

PE Hub

By: Michael Schoeck
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Add-ons ahead for Message Broadcast, backed by OceanSound and EIP

The utility technology provider seeks software developers across different use cases, including billing and payments, energy analytics and demand response.

OceanSound Partners portfolio company Message Broadcast intends to make several add-on acquisitions to build a comprehensive platform for customer engagement software in the electric utility sector, OceanSound partner Ted Coons told PE Hub.

OceanSound, a New York PE firm that invests in technology and technology-enabled services companies serving government and enterprise end-markets, teamed up with Energy Impact Partners, a strategic investment firm based in New York, to acquire Message Broadcast from Oslo-based Link Mobility back in January.

Based in Newport Beach, California, Message Broadcast is a utility software service that relays power outage information and other critical communications between regulated utilities and ratepayer customers. The company generates about \$40 million of annual revenue, and it projects a revenue CAGR of 25 percent over the next five years as it executes its growth strategy.

For add-ons, the company is looking for software providers that serve the utility end-market across different use cases, including billing and payments, energy analytics and demand response technologies (which help customers to reduce daily power usage so utilities can meet grid demands), Coons said.

OceanSound first learned of Message Broadcast from a 2020 market check



Ted Coons, OceanSound Partners



Steven Kantowitz, Energy Impact Partners

involving customer engagement software vendors in the electric utility market, Coons said.

OceanSound invests in technology and technology-enabled services companies serving government and enterprise end-markets. The firm sees several tailwinds including rising digital transformation trends and increasing government outsourcing to the commercial sector due to workforce demographic changes.

Message Broadcast complements existing OceanSound portfolio companies Gannett Fleming, an infrastructure consulting business, and RMA Technologies, a testing, inspection, and certification service provider for critical infrastructure owners.

OceanSound plans to apply its experience in critical infrastructure and highly regulated government markets, as well as software communications and API companies, to grow the company.

Co-investing

Coons thought EIP would be an ideal partner in the deal for Message Broadcast with OceanSound as the controlled investor and Energy Impact holding a slightly smaller interest.

“OceanSound’s expertise complements ours, as they have significant experience in regulated infrastructure markets and software-oriented business models, while our strategy is purpose-built to leverage our strategic ecosystem,” EIP partner



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Steven Kantowitz told PE Hub.

EIP has made a variety of private equity-style investments as the energy transition market has matured rapidly, Kantowitz explained. In addition to Message Broadcast, EIP holds an interest in Resilient Structures and TRC Companies, in which it partnered with family office the Werklund Growth Fund and Warburg Pincus, respectively.

EIP, which counts more than 65 global utilities strategic investors and as its anchor investors and strategic LP partners, didn't yet have a dedicated private equity investment team when the firm first looked at Message Broadcast back in 2020.

After working with him on transactions over a number of years, EIP hired Kantowitz from Warburg Pincus to lead its PE investment team in 2022. EIP's four-

member PE investment effort has utilized capital from the firm's second flagship growth equity fund, Energy Impact Fund II, a \$1 billion hard-cap fund that closed in late 2021.

PE Hub last connected with Kantowitz in 2023 to discuss its investment strategy in Resilient Structures.