



Powering the Global Energy Transformation

SolarEdge Analyst Day

March 29, 2022
New York



Safe Harbor

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; new products and services; financing and investment plans; dividend policy; competitive position; industry and regulatory environment; general economic conditions; supply chain and logistics, 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 10K.

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 also 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.

In addition, this presentation contains market data 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.

Management present today



Zivi Lando
CEO

Joined 2009



Ronen Faier
Chief Financial
Officer

Joined 2011



Rachel Prishkolnik
VP General Counsel
& Corporate
Secretary

Joined 2010



Meir Adest
Chief Product
Officer

Founder



Uri Bechor
Chief Operating
Officer

Joined 2019



Yogev Barak
Chief Marketing
Officer

Joined 2021



Peter Mathews
North America
General Manager

Joined 2012



Daniel Huber
Rest of World
General Manager

Joined 2012



Alfred Karlstetter
Europe
General Manager

Joined 2012



Nadav Zafrir
Chairman of
the Board

Since 2019

Welcome

Nadav Zafrir
Chairman of the
Board of Directors





Where is the world heading

- ▮ Electrification
- ▮ Decentralization
- ▮ People

Technology &
innovation



Operational
excellence



Global
presence





In loving memory of Guy Sella

CEO & Chairman,
Founder
(1964-2019)





We are SolarEdge

Zivi Lando, CEO

solar**edge**

Global Market Leadership

2014

Rank	Company
1	SMA
2	ABB
3	Omron
4	TMEIC
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

2020 (Ranked first since 2018)

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

Source: World PV inverter supplier rankings by revenues, IHS PV installation tracker fourth quarter 2021
Rankings are for each specific year

Why we lead the Solar PV Market

- Differentiated, **proprietary** solar inverter architecture
- Continuous **innovation leadership**
- **Trusted brand** known for superior performance and customer focus
- **Well-diversified mix** across solar markets and adjacent industries
- Vertical integration enabling **customized solutions** and a better customer experience across all end-markets
- Deep and established **relationships with solar PV installers, investors and stakeholders**

Our leadership in numbers

#1 
Solar Inverter company*

34
Present in Countries

84M
Power Optimizers
shipped

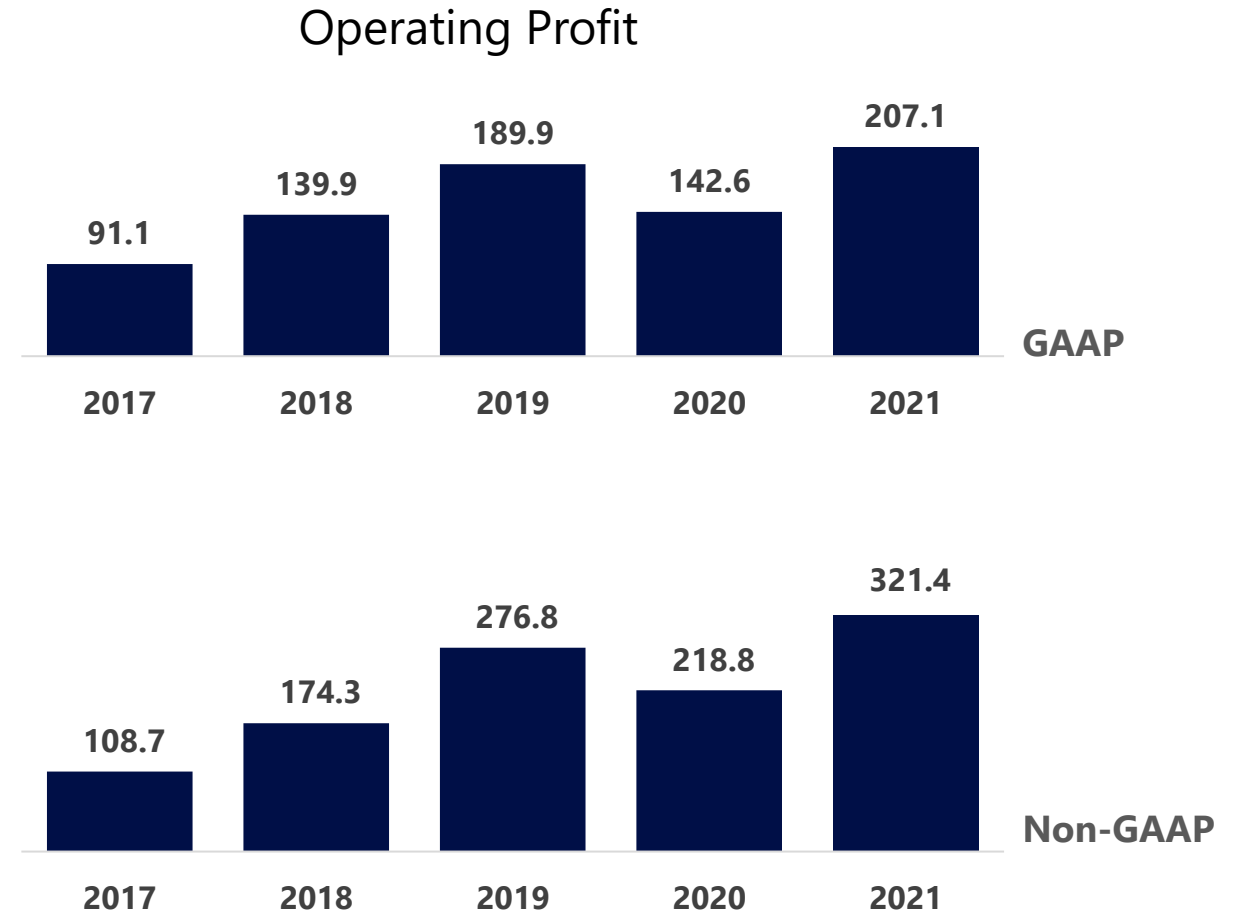
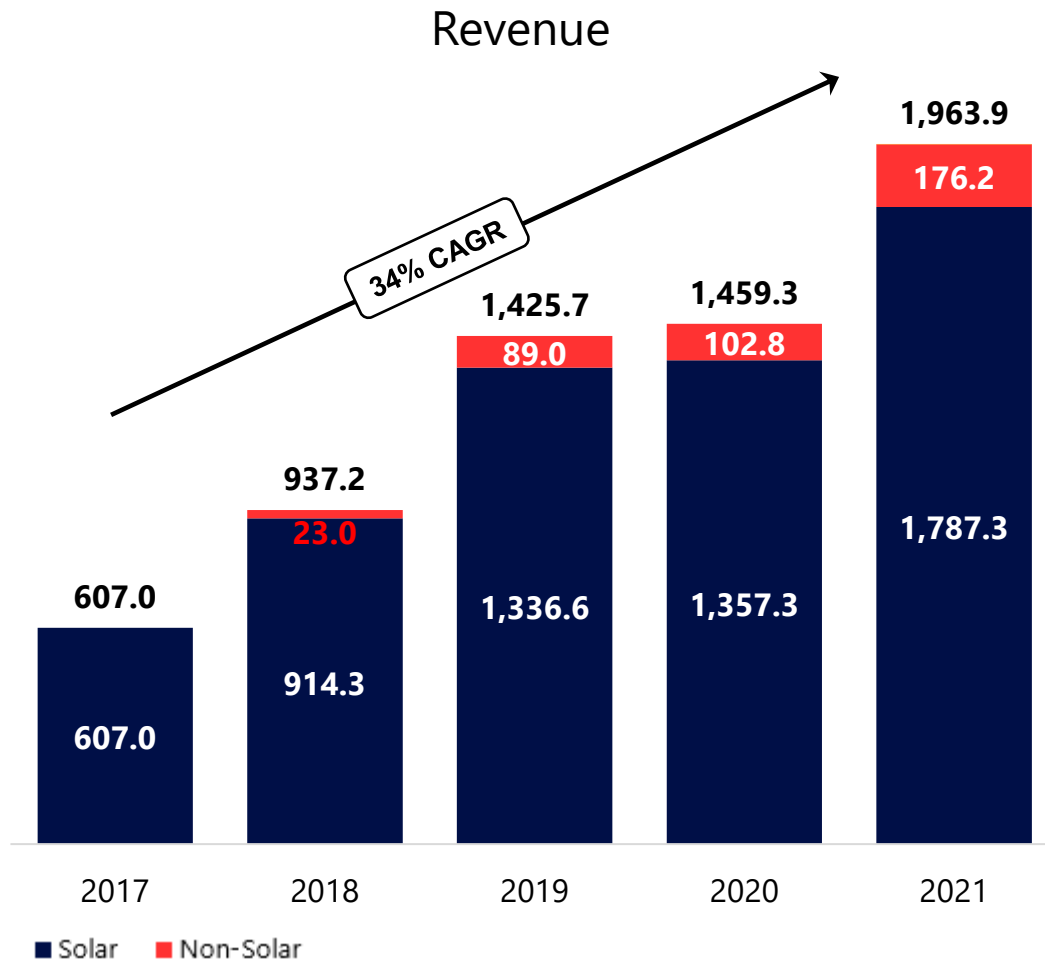
29GW
of our systems
shipped worldwide

2.5M
Monitored systems
around the world

>400
Awarded patents and
~**420** additional patent
applications

* Based on revenues. Source: IHS PV installation tracker fourth quarter 2021
Note: SolarEdge internal figures are as of Q4 2021

Annual growth



USD millions

Agenda

The renewable energy opportunity

Zivi Lando, CEO

Operational excellence

Uri Bechor, Chief Operating Officer

Insights from around the world

Alfred Karlstetter, Peter Mathews, Daniel Huber
SolarEdge regional General Managers

ESG update

Rachel Prishkolnik, VP General Counsel

SolarEdge growth strategy

Zivi Lando, CEO

Financial update

Ronen Faier, Chief Financial Officer

Imagine

Yogev Barak, Chief Marketing Officer

Summary

Zivi Lando, CEO

The SolarEdge 'Edge'

Meir Adest, Founder, Chief Product Officer

Cocktails with management

Lunch



The Renewable Energy Opportunity

Tectonic shift in the energy market



Electrification



Decarbonization



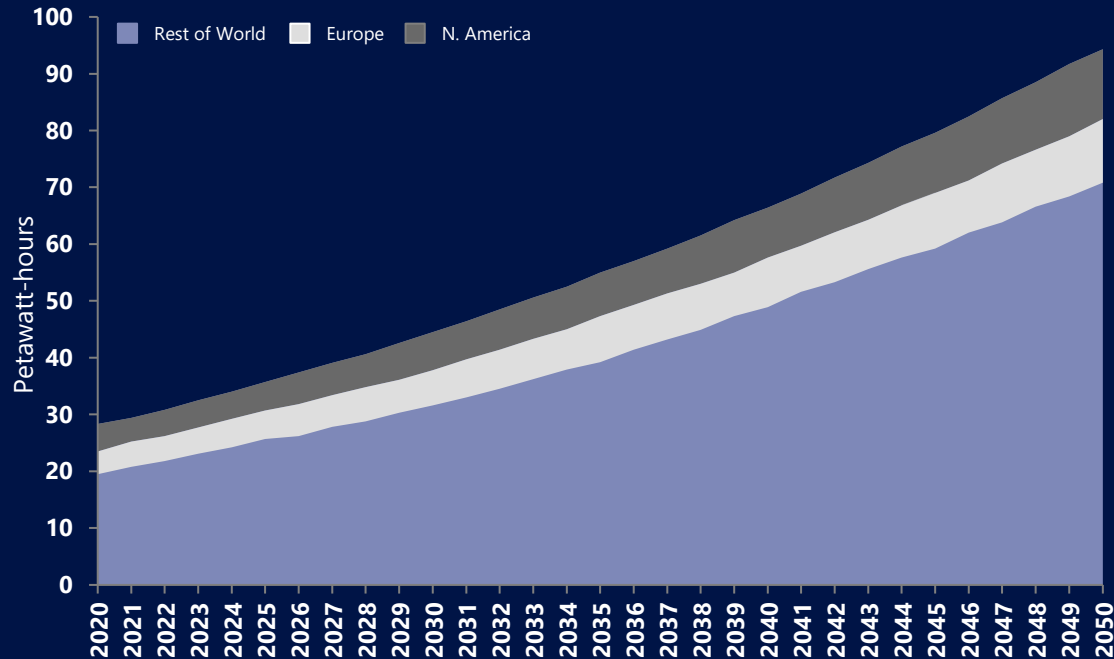
Decentralization

- Exponential growth in energy demand
- Transition from centralized, fossil fuel-based energy to clean, distributed, renewable, energy

Rapidly growing worldwide demand for electricity

Electricity Consumption*

Global electricity consumption expected to double by 2035 and more than triple by 2050



* "World Energy Needs" by Benjamin Deniston, Lyndon LaRouche Political Action Committee, (Nov-2020);

** United Nations Department of Economic and Social Affairs, The World Population Prospects 2019: Highlights

*** Net Zero by 2050 – A Roadmap for the Global Energy Sector; International Energy Agency (May 2021); UN 2017 Revision of World Population Prospects

Growing Energy Demand**



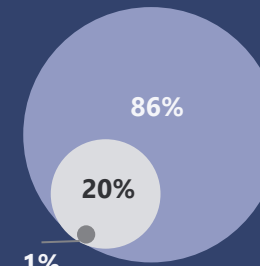
+2B people(+28%) 2020-2050



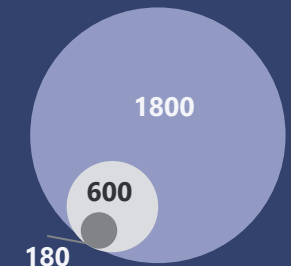
Urbanization to increase from 55% to **68%**
(**+2.4B** people)

Electrification of Areas Previously Dominated by Fossil Fuels***

Electric Vehicles Penetration (%)



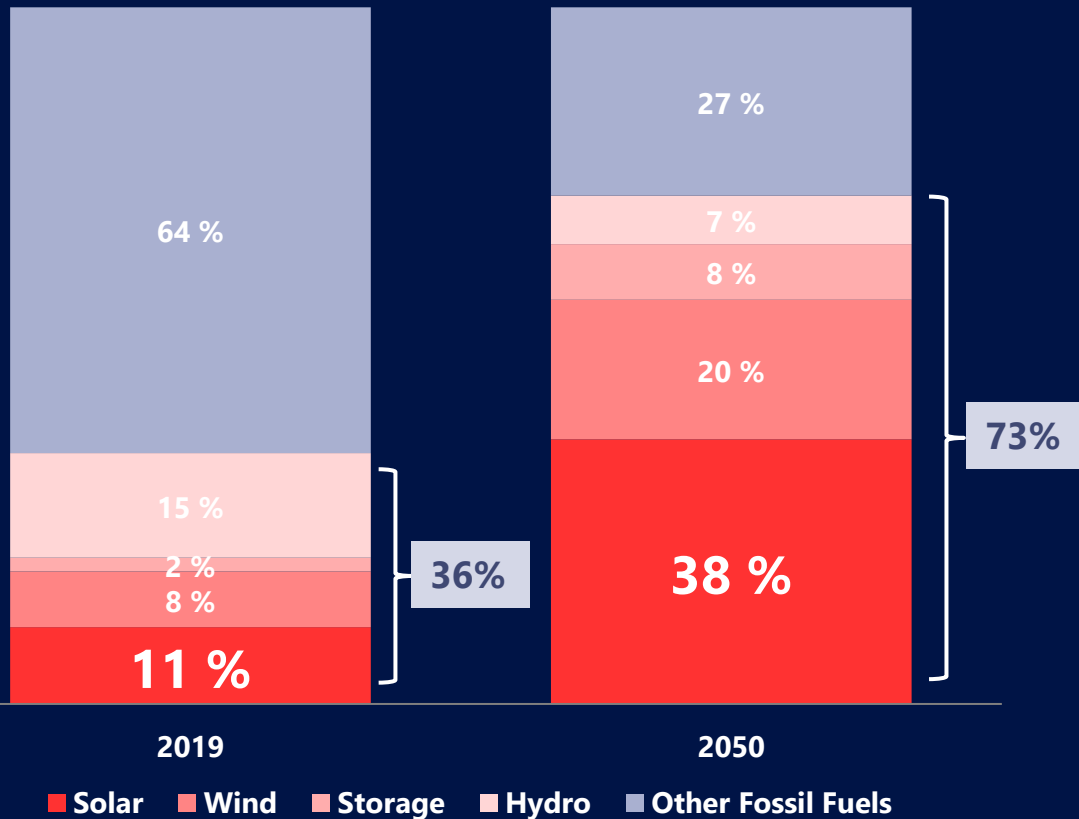
Heat Pumps Installed (million)



● 2020 ● 2030 ● 2050

Renewables set to be the dominant electricity source

Installed Electricity Capacity Mix*



Global Race to Net Zero Emissions by 2050

Governments

Nation-level initiatives to decarbonize (Glasgow, Paris)

Corporations

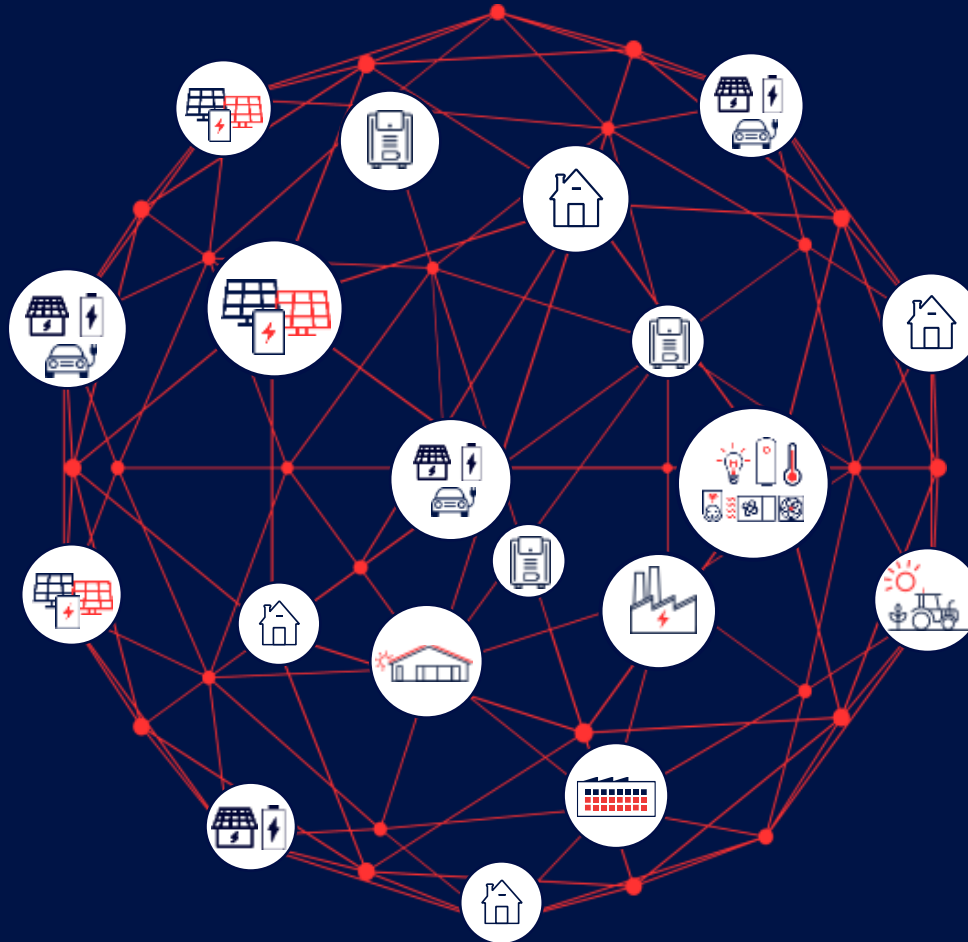
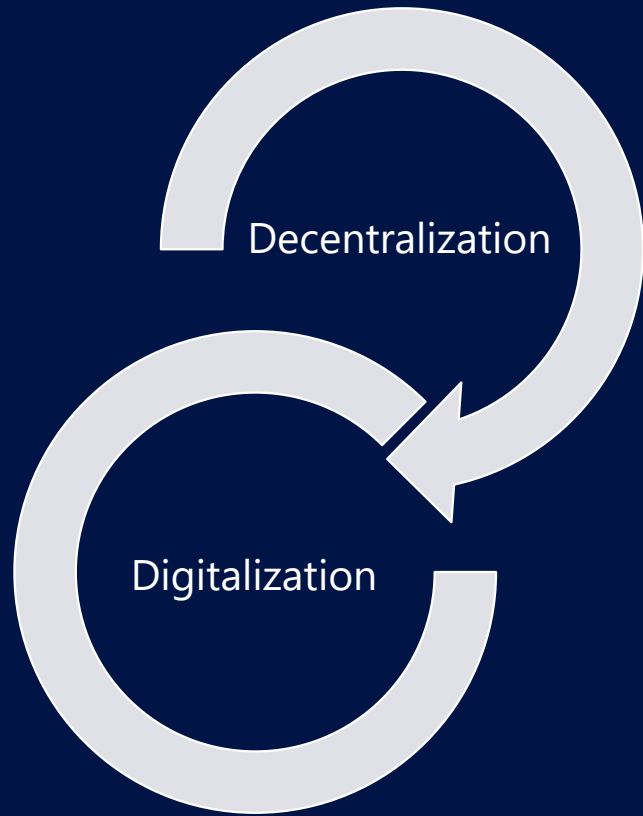
Decarbonization commitments in most industries driven by ESG standards

Individuals

Growing demand for electrification
Drive for energy independence

*New Energy Outlook 2020 (NEO 2020) by Bloomberg New Energy Finance (BloombergNEF)

Decentralization and digitalization of energy networks



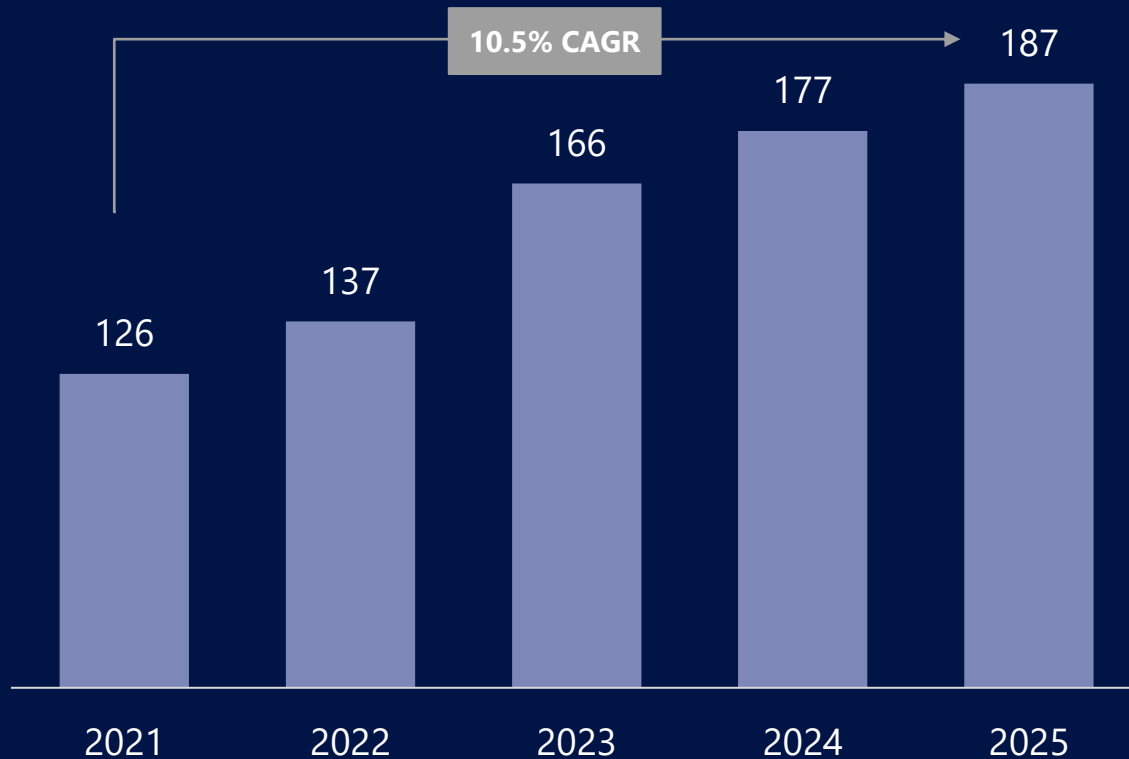
Software controlled

Cyber secured

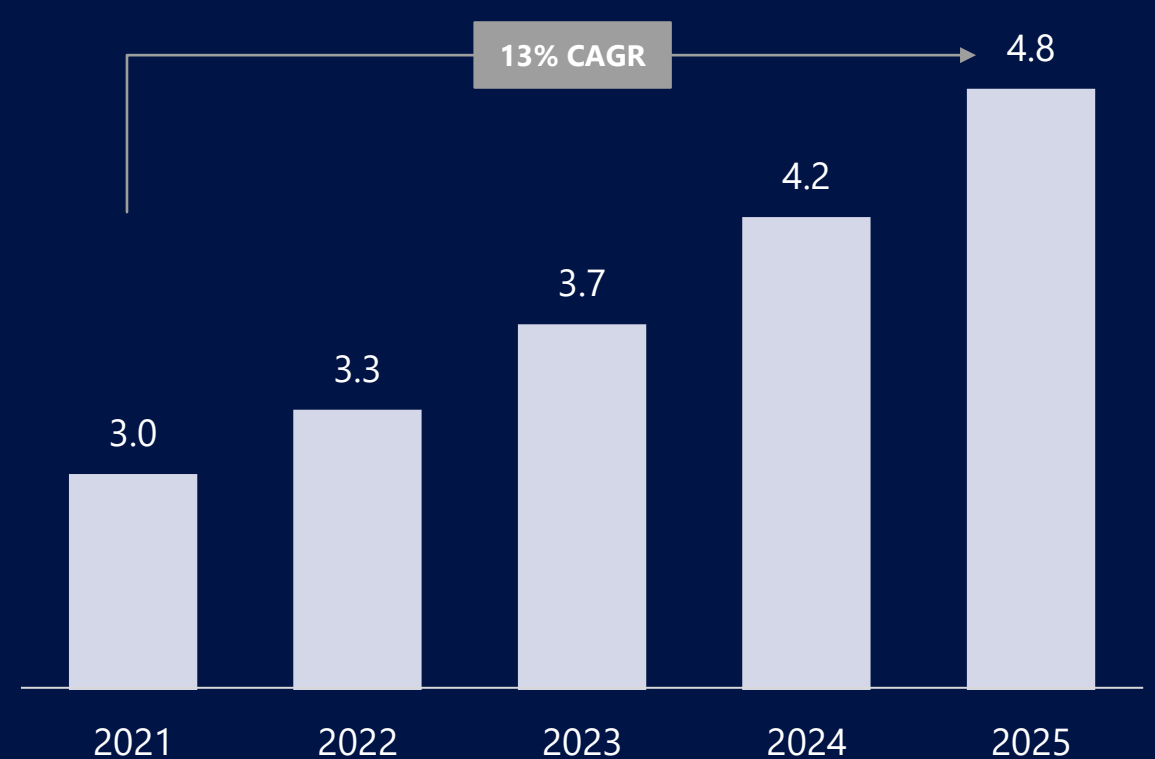
Multi node micro
grids

Long runway of growth for the Solar industry ahead

Global PV Inverter Shipments (GW)*



Energy Storage Inverter Installations (GW)**



*IHS PV installation tracker fourth quarter 2021. Note: Does not include China

**IHS Energy Storage Inverter (PCS) Report – 2021. Note: Does not include China

Solar markets across the world



RoW

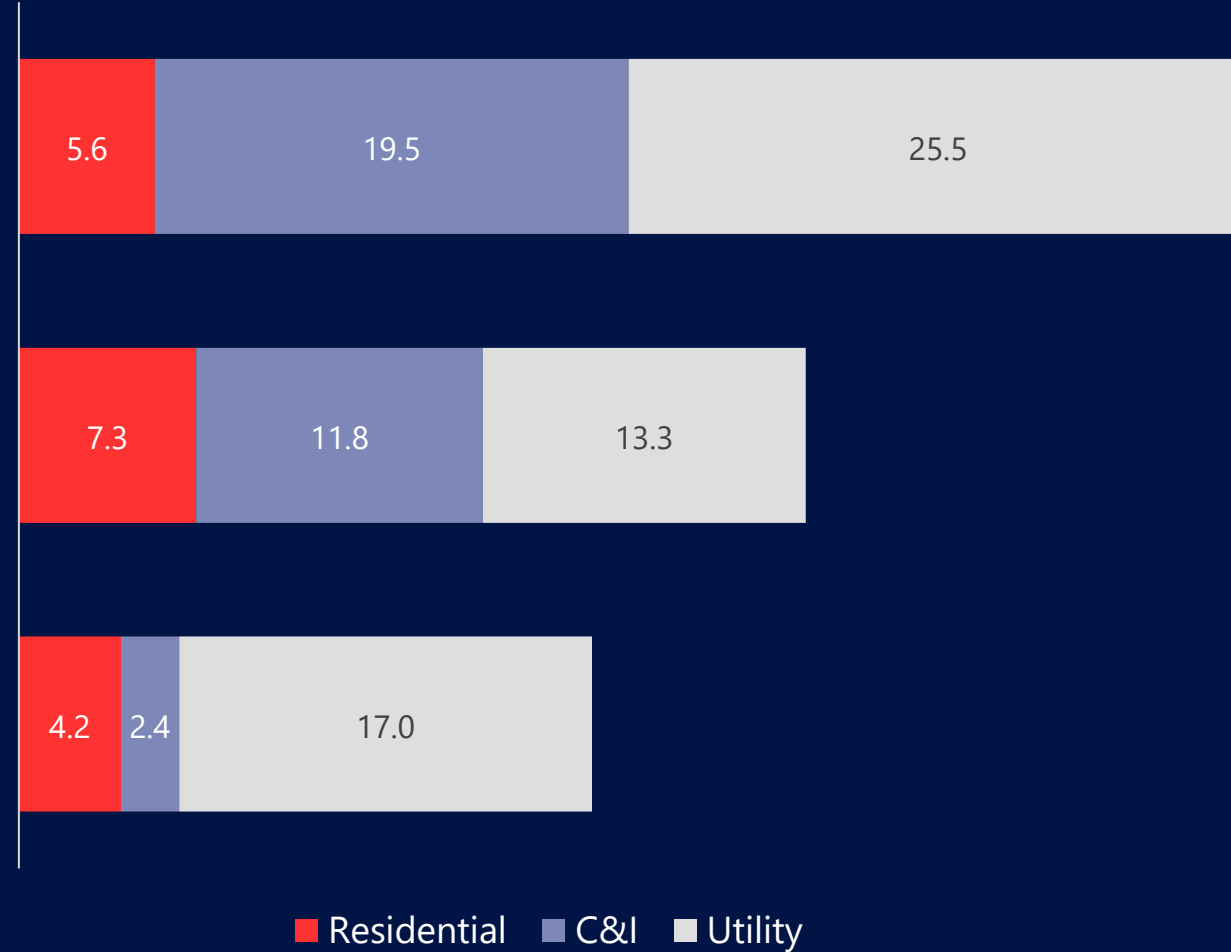


Europe



NAM

Solar PV market size by application 2021
[GW]



