



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; 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 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 include: 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 cyclicity 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, recessionary concerns, the prospect of a shutdown of the U.S. federal government and the Israeli government's plans to significantly reduce the Israeli Supreme Court's judicial oversight; consolidation in the solar industry among our customers and distributors; cyber incidents; and the other factors set forth under "Item 1A. Risk Factors" in our Annual Report on Form 10-K and elsewhere in our SEC filings. 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

**122.9M** 

Power Optimizers  
Shipped

**36**

Countries  
Presence

**538** Awarded  
Patents and **503**  
Additional Patent  
Applications

**> 3.6M**

Monitored systems  
around the world

**#1**   
Solar  
Inverter  
Company\*

**5,814**

Employees



**5.5M**

Inverters  
Shipped 

**51.7GW**

of our systems  
shipped worldwide

**solar**edge

# Q3/2023 Financial Results

**\$725.3M**

GAAP Revenue



**\$(31.0)M**

Non-GAAP Net Loss\*



**19.7%**

GAAP Gross Margin



**\$40.6M**

Cash generated from operations

**\$(61.2)M**

GAAP Net Loss

**\$831.4M**

Cash, Deposits and Investments, Net of Debt

\* Non-GAAP financial measures; see reconciliation in Appendix



# The Renewable Energy Opportunity

# Shift in the energy market



Electrification



Decarbonization

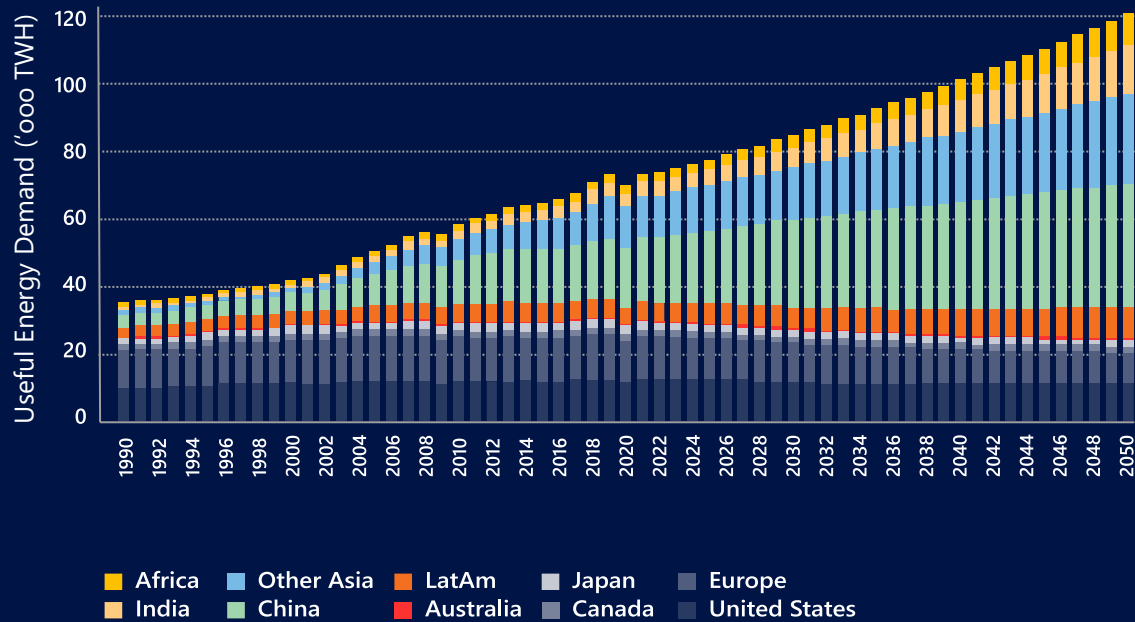


Decentralization

- Significant growth in energy demand
- Transition from centralized, fossil fuel-based energy to clean, distributed, renewable, energy

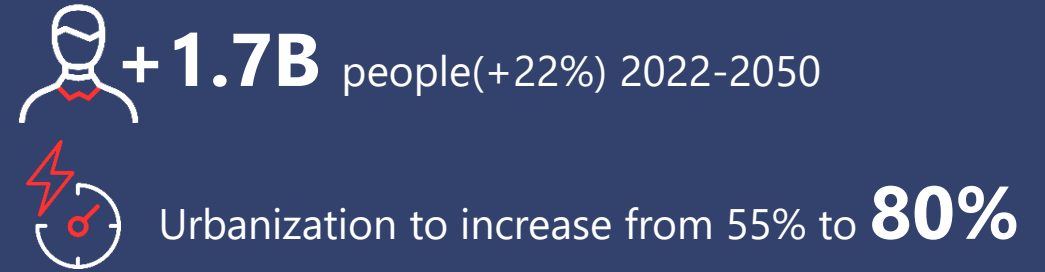
# Rapidly growing worldwide demand for electricity

## Electricity consumption <sup>1</sup>



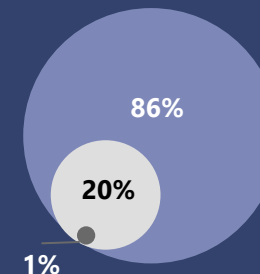
- <https://thundersaidenergy.com/downloads/global-energy-demand-by-region-and-through-2050/>
- United Nations Department of Economic and Social Affairs, *World Population Prospects 2022: Highlights* page 5/  
*Visualizing the material impact of global urbanization by Bruno Venditti, Visual Capitalist | 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 <sup>2</sup>

