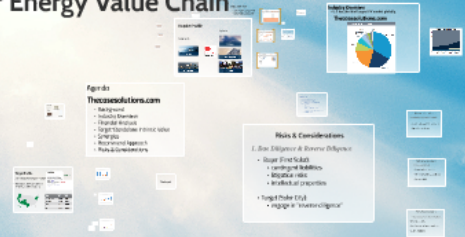


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SolarCity Corporation: Challenges in the Solar Energy Value Chain

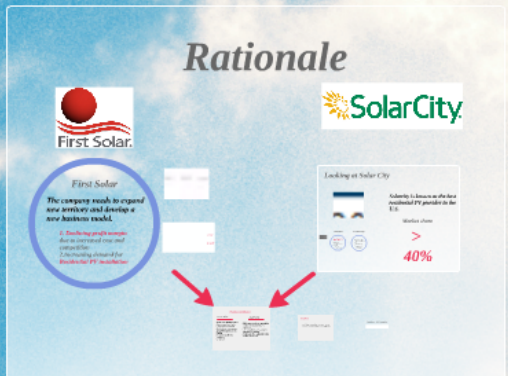
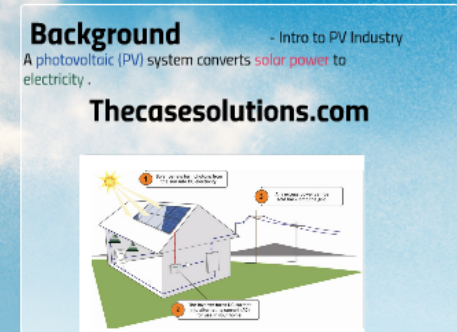
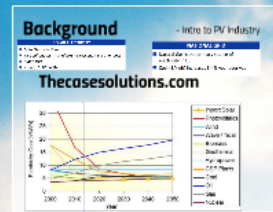


- Risks & Considerations**
- Poor Due Diligence
 - Financial Instability
 - Lack of Experience
 - High Public Profile
 - Negative "Reputation"



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SolarCity Corporation: Challenges in the Solar Energy Value Chain



- Agenda**
- Thecasesolutions.com
- Background
 - Industry Overview
 - Financial Analysis
 - Target Standalone Intrinsic Value
 - Synergies
 - Recommend Approach
 - Risks & Considerations

- Risks & Considerations**
1. Due Diligence & Reverse Diligence
- Buyer (First Solar):
 - contingent liabilities
 - litigation risks
 - intellectual properties
 - Target (Solar City):
 - engage in "reverse diligence"

