

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): August 2, 2021

**SOLAREDGE 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, Herziliya Pituach, Israel  
(Address of Principal executive offices)

4673335  
(Zip Code)

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

Not Applicable  
(Former name or former address, if changed since last report.)

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	The Nasdaq Global Select Market

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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR 230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR 240.12b-2).

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 2.02. Results of Operations and Financial Condition.**

On August 2, 2021, SolarEdge Technologies, Inc. (the “Company”) issued a press release announcing its financial results for the second quarter ended June 30, 2021. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

In accordance with General Instruction B.2 of Form 8-K, this information, including the exhibits hereto, shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall such information, including the exhibits hereto be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

**Item 9.01. Financial Statements and Exhibits**

Exhibit No.	Description
<a href="#">Exhibit 99.1</a>	<a href="#">Press release August 2, 2021</a>
Exhibit 104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.

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**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: August 2, 2021

By: /s/ Ronen Faier

Name: Ronen Faier

Title: Chief Financial Officer

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## **SolarEdge Announces Second Quarter 2021 Financial Results**

**MILPITAS, Calif. — August 2, 2021.** SolarEdge Technologies, Inc. (Nasdaq: SEDG), a global leader in smart energy technology, today announced its financial results for the second quarter ended June 30, 2021.

### **Second Quarter 2021 Highlights**

- Revenues of \$480.1 million
- Revenues from solar segment of \$431.5 million
- GAAP gross margin of 32.5%
- Non-GAAP gross margin of 33.9%
- Gross margin from solar segment of 37.4%
- GAAP net income of \$45.1 million
- Non-GAAP net income of \$72.5 million
- GAAP net diluted earnings per share ("EPS") of \$0.82
- Non-GAAP net diluted EPS of \$1.28
- 1.64 Gigawatts (AC) of inverters shipped

"We are happy to finish the second quarter of 2021 with record revenues in both our solar and non-solar businesses and with continued strong demand for our products in the various geographies and across the different segments," said Zvi Lando, Chief Executive Officer of SolarEdge. "We are successfully navigating through the challenging supply chain environment while continuing to support our customers' growth and expansion with new and existing products."

### **Second Quarter 2021 Summary**

The Company reported revenues of \$480.1 million, up 18% from \$405.5 million in the prior quarter and up 45% from \$331.9 million in the same quarter last year.

Revenues from the solar segment were \$431.5 million, up 15% from \$376.4 million in the prior quarter and up 39% from \$310.1 million in the same quarter last year.

GAAP gross margin was 32.5%, down from 34.5% in the prior quarter and up from 31.0% in the same quarter last year.

Non-GAAP gross margin was 33.9%, down from 36.5% in the prior quarter and up from 32.4% in the same quarter last year.

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Gross margin from the solar segment was 37.4%, down from 39.7% in the prior quarter and up from 33.8% in the same quarter last year.

GAAP operating expenses were \$100.6 million, up 5% from \$95.9 million in the prior quarter and up 38% from \$73.0 million in the same quarter last year.

Non-GAAP operating expenses were \$81.5 million, up 7% from \$76.2 million in the prior quarter and up 33% from \$61.1 million in the same quarter last year.

GAAP operating income was \$55.6 million, up 26% from \$44.1 million in the prior quarter and up 85% from \$30.0 million in the same quarter last year.

Non-GAAP operating income was \$81.3 million, up 13% from \$71.9 million in the prior quarter and up 75% from \$46.6 million in the same quarter last year.

GAAP net income was \$45.1 million, up 50% from \$30.1 million in the prior quarter and up 23% from \$36.7 million in the same quarter last year.

Non-GAAP net income was \$72.5 million, up 31% from \$55.5 million in the prior quarter and up 39% from \$52.1 million in the same quarter last year.

GAAP net diluted EPS was \$0.82, up from \$0.55 in the prior quarter and up from \$0.70 in the same quarter last year.

Non-GAAP net diluted EPS was \$1.28, up from \$0.98 in the prior quarter and up from \$0.97 in the same quarter last year.

Cash flow from operating activities was \$38.7 million, up from \$24.1 million in the prior quarter and down from \$59.3 million in the same quarter last year.

