

# Fourth Quarter and Full Year 2016 Earnings Call

March 23, 2017

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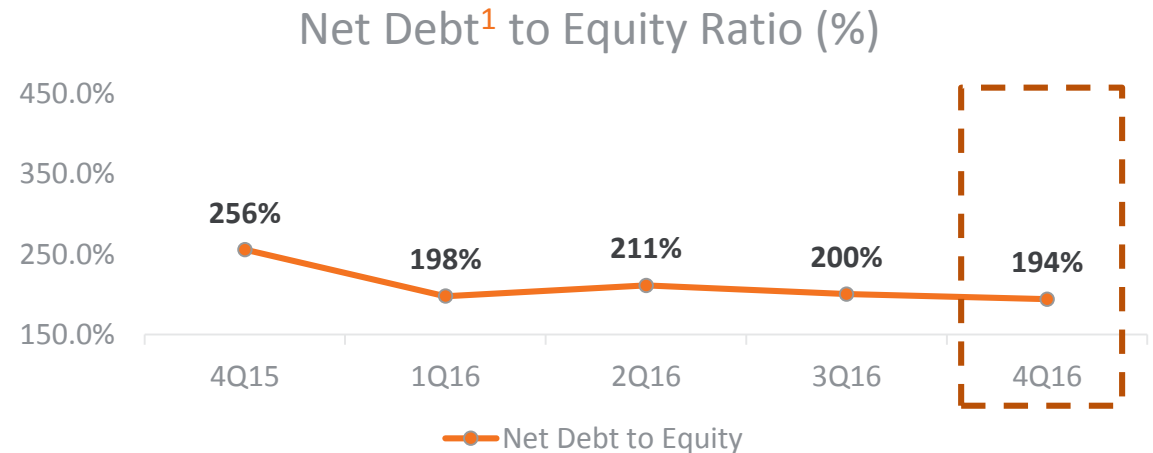
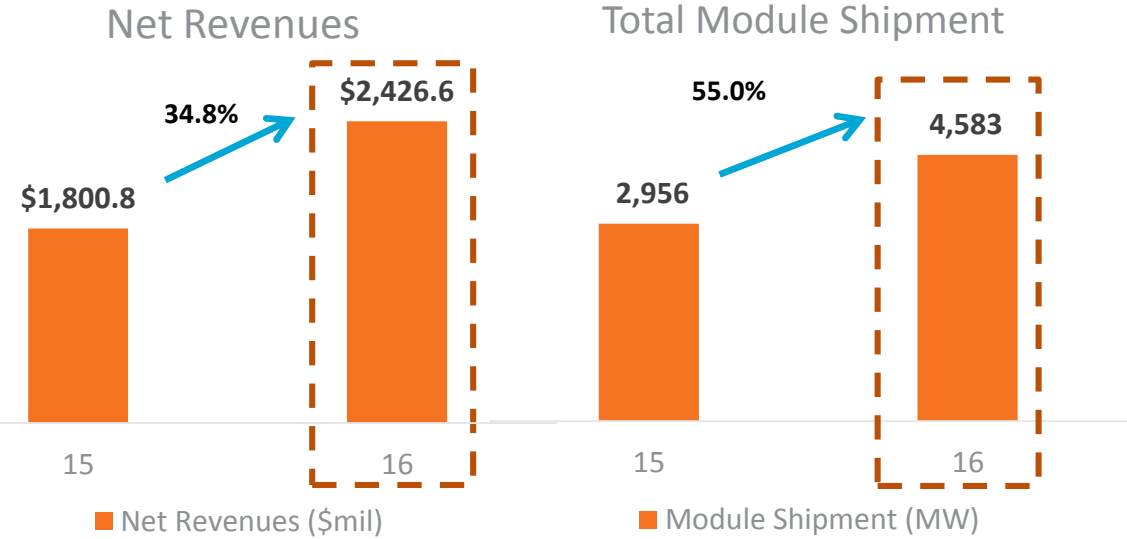
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# Key Highlights

in \$mil (except for GM and Earnings per ADS)	4Q16	3Q16	4Q15
Net Revenues	565.9	707.8	702.1
Gross Margin (%)	9.5%	19.9%	19.1%
Operating Income	(6.1)	72.4	53.8
Net Income	(25.5)	41.7	26.0
Earnings per ADS (\$, fully diluted)	(0.31)	0.50	0.31

