

 Press Release

Strong revenue increase in 2017 for McPhy: +34%

- Crossed threshold of 10 million euros
- Growth primarily driven by the European zone, up 84%
- Doubling of the « qualified sales pipeline »¹ to more than 80 million euros
- Confirmation of the pursuit of a high rate of activity growth for 2018

La Motte-Fanjas, 23 January 2018 – 5:45 pm - McPhy (Euronext Paris Segment C: MCPHY, FR0011742329) specialist in equipment for the production, storage and distribution of hydrogen, announced today its revenue for 2017.

<i>(in million euros)</i>	2017	2016	Variation
First half	5.5	2.2	X 2.5
Second half	4.6	5.3	-14%
Total revenue	10.1	7.5	34%



Our know-how is acknowledged and translates into commercial and industrial success internationally for all units”

Pascal Mauberger, Chairman and Chief Executive Officer of McPhy, stated, “2017 was marked by a turning point that confirmed the reality and the ramp-up of the clean hydrogen market. McPhy’s performance this year shows that we were able to identify and develop very early on the advanced technology that responds to the colossal needs of the market, brought by the necessary transition to a decarbonized society. Today, our know-how is acknowledged and translates into commercial and industrial success internationally for all our activities, as was proven by the delivery of 4MW hydrogen generation units (Power-to-Gas) in Hebei (China), and the first exported hydrogen stations. Our qualified sales pipeline has doubled in one year and is set at over 80 million euros. We are determined more than ever to continue to seize these opportunities.”

¹ Projects for which McPhy considers there is more than a 50% chance of success and implementation

Strong revenue increase in 2017 for McPhy: +34%

McPhy's revenue increased by 34%, crossing the 10 million euro threshold. This growth was primarily driven by the European zone (up 84%), a market with strong growth and in which McPhy is well positioned due to its historic anchorage. The Group offers unparalleled expertise in the development and engineering of large electrolysis systems in Germany, a solid industrial infrastructure in Italy and an engineering and prototyping capacity for storage systems and hydrogen stations in France. Lastly, this solid level of performance was obtained despite the postponement of several important contracts, expected in the second half of 2017, to the fiscal year 2018.

In June 2016, McPhy announced the entry into force of a contract for 6.4 million euros for the delivery of 4MW hydrogen generation units (Power-to-Gas) in Hebei (China). Revenue recognition for work in progress started in the second half of 2016 and was followed by the delivery of the units in the first half of 2017.

5% of the contract remain to be done in fiscal year 2018. Excluding the impact of this contract, the revenue growth for the other activities would have been 65%.

As of 31 December 2017, McPhy has a net cash position of 5 million euros.

McPhy's strong ramp-up in the context of acceleration of the worldwide development of clean hydrogen

2017 was marked by a turning point in the development of clean hydrogen throughout the world. This was exemplified by studies conducted by the *Agence Internationale de l'Energie*² (AIE) and the Hydrogen Council³, which confirm that hydrogen is indispensable in order to exit a carbon economy and to respond to the challenges of public health and the perils of climate change. According to the Hydrogen Council study, the annual demand for hydrogen could represent globally 18% of the total energy demand by 2050. By this horizon, hydrogen could generate a revenue of 2,500 billion dollars and create more than 30 million jobs. In the near term, 25 billion dollars should be invested on a yearly basis between 2018 and 2030, of which 2/3 in the production equipment and in the implementation of the decarbonized hydrogen.

This economic reality has already positively impacted markets dealt with by McPhy: clean mobility, Power-to-Gas and industry. The Group was able to show that its cutting-edge technologies, developed over many years, are perfectly in line with the market's needs:

- Clean Mobility: know-how acknowledged by prestigious partners, deployment of stations offering a potential of **21,000 km** clean mobility per day;
- Power-to-Gas: the capacity to meet major challenges of energy storage and network regulation. **13.5 MW** of high power electrolysis installed or in the process of installation;
- Industry: very competitive technology allowing industrial companies to reconcile economic performance and reduced greenhouse emissions, an anticipated **fast-growing market**, according to the AIE.

² Insights series 2017 / Renewable Energy for Industry

³ <http://hydrogencouncil.com/hydrogen-scaling-up/>



Confirmation of the pursuit of a high rate of activity growth for 2018

In order to better understand the evolution of the projects currently under negotiation, the Group informs that its “qualified sales pipeline” has doubled over the last 12 months, and today stands at more than 80 million euros, which thereby illustrates the acceleration of the hydrogen market. This market indicator does not take into account the massive scale electrolysis platform projects (from 10 to 100 MW), for which the impact on revenue will be quite significant.

McPhy has at its disposal an offer which is perfectly poised on these markets thanks to the McLyzer generators. McPhy is in the process of developing a new generation of electrolyzers that are more compact, responsive and efficient. These new units will strengthen its range of large capacity electrolyzers, thereby offering electricity networks the flexibility they need to absorb intermittent renewable energy supply.

All of these factors permit us to confirm the pursuit of a high rate of activity growth for 2018.

Next communication

2017 results – Tuesday 13 March 2018, after market close.

ABOUT MCPHY

In the framework of the energy transition, and as a leading supplier of hydrogen production, storage and distribution equipment, McPhy contributes to the deployment of clean hydrogen throughout the world.

Thanks to its wide range of products and services dedicated to the hydrogen energy, zero emission mobility and industrial hydrogen markets, McPhy provides turnkey solutions to its clients. These solutions are tailored to our client applications: renewable energy surplus storage and valorization, fuel cell car refueling, raw material for industrial sites.

As a designer, manufacturer and integrator of hydrogen equipment since 2008, McPhy has three development, engineering and production units based in Europe (France, Italy, Germany).

The company’s international subsidiaries ensure a global sales coverage of McPhy’s innovative hydrogen solutions.

McPhy is listed on NYSE Euronext Paris (Segment C, ISIN code: FR0011742329; ticker: MCPHY).

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