As of June 30, 2021, cash, cash equivalents, bank deposits, restricted bank deposit and marketable securities totaled \$509.3 million, net of debt, compared to \$515.2 million on March 31, 2021.

### **Outlook for the Third Quarter 2021**

The Company also provides guidance for the third quarter ending September 30, 2021 as follows:

- Revenues to be within the range of \$520 million to \$540 million
  - Non-GAAP gross margin expected to be within the range of 32% to 34%
  - Revenues from solar segment to be within the range of \$460 million to \$480 million
  - Gross margin from solar segment expected to be within the range of 35% to 37%
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## **Conference Call**

The Company will host a conference call to discuss these results at 4:30 p.m. ET on Monday, August 2, 2021. The call will be available, live, to interested parties by dialing 888-204-4368. For international callers, please dial +1 323-994-2093. The Conference ID number is 1741953. A live webcast will also be available in the Investors Relations section of the Company's website at: <http://investors.solaredge.com>

A replay of the webcast will be available in the Investor Relations section of the Company's web site approximately two hours after the conclusion of the call and will remain available for approximately 30 calendar days.

## **About SolarEdge**

SolarEdge is a global leader in smart energy technology. By leveraging world-class engineering capabilities and with a relentless focus on innovation, SolarEdge creates smart energy solutions that power our lives and drive future progress. SolarEdge developed an intelligent inverter solution that changed the way power is harvested and managed in photovoltaic (PV) systems. The SolarEdge DC optimized inverter seeks to maximize power generation while lowering the cost of energy produced by the PV system. Continuing to advance smart energy, SolarEdge addresses a broad range of energy market segments through its PV, storage, EV charging, batteries, UPS, electric vehicle powertrains, and grid services solutions. SolarEdge is online at [www.solaredge.com](http://www.solaredge.com)

## **Use of Non-GAAP Financial Measures**

The Company has presented certain non-GAAP financial measures in this release, such as non-GAAP net income, non-GAAP net diluted EPS, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP operating income and non-GAAP gross margin from sale of solar products. Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial position, or cash flows that either exclude or include amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with generally accepted accounting principles in the United States, or GAAP. Reconciliation of each non-GAAP financial measure to the most directly comparable GAAP financial measure can be found in the accompanying tables to this release. These non-GAAP financial measures do not reflect a comprehensive system of accounting, differ from GAAP measures with the same captions and may differ from non-GAAP financial measures with the same or similar captions that are used by other companies. As such, these non-GAAP measures should be considered as a supplement to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP.

The Company uses these non-GAAP financial measures to analyze its operating performance and future prospects, develop internal budgets and financial goals, and to facilitate period-to-period comparisons. The Company believes that these non-GAAP financial measures reflect an additional way of viewing aspects of its operations that, when viewed with its GAAP results, provide a more complete understanding of factors and trends affecting its business.

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

This release 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 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. 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, the matters discussed in the section entitled “Risk Factors” of our Annual Report on Form 10-K/A for the year ended December 31, 2020, filed on February 19, 2021 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 release is as of August 2, 2021. The Company undertakes no duty or obligation to update any forward-looking statements contained in this release as a result of new information, future events or changes in its expectations.

### **Investor Contacts**

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SOLAREEDGE TECHNOLOGIES INC.  
CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
(In thousands)

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Revenues	\$ 480,057	\$ 331,851	\$ 885,546	\$ 763,069
Cost of revenues	323,865	228,888	589,280	520,098
Gross profit	<u>156,192</u>	<u>102,963</u>	<u>296,266</u>	<u>242,971</u>
Operating expenses:				
Research and development	52,664	38,098	99,641	74,793
Sales and marketing	29,458	20,936	56,369	45,189
General and administrative	19,370	13,964	39,219	30,149
Other operating expenses (income), net	(859)	-	1,350	(4,900)
Total operating expenses	<u>100,633</u>	<u>72,998</u>	<u>196,579</u>	<u>145,231</u>
Operating income	55,559	29,965	99,687	97,740
Financial income (expenses), net	<u>(1,743)</u>	<u>11,565</u>	<u>(7,840)</u>	<u>(5,040)</u>
Income before income taxes	53,816	41,530	91,847	92,700
Income taxes	8,724	4,862	16,679	13,784
Net income	<u>\$ 45,092</u>	<u>\$ 36,668</u>	<u>\$ 75,168</u>	<u>\$ 78,916</u>