Risks & Considerations

- Contingent Liabilities
- Litigation Risks
- Intellectual Properties

Risks & Considerations

- Contingent Liabilities
- Litigation Risks
- Intellectual Properties

Risks & Considerations

- Contingent Liabilities
- Litigation Risks
- Intellectual Properties



Thank you

Agenda

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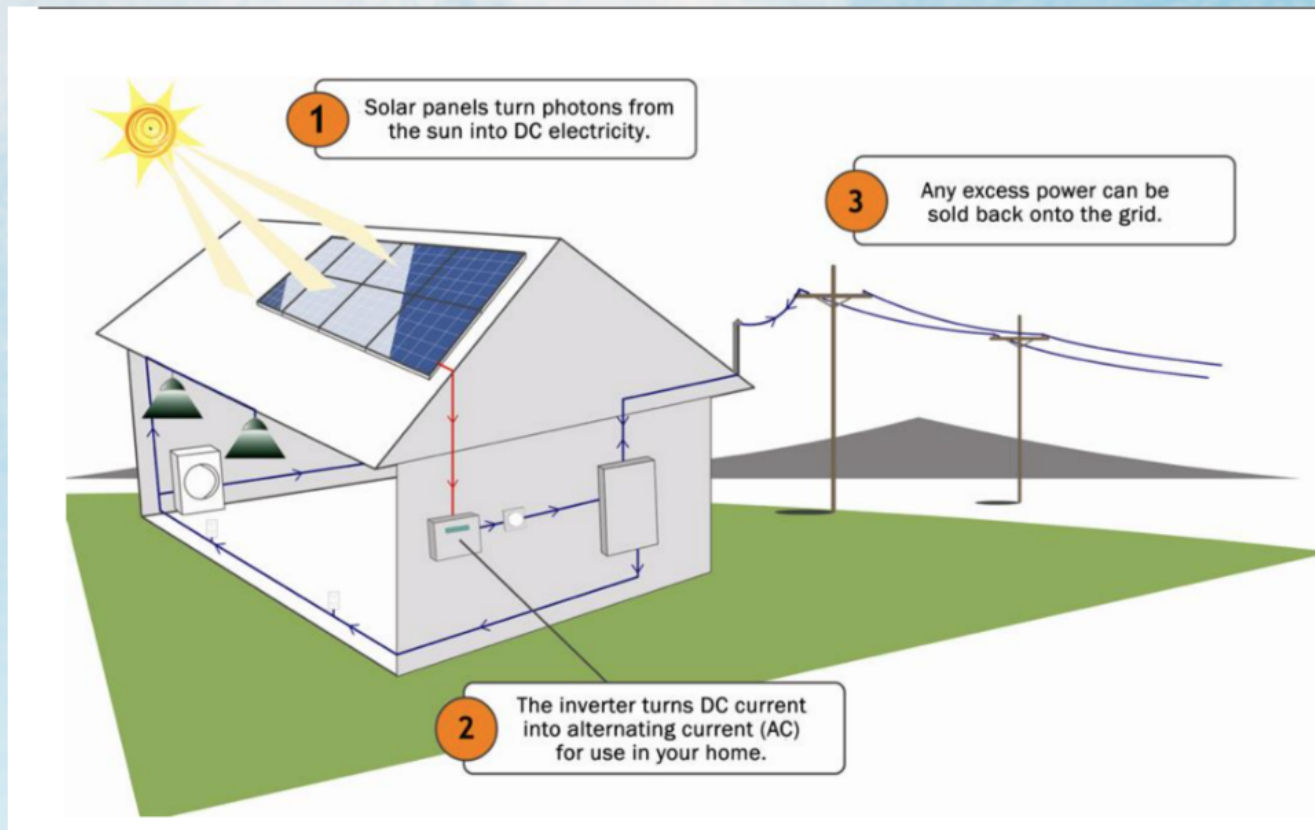
- Background
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Background

- Intro to PV Industry

A photovoltaic (PV) system converts solar power to electricity .

