



solar**edge**

SolarEdge Technologies

Nasdaq | SEDG

6.6 MW Ground mount, Windach, Germany
Installed by Feneco

Safe Harbor

Use of Forward-Looking Statements and Non-GAAP Measures

Statements contained in this presentation may contain forward-looking statements that are based on our management's expectations, estimates, projections, beliefs and assumptions in accordance with information currently available to our management. This discussion contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include information concerning our possible or assumed future results of operations, business strategies, technology developments, new products and services, financing and investment plans, competitive position, industry and regulatory environment, effects of acquisitions, growth opportunities, and the effects of competition. Forward-looking statements include statements that are not historical facts and can be identified by terms such as "anticipate," "believe," "could," "seek," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "will," "would" or similar expressions and the negatives of those terms.

Forward-looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Given these uncertainties, you should not place undue reliance on forward-looking statements. 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. Also, forward-looking statements represent our management's beliefs and assumptions only as of the date of this presentation. Important factors that could cause actual results to differ materially from our expectations include: future demand for renewable energy including solar energy solutions; 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; macroeconomic conditions in our domestic and international markets, as well as inflation concerns, rising interest rates, and recessionary concerns; 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 cyclicality of the solar industry and periodic downturns; product quality or performance problems in our products; shortages, delays, price changes, or cessation of operations or production affecting our suppliers of key components; delays, disruptions, and quality control problems in manufacturing; 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; disruption in our global supply chain and rising prices of oil and raw materials as a result of the conflict between Russia and Ukraine; performance of distributors and large installers in selling our products; consolidation in the solar industry among our customers and distributors; our ability to manage effectively the growth of our organization and expansion into new markets; our ability to recognize expected benefits from restructuring plans; any unauthorized access to, disclosure, or theft of personal information or unauthorized access to our network or other similar cyber incidents; our ability to integrate acquired businesses; disruption to our business operations due to the evolving state of war in Israel and political conditions related to the Israeli government's plans to significantly reduce the Israeli Supreme Court's judicial oversight; our dependence on ocean transportation to timely deliver our products in a cost-effective manner; fluctuations in global currency exchange rates; the impact of evolving legal and regulatory requirements, including emerging environmental, social and governance requirements; existing and future responses to and effects of pandemics, epidemics, or other health crises; changes to net metering policies or the reduction, elimination or expiration of government subsidies and economic incentives for on-grid solar energy applications; 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; changes in the U.S. trade environment, including the imposition of import tariffs; business practices and regulatory compliance of our raw material suppliers; our ability to maintain our brand and to protect and defend our intellectual property; volatility of our stock price; our customers' financial stability, creditworthiness, and debt leverage ratio; our ability to retain key personnel and attract additional qualified personnel; our ability to effectively design, launch, market, and sell new generations of our products and services; our ability to retain, and events affecting, our major customers; our ability to service our debt; and the other factors set forth under "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023, filed on February 26, 2024, and in other documents we file from time to time with the SEC that disclose risks and uncertainties that may affect our business. The preceding list is not intended to be an exhaustive list of all of our forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that future results, levels of activity, performance and events and circumstances reflected in the forward-looking statements will be achieved or will occur. Except as required by law, we assume no obligation to update these forward-looking statements, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

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 gross profit, non-GAAP gross margin, non-GAAP operating expenses, including as percentage of revenues, non-GAAP operating income, non-GAAP financial income, non-GAAP other income, non-GAAP income tax benefit, non-GAAP equity method investments income, non-GAAP net income, non-GAAP net basic earnings per share, and non-GAAP diluted 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.

Key Metrics Q1/2024

68.9K

Inverters Shipped

1.1M

Power Optimizers
Shipped

128.1MW/h

Batteries Capacity Shipped

0.9GW

Systems Shipped

\$204.4M

GAAP Revenues

First Quarter Financial Results

- / GAAP revenues of \$204.4M
- / Revenues from solar segment of \$190.1M
- / Revenues from energy storage and "all other" segments of \$14.1M
- / GAAP gross margin of (12.8%)
- / Non-GAAP gross margin* of (6.5%)
- / Gross margin from sales of solar segment (3.5%)
- / Operating loss from solar segment of \$(110.4)M
- / Non-GAAP operating loss* of \$(122.5)M
- / GAAP net loss of \$(157.3)M
- / Non-GAAP net loss* of \$(108.6)M
- / GAAP net diluted loss per share of \$(2.75)
- / Non-GAAP net diluted loss per share* of \$(1.90)
- / Cash used in operations of \$(217.0)M
- / Total cash and investments, net of debt, \$316.3M

* Non-GAAP financial measures; see reconciliation in Appendix

Quarterly GAAP Financial Results

USD in millions*	Q1 23	Q4 23	Q1 24
Revenues	943.9	316.0	204.4
Gross margin	31.8%	(17.9%)	(12.8%)
Operating expenses	156.0	181.2	147.5
Operating income (loss)	144.2	(237.6)	(173.7)
Net income (loss)	138.4	(162.4)	(157.3)
Net diluted income (loss) per share	2.35	(2.85)	(2.75)