SOLAREEDGE TECHNOLOGIES INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(In thousands)

	June 30, 2021	December 31, 2020
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 524,112	\$ 827,146
Short-term bank deposits	13,562	60,096
Restricted bank deposits	2,504	2,611
Marketable securities	145,686	143,687
Trade receivables, net of allowances of \$2,826 and \$2,886, respectively	343,652	218,706
Inventories, net	321,915	331,696
Prepaid expenses and other current assets	137,480	135,399
<b>Total current assets</b>	<b>1,488,911</b>	<b>1,719,341</b>
<b>LONG-TERM ASSETS:</b>		
Marketable securities	457,362	147,434
Deferred tax assets, net	19,962	11,676
Property, plant and equipment, net	340,319	303,408
Operating lease right-of-use assets, net	38,302	41,600
Intangible assets, net	61,855	67,818
Goodwill	135,981	140,479
Other long-term assets	21,633	5,353
<b>Total long-term assets</b>	<b>1,075,414</b>	<b>717,768</b>
<b>Total assets</b>	<b>\$ 2,564,325</b>	<b>\$ 2,437,109</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Trade payables, net	\$ 141,174	\$ 162,051
Employees and payroll accruals	58,340	63,738
Current maturities of bank loans and accrued interest	139	16,894
Warranty obligations	64,855	62,614
Deferred revenues and customers advances	16,144	24,648
Accrued expenses and other current liabilities	118,933	106,154
<b>Total current liabilities</b>	<b>399,585</b>	<b>436,099</b>
<b>LONG-TERM LIABILITIES:</b>		
Convertible senior notes, net	620,082	573,350
Warranty obligations	167,312	142,380
Deferred revenues	128,109	115,372
Deferred tax liabilities, net	-	8,593
Finance lease liabilities	25,525	26,173
Operating lease liabilities	31,153	35,194
Other long-term liabilities	14,766	14,191
<b>Total long-term liabilities</b>	<b>986,947</b>	<b>915,253</b>
<b>COMMITMENTS AND CONTINGENT LIABILITIES</b>		
<b>STOCKHOLDERS' EQUITY:</b>		
Common stock of \$0.0001 par value - Authorized: 125,000,000 shares as of June 30, 2021 and December 31, 2020; issued and outstanding: 52,263,976 and 51,560,936 shares as of June 30, 2021 and December 31, 2020, respectively	5	5
Additional paid-in capital	625,268	603,891
Accumulated other comprehensive income (loss)	(3,536)	3,857
Retained earnings	556,056	478,004
<b>Total stockholders' equity</b>	<b>1,177,793</b>	<b>1,085,757</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 2,564,325</b>	<b>\$ 2,437,109</b>

SOLAREEDGE TECHNOLOGIES INC.  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(In thousands)

