

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

FORM 8-K

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

Date of report (Date of earliest event reported): August 12, 2015

**SOLAREEDGE TECHNOLOGIES, INC.**  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction  
of incorporation)

001-36894  
(Commission  
File Number)

20-5338862  
(I.R.S. Employer  
Identification No.)

1 HaMada Street, Herziliya Pituach, Israel  
(Address of Principal executive offices)

4673335  
(Zip Code)

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

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 2.02. Results of Operations and Financial Condition.**

On November 4, 2015, SolarEdge Technologies, Inc. (the “Company”) issued a press release announcing its financial results for the quarter ended September 30, 2015. The Company previously announced that the Company would hold a conference call and live webcast at 5:00 p.m., Eastern time, on November 5, 2015, to discuss these results. A copy of the press release announcing the Company’s financial results for the quarter ended September 30, 2015 is furnished hereto as Exhibit 99.1 and is incorporated herein by reference.

On August 12, 2015, the Company issued a press release announcing its financial results for the fiscal fourth quarter and the fiscal year ended June 30, 2015. A copy of the press release is attached hereto as Exhibit 99.2 and is incorporated herein by reference. Copies of the earnings summary and supplemental information provided during the Company’s August 12, 2015 conference call related to earnings for the fiscal fourth quarter are furnished hereto as Exhibits 99.3 and 99.4, respectively, and are incorporated herein by reference.

This information, including the exhibits hereto, will not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities under that section and it will not be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

**Item 9.01. Financial Statements and Exhibits.**

(d) List of Exhibits

<u>Exhibit No.</u>	<u>Description</u>
Exhibit 99.1	Press release dated November 4, 2015
Exhibit 99.2	Press release dated August 12, 2015
Exhibit 99.3	Fourth Fiscal Quarter 2015 Earnings Summary, dated August 12, 2015
Exhibit 99.4	Fourth Fiscal Quarter 2015 Supplemental Information, dated August 12, 2015

---

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SOLAREEDGE TECHNOLOGIES, INC.

Date: November 4, 2015

By: /s/ Ronen Faier

Name: Ronen Faier

Title: Chief Financial Officer

---

## Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
Exhibit 99.1	Press release dated November 4, 2015
Exhibit 99.2	Press release dated August 12, 2015
Exhibit 99.3	Fourth Fiscal Quarter 2015 Earnings Summary, dated August 12, 2015
Exhibit 99.4	Fourth Fiscal Quarter 2015 Supplemental Information, dated August 12, 2015

---

---



## SolarEdge Announces Fiscal First Quarter Financial Results

Fremont, CA — November 4, 2015. SolarEdge Technologies, Inc. (NASDAQ: SEDG) today announced its financial results for the fiscal first quarter ended September 30, 2015.

### Fiscal First Quarter 2016 Highlights

- Record revenue of \$115.1 million, up 16.9% from last quarter and 71.8% year-over-year
- GAAP gross margin of 29.1%
- GAAP net income of \$14.4 million
- Non-GAAP net income of \$16.3 million
- 356 Megawatts (AC) of inverters shipped

“We are very satisfied with another strong quarter of record revenues and improved gross margins,” said Guy Sella, Founder, Chairman and CEO of SolarEdge. “In addition to our very positive financial results, this quarter we introduced our new HD Wave inverter topology, demonstrating our technological leadership in the market. We are confident that our global presence and expanded product offering position us well for continued growth.”

### Revenues

The Company reported revenues of \$115.1 million, an increase of \$16.6 million, or 16.9% from the prior quarter and an increase of \$48.1 million or 71.8% from the first quarter of fiscal 2015.

### Gross margins

GAAP gross margin was 29.1%, up from 28.7% in the prior quarter and up from 20.9% in the fiscal first quarter of 2015. Non-GAAP gross margin was 29.3%, up from 28.9% in the prior quarter and 21.0% in the fiscal first quarter of 2015. This growth was driven primarily by the execution of planned cost reduction measures, increased supply chain efficiencies and economies of scale related to the increased production volumes.

### Operating expenses

GAAP operating expenses were \$18.7 million, or 16.2% of revenue, a nominal increase from \$16.4 million, which represented 16.7% of revenue in the prior quarter and an increase from \$11.7 million, or 17.4% of revenue when compared to the same fiscal quarter of 2015.

---

## **Operating income**

GAAP operating income was \$14.9 million, up from \$11.9 million in the prior quarter and up from operating income of \$2.4 million in the fiscal first quarter of 2015.

## **Financial Expenses**

Financial expenses were \$0.1 million compared to \$1.7 million in the previous quarter and income of \$0.5 million in the same quarter last year.

## **Net Income**

GAAP net income was \$14.4 million, up from \$9.3 million in the prior quarter and up from \$2.5 million in the fiscal first quarter of 2015. Non-GAAP net income was \$16.3 million, an increase from \$13.8 million in the prior quarter and an increase from \$2.8 million in the fiscal first quarter of 2015.

## **EPS**

GAAP net diluted earnings per share ("EPS") was \$0.32, up from \$0.21 in the prior quarter and up from \$0.00 in the fiscal first quarter of 2015. Non-GAAP net diluted EPS was \$0.36, an increase from \$0.31 in the prior quarter and an increase from \$0.09 in the fiscal first quarter of 2015.

## **Cash**

At September 30, 2015, cash, cash equivalents and restricted cash, totaled \$150.3 million compared to \$148.4 million on June 30, 2015. During the fiscal first quarter, the Company generated \$5.9 million from operating activities.

## **Outlook for the Fiscal Second Quarter 2016**

The Company provides guidance for the fiscal second quarter of 2016 as follows:

- Revenues to be within the range of \$118.0 million to \$121.0 million;
- Gross margins to be within the range of 28.0% to 30.0%.

## **Conference Call**

The Company will host a conference call to discuss these results at 5:00 P.M. Eastern Time on Wednesday, November 4, 2015. The call will be available, live, to interested parties by dialing +1 877-795-3610. For international callers, please dial +1 719-325-4769. The Conference ID number is 306165. A live webcast will also be available in the Investors Relations section of SolarEdge website at: <http://investors.solaredge.com>

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

---

## **About SolarEdge**

SolarEdge provides an intelligent inverter solution that has changed the way power is harvested and managed in solar photovoltaic systems. The SolarEdge DC optimized inverter system maximizes power generation at the individual PV module-level while lowering the cost of energy produced by the solar PV system. The SolarEdge system consists of power optimizers, inverters and a cloud-based monitoring platform and addresses a broad range of solar market segments, from residential solar installations to commercial and small utility-scale solar installations.

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

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

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

For a reconciliation of non-GAAP measures to their most comparable GAAP measures, please see "Reconciliation on Non-GAAP Measures" below.

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

This release contains forward looking statements which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward looking statements include information, among other things, concerning: our possible or assumed future results of operations; future demands for solar energy solutions; business strategies; technology developments; financing and investment plans; dividend policy; competitive position; industry and regulatory environment; general economic conditions; potential growth opportunities; and the effects of competition. These forward looking statements are often characterized by the use of words such as "anticipate," "believe," "could," "seek," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "will," "would" or similar expressions and the negative or plural of those terms and other like terminology.

---

Forward-looking statements are only predictions based on our current expectations and our projections about future events. These forward looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual revenues, gross margins, other financial results, levels of activity, performance or achievements to be materially different from those expressed or implied by the forward looking statements. Given these factors, you should not place undue reliance on these forward-looking statements. These factors include, but are not limited to, the matters discussed in Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2015 and, Quarterly Report on Form 10-Q for the quarter ended September 30, 2015, when it becomes available, Current Reports on Form 8-K and other reports filed with the SEC. All information set forth in this release is as of November 4, 2015. SolarEdge undertakes no duty or obligation to update any forward-looking statements contained in this release as a result of new information, future events or changes in its expectations.

