



Turning the tide in scaling renewables



Sten Aan

Head of Energy
KPMG Baltics



KPMG Baltics Deals

 **50+**
Deal Advisory staff

 **15**
M&A focused professionals

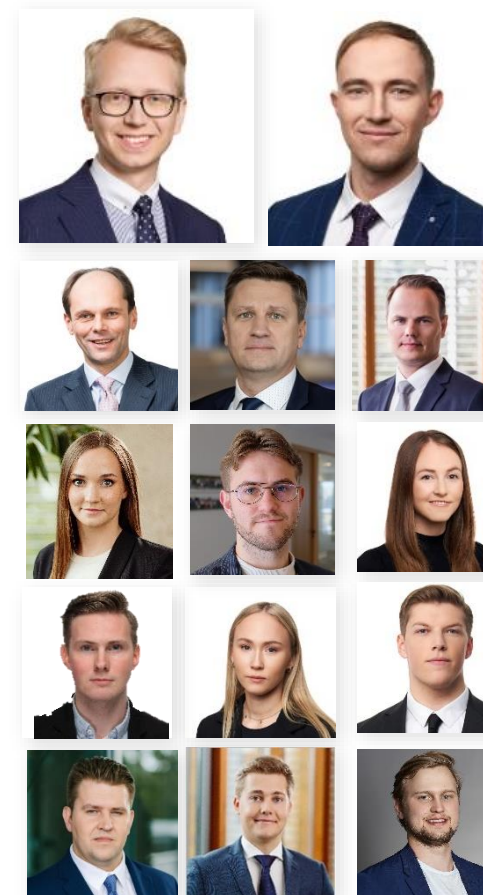
 **12**
Transactions closed last year



**2023 Baltic
Financial Advisor
of the Year**



One pan-Baltic team



KPMG Baltics - Supporting local developers

400+
mEUR

Total value of
closed deals

20+
projects

Energy sector
projects
advised

50+
mEUR

Capital
raised for
Baltic growth
companies

evecon



mirova
Investing in sustainability

 sunsa

ZERO_TERRAIN


KPMG is the leading financial adviser in renewables globally

In the last 5 years, we have closed deals of >€20bn

Global

 Adrian Scholtz Partner, Global Head of Energy Deals	 Mike Hayes Partner, Global Head of Renewables
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UK & Ireland

 Gavin Quantock Partner, Energy M&A, UK	 Ian Wood Partner Energy M&A, UK	 James Byrne Partner, Energy Debt Advisory, UK
 Richard Cotterill Managing Director, Energy M&A, UK	 Russell Smyth Partner, Head of Sustainable Futures, Ireland	 James Delahunt Partner, Energy M&A, Ireland

Northern Europe

 Harri Räsänen Partner, Energy M&A, Finland	 Erik Tranaeus Director, Energy M&A, Sweden	 Torbjørn Hansen Partner, M&A, Norway
 Sten Aan Head of Energy Sector, Estonia		






Americas

 George Ward Principal Energy Corporate Finance	 Geoff Hayes Partner, Energy M&A, Canada
 Franceli Jodas Global Leader, Power & Utilities, Brazil	 Michael Harling Partner, Energy Deal Advisory, USA
 Marc Joiner Marketplace Partner, Canada	 John Cho Partner, Deal Advisory, Canada





Central & Eastern Europe

 Marcin Lagiewka Director, Energy M&A, Poland	 Bogdan Vaduva Partner, Energy M&A, Romania
 Stanislav Sumsly Partner, Energy M&A, Slovakia	 Karlis Urbans Head of M&A Latvia

