

Montague Corporation: Unfolding the Future in Cycling Thecasesolutions.com

Activity Overview

Background

Rationale

Agenda

- Background
- Industry Overview
- Company Overview
- Key Metrics
- Business Model
- Market Segments
- Partnerships

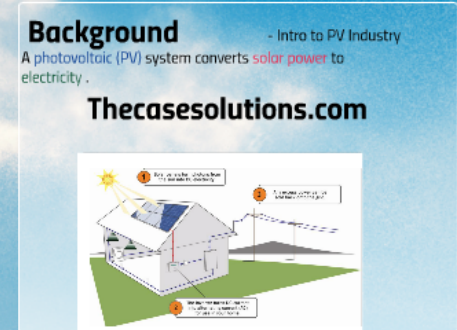
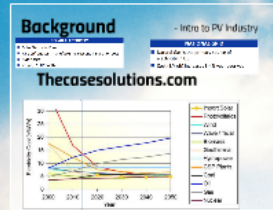
Risks & Considerations

- 1. Due Diligence & Revenue Alignment
- 2. Asset Specificity
- 3. Long-term Viability
- 4. Market of Operations
- 5. Target Public (EV)
- 6. Engage in "Value Engineering"

SolarCity

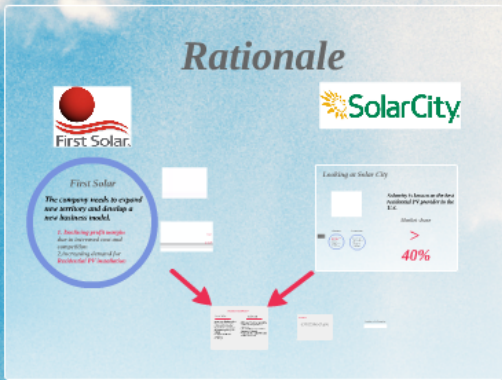
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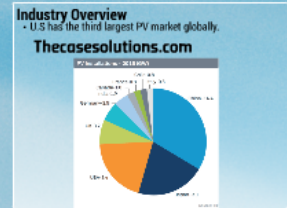
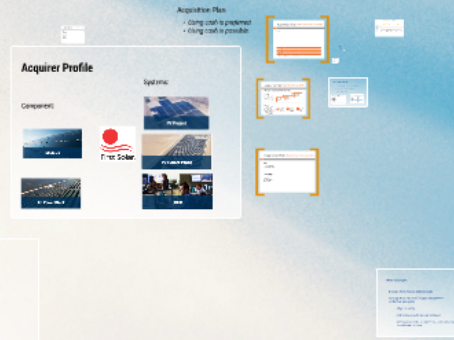
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- ### Agenda
- Thecasesolutions.com
- Background
 - Industry Overview
 - Financial Analysis
 - Target Standalone Intrinsic Value
 - Synergies
 - Recommend Approach
 - Risks & Considerations

Thank you



- ### 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

- Potential for regulatory scrutiny
- Limited competition by the market
- Issue of market entry

Risks & Considerations

- Expense of Project
- Financing for installation
- High and high development cost
- Incentive cuts

Risks & Considerations

- Operational & Cultural Problems
- Strategic fit issues
- Less than desirable firm's operations
- Contractual integration

