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Private Equity's HALO Effect: The Shift From Software to Physical Assets

Heavy assets, low obsolescence: Why PE is chasing the power behind the AI boom

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Key takeaways

- **Software's retreat has a destination:** Thanks to the 2026 SaaS-pocalypse, software's share of global PE deal value has slid since 2025, falling from 13.2% for the full year to 9% through Q3 2026. The difference in capital rotated into HALO, which captured a record 22.7% of global PE deployment through the first three quarters of 2026.

- **The HALO trade is fundamentally an electricity play:** The construction & engineering, energy production, and industrial supplies & parts subsectors lead the universe of datacenter shells, energy generation, and grid hardware underlying AI's power demand.

- **Higher HALO multiples are increasingly equity-funded, whether by choice or by necessity:** From 2015 to 2025, the median entry EV/EBITDA multiple for HALO buyouts climbed from 7.2x to 9.6x, while equity's share of entry capital structures rose from 49.3% to 55.6%. This shift is consistent with both rising conviction in the HALO investment thesis and a higher-for-longer interest rate environment that makes leverage more expensive to carry.

- **HALO is steadily building exit inventory:** Sponsors have closed over four HALO deals for every exit since 2022, and HALO deals completed between 2015 and 2022 have exited at a median multiple that was nearly 30% above their entry multiple. HALO captured 23% of global exit value through Q3 2026, well above its five-year average of 18.3%.

What is HALO, and why is PE rotating into it?

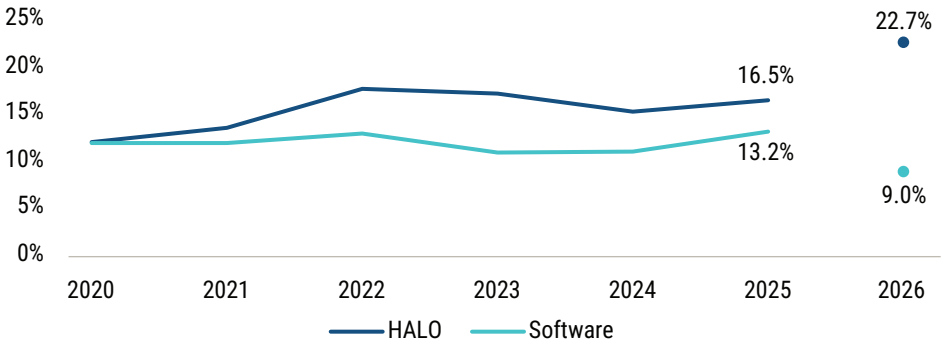
PE managers are searching for new opportunities to fill the void created when software fell out of favor during the Q1 2026 SaaS-pocalypse. As AI capabilities accelerated through late 2025, private market investors sharply curtailed their appetite for software, and the sector's deal activity swung from an all-time high to a cyclical low in less than a year. Now investors are wondering where to turn next.

With capital retreating from software, investors have rotated toward what is becoming known as the "heavy assets, low obsolescence" (HALO) trade. Companies built on transmission grids, pipelines, utilities, transport infrastructure, and long-cycle industrial capacity own assets that are costly to replicate, slow to depreciate, and largely indifferent to whether the next AI model ships in six months or six weeks.

The HALO theme was introduced by Josh Brown of Ritholtz Wealth Management in early 2026 and spread quickly among public market analysts.[1] To gauge how the same rotation looks in private markets, we analyzed the global PE universe across 183,800 deals and 38,700 exits since 2016, sorting each transaction by subsector into three buckets: HALO, software, and everything else. The HALO bucket spans 40 subsectors across energy & utilities, heavy industrials, chemicals, agriculture/forestry, and metals & mining. This note looks at HALO strictly through a PE lens, examining buyout and growth-equity activity in operating companies across these subsectors.