Western Europe

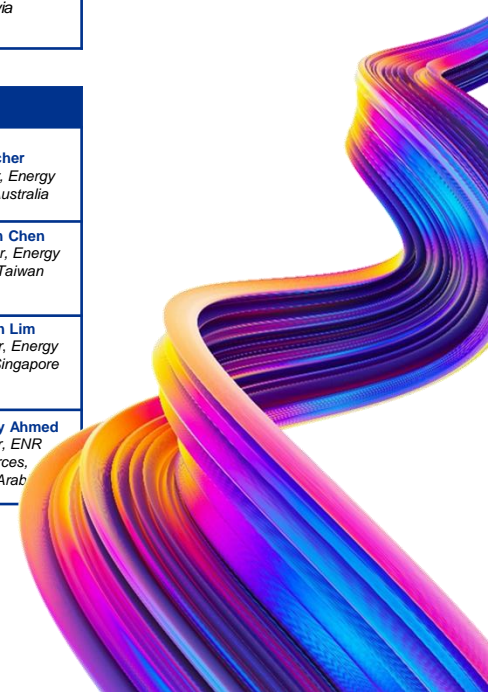
 Christian Jabre Partner, Head of Infrastructure, France	 Quentin Goga Director, Energy M&A, France
 Annette Schmitt Partner, Energy M&A, Germany	 Rudolf Stegink Partner, Energy M&A, Netherlands
 Magali Vercammen VP, Energy M&A, Belgium	

Southern Europe

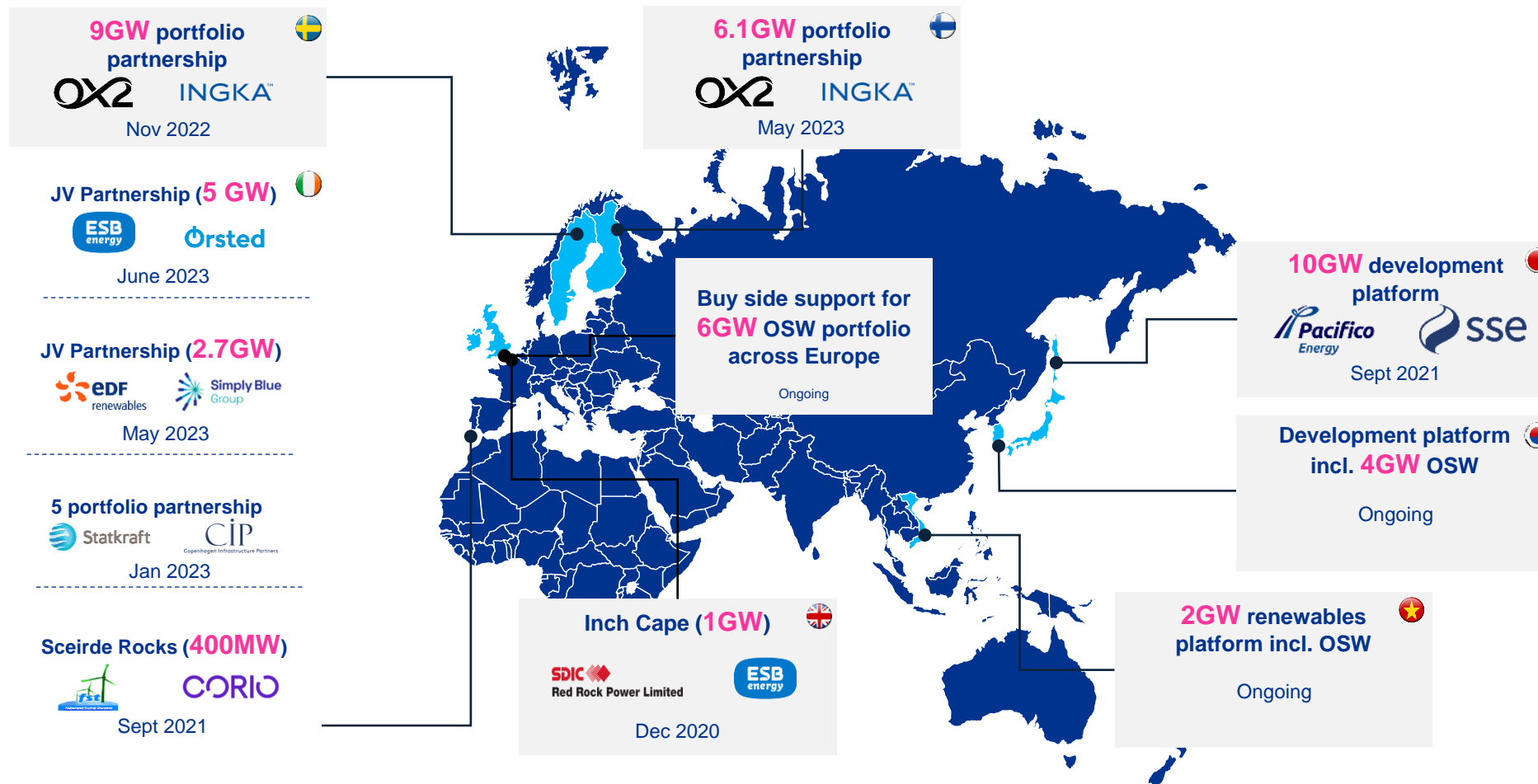
 Manuel Santillana Owen Partner, Energy M&A, Spain	 Jaime Segimon De Manzanos Partner, Energy M&A, Spain
 Silvio Falcone Partner, Energy M&A, Italy	 Filipa Barreto Partner, Energy M&A, Portugal

