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Our future.*

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



SMA SOLAR TECHNOLOGY AG

Analyst / Investor Presentation

Quarterly Financial Results: January to September 2022

Presented by Thomas Pixa, CFO

November 10, 2022

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Review 9M 2022



9M Sales declined slightly compared to 2021 but Home Solutions and C&I Solutions growing after improvements in supply in Q3



Key financials (in € million)

	Q1-Q3 2021	Q1-Q3 2022	Change
MW sold	10,279	8,730	-15%
Sales	745	724	-3%
Home Solutions	214	229	7%
Commercial & Industrial Solutions	176	191	9%
Large Scale & Project Solutions	355	304	-15%
Gross margin	21%	21%	-1%
EBITDA	53	50 ^{2,3}	-5%
Depreciation	32	28	-11%
EBIT	21	22 ^{2,3}	3%
Net result	15	11 ^{2,3}	-28%
Free cash flow (Adj.)	-7	-32	n.m.
Net CapEx (incl. R&D)	29	42	45%

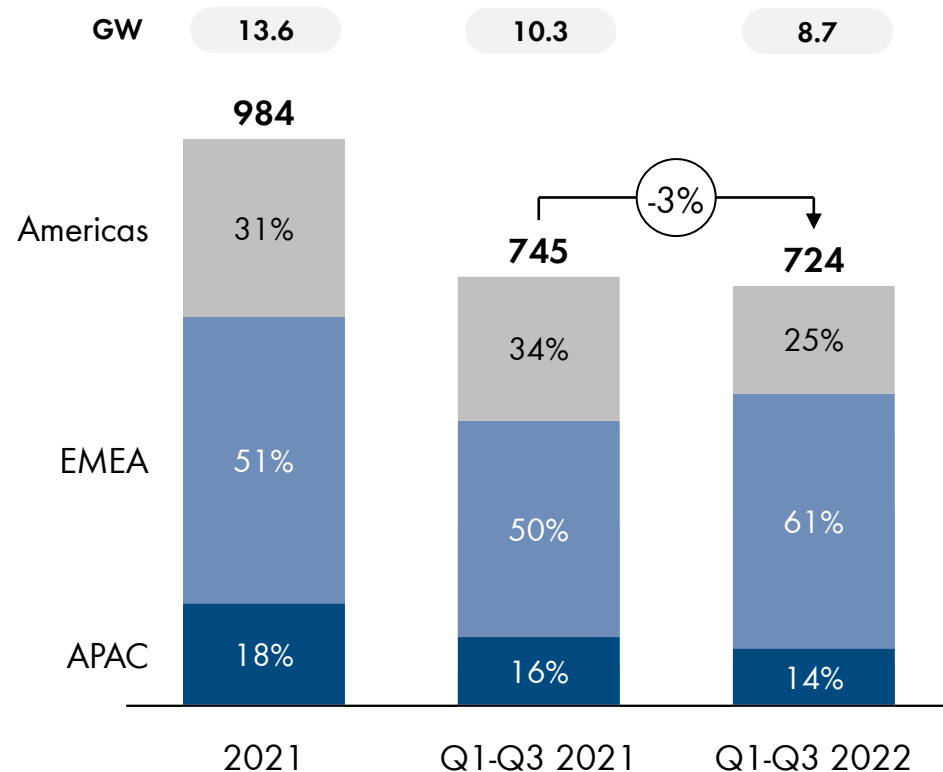
	2021/12/31	2022/09/30	Change	
Net cash	222	224	1%	
Total assets	1,052	1,106	5%	
NWC ratio (in %)	26%	28%		
	2021/2022			
	Q4	Q1	Q2	Q3
Sales	239	221	251	252
Home Solutions	52	63	73	93
Commercial & Industrial Solutions	69	57	61	73
Large Scale & Project Solutions	118	101	117	86
Gross margin	7% ¹	21%	20%	23%
EBITDA	-44 ¹	15 ²	1	34 ³

1. Q4 2021 profitability includes negative one-time effects as a result of liquidated damages (€ 11m) and provisions (€37m) made related to an onerous O&M contract. This was partly compensated by a positive one-time effect of €10m from our agreement to allow our former Chinese subsidiary to exit the earn-out agreement early.
2. Q1 2022 profitability includes positive one-time other income from fees earned related to a late order cancellation from a customer (€ 5m)
3. Q3 2022 profitability includes positive one-time other income related to the sale of property (€ 23m).

