OVERVIEW

SAIL CAPITAL PARTNERS

SAIL was founded in 2002 as a pioneer in the cleantech investment sector and continues to be one of the sector’s recognized thought leaders. Our comprehensive portfolio currently includes fourteen leading companies spanning the universe of sustainable innovations in the areas of energy storage and efficiency, renewable fuels, electrical efficiency, green cleaning products and water purification.

In this era of profound changes in the way we produce and consume valuable resources, SAIL focuses on exceptional profit opportunities as a result of inefficiencies in the global markets. Our team of uniquely talented investors employs their decades of experience and cleantech-related networks to the most exciting venture investment opportunities.

www.sailcapital.com
The Cleantech Group reported that SAIL Capital Partners tied as the third most active venture capital firm in 2012 with 18 deals. As quarterly reports are released, we’ll learn more about how SAIL stacks up in Q1, but it looks well positioned to yet again be an industry leader. Seven portfolio companies were funded this quarter with an aggregate of $9.6M from SAIL Capital Partners. Co-investors contributed at least another $1.5M, with SAIL leading the rounds for Xtreme Power and Enerpulse.

SAIL Capital Partners attended and spoke at several important conferences this month. On March 13th, Managing Partner Walter Schindler gave the keynote address at the Microgrid World Forum. The address was titled “A Financial Sector View of Microgrid Trends” and discussed obstacles, opportunities, and recommendations for successful microgrid projects. Industry experts expressed much interest in the solutions offered by Xtreme Power and Flex Power.

From March 18th-20th, SAIL Capital Partners participated in the Cleantech Forum in San Francisco. Managing Partner Hank Habicht spoke as part of the Entrepreneur Showcase, and discussed priorities for cleantech venture capital firms and criteria for investment.

After the Forum, Walter Schindler flew to New Haven for the Yale Alumni in Energy Fifth Annual Conference. Again, Xtreme Power was a hot topic.

SPEAKING of SAIL’s PORTFOLIO...
Worldwide venture investment in water is rising, unlike investments in other green technologies. While overall investment in cleantech sectors went down by 30% last year, water tech investment went up by 34%. Water made up $355M of the $6.8B in cleantech investment in 2012, with 68 deals out of the 806 worldwide. The Cleantech Group identified water as one of the three most promising areas for cleantech investment during 2012, and CEO Sheeraz Haji sees water as one of the sectors set to grow dramatically in 2013.

World Water Day on March 22nd highlighted the need for clean water technologies. A white paper by Kleinwort Benson Investors found that if water issues are not addressed, 45 percent of projected global GDP in 2050 could be at risk, but with more sustainable projects, $17 trillion could be preserved. SAIL Capital Partners is proud to be working on innovative solutions with two portfolio companies in the clean water sector—WaterHealth International and M2 Renewables.

A promising trend for SAIL’s portfolio companies is the synchronization between cleantech and conventional energy. While many cleantech companies are born with the goal of replacing conventional energy sources, others are helping to make traditional energy extraction and production cleaner, safer, and more efficient. Unconventional oil and gas projects have emerged as major buyers of leading edge water and wastewater treatment technologies, and are investing heavily in software and communications solutions to more actively monitor production and logistics. SAIL companies such as Xtreme Power, Flex, and M2 Renewables are capitalizing on these partnerships, and are well positioned to innovate in the Conventional Fuels space.

Lou Camilli, founder and chief technology officer for Enerpulse, Inc., recently addressed the NGV Bridge Fleet Framework Summit on this intersection between cleantech and the natural gas engine market. Camilli outlined how Enerpulse’s PCI technology has demonstrated improvements in combustion stability, and reduced fuel consumption and total emissions by as much as ten percent.
Within a month of being listed on the SunFunder Web site, SunnyMoney’s latest project, providing solar lights in the Chadiza district in Zambia, had attracted 86 investors contributing a total of $10,000.”

Solar crowdfunding platform SunFunder was awarded $25,000 by Facebook and the Cleantech Group as winners of the Cleantech Goes Social competition.

