Quarterly Statement

January to March 2025 | SMA Solar Technology AG

SMA Solar Technology at a glance

SMA Group		Q1 2025	Q1 2024	Change	Full year 2024
Sales	€ million	327.7	361.8	−9.4%	1,530.0
Export ratio	%	79.8	67.9		78.8
Inverter output sold	MW	4,124	4,253	−3.0%	19,524
Capital expenditure[1]	€ million	65.7	21.9	200.0%	119.8
Depreciation	€ million	13.2	11.7	12.8%	77.1
EBITDA	€ million	24.6	49.9	−50.7%	−16.0
EBITDA margin	%	7.5	13.8		−1.0
Net income	€ million	5.5	28.5		−117.7
Earnings per share[2]	€	0.16	0.82		−3.39
Employees[3]		4,097	4,518	−9.3%	4,282
in Germany		3,099	3,144	−1.4%	3,174
abroad		998	1,374	−27.4%	1,108

SMA Group		2025/03/31	2024/12/31		Change
Total assets	€ million	1,637.6	1,541.2		6.3%
Equity	€ million	557.4	553.3		0.7%
Equity ratio	%	34.0	35.9		
Net working capital[4]	€ million	363.9	473.0		−23.1%
Net working capital ratio[5]	%	24.3	30.9		
Net cash[6]	€ million	176.5	84.2		109.6%

1 Investments including additions of rights of use in accordance with IFRS 16
2 Converted to 34,700,000 shares
3 Reporting date; including trainees and learners; excluding temporary employees
4 Inventories and trade receivables minus trade payables and liabilities from advanced payments received for orders
5 Relating to the last twelve months (LTM)
6 Total cash minus interest-bearing financial liabili-ties to banks

CONTENTS

ECONOMIC REPORT 3

Results of operations 3
Financial position 7
Net assets 8

FORECAST REPORT 9

Preamble 9
The general economic situation 9
Future general economic conditions in the photovoltaics sector 10
Overall statement from the Managing Board of SMA Solar Technology AG on expected development of the SMA Group 12

INTERIM CONSOLIDATED FINANCIAL STATEMENTS 15

Income statement SMA Group 15
Statement of comprehensive income SMA Group 15
Balance sheet SMA Group 16
Statement of cash flows SMA Group 17
Statement of changes in equity SMA Group 18
Financial ratios by segments and region 19

WEITERE INFORMATIONEN 20

Financial Calendar 20
Publication Information 20
Contact 20
Registered Trademarks 20
Disclaimer 20

ECONOMIC REPORT

Results of operations

Sales and earnings

Sales and profitability below previous Year´s level

The SMA Group's sales from January to March 2025 amounted to €327.7 million and were thus below the previous year's level (Q1 2024: €361.8 million). In the reporting period, inverter output sold amounted to 4,124 MW (Q1 2024: 4,253 MW).

The SMA Group is set up internationally and generates sales in all relevant regions. In the reporting period, the company generated 41.1% of external sales in European countries, the Middle East and Africa (EMEA), 34.6% in the North and South American (Americas) region and 24.3% in the Asia-Pacific (APAC), region calculated before sales deductions (Q1 2024: 56.0% EMEA, 30.3% Americas, 13.7% APAC). The main markets for SMA in the reporting period were Germany, the U.S., the UK and Italy.

The Large Scale & Project Solutions segment made the largest contribution to sales in the first quarter of 2025, accounting for 85.3% (Q1 2024: 63.2%) of sales. The Commercial & Industrial Solutions segment generated 8.0% of the SMA Group's sales, while the Home Solutions segment contributed 6.7% (Q1 2024: 19.5% Commercial & Industrial Solutions, 17.3% Home Solutions).

As of March 31, 2025, the SMA Group had a lower order backlog of €1,293.9 million (March 31, 2024: €1,467.8 million), which refers mainly to the Large Scale Solutions segment. At €972.1 million, three-quarters of this was attributable to product business (March 31, 2024: €1,102.3 million). The order backlog in the service business amounted to €321.8 million (March 31, 2024: €365.5 million). The order backlog in the service business arises in particular from extended warranties, which are paid over a period of five to ten years.

In the reporting period, earnings before interest, taxes, depreciation and amortization (EBITDA) fell to €24.6 million (EBITDA margin: 7.5%; Q1 2024: €49.9 million; 13.8%), including due to low sales and the resulting lower fixed cost degression in the Home Solutions and Commercial & Industrial Solutions segments. Despite the lower sales level, earnings before interest and taxes (EBIT) amounted to a positive €11.4 million (Q1 2024: €38.2 million). This equates to an EBIT margin of 3.5% (Q1 2024: 10.6%). Net income amounted to €5.5 million (Q1 2024: €28.5 million), including a compensation payment from a claim settlement in the high single-digit million euro range. In the previous year, net income was positively influenced by the sale of shares in elexon GmbH of €19.1 million. Earnings per share thus amounted to €0.16 (Q1 2024: €0.82).

