

IEc

Investment in California's Cleantech Sector: Analysis and Findings

Presented by:

Daniel Kaufman, Principal

Industrial Economics

Dkaufman@indecon.com

617-354-0074

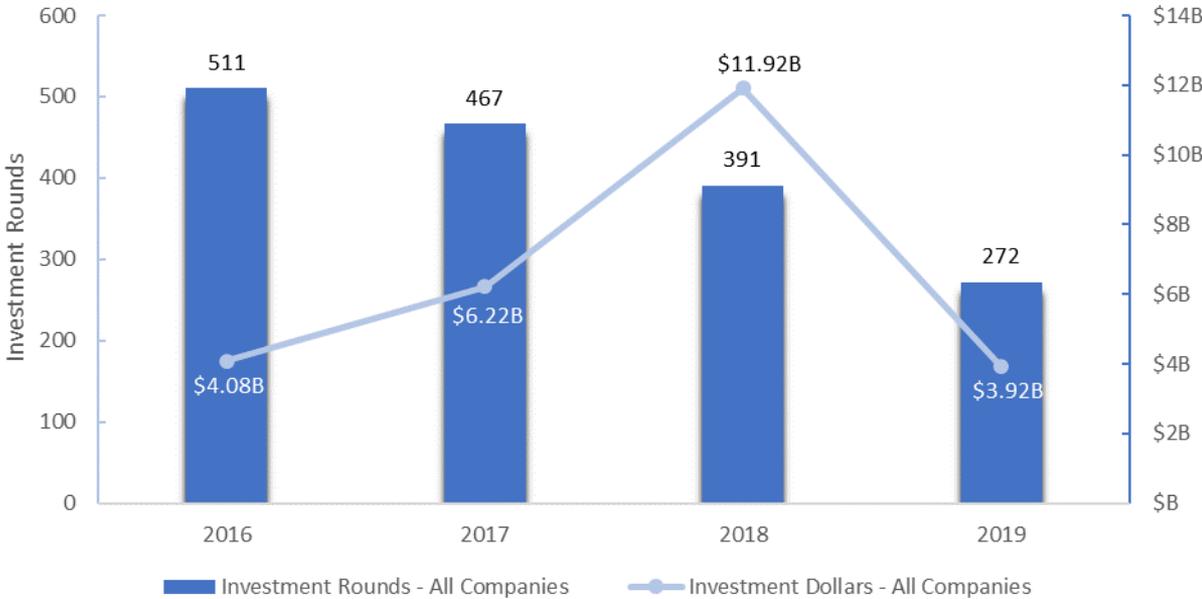
November 19, 2020

Method

- Analyze investment activity for cleantech companies in CA, both EPIC-backed and non- EPIC-backed.
- Gather information on investments and investors from several data sources.
 - PIMS, PitchBook, DOE grants, NVCA
- Aggregate and analyze the data for 2016-2019.
 - Develop a spreadsheet-based tool to allow the Commission to compile and analyze the data, now and in the future.
 - Present results of first application of the tool for 2016-2019.

