

Operational Metrics - GAAP

| KPI's \$,000 | | | | | | | | 12 months ended, Dec 31 | | |
|---------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-------------------------|-----------|------------|
| | Q1 18 | Q2 18 | Q3 18 | Q4 18 | Q1 19 | Q2 19 | Q3 19 | 2016 | 2017 | 2018 |
| Revenues | 209,871 | 227,118 | 236,578 | 263,670 | 271,871 | 325,010 | 410,556 | 489,954 | 607,045 | 937,237 |
| % Y/Y | 82.4% | 66.9% | 42.0% | 39.3% | 29.5% | 43.1% | 73.5% | 15.4% | 23.9% | 54.4% |
| % Q/Q | 10.8% | 8.2% | 4.2% | 11.5% | 3.1% | 19.5% | 26.3% | | | |
| Gross profit | 79,597 | 81,946 | 77,982 | 79,711 | 86,110 | 110,670 | 139,309 | 160,747 | 214,766 | 319,236 |
| % Y/Y | 105.8% | 74.1% | 34.3% | 12.3% | 8.2% | 35.1% | 78.6% | 29.6% | 33.6% | 48.6% |
| % Q/Q | 12.2% | 3.0% | -4.8% | 2.2% | 8.0% | 28.5% | 25.9% | | | |
| Gross margin | 37.9% | 36.1% | 33.0% | 30.2% | 31.7% | 34.1% | 33.9% | 32.8% | 35.4% | 34.1% |
| % Y/Y | 12.8% | 4.3% | -5.4% | -19.3% | -16.5% | -5.6% | 2.9% | 12.3% | 7.8% | -3.7% |
| % Q/Q | 1.2% | -4.9% | -8.6% | -8.3% | 4.8% | 7.5% | -0.4% | | | |
| Operating income | 40,764 | 40,665 | 34,037 | 23,954 | 28,048 | 45,353 | 66,017 | 71,010 | 91,086 | 139,420 |
| % Y/Y | 240.1% | 112.7% | 34.0% | -30.7% | -31.2% | 11.5% | 94.0% | 27.2% | 28.3% | 53.1% |
| % Q/Q | 18.1% | -0.4% | -16.3% | -29.6% | 15.0% | 61.7% | 45.6% | | | |
| Net income | 35,686 | 34,568 | 45,643 | 12,936 | 19,016 | 33,128 | 41,627 | 63,453 | 84,172 | 128,833 |
| % Y/Y | 151.8% | 53.5% | 63.2% | -33.7% | -46.7% | -4.2% | -8.8% | 18.0% | 32.7% | 53.1% |
| % Q/Q | 83.0% | -3.1% | 32.0% | -71.7% | 47.0% | 74.2% | 25.7% | | | |
| Optimizer shipped (units) | 2,475,544 | 2,737,524 | 3,004,264 | 3,134,346 | 3,029,102 | 3,730,519 | 4,587,380 | 5,809,720 | 7,367,921 | 11,351,678 |
| Inverter shipped (units) | 99,646 | 113,767 | 121,834 | 120,546 | 130,672 | 160,117 | 187,887 | 230,431 | 317,210 | 455,793 |
| MW shipped (MW) | 800 | 985 | 1,083 | 1,052 | 1,144 | 1,335 | 1,498 | 1,723 | 2,459 | 3,919 |

* Certain prior period amounts have been reclassified to conform to the current period presentation

