

## Operational Metrics

KPI's \$,000	Q2 17	Q3 17	Q4 17	Q1 18	Q2 18	Q3 18	Q4 18	Q1 19	12 months ended, Dec 31		
									2016	2017	2018
Revenues	136,099	166,552	189,340	209,871	227,118	236,578	263,670	271,871	489,954	607,045	937,237
% Y/Y	9.1%	29.6%	69.8%	82.4%	66.9%	42.0%	39.3%	29.5%	15.4%	23.9%	54.4%
% Q/Q	18.3%	22.4%	13.7%	10.8%	8.2%	4.2%	11.5%	3.1%			
Gross profit	47,066	58,054	70,970	79,597	81,946	77,982	79,711	86,110	160,747	214,766	319,236
% Y/Y	20.3%	38.6%	81.9%	105.8%	74.1%	34.3%	12.3%	8.2%	29.6%	33.6%	48.6%
% Q/Q	21.7%	23.3%	22.2%	12.2%	3.0%	-4.8%	2.2%	8.0%			
Gross margin	34.6%	34.9%	37.5%	37.9%	36.1%	33.0%	30.2%	31.7%	32.8%	35.4%	34.1%
% Y/Y	10.3%	6.9%	7.1%	12.8%	4.3%	-5.4%	-19.3%	-16.5%	12.3%	7.8%	-3.7%
% Q/Q	2.9%	0.8%	7.5%	1.2%	-4.9%	-8.6%	-8.3%	4.8%			
Operating income	19,115	25,396	34,571	40,764	40,665	34,037	24,389	28,048	71,010	91,086	139,855
% Y/Y	6.9%	39.2%	128.2%	240.1%	112.7%	34.0%	-29.5%	-31.2%	27.2%	28.3%	53.5%
% Q/Q	59.2%	32.9%	36.1%	18.1%	-0.4%	-16.3%	-28.3%	15.0%			
Net income	22,524	27,971	19,502	35,686	34,568	45,643	12,936	19,016	63,453	84,172	128,833
% Y/Y	30.4%	79.1%	99.7%	151.8%	53.5%	63.2%	-33.7%	-46.7%	18.0%	32.7%	53.1%
% Q/Q	58.9%	24.2%	-30.3%	83.0%	-3.1%	32.0%	-71.7%	47.0%			
Optimizer shipped (units)	1,774,480	2,041,115	2,082,649	2,475,544	2,737,524	3,004,264	3,134,346	3,029,102	5,809,720	7,367,921	11,351,678
Inverter shipped (units)	75,020	89,677	94,752	99,646	113,767	121,834	120,546	130,672	230,431	317,210	455,793
MW shipped (MW)	563	675	766	800	985	1,083	1,052	1,144	1,723	2,459	3,919

## Balance Sheet - Assets

\$,000	June 30 2017	Sep 30 2017	Dec 31 2017	Mar 31 2018	June 30 2018	Sep 30 2018	Dec 31 2018	Mar 31 2019
<b>Current Assets:</b>								
Cash and cash equivalents	113,452	149,448	163,163	229,219	214,540	192,876	191,633	226,478
Short-term bank deposits	----	----	----	----	----	7,779	6,001	6,057
Restricted cash	1,097	1,400	1,516	1,766	2,049	2,083	1,628	1,811
Marketable securities	80,225	81,488	77,264	81,229	134,821	148,252	118,680	107,064
Trade receivables, net	79,851	91,694	109,528	127,479	118,103	151,088	173,579	187,496
Inventories	56,205	62,356	82,992	98,363	102,014	107,179	141,519	150,798
Prepaid expenses and other current assets	34,109	38,201	42,223	33,156	44,520	46,396	45,073	37,828
<b>Total Current Assets</b>	<b><u>364,939</u></b>	<b><u>424,587</u></b>	<b><u>476,686</u></b>	<b><u>571,212</u></b>	<b><u>616,047</u></b>	<b><u>655,653</u></b>	<b><u>678,113</u></b>	<b><u>717,532</u></b>
<b>Long Term Assets:</b>								
Marketable securities	79,954	72,351	103,120	88,554	86,144	102,240	74,256	57,252
Equity Accounted Investees	----	----	----	----	----	----	----	2,352
Property and equipment, net	40,804	44,563	51,182	60,082	67,489	73,415	119,329	132,988
Operating lease Right-Of-Use	----	----	----	----	----	----	----	30,839
Deferred tax assets, net	4,898	5,822	8,340	9,847	11,551	13,218	14,699	14,589
Intangible assets, net	1,187	1,151	1,115	1,079	1,043	3,762	38,504	74,695
Goodwill	----	----	----	----	----	2,782	34,874	136,725
Other non-current assets	640	732	862	787	956	1,108	4,697	9,951
<b>Total Long Term Assets</b>	<b><u>127,483</u></b>	<b><u>124,619</u></b>	<b><u>164,619</u></b>	<b><u>160,349</u></b>	<b><u>167,183</u></b>	<b><u>196,525</u></b>	<b><u>286,359</u></b>	<b><u>459,391</u></b>
<b>Total Assets</b>	<b><u>492,422</u></b>	<b><u>549,206</u></b>	<b><u>641,305</u></b>	<b><u>731,561</u></b>	<b><u>783,230</u></b>	<b><u>852,178</u></b>	<b><u>964,472</u></b>	<b><u>1,176,923</u></b>

