



# Q4 2014 Earnings Presentation

March 4, 2015

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# Fourth Quarter Highlights



Gross profit of US\$51.2 million with gross margin of 13.2%



Total solar module shipments of 488.4 MW; total solar wafer and module shipments of 744.3 MW



Continued strategic focus on retail-oriented and downstream business opportunities



Enhanced cash position and reduced long-term liabilities



# Business Highlights

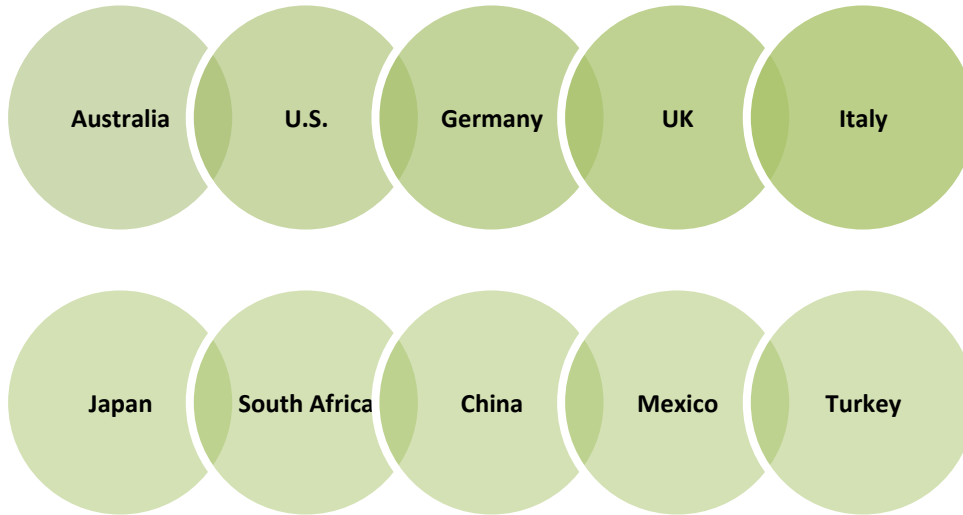
# Global Sales and Distribution Network



✓ Expansive sales and distribution network provides local support and in-time delivery to customers across the globe

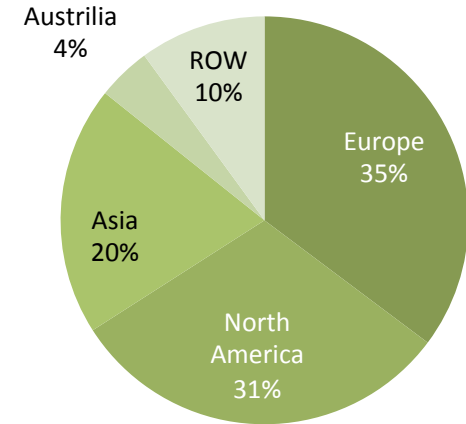
# Business Focus: kW Markets

## kW Markets: Residential and Commercial



- ✓ Showing continued strength across our major markets
- ✓ Complete packages with inverters, mounting systems, and more
- ✓ Comparatively higher ASPs and margins
- ✓ Less affected by industry fluctuations

## Customer Distribution



During Q4, the Company added **410** customers to its customer base. As of December 2014, the Company had a

total customer base of **2,546** in **91** countries, contributing to total solar shipments of approximately

**12GW** since 2008

**ReneSola**

# Project Business Update

## Existing Projects

- 25 MW utility-scale projects in Bulgaria and Romania
- 13.5 MW utility-scale project in the UK
- In Q4, completed sale of 37 MW distributed generation projects in Zhejiang, China



## Project Pipeline

- 57 MW UK utility-scale projects in construction and expected to connect to the grid March 2015
- All UK projects expected to be sold in coming months
- Continuing to expand downstream initiatives in selective markets



# Research & Development Highlights



## **Wafer and Module**

ReneSola upgraded the processing technology of its A+++ wafer, maintaining the same average efficiency of 17.8% while reducing the processing cost by 4%. The Company's 275W (60-Cell) and 330W (72-Cell) polycrystalline modules have been completed and will be in mass production soon. The average power output of the Company's module products has also been improved: the lower-limit module product was upgraded to 255W for the 60-Cell version and to 305W for the 72-Cell version. Also, the certification process is underway for the Company's double-glass module, which features 1500V maximum system voltage, and is expected to enter production soon.

