

Cleantech MoneyTree™ Report: Q4 2013

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

Cleantech received \$418 million in 38 venture deals in the fourth quarter of 2013. Funding dollars increased 47 percent quarter-over-quarter, while deal volume decreased 12 percent over the same period.

January 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 47 percent increase in funding from the third quarter of 2013 to \$418 million.

“Venture investment in the fourth quarter was the highest in all of 2013 despite having the fewest number of deals,” said Tom Solazzo, Cleantech Practice Leader. “Interestingly, for the first time in five quarters, another region (Texas) surpassed Silicon Valley as the most funded region in the country.”

Figure 1: Cleantech funding trends by quarter 2010-2013

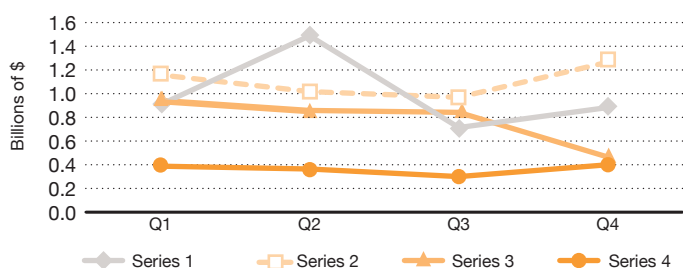
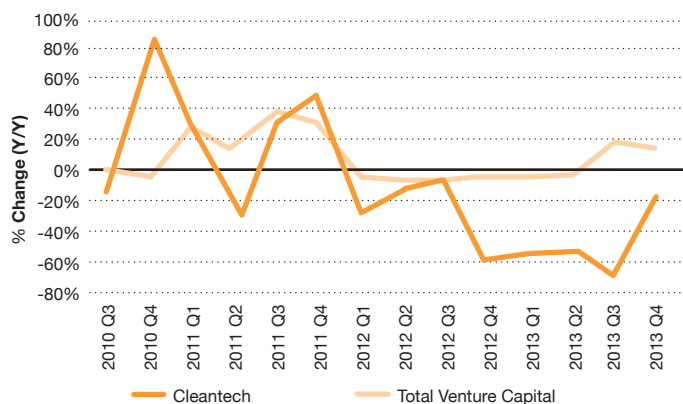


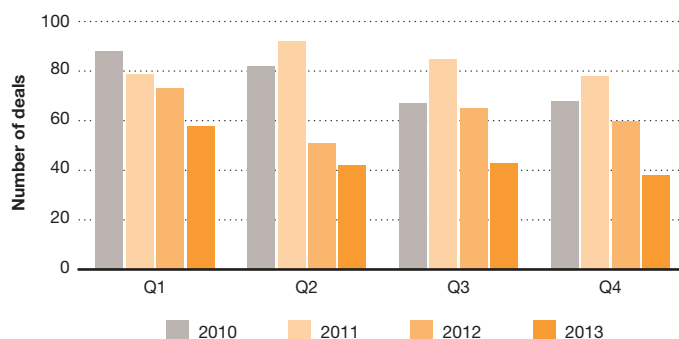
Figure 2: Growth in Cleantech funding compared with total venture funding



Cleantech deal volume

Compared to the fourth quarter of 2012, deal volume decreased by 37 percent in the fourth quarter to 38. Average deal size was \$11.6 million, an increase of 20 percent year-over-year.

Figure 3: Cleantech deal volume by quarter 2010-2013

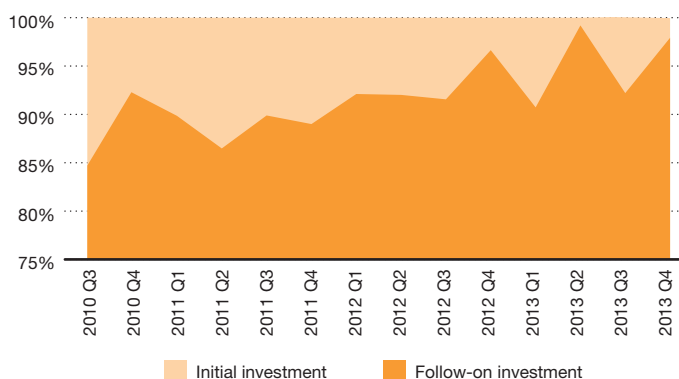


First-time funding compared with follow-on funding

Compared to the fourth quarter of 2012, first-time funding decreased 57 percent to \$7 million. First-time deals in the Cleantech sector averaged \$7.5 million during the fourth quarter, an increase of 288 percent year-over-year, in 2 deals.

Year-over-year, follow-on funding decreased 17 percent to \$410 million in the fourth quarter. Follow-on funding average deal size was \$11.7 million, a 4 percent increase from the same period in the previous year, in 36 deals.

Figure 4: Cleantech follow-on compared with initial investments 2010-2013



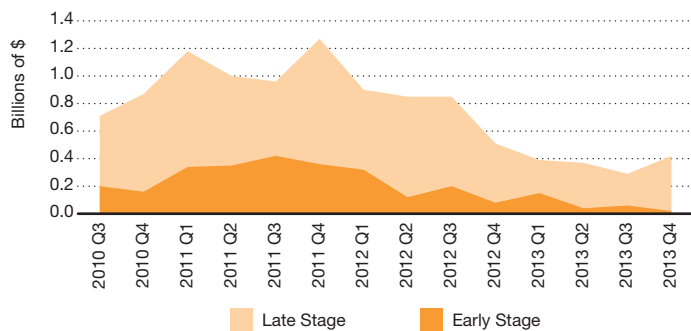
Cleantech funding by stage

Early-stage investment was \$24 million during the quarter, a decrease of 69 percent compared to the fourth quarter of 2012.

