

# SolarEdge Technologies Nasdaq | SEDG

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CFO

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# 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: the expected impact of the COVID-19 pandemic and related public health measures on our business, results of operations, financial condition and liquidity; 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 on Form 10-K and our quarterly reports on Form 10-Q, noting that many of the risks, uncertainties and other factors identified therein are, and will be, amplified by the COVID-19 pandemic.

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

**65.3M**   
Power Optimizers  
Shipped

**28**  
Countries  
Presence

**363** Awarded  
Patents and **354**  
Additional Patent  
Applications

**>1.9M**  
Monitored systems  
around the world

**#1**   
Solar  
Inverter  
Company \*

**3,174**  
employees



**2.7M**  
Inverters  
Shipped 

**22.4GW**  
of our systems  
shipped worldwide

\* PV Inverter Market Tracker - Fourth quarter 2020, January 2021 update

**solar**edge

# Q4/2020 Financial Results

**\$358.1M**



Revenue

**\$55.7M**

Non-GAAP Net Income



**30.8%**

GAAP Gross Margin



**\$27.0M**

Cash Flow From Operations

**\$17.7M**

GAAP Net Income

**\$530.2M**

Cash, Deposits  
and Investments,  
Net of Debt

# 2020 Financial Results

**\$1.46B**  
Revenue

**\$224.4M**  
Non-GAAP Net Income

**31.6%**  
GAAP Gross Margin

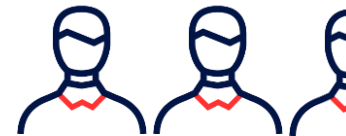
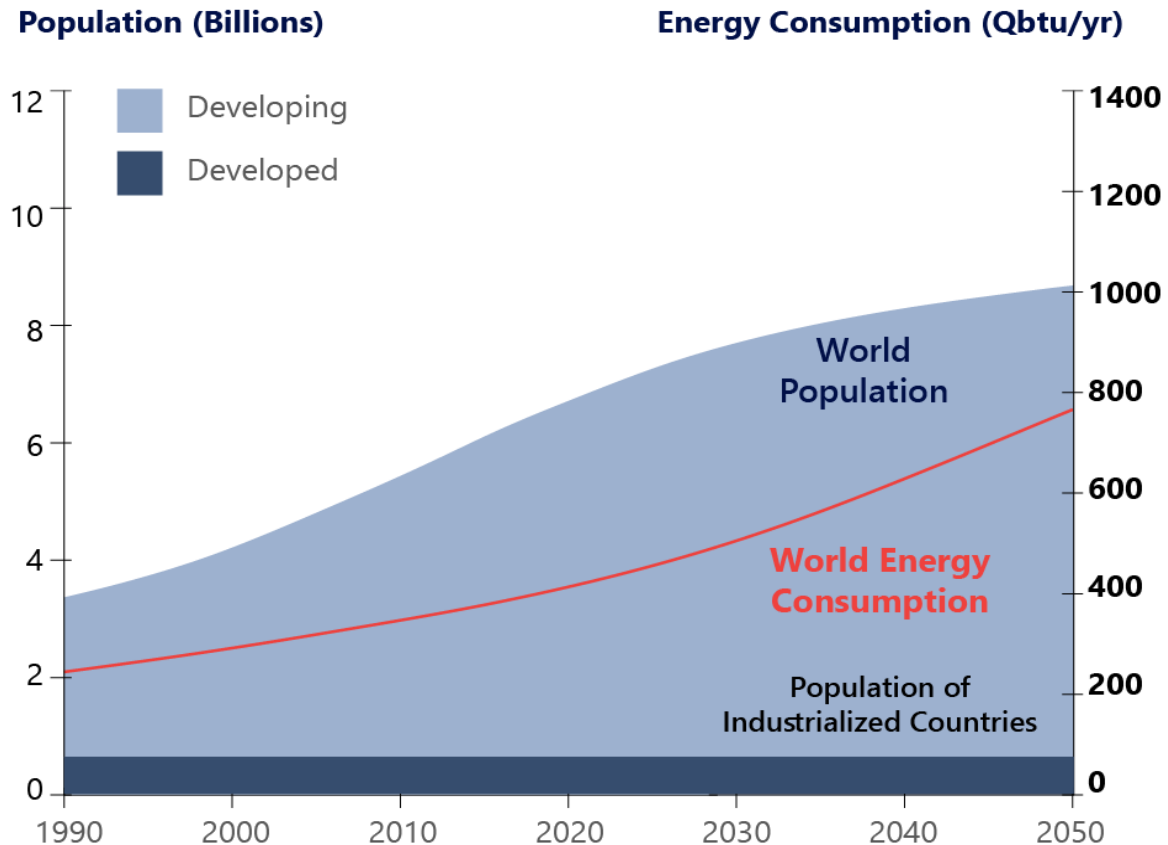
**\$222.7M**  
Cash Flow From  
Operations

**\$140.3M**  
GAAP Net Income

**\$530.2M**  
Cash and  
Investments Balance

# Energy Demand is on the Rise

## Global population forecast 2050 (in B)



**+2B~** people 2020-50



Energy consumption per capita is expected to increase **23%** by 2050



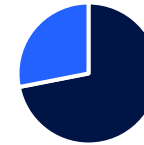
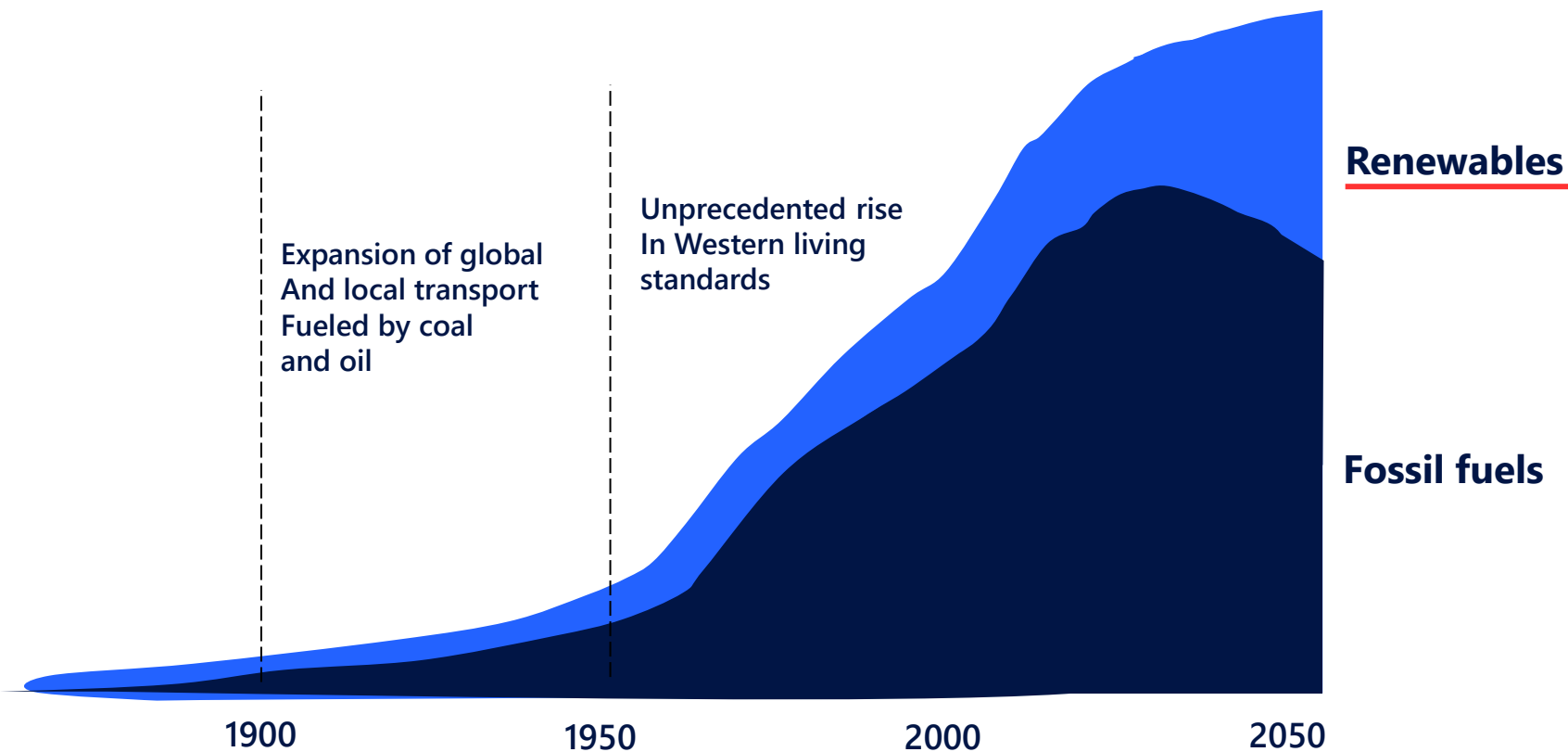
Solar energy generation is expected to increase by a factor of **60** from 2015 to 2050