#### **Investor Contacts**

SolarEdge Technologies, Inc.  
Ronen Faier, Chief Financial Officer  
[investors@solaredge.com](mailto:investors@solaredge.com)  
+1 510-498-3263

Sapphire Investor Relations, LLC  
Erica Mannion or Michael Funari  
[investors@solaredge.com](mailto:investors@solaredge.com)  
+1 617-542-6180

---



SOLAREEDGE TECHNOLOGIES INC.  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(In thousands, except per share data)

	Three months ended September 30,	
	2015	2014
	<u>unaudited</u>	
Revenues	\$ 115,054	\$ 66,969
Cost of revenues	<u>81,527</u>	<u>52,939</u>
Gross profit	<u>33,527</u>	<u>14,030</u>
Operating expenses:		
Research and development, net	6,991	5,059
Sales and marketing	8,244	5,461
General and administrative	<u>3,418</u>	<u>1,159</u>
<u>Total operating expenses</u>	<u>18,653</u>	<u>11,679</u>
Operating income	14,874	2,351
Financial income (expenses), net	<u>(72)</u>	<u>516</u>
Income before taxes on income	14,802	2,867
Taxes on income	<u>370</u>	<u>347</u>
Net income	<u>\$ 14,432</u>	<u>\$ 2,520</u>
Net basic earnings per share of common stock	<u>\$ 0.37</u>	<u>\$ 0.00</u>
Net diluted earnings per share of common stock	<u>\$ 0.32</u>	<u>\$ 0.00</u>
Weighted average number of shares used in computing net basic earnings per share of common stock	<u>39,301,620</u>	<u>2,812,684</u>
Weighted average number of shares used in computing net diluted earnings per share of common stock	<u>44,455,964</u>	<u>2,812,684</u>

(1) GAAP net basic and diluted earnings per share are materially different between fiscal first quarter 2016 and fiscal first quarter 2015 since under GAAP, preferred shares do not participate in the earnings per share calculation and for the fiscal first quarter 2015, prior to the Company's initial public offering, preferred shares were entitled to a dividend distribution which, if distributed, would have exceeded the net income for the relevant period.

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

	<u>September 30,</u> <u>2015</u>	<u>June 30,</u> <u>2015</u>
	<u>unaudited</u>	
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 146,729	\$ 144,750
Restricted cash	3,588	3,639
Trade receivables, net	47,366	35,428
Prepaid expenses and other accounts receivable	20,733	32,645
Inventories	79,907	73,950
<u>Total</u> current assets	<u>298,323</u>	<u>290,412</u>
Property and equipment, net	17,272	14,717
Long-term lease deposit and prepaid expenses	601	529
Long-term deferred charges	779	-
<u>Total</u> assets	<u>\$ 316,975</u>	<u>\$ 305,658</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Trade payables	\$ 67,180	\$ 80,684
Employees and payroll accruals	7,898	6,814
Warranty obligations	10,587	9,431
Deferred revenues	2,175	1,676
Accrued expenses and other accounts payable	8,459	6,987
<u>Total</u> current liabilities	<u>96,299</u>	<u>105,592</u>
Long-term liabilities:		
Warranty obligations	25,317	22,448
Deferred revenues	9,760	8,289
Lease incentive obligation	2,374	2,385
<u>Total</u> long-term liabilities	<u>37,451</u>	<u>33,122</u>
Commitments and Contingent liabilities		
<b>STOCKHOLDERS' EQUITY:</b>		
Share capital	4	4
Additional paid-in capital	289,004	287,152
Accumulated other comprehensive loss	(225)	(222)
Accumulated deficit	(105,558)	(119,990)
<u>Total</u> stockholders' equity	<u>183,225</u>	<u>166,944</u>
<u>Total</u> liabilities and stockholders' equity	<u>\$ 316,975</u>	<u>\$ 305,658</u>

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

	Three months ended	
	September 30,	
	2015	2014
	Unaudited	
<b>Cash flows provided by (used in) operating activities:</b>		
Net income	\$ 14,432	\$ 2,520
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	738	542
Amortization of intangible assets	21	-
Stock-based compensation related to employee and non-employee consultants stock options	1,832	320
Realized losses on Cash Flow Hedges	1	-
Interest expenses related to Bank Loan	-	24
Financial income, net related to term loan	-	(491)
Remeasurement of warrants to purchase preferred and common stock	-	(15)
Changes in assets and liabilities:		
Inventories	(5,956)	(4,311)
Prepaid expenses and other accounts receivable	11,811	(5,527)
Trade receivables, net	(11,928)	(7,565)
Trade payables	(13,500)	9,871
Employees and payroll accruals	1,044	390
Warranty obligations	4,025	3,101
Deferred revenues	1,970	864
Accrued expenses and other accounts payable	1,467	19
Lease incentive obligation	(11)	-
Net cash provided by (used in) operating activities	<u>5,946</u>	<u>(258)</u>
<b>Cash flows used in investing activities:</b>		
Purchase of property and equipment	(3,292)	(1,002)
Purchase of intangible assets	(800)	-
Decrease in restricted cash	51	13
Decrease in short and long-term deposits	73	29
Net cash used in investing activities	<u>(3,968)</u>	<u>(960)</u>
<b>Cash flows from financing activities:</b>		
Proceeds from short-term bank loans	-	6,000
Proceeds from issuance of Series E Convertible Preferred stock	-	20,998
Payments of term loan	-	(798)
Proceeds from exercise of employee stock options	17	8
Net cash provided by financing activities	<u>17</u>	<u>26,208</u>
Increase in cash and cash equivalents	1,995	24,990
Cash and cash equivalents at the beginning of the period	144,750	9,754
Erosion due to exchange rate differences	(16)	(2)
Cash and cash equivalents at the end of the period	<u>146,729</u>	<u>34,742</u>

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

	Three months ended		
	September 30, 2015	June 30, 2015	September 30, 2014
Gross profit (GAAP)	33,527	28,271	14,030
Stock-based compensation	180	188	37
Gross profit (Non-GAAP)	<u>33,707</u>	<u>28,459</u>	<u>14,067</u>
Gross margin (GAAP)	29.1%	28.7%	20.9%
Stock-based compensation	0.2%	0.2%	0.1%
Gross margin (Non-GAAP)	<u>29.3%</u>	<u>28.9%</u>	<u>21.0%</u>
Operating expenses (GAAP)	18,653	16,398	11,679
Stock-based compensation R&D	395	184	111
Stock-based compensation S&M	616	263	101
Stock-based compensation G&A	641	569	71
Operating expenses (Non-GAAP)	<u>17,001</u>	<u>15,382</u>	<u>11,396</u>
Operating income (GAAP)	14,874	11,873	2,351
Stock-based compensation	1,832	1,204	320
Operating income (Non-GAAP)	<u>16,706</u>	<u>13,077</u>	<u>2,671</u>
Finance expenses (Income) (GAAP)	72	1,699	(516)
Warrants remeasurement	----	3,285	(15)
Finance expenses (Non-GAAP)	<u>72</u>	<u>(1,586)</u>	<u>(501)</u>
Net income (loss) (GAAP)	14,432	9,261	2,520
Stock-based compensation	1,832	1,204	320
Warrants remeasurement	----	3,285	(15)
Net income (loss) (Non-GAAP)	<u>16,264</u>	<u>13,750</u>	<u>2,825</u>
Net basic earnings (loss) per share (GAAP)	0.37	0.24	----
Stock-based compensation	0.04	0.03	0.01
Warrants remeasurement	----	0.08	----
Additional shares giving effect to IPO and conversion of preferred stock at the beginning of the periods (1)	----	----	0.09
Net basic earnings (loss) per share (Non-GAAP)	<u>0.41</u>	<u>0.35</u>	<u>0.10</u>

