



# SolarEdge Technologies

## Nasdaq | SEDG

Presented by: Ronen Faier

February 2019

# 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

**10.6GW** of  
our systems  
shipped  
worldwide



**34.1M**  
power optimizers  
shipped



Over **920,000** monitored  
systems around the world



**1.4M**  
inverters shipped



Presence  
in **26**  
countries



**1,737** employees



**147** awarded patents and **200** additional  
patent applications





# Q4/2018 in Numbers

**\$263.7M**  
Revenue



**\$46.9M**  
Cash Flow From Operations



**\$31.5M** Non-GAAP Net Income



**\$12.9M** GAAP Net Income

**30.2%**  
Gross Margin



**\$392.2M** Cash and investments Balance





# 2018 in Numbers

**\$937.2M**  
Revenue



**\$157.3M** Non-GAAP Net Income



**\$128.8M** GAAP Net Income

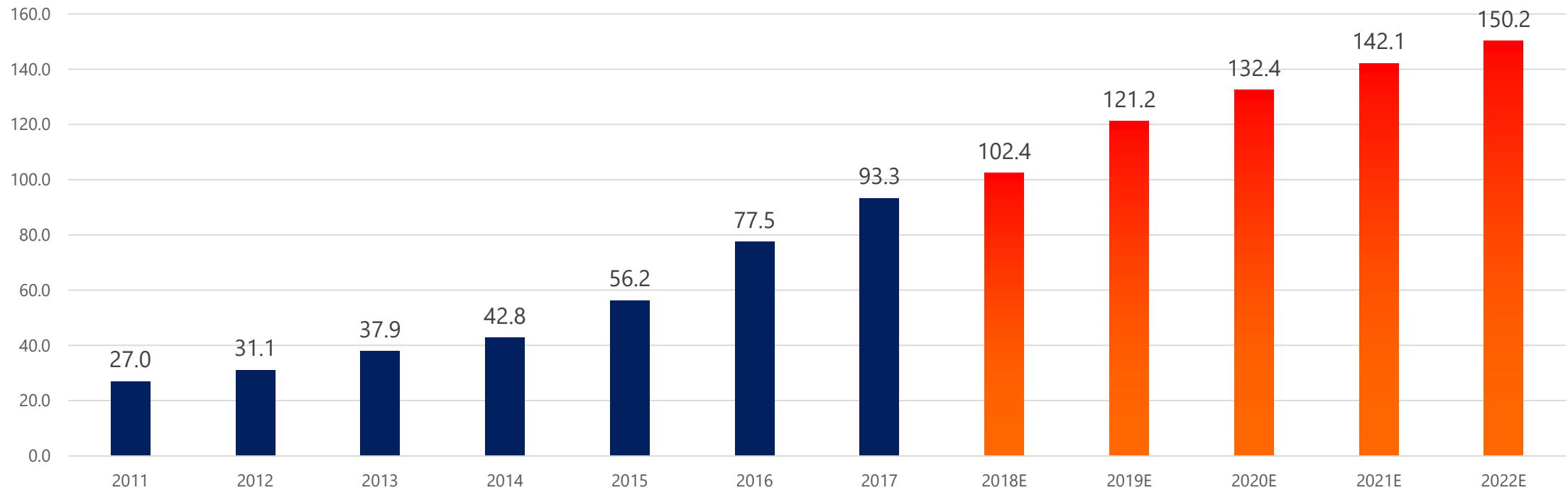
**34.1%**  
Gross Margin



**50.6%** YoY Organic Revenue Growth

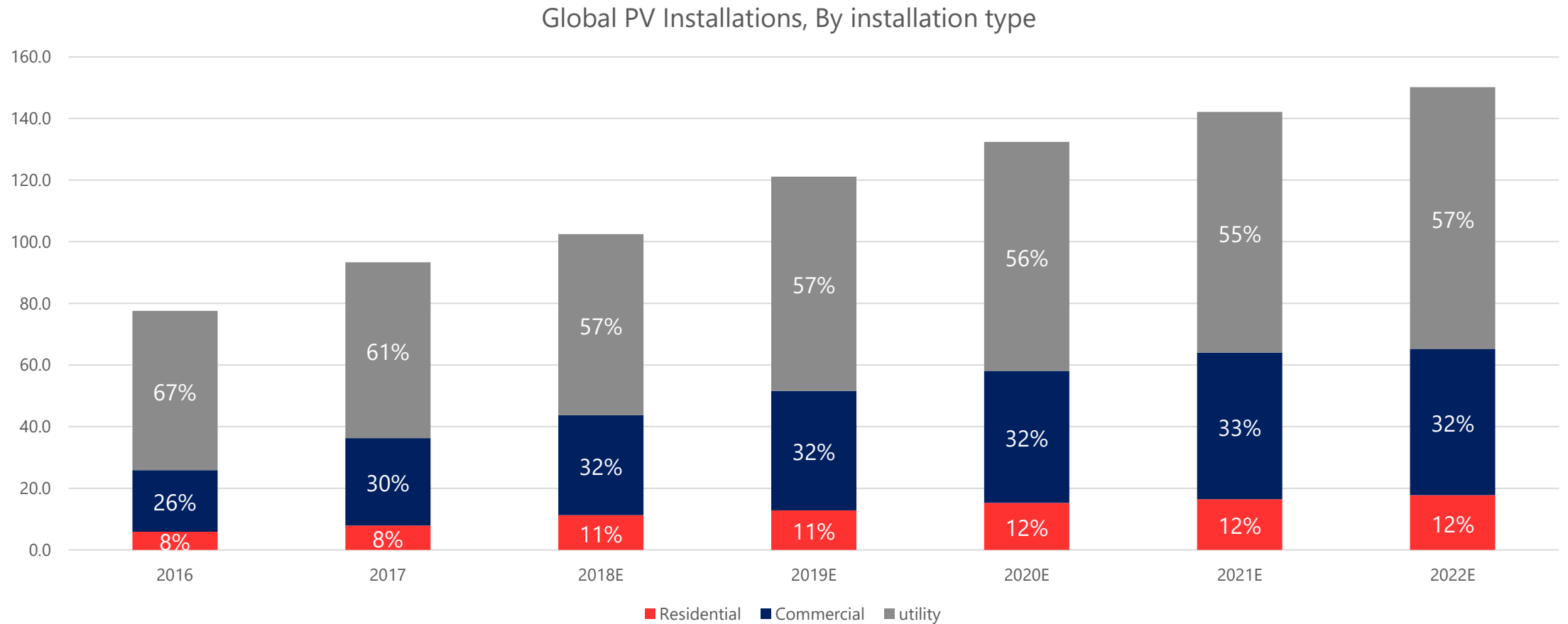


# Global PV Market Forecast



Source: IHS, PV Installations-tracker-Q4-2018

# Inverter Installations by Installation Type (GW)



Source: IHS, PV Installations-tracker-Q4-2018

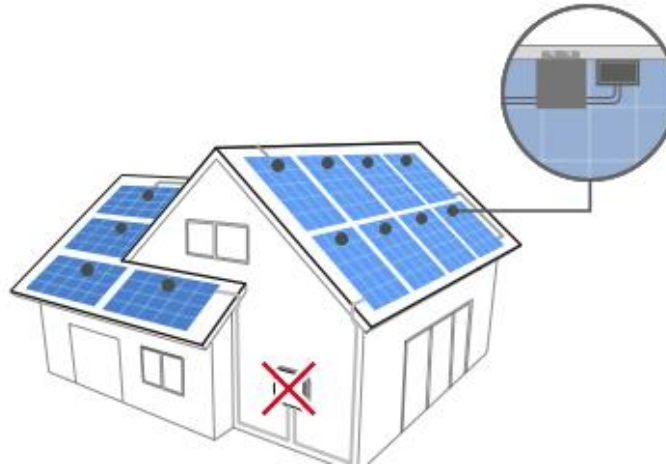
# Innovative Architecture

## ■ Traditional String Inverters



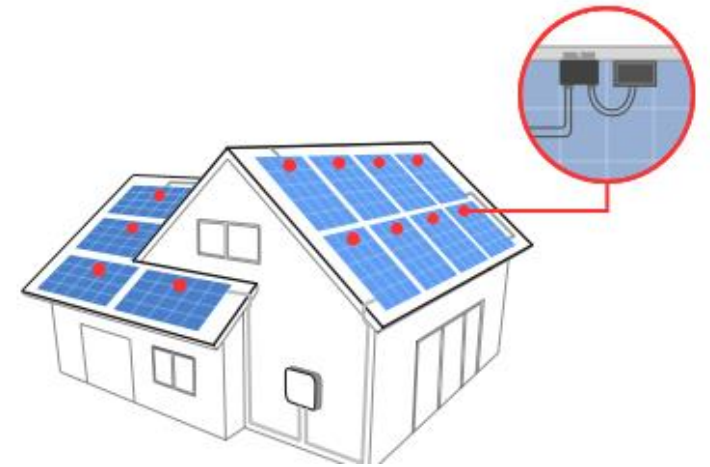
- One central inverter
- No module-level optimization
- No module-level intelligence
- ✗ Energy loss
- ✗ Limited roof utilization
- ✗ No module-level monitoring
- ✗ Safety hazards

