

## Operational Metrics

| KPI's \$,000              | Q4 16     | Q1 17     | Q2 17     | Q3 17     | Q4 17     | Q1 18     | Q2 18     | Q3 18     | 12 months ended, Dec 31 |           |           |
|---------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-------------------------|-----------|-----------|
|                           |           |           |           |           |           |           |           |           | 2015                    | 2016      | 2017      |
| Revenues                  | 111,513   | 115,054   | 136,099   | 166,552   | 189,340   | 209,871   | 227,118   | 236,578   | 424,705                 | 489,954   | 607,045   |
| % Y/Y                     | -10.7%    | -8.1%     | 9.1%      | 29.6%     | 69.8%     | 82.4%     | 66.9%     | 42.0%     | 97.2%                   | 15.4%     | 23.9%     |
| % Q/Q                     | -13.2%    | 3.2%      | 18.3%     | 22.4%     | 13.7%     | 10.8%     | 8.2%      | 4.2%      |                         |           |           |
| Gross profit \$           | 39,025    | 38,676    | 47,066    | 58,054    | 70,970    | 79,597    | 81,946    | 77,982    | 124,081                 | 160,747   | 214,766   |
| % Y/Y                     | 1.1%      | -5.1%     | 20.3%     | 38.6%     | 81.9%     | 105.8%    | 74.1%     | 34.3%     | 177.2%                  | 29.6%     | 33.6%     |
| % Q/Q                     | -6.8%     | -0.9%     | 21.7%     | 23.3%     | 22.2%     | 12.2%     | 3.0%      | -4.8%     |                         |           |           |
| Gross Margin              | 35.0%     | 33.6%     | 34.6%     | 34.9%     | 37.5%     | 37.9%     | 36.1%     | 33.0%     | 29.2%                   | 32.8%     | 35.4%     |
| % Y/Y                     | 13.2%     | 3.3%      | 10.3%     | 6.9%      | 7.1%      | 12.8%     | 4.3%      | -5.4%     | 40.6%                   | 12.3%     | 7.8%      |
| % Q/Q                     | 7.4%      | -3.9%     | 2.9%      | 0.8%      | 7.5%      | 1.2%      | -4.9%     | -8.6%     |                         |           |           |
| Operating income          | 15,147    | 12,004    | 19,115    | 25,396    | 34,571    | 40,828    | 40,665    | 34,037    | 55,808                  | 71,010    | 91,086    |
| % Y/Y                     | -21.4%    | -39.2%    | 6.9%      | 39.2%     | 128.2%    | 240.1%    | 112.7%    | 34.0%     | N\A                     | 27.2%     | 28.3%     |
| % Q/Q                     | -17.0%    | -20.7%    | 59.2%     | 32.9%     | 36.1%     | 18.1%     | -0.4%     | -16.3%    |                         |           |           |
| Net income                | 9,765     | 14,175    | 22,524    | 27,971    | 19,502    | 35,686    | 34,568    | 45,643    | 53,763                  | 63,453    | 84,172    |
| % Y/Y                     | -59.5%    | -31.8%    | 30.4%     | 79.1%     | 99.7%     | 151.8%    | 53.5%     | 63.2%     | N\A                     | 18.0%     | 32.7%     |
| % Q/Q                     | -37.5%    | 45.2%     | 58.9%     | 24.2%     | -30.3%    | 83.0%     | -3.1%     | 32.0%     |                         |           |           |
| Optimizer shipped (units) | 1,259,150 | 1,469,677 | 1,774,480 | 2,041,115 | 2,082,649 | 2,475,544 | 2,737,524 | 3,004,264 | 4,917,632               | 5,809,720 | 7,367,921 |
| Inverter shipped (units)  | 56,757    | 57,761    | 75,020    | 89,737    | 94,770    | 99,646    | 113,767   | 121,836   | 196,127                 | 230,431   | 317,288   |
| MW shipped (MW)           | 413       | 455       | 563       | 676       | 766       | 800       | 985       | 1,083     | 1,262                   | 1,723     | 2,461     |

