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## Sales increased by 42% in H1 2020 with all segments delivering strong doubledigit growth





## Key financials (in € million)

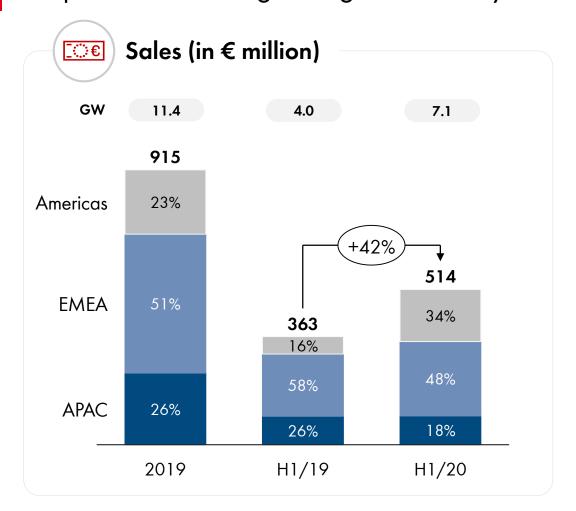
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	H1 2019	H1 2020	Change	
MW sold	3,973	7,105	79%	Net cash
Sales	363	514	42%	Total assets
Home Solutions	102	139	36%	NWC ratio (in %) <sup>1</sup>
<b>Business Solutions</b>	135	158	17%	
Large Scale & Project Solutions	126	217	73%	
Gross margin	20%	19%		Sales
EBITDA	9	24	182%	Home Solutions
Depreciation	23	21	-7%	Business Solutions
EBIT	-14	3	n.m.	Large Scale &
Net result	-14	3	n.m.	Project Solutions
Free cash flow (Adj.)	-67	-101	n.m.	Gross margin
Net CapEx (incl. R&D)	13	15	15%	EBITDA

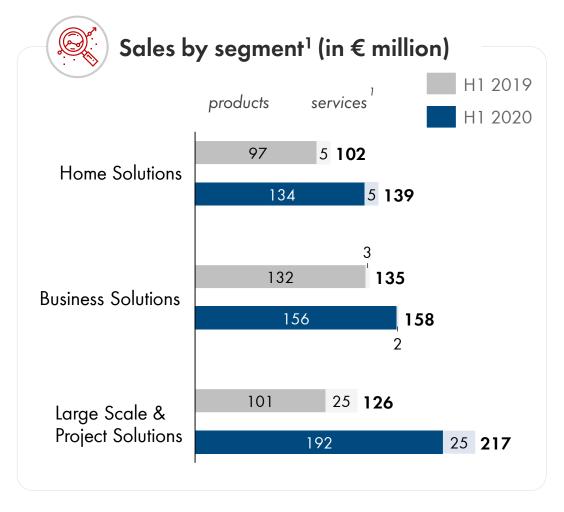
	2019/12/31	2020/06/30	Change
Net cash	303	201	-34%
Total assets	1,107	992	-10%
NWC ratio (in %) <sup>1</sup>	17%	24%	

	2019/2020			
	Q3	Q4	Q1	Q2
Sales	268	284	288	226
Home Solutions	73	65	71	68
<b>Business Solutions</b>	74	87	79	79
Large Scale & Project Solutions	121	132	138	79
Gross margin	17%	17%	17%	22%
EBITDA	17	8	12	12

## Americas and EMEA achieved strong revenue growth and the Large Scale & Project Solutions segment grew sales by 73% in H1 2020