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Background

- Intro to PV Industry

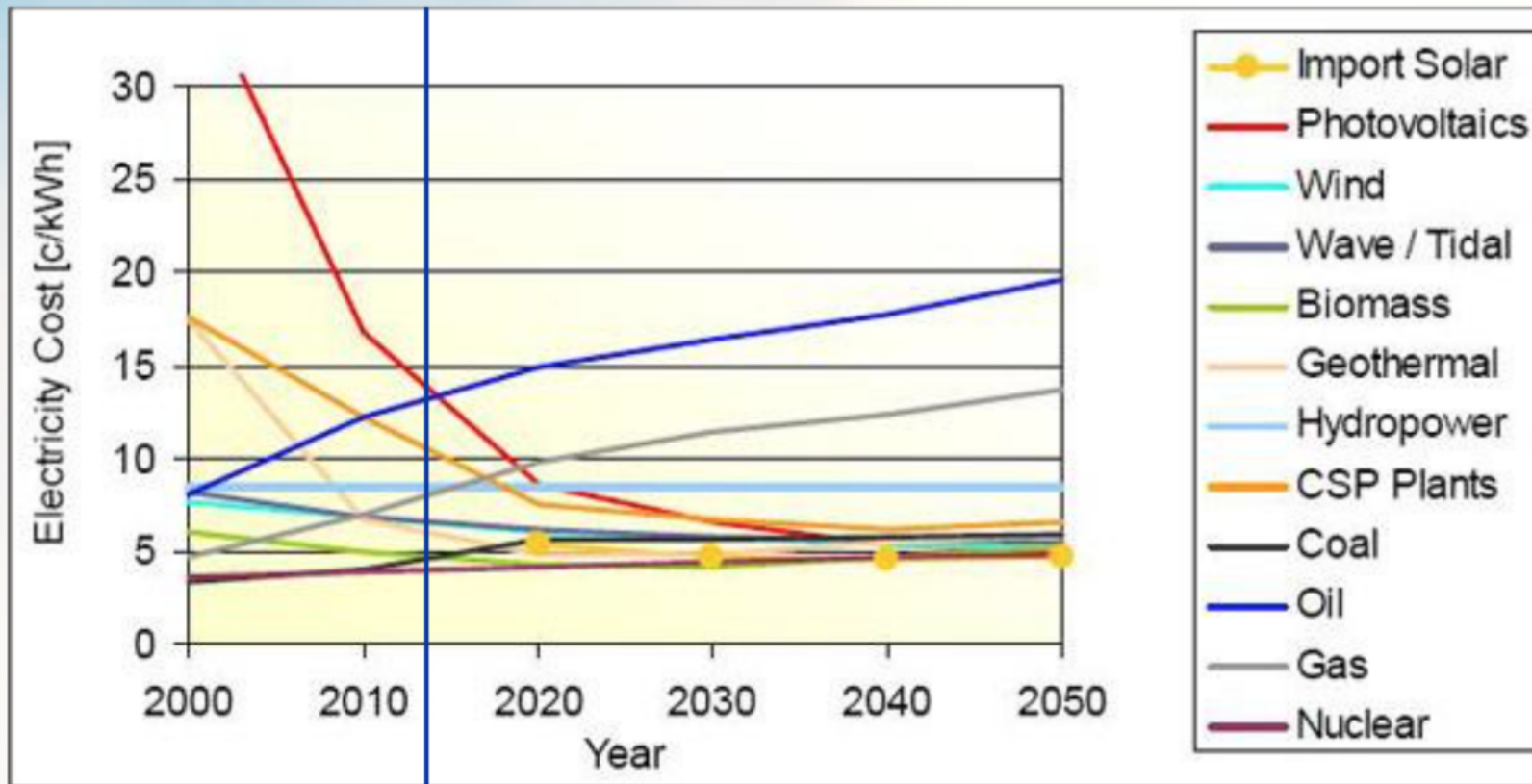
SOLAR ELECTRICITY

- Solar Electricity Free
- One upfront cost: manufacturing cost and installation cost
- "Mortgage"
- 20 yrs, \$100/month....

NATIONAL GRID

- Natural Gas is the primary source of electricity in US
- Cost (\$/kwh) increases 3-4% year over year