Source: McKinsey energy Insights' Global Perspective, January 2019

Source: [https://www.researchgate.net/figure/World-population-vs-energy-demand\\_fig1\\_317635346](https://www.researchgate.net/figure/World-population-vs-energy-demand_fig1_317635346)

# Renewable Energy Supply is on the Rise

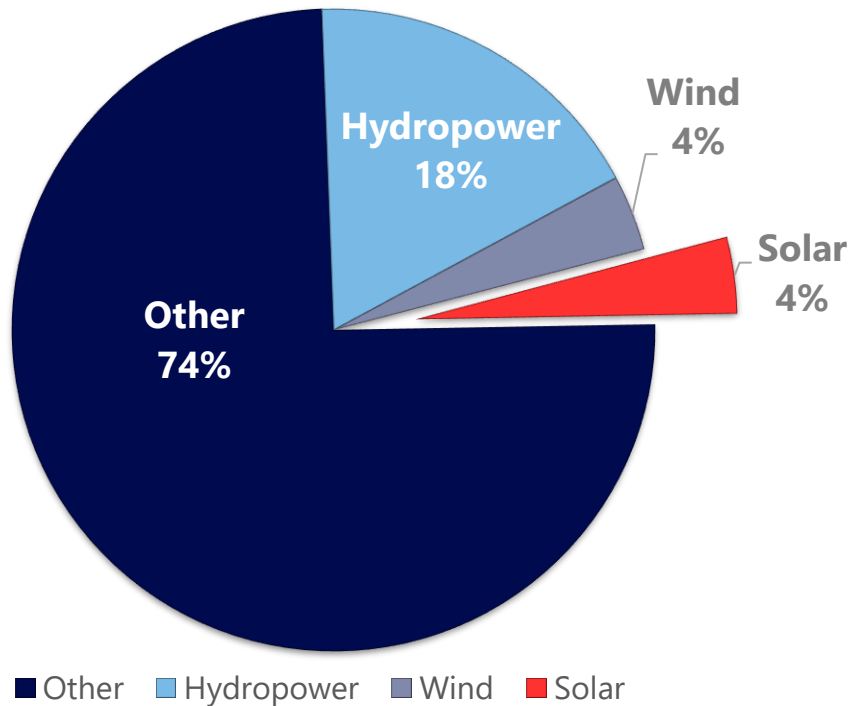
Global primary energy demand, millions of terajoules



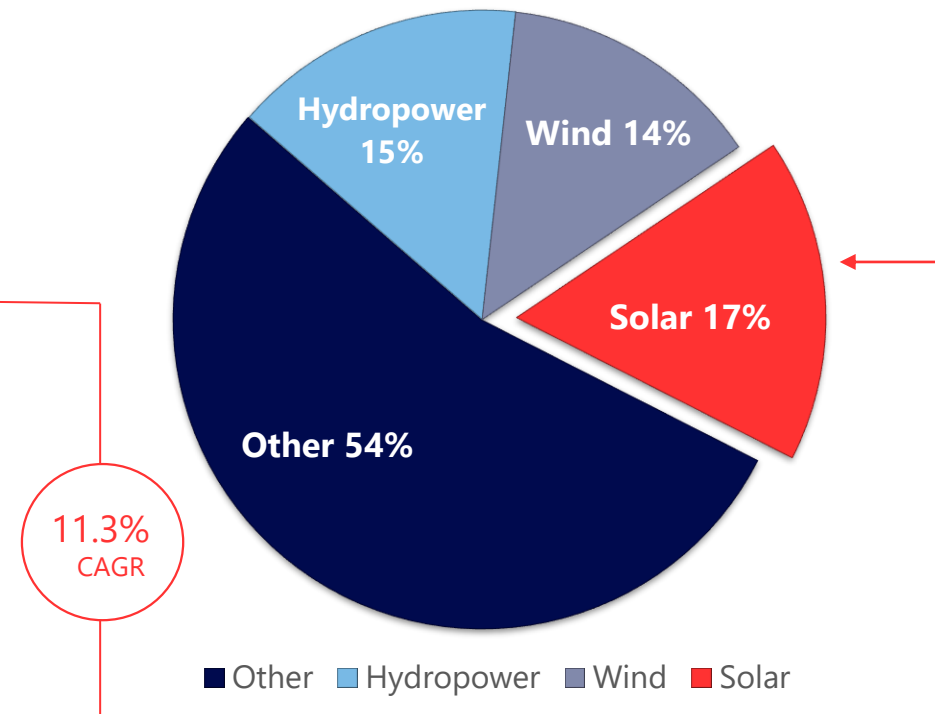
By 2050 almost  $\frac{1}{3}^{\text{rd}}$  of the global electricity demand projected to be supplied by renewable energy sources

