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most important customer.
Our future.*

Unsere Energie begeistert die wichtigste Kunden der Welt. Unsere Zukunft.



SMA SOLAR TECHNOLOGY AG

Analyst / Investor Presentation

Quarterly Financial Results: January to March 2022

Presented by Ulrich Hadding, CFO

May 11, 2022

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Review Q1 2022



Q1 2022 profitability solid despite lower sales as a result of the ongoing supply constraints



Key financials (in € million)

	Q1 2021	Q1 2022	Change
MW sold	3,360	2,788	-17%
Sales	240	221	-8%
Home Solutions	75	63	-17%
Commercial & Industrial Solutions	62	57	-8%
Large Scale & Project Solutions	103	101	-2%
Gross margin	22%	21%	
EBITDA	20	15 ²	-26%
Depreciation	10	9	-12%
EBIT	10	6 ²	-42%
Net result	8	3 ²	-63%
Free cash flow (Adj.)	7	-20	n.m.
Net CapEx (incl. R&D)	9	12	29%

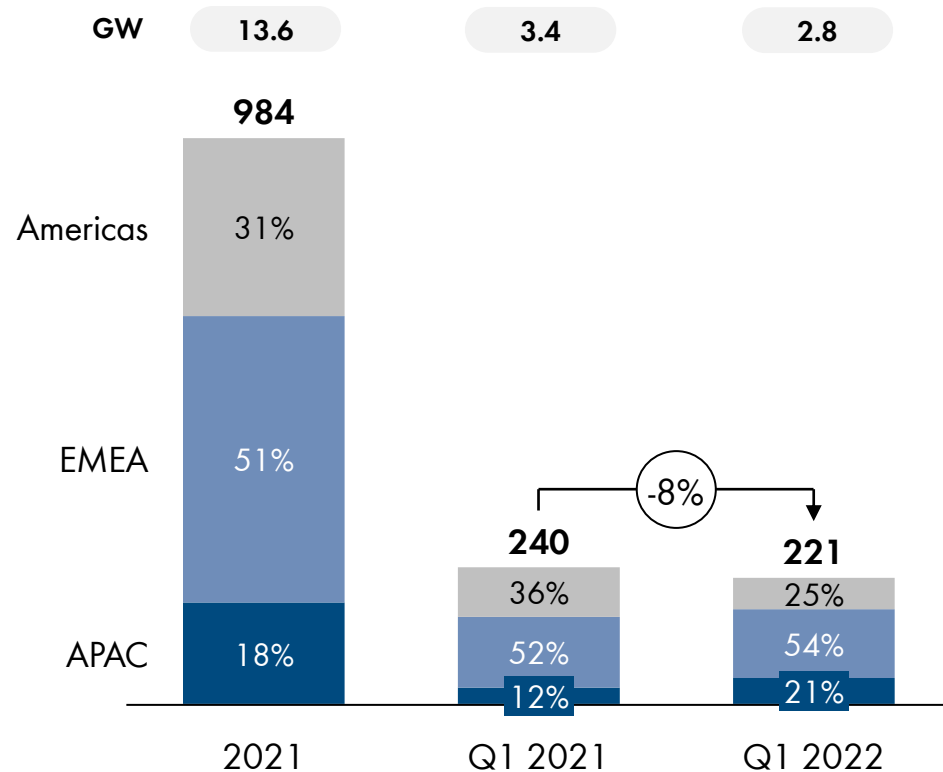
	2021/12/31	2022/03/31	Change
Net cash	222	200	-10%
Total assets	1,052	1,062	1%
NWC ratio (in %)	26%	28%	

	2021/2022			
	Q2	Q3	Q4	Q1
Sales	248	257	239 ²	221
Home Solutions	72	66	52	63
Commercial & Industrial Solutions	55	60	69	57
Large Scale & Project Solutions	121	131	118	101
Gross margin	22%	20%	7% ¹	21%
EBITDA	18	15	-44 ¹	15 ²