* With the exception of gross margin and per share data

Quarterly Non-GAAP Financial Results**

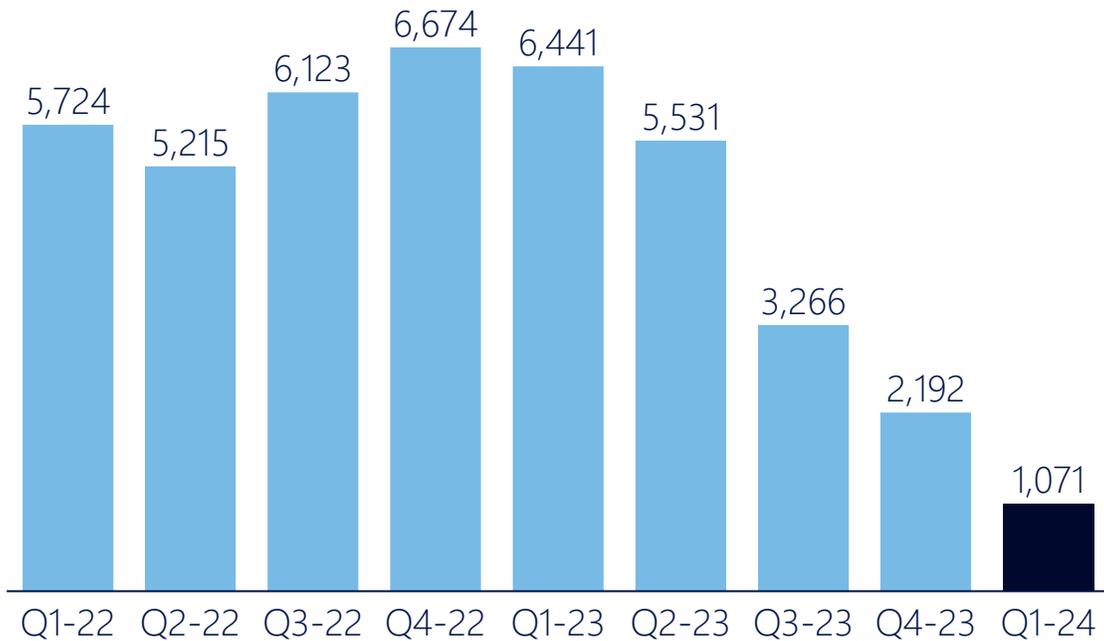
USD in millions*	Q1 23	Q4 23	Q1 24
Revenues	943.7	315.8	204.2
Gross margin	32.6%	3.3%	(6.5%)
Operating expenses	123.6	118.3	109.2
Operating income (loss)	183.8	(107.8)	(122.5)
Net income (loss)	174.5	(52.5)	(108.6)
Net diluted income (loss) per share	2.90	(0.92)	(1.90)

* With the exception of gross margin and per share data

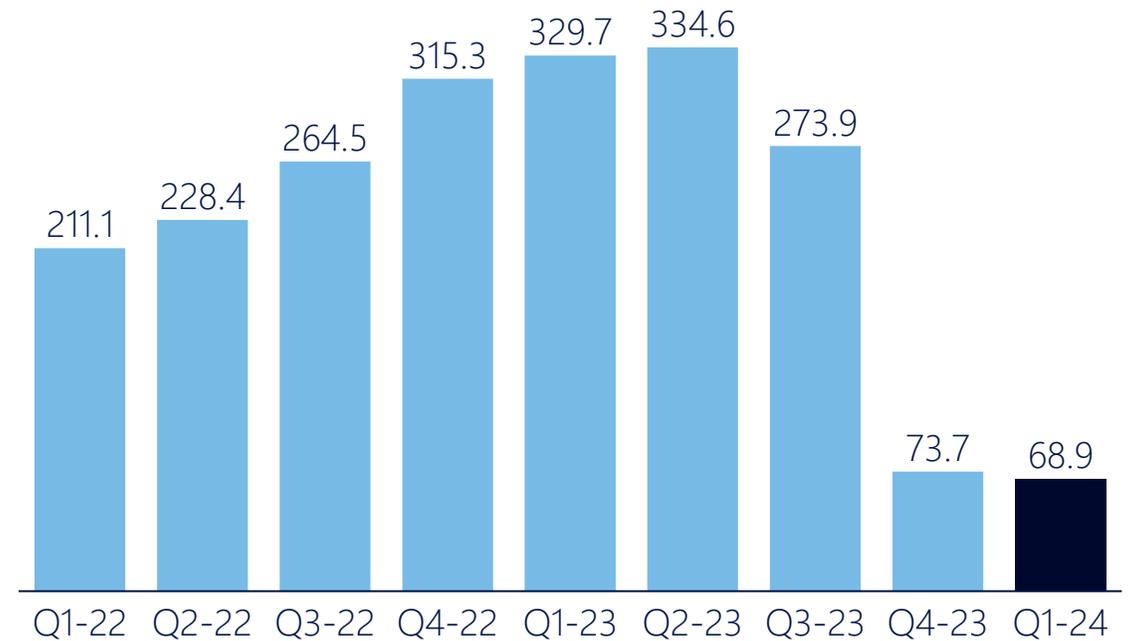
** See Appendix for reconciliations to most comparable GAAP measures

