

Q1: Quarterly Industry Update

AS OF March 31, 2020

cogent valuation
FINANCIAL OPINIONS

Energy Storage

INDUSTRY SUMMARY

COGENT VALUATION identified **Energy Storage** publicly traded companies, IPOs, and recent M&A transactions within the Energy Storage 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 March 31, 2019, the median 52-week share price return of the Energy Storage industry was 23.9%. Between March 31, 2019 and March 31, 2020, the median EV/EBITDA multiple increased from 9.4 to 18.1. Furthermore, the median price-to-earnings multiple increased from 22.7 to 37.4 over the same period. The median revenue growth and EBITDA margins for the industry for the quarter were 1.2% and 11.3%, respectively.

Public Company Key Statistics

Median 52-Week
Return

23.9%

Median 3-Year CAGR
Return

14.5%

Median EV/Revenue
Multiple

2x

Median EV/EBITDA
Multiple

18.1x

Median Price/Earnings
Multiple

37.4x

Median EV/Gross CF
Multiple

22.4x

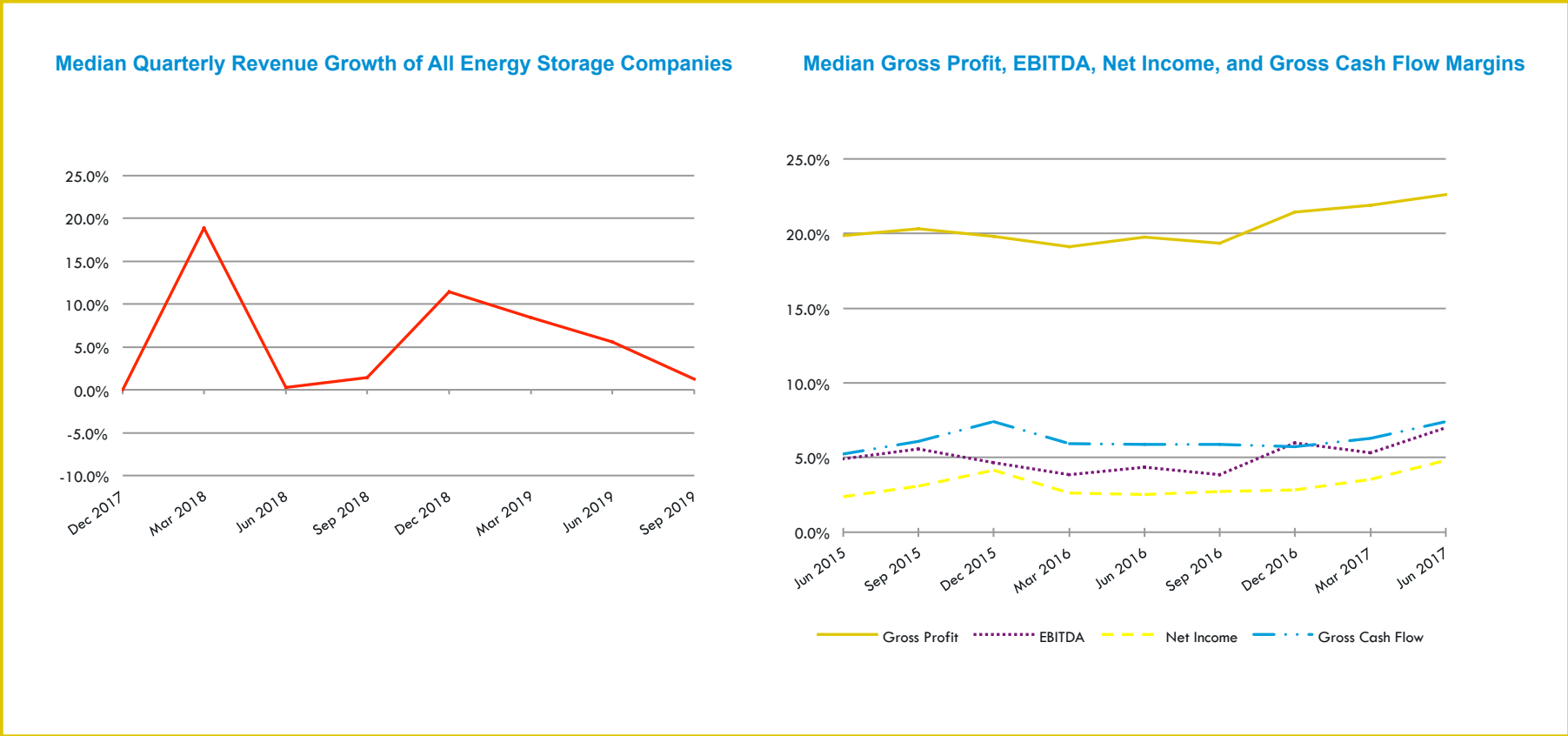
Comparable Public Company Market Price Returns as of March 31, 2020

	2020	3 Month	1 Year	2 Year	3 Year	2019	2018	2017
EnerSys	25.1%	25.1%	0.4%	-40.5%	-34.3%	4.8%	-49.9%	51.9%
Goldstar Power Limited	-32.3%	-32.3%	-12.1%	12.0%	2.0%	-10.8%	39.6%	-9.4%
Highpower International, Inc.	-27.0%	-27.0%	-5.1%	N/A	N/A	57.4%	-21.7%	-39.6%
mPLUS Corp.	6.0%	6.0%	83.5%	27.1%	-7.0%	32.3%	-23.4%	106.4%
Shanghai Putailai New Energy Technology Co., Ltd.	-17.6%	-17.6%	-1.8%	N/A	N/A	-11.5%	-17.0%	-26.5%
Median of Industry Public Companies	25.1%	25.1%	-1.8%	0.7%	-7.3%	4.8%	-21.7%	-9.4%

