



## M&A Rumour and Activity

The Australian market finished the week 0.06% lower with the S&P / ASX 100 ending at 4485 points, with the local sharemarket buoyed by bank and resource stocks as healthcare and gambling stocks fell. The Australian dollar decreased 0.12% for the week to end at US76.02 cents, initially increasing above US77 cents earlier in the week following a surge in oil prices, before dropping sharply following the release of poor jobs figures (unemployment rate was steady at 5.6%, but the number of full-time employees fell while part-time jobs increased).

*The Australian* reported that China Ming Yang Wind Power Group Ltd (MY.N), a wind turbine manufacturer based in China, is among the bidders for Origin Energy Limited (ORG.AX)'s **Stockyard Hill Wind Farm**. The paper also reported that Macquarie Infrastructure and Real Assets must find a turbine partner to further its proposal, while China's Goldwind must look for a development partner.

*The Australian Financial Review* reported that **Alinta Energy** is expected to be valued at 10x to 12x forecast earnings as it moves ahead with its IPO. Alinta Energy's forecast EBITDA is \$400 million for FY17, which therefore value the Australian-based energy group at an enterprise value of \$4.0 billion to \$4.8 billion.

The New South Wales government has agreed to sell the 50.4% stake in **Ausgrid** to local super funds AustralianSuper and IFM Investors in a deal worth \$16.2 billion to the state government, which values the NSW power grid owner at about \$20.7 billion in full (or about 1.4x Ausgrid's regulated asset base).

It was reported in *The Australian* that following the sale of Ausgrid, the NSW government is now expected to proceed to sell down about 50% stake in **Endeavor Energy**, which will likely reap proceeds of at least \$3 billion. Endeavor Energy owns, maintains and operates the electrical distribution network for western Sydney and the Illawarra region of NSW.

TrustPower Limited (TPW.NZ) is resuming the demerger of its renewable energy business, **Tilt Renewables**, which is expected to have an enterprise value of NZ\$1.45 billion (\$1.35 billion). TrustPower announced that a final court orders approving the demerger was obtained on 19 October 2016, and the new Tilt Renewables shares are expected to be trading on the ASX on 2 November 2016.

### Global news

**Pattern Energy Group Inc (NASDAQ:PEGI)** said on 18 October 2016 that it has completed the acquisition of a 90MW interest in the 179MW Arnow wind power facility in Canada from Pattern Energy Group LP for approximately US\$133 million (\$174 million). The acquisition represents a 9.5x to 10.5x multiple on the 5-year average annual cash available for distribution contribution from the project.

## News Headlines and Key Sector Developments

The chief executive officer of Clean Energy Finance Corporation (**CEFC**), Mr Oliver Yates, has decided to step down. CEFC has begun the process of looking for a new CEO.

*RenewEconomy* reported that an application for development approval has been submitted by Reach Solar for a 300MW solar PV power plant, the Bungala Solar Project, to be built 7km northeast of Port Augusta, South Australia.

**Carnegie Wave Energy (CWE.AX)** said on 21 October 2016 that it has secured a \$3.7 million debt financing to support its solar, battery and wave integrated microgrid project. The debt financing follows the recently announced \$2.5 million funding support to be provided by the Australian Renewable Energy Agency (ARENA).

Ticker	News/Event	Ticker	News/Event
SUZL.BO	Suzlon announced that it has partnered with Unisun Energy to develop a 15MW solar project in India	TPW.NZ	TrustPower Limited formally notified bondholders that it intends to redeem its bonds due 28 October 2016 and issue new bonds