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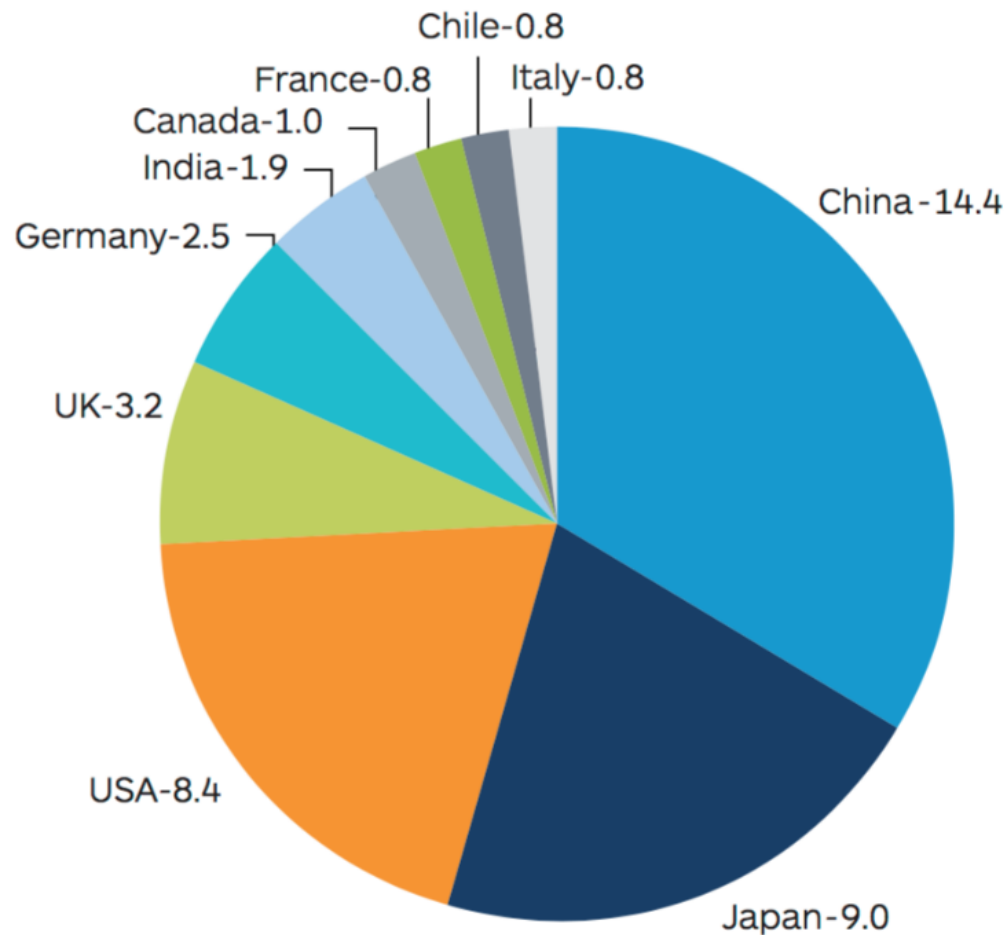


Industry Overview

- U.S has the third largest PV market globally.

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PV Installations - 2015 (GW)



