

International asset manager invests in German climate project developer

DEAL FLASH | BUSINESS SUPPORT SERVICES, PRIVATE EQUITY | JUNE 2023

DEAL SNAPSHOT

International asset manager **Macquarie Asset Management (MAM)** has acquired a majority share in **CO₂ certificate trader and climate project developer FORLIANCE GmbH**.

FORLIANCE is a leading nature-based carbon developer focused on projects that utilize natural assets such as forest, wetlands, grasslands and agricultural lands to generate carbon credits. With a development pipeline across south and central America, FORLIANCE's projects comprise of afforestation and reforestation (ARR), projects that reduce the emissions from deforestation and forest degradation (REDD+), and other natural climate solutions to enable greater ecological management of the landscape, and simultaneously have the potential to unlock several benefits for the local population, biodiversity, and global climate.

FORLIANCE is a pioneer in the field of climate certification in forestry. The company has been focused on top-quality work for years and only operates with carbon certificates issued according to the highest standards, such as those from Gold Standard or Verra. Today, FORLIANCE has the world's largest portfolio of Gold Standard-certified carbon credits from reforestation projects. FORLIANCE is involved in numerous working groups and initiatives dealing with the CO₂ certification of climate protection projects. Gold Standard was launched in 2003 by WWF and other international NGOs to ensure that projects that reduce carbon emissions attain the highest level of environmental performance and contribute to sustainable development.

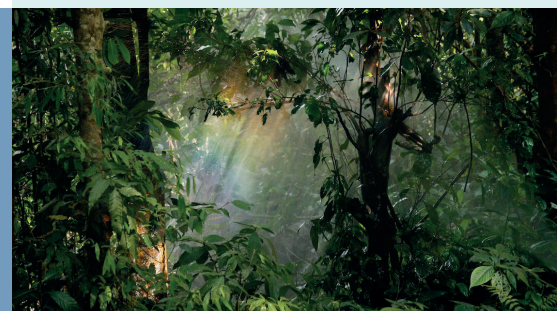
Macquarie Asset Management is a global asset manager that aims to deliver positive impact for everyone. Trusted by institutions, pension funds, governments and individuals to manage approximately US\$581.9 billion in assets globally, it provides access to specialist investment expertise across a range of capabilities including infrastructure, green investments, real estate, agriculture and natural assets, asset finance, private credit, equities, fixed income and multi asset solutions. Macquarie Asset Management is part of Macquarie Group, a diversified financial group providing clients with asset management, finance, banking, advisory and risk and capital solutions across debt, equity and commodities.

“The rapid growth of decarbonization and carbon offset markets reflects the global awareness of climate change and the imperative to reduce carbon emissions. Companies worldwide are setting ambitious goals, making carbon offset markets an essential tool for achieving ecological and social objectives. A recent transaction involving MAM and FORLIANCE demonstrates the significance of this market as they join forces to collaborate in the complex decarbonization, reforestation and carbon offset sectors. FORLIANCE's expertise will be invaluable to MAM as they navigate this rapidly evolving industry.”

JAN P. HATJE
MANAGING PARTNER
OAKLINS, GERMANY

OAKLINS PLAYED A SIGNIFICANT ROLE IN MAKING THIS DEAL HAPPEN

Oaklins' team in Germany acted as the exclusive financial advisor for the sellers in this transaction. The team successfully handled the approach and parallel negotiations with potential buyers, and provided assistance until the closing of the deal.



MARKET TRENDS & DEAL DRIVERS

Decarbonization is the process of reducing carbon emissions from various sources, including energy, transportation and industry, in order to combat climate change. Climate project developers are companies that develop and finance projects to reduce these emissions and address the issue of climate change. As the world faces increasing pressure to take action on this problem, there has been rising demand for decarbonization solutions, leading to rapid growth in the market for climate project developers as well as new market trends and deal drivers, such as:

- **Carbon offsetting programs**, which involve investing in projects that reduce carbon emissions to offset those produced by a company or individual.
- **Project bundling**, which involves bundling several small projects together to create a larger project that is more attractive to investors. This can help to reduce the transaction costs associated with financing small projects.
- **Government incentives**, such as tax credits and subsidies, that can help reduce the cost of developing and financing climate projects, making them more attractive to investors.
- **Growing investor demand**. Investors are increasingly interested in projects that have a positive environmental impact.
- **Corporate social responsibility (CSR)**, which is seeing many companies prioritizing their social and environmental impact, and making efforts to reduce their carbon footprint as part of their CSR initiatives. This has led to an increase in demand for decarbonization solutions, such as renewable energy and energy storage.

M&A VALUATION ASPECTS

The Voluntary Carbon Market (VCM) is growing rapidly, attracting major players. Investments and collaborations with climate action projects and carbon offset registries are leading to M&A. The expansion of the VCM brings diverse opportunities to minimize risk. This trend promotes market consolidation and integrates carbon offsets into industry value chains, potentially triggering more M&A activity. In 2022, the top 15 carbon project developers had a larger share of issuances, indicating market consolidation. The demand for carbon credits remains high, attracting investors and project financiers. Strong double-digit multiples are observed in this sector due to the strong demand for decarbonization.

TALK TO OUR ADVISORS



✉ **JAN P. HATJE**

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Jan has some 20 years of experience as an M&A advisor in various industries. He specializes in tech and the services industry, especially in companies with a focus on a greener and more sustainable environment or ESG-related topics. Recent transactions in this field include the capital raise of Seniovo, a digital platform for real estate remodeling, the sale of Garz and Fricke to Seco, an IoT specialist, and the sale of FORLIANCE to Macquarie.



✉ **CHRISTOPH RUMMELT**

Director
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Christoph is a highly experienced M&A advisor, boasting over a decade of expertise in the field. He specializes in providing advisory services to tech-enabled companies spanning various industries. Noteworthy recent transactions in his portfolio include the successful sale of FORLIANCE to Macquarie, the sale of HAWITA to Group DC in the agriculture sector and the sale of Listan, a prominent computer component manufacturer, to esteemed German private equity firm Afinum.



✉ **KEVIN J. KAMBACH**

Associate
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Kevin has expertise in TMT, consumer goods (luxury goods), industrial machinery and components, and facility services. Recent transactions he has been involved in include the sale of SCHRAMM Werkstätten GmbH, a manufacturer of exclusive quality luxury beds and mattresses, to Flex Bedding Group, and the sale of hectares Facility Services to Vebego Holding.

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United by a strong belief that we can achieve the extraordinary. Oaklins is a global team of 850+ financial advisory professionals in 45 countries providing M&A, growth equity, ECM, debt advisory and corporate finance services to support entrepreneurs, corporates and investors in reaching their goals.

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