



SMA Solar Technology AG  
Analyst Presentation  
Ad-hoc-Announcement

February 23, 2010





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# 1. Executive Summary





## Further growth expected after another record year

- > 2009 most successful year in SMA's history
- > Sales increased up to c. 934 m€ and exceed management guidance<sup>1)</sup>
- > EBIT-margin of c. 24.4 % at previous year's level<sup>2)</sup>
- > 3.4 GW sold inverter power due to SMA's unique flexibility
- > Market share estimated to be over 40 %<sup>3)</sup>
- > Transitional expansion of Managing Board by Uwe Hertel (Production) and Jürgen Dolle (Human Resources)
- > Expansion of Supervisory Board to 12 members due to higher number of employees (§ 97 Aktiengesetz)
  
- ▶▶ SMA expects sales of 1.1 to 1.3 bn€ and an EBIT-margin between 20 % and 23 % in 2010

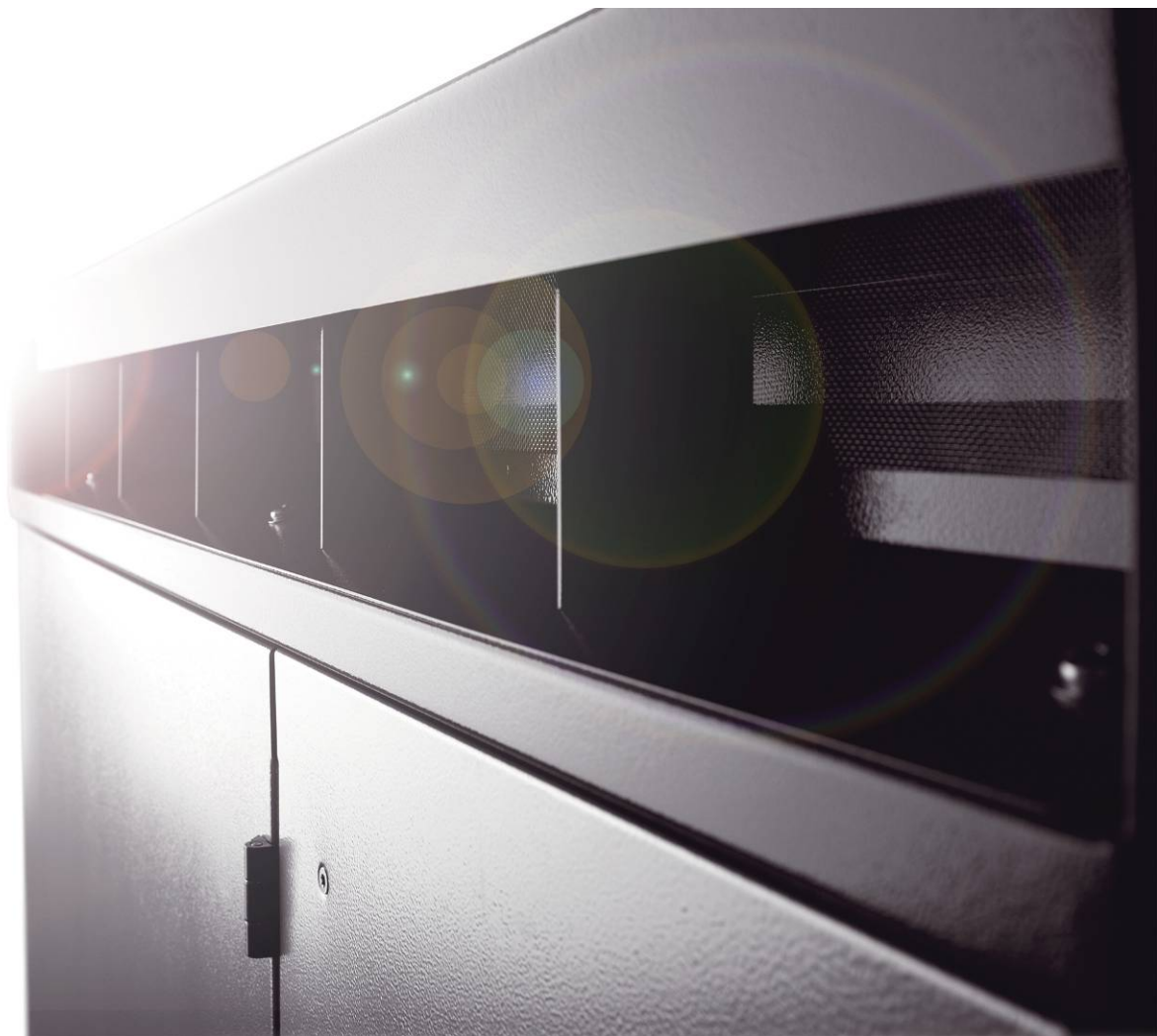
(1) SMA's guidance (November 12, 2009): Sales of 850 to 900 m€, EBIT-margin 23 - 25 %

