



SolarEdge Technologies

Nasdaq | SEDG

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CFO

February 2020



Forward Looking Statements

Use of Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward looking statements include information, among other things, concerning: our possible or assumed future results of operations; future demands for solar energy solutions; business strategies; technology developments; financing and investment plans; dividend policy; competitive position; industry and regulatory environment; general economic conditions; potential growth opportunities; and the effects of competition.

Forward-looking statements are only predictions based on our current expectations and are inherently subject to risks and uncertainties. They should not be considered guarantees of future results, which could differ materially from the results set forth in, contemplated by, or underlying this presentation.

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

SolarEdge undertakes no duty or obligation to update any forward-looking statements contained in this presentation as a result of new information, future events or changes in its expectations.

SolarEdge in Numbers

49.9M

Power Optimizers
Shipped



#1



Solar
Inverter
Company

348

Awarded Patents and
266 Additional Patent
Applications

28

Countries
Presence

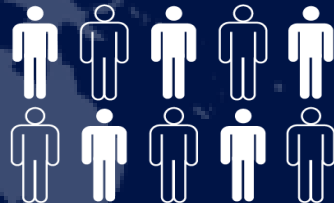
2.1M

Inverters
Shipped



2,431

employees



> 1.38M

Monitored systems
around the world

16.2GW

of our systems
shipped worldwide

Q4/2019 Financial Results

\$418.2M
Revenue



\$83.1M
Cash Flow From Operations



\$87.4M Non-GAAP Net Income



\$52.8M GAAP Net Income

34.3%
GAAP Gross Margin



\$467.5M Cash and Investments Balance



2019 Financial Results

\$1.4B

Revenue



33.6%

GAAP Gross Margin



\$259.0M

Cash Flow From Operations



\$233.2M Non-GAAP Net Income



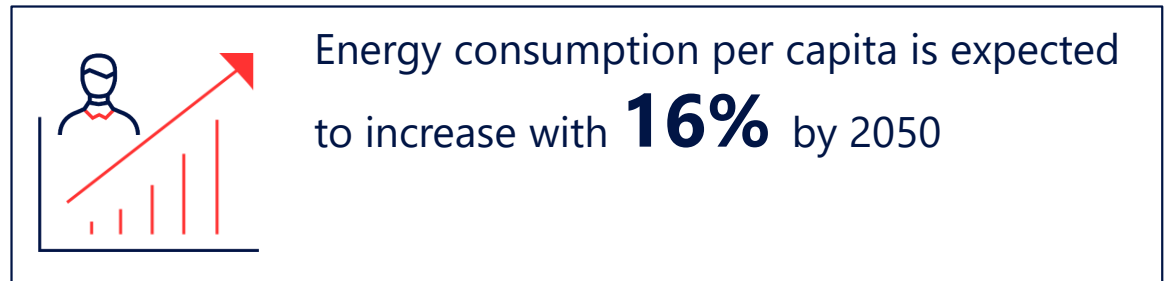
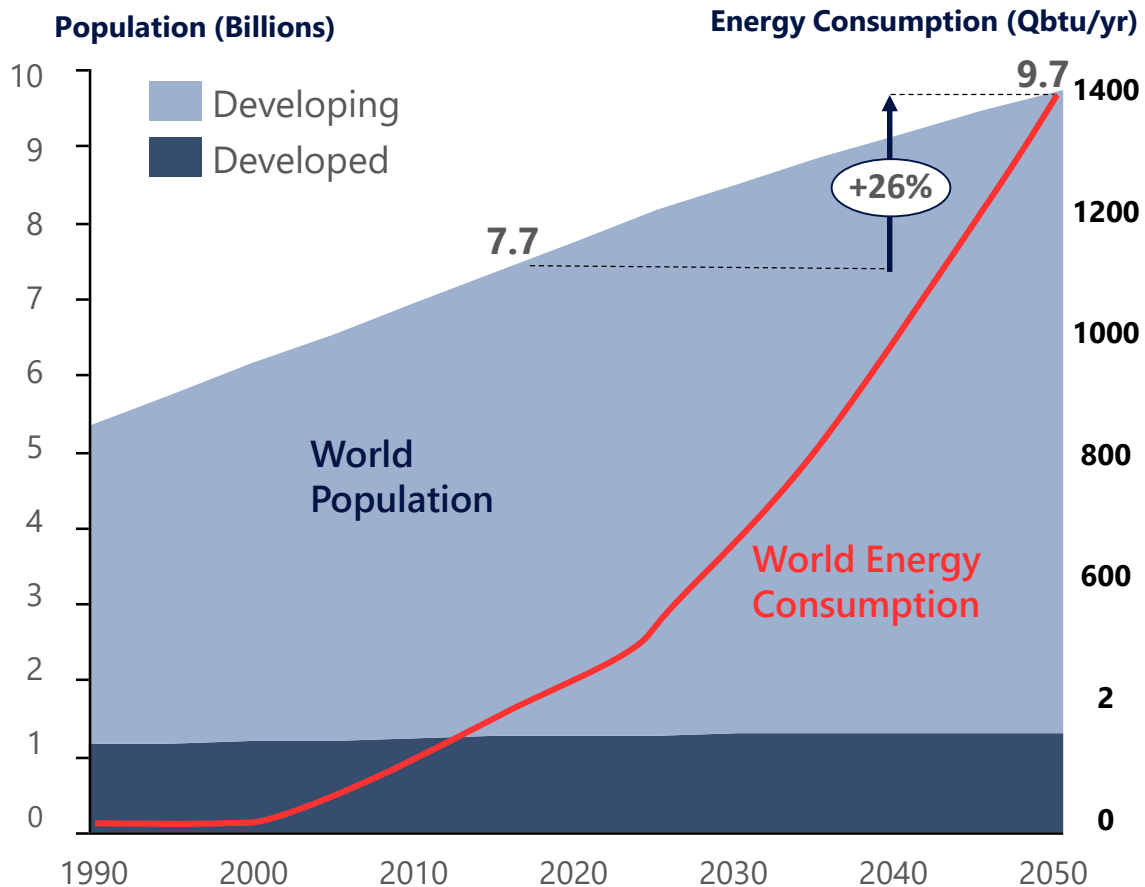
52.1% YoY Revenue Growth



\$146.5M GAAP Net Income

Energy Demand is on the Rise

Global population forecast 2050 (in B)

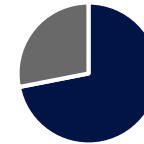
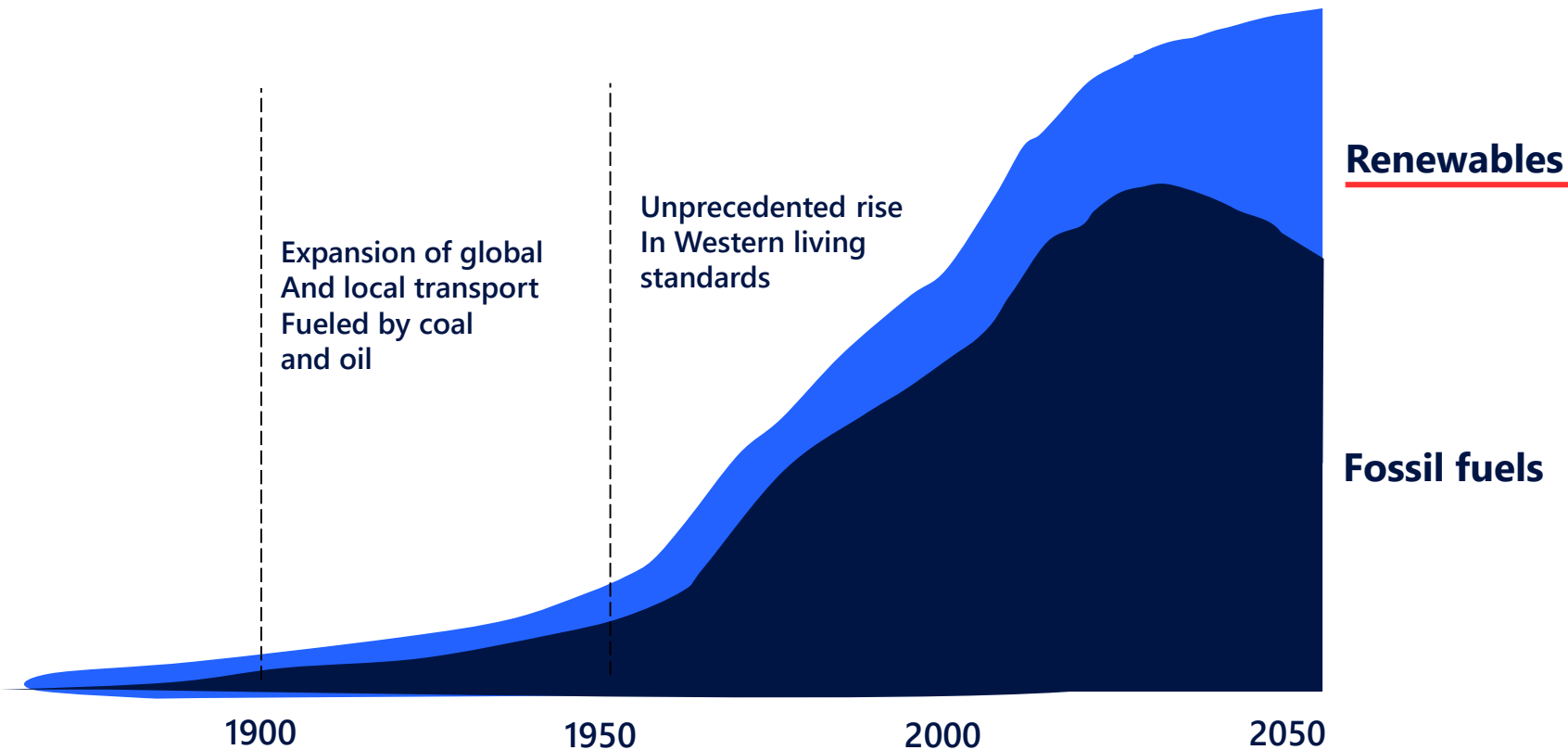


