The State of Cleantech Venture Capital: What Lies Ahead

Matthew M. Nordan

NextWave Greentech Investing
September 12, 2013

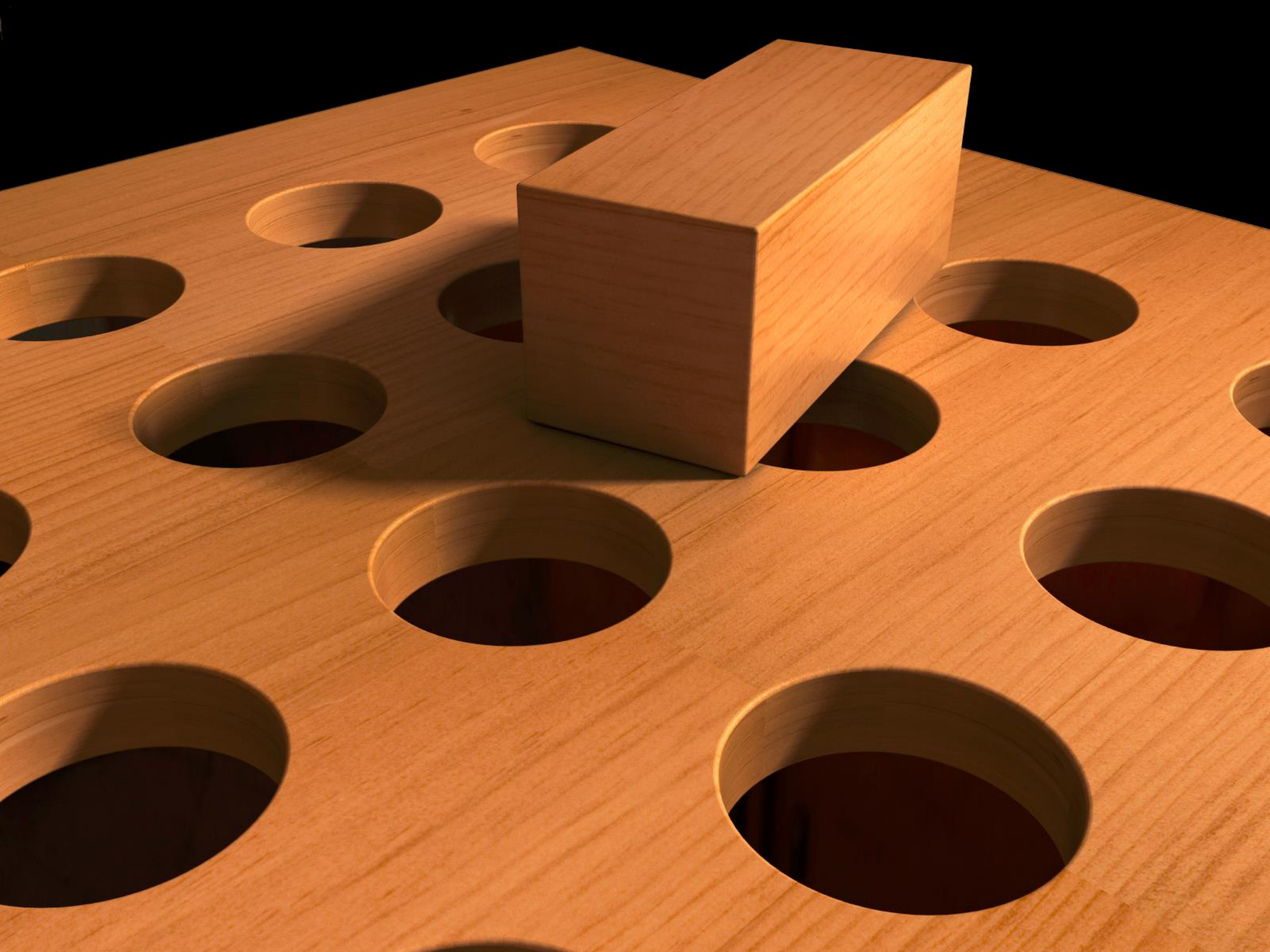
@matthewnordan

Venrock

Building Companies that Shape the Future


SOLYNDRA


SOLYNDRA



The System

Friends & family → Angels → Venture capital → Growth equity → <u>Outcome</u> (IPO or M&A)

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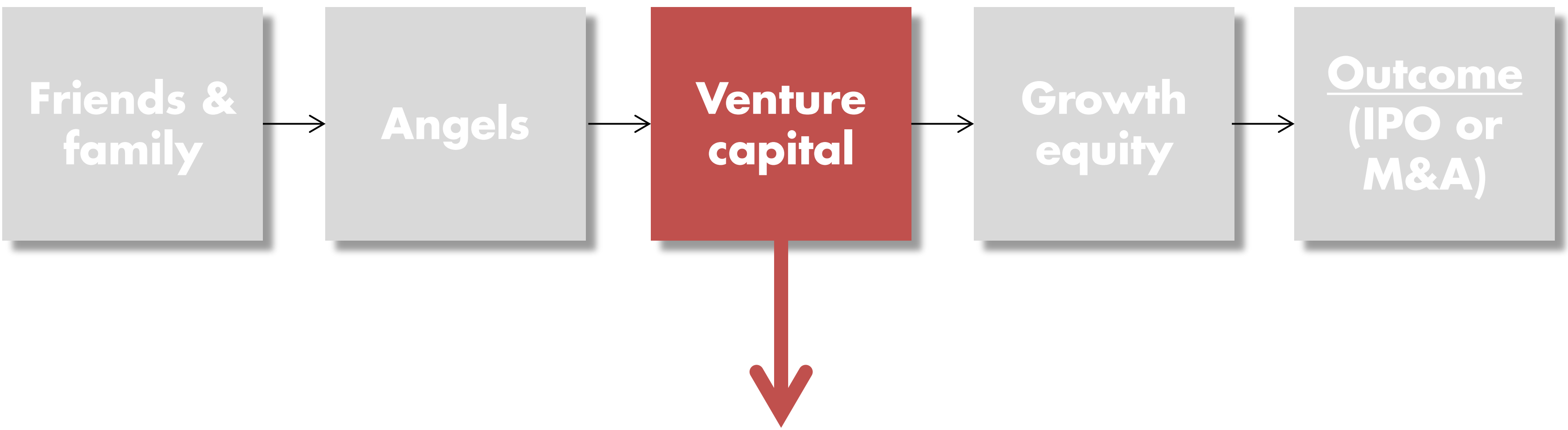
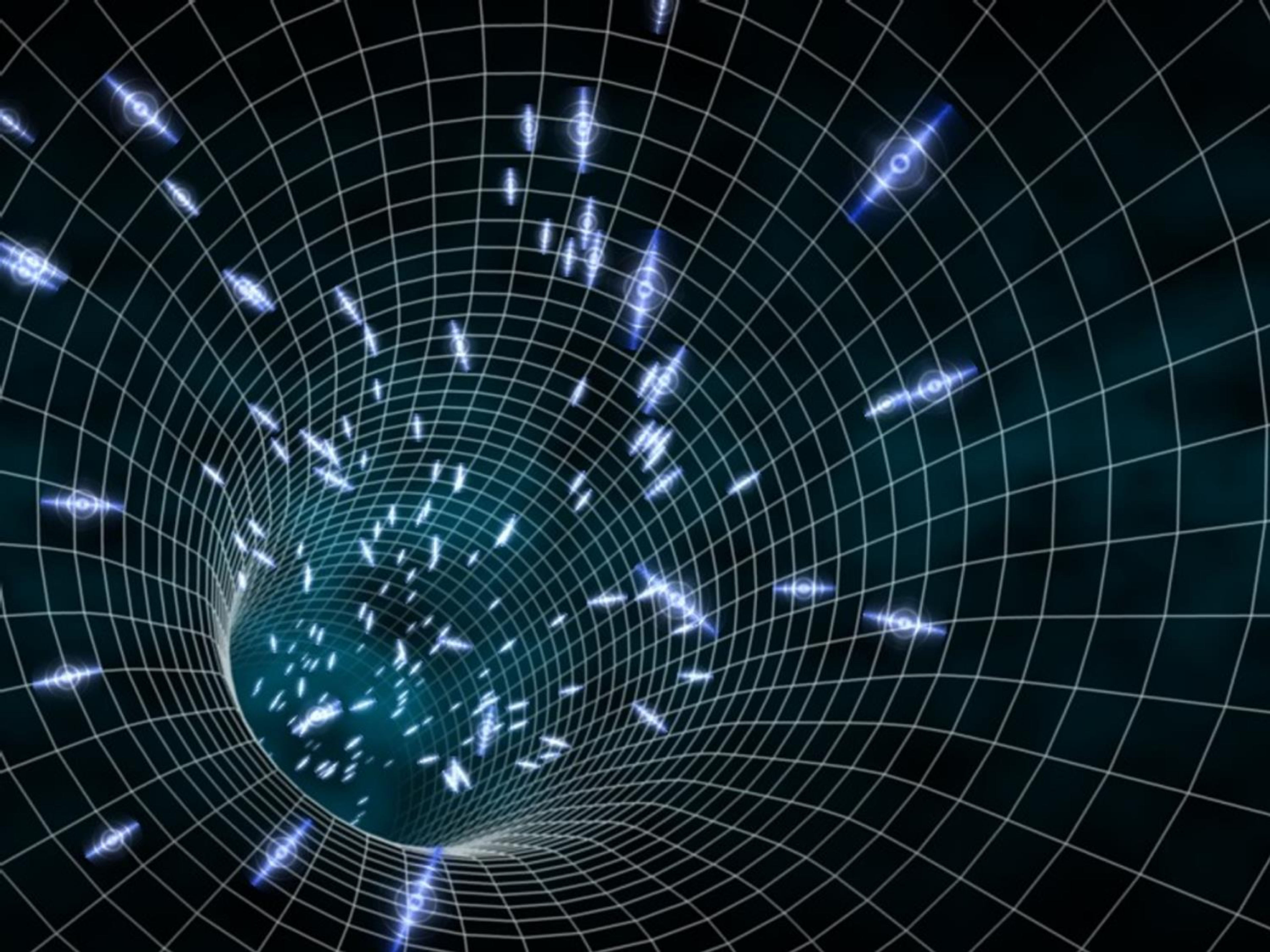
The System

