

Operational Metrics - GAAP

KPI's \$,000	Q3 18	Q4 18	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20	Q2 20	12 months ended, Dec 31		
									2017	2018	2019
Revenues	236,578	263,670	271,871	325,010	410,556	418,223	431,218	331,851	607,045	937,237	1,425,660
% Y/Y	42.0%	39.3%	29.5%	43.1%	73.5%	58.6%	58.6%	2.1%	23.9%	54.4%	52.1%
% Q/Q	4.2%	11.5%	3.1%	19.5%	26.3%	1.9%	3.1%	-23.0%			
Gross profit	77,982	79,711	86,110	110,670	139,309	143,249	140,008	102,963	214,766	319,236	479,338
% Y/Y	34.3%	12.3%	8.2%	35.1%	78.6%	79.7%	62.6%	-7.0%	33.6%	48.6%	50.2%
% Q/Q	-4.8%	2.2%	8.0%	28.5%	25.9%	2.8%	-2.3%	-26.5%			
Gross margin	33.0%	30.2%	31.7%	34.1%	33.9%	34.3%	32.5%	31.0%	35.4%	34.1%	33.6%
% Y/Y	-5.4%	-19.3%	-16.5%	-5.6%	2.9%	13.3%	2.5%	-8.9%	7.8%	-3.7%	-1.3%
% Q/Q	-8.6%	-8.3%	4.8%	7.5%	-0.4%	0.9%	-5.2%	-4.4%			
Operating income	34,037	23,954	28,048	45,353	66,017	50,528	67,775	29,965	91,086	139,420	189,946
% Y/Y	34.0%	-30.7%	-31.2%	11.5%	94.0%	110.9%	141.6%	-33.9%	28.3%	53.1%	36.2%
% Q/Q	-16.3%	-29.6%	17.1%	61.7%	45.6%	-23.5%	34.1%	-55.8%			
Net income	45,643	12,936	19,016	33,128	41,627	52,778	42,248	36,668	84,172	128,833	146,549
% Y/Y	63.2%	-33.7%	-46.7%	-4.2%	-8.8%	308.0%	122.2%	10.7%	32.7%	53.1%	13.8%
% Q/Q	32.0%	-71.7%	47.0%	74.2%	25.7%	26.8%	-20.0%	-13.2%			
Optimizer shipped (units)	3,004,264	3,134,346	3,029,102	3,730,519	4,587,380	4,454,377	5,060,391	3,515,906	7,367,921	11,351,678	15,801,378
Inverter shipped (units)	121,834	120,546	130,672	160,117	187,887	186,844	202,009	141,689	317,288	455,793	665,520
MW shipped (MW)	1,083	1,052	1,144	1,335	1,498	1,641	1,850	1,442	2,461	3,919	5,618

* Certain prior period amounts have been reclassified to conform to the current period presentation

