



SMA SOLAR TECHNOLOGY AG

Analyst / Investor Presentation: virtual Roadshow

Presented by Ulrich Hadding, CFO

June 18th, 2020



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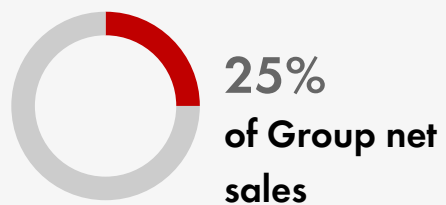
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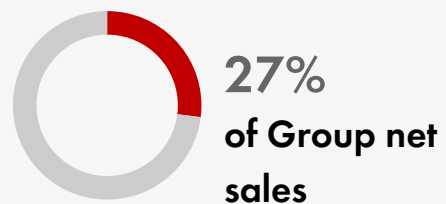
SMA has a Complete Portfolio to Serve all PV Segments



**SMA
HOME**



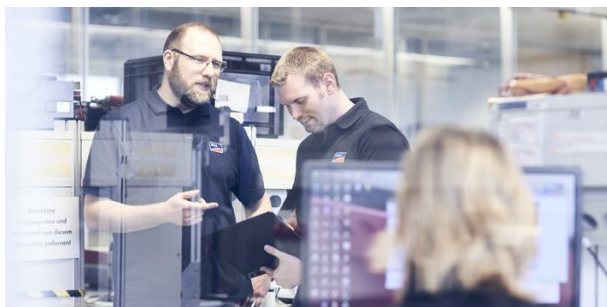
**SMA
BUSINESS**



**SMA
LARGE SCALE
& PROJECT SOLUTIONS**



SMA's R&D Excellence in Numbers



> 35
years
experience



Data from
> 1.5 m
inverters

> 1.500
patents and utility
models



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)

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

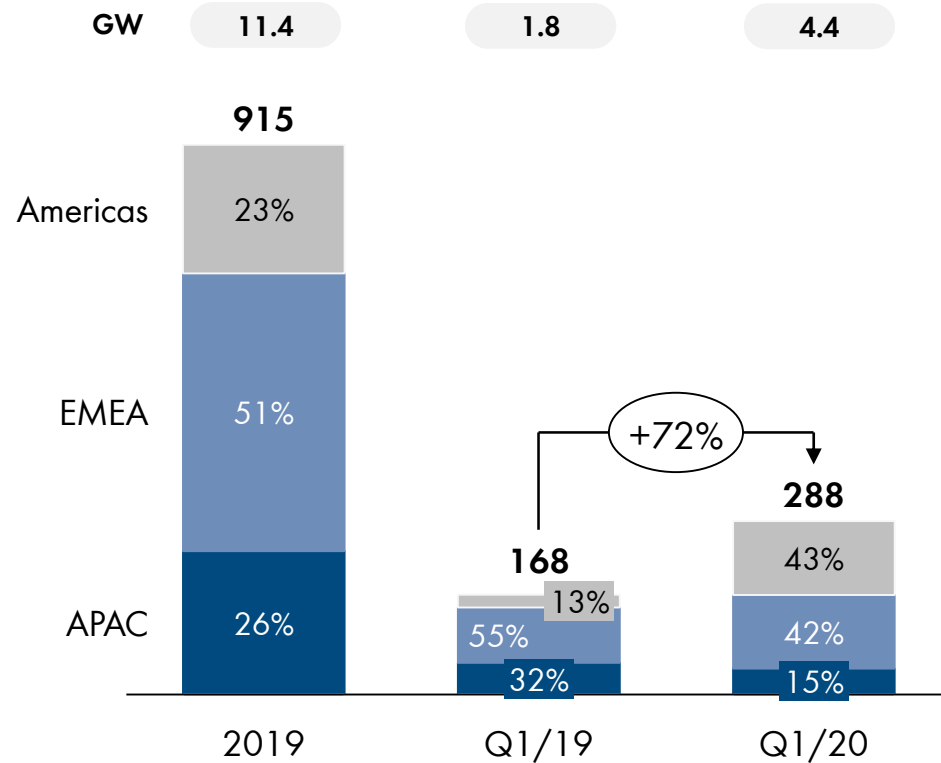
	2019/12/31	2020/03/31	Change
Net cash	303	243	-20%
Total assets	1,107	1,032	-7%
NWC ratio (in %) ¹	17%	21%	

