

# Second Quarter 2017 Earnings Call

August 10, 2017

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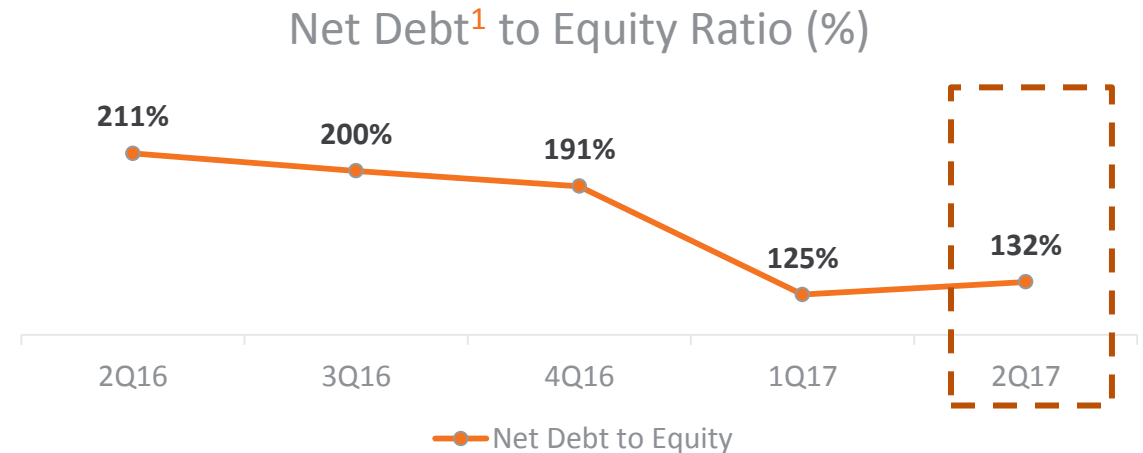
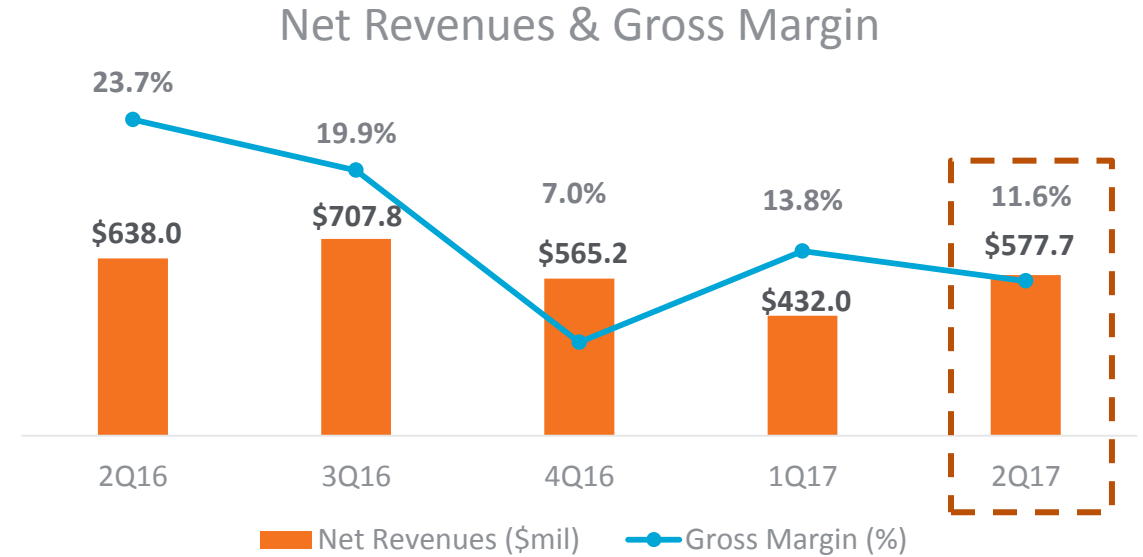
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# Key Highlights

in \$mil (except for GM and Earnings per ADS)	2Q17	1Q17	4Q16
Net Revenues	577.7	432.0	565.2
Gross Margin (%)	11.6%	13.8%	7.0%
Operating Income	20.1	28.3	(21.5)
Net Income	18.7	17.6	(18.5)
Earnings per ADS (\$, fully diluted)	0.22	0.21	(0.22)

