UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2017

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to
Commission File No. 001-36894

SOLAREDGE TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Delaware **(State or other jurisdiction of incorporation or organization)**	**20-5338862** **(IRS Employer Identification No.)**

1 HaMada Street
Herziliya Pituach 4673335, Israel
(Address of principal executive offices, zip code)
972 (9) 957-6620
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller Reporting Company	☐
		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. ☐

Indicate by checkmark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

As of July 31, 2017, there were 42,084,298 shares of the registrant's common stock, par value of $0.0001 per share, outstanding.

SOLAREDGE TECHNOLOGIES, INC.
FORM 10-Q
FOR THE QUARTER ENDED June 30, 2017
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PART I. FINANCIAL INFORMATION

ITEM 1 FINANCIAL STATEMENTS

SOLAREDGE TECHNOLOGIES, INC.
AND ITS SUBSIDIARIES

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF JUNE 30, 2017

IN U.S. DOLLARS

UNAUDITED

INDEX

CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

U.S. dollars in thousands (except share and per share data)

	June 30, 2017	December 31, 2016
	Unaudited	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 113,452	$ 104,683
Restricted cash	1,097	897
Marketable Securities	80,225	74,465
Trade receivables, net	79,851	71,041
Prepaid expenses and other accounts receivable	34,109	21,347
Inventories	56,205	67,363
Total current assets	364,939	339,796
LONG-TERM ASSETS:		
Marketable securities	79,954	44,262
Property, equipment and intangible assets, net	41,991	37,381
Prepaid expenses and lease deposits	640	489
Deferred tax assets, net	4,898	2,815
Total long term assets	127,483	84,947
Total assets	$ 492,422	$ 424,743

The accompanying notes are an integral part of the condensed consolidated financial statements.

CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

U.S. dollars in thousands (except share and per share data)

	June 30, 2017 Unaudited	December 31, 2016
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Trade payables, net	$ 36,029	$ 34,001
Employees and payroll accruals	14,286	13,018
Warranty obligations	12,501	13,616
Deferred revenues	3,038	1,202
Accrued expenses and other accounts payable	12,842	8,648
Total current liabilities	78,696	70,485
LONG-TERM LIABILITIES:		
Warranty obligations	52,839	44,759
Deferred revenues	23,771	18,660
Lease incentive obligation	1,913	2,061
Total long-term liabilities	78,523	65,480
COMMITMENTS AND CONTINGENT LIABILITIES		
STOCKHOLDERS' EQUITY:		
Common stock of $0.0001 par value - Authorized: 125,000,000 shares as of June 30, 2017 (unaudited) and December 31, 2016; issued and outstanding: 42,022,735 and 41,259,391 shares as of June 30, 2017 (unaudited) and December 31, 2016, respectively	4	4
Additional paid-in capital	316,867	307,098
Accumulated other comprehensive loss	(367)	(324)
Retained earnings (accumulated deficit)	18,699	(18,000)
Total stockholders' equity	335,203	288,778
Total liabilities and stockholders' equity	$ 492,422	$ 424,743

The accompanying notes are an integral part of the condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

U.S. dollars in thousands (except share and per share data)

	Three months ended June 30, 2017	Three months ended June 30, 2016	Six months ended June 30, 2017	Six months ended June 30, 2016
	Unaudited		Unaudited	
Revenues	$ 136,099	$ 124,752	$ 251,153	$ 249,957
Cost of revenues	89,033	85,639	165,411	170,110
Gross profit	47,066	39,113	85,742	79,847
Operating expenses:				
Research and development, net	12,725	9,232	24,183	17,941
Sales and marketing	11,961	8,930	22,736	17,756
General and administrative	3,265	3,067	7,704	6,527
Total operating expenses	27,951	21,229	54,623	42,224
Operating income	19,115	17,884	31,119	37,623
Financial income (expenses), net	3,595	(527)	5,005	1,502
Income before taxes on income	22,710	17,357	36,124	39,125
Taxes on income (tax benefit)	186	84	(575)	1,053
Net income	$ 22,524	$ 17,273	$ 36,699	$ 38,072
Net basic earnings per share of common stock	$ 0.54	$ 0.42	$ 0.88	$ 0.94
Net diluted earnings per share of common stock	$ 0.50	$ 0.39	$ 0.83	$ 0.86
Weighted average number of shares used in computing net basic earnings per share of common stock	41,700,399	40,776,059	41,525,285	40,569,076
Weighted average number of shares used in computing net diluted earnings per share of common stock	44,831,590	44,463,087	44,335,521	44,520,494

The accompanying notes are an integral part of the condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)

U.S. dollars in thousands (except share and per share data)

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
	Unaudited		Unaudited	
Net income	$ 22,524	$ 17,273	$ 36,699	$ 38,072
Other comprehensive income (loss):				
Available-for-sale securities:				
Changes in unrealized losses, net of tax benefit	5	50	33	137
Reclassification adjustments for gains, net of tax expense included in net income	-	-	-	1
Net change	5	50	33	138
Cash flow hedges:				
Changes in unrealized gains (losses), net of tax expense	66	(333)	975	335
Reclassification adjustments for loses, net of tax expense included in net income	(599)	(134)	(994)	(167)
Net change	(533)	(467)	(19)	168
Foreign currency translation adjustments, net	186	271	(57)	258
Other comprehensive income (loss)	(342)	(146)	(43)	564
Comprehensive income	$ 22,182	$ 17,127	$ 36,656	$ 38,636

The accompanying notes are an integral part of the condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

U.S. dollars in thousands

	Six months ended June 30, 2017	Six months ended June 30, 2016
	Unaudited	
Cash flows provided by operating activities:		
Net income	$ 36,699	$ 38,072
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of property, equipment and intangible assets	3,130	2,176
Amortization of premiums on available-for-sale marketable securities	791	497
Stock-based compensation	7,646	5,032
Deferred tax assets, net	(2,105)	147
Realized losses on Cash Flow Hedges	-	2
Changes in assets and liabilities:		
Inventories	11,153	6,096
Prepaid expenses and other accounts receivable	(12,547)	4,038
Trade receivables, net	(8,399)	(26,003)
Trade payables	2,007	(13,499)
Employees and payroll accruals	1,206	(2,795)
Warranty obligations	6,965	10,298
Deferred revenues	6,935	5,132
Accrued expenses and other accounts payable	3,958	4,207
Lease incentive obligation	(148)	(23)
Net cash provided by operating activities	57,291	33,377
Cash flows used in investing activities:		
Purchase of property and equipment	(7,611)	(10,054)
Decrease (increase) in restricted cash	(200)	2,489
Decrease (increase) in short and long-term lease deposits	(128)	66
Investment in available-for-sale marketable securities	(74,106)	(65,651)
Maturities of available-for-sale marketable securities	31,674	6,350
Net cash used in investing activities	(50,371)	(66,800)

The accompanying notes are an integral part of the condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited) (Cont.)

U.S. dollars in thousands

	Six months ended June 30, 2017	Six months ended June 30, 2016
	Unaudited	
Cash flows from financing activities:		
Issuance costs related to initial public offering	-	(194)
Proceeds from issuance of shares upon exercise of options	2,123	1,501
Net cash provided by financing activities	2,123	1,307
Increase (decrease) in cash and cash equivalents	9,043	(32,116)
Cash and cash equivalents at the beginning of the period	104,683	106,150
Effect of exchange rate differences on cash and cash equivalents	(274)	(2)
Cash and cash equivalents at the end of the period	$ 113,452	$ 74,032

The accompanying notes are an integral part of the condensed consolidated financial statements.

NOTE 1:- GENERAL

a. SolarEdge Technologies, Inc. (the "Company") and its subsidiaries design, develop, and sell an intelligent inverter solution designed to maximize power generation at the individual photovoltaic ("PV") module level while lowering the cost of energy produced by the solar PV system and providing comprehensive and advanced safety features. The Company's products consist mainly of (i) power optimizers designed to maximize energy throughput from each and every module through constant tracking of Maximum Power Point individually per module, (ii) inverters which invert direct current (DC) from the PV module to alternating current (AC) and (iii) a related cloud-based monitoring platform, that collects and processes information from the power optimizers and inverters of a solar PV system to enable customers and system owners as applicable, to monitor and manage the solar PV systems. In addition, the Company has a storage solution that is used to increase energy independence and maximize self-consumption for homeowners by utilizing a battery that is sold separately by third party manufacturers, to store and supply power as needed (the "StorEdge solution"). The StorEdge solution is designed to provide smart energy functions such as maximizing self-consumption, Time-of-Use programming for desired hours of the day, and home energy backup solutions.