	Six months ended June 30,	
	2021	2020
<b>Cash flows provided by operating activities:</b>		
Net income	\$ 75,168	\$ 78,916
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation of property, plant and equipment	14,008	10,646
Amortization of intangible assets	4,871	4,615
Amortization of debt discount and debt issuance costs	1,450	-
Amortization of premium and accretion of discount on available-for-sale marketable securities, net	3,558	373
Stock-based compensation expenses	47,205	26,734
Deferred income taxes, net	(3,931)	(6,424)
Loss from disposal of assets	2,051	-
Exchange rate fluctuations and other items, net	12,983	(452)
Changes in assets and liabilities:		
Inventories, net	13,229	(94,230)
Prepaid expenses and other assets	(20,356)	37,066
Trade receivables, net	(128,564)	116,045
Trade payables, net	(20,120)	(1,823)
Employees and payroll accruals	9,734	1,457
Warranty obligations	27,298	20,198
Deferred revenues and customers advances	4,524	(31,834)
Other liabilities	19,660	5,768
Net cash provided by operating activities	<u>62,768</u>	<u>167,055</u>
<b>Cash flows from investing activities:</b>		
Investment in available-for-sale marketable securities	(422,470)	(36,815)
Proceeds from sales and maturities of available-for-sale marketable securities	103,763	89,739
Purchase of property, plant and equipment	(65,267)	(53,706)
Withdrawal from bank deposits, net	46,534	25,634
Other investing activities	1,442	2,024
Net cash provided by (used in) investing activities	<u>\$ (335,998)</u>	<u>\$ 26,876</u>
<b>Cash flows from financing activities:</b>		
Repayment of bank loans	\$ (16,385)	\$ (15,119)
Proceeds from bank loans	-	15,113
Proceeds from exercise of stock-based awards and payment of withholding taxes	(4,196)	9,114
Other financing activities	(625)	(112)
Net cash provided by (used in) financing activities	<u>(21,206)</u>	<u>8,996</u>
Increase (decrease) in cash and cash equivalents	(294,436)	202,927
Cash and cash equivalents at the beginning of the period	827,146	223,901
Effect of exchange rate differences on cash and cash equivalents	(8,598)	1,544
Cash and cash equivalents at the end of the period	<u>\$ 524,112</u>	<u>\$ 428,372</u>

SOLAREEDGE TECHNOLOGIES INC.  
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (Unaudited)  
(In thousands, except share and per share data)

	<b>Reconciliation of GAAP to Non-GAAP Gross Profit</b>				
	<b>Three months ended</b>			<b>Six months ended</b>	
	<b>June 30, 2021</b>	<b>March 31, 2021</b>	<b>June 30, 2020</b>	<b>June 30, 2021</b>	<b>June 30, 2020</b>
<b>Gross profit (GAAP)</b>	156,192	140,074	102,963	296,266	242,971
Revenues from finance component	(99)	(86)	----	(185)	----
Stock-based compensation	4,291	5,790	2,359	10,081	4,632
Cost of product adjustment	----	----	----	----	313
Amortization and depreciation of acquired assets	2,401	2,312	2,325	4,713	4,681
<b>Gross profit (Non-GAAP)</b>	<u>162,785</u>	<u>148,090</u>	<u>107,647</u>	<u>310,875</u>	<u>252,597</u>

	<b>Reconciliation of GAAP to Non-GAAP Gross Margin</b>				
	<b>Three months ended</b>			<b>Six months ended</b>	
	<b>June 30, 2021</b>	<b>March 31, 2021</b>	<b>June 30, 2020</b>	<b>June 30, 2021</b>	<b>June 30, 2020</b>
<b>Gross margin (GAAP)</b>	32.5%	34.5%	31.0%	33.5%	31.8%
Revenues from finance component	0.0%	0.0%	----	0.0%	----
Stock-based compensation	0.9%	1.4%	0.7%	1.1%	0.6%
Cost of product adjustment	----	----	----	----	0.0%
Amortization and depreciation of acquired assets	0.5%	0.6%	0.7%	0.5%	0.6%
<b>Gross margin (Non-GAAP)</b>	<u>33.9%</u>	<u>36.5%</u>	<u>32.4%</u>	<u>35.1%</u>	<u>33.1%</u>

	<b>Reconciliation of GAAP to Non-GAAP Operating expenses</b>				
	<b>Three months ended</b>			<b>Six months ended</b>	
	<b>June 30, 2021</b>	<b>March 31, 2021</b>	<b>June 30, 2020</b>	<b>June 30, 2021</b>	<b>June 30, 2020</b>
<b>Operating expenses (GAAP)</b>	100,633	95,946	72,998	196,579	145,231
Stock-based compensation - R&D	(9,805)	(8,798)	(5,847)	(18,603)	(11,225)
Stock-based compensation - S&M	(5,780)	(5,435)	(3,445)	(11,215)	(6,637)
Stock-based compensation - G&A	(4,176)	(3,130)	(2,310)	(7,306)	(4,240)
Amortization and depreciation of acquired assets - R&D	(9)	(12)	(25)	(21)	(51)
Amortization and depreciation of acquired assets - S&M	(236)	(237)	(292)	(473)	(588)
Amortization and depreciation of acquired assets - G&A	(7)	(8)	(9)	(15)	(17)
Assets sale (disposal)	----	62	----	62	----
Other operating income (expenses)	859	(2,209)	----	(1,350)	4,900
<b>Operating expenses (Non-GAAP)</b>	<u>81,479</u>	<u>76,179</u>	<u>61,070</u>	<u>157,658</u>	<u>127,373</u>