## Balance Sheet - Liabilities and Equity

\$,000	June 30 2017	Sep 30 2017	Dec 31 2017	Mar 31 2018	June 30 2018	Sep 30 2018	Dec 31 2018	Mar 31 2019
<b>Current Liabilities:</b>								
Loans and borrowings	----	----	----	----	----	----	16,639	17,233
Trade payables, net	36,029	42,700	69,488	83,091	81,610	83,459	107,079	90,190
Employees and payroll accruals	14,286	17,640	22,544	29,733	23,510	23,680	29,053	31,524
Warranty obligations	12,501	12,942	14,785	16,605	18,964	21,660	28,868	35,229
Deferred revenues	3,038	2,743	2,559	3,010	3,407	5,795	14,351	13,527
Accrued expenses and other current liabilities	12,842	16,407	20,378	26,170	26,480	31,556	29,728	60,369
<b>Total Current Liabilities</b>	<b>78,696</b>	<b>92,432</b>	<b>129,754</b>	<b>158,609</b>	<b>153,971</b>	<b>166,150</b>	<b>225,718</b>	<b>248,072</b>
<b>Long Term Liabilities:</b>								
Loans and borrowings	----	----	----	----	----	----	3,510	7,029
Warranty liabilities	52,839	58,625	64,026	71,590	78,327	86,059	92,958	101,517
Deferred revenues	23,771	26,858	31,453	41,866	47,595	53,663	60,670	66,037
Operating lease liability - LT	----	----	----	----	----	----	----	24,790
Deferred tax	----	----	----	----	----	----	1,499	8,544
Other non-current liabilities	1,913	1,838	18,605	19,285	18,446	7,343	9,391	23,417
<b>Total Long Term Liabilities</b>	<b>78,523</b>	<b>87,321</b>	<b>114,084</b>	<b>132,741</b>	<b>144,368</b>	<b>147,065</b>	<b>168,028</b>	<b>231,334</b>
<b>Stockholders' Equity:</b>								
Common stock	4	4	4	4	5	5	5	5
Additional paid-in capital	316,867	323,076	331,902	343,356	353,470	361,744	371,794	417,385
Accumulated other comprehensive income (loss)	(367)	(297)	(611)	(1,135)	(1,138)	(983)	(524)	(1,220)
Retained earnings (Accumulated deficit)	18,699	46,670	66,172	97,986	132,554	178,197	191,133	210,149
<b>Total stockholders' equity</b>	<b>335,203</b>	<b>369,453</b>	<b>397,467</b>	<b>440,211</b>	<b>484,891</b>	<b>538,963</b>	<b>562,408</b>	<b>626,319</b>
<b>Non-Controlling interests</b>							8,318	71,198
<b>Total liabilities and stockholders' equity</b>	<b>492,422</b>	<b>549,206</b>	<b>641,305</b>	<b>731,561</b>	<b>783,230</b>	<b>852,178</b>	<b>964,472</b>	<b>1,176,923</b>