The Company and its subsidiaries sells its products worldwide directly to large solar installers and engineering, procurement and construction firms ("EPCs"), as well as through large distributors and electrical equipment wholesalers to smaller solar installers.

b. Recent accounting pronouncements:

In May 2017, the FASB issued ASU 2017-09, "Compensation – Stock Compensation (Topic 718): Scope of Modification Accounting." ASU 2017-09 was issued to provide clarity and reduce both 1) diversity in practice and 2) cost and complexity when applying the guidance in Topic 718 to a change in the terms or conditions of a share-based payment award. ASU 2017-09 provides guidance about which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting under Topic 718. The amendments in ASU 2017-09 are effective for fiscal years, and interim periods within those years, beginning after December 15, 2017. Early adoption is permitted, including adoption in any interim period. The amendments in ASU 2017-09 should be applied prospectively to an award modified on or after the adoption date. The adoption of this standard will not have a material impact on the consolidated financial statements.

c. The significant accounting policies applied in the Company's audited 2016 consolidated financial statements and notes thereto included in the Company's Transition Report on Form 10-KT for transition period from July 1, 2016 to December 31, 2016 (the "2016 Form 10-KT") are applied consistently in these financial statements.

d. Basis of Presentation:

The accompanying unaudited condensed consolidated interim financial statements have been prepared in accordance with Article 10 of Regulation S-X, "Interim Financial Statements" and the rules and regulations for Form 10-Q of the Securities and Exchange Commission (the "SEC"). Pursuant to those rules and regulations, the Company has condensed or omitted certain information and footnote disclosure it normally includes in its annual consolidated financial statements prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP").

NOTE 1:- GENERAL (Cont.)

In management's opinion, the Company has made all adjustments (consisting only of normal, recurring adjustments, except as otherwise indicated) necessary to fairly present its condensed consolidated financial position, results of operations and cash flows. The Company's interim period operating results do not necessarily indicate the results that may be expected for any other interim period or for the full fiscal year. These financial statements and accompanying notes should be read in conjunction with the 2016 consolidated financial statements and notes thereto included in the Company's Transition Report on Form 10-KT for transition period from July 1, 2016 to December 31, 2016 filed with the SEC on February 21, 2017. There have been no changes in the significant accounting policies from those that were disclosed in the audited consolidated financial statements for the transition period from July 1, 2016 to December 31, 2016 included in the 2016 Form 10-KT.

e. The Company depends on two contract manufacturers and several limited or single source component suppliers. Currently, the Company has entered into an agreement with a third manufacturer and is in the process of transitioning manufacturing from one manufacturer to another. During this transition period the Company mainly relys on one contract manufacturer. Reliance on these vendors makes the Company vulnerable to possible capacity constraints and reduced control over component availability, delivery schedules, manufacturing yields and costs.

These vendors collectively account for 44.7% and 61.0% of the Company's total trade payables as of June 30, 2017 (unaudited) and December 31, 2016, respectively.

The Company has the right to offset its payables to one of its contract manufacturers against vendor non-trade receivables. As of June 30, 2017 (unaudited), a total of $1,713 of these receivables met the criteria for net recognition and were offset against the corresponding accounts payable balances for this contract manufacturer in the accompanying condensed Consolidated Balance Sheets.

f. Derivative financial instruments:

To protect against the increase in value of forecasted foreign currency cash flows resulting from salary and lease payments of its Israeli facilities denominated in the Israeli currency, the New Israeli Shekel ("NIS"), during the six months ended June 30, 2017, the Company instituted a foreign currency cash flow hedging program. The Company hedges portions of the anticipated payroll and lease payments denominated in NIS for a period of one to six months with hedging contracts. Accordingly, when the dollar strengthens against the foreign currencies, the decline in present value of future foreign currency expenses is offset by losses in the fair value of the hedging contracts. Conversely, when the dollar weakens, the increase in the present value of future foreign currency cash flows is offset by gains in the fair value of the hedging contracts. These hedging contracts are designated as cash flow hedges, as defined by ASC 815 and are all effective hedges.

As of June 30, 2017 (unaudited), the Company entered into put and call options to sell U.S. dollars for Euros in the amount of 6 million Euros. These hedging contracts do not contain any credit-risk-related contingency features. See Note 4 for information on the fair value of these hedging contracts.

U.S. dollars in thousands (except share and per share data)

NOTE 1:- GENERAL (Cont.)

The fair value of the Company's outstanding derivative instruments is as follows:

	Balance as of June 30, 2017 (unaudited)	Balance as of December 31, 2016
Derivative assets:		
Derivatives not designated as cash flow hedging instruments:		
Foreign exchange option contracts	21	-
Derivatives designated as cash flow hedging instruments:		
Foreign exchange forward contracts	-	19
Derivative liabilities:		
Derivatives not designated as cash flow hedging instruments:		
Foreign exchange option contracts	(334)	-
Foreign exchange forward contracts	(258)	-
Total	$ (571)	$ 19

The Company recorded the fair value of derivative assets and liabilities, net in "Accrued expenses and other accounts payable" and in "prepaid expenses and other accounts receivable" on the Company's consolidated balance sheets as of June 30, 2017 and December 31, 2016, respectively.

The net increase in unrealized gains (losses) recognized in "accumulated other comprehensive income (loss)" on derivatives, net of tax effect, is as follows:

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
	(unaudited)		(unaudited)	
Derivatives designated as cash flow hedging instruments:				
Foreign exchange forward contracts	66	(333)	975	335

The net gains reclassified from "accumulated other comprehensive income (loss)" into loss, are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
	(unaudited)		(unaudited)	
Derivatives designated as cash flow hedging instruments:				
Foreign exchange forward contracts	(599)	(134)	(994)	(167)

U.S. dollars in thousands (except share and per share data)

NOTE 1:- GENERAL (Cont.)

The Company recorded in the financial income (expenses), net, a net loss (gain) related to derivatives not qualified as hedging instruments of $(672) and $7 during the three months ended June 30, 2017 and 2016 (unaudited), respectively and $(672) and $(75) during the six months ended June 30, 2017 and 2016 (unaudited), respectively.

g. Accumulated other comprehensive income:

The following table summarizes the changes in accumulated balances of other comprehensive income (loss), net of taxes, for the three months ended June 30, 2017 (unaudited):

	Unrealized gains (losses) on available-for-sale marketable securities	Unrealized gains (losses) on cash flow hedges	Unrealized gains (losses) on foreign currency translation	Total
Beginning balance	$ (108)	$ 533	$ (450)	$ (25)
Other comprehensive income (loss) before reclassifications	5	66	186	257
Losses (gains) reclassified from accumulated other comprehensive income (loss)	-	(599)	-	(599)
Net current period other comprehensive income (loss)	5	(533)	186	(342)
Ending balance	$ (103)	$ -	$ (264)	$ (367)

The following table summarizes the changes in accumulated balances of other comprehensive income (loss), net of taxes, for the six months ended June 30, 2017 (unaudited):

	Unrealized gains (losses) on available-for-sale marketable securities	Unrealized gains (losses) on cash flow hedges	Unrealized gains (losses) on foreign currency translation	Total
Beginning balance	$ (136)	$ 19	$ (207)	$ 324
Other comprehensive income (loss) before reclassifications	33	975	(57)	951
Losses (gains) reclassified from accumulated other comprehensive income (loss)	-	(994)	-	(994)
Net current period other comprehensive income (loss)	33	(19)	(57)	(43)
Ending balance	$ (103)	$ -	$ (264)	$ (367)

U.S. dollars in thousands (except share and per share data)

NOTE 1:- GENERAL (Cont.)