Source: McKinsey energy Insights' Global Perspective, January 2019

Source: https://www.researchgate.net/figure/World-population-vs-energy-demand_fig1_317635346

Energy Demand is on the Rise

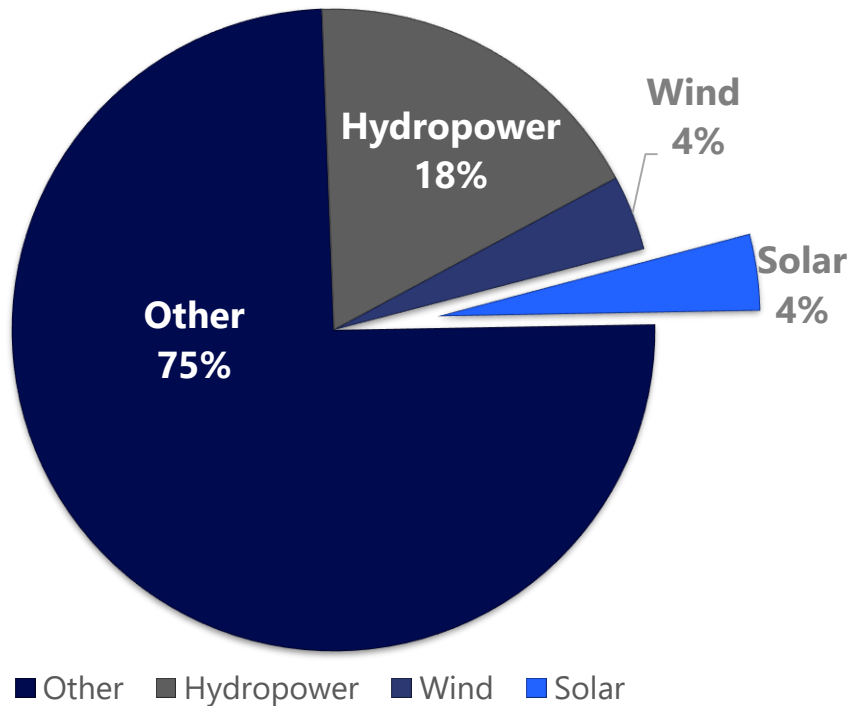
Global primary energy demand, millions of terajoules



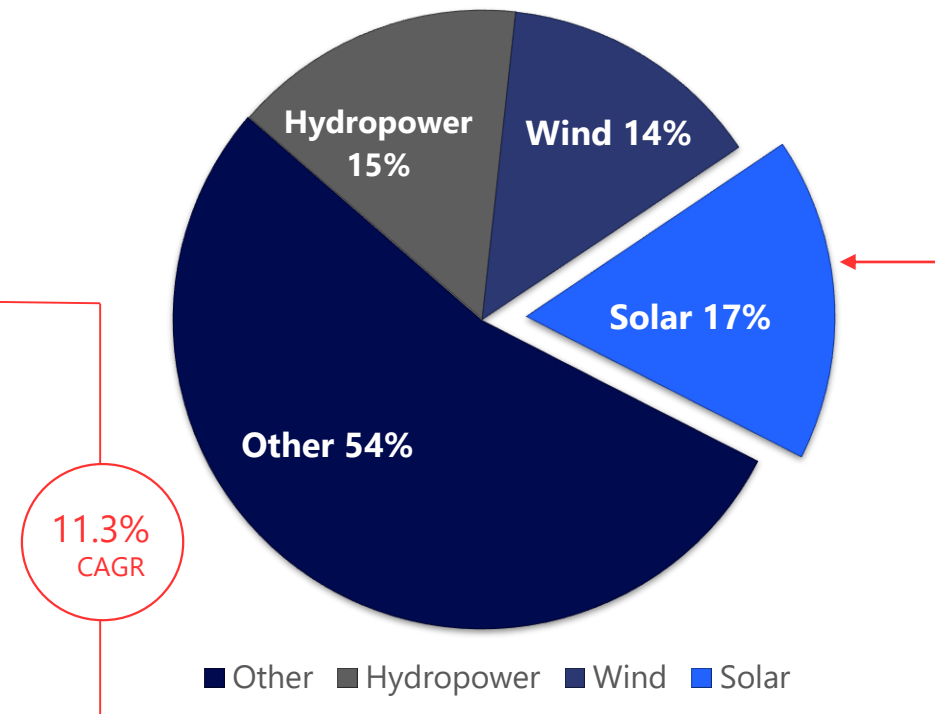
By 2050 almost $\frac{1}{3}^{\text{rd}}$ of the global electricity demand will come from renewable energy

