

Dealreader Solar Energy

Q4 2017

Inside this Issue

2017 Deal Volume Comparison

Recent Solar Energy Transaction Announcements

Q4 2017 Solar Energy Transaction Summary

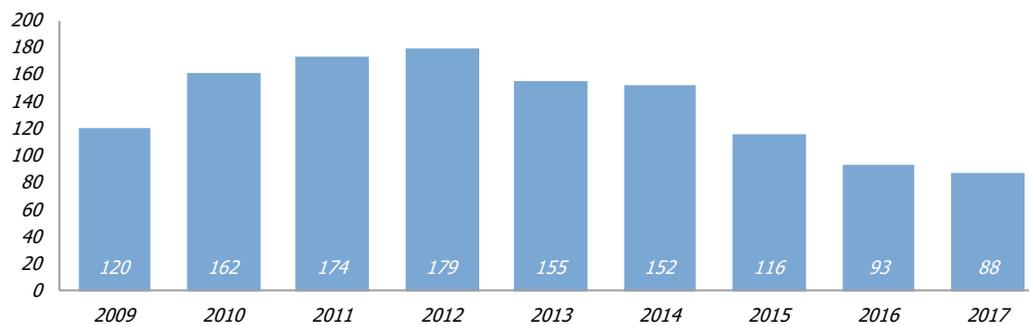
Announcements

- Solar Alliance Energy has acquired ARIES Solar LLC (November-17)
- Falck Renewables has acquired a 92 MW solar project from Recurrent Energy (December-17)
- AVANCIS has acquired Hyundai Avancis from Hyundai Heavy Industries (December-17)
- NextEnergy Capital has acquired eight solar projects totaling 34.5 MW from Platina Partners (December-17)

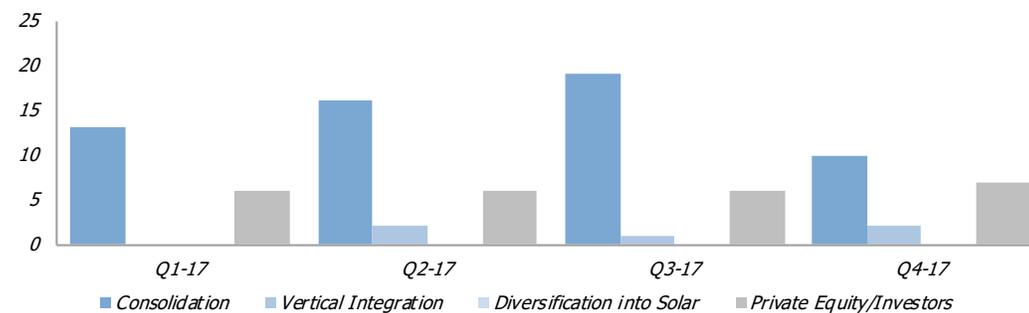
Sources: All information contained in this newsletter including the charts was obtained from company websites, Lincoln International's internal data and Capital IQ.

2017 Deal Volume Comparison

Annual Solar Energy Transaction Volume



Quarterly Comparison – M&A by Category



There were 88 completed solar energy M&A transactions in 2017, approximately 5% less than the 93 recorded in 2016. 2017 is the fifth 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.

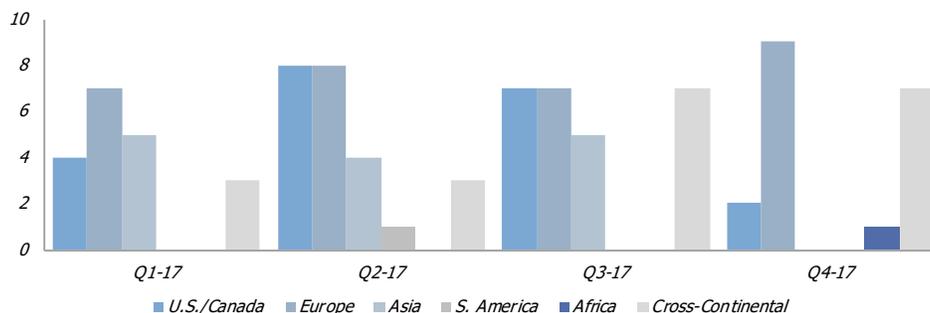
Within the solar M&A transactions, consolidation represented 67% of the volume, or 58 deals in 2017. The next largest category was investment in the solar energy industry by private equity or private investors with 28% of transactions, or 25 deals this year. Vertical integration accounted for 6% of the total, or 5 transactions, while diversification into the solar energy industry recorded no transactions in 2017.