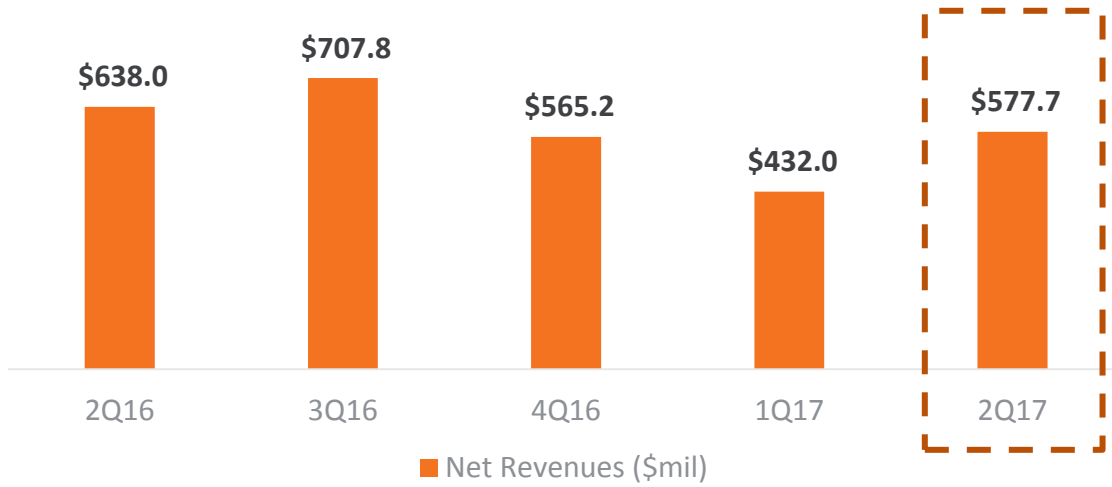
- Continued profitability largely driven by continued reduction in manufacturing costs and tight cost controls
- Maintaining balance sheet strength through continued profits
  - Net Debt<sup>1</sup> to Equity ratio at 132% in 2Q17 vs. 191% in 4Q16



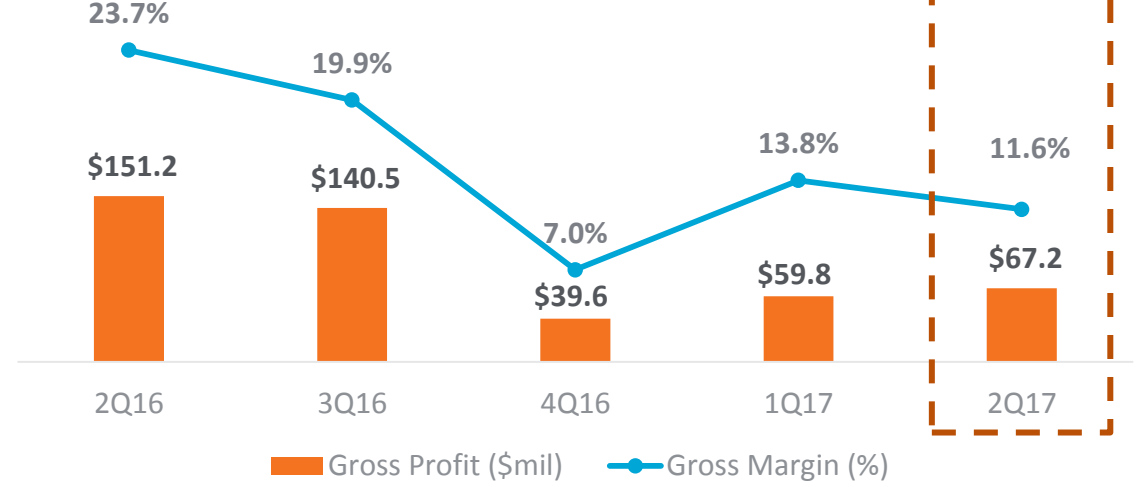
1. Only interest bearing instruments included in debt calculation