## ■ Microinverters



- One inverter per module
- Module-level optimization
- Limited scalability
- ✗ Cost and scalability
- ✗ Questionable reliability
- ✗ Monitoring requires additional hardware

## ■ DC Optimized Inverter System



- Simplified central inverter
- Module-level optimization
- Improved scalability



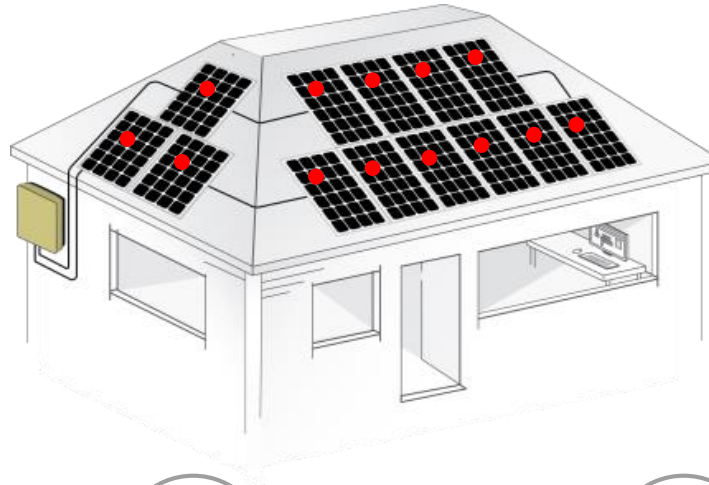
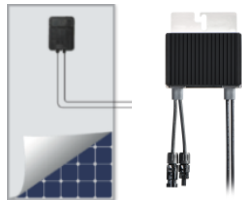
# Innovative Solution

Safe DC



High voltage

Power  
Optimizer



Fixed Voltage  
Inverter



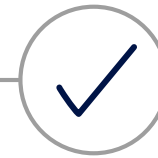
Cloud-based  
Monitoring Platform



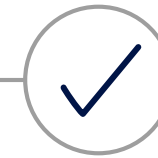
Enhanced Safety  
Solutions



Higher Power  
Yield



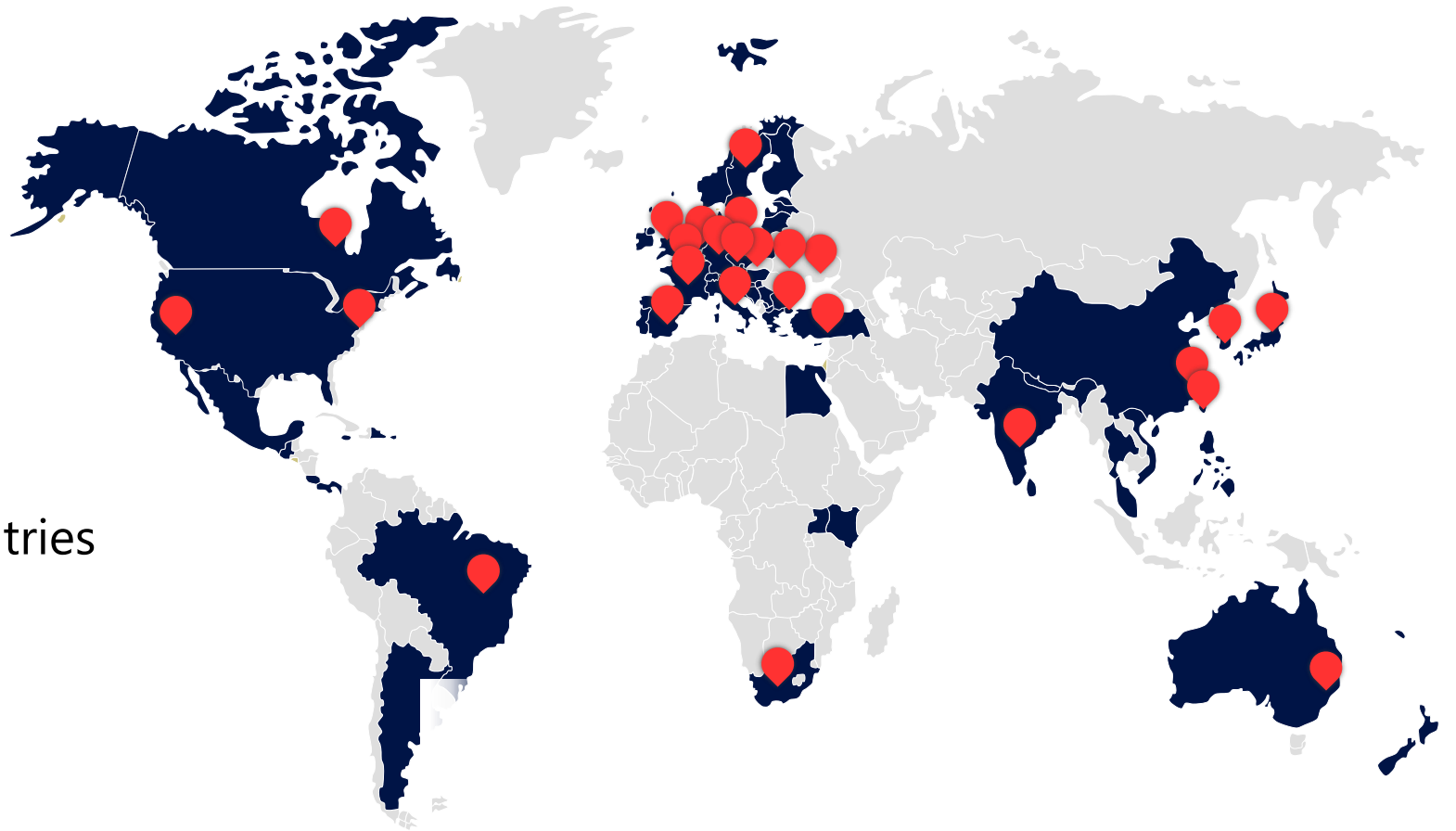
Design  
Flexibility



Lower O&M Cost,  
Efficient Monitoring

# Established Global Reach

- Over 20,000 installers
- Presence in 26 countries
- Regional service centers
- Systems installed in 133 countries





# Top Global Inverter Company

World PV Inverter Supplier  
Quarterly Rankings (\$ Revenues)

RANK	COMPANY
①	SolarEdge
2	Huawei
3	SMA
4	Sungrow
5	Enphase Technology
6	Fronius
7	ABB
8	Ingeteam
9	Power Electronics
10	Omron

