



SolarEdge Technologies
Nasdaq | SEDG



Safe Harbor

Use of Forward-Looking Statements and Non-GAAP Measures

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. These forward-looking statements are often characterized by the use of words such as “anticipate,” “believe,” “could,” “seek,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “will,” “would” or similar expressions and the negative or plural of those terms and other like terminology.

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. Forward-looking and other statements regarding our sustainability efforts and aspirations are not an indication that these statements are necessarily material to investors or requiring disclosure in our filing with the Securities and Exchange Commission (“SEC”). In addition, historical, current and forward-looking sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve and assumptions that are subject to change in the future, including future rule-making.

Factors that could cause actual results to differ materially from our expectations are described in the reports filed by SolarEdge with the SEC and we encourage you to review our filings carefully, especially the sections entitled “Risk Factors” in our annual report on Form 10-K and our quarterly reports on Form 10-Q. SolarEdge cautions that the foregoing list of risks, uncertainties and other factors is not complete, and forward-looking statements speak only as of the date they are made. SolarEdge undertakes no duty to update publicly any such forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable law, regulation or other competent legal authority.

Included in this presentation are certain financial measures that are not calculated in accordance with U.S. generally accepted accounting principles (“GAAP”) that are designed to supplement, and not substitute, SolarEdge’s financial information presented in accordance with GAAP. These measures include but are not limited to non-GAAP revenues, non-GAAP gross margin, non-GAAP operating expenses, including as percentage of revenues, non-GAAP net income and non-GAAP net earnings per share. The non-GAAP measures, as defined by SolarEdge, may not be comparable to similar non-GAAP measures presented by other companies. The Non-GAAP measures are presented in this presentation because we believe that they provide investors with a means of evaluating and understanding how SolarEdge’s management evaluates the company’s operating performance. The presentation of such measures, which may include adjustments to exclude non-recurring items, should not be construed as an inference of SolarEdge’s future results, cash flows, or leverage will be unaffected by other non-recurring items. Refer to Appendix A for reconciliation of these non-GAAP measures to the most comparable GAAP measures.

SolarEdge in Numbers

119.6M 

Power Optimizers
Shipped

36

Countries
Presence

495 Awarded
Patents and **498**
Additional Patent
Applications

>3.5M

Monitored systems
around the world

#1



Solar
Inverter
Company*

5,530

Employees



5.2M

Inverters
Shipped 

47.9GW

of our systems
shipped worldwide

solaredge

*In revenue, excluding China; Including China, #1 inverter company globally by revenues 2018-2021 and #2 in 2022. Source: IHS PV Market Tracker Q1 '23

Q2/2023 Financial Results

\$991.3M

GAAP Revenue



\$157.4M

Non-GAAP Net Income*



32.0%

GAAP Gross Margin



\$88.7M

Cash Used in Operations

\$119.5M

GAAP Net Income

\$853.5M

Cash, Deposits
and Investments,
Net of Debt

* Non-GAAP financial measures; see definition and reconciliation in Appendix



The Renewable Energy Opportunity

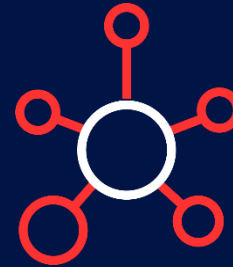
Tectonic shift in the energy market



Electrification



Decarbonization

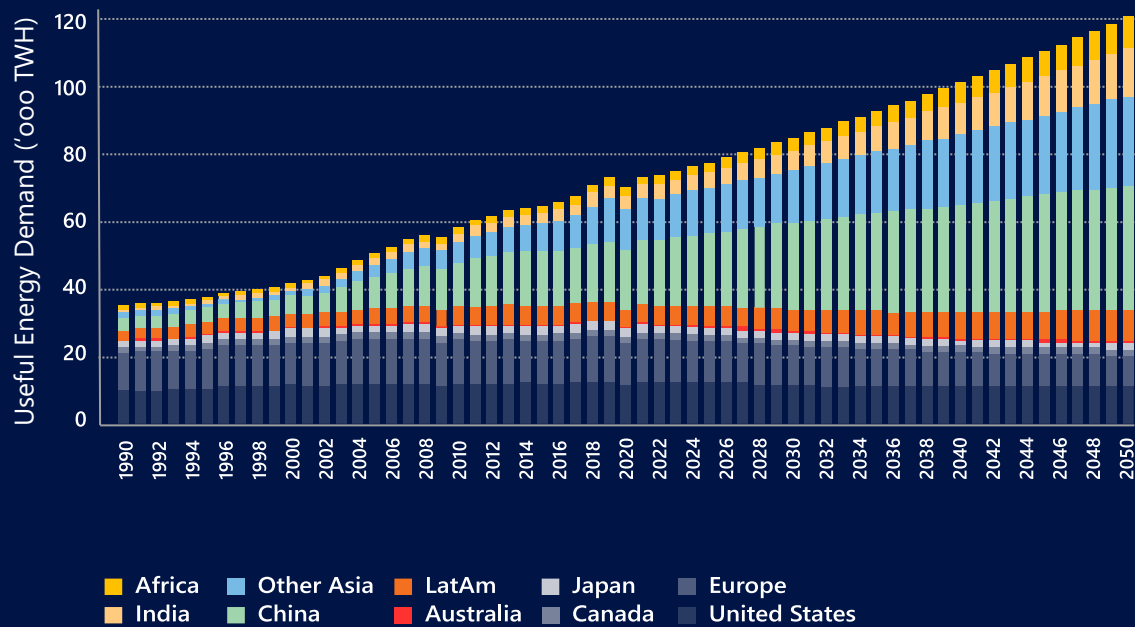


Decentralization

- 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 ¹



- <https://thundersaidenergy.com/downloads/global-energy-demand-by-region-and-through-2050/>
- United Nations Department of Economic and Social Affairs, *World Population Prospects 2022: Highlights* page 5/
Visualizing the material impact of global urbanization by Bruno Venditti, *Visual Capitalist* | APRIL 28, 2022
- Net Zero by 2050 – A Roadmap for the Global Energy Sector*, International Energy Agency, Revised version, October 2021 (4th revision) P 72

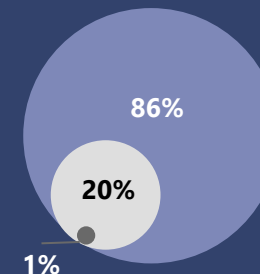
Growing energy demand ²

 **+1.7B** people(+22%) 2022-2050

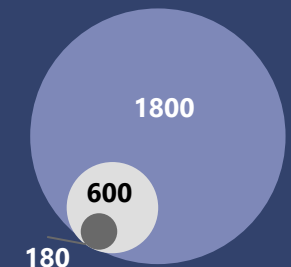
 Urbanization to increase from 55% to **80%**

Electrification of areas previously dominated by fossil fuels ³

Electric Vehicles Penetration (%)



