



Renewable energy M&A – Where is the value and where is the risk?

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- I. Introduction
- II. Risks
- III. Value

I. Introduction

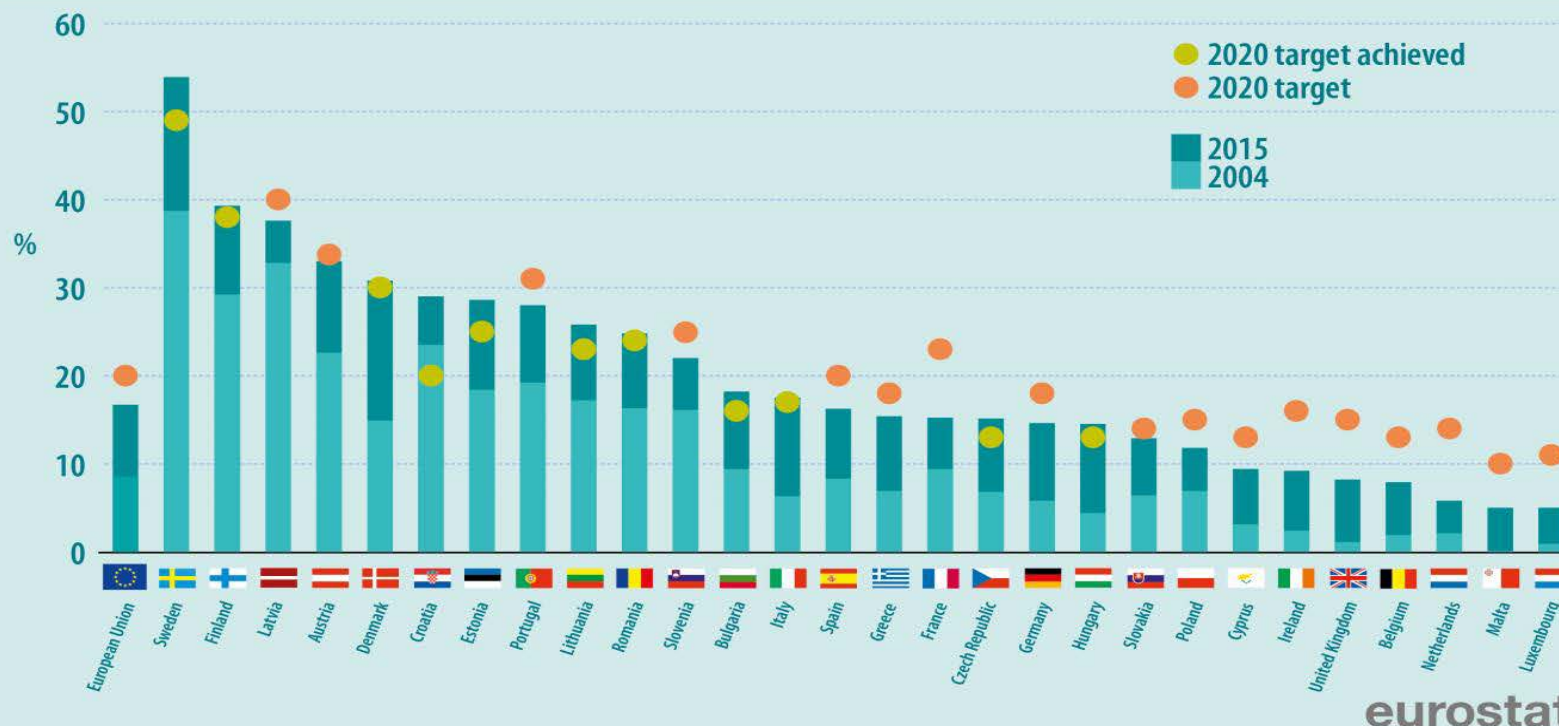
Renewable energy is hot:

- ❑ EU 2020 targets: 20% in 2020 and 27% in 2030

I. Introduction

Share of energy from renewable sources in the EU Member States

(in % of gross final energy consumption)



eurostat

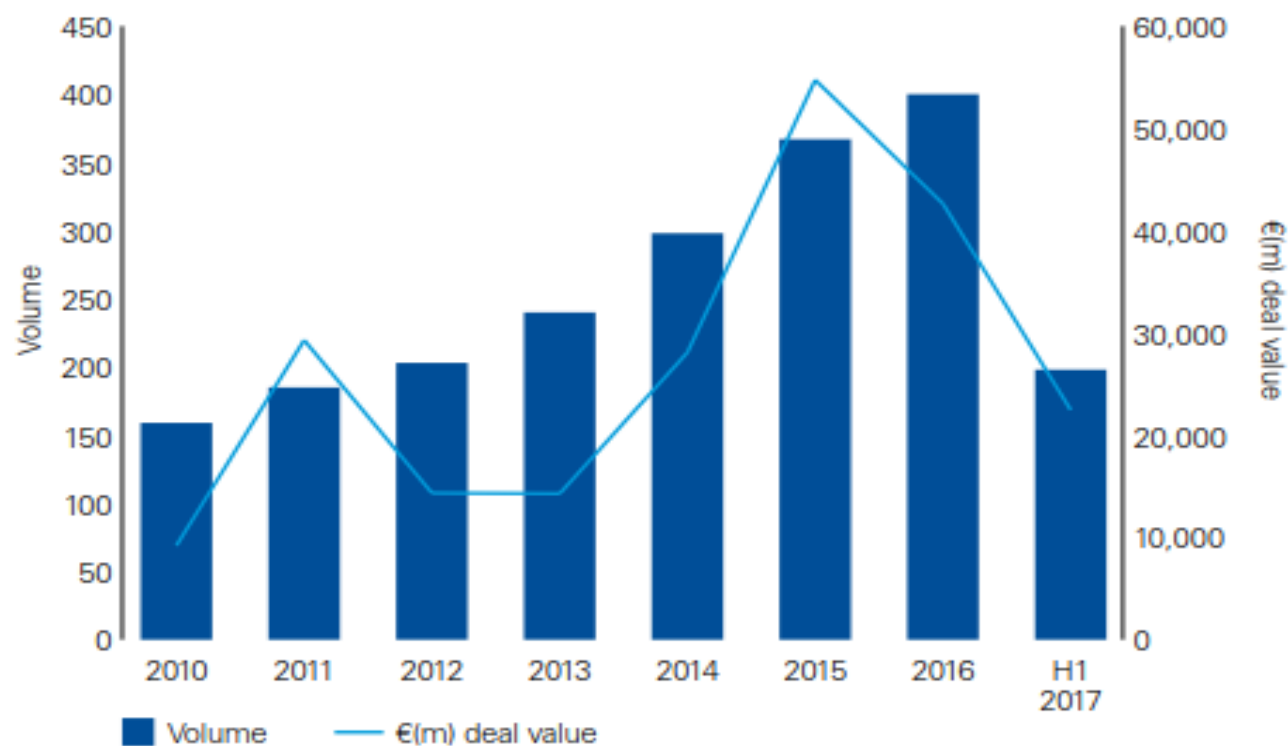
I. Introduction

Renewable energy is hot:

- ❑ EUR 60-70 billion M&A activity per year

I. Introduction

Global renewable energy M&A

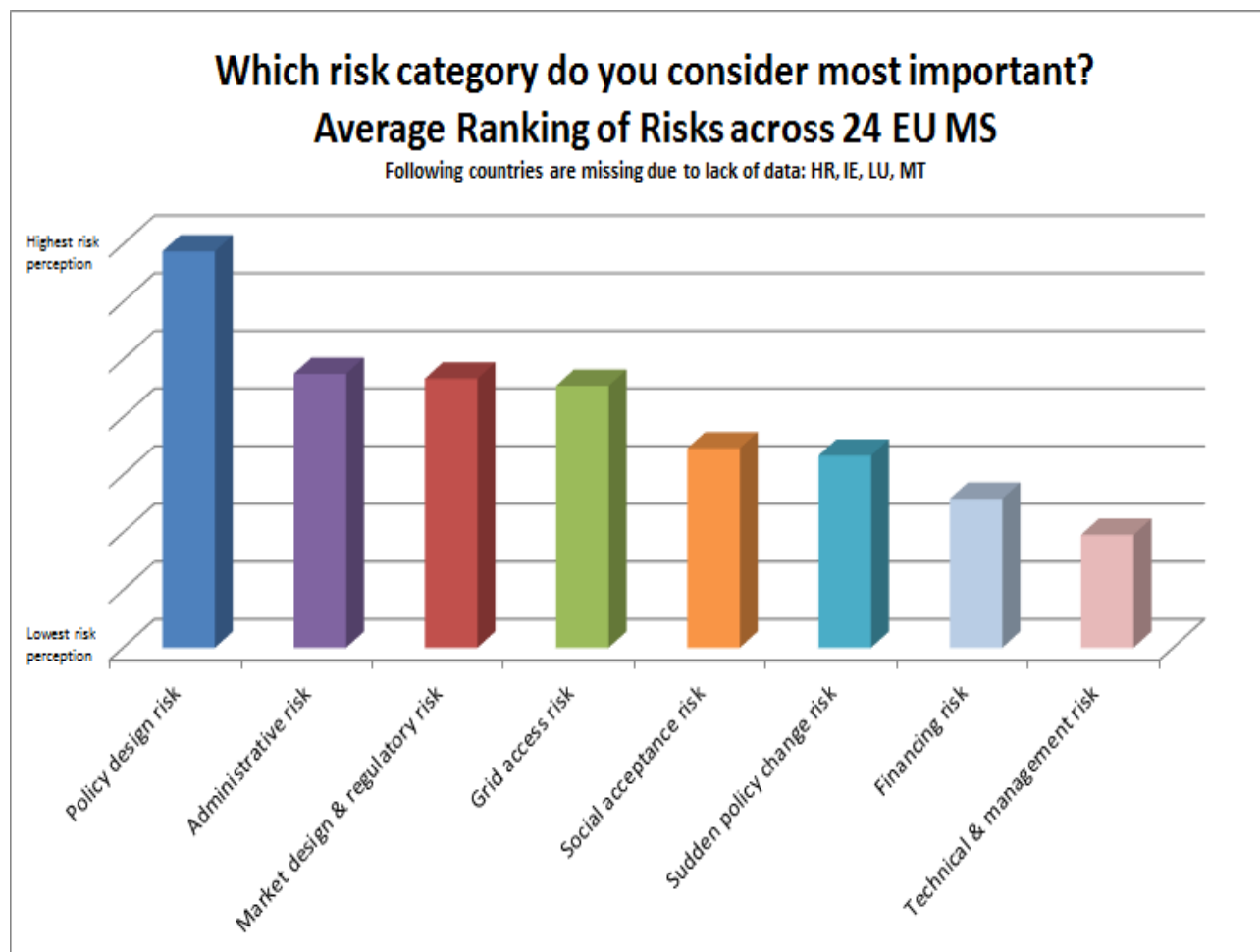


Source: Mergermarket data

II. Risks in EU

- ☐ Large upfront investments
- ☐ Administrative (permits and licenses)
- ☐ Grid access
- ☐ Technical and management
- ☐ Sudden policy change
- ☐ Market and regulatory
- ☐ Social acceptance

II. Risks in EU (onshore wind energy projects)



Source: DiaCore Febr 2016 report "The impact of risks in renewable energy investments and the role of smart policies"

II. Risks in developing countries

- ☐ Geo-Political Risk
- ☐ Legal Risk
- ☐ Currency Risk
- ☐ Physical Risk
- ☐ Counterparty Risk

II. VALUE

- ☐ Low working/operating capital
- ☐ Long term income protection (esp. when FIT or similar)
- ☐ Responsible investment
- ☐ Emerging economies
- ☐ Proven technology (e.g. offshore wind)
- ☐ M&A activity in renewables is healthy and growing
- ☐ Valuations are expected to rise (esp. offshore renewables)
- ☐ Decent return in a low interest environment offering limited returns

THANK YOU