Units Shipped by Quarter

Power Optimizers

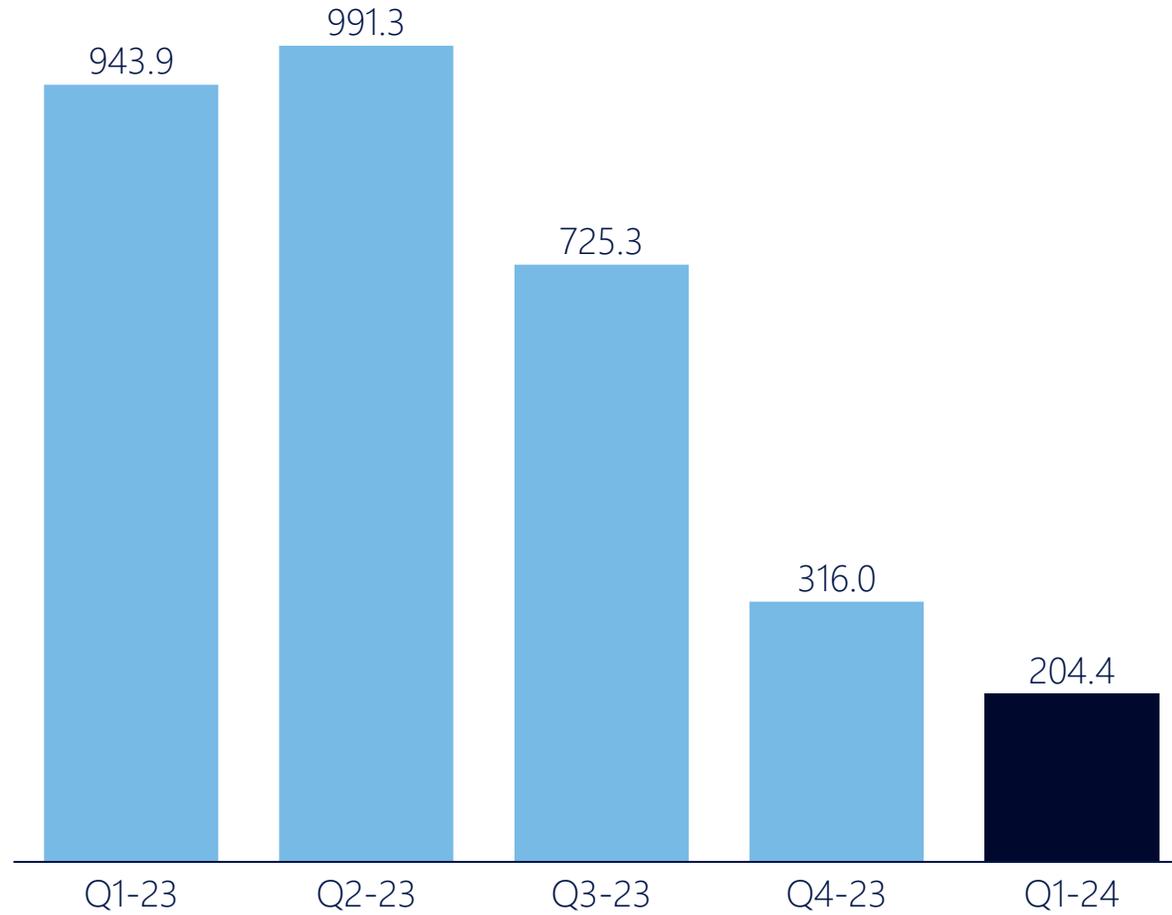


Inverters



Units in thousands

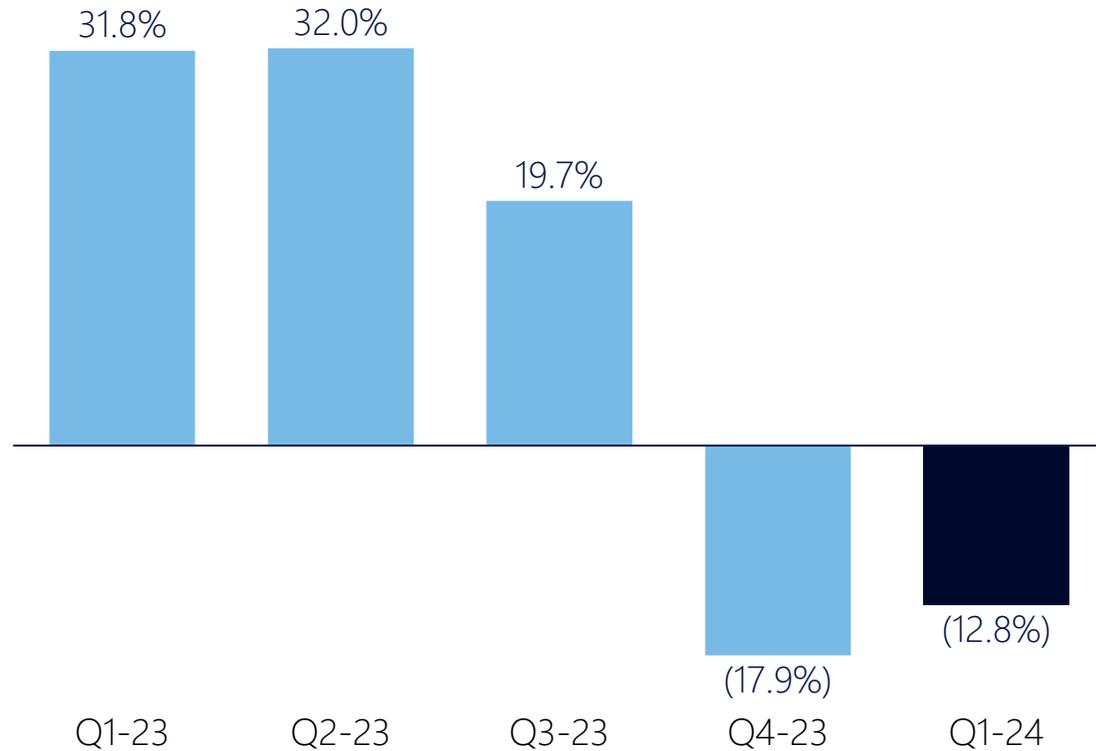
Quarterly GAAP Revenues



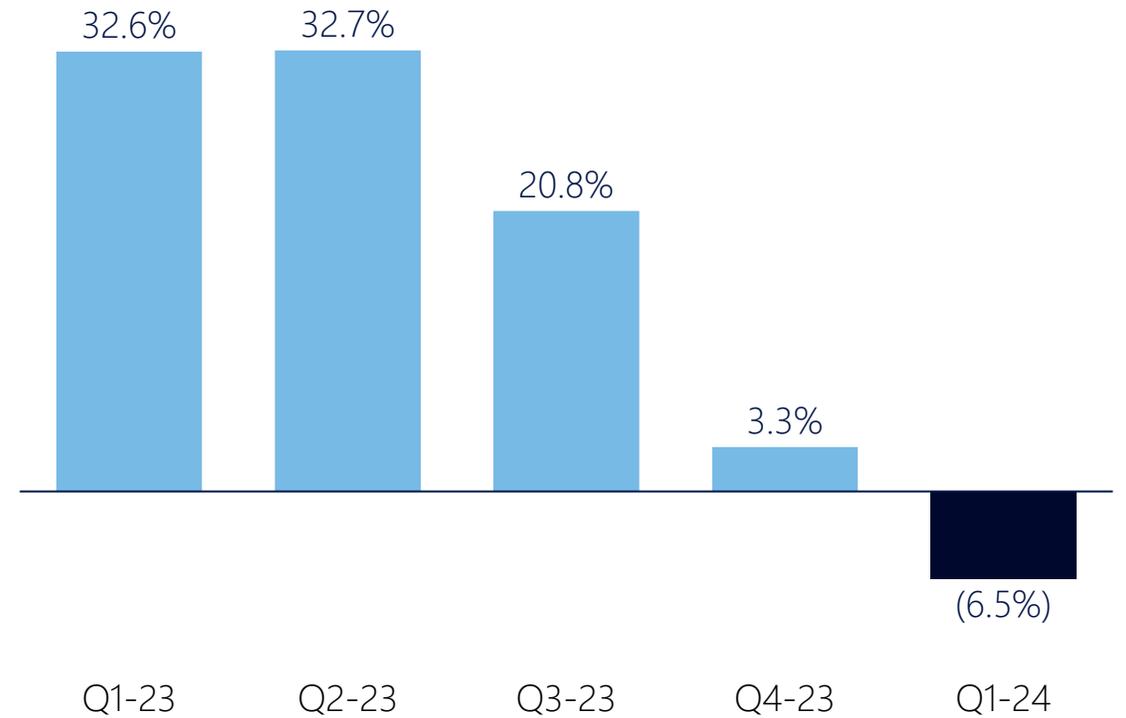