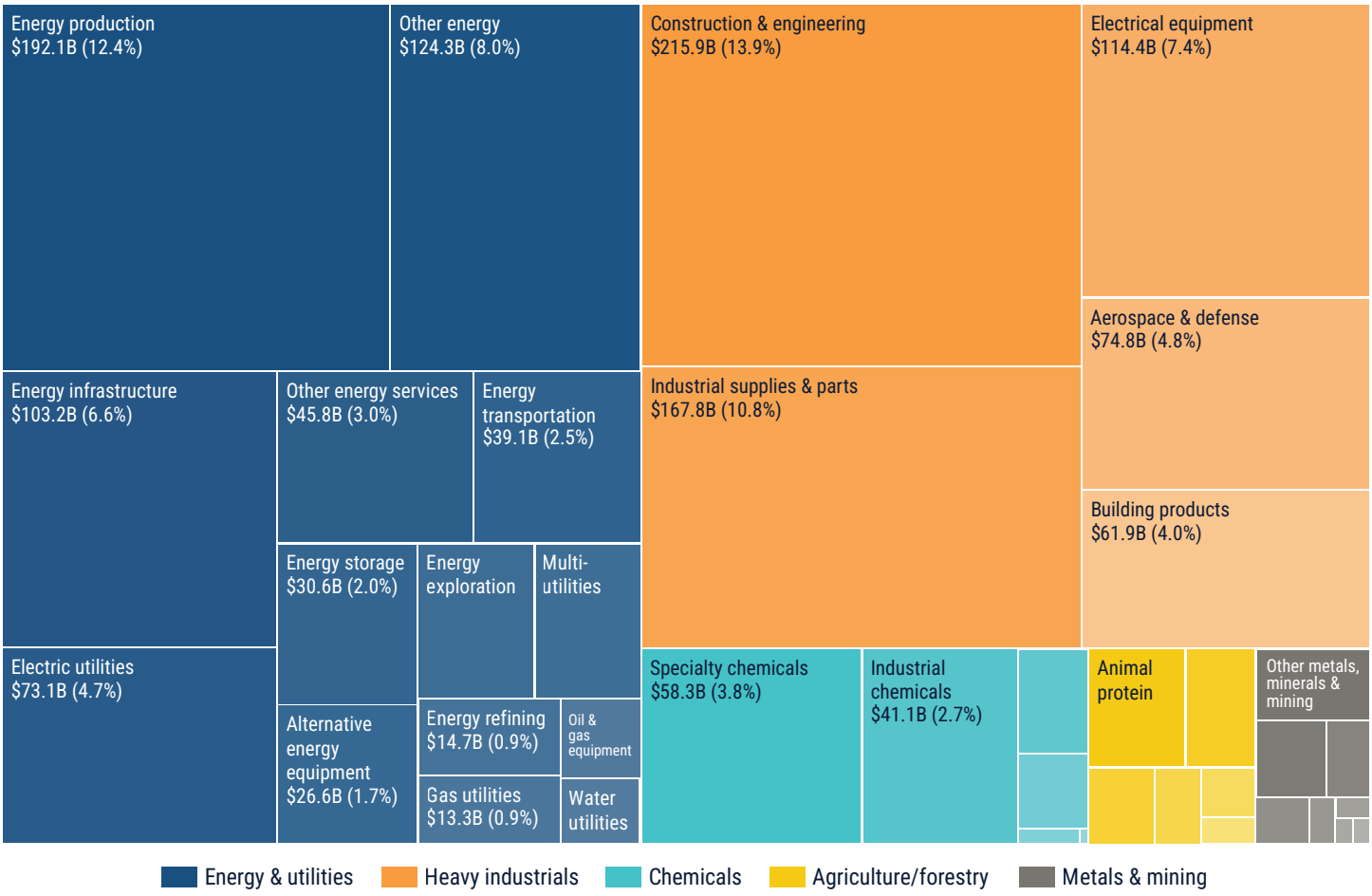
Since January 2022, over $1.5 trillion in PE investment globally has flowed into HALO, with a clear center of gravity: Energy & utilities and heavy industrials have taken 87.6% of HALO PE deal value. The concentration sharpens further at the subsector level (see the full HALO taxonomy in the appendix). The three largest subsectors alone have accounted for 37.1% of deal value since January 2022. Construction & engineering leads at 13.9%, involving not office towers but the physical "plumbing" of the digital economy: datacenter shells and the build-out of the electrical grid. Close behind at 12.4% is energy production, the energy-generation and operating assets that power that build-out, followed by industrial supplies & parts, the components that keep those plants and networks running, at 10.8%. The through line is electricity: AI needs power, power needs hard assets, and PE is buying the picks and shovels.

HALO and software PE deal value as a share of all PE deal value



Source: PitchBook • Geography: Global • As of September 30, 2026

Share of HALO PE deal value since 2022 by subsector



Source: PitchBook • Geography: Global • As of September 30, 2026

Note: Tile size reflects each subsector's share of total HALO deal value since 2022. Smaller tiles include only the subsector name or have no label, depending on space. Full figures for all subsectors are available in the taxonomy table in the appendix.

The SaaS-pocalypse: Software's fall from favor

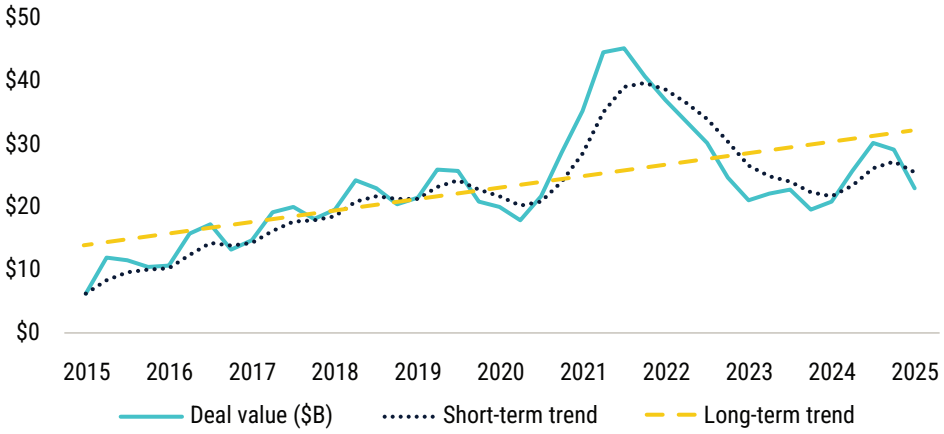
After anchoring PE returns for a decade, software is starting to feel like old news. For those 10 years, it was PE's default playbook as the easiest place to find scale, growth, and a reliable exit. That decade ended abruptly: US software PE deal value peaked at $110 billion in Q3 2025 before collapsing to $10.7 billion within three quarters, and software's share of global PE deal value fell from 13.2% for full-year 2025 to 9% through the first three quarters of 2026. Activity has ticked up modestly since the trough but remains far below the levels the sector sustained for most of the past decade.

In the US specifically, software had represented a larger and more concentrated slice of PE activity: roughly 14% of total deal value and 11% of deal count over the past decade, climbing to about 18% of deal value in 2025 even as deal count held near its historical norm. Then came the SaaS-pocalypse at the end of Q1, driven by the fear that generative AI agents would render traditional software obsolete. That fear is

unlikely to play out in full, but it has been enough to make sponsors far more selective about where they deploy capital in the space, leading them to redirect money that otherwise would have stayed in software.

Furthermore, private credit, software's usual financing engine, is still finding its footing after the early-2026 valuation reset, and lenders have openly pared their exposure. Software loans have clawed back some losses but remained in the red for the year through the end of Q3. The broadly syndicated loan market has not fared much better. Just 10% of all loans issued in the US broadly syndicated loan market this year (excluding repricings) have come from software companies, the lowest share since 2015. The greater hesitation is strategic: Nobody has a confident answer to the question of how a software company reinvents itself as "agentic as a service" and stays relevant against frontier AI models, and until that question is answered, few managers care to catch the falling knife. Software deals may return in time, but a sector that once absorbed around $30 billion per quarter now takes one-third to half of that, and the difference has to go somewhere. Increasingly, that somewhere is HALO.

Trailing six-month software PE deal value trends



Source: PitchBook • Geography: Global • As of September 30, 2026

Why now?