# Global Renewable Energy Market Mix

## 2016 Renewables

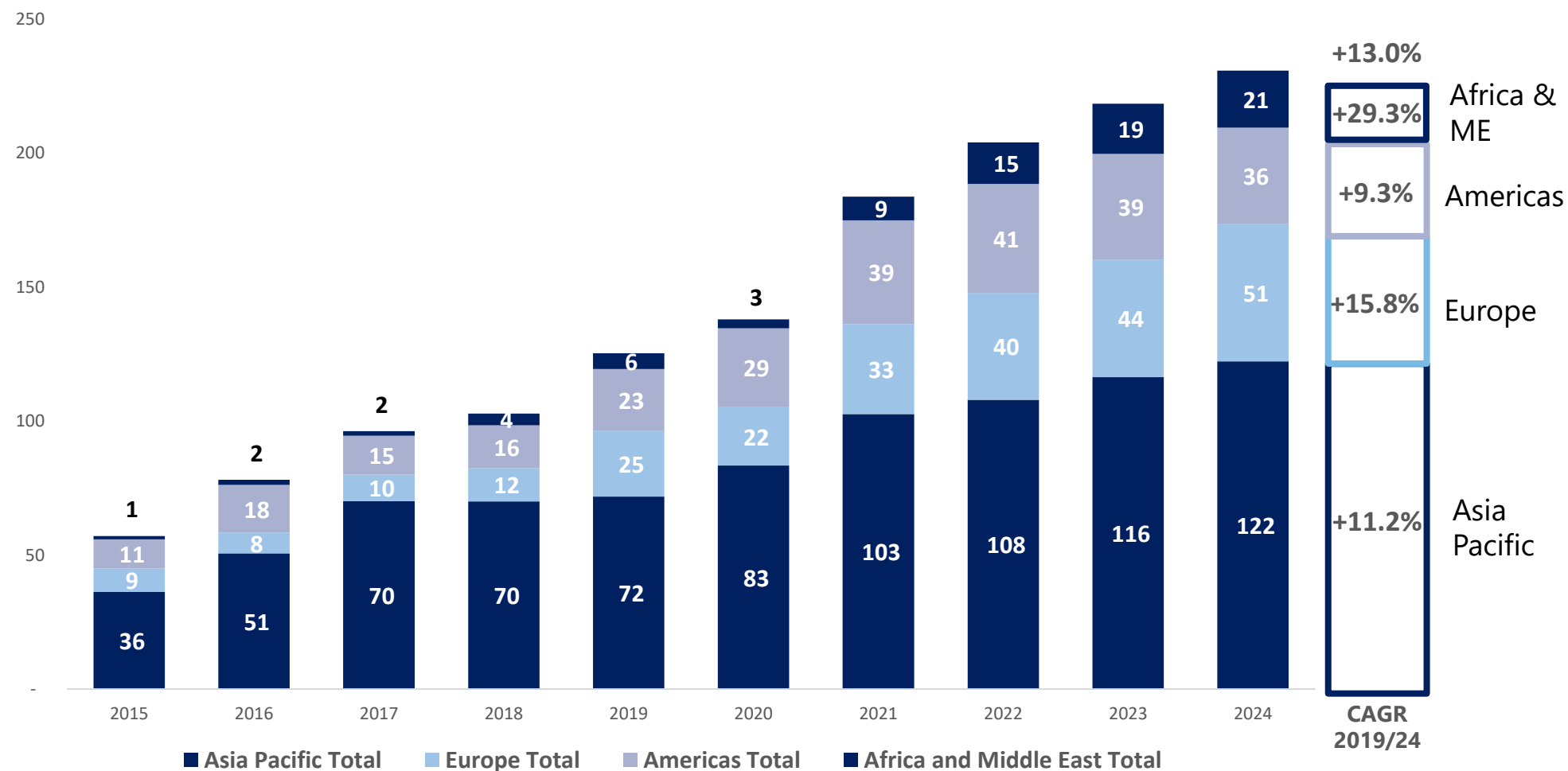


## 2030 Renewables





# Solar GW<sub>dc</sub> Installations by Region



Source: IHS PV installation tracked Q4 2020



# SolarEdge Solutions

solar**edge**

# A Complete Residential Solution

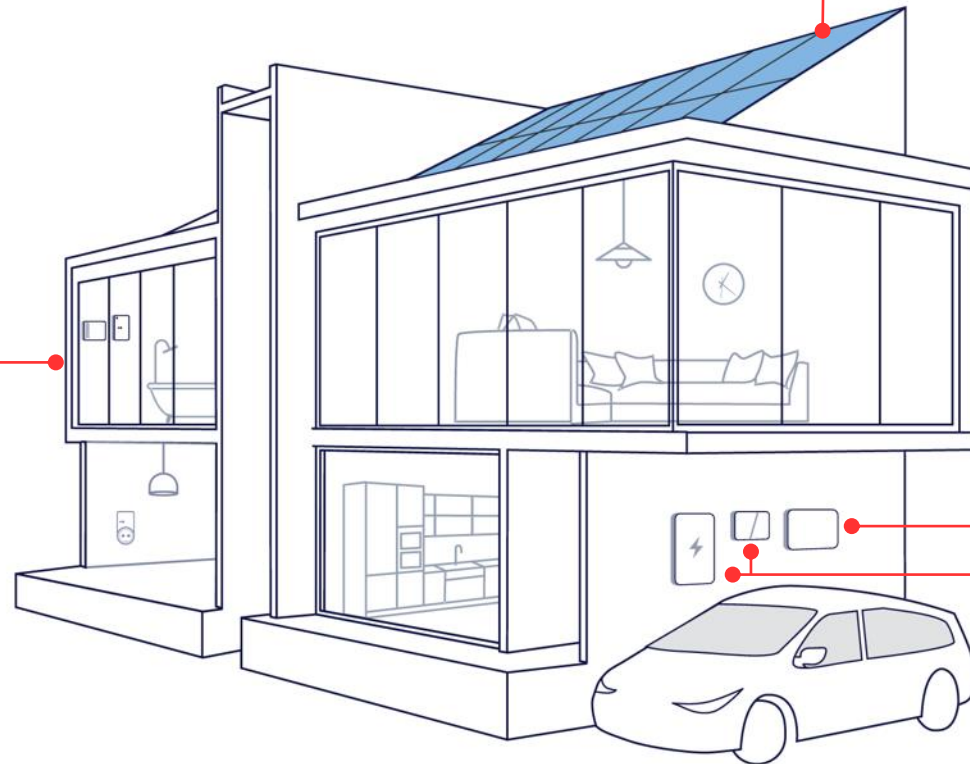
■ A single solution for PV, storage, smart energy, and EV charging



Smart Energy Products



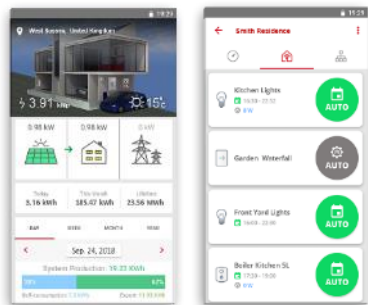
Smart Modules with  
Pre-assembled Power  
Optimizers