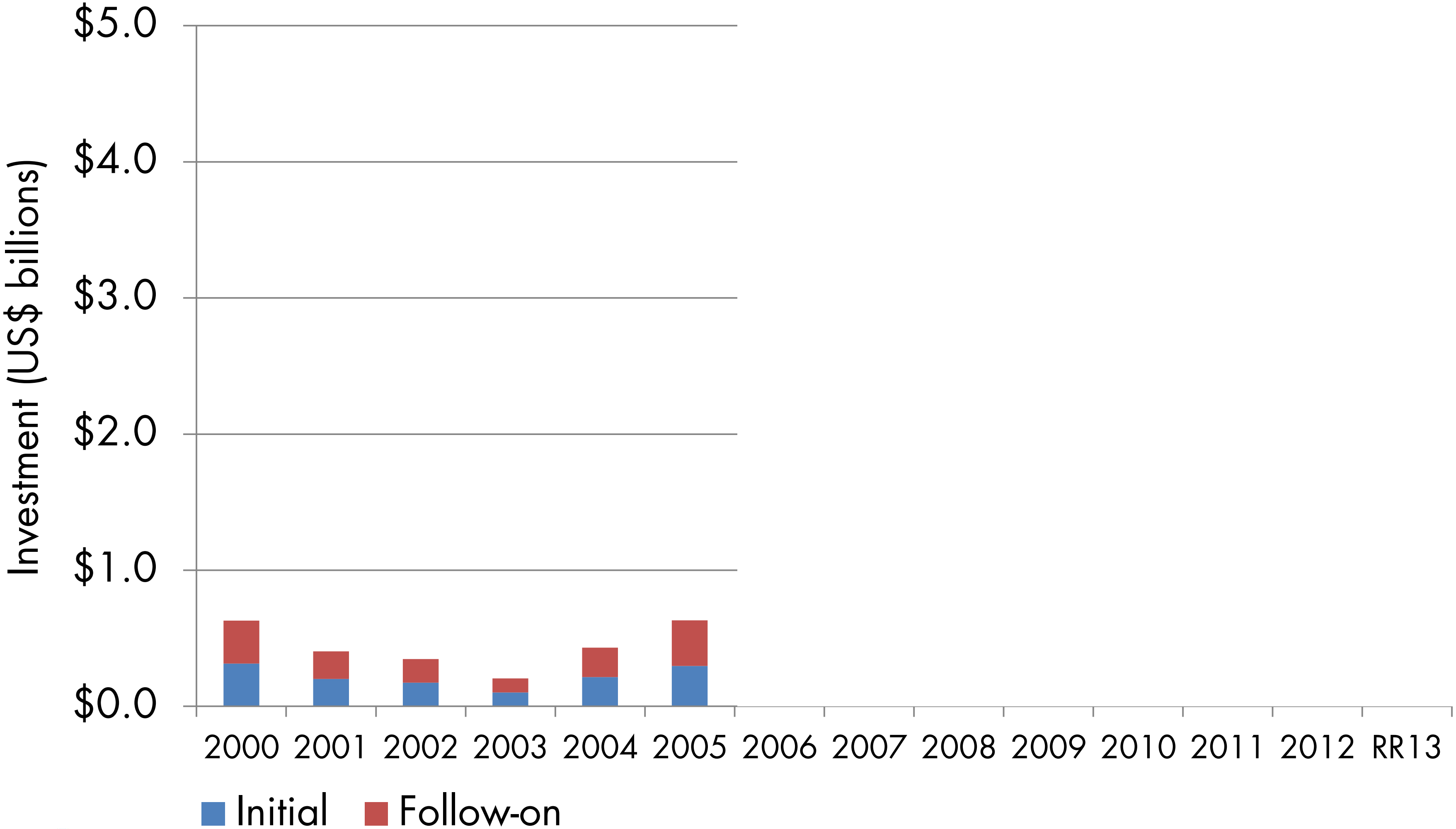


Exits in 10 years

Markups in 3 years

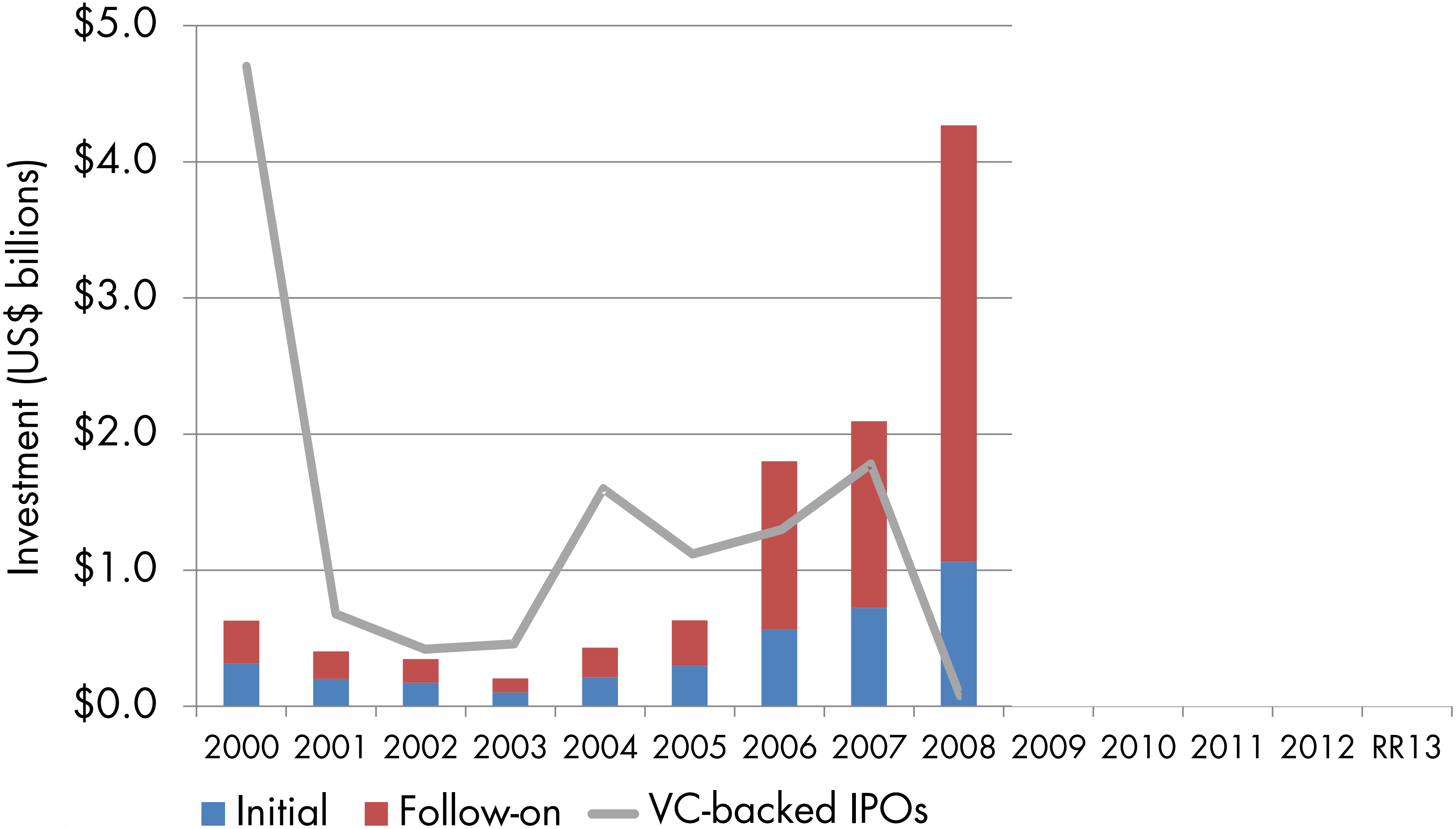


Cleantech VC history



Sources: PWC/NVCA/Thomson Reuters Moneytree, Dow Jones, EIA. @matthewnordan

Cleantech VC history



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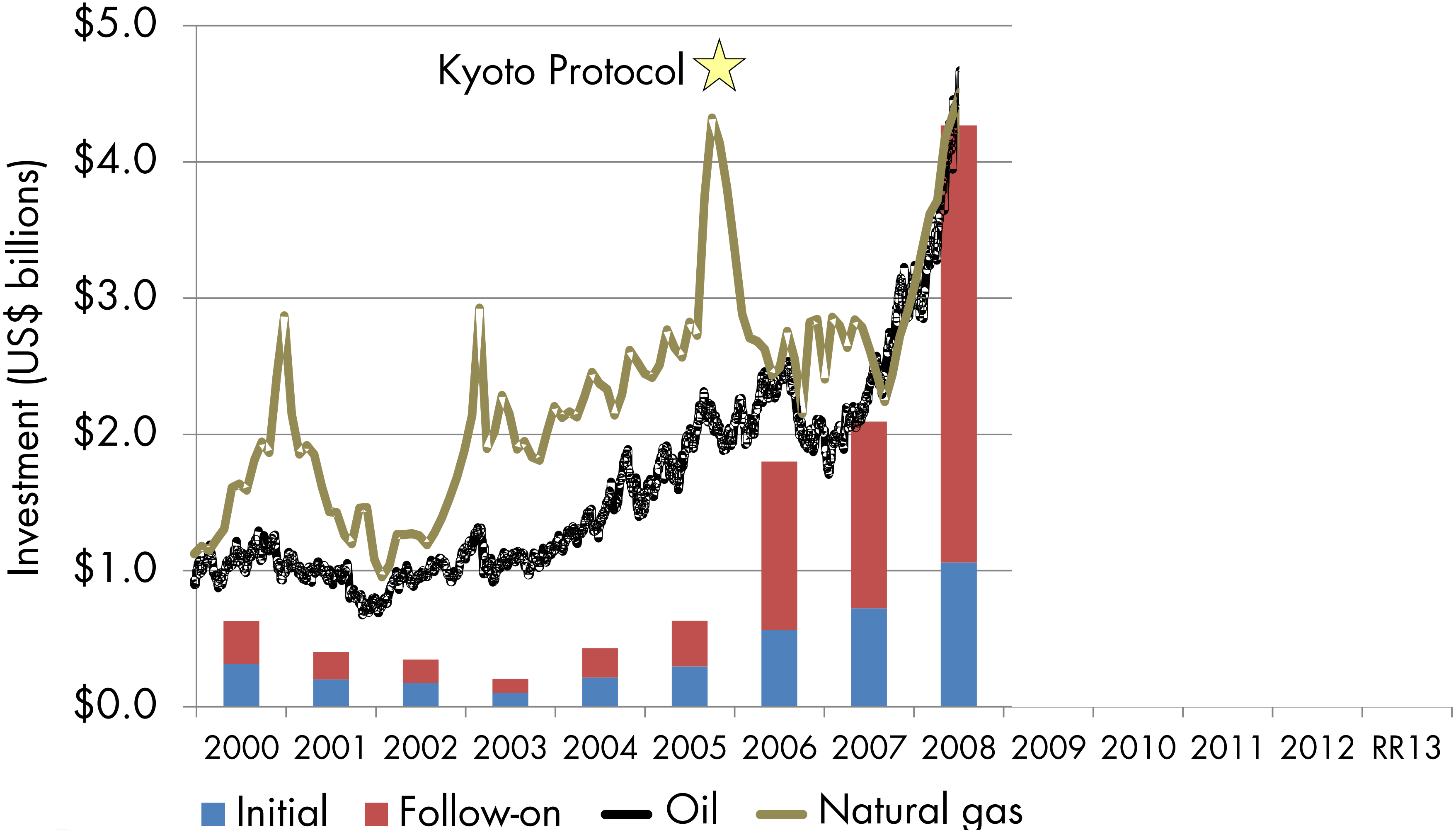