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



Public Company Median Multiples by Quarter

	3/31/20	12/31/19	9/30/19	6/30/19	3/31/19	12/31/18	9/30/18	6/30/18
EV/Revenues Multiple	2.0x	1.6x	1.7x	1.3x	1.2x	0.8x	0.8x	0.7x
EV/EBITDA Multiple	18.1x	14.3x	15.5x	10.0x	9.3x	8.6x	8.9x	7.3x
Price/Earnings Multiple	37.4x	30.2x	28.7x	29.5x	18.3x	19.8x	20.0x	20.0x
EV/Gross Cash Flows Multiple	22.4x	20.6x	21.0x	21.2x	11.9x	10.6x	9.9x	11.3x

■ Highest Multiple
 ■ Lowest Multiple
 ■ Median Multiple

Industry Initial Public Offerings – Energy Storage (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
3/11/20	NIO Inc.	\$6.26	0.5	\$1.7	\$51.9	\$15.7	\$318.9	\$6.4	\$2.9	\$7.0
2/27/20	Akasol AG	\$56.23	15.0	\$285.0	\$1,410.5	\$1,057.1	\$279.7	\$142.0	(\$26.1)	\$182.0
12/8/19	Contemporary Amperex Technology Co., Limited	\$3.93	3.0	\$21.0	\$32.0	\$11.7	\$35.4	\$3.3	\$1.4	\$3.4
10/26/19	Shanghai Putailai New Energy Technology Co.	\$2.49	12.0	\$4.6	\$8.1	\$4.2	\$8.5	(\$3.5)	(\$4.0)	(\$3.3)
10/18/18	Varta AG	\$20.60	7.0	\$84.0	\$6.7	\$4.1	\$94.1	N/A	N/A	N/A
10/10/17	Voltabox AG	\$15.90	8.0	\$136.0	\$23.3	\$0.0	\$43.3	(\$15.4)	(\$18.8)	(\$14.7)
10/5/17	Highpower International, Inc.	\$3.25	5.0	\$70.0	\$78.3	\$39.5	\$79.6	\$15.7	\$5.3	\$18.0
	Median of all IPOs	nm	nm	\$70.0	\$32.0	\$11.7	\$79.6	\$4.8	(\$1.3)	\$5.2

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought
2/30/20	Fuelcon AG	HORIBA Automotive Test Systems GmbH	\$18.1	100%
2/20/20	ACCURATE Smart Battery Solutions GmbH	Voltabox AG	\$5.9	100%
12/19/19	Zhejiang Youchuang Solar Technology Co., Ltd.	Zhejiang Youchuang Venture Capital Co., Ltd.	\$84.6	100%
11/12/19	Liyang Yuequan Electric Energy Co.	Shanghai Putailai New Energy Technology Co., Ltd.	\$39.5	51%
7/5/19	Pure Vanadium Corp.	Stina Resources Ltd. (nka:CellCube Energy Storage Systems Inc.)	\$0.1	100%
1/3/18	IABÖ Global Holding	J2L	\$4.4	100%
9/20/18	Jinhua An Kao Power	Zhejiang Kandi Vehicles Co.	\$21.8	100%
9/19/18	Wuhan Fanso Technology	EVE Energy Co., Ltd	\$167.0	100%
9/12/18	Tohoku Murata Manufacturing	Murata Manufacturing	\$19.5	100%
11/22/17	Go Power! Electric Inc.	Valterra Products, LLC	\$46.1	45%
9/1/17	Magna Steyr Battery	Samsung SDI Co. Ltd.	\$120.0	100%

■ USA
 ■ International

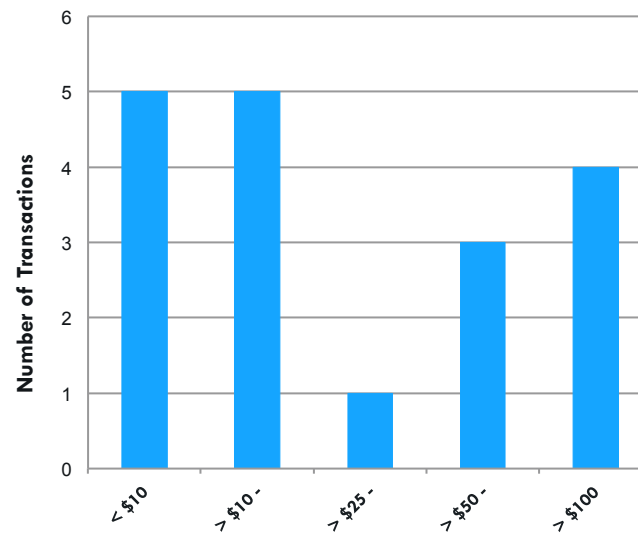
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Size of Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

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Transaction Date	Target	Acquirer	Transaction Size	% Bought
4/8/16	SK Continental E-motion	SK Innovation Co., Ltd.	\$14.9	100%
6/30/15	Ener-tek International, Inc.	OM Group Inc.	\$24.0	100%
5/5/15	A123 Energy Solutions	NEC Corporation	\$100.0	100%
12/30/14	Shenzhen Eyang Energy	N/A	\$1.7	100%
11/24/14	Quallion LLC	EnerSys	\$30.0	100%
9/30/13	Eltek Electric Vehicles	Valeo SA	\$20.3	100%
8/23/13	Millennium Power Solutions	Blue Earth Inc.	\$15.2	100%
Median of the 18 M&A Transaction Targets			\$14.9	100%

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



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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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