Source: IHS revenue and shipment MS Q3 2018

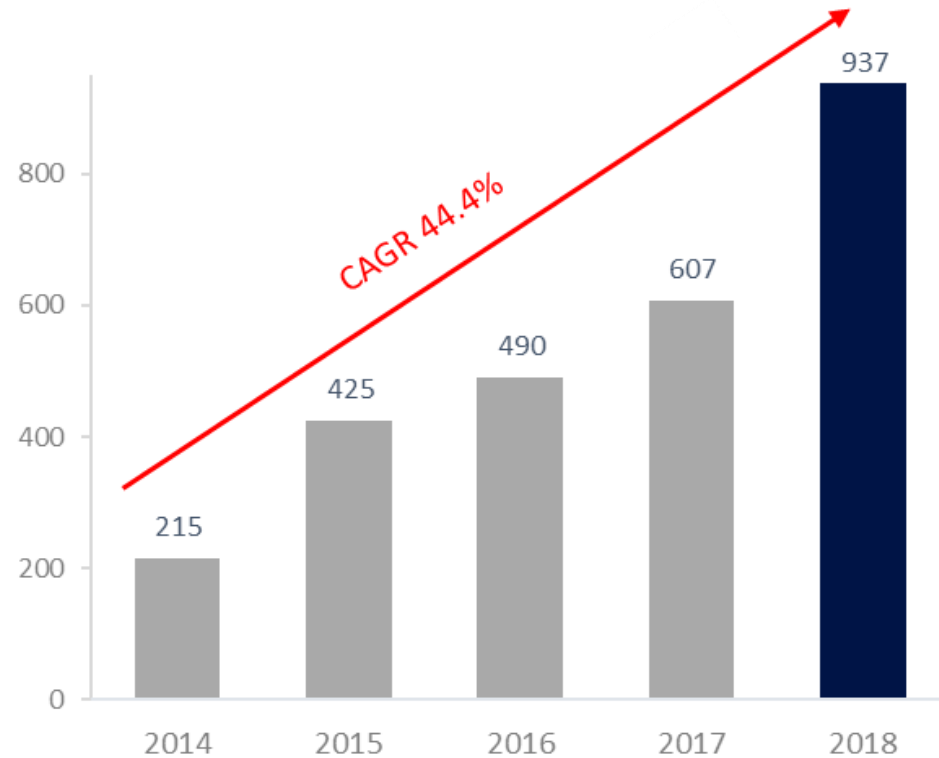
World Single Phase PV Inverter Supplier Market  
Share Estimates (MW Shipments)

RANK	COMPANY
①	SolarEdge
2	SMA
3	Ginlong
4	Goodwe
5	Omron
6	Enphase Technology
7	Growatt
8	Panasonic
9	SAJ
10	Fronius

Source: IHS PV Inverter Market Tracker Q3, 2018

# Rapid Growth

Annual Revenue (\$M)



SolarEdge U.S. Residential Inverter Market Share (MW)



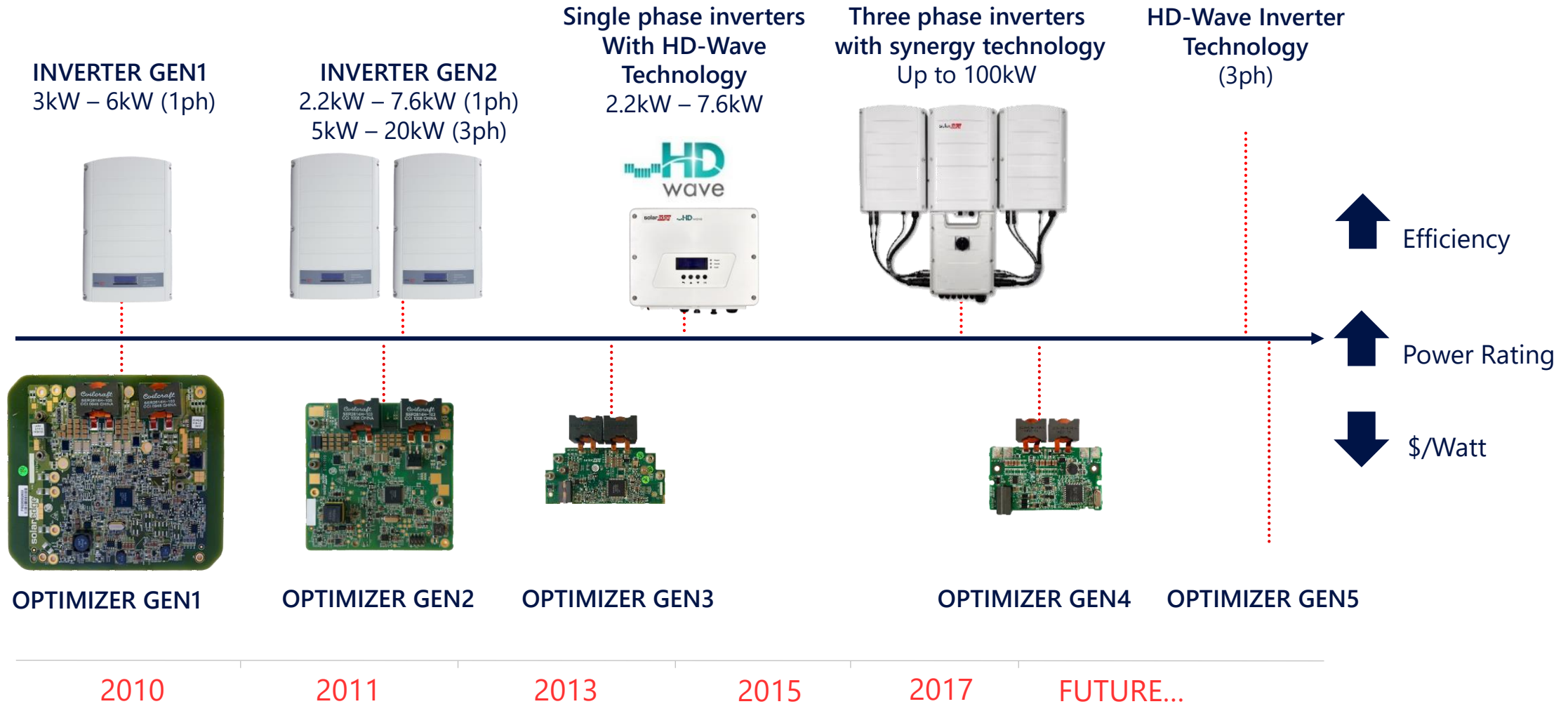
SolarEdge U.S. Commercial Inverter Market Share (MW)



Source: GTM Research



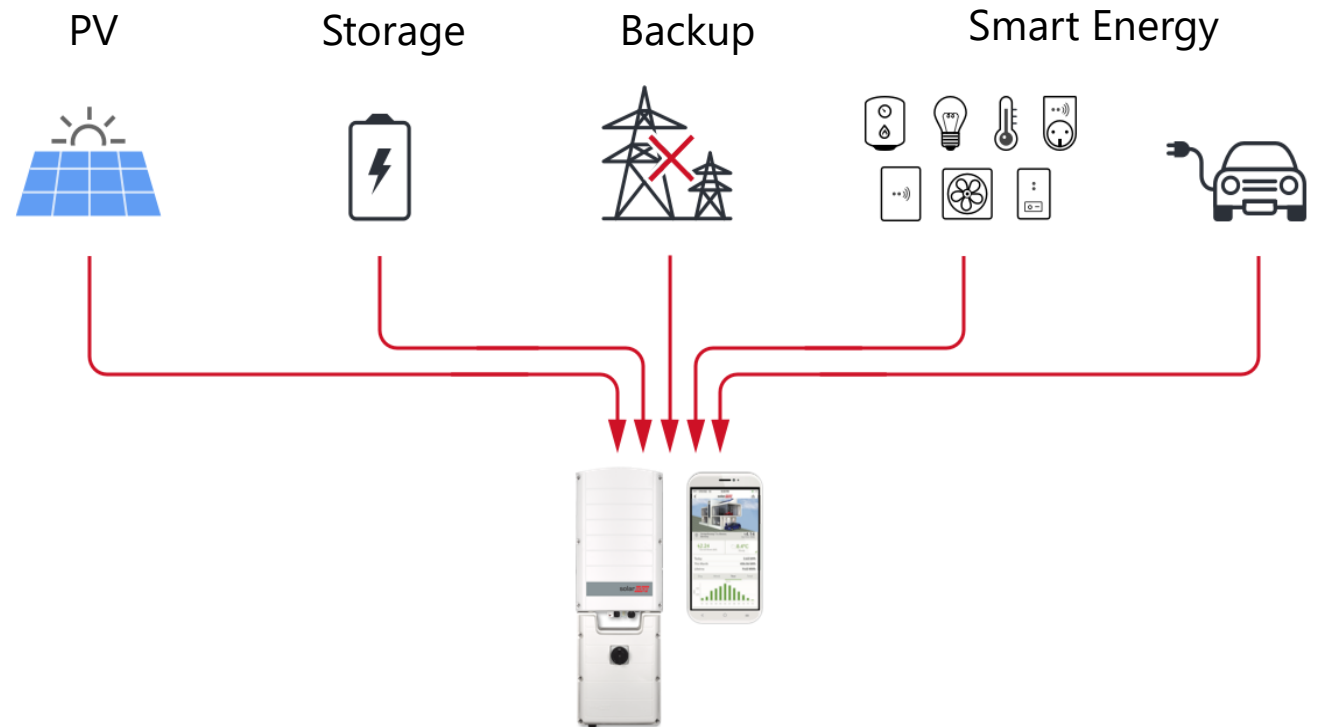
# Technology Roadmap



# One Inverter for All Applications

- The SolarEdge StorEdge inverter combines energy management of all features into one inverter
  - Simple design
  - Fast installation
  - Centralized energy management
  - Designed to work together; seamless and synchronized
  - Monitoring platform displays production, consumption, self-consumption & battery status on a single dashboard

