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Sunrun Prices $629 million Senior Securitization of Residential Solar & Battery Systems

SAN FRANCISCO, Jan. 28, 2025 (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 thirteenth securitization since 2015 and first issuance in 2025.

"Sunrun's first securitization transaction of 2025, the second largest in the industry's history, demonstrates our continued strong execution in the capital markets. Our ability to consistently access deep pools of competitively priced capital to fuel growth is supported by 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 three separate classes of A rated notes (the "Class A-1", "Class A-2A", and Class "A-2B" respectively and together the "Class A") and a single class of BB rated notes (the "Class B"), which were retained. The $102.0 million Class A-1 notes and the $276.5 million Class A-2A notes were both marketed in a public asset backed securitization whereas the $250.0 million Class A-2B notes were privately placed. The Class A-1 and Class A-2A notes were oversubscribed and carry coupons of 5.99% and 6.41%, respectively. The Class A-1 notes priced at a spread of 170 bps and a 6.035% yield. The Class A-2A notes priced at a spread of 200 bps and a 6.465% yield. The Class A-1 and Class A-2A have a weighted average spread of 192 bps which represents an improvement of 42 bps from Sunrun's 2024-3 asset backed securitization in September 2024. The initial balance of the Class A notes represents a 65.3% advance rate on the Securitization Share of ADSAB (present value using a 6% discount rate). The expected weighted average life is 4.58 years for the Class A-1 notes and 7.12 years for the Class A-2A notes. Both classes of notes have an Anticipated Repayment Date of April 30, 2032, and a final maturity date of April 30, 2060.

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 39,458 systems distributed across 20 states, Washington D.C. and Puerto Rico and 83 utility service territories. The weighted average customer FICO score is 738. The transaction is expected to close by February 5, 2025.

ATLAS SP Partners ("ATLAS SP") was the sole structuring agent and served as joint bookrunner along with BofA Securities, Morgan Stanley, MUFG and TD Securities. First Citizens Capital Securities and ING served as co-managers for the securitization.

"ATLAS SP was pleased to work with Sunrun again as the sole structuring agent on this securitization transaction," said Spencer Hunsberger, Head of Energy Origination at ATLAS SP. "Through our deep partnership with Sunrun, we have demonstrated ATLAS' unique capabilities to structure, place and commit to large transactions in an accelerated and efficient process for the capital markets. We look forward to continuing to support Sunrun as the solar industry continues to become more mainstream for securitized products."

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.

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.

About ATLAS SP Partners

ATLAS SP is a global investment firm providing stable capital, financing, advisory and institutional products to market participants seeking innovative and bespoke structured credit and asset backed solutions. We're proud to build upon a legacy of client excellence that includes certainty of execution, deep expertise and full-service capabilities across the asset management landscape. For more information, visit www.atlas-sp.com.

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