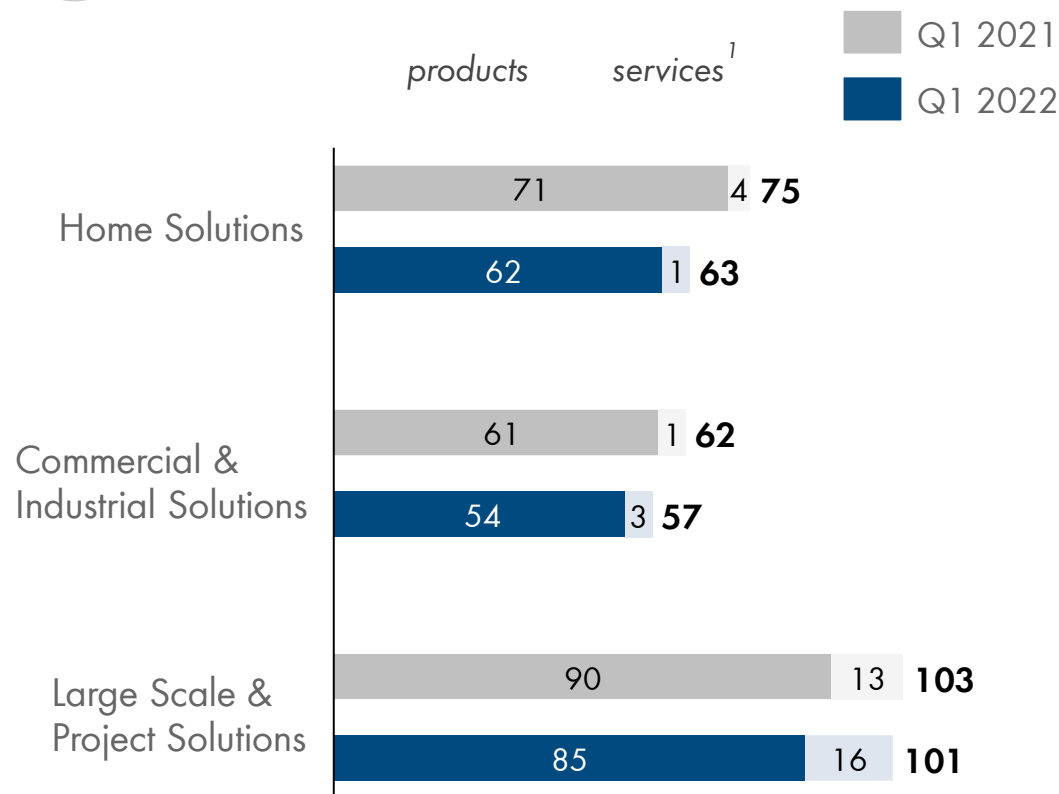
Revenues below prior year due to effects of material shortages on all segments



Sales (in € million)



Sales by segment (in € million)



Q1 2022 EBITDA below Q1 last year as a result of the lower level of sales



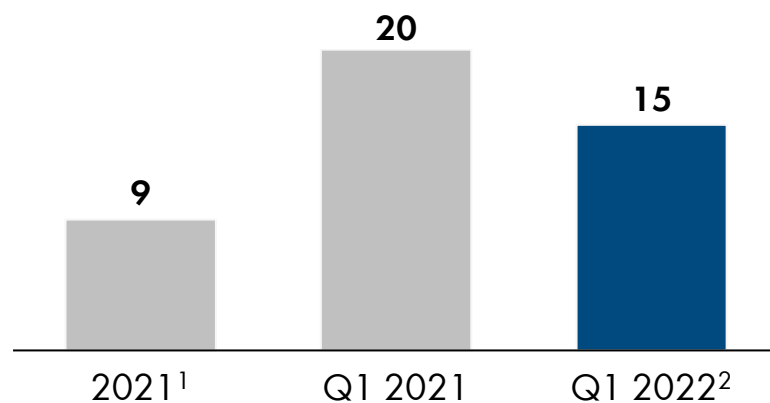
EBITDA (in € million)

