February 27 2025

DAQO NEW ENERGY

Q4 and Fiscal Year 2024 Results Presentation

Safe Harbor Statement

This announcement contains forward-looking statements. These statements are made under the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as “will,” “expects,” “anticipates,” “future,” “intends,” “plans,” “believes,” “estimates,” “guidance” and similar statements. Among other things, the outlook for the first quarter and the full year of 2025 and quotations from management in these announcements, as well as Daqo New Energy’s strategic and operational plans, contain forward-looking statements. The Company may also make written or oral forward-looking statements in its reports filed or furnished to the U.S. Securities and Exchange Commission, in its annual reports to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Statements that are not historical facts, including statements about the Company’s beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties, all of which are difficult or impossible to predict accurately and many of which are beyond the Company’s control. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: the demand for photovoltaic products and the development of photovoltaic technologies; global supply and demand for polysilicon; alternative technologies in cell manufacturing; the Company’s ability to significantly expand its polysilicon production capacity and output; the reduction in or elimination of government subsidies and economic incentives for solar energy applications; the Company’s ability to lower its production costs; and changes in political and regulatory environment. Further information regarding these and other risks is included in the reports or documents the Company has filed with, or furnished to, the U.S. Securities and Exchange Commission. All information provided in this press release is as of the date hereof, and the Company undertakes no duty to update such information or any forward-looking statement, except as required under applicable law.

DAQO NEW ENERGY

“A leading manufacturer of high-purity polysilicon for the global solar PV industry”

Management Remarks

Mr. Xiang Xu, Chairman and CEO of the Company, commented, “In 2024, we faced a challenging market environment with excess capacity in the solar PV industry leading to sharp price declines across the entire value chain. We proactively managed these difficulties by curtailing polysilicon production to reduce cash burn, particularly in the third and fourth quarters. Nevertheless, we reached an annual polysilicon production volume of 205,068 MT in 2024, meeting our guidance of 200,000 MT to 210,000 MT, which represented an increase of 3.7% year-over-year compared to 197,831 MT in 2023. Our N-type product mix increased significantly from approximately 40% of total production in 2023 to 70% in 2024. We sold 181,362 MT in 2024, ending the year at a reasonable inventory level. Despite solid growth in demand for solar PV products globally, the mismatch between demand and supply drove prices lower in 2024 even below cash cost. Overall, our polysilicon ASPs decreased significantly from $11.48/kg in 2023 to $5.66/kg in 2024. Revenue came in at $1.0 billion compared to $2.3 billion in 2023 as a result of lower ASPs as well as lower sales volume. As polysilicon ASPs fell below production cost starting in the second quarter of 2024, we recorded a non-cash provision for inventory impairment expense, with a negative gross margin of 20.7% for 2024. Due to the continuous negative gross margin, we recorded a non-cash long-lived assets impairment charge of $175.6 million for the quarter related to our older polysilicon production lines. Despite the losses, Daqo New Energy continued to maintain a strong balance sheet and ample cash reserves. At the end of 2024, the Company had a cash balance of $1.0 billion, short-term investments of $10 million, bank notes receivables of $55 million, and a fixed term bank deposit balance of $1.1 billion. Overall, the company maintains strong liquidity with a balance of quick assets of $2.2 billion, which can be readily converted to cash if needed. This solid financial position ensures we are well-equipped to navigate the market downturn and remain strategically resilient.”

Management Remarks – Continued

"On the operational front, during the fourth quarter, the Company continued to operate at a lower utilization rate of 40%-50% of our nameplate capacity in light of weak market prices. The total production volume at our two polysilicon facilities for the quarter was 34,236 MT, further decreasing from the third quarter by 9,356 MT. Meanwhile, we intensified our efforts to reduce inventory, and our sales volume reached 42,191 MT in the fourth quarter, compared to 42,101 MT in the previous quarter. As the result of lower utilization, idle-facility related cost for the quarter was approximately $1.02/kg, which was primarily related to non-cash depreciation expense. Overall polysilicon unit production cost edged up 3% sequentially to an average of $6.81/kg. However, thanks to our relentless efforts to improve operational efficiency, our cash cost declined further to $5.04/kg, a 6% quarter-over-quarter decline compared to $5.34/kg in the third quarter."

