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Volume and Sales Growth in H1/2018

Financial Highlights H1/2018

Top Line

- SMA increased volume to >4 GW (+12% y/y) and sales to €395m (+ 4% y/y)
- Sales growth mainly driven by positive development in EMEA and APAC
  - SMA America increased sales in Residential only

Profitability, Bankability

- EBITDA increased by 40% to €41m in H1/18 compared to H1/17; both reporting periods were impacted by positive net effects
- H1/18 gross margin of 25%, new products only partly reflected
- Rock solid balance sheet structure with >50% equity ratio, c. €400m net cash and €100m long-term credit facility

Outlook 2018

- Market outlook adjusted mainly due to China’s feed-in tariff suspensions:
  In 2018, we expect global new PV installations of 83 GW, thereof 25 GW in China (previously: 109 GW / 50 GW) and global addressable market of €6.1bn, thereof €0.8bn in China (previously: €7.0bn / €1.4bn)
- Management confirms guidance with sales of €900m to €1,000m and EBITDA of €90m to €110m

The Managing Board confirms 2018 guidance.

1. H1/18 net EBITDA effect of €8m: release of general warranty provision + €33m, devaluation of inventories - €14m and - €11m for single warranty provisions; H1/17 included the book gain from the sale of the Railway division (high single-digit €m-amount)

Strategic Highlights

New subsidiary

New products

Awards

Sunny Central Storage
Intersolar 2018
ennexOS
Intersolar 2018
H1/2018 EBITDA is Affected by Adjustments of Warranty Provisions and Devaluation of Inventories with a Net Impact of +€8 Million

Key Financials (in € million)

<table>
<thead>
<tr>
<th></th>
<th>H1/17</th>
<th>H1/18</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>MW sold</td>
<td>3,830</td>
<td>4,305</td>
<td>12%</td>
</tr>
<tr>
<td>Sales</td>
<td>381</td>
<td>395</td>
<td>4%</td>
</tr>
<tr>
<td>Residential</td>
<td>106</td>
<td>83</td>
<td>-22%</td>
</tr>
<tr>
<td>Commercial</td>
<td>125</td>
<td>132</td>
<td>6%</td>
</tr>
<tr>
<td>Utility</td>
<td>122</td>
<td>151</td>
<td>23%</td>
</tr>
<tr>
<td>Storage</td>
<td>28</td>
<td>29</td>
<td>4%</td>
</tr>
<tr>
<td>Digital Energy</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Gross Margin (in %)</td>
<td>19%</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>29</td>
<td>41</td>
<td>40%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>27</td>
<td>26</td>
<td>-1%</td>
</tr>
<tr>
<td>EBIT</td>
<td>3</td>
<td>15</td>
<td>n.m.</td>
</tr>
<tr>
<td>Net income</td>
<td>9</td>
<td>11</td>
<td>27%</td>
</tr>
<tr>
<td>Free Cash Flow (adj.)</td>
<td>26</td>
<td>-44</td>
<td></td>
</tr>
<tr>
<td>Net CapEx (incl. R&amp;D)</td>
<td>13</td>
<td>17</td>
<td>27%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2017/12/31</th>
<th>2018/06/30</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash</td>
<td>450</td>
<td>393</td>
<td>-13%</td>
</tr>
<tr>
<td>Total assets</td>
<td>1,216</td>
<td>1,159</td>
<td>-5%</td>
</tr>
<tr>
<td>NWC ratio (in %)²</td>
<td>19%</td>
<td>21%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2017/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3</td>
<td>211</td>
</tr>
<tr>
<td>Q4</td>
<td>299</td>
</tr>
<tr>
<td>Q1</td>
<td>183</td>
</tr>
<tr>
<td>Q2</td>
<td>212</td>
</tr>
</tbody>
</table>

1. H1/18 net EBITDA effect of €8m: release of general warranty provision + €33m, devaluation of inventories - €14m and - €11m for single warranty provisions; H1/17 included the book gain from the sale of the Railway division (high single-digit €m-amount)

2. NWC ratio as of 2018 reporting includes advanced payments; the year end figure 2017 has been adjusted accordingly (see back up slide for more details); Net Working Capital ratio: inventory + trade receivables - trade payables (advanced payments included), as of last twelve months sales
GLOBAL MARKET OUTLOOK REDUCED MAINLY DUE TO SUDDEN REGULATORY CHANGES IN CHINA

