

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): January 6, 2025

SOLAREEDGE TECHNOLOGIES, INC
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-36894
(Commission
File Number)

20-5338862
(I.R.S. Employer
Identification No.)

1 Hamada Street, Herzliya Pituach, Israel
(Address of principal executive offices)

4673335
(Zip Code)

Registrant's Telephone number, including area code: 972 (9) 957-6620

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.0001 per share	SEDG	NASDAQ (Global Select Market)

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.05. Costs Associated with Exit or Disposal Activities

In continuation of the previously announced measures taken by the Company to align with current market conditions and reduce operating expenses, the Company announced on January 6, 2025, its intention to implement certain organizational changes aimed at enhancing operational cost efficiency, increasing organizational flexibility, and reallocating resources to further drive performance and financial stability (the "Restructuring Plan"). A copy of the letter sent to employees of the Company announcing the Restructuring Plan is attached hereto as Exhibit 99.1.

The Company expects to reduce its headcount by approximately 400 employees globally, lowering overhead expenses and enhancing efficiency in other operating areas. The Company currently estimates that it will recognize pre-tax charges to its GAAP financial results of approximately \$3 million to \$5 million consisting of severance, other one-time termination benefits, and other costs. These charges are primarily cash-based.

Reductions in the workforce are subject to local regulatory requirements and the Company expects to recognize the majority of these charges in the first quarter of fiscal 2025 with the remaining amount expected to be recognized during the remainder of fiscal 2025. Once the reductions in the workforce are completed, the Company anticipates that they will lead to a quarterly reduction in expenses of approximately \$9 million to \$11 million. The run rate savings do not reflect the aggregate expected costs to implement the Restructuring Plan.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995

This Current Report on Form 8-K ("Form 8-K") contains forward looking statements which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include information, among other things, concerning: our restructuring plan; our workforce reduction initiative; anticipated expense reductions and cost savings; possible or assumed future results of operations; future demands for solar energy solutions; business strategies; industry and regulatory environment; general economic conditions; potential growth opportunities; cancellations and pushouts of existing backlog; installation rates; 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 our projections about future events. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from those expressed or implied by the forward-looking statements. Given these factors, you should not place undue reliance on these forward-looking statements. These factors include, but are not limited to, our ability to deliver on our restructuring plan and efforts and workforce reduction initiative; our future cash payments associated with these initiatives; potential future cost savings associated with such initiatives; potential future impairment charges; future demand for renewable energy including solar energy solutions; changes, elimination or expiration of government subsidies and economic incentives for on-grid solar energy applications; changes in the U.S. trade environment; federal, state, and local regulations governing the electric utility industry with respect to solar energy; changes in tax laws, tax treaties, and regulations or the interpretation of them, including the Inflation Reduction Act; the retail price of electricity derived from the utility grid or alternative energy sources; interest rates and supply of capital in the global financial markets in general and in the solar market specifically; competition, including introductions of power optimizer, inverter and solar photovoltaic system monitoring products by our competitors; developments in alternative technologies or improvements in distributed solar energy generation; historic cyclical nature of the solar industry; product quality or performance problems in our products; our ability to forecast demand for our products accurately and to match production to such demand as well as our customers' ability to forecast demand based on inventory levels; our dependence upon a small number of outside contract manufacturers and limited or single source suppliers; capacity constraints, delivery schedules, manufacturing yields, and costs of our contract manufacturers and availability of components; delays, disruptions, and quality control problems in manufacturing; existing and future responses to and effects of pandemics, epidemics, or other health crises; disruption in our global supply chain and rising prices of oil and raw materials as a result of various conflicts, including the evolving state of war in Israel; our customers' financial stability and our ability to retain customers; our ability to retain key personnel and attract additional qualified personnel; our ability to manage effectively the growth of our organization and expansion into new markets and integration of acquired businesses; unrest and terrorism; macroeconomic conditions in our domestic and international markets, as well as inflation concerns, financial institutions instability, rising interest rates, and recessionary concerns; consolidation in the solar industry among our customers and distributors; cyber incidents; and other matters discussed in the section entitled "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2023, filed on February 26, 2024 and our quarterly reports filed on Form 10-Q, Current Reports on Form 8-K and other reports filed with the SEC. All information set forth in this Form 8-K is as of the date of this Form 8-K. The Company undertakes no duty or obligation to update any forward-looking statements contained in this Form 8-K, whether as a result of new information, future events or changes in its expectations or otherwise, except as may be required by applicable law, regulation or other competent legal authority.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

**Exhibit
Number Description**

[99.1](#) [Letter to employees dated January 6, 2025](#)
104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SOLAREEDGE TECHNOLOGIES, INC.