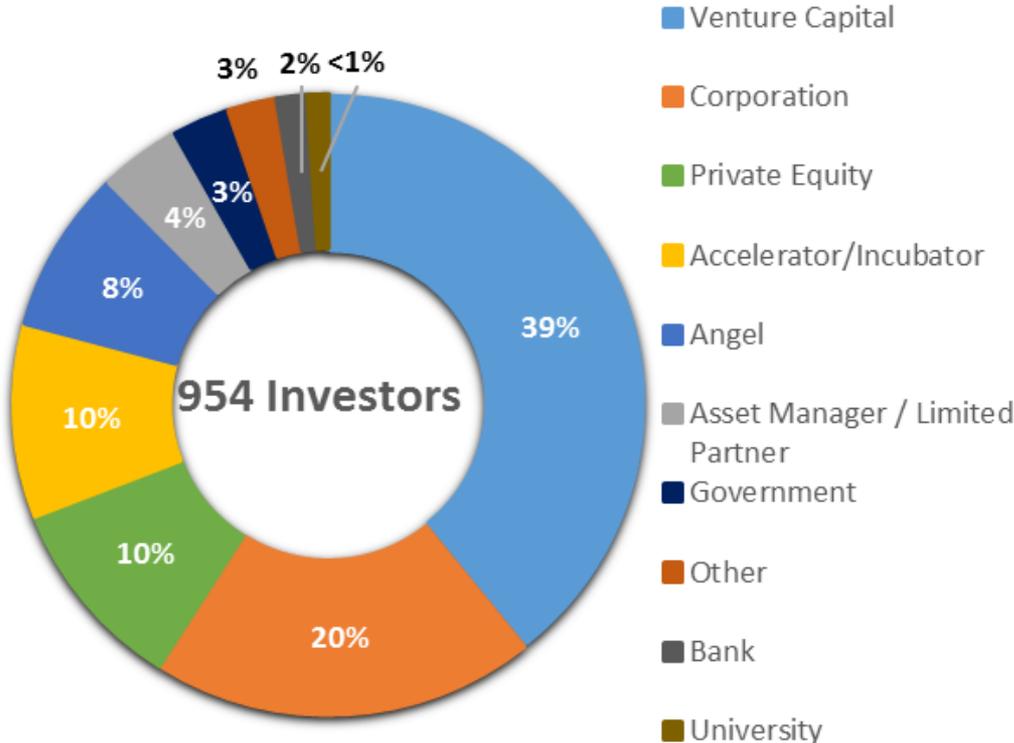
California cleantech companies raised \$26.3 billion between 2016 and 2019.

INVESTMENT ROUNDS AND DOLLARS OF CAPITAL - ALL COMPANIES



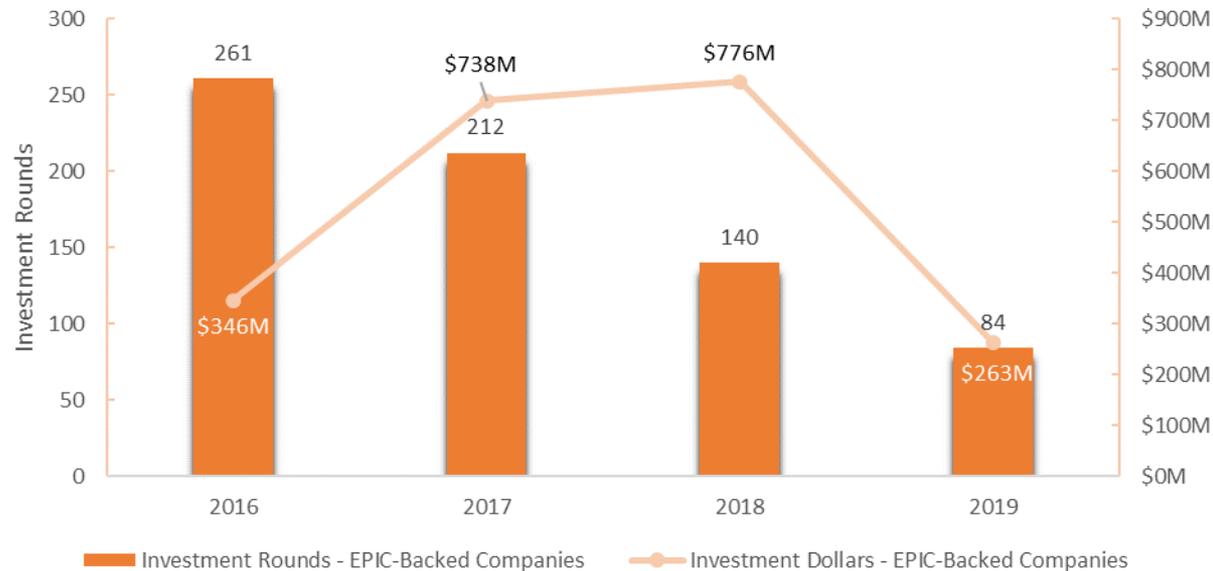
The investments came from 954 different investors, 40% of whom are based in CA.