Cleantech investment for late-stage opportunities decreased year-over-year by 9 percent to \$393 million.

Early-stage average deal size, at \$6.1 million, increased 68 percent year-over-year in 6 deals, while late-stage average deal size, at \$12.3 million, decreased 12 percent over the same period in 32 deals.

Figure 5: Cleantech funding by stage each quarter 2010-2013



2013 Fourth quarter sequential growth factors (Q/Q growth)

	% Change in deal Volume	% Change in avg deal size	% Change in investments
Early stage	-67%	60%	-60%
Late stage	28%	27%	76%

Cleantech funding by subsector

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

- Water & Waste Management, increased 1,991 percent to \$110 million
- Smart Grid & Energy Storage, increased 216 percent to \$127 million
- Agriculture & Bioproducts, increased 20 percent to \$4 million

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

- Transportation, decreased 100 percent to \$0
- Energy Efficiency, decreased 67 percent to \$21 million
- Solar Energy, decreased 65 percent to \$67 million
- Wind & Geothermal, decreased 33 percent to \$1 million
- Other Cleantech, decreased 23 percent to \$87 million

Figure 6: Cleantech funding by subsector 2010-2013

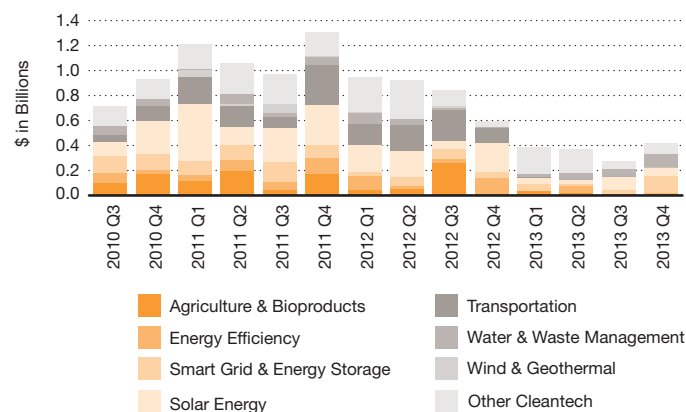
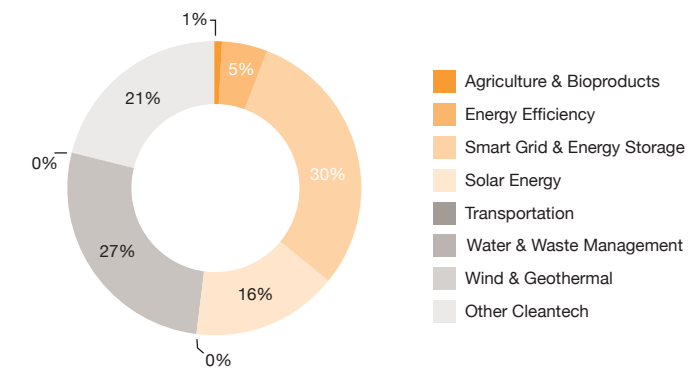


Figure 7: Cleantech funding by subsector fourth quarter 2013



Regional funding trends

Texas, Silicon Valley, New England, San Diego, and the Southeast received the most Cleantech venture capital funding in the fourth quarter. Texas received the most funding with \$111 million.

Figure 8: Top five regions fourth quarter 2013

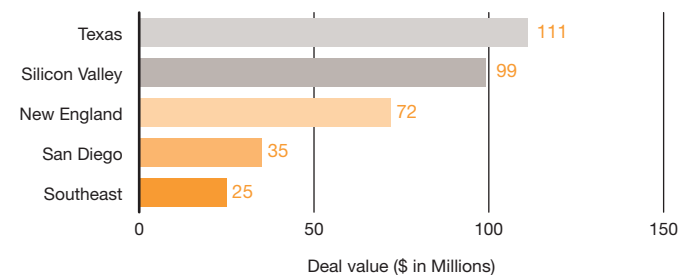
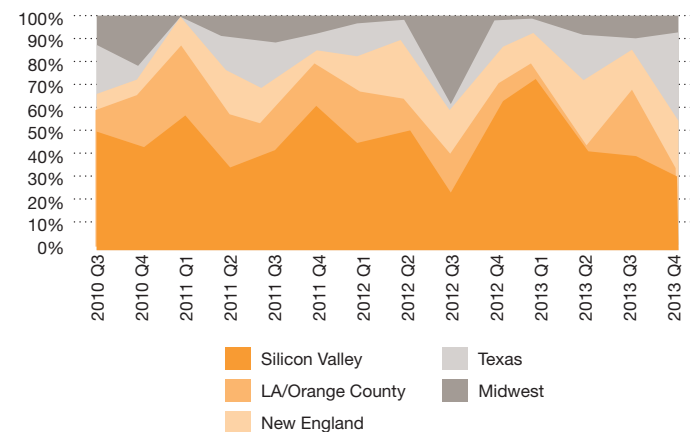


Figure 9: Funding trends in top five regions from 2010-2013



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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