



PV Crystalox Solar plc

2017 Interim Results

24 August 2017

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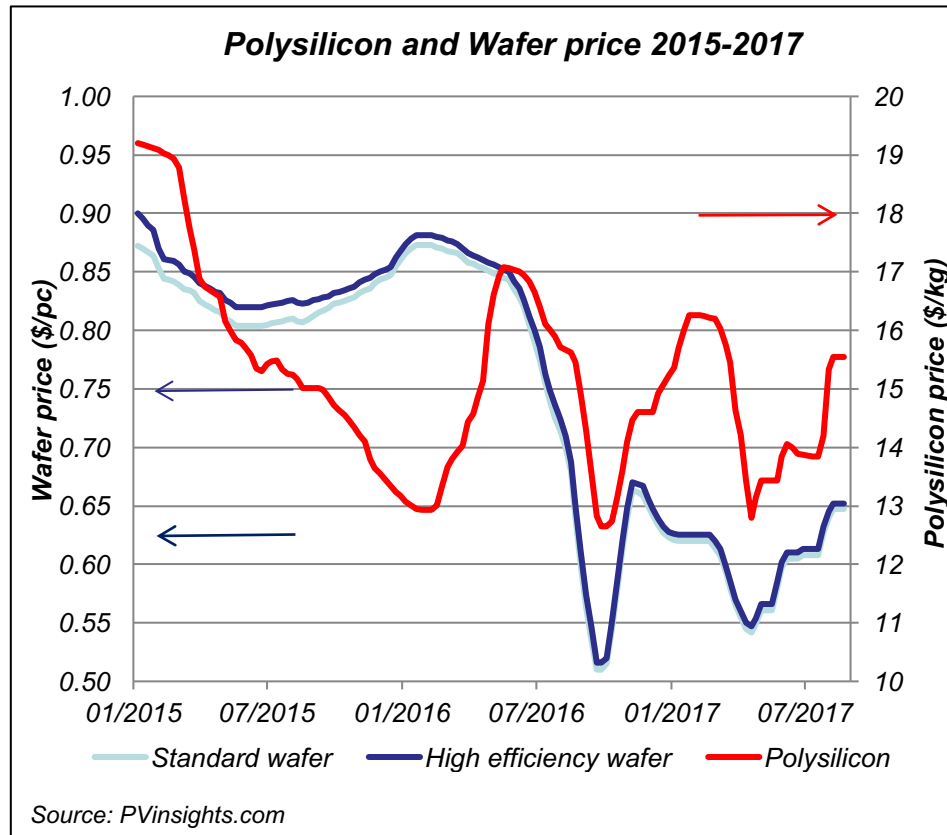
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- Price erosion continues across the value chain
  - Prices remain decoupled from production costs
  - High efficiency monocrystalline silicon products increasing market share
- China increasing its dominant position in PV manufacturing
  - Cell production in China increased to 32GW in H1 2017 -up 28% on H1 2016.
  - PV module production reached 34GW -up 26% on H1 2016.
- China is largest PV end market- 24GW installations added in H1 2017
  - Further 10.5GW added in July
  - Cumulative installations now exceed the 105GW target set for 2020
- USA has launched new enquiry into imports of PV cells and modules
  - Complaint filed in April under Section 201 of the Trade Act of 1974 by PV company Suniva
  - Imports alleged to be “substantial cause of serious injury” to US manufacturing
  - US International Trade Commission will decide by 22 September

- **Wafer shipment volumes 69MW (H1 2016: 59MW)**
  - Shipment volumes broadly in line with production output
  - Focus on low carbon footprint wafers supplied to customer targeting French PV market
- **Ingot/block production to be shutdown in UK**
  - Operations to cease at end August
- **Wafering operations to continue at Group's facility in Germany**
  - Blocks to be purchased from third party suppliers
  - French PV market carbon footprint incentives favourable for wafering in Germany.
- **Polysilicon trading significantly reduced as inventory level much lower**
  - No purchase obligations under long term polysilicon contracts
  - Trading of polysilicon continues albeit at lower level than 2016
- **No resolution of dispute with LT wafer contract customer**
  - Request for ICC arbitration filed in March 2015
  - Evidentiary hearing held in March 2017
  - Judgement expected by end-September 2017



- Multicrystalline wafer prices >20% lower than in H1 2016
- Supply tightening and prices sharply increasing during recent weeks
  - Short term effect driven by strong demand from China/USA end-markets
  - Polysilicon production shortfall in China during Q3



## Financials

- Revenues €12.6m (H1 2016: €34.7m)
- Loss before taxes €(5.4)m (H1 2016: Profit of €4.7m)
- Net cash of €27.9m at 30 June 2017 (31 Dec 2016: €28.8m)
- Inventories of €7.4m at 30 June 2017 (31 Dec 2016: €11.2m)

# Summary consolidated income statement

(€'000)	30-Jun-17	30-Jun-16	31-Dec-16
<b>Revenues</b>	<b>12,587</b>	<b>34,705</b>	<b>56,732</b>
Cost of materials and services	(12,845)	(28,537)	(48,622)
Overheads	(6,396)	(5,804)	(15,707)
Other income	1,161	1,792	5,376
Currency gains/(loss)	106	2,578	3,860
<b>(Loss) / Profit before interest and taxes (EBIT)</b>	<b>(5,387)</b>	<b>4,734</b>	<b>1,639</b>
Net finance income/(cost)	20	5	61
<b>(Loss) / Profit/before taxes (EBT)</b>	<b>(5,367)</b>	<b>4,739</b>	<b>1,700</b>
Income taxes	-	-	44
<b>(Loss) / Earnings</b>	<b>(5,367)</b>	<b>4,739</b>	<b>1,744</b>
<b>Earnings per share (€ cents)</b>	<b>(3.4)</b>	<b>3.0</b>	<b>1.1</b>