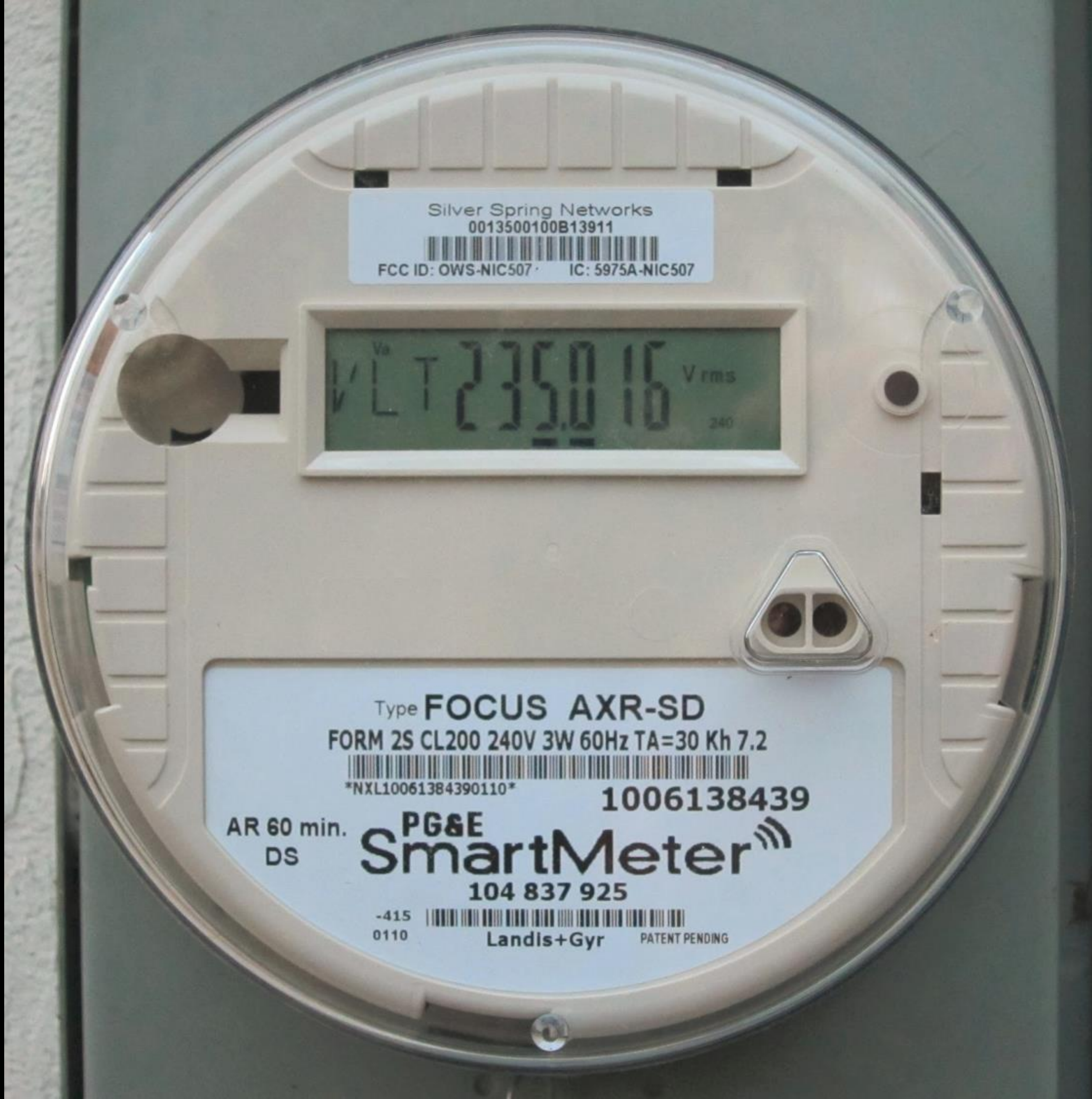
Q4 2005

Q CELLS

SUNPOWER®

SUNTECH


ADAM


Silver Spring Networks
0013500100B13911
FCC ID: OWS-NIC507
IC: 5975A-NIC507
VLT 235.016 Vrms
240
Type FOCUS AXR-SD
FORM 2S CL200 240V 3W 60Hz TA=30 Kh 7.2
NXL10061384390110
1006138439
AR 60 min.
DS
PG&E
SmartMeter
104 837 925
-415
0110
Landis+Gyr
PATENT PENDING

November Neighbor Comparison | You used **28% MORE** energy than your efficient neighbor

HOW YOU'RE D

GREAT

GOOD

MORE TH

* This energy index combines electricity (kWh) and natural gas (therms) into a single measurement.

WHO ARE YOUR "NEIGHBORS"?

ALL NEIGHBORS
Approximately 100 occupied nearby homes that are similar in size to yours (avg 2,023 sq ft) and have both electricity and natural gas service.