Global Renewable Energy Market Mix

2016 renewables

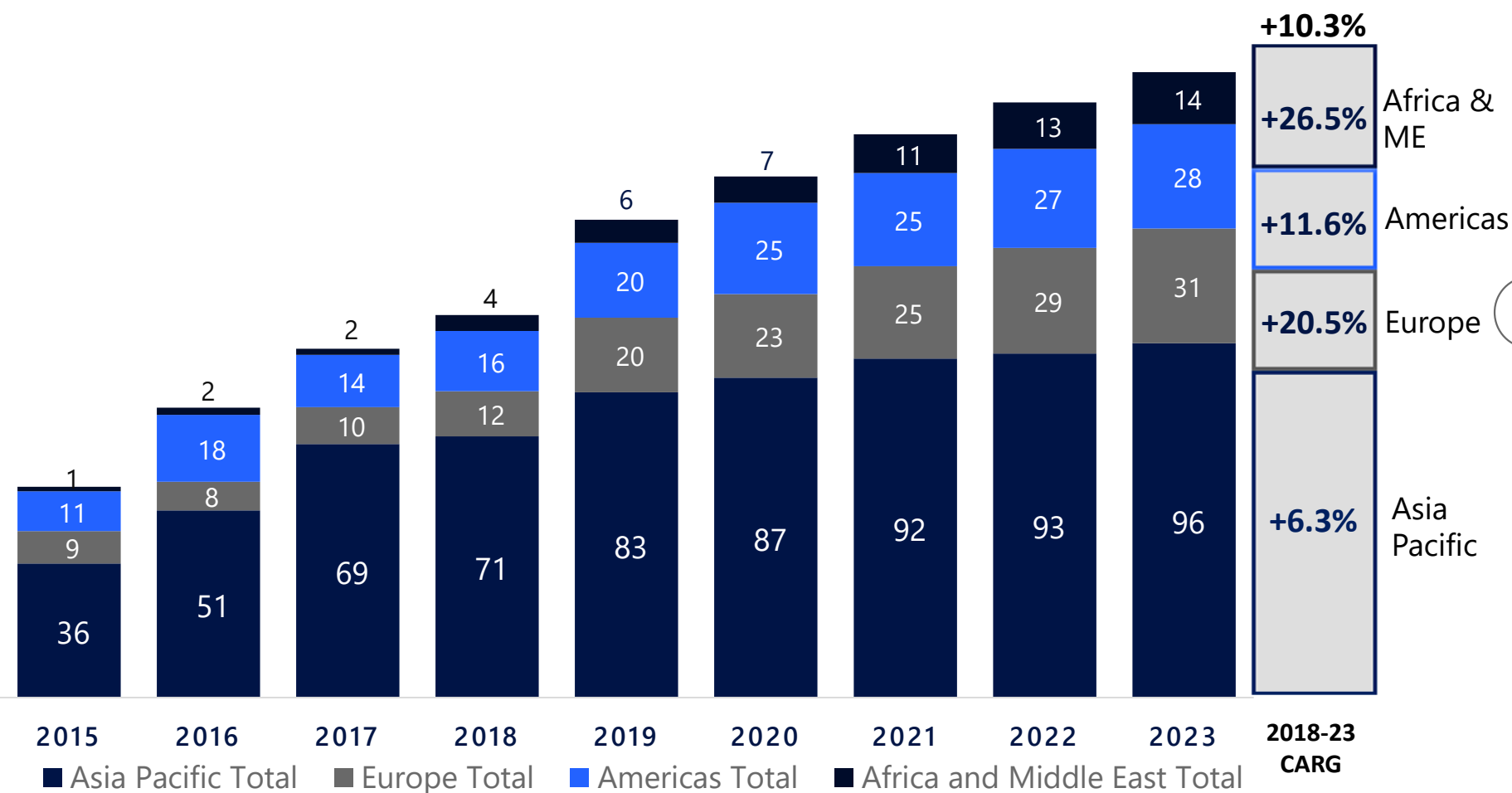


2030 Renewables



11.3%
CAGR

Solar GW Installations by Region



Growth drivers

- Asia remains biggest market, but expected to grow the slowest
- Europe is growing double digit, mainly from utility and small commercial
- America is also growing fast, mainly from small commercial.



SolarEdge Solutions

solar**edge**

A Complete Residential Solution

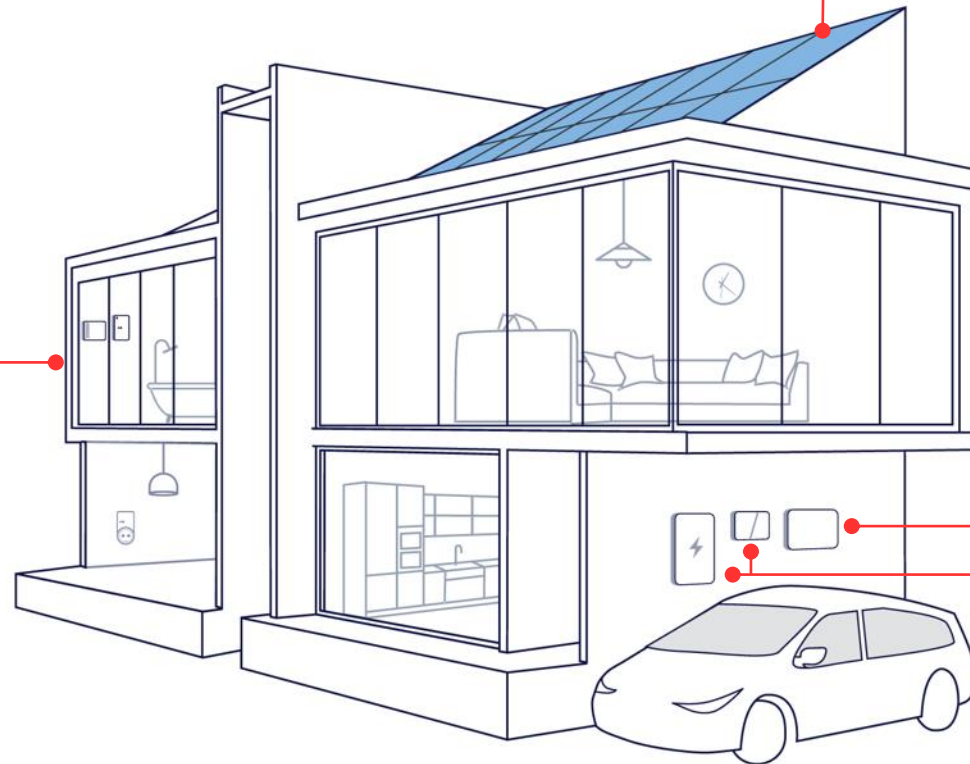
■ A single solution for PV, storage, smart energy, and EV charging



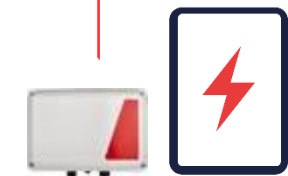
Smart Energy Products



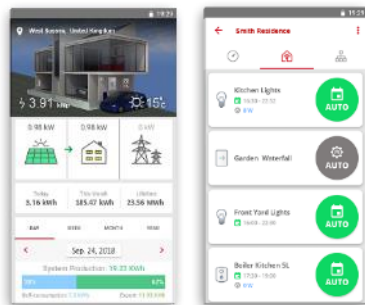
Smart Modules with
Pre-assembled Power
Optimizers



