

# FROM VOLATILITY TO STABILITY



Reducing currency risk through  
integrating locally produced  
components



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# AGENDA



1

The parties working together

2

Currency – a major risk component in PV Plant development

3

The value of local collaboration

4

SMA's product range to serve the booming market in Australia

> **Australia's solar market is booming – opportunity and challenge**

## Key Facts

- ✓ Headquartered in Niestetal, Germany since 1981
- ✓ 65 Gigawatt installed worldwide
- ✓ Sales of 891 million EUR in 2017
- ✓ 3,213 employees, thereof 2,077 in Germany
- ✓ 500 engineers in R&D
- ✓ Stock-listed since 2008



> **World's most experienced inverter manufacturer – dedicated to SOLAR PV**



# WILSON TRANSFORMER COMPANY



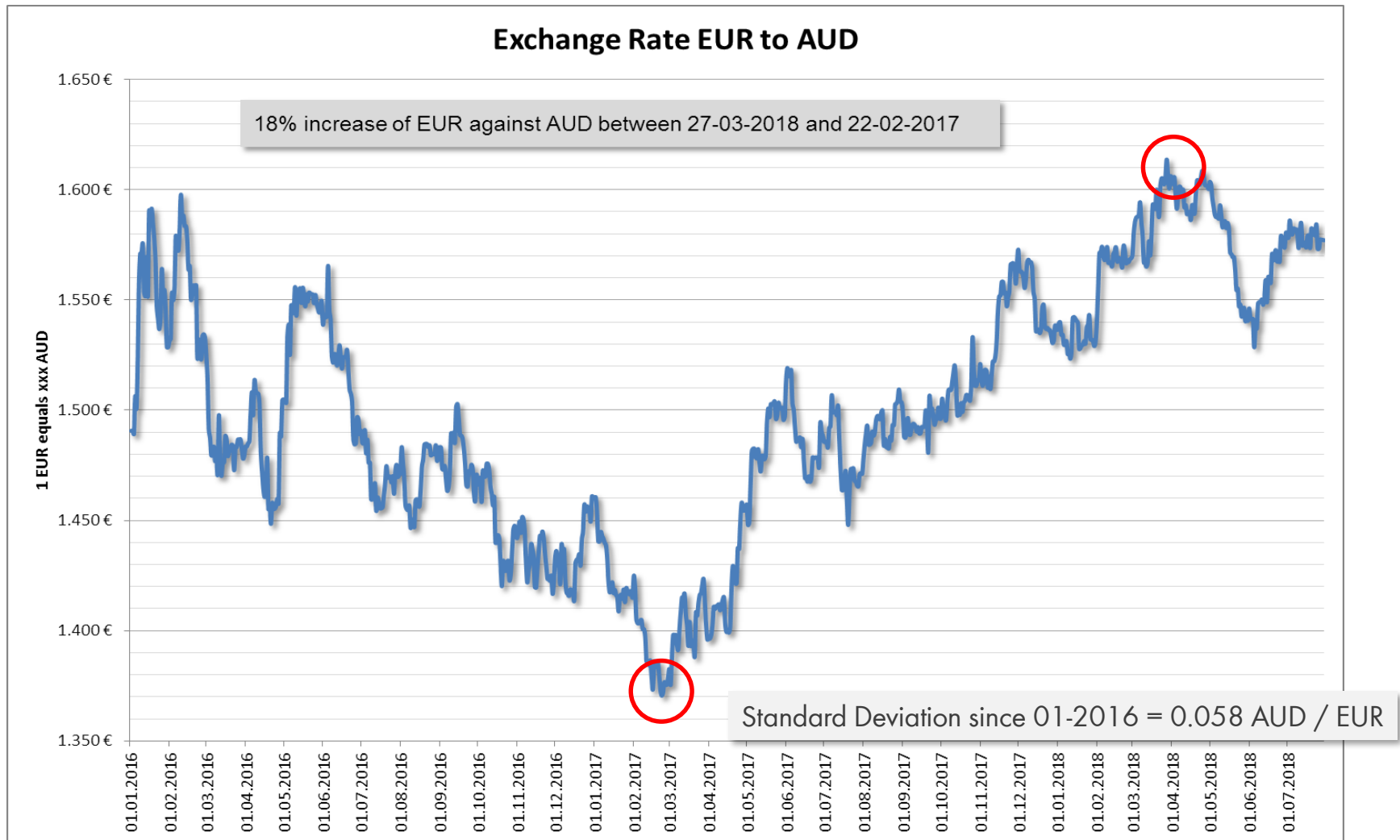
## Key Facts

- ✓ Fully Australian owned family business
- ✓ Founded in 1933
- ✓ Located in Glen Waverley and Wodonga (VIC)
- ✓ 16 kVA to 500 MVA / 400 kV Transformers
- ✓ Production of compact substations and skids
- ✓ Hundreds of thousands of transformers sold