Over the past decade, HALO subsectors have accounted for a steady 13% to 16% of global PE deal count and a somewhat larger share of deal value, usually in the mid- to high teens. While software drew the headlines, the multiples, and the panel discussions, PE kept funding pipelines, electrical grids, and factories at roughly one in every seven deals. Steady deal flow and the accumulation of assets over the past decade have quietly built conviction in these sectors. In 2026, AI-driven demand gave that conviction somewhere to go.

The same technology unsettling software valuations is the one driving demand for the power, equipment, and infrastructure at the heart of HALO, compounded by the knock-on effects of the war in Iran. US electricity demand grew at a sleepy GDP-like pace for years, and the equipment supply chain planned accordingly. AI adoption, combined with broader electrification across industrial and mobility spaces, abruptly changed

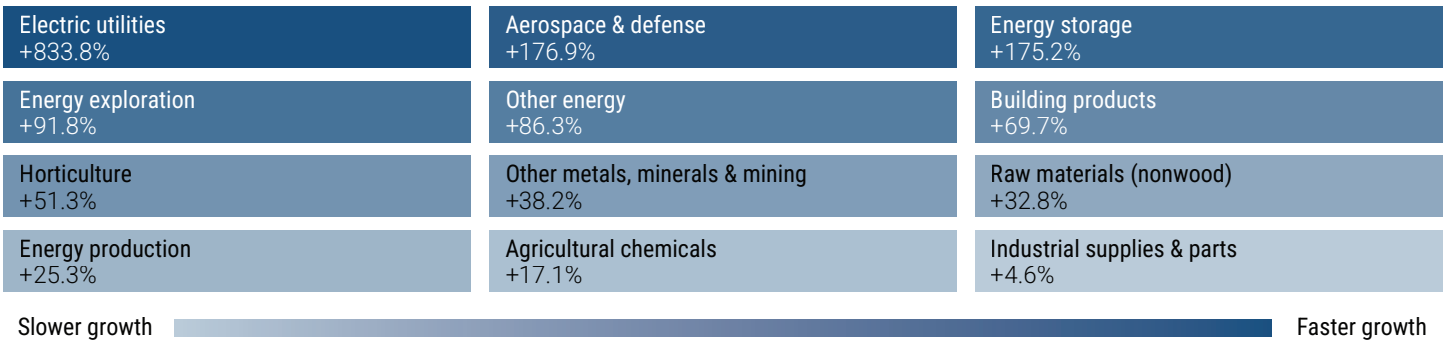
the trajectory. Transformer makers, wary of adding capacity after prior boom-bust cycles, have not kept pace, and lead times for large grid transformers now run beyond one year, according to Wood Mackenzie.[2] Rather than wait for new transmission, developers are increasingly bringing prime power to datacenters directly, running natural gas to on-site fuel cells or turbines from suppliers such as Bloom Energy or Cummins. That work-around has hit its own bottleneck: By the end of 2027, gas turbine prices are expected to surge 195% from 2019 levels amid a global supply-demand crunch, pushing some developers toward a more varied power mix, including storage to offset the intermittency of solar and wind.[3, 4]

Global electricity demand is projected to double to almost 60,000 terawatt-hours by 2050.[5] While datacenters made up only 1.5% of global electricity consumption in 2024—after growing 12% annually over the past five years—they represent one of the most significant new sources of demand.[6] For PE, a mature and low-growth category has turned into a genuine growth story, and the opportunity is in adding capacity while staying rational about pricing.

With software sidelined and dry powder available to spend, energy has emerged as one of the primary destinations for PE capital. In the first nine months of 2026, US energy PE deal value jumped 105.1% from the same period in 2025 as datacenters reshaped the balance of supply and demand across the grid. HALO more broadly captured a record 22.7% of global PE deployment through Q3 2026, well above its decade average of 16.6%. Even as global deal value softened in Q2 2026, sponsors kept favoring the HALO strategy, and HALO's share of deal value held up while software's slid.

As capital has crowded into hard assets, energy and infrastructure names now trade at premiums to their historical valuations, marking a return to the traditional PE exercise: finding a fair entry price and a credible plan to create value, rather than simply buying the theme. Q1 2026 offered energy assets at prices where the math still penciled out, and sponsors moved on them. Q2 and Q3 were less obliging, marked by volatility with surging energy prices, renewed inflation worries, and higher-for-longer interest rate expectations. The broad market turned risk-off, and total deal value reset sharply even as deal count held firm. Going forward, we expect sponsors to be disciplined on price, hunting selectively for situations they can still underwrite, in place of chasing the sector at any multiple.

Top HALO subsectors by YoY growth in PE deal value (Q1-Q3 2025 versus Q1-Q3 2026)



Source: PitchBook • Geography: Global • As of September 30, 2026

Where the capital concentrates

Driving the top subsectors' shares of HALO deal value is a short list of very large checks, which tell two connected stories. The first is the build-out. Construction & engineering tops the leaderboard at $215.9 billion in HALO deal value since 2022, and the assets in this subsector carry cell signals and electrical currents—think telecom towers, datacenter shells, and grid-adjacent infrastructure—exemplified by Vantage Towers in Germany (carved out for $16.1 billion) and datacenter developers GFT Infrastructure and Global Technical Realty.

Industrial supplies & parts, in third place at $167.8 billion, covers the components and materials that keep power and industrial networks running, spanning grid-hardware makers such as MacLean Power Systems, motor-and-drive specialists such as Innomotics and Flender, and materials suppliers such as Arconic. Sponsors are not buying the AI boom directly; instead, they are investing in the datacenters, transformers, and switchgear it cannot run without.

The second story is the power behind the build-out. Energy production ranks second in deal value at $192.1 billion, but the recipients of this investment have not all been oil facilities. Capital has increasingly flowed into renewable power generation—assets with no fuel-price exposure in a market where energy prices have turned volatile—led by the $33.7 billion take-private of Uniper in Germany and a run of solar-and-wind platforms such as Innergex, Boralex, Neoen, and EDF's renewable units.