"Due to the current market pricing environment, we currently expect total polysilicon production volume in the first quarter of 2025 to be approximately 25,000 MT to 28,000 MT. We plan to maintain a relatively low utilization rate in 2025 until a turning point emerges in the sector. As a result, we currently anticipate full year production volume in 2025 to be approximately 110,000 MT to 140,000 MT."

Management Remarks – Continued (2)

“Discussions on industry self-regulation measures have been ongoing since the fourth quarter. Meanwhile, the polysilicon market remained sluggish heading into the quarter as downstream customers continued drawing down accumulated inventory and coping with lower wafer capacity utilization rates of approximately 50%. Polysilicon pricing remained stable within this cyclical bottom range of RMB 36-42/kg throughout the quarter. In November and December, leading polysilicon producers reduced production to offset the higher hydro-electricity cost during the winter season and to mitigate inventory risks. As such, industry production of polysilicon continued to decline month-over-month. According to industry statistics, the total production volume in China descended to approximately 100,000 MT per month in December, the lowest level in the year. On December 26, polysilicon futures trading officially launched, with the initial benchmark price set at RMB 38.6/kg. Although some prices were quoted higher at RMB 42-43/kg, futures trading volumes remained small and had limited impact on spot pricing. On a positive note, new solar PV capacity in China reached a record high of 68 GW in December, which was beyond expectation and reinforced market confidence in the resilience of solar PV in the short run and market potential in the medium to long term.”

“Despite the significant challenges resulting from overcapacity in the solar PV industry, we have seen proactive initiatives to restore the industry’s healthy development. On December 6, 2024, led by the China Photovoltaic Industry Association (CPIA), our Company, along with other major solar PV manufacturers, have reached consensus that implementing self-discipline would be fundamental to mitigating the irrational competition amid falling prices and heightened global trade pressures. Moreover, the solar PV industry continued to show strong demand prospects. For the year of 2024, China’s newly installed solar PV capacity grew 28% year-over-year to 277 GW, which not only hit a record high but also exceeded market expectations. We remain optimistic that as supply adjusts to more rational levels, we will see a better balance between supply and demand this year. In the long run, as a renewable energy source and one of the lowest-cost sources of electricity worldwide, solar power will continue to be a key driver of the global energy transition and sustainable development. Looking ahead, Daqo New Energy will capitalize on the long-term growth in the global solar PV market and strengthen its competitive edge by enhancing its higher-efficiency N-type technology and optimizing its cost structure through digital transformation and AI adoption. As one of the world’s lowest-cost producers with the highest quality N-type product, a strong balance sheet and no financial debt, we believe we are well positioned to weather the current market downturn and emerge as one of the leaders in the industry to capture future growth.”

