



## Wind Energy Industry M&A-Highlights and Market Insights

Data source: S&P Capital IQ, desktop research. Analysis by Proventis Partners.

- This brief study was drafted by Proventis Partners with the aim to provide a high-quality analysis of the wind energy industry with respect to company valuations as well as M&A activities. It includes analyses of respective peer group trading multiples and selected transactions. Wind energy is not a homogeneous industry; business models and profitability levels differ, and consequently so do valuations. This is reflected by our approach to divide the industry in four segments, reflecting individual stages of the wind energy value chain: 1) Wind Turbine Generator (“WTG”) Manufacturers, 2) Wind Turbine Component Suppliers, 3) Wind Park Developers 4) Wind Park Operation, Maintenance and Service Providers.
- **Valuations of publicly-listed companies** in the WTG manufacturing- and the supplier segment weakened during the first half of 2020, as the uncertainties surrounding the COVID-19 pandemic affected stock market valuations across the globe. Trading multiples of WTG manufacturers were effected stronger than other segments. However, renewable energy generation is one of the few sectors that are widely considered to emerge stronger from the crisis. Historical high valuation levels of >30x TEV/EBITDA for our European peer group of wind park developers seem to confirm this thesis.

## 1. Global Wind Turbine Generator Manufacturers Peer Group

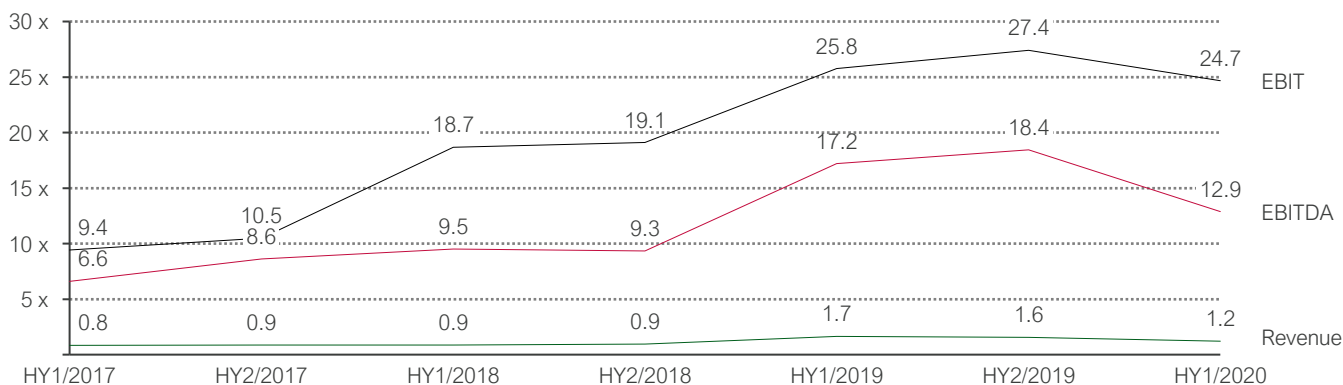
Note: TEV = Total Enterprise Value. LTM = Last Twelve Months. HY = Half-Year. Data source: S&P Capital IQ. In €m.

Global WTG Manufacturers segment includes the leading publicly listed manufacturing companies. The overall market has shown an upward trend in last 5 years due to increasing focus on renewable energy. Valuations in this segment are highly volatile in general, and COVID-19 clearly affected valuations negatively. The 5x TEV/EBITDA drop versus HY1/2019 should be handled with care, as Nordex’ valuation in HY2/2019 was an outlier. For the time being, Vestas lost the top rank to SGRE, trading at 16.3x.

