



Energy Equipment & Services

Industry Insights and Happenings



HEADWATERS | MB

July 2016

Report Summary

INDUSTRY COMMENTARY

Crude prices have stagnated in the past month following a strong four month stretch

- Strong dollar, challenging DOE reports, and an evolving supply outlook have put a temporary cap on prices

The outlook for midstream and downstream service providers remains strong, particularly on the maintenance side

- Construction of long-haul, mainline pipes should remain a priority, particularly in regions like the Marcellus/Utica with existing takeaway bottlenecks
- Refiners are expected to up their maintenance spending programs following record crude runs in 2015 to capitalize on strong margins

On the M&A front, deal flow picked up across the energy space

- Upstream deal activity moved away from core Permian and Eagle Ford, and Centennial Resources filed for the sector's first IPO since Eclipse Resources in May 2014
- On the services side, Technip and FMC have agreed to merge to create an integrated subsea company

	<u>Stock Performance</u>		<u>LTM Multiples</u>		<u>Forward Multiples</u>	
	<u>52-Week Perf.</u>		<u>EV/LTM EBITDA as of</u>		<u>EV/EBITDA</u>	
	<u>% of High</u>	<u>% of Low</u>	<u>6 Mos. Ago</u>	<u>Current</u>	<u>2016E</u>	<u>2017P</u>
Oilfield Services & Equipment						
Large-Cap	83%	130%	8.5x	13.5x	19.9x	14.1x
Mid-and Small-Cap	67%	157%	7.4x	7.1x	10.5x	13.7x
Oil & Gas Equipment	86%	141%	5.8x	12.2x	11.8x	20.2x
Land Drillers	86%	193%	3.7x	8.5x	15.1x	11.9x
Power Services & Equipment						
Large-Cap	95%	129%	9.2x	10.3x	9.8x	9.4x
Mid- and Small-Cap	96%	142%	10.2x	11.7x	11.6x	10.7x
Clean Tech and Solar	67%	146%	15.2x	12.5x	8.2x	8.0x
Infrastructure & Industrial Services						
Large-Cap Infrastructure	96%	135%	6.4x	6.7x	7.0x	7.0x
Mid- and Small-Cap Infrastructure	77%	174%	7.5x	8.3x	7.1x	6.3x
Utility Services	89%	151%	8.6x	8.9x	7.0x	6.4x
Industrial Services	79%	127%	7.6x	8.3x	8.1x	7.3x

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Industry Update

RECENT TRANSACTIONS

Date	Seller/Target	Description	Acquirer
Jul-16	Managed Pressure Operations LLC	Provides managed pressure drilling and continuous circulating systems for onshore and offshore drilling markets	AFGlobal Corporation
Jul-16	Rotary Drilling Tools USA LP (via OFS Energy Fund)	Manufactures and markets oilfield drilling tubular tools, including drill pipes, drill collars, and drilling accessories	Vallourec Drilling Products USA
Jul-16	AmSpec Services (via Incline Equity Partners)	Provides inspection and testing services to oil, additives, and tank calibration sectors	Olympus Partners
Jun-16	AchorPipe International Inc.	Provides pipeline anchoring solutions worldwide, both offshore and onshore	TorcSill Foundations LLC
May-16	Tercel Oilfield Products	Designs and manufactures products for E&P drilling, completion, and production operations	Rubicon Oilfield International Holdings
Apr-16	Downhole Technology (via Pelican Energy Partners)	Designs, manufactures, and deploys frac plugs for unconventional drilling	Schoeller-Bleckmann Oilfield Equipment AG
Mar-16	Ardent Services (via Cadent Energy Partners)	Provides electrical and instrumentation services to the energy infrastructure market	EMCOR Group
Mar-16	Five Companies	Combined OFS, transportation, and environmental operations of five portfolio companies of CCNG Energy Partners LP	Guggenheim Capital Funding LLC
Jan-16	Trican Well Service Ltd	Provides pressure pumping and other general well and production services	Keane Group Holdings
Jan-16	CC American Oilfield LLC	Designs, manufactures, repairs and services oil and gas pressure vessels, as well as fuel scrubbers, filter separators, production skids and other wellsite equipment	CSE Global Ltd
Dec-15	Pioneer Energy Services	Three non-walking SCR drilling rigs and one walking SCR drilling rig	Undisclosed buyer
Dec-15	New Source Energy Partners	Operates ~110 flowback tanks and 50 three-phase production units, and provides services in the areas of drill outs, coil tubing, production and flare jobs	Erick's Holdings LLC
Dec-15	EMAS Offshore Ltd	Owns and operates three jack-up drilling rigs, FPSO Perisai Kamelia and MOPU Rubicone, three anchor handling tug supply vessels, three anchor handling tugs, three crew boats, and one derrick	Ezra Holdings Limited
Nov-15	Archer Limited	Provides pressure pumping, directional drilling, pressure control and wireline services	Quintana Energy Services LP
Nov-15	Fluid Inclusion Technologies Inc	Specializes in laboratory analysis of trapped fluids in rock material, and advanced borehole gas analysis on drilling wells	Schlumberger Ltd



ARTICLES WE ENJOYED

Shale Drilling | Initial Decline Rates Slowing Across U.S.

“Since the beginning of the U.S. fracking revolution, oil producers have struggled with a vexing problem: after an initial burst, crude output from new shale wells falls much faster than from conventional wells. However, those well decline rates have been slowing across the United States over the past few years... The trend, if sustained, would help ameliorate the industry’s most glaring weakness and cement its importance for worldwide production in years to come. It also helps explain shale drillers’ resilience throughout the oil market’s two-year slump.”

Reuters News | U.S. Shale Oil’s Achilles Heel Shows Signs of Mending

Gas Demand | Slow, Steady Global Demand Growth

“Worldwide natural gas demand is expected to rise 1.6%/year during 2014-2035, driven by emerging markets, electric power generation, and industry, according to a recent outlook from Cedigaz... Gas will therefore increase its relative share in the global primary energy supply to 23.9% in 2035 from 21.4% in 2013.”

Oil & Gas Journal | Cedigaz: Global Gas Demand to Rise 1.6%/Year over 2014-2035

Unconventional Plays | Cotton Valley Back in Style

“The pioneer at the heart of the country’s new-age natural-gas boom is betting big on an old-school gas field. A recently overlooked region called the Cotton Valley is at the center of Range Resources Corp.’s \$3.3 billion deal for Memorial Resource Development Corp. A conventional gas field in the country’s Gulf Coast, it is the type of land that drillers have largely vacated in the years since Range Resources helped usher in the era of shale gas by first deploying modern fracking in Pennsylvania’s Marcellus Shale.”

Wall Street Journal | Range Resources Goes Old School

E&P Capex | Strategic Projects Moving Forward

“Crude’s recovery from a 12-year low and a decline in project expenses have emboldened executives to start spending again after cutting more than \$1 trillion in planned investments amid sinking earnings. While protecting balance sheets is important, explorers need to at least begin a new phase of investment in exploration and production to ensure future growth. ‘We have seen a recent pick-up, demonstrating that projects deemed strategically important are still going ahead,’ said Angus Rodger, a Singapore-based principal analyst for upstream research at Wood Mackenzie.”