	Three months ended		
	September 30, 2015	June 30, 2015	September 30, 2014
Number of shares used in computing net basic earnings (loss) per share (GAAP)	39,301,620	39,160,372	2,812,684
Additional shares giving effect to IPO and conversion of preferred stock at the beginning of the periods (1)	----	----	25,575,898.76
Number of shares used in computing net basic earnings (loss) per share (Non-GAAP)	<u>39,301,620</u>	<u>39,160,372</u>	<u>28,388,583</u>
Net diluted earnings (loss) per share (GAAP)	0.32	0.21	----
Stock-based compensation	0.04	0.02	----
Warrants remeasurement	----	0.08	----
Additional shares giving effect to IPO and conversion of preferred stock at the beginning of the periods (1)	----	----	0.09
Net diluted earnings (loss) per share (Non-GAAP)	<u>0.36</u>	<u>0.31</u>	<u>0.09</u>
Number of shares used in computing net diluted earnings (loss) per share (GAAP)	44,455,964	44,473,080	2,812,684
Stock-based compensation	686,470	319,840	1,552,809
Warrants remeasurement	0	126,634	0
Additional shares giving effect to IPO and conversion of preferred stock at the beginning of the periods (1)	----	----	25,575,898.76
Number of shares used in computing net diluted earnings (loss) per share (Non-GAAP)	<u>45,142,434</u>	<u>44,919,554</u>	<u>29,941,392</u>

(1) Assumes shares of common stock outstanding after accounting for the automatic conversion of the shares of preferred stock then outstanding into common stock at the beginning of fiscal year 2015.



## SolarEdge Announces Fiscal Fourth Quarter and Year End 2015 Financial Results

Fremont, CA — August 12, 2015. SolarEdge Technologies, Inc. (NASDAQ: SEDG) today announced its financial results for the fiscal fourth quarter and year ended June 30, 2015.

### Fourth Quarter and Full Fiscal Year 2015 Highlights

- Record revenue for fiscal Q4 2015 of \$98.4 million, up 13.9% from the prior quarter and 120.8% from fiscal Q4 2014. Record revenue for fiscal year 2015 of \$325.1 million, representing a 144.0% year-over-year growth
- GAAP gross margin of 28.7% for fiscal Q4 2015 and 25.2% for fiscal year 2015
- GAAP net income for fiscal Q4 2015 of \$9.3 million, and net income for fiscal year 2015 of \$21.1 million
- Non-GAAP net income for fiscal Q4 2015 of \$13.8 million and net income for fiscal year 2015 of \$29.4 million
- 284 Megawatts (AC) of inverters shipped for fiscal Q4 2015 and 920 Megawatts (AC) for fiscal year 2015

“We completed fiscal 2015 with strong execution on all fronts. We successfully grew our business with our existing and new customers and generated record revenue for the fourth fiscal quarter and the entire fiscal year. Our increased manufacturing capacity coupled with continued cost reduction, brought gross margins to a quarterly and annual record. These revenue and cost reduction initiatives generated strong bottom line results; consecutive profits in each quarter of fiscal 2015 and strong cash flow from operations,” said Guy Sella, Founder, Chairman and CEO of SolarEdge.

### Fourth Quarter 2015 Summary

The Company reported revenues of \$98.4 million for fiscal Q4 2015, an increase of 13.9% from the prior quarter and 120.8% from fiscal Q4 2014.

GAAP gross margin reached 28.7% for fiscal Q4 2015, up from 27.4% in the prior quarter and up from 19.6% in fiscal Q4 2014.

Non-GAAP gross margin was 28.9% for fiscal Q4 2015, up from 27.6% in the prior quarter and 19.6% in fiscal Q4 2014. This growth was mainly driven by cost reduction measures that were realized this quarter and reduced use of air shipments to a minimum.

GAAP operating expenses were \$16.4 million for fiscal Q4 2015, or 16.7% of revenue, an increase from \$13.9 million, or 16.1% of revenue from the prior quarter and an increase from \$11.2 million, or 25.0% of revenue when compared to fiscal Q4 2014.

---

GAAP operating income was \$11.9 million for fiscal Q4 2015, up from \$9.8 million in the prior quarter and up from an operating loss of \$2.4 million in fiscal Q4 2014.

GAAP net income was \$9.3 million for fiscal Q4 2015, up from \$6.0 million in the prior quarter and up from a net loss of \$3.0 million in fiscal Q4 2014.

Non-GAAP net income was \$13.8 million for fiscal Q4 2015, an increase from \$8.7 million in the prior quarter and an increase from a net loss of \$2.8 million in fiscal Q4 2014.

GAAP net diluted earnings per share ("EPS") was \$0.21 for fiscal Q4 2015, up from \$0.01 in the prior quarter and up from a net diluted loss per share of \$1.08 in fiscal Q4 2014.

Non-GAAP net diluted EPS was \$0.31 for fiscal Q4 2015, an increase from \$0.20 in the prior quarter and an increase from a net diluted loss per share of \$0.10 in fiscal Q4 2014.

As of June 30, 2015, cash, cash equivalents and restricted cash, totaled \$148.4 million, compared to \$138.8 million on March 31, 2015. As of June 30, 2015, the Company did not have any debt.

### **Full Fiscal Year 2015 Summary**

For the full fiscal year 2015, the Company reported:

- Revenue of \$325.1 million, representing a 144.0% increase from fiscal year 2014
- Gross margin of 25.2%, compared to 16.5% in fiscal year 2014
- Operating expenses of \$53.5 million, up 32.7% from fiscal year 2014
- Operating income of \$28.3 million, compared to an operating loss of \$18.4 million in fiscal year 2014
- GAAP net income of \$21.1 million, compared to a net loss of \$21.4 million in fiscal year 2014
- Non-GAAP net income of \$29.4 million, compared to a non-GAAP net loss of \$20.4 in fiscal year 2014
- GAAP net diluted EPS of \$0.27, compared to a net diluted loss per share of \$7.64 in fiscal year 2014
- Non-GAAP net diluted EPS of \$0.77, compared to a net diluted loss per share of \$0.76 in fiscal year 2014

### **Outlook for the First Fiscal Quarter 2016**

The Company also provides guidance for the first fiscal quarter of 2016 as follows:

- Revenues to be within the range of \$108 million to \$112 million;
- Gross margins to be within the range of 27% to 29%.

### **Conference Call**

The Company will host a conference call to discuss these results at 5:00 P.M. Eastern Time on Wednesday, August 12, 2015. The call will be available, live, to interested parties by dialing +1 877-675-4750. For international callers, please dial +1 719-325-4850. The Conference ID number is 7859651. A live webcast will also be available in the Investors Relations section of the Company's website at: <http://investors.solaredge.com>

---

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

## **About SolarEdge**

SolarEdge provides an intelligent inverter solution that has changed the way power is harvested and managed in solar photovoltaic systems. The SolarEdge DC optimized inverter system maximizes power generation at the individual PV module-level while lowering the cost of energy produced by the solar PV system. The SolarEdge system consists of power optimizers, inverters and a cloud-based monitoring platform and addresses a broad range of solar market segments, from residential solar installations to commercial and small utility-scale solar installations.

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

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

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

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

This release contains forward looking statements which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward looking statements include information, among other things, concerning: our possible or assumed future results of operations; future demands for solar energy solutions; business strategies; technology developments; financing and investment plans; dividend policy; competitive position; industry and regulatory environment; general economic conditions; potential growth opportunities; and the effects of competition. These forward looking statements are often characterized by the use of words such as "anticipate," "believe," "could," "seek," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "will," "would" or similar expressions and the negative or plural of those terms and other like terminology.

---



Forward-looking statements are only predictions based on our current expectations and our projections about future events. These forward looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from those expressed or implied by the forward looking statements. Given these factors, you should not place undue reliance on these forward-looking statements. These factors include, but are not limited to, the matters discussed in the section entitled "Risk Factors" of our Registration Statement on Form S-1 (including the related prospectus), Annual Report on Form 10-K for the fiscal year ended June 30, 2015, when it becomes available, Current Reports on Form 8-K and other reports filed with the SEC. All information set forth in this release is as of August 12, 2015. The Company undertakes no duty or obligation to update any forward-looking statements contained in this release as a result of new information, future events or changes in its expectations.