Agenda

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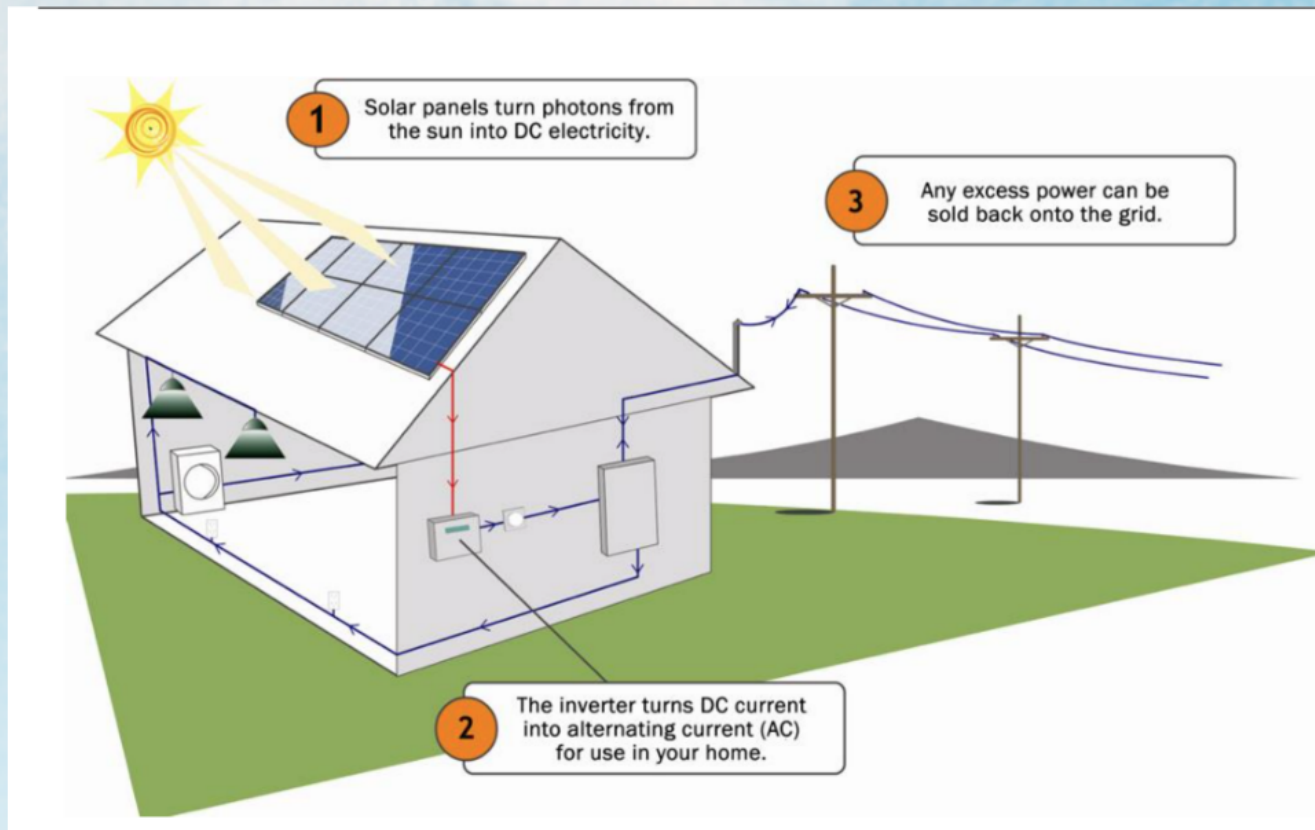
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Background

