



SMA Solar Technology AG  
Results for 1. Quarter 2009

May 15, 2009



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# 1. Highlights





## Q1 2009 sales exceeded management guidance

- > Sales declined to 86.7 m€ (- 25% y-o-y)<sup>1)</sup>
- > 243 MW sold inverter power (c. 90% in MPS<sup>2)</sup>-segment)
- > EBIT declined to 6.0 m€ (6.9% of sales)
- > Net Working Capital of 13.6% is still below target level<sup>3)</sup>
- > Solid cash position of 222m€

▶ Our unique positioning and flexible business model were key success factors in Q1 2009

(1) Management guidance March 31, 2009: 80 m€ - 75 m€ (minus 30 - 35% y-o-y)

(2) Medium Power Solutions

(3) Target level = 16 - 18% as of LTM sales



## EBIT-margin of 6.9 % underpins flexible business model

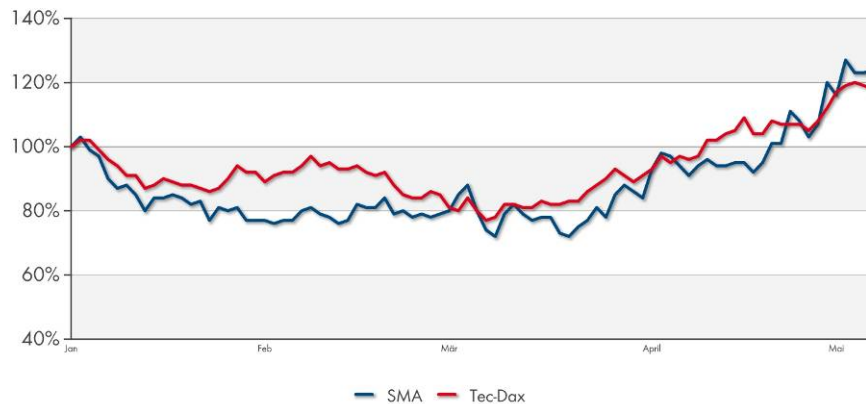
	January - March 2009	January - March 2008	Changes
MW sold	243	331	- 27%
Sales	86.7	115.1	- 25%
Gross Profit	27.0	44.4	- 39%
as % of sales	31.1%	38.5%	
EBIT	6.0	24.3	- 75%
as % of sales	6.9%	21.1%	
Net Income	5.5	17.3	- 68%
as % of sales	6.3%	15.0%	
EPS <sup>1)</sup>	0.16	0.50	

(1) 34.7 million shares outstanding

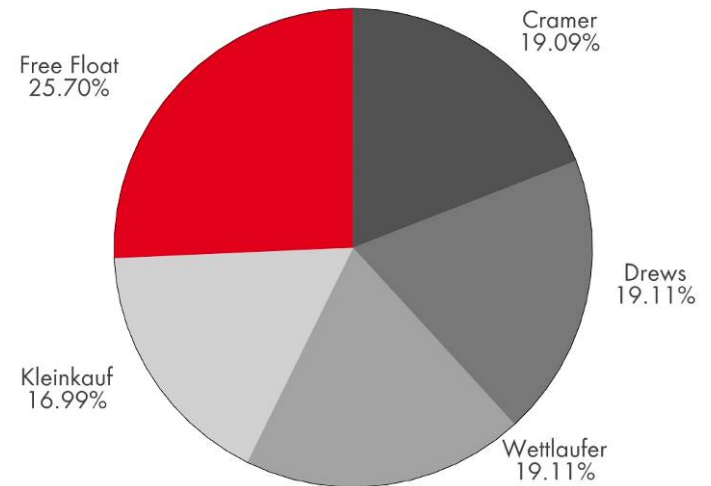


SMA share price increased by 24 % since the beginning of the year

Share Price Development<sup>1)</sup>



Shareholder Structure<sup>2)</sup>



► Founders and management will maintain their shareholdings in SMA

(1) As of May 8, 2009  
 (2) As of May 8, 2009; Total number of shares: 34.7 million; Shareholding of Generation Investment as of Feb. 17, 2009 (3.31%) and Urbon (0.55%)