**Investor Contacts**

SolarEdge Technologies, Inc.  
Ronen Faier, Chief Financial Officer  
[investors@solaredge.com](mailto:investors@solaredge.com)  
+1 510-498-3263

Sapphire Investor Relations, LLC  
Erica Mannion or Michael Funari  
[investors@solaredge.com](mailto:investors@solaredge.com)  
+1 415-471-2700

---

SOLAREEDGE TECHNOLOGIES, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(In thousands, except per share data)

	Three months ended June 30,		Fiscal year ended June 30,	
	2015 (unaudited)	2014 (unaudited)	2015 (unaudited)	2014 (audited)
Revenues	\$ 98,420	\$ 44,573	\$ 325,078	\$ 133,217
Cost of revenues	70,149	35,849	243,295	111,246
Gross profit	<u>28,271</u>	<u>8,724</u>	<u>81,783</u>	<u>21,971</u>
Operating expenses:				
Research and development, net	6,701	4,570	22,018	18,256
Sales and marketing	7,432	5,420	24,973	17,792
General and administrative	2,265	1,174	6,535	4,294
Total operating expenses	<u>16,398</u>	<u>11,164</u>	<u>53,526</u>	<u>40,342</u>
Operating income (loss)	11,873	(2,440)	28,257	(18,371)
Other expenses	104		104	
Financial expenses, net	<u>1,699</u>	<u>470</u>	<u>5,077</u>	<u>2,787</u>
Income (loss) before taxes on income	10,070	(2,910)	23,076	(21,158)
Taxes on income	<u>809</u>	<u>132</u>	<u>1,955</u>	<u>220</u>
Net income (loss)	<u>\$ 9,261</u>	<u>\$ (3,042)</u>	<u>\$ 21,121</u>	<u>\$ (21,378)</u>
Net basic earnings (loss) per share of common stock <sup>(1)</sup>	<u>\$ 0.24</u>	<u>\$ (1.08)</u>	<u>\$ 0.30</u>	<u>\$ (7.64)</u>
Net diluted earnings (loss) per share of common stock	<u>\$ 0.21</u>	<u>\$ (1.08)</u>	<u>\$ 0.27</u>	<u>\$ (7.64)</u>
Number of shares used in computing net basic earnings (loss) per share of common stock	<u>39,160,372</u>	<u>2,809,950</u>	<u>11,902,911</u>	<u>2,798,894</u>
Number of shares used in computing net diluted earnings (loss) per share of common stock	<u>44,473,080</u>	<u>2,809,950</u>	<u>15,269,448</u>	<u>2,798,894</u>

(1) GAAP net basic and diluted earnings (loss) per share are materially different between fiscal 2015 and fiscal 2014 since under GAAP, preferred shares do not participate in losses and therefore the number of shares used in computing net diluted earnings (loss) per share is materially different between the fiscal years. In addition, under GAAP the conversion of preferred to common stock as of the IPO date reduces the net earnings available for distribution to common shareholders and reduces the number of shares used in computing net basic earnings (loss) per share of common stock.

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

	<u>June 30,</u> <u>2015</u>	<u>June 30,</u> <u>2014</u>
	<u>unaudited</u>	<u>audited</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 144,750	\$ 9,754
Restricted cash	3,639	1,602
Trade receivables, net	35,428	19,267
Prepaid expenses and other accounts receivable	32,645	13,151
Inventories	73,950	25,499
Total current assets	<u>290,412</u>	<u>69,273</u>
Property and equipment, net	14,717	5,351
Long-term lease deposit and prepaid expenses	529	367
Long-term deferred charges	-	7
Total assets	<u>\$ 305,658</u>	<u>\$ 74,998</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIENCY)</b>		
Current liabilities:		
Short term bank loan	\$ -	\$ 13,326
Current maturities of term loan	-	3,474
Trade payables	80,684	39,438
Employees and payroll accruals	6,814	5,210
Warranty obligations	9,431	5,496
Deferred revenues	1,676	1,729
Accrued expenses and other accounts payable	6,987	4,270
Total current liabilities	<u>105,592</u>	<u>72,943</u>
Long-term liabilities:		
Warranty obligations	22,448	12,685
Deferred revenues	8,289	4,252
Warrants to purchase common stock	-	765
Term loan	-	3,444
Lease incentive obligation	2,385	-
Total long-term liabilities	<u>33,122</u>	<u>21,146</u>
Commitments and Contingent liabilities		
Convertible Preferred Series A, B, C, D, D-1, D-2 and D-3 stock	-	116,203
Stockholders' equity (deficiency):		
Share capital		
Common stock	4	* -
Additional paid-in capital	287,152	5,878
Accumulated other comprehensive loss	(222)	(61)
Accumulated deficit	(119,990)	(141,111)
Total stockholders' equity (deficiency)	<u>166,944</u>	<u>(135,294)</u>
Total liabilities and stockholders' equity (deficiency)	<u>\$ 305,658</u>	<u>\$ 74,998</u>

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

	Year ended June 30,	
	2015	2014
	unaudited	audited
<b>Cash flows from operating activities:</b>		
Net income (loss)	\$ 21,121	\$ (21,378)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation	2,253	1,978
Capital loss from disposal of property	104	-
Interest expenses related to short term bank loan	-	44
Stock-based compensation related to employees and non-employee stock options	2,956	1,082
Financial expenses (income), net related to term loan	(992)	431
Remeasurement of warrants to purchase convertible preferred stock	5,350	(53)
Changes in assets and liabilities:		
Inventories	(48,507)	(10,681)
Prepaid expenses and other accounts receivable	(19,563)	(7,409)
Trade receivables, net	(16,333)	(9,911)
Trade payables	41,111	19,441
Employees and payroll accruals	1,668	1,726
Warranty obligations	13,698	7,803
Deferred revenues	3,989	(500)
Accrued expenses and other accounts payable	2,530	(418)
Lease incentive obligation	2,669	-
Net cash provided by (used in) operating activities	<u>12,054</u>	<u>(17,845)</u>
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(11,765)	(2,990)
Increase in restricted cash	(2,038)	(156)
Increase in long-term lease deposit	(134)	(1)
Net cash used in investing activities	<u>(13,937)</u>	<u>(3,147)</u>
<b>Cash flows from financing activities:</b>		
Proceeds from short term bank loan	23,000	21,813
Repayment of short term bank loan	(36,326)	(12,447)
Repayments of term loan	(5,919)	(2,401)
Proceeds from issuance of Series D-2 Convertible Preferred stock, net	-	669
Proceeds from issuance of Series D-3 Convertible Preferred stock, net	-	9,991
Proceeds from issuance of Series E Convertible Preferred stock, net	24,712	-
Proceeds from initial public offering, net	131,402	-
Proceeds from exercise of employees and non-employee consultants stock options	84	51
Net cash provided by financing activities	<u>136,953</u>	<u>17,676</u>
Increase (decrease) in cash and cash equivalents	135,070	(3,316)
Cash and cash equivalents at the beginning of the period	9,754	13,142
Effect of exchange rate differences on cash and cash equivalents	(74)	(72)
Cash and cash equivalents at the end of the period	<u>\$ 144,750</u>	<u>\$ 9,754</u>

