

# SolarEdge Technologies Nasdaq | SEDG

Ronen Faier  
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: 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

**83.9M**   
Power Optimizers  
Shipped

**34**  
Countries  
Presence


**405** Awarded  
Patents and **397**  
Additional Patent  
Applications

**>2.45M**  
Monitored systems  
around the world

**#1**   
Solar  
Inverter  
Company \*

**~3,800**  
employees



**3.5M**  
Inverters  
Shipped 

**29.5GW**  
of our systems  
shipped worldwide

\* Revenue wise - PV Inverter Market Tracker – Third Quarter 2021

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# Q4/2021 Financial Results

**\$551.9M**



GAAP Revenue

**\$62.8M**

Non-GAAP Net Income



**29.1%**

GAAP Gross Margin



**\$89.6M**

Cash Flow From Operations

**\$41.0M**

GAAP Net Income

**\$548.0M**

Cash, Deposits  
and Investments,  
Net of Debt

# 2021 Financial Results

**\$1,963.9M**



GAAP Revenue

**\$272.9M**

Non-GAAP Net Income



**32.0%**

GAAP Gross Margin



**\$214.1M**

Cash Flow From Operations

**\$169.2M**

GAAP Net Income

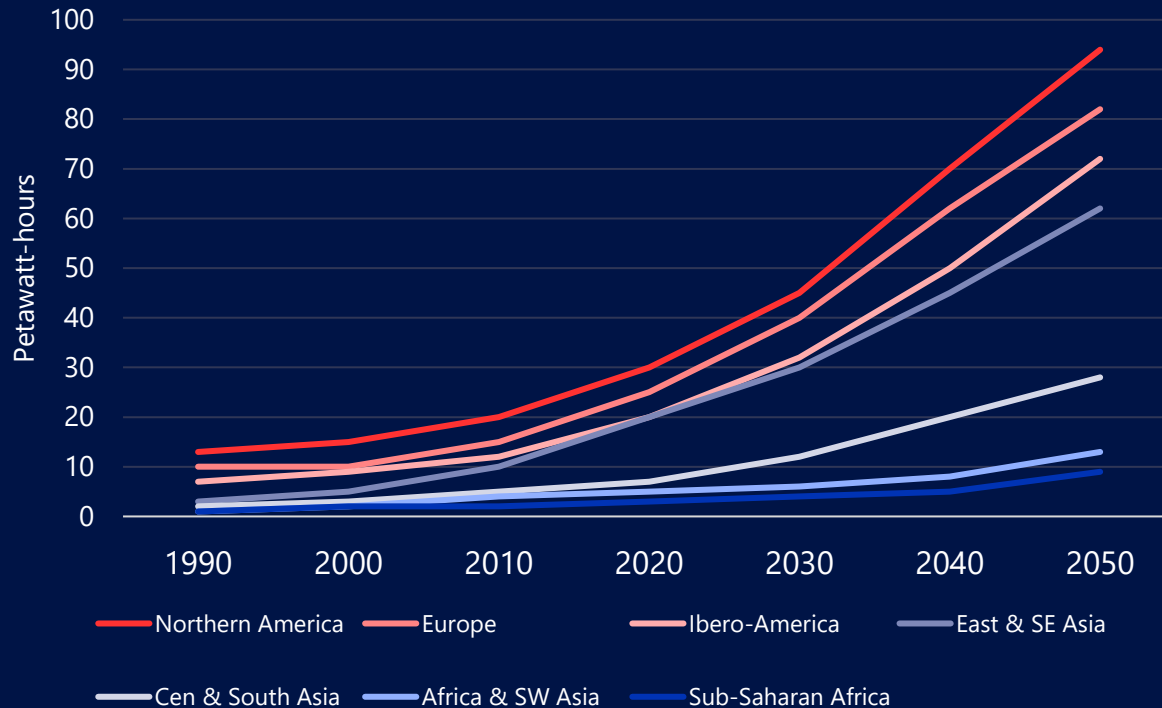
**\$548.0M**

Cash, Deposits  
and Investments,  
Net of Debt

# Electricity demand is on the rise

## Estimated Electricity Consumption Requirements

Benjamin Deniston, 2020. Only nations with electricity data in 1990.



+2B people (+26%) 2020-50



Urbanization will increase by (+~2.5B people)



Growing trend of electrification  
in areas previously dominated  
by fossil fuels



Total global primary energy consumption  
is expected to double in 15 years (2035)  
and triple by 2050

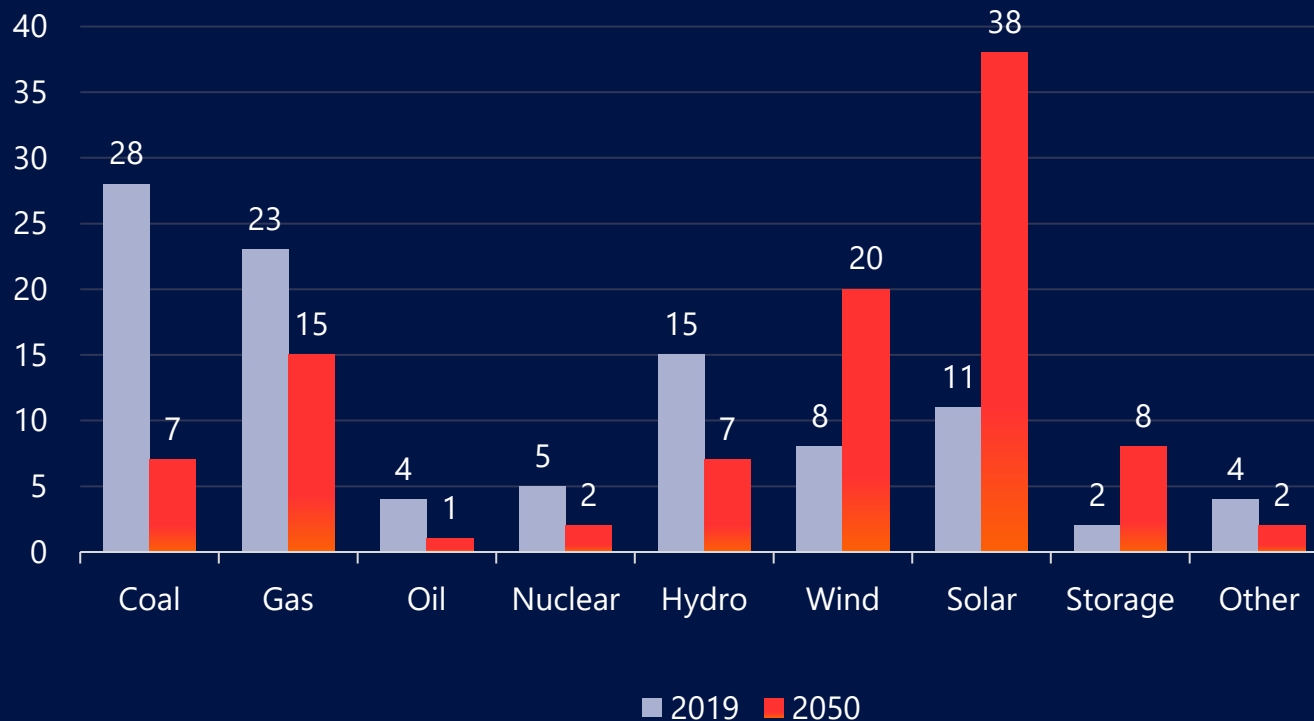
Source: [https://www.larouchepac.com/efd\\_5](https://www.larouchepac.com/efd_5)