Operational Metrics - NON GAAP

KPI's \$,000	Q3 18	Q4 18	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20	Q2 20	12 months ended, Dec 31		
									2017	2018	2019
Revenues	236,578	263,670	271,871	325,010	410,556	418,223	431,218	331,851	607,045	937,237	1,425,660
% Y/Y	42.0%	39.3%	29.5%	43.1%	73.5%	58.6%	58.6%	2.1%	23.9%	54.4%	52.1%
% Q/Q	4.2%	11.5%	3.1%	19.5%	26.3%	1.9%	3.1%	-23.0%			
Gross profit	79,510	81,432	89,223	115,947	144,005	148,454	144,950	107,647	217,017	324,377	497,629
% Y/Y	35.7%	13.6%	10.8%	39.8%	81.1%	82.3%	62.5%	-7.2%	34.3%	49.5%	53.4%
% Q/Q	-4.1%	2.4%	9.6%	30.0%	24.2%	3.1%	-2.4%	-25.7%			
Gross margin	33.6%	30.9%	32.8%	35.7%	35.1%	35.5%	33.6%	32.4%	35.7%	34.6%	34.9%
% Y/Y	-4.5%	-18.4%	-14.5%	-2.3%	4.4%	14.9%	2.4%	-9.1%	8.4%	-3.2%	0.9%
% Q/Q	-7.9%	-8.1%	6.3%	8.7%	-1.7%	1.2%	-5.3%	-3.5%			
Operating income	42,527	36,371	41,203	61,038	89,219	85,310	78,647	46,577	108,651	174,304	276,770
% Y/Y	42.1%	-9.0%	-13.5%	27.7%	109.8%	134.6%	90.9%	-23.7%	40.0%	60.4%	58.8%
% Q/Q	-11.0%	-14.5%	13.3%	48.1%	46.2%	-4.4%	-7.8%	-40.8%			
Net income	42,697	31,479	32,931	49,253	63,621	87,419	50,661	52,136	115,016	157,289	233,224
% Y/Y	35.3%	-23.6%	-22.6%	21.4%	49.0%	177.7%	53.8%	5.9%	56.0%	36.8%	48.3%
% Q/Q	5.3%	-26.3%	4.6%	49.6%	29.2%	37.4%	-42.0%	2.9%			
Optimizer shipped (units)	3,004,264	3,134,346	3,029,102	3,730,519	4,587,380	4,454,377	5,060,391	3,515,906	7,367,921	11,351,678	15,801,378
Inverter shipped (units)	121,834	120,546	130,672	160,117	187,887	186,844	202,009	141,689	317,288	455,793	665,520
MW shipped (MW)	1,083	1,052	1,144	1,335	1,498	1,641	1,850	1,442	2,461	3,919	5,618

* Certain prior period amounts have been reclassified to conform to the current period presentation

MW Shipped

MW Shipped	2017	2018	2019	2020YTD
Total MW	2,461	3,919	5,618	3,292
Residential	1,658	2,263	3,279	1,664
Commercial	803	1,656	2,339	1,628
% of Total	100%	100%	100%	100%
Residential	67%	58%	58%	51%
Commercial	33%	42%	42%	49%

MW Shipped	Q3 18	Q4 18	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20	Q2 20
Total MW	1,083	1,052	1,144	1,335	1,498	1,641	1,850	1,442
Residential	583	619	641	744	955	940	1,027	637
Commercial	500	432	503	591	543	701	823	805
% of Total	100%	100%	100%	100%	100%	100%	100%	100%
Residential	54%	59%	56%	56%	64%	57%	56%	44%
Commercial	46%	41%	44%	44%	36%	43%	44%	56%

Regional MW shipped

	2017	2018	2019	2020YTD
North America	1,322	1,887	2,260	1,329
Europe	862	1,368	2,513	1,389
ROW	277	664	845	574
	2,461	3,919	5,618	3,292

	Q3 18	Q4 18	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20	Q2 20
North America	480	547	429	441	602	788	926	404
Europe	370	337	510	663	721	620	641	748
ROW	232	168	205	231	175	234	283	290
	1,083	1,052	1,144	1,335	1,498	1,641	1,850	1,442

