



# Market Analysis Report

Electrical Distribution, Solar Growth & USMCA Opportunities

**\$185B 20%+ 5x**

US Market

Solar Growth

Storage by 2030

## 01 Executive Summary

### Market Overview

The North American electrical distribution market represents a \$185+ billion opportunity, driven by infrastructure modernization, renewable energy adoption, and electrification trends.

PES Global Group is positioned at the intersection of traditional electrical distribution and high-growth energy transition categories, with direct access to 90% of the US solar panel market.

### Key Findings

- Solar installations growing 20%+ annually
- Battery storage market to expand 5x by 2030
- EV charging infrastructure accelerating
- USMCA trade creating cross-border opportunities
- Market fragmentation enables consolidation



USMCA ZONE

**\$500B+**

Trade opportunity

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## 02 Electrical Distribution Market

### Industry Structure

The electrical distribution industry serves as the critical link between manufacturers and end users, providing products, expertise, and logistics to contractors, industrial facilities, and commercial buildings.

The market is highly fragmented, with thousands of regional and local distributors competing alongside national players.

### Market Segments

Residential	35%
Commercial	30%
Industrial	25%
Utility/Infrastructure	10%

### Competitive Landscape

PLAYER TYPE	EXAMPLES	MARKET SHARE	CHARACTERISTICS
National Distributors	Sonepar, WESCO, Graybar	~30%	Scale, breadth, bureaucracy
Regional Chains	Various regional players	~25%	Strong relationships, limited scale
Local Independents	Thousands of small distributors	~35%	Niche expertise, fragmented
Online/Emerging	Amazon Business, specialists	~10%	Convenience, limited expertise

## 02 Market Growth Drivers

### Energy Transition

Shift to renewable energy is driving massive investment in solar, storage, and grid infrastructure.

- Solar installations 20%+ growth
- Battery storage expansion
- Grid modernization

### Electrification

Transportation and building electrification creating new product categories and demand.

- EV charging infrastructure
- Heat pump adoption
- Smart building systems

### Infrastructure Investment

Federal and state programs driving unprecedented infrastructure spending.

- IRA clean energy incentives
- Grid resilience programs
- Rural electrification

*"The energy transition represents the largest infrastructure buildout since the original electrification of America—creating sustained demand growth for electrical distribution."*

## 03 Solar Market Analysis



### Market Segments

SEGMENT	SHARE	GROWTH
Utility-Scale	45%	25%+
Residential	35%	18%
Commercial	20%	15%

## 90% Panel Market

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Direct relationships with major panel manufacturers including LG, Panasonic, Canadian Solar, JA Solar, Trina, and Jinko.

### Key Manufacturers

**LG**

**Panasonic**

**Canadian Solar**

**JA Solar**

**Trina**

**Jinko**

## 03 Inverter Market

### Market Overview

Inverters are critical components converting DC power from solar panels to AC power for use in buildings and the grid.

The market is evolving toward microinverters for residential applications and advanced string inverters for commercial/utility scale.

#### PES MARKET ACCESS

**85%**

Direct manufacturer relationships

### Product Categories

TYPE	APPLICATION	GROWTH
Microinverters	Residential	25%+
String Inverters	Commercial	15%
Central Inverters	Utility	10%
Hybrid Inverters	Storage	30%+

### Key Manufacturer Relationships

#### Enphase

Market leader in microinverters with integrated monitoring and storage solutions.

#### SolarEdge

## GoodWe

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Growing player with competitive pricing across residential and commercial segments.

## 03 Battery Storage Market

### MARKET GROWTH

**5x**

By 2030

### CURRENT MARKET

**\$15B**

Annual (US)

### RESIDENTIAL

**40%**

Of installations

### PES ACCESS

**70%**

Market coverage

## Growth Drivers

- **Grid resilience** — Backup power demand increasing
- **Solar pairing** — Storage becoming standard with solar
- **Rate optimization** — Time-of-use rate arbitrage
- **Grid services** — Frequency regulation revenue
- **EV integration** — Bi-directional charging emerging

## Key Products

MANUFACTURER	PRODUCT	CAPACITY
Tesla	Powerwall 3	13.5 kWh
Enphase	IQ Battery 5P	5 kWh (modular)
Panasonic	EverVolt	17.1 kWh
Generac	PWRcell	9-18 kWh

*"Battery storage is the fastest-growing category in electrical distribution, with installations expected to increase 5x by 2030 as solar-plus-storage becomes the standard configuration."*