Operational Metrics - NON GAAP

| KPI's \$,000 | Q4 17 | Q1 18 | Q2 18 | Q3 18 | Q4 18 | Q1 19 | Q2 19 | Q3 19 | 12 months ended, Dec 31 | | |
|---------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-------------------------|-----------|------------|
| | | | | | | | | | 2016 | 2017 | 2018 |
| Revenues | 189,340 | 209,871 | 227,118 | 236,578 | 263,670 | 271,871 | 325,010 | 410,556 | 489,954 | 607,045 | 937,237 |
| % Y/Y | 69.8% | 82.4% | 66.9% | 42.0% | 39.3% | 29.5% | 43.1% | 73.5% | 15.4% | 23.9% | 54.4% |
| % Q/Q | 13.7% | 10.8% | 8.2% | 4.2% | 11.5% | 3.1% | 19.5% | 26.3% | | | |
| Gross profit | 71,673 | 80,521 | 82,914 | 79,510 | 81,432 | 89,223 | 115,947 | 144,005 | 161,618 | 217,017 | 324,377 |
| % Y/Y | 81.4% | 105.6% | 74.3% | 35.7% | 13.6% | 10.8% | 39.8% | 81.1% | 30.3% | 34.3% | 49.5% |
| % Q/Q | 22.3% | 12.3% | 3.0% | -4.1% | 2.4% | 9.6% | 30.0% | 24.2% | | | |
| Gross margin | 37.9% | 38.4% | 36.5% | 33.6% | 30.9% | 32.8% | 35.7% | 35.1% | 33.0% | 35.7% | 34.6% |
| % Y/Y | 6.8% | 12.7% | 4.4% | -4.5% | -18.4% | -14.5% | -2.3% | 4.4% | 12.9% | 8.4% | -3.2% |
| % Q/Q | 7.6% | 1.4% | -4.8% | -7.9% | -8.1% | 6.3% | 8.7% | -1.7% | | | |
| Operating income | 39,953 | 47,613 | 47,793 | 42,527 | 36,371 | 41,203 | 61,038 | 89,219 | 77,610 | 108,651 | 174,304 |
| % Y/Y | 114.3% | 204.9% | 106.5% | 42.1% | -9.0% | -13.5% | 27.7% | 109.8% | 39.1% | 40.0% | 60.4% |
| % Q/Q | 33.5% | 19.2% | 0.4% | -11.0% | -14.5% | 14.7% | 48.1% | 46.2% | | | |
| Net income | 41,227 | 42,546 | 40,567 | 42,697 | 31,479 | 32,931 | 49,253 | 63,621 | 73,705 | 115,016 | 157,289 |
| % Y/Y | 179.7% | 158.6% | 57.3% | 35.3% | -23.6% | -22.6% | 21.4% | 49.0% | 37.1% | 56.0% | 36.8% |
| % Q/Q | 30.7% | 3.2% | -4.7% | 5.3% | -26.3% | 6.1% | 49.6% | 29.2% | | | |
| Optimizer shipped (units) | 2,082,649 | 2,475,544 | 2,737,524 | 3,004,264 | 3,134,346 | 3,029,102 | 3,730,519 | 4,587,380 | 5,809,720 | 7,367,921 | 11,351,678 |
| Inverter shipped (units) | 94,752 | 99,646 | 113,767 | 121,834 | 120,546 | 130,672 | 160,117 | 187,887 | 230,431 | 317,210 | 455,793 |
| MW shipped (MW) | 766 | 800 | 985 | 1,083 | 1,052 | 1,144 | 1,335 | 1,498 | 1,723 | 2,459 | 3,919 |

* Certain prior period amounts have been reclassified to conform to the current period presentation

Balance Sheet - Assets

| \$,000 | Dec 31 2017 | Mar 31 2018 | June 30 2018 | Sep 30 2018 | Dec 31 2018 | Mar 31 2019 | June 30 2019 | Sep 30 2019 |
|-------------------------------------|----------------|----------------|-----------------|----------------|----------------|------------------|------------------|------------------|
| Current Assets: | | | | | | | | |
| Cash and cash equivalents | 163,163 | 229,219 | 214,540 | 192,898 | 187,764 | 226,478 | 176,575 | 247,342 |
| Short-term bank deposits | ---- | ---- | 342 | 8,123 | 9,870 | 6,057 | 5,961 | 5,769 |
| Restricted bank deposits | 40 | 147 | 154 | 243 | 824 | 1,055 | 1,060 | 1,600 |
| Marketable securities | 77,264 | 81,229 | 134,821 | 148,252 | 118,680 | 107,064 | 109,610 | 85,343 |
| Trade receivables, net | 109,528 | 127,479 | 118,103 | 151,088 | 173,579 | 187,496 | 237,804 | 292,232 |
| Prepaid expenses and other assets | 42,223 | 33,156 | 44,520 | 46,396 | 45,073 | 37,828 | 50,642 | 68,234 |
| Inventories, net | 82,992 | 98,363 | 102,014 | 107,179 | 141,519 | 150,798 | 148,892 | 134,283 |
| Total Current Assets | 475,210 | 569,593 | 614,494 | 654,179 | 677,309 | 716,776 | 730,544 | 834,803 |
| Long Term Assets: | | | | | | | | |
| Marketable securities | 103,120 | 88,554 | 86,144 | 102,240 | 74,256 | 57,252 | 79,616 | 92,871 |
| Operating lease right-of-use assets | ---- | ---- | ---- | ---- | ---- | 30,839 | 36,788 | 34,601 |
| Property, plant and equipment, net | 51,182 | 60,082 | 67,489 | 73,415 | 119,329 | 132,988 | 140,200 | 149,675 |
| Deferred tax assets, net | 8,340 | 9,847 | 11,551 | 13,218 | 14,699 | 14,589 | 14,751 | 17,180 |
| Intangible assets, net and goodwill | 1,115 | 1,079 | 1,043 | 6,544 | 73,378 | 211,420 | 211,340 | 200,795 |
| Other long term assets | 2,338 | 2,406 | 2,509 | 2,582 | 5,501 | 13,060 | 8,455 | 7,667 |
| Total Long Term Assets | 166,095 | 161,968 | 168,736 | 197,999 | 287,163 | 460,148 | 491,150 | 502,789 |
| Total Assets | 641,305 | 731,561 | 783,230 | 852,178 | 964,472 | 1,176,923 | 1,221,694 | 1,337,592 |