	2019/2020			
	Q2	Q3	Q4	Q1
Sales	195	268	284	288
Home Solutions	57	73	65	71
Business Solutions	70	74	87	79
Large Scale & Project Solutions	68	121	132	138
Gross margin	21%	17%	17%	17%
EBITDA	8	17	8	12

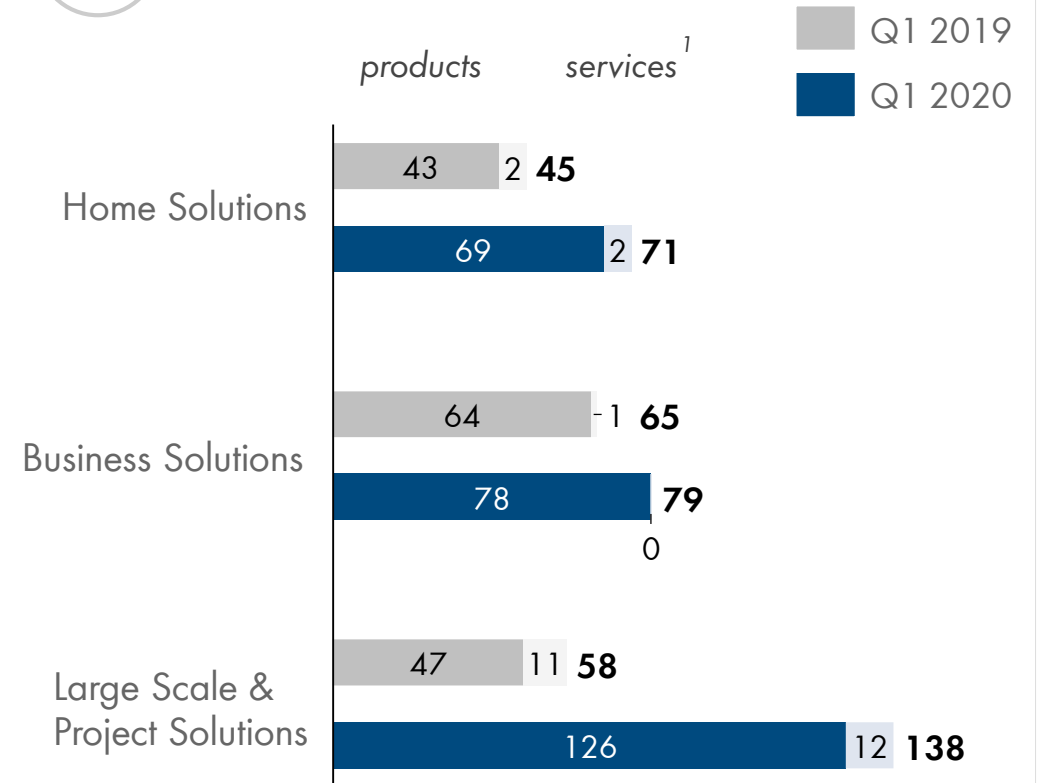
Americas and EMEA achieved strong revenue growth in Q1 2020



Sales (in € million)



Sales by segment¹ (in € million)



Significant increase in EBITDA driven by strong sales growth in Q1 2020



EBITDA (in € million)

Margin

4%

0%

4%

34

1

12

2019

Q1/19

Q1/20

One-Offs

1

0

Depreciation/
Amortization

11

11



EBIT by segment (in € million)

Q1 2019
Q1 2020

Home Solutions

-5

5

Business Solutions

0

1

Large Scale &
Project Solutions

-6

-4

Net working capital increased mainly due to higher inventories

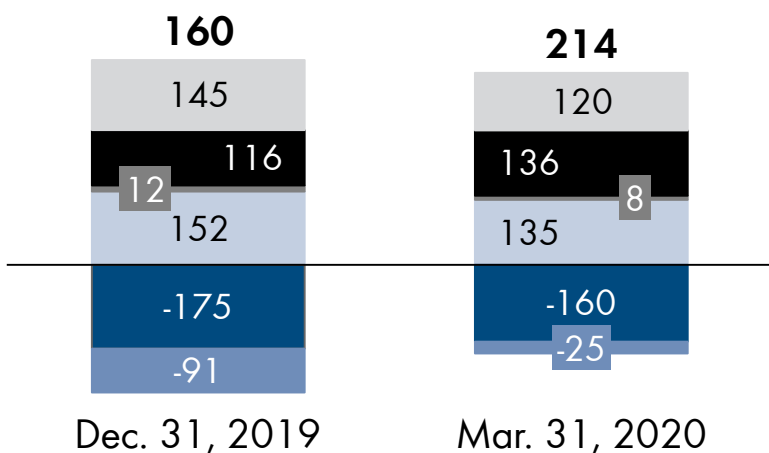


Net working capital (in €million)