## P&L GAAP

	\$,000	Q2 17	Q3 17	Q4 17	Q1 18	Q2 18	Q3 18	Q4 18	Q1 19	12 months ended, Dec. 31		
										2016	2017	2018
Revenues		136,099	166,552	189,340	209,871	227,118	236,578	263,670	271,871	489,954	607,045	937,237
Cost of revenues		89,033	108,498	118,370	130,274	145,172	158,596	183,959	185,761	329,207	392,279	618,001
<b>Gross profit</b>		<b>47,066</b>	<b>58,054</b>	<b>70,970</b>	<b>79,597</b>	<b>81,946</b>	<b>77,982</b>	<b>79,711</b>	<b>86,110</b>	<b>160,747</b>	<b>214,766</b>	<b>319,236</b>
Gross margin %		34.6%	34.9%	37.5%	37.9%	36.1%	33.0%	30.2%	31.7%	32.8%	35.4%	34.1%
<b>Operating expenses:</b>												
Research and development		12,725	14,363	16,420	17,875	19,551	20,109	24,710	26,199	38,220	54,966	82,245
Sales and marketing		11,961	13,217	14,079	16,205	15,954	16,938	19,210	20,172	38,200	50,032	68,307
General and administrative		3,265	5,078	5,900	4,753	5,776	6,898	11,837	11,691	13,317	18,682	29,264
<b>Total operating expenses</b>		<b>27,951</b>	<b>32,658</b>	<b>36,399</b>	<b>38,833</b>	<b>41,281</b>	<b>43,945</b>	<b>55,757</b>	<b>58,062</b>	<b>89,737</b>	<b>123,680</b>	<b>179,816</b>
<b>Operating income</b>		<b>19,115</b>	<b>25,396</b>	<b>34,571</b>	<b>40,828</b>	<b>40,665</b>	<b>34,037</b>	<b>23,954</b>	<b>28,048</b>	<b>71,010</b>	<b>91,086</b>	<b>139,420</b>
Financial expenses (income), net		(3,595)	(2,666)	(1,487)	(584)	2,480	689	(288)	6,151	1,287	(9,158)	2,297
<b>Income before taxes on income</b>		<b>22,710</b>	<b>28,062</b>	<b>36,058</b>	<b>41,348</b>	<b>38,185</b>	<b>33,348</b>	<b>24,242</b>	<b>21,897</b>	<b>69,723</b>	<b>100,244</b>	<b>137,123</b>
Taxes on income (tax benefit)		186	91	16,556	5,662	3,617	(12,295)	12,093	3,922	6,270	16,072	9,077
<b>Net income</b>		<b>22,524</b>	<b>27,971</b>	<b>19,502</b>	<b>35,686</b>	<b>34,568</b>	<b>45,643</b>	<b>12,149</b>	<b>17,975</b>	<b>63,453</b>	<b>84,172</b>	<b>128,046</b>
Non-Controlling interests		----	----	----	----	----	----	787	1,041	----	----	787
<b>SolarEdge net income</b>		<b>22,524</b>	<b>27,971</b>	<b>19,502</b>	<b>35,686</b>	<b>34,568</b>	<b>45,643</b>	<b>12,936</b>	<b>19,016</b>	<b>63,453</b>	<b>84,172</b>	<b>128,833</b>

