SMA SOLAR TECHNOLOGY AG

11th Capital Markets Day

Presented by: Jürgen Reinert (CEO) and Ulrich Hadding (CFO)

January 25, 2019
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11th Capital Markets Day, 2019
11th Capital Markets Day Agenda

1. Review 2018
   Ulrich Hadding (CFO)

2. Market & Competition
   Jürgen Reinert (CEO)

3. Restructuring 2019
   Jürgen Reinert (CEO) and Ulrich Hadding (CFO)

4. SMA’s Global Presence
   John Susa (EVP Global Sales & Service)

5. Technology & Portfolio
   Jürgen Reinert (CEO)

6. Financials & Guidance
   Ulrich Hadding (CFO)
1. Review 2018

Presented by Ulrich Hadding (CFO)
Review 2018: Sales and Earnings within Guidance; EBITDA Impacted by Net Extraordinary Effects of about €100 Million

<table>
<thead>
<tr>
<th>GW</th>
<th>Sales (in € million)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
</tr>
<tr>
<td></td>
<td>891</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Margin</th>
<th>EBITDA (in € million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>11%</td>
<td>97</td>
</tr>
<tr>
<td>n.m.</td>
<td>-67</td>
</tr>
<tr>
<td>n.m.</td>
<td></td>
</tr>
</tbody>
</table>

1. as announced November 30, 2018
2. preliminary figures
In 2018, SMA Generated new Opportunities in a Challenging Market Environment

**Challenges**
- Policy shake-up in China impacted inverter prices in H2/18
- Component shortages affected mainly the Commercial segment in H1/2018
- Limited battery availability caused storage sales that remained below expectations

**Opportunities**
- New strategic partnerships with BYD and Audi generate new opportunities in the storage and new energy sector
- Strong EMEA market favors SMA as we hold the #1 market position and have a strong repowering business
- Tap into digital business with the IoT platform ennexOS and the new subsidiary coneva, which develops new energy services
2. Market & Competition

Presented by Jürgen Reinert (CEO)
The Solar Market is set to Disrupt the Energy Sector

The sharp price decline for PV components results in competitiveness of PV with other energy sources. Beyond 2020, the price decline for solar p.a. is expected to slow down to single digit rates.

Policies, sustainability concerns and strong growth in primary energy demand drive expansion of PV capacity.

High share of renewables results in increased volatility and requires capacity balancing and optimization.
The New Energy World is Decentral

Digitalization is Key for Decentrally Controlled Grid

Yesterday

Tomorrow

- Consumer
- Prosumer
- Producer
- Home
- Business
- Generation asset (solar, biomass, wind)
- Electric vehicle (EV)
- Heat, including CHP
- Storage

1. combined heat and power

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Global PV Installations Expected to Grow in all Regions, Except China

Core Business: PV Installations

<table>
<thead>
<tr>
<th>REGIONS</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>44</td>
<td>40</td>
<td>30</td>
<td>40</td>
</tr>
<tr>
<td>APAC</td>
<td>24</td>
<td>28</td>
<td>22</td>
<td>33</td>
</tr>
<tr>
<td>AMER</td>
<td>17</td>
<td>20</td>
<td>28</td>
<td>31</td>
</tr>
<tr>
<td>EMEA</td>
<td>17</td>
<td>20</td>
<td>30</td>
<td>40</td>
</tr>
</tbody>
</table>

New installations
From 2018 on PV installations are expected to show a continuous average growth of 8% p.a.

EMEA
EMEA is most promising region with >20% annual growth. MEA\(^2\) is expected to add huge potential from 2020.

China
Chinese installations decreased by 16% in 2018. 5-Year-Plan\(^3\) ends in 2020, forecast thereafter subject to uncertainty.

Utility
Utility remains largest segment. Most promising markets are USA, Australia, Japan, India and China are largest low-cost markets.

1. SMA Market Model Q1 2019, new PV installations, Res ≤10kW plants, Com 10kW-1MW plants, Uti >1MW plants
2. Middle East and Africa region
Price Pressure will Largely Erode Growth in PV Installations

**PV Inverter Revenue**

<table>
<thead>
<tr>
<th>REGIONS</th>
<th>in € bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>1.2</td>
</tr>
<tr>
<td>APAC</td>
<td>1.1</td>
</tr>
<tr>
<td>AMER</td>
<td>1.0</td>
</tr>
<tr>
<td>EMEA</td>
<td>0.9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SEGMENTS</th>
<th>in € bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utility</td>
<td>2.1</td>
</tr>
<tr>
<td>Commercial</td>
<td>1.1</td>
</tr>
<tr>
<td>Residential</td>
<td>1.1</td>
</tr>
</tbody>
</table>

### Revenue potential
- After drop from 2017 to 2018 by ~10%, flat revenue expected until 2021. Price pressure will largely erode volume growth.