## 03 EV Charging Infrastructure

### Market Opportunity

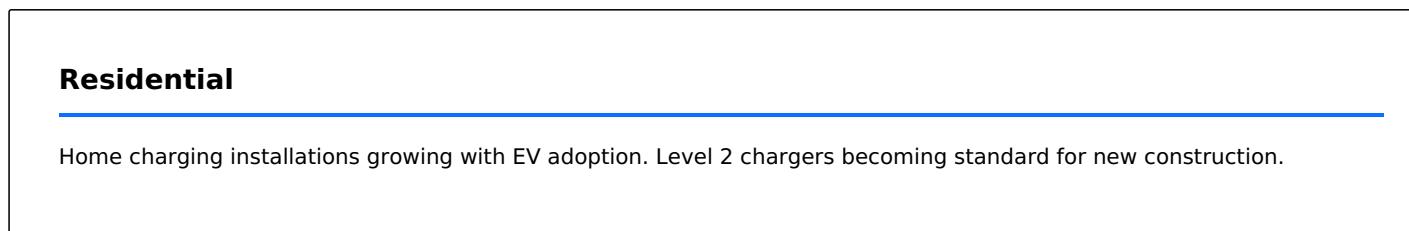
Electric vehicle adoption is accelerating, creating massive demand for charging infrastructure across residential, commercial, and public applications.



### Charging Segments

LEVEL	APPLICATION	GROWTH
Level 1 (120V)	Home overnight	Stable
Level 2 (240V)	Home/Commercial	40%+
DC Fast (480V)	Public/Fleet	60%+

### Distribution Opportunity



## **Commercial**

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Workplace and destination charging creating demand for multi-port installations with load management.

## **Public/Fleet**

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DC fast charging buildout accelerating with federal infrastructure funding and fleet electrification.

## 03 Emerging Categories

### Generators

Backup power demand increasing due to grid reliability concerns and extreme weather events.

Partnership

**Cummins**

Launching Feb 2025

### HVAC Systems

Heat pump adoption accelerating as buildings electrify and efficiency standards tighten.

Market Growth

**15%+ YoY**

Heat pump category

### Wind Power

Small wind systems and components creating distribution opportunity for rural and commercial applications.

Status

**Phase 2**

2025 expansion

Category	Status	Timeline	Market Size
Generators (Cummins)	Launching	Q1 2025	\$8B+
HVAC Systems	Planned	Q2 2025	\$15B+
Wind Components	Planned	2025	\$2B
Broader Electrical	Roadmap	2025-2026	\$100B+

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## 04 USMCA Trade Opportunity



### Market Access

The USMCA trade agreement creates opportunities for electrical distribution across North America with reduced tariffs and streamlined customs.

- **United States** — 50 states covered
- **Canada** — 10 provinces
- **Mexico** — 32 states
- **Caribbean** — 20+ island markets

### Louisville Hub

Central US location near UPS Worldport enables 2-day delivery to 80% of US population with efficient cross-border logistics.

*"USMCA creates a unified North American market with streamlined trade—positioning PES Global to serve contractors across the entire trade zone from a single hub."*

## 04 Caribbean Market Opportunity

### Market Characteristics

Caribbean markets represent a unique opportunity for solar and battery distribution due to high electricity costs, grid reliability issues, and abundant solar resources.

- **High electricity prices** — \$0.30-0.50/kWh
- **Grid instability** — Frequent outages
- **Hurricane exposure** — Resilience demand
- **Solar resources** — Excellent irradiance

### Target Markets

Market	Population	Opportunity
Puerto Rico	3.2M	High
Dominican Republic	11M	High
Jamaica	3M	Medium
Bahamas	400K	Medium
Other Islands	Various	Growing

### Distribution Advantage

#### Ocean Freight

Portlandia Logistics handles Caribbean shipping from Miami and US ports.

## **Product Fit**

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Solar-plus-storage ideal for high-cost, unreliable grid markets.

## **Less Competition**

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Limited distribution presence creates market entry opportunity.

## 05 Industry Consolidation

### Consolidation Dynamics

The electrical distribution industry is undergoing significant consolidation, with national and regional players acquiring independents to build scale and geographic coverage.

This creates opportunity for platform builders to execute roll-up strategies similar to successful models like Sonepar.

#### Sonepar Model

##### \$14B Revenue

Sonepar built a global electrical distribution empire through systematic acquisition of regional players, maintaining local relationships while adding scale benefits.