## Balance Sheet - Assets

| \$,000                                    | Dec 31<br>2016 | Mar 31<br>2017 | June 30<br>2017 | Sep 30<br>2017 | Dec 31<br>2017 | Mar 31<br>2018 | June 30<br>2018 | Sep 30<br>2018 |
|---|----------------|----------------|-----------------|----------------|----------------|----------------|-----------------|----------------|
| <b>Current Assets:</b>                    |                |                |                 |                |                |                |                 |                |
| Cash and cash equivalents                 | 104,683        | 119,933        | 113,452         | 149,448        | 163,163        | 229,219        | 214,540         | 192,876        |
| Short-term bank deposits                  |                |                |                 |                |                |                |                 | 7,779          |
| Restricted cash                           | 897            | 991            | 1,097           | 1,400          | 1,516          | 1,766          | 2,049           | 2,083          |
| Marketable securities                     | 74,465         | 81,800         | 80,225          | 81,488         | 77,264         | 81,229         | 134,821         | 148,252        |
| Trade receivables, net                    | 71,041         | 79,268         | 79,851          | 91,694         | 109,528        | 127,479        | 118,103         | 151,088        |
| Inventories                               | 67,363         | 60,913         | 56,205          | 62,356         | 82,992         | 98,363         | 102,014         | 107,179        |
| Prepaid expenses and other current assets | 21,347         | 26,561         | 34,109          | 38,201         | 42,223         | 33,156         | 44,520          | 46,396         |
| <b>Total Current Assets</b>               | <b>339,796</b> | <b>369,466</b> | <b>364,939</b>  | <b>424,587</b> | <b>476,686</b> | <b>571,212</b> | <b>616,047</b>  | <b>655,653</b> |
| <b>Long Term Assets:</b>                  |                |                |                 |                |                |                |                 |                |
| Marketable securities                     | 44,262         | 44,893         | 79,954          | 72,351         | 103,120        | 88,554         | 86,144          | 102,240        |
| Property and equipment, net               | 67,273         | 67,309         | 67,345          | 67,381         | 51,182         | 67,453         | 67,489          | 73,415         |
| Deferred tax assets, net                  | 2,815          | 4,084          | 4,898           | 5,822          | 8,340          | 9,847          | 11,551          | 13,218         |
| Intangible assets, net                    | 1,259          | 1,223          | 1,187           | 1,151          | 1,115          | 1,079          | 1,043           | 3,762          |
| Goodwill                                  | ----           | ----           | ----            | ----           | ----           | ----           | ----            | 2,782          |
| Other non-current assets                  | 489            | 594            | 640             | 732            | 862            | 787            | 956             | 1,108          |
| <b>Total Long Term Assets</b>             | <b>116,098</b> | <b>87,504</b>  | <b>127,483</b>  | <b>124,619</b> | <b>164,619</b> | <b>160,349</b> | <b>167,183</b>  | <b>196,525</b> |
| <b>Total Assets</b>                       | <b>455,894</b> | <b>456,970</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> |