<https://www.un.org/development/desa/en/news/population/2018-world-urbanization-prospects.html>

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# Renewable energy supply is outgrowing fossil fuels

Global installed capacity mix, 2019 and 2050, %

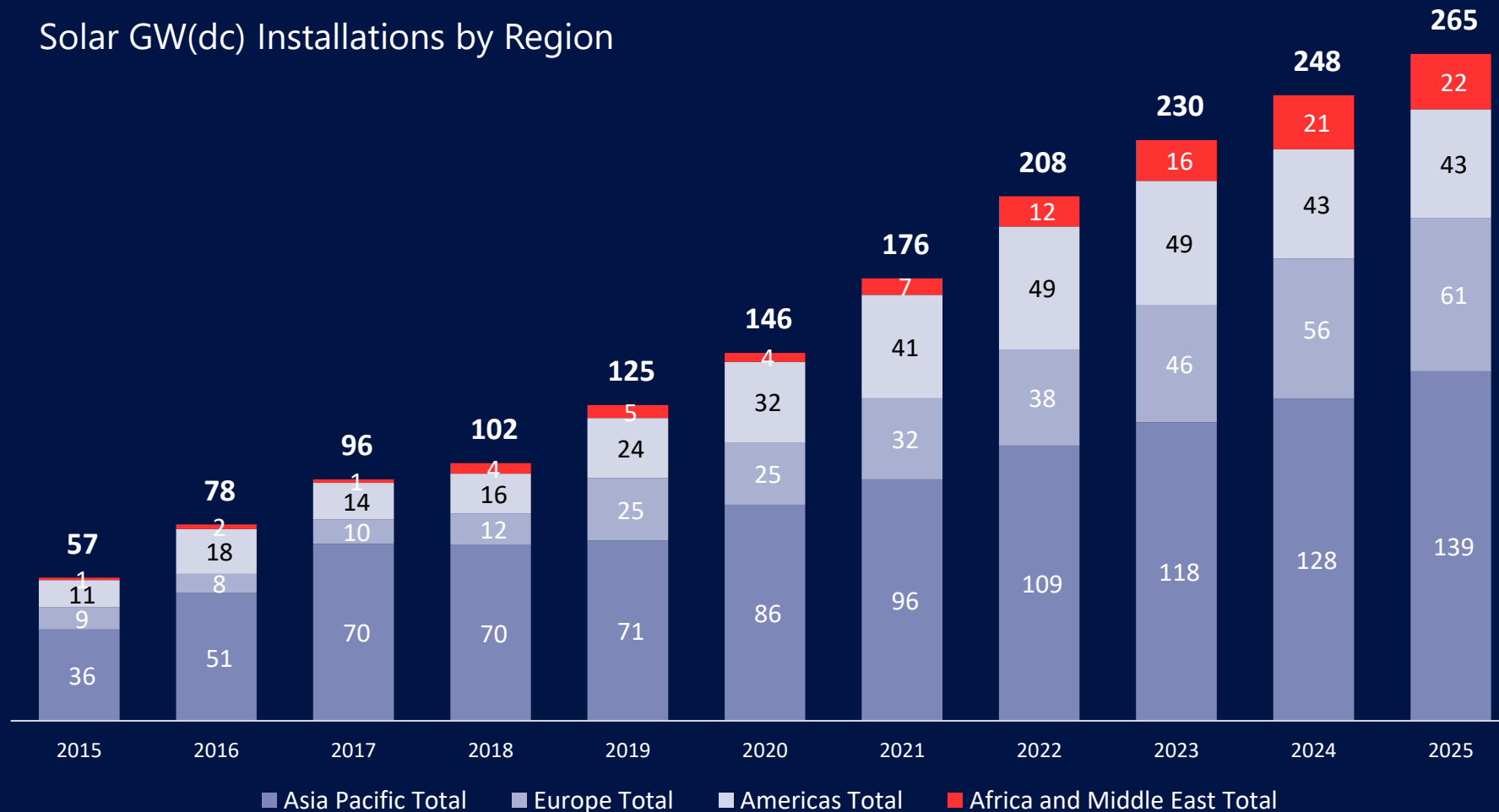


In 2019, global installed power generation capacity was 7,566 GW with solar PV accounting for 11%, Analysts believe by 2050, solar PV is likely to lead all power generation capacity that will grow to 20,391 GW with a share of 38%

Source: <http://taiyangnews.info/business/wind-pv-to-account-for-56-of-global-power-needs-in-2050/>

# Growth is expected in all regions

Solar GW(dc) Installations by Region



Source: IHS PV installation tracked Q3 2021





# SolarEdge Solutions

# A Complete Residential Solution

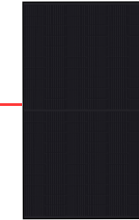
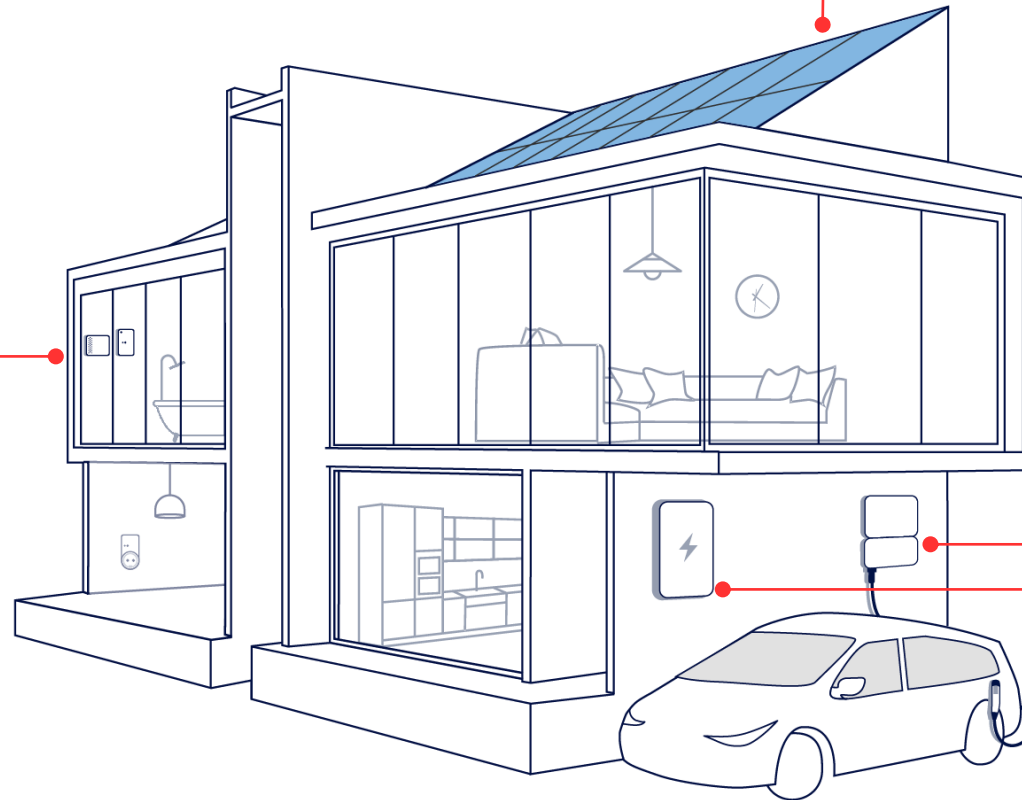
- A single solution for PV, storage, smart energy, and EV charging



