SMA SOLAR TECHNOLOGY AG

Analyst / Investor Presentation Financial Results Q1 2023

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MDAX

Review Q1 2023

Q1 2023

Sales

€367m

Increase of 67% to Q1 2022

EBITDA

€60m

Increase of 305% to Q1 2022

Free-Cash-Flow

€50m positive

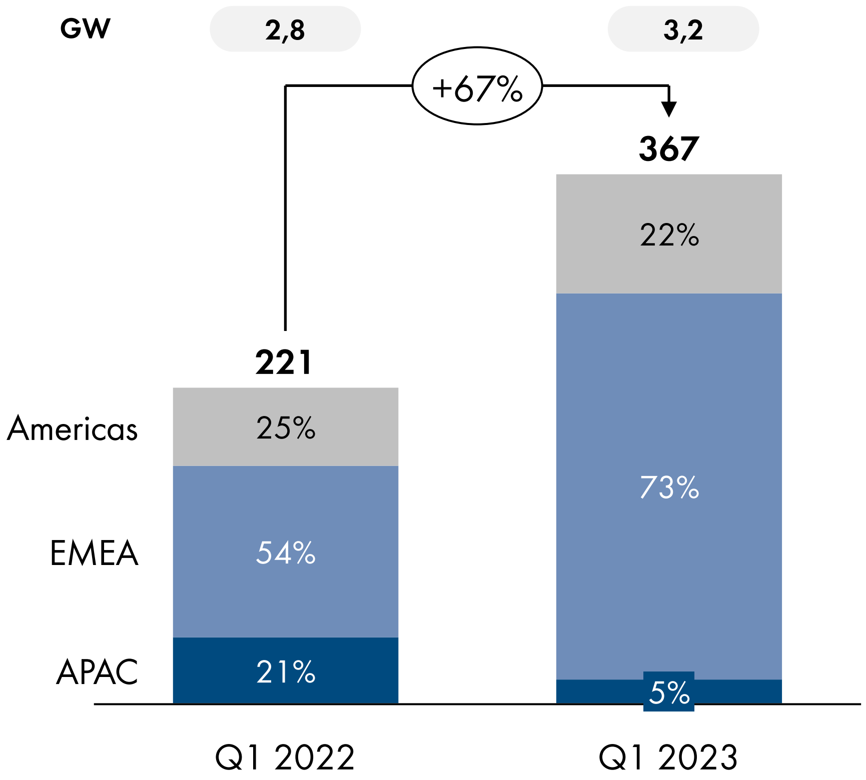
Order backlog

€2,468m

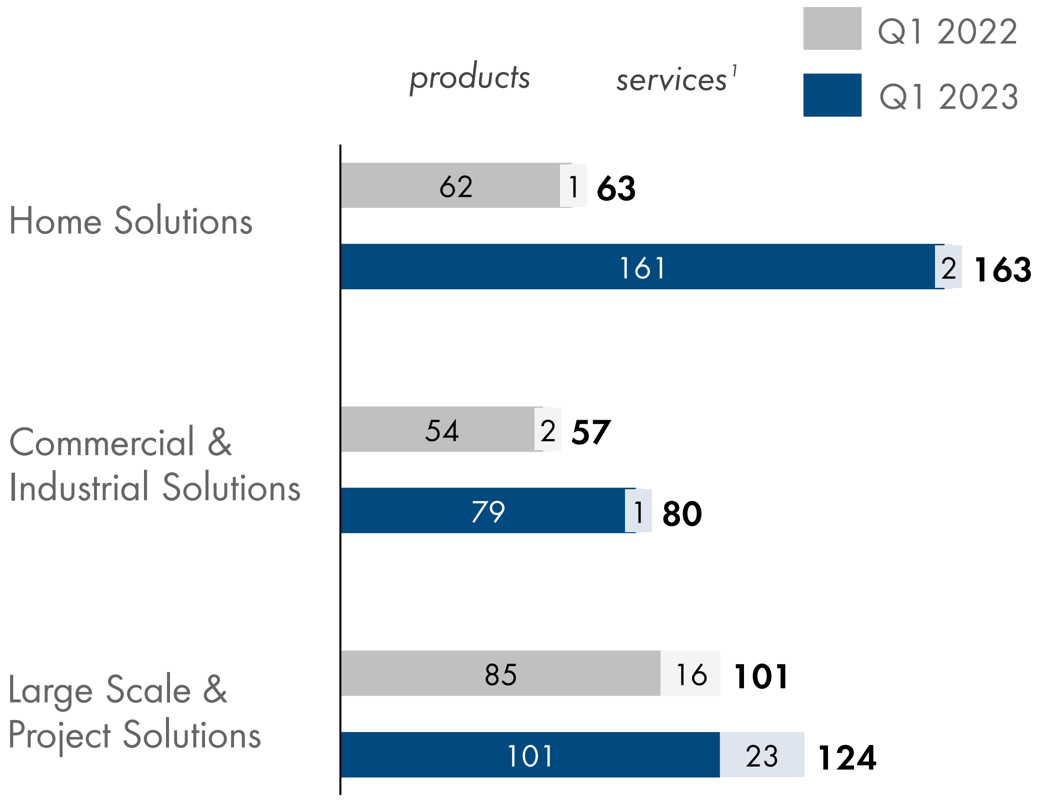
Increase of 136% to Q1 2022

Home Solutions Sales more than doubled and C&I and Large Scale with double-digit revenue growth in the first quarter of 2023