# Quarterly Financial Performance Overview

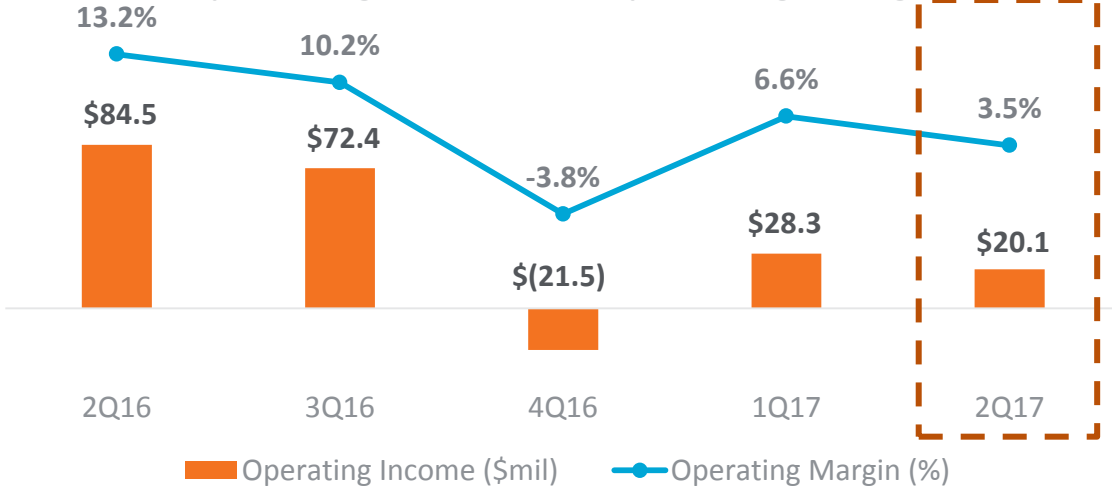
## Net Revenues



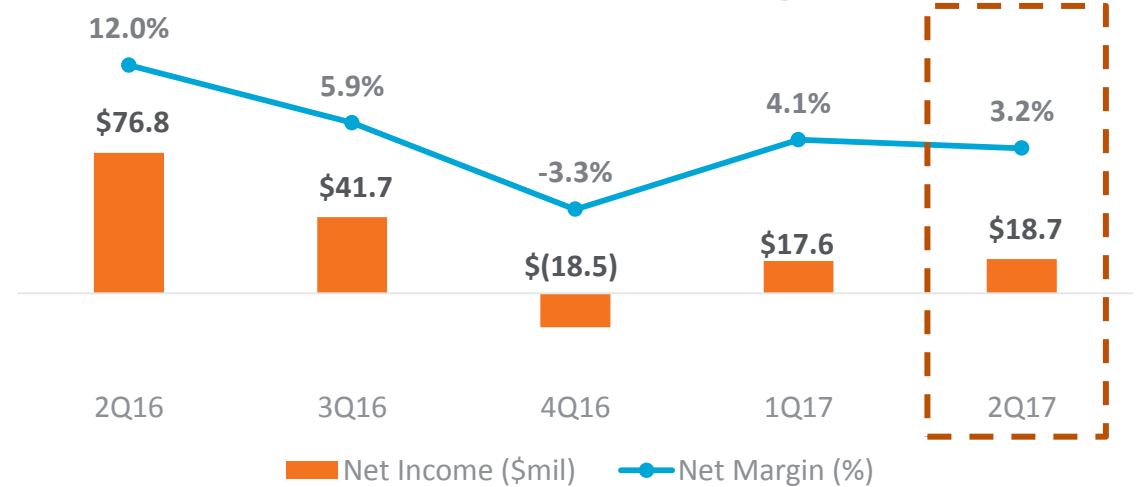
## Gross Profit & Gross Margin



## Operating Income & Operating Margin



## Net Income & Net Margin

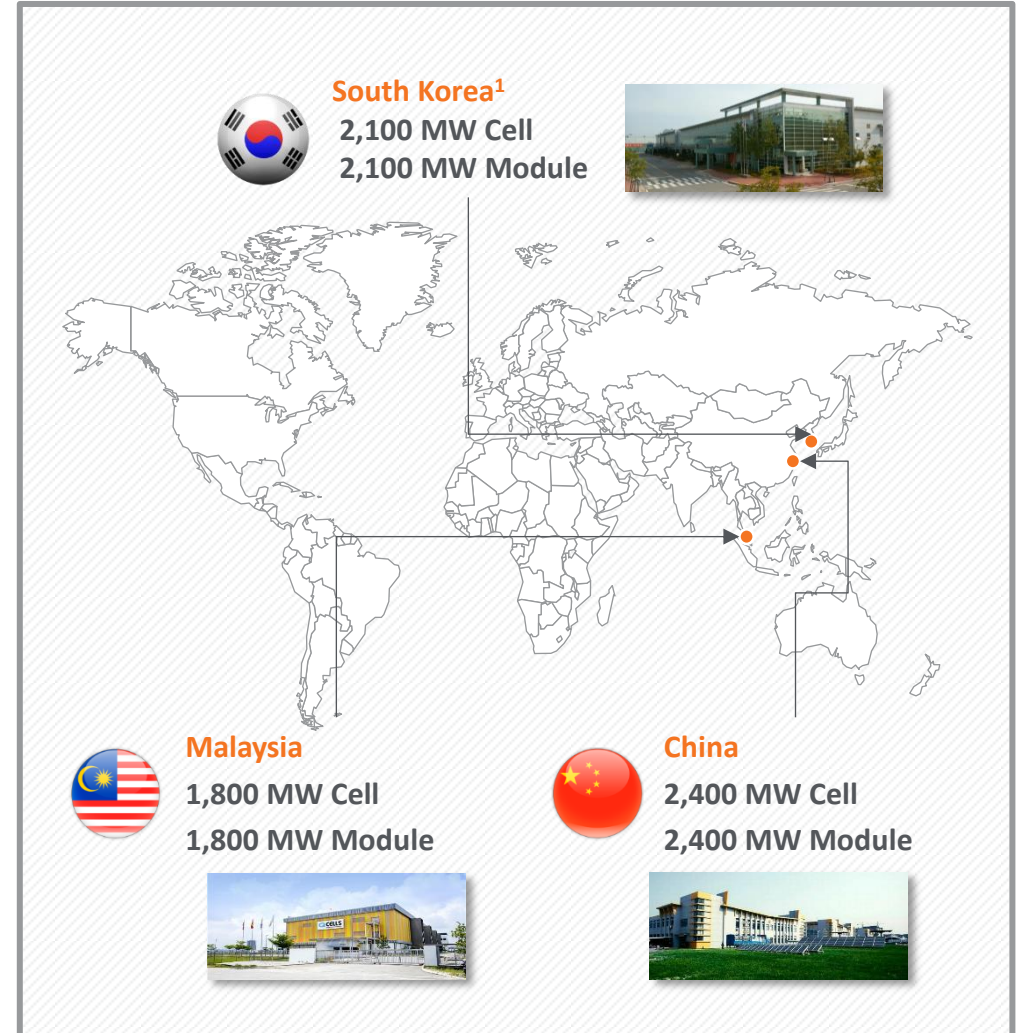


# Manufacturing Capacity Overview (as of June 30, 2017)

## HQCL In-house Manufacturing Capacity (Annualized)

in MW	2Q17	4Q17 (E)
Module	4,200	4,600
Cell	4,200	4,600
Wafer	1,000	1,100
Ingot	1,550	1,600

- Estimated cell and module capacity expansions in 2017 will mainly be due to efficiency improvements
- Additional module availability of up to 2,100 MW (annualized) as of June 30, 2017 from Hanwha Q CELLS Korea, an affiliated company.
  - Currently ramping-up capacity to reach 2,200 MW of cell/module production capacity in the second half of 2017.



1. PV cell and module manufacturing capacity owned and operated by Hanwha Q CELLS Korea, an affiliate of HQCL

# Income Statement Summary (unaudited)

in \$mm (except share data and EPADS)	2Q16	3Q16	4Q16	1Q17	2Q17	Q/Q	Y/Y
Net Sales	638.0	707.8	565.2	432.0	577.7	145.7	(60.3)
