

DealReader

Solar Energy

Q4 2016



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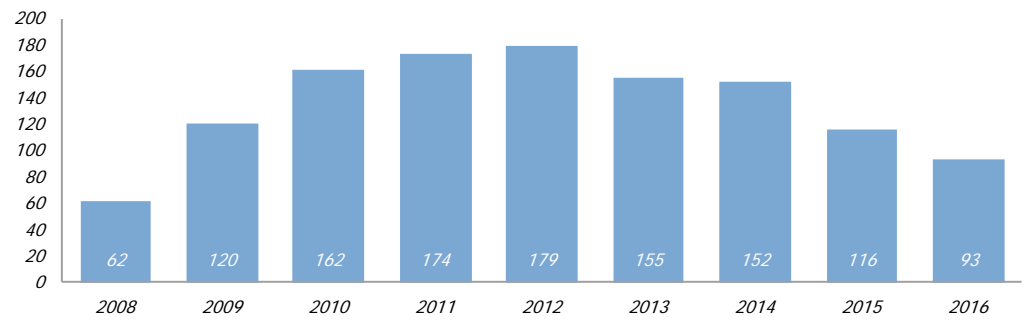
Announcements

- Capital Stage AG has acquired Chorus Clean Energy AG (October-16)
- NRG Energy has acquired a 1.5 GW solar portfolio from SunEdison (November-16)
- Tesla has acquired SolarCity (November-16)
- Greencoat Capital has acquired six solar projects totaling 78 MW from Primrose Solar (December-16)

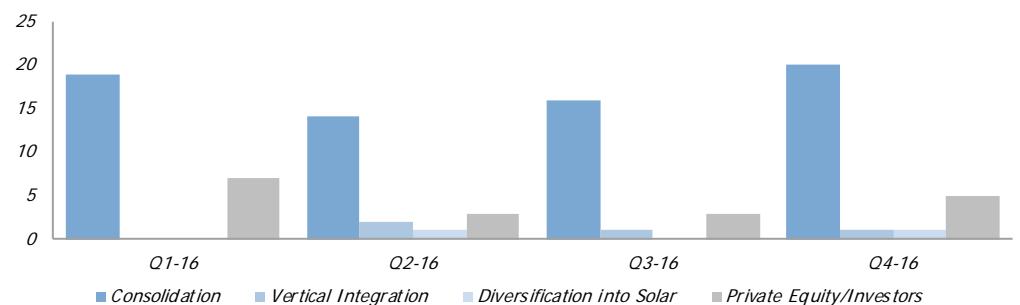
Sources: All information contained in this newsletter including the charts was obtained from company websites, Lincoln International's internal data and Capital IQ.

2016 Deal Volume Comparison

Annual Solar Energy Transaction Volume



Quarterly Comparison – M&A by Category



There were 93 completed solar energy M&A transactions in 2016, approximately 20% less than the 116 recorded in 2015. 2016 is the fourth year in a row exhibiting a decline in transaction volume. However, the overall level of transactions in the solar industry is still quite robust given the continued consolidation in the industry.

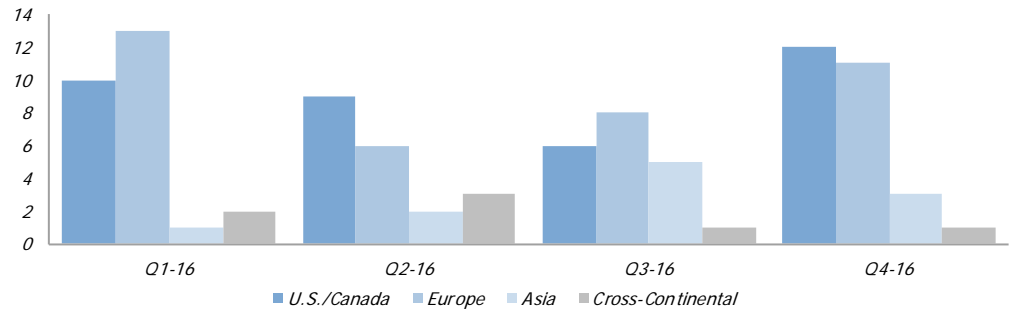
Within the solar M&A transactions, consolidation represented 74% of the volume, or 69 deals in 2016. The next largest category was investment in the solar energy industry by private equity or private investors with 19% of transactions, or 18 deals this year. Vertical integration accounted for 4% of the total, or 4 transactions, and diversification into the solar energy industry accounted for two transactions.

This year, 41% of the solar energy M&A transactions occurred within Europe, surpassing the U.S./Canada as the most active geography for M&A transactions in the sector. This represents a 9% share increase for Europe as compared to the prior year. The number of transactions in the U.S./Canada in 2016 was 37, or 40% of the total. Deals within Asia accounted for 11 transactions, or approximately 12% of the total for 2016, while cross-continental deals accounted for 7 transactions.