Sales per region (in € million)



Sales by segment (in € million)

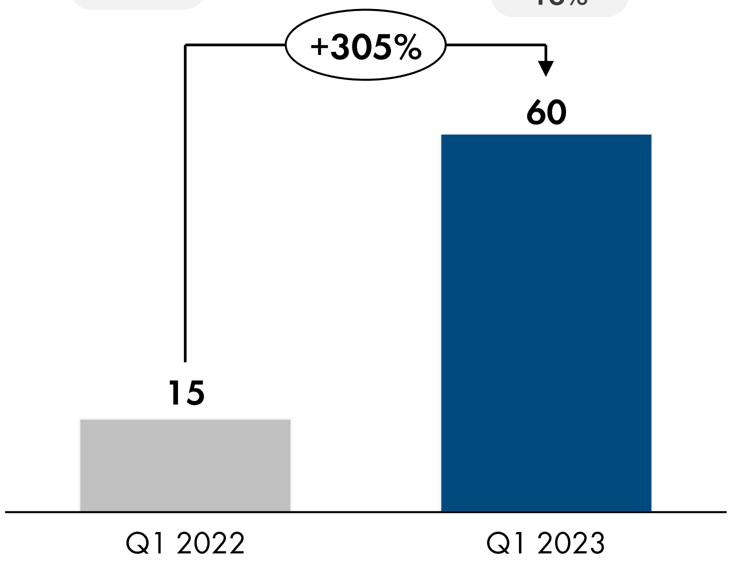


1. Services include commissioning, extended warranties, service and maintenance contracts, operational management, remote system monitoring and digital energy services

Profitability significantly increased compared to Q1 2022 especially driven by the strong sales growth in the Home Solutions segment

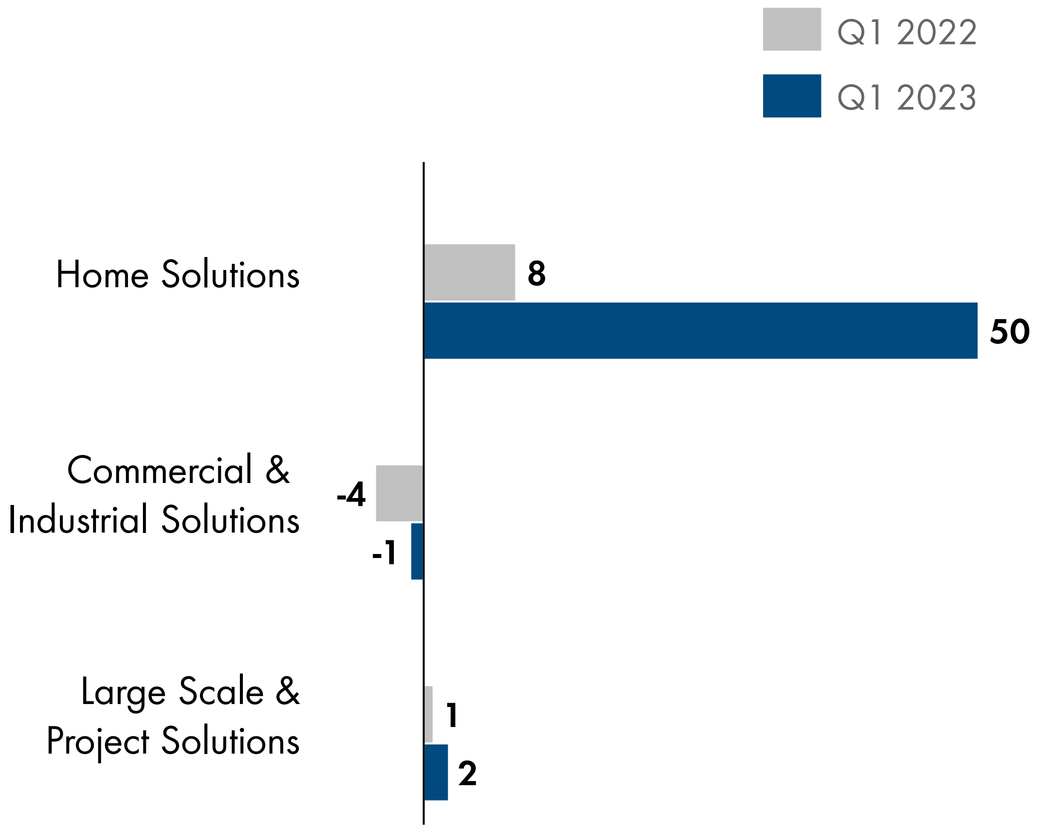
EBITDA (in € million)