Inverters

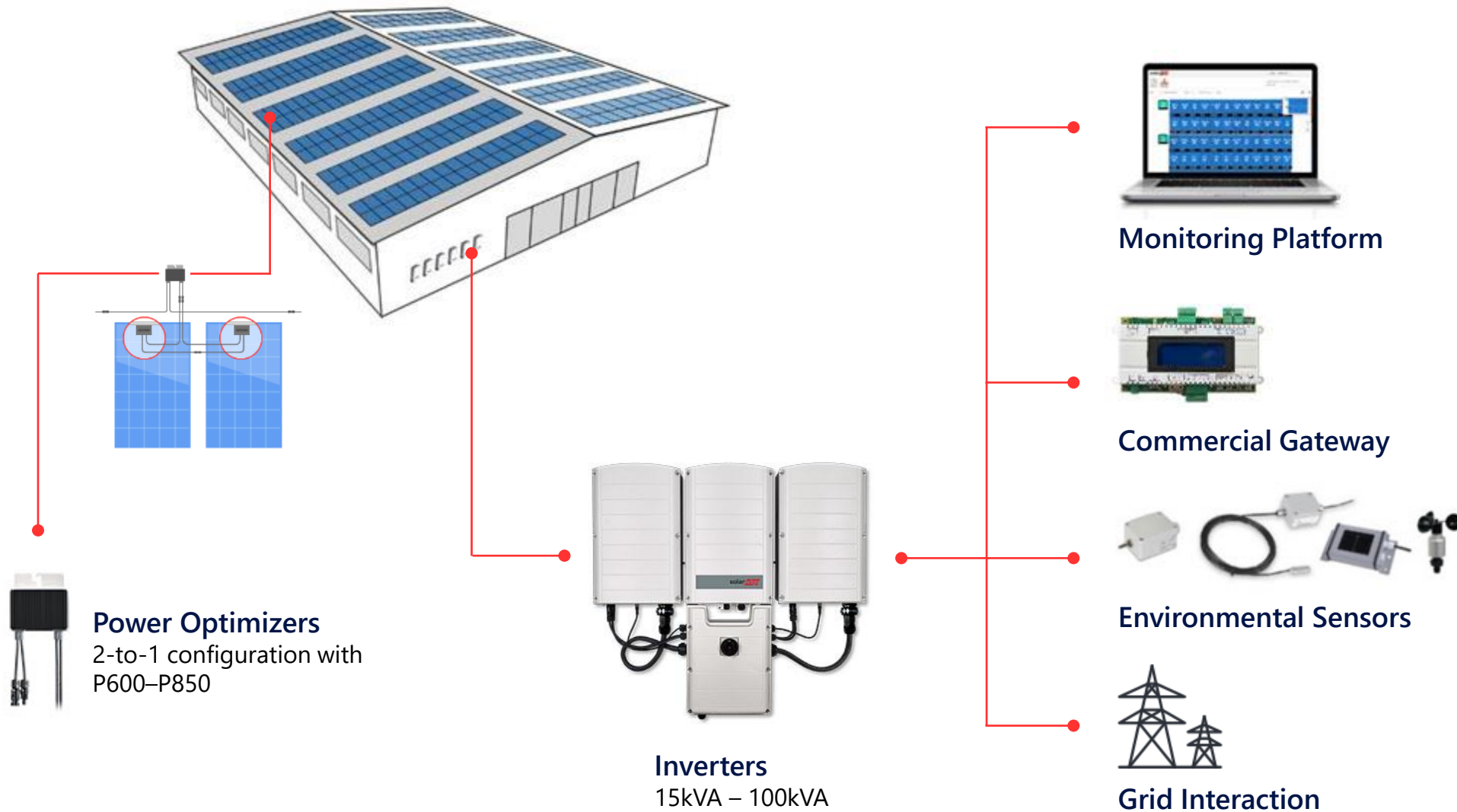


StorEdge



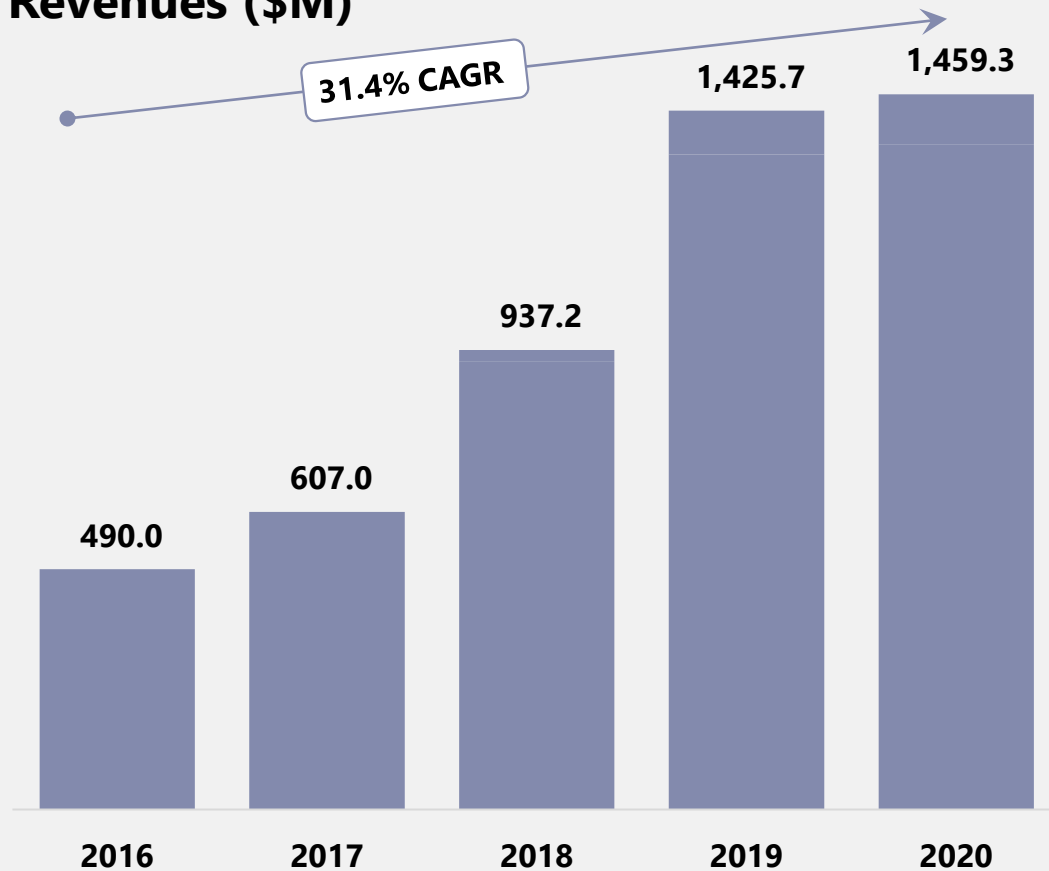
Monitoring Platform

# The SolarEdge Commercial Solution



# Annual Growth

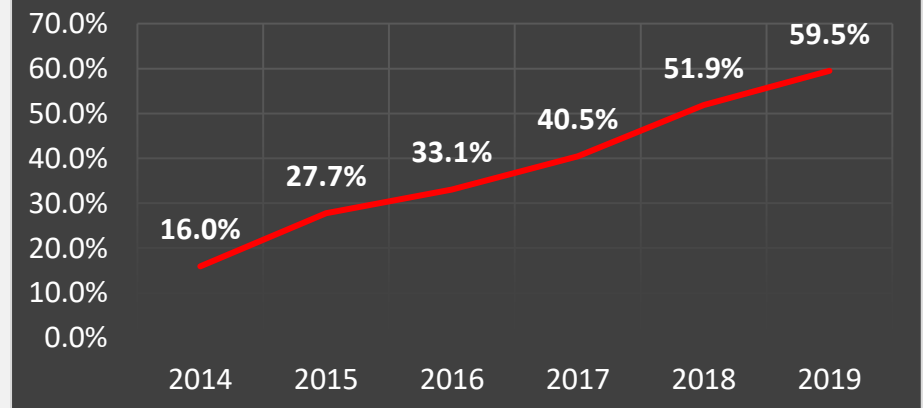
## Revenues (\$M)



## Our Winning Method

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

## US Residential Market



Source: Wood mackenzie US PV Leader board Q4 2020



# Strategic Growth Engines



Geographic  
Expansion



Segment  
Development



Market  
Share Growth



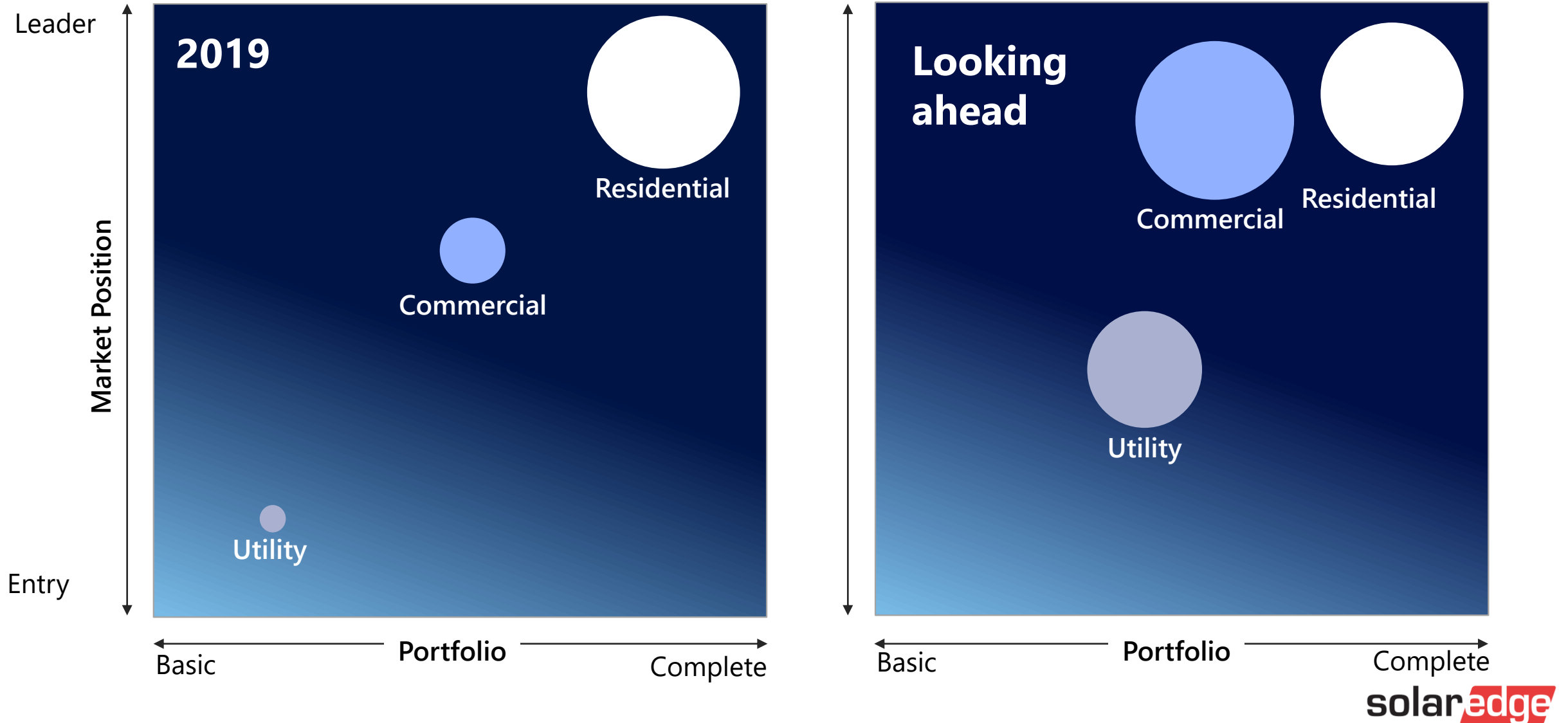
ARPI Increase

# Geographic Expansion

- ▀ Systems installed in >130 countries with feet on the ground in the large sustainable ones
- ▀ Maintain leadership position in core developed markets
- ▀ Significantly grow in new markets to answer demand



