



Executive Summary

Solar Funding and M&A

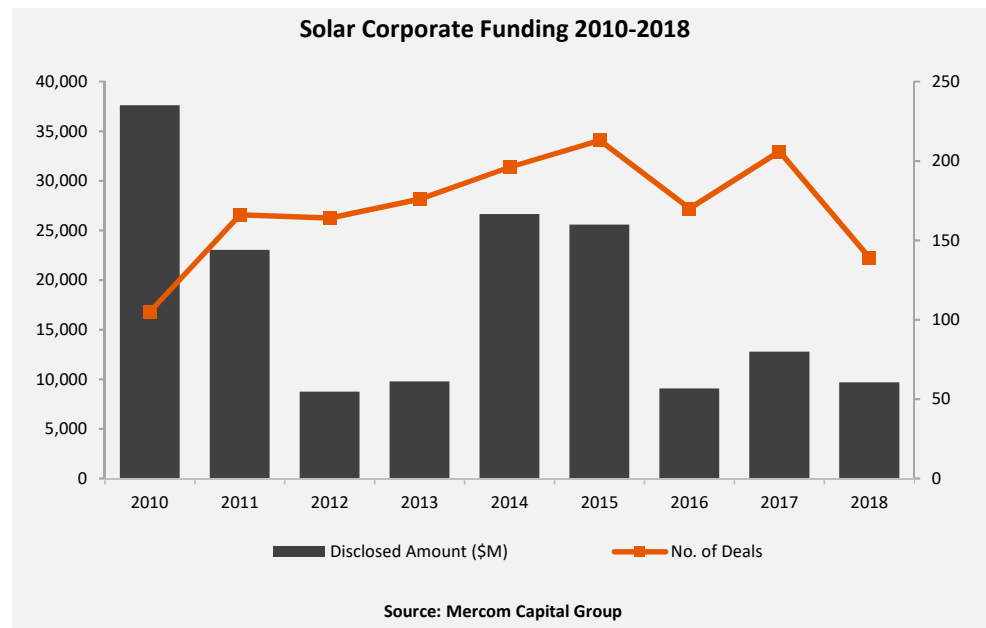
2018 Fourth Quarter and Annual Report

Funding and merger & acquisition activity for the solar sector

<http://www.mercomcapital.com>

KEY FINDINGS

- Total corporate funding, including venture capital (VC) funding, public market, and debt financing, into the solar sector was down by 24 percent totaling \$9.7 billion from 139 deals in 2018 compared to \$12.8 billion in 206 deals in 2017.



- In 2018, Global VC funding for the solar sector fell 18 percent to \$1.3 billion in 65 deals, compared to \$1.6 billion raised in 99 deals in 2017.
- A total of 87 VC/PE investors invested in the solar sector in 2018, compared to 162 in 2017.
- The top VC funded companies in 2018 were Cypress Creek Renewables, which raised \$200 million, followed by GreenYellow, which raised \$174 million, Amp Solar with \$154 million, Wunder Capital with \$112 million, and Sunnova Energy secured \$100 million.
- Public market financing activity in 2018 totaled \$2.3 billion raised in 21 deals, which was 38 percent higher compared to \$1.7 billion in 33 deals in 2017.
- In 2018, announced debt financing fell by 36 percent with \$6 billion in 53 deals, compared to \$9.5 billion raised in 74 deals during 2017.

- \$1.4 billion was raised through securitization deals in 2018 compared to \$1.3 billion in 2017.
- Announced large-scale project funding came to \$2.7 billion in 46 deals in Q4 2018 compared to \$3.3 billion in 39 deals in Q3 2018.

Solar Top M&A Transactions in 2018

Company	Terms/ Amount (\$M)	Acquirer	Country
Equis Energy	5,000	Global Infrastructure Partners (GIP), Canada's Public Sector Pension Investment Board, CIC Capital	USA
Direct Energie (74.33% Stake)	1,700	Total	France
8point3 Energy Partners	1,700	Capital Dynamics	Switzerland
Ostro Energy	1,630	ReNew Power	India
Rete Rinnovabile (RTR)	1,500	F2i	Italy
NRG Yield	1,375	Global Infrastructure Partners (GIP)	USA
Saeta Yield	1,200	TerraForm Power	USA
Orange Renewables	1,020	Greenko	India
Source: Mercom Capital Group			

- The top investors in large-scale projects in 2018 were European Bank for Reconstruction and Development (EBRD), which invested in 16 projects, followed by the Dutch development bank FMO with seven projects, and Natixis with six deals.
- Merger and acquisition activity in the solar sector rose to 82 transactions in 2018 compared to 72 transactions in 2017.
- The largest and most notable M&A transaction in 2018 was Global Infrastructure Partners (GIP) - through its Global Infrastructure Partners III fund along with Canada's Public Sector Pension Investment Board and CIC Capital - acquired a 100 percent stake in Equis Energy from Equis for \$5 billion.
- There were 218 large-scale solar project acquisitions (54 disclosed for \$8.4 billion) in 2018 compared to 228 transactions (92 disclosed for \$8.3 billion) in 2017.

- Large-scale solar project acquisition were up by 39 percent with 29 GW of solar projects acquired in 2018, compared to 20.4 GW in 2017.
- Project Developers were the most active acquirers in 2018, purchasing nearly 14.4 GW of solar projects, followed by Investment Firms which acquired almost 9.1 GW of solar projects.
- More than \$258.5 billion was raised by 42 newly established funds that focus on renewable energy investments in 2018, compared to \$19.4 billion raised by 56 new funds in 2017.

Solar – Top 5 Project Acquisitions by Megawatts in 2018

Acquirer	Project Name	Project Size (MW)	Company/ Project Developer	Country
Clearway Energy Group (CEG)	Utility-scale Solar Project Pipeline	4,700	SunPower	USA
BayWa r.e.	Netherlands Solar Portfolio Projects (70% Stake)	,2000	GroenLeven Group	Netherlands
Global Atlantic Financial Group	26 US Solar Projects (33% Stake)	1,700	Southern Power	USA
Canadian Solar	Five Australian Solar Projects (51% Stake)	1,141	Photon Energy	Australia
Consolidated Edison	Sempra Solar Projects	943	Sempra Energy	USA

Source: Mercom Capital Group

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