NWC ratio

17%

21%



- Trade receivables
- Raw materials and consumables
- Unfinished goods
- Finished goods
- Trade payables
- Advanced Payments



Group balance sheet (in €million)

	31.12.2019	31.03.2020	Change
Non-current assets¹	299	305	2%
Working capital	425	399	-6%
Other assets	65	71	+9%
Total cash	318	257	-19%
Shareholder's equity	417	415	0%
Provisions²	153	157	+2%
Trade payables	175	160	-9%
Financial liabilities³	15	14	-7%
Other liabilities^{1,2}	347	286	-18%
TOTAL	1,107	1,032	-7%

Gross Cash Flow significantly better than Q1 2019; Adjusted Free Cash Flow negative due to decreased liabilities in Q1 2020



Cash Flow (in € million)

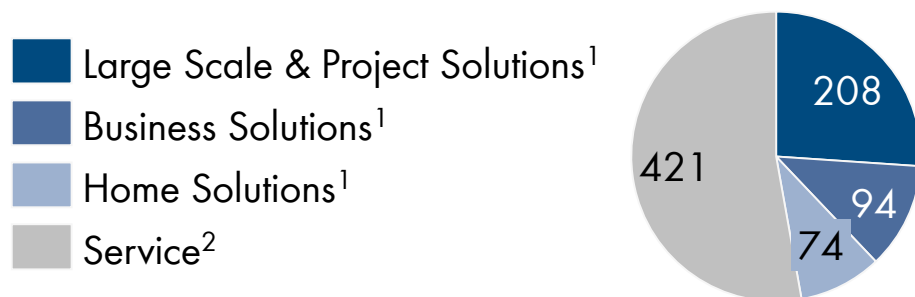
	Q1 2019	Q1 2020
Net Income	-11	0
Gross Cash Flow	1	16
Cash Flow from Operating Activities	-11	-51
Net Capex	-6	-7
Free Cash Flow (Adj.)	-17	-58
Net Investments from Securities and Other Financial Assets	7	9
Free Cash Flow (IFRS)	-10	-49

Order backlog for products of €376m at the end of Q1 2020 remains strong



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

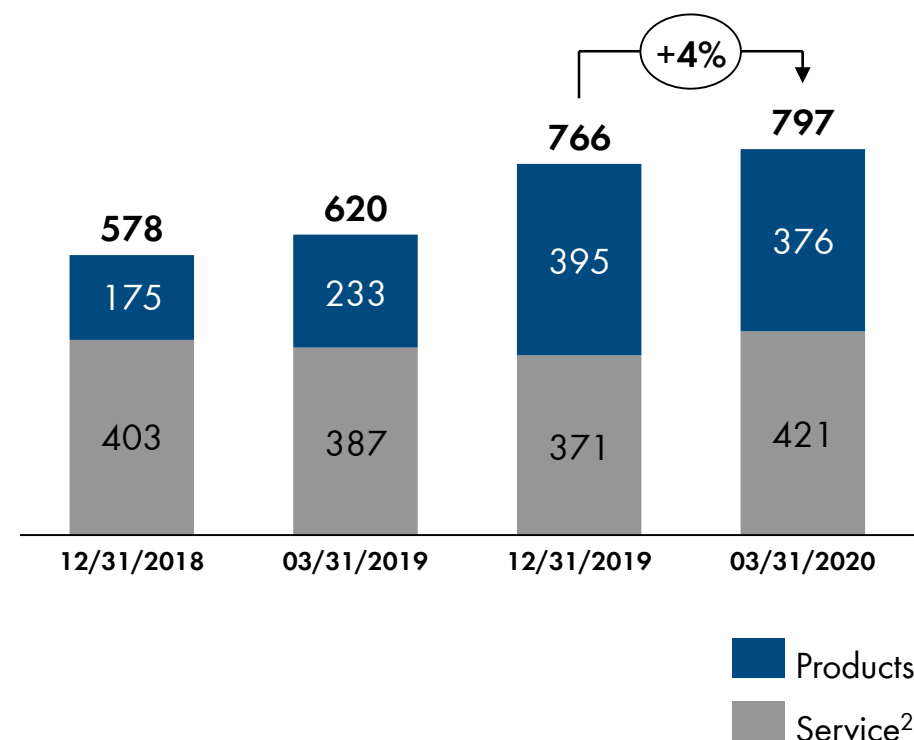
Total order backlog: €797m (Mar. 31st, 2020)