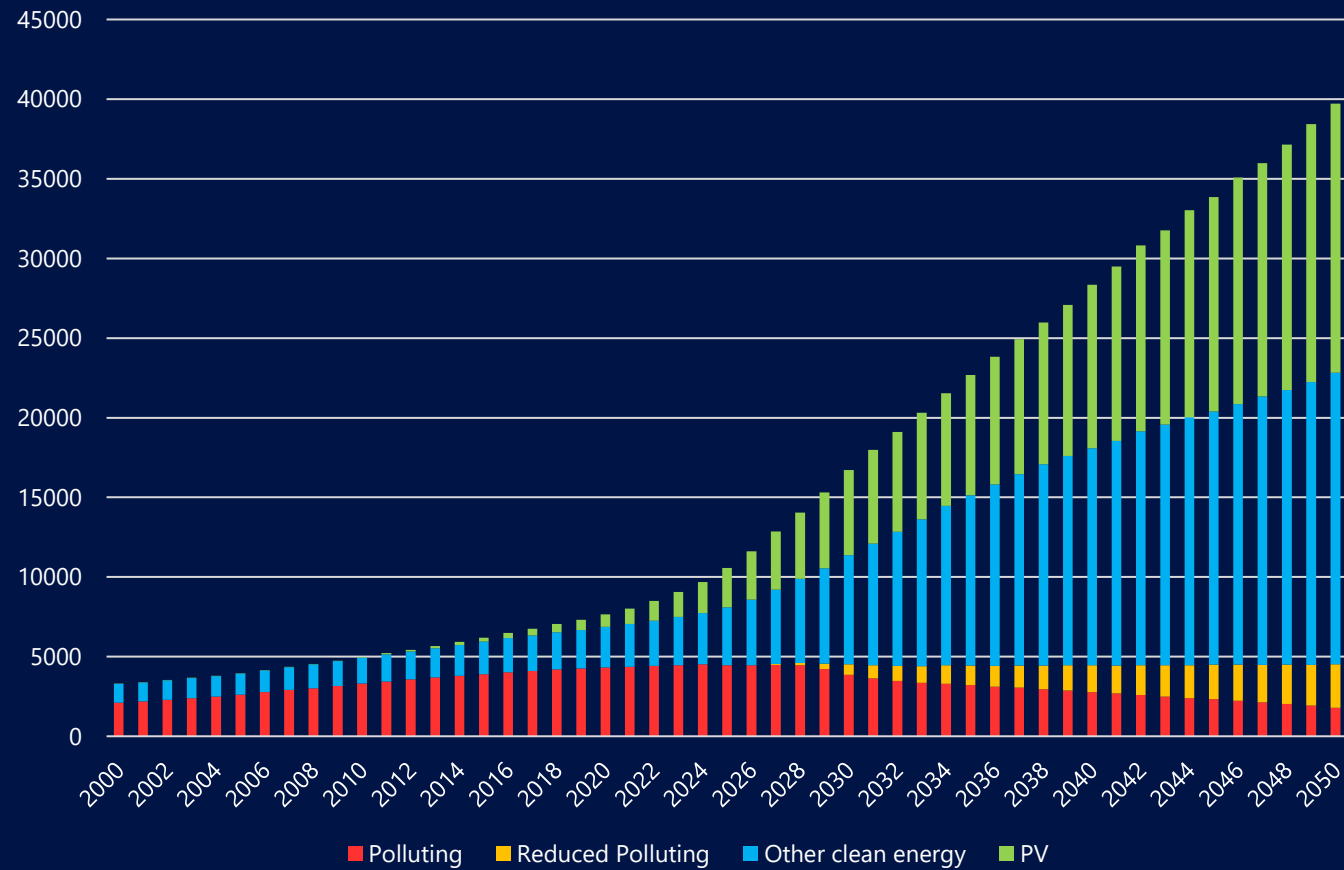
Heat Pumps Installed (million)



● 2020 ● 2030 ● 2050

Renewables set to be the dominant electricity source

Installed capacity*, in GW



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

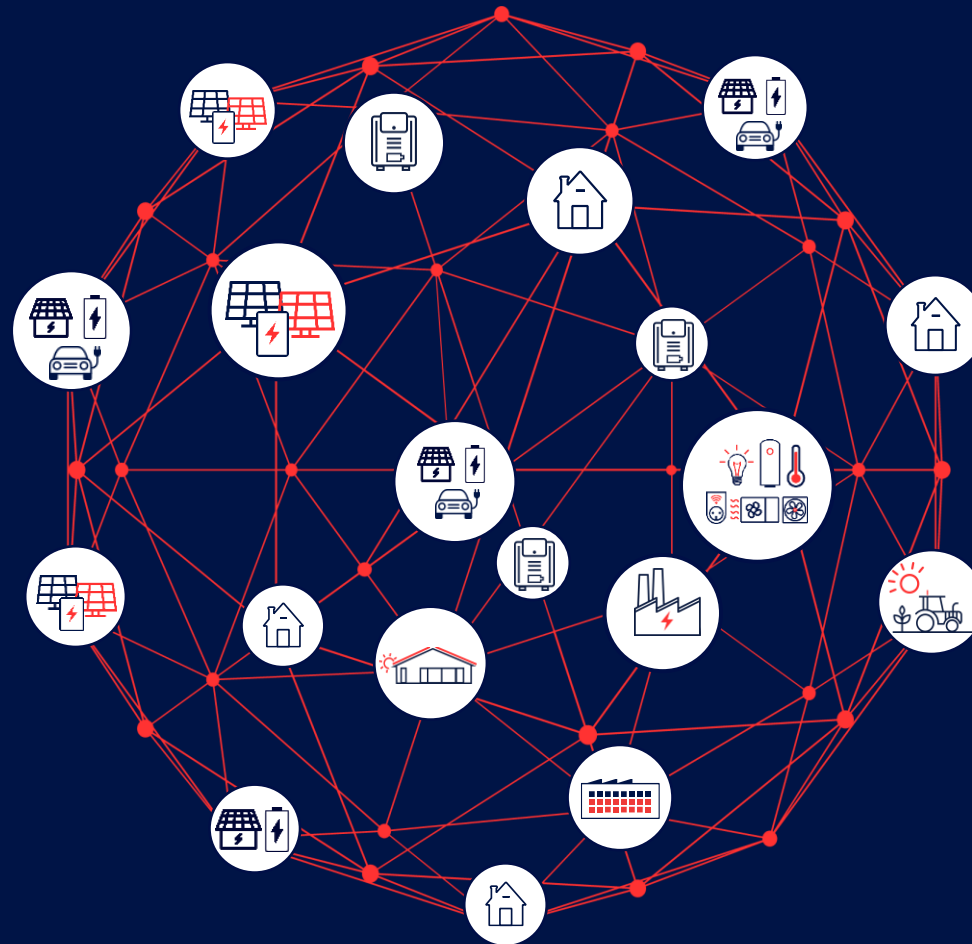
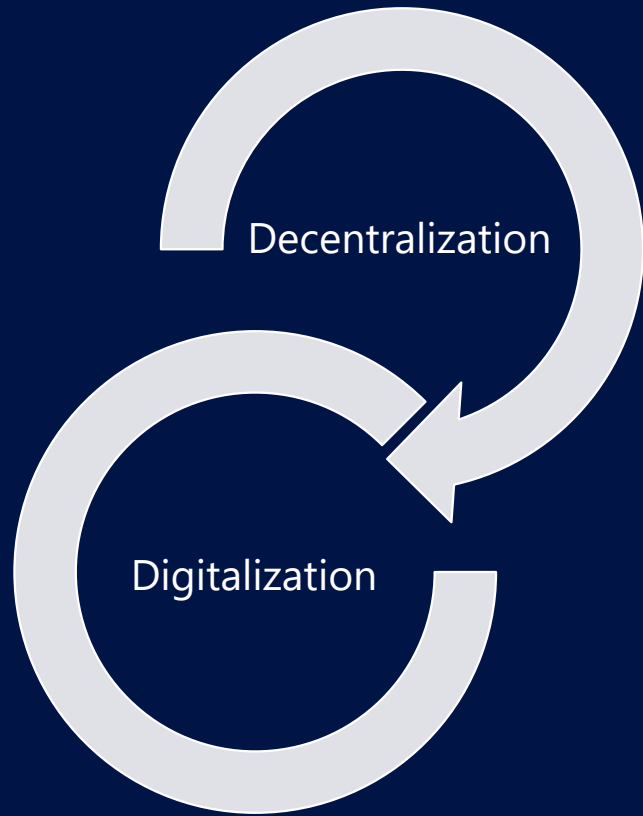
Individuals



