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The Market Is Already Pricing the Outcome.

We're Building the Layer Beneath It.

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A perspective on the execution layer beneath the AI infrastructure cycle

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What the Market Is Telling Us

There's been a lot of buzz recently around Leopold Aschenbrenner, the former OpenAI researcher who reportedly turned a \$225 million concentrated bet on AI infrastructure into \$5.5 billion in under 12 months — a roughly 24x return. His strategy wasn't complicated. He didn't try to pick the best model. He didn't try to outcompete the labs. He followed a simple idea:

If AI scales, the constraint isn't intelligence. It's infrastructure.

More specifically: power, compute, and the physical systems required to run them. At the same time, public markets have been sending the exact same signal. The companies sitting at the top of the AI infrastructure stack have all been aggressively re-rated as demand for compute, power, and connectivity accelerates:

- **NVIDIA** (Apx. +22%)
- **CoreWeave** (Apx. +60%)
- **Bloom Energy** (Apx. +80%)
- **Lumentum** (Apx. +40%)
- **Coherent** (Apx. +55%)

And beneath them, another layer is moving just as fast:

- **Quanta Services** (Apx. +30%). Surged as demand for transmission, substation, and data center site work expands.
- **Sterling Infrastructure** (Apx. +55%). Repriced on the back of civil and site development tied directly to data center buildouts.
- **MYR Group** (Apx. +40%). Being recognized for what it actually is. Not a cyclical contractor, but a critical infrastructure provider.
- **Primoris** (Apx. +40%). Same story, different geography.
- **Dycom** (Apx. +45%). Trading near all-time highs as fiber and connectivity demand explodes.

These are not speculative moves. They are the market acknowledging where the bottleneck actually is.

The public markets are not a direct proxy for what American Gridwork Partners (AGP) is building, but they are a signal — and the signal is clear. Demand is real. Backlogs are expanding. Capacity is constrained. Execution is scarce. The companies being rewarded are the ones closest to the physical deployment of infrastructure, not just the design of it.

The public market re-rating is the demand signal. The market is telling us the bottleneck is real, but it is pricing it at the wrong layer. The public names capture the story. The private execution contractors beneath them capture the margin. That's the layer AGP is building.

SECTION II

Electricity-First Logic

At American Gridwork Partners, we see the world through a single lens.

Electricity-first logic means underwriting the world based on what can actually be powered, not what can be imagined. It is the discipline of starting with power as the constraint, and building everything else (compute, infrastructure, and investment decisions) around that reality.

Before we go further, we need to be clear about what this is. This isn't just a bet on data centers. Data centers are where models get trained and data gets processed — that's a narrow slice of what AI actually unlocks. AI is the engine behind a much larger wave: automation scaling across every industry, chip manufacturing facilities being built on American soil, EV production ramping to meet new demand, new transmission and distribution wires being installed to carry the load, military bases being modernized, ports being automated, and reshored manufacturing coming back at a pace we haven't seen in decades.

Data centers are one piece. The real story is the physical buildout that AI and automation trigger across every corner of the economy. And that buildout sits inside something bigger: the 4th Industrial Revolution, a shift that was already in motion long before the AI craze hit the headlines. Grid modernization. Renewable generation. Electrification of transportation. Climate hardening. Population growth pushing utility capacity past design limits. Every one of these was happening before ChatGPT. AI didn't create the demand. AI is accelerating a demand curve that was already bending straight up.

Our thesis is that specialized contractors and service providers building this infrastructure will become some of the most valuable companies of the next decade. Not because AI is hot, but because the physical systems underneath the entire modern economy are being rebuilt at the same time.

Most investors analyze markets from the top down. They start with the application, work backward to the software, then to the users, then to the hardware. We flip it.

Power. Infrastructure. Compute. Applications.

The logic is simple. If electricity can't be generated, moved, and delivered, nothing else scales. Every layer above (AI, data centers, EVs, automation, reshored manufacturing) is constrained by power availability. You can build the smartest model in the world, but if the substation isn't built, the transmission line isn't energized, and the site isn't graded, that model doesn't run. The same is true for the next EV plant, the next semiconductor fab, and the next industrial facility coming back to American

soil. Compute demand can grow infinitely. Power generation and delivery cannot. That's the constraint that matters.

Here is what most people miss. Electricity-first logic doesn't just tell you where the bottleneck is. It tells you how the demand cascades. When power becomes the constraint, every system that touches power becomes the constraint with it. A new gigawatt of load doesn't just need generation — it needs substations, transmission, distribution, and underground connections to deliver it. A new data center, factory, or EV corridor doesn't just need electrons. It needs fiber to move the data, water to cool the systems, civil work to prep the site, and foundations to hold the steel. Every new power project triggers demand across every adjacent category of infrastructure.