Source: IHS PV installation tracker fourth quarter 2021 for RoW

Woodmac Annual US PV Installed Capacity and Forecasts (MWdc), Cumulative Pre-2010 – 2032 (Wood Mackenzie and SEIA's US Solar Market Insight) for NAM

RoW includes Asia Pacific (Australia, India, Japan, Korea, Thailand,, Indonesia, Malaysia, Philippines, Singapore, Sri Lanka), Brazil and MEA

Does not include China



Regional update Europe

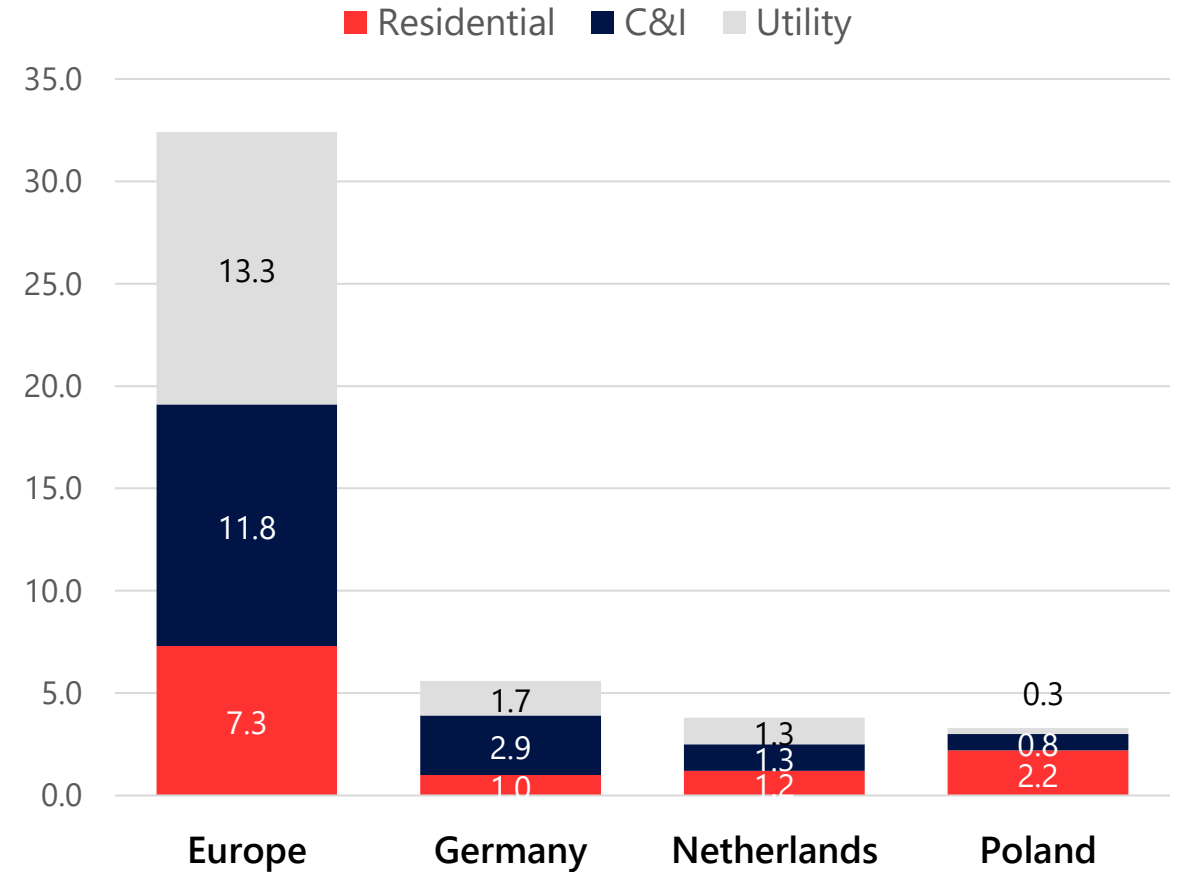
SolarEdge Europe



Alfred Karlstetter
General Manager, Europe

- 59 years old, married, 1 child, Munich area, Germany
- Industrial Engineering degree, University of Applied Sciences
- 18 years global experience in Semiconductor Industry: Siemens Matshushita, Kemet Electronics
- 12 years experience in PV inverter industry:
 - GM Europe at SMA Technology AG
 - Samil Power, China
 - SolarEdge Technologies last 7 years
- SolarEdge in Europe:
 - 13 regional offices in Europe, selling into >25 countries
 - 300 employees in Europe
 - >10,000 loyal installers

2021 Market Size (GW)

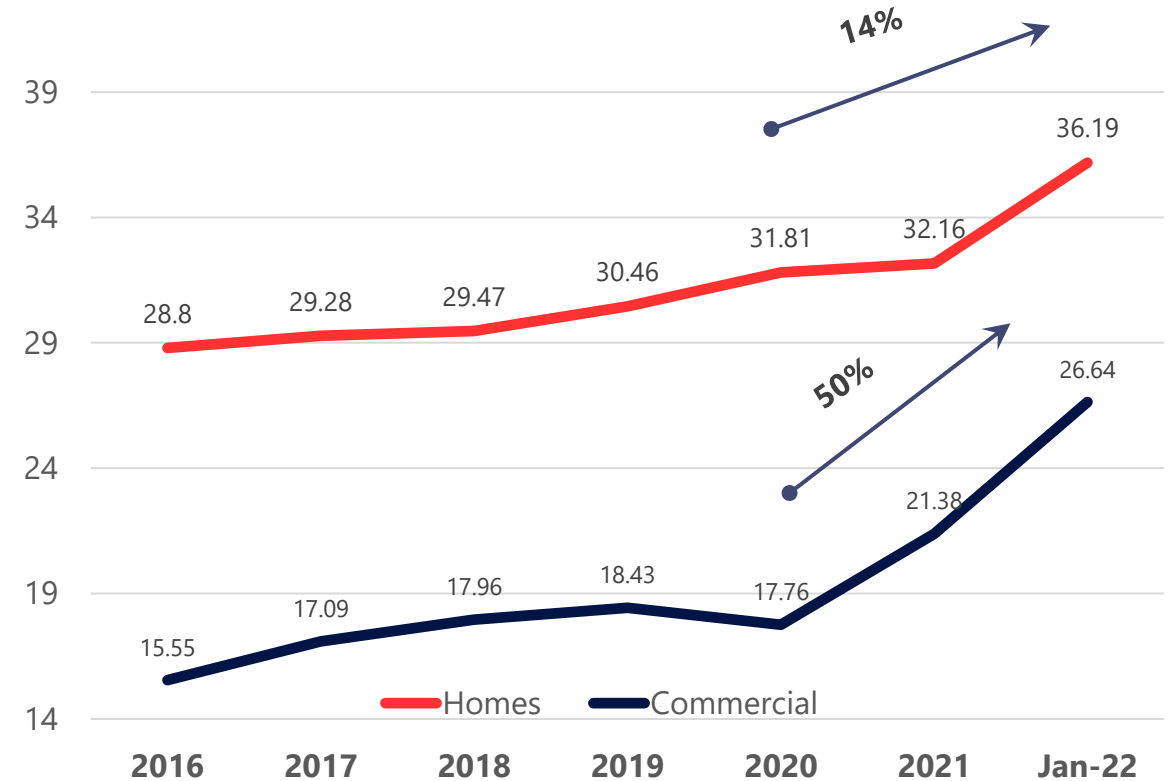


Source: IHS PV installation tracker fourth quarter 2021

Europe market trends

- Electricity prices have increased significantly and trend is expected to continue
- Oil & gas prices continue to increase
- Energy independence is high priority for European countries
 - Heating homes moving from O&G to Heat Pumps
 - Demand for production of more renewable energy is on the rise

Electricity price trends in Germany in €cent/kWh



Source: Federal Association of the Energy and Water Industries (BDEW),
Status: 01/2022 https://www.bdew.de/media/documents/220124_BDEW-Strompreisanalyse_Januar_2022_24.01.2022_final.pdf

Netherlands residential

2.0 GW

Installed SolarEdge systems

520,000 sites

Installed SolarEdge systems

5,000

Residential installers



18 kWp, Schin op Geul

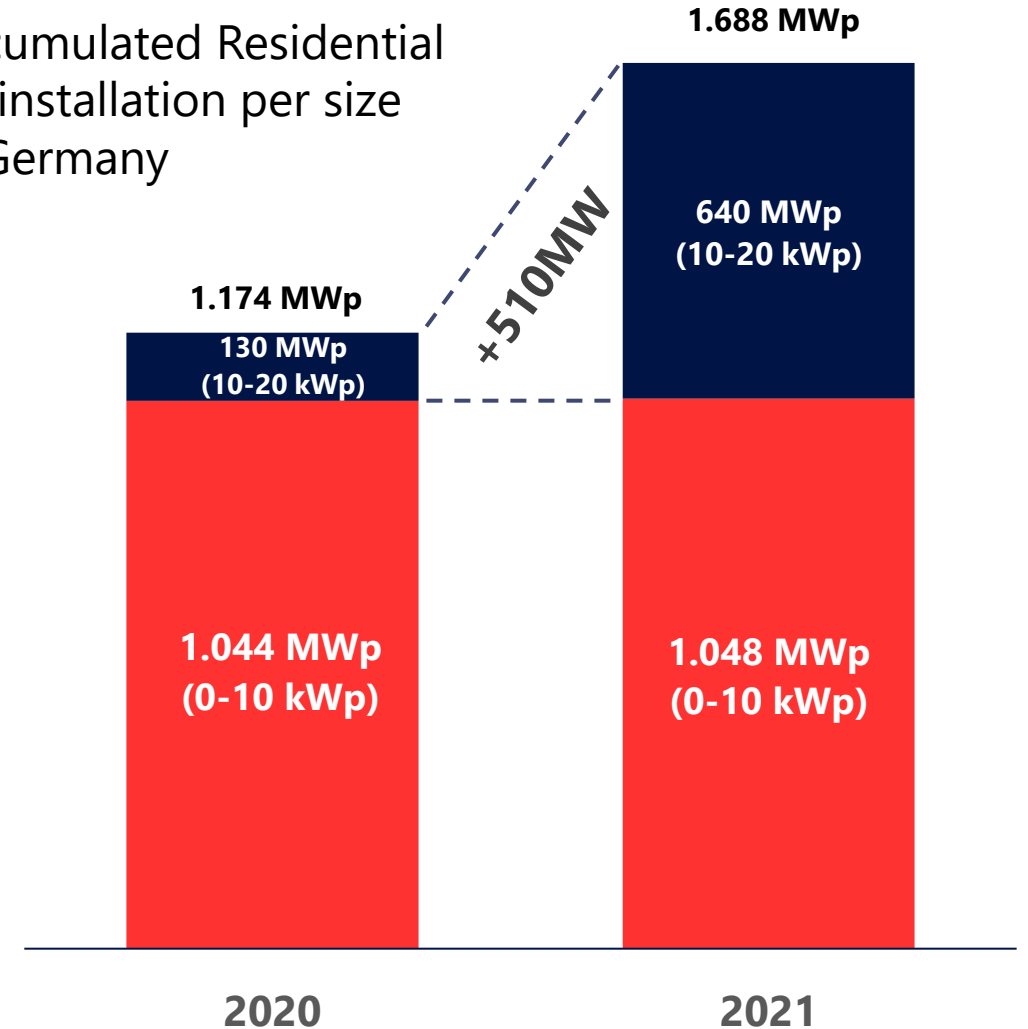


Germany: Residential PV dynamics



- Residential PV installation size growing
- PV module power increases expected to continue
- Energy price increases and rise in consumption are driving the demand
- Many homeowners looking to maximize roof coverage with PV on all sides of roofing
- The above conditions make market ripe for SolarEdge technology and product offering

Accumulated Residential
PV installation per size
in Germany



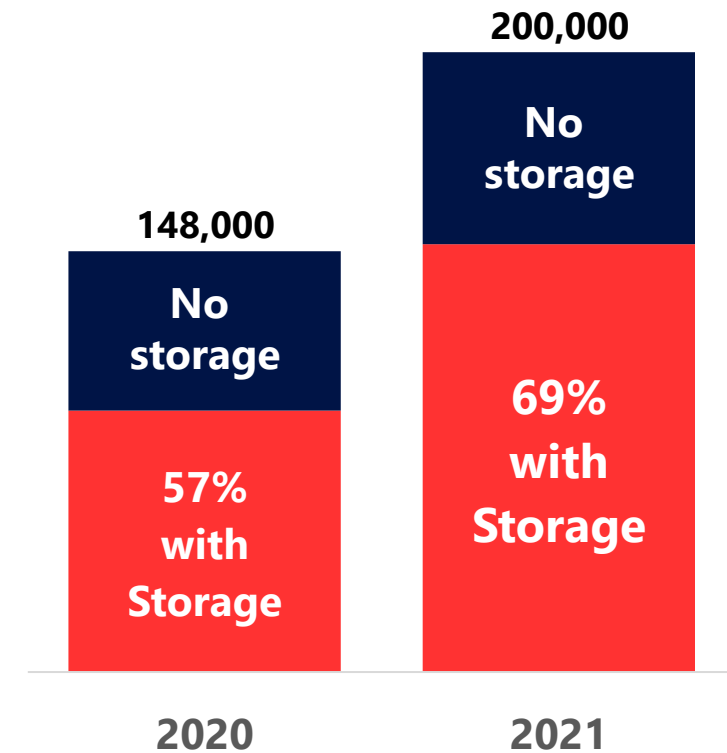
Source: Company analysis based on German federal market data register
<https://www.marktstammdatenregister.de/MaStR/>

Germany: Storage in Residential PV installations



- 200,000 new PV installations 0-20kWp in CY2021
- 69% with storage, expected to increase in 2022
- Average storage capacity per home increasing
- Seeing customer preference for a full system from one vendor
- Demand for EV chargers is expected to continue growing
- SolarEdge offers full systems solution: PV, storage & EV charger

Residential PV installations from 0-20KWp

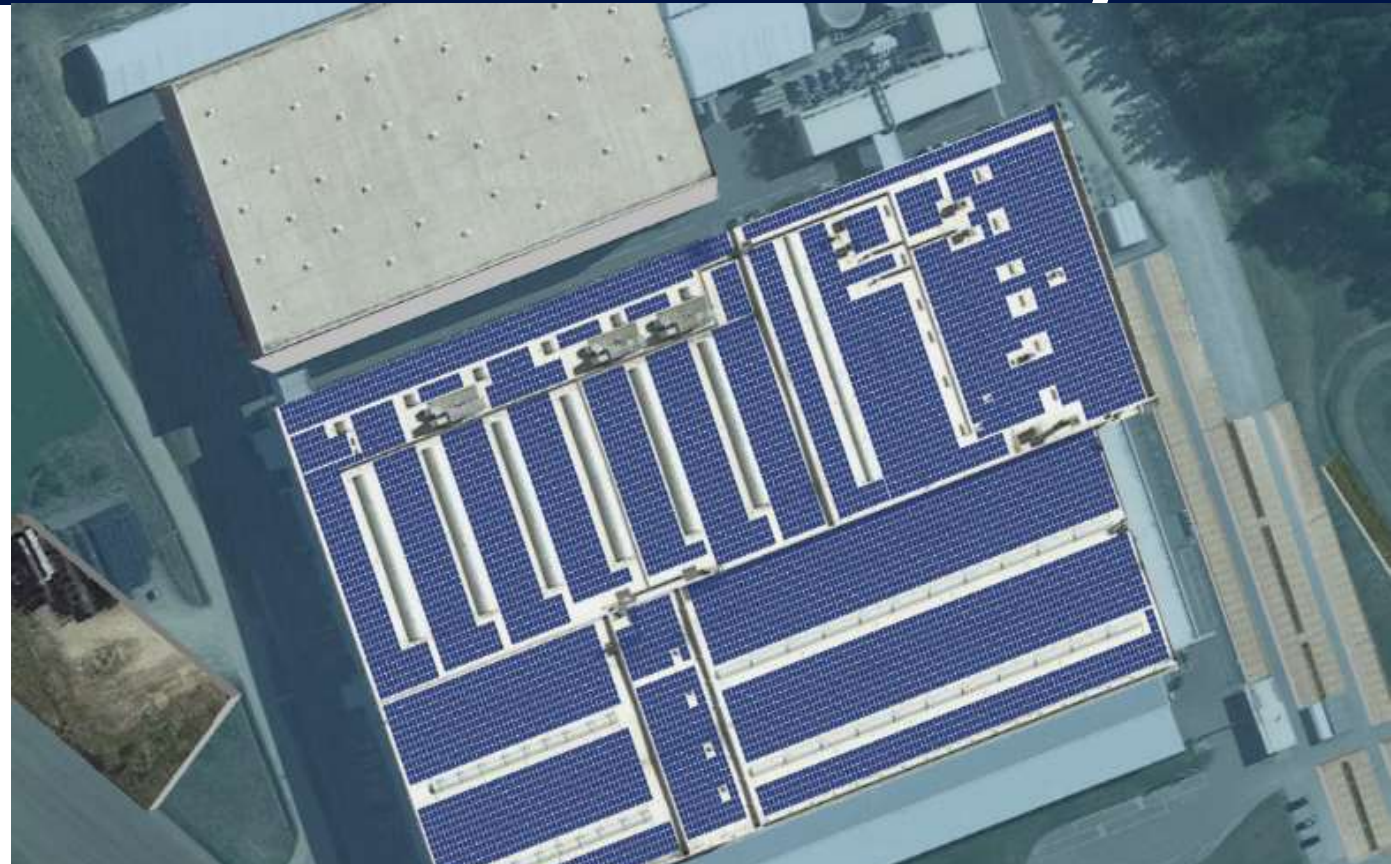


Source: Company analysis based on German federal market data register
<https://www.marktstammdatenregister.de/MaStR/>

Commercial market trend

Case study of an actual project of a German supplier to tier 1 automotive manufacturing facilities

- High electricity prices and increased demand for carbon emission certificates driving companies to invest in PV, storage and EV charger fleets
- Investment ~€4M
- ROI ~5 years
 - Electricity savings of ~€650,000 annually
 - Increase of value of carbon emission certificates ~€150,000 annually
- Carbon emission reduction ~15,000 t/a
- SolarEdge provides engineering and project support direct with the Investor/Company owner



4M€

Investment

~15Kt/a

Carbon emission
reduction

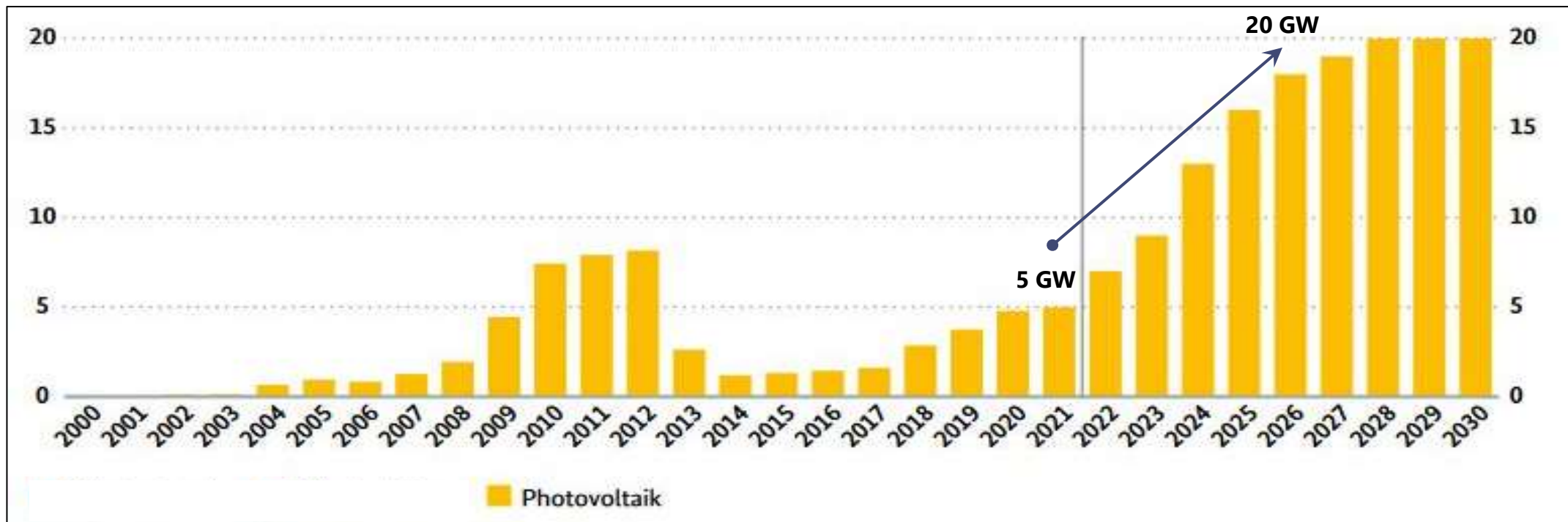
5 years

ROI

Europe PV growth

- Markets in Europe are growing and expected to continue to grow (Germany as an example)
- SolarEdge has a leading position thanks to its existing close relations with installers and project investors

Opening balance of climate protection report 2022: Expansion of photovoltaic



A conceptual image featuring a hand reaching out to touch a wireframe globe. The globe is composed of a network of white lines and dots, representing a global network or digital connectivity. The background is a blurred city skyline at night, with lights reflecting on the water. The overall color scheme is dark blue with white and red accents.