### EMEA
- Emerging PV markets in MEA\(^2\) contribute strongly to growth in EMEA, which is expected to reach 7% p.a.

### AMERICAS
- Largest country in Americas region remains the USA. Latin America gains importance with revenue growth of 14% p.a.

### Segments
- Revenue potential for each segment expected to remain rather stable, no significant shift among segments expected.

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1. SMA Market Model Q1 2019, incl. new and repowering installations, product mix in segments considered, Res ≤10kW plants, Com 10kW-1MW plants, Uti >1MW plants
2. Middle East and Africa region
Storage and Digital Energy Solutions Drive Global Market Growth

1. SMA Market Model Q1 2019
2. SMA estimate of addressable market for home and business digital energy solutions

- Power generation costs decrease, integrated energy and digitalization will lead to a higher share of renewable energy and its growth.
- The traditional PV inverter market revenue potential is expected to be stable. Digital solutions and battery storage are attractive additional value pools.
- PV inverters will serve as the backbone for smart grid solutions connecting the components and collecting data.
- Digital energy solutions gain importance for both homes and businesses, e.g. energy services for residential houses, food and non-food retail.
- O&M services remain important with continuously declining equipment prices and are key for sustainable PV investments. Service packages aim utility plants in particular and vary from full to partial.
SMA is a leading Player of PV Technology with a Market Share of 13%\textsuperscript{1} in 2018

- SMA is a leading Player of PV Technology with a Market Share of 13%\textsuperscript{1} in 2018.

**AMERICAS\textsuperscript{2}**

- SMA reached #3 in Americas by focusing on commercial and utility segments.

**EMEA\textsuperscript{2}**

- SMA continues to lead the EMEA PV inverter market.

- SMA is the only non-Chinese PV inverter supplier among top 5 in APAC.

**APAC\textsuperscript{2}**

- SMA is the only non-Chinese PV inverter supplier among top 5 in APAC.

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1. in €-terms, based on SMA Market Model Q1 2019, PV Inverters only
2. in MW-terms, based on IHS Markit Inverter Tracker Q3 2018 and SMA estimates
3. Restructuring 2019

Presented by Jürgen Reinert (CEO) and Ulrich Hadding (CFO)
With the 2019 Restructuring we Reduce our Costs by c. €40 m p.a. while Maintaining SMA’s Ability to Seize Opportunities

1. Consolidation

Production Sites
- Sale of production site, procurement and design center in China to lower fixed costs and complexity

Global Workforce
- Reduction of around 425 FTE\(^1\), thereof c. 300 in China

2. Focus

Exit from China
- Withdrawal from the Chinese market

Focus on Core Competencies
- Outsourcing and automation of activities

Optimization of Product Offering
- Reduction of product platforms
- Streamlining of product portfolio

3. Optimization

Customer Centricity & Market Focus
-Closer collaboration between sales, service and business units

Driving Future Topics
- Digitalization, repowering, storage sales, service sales and O&M

Reducing Complexity
- Automation of administrative processes and overhead reduction

\(^{1}\) Full Time Equivalent w/o temporary workers and learners

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The main Cost Reduction, the Majority of which will be Fully Effective in 2019, results from Closing SMA's Facilities in China.

SMA will optimize the utilization of the CO₂-neutral production site in Germany and close its production, procurement and development facilities in China.

**Kassel, GERMANY**
Production capacity of max. 15 GW

<table>
<thead>
<tr>
<th>Direct Labor Share</th>
<th>Large scale storage and central inverter</th>
<th>String inverter</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>c. 10%</td>
<td>c. 8%</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Permanent Employees 2018</th>
<th>Min/Max. Temporary Workers 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>470</td>
<td>30-160</td>
</tr>
</tbody>
</table>

**Zabierzów, POLAND**
Production site for chokes and transformers

<table>
<thead>
<tr>
<th></th>
<th>Permanent Employees 2018</th>
<th>Min/Max. Temporary Workers 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>220</td>
<td>50-230</td>
</tr>
</tbody>
</table>

SMA can scale its operations 1:2 according to demand within one month and 1:7 within one year.
To Return to Profitability, we must Increase our Focus on Reducing Variable Costs and Push Sales Initiatives even Further

1. **Variable Cost Reduction**
   SMA will continuously reduce manufacturing costs for existing products and launch new products with significantly lower costs.