[PES Global is executing a similar playbook](#)

### Acquisition Targets

TARGET TYPE	REVENUE RANGE	VALUATION	CHARACTERISTICS
<b>Small Independents</b>	\$1-5M	2-3x EBITDA	Owner-operated, succession issues
<b>Regional Players</b>	\$5-25M	3-5x EBITDA	Established relationships, systems
<b>Specialty Distributors</b>	\$2-10M	4-6x EBITDA	Product expertise, niche markets

#### PES ACQUISITION TARGET

# 40+ Distributors

7-year roll-up strategy



## 05 Valuation Dynamics

### Traditional vs. Platform

AI-enabled catalog platforms command significant valuation premiums over traditional hardware distribution companies.

BUSINESS TYPE	MULTIPLE
Traditional Distribution	3-5x EBITDA
Technology Platform	7-10x EBITDA

### PES Platform Thesis

#### 10M SKU Milestone

The 10 million SKU target transforms PES from regional distributor to platform play, commanding premium valuations from strategic acquirers.

**7-10x**

Target multiple

### Valuation Drivers

#### Technology Assets

- AI-powered catalog
- 229 data integrations
- Proprietary algorithms

## Network Effects

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- 100K+ contractors
- 200+ manufacturers
- Cross-selling platform

## Recurring Revenue

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- Partner programs
- SaaS components
- Service contracts

## 06 Regulatory Environment

### Federal Incentives

#### Inflation Reduction Act

The IRA provides significant incentives for clean energy installations, driving demand for solar, storage, and related products.

- 30% Investment Tax Credit
- Production tax credits
- Domestic content bonuses
- Low-income community adders

### State Programs

- **California** — NEM 3.0, storage mandates
- **Texas** — ERCOT grid, no state tax
- **Florida** — Hurricane resilience focus
- **New York** — Aggressive clean energy goals
- **Arizona** — Solar-friendly regulations

### Policy Impact on Distribution

POLICY	IMPACT	OPPORTUNITY
IRA Tax Credits	Increased solar/storage demand	High
Grid Modernization	Infrastructure upgrades	High

**Building Codes**

Efficiency requirements

Medium

## 06 Technology Trends

### AI & Automation

Artificial intelligence transforming distribution operations from inventory management to customer service.

- Catalog automation
- Demand forecasting
- Pricing optimization
- Customer service AI

### Digital Commerce

B2B e-commerce becoming standard, requiring robust digital capabilities alongside relationship selling.

- Online ordering
- Product configuration
- Real-time availability
- Digital payments

### Connected Products

Smart products with monitoring and management capabilities creating service revenue opportunities.

- Solar monitoring
- Battery management

→ Smart home integration

→ Fleet telematics

*"Distributors that invest in technology platforms will command premium valuations while those that remain traditional face margin compression and consolidation."*

## 07 PES Competitive Positioning

### Market Position

PES Global Group occupies a unique position at the intersection of traditional distribution relationships and technology platform capabilities.

#### Differentiation

- 90% solar panel market access
- 229 Tier 1 relationships
- AI-enabled 10M SKU platform
- 100K+ contractor network
- Integrated logistics

#### Strategic Advantages

CAPABILITY	ADVANTAGE
Manufacturer Access	90% market
Technology Platform	10M SKUs
Contractor Network	100K+
Geographic Coverage	USMCA + Caribbean
Cost Structure	90%+ savings

**90%**

Solar panels

**INVERTERS**

**85%**

Market coverage

**STORAGE**

**70%**

Battery products

**CONTRACTORS**

**100K+**

In network

## 08 Market Outlook

### 5-Year Forecast

Category	2025	2030	CAGR
US Solar	\$50B	\$125B	20%
Storage	\$15B	\$75B	38%
EV Charging	\$5B	\$30B	43%
Traditional Elec	\$120B	\$150B	5%

### Key Trends

- **Continued growth** — Energy transition driving demand
- **Consolidation** — Scale advantages increasing
- **Technology** — Platforms commanding premiums
- **Integration** — Solar+storage becoming standard
- **Electrification** — EV and building electrification

*"The combination of energy transition, electrification, and infrastructure investment creates a multi-decade growth opportunity in electrical distribution—with technology-enabled platforms positioned to capture disproportionate value."*

## MARKET SIZE

**\$185B+**

Growing with energy transition

## SOLAR GROWTH

**20%+**

Annual installations

## STORAGE EXPANSION

**5x**

By 2030

PES Global Group is positioned at the intersection of a \$185B+ market undergoing transformation, with unique access to 90% of the solar panel market and technology platform capabilities that command premium valuations.

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