--- Regional Update APAC, LATAM, MEA

SolarEdge Rest of the World (APAC*, LATAM, MEA)

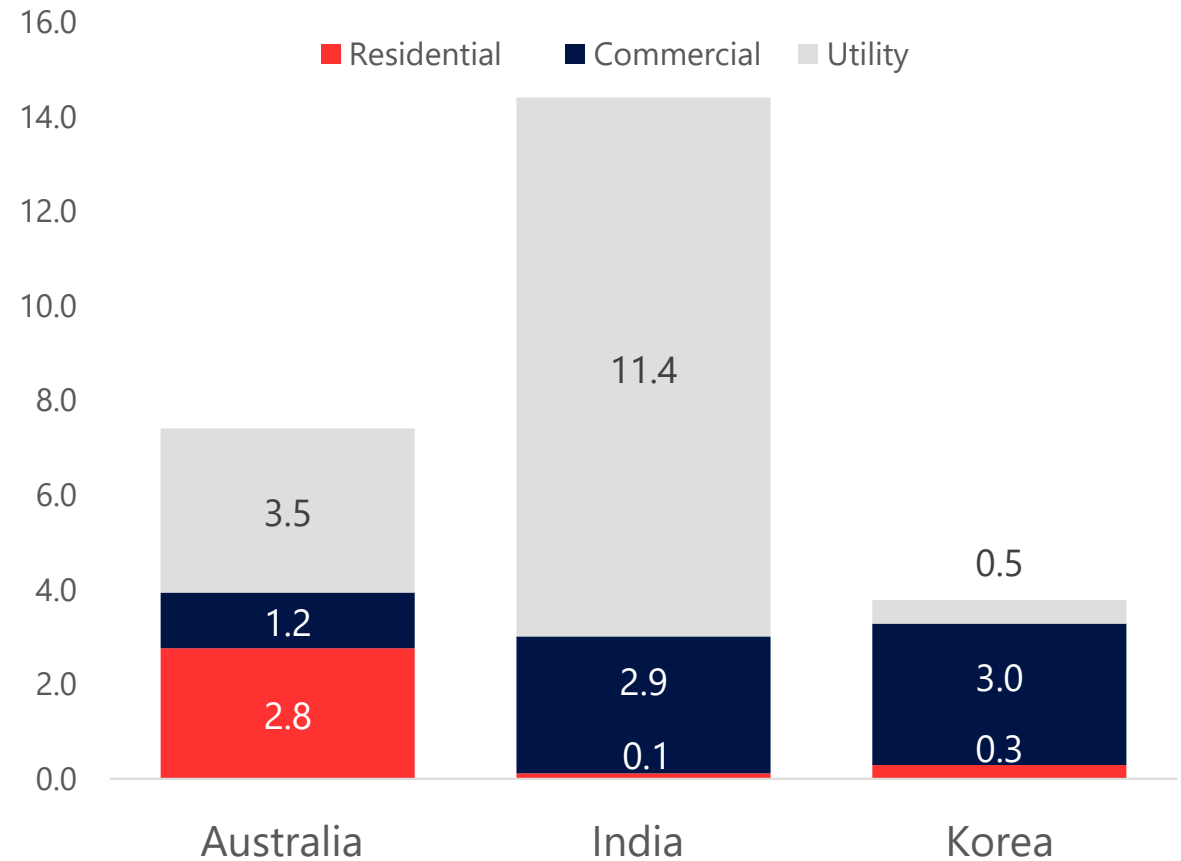


Daniel Huber
VP & General Manager, RoW

- 15 years of solar experience. Joined SolarEdge in 2010
- Held multiple sales leadership positions for SolarEdge in Europe and APAC
- RoW General Manager since 2019
- Regional offices in Melbourne, Tokyo, Bangalore, Taipei, Bangkok, Herzeliya, Sao Paulo, Seoul, Cape Town, Shanghai
- Diversified portfolio to address diversified region
- B.Sc in Industrial Engineering & Management from Tel Aviv University

*excl. China

2021 Market Size (GW)



Source: IHS PV installation tracker fourth quarter 2021

Three strategic pillars for growth



Increase share
within our served market



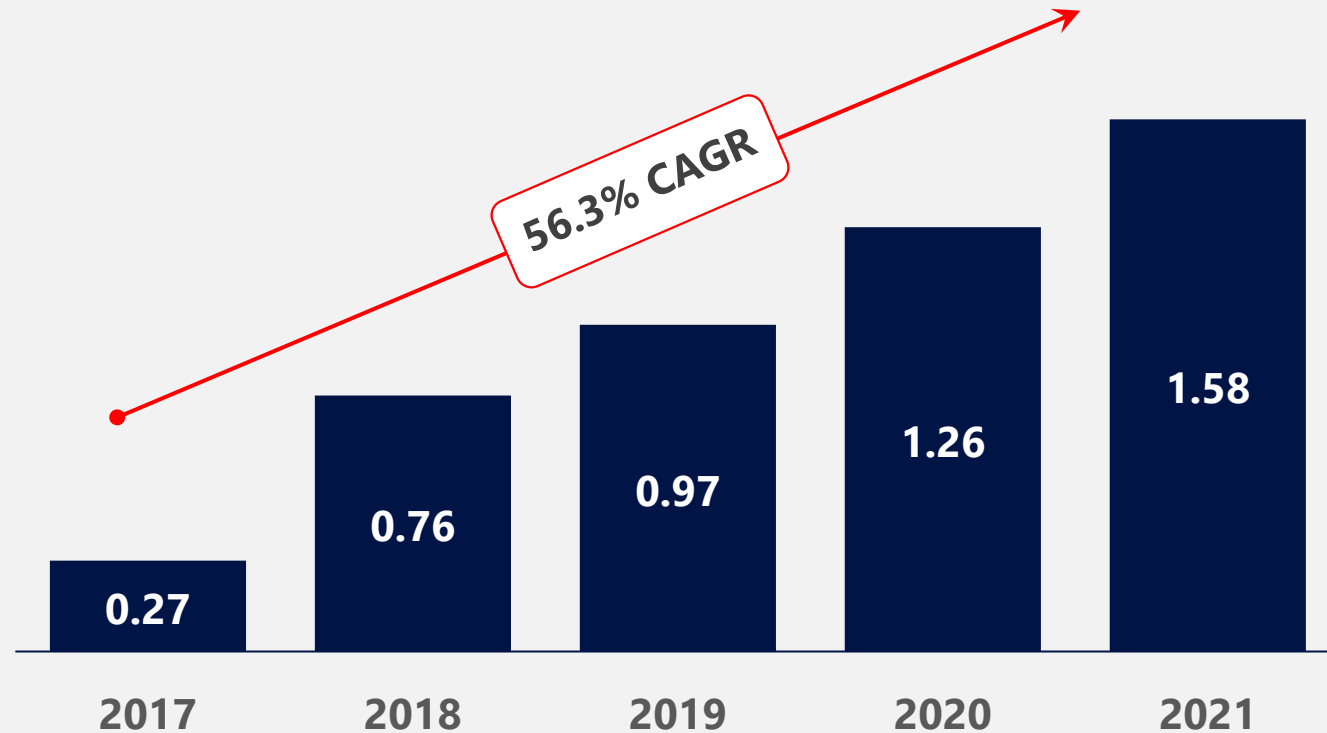
Expand served market
through new
segments and applications



Expand served market
through geographic
expansion

Growing market share

Commercial & Industrial RoW SolarEdge sales, GWDC*



*Conversion to DC according to 135% AC

Small Utility ground mount market expanding

- Growth through expansion of the Commercial segment
- Know-how in place
- Successfully deployed across multiple small utility sites

Application development – Japan Repower (retrofit)



- 25GW* of ground mount sites will end warranty period in coming years, many of which will face the dilemma of “Replace” or “Repower”
- Japan is a good market for repowering
- SolarEdge offers a good solution for repowering
- Already repowered close to 200 sites with positive results, and have healthy pipeline for more in 2022 and beyond

*Calculated based on installations from 2012 to 2015

Source: <https://www.fit-portal.go.jp/PublicInfoSummary> and https://www.enecho.meti.go.jp/category/saving_and_new/saiene/statistics/past.html



Applications development – Floating PV

- Lack of available ground is becoming a common challenge with growing demand for PV
- 'Dual use' segments are growing
- Floating PV are ground mount sites with good MLPE fit due to floating mismatch, common use of bi-facial modules and safety issues
- SolarEdge solutions are installed and are being installed in many MW's of such sites in several countries



15MW

Taiwan

68MW

Israel

1.2MW

Japan

700kW

Thailand

Geographic expansion

South Korea



Certified a commercial inverter, and aiming to expand our business

Brazil



Opened an office in São Paulo this month, and scaling our operations

Australia



Total of 100,000 sites (~1GW) installed

Launched the SolarEdge Home battery last week

Japan



First residential installation of our JET certified inverter complete in March 2022

A hand is shown reaching out from the bottom left, about to touch a glowing, wireframe globe. The globe is composed of a network of white lines and dots, with the continents of North and South America clearly visible. The background is a blurred city skyline at night, with lights reflecting on a surface. The overall color scheme is dark blue with white and red accents.

Regional Update: North America

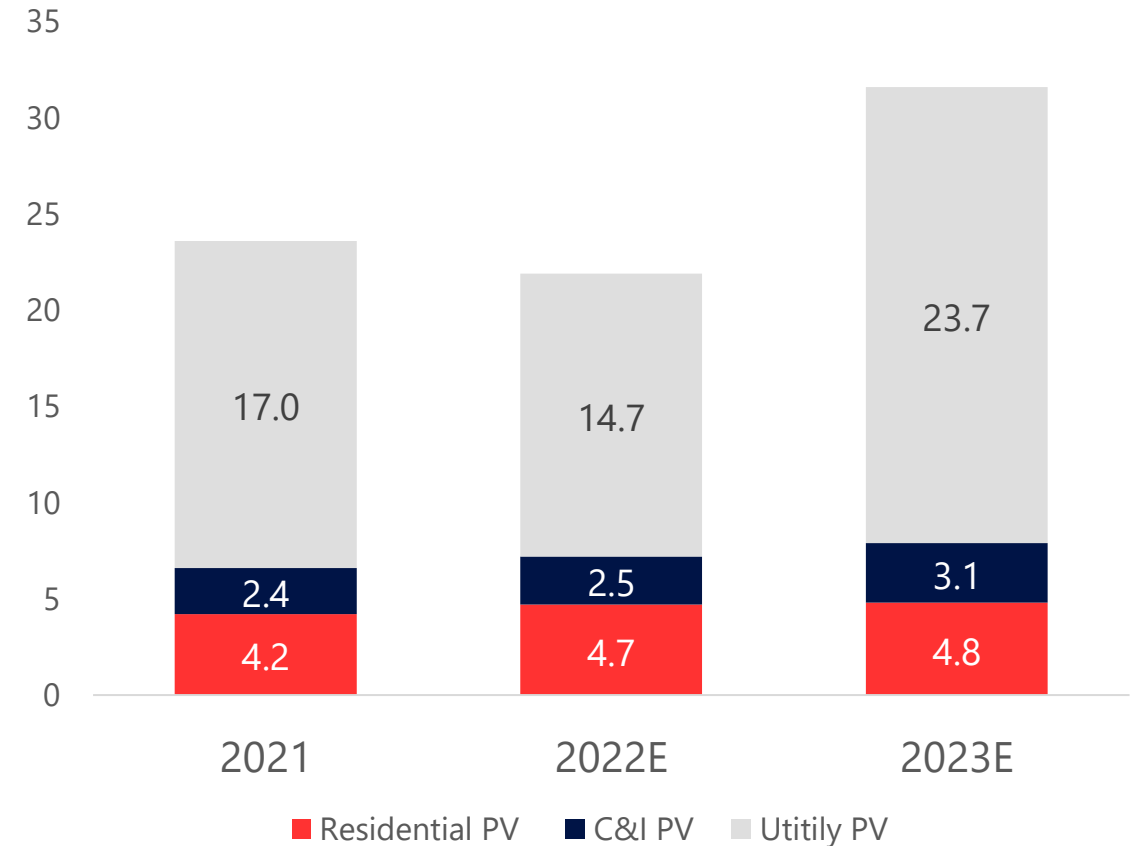
SolarEdge North America



Peter Mathews
General Manager North America

- Bay Area local since 1986, married, 2 children, grew up in Maine
- 15 years in solar; SolarEdge GM since 2012
- Prior experience: 25 year in semiconductor (FormFactor, Raychem, Digital Eqpt)
- B.Sc. Chemical Engineering, Cornell University
- SolarEdge North America: 330 employees in 29 states

U.S. PV Market (GW)



Source: Woodmac Annual US PV Installed Capacity and Forecasts (MWdc), Cumulative Pre-2010 – 2032 (Wood Mackenzie and SEIA's US Solar Market Insight)

Residential home storage

Reasons more homeowners are choosing batteries



Planned utility outages



Extreme weather events



Savings on Utility rates



Time of use management

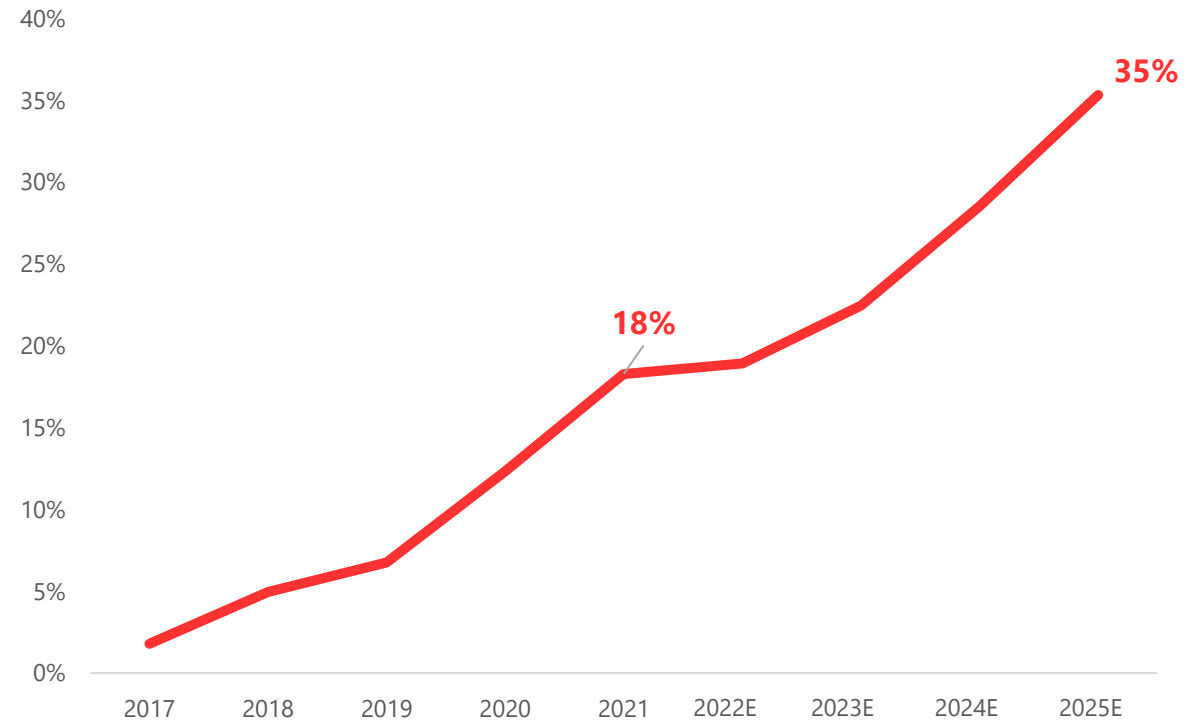


Independence from grid



Complete control of energy produced & stored

U.S. Residential battery attach rate



Source: Source: IHS PV installation tracker fourth quarter 2021

SolarEdge DC coupled architecture: More energy, more options

- DC coupled = more energy, fewer conversions, higher efficiency

- More energy to store and use whether the grid is on or off

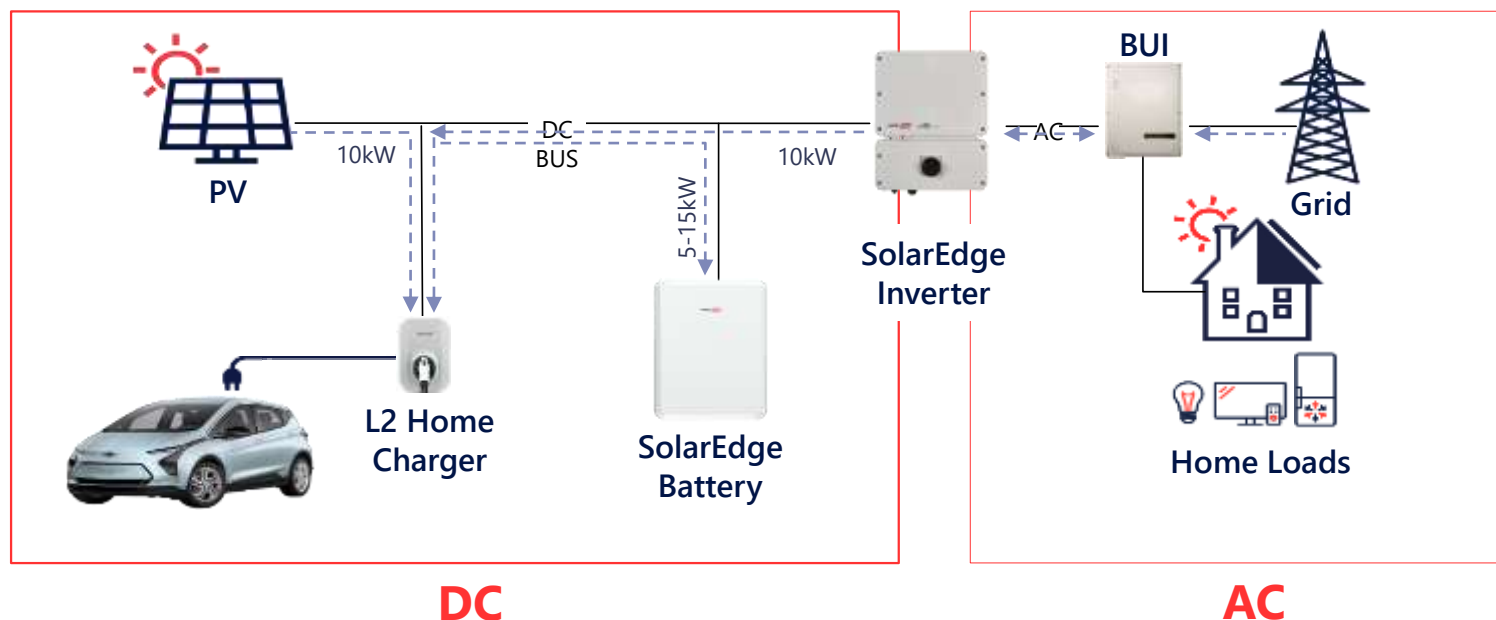
- Longer backup time

- Bigger solar arrays

- Fewer home electrical upgrades

- Scalable solution for EV, heating/cooling

- Enhanced safety with SAFE-DC



SolarEdge Community Solar



Overcoming a challenging Community Solar install

SolarEdge Community Solar Gardens maximize energy yield and design flexibility, while reducing O&M costs



SolarEdge was selected for its ability to overcome traditional challenges to community solar projects, including undulating ground, which can restrict module placement, and shading from nearby trees.
James Ponchez, Sunlight General Capital

Community Solar spotlight: New Jersey

130 MW

Installed + pipeline

100

Sites

33,000

Homeowners and

400

Businesses served



Summary

- Strong team in place with proven track record
- Solid market growth forecasted in all PV segments
- Energy storage and backup expected to accelerate the opportunity for SolarEdge
- SolarEdge's DC architecture offers many advantages

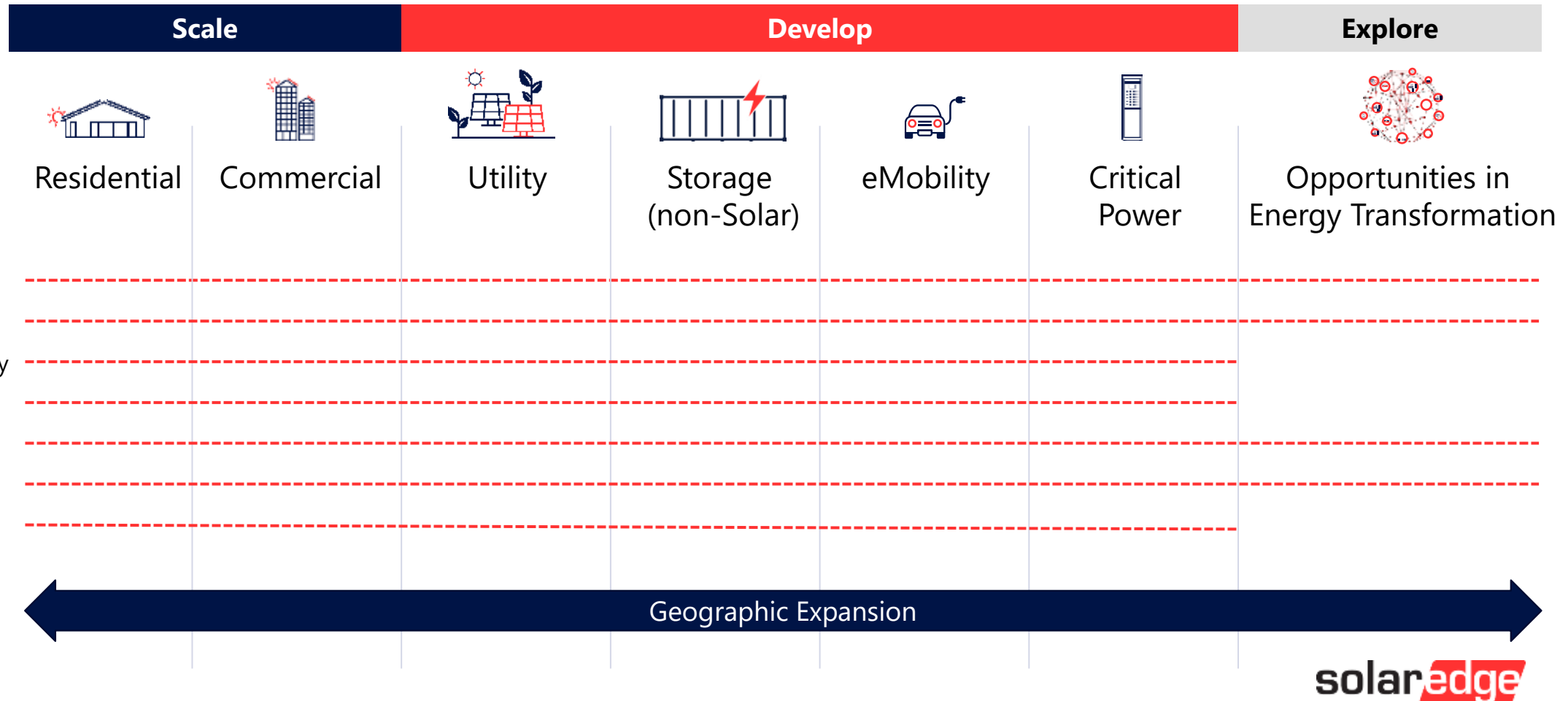
An aerial photograph of a city landscape. A wide river flows through the scene, bordered by lush green trees. A multi-lane road runs parallel to the river, with solar panels installed along its edges. In the background, a large stadium with a green field is visible, surrounded by urban buildings and parking lots.

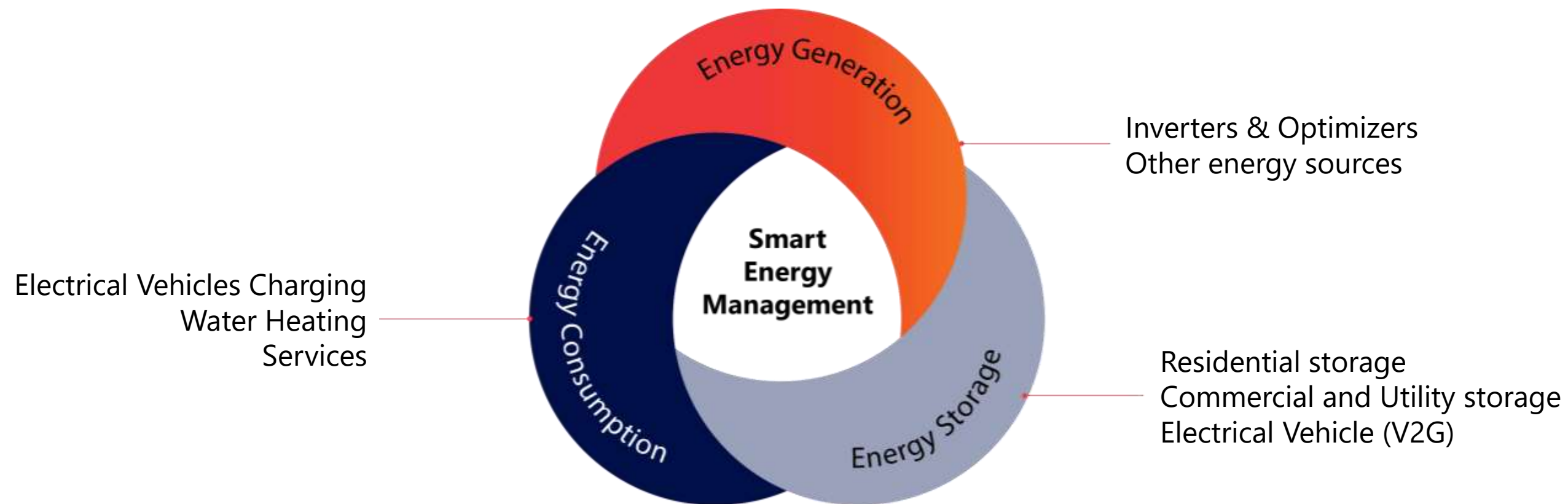
SolarEdge Growth Strategy

Zivi Lando, CEO

Our Strategy

To be a leading global provider of HW, SW and services in renewable energy markets where technology will improve the production, storage and consumption of energy







Residential

solar**edge**

Residential Solar 1.0

Harvest maximum power from the sun and feed it to the grid (or zero the meter)



Residential Solar 2.0

Optimizes energy production,
consumption and storage

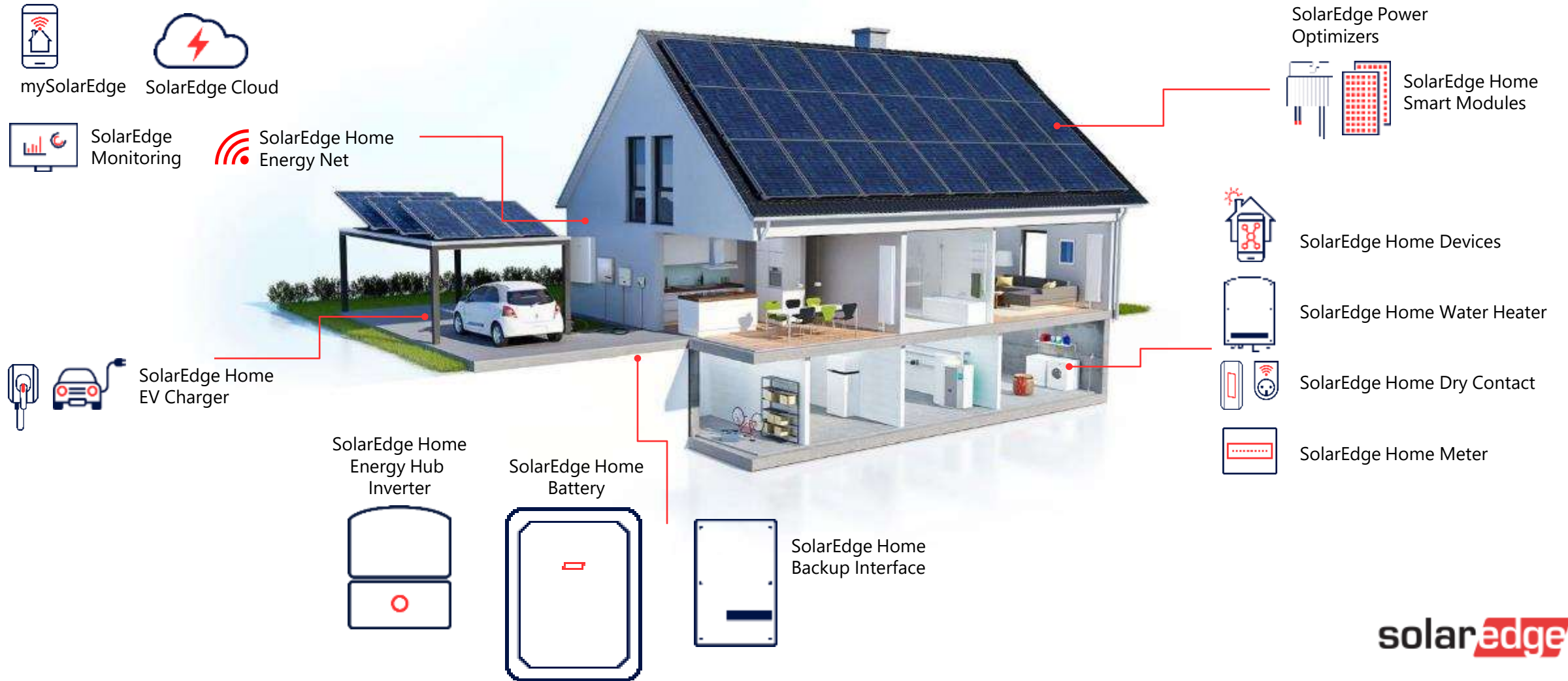
Maximizes self-consumption,
manages backup events and
provides grid independence