Inverters

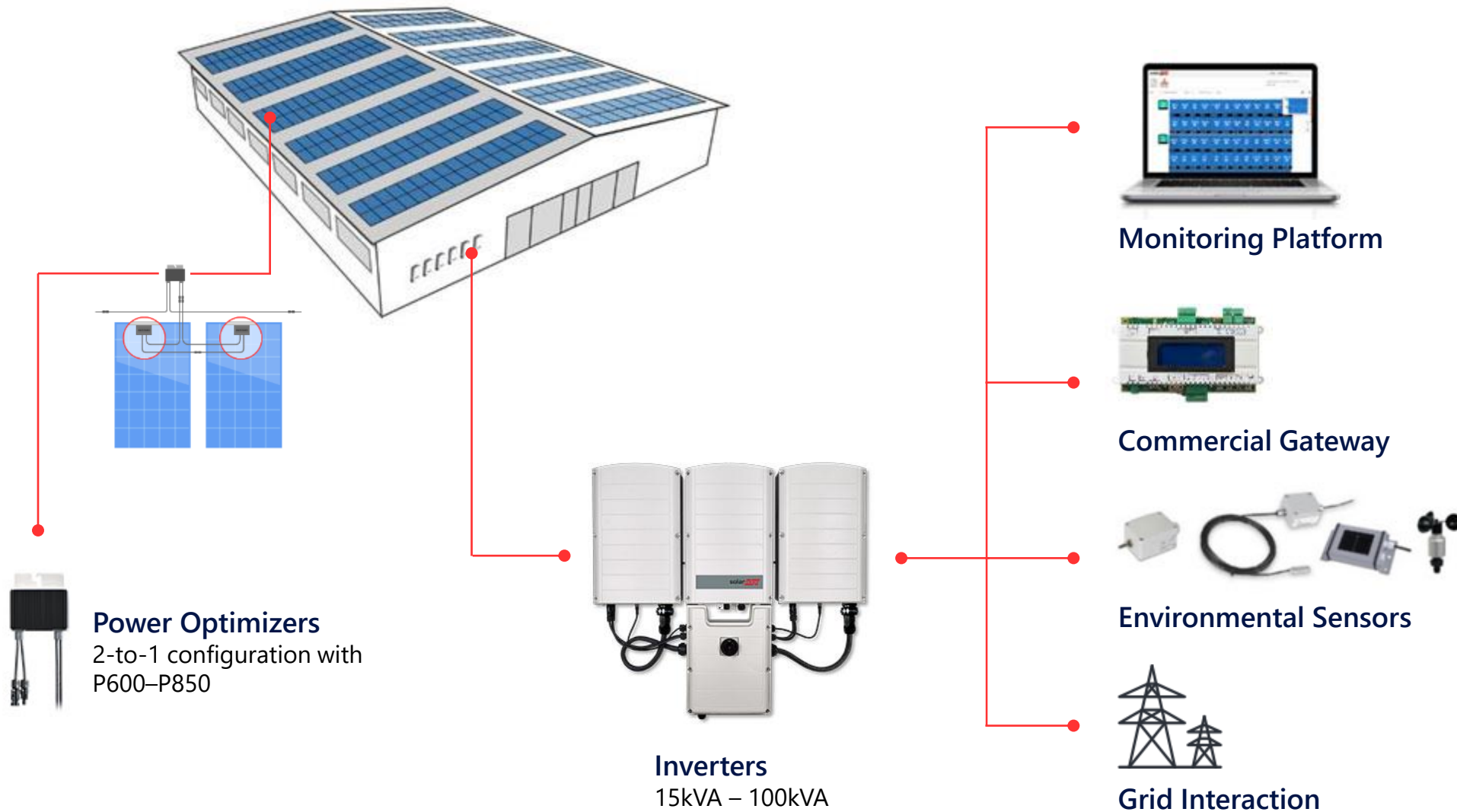


StorEdge

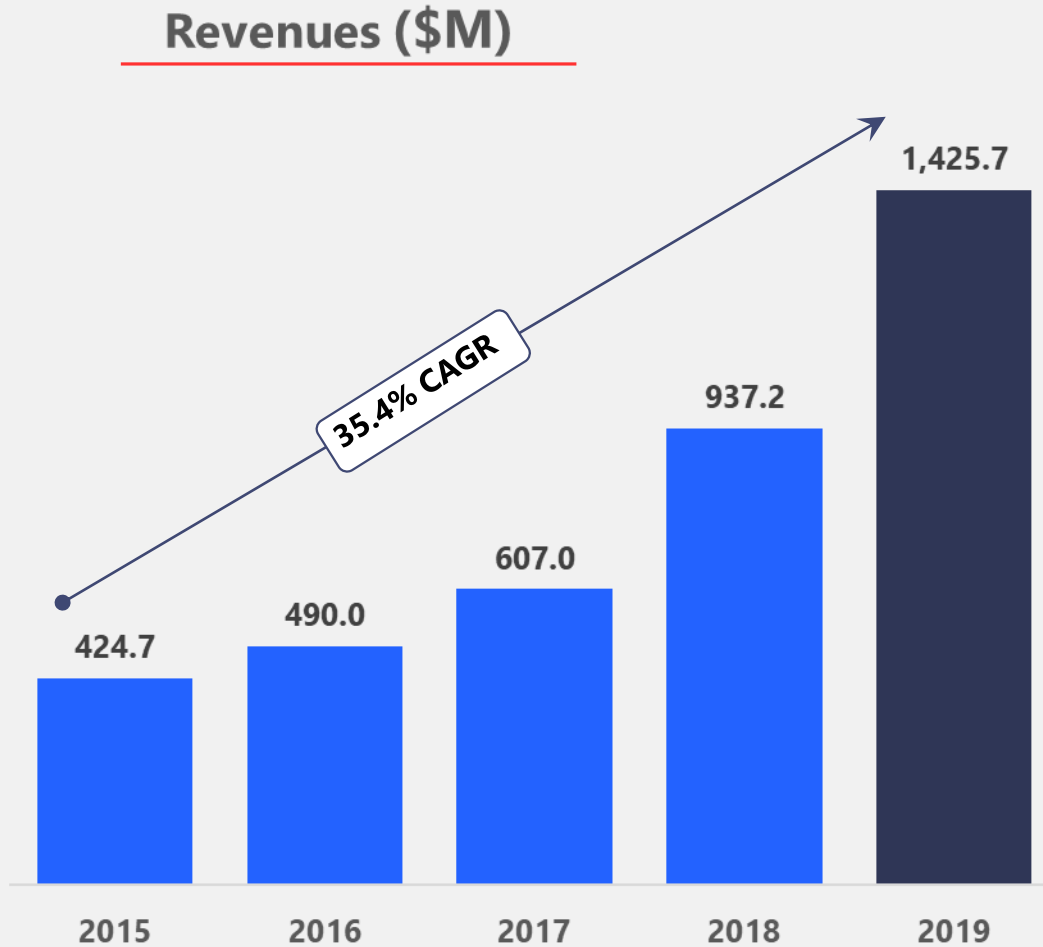


Monitoring Platform

The SolarEdge Commercial Solution

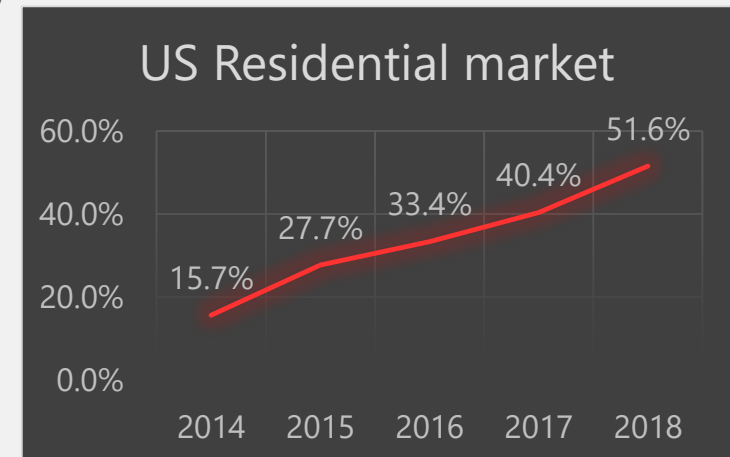


Annual Growth



Our Winning Method

- Strong product offering that answers customers needs
- Sales force focused on demand creation with installers
- Backed by marketing and service



Strategic Growth Engines



**Geographic
Expansion**



**Segment
Development**



**Market
Share Growth**



ARPI Increase

Geographical Expansion

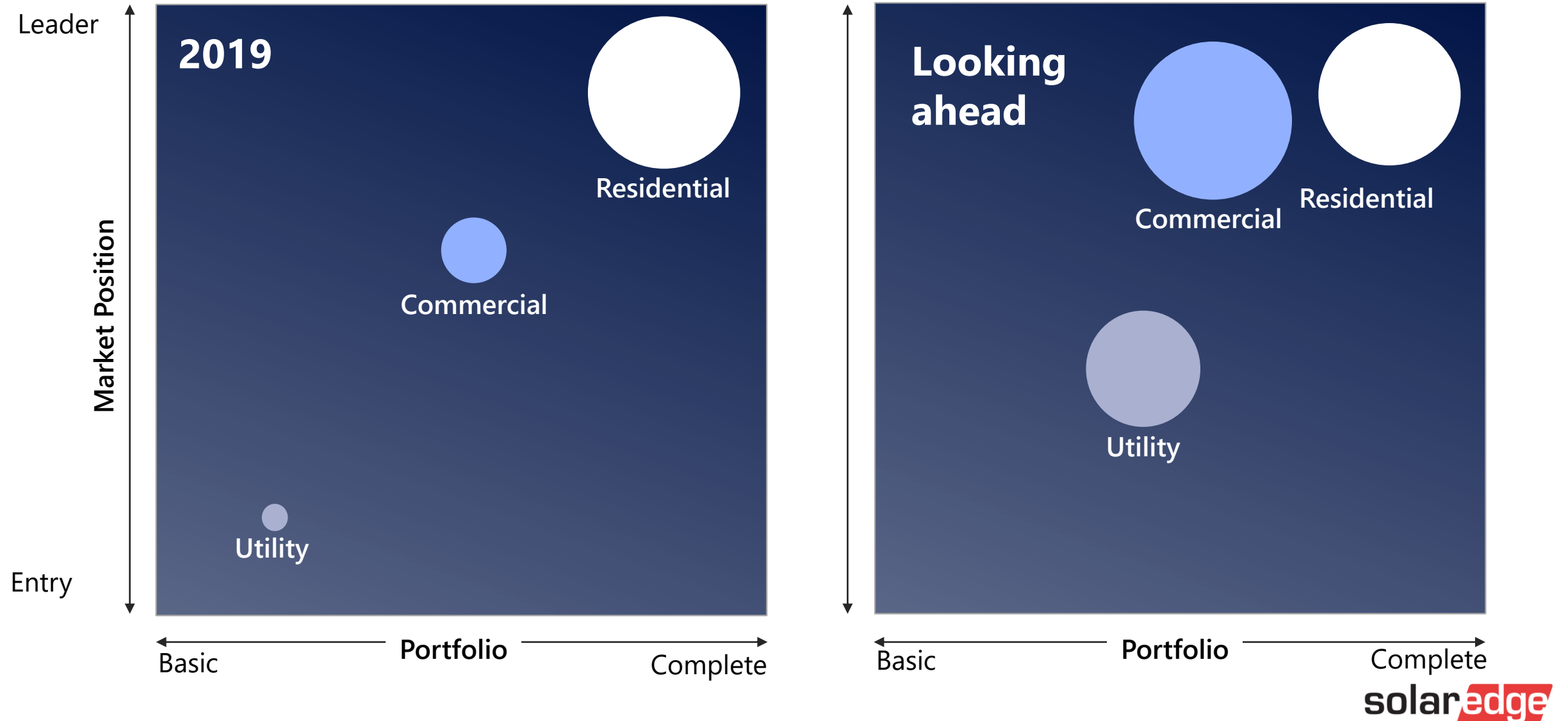


- Started with 3 markets, operations today in more than 30
- Maintain leadership position in core developed markets
- Significantly grow in new markets to answer demand



