



## M&A Rumour and Activity

The Australian market finished the week 0.81% lower with the S&P / ASX 100 ending at 4364 points following a plunge early in the week on concerns that the US Federal Reserve may soon lift interest rates and fears that other central banks may begin to reduce monetary stimulus efforts. The Australian dollar decreased 0.66% for the week to end at US 0.7488 cents as investors unwind carry trades in riskier assets.

*The Australian Financial Review* reported that **Allinta Energy** is expected to appoint the co-lead managers for its planned IPO by the end of next week. It is understood that Alinta Energy is planning to raise more than \$1.5 billion via an IPO in November 2016, which will value Alinta Energy's equity at about \$2.5 billion.

*The Australian* reported that AMP Capital and Palisade are among the prospective parties bidding for Origin Energy's (ORG.AX) **Stockyard Hill Wind Farm Project**. Other potential bidders are said to include Macquarie Infrastructure Real Estate, Goldwind, China Datang Corporation, Huadian Power, China Guodian Corporation and Pacific Hydro.

*The Australian* reported that Australian and offshore banks are said to be in talks to provide funding for AGL Energy's (AGL.AX) \$2.3 billion Powering Australia Renewables Fund. It is understood that AGL Energy sent out request for proposals to prospective lenders, which are likely to include Australia's top four banks as well as financial institutions in China, Hong Kong and other parts of Asia.

### Global news

Spanish-based wind farmer **Gamesa Energia SA (GAM.MC)** said on 15 September 2016 that it will acquire the remaining 50% in **Adwen Offshore SL** from Areva SA (AREVA.PA) for €60 million (\$89.6 million). Adwen is an offshore wind turbine manufacturer and has contracts to build 1,500MW of offshore wind power capacity in France.

**Hindustan Powerprojects Pvt Ltd**, an Indian-based alternative energy source establishment, said on 12 September 2016 that it is in talks to sell its c.300MW of solar assets estimated to be valued at US\$300 million (\$395.9 million)

**Aquila Capital** announced on 14 September 2016 that it has acquired two wind farms in Germany, with installed capacity of 34MW and 46MW, respectively, for an undisclosed value. The acquisition increases Aquila Capital's wind energy portfolio to an installed capacity of c.720MW.

**Cubico Sustainable Investments** said on 16 September 2016 that it has acquired the 50MW Owls Hatch Solar Park located in England from British Solar Renewables for an undisclosed value.

**Rockfire Capital**, an investment management company, announced on 13 September 2016 that it has acquired the 60.9MW Swindon Solar Park located in the UK from WELink Energy (UK) Ltd for an undisclosed value.

## News Headlines and Key Sector Developments

**SolarReserve**, a US-based solar company, has announced plans to build six solar tower power plants in South Australia, which will provide 660MW of power with a combined 5,280MWh of molten salt storage. However, the company said that the projects will not happen unless it can secure a 20-year power purchase contract and government assistance in the form of grants or concessional finance for its first project in Port Augusta.

| Ticker | News/Event  | Ticker | News/Event  |
|--------|---|--------|---|
| ORG    | Reported FY16 results of \$12.17b in revenue (14% increase yoy), underlying EBITDA of \$1.7b (21% decrease) and NLAT of \$589m (vs NLAT of \$658m)                                    | TSLA   | Announced that it has been selected by Southern California Edison for the largest lithium ion battery storage project in the world. The project requires Tesla to install a 20 MW/80 MWh Powerpack system at the Southern California Edison Mira Loma substation. |
| RFX    | Announced that its first shipment of Flex-produced ZBM2 batteries for Z Cell energy systems arrived in Australia this week and expects sales to customers to commence in October 2016 |        |   |