Sophisticated home energy
management system, decision
making algorithms and
improved financials

solar**edge**



Introducing SolarEdge Home



How the Operating System works



Inverters and Power Optimizers



2022 offering*

- Single phase up to 11.4kW; 3 phase up to 15kW
- DC Coupled battery optimized for maximum self consumption and backup
- Hub of SolarEdge Home Network
- Supports 550W panels with no clipping
- Embedded arc detection (AC and DC) and active temperature monitoring

In development

- 10 second commissioning
- Advanced generator integration and control
- Heat pump control for maximized self consumption
- SiC based residential inverters (fast switching), GaN based optimizers
- Support for 600W+ panels and G12 half-cut
- Proliferation of AC socket non-storage backup (in Japan)

*Some features still to be released during 2022

SolarEdge Home Batteries



2022 offering*

- Single phase residential battery released world-wide (10kWh)
- 3 phase to launch in H2'22
- Quick installation (SolarEdge Home Network)
- DC Coupled, low voltage and high voltage
- Can be charged from clipped energy
- UL9540A certified
- Gen. 2 based on Kokam cells in 2023

*Some features still to be released during 2022

SolarEdge Home Loads



controlled by
mySolarEdge app

2022 offering*

- EV Charger, single and three phase
- Dry switch for critical load (HVAC, well pump, etc), quick installation with SolarEdge Home Network. Release H2'22
- Hot Water Controller
- AC coupled Generator support (phase 1)

In development

- EV Charger:
 - Bi-directional (vehicle connected as battery)
 - DC coupled and high-speed DC charging
- Heat Pump integration into the SolarEdge Home eco-system
- Generator advanced integration into the SolarEdge Home eco-system

*Some features still to be released during 2022

solaredge

SolarEdge Home Operating System



2022 offering*

- Optimized self consumption and backup
- Time of use management
- Weather guard & backup reserve
- BIPV support by designer
- Main loads control

In the future

- Dynamic decision based on consumption and production modeling
- On-grid and off-grid functionality, including smart backup capabilities designed to optimize system behavior during backup
- 3rd party integrations

*Some features still to be released during 2022

Ease the installation journey



Reduce installation time and increase installation success rate

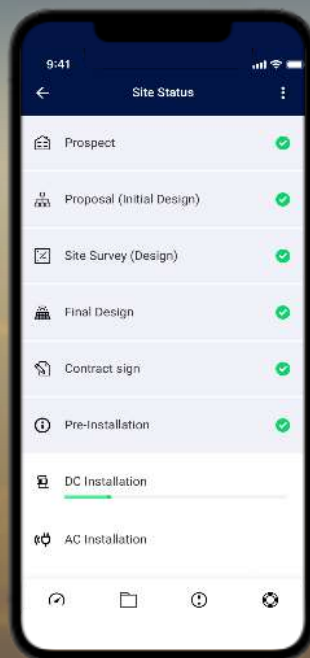
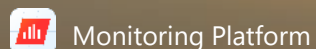
1 Pre-Installation



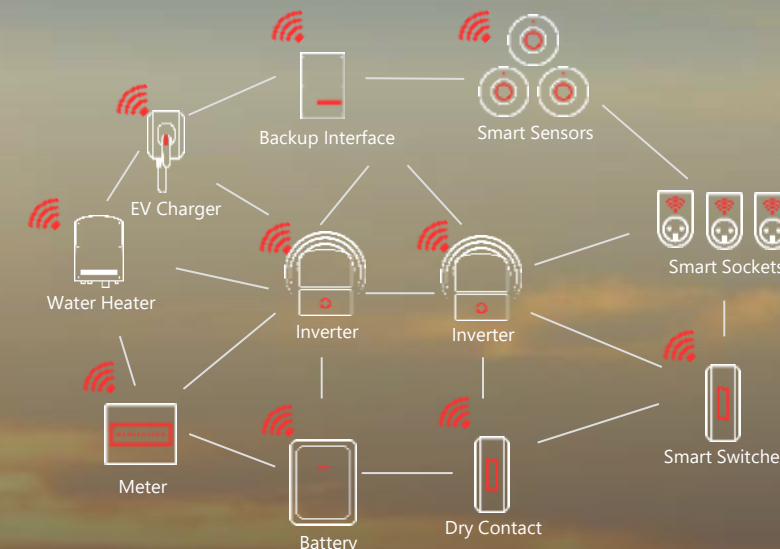
2 Installation



3 Post-Installation



SolarEdge Home Network



- Remote firmware upgrade and system configuration
- Guided installation and commissioning through installer app
- Automatic layout transfer from Designer to SetApp
- Installation verification
- Homeowner referral through mySolarEdge

- Wireless connectivity between all system devices
- Simple plug and play connection
- Automatic device detection and configuration

Residential - Leadership today with great potential for the future



52,000

Installers



112

Countries



2.27M

Residential sites





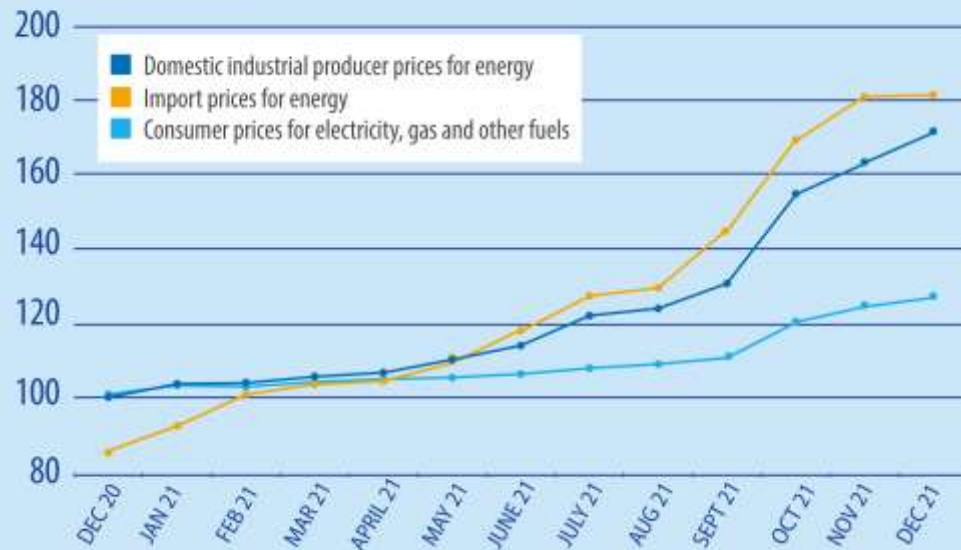
Commercial

Growing demand for Commercial

Soaring electricity prices

Energy prices in the euro area, 2021

(2015=100, unadjusted)



Source: <https://ec.europa.eu/eurostat/web/products-eurostat-news/-/edn-20220210-2>

Corporations are driven to meet sustainability goals



Every company and every industry will be transformed by the transition to a net zero world. The question is, will you lead, or will you be led?

Larry Fink, Blackrock CEO, 2022 Letter to CEOs



The Securities and Exchange Commission proposed rule amendments that would require a domestic or foreign registrant to include certain climate-related information in its registration statements and periodic reports, such as on Form 10-K

*Enhancement and Standardization of Climate-Related Disclosures
Fact Sheet 2022*

Commercial systems becoming more comprehensive



SolarEdge Commercial solution

Three Phase Inverters with Synergy Technology
Up to 120kW



Building blocks for any size of Commercial installation

Three Phase Inverter
Up to 40kW



Power Optimizers
S – Series up to 1400W



High input current, bifacial and high-power PV modules both M10 and G12

Power Plant Controller



Orchestration of multiple energy sources

Storage



Integration with 3rd party storage

Monitoring and Alert Platform



Module-level asset management tool with detailed performance data

Accessories



Environmental Sensors and Satellite-based PR

Diversified Commercial applications



Industrial Rooftops



Public Buildings



Carports & Floating



Farms & Agriculture



Small Ground Mounts

Floating PV Systems

Why SolarEdge?

- Advanced safety features reducing electrocution risk on water during installation and maintenance
- Module mismatch mitigation caused by bird droppings, ripples or other factors
- Due to difficulty of access to the floating system, module-level asset management platform enabling easier operation and maintenance and remote troubleshooting
- Resistance to harsh environment

7.1MW, Israel



2MW, Netherlands



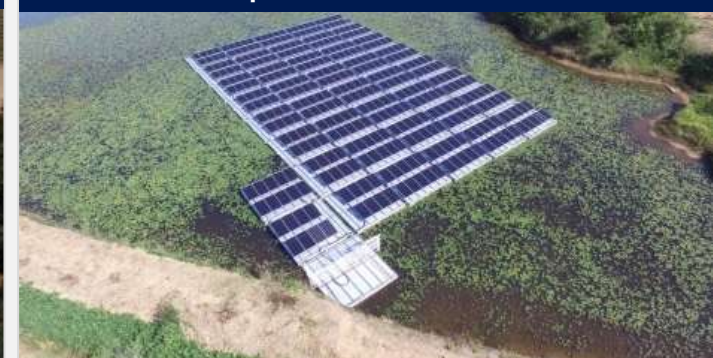
2MW, Taiwan



386kW, USA



124kW, Japan



Carports

Why SolarEdge?

- Advanced safety features
- Design flexibility – enables installation of strings of uneven lengths and strings in multiple orientations and different roof facets
- PV + EV energy management capabilities

3.49 MW, USA



Companies around the world are installing carports to reduce electricity costs while protecting fleet vehicles parked under from weather events.

13.5 MW, South Africa



4.2 MW, France



2.7 MW, Australia

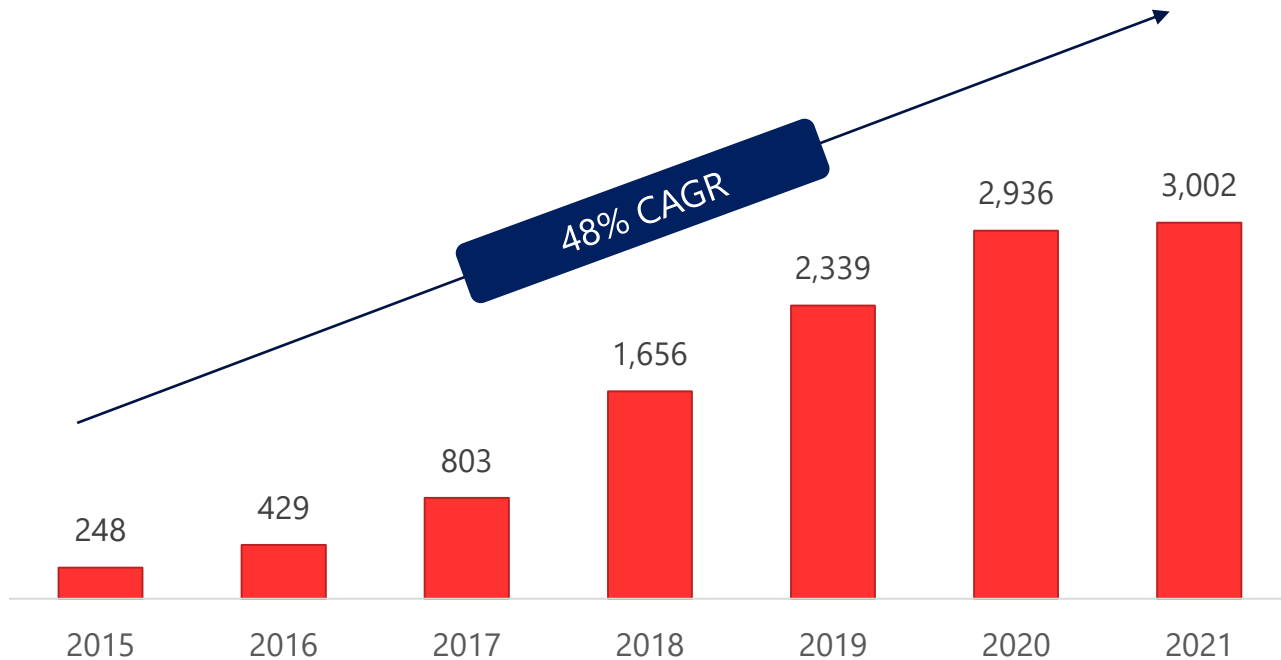


1.8 MW, Netherlands



SolarEdge Commercial shipments

Annual SolarEdge Commercial shipments
MW



5.5GW shipped and in backlog
for 2022 delivery

5,579*

2022E

*as of March 25, 2022



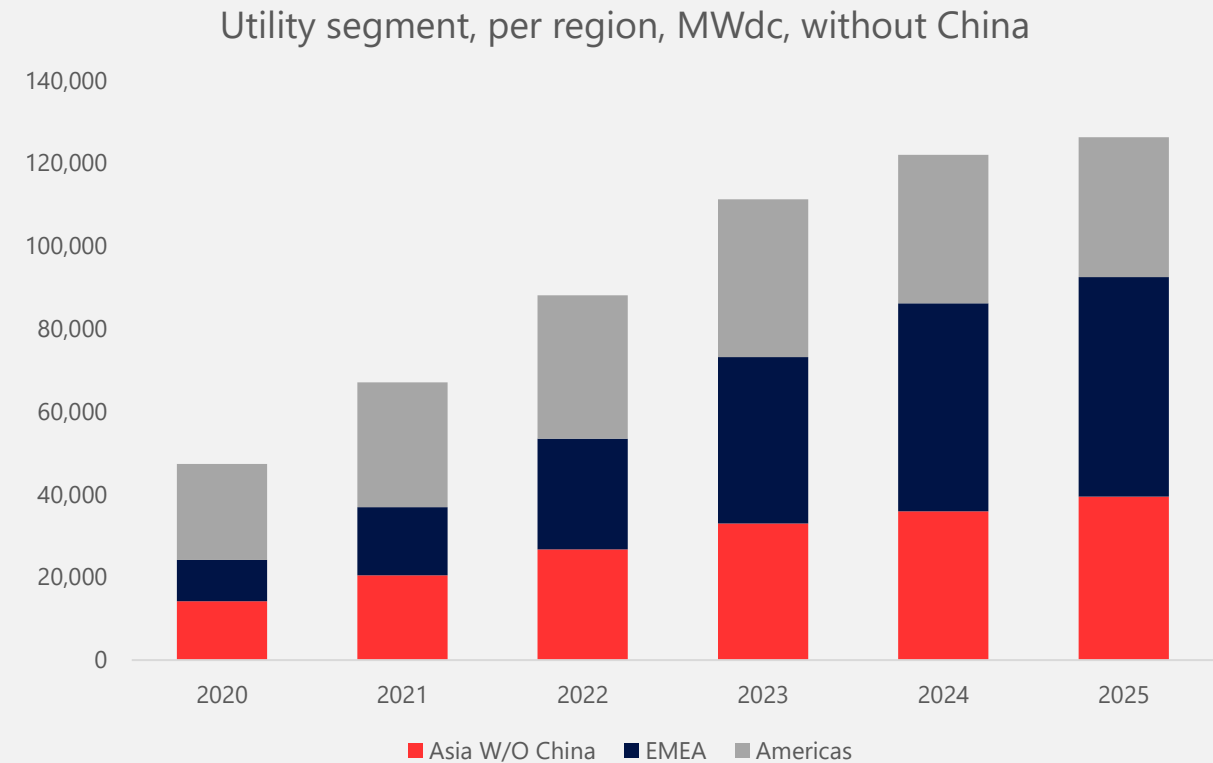
Utility

solar**edge**

Utility PV market trends

- Continuous reduction in cost per watt, favorable regulations and increased cost of fossil generated electricity, drive accelerated growth in Utility segment
- China, rest of Asia and NA are biggest markets
- Corporate drive to offset carbon emissions drives increased demand
- Growth in storage attach rates
- Interest in dual use of land where constrained

Increase in Utility PV Annual Capacity across Regions



Source: IHS Installation Tracker Q4, 2021

SolarEdge is already in the Utility market

- SolarEdge is already a player in the Utility segment
 - Strong demand among early adopters with specific need for optimization
 - Backlog of projects representing ~150MW**
 - A single 77MW site in Taiwan under construction

SolarEdge Utility Installed Base

~400MW*

Utility-scale
ground mount projects

~15

Utility projects
over 10MW

Representative Projects

50MW, Israel



15MW, Turkey



25MW, Japan



11MW, USA



*Defined as ground mount systems above 1MW
**for 2022 delivery

solaredge

Step 1: Leverage existing technology



Our current offering of inverters and optimizers address specific challenges in varied cases:

- Integrated Solar + Wind fields (shading)
- Unusual terrain outlays
- Bifacial modules
- Safety
- Cyber Security
- Balance of System (BOS) challenges
- O&M



Synergy 120kW Inverter



P1100 2x1 Optimizer

Step 2: Utility specific inverter and optimizer

2022
-2023

- Lower cost per watt
 - Dedicated Power Optimizer for higher power modules
 - Longer strings for reduced balance of system costs
 - DC Coupled storage ready
 - Enhanced cyber security and monitoring features
-
- Beta testing in progress
 - Commercial release expected in H2'22
 - Meaningful revenue expected in 2023



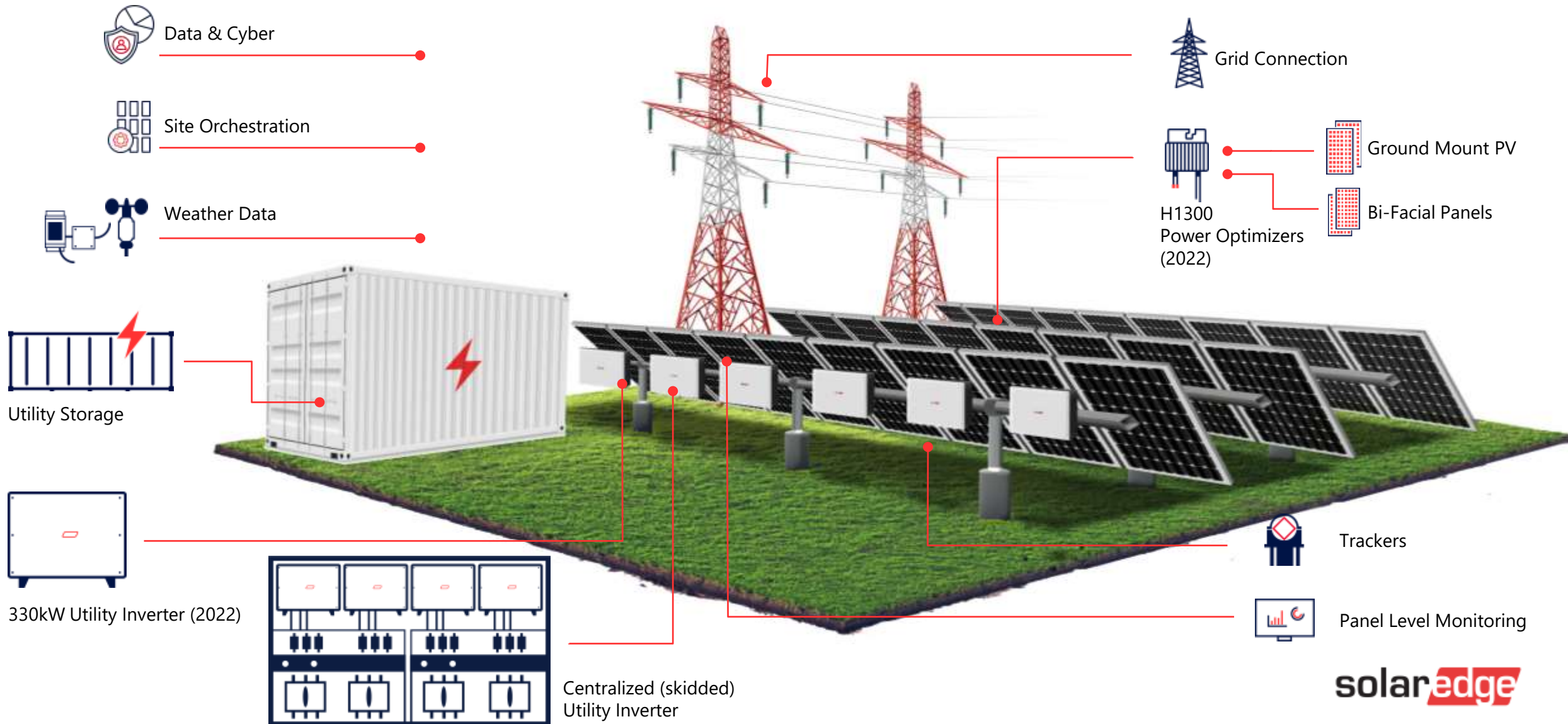
330kW Inverter



H1300 Optimizer

Step 3: Optimized Utility system

Future



Trackers and SolarEdge

- Trackers widely used in Utility market
- Optimization of entire system is critical to maximize value for investors
- In particular dual use and other emerging Utility applications require specific tracking solutions
- With that in mind, in 2021 we acquired SolarGik, a small startup founded by veterans, including one of the founders of Brightsource, a leading thermal-solar manufacturer / developer
- SolarGik was established on the belief that tracking in PV can be improved based on experience from the thermal solar industry
- Our intent in the coming years is to develop a tracking portfolio customized for the various applications, integrated with the SolarEdge Commercial and Utility offering
- Currently running test sites including small ground mount and agro-PV

Storage

Energy Storage

Innovative cell technology and owned manufacturing drive product differentiation and capacity benefits



\$61B

Global cumulative TAM for battery storage by 2025*

25X

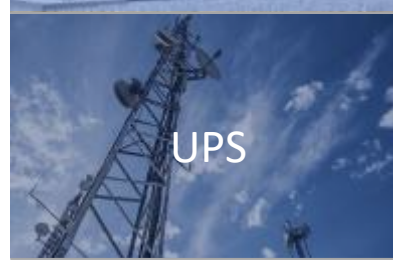
Expected increase in battery storage capacity by 2030**

*Goldman Sachs Equity Research, Stem Inc., May 23, 2021
**Wood Mackenzie, Global Energy Storage Outlook: H2 2020

Storage applications

- SolarEdge is already a supplier of Li-Ion cell and storage systems for high power / high energy applications
- With the increased capacity to come from Sella 2, opportunity opens to accelerate the penetration in these applications

Cell technology



New and alternative chemistries

- Owning the chemistry for making battery cells enables reaching cell characteristics and manufacturing processes that can optimize battery performance and reduce manufacturing costs
- NMC Roadmap
 - Currently manufacturing NMC 622
 - Exploring NMC811 and future high nickel cathodes
- LFP
 - Developing own process for LFP for CSS and ESS application
- Future anodes
 - Development of new anodes compositions expected to extend cycle life and enhance safety
- New manufacturing methodologies planned to reduce use of hazardous materials

A white SolarEdge e-Mobility van is parked in front of a building. The van has blue lettering on its side that reads "100% DUCATO" and "100% ELECTRIC". The building in the background has a sign that says "solar edge e-Mobility".

solar edge
e-Mobility

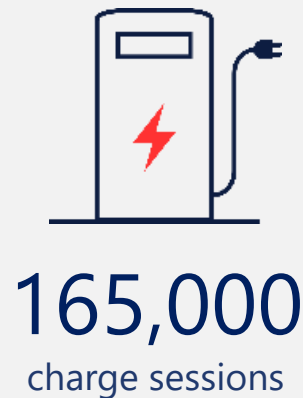
100% DUCATO
100% ELECTRIC

eMobility

solar edge

Our learning in eMobility

- In full swing of supply to Stellantis of powertrain kits and batteries for E-Ducato light commercial vehicle
- The project is planned to continue at least until the middle of 2024
- We have learned to be a tier 1 automotive supplier, performing well on roads across Europe
- We have applied our expertise in quality and reliability from optimizer and inverter manufacturing lines
- Additional markets and opportunities are under evaluation or in pilot testing





Critical Power

Critical Power



New 3-Phase UPS portfolio in beta

Launch H2'22



1-Phase under development

Release in 2023



Secure UPS Cloud Monitoring

Launch late 2022



Hybrid UPS and Commercial PV

Convergence opportunity

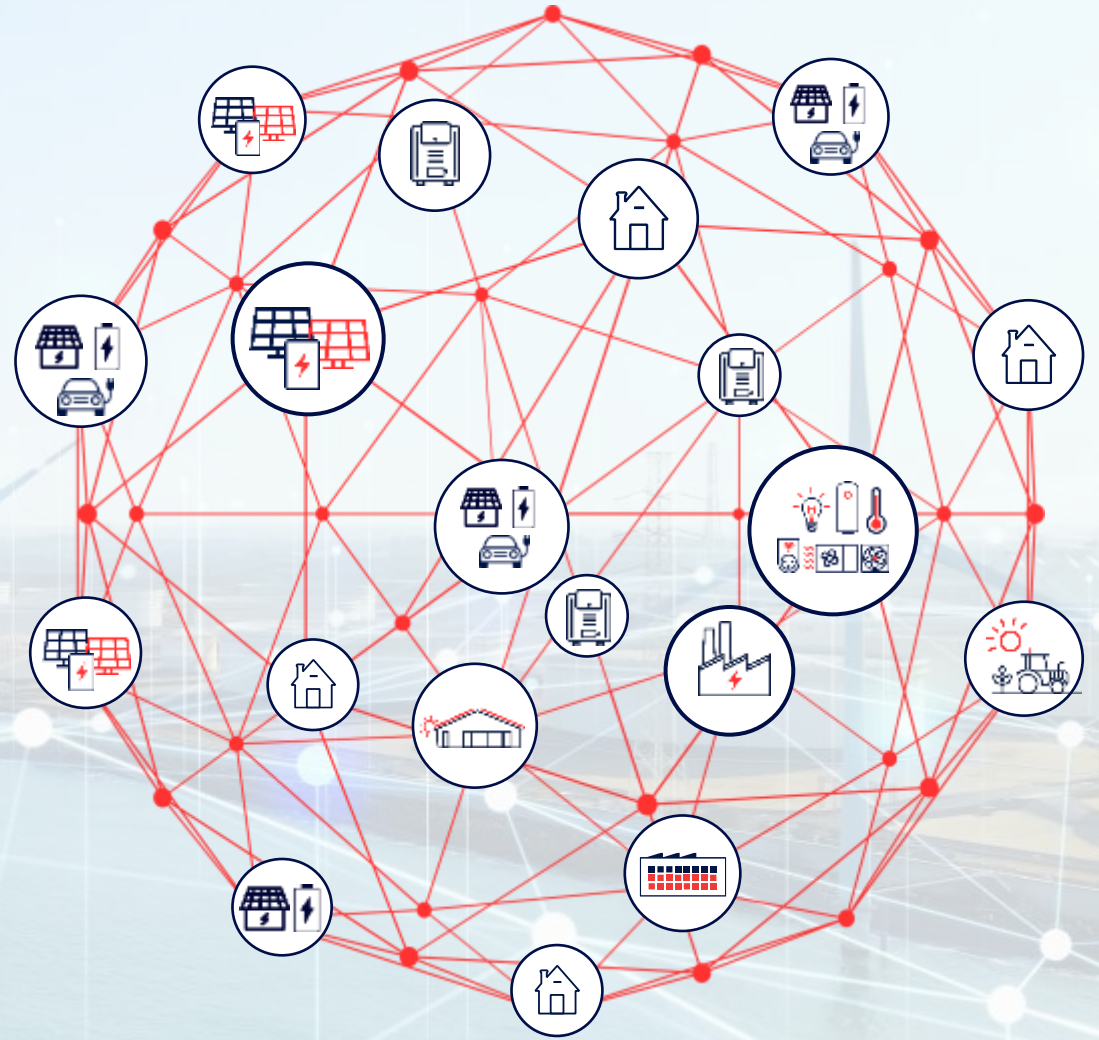


Imagine

Yogev Barak, Chief Marketing Officer

Energy transformation

- The energy market is transforming
- Nodes are connected with each other
- Common technology building blocks shared across verticals and nodes
- Connecting and orchestrating the dots create new opportunities
- As a technology company we are constantly evaluating where we can provide differentiated solutions to accelerate the transition



The future home

Is fully electric (vehicles, cooling & heating, water treatment)

Decentralized, feeding from multiple sources (PV, battery, generator, grid)

Interconnected with the community, neighborhood or a virtual micro grid



The future home

Consumes **more energy** and needs to sustain longer blackout periods

Can have solar panels, building-integrated PV (BIPV) or not have PV at all

Feeds from multiple energy sources: PV, batteries, generators or the grid, making it **resilient** and cost effective



Not limited by **legacy infrastructure**, external grids or in-house wiring

Loads and sources are interconnected to **harmonize** production, consumption and storage of energy

Electricity, space heating & cooling, water heater and even waste management are connected together to **optimize energy use**

DC in the home



Why is a DC home the natural choice?

