



SMA Solar Technology AG – Press Release

SMA Solar Technology AG Meets Sales and Earnings Guidance for 2018 – Managing Board Expects Growth in Sales and Earnings for 2019

Niestetal, January 24, 2019 – In 2018, SMA Solar Technology AG (SMA/FWB: S92) sold PV inverters with a total output of around 8.5 GW. Inverter output sold in the past fiscal year was thus on a par with the previous year (2017: 8.5 GW). As a result of increased price pressure, however, sales fell to around €761 million (2017: €891 million) according to preliminary calculations by the SMA Managing Board and are therefore at the lower end of the Managing Board's guidance. The expected earnings before interest, taxes, depreciation and amortization (EBITDA) of around –€67 million (2017: €97.3 million) are impacted by one-time items as well as provisions for financing the planned restructuring measures and are within the Managing Board's guidance. Depreciation and amortization are expected to amount to more than €80 million. For the 2019 fiscal year, the SMA Managing Board is expecting sales to increase to between €800 million and €880 million and positive EBITDA of between €20 million and €50 million.

"SMA had to contend with considerable difficulties during the last fiscal year," said SMA Chief Executive Officer Jürgen Reinert. "Due to the sudden downturn in the photovoltaic market in China, Chinese manufacturers have made increasing inroads into the international markets, creating massive price pressure. As a result, project developers and investors have postponed the construction of PV power plants in anticipation of a further fall in prices. In addition, business in commercial PV systems, in particular, was affected by the limited availability of electronic components—a situation that has since been resolved. The storage business also fell short of expectations due to a supply shortage from the battery manufacturers. To quickly return SMA to profitability in the changed market environment of the PV industry over the long term, the Managing Board has already resolved measures to reduce costs and increase sales."

The SMA Managing Board therefore expects sales to increase to between €800 million and €880 million in 2019. Key stimuli for this will be the expected positive market development in Europe and America and the revival of the storage market. SMA is excellently positioned in these areas and will gain additional market share by demonstrating an even greater focus on customers and introducing new products and system solutions. It can also be seen from the good order intake that project developers and investors are abandoning their cautious approach and increasingly implementing large-scale PV projects again.

The SMA Managing Board anticipates positive EBITDA of between €20 million and €50 million in 2019. "We have already started to implement the resolved measures, which will enable us to reduce our fixed costs, improve utilization of the available capacity and thus safeguard the future viability of SMA," said Reinert. "In addition to selling our



Chinese companies to the local management team, we will focus on our core competencies throughout the entire company and reduce complexity on all levels. We will simultaneously position ourselves in the key future fields of energy management, storage integration, repowering and digital business models.”

At the Capital Markets Day on January 25, the Managing Board will discuss market development and the positioning of SMA along with further details on the measures currently being implemented. The presentation containing additional information can be found at www.sma.de/en/investor-relations/publications from the beginning of the event. SMA will publish the complete consolidated financial statements for 2018 on March 28, 2019.

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 19 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 1,200 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 listed in the SDAX index.

SMA Solar Technology AG

Sonnenallee 1
34266 Niestetal
Germany

Head of Corporate Communications:

Anja Jasper
Tel. +49 561 9522-2805
Presse@SMA.de



Press Contact:

Susanne Henkel

Manager Corporate Press

Tel. +49 561 9522-1124

Presse@SMA.de

Disclaimer:

This press release serves only as information and does not constitute an offer or invitation to subscribe for, acquire, hold or sell any securities of SMA Solar Technology AG (the "Company") or any present or future subsidiary of the Company (together with the Company, the "SMA Group") nor should it form the basis of, or be relied upon in connection with, any contract to purchase or subscribe for any securities in the Company or any member of the SMA Group or commitment whatsoever. Securities may not be offered or sold in the United States of America absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended.

This press release can contain future-oriented statements. Future-oriented statements are statements which do not describe facts of the past. They also include statements about our assumptions and expectations. These statements are based on plans, estimations and forecasts which the Managing Board of SMA Solar Technology AG (SMA or company) has available at this time. Future-oriented statements are therefore only valid on the day on which they are made. Future-oriented statements by nature contain risks and elements of uncertainty. Various known and unknown risks, uncertainties and other factors can lead to considerable differences between the actual results, the financial position, the development or the performance of the corporation and the estimates given here. These factors include those which SMA has discussed in published reports. These reports are available on the SMA website at www.SMA.de. The company accepts no obligation whatsoever to update these future-oriented statements or to adjust them to future events or developments.