



M&A Rumour and Activity

The Australian market finished the week 2.66% lower with the S&P / ASX 100 ending at 4366 points, following several disappointing earnings updates and a sell-off in high-yield defensive stocks. The Australian dollar decreased 0.09% for the week to end at US75.95 cents. The local currency initially strengthened earlier in the week following higher than expected inflation data (headline consumer price index for the third quarter was 1.3% year-on-year), before retreating lower towards the end of the week.

Carnegie Wave Energy Limited (CWE.AX) announced on 26 October 2016 that it will invest \$13 million through cash and shares to take the remaining 65% stake in Energy Made Clean (“EMC”), adding to the 35% stake it already owns. EMC is an Australian-based solar, battery storage and micro-grid company.

It was reported by *The Australian* that Cheung Kong Infrastructure, one of the two bidders originally short-listed to acquire the 50.4% stake in Ausgrid before its bid was blocked by the Federal Government, is gearing up to bid for a 50.4% stake in Endeavor Energy.

Global news

Southern Power (NYSE:SO) acquired a 90.1% interest in the 257MW Wake Wind Energy Center in Texas, US from Invenergy Wind LLC for US\$469 million (\$614 million) on 28 October 2016.

WEG S.A. (WEGE3.BVMF), an engineering company based in Brazil, said on 26 October 2016 that it has agreed to acquire the utility-scale wind turbine business of Northern Power System Corp (TSX:NPS) for an undisclosed value.

Suzlon (SUZL.NS) announced on 26 October 2016 that it has formed a joint venture with Ostro Energy for the development and construction of a 50MW solar project in India.

The Board of Directors of **Gamesa Corporación Tecnológica (GAM.MC)** had on 25 October 2016 approved the common terms of the statutory merger pursuant to which the business of Gamesa and the wind power business of Siemens will be combined by the way of absorption of Siemens Wind HoldCo into Gamesa.

News Headlines and Key Sector Developments

The Australian Financial Review reported on 28 October 2016 that shares of the dual-listed **Tilt Renewables Limited (TRE.AX)** had a muted debut on the ASX (the first day of normal trading for Tilt Renewables is 3 November 2016). Tilt Renewables is the second Australian-based pure renewable energy player in Australia after **Infigen Energy (IFN.AX)**, following its demerger from TrustPower Limited (TPW.NZ).

Palisade Investment Partners has officially launched the Palisade’s Renewable Energy Fund (**PREF**) and is open to commitments. PREF, which has a target size of \$500 million, has a mandate to invest in Australian-based renewable energy assets and seeks to fund the acquisition and development of over 500MW of renewable energy projects. The fund is seeded with two brownfield wind farm assets with total equity value of \$72 million, which will provide forecast 5-year cash yield in excess of 9% and initial equity IRR in excess of 10.75%.

Ticker	News/Event	Ticker	News/Event
FSLR.OQ	First Solar released its 2Q16 results, recording net sales of \$934m for the quarter (increasing 4% y-o-y)	TRE.AX	Tilt Renewables has appointed Mr Steve Symons as CFO and Company Secretary
TPW.NZ	TrustPower Limited will be issuing a series of fixed rate bonds of up to \$165m (maturing December 2022) to raise money for the general corporate purposes (including the repayment of bank debt)		