Sales and earnings per segment

Home Solutions segment: sales and earnings continue to be negatively affected by the weak demand situation

In the **Home Solutions** segment, SMA serves the global markets for residential PV systems with integrated solar energy solutions. The SMA Home Energy Solution comprises systems for the efficient generation and storage, as well as management and optimized use of solar energy in households. In addition to conventional electricity supply, this includes use for heating or charging purposes. The PV inverters from the Sunny Boy and Sunny Tripower product families provide solar power for domestic use and feed the remaining unused solar power into the utility grid. When combined with the modular SMA Home Storage battery and compatible batteries from other manufacturers, the battery inverters from the Sunny Island product family enable flexible solar power use at any time. The production of the Sunny Boy Storage battery inverter was discontinued in the fourth quarter of 2024. The Sunny Boy Smart Energy and Sunny Tripower Smart Energy hybrid inverters also combine the functions of PV and battery inverters in one device. The SMA eCharger, newly launched onto the market in the reporting year, is the successor to the SMA EV Charger and can be used to charge electric vehicles quickly, intelligently, and flexibly. The Sunny Home Manager 2.0 ensures efficient and cost-saving energy use through intelligent energy management. The underlying ennexOS energy management platform interconnects the various energy sectors and provides the basis for linking the sectors, thus enabling maximum efficiency and functionality. Accessories, warranties, spare parts, and modernization services (repowering) that increase system performance and service life, along with digital energy services, complete the extensive offering in the Home Solutions segment. Products and solutions from the Home Solutions segment are sold to end customers as part of a three-step sales model. Direct customers of the SMA Group are wholesalers and installers.

In the first quarter of 2025, external sales in the Home Solutions segment fell by 65.0% to €21.9 million (Q1 2024: €62.6 million) due to the low demand combined with high inventories at distributors. The share of these sales in the SMA Group's total sales was 6.7% (Q1 2024: 17.3%). The EMEA region made up 91.3% (Q1 2024: 92.4%) of gross sales, the Americas region 5.8% (Q1 2024: 6.3%) and the APAC region 2.9% (Q1 2024: 1.3%).

Earnings before interest and taxes (EBIT) deteriorated year on year to −€19.6 million (Q1 2024: −€3.6 million) due to the price- and volume-related decline in sales. In relation to external sales, the EBIT margin was −89.5% (Q1 2024: −5.8%).

Commercial & Industrial Solutions segment continues to be negatively impacted by the weak demand situation

In the **Commercial & Industrial Solutions** segment, the focus is on global markets for commercial PV systems with and without energy management, battery storage systems and electric vehicle charging solutions. The SMA Commercial Energy Solution, featuring matched hardware, software, tools and services, enables energy-intensive industries, commercial enterprises and the real estate industry to independently produce, store and sell solar power. This solution allows for transparent and cost-efficient management of energy flows, as well as efficient and sustainable charging and management of electric vehicle fleets. The solar power generation product range comprises the three-phase PV inverters from the Sunny Tripower product family with capacities ranging from 12 kW to 110 kW. The SMA Commercial Storage Solution with the Sunny Tripower Storage X battery inverter and the SMA Commercial Storage system enables commercial enterprises to improve their energy efficiency and reduce their dependence on conventional energy sources. Island applications with the Sunny Island battery inverters enable reliable supply, even without connecting to the utility grid. With the SMA EV Charger Business, a commercial charging infrastructure for single-point charging stations or parks with multiple charging points can be quickly and easily implemented. Solutions for charging management and billing of electric vehicle fleets on the basis of the ennexOS platform were implemented by the Commercial & Industrial Solutions segment together with the subsidiary company coneva. As a SaaS provider for intelligent energy management, coneva connects all energy-related sectors, optimizing energy flows and making them transparent. As part of its intelligent energy management solutions, coneva also offers dynamic tariffs that help companies optimize their energy consumption costs by using electricity when it is generated particularly cost-efficiently and sustainably. By integrating renewable energies and adapting consumption to fluctuating energy prices, the dynamic tariff contributes to promoting sustainable energy use and reducing CO_2 emissions. The product offering in the Commercial & Industrial Solutions segment is rounded off by integrated energy management solutions for commercial integrated energy based on the SMA Data Manager M, as well as comprehensive services and digital offerings throughout the product life cycle, starting with the planning of a custom energy solution, and including the commissioning of the systems and operational system management, right through to system repowering and expansion. The SMA Group directly sells the products and solutions of the Commercial & Industrial Solutions segment to companies in energy-intensive industries. Sales to commercial enterprises and the real estate industry are made both through direct sales and as part of three-step sales via wholesalers and installers.

In the first quarter of 2025, external sales in the Commercial & Industrial Solutions segment fell to €26.3 million (Q1 2024: €70.5 million) due to weak demand combined with high inventories at distributors. Their share in the SMA Group's total sales was 8.0% (Q1 2024: 19.5%). 74.0% of gross sales were attributable to the EMEA region, 18.8% to the Americas region, and 7.2% to the APAC region (Q1 2024: 80.8% EMEA, 11.7% Americas, 7.5% APAC).

Operating earnings before interest and taxes (EBIT) amounted to –€26.4 million in the first quarter of 2025 (Q1 2024: –€18.2 million) and were below the previous year's level, driven by the decline in sales, reduced utilization, and corresponding lack of fixed cost degression. In relation to external sales, the EBIT margin was −100.4% (Q1 2024: −25.8%).

Large scale & project solutions segment increases sales and earnings

The **Large Scale & Project Solutions** segment offers products, systems and solutions worldwide for solar, storage and hydrogen projects on a power plant scale, as well as for the conversion of utility grids to a higher share of renewable energy. Grid stability and reliability are becoming increasingly important as the energy mix shifts from conventional to renewable energies. The Large Scale & Project Solutions segment is addressing these challenges with grid-forming solutions in combination with large-scale storage systems. These systems enable numerous additional services, such as energy arbitrage, black starts, frequency control, virtual inertia, and other applications in the field of grid stability. The complete solutions, including turnkey medium-voltage stations, provide grid service and monitoring functions. In the field of PV power plants, the solutions are based on central inverters from the Sunny Central product family and the Sunny Highpower PEAK 3 string inverter. The battery inverters from the Sunny Central Storage product family are used in the field of storage projects, and the SMA Electrolyzer Converter is used in the field of hydrogen projects. The offer is completed by consulting services in the field of grid simulations, system design and repowering, as well as market-based optimization of hybrid power plants and comprehensive after-sales service offers in the operating phase. The subsidiary company SMA Altenso GmbH carries out activities in the field of hydrogen applications and the system integration of large battery storage systems to stabilize the grid frequency and compensate for fluctuating power feed-in from renewable energy sources. Customers in direct selling of the Large Scale & Project Solutions segment include electric utility companies, independent power producers, project developers and institutional investors, EPCs, system integrators and grid operators as well as energy-intensive industries, particularly for hydrogen applications.