Growing demand for electrification
Drive for energy independence

*Source: New Energy Outlook 2022 BNEF

Decentralization and digitalization of energy networks



Software controlled

Cyber secured

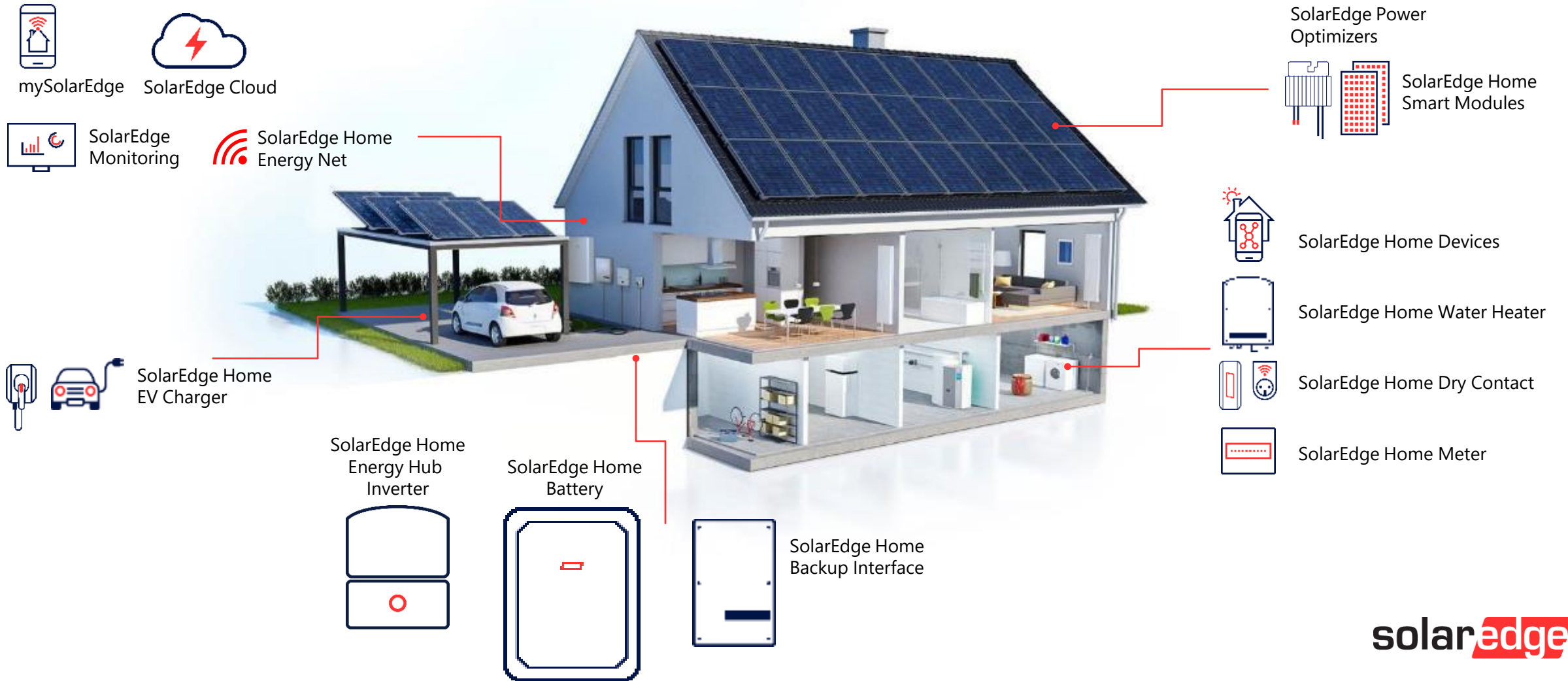
Multi node micro grids



SolarEdge Solutions

Our Residential solution

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



Residential - Leadership today with great potential for the future



> 52,000

Residential
Installers



> 125

Countries

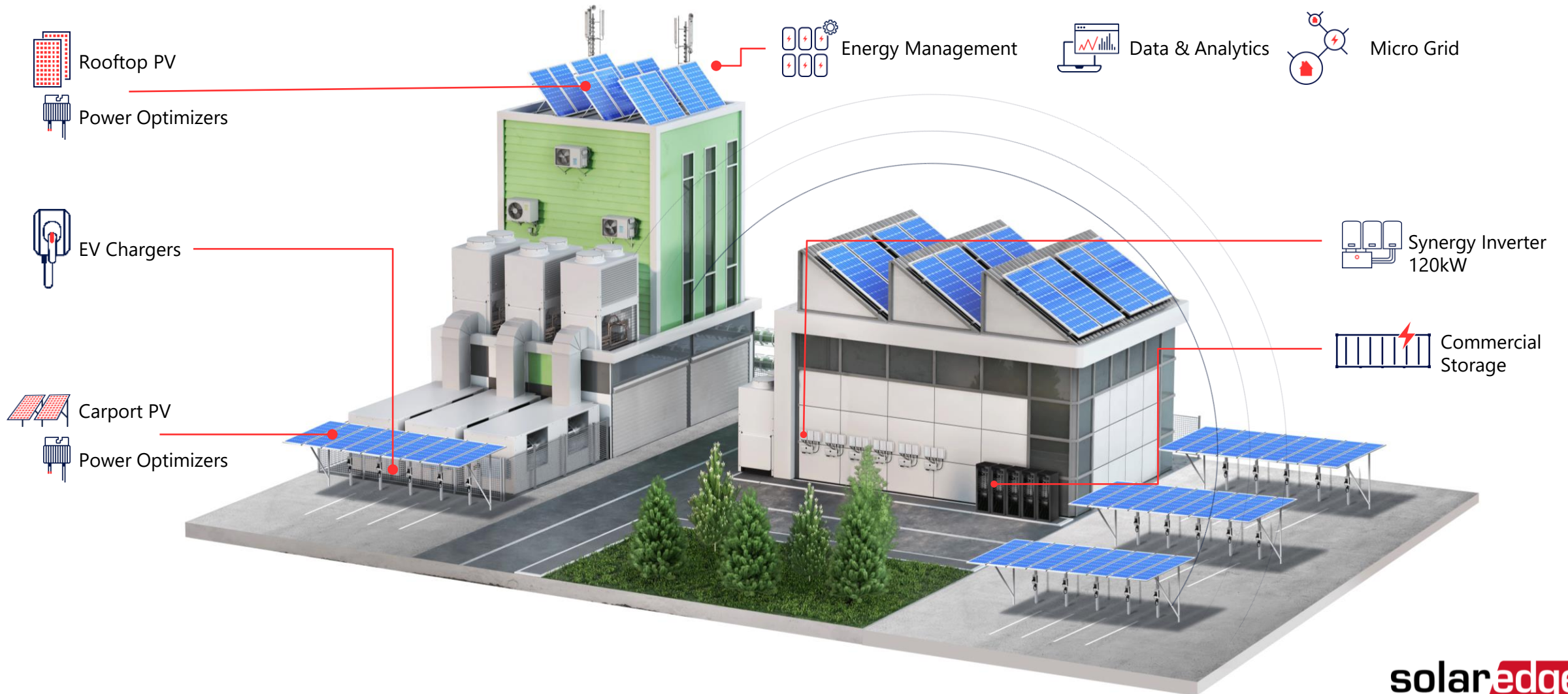


> 3.1M

Residential sites



Our Commercial solution



Diversified Commercial applications



Industrial Rooftops



