

Enpure

## Case Study

Mergers & Acquisitions and Market Intelligence

ENERGY, ENVIRONMENTAL & UTILITIES

# Market Entry Strategy: Renewable Energy Generation

## Background

Our client, Enpure is a process engineering business with a heritage in water and waste sectors. Enpure were considering a strategy to pursue opportunities in renewable energy generation. The proposed approach would see Enpure working as the design-build-operate contractor on biomass Energy from Waste (EfW) plants in the 0-20MW output range, on the basis that this is a growing segment of the market and is under-served by the large established process contractors.

## Challenges

PMSI were commissioned to validate the market opportunity and test the proposed business model, specifically addressing the following issues:

- Review of UK current and future energy requirements and energy mix, and the impact of UK and European legislation and policy on this
- Profiling of the UK biomass market, to understand the different types of biomass, and their volumes, pricing, efficiency, sustainability and bankability
- Assessment of market for biomass energy generation plants, including estimation of market spend on biomass EfW, including number and type of plants, timing, likely spend and breakdown between size of plan
- Mapping out the market structure including the supply chain and competitive landscape.

## PMSI approach

Finding answers to the key issues in an emerging market was a challenge. PMSI carried out extensive primary research, speaking to a total of 50 market participants, including DECC, other government agencies, developers, lawyers, banks, engineers and trade associations. This was supplemented by exhaustive secondary research which allowed us to address the key issues.

## Outcome

Our work validated Enpure's hypothesis that the EfW market is a sizeable opportunity. Based on our work, we were able to provide a series of recommendations for Enpure's market entry strategy, including a view on best-fit for business model, technology, biomass source and size of plant. Following our work, Enpure rolled out their offering and are now an active player in the energy generation market.



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