The following table summarizes the changes in accumulated balances of other comprehensive income (loss), net of taxes, for the three months ended June 30, 2016 (unaudited):

	Unrealized gains (losses) on available-for-sale marketable securities	Unrealized gains (losses) on cash flow hedges	Unrealized gains (losses) on foreign currency translation	Total
Beginning balance	$ 7	$ 710	$ (300)	$ 417
Other comprehensive income (loss) before reclassifications	50	(333)	271	(12)
Losses (gains) reclassified from accumulated other comprehensive income (loss)	-	(134)	-	(134)
Net current period other comprehensive income (loss)	50	(467)	271	(146)
Ending balance	$ 57	$ 243	$ (29)	$ 271

The following table summarizes the changes in accumulated balances of other comprehensive loss, net of taxes, for the six months ended June 30, 2016 (unaudited):

	Unrealized gains (losses) on available-for-sale marketable securities	Unrealized gains (losses) on cash flow hedges	Unrealized gains (losses) on foreign currency translation	Total
Beginning balance	$ (81)	$ 75	$ (287)	$ (293)
Other comprehensive income (loss) before reclassifications	137	335	258	730
Losses (gains) reclassified from accumulated other comprehensive income (loss)	1	(167)	-	(166)
Net current period other comprehensive income (loss)	138	168	258	564
Ending balance	$ 57	$ 243	$ (29)	$ 271

U.S. dollars in thousands (except share and per share data)

NOTE 1:- GENERAL (Cont.)

The following table provides details about reclassifications out of accumulated other comprehensive income (loss):

Details about Accumulated Other Comprehensive Income (Loss) Components	Amount Reclassified from Accumulated Other Comprehensive Income (Loss)		Affected Line Item in the Statements of Income
	Three months ended June 30,		
	2017	2016	
Unrealized gains on cash flow hedges, net	108	24	Cost of revenues
	363	100	Research and development
	92	24	Sales and marketing
	82	19	General and administrative
	645	167	Total, before income taxes
	(46)	(33)	Income tax expense (benefit)
	599	134	Total, net of income taxes

The following table provides details about reclassifications out of accumulated other comprehensive income (loss):

Details about Accumulated Other Comprehensive Income (Loss) Components	Amount Reclassified from Accumulated Other Comprehensive Income (Loss)		Affected Line Item in the Statements of Income
	Six months ended June 30,		
	2017	2016	
Unrealized gains on cash flow hedges, net	-	(1)	Financial income
	166	30	Cost of revenues
	570	115	Research and development
	151	33	Sales and marketing
	153	22	General and administrative
	1,040	199	Total, before income taxes
	(46)	(33)	Income tax expense (benefit)
	994	166	Total, net of income taxes

U.S. dollars in thousands (except share and per share data)

NOTE 2:- INVENTORIES

	June 30, 2017	December 31, 2016
	(unaudited)	
Raw materials	$ 13,571	$ 10,053
Finished goods	42,634	57,310
	$ 56,205	$ 67,363

NOTE 3:- WARRANTY OBLIGATIONS

Changes in the Company's product warranty liability for the six months ended June 30, 2017 and 2016 were as follows:

	Six months ended June 30,	
	2017	2016
	(unaudited)	
Balance, at beginning of period	$ 58,375	$ 40,894
Additions and adjustments to cost of revenues	12,976	15,600
Usage and current warranty expenses	(6,011)	(5,302)
Balance, at end of period	65,340	51,192
Less current portion	(12,501)	(14,114)
Long term portion	$ 52,839	$ 37,078

NOTE 4:- FAIR VALUE MEASUREMENTS

The Company applies ASC 820 ("Fair Value Measurements and Disclosures"), with respect to fair value measurements of all financial assets and liabilities.

Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or a liability.

A three-tiered fair value hierarchy is established as a basis for considering such assumptions and for inputs used in the valuation methodologies in measuring fair value:

Level 1- Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
Level 2- Include other inputs that are directly or indirectly observable in the marketplace.
Level 3- Unobservable inputs which are supported by little or no market activity.

U.S. dollars in thousands (except share and per share data)

NOTE 4:- FAIR VALUE MEASUREMENTS (Cont.)

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The following table sets forth the Company's assets and liabilities that were measured at fair value as of June 30, 2017 (unaudited) by level within the fair value hierarchy:

	Balance as of June 30, 2017	Fair value measurements		
Description		**Level 1**	**Level 2**	**Level 3**
Assets:				
Cash equivalents:				
Money market mutual funds	$ 5,773	$ 5,773	-	-
Foreign exchange option contracts not designated as hedging instruments	$ 21	-	$ 21	-
Short-term marketable securities:				
Corporate bonds	$ 73,456	-	$ 73,456	-
Governmental bonds	$ 6,769	-	$ 6,769	-
Long-term marketable securities:				
Corporate bonds	$ 74,846	-	$ 74,846	-
Governmental bonds	$ 5,108	-	$ 5,108	-
Liabilities:				
Foreign exchange option contracts not designated as hedging instruments	$ (334)	-	$ (334)	-
Foreign exchange forward contracts not designated as hedging instruments	$ (258)	-	$ (258)	-

U.S. dollars in thousands (except share and per share data)

NOTE 4:- FAIR VALUE MEASUREMENTS (Cont.)

The following table sets forth the Company's assets that were measured at fair value as of December 31, 2016 by level within the fair value hierarchy:

Description	Balance as of December 31, 2016	Fair value measurements Level 1	Level 2	Level 3
Cash equivalents:				
Money market mutual funds	$ 6,510	$ 6,510	-	-
Derivative instruments asset	$ 19	-	$ 19	-
Short-term marketable securities:				
Corporate bonds	$ 71,719	-	$ 71,719	-
Governmental bonds	$ 2,746	-	$ 2,746	-
Long-term marketable securities:				
Corporate bonds	$ 39,279	-	$ 39,279	-
Governmental bonds	$ 4,983	-	$ 4,983	-

In addition to the assets described above, the Company's financial instruments also include cash and cash equivalents, restricted and short-term deposits, trade receivables, other accounts receivable, trade payables, accrued expenses and other payables. The fair value of these financial instruments was not materially different from their carrying values on June 30, 2017 due to the short-term maturity of these instruments.

NOTE 5:- COMMITMENTS AND CONTINGENT LIABILITIES

a. Guarantees:

As of June 30, 2017 (unaudited), contingent liabilities exist regarding guarantees in the amount of $830, $57 and $183 in respect of office rent lease agreements, customs transactions and credit card limits, respectively.

b. Royalty and Governmental commitments:

The Company's Israeli subsidiary receives research and development grants from the Israel Innovation Authority (the IIA). In consideration for the research and development grants received from the IIA, the Company has undertaken to pay royalties as a percentage of revenues from products developed from research and development projects financed. If the Company will not generate sales of products developed with funds provided by the IIA, the Company is not obligated to pay royalties or repay the grants.

U.S. dollars in thousands (except share and per share data)

NOTE 5:- COMMITMENTS AND CONTINGENT LIABILITIES (Cont.)

Royalties are payable at the rate of 4% to 4.5% from the time of commencement of sales of all of these products until the cumulative amount of the royalties paid equals 100% of the dollar-linked amounts of the grants received, plus interest at LIBOR rate.

As of June 30, 2017 (unaudited), the Company recorded a provision for royalties in the amount of $723.

c. Contractual purchase obligations:

The Company has contractual obligations to purchase goods and raw materials. These contractual purchase obligations relate to inventories held by contract manufacturers and purchase orders initiated by the contract manufacturers and suppliers, which cannot be canceled without penalty. The Company utilizes third parties to manufacture its products. In addition, it acquires raw materials or other goods and services, including product components, by issuing to suppliers authorizations to purchase based on its projected demand and manufacturing needs.

As of June 30, 2017 (unaudited), the Company had non-cancelable purchase obligations totaling approximately $116,577 out of which the Company already recorded a provision for loss in the amount of $1,172.

d. Legal claims:

From time to time, the Company may be involved in various claims and legal proceedings. The Company reviews the status of each matter and assesses its potential financial exposure. If the potential loss from any claim or legal proceeding is considered probable and the amount can be reasonably estimated, the Company accrues a liability for the estimated loss. These accruals are reviewed at least quarterly and adjusted to reflect the impact of negotiations, settlements, rulings, advice of legal counsel and other information and events pertaining to a particular matter.