	Q1 2022	Q1 2023
Margin	7%	16%



	Q1 2022	Q1 2023
One-Offs	5[1]	0
Depreciation/ Amortization	9	10

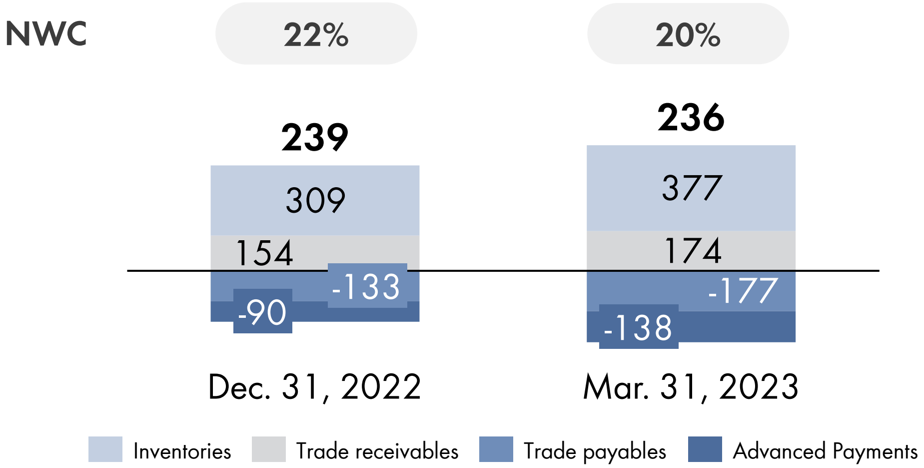
EBIT by Segment (in € million)

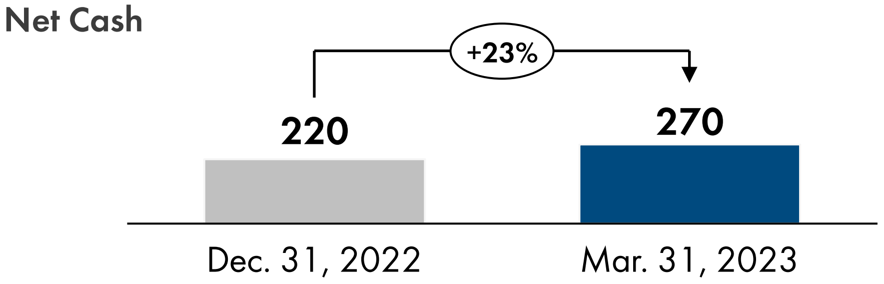


1. 2022 profitability includes a positive one-time effect in other income from fees earned related to a late order cancellation from a customer in Q1 2022 (€5m)

Net Cash above year end level driven by strong Q1 result and optimized NWC ratio despite increased inventories to support further sales growth

NWC | Net Cash (in € million)





Group Balance Sheet (in € million)