# Summary consolidated balance sheet

(€m)	30-Jun-17	30-Jun-16	31-Dec-16
Current Assets	37.6	43.8	43.8
Non-current Assets	1.2	7.6	1.8
<b>Total Assets</b>	<b>38.8</b>	<b>51.4</b>	<b>45.6</b>
Current Liabilities	2.9	5.5	3.5
Non-current Liabilities	0.1	0.3	0.3
Share Cap & Reserves	35.8	45.6	41.8
<b>Total Liabilities and Shareholder Equity</b>	<b>38.8</b>	<b>51.4</b>	<b>45.6</b>

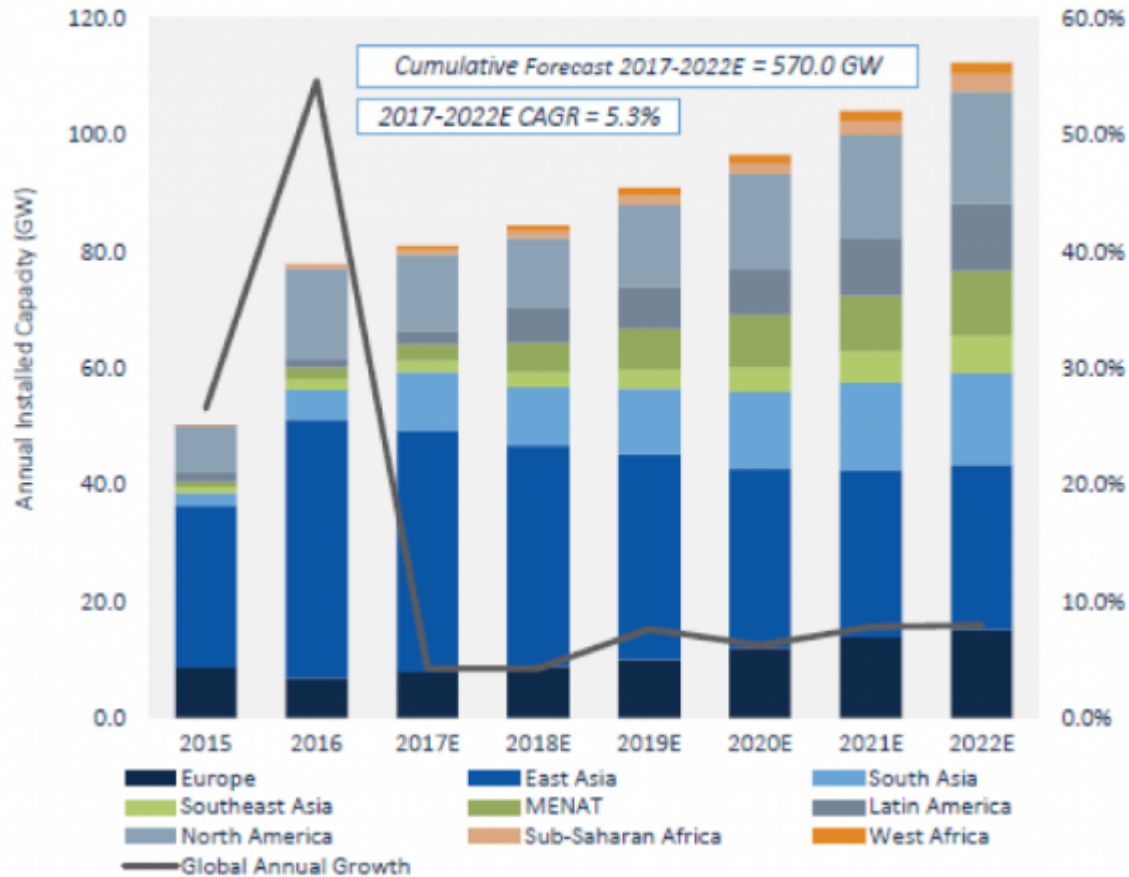
# Summary consolidated cash flow

Summary cash flow analysis (€m)	30-Jun-17	30-Jun-16	31-Dec-16
Operating cash pre-working capital after taxes	(3.3)	5.2	2.7
Changes in working capital	3.1	8.2	15.2
Exchange difference	(0.7)	(1.2)	(1.7)
Net cash flows in investing activities	-	(0.1)	(0.1)
<b>Net change in cash in period</b>	<b>(0.9)</b>	<b>12.1</b>	<b>16.1</b>
Cash and equivalents, start of year	28.8	12.7	12.7
Cash and equivalents, end of period	27.9	24.8	28.8



## Global PV Market

# Global PV Demand Forecast (GW)



Source: GTM Research Global Solar Demand Monitor Q2 2017

- Modest growth expected for 2017 global PV installations

- 85GW forecast for 2017-up 4% on 2016
- China is key driver of demand and remains largest market for fifth successive year



## Outlook

- 85GW forecast for global PV installations in 2017
  - Only modest 4% growth compared to double digit growth seen in previous years
  - China remains the major global market and will account for > 40% of demand
- Pricing pressure expected to increase in Q4
  - Slowdown of PV installations in China
  - Supply of wafers for French PV market may offer some modest relief on pricing
- Arbitration judgement expected by end September 2017
  - Outcome is uncertain but as stated in March 2016 the value of any award if our claim is upheld could be a multiple of the Group's market capitalisation
- Completion of strategic review awaits decision on arbitration claim



Q&A