Public Buildings



Carports & Floating

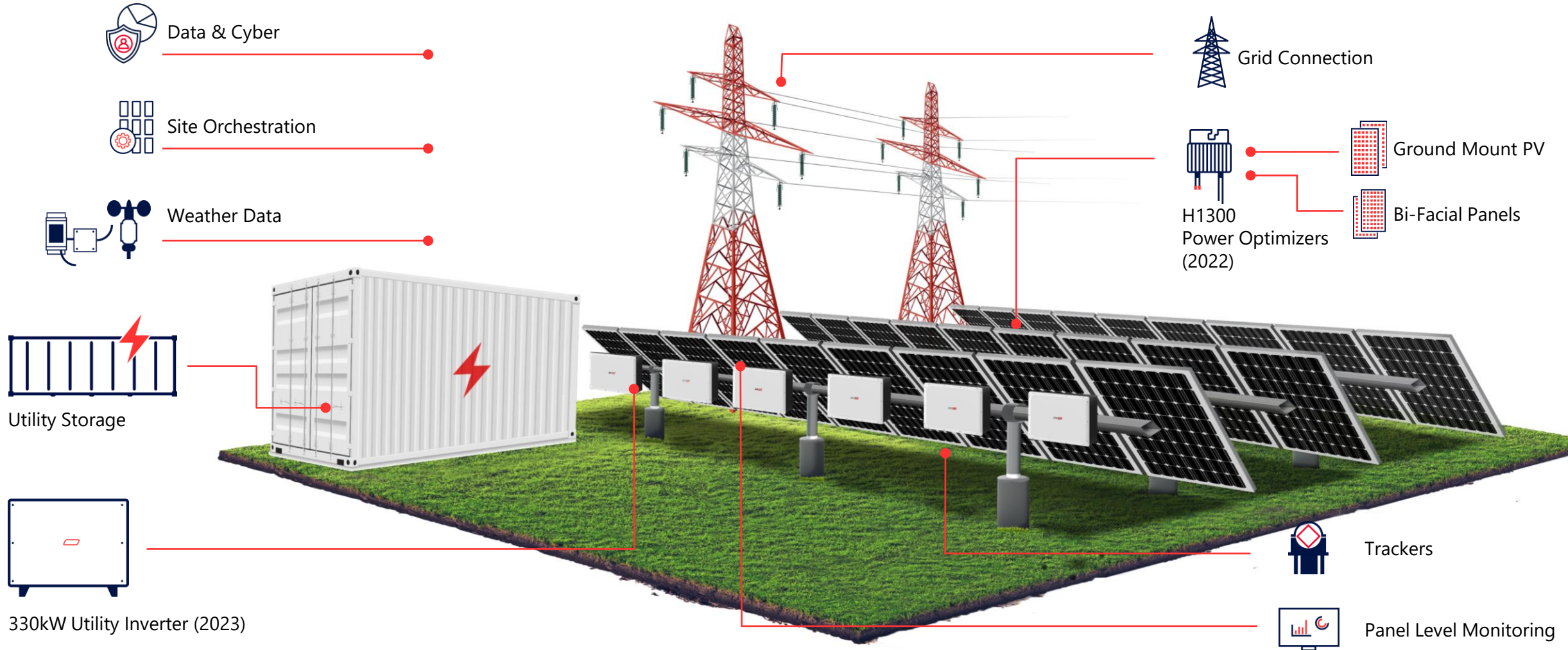


Farms & Agriculture



Small Ground Mounts

Our future Utility offering



Strategic pillars for growth



Expand served market
through new
segments and applications



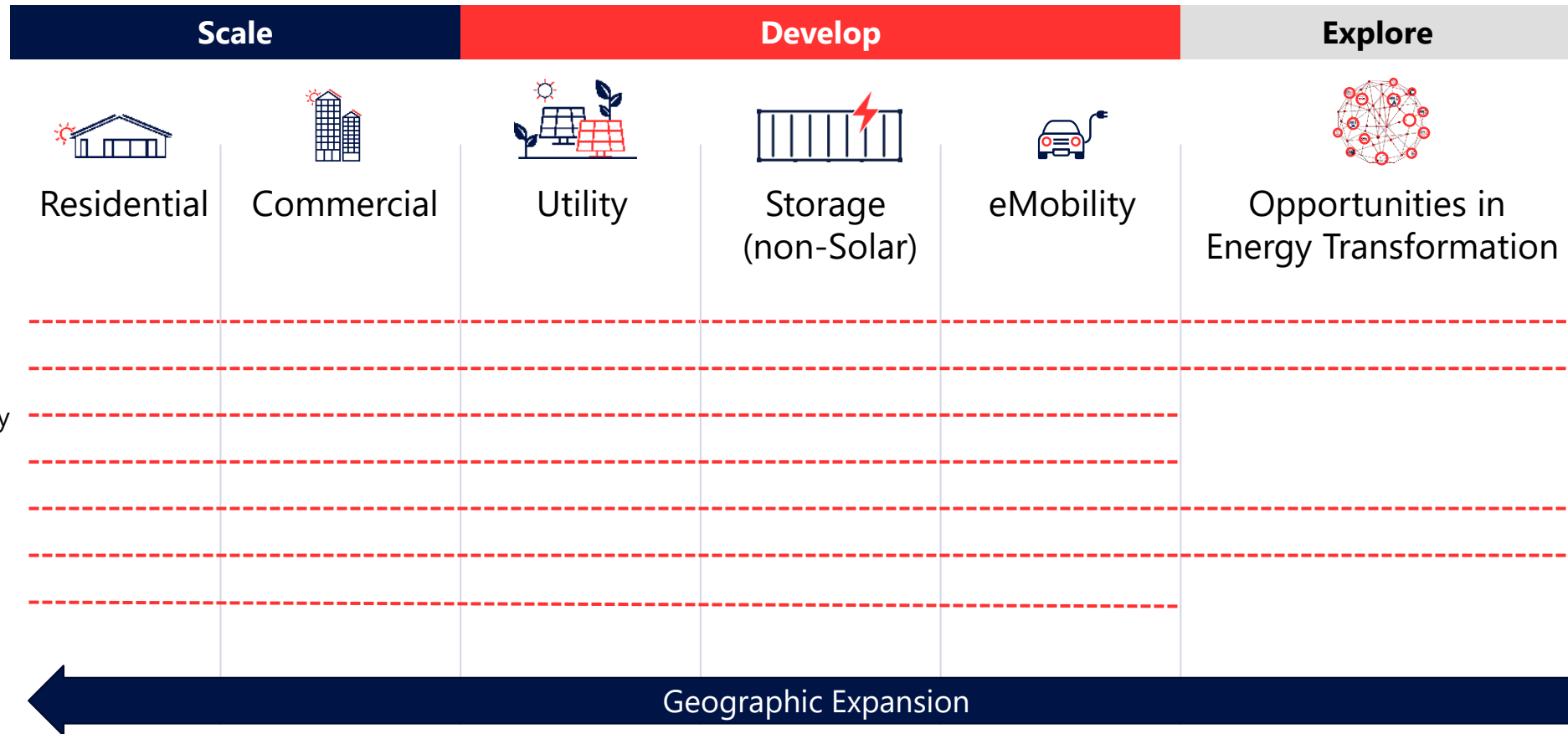
Expand served market
through geographic
expansion



Increase share
within our served market

Our innovation strategy – solar & beyond

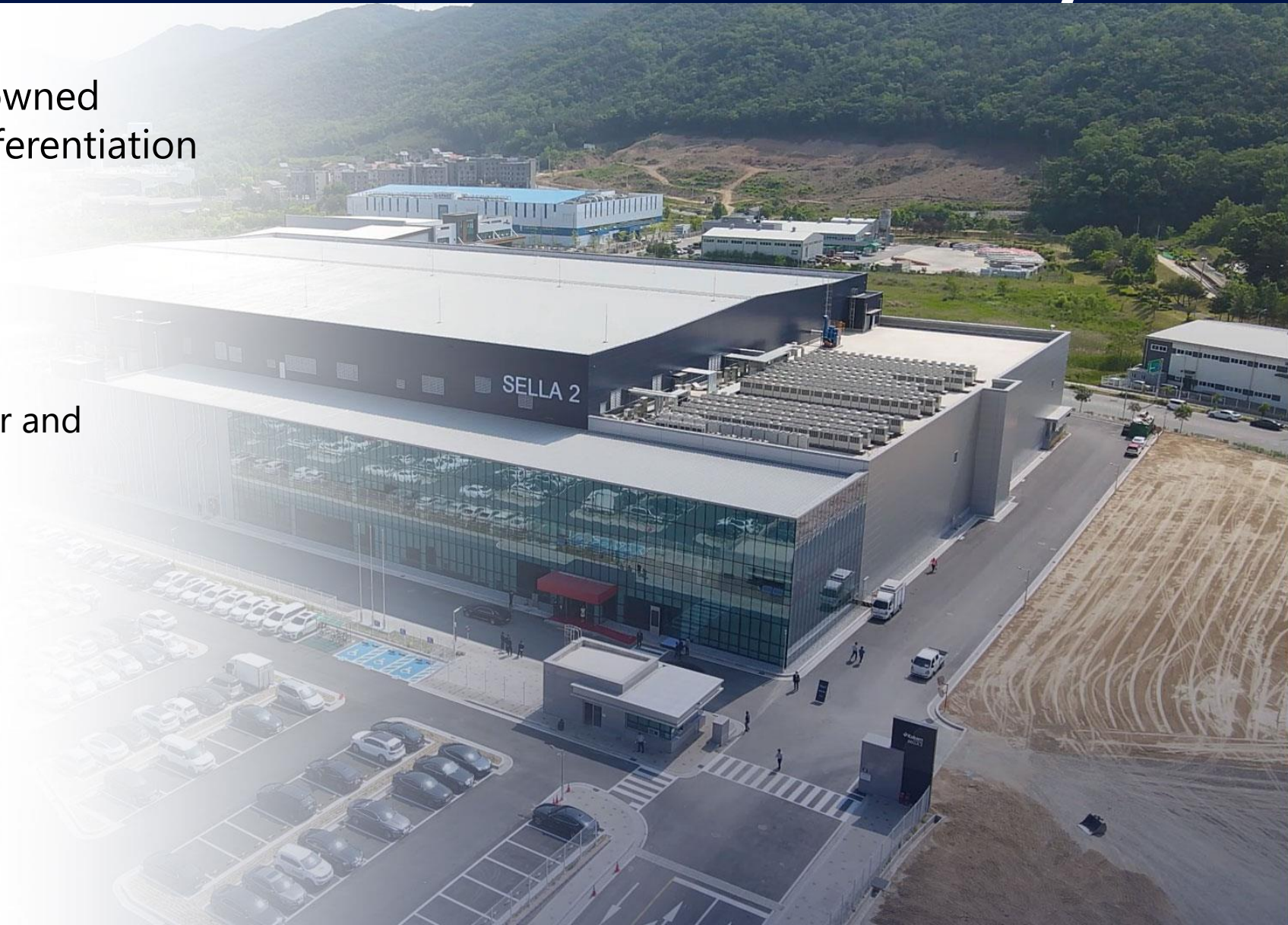
To be a leading global provider of HW, SW and services in renewable energy markets where technology will improve the production, storage and consumption of energy



