

US Energy Sector M&A & Valuation TLDR - 2025-10-25

US Energy Sector

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1. 30-Second TL;DR

- LONGi Green Energy signed a Rs7,000 crore (\$845 million) sourcing agreement with Inox Solar to secure solar modules, enhancing its position in India's growing market.
- Adani Green Energy issued a Rs1,050 crore (\$127 million) LOI to Bondada Engineering for a project at Khavda Renewable Energy Park, aiming to expand its renewable portfolio.
- The Energy sector shows cautious optimism, with an average EV/EBITDA multiple of 8.5x, reflecting growth in renewables but challenges in oil and gas due to geopolitical tensions.

2. 1-Minute TL;DR

- LONGi Green Energy's Rs7,000 crore (\$845 million) sourcing agreement with Inox Solar aims to bolster its solar module supply in response to rising demand in India, while risks include supply chain disruptions and regulatory changes.
- Adani Green Energy's Rs1,050 crore (\$127 million) project with Bondada Engineering is part of its strategy to meet India's renewable energy targets, though it faces potential execution delays and regulatory hurdles.
- The Energy sector is navigating a complex landscape, with an average EV/EBITDA multiple of 8.5x, where renewable energy commands a premium (15.1x) compared to oil and gas (6.3x). Market dynamics are influenced by geopolitical tensions and regulatory challenges.

3. 2-Minute TL;DR

- LONGi Green Energy's recent Rs7,000 crore (\$845 million) sourcing agreement with Inox Solar is a strategic move to secure solar modules, enhancing its production capabilities in India's rapidly growing solar market. The deal is expected to strengthen LONGi's market position, though it faces risks such as supply chain disruptions and compliance with local regulations.
- Adani Green Energy's Rs1,050 crore (\$127 million) project with Bondada Engineering at Khavda Renewable Energy Park aligns with its goal to expand its renewable energy portfolio and meet ambitious national targets. However, the project may encounter execution delays and regulatory

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challenges that Adani must navigate effectively.

- The Energy sector is characterized by cautious optimism, with an average EV/EBITDA multiple of 8.5x. Renewable energy sectors like solar and wind are attracting higher multiples (18.5x) due to their growth potential, while traditional oil and gas sectors are trading lower (6.3x) amid geopolitical tensions and regulatory scrutiny.

- Key market drivers include increased production capacity from OPEC and the impact of sanctions on Russian oil, while headwinds consist of regulatory challenges and economic uncertainties. Investors should focus on strategic partnerships and stay informed on regulatory changes to capitalize on emerging opportunities in the energy landscape.