ASPAC & Middle East

 Tsuneo Miyamoto Partner, Energy M&A, Japan	 Abe Masatoshi Director, Energy M&A, Japan	 Sabine Schleicher Partner, Energy M&A, Australia
 Daisy Shen Partner, Energy M&A, China	 Fiona Zhang Director, Energy M&A, China	 Steven Chen Partner, Energy M&A, Taiwan
 Hyo-Jin Kim Partner, Energy M&A, South Korea	 Sharad Somali Partner, Head of Infrastructure, Singapore	 WenBin Lim Director, Energy M&A, Singapore
 Manish Aggarwal Partner, Energy M&A, India	 Anvesha Thakker Partner, Energy M&A, India	 Sammy Ahmed Partner, ENR Resources, Saudi Arab



KPMG recent offshore wind transactions



M&A market in 2023 & trends for 2024

1. Buyers' market

Demand for capital remains high, but as capital costs & macroeconomic uncertainty increased, investors have become more risk averse reducing the active capital pool

2. Longer processes

Compared to historical length deal processes have become prolonged, with more time going into negotiations & more thorough due diligence.

3. Valuation adjustments

Following historical highs in the last few years European EV/EBITDA multiples have now reduced from 12.3x in 2022 to 10.2x in 2023.

4. Closed IPO markets

IPO activity remained subdued in FY23 and is forecast to remain low in FY24, with investors/owners more actively looking at other exit routes

2023 M&A deal activity

-18% Nordics

Total value of Nordic M&A deals
€75 bnEUR

-22% CEE

Total value of CEE M&A deals
€24bnEUR

-50% Baltics

Total value of Baltic M&A deals
€1bnEUR

Source – Mergermarket, Pitchbook



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Current market challenges are causing substantial delays and, in some cases, abandonment of renewable energy projects?