2. **Platform Reduction**
   SMA will improve the time to market and decrease development adjustments.

3. **Strategic Partnerships**
   SMA’s strategic partnerships will help to increase the top line.

4. **Ease of Doing Business**
   SMA’s focus is to ease the job of the installer with partner programs and by offering system packages.
4. SMA’s Global Presence

Presented by John Susa, EVP Global Sales
SMA has a Specialized Sales and Service Infrastructure

**AMERICAS**
- 18 GW SMA Cum. Installed Base
- 12% SMA Market Share in MW
- 150+ Sales & Service Experts

**EMEA**
- 40 GW SMA Cum. Installed Base
- 21% SMA Market Share in MW
- 310+ Sales & Service Experts

**APAC**
- 17 GW SMA Cum. Installed Base
- 5% SMA Market Share in MW
- 140+ Sales & Service Experts
SMA is the Market Leader in EMEA

EMEA

Sales Initiatives 2018

• Certified Installer Program:
  • Germany Since 2014
  • Italy: Certified Installer Program Launch Q1/19

• Established dedicated Large Scale Storage and Service Repowering sales team to drive significant opportunities in these segments in Europe.

• More than 400 MW of inverter sales secured by European EPCs in Australia.

Highlights 2018

• Won 120 MW Utility project in Israel: One of the largest projects in the region in 2018.

• Cooperation with Audi – SMA is the interface between Audi E-Mobility and Home Energy Management.
The Strongest Markets of SMA in APAC are Australia, Japan, and South Korea

APAC

Sales Initiatives 2018
- Certified Installer Program:
  - Launched Q4/18 in Australia
- New battery partner - BYD Alliance, joint market approach in Australia.
- SMA established Sales Agents in Thailand and Korea to support growing customer demand in markets w/o subsidiary.
- Appointed Service partners in various locations in SEA and Korea.

Highlights 2018
- 112 MW Karadoc solar farm in South Australia
- In Australia, 1.8 GW Utility inverters commissioned in 2018
- Secured 400 MW of inverter sales in Vietnam

140+ Sales & Service FTE
5% Market Share\(^1\)
4 Subsidiaries
0.2 GW O&M under Management
SMA Strives to Win Back Market Share in Americas

AMERICAS
Sales Initiatives 2018
• Certified Installer Program:
  • Launched Q4/18 in USA
• New Subsidiary in Mexico
• Dedicated Large Scale Storage and Service Repowering sales team to drive strong pipeline for 2019-2020
• BYD Alliance (Total Storage Solution Provider)

Highlights 2018
• Top 5 Utility Projects of more than 400 MW installed in 2017/18
5. Technology & Portfolio

Presented by Jürgen Reinert
SMA’s R&D Excellence in Numbers

- 4,000 meter altitude
- 30 years experience
- 500 engineers
- 75 GW installed base
- Data from > 1.5 m inverters
- > 5 m inverters sold
Strong Strategic Partnerships

Storage Systems

Energy & Grid Services

E-Mobility

SMA Smart Home

Module-Level Power Electronics

Standards

Strategic Collaborations

R&D Collaborations

PV Diesel Hybrid-Systems

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SMA has a Complete Portfolio to Serve all PV Segments

- **SMA RESIDENTIAL**: 25% of Group net sales
- **SMA COMMERCIAL**: 30% of Group net sales
- **SMA UTILITY**: 35% of Group net sales
- **SMA STORAGE**: 10% of Group net sales

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1. w/o the new segment Digital Energy
SMA’s Patents and Trademarks Protect our Broad Innovations Unmatched in the PV Industry

License income 2018: €1 million
SMA can do more than Selling Components – We Possess the Necessary Prerequisites for Offering Future-Proof Systems


Complete SMA PV & Storage Systems

SMA’s System Offering for Residential and Commercial

HARDWARE – Intelligent PV and storage technology
Smart products such as intelligent inverters, powerful storage technologies and innovative data managers.

