



PV Crystalox Solar plc

2016 Interim Results

25 August 2016

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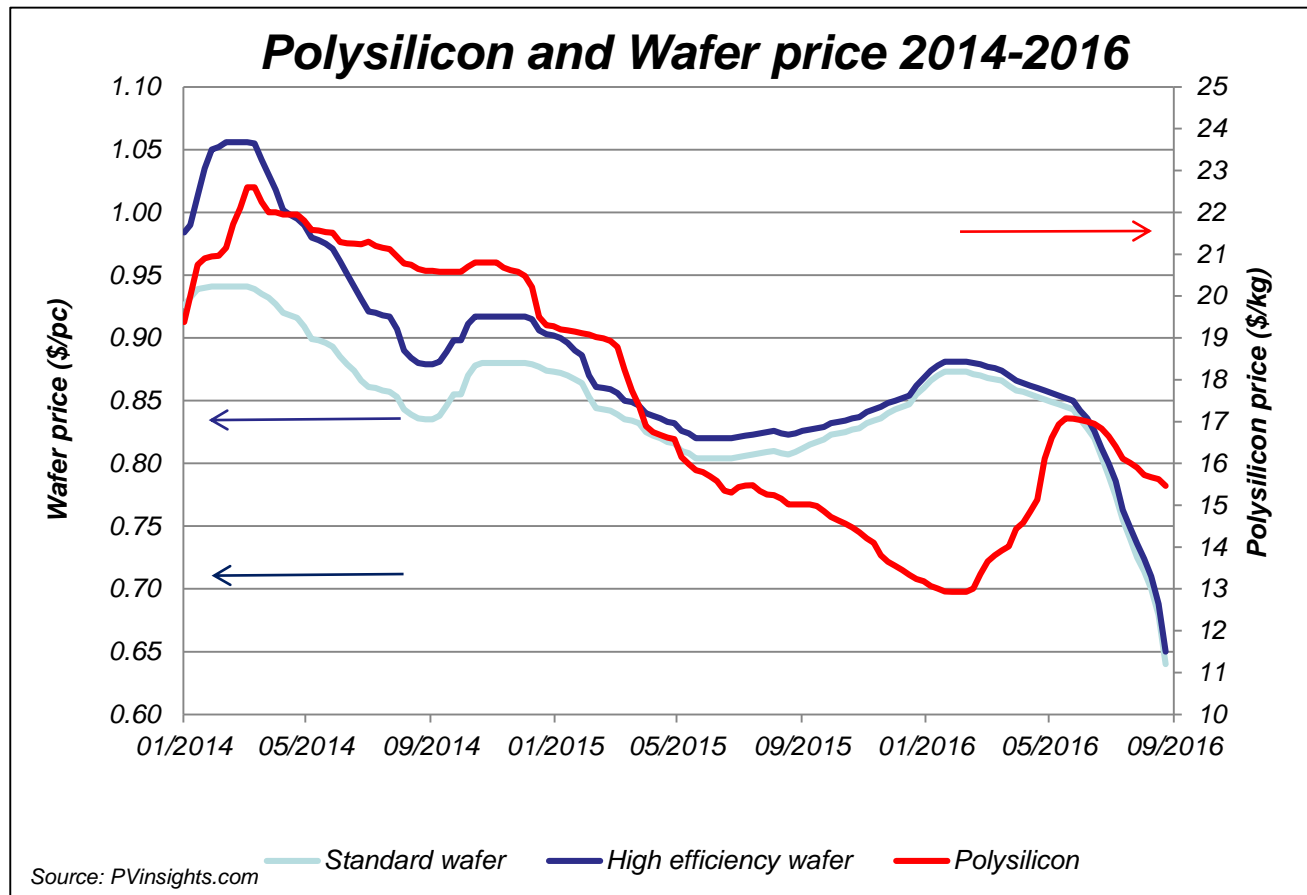
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- Favourable Industry environment in H1
  - Supply and demand in reasonable balance during H1
  - Strategic review extended due to improved market conditions
- Rapid deterioration in market conditions during recent weeks
  - Dramatic slowdown in China end-market demand triggers price collapse across value chain
  - Wafer pricing has fallen to new historic lows well below industry production costs
- China added more than 20GW PV installations in H1
  - Represents a threefold increase on installations in H1 2015
  - Already exceeded full year target of 18.1GW for 2016
- Continuing PV trade disputes between China and USA/Europe
  - US continues anti-subsidy and anti-dumping duties on China/Taiwan imports
  - EU MIP agreement on Chinese modules imports extended to 2017
    - Many companies exiting agreement and shipping modules produced in Asia
  - China renews anti-dumping duties on EU polysilicon but Wacker again exempted

- **Shipment volumes 59MW (H1 2015: 104MW)**
  - Shipment volumes broadly in line with production output
  - Wafers supplied on spot basis to customers in Taiwan and Europe
- **Wafer production concentrated at Group's internal facility in Germany**
  - Sub contract manufacturing in Japan suspended in 2015
  - New French PV market carbon footprint incentives favour wafering in Germany.
- **Significant reduction in Polysilicon inventory**
  - Obligations under largest polysilicon contract fulfilled at end 2015
  - Successful trading of polysilicon enabled conversion of inventory into cash
- **No resolution of dispute with LT wafer contract customer**
  - Request for ICC arbitration filed in March 2015
  - Evidentiary hearing postponed from July to November 2016