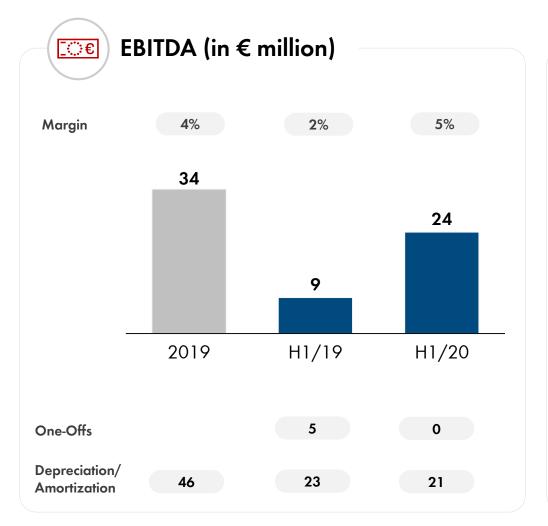


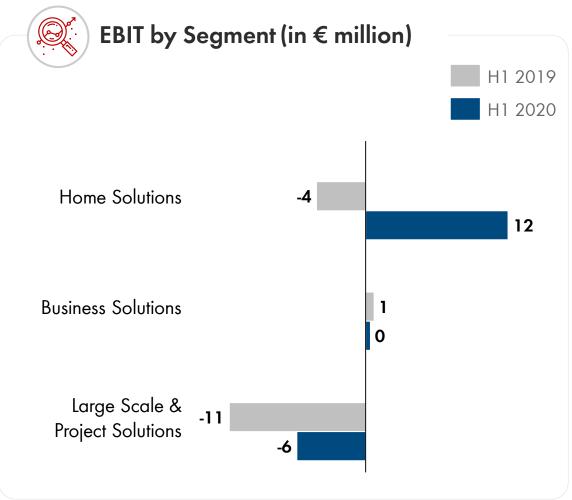




## Significant increase in EBITDA driven by strong sales growth in H1 2020

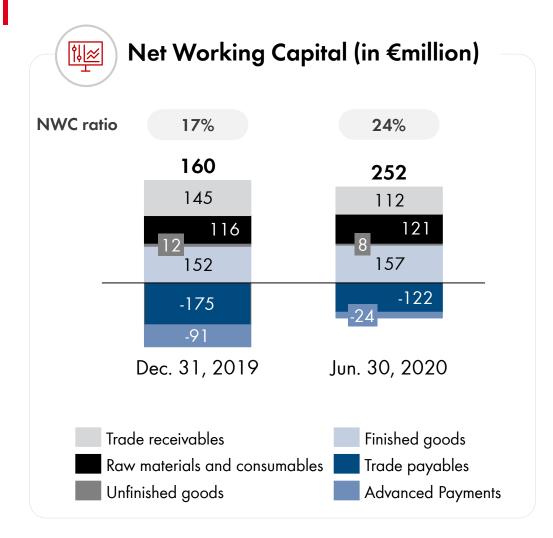






## Net Working Capital Increased Mainly Due to Higher Inventories





Group Balance Sheet (in €million)			
	31.12.2019	30.06.2020	Change
Non-current assets	299	305	2%
Working capital	425	398	-7%
Other assets	65	75	+16%
Total cash	318	214	-33%
Shareholder's equity	417	418	0%
Provisions <sup>1</sup>	153	153	0%
Trade payables	175	122	-30%
Financial liabilities <sup>2</sup>	15	13	-12%
Other liabilities <sup>1</sup>	347	286	-18%
TOTAL	1,107	992	-10%

<sup>1.</sup> Not interest-bearing

<sup>2.</sup> w/o not interest-bearing derivatives: €0.1m (2019: €0.3m) and IFRS 16 Leases of €24.7m (2019: €19.4m)

# Gross Cash Flow significantly improved compared to H1 2019; Adjusted Free Cash Flow negative due to decreased liabilities in H1 2020



Cash Flow (in € million	1)
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	H1 2019	H1 2020
Net Income	-14	3
Gross Cash Flow	5	28
Cash Flow from Operating Activities	-54	-86
Net Capex	-13	-15
Free Cash Flow (Adj.)	-67	-101
Net Investments from Securities and Other Financial Assets	66	27
Free Cash Flow (IFRS)	-1	-74

## Sales and earnings continued to improve significantly in H1 and Q2 2020





### Financial highlights H1 2020

### **Top Line**

• Despite the COVID-19 crisis, SMA sales increased by 42% reaching €514m in H1 2020, with all three segments delivering strong double-digit sales growth. Our Large Scale & Project Solutions segment achieved nearly €100m more revenues compared to H1 2019, Q2 development was also positive.

### Profitability, Bankability

- EBITDA of €24m in H1 2020 more than doubled the profitability of H1 2019, driven by significantly higher sales achieved despite effects of the COVID-19 crisis in Q2.
- SMA maintains a solid balance sheet structure with an equity ratio of 42%,
   €201m net cash and a €100m credit facility. SMA's debt to equity ratio of 1.37 confirms our solid financial position.