One inverter replaces multiple separate management devices

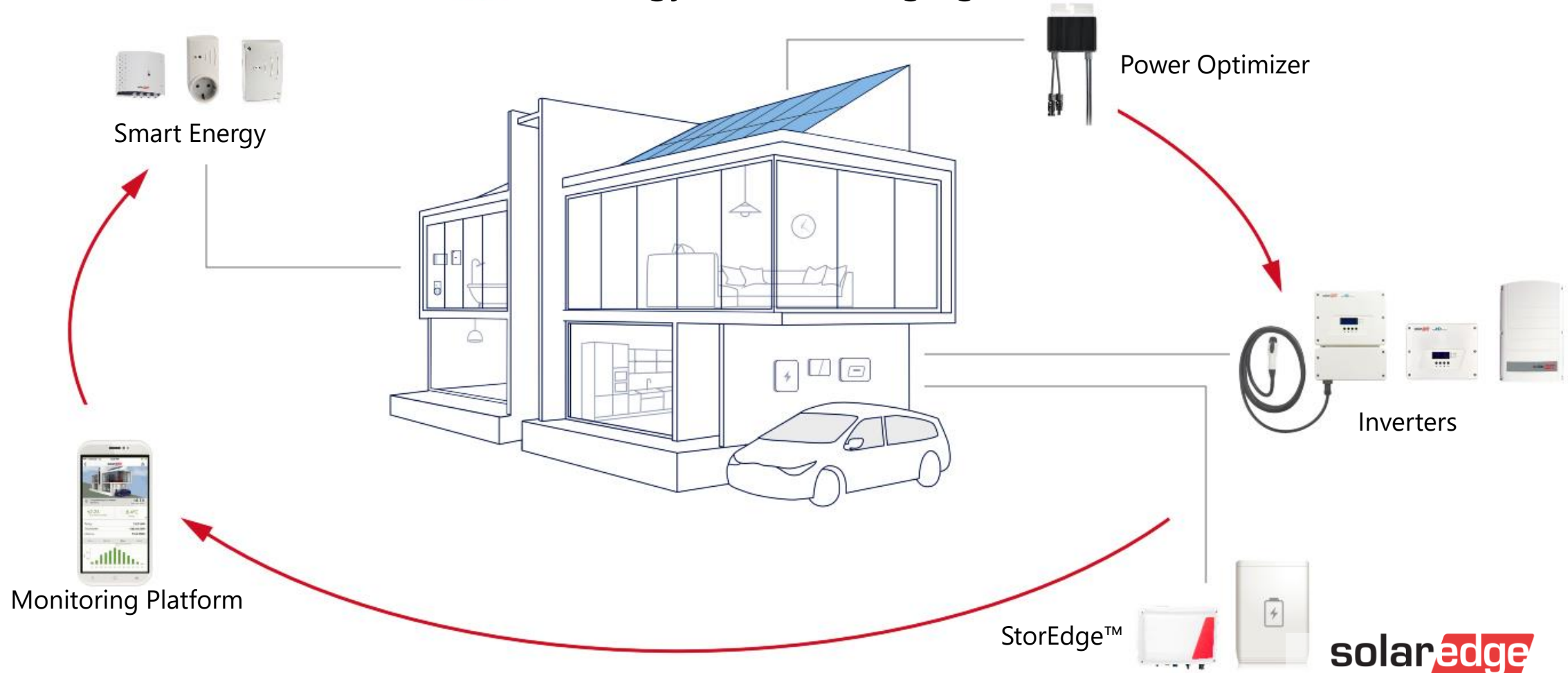




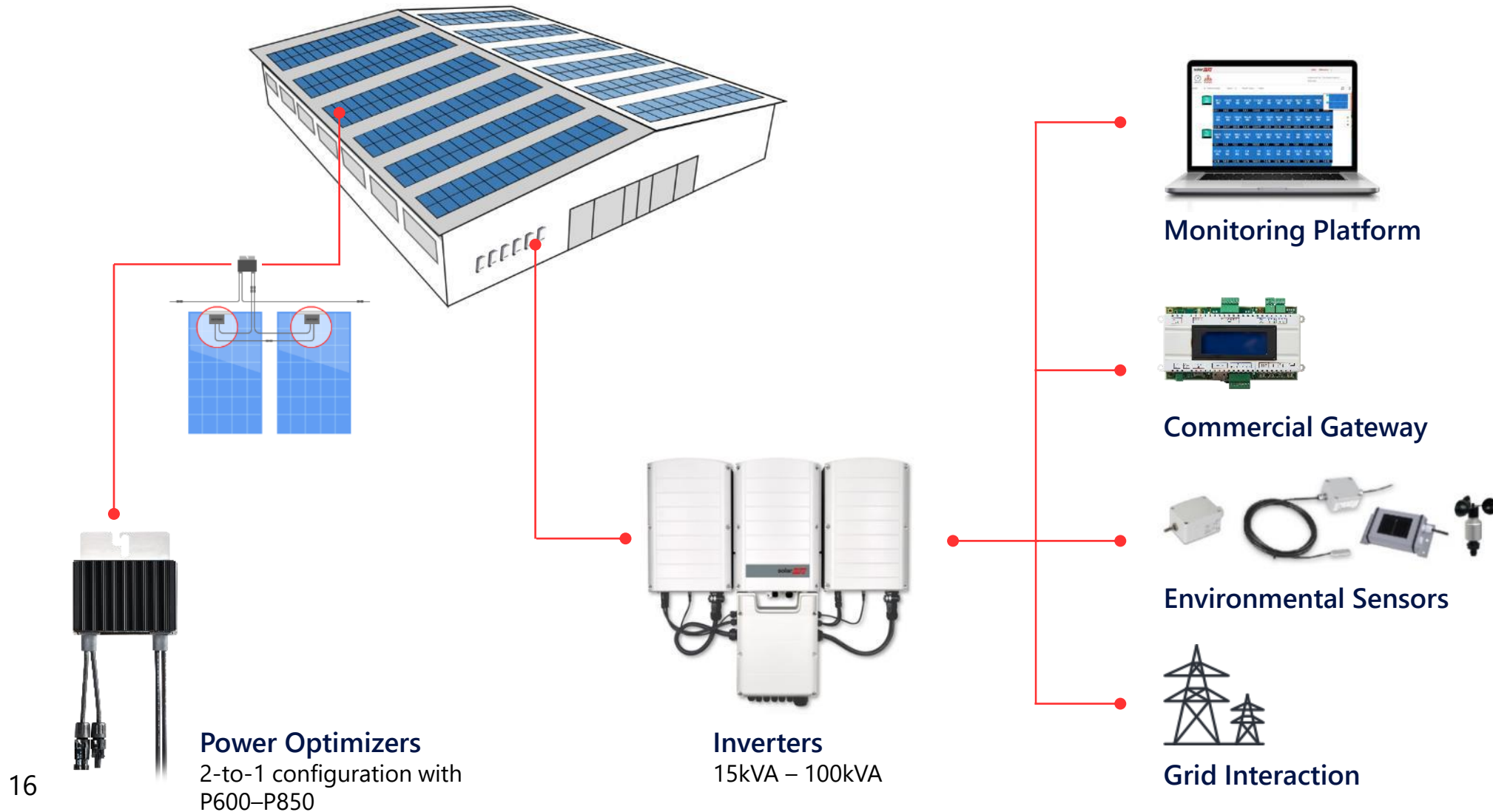
# A Complete Residential Solution



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



# The SolarEdge Commercial Solution



# Expanding Beyond PV



# UPS Division

- Based on the acquisition of Gamatronic LTD assets
- Full range of power solutions support a myriad of applications:
  - Data centers, communications, defense, healthcare, industrial, financial, marine, transportation, governmental, retail and more
- Product suite includes:
  - Modular UPS solutions ranging from 10 kW to 1.8 MW
  - A wide range of standalone UPS systems
  - Modular power systems for the telecom market
  - Modular DC/AC inverters
  - Modular DC/DC converters
  - Control & Management solutions



