

SMA Solar Technology AG

5th Capital Markets Day



SUNNY CENTRAL 8000

SMA

SMA
IST TREIBENDE KRAFT DER
KÜNFTIGEN
ENERGIEVERSORGUNG
UND
ERMÖGLICHT
DIE
WIRTSCHAFTLICHE
NUTZUNG
DER
PHOTOVOLTAIK
DURCH
INTELLIGENTE
SYSTEMLÖSUNGEN
WELTWEIT
ÜBER
ALLE
LEISTUNGSKLASSEN
HINWEG
SMART
INNOVATION

SMA SOLAR TECHNOLOGY AG



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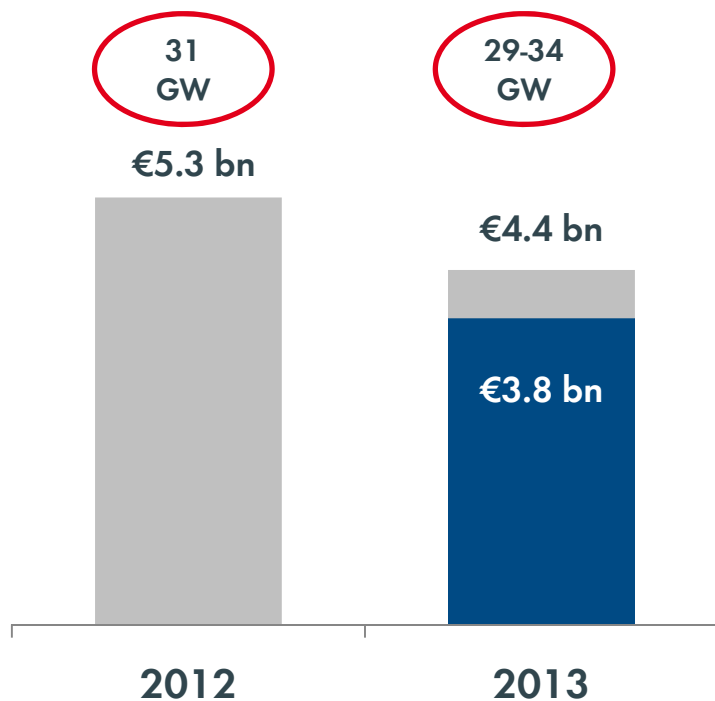
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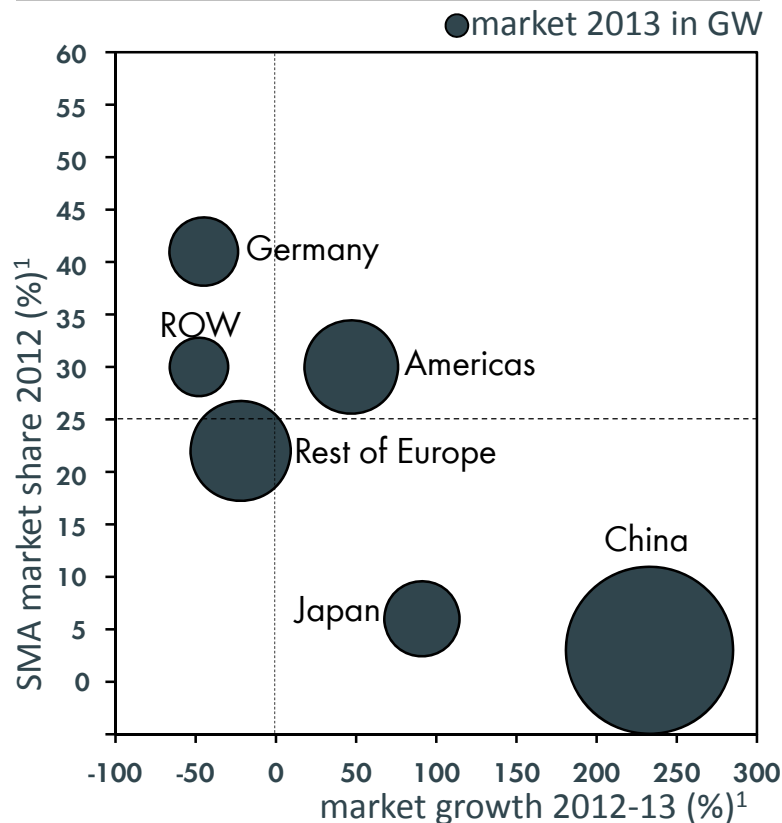


Market development is impacted by high price pressure and regional shift in demand

Global PV Inverter Market



Regions



► The demand drivers for the solar industry will change quickly. System technology is the gateway to an energy transition.

