SMA SOLAR TECHNOLOGY AG

Analyst / Investor Presentation: virtual Roadshow

Presented by Ulrich Hadding, CFO
June 18th, 2020
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SMA has a Complete Portfolio to Serve all PV Segments

- **SMA HOME**
  - 25% of Group net sales

- **SMA BUSINESS**
  - 27% of Group net sales

- **SMA LARGE SCALE & PROJECT SOLUTIONS**
  - 48% of Group net sales

1. All figures for Q1/2020
SMA’s R&D Excellence in Numbers

> 35 years experience

> 1,500 patents and utility models

Data from > 1.5 m inverters

500 engineers

> 85 GW installed base
1. Financials Q1/2020
Sales increased by 72% with Home and Business Solutions segments delivering strong double-digit growth and Large Scale & Project Solutions growing by 140%.

### Key financials (in € million)

<table>
<thead>
<tr>
<th></th>
<th>Q1 2019</th>
<th>Q1 2020</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>MW sold</td>
<td>1,803</td>
<td>4,367</td>
<td>142%</td>
</tr>
<tr>
<td>Sales</td>
<td>168</td>
<td>288</td>
<td>72%</td>
</tr>
<tr>
<td>Home Solutions</td>
<td>45</td>
<td>71</td>
<td>57%</td>
</tr>
<tr>
<td>Business Solutions</td>
<td>65</td>
<td>79</td>
<td>21%</td>
</tr>
<tr>
<td>Large Scale &amp; Project Solutions</td>
<td>58</td>
<td>138</td>
<td>140%</td>
</tr>
<tr>
<td>Gross margin</td>
<td>19%</td>
<td>17%</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>1</td>
<td>12</td>
<td>n.m.</td>
</tr>
<tr>
<td>Depreciation</td>
<td>11</td>
<td>11</td>
<td>-5%</td>
</tr>
<tr>
<td>EBIT</td>
<td>-11</td>
<td>2</td>
<td>n.m.</td>
</tr>
<tr>
<td>Net result</td>
<td>-11</td>
<td>0</td>
<td>n.m.</td>
</tr>
<tr>
<td>Free cash flow (Adj.)</td>
<td>-17</td>
<td>-58</td>
<td>n.m.</td>
</tr>
<tr>
<td>Net CapEx (incl. R&amp;D)</td>
<td>6</td>
<td>7</td>
<td>14%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2019/12/31</th>
<th>2020/03/31</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash</td>
<td>303</td>
<td>243</td>
<td>-20%</td>
</tr>
<tr>
<td>Total assets</td>
<td>1,107</td>
<td>1,032</td>
<td>-7%</td>
</tr>
<tr>
<td>NWC ratio (in %)1</td>
<td>17%</td>
<td>21%</td>
<td></td>
</tr>
</tbody>
</table>

### 2019/2020

<table>
<thead>
<tr>
<th></th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>195</td>
<td>268</td>
<td>284</td>
<td>288</td>
</tr>
<tr>
<td>Home Solutions</td>
<td>57</td>
<td>73</td>
<td>65</td>
<td>71</td>
</tr>
<tr>
<td>Business Solutions</td>
<td>70</td>
<td>74</td>
<td>87</td>
<td>79</td>
</tr>
<tr>
<td>Large Scale &amp; Project Solutions</td>
<td>68</td>
<td>121</td>
<td>132</td>
<td>138</td>
</tr>
<tr>
<td>Gross margin</td>
<td>21%</td>
<td>17%</td>
<td>17%</td>
<td>17%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>8</td>
<td>17</td>
<td>8</td>
<td>12</td>
</tr>
</tbody>
</table>

1. Net Working Capital ratio: inventory + trade receivables - trade payables (advance payments included); as of last twelve months sales
Americas and EMEA achieved strong revenue growth in Q1 2020

### Sales (in € million)

- **Americas**
  - 2019: 915, 23%
  - Q1/19: 168, 32%
  - Q1/20: 288, 43%
  - +72%

- **EMEA**
  - 2019: 51%
  - Q1/19: 168, 32%
  - Q1/20: 288, 43%
  - 15%

- **APAC**
  - 2019: 26%
  - Q1/19: 168, 32%
  - Q1/20: 288, 43%
  - 15%

### Sales by segment (in € million)

**Home Solutions**
- Q1 2019: 43
- Q1 2020: 45
- Services: 2
- Products: 43

**Business Solutions**
- Q1 2019: 69
- Q1 2020: 71
- Services: -1
- Products: 64

**Large Scale & Project Solutions**
- Q1 2019: 47
- Q1 2020: 58
- Services: 11
- Products: 36

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1. Services include commissioning, extended warranties, service and maintenance contracts, operational management, remote system monitoring and digital energy services.
Significant increase in EBITDA driven by strong sales growth in Q1 2020

