

DealReader

Solar Energy

Q3 2017



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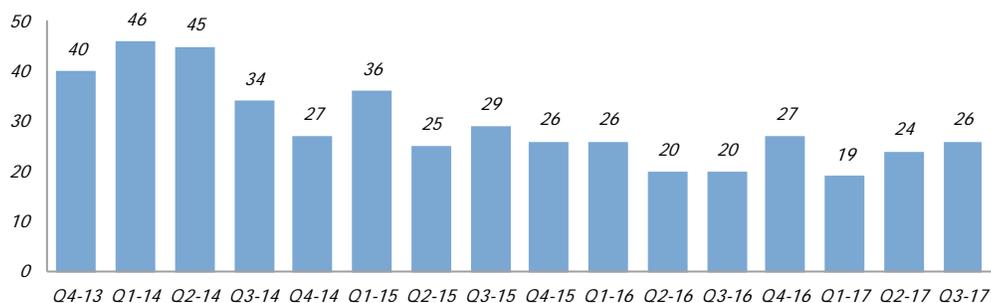
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Announcements

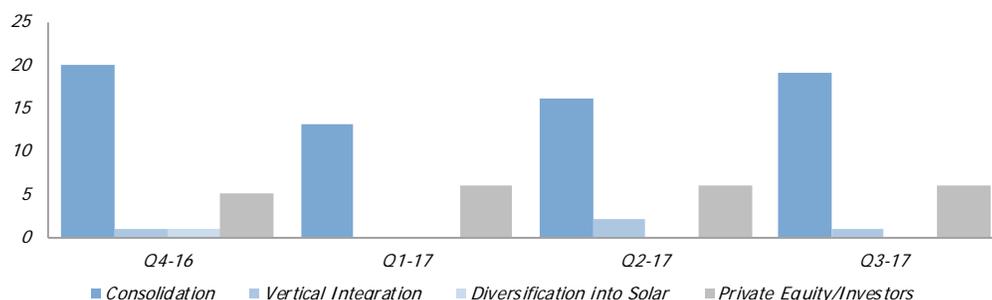
- Solar Spectrum has acquired Horizon Solar Power Inc. (August-17)
- Greenback Renewable Energy Company has acquired five operating solar facilities from Conergy Projects (August-17)
- Horizon Solar Power Inc. has acquired BrightCurrent, Inc. (September-17)
- Capital Dynamics AG has acquired 28 MW of solar projects from Solar Frontier Americas Development (September-17)

Q3 2017 Deal Volume Comparison

Completed Solar Energy Transactions



Quarterly Comparison – M&A by Category



There were 26 completed solar energy transactions in Q3 2017, which represents an increase in transactions compared to the 24 recorded in Q2 2017. On a comparative basis, this represents an increase from the 20 transactions reported in Q3 2016.

Within the solar energy transactions, consolidation represented 73% of M&A activity, or 19 deals in Q3 2017. The next largest category was investment by private equity/investors with six transactions, or 23% of the deals in Q3 2017. There was one transaction categorized as vertical integration this quarter. There were no transactions categorized as diversification into the solar industry.

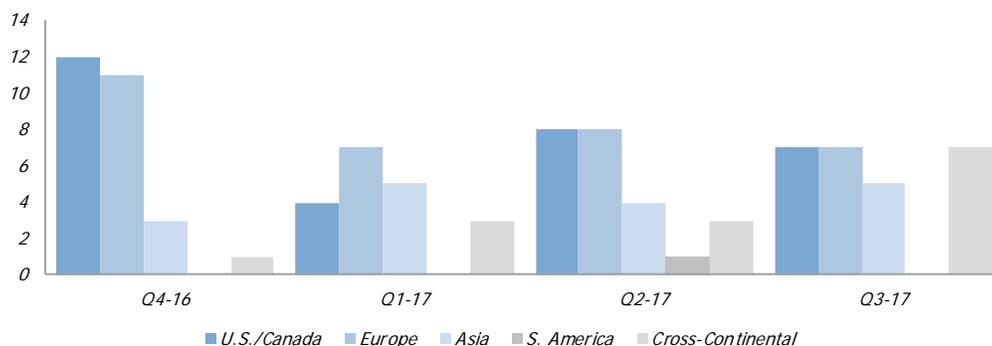
In Q3 2017, 27% or seven of the 26 total transactions occurred in Europe. The U.S. and Canada also recorded seven transactions, or 27% of the Q3 2017 total. Likewise, cross-continental deals accounted for seven transactions, or 27% of the Q3 2017 total. Asia

recorded five transactions, or 19% of the total in Q3 2017, while South America did not record a solar energy transaction this quarter.