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	12,658	19.12	18.76	19.17	18.70	▼ (2.0%)	█	9.4x	13.2x
APA.AX	APA Group	Wind O, OP	8,792	8.05	7.89	7.98	7.86	▼ (2.5%)	█	14.0x	23.1x
CSR.AX	CSR Ltd	Solar R, C	1,846	3.67	3.66	3.67	3.61	▼ (0.5%)	█	5.5x	7.3x
IFN.AX	Infigen Energy Ltd	Wind PD, O, OP; Solar PD	764	0.92	0.98	0.97	0.90	▲ 7.7%	█	11.3x	19.9x
ORG.AX	Origin Energy Ltd	Wind O, OP; Solar R, C	9,440	5.65	5.38	5.52	5.25	▼ (4.1%)	█	13.0x	22.2x
RFX.AX	RedFlow Ltd	Battery OEM	168	0.46	0.43	0.45	0.43	▼ (5.6%)	█	n.m.	n.m.
TRE.AX	Tilt Renewables Ltd	Wind PD, O, OP; Solar PD	-	-	-	0.00	0.00	▲ -	█	0.0x	0.0x
BOSH.BO	Bosch Ltd	Battery OEM	13,554	444.69	434.31	442.70	430.09	▼ (2.1%)	█	35.7x	45.2x
SUZL.BO	Suzlon Energy Ltd	Battery OEM, DB	1,501	0.29	0.30	0.29	0.29	▲ 2.7%	█	14.4x	20.6x
ABG.MC	Abengoa SA	CST OEM, PD, DB	328	0.77	0.78	0.78	0.71	▲ 2.2%	█	n.m.	n.m.
ENOR.MC	Elecnor SA	Wind PD, DB; Solar PD, DB	1,124	13.01	13.03	13.03	12.82	▲ 0.0%	█	10.2x	16.6x
GAM.MC	Gamesa	Wind OEM	8,436	30.66	30.45	30.49	29.93	▼ (0.4%)	█	10.0x	14.2x
GAS.MC	Gas Natural SDG SA	Wind D	25,829	25.92	26.02	25.74	25.25	▲ 1.0%	█	7.9x	12.3x
VWS.CO	Vestas Wind Systems A/S	Wind PD	23,099	105.27	105.09	105.18	102.76	▲ 0.2%	█	10.5x	12.2x
SIEGn.DE	Siemens AG	Wind OEM, DB	126,249	152.57	149.74	152.50	147.86	▼ (1.7%)	█	11.1x	15.5x
S92G.DE	SMA Solar Technology AG	Solar Inverter OEM	1,143	39.22	33.22	32.89	31.92	▼ (16.2%)	█	3.2x	6.0x
ALSO.PA	Alstom SA	Wind OEM, DB	7,688	34.30	35.08	34.30	33.44	▲ 2.5%	█	6.2x	16.1x
AREVA.PA	Areva SA	CST OEM, PD, DB	2,755	7.15	7.19	7.24	6.94	▲ 0.0%	█	10.9x	n.m.
ENGIE.PA	Engie SA	Wind O, OP	46,908	19.07	19.26	18.88	18.72	▲ 1.2%	█	3.4x	11.4x
MALA.KL	Malakoff Corporation Bhd	Wind I	2,487	0.50	0.50	0.49	0.49	▼ (2.1%)	█	8.6x	16.6x
005930.KS	Samsung Electronics Co Ltd	Battery OEM	291,618	1845.22	1853.85	1844.09	1788.72	▲ 0.7%	█	3.9x	6.9x
051910.KS	LG Chem Ltd	Battery OEM	18,383	291.90	277.39	290.16	275.20	▼ (4.4%)	█	5.1x	8.5x
JLG.L	John Laing Group PLC	Wind I	1,589	4.40	4.33	4.39	4.25	▼ (2.2%)	█	5.8x	5.9x
ENPH.O	Enphase Energy Inc	Solar Inverter OEM	66	1.60	1.41	1.49	1.34	▼ (7.7%)	█	n.m.	n.m.
CSIQ.O	Canadian Solar Inc	Solar Panel OEM, R, C, PD	1,116	20.92	19.43	20.17	19.35	▼ (6.2%)	█	13.0x	13.0x
FSLR.O	First Solar Inc	Solar Panel OEM, DB	5,479	55.76	53.52	53.76	52.78	▼ (3.7%)	█	2.6x	3.5x
