

EVALUATING A POTENTIAL INVESTMENT OPPORTUNITY IN AN ENERGY STORAGE SYSTEM PLATFORM COMPANY



A Multinational Solar Energy Company

The Client was a major manufacturer of solar PV modules that runs large-scale solar projects worldwide. They were interested in expanding their reach and were considering investment in a company that provides an optimization and trading software platform for grid-scale battery storage.



CHALLENGE

The Client engaged PreScouter in this Research Support Service Project to evaluate the potential investment opportunity in a particular energy storage system (ESS) software company.



APPROACH

PreScouter undertook both secondary and primary research to provide a high-level scan of the ESS software space and profile software systems for comparison with the target company's offering. The team presented their findings to the Client via 6 Intelligence Briefs.

PreScouter then employed 2 Subject Matter Experts (SMEs), who provided insights into ESS software, the US energy market, and the future of energy storage. These insights were used by PreScouter, supported by a mathematical model comparing multiple scenarios of an in-house build versus acquisition of the target company, to develop a final technical and financial assessment and provide recommendations to the Client.



OUTCOME

The in-house build scenario proved to be less costly compared to an acquisition but resulted in a delay of 6-12 months, due to the time needed to build the platform. PreScouter therefore recommended acquisition, which had the potential advantage of immediate market penetration as well as providing the best value for the Client over the time period of 2023-2026.