Photovoltaics are already an economic energy source in many countries

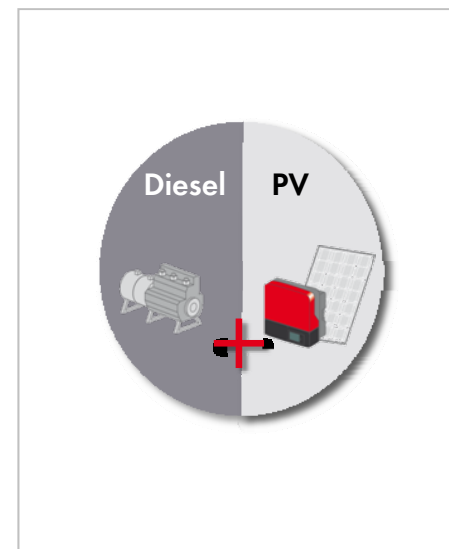
With photovoltaics...



...residential buildings become smart



...commercial enterprises enhance their competitiveness

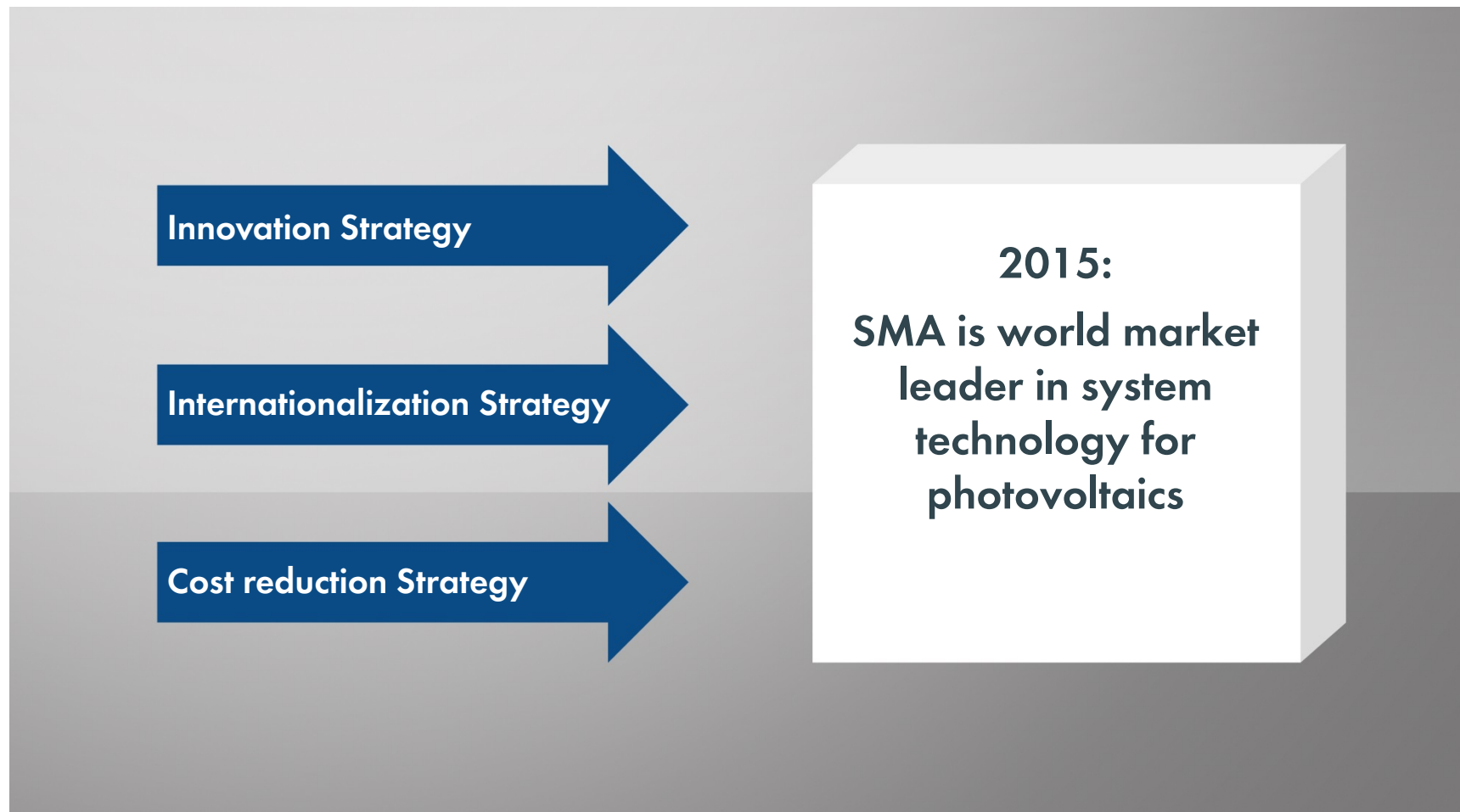


...industrial enterprise save diesel

►► **Low PV system costs will open up new business opportunities for the PV-Industry.**



SMA aligned its strategy to benefit from new business opportunities





Solar power generation costs for residential application already reached “socket parity” and thus energy management becomes increasingly important