- Intro to PV Industry

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

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Background

- Intro to PV Industry

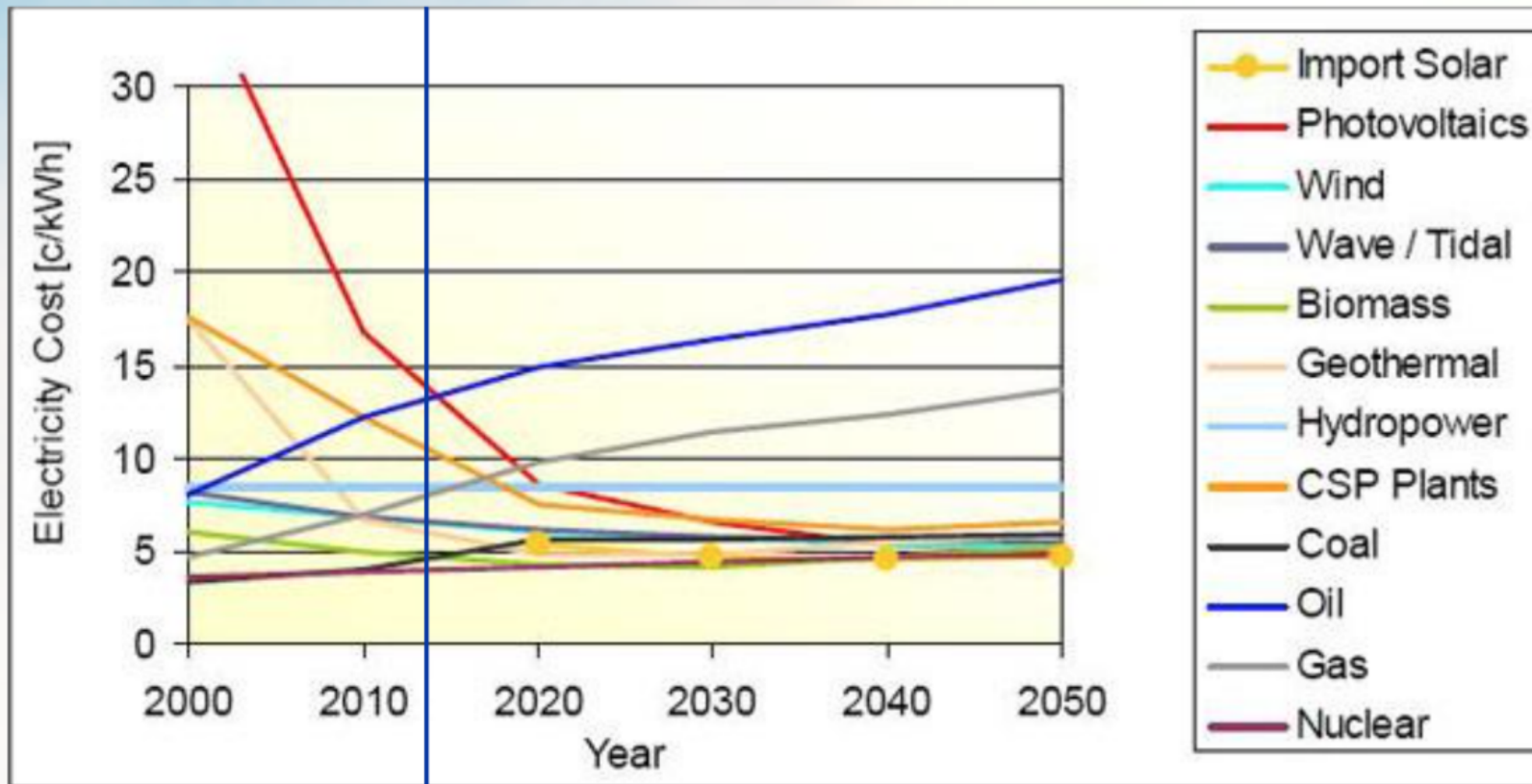
SOLAR ELECTRICITY

- 