



INFRASTRUCTURE AND ENERGY ALTERNATIVES (IEA)
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We believe that Infrastructure and Energy Alternatives (IEA) presents a compelling opportunity to invest in an undiscovered, newly public renewables focused E&C company with an exceptionally attractive valuation, significant free cash flow yield (25%+ in '18 and in excess of 10% on a trailing basis) and strong competitive moat.

- ▶ IEA has a **compelling valuation** at 3.9x 2018 EV/EBITDA **including** potential earn-out shares, a significant discount to peers (trading at 7x – 9x) despite a superior growth and margin profile
- ▶ **Highly cash generative**, with free cash flow yield of ~25% and record \$1.1bn backlog providing visibility into the next few years
- ▶ IEA has a **strong moat as 1 of 3 top-tier E&Cs** to the renewables industries, and benefits from a national presence, top-tier customers, and low capital intensity (<2% of sales)
- ▶ IEA benefits from **strong secular macro tailwinds**, with wind and solar generation capacity expected to grow significantly for many years
- ▶ **Multiple upsides exist not modeled in management projections** including benefits of working on projects previously outsourced, accretive M&A and a lower than anticipated tax rate
- ▶ Management of sponsor, seller (retaining significant equity) and management of IEA have **strong track records and aligned incentives**
- ▶ **Below the radar screen investment opportunity** as a SPAC merger that closed just over two weeks ago but has since traded down from ~\$10 to \$9.13 (as of 4/9/18)

At a 7.5x EV/EBITDA multiple based on 2018E Adj. EBITDA of ~\$88mn, shares would be worth in excess of \$16, representing a ~80% upside, excluding any potential future acquisitions.

Should management successfully execute, we think acquisitions can bring 2018E Adj. EBITDA to ~\$113mm, and a 7.0x EV/EBITDA would imply shares nearing \$17, or a ~90% return.

If the underlying stock increases materially, as we believe it will, there is significant potential upside for the warrants (IEAWW), which have a 5 year term and \$11.50 strike price.

IEA presents a highly asymmetric opportunity with a significant margin of safety arising from structural reasons for mispricing that are likely to correct over time.

What is the reason for this mispricing?

- IEA is coming to the market via a SPAC structure, which frequently have a bad reputation
- Lack of awareness, with minimal institutional following/research coverage (for now)
- Lack of public comparables – no other public renewables-focused E&C company
- Unlike most E&C companies, IEA is well-diversified and backed by secular macro trends
- Skepticism about viability after tax credits expire despite compelling economics
- Microcap security, not accessible to many/most institutions

What is our margin of safety?

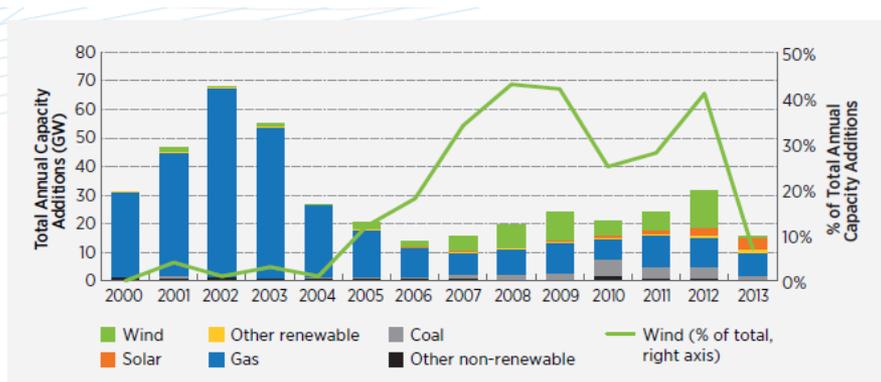
- Current valuation undemanding at 3.9x 2018E Adj. EBITDA, a significant discount to public E&C peers who trade on average at 7.7x 2018E Adj. EBITDA
- Private market valuations for smaller targets range between 4–5x EBITDA (and possibly lower); given its scale and dominance, IEA deserves a premium multiple
- Should things not pan out as expected, IEA's sticky customer relationships and stellar track record should fetch a premium price with several willing buyers given the high barriers to entry
- Should shares remain persistently undervalued, IEA will be well positioned to accretively buy back shares given its strong cash flow characteristics

What is the asymmetry of the opportunity?