Rigzone | Big Oil’s \$45B of New Projects Signal Spending Revival

Oil Services & Equipment | Investment Thesis

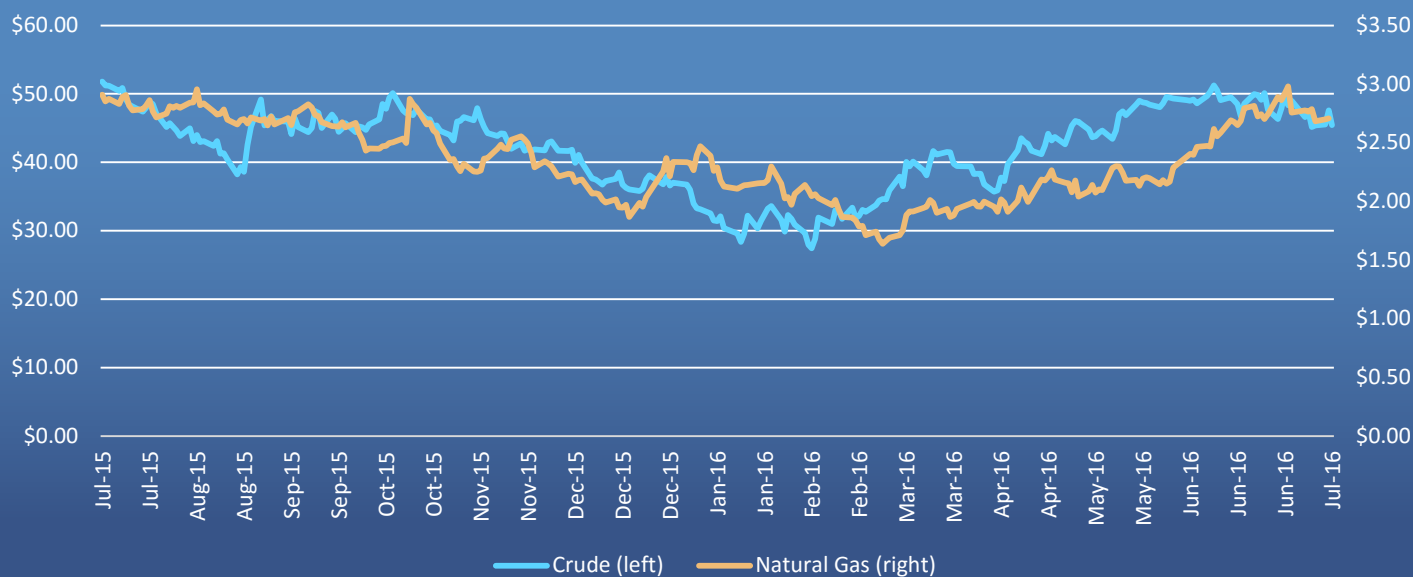
“Despite the lower number of turnarounds planned in 2016, we estimate refiners will increase maintenance expenditures by 8% this year based on plant owner’s commentary... Early indications, however, suggest there will be a meaningful catch up in 2017. Based on commentary to date, over \$1B of planned turnarounds are scheduled for Spring next year or 16% above the levels targeted for all of 2016. We would expect this to drive even higher as Fall 2017 plans start to fill in and potentially drive spending up 50% next year.”

Vertical Research Partners | FC: Still Waiting for a Refinery Turnaround



COMMODITY PRICE UPDATE

1 Year WTI and Henry Hub Prices



Source: Capital IQ

COMMENTARY:

Crude fundamentals have been pressured over the past month on a volatile mix of news

- Brexit vote led to a sharp two-day decline in prices, though much of that was quickly recaptured
- Rig counts rose slightly to a 13-week high leading to supply concerns, though U.S. production continued to fall
- Elevated product inventories have put pressure on refining margins, leading to reduced demand for feedstocks going into turnaround season
- Nigerian production came back online at unexpectedly high levels

- Attack in Nice and political uncertainty in Turkey and the Middle East contributed to volatility

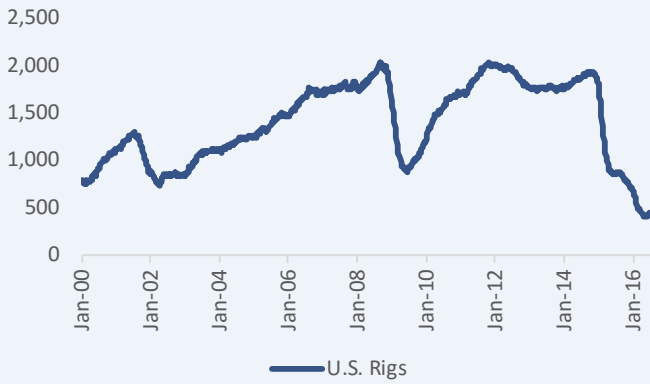
On the trading side, a stronger dollar post-Brexit vote and disappointing DOE storage reports have lowered crude outlooks and led to several sharp moves

- Fund positioning increasingly bearish, as net length has dropped 32% in 7 weeks, and gross shorts have increased 125% over that time
- Producers are more bullish and continued strong hedging activity, as net shorts declined by 12%

