



# SolarEdge Technologies Nasdaq | SEDG

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CFO

May 2020

# Forward Looking Statements

## 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: our possible or assumed future results of operations; future demands for solar energy solutions; business strategies; technology developments; 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 Form.

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.

# SolarEdge in Numbers

**54.9M**  
Power Optimizers  
Shipped 

**#1**  
Solar  
Inverter  
Company 

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

**28**  
Countries  
Presence

**> 1.5M**  
Monitored systems  
around the world

**\$431.2M**  
Q1 2020 revenue

**2,640**  
employees



**2.3M**  
Inverters  
Shipped 

**18.1GW**  
of our systems  
shipped worldwide

# Q1/2020 Financial Results

**\$431.2M**  
Revenue



**\$107.7M**  
Cash Flow From Operations



**\$50.7M** Non-GAAP Net Income



**\$42.2M** GAAP Net Income

**32.5%**  
GAAP Gross Margin

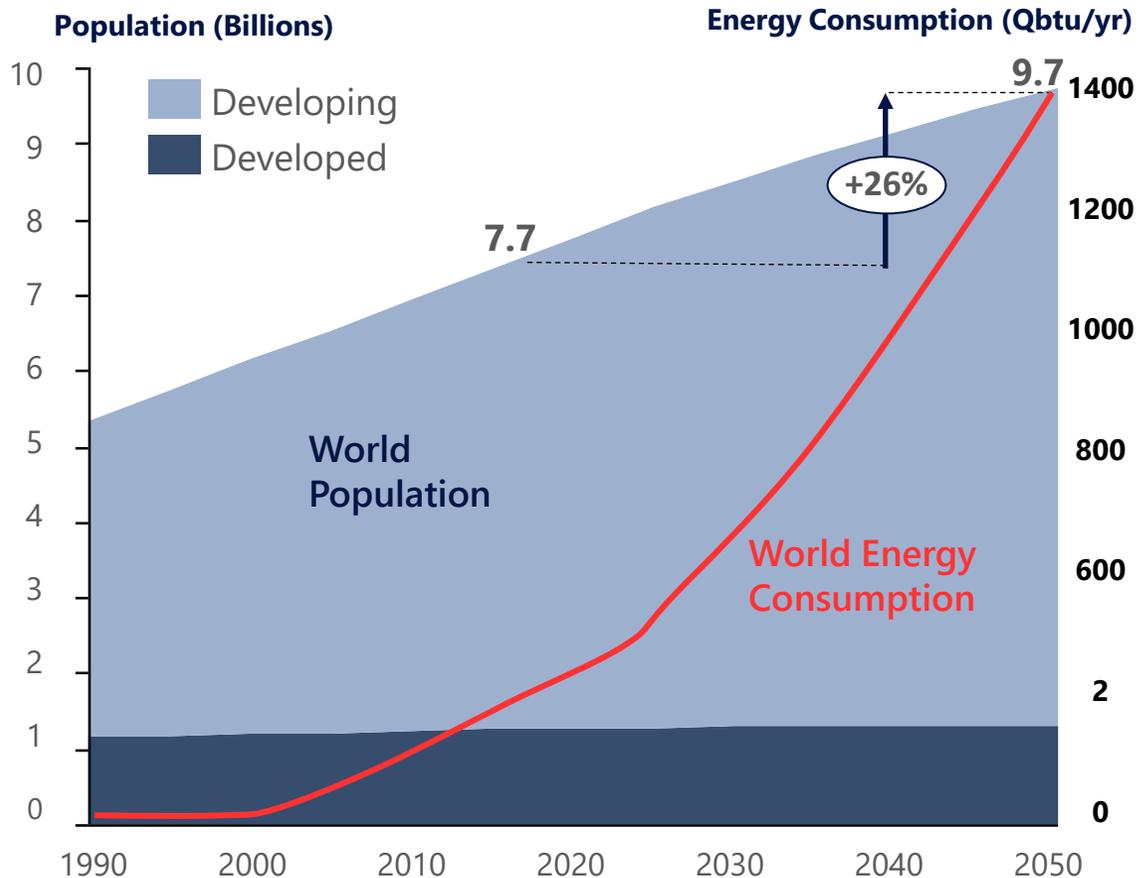


**\$558.7M**  
Cash and Investments Balance



# Energy Demand is on the Rise

## Global Population Forecast 2050 (in B)

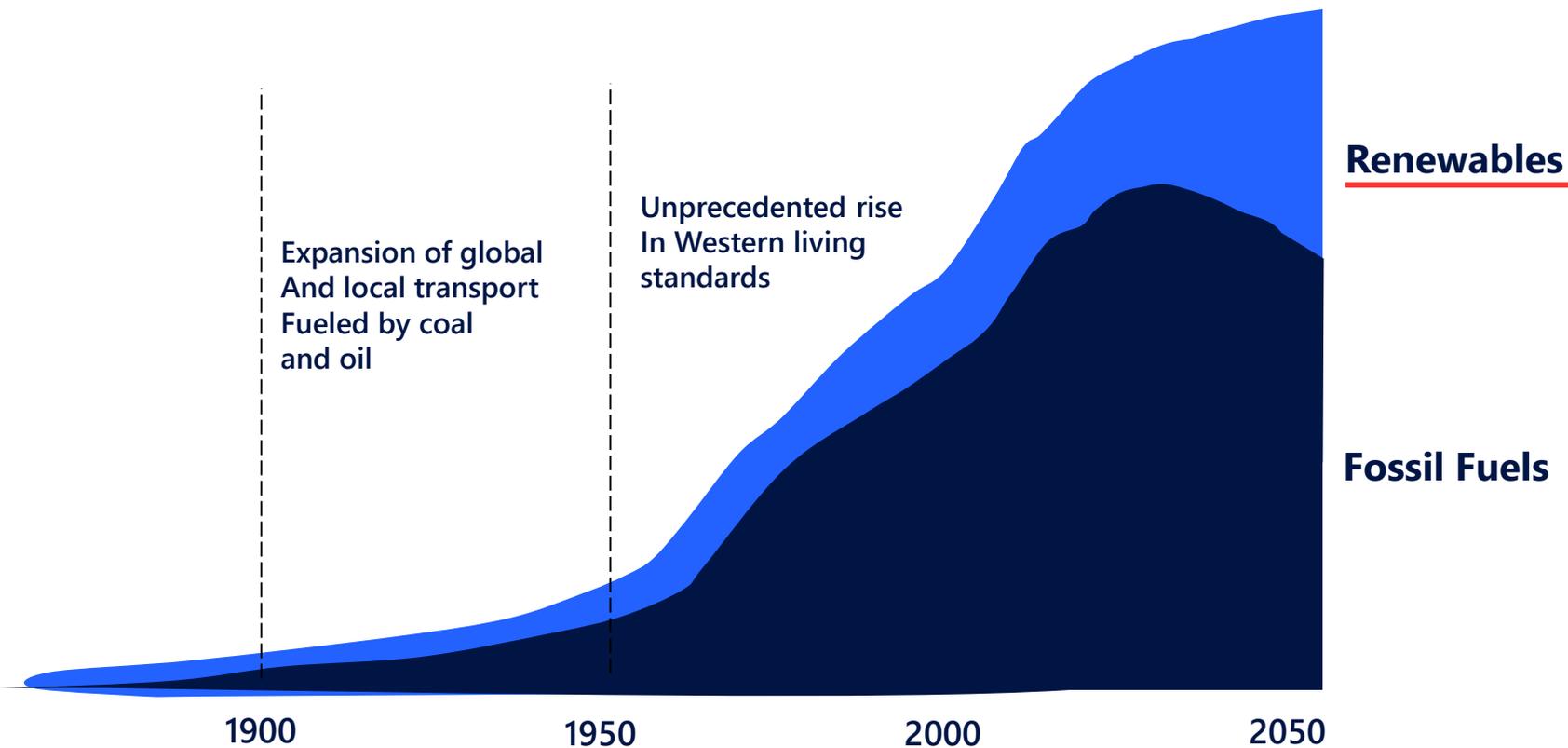


Source: McKinsey energy Insights' Global Perspective, January 2019

Source: [https://www.researchgate.net/figure/World-population-vs-energy-demand\\_fig1\\_317635346](https://www.researchgate.net/figure/World-population-vs-energy-demand_fig1_317635346)

# Energy Demand is on the Rise

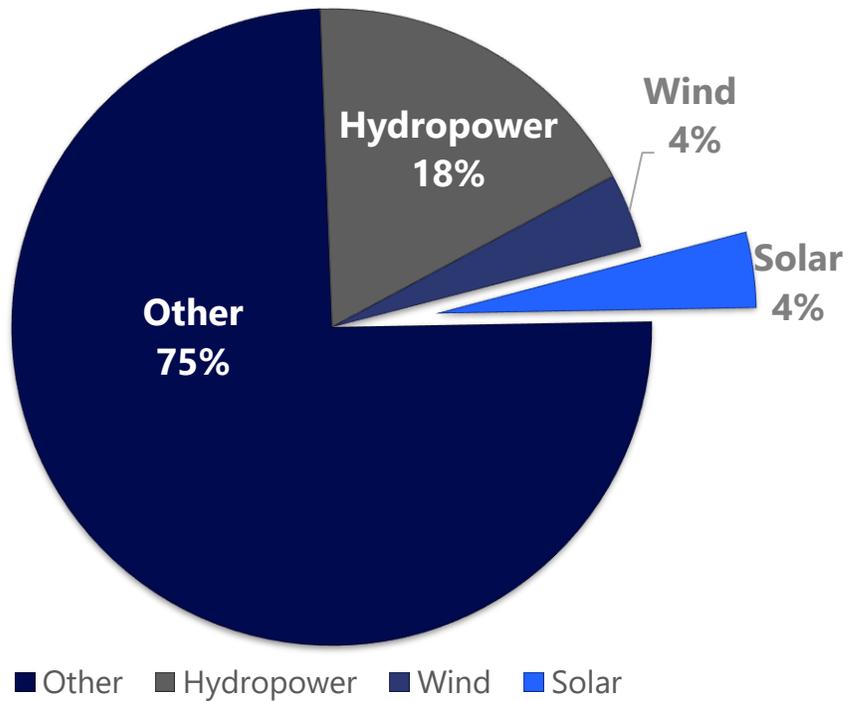
Global Primary Energy Demand, Millions of Terajoules



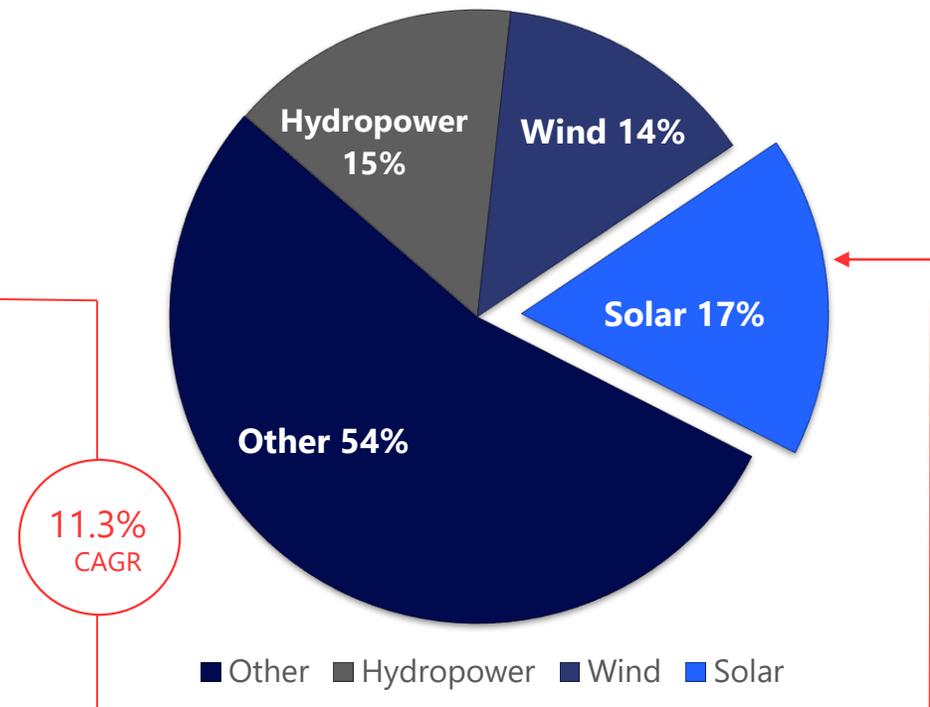
By 2050 almost  $\frac{1}{3}^{\text{rd}}$  of the global electricity demand will come from renewable energy