Agree

84%

Neutral

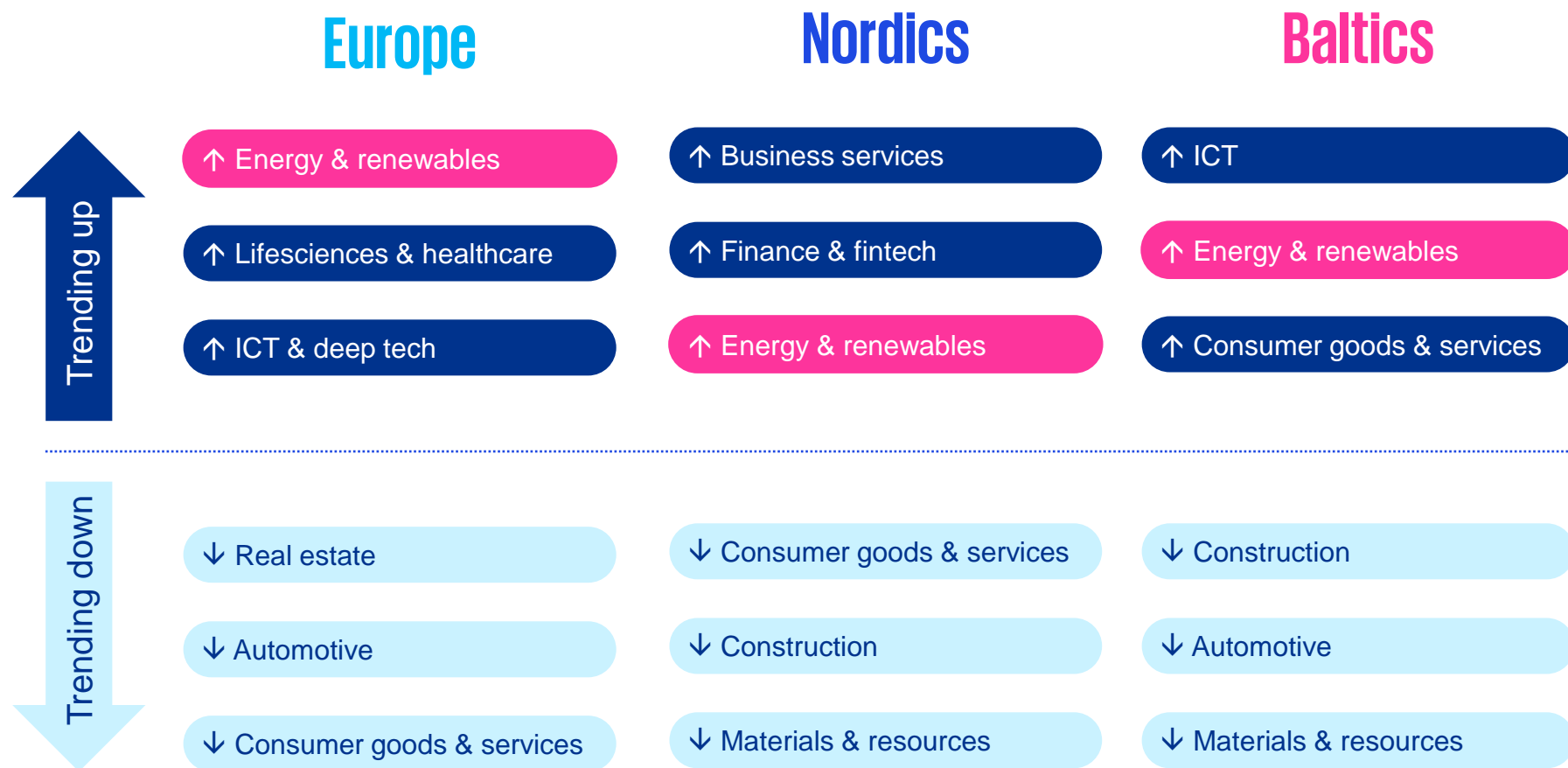
7%

Disagree

8%

**KPMG Global Energy
Survey Q4 2023**

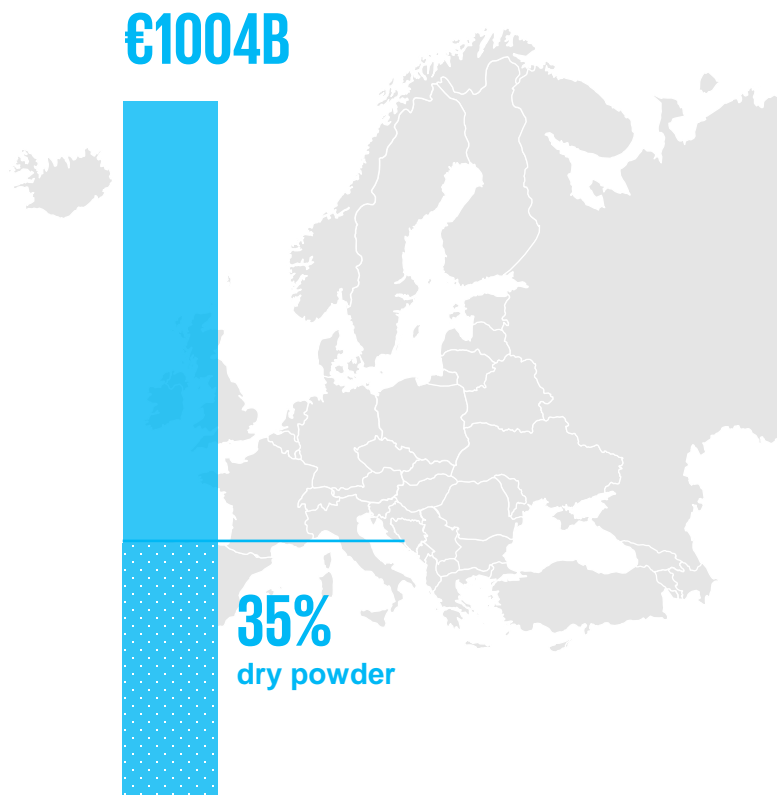
Top sectors in Private Equity search list