(2) EBIT-Margin 2008: 24,6 %

(3) SMA market share 2008: 38 %

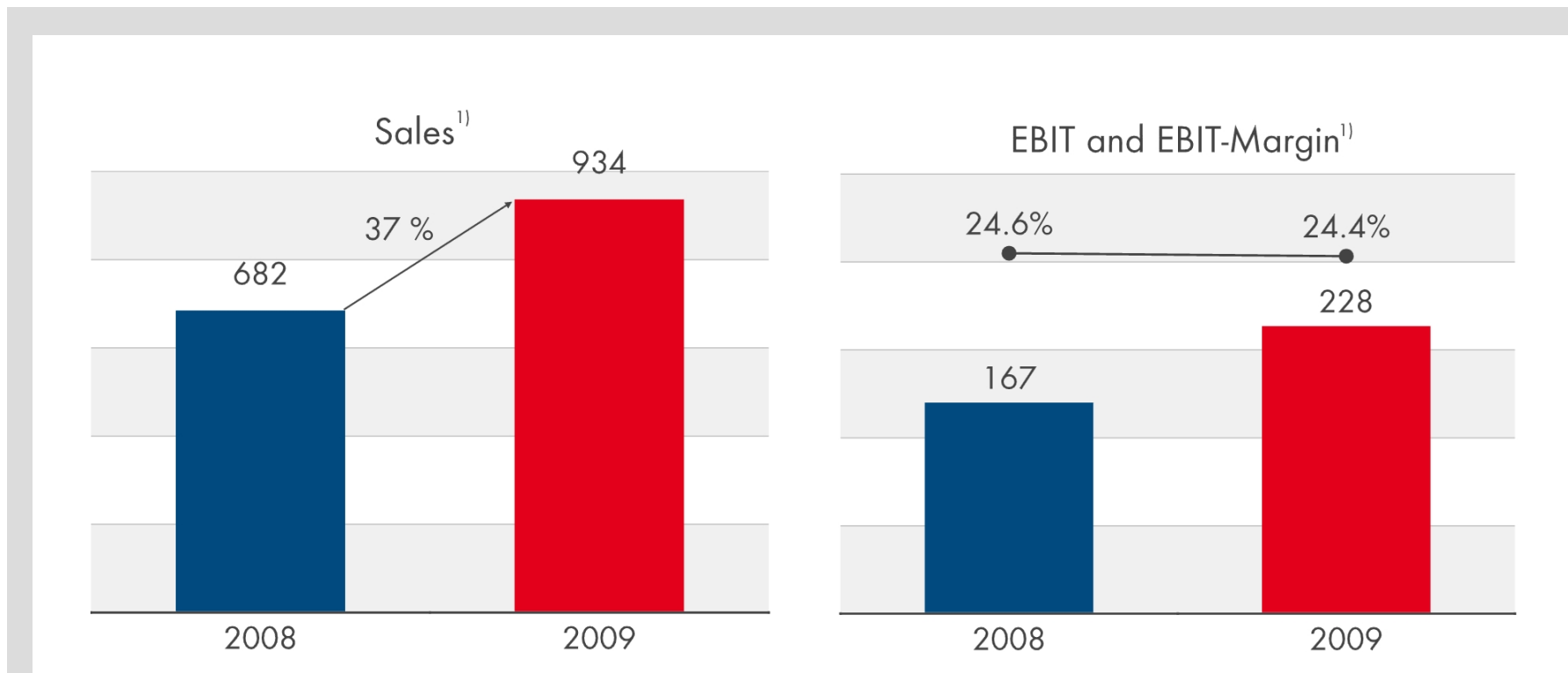


## 2. Preliminary Financials 2009





## Sales and earnings 2009 exceed management guidance



▶ SMA sold 3.4 GW inverter output in 2009, thereof 40 % in the fourth quarter alone

(1) Preliminary figures in million Euro



### 3. Market Outlook 2010





## SMA expects a market growth in 2010

Markets	Estimated Vol. 2009 in MW <sup>(1)</sup>	Estimated Market Growth 2010 <sup>(1)</sup>
Germany	>3,000	↗
North America	650	↑
Italy	500	↑
France	400	↑
Czech Republic	400	↑
Rest of World	2,050	↗
<b>Total</b>	<b>&gt;7,000</b>	↗

▶▶ Germany will remain the largest PV-market in 2010

(1) SMA estimates



## Currently, SMA enhances its production capacities in Kassel and Denver



- > Ramp-up to capacity of c. 10 GW p.a. in Kassel is on track
  - > SMA currently experiences restraints from severe bottlenecks in supply of electronic components
  - > US-facility with initial capacity of 1 GW will start its production mid-2010
- 
- ▶▶ Provided that the supply situation improves, SMA strives to return to normal delivery times of 3 – 4 weeks as soon as possible



