

About PwC’s Cleantech Practice

PwC’s Cleantech Practice provides services and advice in assurance, tax, transactions, market entry, and business performance improvement to companies across the cleantech sector and the breadth of industries it impacts. Our broad network of industry sector specialists combines a detailed knowledge of government policy and regulation with strong private enterprise experience, providing us with an in-depth understanding of key industry issues around strategy, operations, regulations, risk, technology, and finance. As the service provider of choice for emerging and established cleantech companies as well as organizations and utilities, we can help you to develop, commercialize, deploy, and maintain go-to-market strategies for your products and services across the cleantech ecosystem.

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Cleantech MoneyTree™ Report: Q2 2014

Based on the MoneyTree™ Report from PricewaterhouseCoopers and the National Venture Capital Association based on data from Thomson Reuters

Cleantech received \$624 million in 42 venture deals in the second quarter of 2014. Funding dollars increased 71 percent year-over-year, while average deal size increased 40 percent over the same period.

July 2014



Cleantech

Cleantech funding

The Cleantech sector, which crosses traditional MoneyTree industries and is composed of agriculture and bioproducts, energy efficiency, smart grid and energy storage, solar energy, transportation, water and waste management, wind and geothermal, and other renewables, saw a 71 percent increase in funding from the second quarter of 2013 to \$624 million.

“Cleantech venture investment in the first half of 2014 was almost 50% higher than it was during the first half of 2013,” said Brian Carey, Cleantech Advisory Leader. “Most of the positive momentum is coming from follow-on investments in rapidly growing, later stage solar developers, which is consistent with the increased adoption of solar in the marketplace.”

Figure 1: Cleantech funding trends by quarter 2011–2014

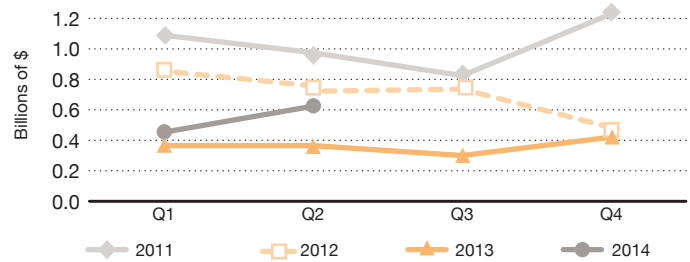
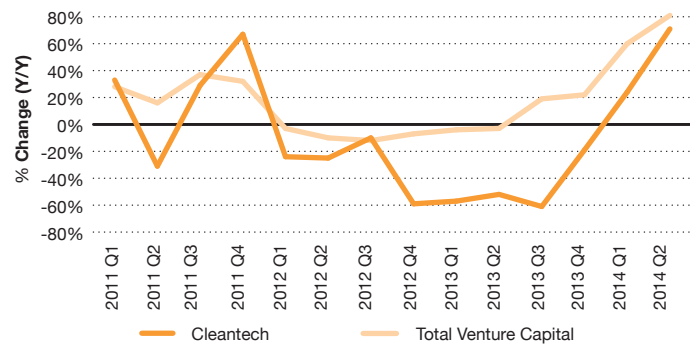


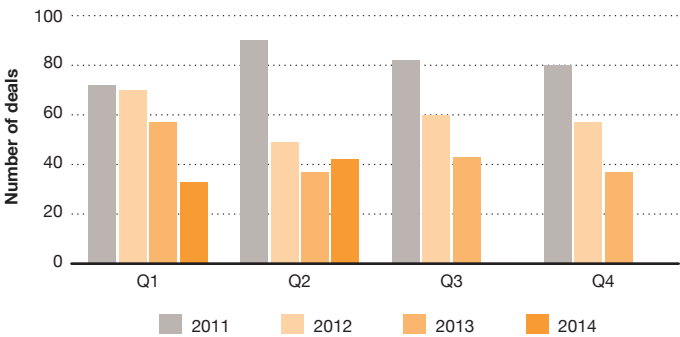
Figure 2: Growth in Cleantech funding compared with total venture funding



Cleantech deal volume

Compared to the second quarter of 2013, deal volume increased by 8 percent in the second quarter to 42. Average deal size was \$16 million, an increase of 40 percent year-over-year.