> **WILSON TRANSFORMER COMPANY – the market leader in transformer solutions**

# THE CHALLENGE – CURRENCY EXCHANGE RATES



> High volatility equals high risk

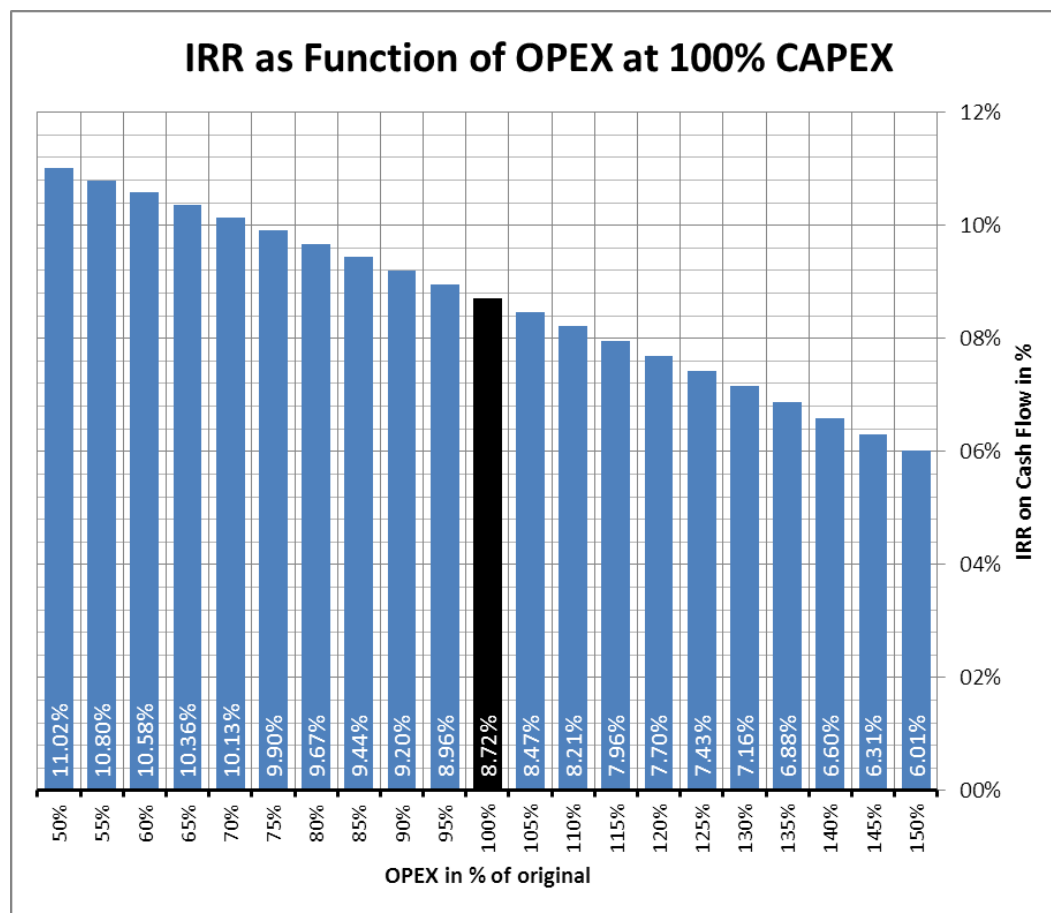
# IMPACT ON RETURN ON INVESTMENT



- Inverters are between 6% and 10% of PV Plant Costs
- 18% increase in Costs due Exchange rate  
➡ 1.1% to 1.8% in Plant Cost



- Impact on equity IRR  
➡ 60 bpts down
- Impact on NPV  
➡ reduction by 19%
- Impact on LCOE  
➡ 0.6% up