 Local presence

SolarEdge Segment Development



Market Share Growth

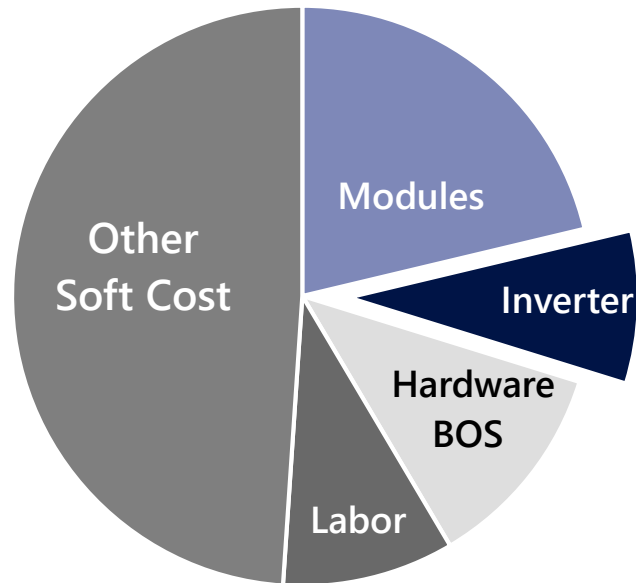
World PV Inverter Supplier Rankings (**\$ Revenues**)

2017		2018		2019	
RANK	COMPANY	RANK	COMPANY	RANK	COMPANY
1	SMA	1	Huawei	①	SolarEdge
2	ABB	2	SMA	2	SMA
3	Omron	3	Sungrow	3	Huawei
4	TEMIC	④	SolarEdge	4	Power Electronics
5	Kaco	5	Enphase Energy	5	Sungrow
6	Schneider Electric	6	ABB	6	Fronius
7	Enphase Energy	7	Schneider Electric	7	Enphase Energy
8	Sungrow	8	Omron	8	Omron
9	Huawei	9	Fronius	9	ABB
⑩	SolarEdge	10	Goodwe	10	TMEIC

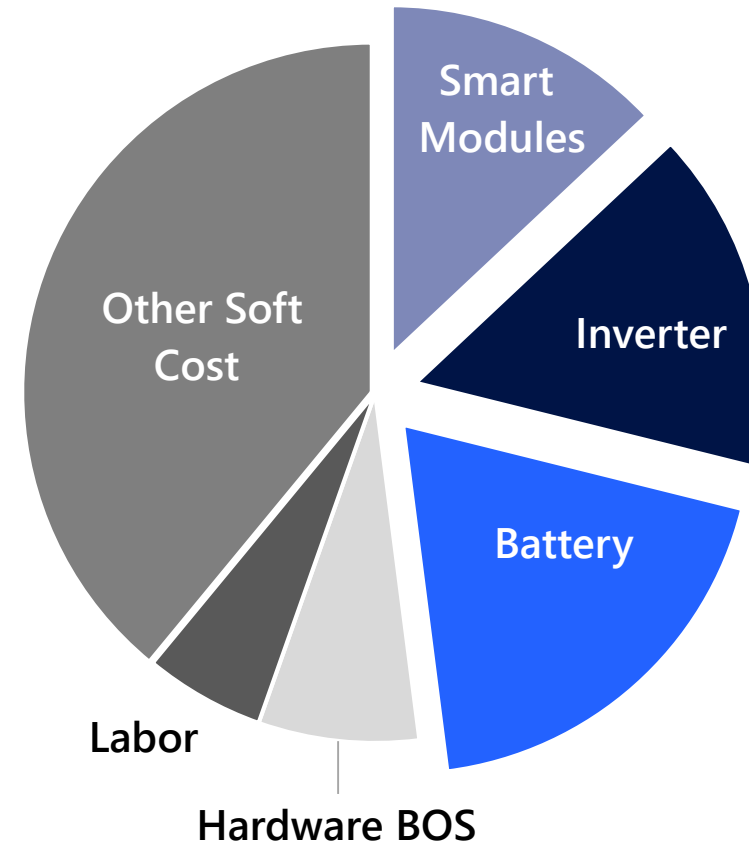
Increasing SolarEdge ARPI – Average Revenue Per Installation



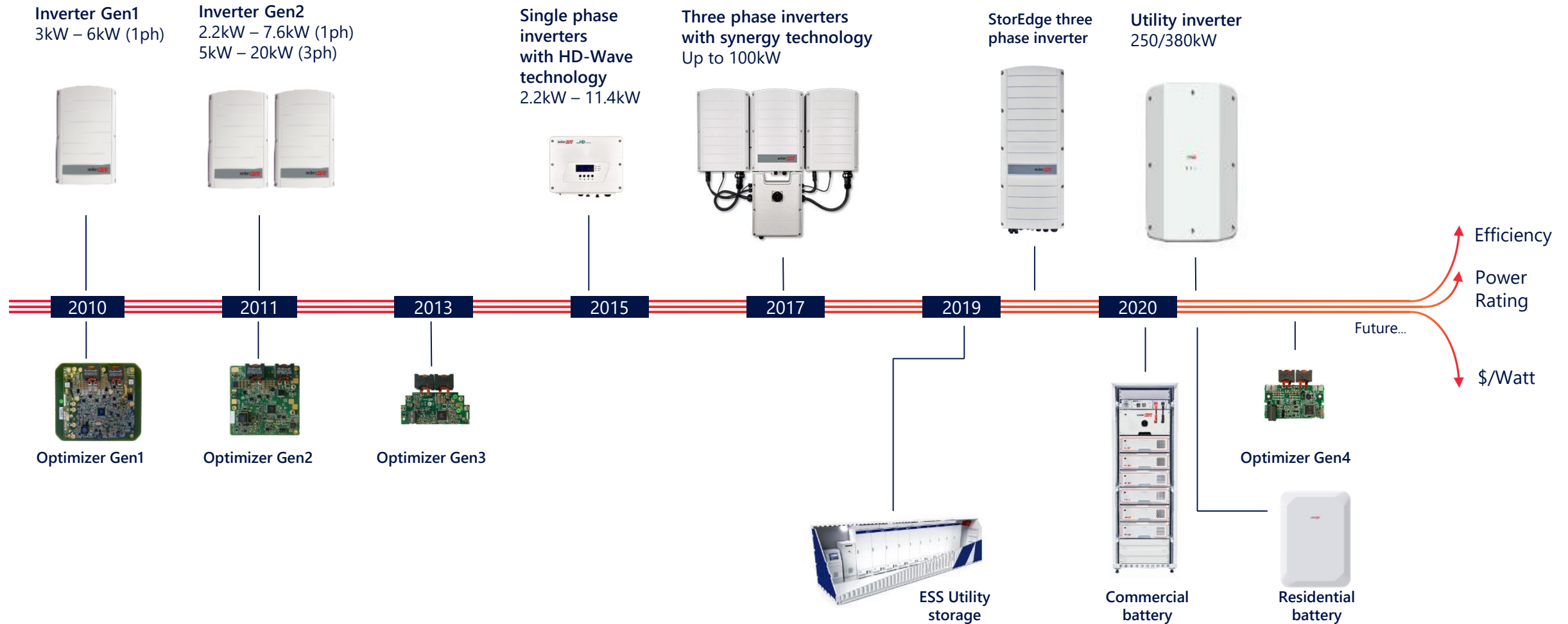
PV System (2014)



Advanced PV System (2020)



