

Ecolab - Integrating CoolIT

Internal ID: S&F-STR-206

Topic: Mergers & Acquisitions, Platform Strategy, Customer Strategy

Industry: Specialty Chemicals

Source: Strategy & Finance

Publication date: 5 October 2026

License: Not specified

Decision date and information cutoff: 2 October 2026, 4:00 p.m. ET

Decision scope: Sequencing CoolIT integration and commercialization over the next 12-18 months

Case convention: This is a hypothetical senior-leadership decision exercise, not a reconstruction of an actual meeting, vote, budget or operating plan. The acquisition has closed; the November platform introduction remains prospective.

The decision

On 2 July 2026, Ecolab completed its approximately \$4.75 billion cash acquisition of CoolIT Systems, a supplier of coolant distribution units (CDUs), cold plates and direct-to-chip cooling systems for data centers. Ecolab said it planned to introduce a combined platform at SC26 in November: CoolIT hardware alongside Ecolab's 3D TRASAR digital optimization and cooling fluids. The company described prospective gains in efficiency, visibility, uptime and water use. It had not yet reported site-level results for the combined offer. [S1-S2]

You are part of a hypothetical senior operating team meeting after the close. The team must recommend how to sequence integration and commercialization over the next 12-18 months. Should Ecolab accelerate a broad integrated offer, stage deployments behind architecture and customer evidence gates, or preserve CoolIT as a specialist business with selective cross-selling? Your recommendation must specify the capabilities and customer interfaces to combine, the ones to keep distinct, and the evidence that should change the pace.

Use only information public by the cutoff. The transaction and announced targets are real; the leadership assignment, alternatives and decision are author-created. Do not assume that a launch, qualification, customer commitment or internal plan has occurred unless stated below.

From water services to data-center cooling

Ecolab sells water, hygiene and infection-prevention solutions and services across industrial, institutional and other markets. Its Global High-Tech business serves semiconductor and data-center customers. In July, Ecolab described High-Tech as approaching \$1.5 billion in annualized 2026 sales, compared with about \$150 million in 2021, and set a target of \$4 billion annual sales with a 25% operating-income margin by 2030. The figures are management-reported scale and targets, not audited full-year revenue or a disclosed growth bridge. [S2]

In March, when announcing the acquisition, Ecolab expected CoolIT to generate about \$550 million in sales over the next twelve months. It also estimated that its High-Tech opportunity had grown from \$5 billion to \$10 billion. These were company expectations and market estimates-not post-close results, a verified market total or evidence that cross-selling will occur. Ecolab said it expected the acquisition to contribute to growth, become adjusted-EPS accretive

in 2028 and earn returns above its cost of capital. [S3]

At the July close, Ecolab said CoolIT's sales had grown more than 100% year to date. The release gave no base period, sales table, order conversion or stand-alone operating results. It also said the combined platform was planned for introduction at SC26 in November. At the cutoff, that introduction was still in the future. [S2]

Exhibit 1. What is known-and when

Date / period	Public evidence	Status at the cutoff
20 March 2026	Ecolab announces an approximately \$4.75B cash acquisition; estimates ~\$550M CoolIT sales over the next 12 months and a \$10B High-Tech opportunity. [S3]	Announced transaction terms and management expectations
Q2 / 30 June 2026	Ecolab reports High-Tech organic sales growth of 29% in Q2 and 27% in H1; quarter-end debt, cash and leverage are also reported. [S4]	Pre-close results and balance-sheet snapshot
2 July 2026	Ecolab closes the acquisition for approximately \$4.75B cash; describes the future combined platform and November introduction. [S2]	Close completed; platform launch and benefits prospective
28 July 2026	Ecolab raises its FY2026 adjusted EPS outlook and cites several business drivers, including short-term CoolIT amortization and financing effects. [S5]	Company guidance, not a CoolIT operating result
2 October 2026	Decision cutoff	No combined-platform site results or post-close CoolIT unit economics disclosed in the reviewed sources

The June 30 debt and leverage data precede the acquisition close; they do not establish post-close leverage or available investment capacity. High-Tech's reported Q2 and H1 growth also preceded the close and cannot be attributed to CoolIT. [S4]

A system, not a component

Direct liquid cooling moves heat from processors into a liquid loop; a CDU manages heat transfer between facility and technology loops. Cold plates capture heat near the chip. Ecolab's stated platform concept adds its water-treatment chemistry, monitoring and service capabilities. Whether those elements deliver a superior customer outcome depends on how the server, workload, liquid and air systems, facility and operating practices fit together.