- ▀ Nature is DC (no AC lightnings...)
- ▀ The road to net-zero is paved with PV and batteries - electricity is produced and stored in DC
- ▀ Most loads are DC native
- ▀ No wasteful conversions (DC to AC to DC)
- ▀ Enhanced Safety (USB sockets for most loads)



Efficiency gains will gradually move homes to DC

Future household estimated yearly domestic electricity consumption

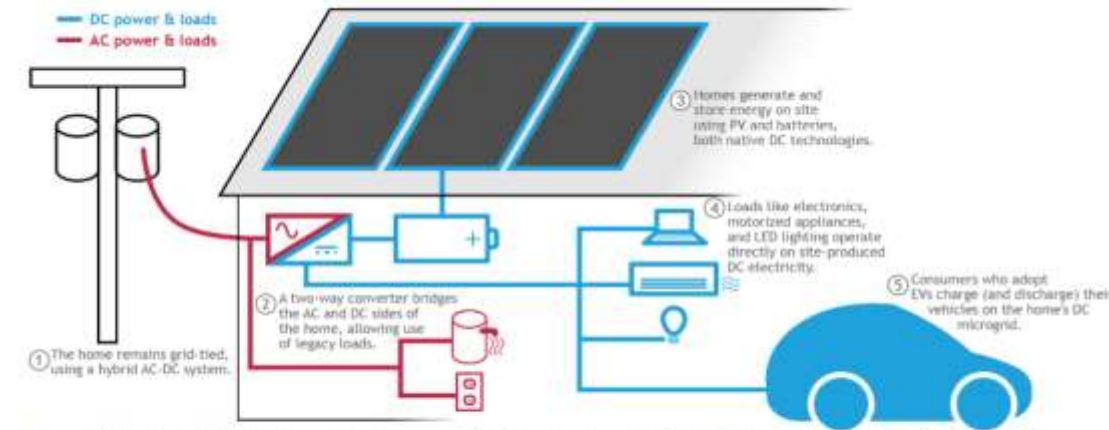
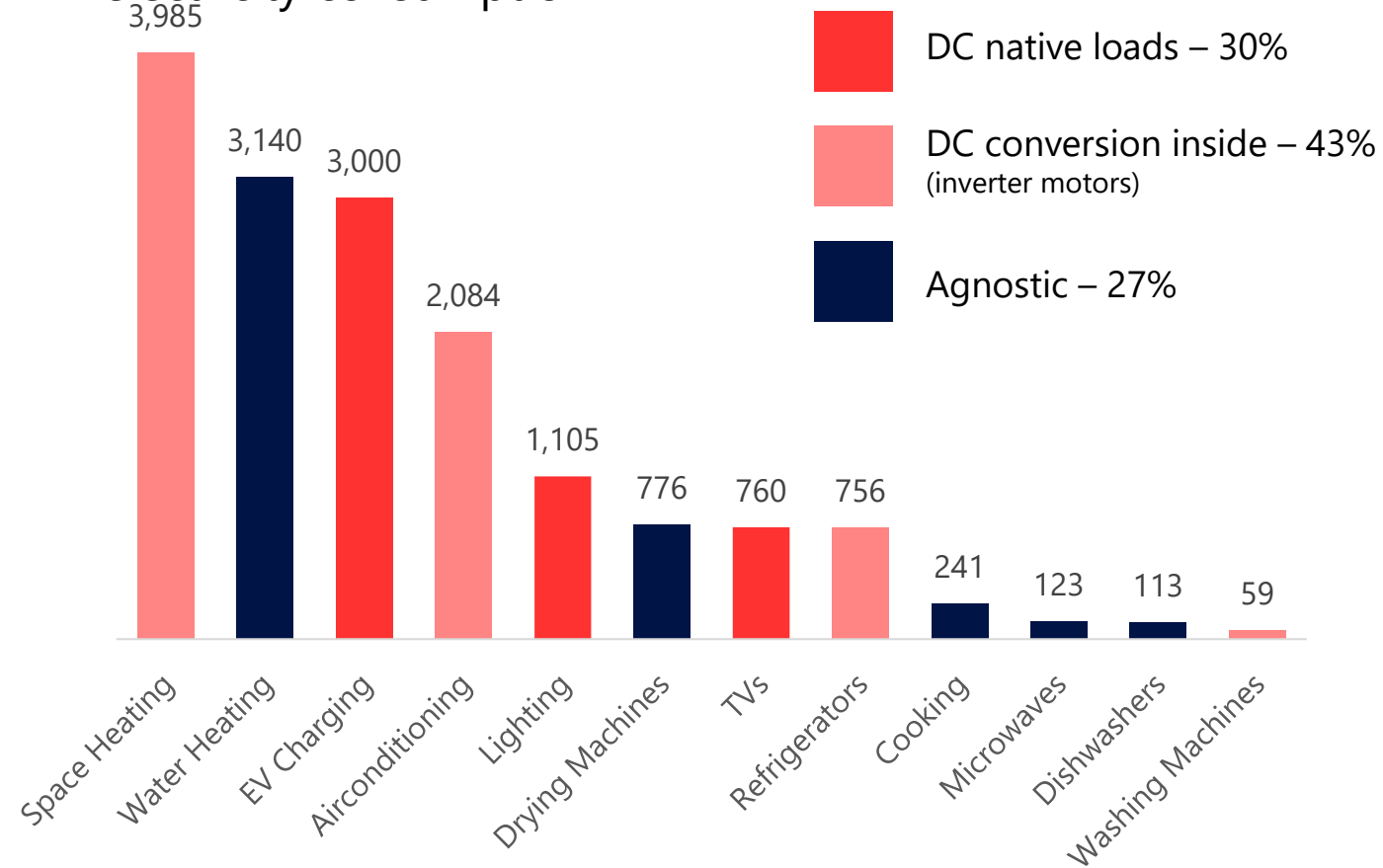


Figure 1(B): Simplified schematic of power distribution in a Hybrid-DC house. Red and blue lines indicate AC and DC distribution, respectively; red and blue shapes indicate AC and DC loads, respectively.

Source: Demand DC. Accelerating the Adoption of DC in the Home, CLASP

Sources: EIA, Residential energy consumption survey;
BCG <https://www.bcg.com/publications/2019/electric-vehicles-multibillion-dollar-opportunity-utilities>
and company analysis

The future farm



Agriculture sector challenges

- Global food demand is growing
+70% supply required by 2050
- Agricultural land per capita is decreasing
-23% in 20 years
- Labor scarcity
average farmer > 65y/o, 31% reduction in workforce between 2005-2016 (EU)
- Rising costs of inputs
energy prices and fertilizer at all time high
- Climate change impacts
extreme weather conditions causing crop failure and decrease available farmland
- Decarbonization demands
20% global GHG emissions and 25% global energy consumption

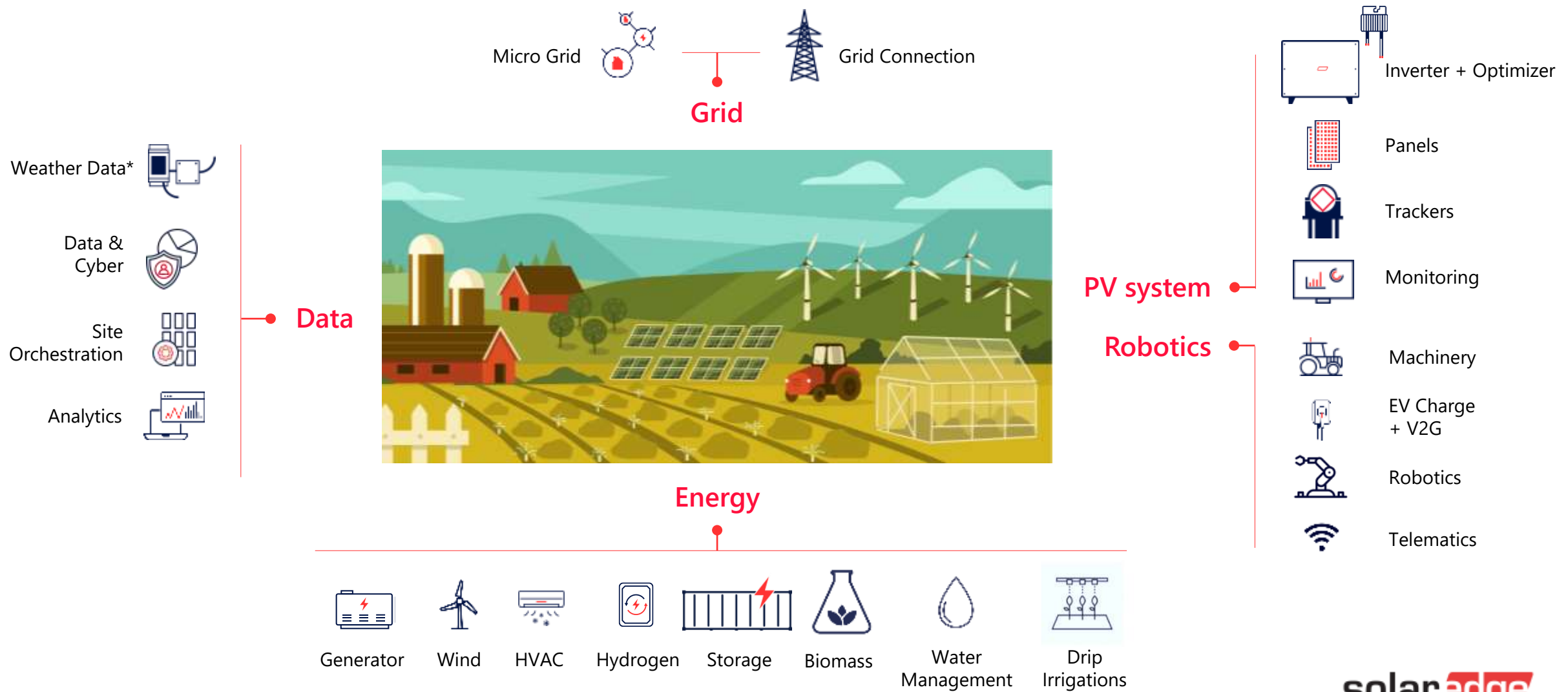
Through 2050, more than \$60 billion of annual capital spending would be needed to enable more emissions-efficient farming

Agro PV

- Enable dual use of agriculture land for energy production and agriculture activity
- Farmers get additional revenue stream, reduction in water usage and crops protection
- Use of electricity for on-farm activity and facilitate the electrification process of agriculture
- Solution for the rising demand of large scale solar



The Future Farm



Greenhouses

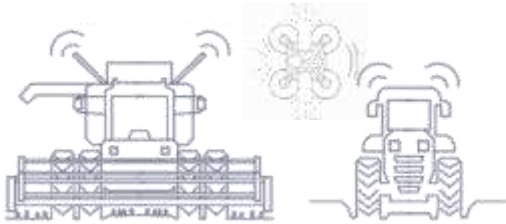
- Temperature regulation typically accounts for most of the primary energy demand for agriculture greenhouse
- Lighting, humidity and the mechanical equipment within a greenhouse also determines the levels of energy
- Solar energy technologies and strategies can sustainably and reliably meet the energy demands of agricultural
- Integrated semitransparent modules for energy generation, solar cooling and storage are increasing in use as means for managing the energy demand of greenhouses



Opportunities in the future farm

Future Ingredients

Autonomous electric machinery



Zero emission Microgrid



Building Blocks

Power Electronics 

Battery
Technology



Charging
Technology

eMotor



System / Data

Manufacturing
Technologies

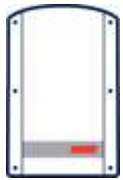


Thermodynamics

Solar PV Services

The energy transformation has just begun

- The building blocks we are mastering today will be the foundation of continued energy transformation in the future
- We are exploring opportunities to continue and lead this transformation



Power
Electronics



Battery
Technology



Charging
Technology



Thermodynamics



Manufacturing
Technology



System / Data



Services

A person's hand is shown typing on a laptop keyboard. The laptop screen and the surrounding area are overlaid with a complex, futuristic digital interface. This interface includes various icons such as gears, a target, a magnifying glass, and a bar chart, along with lines of code and data. The overall aesthetic is high-tech and digital, with a blue and white color scheme for the overlays.

The SolarEdge 'Edge'

Meir Adest, Founder, Chief Product Officer

Diverse in-house R&D expertise

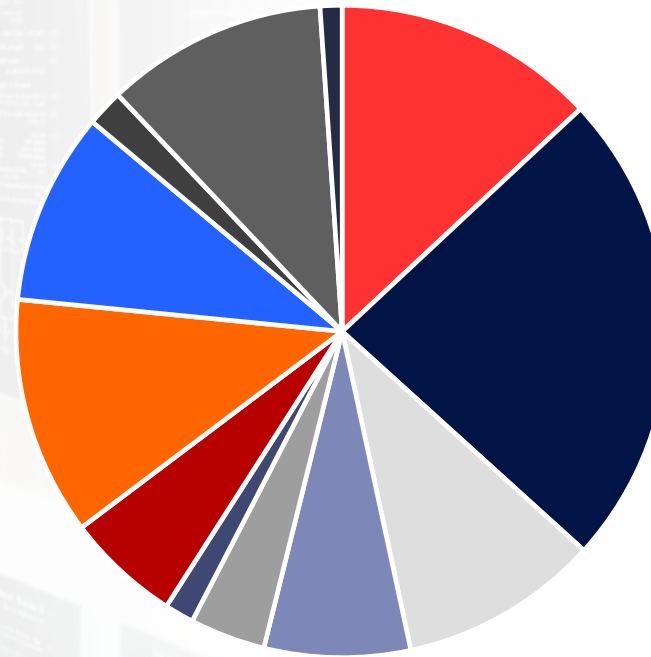
It Starts with

Our People

System						
Hardware	Power	Magnetic	Digital	Analog	Communication	Simulations
Software	Embedded control	Embedded IoE		Frontend	Backend	DevOps Architects
Mechanics	Metal design		Plastic design		Motors	Simulations
Chemistry & Materials	Potting	Adhesives	Thermal mng.	Fire prevention	Battery cell	Simulation Analysis
Automation	Mechanics		HW design	SW frontend	SW backend	System

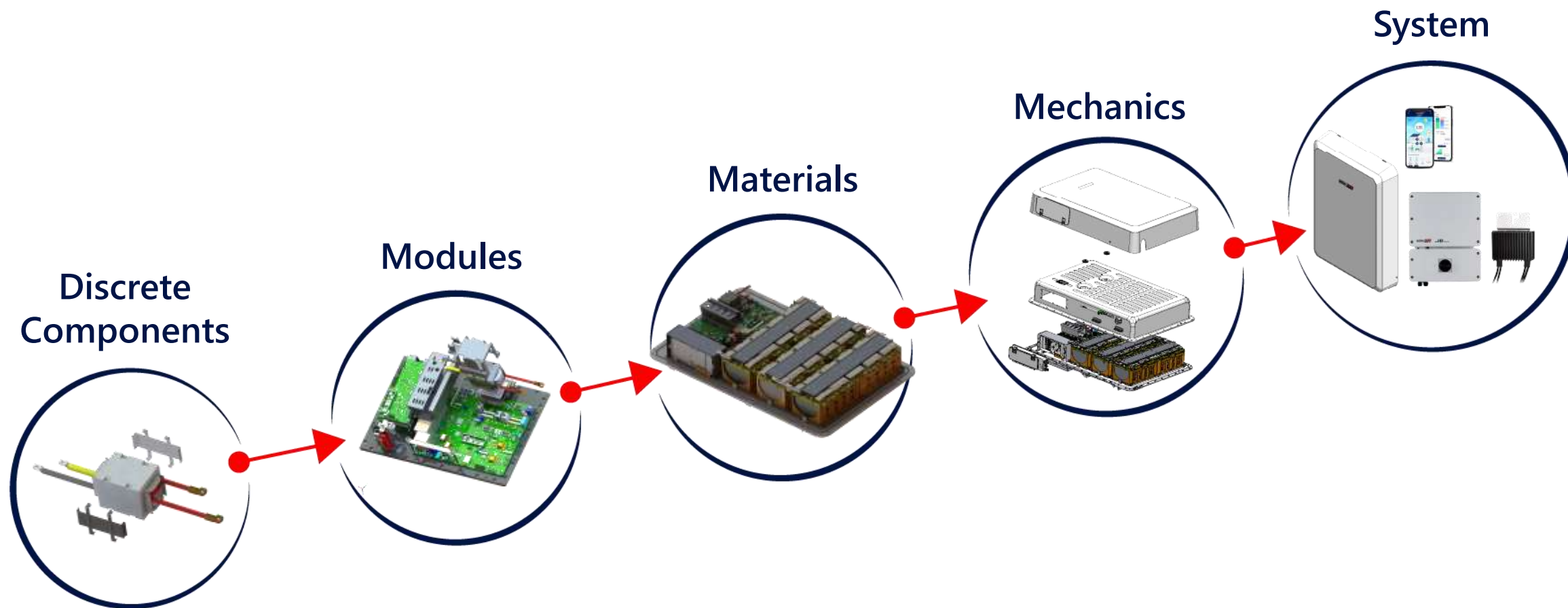
Rich multidisciplinary patent portfolio

>400 granted patents
and ~420 pending



- Circuit
- Distributed power
- Mechanics
- SW/Monitoring
- Storage
- Magnetics
- E-mobility
- Safety
- Power topologies
- Chemistry
- Battery chemistry
- Module design

Owning the technology building blocks



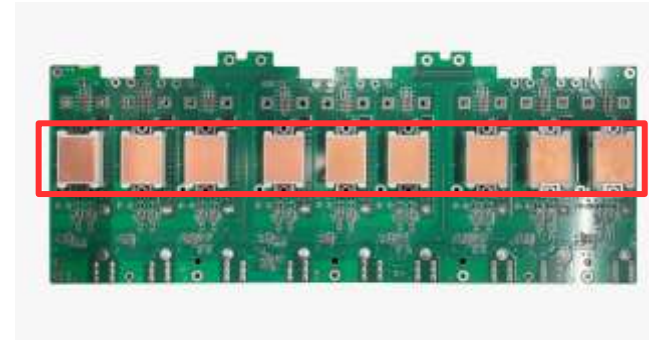
Innovation in power conversion

Transition to Higher-Frequency Elements

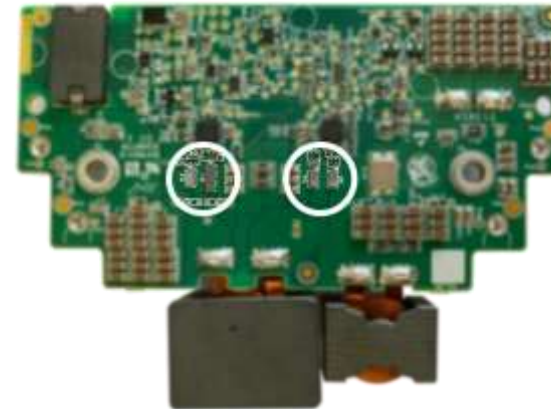
Enabling technology for higher efficiency and smaller-form factor

SiC – already in newly released and field deployed inverter & battery products

GaN – working prototypes for power optimizers



Inverter with SiC



Power Optimizer Design with GaN



Discrete Components

Strength from in-house ASIC design

- SolarEdge proprietary ASIC in inverters and power optimizers
- Designs based on internal silicon platform for fast development cycle
- Development platform designed for high voltage power application including mix-signal and digital silicon IPs
- Superior power management at small-footprint and with 25 year reliability
- Real-time configurable hardware and custom CPU architecture
- Designed to provide optimized and predictable system behavior



35 ASIC engineers



>225 combined years of experience



Engineers with experience from Texas Instruments, Intel, Tower, DSPG, Cadence, Broadcom

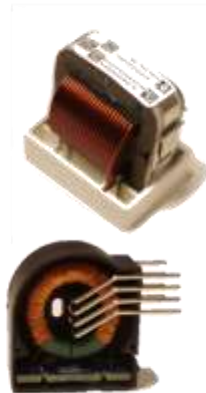


Discrete Components

solaredge

Vertical integration

- Self-developed and self-manufactured magnetics and switching elements
- Developing in-house electrical capacitors
 - Targeting higher reliability of 2-3 times longer lifetime
 - Designed to allow higher working temperature



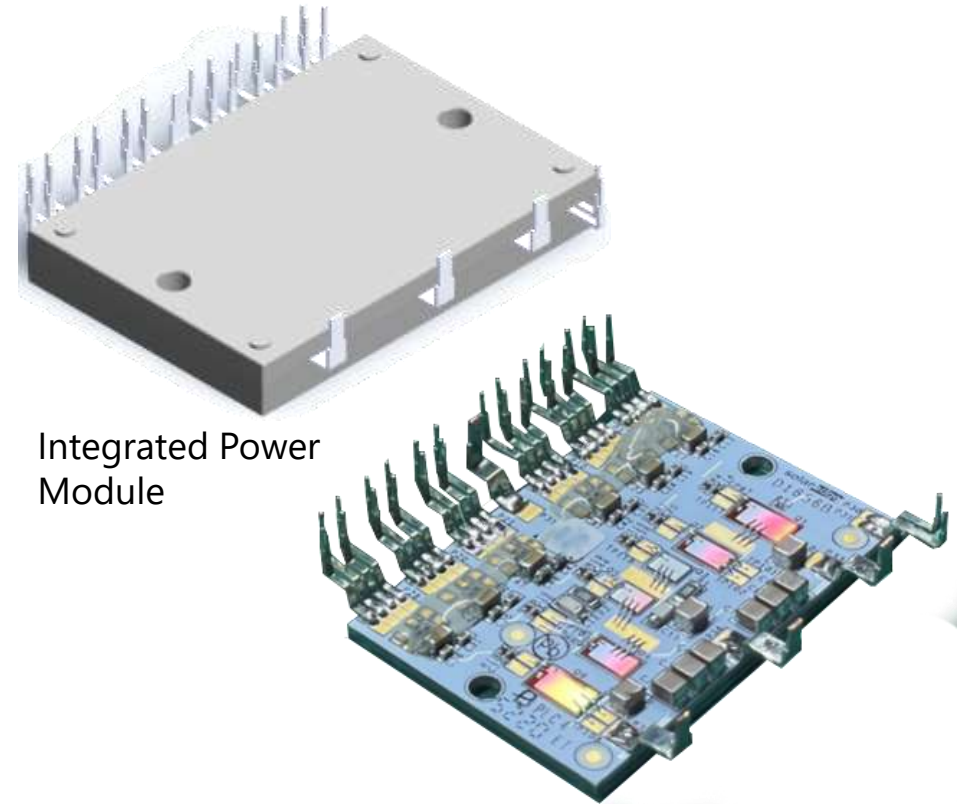
Modules

Sub-modules

- Developing in-house Integrated Power Module (IPM) for:
 - Enhanced electrical performance
 - Better thermal performance
 - Higher reliability
- Proprietary current sensors drive enhanced real-time performance and higher efficiency



Current sensor

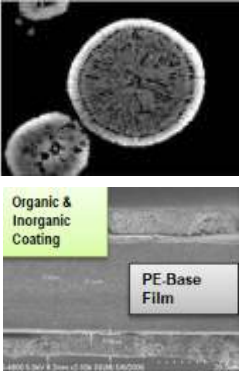
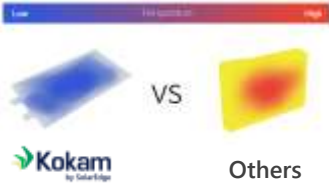







Integrated Power Module



Modules

Owning full storage technology stack

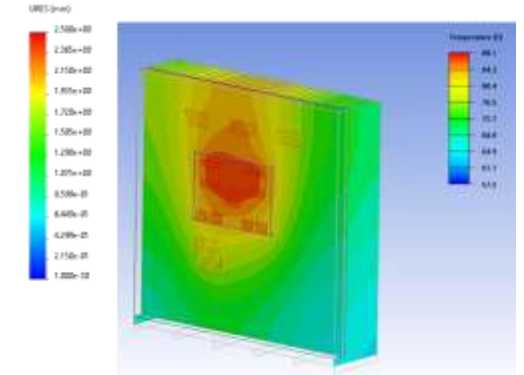
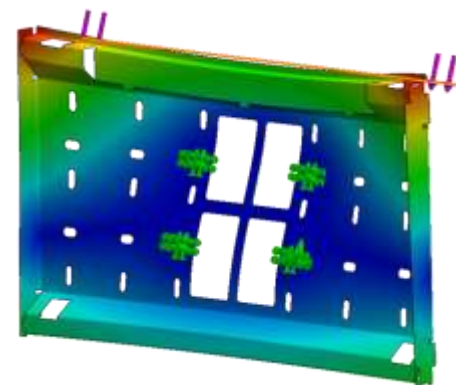
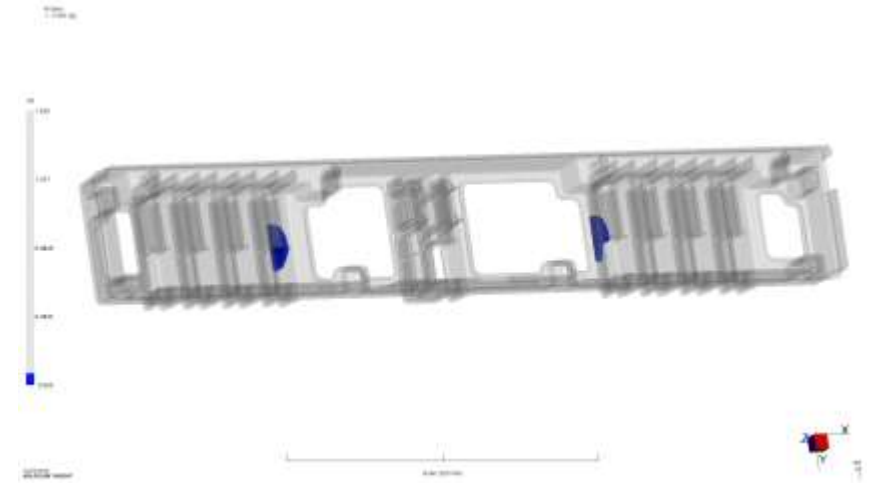
Cell Chemistry	Cell Design	Cell Manufacturing	Thermal Control	Battery packs	Battery electronics	Battery analytics
<ul style="list-style-type: none"> NCM622 NCM811 LFP 	<ul style="list-style-type: none"> Unipolar & Bipolar Reduced internal resistance and low heat generation Enhanced High Power Cell 	<ul style="list-style-type: none"> Z-fold technology High thermal conductivity and heat dissipation 	<ul style="list-style-type: none"> Natural convection Forced Air Liquid Cooled 	<ul style="list-style-type: none"> High C-rate Long cycle life Accommodate various voltage & capacity requirements Safety features 	<ul style="list-style-type: none"> BMS (Battery Management System) BPU (Battery Protection Unit) 	<ul style="list-style-type: none"> Track voltage, current and temperature Alarm & protect 