Smart Energy Devices



Monitoring Platform



Smart Modules with Integrated Power Optimizers

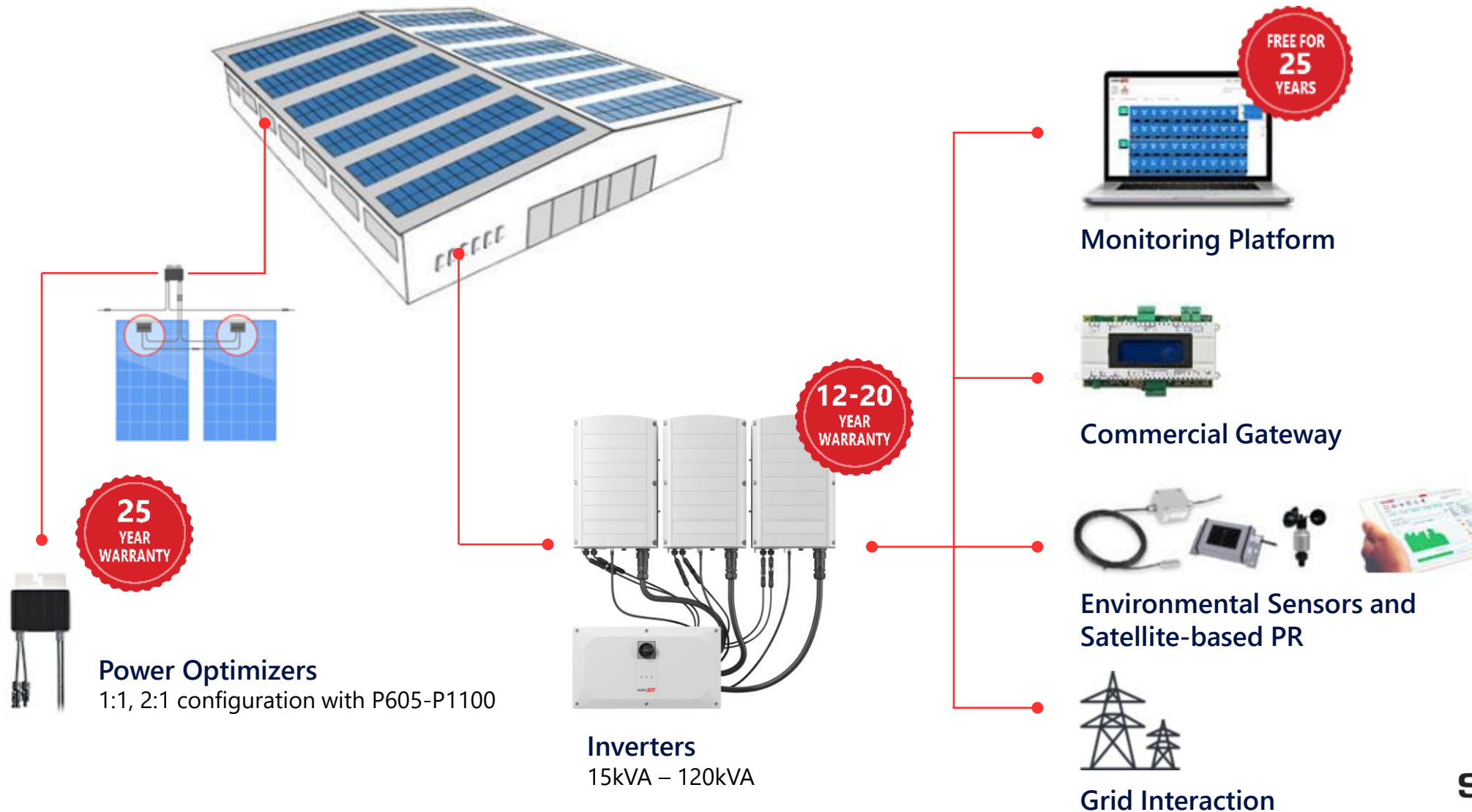


Solar Inverters + EV Charging



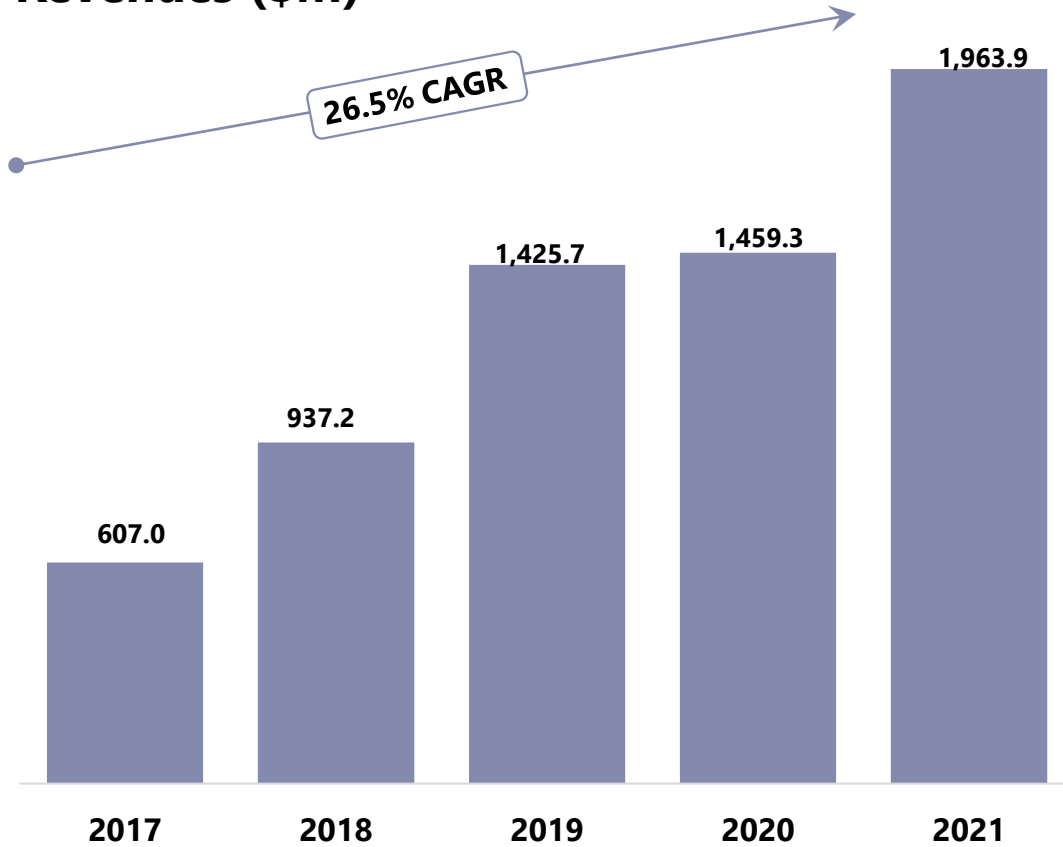
Energy Bank battery

# The SolarEdge Commercial Solution



# Annual Growth

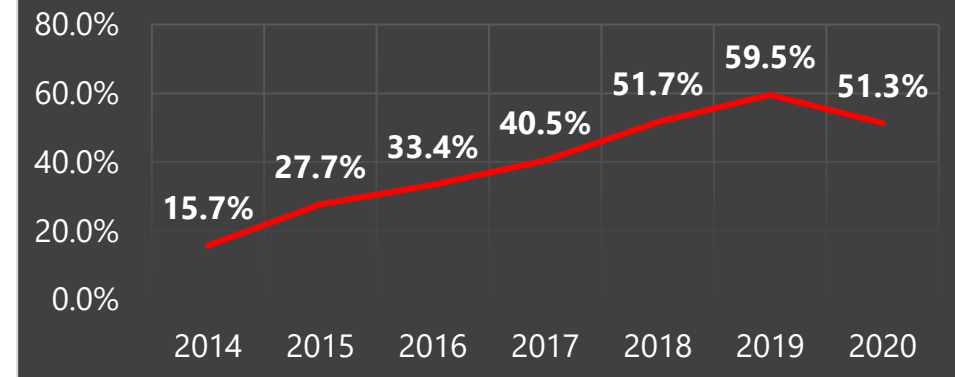
## Revenues (\$M)



