

Operational Metrics

KPI's \$,000	CQ'4 15	CQ'1 16	CQ'2 16	CQ'3 16	CQ'4 16	CQ'1 17	CQ'2 17	CQ'3 17	12 months ended, Dec 31		
									2014	2015	2016
Revenues	124,832	125,205	124,752	128,484	111,513	115,054	136,099	166,552	215,392	424,705	489,954
% Y/Y	70%	45%	27%	12%	-11%	-8%	9%	30%	124%	97%	15%
% Q/Q	8%	0%	0%	3%	-13%	3%	18%	22%			
Gross profit \$	38,582	40,734	39,113	41,875	39,025	38,676	47,066	58,054	44,764	124,081	160,747
% Y/Y	144%	72%	38%	25%	1%	-5%	20%	39%	293%	177%	30%
% Q/Q	15%	6%	-4%	7%	-7%	-1%	22%	23%			
Gross Margin	30.9%	32.5%	31.4%	32.6%	35.0%	33.6%	34.6%	34.9%	21%	29%	33%
% Y/Y	44%	19%	9%	12%	13%	3%	10%	7%	75%	41%	12%
% Q/Q	6%	5%	-4%	4%	7%	-4%	3%	1%			
Operating income (loss)	19,262	19,739	17,884	18,240	15,147	12,004	19,115	25,396	(400)	55,808	71,010
% Y/Y	355%	101%	51%	23%	-21%	-39%	7%	39%	N\A	N\A	27%
% Q/Q	30%	2%	-9%	2%	-17%	-21%	59%	33%			
Net income (loss)	24,105	20,799	17,273	15,616	9,765	14,175	22,524	27,971	(2,385)	53,763	63,453
% Y/Y	614%	249%	87%	8%	-59%	-32%	30%	79%	N\A	N\A	18%
% Q/Q	67%	-14%	-17%	-10%	-37%	45%	59%	24%			
Optimizer shipped (units)	1,373,407	1,417,469	1,487,393	1,645,708	1,259,150	1,469,677	1,774,480	2,041,115	2,236,987	4,917,632	5,809,720
Inverter shipped (units)	59,080	52,333	57,981	63,360	56,757	57,761	75,020	89,737	104,435	196,127	230,431
MW shipped (MW)	416	416	427	466	413	455	563	676	601	1,262	1,723