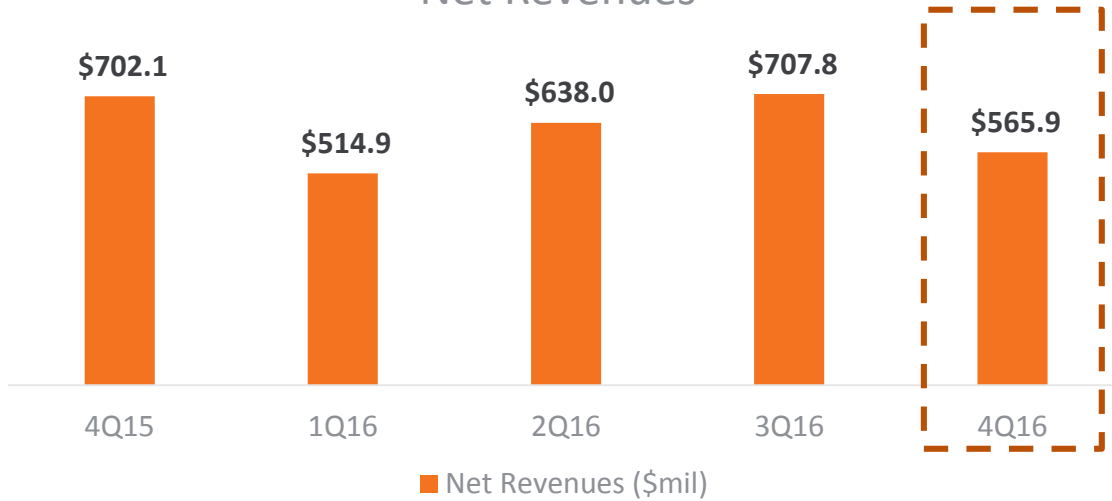
- Achieved record high full-year results with substantial y-o-y improvement despite weaker-than-anticipated quarterly results
- Continued improvement of financial strength through prudent capital management
  - Net Debt<sup>1</sup> to Equity ratio at 194% vs. 256% a year ago
  - Cash conversation cycle maintained at 54-day



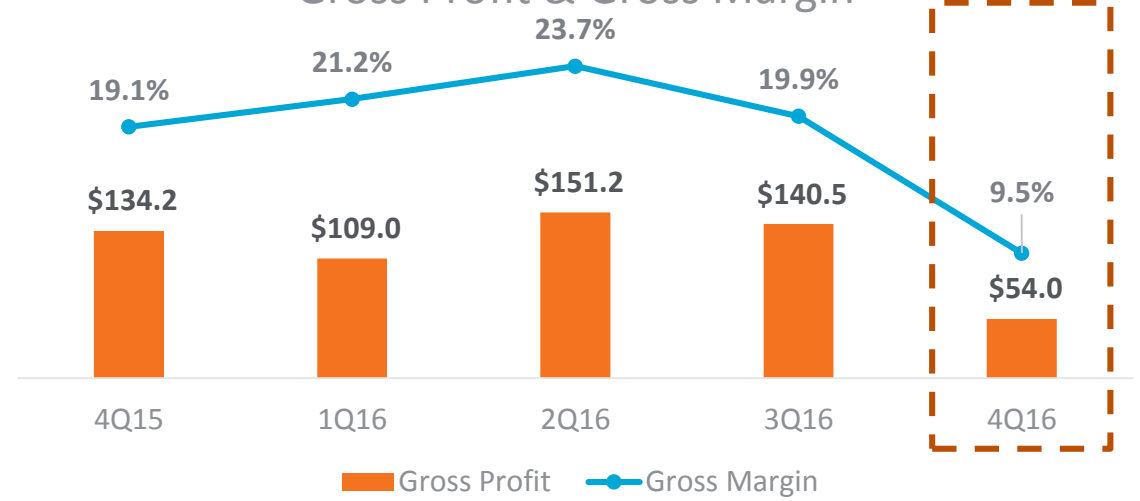
1. Only interest bearing instruments included in debt calculation