# About Kokam

- A global premier provider of innovative battery solutions
- Tier 1 battery manufacturer, ranked no. 5 in the ESS market
- More than 700MWh of field performance
- Over 232MWh of ESS installed globally
- Provides batteries to the utility scale ESS, UPS, electric vehicle (EV), aerospace, marine, and more industries
- Based in South Korea, a global hub of battery manufacturers
- Founded in 1989
- More than 60 battery-related patents
- Listed on the Korean OTC Exchange Market





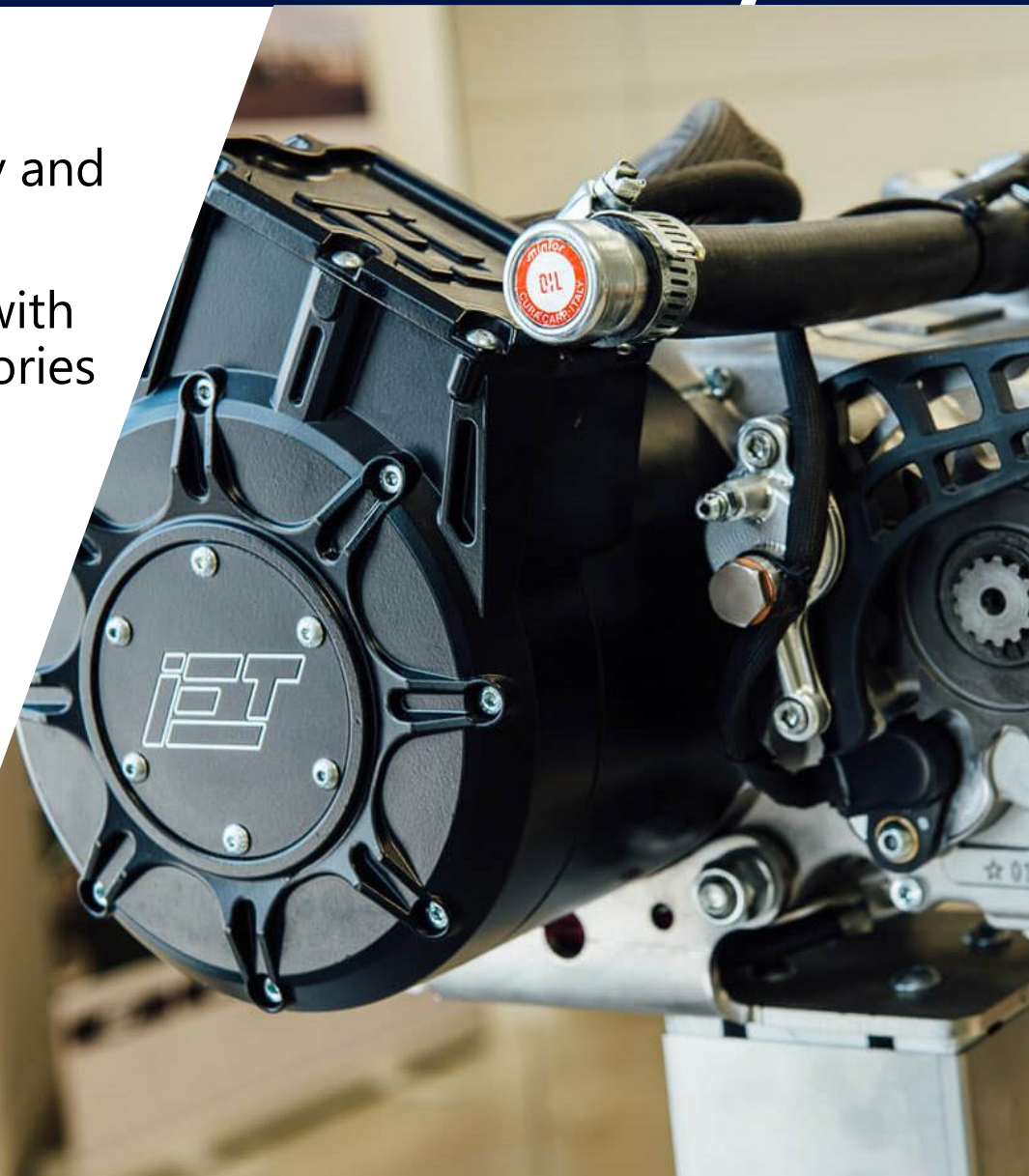
# End-to-End Smart Energy Provider

- Strategically positioning SolarEdge as a one-stop-shop for smart energy solutions
- Allowing SolarEdge to enter the high-growth global battery market and diversify its business
- Allowing SolarEdge to access and control a steady supply chain of batteries to overcome market shortages
- Allowing Kokam to penetrate new market segments and geographical areas
- Synergy between SolarEdge's technological innovation and Kokam's world-class team and leading solutions



# About S.M.R.E.

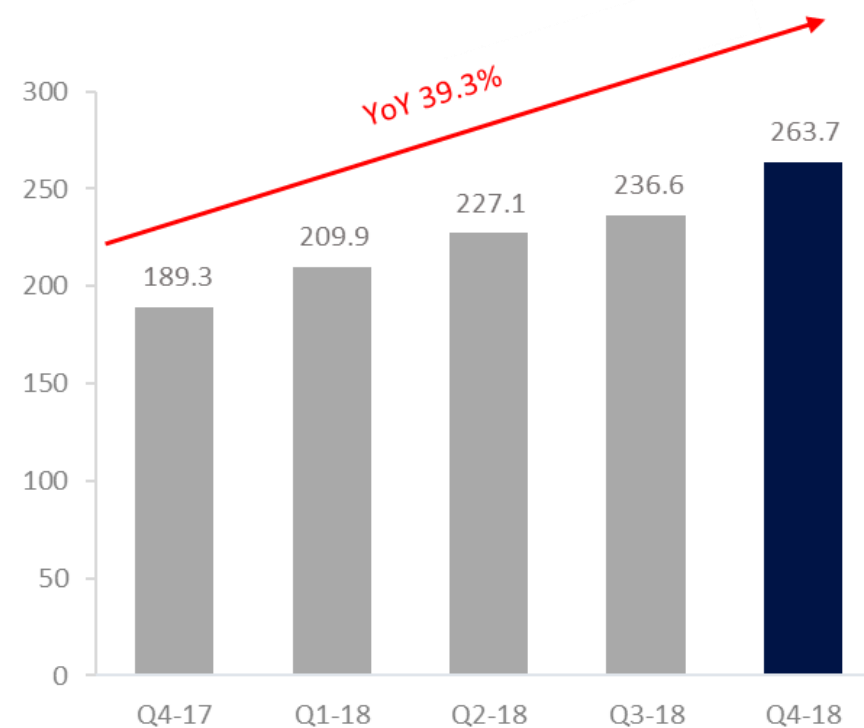
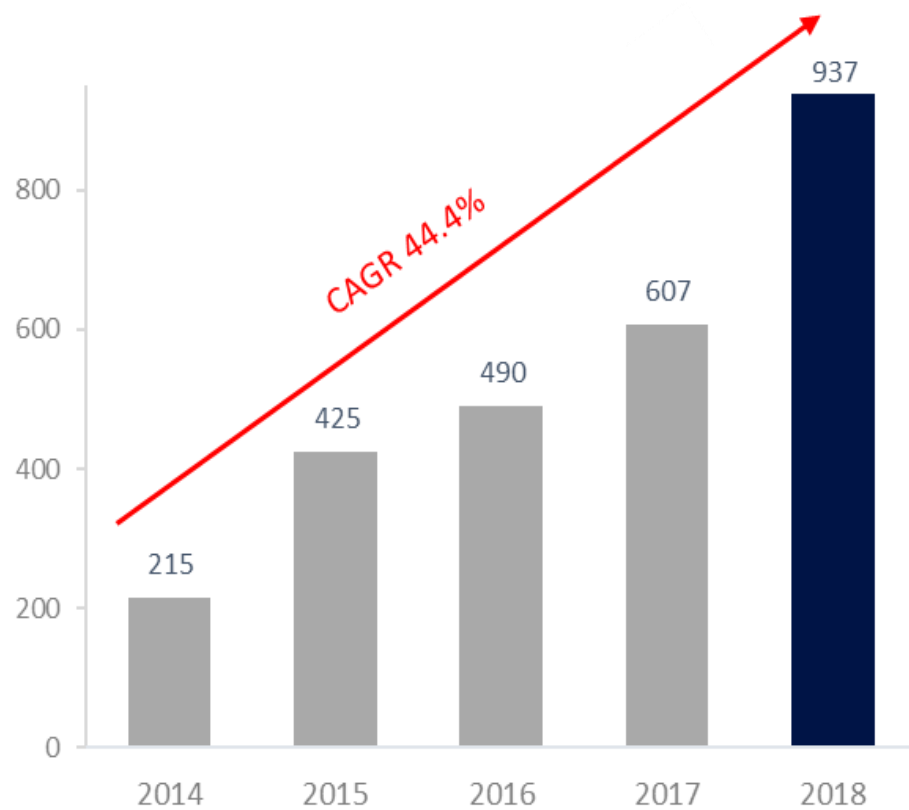
- Headquartered in Italy
- Provider of innovative integrated powertrain technology and electronics for EVs
- Develops innovative and high-performing powertrains with the gearbox, engine, battery, BMS, software, and accessories for electric vehicles.
- Founded in 1999
- Listed on the Italian stock exchange (FTSE MIB)