NOTE 6:- STOCK CAPITAL

a. Common Stock:

	Authorized		Issued and outstanding	
	Number of shares			
	June 30, 2017 (unaudited)	December 31, 2016	June 30, 2017 (unaudited)	December 31, 2016
Stock of $0.0001 par value:				
Common stock	125,000,000	125,000,000	42,022,735	41,259,391

NOTE 6:- STOCK CAPITAL (Cont.)

b. Stock Incentive plans:

The Company’s 2007 Global Incentive Plan (the “2007 Plan”) was adopted by the board of directors on August 30, 2007. On March 31, 2015, once the Company completed its Initial Public Offering (“IPO”), the 2007 Plan has been terminated and no further awards will be granted thereunder. All outstanding awards will continue to be governed by their existing terms and 379,358 available options for future grant were transferred to the Company’s 2015 Global Incentive Plan (the “2015 Plan”) and are reserved for future issuances under the 2015 plan.

The 2015 Plan became effective upon the consummation of the IPO. The 2015 Plan provides for the grant of options, RSUs and other share-based awards to directors, employees, officers and consultants of the Company and its Subsidiaries. As of June 30, 2017 (unaudited), a total of 5,890,087 (unaudited) shares of common stock were reserved for issuance under the 2015 Plan (the “Share Reserve”).

The Share Reserve will automatically increase on January 1st of each year during the term of the 2015 Plan commencing on January 1st of the year following the year in which the 2015 Plan becomes effective in an amount equal to five percent (5%) of the total number of shares of capital stock outstanding on December 31st of the preceding calendar year; provided, however, that our board of directors may provide that there will not be a January 1st increase in the Share Reserve in a given year or that the increase will be less than five percent (5%) of the shares of capital stock outstanding on the preceding December 31st.

The aggregate maximum number of shares of common stock that may be issued on the exercise of incentive stock options is ten million (10,000,000).

As of June 30, 2017 (unaudited), an aggregate of 2,680,839 shares of common stock are still available for future grant under the 2015 Plan.

U.S. dollars in thousands (except share and per share data)

NOTE 6:- STOCK CAPITAL (Cont.)

c. Options granted to employees and members of the board of directors:

A summary of the activity in the share options granted to employees and members of the board of directors for the six months ended June 30, 2017 (unaudited) and related information follows:

	Number of Options	Weighted average exercise price	Weighted average remaining contractual term in years	Aggregate intrinsic Value
Outstanding as of December 31, 2016	4,864,469	5.05	6.24	39,585
Granted	445,680	14.64		
Exercised	(382,647)	2.62		
Forfeited or expired	(6,940)	4.27		
Outstanding as of June 30, 2017	4,920,562	6.11	6.22	70,179
Vested and expected to vest as of June 30, 2017	4,804,004	6.02	6.18	68,975
Exercisable as of June 30, 2017	3,383,184	4.08	5.30	54,826

The aggregate intrinsic value represents the total intrinsic value (the difference between the fair value of the Company's common stock as of the last day of each period and the exercise price, multiplied by the number of in-the-money options) that would have been received by the option holders had all option holders exercised their options on the last day of each period. The total intrinsic value of options exercised during the six months ended on June 30, 2017 (unaudited) was $5,717.

The weighted average grant date fair values of options granted to employees and executive directors during the six months ended June 30, 2017 (unaudited) was $7.94.

d. A summary of the activity in the RSUs granted to employees and members of the board of directors for the six months ended June 30, 2017 (unaudited) is as follows:

	No. of RSUs	Weighted average grant date fair value
Unvested as of December 31, 2016	1,515,018	19.74
Granted	505,681	14.82
Vested	(262,784)	21.32
Forfeited	(66,849)	17.33
Unvested as of June 30, 2017	1,691,066	18.20

U.S. dollars in thousands (except share and per share data)

NOTE 6:- STOCK CAPITAL (Cont.)

e. Options and RSUs issued to non-employee consultants:

The Company has granted options and RSUs to purchase common shares to non-employee consultants as of June 30, 2017 (unaudited) as follows:

Issuance Date	Outstanding as of June 30, 2017	Exercise price	Exercisable as of June 30, 2017	Exercisable Through
July 31, 2008	33,333	0.87	33,333	July 31, 2018
October 24, 2012	3,000	2.46	3,000	October 24, 2022
January 23, 2013	3,333	3.03	3,333	January 23, 2023
January 27, 2014	1,294	3.51	280	January 27, 2024
May 1, 2014	2,750	3.51	1,792	May 1, 2024
September 17, 2014	6,498	3.96	4,572	September 17, 2024
October 29, 2014	3,448	5.01	336	October 29, 2024
August 19, 2015	13,898	0.00	-	
November 8, 2015	1,970	0.00	-	
April 18, 2016	1,667	0.00	-	
July 11, 2016	1,834	0.00	-	
September 21, 2016	4,000	15.34	750	September 21, 2026
September 21, 2016	5,688	0.00	-	
March 15, 2017	8,000	0.00	-	
March 15, 2017	8,000	13.70	-	March 15, 2027
March 27, 2017	4,000	0.00	-	
	102,713		47,396	

The Company had accounted for its options and RSUs granted to non-employee consultants under the fair value method of ASC 505-50.

In connection with the grant of stock options and RSUs to non-employee consultants, the Company recorded stock compensation expenses in the six months ended June 30, 2017 (unaudited) and 2016 (unaudited) in the amounts $294 and $151, respectively.

f. Employee Stock Purchase Plan ("ESPP"):

The Company adopted an Employee Stock Purchase Plan (the "ESPP") effective upon the consummation of the IPO. As of June 30, 2017 (unaudited), a total of 1,301,154 shares were reserved for issuance under this plan. The number of shares of common stock reserved for issuance under the ESPP will increase automatically on January 1st of each year, for ten years, by the lesser of 1% of the total number of shares of the Company's common stock outstanding on December 31st of the preceding calendar year or 487,643 shares. However, the Company's board of directors may reduce the amount of the increase in any particular year at their discretion, including a reduction to zero.

U.S. dollars in thousands (except share and per share data)

NOTE 6:- STOCK CAPITAL (Cont.)

The ESPP is implemented through an offering every six months. According to the ESPP, eligible employees may use up to 10% of their salaries to purchase common stock shares up to an aggregate limit of $10 per participant for every six months plan. The price of an ordinary share purchased under the ESPP is equal to 85% of the lower of the fair market value of the ordinary share on the subscription date of each offering period or on the purchase date.

As of June 30, 2017 (unaudited), 185,173 common stock shares had been purchased under the ESPP.

As of June 30, 2017 (unaudited), 1,115,981 common stock shares were available for future issuance under the ESPP.

In accordance with ASC No. 718, the ESPP is compensatory and as such results in recognition of compensation cost.

g. Stock-based compensation expense for employees and consultants:

The Company recognized stock-based compensation expenses related to stock options and RSUs granted to employees and non-employees and ESPP in the condensed consolidated statement of operations for the six months ended on June 30, 2017 (unaudited) and 2016 (unaudited), as follows:

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Cost of revenues	$ 517	$ 310	$ 1,010	$ 556
Research and development	1,280	747	2,485	1,471
Selling and marketing	1,204	730	2,234	1,572
General and administrative	1,033	614	1,917	1,433
Total stock-based compensation expense	$ 4,034	$ 2,401	$ 7,646	$ 5,032

As of June 30, 2017 (unaudited), there was a total unrecognized compensation expense of $39,699 related to non-vested equity-based compensation arrangements granted under the Company's Plans. These expenses are expected to be recognized during the period from Jul 1, 2017 through May 31, 2021.

U.S. dollars in thousands (except share and per share data)

NOTE 7:- BASIC AND DILUTED NET EARNINGS PER SHARE

Basic net earnings per share is computed by dividing the net earnings by the weighted-average number of shares of common stock outstanding during the period.

The total weighted average number of shares related to the outstanding stock options, excluded from the calculation of diluted net earnings per share due to their anti-dilutive effect was 199,950 and 25,998 for the three months ended June 30, 2017 (unaudited) and 2016 (unaudited), respectively and 395,032 and 12,999 for the six months ended June 30, 2017 (unaudited) and 2016 (unaudited), respectively.