Balance Sheet - Assets

\$,000	Sep 30 2018	Dec 31 2018	Mar 31 2019	June 30 2019	Sep 30 2019	Dec 31 2019	Mar 31 2020	June 30 2020
Current Assets:								
Cash and cash equivalents	192,898	187,764	226,478	176,575	247,342	223,901	324,072	428,372
Short-term bank deposits	8,123	9,870	6,057	5,961	5,769	5,010	8,085	3,432
Restricted bank deposits	243	824	1,055	1,060	1,600	27,558	27,515	2,135
Marketable securities	148,252	118,680	107,064	109,610	85,343	91,845	95,143	113,032
Trade receivables, net	151,088	173,579	187,496	237,804	292,232	298,383	235,673	181,700
Prepaid expenses and other current assets	46,396	45,073	37,828	50,642	68,234	115,268	66,874	79,867
Inventories, net	107,179	141,519	150,798	148,892	134,283	170,798	198,557	264,460
Total Current Assets	654,179	677,309	716,776	730,544	834,803	932,763	955,919	1,072,998
Long Term Assets:								
Marketable securities	102,240	74,256	57,252	79,616	92,871	119,176	103,863	45,684
Operating lease right-of-use assets, net	----	----	30,839	36,788	34,601	35,858	37,896	36,951
Property, plant and equipment, net	73,415	119,329	132,988	140,200	149,675	176,963	195,982	226,416
Deferred tax assets, net	13,218	14,699	14,589	14,751	17,180	16,298	17,095	19,121
Intangible assets, net and goodwill	6,544	73,378	211,420	211,340	200,795	203,662	194,631	196,490
Other long term assets	2,582	5,501	13,060	8,455	7,667	9,904	8,454	8,166
Total Long Term Assets	197,999	287,163	460,148	491,150	502,789	561,861	557,921	532,828
Total Assets	852,178	964,472	1,176,923	1,221,694	1,337,592	1,494,624	1,513,840	1,605,826

* Certain prior period amounts have been reclassified to conform to the current period presentation

Balance Sheet - Liabilities and Equity

\$,000	Sep 30 2018	Dec 31 2018	Mar 31 2019	June 30 2019	Sep 30 2019	Dec 31 2019	Mar 31 2020	June 30 2020
Current Liabilities:								
Trade payables, net	83,459	107,079	90,190	116,795	132,230	157,148	139,138	158,264
Employees and payroll accruals	23,680	29,053	31,524	34,555	44,386	47,390	58,894	48,764
Current maturities of bank loans and accrued interest	----	16,639	17,233	16,454	16,912	15,673	15,048	15,256
Warranty obligations	21,660	28,868	35,229	38,819	45,887	65,112	70,158	68,674
Deferred revenues and customers advances	5,795	14,351	13,527	15,708	15,006	70,815	30,706	25,625
Accrued expenses and other current liabilities	31,556	29,728	60,369	71,447	80,986	80,576	75,737	88,482
Total Current Liabilities	166,150	225,718	248,072	293,778	335,407	436,714	389,681	405,065
Long Term Liabilities:								
Bank loans	----	3,510	7,029	5,519	4,055	173	----	----
Warranty obligations	86,059	92,958	101,517	111,819	125,467	107,451	116,099	124,010
Deferred revenues	53,663	60,670	66,037	73,796	81,934	89,982	98,134	103,181
Operating lease liabilities	----	----	24,790	30,009	29,117	30,213	30,336	29,991
Deferred tax liabilities, net	----	1,499	8,544	8,663	7,762	4,461	2,202	1,112
Other long term liabilities	7,343	9,391	23,417	18,062	16,662	13,960	10,970	17,666
Total Long Term Liabilities	147,065	168,028	231,334	247,868	264,997	246,240	257,741	275,960
Stockholders' Equity:								
Common stock	5	5	5	5	5	5	5	5
Additional paid-in capital	361,744	371,794	417,385	431,684	450,459	475,792	491,873	511,640
Accumulated other comprehensive income (loss)	(983)	(524)	(1,220)	(895)	(3,356)	(1,809)	(5,390)	(3,442)
Retained earnings	178,197	191,133	210,149	243,277	284,904	337,682	379,930	416,598
Total stockholders' equity	538,963	562,408	626,319	674,071	732,012	811,670	866,418	924,801
Non-Controlling interests	----	8,318	71,198	5,977	5,176	----	----	----
Total liabilities and stockholders' equity	852,178	964,472	1,176,923	1,221,694	1,337,592	1,494,624	1,513,840	1,605,826

* Certain prior period amounts have been reclassified to conform to the current period presentation