Company Name	Country	Market Cap Last	TEV LTM	Total Revenue	EBITDA LTM <sup>1)</sup>	TEV/EBITDA HY1/2020	TEV/EBITDA HY2/2019	TEV/EBITDA Trend
Vestas Wind Systems A/S	Denmark	17,728	16,502	14,072	1,146	12.9x	12.4x	↑
Siemens Gamesa Renewable Energy, S.A.	Spain	10,723	10,868	9,559	341	16.3x	9.9x	↑
Xinjiang Goldwind Science & Technology	China	4,917	6,785	5,229	413	16.1x	20.9x	↓
Ming Yang Smart Energy Group	China	2,161	1,444	1,843	206	9.5x	18.4x	↓
Nordex SE	Germany	939	1,179	4,342	-19	10.6x	28.8x	↓
Suzlon Energy Limited	India	458	1,638	307	-49	NM	NM	→
<b>Median</b>						<b>12.9x</b>	<b>18.4x</b>	
<b>Average</b>						<b>13.1x</b>	<b>18.1x</b>	

## Global Wind Turbine Generator Manufacturers Peer Group Trading Multiples

Data source: S&P Capital IQ.



### Selected M&A Transactions with Wind Turbine Generator Manufacturers

Note: Selected transactions announced in last 15 years. TV = Transaction Value in €m. Data source: S&P Capital IQ. NM = Not Meaningful

Announced Date	Target	Target Country	Acquirer	Acquirer Country	Acquired Stake (in %)	Total Tv in €m	Implied EV/Rev.	Implied EV/EBITDA
29/10/2020	Vestas Wind Systems A/S	DK	Mitsubishi Heavy Industries	JP	2.5	709	2.0	23
31/07/2020	2.7-GW Onshore Wind and Solar Pipeline of Nordex SE	DE	RWE Aktiengesellschaft	DE	100	403	-	-
09/01/2020	Senvion Service Europe and Ria Blades Facility	ES	Siemens Gamesa Renewable Energy, S.A.	ES	100	200	-	-
21/12/2017	Lagerwey Wind BV	NL	ENERCON GmbH	DE	100	-	-	-
15/09/2016	ADWEN Offshore, S.L.	ES	Gamesa Energia, S.A.	ES	50	60	2.3	NM
16/08/2016	Kenersys India Pvt. Ltd.	IN	Senvion GmbH	DE	100	-	-	-
17/06/2016	Gamesa Corporación Tecnológica, S.A.	ES	Siemens Wind HoldCo, S.L.	ES	59	-	-	-
04/10/2015	Corporación Acciona Windpower S.L.	ES	Nordex SE	DE	100	768	-	-
22/01/2015	Rapid Acquisition LuxCo S.à r.l. (nka:Senvion S.A.)	LU	Centerbridge Partners, L.P.	US	100	1,085	0.4	6
09/02/2007	Senvion S.A. (Repower - Before)	LU	Suzlon Energy Limited; Martifer Construções Metalomecânicas SA	IN	30	359	2.4	NM

The list above is not exclusive but rather marks the top deals with WTG OEM participation in recent years. Prominent transactions include two-times sale of Senvion (fka Repower) – first to Suzlon in 2007, later to financial investor Centerbridge, who took the company public – before Senvion finally went bankrupt. Consolidation trends in the industry manifest in Nordex' merger with Acciona Windpower in 2015, followed by Siemens' acquisition of Gamesa in a reverse merger transaction in 2016. Just announced was Vestas' agreement with MHI to buy out the 50% offshore JV partner MHI in exchange for 2,5% in the Vestas A/S mother company.