* Certain prior period amounts have been reclassified to conform to the current period presentation

Balance Sheet - Liabilities and Equity

| \$,000 | Dec 31 2017 | Mar 31 2018 | June 30 2018 | Sep 30 2018 | Dec 31 2018 | Mar 31 2019 | June 30 2019 | Sep 30 2019 |
|---|----------------|----------------|-----------------|----------------|----------------|------------------|------------------|------------------|
| Current Liabilities: | | | | | | | | |
| Trade payables, net | 69,488 | 83,091 | 81,610 | 83,459 | 107,079 | 90,190 | 116,795 | 132,230 |
| Employees and payroll accruals | 22,544 | 29,733 | 23,510 | 23,680 | 29,053 | 31,524 | 34,555 | 44,386 |
| Current maturities of bank loans and accrued interest | ---- | ---- | ---- | ---- | 16,639 | 17,233 | 16,454 | 16,912 |
| Warranty obligations | 14,785 | 16,605 | 18,964 | 21,660 | 28,868 | 35,229 | 38,819 | 45,887 |
| Deferred revenues | 2,559 | 3,010 | 3,407 | 5,795 | 14,351 | 13,527 | 15,708 | 15,006 |
| Accrued expenses and other liabilities | 20,378 | 26,170 | 26,480 | 31,556 | 29,728 | 60,369 | 71,447 | 80,986 |
| Total Current Liabilities | 129,754 | 158,609 | 153,971 | 166,150 | 225,718 | 248,072 | 293,778 | 335,407 |
| Long Term Liabilities: | | | | | | | | |
| Bank loans | ---- | ---- | ---- | ---- | 3,510 | 7,029 | 5,519 | 4,055 |
| Warranty obligations | 64,026 | 71,590 | 78,327 | 86,059 | 92,958 | 101,517 | 111,819 | 125,467 |
| Deferred revenues | 31,453 | 41,866 | 47,595 | 53,663 | 60,670 | 66,037 | 73,796 | 81,934 |
| Operating lease liability | ---- | ---- | ---- | ---- | ---- | 24,790 | 30,009 | 29,117 |
| Deferred tax liabilities, net | ---- | ---- | ---- | ---- | 1,499 | 8,544 | 8,663 | 7,762 |
| Other long term liabilities | 18,605 | 19,285 | 18,446 | 7,343 | 9,391 | 23,417 | 18,062 | 16,662 |
| Total Long Term Liabilities | 114,084 | 132,741 | 144,368 | 147,065 | 168,028 | 231,334 | 247,868 | 264,997 |
| Stockholders' Equity: | | | | | | | | |
| Common stock | 4 | 4 | 5 | 5 | 5 | 5 | 5 | 5 |
| Additional paid-in capital | 331,902 | 343,356 | 353,470 | 361,744 | 371,794 | 417,385 | 431,684 | 450,459 |
| Accumulated other comprehensive income (loss) | (611) | (1,135) | (1,138) | (983) | (524) | (1,220) | (895) | (3,356) |
| Retained earnings | 66,172 | 97,986 | 132,554 | 178,197 | 191,133 | 210,149 | 243,277 | 284,904 |
| Total stockholders' equity | 397,467 | 440,211 | 484,891 | 538,963 | 562,408 | 626,319 | 674,071 | 732,012 |
| Non-Controlling interests | | | | | 8,318 | 71,198 | 5,977 | 5,176 |
| Total liabilities and stockholders' equity | 641,305 | 731,561 | 783,230 | 852,178 | 964,472 | 1,176,923 | 1,221,694 | 1,337,592 |

* Certain prior period amounts have been reclassified to conform to the current period presentation