External sales in the Large Scale & Project Solutions segment increased by 22.2% to €279.5 million in the first quarter of 2025 (Q1 2024: €228.7 million). All regions recorded double-digit growth, with the Large Scale & Project Solutions segment accounting for 85.3% of the SMA Group's total sales (Q1 2024: 63.2%). The Americas region made up 38.6% (Q1 2024: 42.8%) of gross sales, the EMEA region 33.5% (Q1 2024: 38.1%), and the APAC region 27.9% (Q1 2024: 19.1%).

Operating earnings before interest and taxes (EBIT) improved to €50.3 million (Q1 2024: €41.3 million) in line with the high level of sales and fixed cost degression. The increase in sales and the profitable product mix contributed to this. In relation to external sales, the EBIT margin was 18.0% (Q1 2024: 18.1%).

Development of significant income statement items

Sales and profitability negatively impacted by decline in demand in Home Solutions and Commercial & Industrial Solution

Cost of sales decreased by 6.9% year on year to €248.5 million (Q1 2024: €266.9 million). The decline is primarily attributable to low sales levels in the Home Solutions and Commercial & Industrial Solutions segments. In the reporting period, the gross margin was 24.2% (Q1 2024: 26.2%).

Personnel expenses included in cost of sales fell by 14.1% to €40.9 million in the reporting period (Q1 2024: €47.6 million). This is due to reduced staff levels resulting from the initiated restructuring program. Material costs amounted to €185.2 million (Q1 2024: €194.3 million).

From January to March 2025, depreciation and amortization included in cost of sales amounted to €11.2 million (Q1 2024: €10.2 million). This comprises scheduled depreciation of capitalized development costs of €3.0 million (Q1 2024: €3.9 million). Other costs decreased to €11.2 million (Q1 2024: €14.8 million).

Selling expenses fell to €31.5 million (Q1 2024: €34.1 million), primarily due to the decline in other expenses. The cost of sales ratio was 9.6% in the reporting period (Q1 2024: 9.4%) Research and development expenses, excluding capitalized development costs, amounted to €23.4 million in the first quarter of 2024 (Q1 2023: €12.7 million).

Research and development expenses, excluding capitalized development costs, amounted to €20.8 million in the first quarter of 2025 (Q1 2024: €23.4 million). The ratio of the research and development expenses amounted to 6.3% (Q1 2024: 6.5%). Total research and development expenses, including capitalized development costs, were below the previous year's level at €30.5 million (Q1 2024: €33.5 million). Development costs amounting to €9.7 million were capitalized in the reporting period (Q1 2024: €10.1 million).

General administrative expenses totaled €25.9 million in the first quarter of 2025 (Q1 2024: €20.9 million). The increase results from higher expenses for operating services arising from the restructuring program. The ratio of administrative expenses amounted to 7.9% in the reporting period (Q1 2024: 5.8%).

The balance of other operating income and expenses resulted in a positive effect on earnings of €10.4 million in the reporting period (Q1 2024: €21.7 million). The positive result is primarily attributable to a compensation payment for a claim in the high single-digit million euro range. This balance also comprises expenses and revenue from the rental of own buildings, for financial assets measured at fair value through profit or loss, as well as expenses from the recognition and income from the reversal of specific valuation allowances on receivables. The previous year was significantly influenced by the sale of shares in elexon GmbH, amounting to €19.1 million. In addition, expenses amounting to €10.7 million (Q1 2024: €5.5 million) and income totaling €8.7 million (Q1 2024: €4.3 million) related to foreign currency valuation and hedging are included. The high amounts result from current price fluctuations, particularly between the euro and the US dollar.

Financial position

Gross cash flow represents operating income prior to commitment of funds. Compared with the previous year, it decreased in the first quarter of 2025 to €20.8 million (Q1 2024: €51.1 million).

In the first three months of the reporting year, net cash flow from operating activities amounted to €109.6 million (Q1 2024: –€43.6 million), mainly due to changes in trade receivables and trade payables. This was counteracted by the increase in inventories. Additionally, this included the recognition of a receivable for a compensation payment related to a claim settlement in the high single-digit million euro range. At €582.9 million, inventories were higher than at the end of the previous year (December 31, 2024: €563.6 million) due to consistently high inventories at customers and the increase required by the growing Large Scale & Project Solutions segment. The balance of accounts receivable decreased by €63.1 million compared to the end of the previous year. Together with the increase in the balance of accounts payable by €45.2 million and a rise in liabilities from advance payments received by €18.5 million, this led to a decrease in net working capital compared with the end of the previous year (March 31, 2025: €363.9 million, December 31, 2024: €473.0 million). At 24.3%, the net working capital ratio in relation to sales over the past 12 months was lower than the figure at the end of the previous year (December 31, 2024: 30.9%) and was thus within the range of 23% to 27% targeted by management.