- Extreme gyrations in polysilicon and wafer pricing in year to date
  - H1 Market environment relatively favourable for wafer producers
  - Wafer prices have plunged precipitously in recent weeks



## Financials

- Revenues €34.7m (H1 2015: €33.4m)
- Profit before taxes €4.7m (H1 2015: Loss of €(9.5)m)
- Net cash of €24.8m at 30 June 2016 (31 Dec 2015: €12.7m)
- Inventories of €12.7m at 30 June 2016 (31 Dec 2015: €23.2m)

# Summary consolidated income statement

(€'000)	30-Jun-16	30-Jun-15	31-Dec-15
<b>Revenues</b>	<b>34,705</b>	<b>33,421</b>	<b>64,464</b>
Cost of materials and services	(28,537)	(38,925)	(64,268)
Overheads	(5,804)	(6,463)	(14,219)
Other income	1,792	652	1,187
Currency gains/(loss)	2,578	2,135	(184)
<b>Profit/(Loss) before interest and taxes (EBIT)</b>	<b>4,734</b>	<b>(9,180)</b>	<b>(13,020)</b>
Net finance income/(cost)	5	(327)	(643)
<b>Profit/(Loss) before taxes (EBT)</b>	<b>4,739</b>	<b>(9,507)</b>	<b>(13,663)</b>
Income taxes	-	3	(94)
<b>Earnings/(loss)</b>	<b>4,739</b>	<b>(9,504)</b>	<b>(13,757)</b>
<b>Earnings per share (€ cents)</b>	<b>3.0</b>	<b>(6.1)</b>	<b>(8.8)</b>



# Summary consolidated balance sheet

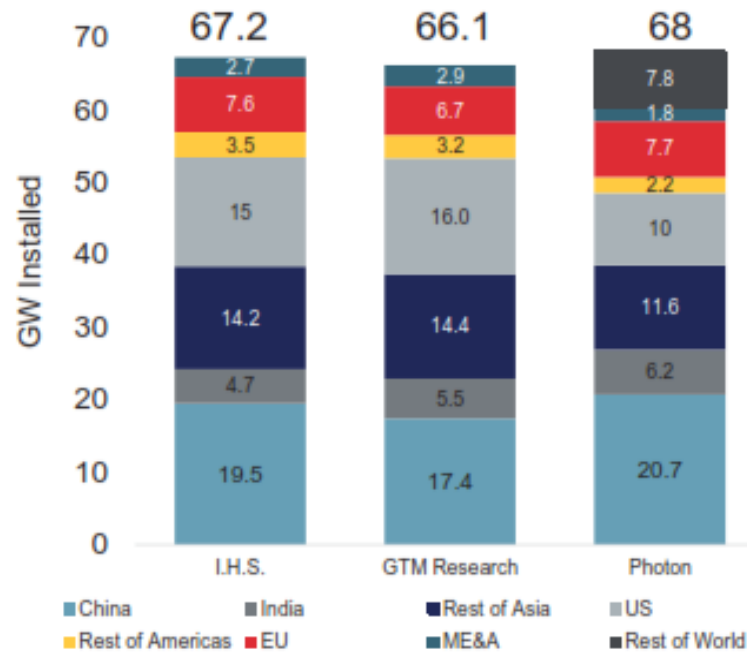
(€m)	30-Jun-16	30-Jun-15	31-Dec-15
Current Assets	43.8	56.0	44.9
Non-current Assets	7.6	8.1	7.2
<b>Total Assets</b>	<b>51.4</b>	<b>64.1</b>	<b>52.1</b>
Current Liabilities	5.5	11.6	7.1
Non-current Liabilities	0.3	2.2	0.2
Share Cap & Reserves	45.6	50.3	44.8
<b>Total Liabilities and Shareholder Equity</b>	<b>51.4</b>	<b>64.1</b>	<b>52.1</b>

# Summary consolidated cash flow

<b>Summary cash flow analysis (€m)</b>	<b>30-Jun-16</b>	<b>30-Jun-15</b>	<b>31-Dec-15</b>
Operating cash pre-working capital after taxes	5.2	(19.3)	(25.3)
Changes in working capital	8.2	10.8	12.4
Exchange difference	(1.2)	1.0	0.8
Net cash flows in investing activities	(0.1)	-	0.2
Other cash flows used in financing activities	-	-	-
<b>Net change in cash in period</b>	<b>12.1</b>	<b>(7.5)</b>	<b>(11.9)</b>
Cash and equivalents, start of year	12.7	24.6	24.6
Cash and equivalents, end of period	24.8	17.1	12.7



## Global PV Market



I.H.S PV Demand Market Tracker Q1 2016  
 GTM Research: Global Solar Demand Monitor Q2 2016  
 Photon Consulting February 10, 2016

- Double digit growth forecast for 2016 Global PV installations
  - Analyst forecasts in agreement although differences in regional market sizes
- Installations in Asia now account for around 50% of global demand
  - China is key driver of demand and remains largest market for fourth year running



## Outlook

- Global PV installations expected to grow by >10% in 2016
  - China remains the major global market but demand expected to continue to be weak in H2
- Adverse pricing environment expected to continue in short term
  - Weak demand from China has triggered oversupply
  - Supply of wafers for French PV market may offer some modest relief from pricing pressure
- Arbitration evidentiary hearing scheduled for November 2016
  - Decision not expected until early 2017
  - Outcome is uncertain but value of any award if our claim is upheld could be a multiple of the Group's market capitalisation
- Merits of continued extension of strategic review will need to be reconsidered if adverse pricing persists



Q&A