In USD millions

Gross Margin by Quarter

GAAP

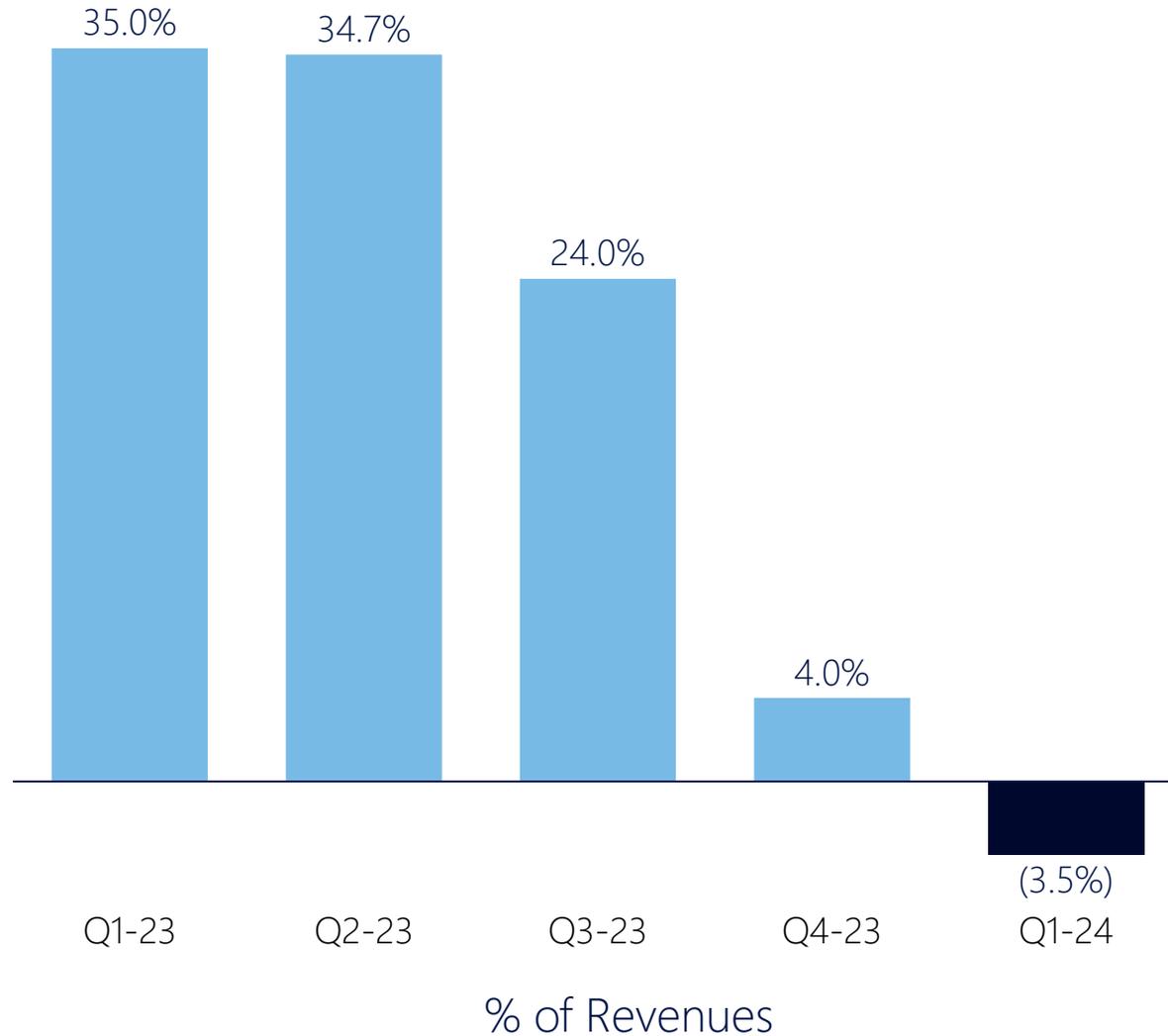


Non-GAAP*

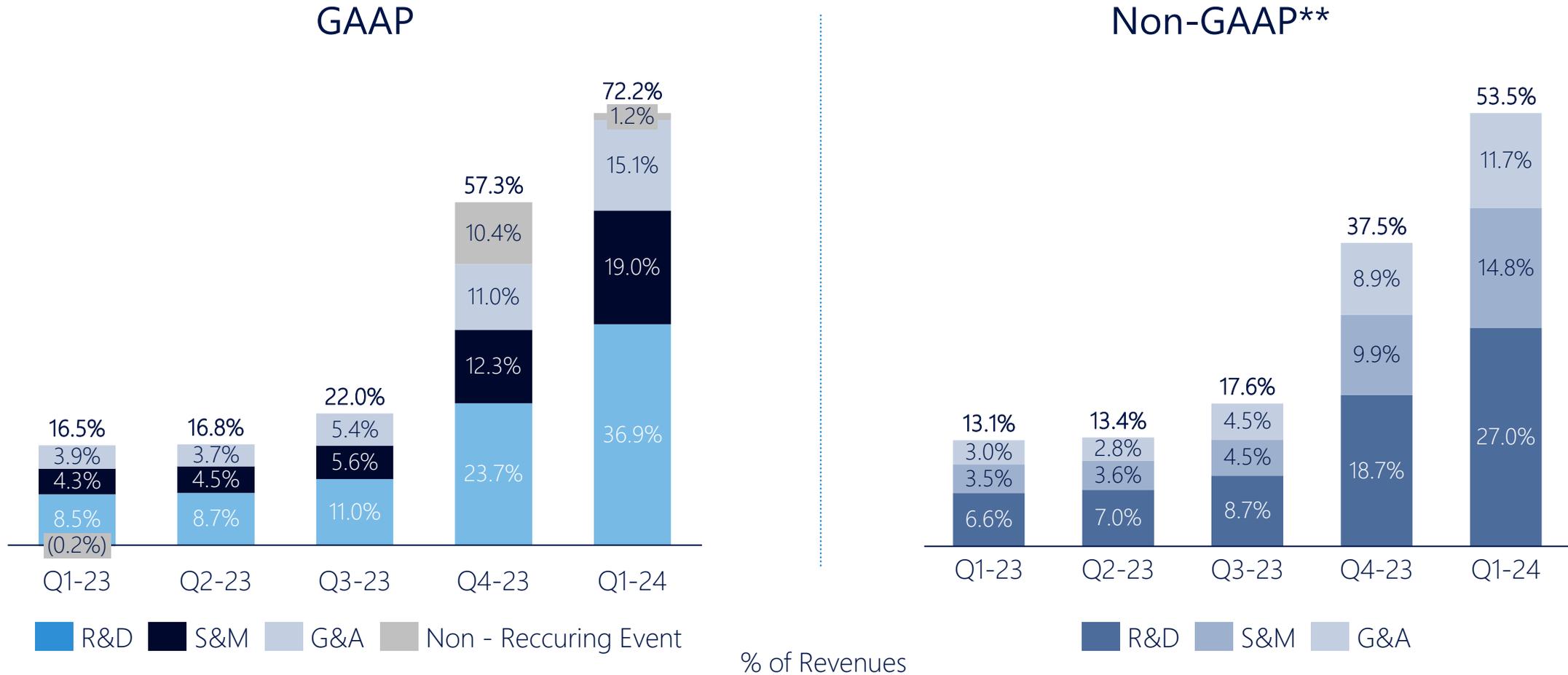


* Non-GAAP financial measures; see reconciliation in Appendix