In the first quarter of 2025, cash flow from investing activities amounted to –€13.6 million after €38.5 million in the previous year. The previous year was strongly influenced by the sale of long-term securities amounting to €41.2 million and the sale of shares in elexon GmbH in January 2024, which generated a cash inflow of €18.2 million. The outflow of funds for investments in property, plant and equipment and intangible assets amounted to €13.6 million in the reporting period (Q1 2024: €20.4 million). At €9.7 million (Q1 2024: €10.1 million), capitalized development costs accounted for a large part of these investments.

In the first quarter of 2025, cash flow from investing activities amounted to €27.1 million after –€2.4 million in the previous year, primarily due to the partial repayment of the RCF credit line.

As of March 31, 2025, cash and cash equivalents totaling €263.9 million (December 31, 2024: €195.8 million) included cash on hand, bank balances and short-term deposits with a remaining term to maturity of less than three months. Together with time deposits with a maturity of more than three months, fixed-interest-bearing securities, and liquid assets pledged as collateral—after deducting interest-bearing financial liabilities to banks—they form the net cash item. This item increased to €176.5 million as of March 31, 2025 (December 31, 2024: €84.2 million).

Investment analysis

In the first quarter of 2025, investments in property, plant and equipment and intangible assets amounted to €65.7 million, significantly exceeding the previous year's figure of €21.9 million.

The investment ratio increased to 20.0% (Q1 2024: 6.1%). Additions of rights of use under leases amounted to €52.1 million (Q1 2024: €1.5 million), €50.0 million of which related to the new production hall at the Niestetal site, which was added in January 2025. Depreciation of property, plant and equipment, including depreciation of rights of use under leases, totaled €9.8 million (Q1 2024: €7.4 million).

Investments in intangible assets totaled €9.7 million (Q1 2024: €10.3 million). These are largely related to development projects. Amortization of intangible assets amounted to €3.3 million and was thus below the previous year's figure of €4.3 million.

Net assets

Total assets went up by 6.3% to €1,637.6 million as of March 31, 2025 (December 31, 2024: €1,541.2 million). At €535.0 million, non-current assets were also above the value observed at the end of 2024 (December 31, 2024: €478.8 million). This is mainly attributable to the addition of rights of use under the lease for the new production hall.

Compared to the end of 2024, net working capital decreased to €363.9 million (December 31, 2024: €473.0 million). This took the net working capital ratio in relation to sales over the past twelve months to 24.3%. Compared to December 31, 2024, trade receivables decreased by 29.8%, to €152.3 million at the end of the first quarter of 2025 (December 31, 2024: €216.9 million). Days sales outstanding came to 45.0 days and were below the value at the end of the previous year (December 31, 2024: 59.0 days). Inventories grew to €582.9 million (December 31, 2024: €563.6 million) due to continued high inventory levels at customers and strong performance in the Large Scale & Project Solutions segment. Trade payables increased by €45.2 million to €192.3 million (December 31, 2024: €147.1 million). At 11.7%, the share of trade credits in total assets was higher than at the end of the previous year (December 31, 2024: 9.5%).

Due to the positive quarterly result, the SMA Group's equity capital base increased to €557.4 million (December 31, 2024: €553.3 million). With an equity ratio of 34.0% (December 31, 2024: 35.9%), the SMA Group continues to have a solid equity capital base.

FORECAST REPORT

Preamble

The Managing Board's forecasts account for all factors that are likely to impact the business performance and that were known at the time this report was prepared. Not only general market indicators but also industry- and company-specific circumstances are factored into the forecasts. All assessments cover a period of one year.

The general economic situation

Trade conflicts negatively impact the global economy

The International Monetary Fund (IMF) made a significant downward revision to its guidance for global economic growth. Compared with the guidance in January (3.3%), the IMF now expects in its April issue of the World Economic Outlook that global growth will only be at 2.8% this year (2024: 3.2%). This equates to a decrease of 0.5 percentage points compared to the guidance in January. The downgrade stems from increasing uncertainty and the negative implications of trade conflicts, which are significantly impacting the global economy. The combination of high tariffs, geopolitical tension and financial instability could further dampen global growth. The IMF forecasts growth of 3.0% in 2026.

The forecast for growth in the U.S. for the current year was reduced to 1.8%, a decrease of 0.9 percentage points compared to the guidance in January (2024: 2.8%).

In Germany, zero growth is expected in 2025. Germany thus continues to remain at the bottom of the G7 industrialized nations (2024: −0.2%). In 2026, the experts expect moderate growth of 0.9%.

Growth in the eurozone is expected to be 0.8% in 2025 and 1.2% in 2026, a reduction of 0.2 percentage points each compared to the guidance in January (2024: 0.9%). Spain remains a positive exception with expected growth of 2.5% in the current year.

The Chinese economy is expected to grow by 4.0% in 2025 and 2026, representing a reduction of 0.6 and 0.5 percentage points, respectively, compared to the estimates in January (2024: 5.0%). The high U.S. tariffs of up to 145% on Chinese exports are significantly impacting the economy.

According to the IMF, there is an overall risk the U.S. tariff policy will dismantle supply chains and financial flows, which could lead to further economic turmoil. Trade conflicts also stifle competition and innovation. In general, the IMF anticipates a downturn in aggregate productivity due to tariffs, and subsequently, higher production costs and prices.

The IMF expects a global rate of price increases of 4.3% and thus 0.1 percentage points higher than forecasted as of January. Inflation is also declining more slowly than expected, according to the IMF.

Future general economic conditions in the photovoltaics sector

Solar energy to become largest source of energy supply[1]

Greater efforts to expand renewable energies are widely regarded as the central pillar in the response to climate change. Politicians are addressing this by means of action plans, such as the “European Green Deal,” to achieve climate neutrality within the EU by 2050. This will expedite the expansion of renewable energies over the coming years and decades.