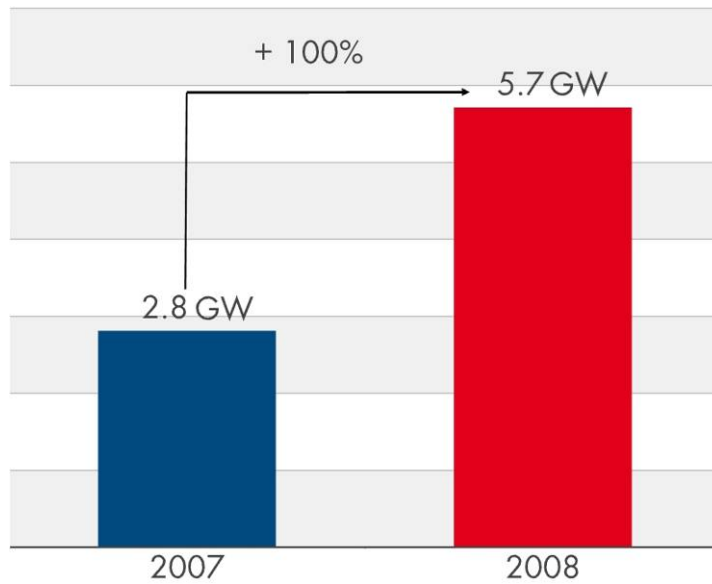
## 2. Market



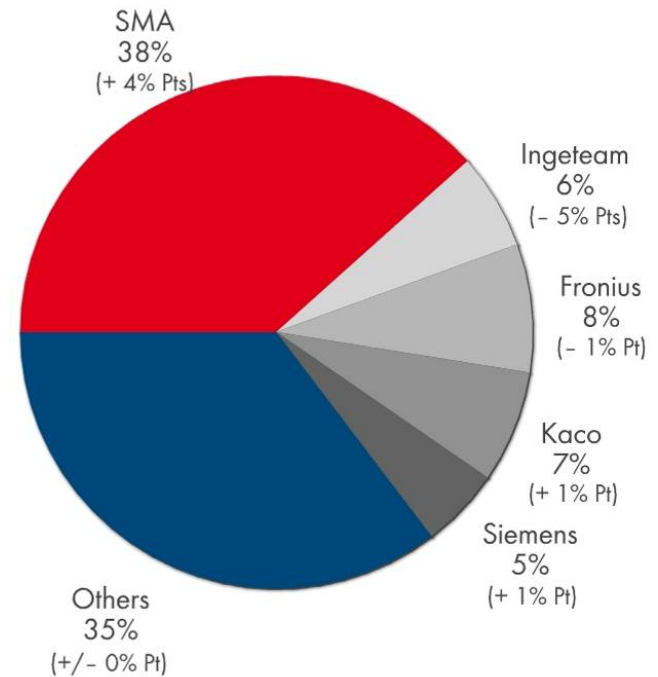


# Decentralized plants are the sweet spot for solar and account for 80% of the total market

PV-market volume<sup>1)</sup>



PV-market shares 2008 (2007)<sup>2)</sup>



▶ The PV-inverter market has high market entry barriers (e.g. product range, innovation rate, service, global customer access, flexibility)

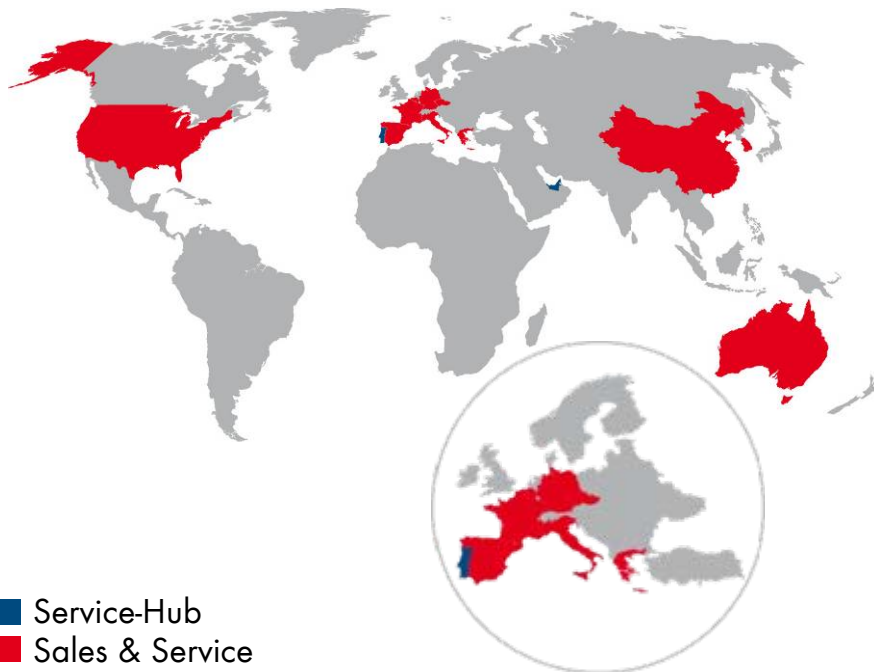
(1) PV-market size in 2007: 2,826 MW (Solarbuzz LLC, 3/2008); 2008: 5.75 GW (BSW; 2/2009)  
 (2) 2007 market share based on companies' sold MW production (Photon, 5/2008) in relation to PV-market size of 2,826 MW (Solarbuzz LLC, 3/2008)  
 2008 market share based on companies' sold MW production (Sonne Wind & Wärme, 5/2009) in relation to PV-market size of 5,750 MW (BSW, 2/2009)





## Non-domestic PV-markets will drive future growth

More than 500 sales and service professionals



Market breakdown 2008

<u>Country</u>	<u>in GW</u>	<u>Long-term Trend</u>
Germany	2.2 GW	↗
Spain	>2.0 GW	↘
USA	0.4 GW	↑
RoW	1.1 GW	↑
Total	5.7 GW	↗

- ▶▶ SMA will set up new subsidiaries in Belgium, Czech Republic, Portugal and United Arab Emirates to benefit from global trend towards renewable energy.