Date: January 6, 2025

By: /s/ Ariel Porat

Name: Ariel Porat

Title: Chief Financial Officer



Subject line: Organizational Update

Dear SolarEdge Team,

In recent weeks the leadership team and I have been working diligently to develop a detailed plan for 2025. The Annual Operating Plan (AOP) takes into account factors such as the latest market conditions, our time to market, and the ramp-up of our US manufacturing to support customers' demand.

We strongly believe that the long-term opportunity for SolarEdge is immense. However, we must first address our challenges for 2025: Achieving the financial stability necessary to drive our turnaround, and executing our organizational goals to support our growth.

At this stage, we must reduce our operating expenses, even after the cost-cutting measures and reductions in force the Company has made over the past year. Unfortunately, our target cost structure requires a further reduction not only in spending but also in our headcount.

Workforce Adjustments

Regrettably, we will need to separate from approximately 400 valued employees.

The reductions will affect all departments across the company, both within our headquarters and in the regional teams. They will impact individuals who have made important contributions to SolarEdge over the years, and have brought expertise and depth to their respective fields. We know the significant impact these measures have on the employees who are impacted and their families. We are carefully considering each individual, and are committed to handling each and every case with fairness and respect.

We understand how difficult and painful this time is for the entire SolarEdge team, and I have no doubt that you will treat each other with the utmost compassion and will support your colleagues who have been impacted. Our goal is to support the transition of all these employees to new paths as much as possible. To those of you directly impacted, I want to express my deepest gratitude for your invaluable contributions to SolarEdge.

Additional cost-cutting measures

In addition to the headcount reductions, we plan to reduce our spend in order to reach our targets. The recent organizational changes we have announced should help us streamline our cost structure, and we are now carefully examining each department's cost structure and limiting discretionary spend to align with our business needs. We will provide further details on this process in the coming weeks.

Looking Ahead

I can imagine that many of you are asking yourselves, how we have reached this point, and more importantly, how we can assure this will not happen again, after all we have been through in the past year.

I want to clarify, these measures are absolutely essential, in order to ensure that SolarEdge emerges stronger, more resilient, and positioned for success. Moreover - I want to clarify that we have already made – and will continue making – significant progress towards our goal of regaining financial stability and positioning us for profitable growth.

In late December, SolarEdge signed safe harbor agreements with Sunrun, as well as with one of the largest financiers of residential solar installations in the United States. Under these agreements, we will provide inverters, Power Optimizers, and batteries manufactured at our U.S. facilities. These agreements are expected to enable our installation and financing partners to qualify for domestic content bonus tax credits, and we believe they also provide us with greater visibility and certainty regarding the 2025 outlook.

Also in late December, we closed our second transaction for the sale of §45X tax credits, eligible for the 11c/w advanced manufacturing production credit. This transaction enhances our cash position and strengthens our balance sheet.

We believe these are significant milestones in our path to regain financial stability, better enabling us to achieve our organizational objectives this year and driving our return to profitable growth.

Next Steps

In the upcoming weeks, we will be presenting our corporate objectives for 2025, detailing how we plan to achieve these targets and measure our progress and success. Our commitment goes beyond financial stability. We are determined to regain market share, drive best-in-class operations, and deliver the best experience to our customers through innovative hardware, software, and services, while we continue to focus on our team's growth and development. We are pushing ahead with a bias towards action and quick decision making, in order to keep driving innovation and maintain our technological competitive advantages. We will share our plans, so you understand how your efforts drive our growth, and set personal goals to ensure effective execution.

My door, as well as those of other members of the management, is open, and we invite you to approach us on any issue. Thank you for your continued dedication, hard work, and partnership during this critical time.

Sincerely,

Shuki Nir

CEO