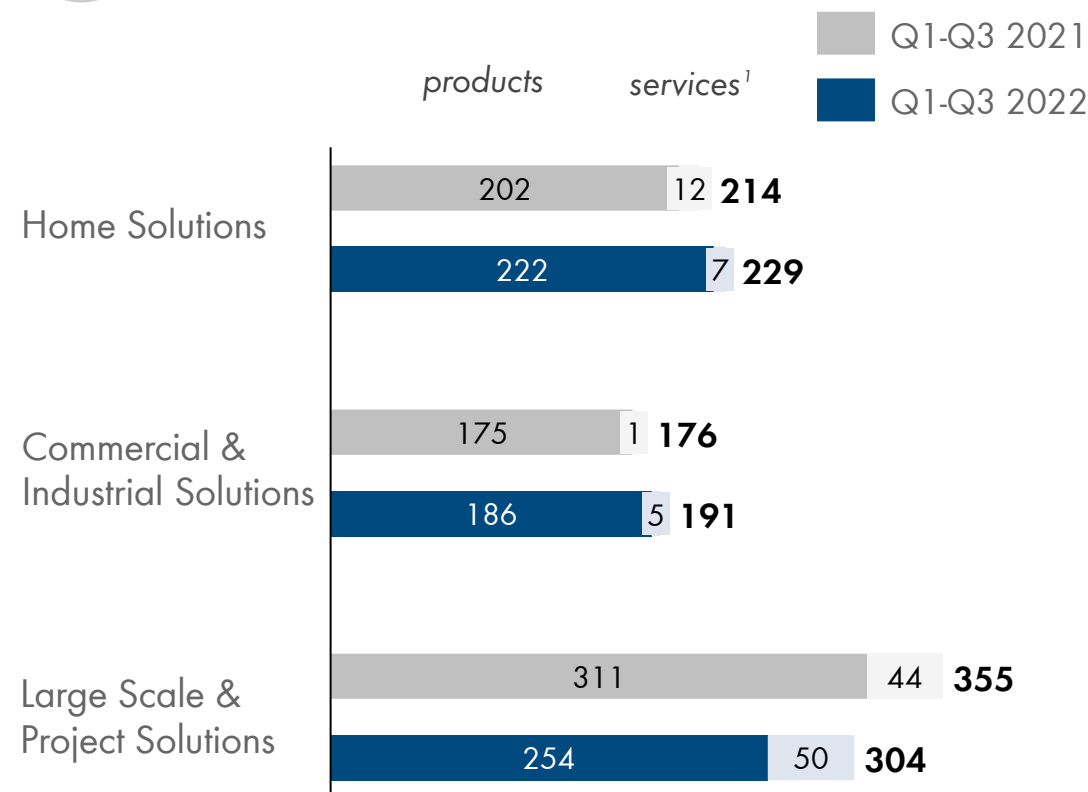
Revenues in Home Solutions and C&I Solutions above prior year after strong Q3, Large Scale & Project Solutions still affected by project postponements



Sales (in € million)



Sales by segment (in € million)



Profitability in line with 9M 2021, benefits from positive one-time effects



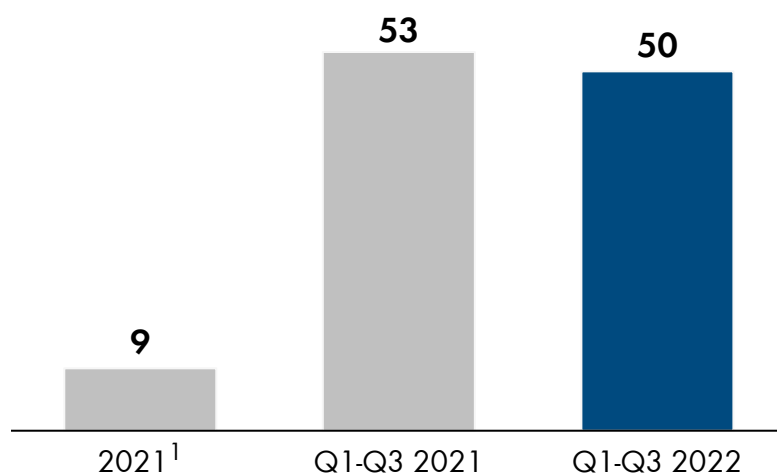
EBITDA (in € million)