Materials

Our electro-mechanical edge

- In-house mechanical expertise and innovative approach complement our power electronics know-how
- Direct contribution to smaller form factors, higher reliability, robustness and safety
- Design for manufacturability (DFM)
- Advanced simulation tools to minimize iterations and expedite product time to market



Mechanics

System Architecture



System elements

Communication



Safety & Security



Data

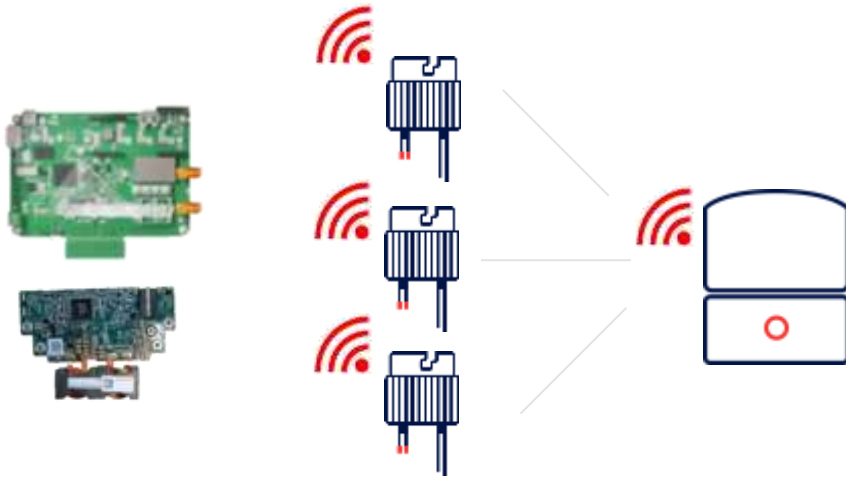


Energy Management



Robust communication is key

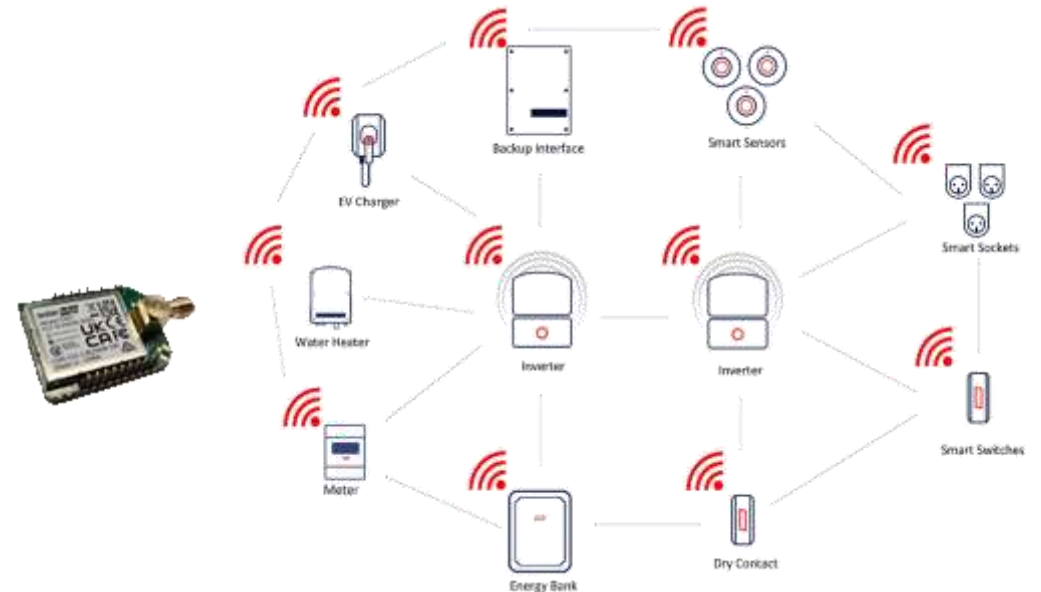
Robust Core Communication



3rd generation of direct DC Power Line Communication (HF PLC)

Introducing new technology for 3 second pairing, expanding capabilities for large scale PV (expected in H2'22)

Wireless Mesh Network



SolarEdge Home Network Sub giga-hertz radio communication allows wireless communication between system elements



Holistic safety envelop



Built-in SafeDC™



Rapid Shutdown



Safety Triggers



Integrated Arc Fault
Detection & Interruption



Abnormal Temp Detection

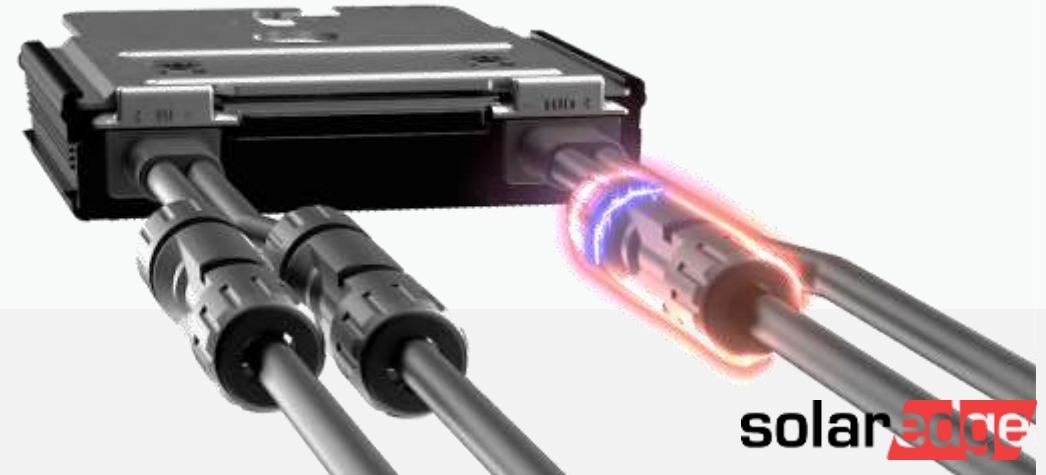


Connection
Validation



Sense Connect Technology

Thermal anomalies sensing at the connector level



Safety & Security

solar**edge**

Cyber Security



Code reviews by dedicated security applications



Continuous & automatic integrity checks
Automatic intrusion prevention

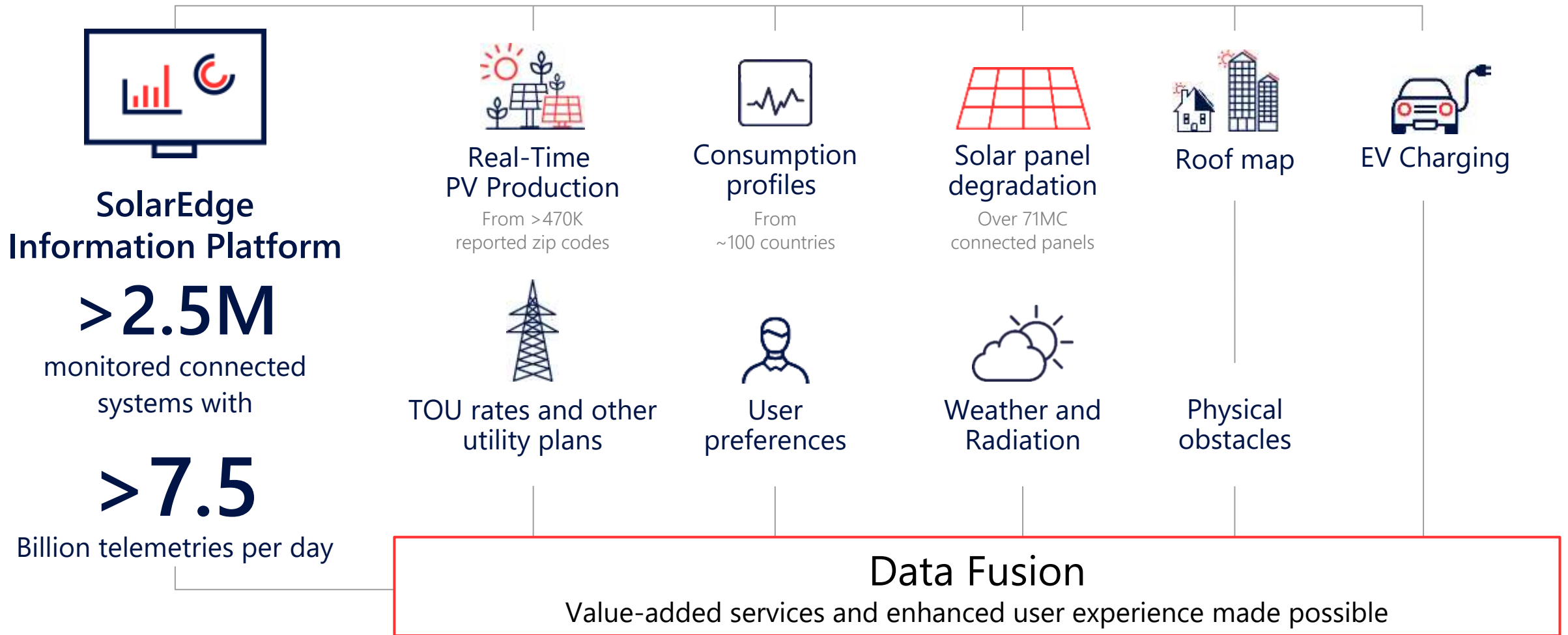


Secured private ISO27001 certified
Strong authentication & encrypted cloud communication
Automatic intrusion detection
System security validation



Safety & Security

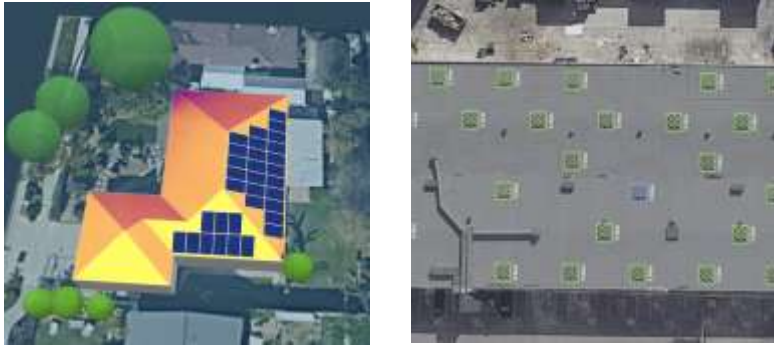
Big data system capabilities



Data

Smart data analytics – Examples

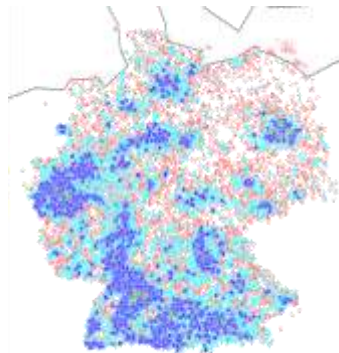
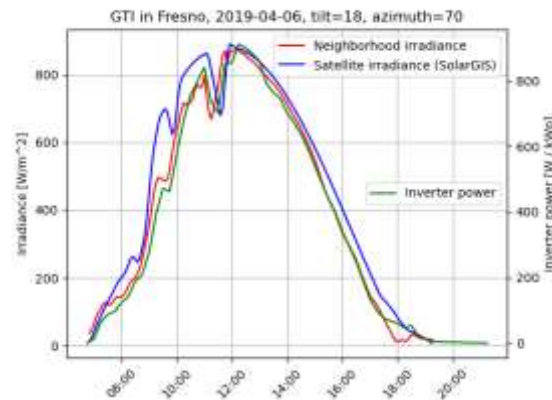
Computer Vision



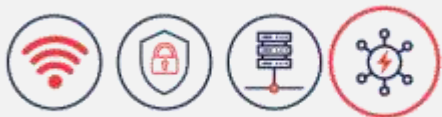
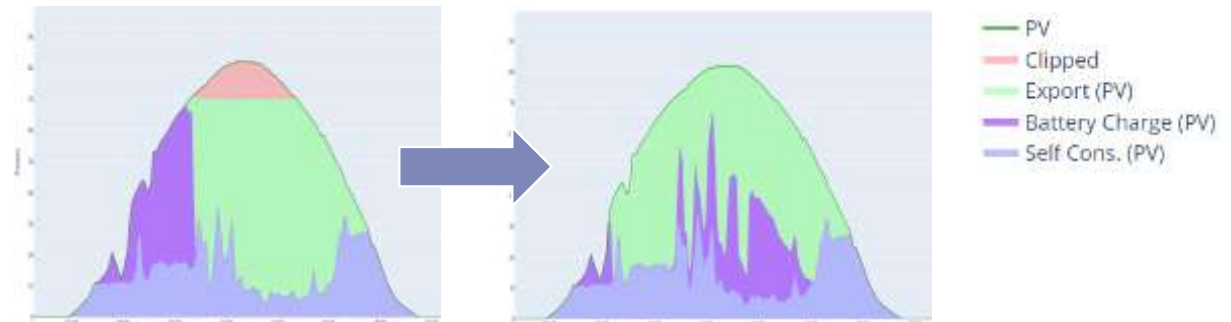
Weather Guard with County-specific Machine Learning



Predictive Analytics



AI based battery management



Energy Management

Applications – Examples



**1.6M users
of mySolarEdge**

In the last 12 months



**2M project designs
with Designer**

As of March 2022



**Home Battery
recommendations**

Based on user's goal



Professional services

Customized solutions
monitor over 60MWh

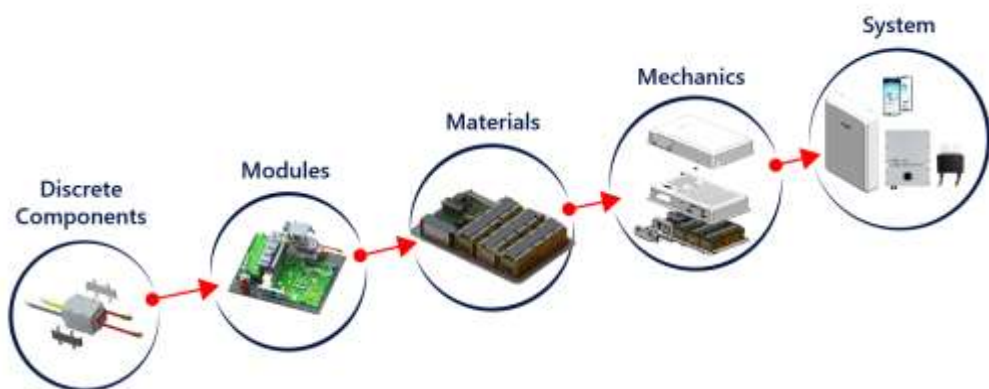


Energy Management

solaredge

Summary

Our Technology



Our People

System									
Hardware	Power	Magnetic	Digital	Analog	Communication	Simulations			
Software	Embedded control		Embedded IoE		Frontend	Backend	DevOps	Architects	
Mechanics	Metal design		Plastic design		Motors		Simulations		
Chemistry & Materials	Potting	Adhesives	Thermal mng.	Fire prevention		Battery cell	Simulation	Analysis	
Automation	Mechanics		HW design		SW frontend		SW backend		System



Operational Excellence

Uri Bechor, Chief Operations Officer

SolarEdge manufacturing overview

Progress in the last two years

- Opened our Copy Smart manufacturing facility Sella 1, Israel
- Opened a North American manufacturing site in Mexico
- Assembling all optimizers on automated lines
- Started producing inverters on an automated line
- Opened a battery manufacturing facility in Hungary
- Ramped certified automotive facility in Italy
- Managed Covid and supply chain challenges

Manufacturing in numbers

20

Automated assembly
lines for optimizers

8

Factories in 3
continents

7,000

Manufacturing
workers*

1.5M sqf

Manufacturing floor space*

400

Suppliers worldwide

140TB

Accumulated production data

790K

Inverters produced in 2021

18.6M

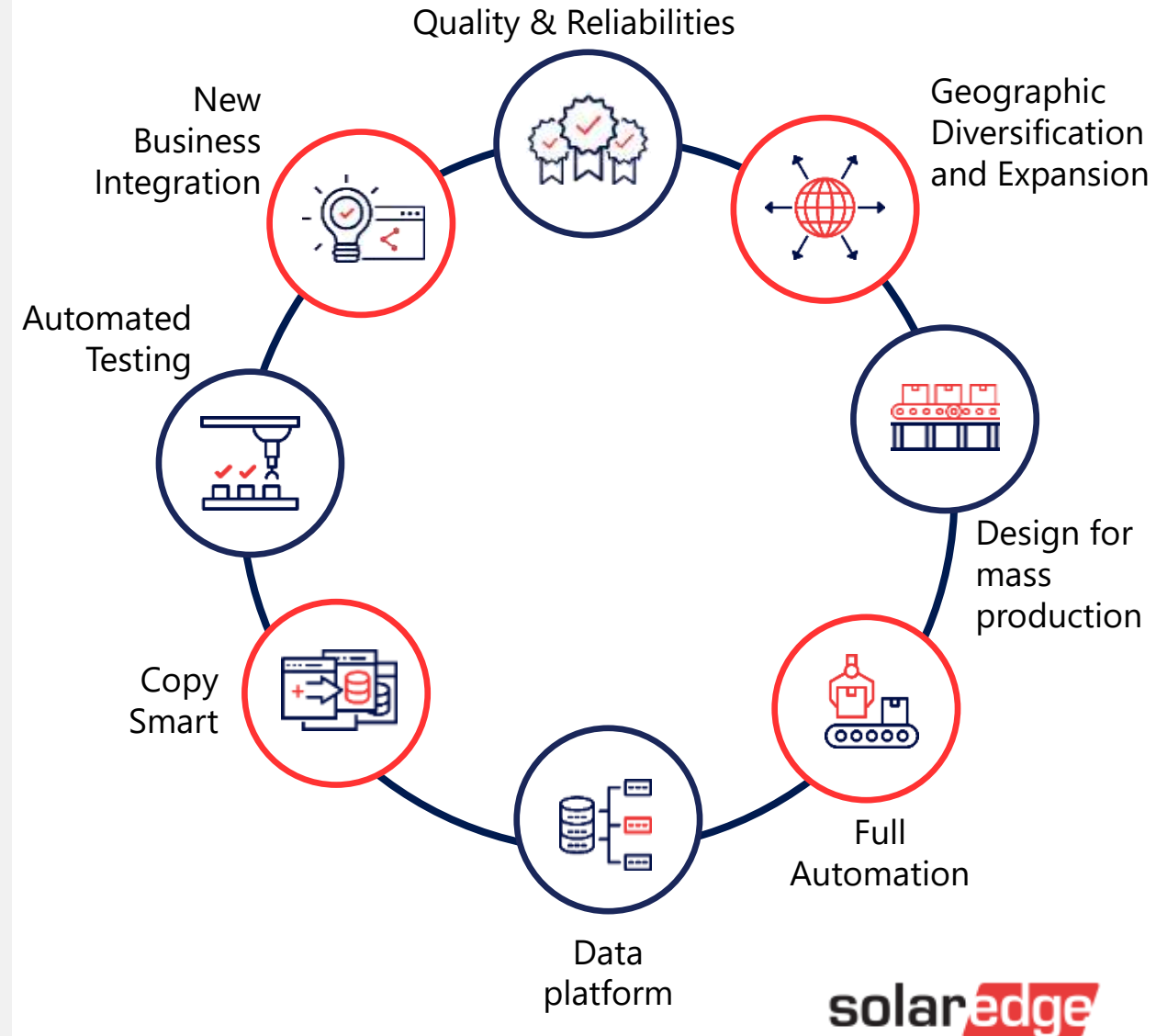
Optimizers produced in 2021

solaredge

* Including tier 1 contract manufacturing and own manufacturing

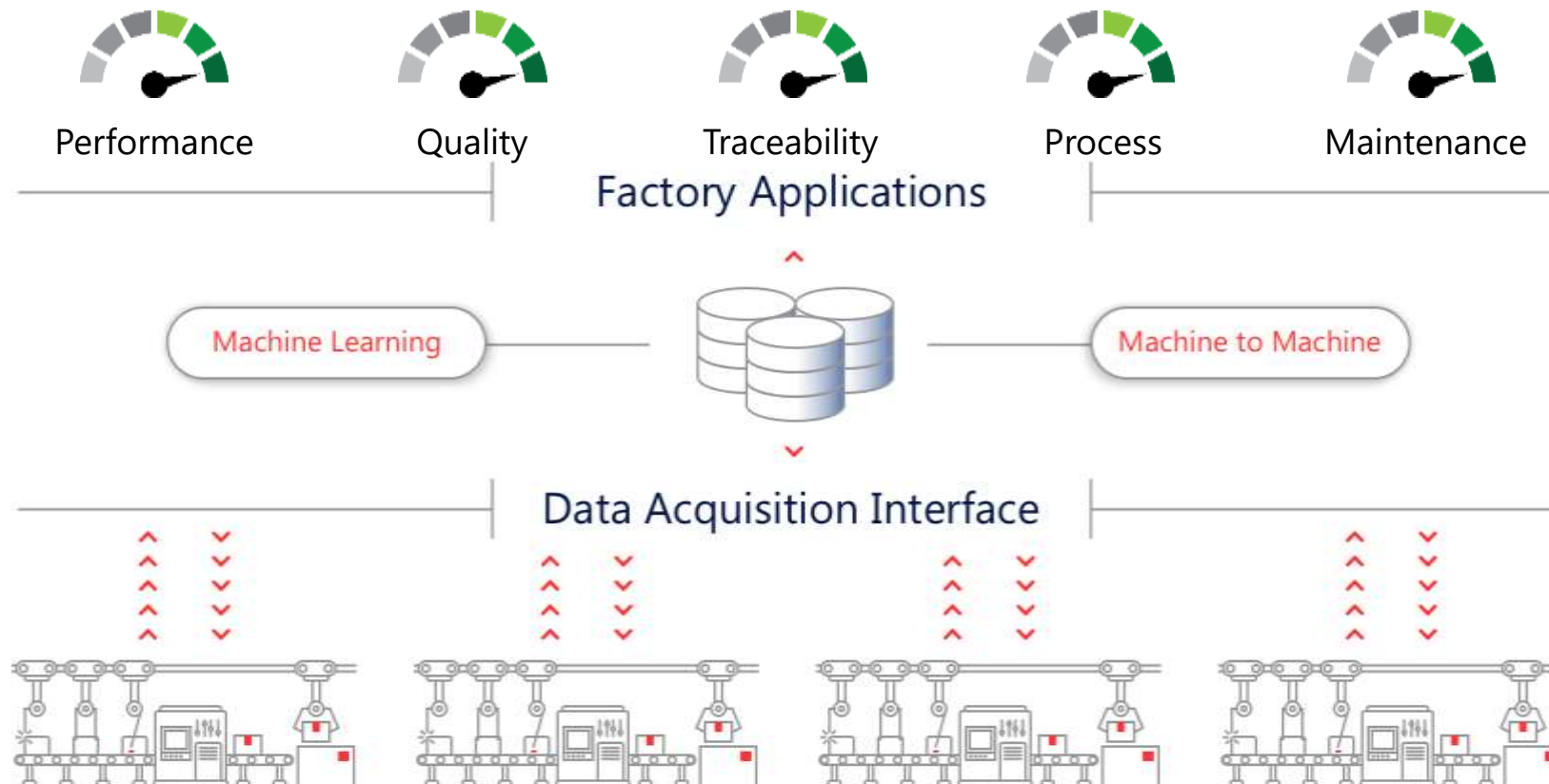
SolarEdge Manufacturing System

- Products are designed for manufacturing and automation
- Real-time quality and testing throughout entire production lifecycle
- Digitization of manufacturing for continuous improvement
- Vertical integration of critical components
- Manufacturing close to end-customers, enabled by Copy Smart



Real time data platform

Owning data infrastructure from all factories world-wide enables continued improvement (even when not on premisses facing COVID restrictions) including predictability of manufacturing capacity



Sella 1 – Copy Smart facility

- Fully operational since Jan 2021
- Enables fast ramp of new products
- Global training center for contract manufacturers
- Close proximity to R&D and testbed for innovations in manufacturing
- Offers flexibility and resilience with production planning
- Replicated optimizers production line improvements in Sella 1 yielded **20% productivity increase globally**