Product order backlog by regions (in%)



Order backlog development (in €m)

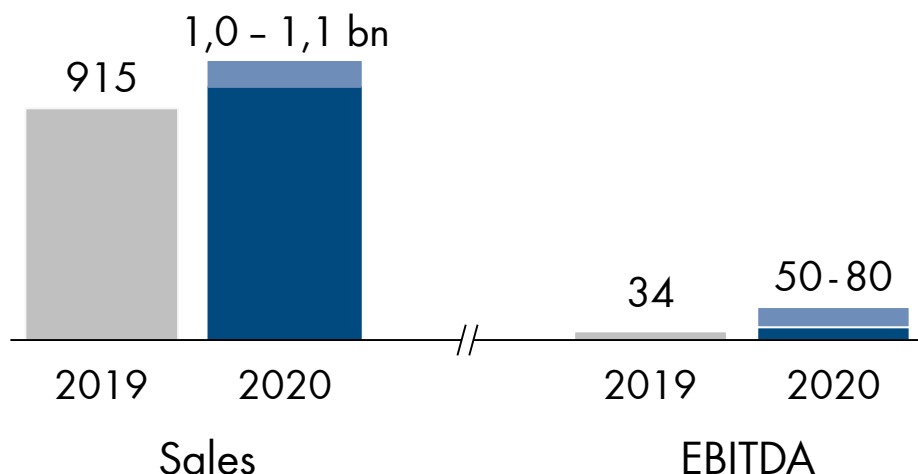


> Q1 sales and product order backlog already secure more than 60% of our 2020 annual sales guidance.

Management continues to expect strong sales and profitability growth for 2020. Covid-19 impact on our supply chain could be mitigated.



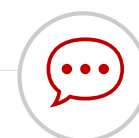
Guidance 2020 (in €m)



2020

CapEx (incl. R&D & leasing)¹ c. €50m

Depreciation / amortization c. €45m



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.