## 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 2021

# Strategic Growth Engines



Geographic  
Expansion



Segment  
Development



Market  
Share Growth



ARPI Increase

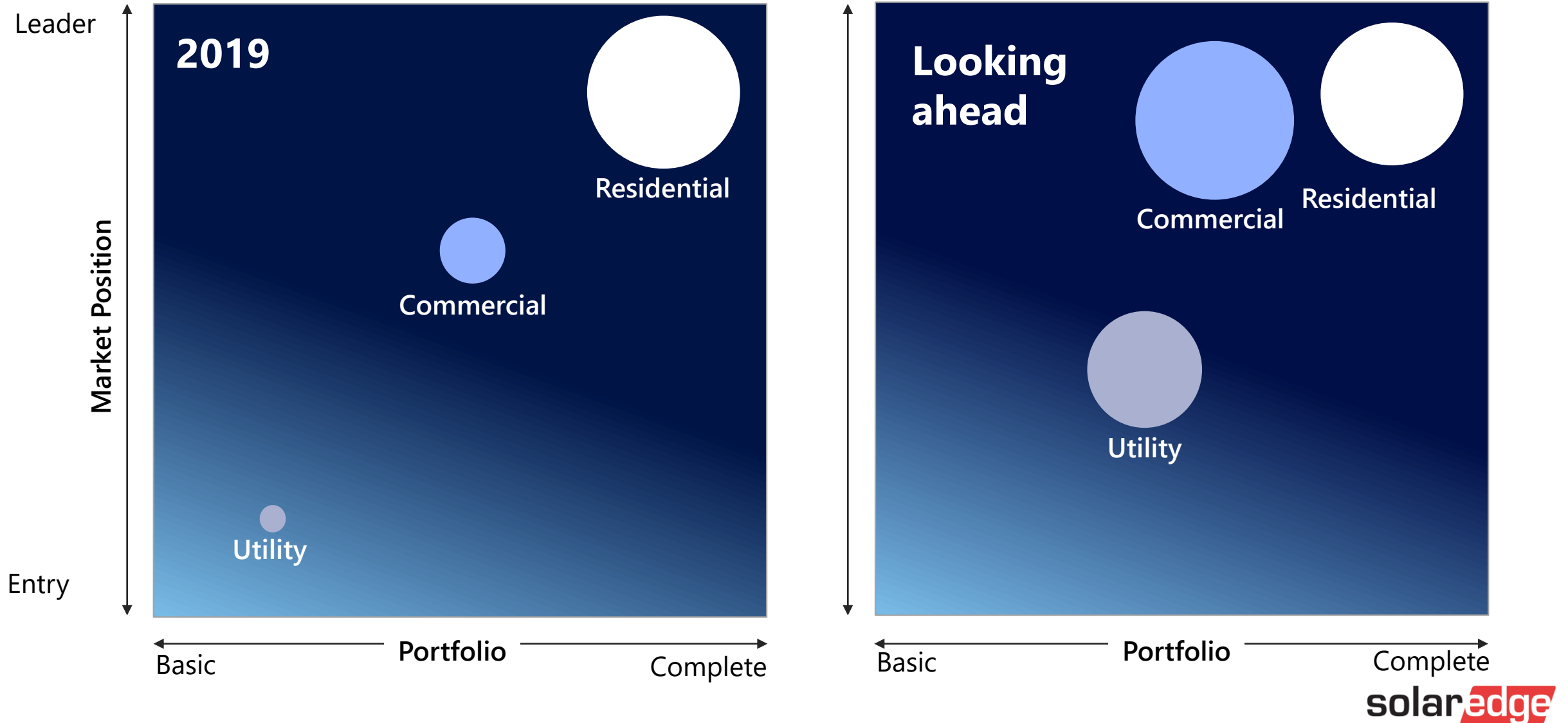


# Geographic Expansion

- ▀ 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    | TMEIC              |
| 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             |

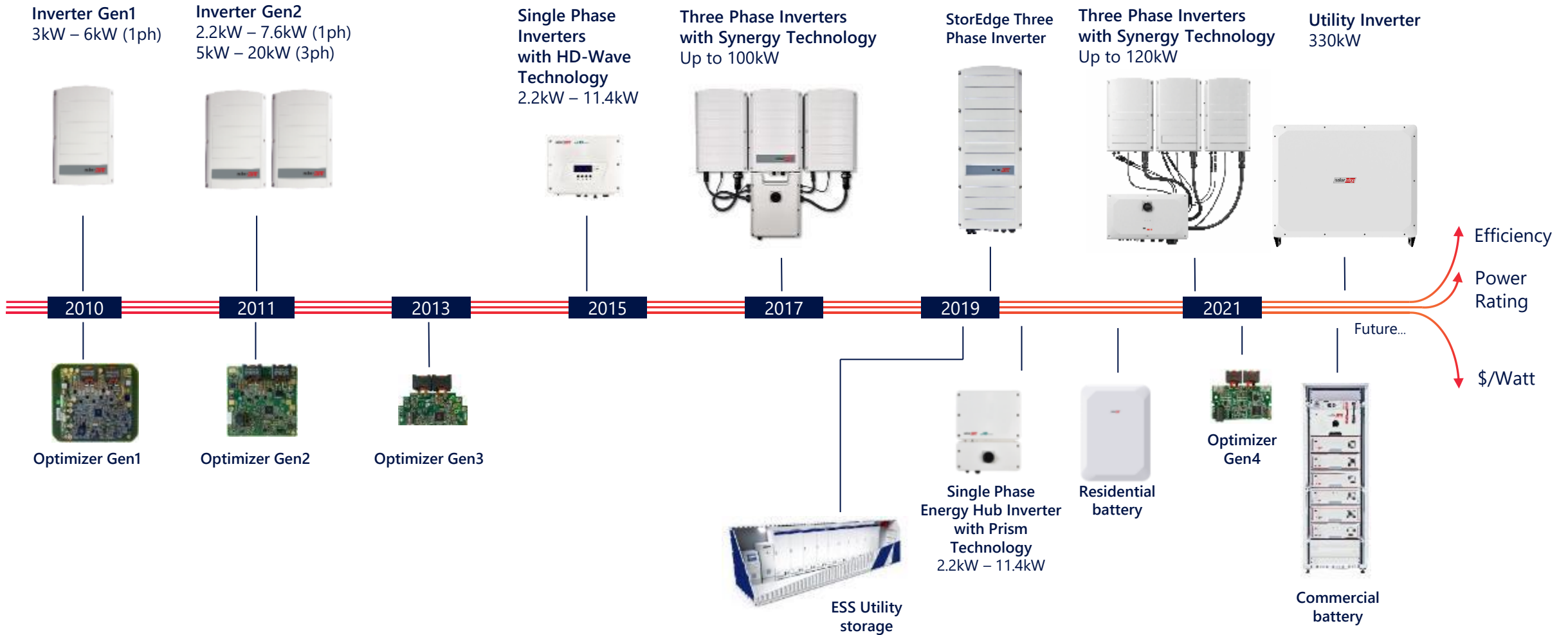
**2020** (Ranked first since 2018)

