The Wayback Machine - https://web.archive.org/web/20130511020651/http://finance.yahoo.com/news/firstsolar-buy-tetrasun-gives-view-193002654.html

FirstSolar to Buy TetraSun, Gives View

By Zacks Equity Research | Zacks – Wed, Apr 10, 2013 3:30 PM EDT

First Solar, Inc. (FSLR) has entered into an acquisition agreement with JX Nippon Oil & Energy Corporation. Per the deal, First Solar plans to purchase TetraSun from JX Nippon for an undisclosed amount. We note that JX Nippon is the largest oil company in Japan.

TetraSun has significant expertise in silicon photovoltaic (:PV) technology and has achieved world records for silicon cell efficiencies at companies like **SunPower Corp.** (SPWR). Post-acquisition, First Solar will thus be able to leverage this impressive solar team. Moreover, per the agreement, both the parties intend to produce and market TetraSun products in Japan. The acquisition is expected to be completed in the second quarter of 2013.

TetraSun is the developer of high-efficiency solar panels. It has developed a break-through cell architecture that has the potential to convert 21% sunlight into electricity at lower manufacturing costs in comparison to conventional multi crystalline silicon solar cells. Besides, being simple, the design is cost-effective as it uses the large-format 156 mm n-type wafers. This automatically removes the need to use expensive silver and transparent conductive oxide.

TetraSun's technology benefits from a low temperature coefficient of power that allows production of superior energy yields in extremely hot weather as compared to typical silicon PV modules. Also, when compared to other high-efficiency crystalline silicon cells, the new designed cell has wider tolerance power.

First Solar makes cadmium telluride glass substrate-based thin film PV panels. However, the TetraSun technology uses silicon that is used by most of the PV solar manufacturers, which mainly include Chinese producers. This will open up fresh opportunity for First Solar in the PV market that is forever keen on high-efficiency technology. In fact, First Solar plans to begin commercial-scale manufacturing using the new technology in the second half of 2014.

Moreover, the transaction will allow First Solar to expand its footprint in Japan which is expected to become the second-largest market for solar products in 2013 after China. For the Japanese market, First Solar expects to open a factory that will produce about 25 megawatts to 50 megawatts of TetraSun panels in 2014.

Meanwhile, First Solar has provided a financial update through 2015 on its Analyst Day in N.Y. It expects total module shipments in the range of 1.6 gigawatt (:GW) to 1.8GW in 2013, 1.8GW to 2.2GW in 2014 and 2.3GW to 2.7GW in 2015.

Net sales for this year are expected in the range of $3.8 billion to $4.0 billion. For 2014 and 2015, First Solar expects nets sales in the range of $3.5 billion to $4.0 billion and $4.2 billion to $4.8 billion, respectively.

Excluding restructuring expense of $10 million, the company expects pro forma earnings per share in the range of $4.00 to $4.50 in 2013. For 2014, the company expects earnings in the range of $2.50 to $4.00 per share, while for 2015 the guidance climbs to $4.00 to 6.00 per share.

For full-year 2013, the company allocates $350 million to $400 million on capital expenditure. The company stated that the guidance for this year and the next takes into account the revenue recognition from Desert Sunlight which is scheduled to begin operations in the second half of 2013.

The company presently retains a short-term Zacks Rank #3 (Hold). Other stocks worth considering are **Canadian Solar Inc.** (CSIQ) and **ReneSola Ltd.** (SOL), both with a Zacks Rank #2 (Buy).
Read the Full Research Report on CSIQ

Read the Full Research Report on FSLR

Read the Full Research Report on SOL

Read the Full Research Report on SPWR

Zacks Investment Research

More From Zacks.com

- Read the analyst report on CSIQ,FSLR,SOL,SPWR

© 2013 Zacks.com. All rights reserved.

Copyright © 2013 Yahoo! Inc. All rights reserved. /