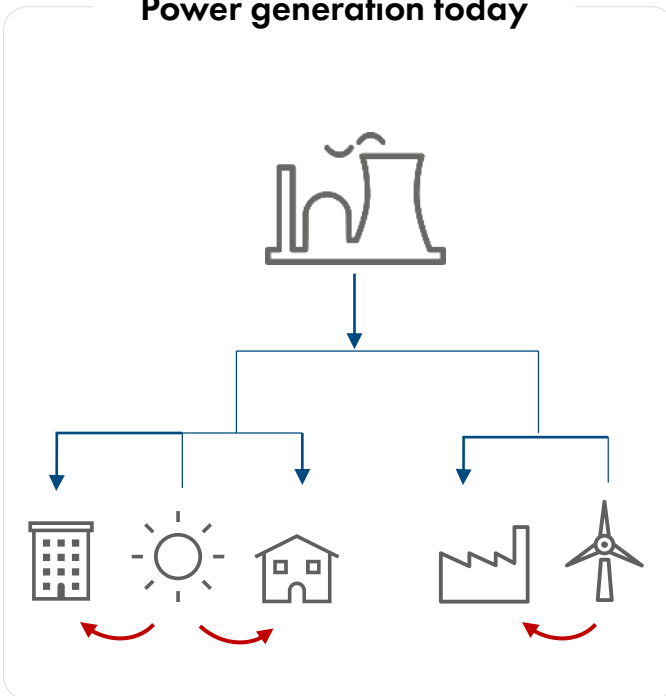
2. Market



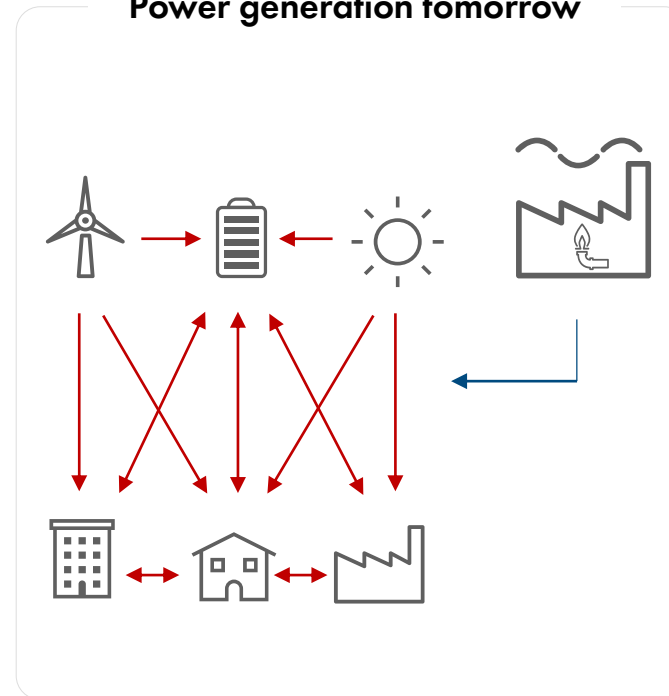
With increasing decentralization, the electricity supply system will become more complex



Power generation today



Power generation tomorrow



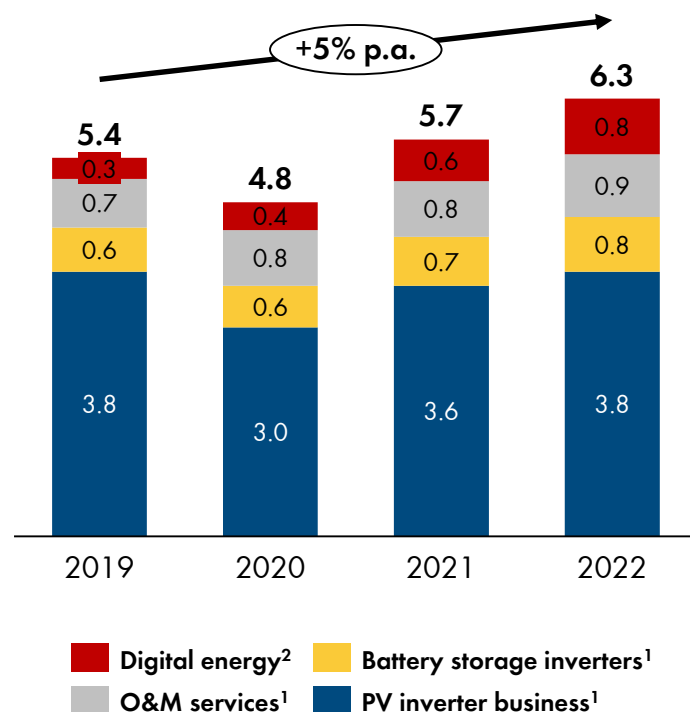
- Decentralized solar power is becoming increasingly cost-effective.
- Storage systems and digital solutions balance out generation and consumption, and enable households and businesses to share their electricity with other consumers.
- To provide a sustainable, secure and cost-effective electricity 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



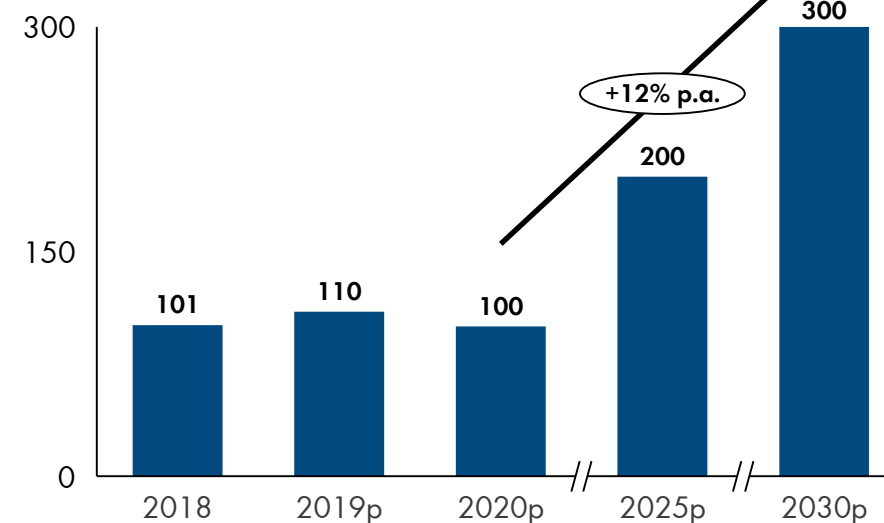
Market outlook by sector for market addressable by SMA¹

in € bn



Long-term global market development³

PV installations
in GWdc



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.