### **Product Highlights**

SMA EV Charger



SMA 360° App



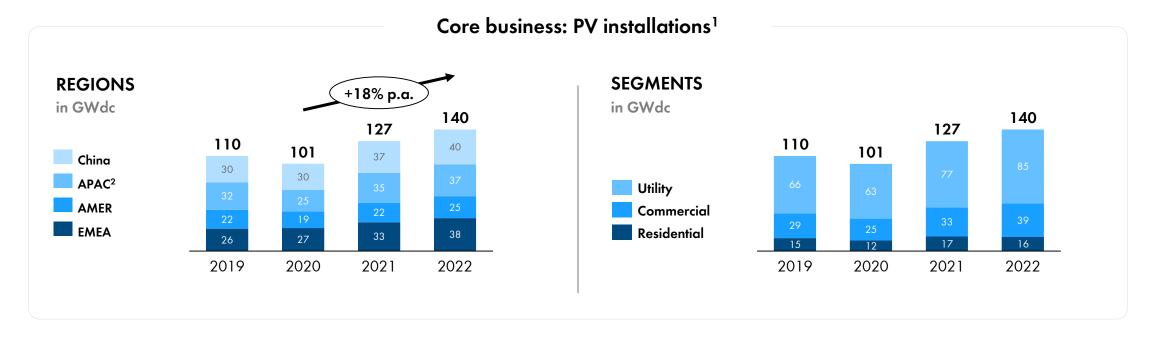
SMA Power Plant Manager





# Global PV installations expected to grow by 18% p.a. in the medium term after slow-down in 2020

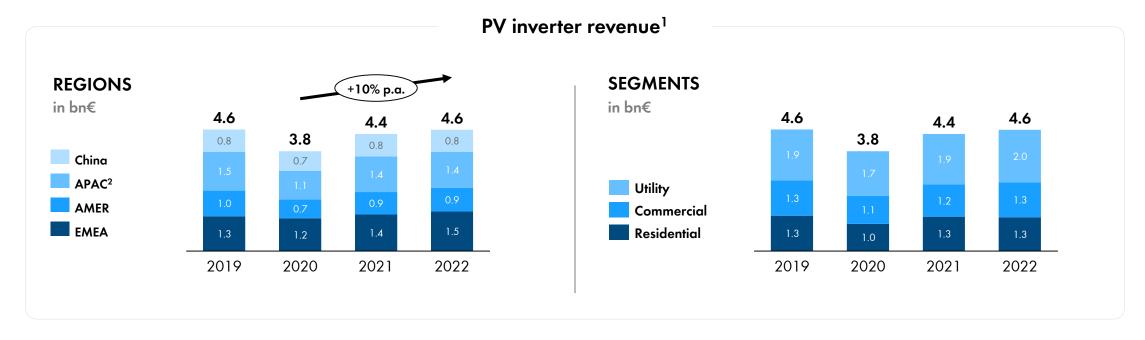




- Global PV installations are continued to be observed closely to reflect the impact by the Corona crisis. For 2020 a total of 101 GW new PV installations are expected followed by a grow of 18% p.a. until 2022. Due to lockdown measures and investment restraints the installations slowed down in some countries in the second quarter of 2020.
- Taking renewable energy goals, e.g. European Green Deal, into consideration and already permitted and financed projects, PV development is expected
  to recover soon.
- It is assumed that emerging markets are more affected by the current situation than mature ones and residential/commercial segments more than the utility segment due to investment restraints from private households and smaller businesses.

## Recovery of global investment level in PV inverter technology after Coronaaffected installation decrease

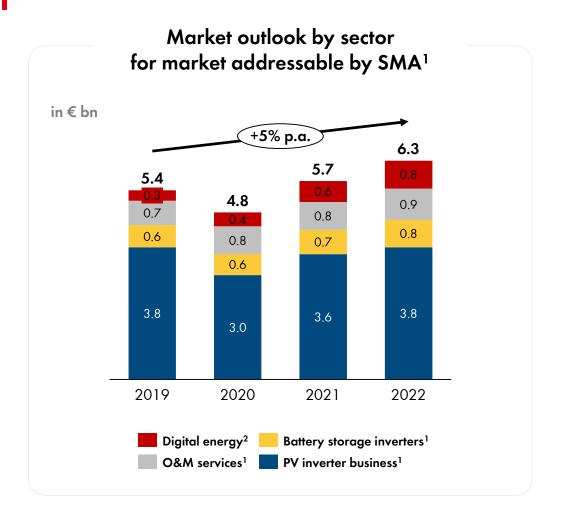




- Investment in PV system technology will develop according to installations and recover by showing a growth rate of 10% p.a. until 2022, after a decrease in 2020 in all segments and regions.
- In 2020, the lowest decrease in inverter revenue is expected in EMEA region, the highest decrease in APAC<sup>2</sup> region, especially impacted by countries like India and Vietnam having been two of the largest markets in the previous year.
- The investment in PV inverters is expected to reach pre-Corona level in 2022.