HQCL.O	Hanwha Q Cells Co Ltd	Solar Panel OEM	1,272	16.02	15.29	15.31	15.07	▼ (3.2%)	█	7.3x	11.4x
SPWR.O	SunPower Corp	Solar Panel OEM, R, C, DB	1,359	11.80	9.84	11.25	9.84	▼ (16.8%)	█	n.m.	n.m.
TSLA.O	Tesla Motors Inc	Battery OEM	39,439	264.16	263.29	265.75	261.60	▲ 0.0%	█	287.4x	n.m.
DQ.N	Daqo New Energy Corp	Solar Panel OEM	320	30.62	30.64	30.60	30.19	▼ (0.5%)	█	4.8x	7.6x
GE.N	General Electric Co	Wind OEM, DB, I	344,764	38.18	38.47	38.10	37.34	▲ 0.9%	█	23.7x	35.2x
JKS.N	JinkoSolar Holding Co Ltd	Solar Panel OEM	654	22.38	20.78	22.05	20.41	▼ (7.2%)	█	8.8x	8.8x
SOL.N	ReneSola Ltd	Solar Panel OEM	127	1.31	1.24	1.29	1.22	▼ (3.9%)	█	5.7x	15.6x
TSL.N	Trina Solar Ltd	Solar Panel OEM	1,258	13.68	13.60	13.67	13.49	▼ (0.7%)	█	12.2x	12.2x
YGE.N	Yingli Green Energy Ltd	Solar Panel OEM	91	5.22	5.02	5.20	5.02	▼ (3.7%)	█	184.7x	n.m.
MEL.NZ	Meridian Energy Ltd	Wind PD, O, OP	6,247	2.42	2.45	2.41	2.38	▲ 1.6%	█	12.3x	19.6x
TPW.NZ	TrustPower Ltd	Wind PD, O, OP	1,452	NULL	4.64	4.64	4.64	▲ -	█	n.m.	n.m.
1088.HK	China Shenhua Energy Co Ltd	Wind I	63,366	2.77	2.76	2.80	2.70	▲ 1.3%	█	8.8x	11.7x
1165.HK	Shunfeng International Ltd	Solar Panel OEM	513	0.15	0.12	0.13	0.12	▼ (19.2%)	█	8.1x	18.2x
1211.HK	BYD Co Ltd	Battery OEM	27,807	8.81	8.73	8.92	8.67	▲ 0.4%	█	14.9x	29.2x
0002.HK	CLP Holdings Ltd	Wind PD, O, OP	33,418	13.37	13.23	13.27	13.15	▲ 0.0%	█	12.3x	18.3x
0579.HK	Beijing Jingneng Clean Energy	Wind O, OP	2,776	0.41	0.40	0.41	0.40	▼ (1.2%)	█	6.6x	10.1x
RATCH.BK	Ratchaburi Electricity PCL	Wind PD, I; Solar PD, I	2,717	1.88	1.88	1.88	1.85	▲ 1.4%	█	14.3x	17.7x
ABBN.S	ABB Ltd	Solar Inverter OEM, DB	60,358	29.50	27.25	29.21	26.97	▼ (7.2%)	█	9.9x	12.9x
002202.SZ	Xinjiang Goldwind S&T Co Ltd	Wind OEM, DB, OP, I	7,897	3.10	3.11	3.11	3.08	▼ (0.0%)	█	15.1x	15.1x
300118.SZ	Risen Energy Co Ltd	Solar Panel OEM	2,156	3.24	3.20	3.22	3.18	▼ (1.2%)	█	16.4x	16.4x
601016.SS	CECEP Wind-Power Corp	Wind I	4,046	2.03	1.95	2.01	1.95	▼ (4.4%)	█	53.4x	53.4x
6758.T	Sony Corp	Battery OEM	52,426	42.08	41.50	41.73	41.10	▼ (1.4%)	█	6.3x	16.3x
8002.T	Marubeni Corp	Wind I	12,120	6.93	6.97	6.94	6.83	▲ 0.4%	█	16.9x	43.9x
8015.T	Toyota Tsusho Corp	Wind I	11,208	30.49	31.66	30.74	29.81	▲ 3.5%	█	8.1x	14.7x
8031.T	Mitsui & Co Ltd	Wind PD, O, OP	33,033	18.23	18.39	18.22	18.00	▲ 0.3%	█	13.5x	31.2x

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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