SMA EXPECTS MARKET CONSOLIDATION OF INVERTER MANUFACTURERS TO ACCELERATE

O&M AND ENERGY MANAGEMENT BECOMES MORE IMPORTANT IN LIGHT OF DECLINING EQUIPMENT PRICES
Global Outlook Reduced by Cumulated 89 GW Until 2020, Mainly in China due to FIT Cut Announcement of Government

Core Business: PV Installations (GWdc)\(^1\)

**REGIONS**

<table>
<thead>
<tr>
<th>Regions</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>53</td>
<td>25</td>
<td>21</td>
<td>21</td>
</tr>
<tr>
<td>APAC</td>
<td>21</td>
<td>26</td>
<td>30</td>
<td>26</td>
</tr>
<tr>
<td>AMER</td>
<td>15</td>
<td>16</td>
<td>22</td>
<td>23</td>
</tr>
<tr>
<td>EMEA</td>
<td>13</td>
<td>16</td>
<td>19</td>
<td>23</td>
</tr>
</tbody>
</table>

Former market outlook: 102

**SEGMENETS**

<table>
<thead>
<tr>
<th>Segments</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utility</td>
<td>65</td>
<td>48</td>
<td>53</td>
<td>64</td>
</tr>
<tr>
<td>Commercial</td>
<td>26</td>
<td>23</td>
<td>25</td>
<td>28</td>
</tr>
<tr>
<td>Residential</td>
<td>11</td>
<td>12</td>
<td>14</td>
<td>11</td>
</tr>
</tbody>
</table>

Market Trends

The volume growth in the EMEA, APAC (w/o China) and Americas regions is expected to continue. Growth rates are between 25% and 15% p.a.

China is expected to decrease strongly due to sudden NEA announcement on FIT cut for all segments except poverty alleviation and top runner program. Market impact is expected to be mainly local. Especially small, domestically operating Chinese players are expected to disappear.

The utility and commercial segments account for >85% of total volume. Strong growth +14% p.a. expected until 2020 after drop in 2018.

Growth in mature markets is driven by the competitive costs of solar power and significant battery penetration for self-consumption.

Effective programs drive fast growth from a small base in many countries (e.g. Indonesia, Vietnam) or help to reach ambitious political targets (e.g. India).

New growth regions\(^2\) become relevant in the near future.

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1. SMA Market Model Q3 2018; New PV installations, Res ≤10kW plants, Com >10kW to 1MW plants, Uti >1MW plants
2. E.g. Middle East, South America, South East Asia
China Volume Correction and Strong Price Decline Leads to a Value Decline of -7% p.a. Until 2020

Core business: PV Inverter Revenue (€ bn)¹

<table>
<thead>
<tr>
<th>REGIONS in € bn</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>4.7</td>
<td>4.0</td>
<td>3.9</td>
<td>3.8</td>
</tr>
<tr>
<td>APAC</td>
<td>1.5</td>
<td>0.8</td>
<td>0.6</td>
<td>0.3</td>
</tr>
<tr>
<td>AMER</td>
<td>0.9</td>
<td>1.3</td>
<td>1.3</td>
<td>1.2</td>
</tr>
<tr>
<td>EMEA</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
<td>1.1</td>
</tr>
</tbody>
</table>

-7% p.a.

<table>
<thead>
<tr>
<th>SEGMENTS in € bn</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utility</td>
<td>2.0</td>
<td>1.6</td>
<td>1.6</td>
<td>1.7</td>
</tr>
<tr>
<td>Commercial</td>
<td>1.4</td>
<td>1.2</td>
<td>1.1</td>
<td>1.1</td>
</tr>
<tr>
<td>Residential</td>
<td>1.3</td>
<td>1.2</td>
<td>1.2</td>
<td>1.0</td>
</tr>
</tbody>
</table>

Former market outlook | 4.7 | 4.8 | 5.1 | 5.4 |

Market Trends

During the last 12 months PPA²-prices for large ground-mounted PV projects declined by more than 30% below 20 USD/MWh.

Standstill of Residential PV after the 5/31 announcement in China. FIT cuts in China will most likely lead to accelerated price pressure in international markets.

Projects compete on the cost of energy independent from the technology.³ Key success factors for ground-mounted projects are the right market focus and cost-competitiveness over lifetime.

In contrast, rooftop projects compete for the best site. Key success factors are the right segment focus, the technical know-how to integrate the solution and the brand.

