

Q2: Quarterly Industry Update

AS OF June 30, 2019



Solar Energy

INDUSTRY SUMMARY

COGENT VALUATION identified **Solar Energy** publicly traded companies, IPOs, and recent M&A transactions within the Solar Energy industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Over the last year since June 30, 2018, the median 52-week share price return of the Solar Energy industry was -22.9%. Between June 30, 2017 and June 30, 2019, the median EV/EBITDA multiple increased from 7.4 to 13.0. However, the median price-to-earnings multiple decreased from 6.9 to 5.4 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were 0.0% and 0.4%, respectively.

Public Company Key Statistics

Median 52-Week
Return

-22.9%

Median 3-Year CAGR
Return

-22.4%

Median EV/Revenue
Multiple

1.2x

Median EV/EBITDA
Multiple

13.0x

Median Price/Earnings
Multiple

5.4x

Median EV/Gross CF
Multiple

10.6x

Comparable Public Company Market Price Returns as of June 30, 2019

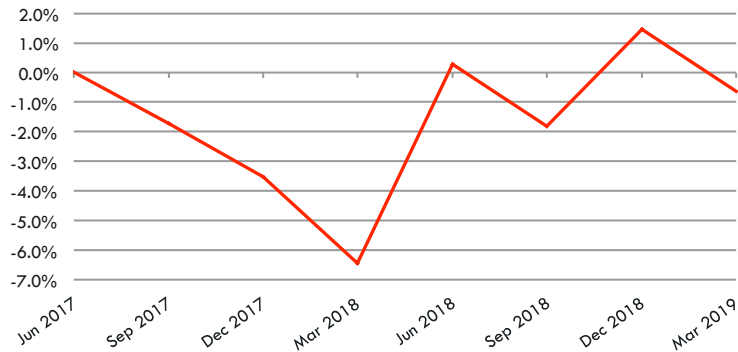
	2019	3 Month	1 Year	2 Year	3 Year	2018	2017	2016
Ascent Solar Technologies, Inc.	-44.4%	-44.4%	-68.8%	-98.0%	-97.2%	-69.0%	-99.9%	-86.4%
Canadian Solar Inc.	-3.5%	-3.5%	32.6%	-8.1%	-21.3%	38.4%	-57.9%	19.7%
China Sunergy Co., Ltd.	-14.9%	-14.9%	-34.9%	-67.0%	-72.7%	95.2%	-98.1%	-9.8%
Ellomay Capital Ltd.	-1.4%	-1.4%	10.2%	2.0%	1.4%	11.2%	-6.0%	-11.2%
Enphase Energy, Inc.	89.6%	89.6%	233.6%	40.0%	-29.8%	138.6%	-71.2%	-75.4%
First Solar, Inc.	5.1%	5.1%	161.9%	1.8%	5.9%	110.4%	-51.4%	48.0%
JA Solar Holdings Co., Ltd.	-12.1%	-12.1%	0.3%	-12.7%	-11.8%	56.7%	-50.9%	18.5%
JinkoSolar Holding Co., Ltd.	-24.1%	-24.1%	10.1%	-6.6%	-10.7%	57.9%	-45.0%	40.4%
Song Da Industry Trade	-15.6%	-15.6%	-7.6%	-15.6%	-7.9%	-6.1%	0.6%	-18.1%
SunPower Corporation	-5.3%	-5.3%	30.8%	-40.2%	-36.6%	27.5%	-78.0%	16.2%
ThinkSmart Limited	21.9%	21.9%	-49.0%	N/A	N/A	-60.5%	N/A	N/A
Yingli Green Energy	-0.6%	-0.6%	-22.6%	-39.4%	-55.1%	-35.0%	-42.6%	-80.7%
Median of Industry Public Companies	-4.4%	-4.4%	5.2%	-12.7%	-21.3%	33.0%	-51.4%	-9.8%

Multiple year periods are calculated as the average annual return.

