

U.S. Private Water Utilities: Drivers, Competitive Landscape and Acquisition Trends, 2019

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FOCUS REPORT DETAILS

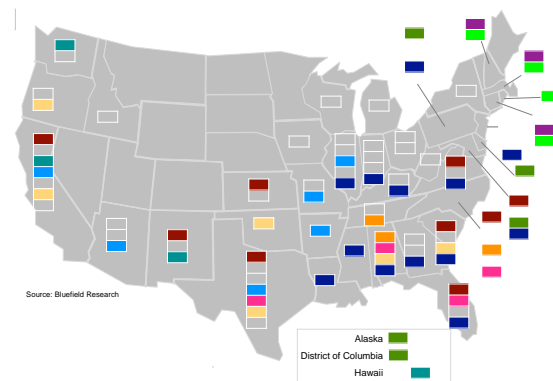
- 58-page PDF Report
- Company Market Share and Positioning
- 500+ Mergers & Acquisitions
- In-depth IOU Profiles
- State-by-State Policy Drivers
- IOU Market-based Activities

This new Focus Report from Bluefield Research provides in-depth analysis of the changing investor-owned utility landscape in the U.S., including key policy drivers, M&A activity, and competitive developments in utility asset ownership and market-based services. The period covered in the report dates back to 2015, based largely on more than 500 utility acquisitions, new company market entries into the sector, and historical trends.

SAMPLE BLUEFIELD TAKEAWAYS

- **Public spending declines in 5 of ten years further drives private participation in water.** Bluefield's team of water experts foresees the role of private companies continuing to increase in the absence of significant infrastructure investment from federal, state, and local governments. Bluefield has tracked more than 115 water and wastewater acquisitions per year since 2016.
- **Changing policy landscape impacts state opportunity rankings.** With leading water IOUs—frontrunners, diversified infrastructure players, and regionals—already active in 41 U.S. states, future deal flow hinges largely on a combination of evolving state policies, capital demands, and competitive positioning.
- **IOUs strategically target private systems.** Private ownership of water and wastewater systems in the U.S. exceeds 14%, which represents a significant opportunity for tuck-in acquisitions and market-based services. With more than 60% of deal-flow involving private sellers, select companies are strategically targeting the specific utility profiles.
- **Convergence of critical infrastructure cuts both ways.** Critical infrastructure players continue to expand their water portfolios, while Aqua America, a pure play water firm, diversifies into gas. Market entry via strategic acquisitions continue to reshape the competitive landscape from the Pacific Northwest to New England.

Leading Investor Owned Utilities: State-by-State Positioning



Market Pulse: M&A Activity, Q1 2015 – Q4 2018

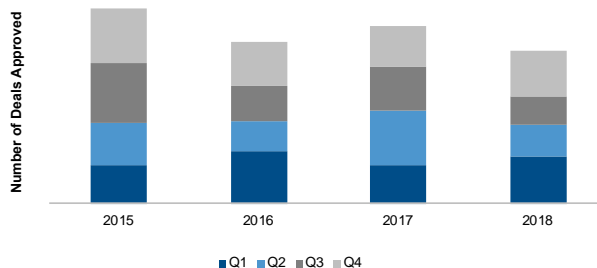


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 - Aqua America diversifies infrastructure portfolio.
 - Suez offloads share of regulated assets
 - Cal Water battle with SJW comes up short

KEY QUESTIONS THROUGHOUT THE REPORT

- What is the geographic footprint of investor owned utilities and how is it evolving?
- Which investor owned utilities are most active via M&A?
- Which companies have demonstrated market entry into U.S. private water market
- How do market-based business activities vary by company?
- What are IOUs paying for water, wastewater, and combined system assets?
- How are policies and public spending on infrastructure impacting M&A?
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 - American overhauls MBB position, moving to edge market
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- Aqua America, Inc.
- California Water Service Group
- Suez

Regional IOUs

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- Bandera East Utility
- Central States Water Resources
- Connecticut Water Service, Inc.
- Del Oro Water
- Florida Utility Services
- Global Water Resources, Inc.
- Iliad NW Water
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- Quadvest
- San Jose Water Company
- Simply Aquatics
- SouthWest Water Company
- Undine, LLC
- U.S. Water Services Corporation
- The York Water Company

Diversified Infrastructure Players

- American States Water Company
- EPCOR USA
- NW Natural Water
- Liberty Utilities
- Eversource Energy
- Utilities Inc. (Corix Utilities)

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Global companies across the value chain are developing strategies to capitalize on greenfield opportunities in water – new build, new business models, and private investment. Bluefield Research supports a growing roster of companies across key technology segments and industry verticals addressing risks and opportunities in the new water landscape.

Companies are turning to Bluefield for in-depth, actionable intelligence into the water sector and the sector's impacts on key industries. The insights draw on primary research from the water, energy, power, mining, agriculture, financial sectors and their respective supply chains.

Bluefield works with key decision-makers at utilities, project development companies, independent water and power providers, EPC companies, technology suppliers, manufacturers, and investment firms, giving them tools to define and execute strategies.

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