



SMA Solar Technology AG - Press Release

SMA Solar Technology AG Significantly Increases Sales in First Half of 2015 and Improves Operating Earnings

Overview of first half of 2015:

- **Sales increase year on year to €429.3 million (Q1-Q2 2014: €341.2 million)**
- **International share rises significantly to 87.2% (Q1-Q2 2014: 73.4%)**
- **Operating earnings (EBIT) improve considerably to €-14.9 million (Q1-Q2 2014: €-62.4 million)**
- **High net cash of €211.0 million (December 31, 2014: €225.4 million) despite severance payments**
- **Equity ratio still high at 47.2% (December 31, 2014: 46.8%)**
- **Company transformation progressing as planned**
- **Managing Board confirms raised sales and earnings guidance for fiscal year 2015**

Niestetal, August 13, 2015—In the second quarter of 2015, SMA Solar Technology AG (SMA/FWB: S92) continued its positive business performance from the first three months. From January to June 2015, SMA Group's sales climbed by 26% year on year to €429.3 million (Q1-Q2 2014: €341.2 million) and were thus in line with the Managing Board's forecast. The main sales driver was the segment of large-scale PV power plants (Utility). In addition, the segments for residential PV systems (Residential) and commercial PV systems (Commercial) increased in importance in the second quarter. SMA's outstanding international position is reflected in a high international share of sales of 87.2% (Q1-Q2 2014: 73.4%). SMA Group's most important foreign markets in the first six months of the year were North America, Japan, Great Britain and Australia. SMA sold PV inverters with an output of 3.2 GW in the reporting period (Q1-Q2 2014: 2.0 GW).

As a result of increased sales volumes, reduced fixed costs and positive exchange rate effects, EBITDA improved considerably to €21.3 million (Q1-Q2 2014: €-17.0 million). At €-14.9 million (EBIT margin: -3.5%), EBIT was at the upper end of the Managing Board's earnings forecast for the first half of 2015 (forecast: €-25 million to €-15 million). In the same period of the previous year, SMA generated EBIT of €-62.4 million (EBIT margin: -18.3%). Consolidated earnings amounted to €-21.4 million in the first half of 2015 (Q1-Q2 2014: €-44.9 million).

Gross cash flow and net cash were particularly influenced by severance payments in the wake of the staff reduction. However, gross cash flow improved to €-5.1 million in the first half of 2015 (Q1-Q2 2014: €-41.7 million). Net cash remained at a high level at €211.0 million (December 31, 2014: €225.4 million). With an equity ratio of 47.2% (December 31, 2014: 46.8%), SMA remains financially sound and can implement the strategy from its own resources.



“After the positive development in the first half of the year and in light of the continued high order backlog, the SMA Managing Board is anticipating a rise in sales again in the current fiscal year for the first time since 2010. In recent years, we have consistently invested in the establishment of global infrastructure in order to compensate for market fluctuations, and we can now benefit from growth in demand and the consolidation in the photovoltaics industry in all regions. In order to generate profits again as quickly as possible, the Managing Board has also comprehensively transformed the Company over the last few months. The goal is to reduce fixed costs by €160 million by the end of 2015. The first effects of the cost reduction measures initiated will already be evident in the second half of 2015. We therefore anticipate positive free cash flow in the current fiscal year,” explained SMA Chief Executive Officer and Chief Financial Officer Pierre-Pascal Urbon.

The SMA Managing Board confirms the sales and earnings forecast for the current fiscal year that was raised in July and predicts sales of €800 million to €850 million. Around 80% of the forecasted sales have already been accounted for in the sales of the first six months of 2015 and the order backlog for this fiscal year. Taking into consideration the Company’s improved business performance and timely implementation of its transformation, the Managing Board anticipates a break-even in terms of operating result (EBIT) in the best-case scenario in 2015. In the worst-case scenario, SMA would generate an operating loss of €25 million in 2015.

You can find the half-yearly financial report for January to June 2015 at www.SMA.de/IR/FinancialReports.

About SMA

The SMA Group with sales of more than €800 million in 2014 is the global market leader for solar inverters, a key component of all PV plants and offers innovative key technologies for future power supply structures. It is headquartered in Niestetal, near Kassel, Germany, and is represented in 21 countries. The Group employs more than 4,000 people worldwide. SMA’s broad product portfolio includes a compatible inverter for every type of module on the market and for all PV system sizes. The repeatedly awarded product range includes system technologies for grid-connected photovoltaic systems as well as off-grid and hybrid systems. The technology is protected by more than 550 patents. The range of services is supplemented by comprehensive services and operational management of large-scale PV power plants. Since 2008, the Group’s parent company, SMA Solar Technology AG, has been listed on the Prime Standard of the Frankfurt Stock Exchange (S92) and also in the TecDAX index.



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