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

	Three months ended June 30,		Fiscal Year ended	
	2015	2014	2015	2014
Gross profit (GAAP)	\$ 28,271	\$ 8,724	\$ 81,783	\$ 21,971
Stock-based compensation	188	28	442	108
Gross profit (Non-GAAP)	<u>\$ 28,459</u>	<u>\$ 8,752</u>	<u>\$ 82,225</u>	<u>\$ 22,079</u>
Gross margin (GAAP)	28.7%	19.6%	25.2%	16.5%
Stock-based compensation	0.2%	0.1%	0.1%	0.1%
Gross margin (Non-GAAP)	<u>28.9%</u>	<u>19.6%</u>	<u>25.3%</u>	<u>16.6%</u>
Operating expenses (GAAP)	\$ 16,398	\$ 11,164	\$ 53,526	\$ 40,342
Stock-based compensation R&D	184	110	634	397
Stock-based compensation S&M	263	82	809	297
Stock-based compensation G&A	569	71	1,071	280
Operating expenses (Non-GAAP)	<u>\$ 15,382</u>	<u>\$ 10,901</u>	<u>\$ 51,012</u>	<u>\$ 39,945</u>
Operating income (loss) (GAAP)	\$ 11,873	\$ (2,440)	\$ 28,257	\$ (18,371)
Stock-based compensation	1,204	291	2,956	1,082
Operating income (loss) (Non-GAAP)	<u>\$ 13,077</u>	<u>\$ (2,149)</u>	<u>\$ 31,213</u>	<u>\$ (17,289)</u>
Finance expenses (GAAP)	\$ 1,699	\$ 470	\$ 5,077	\$ 2,787
Warrants remeasurement	3,285	(8)	5,350	(53)
Finance expenses (Non-GAAP)	<u>\$ (1,586)</u>	<u>\$ 478</u>	<u>\$ (273)</u>	<u>\$ 2,840</u>
Net income (loss) (GAAP)	\$ 9,261	\$ (3,042)	\$ 21,128	\$ (21,378)
Stock-based compensation	1,204	291	2,956	1,082
Warrants remeasurement	3,285	(8)	5,350	(53)
Net income (loss) (Non-GAAP)	<u>\$ 13,750</u>	<u>\$ (2,759)</u>	<u>\$ 29,434</u>	<u>\$ (20,349)</u>
Net basic earnings (loss) per share (GAAP)	\$ 0.24	\$ (1.08)	\$ 0.30	\$ (7.64)
Stock-based compensation	0.03	0.01	0.09	0.04
Warrants remeasurement	0.08	----	0.15	----
Additional shares giving effect to IPO and conversion of preferred stock at the beginning of the periods <sup>(1)</sup>	----	0.97	0.31	6.84
Net basic earnings (loss) per share (Non-GAAP)	<u>\$ 0.35</u>	<u>\$ (0.10)</u>	<u>\$ 0.85</u>	<u>\$ (0.76)</u>
Number of shares used in computing net basic earnings (loss) per share (GAAP)	39,160,372	2,809,950	11,902,911	2,798,894
Additional shares giving effect to IPO and conversion of preferred stock at the beginning of the periods <sup>(1)</sup>	----	24,442,902	22,518,959	23,853,132
Number of shares used in computing net basic earnings (loss) per share (Non-GAAP)	<u>39,160,372</u>	<u>27,252,852</u>	<u>34,421,870</u>	<u>26,652,026</u>
Net diluted earnings (loss) per share (GAAP)	\$ 0.21	\$ (1.08)	\$ 0.27	\$ (7.64)
Stock-based compensation	0.02	0.01	0.07	0.04
Warrants remeasurement	0.08	----	0.14	----
Additional shares giving effect to IPO and conversion of preferred stock at the beginning of the periods <sup>(1)</sup>	----	0.97	0.29	6.84
Net diluted earnings (loss) per share (Non-GAAP)	<u>\$ 0.31</u>	<u>\$ (0.10)</u>	<u>\$ 0.77</u>	<u>\$ (0.76)</u>
Number of shares used in computing net diluted earnings (loss) per share (GAAP)	44,473,080	2,809,950	15,269,448	2,798,894
Stock-based compensation	319,840	----	582,962	----
Warrants remeasurement	126,634	----	59,288	----
Additional shares giving effect to IPO and conversion of preferred stock at the beginning of the periods <sup>(1)</sup>	----	24,442,902	22,518,959	23,853,132
Number of shares used in computing net diluted earnings (loss) per share (Non-GAAP)	<u>44,919,554</u>	<u>27,252,852</u>	<u>38,430,657</u>	<u>26,652,026</u>

(1) Assumes shares of common stock outstanding after accounting for (i) the automatic conversion of the shares of preferred stock then outstanding into common stock at the beginning of fiscal year 2014; and (ii) the issuance of 8,050,000 shares of common stock (associated with our initial public offering) at the beginning of the third fiscal quarter instead of the IPO closing date, March 31, 2015.



Fourth Fiscal Quarter

Earnings summary  
2015

August 12, 2015

# SAFE HARBOR

## Use of Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward looking statements include information, among other things, concerning: our possible or assumed future results of operations; future demands for solar energy solutions; business strategies; technology developments; financing and investment plans; dividend policy; competitive position; industry and regulatory environment; general economic conditions; potential growth opportunities; and the effects of competition.

Forward-looking statements are only predictions based on our current expectations and are inherently subject to risks and uncertainties. They should not be considered guarantees of future results, which could differ materially from the results set forth in, contemplated by, or underlying this presentation.

Factors that could cause actual results to differ materially from our expectations are described in the reports filed by SolarEdge with the Securities and Exchange Commission and we encourage you to review our filings carefully, especially the sections entitled "Risk Factors" in our Registration Statement on Form S-1 (including the related prospectus).

SolarEdge undertakes no duty or obligation to update any forward-looking statements contained in this presentation as a result of new information, future events or changes in its expectations.

This presentation describes non-GAAP net income and non-GAAP net diluted earnings per share, which are not measures prepared in accordance with U.S. GAAP (i.e. "Non-GAAP" measures). The Non-GAAP measures are presented in this presentation as we believe that they provide investors with a means of evaluating and understanding how SolarEdge's management evaluates the company's operating performance. These Non-GAAP measures should not be considered in isolation from, as substitutes for, or superior to financial measures prepared in accordance with U.S. GAAP.

# KEY OPERATING METRICS



**1,138K optimizers  
shipped**

**44K inverters  
shipped**

**284 Megawatts  
shipped**

**\$98.4M revenues**



# FISCAL FOURTH QUARTER

## Financial highlights for quarter

- ☐ Record revenue of \$98.4 million, up 13.9% QoQ; 120.8% YoY
- ☐ GAAP gross margin of 28.7%
- ☐ GAAP net income of \$9.3 million
- ☐ Non-GAAP net income of \$13.8 million
- ☐ Cash generated from operations \$15.7 million

## Business highlights for quarter

- ☐ ASP slightly above plan, despite price pressure
- ☐ Continued to increase manufacturing capacity
- ☐ 284 Megawatts AC inverters shipped
- ☐ 1,138K optimizers and 44K inverters shipped

# HIGHLIGHTS



solar**edge**

# YEAR OVER YEAR HIGHLIGHTS

## Financial highlights for FY 2015

- ☐ Annual revenues of \$325.1 million, YoY growth of 144.0%
- ☐ GAAP gross margin of 25.2%
- ☐ GAAP net income of \$21.1 million
- ☐ Non-GAAP net income of \$29.4 million

## Business highlights for FY 2015

- ☐ 920 Megawatts AC inverters shipped
- 3,534K optimizers and 150K inverters shipped
- Significant increase in U.S. and European market share
- ☐ Successful IPO



# NOTEWORTHY

- ☐ Continue growth in commercial markets in the U.S. and rest of world
- ☐ Launch of three phase 25-33kW inverters enables broader entry into large commercial markets
- ☐ SolarEdge-Tesla collaboration progresses; Tesla-ready products expected to arrive in market by fourth calendar quarter 2015
- ☐ First automated assembly center installed in Hungary

# FINANCIAL RESULTS

USD in millions*	FYQ4 '15	FYQ3 '15	FYQ4 '14
Revenues	98.4	86.4	44.6
Gross margin	28.7%	27.4%	19.6%
Operating expenses	16.4	13.9	11.2
Operating income (loss)	11.9	9.8	-2.4
Net income (loss)	9.3	6.0	-3.0
Net diluted earnings per share	0.21	0.01	-1.08