Margin

1%

8%

7%



One-Offs

-37¹

0

5²

Depreciation/
Amortization

42

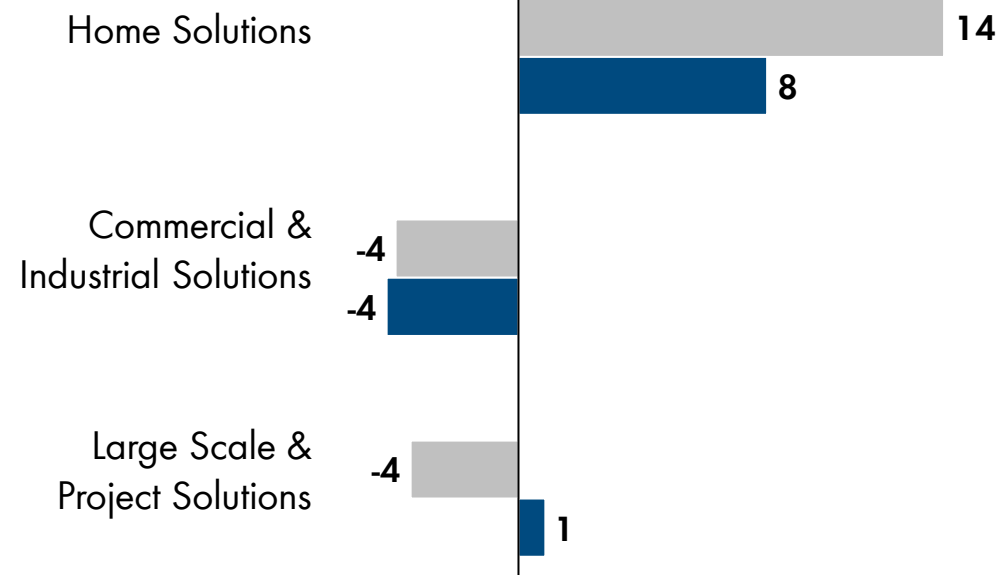
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EBIT by Segment (in € million)

Q1 2021
Q1 2022

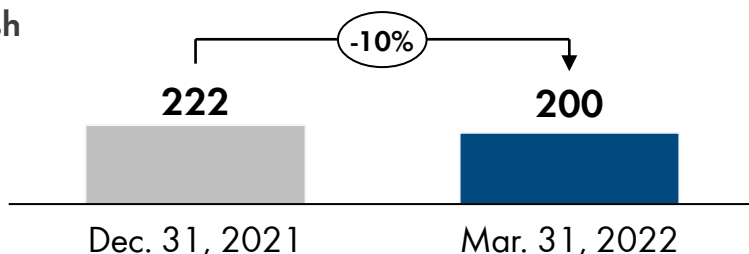


Net Cash level remains solid; decreased due to higher Working Capital as consequence of current supply situation

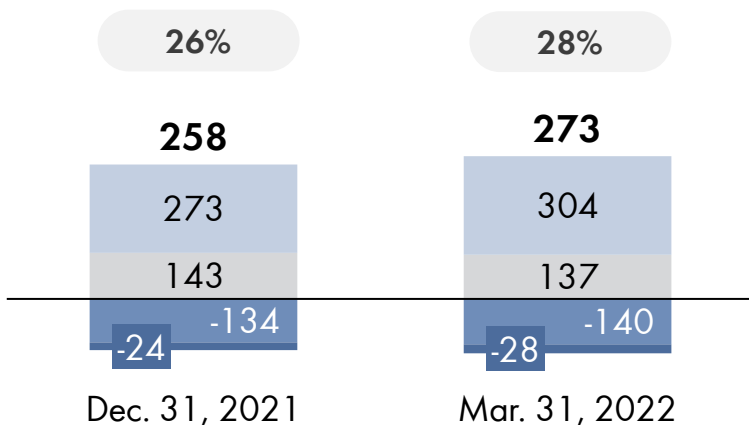


Net Cash | NWC (in € million)

Net Cash



NWC



■ Inventories ■ Trade receivables ■ Trade payables ■ Advanced Payments



Group Balance Sheet (in € million)