The International Energy Agency (IEA) emphasizes the major role of solar energy in combating the climate crisis: their study, “Net Zero by 2050 – A Roadmap for the Global Energy Sector,” states that by 2050 the global energy supply will need to be based largely on renewables, with solar energy as the single largest source of supply. The electrification of other sectors, such as mobility and heat, and the production of green hydrogen, will additionally drive electricity demand.

According to Bloomberg New Energy Finance’s New Energy Outlook 2024, global CO_2 emissions will need to drop significantly in all sectors from 2024 to realize the goal of global climate neutrality by 2050. In the electricity sector, CO_2 emissions must be reduced by 93%, requiring a tripling of renewable generation capacities by 2035 and a further doubling by 2040. Global investments in climate-friendly technologies for power generation and storage, as well as in complementary technologies, such as electric vehicles and utility grids, must increase from around $1.7 trillion today to well over $5 trillion per year.

Along with climate change targets, further decreases in the costs for renewable energy are contributing to the anticipated rapid growth of solar and wind energy. The experts at Bloomberg New Energy Finance believe newly installed wind or PV power plants to already be the most cost-effective form of electricity generation in almost all major markets. These markets currently account for about 77% of global GDP and 91% of total power generation. Moreover, in a growing number of countries, including China, India, and a large part of Europe, it is now more cost-effective to build new renewable energy capacity than to operate existing coal- and gas-fired power plants.

In addition to the gradually decreasing levelized cost of electricity from PV systems, their decentralized and local generation can be combined very well with battery storage systems. The combination of photovoltaics and storage systems is therefore particularly attractive for private, commercial and industrial consumers.

In the energy system of the future, cutting-edge communication technologies and cross-sector energy management services will represent key building blocks for modernizing and expanding the power grid infrastructure. In its World Energy Outlook 2022, the IEA states that, in conjunction with the increasing electrification of the transportation and heating sectors through renewable energies, modern utility grids and smart energy management, there is great potential to sustainably reduce both the high electricity costs and CO_2 emissions.

Global PV installations down year on year

The Managing Board of SMA Solar Technology AG anticipates growth in newly installed PV power worldwide of approximately 494 GW to 538 GW in 2025 (2024: 530 GW). The Managing Board estimates that global investments in PV and storage system technology, including batteries, will decrease by around 3% and will range between €25.4 billion to €28.1 billion (2024: €27.6 billion).

[1] Source: IEA “Net Zero by 2050 – A Roadmap for the Global Energy Sector”

In many countries, particularly in the U.S., Australia, Germany, the UK, Italy as well as an increasing number of European states, battery storage systems are becoming increasingly important because, together with renewable energies, they further enhance independence from traditional energy sources. Self-consumption of solar power is a particularly attractive option for both private and commercial operators of these systems. In large-scale PV power plants, battery storage systems are increasingly used for grid services, for example.

The expected market development is subject to an undisturbed delivery situation and the preservation of stable political conditions without any increase in political turmoil.

Demand in the small residential system segment at previous year's level

In the field of small residential systems, the Managing Board of SMA Solar Technology AG expects investments in PV and storage system technology, including battery storage systems, of €9.0 billion to €10.0 billion in 2025 (2024: €9.6 billion). Battery storage systems make up approximately 49% of this figure.

The stagnation of investments results from reduced PV installations, which is currently estimated to be 35 GW to 40 GW in 2025 (2024: 39.4 GW). A slight recovery is expected in France, Poland and Sweden. Nevertheless, this will not compensate for the expected decline in the DACH region. In these countries, the reluctance to invest can be felt after the high growth rates of previous years.

The Managing Board estimates the potential of energy management solutions in this segment to be €1.4 billion to 1.8 billion (2024: €1.5 billion). Energy management includes offerings that promise to increase self-consumption and integrate mobility and heating solutions into one holistic photovoltaic energy system, and the platform-based connection of a private PV system operator to the energy market.

Decline in commercial system segment

In the field of commercial systems, the Managing Board of SMA Solar Technology AG expects a decline in investments in PV and storage system technology, including battery storage systems, to approximately €5.6 billion to €6.2 billion in 2025 (2024: €6.7 billion). Battery storage systems make up approximately 15% of the investments. The amount of these investments results from the installation of new photovoltaic capacity, which will total 132 to 146 GW (2024: 165 GW).

The energy management business field is experiencing positive growth in the area of commercial systems. The Managing Board of SMA Solar Technology AG estimates investments of €1.2 billion to €1.6 billion in this field (2024: €1.1 billion).

The most important markets will be China, Germany, France, Italy, India and the U.S. The U.S. market, however, is currently marked by high political uncertainty, which overshadows the significant investment incentives, such as the Investment Tax Credits (ITC) and Production Tax Credits (PTC) under the Inflation Reduction Act. Nevertheless, it is expected that these instruments will offer supporting stimulus for the photovoltaic market in the medium term.

Investments in large-scale PV power plant segment to increase slightly

Large-scale PV systems and PV power plants form the largest market segment. The Managing Board of SMA Solar Technology AG estimates investments in PV and storage system technology of €10.8 billion to €11.9 billion in this segment (2024: €11.2 billion). In contrast, PV power plants with a capacity of 327 to 352 GW are to be newly installed (2024: 325 GW).

The most important markets are China, the U.S., India, Brazil and Germany. In the U.S., Australia, Germany, and an increasing number of European markets, the installation of PV systems combined with battery storage systems offers additional growth potential to supply energy independently of fossil energy carriers.