- Buying into a best-in-class operator and market leader in the wind E&C sector
- Combination of organic and inorganic growth could make this a compounder (target ~\$2bn in revenue in the next 2 – 3 years based on organic growth and acquisitions of \$200-300mn in size)
- Downside protected should management execution be mediocre with strong cash generation
- Should wind fall off cliff, IEA will likely diversify into solar and civil/industrial; given increasing price competitiveness of renewable energy, most draconian scenario seems to be baked in

Cumulative wind and solar installed capacity has been growing for the past two decades and is projected to continue growing in the next few years.

- ▶ Cumulative installed wind capacity grew from 1.4 GW in 1996 to 61 GW in 2013 according to the AWEA; SEIA records that yearly installed solar capacity has grown at a CAGR of 68%
- ▶ Wind and solar have comprised a sizable share of generation capacity additions in recent years (65% in 206)
- ▶ Installed wind and solar capacity is projected to grow at a CAGR of 11.6% and 9.6% from now till 2020 respectively



Source: Wiser and Bolinger [6]

Figure 2-5. Relative contribution of generation types in U.S. capacity additions, 2000-2013

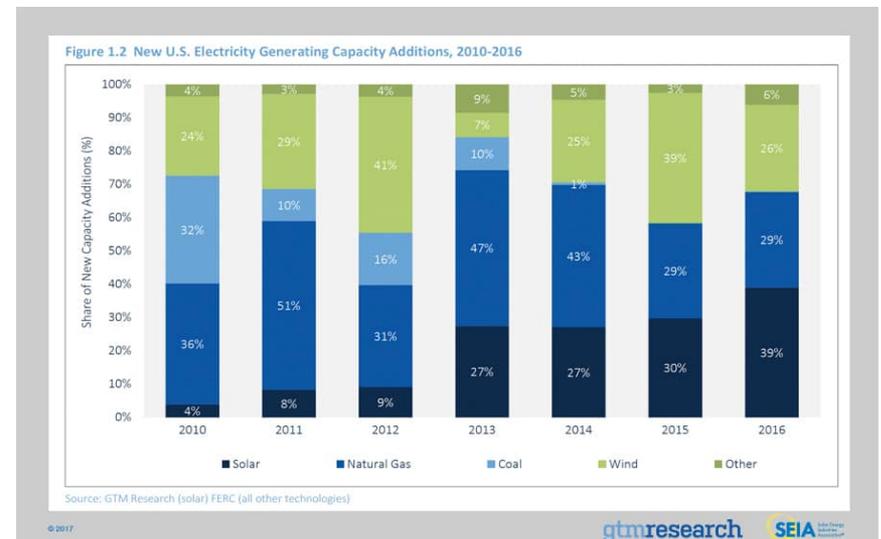


Figure 1.2 New U.S. Electricity Generating Capacity Additions, 2010-2016

Source: GTM Research (solar) FERC (all other technologies)

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- ▶ Under the PTC and ITC regime, >60 GW of wind projects were safe harbored in 2016 implying a significant revenue opportunity of >\$4.5bn for IEA; a further 10 GW of projects were safe harbored in 2017

High barriers to entry has led to an oligopoly centered among the three large Tier 1 wind E&C contractors.

- ▶ Wind infrastructure construction is highly technical and specialized
- ▶ Mission-critical nature of E&C work means that **developers focus on having an established track record and the ability to self-perform certain services over price** when choosing contractors
- ▶ Selective customers has allowed for **significant consolidation** among renewable E&C companies into an oligopoly, with three Tier 1 providers (IEA, Blattner Energy and Mortenson), taking up **70 – 80% share of the wind market**
- ▶ Experience and track record of Tier 1 providers have led to **very sticky customer relationships that present a significant barrier for new entrants**
 - E.g. EPC giants Bechtel and Kiewit tried to enter the wind EPC business but failed as customers demanded an established track record, which they lacked
- ▶ IEA's **“double-breasted” (union and non-union) workforce allows it to work anywhere in the US** and enables it to have a national presence



IEA was formed in 2011 when Oaktree purchased White Construction, before acquiring RMT in 2013.

