

SolarEdge Technologies Nasdaq | SEDG

Ronen Faier
CFO

August 2020

Safe Harbor

Use of Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward looking statements include information, among other things, concerning: the expected impact of the COVID-19 pandemic and related public health measures on our business, results of operations, financial condition and liquidity; our possible or assumed future results of operations; future demands for solar energy solutions; business strategies; technology developments; new products and services; financing and investment plans; dividend policy; competitive position; industry and regulatory environment; general economic conditions; potential growth opportunities; and the effects of competition.

Forward-looking statements are only predictions based on our current expectations and are inherently subject to risks and uncertainties. They should not be considered guarantees of future results, which could differ materially from the results set forth in, contemplated by, or underlying this presentation.

Factors that could cause actual results to differ materially from our expectations are described in the reports filed by SolarEdge with the Securities and Exchange Commission and we encourage you to review our filings carefully, especially the sections entitled "Risk Factors" in our annual report on Form 10-K and our quarterly reports on Form 10-Q, noting that many of the risks, uncertainties and other factors identified therein are, and will be, amplified by the COVID-19 pandemic. .

SolarEdge undertakes no duty or obligation to update any forward-looking statements contained in this presentation as a result of new information, future events or changes in its expectations.

This presentation describes non-GAAP revenues, gross margin, operating expenses, operating income, net income and non-GAAP net diluted earnings per share, which are not measures prepared in accordance with U.S. GAAP (i.e. "Non-GAAP" measures). The Non-GAAP measures are presented in this presentation as we believe that they provide investors with a means of evaluating and understanding how SolarEdge's management evaluates the company's operating performance. These Non-GAAP measures should not be considered in isolation from, as substitutes for, or superior to financial measures prepared in accordance with U.S. GAAP.

SolarEdge in Numbers

58.5M 
Power Optimizers
Shipped

28
Countries
Presence

358 Awarded
Patents and **282**
Additional Patent
Applications

>1.6M
Monitored systems
around the world

#1 
Solar
Inverter
Company

2,726
employees



2.4M
Inverters
Shipped 

19.5GW
of our systems
shipped worldwide

Q2/2020 Financial Results

\$331.9M



Revenue

\$52.1M

Non-GAAP Net Income



31.0%

GAAP Gross Margin



\$59.3M

Cash Flow From Operations



\$36.7M

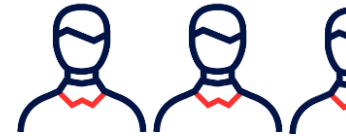
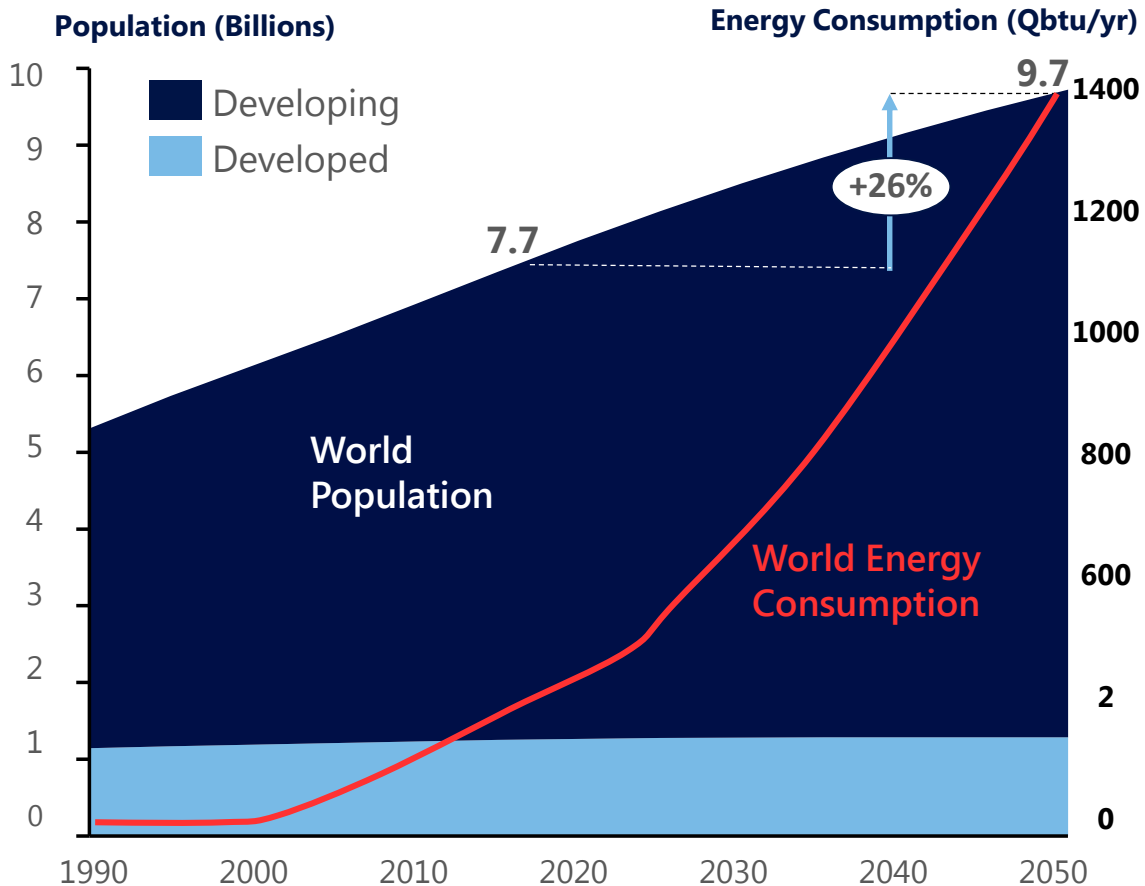
GAAP Net Income

\$592.7M

Cash, Deposits and Investment
Balance

Energy Demand is on the Rise

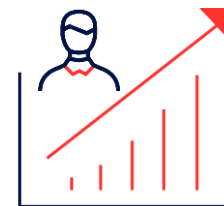
Global Population Forecast 2050 (in B)



+2B people (+26%) 2020-50



Urbanization will increase from 55% to
68% (+**2.4B** people)



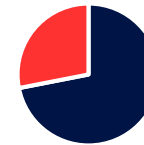
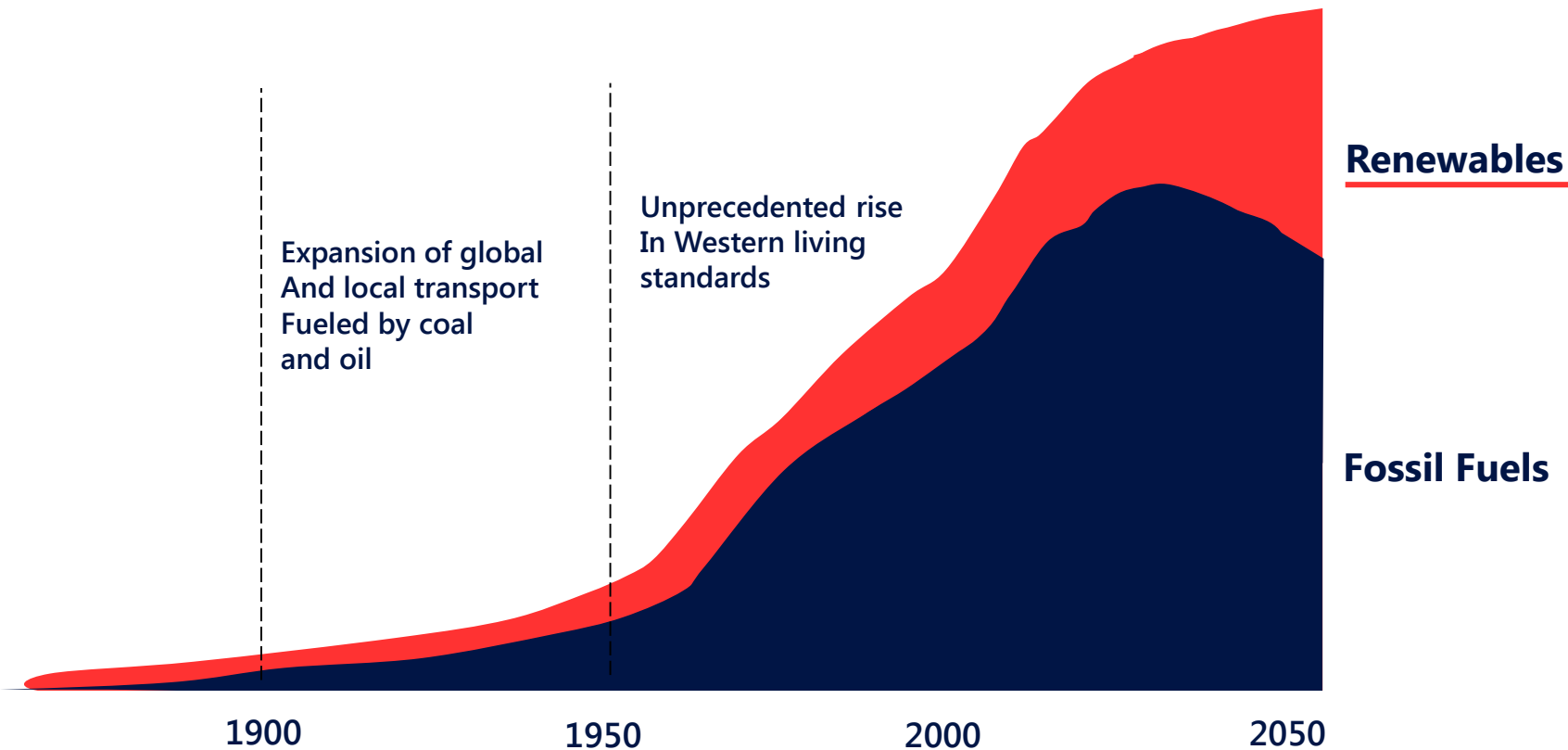
Energy consumption per capita is expected
to increase with **16%** by 2050