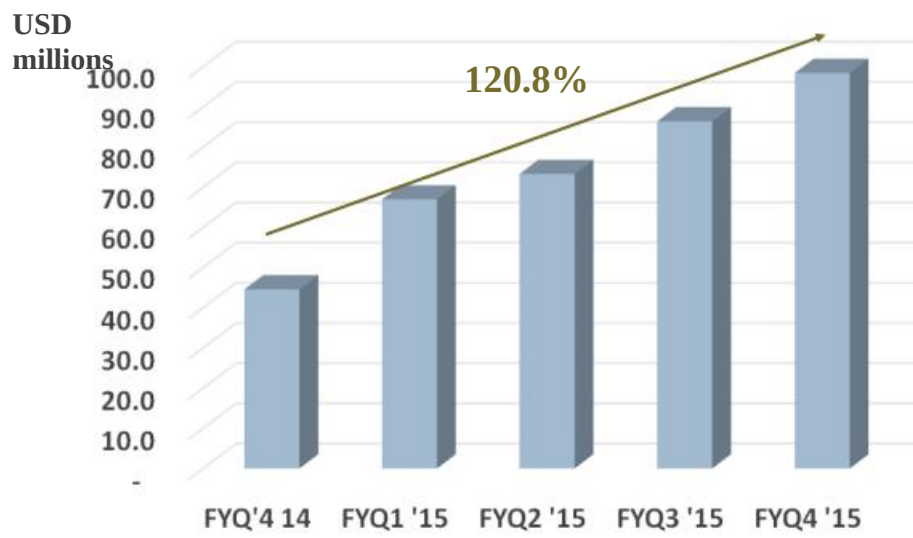
\*with the exception of gross margin and per share data

# NON-GAAP FINANCIAL RESULTS

USD in millions*	FYQ4 '15	FYQ3 '15	FYQ4 '14
Revenues	98.4	86.4	44.6
Gross margin	28.9%	27.6%	19.6%
Operating expenses	15.4	13.1	10.9
Operating income (loss)	13.1	10.8	-2.1
Net income (loss)	13.8	8.7	-2.8
Net diluted Earnings Per Share	0.31	0.20	-0.10

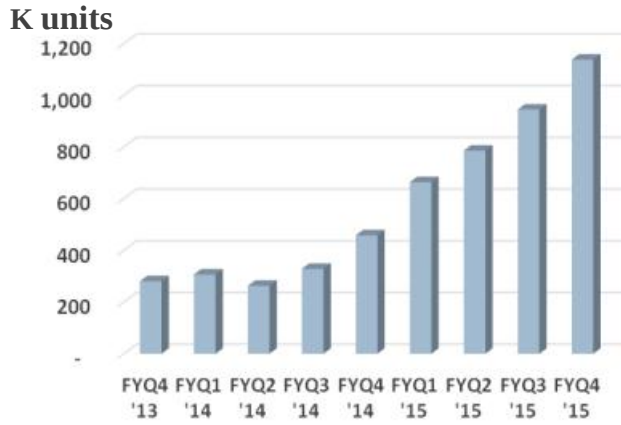
\*with the exception of gross margin and per share data