Balance Sheet

\$,000	Dec 31, 2015	Mar 31, 2016	Jun 30, 2016	Sep 30, 2016	Dec 31, 2016	Mar 31, 2017	June 30, 2017	Sep 30, 2017
Current Assets:								
Cash and cash equivalents	106,150	84,070	74,032	90,014	104,683	119,933	113,452	149,448
Restricted cash	3,417	944	928	946	897	991	1,097	1,400
Marketable securities	27,137	44,059	59,163	61,786	74,465	81,800	80,225	81,488
Accounts receivables, net	46,685	56,145	72,737	84,898	71,041	79,268	79,851	91,694
Prepaid expenses and other accounts receivable	24,233	18,613	21,340	17,276	21,347	26,561	34,109	38,201
Inventories	87,400	85,514	81,550	68,434	67,363	60,913	56,205	62,356
Total Current Assets	295,022	289,345	309,750	323,354	339,796	369,466	364,939	424,587
Long Term Assets:								
Marketable securities	25,290	43,151	52,446	53,955	44,262	44,893	79,954	72,351
Property, equipment and intangible assets, net	22,186	26,950	28,547	31,072	37,381	37,933	41,991	45,714
Prepaid expenses and lease deposits	510	440	399	437	489	594	640	732
Deferred tax assets, net	6,565	6,486	6,296	4,127	2,815	4,084	4,898	5,822
Total Long Term Assets	54,551	77,027	87,688	89,591	84,947	87,504	127,483	124,619
Total Assets	349,573	366,372	397,438	412,945	424,743	456,970	492,422	549,206
Current Liabilities:								
Trade payables, net	61,977	45,138	48,481	40,282	34,001	43,740	36,029	42,700
Employees and payroll accruals	12,864	12,358	10,092	11,975	13,018	11,767	14,286	17,640
Warranty Liabilities	11,862	13,510	14,114	15,103	13,616	12,895	12,501	12,942
Deferred Revenues	1,983	2,642	3,859	2,421	1,202	1,025	3,038	2,743
Accrued expenses and other accounts payable	7,169	7,797	10,725	8,719	8,648	9,189	12,842	16,407
Total Current Liabilities	95,855	81,445	87,271	78,500	70,485	78,616	78,696	92,432
Long Term Liabilities:								
Warranty Liabilities	29,032	33,149	37,078	41,305	44,759	48,230	52,839	58,625
Deferred Revenues	11,427	13,266	14,684	16,059	18,660	20,902	23,771	26,858
Lease incentive obligation	2,320	2,265	2,297	2,135	2,061	1,987	1,913	1,838
Total Long Term Liabilities	42,779	48,680	54,059	59,499	65,480	71,119	78,523	87,321
Stockholders' Equity:								
Common stock	4	4	4	4	4	4	4	4
Additional paid-in capital	292,681	296,480	299,214	302,587	307,098	311,081	316,867	323,076
Accumulated other comprehensive income (loss)	(293)	417	271	120	(324)	(25)	(367)	(297)
Accumulated deficit	(81,453)	(60,654)	(43,381)	(27,765)	(18,000)	(3,825)	18,699	46,670
Total stockholders' equity	210,939	236,247	256,108	274,946	288,778	307,235	335,203	369,453
Total liabilities and stockholders' equity	349,573	366,372	397,438	412,945	424,743	456,970	492,422	549,206

P&L GAAP

\$,000									12 months ended, Dec 31		
	CQ'4 15	CQ'1 16	CQ'2 16	CQ'3 16	CQ'4 16	CQ'1 17	CQ'2 17	CQ'3 17	2014	2015	2016
Revenues	124,832	125,205	124,752	128,484	111,513	115,054	136,099	166,552	215,392	424,705	489,954
Cost of revenues	86,250	84,471	85,639	86,609	72,488	76,378	89,033	108,498	170,628	300,624	329,207
Gross profit	38,582	40,734	39,113	41,875	39,025	38,676	47,066	58,054	44,764	124,081	160,747
Gross Margin %	30.9%	32.5%	31.4%	32.6%	35.0%	33.6%	34.6%	34.9%	20.8%	29.2%	32.8%
Operating expenses:											
Research and development, net	8,299	8,709	9,232	9,935	10,344	11,458	12,725	14,363	19,261	27,481	38,220
Sales and marketing	8,833	8,826	8,930	10,036	10,408	10,775	11,961	13,217	21,131	30,931	38,200
General and administrative	2,188	3,460	3,067	3,664	3,126	4,439	3,265	5,078	4,772	9,861	13,317
Total operating expenses	19,320	20,995	21,229	23,635	23,878	26,672	27,951	32,658	45,164	68,273	89,737
Operating income (loss)	19,262	19,739	17,884	18,240	15,147	12,004	19,115	25,396	(400)	55,808	71,010
Financial expenses (Income)	959	(2,029)	527	(390)	3,179	(1,410)	(3,595)	(2,666)	1,038	6,166	1,287
Other expenses	----	----	----	----	----	----	----	----	----	104	----
Income (Loss) before taxes on income	18,303	21,768	17,357	18,630	11,968	13,414	22,710	28,062	(1,438)	49,538	69,723
Taxes on income (tax benefit)	(5,802)	969	84	3,014	2,203	(761)	186	91	947	(4,225)	6,270
Net income (loss)	24,105	20,799	17,273	15,616	9,765	14,175	22,524	27,971	(2,385)	53,763	63,453