The following table presents the computation of basic and diluted net earnings per share for the periods presented (in thousands, except per share data):

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
	(unaudited)		(unaudited)	
Numerator:				
Net income	22,524	17,273	36,699	38,072
Denominator:				
Shares used in computing net earnings per share of common stock, basic	41,700,399	40,776,059	41,525,285	40,569,076
Effect of stock-based awards	3,131,191	3,687,028	2,810,236	3,951,418
Shares used in computing net earnings per share of common stock, diluted	44,831,590	44,463,087	44,335,521	44,520,494
Basic net income per share	$ 0.54	$ 0.42	$ 0.88	$ 0.94
Diluted net income per share	$ 0.50	$ 0.39	$ 0.83	$ 0.86

NOTE 8:- INCOME TAXES

a. Corporate tax in Israel:

On May 28, 2017, the Israeli government legislated new regulations regarding the "Preferred Technological Enterprise" regime, under which a company that complies with certain criteria is entitled to lower corporate tax rates. The Company expects that its operations in Israel will comply with the criteria of the Preferred Technological Enterprise regime. Therefore, the Company will utilize the tax benefits under this regime after the end of the utilization of the current zero corporate tax rate benefit period under its Approved and Beneficiary Enterprise status. Under the new legislation, the Company’s taxable income will be subject to a corporate tax rate of 12%.

U.S. dollars in thousands (except share and per share data)

NOTE 8:- INCOME TAXES (Cont.)

b. Taxes on income (tax benefit) are comprised as follows:

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
	(unaudited)		(unaudited)	
Current year taxes	$ 959	$ (163)	$ 2,028	$ 906
Deferred tax income and others	(773)	247	(2,603)	147
Taxes on income (tax benefit)	$ 186	$ 84	$ (575)	$ 1,053

c. Deferred income taxes:

Deferred income taxes reflect the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Significant components of the Company's deferred tax liabilities and assets are as follows:

	June 30, 2017	December 31, 2016
	(Unaudited)	
Assets in respect of:		
Research and Development carryforward expenses- temporary differences	$ 2,372	$ 908
Stock based compensation	1,392	1,039
Other reserves	1,135	868
Net deferred tax assets	$ 4,898	$ 2,815

During fiscal year 2016, the Company determined that the positive evidence outweighs the negative evidence for deferred tax assets and concluded that these deferred tax assets are realizable on a "more likely than not" basis. This determination was mainly due to expected future results of positive operations and earnings history.

d. Uncertain tax positions:

The Company recognized a total liability for uncertain tax positions in the amount of $371 as of June 30, 2017.

NOTE 9:- CONCENTRATION OF CREDIT RISK AND MAJOR CUSTOMERS

a. For the three month period ended June 30, 2017 (unaudited) and 2016 (unaudited), the Company had one major customer that accounted for 13.31% and 13.07% of its consolidated revenues, respectively.

For the six month period ended June 30, 2017 (unaudited) and 2016 (unaudited), the Company had one major customer that accounted for 13.05% and 13.83% of its consolidated revenues, respectively.

b. As of June 30, 2017 (unaudited) and December 31, 2016, one customer accounted for approximately 19.14% and 20.15% of the Company's net accounts receivable, respectively.

NOTE 10:- SUBSEQUENT EVENTS

On July 10, 2017 the Company executed a long term lease agreement for 10,000 square meters in Israel, intended for the establishment of a manufacturing facility for the production of product prototypes, manufacturing and the development of proprietary manufacturing and testing equipment.

ITEM 2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-Looking Statements

Statements contained in this Form 10-Q or statements incorporated by reference from documents we have filed with the Securities and Exchange Commission 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. Forward-looking statements should be read in conjunction with our unaudited condensed consolidated financial statements and related notes included in Part 1, Item 1 of this report. 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, dividend policy, competitive position, industry and regulatory environment, potential 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 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. Also, forward looking statements represent our management's beliefs and assumptions only as of the date of this filing. Important factors that could cause actual results to differ materially from our expectations include:

- our limited history of profitability, which may not continue in the future;
- our limited operating history, which makes it difficult to predict future results;
- future demand for solar energy solutions;
- changes to net metering policies or the reduction, elimination or expiration of government subsidies and economic incentives for on-grid solar electricity applications;
- Regulatory uncertainty in the U.S. for the clean energy sector and the solar energy sector in particular and the withdrawal of the U.S. from the Paris Climate Accord may materially harm our business, financial condition and results of operations;
- federal, state and local regulations governing the electric utility industry with respect to solar energy;
- 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 PV 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;
- defects or performance problems in our products;

- our ability to forecast demand for our products accurately and to match production with demand;

- our dependence on ocean transportation to deliver our products in a cost effective manner;

- we depend on two contract manufacturers and several limited or single source component suppliers; we have recently entered into an agreement with an additional contract manufacturer and are in the process of ramping up manufacturing with the new manufacturer. During this ramp up period we will mainly rely on one contract manufacturer;

- capacity constraints, delivery schedules, manufacturing yields and costs of our contract manufacturers and availability of components;

- delays, disruptions and quality control problems in manufacturing;

- shortages, delays, price changes or cessation of operations or production affecting our suppliers of key components;

- business practices and regulatory compliance of our raw material suppliers;

- performance of distributors and large installers in selling our products;

- our customer's 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 maintain our brand and to protect and defend our intellectual property;

- our ability to retain, and events affecting, our major customers;

- our ability to manage effectively the growth of our organization and expansion into new markets;

- fluctuations in currency exchange rates;

- unrest, terrorism or armed conflict in Israel;

- general economic conditions in our domestic and international markets; and

- consolidation in the solar industry among our customers and distributors; and

- the other factors set forth under "Item 1A. Risk Factors" in "Part II-OTHER INFORMATION" section of this report.

- 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.

Overview

We have invented an intelligent inverter solution that has changed the way power is harvested and managed in a solar photovoltaic ("PV") system. Our direct current ("DC") optimized inverter system is designed to maximize power generation at the individual PV module level while lowering the cost of energy produced by the solar PV system and providing comprehensive and advanced safety features. Our systems allow for superior power harvesting and module management by deploying power optimizers at each PV module while maintaining a competitive system cost by using a simplified DC AC inverter. Our systems are monitored through our cloud-based monitoring platform that enables lower system operating and maintenance ("O&M") costs. We believe that these benefits, along with our comprehensive and advanced safety features, are highly valued by our customers.

Our revenues for the three months ended June 30, 2017 and 2016 were $136.1 million and $124.8 million, respectively. Gross margin was 34.6% and 31.4% for the three months ended June 30, 2017 and 2016, respectively. Net income was $22.5 million and $17.3 million for the three months ended June 30, 2017 and 2016, respectively.

Our revenues for the six months ended June 30, 2017 and 2016 were $251.2 million and $250.0 million, respectively. Gross margin was 34.1% and 31.9% for the six months ended June 30, 2017 and 2016, respectively. Net income was $36.7 million and $38.1 million for the six months ended June 30, 2017 and 2016, respectively.

As of June 30, 2017, we have shipped approximately 18.6 million power optimizers and 766,000 inverters. Approximately 466,000 installations, many of which may include multiple inverters, are currently connected to, and monitored through, our cloud-based monitoring platform. As of June 30, 2017, we have shipped approximately 5.3 GW of our DC optimized inverter systems. Our products are sold in approximately 50 countries, and are installed in solar PV systems in more than 120 countries.

Recent Developments

On July 10, 2017 we executed a long term lease agreement for 10,000 square meters in Israel, intended for the establishment of a manufacturing facility for the production of product prototypes, manufacturing and the development of proprietary manufacturing and testing equipment.

Key Operating Metrics

In managing our business and assessing financial performance, we supplement the information provided by the financial statements with other operating metrics. These operating metrics are utilized by our management to evaluate our business, measure our performance, identify trends affecting our business and formulate projections. We use metrics relating to shipments (inverters shipped, power optimizers shipped and megawatts shipped) to evaluate our sales performance and to track market acceptance of our products. We use metrics relating to monitoring (systems monitored) to evaluate market acceptance of our products and usage of our solution.

