



M&A Rumour and Activity

The Australian market finished the week 0.59% lower with the S&P / ASX 100 ending at 4488 points, after mining and bank stocks fell following analyst downgrades on the resources sector and as investors prepare for an imminent rate hike in the US by the end of the year. The Australian dollar increased 0.48% for the week to end at US76.11 cents, following better than expected inflation data from China, in spite of the US dollar increasing strongly against most major currencies as the release of the US Fed's September meeting minutes made an interest rate hike in December looking more likely.

Global news

General Electric (GE.N) said on 11 October 2016 that it has agreed to acquire LM Wind Power Holding, a Denmark-based manufacturer of wind turbine blades, from Doughty Hanson & Co Managers Ltd for US\$1.7 billion (\$2.17 billion). The purchase consideration is based on 8.3x LM Wind Power Holding's estimated 2016 EBITDA.

Duke Energy Corp (DUK), a US-based utility company, said on 10 October 2016 that it plans to sell its Brazilian subsidiary, which owns a portfolio of 2,090MW of hydropower, to China Three Gorges Corp, for approximately US\$1.2 billion (\$1.5 billion) in cash and the assumption of debt.

Edison, the Italian utility which operates around 590MW of wind capacity and is owned by France's EDF (EDF.PA), on 13 October 2016 offered to acquire Alerion Clean Power for €2.46 a share (20.6% premium), which values Alerion Clean Power at €107 million (\$155 million). Alerion owns 10 wind farms in Italy and 1 in Bulgaria, with a total installed capacity of 265MW. The acquisition will make Edison the second-largest wind power generator behind ERG.

News Headlines and Key Sector Developments

The Queensland government released a draft report on 12 October 2016 for public consultation, which outlined three pathways to achieve the state's 50% renewable energy target by 2030. The draft report finds that there would be \$6.7 billion of new investments, and sees the development of 5,200MW of large-scale solar PV by 2030 (besides increasing rooftop solar PV to 4,900MW from 1,500MW). The report can be found at <http://www.qldrepanel.com.au/>.

RenewEconomy reported on 11 October 2016 that the 12 winners for the Australian Renewable Energy Agency (**ARENA**)'s solar tender for 480MW of large-scale solar projects have deposited bonds with the federal agency, indicating that the projects, worth some \$1 billion, are certain to go ahead. It is understood that the bid bonds will be forfeited if the sponsors do not reach financial close for the projects by 31 January 2017.

ARENA announced on 14 October 2016 that it has committed to provide \$18 million in "recoupable" grant funding for the \$120 million first stage of the **Kennedy Energy Park**, which consists of 19.2MW (AC) solar PV, 21.6MW wind power and 2MW/4MWh battery storage. The project is being developed by Australia's Windlab and Japan's Eurus Energy near Hughenden in north Queensland, and is scheduled for completion in 2018.

Ticker	News/Event	Ticker	News/Event
APA	Announced the issue of \$200m worth of 7-year fixed-rate Medium Term Notes to Australian and International investors	ORG	Advised that it successfully extended its \$4.5b bank debt facilities maturing in December 2018 to a new five-year maturity of October 2021
IFN	Announced the retirement of its Managing Director and CEO, Mr. Miles George, and the appointment of Mr. Ross Rolfe AO as his successor	CSIQ	Advised that it has entered into a syndicated 3-year loan facility for JPY9.6 billion (AUD\$120m) with Sumitomo Mitsui Banking Corporation. The loan will be used to finance solar project development in Japan and cover other working capital requirements