# Quarterly Financial Performance Overview

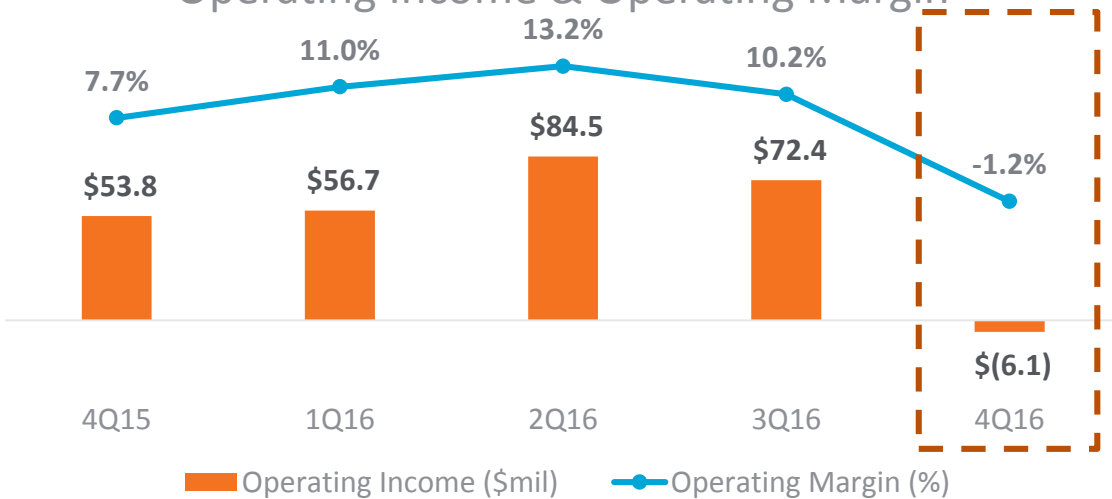
## Net Revenues



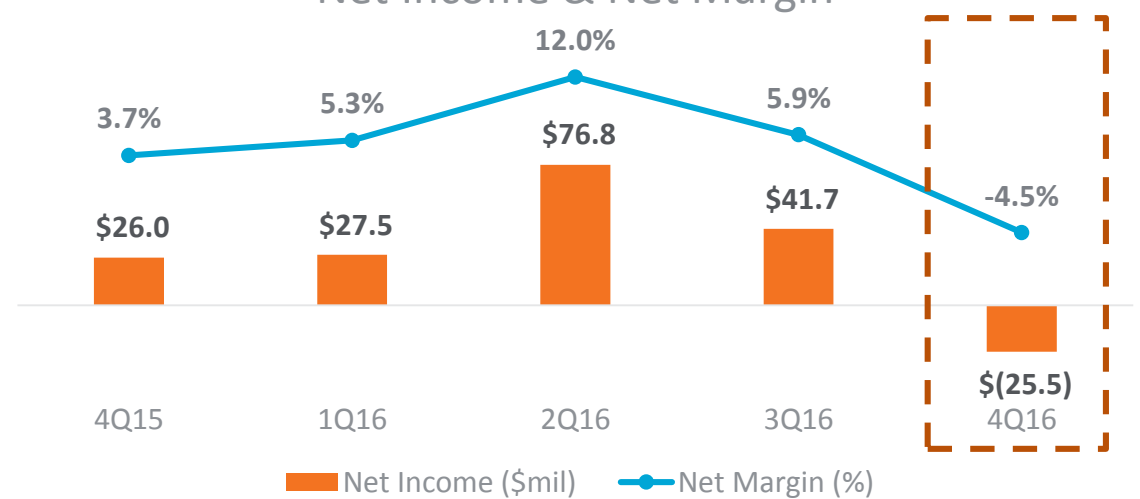
## Gross Profit & Gross Margin



## Operating Income & Operating Margin



## Net Income & Net Margin



# Manufacturing Capacity Overview (as of December 31, 2016)

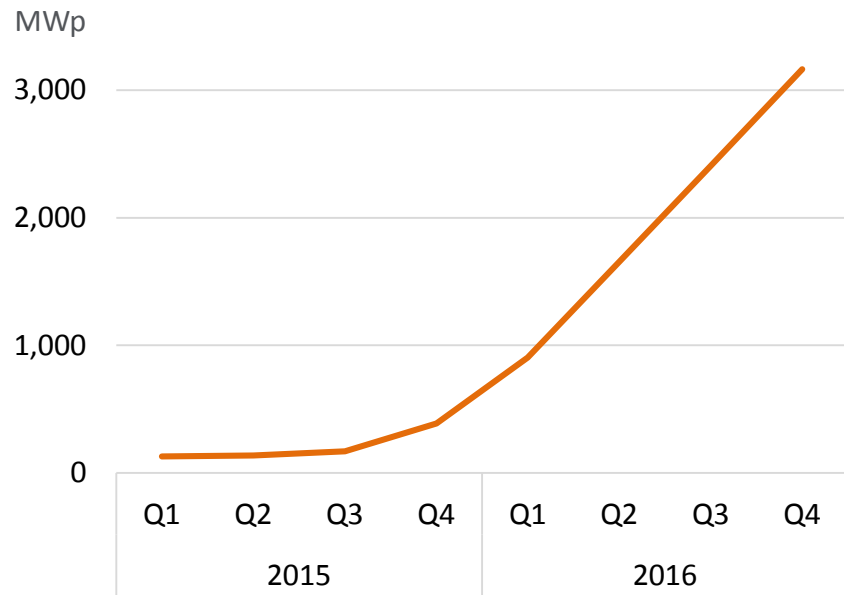
## Manufacturing Capacity (Annualized)

in MW	4Q15	4Q16	4Q17 (E)