Energy Storage solutions

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

- Propriety Cell technology
- Owned cell manufacturing
- Complete Storage products Solar and Non-Solar attached



eMobility solutions

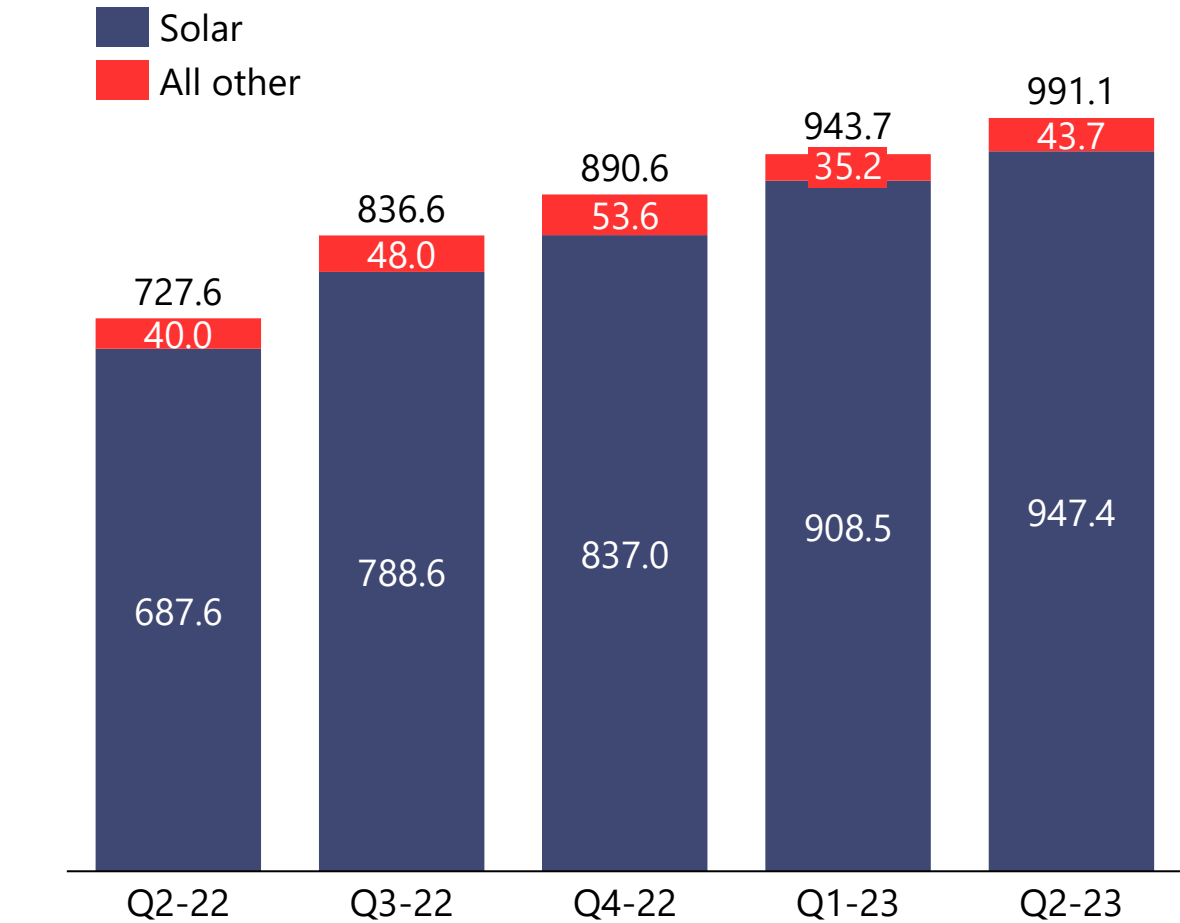
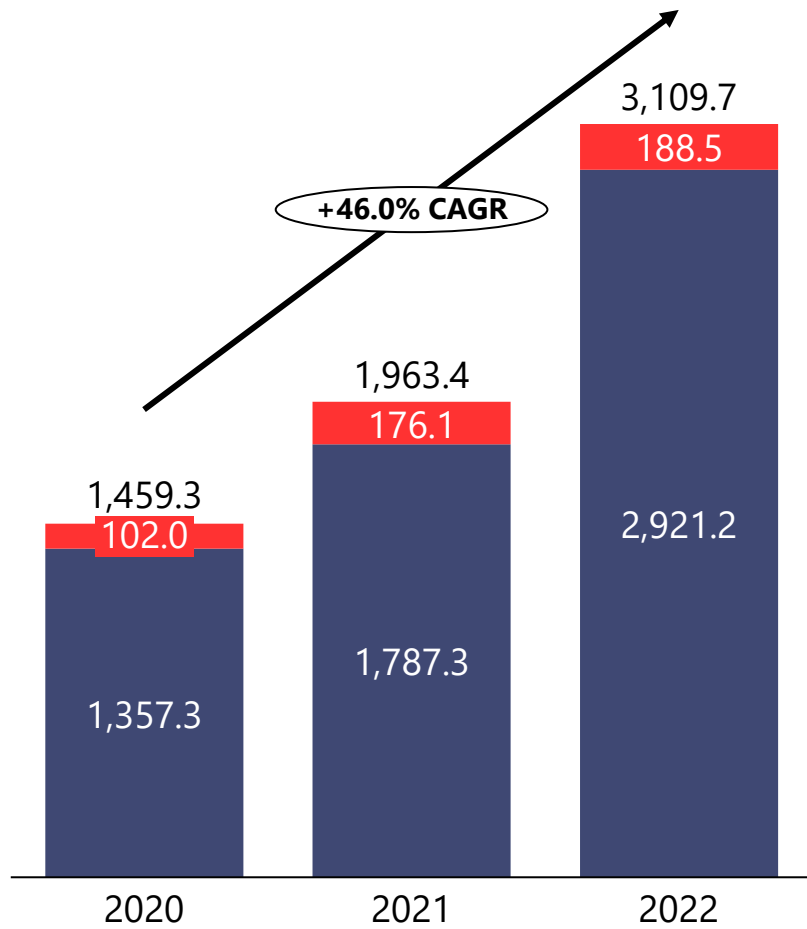
- ▀ Integrated powertrain technology and electronics for LCVs, LGVs, e-motorcycles
- ▀ High-performing powertrains with the gearbox, engine, battery, BMS, software, and accessories
- ▀ Provides SolarEdge access to the high-growth global EV market
- ▀ Selected as supplier of electric powertrain units and batteries for Fiat E-Ducato (Stellantis)