Source: McKinsey energy Insights' Global Perspective, January 2019

Source: https://www.researchgate.net/figure/World-population-vs-energy-demand_fig1_317635346

Energy Demand is on the Rise

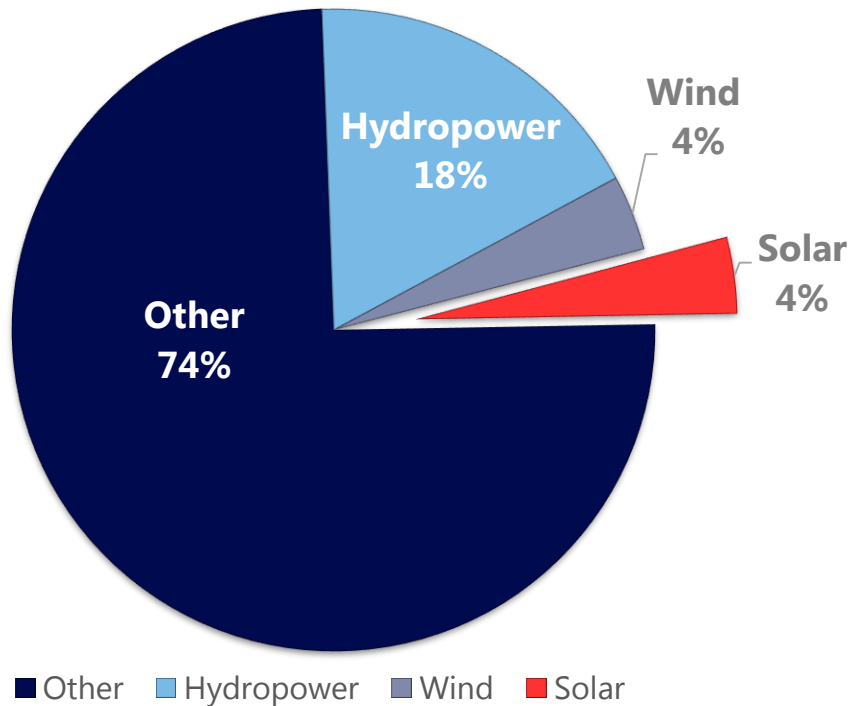
Global Primary Energy Demand, Millions of Terajoules



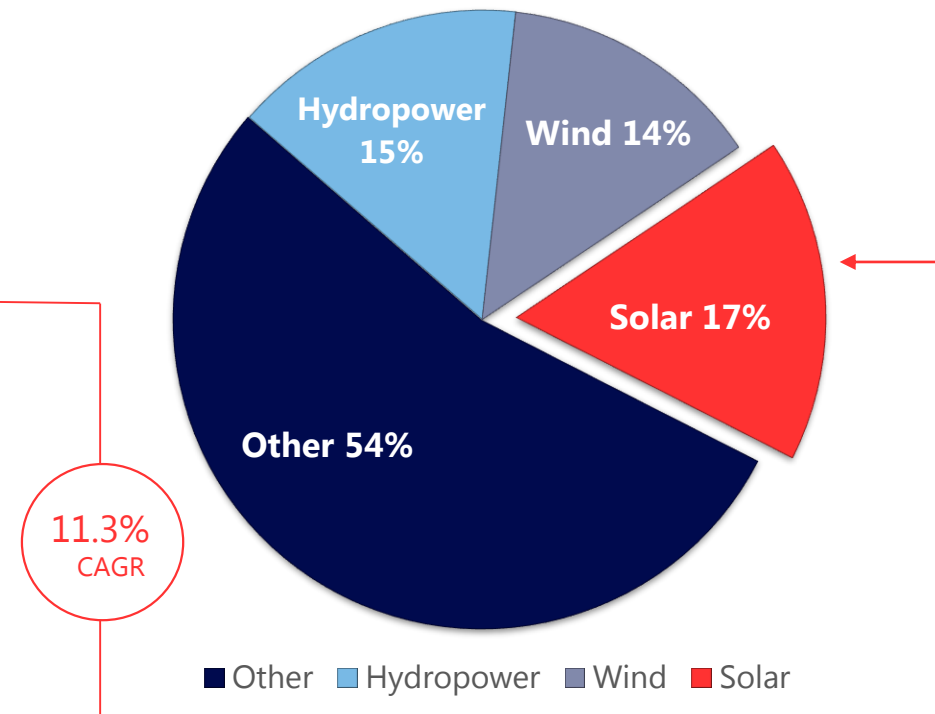
By 2050 almost a $\frac{1}{3}$ of the global electricity demand will come from renewable energy