We provide the “megawatts shipped” metric, which is calculated based on nameplate capacity shipped, to show adoption of our system on a nameplate capacity basis. Nameplate capacity shipped is the maximum rated power output capacity of an inverter and corresponds to our financial results in that higher total capacities shipped are generally associated with higher total revenues. However, revenues increase with each additional unit, not necessarily each additional MW of capacity, sold. Accordingly, we also provide the “inverters shipped” and “power optimizers shipped” operating metrics.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Inverters shipped	75,020	57,981	132,781	110,314
Power optimizers shipped	1,774,480	1,487,393	3,244,157	2,904,862
Megawatts shipped (1)	563	427	1,018	843

(1) Calculated based on the aggregate nameplate capacity of inverters shipped during the applicable period. Nameplate capacity is the maximum rated power output capacity of an inverter as specified by the manufacturer.

Results of Operations

The results of operations presented below should be reviewed in conjunction with the condensed consolidated financial statements and related notes included elsewhere in this report.

The following table sets forth selected consolidated statements of operations data for each of the periods indicated.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
	(In thousands)		(In thousands)	
Revenues	$ 136,099	$ 124,752	$ 251,153	$ 249,957
Cost of revenues	89,033	85,639	165,411	170,110
Gross profit	47,066	39,113	85,742	79,847
Operating expenses:				
Research and development, net	12,725	9,232	24,183	17,941
Sales and marketing	11,961	8,930	22,736	17,756
General and administrative	3,265	3,067	7,704	6,527
Total operating expenses	27,951	21,229	54,623	42,224
Operating income	19,115	17,884	31,119	37,623
Financial income (expenses), net	3,595	(527)	5,005	1,502
Income before taxes on income	22,710	17,357	36,124	39,125
Taxes on income (tax benefit)	186	84	(575)	1,053
Net income	$ 22,524	$ 17,273	$ 36,699	$ 38,072

Comparison of the Three Months Ended June 30, 2017 and 2016

Revenues

	Three Months Ended June 30,		Three Months Ended June 30, 2016 to 2017	
	2017	2016	Change	
	(In thousands)			
Revenues	$ 136,099	$ 124,752	$ 11,347	9.1%

Revenues increased by $11.3 million, or 9.1%, for the three months ended June 30, 2017 as compared to the three months ended June 30, 2016, due to an increase in the number of units sold and particularly due to an increase in units sold outside of the U.S. Specifically, revenues generated from outside the United States comprised 46% of our revenues in the three months ended June 30, 2017 compared to 43% in the three months ended June 30, 2016, with significant growth in revenues coming from Germany and the Netherlands. The number of power optimizers sold increased by approximately 0.2 million units, or 15.6%, from approximately 1.5 million units in the three months ended June 30, 2016 to approximately 1.7 million units in the three months ended June 30, 2017. The number of inverters sold increased by approximately 13,900 units, or 24.0%, from approximately 57,900 units in the three months ended June 30, 2016 to approximately 71,800 units in the three months ended June 30, 2017. Our blended average selling price per watt for units shipped decreased by $0.03, or 10%, in the three months ended June 30, 2017 as compared to the three months ended June 30, 2016, primarily due to (i) an increase in sales of commercial products that are characterized by lower average selling prices per watt; (ii) price erosion in the overall inverter market; and (iii) a change in our customer mix, which included a higher portion of sales to large customers to whom we provide volume discounts.

Cost of Revenues and Gross Profit

	Three Months Ended June 30,		Three Months Ended June 30, 2016 to 2017	
	2017	2016	Change	
	(In thousands)			
Cost of revenues	$ 89,033	$ 85,639	$ 3,394	4.0%
Gross profit	$ 47,066	$ 39,113	$ 7,953	20.3%

Cost of revenues increased by $3.4 million, or 4.0%, in the three months ended June 30, 2017, as compared to the three months ended June 30, 2016, primarily due to (i) an increase in the volume of products sold as described above; (ii) an increase in personnel-related costs of $2.2 million connected to the expansion of our operations and increased support headcount which is growing in parallel with our growing install base worldwide. Gross profit as a percentage of revenue increased from 31.4% in the three months ended June 30, 2016 to 34.6% in the three months ended June 30, 2017, primarily due to reductions in per unit production costs that exceeded price erosion of our products, increased efficiency in our supply chain and general economies of scale in our personnel-related costs and other costs associated with our support and operations departments.

Operating Expenses:

Research and Development, Net

	Three Months Ended June 30,		Three Months Ended June 30, 2016 to 2017	
	2017	2016	Change	
	(In thousands)			
Research and development, net	$ 12,725	$ 9,232	$ 3,493	37.8%

Research and development, net increased by $3.5 million, or 37.8%, in the three months ended June 30, 2017 as compared to the three months ended June 30, 2016, primarily due to an increase in personnel-related costs of $2.6 million resulting from an increase in our research and development headcount and salary adjustments. The increase in headcount reflects our continued investment in enhancing our existing products as well as activities associated with bringing new products to market. The increase is also attributed to overhead costs, such as the use of external consultants, deprecation expenses and materials consumption, which increased by $0.3 million, $0.2 million, $0.2 million and $0.2 million, respectively, in the three months ended June 30, 2017 as compared to the three months ended June 30, 2016.

Sales and Marketing

	Three Months Ended June 30,		Three Months Ended June 30, 2016 to 2017	
	2017	2016	Change	
	(In thousands)			
Sales and marketing	$ 11,961	$ 8,930	$ 3,031	33.9%

Sales and marketing expenses increased by $3.0 million, or 33.9%, in the three months ended June 30, 2017 as compared to the three months ended June 30, 2016, primarily due to an increase in personnel-related costs of $2.4 million related to an increase in headcount associated with supporting our sales in the U.S., Europe and Asia as well as salary adjustments. In addition, expenses related to external consultants and sub-contractors , expenses associated with our worldwide sales offices, travel and other overhead costs and expenses related to trade shows and marketing activities, increased by $0.3 million, $0.2 million and $0.1 million, respectively, in the three months ended June 30, 2017 as compared to the three months ended June 30, 2016.

General and Administrative

	Three Months Ended June 30,		Three Months Ended June 30, 2016 to 2017	
	2017	2016	Change	
	(In thousands)			
General and administrative	$ 3,265	$ 3,067	$ 198	6.5%

General and administrative expenses increased by $0.2 million, or 6.5%, in the three months ended June 30, 2017 as compared to the three months ended June 30, 2016 primarily due to an increase in personnel-related costs of $0.9 million related to (i) higher headcount in the legal, finance, human resources, and information system department functions required for a fast-growing public company and (ii) increased expenses related to equity-based compensation. This increase was offset by a decrease in the use of external consultants and a decrease in costs related to the accrual of doubtful debts in the amount of $0.4 million and $0.3 million, respectively, in the three months ended June 30, 2017 as compared to the three months ended June 30, 2016.

Financial income (expenses), net

	Three Months Ended June 30,		Three Months Ended June 30, 2016 to 2017	
	2017	2016	Change	
	(In thousands)			
Financial income (expenses) , net	$ 3,595	$ (527)	$ 4,122	N/A

Financial income was $3.6 million in the three months ended June 30, 2017 as compared to financial expenses of $0.5 million in the three months ended June 30, 2016, primarily due to income of $3.8 million generated from foreign exchange fluctuations between the Euro and the New Israeli Shekel against the US Dollar in the three months ended June 30, 2017 compared to $0.8 million in expenses from foreign exchange fluctuations in the three months ended June 30, 2016. In addition, financial income increased by $0.2 million due to an increase in interest income, net of accretion (amortization) of discount (premium) on marketable securities in the three months ended June 30, 2017 as compared to the three months ended June 30, 2016. These increases in financial income were offset by an increase of $0.7 million in costs related to hedging transactions in the three months ended June 30, 2017 as compared to the three months ended June 30, 2016.