## SMA anticipates sales growth of more than 30 %

- > PV-market will experience strong growth in 2010
  - > Management expects to maintain market share above 40 %
  - > Sales between 1.1 and 1.3 bn€ expected
  - > Higher intensity of competition worldwide and significant cuts in German feed-in-tariff will strengthen price pressure
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- ▶▶ Slight decrease of EBIT-margins down to 20 % - 23 % expected



#### 4. Expansion of Managing Board and Supervisory Board



## Supervisory Board decides on transitional expansion of Managing Board



- > As already communicated in February 2009, Günther Cramer and Peter Drews will run for Supervisory Board after expiry of their contracts mid-2011
- > The temporary expansion of the Managing Board assures a smooth transfer of responsibilities
- > Uwe Hertel and Jürgen Dolle are appointed to the Managing Board as of April 1, 2010
  
- ▶▶ The founders Günther Cramer and Peter Drews will accompany the transition process until the final handover of responsibilities



## Peter Drews becomes Chief Product Officer (CPO)

- > Systematic product cost reduction is of great importance for further expansion of market position
  - > For a one-year-period, SMA establishes an additional position on the Managing Board for this top priority task
  - > Peter Drews will fill this position as „Chief Product Officer“ (CPO)
  - > He will further develop SMA's holistic approach to strategic cost reduction by continuous innovation
  - > This approach includes technology, material, production and reliability likewise
- 
- ▶▶ Peter Drews will develop and implement a cross-functional strategy to reduce product costs



## Uwe Hertel, Chief Operating Officer (COO)

### > Professional experience:

- Almost 20 years with SMA in executive positions
- Since 2004: Vice President Production

### > Track record:

- Implementation of "SMARt flow"-concept
- Establishment and commissioning of CO2-neutral production facility and US-production site in Denver
- Upgrading of electronics manufacturing to large-series-production



Dipl.-Ing. Uwe Hertel  
(Year of birth: 1960)

▶▶ Uwe Hertel will focus on the ramp-up of SMA's production capacities



## Jürgen Dolle, Chief Human Resources Officer (CHRO)

- > Professional experience:
  - 28 years in several organisations, thereof 24 years in executive positions
  - Since 2001: Vice President Human Resources at SMA
- > Track record:
  - Fast expansion of SMA workforce
  - Flexibility concepts for employee deployment in production
  - Successful positioning of SMA as an attractive employer
  - High identification and motivation through consistent implementation of SMA's corporate culture
  - Implementation of further education system meeting demands



Dipl.-Soz.Päd. Jürgen Dolle  
(Year of Birth: 1954)

▶▶ Jürgen Dolle will also act as labor director

## Transitional board expansion ensures optimal transfer of responsibilities



> New Managing Board structure comes into effect on April 1, 2010:

<u>Board Member</u>	<u>Responsibility</u>	<u>Contract duration</u>
- Günther Cramer	Strategy (CEO)	08/2011
- Jürgen Dolle	Human Resources (CHRO)	04/2015
- Peter Drews	Product Price Reduction (CPO)	08/2011
- Roland Grebe	Development (CTO)	06/2014
- Uwe Hertel	Production (COO)	04/2015
- Pierre-Pascal Urbon	Finance & Investor Relations (CFO) <sup>1)</sup>	09/2012
- Marko Werner	Sales & Marketing (CMO)	06/2014

▶▶ Günther Cramer and Peter Drews will run for Supervisory Board after expiry of their contracts

(1) Günther Cramer has taken over Pierre-Pascal Urbon's responsibilities until further notice



## Expansion of Supervisory Board necessary due to strong increase in number of employees



- > SMA's number of employees stands at more than 4,000 (incl. temporary employees)
- > Supervisory Board needs to be expanded to 12 members pursuant to §97 Aktiengesetz<sup>1)</sup>
- > Composition of the Board will be on parity basis
- > 6 employee representatives, 6 shareholder representatives

▶▶ All current shareholder representatives have shown their will to stand for election again at the AGM

(1) German Stock Corporation Act



## 5. Strategy





## SMA will pursue its successful strategy

### Technology leadership

5 to 6 new products per year

### Flexibility

(more than 1:4 from Q1 to Q4 2009)  
Enables to quickly adjust to high market volatility

### Dedicated global sales and service team

Best positioned in 12 countries on 4 continents

### Low capital intensity and high profits

High Return on Capital Employed

**SMA strives to maintain  
market share above 40 %**





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

> Financial Calender

- > March 10 - 11, 2010: Commerzbank Growth & Responsibility Conference
- > March 31, 2010: Publication of Annual Report SMA Group 2009 and of Individual Financial Statement SMA AG 2009

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