Solar Segment Gross Margin by Quarter



Consolidated* Operating Expenses by Quarter

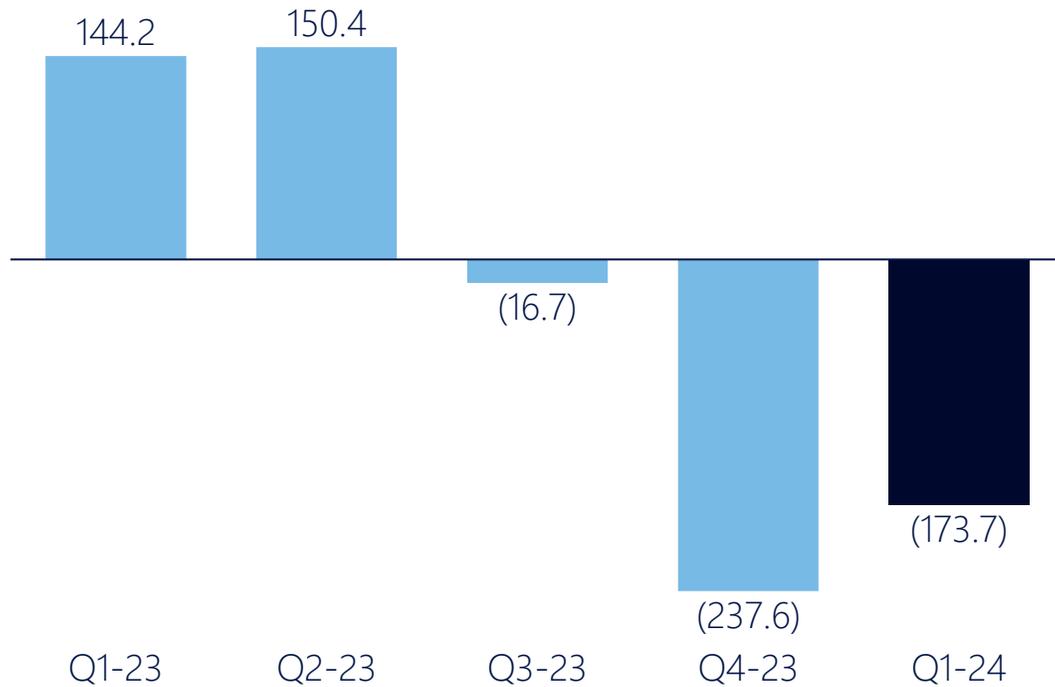


* For purposes of this presentation, "consolidated" refers to solar, energy storage, and "all other" segments