## Balance Sheet - Liabilities and Equity

| \$,000  | Dec 31<br>2016        | Mar 31<br>2017        | June 30<br>2017       | Sep 30<br>2017        | Dec 31<br>2017        | Mar 31<br>2018        | June 30<br>2018       | Sep 30<br>2018        |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Current Liabilities:</b>                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Trade payables, net                               | 34,001                | 43,740                | 36,029                | 42,700                | 69,488                | 83,091                | 81,610                | 83,459                |
| Employees and payroll accruals                    | 13,018                | 11,767                | 14,286                | 17,640                | 22,544                | 29,733                | 23,510                | 23,680                |
| Warranty obligations                              | 13,616                | 12,895                | 12,501                | 12,942                | 14,785                | 16,605                | 18,964                | 21,660                |
| Deferred revenues                                 | 1,202                 | 1,025                 | 3,038                 | 2,743                 | 2,559                 | 3,010                 | 3,407                 | 5,795                 |
| Accrued expenses and other current liabilities    | 8,648                 | 9,189                 | 12,842                | 16,407                | 20,378                | 26,170                | 26,480                | 31,556                |
| <b>Total Current Liabilities</b>                  | <b><u>70,485</u></b>  | <b><u>78,616</u></b>  | <b><u>78,696</u></b>  | <b><u>92,432</u></b>  | <b><u>129,754</u></b> | <b><u>158,609</u></b> | <b><u>153,971</u></b> | <b><u>166,150</u></b> |
| <b>Long Term Liabilities:</b>                     |                       |                       |                       |                       |                       |                       |                       |                       |
| Warranty liabilities                              | 44,759                | 48,230                | 52,839                | 58,625                | 64,026                | 71,590                | 78,327                | 86,059                |
| Deferred revenues                                 | 18,660                | 20,902                | 23,771                | 26,858                | 31,453                | 41,866                | 47,595                | 53,663                |
| Other non-current liabilities                     | 2,061                 | 1,987                 | 1,913                 | 1,838                 | 18,605                | 19,285                | 18,446                | 7,343                 |
| <b>Total Long Term Liabilities</b>                | <b><u>65,480</u></b>  | <b><u>71,119</u></b>  | <b><u>78,523</u></b>  | <b><u>87,321</u></b>  | <b><u>114,084</u></b> | <b><u>132,741</u></b> | <b><u>144,368</u></b> | <b><u>147,065</u></b> |
| <b>Stockholders' Equity:</b>                      |                       |                       |                       |                       |                       |                       |                       |                       |
| Common stock                                      | 4                     | 4                     | 4                     | 4                     | 4                     | 4                     | 5                     | 5                     |
| Additional paid-in capital                        | 307,098               | 311,081               | 316,867               | 323,076               | 331,902               | 343,356               | 353,470               | 361,744               |
| Accumulated other comprehensive income (loss)     | (324)                 | (25)                  | (367)                 | (297)                 | (611)                 | (1,135)               | (1,138)               | (983)                 |
| Retained earnings (Accumulated deficit)           | (18,000)              | (3,825)               | 18,699                | 46,670                | 66,172                | 97,986                | 132,554               | 178,197               |
| <b>Total stockholders' equity</b>                 | <b><u>288,778</u></b> | <b><u>307,235</u></b> | <b><u>335,203</u></b> | <b><u>369,453</u></b> | <b><u>397,467</u></b> | <b><u>440,211</u></b> | <b><u>484,891</u></b> | <b><u>538,963</u></b> |
| <b>Total liabilities and stockholders' equity</b> | <b><u>424,743</u></b> | <b><u>456,970</u></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> |