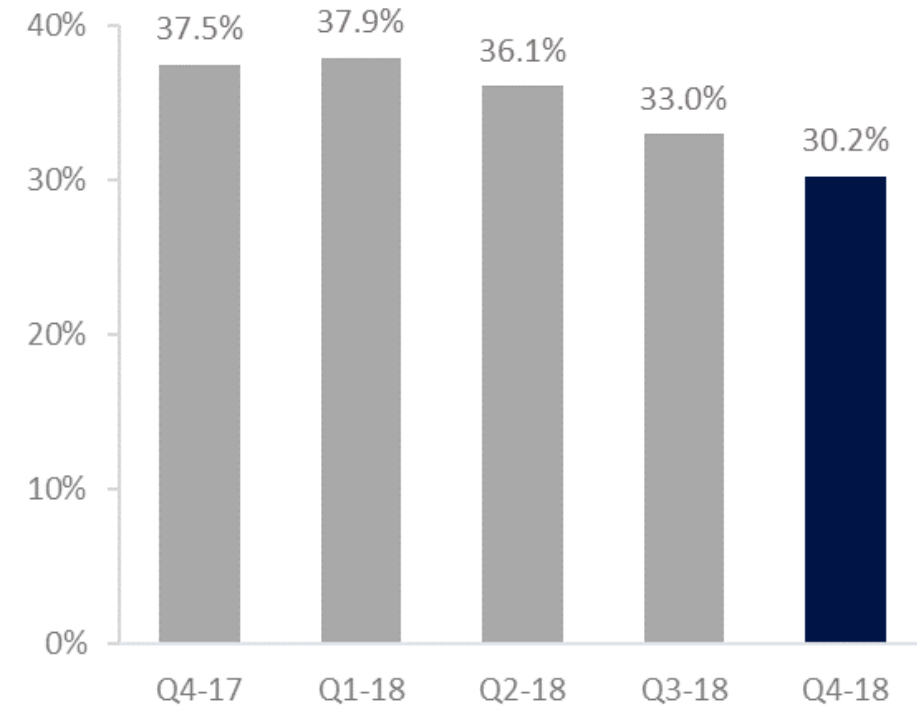
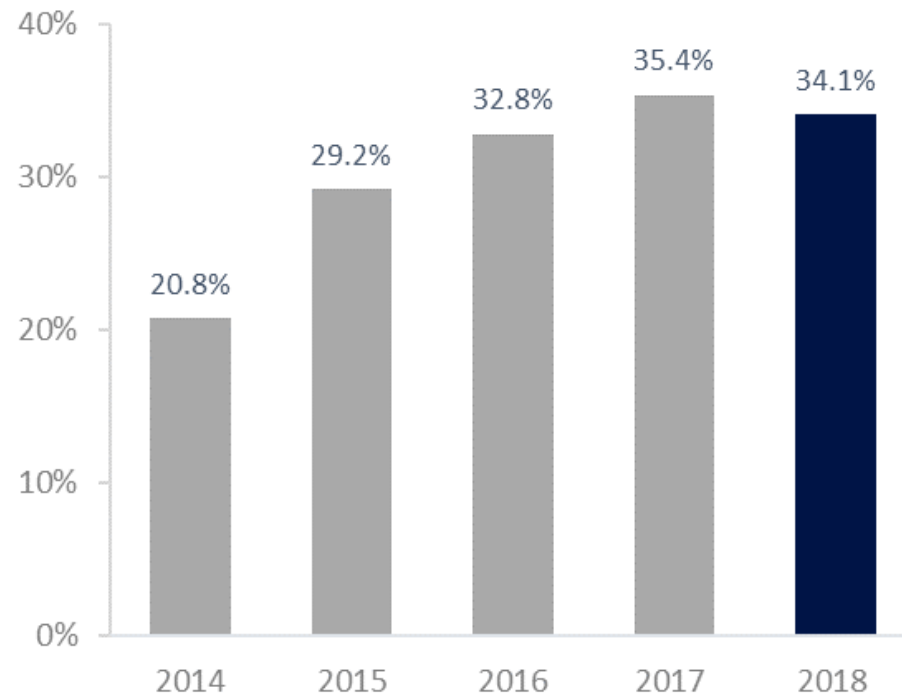
# Financial Performance

# Revenue Growth



(CY Ending Dec 31, USD millions)

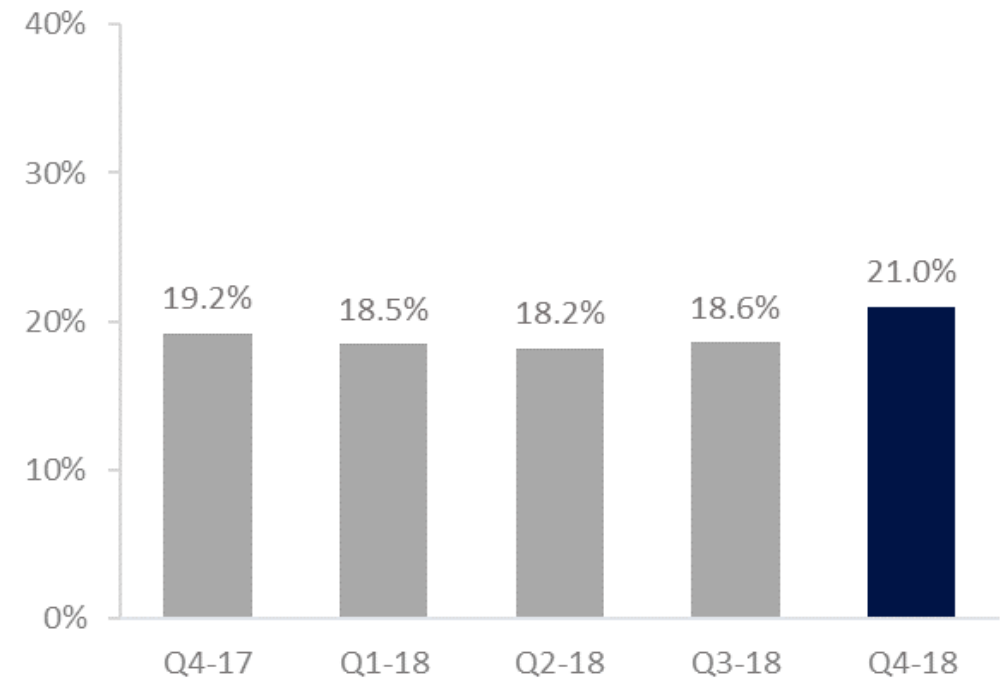
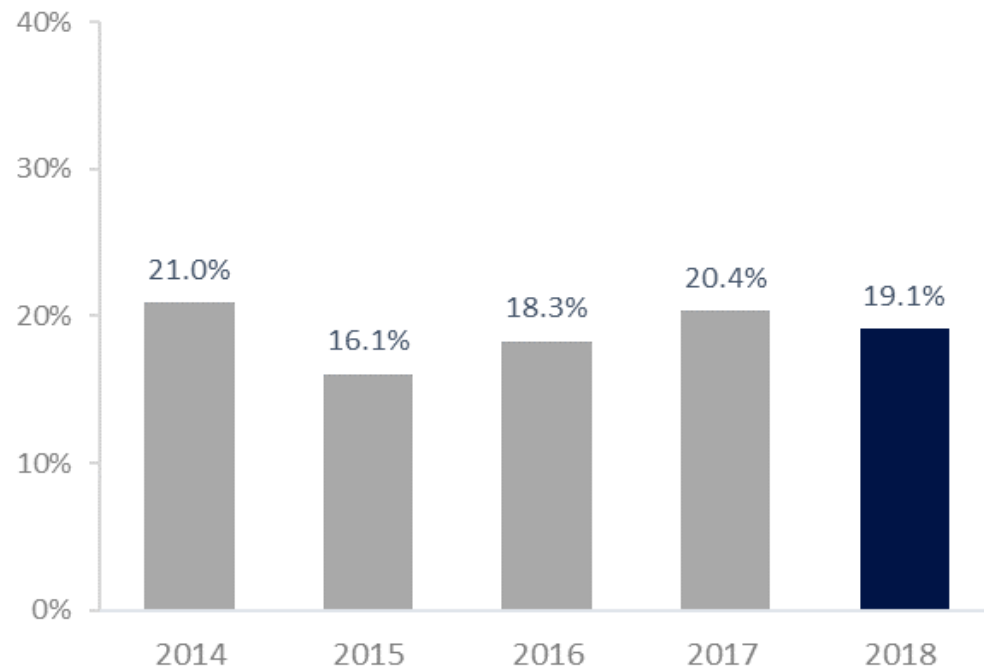
# Consolidated Gross Margin