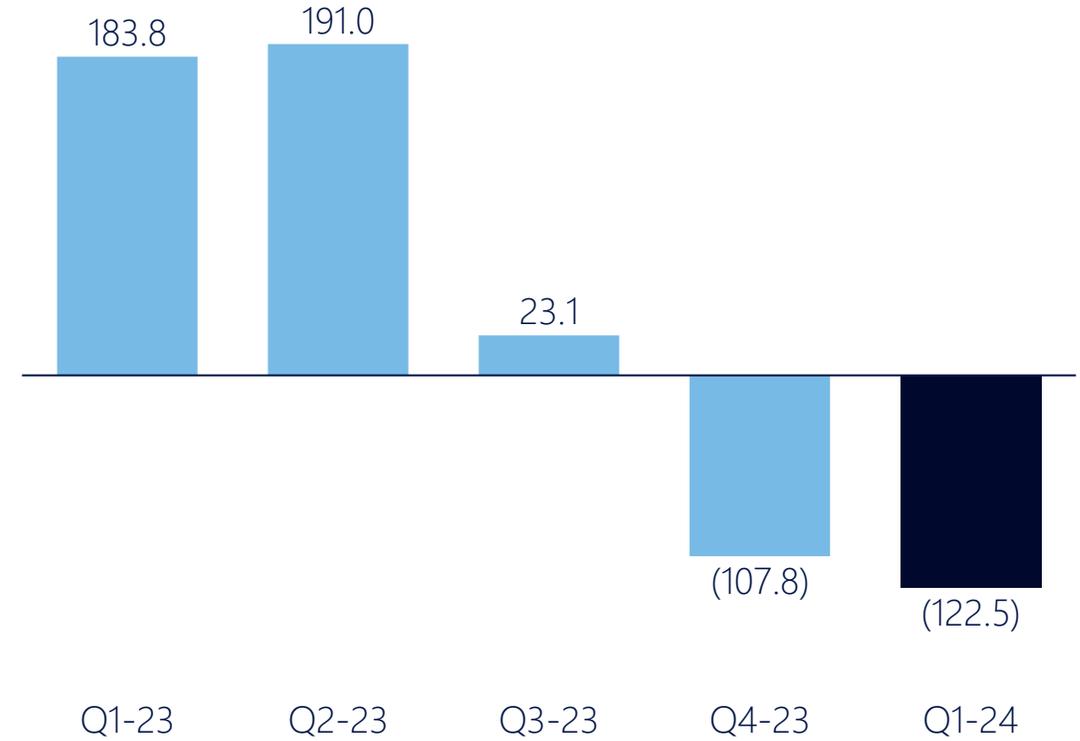
** Non-GAAP financial measures; see reconciliation in Appendix

Consolidated* Operating Income (loss) by Quarter

GAAP



Non-GAAP**

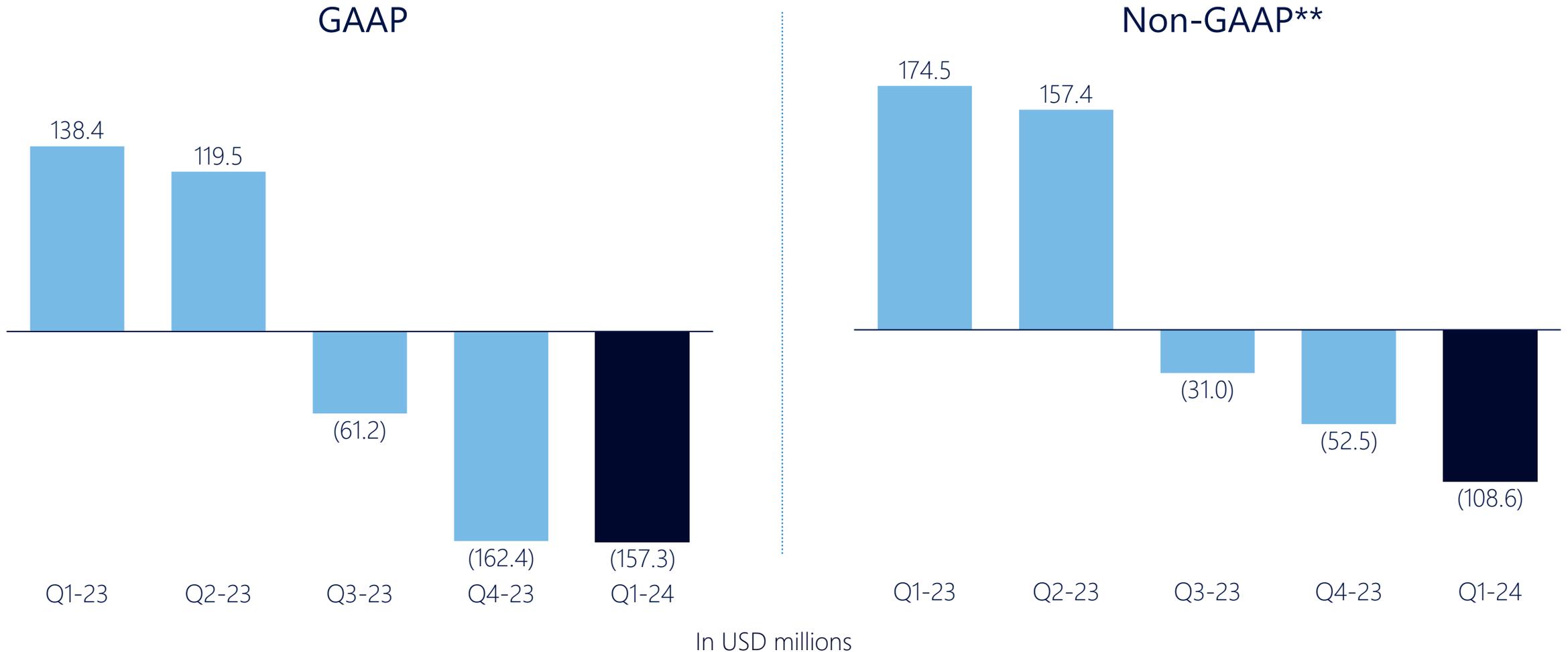


In USD millions

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

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

Consolidated* Net Income (loss) by Quarter



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

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

Balance Sheet & Cash flow

USD in millions	Q1 23	Q4 23	Q1 24
Cash and investments	1,648.1	1,268.2	949.9
Total Debt	633.6	633.5	633.6
Cash and Investments Net of Debt	1,014.5	634.7	316.3
Inventory	874.2	1,443.4	1,549.1
Capital Expenditures, Net	38.1	40.7	25.9
Cash Flow From (used in) Operations	7.9	(139.9)	(217.0)

Second Quarter Guidance

- / Revenues to be within the range of \$250 million to \$280 million
- / Non-GAAP gross margin* expected to be within the range of negative 4% to 0%, including approximately 350 basis points of net IRA manufacturing tax credit
- / Non-GAAP operating expenses* to be within the range of \$116 million to \$120 million
- / Revenues from the solar segment to be within the range of \$225 million to \$255 million
- / Gross margin from the solar segment expected to be within the range of negative 3% to positive 1% including approximately 420 basis points of net IRA manufacturing tax credit