TYPE OF INVESTOR (2016-2019)



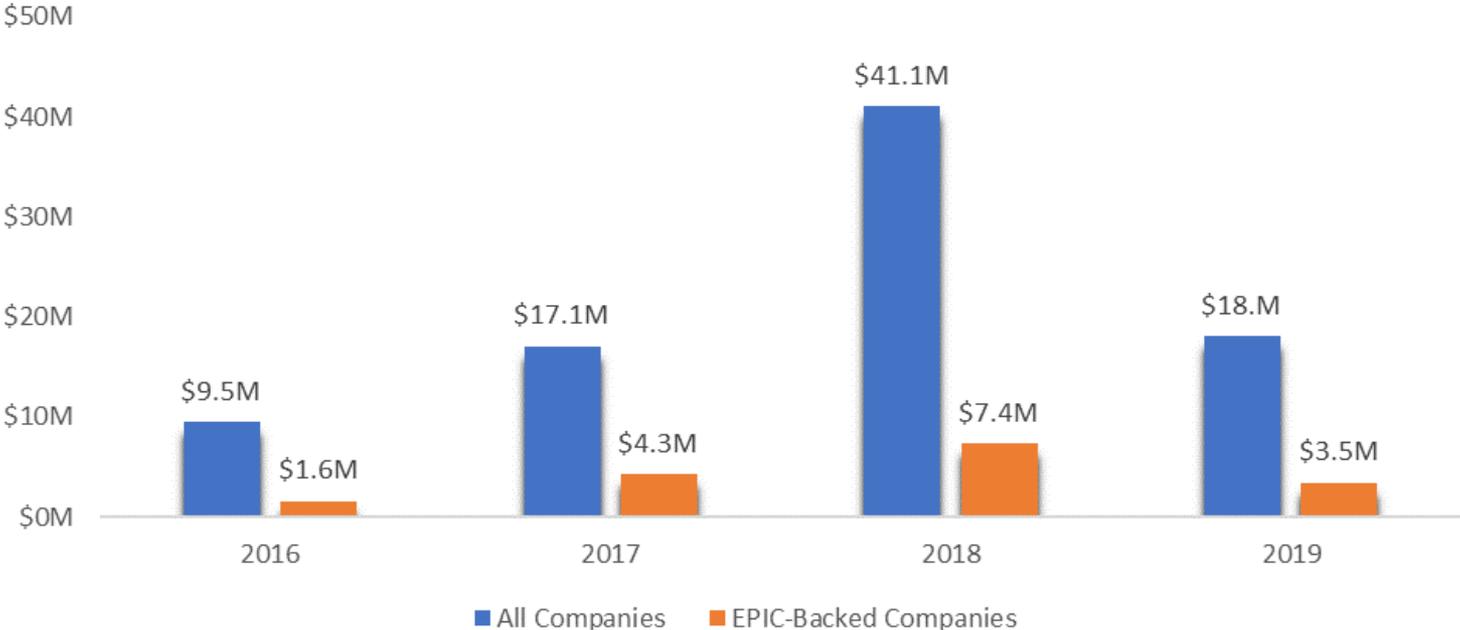
EPIC-backed companies raised \$2.3B in total from 2016-2019, including \$1.7B raised after their initial support from EPIC.

