

ANNOUNCEMENT

G2 Served as Financial Advisor to Williams Industrial Services Leading up to Section 363 Sale to EnergySolutions, LLC

**CLIENT:**

NYSE: WLMS Williams Industrial Services Group, LLC (Williams), offers construction and maintenance services to commercial nuclear power and heavy industry markets.

Headquartered in Atlanta, GA, with regional offices in Astoria, NY, and Jacksonville, FL, Williams had employed approximately 839 salaried (8%) and hourly (92%) workers across its three divisions: Williams Plant Services, LLC, Williams Specialty Services, LLC, and Williams Industrial Services, LLC.

SITUATION:

In late 2019, Williams pursued a refinancing to expand its access to capital, which successfully concluded in early 2020. The Company initiated a second refinancing effort in late 2020 as it continued to grow, expand its service offerings, and carry a higher level of working capital. The second refinancing was completed in early 2021, providing Williams with an asset-based revolver and a term loan facility.

In 2022, Williams began to experience operational challenges, resulting in declining financial performance. The Company also lost two key contracts in its nuclear segment and, as a result, was unable to maintain a positive margin on certain fixed-price contracts related to its newly acquired service offerings. The margin pressure was partially driven by incorrect budgeting of the project costs when the contracts were initially entered and was also impacted by inflation and labor shortages following the COVID-19 pandemic. These headwinds made it increasingly difficult for Williams to compete with larger, less leveraged, and better-resourced companies able to withstand adverse market conditions.

Williams' challenges continued through 2022, and as the Company drafted its 2023 financial projections, cash flow generation was estimated to continue to be challenging in 2023. Williams' management developed a liquidity plan to reduce operating expenses and shorten accounts receivable collection cycles. Despite management's efforts, the company continued to generate significant negative cash flow from operations.

ENGAGEMENT:

G2 Capital Advisors (G2) was initially engaged in late 2019 to provide financial advisory services while Williams pursued a refinancing. G2 remained engaged following a successful refinancing in early 2020 to support financial forecasting and strategic initiatives.

In the second half of 2020, the Company engaged G2 to support a broader refinancing to access additional capital for growth opportunities. The refinancing was completed in early 2021 and resulted in new debt facilities, which included an asset-based revolver with PNC Bank (“PNC”) and a Term Loan facility with Energy Impact Partners (“EIP”) acting as the agent of a syndicate of lenders (the “Term Lenders”). Following the second refinancing in 2021, G2 continued supporting the Company with strategic analysis and identifying potential acquisition targets.

When Williams’ performance began to deteriorate in 2022, G2 helped the Company negotiate amendments to its credit agreements. The first amendment was completed in mid-2022, which provided the Company with covenant relief and a runway to improve financial performance to get back on track to its 2022 financial forecast. In November 2022, G2 helped review and analyze the initial draft of the 2023 financial projections, which suggested the Company’s ability to generate operating cash flow would continue to be challenged. G2 helped evaluate strategic alternatives for the Company to consider as it executed liquidity improvement initiatives.

During the first half of 2023, G2 helped negotiate several additional amendments to the Company’s credit agreements. Two amendments in January 2023 provided the Company with several million dollars of additional liquidity through delayed debt service payments and a capital infusion of subordinated debt. Additional amendments in February through April 2023 provided \$6 million of additional capital from the Term Lenders to support a working capital build caused by when the Company entered two nuclear outage projects simultaneously.

In early 2023, Williams retained the investment banking firm Greenhill & Co., LLC (Greenhill) to explore strategic alternatives designed to maximize the value of Williams’ three divisions. As the company contended with ongoing liquidity issues, it became apparent that neither refinancing nor an infusion of new equity capital was a feasible alternative, and the only viable path forward was to sell the company.

Greenhill conducted a 140-company marketing outreach. From that process, EnergySolutions, Inc. (EnergySolutions) provided the highest and best offer to acquire Williams for \$60 million through a sale under section 363 of the Bankruptcy Code.

Williams filed for Chapter 11 in July 2023, prior to which G2 helped secure Debtor-in-possession (“DIP”) financing through new credit agreements with the Company’s prepetition lenders. Proceeds from the DIP financing were used to pay employees, vendors, subcontractors, tax and regulatory authorities, and the costs associated with a Chapter 11 bankruptcy process.

OUTCOME:

G2's strategic guidance was critical to stabilizing the Company's capital structure prior to Greenhill's involvement. Once Greenhill was engaged, G2 secured lender support and, in doing so, preserved employee and operational continuity through the bankruptcy and sales processes.

A transaction with EnergySolutions was completed in September 2023. Today, the company continues to deliver on its original charter: offering construction and maintenance services to commercial nuclear power and heavy industry markets now with the benefit of EnergySolutions' global nuclear, energy, and industrial services network.

About EnergySolutions:

EnergySolutions is a global leader in the safe recycling, processing, and disposal of nuclear material. With decades of experience, EnergySolutions serves government and commercial customers in the nuclear, environmental, and energy sectors. The company is dedicated to providing innovative and cost-effective solutions to manage complex nuclear challenges.

About Greenhill:

Greenhill & Co., Inc. is a leading independent investment bank entirely focused on providing financial advice on significant mergers, acquisitions, restructurings, financings, and capital raising to corporations, partnerships, institutions, and governments globally. It acts for clients located throughout the world from its offices in New York, Chicago, Frankfurt, Hong Kong, Houston, London, Madrid, Melbourne, Paris, San Francisco, Singapore, Stockholm, Sydney, Tokyo, and Toronto.

About G2 Capital Advisors:

G2 Capital Advisors provides M&A, capital markets, and restructuring advisory services to the middle market. We offer integrated, multi-product, and sector-focused services by pairing highly experienced C-level executives with specialist investment bankers. We aspire to be our clients' trusted advisors of choice, including corporations and institutional investors.

Seeking more information about this engagement or the various approaches G2 is executing with across 80+ active client engagements? Reach out to the project team directly.

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