This year, 35% 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 6% share decrease for Europe as compared to the prior year. The number of transactions in the U.S./Canada in 2017 was 21, or 24% of the total. Cross-continental deals accounted for 20 transactions, or approximately 23% of the total for 2016, while deals within Asia accounted for 14 transactions. There were two transactions which occurred within South America and Africa.

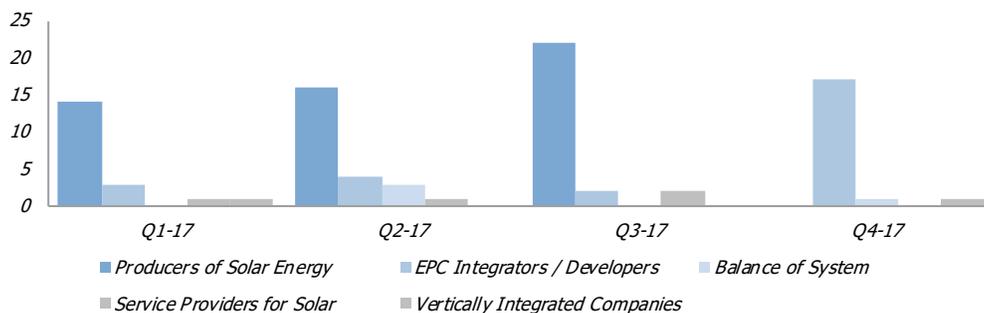
There were 52 acquisitions of companies categorized as producers of solar energy, representing the most common category of targets at 59% of the 2017 total. This category primarily represents the acquisition of solar projects. EPC integrators/developers were the next most frequent acquisition targets, accounting for 26 transactions, or 30% of the total. Companies categorized as balance of system providers and service providers recorded four transactions each, respectively. Vertically integrated companies accounted for two transactions in 2017.

Echoing the trend in 2016, 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 cross-continental market showed an increase in transaction activity, while the European and U.S./Canada market showed a decline in levels of activity in terms of its share of the total global transaction volume. While the total number of transactions decreased in 2017, 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 2017 Solar Energy Transaction Summary

#	Date	Acquirer	Seller	Target	Type*
1	Dec-17	energy.dis GmbH	Soventix GmbH	Solar plant in Benevento	2
2	Dec-17	Foresight Group LLP	Canadian Solar Inc.	Three solar plants in Australia	1
3	Dec-17	Greenbacker Renewable Energy Company LLC	Private	26 MW solar project in California	2
4	Dec-17	X-ELIO Energy, S.L.	Solar Frontier Americas Development, LLC	Solar project in the U.S.	2
5	Dec-17	NextEnergy Capital Limited	n/a	Two solar plants in the U.K. (8.6 MW total)	1
6	Dec-17	Capital Stage AG	n/a	Four solar plants in the U.K. (34.5 MW total)	1
7	Dec-17	NextEnergy Capital Limited	Platina Partners LLP	Eight solar plants in Italy (34.5 MW total)	1
8	Dec-17	AVANCIS GmbH	Hyundai Heavy Industries Co., Ltd.	HYUNDAI AVANCIS Co.,LTD.	3
9	Dec-17	Capital Stage AG	Sunstroom Engineering Nederland BV	Solar plants in the Netherlands	1
10	Dec-17	Falck Renewables S.p.A.	Recurrent Energy, LLC	92 MW solar project in North Carolina	2
11	Nov-17	Globeleq South Africa Management Services	Mainstream Renewable Power South Africa	Solar plants in South Africa	2
12	Nov-17	Greencoat Capital LLP	Baywa re GmbH	Seven solar plants in the U.K.	1
13	Nov-17	Sky Solar Holdings, Ltd.	Private	24 MW solar project in Chile	2
14	Nov-17	Solar Alliance Energy Inc.	Thompson Machinery Commerce Corporation	ARIES Solar LLC	3
15	Nov-17	Edisun Power Europe AG	Private	PV Leipzig Alter Flughafen UG & Co. KG.	2
16	Oct-17	Innova Energy Limited	Private	5 MW solar plant in the U.K.	2
17	Oct-17	Nautilus Solar Energy, LLC	Clean Energy Collective, LLC	5.4 MW solar project in the U.S.	2
18	Oct-17	CHORUS Clean Energy AG	Private	Solar and wind energy parks in Germany	2
19	Oct-17	Foresight Group LLP	Syncline Energy Pty. Ltd.	Solar plant in Australia	1