ighbor Comparison

You used **74% MO**
This costs you a


1

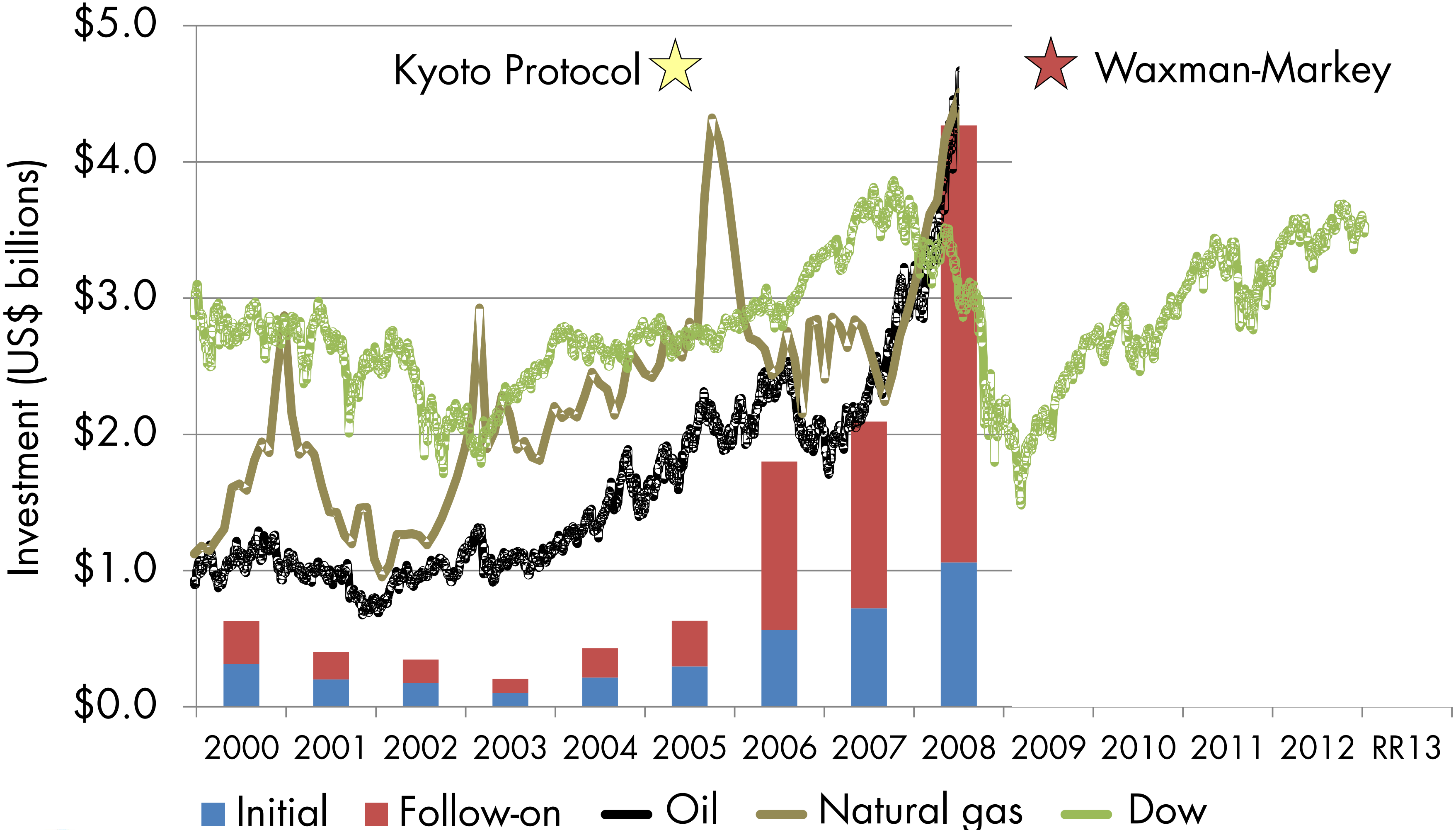
2004 to 2013

$25 billion

1,000+ start-ups


LEHMAN BROTHERS
SEP 15

Cleantech VC history



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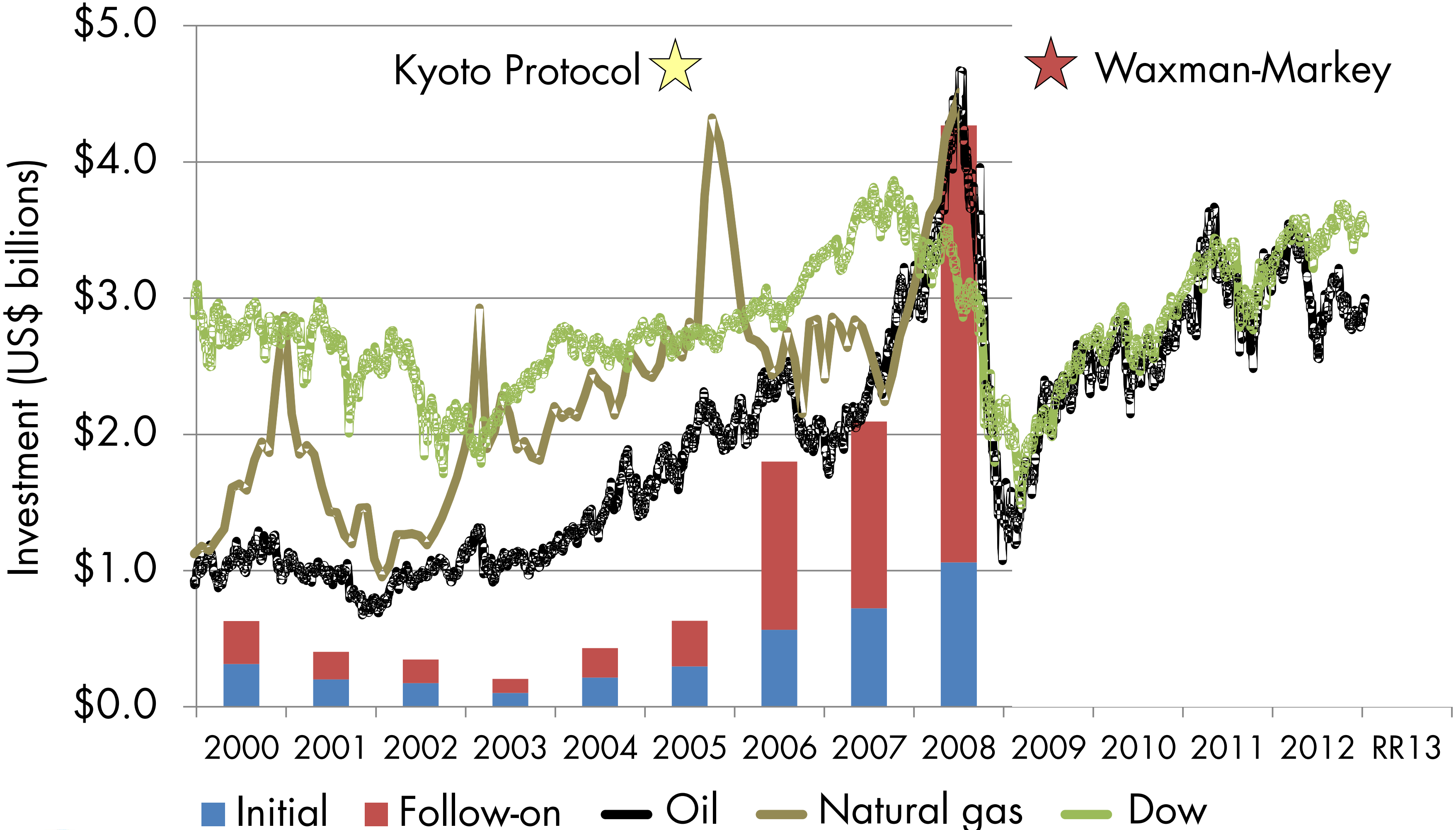

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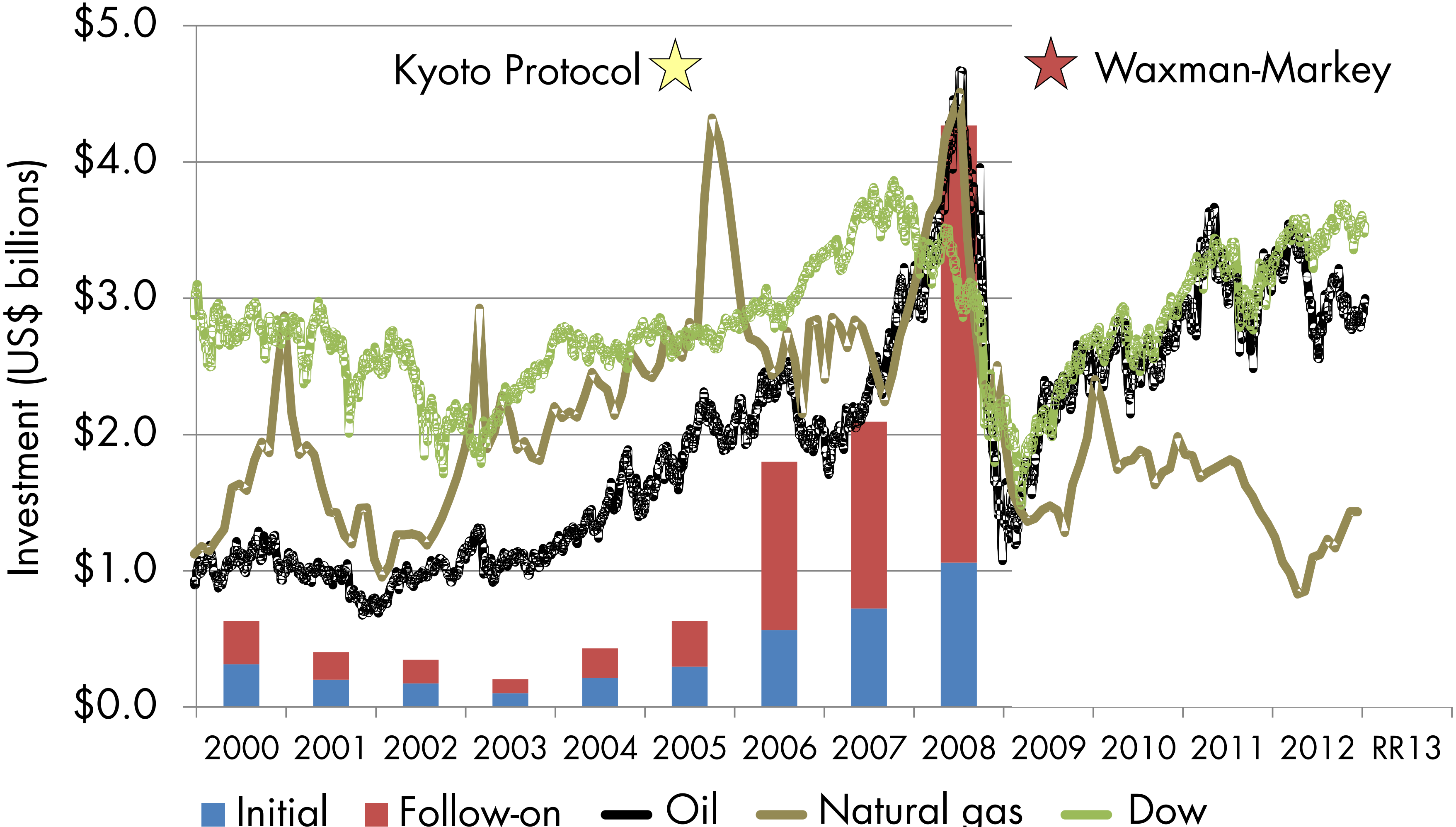
Cleantech VC history



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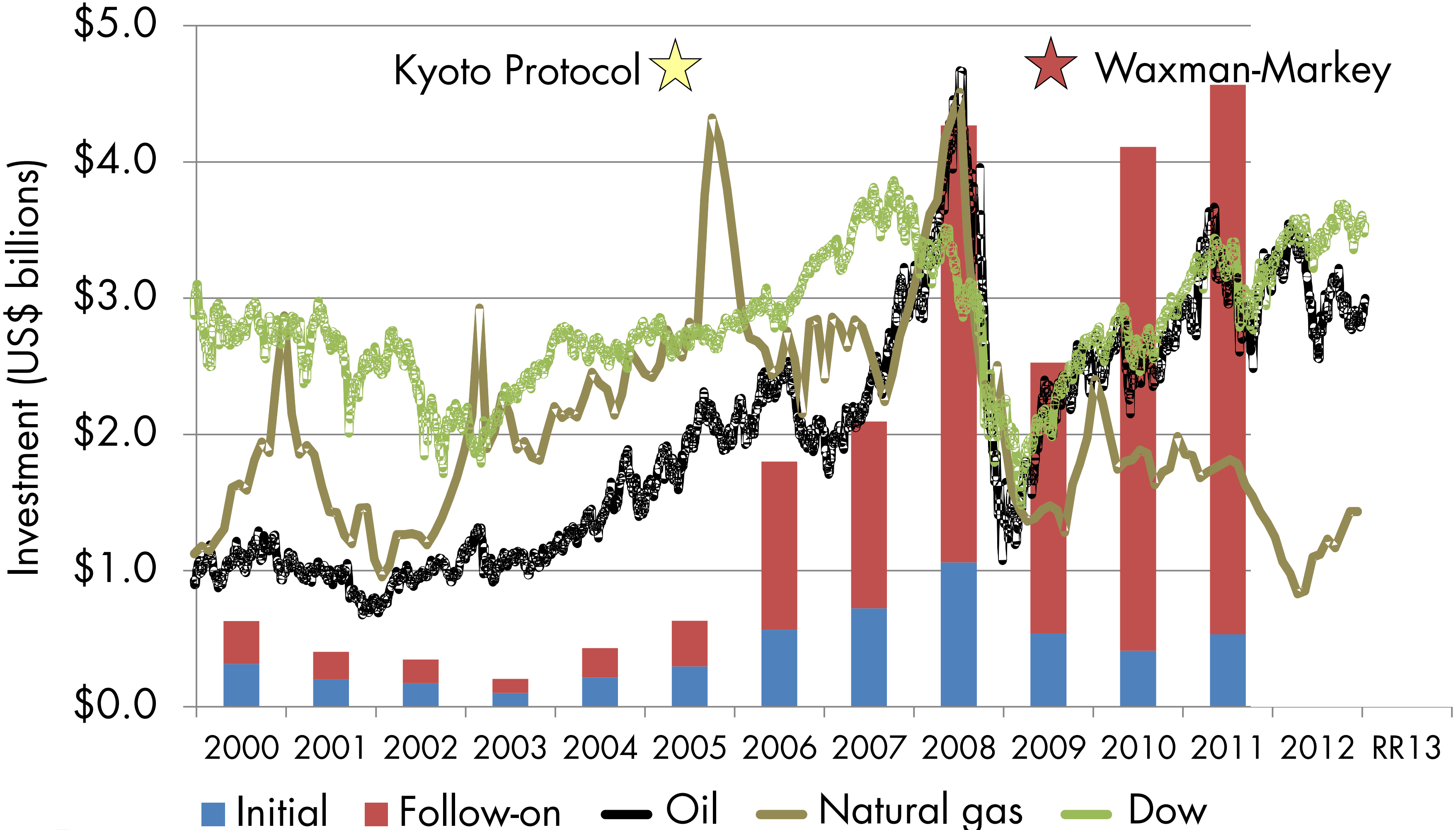