	2022/12/31	2023/03/31	Change
Non-current assets	387	402	4%
Working capital	462	551	19%
Other assets[1]	41	42	3%
Total cash	220	270	23%
Shareholder's equity	464	513	11%
Provisions[2]	159	168	6%
Trade payables	133	177	33%
Financial liabilities[3]	0	0	0%
Other liabilities[2,4]	354	407	15%
TOTAL	1,110	1,265	14%

1. Other assets include financial receivables, income tax assets, value added tax receivables, other financial assets and assets held for sale
2. Not interest-bearing
3. w/o not interest-bearing derivatives: €0.0m (2022: €0.0m) and IFRS 16 Leases of €23.5m (2022: €23.6m)
4. Other liabilities include advanced customer payments, deferred income from extended guarantees and service & maintenance contracts, personnel-related liabilities and customer bonuses

Positive Free Cash Flow driven by the good profitability in the first quarter and improved NWC management

Cash Flow (in € million)

	Q1 2022	Q1 2023
Net Income	3	52
Gross Cash Flow	14	76
Cash Flow from Operating Activities	-8	65
Net Capex	-12	-15
Cash inflow from divestments	0	0
Free Cash Flow[1]	-20	50

1. w/o Net Investments from Securities and Other Financial Assets

Successful start of the year with high sales and significantly improved profitability

Key financials (in € million)

	Q1 2022	Q1 2023	Change
MW sold	2,788	3,236	16%
Sales	221	367	67%
Home Solutions	63	163	161%
Commercial & Industrial Solutions	57	80	42%
Large Scale & Project Solutions	101	124	22%
Gross margin	21%	31%	
EBITDA	15[1]	60	305%
EBITDA Margin	7%	16%	
EBIT	6[1]	50	816%
EBIT Margin	3%	14%	451%
Net result	3[1]	52	n.m.
Free cash flow	-20	50	n.m.

2022/2023	Q2	Q3	Q4	Q1
MW sold	2,969	2,973	3,495	3,236
Sales	251	252	342	367
Home Solutions	73	93	106	163
Commercial & Industrial Solutions	61	73	99	80
Large Scale & Project Solutions	117	86	137	124
Gross margin	20%	23%	21%	31%
EBITDA	1	34[2]	20	60

- High Sales volume above Q1 22 level over all three segments
- High profitability driven by strong level of sales and high utilization of production capacities
- High Q1 Gross Margin of 31% benefits from favorable product mix

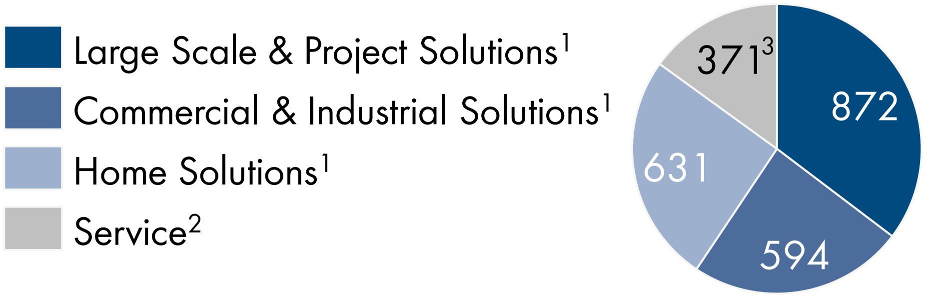
1. Q1 2022 profitability includes positive one-time other income from fees earned related to a late order cancellation from a customer (€ 5m).
2. Q3 2022 profitability includes positive one-time other income related to the sale of property (€ 23m).

Outlook 2023

Product Order Backlog continued to increase significantly, reaching €2,1 bn at the end of Q1 2023, reflecting sustained high demand for SMA's products