**EBITDA (in € million)**

<table>
<thead>
<tr>
<th></th>
<th>Q1 2019</th>
<th>Q1/19</th>
<th>Q1/20</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBITDA</strong></td>
<td>34</td>
<td>1</td>
<td>12</td>
</tr>
<tr>
<td><strong>Margin</strong></td>
<td>4%</td>
<td>0%</td>
<td>4%</td>
</tr>
<tr>
<td><strong>One-Offs</strong></td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Depreciation/Amortization</strong></td>
<td>11</td>
<td>0</td>
<td>11</td>
</tr>
</tbody>
</table>

**EBIT by segment (in € million)**

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q1 2019</th>
<th>Q1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Home Solutions</strong></td>
<td>-5</td>
<td>5</td>
</tr>
<tr>
<td><strong>Business Solutions</strong></td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td><strong>Large Scale &amp; Project Solutions</strong></td>
<td>-6</td>
<td>-4</td>
</tr>
</tbody>
</table>
Net working capital (in €million)

<table>
<thead>
<tr>
<th></th>
<th>Dec. 31, 2019</th>
<th>Mar. 31, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>NWC ratio</td>
<td>17%</td>
<td>21%</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>160</td>
<td>214</td>
</tr>
<tr>
<td>Raw materials and consumables</td>
<td>145</td>
<td>120</td>
</tr>
<tr>
<td>Unfinished goods</td>
<td>12</td>
<td>136</td>
</tr>
<tr>
<td>Finished goods</td>
<td>152</td>
<td>8</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>-175</td>
<td>-160</td>
</tr>
<tr>
<td>Trade payables</td>
<td>-91</td>
<td>-25</td>
</tr>
<tr>
<td>WACC ratio</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Group balance sheet (in €million)

<table>
<thead>
<tr>
<th></th>
<th>31.12.2019</th>
<th>31.03.2020</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current assets 1</td>
<td>299</td>
<td>305</td>
<td>2%</td>
</tr>
<tr>
<td>Working capital</td>
<td>425</td>
<td>399</td>
<td>-6%</td>
</tr>
<tr>
<td>Other assets</td>
<td>65</td>
<td>71</td>
<td>+9%</td>
</tr>
<tr>
<td>Total cash</td>
<td>318</td>
<td>257</td>
<td>-19%</td>
</tr>
<tr>
<td>Shareholder’s equity</td>
<td>417</td>
<td>415</td>
<td>0%</td>
</tr>
<tr>
<td>Provisions 2</td>
<td>153</td>
<td>157</td>
<td>+2%</td>
</tr>
<tr>
<td>Trade payables</td>
<td>175</td>
<td>160</td>
<td>-9%</td>
</tr>
<tr>
<td>Financial liabilities 3</td>
<td>15</td>
<td>14</td>
<td>-7%</td>
</tr>
<tr>
<td>Other liabilities 1.2</td>
<td>347</td>
<td>286</td>
<td>-18%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1,107</td>
<td>1,032</td>
<td>-7%</td>
</tr>
</tbody>
</table>

1. Includes IFRS16 Leasing of €26.4m per 31.03.2020 (per 31.12.2019: €19.4m)
2. Not interest-bearing
3. w/o not interest-bearing derivatives: €0.3m (2019: €0.3m) and IFRS 16 Leases of €26.4m (2019: €19.4m)
Gross Cash Flow significantly better than Q1 2019; Adjusted Free Cash Flow negative due to decreased liabilities in Q1 2020

<table>
<thead>
<tr>
<th>Cash Flow (in € million)</th>
<th>Q1 2019</th>
<th>Q1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income</td>
<td>-11</td>
<td>0</td>
</tr>
<tr>
<td>Gross Cash Flow</td>
<td>1</td>
<td>16</td>
</tr>
<tr>
<td>Cash Flow from Operating Activities</td>
<td>-11</td>
<td>-51</td>
</tr>
<tr>
<td>Net Capex</td>
<td>-6</td>
<td>-7</td>
</tr>
<tr>
<td><strong>Free Cash Flow (Adj.)</strong></td>
<td>-17</td>
<td>-58</td>
</tr>
<tr>
<td>Net Investments from Securities and Other Financial Assets</td>
<td>7</td>
<td>9</td>
</tr>
<tr>
<td><strong>Free Cash Flow (IFRS)</strong></td>
<td>-10</td>
<td>-49</td>
</tr>
</tbody>
</table>
Order backlog for products of €376m at the end of Q1 2020 remains strong