* Non-GAAP gross margin and non-GAAP operating expenses are non-GAAP financial measures and have not been reconciled to the most comparable GAAP outlook because it is not possible to do so without unreasonable efforts due to the uncertainty and potential variability of reconciling items, which are dependent on future events and often outside of management's control and which could be significant. Because such items cannot be reasonably predicted with the level of precision required, we are unable to provide outlook for the comparable GAAP measures. Forward-looking estimates of non-GAAP gross margin and non-GAAP operating expenses are made in a manner consistent with the relevant definitions and assumptions noted herein and in our filings with the SEC

Appendix



5MW Floating PV, Mitzpe Ramon, Israel
Installed by EnerT

Reconciliation of GAAP to Non-GAAP

Reconciliation of GAAP to Non-GAAP Gross profit (loss)

	Reconciliation of GAAP to Non-GAAP Gross profit (loss)				
	March 31, 2024	December 31, 2023	Three months ended September 30, 2023	June 30, 2023	March 31, 2023
Gross profit (GAAP)	(26,187)	(56,425)	142,817	317,305	300,126
Revenues from finance component	(234)	(230)	(215)	(202)	(187)
Discontinued operation	(434)	36,648	----	----	----
Stock-based compensation	5,968	5,468	5,882	5,923	5,927
Amortization of stock-based compensation capitalized in inventories	197	343	441	316	----
Amortization and depreciation of acquired asset	1,551	1,555	2,096	872	1,515
Restructuring charges	5,822	23,154	----	----	----
Gross profit (Non-GAAP)	(13,317)	10,513	151,021	324,214	307,381

Reconciliation of GAAP to Non-GAAP Gross margin (loss)

	Reconciliation of GAAP to Non-GAAP Gross margin (loss)				
	March 31, 2024	December 31, 2023	Three months ended September 30, 2023	June 30, 2023	March 31, 2023
Gross margin (GAAP)	-12.8%	-17.9%	19.7%	32.0%	31.8%
Revenues from finance component	-0.1%	-0.1%	0.0%	0.0%	0.0%
Discontinued operation	-0.2%	11.6%	----	----	----
Stock-based compensation	2.9%	1.8%	0.8%	0.6%	0.6%
Amortization of stock-based compensation capitalized in inventories	0.1%	0.1%	0.0%	0.0%	----
Amortization and depreciation of acquired asset	0.8%	0.5%	0.3%	0.1%	0.2%
Restructuring charges	2.8%	7.3%	----	----	----
Gross margin (Non-GAAP)	-6.5%	3.3%	20.8%	32.7%	32.6%

Reconciliation of GAAP to Non-GAAP

	Reconciliation of GAAP to Non-GAAP Operating expenses				
	Three months ended				
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Operating expenses (GAAP)	147,518	181,156	159,543	166,947	155,972
Stock-based compensation - R&D	(17,139)	(15,982)	(16,481)	(17,272)	(17,209)
Stock-based compensation - S&M	(7,911)	(7,347)	(7,739)	(7,822)	(8,079)
Stock-based compensation - G&A	(6,588)	(6,133)	(6,713)	(7,948)	(8,020)
Amortization and depreciation of acquired assets - R&D	(270)	(58)	(329)	(289)	(313)
Amortization and depreciation of acquired assets - S&M	(124)	(190)	(321)	(235)	(181)
Amortization and depreciation of acquired assets - G&A	(2)	(2)	(4)	17	(26)
Discontinued operation	47	(388)	---	---	---
Restructuring charges	(3,943)	---	---	---	---
Assets impairment	(1,732)	(30,790)	---	---	---
Gain (loss) from assets sales and disposal	(1,058)	(172)	---	---	1,434
Certain litigation and other contingencies	399	(1,786)	---	---	---
Acquisition costs	(9)	---	---	(135)	---
Operating expenses (Non-GAAP)	109,188	118,308	127,956	133,263	123,578

	Reconciliation of GAAP to Non-GAAP Operating income (loss)				
	Three months ended				
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Operating income (loss) (GAAP)	(173,705)	(237,581)	(16,726)	150,358	144,154
Revenues from finance component	(234)	(230)	(215)	(202)	(187)
Discontinued operation	(481)	37,036	---	---	---
Stock-based compensation	37,606	34,930	36,815	38,965	39,235
Amortization of stock-based compensation capitalized in inventories	197	343	441	316	---
Amortization and depreciation of acquired assets	1,947	1,805	2,750	1,379	2,035
Restructuring charges	9,765	23,154	---	---	---
Assets impairment	1,732	30,790	---	---	---
Loss (gain) from assets sales and disposal	1,058	172	---	---	(1,434)
Certain litigation and other contingencies	(399)	1,786	---	---	---
Acquisition costs	9	---	---	135	---
Operating income (loss) (Non-GAAP)	(122,505)	(107,795)	23,065	190,951	183,803

Reconciliation of GAAP to Non-GAAP

	Reconciliation of GAAP to Non-GAAP Financial income (expense), net				
	Three months ended				
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Financial income (expense), net (GAAP)	(7,064)	22,055	(7,901)	3,384	23,674
Non cash interest expense	3,536	3,422	3,284	3,105	2,892
Currency fluctuation related to lease standard	(1,276)	4,359	(2,788)	(2,107)	(2,519)
Financial income (expense), net (Non-GAAP)	(4,804)	29,836	(7,405)	4,382	24,047
	Reconciliation of GAAP to Non-GAAP Other income (loss)				
	Three months ended				
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Other income (loss) (GAAP)	---	291	(484)	---	(125)
Loss (gain) from sale of investments	---	(291)	484	---	---
Other income (loss) (Non-GAAP)	---	---	---	---	(125)
	Reconciliation of GAAP to Non-GAAP Income tax benefit (expense)				
	Three months ended				
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Income tax benefit (expense) (GAAP)	23,754	53,202	(36,065)	(34,232)	(29,325)
Income tax adjustment	(5,062)	(27,699)	(10,561)	(3,735)	(3,901)
Income tax benefit (expense) (Non-GAAP)	18,692	25,503	(46,626)	(37,967)	(33,226)
	Reconciliation of GAAP to Non-GAAP equity method investment income				
	Three months ended				
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Equity method investments income (loss) (GAAP)	(296)	(350)	---	---	---
Loss from equity method investments	296	350	---	---	---
Equity method investments income (loss) (Non-GAAP)	---	---	---	---	---