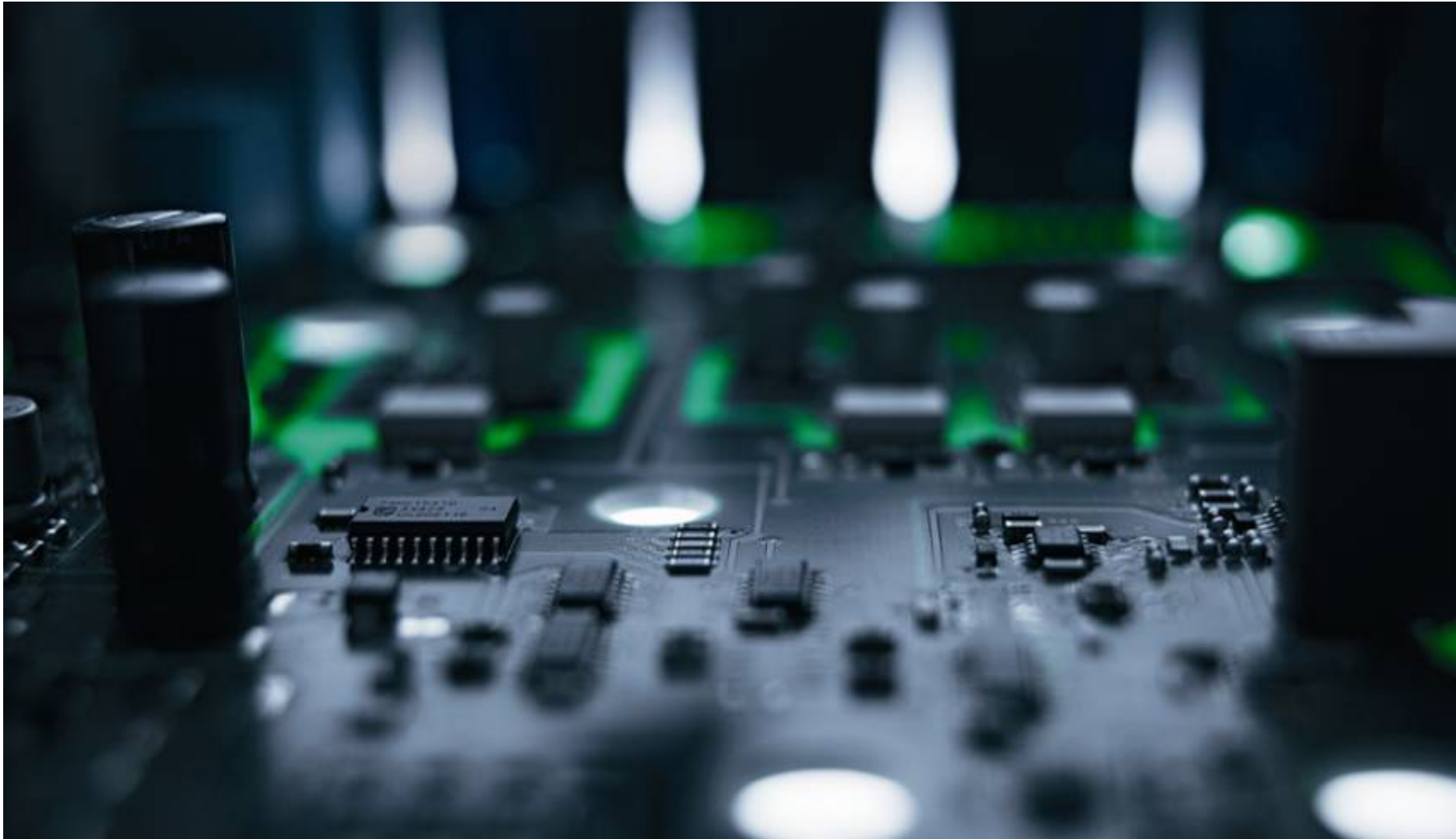
With a market share of nearly 40% SMA is fully exposed to the world market demand

> Current business trends:

- > Trend towards larger Sunny Boy and Sunny Mini Central inverters indicates stronger commercial business
- > Promising demand for Sunny Central inverters to be installed in larger solar projects in Q2/Q3-2009
- > Germany is becoming more important, followed by Italy, France and USA

▶▶ Management expects long-term growth of the PV-market but cannot rule out a slight drop in world demand in 2009

### 3. Technology Leadership





# SMA product families comprises more than 100 products

**SUNNY ISLAND**



Off-Grid

**SUNNY BOY/SUNNY MINI CENTRAL**



Residential / Commercial

**SUNNY TOWER**



Commercial

**SMA PRODUCT FAMILIES**

**SUNNY BACKUP-SYSTEM**



Back-up

**COMMUNICATION PRODUCTS**



Monitoring

**SUNNY CENTRAL**



Commercial / Industrial

▶▶ Each PV-system requires an inverter meeting its specific requirements



## Proven technology leadership and high rate of innovation

- > Sunny Boy 5000TL ranked “very good” by Photon<sup>1)</sup>
  - > High efficiency of 97%
  - > Very good thermal properties
  - > Perfect inverter for residential applications (power size/ input voltage)
  