> Lower PPA Pricing in the market further adds to pressure on margins

# OTHER CHALLENGES FOR IMPORTING COMPONENTS



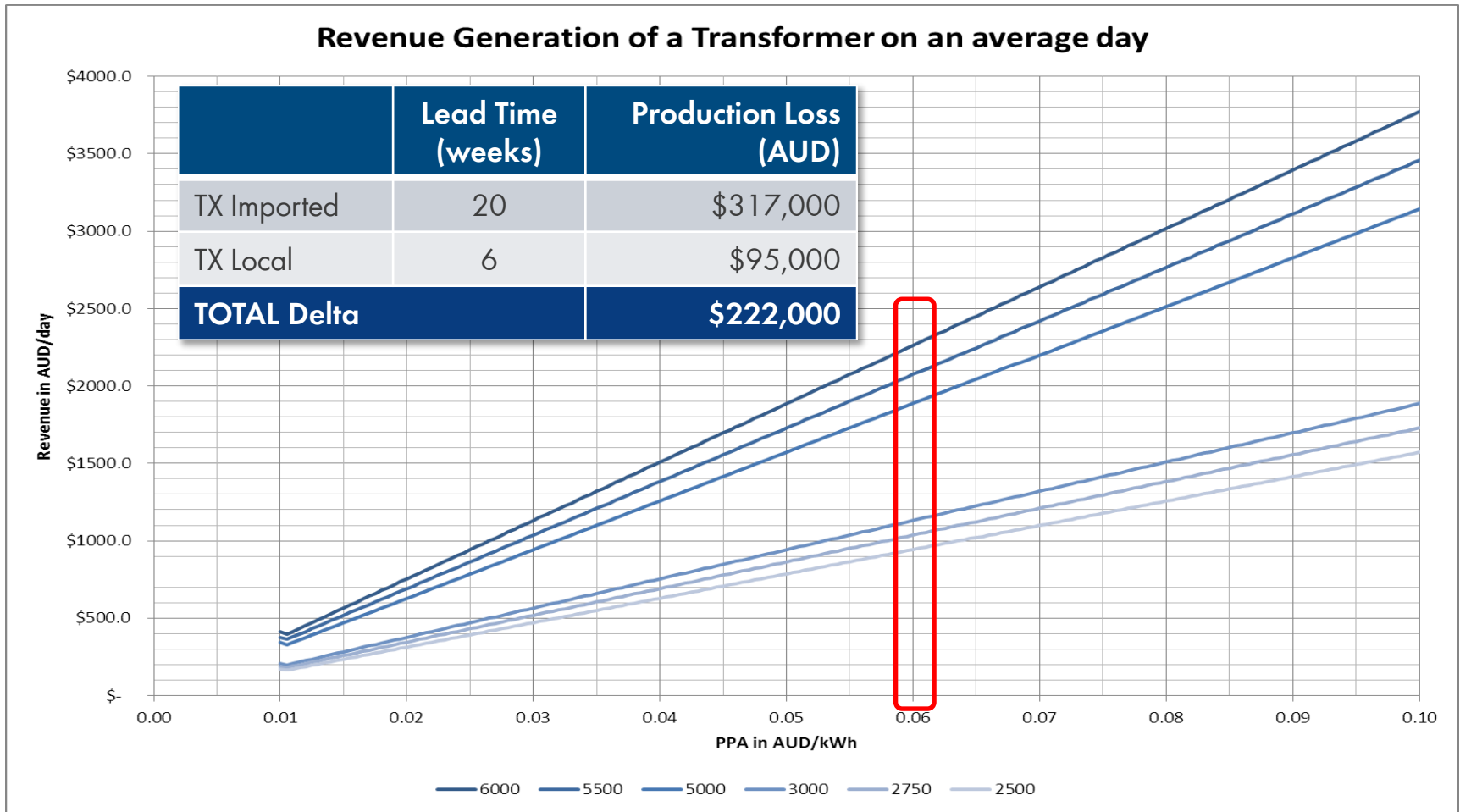
- 5% Import Duty on non-inverter components and integrated stations
- Long lead times due to busy factories in Europe
- Long shipping times (Europe to Australia  $\geq 10$  weeks)
- Complex Customs/Quarantine procedures
- Shipping means stress on equipment
- Long Lead Times on Spare Parts
- Complex set of Australian Standards and market rules is a challenge for global products
- Energy Auctions increasingly ask for local content



➤ **Shipping adds complexity – keep it simple to maintain best quality @ lowest costs**



# THE RISK OF REVENUE LOSS



1% change in availability means 8,300 AUD per 6,000 kVA station per year

> A 6,000 kVA inverter station generates on average 2,262 AUD/day revenues

# THE SOLUTION – LOCAL PRODUCTION



In 2017 SMA has started a collaboration with Wilson Transformer Company:

- Two market leaders work together
- Similar Quality standards
- Similar Company Values
- Similar Focus on technological leadership



- Competitive Product tailored for the Australian Market
- High Quality components to last a lifetime in the harsh Australian Climate
- Full compliance with Australian Standards
- No Sea-Freight means less costs



➤ **Working together to maximise benefit for our Australian customers**

# THE RESULT – TAILORED SOLUTION FOR AUSTRALIA



- 20' x 8' x 9' (L x W x H)
- 14 tons
- 2,500 kVA – 3,000 kVA
- 11 kV – 33 kV
- 1 x inverter + 1 x transformer + 1 x switchger
- 30 kVA auxiliary power

➤ **Compact Solution for smaller PV Plants or to mix with 40' unit**



# THE ULTIMATE POWER CONVERSION STATION



- 40' x 8' x 9' (L x W x H)
- 26.5 tons
- 5,000 kVA – 6,000 kVA
- 11 kV – 33 kV
- 2 x inverter + 1 x transformer + 1 x switchgear
- 30 kVA auxiliary power

➤ Full turn-key solution for large scale power stations

# WHAT'S IN IT FOR OUR CUSTOMERS




- Short lead times of 16 weeks
- Lower Costs due to less components
- Lower Costs due to lower transport costs
- Lower Costs due to avoided import duties
- Local Content > 35%
- Easy spare part management
- Comprehensive local service
- Designed in Australia for Australia
- Full compliance with AU Standards
- Well known highly reputable brands
- Excellent track record for inverters
- Excellent track record for BoS Solutions



SMA Australia Team is ready for your calls!

> **Top quality components for maximum availability and best performance**



A close-up photograph of two hands, one from the left and one from the right, holding a small white card between them. The background is a blurred indoor setting with light coming from a window.

We want to  
work with **YOU**

ENERGY  
THAT  
CHANGES



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