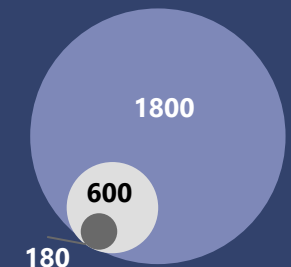


## Electrification of areas previously dominated by fossil fuels <sup>3</sup>

### Electric Vehicles Penetration (%)



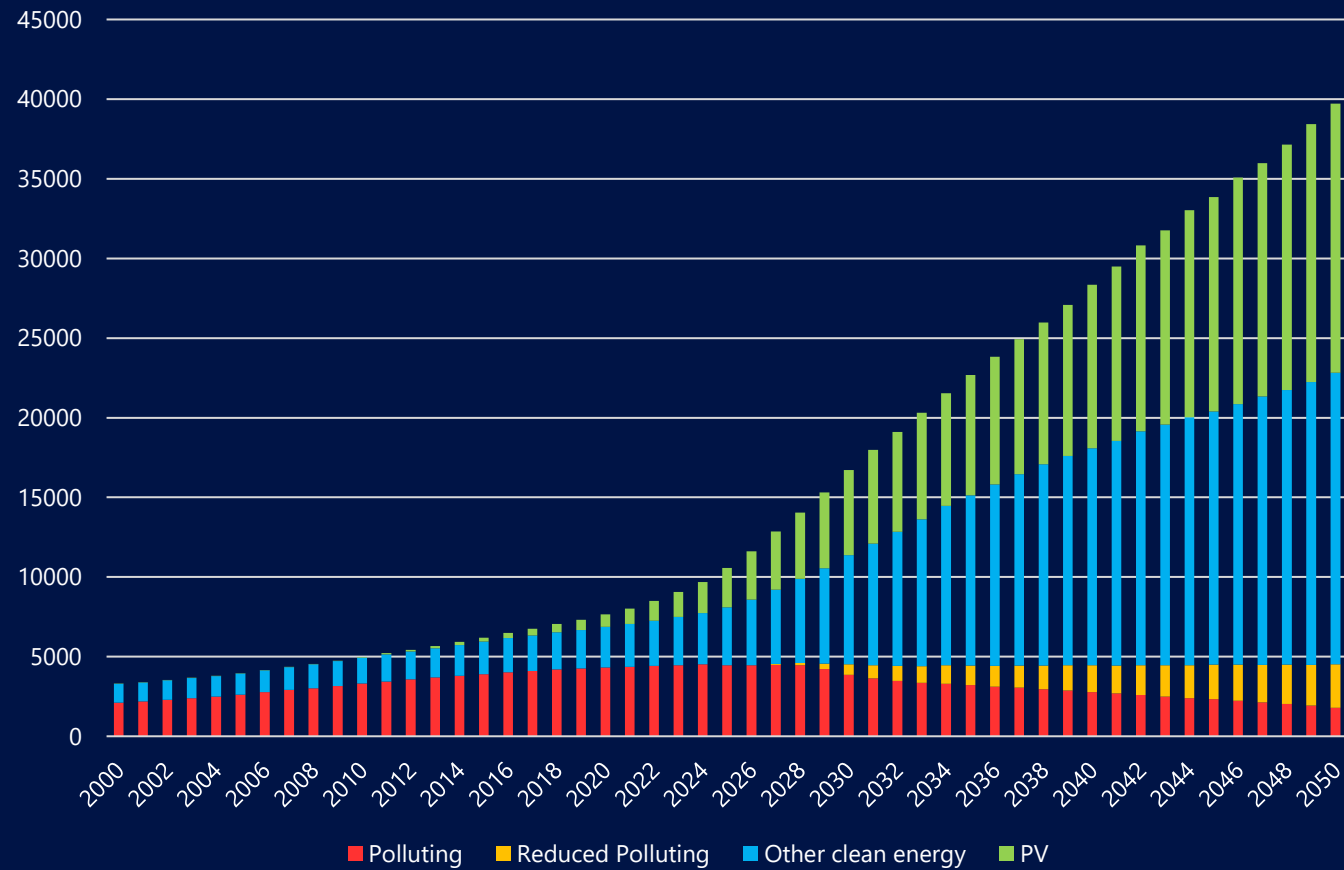
### Heat Pumps Installed (million)



● 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

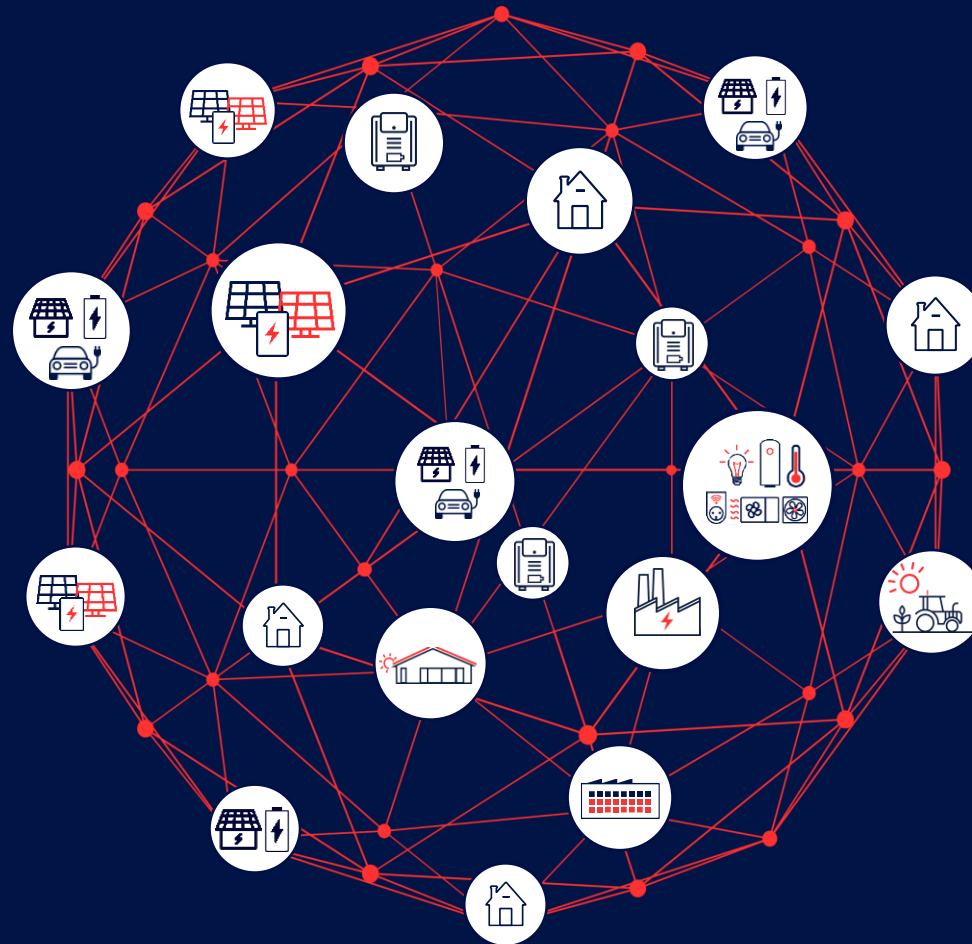
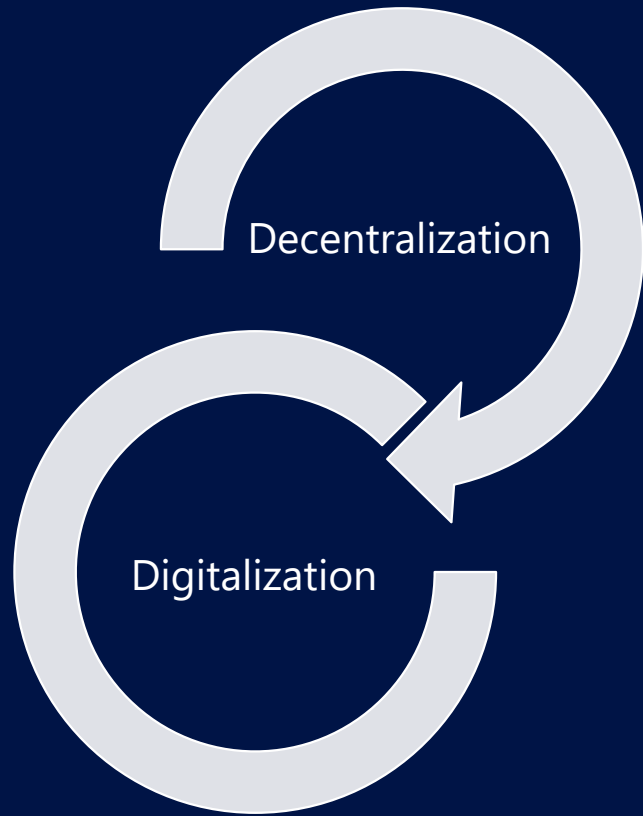