# Global Renewable Energy Market Mix

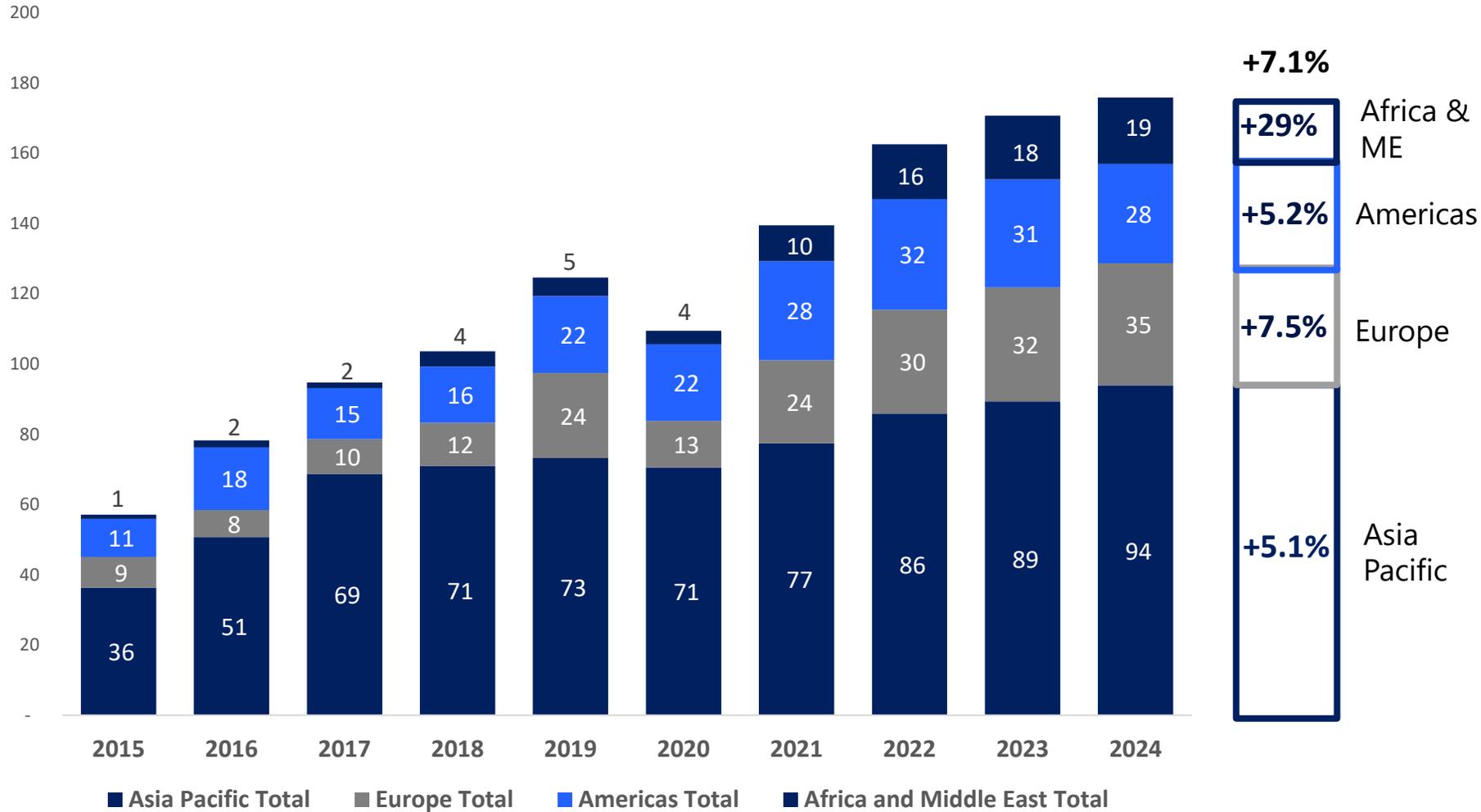
## 2016 Renewables



## 2030 Renewables



# Solar GW Installations by Region



Source: IHS PV installation tracked Q1 2020





# SolarEdge Solutions

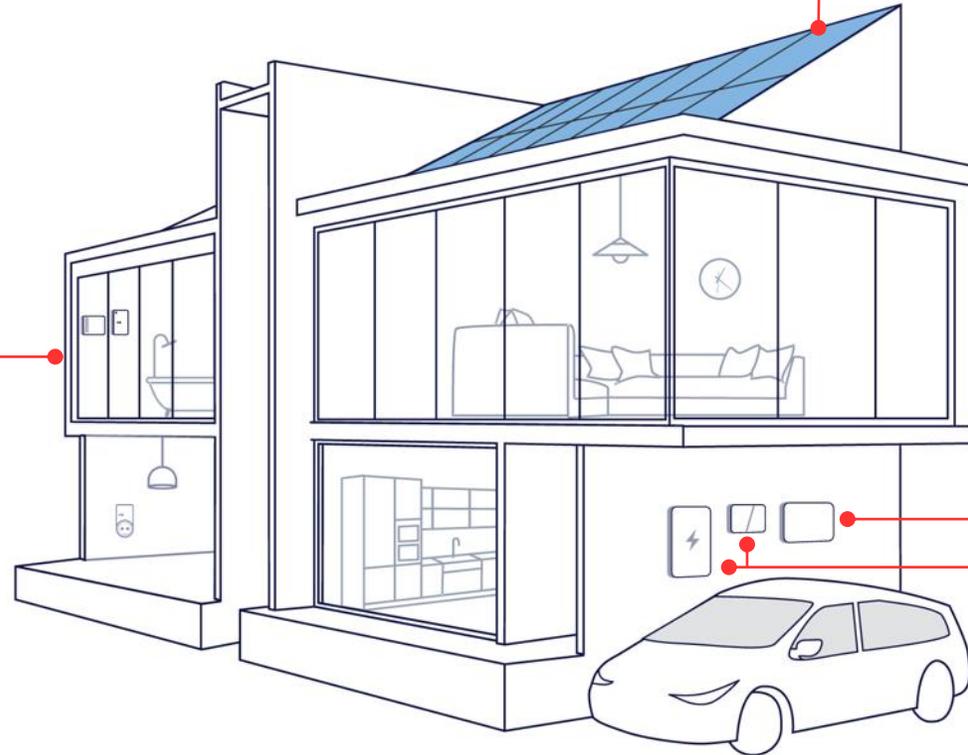
solar**edge**

# A Complete Residential Solution

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



Smart Energy Products



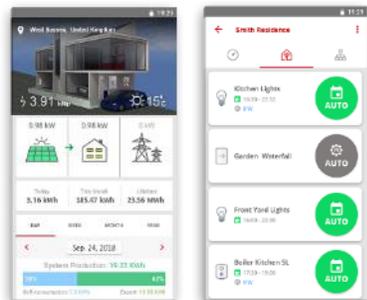
Smart Modules with Pre-assembled Power Optimizers