(CY Ending Dec 31)

# Consolidated Operating Expenses

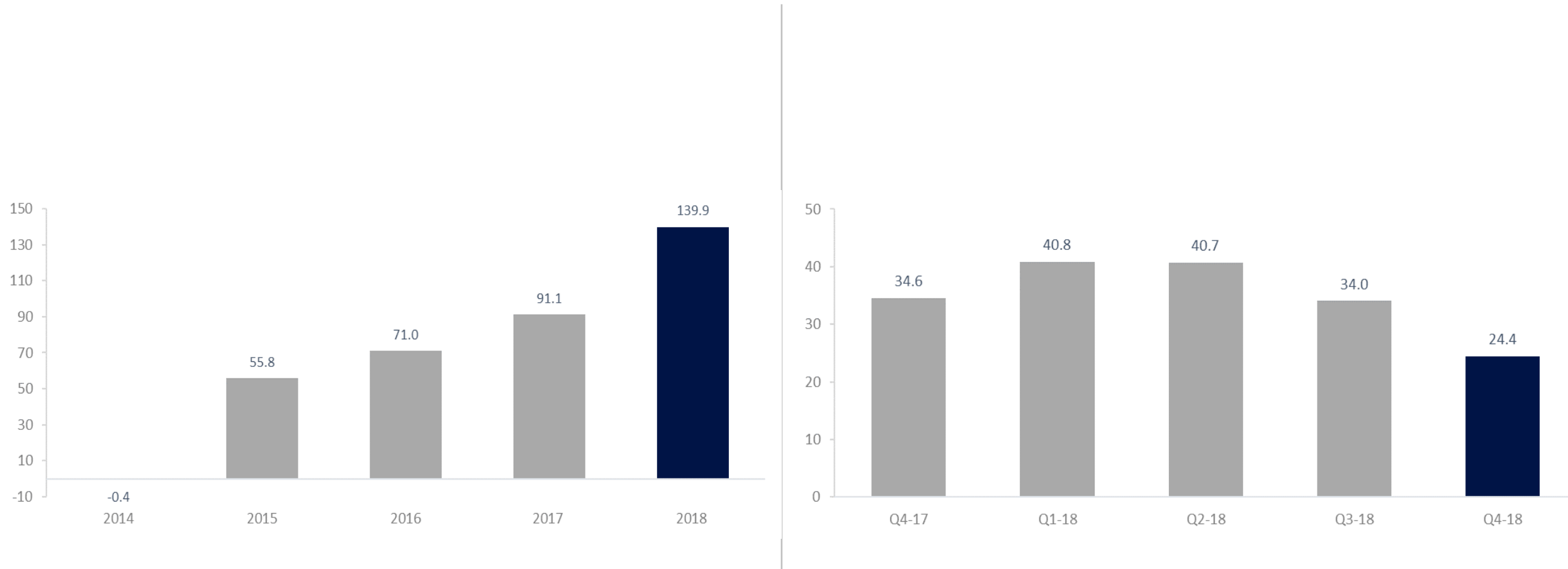
*% Of Revenue*



(CY Ending Dec 31)

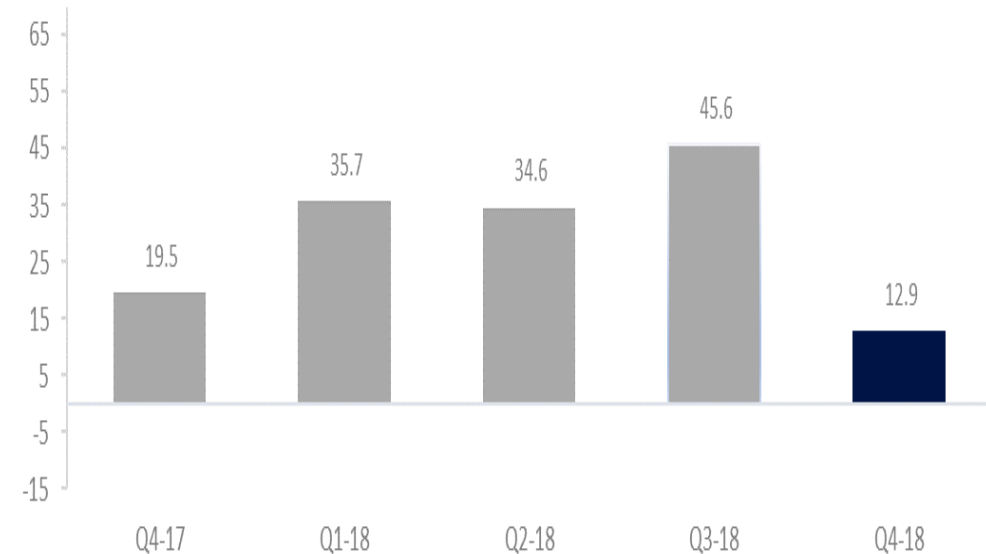
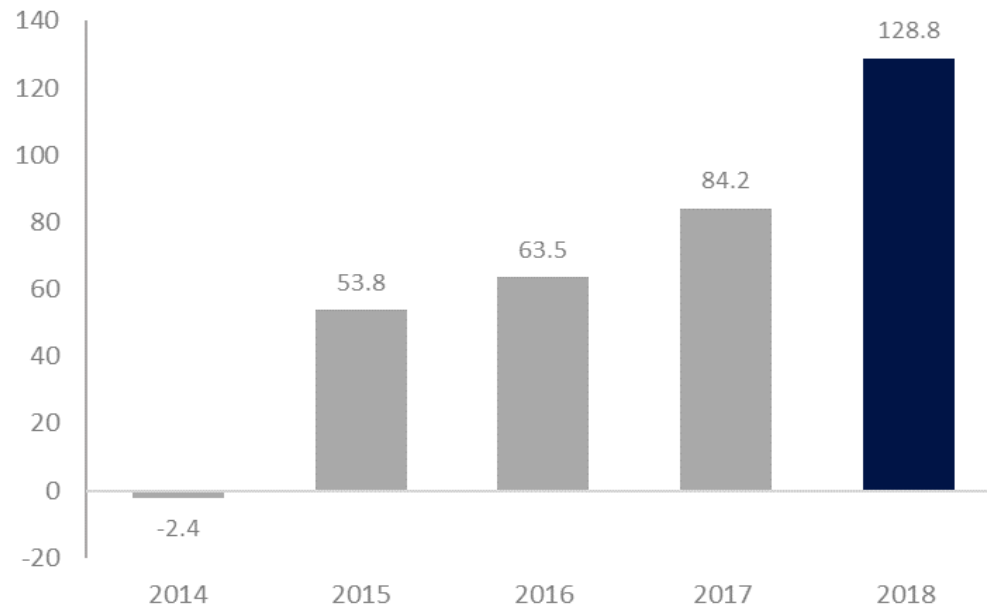