### Storage inverter technology and digital energy solutions drive market growth



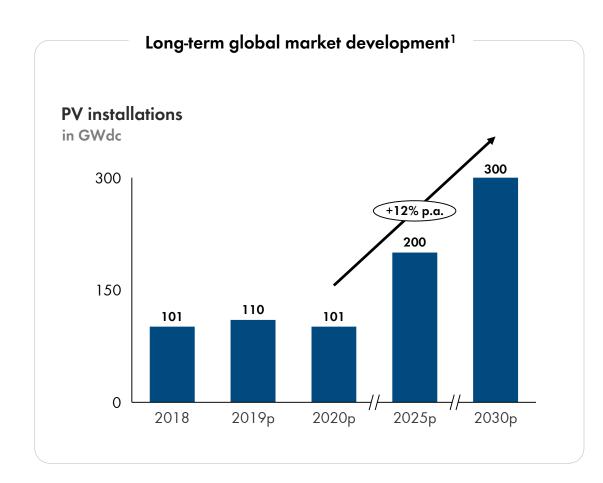


- PV power generation costs decrease, integrated energy and digitalization will lead to a higher share of renewable energy and its growth.
- After a Corona-related dip in 2020, the traditional PV inverter market outside of China will go back to pre-Corona level and be mostly stable over the next years. Digital solutions and battery storage are attractive additional value pools.
- PV inverters will serve as the backbone for smart grid solutions connecting the components and collecting data.
- Digital energy solutions gain importance for both homes and businesses, e.g. energy services for residential houses, food and non-food retail.
- O&M services remain important with continuously declining equipment prices and are key for sustainable PV investments.
   Service packages are aiming at utility plants in particular and vary from full to partial.

<sup>1.</sup> SMA Market Model Q2-2020 (revised); global PV inverter market excluding China where SMA is not doing any business

# PV is key for a cost-effective, secure and sustainable energy generation – Annual installations are expected to triple by 2030





- Digitalization accelerates the transition towards a decentralized energy supply system based on renewable energies.
- With the electrification of additional sectors, electricity is expected to become the main energy source, contributing almost 50% to final consumption in 2050. This means gross electricity consumption would more than double.
- PV will become the preferred energy source in the decentralized, digital energy supply system of tomorrow.
   This will lead to records in installations year over year.



### Current external developments: No significant impact on SMA



## Covid-19 crisis: SMA was able to maintain supply chain and delivery times

- With targeted changes in production processes and logistics, we have been keeping up our production capacity.
- Through close cooperation with suppliers and service providers, we largely avoid component shortages and significant restrictions in delivery times.
- Despite the COVID-19-related restrictions we continue to work closely with our customers.



## The US-China trade war has no effect on SMA

- SMA has sold its Chinese operations in 2019.
- All products for the U.S. market are manufactured at our stateof-the art and CO<sub>2</sub>-neutral production facilities at our headquarters in Germany with an annual capacity of 15 GW.
- SMA has been well established in the U.S. market since 2001 with an own sales and service company.



# SMA is tapping into new business fields - Holistic EV charging solutions for businesses and private households





#### EV charging for businesses and fleets

Products, planning, installation and servicing of/for company charging infrastructure