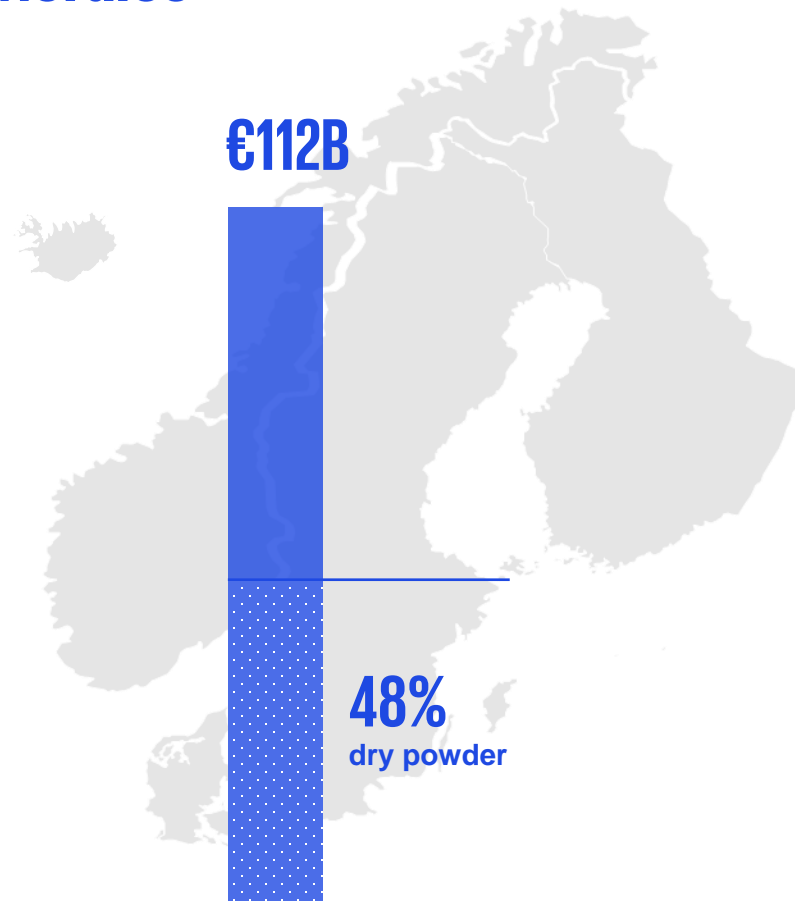
Source: Invest Europe – European Private Equity Survey 4th Edition; Pitchbook – Nordic Private Market Breakdown (2023), Baltic Private Equity and Venture Capital – Market Overview 2022