### 2. Wind Turbine Components Suppliers Peer Group

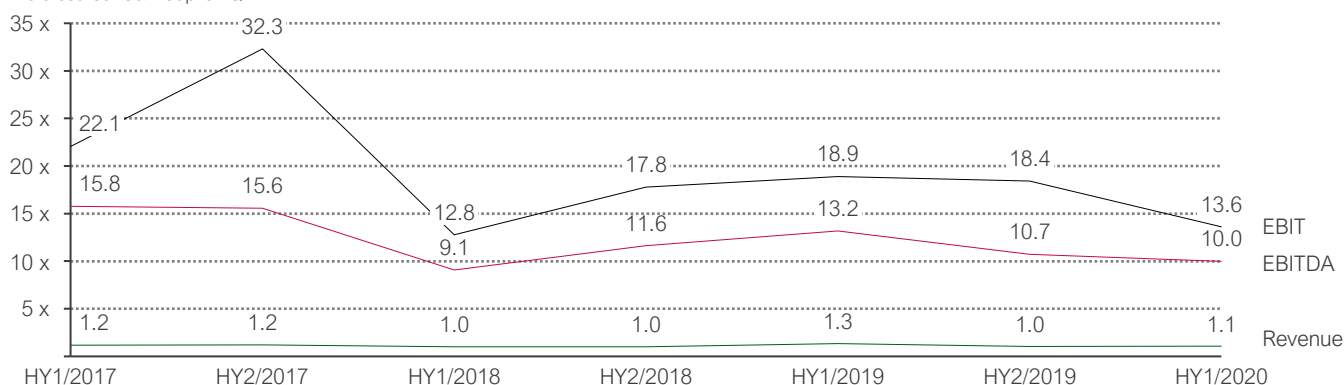
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While the supplier landscape is much broader than the few companies listed in our selection, only very few of the publicly listed suppliers can be considered as “dependent” on wind energy as key sales market for their products or even “pure players”. An EV/EBITDA multiple median of 10x for the peer group is 0.7 lower than a year ago and far away from record levels in 2017.

Company Name	Country	Market Cap	TEV LTM	Total Revenue	EBITDA LTM <sup>1)</sup>	TEV/EBITDA HY1/2020	TEV/EBITDA HY2/2019	TEV/EBITDA Trend
Titan Wind Energy (Suzhou) Co., Ltd.	China	1,325	1,834	839	190	11.1x	14.7x	↓
TPI Composites, Inc.	United States	732	981	1,365	45	10.7x	10.2x	↑
Gurit Holding AG	Switzerland	606	654	530	67	9.1x	10.7x	↓
CS Wind Corporation	South Korea	482	629	597	73	10.0x	9.4x	↑
Exel Composites Oyj	Finland	57	87	105	11	7.4x	12.9x	↓
<b>Median Average</b>						<b>10.0x</b>	<b>10.7x</b>	
						<b>9.7x</b>	<b>11.6x</b>	

### Global Wind Turbine Components Suppliers Peer Group Trading Multiples

Data source: S&P Capital IQ.



## Selected European Wind Turbine Components Suppliers M&A Transactions

Note: Selected transactions announced in last 10 years.. TV = Transaction Value in €m. Data source: S&P Capital IQ. NM = Not Meaningful

Announced Date	Target	Target Country	Acquirer	Acquirer Country	Acquired Stake (in %)	Total Tv in €m	Implied EV/Rev.	Implied EV/EBITDA
29/10/2020	Flender GmbH	DE	The Carlyle Group Inc	US	100	2,025	0.9	-
10/07/2019	KK Group A/S	DK	A.P. Møller Holding A/S	DK	100	-	-	-
01/10/2018	JSB Group A/S	DK	Gurit Holding AG	CH	100	70	-	-
22/11/2016	EUROS Entwicklungsgesellschaft	DE	Senvion S.A.	LU	100	-	-	-
11/10/2016	LM Wind Power Holding A/S	DK	General Electric Company	US	100	1,491	-	-
18/05/2016	JSB Plast A/S and Jupiter Group A/S and Polytech A/S	DK	Verdane; Verdane Capital VIII K/S	NO	100	-	-	-
07/10/2015	Blade Dynamics Ltd	UK	GE Power & Water	US	100	-	-	-
13/05/2015	Bosch Rexroth AG, Industrial Gears and Wind Turbine Gearbox	DE	ZF Friedrichshafen AG	DE	100	-	-	-
15/11/2011	Moventas Wind Oy and Moventas Santasalo Oy	FN	Clyde Blowers Capital IM LLP; Clyde Blowers Capital Fund III	US	100	100	-	-
25/07/2011	Hansen Transmissions International NV	BE	ZF International B.V.	NL	100	664	1.4	13
29/03/2011	Converteam SAS (nka:GE Energy Power Conversion France SAS)	FR	GE Energy Management, Inc.	US	90	2,546	2.7	17

