

UTILITY SERVICES SECTOR CASE STUDY

MasTec's Acquisition of Infrastructure and Energy Alternatives (IEA)

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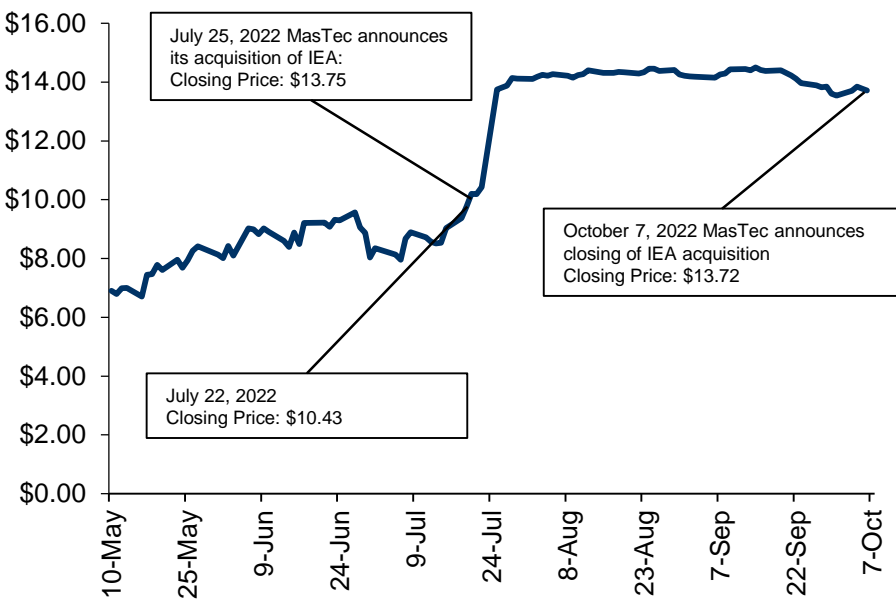
November 2022

CASE STUDY: MASTEC ACQUIRES INFRASTRUCTURE ENERGY ALTERNATIVES (“IEA”)

Transaction Overview

- **Announced: July 25, 2022**
- **Status: Closed October 7, 2022**
- **Enterprise Value: \$1.2 billion at announcement**
 - Cash-and-stock transaction structured as \$610.0 million in cash and ~2.8 million shares of MasTec common stock whereby IEA shareholders will receive \$14.00 per share composed of \$10.50 in cash (75.0%) and 0.0483 shares of MasTec stock with a value of \$3.50 per share (25.0%)
 - The stock exchange ratio of 0.0483 is fixed and was not adjusted for stock price changes and the market price of MasTec stock
 - 34.2% premium ⁽¹⁾
 - 7.6x 2022E Adj. EBITDA of ~\$145.0 million ⁽²⁾
 - The transaction was funded with a combination of cash on hand, drawings under MasTec’s existing credit facility, and additional debt financing
- **Between announcement (7/25/2022) and closing (10/7/2022) of the transaction, MasTec’s share price decreased 9.6% from \$72.52 to \$65.53**
- **Upon closing, IEA shareholders received total consideration of \$13.67 per share composed of:**
 - \$10.50 in cash (76.8%); and
 - \$3.17 in stock (23.2%)
- **The pro forma equity ownership of the Company will be comprised of approximately 97.0% MasTec shareholders and 3.0% IEA Shareholders**
- **The transaction was unanimously approved by the Boards of Directors of both MasTec and IEA upon announcement of the transaction and subject to regulatory approvals under the Hart-Scott-Rodino Act**

IEA (NASDAQ:IEA) Historical Stock Price Performance



IEA Overview

- IEA is a diversified infrastructure company providing EPC services to the renewable energy, traditional power, and civil infrastructure industries
- IEA’s capabilities include full EPC project delivery, design, site development, construction, installation and maintenance of wind power projects, solar power projects, and electrical transmission and distribution systems
- **2022E Revenue: ~\$2.4 billion ⁽²⁾**
- **2022E Adj. EBITDA: ~\$145.0 million ⁽²⁾**