INVESTMENT ROUNDS AND DOLLARS OF CAPITAL - EPIC-BACKED COMPANIES



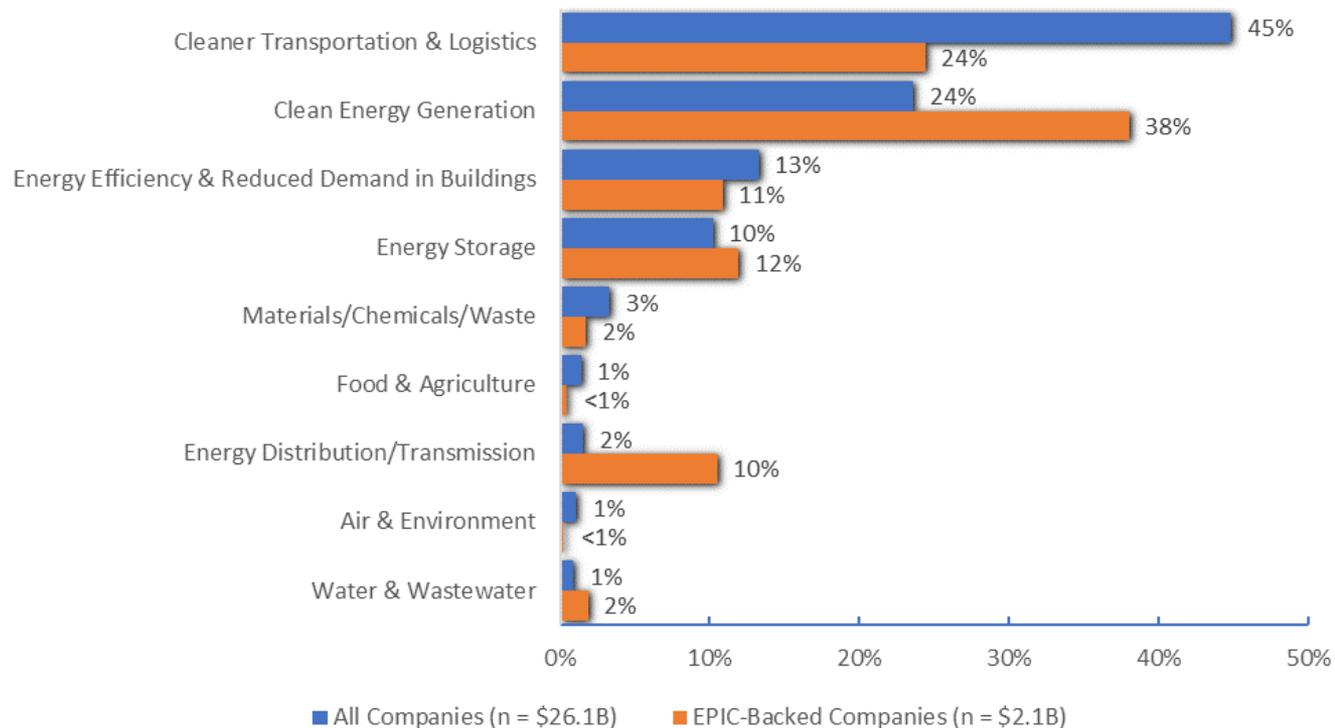
The average investment varied from \$9.5M to \$41.4 M overall, and from \$1.6M to \$7.4M for EPIC-backed companies.

AVERAGE INVESTMENT SIZE



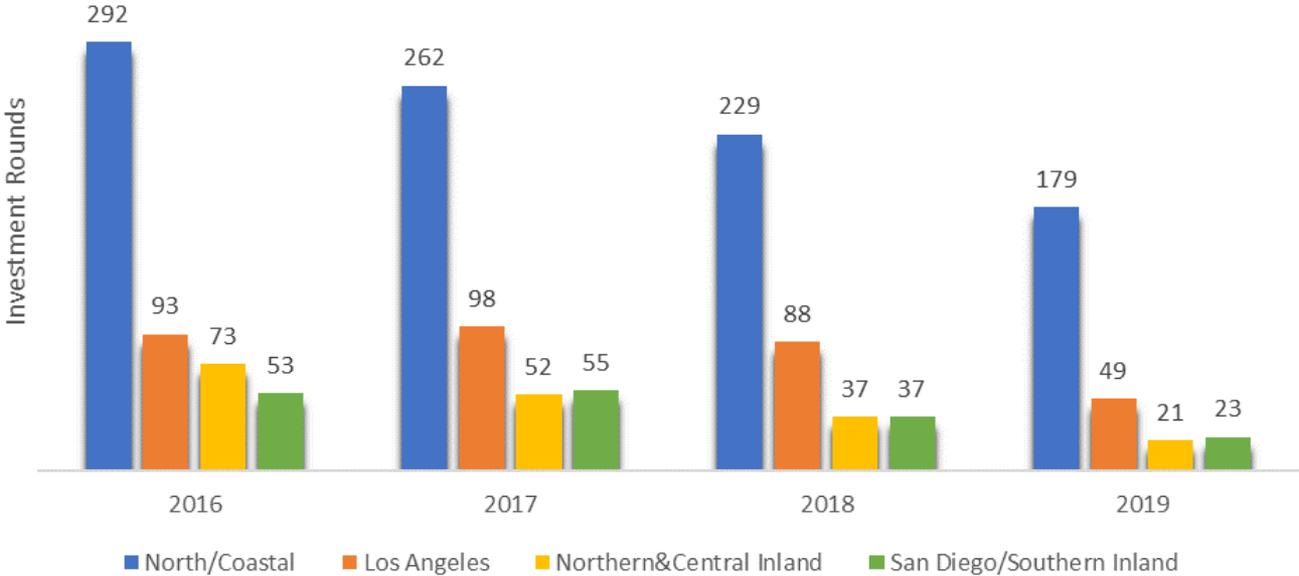
Clean Transportation & Logistics and Clean Energy Generation account for the largest share of cleantech investment.