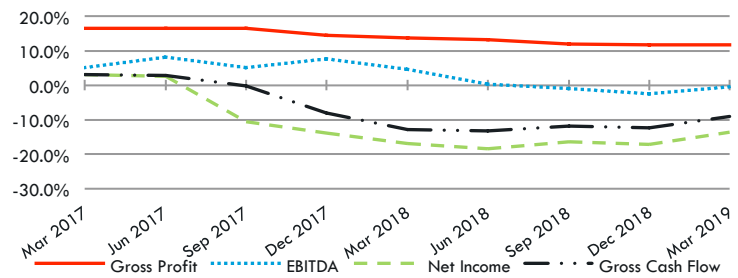
■ Highest Return
 ■ Lowest Return
 ■ Median Return

Industry Revenue Growth and Profit Margins for the Past Two Years

Median Quarterly Revenue Growth of All Solar Energy Companies



Median Gross Profit, EBITDA, Net Income, and Gross Cash Flow Margins



Public Company Median Multiples by Quarter

	6/30/19	3/31/19	12/31/18	9/30/18	6/30/18	3/31/18	12/31/17	9/30/17
EV/Revenues Multiple	1.2x	1.3x	1.0x	1.0x	1.1x	1.9x	1.1x	1.0x
EV/EBITDA Multiple	13.0x	14.3x	15.7x	17.4x	14.4x	19.2x	9.9x	7.6x
Price/Earnings Multiple	5.4x	12.7x	15.0x	22.2x	18.7x	11.9x	9.1x	5.1x
EV/Gross Cash Flows Multiple	10.6x	11.6x	15.0x	30.8x	5.5x	17.8x	10.9x	10.9x

■ Highest Multiple
 ■ Lowest Multiple
 ■ Median Multiple

Industry Initial Public Offerings - Solar Energy

(dollars in millions, except share prices)

Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
6/17/19	PT Sky Energy Indonesia Tbk	\$0.03	3.2	\$2.5	\$170.1	\$0.0	\$35.3	\$0.0	(\$15.4)	(\$9.8)
4/12/19	Solex Energy Limited	\$0.81	203.3	\$250.6	\$2,240.8	\$559.0	\$5.3	\$0.3	(\$52.4)	(\$63.5)
11/30/18	Zodiac Energy Limited	\$0.81	1.4	\$126.0	\$133.3	\$4.7	\$2.6	\$0.1	(\$2.4)	\$3.9
11/27/16	Ripasso Energy AB (publ)	\$0.43	2.0	\$329.6	\$724.2	\$154.1	\$2.7	(\$1.2)	(\$19.5)	(\$113.4)
8/5/15	Sunrun Inc.	\$14.00	5.8	\$92.0	\$1,151.2	\$299.3	\$238.6	(\$111.1)	(\$47.1)	(\$22.3)
3/26/15	SolarEdge Technologies, Inc.	\$18.00	17.9	\$53.8	\$106.2	\$33.9	\$215.4	\$1.7	(\$32.3)	(\$24.0)
9/30/14	Vivint Solar, Inc.	\$16.00	7.0	\$64.2	\$2,587.5	\$1,143.6	\$20.4	(\$117.7)	\$164.9	\$254.9
12/12/12	Tesla Energy Operations, Inc.	\$8.00	20.6	\$319.0	\$3,367.9	\$1,414.7	\$124.1	(\$40.7)	\$199.6	\$434.7
3/29/12	Enphase Energy, Inc.	\$6.00	11.5	\$93.5	\$176.3	\$77.9	\$149.5	(\$26.4)	\$11.8	\$18.7
5/13/10	JinkoSolar Holding Co., Ltd.	\$11.00	6.5	\$225.0	\$492.9	\$150.0	\$274.7	\$37.3	\$128.4	\$142.5
6/7/07	Yingli Green Energy Holding Company Limited	\$11.00	5.8	\$98.1	\$112.5	\$44.3	\$241.3	\$55.3	\$10.0	\$15.8
5/17/07	China Sunergy Co., Ltd.	\$11.00	29.0	\$400.0	\$255.1	\$71.0	\$149.5	\$16.9	(\$11.3)	\$2.4
2/6/07	JA Solar Holdings Co., Ltd.	\$15.00	7.7	\$115.5	\$66.3	\$23.2	\$89.2	\$18.2	(\$3.6)	\$8.0
12/18/06	Trina Solar Limited	\$18.50	3.0	\$16.5	\$0.2	\$0.2	\$91.6	\$14.8	(\$7.2)	\$0.0
11/16/06	First Solar, Inc.	\$20.00	26.4	\$395.7	\$135.2	\$51.3	\$95.9	(\$5.1)	\$31.1	\$46.6
5/31/16	GTN Limited	nm	nm	\$115.5	\$176.3	\$71.0	\$95.9	\$0.1	(\$3.6)	\$3.9