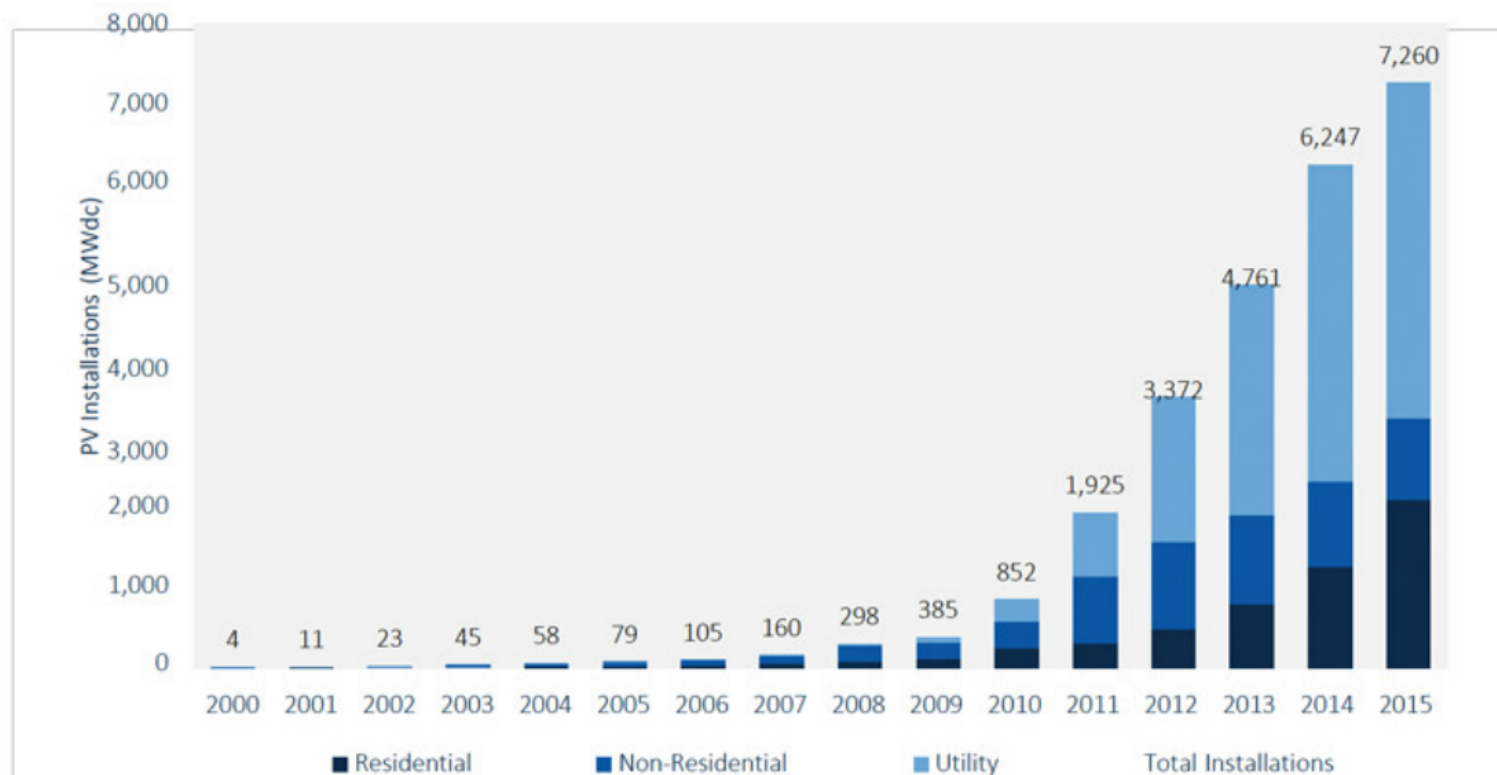
Source: IHS

Industry Overview - General

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- The U.S. installed 7,260 MWdc of solar PV in 2015, the largest annual total ever and 16% above 2014.

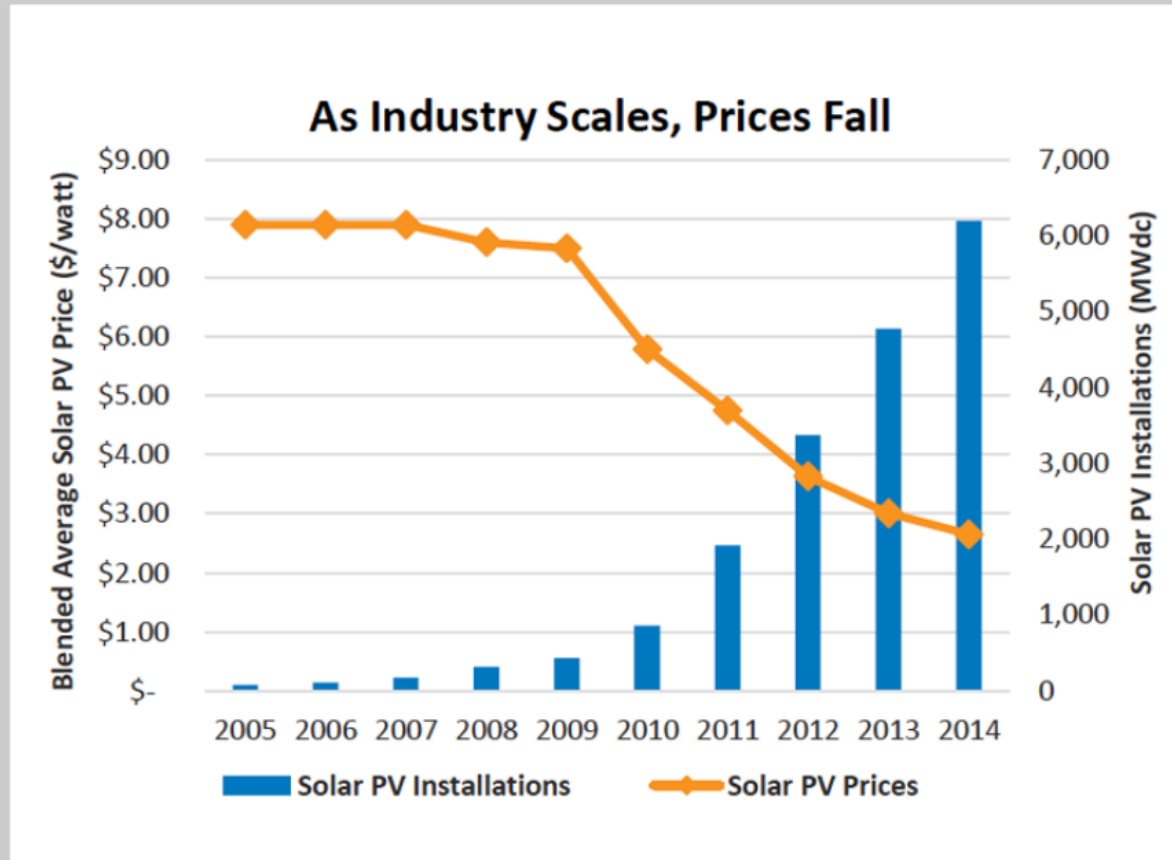
Figure 1.1 Annual U.S. Solar PV Installations, 2000-2015