An experimental and modeling study of ten direct-liquid-cooled server models illustrates the configuration problem. Under its stated test conditions, moving average coolant temperature from 30°C to 50°C was associated with higher server power, lower SPECpower efficiency and less heat captured by liquid. In one modeled 1 MW facility case, the shift also changed the division of heat handled by liquid and air. Those are study-specific lab and model results, not Ecolab or CoolIT performance, a customer savings estimate or proof that one temperature is preferable at every site. [S6]

Customer value may include energy, water, rack density, uptime and the ability to deploy computing capacity. Each measure needs a defined boundary and baseline. For example, “near-zero water footprint” could refer to a particular cooling loop or operating configuration; customers still need to understand water use across the relevant facility and its energy system. Ecolab's announcement does not define a common comparison method or publish site results. [S2]

The competitive clock

Other suppliers were also announcing liquid-cooling offers. On 21 September, Vertiv said its 2.3 MW liquid-to-liquid CDU had qualified as NVIDIA DSX Ready and supported direct-to-chip and rear-door cooling. Vertiv also stated that program qualification did not replace site-specific engineering. On 23 September, Schneider Electric and Motivair announced a CDU integrating liquid and air cooling, claiming greater deployment flexibility and less risk of overbuilding or stranded capacity. These are competitors' product and benefit claims; the public announcements do not provide independent comparative performance, adoption or market-share evidence. [S7-S8]

The releases suggest that buyers may compare architecture fit, qualification, integration effort, operating responsibility and capacity-not just CDU specifications. They do not establish a head-to-head CoolIT disadvantage or advantage. Ecolab's planned November introduction offers a near-term commercial milestone, while customer qualification and site design can extend beyond a product announcement.

Evidence available for the next move

Ecolab's second-quarter filing reported Global Water fixed-currency sales of \$2.216 billion, up 10%, and operating income of \$347.7 million, up 5%; organic operating-income margin was 15.9%, down 0.5 percentage point. The company attributed margin movement to pricing (+2.4 points) and business investment plus higher commodity costs (–3.2 points). These results are for the pre-close quarter and a broad segment that includes businesses other than CoolIT. They cannot be used as CoolIT's margin or as the economics of the combined platform. [S4]

The filing said CoolIT would be included in Global Water beginning in Q3. Ecolab had not completed its preliminary purchase-price allocation and did not provide pro forma financial statements in that filing. Its July earnings release raised FY2026 adjusted diluted EPS guidance to \$8.05-\$8.25 and forecast special charges of \$0.75-\$0.80 per share, principally for restructuring and integration. It cited multiple factors, including short-term CoolIT amortization and financing effects; the outlook does not isolate the acquisition's impact. [S4-S5]

Several decision inputs remain undisclosed: CoolIT stand-alone margins, backlog and recurring-service mix; binding orders and production capacity; overlap among customer accounts; platform attach or conversion rates; architecture-specific qualification; warranty and uptime ownership; installation and lifecycle costs; customer-level energy and water outcomes; integration costs; and post-close leverage. Ecolab's annualized sales description and 2030 goals do not fill those gaps. [S2-S5]

Exhibit 2. A proposed evidence card for each deployment

The following are questions and candidate measures for the leadership team, not reported Ecolab results or disclosed launch gates.