- ▶ White Construction was a Midwest-based E&C civil/industrial contractor who entered the renewables business in 2007
- ▶ White's unionized labor force made it difficult for the company to expand to other regions in the US, thus IEA (with Oaktree's backing) acquired RMT, a non-union company, in 2013, allowing the combined entity to operate nationwide
- ▶ IEA went through some tough times between 2012 and 2015 but has since come back strong
 - Took on numerous projects in Canada that they had issues with
 - CEO and CFO both fired and replaced with today's management team
 - Oaktree put in additional capital
 - IEA refocused on core US operations
- ▶ IEA became the largest wind contractor in 2017, with its share of US wind energy construction increasing from 25% in 2016 to 30% in 2017
- ▶ Today, IEA's customer base is diverse and represents a who's who of renewable energy developers
- ▶ While IEA is mostly focused on wind today, we note that this was a conscious choice by management after the Canadian fiasco; now that the wind business is back on track, we expect IEA to grow the solar business in the next few years



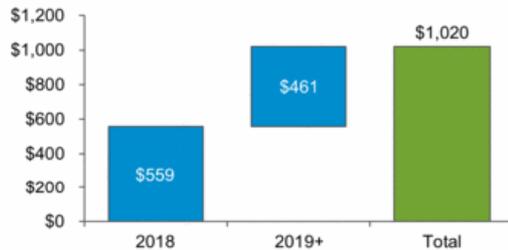
Growing backlog to support growth and provide significant visibility in the next few years.

GROWING BACKLOG PROVIDES UNPRECEDENTED VISIBILITY

Unprecedented Visibility Levels

- IEA's backlog continues to grow year-over-year
 - ▶ The Company is shortlisted on all major targeted projects
 - ▶ Developers/owners open to awarding an entire project portfolio vs. individual projects
- IEA will enter 2018 with record wind backlog
 - ▶ IEA has approximately \$1.1 billion of revenue in total committed backlog and approximately \$850 million of additional revenue in high-probability pipeline
- Current visibility is the strongest in IEA history
 - ▶ As of January 2018, IEA has \$559 million of committed wind revenue for 2018 against a 2018 budget of \$734 million, or ~76%
 - ▶ In 2017, awarded 1,200 MW wind portfolio – largest wind EPC contract in industry history
 - ▶ Historically, IEA would not have visibility two years out, whereas today IEA has over \$450 million of committed wind revenue for 2019

Wind Backlog Bridge (\$ in millions)



Wind Backlog Conversion (\$ in millions)



(1) Wind backlog for 2019 and beyond as of January 2018.

- ▶ While we are typically wary of EPC companies due to cyclical and lumpiness, the PTC and ITC incentives provide ongoing motivation for renewable energy construction through 2023
- ▶ With most not expecting the tax incentives to be renewed in 2020, there is significant pressure for developers to accelerate planned projects, thus insulating wind and solar construction from macroeconomic fluctuations for the next few years – and in our view, the most draconian case built into valuations
- ▶ With a backlog of \$1.1bn and growing, IEA has 76% and 70% of its 2018 and 2019 expected revenues committed – the strongest visibility in history

We think that fears of wind installations falling off the cliff following the expiration of tax credits are overblown given the increasingly compelling economics even on an unsubsidized cost basis.

Wind is Cost-Competitive on an Unsubsidized Basis

- ▶ Technological and productivity improvements have resulted in the **unsubsidized levelized cost of energy (LCOE) for wind to decline by 67% in the past eight years alone**
- ▶ Wind is **cost-competitive with conventional sources of energy even on an unsubsidized basis** (see next few slides)

Shutdown of Uneconomical Plants and RPS

- ▶ While Trump's repeal of the Clean Power Plan may have allowed some anticipated coal retirements to be deferred, these cannot be deferred forever
- ▶ States have picked up the slack, with **29 states implementing Renewable Portfolio Standards** stipulated a minimum % of electricity generated from renewable sources

Major Developers Spearheading Shift to Renewables

- ▶ Major developers such as NextEra Energy (NEE) have already **begun planning greenfield developments of wind and solar projects after the tax credits expire as costs continue to fall**
- ▶ Xcel Energy (XEL) announced plans to derive 55% of its power through renewables by 2026, with 40% coming from wind
- ▶ DTE Energy (DTE) announced that it plan to shutter its entire coal fleet by 2040 and replace it with wind and solar plants, building out additional 6 GW of capacity in the process