Reconciliation of GAAP to Non-GAAP

	Reconciliation of GAAP to Non-GAAP Net income (loss)				
	Three months ended				
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Net income (loss) (GAAP)	(157,311)	(162,383)	(61,176)	119,510	138,378
Revenues from finance component	(234)	(230)	(215)	(202)	(187)
Discontinued operation	(481)	37,036	---	---	---
Stock-based compensation	37,606	34,930	36,815	38,965	39,235
Amortization of stock-based compensation capitalized in inventories	197	343	441	316	---
Amortization and depreciation of acquired assets	1,947	1,805	2,750	1,379	2,035
Restructuring charges	9,765	23,154	---	---	---
Assets impairment	1,732	30,790	---	---	---
Loss (gain) from assets sales and disposal	1,058	172	---	---	(1,434)
Certain litigation and other contingencies	(399)	1,786	---	---	---
Acquisition costs	9	---	---	135	---
Non cash interest expense	3,536	3,422	3,284	3,105	2,892
Unrealized losses (gains)	---	---	---	---	---
Currency fluctuation related to lease standard	(1,276)	4,359	(2,788)	(2,107)	(2,519)
Loss (gain) from sale of investments	---	(291)	484	---	---
Income tax adjustment	(5,062)	(27,699)	(10,561)	(3,735)	(3,901)
equity method adjustments	296	350	---	---	---
Net income (loss) (Non-GAAP)	(108,617)	(52,456)	(30,966)	157,366	174,499

Reconciliation of GAAP to Non-GAAP

	Reconciliation of GAAP to Non-GAAP Net basic earnings (loss)				
	Three months ended				
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Net basic earnings (loss) per share (GAAP)	(2.75)	(2.85)	(1.08)	2.12	2.46
Revenues from finance component	(0.01)	(0.01)	0.00	(0.01)	0.00
Discontinued operation	(0.01)	0.65	----	----	----
Stock-based compensation	0.66	0.62	0.65	0.70	0.70
Amortization of stock-based compensation capitalized in inventories	0.01	0.00	0.00	0.00	0.00
Amortization and depreciation of acquired assets	0.03	0.04	0.05	0.03	0.03
Restructuring charges	0.17	0.40	----	----	----
Assets impairment	0.03	0.54	----	----	----
Loss (gain) from assets sales and disposal	0.02	0.01	----	----	(0.02)
Certain litigation and other contingencies	(0.01)	0.03	----	----	----
Non cash interest expense	0.06	0.06	0.06	0.05	0.05
Currency fluctuation related to lease standard	(0.02)	0.07	(0.05)	(0.03)	(0.05)
Loss (gain) from sale of investments	----	0.00	0.01	----	----
Income tax adjustment	(0.09)	(0.49)	(0.19)	(0.07)	(0.07)
equity method adjustments	0.01	0.01	----	----	----
Net basic earnings (loss) per share (Non-GAAP)	(1.90)	(0.92)	(0.55)	2.79	3.10

Reconciliation of GAAP to Non-GAAP

	Reconciliation of GAAP to Non-GAAP Net diluted earnings (loss) per share				
	March 31, 2024	December 31, 2023	Three months ended September 30, 2023	June 30, 2023	March 31, 2023
Net diluted earnings (loss) per share (GAAP)	(2.75)	(2.85)	(1.08)	2.03	2.35
Revenues from finance component	(0.01)	(0.01)	0.00	(0.01)	(0.01)
Discontinued operation	(0.01)	0.65	---	---	---
Stock-based compensation	0.66	0.62	0.65	0.62	0.62
Amortization of stock-based compensation capitalized in inventories	0.01	0.00	0.00	0.00	---
Amortization and depreciation of acquired assets	0.03	0.04	0.05	0.03	0.03
Restructuring charges	0.17	0.40	---	---	---
Assets impairment	0.03	0.54	---	---	---
Loss (gain) from assets sales and disposal	0.02	0.01	---	---	(0.02)
Certain litigation and other contingencies	(0.01)	0.03	---	---	---
Non cash interest expense	0.06	0.06	0.06	0.04	0.04
Currency fluctuation related to lease standard	(0.02)	0.07	(0.05)	(0.03)	(0.04)
Loss (gain) from sale of investments	---	0.00	0.01	---	---
Income tax adjustment	(0.09)	(0.49)	(0.19)	(0.06)	(0.07)
equity method adjustments	0.01	0.01	---	---	---
Net diluted earnings (loss) per share (Non-GAAP)	(1.90)	(0.92)	(0.55)	2.62	2.90

	Reconciliation of GAAP to Non-GAAP Number of shares				
	March 31, 2024	December 31, 2023	Three months ended September 30, 2023	June 30, 2023	March 31, 2023
Number of shares used in computing net diluted earnings (loss) per share (GAAP)	57,140,126	56,916,831	56,671,504	59,183,666	59,193,831
Stock-based compensation	---	---	---	986,527.00	939,571.00
Number of shares used in computing net diluted earnings (loss) per share (Non-GAAP)	57,140,126	56,916,831	56,671,504	60,170,193	60,133,402

An aerial photograph of a massive floating solar farm installed on a large reservoir. The solar panels are arranged in neat, parallel rows across the water's surface. The surrounding landscape is lush and green, with dense trees and vegetation visible on the right side of the frame. The water is a deep blue-green color.

Thank you

solaredge

13MW Floating PV, Wu Shan Tou Reservoir, Tainan City, Taiwan
Installed by Star Energy