	2021/12/31	2022/03/31	Change
Non-current assets	333	337	1%
Working capital	416	440	6%
Other assets¹	73	77	4%
Total cash	230	208	-10%
Shareholder's equity	410	415	1%
Provisions²	209	207	-1%
Trade payables	134	140	4%
Financial liabilities³	8	8	-10%
Other liabilities^{2,4}	291	292	1%
TOTAL	1,052	1,062	1%

Build-up of inventories leads to negative cash flow from operating activities and negative adjusted free cash flow for Q1 2022



Cash Flow (in € million)

	Q1 2021	Q1 2022
Net Income	8	3
Gross Cash Flow	30	14
Cash Flow from Operating Activities	17	-8
Net Capex	-9	-12
Free Cash Flow (Adj.)	7	-20
Cash inflow from divestitures	0	0
Net Investments from Securities and Other Financial Assets	21	25
Free Cash Flow (IFRS)	28	5

So, what do we take away from Q1/2022?

- **Attractiveness** of SMA's products confirmed by **highest Q1 order intake** in **10 years**
- **Sales level subdued** by the **ongoing shortage** of **electronic components**
- **Profitability** was **solid** despite the low level of sales
- SMA's **Balance Sheet** and Net Cash position remain **robust**





Current Developments

Revenues and sales pipeline are heavily affected by chip shortages and high module prices



Electronic chips remain scarce

- Manufacturers in Europe are particularly affected by the global chip shortage, as suppliers are mainly based in the U.S. and China.
- The tight supply situation will only gradually improve in 2022.
- The war in Ukraine could lead to additional disruptions in global supply chains.



High module prices cause project delays

- Project developers and investors increasingly postpone utility-scale projects because of high solar module prices and limited availability of modules.
- An antidumping and anticircumvention investigation of the U.S. Department of Commerce of Chinese solar panel suppliers may result in high tariffs causing additional uncertainty and project delays in the U.S.



> The overseas freight capacities continue to be limited, adding to revenue related risks.

SMA has successfully launched new products in the Home Solutions and Commercial & Industrial Solutions segments



Sunny Tripower Smart Energy

- With SMA's first hybrid inverter, households and small businesses can generate, use and store solar power.
- It is possible to make additions to the system at any time, incorporating e-mobility or heat pumps.
- The integrated battery-backup function safeguards the household electricity supply even in the event of a grid failure.



Sunny Tripower X

- The three-phase PV inverter combines solar power generation with the features of the SMA Data Manager M.
- In commercial and large residential energy systems, the Sunny Tripower X takes over monitoring, management and grid-compliant power control of up to five inverters.
- It also enables participation in the energy market and will be capable of managing battery-storage systems and loads.



> Right from the start, demand for both products has been far above our expectations.



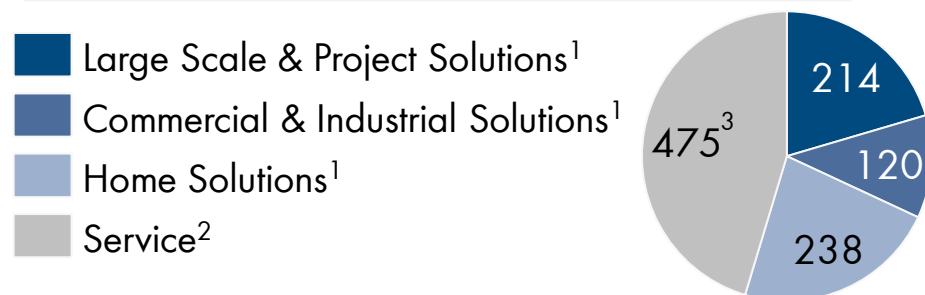
Outlook & Guidance 2022

Order backlog for products increased significantly since beginning of 2022 reflecting high demand for SMA's products and solutions



