

Operational Metrics

KPI's \$,000	CQ'1 15	CQ'2 15	CQ'3 15	CQ'4 15	CQ'1 16	CQ'2 16	CQ'3 16	CQ'4 16	CQ'1 17	12 months ended, Dec 31		
										2014	2015	2016
Revenues	86,399	98,420	115,054	124,832	125,205	124,752	128,484	111,513	115,054	215,392	424,705	489,954
% Y/Y	183%	121%	72%	70%	45%	27%	12%	-11%	-8%	124%	97%	15%
% Q/Q	18%	14%	17%	8%	0%	0%	3%	-13%	3%			
Gross profit \$	23,701	28,271	33,527	38,582	40,734	39,113	41,875	39,025	38,676	44,764	124,081	160,747
% Y/Y	280%	224%	139%	144%	72%	38%	25%	1%	-5%	293%	177%	30%
% Q/Q	50%	19%	19%	15%	6%	-4%	7%	-7%	-1%			
Gross Margin	27.4%	28.7%	29.1%	30.9%	32.5%	31.4%	32.6%	35.0%	33.6%	21%	29%	33%
% Y/Y	35%	47%	39%	44%	19%	9%	12%	13%	3%	75%	41%	12%
% Q/Q	27%	5%	1%	6%	5%	-4%	4%	7%	-4%			
Operating income (loss)	9,799	11,873	14,874	19,262	19,739	17,884	18,240	15,147	12,004	(400)	55,808	71,010
% Y/Y	N\A	N\A	533%	355%	101%	51%	23%	-21%	-39%	N\A	N\A	27%
% Q/Q	131%	21%	25%	30%	2%	-9%	2%	-17%	-21%			
Net income (loss)	5,965	9,261	14,432	24,105	20,799	17,273	15,616	9,765	14,175	(2,385)	53,763	63,453
% Y/Y	N\A	N\A	473%	614%	249%	87%	8%	-59%	-32%	N\A	N\A	18%
% Q/Q	77%	55%	56%	67%	-14%	-17%	-10%	-37%	45%			
Optimizer shipped (units)	945,586	1,138,362	1,460,277	1,373,407	1,417,469	1,487,393	1,645,708	1,259,150	1,469,677	2,236,987	4,917,632	5,809,720
Inverter shipped (units)	38,630	44,222	54,195	59,080	52,333	57,981	63,360	56,757	57,761	104,435	196,127	230,431
MW shipped	207	284	356	416	416	427	466	413	455	601	1,262	1,723

Balance Sheet

\$,000	Sep 30, 2015	Dec 31, 2015	Mar 31, 2016	Jun 30, 2016	Sep 30, 2016	Dec 31, 2016	Mar 31, 2017
Current Assets:							
Cash and cash equivalents	146,729	106,150	84,070	74,032	90,014	104,683	119,933
Restricted cash	3,588	3,417	944	928	946	897	991
Marketable securities	----	27,137	44,059	59,163	61,786	74,465	81,800
Accounts receivables, net	47,366	46,685	56,145	72,737	84,898	71,041	79,268
Prepaid expenses and other accounts receivable	20,733	24,233	18,613	21,340	17,276	21,347	26,561
Inventories	79,907	87,400	85,514	81,550	68,434	67,363	60,913
Total Current Assets	298,323	295,022	289,345	309,750	323,354	339,796	369,466
Long Term Assets:							
Marketable securities	----	25,290	43,151	52,446	53,955	44,262	44,893
Property, equipment and intangible assets, net	18,051	22,186	26,950	28,547	31,072	37,381	37,933
Prepaid expenses and lease deposits	601	510	440	399	437	489	594
Deferred tax assets, net	----	6,565	6,486	6,296	4,127	2,815	4,084
Total Long Term Assets	298,323	54,551	77,027	87,688	89,591	84,947	87,504
Total Assets	316,975	349,573	366,372	397,438	412,945	424,743	456,970
Current Liabilities:							
Trade payables, net	67,180	61,977	45,138	48,481	40,282	34,001	43,740
Employees and payroll accruals	7,898	12,864	12,358	10,092	11,975	13,018	11,767
Warranty Liabilities	10,587	11,862	13,510	14,114	15,103	13,616	12,895
Deferred Revenues	2,175	1,983	2,642	3,859	2,421	1,202	1,025
Accrued expenses and other accounts payable	8,459	7,169	7,797	10,725	8,719	8,648	9,189
Total Current Liabilities	96,299	95,855	81,445	87,271	78,500	70,485	78,616
Long Term Liabilities:							
Warranty Liabilities	25,317	29,032	33,149	37,078	41,305	44,759	48,230
Deferred Revenues	9,760	11,427	13,266	14,684	16,059	18,660	20,902
Lease incentive obligation	2,374	2,320	2,265	2,297	2,135	2,061	1,987
Total Long Term Liabilities	37,451	42,779	48,680	54,059	59,499	65,480	71,119
Stockholders' Equity:							
Common stock	4	4	4	4	4	4	4
Additional paid-in capital	289,004	292,681	296,480	299,214	302,587	307,098	311,081
Accumulated other comprehensive income (loss)	(225)	(293)	417	271	120	(324)	(25)
Accumulated deficit	(105,558)	(81,453)	(60,654)	(43,381)	(27,765)	(18,000)	(3,825)
Total stockholders' equity	183,225	210,939	236,247	256,108	274,946	288,778	307,235
Total liabilities and stockholders' equity	316,975	349,573	366,372	397,438	412,945	424,743	456,970