- > Sunny Design ranked “very good” by Photon<sup>1)</sup>
  - > Easy to use online-tool for system layout
  - > 8 different languages
  - > Comprehensive radiation and PV-module database

▶▶ According to Photon, SMA offers the best multi-string inverter on the market



## 350 engineers concentrate on new product developments

### Sunny Central 630 Outdoor

- > New generation with outdoor-cabinet
- > Best system costs due to outdoor setup and high efficiency



- > Targeted max  $\eta$ : >98.5 % (630)

### Sunny Central 630HE

- > First inverter on the market meeting medium voltage directive
- > Including new features to reduce system costs



- > max  $\eta$ : >98 %

### Sunny Boy 3000HF

- > Light inverter with galvanic separation
- > Attractive and light design
- > Modern display
- > Useable for US-market as well



- > Targeted max  $\eta$ : 96 %

### Sunny TriPower 17000TL

- > Three phase concept to easy energy feed-in
- > Highest efficiency
- > Including many new features to reduce the system costs



- > Targeted max  $\eta$ : 98 %

### Sunny Beam Bluetooth

- > Wireless communication
- > Control of up to 12 Sunny Boy inverter
- > Distance of 100 meters



►► The key innovations for 2009 will be presented during the Intersolar in Munich<sup>1)</sup>

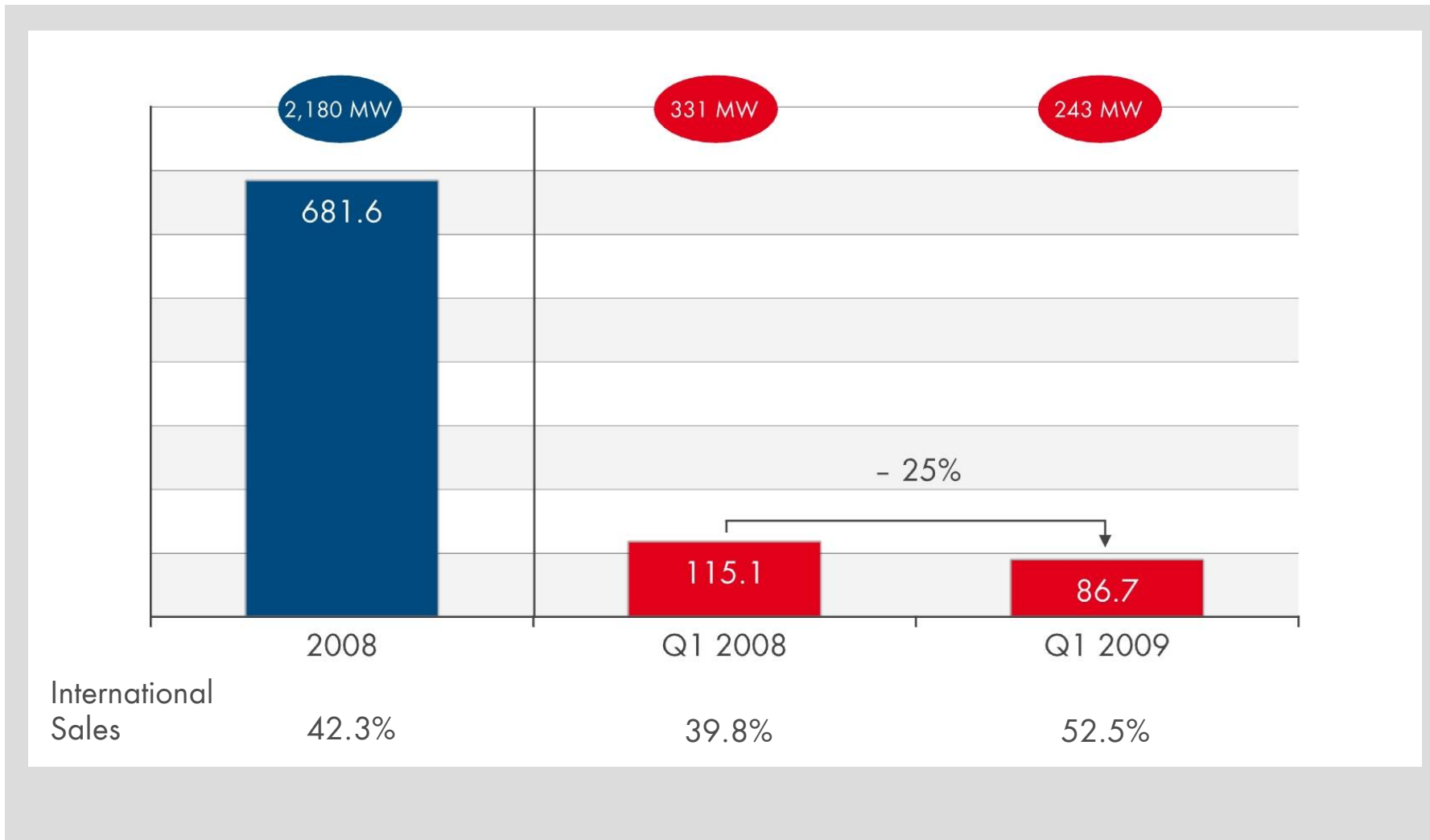
(1) SMA will not conduct Analysts or Investors meetings during the Intersolar. Investor Relations will answer your questions during quarterly calls , roadshows or conferences