That is the waterfall. Power drives grid. Grid drives data. Data drives water. Water drives civil. Civil drives geotechnical. And every one of those demands the same scarce resource: skilled crews with equipment in the ground.

Markets price software stories fast. They price physical constraints slower. At AGP, we follow the physical bottleneck — where projects stall, where timelines break, where capacity is capped. That's where the real value is being created, and that's where it's being underpriced. The question we ask isn't "where is AI demand going?" The question we ask is "where is power actually available to support the next phase of the global economy, and who builds the systems that get it there?"

SECTION III

Where We're Focused

AGP is not trying to own the top of the stack. We are building the execution layer beneath it. We target nine categories of specialized infrastructure businesses, all mission-critical to the grid modernization and AI buildout:

- Industrial electrical businesses
- Underground utility contractors
- Civil infrastructure contractors
- Fiber and data network installers
- Water infrastructure contractors
- Renewable energy businesses
- Equipment and power management
- Specialty equipment rental providers
- Geotechnical contractors and engineers

Every data center that gets announced requires land to be cleared and graded, power to be delivered, fiber to be installed, substations to be built, utilities to be trenched and connected, and foundations to be drilled and piled. None of that happens without execution.

Here is why these are the businesses we want to own.

They are mission-critical to every grid modernization initiative. Not nice-to-have. Not optional. The physical work they do is the path through which every dollar of AI and electrification capex eventually flows.

They are positioned to capture \$10+ billion in work over the next decade. The backlog is already here. The capital is already committed. The constraint is execution capacity, and execution capacity is exactly what AGP is aggregating.

They are enhanced, not disrupted, by AI. Physical work, licensed crews, and real equipment in the ground respond to AI operating efficiencies rather than being replaced by them. The more powerful AI becomes, the more these companies get paid to build the infrastructure it requires.

They have predictable EBITDA margin profiles. These aren't speculative businesses. They are durable, cash-generative operators with long customer relationships and repeat work.

They are family-owned and local. Motivated sellers, off-market deals, no competition from institutional private equity at entry. These are the exact deals that large funds cannot access because they are too small, too regional, and too relationship-driven.

They sit in the path of every generational tailwind at once. AI, electrification, renewables, population growth, climate hardening — all of it flows through the same physical layer.

They have room to professionalize. Shared services, bonding capacity, platform branding, and institutional back-office unlock growth these businesses cannot access on their own. This is where AGP creates real value after acquisition.

Let me be specific about why each of these categories matters. Every one is a bottleneck in its own right.

Industrial electrical businesses energize everything: substations, switchgear, high-voltage distribution. Without them, nothing turns on. **Underground utility contractors** trench, bore, and install the power, water, and communication lines that connect every site to the grid. **Civil infrastructure contractors** do the earthwork (grading, excavation, site prep) before anything else can happen. **Fiber and data network installers** are the connective tissue of the digital economy; every AI workload eventually runs over fiber. **Water infrastructure contractors** handle the treatment and distribution systems now core to every hyperscale data center buildout. **Renewable energy businesses** install, interconnect, and commission the solar, wind, and battery storage assets feeding the grid. **Equipment and power management** providers supply the switchgear, transformers, and distribution systems that let the grid operate under heavier loads than it was designed for. **Specialty equipment rental providers** are the picks and shovels of this entire buildout: pumps, rigs, trenchers, cranes. **Geotechnical contractors and engineers** do the work

underneath everything else. Piling, drilling, grouting, ground improvement. Before a single piece of steel goes up, these crews have already made the site buildable.

Every one of these categories is mission-critical. Every one is supply-constrained. And nearly every one is still owned by a family, a founder, or a regional operator who has never been approached by institutional capital. That's the opportunity.

SECTION IV

What Six Months of Ownership Has Taught Us

This isn't theory for AGP. Six months ago, AGP acquired its first portfolio company: a site development and civil infrastructure business operating directly in the path of the data center and grid modernization buildout. That ownership has given us a front-row seat to what is actually happening on the ground.

We have seen backlog compress timelines to the point where customers are pre-booking capacity a year in advance. We have seen crews turn down work because they cannot staff it fast enough. We have seen margins expand as scarcity becomes the operating environment. We have seen the phone ring with opportunities these businesses never would have accessed on their own.