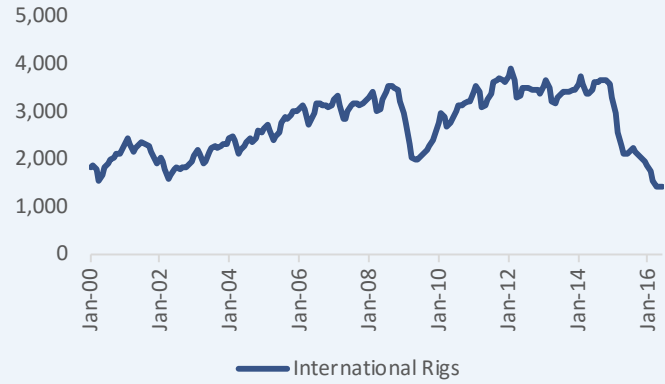


RIG COUNT UPDATE

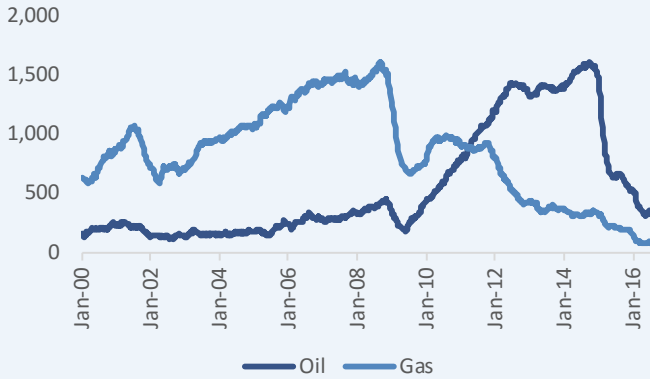
U.S. Rig Count



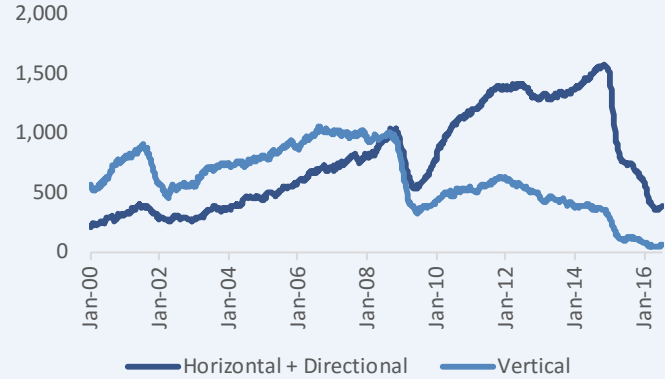
International Rig Count



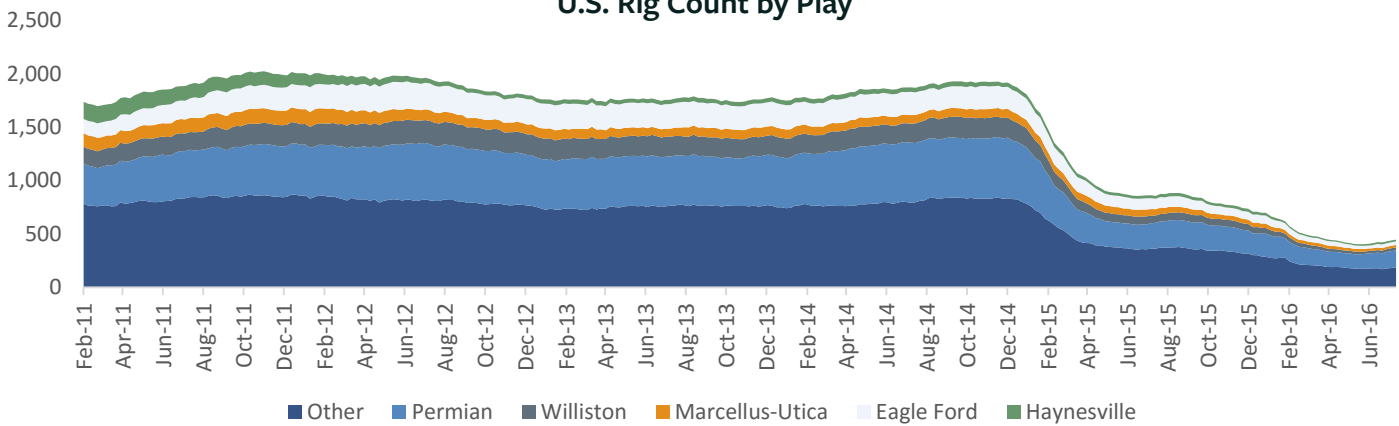
U.S. Oil vs. Gas Rig Count



U.S. Directional vs. Vertical



U.S. Rig Count by Play



Source: Baker Hughes

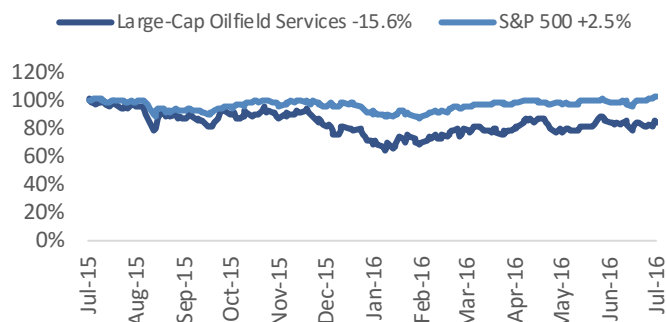
Public Comparables

LARGE-CAP OILFIELD SERVICES

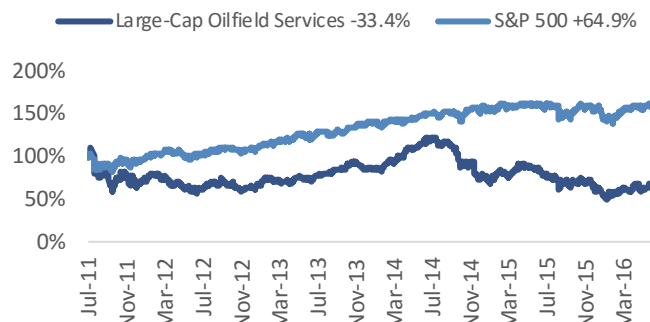
Market Data

	Mkt. Cap	EV	Stock Performance				LTM Multiple Evolution			Forward Multiples		
			Change From		52-Week Performance		EV/LTM EBITDA as of			EV/EBITDA		
			1 Month	1 Year	% of High	% of Low	1 Yr. Ago	6 Mos. Ago	Current	2016E	2017P	
Large-Cap Oilfield Services												
Schlumberger Limited	\$110,543	\$117,625	2%	(7%)	91%	133%	8.3x	8.2x	13.5x	17.6x	14.6x	
Halliburton Company	\$39,437	\$45,175	4%	8%	98%	166%	6.2x	7.0x	13.1x	22.1x	13.7x	
Baker Hughes Incorporated	\$20,223	\$22,078	1%	(24%)	75%	123%	7.3x	8.8x	15.9x	na	14.9x	
Weatherford International plc	\$5,356	\$11,950	(8%)	(49%)	52%	127%	7.0x	9.9x	na	na	13.0x	
Min			(8%)	(49%)	52%	123%	6.2x	7.0x	13.1x	17.6x	13.0x	
Median			2%	(16%)	83%	130%	7.2x	8.5x	13.5x	19.9x	14.1x	
Max			4%	8%	98%	166%	8.3x	9.9x	15.9x	22.1x	14.9x	

1-Year Trading vs. S&P 500



5-Year Trading vs. S&P 500



Historical EV/LTM EBITDA



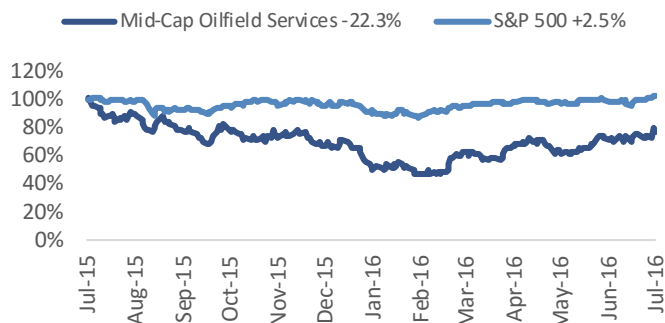
Source: Capital IQ

MID-CAP OILFIELD SERVICES

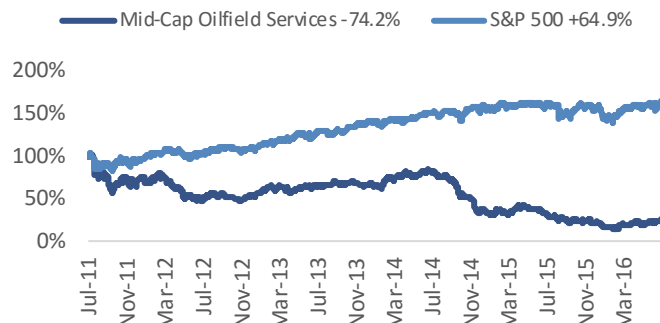
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Mid-Cap Oilfield Services											
Superior Energy Services, Inc.	\$2,787	\$3,843	(0%)	(10%)	93%	223%	4.1x	4.6x	16.1x	na	13.1x
TETRA Technologies, Inc.	\$580	\$1,395	(2%)	(1%)	67%	136%	12.1x	7.7x	7.1x	10.7x	7.1x
Ensign Energy Services Inc.	\$1,133	\$1,821	6%	(35%)	67%	157%	4.5x	5.0x	6.8x	10.3x	8.6x
Calfrac Well Services Ltd.	\$446	\$1,243	21%	(45%)	55%	364%	4.5x	7.2x	na	na	18.1x
Basic Energy Services, Inc.	\$59	\$1,001	(30%)	(80%)	19%	106%	4.2x	8.4x	na	na	na
Key Energy Services Inc.	\$32	\$842	(31%)	(85%)	13%	115%	14.6x	na	na	na	19.7x
Trican Well Service Ltd.	\$440	\$710	17%	(30%)	72%	675%	6.5x	10.0x	na	na	14.2x
Min			(31%)	(85%)	13%	106%	4.1x	4.6x	6.8x	10.3x	7.1x
Median			(0%)	(35%)	67%	157%	4.5x	7.4x	7.1x	10.5x	13.7x
Max			21%	(1%)	93%	675%	14.6x	10.0x	16.1x	10.7x	19.7x