| Rank | Company          |
|------|------------------|
| 1    | SolarEdge        |
| 2    | Sungrow          |
| 3    | SMA              |
| 4    | Huawei           |
| 5    | Enphase Energy   |
| 6    | Fronius          |
| 7    | Fimer            |
| 8    | Growatt          |
| 9    | Powe Electronics |
| 10   | Ginlong          |

Source: IHS PV Inverter Market tracker 2015-21



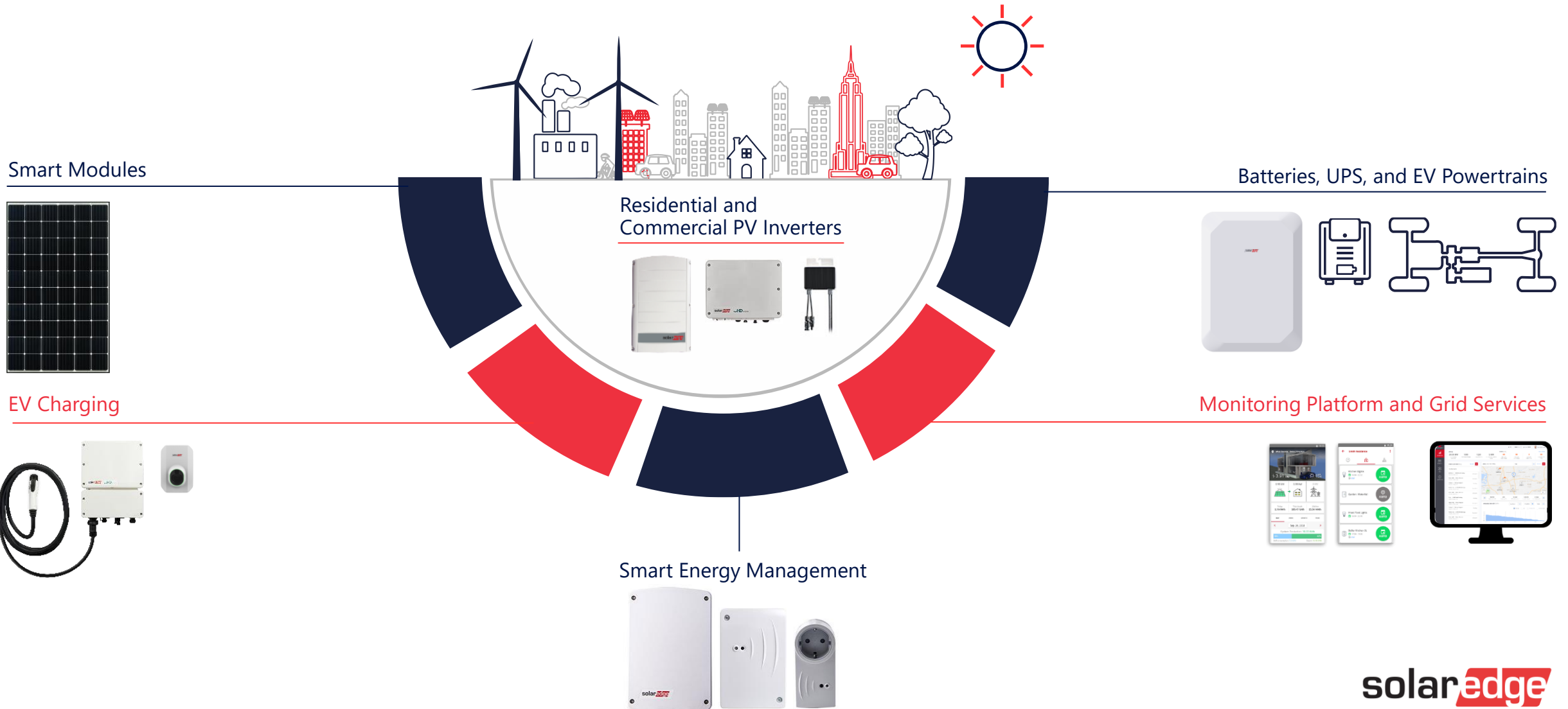
# Technology Roadmap



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 high-tech and digital.

