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Publicly Traded Clean Tech Companies Acquired in as Many Months — Multiple Compression Spurs an M&A Boomlet

In June, we wrote about the fact that the average clean tech stock's revenue multiple was down by one-half over the past year, and EBITDA multiple down by one-third. Such is the reality of multiple compression amid a broad-based risk-off trade. Even with the recent bounce in the broader market – clean tech very much included — the benchmark ECO index is still down 22% year-to-date. Well, there is a silver lining to multiple compression: it encourages consolidation. As of today, with Nikola acquiring Romeo Power, we counted seven buyouts of publicly traded clean tech companies year-to-date. While we are not offering any predictions as to the next M&A deal, here is a more general observation: if the stocks do not work on their own, it is only a matter of time before some other opportunistic acquiror finds someone else

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