Operational and Financial Highlights in Q4 2024

- Total cash, short-term investments, bank note receivables and fixed term bank deposit balance was $2.2 billion at the end of Q4 2024, compared to $2.4 billion at the end of Q3 2024
- Polysilicon production volume was 34,236 MT in Q4 2024, compared to 43,592 MT in Q3 2024
- Polysilicon sales volume was 42,191 MT in Q4 2024, compared to 42,101 MT in Q3 2024
- Polysilicon average total production cost(1) was $6.81/kg in Q4 2024, compared to $6.61/kg in Q3 2024
- Polysilicon average cash cost(1) was $5.04/kg in Q4 2024, compared to $5.34/kg in Q3 2024
- Polysilicon average selling price (ASP) was $4.62/kg in Q4 2024, compared to $4.69/kg in Q3 2024
- Revenue was $195.4 million in Q4 2024, compared to $198.5 million in Q3 2024
- Gross loss was $65.3 million in Q4 2024, compared to $60.6 million in Q3 2024. Gross margin was -33.4% in Q4 2024, compared to -30.5% in Q3 2024
- Non-cash impairment charge related to long-lived assets amounted to $175.6 million in Q4 2024
- Net loss attributable to Daqo New Energy Corp. shareholders was $180.2 million in Q4 2024, compared to $60.7 million in Q3 2024
- Loss per basic American Depositary Share (ADS)(3) was $2.71 in Q4 2024, compared to $0.92 in Q3 2024
- Adjusted net loss (non-GAAP)(2) attributable to Daqo New Energy Corp. shareholders was $170.7 million in Q4 2024, compared to $39.4 million in Q3 2024
- Adjusted loss per basic ADS(3) (non-GAAP)(2) was $2.56 in Q4 2024, compared to $0.59 in Q3 2024
- EBITDA (non-GAAP)(2) was -$236.5 million in Q4 2024, compared to -$34.3 million in Q3 2024. EBITDA margin (non-GAAP)(2) was -121.1% in Q4 2024, compared to -17.3% in Q3 2024

Notes:

1. Production cost and cash cost only refer to production in our polysilicon facilities. Production cost is calculated by the inventoriable costs relating to production of polysilicon divided by the production volume in the period indicated. Cash cost is calculated by the inventoriable costs relating to production of polysilicon excluding depreciation expense, divided by the production volume in the period indicated.
2. Daqo New Energy provides EBITDA, EBITDA margins, adjusted net income attributable to Daqo New Energy Corp. shareholders and adjusted earnings per basic ADS on a non-GAAP basis to provide supplemental information regarding its financial performance. For more information on these non-GAAP financial measures, please see the section captioned "Use of Non-GAAP Financial Measures" and the tables captioned "Reconciliation of non-GAAP financial measures to comparable US GAAP measures" set forth at the end of this press release.
3. ADS means American Depositary Share. One (1) ADS representing five (5) ordinary shares.

Operational and Financial Highlights in FY2024

- Polysilicon production volume was 205,068 MT in 2024, compared to 197,831 MT in 2023
- Polysilicon sales volume was 181,362 MT in 2024, compared to 200,002 MT in 2023
- Revenue was $1,029.1 million in 2024, compared to $2,307.7 million in 2023
- Gross loss was $212.9 million in 2024, compared to gross profit of $920.7 million in 2023. Gross margin was -20.7% in 2024, compared to 39.9% in 2023
- Net loss attributable to Daqo New Energy Corp. shareholders was $345.2 million in 2024, compared to net income attributable to Daqo New Energy Corp. shareholders of $429.5 million in 2023. Loss per basic ADS was $5.22 in 2024, compared to earnings per basic ADS of $5.75 in 2023
- EBITDA (non-GAAP)(2) was -$338.8 million in 2024, compared to $918.6 million in 2023. EBITDA margin (non-GAAP)(2) was -32.9% in 2024, compared to 39.8% in 2023
- Adjusted net loss (non-GAAP)(2) attributable to Daqo New Energy Corp. shareholders was $272.8 million in 2024, compared to adjusted net income (non-GAAP)(2) attributable to Daqo New Energy Corp. shareholders of $563.1 million in 2023
- Adjusted loss per basic ADS(3) (non-GAAP)(2) was $4.12 in 2024, compared to adjusted earnings per basic ADS (non-GAAP) of $7.54 in 2023

Notes:

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3. ADS means American Depositary Share. One (1) ADS representing five (5) ordinary shares.