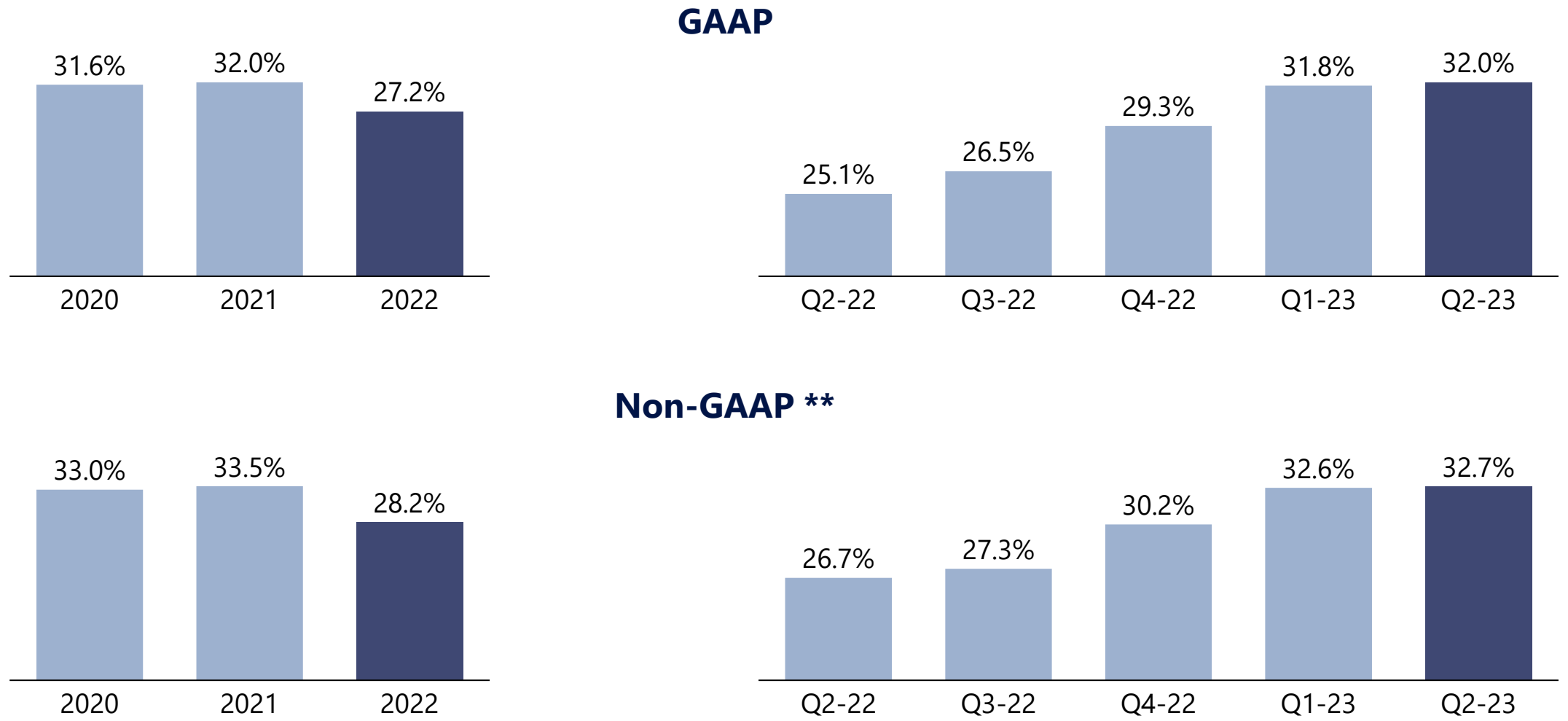
Financial Update

Revenues Growth by Segments



USD millions

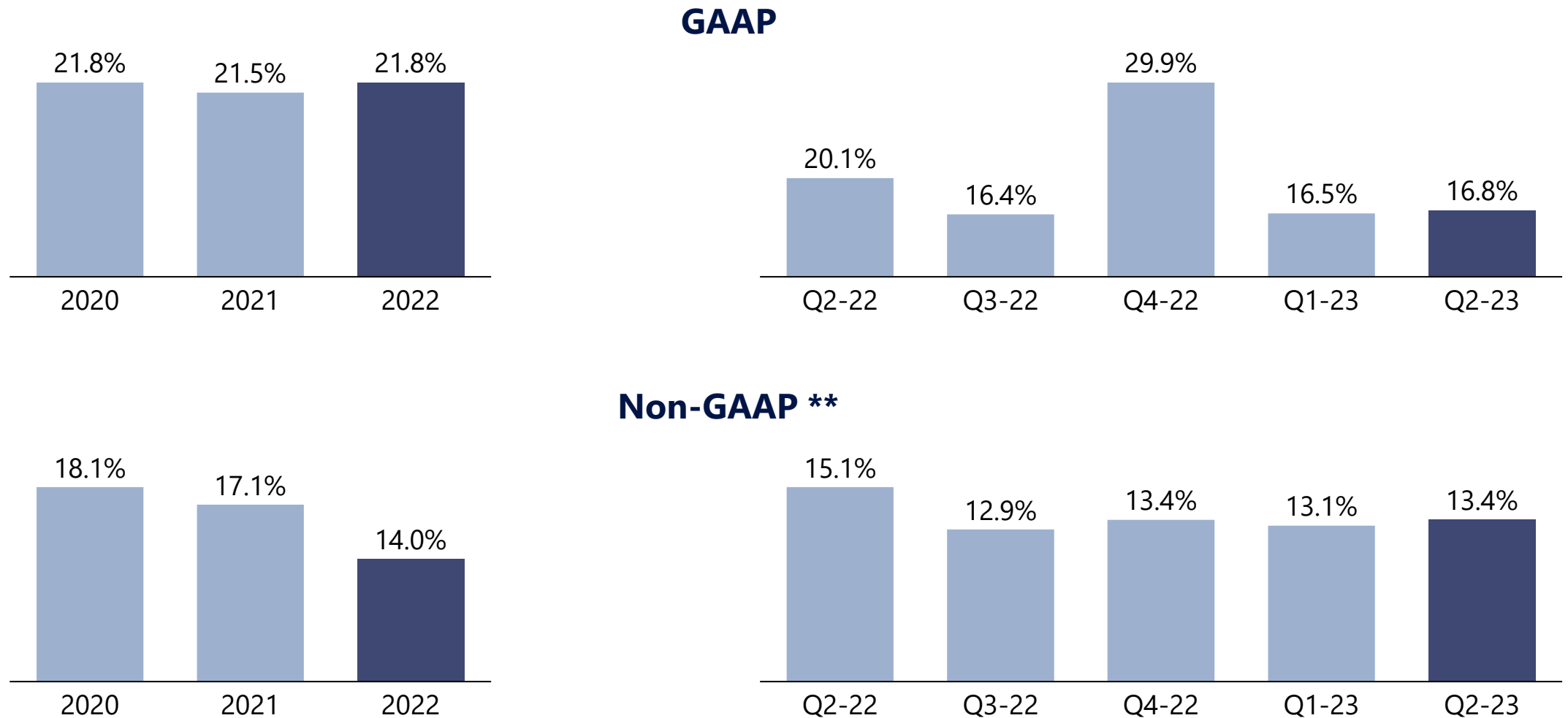
Consolidated* Gross Margin



* For purposes of this presentation, "consolidated" refers to both solar and "all other" segments