Corporate Sustainability Practices

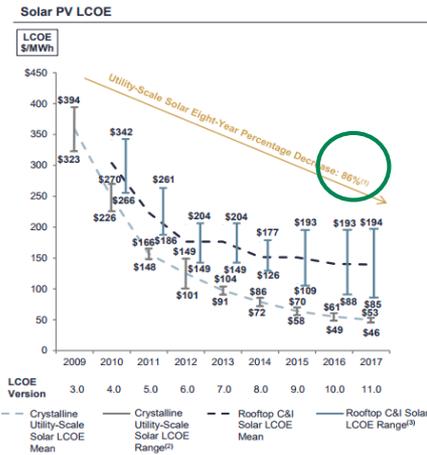
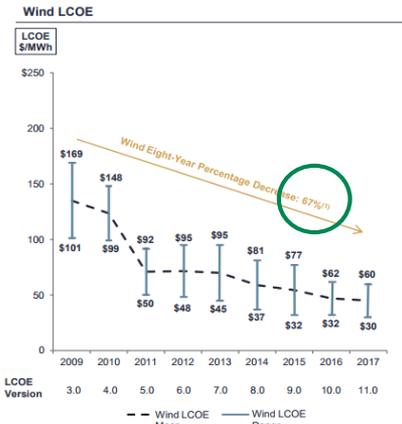
- ▶ Corporations and non-utilities represented ~39% of the MW contracted through Power Purchase Agreements from renewable generation in 2016
- ▶ Large firms like Google (GOOG), Amazon (AMZN) and Walmart (WMT) have signed off-take deals to purchase wind power

We think that fears of wind installations falling off the cliff following the expiration of tax credits are overblown given the increasingly compelling economics even on an unsubsidized cost basis.

LAZARD'S LEVELIZED COST OF ENERGY ANALYSIS—VERSION 11.0

Unsubsidized Levelized Cost of Energy—Wind & Solar PV (Historical)

Over the last eight years, wind and solar PV have become increasingly cost-competitive with conventional generation technologies, on an unsubsidized basis, in light of material declines in the pricing of system components (e.g., panels, inverters, racking, turbines, etc.), and dramatic improvements in efficiency, among other factors



Source: Lazard estimates.
 (1) Represents average percentage decrease of high end and low end of LCOE range.
 (2) Low end represents crystalline utility-scale solar with single-axis tracking in high insolation jurisdictions (e.g., Southwest U.S.), while high end represents crystalline utility-scale solar with fixed-tilt design.
 (3) Lazard's LCOE initiated reporting of rooftop C&I solar in 2010.

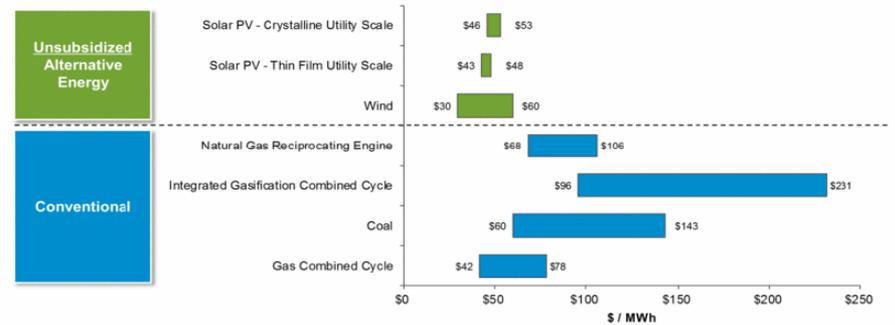
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RENEWABLES ARE COST-COMPETITIVE WITHOUT TAX CREDITS

Cost of Energy on Par with Conventional Sources

- Investments in technology and productivity have dramatically reduced the unsubsidized levelized cost for wind and solar
- Wind and solar costs for new builds are often cheaper than conventional fuel sources (natural gas and coal), even without the inclusion of tax incentives

Unsubsidized Costs of Renewable Energy are Competitive with Conventional Sources (1)



(1) Source: U.S. Energy Information Administration (January 2017), Wall Street estimates (November 2017).

The utility-scale solar segment is expected to grow significantly through at least 2050, providing a long-term growth market for IEA to expand into.

