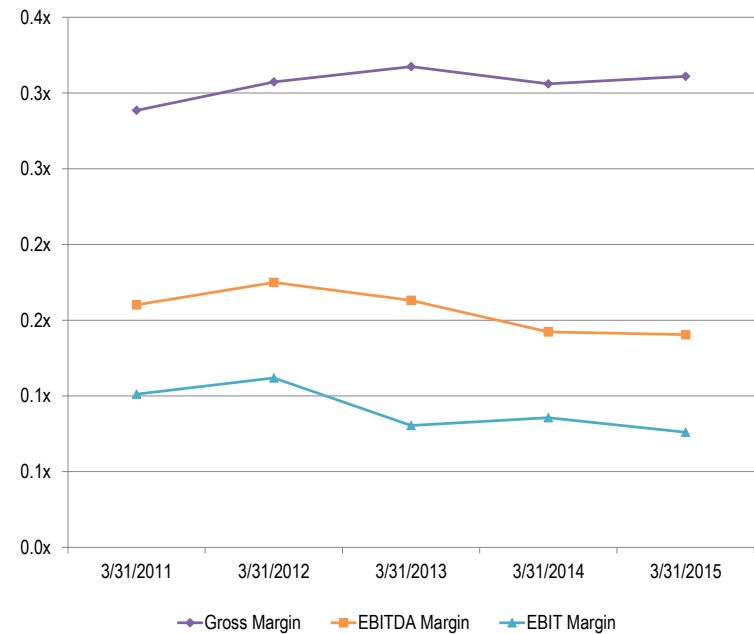
	TEV				LTM 3/31/2015 Trends	
	Market Cap	Revenue	EBITDA	EBIT		
Average	\$5,343	5.6x	13.6x	21.7x	TEV/Revenue	↓
Median	\$2,081	2.3x	11.2x	15.5x	TEV/EBITDA	↓
					TEV/EBIT	↓

	Margins			LTM 3/31/2015 Trends	
	Gross Profit	EBITDA	EBIT		
Average	32.8%	7.9%	16.8%	Gross Margin	↑
Median	31.1%	14.0%	7.6%	EBITDA Margin	↓
				EBIT Margin	↓

Valuation Trends



Margin Trends



Source: S&P Capital IQ as of 5/6/2015 and PCE Proprietary Data

## Data Assumptions

At PCE, we consider transaction activity as mergers & acquisitions, consolidations, restructurings and spin-offs. Targets are defined as U.S. based companies with either foreign or U.S. based buyers. Transaction information provided is based on announced dates.



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## Glossary

EBIT - Earnings Before Interest and Taxes

EBITDA - Earnings Before Interest, Taxes, Depreciation, Amortization

LTM - Last Twelve Months

TEV - Total Enterprise Value

## About PCE

Eighteen years ago, PCE was formed to provide professional investment banking, business valuation and advisory services to middle market companies. We determined from our experience as business owners that there was a need that was not being professionally fulfilled.

We understand the importance of creating a relationship and the value of trust when providing our services. PCE's professionals are successful business owner, entrepreneurs, lenders, former Federal Reserve board members, CPA's, CFA's, national & international valuation experts, international analysts and investors. PCE offers senior level attention, sound advice, skilled execution and personalized attention you can trust.

Our mission is to be the premier investment bank serving middle market companies. PCE is committed to providing individualized strategies throughout your business life-cycle, focused on maximizing shareholder value.

PCE Investment Bankers, Inc. – member FINRA and SIPC; PCE Valuations, LLC; PCE Advisory, LLC