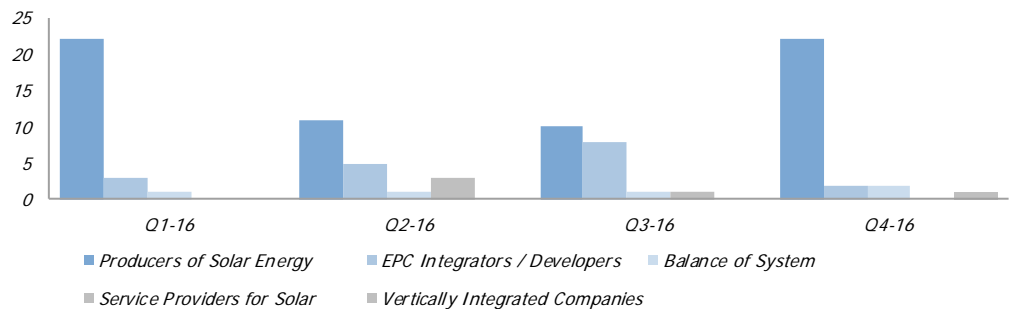
There were 65 acquisitions of companies categorized as producers of solar energy, representing the most common category of targets at 70% of the 2016 total. This category primarily represents the acquisition of solar projects. EPC integrators/developers were the next most frequent acquisition targets, accounting for 18 transactions, or 19% of the total. Companies categorized as balance of system providers recorded 5 transactions while companies categorized as service providers for the solar industry recorded 4 transactions in 2016. Vertically integrated companies accounted for one transaction in 2016.

Echoing the trend in 2015, transaction activity was strongest among targets categorized as producers of solar energy. Consolidation amongst producers as well as private equity and private investment in solar largely drove demand for solar deals. Geographically, the European market showed an increase in transaction activity, while the U.S./Canada showed a steady level of activity in terms of its share of the total global transaction volume. While the total number of transactions decreased in 2016, the market dynamics in solar remain supportive for continued interest in M&A.

Quarterly Comparison – M&A by Geography



Quarterly Comparison – M&A by Sector of Target Company



Q4 2016 Solar Energy Transaction Summary

#	Date	Acquirer	Seller	Target	Type*
1	Dec-16	Duke Energy Corporation	SunPower Corporation	Three solar projects in California (55 MW total)	1
2	Dec-16	Cypress Creek Renewables	Private	FLS Energy Inc.	1
3	Dec-16	Concord Green Energy	Canadian Solar Solutions	Two solar projects (20 MW total)	1
4	Dec-16	MIC Renewable Energy Holdings	Scatec Solar ASA	104 MW solar project in the U.S.	1
5	Dec-16	EF Solare Italia	Helios ITA, Srl and Etrion S.p.A.	Two solar projects (60 MW total)	1
6	Dec-16	NextEnergy Capital	Veronagest S.p.A.	17 MW portfolio of solar projects	4
7	Dec-16	Greencoat Capital	Primrose Solar Limited	Six solar projects (78 MW total)	4
8	Dec-16	Sonnedix Management Services	TEP Solar Holdings Limited	Etuno Srl and Solar Energy Italia 6 Srl	1
9	Dec-16	Solar International Group Ltd.	Private	Tamesol Desa S.L.	2
10	Dec-16	Nautilus Solar Energy, LLC	Seaboard Solar Holdings, LLC	7.4 MW solar project in the U.S.	1
11	Dec-16	Duke Energy Renewables	juwi Inc.	13 MW solar project in the U.S.	1
12	Dec-16	SunSystem Technology, LLC	Next Phase Solar, Inc.	Residential O&M field service division	1
13	Dec-16	Area Energy, Ltd.	Dengen Solution Co.	Solar plant in Ibaraki	1
14	Nov-16	Renovalia Energy, S.A.	Prudential plc (LSE:PRU)	Solar plant portfolio (34 MW total)	1
15	Nov-16	Dutch Infrastructure Fund	Green Yellow Holding	Seven solar plants	4
16	Nov-16	PSEG Solar Source LLC	BayWa r.e. Solar Projects LLC	6.6 MW solar plant	1
17	Nov-16	Area Energy, Ltd.	MMK Co. and Ishin Co.	Solar plant in Ibaraki	1
18	Nov-16	Tesla, Inc.	n/a	SolarCity Corporation	3
19	Nov-16	Oxford Photovoltaics Limited	Private	Solar cell manufacturing plant in Brandenburg	1
20	Nov-16	CNBM International Energy	Private	Portfolio of solar projects	1
21	Nov-16	PSEG Solar Source LLC	EcoPlexus, Inc.	Turkey Creek solar energy center	1
22	Nov-16	NRG Energy, Inc.	SunEdison, Inc.	1.5 GW solar portfolio	1
23	Nov-16	PSEG Solar Source LLC	Obsidian Renewables, LLC	PSEG Lake County solar energy center	1
24	Oct-16	Inteco Beteiligungs GmbH	Private	Solar plant in Greece	1
25	Oct-16	Capital Stage AG	HCE Europe Ltd.	5 MW solar plant in the U.K.	4
26	Oct-16	Changzhou Zhaolian Green PV New Energy Co.	Jiangxi Shunfeng Photovoltaic Investment Co.	Haiyang-Xin Shunfeng Photovoltaic Technology	1
27	Oct-16	Capital Stage AG	n/a	CHORUS Clean Energy AG	4

* Key: 1=Consolidation, 2=Vertical Integration, 3=Diversification into Solar Energy, 4=Private Equity/Investors

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Industrials
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