

# Deals & Dealmakers: Big Buy for Platinum's Vertiv

## Greif brokers deal for integrated thermal systems manufacturer

By HENRY MEIER  
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Platinum Equity's portfolio company Vertiv made its first major bolt-on acquisition since the Beverly Hills-based private equity firm acquired the heating and cooling system outfit for \$4 billion in 2016.

Columbus, Ohio-based Vertiv paid an undisclosed amount to purchase Energy Labs Inc. of San Diego, the companies announced on Jan. 16. The deal gives Vertiv several new avenues into the market as well as Energy Labs' vertically integrated manufacturing, which complements Vertiv's operations, according to Lloyd Greif, chief executive and founder of downtown investment bank Greif & Co., who helped broker the deal on behalf of Energy Labs.

"Energy Labs manufactures a lot of the individual component parts used in these complex thermal systems," Greif said. "Vertiv isn't similarly vertically integrated, so it creates considerable cost savings for them."

The deal also gives Vertiv access to Energy Labs' presence in the commercial & industrial thermal management systems market. The acquired company did the heating and cooling system in both Los Angeles International Airport's Tom Bradley International Terminal and at Disney Concert Hall, according to Greif.

Vertiv Chief Executive Rob Johnson said in a statement that the various synergies made the deal attractive.

"This acquisition supports our growth strategy to find companies that both align with our values and bolster our current offerings," Johnson said. "Energy Labs is a perfect fit, with talented people, innovative



**Platinum Pickup: Vertiv adds Energy Labs Inc. after contested bidding war.**

technologies and complementary expertise that will help us continue to meet the needs of our customers, while also expanding into adjacent markets."

Platinum Equity partner Jacob Kotzubei said the firm felt the combination would speed up the Vertiv's expansion.

"This is the first acquisition under the Vertiv banner, and it is exactly the kind of additive move we feel can accelerate the company's growth," Kotzubei said.

Greif declined to give specific figures about the size of the deal, but called it "significant" and added that there was a contested bidding war for Energy Labs that included multiple suitors over the past six months.

"This dynamic strategic combination has created the team to beat in supplying mission critical thermal management systems, climate control solutions and power systems globally to the fast-growing data center market," Greif added.

Vertiv also purchased the underlying property at both Energy Labs' San Diego headquarters and its Tijuana, Mexico manufacturing facility.

Greif added that, given Energy Labs cross-border operations, getting the deal done in the Trump Administration era was a minor miracle in its own right.

"We were able to close the deal despite the president's opposition to NAFTA and cross-border transactions like this one," Greif said. "It was no small feat."