# SolarEdge Segment Development





# Market Share Growth

Global Inverter Market Tracker: World PV Inverter Supplier Rankings (\$ Revenues)

2014

Rank	Company
1	SMA
2	ABB
3	Omron
4	TEMIC
5	Tabuchi
6	Schneider Electric
7	Enphase Energy
8	Sungrow
9	Huawei
10	SolarEdge

2017

Rank	Company
1	Huawei
2	SMA
3	Sungrow
4	SolarEdge
5	Enphase Energy
6	ABB
7	Schneider Electric
8	Omron
9	Fronius
10	Goodwe

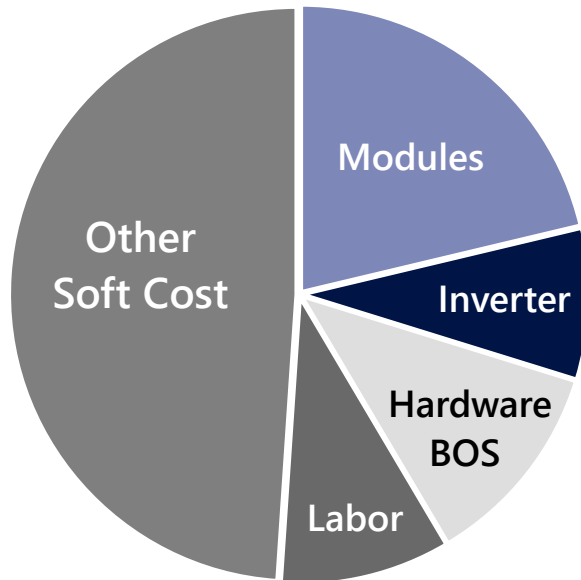
2019

Rank	Company
1	SolarEdge
2	SMA
3	Huawei
4	Enphase Energy
5	Sungrow
6	Fronius
7	Power Electronics
8	ABB
9	Growatt
10	Omron

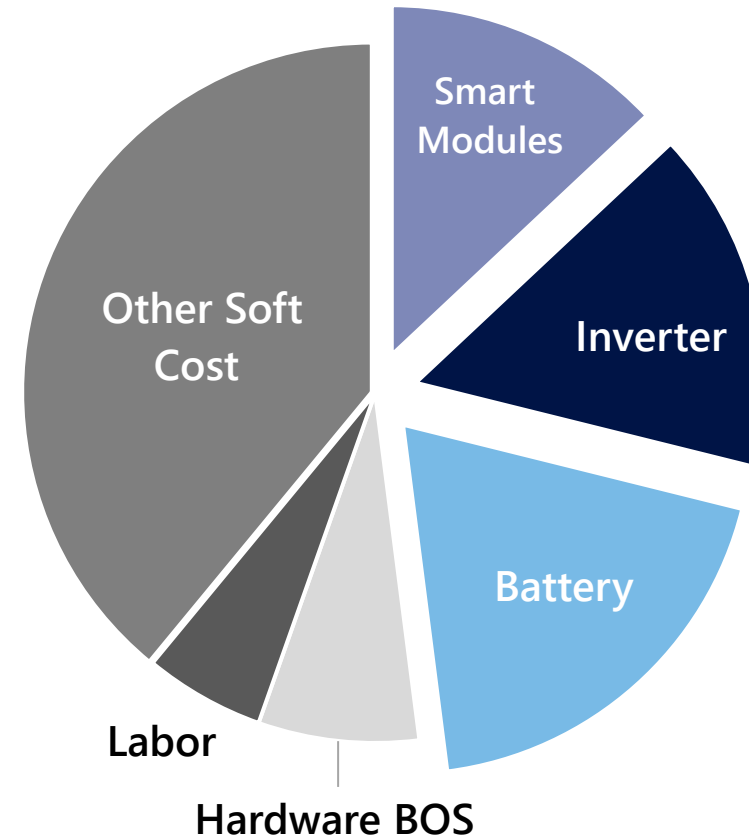
Source: IHS PV Inverter Market tracker 2015-20

# Increasing SolarEdge ARPI – Average Revenue Per Installation

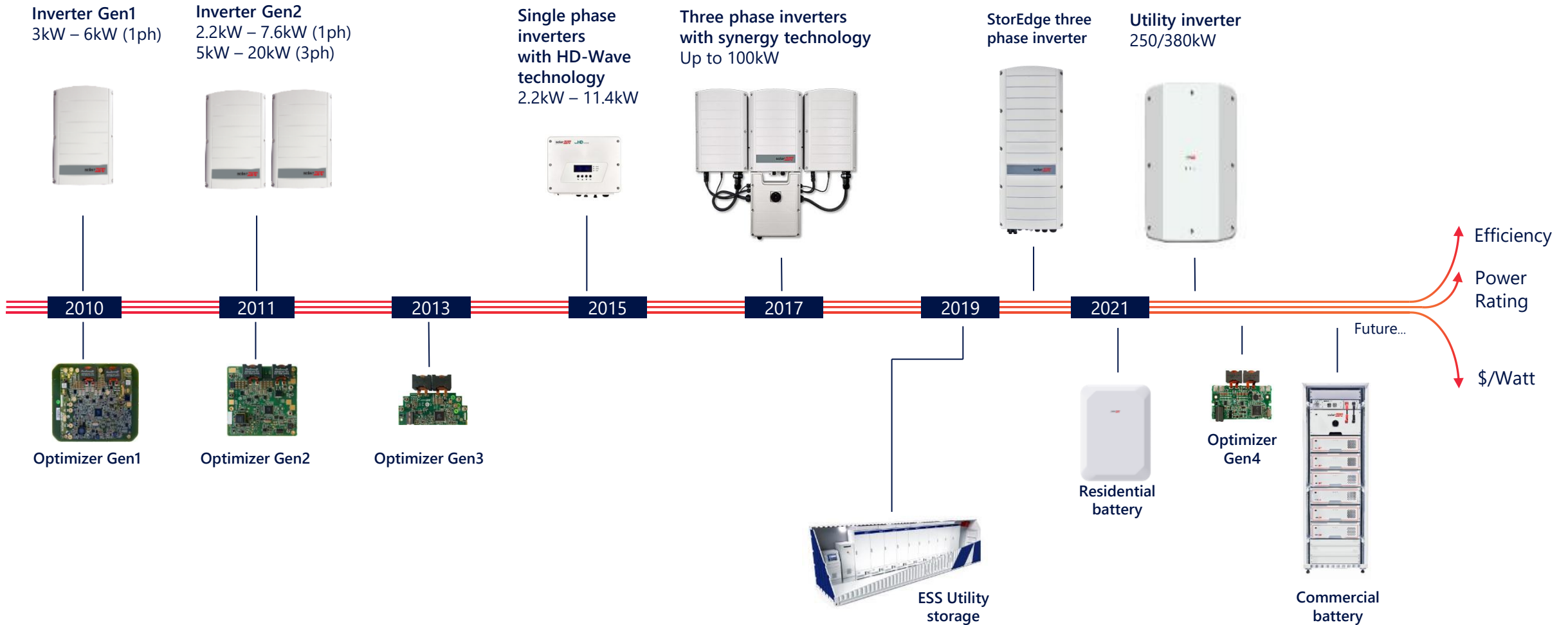
PV System (2014)



Advanced PV System (2020)



# Technology Roadmap



A futuristic digital cityscape with a glowing sun-like core and binary code overlays. The scene is split diagonally, with the left side showing a blue-toned city and the right side showing a yellow-toned city. The background features a large, glowing sun-like core with concentric circles and a bright light source. The words "SEARCH" and "ANALYSIS" are visible in the upper left. The overall theme is technology and innovation.