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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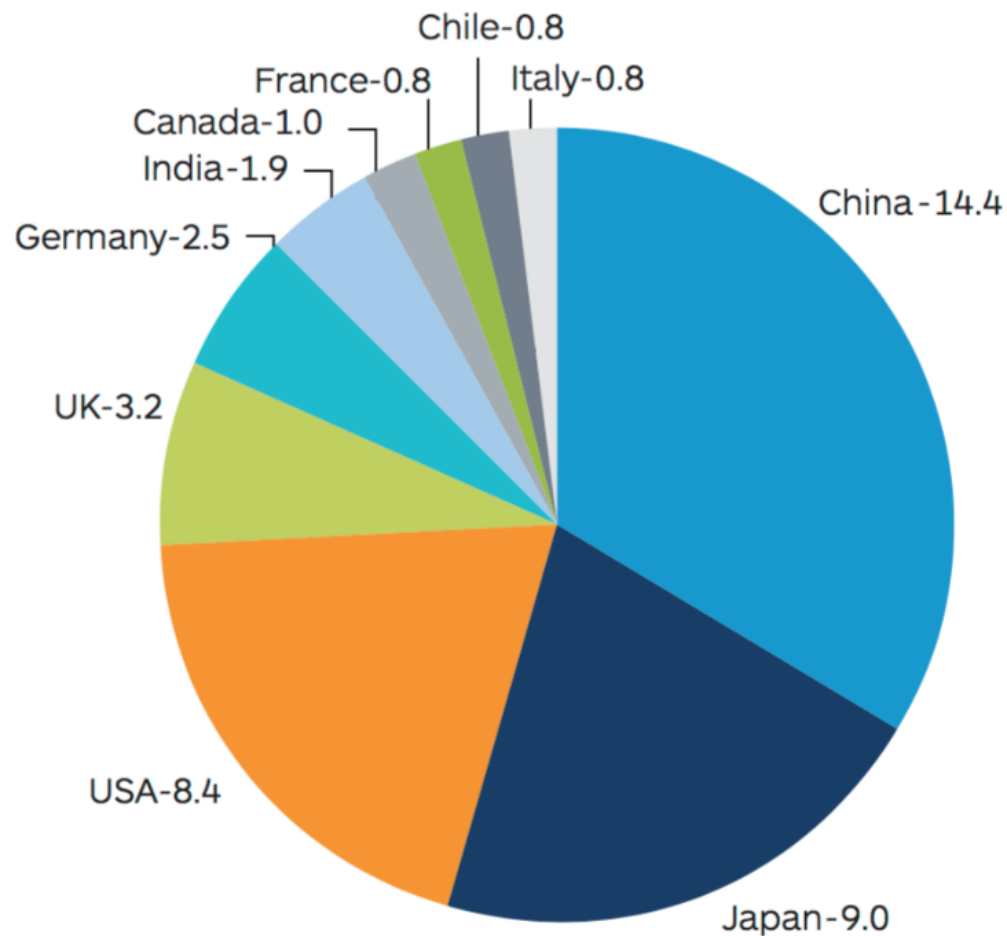


Industry Overview

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

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PV Installations - 2015 (GW)