P&L GAAP

| \$,000 | Q4 17 | Q1 18 | Q2 18 | Q3 18 | Q4 18 | Q1 19 | Q2 19 | Q3 19 | 12 months ended, Dec. 31 | | |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|--------------------------|----------------|----------------|
| | | | | | | | | | 2016 | 2017 | 2018 |
| Revenues | 189,340 | 209,871 | 227,118 | 236,578 | 263,670 | 271,871 | 325,010 | 410,556 | 489,954 | 607,045 | 937,237 |
| Cost of revenues | 118,370 | 130,274 | 145,172 | 158,596 | 183,959 | 185,761 | 214,340 | 271,247 | 329,207 | 392,279 | 618,001 |
| Gross profit | 70,970 | 79,597 | 81,946 | 77,982 | 79,711 | 86,110 | 110,670 | 139,309 | 160,747 | 214,766 | 319,236 |
| Gross margin % | 37.5% | 37.9% | 36.1% | 33.0% | 30.2% | 31.7% | 34.1% | 33.9% | 32.8% | 35.4% | 34.1% |
| Operating expenses: | | | | | | | | | | | |
| Research and development | 16,420 | 17,875 | 19,551 | 20,109 | 24,710 | 26,199 | 29,505 | 30,747 | 38,220 | 54,966 | 82,245 |
| Sales and marketing | 14,079 | 16,205 | 15,954 | 16,938 | 19,210 | 20,172 | 22,127 | 22,026 | 38,200 | 50,032 | 68,307 |
| General and administrative | 5,900 | 4,753 | 5,776 | 6,898 | 11,837 | 11,691 | 13,685 | 12,214 | 13,317 | 18,682 | 29,264 |
| Non-Recurring expenses | ---- | ---- | ---- | ---- | ---- | ---- | ---- | 8,305 | | | |
| Total operating expenses | 36,399 | 38,833 | 41,281 | 43,945 | 55,757 | 58,062 | 65,317 | 73,292 | 89,737 | 123,680 | 179,816 |
| Operating income | 34,571 | 40,764 | 40,665 | 34,037 | 23,954 | 28,048 | 45,353 | 66,017 | 71,010 | 91,086 | 139,420 |
| Financial expenses (income), net | (1,487) | (584) | 2,480 | 689 | (288) | 6,151 | (773) | 17,023 | 1,287 | (9,158) | 2,297 |
| Income before taxes on income | 36,058 | 41,348 | 38,185 | 33,348 | 24,242 | 21,897 | 46,126 | 48,994 | 69,723 | 100,244 | 137,123 |
| Taxes on income (tax benefit) | 16,556 | 5,662 | 3,617 | (12,295) | 12,093 | 3,922 | 13,213 | 7,270 | 6,270 | 16,072 | 9,077 |
| Net income | 19,502 | 35,686 | 34,568 | 45,643 | 12,149 | 17,975 | 32,913 | 41,724 | 63,453 | 84,172 | 128,046 |
| Non-Controlling interests | ---- | ---- | ---- | ---- | 787 | 1,041 | 215 | (97) | ---- | ---- | 787 |
| SolarEdge net income | 19,502 | 35,686 | 34,568 | 45,643 | 12,936 | 19,016 | 33,128 | 41,627 | 63,453 | 84,172 | 128,833 |

* Certain prior period amounts have been reclassified to conform to the current period presentation

Cash Flow - Operating Activities

| \$,000 | Dec 31 2017 | Mar 31 2018 | Jun 30 2018 | Sep 30 2018 | Dec 31 2018 | Mar 31 2019 | Jun 30 2019 | Sep 30 2019 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <u>Cash flows from operating activities:</u> | | | | | | | | |
| Net income | 19,502 | 35,686 | 34,568 | 45,643 | 12,149 | 17,975 | 32,913 | 41,724 |
| <u>Adjustments to reconcile net income to net cash provided by operating activities:</u> | | | | | | | | |
| Depreciation and amortization of property, equipment and intangible assets | 2,223 | 2,430 | 2,623 | 3,348 | 4,218 | 5,841 | 7,201 | 7,004 |
| Amortization of premium and accretion of discount on available-for-sale marketable securities | 751 | 778 | 236 | 228 | --- | (59) | 47 | 12 |
| Stock-based compensation | 5,381 | 6,849 | 7,128 | 7,950 | 8,691 | 9,704 | 11,372 | 17,609 |
| Loss from disposal of assets | --- | 64 | --- | --- | 381 | 66 | 486 | 14 |
| Realized losses (gains) from sale of available-for-sale marketable securities | --- | --- | --- | --- | 137 | 120 | (29) | --- |
| Realized losses (gains) on cash flow hedges | --- | --- | --- | (9) | (22) | --- | --- | --- |
| <u>Changes in assets and liabilities:</u> | | | | | | | | |
| Inventories, net | (20,695) | (15,348) | (3,604) | 832 | (2,058) | 964 | 759 | 14,023 |
| Prepaid expenses and other assets | (4,517) | 9,210 | (11,345) | (2,665) | 2,089 | 10,885 | (13,459) | (17,221) |
| Trade receivables, net | (17,971) | (17,935) | 8,732 | (33,215) | (18,096) | (7,379) | (49,183) | (58,010) |
| Operating lease right-of-use assets and liabilities, net | --- | --- | --- | --- | --- | 828 | 638 | 672 |
| Deferred tax assets and liabilities, net | (2,392) | (1,321) | (1,697) | (1,771) | (2,304) | (973) | (987) | (2,963) |
| Trade payables, net | 26,788 | 13,595 | (1,452) | 1,863 | 17,476 | (21,720) | 27,213 | 15,808 |
| Employees and payroll accruals | 4,885 | 7,153 | (6,125) | 172 | 3,383 | 3,250 | 1,901 | 10,178 |
| Warranty obligations | 7,244 | 9,384 | 9,095 | 10,368 | 13,031 | 14,947 | 13,913 | 20,773 |
| Deferred revenues | 4,407 | 6,981 | 6,139 | 8,456 | 15,465 | 1,730 | 10,034 | 7,752 |
| Other liabilities | 20,229 | 6,453 | (407) | (6,865) | (7,666) | 20,271 | 7,965 | 11,325 |
| Net cash provided by operating activities | 45,835 | 63,979 | 43,891 | 34,335 | 46,874 | 56,450 | 50,784 | 68,700 |