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	12,958	19.20	19.15	19.21	18.86	▼ (0.4%)	■ ■ ■ ■	9.5x	13.4x
APA.AX	APA Group	Wind O, OP	9,015	8.05	8.09	8.05	7.78	▼ (0.2%)	■ ■ ■ ■	14.2x	23.4x
CSR.AX	CSR Ltd	Solar R, C	1,856	3.74	3.68	3.70	3.64	▼ (1.1%)	■ ■ ■ ■	5.6x	7.3x
IFN.AX	Infigen Energy Ltd	Wind PD, O, OP; Solar PD	712	0.77	0.91	0.90	0.75	▲ 19.0%	■ ■ ■ ■	10.9x	19.1x
ORG.AX	Origin Energy Ltd	Wind O, OP; Solar R, C	9,838	5.53	5.61	5.63	5.50	▲ 1.3%	■ ■ ■ ■	13.2x	22.7x
RFX.AX	RedFlow Ltd	Battery OEM	178	0.45	0.45	0.46	0.43	▲ 3.4%	■ ■ ■ ■	n.m.	n.m.
BOSH.BO	Bosch Ltd	Battery OEM	13,971	445.58	443.63	438.38	427.62	▼ (1.3%)	■ ■ ■ ■	36.9x	46.8x
SUZL.BO	Suzlon Energy Ltd	Wind OEM, DB	1,462	0.29	0.29	0.29	0.28	▲ 1.1%	■ ■ ■ ■	14.3x	20.4x
ABG.MC	Abengoa SA	CST OEM, PD, DB	332	0.80	0.76	0.80	0.70	▼ (4.4%)	■ ■ ■ ■	n.m.	n.m.
ENOR.MC	Elecnor SA	Wind PD, DB; Solar PD, DB	1,138	12.92	13.03	12.92	12.72	▼ (0.3%)	■ ■ ■ ■	10.2x	16.7x
GAM.MC	Gamesa	Wind OEM	8,571	29.98	30.56	30.27	29.71	▲ 2.2%	■ ■ ■ ■	10.2x	14.6x
GAS.MC	Gas Natural SDG SA	Wind D	25,900	25.69	25.77	25.67	25.20	▲ 0.2%	■ ■ ■ ■	7.9x	12.4x
VWS.CO	Vestas Wind Systems A/S	Wind PD	23,336	102.76	104.92	104.05	102.39	▲ 1.7%	■ ■ ■ ■	10.7x	12.5x
SIEGn.DE	Siemens AG	Wind OEM, DB	130,070	151.07	152.38	151.52	149.21	▲ 0.4%	■ ■ ■ ■	11.4x	16.0x
S92G.DE	SMA Solar Technology AG	Solar Inverter OEM	1,380	39.73	39.62	40.12	39.13	▼ (0.3%)	■ ■ ■ ■	4.3x	8.0x
ALSO.PA	Alstom SA	Wind OEM, DB	7,498	34.48	34.22	34.29	33.93	▼ (1.0%)	■ ■ ■ ■	6.1x	15.9x
AREVA.PA	Areva SA	CST OEM, PD, DB	2,766	8.51	7.19	8.46	6.89	▼ (15.9%)	■ ■ ■ ■	11.0x	n.m.
ENGIE.PA	Engie SA	Wind O, OP	46,347	18.86	19.03	19.01	18.76	▲ 0.3%	■ ■ ■ ■	3.4x	11.4x
MALA.KL	Malakoff Corporation Bhd	Wind I	2,533	0.50	0.51	0.51	0.49	▲ 1.1%	■ ■ ■ ■	8.6x	16.7x
005930.KS	Samsung Electronics Co Ltd	Battery OEM	289,978	1807.46	1841.28	1867.44	1776.28	▲ 0.9%	■ ■ ■ ■	3.9x	6.8x
051910.KS	LG Chem Ltd	Battery OEM	19,237	270.25	290.27	289.11	268.52	▲ 7.9%	■ ■ ■ ■	5.3x	8.8x
JLG.L	John Laing Group PLC	Wind I	1,625	4.43	4.43	4.41	4.27	▲ 2.0%	■ ■ ■ ■	5.9x	6.0x
ENPH.O	Enphase Energy Inc	Solar Inverter OEM	71	1.52	1.53	1.51	1.44	▲ 1.9%	■ ■ ■ ■	n.m.	n.m.
CSIQ.O	Canadian Solar Inc	Solar Panel OEM, R, C, PD	1,190	19.67	20.72	20.44	19.10	▲ 5.2%	■ ■ ■ ■	13.3x	13.3x
FSLR.O	First Solar Inc	Solar Panel OEM, DB	5,689	51.80	55.58	54.37	50.65	▲ 7.2%	■ ■ ■ ■	2.8x	3.7x
HQCL.O	Hanwha Q Cells Co Ltd	Solar Panel OEM	1,314	14.99	15.80	15.68	14.53	▲ 5.7%	■ ■ ■ ■	7.5x	11.7x