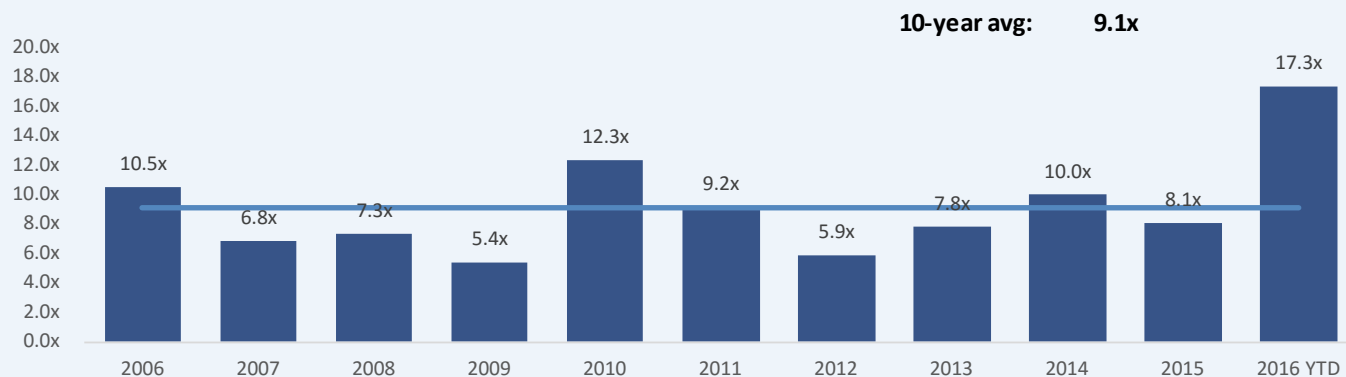
1-Year Trading vs. S&P 500



5-Year Trading vs. S&P 500



Historical EV/LTM EBITDA



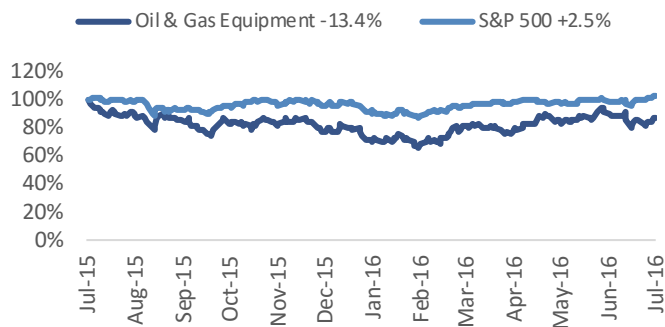
Source: Capital IQ

OIL & GAS EQUIPMENT

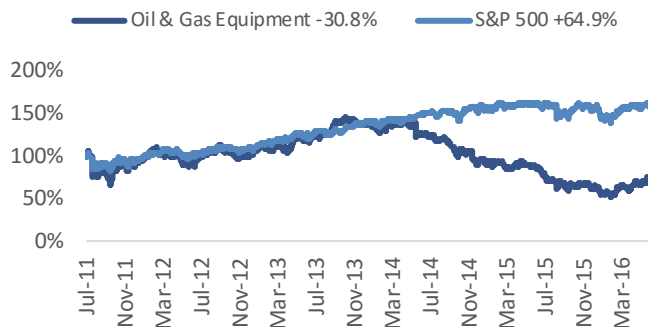
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Oil & Gas Equipment												
National Oilwell Varco, Inc.	\$12,725	\$14,345	(1%)	(26%)	76%	131%	4.7x	5.2x	11.3x	na	23.9x	
FMC Corp.	\$6,508	\$8,544	1%	(4%)	96%	151%	13.3x	9.8x	13.1x	12.2x	11.1x	
Oil States International Inc.	\$1,660	\$1,707	(5%)	(9%)	88%	150%	5.2x	5.2x	13.3x	na	21.9x	
Dril-Quip, Inc.	\$2,249	\$1,826	(4%)	(16%)	85%	121%	7.3x	6.3x	7.1x	11.4x	18.6x	
Min			(5%)	(26%)	76%	121%	4.7x	5.2x	7.1x	11.4x	11.1x	
Median			(2%)	(13%)	86%	141%	6.2x	5.8x	12.2x	11.8x	20.2x	
Max			1%	(4%)	96%	151%	13.3x	9.8x	13.3x	12.2x	23.9x	

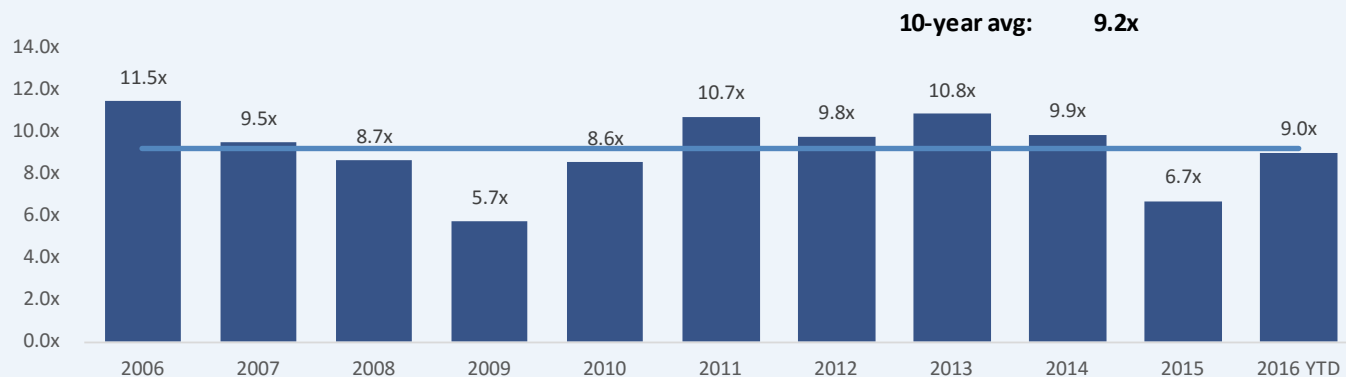
1-Year Trading vs. S&P 500



5-Year Trading vs. S&P 500



Historical EV/LTM EBITDA



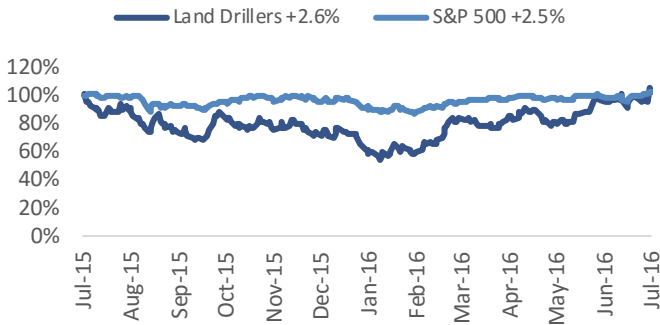
Source: Capital IQ

LAND DRILLERS

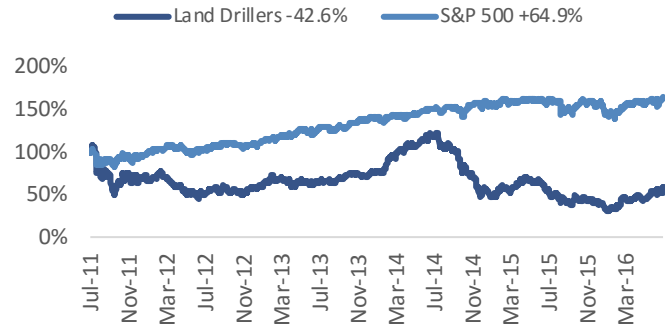
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Land Drillers												
Nabors Industries Ltd.	\$2,723	\$6,092	(7%)	(30%)	74%	196%	4.5x	4.6x	8.9x	10.7x	9.2x	
Helmerich & Payne, Inc.	\$7,444	\$7,032	5%	4%	97%	171%	4.4x	3.7x	8.5x	16.1x	18.5x	
Patterson-UTI Energy Inc.	\$3,105	\$3,760	1%	14%	95%	193%	3.7x	3.6x	8.3x	19.8x	14.6x	
Precision Drilling Corporation	\$1,894	\$3,461	(0%)	(16%)	84%	189%	6.1x	6.2x	13.4x	14.1x	10.8x	
Pioneer Energy Services Corp.	\$282	\$651	3%	(9%)	86%	459%	3.1x	3.0x	8.5x	na	11.9x	
Min			(7%)	(30%)	74%	171%	3.1x	3.0x	8.3x	10.7x	9.2x	
Median			1%	(9%)	86%	193%	4.4x	3.7x	8.5x	15.1x	11.9x	
Max			5%	14%	97%	459%	6.1x	6.2x	13.4x	19.8x	18.5x	

