



SMA Solar Technology AG – Press Release

## **SMA Solar Technology AG Meets Sales and Earnings Forecast in Q1 2014**

### **Overview of Q1 2014:**

- **1.0 gigawatts of inverter output sold (Q1 2013: 1.2 GW)**
- **Sales in line with guidance at €176.3 million (Q1 2013: €212.3 million)**
- **International share remains at a high level of 68.0% (Q1 2013: 67.5%)**
- **Earnings before interest and taxes (EBIT) of €-22.4 million (Q1 2013: €-8.4 million)**
- **Positive free cash flow—net liquidity of €314.0 million (December 31, 2013: €308.1 million)**
- **Managing Board confirms sales and earnings forecast for fiscal year 2014**

Niestetal, May 15, 2014—SMA Solar Technology AG (SMA/FWB: S92) had a weak start to the fiscal year 2014. In the first quarter, SMA sold PV inverters with a total output of nearly 1 gigawatt (Q1 2013: 1.2 GW) in a highly competitive environment. Sales of €176.3 million (Q1 2013: €212.3 million) were in line with the forecast published in March of €170 million to €200 million. The lower sales in comparison with the same quarter of the previous year are particularly attributable to a decline in project business. The reasons for this included uncertainty in Europe due to the Ukraine crisis, project delays in North America and monetary turmoil in India.

The sale of PV systems increased around the world. According to the American market research institute NPD Solarbuzz, 9 GW of photovoltaic power were installed worldwide in the first quarter of 2014. While the negative trend in Europe continued, America and Asia provided growth impetus. SMA kept the international share of its sales stable at a high level of 68.0% (Q1 2013: 67.5%). This underscores SMA's outstanding international position. With gross sales of €57.2 million (Q1 2013: €71.3 million), Germany was again the market with the strongest sales in the first quarter of 2014, but still saw a steep decline due to the persisting debate about the reform of the Renewable Energy Sources Act. Important foreign markets were North America, Great Britain and Australia.

In the first quarter of 2014, earnings before interest and taxes (EBIT) fell to €-22.4 million (Q1 2013: €-8.4 million) due to low sales and the change in the product mix. The consolidated earnings amounted to €-16.7 million (Q1 2013: €-5.8 million).

Net cash flow from operating activities improved to €15.4 million in the first quarter of 2014 (Q1 2013: €-3.3 million) due to a reduction in net working capital and was thus positive again despite the strained sales situation. With net liquidity of €314.0 million (December 31, 2013: €308.1 million) and an equity ratio of 57.4%, SMA remains financially sound.



“Due to the ongoing political discussion in Germany and project delays abroad, SMA recorded a high loss in the first quarter of 2014. We are not satisfied with the sales and earnings. We will continue to focus our strategy on developing new technological approaches, entering new markets and systematically reducing costs. We will present the first products of the next generation at the leading trade fairs in Germany and China in the coming weeks,” explained SMA Chief Executive Officer Pierre-Pascal Urbon.

The SMA Managing Board confirms the sales and earnings forecast for the entire fiscal year 2014, first published in November 2013. The forecast anticipates sales of €1.0 billion to €1.3 billion and, in the best-case scenario, an operating result of up to €20 million. The forecast is based on the assumption of a stable regulatory environment, particularly in Europe.

You can find the quarterly financial report for January to March 2014 at [www.SMA.de/IR/FinancialReports](http://www.SMA.de/IR/FinancialReports).

### **About SMA**

The SMA Group generated sales of €932.5 million in 2013 and is the global market leader for solar inverters, a key component of all PV plants. SMA offers innovative key technologies for future power supply structures. It is headquartered in Niestetal, near Kassel, Germany, and is represented in 21 countries. The Group employs more than 5,000 people worldwide. SMA's broad product portfolio includes a compatible inverter for every type of module on the market and for all plant sizes. The product range includes both inverters for grid-connected photovoltaic plants as well as off-grid and hybrid system technology. The product portfolio is supplemented by comprehensive services and operational management of utility-scale pv-plants. 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 also in the TecDAX index.

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