# Moving Beyond PV

# One-Stop-Shop for Smart Energy Solutions



# 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





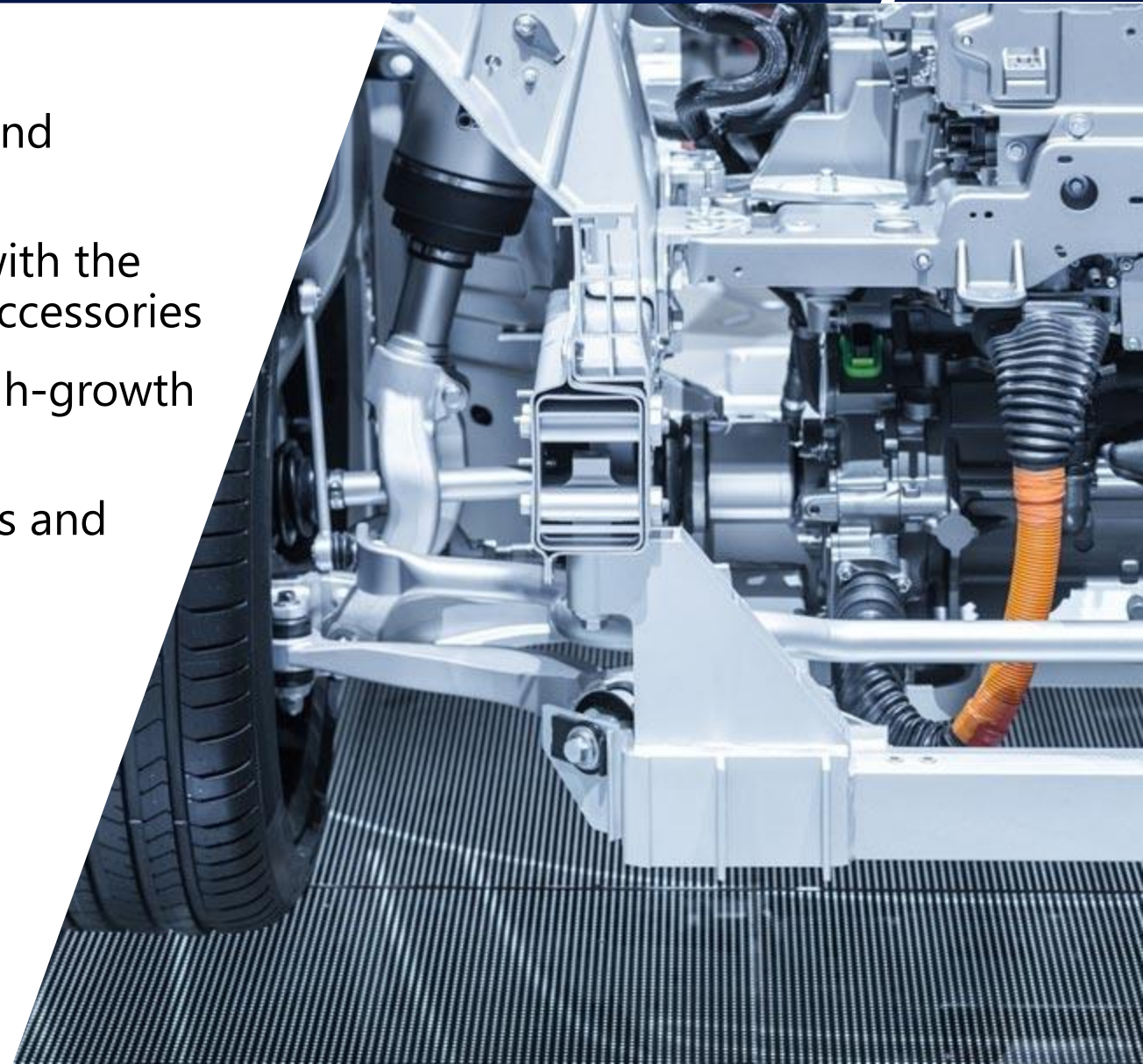
# SolarEdge Energy Storage Division

- A global Tier 1 provider of innovative battery solutions
- Battery provider for utility-scale ESS, UPS, EV, and more
- Proven technology with more than 685MWh deployed
  - Over 175MWh 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 the 2<sup>nd</sup> half of 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)

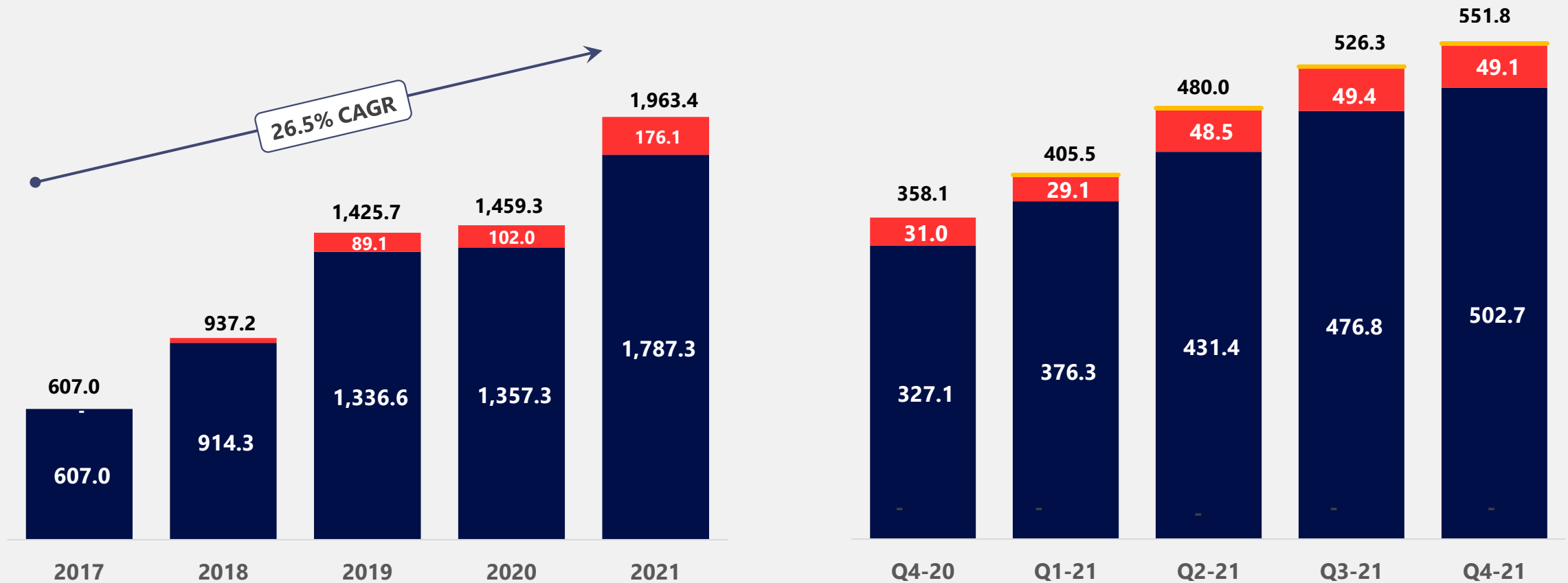


A nighttime photograph of a city skyline, featuring the CN Tower and various skyscrapers illuminated with lights. A large red diagonal shape covers the right half of the image, serving as a background for the text.

# Financial Performance



# Revenues Growth by Segments (\*)



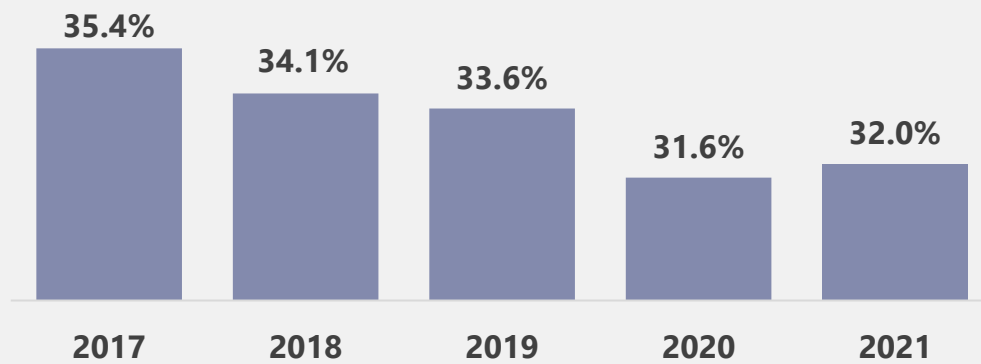
■ Solar ■ Non-Solar ■ Non allocated

USD millions

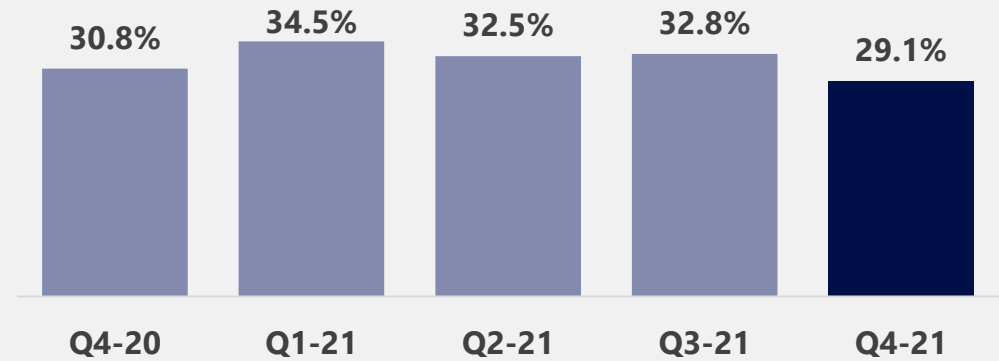
(\*)GAAP Revenues are \$551.9 millions and include ASC606 items excluded from numbers presented above