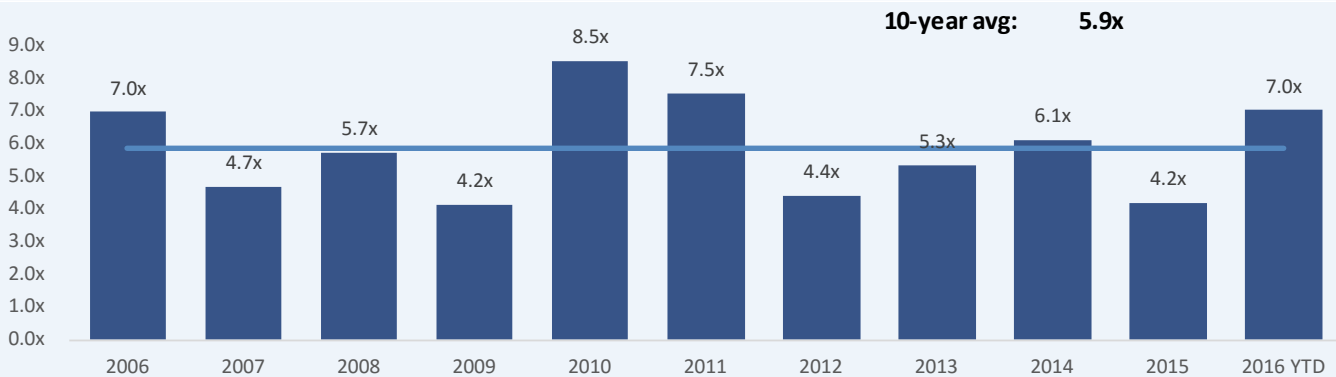
1-Year Trading vs. S&P 500



5-Year Trading vs. S&P 500



Historical EV/LTM EBITDA



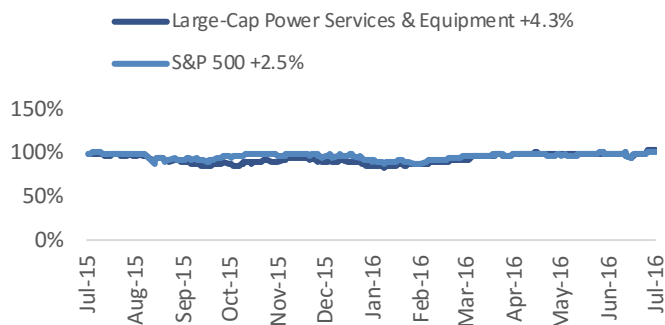
Source: Capital IQ

LARGE-CAP POWER SERVICES & EQUIPMENT

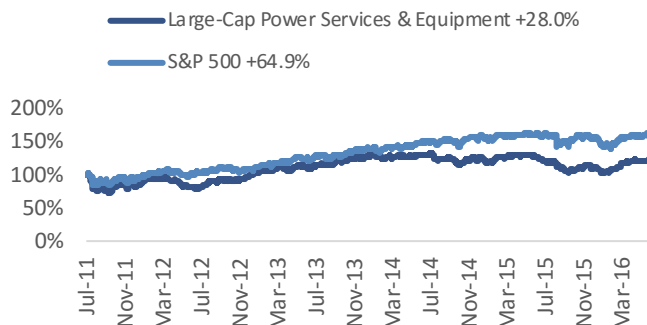
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Large-Cap Power Services & Equipment											
Siemens Aktiengesellschaft	\$75,911	\$91,575	4%	1%	93%	121%	9.6x	9.0x	10.6x	9.3x	8.3x
Honeywell International Inc.	\$93,927	\$101,515	3%	14%	99%	137%	11.6x	10.2x	12.9x	12.1x	11.2x
ABB Ltd.	\$40,546	\$42,173	1%	(1%)	93%	123%	9.8x	8.6x	9.4x	9.1x	8.2x
Schneider Electric SE	\$32,467	\$37,057	6%	(13%)	85%	123%	12.6x	9.3x	9.5x	9.3x	8.8x
Emerson Electric Co.	\$36,095	\$40,067	8%	3%	99%	136%	8.9x	7.7x	10.0x	10.4x	10.1x
Eaton Corporation plc	\$29,409	\$37,489	6%	(4%)	96%	138%	11.2x	9.5x	11.4x	11.3x	10.9x
Min			1%	(13%)	85%	121%	8.9x	7.7x	9.4x	9.1x	8.2x
Median			5%	(0%)	95%	129%	10.5x	9.2x	10.3x	9.8x	9.4x
Max			8%	14%	99%	138%	12.6x	10.2x	12.9x	12.1x	11.2x

1-Year Trading vs. S&P 500



5-Year Trading vs. S&P 500



Historical EV/LTM EBITDA



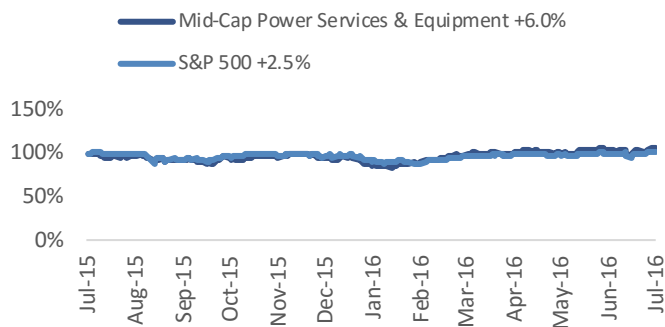
Source: Capital IQ

MID-CAP POWER SERVICES & EQUIPMENT

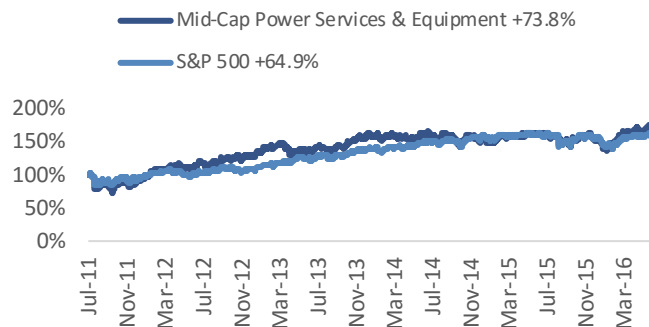
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Mid-Cap Power Services & Equipment												
Ametek Inc.	\$11,039	\$12,870	1%	(16%)	82%	110%	13.1x	12.8x	12.0x	12.3x	11.6x	
Hubbell Inc.	\$5,903	\$6,560	4%	(2%)	96%	133%	10.4x	8.6x	11.0x	11.3x	10.6x	
Valmont Industries, Inc.	\$3,183	\$3,556	4%	16%	95%	150%	8.3x	7.6x	11.3x	10.2x	9.8x	
Littelfuse Inc.	\$2,714	\$2,814	3%	28%	96%	146%	12.2x	10.9x	14.4x	12.6x	11.0x	
AZZ incorporated	\$1,646	\$1,959	6%	20%	100%	140%	9.5x	9.4x	11.3x	11.7x	10.5x	
Badger Meter Inc.	\$1,094	\$1,145	5%	17%	95%	145%	15.1x	14.7x	16.5x	16.7x	14.9x	
ESCO Technologies Inc.	\$1,086	\$1,146	4%	9%	99%	134%	12.9x	12.1x	13.0x	11.5x	9.9x	
Thermon Group Holdings, Inc.	\$683	\$692	1%	(17%)	82%	149%	9.8x	9.4x	11.2x	10.9x	10.8x	
Min			1%	(17%)	82%	110%	8.3x	7.6x	11.0x	10.2x	9.8x	
Median			4%	13%	96%	142%	11.3x	10.2x	11.7x	11.6x	10.7x	
Max			6%	28%	100%	150%	15.1x	14.7x	16.5x	16.7x	14.9x	

