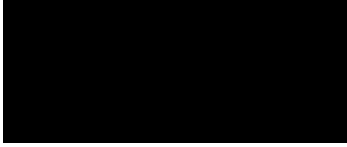



Valuation Analysis-



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Fidelman & Co.



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Valuation Analysis- [REDACTED]

[REDACTED] should likely be valued at an enterprise value of \$29.19 million.

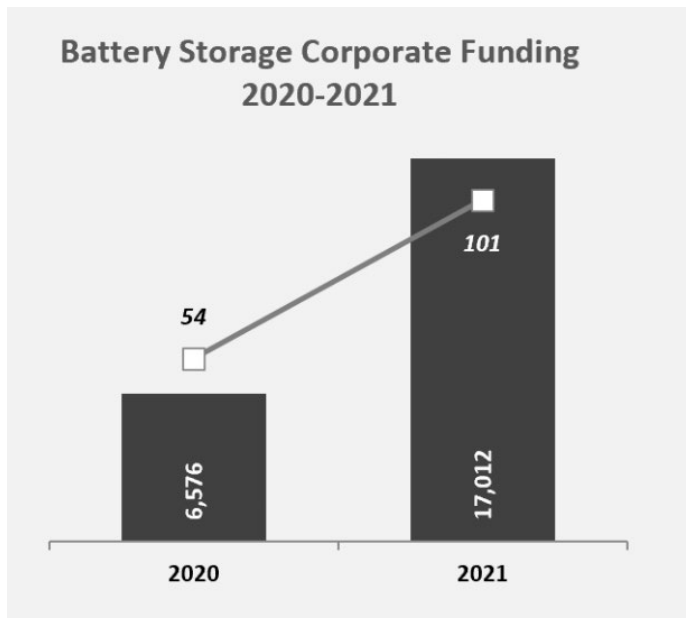
[REDACTED] - Industry Categorization

[REDACTED] is a [power solutions company](#) with the main goal to revolutionize the energy storage sector and provide families and individuals a dependable, on-demand power source at an affordable price. As such, [REDACTED] is competing in the battery technology sector of the energy storage industry.

Battery Tech & Energy Storage - Industry Overview

According to [TechCrunch](#), VC firms and growth equity funds have invested nearly \$42 billion into battery technology and energy storage startups across almost 1,700 deals during the previous 8 years. About 75% of investments in that period happened in the last two years alone.