## **LED**

ReneSola recently launched a range of LED bulb products with a new composite coating material that combines cost-effectiveness with outstanding insulation performance. Also, ReneSola's LED lighting tubes feature a range of configuration and cap design options, all of which are now available worldwide.

ReneSola continues to obtain certifications across different continents for its LED products, including LED bulbs and spotlights. The Company's first batch of LED lighting products was shipped to customers in January of this year, with additional shipments expected to start from March. For European and North American markets, the Company launched its LED High Bay featuring high brightness SMD chips. CB certification was obtained in late February and the product will be available for order soon.

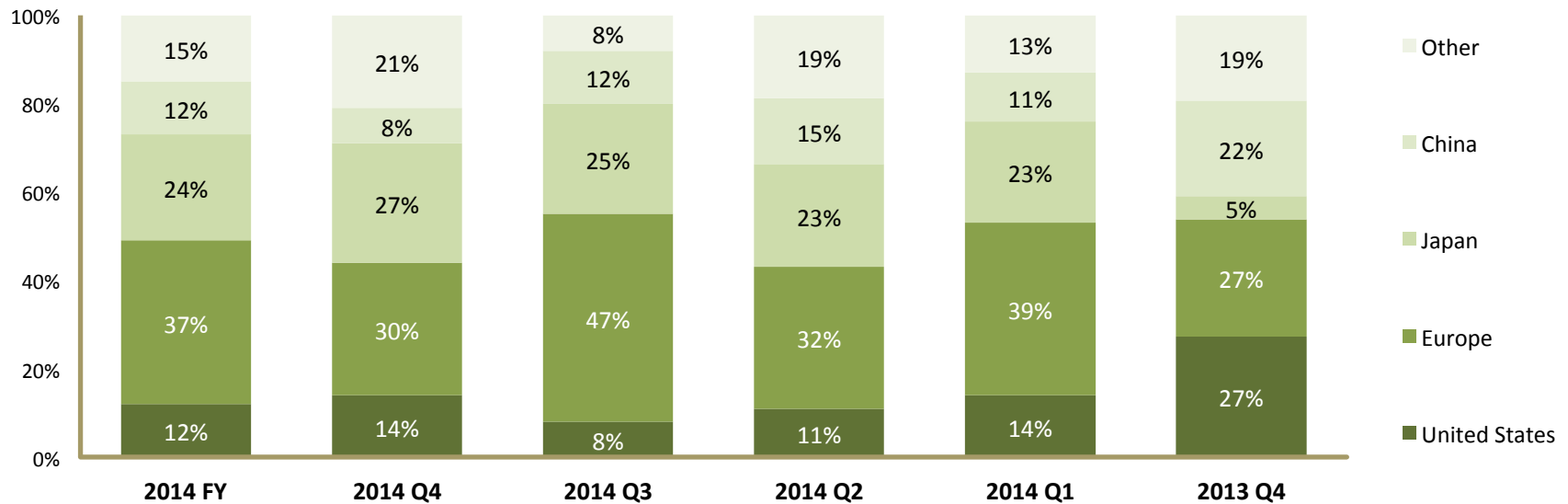
## **Inverter**

ReneSola's new 300W micro inverter is now in trial production and undergoing onsite project testing. Related certifications have been obtained in several key markets in North America and Europe.

The first batch of related products is expected to enter the market soon. We continue to obtain applicable certification for its string inverters across several international markets, including Germany, the United Kingdom, Australia, Thailand, and the United States. Also, our innovative 5KW hybrid inverter has now received applicable certification and is in trial production.