## 4. Financials





# A slow start into 2009 due to strong winter in Europe and difficulties to obtain financing for large PV-projects

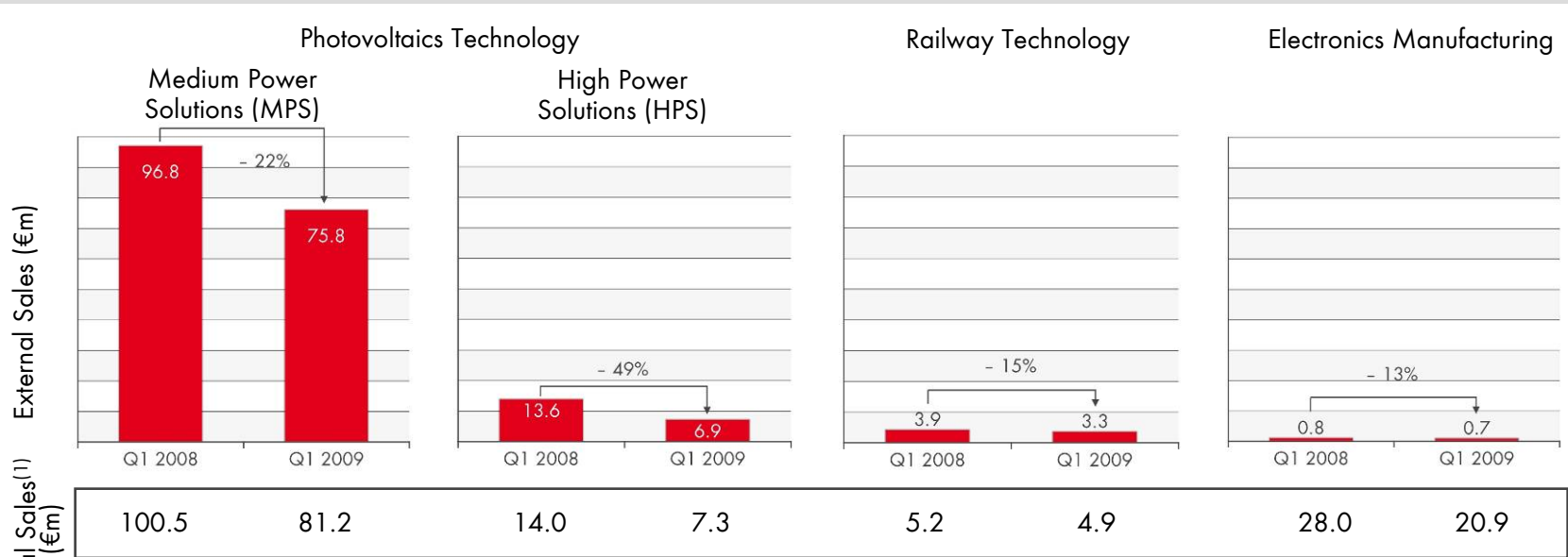


Numbers in million EUR





# Medium Power Solutions accounted for nearly 90% of sales in Q1 2009



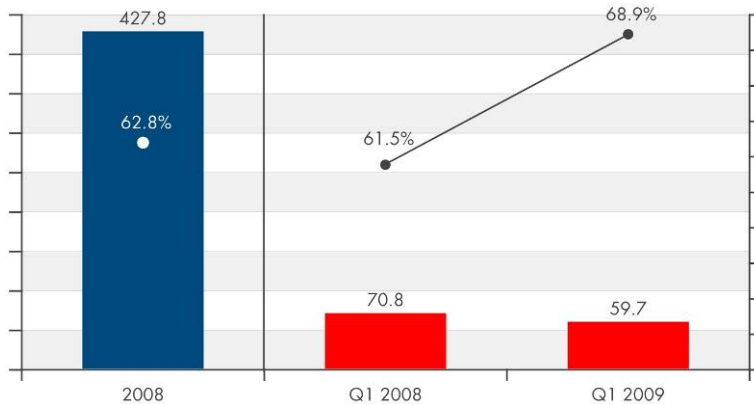
- Highlights**
- > Sunny Boy inverters accounted for nearly 75% of sales (mainly smaller inverters)
  - > International markets accounted for more than 50% of MPS-sales
  - > Top sellers were the Sunny Boy 5000TL, 3000TL and 2500 as well as the Sunny Mini Central 7000HV and 11000TL
  - > Sunny Central business was heavily influenced by the lack of financing for large scale projects
  - > Germany was the most important market
  - > Top sellers were Sunny Central 500HE, 560HE and 630HE
  - > Internal supplier for MPS-segment

