
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report: October 8, 2020
(Date of earliest event reported)

Sunrun Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-37511
(Commission
File Number)

26-2841711
(I.R.S. Employer
Identification No.)

225 Bush Street, Suite 1400
San Francisco, California 94104
(Address of principal executive offices, including zip code)

(415) 580-6900
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value \$0.0001 per share	RUN	Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

INTRODUCTORY NOTE

This Current Report on Form 8-K is being filed in connection with the closing on October 8, 2020 (the “Closing Date”), of the acquisition of Vivint Solar, Inc., a Delaware corporation (“Vivint Solar”), by Sunrun Inc., a Delaware corporation (“Sunrun”), pursuant to the Agreement and Plan of Merger (the “Merger Agreement”), dated as of July 6, 2020, by and among Sunrun, Vivint Solar and Viking Merger Sub, Inc., a Delaware corporation and direct wholly owned subsidiary of Sunrun (“Merger Sub”), pursuant to which Merger Sub merged with and into Vivint Solar, with Vivint Solar continuing as the surviving corporation (the “Merger”).

Item 2.01. Completion of Acquisition or Disposition of Assets.

On October 8, 2020, Sunrun completed the acquisition of Vivint Solar pursuant to the Merger Agreement, pursuant to which Merger Sub merged with and into Vivint Solar, with Vivint Solar continuing as the surviving corporation. As a result of the Merger, Vivint Solar became a direct wholly owned subsidiary of Sunrun.

Subject to the terms and conditions set forth in the Merger Agreement, each share of Vivint Solar common stock, par value \$0.01 per share (“Vivint Solar Common Stock”), issued and outstanding immediately prior to the effective time of the Merger (the “Effective Time”) (other than the shares of Vivint Solar Common Stock owned by Sunrun, Merger Sub, and any other wholly owned subsidiary of Sunrun or Vivint Solar immediately prior the Effective Time, including Vivint Solar Common Stock held in treasury by Vivint Solar, and in each case not held on behalf of third parties) was converted automatically into the right to receive 0.55 shares (the “Exchange Ratio”) of Sunrun common stock, par value \$0.0001 per share (“Sunrun Common Stock”), and, if applicable, an amount in cash, without interest, rounded down to the nearest cent, in lieu of any fractional share interest in Sunrun Common Stock to which such holder otherwise would have been entitled.

At the Effective Time, Vivint Solar’s equity awards granted under Vivint Solar’s equity compensation plans outstanding as of the Effective Time were, except as set forth below, converted into a corresponding award with respect to Sunrun Common Stock, with the number of shares underlying such award (and, in the case of stock options, the applicable exercise price) adjusted based on the Exchange Ratio. Certain options to purchase shares of Vivint Solar Common Stock and restricted stock units outstanding as of the Effective Time and held by non-employee directors or current and former employees of Vivint Solar who will not be employed by Sunrun following the closing of the Merger were cancelled and such holders have the right to receive an amount in cash calculated based on the Exchange Ratio. Each award of “LTIP Credits” pursuant to a Vivint Solar long term incentive pool plan (an “LTIP Award”) that was outstanding as of immediately prior to the Effective Time was canceled and terminated and, as soon as practicable following the Effective Time and Sunrun’s filing of a Form S-8 registration statement registering the remaining share reserves of the Vivint Solar, Inc. 2014 Equity Incentive Plan, each holder of a cancelled LTIP Award will be granted a restricted stock unit award that can be settled in shares of Sunrun Common Stock (a “Replacement RSU Award”), with the number of shares underlying such award (and the applicable exercise price) calculated as if certain performance hurdles were achieved. The Replacement RSU Award will vest in three equal installments, subject to the grantee’s continued provision of services to Sunrun or the Surviving Corporation, through each of 30 days, nine months and 18 months following October 8, 2020.