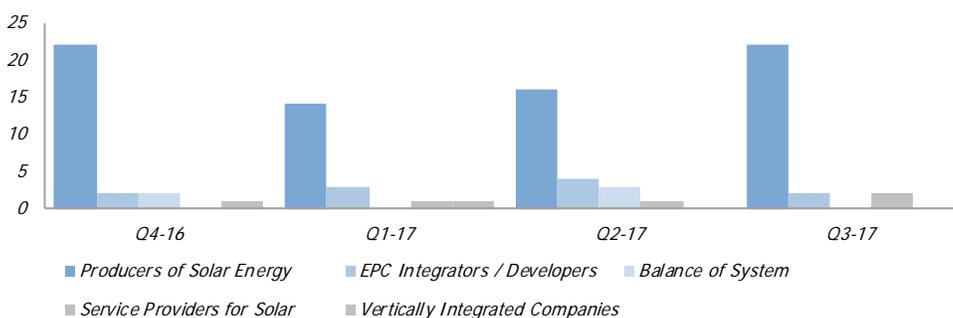
In addition, there were 22 acquisitions of producers of solar energy (this category includes acquisitions of solar projects), or 84% of the total. There were two acquisitions of EPC integrators/developers, or 8% of the total transaction volume. Acquisitions of companies categorized as service providers for solar accounted for two transactions, or 8% of the Q3 2016 total. There were no acquisitions of vertically integrated solar companies, nor were any transactions categorized as balances of systems providers in Q3 2017.

Consolidation for producers of solar power continued to be the primary source of deal activity in Q3 2017, in addition to continued, steady volume from the private equity/investors category.

Quarterly Comparison – M&A by Geography



Quarterly Comparison – M&A by Sector of Target Company



An Analysis of Global Solar Energy Trends

Solar market growth remained strong in 2016, continuing the growth trajectory established over the past few years. Global cumulative installed capacity increased 33% compared to 2015, up from 230 GW in 2015 to over 307 GW by year end of 2016.

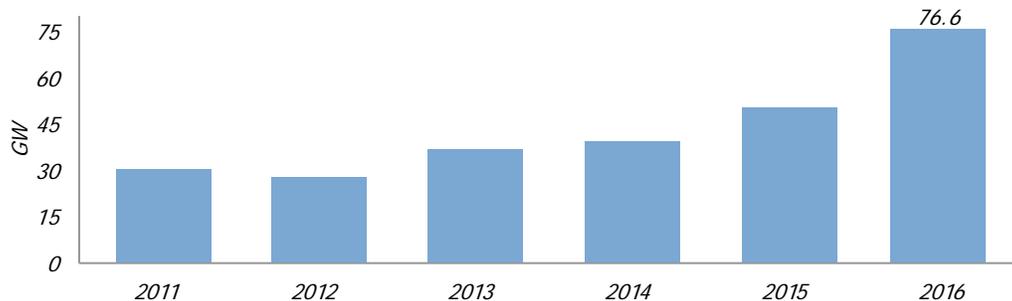
With key markets exceeding expectations, 2016 marked a record year for solar, representing a 50% year-over-year growth in installed power from 2015. Solar power has been outpacing traditional power generation plants, driven by rapid decreases in costs along with favorable policy environments. This trend is demonstrated in the Global Annual Installed Capacity Forecast chart on the following page, where the solar industry is expected to maintain its growth trajectory for the long-term.

Asia-Pacific became the largest solar-powered region in the world in 2016, displacing Europe as the traditional stalwart in the global solar market. The Asian-Pacific region, including China and Japan, now command 48% of global market share, whereas Europe's market share shrunk 22% year-over-year to 35% of global market share. However, Europe is projected to benefit from a new growth cycle, with the

