

### **Phoenix Solar AG announces Q1/2015 results**

- *1Q2015 Group sales revenues and EBIT down slightly versus pre-year, partly driven by divestiture of European O&M business*
- *New projects in core market USA in ramp-up phase, significant revenue growth expected in 2Q/3Q 2015*
- *Free order backlog was at €131 million as of March 31st, a dramatic improvement versus pre-year*
- *Full year 2015 forecast of €140-160 million revenue and return to positive EBIT is confirmed*

Sulzemoos, May 7th, 2015 / Phoenix Solar AG (ISIN DE000A0BVU93), an international photovoltaic system integrator listed on the Prime Standard of the Frankfurt Stock Exchange, released its report today on the first quarter of the 2015 financial year.

#### **First Quarter 2015 Performance**

In the first three months of 2015, Phoenix Solar AG generated EUR 4.9 million of consolidated revenues, a decline of 24.8 percent compared to the first quarter of 2014 (Q1/2014: EUR 6.6 million). The slight downward trend was expected, as the current year no longer includes revenues from the O&M business in Germany, which was divested in late 2014.

Furthermore, newly acquired projects in the core USA market are just entering their ramp-up phase, with more significant revenue to be realized in the second quarter and increasingly in the second half of 2015. Of the 1Q2015 revenue, only 2.3 percent (Q1/2014: 11.7 percent) came from the domestic German business and 97.7 percent (Q1/2014: 88.3 percent) from international markets.

The Components & Systems business segment achieved revenues of EUR 2.4 million in the first quarter of 2015 (Q1/2014: EUR 4.9 million), representing a downturn of 50.1 percent compared to the year-earlier

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figure, driven by somewhat delayed revenue recognition in the Asian markets.

The Power Plants segment delivered revenues of EUR 2.5 million (Q1/2014: EUR 1.7 million), reflecting an increase of 48.6 percent. This upturn results primarily from the start of projects in the USA and Asia. For the quarter, the Components & Systems segment thus accounted for 49.3 percent (Q1/2014: 74.3 percent) and the Power Plants segment for 50.7 percent (Q1/2014: 25.7 percent) of revenues.

Group EBIT was at EUR -2.6 million in the first quarter of 2015 (Q1/2014: EUR -2.2 million). Despite the decline in revenues this was only 16.4 percent lower than the pre-year result due to the improved cost structure. The EBIT margin (EBIT as a percentage of revenue) came in at -52.5 percent (Q1/2014: -33.9 percent).

Despite lower revenue and gross profit figures, the consolidated net loss attributable to parent company shareholders improved slightly during the first quarter of 2015 to EUR -3.4 million (Q1/2014: EUR -3.6 million). Calculated on an average number of 7,372,700 outstanding shares, EPS (earnings per share) stood at EUR -0,46 EUR (Q1/2014: -0,49 EUR), slightly better than pre-year.

### **Order book position at the end of first quarter 2015**

As of March 31st, 2015 Phoenix Solar showed a consolidated free order backlog (firm orders received but not yet invoiced) of EUR 131.3 million (March 31st, 2014: EUR 2.9 million), a dramatic improvement. A major part of the forecast Group revenue for the full 2015 year has thus already been contractually secured by orders won during the course of the first quarter. Total orders on hand (including invoiced orders) as of March 31st, 2015 stood at 142.3 million Euros (March 31st, 2014: 62.2).

### **Cash Flow**

The cash outflow from operating activities in 1Q2015 at EUR -2.4 million was negative but slightly improved vs. pre-year (Q1/2014: EUR -2,6

million). Cash and cash equivalents increased by EUR 0.4 million to EUR 3.5 million (December 31st, 2014: EUR 3.1 million).

### **Shareholders' Equity**

Primarily as a result of the consolidated net loss of EUR 3.4 million, the Phoenix Solar Group's equity fell to EUR -4,5 million (December 31st, 2014: EUR -1,6 million). In line with this, the equity ratio was down from -3.5 percent to -10.1 percent. As the Group does not constitute a legally independent company, the negative equity ratio generates no direct "going concern" risk at the Group level. More important is the equity position of the parent company, Phoenix Solar AG, which prepares its accounts according to the industry-standard German Commercial Code [HGB]. This amounted to EUR 9.3 million as of March 31st, 2015, equivalent to a 16.7 percent equity ratio (December 31st, 2014: EUR 11.0 million, equivalent to a 20.0 percent equity ratio).

Tim P. Ryan, Chief Executive Officer of Phoenix Solar AG, stated: "We remain confident in our turnaround: Phoenix Solar is active in many of the world's major solar markets, where demand for our high quality solar power plants and related EPC-services continues to grow. We are well positioned to take advantage of this growth. Newly acquired projects in the US will soon start construction, with corresponding volumes and margins to follow in the coming quarters. I can therefore confirm that our forecast remains at net sales revenue in the range of €140-160 million with positive, low single-digit EBIT. We will leverage the momentum we currently have in our pipeline to generate reliable, sustainable growth."

### **Report on First Quarter 2015**

The report on the first quarter of 2015 will be published today, May 7th, 2015, electronically and can be downloaded from the our website, [www.phoenixsolar-group.com](http://www.phoenixsolar-group.com), under the Investor Relations, Financial Reports heading.

### **About Phoenix Solar AG**

Phoenix Solar AG, which has its headquarters in Sulzemoos near Munich, is an international photovoltaic system integrator. The Group develops, plans, builds and operates large-scale solar photovoltaic plants and is a specialist wholesaler for turnkey power plants, solar modules and accessories. With its subsidiaries on four continents, the company has sold solar modules with an output of well over one gigawatt worldwide since it was founded. The shares of Phoenix Solar AG (ISIN DE000A0BVU93) are listed on the official market (Prime Standard) of the Frankfurt Stock Exchange. [www.phoenixsolar-group.com](http://www.phoenixsolar-group.com)