Many deals in this segment were recorded in the blade category; a.o., blade supplier Gurit acquired JSB Group for €70m in 2018, and, most prominent, GE “vertically integrated” by buying the leading blade supplier LM Wind Power for €1.5bn. ZF Group made their ambitions in the industry very clear by acquiring first Hansen transmission and then competitor Bosch Rexroth. With ongoing pressure on LCoE, concentration among suppliers can be expected. Though most deals so far are strategically driven, financial investors watch the sector for opportunities, e.g. Carlyle just acquired Flender from Siemens, A.P. Møller Holding, investment arm of the Maersk family, acquired KK Wind, and Verdane is pursuing a buy & build approach with merged Jupiter Bach and Polytech.

## 3. European Wind Park Developers Peer Group

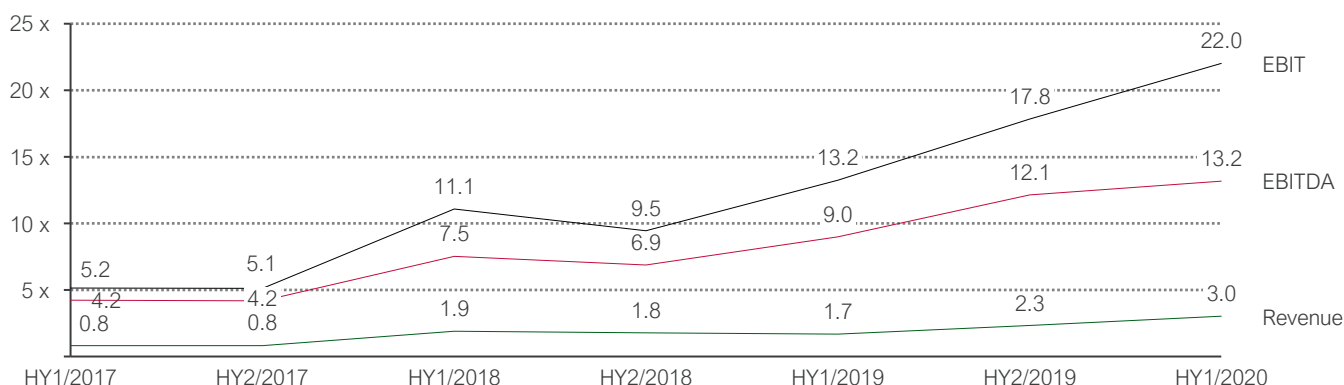
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This peer group encompasses stock-listed companies like Eolus and PNE which focus on the development and construction of wind parks. Valuation almost doubled in last 2 years. The list deliberately excludes asset owners, often renewable energy units of utilities who might also develop parks for their own usage, as company valuations of these two groups differ substantially.

Company Name	Country	Market Cap	TEV LTM	Total Revenue	EBITDA LTM <sup>1)</sup>	TEV/EBITDA HY1/2020	TEV/EBITDA HY2/2019	TEV/EBITDA Trend
PNE AG	Germany	380	500	130	18	16.5x	19.5x	↓
Energiekontor AG	Germany	323	532	92	52	13.4x	11.6x	↑
Eolus Vind AB	Sweden	299	265	188	17	13.0x	12.7x	↑
ABO Wind AG	Germany	180	242	129	25	8.9x	8.2x	↑
<b>Median</b>						<b>13.4x</b>	<b>12.1x</b>	
<b>Average</b>						<b>12.9x</b>	<b>13.0x</b>	

## European Wind Park Developers Peer Group Trading Multiples

Data source: S&P Capital IQ.



