



PV Crystalox Solar plc
2017 Preliminary Results
15 March 2018

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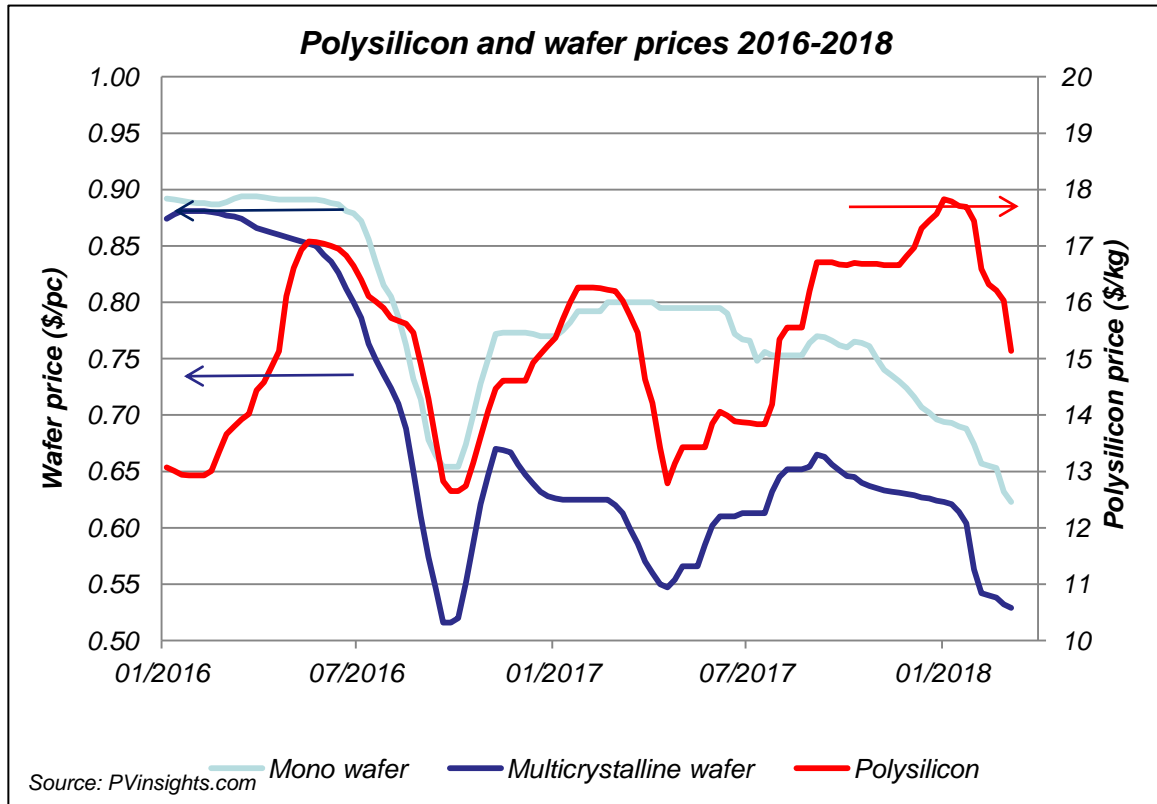
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- Prices continued to decline across the PV value chain (except polysilicon)
 - Short lived modest recovery for four months during 2017
 - High efficiency monocrystalline silicon products increasing market share
- China increasing its dominant position in PV manufacturing
 - 71% of global PV module production
 - 83% market share for wafer production.
- Global PV Installations exceeded 100GW for first time in 2017
 - 26% increase on 2016
 - China accounted for over 50% with 53.1GW installations added in 2017
- USA has imposed 30% import duties on PV cells and modules
 - Decision announced by President Trump in January 2018
 - Complaint filed in April 2017 under Section 201 of the Trade Act of 1974

- **Wafer shipment volumes up 28% at 146MW (2016: 114MW)**
 - Shipment volumes broadly in line with production output
 - Focus on low carbon footprint wafers supplied to customer targeting French PV market
- **Ingot/block production shutdown in UK**
 - Operations ceased at end August
 - Significant reduction in employees-only 7 remaining at end 2017
 - Leases surrendered on two facilities
- **Wafering operations continued at Group's facility in Germany**
 - Blocks purchased from third party suppliers following cessation of UK production
 - French PV market carbon footprint incentives favourable for wafering in Germany.
- **Polysilicon inventory cleared**
 - No purchase obligations under long term polysilicon contracts
- **Final award rendered by International Court of Arbitration in November 2018**
 - Group awarded €36m -no payment received yet despite interest accruing at €180k/month
 - Obligation to supply 22.9m wafers after receipt of payment
 - Negotiations ongoing to eliminate wafer supply with corresponding reduction in payment



- Multicrystalline wafer prices have declined over last six months
 - Close to all time low seen in September 2016
- Polysilicon prices strengthened in H2 2017
 - Short term effect driven by strong demand from China

● Complete clearance of UK facilities

- One outstanding lease expected to be surrendered by end March 2018
- Disposal of remaining assets

● German operations

- No prospect of PV market recovery which would enable profitable wafering operation
- Silicon wafer production to stop by end of H1
- Seek buyer for wafering operation or significant restructuring to focus on cutting non-silicon material

● Finalise negotiations with customer regarding arbitration award

- Either settlement agreement waiving wafer supply or
- Payment of award in full plus interest and subsequent supply of wafers