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

Global Industry Groups

Business Services
Consumer
Energy, Power & Infrastructure
Healthcare
Industrials
Technology, Media & Telecom

Global Locations

Amsterdam
Beijing
Chicago
Dallas
Frankfurt
London
Los Angeles
Madrid
Milan
Moscow
Mumbai
Munich
New York
Paris
San Francisco
São Paulo
Tokyo
Vienna
Zurich

Advisory Services

Mergers & Acquisitions
Debt Advisory
JV & Partnering
Valuations & Opinions
Special Situations

About Lincoln International

Lincoln International specializes in merger and acquisition advisory services, debt advisory services, private capital raising and restructuring advice on mid-market transactions. Lincoln International also provides fairness opinions, valuations and joint venture and partnering advisory services on a wide range of transaction sizes. With nineteen offices in the Americas, Asia and Europe, Lincoln International has strong local knowledge and contacts in key global economies. The firm provides clients with senior-level attention, in-depth industry expertise and integrated resources. By being focused and independent, Lincoln International serves its clients without conflicts of interest. More information about Lincoln International can be obtained at www.lincolninternational.com.

Lincoln's Global Electronics Group

North America

Jack Calderon
Managing Director (Chicago)
+1-312-580-6289
jcalderon@lincolninternational.com

Chaim Lubin
Managing Director (Chicago)
+1-312-506-2753
clubin@lincolninternational.com

Asia

Tetsuya Fujii
Managing Director and President - Japan (Tokyo)
+813-5549-7680
tfujii@lincolninternational.com

Gaurav Marathe
Managing Director and CEO – India (Mumbai)
+91-22-4067-0300
gmarathe@lincolninternational.com

Joe Chang
Managing Director and CEO - China (Beijing)
+86-10-6468-6458
jchang@lincolninternational.com

South America

James Sinclair
Managing Director and President - Brazil (São Paulo)
+55-11-2166-8835
jsinclair@lincolninternational.com

Europe

Dr. Martina Ecker
Managing Director (Frankfurt)
+49-0-69-97-105-421
m.ecker@lincolninternational.de

Richard Floto
Managing Director (Frankfurt)
+49-69-97-105-400
r.floto@lincolninternational.de

Géraud Estrangin
Managing Director (Paris)
+33-0-1-53-53-18-18
g.estrangin@lincolninternational.fr

Eric Wijs
Managing Director (Amsterdam)
+31-20-7670-310
e.wijs@lincolninternational.nl

Rommel Franco
Director (Madrid)
+34-91-129-4996
r.franco@lincolninternational.es

Disclaimer

This document contains significant assumptions and has been prepared based on publicly available information, or additional information supplied by the owners and/or managers of the company(ies) described in this document, which has not been independently verified. Accuracy and completeness of the information provided has been presumed and, therefore, its content may or may not be accurate and complete. No representation or warranty, either express or implied, is provided in relation to the accuracy, completeness or reliability of the information or statements made in this document and Lincoln International, its affiliates, directors, officers, employees and representatives expressly disclaim any and all liability with regards thereto. This document has been prepared for informational purposes only, is not a research report (as such term is defined by applicable law and regulations) and is not to be relied on by any person for any purpose. In addition, it is not to be construed as an offer to buy or sell or a solicitation of an offer to buy or sell any financial instruments or to participate in any particular trading strategy. No part of this material may be copied or duplicated in any form, or redistributed, without the prior written consent of Lincoln International.