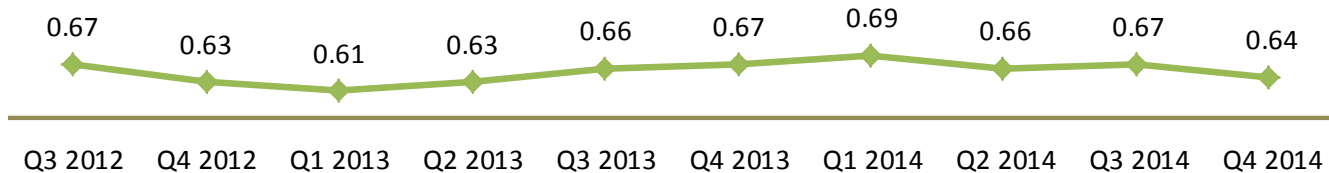
# Geographic Distribution of Modules & ASP Trend

## Module Shipments by Region



## Modules Average Selling Price (ASP)

(US\$/W)





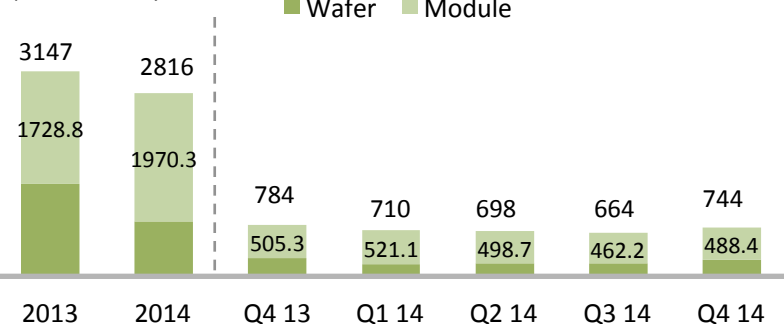
# Financial Highlights

# Fourth Quarter Snapshot

## Total Solar Wafer and Module Shipments

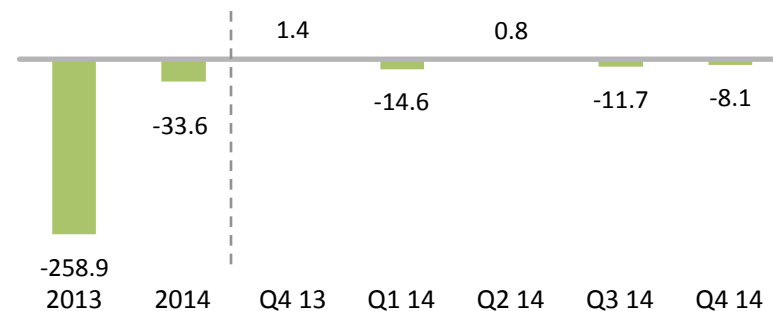
(Units in MW)

■ Wafer ■ Module



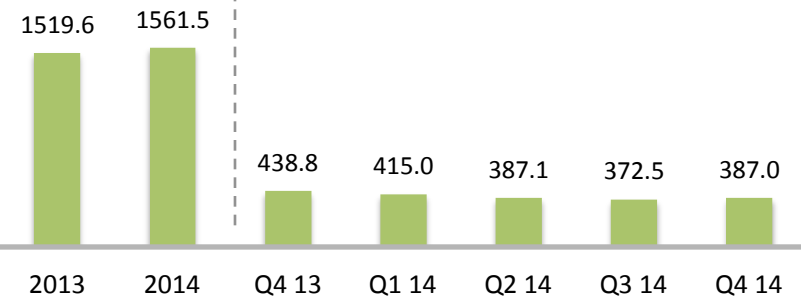
## Net Income

(US\$ in MM)



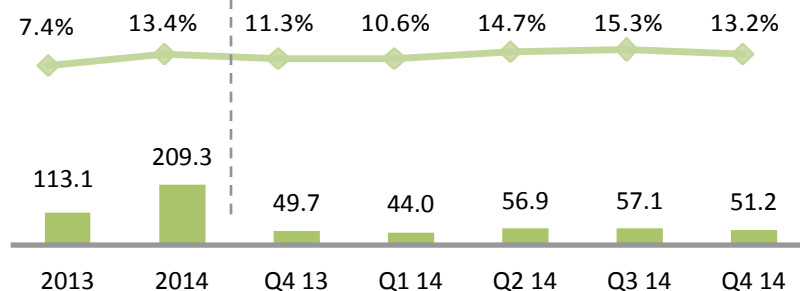
## Revenues

(US\$ in MM)



## Gross Profit and Gross Margin\*

(US\$ in MM)



\*Starting from Q1 2014, the Company changed its accounting classification of warranty expense, which was previously classified as cost of goods sold, to better reflect its global OEM business operations and align its accounting policy to industry peers. Accordingly, warranty expense has been recognized in the selling expense. The change in classification has been retroactively applied for all periods presented.

