



SMA Solar Technology AG – Press Release

SMA Solar Technology AG Increases Sales and Earnings in the First Half of 2018

Overview H1 2018:

- **4.3 GW inverter output sold (H1 2017: 3.8 GW)**
- **Sales increased to €394.6 million (H1 2017: €381.1 million) and EBITDA to €40.9 million (H1 2017: €29.2 million)**
- **Financial stability thanks to solid equity ratio of 52.7% (December 31, 2017: 50.3%) and high net cash of €393.4 million (December 31, 2017: €449.7 million)**
- **Managing Board confirms its sales and earnings guidance for fiscal year 2018**

Niestetal, August 9, 2018 – In the first half of 2018, SMA Solar Technology AG (SMA/FWB: S92) sold inverters with a total output of around 4.3 GW (H1 2017: 3.8 GW) and increased its sales in comparison to the first half of the previous year by 3.5% to €394.6 million (H1 2017: €381.1 million). The sales increase is attributable in particular to the positive development in the regions of Europe, the Middle East and Africa (EMEA) as well as Asia-Pacific (APAC). From January to June 2018, EBITDA rose to €40.9 million (EBITDA margin: 10.4%; H1 2017: €29.2 million; 7.7%). EBITDA in the reporting period and in the same period of 2017 was influenced by positive one-time effects. The gross margin was 24.5% (H1 2017: 19.2%).

Net income amounted to €11.2 million in the first half of 2018 (H1 2017: €8.8 million). Earnings per share thus amounted to €0.32 (H1 2017: €0.25). With net cash of €393.4 million (December 31, 2017: €449.7 million) and an equity ratio of 52.7% (December 31, 2017: 50.3%), SMA continues to have an extremely solid balance-sheet structure. In addition, the company has a long-term credit line of €100 million from domestic banks.

“SMA recorded a positive business performance in the first half of 2018, particularly in Asia and Europe,” said SMA CEO Pierre-Pascal Urbon. “This is a good result because our production processes have been hampered by the general shortage of electronic components. For the second half of the year, we expect an improvement in the delivery situation and higher sales. Key growth stimuli will originate particularly from Europe and Asia as well as from medium-sized PV systems. The reduction in PV expansion targets and feed-in tariffs in China, which completely surprised all market participants, will impact global demand. Because of this, the SMA Managing Board is expecting the market accessible to SMA to increase by only 7% annually to €7.6 billion by 2020 (previously €9.2 billion). Through product innovations that we will be launching in the most important photovoltaic markets over the next six to twelve months, we have already found answers to the expected price pressure in the hardware business. In addition, our expertise in



energy management and the integration of battery storage systems will help us enter the higher-margin systems and service businesses.”

The SMA Managing Board confirms its sales and earnings guidance for the 2018 fiscal year, which forecasts sales of between €900 million and €1,000 million and EBITDA of between €90 million and €110 million. For the first time, EBITDA includes expenses of more than €10 million for setting up the digital business. The Managing Board estimates that depreciation and amortization will amount to approximately €50 million. The Managing Board’s sales and earnings guidance is based on the assumption that no PV projects to a greater extent will be postponed in anticipation of further decreases in PV module prices. In addition, the Managing Board expects the supply situation with electronic components to improve in the second half of the year.

The Half-Yearly Financial Report for January to June 2018 can be found at www.SMA.de/IR/FinancialReports.

About SMA

The SMA Group with sales of around €900 million in 2017 is a global leader for solar inverters, a key component of all PV plants. SMA offers a wide range of products and solutions that allow for high energy yields for residential and commercial PV systems and large-scale PV power plants. To increase PV self-consumption efficiently, SMA system technology can easily be combined with different battery technologies. Intelligent energy management and digital energy solutions, comprehensive services and operational management of PV power plants round off SMA’s range. The company is headquartered in Niestetal, near Kassel, Germany, is represented in 20 countries and has more than 3,000 employees worldwide, including 500 working in Development. SMA’s multi-award-winning technology is protected by more than 1,100 patents and utility models. Since 2008, the Group’s parent company, SMA Solar Technology AG, has been listed on the Prime Standard of the Frankfurt Stock Exchange (S92) and is currently the only company in the solar industry that is listed in the TecDAX index.

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