Taxes on Income (tax benefit)

	Three Months Ended June 30,		Three Months Ended June 30, 2016 to 2017	
	2017	2016	Change	
	(In thousands)			
Taxes on income (tax benefit)	$ 186	$ 84	$ 102	121.4%

Taxes on income were $0.2 million in the three months ended June 30, 2017 compared to taxes on income of $0.1 million in the three months ended June 30, 2016, primarily due to an increase of $1.1 million in current tax expenses in the three months ended June 30, 2017 as compared to the three months ended June 30, 2016. This was offset by an increase of $1.0 million in deferred tax assets in the three months ended June 30, 2017 as compared to the three months ended June 30, 2016.

Net Income

	Three Months Ended June 30,				Three Months Ended June 30, 2016 to 2017	
	2017		2016		Change	
			(In thousands)			
Net income	$	22,524	$	17,273	$ 5,251	30.4%

As a result of the factors discussed above, net income increased by $5.3 million, or 30.4%, in the three months ended June 30, 2017 as compared to the three months ended June 30, 2016.

Comparison of the Six Months Ended June 30, 2017 and 2016

Revenues

	Six Months Ended June 30,				Six Months Ended June 30, 2016 to 2017	
	2017		2016		Change	
			(In thousands)			
Revenues	$	251,153	$	249,957	$ 1,196	0.5%

Revenues increased by $1.2 million, or 0.5%, for the six months ended June 30, 2017 as compared to the six months ended June 30, 2016, due to an increase in the number of units sold and particularly due to an increase in units sold outside of the U.S. Specifically, revenues generated from outside the United States comprised 42% of our revenues for the six months ended June 30, 2017 compared to 35% for the six months ended June 30, 2016. The number of power optimizers sold increased by approximately 0.2 million units, or 7.9%, from approximately 3.0 million units in the six months ended June 30, 2016 to approximately 3.2 million units in the six months ended June 30, 2017. The number of inverters sold increased by approximately 17,100 units, or 15.3%, from approximately 112,400 units in the six months ended June 30, 2016 to approximately 129,500 units in the six months ended June 30, 2017. Our blended average selling price per watt for units shipped decreased by $0.036, or 12.1%, in the six months ended June 30, 2017 as compared to the six months ended June 30, 2016, primarily due to (i) increased volumes of commercial products that are characterized by lower average selling prices per watt; (ii) decreased prices in the overall inverter market; and (iii) a change in our customer mix, which included a higher portion of sales to large customers to whom we provide volume discounts.

Cost of Revenues and Gross Profit

	Six Months Ended June 30,				Six Months Ended June 30, 2016 to 2017	
	2017		2016		Change	
			(In thousands)			
Cost of revenues	$	165,411	$	170,110	$ (4,699)	(2.8)%
Gross profit	$	85,742	$	79,847	$ 5,895	7.4%

Cost of revenues decreased by $4.7 million, or 2.8%, in the six months ended June 30, 2017 as compared to the six months ended June 30, 2016, primarily due to (i) reductions in per unit production costs; (ii) reductions derived from increased efficiency in our supply chain; and (iii) decreased warranty expenses derived from better performance of our products and a reduction in per unit cost for replacement of faulty products. Gross profit as a percentage of revenue increased from 31.9% in the six months ended June 30, 2016 to 34.1% in the six months ended June 30, 2017, primarily due to cost reductions in per unit product costs which exceeded price erosions of our products, increased efficiency in our supply chain due to our increased volumes, lower costs associated with our warranty and warranty provisions, and general economies of scale in our personnel-related costs and other costs associated with our support and operations departments.

Operating Expenses:

Research and Development, Net

	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016	Six Months Ended June 30, 2016 to 2017 Change	
	(In thousands)			
Research and development, net	$ 24,183	$ 17,941	$ 6,242	34.8%

Research and development, net increased by $6.2 million, or 34.8%, in the six months ended June 30, 2017 as compared to the six months ended June 30, 2016, primarily due to an increase in personnel-related costs of $4.5 million triggered by increased headcount. The increase in headcount reflects our continued investment in enhancing our existing products as well as development associated with bringing new products to market. In addition, use of contractors and subcontractors, depreciation of lab equipment, material consumption, and other directly related overhead and travels costs, increased by $0.7 million, $0.4 million, $0.3 million and $0.3 million, respectively.

Sales and Marketing

	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016	Six Months Ended June 30, 2016 to 2017 Change	
	(In thousands)			
Sales and marketing	$ 22,736	$ 17,756	$ 4,980	28.0%

Sales and marketing expenses increased by $5.0 million, or 28.0%, in the six months ended June 30, 2017 as compared to the six months ended June 30, 2016, primarily due to an increase in personnel-related costs of $3.8 million resulting from an increase in headcount supporting our growth in the U.S., Europe and Asia. In addition, expenses related to the use of contractors and subcontractors, trade shows and marketing activities, expenses associated with our worldwide sales offices, and travel expenses, increased by $0.5 million, $0.3 million, $0.3 million and $0.1 million, respectively, in the six months ended June 30, 2017as compared to the six months ended June 30, 2016.

General and Administrative

	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016	Six Months Ended June 30, 2016 to 2017 Change	
	(In thousands)			
General and administrative	$ 7,704	$ 6,527	$ 1,177	18.0%

General and administrative expenses increased by $1.2 million, or 18.0%, in the six months ended June 30, 2017 as compared to the six months ended June 30, 2016, primarily due to an increase in accrual for a doubtful account of $0.7 million and personnel-related costs of $0.6 million related to (i) higher headcount in the legal, finance, human resources, and information technology department functions required for a fast-growing public company and (ii) increased expenses related to equity-based compensation, changes in management compensation and growth in vacation accruals, which resulted from changes in compensation packages of employees. In addition, costs related to being a public company, other directly related overhead costs and travel expenses increased by $0.1 million in the six months ended June 30, 2017 as compared to the six months ended June 30, 2016. These were offset by a $0.2 million decrease in expenses related to accounting, tax, legal and information systems consulting in the six months ended June 30, 2017 as compared to the six months ended June 30, 2016.

Financial Income (Expenses), Net

	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016	Six Months Ended June 30, 2016 to 2017 Change	
	(In thousands)			
Financial income, net	$ 5,005	$ 1,502	$ 3,503	233.2%

Financial income increased by $3.5 million in the six months ended June 30, 2017 as compared to the six months ended June 30, 2016, primarily due to an increase of $3.6 million in foreign exchange fluctuations between the Euro and the New Israeli Shekel against the U.S. Dollar in the six months ended June 30, 2017 as compared to the three months ended June 30, 2016. In addition, financial income increased by $0.5 due to an increase in interest income, net of accretion (amortization) of discount (premium) on marketable securities in the six months ended June 30, 2017 as compared to the six months ended June 30, 2016. These increases in financial income were offset by an increase of $0.6 million in costs related to hedging transactions in the six months ended June 30, 2017 as compared to the six months ended June 30, 2016.

Taxes on Income (Tax Benefit)

	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016	Six Months Ended June 30, 2016 to 2017 Change	
	(In thousands)			
Taxes on income (tax benefit)	$ (575)	$ 1,053	$ (1,628)	N/A

Tax benefits amounted to $0.6 million in the six months ended June 30, 2017 compared to taxes on income of $1.1 million in the six months ended June 30, 2016, primarily due to an increase of $2.3 million in deferred tax assets in the six months ended June 30, 2017 and a $0.5 million of tax credit related to previous years' activity. This was offset by an increase of $1.1 million in taxes on income during the six months ended June 30, 2017 as compared to the six months ended June 30, 2016.

Net Income

	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016	Six Months Ended June 30, 2016 to 2017 Change	
	(In thousands)			
Net income	$ 36,699	$ 38,072	$ (1,373)	(3.6)%

As a result of the factors discussed above, net income decreased by $1.4 million, or 3.6% in the six months ended June 30, 2017 as compared to the six months ended June 30, 2016.

Liquidity and Capital Resources

The following table shows our cash flow from operating activities, investing activities and financing activities for the stated periods:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
	(In thousands)			
Net cash provided by operating activities	$ 31,625	$ 18,035	$ 57,291	$ 33,377
Net cash used in investing activities	(39,934)	(28,327)	(50,371)	(66,800)
Net cash provided by financing activities	1,752	140	2,123	1,307
Increase (decrease) in cash and cash equivalents	$ (6,557)	$ (10,152)	$ 9,043	$ (32,116)

As of June 30, 2017, our cash and cash equivalents were $113.5 million. This amount does not include $160.2 million invested in available-for-sale marketable securities and $1.1 million of restricted cash (primarily held to secure bank guarantees securing office lease payments). We believe that cash provided by operating activities as well as our cash and cash equivalents will be sufficient to meet our anticipated cash needs for at least the next 12 months.

