



SMA Solar Technology AG – Press Release

SMA Solar Technology AG Records High Loss in 2018 as Expected – Business Performance and Cost Reduction Program Develop as Planned in First Quarter of 2019

Overview of fiscal year 2018:

- **Inverter output sold at same level as previous year with around 8.5 GW (2017: 8.5 GW)**
- **Sales of €760.9 million influenced by increased price pressure due to slump on Chinese market (2017: €891.0 million)**
- **Earnings before interest, taxes, depreciation and amortization (EBITDA) of €-69.1 million significantly impacted by one-time items (2017: €97.3 million)**
- **Equity ratio still high at 42.9% (December 31, 2017: 50.3%) and high net cash of €305.5 million (December 31, 2017: €449.7 million)**
- **Managing Board anticipates sales of €160 million to €170 million and EBITDA between €-5 million and €0 million in first quarter of 2019 and confirms sales and earnings guidance for the year as a whole**

Niestetal, March 28, 2019 – In fiscal year 2018, SMA Solar Technology AG (SMA/FWB: S92) sold inverters with an accumulated output of around 8.5 GW. Inverter output sold was thus on a par with the previous year (2017: 8.5 GW). The SMA Group's sales fell to €760.9 million (2017: €891.0 million), primarily due to the abrupt decline in the PV market in China, as a result of which Chinese providers increasingly advanced into international markets and caused enormous price pressure there. EBITDA amounted to €-69.1 million (EBITDA margin: -9.1%; 2017: €97.3 million, 10.9%) and was significantly impacted by one-time items.

Net income came to €-175.5 million (2017: €30.1 million). Earnings per share thus amounted to €-5.06 (2017: €0.87). Net cash remained at a high level at €305.5 million (December 31, 2017: €449.7 million). With an equity ratio of 42.9% (December 31, 2017: 50.3%) at the end of 2018, SMA has a solid balance sheet structure. In addition, the company has a credit line of €100 million from domestic banks.

“2018 was a challenging year for SMA,” said SMA Chief Executive Officer Jürgen Reinert. “Having started the fiscal year with a high order backlog, the continuing shortage of electronic components meant that in the first half of the year we were only able to supply our customers to a limited extent, particularly in the commercial PV systems segment. At the end of May, the Chinese government drastically reduced its PV expansion targets and solar power subsidies with immediate effect. As a result, Chinese providers increasingly advanced into international markets and caused enormous price pressure in all segments. In the second half of the year, project developers and investors postponed the



implementation of photovoltaic projects until the following year in anticipation of a further decline in prices. In addition, the storage technology growth segment was affected by the limited availability of battery-storage systems. We responded early on and introduced measures to reduce costs and increase sales in order to quickly return SMA to profitability. The sale of our Chinese subsidiaries has been completed. Although a staff reduction in Germany unfortunately could not be avoided, we were able to implement it in a socially responsible manner with a voluntary severance program.”

For the first quarter of 2019, the SMA Managing Board is anticipating sales of €160 million to €170 million (Q1 2018: €182.5 million) and EBITDA between €-5 million and €0 million (Q1 2018: €17.5 million). The SMA Managing Board is confirming its sales and earnings guidance for the 2019 fiscal year as published on January 24, 2019, which forecasts sales of between €800 million and €880 million and EBITDA of between €20 million and €50 million. The Managing Board estimates that depreciation and amortization will amount to approximately €50 million. “Since the start of the year, SMA has posted a high order intake and a positive business development,” said Reinert. “We will reinforce this trend over the course of the year by tapping into new business fields, such as large-scale storage systems and repowering, and by introducing new, cost-optimized products and system packages. We will also seize the opportunities arising from market consolidation and the anticipated growth in the Utility and Storage segment and in the EMEA and Americas regions.”

The SMA Annual Report for 2018 is available online at www.SMA.de/IR/FinancialReports.

About SMA

As a leading global specialist in photovoltaic system technology, the SMA Group is setting the standards today for the decentralized and renewable energy supply of tomorrow. SMA’s portfolio contains a wide range of efficient PV inverters, holistic system solutions for PV systems of all power classes, intelligent energy management systems and battery-storage solutions as well as complete solutions for PV diesel hybrid applications. Digital energy services as well as extensive services up to and including operation and maintenance services for PV power plants round off SMA’s range. SMA inverters with a total output of around 75 gigawatts have been installed in more than 190 countries worldwide. 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.



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