Fossil fuel extraction has appeared in the Aera Energy acquisition and a handful of basin asset sales but remains a minor part of energy production in HALO. Other energy, fourth in deal value at $124.3 billion, encompasses midstream and project-level infrastructure that falls outside the other subsectors: pipelines such as Whistler, offshore-wind projects such as Ørsted's Hornsea 3, and portfolio stakes in operating assets.

Electrical equipment rounds out the top five subsectors at $114.4 billion and serves as the industrial backbone of the power build-out, as seen in the $11.9 billion Toshiba buyout. The AI datacenter capital expenditure (capex) surge has turned electrical equipment manufacturing into one of the tightest, fastest-growing, and most bottlenecked segments of the industrial economy in 2026.

Electric utilities best highlight the story of concentration in some of these large-check transactions. Just 101 deals have produced $73.1 billion in value since 2022, driven by a handful of large-cap take-privates. Utility transactions are concentrated among a small group of sponsors willing to underwrite assets that come with outsized political and regulatory exposure. Because a regulated utility operates as the designated provider for its service territory, ownership changes are a public matter rather than a private one. Approval by a state public utility commission is typically required before a deal can close. The $40 billion AES take-private, the largest of these deals, drew exactly that kind of scrutiny, with its size and multistate footprint putting the approval process squarely in the public eye.

HALO PE deal activity since 2022 by region and top five subsectors

Rank	Region/subsector	Deal value ($B)	% of HALO mix	% of region mix	Deal count
1	**North America**	**$747.4**	**48.1%**		**5,726**
1	Construction & engineering	$112.1		15.0%	1,801
2	Industrial supplies & parts	$86.7		11.6%	1,021
3	Other energy	$72.8		9.7%	308
4	Energy production	$68.7		9.2%	182
5	Electric utilities	$60.3		8.1%	36
	Other North America HALO	*$346.9*		*46.4%*	*2,378*
2	**Europe**	**$539.8**	**34.8%**		**5,403**
1	Energy production	$98.1		18.2%	282
2	Construction & engineering	$83.9		15.5%	1,495
3	Industrial supplies & parts	$61.0		11.3%	894
4	Electrical equipment	$37.3		6.9%	498
5	Specialty chemicals	$33.3		6.2%	110
	Other Europe HALO	*$226.2*		*41.9%*	*2,124*
3	**Asia**	**$146.0**	**9.4%**		**1,460**
1	Electrical equipment	$33.5		22.9%	212
2	Industrial supplies & parts	$17.5		12.0%	312
3	Energy production	$14.1		9.7%	77
4	Construction & engineering	$12.5		8.6%	177
5	Alternative energy equipment	$10.5		7.2%	86
	Other Asia HALO	*$58.0*		*39.7%*	*596*
4	**Rest of world**	**$119.2**	**7.7%**		**797**
1	Industrial chemicals	$20.4		17.1%	7
2	Other energy	$12.0		10.1%	99
3	Energy production	$11.2		9.4%	75
4	Multi-utilities	$9.2		7.7%	5
5	Energy infrastructure	$8.8		7.4%	60
	Other rest of world HALO	*$57.7*		*48.4%*	*551*
	Total HALO	**$1,552.4**	**100.0%**		**13,386**

Source: PitchBook • Geography: Global • As of September 30, 2026

Note: Percentages in the "% of region mix" column reflect each region's internal composition (subsector value divided by the regional total).

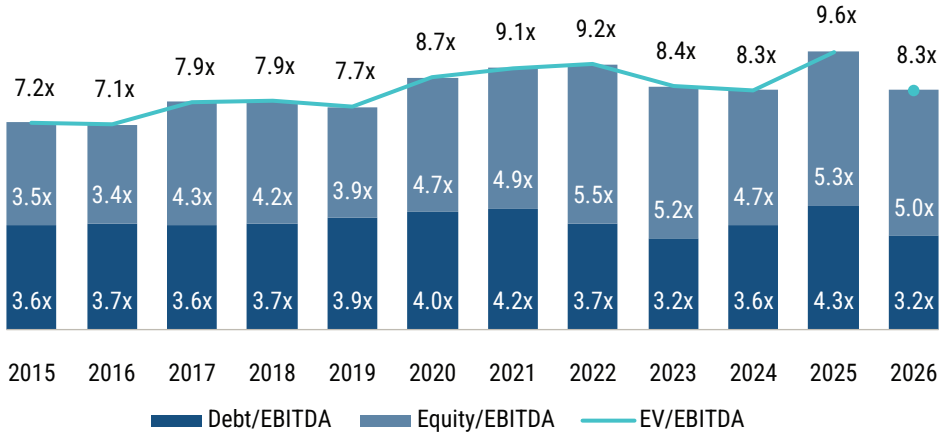
Top 15 HALO PE deals since 2022

Company	Deal date	Deal value ($B)	Deal type	HALO subsector	HQ country
AES	March 2, 2026	$40.6	Buyout/LBO	Electric utilities	US
Uniper	August 20, 2022	$33.7	Buyout/LBO	Energy production	Germany
Lukoil International	January 29, 2026	$22.0	Buyout/LBO	Other energy	US
Braskem	December 15, 2025	$20.0	Buyout/LBO	Industrial chemicals	Brazil
Covestro	October 1, 2024	$16.3	Buyout/LBO	Specialty chemicals	Germany
Vantage Towers	November 9, 2022	$16.1	Buyout/LBO	Construction & engineering	Germany
Toshiba	March 23, 2023	$11.9	Buyout/LBO	Electrical equipment	Japan
Sempra Infrastructure	September 23, 2025	$10.0	Buyout/LBO	Energy infrastructure	US
Macquarie Airfinance	February 26, 2026	$9.0	Buyout/LBO	Aerospace & defense	Ireland
Colonial Pipeline	April 3, 2025	$9.0	Buyout/LBO	Energy transportation	US
Copeland	October 31, 2022	$8.4	Buyout/LBO	Electrical equipment	US
Boralex	March 25, 2026	$8.4	Buyout/LBO	Energy production	Canada
South Jersey Industries	February 24, 2022	$8.1	Buyout/LBO	Multi-utilities	US
Westinghouse Electric Company	September 28, 2022	$8.0	Buyout/LBO	Other energy services	US
DCC Energy	July 26, 2026	$7.7	Buyout/LBO	Energy transportation	Ireland