- ▶ Utility-scale solar generation was the **fastest-growing technology between 2010 and 2016**, growing at a 72% CAGR, driven by a combination of sharply falling prices for solar PV panels, rapid advances in efficiency, tax credits and state RPS policies
 - According to Lazard’s LCOE Analysis (Pg 10), Solar PV LCOE has declined 86% over the past eight years
 - Under the Department of Energy’s SunShot initiative, the program achieved its price targets of 6 cents/kWh for utility-scale solar three years ahead of schedule, and the target has been reset to 3 cents/kWh by 2030
- ▶ Recent advances in battery storage have allowed the **pairing of solar PV with battery storage systems to overcome the intermittency of solar generation**
 - Recent bids submitted to Xcel Energy for solar plus battery storage came in at an impressive median of \$36/MWh, compared to the lowest price of \$45/MWh in the past
- ▶ **Permanent 10% ITC in place for solar projects** to help sustain utility-scale solar development in the next few decades
- ▶ New utility-scale solar development projected to be 10.9 GW in 2018 and 12.9 GW in 2019, equating to a \$6bn revenue opportunity in 2018 and \$7+bn revenue opportunity in 2019
- ▶ Importantly, unlike wind, **solar capacity is projected to grow significantly through at least 2050**, driven by continued technological improvements and the permanent 10% ITC

Given the far less mature state of the solar E&C sector, we believe there is a significant opportunity for IEA to leverage its existing strong customer relationships to strengthen its presence in the solar segment.

- ▶ **11 of IEA's current top 15 wind customers also develop solar facilities** and IEA is currently in active discussion with several customers for solar projects
 - In the past, most solar projects were previously developed by integrated module manufacturers (e.g. SunPower, FirstSolar) with utilities procuring solar power via Power Purchase Agreements
 - Today, as the economics become increasingly attractive, utilities are increasingly looking to own solar assets as well
 - Given their **familiarity with IEA on wind projects**, these utility customers have **indicated their desire to work with IEA on solar projects**

- ▶ With a **new solar commercial team brought on board in 2017**, IEA has a growing pipeline of solar projects
 - \$254mn of high-probability solar revenue for 2018 with additional solar pipeline of \$916mn (14 projects) for 2018

- ▶ As **skills and resources needed to construct solar are a sub-set of those needed for wind construction**, IEA already has manpower, equipment and expertise needed

- ▶ Contrary to the wind E&C space where three Tier 1 contractors dominate, the **solar E&C business is far less mature**, still **comprised of mostly regional players from the Southwest, with few players having a national presence**

- ▶ **Multiple interesting accretive acquisition opportunities in the pipeline** will help IEA strengthen its solar presence
 - As a major shareholder, Oaktree can and will help source deals for IEA
 - Valuations for private solar companies range between 3x– 5x EBITDA

- ▶ Even if we are wrong and wind falls off a cliff, IEA will likely diversify into utility-scale solar and civil/industrial (if it doesn't, it will build a cash stock-pile, that exceeds the company's current EV in the interim)

There is potential for IEA to perform high-voltage electric work in-house.

- ▶ In the past, IEA has self-performed civil work and turbine installation but subcontracted out electrical work; IEA is now looking to self-perform electrical work

- ▶ Hired a team to self-perform high voltage electric work, with initial self-perform projects commencing in 2018
 - Planning to self-perform electrical work on 6 to 7 projects in 2018
 - **Expected EBITDA uplift of \$8mn in 2018 and \$15mn in 2019, both not built into management forecasts**
 - Potential for **over 300 bps EBITDA margin increase** (although margin expansion could be offset by acquisitions of highly accretive, but lower margin companies)

While a less common route, there were specific reasons why IEA's owner, Oaktree, chose to do a SPAC transaction.

- ▶ Several factors played into Oaktree's decision to exit their portfolio company via a SPAC, rather than a traditional IPO or sale:
 - IEA's management were not interested in being sold to other strategic buyers
 - Lack of interest from private equity firms as they would not have been able to put that much leverage on IEA
 - Taking the company public via an IPO would have involved considerable uncertainty, especially given the lack of public renewable-focused E&C companies
- ▶ Exiting via a SPAC allowed Oaktree to cash out a part of their stake and return capital to LPs, while retaining the ability to enjoy upside in the company via their equity stake and earn-out provision
 - Upon transaction close, Oaktree and management will own ~34% of the company, with the potential to own up to ~50% after accounting for earn-out shares - the remainder is majority publicly held or owned by Mill management
- ▶ That Oaktree and management **continues to hold a significant equity stake post-transaction is a major vote of confidence and ensures that incentives are highly aligned**

IEA is led by a highly experienced, top-rated management team, complemented by a deep bench of advisors and partners backing it.