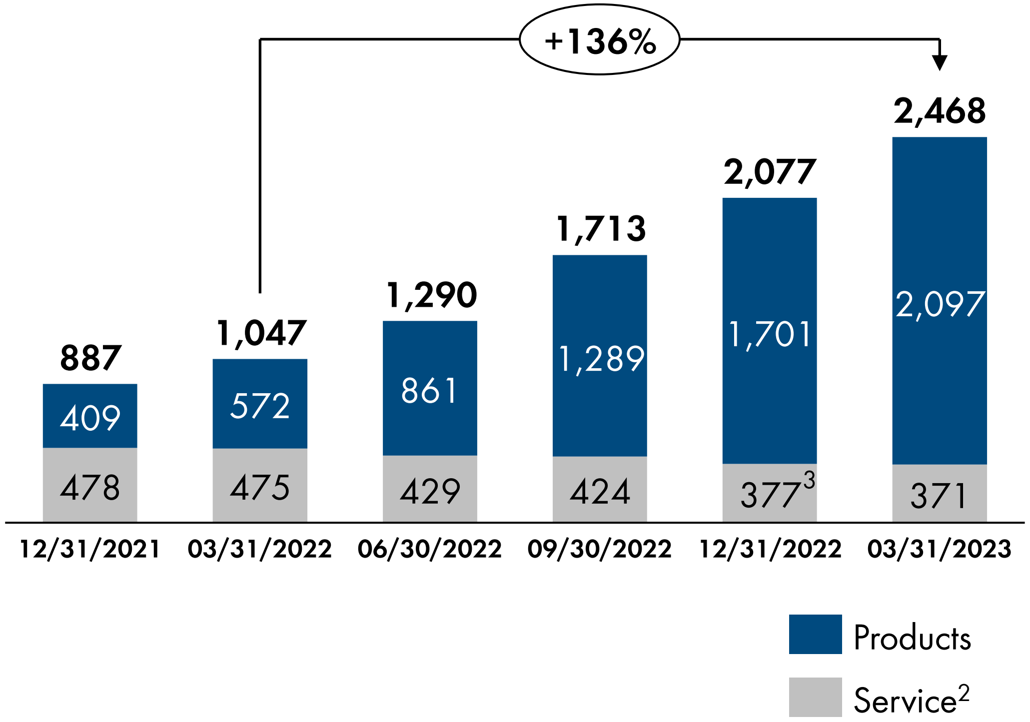
Order backlog by segment (in €m) and region (in %)

Total order backlog: €2,468m (Mar. 31, 2023)



Product order backlog by regions (in%)

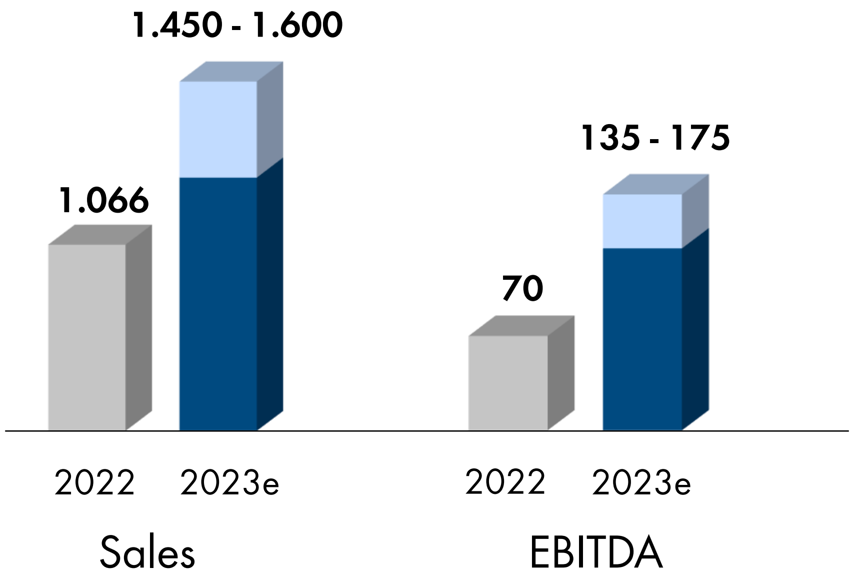
Order backlog development (in €m)



1. w/o „Service"
2. Order backlog attributable to the former segment „Service", which will be recognized over a period of 5 to 10 years
3. After full cancellation of orders related to the onerous O&M contract

Management foresees significant Sales and Profitability growth in 2023

Guidance 2023 (in €m)



	2023
CapEx (incl. R&D & leasing)[1]	**c. €85m**
Depreciation / amortization	**c. €45m**

Management comments

- SMA Management increased the full year guidance on March 29th based on strong Q1 development and further gradual improvements in the supply situation.
- The strong Q1 profitability will not be fully sustainable within the next quarters due to changes in product mix and increased investments in the organization to enable SMA to take full advantage of growth opportunities in the market.
- Although the supply situation is improving, it remains volatile and challenges on the procurement side continue to cause some disruptions and supply constraints.

1. incl. ca. €35m for R&D and ca. €5m from Leasing – IFRS 16

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