# Moving Beyond PV

# One-Stop-Shop for Smart Energy Solutions



# Strengths of SolarEdge Critical Power 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





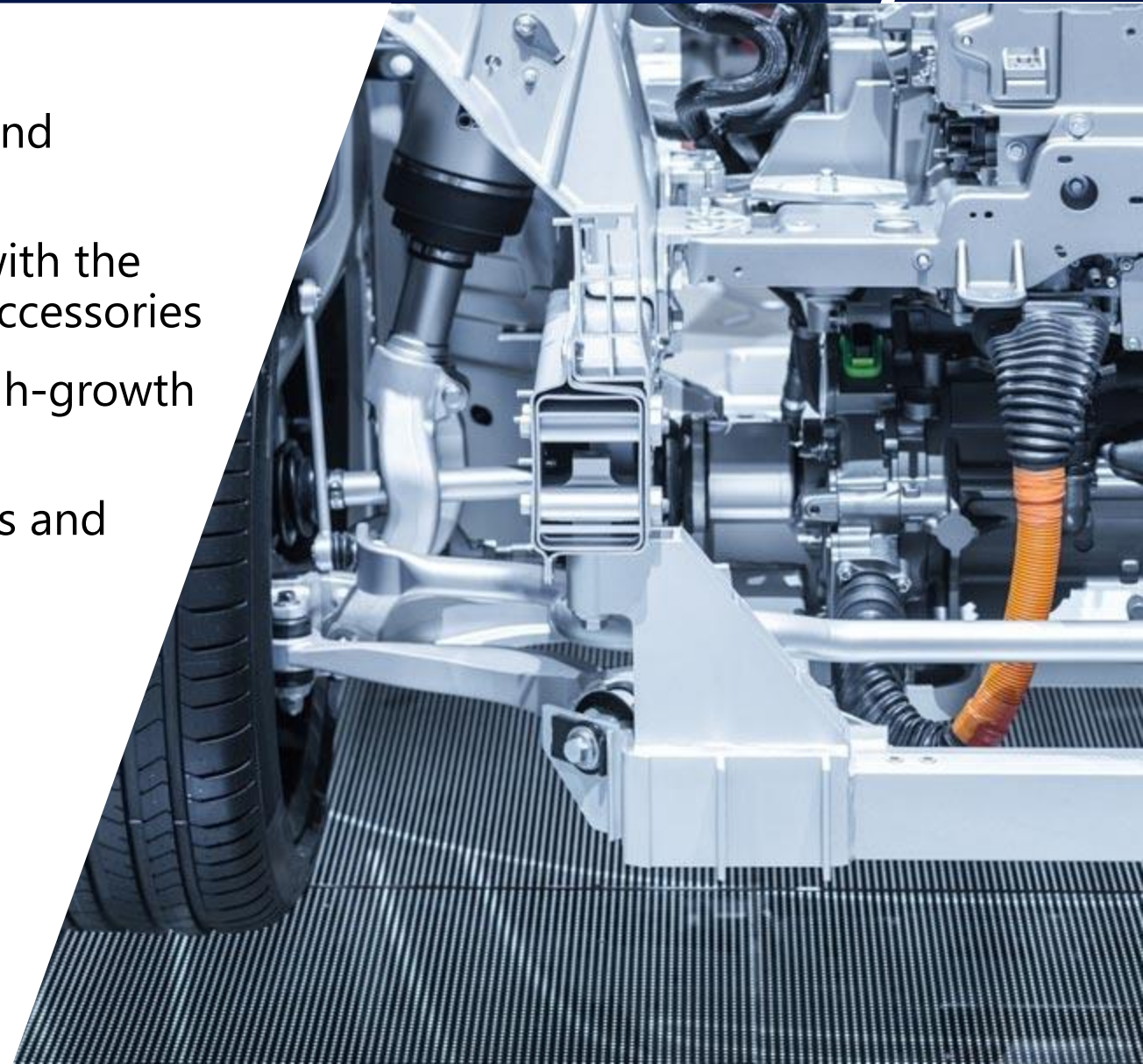
# Strengths of Kokam within SolarEdge

- 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
- "Sella 2", a 2GWh Li-ion cell factory under construction expected to begin production in early 2022



# 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
- Selected as supplier of electric powertrain units and batteries for Fiat E-Ducato (Stellantis)

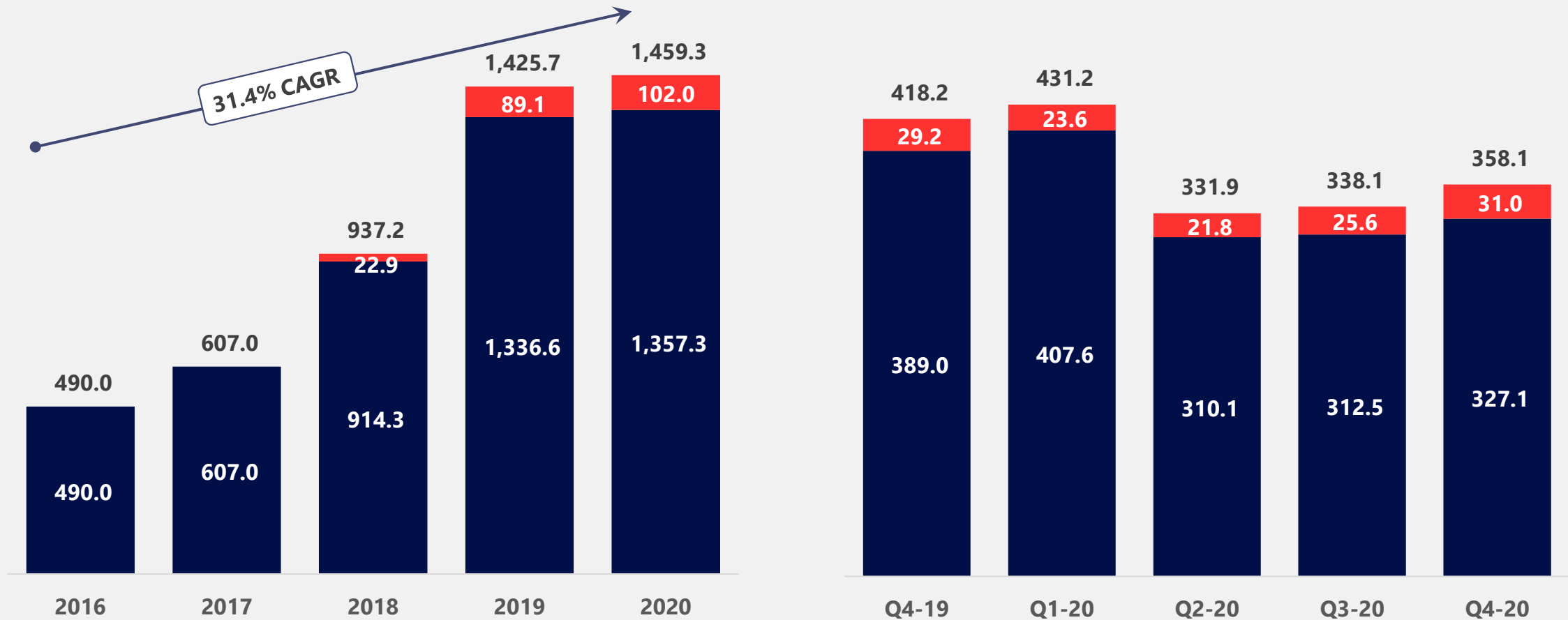




A nighttime photograph of a city skyline, featuring the CN Tower and other illuminated skyscrapers. A large red diagonal shape covers the right half of the image, serving as a background for the text.