Source: Thomson Reuters, Company Announcements, LCC research

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| Ticker    | Company Name                  | Australian Activities                 | Market Cap (A\$ m) | Open Price | Close Price | Week High | Week Low | Weekly change (%) | Volume Trend | EV/ EBITDA | EV/ EBIT |
|-----------|-------------------------------|---------------------------------------|--------------------|------------|-------------|-----------|----------|-------------------|--------------|------------|----------|
| AGL.AX    | AGL Energy                    | Wind PD, O, OP; Solar R, C, PD, O, OP | 11,632             | 17.12      | 17.18       | 16.95     | 16.51    | ▼ (1.6%)          | ▬▬▬▬         | 8.7x       | 12.3x    |
| APA.AX    | APA Group                     | Wind O, OP                            | 9,472              | 8.90       | 8.50        | 8.79      | 8.22     | ▼ (5.9%)          | ▬▬▬▬         | 14.5x      | 24.0x    |
| CSR.AX    | CSR Ltd                       | Solar R, C                            | 1,734              | 3.41       | 3.43        | 3.41      | 3.32     | ▼ (1.2%)          | ▬▬▬▬         | 5.2x       | 6.9x     |
| IFN.AX    | Infigen Energy Ltd            | Wind PD, O, OP; Solar PD              | 650                | 0.90       | 0.83        | 0.82      | 0.76     | ▼ (9.3%)          | ▬▬▬▬         | 10.3x      | 18.2x    |
| ORG.AX    | Origin Energy Ltd             | Wind O, OP; Solar R, C                | 8,645              | 5.21       | 4.93        | 5.13      | 4.82     | ▼ (8.9%)          | ▬▬▬▬         | 12.4x      | 21.3x    |
| RFX.AX    | RedFlow Ltd                   | Battery OEM                           | 142                | 0.39       | 0.36        | 0.38      | 0.35     | ▼ (7.7%)          | ▬▬▬▬         | n.m.       | n.m.     |
| BOSH.BO   | Bosch Ltd                     | Battery OEM                           | 14,655             | 477.55     | 467.36      | 463.68    | 458.20   | ▼ (2.7%)          | ▬▬▬▬         | 38.3x      | 48.5x    |
| SUZL.BO   | Suzlon Energy Ltd             | Wind OEM, DB                          | 1,611              | 0.34       | 0.32        | 0.34      | 0.31     | ▼ (10.0%)         | ▬▬▬▬         | 14.8x      | 21.1x    |
| ABG.MC    | Abengoa SA                    | CST OEM, PD, DB                       | 346                | 0.87       | 0.87        | 0.90      | 0.80     | ▲ 0.8%            | ▬▬▬▬         | n.m.       | n.m.     |
| ENOR.MC   | Elecnor SA                    | Wind PD, DB; Solar PD, DB             | 1,051              | 11.96      | 11.99       | 12.20     | 11.73    | ▼ (0.0%)          | ▬▬▬▬         | 9.8x       | 16.0x    |
| GAM.MC    | Gamesa                        | Wind OEM                              | 8,760              | 31.02      | 31.12       | 30.87     | 30.18    | ▼ (1.4%)          | ▬▬▬▬         | 10.0x      | 14.2x    |
| GAS.MC    | Gas Natural SDG SA            | Wind D                                | 26,980             | 27.85      | 26.75       | 27.42     | 26.75    | ▼ (5.3%)          | ▬▬▬▬         | 7.9x       | 12.4x    |
| VWS.CO    | Vestas Wind Systems A/S       | Wind PD                               | 24,439             | 106.98     | 109.42      | 110.81    | 106.48   | ▼ (0.7%)          | ▬▬▬▬         | 10.8x      | 12.5x    |
| SIEGn.DE  | Siemens AG                    | Wind OEM, DB                          | 132,387            | 152.52     | 154.53      | 154.08    | 151.04   | ▼ (1.0%)          | ▬▬▬▬         | 11.2x      | 15.7x    |
| S92G.DE   | SMA Solar Technology AG       | Solar Inverter OEM                    | 1,624              | 45.00      | 46.44       | 44.65     | 43.98    | ▲ 0.8%            | ▬▬▬▬         | 5.0x       | 9.3x     |
| ALSO.PA   | Alstom SA                     | Wind OEM, DB                          | 7,654              | 35.64      | 34.93       | 35.72     | 34.66    | ▼ (3.1%)          | ▬▬▬▬         | 6.0x       | 15.6x    |