Source: PitchBook • Geography: Global • As of September 30, 2026

The valuation split: Who captures the premium

Median HALO PE EBITDA multiples

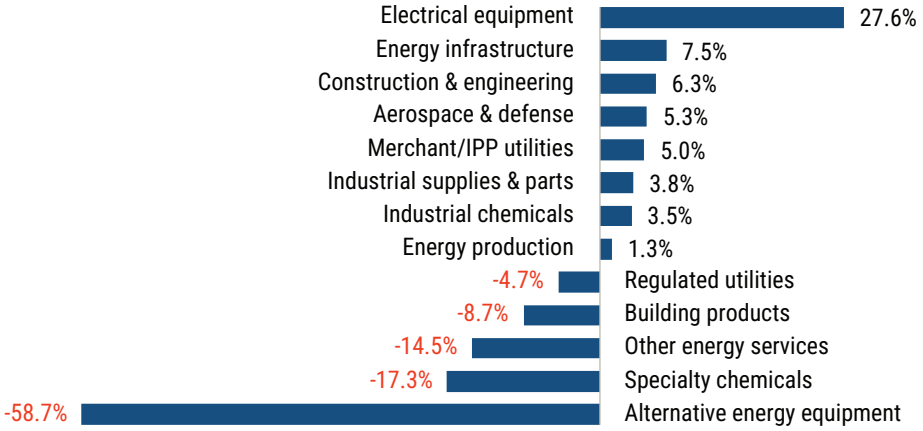


Source: SPI by StepStone • Geography: Global • As of June 30, 2026

The aforementioned $40 billion take-private of electric utilities provider AES, the largest HALO deal in the dataset, drove HALO's share of global take-private deal value to 24.4% in Q1 2026. The more significant data point is that this share remained elevated at 19.1% in Q2, a quarter with no comparable megadeal. The run of large deals since 2022 shows sponsors are comfortable underwriting checks of this size in these categories.

The willingness to write large checks and pay up for HALO assets is the same signal: Sponsors are willing to go the extra mile, while public markets reflect a less aggressive approach for similar assets. The broader public market HALO multiple is deceptively steady: The median has held near 12x for five years. At the subsector level, multiples diverge, showing exactly where investors are leaning within the HALO opportunity set. Electrical equipment and construction & engineering, the subsectors monetizing that demand most directly, have seen their public multiples climb a full turn over the past 12 to 18 months, and the former now trades roughly 28% above its five-year average. Regulated utilities, capped by design in what they can charge and earn, do not command the same premium. Their upside is structurally limited regardless of how tight power markets get. The multiple is pricing exposure to scarcity, not exposure to the sector label. Recent PE-backed utility deals highlight how competitively private capital is bidding for US grid exposure. Transactions such as the buyouts of El Paso Electric, South Jersey Industries, ALLETE, AES, TXNM Energy, and Cleco cleared at low- to mid-teens enterprise value (EV)/EBITDA multiples, well above the low double digits seen from public market peers.

Current public HALO EV/EBITDA multiples by sector versus five-year average

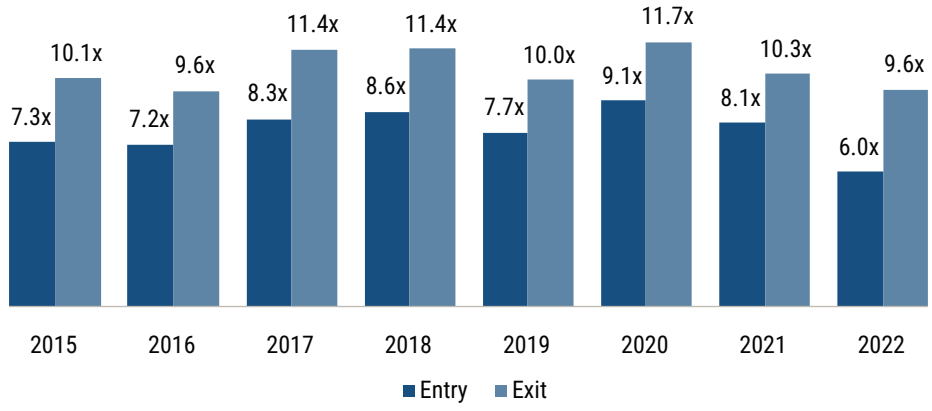


Source: PitchBook • Geography: US • As of September 30, 2026

To uncover what PE has been paying for HALO assets, we ran the HALO sectors through the SPI by StepStone valuation database. Although the database's subcategory definitions vary slightly from those in our screen, the trend it surfaces is similar to what has been seen in public HALO multiples: Private buyers have paid up in recent years. The median entry EV/EBITDA multiple across HALO buyouts climbed from 7.2x in 2015 to 9.6x at the end of 2025, though it dropped in 2023 and 2024 before reaccelerating, with 2026 seeing a similar drop.

The financing mix shifted alongside pricing. Leverage has not kept pace with multiples, so the incremental dollar of purchase price is increasingly equity: The equity share of entry EV rose from 49.3% in 2015 to 60.9% through mid-2026, with net debt holding in the three to four turns of EBITDA even as prices climbed. In a higher-for-longer rate environment, sponsors are buying these assets with larger equity checks—a shift that reflects both growing conviction in these assets and the rising cost of carrying leverage.

