



SMA Solar Technology AG Press Release

SMA Achieves High Net Cash Flow and Increases Net Cash in Challenging Environment in First Quarter of 2017

Overview Q1 2017¹:

- **1.7 GW inverter output sold (Q1 2016: 2.1 GW)**
- **Sales at €173.2 million (Q1 2016: €248.1 million) and EBITDA at €15.9 million (Q1 2016: €41.3 million) in line with the Managing Board's forecast**
- **High operating cash flow of €41.6 million (Q1 2016: €55.5 million)**
- **Financial stability thanks to solid equity ratio of 49.5% (December 31, 2016: 48.3%) and high net cash of €413.1 million (December 31, 2016: €362.0 million)**
- **High order backlog of €626 million, of which €232 million is attributable to the product business**
- **Managing Board confirms its sales and earnings forecast for fiscal year 2017**

Niestetal, May 11, 2017 – In the first quarter of 2017, SMA Solar Technology AG (SMA/FWB: S92) sold inverters with a total output of 1.7 GW (Q1 2016: 2.1 GW) and generated sales of €173.2 million (Q1 2016: €248.1 million) in a difficult market environment. EBITDA dropped to €15.9 million (EBITDA margin: 9.2%; Q1 2016: €41.3 million, 16.6%). Sales and earnings were in line with the Managing Board's forecast published on March 29, 2017. The main sales drivers were the commercial PV system segment (Commercial) and large-scale PV power plant segment (Utility) and most important markets were North America, Japan, India, Great Britain and Germany.

In the first quarter of 2017, net income was €6.3 million (Q1 2016: €18.8 million). Earnings per share thus amounted to €0.17 (Q1 2016: €0.54). Despite the decline in sales, SMA generated high operating cash flows of €41.6 million (Q1 2016: €55.5 million) and further increased its high liquidity reserve. Net cash rose to €413.1 million (December 31, 2016: €362.0 million). The equity ratio slightly increased to 49.5% (December 31, 2016: 48.3%). As a result, SMA still has a highly solid balance-sheet structure. A long-term credit line of €100 million from domestic banks underscores SMA's investment-grade credit rating.

"The first quarter of 2017 was shaped by high price pressure in all markets and segments in addition to poor weather conditions on key sales markets," explained SMA CEO Pierre-Pascal Urbon. "At the same time, incoming orders developed extremely positively in the first quarter, resulting in a book-to-bill ratio of 1.4. As of March 31, 2017, SMA had an order backlog of around €626 million, of which roughly €232 million was attributable to the product business."

¹ Railway Technology is no longer included in the figures for 2016 as the sale of the Railway Technology business division was concluded on March 29, 2017. The comparative figures for the previous year were therefore adjusted retrospectively.



Sales and the order backlog in the first three months correspond to approximately half of the Managing Board's annual sales forecast. In addition, we will roll out other cost-optimized products and solutions on international photovoltaic markets in the coming months and present innovative solutions, including solutions for comprehensive and fully automatic energy management across various sectors, to our customers at leading trade fairs in the near future. This is why we expect to significantly improve our business performance in the second half of the year despite continued high price pressure."

In light of the high order backlog, the SMA Managing Board confirms its sales and earnings forecast for the 2017 fiscal year published on January 26, 2017. The forecast anticipates sales of €830 million to €900 million and EBITDA of €70 million to €90 million. Net cash will amount to between €400 million and €450 million due to high operating cash flow.

You can find the quarterly statement for January to March 2017 at www.SMA.de/IR/FinancialReports.

About SMA

The SMA Group with sales of around €1 billion in 2016 is the global market 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 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 900 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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