## P&L GAAP

| \$,000                               |               |               |               |               |               |               |               |               | 12 months ended, Dec. 31 |                |                |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------------------|----------------|----------------|
|                                      | Q4 16         | Q1 17         | Q2 17         | Q3 17         | Q4 17         | Q1 18         | Q2 18         | Q3 18         | 2015                     | 2016           | 2017           |
| <b>Revenues</b>                      | 111,513       | 115,054       | 136,099       | 166,552       | 189,340       | 209,871       | 227,118       | 236,578       | 424,705                  | 489,954        | 607,045        |
| Cost of revenues                     | 72,488        | 76,378        | 89,033        | 108,498       | 118,370       | 130,274       | 145,172       | 158,596       | 300,624                  | 329,207        | 392,279        |
| <b>Gross profit</b>                  | <b>39,025</b> | <b>38,676</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>124,081</b>           | <b>160,747</b> | <b>214,766</b> |
| Gross Margin %                       | 35.0%         | 33.6%         | 34.6%         | 34.9%         | 37.5%         | 37.9%         | 36.1%         | 33.0%         | 29.2%                    | 32.8%          | 35.4%          |
| <b>Operating expenses:</b>           |               |               |               |               |               |               |               |               |                          |                |                |
| Research and development             | 10,344        | 11,458        | 12,725        | 14,363        | 16,420        | 17,875        | 19,551        | 20,109        | 27,481                   | 38,220         | 54,966         |
| Sales and marketing                  | 10,408        | 10,775        | 11,961        | 13,217        | 14,079        | 16,205        | 15,954        | 16,938        | 30,931                   | 38,200         | 50,032         |
| General and administrative           | 3,126         | 4,439         | 3,265         | 5,078         | 5,900         | 4,689         | 5,776         | 6,898         | 9,861                    | 13,317         | 18,682         |
| <b>Total operating expenses</b>      | <b>23,878</b> | <b>26,672</b> | <b>27,951</b> | <b>32,658</b> | <b>36,399</b> | <b>38,769</b> | <b>41,281</b> | <b>43,945</b> | <b>68,273</b>            | <b>89,737</b>  | <b>123,680</b> |
| <b>Operating income</b>              | <b>15,147</b> | <b>12,004</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>55,808</b>            | <b>71,010</b>  | <b>91,086</b>  |
| Financial expenses (Income), net     | 3,179         | (1,410)       | (3,595)       | (2,666)       | (1,487)       | (584)         | 2,480         | 689           | 6,166                    | 1,287          | (9,158)        |
| Other expenses                       | ----          | ----          | ----          | ----          | (0)           | 64            | ----          | ----          | 104                      | ----           | (0)            |
| <b>Income before taxes on income</b> | <b>11,968</b> | <b>13,414</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>49,538</b>            | <b>69,723</b>  | <b>100,244</b> |
| Taxes on income (tax benefit)        | 2,203         | (761)         | 186           | 91            | 16,556        | 5,662         | 3,617         | (12,295)      | (4,225)                  | 6,270          | 16,072         |
| <b>Net income</b>                    | <b>9,765</b>  | <b>14,175</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>53,763</b>            | <b>63,453</b>  | <b>84,172</b>  |

## Cash Flow - Operating Activities

| \$,000  | Dec 31<br>2016       | Mar 31<br>2017       | June 30<br>2017      | Sep 30<br>2017       | Dec 31<br>2017       | Mar 31<br>2018       | Jun 30<br>2018       | Sep 30<br>2018       |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b><u>Cash flows from operating activities:</u></b>   |                      |                      |                      |                      |                      |                      |                      |                      |
| Net income  | 9,765                | 14,175               | 22,524               | 27,971               | 19,502               | 35,686               | 34,568               | 45,643               |
| <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                      | 1,467                | 1,520                | 1,610                | 1,802                | 2,223                | 2,430                | 2,623                | 3,348                |
| Amortization of premiums on available-for-sale marketable securities                            | 349                  | 383                  | 408                  | 519                  | 751                  | 778                  | 236                  | 228                  |
| Stock-based compensation  | 3,500                | 3,612                | 4,034                | 4,537                | 5,381                | 6,849                | 7,128                | 7,950                |
| Deferred tax assets, net  | 1,472                | (1,333)              | (772)                | (958)                | (2,392)              | (1,321)              | (1,697)              | (1,771)              |
| Gain and loss on disposal of property   | ----                 | ----                 | ----                 | ----                 | ----                 | 64                   | ----                 | ----                 |
| Realized losses on Cash Flow Hedges   | ----                 | ----                 | ----                 | ----                 | ----                 | ----                 | ----                 | (9)                  |
| <b><u>Changes in assets and liabilities:</u></b>  |                      |                      |                      |                      |                      |                      |                      |                      |
| Inventories   | 902                  | 6,453                | 4,700                | (6,148)              | (20,695)             | (15,348)             | (3,604)              | 832                  |
| Prepaid expenses and other assets   | (4,591)              | (4,649)              | (8,026)              | (4,745)              | (4,517)              | 9,210                | (11,345)             | (2,665)              |
| Trade receivables, net  | 13,657               | (8,070)              | (329)                | (11,769)             | (17,971)             | (17,935)             | 8,732                | (33,215)             |
| Trade payables, net   | (6,264)              | 9,734                | (7,727)              | 6,660                | 26,788               | 13,595               | (1,452)              | 1,863                |
| Employees and payroll accruals  | 1,117                | (1,272)              | 2,478                | 3,303                | 4,885                | 7,153                | (6,125)              | 172                  |
| Warranty obligations  | 1,967                | 2,750                | 4,215                | 6,227                | 7,244                | 9,384                | 9,095                | 10,368               |
| Deferred revenues   | 1,398                | 2,060                | 4,875                | 2,764                | 4,407                | 6,981                | 6,139                | 8,456                |
| Accrued expenses and other liabilities  | (58)                 | 237                  | 3,573                | 3,504                | 20,229               | 6,453                | (407)                | (6,865)              |
| <b>Net cash provided by operating activities</b>  | <b><u>24,681</u></b> | <b><u>25,600</u></b> | <b><u>31,563</u></b> | <b><u>33,667</u></b> | <b><u>45,835</u></b> | <b><u>63,979</u></b> | <b><u>43,891</u></b> | <b><u>34,335</u></b> |