Inverters

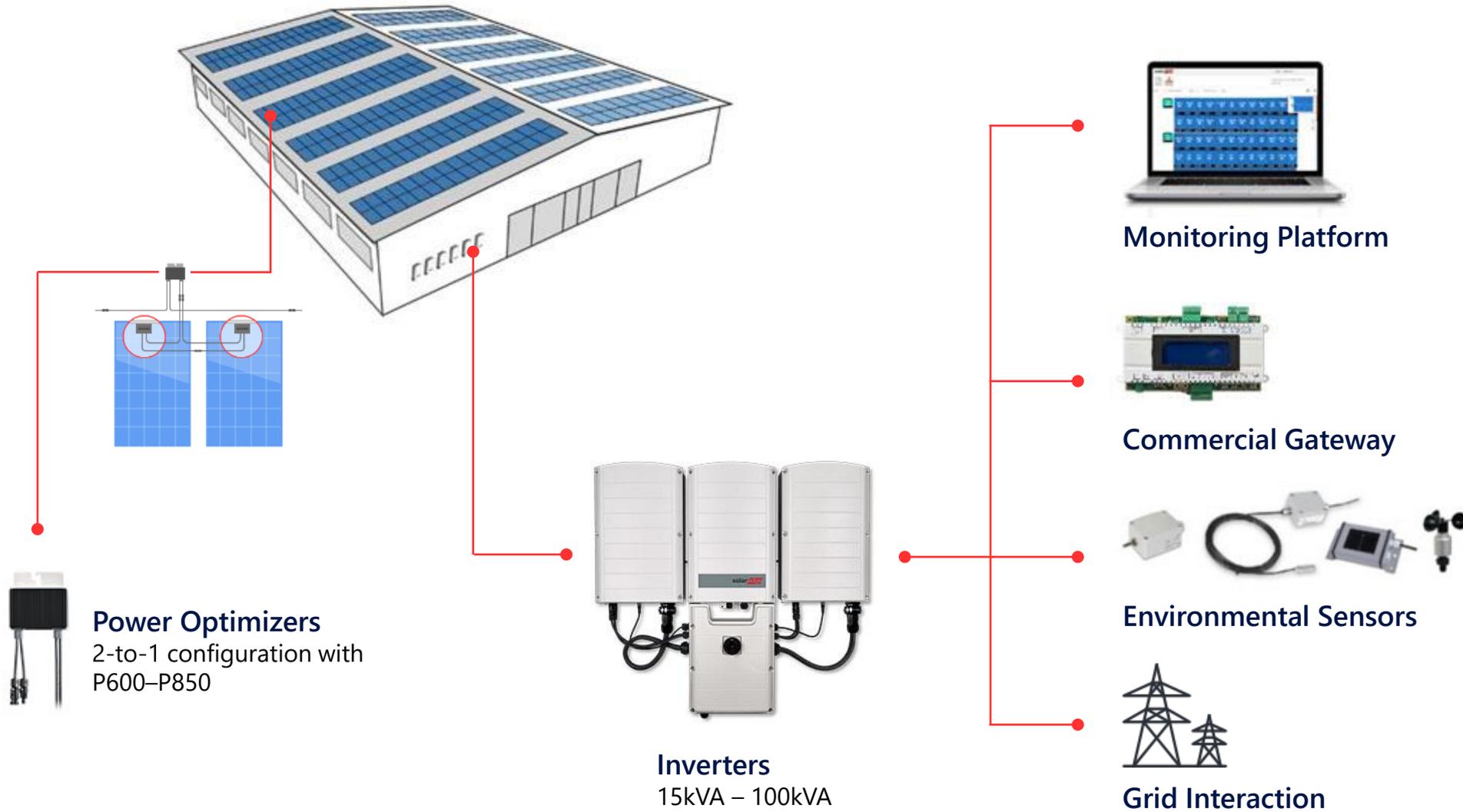


StorEdge



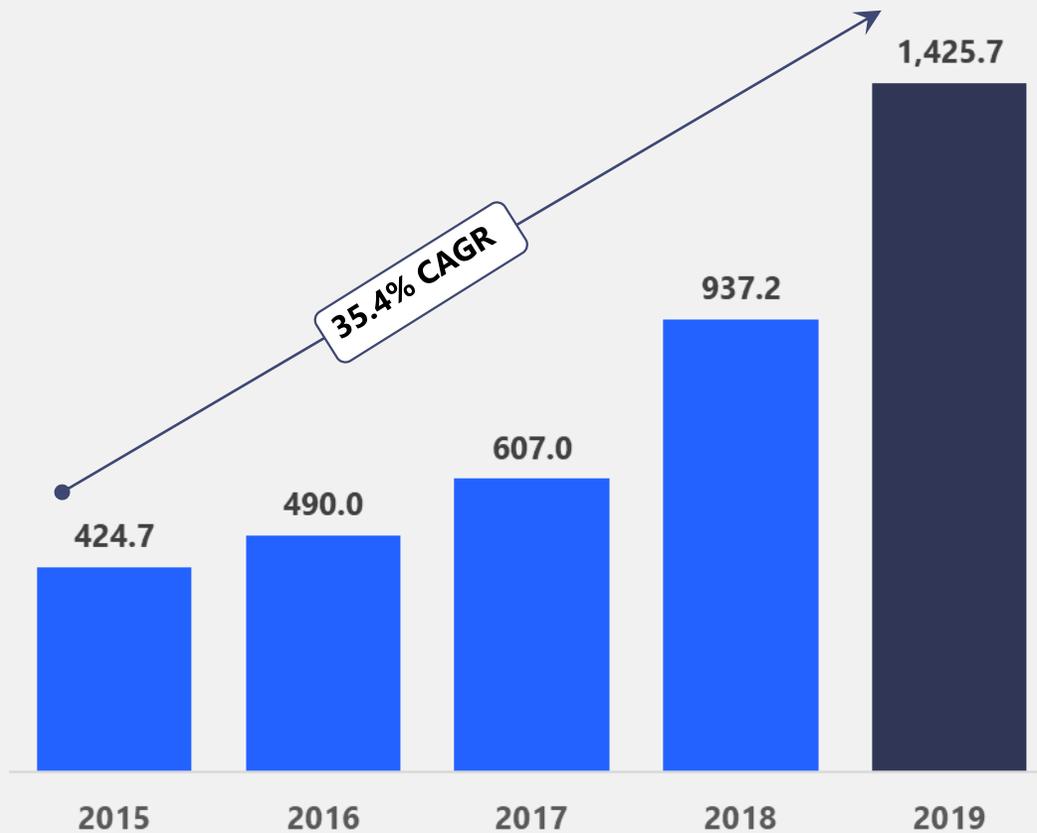
Monitoring Platform

# 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



# Strategic Growth Engines



Geographic  
Expansion



Segment  
Development



Market  
Share Growth



ARPI Increase

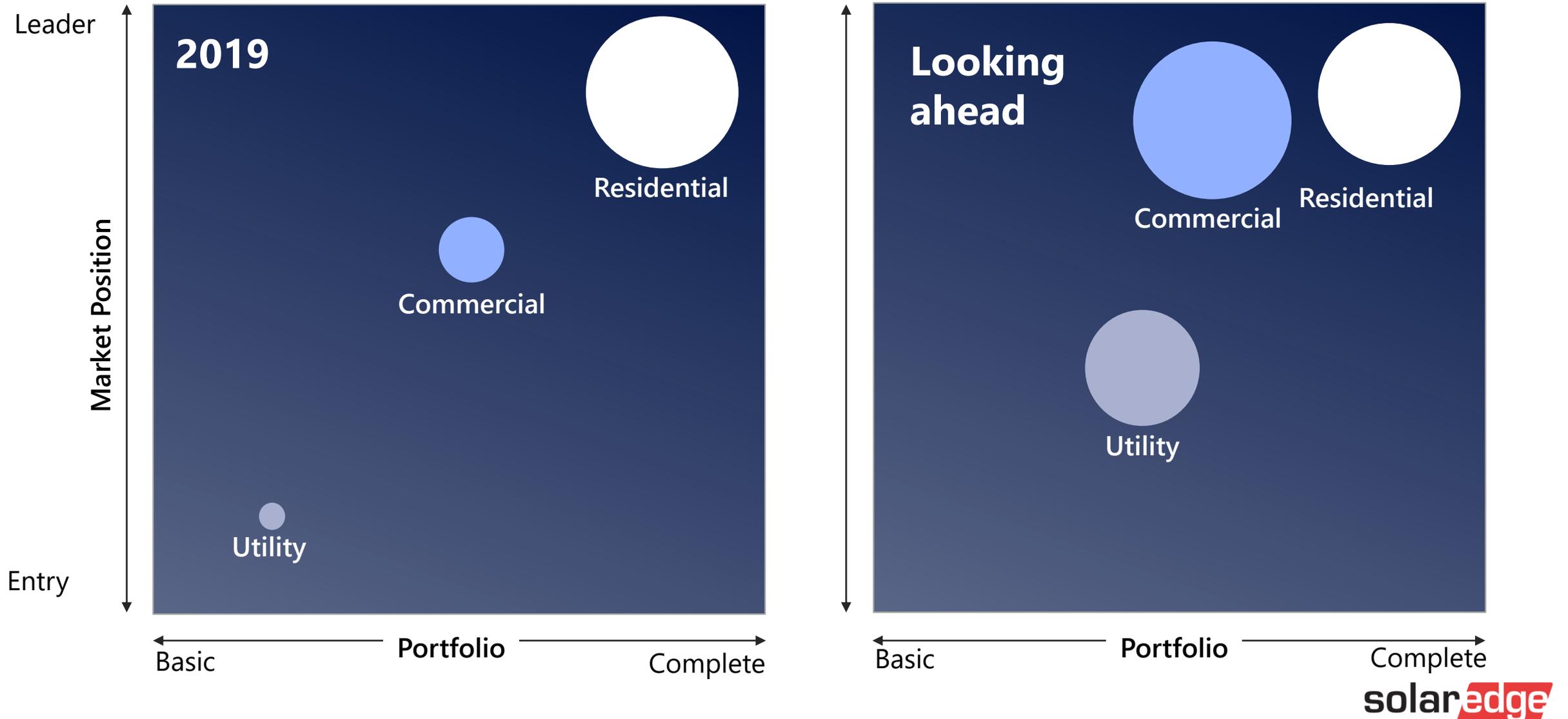
# Geographical Expansion

- 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