TOP CLEANTECH SEGMENTS BY INVESTMENT DOLLARS



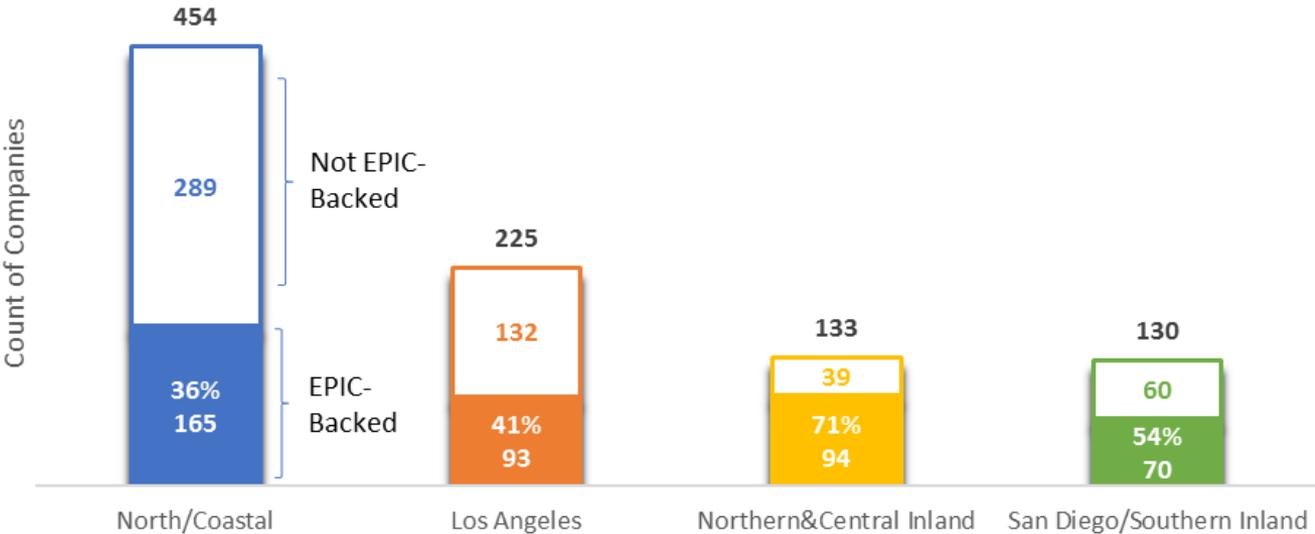
Overall, cleantech investments in 2016-2019 were concentrated in companies operating in the North/Coastal region of CA.