Overall statement from the Managing Board of SMA Solar Technology AG on expected development of the SMA Group

Slight sales growth in the two divisions – EBITDA margin positively impacted by restructuring and transformation program

On March 5, 2025, the Managing Board of SMA Solar Technology AG published its sales and earnings guidance for the current fiscal year. It envisages sales ranging between €1,500 million and €1,650 million (ACTUAL 2024: €1,530 million) and operating earnings before interest, taxes, depreciation and amortization (EBITDA) ranging between €70 million and €110 million (2024: €−16.0 million). The planning is based on the Managing Board's assessment that sales in the Large Scale & Project Solutions division will be slightly above the high level of the previous year as a result of the existing high order backlog and sustained demand. Sales in the Home and Business Solutions division merged as of Mai 2025 are expected to be slightly higher than in the previous year. Earnings before interest, income taxes, depreciation and amortization (EBITDA) and earnings before interest and income taxes (EBIT) will see a significant positive impact due to reductions in costs and increases in efficiency as part of the restructuring and transformation program in the 2025 fiscal year.

Due to the deterioration of the macroeconomic environment and increased uncertainties caused by volatile tariff policies, along with their potential direct and indirect impacts on SMA's business, the Managing Board expects sales and EBITDA to be in the lower third of the aforementioned guidance range.

Depreciation and amortization are expected to come to approximately €65 million in 2025. On this basis, the Managing Board expects EBIT between €0 million and €50 million. In 2025, capital expenditure (including capitalized development costs and lease investments) will be approximately €115 million and thus slightly below the level of 2024 (ACTUAL 2024: €119.8 million). Capital expenditure will focus on new products and highly integrated and digitalized solutions, technical equipment and machines for the new GIGAWATT FACTORY, as well as the capitalization of research and development expenses.

In the current fiscal year, the SMA Group is also advancing the implementation of its company-wide restructuring and transformation program, which was launched in 2024. For additional information, please refer to the "Strategy" section in the SMA Annual Report 2024 starting on page 19. For details regarding risks, please refer to the Risks and Opportunities Report in the SMA Annual Report 2024 starting on page 56.

SMA Group guidance for 2025 at a glance

Key figure	Guidance 2025	Actual 2024
Sales in € million	1,500 to 1,650	1,530.0
Inverter output sold in GW	20 to 22	19.5
EBITDA in € million	70 to 110	−16.0[1]
Capital expenditure in € million	approx. 115	119.8
Net working capital in % of sales	23 to 27	30.9
Net cash in € million	approx. 100	84.2
EBIT in € million	0 to 50	−93.1[1]

[1] Including €19 million positive one-time effect from the sale of shares in elexon GmbH

The SMA Group's sales and earnings depend on global market growth, market share, demand and price dynamics, as well as political developments. Our global presence and our comprehensive portfolio of products and solutions for both divisions (Home & Business Solutions and Large Scale & Project Solutions) enable us to respond quickly to changing market conditions, offset fluctuations in demand, and take advantage of developments in global photovoltaic and storage markets, including the market for green hydrogen. Its broad product and solution portfolio in all market segments is a major distinguishing feature of the SMA Group.

The Managing Board of SMA Solar Technology AG forecasts the following performance in the individual SMA divisions in the 2025 fiscal year:

Division guidance for 2025 at a glance compared to previous year

Segment	Sales	EBIT
Home & Business Solutions	Slightly up	Up significantly
Large Scale & Project Solutions	Slightly up	Down significantly

Consistent expansion of systems and solutions expertise

The Managing Board of SMA Solar Technology AG continues to see attractive growth prospects for the future in the SMA Group's addressable markets. In addition to the ongoing positive development of the global PV market, key drivers include growth in important future fields such as storage, e-mobility, digital energy services and green hydrogen. With its Strategy 2025, its global presence in 20 countries on six continents and its innovative products and solutions, the SMA Group intends to benefit from this market growth and consolidate and/or expand its market position. By means of the restructuring and transformation program initiated in September 2024, the SMA Group is also striving to position itself as one of the leading global systems and solutions providers. To ensure future profitable growth, the group is reducing costs and increasing efficiency over the long term.

The SMA Group continues to benefit from the megatrends of decarbonization, decentralization and digitalization

The expansion of renewable energies and battery storage systems, as well as the electrification of other sectors, such as mobility, heating and air-conditioning, will continue. Photovoltaics will benefit from this expansion, also due to the already low levelized cost of electricity compared to other types of generation. The megatrends of decarbonization, decentralization and digitalization will have a positive effect on the expansion of PV and enable the emergence of new innovative business models, for example, in the area of smart energy management and grid stabilization solutions. With its products and solutions, the SMA Group actively contributes to combating the global climate crisis. In addition, we have an international sales and service organization, decades of experience, and technological expertise in all PV and storage applications, as well as in key future fields of energy supply. Our total installed inverter output of more than 165 GW globally (PV and hybrid inverters) forms the basis for data-based business models, as inverters are able to compile valuable energy data. Our extensive knowledge of managing complex battery storage systems and linking solar power systems to other energy sectors, such as heating, ventilation and cooling technology, as well as e-mobility, is an excellent basis for developing future growth potential for digital energy solutions. The SMA Group also has extensive expertise in grid stability and has been bundling its services in this area centrally at its competence center in Bangalore (India) since October 2023. In addition, the SMA Group has positioned itself in the business field of green hydrogen production, which is expected to see strong growth in the future. With the Electrolyzer Converter for grid-friendly processing of electricity for electrolysis, we successfully launched our own range of solutions for optimized hydrogen production on the growing market, which we will continue to expand.