Growing demand for electrification  
Drive for energy independence

\*Source: New Energy Outlook 2022 BNEF



# Decentralization and digitalization of energy networks



Software controlled

Cyber secured

Multi node micro grids

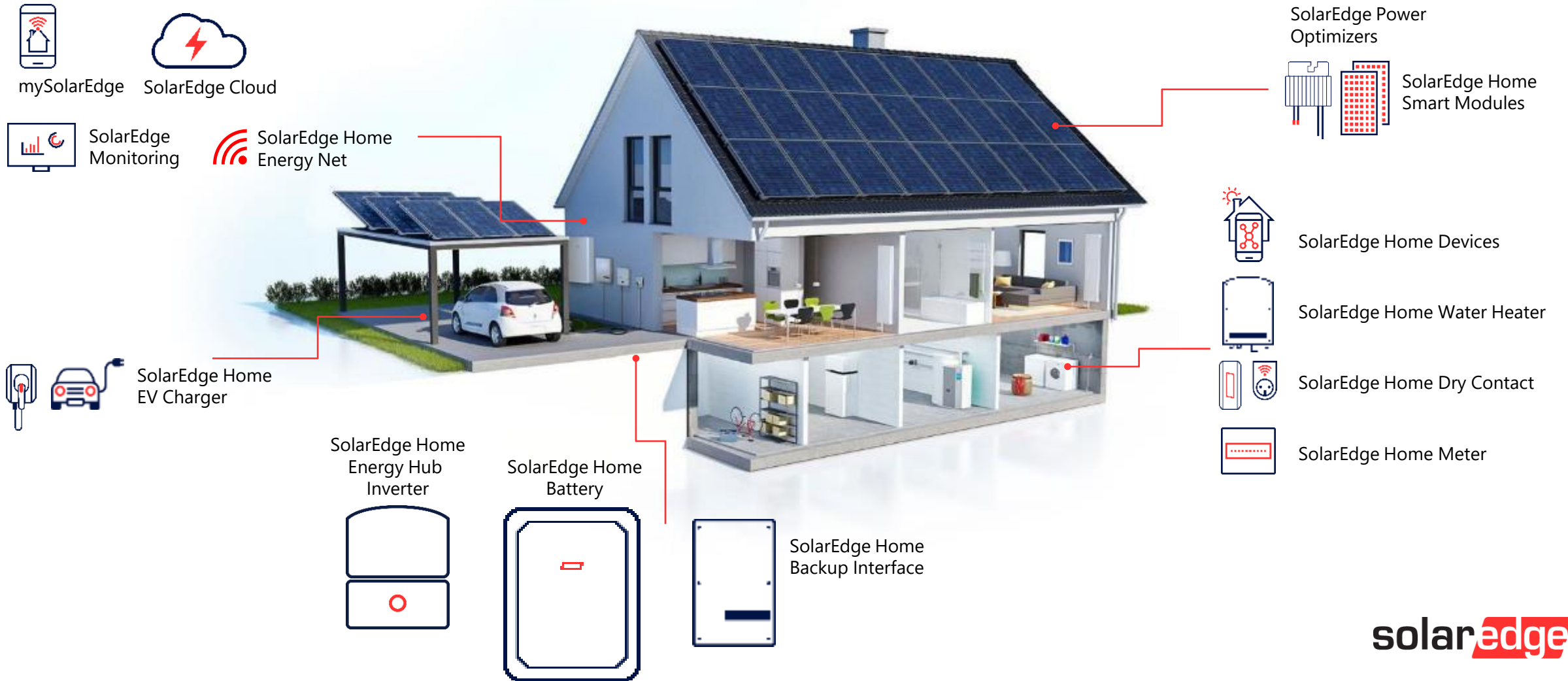


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# SolarEdge Solutions

# 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



**> 55,000**

Residential  
Installers



**> 125**

Countries

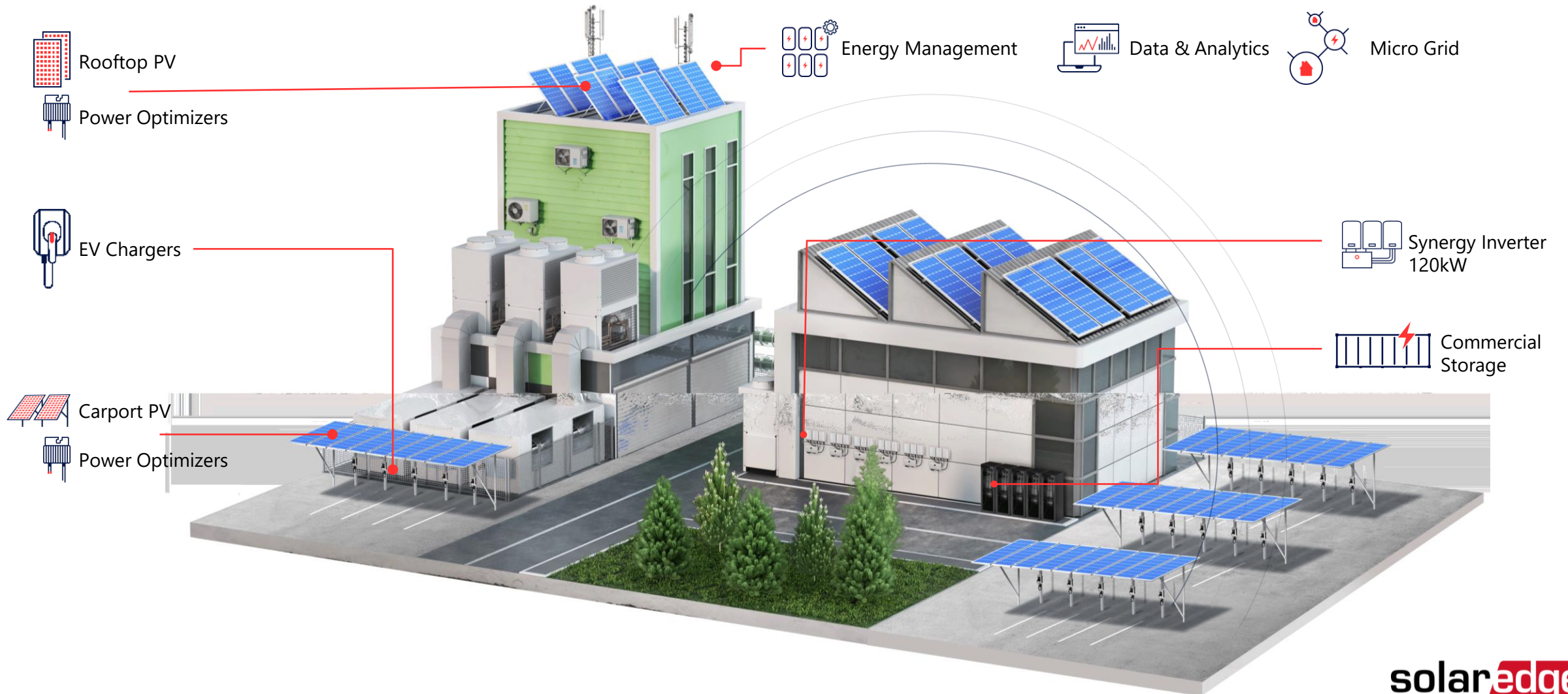


**> 3.3M**

Residential sites



# Our commercial solution



# Diversified commercial applications



Industrial Rooftops



Public Buildings



Carports & Floating

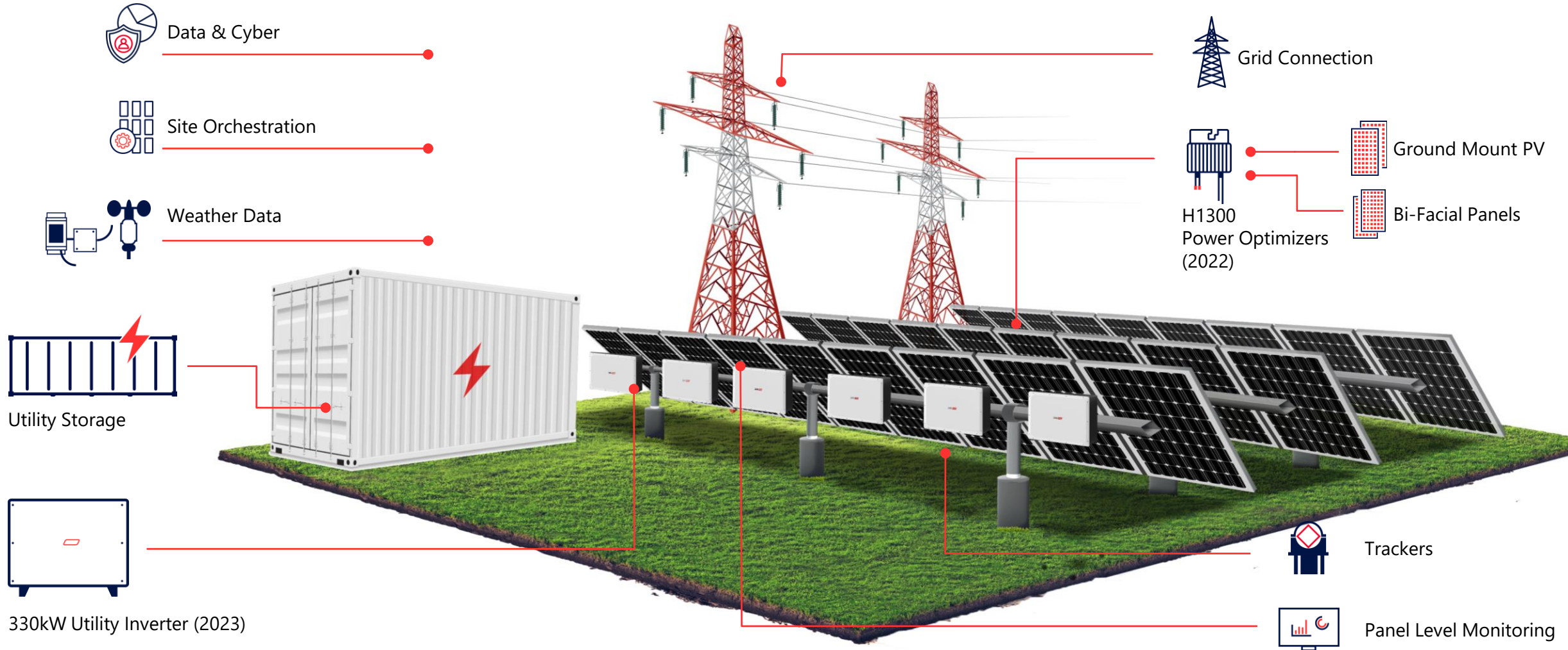


Farms & Agriculture



Small Ground Mounts

# Our future utility offering



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# Strategic pillars for growth