# REVENUE GROWTH

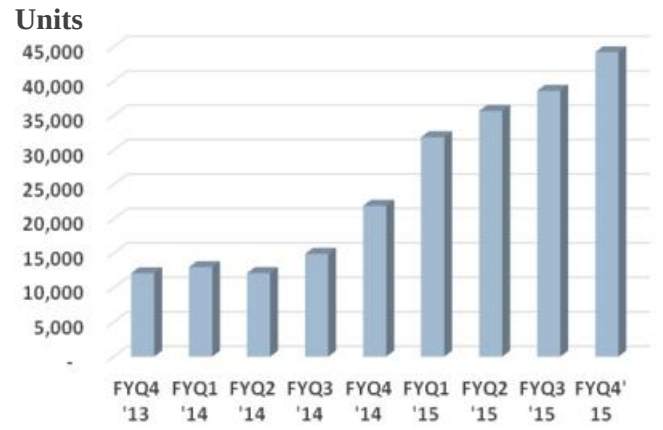


# UNITS SHIPPED

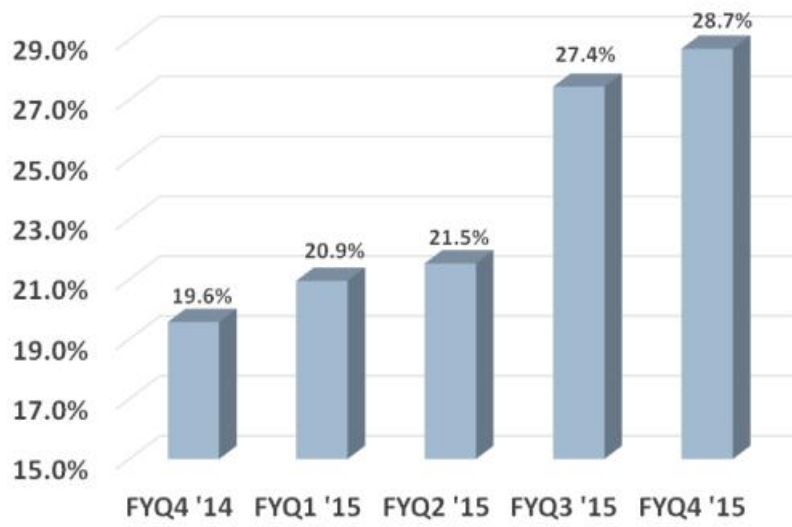
## Optimizers shipped



## Inverter shipped

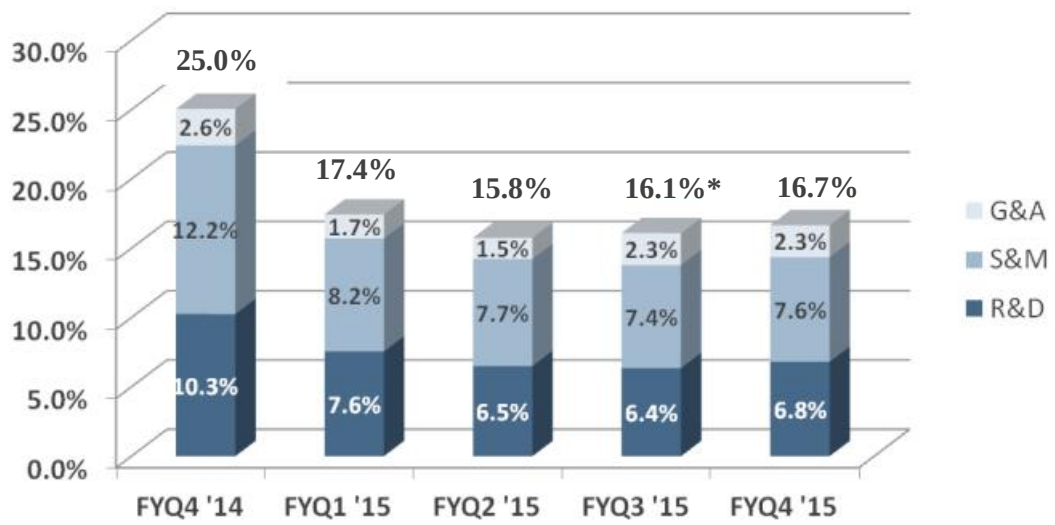


# GROSS MARGINS





# OPERATING EXPENSES

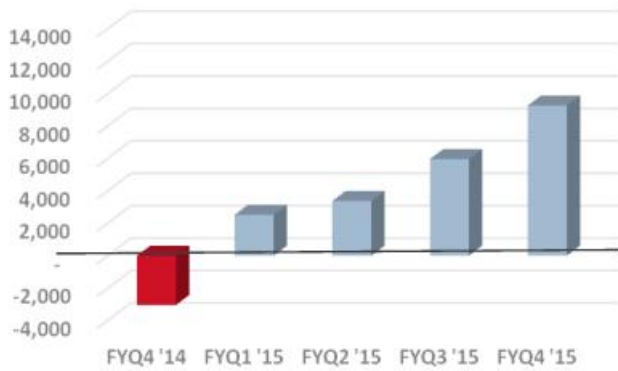


\* 15.4% excluding IPO related expenses

# NET INCOME

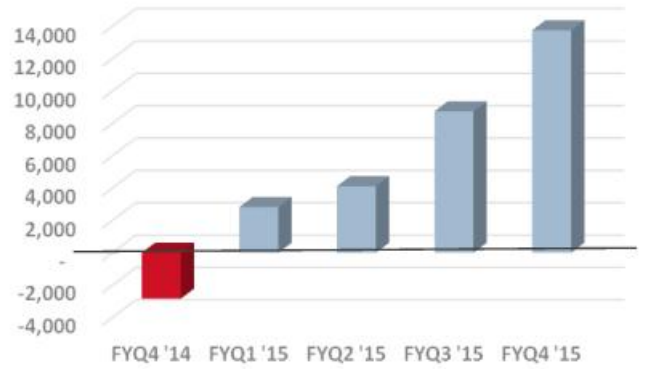
## GAAP

USD thousands



## Non-GAAP

USD thousands



# BALANCE SHEET & CASH FLOW

USD in millions	FYQ4 '15	FYQ3 '15	FYQ4 '14
Cash and investments	148.4	138.8	11.4
Inventory	74.0	64.5	25.5
Capital Expenditures*	3.5	5.1	0.7
Total Debt	-	-	20.2
Cash Flow From Operations	15.7	-13.0	-5.0

\*FYQ4 '15 and FYQ3 '15 includes \$0.7M and \$3.5M related to leasehold improvements, respectively

# FISCAL FIRST QUARTER OUTLOOK

☐ Revenues to be within the range of \$108-112 million

☐ Gross margin to be within the range of 27-29%



## Appendix

# RECONCILIATION OF GAAP TO NON-

Reconciliation of Non-GAAP Financial Measures			
GAAP			
Reconciliation of GAAP to Non-GAAP Gross Profit			
	FYQ4 '15	FYQ3 '15	FYQ4 '14
<b>Gross profit (GAAP)</b>	28,271	23,701	8,724
Stock-based compensation	188	140	28
<b>Gross profit (Non-GAAP)</b>	28,459	23,841	8,752
Reconciliation of GAAP to Non-GAAP Gross Margin			
	FYQ4 '15	FYQ3 '15	FYQ4 '14
<b>Gross margin (GAAP)</b>	28.7%	27.4%	19.6%
Stock-based compensation	0.2%	0.2%	0.1%
<b>Gross margin (Non-GAAP)</b>	28.9%	27.6%	19.6%
Reconciliation of GAAP to Non-GAAP Operating expenses			
	FYQ4 '15	FYQ3 '15	FYQ4 '14
<b>Operating expenses (GAAP)</b>	16,398	13,902	11,164
Stock-based compensation R&D	184	183	110
Stock-based compensation S&M	263	292	82
Stock-based compensation G&A	569	355	71
<b>Operating expenses (Non-GAAP)</b>	15,382	13,072	10,901

| 17 |

solar edge

# RECONCILIATION OF GAAP TO NON-

	GAAP Reconciliation of GAAP to Non-GAAP Operating income (loss)		
	FYQ4 '15	FYQ3 '15	FYQ4 '14
<b>Operating income (loss) (GAAP)</b>	11,873	9,799	(2,440)
Stock-based compensation	1,204	970	291
<b>Operating income (loss) (Non-GAAP)</b>	<b>13,077</b>	<b>10,769</b>	<b>(2,149)</b>
	Reconciliation of GAAP to Non-GAAP Finance expenses		
	FYQ4 '15	FYQ3 '15	FYQ4 '14
<b>Finance expenses (GAAP)</b>	1,699	3,436	470
Warrants remeasurement	3,285	1,800	(8)
<b>Finance expenses (Non-GAAP)</b>	<b>(1,586)</b>	<b>1,636</b>	<b>478</b>
	Reconciliation of GAAP to Non-GAAP Net income (loss)		
	FYQ4 '15	FYQ3 '15	FYQ4 '14
<b>Net income (loss) (GAAP)</b>	9,261	5,965	(3,042)
Stock-based compensation	1,204	970	291
Warrants remeasurement	3,285	1,800	(8)
<b>Net income (loss) (Non-GAAP)</b>	<b>13,750</b>	<b>8,735</b>	<b>(2,759)</b>

# RECONCILIATION OF GAAP TO NON-GAAP

	Reconciliation of GAAP to Non-GAAP Net basic EPS		
	FYQ4 '15	FYQ3 '15	FYQ4 '14
<b>Net basic earnings (loss) per share (GAAP)</b>	0.24	0.01	(1.08)
Stock-based compensation	0.03	0.03	0.01
Warrants remeasurement	0.08	0.04	----
Additional shares giving effect to IPO and conversion of preferred stock at the beginning of the periods	----	0.14	0.97
<b>Net basic earnings (loss) per share (Non-GAAP)</b>	<b>0.35</b>	<b>0.22</b>	<b>(0.10)</b>
	Reconciliation of GAAP to Non-GAAP No. of shares used in net basic EPS		
	FYQ4 '15	FYQ3 '15	FYQ4 '14
<b>Number of shares used in computing net basic earnings (loss) per share (GAAP)</b>	39,160,372	2,822,893	2,809,950
Additional shares giving effect to IPO and conversion of preferred stock at the beginning of the periods	----	36,297,931	24,442,902
<b>Number of shares used in computing net basic earnings (loss) per share (Non-GAAP)</b>	<b>39,160,372</b>	<b>39,120,824</b>	<b>27,252,852</b>



# RECONCILIATION OF GAAP TO NON-

	Reconciliation of GAAP to Non-GAAP Net diluted EPS		
	FYQ4 '15	FYQ3 '15	FYQ4 '14
<b>Net diluted earnings (loss) per share (GAAP)</b>	0.21	0.01	(1.08)
Stock-based compensation	0.02	0.02	0.01
Warrants remeasurement	0.08	0.04	----
Additional shares giving effect to IPO and conversion of preferred stock at the beginning of the periods	----	0.13	0.97
<b>Net diluted earnings (loss) per share (Non-GAAP)</b>	<b>0.31</b>	<b>0.20</b>	<b>(0.10)</b>
	Reconciliation of GAAP to Non-GAAP No. of shares used in net diluted EPS		
	FYQ4 '15	FYQ3 '15	FYQ4 '14
<b>Number of shares used in computing net diluted earnings (loss) per share (GAAP)</b>			
Number of shares used in computing net diluted earnings (loss) per share (GAAP)	44,473,080	7,099,046	2,809,950
Stock-based compensation	319,840	647,474	
Warrants remeasurement	126,634	103,777	
Additional shares giving effect to IPO and conversion of preferred stock at the beginning of the periods	----	36,297,931	24,442,902
<b>Number of shares used in computing net diluted earnings (loss) per share (Non-GAAP)</b>	<b>44,919,554</b>	<b>44,148,228</b>	<b>27,252,852</b>