The issuance of Sunrun Common Stock in connection with the Merger, as described above, was registered under the Securities Act of 1933, pursuant to Amendment No. 1 to Sunrun’s registration statement on Form S-4 (File No. 333-246371) (the “Registration Statement”), filed with the Securities and Exchange Commission (the “SEC”) and declared effective on September 2, 2020.

The foregoing summary description of the completion of the Merger does not purport to be complete and is qualified in its entirety by reference to the terms of the Merger Agreement, which was filed as Exhibit 2.1 to the Current Report on Form 8-K filed by Sunrun with the SEC on July 10, 2020 and is incorporated by reference into this Item 2.01.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers.

As of the Effective Time, the Sunrun board increased the number of directors on the Sunrun board from seven (7) to nine (9) and appointed each of David Bywater (designated as a Sunrun Class I director) and Ellen S. Smith (designated as a Sunrun Class III director) to serve as members of the Sunrun board of directors.

Mr. Bywater has served as Vivint Solar's chief executive officer since December 2016. Mr. Bywater also served as Vivint Solar's interim president and chief executive officer from May 2016 until his appointment as Vivint Solar's permanent chief executive officer in December of 2016. Prior to joining Vivint Solar, Mr. Bywater served as the chief operating officer of Vivint, Inc. since July 2013. Prior to that, Mr. Bywater served as executive vice president and corporate officer for Xerox Corporation, and was the chief operating officer of its State Government Services from 2010 to July 2013. Prior to that, from 2003 to 2010, Mr. Bywater worked at Affiliated Computer Services. From 1999 to 2003, Mr. Bywater was a senior manager at Bain & Company. Mr. Bywater holds a B.S. in economics from Brigham Young University and an MBA from Harvard Business School. Mr. Bywater has specific attributes that qualify him to serve as a member of the Sunrun board, including his role serving as Vivint Solar's chief executive officer, his experience with the direct-to-home sales model and his experience with public companies.

Ms. Smith is a senior managing director, corporate finance, power and utilities at FTI Consulting, Inc., a global consultancy firm, which she joined in 2013. Prior to joining FTI Consulting, Inc., Ms. Smith was executive vice president and chief operations officer at National Grid, USA, a multinational power, gas and electricity generation company, from 2009 to 2013. Before that, she worked for Hess Corp, Pratt & Whitney and General Electric Power Systems. Ms. Smith currently serves on the board of trustees of Union College, and she previously served on the board of directors of National Grid USA from 2009 to 2013 and Granite Services from 1994 to 1996. Ms. Smith received a Bachelor of Science and a Master of Engineering from Union College. Ms. Smith has specific attributes that qualify her to serve as a member of the Sunrun board, including her extensive operations and leadership experience in the energy industry.

All of the officers of Vivint Solar ceased serving in their capacity as officers of Vivint Solar, except David Bywater who will remain the chief executive officer of Vivint Solar. David Bywater, Chief Executive Officer of Vivint Solar, has entered into an offer letter with Sunrun that became effective following the consummation of the Merger. A description of his offer letter is set forth in the section entitled "The Merger—Interests of Vivint Solar's Directors and Executive Officers in the Merger" in the joint proxy statement/prospectus included in the Registration Statement.

Item 8.01. Other Events.

On October 8, 2020, Sunrun issued a press release announcing the consummation of the Merger. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated into this Item 8.01 by reference.

Item 9.01. Financial Statements and Exhibits.

(a) Financial Statements of Business Acquired

The information required by this item was previously reported in Amendment No. 1 to the Sunrun's Registration Statement on FormS-4 (File No. 333-246371) filed with the Securities and Exchange Commission on September 1, 2020 (as so amended, the "FormS-4") and, accordingly, is not required to be filed herewith pursuant to General Instruction B.3 of Form 8-K.

(b) Pro Forma Financial Information

The information required by this item was previously reported in the FormS-4 and, accordingly, is not required to be filed herewith pursuant to General Instruction B.3 of Form 8-K.