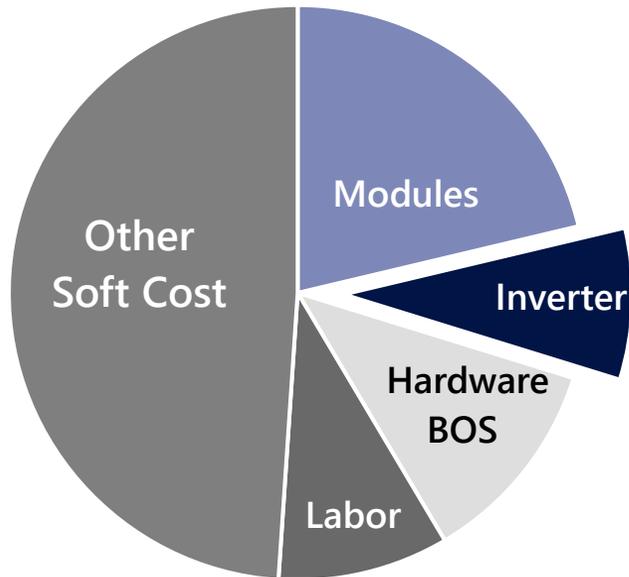
2017	
Rank	Company
1	Huawei
2	SMA
3	Sungrow
4	SolarEdge
5	Enphase Energy
6	ABB
7	Schneider Electric
8	Omron
9	Fronius
10	Goodwe

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

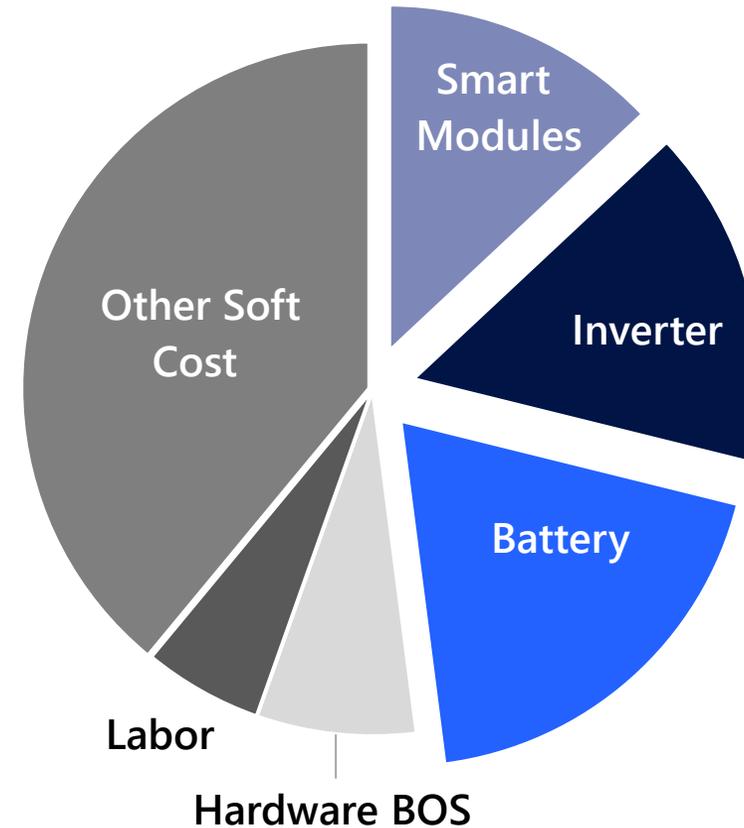
Source: IHS PV Inverter Market tracker 2015-20

# Increasing SolarEdge ARPI – Average Revenue Per Installation

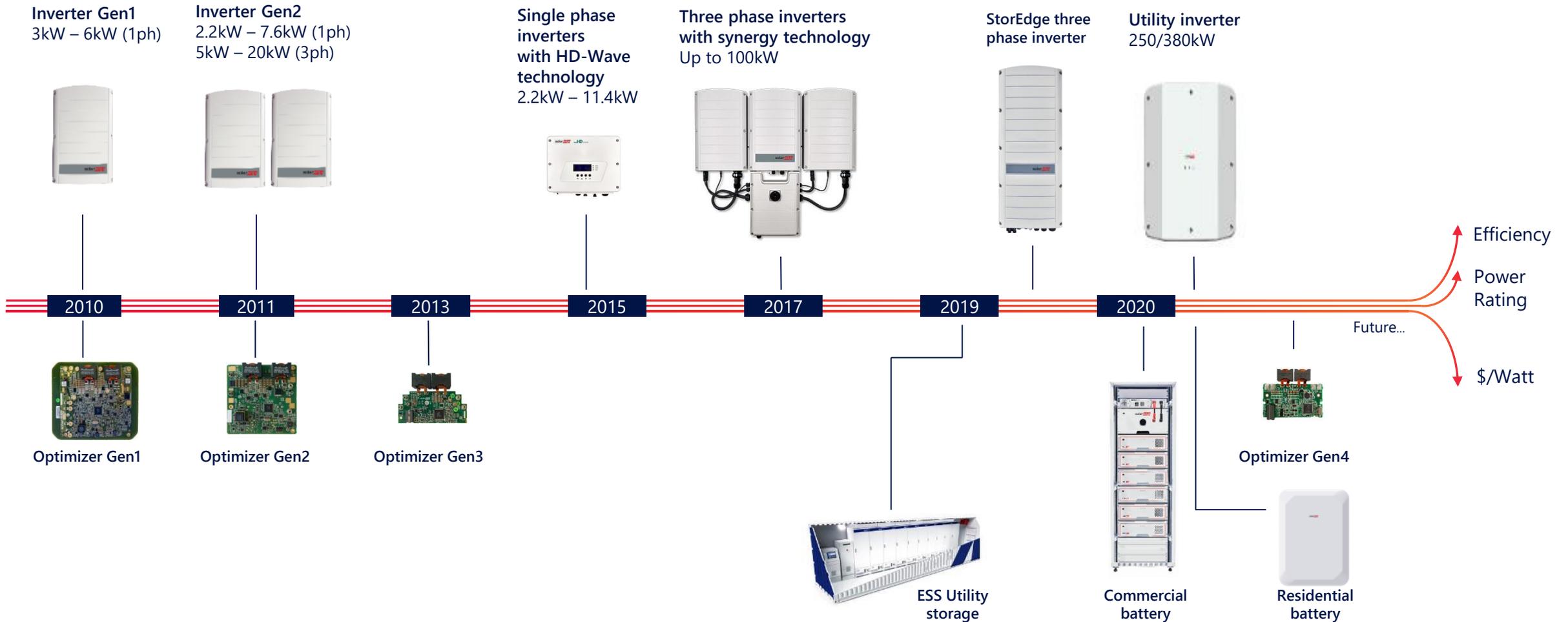
PV System (2014)