That visibility has sharpened the thesis. It has confirmed every assumption we made on the way in, and it has surfaced several we didn't fully appreciate until we were inside the business. We are no longer underwriting this market from the outside.

We are ready to attack.

SECTION V

Why This Is Gold Rush 2.0

The public market re-rating of infrastructure names is not the end of the story. It's the opening act.

Look at what's coming. We believe by 2027 and 2028, AI hits expert level — as capable as the best professionals in any field, operating not as a chatbot but as a drop-in remote worker. You assign it a project. It goes off, writes drafts, runs tests, iterates, and comes back with finished work fully autonomously, for hours at a time. Once agents can use computers freely and run long-horizon tasks without human checkpoints, the economic value unlocks almost overnight. That's the inflection. And the physical demand that follows it is not incremental. It's exponential.

We believe true AGI-scale training lands in the 10-gigawatt cluster range: a single data center drawing more electricity than most U.S. states produce in total. By 2030, the trillion-dollar training cluster consumes over 20 percent of all U.S. electricity production for a single training run. That is not a forecast. That is a physics problem. And every piece of that physics problem flows through the execution layer AGP is building. That's why we call it Gold Rush 2.0.

*"In a fully automated world, skilled workers like plumbers would be akin to LeBron. As AI and robotics advance, the demand for human skills in physical tasks will increase significantly, **making these workers even more valuable.**"*

TRAVIS KALANICK

Founder of Uber

He's right, and it's not just plumbers. It's every crew that can energize a substation, trench a utility line, drill a foundation, pull fiber, or grade a site. As the digital economy scales, the value of the people who can physically build and maintain it scales with it, and in many cases, faster. In the first gold rush, the people who made durable fortunes weren't the prospectors. They were the ones who sold the picks, the shovels, the Levi's, and the rail lines. The ones closest to the physical bottleneck. We are in the exact same setup today. Except the scale is trillions, not millions, and the bottleneck isn't gold. It's electrons, concrete, copper, and fiber.

Here's what's about to happen to the family-owned businesses that do this work. Right now, these companies are owned by founders in their 50s and 60s who have never had institutional capital knock on their door. They have backlogs they can't fully execute because they can't hire fast enough. They have margins the public markets would pay 8 to 12 times for but that they themselves value at 3 to 4 times because they don't know any better. They have customer relationships that take decades to build and cannot be replicated.

As the demand curve steepens over the next three to five years, the value of these businesses is going to re-rate violently. Institutional capital is going to wake up to the fact that the only way to participate in the physical AI buildout is to own the execution capacity. And when that happens, the founders who partnered early with platforms like AGP will have captured the majority of that upside. That's not speculation. That's how every previous infrastructure cycle has played out. The people who aggregated execution capacity before the capital arrived captured the spread. The people who waited bought in at the top. AGP is aggregating now.

Here's the disconnect that makes this entire thesis work. Public companies in this space are being valued as infrastructure platforms. Private businesses doing the exact same work are still owned by founder-led operators, regional contractors, and family-owned businesses. They are not aggregated. They are not institutionalized. They are not priced like platforms. So the exact same dollar of EBITDA trades at 4x in a private family shop and 10x in a public platform. That spread is not a mispricing that will last. It is closing as we speak. AGP is closing it deal by deal.

Where We Go From Here

This isn't a forward-looking bet. The demand is already here. Data centers are being built faster than contractors can support them. Utilities are pushing upgrades on timelines that exceed available labor.

Infrastructure projects are being funded before execution capacity is secured. The constraint is no longer capital. It is no longer technology. It is execution capacity.

The companies commanding premium valuations — the chip makers, the cloud providers, the AI platforms — are not the validation of this thesis. They are the driver of it. Because every dollar flowing into those companies eventually has to move into the ground. And when it does, it flows through civil contractors, electrical contractors, utility installers, fiber crews, foundation and geotechnical operators, and specialty equipment providers. That is the layer AGP is building.

The market has already priced in the demand. What it has not fully priced is who actually gets paid to build it. That's where AGP is focused. Not on predicting which model wins. Not on timing public market multiples. But on assembling the infrastructure businesses that sit directly in the path of that demand. Because regardless of which company leads AI, they all require the same physical foundation.

And that foundation is where the real constraint, and the real opportunity, sits.

Benjamin Krall is the Founder and Managing Partner of American Gridwork Partners (AGP), a platform company of Legacy Holdings United, LLC, executing a buy-and-build strategy across the infrastructure execution layer powering AI, electrification, and data.