September 17, 2024

Sunrun Prices $365 million Senior Securitization of Residential Solar & Battery Systems

SAN FRANCISCO, Sept. 17, 2024 (GLOBE NEWSWIRE) -- Sunrun (Nasdaq: RUN), the nation's leading provider of clean energy as a subscription service, today announced it has priced a securitization of leases and power purchase agreements. The securitization is Sunrun's twelfth securitization since 2015 and third issuance in 2024.

"Sunrun continues to demonstrate strong execution in the capital markets; our latest securitization again highlights our industry-leading cost of capital. We believe our strong execution is testament to Sunrun's deep capital markets relationships, the quality of our assets and our proven track record as an originator and servicer," **said Danny Abajian, Sunrun's Chief Financial Officer.**

The transaction was structured with two separate classes of publicly placed A+ rated notes (the "Class A-1" and "Class A-2", respectively and together the "Class A") and a single class of BB rated notes (the "Class B"), which were retained. The $75.0 million Class A-1 notes and the $290.4 million Class A-2 notes were both marketed in a public asset backed securitization. The Class A-1 and Class A-2 notes were oversubscribed and carry a coupon of 5.49% and 5.88%, respectively. The Class A-1 notes priced at a spread of 210 bps and a 5.538% yield. The Class A-2 notes priced at a spread of 240 bps and a 5.933% yield. The initial balance of the Class A notes represents a 73.8% advance rate on the Securitization Share of ADSAB (present value using a 6% discount rate). The Class A-1 and Class A-2 notes have an expected weighted average life of 4.83 years and 6.99 years, respectively, and both have an Anticipated Repayment Date of October 30, 2031, and a final maturity date of October 30, 2059.

Similar to prior transactions, Sunrun anticipates raising additional subordinated subsidiary-level non-recourse financing (secured, in part, by the distributions from the retained Class B notes), which is expected to increase the cumulative advance rate obtained by Sunrun.

The notes are backed by a diversified portfolio of 21,281 systems distributed across 19 states and Puerto Rico and 73 utility service territories. The weighted average customer FICO score is 741. The transaction is expected to close by September 26, 2024.

RBC Capital Markets was the sole structuring agent and served as joint bookrunner along with BofA Securities, Citigroup, Deutsche Bank Securities and J.P. Morgan. KeyBanc Capital Markets served as co-manager for the securitization.

This press release does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

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About Sunrun

Sunrun Inc. (Nasdaq: RUN) revolutionized the solar industry in 2007 by removing financial barriers and democratizing access to locally-generated, renewable energy. Today, Sunrun is the nation's leading provider of clean energy as a subscription service, offering residential solar and storage with no upfront costs. Sunrun's innovative products and solutions can connect homes to the cleanest energy on earth, providing them with energy security, predictability, and peace of mind. Sunrun also manages energy services that benefit communities, utilities, and the electric grid while enhancing customer value. Discover more at www.sunrun.com.

Source: Sunrun Inc.