(d) Exhibits

- 2.1 [Agreement and Plan of Merger, dated as of July 6, 2020, by and among Sunrun Inc., Viking Merger Sub, Inc. and Vivint Solar, Inc. \(incorporated by reference to Exhibit 2.1 to Current Report on Form 8-K filed with the SEC on July 10, 2020, FileNo. 001-37511\)](#)
- 99.1 [Press Release dated October 8, 2020](#)
- 104 Cover Page Interactive Date File (embedded within the Inline XBRL document)

* Management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SUNRUN INC.

By: /s/ Jeanna Steele
Jeanna Steele
General Counsel

Date: October 8, 2020



Sunrun Completes Acquisition of Vivint Solar to Accelerate Clean Energy Adoption and Enhance Customer Value

Acquisition Creates Clean Energy Leader with an Enterprise Value of Approximately \$22 Billion, Over 500,000 Customers and 3 Gigawatts of Solar Energy Capacity

SAN FRANCISCO, October 8, 2020 — Sunrun (NASDAQ: RUN), a leading provider of residential solar, battery storage and energy services, today announced that it has completed its acquisition of Vivint Solar which was initially announced on July 6, 2020. This follows approval by regulators and stockholders of both companies. With the transaction complete, Sunrun solidifies its position as the leader in home solar and energy services across the United States and a top owner of solar assets globally with more than three gigawatts of solar energy and more than 500,000 customers.

“Welcome Vivint Solar employees and customers,” said Lynn Jurich, Sunrun’s Chief Executive Officer and co-founder. “Together, we will provide affordable, reliable and clean electricity at an exciting new scale. With our compelling services millions of homeowners will rewire their homes with solar and batteries to enjoy enhanced comfort and affordability. The combined company benefits from broad market reach and differentiated consumer offerings. A lower cost structure from greater scale will accelerate the transition away from polluting and unreliable fossil fuels.”

Sunrun will be a meaningful contributor to a fully renewable and electrified energy system. Our growing fleet of solar homes and batteries will be networked to provide greater benefits to the grid and energy consumers. Generating energy at the point it is used reduces the need for dirty energy being produced far away that is increasingly expensive to transmit. Our customers have already and will continue to help shut down inefficient carbon-producing power plants.

Over the coming months, product offerings will be transitioned to offer customers the best solutions, including expanded access to Sunrun’s leading Brightbox rechargeable battery solution which enables homeowners to power through grid outages. Vivint Solar will continue to operate as a Sunrun company for the immediate future and will be integrated into the Sunrun organization over the coming quarters. Sunrun estimates annual cost synergies of approximately \$90 million to be realized over 12 to 18 months.

As previously announced, Vivint Solar stockholders will receive 0.55 shares of Sunrun common stock for each share of Vivint Solar common stock they own immediately prior to the consummation of the acquisition. The combined company will continue to trade on The Nasdaq Global Select Market under the ticker symbol RUN. Post-closing, Sunrun now has a market capitalization of approximately \$17 billion based on the closing prices of Sunrun common stock on October 7, 2020 and an enterprise value of approximately \$22 billion on a fully-diluted basis pro-forma for the transaction as of the most recently reported quarter.

About Sunrun

Sunrun Inc. (Nasdaq: RUN) is the nation’s leading home solar, battery storage, and energy services company. Founded in 2007, Sunrun pioneered home solar service plans to make local clean energy more accessible to everyone for little to no upfront cost. Sunrun’s innovative home battery solution, Brightbox, brings families affordable, resilient, and reliable energy. The company can also manage and share stored solar energy from the batteries to provide benefits to households, utilities, and the electric grid while reducing our reliance on polluting energy sources. For more information, please visit www.sunrun.com.