Advanced PV System (2020)



# Technology Roadmap





# Moving Beyond PV

# One-Stop-Shop for Smart Energy Solutions



# Strengths of SolarEdge UPS 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

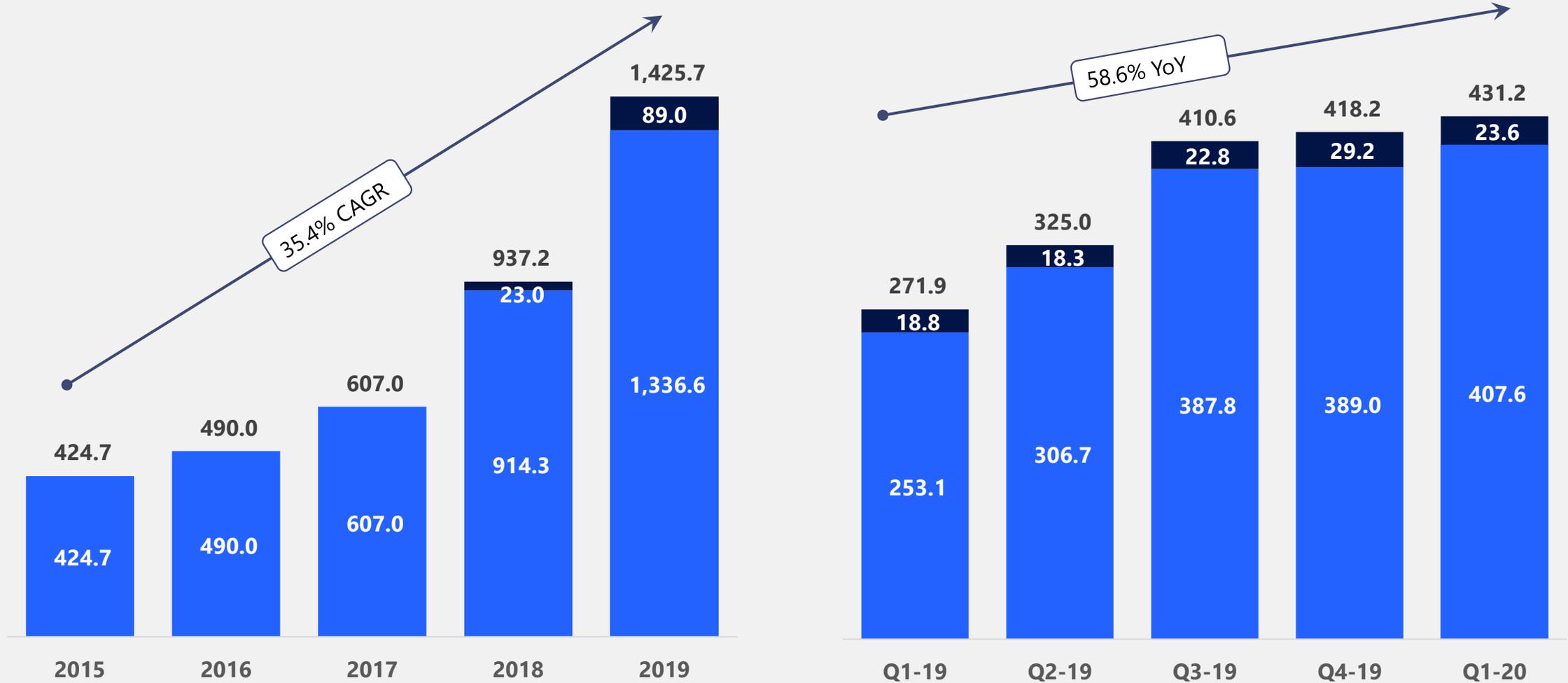
- Innovative integrated powertrain technology and electronics for LCVs, LGVs, e-motorcycles
- Innovative and high-performing powertrains with the gearbox, engine, battery, BMS, software, and accessories
- Provides SolarEdge fast-track access to the high-growth global EV market
- In pre-production phase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