Polysilicon Facilities Update

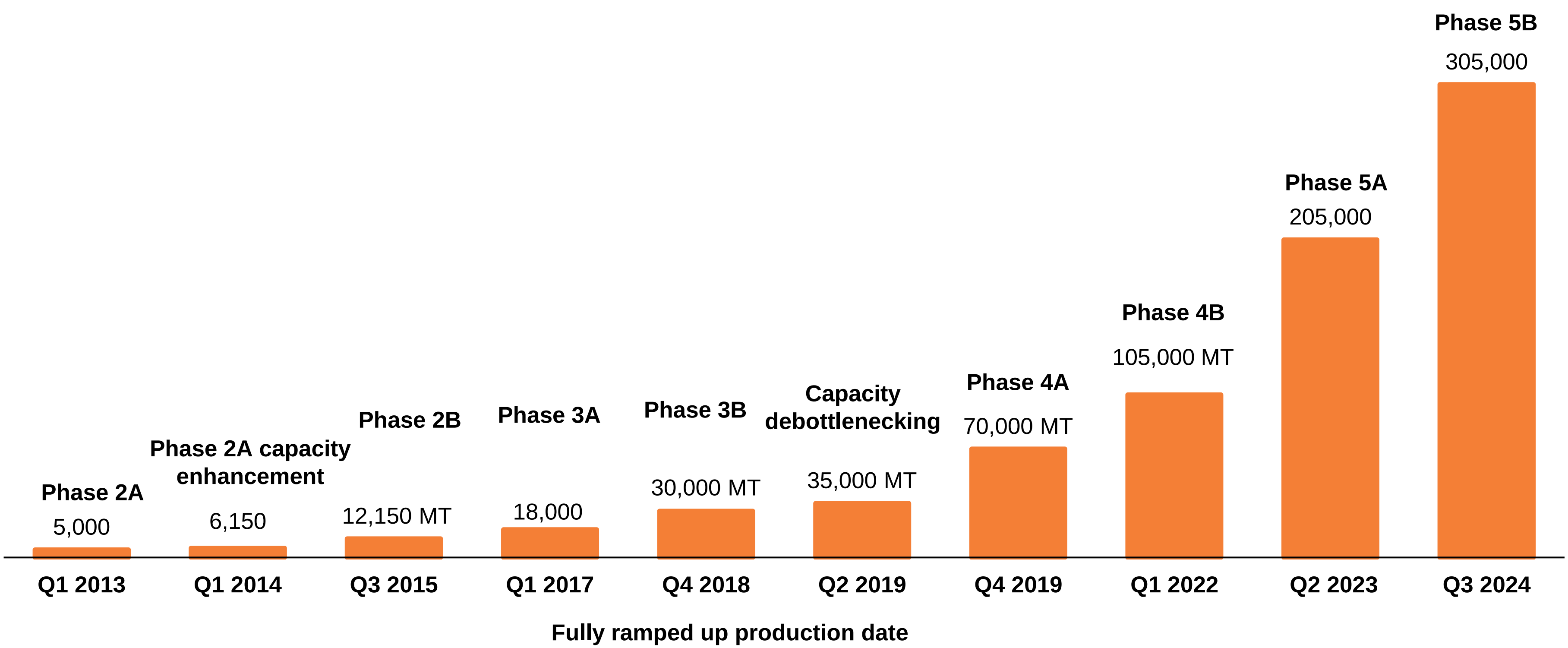
Q4 2024 Key Figures

- Quarterly production volume: 34,236 MT
- Sales volume: 42,191 MT
- Average selling prices: $4.62/kg
- Average total production cost: $6.81/kg
- Average cash cost: $5.04/kg