Module	3,800	4,150	4,600
Cell	3,700	4,150	4,600
Wafer	900	950	1,100
Ingot	1,400	1,550	1,650

- Estimated cell and module capacity expansions by YE2017 are mainly from efficiency improvement.
- Additional access of module supply of up to 1,550 MW (annualized) as of December 31, 2016 from Hanwha Q CELLS Korea, an affiliated company

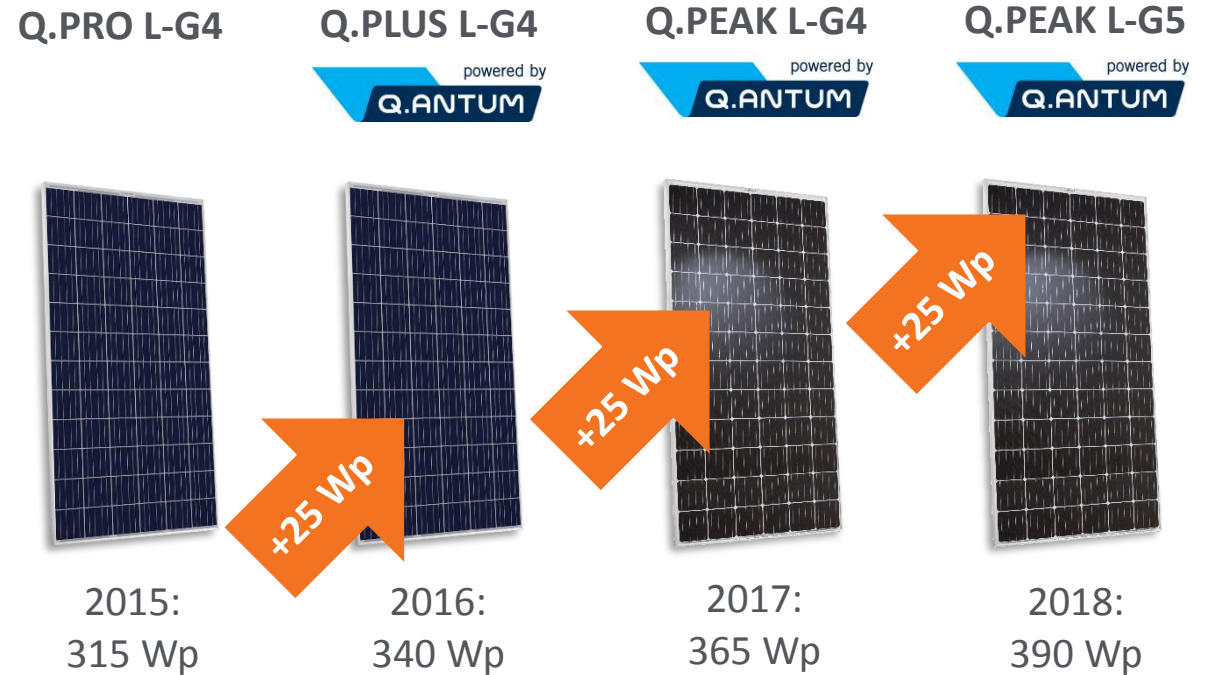
# Q.ANTUM Cell Technology Ramp-Up & Module Power Roadmap