Operating Activities

For the six months ended June 30, 2017, cash provided by operating activities was $57.3 million, derived mainly from a net income of $36.7 million, $9.5 million of non-cash expenses, a decrease of $11.1 million in inventories and an increase of $7.0 million in warranty obligations, $6.9 million of deferred revenues, $5.8 million in trade payables and other accounts payable and $1.2 million in accruals for employees. The cash from operating activities was offset by an increase of $12.5 million in prepaid expenses and other receivables and $8.4 million in trade receivables, net.

For the six months ended June 30, 2016, cash used in operating activities was $33.4 million derived mainly from a net income of $38.1 million, $7.9 million of non-cash expenses, an increase of $10.3 million in warranty obligations, $5.1 million in deferred revenues and a decrease of $6.1 million in inventories and $4.0 million in prepaid expenses and other receivables. The cash from operating activities was offset by an increase of $26.0 million in trade receivables, and a decrease of $9.3 million in trade payables and other accounts payable and $2.8 million accruals for employees.

Investing Activities

During the six months ended June 30, 2017, net cash used in investing activities was $50.4 million, of which $74.1 million was invested in available-for-sale marketable securities, $7.6 million related to capital investments in laboratory equipment, end of line testing equipment, automated assembly lines, manufacturing tools and leasehold improvements and $0.3 million increase in restricted cash and short and long-term lease deposit. This was offset by $31.6 million from the maturities of available-for-sale marketable securities.

During the six months ended June 30, 2016, net cash used in investing activities was $66.8 million, of which $65.7 million was invested in available-for-sale marketable securities, and $10.1 million related to capital investments in laboratory equipment, end of line testing equipment, manufacturing tools and leasehold improvements. This was offset by $6.4 million from the maturities of available-for-sale marketable securities and a decrease of $2.6 million in restricted cash.

Financing Activities

For the six months ended June 30, 2017, net cash provided by financing activities was $2.1 million, all attributed to cash received from the exercise of employee and non-employee stock options.

For the six months ended June 30, 2016, net cash provided by financing activities was $1.3 million, of which $1.5 million was related to cash received from the exercise of employee and non-employee stock options, offset by $0.2 million attributed to issuance costs related to our initial public offering.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

ITEM 3 QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily a result of fluctuations in foreign currency exchange rates, customer concentrations and interest rates. We do not hold or issue financial instruments for trading purposes.

Foreign Currency Exchange Risk

Approximately 36.8% and 25.3% of our revenues for the six months ended June 30, 2017 and 2016, respectively, were earned in non-U.S. Dollar denominated currencies, principally the Euro. Our expenses are generally denominated in the currencies in which our operations are located, primarily the U.S. Dollar and New Israeli Shekel, and to a lesser extent the Euro. Our New Israeli Shekel-denominated expenses consist primarily of personnel and overhead costs. Our consolidated results of operations and cash flows are, therefore, subject to fluctuations due to changes in foreign currency exchange rates and may be adversely affected in the future due to changes in foreign exchange rates. A hypothetical 10% change in foreign currency exchange rates during the six months ended June 30, 2017, between the Euro and the U.S. Dollar would increase or decrease our net income by $7.4 million for the six months ended June 30, 2017. A hypothetical 10% change in foreign currency exchange rates during the six months ended June 30, 2017, between the New Israeli Shekel and the U.S. Dollar would increase or decrease our net income by $3.2 million for the six months ended June 30, 2017.

For purposes of our consolidated financial statements, local currency assets and liabilities are translated at the rate of exchange to the U.S. Dollar on the balance sheet date and local currency revenues and expenses are translated at the exchange rate as of the date of the transaction or at the average exchange rate to the U.S. Dollar during the reporting period.

To date, we have used derivative financial instruments, specifically foreign currency forward contracts, to manage exposure to foreign currency risks by hedging a portion of our account receivable balances denominated in Euros expected to be paid within six months. Our foreign currency forward contracts are expected to mitigate exchange rate changes related to the hedged assets. We do not use derivative financial instruments for speculative or trading purposes.

We had cash and cash equivalents of $113.5 million and available-for-sale marketable securities with an estimated fair value of $160.2 million on June 30, 2017, which securities were held for working capital purposes. We do not enter into investments for trading or speculative purposes. Since most of our cash and cash equivalents are held in U.S. Dollar, we believe that our cash and cash equivalents do not have any material exposure to changes in exchange rates.

Concentrations of Major Customers

Our trade accounts receivables potentially expose us to a concentration of credit risk with our major customers. As of June 30, 2017, one major customer accounted for approximately 19.1% of our consolidated trade receivables balance. We currently do not foresee a credit risk associated with this receivable.

ITEM 4 CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), as of June 30, 2017. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Based on that evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective and operating to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and to provide reasonable assurance that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

Based on an evaluation by our chief executive officer and chief financial officer, such officers concluded that there have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) that occurred during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1 LEGAL PROCEEDINGS

In the normal course of business, we may from time to time be named as a party to various legal claims, actions and complaints. It is impossible to predict with certainty whether any resulting liability from any such legal claims, actions or complaints would have a material adverse effect on our financial position, results of operations or cash flows.

ITEM 1A RISK FACTORS

There have been no material changes to the risk factors as described in Part I, Item 1A, "Risk Factors," in our Annual Report on Form 10-KT for the year ended December 31, 2016 other than the supplemental risk factor set forth below:

We rely on a limited amount of contract manufacturers and, for a period of time, will rely on one contract manufacturer for some manufacturing.

We depend on two contract manufacturers and several limited or single source component suppliers; we have recently entered into an agreement with a new contract manufacturer and are in the process of ramping up manufacturing with the new manufacturer. During this ramp up period we will mainly rely on one contract manufacturer. Any change in our relationship with our contract manufacturers or changes to contractual terms of our agreements with the contract manufacturers could adversely affect our financial condition and results of operations.

ITEM 2 UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3 DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4 MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5 OTHER INFORMATION

None.

ITEM 6 EXHIBITS

Exhibit No.	Description	Incorporation by Reference (where a report is indicated below, that document has been previously filed with the SEC and the applicable exhibit is incorporated by reference thereto)
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a).	*Filed with this report.*
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a).	*Filed with this report.*
32.1	Certification of Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	*Filed with this report*
32.2	Certification of Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	*Filed with this report.*
101.INS	XBRL Instance Document	*Filed with this report.*
101.SCH	XBRL Taxonomy Extension Schema Document	*Filed with this report.*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	*Filed with this report.*
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	*Filed with this report.*
101.LAB	XBRL Taxonomy Extension Label Linkbase Document	*Filed with this report.*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document	*Filed with this report.*

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 thereunto duly authorized.

SOLAREDGE TECHNOLOGIES, INC.

Date: August 3, 2017

/s/ Guy Sella

Guy Sella
Chief Executive Officer and Chairman of the Board
(Principal Executive Officer)

Date: August 3, 2017

/s/ Ronen Faier

Ronen Faier
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 31.1

I, Guy Sella, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of SolarEdge Technologies, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 3, 2017

/s/ Guy Sella

Guy Sella
Chief Executive Officer and Chairman of the Board
(Principal Executive Officer)

Exhibit 31.2

I, Ronen Faier, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of SolarEdge Technologies, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 3, 2017

/s/ Ronen Faier

Ronen Faier
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Guy Sella, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of SolarEdge Technologies, Inc. for the quarterly period ended June 30, 2017 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of SolarEdge Technologies, Inc.

August 3, 2017

/s/ Guy Sella
Guy Sella
Chief Executive Officer and Chairman of the Board

Exhibit 32.2

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Ronen Faier, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of SolarEdge Technologies, Inc. for the quarterly period ended June 30, 2017 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of SolarEdge Technologies, Inc.

August 3, 2017

/s/ Ronen Faier
Ronen Faier
Chief Financial Officer