Global Renewable Energy Market Mix

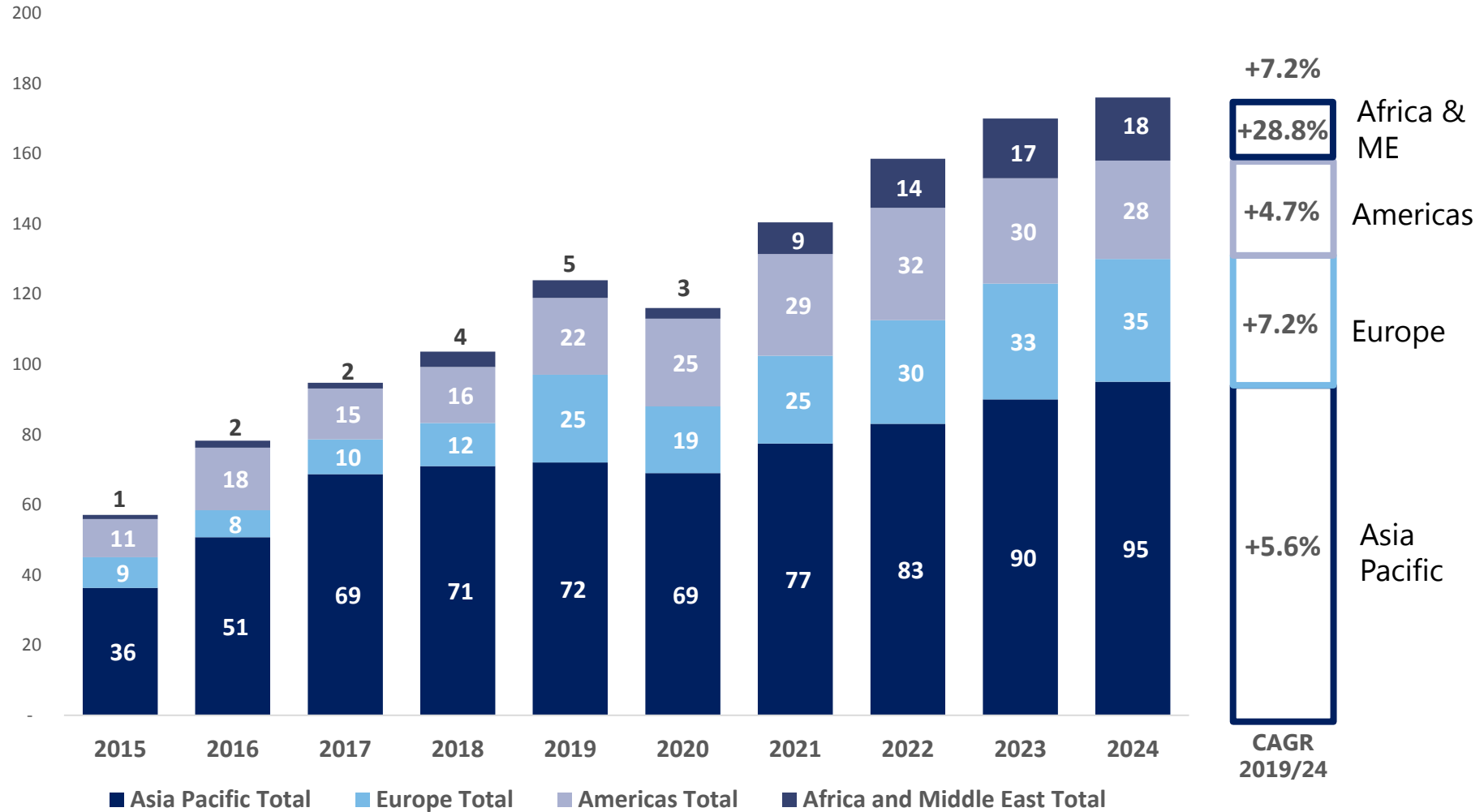
2016 Renewables



2030 Renewables



Solar GW Installations by Region



Source: IHS PV installation tracked Q2 2020



SolarEdge Solutions

solar**edge**

A Complete Residential Solution

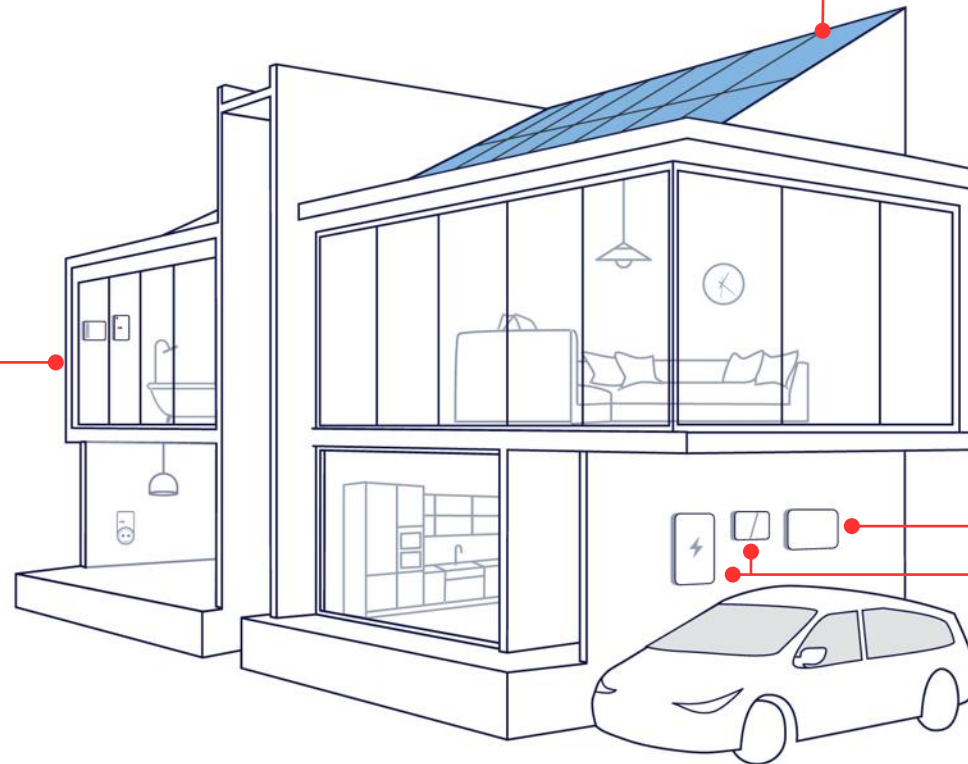
■ A single solution for PV, storage, smart energy, and EV charging