Outlook

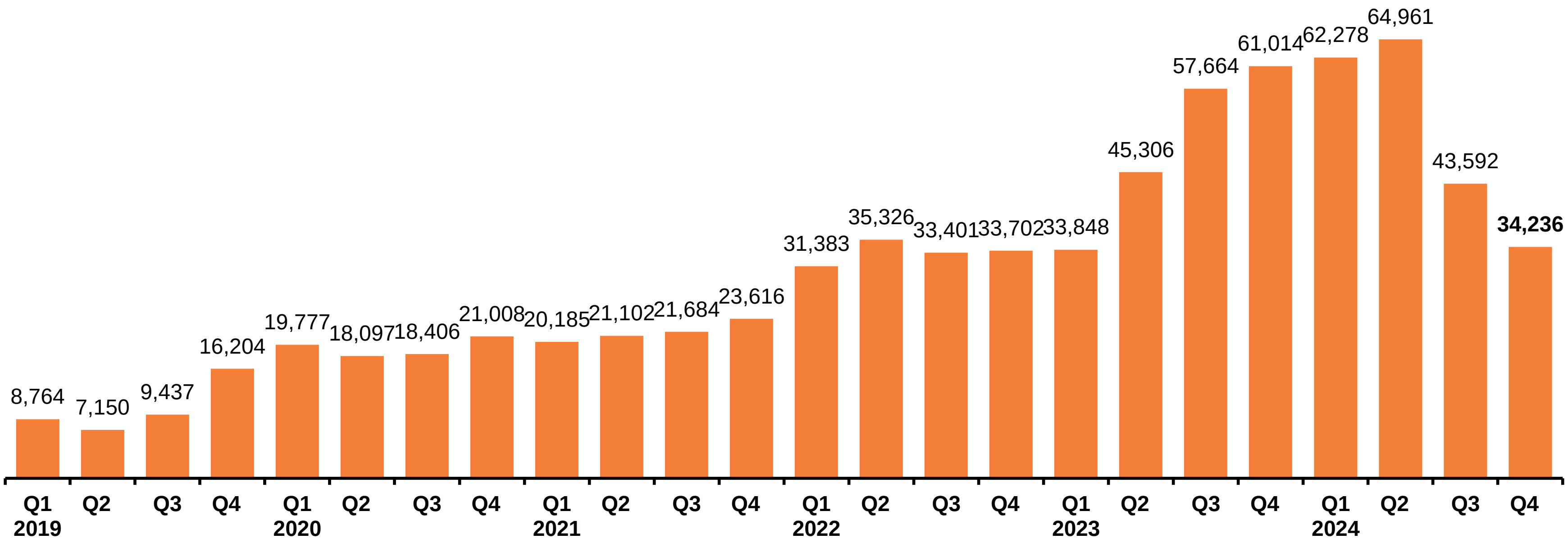
- Expected production volume in Q1 2025: 25,000 ~ 28,000 MT
- Expected production volume in the full year of 2025: 110,000 ~ 140,000 MT

Polysilicon Nameplate Capacity in Daqo's Facilities (MT)