(1) Incl. internal sales

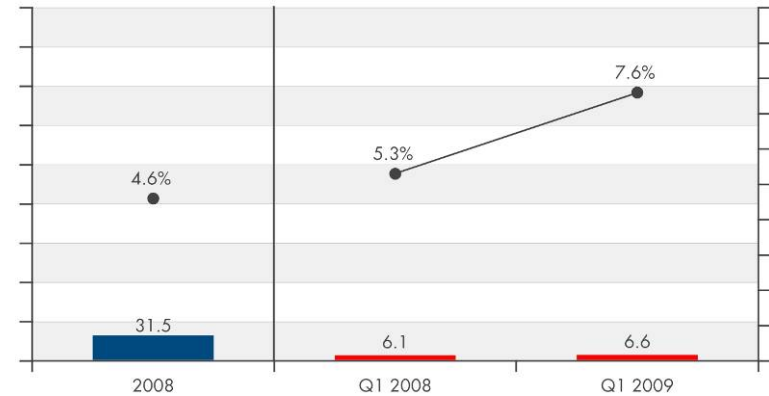


# Increase in cost of sales due to ramp-up of new factory in Kassel during Q1 2009 and shift in product mix

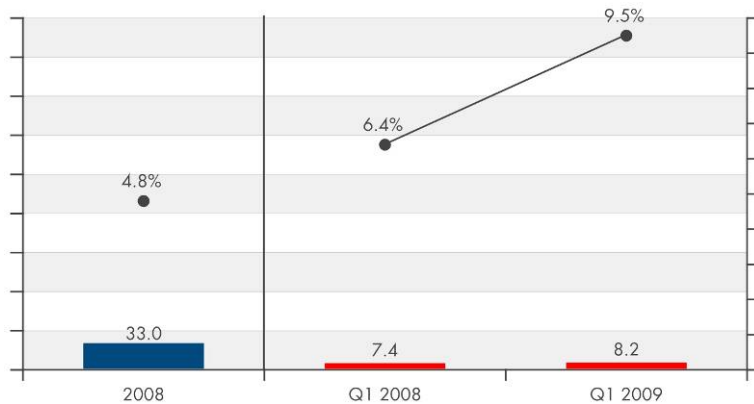
COGS (€m and as % of sales)



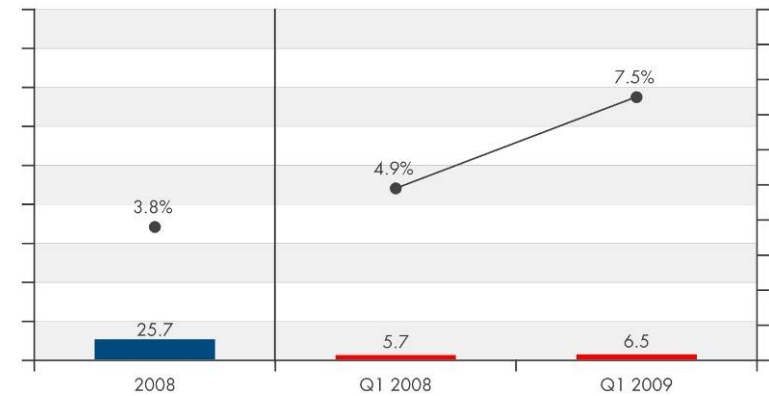
Selling expenses (€m and as % of sales)



R&D expenses (€m and as % of sales)

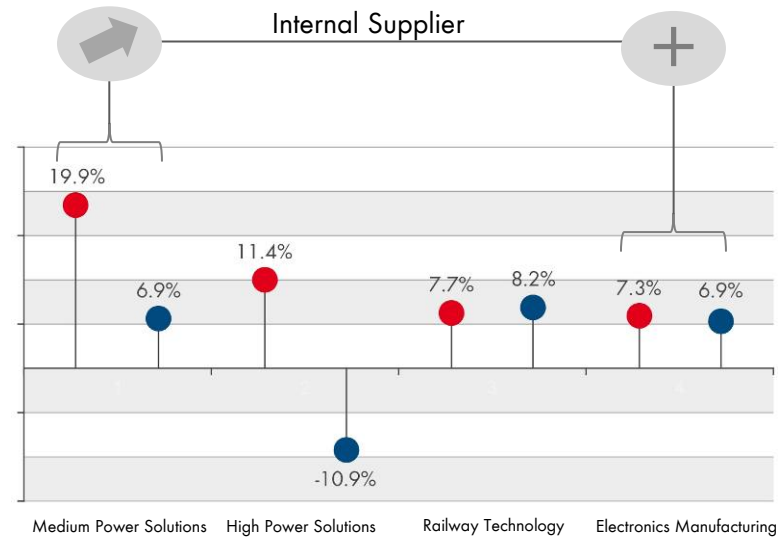
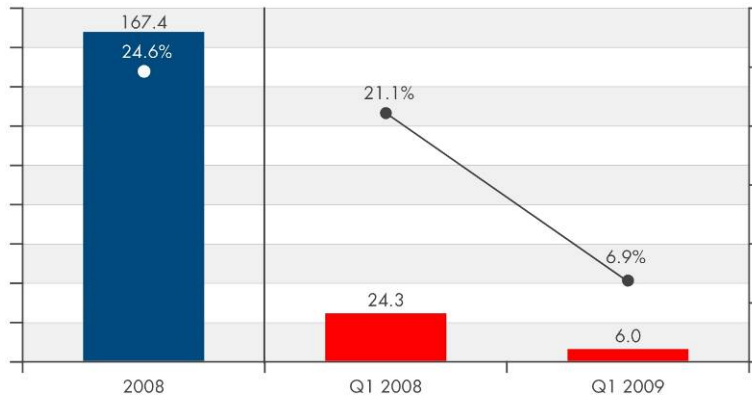