# Cash and Debt Positions

## Cash Flow

- Net cash inflow from operating activities was US\$48.8 million in Q4 2014, compared to net cash outflow of US\$10.7 million in Q3 2014
- Net cash outflow from operating activities was US\$114.8 million in 2014, compared to net cash inflow of US\$118.6 million in 2013

## Cash Balance

- Net cash and cash equivalents plus restricted cash totaled US\$221.7 million as of December 30, 2014, compared to US\$196.7 million as of September 30, 2014

## Debt

- Total debt was US\$698.1 million as of December 30, 2014, compared to US\$748.8 million as of September 30, excluding US\$94.6 million of convertible notes due March 15, 2018
- Short-term borrowings were US\$654.7 million as of December 30, 2014, compared to US\$692.2 million as of September 30, 2014

# Income Statement Summary

US\$ millions	2012	2013	2014	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014
<b>Revenue</b>	969.1	1,519.6	1561.5	419.3	438.8	415.0	387.1	372.5	387.0
<b>Gross Profit**</b>	-38.1	113.1	209.3	36.7	49.7	44.0	56.9	57.1	51.2
<b>Gross Margin**</b>	-3.9%	7.4%	13.4%	8.7%	11.4%	10.6%	14.7%	15.3%	13.2%
<b>Operating Expense</b>	140.9*	334.6	201.1	216.9*	40.9	52.8	46.3	48.6	53.4
<b>EBITDA</b>	-60.7	105.4	105.3	48.6	49.6	24.9	29.3	22.3	28.8
<b>Interest Expense</b>	50.6	52.1	49.0	11.9	13.1	13.3	11.2	12.2	12.3
<b>Net Income (Loss)</b>	-242.5	-258.9	-33.6	-200.3	1.4	-14.6	0.8	-11.7	-8.1
<b>Net Margin</b>	-25.0%	-17.0%	-2.2%	-47.8%	0.3%	-3.5%	0.2%	-3.2%	-2.1%

\*Includes a one-time gain of \$13.5 million arising from the forfeiture of a prepaid deposit due to the breach of a solar wafer contract by one of our clients in 2011, an impairment loss on long-lived assets of \$6.4 million, a goodwill impairment charge of \$6.2 million in 2012, an impairment loss of \$202.8 million, and a one-time gain of \$34.7 million from forfeiture of a deposit in connection with a long-term supply contract in Q32013.

\*\* Warranty cost adjusted



# Balance Sheet Summary

US \$ millions	As of December 31			As of Sep 30	As of Dec 31	As of Mar 31	As of Jun 30	As of Sep 30	As of Dec 31
	2012	2013	2014	2013	2013	2014	2014	2014	2014
Cash and Equivalents, plus Restricted Cash	268.1	348.9	221.7	438.5	348.9	214.9	218.8	196.7	221.7
Accounts Receivable	216.8	236.6	125.7	321.2	236.6	206.8	212.5	212.3	125.7
Inventory	254.9	359.6	357.4	342.2	359.6	375.7	390.0	405.7	357.4
Accounts Payable	483.0	656.2	461.5	820.0	656.2	536.1	509.2	513.9	461.5
Short-term Borrowings	733.6	673.1	654.7	695.6	673.1	653.3	696.2	692.2	654.7
Long-term Borrowings	56.6	69.5	43.5	135.6	69.5	70.6	64.0	56.7	43.5
Convertible Notes	111.6	111.6	94.6	111.6	111.6	111.6	111.6	111.6	94.6
Shareholder Equity	364.4	169.0	140.4	170.6	169.0	152.8	157.3	146.6	140.4

# Guidance

## Q1 2015 Guidance

- Revenue is expected in the range of US\$360 million to US\$380 million
- Gross margin is expected to be in the range of 14% to 16%

## 2015 Full Year Guidance

- Revenue is expected in the range of US\$1.5 billion to US\$1.6 billion





[ THANK YOU ]  
www.renesola.com

Email: [ir@renesola.com](mailto:ir@renesola.com)