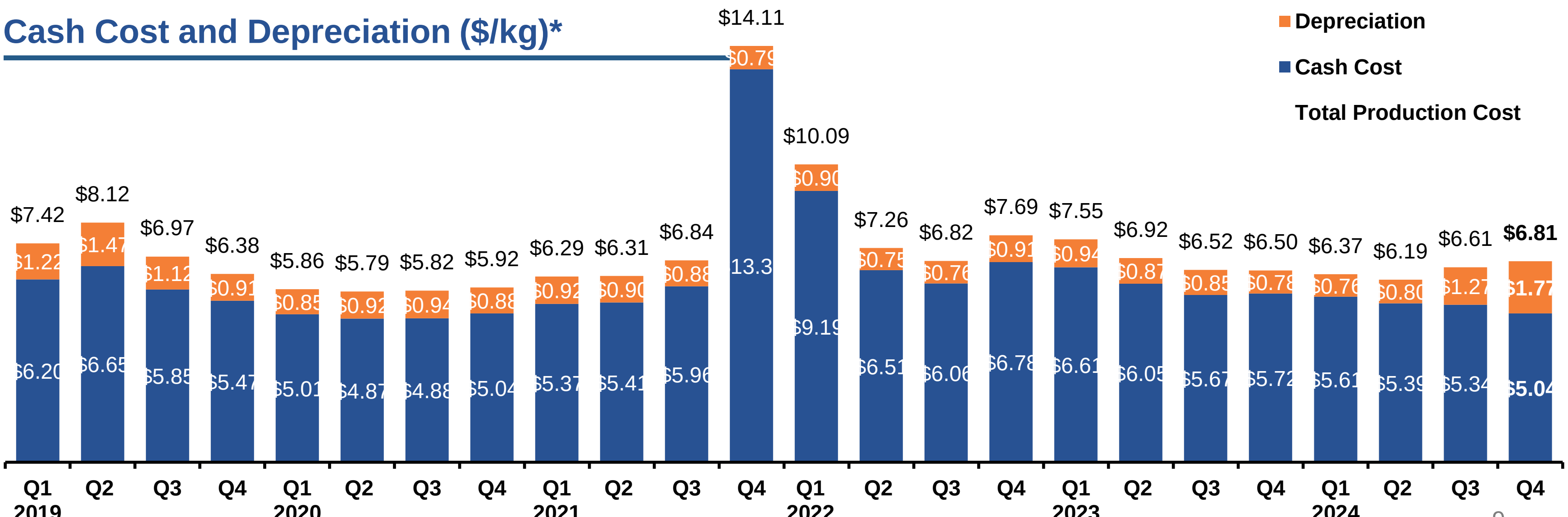


Polysilicon Manufacturing Overview

Production Volume (MT)