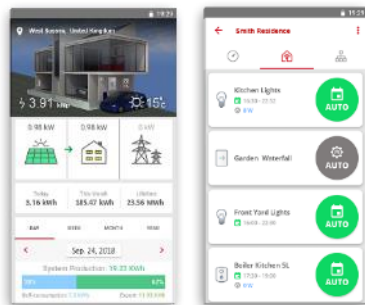
Smart Energy Products



Smart Modules with
Pre-assembled Power
Optimizers



Inverters

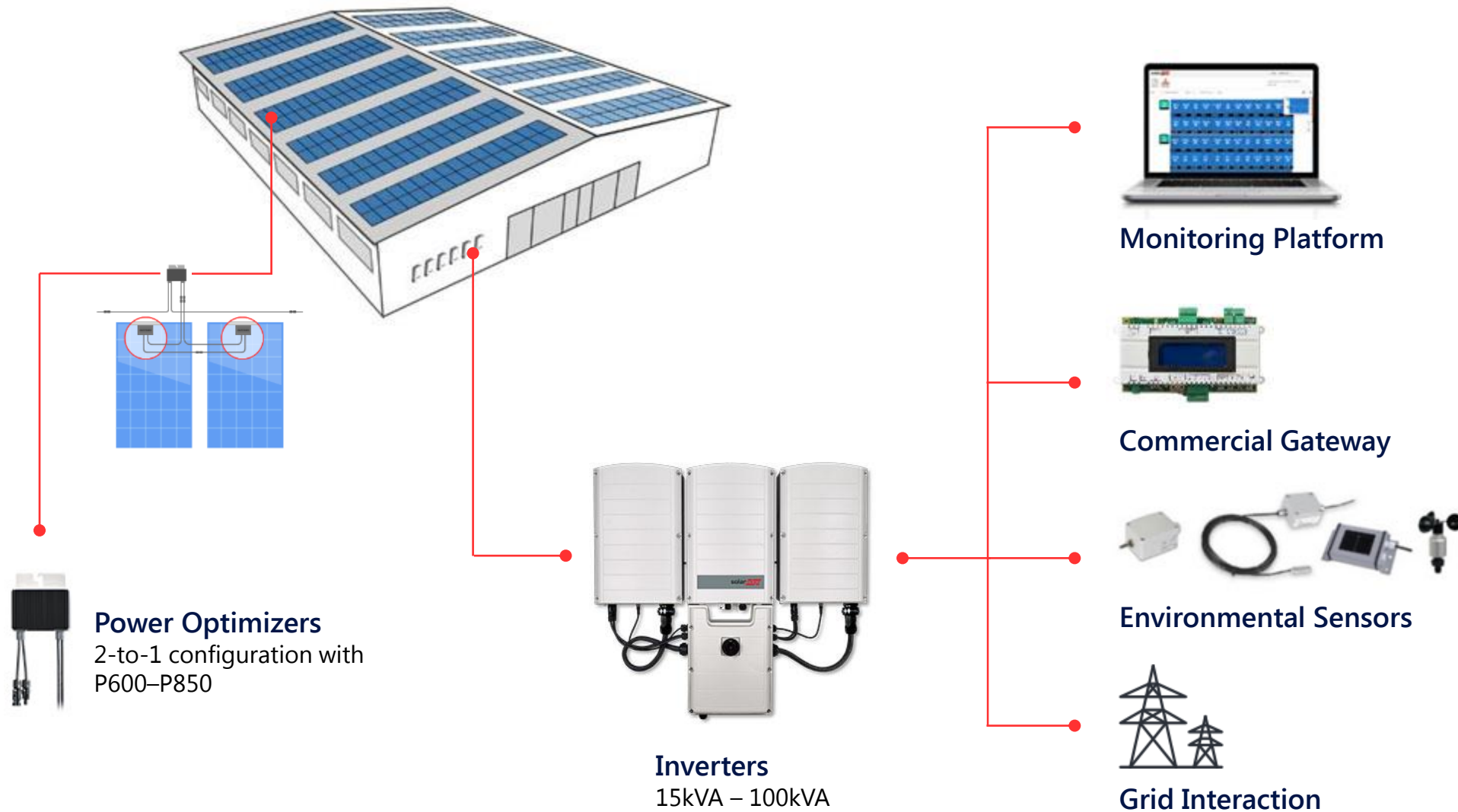


Monitoring Platform



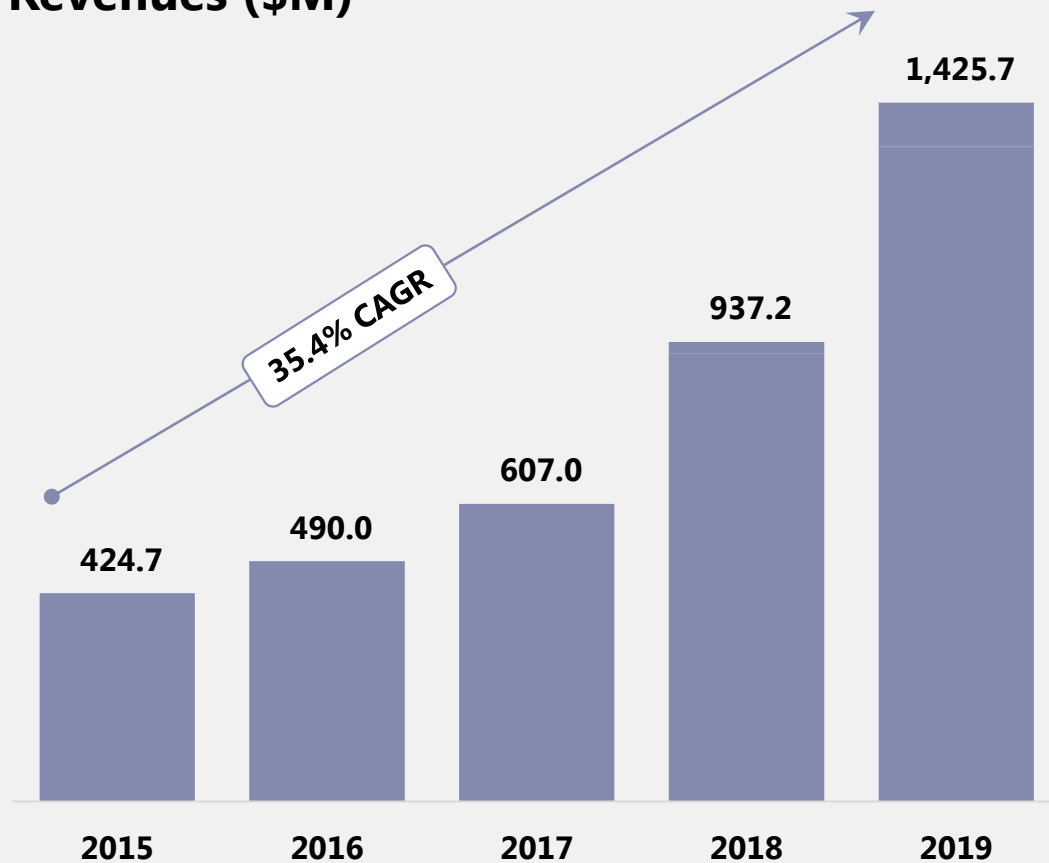
StorEdge

The SolarEdge Commercial Solution



Annual Growth

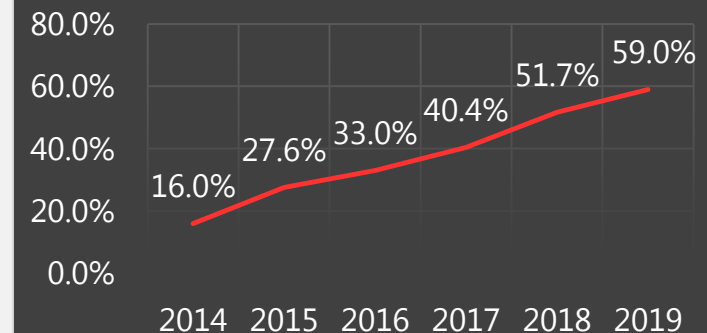
Revenues (\$M)



Our Winning Method

- Strong product offering that answers customers needs
- Sales force focused on demand creation with installers
- Backed by marketing and service

US Residential Market



Source: Wood mackenzie US PV Leader board Q2 2020

Strategic Growth Engines



Geographic
Expansion



Segment
Development



Market
Share Growth



ARPI Increase

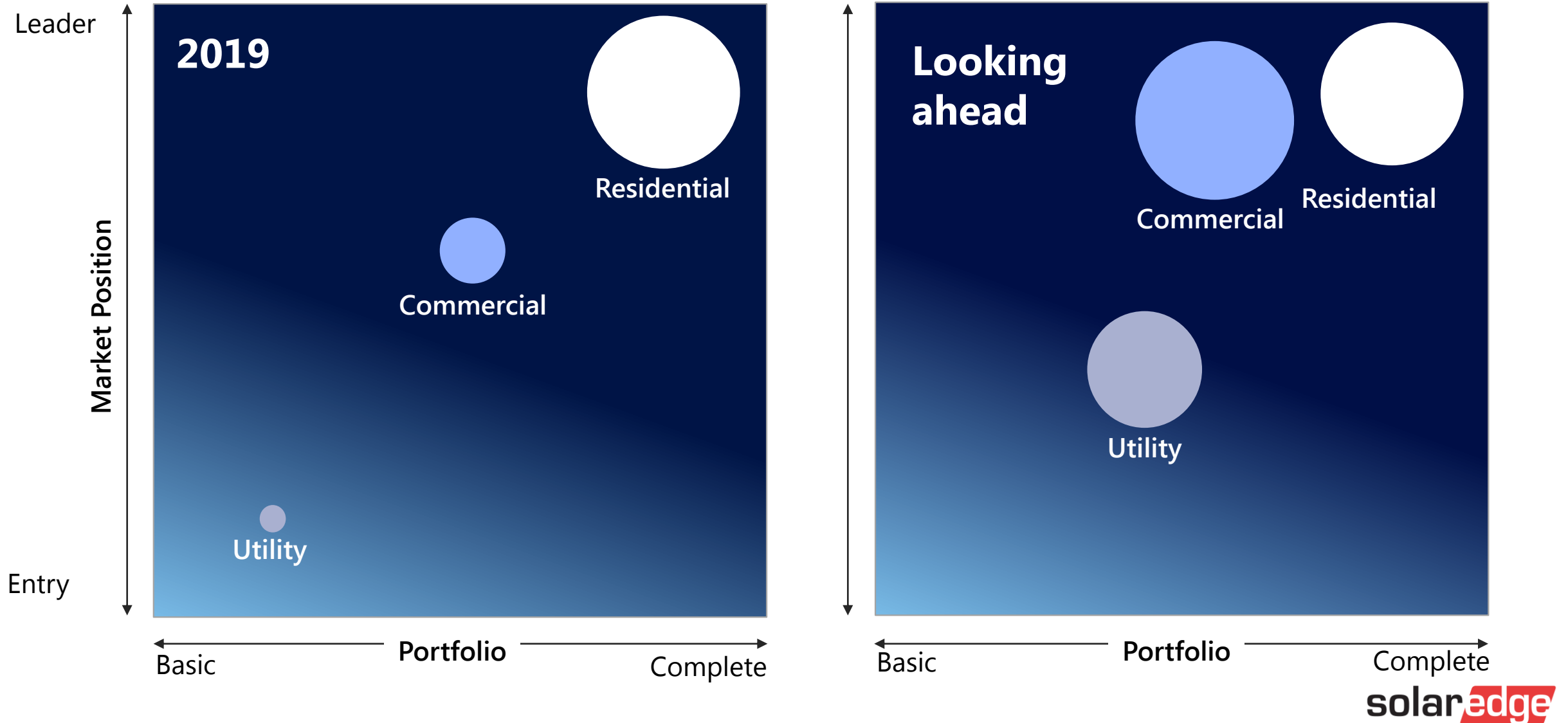
Geographical Expansion

- Started with 3 markets, operations today in more than 30
- Maintain leadership position in core developed markets
- Significantly grow in new markets to answer demand



 Local presence

SolarEdge Segment Development



Market Share Growth

■ Global Inverter Market Tracker: World PV Inverter Supplier Rankings (\$ Revenues)

2014

Rank	Company
1	SMA
2	ABB
3	Omron
4	TEMIC
5	Tabuchi
6	Schneider Electric
7	Enphase Energy
8	Sungrow
9	Huawei
10	SolarEdge

2017

Rank	Company
1	Huawei
2	SMA
3	Sungrow
4	SolarEdge
5	Enphase Energy
6	ABB
7	Schneider Electric
8	Omron
9	Fronius
10	Goodwe