| 20

solar **edge**



NASDAQ | SEDG

## Operational Metrics

KPI's \$,000	FYQ1	FYQ2	FYQ3	FYQ4	FYQ1	FYQ2	FYQ3	FYQ4 '15	FY 2013	FY 2014	FY 2015
	'14	'14	'14	'14	'15	'15	'15				
Revenues	30,515	27,569	30,560	44,573	66,969	73,290	86,399	98,420	79,035	133,217	325,078
% Y/Y	65%	22%	104%	94%	119%	166%	183%	121%	5%	69%	144%
% Q/Q	33%	(10)%	11%	46%	50%	9%	18%	14%			
Gross profit											
\$	4,058	2,960	6,229	8,724	14,030	15,781	23,701	28,271	4,409	21,971	81,783
% Y/Y	N/A	(142)%	308%	208%	246%	433%	280%	224%	N/A	398%	272%
% Q/Q	43%	(27)%	110%	40%	61%	12%	50%	19%			
Gross											
Margin	13.3%	10.7%	20.4%	19.6%	20.9%	21.5%	27.4%	28.7%	5.6%	16.5%	25.2%
% Y/Y	N/A	98%	100%	58%	58%	101%	35%	47%	N/A	196%	53%
% Q/Q	8%	(19)%	90%	(4)%	7%	3%	27%	5%			
Operating											
profit (loss)	(4,527)	(6,859)	(4,545)	(2,440)	2,351	4,234	9,799	11,873	(27,460)	(18,371)	28,257
% Y/Y	(50)%	6%	(30)%	(54)%	N/A	N/A	N/A	N/A	0%	(33)%	N/A
% Q/Q	(15)%	52%	(34)%	(46)%	N/A	80%	131%	21%			
Net profit											
(loss)	(5,311)	(7,787)	(5,238)	(3,042)	2,520	3,375	5,965	9,261	(28,180)	(21,378)	21,121
% Y/Y	(40)%	21%	(22)%	(50)%	N/A	N/A	N/A	N/A	1%	(24)%	N/A
% Q/Q	(14)%	47%	(33)%	(42)%	N/A	34%	77%	55%			
Optimizer											
shipped											
(units)	306,901	262,943	328,822	458,585	663,850	785,730	945,586	1,138,362	890,445	1,357,251	3,533,528
Inverter											
shipped											
(units)	13,005	12,135	14,936	21,923	31,880	35,696	38,630	44,222	36,088	61,999	150,428
MW											
shipped	77.0	75.6	83.6	128.6	176.1	213.1	247.6	283.7	239	365	920

Balance Sheet

\$,000	<u>June 30, 2015</u>	<u>March 31, 2015</u>
<b>Current Assets</b>		
Cash and cash equivalents	144,750	135,204
Restricted cash	3,639	3,575
Trade receivables, net	35,428	45,093
Prepaid expenses and other accounts receivable	32,645	25,312
Inventories	73,950	64,522
<b>Total Current Assets</b>	<b><u>290,412</u></b>	<b><u>273,706</u></b>
<b>Fixed Assets, net</b>		
Long term cash investment	14,717	11,903
	529	380
<b>Total Assets</b>	<b><u>305,658</u></b>	<b><u>285,989</u></b>
<b>Current Liabilities</b>		
Accounts payables	80,684	36,233
Employees & related payroll exp.	6,814	6,017
Other accounts payable	6,987	52,428
Short Term Warranty Liabilities	9,431	7,661
Deferred Revenues short terms	1,676	1,098
<b>Total Current Liabilities</b>	<b><u>105,592</u></b>	<b><u>103,437</u></b>
<b>Long Term Liabilities</b>		
Long Term Warranty Liabilities	22,448	20,238
Deferred Revenues Long terms	8,289	6,995
Other Long Term Liabilities	2,385	1,959
Long Term Warrants Liability	----	2,830
<b>Total Long Term Liabilities</b>	<b><u>33,122</u></b>	<b><u>32,022</u></b>
<b>Stockholders' Equity (Deficiency):</b>		
Common stock	4	4
Additional paid-in capital	287,152	280,040
Accumulated other comprehensive loss	(222)	(263)
Accumulated deficit	(119,990)	(129,251)
<b>Total Long Term Liabilities</b>	<b><u>166,944</u></b>	<b><u>150,530</u></b>
<b>Total Liabilities and Equity</b>	<b><u>305,658</u></b>	<b><u>285,989</u></b>

Cash Flow

\$,000	3 months ended	
	Jun-15	Jun-14
<b>Cash flows from operating activities:</b>		
Net income (loss)	9,261	(3,042)
<b>Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:</b>		
Depreciation	606	527
Capital Gain (loss) from disposal of property	104	---
Interest expenses related to short term bank loan	---	8
Stock-based compensation related to employees and non-employee stock options	1,206	291
Financial expenses, net related to term loan	---	(75)
Remeasurement of warrants to purchase convertible preferred stock	3,285	(8)
<b>Changes in assets and liabilities:</b>		
Inventories	(9,436)	(275)
Prepaid expenses and other accounts receivable	(7,365)	(3,499)
Trade receivables, net	9,660	(5,809)
Trade payables	1,508	4,177
Employees and payroll accruals	785	667
Warranty obligations	3,980	1,060
Deferred revenues	1,873	215
Accrued expenses and other accounts payable	(204)	805
Lease incentive obligation	426	---
<b>Net cash provided by (used in) operating activities</b>	<b>15,689</b>	<b>(4,958)</b>
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(3,511)	(727)
Decrease (increase) in restricted cash	(65)	(138)
Increase (decrease) in long-term lease deposit	(110)	(27)
<b>Net cash used in investing activities</b>	<b>(3,686)</b>	<b>(892)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from short term bank loan	---	5,452
Repayment of short term bank loan	---	(3,428)
Proceeds from term loan (net of \$100 transaction fee)	---	---
Repayments of term loan	---	(785)
Deferred charges related to term loan	---	---
Proceeds from issuance of stock, net	---	9,991
Issuance costs	(2,542)	---
Receipts on account of Convertible Preferred stock	---	(7,115)
Proceeds from exercise of employee stock options	38	---
<b>Net cash provided by (used in) financing activities</b>	<b>(2,504)</b>	<b>4,115</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>9,499</b>	<b>(1,735)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>135,204</b>	<b>11,472</b>
<b>Effect of exchange rate differences on cash and cash equivalents</b>	<b>47</b>	<b>17</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>144,750</b>	<b>9,754</b>

P&L GAAP

	<u>FYQ1</u> <u>'14</u>	<u>FYQ2</u> <u>'14</u>	<u>FYQ3</u> <u>'14</u>	<u>FYQ4 '14</u>	<u>FYQ1 '15</u>	<u>FYQ2 '15</u>	<u>FYQ3 '15</u>	<u>FYQ4 '15</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Revenues	30,515	27,569	30,560	44,573	66,969	73,290	86,399	98,420	79,035	133,217	325,078
Cost of revenues	26,457	24,609	24,331	35,849	52,939	57,509	62,698	70,149	74,626	111,246	243,295
Gross profit	4,058	2,960	6,229	8,724	14,030	15,781	23,701	28,271	4,409	21,971	81,783
Gross Margin %	13.3%	10.7%	20.4%	19.6%	20.9%	21.5%	27.4%	28.7%	5.6%	16.5%	25.2%
Operating expenses:											
Research and development, net	4,136	4,686	4,864	4,570	5,059	4,768	5,490	6,701	15,823	18,256	22,018
Sales and marketing	3,657	4,123	4,592	5,420	5,461	5,658	6,422	7,432	12,784	17,792	24,973
General and administrative	792	1,010	1,318	1,174	1,159	1,121	1,990	2,265	3,262	4,294	6,535
Total operating expenses	8,585	9,819	10,774	11,164	11,679	11,547	13,902	16,398	31,869	40,342	53,526
Operating income (loss)	(4,527)	(6,859)	(4,545)	(2,440)	2,351	4,234	9,799	11,873	(27,460)	(18,371)	28,257
Financial expenses (Income)	777	914	626	470	(516)	458	3,436	1,699	612	2,787	5,077
Other expenses	----	----	----	----	----	----	----	104	----	----	104
Profit (Loss) before taxes on income	(5,304)	(7,773)	(5,171)	(2,910)	2,867	3,776	6,363	10,070	(28,072)	(21,158)	23,076
Taxes on income	7	14	67	132	347	401	398	809	108	220	1,955
Net (Profit) loss	<u>(5,311)</u>	<u>(7,787)</u>	<u>(5,238)</u>	<u>(3,042)</u>	<u>2,520</u>	<u>3,375</u>	<u>5,965</u>	<u>9,261</u>	<u>(28,180)</u>	<u>(21,378)</u>	<u>21,121</u>