



SMA Solar Technology AG – Press Release

SMA Solar Technology AG Expands Financial Maneuvering Room to Profit from Consolidation in the Solar Industry

Niestetal, May 2, 2016 – To leverage optimal benefits from the current consolidation in the solar industry, SMA Solar Technology AG (SMA/FWB: S92) has entered into a long-term credit agreement amounting to €100 million with Commerzbank, Deutsche Bank and Hessische Landesbank. SMA is planning to utilize the resulting greater maneuvering room in particular for further expanding its service business. With an equity ratio of around 50 percent and net cash of more than €320 million at the end of the first quarter of 2016, SMA is among the most financially sound solar companies in the world.

“Due to insolvencies and financially stricken project developers with a portfolio of service and maintenance contracts, SMA currently has some interesting business opportunities, particularly in the U.S. and Europe, which is why we are planning to use a portion of our cash reserve to expand our service business,” explained SMA Chief Executive Officer Pierre-Pascal Urban. “With the consortium loan, SMA has secured the financing of current assets over the long term and is profiting from the currently low interest rate level.” At the end of the first quarter of 2016, SMA has net cash of €323 million and an equity ratio of 49.9 percent. The good credit rating is highly relevant to customers particularly in project and service business. As a result, SMA can give investors and PV system operators the long-term certainty that many smaller, non-listed companies in the industry cannot provide.

“Since the inverter is a central component in any PV system, many owners and PV system operators regard SMA as the natural partner of choice for operations and maintenance services,” said Chuck Smith, Executive Vice President of SMA’s Service business unit. SMA has a global service infrastructure with more than 400 highly qualified service professionals and has concluded contracts for operations and maintenance (O&M) services for PV power plants with outputs of 1.4 GW. According to a study conducted by GTM Research, this makes SMA one of the four major providers in the field of O&M maintenance services. The current business environment offers the perfect conditions for further expanding this position.

About SMA

The SMA Group with sales of about €1 billion in 2015 is the global market leader for solar inverters, a key component of all PV plants, and offers innovative key technologies for future power supply structures. It is headquartered in Niestetal, near Kassel, Germany, and is represented in 20 countries. The Group employs more than 3,500 people worldwide. SMA has an extensive range of products, which offers the right inverters for all module types and plant



sizes; for small residential systems as well as large-scale plants, grid-connected photovoltaic systems as well as off-grid and hybrid systems. Moreover, SMA offers system technology for various battery technologies and system sizes and collaborates with renowned battery manufacturers and companies from the automotive industry. The SMA technology is protected by about 700 patents and utility models worldwide. The range of services is supplemented by comprehensive services and operational management of large-scale PV power plants. 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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