Financials

- Revenues €26.4m (2016: €56.7m)
- EBT of €12.0m (2016: EBT of €1.7m)
- Net cash (used in) /from operating activities €(1.2)m (2016: €18.0m)
- Net cash €26.9m (2016: €28.8m)
- Inventories €3.9m (2016: €11.2m)
- Other income of €20.5m recognised in relation to arbitration award
 - Additional income to be recognised in 2018

Financial Overview

(€'000)	2017	2016
Revenues	26,364	56,732
Cost of materials and services	(24,681)	(48,622)
Overheads	(13,554)	(15,707)
Other income	23,800	5,376
Currency gain	33	3,860
EBIT	11,962	1,639
Net finance income	40	61
Earnings before taxes (EBT)	12,002	1,700
Income taxes	(1,084)	44
Profit from operations	10,918	1,744
Earnings per share (Euro cents)	6.9	1.1

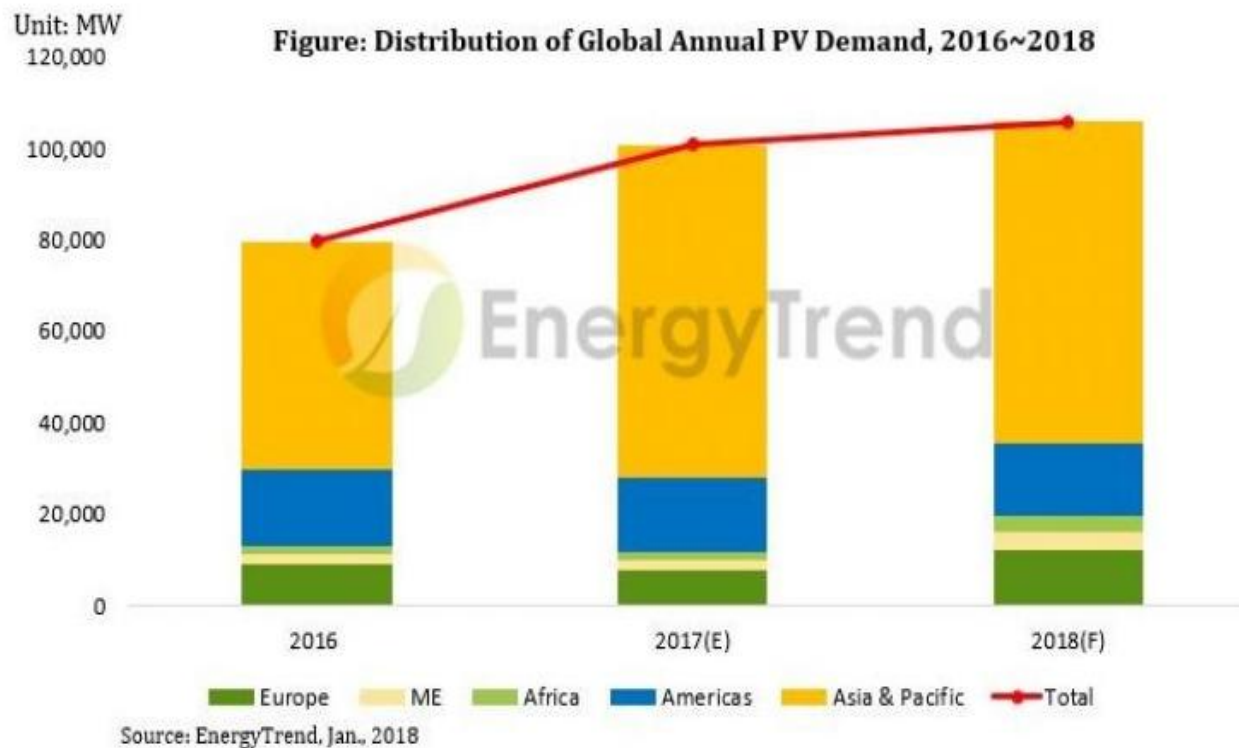
Summary consolidated balance sheet

(€m)	31-Dec-17	31-Dec-16
Current Assets	55.1	43.8
Non-current Assets	1.1	1.8
Total Assets	56.2	45.6
Current Liabilities	4.5	3.5
Non-current Liabilities	0.0	0.3
Share Cap & Reserves	51.7	41.8
Total Liabilities and Shareholder Equity	56.2	45.6

Summary cash flow analysis (€m)	2017	2016
Operating cash pre-working capital after taxes	13.8	2.7
Changes in working capital	(15.0)	15.2
Exchange difference	(1.0)	(1.7)
Net cash flows from investing activities	0.3	(0.1)
Net change in cash in period	(1.9)	16.1
Cash and equivalents, start of year	28.8	12.7
Cash and equivalents, end of period	26.9	28.8



Global PV Market



- Modest growth expected for global PV installations in 2018
 - 106GW forecast for 2018-up 3% on 2017
 - China is key driver of demand and will remain largest market for sixth successive year



Outlook

- 106GW forecast for global PV installations in 2018
 - Only modest 3% growth compared to double digit growth seen in previous years
 - China remains the major global market and will again account for around 50% of demand
- Multicrystalline wafer pricing expected to remain under pressure
 - Reduced production costs from competitors using Diamond Wire wafering
 - Competition from increased useage of monocrystalline wafers
- Focus on concluding agreement with customer regarding arbitration award
- Cease silicon wafer production by end H1 2018
 - Seek buyer for German wafering operation or restructure to focus on cutting of non-silicon materials
- Board to explore options for future of the Group in order to maximise shareholder value
 - Substantial cash position expected following receipt of arbitration award
 - Options to include cash return or acquisition of existing business



Q&A