Technology Roadmap





Expanding Beyond PV

solar**edge**

One-Stop-Shop for Smart Energy Solutions



Strengths of SolarEdge UPS Division

- Decades of experience designing and manufacturing UPS solutions for various applications
- Competitive product offering for the 3 phase 10 – 500 KW segment
- Significant synergy with SolarEdge R&D, manufacturing and global business infrastructure
- Opportunity for combined backup/UPS energy storage solution



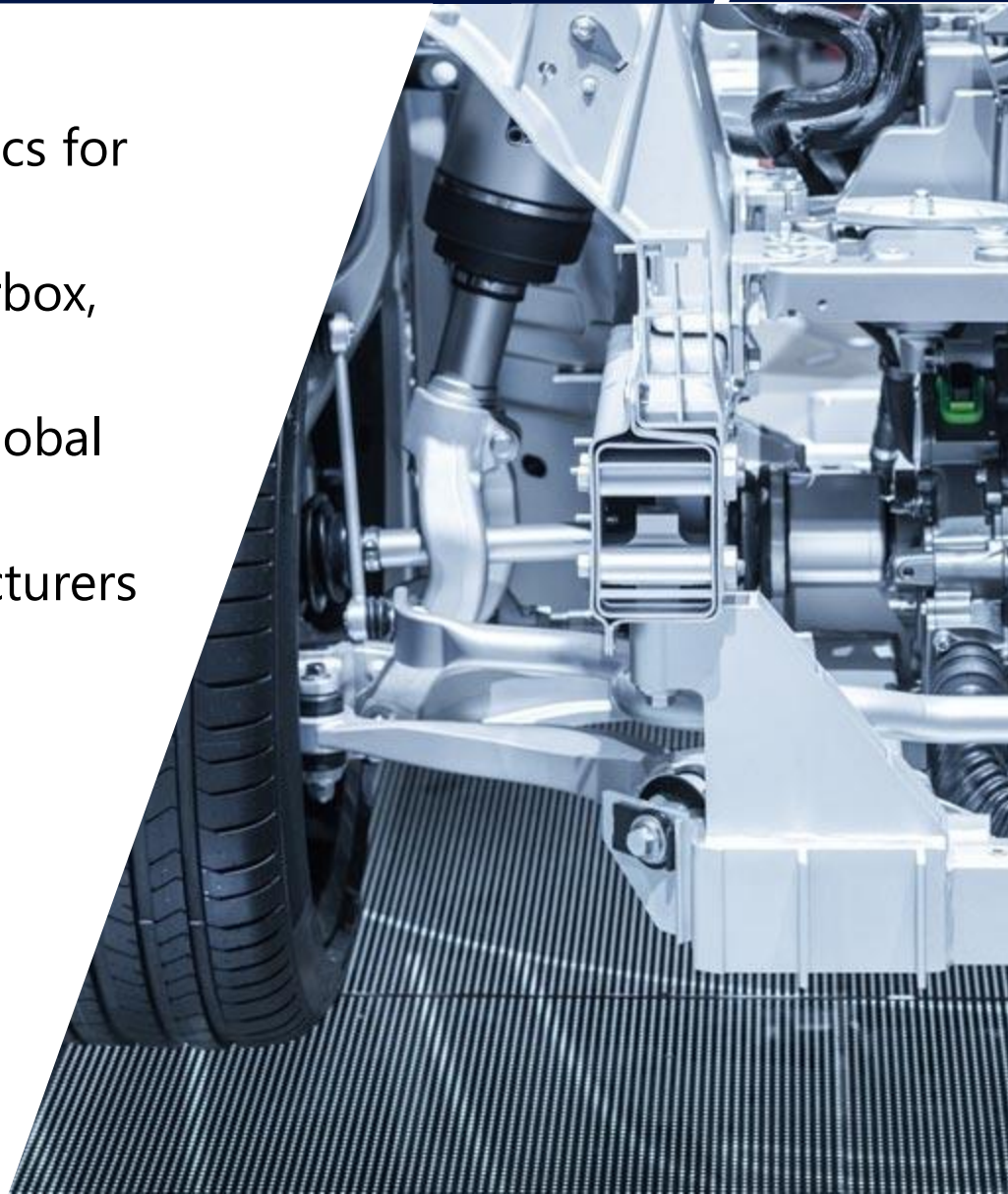
Strengths of Kokam within SolarEdge

- A global Tier 1 provider of innovative battery solutions
- Battery provider for utility-scale ESS, UPS, EV, and more
- Proven technology with more than 600MWh deployed
 - Over 162MWh of utility-scale ESS installed globally
- Access to thousands of installers and EPCs as sales channel
- Innovative cell chemistry technology with long cycle life and high power Li-ion battery



SolarEdge E-Mobility Division

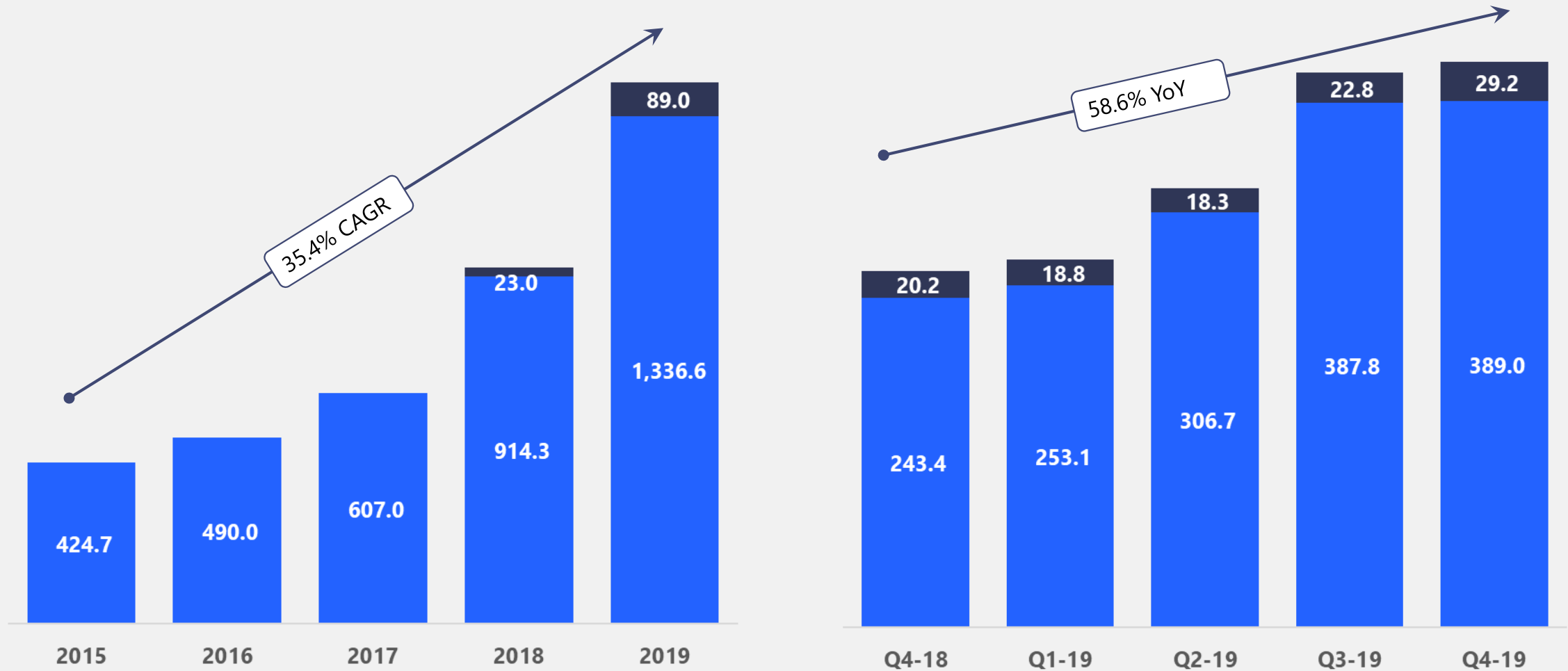
- Innovative integrated powertrain technology and electronics for LCVs, LGVs, e-motorcycles
- Innovative and high-performing powertrains with the gearbox, engine, battery, BMS, software, and accessories
- Provides SolarEdge fast-track access to the high-growth global EV market
- In pre-production phase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



A nighttime photograph of a city skyline, featuring the CN Tower and other illuminated skyscrapers. A large red diagonal shape covers the right half of the image, serving as a background for the text.