* Certain prior period amounts have been reclassified to conform to the current period presentation

Cash Flow - Non Operating Activities

| \$,000 | Dec 31 2017 | Mar 31 2018 | Jun 30 2018 | Sep 30 2018 | Dec 31 2018 | Mar 31 2019 | Jun 30 2019 | Sep 30 2019 |
|--|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|
| <u>Cash flows from investing activities:</u> | | | | | | | | |
| Business combination, net of cash acquired | ---- | ---- | ---- | (11,223) | (83,514) | (39,315) | 880 | ---- |
| Purchase of property and equipment | (8,179) | (11,325) | (10,060) | (8,666) | (8,557) | (10,620) | (11,624) | (17,435) |
| Purchase of intangible assets | | | | | | | | |
| Withdrawal from bank deposits (investment in) | ---- | ---- | (342) | (7,781) | (1,748) | 3,813 | 96 | 192 |
| Investment in restricted bank deposits (withdrawal from) | (116) | (250) | 59 | (10) | 89 | (182) | (21) | (40) |
| Investment in available-for-sale marketable securities (withdrawal from) | (61,206) | (25,436) | (63,953) | (53,761) | 523 | (15,316) | (48,339) | (40,056) |
| Proceeds from sales and maturities of available-for-sale marketable securities | 33,756 | 34,500 | 12,325 | 24,807 | 57,713 | 44,575 | 23,832 | 51,163 |
| Net cash provided by (used in) investing activities | (35,745) | (2,511) | (61,971) | (56,634) | (35,493) | (17,045) | (35,176) | (6,176) |
| <u>Cash flows from financing activities:</u> | | | | | | | | |
| Proceeds from borrowing loans | ---- | ---- | ---- | ---- | ---- | 51 | 165 | 16 |
| Repayment of bank loans, net | ---- | ---- | ---- | ---- | (3,786) | (1,003) | (3,888) | (251) |
| Purchase of land and building under finance lease | ---- | ---- | ---- | ---- | ---- | ---- | ---- | (1,248) |
| Proceeds from issuance of shares under stock purchase plan and upon exercise of stock-based awards | 3,445 | 4,605 | 2,986 | 324 | 2,106 | 309 | 3,455 | 1,176 |
| Change in non-controlling interests | ---- | ---- | ---- | ---- | (14,190) | (1,987) | (64,487) | (615) |
| Net cash provided by (used in) financing activities | 3,445 | 4,605 | 2,986 | 324 | (15,870) | (2,630) | (64,755) | (922) |
| Increase in cash and cash equivalents and restricted cash | 13,535 | 66,073 | (15,094) | (21,975) | (4,489) | 36,775 | (49,147) | 61,602 |
| Cash, cash equivalents and restricted cash at the beginning of the period | 149,448 | 163,163 | 229,219 | 214,540 | 192,898 | 187,764 | 226,478 | 176,575 |
| Effect of exchange rate differences on cash, cash equivalents and restricted cash | 180 | (17) | 415 | 333 | (645) | 1,939 | (756) | 9,165 |
| Cash, cash equivalents and restricted cash at EOQ | 163,163 | 229,219 | 214,540 | 192,898 | 187,764 | 226,478 | 176,575 | 247,342 |

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