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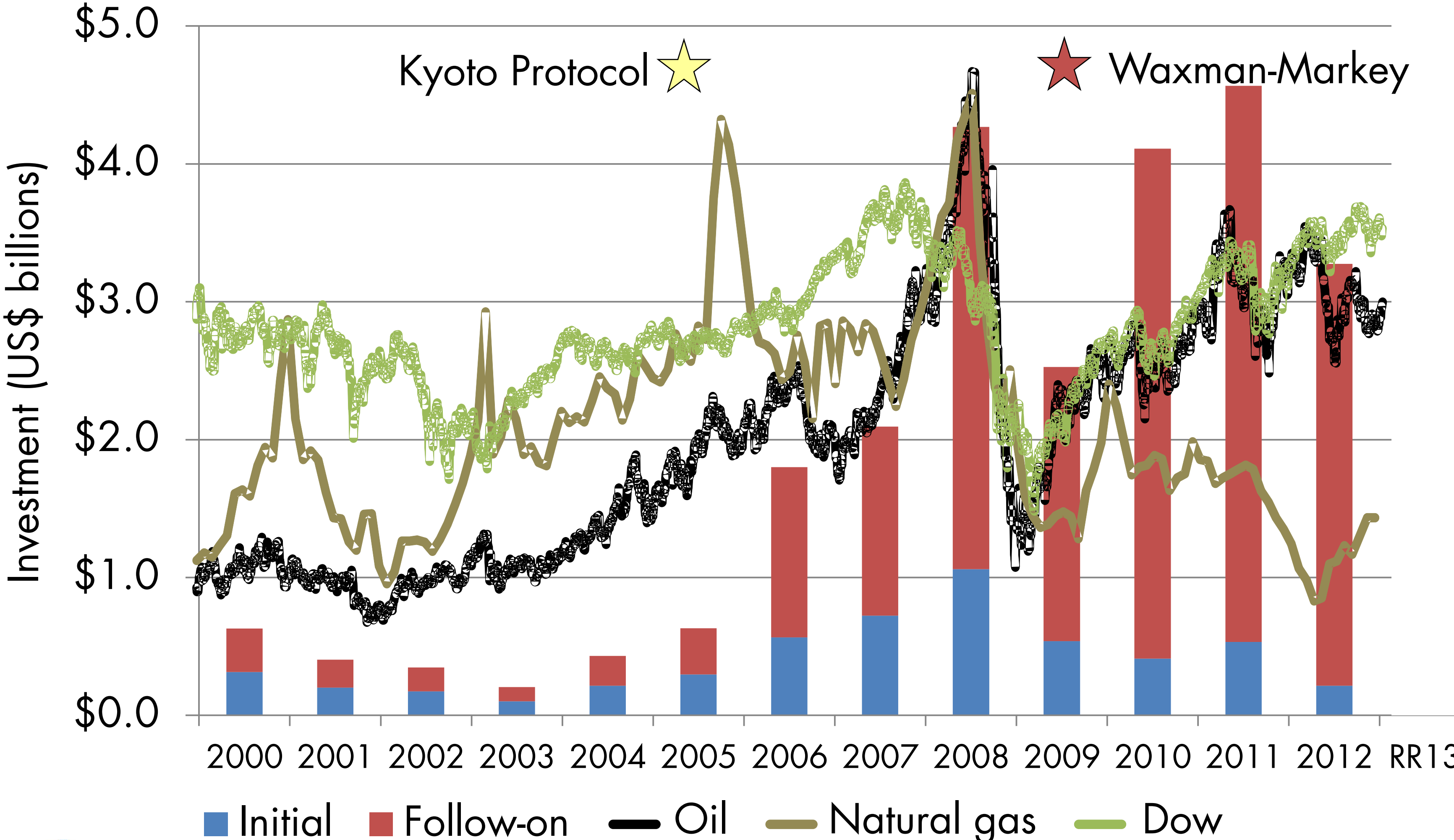

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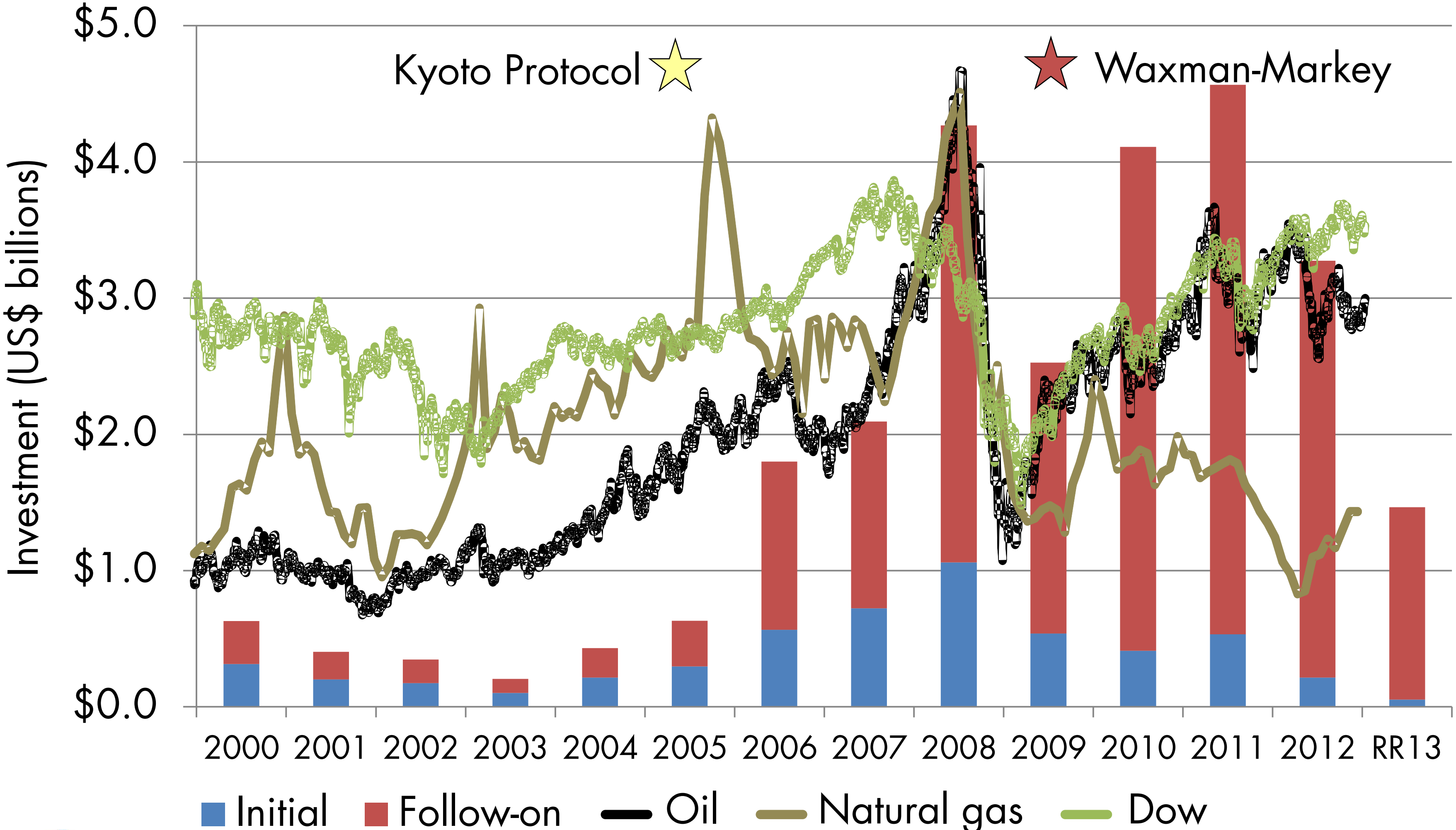

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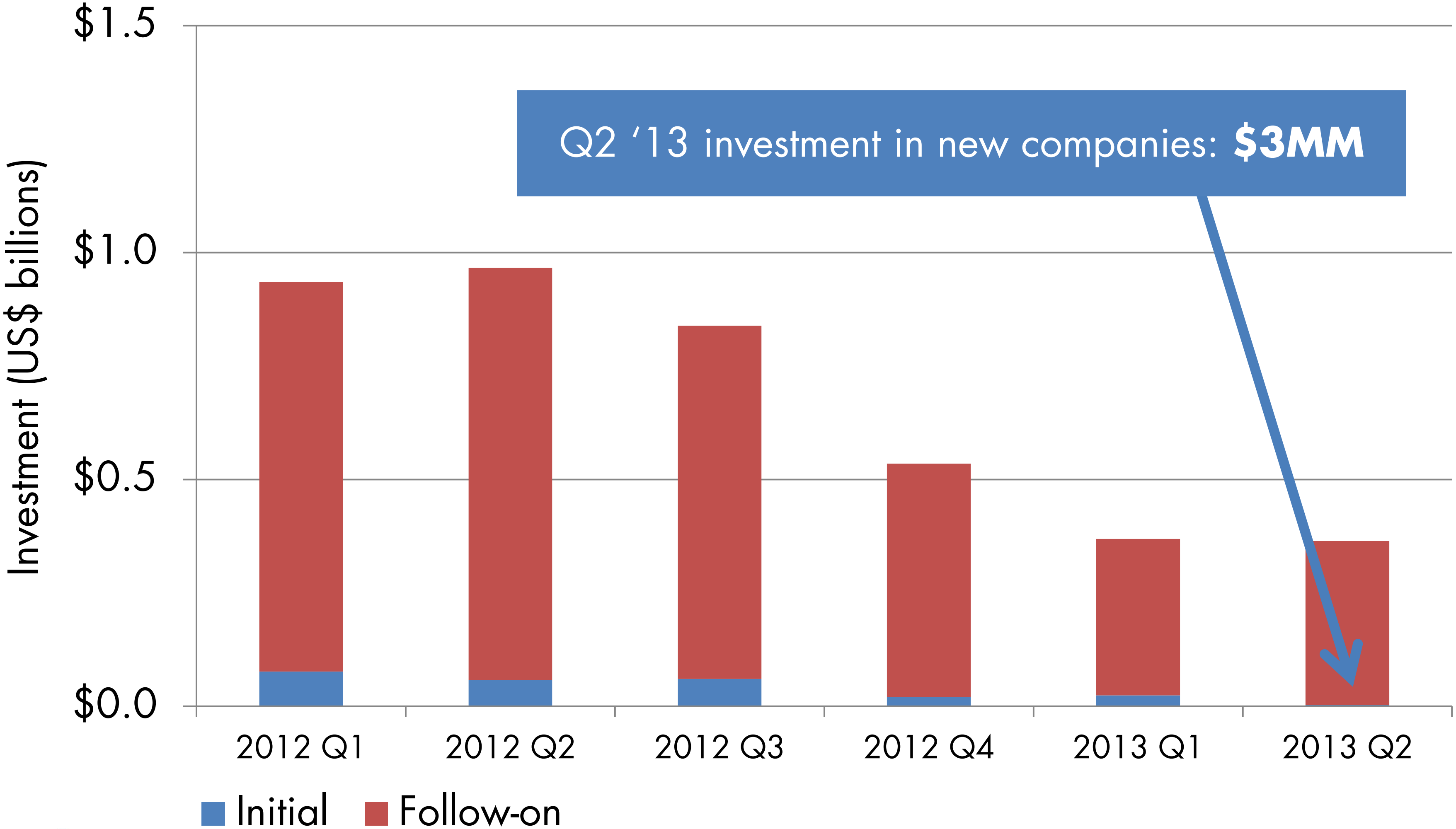
Cleantech VC (recent) history