| AREVA.PA  | Areva SA                      | CST OEM, PD, DB                       | 3,572              | 9.37       | 9.25        | 9.76      | 9.08     | ▼ (2.4%)          | ▬▬▬▬         | 11.5x      | n.m.     |
| ENGIE.PA  | Engie SA                      | Wind O, OP                            | 49,258             | 21.33      | 20.23       | 21.11     | 19.99    | ▼ (7.0%)          | ▬▬▬▬         | 3.4x       | 11.5x    |
| MALA.KL   | Malakoff Corporation Bhd      | Wind I                                | 2,729              | 0.53       | 0.54        | 0.54      | 0.53     | ▲ 0.4%            | ▬▬▬▬         | 8.8x       | 17.0x    |
| 005930.KS | Samsung Electronics Co Ltd    | Battery OEM                           | 288,205            | 1780.23    | 1815.52     | 1777.47   | 1739.60  | ▼ (3.7%)          | ▬▬▬▬         | 3.7x       | 6.5x     |
| 051910.KS | LG Chem Ltd                   | Battery OEM                           | 18,713             | 292.72     | 282.37      | 291.53    | 281.78   | ▼ (5.1%)          | ▬▬▬▬         | 5.1x       | 8.4x     |
| JLG.L     | John Laing Group PLC          | Wind I                                | 1,723              | 4.72       | 4.70        | 4.67      | 4.56     | ▲ 1.3%            | ▬▬▬▬         | 5.8x       | 5.9x     |
| ENPH.O    | Enphase Energy Inc            | Solar Inverter OEM                    | 90                 | 2.39       | 1.92        | 2.35      | 1.71     | ▼ (19.5%)         | ▬▬▬▬         | n.m.       | n.m.     |
| CSIQ.O    | Canadian Solar Inc            | Solar Panel OEM, R, C, PD             | 909                | 17.07      | 15.83       | 16.86     | 15.65    | ▼ (8.5%)          | ▬▬▬▬         | 12.2x      | 12.2x    |
| FSLR.O    | First Solar Inc               | Solar Panel OEM, DB                   | 4,760              | 48.79      | 46.50       | 48.47     | 45.90    | ▼ (5.6%)          | ▬▬▬▬         | 2.1x       | 2.7x     |
| HQCL.O    | Hanwha Q Cells Co Ltd         | Solar Panel OEM                       | 1,243              | 15.10      | 14.94       | 15.04     | 13.82    | ▼ (2.4%)          | ▬▬▬▬         | 7.2x       | 11.2x    |
| SPWR.O    | SunPower Corp                 | Solar Panel OEM, R, C, DB             | 1,389              | 12.23      | 10.06       | 11.93     | 9.81     | ▼ (18.2%)         | ▬▬▬▬         | n.m.       | n.m.     |
| TSLA.O    | Tesla Motors Inc              | Battery OEM                           | 40,787             | 257.83     | 274.31      | 265.76    | 256.64   | ▲ 6.3%            | ▬▬▬▬         | n.m.       | n.m.     |
| DQ.N      | Daqo New Energy Corp          | Solar Panel OEM                       | 308                | 33.19      | 29.51       | 33.19     | 29.22    | ▼ (10.5%)         | ▬▬▬▬         | 4.7x       | 7.4x     |
| GE.N      | General Electric Co           | Wind OEM, DB, I                       | 355,194            | 39.65      | 39.64       | 39.83     | 39.17    | ▼ (0.8%)          | ▬▬▬▬         | 23.6x      | 40.4x    |
| JKS.N     | JinkoSolar Holding Co Ltd     | Solar Panel OEM                       | 660                | 23.15      | 21.03       | 22.89     | 20.29    | ▼ (11.6%)         | ▬▬▬▬         | 8.7x       | 8.7x     |
| SOL.N     | ReneSola Ltd                  | Solar Panel OEM                       | 133                | 1.39       | 1.31        | 1.37      | 1.31     | ▼ (6.0%)          | ▬▬▬▬         | 5.7x       | 15.6x    |
| TSL.N     | Trina Solar Ltd               | Solar Panel OEM                       | 1,261              | 13.78      | 13.64       | 14.03     | 13.61    | ▼ (1.8%)          | ▬▬▬▬         | 12.1x      | 12.1x    |
| YGE.N     | Yingli Green Energy Ltd       | Solar Panel OEM                       | 89                 | 5.02       | 4.89        | 4.96      | 4.71     | ▼ (4.1%)          | ▬▬▬▬         | 184.3x     | n.m.     |