Expand served market  
through new  
segments and applications



Expand served market  
through geographic  
expansion

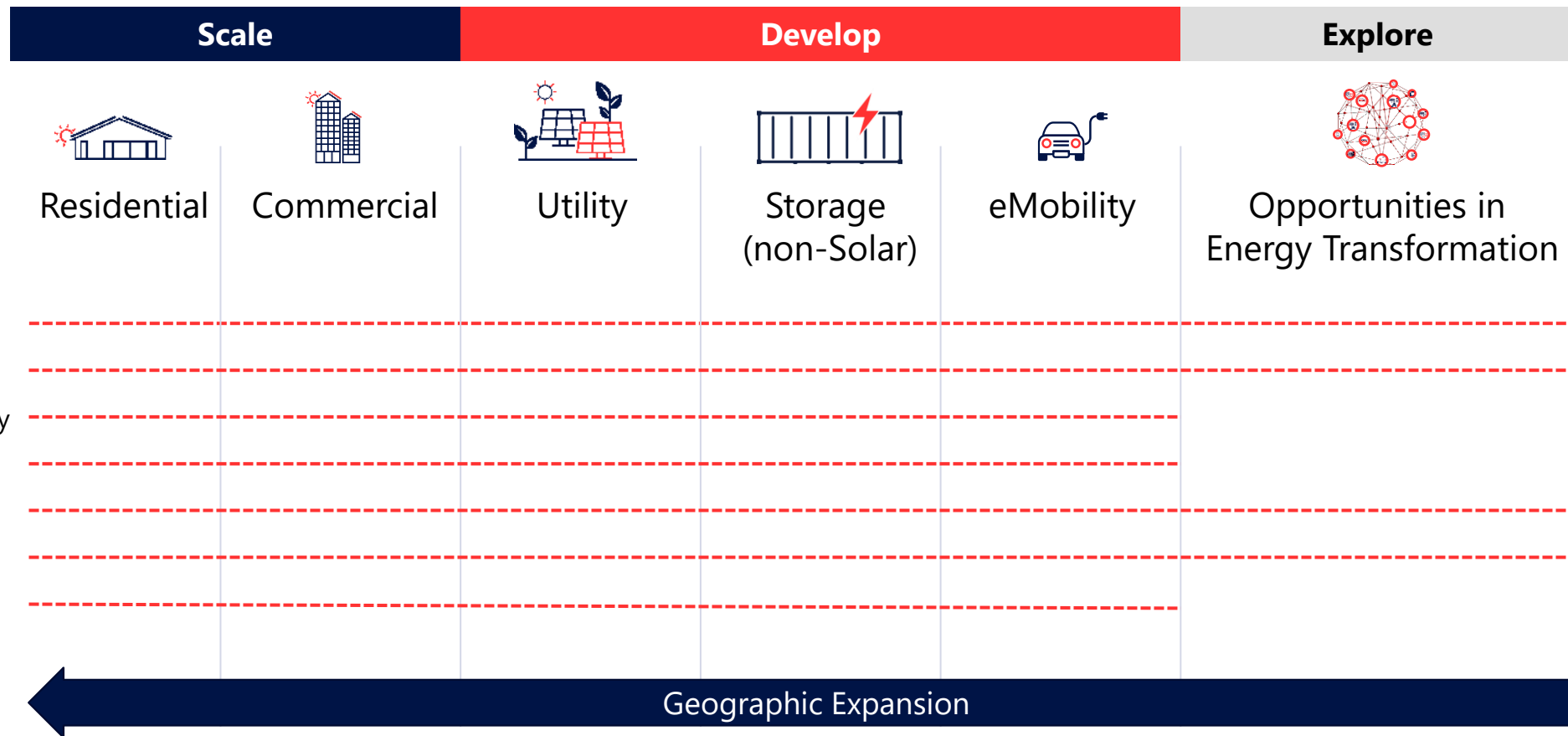


Increase share  
within our served market



# Our innovation strategy – solar & beyond

Our goal