** Non-GAAP financial measures; see definition and reconciliation in Appendix

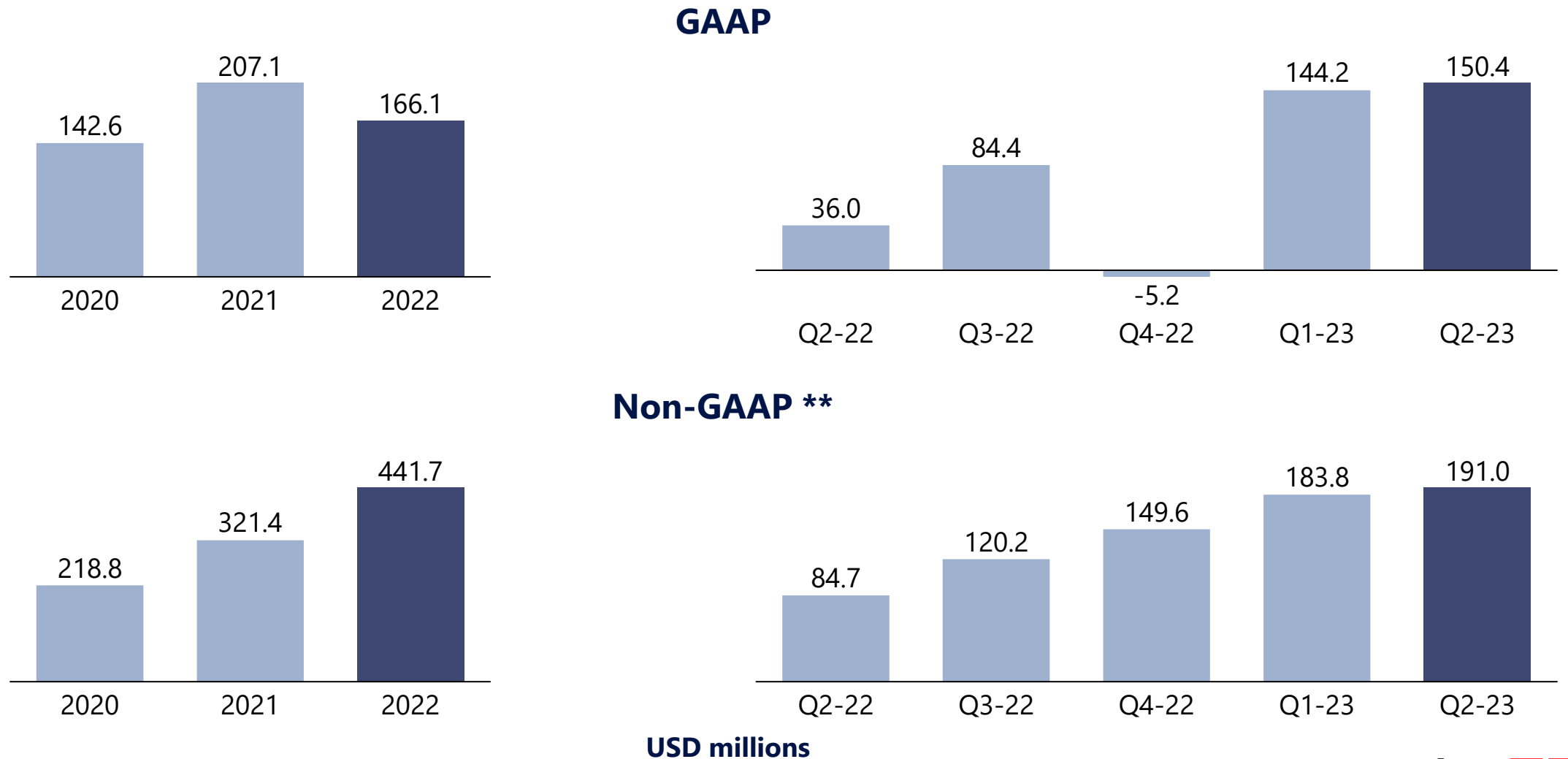
Consolidated* Operating Expenses as % of Revenues



* For purposes of this presentation, "consolidated" refers to both solar and "all other" segments

** Non-GAAP financial measures; see definition and reconciliation in Appendix

Consolidated* Operating Income

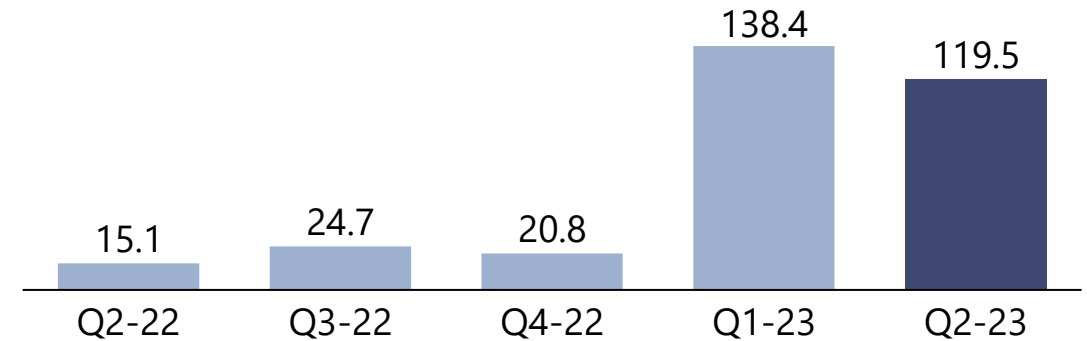
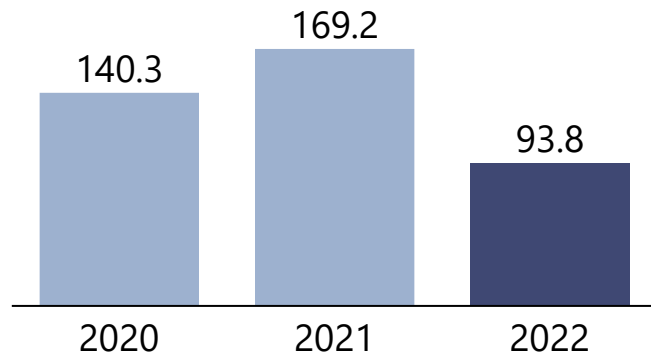


* For purposes of this presentation, "consolidated" refers to both solar and "all other" segments

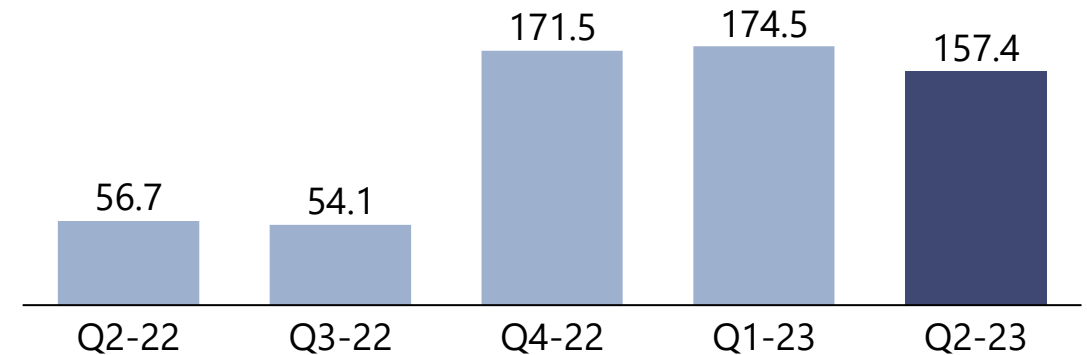
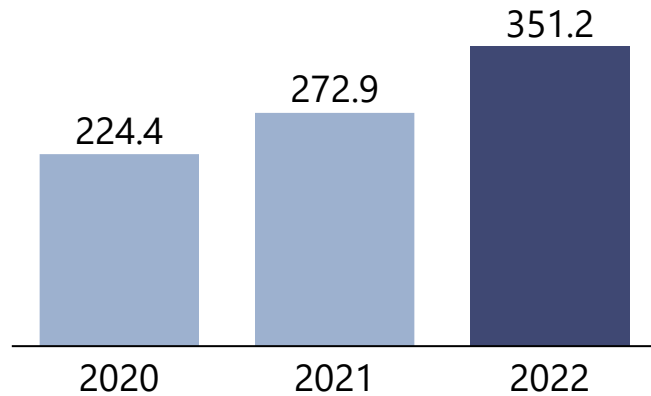
** Non-GAAP financial measures; see definition and reconciliation in Appendix

Consolidated* Net Income

GAAP



Non-GAAP **



USD millions

* For purposes of this presentation, "consolidated" refers to both solar and "all other" segments

** Non-GAAP financial measures; see definition and reconciliation in Appendix

Appendix



B U S I N E S S G R A P H 1 2 3 4 5 6 7 8 9 10

Reconciliation of GAAP to Non-GAAP

Reconciliation of GAAP to Non-GAAP Gross Profit

	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23
Gross profit (GAAP)	182,642	222,001	261,047	300,126	317,305
Revenues from finance component	(146)	(159)	(174)	(187)	(202)
Stock-based compensation	5,286	4,661	6,810	5,927	5,923
Amortization of stock-based compensation capitalized in inventories	---	---	---	---	316
Disposal of assets related to Critical Power	4,314	---	---	---	---
Amortization and depreciation of acquired asset	2,184	2,064	961	1,515	872
Gross profit (Non-GAAP)	194,280	228,567	268,644	307,381	324,214