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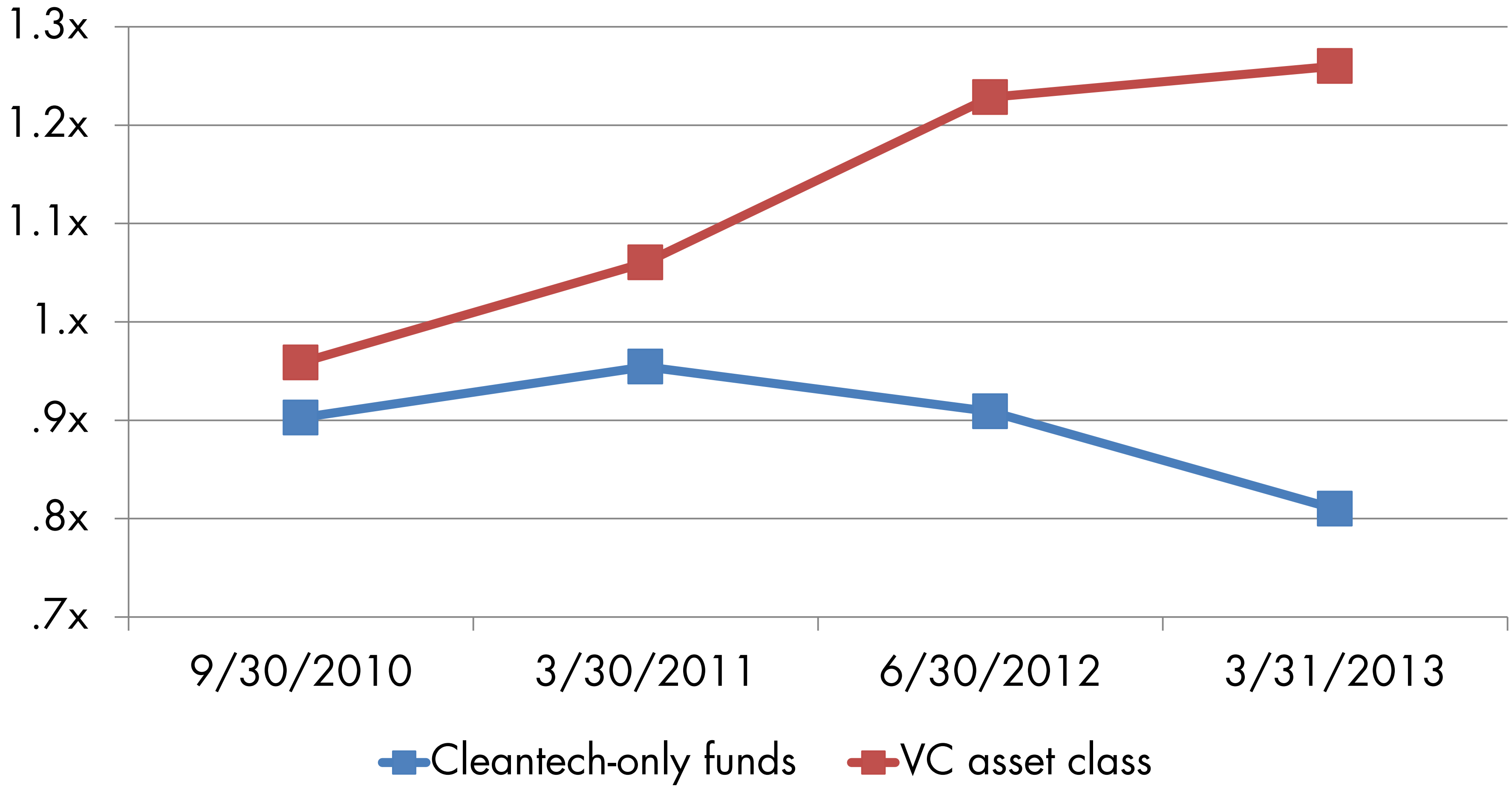
Fact #1:
Cleantech VC has underperformed the asset class

Cleantech returns vs. VC class



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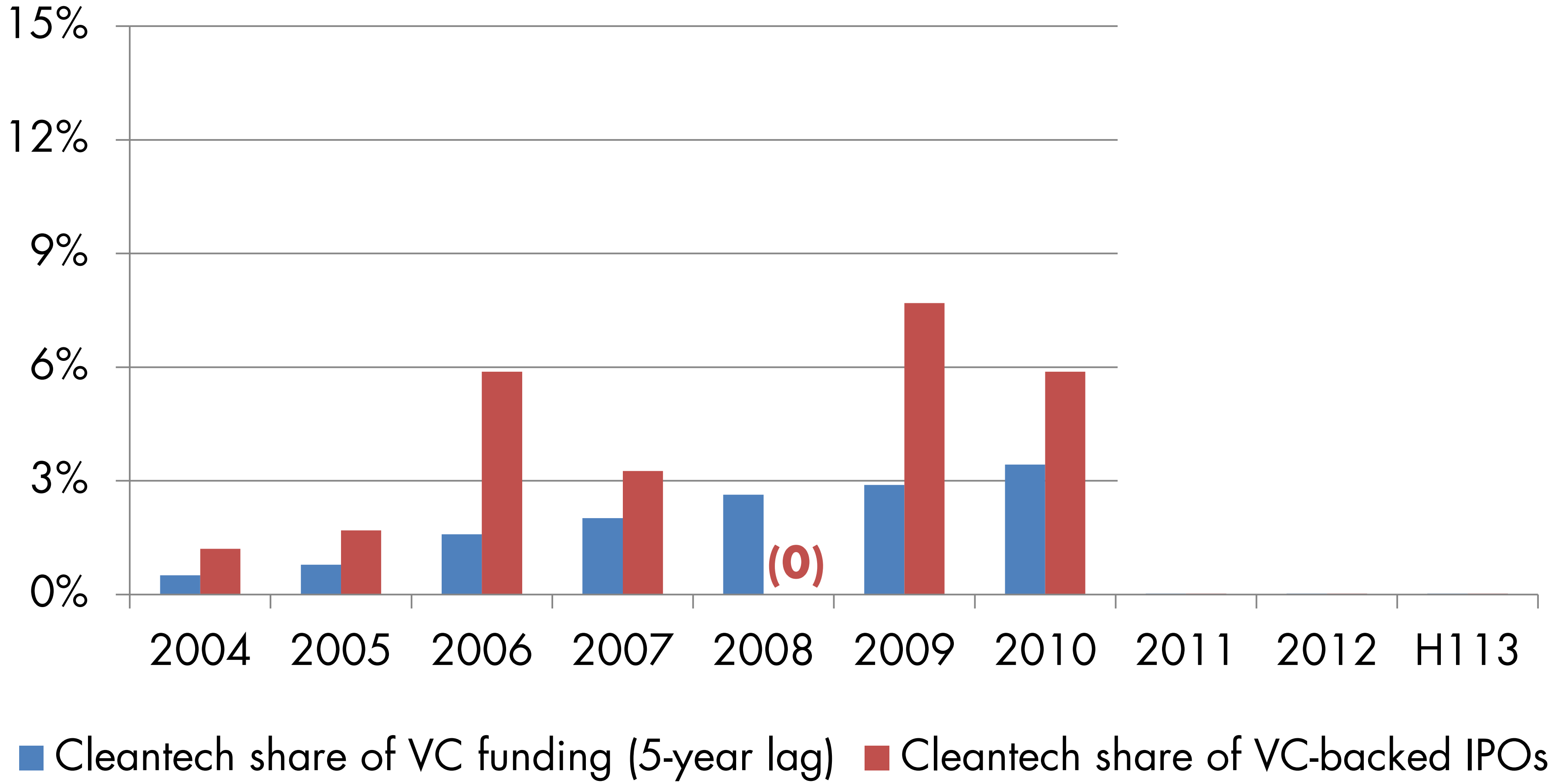
Value to paid-in capital net to LPs. Sources: NVCA, CalPERS. @matthewnordan

Fact #2:
There haven't been enough exits

Cleantech funding vs. IPOs



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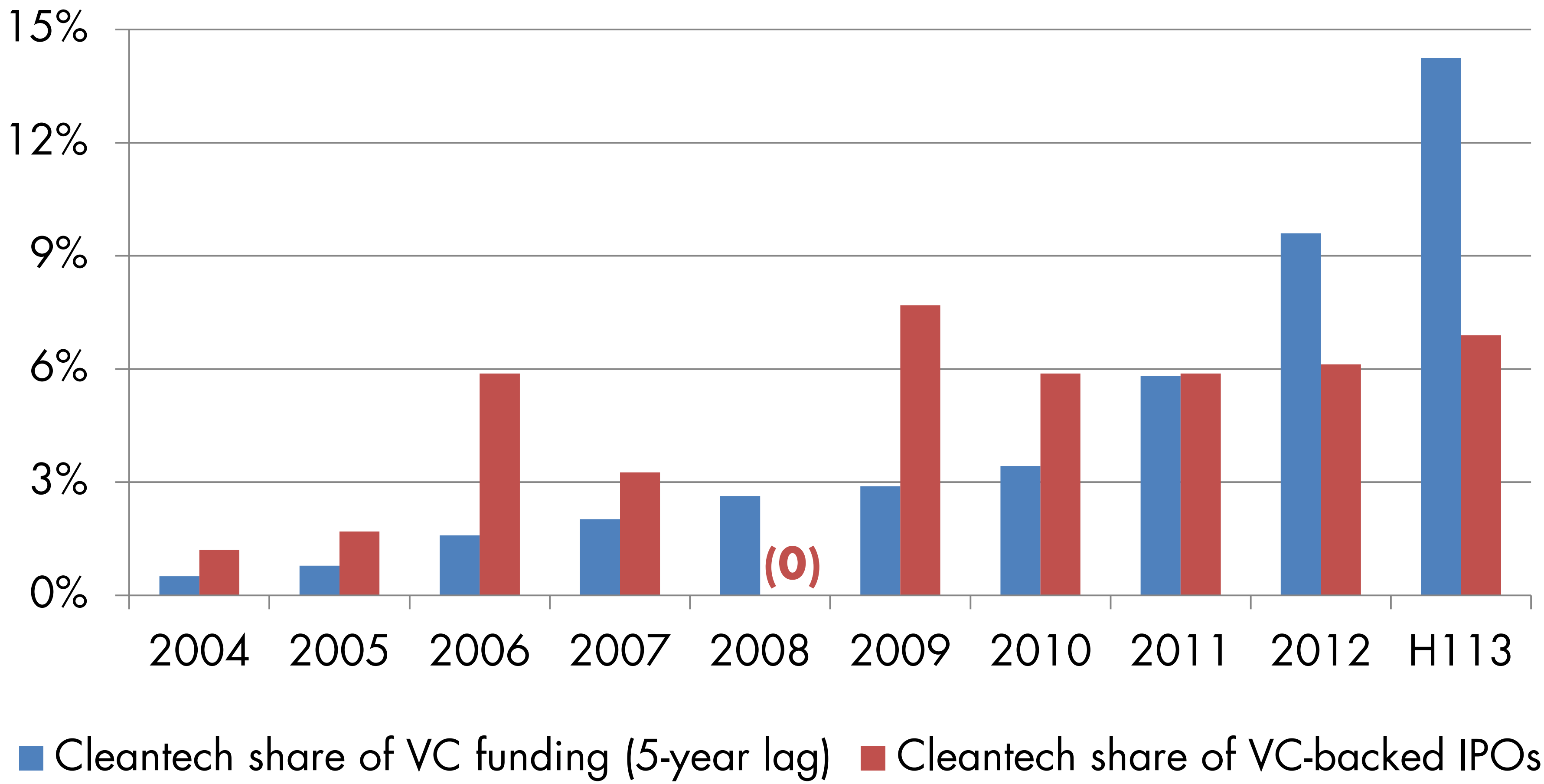
Cleantech funding vs. IPOs