Margin

1%

7%

7%



One-Offs

-37¹

0

28²

Depreciation/
Amortization

42

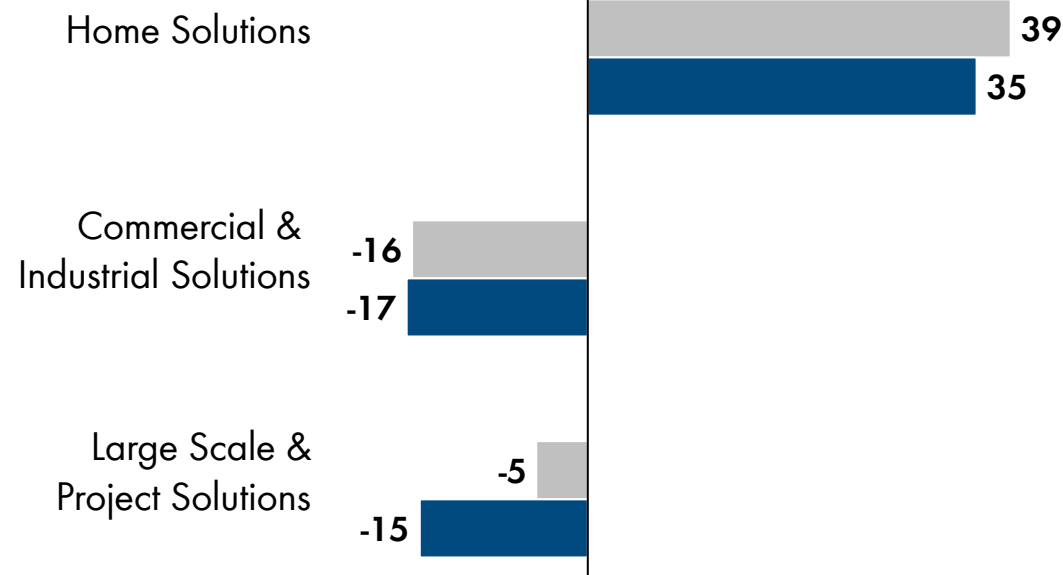
32

28



EBIT by Segment (in € million)

Q1-Q3 2021
Q1-Q3 2022

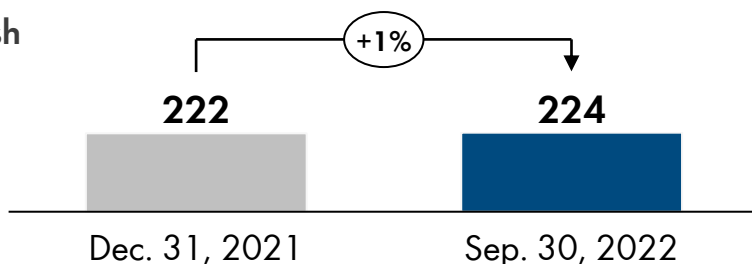


Net Cash in line with balance end of 2021 after positive Q3 cash flows - including one-time effects

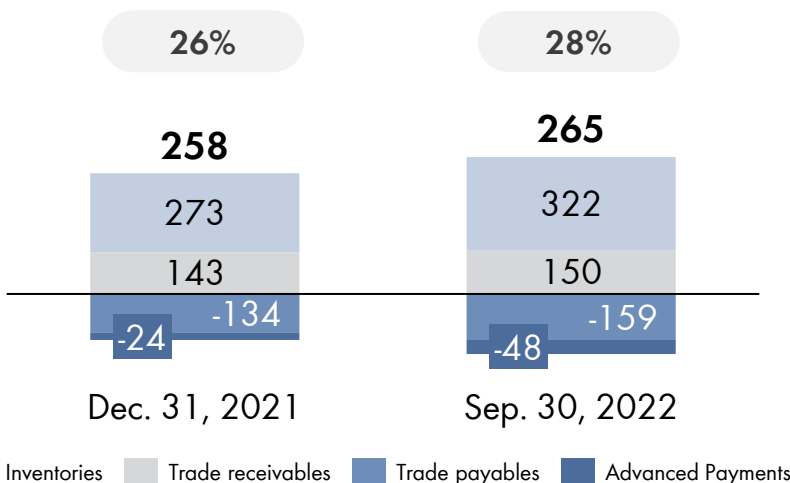


Net Cash | NWC (in € million)