SOLAREEDGE TECHNOLOGIES INC.  
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (Unaudited)  
(In thousands, except share and per share data)

	<b>Reconciliation of GAAP to Non-GAAP Operating income</b>				
	<b>Three months ended</b>			<b>Six months ended</b>	
	<b>June 30, 2021</b>	<b>March 31, 2021</b>	<b>June 30, 2020</b>	<b>June 30, 2021</b>	<b>June 30, 2020</b>
<b>Operating income (GAAP)</b>	55,559	44,128	29,965	99,687	97,740
Revenues from finance component	(99)	(86)	----	(185)	----
Cost of product adjustment	----	----	----	----	313
Stock-based compensation	24,052	23,153	13,961	47,205	26,734
Amortization and depreciation of acquired assets	2,653	2,569	2,651	5,222	5,337
Assets (sale) disposal	----	(62)	----	(62)	----
Other operating (income) expenses	(859)	2,209	----	1,350	(4,900)
<b>Operating income (Non-GAAP)</b>	<u>81,306</u>	<u>71,911</u>	<u>46,577</u>	<u>153,217</u>	<u>125,224</u>

	<b>Reconciliation of GAAP to Non-GAAP Financial expenses (income), net</b>				
	<b>Three months ended</b>			<b>Six months ended</b>	
	<b>June 30, 2021</b>	<b>March 31, 2021</b>	<b>June 30, 2020</b>	<b>June 30, 2021</b>	<b>June 30, 2020</b>
<b>Financial expenses (income), net (GAAP)</b>	1,743	6,097	(11,565)	7,840	5,040
Notes due 2025	(726)	(724)	----	(1,450)	----
Non cash interest	(1,439)	(1,336)	(1,200)	(2,775)	(2,328)
Currency fluctuation related to lease standard	(1,300)	2,289	(892)	989	141
Amortization and depreciation of acquired assets	----	----	----	----	(982)
<b>Financial expenses (income), net (Non-GAAP)</b>	<u>(1,722)</u>	<u>6,326</u>	<u>(13,657)</u>	<u>4,604</u>	<u>1,871</u>

	<b>Reconciliation of GAAP to Non-GAAP Tax on income</b>				
	<b>Three months ended</b>			<b>Six months ended</b>	
	<b>June 30, 2021</b>	<b>March 31, 2021</b>	<b>June 30, 2020</b>	<b>June 30, 2021</b>	<b>June 30, 2020</b>
<b>Tax on income (GAAP)</b>	8,724	7,955	4,862	16,679	13,784
Deferred taxes	1,789	2,141	3,236	3,930	6,772
<b>Tax on income (Non-GAAP)</b>	<u>10,513</u>	<u>10,096</u>	<u>8,098</u>	<u>20,609</u>	<u>20,556</u>

SOLAREEDGE TECHNOLOGIES INC.  
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (Unaudited)  
(In thousands, except share and per share data)

	<b>Reconciliation of GAAP to Non-GAAP Net income</b>				
	<b>Three months ended</b>			<b>Six months ended</b>	
	<b>June 30, 2021</b>	<b>March 31, 2021</b>	<b>June 30, 2020</b>	<b>June 30, 2021</b>	<b>June 30, 2020</b>
<b>Net income (GAAP)</b>	45,092	30,076	36,668	75,168	78,916
Revenues from finance component	(99)	(86)	----	(185)	----
Cost of product adjustment	----	----	----	----	313
Stock-based compensation	24,052	23,153	13,961	47,205	26,734
Amortization and depreciation of acquired assets	2,653	2,569	2,651	5,222	6,319
Assets (sale) disposal	----	(62)	----	(62)	----
Other operating (income) expenses	(859)	2,209	----	1,350	(4,900)
Notes due 2025	726	724	----	1,450	----
Non cash interest	1,439	1,336	1,200	2,775	2,328
Currency fluctuation related to lease standard	1,300	(2,289)	892	(989)	(141)
Deferred taxes	(1,789)	(2,141)	(3,236)	(3,930)	(6,772)
<b>Net income (Non GAAP)</b>	<b>72,515</b>	<b>55,489</b>	<b>52,136</b>	<b>128,004</b>	<b>102,797</b>