P&L GAAP

	P&L GAAP								12 months ended, Dec 31		
	CQ'2 15	CQ'3 15	CQ'4 15	CQ'1 16	CQ'2 16	CQ'3 16	CQ'4 16	CQ'1 17	2014	2015	2016
Revenues	98,420	115,054	124,832	125,205	124,752	128,484	111,513	115,054	215,392	424,705	489,954
Cost of revenues	70,149	81,527	86,250	84,471	85,639	86,609	72,488	76,378	170,628	300,624	329,207
Gross profit	28,271	33,527	38,582	40,734	39,113	41,875	39,025	38,676	44,764	124,081	160,747
Gross Margin %	28.7%	29.1%	30.9%	32.5%	31.4%	32.6%	35.0%	33.6%	20.8%	29.2%	32.8%
Operating expenses:											
Research and development, net	6,701	6,991	8,299	8,709	9,232	9,935	10,344	11,458	19,261	27,481	38,220
Sales and marketing	7,432	8,244	8,833	8,826	8,930	10,036	10,408	10,775	21,131	30,931	38,200
General and administrative	2,265	3,418	2,188	3,460	3,067	3,664	3,126	4,439	4,772	9,861	13,317
Total operating expenses	16,398	18,653	19,320	20,995	21,229	23,635	23,878	26,672	45,164	68,273	89,737
Operating income (loss)	11,873	14,874	19,262	19,739	17,884	18,240	15,147	12,004	(400)	55,808	71,010
Financial expenses (Income)	1,699	72	959	(2,029)	527	(390)	3,179	(1,410)	1,038	6,166	1,287
Other expenses	104	----	----	----	----	----	----	----	----	104	----
Income (Loss) before taxes on income	10,070	14,802	18,303	21,768	17,357	18,630	11,968	13,414	(1,438)	49,538	69,723
Taxes on income (tax benefit)	809	370	(5,802)	969	84	3,014	2,203	(761)	947	(4,225)	6,270
Net income (loss)	9,261	14,432	24,105	20,799	17,273	15,616	9,765	14,175	(2,385)	53,763	63,453

Cash Flow

\$,000	Three Months Ended					March 31, 2017
	Dec. 31, 2015	Mar. 31, 2016	Jun 30, 2016	Sep 30, 2016	Dec 31, 2016	
Cash flows from operating activities:						
Net income	24,105	20,799	17,273	15,616	9,765	14,175
<u>Adjustments to reconcile net income to net cash provided by operating activities:</u>						
Depreciation	891	972	1,162	1,271	1,431	1,484
Amortization of intangible assets	21	21	21	21	36	36
Amortization of premiums on available-for-sale marketable securities	35	174	323	332	349	383
Stock-based compensation	2,225	2,632	2,400	3,100	3,500	3,612
Deferred tax assets, net	(6,527)	(100)	247	2,180	1,472	(1,333)
Realized losses on Cash Flow Hedges	(3)	2	---	---	---	---
<u>Changes in assets and liabilities:</u>						
Inventories	(7,496)	2,006	4,090	13,120	902	6,453
Prepaid expenses and other accounts receivable	(5,307)	6,682	(3,194)	4,176	(4,543)	(4,583)
Trade receivables, net	660	(9,413)	(16,590)	(12,102)	13,657	(8,070)
Trade payables	(5,201)	(16,853)	3,354	(8,200)	(6,264)	9,734
Employees and payroll accruals	5,029	(556)	(2,239)	1,879	1,117	(1,272)
Warranty obligations	4,990	5,765	4,533	5,216	1,967	2,750
Deferred revenues	1,476	2,496	2,636	(63)	1,398	2,060
Accrued expenses and other accounts payable	(1,740)	770	3,243	(2,015)	16	311
Lease incentive obligation	(54)	(55)	32	(162)	(74)	(74)
Net cash provided by operating activities	13,104	15,342	17,291	24,369	24,729	25,666
Cash flows from investing activities:						
Purchase of property and equipment	(2,344)	(5,909)	(3,094)	(3,815)	(7,210)	(1,872)
Purchase of intangible assets	---	---	---	---	(600)	---
Decrease (increase) in restricted cash	171	2,473	16	(18)	49	(94)
Decrease (increase) in short and long-term lease deposits	(36)	(14)	80	(29)	(48)	(66)
Investment in available-for-sale marketable securities	(52,860)	(36,023)	(30,129)	(19,928)	(20,930)	(24,070)
Maturities of available-for-sale marketable securities	---	1,000	5,350	15,304	17,478	15,665
Net cash used in investing activities	(55,069)	(38,473)	(27,777)	(8,486)	(11,261)	(10,437)
Cash flows from financing activities:						
Proceeds from issuance of shares upon exercise of options	1,455	1,167	334	273	1,011	371
Net cash provided by financing activities	1,455	1,167	334	273	1,011	371
Increase (decrease) in cash and cash equivalents	(40,510)	(21,964)	(10,152)	16,156	14,479	15,600
Cash and cash equivalents at the beginning of the period	146,729	106,150	84,070	74,032	90,014	104,683
Effect of exchange rate differences on cash and cash equivalents	(69)	(116)	114	(174)	190	(350)
Cash and cash equivalents at the end of the period	106,150	84,070	74,032	90,014	104,683	119,933