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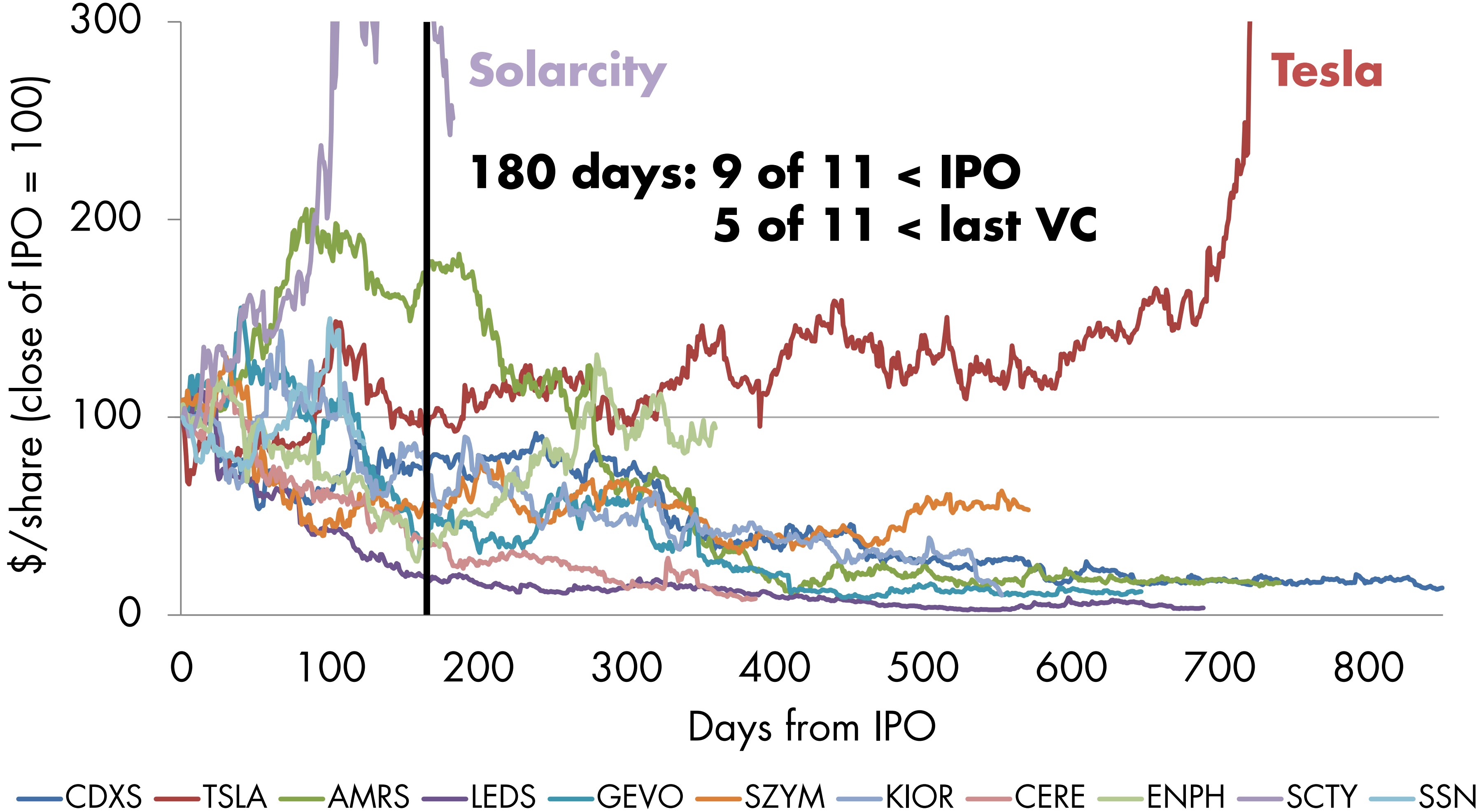
Sources: PWC/NVCA/Thomson Reuters Moneytree, SEC filings. @matthewnordan

Fact #3:
Public equities have (mostly) disappointed

Cleantech stocks post-IPO



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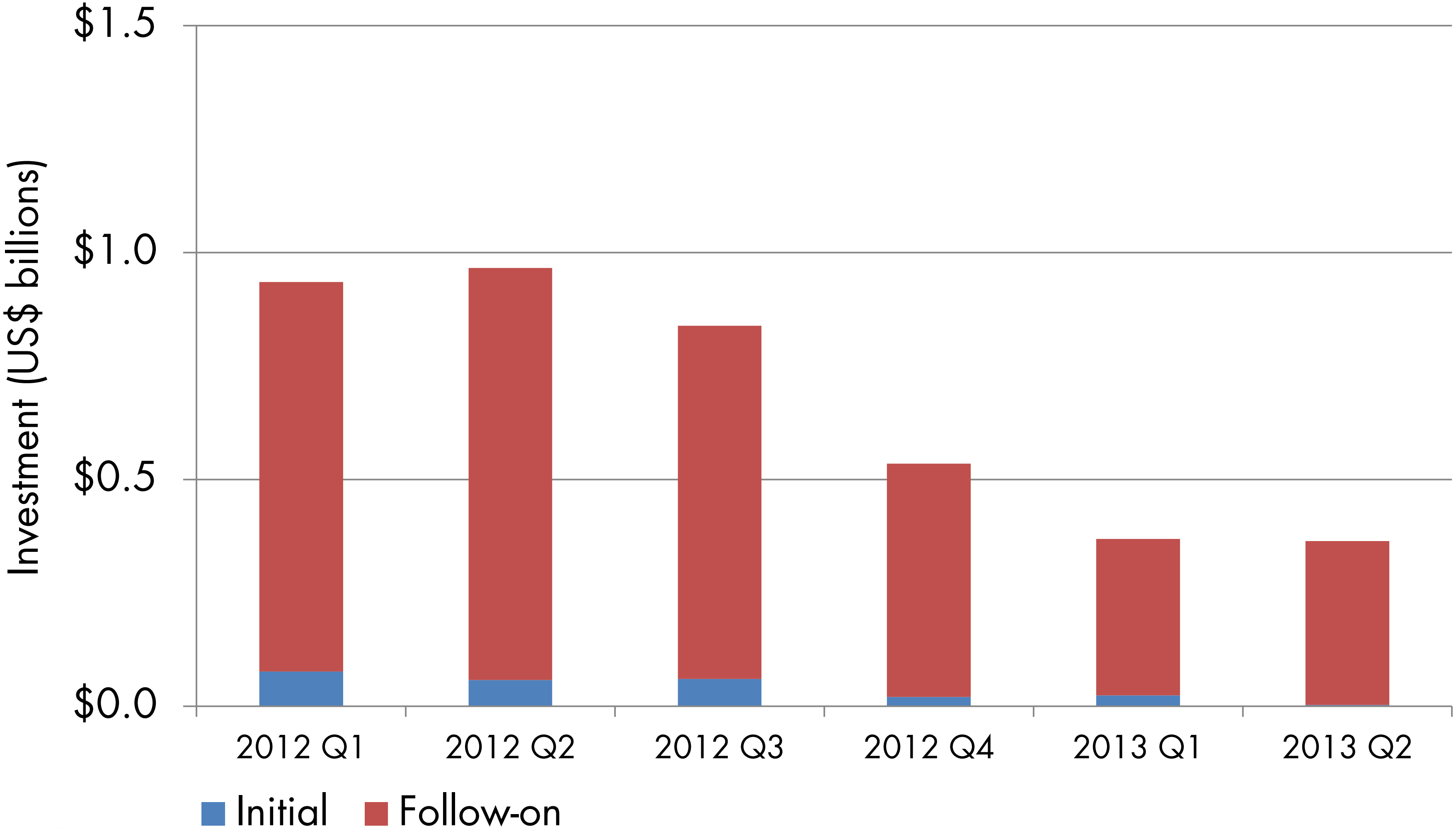
Source: Yahoo Finance. @matthewnordan