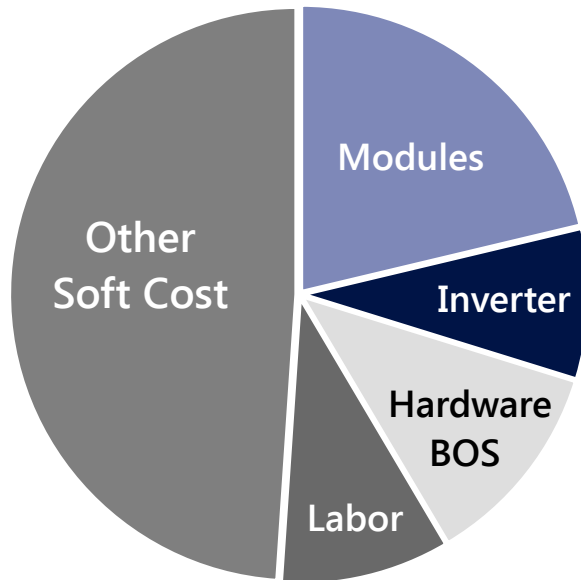
2019

Rank	Company
1	SolarEdge
2	SMA
3	Huawei
4	Enphase Energy
5	Sungrow
6	Fronius
7	Power Electronics
8	ABB
9	Growatt
10	Omron

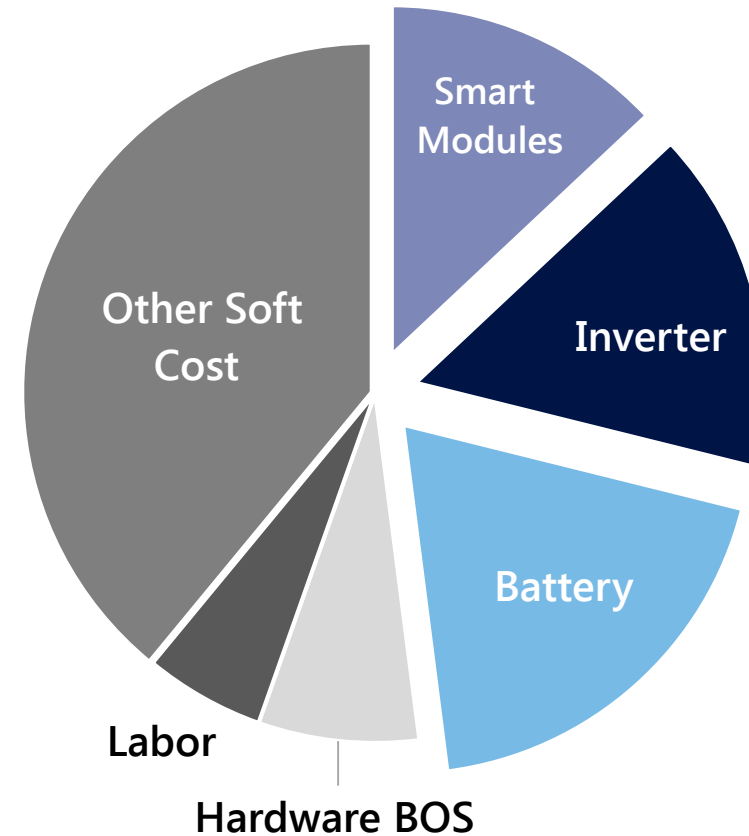
Source: IHS PV Inverter Market tracker 2015-20

Increasing SolarEdge ARPI – Average Revenue Per Installation

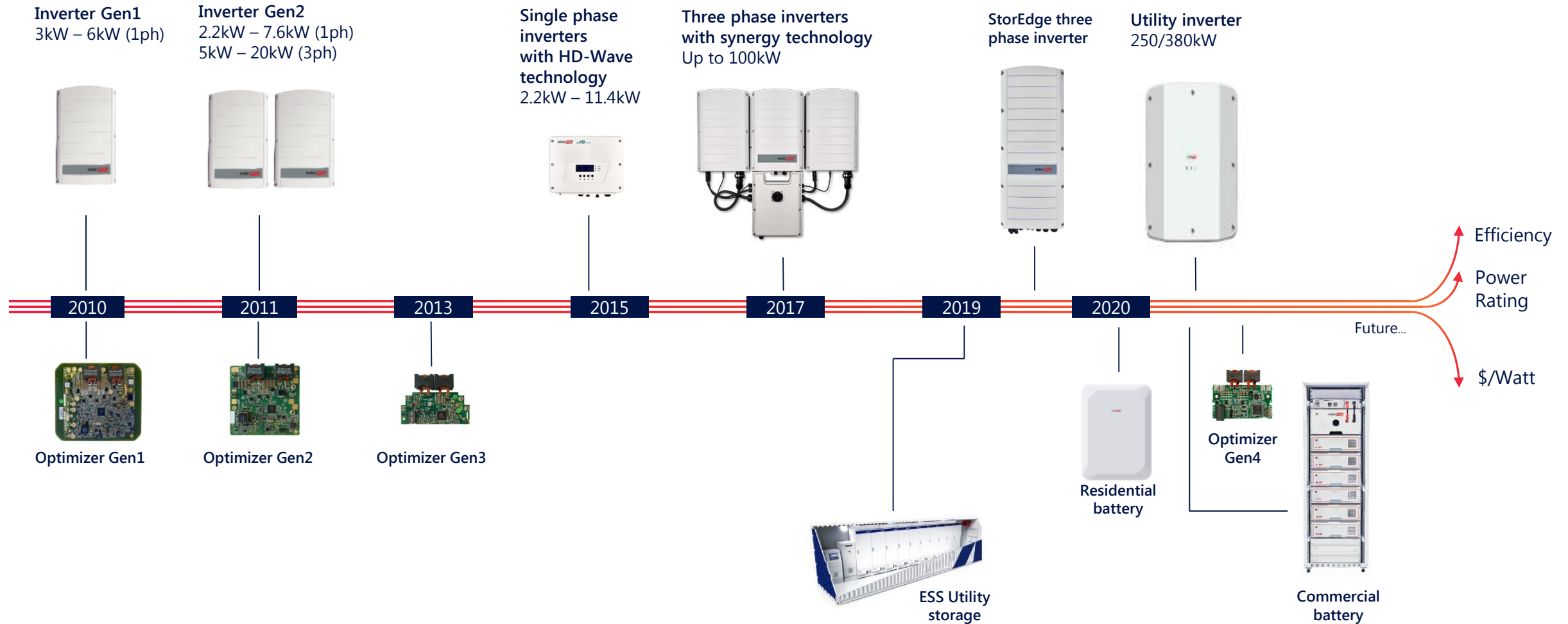
PV System (2014)



Advanced PV System (2020)



