

COVID-19 UPDATE

Peering through the clouds: REC Group's market outlook for solar PV

Short term disruption ...

Owing to COVID-19, solar PV supply and demand will be impacted over the immediate short term negatively.

... but optimistic in the mid and long term

Owing to still strong fundamentals, growth coming out of it could be strong.

2019

2020

2021

2022

Solar PV's
Fundamental
Demand
Drivers
Still in Place



Competitive

PV remains extremely competitive against fossil fuels



Mitigating emissions

Climate change challenge will not disappear because of COVID-19



Quick & easy to deploy

Any size, even in remote places



Empowering

Investments into critical infrastructures like digitization & e-mobility

Global demand forecasts for 2020 revised downwards, but
solar markets likely to fully recover by 2021/2022 and even grow

2019
~115 GW
Global
installations

2020
106-126 GW
Global demand
estimates

2021
124-140 GW
Global demand
estimates



United States

In 2020, overall likely to see only a slight COVID-19 impact but still a YoY growth

- Due to a strong utility segment, US solar overall is likely to see a YoY growth to 17 GW in 2020 (compared to 13.3 GW in 2019).
- The upcoming stronger trend for remote selling, can reduce residential system costs, potentially driving a sustainable strong growth after COVID-19.
- There are signs that 2021 could be a stronger year than previously thought with estimates up to 22 GW in 2021.



Europe

Market is expected to see a significant drop in 2020 but with a strong recovery in 2021

- Residential installations in Q1 continued within normal parameters across the largest residential markets in central and northern Europe, including Germany and the Netherlands.
- In Germany, installers still have orders booked until May and June 2020, but limited visibility after that.
- If mobility restrictions continue at the same level, the residential segment could be the least impacted by COVID-19 in Europe.



Australia

In 2020, overall likely to see a moderate decline with full recovery by 2022

- Until now, no rush of order cancellations, but a significant reduction in new customer enquiries.
- The overall reduction in demand outlook to be 20% in 2020.
- Once the lockdown is lifted, the residential segment, which constitutes the bulk of Australia's rooftop solar market, is expected to see a quick rebound.