The stabilization of prices is expected towards 2020.

¹ SMA Market Model Q3 2018; PV Inverter incl. new and repowering installations, Res ≤10kW plants, Com >10kW to 1MW plants, Uti >1MW plants
² Power Purchase Agreement
³ Wind, PV, Gas
The megatrends decarbonization, technical cost decrease, sector convergence and digitalization will lead to a higher share of renewable energy and its growth.

- The need for digital solutions and battery storage will create new value pools.
- PV-inverters will serve as the backbone for smart grids solutions connecting the components and collecting data.
- The traditional PV market is expected to grow outside China in volume until 2020. The stabilization of price pressure is expected towards 2020.
- O&M services gain importance with continuously declining equipment prices and are key for sustainable PV investments.

The China announcement changed the PV market landscape. Going forward, SMA expects market consolidation of inverter manufacturers to accelerate.

1. Full O&M
2. SMA Market Model Q3 2018
SMA WILL LAUNCH COST IMPROVED PRODUCTS IN ALL SEGMENTS IN THE NEXT 6 TO 12 MONTHS

WITH THE NEW PRODUCT PORTFOLIO, SMA REMAINS COMPETITIVE IN A DYNAMIC MARKET ENVIRONMENT

SMA’S PATENTS AND TRADEMARKS PROTECT OUR BROAD INNOVATIONS UNMATCHED IN THE PV INDUSTRY
SMA Will Launch Cost Improved Products in All Segments in the Next 6 to 12 Months

With the new product portfolio, SMA remains competitive in a dynamic market environment.
SMA Residential Improves Cost Competitiveness with a new 3-Phase Inverter in H2/2018

New Sunny Tripower decentral Power Plant design

- Start of delivery: H2/2018
- Power classes: 3.0 – 6.0 kW
- Cost reduction: > - 25%

Easier- Higher Yields– More Convenient

- Increased functionality reduces BOS1- cost up to 1.5%
- 30% faster installation
- >60% lower service costs through smart connected

Increasing Customer Value

Smart Connected
- Automatic replacement service for more convenience

Sunny Portal
- Comfortable PV system monitoring

Sunny Design
- Plant design, simulation and analysis

SMA Repowering
- New products and tools for growing repowering market

Sunny Boy Storage
- H2/2018
- 3.7-6.0 kW

In medium-sized PV plants, battery size doesn’t equal PV output. Therefore, SMA’s solution offers customers more flexibility.

1. BoS: Balance of System
2. CCA: Cloud Connect Advanced
SMA’s Awarded Inverter CORE1 for Commercial PV Plants will be Fully Ramped Up in H2/2018

**H2/18 Commercial Product Release**

**Sunny Tripower Core 1**
- Start of delivery: Q3/2017
- Fully ramped up in Q3/2018
- New product release: Q4/2018
- Power class: 62.5 kW
- Cost reduction: - 20%

**Stands on its Own**
- 6 MPP trackers make MPLE technology redundant
- Ease of installation: 60% faster
- NEC 2017 compliant

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**Increasing Customer Value and create new business models**

### Sunny Tripower Storage
- H2/2018
- 60 kW

### ennexOS
- Energy Next Operating System – SMA’s new cross sector IoT platform for energy management

### New subsidiary
- Providing energy-related services for private and commercial customers

### Direct Selling
- All necessary interfaces for direct marketing

---

SMA does not only provide hardware. With SMA ennexOS and SMA Spot we enter into higher margin segments.

1. Energy cost savings
New Products for Decentralized and Centralized Power Plant Design in H2/2018

**Sunny Highpower PEAK1**
- Start of delivery: H2/2018
- Power class: 75 kW
- Cost reduction: > - 25%

**Sunny Highpower PEAK3 (2019)**
- 75 kW, 1,000 V
- 150 kW, 1,500 V

**SMA Medium Voltage Turnkey Station, 6MW**
- Start of delivery: H2/2018
- Power class: 6 MW
- LTM¹ Power Up of +20%

**Centralized Power Plant Design**
- 6 MW, 1,500 V (H2/2018)

**Decentralized Power Plant Design**
- 75 kW, 1,000 V
- 150 kW, 1,500 V

**Increasing Customer Value**
- SMA Repowering
  - Repowering Market Potential until 2020: >+40%
- Availability guarantees
  - SMA Utility provides 99.9+% uptime
- Response time guarantees
  - SMA uses the most up-to-date technology for 24/7 real time monitoring
- O&M services
  - #5 O&M provider
  - >3GW O&M under contract

---

º SMA has the competency and tools to conduct grid studies in order to speed up the commissioning process.