SOFTWARE – Energy management software
Cross-sectoral energy platform with applications and tools to manage and make energy consumption transparent.

SERVICES – (Digital) sales processes and services
Tailor-made sales processes along the customer journey to ensure ease of use and a maximum positive customer experience.
SMA’s Portfolio Covers Every Stage of Energy Integration

1. Energy Monitoring
2. Solar Power Generation
3. Storage
4. Integrated Energy
5. Energy Market Integration

SMA’s Internet Portal
SMA’s PV Inverters
SMA’s Battery Inverters
SMA’s IoT Platform
SMA’s Direct Marketing Solution

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SMA Residential Solutions are Ready for the New Energy World

Solar Power Generation
Residential 1-phs and 3-phs inverters for PV plants from 1 kW to 12 kW.

Storage
Battery inverters for on-grid and off-grid solutions and batteries as part of system packages.

Intelligently Control Home Appliances
With SMA’s IoT Energy Management platform ennexOS.

Heat and cool with Solar Power
& reduce costs with SMA’s IoT Energy Management platform ennexOS.

Fill your E-vehicle with Solar Power
With SMA, the e-vehicle is preferably loaded with free green power coming from your own roof.
SMA Residential Offers Cost Improved Hardware and Additional Value for Customers

**Latest Residential Inverters**

- **Sunny Boy**
  - 3.0 – 6 kW
  - (Q2/2019)

- **Sunny Tripower**
  - 8.0 – 10.0 kW
  - (Q1/2019)

- **Sunny Boy Storage**
  - 3.7 – 6 kW
  - (H2/2018)

**Software**

- **Sunny Portal**: Comfortable PV system monitoring
- **Sunny Design Pro**: Cross sector design, simulation & analysis
- **SMA Repowering App**: Tool for a growing market
- **Installer App** (H1/2019)

**Services**

- **Smart Connected**: Automatic replacement service for more convenience

**Complete SMA PV & Storage Systems**

- **SMA Energy System**
  - (Q1/2019)
  - Power class: 5 kW
  - Pilot market: Italy

**Designed on one product platform: Cost reduction –20%**
SMA Commercial Solutions Save up to 75% Energy Costs

Energy Monitoring
SMA’s IoT Energy Management platform ennexOS makes energy flows transparent.

Solar Power Generation
Commercial 3-phs inverters for PV plants from 10 kW to 1 MW.

Storage
Peak load shaving and increased self-consumption with battery inverters for on- and off-grid solutions.

Intelligent Control of Operational Appliances
with SMA’s IoT Energy Management platform ennexOS.

Integration of E-vehicles
for new business models or the vehicle pool.

Energy Market Integration
All necessary interfaces for direct marketing.
SMA Commercial Offers PV & Storage Systems for Future-Proof PV Plants

### Latest Commercial Inverters

**New CORE1 release**
- Power class: 62.5 kW
- Q4/2018
- First mover: NEC 2017 compliant
- Cost reduction: -20%

**Sunny Tripower Storage**
- 60 kW
- (H2/2018)

### Software

- **Sunny Portal**: Comfortable PV system monitoring
- **Sunny Design Pro**: Cross sector design, simulation & analysis
- **SMA Repowering App**: Tool for a growing market
- **Installer App** (H1/2019)

### Services

- **Smart Connected**

### Complete SMA PV & Storage Systems

**SMA Energy System**

- (Q1/2019)
- Power class: 250 kW
- Pilot market: Germany

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SMA Utility Simplifies Complexity With New Product Launches Throughout 2019

**Latest Utility Inverters**

- **Sunny Highpower PEAK3**
  - 150 kW, 1,500 V
  - (Q1/2019)

- **Medium Voltage Power Station**
  - 4.6 MW
  - (Q3/2019)

- **Sunny Central UP**
  - 4.6 MW
  - (Q3/2019)

**Service**

- **SMA Repowering**
  - Market Potential until 2020: +40%

- **Availability Guarantees**
  - SMA Utility provides 99.9% uptime

- **O&M Services**
  - #6 O&M provider
  - >3GW O&M contract

**Response Time Guarantees**

- Most up-to-date technology for 24/7 real-time monitoring

**Software & Competence**

- Cost reduction of up to -35%

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SMA is the #1 Storage Inverter Manufacturer in a fast Growing Segment