Dimension	Evidence to establish before comparing sites
Architecture fit	Server and CDU configuration; approved operating envelope; facility-side interfaces; qualification status by design
Performance	Workload-normalized IT power and performance; liquid and air heat transfer; energy boundary and baseline
Water	Withdrawal and consumption boundary; makeup, blowdown and treatment assumptions; local water context
Reliability	Availability definition; incident and repair rates; commissioning, escalation and service responsibilities
Customer economics	Installed and lifecycle costs; energy/water tariffs; maintenance; avoided or added capacity; customer-verified baseline
Commercial readiness	Customer acceptance; installation time; supplier capacity; field-service coverage; warranty and liability terms
Learning and scale	Repeatability across architectures/sites; exceptions; changes to design, training and operating procedures

Your choice

Choose a sequencing path for the next 12-18 months and prepare a two-page leadership recommendation. You may refine the alternatives, but identify concrete boundaries, milestones and decision rights.

1. **Accelerate the integrated offer.** Combine CoolIT hardware, Ecolab fluids, 3D TRASAR monitoring and customer-facing service as quickly as feasible. State where you would begin, how to handle site variation and who owns performance, warranty and customer escalation.
2. **Stage commercialization behind evidence gates.** Introduce the planned platform while limiting broader deployment until technical qualification, customer outcomes and service readiness meet defined criteria. Specify what can proceed before each gate and who validates the evidence.
3. **Retain a specialist model with selective cross-selling.** Preserve CoolIT's product and engineering operating model while testing referrals or bundles where customers and architectures fit. Explain how account ownership, support and learning would work.

For any path, address what Ecolab should integrate, what CoolIT should continue to control, how it will learn across early deployments, and which customer or technical conditions warrant exceptions. Identify the strongest counterargument to your recommendation, the metrics leadership should review, and the evidence that would cause you to change course. Do not infer an approved budget, actual sales pipeline, or customer commitment from the public record.

Sources and conventions

- S1.** Ecolab, [Q2 2026 Form 10-Q](#), filed 6 August 2026, quarter ended 30 June. Note 3, lines 503-506 (CoolIT close and expected reporting inclusion; preliminary purchase-price allocation and pro forma limitations).
- S2.** Ecolab, [“Ecolab Closes CoolIT Acquisition and Expands AI Cooling Platform...”](#), 2 July 2026. Paragraphs 2-3 (close, price and YTD sales claim); 5-8 (planned platform, prospective benefits and ecosystem work); 10-11 (annualized High-Tech sales and 2030 target).
- S3.** Ecolab, [“Ecolab to Acquire CoolIT Systems”](#), 20 March 2026. Strategic and Financial Highlights and outlook. Sales, growth, market-size, EPS and return figures are management expectations or estimates.
- S4.** Ecolab, [Q2 2026 Form 10-Q](#), filed 6 August 2026. MD&A lines 1779-1813 (Global Water and High-Tech results); lines 1943-1967 and 2003-2017 (30 June debt and financing context); lines 1440-1448 (organic definitions and segment changes). These are pre-close quarter/end data.
- S5.** Ecolab, [Q2 2026 earnings release](#), 28 July 2026. Results and outlook, including adjusted EPS guidance, special charges, amortization and financing commentary.
- S6.** Stahlhut et al., [“Data Centers With Direct Liquid-Cooled Servers: Experimental Analysis and Modeling”](#), *Energy Science & Engineering* 13(7), 2025. Abstract, §§4.1-4.2 and Figure 14 discussion. Ten tested server models and a specified modeled 1 MW site; not Ecolab/CoolIT results.
- S7.** Vertiv, [“Vertiv Coolant Distribution Unit qualified as NVIDIA DSX Ready...”](#), 21 September 2026. Paragraphs 3-5 and 9-10. Company qualification and product claims; not an independent comparison.
- S8.** Schneider Electric/Motivair, [“New Motivair CDU integrating liquid and air cooling...”](#), 23 September 2026. Product description and claimed benefits; not independently verified.

Reported facts, company expectations and competitor claims are distinguished. All calculations and exhibit descriptions are limited to the cutoff; no later launch or operating outcome is included.