Industry Overview

- As Industry Scales, \$/ Watt falls

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Industry Overview - Market Outlook

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Figure 2.7 U.S. PV Installation Forecast, 2010-2021E

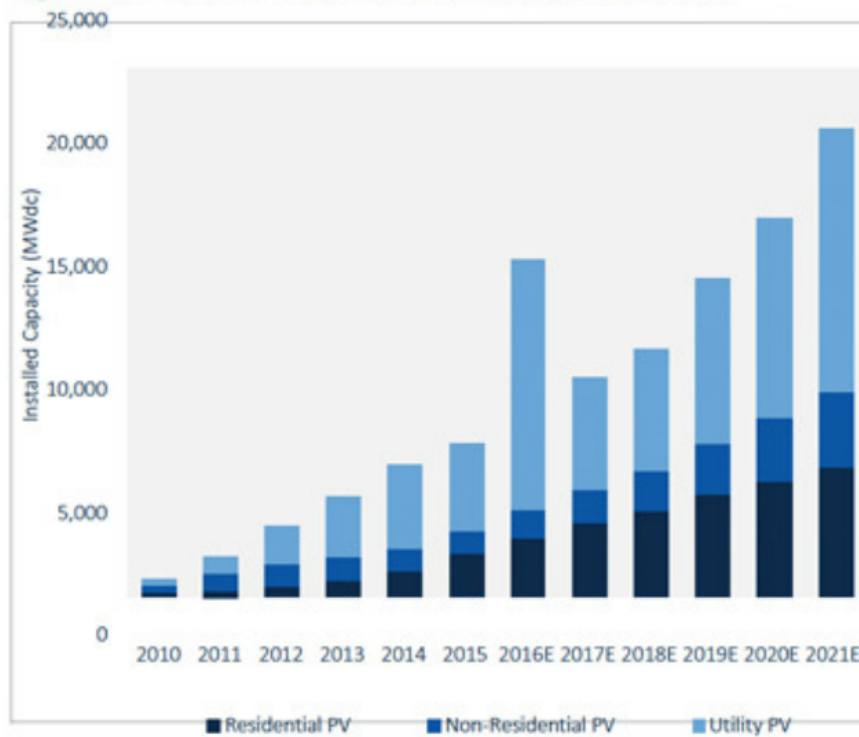


Figure 2.8 U.S. PV Installation Forecast by Segment