Financial Performance

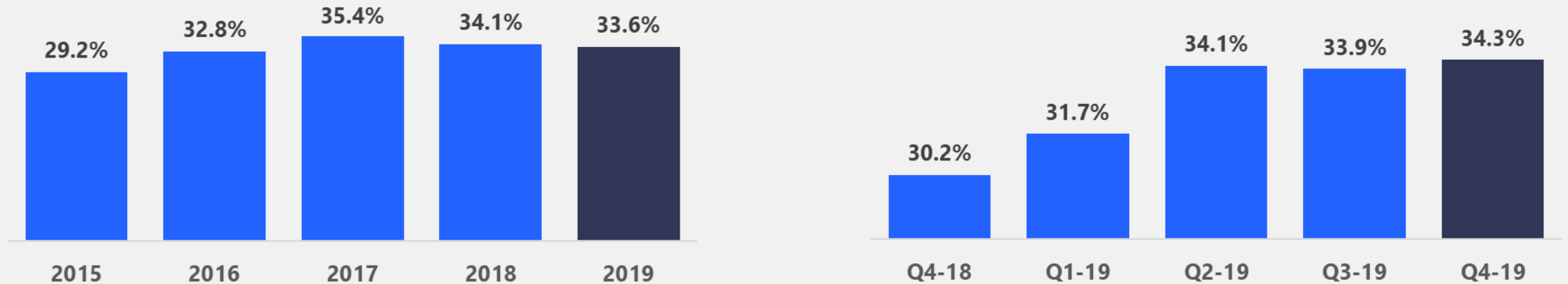
Solar vs. Non-Solar Revenues Growth



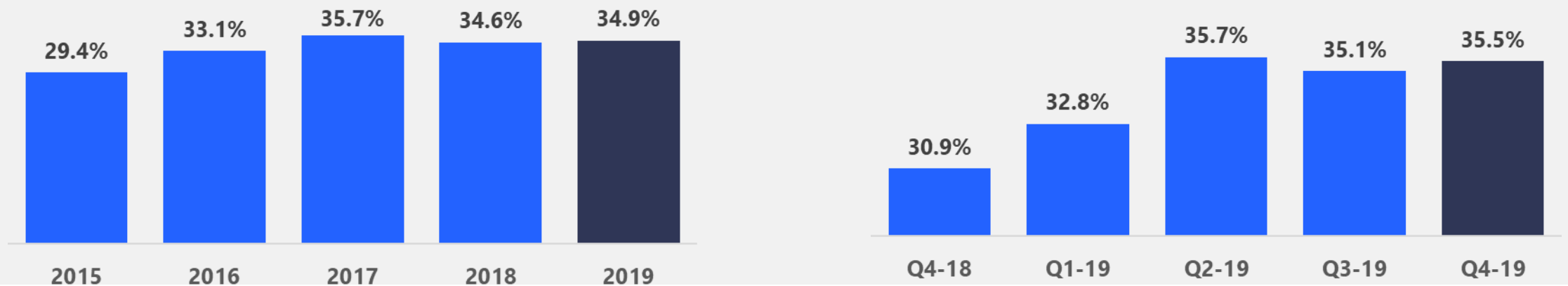
USD millions

Consolidated Gross Margin

GAAP

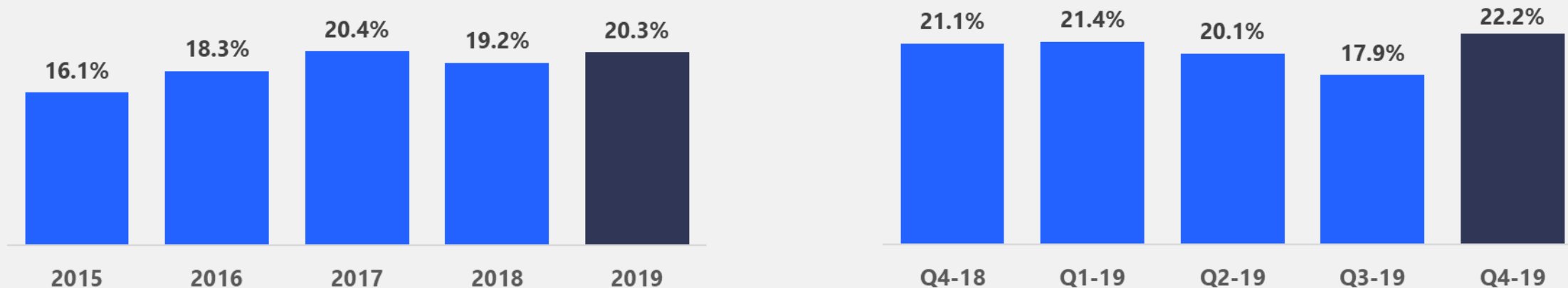


Non-GAAP

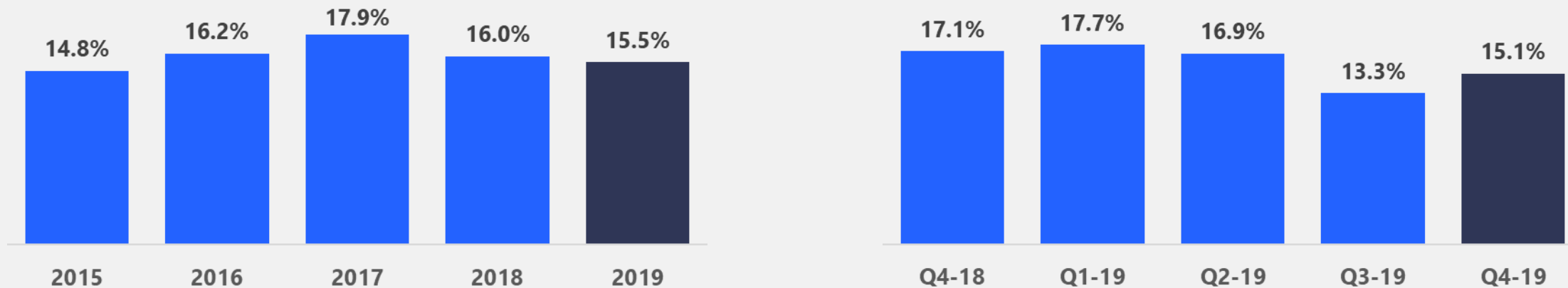


Operating Expenses as % of Revenues

GAAP



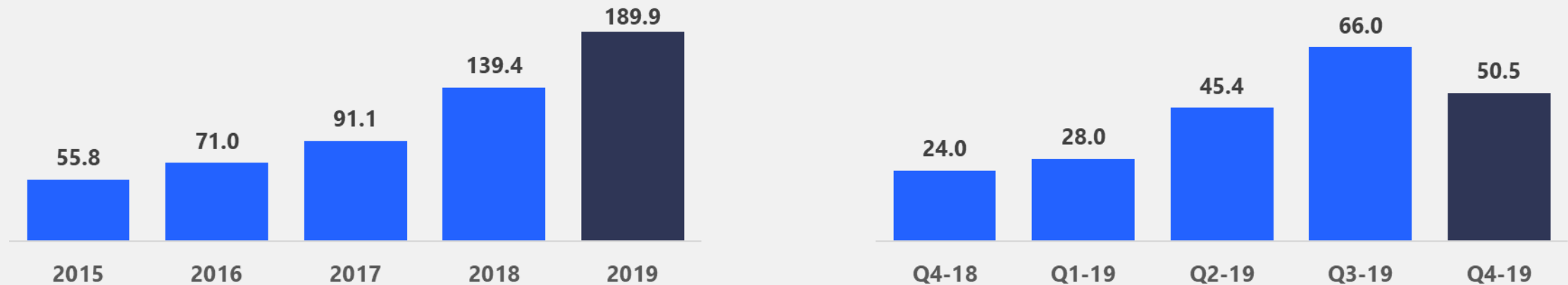
Non-GAAP



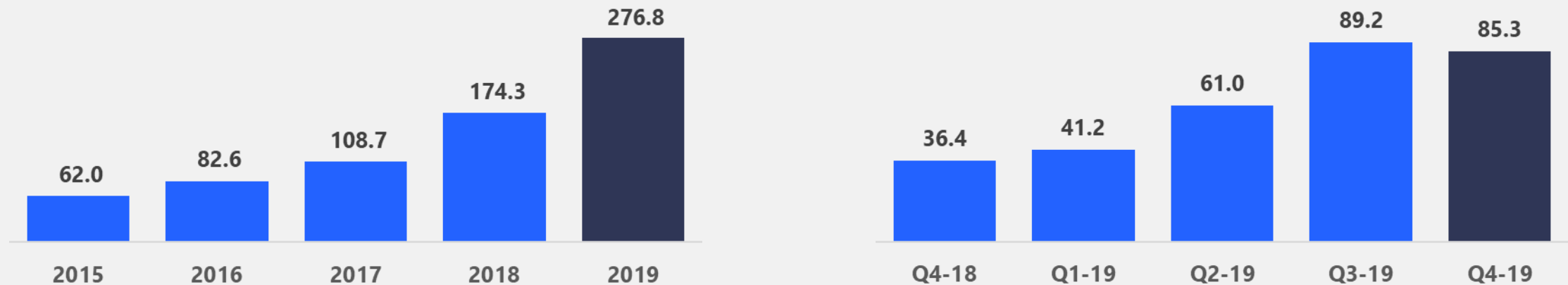
** GAAP Q4 19 and Q3 19 Include non recurring operational expenses of \$22.4M and \$8.3M respectively