## Cash Flow - Operating Activities

\$,000	June 30 2017	Sep 30 2017	Dec 31 2017	Mar 31 2018	Jun 30 2018	Sep 30 2018	Dec 31 2018	Mar 31 2019
<b><u>Cash flows from operating activities:</u></b>								
Net income	22,524	27,971	19,502	35,686	34,568	45,643	12,149	17,975
<b><u>Adjustments to reconcile net income to net cash provided by operating activities:</u></b>								
Depreciation and amortization of property, equipment and intangible assets	1,610	1,802	2,223	2,430	2,623	3,348	4,218	5,841
Amortization of premiums on available-for-sale marketable securities	408	519	751	778	236	228	----	(59)
Stock-based compensation	4,034	4,537	5,381	6,849	7,128	7,950	8,691	9,704
Gain and loss on disposal of property	----	----	----	64	----	----	381	66
Realized losses (gain) on marketable securities	----	----	----	----	----	----	137	120
Realized losses (gains) on cash flow hedges	----	----	----	----	----	(9)	(22)	----
<b><u>Changes in assets and liabilities:</u></b>								
Inventories	4,700	(6,148)	(20,695)	(15,348)	(3,604)	832	(2,058)	964
Prepaid expenses and other assets	(8,026)	(4,745)	(4,517)	9,210	(11,345)	(2,665)	2,089	10,885
Trade receivables, net	(329)	(11,769)	(17,971)	(17,935)	8,732	(33,215)	(18,096)	(7,379)
Operating lease right-of-use assets and liabilities, net	----	----	----	----	----	----	----	828
Deferred tax assets, net	(772)	(958)	(2,392)	(1,321)	(1,697)	(1,771)	(2,304)	(973)
Trade payables, net	(7,727)	6,660	26,788	13,595	(1,452)	1,863	17,476	(21,720)
Employees and payroll accruals	2,478	3,303	4,885	7,153	(6,125)	172	3,383	3,250
Warranty obligations	4,215	6,227	7,244	9,384	9,095	10,368	13,031	14,947
Deferred revenues	4,875	2,764	4,407	6,981	6,139	8,456	15,465	1,730
Accrued expenses and other liabilities	3,573	3,504	20,229	6,453	(407)	(6,865)	(7,666)	20,271
<b>Net cash provided by operating activities</b>	<b>31,563</b>	<b>33,667</b>	<b>45,835</b>	<b>63,979</b>	<b>43,891</b>	<b>34,335</b>	<b>46,874</b>	<b>56,450</b>

## Cash Flow - Non Operating Activities

\$,000	June 30 2017	Sep 30 2017	Dec 31 2017	Mar 31 2018	Jun 30 2018	Sep 30 2018	Dec 31 2018	Mar 31 2019
<b><u>Cash flows from investing activities:</u></b>								
Business combinations	----	----	----	----	----	----	(94,737)	(39,315)
Purchase of property and equipment	(5,739)	(5,592)	(8,179)	(11,325)	(10,060)	(8,666)	(8,557)	(10,620)
Purchase of intangible assets	----	----	----	----	----	(11,223)	11,223	----
Decrease (increase) in bank deposits	----	----	----	----	----	(7,779)	1,778	(56)
Investment in available-for-sale marketable securities	(50,036)	(8,363)	(61,206)	(25,436)	(63,953)	(53,761)	523	(15,316)
Maturities of available-for-sale marketable securities	16,009	14,839	33,756	34,500	12,325	24,807	57,713	44,575
<b>Net cash provided by (used in) investing activities</b>	<b><u>(39,766)</u></b>	<b><u>884</u></b>	<b><u>(35,629)</u></b>	<b><u>(2,261)</u></b>	<b><u>(61,688)</u></b>	<b><u>(56,622)</u></b>	<b><u>(32,057)</u></b>	<b><u>(20,732)</u></b>
<b><u>Cash flows from financing activities:</u></b>								
Proceeds from issuance of shares under stock purchase plan and upon exercise of stock-based awards	1,752	1,672	3,445	4,605	2,986	324	2,106	51
Repayment of loan	----	----	----	----	----	----	(3,786)	(1,003)
Proceeds from exercise of employee stock options	----	----	----	----	----	----	----	309
Changes of NCI	----	----	----	----	----	----	(14,190)	(1,987)
<b>Net cash provided by (used in) financing activities</b>	<b><u>1,752</u></b>	<b><u>1,672</u></b>	<b><u>3,445</u></b>	<b><u>4,605</u></b>	<b><u>2,986</u></b>	<b><u>324</u></b>	<b><u>(15,870)</u></b>	<b><u>(2,630)</u></b>
Increase (decrease) in cash, cash equivalents and restricted cash	(6,451)	36,223	13,651	66,323	(14,811)	(21,963)	(1,053)	33,088
Cash, cash equivalents and restricted cash at the beginning of the period	120,924	114,549	150,848	164,679	230,985	216,589	194,959	193,261
Effect of exchange rate differences on cash, cash equivalents and restricted cash	76	76	180	(17)	415	333	(645)	1,940
<b>Cash, cash equivalents and restricted cash at EOQ</b>	<b><u><u>114,549</u></u></b>	<b><u><u>150,848</u></u></b>	<b><u><u>164,679</u></u></b>	<b><u><u>230,985</u></u></b>	<b><u><u>216,589</u></u></b>	<b><u><u>194,959</u></u></b>	<b><u><u>193,261</u></u></b>	<b><u><u>228,289</u></u></b>