



SMA Solar Technology AG – Press Release

SMA Solar Technology AG: Strong Growth in Asia Results in Considerable Leap in Earnings in Third Quarter of 2017

Overview January to September 2017:

- **5.9 GW inverter output sold (Q1–Q3 2016: 5.7 GW)**
- **Sales of €592.5 million (Q1–Q3 2016: €708.8 million) and earnings before interest, taxes, depreciation and amortization (EBITDA) of €55.3 million (Q1–Q3 2016: €107.9 million)**
- **High operating cash flow of €78.7 million (Q1–Q3 2016: €123.6 million)**
- **Financial stability thanks to equity ratio of 49.3% (December 31, 2016: 48.3%) and high net cash of €435.8 million (December 31, 2016: €362.0 million)**
- **As of October 31, 2017, order backlog increases to €761 million, of which €350 million is attributable to the product business**
- **Managing Board specifies guidance for fiscal year 2017**

Niestetal, November 9, 2017 – From January to September 2017, SMA Solar Technology AG (SMA/FWB: S92) sold PV inverters with a total output of 5.9 GW, thereby surpassing the previous year (Q1–Q3 2016: 5.7 GW). Sales decreased to €592.5 million (Q1–Q3 2016: €708.8 million). The main cause of this was the weak business with central inverters for large-scale PV power plants in North America. The Asian markets recorded extremely positive development with an increase in sales of 43%, and SMA also saw rising sales in the EMEA region. There was significant growth momentum emanating in particular from the storage and service business during the reporting period.

SMA considerably boosted profitability in the third quarter of 2017. The gross margin increased to 25%. Earnings before interest, taxes, depreciation and amortization (EBITDA) doubled to €26 million. All segments generated positive operating earnings in the third quarter. From January to September 2017, SMA generated EBITDA of €55.3 million (EBITDA margin: 9.3%; Q1–Q3 2016: €107.9 million, 15.2%). Earnings before interest and taxes (EBIT) was €15.6 million (Q1–Q3 2016: €59.4 million) and therefore already at the lower end of the guidance for the year as a whole. Net income was €25.0 million in the reporting period (Q1–Q3 2016: €36.9 million). Earnings per share thus amounted to €0.72 (Q1–Q3 2016: €1.06).

SMA's business model is not capital intensive. As a result, SMA generated high operating cash flow of €78.7 million in the reporting period (Q1–Q3 2016: €123.6 million) and further increased its high liquidity reserve. Net cash rose to €435.8 million (December 31, 2016: €362.0 million). The equity ratio slightly increased to 49.3% (December 31, 2016: 48.3%). As a result, SMA still has a highly solid balance-sheet structure.



“To date, the fiscal year has gone better for SMA than we had expected at the start of the year,” said SMA CEO Pierre-Pascal Urbon. “We have once more shown that we are good at adapting to the quickly changing market conditions. Thanks to our international presence and our new products, we have increased the product-related order backlog by 25% to €350 million since the end of the first half of 2017. We expect strong end-of-year business and are confident about achieving our objective for the year. However, due to a supply shortage of critical components we will probably come in at the lower end of the sales guidance. With Strategy 2020, we are going one step further. As an energy service provider, we want to benefit from the digitization of the energy industry in the future. Therefore, SMA will invest in platforms to connect energy producers with energy consumers and create network effects. The PV inverter remains our core area of expertise because it is the ideal sensor for valuable energy data.”

The SMA Managing Board specifies its guidance for the 2017 fiscal year. The guidance now forecasts sales of more than €900 million and unchanged 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 quarterly statement for January to September 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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