Median HALO PE entry and exit EV/EBITDA multiples



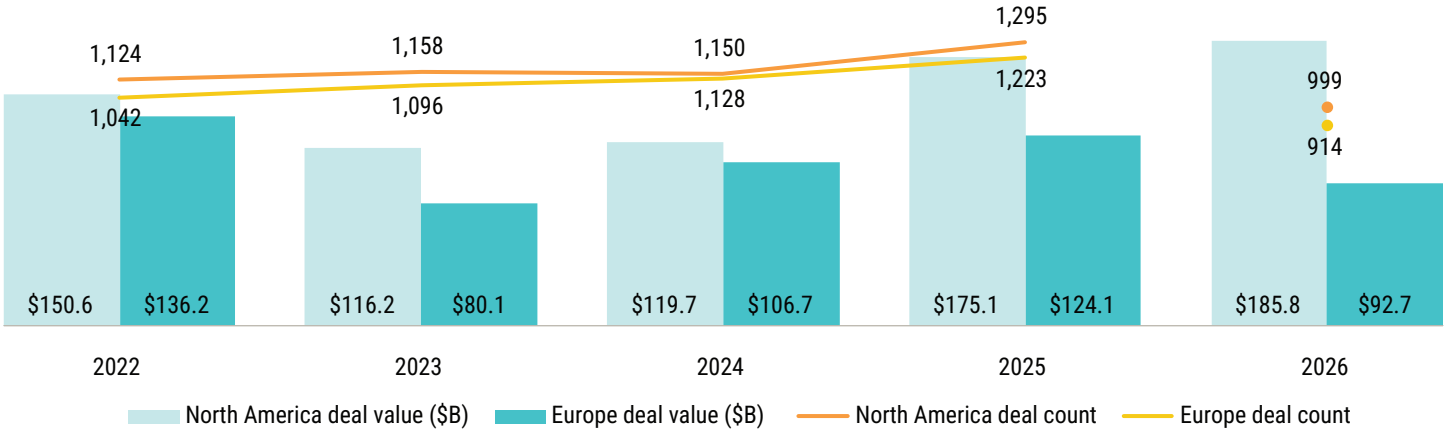
Source: SPI by StepStone • Geography: Global • As of June 30, 2026

Note: Data looks only at fully realized transactions and is grouped by entry year. Exit multiples reflect the exits of deals entered in that year, not exits that occurred in that year.

Geographic concentration: A North American and European play

The capital invested in HALO clusters geographically too. The HALO trade is a developed-market playbook with a firmly transatlantic focus: North America has accounted for 48.1% of HALO deal value since 2022, with the US alone accounting for 44.2%, and Europe is close behind at 34.8%. The two regions together have absorbed nearly 83% of HALO deal value in this period. Asia trails at 9.4%, carried by isolated marquee names such as SK On rather than by broad activity, and the rest of the world barely registers. The geographic concentration in North America and Europe makes sense. Heavy assets with contracted or regulated cash flows, the kind that sponsors want to hold through a volatile decade, cluster where capital is deep, the rule of law is settled, and the energy transition is both mandated and financed.

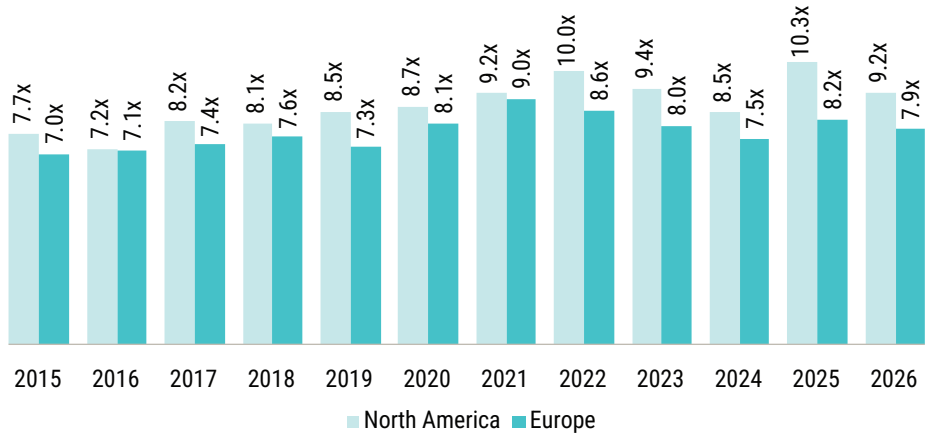
HALO PE deal activity by region



Source: PitchBook • Geography: North America and Europe • As of September 30, 2026

Geography determines not just where HALO capital goes, but how hard it can be to get a deal done. A meaningful share of the largest transactions in this dataset—such as those for Uniper, Vantage Towers, and AES—involve assets with state ownership stakes, national security sensitivity, or utility-regulator sign-off, and the dealmaking friction varies by region. In Europe, sponsors are underwriting works-council consultation, national foreign-investment screening, and, in some cases, EU foreign-subsidies review alongside the commercial case. In the US, anything grid- or energy-adjacent with a foreign sponsor increasingly draws attention from the Committee on Foreign Investment in the United States (CFIUS). For example, in 2025, Energy Capital Partners' $2.6 billion acquisition of Atlantica Sustainable Infrastructure triggered a CFIUS review due to a combination of cross-border entities, co-investors, and the critical infrastructure classification of the target assets. The result is that deal-closing certainty, in addition to price, is a differentiator between regions—and increasingly a factor that sponsors have to underwrite alongside the higher multiple. A field crowded with local specialists that understand a given grid operator or regulatory regime tends to compete differently than one open to global capital chasing the same assets.