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

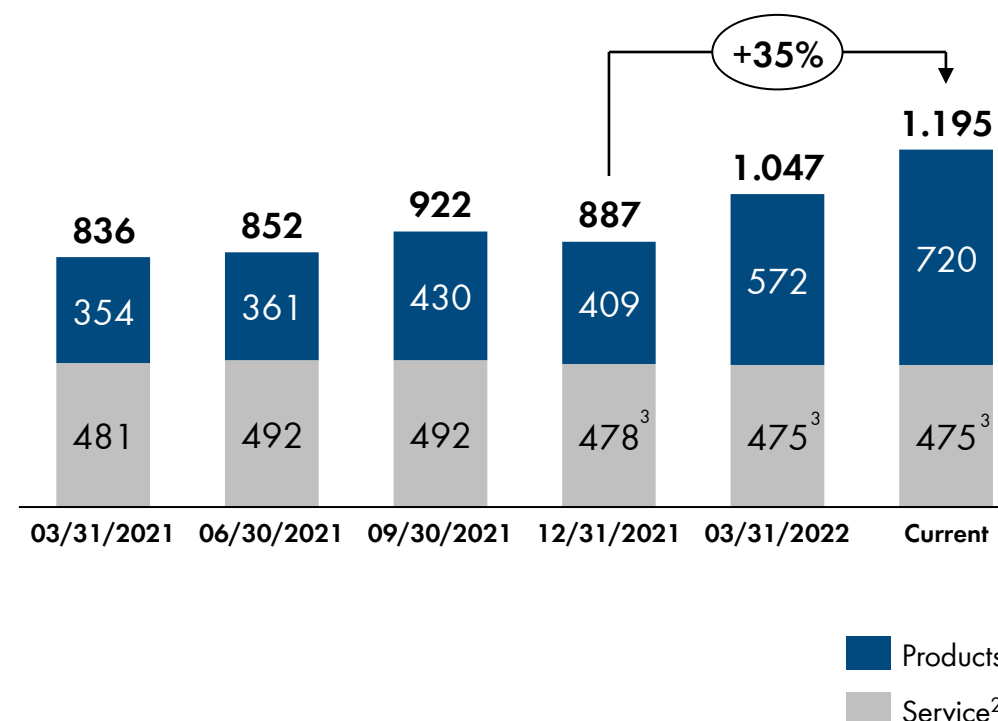
Total order backlog: €1047m (Mar. 31st, 2022)



Product order backlog by regions (in%)



Order backlog development (in €m)

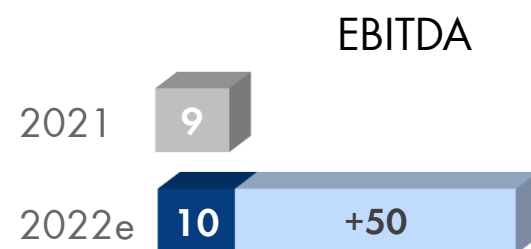
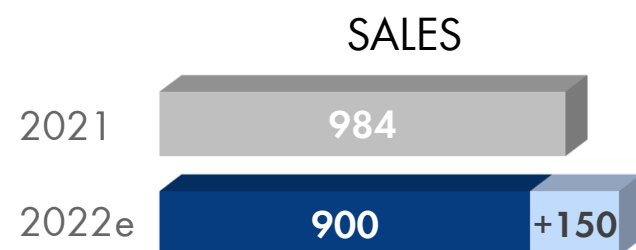


> In an unconstrained supply environment, YTD sales + current product order backlog would secure the upper end of the 2022 sales guidance already this early in the year.

Management confirms the 2022 guidance and is confident that the majority of the strong product order backlog can be converted to sales



Guidance 2022 (in €m)



2022

CapEx (incl. R&D & leasing)¹ c. €60m

Depreciation / amortization c. €40m



Management comments

- Q1 2022 sales and EBITDA on upper end of our expectation.
- Market and customer demand remains very strong.
- Supply situation remains highly volatile, but management expects slight improvements in H2 2022.
- Guidance range for 2022 sales and profitability cannot be made more precise due to ongoing supply uncertainties.

Join our 14th Capital Markets Day

When: Thursday, May 12, 2022,
from 09:15 a.m. CEST to approx. 11:00 a.m. CEST

Where: Messe München, 81823 Munich, Germany
Meeting room B22 (SMA Booth B3.210)

Participants: Institutional investors, analysts and media

> Please register via IR@SMA.de





**Thank you
for
participating!**

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