Order backlog by segment (in €m) and region (in %)

Total order backlog: €797m (Mar. 31st, 2020)

- Large Scale & Project Solutions: 208
- Business Solutions: 74
- Home Solutions: 94
- Service: 421

Product order backlog by regions (in %)

- Americas: 30%
- EMEA: 22%
- APAC: 48%

Order backlog development (in €m)

- 12/31/2018: 578
- 03/31/2019: 620
- 12/31/2019: 766
- 03/31/2020: 797

Q1 sales and product order backlog already secure more than 60% of our 2020 annual sales guidance.
Management continues to expect strong sales and profitability growth for 2020. Covid-19 impact on our supply chain could be mitigated.

**Guidance 2020 (in €m)**

- **Sales**: 915 – 1,0 - 1,1 bn
- **EBITDA**: 34 – 50-80

**Management comments**

- Management remains confident to grow sales to more than 1 billion Euros in 2020, building on our strong Q1 result. Our Large Scale and Business segments do not expect to be significantly affected by the Covid-19 situation.

- SMA continues to strive to increase market share in all key markets, building on order intake of over 1 billion Euros in 2019 and more than 330 million Euros in Q1 2020.

- All segments are expected to experience less price pressure in comparison to prior years.

- Restructuring savings continue to contribute to profitability in 2020.

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**CapEx (incl. R&D & leasing)**

- c. €50m

**Depreciation / amortization**

- c. €45m

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1. incl. ca. €10m for R&D and ca. €15m from Leasing
2. Market
With increasing decentralization, the electricity supply system will become more complex

- Decentralized solar power is becoming increasingly cost-effective.
- Storage systems and digital solutions balance out generation and consumption, and enable households and businesses to share their electricity with other consumers.
- To provide a sustainable, secure and cost-effective electricity supply, all players will have to be seamlessly integrated and interconnected.
- In order to integrate them seamlessly and secure a reliable power supply, a comprehensive understanding of the system is essential.
PV will become the preferred energy source in the decentralized, digital energy supply system of tomorrow.

Market outlook by sector for market addressable by SMA

<table>
<thead>
<tr>
<th>Year</th>
<th>Digital energy</th>
<th>Battery storage inverters</th>
<th>O&amp;M services</th>
<th>PV inverter business</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>3.8</td>
<td>0.7</td>
<td>0.6</td>
<td>0.7</td>
</tr>
<tr>
<td>2020</td>
<td>4.8</td>
<td>0.4</td>
<td>0.8</td>
<td>0.7</td>
</tr>
<tr>
<td>2021</td>
<td>5.7</td>
<td>0.6</td>
<td>0.7</td>
<td>0.9</td>
</tr>
<tr>
<td>2022</td>
<td>6.3</td>
<td>0.8</td>
<td></td>
<td>0.8</td>
</tr>
</tbody>
</table>

in € bn

+5% p.a.

Long-term global market development

PV installations in GWdc

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019p</th>
<th>2020p</th>
<th>2025p</th>
<th>2030p</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>101</td>
<td>110</td>
<td>100</td>
<td>200</td>
<td>300</td>
</tr>
</tbody>
</table>

+12% p.a.

1. SMA Market Model Q2 2020; global PV inverter market excluding China where SMA is not doing any business
2. SMA estimate of addressable market (limited number of countries) with currently available SMA home and business digital energy solutions; future offerings will increase addressable market systematically
3. Positioning
Sustainability has been at the heart of SMA’s people and business right from the beginning.

Our conviction: Renewable energies are only sustainable, if the equipment used for their production is also sustainable.

That is why sustainability has been firmly anchored in our corporate mission since SMA was founded.

1. Calculation basis: 85 GW total installed SMA inverter capacity, x 1,300 kWh power generation/year/kW x 0.53 kg CO₂/kWh, x 180 Euro cost per ton CO₂ emissions avoided (costs according to Federal Environment Agency Germany)

2. GRI = Global Reporting Initiative www.globalreporting.org
Our perfectly matched hardware, software and services enable customers to participate in tomorrow’s integrated and interconnected energy system, today.