IEA's Management

- CEO J.P. Roehm was responsible for IEA's expansion into renewables back in the mid-2010s and previously part of the M&A team responsible for negotiating acquisitions
- CEO had also served a leading role on the RMT-IEA integration team in 2013 – his experience with acquisitions would be crucial for successful execution of IEA's acquisition strategy
- Management owns ~9% of equity at transaction close, ensuring highly aligned incentives

Oaktree

- With \$2bn in AUM, Oaktree's Power Opportunities group focuses exclusively on the power, energy and infrastructure sectors
- Solid track record of growing successful companies within these sectors
- Familiar with the EPC space, with past EPC investments including Elgin National Industries and Integrated Pipeline Services

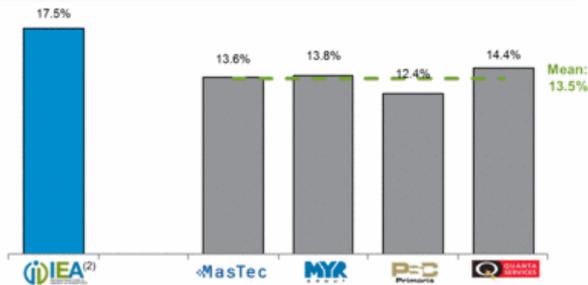
MIII Partners

- MIII is led by Mohsin Meghji, a former turnaround advisor with significant operational and financial experience
- Successfully brought Springleaf Financial from the brink of bankruptcy to filing an IPO at a 15x valuation in the short span of 20 months
- MIII's Head of M&A Financing, Phillip Kassin, has a wealth of energy investment banking experience and extensive relationships in the power and energy space

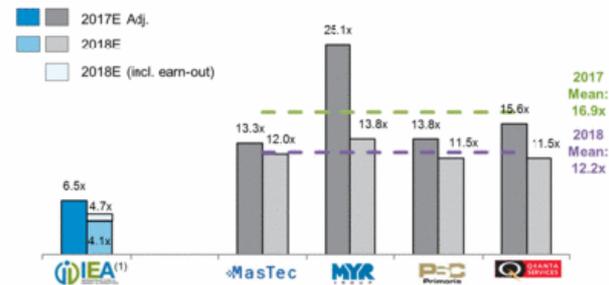
IEA trades at a significant discount to peers despite superior revenue growth and margin profile.

BENCHMARKING TO UTILITY SPECIALTY CONTRACTORS

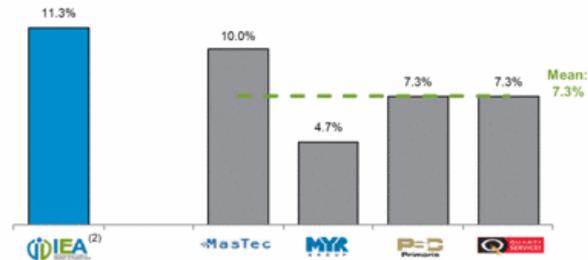
2016A – 2018E Revenue CAGR



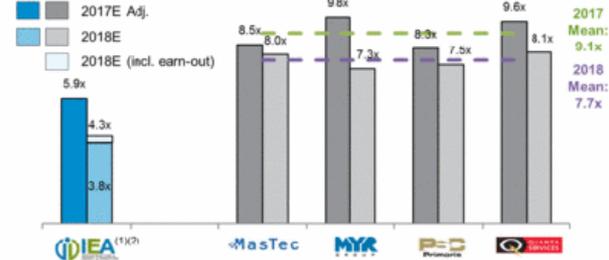
Enterprise Value / EBIT



2017E Adj. EBITDA Margin



Enterprise Value / EBITDA



(1) 2017E and 2018E multiples based on implied enterprise value of \$301.9 million. 2018E (incl. earn-out) multiples based on enterprise value of \$345.2 million and include 4.325 million earn-out shares based on 2018E Adj. EBITDA of \$80.3 million.
 (2) Assumes IEA management's estimate for 2017E Adj. EBITDA, which is still subject to year-end adjustments and full-year audit and is adjusted to annualize the impact of the capital leasing program for cranes and yellow iron. See page 32 for additional details on the impact of the capital leasing program ("Full Year Impact of 2017 Capital Leasing Program") and a reconciliation of Net Income to Adj. EBITDA.

Source: Company filings, Capital IQ analyst consensus. As of 1/10/2018.

MIII used information furnished by IEA as a starting point for more realistic projections for 2018 and 2019.