SMA Group will drive the digitalization of the energy industry

Thanks to its extensive knowledge and experience in PV system technology, the alignment of the subsidiaries toward future business areas and its numerous strategic partnerships, the SMA Group is well prepared for the digitalization of the energy industry and intends to take advantage of the resulting opportunities. As a specialist in holistic solutions for the energy sector, we will help shape the energy supply of the future, launch several innovations, and establish further strategic partnerships as part of our centralized and focused partner management. In this process, we will continuously advance our positioning as a systems and solutions provider to keep driving the transition toward a cost-effective, reliable and sustainable energy supply based on decentralized renewable energy. We are supported in this endeavor by SMA's corporate culture and our motivated employees who make a crucial contribution to the company's long-term success and are therefore also given a share in the SMA Group's financial success.

Niestetal, April 30, 2025

SMA Solar Technology AG
The Managing Board

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Income statement SMA Group

in €'000	Jan. – Mar. (Q1) 2025	Jan. – Mar. (Q1) 2024
Sales	**327,709**	**361,775**
Cost of sales	248,456	266,945
Gross profit	**79,253**	**94,830**
Selling expenses	31,482	34,085
Research and development expenses	20,834	23,393
General administrative expenses	25,927	20,883
Other operating income	25,257	28,938
Other operating expenses	14,865	7,165
Operating profit (EBIT)	**11,402**	**38,242**
Financial income	221	1,896
Financial expenses	4,001	2,400
Financial result	**−3,780**	**−504**
Profit before income taxes	**7,622**	**37,738**
Income taxes (expense (+)/income (−))	2,088	9,284
Net income	**5,534**	**28,454**
of which attributable to shareholders of SMA AG	5,534	28,454
Earnings per share, basic (in €)	0.16	0.82
Earnings per share, diluted (in €)	0.16	0.82
Number of ordinary shares (in thousands)	34,700	34,700

Statement of comprehensive income SMA Group

in €'000	Jan. – Mar. (Q1) 2025	Jan. – Mar. (Q1) 2024
Net income	**5,534**	**28,454**
Unrealized gains (+)/losses (−) from currency translation of foreign subsidiaries	−1,448	633
Changes recognized outside profit or loss (currency translation differences)	**−1,448**	**633**
Overall result	**4,086**	**29,087**
of which attributable to shareholders of SMA AG	4,086	29,087

Balance sheet SMA Group

in €'000	2025/03/31	2024/12/31
ASSETS		
Intangible assets	126,961	120,578
Property, plant and equipment	311,364	265,316
Investment property	3,835	3,888
Other financial assets, non-current	11,445	10,331
Deferred tax assets	81,429	78,653
Non-current assets	**535,034**	**478,766**
Inventories	582,877	563,565
Trade receivables	152,279	216,905
Other financial assets, current (total)	64,206	46,725
Rent deposits and cash on hand pledged as collaterals	33,701	33,600
Remaining other financial assets, current	30,505	13,125
Income tax assets	4,855	4,928
Value added tax receivables	14,526	19,742
Other non-financial assets, current	20,020	14,763
Cash and cash equivalents	263,852	195,832
	1,102,615	1,062,460
Current assets	**1,102,615**	**1,062,460**
Total assets	**1,637,649**	**1,541,226**

in €'000	2025/03/31	2024/12/31
LIABILITIES		
Share capital	34,700	34,700
Capital reserves	119,200	119,200
Retained earnings	403,502	399,416
SMA Solar Technology AG shareholders' equity	**557,402**	**553,316**
Provisions, non-current	103,098	103,489
Financial liabilities, non-current	87,872	41,058
Contract liabilities, non-current	138,921	138,106
Other non-financial liabilities, non-current	1,895	2,347
Deferred tax liabilities	6,013	3,517
Non-current liabilities	**337,799**	**288,517**
Provisions, current	127,726	128,002
Financial liabilities, current	133,354	155,171
Trade payables	192,284	147,066
Income tax liabilities	18,570	17,115
Contract liabilities (advances)	178,857	160,404
Other contract liabilities, current	50,581	59,959
Other financial liabilities, current	430	1,004
Other non-financial liabilities, current	40,646	30,672
Current liabilities	**742,448**	**699,393**
Total equity and liabilities	**1,637,649**	**1,541,226**

Statement of cash flows SMA Group

in €'000	Jan. – Mar. (Q1) 2025	Jan. – Mar. (Q1) 2024
Net income	5,534	28,454
Income taxes	2,088	9,284
Financial result	3,780	504
Depreciation and amortization of property, plant and equipment and intangible assets	13,172	11,697
Change in provisions	−666	6,783
Result from the disposal of intangible and fixed assets and non-current assets	478	371
Change in non-cash expenses/revenue	−1,304	−834
Interest received	366	383
Interest paid	−993	−359
Income tax paid	−1,658	−5,184
Gross cash flow	**20,796**	**51,098**
Change in inventories	−20,382	−127,608
Change in trade receivables	63,143	53,436
Change in trade payables	45,218	−14,319
Change in other net assets/other non-cash transactions	859	−6,225
Cash flow from operating activities	**109,634**	**−43,618**

in €'000	Jan. – Mar. (Q1) 2025	Jan. – Mar. (Q1) 2024
Payments for investments in property, plant and equipment	−3,856	−9,998
Proceeds from the disposal of property, plant and equipment	0	6
Payments for investments in intangible assets	−9,730	−10,302
Proceeds from the sale of shares in associates and available-for-sale assets less cash given up	0	18,211
Proceeds from the disposal of securities and other financial assets	0	41,186
Payments for the acquisition of securities and other financial assets	0	−613
Cash flow from investing activities	**−13,587**	**38,490**
Change in other financial liabilities	74	71
Payments for lease liabilities	−3,068	−2,437
Redemption of financial liabilities	−24,126	−2
Cash flow from financing activities	**−27,120**	**−2,368**
Net increase/decrease in cash and cash equivalents	68,927	−7,496
Changes due to exchange rate effects	−907	−139
Cash and cash equivalents as of January 1	195,832	219,383
Cash and cash equivalents as of March 31	**263,852**	**211,747**