There is a significant amount of dry powder still to be invested

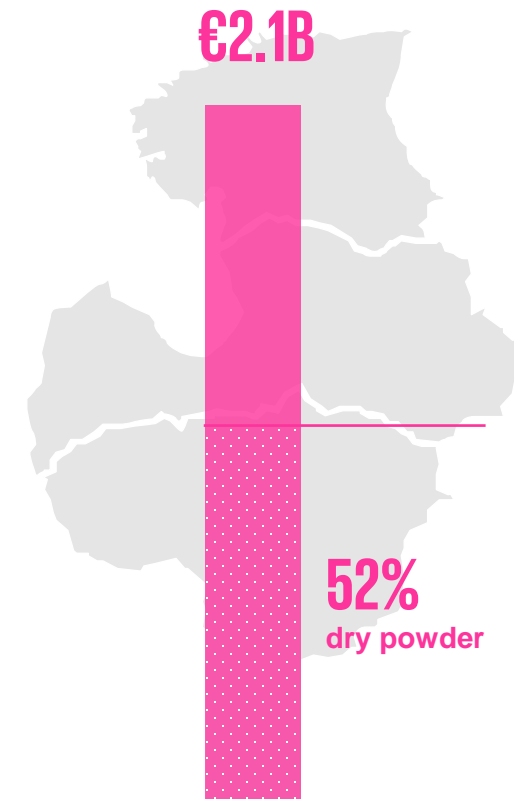
Europe



Nordics



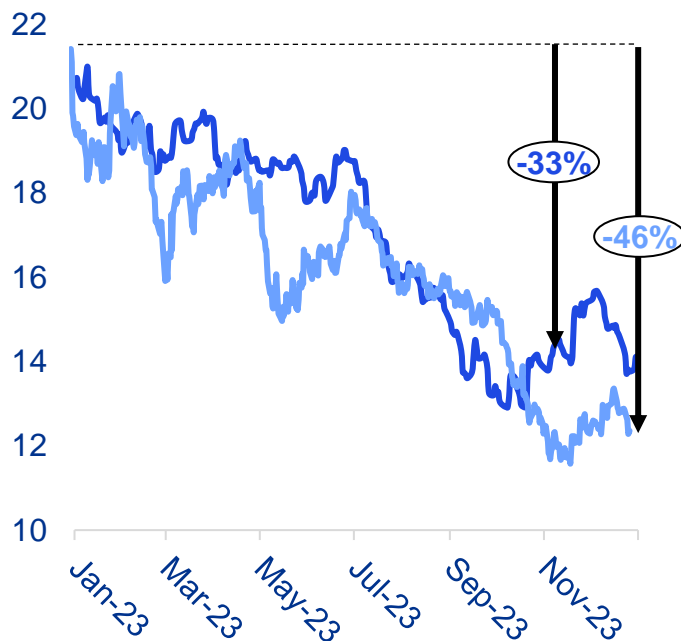
Baltics



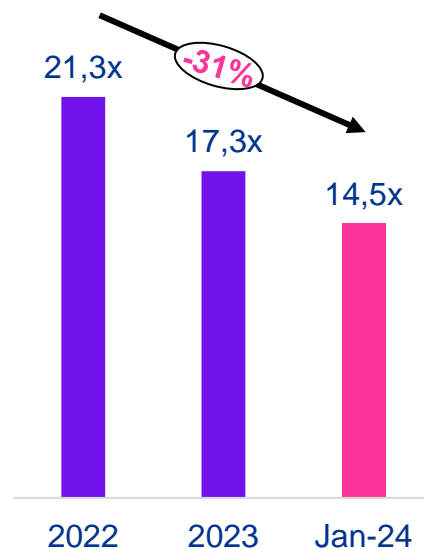
Source: Invest Europe – European Private Equity Survey 4th Edition; Baltic Private Equity and Venture – Market Overview 2022 Capital

Current market perspective for RES investors

Global Clean Energy & Wind ETF



Median EV/EBITDA Multiples



Given the decreasing valuations and ample available dry powder, investments in renewables favourably positioned for investors.

