

Apollo Funds Acquire Composite Advanced Technologies, Inc, a Leading Manufacturer of Transportation and Storage Solutions for Hydrogen and Compressed Natural Gas

August 22, 2023

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Significant Investment to Establish Platform Supporting the Energy Transition by Providing Critical Equipment for Compressed Gas Logistics

HOUSTON and NEW YORK, Aug. 22, 2023 (GLOBE NEWSWIRE) -- Apollo (NYSE: APO) today announced that Apollo-managed funds (the “Apollo Funds”) have acquired a majority interest in Composite Advanced Technologies, Inc (“CATEC” or the “Company”), a leading provider of compressed natural gas (“CNG”), renewable natural gas (“RNG”) and hydrogen transportation and storage solutions in the United States. CATEC’s products and services help its customers transition away from carbon-intensive fossil fuels towards cleaner alternatives. Founded in 2014 and based in Houston, CATEC manufactures large format Type IV cylinders that facilitate the use of natural gas and hydrogen across a wide variety of industry applications when mounted on mobile trailers or used in stationary applications.

CATEC’s high capacity, lightweight trailers and storage solutions help end-customers decarbonize, while making lower carbon energy sources more accessible and affordable. Gaseous fuels are one important solution for reducing carbon emissions in certain ‘hard-to-abate’ sectors. As penetration of natural gas continues and the hydrogen economy grows, logistics are expected to be a constraint and CATEC is an early mover in providing safe and efficient solutions for a wide range of end uses. Apollo Funds intend to invest further capital behind the Company, seeking to establish a leading gaseous equipment manufacturing and services platform with enhanced capabilities and customer offerings to support expansion in the high-growth hydrogen transport and storage market.

Apollo Partner Scott Browning said, “CATEC’s proprietary manufacturing capabilities are critical to supporting the growing market demand to reduce carbon emissions in ‘hard-to-decarbonize’ industries. The CATEC team has built an impressive business, which we believe can scale to become a one-stop-shop platform for serving the equipment needs of the compressed gas value chain through various expansion initiatives. We look forward to helping accelerate the Company’s growth trajectory in support of the broader energy transition.”

Alberto Chiesara, Co-Founder and President of CATEC, added, “We are pleased to join forces with Apollo Funds to help expand our capabilities and better support the growing adoption of low-carbon fuel solutions such as hydrogen, RNG and CNG. Apollo’s track record in energy transition investing, industry experience and significant resources make them an ideal partner for CATEC as we scale and embark on our next phase of growth.”

Co-Founder of CATEC Ryan Comerford said, “It has been a privilege to help lead the team, and I’m confident new management, with the backing of Apollo Funds, will position the Company for further growth and success.”

The transaction underscores Apollo's commitment to driving a more sustainable future and long track record of investing in or lending to companies supporting the energy transition. Last year, Apollo launched its Sustainable Investing Platform, which targets to deploy \$50 billion in clean energy and climate capital by 2027 and sees the opportunity to deploy more than \$100 billion by 2030. Over the last five years, Apollo Funds have deployed over \$23 billion¹ into energy transition and sustainability-related investments, supporting companies and projects across clean energy and infrastructure, including offshore and onshore wind, solar, storage, renewable fuels, electric vehicles as well as a wide range of technologies to facilitate decarbonization.

TerraNova Capital served as financial advisor and Baker Botts L.L.P. acted as legal counsel to CATEC. Vinson & Elkins LLP acted as legal counsel to the Apollo Funds.

About Apollo

Apollo is a high-growth, global alternative asset manager. In our asset management business, we seek to provide our clients excess return at every point along the risk-reward spectrum from investment grade to private equity with a focus on three investing strategies: yield, hybrid, and equity. For more than three decades, our investing expertise across our fully integrated platform has served the financial return needs of our clients and provided businesses with innovative capital solutions for growth. Through Athene, our retirement services business, we specialize in helping clients achieve financial security by providing a suite of retirement savings products and acting as a solutions provider to institutions. Our patient, creative, and knowledgeable approach to investing aligns our clients, businesses we invest in, our employees, and the communities we impact, to expand opportunity and achieve positive outcomes. As of June 30, 2023, Apollo had approximately \$617 billion of assets under management. To learn more, please visit www.apollo.com.

About CATEC

CATEC is a leading provider of Type IV compressed gas transportation and storage solutions in the United States. CATEC's products and services help its customers to transition away from carbon-intensive fossil fuels towards cleaner solutions such as Compressed Natural Gas (CNG), Renewable Natural Gas (RNG) and Hydrogen. Learn more at <https://www.catecgases.com>.

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¹ As of December 2022. Reflects (a) for equity investments: (i) total enterprise value at time of signed commitment for initial equity commitments; (ii) additional capital contributions from Apollo funds and co-invest vehicles for follow-on equity investments; and (iii) contractual commitments of Apollo funds and co-invest vehicles at the time of initial commitment for preferred equity investments; (b) for debt investments: (i) purchase price on the settlement date for private non-traded debt; (ii) increases in maximum exposure on a period-over-period basis for publicly-traded debt; (iii) total capital organized on the settlement date for syndicated debt; and (iv) contractual commitments of Apollo funds and co-invest vehicles as of the closing date for real estate debt; (c) for SPACs, the total sponsor equity and capital organized as of the respective announcement dates; (d) for platform acquisitions, the purchase price on the signed commitment date; and (e) for platform originations, the gross origination value on the origination date.

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Source: Apollo Global Management, Inc.