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought
6/13/19	Sempra Solar Holdings, LLC	Consolidated Edison Development	\$2,116.0	100%
5/7/19	Gintech Energy Corporation	Neo Solar Power Corp. (nka:United Renewable Energy Co., Ltd.)	\$494.5	51%
3/18/19	Solartech Energy Corp.	Neo Solar Power Corp. (nka:United Renewable Energy Co., Ltd.)	\$350.1	100%
12/9/18	FOTOVOLTAICO SOLAR Y ENERGIAS RENOVABLES FOTOSOLAR, S.L.	Plenium Partners Asset Management, S.G.E.I.C., S.A.; Helia Renovables, FCR	\$345.7	80%
9/19/18	Aerospace Baykee	Beijing Aerospace Changfeng	\$37.2	100%
11/21/16	SolarCity Corporation (nka:Tesla Energy Operations, Inc.)	Tesla Motors, Inc.	\$6,543.2	100%
3/24/16	Caithness Energy	Global Infrastructure Partners	\$4.4	100%
2/11/16	Gestamp Asetym Solar	KKR & Co. L.P.	\$34.8	63%
8/5/15	Aaron Services Ltd.	Lakehouse plc (nka:Sureserve Group plc)	\$15.4	100%

■ USA
 ■ International

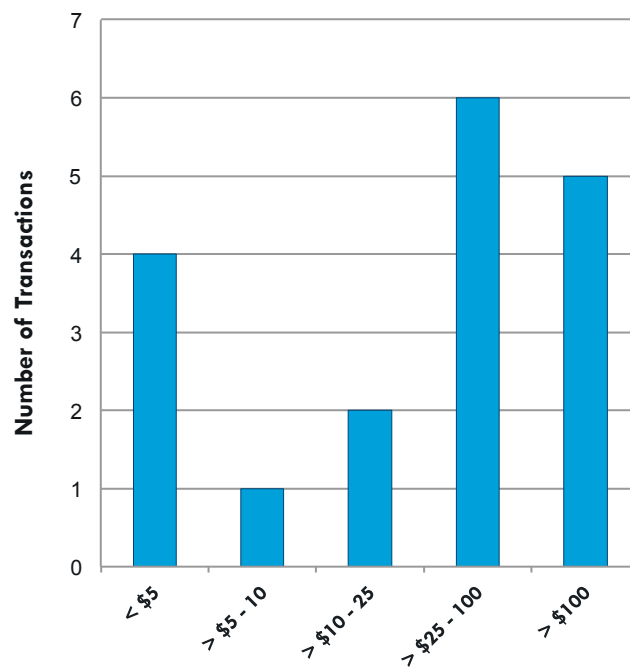
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Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

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Transaction Date	Target	Acquirer	Transaction Size	% Bought
7/30/15	Solairedirect SA	ENGIE SA	\$275.4	95%
6/25/15	Solar Alliance of Amer.	Finavera Wind Energy	\$5.0	100%
5/28/15	Solar Juice Pty Ltd.	SPI China (HK) Limited	\$28.0	80%
5/13/15	REC Solar ASA	Bluestar Elkem Investment	\$634.4	100%
3/30/15	Recurrent Energy, LLC	Canadian Solar Inc.	\$265.0	100%
12/31/14	Next Phase Solar, Inc.	Enphase Energy, Inc.	\$2.5	100%
11/18/14	Avacos Solar	ONEnergy Inc.	\$1.4	100%
11/4/14	Hudson Energy Solar Corp.	SunEdison, Inc.; TerraForm Power, Inc.	\$56.0	100%
9/22/14	Tripod Energy AB	Innotech Solar AS	\$6.4	100%
Median of the M&A Transaction Targets			\$32.4	100%

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions) as of June 30, 2019



Definitions of Financial Terms Used in this Quarterly Industry Update:

Enterprise Value (EV): Market Value of Equity + Market Value of Debt —Cash

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA): Referred to as operating profit or operating earnings.

Gross Cash Flows: Net Income + Depreciation and Amortization Expense

Latest Twelve Months (LTM): Financial information is as of the latest twelve months through the date of this Quarterly Industry Update.

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