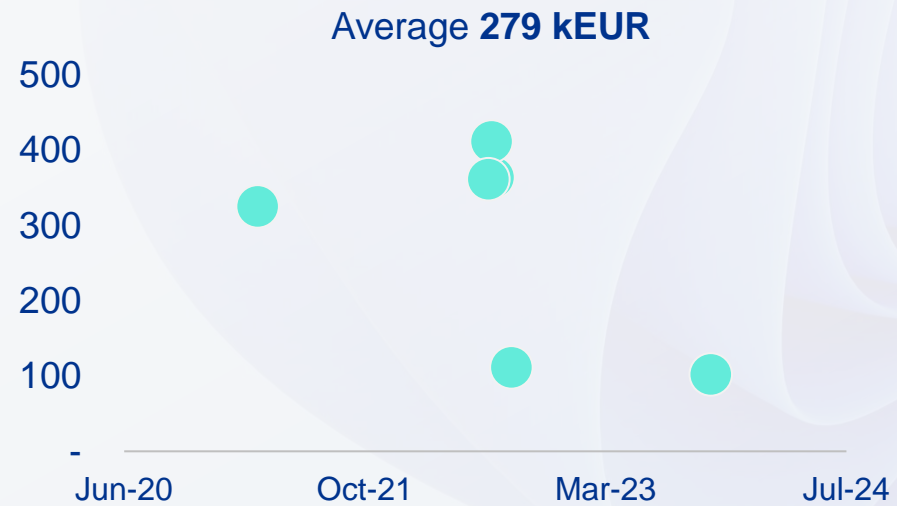
Source: Refinitiv, Yahoo Finance (WNDY, ICLN ETF-s), KPMG Analysis



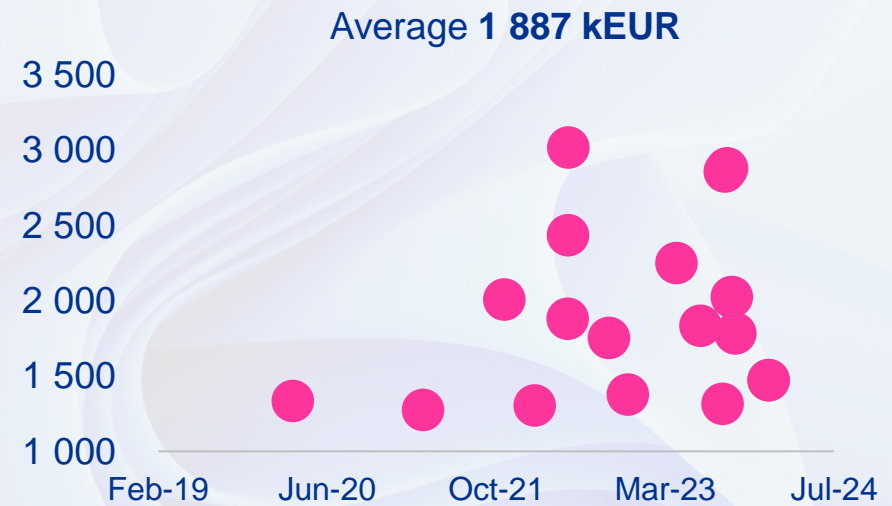
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Onshore wind deal values in Europe