Source: S&P Capital IQ Pro

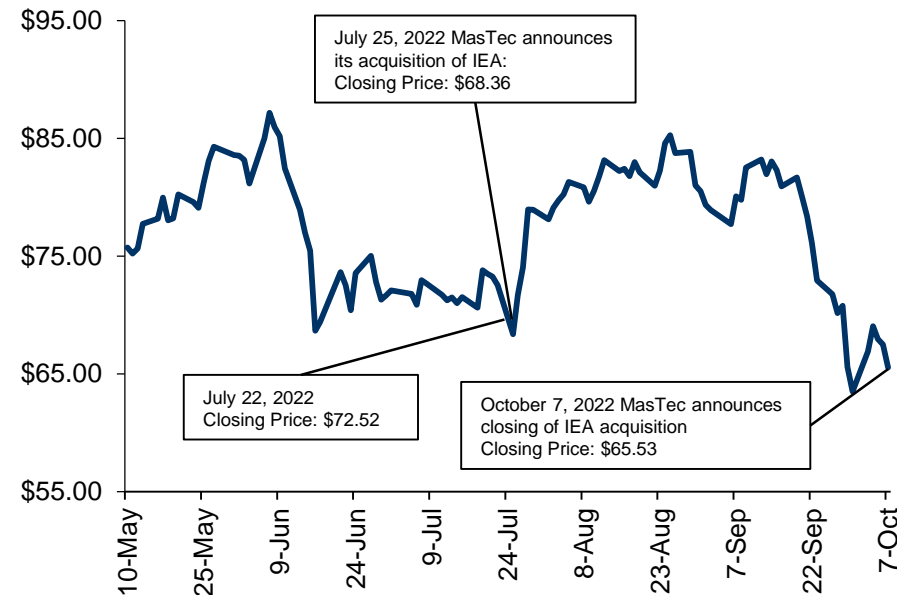
(1) Premium over closing price on July 22, 2022, the last date before MasTec’s offer to purchase IEA
 (2) Midpoint of management’s 2022E estimate as provided in MasTec’s investor presentation, “Strategic Acquisition of Infrastructure and Energy Alternatives”, 7/25/2022

CASE STUDY: MASTEC ACQUIRES INFRASTRUCTURE ENERGY ALTERNATIVES (“IEA”)

Strategic Rationale for MasTec’s Acquisition

- Expands presence in the attractive renewable power generation market and increases its Clean Energy & Infrastructure business to over 38.0% of 2023E pro forma revenue
- Increases the scale of MasTec’s Civil & Infrastructure operations and enhances its ability to capitalize on growing demand as infrastructure bill projects come to market
- Diversifies and scales national customer base and creates opportunities through broadening of service capabilities. For example, IEA customers now have “one stop” access to MasTec’s Power delivery transmission and distribution services
- Provides access to a highly skilled, non-union craft labor force across a national footprint with industry-leading technical expertise in solar and wind projects

MasTec (NYSE:MTZ) Historical Stock Price Performance



Transaction



acquired by



Commentary

“The combination with MasTec will create new opportunities for IEA's employees and our customer base. Our joint resources and capabilities will advance our ability to serve our customers in the renewable energy, power delivery and infrastructure markets. We believe that IEA stockholders will benefit from MasTec and IEA's combined operations and scale, and this belief is reflected in our agreement to receive 25% of the transaction proceeds in MasTec common stock. MasTec is the ideal owner for IEA and I am excited to continue to lead the IEA team during this exciting new chapter of our story.”

- *JP Roehm, President and CEO of IEA*

“We believe that the addition of IEA's union based clean energy power generation services, coupled with MasTec and IEA's combined non-union craft labor capacity, will provide increased scale and capacity needed to meet expected growing customer demand for renewable power generation over the next decade. We also believe that MasTec's existing electrical transmission and distribution service capabilities, coupled with expanded renewable power generation services from the IEA acquisition, will provide a compelling and complete suite of services to support customer's needs for both power generation and power grid system infrastructure required to transition to renewable energy and reduce carbon emissions.”

- *José Mas, CEO of MasTec*



has been acquired by



a portfolio company of



Advisor to Seller



has been acquired by



a portfolio company of



Advisor to Seller



a portfolio company of



has been acquired by an entity formed by



Advisor to Seller



a portfolio company of



has been acquired by



Advisor to Seller



has been acquired by



Advisor to Seller



a portfolio company of



has been acquired by




Advisor to Seller




has completed a debt recapitalization with




Advisor to Easton Coach Company




has been acquired by




Advisor to Seller



has divested certain assets of



to



Advisor to Seller

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