	<b>Reconciliation of GAAP to Non-GAAP Net basic EPS</b>				
	<b>Three months ended</b>			<b>Six months ended</b>	
	<b>June 30, 2021</b>	<b>March 31, 2021</b>	<b>June 30, 2020</b>	<b>June 30, 2021</b>	<b>June 30, 2020</b>
<b>Net basic earnings per share (GAAP)</b>	0.87	0.58	0.74	1.45	1.59
Revenues from finance component	(0.01)	0.00	----	(0.01)	----
Cost of product adjustment	----	----	----	----	0.01
Stock-based compensation	0.47	0.45	0.28	0.91	0.54
Amortization and depreciation of acquired assets	0.05	0.05	0.05	0.10	0.13
Assets (sale) disposal	----	0.00	----	----	----
Other operating (income) expenses	(0.02)	0.04	----	0.03	(0.10)
Notes due 2025	0.01	0.01	----	0.03	----
Non cash interest	0.03	0.03	0.02	0.05	0.05
Currency fluctuation related to lease standard	0.03	(0.05)	0.02	(0.02)	0.00
Deferred taxes	(0.04)	(0.04)	(0.06)	(0.07)	(0.14)
<b>Net basic earnings per share (Non-GAAP)</b>	<b>1.39</b>	<b>1.07</b>	<b>1.05</b>	<b>2.47</b>	<b>2.08</b>

SOLAREEDGE TECHNOLOGIES INC.  
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (Unaudited)  
(In thousands, except share and per share data)

	<b>Reconciliation of GAAP to Non-GAAP Net diluted EPS</b>				
	<b>Three months ended</b>			<b>Six months ended</b>	
	<b>June 30, 2021</b>	<b>March 31, 2021</b>	<b>June 30, 2020</b>	<b>June 30, 2021</b>	<b>June 30, 2020</b>
<b>Net diluted earnings per share (GAAP)</b>	0.82	0.55	0.70	1.36	1.51
Revenues from finance component	(0.01)	0.00	----	0.00	----
Cost of product adjustment	----	----	----	----	0.00
Stock-based compensation	0.42	0.40	0.24	0.81	0.47
Amortization and depreciation of acquired assets	0.04	0.04	0.05	0.09	0.11
Assets (sale) disposal	----	0.00	----	----	----
Other operating (income) expenses	(0.01)	0.04	----	0.03	(0.09)
Notes due 2025	0.00	0.00	----	0.00	----
Non cash interest	0.03	0.03	0.02	0.05	0.05
Currency fluctuation related to lease standard	0.02	(0.04)	0.02	(0.01)	0.00
Deferred taxes	(0.03)	(0.04)	(0.06)	(0.07)	(0.13)
<b>Net diluted earnings per share (Non-GAAP)</b>	<u>1.28</u>	<u>0.98</u>	<u>0.97</u>	<u>2.26</u>	<u>1.92</u>

	<b>Reconciliation of GAAP to Non-GAAP No. of shares used in Net diluted EPS</b>				
	<b>Three months ended</b>			<b>Six months ended</b>	
	<b>June 30, 2021</b>	<b>March 31, 2021</b>	<b>June 30, 2020</b>	<b>June 30, 2021</b>	<b>June 30, 2020</b>
<b>Number of shares used in computing net diluted earnings per share (GAAP)</b>	52,076,208	55,997,136	52,536,437	51,903,123	52,357,838
Stock-based compensation	2,357,845	766,187	1,154,279	2,558,676	1,277,006
Notes due 2025	2,276,818	----	----	2,276,818	----
<b>Number of shares used in computing net diluted earnings per share (Non-GAAP)</b>	<u>56,710,871</u>	<u>56,763,323</u>	<u>53,690,716</u>	<u>56,738,617</u>	<u>53,634,844</u>