¹ LTM= Last Twelve Months
SMA’s Patents and Trademarks Protect our Broad Innovations Unmatched in the PV Industry

**Smart Module Technology**

- SMA has the Exclusive Rights to Market and Sell Tigo’s Retrofit Products\(^1\) to participate in the expanding Module Level Electronics Market\(^2\).
- Only SMA can retrofit any standard PV Module with smart electronics.
- In combination with our advanced inverters, our Power+ offering complies with the new US National Electrical Code (NEC 2014 & 2017) rapid shutdown requirements, which will become mandatory for PV plants in the US in January 2019.
- SMA owns the right to acquire Tigo’s remaining shares in preference to any other interested party as it holds a right of first refusal.

**License income 2018:**
€0.5 million

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\(^1\) TS-4-R until Q1/2019
\(^2\) In 2016 SMA acquired a 28% stake in Tigo Energy

\(\Rightarrow\) SMA has global exclusivity for Tigo products\(^1\) and has a first right of refusal in case a strategic/financial investor intends to buy Tigo Energy.
SMA GENERATED SALES OF €395M AND AN EBITDA OF > €40M

EBITDA IS AFFECTED BY ADJUSTMENTS OF WARRANTY PROVISIONS AND DEVALUATION OF INVENTORIES (NET EFFECT + €8M)

GUIDANCE 2018 CONFIRMED
Sales Growth in H1/2018 Mainly Driven by Positive Development in EMEA and APAC

Sales by Segment¹
(in € million)

- **Residential**
  - H1/17: 75
  - H1/18: 83
  - New Segment information according to IFRS 15 shows sales with external services per segment. Thereby, External Services are unlike the former Service segment and include commissioning, extended warranties, service and maintenance contracts, operational management, remote system monitoring and digital energy services. External Product Sales include inverters, storage systems, communication products, spare parts and accessories. See back up for further information.

- **Commercial**
  - H1/17: 129
  - H1/18: 132

- **Utility**
  - H1/17: 133
  - H1/18: 151

- **Storage**
  - H1/17: 28
  - H1/18: 29

U.S. market remains below expectations in the commercial and utility segments.

1. w/o Digital Energy
2. New Segment information according to IFRS 15 shows sales with external services per segment. Thereby, External Services are unlike the former Service segment and include commissioning, extended warranties, service and maintenance contracts, operational management, remote system monitoring and digital energy services. External Product Sales include inverters, storage systems, communication products, spare parts and accessories. See back up for further information.
EBITDA is Affected by Adjustments of Warranty Provisions and Devaluation of Inventories with a net Impact of +€8 m

EBITDA (in € million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Margin</th>
<th>Depreciation/Amortization</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>11%</td>
<td>-53</td>
</tr>
<tr>
<td>H1/2017</td>
<td>8%</td>
<td>-27</td>
</tr>
<tr>
<td>H1/2018</td>
<td>10%</td>
<td>-26</td>
</tr>
</tbody>
</table>

EBIT by Segment (in % of Sales)

- Residential: -4% (19%)
- Commercial: 0% (16%)
- Utility: -12% (2%)
- Storage: -3% (1%)

EBITDA of H1/17 included the book gain from the sale of the Railway division (high single-digit €m-amount)

1. H1/18 net EBITDA effect of €8m: release of general warranty provision + €33m, devaluation of inventories - €14m and - €11m for single warranty provisions
2. w/o Digital Energy
Strong Balance Sheet with equity ratio of > 50% - Provisions Declined Significantly due to Adjustment of Warranty Provisions

**Net Working Capital** (in € million)

<table>
<thead>
<tr>
<th>NWC ratio¹</th>
<th>19%</th>
<th>21%</th>
</tr>
</thead>
<tbody>
<tr>
<td>168</td>
<td>160</td>
<td>168</td>
</tr>
<tr>
<td><img src="images/160.png" alt="" /> Raw materials and consumables</td>
<td><img src="images/64.png" alt="" /> Raw materials and consumables</td>
<td><img src="images/73.png" alt="" /> Raw materials and consumables</td>
</tr>
<tr>
<td><img src="images/13.png" alt="" /> Finished goods</td>
<td><img src="images/13.png" alt="" /> Finished goods</td>
<td><img src="images/18.png" alt="" /> Finished goods</td>
</tr>
<tr>
<td><img src="images/88.png" alt="" /> Unfinished goods</td>
<td><img src="images/88.png" alt="" /> Unfinished goods</td>
<td><img src="images/115.png" alt="" /> Unfinished goods</td>
</tr>
</tbody>
</table>