# Financial Performance

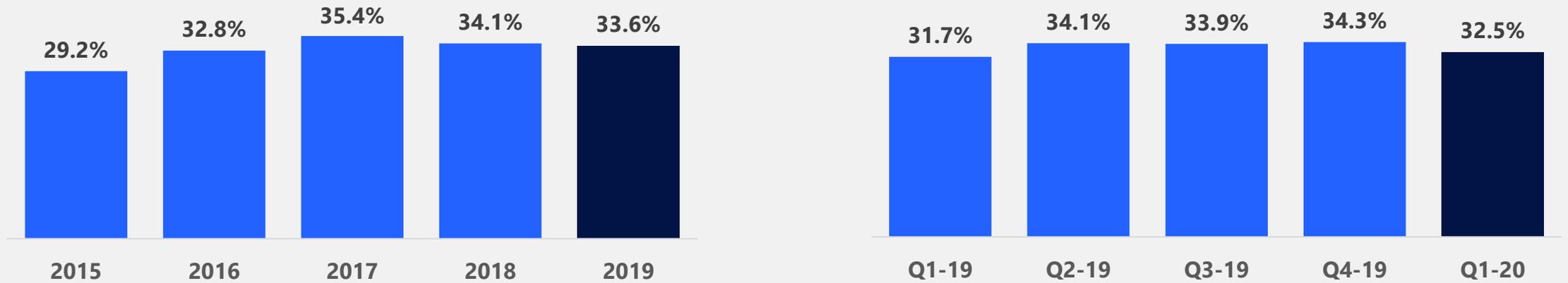
# Solar vs. Non-Solar Revenues Growth



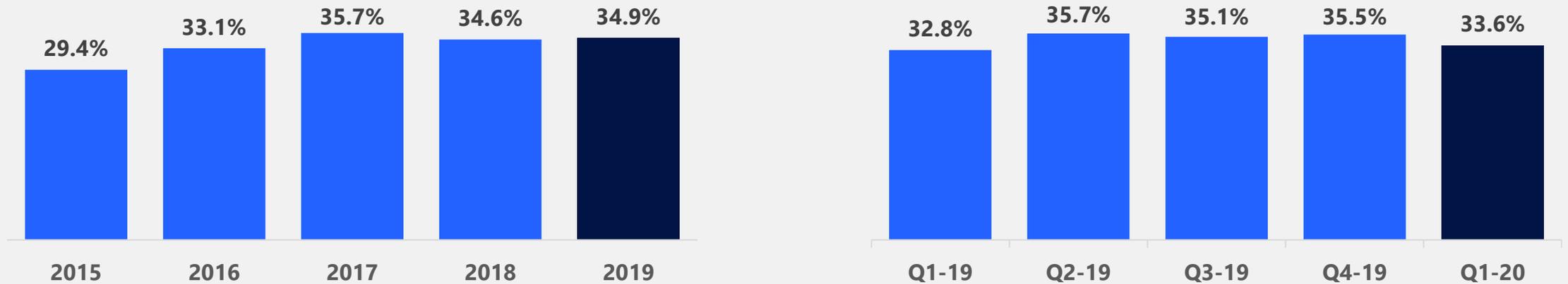
USD millions

# Consolidated Gross Margin

## GAAP

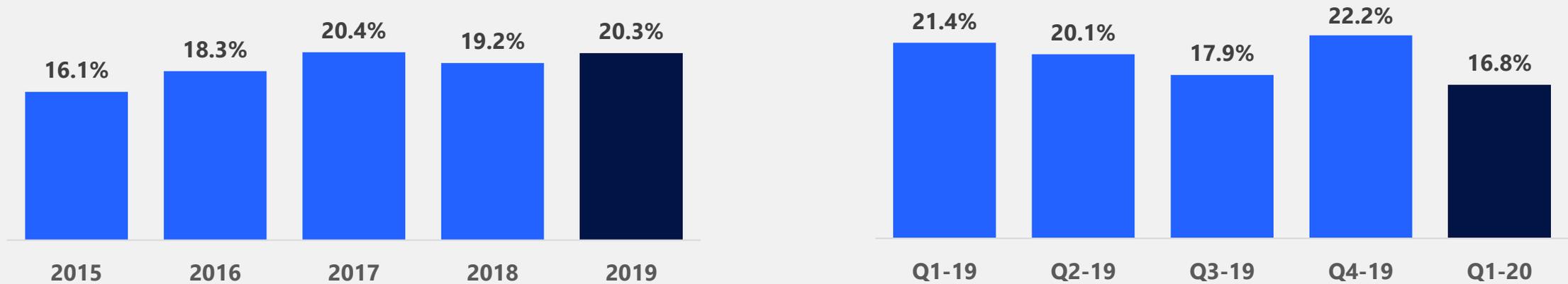


## Non-GAAP

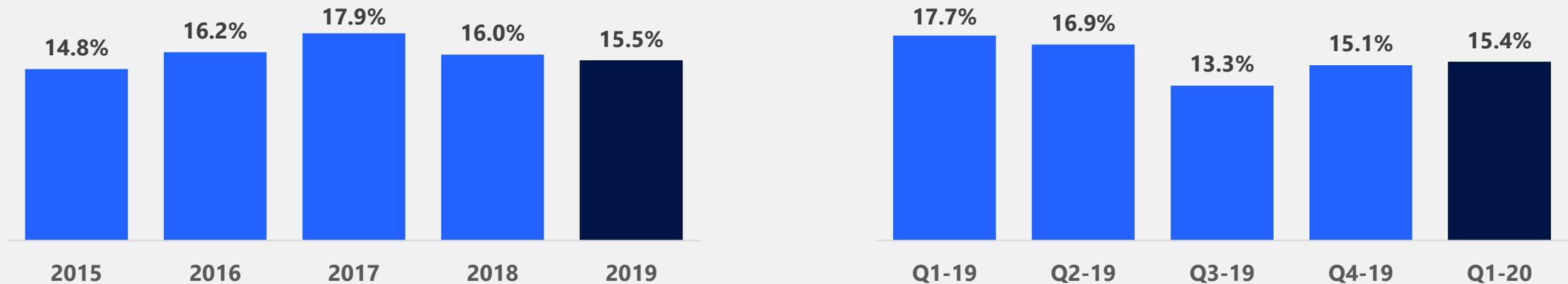


# Operating Expenses as % of Revenues

## GAAP



## Non-GAAP

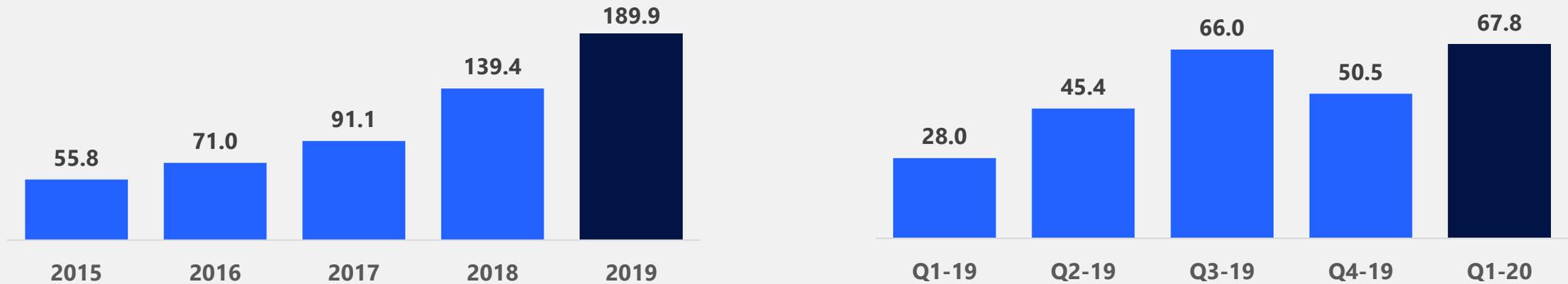


\* GAAP Q1 20 Include non recurring operational income of \$4.9M

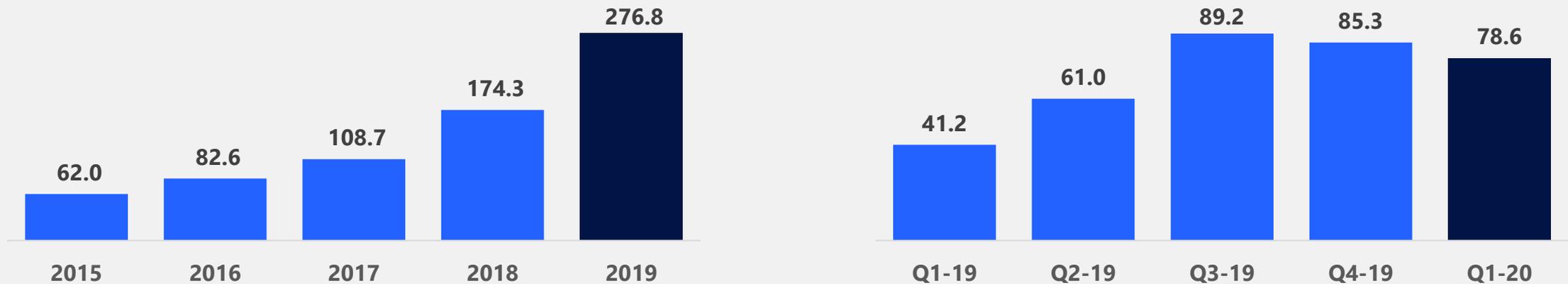
\*\* GAAP Q4 19 and Q3 19 Include non recurring operational expenses of \$22.4M and \$8.3M respectively