Gross Profit	151.2	140.5	39.6	59.8	67.2	7.4	(84.0)
Operating Expenses	66.7	68.1	61.1	31.5	47.1	15.6	(19.6)
Operating income (loss)	84.5	72.4	(21.5)	28.3	20.1	(8.2)	(64.4)
Income Tax Benefit (Expenses)	8.8	(10.3)	10.4	(5.4)	3.0	8.4	(5.8)
Net Income (Loss)	76.8	41.7	(18.5)	17.6	18.7	1.1	(58.1)
Share count-ADS (Diluted)	83.2	83.2	83.2	83.2	83.2	-	-
Earnings(Loss) per ADS (Diluted)	\$0.92	\$0.50	(\$0.22)	\$0.21	\$0.22	(\$0.21)	(\$0.92)
Capital expenditures	36.5	23.0	62.3	11.9	14.0	7.6	(17.0)
Cash & cash equivalents	255.4	254.8	390.0	516.1	331.0	-185.1	75.6

# Balance Sheet Summary (unaudited)

in \$mm	Jun 30, 2017	Dec 31, 2016	Q/Q
Cash & Cash Equivalents, & Restricted Cash	426.0	506.8	(80.8)
Account and Notes Receivable (Inc. Related Party) , net	470.8	411.7	59.1
Inventories	337.2	338.5	(1.3)
Fixed Assets, net	775.2	755.5	19.7
Total Assets	2,230.6	2,209.1	21.5
Accounts and Notes Payable (Inc. Related Party)	407.8	439.9	(32.1)
Short-term Debt (Inc. current portion of long-term debt)	635.5	527.9	107.6
Long-term Debt	336.1	643.7	(307.6)
Total Liabilities	1,746.6	1,800.9	(54.3)
Total Equity	484.0	408.2	75.8

**Thank You**