**Market trend**

Demand for dedicated solutions is rising – SMA offers future-proof system packages and comprehensive solutions for all customer groups.

**SMA offering**

- **Software – added value for all customer groups**
  With software like ennexOS and digital services, SMA is an innovator in the digital energy market and opens up new possibilities for all customer groups.

- **Service products – basis for mutually beneficial long-term customer relationships**
  With service products such as O&M, monitoring, PV planning, grid integration, commissioning, etc., SMA is reliable long-term partner of its customers.

- **Components – SMA’s core business**
  With innovative and high-quality solar inverters and system components, SMA forms the core of every PV system.
Battery storage is the enabler for a secure and sustainable energy supply – SMA is the #1 battery inverter manufacturer in a rapidly growing market.

Battery storage is the backbone of the future energy supply

In combination with battery storage, renewable energies are available 24/7 and can contribute flexibly to grid support.

Cumulative global storage capacity GWh

0 1000 2000 3000
2020 2030 2040

SMA offers storage solutions for all segments and applications

Home solutions

Business solutions

Utility PV and storage plants

Off-grid solutions

SMA is by far the market leader in battery system technology

SMA’s experience and long-standing expertise are unrivalled in the industry.

Battery inverter output sold in 2018

MW

1. Bloomberg NEO 2017
2. IHS Energy Storage Inverter (PCS) Report 2019 for 2018 figures; SMA for figure „SMA 2019“ (total battery inverter output, for which SMA has signed contracts in 2019)
The global SMA sales and service infrastructure supports all customer groups –
Our state-of-the-art production sites are located in Germany and Poland

**AMERICAS**
- 21 GW\(^1\) SMA cum. installed base
- 5 SMA sales and service companies
- 150+ sales & service experts

**EMEA**
- 44 GW SMA cum. installed base
- 8 SMA sales and service companies
- 400+ sales & service experts

**APAC**
- 20 GW SMA cum. installed base
- 4 SMA sales and service companies
- 100+ sales & service experts

1. All figures as per 2019/12/31
SMA has introduced innovative solutions for all segments in Q1/2020

**SMA Shadefix: No need for module optimizers**
- Effective shade management is a key to maximum yields in solar arrays.
- With Shadefix, SMA has introduced an intelligent software in all its string inverters, that optimizes PV systems on string level – with the same or even better results than optimizers at less costs, except in strongly shaded PV arrays.
- Cost and material savings are good for our customers and for the environment.

**SMA 360° App: all-round support for PV professionals**
- The new SMA 360° App supports installers and other PV professionals in all aspects of their daily business.
- It is the only app in the industry that connects PV system simulation, planning, commissioning and monitoring as well as automatic notification in case of service.
- All data and documents are available via cell phone 24/7, making the business of our customers more efficient.

**SMA Power Plant Manager: ready for the future energy supply**
- With the new Power Plant Manager, SMA makes sure that decentralized energy systems in the megawatt range meet all requirements for networking, digitalization and data security and gets them ready for new business models.
- The SMA Power Plant Manager monitors, optimizes, controls and visualizes grid-conform energy generation and enables the integration of large battery-storage systems and other decentralized energy generators into the overall system.
Why invest in SMA?

SMA is a truly sustainable and financially solid company with a clear focus, comprehensive portfolio and global reach in one of the most exciting industries of the future.

**Sustainability**
has been anchored in our corporate mission since SMA was founded. Our state-of-the-art inverter production in Germany is CO₂ neutral.

**Financial stability**
is secured by c. 40% equity ratio and c. €240 million net cash.

**Clear focus**
as a leading specialist for PV system technology with 85 GW installed base.

**Comprehensive portfolio**
of components, services, software and complete solutions for all PV segments and markets as well as for future business fields such as energy management, storage and repowering.

**Global reach**
with a strong sales and service infrastructure in 18 countries, serving customers in more than 190 countries on all continents.
Back up
Managing Board and shareholder structure

Managing Board

Dr. Jürgen Reinert, CEO
Sales & Service, Technology, Operations, Business Units

Ulrich Hadding, CFO
Finance, HR, Legal, Investor Relations

Shareholder Structure¹

• No pre-emption rights or other restrictions

1. as of February 7, 2020, Company Information
Thank you.