Median HALO PE EV/EBITDA multiple by region



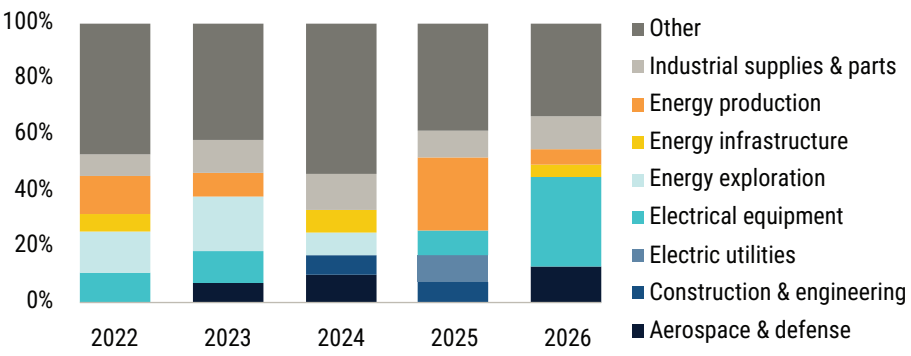
Source: SPI by StepStone • Geography: North America and Europe • As of June 30, 2026

Two exit markets: Software stalls, and HALO moves

Deployment shows where sponsors are placing bets, and exits show which ones paid off—and here software splits from HALO once again. Total global PE exit value in the first three quarters of 2026 was higher YoY at $984.5 billion, up 7.9% from the first three quarters of 2025. Software generated just $41.2 billion of exit value through Q3 2026, a mere 4.2% of the global total and far below its five-year average of 11.8%. HALO was the opposite, producing $226.2 billion of exit value, 23% of the global total and well above its five-year average of 18.3%. On a quarterly basis, that share declined to 18.6% in Q3, well below the 33.6% seen in Q2, the strongest quarter in the series, but still remained elevated.

Historically, approximately 60% of HALO exits have gone to strategics, with sales to other sponsors and public listings accounting for roughly 33% and 7%, respectively. Through Q3 2026, corporates' share dropped to 48.2%, while sponsors and public listings rose in share to 40% and 11.8%, respectively. Despite the recent decline, the significant presence of strategic buyers shows true end demand for these assets, rather than sponsors simply trading the theme among themselves.

Share of HALO PE exit value by subsector

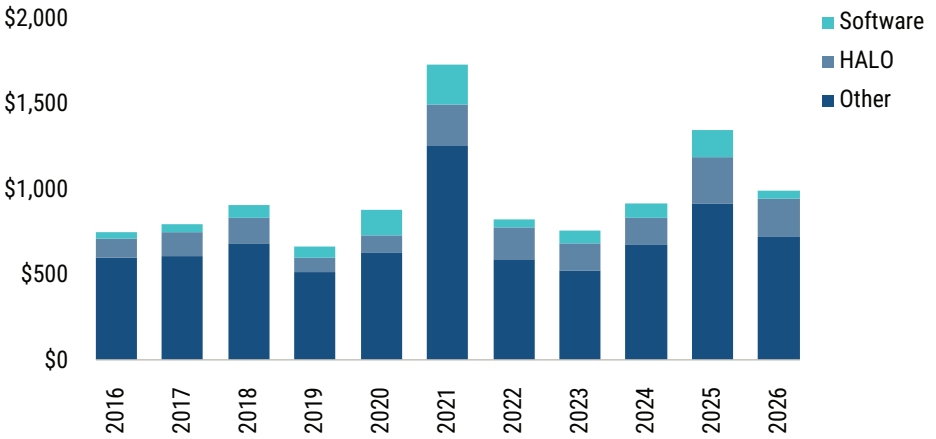


Source: PitchBook • Geography: Global • As of September 30, 2026

Exit activity is not spread any more evenly across the HALO universe than deployment is. Several of the subsectors leading deployment—electrical equipment, energy production, and industrial supplies & parts—are also leading realizations, suggesting this trend is maturing linearly. Through Q3 2026, electrical equipment and industrial supplies & parts accounted for 43.7% of total HALO exit value, with the former alone accounting for 31.9%. Aerospace & defense rounded out the top three subsectors, representing 13.1% of HALO exit value.

Software's muted exit environment reflects owners who refuse to become forced sellers. Amid dislocation, the odds favor repositioning and pressing AI into service as a tailwind rather than selling into a soft market. Some software companies will adapt and benefit; others will be badly disrupted. Valuations struck during the boom look generous against today's public multiples, and a sale would crystallize a gap that a patient holder could simply wait out. Exits in 2026 have been concentrated in business/productivity software—among the most entrenched subsectors in terms of workflows and switching costs—suggesting a flight to quality: The market is selectively picking the segments it is most confident can withstand agentic AI disruption, while the split of strategic and financial buyers remains in line with historical trends. Meanwhile, sponsors have closed over four HALO deals for every exit since 2022, steadily amassing a sizable inventory.

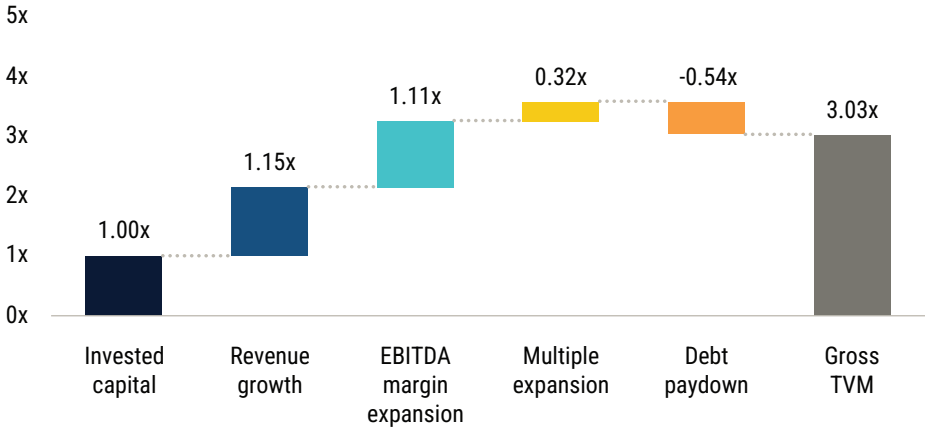
PE exit value ($B) by sector



Source: PitchBook • Geography: Global • As of September 30, 2026

Outlook

HALO PE gross total value multiple (TVM) bridge



Source: SPI by StepStone • Geography: Global • As of June 30, 2026
Note: Data includes only fully realized transactions from 2015 to 2026.

The HALO trade has already made its easy money. A thesis that began as shelter from AI disruption has become a way to own the infrastructure on which the disruption runs, and the market has repriced accordingly. Buying the theme wholesale no longer works. From here, the edge belongs to sponsors that can separate the assets that monetize demand from those that are merely adjacent to it.