Forward-Looking Statements

This communication contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 including, but not limited to, statements based upon or relating to Sunrun’s expectations or predictions of future financial or business performance or conditions. Forward-looking statements generally relate to future events or future financial or operating performance. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “would,” “expects,” “plans,” “anticipates,” “could,” “intends,” “target,” “projects,” “contemplates,” “believes,” “estimates,” “predicts,” “potential,” “will be,” “will likely result” or “continue” or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions. Forward-looking statements may include, but are not limited to, statements concerning the expected benefits of the transaction; cost

synergies and opportunities resulting from the transaction; and Sunrun's leadership position in the industry. These statements are not guarantees of future performance; they reflect Sunrun's current views with respect to future events and are based on assumptions and estimates and subject to known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from expectations or results projected or implied by forward-looking statements. These risks include, but are not limited to: the outcome of any legal proceedings that have been or may be instituted against Sunrun or others following announcement of the transactions contemplated by the definitive transaction agreement; challenges, disruptions and costs of closing, integrating and achieving anticipated synergies, or that such synergies will take longer to realize than expected; risks that the merger and other transactions contemplated by the definitive transaction agreement disrupt current plans and operations that may harm Sunrun's business; the amount of any costs, fees, expenses, impairments and charges related to the merger; uncertainty as to the long-term value of Sunrun's common stock; the ability of Sunrun to raise capital from third parties to grow its business; any rise in interest rates which would increase the cost of capital; the ability to meet covenants in investment funds and debt facilities; the potential inaccuracy of the assumptions employed in calculating operating metrics; the failure of the energy industry to develop to the size or at the rate Sunrun expects; and the inability of Sunrun to finance its solar service offerings to customers on an economically viable basis. These risks and uncertainties may be amplified by the ongoing COVID-19 pandemic, which has caused significant economic uncertainty and negative impacts on capital and credit markets. The extent to which the COVID-19 pandemic impacts Sunrun's business, operations, and financial results, including the duration and magnitude of such effects, will depend on numerous factors, many of which are unpredictable, including, but not limited to, the duration and spread of the pandemic, its severity, the actions to contain the pandemic or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume.

Any financial projections in this filing are forward-looking statements that are based on assumptions that are inherently subject to significant uncertainties and contingencies, many of which are beyond Sunrun's control. While all projections are necessarily speculative, Sunrun believes that the preparation of prospective financial information involves increasingly higher levels of uncertainty the further out the projection extends from the date of preparation. The assumptions and estimates underlying the projected results are inherently uncertain and are subject to a wide variety of significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the projections. The inclusion of projections in this filing should not be regarded as an indication that Sunrun, or its representatives, considered or consider the projections to be a reliable prediction of future events.

Annualized, pro forma, projected and estimated numbers are used for illustrative purpose only, are not forecasts and may not reflect actual results.

The foregoing review of important factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included herein and elsewhere, including the risk factors included in Sunrun's most recent reports on Form 10-K, Form 10-Q, Form 8-K and other documents on file with the United States Securities and Exchange Commission ("SEC"). These forward-looking statements represent estimates and assumptions only as of the date made. Unless required by federal securities laws, Sunrun assumes no obligation to update any of these forward-looking statements, or to update the reasons actual results could differ materially from those anticipated, to reflect circumstances or events that occur after the statements are made. Given these uncertainties, investors should not place undue reliance on these forward-looking statements. Investors should read this document with the understanding that Sunrun's actual future results may be materially different from what Sunrun expects. Sunrun qualifies all of its forward-looking statements by these cautionary statements.

Market capitalization calculated using the closing price of Sunrun common stock on October 7, 2020 multiplied by approximately 138.7 million fully diluted shares of Sunrun and approximately 138.5 million fully diluted shares of Vivint Solar as of October 7, 2020 multiplied by the exchange ratio of 0.55 per share. Enterprise value calculated using the closing price of Sunrun common stock prices on October 7, 2020 multiplied by the above mentioned fully diluted share amounts, less cash, plus debt, total lease and pass-through financing obligations, and total minority interests, each as of June 30, 2020.

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