Reconciliation of GAAP to Non-GAAP Gross Margin

	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23
Gross margin (GAAP)	25.1%	26.5%	29.3%	31.8%	32.0%
Revenues from finance component	0.0%	0.0%	0.0%	0.0%	0.0%
Stock-based compensation	0.7%	0.6%	0.8%	0.6%	0.6%
Amortization of stock-based compensation capitalized in inventories	---	---	---	---	0.0%
Disposal of assets related to Critical Power	0.6%	---	---	---	---
Amortization and depreciation of acquired assets	0.3%	0.2%	0.1%	0.2%	0.1%
Gross margin (Non-GAAP)	26.7%	27.3%	30.2%	32.6%	32.7%

Reconciliation of GAAP to Non-GAAP

	Reconciliation of GAAP to Non-GAAP Operating expenses				
	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23
Operating expenses (GAAP)	146,630	137,594	266,210	155,972	166,947
Stock-based compensation - R&D	(16,819)	(14,553)	(16,854)	(17,209)	(17,272)
Stock-based compensation - S&M	(7,047)	(9,341)	(7,928)	(8,079)	(7,822)
Stock-based compensation - G&A	(7,922)	(7,196)	(7,015)	(8,020)	(7,948)
Amortization and depreciation of acquired assets - R&D	(300)	(302)	(301)	(313)	(289)
Amortization and depreciation of acquired assets - S&M	(226)	(187)	(173)	(181)	(235)
Amortization and depreciation of acquired assets - G&A	(5)	(6)	(4)	(26)	17
Assets impairment	(4,696)	19	(114,473)	---	---
Gain (loss) from assets sales and disposal	---	2,303	(102)	1,434	---
Acquisition costs	---	---	(350)	---	(135)
Operating expenses (Non-GAAP)	109,615	108,331	119,010	123,578	133,263
	Reconciliation of GAAP to Non-GAAP Operating income (loss)				
	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23
Operating income (loss) (GAAP)	36,012	84,407	(5,163)	144,154	150,358
Revenues from finance component	(146)	(159)	(174)	(187)	(202)
Disposal of assets related to Critical Power	4,314	---	---	---	---
Stock-based compensation	37,074	35,751	38,607	39,235	38,965
Amortization of stock-based compensation capitalized in inventories	---	---	---	---	316
Amortization and depreciation of acquired assets	2,715	2,559	1,439	2,035	1,379
Assets impairment	4,696	(19)	114,473	---	---
Loss (gain) from assets sales and disposal	---	(2,303)	102	(1,434)	---
Acquisition costs	---	---	350	---	135
Operating income (Non-GAAP)	84,665	120,236	149,634	183,803	190,951

Reconciliation of GAAP to Non-GAAP

	Reconciliation of GAAP to Non-GAAP Financial income (expenses), net				
	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23
Financial income (expense), net (GAAP)	(14,311)	(33,025)	56,101	23,674	3,384
Non cash interest expense	2,427	2,505	2,685	2,892	3,105
Unrealized losses (gains)	----	----	(170)	----	----
Currency fluctuation related to lease standard	(9,028)	(1,116)	749	(2,519)	(2,107)
Financial income (expense), net (Non-GAAP)	(20,912)	(31,636)	59,365	24,047	4,382
	Reconciliation of GAAP to Non-GAAP Other income (loss)				
	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23
Other income (loss) (GAAP)	----	7,533	186	(125)	----
Gain from sale of investment in privately-held company	----	(7,533)	(186)	----	----
Other income (loss) (Non-GAAP)	----	----	----	(125)	----
	Reconciliation of GAAP to Non-GAAP Tax on income				
	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23
Income tax benefit (expense) (GAAP)	(6,617)	(34,172)	(30,295)	(29,325)	(34,232)
Income tax adjustment	(389)	(291)	(7,186)	(3,901)	(3,735)
Income tax benefit (expense) (Non-GAAP)	(7,006)	(34,463)	(37,481)	(33,226)	(37,967)

Reconciliation of GAAP to Non-GAAP

	Reconciliation of GAAP to Non-GAAP Net income				
	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23
Net income (GAAP)	15,084	24,743	20,829	138,378	119,510
Revenues from finance component	(146)	(159)	(174)	(187)	(202)
Disposal of assets related to Critical Power	4,314	----	----	----	----
Stock-based compensation	37,074	35,751	38,607	39,235	38,965
Amortization of stock-based compensation capitalized in inventories	----	----	----	----	316
Amortization and depreciation of acquired assets	2,715	2,559	1,439	2,035	1,379
Assets impairment	4,696	(19)	114,473	----	----
Loss (gain) from assets sales and disposal	----	(2,303)	102	(1,434)	----
Acquisition costs	----	----	350	----	135
Non cash interest expense	2,427	2,505	2,685	2,892	3,105
Unrealized losses (gains)	----	----	(170)	----	----
Currency fluctuation related to lease standard	(9,028)	(1,116)	749	(2,519)	(2,107)
Gain from sale of investment in privately-held company	----	(7,533)	(186)	----	----
Uncertain tax positions	----	----	----	----	----
Income tax adjustment	(389)	(291)	(7,186)	(3,901)	(3,735)
Net income (Non-GAAP)	56,747	54,137	171,518	174,499	157,366

Reconciliation of GAAP to Non-GAAP

Reconciliation of GAAP to Non-GAAP Net basic EPS

Three months ended

	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23
Net basic earnings per share (GAAP)	0.27	0.44	0.37	2.46	2.12
Revenues from finance component	0.00	0.00	0.00	0.00	(0.01)
Disposal of assets related to Critical Power	0.08	---	---	---	---
Stock-based compensation	0.67	0.64	0.69	0.70	0.70
Amortization of stock-based compensation capitalized in inventories	---	---	---	---	0.00
Amortization and depreciation of acquired assets	0.04	0.05	0.02	0.03	0.03
Assets impairment	0.09	0.00	2.05	---	---
Loss (gain) from assets sales and disposal	---	(0.04)	0.00	(0.02)	---
Acquisition costs	---	---	0.01	---	0.00
Non cash interest expense	0.04	0.04	0.05	0.05	0.05
Unrealized losses (gains)	---	---	(0.01)	---	---
Currency fluctuation related to lease standard	(0.16)	(0.02)	0.02	(0.05)	(0.03)
Gain from sale of investment in privately-held company	---	(0.13)	(0.01)	---	---
Uncertain tax positions	---	---	---	---	---
Income tax adjustment	(0.01)	(0.01)	(0.13)	(0.07)	(0.07)
Net basic earnings per share (Non-GAAP)	1.02	0.97	3.06	3.10	2.79

Reconciliation of GAAP to Non-GAAP

	Reconciliation of GAAP to Non-GAAP Net diluted EPS				
	Three months ended				
	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23
Net diluted earnings per share (GAAP)	0.26	0.43	0.36	2.35	2.03
Revenues from finance component	0.00	0.00	0.00	(0.01)	(0.01)
Disposal of assets related to Critical Power	0.08	---	---	---	---
Stock-based compensation	0.62	0.59	0.64	0.62	0.62
Amortization of stock-based compensation capitalized in inventories	---	---	---	---	0.00
Amortization and depreciation of acquired assets	0.04	0.05	0.02	0.03	0.03
Assets impairment	0.08	0.00	1.91	---	---
Loss (gain) from assets sales and disposal	---	(0.04)	0.00	(0.02)	---
Acquisition costs	---	---	0.01	---	0.00
Non cash interest expense	0.03	0.03	0.03	0.04	0.04
Unrealized losses (gains)	---	---	0.00	---	---
Currency fluctuation related to lease standard	(0.15)	(0.02)	0.01	(0.04)	(0.03)
Gain from sale of investment in privately-held company	---	(0.13)	0.00	---	---
Uncertain tax positions	---	---	---	---	---
Income tax adjustment	(0.01)	0.00	(0.12)	(0.07)	(0.06)
Net diluted earnings per share (Non-GAAP)	0.95	0.91	2.86	2.90	2.62

	Reconciliation of GAAP to Non-GAAP Net diluted EPS				
	Three months ended				
	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23
Number of shares used in computing net diluted earnings per share (GAAP)	58,564,734	58,747,538	58,734,719	59,193,831	59,183,666
Stock-based compensation	904,781	784,228	1,237,266	939,571	986,527
Number of shares used in computing net diluted earnings per share (Non-GAAP)	59,469,515	59,531,766	59,971,985	60,133,402	60,170,193



Thank
You