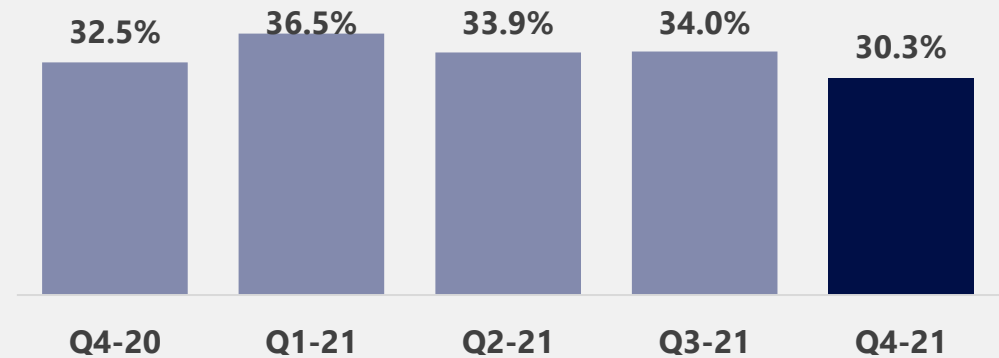
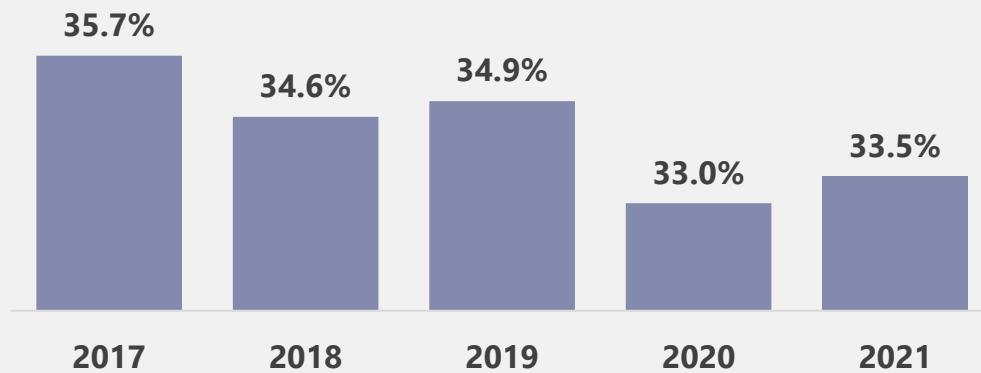
# Consolidated Gross Margin



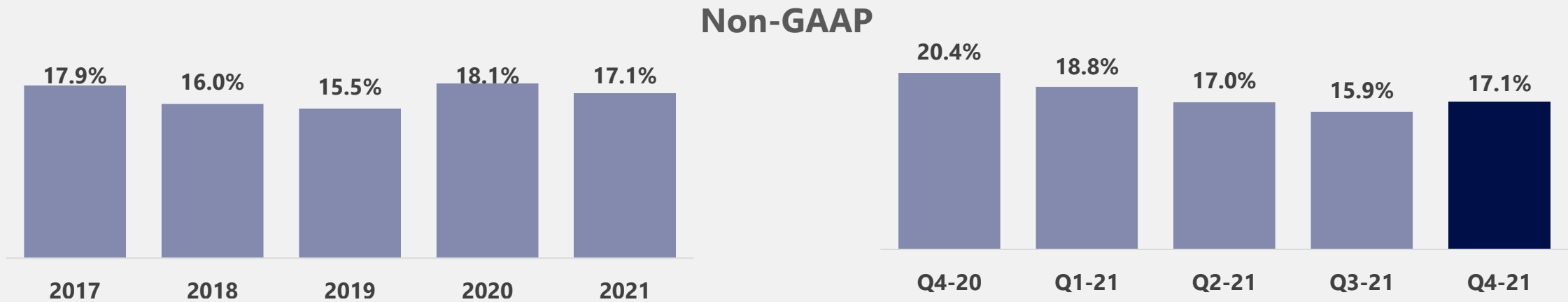
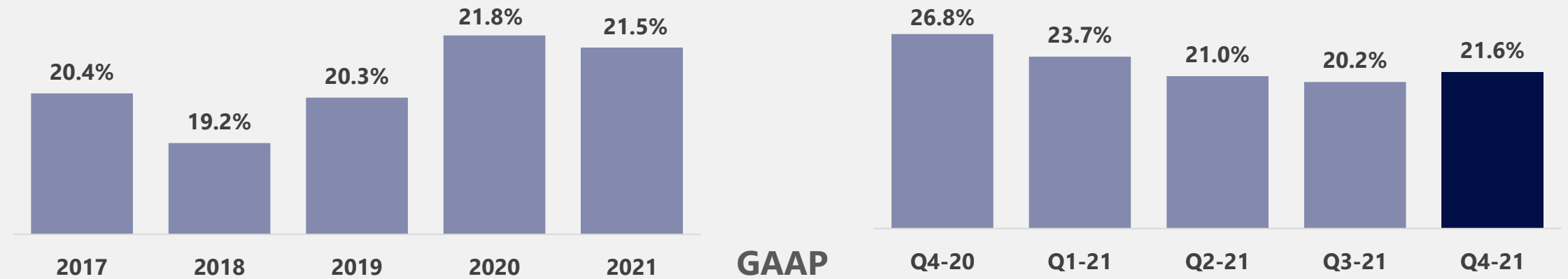
GAAP



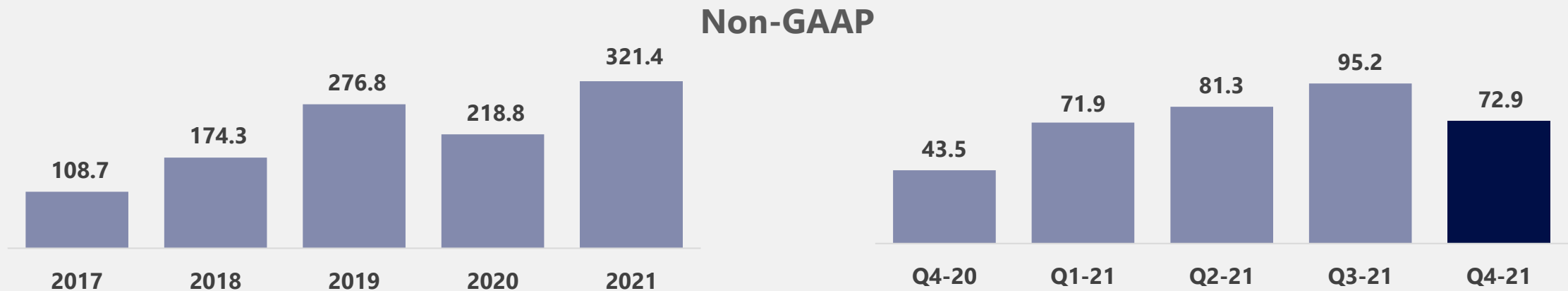
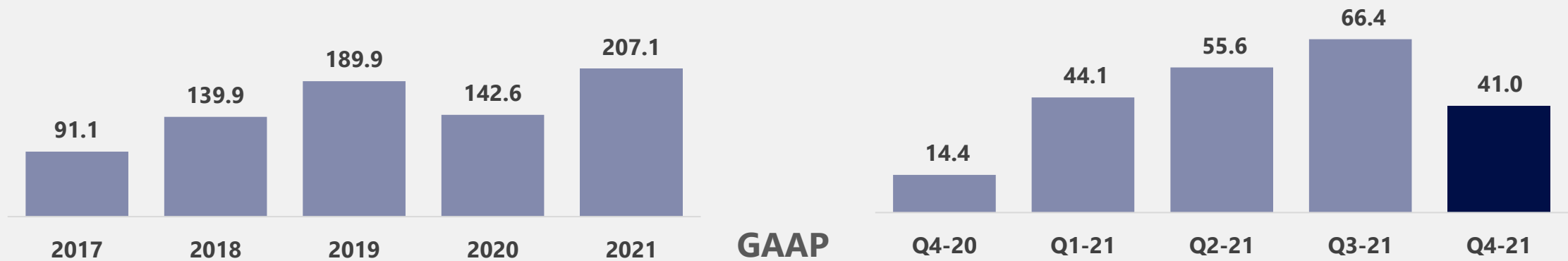
Non-GAAP