### SMA’s Offering

<table>
<thead>
<tr>
<th>Behind-the-Meter</th>
<th>Front-of-Meter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy shifting</td>
<td>Micro Grid Management</td>
</tr>
<tr>
<td>Peak shaving</td>
<td>On-Grid Storage for Grid Services</td>
</tr>
<tr>
<td>ToU$^1$</td>
<td>Renewable integration</td>
</tr>
<tr>
<td>Power Quality</td>
<td></td>
</tr>
</tbody>
</table>

### Concepts of Battery Integration

**AC-Coupling Battery Concept**

- SMA + BYD Battery Solution
  - (Q1/2019)
  - 5-60 kW
  - Securing battery availability

- Sunny Central Storage UP
  - (Q3/2019)
  - 4.6 MW

**DC-Coupling Battery Concept**

- SMA DC/DC Converter
  - (Q1/2019)

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1. Time of Use
Business Case Large Scale PV BESS Off-Grid System: “The Brando”

Plant Information
- Location: French Polynesia
- Plant information:
  - 1.3 MWp PV Power
  - 2.6 MWh Storage capacity
  - 1.2 MVA Generator capacity

SMA Offering
- SMA System Technology
- Full system integration by SMA Sunbelt Energy
- Containerized Li-Ion storage facility
- Long-term remote technical support

Customer Value
- Solar Energy ratio of 60%
- Integration of a complex grid infrastructure
- Blackstart function to build grid within seconds
- European grid quality
- Grid stability

1. Sunny Central Storage 2200 Grid Forming I Medium Voltage Block and Station I Hybrid Controller I 32 SMA Sunny Tripower PV inverters
2. incl. electrical design, network design, operation case definition, overall project management, procurement, delivery and commissioning
In 2018, SMA Founded the new Subsidiary Coneva to Provide Energy-Related Services for Private and Commercial Customers

**Idea**
- Provide energy services to households using municipalities as multipliers for white label energy services and to commercial chains focusing on cost savings and energy market integration

**Achievements**
- Won 7 German municipalities as pilots for various energy mgmt. topics and 2 supermarket chain stores for energy efficiency

**RESIDENTIAL / COMMERCIAL**

**CONNECTED**
- We connect and integrate devices, systems and sectors with sustainable technology

**ENERGY**
- Data-based energy management from monitoring to energy market integration
- Energy cost reduction and/or additional revenue generation

**VALUE**
- 400,000 systems > 1.5 m devices
- Value-adding services

**Technical platform**
- ennexOS

**Activities 2019**

**Residential**
- Energy communities
- Smart storage, EV charging and Smart Meter integration
- Launch “digital customer engagement” solution and broaden product portfolio towards grid operations

**Commercial**
- Smart Infrastructure
- Energy market integration
- Energy efficiency
- Acquire additional supermarket customers and broaden product target groups
6. Financials & Guidance

Presented by Ulrich Hadding (CFO)
Sales 2018 Remained Below Expectations; EBITDA Impacted by Extraordinary Effects

Preliminary Key Financials (in €m)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018e1</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>891</td>
<td>761</td>
<td>-15%</td>
</tr>
<tr>
<td>Residential</td>
<td>233</td>
<td>182</td>
<td>-22%</td>
</tr>
<tr>
<td>Commercial</td>
<td>272</td>
<td>252</td>
<td>-7%</td>
</tr>
<tr>
<td>Utility</td>
<td>289</td>
<td>266</td>
<td>-8%</td>
</tr>
<tr>
<td>Storage</td>
<td>97</td>
<td>61</td>
<td>-37%</td>
</tr>
<tr>
<td>Digital Energy</td>
<td>./.</td>
<td>0</td>
<td>n.m.</td>
</tr>
<tr>
<td>EBITDA</td>
<td>97</td>
<td>-67</td>
<td>n.m.</td>
</tr>
<tr>
<td>EBIT</td>
<td>44</td>
<td>-150</td>
<td>n.m.</td>
</tr>
<tr>
<td>Net income</td>
<td>30</td>
<td>-174</td>
<td>n.m.</td>
</tr>
<tr>
<td>Net cash</td>
<td>450</td>
<td>306</td>
<td>-32%</td>
</tr>
<tr>
<td>NWC ratio (in %)2</td>
<td>19%</td>
<td>23%</td>
<td></td>
</tr>
<tr>
<td>Gross margin</td>
<td>22%</td>
<td>10%</td>
<td></td>
</tr>
</tbody>
</table>