According to a 2025 Goldman Sachs Research estimate, cloud computing and traditional business workloads accounted for 86% of datacenter power demand, while AI represented just 14%.[7] Hyperscaler capex plans, while currently record-setting, are guidance, not commitments. If AI capex growth decelerates, the subsectors trading at the highest multiples today—electrical equipment and construction & engineering, at an average of roughly 17% above their five-year norms—have the furthest to fall, particularly where revenue is merchant rather than contracted. Grid modernization, broader electrification, and the replacement of aging infrastructure provide a steadier baseline of demand, but these tailwinds build over years, not quarters, and would not fully offset a sharp near-term pullback in AI-driven capex.

A second risk lies on the exit side: Sponsors have closed over four HALO deals for every exit since 2022, building the kind of inventory that only realizes value if buyers keep showing up at current prices. And despite a 40-subsector taxonomy, the HALO trade is narrower in practice than it looks on paper—North America and Europe have accounted for more than 80% of HALO deal value since 2022, and three subsectors alone have accounted for more than one-third of it—so a regional pullback, a slowdown concentrated in one category, or persistent permitting and interconnection delays in several US markets could each have an outsized effect on the trade as a whole.

None of this makes the HALO thesis wrong, but it makes execution the differentiator, and execution increasingly favors a different kind of sponsor than the one that won the past decade. Software rewarded speed: rapid multiple expansion, capital-light

add-on consolidation, and exits timed to a market that kept paying up for recurring revenue. HALO rewards something closer to the opposite: patient capital, multiyear construction and permitting timelines, and the operating depth to actually build or run a hard asset rather than optimize a cap table. The sponsors that built the best software platforms are not automatically the ones best positioned to build the best power platform, and funds whose edge was financial engineering will need to develop, or acquire, real engineering, construction, and regulatory expertise to compete for the next generation of winners. The value-creation playbook that defined the past cycle is not the one that will define this cycle.

The data does not support chasing the sector at any multiple. Q1 2026 offered HALO with returns that penciled out, and sponsors moved on those assets; H2 2026 is looking less forgiving. Going forward, the HALO trade will be selected, priced, and underwritten deal by deal, the traditional discipline that AI will not upend. The best version of this trade builds rather than extracts. Capital that relieves the transformer bottleneck and increases grid capacity creates value by adding supply, instead of renting a shortage, and long-cycle building of that kind is precisely what PE is suited to fund.

The accompanying Excel workbook, available to PitchBook clients, contains the full 40-subsector HALO taxonomy. Clients can use the PitchBook Platform to drill down into the underlying companies, deals, and comparables in each subsector.

Appendix: HALO taxonomy

The table below includes the full HALO taxonomy: 40 subsectors grouped into five categories and ranked by global PE deal value since 2022. A subsector qualifies if its companies own or operate hard assets. This excludes software and IT services, along with energy marketing and energy traders and brokers, all asset-light categories that are only sector-adjacent. The taxonomy captures over $1.5 trillion of deal value across 13,386 deals. Subsector totals may not sum exactly to the category figures because each is rounded independently.

HALO taxonomy

Rank	Subsector	Deal value ($B)	% of HALO value	Deal count
1	**Energy & utilities**	**$725.2**	**46.7%**	**3,430**
1	Energy production	$192.1	12.4%	616
2	Other energy	$124.3	8.0%	830
3	Energy infrastructure	$103.2	6.6%	579
4	Electric utilities	$73.1	4.7%	101
5	Other energy services	$45.8	3.0%	430
6	Energy transportation	$39.1	2.5%	102
7	Energy storage	$30.6	2.0%	136
8	Alternative energy equipment	$26.6	1.7%	285
9	Energy exploration	$24.2	1.6%	123
10	Multi-utilities	$22.4	1.4%	25
11	Energy refining	$14.7	0.9%	20
12	Gas utilities	$13.3	0.9%	48
13	Oil & gas equipment	$8.7	0.6%	86
14	Water utilities	$6.9	0.4%	47
15	Coal & consumable fuels equipment	$0.2	0.0%	2
2	**Heavy industrials**	**$634.7**	**40.9%**	**8,365**
1	Construction & engineering	$215.9	13.9%	3,580
2	Industrial supplies & parts	$167.8	10.8%	2,284
3	Electrical equipment	$114.4	7.4%	1,126
4	Aerospace & defense	$74.8	4.8%	623
5	Building products	$61.9	4.0%	752
3	**Chemicals**	**$118.3**	**7.6%**	**758**
1	Specialty chemicals	$58.3	3.8%	356
2	Industrial chemicals	$41.1	2.7%	166
3	Multi-line chemicals	$10.1	0.7%	96
4	Agricultural chemicals	$7.2	0.5%	112
5	Other chemicals & gases	$1.3	0.1%	24
6	Commodity chemicals	$0.2	0.0%	4
4	**Agriculture/forestry**	**$44.0**	**2.8%**	**500**
1	Animal protein	$15.5	1.0%	69
2	Horticulture	$11.3	0.7%	145
3	Cultivation	$6.8	0.4%	123
4	Forestry processing	$4.8	0.3%	64
5	Aquaculture	$3.6	0.2%	71
6	Forestry development/harvesting	$2.0	0.1%	28
5	**Metals & mining**	**$30.3**	**2.0%**	**333**
1	Other metals, minerals & mining	$11.1	0.7%	110
2	Iron & steel mining	$7.4	0.5%	34
3	Raw materials (nonwood)	$4.6	0.3%	92
4	Multi-line mining	$3.4	0.2%	31
5	Aluminum mining	$1.7	0.1%	22
6	Precious metals & minerals mining	$1.0	0.1%	24
7	Coal mining	$0.7	0.0%	7
8	Gold mining	$0.6	0.0%	13
	Total HALO	**$1,552.4**	**100.0%**	**13,386**

Source: PitchBook • Geography: Global • As of September 30, 2026

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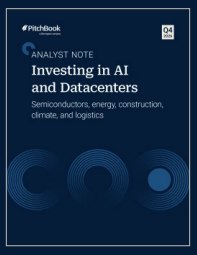
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