Development project transaction price, kEUR/MW



Operational project transaction price, kEUR/MW



Source: Mergermarket, Refinitiv, KPMG Analysis



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Increasing project value

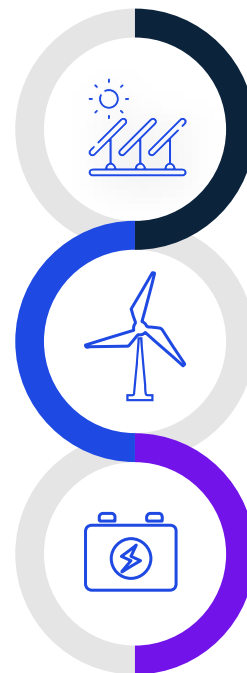
Revenue security

PPA

Subsidy

Portfolio

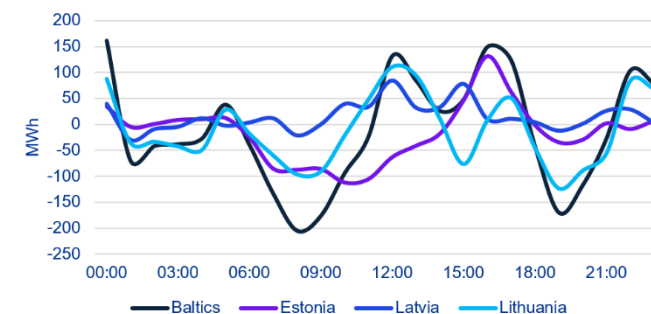
Co-location



Capex reduction & grid connection efficiency

Storage

System imbalance volumes September 5, 2023

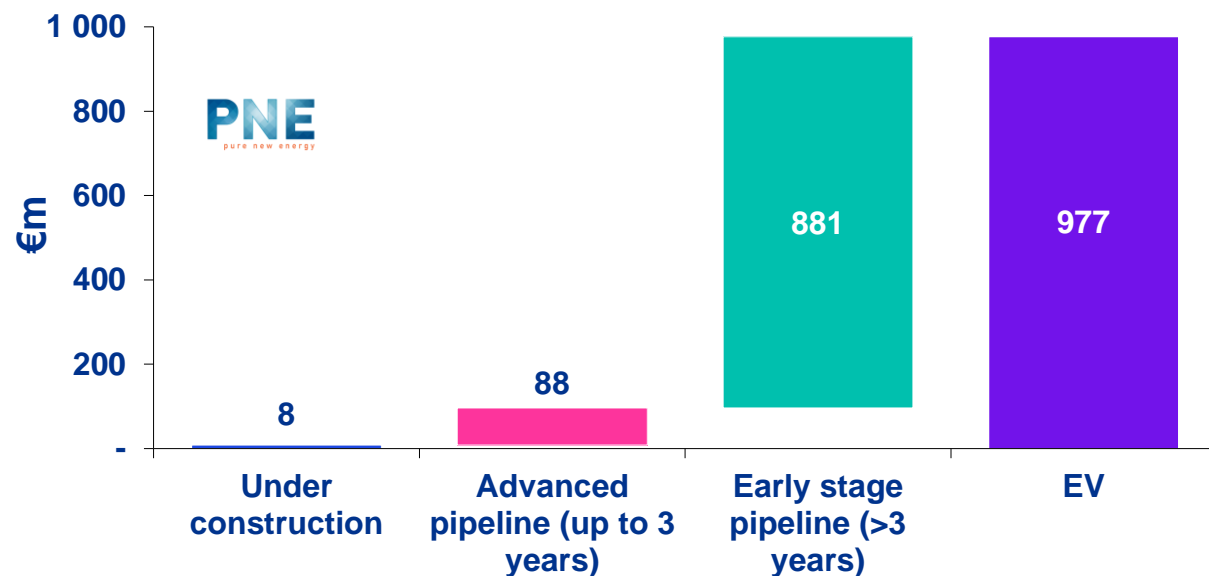


01 Additional revenue via balancing and ancillary services

02 Stabilize revenue and minimize energy loss

Equity investor value creation

PNE has a strong wind pipeline of c.5.4GW and solar pipeline of 8.5GW



Source: Refinitiv, Yahoo Finance, KPMG Analysis



Development projects with pipeline access and platform investments have proven to be the prime focus for Energy Transition investors.

Cooperation models with investors

Forward sale



- Cost + premium

Portfolio level investment



- Cost + premium
- Upside sharing

Holding level investment



- Dividends
- Exit (M&A, IPO)



The Baltic region demand a price premium for international investors.

Global energy companies, Asset managers, Intergovernmental institutions, Debt funds, Sovereign wealth funds, Family offices



Europe
M&A
Awards 2023
Mergermarket
WINNER
KPMG Baltics OÜ

KPMG – leading advisor in Energy Transition



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