'Copy Smart' from Sella 1 enabled fast ramp in Mexico

7 months from kick-off to first shipment

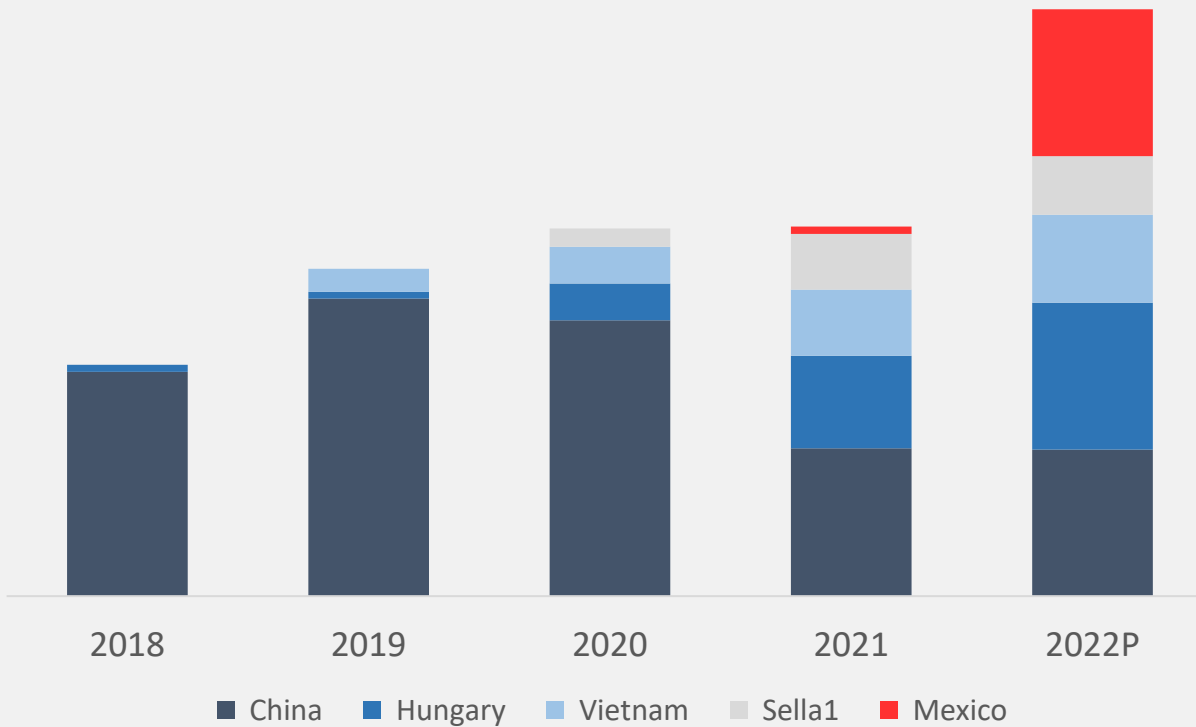




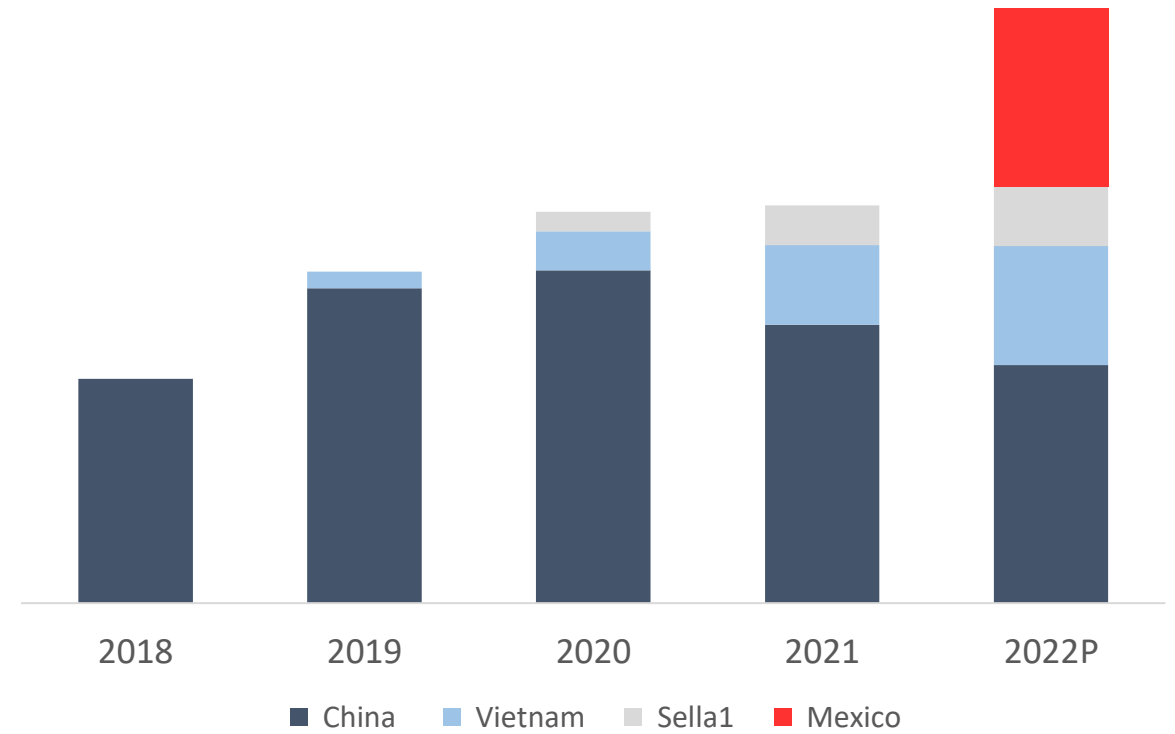
Building operational resilience

Resilience through multi-site production

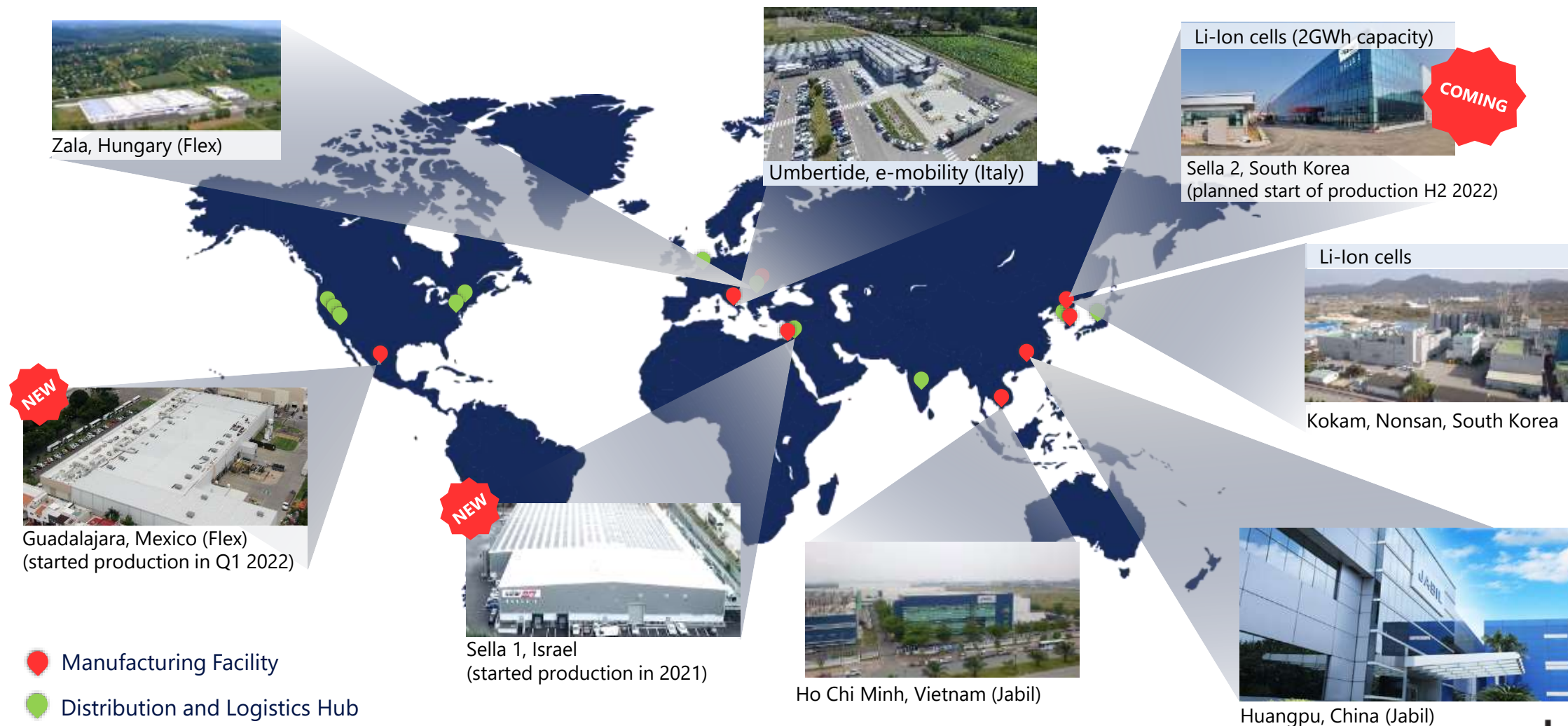
Optimizers



Inverters



Logistics resilience by manufacturing close to end customers



Supply chain resilience

- Own manufacturing of magnetics, cables, battery cells, plastic injection
- Dual sourcing of critical elements (ASIC) at tier 1 foundries
- Strategic relationships with semiconductor suppliers
- Inventory management – safety stock enables resilience and smooth operation
- Localization of supply chain



UMC

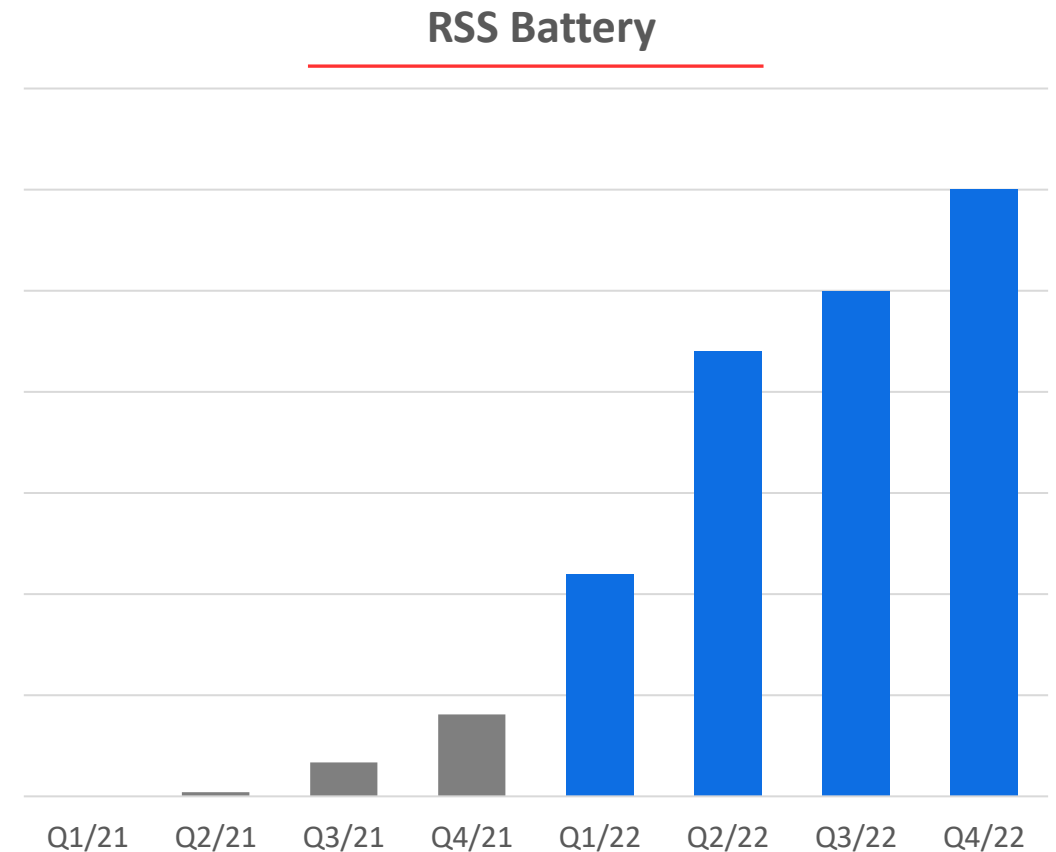


Sella 2 – 2GWh cell manufacturing



Planned battery production in 2022

- Sella 2 cell factory – machines in installation and acceptance testing
- Targeting qualification and production start in H2 2022
- Initial capacity target 2GWh per year expandable to > 3GWh with limited investment
- Built CM battery assembly factory in Hungary capable of assembling 1.2GWh batteries per year
- Full automation of cell sorting, laser welding and optical inspection throughout the process



Key Takeaways

- Operational expertise is a key SolarEdge strength and fundamental to our future
- Our manufacturing strategy is based on 3 key pillars:
 - Ownership of the manufacturing technology stack and key parts of the supply chain,
 - Self-developed proprietary automated manufacturing
 - Copy smart and geographic proximity to key markets
- Operational performance track record and stringent manufacturing strategy enabled us to meet our sales goals capacity during challenges of Covid



ESG Update

Yogev Barak, Chief Marketing Officer

Our Journey to ESG excellence



2019

- 1st sustainability report (2018), non-GRI/SASB



2020

- Materiality assessment
- Strategy defined
- ESG Goals set
- GRI report



2021

- Supplier Code of Conduct published
- First Carbon Footprint analysis conducted
- Actively search and recruit employees from minority groups
- 2nd woman appointed to Board of Directors (25% women members)
- Improved rankings with key ESG rating companies
- GRI & SASB report

ESG Strategy and SDG Contribution



Powering Clean Energy

- Accelerate affordable clean energy
- Deliver smart energy solutions
- Product Innovation
- Deliver sustainable product



Powering People

- Be a responsible employer
- Protect human right
- Invest in communities



Powering Business

- Ethical and compliant conduct
- Climate resilience
- Resource efficiency
- Ethical sourcing



1st



Decile rank among industry sector in ISS ESG rating; B- rating; Prime status

BBB



MSCI ESG rating (improved from BB in 2020)

Climate change mitigation is at the core of our activities

Goal: to accelerate affordable clean energy use worldwide and contribute to climate resilience- through our products and our operations

2.5M



Target for 2025: Reach 2.5 million homes equipped with a SolarEdge PV system



2.27M



As of Dec. 2021: reached 2.27 million homes

-23M Tonne CO₂e



23 million tonnes CO₂e of GHG emissions avoided **each year** through use of our shipped systems

30%



Target for 2025: Reduce 30% of our total Scope 1+2 GHG emissions per revenue (2020 base-year).



Improve the environmental footprint of our products

- Recently completed first comprehensive carbon footprint analysis for leading modules of inverters and optimizers
- Analysis led and certified by the globally-known LCA experts, 'Carbon Trust'
- Among first companies in peer group to complete this analysis, meeting customer needs and expectations
- The analysis allows us to understand the main emission sources throughout the product lifecycle , helping our search for emission reduction opportunities



>300 times 
GHG savings*

From use of residential optimizers and inverter in ten panel PV system over 15 years, compared to the equipment's carbon footprint.

*Based on the carbon trust certified carbon footprint values, and SolarEdge's estimated calculation of the carbon savings resulting from use of inverters and optimizers only

Promoting gender equality in the tech sector

Our Goal: Increasing gender equality and inclusiveness in our workforce, overcoming the inherent challenges of gender equality for the tech sector

- ▀ **Recently set targets: by 2025, reach:**
- ▀ 38% women in Israel solar workforce (currently 30%)
- ▀ 21% women in Israel solar R&D roles; (currently 17%)
- ▀ 24% women in Israel management solar roles; (currently 18%)

Steps in progress/planned for 2022

- ▀ Women-talent development 'Boost Your Career' programs;
- ▀ Partnerships with NGOs to better locate appropriate women tech-role candidates;
- ▀ Anti-bias training
- ▀ Gender pay-gap analysis



Procurement & Governance

■ Responsible Procurement

- Supplier code of conduct (SCoC) published in 2021, including requirements on ethics, safety, environment, human rights, fair employment and others
- On-site ESG audits conducted at several contract manufacturer sites and major suppliers
- Responsible-sourcing confirmation required from relevant suppliers regarding potential conflict minerals

■ Advanced Governance Practices

- Variety of position statements and policies which were published during 2021
- New global trainings programs developed on ethics / code of conduct

> 100 key suppliers

Signed terms of Supplier Code of Conduct

25%

Women on board of directors (and acting to further enhance diversity)



Financial Update

Ronen Faier, Chief Financial Officer

Safe Harbor

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; new products and services; financing and investment plans; dividend policy; competitive position; industry and regulatory environment; general economic conditions; supply chain and logistics, 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.

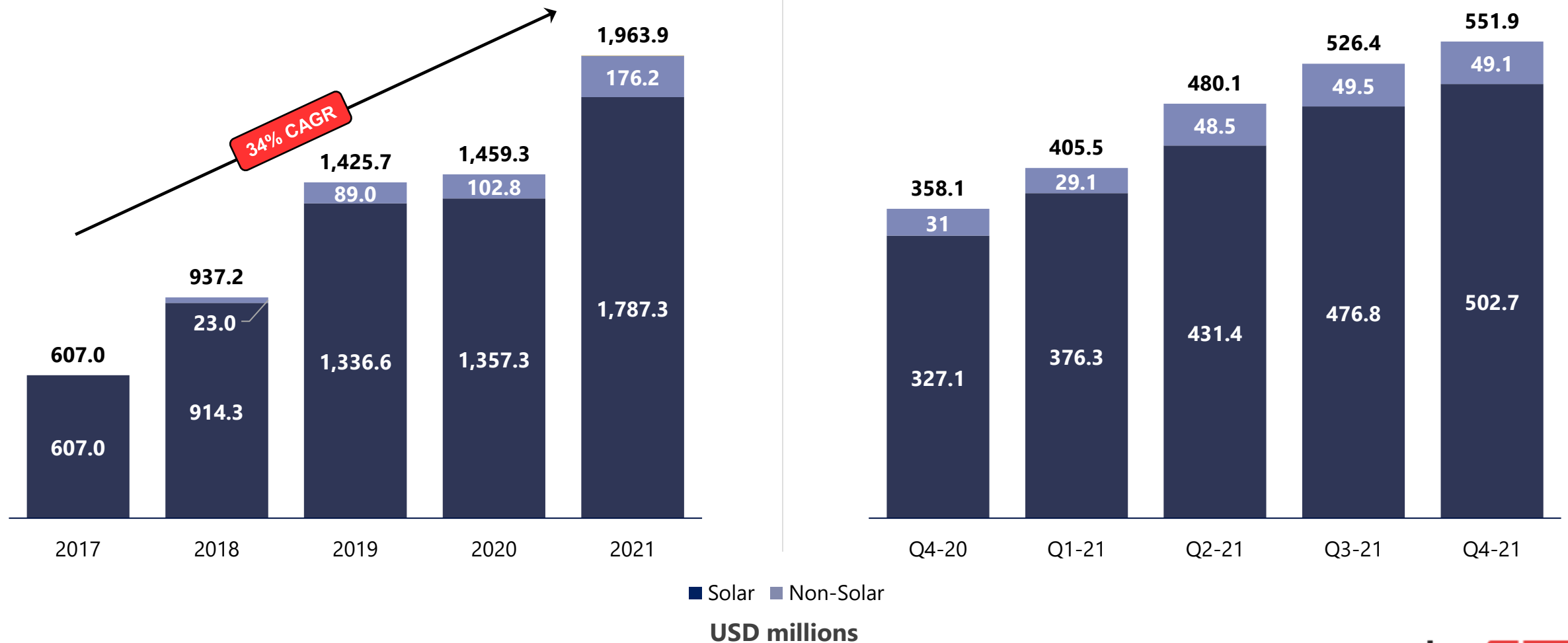
Factors that could cause actual results to differ materially from our expectations are described in the reports filed by SolarEdge with the Securities and Exchange Commission and we encourage you to review our filings carefully, especially the sections entitled "Risk Factors" in our Annual Report Form 10K.

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 also 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.

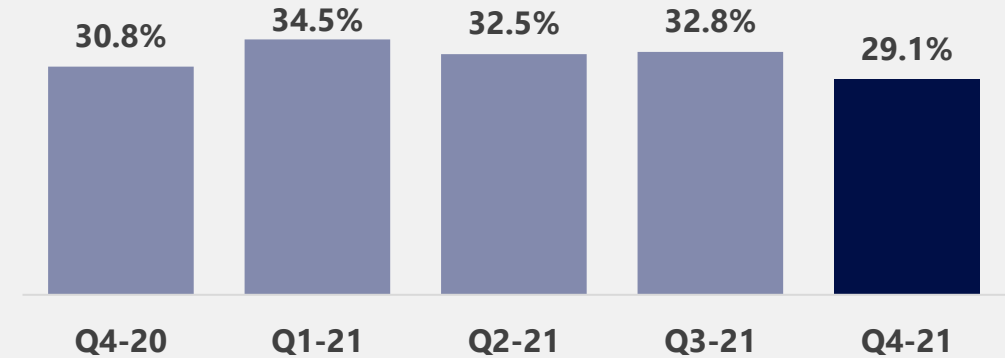
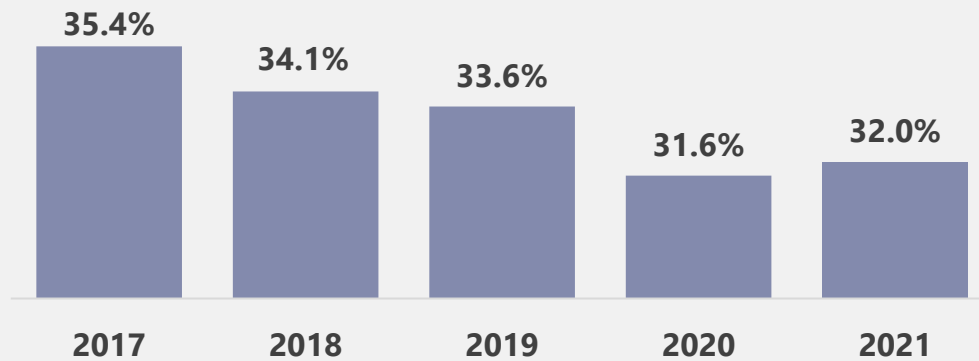
In addition, this presentation contains market data from certain third-party sources. This information is based on industry surveys and the preparer's expertise in the industry and there can be no assurance that any such market data is accurate or that any such industry forecasts will be achieved. Although 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.

Strong revenue growth

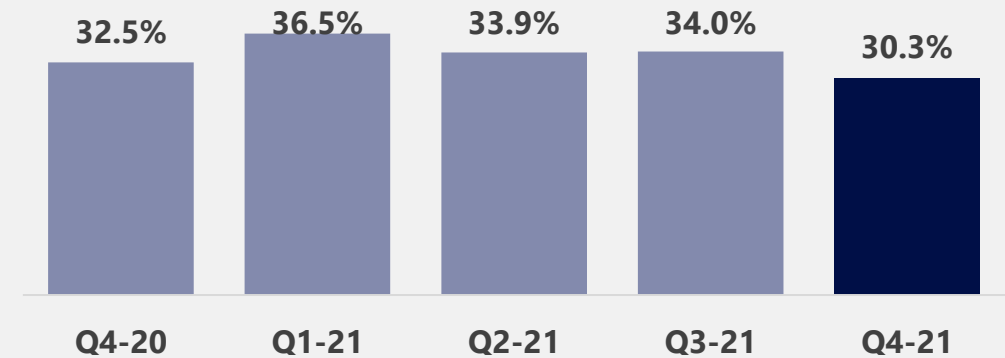
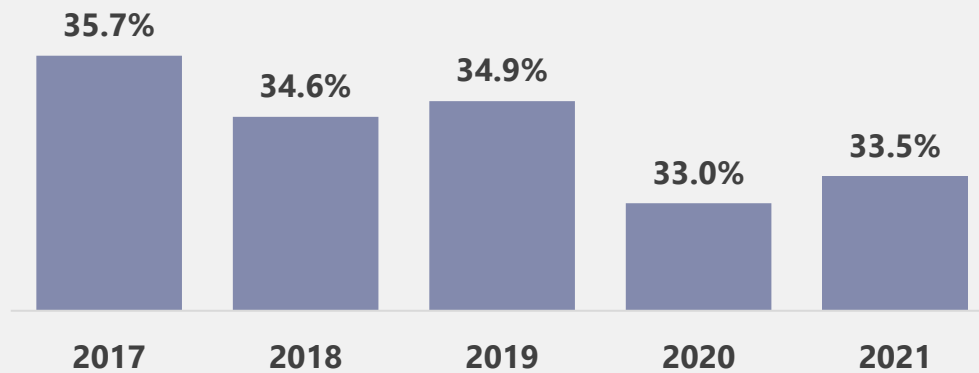


Consolidated gross margin

GAAP



Non-GAAP

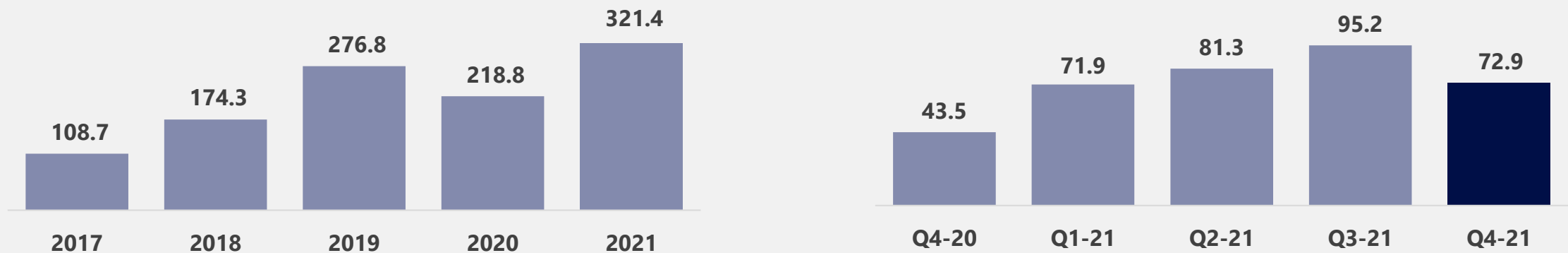


Consolidated operating profitability

GAAP







Non-GAAP



USD millions

Solar business 2019 analyst day model vs. 2021 actual

YoY revenue growth	GM%	OPEX (% of revenues)	Operating Income %
			
2019 analyst day model			
15% - 25%	36% ± 1%	13% - 15%	20% - 23%
↓	↓	↓	↓
2021 Actual results			
31.7%	36.4%	15.8%	20.6%
✓	✓	✓	✓

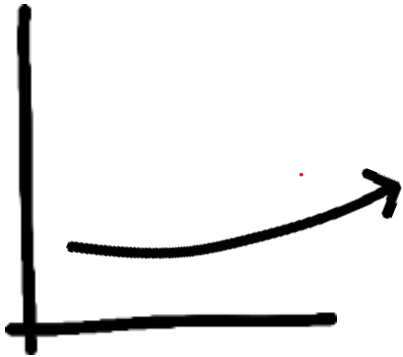
Current margin impacts

- Rapid growth requires expedited shipments to timely meet demand
- High portion of products subject to US tariffs
- Elevated marine and air shipping costs
- Increased commodities and component prices
- Increased cost of battery materials

Future revenue streams

Scale

- Scale existing product lines and businesses through market growth, share growth and new products



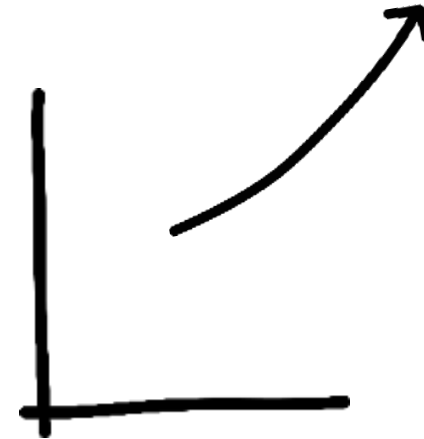
Develop

- Develop revenue streams from technologies and ideas identified at development stage but not yet a business



