



SMA Solar Technology AG – Press Release

## **SMA Solar Technology AG grows internationally and increases lower end of sales and earnings forecast for the overall year 2012**

### **Highlights of the first half of 2012:**

- **4.0 gigawatts of inverter output sold (Q1–Q2 2011: 3.1 GW)**
- **Sales increased by 16.6% to €833.7 million (Q1–Q2 2011: €715.0 million)**
- **Gross foreign sales increased by 12.1% to €463.9 million (Q1–Q2 2011: €413.8 million)**
- **Earnings before interest and taxes (EBIT) of €83.7 million (Q1–Q2 2011: €103.7 million)**
- **Financial independence – net liquidity of €387.7 million (Dec. 31, 2011: €473.3 million)**
- **Managing Board raises lower end of sales and earnings forecast for the overall year 2012**

Niestetal, August 9, 2012 – Following a positive start to the fiscal year 2012, SMA Solar Technology AG (SMA/FWB: S92) continued its growth in the second quarter. During the first half of the year, the company sold PV inverters with a total output of 4.0 gigawatts (Q1–Q2 2011: 3.1 GW) and increased sales compared to the same period last year by 16.6% to €833.7 million (Q1–Q2 2011: €715.0 million). Thanks to its international presence in 21 countries, SMA succeeded in further expanding its sales abroad. Gross foreign sales rose by 12.1% compared to the same period last year to €463.9 million (Q1–Q2 2011: €413.8 million). This corresponds to an export ratio of 53.7% (Q1–Q2 2011: 56.3%).

In the first half of 2012, the development of demand was characterized to a decisive extent by the clear changes in subsidy conditions in important European photovoltaic markets. This resulted in demand for inverters for PV rooftop systems being brought forward. In addition, catch-up effects, resulting, for example, from a high level of commercial commissioning in Germany in the fourth quarter of 2011, had a positive influence on demand in this area. The good development of project business with Sunny Central inverters is also due, among other things, to the effects of purchases being brought forward. For example, between January and June 2012, numerous projects were carried out in North America that still benefited from the subsidy conditions that were effective last year. In Germany, the expiry of the periods for the adjustment of subsidies for ground-based PV plants at the end of June and the end of September had correspondingly positive effects.

“In the first half of the year, SMA achieved or even exceeded its own expectations in many areas despite a difficult market environment. Particularly, the policy of internationalization, adopted by us at an early stage, resulted in a positive development of our international business. At the same time, however, we also again demonstrated our



innovative strength during the first half of the year. With over 300 patents granted worldwide and a similar number of ongoing patent applications, SMA is more innovative than ever before,” explained Pierre-Pascal Urbon, Speaker of the Managing Board and Chief Financial Officer for SMA.

Earnings before interest and taxes (EBIT) for the first half of 2012 was €83.7 million (Q1-Q2 2011: €103.7 million). The EBIT margin of 10.0% is at the upper end of the earnings forecast (Q1-Q2 2011: 14.5%). Consolidated net profit was €59.4 million (Q1-Q2 2011: €73.5 million). In the first half of the year, SMA strongly increased gross cash flow to €104.3 million compared to the previous year (Q1-Q2 2011: €65.3 million). The increase of almost 60% again underlines SMA’s ability to generate cash even in a challenging competitive situation. With an equity ratio of 58.1% and net liquidity of €387.7 million (Dec. 31, 2011: €473.3 million), SMA continues to have a very solid balance-sheet structure and can finance its further development from own resources.

“Capital and financial markets are currently dominated by great uncertainty. Particularly against this background, SMA’s financial independence is an enormous competitive advantage. To ensure that this also remains the case in future, the Managing Board has prepared all employees for the changed framework conditions. We are therefore confident that SMA will emerge strengthened from the industry’s changes. We are a highly motivated team focussedly working on the implementation of a decentralized energy supply,” comments Pierre-Pascal Urbon.

On the basis of the positive performance in the first half of the year, the Managing Board of SMA is raising the lower end of the sales and earnings guidance for the year 2012 that was first published in March. The amended guidance forecasts an operating profit of €100 million to €150 million on sales of €1.3 billion to €1.5 billion (previously: sales of €1.2 to €1.5 billion; EBIT: €60 million to €150 million). This equates to an EBIT margin of 8% to 10% (previously: 5% to 10%).

The quarterly financial report for January to June 2012 is available online at [www.SMA.de/IR/FinancialReports](http://www.SMA.de/IR/FinancialReports). In addition, video statements by the Speaker of the Managing Board can be found on the blog [www.SMA-Sunny.com](http://www.SMA-Sunny.com).

## **About SMA**

The SMA Group generated sales of €1.7 billion in 2011 and is the global market leader for solar inverters, a key component of all PV plants and, as an energy management group, offers innovative key technologies for future power supply structures. It is headquartered in Niestetal, near Kassel, Germany, and is represented in 21 countries on six continents. The Group employs more than 5,500 people worldwide, plus a number of temporary employees that varies on a seasonal basis. SMA’s broad product portfolio includes a compatible inverter for every type of module on the



market and for all plant sizes, as well as monitoring and energy management systems. The product range includes both inverters for photovoltaic plants connected to the grid as well as inverters for off-grid systems. SMA is therefore able to provide ideal technical inverter solutions for all plant sizes and types. 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. In recent years, SMA has received numerous awards for excellence as an employer and achieved first place in the nationwide "Great Place to Work<sup>®</sup>" competition in 2011 and 2012.

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