- ▶ These new set of projections (Pages 151-154 of final Proxy) assume a more conservative estimate of growth in IEA's solar construction business and removes the additional revenue from performing certain electrical services for other EPC firms
- ▶ Due to uncertainty and delay of new projects in 4Q 2017 associated with the 2017 Tax Act, \$28mn of revenue and \$2.2mn of Adj. EBITDA was pushed to 2018
- ▶ We think the "Street" guidance reflects extreme conservatism and business/pipeline is very strong
- ▶ Including the revenue and EBITDA pushed back to 2018, projections for 2018 and 2019 are as follows:

	2018	2019
Revenue	\$832.3mn	\$937.3mn
EBITDA	\$80.3mn	\$95.4mn
% EBITDA margin	9.6%	10.2%

- ▶ Note that these projections exclude potential upside from self-performance and future acquisitions, as well as benefit from a lower corporate tax rate

Self-performing high voltage electrical work will provide additional upside.

- Self-performing high voltage electrical work to provide **EBITDA uplift of \$8mn in 2018 and \$15mn in 2019**
- Accounting for 6.6mn earn-out shares and 1.7mn unvested founder shares, at a 7 – 9x EV/EBITDA multiple more in line with E&C peers, this would imply a share price of between \$16.00 - \$19.00

Case 1: Self-Performance Alone

Basic Shares Outstanding 27,338,501

Warrants/Convertible Securities	Exercise Price	Total											
		Underlying	\$10.00	\$11.00	\$12.00	\$13.00	\$14.00	\$15.00	\$16.00	\$17.00	\$18.00	\$19.00	\$20.00
Public Warrants	\$11.50	7,500,000	0	0	312,500	865,385	1,339,286	1,750,000	2,109,375	2,426,471	2,708,333	2,960,526	3,187,500
Private Warrants	\$11.50	230,000	0	0	9,583	26,538	41,071	53,667	64,688	74,412	83,056	90,789	97,750
Additional Warrants Issued for Backstop	\$11.50	750,000	0	0	31,250	86,538	133,929	175,000	210,938	242,647	270,833	296,053	318,750
			0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0
Total		8,480,000	0	0	353,333	978,462	1,514,286	1,978,667	2,385,000	2,743,529	3,062,222	3,347,368	3,604,000
Earn-Out Shares			6,400,051	6,400,051	6,506,301	6,506,301	6,612,551	6,612,551	6,612,551	6,612,551	6,612,551	6,612,551	6,612,551
Unvested Founder Shares					831,250	831,250	1,662,500	1,662,500	1,662,500	1,662,500	1,662,500	1,662,500	1,662,500
Fully Diluted Shares Outstanding			33,738,552	33,738,552	35,029,386	35,654,514	37,127,838	37,592,219	37,998,552	38,357,082	38,675,774	38,960,921	39,217,552
Equity Value			\$337,385,522	\$371,124,075	\$420,352,627	\$463,508,679	\$519,789,731	\$563,883,283	\$607,976,836	\$652,070,388	\$696,163,940	\$740,257,492	\$784,351,045
Capital Leases	\$20,000,000												
Preferred Equity	\$35,000,000												
Cash	\$72,000,000												
Debt	\$45,000,000												
Enterprise Value			\$365,385,522	\$399,124,075	\$448,352,627	\$491,508,679	\$547,789,731	\$591,883,283	\$635,976,836	\$680,070,388	\$724,163,940	\$768,257,492	\$812,351,045
EV / 2018E EBITDA		\$88,300,205	4.1x	4.5x	5.1x	5.6x	6.2x	6.7x	7.2x	7.7x	8.2x	8.7x	9.2x

We think that IEA will execute several accretive acquisitions in solar as well as civil and industrial to diversify its presence based on the depth of its current pipeline and strength of industry relationships.

- ▶ We think that IEA will do **~\$350mn of acquisitions in 2018 alone, and \$300mn of acquisitions in 2019 and 2020 each**, acquiring businesses with revenue totaling ~\$1bn in the next 3 years
- ▶ Private market valuations range between **3 – 5x EBITDA with indicative margins at ~7%**
- ▶ Acquisitions funded partly by a \$100mn credit facility and strong cash generation profile, assume 0.5x Net Debt/EBITDA leverage ratio going forward, implying a share price of around \$17.00 - \$21.00