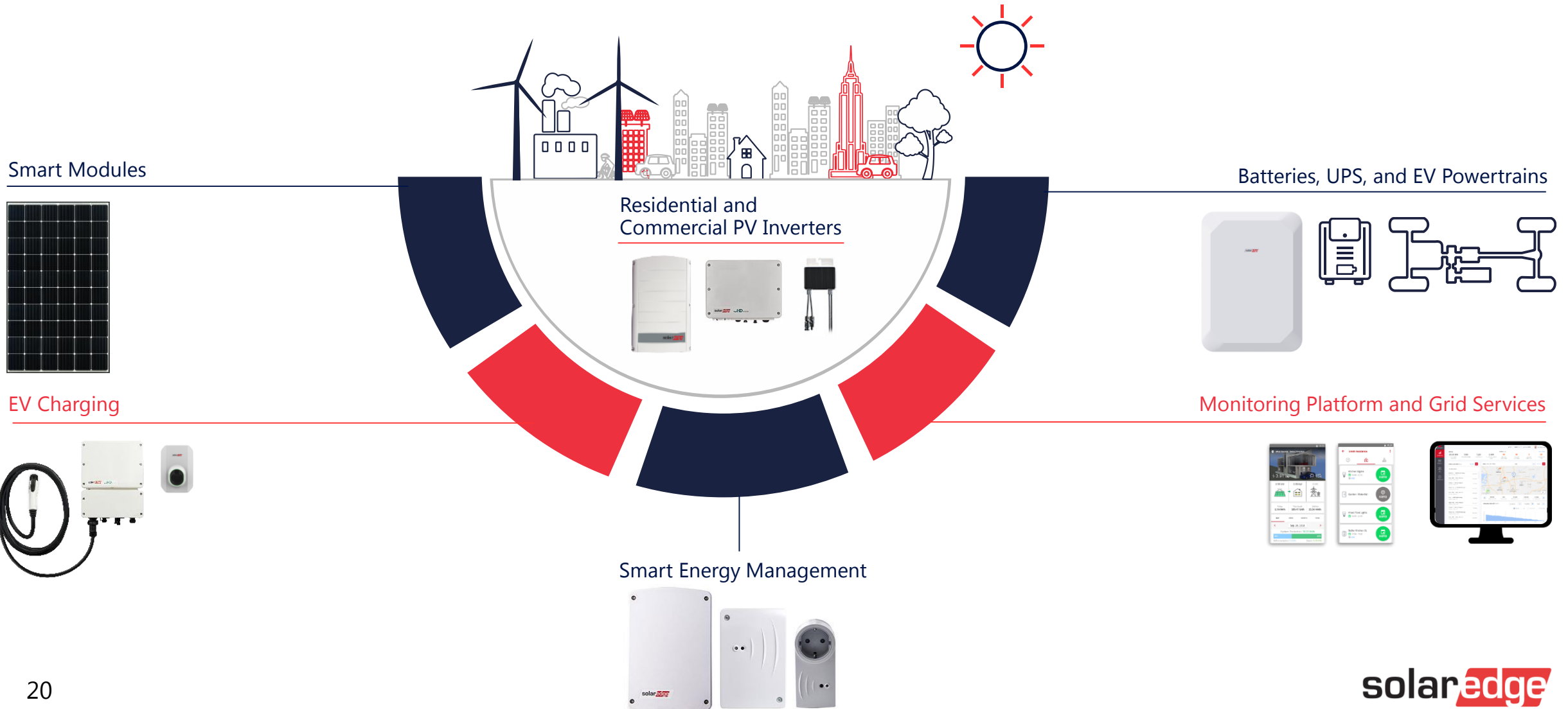
Technology Roadmap



A futuristic digital cityscape with a glowing sun-like core and binary code overlays. The image is split diagonally, with the left side showing a blue-toned city and the right side showing a yellow-toned city. The background features a large, glowing sun-like core with concentric circles and a bright light source. The words "SEARCH" and "ANALYSIS" are visible in the upper left. The overall theme is technology and innovation.

Moving Beyond PV

One-Stop-Shop for Smart Energy Solutions



Strengths of SolarEdge Critical Power Division

- Decades of experience designing and manufacturing UPS solutions for various applications
- Competitive product offering for the 3 phase 10 – 500 KW segment
- Significant synergy with SolarEdge R&D, manufacturing and global business infrastructure
- Opportunity for combined backup/UPS energy storage solution



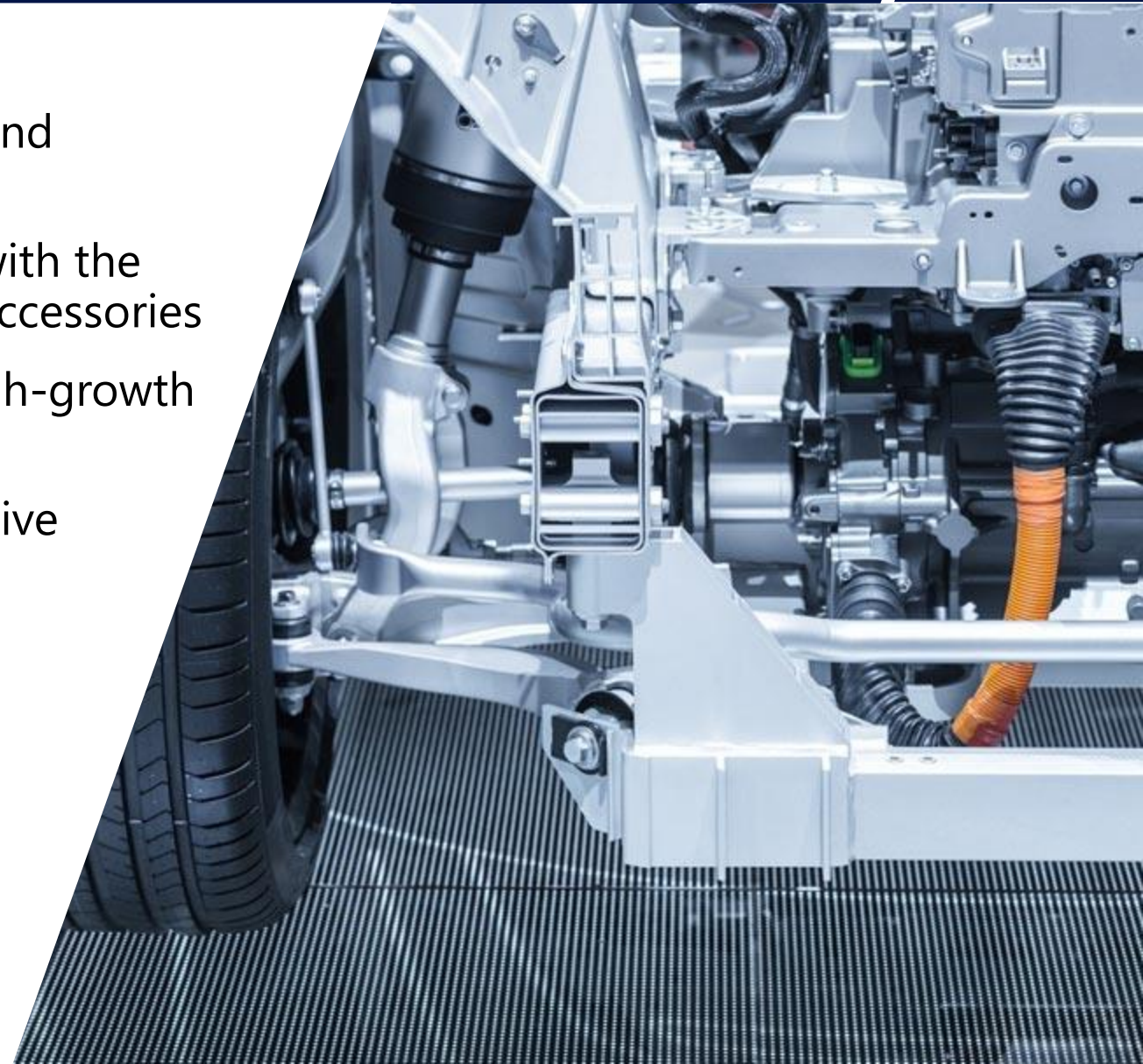
Strengths of Kokam within SolarEdge

- A global Tier 1 provider of innovative battery solutions
- Battery provider for utility-scale ESS, UPS, EV, and more
- Proven technology with more than 600MWh deployed
 - Over 162MWh of utility-scale ESS installed globally
- Access to thousands of installers and EPCs as sales channel
- Innovative cell chemistry technology with long cycle life and high power Li-ion battery



SolarEdge E-Mobility Division

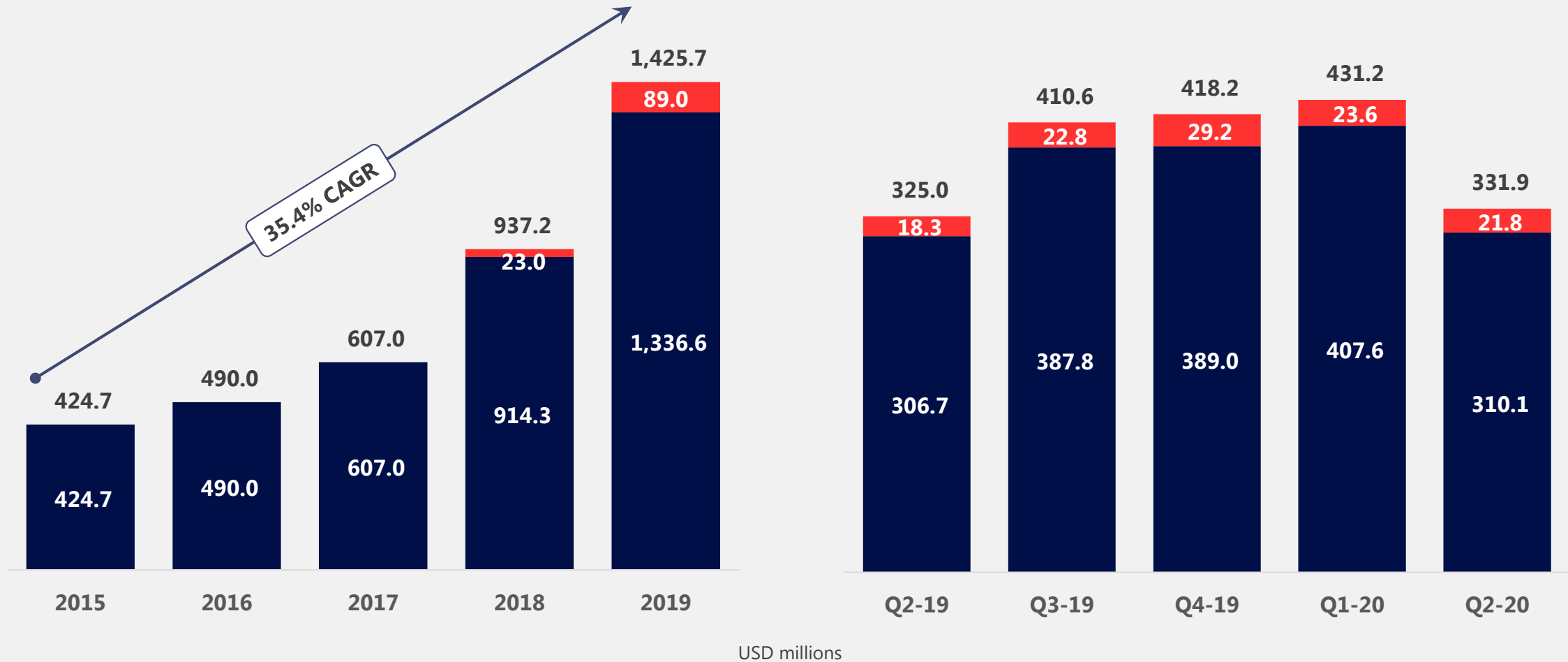
- Innovative integrated powertrain technology and electronics for LCVs, LGVs, e-motorcycles
- Innovative and high-performing powertrains with the gearbox, engine, battery, BMS, software, and accessories
- Provides SolarEdge fast-track access to the high-growth global EV market
- In pre-production phase with leading automotive manufacturers