Statement of changes in equity SMA Group

in €'000	Share capital	Capital reserves	Difference from currency translation	Other retained earnings	Consolidated shareholders' equity
Shareholders' equity as of January 1, 2024	**34,700**	**119,200**	**1,694**	**530,588**	**686,182**
Net income				28,454	28,454
Other comprehensive income after tax			633	0	633
Overall result					29,087
Shareholders' equity as of March 31, 2024	**34,700**	**119,200**	**2,326**	**559,042**	**715,269**

in €'000	Share capital	Capital reserves	Difference from currency translation	Other retained earnings	Consolidated shareholders' equity
Shareholders' equity as of January 1, 2025	**34,700**	**119,200**	**3,906**	**395,510**	**553,316**
Net income				5,534	5,534
Other comprehensive income after tax			−1,448		−1,448
Overall result					4,086
Shareholders' equity as of March 31, 2025	**34,700**	**119,200**	**2,458**	**401,044**	**557,402**

Financial ratios by segments and region

in € million	External product sales		External services sales		Total sales	
	Q1 2025	Q1 2024	Q1 2025	Q1 2024	Q1 2025	Q1 2024
Segments						
Home Solutions	19.7	59.4	2.2	3.2	21.9	62.6
C&I Solutions	25.2	69.8	1.1	0.7	26.3	70.5
Large Scale & Project Solutions	247.2	214.4	32.3	14.3	279.5	228.7
Total segments	**292.1**	**343.6**	**35.6**	**18.2**	**327.7**	**361.8**
Reconciliation	0.0	0.0	0.0	0.0	0.0	0.0
Continuing operations	**292.1**	**343.6**	**35.6**	**18.2**	**327.7**	**361.8**

in € million	Depreciation and amortization		Operating profit (EBIT	
	Q1 2025	Q1 2024	Q1 2025	Q1 2024
Segments				
Home Solutions	1.5	1.3	−19.6	−3.6
C&I Solutions	1.9	2.6	−26.4	−18.2
Large Scale & Project Solutions	0.8	0.8	50.3	41.3
Total segments	**4.2**	**4.7**	**4.3**	**19.5**
Reconciliation	9.0	7.0	7.1	18.7
Continuing operations	**13.2**	**11.7**	**11.4**	**38.2**

Sales by regions (target market of the product)

in € million	Q1 2025	Q1 2024
EMEA	134.8	207.4
Americas	113.4	112.1
APAC	79.7	50.6
Sales deductions	−0.2	−8.3
External sales	**327.7**	**361.8**
thereof Germany	66.3	118.8

Reconciliation of the segment figures to the correlating figures in the Financial Statements is as follows:

in € million	Q1 2025	Q1 2024
Total segment earnings (EBIT)	4.3	19.5
Elimination	7.1	18.7
Consolidated EBIT	11.4	38.2
Financial result	−3.8	−0.5
Earnings before income taxes	**7.6**	**37.7**

Circumstances are shown in the reconciliation, which by definition are not part of the segments. In particular, this comprises unallocated parts of group head offices, including centrally managed cash and cash equivalents, financial instruments, financial liabilities and buildings, the expenses of which are allocated to the segments. Business relationships between the segments are eliminated in the reconciliation.

Financial Calendar

2025/06/03	Annual General Meeting 2025
2025/08/07	Publication of Half-Yearly Financial Report: January to June 2025 Analyst Conference Call: 13:30 p.m. (CEST)
2025/11/13	Publication of Quarterly Statement: January to September 2025 Analyst Conference Call: 13:30 p.m. (CET)

Publication Information

Published by
SMA Solar Technology AG

Text
SMA Solar Technology AG

Consulting, Concept & Design
IR-ONE AG & Co., Hamburg
www.ir-one.de

Photos
Heiko Meyer

Contact

SMA Solar Technology AG
Sonnenallee 1
34266 Niestetal
Germany
Tel.: +49 561 9522-0
Fax: +49 561 9522-100
info@SMA.de
www.SMA.de/en

Investor Relations
Investor.relations@SMA.de
www.SMA.de/en/investor-relations

Sustainability
sustainability@SMA.de
www.SMA.de/en/sustainability

Registered Trademarks

Disclaimer

The Quarterly Statement, in particular the Forecast Report included in the Management Report, includes various forecasts and expectations as well as statements relating to the future development of the SMA Group and SMA Solar Technology AG. These statements are based on assumptions and estimates and may entail known and unknown risks and uncertainties. Actual development and results as well as the financial and asset situation may therefore differ substantially from the expectations and assumptions made. This may be due to market fluctuations, the development of world market prices for commodities, of financial markets and exchange rates, amendments to national and international legislation and provisions or fundamental changes in the economic and political environment. SMA does not intend to and does not undertake an obligation to update or revise any forward-looking statements to adapt them to events or developments after the publication of this Quarterly Statement.

ENERGY THAT CHANGES

SMA Solar Technology AG
Sonnenallee 1
34266 Niestetal
Germany

Tel.: +49 561 9522-0
Fax: +49 561 9522-100
info@SMA.de
www.SMA.de/en