Dec. 31, 2017 (adjusted)² | June 30, 2018

**Group Balance Sheet, reclassified** (in € million)

<table>
<thead>
<tr>
<th></th>
<th>2017/12/31</th>
<th>2018/06/30</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current assets</td>
<td>358</td>
<td>347</td>
<td>-3%</td>
</tr>
<tr>
<td>Working capital</td>
<td>325</td>
<td>336</td>
<td>4%</td>
</tr>
<tr>
<td>Other assets</td>
<td>63</td>
<td>63</td>
<td>0%</td>
</tr>
<tr>
<td>Total cash</td>
<td>470</td>
<td>413</td>
<td>-12%</td>
</tr>
<tr>
<td>Shareholder’s equity</td>
<td>612</td>
<td>611</td>
<td>0%</td>
</tr>
<tr>
<td>Provisions³</td>
<td>156</td>
<td>124</td>
<td>-20%</td>
</tr>
<tr>
<td>Trade payables</td>
<td>130</td>
<td>130</td>
<td>0%</td>
</tr>
<tr>
<td>Financial liabilities⁴</td>
<td>20</td>
<td>19</td>
<td>-6%</td>
</tr>
<tr>
<td>Other liabilities³</td>
<td>298</td>
<td>275</td>
<td>-8%</td>
</tr>
<tr>
<td>Total</td>
<td>1,216</td>
<td>1,159</td>
<td>-5%</td>
</tr>
</tbody>
</table>

Net Working capital increased due to a build-up in inventories to ensure the ability to deliver in the Residential and Commercial segments.

1. Net Working Capital ratio: inventory + trade receivables - trade payables [advanced payments included]; as of last twelve months sales
2. NWC ratio as of 2018 reporting includes advanced payments; the year end figure 2017 has been adjusted accordingly (see back up for further information)
3. Not interest-bearing
4. w/o not interest bearing derivatives: € 2.5m (2017: € 0.4m)
Cash Flow from Operating Activities Lower than Previous Year
Mainly due to Tax Payments and Higher Inventories

Cash Flow (in € million)

<table>
<thead>
<tr>
<th></th>
<th>H1/2017</th>
<th>H1/2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income</td>
<td>9</td>
<td>11</td>
<td>24%</td>
</tr>
<tr>
<td>Gross Cash Flow</td>
<td>22</td>
<td>3</td>
<td>-87%</td>
</tr>
<tr>
<td>Cash Flow from Operating Activities</td>
<td>39</td>
<td>-27</td>
<td>n.m.</td>
</tr>
<tr>
<td>Net Capex¹</td>
<td>-13</td>
<td>-17</td>
<td>27%</td>
</tr>
<tr>
<td>Free Cash Flow (Adj.)</td>
<td>26</td>
<td>-44</td>
<td>n.m.</td>
</tr>
<tr>
<td>Net Investments from Securities and Other Financial Assets</td>
<td>-50</td>
<td>-6</td>
<td>-87%</td>
</tr>
<tr>
<td>Acquisitions/ Divestitures</td>
<td>17</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Free Cash Flow (IFRS)</td>
<td>-7</td>
<td>-51</td>
<td>n.m.</td>
</tr>
</tbody>
</table>

SMA’s business is not capital intense. SMA will generate a positive Free Cash Flow in 2018 due to a stronger second half of 2018.

1. Thereof R&D capitalization: H1/2018: €10m (H1/2017: €8m)
2. Income tax paid: H1/2018: - €20m; H1/2017: + €4m; change in inventories H1/2018: - €55m, H1/2017: - €16m
The order backlog is expected to remain on the same level or increase slightly in the months to come.