A nighttime photograph of a city skyline, featuring the CN Tower and other illuminated skyscrapers. A large red diagonal shape covers the right half of the image, serving as a background for the title and logo.

Financial Performance

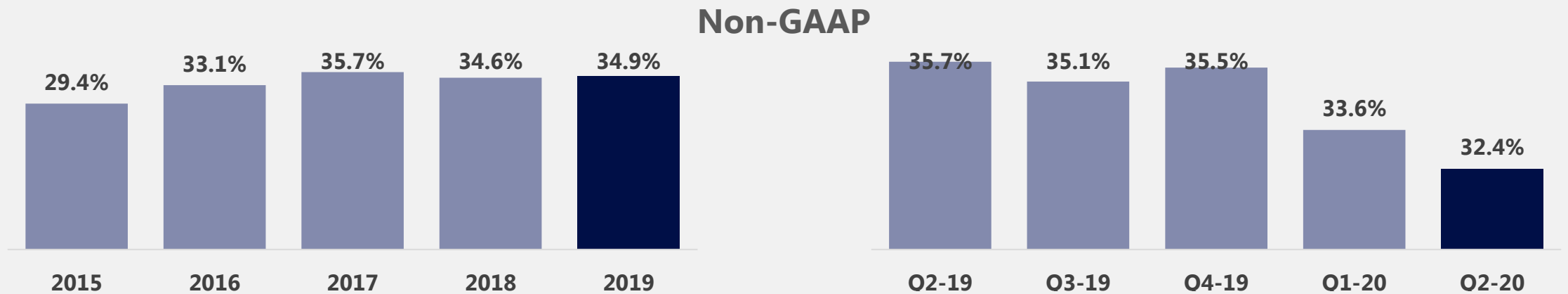
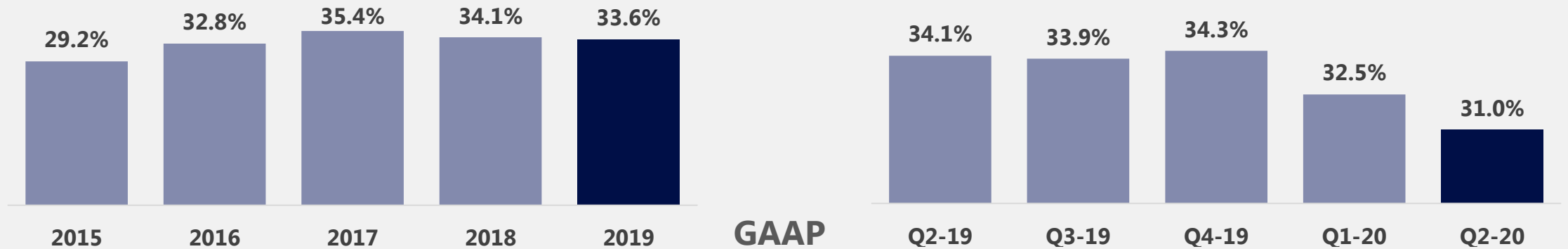
Solar vs. Non-Solar Revenues Growth



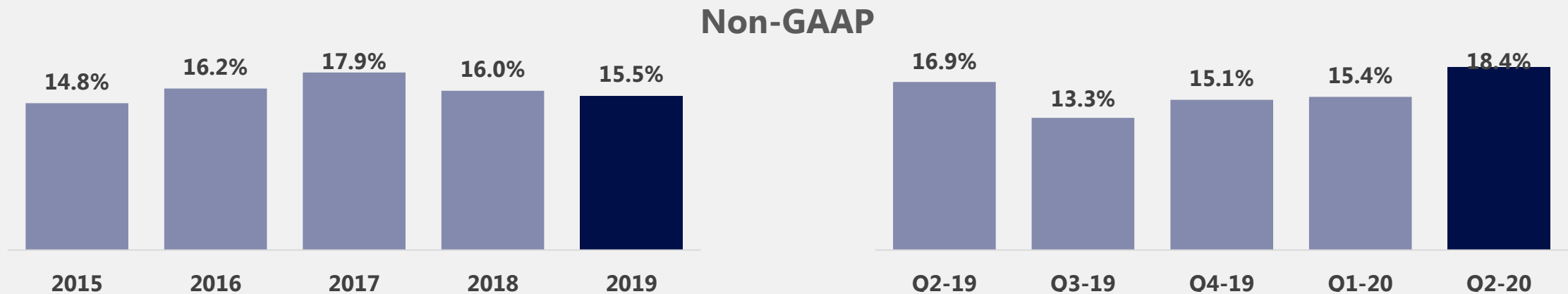
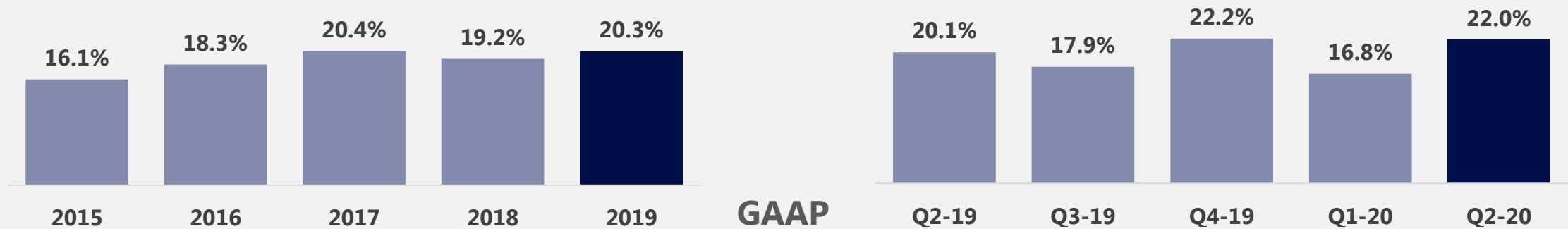
■ Non-Solar