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	12,895	18.80	19.22	19.09	18.71	▲ 2.1%	■ ■ ■ ■	9.5x	13.4x
APA.AX	APA Group	Wind O, OP	9,037	8.09	8.11	8.06	8.00	▲ 0.2%	■ ■ ■ ■	14.2x	23.5x
CSR.AX	CSR Ltd	Solar R, C	1,877	3.72	3.72	3.71	3.64	▼ (0.3%)	■ ■ ■ ■	5.6x	7.4x
IFN.AX	Infigen Energy Ltd	Wind PD, O, OP; Solar PD	594	0.79	0.77	0.76	0.70	▼ (0.6%)	■ ■ ■ ■	9.9x	17.5x
ORG.AX	Origin Energy Ltd	Wind O, OP; Solar R, C	9,715	5.61	5.54	5.64	5.46	▼ (1.4%)	■ ■ ■ ■	13.1x	22.6x
RFX.AX	RedFlow Ltd	Battery OEM	171	0.47	0.44	0.46	0.42	▼ (5.4%)	■ ■ ■ ■	n.m.	n.m.
BOSH.BO	Bosch Ltd	Battery OEM	14,103	457.29	449.43	455.91	445.14	▼ (1.9%)	■ ■ ■ ■	37.2x	47.2x
SUZL.BO	Suzlon Energy Ltd	Wind OEM, DB	1,445	0.29	0.29	0.29	0.28	▲ 0.5%	■ ■ ■ ■	14.2x	20.3x
ABG.MC	Abengoa SA	CST OEM, PD, DB	340	0.84	0.80	0.84	0.72	▼ (5.9%)	■ ■ ■ ■	n.m.	n.m.
ENOR.MC	Elecnor SA	Wind PD, DB; Solar PD, DB	1,146	12.81	13.07	13.00	12.81	▲ 1.5%	■ ■ ■ ■	10.2x	16.7x
GAM.MC	Gamesa	Wind OEM	8,420	30.70	29.91	30.02	28.45	▼ (3.4%)	■ ■ ■ ■	9.9x	14.1x
GAS.MC	Gas Natural SDG SA	Wind D	25,933	25.87	25.71	25.62	25.21	▼ (1.0%)	■ ■ ■ ■	7.9x	12.3x
VWS.CO	Vestas Wind Systems A/S	Wind PD	23,039	108.06	103.18	107.76	100.76	▼ (5.3%)	■ ■ ■ ■	10.4x	12.1x
SIEGn.DE	Siemens AG	Wind OEM, DB	129,056	153.82	151.83	153.80	149.16	▼ (1.9%)	■ ■ ■ ■	11.3x	15.9x
S92G.DE	SMA Solar Technology AG	Solar Inverter OEM	1,379	41.25	39.74	41.00	39.13	▼ (4.9%)	■ ■ ■ ■	4.2x	7.9x
ALSO.PA	Alstom SA	Wind OEM, DB	7,632	33.74	34.55	33.93	33.67	▲ 2.0%	■ ■ ■ ■	6.1x	15.9x
AREVA.PA	Areva SA	CST OEM, PD, DB	3,300	9.08	8.54	8.82	8.46	▼ (6.0%)	■ ■ ■ ■	11.4x	n.m.
ENGIE.PA	Engie SA	Wind O, OP	46,554	19.23	18.97	19.36	17.99	▼ (1.9%)	■ ■ ■ ■	3.3x	11.3x
MALA.KL	Malakoff Corporation Bhd	Wind I	2,496	0.53	0.50	0.52	0.50	▼ (5.6%)	■ ■ ■ ■	8.6x	16.7x
005930.KS	Samsung Electronics Co Ltd	Battery OEM	286,706	1958.54	1824.90	1932.43	1757.38	▼ (9.7%)	■ ■ ■ ■	3.8x	6.7x
051910.KS	LG Chem Ltd	Battery OEM	17,830	277.76	269.05	274.79	266.15	▼ (2.7%)	■ ■ ■ ■	4.9x	8.2x
JLG.L	John Laing Group PLC	Wind I	1,594	4.50	4.34	4.35	4.20	▼ (2.0%)	■ ■ ■ ■	5.9x	5.9x
ENPH.O	Enphase Energy Inc	Solar Inverter OEM	70	1.56	1.50	1.43	1.35	▼ (2.2%)	■ ■ ■ ■	n.m.	n.m.
CSIQ.O	Canadian Solar Inc	Solar Panel OEM, R, C, PD	1,131	19.04	19.70	19.47	18.74	▲ 4.0%	■ ■ ■ ■	13.1x	13.1x
FSLR.O	First Solar Inc	Solar Panel OEM, DB	5,308	49.70	51.86	51.25	49.54	▲ 4.5%	■ ■ ■ ■	2.5x	3.3x
HQCL.O	Hanwha Q Cells Co Ltd	Solar Panel OEM	1,244	15.55	14.95	15.13	14.63	▼ (4.1%)	■ ■ ■ ■	7.2x	11.3x
