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.

**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.

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