1-Year Trading vs. S&P 500



5-Year Trading vs. S&P 500



Historical EV/LTM EBITDA



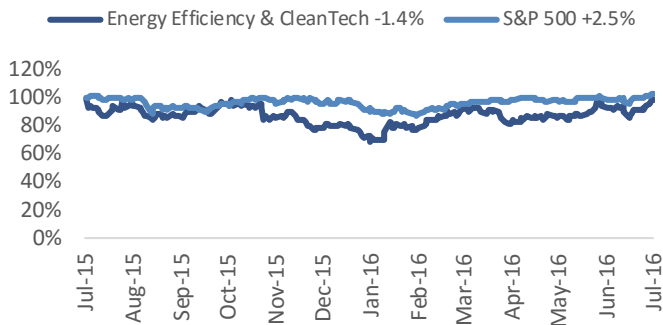
Source: Capital IQ

ENERGY EFFICIENCY & CLEANTECH

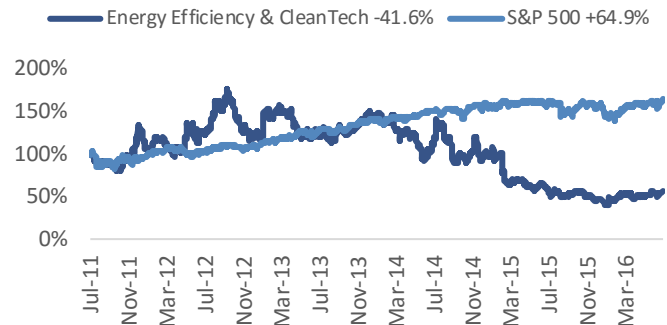
Market Data

	Mkt. Cap	EV	Stock Performance				LTM Multiple Evolution			Forward Multiples		
			Change From		52-Week Performance		EV/LTM EBITDA as of			EV/EBITDA		
			1 Month	1 Year	% of High	% of Low	1 Yr. Ago	6 Mos. Ago	Current	2016E	2017P	
Energy Efficiency & CleanTech												
SolarCity Corporation	\$2,423	\$5,314	20%	(55%)	40%	151%	na	na	na	na	na	na
Itron, Inc.	\$1,687	\$1,932	2%	38%	96%	158%	9.2x	11.5x	13.6x	9.9x	8.9x	
Silver Spring Networks, Inc.	\$629	\$504	(2%)	(0%)	76%	129%	na	18.9x	11.4x	na	16.2x	
Ameresco, Inc.	\$242	\$436	14%	(29%)	70%	132%	12.2x	10.5x	9.8x	8.2x	7.1x	
Sunworks, Inc.	\$58	\$55	4%	(23%)	57%	141%	na	22.3x	18.8x	7.9x	5.0x	
EnerNOC, Inc.	\$200	\$208	4%	(23%)	63%	242%	5.8x	na	na	na	na	
Min			(2%)	(55%)	40%	129%	5.8x	10.5x	9.8x	7.9x	5.0x	
Median			4%	(23%)	67%	146%	9.2x	15.2x	12.5x	8.2x	8.0x	
Max			20%	38%	96%	242%	12.2x	22.3x	18.8x	9.9x	16.2x	

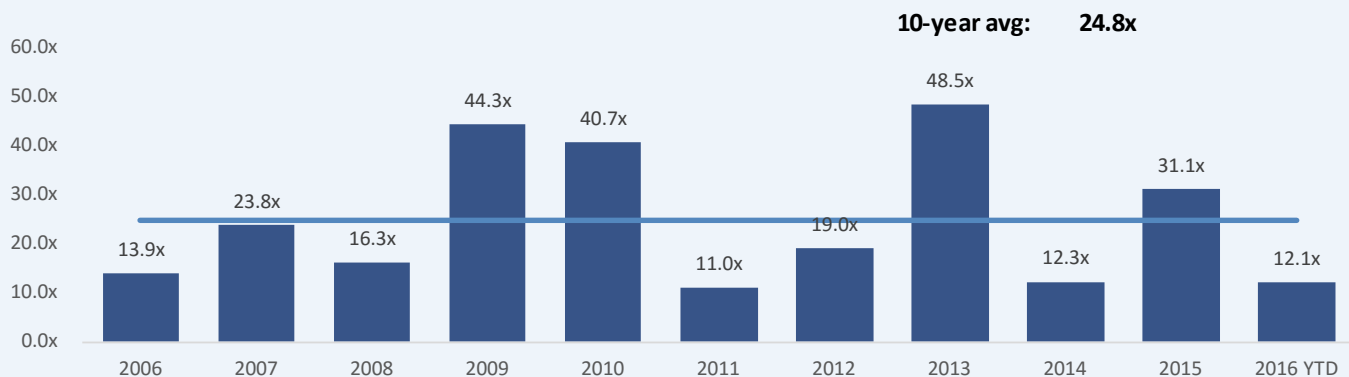
1-Year Trading vs. S&P 500



5-Year Trading vs. S&P 500



Historical EV/LTM EBITDA



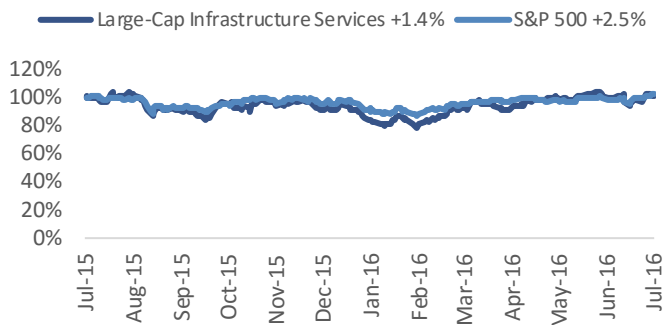
Source: Capital IQ

LARGE-CAP INFRASTRUCTURE SERVICES

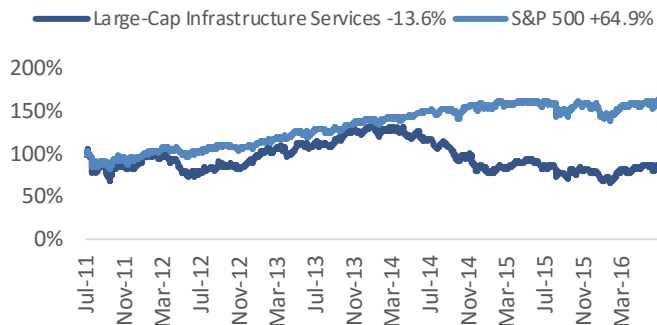
Market Data

	Mkt. Cap	EV	Stock Performance				LTM Multiple Evolution			Forward Multiples	
			Change From		52-Week Performance		EV/LTM EBITDA as of			EV/EBITDA	
			1 Month	1 Year	% of High	% of Low	1 Yr. Ago	6 Mos. Ago	Current	2016E	2017P
Large-Cap Infrastructure Services											
Chicago Bridge & Iron Company N.V.	\$4,016	\$5,848	5%	(21%)	71%	121%	5.5x	4.9x	5.0x	5.7x	6.0x
Fluor Corporation	\$7,411	\$7,237	5%	2%	96%	135%	5.4x	4.4x	6.7x	7.0x	7.0x
Jacobs Engineering Group Inc.	\$6,496	\$6,469	4%	28%	98%	152%	7.2x	6.4x	9.4x	9.8x	9.0x
SNC-Lavalin Group Inc.	\$8,446	\$7,468	10%	27%	98%	156%	9.6x	12.2x	11.5x	12.4x	10.4x
KBR, Inc.	\$2,099	\$1,335	6%	(22%)	74%	127%	na	16.9x	3.8x	4.5x	4.8x
Min			4%	(22%)	71%	121%	5.4x	4.4x	3.8x	4.5x	4.8x
Median			5%	2%	96%	135%	6.4x	6.4x	6.7x	7.0x	7.0x
Max			10%	28%	98%	156%	9.6x	16.9x	11.5x	12.4x	10.4x