# Financial Performance

# Solar vs. Non-Solar Revenues Growth



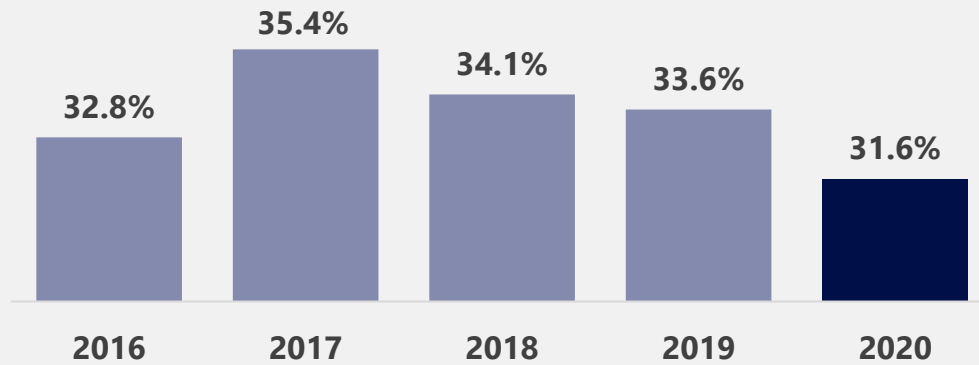
Non-Solar

Solar

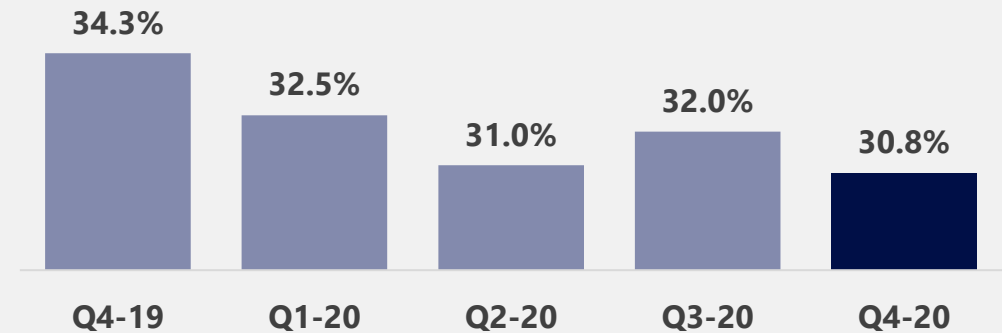
USD millions

solar**edge**

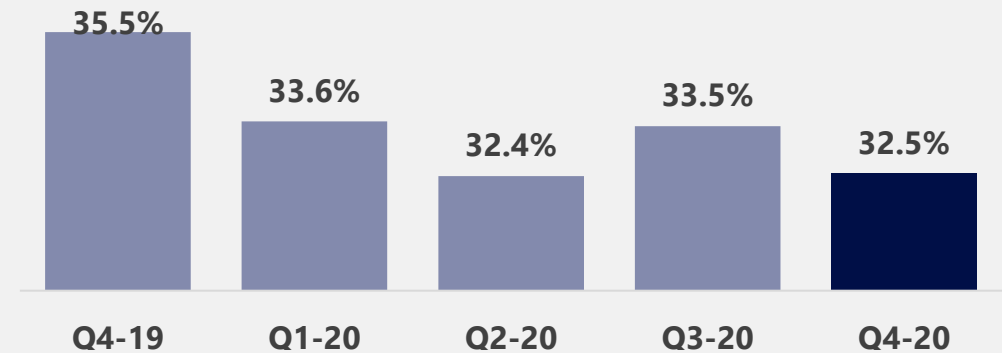
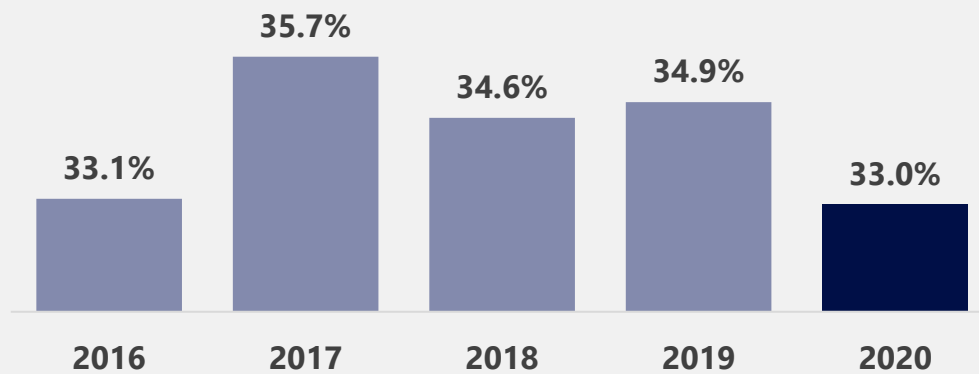
# Consolidated Gross Margin



