



Press release
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Global clean energy investments hit \$70 billion despite slowdown

- Global clean energy investment falls to \$70.1 billion from previous quarter
- 16.4 GW of clean energy assets acquired in Q3.16
- Green bond issuances surge to \$22.8 billion [+120% y-o-y]

London, 11th October, 2016. Clean Energy Pipeline, the online financial news and data service dedicated to the clean energy sector, today releases its preliminary analysis of venture capital, private equity, project finance, mergers and acquisitions, public markets and green bonds activity during Q3.16.

New investment in the global clean energy sector totalled \$70.1 billion in Q3.16, a 19% decrease on the \$86.6 billion invested in Q3.15, signifying a continuation of this year's slowdown across the clean energy spectrum.

"The global slowdown of clean energy investments was further stoked by declining investor appetite in core European markets, likely as a result of post-Brexit market volatility," commented Andrew Nguyen, Clean Energy Pipeline News Editor. "Indeed, the months following the EU referendum in June this year has resulted in \$7 billion less project finance investments on the European continent."

Project finance

Clean energy project finance investments totalled \$42.6 billion in Q3.16, a 10% drop from Q2.16 and a 27% fall from the previous year.

Project finance levels notably fell in Europe [\$10.3 billion; -39%], Asia Pacific [\$18.8 billion; - 22%], and Africa & Middle East [\$1.1 billion; -39%] from the previous quarter.

However, North American [\$9.3 billion; +16%] and Latin & Central American [\$2.8 billion; +35%] project finance levels remained particularly robust.

Onshore wind investments attracted the most project financing in Q3.16 at \$22.2 billion, followed by solar PV at \$10.5 billion and biomass at \$4.5 billion. Total offshore wind project finance investments came to \$2.6 billion in the quarter.

The two largest deals in the quarter came via the 400 MW Merkur and the 294 MW Otary Rentel offshore wind financial closures.

Mergers & acquisitions

The 16.4 GW of renewable energy capacity acquired in Q3.16 marked a slight 2.5% uptick from the previous quarter's purchases.



The increase was attributable to the amount of pre-construction project acquisitions [6.4 GW] closed in the quarter, as well as more sustained interest from buyers such as institutional investors and private equity/infrastructure funds. In fact, they were the only acquirers that actually increased their purchase activity to invest \$7.1 billion in Q3.16, compared with a drop-off in activity from the likes of YieldCos, corporate investors, and IPP/utilities etc.

Despite this, third quarter clean energy M&A investments fell by 23% across the entire clean energy sector, including acquisitions of projects and companies in the supply chain, to \$22 billion from the previous quarter.

Total M&A investments in the clean energy sector fell by nearly \$8 billion when compared to the previous year's period.

Green bonds

Green bond activity in Q3.16 substantially increased by over 120% y-o-y, making it one of the few areas not to experience a decline in investment levels.

In total, green bond issuers raised approximately \$22.8 billion of proceeds across 51 issuances in the quarter. Most notably, green bond activity across Asia Pacific surged to a record-breaking \$13.7 billion, compared with the \$508 million of green bond issuances in Q3.15. This upward trend of green bond activity was also marked across North America [\$4.6 billion, +5% y-o-y] and Latin & Central America [\$613.3 million, +12% y-o-y].

Europe was the only market where green bond activity retracted, despite the low interest rate environment that has permeated financing on the continent. In fact, European issuances dropped by over 20% to \$38.8 billion in Q3.16.

Public markets

Clean energy public market activity fell sharply to \$1.7 billion in Q3.16 through 19 IPO and secondary offering transactions, a 66% drop from the \$5.3 billion of capital raised in the previous quarter.

European public market activity had the biggest decline in the total capital raised, falling 94% to \$195.33 million. However, Asia Pacific almost doubled its public market activity to \$638 million, while North American public market levels fell to \$959 million.

The two largest public market deals in Q3.16 were Sungrow Power's \$400 million secondary offering on the Shanghai Stock Exchange and YieldCo NextEra Energy Partners LP's \$353 million secondary offering on the New York Stock Exchange.

Venture capital & private equity

Venture capital and private equity investment (excluding private equity buyouts) totalled \$3.3 billion in Q3.16, a substantial 126% increase on the previous quarter.

Early stage financing levels remained relatively stable, with \$588 million of Series A to C and \$197 million of Series D+ investments.

However, development capital financing considerably increased by 391% to \$2.5 billion from Q2.15, the highest quarter since the start of 2011. Investors in China and the US were largely responsible



for the influx of clean private equity financing and were responsible for eight of the top 10 VC/PE transactions in the quarter.

Please visit <http://public.cleanenergypipeline.com/data/quarterly-statistics> to download the 40-page statistics package on which this data is based.

For further information on this press release or to receive a copy of the data on which this press release is based, please contact:

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About Clean Energy Pipeline

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