P&L GAAP

\$,000									12 months ended, Dec. 31		
	Q3 18	Q4 18	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20	Q2 20	2017	2018	2019
Revenues	236,578	263,670	271,871	325,010	410,556	418,223	431,218	331,851	607,045	937,237	1,425,660
Cost of revenues	158,596	183,959	185,761	214,340	271,247	274,974	291,210	228,888	392,279	618,001	946,322
Gross profit	<u>77,982</u>	<u>79,711</u>	<u>86,110</u>	<u>110,670</u>	<u>139,309</u>	<u>143,249</u>	<u>140,008</u>	<u>102,963</u>	<u>214,766</u>	<u>319,236</u>	<u>479,338</u>
Gross margin %	33.0%	30.2%	31.7%	34.1%	33.9%	34.3%	32.5%	31.0%	35.4%	34.1%	33.6%
Operating expenses:											
Research and development	20,109	24,710	26,199	29,505	30,747	34,900	36,695	38,098	54,966	82,245	121,351
Sales and marketing	16,938	19,210	20,172	22,127	22,026	23,659	24,253	20,936	50,032	68,307	87,984
General and administrative	6,898	11,837	11,691	13,685	12,214	11,771	16,185	13,964	18,682	29,264	49,361
Other operating expenses (income)	----	----	----	----	8,305	22,391	(4,900)	----	----	----	30,696
Total operating expenses	<u>43,945</u>	<u>55,757</u>	<u>58,062</u>	<u>65,317</u>	<u>73,292</u>	<u>92,721</u>	<u>72,233</u>	<u>72,998</u>	<u>123,680</u>	<u>179,816</u>	<u>289,392</u>
Operating income	<u>34,037</u>	<u>23,954</u>	<u>28,048</u>	<u>45,353</u>	<u>66,017</u>	<u>50,528</u>	<u>67,775</u>	<u>29,965</u>	<u>91,086</u>	<u>139,420</u>	<u>189,946</u>
Financial income (expenses), net	(689)	288	(6,151)	773	(17,023)	11,058	(16,605)	11,565	9,158	(2,297)	(11,343)
Income before income taxes	<u>33,348</u>	<u>24,242</u>	<u>21,897</u>	<u>46,126</u>	<u>48,994</u>	<u>61,586</u>	<u>51,170</u>	<u>41,530</u>	<u>100,244</u>	<u>137,123</u>	<u>178,603</u>
Income taxes (tax benefit)	(12,295)	12,093	3,922	13,213	7,270	9,241	8,922	4,862	16,072	9,077	33,646
Net income	<u>45,643</u>	<u>12,149</u>	<u>17,975</u>	<u>32,913</u>	<u>41,724</u>	<u>52,345</u>	<u>42,248</u>	<u>36,668</u>	<u>84,172</u>	<u>128,046</u>	<u>144,957</u>
Net loss (income) attributable to Non-controlling interests	----	787	1,041	215	(97)	433	----	----	----	787	1,592
SolarEdge net income	<u>45,643</u>	<u>12,936</u>	<u>19,016</u>	<u>33,128</u>	<u>41,627</u>	<u>52,778</u>	<u>42,248</u>	<u>36,668</u>	<u>84,172</u>	<u>128,833</u>	<u>146,549</u>

* Certain prior period amounts have been reclassified to conform to the current period presentation

Cash Flow

\$,000	Q3 18	Q4 18	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20	Q2 20
Net cash provided by operating activities	34,335	46,874	56,450	50,784	68,700	83,066	107,745	59,310
Net cash provided by (used in) in investing activities	(56,633)	(35,494)	(17,045)	(35,176)	(6,176)	(94,456)	(19,924)	46,800
Net cash provided by (used in) financing activities	324	(15,870)	(2,630)	(64,755)	(922)	(4,714)	3,315	5,681
Increase (decrease) in cash and cash equivalents	(21,974)	(4,490)	36,775	(49,147)	61,602	(16,104)	91,136	111,791
Cash and cash equivalents at the beginning of the period	214,540	192,898	187,764	226,478	176,575	247,342	223,901	324,072
Effect of exchange rate differences on cash and cash equivalents	332	(644)	1,939	(756)	9,165	(7,337)	9,035	(7,491)
Cash and cash equivalents at EOQ	192,898	187,764	226,478	176,575	247,342	223,901	324,072	428,372

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