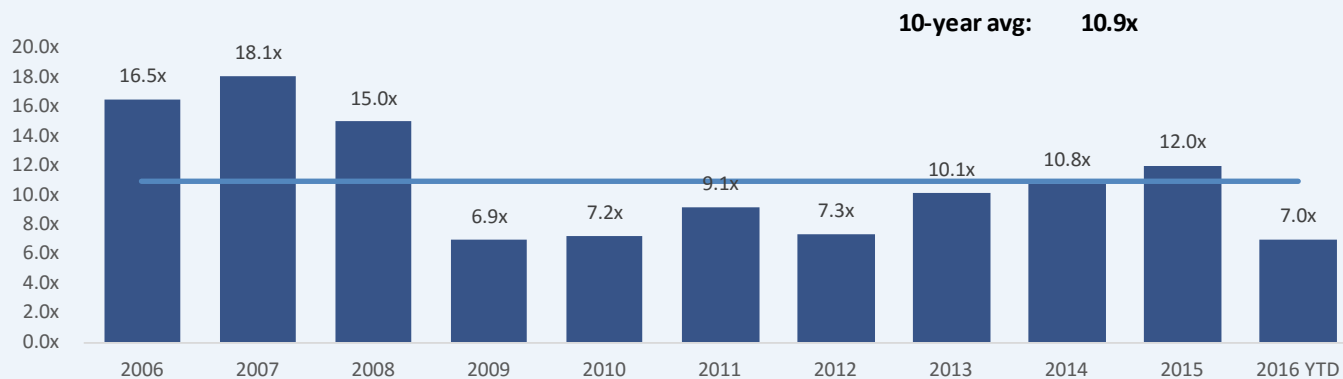
1-Year Trading vs. S&P 500



5-Year Trading vs. S&P 500



Historical EV/LTM EBITDA



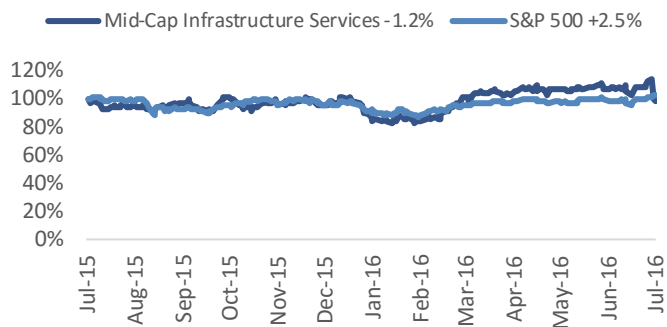
Source: Capital IQ

MID-CAP INFRASTRUCTURE SERVICES

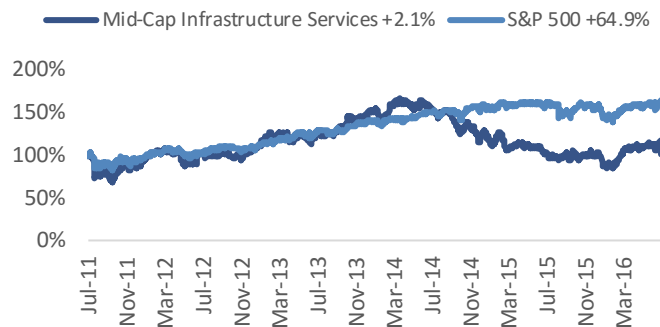
Market Data

	Mkt. Cap	EV	Stock Performance				LTM Multiple Evolution			Forward Multiples	
			Change From		52-Week Performance		EV/LTM EBITDA as of			EV/EBITDA	
			1 Month	1 Year	% of High	% of Low	1 Yr. Ago	6 Mos. Ago	Current	2016E	2017P
Mid-Cap Infrastructure Services											
Amec Foster Wheeler plc	\$1,870	\$2,830	17%	(41%)	56%	149%	13.9x	10.7x	7.8x	8.0x	8.1x
Tutor Perini Corporation	\$1,263	\$1,998	12%	21%	98%	251%	6.9x	8.0x	11.7x	7.1x	6.6x
Granite Construction Incorporated	\$1,977	\$1,753	15%	43%	99%	176%	9.3x	7.2x	11.1x	9.7x	7.7x
Primoris Services Corporation	\$984	\$1,148	(4%)	4%	75%	119%	6.2x	8.3x	8.3x	6.5x	5.5x
Aecon Group Inc.	\$1,045	\$1,169	8%	50%	98%	177%	6.6x	7.4x	7.9x	6.7x	6.1x
Great Lakes Dredge & Dock Corporation	\$292	\$643	(0%)	(18%)	78%	163%	9.4x	7.1x	7.5x	7.0x	5.7x
Willbros Group Inc.	\$160	\$199	(14%)	136%	74%	378%	na	na	na	10.4x	6.6x
Orion Group Holdings, Inc.	\$153	\$269	9%	(27%)	73%	172%	7.3x	7.5x	11.5x	5.1x	4.4x
Min			(14%)	(41%)	56%	119%	6.2x	7.1x	7.5x	5.1x	4.4x
Median			8%	13%	77%	174%	7.3x	7.5x	8.3x	7.1x	6.3x
Max			17%	136%	99%	378%	13.9x	10.7x	11.7x	10.4x	8.1x

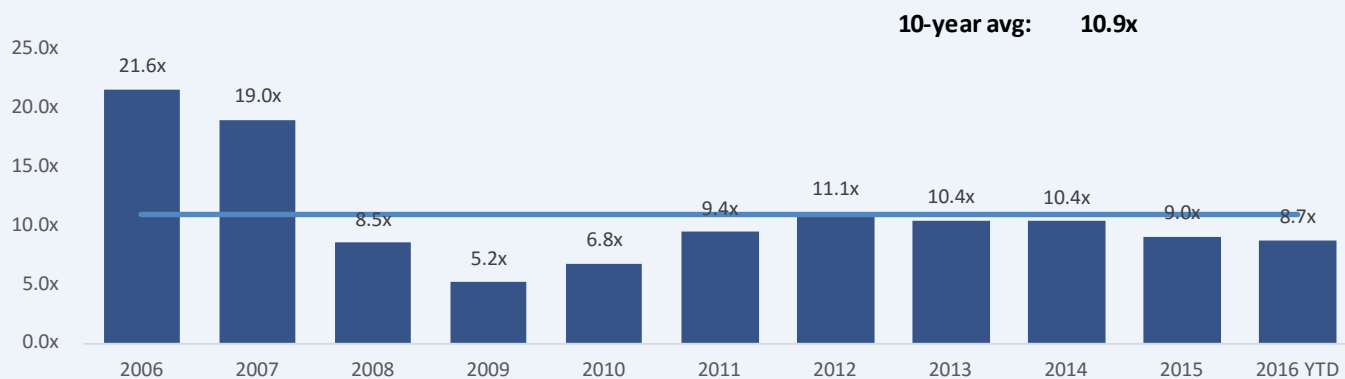
1-Year Trading vs. S&P 500



5-Year Trading vs. S&P 500



Historical EV/LTM EBITDA



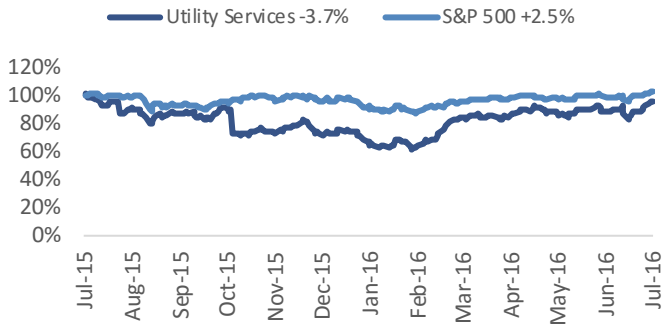
Source: Capital IQ

UTILITY SERVICES

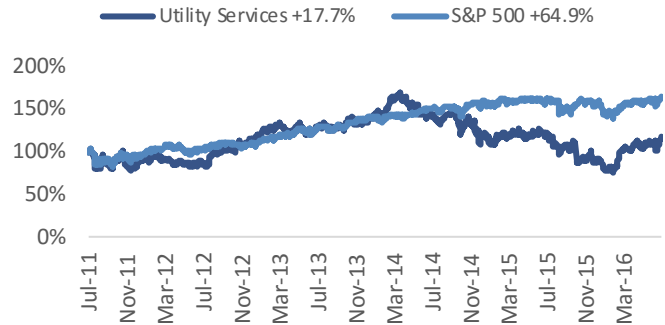
Market Data

	Mkt. Cap	EV	Stock Performance				LTM Multiple Evolution			Forward Multiples		
			Change From		52-Week Performance		EV/LTM EBITDA as of			EV/EBITDA		
			1 Month	1 Year	% of High	% of Low	1 Yr. Ago	6 Mos. Ago	Current	2016E	2017P	
Utility Services												
Quanta Services, Inc.	\$3,830	\$4,083	11%	(12%)	89%	151%	8.7x	8.8x	8.9x	7.0x	6.4x	
MasTec, Inc.	\$2,018	\$3,027	6%	24%	98%	197%	6.7x	8.6x	13.3x	7.2x	6.4x	
MYR Group, Inc.	\$483	\$457	7%	(19%)	80%	143%	6.3x	5.6x	6.1x	6.1x	5.5x	
Min			6%	(19%)	80%	143%	6.3x	5.6x	6.1x	6.1x	5.5x	
Median			7%	(12%)	89%	151%	6.7x	8.6x	8.9x	7.0x	6.4x	
Max			11%	24%	98%	197%	8.7x	8.8x	13.3x	7.2x	6.4x	