| MEL.NZ    | Meridian Energy Ltd           | Wind PD, O, OP                        | 7,035              | 2.91       | 2.72        | 2.79      | 2.68     | ▼ (6.6%)          | ▬▬▬▬         | 13.1x      | 20.9x    |
| TPW.NZ    | TrustPower Ltd                | Wind PD, O, OP                        | 2,390              | 7.73       | 7.51        | 7.67      | 7.50     | ▼ (2.8%)          | ▬▬▬▬         | 11.6x      | 18.0x    |
| 1088.HK   | China Shenhua Energy Co Ltd   | Wind I                                | 57,278             | 2.47       | 2.43        | 2.47      | 2.41     | ▼ (3.9%)          | ▬▬▬▬         | 8.0x       | 10.6x    |
| 1165.HK   | Shunfeng International Ltd    | Solar Panel OEM                       | 770                | 0.17       | 0.18        | 0.17      | 0.17     | ▼ (0.7%)          | ▬▬▬▬         | 8.3x       | 17.5x    |
| 1211.HK   | BYD Co Ltd                    | Battery OEM                           | 28,573             | 9.46       | 9.11        | 9.13      | 8.93     | ▼ (4.8%)          | ▬▬▬▬         | 14.9x      | 29.2x    |
| 0002.HK   | CLP Holdings Ltd              | Wind PD, O, OP                        | 34,109             | 13.67      | 13.50       | 13.55     | 13.47    | ▼ (2.5%)          | ▬▬▬▬         | 12.4x      | 18.4x    |
| 0579.HK   | Beijing Jingneng Clean Energy | Wind O, OP                            | 2,817              | 0.41       | 0.41        | 0.41      | 0.40     | ▼ (3.3%)          | ▬▬▬▬         | 6.6x       | 10.0x    |
| RATCH.BK  | Ratchaburi Electricity PCL    | Wind PD, I; Solar PD, I               | 2,773              | 1.92       | 1.91        | 1.96      | 1.90     | ▼ (2.0%)          | ▬▬▬▬         | 14.3x      | 17.7x    |
| ABBN.S    | ABB Ltd                       | Solar Inverter OEM, DB                | 65,402             | 29.27      | 29.25       | 29.71     | 29.06    | ▼ (1.7%)          | ▬▬▬▬         | 10.4x      | 13.6x    |
| 002202.SZ | Xinjiang Goldwind S&T Co Ltd  | Wind OEM, DB, OP, I                   | 8,008              | 3.14       | 3.12        | 3.12      | 3.08     | ▼ (2.3%)          | ▬▬▬▬         | 14.9x      | 14.9x    |
| 300118.SZ | Risen Energy Co Ltd           | Solar Panel OEM                       | 2,199              | 3.33       | 3.26        | 3.30      | 3.25     | ▼ (4.2%)          | ▬▬▬▬         | 16.2x      | 16.2x    |
| 601016.SS | CECEP Wind-Power Corp         | Wind I                                | 3,896              | 1.89       | 1.88        | 1.87      | 1.85     | ▼ (2.3%)          | ▬▬▬▬         | 50.8x      | 50.8x    |
| 6758.T    | Sony Corp                     | Battery OEM                           | 53,910             | 42.85      | 42.70       | 43.26     | 42.47    | ▼ (2.5%)          | ▬▬▬▬         | 6.2x       | 16.1x    |
| 8002.T    | Marubeni Corp                 | Wind I                                | 11,487             | 6.74       | 6.61        | 6.75      | 6.54     | ▼ (3.2%)          | ▬▬▬▬         | 17.8x      | 46.3x    |
| 8015.T    | Toyota Tsusho Corp            | Wind I                                | 10,878             | 30.98      | 30.72       | 31.02     | 30.40    | ▼ (1.8%)          | ▬▬▬▬         | 7.9x       | 14.3x    |
| 8031.T    | Mitsui & Co Ltd               | Wind PD, O, OP                        | 31,386             | 17.85      | 17.47       | 17.92     | 17.28    | ▼ (3.0%)          | ▬▬▬▬         | 13.0x      | 30.0x    |

**Codes**

|    |                     |     |                                 |
|----|---------------------|-----|---------------------------------|
| PD | Project Development | DB  | Design & Build                  |
| O  | Owner               | OEM | Original Equipment Manufacturer |
| OP | Operator            | R   | Residential Solutions           |
| I  | Investor            | C   | Commercial Solutions            |

Source: Thomson Reuters, LCC research

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