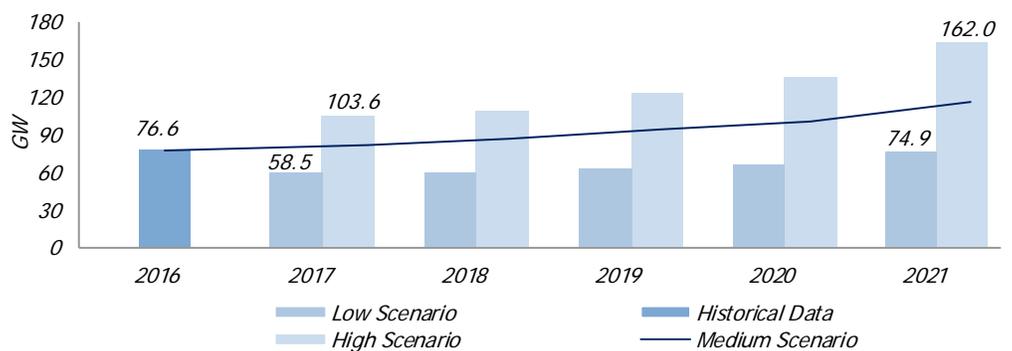
potential for their cumulative PV capacity to nearly double from 104 GW installed in 2016 to 203 GW by the end of 2021. China continues to gain share in the global solar market, with a 128% increase in newly installed PV capacity, representing nearly a quarter of all global solar power generation capacity, ranking it number one in the global solar market. Likewise, Japan and the United States extended their positions in the market, securing second and third place respectively. By the end of 2017, Japan, helped by feed-in tariffs, reached 42.9 GW of cumulative installed PV capacity while the United States achieved 42.4 GW cumulatively. Elsewhere, emerging markets are expected to exhibit strong growth patterns through 2021.

Currently, utility-scale solar installations continue to drive growth in the global solar market. In the future, however, rooftop solar installations are forecasted to grow at a faster pace globally, though utility-scale solar is expected to continue its upward trend for the next five years. This expected increase in rooftop solar is being driven as it has become a more economical option for residential and commercial customers in many geographies and offers valuable distributed generation advantages.

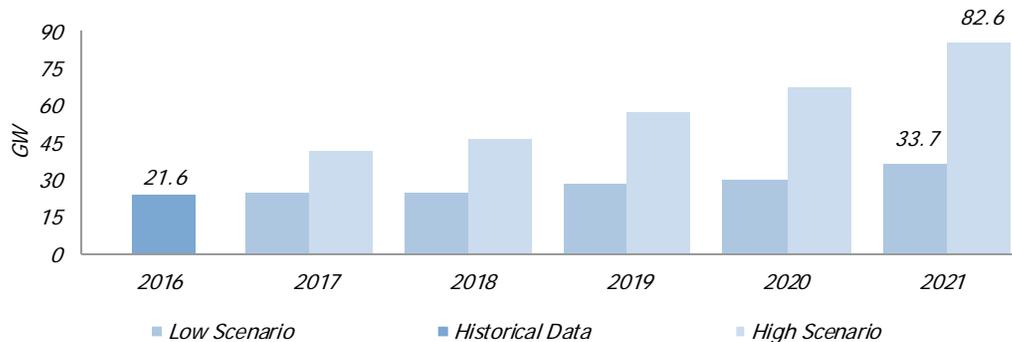
Global Annual Installed Capacity, Historical



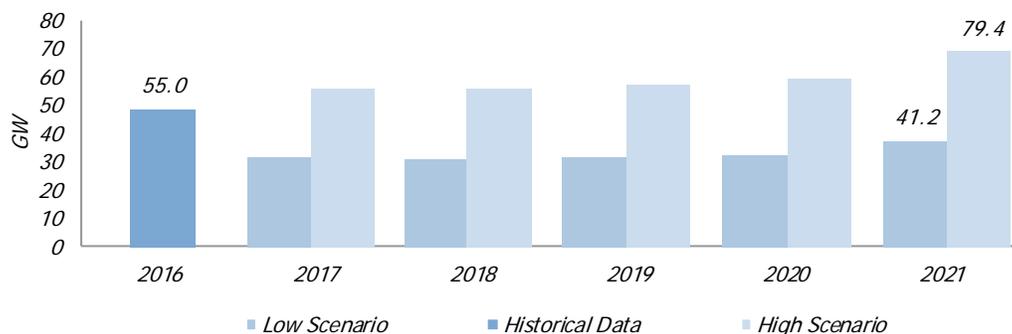
Global Annual Installed Capacity, Forecast



Global Annual Installed Capacity, Rooftop Solar Market



Global Annual Installed Capacity, Utility-scale Solar Market



Source: SolarPower Global Market Outlook, 2017-2021

Global Industry Groups

Aerospace & Defense
Automotive & Truck
Building & Infrastructure
Business Services
Chemicals
Consumer
Distribution
Electronics
Energy & Power
Financial Institutions
Food & Beverage
Healthcare
Industrials
Packaging
Technology, Media & Telecom

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