1. Thereof €187m for products
2. w/o „Service”
3. Order backlog attributable to the former segment „Service“, which will be recognized over a period of 5 to 10 years
Guidance 2018 confirmed - Management Estimates Moderate Sales and Earnings Increase despite Headwinds

### Guidance 2018 (in € million)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>891</td>
<td>900-1,000</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td></td>
<td>90-110</td>
</tr>
<tr>
<td></td>
<td>97</td>
<td></td>
</tr>
</tbody>
</table>

### Management Comment

- SMA plans to increase market share, mainly in APAC (China, Japan, Australia).
- Strong sales growth in Commercial due to new products and less supply constraints.
- Supply constraints impacted SMA’s business in H1/2018, but will have only a small impact in H2/2018.
- Energy Management and digital solution business will only have limited sales contribution.
- Price pressure in Utility remains high. Higher price reductions than initially expected in Residential and Commercial.
- Acquisitions in the fields of energy management technology and O&M (total volume €50-100 m) possible.

### New products and improved capability to deliver will result in a stronger second half of 2018.

1. As of 2018, the net working capital ratio includes advanced payments: inventory + trade receivables-trade payables (incl. advanced payments), as of LTM.
2. Incl. c. €20m for R&D.
SMA is a Leading player for PV Inverters, Storage and O&M

Investment
Highlights

Uniquely positioned in the solar market / best brand

- A leading global specialist for photovoltaics system technology with 65 GW installed base
- Complete portfolio to serve all PV segments
- 20 subsidiaries with strong service capabilities and access to all channels
- Award-winning 20 GW production to achieve scale

Leverage PV expertise to enter into high margin business

- Strong partnerships to create a new ecosystem
- Know-how & products to benefit from strong growth in the field of battery storage
- With ennexOS¹, SMA has set the basis to manage the complexity of integrated solutions
- Infrastructure to expand into data-driven business models and services

Key Financials
2018

Sales
€ 900 m - € 1,000 m

EBITDA
€ 90 m - € 110 m

Key Product
Innovation 2018

SMA has an experienced management team with a proven track record.

¹. SMA’s Energy Management Platform
For 2018, SMA has Changed its Calculation Method for Net Working Capital

Net Working Capital Calculation Changes

<table>
<thead>
<tr>
<th></th>
<th>NWC ratio</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Dec. 31, 2017 (as reported)</td>
<td>Dec. 31, 2017 (Restated)</td>
</tr>
<tr>
<td></td>
<td>22%</td>
<td>195</td>
<td>168</td>
</tr>
<tr>
<td></td>
<td></td>
<td>160</td>
<td>160</td>
</tr>
<tr>
<td></td>
<td></td>
<td>64</td>
<td>64</td>
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<td></td>
<td></td>
<td>13</td>
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<tr>
<td></td>
<td></td>
<td>88</td>
<td>88</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-130</td>
<td>-130</td>
</tr>
</tbody>
</table>

Net Working Capital Restatement

- As of 2018, the net working capital ratio includes advanced payments from customers
- \( \text{NWC} = \text{trade receivables} + \text{inventories} - \text{trade payables} - \text{liabilities from advanced payments from customers} \)

1. Net Working Capital ratio as of 2018: inventory + trade receivables-trade payables (advanced payments included), as of last twelve months sale
For 2018, SMA has Changed its Segment Information - it now Includes Details on External Product and Services Sales (IFRS 15)

Changes in Segment Information

<table>
<thead>
<tr>
<th>2017 Segment Information</th>
<th>2018 Segment Information</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Product BU Sales</strong></td>
<td><strong>External Product Sales</strong></td>
</tr>
<tr>
<td>(RES, COM, UT, Other)</td>
<td>- Inverters (new)</td>
</tr>
<tr>
<td></td>
<td>- Storage systems</td>
</tr>
<tr>
<td></td>
<td>- Communication products</td>
</tr>
<tr>
<td></td>
<td>- Accessories</td>
</tr>
<tr>
<td><strong>External Product Sales</strong></td>
<td>- Inverters (replacements)</td>
</tr>
<tr>
<td></td>
<td>- Service / O&amp;M contracts</td>
</tr>
<tr>
<td></td>
<td>- Warranty extensions</td>
</tr>
<tr>
<td></td>
<td>- Commissioning / Implementing</td>
</tr>
<tr>
<td></td>
<td>- Operational management &amp; monitoring</td>
</tr>
</tbody>
</table>

**External Services Sales**

- Service BU Sales
- External Product Sales
- External Services Sales

1. Please note: Service BU is not the same as external Services sales (per IFRS)
2. See Quarterly Financial Statement January to March 2018, page 20, Segment Information