



SMA Solar Technology AG – Press Release

## **SMA Solar Technology AG Sets New Sales Record in 2017, Achieves Top End of Earnings Guidance and Anticipates Positive Business Performance in 2018**

### **Overview of fiscal year 2017:**

- **Inverter output sold rises to a new record level of 8.5 GW (2016: 8.2 GW)**
- **Sales of €891.0 million influenced by decline in demand for large-scale PV power plants in the U.S. (2016: €946.7 million)**
- **Earnings before interest, taxes, depreciation and amortization (EBITDA) with €97.3 million at top end of the guidance (2016: €141.5 million)**
- **Financial stability thanks to solid equity ratio of 50.3% (December 31, 2016: 48.3%) and high net cash of €449.7 million (December 31, 2016: €362.0 million)**
- **Managing Board and Supervisory Board recommend dividend payment of €0.35 per share (2016: €0.26 per share)**
- **Managing Board anticipates sales of approximately €180 million and EBITDA of approximately €18 million in first quarter of 2018 and confirms sales and earnings guidance for the year as a whole**

Niestetal, March 28, 2018 – SMA Solar Technology AG (SMA/FWB: S92) generated a new sales record in 2017 with around 8.5 GW of inverter output sold (2016: 8.2 GW). SMA Group sales were below the previous year's level at €891.0 million (2016: €946.7 million). The decline was caused primarily by the sharp decline in demand in the U.S. utility market which could not be compensated for by the positive development in the Asian and European business. EBITDA amounted to €97.3 million (EBITDA margin: 10.9%; 2016: €141.5 million, 14.9%) and was therefore at the top end of the guidance raised by the Managing Board in August. All segments were profitable in the last fiscal year.

Net income was at the previous year's level at €30.1 million (2016: €29.6 million). Earnings per share thus amounted to €0.87 (2016: €0.85). Due to its attractive business model and increased flexibility, SMA generated high operating cash flow of €116.8 million (2016: €147.5 million). Net cash was further expanded to €449.7 million (December 31, 2016: €362.0 million). With an equity ratio of 50.3% (December 31, 2016: 48.3%) at the end of 2017, SMA has an extremely solid balance sheet structure. In addition, the company has a long-term credit line of €100 million from domestic banks. In light of this financial stability and positive business prospects, the Managing Board and the Supervisory Board will recommend that the Annual General Meeting on May 24, 2018, set a dividend of €0.35 per share for the 2017 fiscal year. This corresponds to a dividend payout ratio of 40% of net income.



“The 2017 fiscal year reflects the dynamics of the solar industry,” explained SMA Chief Executive Officer Pierre-Pascal Urbon. “Due to the regulatory environment, our U.S. business saw a sudden decline in demand, while SMA benefited from the positive market development in Europe and Asia. Our international positioning has proven its worth, just as expansion in the storage system and service business has. We are satisfied with the EBIT generated.”

For the first quarter of 2018, the SMA Managing Board is anticipating sales of approximately €180 million (Q1 2017: €173.2 million) and earnings before interest, taxes, depreciation and amortization (EBITDA) of approximately €18 million (Q1 2017: €15.9 million). The SMA Managing Board is confirming its sales and earnings guidance for the 2018 fiscal year as published on January 24, 2018, 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. “With the positive business development in the first quarter and our large order backlog, we are well on the way to achieving the goals set for this year,” said Urbon. “We are focusing on introducing new solutions to further strengthen our competitiveness in the core business. At the same time, we are investing in digital business models to benefit from the attractive energy service business in the medium term.”

The SMA Annual Report for 2017 is available online at [www.SMA.de/IR/FinancialReports](http://www.SMA.de/IR/FinancialReports).

## **About SMA**

The SMA Group with sales of around €900 million in 2017 is a globally leading specialist for PV inverters, a key component of all PV systems. 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 1,000 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 Tecta index.



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