Cash Flow

\$,000	Three Months Ended							Sep 30, 2017
	Dec. 31, 2015	Mar. 31, 2016	Jun 30, 2016	Sep 30, 2016	Dec 31, 2016	March 31, 2017	June 30, 2017	
Cash flows from operating activities:								
Net income	24,105	20,799	17,273	15,616	9,765	14,175	22,524	27,971
<u>Adjustments to reconcile net income to net cash provided by operating activities:</u>								
Depreciation	891	972	1,162	1,271	1,431	1,484	1,574	1,766
Amortization of intangible assets	21	21	21	21	36	36	36	36
Amortization of premiums on available-for-sale marketable securities	35	174	323	332	349	383	408	519
Stock-based compensation	2,225	2,632	2,400	3,100	3,500	3,612	4,034	4,537
Deferred tax assets, net	(6,527)	(100)	247	2,180	1,472	(1,333)	(772)	(958)
Realized losses on Cash Flow Hedges	(3)	2	---	---	---	---	---	---
<u>Changes in assets and liabilities:</u>								
Inventories	(7,496)	2,006	4,090	13,120	902	6,453	4,700	(6,148)
Prepaid expenses and other accounts receivable	(5,307)	6,682	(2,644)	4,176	(4,543)	(4,583)	(7,964)	(4,813)
Trade receivables, net	660	(9,413)	(16,590)	(12,102)	13,657	(8,070)	(329)	(11,769)
Trade payables	(5,201)	(16,853)	3,354	(8,200)	(6,264)	9,734	(7,727)	6,660
Employees and payroll accruals	5,029	(556)	(2,239)	1,879	1,117	(1,272)	2,478	3,303
Warranty obligations	4,990	5,765	4,533	5,216	1,967	2,750	4,215	6,227
Deferred revenues	1,476	2,496	2,636	(63)	1,398	2,060	4,875	2,764
Accrued expenses and other accounts payable	(1,740)	770	3,437	(2,015)	16	311	3,647	3,579
Lease incentive obligation	(54)	(55)	32	(162)	(74)	(74)	(74)	(75)
Net cash provided by operating activities	13,104	15,342	18,035	24,369	24,729	25,666	31,625	33,599
Cash flows from investing activities:								
Purchase of property and equipment	(2,344)	(5,909)	(4,145)	(3,815)	(7,210)	(1,872)	(5,739)	(5,592)
Purchase of intangible assets	---	---	---	---	(600)	---	---	---
Decrease (increase) in restricted cash	171	2,473	16	(18)	49	(94)	(106)	(303)
Decrease (increase) in short and long-term lease deposits	(36)	(14)	80	(29)	(48)	(66)	(62)	68
Investment in available-for-sale marketable securities	(52,860)	(36,023)	(29,628)	(19,928)	(20,930)	(24,070)	(50,036)	(8,363)
Maturities of available-for-sale marketable securities	---	1,000	5,350	15,304	17,478	15,665	16,009	14,839
Net cash used in investing activities	(55,069)	(38,473)	(28,327)	(8,486)	(11,261)	(10,437)	(39,934)	649
Cash flows from financing activities:								
Proceeds from issuance of shares upon exercise of options	1,455	1,167	334	273	1,011	371	1,752	1,672
Net cash provided by financing activities	1,455	1,167	334	273	1,011	371	1,752	1,672
Increase (decrease) in cash and cash equivalents	(40,510)	(21,964)	(10,152)	16,156	14,479	15,600	(6,557)	35,920
Cash and cash equivalents at the beginning of the period	146,729	106,150	84,070	74,032	90,014	104,683	119,933	113,452
Effect of exchange rate differences on cash and cash equivalents	(69)	(116)	114	(174)	190	(350)	76	76
Cash and cash equivalents at the end of the period	106,150	84,070	74,032	90,014	104,683	119,933	113,452	149,448