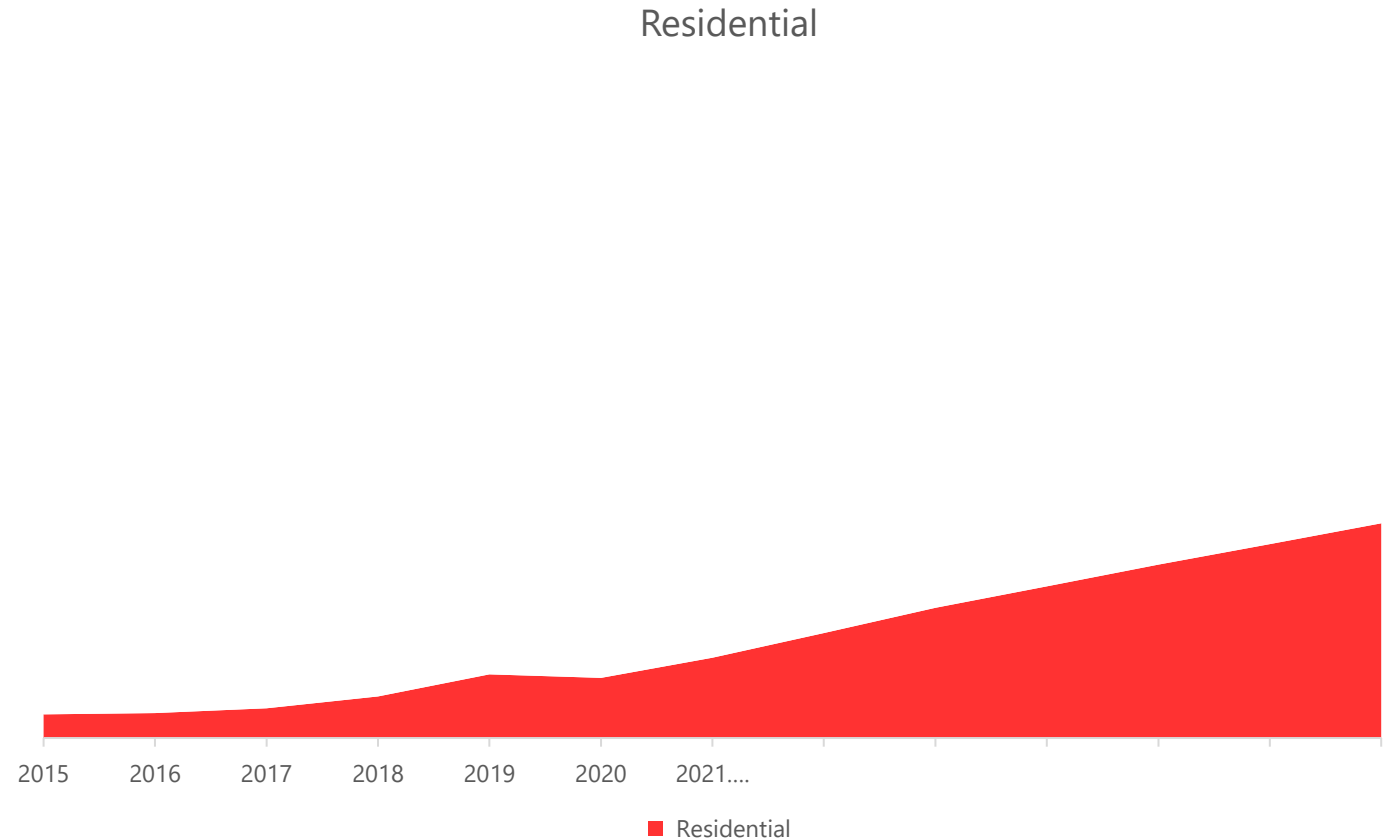
Explore

- Explore new technologies, markets or business lines that are adjacent or new, on top of the existing ones



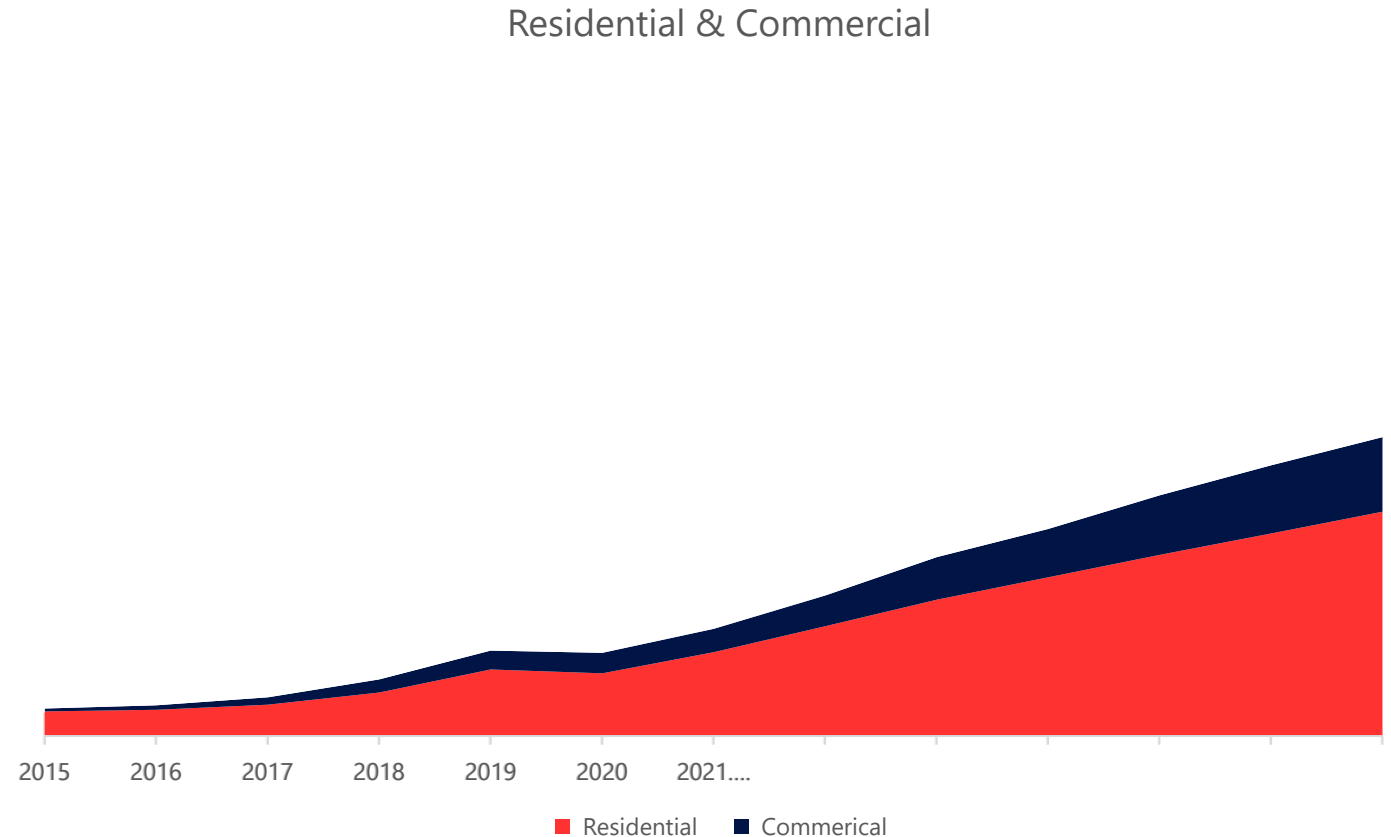
Residential inverters and optimizers revenues

- Initiated sales in 2010
- Revenue growth expected from market growth, new products and expansion to new markets
- Highest margin profile in our portfolio that is increasing over time as a result of ASP increase due to migration towards feature rich inverters and higher capacity modules, which reduces cost per watt



Commercial inverters and optimizers revenues

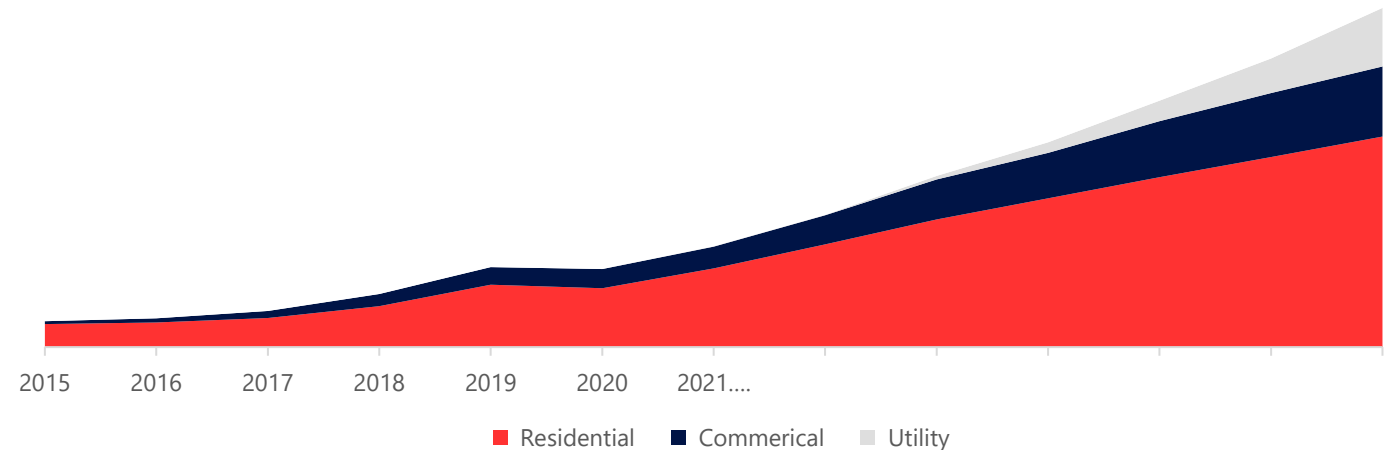
- Initiated sales in 2013
- Revenues are expected to grow due to increased installation rate in existing markets as well as expansion to new geographies and share taking
- Margin profile varies as a function of the installation size and geography and affected by competition which is all string inverters



Utility inverters and optimizers revenues

- Meaningful utility revenues are expected to begin in early 2023 with the ramp of our 330kW inverter
- Margin profile expected to be slightly lower than the commercial inverters, and optimizers expected to improve over time as manufactured volumes increase

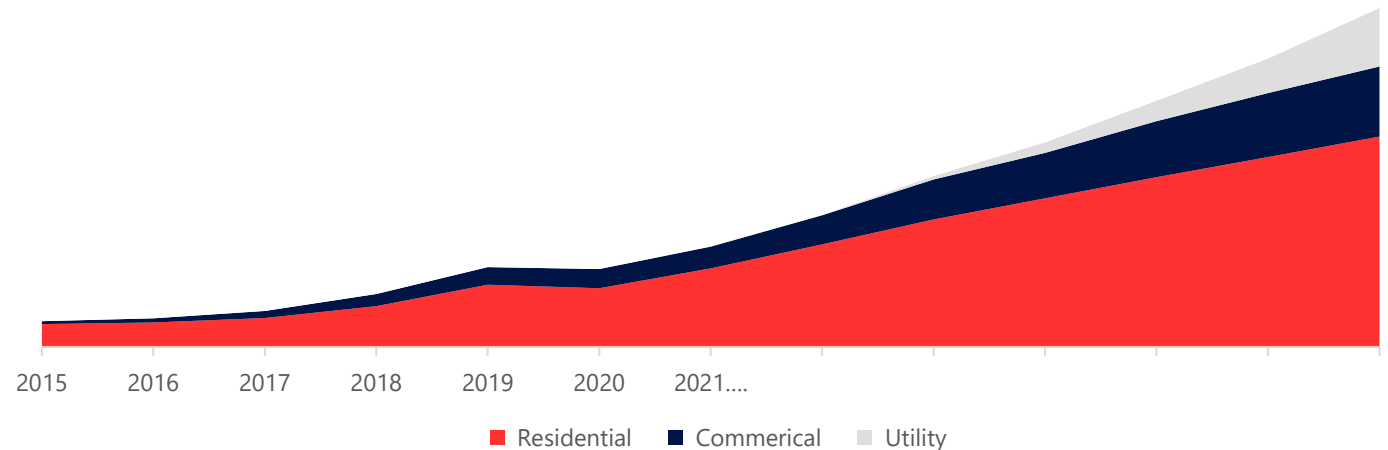
Residential, Commercial, Utility



Inverters and optimizers revenues as a whole

- The growing opportunity in all markets and the introduction of our utility product line is expected to continue and drive rapid revenue growth
- Blended margins for the next few years expected to remain at 35%-37% while growth of residential sales and expanding margins compensate for higher share of commercial and utility inverters, characterized with lower margins

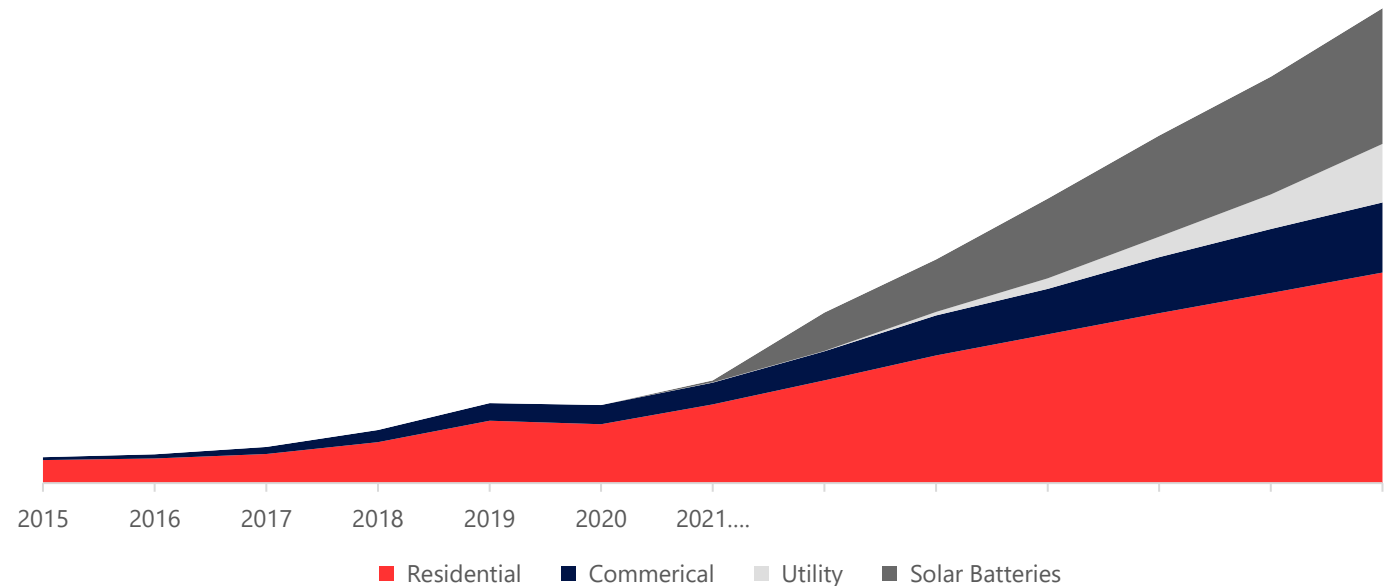
Residential, Commercial, Utility



PV tied batteries revenues

- Residential batteries are expected to contribute significant revenues from 2022 and on as we now have sufficient capacity of battery cells
- In the future we expect to offer C&I batteries as well, which would further boost the growth of this revenue stream
- Margins are expected to be ~25% for the entire business

Residential, Commercial , Utility, Solar Batteries

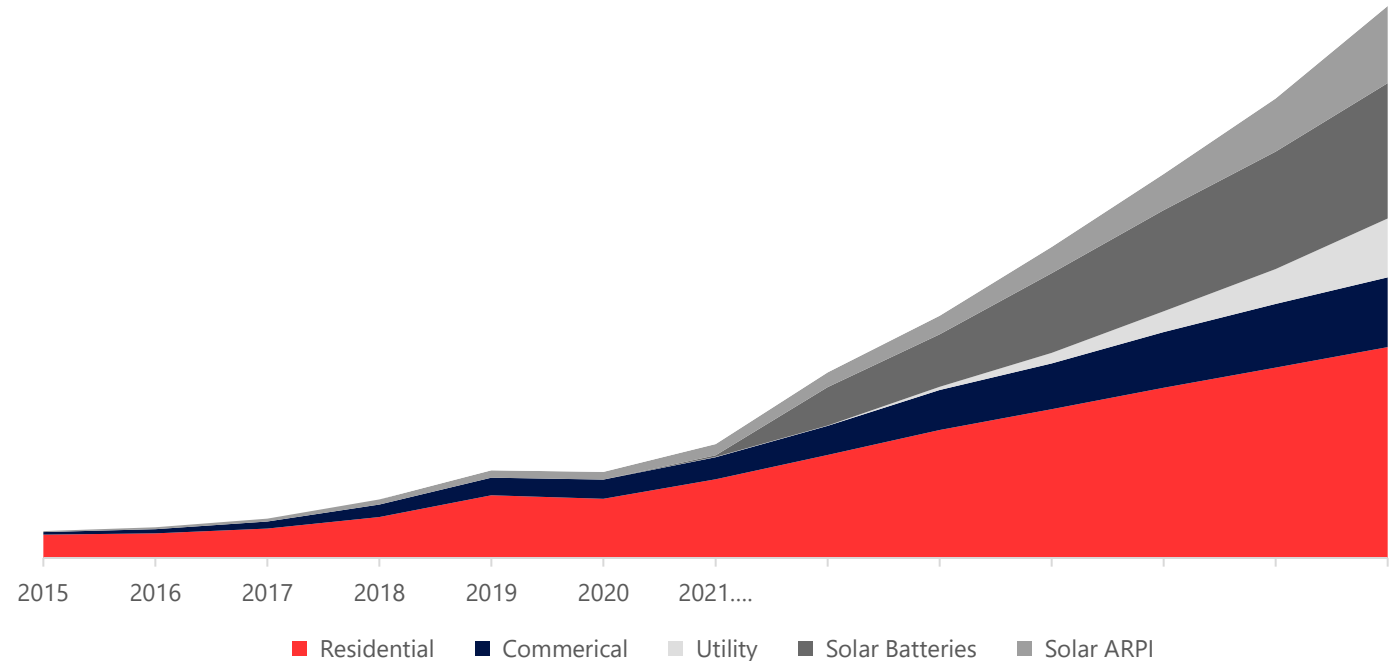


Ancillary products (ARPI related) revenues

- Ancillary products include today EV chargers, water heaters, smart meters, smart modules and communication devices
- In the future, we will start generating revenues from our new tracker business (modeled from 2024) as well as from other devices
- Margins of these products, as a whole are expected to be above the corporate margins in the coming years. In the long term, margins are expected to reduce closer to ~30% as tracker revenues (characterized with lower margins) increase

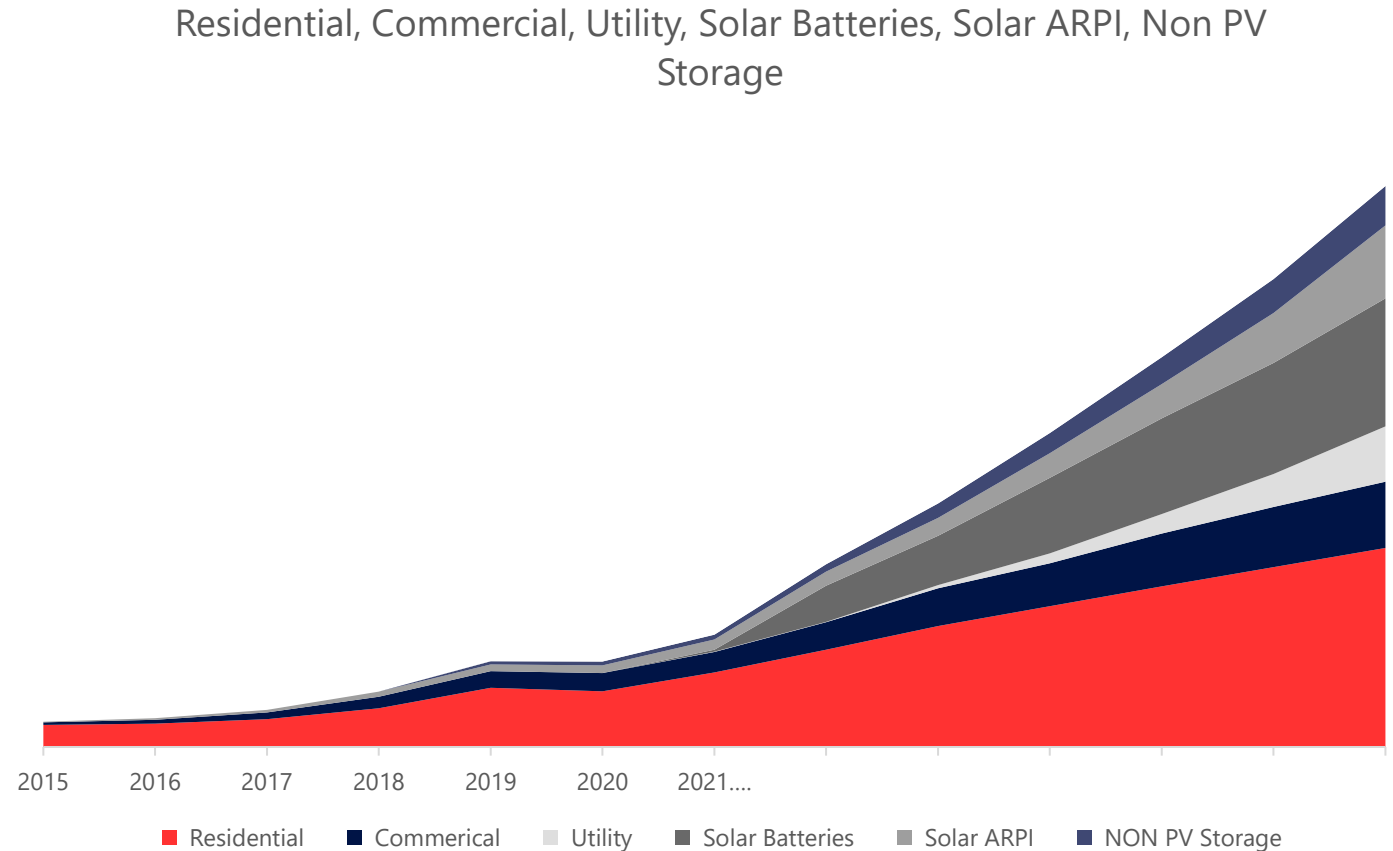
ARPI – Average Revenue Per Installation

Residential, Commercial, Utility, Solar Batteries, Solar ARPI



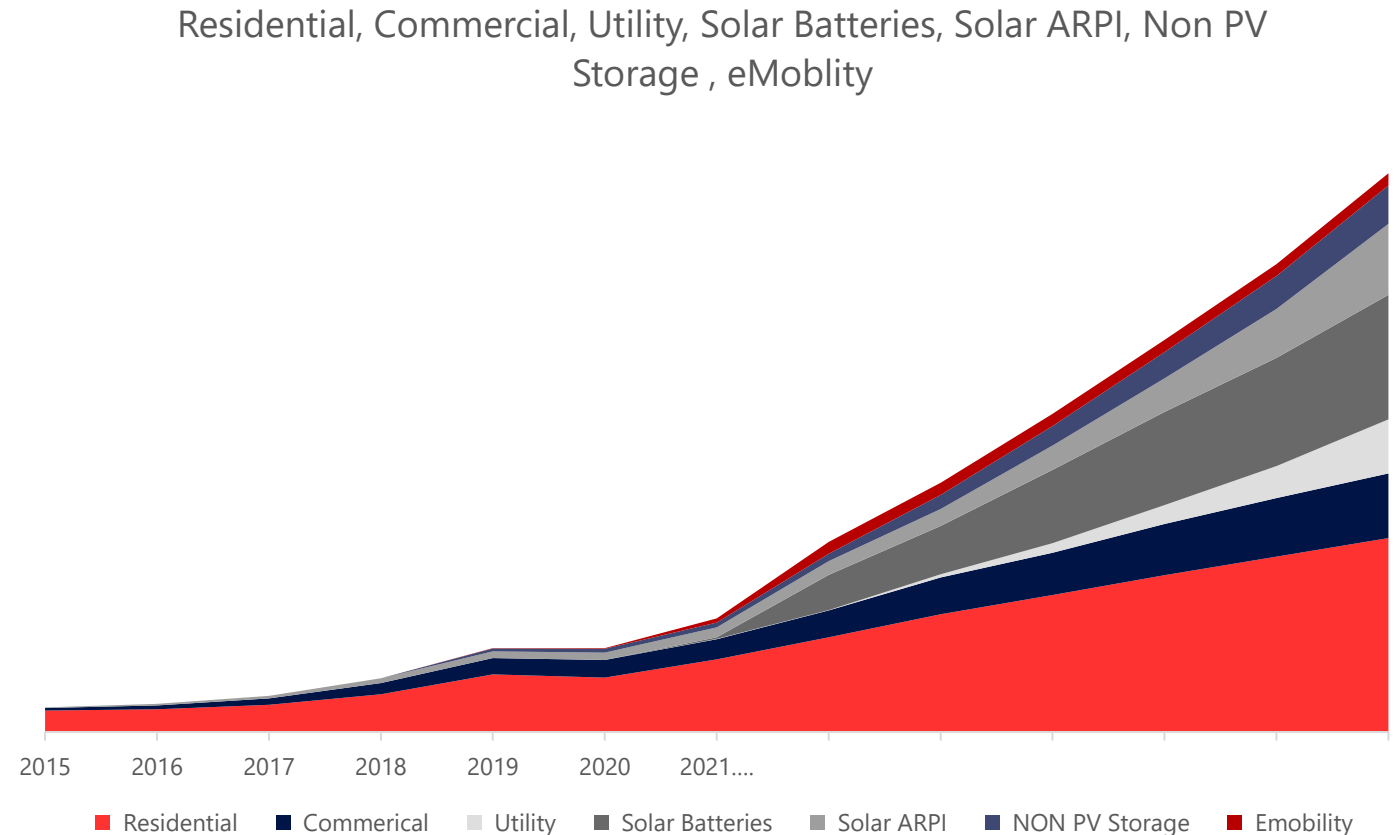
Other storage applications revenues

- Non PV tied storage revenues are derived from various markets such as marine, EV, ESS and UPS
- This business will utilize remaining Sella 2 capacity not used for residential battery
- Blended gross margins in this business are approximately 25%



eMobility revenues

- Long term revenues at this stage are hard to determine given the dependency on projects that are, by nature, developed over the long term
- While the opportunity is big our growth model assumes stable revenue stream from 2022 due to lack of visibility
- Margins in this segment are currently low single digits



Consolidated financial target model

	Consolidated	Solar Segment*
Revenue YoY Growth	20% - 30%	20% - 30%
Gross Margin %	29% - 31%	30% - 32%
OPEX % of Revenues	11% - 13%	10% - 12%
Operating Profit Margin %	17% - 19%	20% - 22%

* Solar segment revenue includes inverters, optimizers, PV tied batteries and ancillary products

Capital Expenditures

- Ongoing capital expenditures include additional manufacturing capacity at our contract manufacturers and investment in leasehold improvements in our facilities
- In addition, investments in Sella 1 and Sella 2 factories were made from 2018

USD Millions	2020	2021	2022F
Investment in manufacturing capacity and facilities	65.5	69.9	90.5
Investment in Sella 1	31.8	9.4	3.0
Investment in Sella 2	29.5	70.0	50.0
Total	126.8	149.3	143.5

- Upon completion of Sella 2 factory, we estimate similar investments in the coming years as we continue to expand our manufacturing capabilities with our contract manufacturers

Capital Allocation

- Our capital allocation philosophy is built on the principle that shareholder value is created by increased profitability. As such the company cash will be used for the following purposes:
 - Working Capital for growth
 - Capital expenditures related to manufacturing capacity, R&D labs and facilities
 - Mergers and Acquisitions
 - Return to shareholders
- Capital sources, if required in the future, will be a combination of debt and equity in order to minimize shareholder dilution while maintaining healthy debt to equity ratio and ability to serve debt



Key Takeaways

- Consistent growth and profitability history
- Opportunity for rapid revenue growth fueled by multiple revenue streams
- Multiple products and markets changes consolidated margin profile, while segment margins expected to remain stable
- Accelerated revenue growth expected to provide operating leverage opportunity
- Capital allocation designed to support bottom line profitability and shareholder value creation

A scenic landscape featuring a village with colorful houses, solar panels on a hillside, and a cyclist on a path. The image is split into two panels. The left panel shows a close-up of solar panels in the foreground and a hillside with houses in the background. The right panel shows a wider view of the village, including a church, more solar panels, and a cyclist riding away on a path. The text "Thank You" is overlaid on the left panel.

Thank You