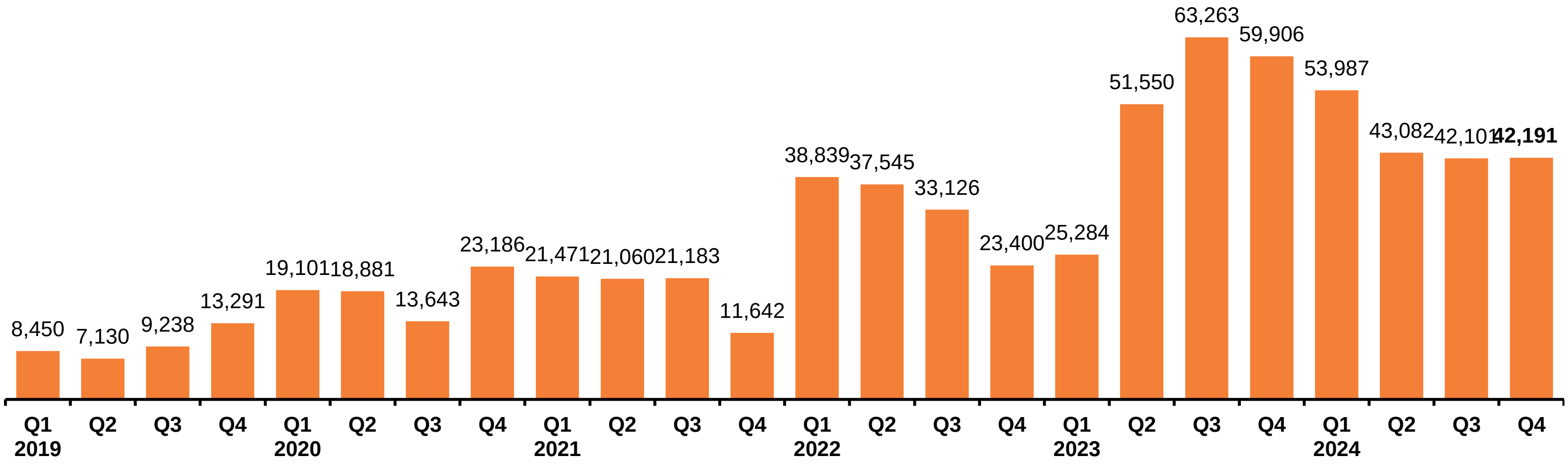


Cash Cost and Depreciation ($/kg)*

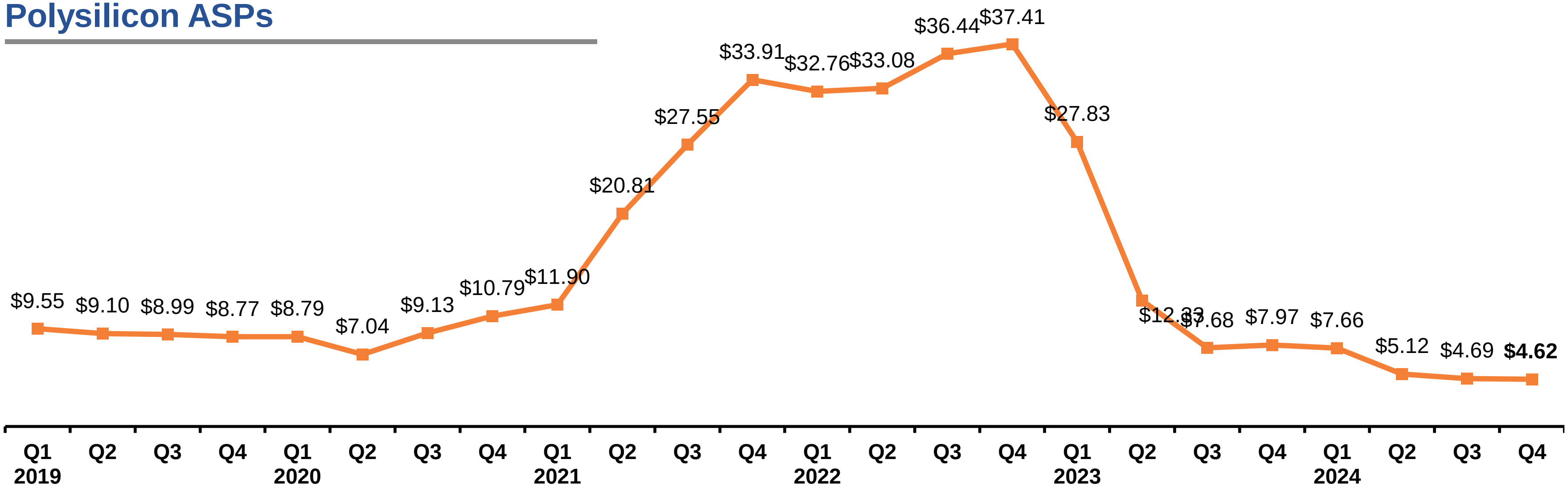


Quarterly Polysilicon Sales Volume and ASPs

Polysilicon External Sales Volume



Polysilicon ASPs



Income Statement Summary

($ in millions, unless otherwise stated)	Q4 2024	Q3 2024	Q4 2023
Revenues	**195.4**	**198.5**	**476.3**
Gross (loss)/profit	(65.3)	(60.6)	87.2
Gross margin	**(33.4)%**	**(30.5)%**	**18.3%**
SG&A	(29.4)	(37.7)	(39.0)
Long-lived assets impairment	(175.6)	-	-
Allowance for expected credit loss	(18.1)	-	-
R&D expense	(0.4)	(0.8)	(3.3)
(Loss)/income from operations	(300.9)	(98.0)	83.3
Net loss attributable to Daqo New Energy shareholders	**(180.2)**	**(60.7)**	**53.3**
Loss/Earnings per basic ADS ($ per ADS)	(2.71)	(0.92)	0.76
Adjusted net (loss)/income (non-GAAP) attributable to Daqo New Energy Corp. shareholders	**(170.6)**	**(39.4)**	**74.3**
Adjusted (loss)/earnings per basic ADS (non-GAAP) ($ per ADS)	(2.56)	(0.59)	1.06
EBITDA	**(236.5)**	**(34.3)**	**128.2**
EBITDA margin	**(121.1)%**	**(17.3)%**	**26.9%**