Cleantech VC (recent) history



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6
27
13
36
11
30

More

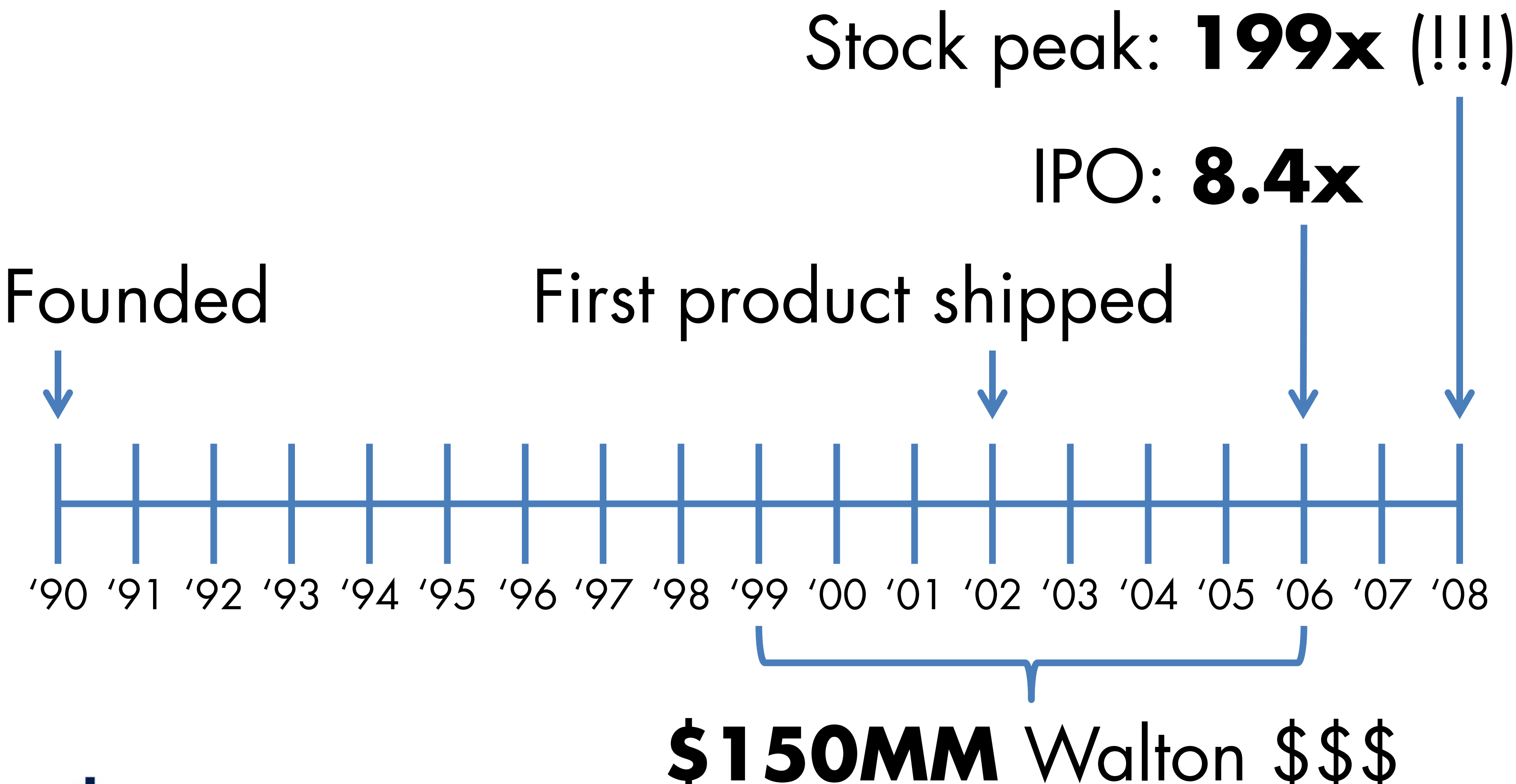
Time
Money
Risk


ethical
ELECTRIC
nest
OPOWER
THE CLIMATE CORPORATION
“Cleanweb”


TESLA
$350MM


First Solar
$150MM

Some First Solar history




BALL
STRIKE
OUT
GUEST
5
HOME
2
INNING
0
DAKTRONICS
“Game!”

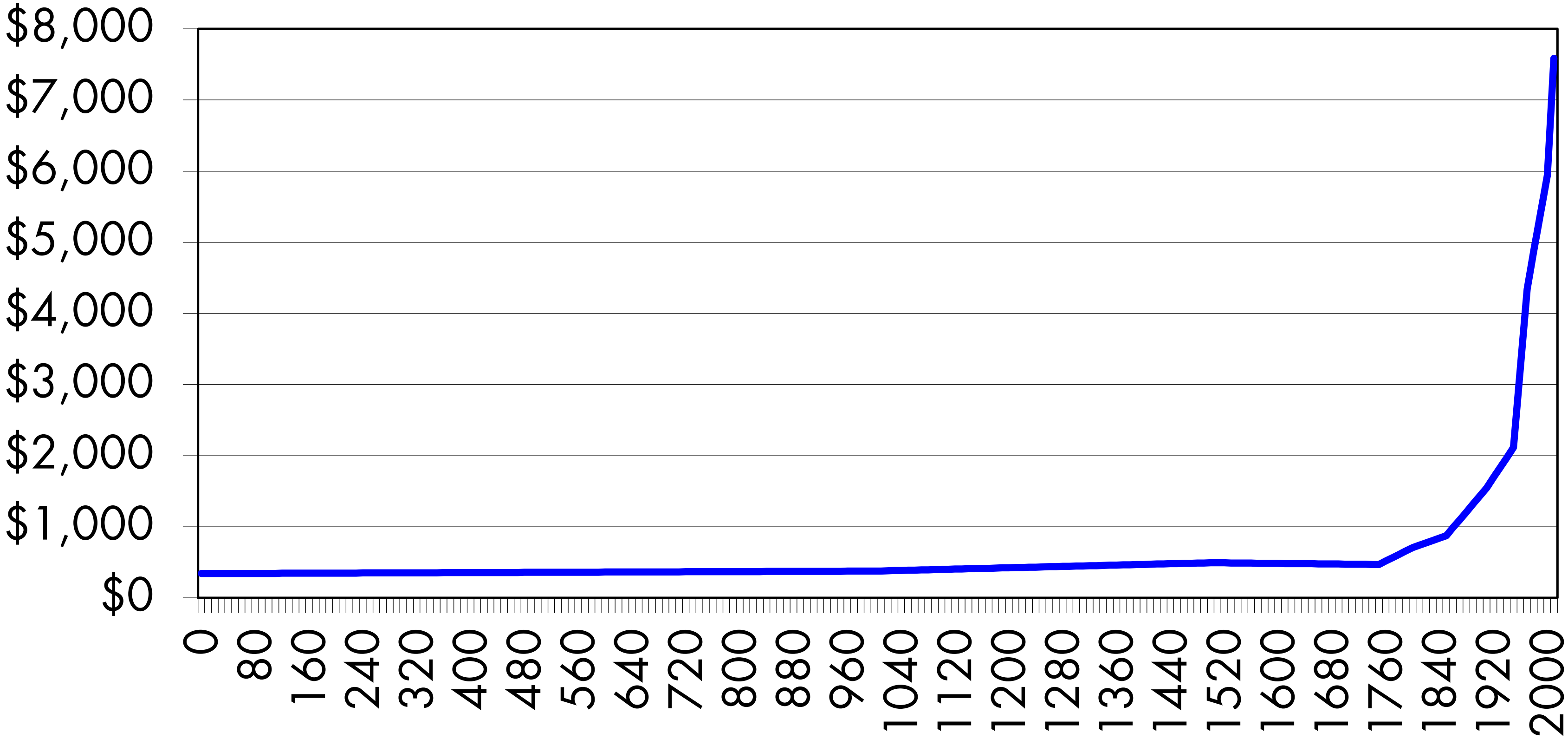

New ideas
Cleanweb
POINT JUDITH CAPITAL
Late-stage
SILVERLAKE
Strategic
BROADSCALE
Cross-border
formation 8
Cross-asset class
E F W
PARTNERS
Patient
TRUE NORTH
VENTURE PARTNERS
Philanthropic
Prime

The problems aren't going away


HERMÈS

GDP per capita

Past two millennia



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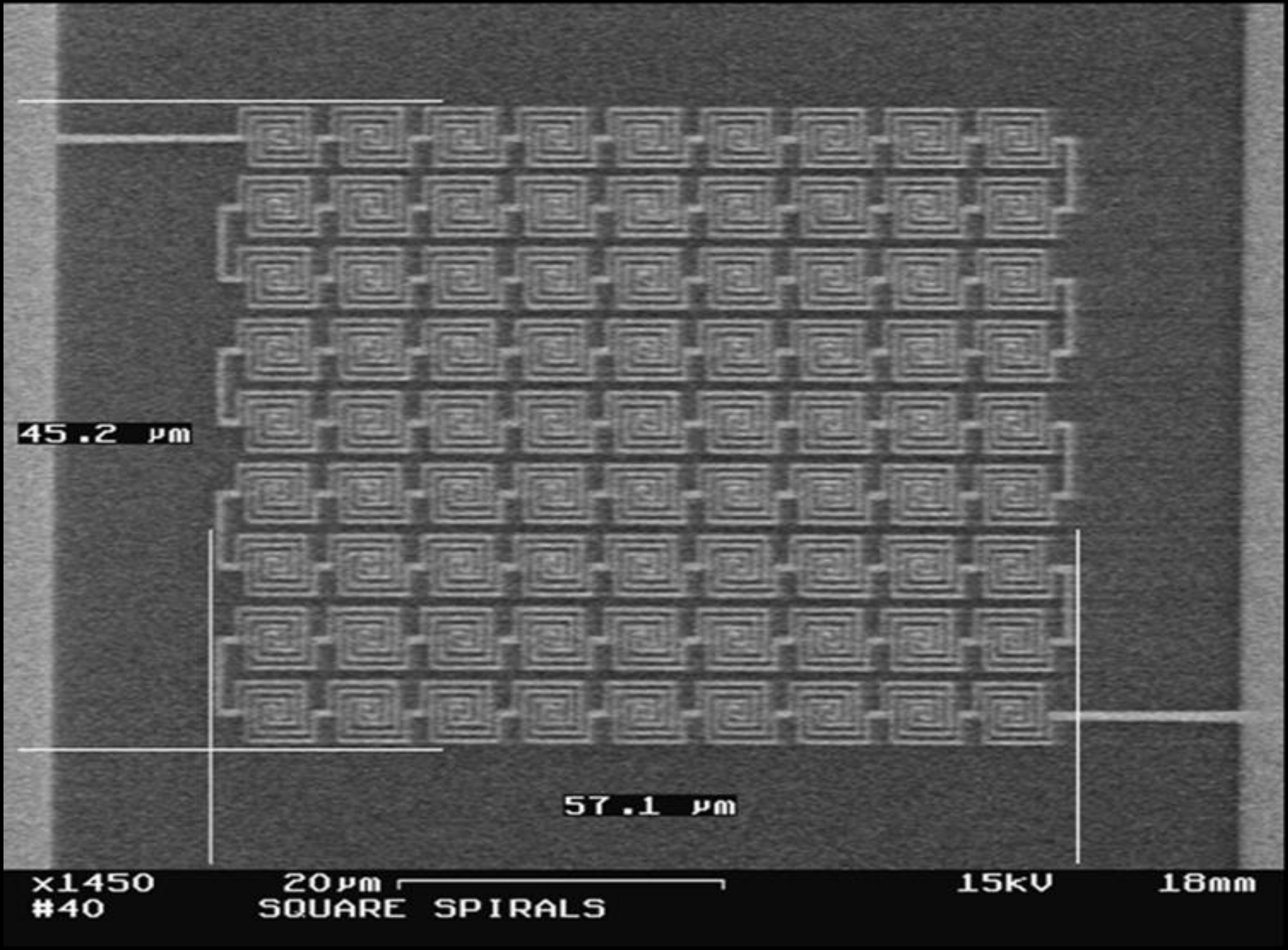
Innovation isn't stopping


Insulation


Java
Audi quattro


45.2 μm
57.1 μm
x1450
20μm
15kV
18mm
#40
SQUARE SPIRALS


arpa·e
FLUIDIC
TP36

PayPal™

↓

TESLA

↓

?????

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Building Companies that Shape the Future

Thank you

Matthew M. Nordan

(617) 995-2020

mnordan@venrock.com

@matthewnordan