### **Energy management and services**

E.g. managed reduction of peak load to reduce costs of energy and investments



### EV charging solution at home

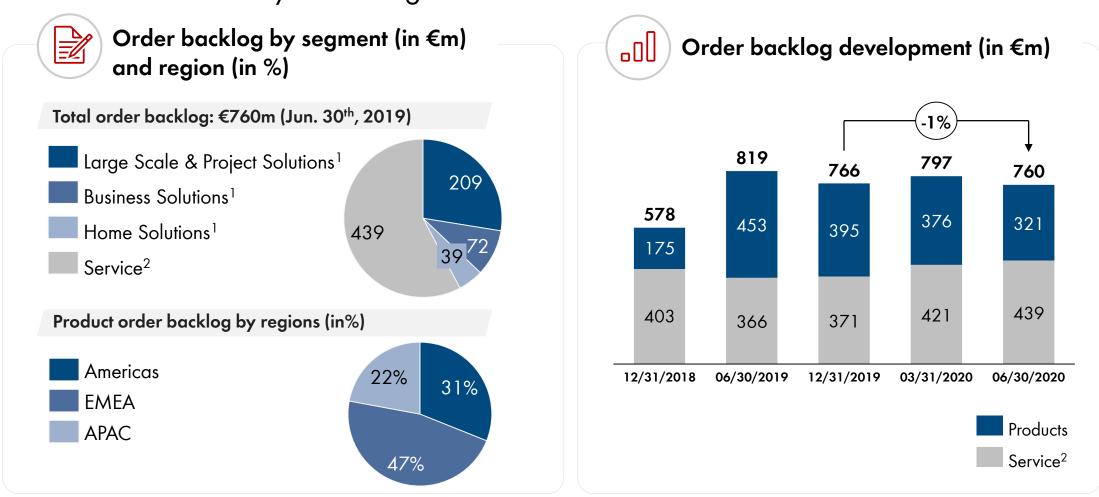
The new SMA EV charger enables fast, reliable and cost-effective charging with maximum use of solar power and integrates seamlessly into the SMA Energy System Home.

> SMA combines the competencies of different entities to offer holistic solutions based on the open ennexOS platform.



## Solid order backlog for products of €321m at the end of Q2 2020 secures more than 80% of full year sales guidance





> H1 sales and product order backlog secure more than 80% of our 2020 annual sales guidance.

## Management confirms 2020 guidance with strong sales and profitability growth expected for this year; effects of Covid-19 on supply chain mitigated







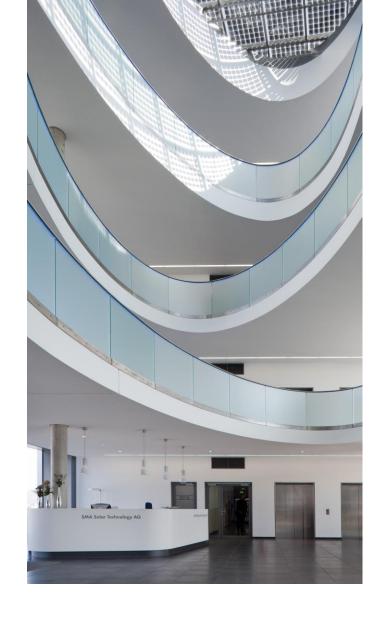
### **Management comments**

- Management remains confident to grow sales to over 1 billion Euros in 2020, building on our strong level of sales in H1. Our supply chain is stable and customer demand remains on a good level despite the Covid-19 crisis.
- SMA is gaining market share in several markets, building on order intake of over 1 billion Euros in 2019 and 531 million Euros in H1 2020.
- All segments are experiencing less price pressure in comparison to prior years.
- Restructuring savings continue to contribute to profitability in 2020.

SMA Solar Technology 1. incl. ca. €15m for R&D and ca. €15m from Leasing

## 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 CO<sub>2</sub>-neutral.



#### Financial stability

is secured by c. 42% equity ratio and c. €200 million net cash.



#### Clear focus

as a leading specialist for PV system technology with 90 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



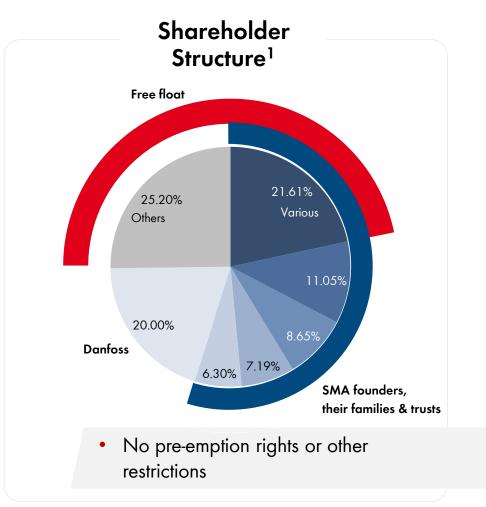
### **Managing Board**



Dr. Jürgen Reinert, CEO Sales & Service, Technology, Operations, Business Units



Ulrich Hadding, CFO
Finance, HR, Legal, Investor Relations



## Thank you.

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