Figure 3: Cleantech deal volume by quarter 2011–2014

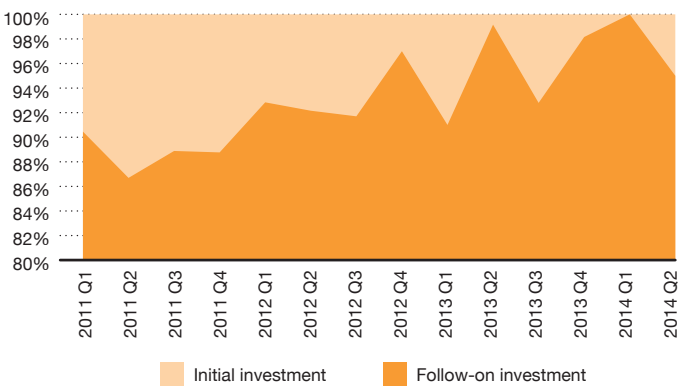


First-time funding compared with follow-on funding

Compared to the second quarter of 2013, first-time funding increased 148 percent to \$32 million. First-time deals in the Cleantech sector averaged \$5.4 million during the second quarter, an increase of 65 percent year-over-year, in 7 deals.

Year-over-year, follow-on funding increased 68 percent to \$592 million in the second quarter. Follow-on funding average deal size was \$17.9 million, a 42 percent increase from the same period in 2013, in 35 deals.

Figure 4: Cleantech follow-on compared with initial investments 2011–2014



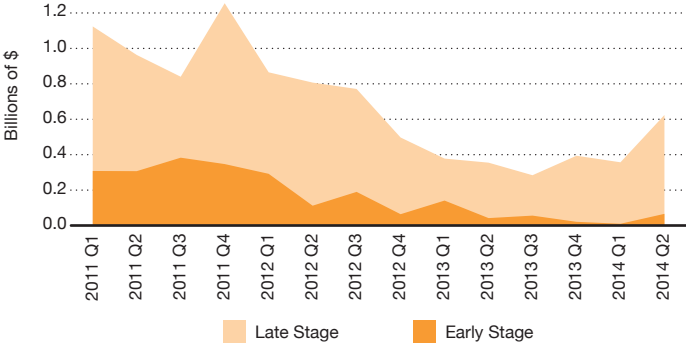
Cleantech funding by stage

Early-stage investment was \$66 million during the quarter, an increase of 56 percent compared to the second quarter of 2013.

Cleantech investment for late-stage opportunities increased year-over-year by 78 percent to \$558 million.

Early-stage average deal size, at \$7.3 million, increased 56 percent year-over-year in 11 deals, while late-stage average deal size, at \$18.6 million, increased 31 percent over the same period in 31 deals.

Figure 5: Cleantech funding by stage each quarter 2011–2014



2014 Second quarter sequential growth factors (Q/Q growth)

	% Change in deal volume	% Change in avg deal size	% Change in investments
Early stage	83%	90%	241%
Late stage	7%	20%	29%

Cleantech funding by subsector

Cleantech subsectors receiving increased funding in the second quarter compared to the prior-year period were:

- Transportation, increased 30,972 percent to \$39 million*
- Wind & Geothermal, increased 2,458 percent to \$22 million*
- Solar Energy, increased 585 percent to \$265 million
- Water & Waste Management, increased 148 percent to \$138 million
- Other Cleantech, increased 52 percent to \$65 million

Cleantech subsectors receiving less funding in the second quarter compared to the prior-year period were:

- Energy Efficiency, decreased 100 percent to \$0 million
- Agriculture & Bioproducts, decreased 92 percent to \$2 million
- Smart Grid & Energy Storage, decreased 30 percent to \$92 million

Figure 6: Cleantech funding by subsector 2011–2014

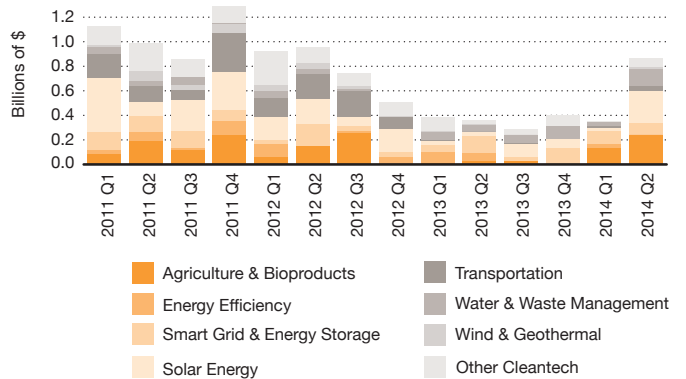
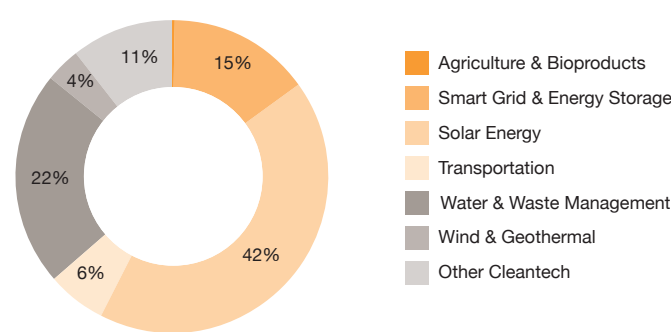


Figure 7: Cleantech funding by subsector second quarter 2014



Regional funding trends

Silicon Valley, New England, the Southeast, Texas, and the Philadelphia Metro Area received the most Cleantech venture capital funding in the second quarter. Silicon Valley received the most funding with \$330 million, nearly 53% of the total Cleantech investment this quarter.

Figure 8: Top five regions second quarter 2014

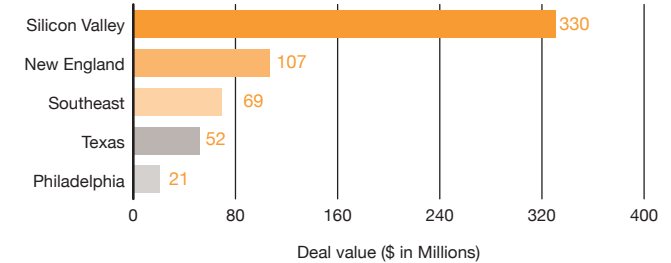
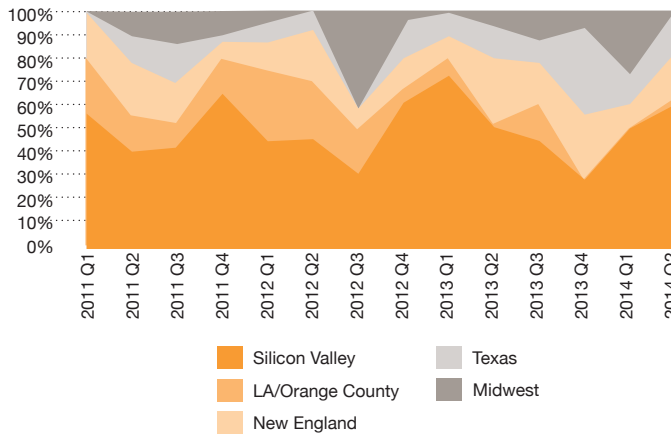


Figure 9: Funding trends in top five regions from 2011–2014



* In Q2 2013, \$0.125 was invested in Transportation and \$1 million was invested in Wind & Geothermal.