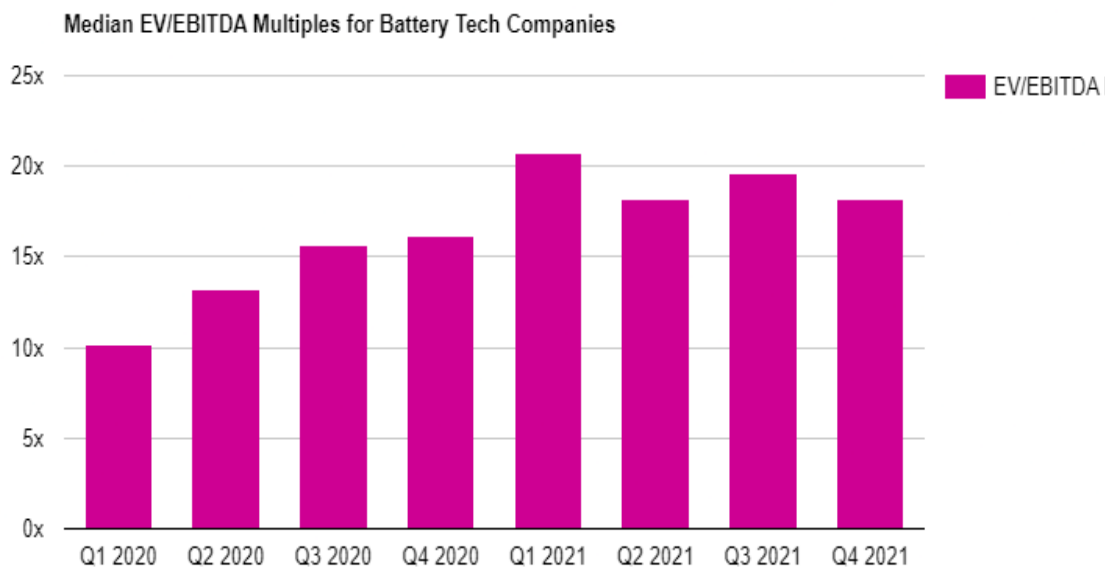
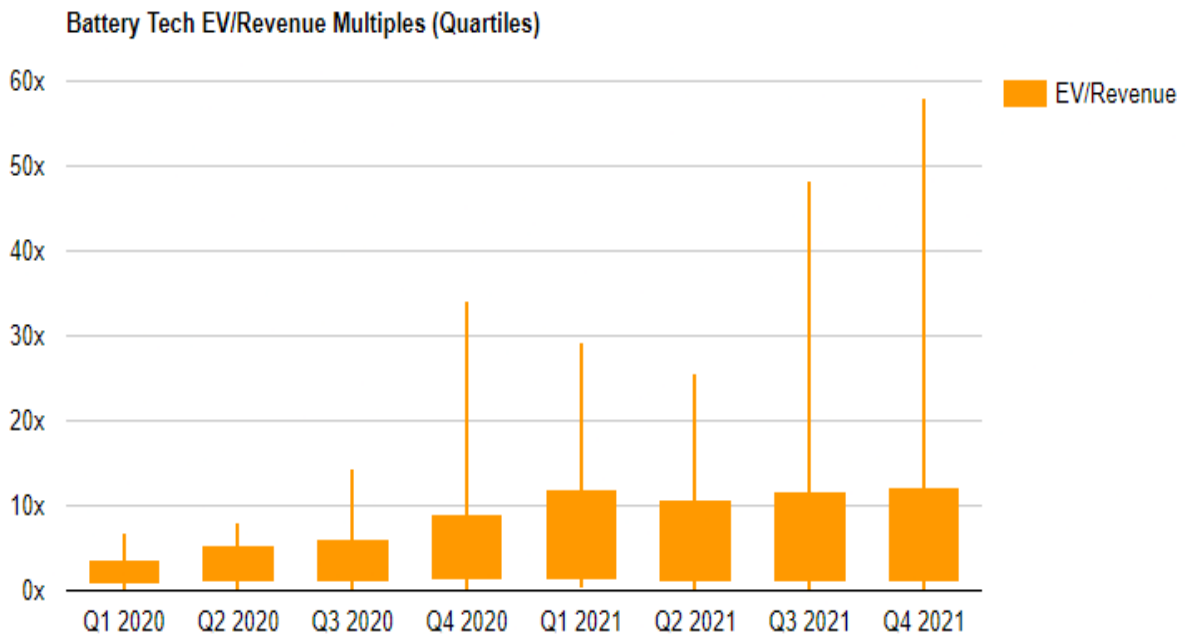
[Mercom Capital Group](#) determined that the amount of funding raised in 2021 was the highest since 2014, and the deal count nearly doubled compared to 2020. Total corporate funding in the battery storage sector was up 159%, with \$17 billion across 101 deals in 2021. VC funding for battery storage companies totaled \$8.8 billion across 81 deals, compared to \$1.6 billion raised across 32 deals in 2020, a 470% increase in the amount of funding.



Battery Tech & Energy Storage - Valuation Multiples

According to [Finerva](#), companies competing in the battery tech sector of the energy storage industry traded at a median EBITDA multiple of **19.2x** in Q4 2021 and a median revenue multiple of **4.2x**.

With the increase in investor interest, the variance of the valuations in the sector has increased massively. Revenue multiples were below 7x for all the companies in the cohort in Q1 2020. In Q4 2021, the top-performing 25% of the cohort had revenue multiples between 12x and 58x.



[Cogent Valuation](#) found that companies in the energy storage industry had a median revenue multiple of **2x** and a median EBITDA multiple of **18.1x** in the first quarter of 2022.

Median 52-Week Return	Median 3-Year CAGR Return	Median EV/Revenue Multiple
23.9%	14.5%	2x
Median EV/EBITDA Multiple	Median Price/Earnings Multiple	Median EV/Gross CF Multiple
18.1x	37.4x	22.4x

Comparable Transactions

In 2022, Sensata Technologies acquired Dynapower, a manufacturer of energy storage, for [\\$580 million](#), at an EBITA multiple of **29x** and revenue multiple of **5.8x**. (\$580 million / \$100 million = 5.8)

Urban Grid, a utility-scale solar PV manufacturer with co-located and standalone energy storage, was acquired in 2022 by Apollo for [\\$650 million](#) at a revenue multiple of **14.1x** (\$650 million / [\\$46 million](#) = 14.1).

Valuation Analysis - [REDACTED]

Companies operating in the energy storage industry typically trade at revenue multiples between **2x** and **4.2x** and EBITDA multiples between **18.1x** and **19.2x**, on average.

[REDACTED] projects that it will generate a revenue of [\\$6.95 million](#) during its first year of operation.

Therefore, [REDACTED] should likely be valued between **\$13.9 million** (\$6.95 million * 2) and **\$29.19 million** (\$6.95 million * 4.2). However, considering that multiples achieved by comparable transactions are significantly higher than the average and that the variance of multiples is high, [REDACTED] should likely be valued at the higher end of the range.

Sources

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