## Selected European Wind Park Developers M&A Transactions

Note: Selected transactions announced in last 10 years. TV = Transaction Value in €m. Data source: S&P Capital IQ. NM = Not Meaningful

1: Projected and / or under management , 2: Wind and Solar

Announced Date	Target	Target Country	Acquirer	Acquirer Country	Acquired Stake (in %)	Total Tv in €m	Implied EV/Rev.	Implied EV/EBITDA	Projected MW
31/07/2020	2.7-GW Onshore Wind and Solar Pipeline of Nordex SE	DE	RWE Aktiengesellschaft	DE	100	403	-	-	2,700 <sup>1</sup>
17/07/2020	NBT AS	NO	Aker ASA	NO	77	226	-	-	400
29/06/2020	OX2 AB	SE	Altor Equity Partners AB; Altor Fund V AB	SE	30	-	-	-	2,400
22/01/2020	VSB Holding GmbH	DE	Partners Group Holding AG	CH	80	-	-	-	1,100 <sup>2</sup>
20/01/2020	Windlab Limited	AU	Federation Asset Management	AU	81	43	16.7	NM	1,000
26/08/2019	PNE AG	DE	Photon Energy Operations DE GmbH (Morgan Stanley)	DE	40	565	3.4	20	-
11/04/2019	SoWiTec group GmbH	DE	Vestas Wind Systems A/S	DK	25	20	-	-	2,600 <sup>1,2</sup>
11/12/2018	juwi AG	DE	MVV Energie AG	DE	37	-	-	-	1,800
06/12/2017	EDS HV Group Limited	UK	James Fisher and Sons plc	UK	100	17	-	8	-
31/08/2016	Volkswind USA Inc.	US	wpd AG	DE	100	-	-	-	-
16/07/2015	Volkswind GmbH	DE	Axpo Holding AG	CH	100	-	-	-	145 <sup>1</sup>
19/04/2013	WKN AG (nka:WKN GmbH)	DE	PNE Wind AG (nka:PNE AG)	DE	54	93	3.9	-	-

In July 2020, Aker acquired 77% stake in NBT for €226m; Aker owns now 90% of the shares. Nordex sold its European project development unit, long time internally considered a corporate pillar to foster turbine sales, including a 2.7 GW project pipeline for €402.5m to RWE. Morgan Stanley's public-over offer for PNE failed, resulting in a 40% shareholding in PNE.

## 4. Selected Europe Wind Park Operation, Maintenance and Service (OM&S) M&A Transactions

Note: Selected 10 transactions announced in last 10 years. TV = Transaction Value in €m. Data source: S&P Capital IQ.

WTG market leader Vestas scored a surprise coup 2015/16 when it acquired two of the few major internationally active independent service providers in key markets in short sequence. For German Availon Vestas had to splash out, paying 17xEV/EBITDA. OM&S is a critical factor in wind park business cases especially in offshore wind. With increasing importance of this segment, more M&A activity can be expected, though probably more on national level.

Announced Date	Target	Target Country	Acquirer	Acquirer Country	Acquired Stake (in %)	Total Tv in €m	Implied EV/Rev.	Implied EV/EBITDA	Implied EV/EBIT
01/07/2019	Windflow UK Ltd	UK	Constantine Wind Energy Ltd	UK	100	-	-	-	-
10/10/2017	BWTS GmbH & Co. KG	DE	capiton AG; capiton V	DE	-	-	-	-	-
07/07/2017	A2SEA A/S	DK	GeoSea N.V.	BE	100	-	-	-	-
02/09/2016	GES Global Energy Service S.A.	ES	CL Grupo Industrial	ES	100	-	-	-	-
03/08/2016	Connected Wind Services Danmark A/S	DK	EnBW Energie Baden-Württemberg AG	DE	100	-	-	-	-
20/01/2016	Availon GmbH	DE	Vestas Wind Systems A/S	DK	100	88	1.5	17	-
07/12/2015	UpWind Solutions, Inc.	US	Vestas Wind Systems A/S	DK	100	55	-	-	-
09/06/2015	seebaWIND Service GmbH and Level 360 Gesellschaft und Gittermastservice mbH	DE	Deutsche Windtechnik AG	DE	100	-	-	-	-
25/07/2012	9REN España, S.L.	ES	Gamesa Corporación Tecnológica, S.A.	ES	49	-	-	-	-
08/11/2010	Bergen Group ASA	NO	Spring Capital Resources, Inc.	VG	10	7	0.3	3	5

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