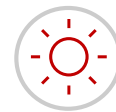
€10.5 billion

of environmental damage was prevented in 2019 through the use of SMA inverters.¹



58%

less energy is used today per kW of inverter power produced than four years ago.



2001

marks the installation of the first PV plant installed at our headquarters. Today, company-owned PV plants cover 38% of our total electricity consumption in Germany; the remaining electricity used is also renewable.



50,000 customers

from all segments were asked for their feedback in our global customer satisfaction survey 2019.



100%

transparency on our sustainability activities is secured by our sustainability reporting according to the GRI standard².

Our perfectly matched hardware, software and services enable customers to participate in tomorrow's integrated and interconnected energy system, today

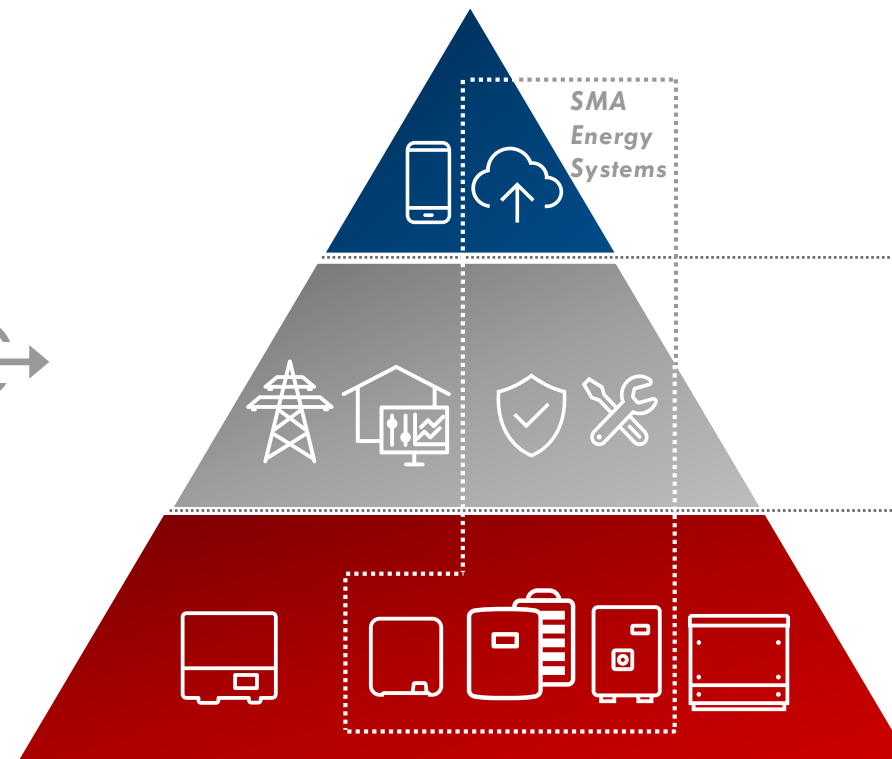


Market trend

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.

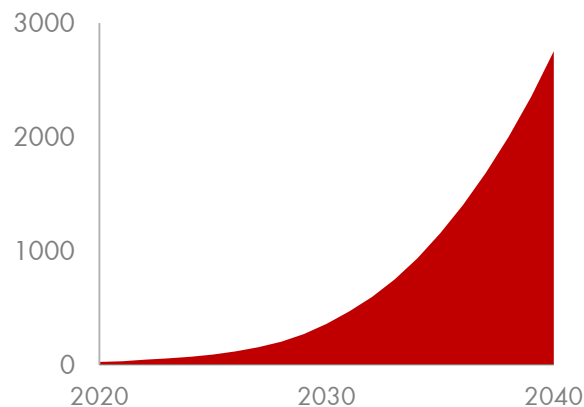
Battery storage is the enabler for a secure and sustainable energy supply – SMA is the #1 battery inverter manufacturer in a rapidly growing market