Consolidated Operating Profitability

GAAP



Non-GAAP

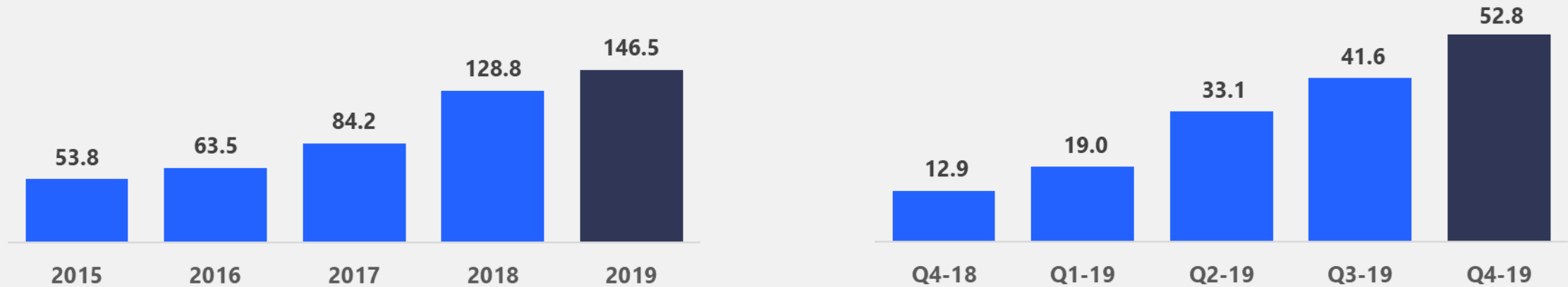


USD millions

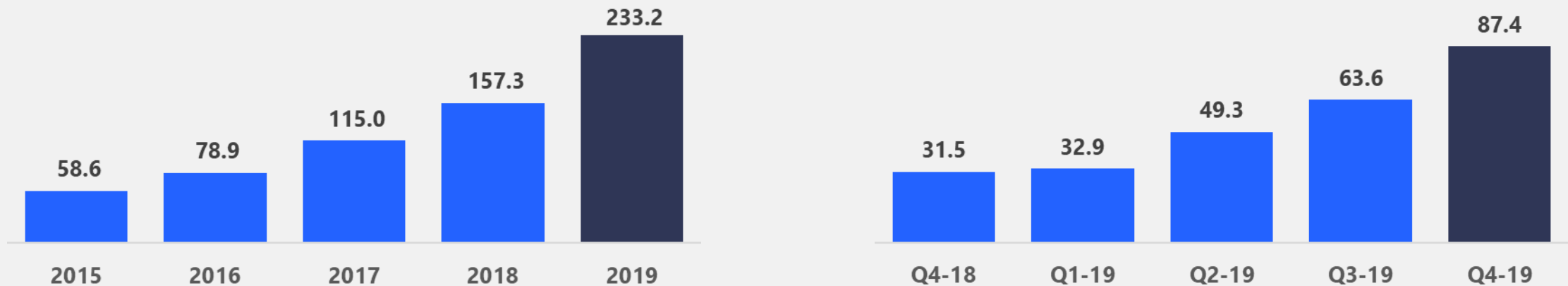
** GAAP Q4 19 and Q3 19 Include non recurring operational expenses of \$22.4M and \$8.3M respectively

Consolidated Net Profitability

GAAP



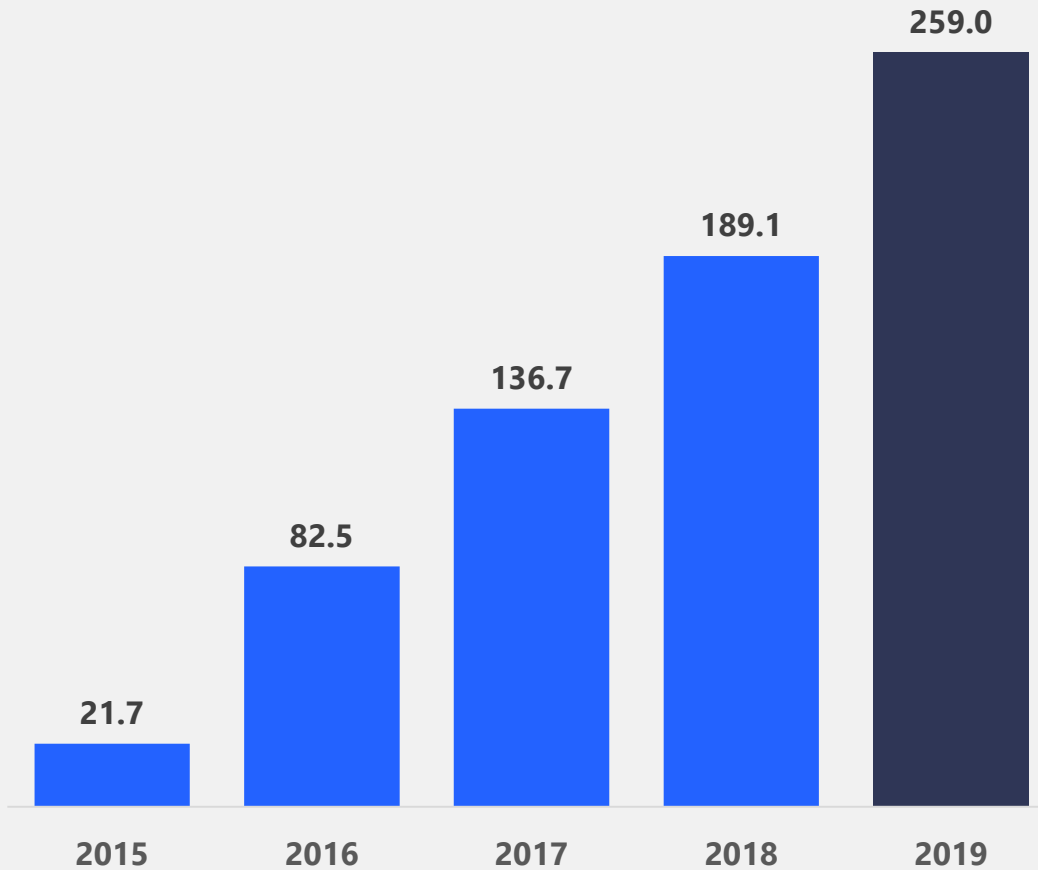
Non-GAAP



USD millions

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

Cash Flow from Operating Activities



USD millions

Cash Related

- ▮ \$83.1M cash flow from operations in Q4 2019
- ▮ \$259.0M cash flow from operations in 2019
- ▮ \$467.5M cash and cash equivalents, deposits, restricted deposits and marketable securities (as of Dec 31, 2019)
- ▮ \$15.8M debt related to acquired businesses

Thank You!

Cautionary Note Regarding Market Data & Industry Forecasts

This power point presentation contains market data and industry forecasts from certain third-party sources. This information is based on industry surveys and the preparer's expertise in the industry and there can be no assurance that any such market data is accurate or that any such industry forecasts will be achieved. Although we have not independently verified the accuracy of such market data and industry forecasts, we believe that the market data is reliable and that the industry forecasts are reasonable.

Version #: V.1.0