G&A expenses (€m and as % of sales)





# EBIT-margin of 6.9 % in Q1 2009 underpins strength of SMA's flexible business model



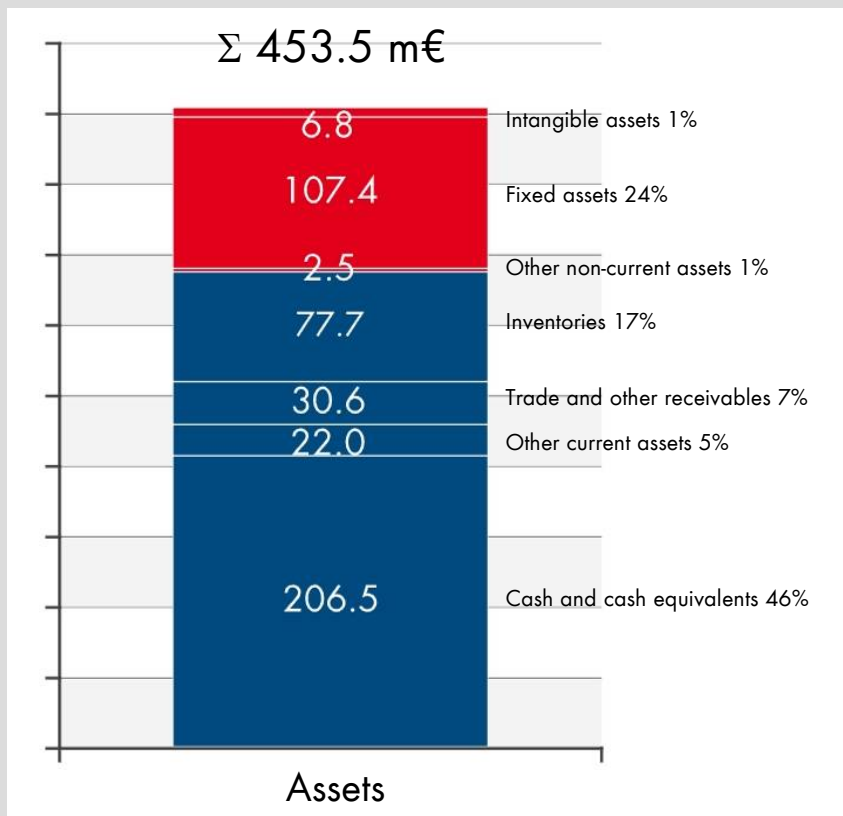
> Q1 earnings were influenced by:

- > Strong winter in Europe
- > Difficulties to obtain financing for large scale PV-projects
- > Shift in product mix towards smaller Sunny Boy inverters
- > Ramp-up of new factory in Kassel (which has been completed in April)