Battery storage is the backbone of the future energy supply¹

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

Cumulative global storage capacity
GWh



SMA offers storage solutions for all segments and applications

Home solutions



Business solutions



Utility PV and storage plants



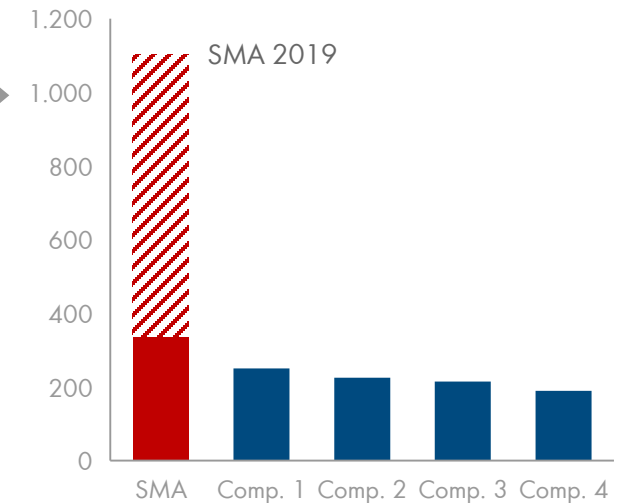
Off-grid solutions



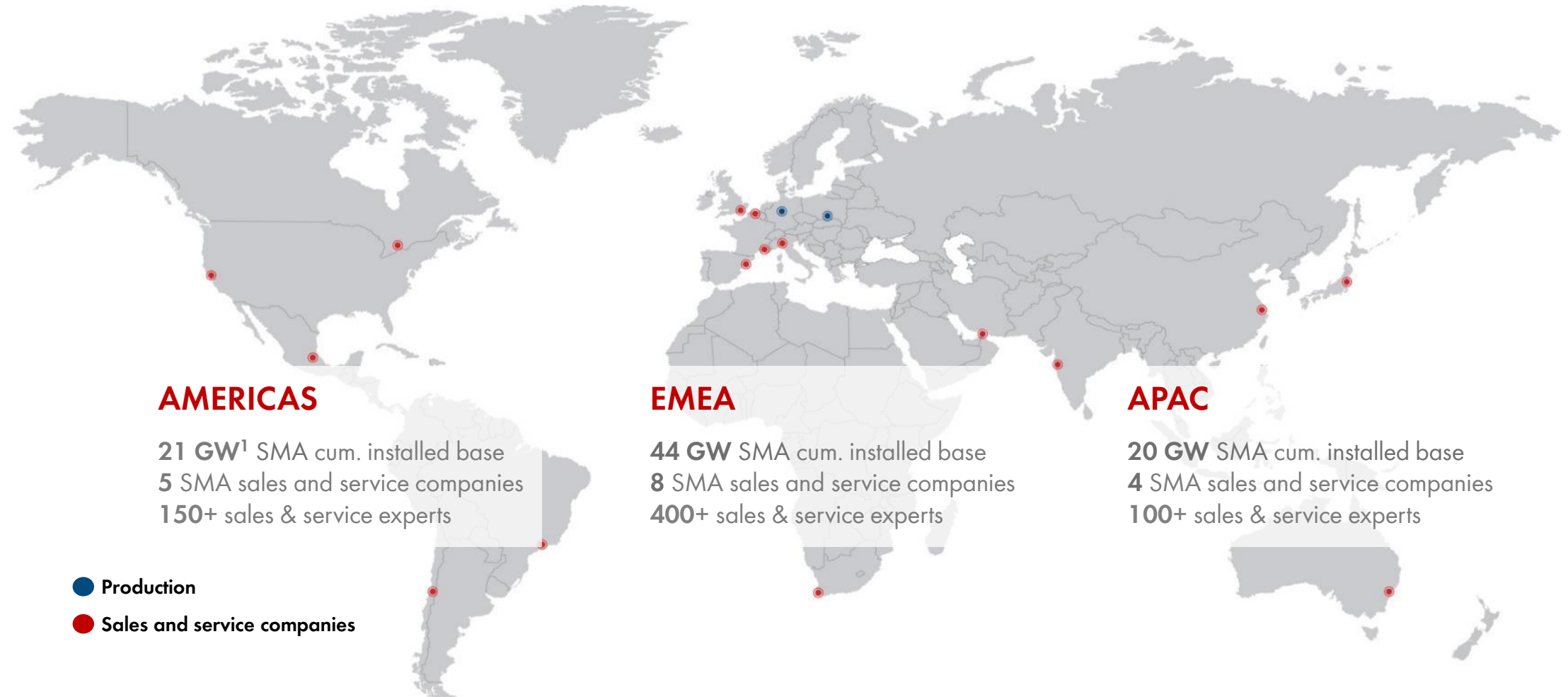
SMA is by far the market leader in battery system technology

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

Battery inverter output sold in 2018²
MW



The global SMA sales and service infrastructure supports all customer groups –
Our state-of-the-art production sites are located in Germany and Poland



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.