Market Residential



Retail Price¹
20-28 ct / kWh
<25,000 kWh
PV energy- Price^{1,2}
13-15 ct / kWh
10% - 50% typical
self consumption



SMA Solutions

Sunny Boy SE



Sunny Home Manager



Sunny Portal



SMA cooperations & research projects

> Through strategic collaborations with leading suppliers, SMA shapes a comprehensive energy management system



BMW Group



Volkswagen AG



Miele



Stiebel Eltron



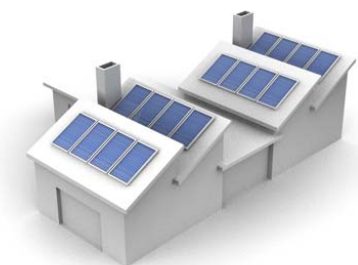
Vaillant

▶▶ Innovative system technology is paramount for an easy load shift.



Due to its favorable load profile, solar is an economic energy source for many small and mid-sized companies

Markets Commercial / Industrial



Retail Prices - Commercial¹

12-20 ct / kWh

<100,000 kWh

Retail Prices - Industrial¹

5-12 ct / kWh

>> 100,000 kWh



PV energy - Price^{1,2}

8-13 ct / kWh

10% - 100% typical

Self-consumption

SMA Solution

Sunny Tripower



Fuel Save Controller



Sunny Cluster Controller



Sunny Central



Sunny Portal



Operative Management



▶ SMA will transform a highly complex system into a simple solution with high customer value.



As an expert SMA is improving its product portfolio to differentiate itself from diversified conglomerates

Power Plant Technology



- > SMA offers complete power plant technology
- > New skid solution for the US-market includes 2 Sunny Central CP-US inverters, Transformers and 2 DC Disconnect Units
- > First products already shipped in Q2-2013

Service Intelligence



- > SMA has expanded its product portfolio offering new operational management services
- > Operational management services include remote monitoring, preventive and corrective maintenance and environmental service
- > First contracts in the U.S. are under negotiation

►► **SMA's innovation strategy secures high return on investment for our customers.**




SMA will expand its success with German Engineering


German Engineering.
At home in South Africa.



ENERGY THAT CHANGES 

German Engineering.
At home in Japan.



ENERGY THAT CHANGES 

German Engineering.
At home in Australia.



ENERGY THAT CHANGES 

German Engineering.
At home in USA.



ENERGY THAT CHANGES 

▶▶ **SMA operates 27 subsidiaries world wide and our global footprint is unmatched in the solar industry.**



SMA will develop an entirely new product platform and increase productivity

New Product Platform



- > 2/3 of R&D resources will be allocated to new product platform development
- > Increase number of comparable parts and reduction of component number
- > Utilization of Zeversolar R&D team and set up of new R+D team in the U.S.
- > SMA will replace almost the entire product portfolio within the next two to three years

▶▶ **SMA realigns the company and the product portfolio.**

Cost reduction



- > Cost out programs to reduce COGS
- > Increase productivity using e.g. new work flow design and building consolidation
- > Introduction of shared service concept
- > Downsizing of employees in Europe
- = Total savings of €180 - €220 million



SMA confirms its full year guidance 2013¹; figures will be impacted by restructuring changes

	2013			2012		
	Q1 2013	Q2 2013 ²	2 HY 2013 ²	Q1 2012	Q2 2012	2 HY 2012
Sales	212	➔	➔	405	429	629
Export ratio	68%	➔	➔	61%	47%	60%
EBITDA ³	9	➔	➔	57	57	58
CapEx ⁴	13	➔	➔	21	27	32
NWC-Ratio ⁵	23%	➔	➔	18%	8%	18%
Free Cash Flow ⁶	-21	➔	➔	-19	-25	60

►► For Q2 2013 SMA expects revenues between €240 - €280 million, a positive EBITDA and a negative free cash flow before dividend payment and acquisitions.

1. SMA's Managing Board will review the full year guidance 2013 frequently, but especially once customer meetings at the intersolar trade fairs in Germany and America as well as the negotiations with the SMA Workers' Council have been concluded
 2. Q2 2013 trend compared to the first Quarter 2013; 2HY 2013 trend refers to the estimated first six months of 2013
 3. 2013 figure without restructuring costs
 4. Without capitalized R+D projects
 5. As of last twelve months sales
 6. Before dividend payment & acquisition; without time deposits



SMA is a specialist for system technology for photovoltaics



Customer benefits:

- > SMA has the competence to equip the world's largest PV projects with inverter technology
- > SMA set the pace for intelligent energy management systems for residential applications
- > SMA's swift and professional service is unmet in the solar industry
- > SMA is a true global player
- > With the majority stake in Zeyersolar, SMA has access to the fastest growing PV market
- > SMA is highly flexible and has proven its ability to cope with rapid changes over the last years

▶▶ **SMA is the number 1 player in the solar inverter industry.**



ENERGY THAT CHANGES