● Q1 2008    ● Q1 2009



## SMA has a cash position of 222 m€

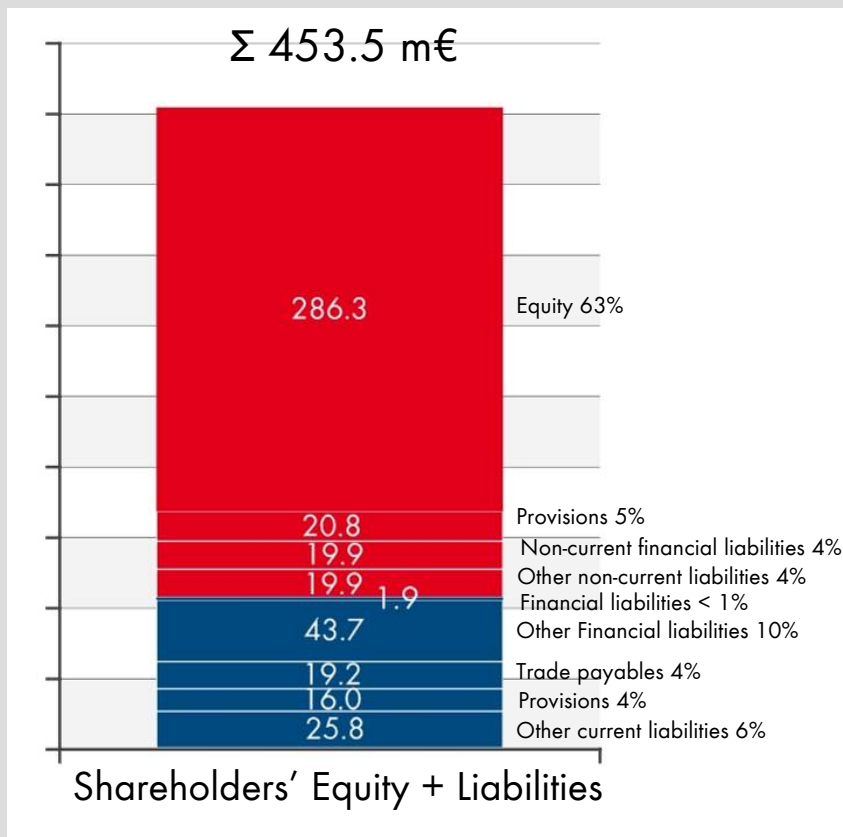


- > Fixed assets are lands, buildings, technical equipment and office equipment
- > 57% of inventories are raw materials and 30% finished goods
- > Other current assets include government and treasury bonds. All bonds have a duration of less than 6 months

▶▶ SMA's business model is not capital-intensive (CapEx Q1 2009: 17.5 m€)



## SMA proposes a dividend of EUR 1.00 per share for 2008

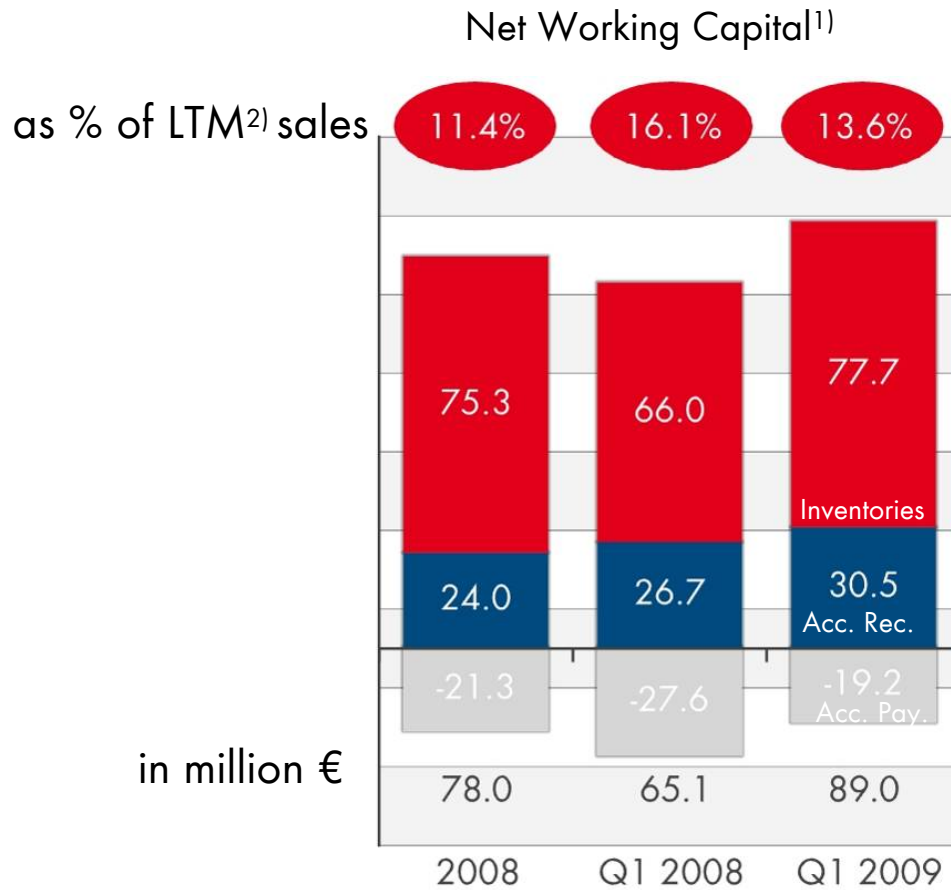


- > Equity includes 34.7 m€ proposed dividend payment
- > Provisions mainly include provisions for warranty claims
- > Non-current financial liabilities are long-term lease obligations
- > Other non-current liabilities mainly include accruals for extended warranties
- > Financial liabilities include personnel related claims and short term lease obligations

▶▶ Very solid balance sheet structure



# Net Working Capital is under control



1) Working Capital = Inventory + Accounts Receivable - Accounts Payable  
 2) Last Twelve Months (LTM)



SMA will pursue its successful strategy

**Technology leadership**

5 – 6 new products per year

**Flexibility**

Enables to optimize NWC ratio and to deliver within only 2-3 weeks

**Dedicated global sales and service team**

Best positioned in future growth markets

**Low capital intensity and high profits**

High Return on Capital Employed





Visit our IR website <http://www.ir.sma.de>

> Financial Calender

- > June 10, 2009: Annual General Meeting (Kongress Palais/Kassel)
- > August 14, 2009: Publication of Half-Yearly Financial Report (Jan.-July 2009)
- > November 13, 2009: Publication of Quarterly Financial Report (Jan.-Sept. 2009)

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