SPWR.O	SunPower Corp	Solar Panel OEM, R, C, DB	1,634	10.74	11.83	11.79	10.74	▲ 8.8%	■ ■ ■ ■	n.m.	n.m.
TSLA.O	Tesla Motors Inc	Battery OEM	39,426	258.43	263.21	259.68	251.80	▲ 1.9%	■ ■ ■ ■	n.m.	n.m.
DQ.N	Daqo New Energy Corp	Solar Panel OEM	321	29.60	30.78	30.72	29.51	▲ 3.5%	■ ■ ■ ■	4.9x	7.6x
GE.N	General Electric Co	Wind OEM, DB, I	341,615	37.90	38.12	37.99	37.27	▲ 0.4%	■ ■ ■ ■	23.2x	39.7x
JKS.N	JinkoSolar Holding Co Ltd	Solar Panel OEM	702	21.44	22.39	22.20	21.23	▲ 3.9%	■ ■ ■ ■	8.9x	8.9x
SOL.N	ReneSola Ltd	Solar Panel OEM	132	1.30	1.29	1.30	1.24	▼ (1.5%)	■ ■ ■ ■	5.7x	15.6x
TSL.N	Trina Solar Ltd	Solar Panel OEM	1,266	13.59	13.69	13.67	13.47	▲ 0.3%	■ ■ ■ ■	12.2x	12.2x
YGE.N	Yingli Green Energy Ltd	Solar Panel OEM	95	4.98	5.21	5.21	4.93	▲ 3.8%	■ ■ ■ ■	185.0x	n.m.
MEL.NZ	Meridian Energy Ltd	Wind PD, O, OP	6,204	2.56	2.41	2.50	2.40	▼ (5.7%)	■ ■ ■ ■	12.2x	19.4x
TPW.NZ	TrustPower Ltd	Wind PD, O, OP	2,165	6.82	6.83	6.83	6.65	▼ (0.4%)	■ ■ ■ ■	11.1x	17.3x
1088.HK	China Shenhua Energy Co Ltd	Wind I	60,966	2.61	2.72	2.72	2.61	▲ 3.3%	■ ■ ■ ■	8.5x	11.2x
1165.HK	Shunfeng International Ltd	Solar Panel OEM	635	0.15	0.15	0.15	0.14	▼ (4.6%)	■ ■ ■ ■	8.4x	18.9x
1211.HK	BYD Co Ltd	Battery OEM	27,960	8.52	8.69	8.64	8.38	▲ 1.9%	■ ■ ■ ■	15.0x	29.3x
0002.HK	CLP Holdings Ltd	Wind PD, O, OP	33,403	13.13	13.22	13.15	12.91	▲ 0.8%	■ ■ ■ ■	12.4x	18.3x
0579.HK	Beijing Jingneng Clean Energy	Wind O, OP	2,811	0.41	0.41	0.41	0.40	▲ 0.7%	■ ■ ■ ■	6.6x	10.1x
RATCH.BK	Ratchaburi Electricity PCL	Wind PD, I; Solar PD, I	2,698	1.86	1.85	1.86	1.85	▲ 0.2%	■ ■ ■ ■	14.3x	17.6x
ABBN.S	ABB Ltd	Solar Inverter OEM, DB	65,120	29.32	29.37	29.26	28.84	▼ (0.1%)	■ ■ ■ ■	10.5x	13.7x
002202.SZ	Xinjiang Goldwind S&T Co Ltd	Wind OEM, DB, OP, I	7,994	3.10	3.11	3.11	3.09	▲ 0.1%	■ ■ ■ ■	15.1x	15.1x
300118.SZ	Risen Energy Co Ltd	Solar Panel OEM	2,191	3.19	3.24	3.18	3.11	▼ (0.1%)	■ ■ ■ ■	16.5x	16.5x
601016.SS	CECEP Wind-Power Corp	Wind I	4,251	1.88	2.04	2.09	1.83	▲ 8.5%	■ ■ ■ ■	55.2x	55.2x
6758.T	Sony Corp	Battery OEM	53,163	43.41	42.09	42.99	41.90	▼ (3.0%)	■ ■ ■ ■	6.3x	16.4x
8002.T	Marubeni Corp	Wind I	12,072	6.77	6.95	6.94	6.71	▲ 3.0%	■ ■ ■ ■	16.9x	43.8x
8015.T	Toyota Tsusho Corp	Wind I	10,831	30.25	30.59	30.54	29.61	▲ 1.6%	■ ■ ■ ■	8.0x	14.5x
8031.T	Mitsui & Co Ltd	Wind PD, O, OP	32,932	17.91	18.33	18.31	17.71	▲ 3.0%	■ ■ ■ ■	13.5x	31.1x

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

Source: Thomson Reuters, LCC research



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