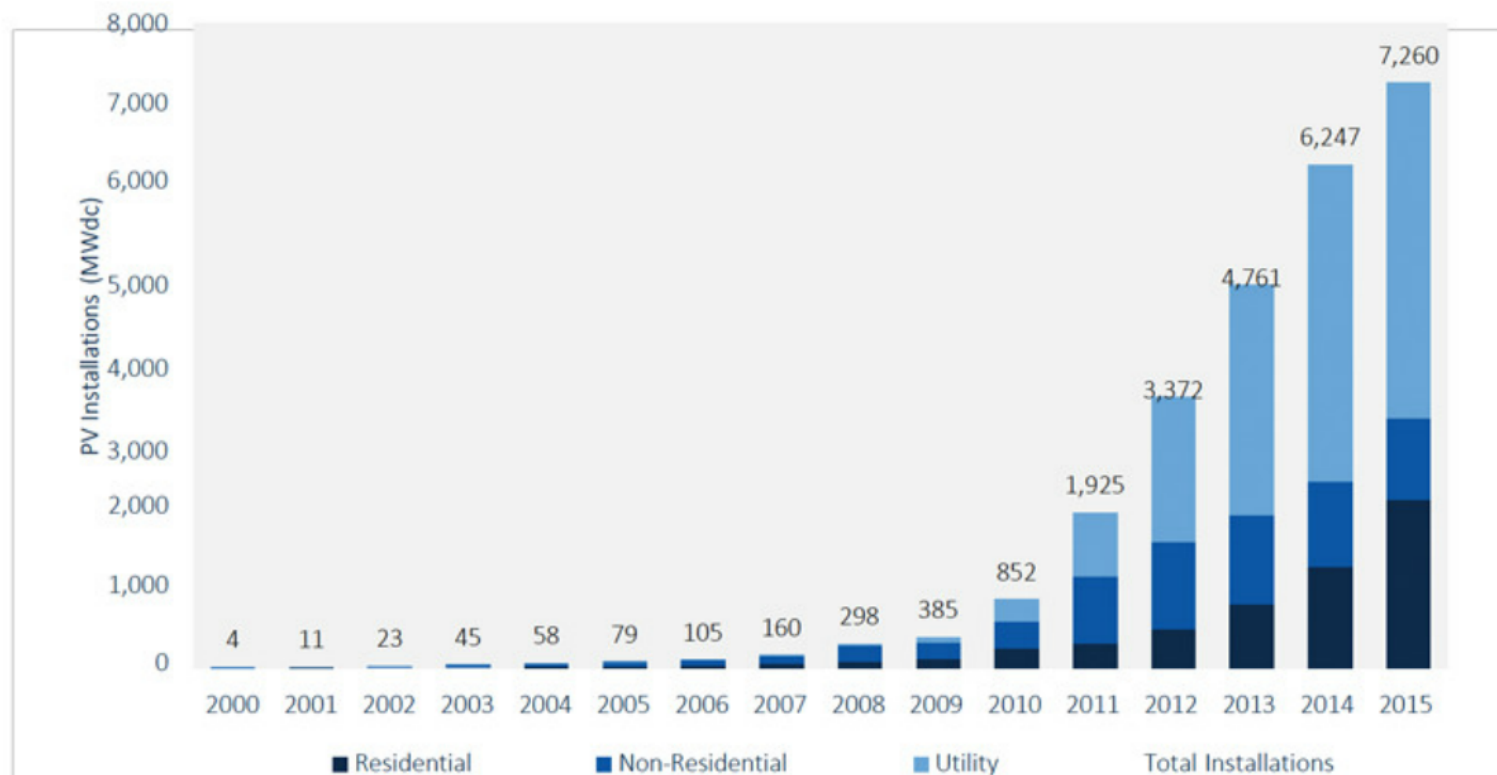
Source: IHS

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.