The competition challenged companies to “leverage Facebook’s billion person network to accelerate cleantech and increase engagement in sustainability” and was awarded at the Cleantech Forum 2013 in San Francisco by Bill Weihl, manager of energy efficiency and sustainability at Facebook.

SunFunder, which crowdfunds off-grid solar projects in developing countries, beat out other finalists wattTime and yerdle Instant Share.

“Solar is inherently social,” said Sheeraz Haji, CEO of Cleantech Group, who partnered with Facebook to run the Cleantech Goes Social competition. “When people install solar on their homes they want to tell their friends and neighbors. SunFunder understands this and has developed a thoughtful strategy for leveraging the Facebook platform to finance solar projects in emerging markets. The opportunity to integrate the SunFunder crowdfunding model into Facebook’s social graph could be a game changer.”

The features of SunFunder include metrics like dollars invested, number of projects, energy saved, and number of people helped. It also facilitates easy payments, and features custom stories, a gift matching option, and social media plug-ins.

SunFunder founder Ryan Levinson said: “Similar to how cell phones have leapfrogged the landline system all around the world, solar energy can leapfrog the grid for over 2.5 billion people who lack full access to electricity. This partnership with Facebook is a great opportunity to leverage a billion people on Facebook to help finance this solar energy revolution and bring clean and affordable energy to people who need it the most.
SAIL portfolio companies are making strides in exploring expansion opportunities in Australia. For example, Chris Rhoades, CEO of M2 Renewables, is in Australia for two weeks. He is there to explore joint venture opportunities and to meet with Dr. Susan Pond. Dr. Pond is the Chairman of Australia’s new $200M Cleantech Innovation Program, which is a part of the Gillard Government’s plan for a Clean Energy Future. The Program could also be an opportunity for Xtreme Power, Flex Power, CNS Response, and WaterHealth to explore partnerships with the government and industry leaders in Australia. In fact, Alan Gotcher, the CEO of Xtreme Power, will be in Australia the first week of May. SAIL is working with Coral Sustainable Services LLC (www.coralsustain.com).

LEADERSHIP SPOTLIGHT

SAIL Capital Partners invests in leaders—leading companies, and equally importantly, strong leadership teams. In appreciation of the exceptional teams at our portfolio companies, each month the newsletter will highlight an individual who has significantly contributed to the growth and success of a SAIL portfolio company.

This month, we would like to welcome John Novak. Novak joined Enerpulse, Inc. this January as the Vice President of Sales. He comes to Enerpulse with over 40 years of sales and marketing experience in worldwide automotive markets. Novak previously worked with Joe Gonnella, the CEO of Enerpulse, as the Vice President of Sales and Marketing at Engelhard Corporation. During their time together, Novak and Gonnella doubled Engelhard’s catalytic converter market share.

Prior to joining Enerpulse, Novak lived and worked in Seoul Korea as the Vice President and Joint Representative Director for Ordeg, a joint venture between Umicore and OCI (Oriental Chemical Inc.) in Seoul. He also has experience as Vice President of Sales at Wabash Technologies. Novak started his career at Bendix as a sales engineer and was later promoted to Director of Sales.

Novak is a co-author of several patents for initiating the idea of a catalyst coating for an auto radiator to eliminate ground level o-zone. In his free time, he enjoys spending time with his family, golfing, and fishing. We’re looking forward to another successful Novak-Gonnella partnership and happy to welcome him to the team.
SAIL Capital Partners (www.sailcapital.com) is a leading cleantech investment firm with a global vision of technologies, markets and opportunities. We invest in cleantech companies with proven technologies, visionary leadership, measurable impact and exciting growth potential. We have invested in a number of today’s leading cleantech companies including Xtreme Power, Ice Energy, The Cleantech Group, Enerpulse, SNTech, Flex Power, Paragon Airheater Technologies, M2 Renewables, Clean Technology Solutions, CNS Response and WaterHealth International. SAIL has offices in California, Toronto, New Orleans and Washington D.C. as well as a global network of investors and advisors.

DISCLAIMER

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SOURCES

Cleantech Group
Greentech Media
Cleantech Insight
New York Times
Enerpulse, Inc.