SPWR.O	SunPower Corp	Solar Panel OEM, R, C, DB	1,501	11.12	10.87	11.00	10.54	▼ (1.5%)	■ ■ ■ ■	n.m.	n.m.
TSLA.O	Tesla Motors Inc	Battery OEM	38,675	264.72	258.19	265.11	257.92	▼ (0.5%)	■ ■ ■ ■	n.m.	n.m.
DQ.N	Daqo New Energy Corp	Solar Panel OEM	310	30.55	29.73	29.74	28.87	▼ (2.0%)	■ ■ ■ ■	4.8x	7.5x
GE.N	General Electric Co	Wind OEM, DB, I	340,153	38.30	37.96	38.12	37.87	▼ (1.1%)	■ ■ ■ ■	23.2x	39.6x
JKS.N	JinkoSolar Holding Co Ltd	Solar Panel OEM	676	21.33	21.55	21.48	21.15	▲ 1.4%	■ ■ ■ ■	8.8x	8.8x
SOL.N	ReneSola Ltd	Solar Panel OEM	134	1.34	1.31	1.34	1.26	▼ (3.4%)	■ ■ ■ ■	5.7x	15.7x
TSL.N	Trina Solar Ltd	Solar Panel OEM	1,262	13.58	13.65	13.76	13.57	▲ 0.0%	■ ■ ■ ■	12.2x	12.2x
YGE.N	Yingli Green Energy Ltd	Solar Panel OEM	91	5.14	5.02	5.13	4.99	▼ (1.8%)	■ ■ ■ ■	184.6x	n.m.
MEL.NZ	Meridian Energy Ltd	Wind PD, O, OP	6,565	2.40	2.56	2.54	2.40	▲ 4.5%	■ ■ ■ ■	12.9x	20.5x
TPW.NZ	TrustPower Ltd	Wind PD, O, OP	2,167	7.04	6.86	7.02	6.86	▼ (3.2%)	■ ■ ■ ■	11.2x	17.4x
1088.HK	China Shenhua Energy Co Ltd	Wind I	58,972	2.71	2.64	2.69	2.61	▼ (2.9%)	■ ■ ■ ■	8.3x	11.0x
1165.HK	Shunfeng International Ltd	Solar Panel OEM	665	0.16	0.15	0.16	0.15	▼ (5.7%)	■ ■ ■ ■	8.5x	19.1x
1211.HK	BYD Co Ltd	Battery OEM	28,090	8.76	8.53	8.76	8.50	▼ (2.5%)	■ ■ ■ ■	15.0x	29.3x
0002.HK	CLP Holdings Ltd	Wind PD, O, OP	33,139	13.37	13.12	13.36	12.97	▼ (1.8%)	■ ■ ■ ■	12.3x	18.2x
0579.HK	Beijing Jingneng Clean Energy	Wind O, OP	2,793	0.41	0.41	0.41	0.40	▼ (1.3%)	■ ■ ■ ■	6.6x	10.1x
RATCH.BK	Ratchaburi Electricity PCL	Wind PD, I; Solar PD, I	2,683	1.88	1.85	1.86	1.80	▼ (3.2%)	■ ■ ■ ■	14.3x	17.7x
ABBN.S	ABB Ltd	Solar Inverter OEM, DB	65,413	29.86	29.41	29.80	29.20	▼ (2.4%)	■ ■ ■ ■	10.6x	13.8x
002202.SZ	Xinjiang Goldwind S&T Co Ltd	Wind OEM, DB, OP, I	7,954	3.09	3.11	3.13	3.07	▲ 1.3%	■ ■ ■ ■	15.1x	15.1x
300118.SZ	Risen Energy Co Ltd	Solar Panel OEM	2,187	3.24	3.24	3.29	3.20	▲ 0.6%	■ ■ ■ ■	16.5x	16.5x
601016.SS	CECEP Wind-Power Corp	Wind I	3,909	1.85	1.88	1.87	1.84	▲ 2.6%	■ ■ ■ ■	51.9x	51.9x
6758.T	Sony Corp	Battery OEM	54,772	43.62	43.37	43.52	42.76	▲ 0.9%	■ ■ ■ ■	6.5x	17.0x
8002.T	Marubeni Corp	Wind I	11,720	6.82	6.74	6.90	6.64	▼ (1.1%)	■ ■ ■ ■	16.7x	43.5x
8015.T	Toyota Tsusho Corp	Wind I	10,663	30.75	30.12	30.66	29.81	▼ (2.1%)	■ ■ ■ ■	7.9x	14.4x
8031.T	Mitsui & Co Ltd	Wind PD, O, OP	31,969	17.99	17.80	17.99	17.53	▼ (1.1%)	■ ■ ■ ■	13.3x	30.7x

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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