Balance Sheet Summary

($ in millions)	As of 12/31/2024	As of 9/30/2024	As of 12/31/2023
Cash, cash equivalent and restricted cash	1,038.3	853.4	3,048.0
Accounts and notes receivables	55.2	84.5	116.4
Short-term investments	9.6	245.0	-
Inventories	149.9	206.9	173.3
Fixed term deposit within one year	1,087.2	1,215.2	-
Prepaid land use rights	152.9	159.9	150.4
Property, plant and equipment, net	3,499.2	3,903.4	3,626.4
Total assets	**6,418.2**	**7,048.7**	**7,426.9**
Advances from customers - short term portion	33.3	40.9	92.9
Advance from customers - long term portion	21.5	76.7	113.9
Payables for purchases of property, plant and equipment	406.7	454.4	421.0
Total liabilities	**560.4**	**724.3**	**978.6**
Total equity	**5,857.9**	**6,324.4**	**6,448.3**
Total liabilities and equity	**6,418.2**	**7,048.7**	**7,426.9**

Cash Flow Summary

($ in millions)	Year ended 12/31/2024	Year ended 12/31/2023
Net (loss)/income	(448.2)	652.9
Adjustments to reconcile net income to net cash provided by operating activities	565.5	305.4
Changes in operating assets and liabilities	(555.1)	657.8
Net cash (used in)/provided by operating activities	**(437.7)**	**1,616.0**
Net cash used in provided by investing activities	**(1,478.5)**	**(1,196.0)**
Net cash used in provided by financing activities	**(47.4)**	**(795.4)**
Effect of exchange rate changes	(46.0)	(97.1)
Net decrease in cash, cash equivalents and restricted cash	(2,009.6)	(472.4)
Cash, cash equivalents and restricted cash at the beginning of the period	3,048.0	3,520.4
Cash, cash equivalents and restricted cash at the end of the period	1,038.3	3,048.0

Non-GAAP Reconciliation

$ in thousands	3 months Ended		
	Dec. 31, 2024	Sep. 30, 2024	Dec. 31, 2023
Net (loss)/income	(241,512)	(76,930)	78,168
Income tax (benefit)/expense	(48,973)	(12,007)	18,352
Interest income, net	(6,761)	(1,604)	(13,772)
Depreciation & Amortization	60,740	56,218	45,455
EBITDA (non-GAAP)	**(236,506)**	**(34,323)**	**128,203**
EBITDA margin (non-GAAP)	**(121.1)%**	**(17.3)%**	**26.9%**

$ in thousands	3 months Ended		
	Dec. 31, 2024	Sep. 30, 2024	Dec. 31, 2023
Net loss attributable to Daqo New Energy Corp. shareholders	(180,182)	(60,724)	53,331
Share-based compensation	9,532	21,312	20,927
Adjusted net (loss)/income (non-GAAP) attributable to Daqo New Energy Corp. shareholders	**(170,650)**	**(39,412)**	**74,258**
Adjusted (loss)/earnings per basic ADS* (non-GAAP)	**(2.56)**	**(0.59)**	**1.06**
Adjusted (loss)/earnings per diluted ADS* (non-GAAP)	(2.56)	(0.59)	1.06

Use of Non-GAAP financial measures

To supplement Daqo New Energy's consolidated financial results presented in accordance with United States Generally Accepted Accounting Principles ("US GAAP"), the Company uses certain non-GAAP financial measures that are adjusted for certain items from the most directly comparable GAAP measures including earnings before interest, taxes, depreciation and amortization ("EBITDA") and EBITDA margin (which represents the proportion of EBITDA in revenues). Our management believes that each of these non-GAAP measures is useful to investors, enabling them to better assess changes in key element of the Company's results of operations across different reporting periods on a consistent basis, independent of certain items as described below. Thus, our management believes that, used in conjunction with US GAAP financial measures, these non-GAAP financial measures provide investors with meaningful supplemental information to assess the Company's operating results in a manner that is focused on its ongoing, core operating performance. Our management uses these non-GAAP measures internally to assess the business, its financial performance, current and historical results, as well as for strategic decision-making and forecasting future results. Given our management's use of these non-GAAP measures, the Company believes these measures are important to investors in understanding the Company's operating results as seen through the eyes of our management. These non-GAAP measures are not prepared in accordance with US GAAP or intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with US GAAP; the non-GAAP measures should be reviewed together with the US GAAP measures, and may be different from non-GAAP measures used by other companies.

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Thank you!