## Cash Flow - Non Operating Activities

| \$,000   | Dec 31<br>2016         | Mar 31<br>2017         | June 30<br>2017        | Sep 30<br>2017        | Dec 31<br>2017         | Mar 31<br>2018        | Jun 30<br>2018         | Sep 30<br>2018         |
|--|------------------------|------------------------|------------------------|-----------------------|------------------------|-----------------------|------------------------|------------------------|
| <b><u>Cash flows from investing activities:</u></b>  |                        |                        |                        |                       |                        |                       |                        |                        |
| Purchase of property and equipment   | (7,210)                | (1,872)                | (5,739)                | (5,592)               | (8,179)                | (11,325)              | (10,060)               | (8,666)                |
| Acquisitions and purchases of assets   | (600)                  | ----                   | ----                   | ----                  | ----                   | ----                  | ----                   | (11,223)               |
| Decrease (increase) in bank deposits   | ----                   | ----                   | ----                   | ----                  | ----                   | ----                  | ----                   | (7,779)                |
| Investment in available-for-sale marketable securities   | (20,930)               | (24,070)               | (50,036)               | (8,363)               | (61,206)               | (25,436)              | (63,953)               | (53,761)               |
| Maturities of available-for-sale marketable securities   | 17,478                 | 15,665                 | 16,009                 | 14,839                | 33,756                 | 34,500                | 12,325                 | 24,807                 |
| <b>Net cash provided by (used in) investing activities</b>   | <b><u>(11,262)</u></b> | <b><u>(10,277)</u></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>Cash flows from financing activities:</u></b>  |                        |                        |                        |                       |                        |                       |                        |                        |
| Proceeds from issuance of shares under stock purchase plan and upon exercise of stock-based awards | 1,011                  | 371                    | 1,752                  | 1,672                 | 3,445                  | 4,605                 | 2,986                  | 324                    |
| <b>Net cash provided by financing activities</b>   | <b><u>1,011</u></b>    | <b><u>371</u></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>      |
| Increase (decrease) in cash, cash equivalents and restricted cash                                  | 14,430                 | 15,694                 | (6,451)                | 36,223                | 13,651                 | 66,323                | (14,811)               | (21,963)               |
| Cash, cash equivalents and restricted cash at the beginning of the period                          | 90,960                 | 105,580                | 120,924                | 114,549               | 150,848                | 164,679               | 230,985                | 216,589                |
| Effect of exchange rate differences on cash, cash equivalents and restricted cash                  | 190                    | (350)                  | 76                     | 76                    | 180                    | (17)                  | 415                    | 333                    |
| <b>Cash, cash equivalents and restricted cash at EOQ</b>   | <b><u>105,580</u></b>  | <b><u>120,924</u></b>  | <b><u>114,549</u></b>  | <b><u>150,848</u></b> | <b><u>164,679</u></b>  | <b><u>230,985</u></b> | <b><u>216,589</u></b>  | <b><u>194,959</u></b>  |