



SMA Solar Technology AG press release

## **Business performance of SMA Solar Technology AG impaired by chip shortage and one-time item in 2021**

### **Overview of fiscal year 2021:**

- **Sales of €984 million (2020: €1,027 million)**
- **13.6 GW inverter output sold (2020: 14.4 GW)**
- **Earnings before interest, taxes, depreciation and amortization (EBITDA) of €9 million impacted by one-time item in the double-digit million euro range (2020: €72 million)**
- **Equity ratio still high at 39% (December 31, 2020: 42%)**
- **Managing Board anticipates sales of between €210 million and €220 million as well as EBITDA of between €12 million and €16 million in first quarter of 2022 and confirms sales and earnings guidance for the year as a whole**

Niestetal, March 31, 2022 – In the 2021 fiscal year, SMA Solar Technology AG (SMA/FWB: S92) generated sales of €983.7 million (2020: €1,026.6 million). The slight drop in sales of around 4% compared with the previous year can be attributed to the considerable challenges in relation to the global coronavirus pandemic and the situation concerning the supply of electronic chips, which became increasingly strained in the course of the year. International suppliers were unable to satisfy global demand, which is significantly higher as a result of the economic recovery as well as advancing digitalization. The consequences of the coronavirus pandemic as well as the chip shortage were keenly felt in the SMA Business Solutions segment in particular. By contrast, sales in the Home Solutions and Large Scale & Project Solutions segments remained at the previous year's level despite the challenges. EBITDA fell to €8.7 million (EBITDA margin: 0.9%; 2020: €71.5 million, 7.0%). Earnings have been impacted by a one-time item in the mid double-digit million euro range. This resulted from an onerous long-term contract for operation and maintenance (O&M) services for PV power plants, which SMA exited.

Net income came to -€23.0 million (2020: €28.1 million). Earnings per share thus dropped to -€0.66 (2020: €0.81). At €221.7 million, net cash remained nearly at the same level as at the end of the previous year (December 31, 2020: €226.0 million). The equity ratio fell slightly to 39.0% at the end of the reporting year (December 31, 2021: 41.8%). In addition, SMA has a credit line of €100 million from domestic banks.

“The shortage of chips, which worsened significantly once more in the second half of the year, impaired the business performance of SMA in 2021 considerably,” explained SMA Chief Executive Officer Jürgen Reinert. “As a European manufacturer, we were particularly affected here because, for the most part, the suppliers of the electronic components are located in the U.S. and have the goods produced in China. Accordingly, the customers in these regions are given



preferential treatment when it comes to supply. In addition, a one-time item owing to an onerous contract in the area of operation and maintenance services for PV power plants impacted our result. SMA has exited the unfavorable contract in order to cut losses and free consecutive fiscal years from financial burdens. There is no other contract in SMA's O&M portfolio that shows comparable conditions." Last year, SMA strengthened its position in key fields for the future and thereby forged ahead with its strategic direction as an energy transition company. "Our subsidiary company coneva supplied customers including the parcel delivery company DHL with an innovative solution for optimized, automatically controlled charging of electric vehicles," said Reinert. "In the area of storage, we were engaged to supply the world's largest grid-forming storage power plant at Torrens Island, Australia, and in the business field of green hydrogen production, projects with SMA system technology for the processing of direct current for electrolysis went into operation in the U.S., Europe, Asia and Australia. We also achieved further successes in the area of sustainability. The accounting firm Deloitte, for example, confirmed to us as part of their audit of the non-financial statement for 2021 that 100% of the SMA group's business activities are EU taxonomy-eligible."

For the first quarter of 2022, the SMA Managing Board is anticipating sales of €210 million to €220 million (Q1 2021: €240.4 million) and earnings before interest, taxes, depreciation and amortization (EBITDA) of €12 million to €16 million (Q1 2021: €20.1 million). The SMA Managing Board confirms its sales and earnings guidance for the 2022 fiscal year as published on March 1, 2022, which forecasts an increase in sales to between €900 million and €1,050 million and EBITDA of between €10 million and €60 million. The Managing Board currently sees no threat to the guidance due to the war in Ukraine. A conclusive assessment is currently not possible. "SMA started the new year with a large order backlog," said Reinert. "We expect the shortage of electronic components to continue in the coming months. However, we will continue to do all we can to also satisfy our order intake, which remains very healthy. In the medium to long term, we see outstanding growth potential for SMA. The fight against the global climate crisis as well as the intensified pursuit of an electricity supply that is independent of energy imports will again accelerate the conversion to decentralized structures based on renewable energy sources in the coming years. SMA is in an outstanding position to participate in this growth both in its core business of photovoltaics and in significant future business fields such as battery-storage systems, e-mobility and hydrogen production."

The SMA Annual Report 2021 is available online at [www.SMA.de/IR/FinancialReports](http://www.SMA.de/IR/FinancialReports).

## **About SMA**

As a leading global specialist in photovoltaic and storage system technology, the SMA Group is setting the standards today for the decentralized and renewable energy supply of tomorrow. SMA's portfolio contains a wide range of efficient PV and battery inverters, holistic system solutions for PV and battery-storage systems of all power classes, intelligent energy management systems and charging solutions for electric vehicles and power-to-gas applications.



Digital energy services as well as extensive services up to and including operation and maintenance services for PV power plants round off SMA's range. SMA inverters with a total output of more than 110 gigawatts have been installed in more than 190 countries worldwide. SMA's multi-award-winning technology is protected by around 1,700 patents and utility models. 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 is listed in the SDAX index.

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