is 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

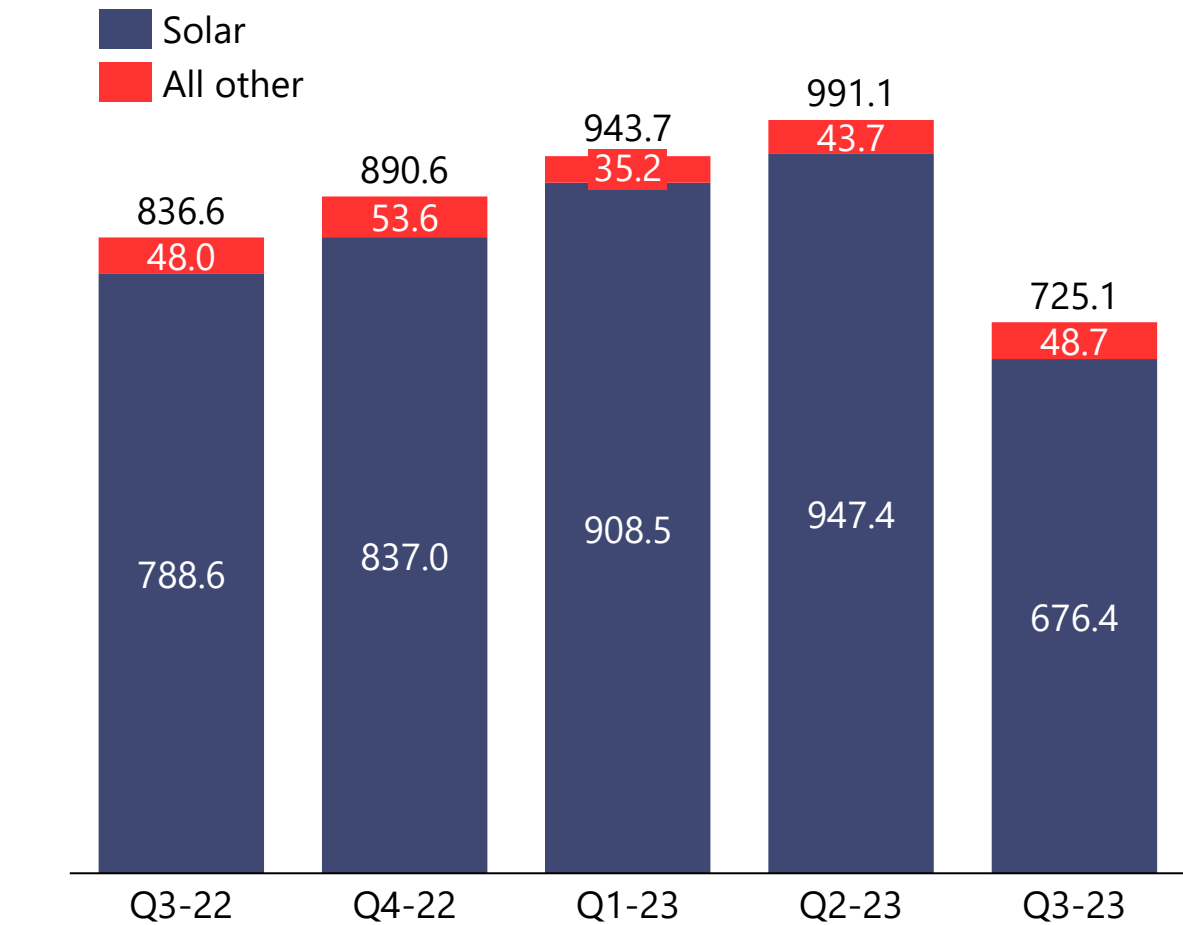
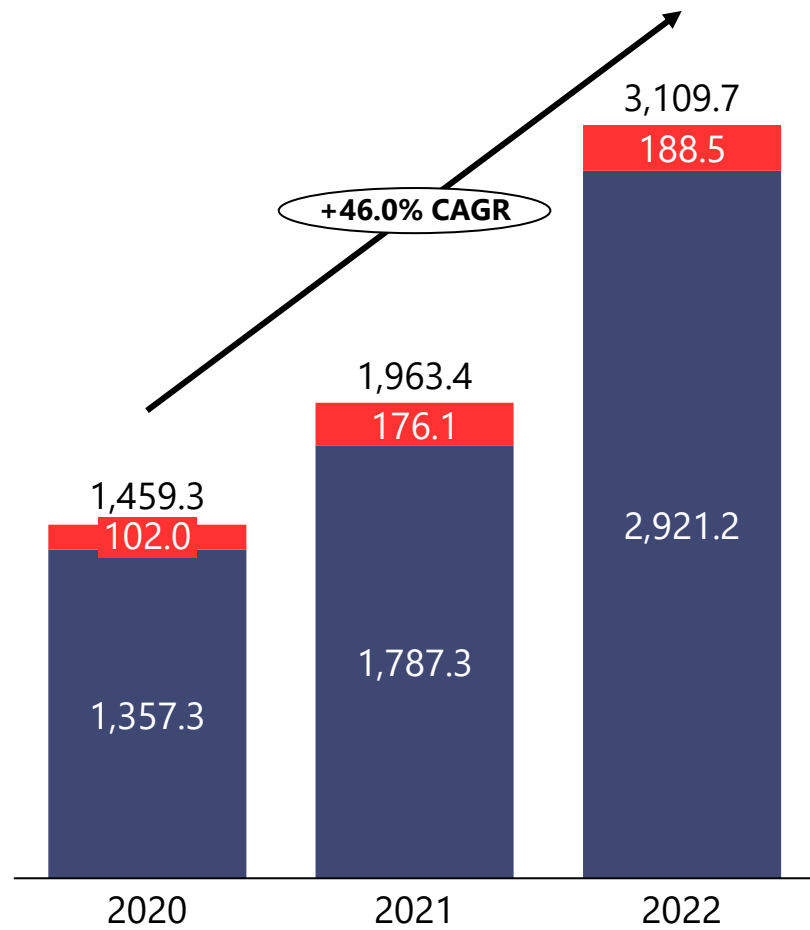




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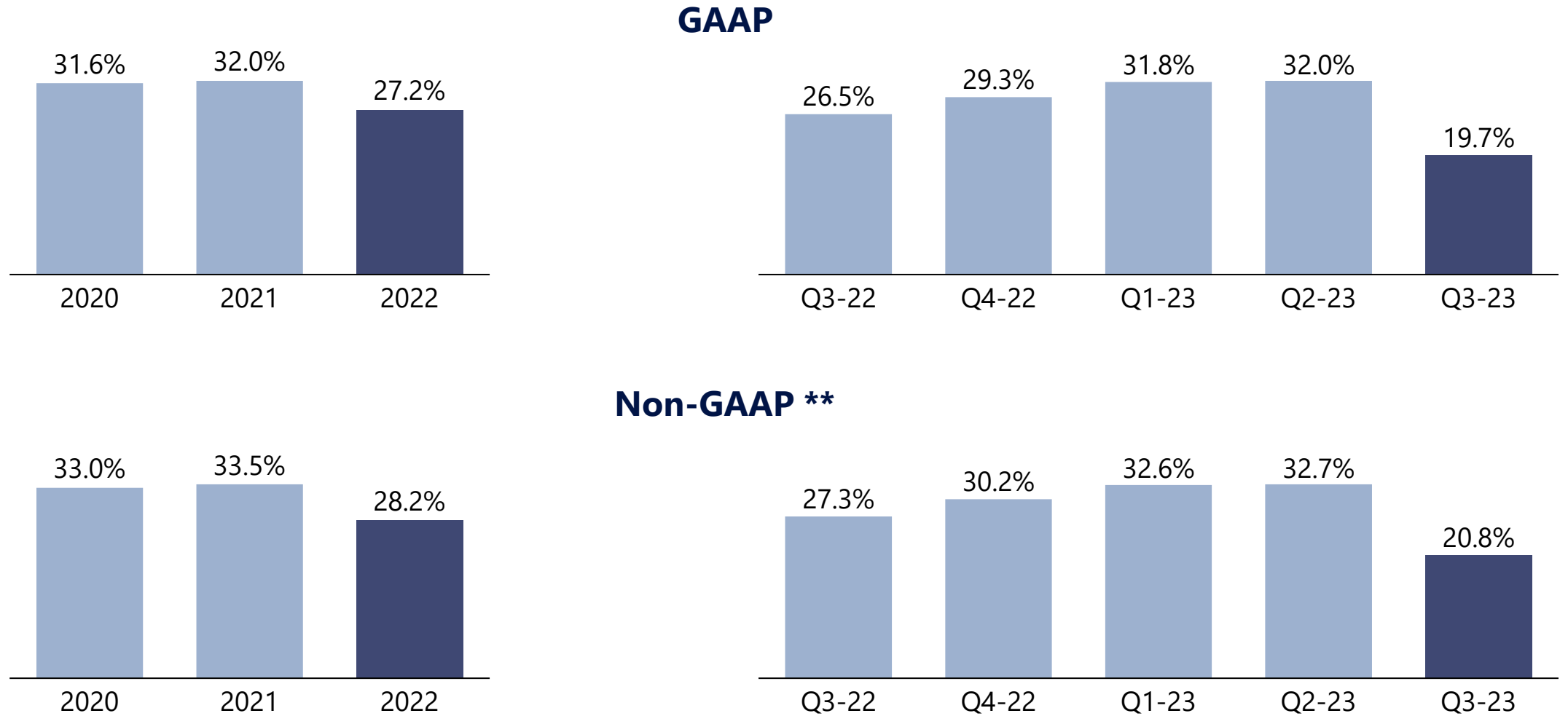
# Financial Update