## Ramp-Up of Q.ANTUM Cell Production (accumulated)



Total Q.ANTUM cell production surpassed 3 GW milestone as of December 31, 2016.

## Improvement of Module Power 2015-2018 (72-cell module)



Q.ANTUM technology enables superior module power advancements

# Income Statement Summary (unaudited)

in \$mm, except share data	4Q15	1Q16	2Q16	3Q16	4Q16	Q/Q	Y/Y
Net Sales	702.1	514.9	638.0	707.8	565.9	(141.9)	(136.2)
Gross Profit	134.2	109.0	151.2	140.5	54.0	(86.5)	(80.2)
Selling expenses	36.3	22.8	33.1	36.4	27.9	(8.5)	(8.4)
G&A expenses	30.2	17.9	19.6	19.7	20.3	0.6	(9.9)
R&D expenses	13.9	11.6	14.0	12.0	11.9	(0.1)	(2.0)
Operating income (loss)	53.8	56.7	84.5	72.4	(6.1)	(78.5)	(59.9)
Income Tax Benefit (Expenses)	(4.6)	(4.6)	8.8	(10.3)	5.4	15.7	10.0
Net Income (Loss)	26.0	27.5	76.8	41.7	(25.5)	(67.2)	(51.5)
Share count-ADS (Diluted)	83.2	83.2	83.2	83.2	83.2		
Earnings(Loss) per ADS (Diluted)	\$0.31	\$0.33	\$0.92	\$0.50	(\$0.31)	(\$0.81)	(\$0.62)
Capital expenditures	37.7	53.1	36.5	23.0	25.1	(2.1)	(12.6)
Cash, cash equivalents	200.0	327.3	255.4	254.8	390.9	136.1	190.9

# Balance Sheet Summary (unaudited)

in \$mm	December 31, 2016	September 30, 2016	Q/Q
Cash & Cash Equivalents, & Restricted Cash	499.0	402.0	97.0
Account and Notes Receivable (Inc. Related Party) , net	415.1	453.1	(38.0)
Inventories	333.5	451.7	(118.2)
Fixed Assets, net	758.4	822.6	(64.2)
Total Assets	2,198.7	2,447.5	(248.8)
Accounts and Notes Payable (Inc. Related Party)	435.7	529.6	(93.9)
Deferred Revenue	18.9	24.9	(6.0)
Short-term Debt (Inc. current portion of long-term debt)	527.9	414.9	113.0
Long-term Debt	643.7	796.9	(153.2)
Total Liabilities	1,796.1	1,970.0	(173.9)
Total Equity	402.6	477.5	(74.9)



**Thank You**