# Operating Expenses as % of Revenues

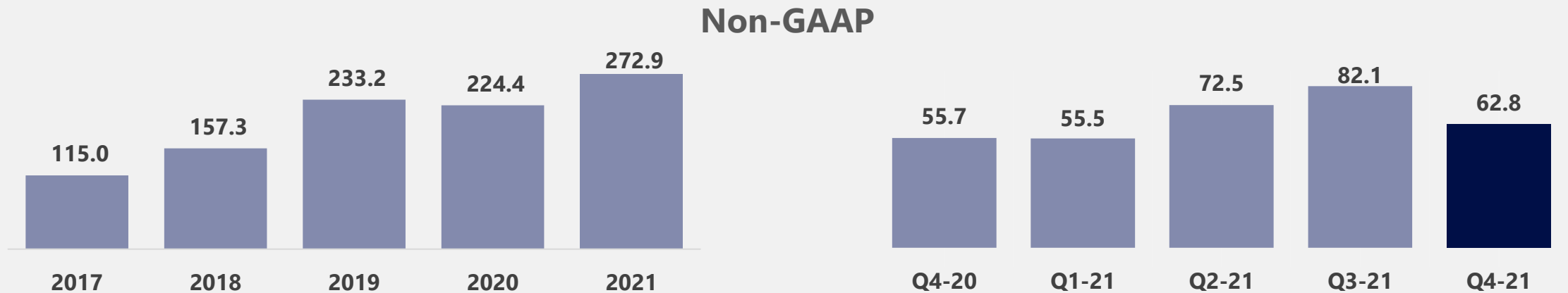
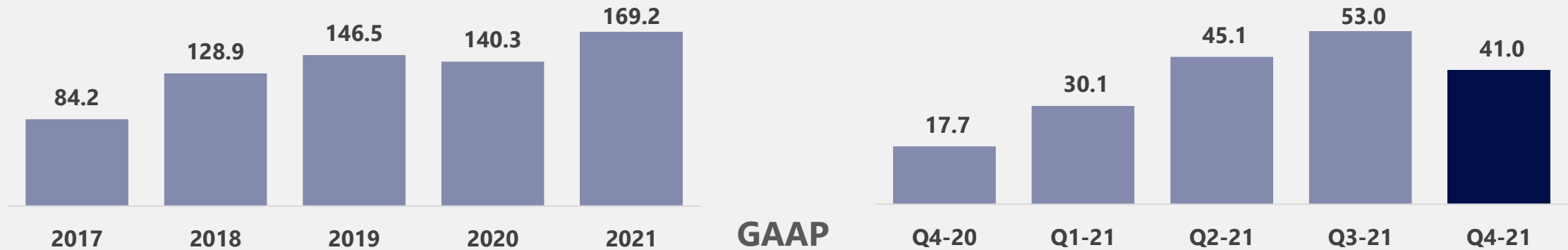


# Consolidated Operating Profitability



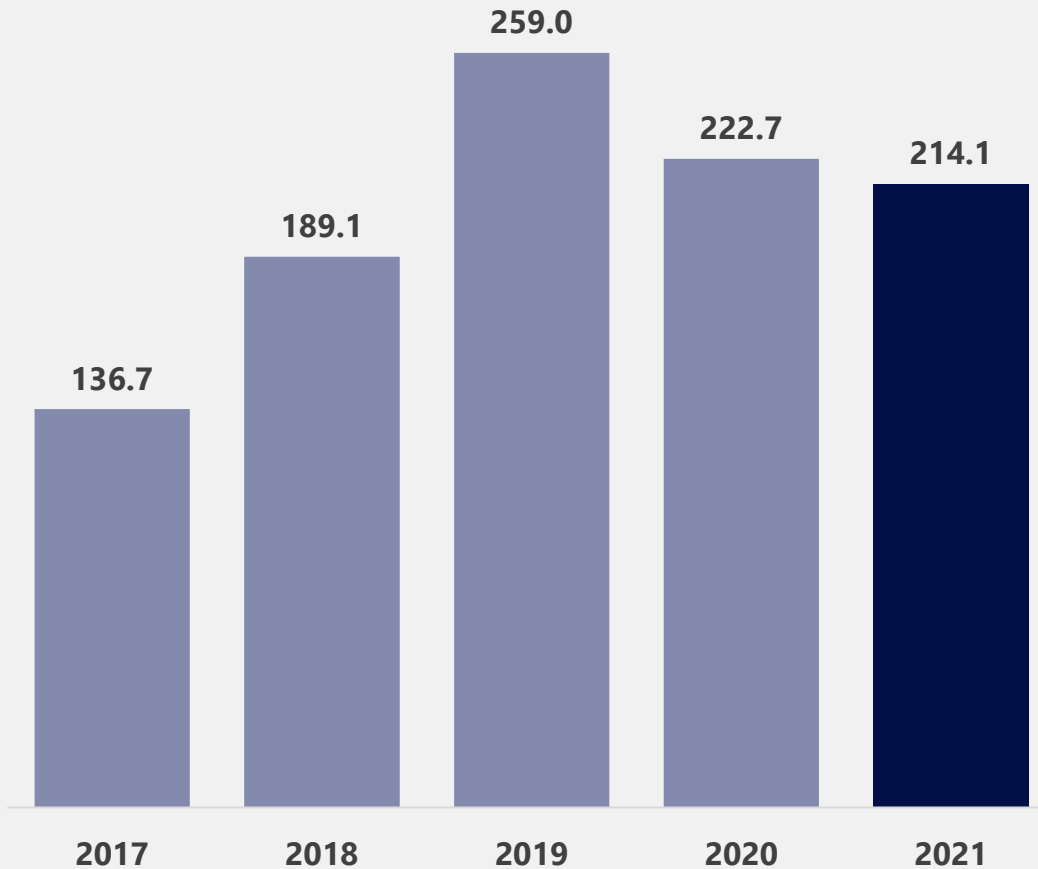
USD millions

# Consolidated Net Profitability



USD millions

# Cash Flow from Operating Activities



USD millions



## Cash Position

- ▀ \$214.1M cash flow from operations in 2021
- ▀ \$89.6M cash flow from operations in Q4 2021
- ▀ Net cash of \$548.0M, including cash equivalents, deposits, restricted deposits, and marketable securities, net of debt (as of December 31, 2021)

# 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