1-Year Trading vs. S&P 500

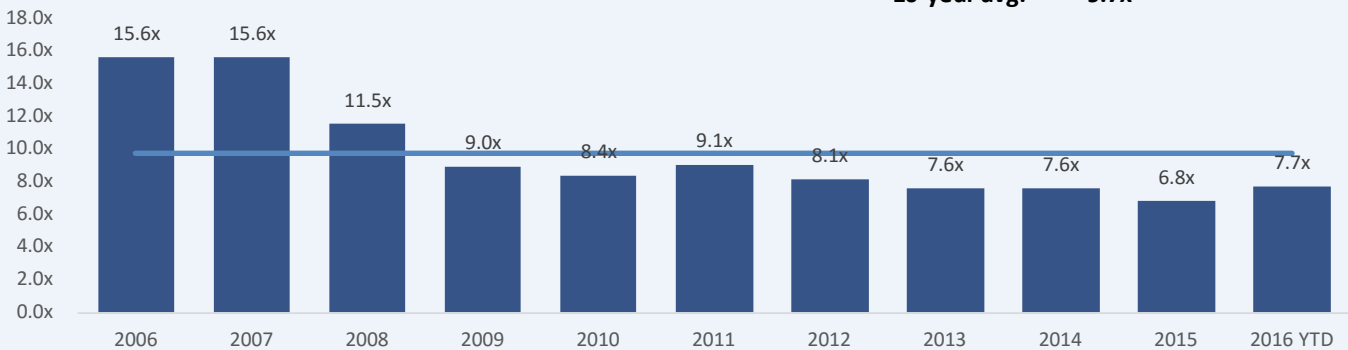


5-Year Trading vs. S&P 500



Historical EV/LTM EBITDA

10-year avg: 9.7x



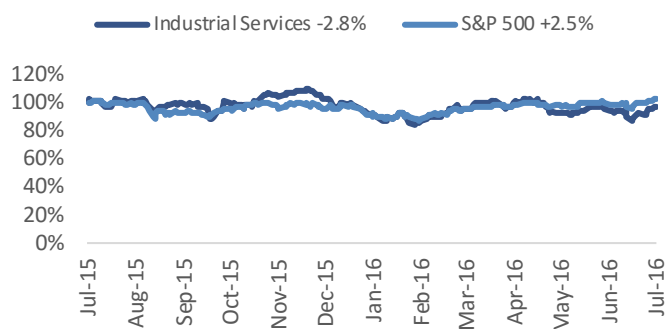
Source: Capital IQ

INDUSTRIAL SERVICES

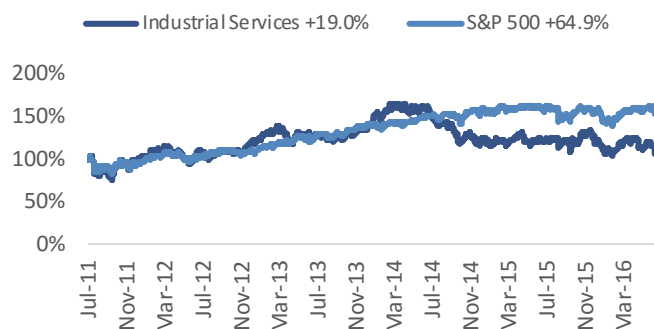
Market Data

	Mkt. Cap	EV	Stock Performance				LTM Multiple Evolution			Forward Multiples		
			Change From		52-Week Performance		EV/LTM EBITDA as of			EV/EBITDA		
			1 Month	1 Year	% of High	% of Low	1 Yr. Ago	6 Mos. Ago	Current	2016E	2017P	
Industrial Services												
EMCOR Group Inc.	\$3,181	\$3,100	10%	7%	99%	127%	8.4x	7.8x	8.5x	8.3x	7.6x	
Bilfinger SE	\$1,211	\$1,334	(6%)	(25%)	61%	109%	8.5x	6.2x	5.8x	5.4x	7.1x	
Team, Inc.	\$808	\$1,156	(2%)	(39%)	57%	126%	10.3x	8.6x	16.1x	10.4x	8.0x	
Aegion Corporation	\$687	\$946	7%	11%	91%	128%	6.9x	6.2x	8.0x	7.9x	6.6x	
Mistras Group, Inc.	\$764	\$850	4%	33%	96%	201%	11.1x	7.4x	12.0x	10.1x	9.6x	
Matrix Service Company	\$464	\$395	6%	(13%)	66%	124%	13.7x	13.3x	5.4x	6.3x	4.9x	
Min			(6%)	(39%)	57%	109%	6.9x	6.2x	5.4x	5.4x	4.9x	
Median			5%	(3%)	79%	127%	9.4x	7.6x	8.3x	8.1x	7.3x	
Max			10%	33%	99%	201%	13.7x	13.3x	16.1x	10.4x	9.6x	

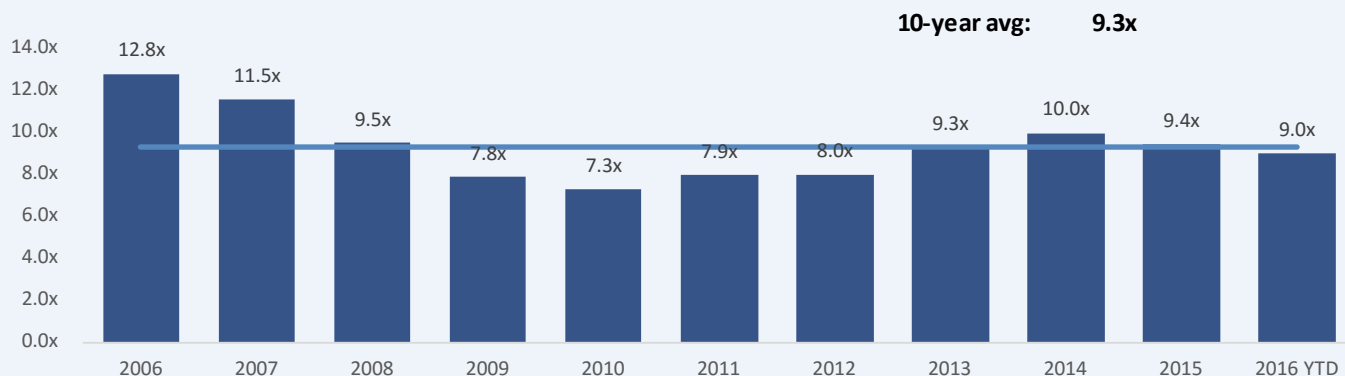
1-Year Trading vs. S&P 500



5-Year Trading vs. S&P 500



Historical EV/LTM EBITDA



Source: Capital IQ

Capabilities and Experience

M&A	Capital Formation	Project Finance
<ul style="list-style-type: none"> - Sell-side advisory - Buy-side advisory - Strategic alternatives 	<ul style="list-style-type: none"> - Debt / Equity / Mezz - Recapitalization - Restructuring 	<ul style="list-style-type: none"> - Infrastructure development - Construction/term finance

The professionals in Headwaters Energy & Services practice have collectively closed more than \$10 billion in transactions across the upstream, midstream, downstream, services, and P&U sectors. This experience helps our team understand market dynamics and consistently achieve outlier results for our clients.

Energy Team



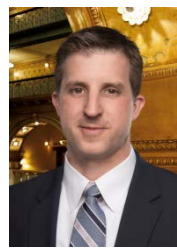
CJ Hummel
Managing
Director



Sam Hill
Managing
Director



Reed Macy
Managing
Director



Ted Kinsman
Managing
Director



John Gaensbauer
Managing
Director



David Charles
Managing
Director



Ian Fay
Managing
Director

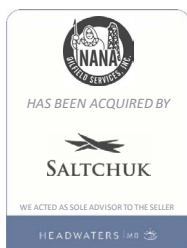


Tim McEuen
Vice
President



Luis Moya
Vice
President

Recent Successes



Oilfield Services

Fuel Distribution

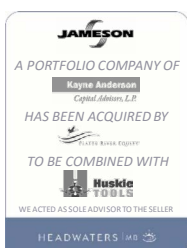
Transaction Type:
Sale of Subsidiary
Buyer Description
PE-backed strategic



Oilfield Services

Waste & Container Solutions

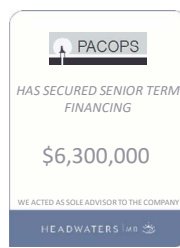
Transaction Type:
Private sale
Buyer Description
PE-backed strategic



Industrial/OFS

Industrial tools and lighting

Transaction Type:
PE Sale
Buyer Description
Private Equity



Oil & Gas

Offshore E&P

Transaction Type:
Capital Raise
Buyer Description
Institutional Investor

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