



SMA Solar Technology AG—Press Release

SMA Posts Strong Growth with System Technology for Storage Applications and Benefits from Global Position in First Half of 2017

Overview of H1 2017¹:

- **3.8 GW inverter output sold (H1 2016: 3.9 GW)**
- **Sales of €381.1 million (H1 2016: €482.3 million) and EBITDA of €29.0 million (H1 2016: €71.2 million)**
- **High operating cash flow of €38.8 million (H1 2016: €55.3 million)**
- **Financial stability thanks to equity ratio of 49.7% (December 31, 2016: 48.3%) and high net cash of €401.6 million (December 31, 2016: €362.0 million)**
- **High order backlog of €673 million, of which €280 million is attributable to the product business**
- **Managing Board confirms raised sales and earnings guidance for fiscal year 2017**

Niestetal, August 10, 2017 – In the first six months of 2017, SMA Solar Technology AG (SMA/FWB: S92) sold PV inverters with a total output of 3.8 GW, which was thus on a par with the previous year (H1 2016: 3.9 GW). Sales fell to €381.1 million (H1 2016: €482.3 million) due to the overall drop in prices in all segments and regions. Thanks to its unique position, SMA achieved a balanced distribution of sales in its segments and regions in the first six months of the year. System solutions for commercial PV systems (Commercial) and storage applications enjoyed a positive performance. At regional level, SMA achieved significant sales growth in Asian markets.

Despite the sharp decline in sales, SMA achieved earnings before interest, taxes, depreciation and amortization (EBITDA) of €29.0 million (EBITDA margin: 7.6%; H1 2016: €71.2 million, 14.8%). Net income amounted to €8.8 million in the first half of 2017 (H1 2016: €19.4 million). Earnings per share thus amounted to €0.25 (H1 2016: €0.56).

SMA's business model is not capital-intensive. As a result, SMA generated high operating cash flows of €38.8 million in the reporting period (H1 2016: €55.3 million) and further increased its high liquidity reserve. Net cash rose to €401.6 million (December 31, 2016: €362.0 million). The equity ratio slightly increased to 49.7% (December 31, 2016: 48.3%). As such, SMA still has a highly solid balance-sheet structure. SMA will use its financial strength to benefit from the digitization of the energy industry and develop new business models.

¹ Railway Technology is no longer included in the figures for H1 2017 as the sale of the Railway Technology business division was completed on March 29, 2017. The comparative figures for the previous year were therefore adjusted retrospectively.



“After a moderate start to the year, SMA increased its sales by 20% in the second quarter of 2017 as against the first three months of the year. We saw a favorable increase in all key segments, particularly in the Asia-Pacific region (APAC). For the second half of the year, we expect the business to significantly pick up again based on strong incoming orders in all markets,” explained SMA’s CEO Pierre-Pascal Urbon. “In the medium term, we anticipate exponential growth in the storage application segment. SMA already has system technologies for using large storage solutions to stabilize electricity grids or using batteries to increase self-consumption in private households or companies. Thanks to our intelligent energy management and strategic alliances, we have laid the foundation for new business models. SMA will therefore benefit from the global trend toward decentralized energy and the digitization of the energy industry.”

The SMA Managing Board confirms its sales and earnings guidance for fiscal year 2017, which was increased on August 1, 2017. It forecasts sales of between €900 million and €950 million and EBITDA of between €85 million and €100 million. Net cash is expected to rise to more than €450 million thanks to high operating cash flow.

You can find the Half-Yearly Financial Report for January to June 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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