# Revenues Growth by Segments



USD millions

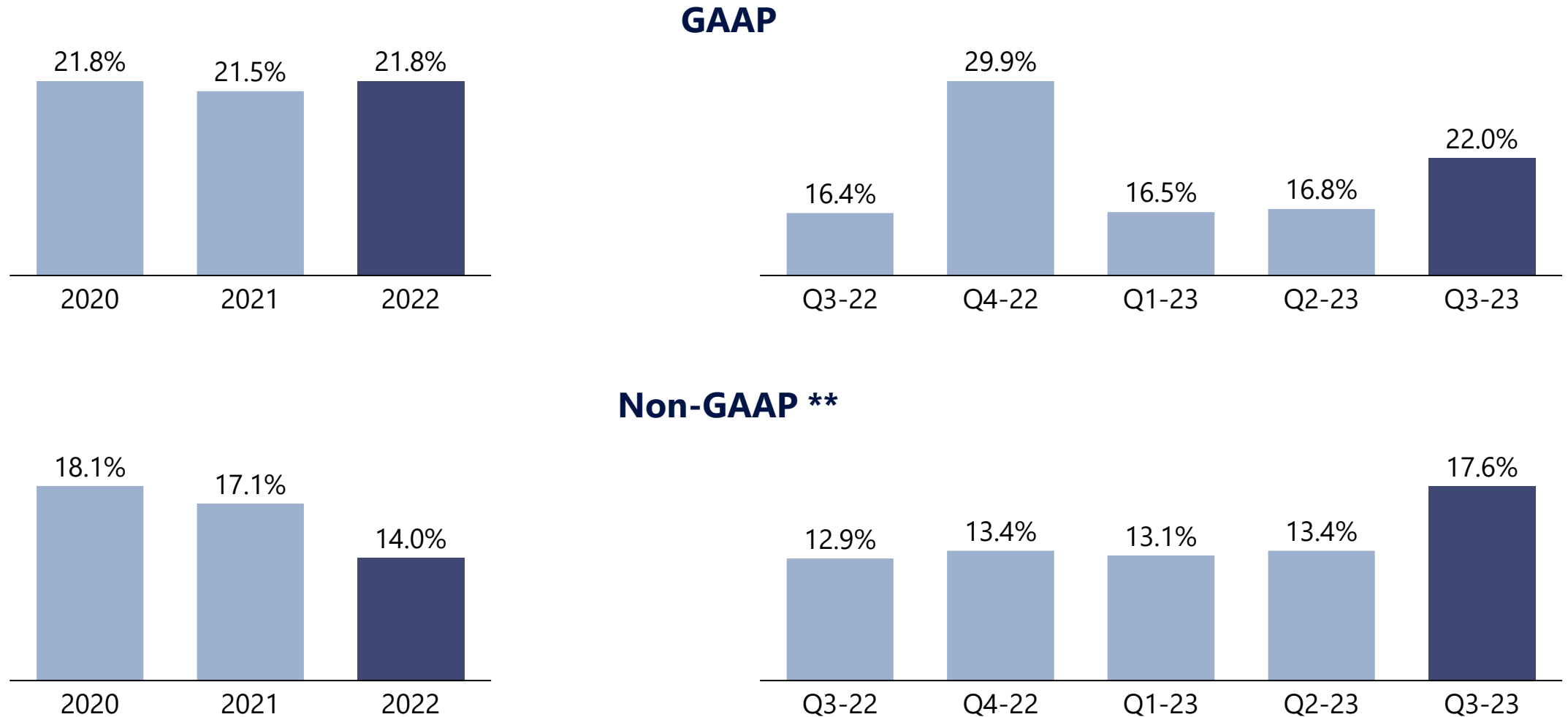
# Consolidated\* Gross Margin



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

\*\* Non-GAAP financial measures; see reconciliation in Appendix

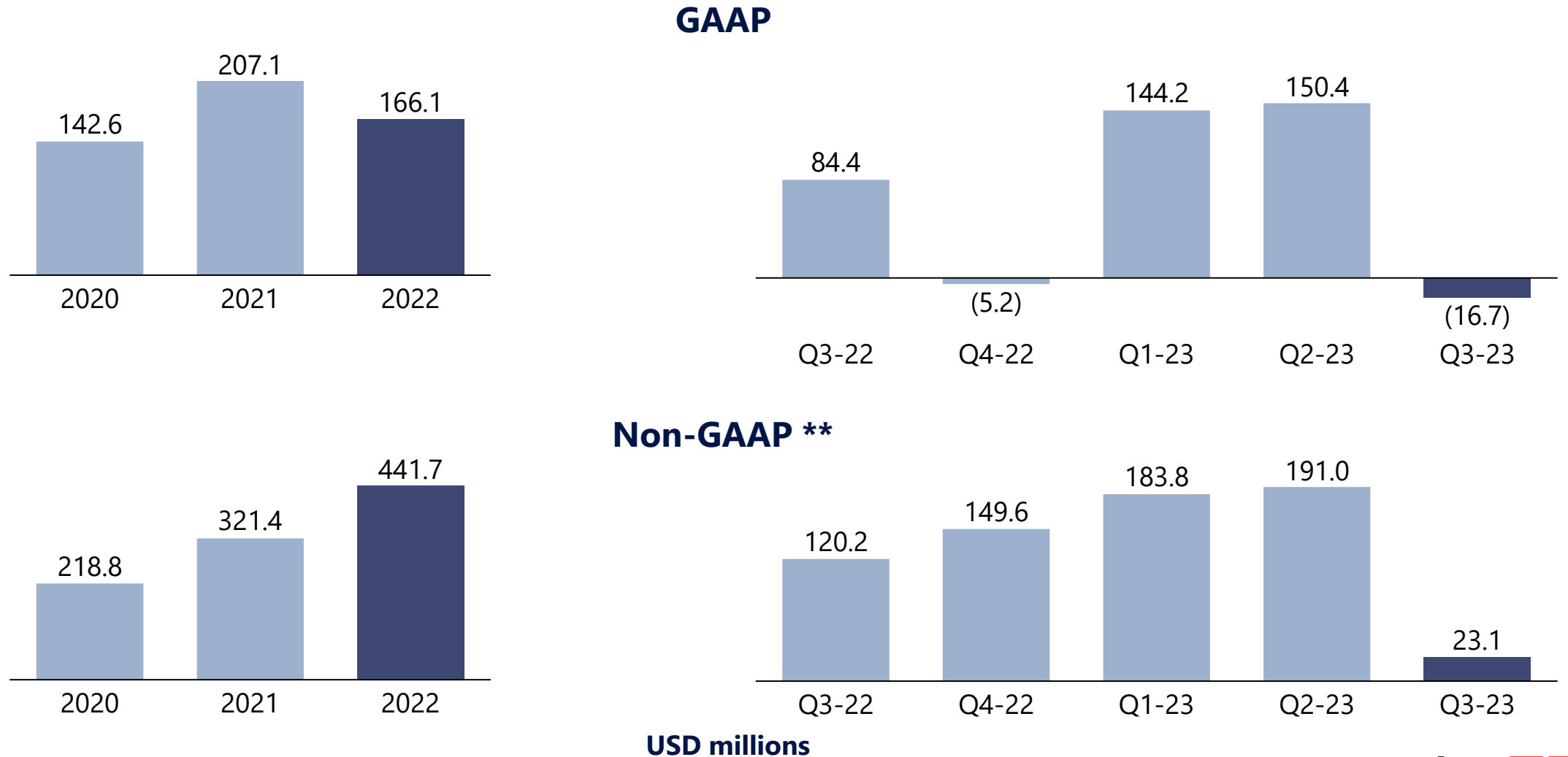
# Consolidated\* Operating Expenses as % of Revenues



