



# Thermondo debuts private securitisation for solar, heat pump refi



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## Inaugural deal could encourage broader adoption of renewable energy ABS in Europe

Berlin-based Thermondo has completed its first securitisation of solar and heat pump receivables in a private transaction that the team at Hogan Lovells, advising on the deal, say introduces structural innovations that could encourage broader adoption of renewable energy-backed securities in Europe.

“This is really the opening of a new asset class in Europe,” says [Dietmar Helms](#), Frankfurt-based partner at Hogan Lovells involved in the transaction alongside counsel [Sebastian Oebels](#).

The financing was carried out through the issuance of German-law registered structured notes to a single investor, with flexibility to upsize or downsize as Thermondo builds its receivables pool.

To achieve this deal, Thermondo changed parts of its business model, shifting from rental contracts to installment purchase agreements, a move that enables a true-sale assignment of receivables under German law and that is, therefore, suitable for securitisation.

“We advised Thermondo to move from rental contracts to installment purchase agreements,” explains Helms. “Unlike rental contracts, which never truly fit the product, installment purchases mirror consumer loans: customers who pay in installments can use subsidies for early repayment and, crucially, they keep ownership. It’s simpler for households and makes the receivables insolvency-proof and thus securitisable.”

### Private today, public tomorrow

The notes were placed privately and are not listed or cleared, but Helms and Oebels expect the company to move towards a public securitisation once the portfolio grows to sufficient scale.

“The long-term goal is a public securitisation, which brings cheaper funding, broadening the investor base,” says Oebels. “For now, a private deal made sense: a bespoke structure under German law that can flex in size as Thermondo builds its receivables pool.”

For investors, the asset class promises strong fundamentals. “These are long-tenor contracts with homeowners who’ve already cleared mortgage-level credit checks,” notes Oebels. “And in the case of solar, monthly payments are often offset by reduced electricity bills, so the financing shouldn't increase household burden.”

Helms adds: “This asset class is comparable to auto loan ABS, but with even stronger credit quality, since the receivables come from homeowners investing in long-term energy efficiency.”

Thermondo’s inaugural deal signals growing demand for green ABS in Europe, long established in the US. The deal, along with similar transactions by peers, such as [Enpal](#), points to securitisation becoming a core refinancing tool for household-level energy transition assets.

“The European securitisation market for renewable energy assets has been slow to innovate compared to the US, but upcoming years could hopefully change that,” says Oebels. “There’s significant demand for green investments, and securitisation provides a competitive refinancing tool for companies like Thermondo.”

Thermondo, founded in 2012, is one of Germany’s largest installers of residential heating systems and pivoted from gas and oil boilers to renewable solutions in 2024.

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