Case 2: Self-Performance and Acquisitions

Basic Shares Outstanding 27,338,501

Warrants/Convertible Securities	Exercise Price	Total													
		Underlying	\$14.00	\$15.00	\$16.00	\$17.00	\$18.00	\$19.00	\$20.00	\$21.00	\$22.00	\$23.00	\$24.00	\$25.00	
Public Warrants	\$11.50	7,500,000	1,339,286	1,750,000	2,109,375	2,426,471	2,708,333	2,960,526	3,187,500	3,392,857	3,579,545	3,750,000	3,906,250	4,050,000	
Private Warrants	\$11.50	230,000	41,071	53,667	64,688	74,412	83,056	90,789	97,750	104,048	109,773	115,000	119,792	124,200	
Additional Warrants Issued for Backstop	\$11.50	750,000	133,929	175,000	210,938	242,647	270,833	296,053	318,750	339,286	357,955	375,000	390,625	405,000	
			0	0	0	0	0	0	0	0	0	0	0	0	
			0	0	0	0	0	0	0	0	0	0	0	0	
			0	0	0	0	0	0	0	0	0	0	0	0	
Total		8,480,000	1,514,286	1,978,667	2,385,000	2,743,529	3,062,222	3,347,368	3,604,000	3,836,190	4,047,273	4,240,000	4,416,667	4,579,200	
Earn-Out Shares			9,212,500	9,212,500	9,212,500	9,212,500	9,212,500	9,212,500	9,212,500	9,212,500	9,212,500	9,212,500	9,212,500	9,212,500	
Unvested Founder Shares			1,662,500	1,662,500	1,662,500	1,662,500	1,662,500	1,662,500	1,662,500	1,662,500	1,662,500	1,662,500	1,662,500	1,662,500	
Fully Diluted Shares Outstanding			39,727,787	40,192,168	40,598,501	40,957,030	41,275,723	41,560,869	41,817,501	42,049,691	42,260,774	42,453,501	42,630,168	42,792,701	
Equity Value			\$556,189,014	\$602,882,515	\$649,576,016	\$696,269,517	\$742,963,018	\$789,656,519	\$836,350,020	\$883,043,521	\$929,737,022	\$976,430,523	\$1,023,124,024	\$1,069,817,525	
Capital Leases	\$20,000,000														
Preferred Equity	\$35,000,000														
Cash	\$72,000,000														
Debt	\$127,000,000														
Enterprise Value			\$666,189,014	\$712,882,515	\$759,576,016	\$806,269,517	\$852,963,018	\$899,656,519	\$946,350,020	\$993,043,521	\$1,039,737,022	\$1,086,430,523	\$1,133,124,024	\$1,179,817,525	
EV / 2018 EBITDA			\$113,159,724	5.9x	6.3x	6.7x	7.1x	7.5x	8.0x	8.4x	8.8x	9.2x	9.6x	10.0x	10.4x

Nevertheless, no investment is without risk, though we think the risks are minimal in this case.

Diversification Strategy
May Not Succeed

- ▶ IEA may fail to execute its strategy of diversifying away from wind to solar and civil/industrial
- ▶ Management has experience acquiring and integrating companies, having done so with RMT
- ▶ Significant support from major shareholder, Oaktree, in sourcing for potential deals

Cost Overruns May
Reduce Profitability

- ▶ As EPC contracts are typically awarded on a fixed cost basis, E&C companies take on the risk associated with cost overruns
- ▶ IEA has developed rigorous project controls to prevent such problems
- ▶ 86% of projects performing better than their bids and only one project being unprofitable to date

Solar Panel Tariffs May
Impede Solar
Development

- ▶ Recent solar tariffs add 10 – 12 cents to imported solar modules, which is in line with industry expectations
- ▶ Technological improvements wipe out 10 – 12 cents in costs each year, thus this sets things back by a year – not a huge impact on solar development

We are optimistic that shares of IEA will appreciate in the coming months.

► **Key Catalysts:**

- Sell-side analyst coverage – given Oaktree’s involvement in the transaction, we expect that IEA should pick up sell-side analyst coverage in the next few months (in addition to Northland - \$15.25 price target)
- Increased investor awareness
- Consummation of accretive acquisition(s) in 2018, especially given the number of target companies in their pipeline. We are hopeful that highly accretive transactions will be in the near-term
- Further contract wins and backlog growth

- **Ultimately, we think that IEA represents a below the radar screen opportunity to invest in a market leader enjoying significant moats in a high barriers to entry, secularly growing industry, with a solid cash generation profile that is trading at a significant discount to peers**

We believe this investment could rise by 80% in the next 12 months, and will compound at a high rate over the next several years. We also note that there are also warrants (IEAW) with a 5-year term and \$11.50 strike price that trade publicly.



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