Net Cash



NWC



Group Balance Sheet (in € million)

	2021/12/31	2022/09/30	Change
Non-current assets	333	349	5%
Working capital	416	471	13%
Other assets ¹	74	62	-16%
Total cash	230	224	-3%
Shareholder's equity	410	423	3%
Provisions ²	209	184	-12%
Trade payables	134	159	19%
Financial liabilities ³	8	0 ⁵	-100%
Other liabilities ^{2,4}	292	340	16%
TOTAL	1,053	1,106	5%

Cash flow from Operating Activities improved significantly compared to H1 driven by higher profitability and NWC optimization in Q3 2022



Cash Flow (in € million)

	Q1-Q3 2021	Q1-Q3 2022
Net Income	15	11
Gross Cash Flow	48	21
Cash Flow from Operating Activities	22	10
Net Capex	-29	-42
Free Cash Flow (Adj.)	-7	-32
Cash inflow from divestments	0	38 ¹
Net Investments from Securities and Other Financial Assets	21	62 ²
Free Cash Flow (IFRS)	14	68

So, what do we take away from 9M 2022?

- **Demand** remains on **record level** in 2022 after three quarters with the **highest order intake in August ever** in SMA's history.
- The **improved delivery capability** reflects in an **increase of Sales** in **Home Solutions** and **C&I Solutions** in Q3.
- **Large Scale** remains below expectations which is mainly driven by lower order intake in the first half of the year.
- **Profitability improved compared** to **Q2** driven by improved supply and increased productivity in production.
- **Liquidity increased** driven by the improved profitability from operations and the positive effects from NWC optimization measures and proceeds from the sale of property.
- SMA's **Equity Ratio** remains **solid**.





Current Development & Outlook 2022

SMA fully on track with mitigation measures, new product offers and sustainability strategy



Mitigation Measures Start To Take Effect

- Tighter collaboration with suppliers and realizing long-term agreements with key component suppliers ✓
- Securing additional material at the spot market ✓
- Launch of new products to gain market shares and drive profitability ✓



New Products Well Received

- Very positive feedback on new product SunnyBoy Smart Energy at RE+
- With this hybrid inverter we offer a turnkey solution for the US market in the Home Solutions segment
- Start of delivery H2 2023
- IRA is a game changer for our industry and will unlock huge potential for SMA



Top Rated Sustainability Strategy

- In October SMA received highest ESG rating AAA by MSCI
- In August SMA received gold medal for successful sustainability management by EcoVadis
- Holistic sustainability approach is focus of the SMA Strategy 2025
- Both ratings/rankings confirm we are on the right track

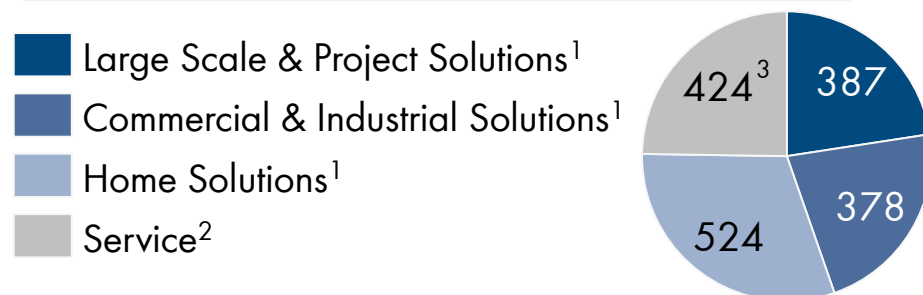


Product order backlog increased significantly again, reaching €1.3 bn at end of Q3 2022, reflecting sustained high demand for SMA's products