■ Solar

Consolidated Gross Margin



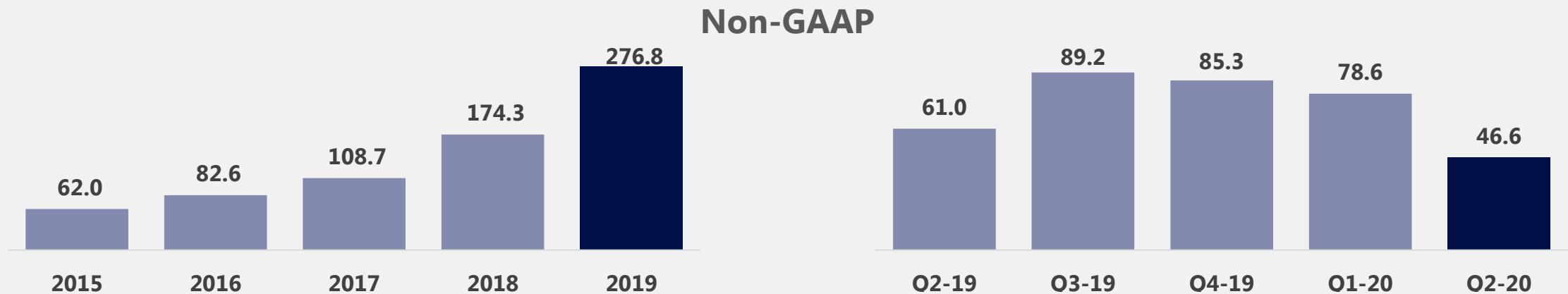
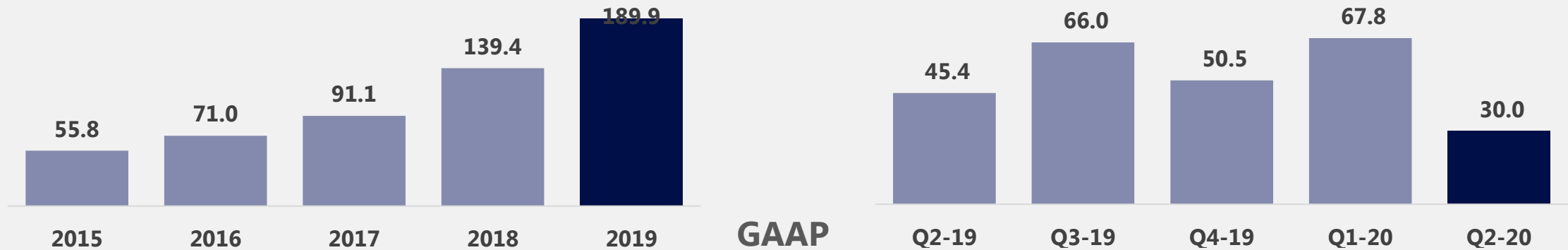
Operating Expenses as % of Revenues



* GAAP Q1 20 Include non recurring operational income of \$4.9M

** GAAP Q4 19 and Q3 19 Include non recurring operational expenses of \$22.4M and \$8.3M respectively

Consolidated Operating Profitability

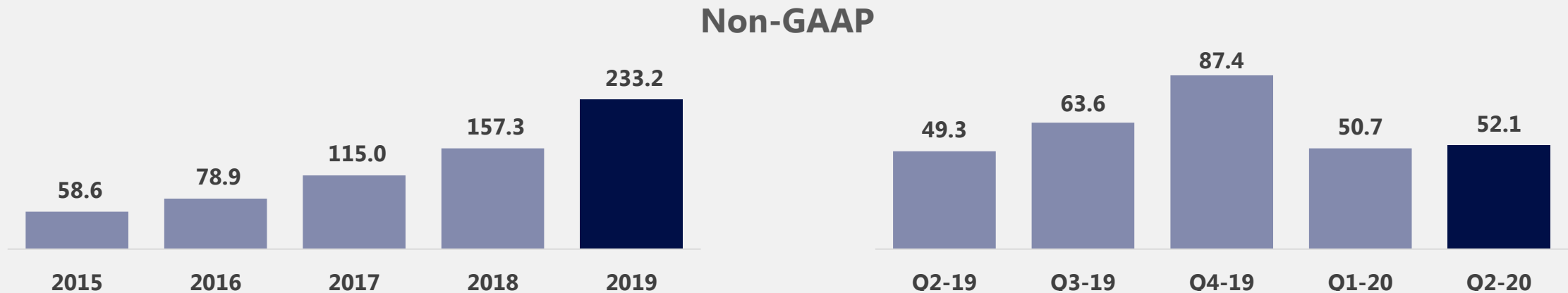
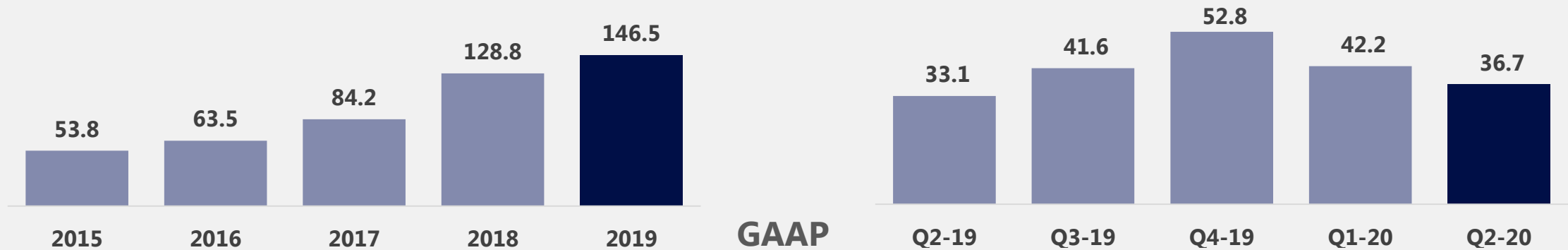


USD millions

* GAAP Q1 20 Include non recurring operational income of \$4.9M

** GAAP Q4 19 and Q3 19 Include non recurring operational expenses of \$22.4M and \$8.3M respectively

Consolidated Net Profitability

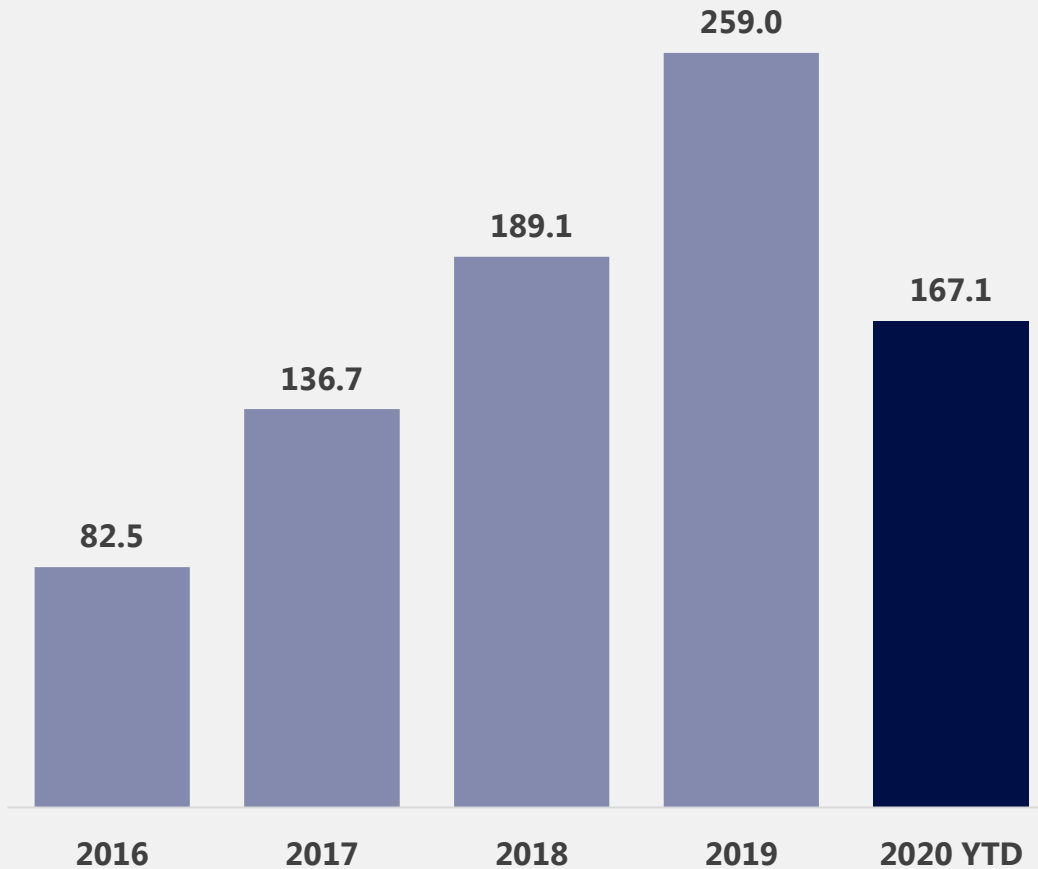


USD millions

* GAAP Q1 20 Include non recurring operational income of \$4.9M

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Cash Flow from Operating Activities



USD millions



Cash Related

- ▀ \$59.3M cash flow from operations in Q2 2020
- ▀ \$592.7M cash and cash equivalents, deposits, restricted deposits and marketable securities (as of June 30, 2020)
- ▀ \$15.3M debt related to acquired businesses

Thank You!

Cautionary Note Regarding Market Data & Industry Forecasts

This power point presentation contains market data and industry forecasts from certain third-party sources. This information is based on industry surveys and the preparer's expertise in the industry and there can be no assurance that any such market data is accurate or that any such industry forecasts will be achieved. Although we have not independently verified the accuracy of such market data and industry forecasts, we believe that the market data is reliable and that the industry forecasts are reasonable.

Version #: V.1.0