INVESTMENT ROUNDS BY REGION



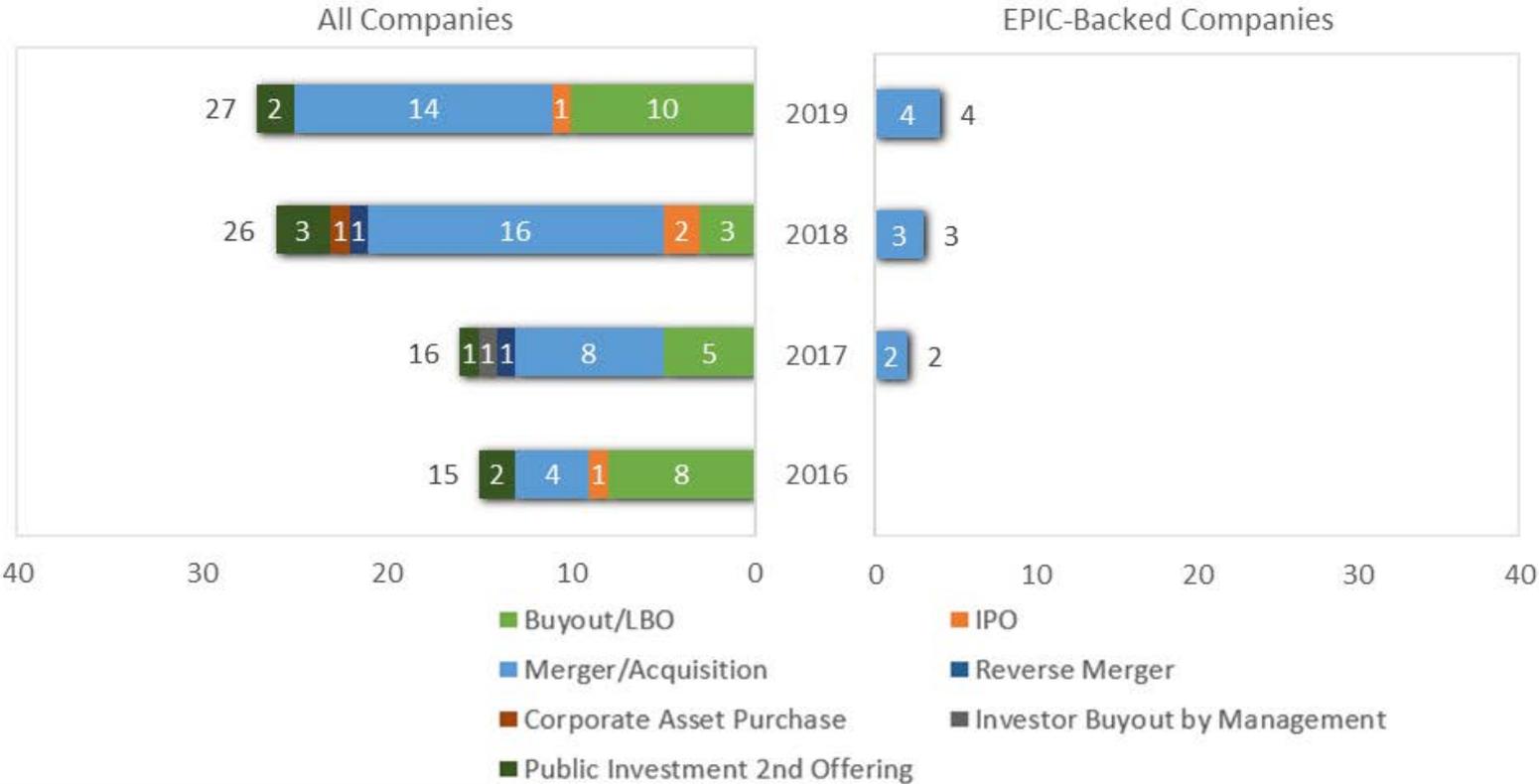
EPIC helps cleantech companies across the state access financial capital with a particular focus on underinvested areas.

EPIC-BACKED COMPANIES AS A PERCENTAGE OF CLEANTECH COMPANIES IN REGION



Merger and Acquisition is the most common path for exit to date both for EPIC-backed companies and for all cleantech companies.

CLEANTECH EXITS BY EXIT TYPE AND YEAR, ALL COMPANIES AND EPIC-BACKED COMPANIES



Conclusions

- CA cleantech companies raised over \$26.3B from 2016-2019, which is 11% of all CA VC raised.
- EPIC-backed companies represent 45% of all CA cleantech companies tracked and have raised \$1.7B in follow-on funding.
- EPIC supports companies in a wide variety of cleantech sectors.
- EPIC helps cleantech companies across the state access financial capital with a particular focus on underinvested areas.
- M&A is the most common path for exit to date both for EPIC-backed companies and for all cleantech companies.