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

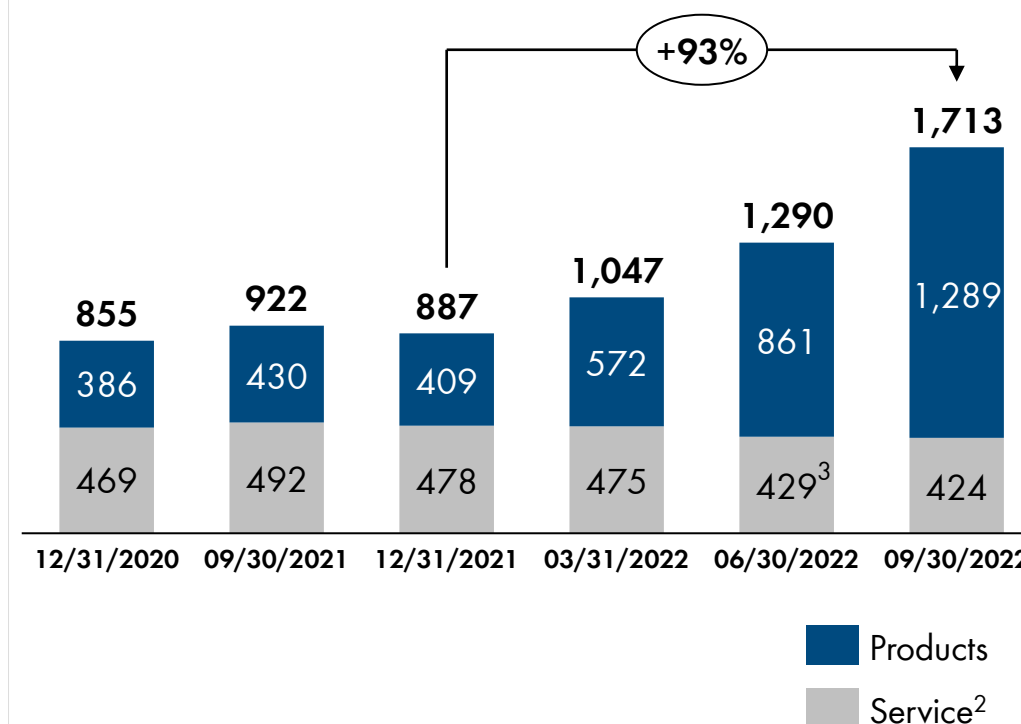
Total order backlog: €1,713m (Sep. 30, 2022)



Product order backlog by regions (in%)



Order backlog development (in €m)

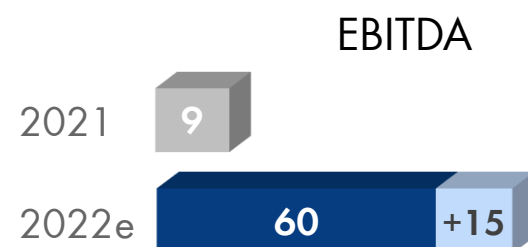
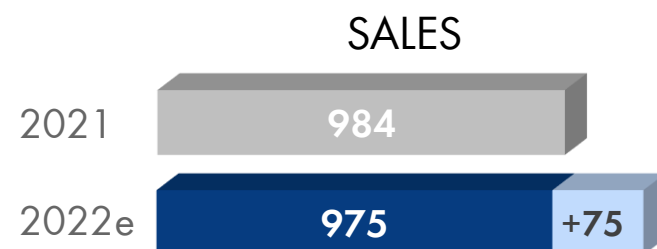


> **SMA's Management is confident that the strong order backlog can be converted into revenues in Q4 2022 and in 2023 but the supply situation remains volatile.**

Management increased profitability guidance for 2022 on October 27th



Guidance 2022 (in €m)



2022

CapEx (incl. R&D & leasing) ¹	c. €70m
Depreciation / amortization	c. €38m



Management comments

- SMA Management refined sales guidance to upper half of original 2022 guidance after solid Q3 2022 sales growth for Home Solutions and C&I Solutions based on improved supply situation and strong Large Scale & Project Solutions order backlog which will deliver higher revenues in the next quarters despite project delays.
- SMA Management increased 2022 profitability guidance after improved supply situation in Q3 and positive one-time effect.
- Supply constraints continue to limit SMA's ability to convert the very strong demand to revenue, but the situation continues to gradually improve, and Management expects higher revenues and profits for Q4 2022 and FY 2023.



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