# Consolidated Operating Profitability

## GAAP



## Non-GAAP



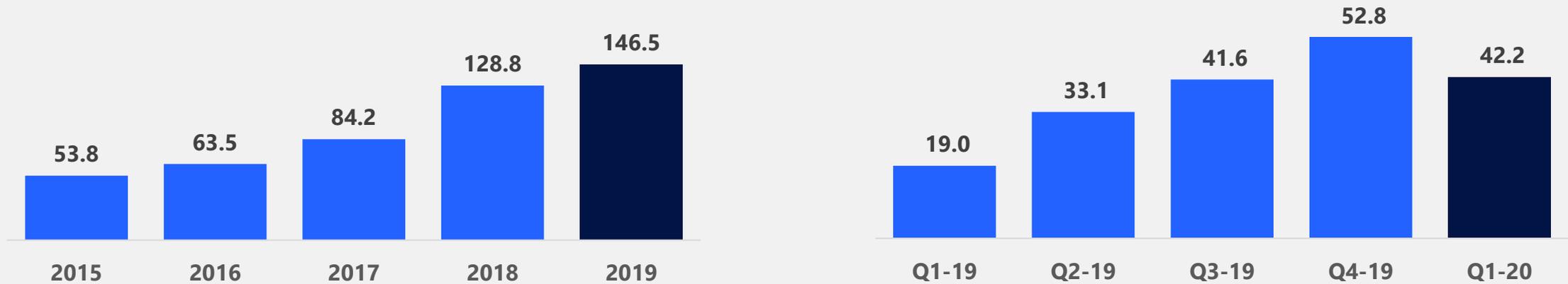
USD millions

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

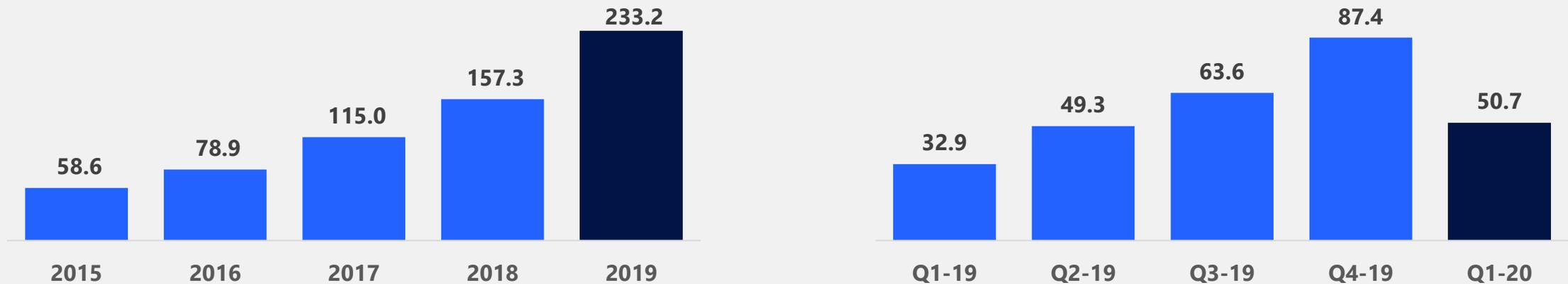
\*\* GAAP Q4 19 and Q3 19 Include non recurring operational expenses of \$22.4M and \$8.3M respectively

# Consolidated Net Profitability

## GAAP



## Non-GAAP

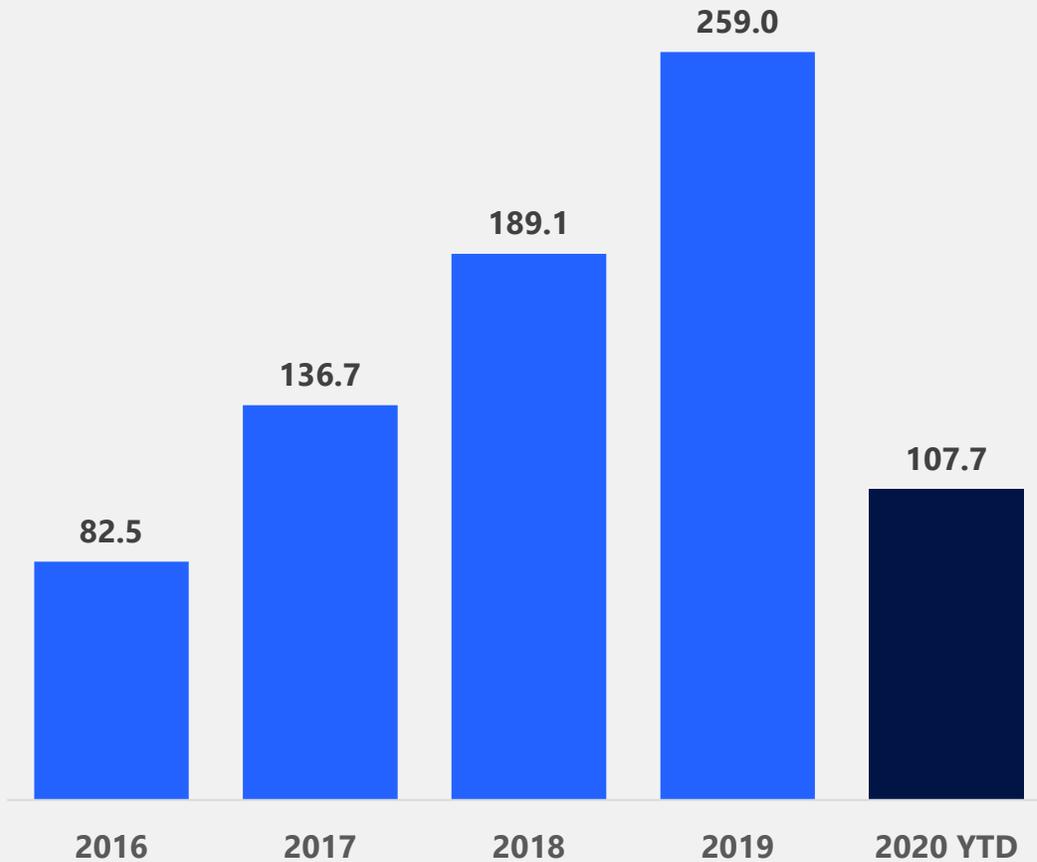


USD millions

\* 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

# Cash Flow from Operating Activities



USD millions

## Cash Related

- ▄ \$107.7M cash flow from operations in Q1 2020
- ▄ \$558.7M cash and cash equivalents, deposits, restricted deposits and marketable securities (as of Mar 31, 2020)
- ▄ \$15.0M 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

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