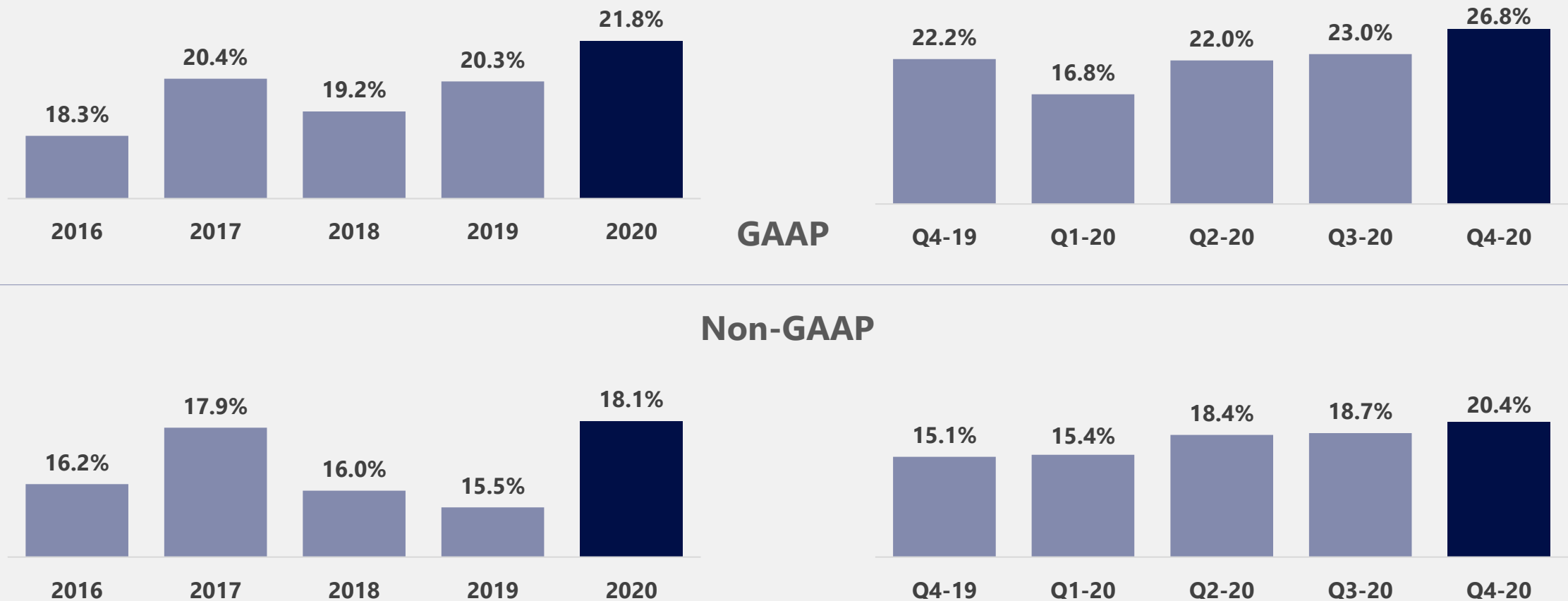
**GAAP**



**Non-GAAP**



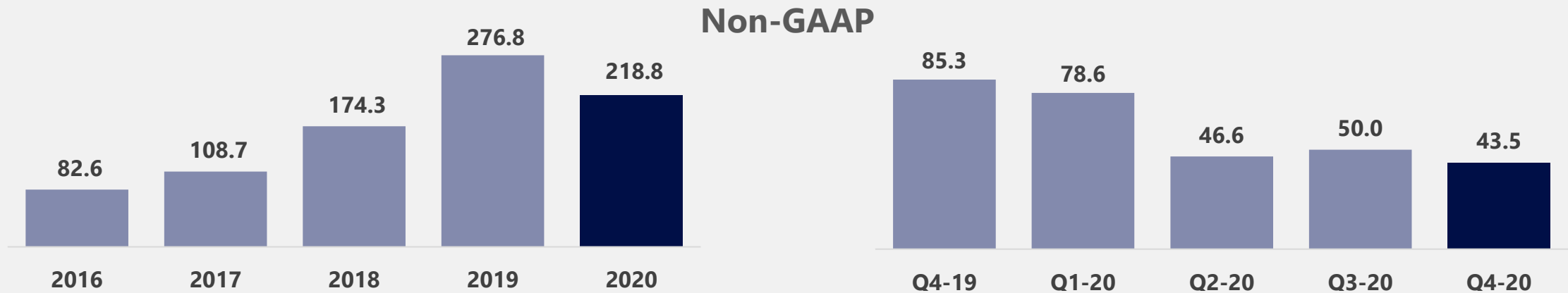
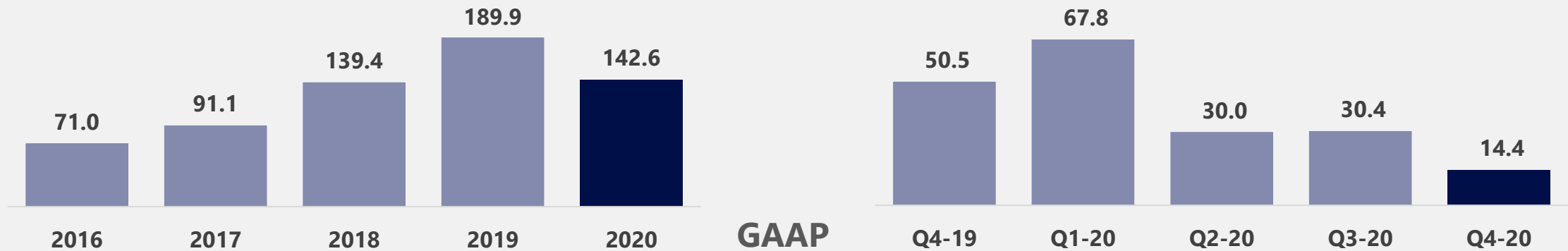
# Operating Expenses as % of Revenues



\* GAAP Q4 20 and Q4 19 Include non recurring operational expenses of \$1.5M and \$22.4M respectively

\*\* GAAP Q1 20 Include non recurring operational income of \$4.9M

# Consolidated Operating Profitability

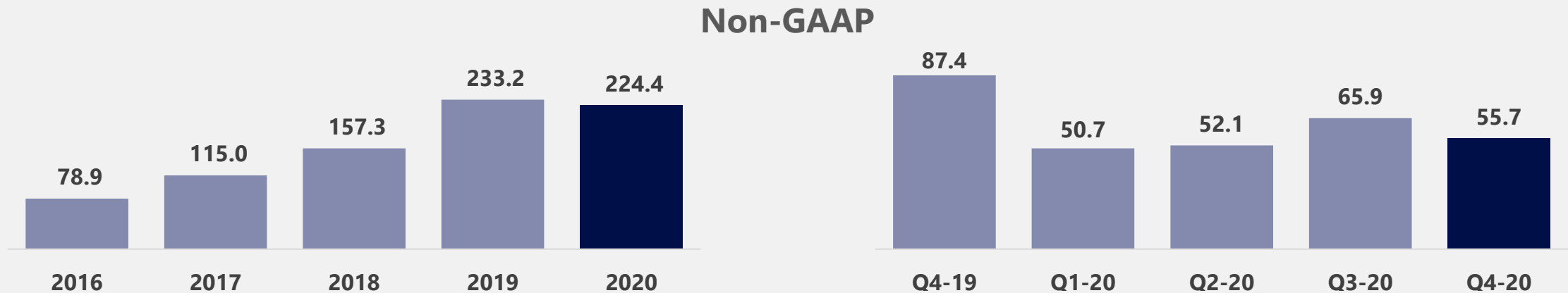
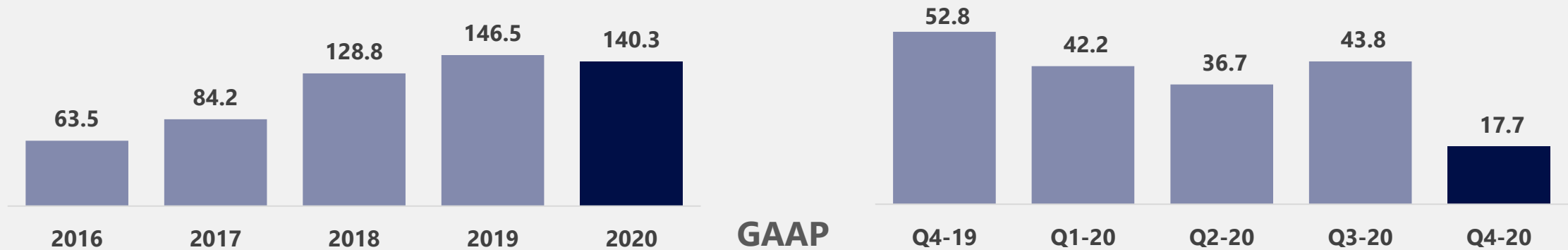


USD millions

\* GAAP Q4 20 and Q4 19 Include non recurring operational expenses of \$1.5M and \$22.4M respectively

\*\* GAAP Q1 20 Include non recurring operational income of \$4.9M

# Consolidated Net Profitability

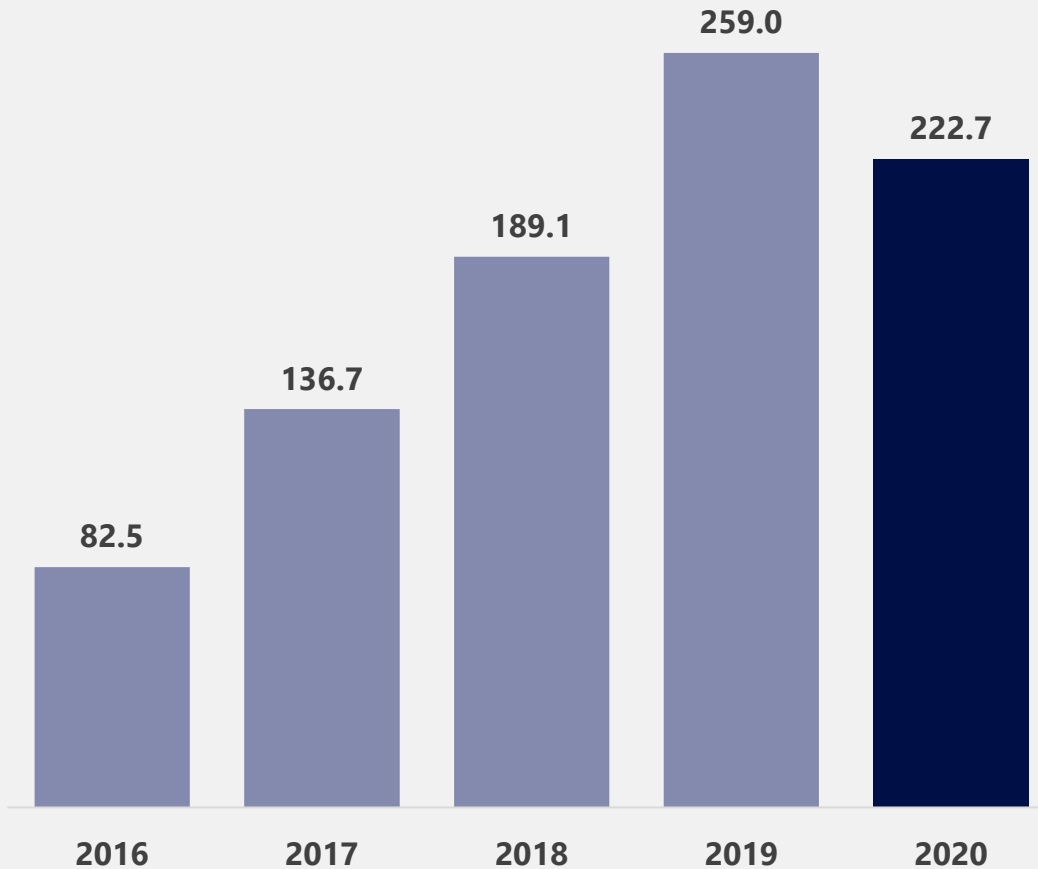


USD millions

\* GAAP Q4 20 and Q4 19 Include non recurring operational expenses of \$1.5M and \$22.4M respectively

\*\* GAAP Q1 20 Include non recurring operational income of \$4.9M

# Cash Flow from Operating Activities



USD millions



## Cash Position

- ▀ \$27.0M cash flow from operations in Q4 2020
- ▀ Net cash of \$530.2M, include cash equivalents, deposits, restricted deposits and marketable securities, net of debt (as of December 31, 2020)

# 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

