



SMA Solar Technology AG Press Release

SMA Solar Technology AG Increases Sales and Earnings in Fiscal 2022 and has Raised Full Year Guidance for 2023

- **Successful year 2022 despite challenges**
- **Group sales grew by 8.4% to €1,065.9 million**
- **Earnings before interest, taxes, depreciation and amortization (EBITDA) increased to €70 million**
- **Strong sales and EBITDA development for Q1 2023 expected**
- **Guidance raised for fiscal 2023: Sales of between €1,450 million and €1,600 million (previously: €1,350 million and €1,500 million) and EBITDA of between €135 million and €175 million (previously: €100 million and €140 million)**

Niestetal, March 30, 2023 – SMA Solar Technology AG (SMA/ISIN: DE000A0DJ6J9/FWB: S92) has confirmed the provisional figures for 2022 as a whole published on March 9, 2023 and has raised its full year guidance for 2023 published on March 29, 2023.

Despite delivery bottlenecks and project delays in the Large Scale & Project Solutions segment in the first half of the year, consolidated sales increased by 8.4% to €1,065.9 million (2021: €983.4 million) in the past fiscal year 2022.

“We have successfully concluded the 2022 fiscal year and are very optimistic about further development in the current year. The supply situation for electronic components has gradually eased in the past fiscal year, our measures to improve operating development have taken effect and we are consistently pushing ahead with our “SMA 2025” strategy. The SMA group is thus well positioned for further profitable growth. In the C&I and Large Scale & Project Solutions segments, we are also planning to achieve positive EBIT as early as fiscal 2023,” says SMA Chief Executive Officer Jürgen Reinert.

The gross margin was up year-on-year at 21.0% (2021: 17.8%), particularly driven by increased profitability in the Home Solutions segment.

Earnings before interest, taxes, depreciation and amortization (EBITDA) increased significantly to €70.0 million from €8.5 million in the 2021 fiscal year. This corresponds to an EBITDA margin of 6.6% (2021: 0.9%). The persistently high demand and the gradual improvements in the supply of electronic components in the second half of the year, as well as the implementation of price increases, were contributing factors to this positive performance.



Earnings before interest and taxes (EBIT) rose from –€33.2 million in the 2021 fiscal year to €31.9 million (EBIT margin in 2022: 3.0%; 2021: –3.4%). Net income increased to €55.8 million (2021: –€23.2 million). In addition to the good operating performance, higher deferred tax assets also contributed, increasing by €25.2 million due to the positive outlook for fiscal 2023. Inverter output sold in 2022 as a whole was 12.2 GW (2021: 13.6 GW).

At €220.1 million, net cash was nearly at the same level as the previous year (December 31, 2021: €221.7 million). The equity ratio increased to 41.8% at the end of the reporting year (December 31, 2021: 38.7%).

Double-digit sales growth in the Home Solutions and C&I segments

Net sales in the Home Solutions segment in 2022 were up significantly by 26.2% year-on-year at €335.0 million (2021: €265.4 million). The share of total sales thus rose to 31.4% (2021: 27.0%). The EMEA region continued to account for the highest share of sales at 86.7% (2021: 81.1%). 8.3% were attributable to the Americas region (2021: 10.9%) and 5.0% to the APAC region (2021: 8.0%). EBIT in the Home Solutions segment increased to €53.8 million (2021: €37.6 million) due to sales growth resulting from the improved supply situation and the implementation of price increases. This corresponds to an EBIT margin of 16.1% (2021: 14.2%). The improved delivery situation was particularly noticeable in a strong fourth quarter.

Sales in the Commercial & Industrial Solutions (C&I) segment rose by 18.3% to €290.3 million (2021: €245.4 million). The positive development in the supply of electronic components, particularly in the increase in sales in the fourth quarter, also made an impact in this respect. Its share of the SMA group's total sales was 27.2% (2021: 24.9%). Regionally, the EMEA region accounted for 79.4% of segment sales, the Americas region for 11.5% and the APAC region for 9.1% (2021: 71.5% EMEA, 16.1% Americas, 12.4% APAC). EBIT was –€26.0 million (2021: –€18.0 million). This was due to higher procurement prices, which could not be passed on to the same extent as in the Home Solutions segment. In addition, the weak margins in the first half of the year were not fully compensated for, despite the good performance in the second half.

Sales in the Large Scale & Project Solutions segment were down 6.8% year-on-year at €440.6 million in the reporting period (2021: €472.6 million). A major factor for this was project delays as a result of the US anti-dumping policy toward Chinese module manufacturers in the first half of 2022. The sales situation improved noticeably in the fourth quarter after tariffs were suspended for four Southeast Asian countries in June 2022. The share of total sales in the Large Scale & Project Solutions segment was 41.4% (2021: 48.1%) and thus once again accounted for the largest share of the SMA group's total sales. 45.3% of segment sales were attributable to the Americas region (2021: 51.8%), 21.5% to the APAC region (2021: 27.1%) and 33.2% to the EMEA region (2021: 21.1%). EBIT in the Large Scale & Project Solutions segment amounted to –€13.5 million (2021: –€62.8 million) as a result of lower sales. The EBIT margin was –3.1% (2021: –13.3%).



Order backlog remains at a very high level

The SMA group's order backlog as of December 31, 2022 was at a historically high level of €2,077.4 million (December 31, 2021: €886.6 million). Of this amount, €1,700.7 million was attributable to the product business, corresponding to a fourfold increase compared to the product-related order backlog of the previous year (December 31, 2021: €408.8 million). The strong demand is reflected in all segments, with the order backlog in the Large Scale segment rising to €603 million (December 31, 2021: €253 million), followed by the Home Solutions segment with €589 million (December 31, 2021: €81 million) and the C&I segment with €508 million (December 31, 2021: €75 million).

Strong operating development expected in Q1 2023 and increase of full-year guidance for 2023

Due to expected strong sales and earnings development in the first quarter 2023 driven by improved delivery capability, increased utilization of the production capacity and a favorable product mix, the Executive Board has increased the guidance for the current fiscal year in yesterday's adhoc-release. The Executive Board now expects sales of between €1,450 million and 1,600 million (previously: €1,350 million and €1,500 million) and EBITDA of between €135 million and €175 million (previously: €100 million and €140 million).

Additional information

SMA published its audited Consolidated Financial Statements and the Annual Report for 2022 today, and will explain the business development at a (hybrid) press conference at 10:00 a.m. and a conference call for analysts and investors at 1:30 p.m.

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 120 gigawatts have been installed in more than 190 countries worldwide. Around 63 million tons of CO₂e have been avoided thanks to the PV inverter power sold by SMA over the past 20 years. This is equivalent to stopping more than €12 billion of environmental damage.



SMA's multi-award-winning technology is protected by more than 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 TecDAX index and SDAX index.

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