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

\*\* Non-GAAP financial measures; see reconciliation in Appendix

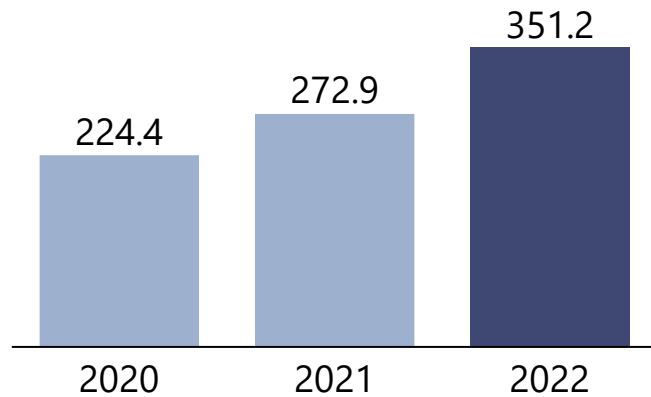
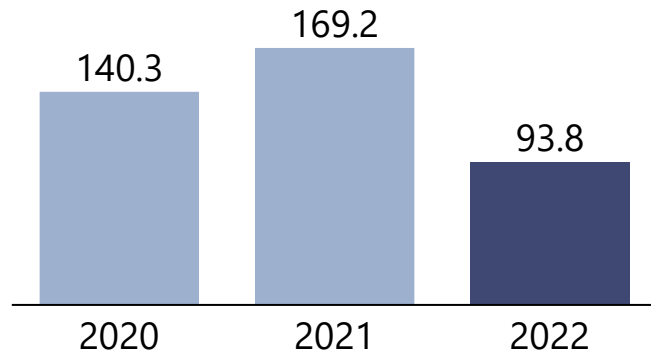
# Consolidated\* Operating Income (Loss)



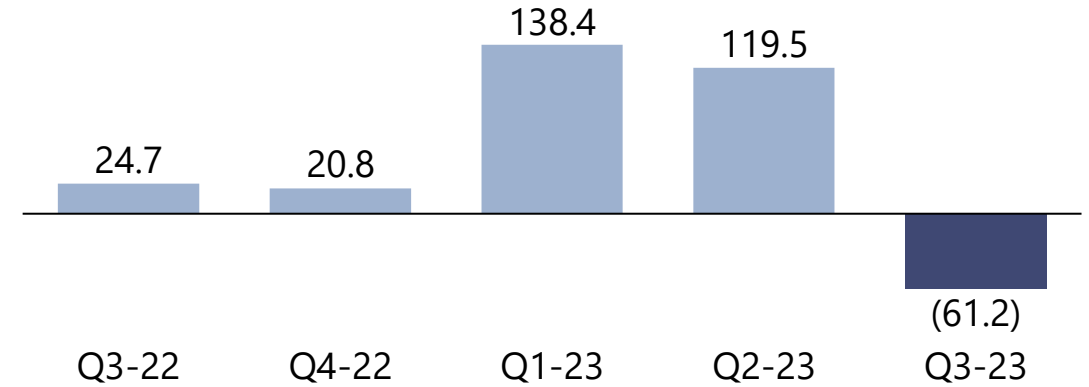
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\*\* Non-GAAP financial measures; see reconciliation in Appendix

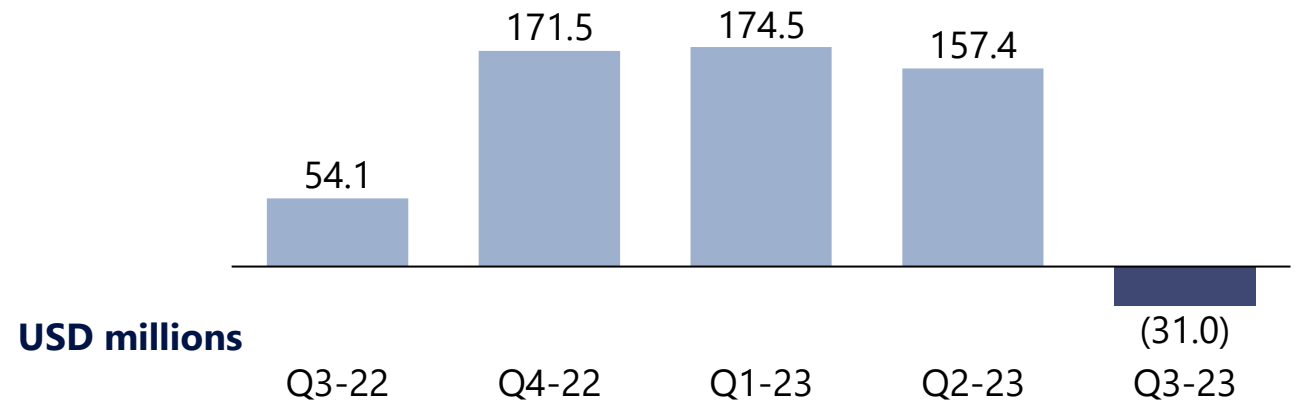
# Consolidated\* Net Income (Loss)



## GAAP



## Non-GAAP \*\*



USD millions

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

\*\* Non-GAAP financial measures; see 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

	Three months ended				
	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23
<b>Gross profit (GAAP)</b>	222,001	261,047	300,126	317,305	142,817
Revenues from finance component	(159)	(174)	(187)	(202)	(215)
Stock-based compensation	4,661	6,810	5,927	5,923	5,882
Amortization of stock-based compensation capitalized in inventories	---	---	---	316	441
Amortization and depreciation of acquired asset	2,064	961	1,515	872	2,096
<b>Gross profit (Non-GAAP)</b>	<b>228,567</b>	<b>268,644</b>	<b>307,381</b>	<b>324,214</b>	<b>151,021</b>

## Reconciliation of GAAP to Non-GAAP Gross Margin

	Three months ended				
	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23
<b>Gross margin (GAAP)</b>	26.5%	29.3%	31.8%	32.0%	19.7%
Revenues from finance component	0.0%	0.0%	0.0%	0.0%	0.0%
Stock-based compensation	0.6%	0.8%	0.6%	0.6%	0.8%
Amortization of stock-based compensation capitalized in inventories	---	---	---	0.0%	0.0%
Amortization and depreciation of acquired assets	0.2%	0.1%	0.2%	0.1%	0.3%
<b>Gross margin (Non-GAAP)</b>	<b>27.3%</b>	<b>30.2%</b>	<b>32.6%</b>	<b>32.7%</b>	<b>20.8%</b>

