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Photovoltaic Equipment: Mechanical engineers are optimistic despite a weakening of total sales

- **Total sales 13 percent lower than in previous quarter**
- **Export ratio again exceeds 96 percent**
- **Value chain: Components grow significantly**

Frankfurt, September 26, 2019 – Today, solar energy is one of the cheapest ways of generating energy. The market along the entire photovoltaic value chain is highly competitive. Despite a weakening of total sales in the second quarter of 2019 compared to the previous quarter (minus 13 percent), German mechanical engineering companies are optimistic. This is because revenue expectations for the third quarter of 2019 are 24 percent higher than the revenue recorded in the second quarter.

US market gains significantly in importance

As expected, the export ratio is a high 96 percent, but the export distribution has shifted. With a share of 67 percent, China still dominates, but its share has fallen by 12 percentage points compared with the previous quarter and by 23 percentage points compared with the same quarter of the previous year. The American export market is much stronger with an increased export ratio from 5 percent to 15 percent. Domestic sales also increased slightly by 3 percentage points in the second quarter, but only reached 4 percent overall, while sales in Europe were 14 percent.

VDMA study shows that European cell and module production can be profitable

"Although domestic sales rose slightly in the second quarter of 2019, the German and European markets for photovoltaic equipment are weak compared with the end market for photovoltaic modules. This could change if one considers the necessary photovoltaic expansion in the coming years. The cost

comparison of the VDMA study by Fraunhofer ISE shows that European cell and module production can be profitable. This in turn supports the German machine builders," says Dr. Jutta Trube, Division Manager of VDMA Photovoltaic Equipment.

In the second quarter of 2019, on the one hand the share of plants in consideration of the total value chain in the area of photovoltaic equipment fell by 24 percentage points. Machinery, on the other hand, accounted for an almost constant 29 percent and components for 40 percent (plus 21 percentage points).

In the second quarter of 2019, thin-film photovoltaics was again the segment with the highest sales, with 65 percent, which was up on the previous quarter. Sales of equipment for cells fell by 10 percentage points compared with the previous quarter, thus reaching the level of the same quarter of the previous year. Sales for wafers and modules increased slightly, but were only 5 percent and 2 percent, respectively.

Dr. Peter Fath, Managing Director of RCT Solutions GmbH and Chairman of the Executive Board of VDMA Photovoltaic Equipment, commented on the current situation: "For the second half of the year, an increase in incoming orders is expected in the production of crystalline silicon cells and thin-film modules."

The book-to-bill ratio is 1.0 again for the first time since the prior-year quarter and points to a positive development for the coming quarter. The order range is a high 8.5 months.

For additional information, please visit the website <https://pv.vdma.org/>.

The abstract of the mentioned VDMA study can be found at <https://pv.vdma.org/en/viewer/-/v2article/render/39286041>.

Do you still have questions? Dr. Susanne Herritsch, VDMA Photovoltaic Equipment, Phone +49 (0) 69 6603 1879, susanne.herritsch@vdma.org, is happy to answer your questions.

The VDMA represents more than 3200 companies in the medium-sized mechanical and plant engineering sector. With 1.3 million employees in Germany and a turnover of 232 billion euros (2018), the sector is the largest industrial employer and one of the leading German branches of industry overall.