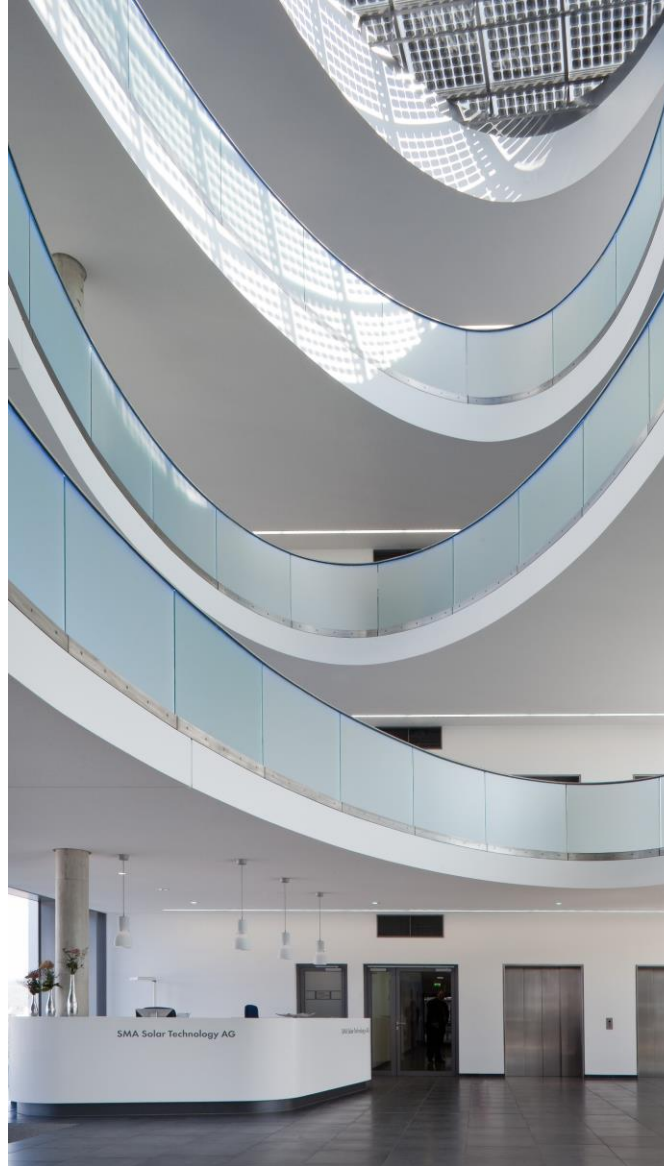
SMA Power Plant Manager: ready for the future energy supply



- 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 8.5 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

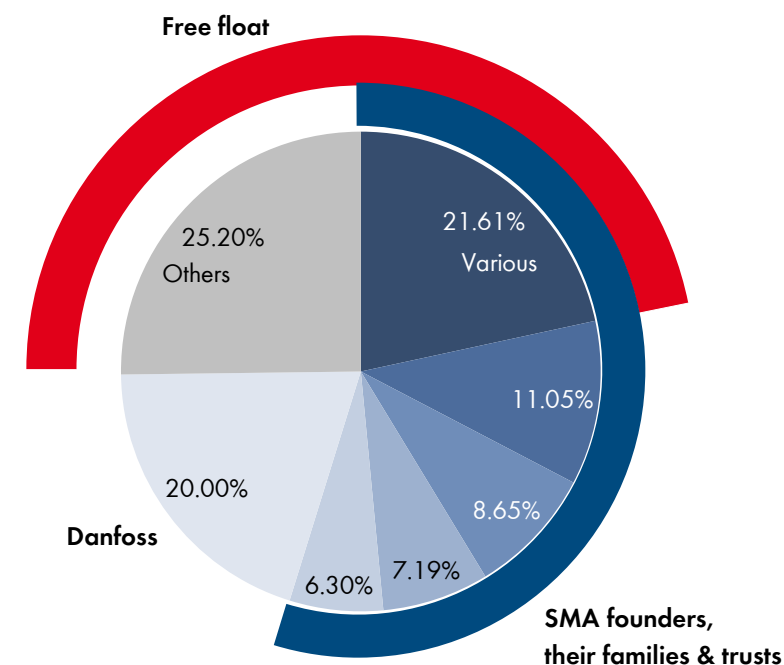
Sales & Service, Technology,
Operations, Business Units



Ulrich Hadding, CFO

Finance, HR, Legal, Investor Relations

Shareholder Structure¹



- No pre-emption rights or other restrictions

Thank you.

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