Comments

- Sales 2018 below prior year in every segment due to very high price pressure, component shortages in H1/2018, project postponements and limited battery availability.
- EBITDA impacted by extraordinary effects of net €97m.
- In addition, 2018 EBIT is affected by the impairment of R&D intangible assets (-€30m).
- Net income is impacted by Finance and tax result (-€26m; at-equity valuation of Tigo and write down of deferred tax assets).
SMA Reduces its Global Workforce by Around 425 FTE

Preliminary Group Balance Sheet\(^1\) (in €m)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current assets</td>
<td>358</td>
<td>283</td>
<td>-21%</td>
</tr>
<tr>
<td>Working capital</td>
<td>325</td>
<td>302</td>
<td>-7%</td>
</tr>
<tr>
<td>Other assets</td>
<td>63</td>
<td>82</td>
<td>31%</td>
</tr>
<tr>
<td>Total cash</td>
<td>470</td>
<td>324</td>
<td>-31%</td>
</tr>
<tr>
<td>Shareholder’s equity</td>
<td>612</td>
<td>426</td>
<td>-30%</td>
</tr>
<tr>
<td>Provisions(^2)</td>
<td>156</td>
<td>155</td>
<td>-1%</td>
</tr>
<tr>
<td>Trade payables</td>
<td>130</td>
<td>111</td>
<td>-15%</td>
</tr>
<tr>
<td>Financial liabilities(^3)</td>
<td>20</td>
<td>18</td>
<td>-12%</td>
</tr>
<tr>
<td>Other liabilities(^2)</td>
<td>298</td>
<td>281</td>
<td>-6%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,216</strong></td>
<td><strong>991</strong></td>
<td><strong>-19%</strong></td>
</tr>
</tbody>
</table>

Global FTE\(^4\)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3.241</td>
<td>3.177</td>
<td>2.882</td>
</tr>
</tbody>
</table>

\[3.241 - 235 = 3.006\]

\[3.177 - 235 = 2.942\]

- Reduction of around 425 FTE, thereof c. 300 in China
- Part of FTE reduction already done in 12/2018
- In Q2/2019 the number of FTE will be reduced by about 350

---

1. preliminary figures, reclassified
2. not interest-bearing
3. w/o not interest bearing derivatives: €2m [2017: €0.4m]
4. w/o temporary workers and learners
5. incl. 235 temporary workers who became FTE 01/ 2018
Order Intake Started Recovering late in 2018

Order Backlog by Segment and Region (in € million)

- Total order backlog: €578 m (Dec 31, 2018)
- Product order backlog increased by nearly 20% since 09/2018.
- Increase in 2019 order backlog for products across all segments, especially Commercial.
- EMEA markets remain most promising.
- 25% of guided sales figure 2019 is covered with product backlog.
For 2019 Management Expects Sales Growth

Guidance 2019 (in € million)

<table>
<thead>
<tr>
<th>Sales</th>
<th>EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>761</td>
<td>-67</td>
</tr>
<tr>
<td>800-880</td>
<td>20-50</td>
</tr>
</tbody>
</table>

Management Comments

- SMA strives to increase market share, especially in the U.S.
- Management expects growth in all segments, especially in Utility and our storage business.
- In 2019, Energy Management and digital solution business will still have only limited sales contribution.
- Price pressure remains high in all segments.
- Most of the restructuring measures will be effective in 2019.

<table>
<thead>
<tr>
<th>Guidance 2019</th>
<th>Net Cash</th>
<th>NWC-Ratio</th>
<th>CapEx (incl. R&amp;D)</th>
<th>Depreciation / Amortization</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&gt; €300m</td>
<td>19-24%</td>
<td>c. €60m</td>
<td>c. €50m</td>
</tr>
</tbody>
</table>

1. after extraordinary effects, e.g. from restructuring
2. incl. c. €10m for R&D and a one-off effect from IFRS 16 - Leases of c. €25m
Back up
Managing Board and Shareholder Structure

Managing Board

Juergen Reinert  
CEO  
born 1968  
With SMA since 2011  
Contract 2024

Ulrich Hadding  
CFO  
born 1968  
With SMA since 2009  
Contract 2019

Shareholder Structure¹

- 25.16%  
- 54.84%  
- 20.00%

- SMA founders, their trusts and families  
- Danfoss A/S  
- Freefloat

• No pre-emption rights or other restrictions

¹ as of January 23, 2019, Company Information
Thank you