# Reconciliation of GAAP to Non-GAAP

	Reconciliation of GAAP to Non-GAAP Operating expenses				
	Three months ended				
	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23
<b>Operating expenses (GAAP)</b>	137,594	266,210	155,972	166,947	159,543
Stock-based compensation - R&D	(14,553)	(16,854)	(17,209)	(17,272)	(16,481)
Stock-based compensation - S&M	(9,341)	(7,928)	(8,079)	(7,822)	(7,739)
Stock-based compensation - G&A	(7,196)	(7,015)	(8,020)	(7,948)	(6,713)
Amortization and depreciation of acquired assets - R&D	(302)	(301)	(313)	(289)	(329)
Amortization and depreciation of acquired assets - S&M	(187)	(173)	(181)	(235)	(321)
Amortization and depreciation of acquired assets - G&A	(6)	(4)	(26)	17	(4)
Assets impairment	19	(114,473)	---	---	---
Gain (loss) from assets sales and disposal	2,303	(102)	1,434	---	---
Acquisition costs	---	(350)	---	(135)	---
<b>Operating expenses (Non-GAAP)</b>	<u>108,331</u>	<u>119,010</u>	<u>123,578</u>	<u>133,263</u>	<u>127,956</u>
	Reconciliation of GAAP to Non-GAAP Operating income (loss)				
	Three months ended				
	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23
<b>Operating income (loss) (GAAP)</b>	84,407	(5,163)	144,154	150,358	(16,726)
Revenues from finance component	(159)	(174)	(187)	(202)	(215)
Stock-based compensation	35,751	38,607	39,235	38,965	36,815
Amortization of stock-based compensation capitalized in inventories	---	---	---	316	441
Amortization and depreciation of acquired assets	2,559	1,439	2,035	1,379	2,750
Assets impairment	(19)	114,473	---	---	---
Loss (gain) from assets sales and disposal	(2,303)	102	(1,434)	---	---
Acquisition costs	---	350	---	135	---
<b>Operating income (Non-GAAP)</b>	<u>120,236</u>	<u>149,634</u>	<u>183,803</u>	<u>190,951</u>	<u>23,065</u>

# Reconciliation of GAAP to Non-GAAP

	Reconciliation of GAAP to Non-GAAP Financial income (expenses), net				
	Three months ended				
	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23
<b>Financial income (expense), net (GAAP)</b>	(33,025)	56,101	23,674	3,384	(7,901)
Non cash interest expense	2,505	2,685	2,892	3,105	3,284
Unrealized losses (gains)	---	(170)	---	---	---
Currency fluctuation related to lease standard	(1,116)	749	(2,519)	(2,107)	(2,788)
<b>Financial income (expense), net (Non-GAAP)</b>	<b>(31,636)</b>	<b>59,365</b>	<b>24,047</b>	<b>4,382</b>	<b>(7,405)</b>
	Reconciliation of GAAP to Non-GAAP Other income (loss)				
	Three months ended				
	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23
<b>Other income (loss) (GAAP)</b>	7,533	186	(125)	---	(484)
Loss (gain) from sale of investment in privately-held company	(7,533)	(186)	---	---	484
<b>Other income (loss) (Non-GAAP)</b>	<b>---</b>	<b>---</b>	<b>(125)</b>	<b>---</b>	<b>---</b>
	Reconciliation of GAAP to Non-GAAP Tax on income				
	Three months ended				
	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23
<b>Income tax benefit (expense) (GAAP)</b>	(34,172)	(30,295)	(29,325)	(34,232)	(36,065)
Income tax adjustment	(291)	(7,186)	(3,901)	(3,735)	(10,561)
<b>Income tax benefit (expense) (Non-GAAP)</b>	<b>(34,463)</b>	<b>(37,481)</b>	<b>(33,226)</b>	<b>(37,967)</b>	<b>(46,626)</b>

# Reconciliation of GAAP to Non-GAAP

	Reconciliation of GAAP to Non-GAAP Net income (loss)				
	Three months ended				
	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23
<b>Net income (loss) (GAAP)</b>	24,743	20,829	138,378	119,510	(61,176)
Revenues from finance component	(159)	(174)	(187)	(202)	(215)
Stock-based compensation	35,751	38,607	39,235	38,965	36,815
Amortization of stock-based compensation capitalized in inventories	---	---	---	316	441
Amortization and depreciation of acquired assets	2,559	1,439	2,035	1,379	2,750
Assets impairment	(19)	114,473	---	---	---
Loss (gain) from assets sales and disposal	(2,303)	102	(1,434)	---	---
Acquisition costs	---	350	---	135	---
Non cash interest expense	2,505	2,685	2,892	3,105	3,284
Unrealized losses (gains)	---	(170)	---	---	---
Currency fluctuation related to lease standard	(1,116)	749	(2,519)	(2,107)	(2,788)
Gain from sale of investment in privately-held company	(7,533)	(186)	---	---	484
Uncertain tax positions	---	---	---	---	---
Income tax adjustment	(291)	(7,186)	(3,901)	(3,735)	(10,561)
<b>Net income (loss) (Non-GAAP)</b>	<b>54,137</b>	<b>171,518</b>	<b>174,499</b>	<b>157,366</b>	<b>(30,966)</b>

# Reconciliation of GAAP to Non-GAAP

	Reconciliation of GAAP to Non-GAAP Net basic earning (loss) per share				
	Three months ended				
	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23
<b>Net basic earnings (loss) per share (GAAP)</b>	0.44	0.37	2.46	2.12	(1.08)
Revenues from finance component	0.00	0.00	0.00	(0.01)	0.00
Stock-based compensation	0.64	0.69	0.70	0.70	0.65
Amortization of stock-based compensation capitalized in inventories	---	---	---	0.00	0.00
Amortization and depreciation of acquired assets	0.05	0.02	0.03	0.03	0.05
Assets impairment	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	0.05	0.05	0.05	0.06
Unrealized losses (gains)	---	(0.01)	---	---	---
Currency fluctuation related to lease standard	(0.02)	0.02	(0.05)	(0.03)	(0.05)
Gain from sale of investment in privately-held company	(0.13)	(0.01)	---	---	0.01
Uncertain tax positions	---	---	---	---	---
Income tax adjustment	(0.01)	(0.13)	(0.07)	(0.07)	(0.19)
<b>Net basic earnings (loss) per share (Non-GAAP)</b>	<b>0.97</b>	<b>3.06</b>	<b>3.10</b>	<b>2.79</b>	<b>(0.55)</b>

# Reconciliation of GAAP to Non-GAAP

	Reconciliation of GAAP to Non-GAAP Net diluted earnings (loss) per share				
	Three months ended				
	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23
<b>Net diluted earnings (loss) per share (GAAP)</b>	0.43	0.36	2.35	2.03	(1.08)
Revenues from finance component	0.00	0.00	(0.01)	(0.01)	0.00
Stock-based compensation	0.59	0.64	0.62	0.62	0.65
Amortization of stock-based compensation capitalized in inventories	---	---	---	0.00	0.00
Amortization and depreciation of acquired assets	0.05	0.02	0.03	0.03	0.05
Assets impairment	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	0.04	0.04	0.06
Unrealized losses (gains)	---	0.00	---	---	---
Currency fluctuation related to lease standard	(0.02)	0.01	(0.04)	(0.03)	(0.05)
Gain from sale of investment in privately-held company	(0.13)	0.00	---	---	0.01
Uncertain tax positions	---	---	---	---	---
Income tax adjustment	0.00	(0.12)	(0.07)	(0.06)	(0.19)
<b>Net diluted earnings (loss) per share (Non-GAAP)</b>	<b>0.91</b>	<b>2.86</b>	<b>2.90</b>	<b>2.62</b>	<b>(0.55)</b>

	Reconciliation of GAAP to Non-GAAP Net diluted earnings (loss) per share				
	Three months ended				
	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23
<b>Number of shares used in computing net diluted earnings (loss) per share (GAAP)</b>	58,747,538	58,734,719	59,193,831	59,183,666	56,671,504
Stock-based compensation	784,228	1,237,266	939,571	986,527	---
<b>Number of shares used in computing net diluted earnings (loss) per share (Non-GAAP)</b>	<b>59,531,766</b>	<b>59,971,985</b>	<b>60,133,402</b>	<b>60,170,193</b>	<b>56,671,504</b>



Thank  
You