# Consolidated Operating Profitability



(CY Ending Dec 31, USD millions)

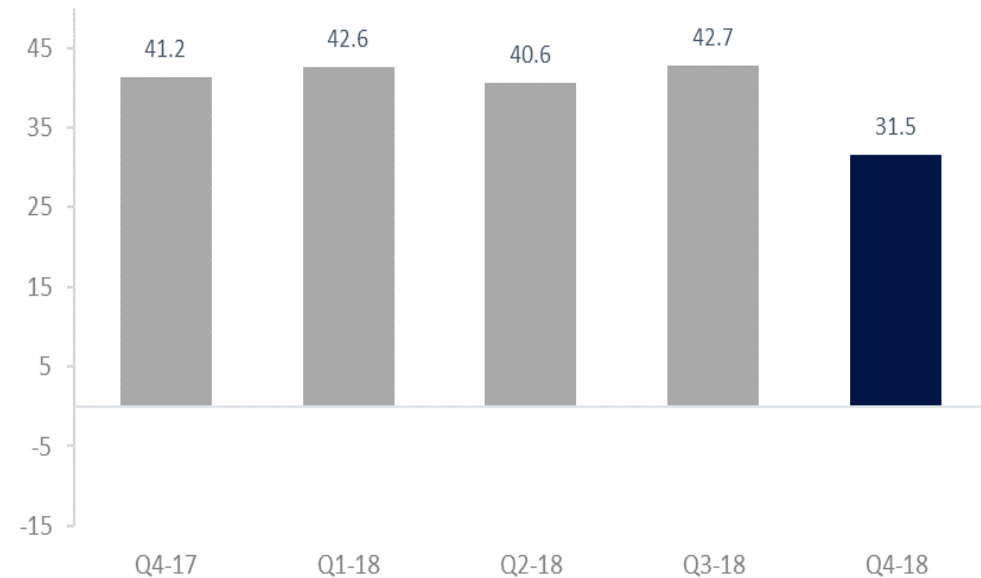
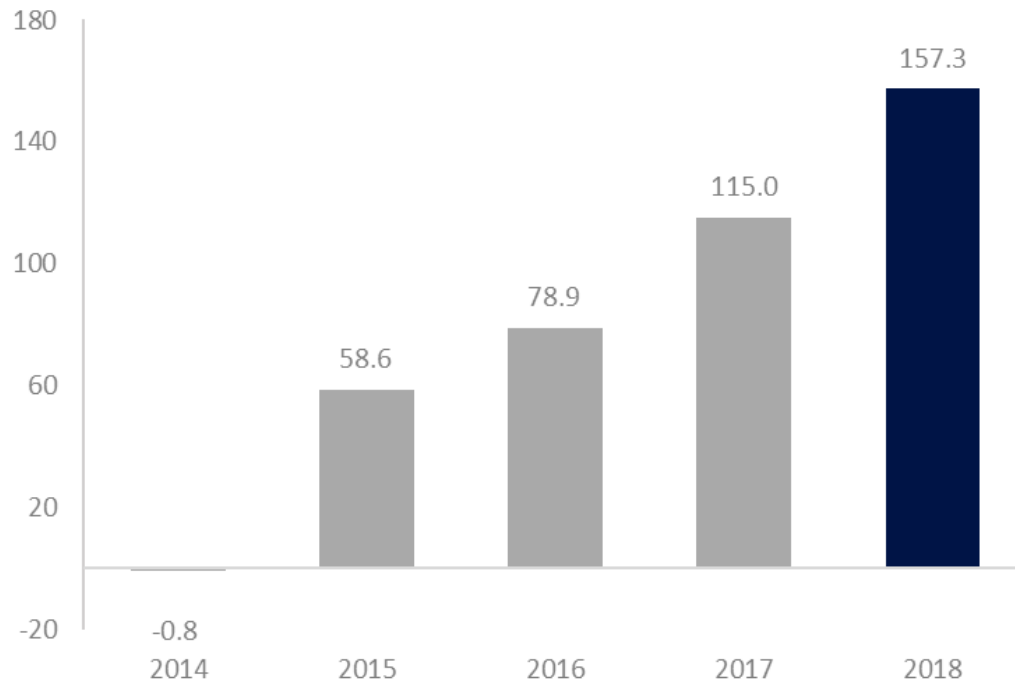
# Consolidated Net Profitability



- Q4-17, Q1-18 and Q3-18 include one time transition tax of \$18.7M, \$0.8M and tax benefit of \$10.3M, respectively.  
Q4-18 include net provisional tax expense of \$8.2M

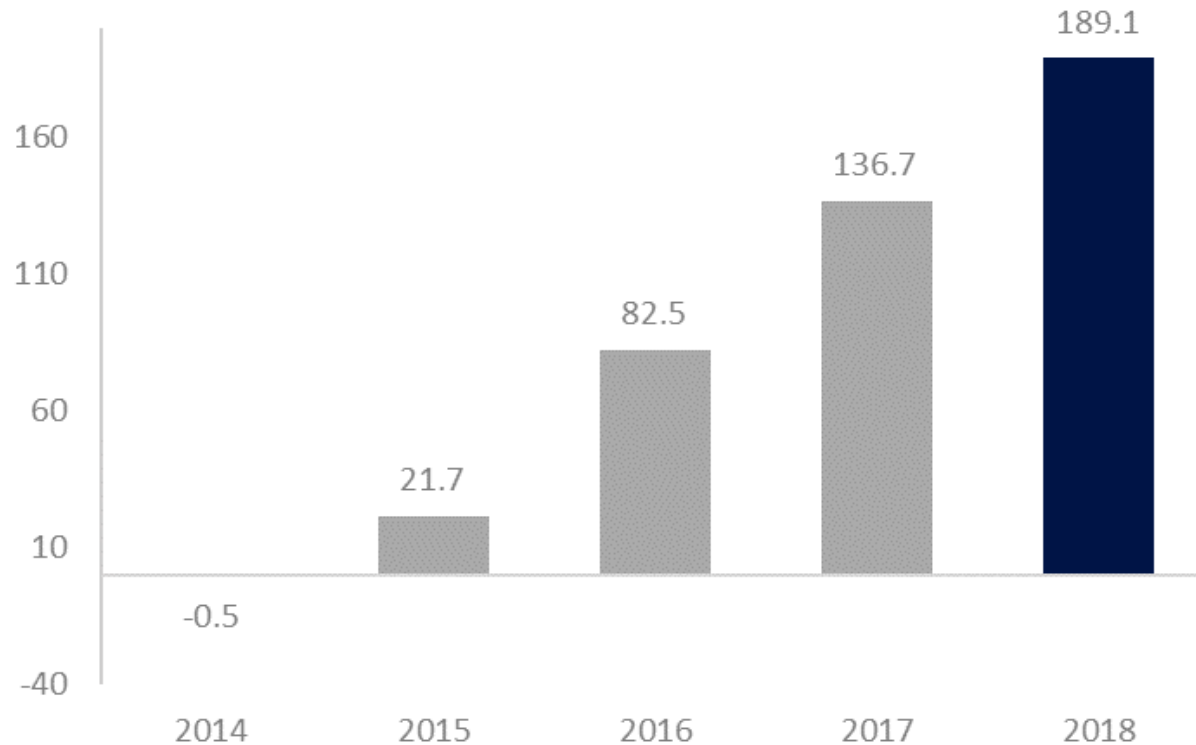
(CY Ending Dec 31, USD millions)

# Consolidated Net Profitability — Non GAAP



(CY Ending Dec 31, USD millions)

# Cash Flow from operating activities



- \$46.9M cash flow from operations in Q4 2018
- \$392.2M cash and investments (as of December 31, 2018)
- Scalable CAPEX light manufacturing model

(CY Ending Dec 31, USD millions)



# 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