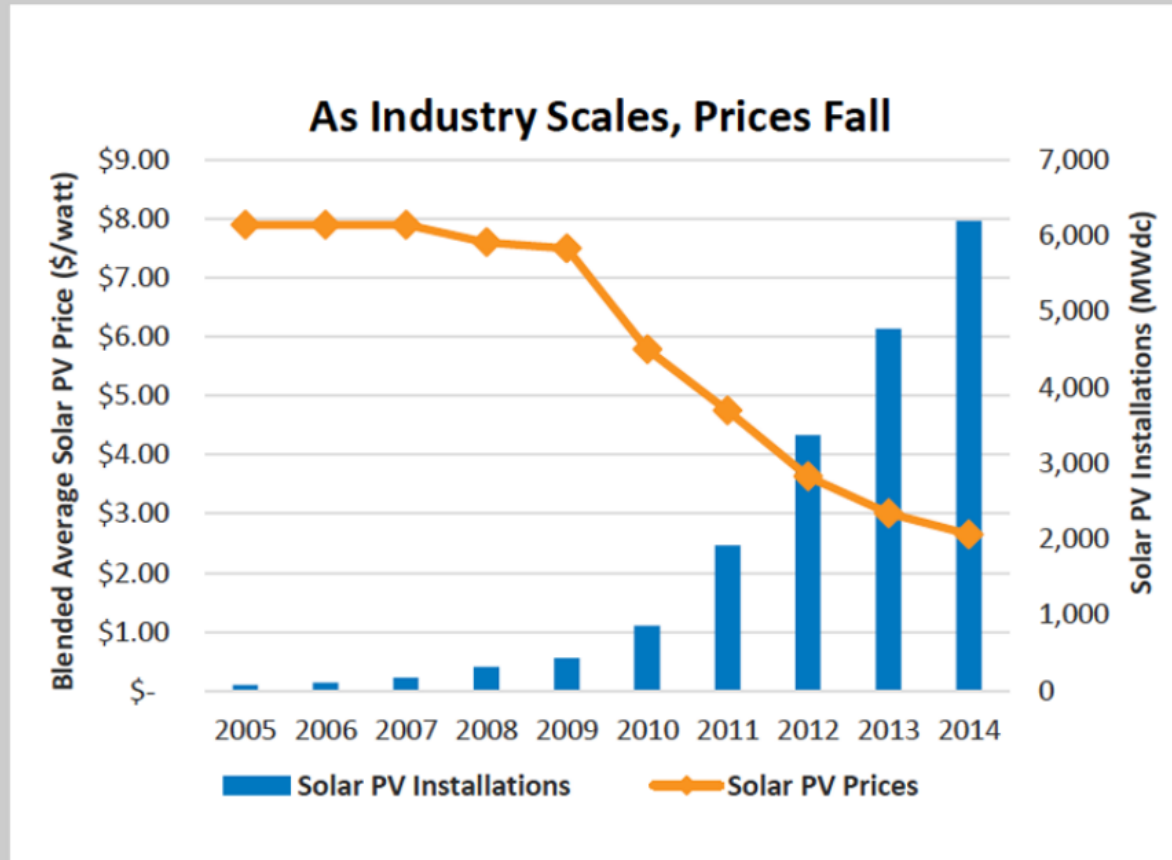
Figure 1.1 Annual U.S. Solar PV Installations, 2000-2015



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

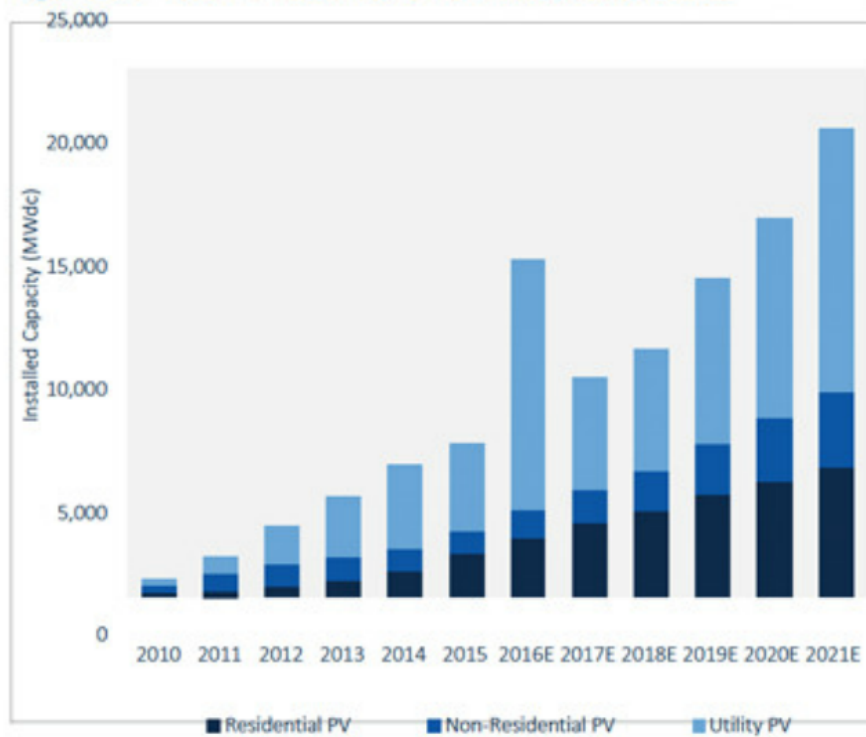


Figure 2.8 U.S. PV Installation Forecast by Segment

