

Operational Metrics

KPI's \$,000	CQ'4 14	CQ'1 15	CQ'2 15	CQ'3 15	CQ'4 15	CQ'1 16	CQ'2 16	CQ'3 16	Fiscal Year ended, June 30		
									2014	2015	2016
Revenues	73,290	86,399	98,420	115,054	124,832	125,205	124,752	128,484	133,217	325,078	489,843
% Y/Y	166%	183%	121%	72%	70%	45%	27%	12%	69%	144%	51%
% Q/Q	9%	18%	14%	17%	8%	0%	0%	3%			
Gross profit \$	15,781	23,701	28,271	33,527	38,582	40,734	39,113	41,875	21,971	81,783	151,956
% Y/Y	433%	280%	224%	139%	144%	72%	38%	25%	398%	272%	86%
% Q/Q	12%	50%	19%	19%	15%	6%	-4%	7%			
Gross Margin	21.5%	27.4%	28.7%	29.1%	30.9%	32.5%	31.4%	32.6%	16.5%	25.2%	31.0%
% Y/Y	101%	35%	47%	39%	44%	19%	9%	12%	196%	53%	23%
% Q/Q	3%	27%	5%	1%	6%	5%	-4%	4%			
Operating income (loss)	4,234	9,799	11,873	14,874	19,262	19,739	17,884	18,240	(18,371)	28,257	71,759
% Y/Y	N\A	N\A	N\A	533%	355%	101%	51%	23%	-33%	N\A	154%
% Q/Q	80%	131%	21%	25%	30%	2%	-9%	2%			
Net income (loss)	3,375	5,965	9,261	14,432	24,105	20,799	17,273	15,616	(21,378)	21,121	76,609
% Y/Y	N\A	N\A	N\A	473%	614%	249%	87%	8%	-24%	N\A	263%
% Q/Q	34%	77%	55%	56%	67%	-14%	-17%	-10%			
Optimizer shipped (units)	785,730	945,586	1,138,362	1,460,277	1,373,407	1,417,469	1,487,393	1,645,708	1,357,251	3,533,528	5,738,546
Inverter shipped (units)	35,696	38,630	44,222	54,195	59,080	52,333	57,981	63,360	61,999	150,428	223,589
MW shipped	213	248	284	356	416	416	427	466	365	920	1,615

Balance Sheet

\$,000	Sep 30, 2015	Dec 31, 2015	Mar 31, 2016	Jun 30, 2016	Sep 30, 2016
Current Assets:					
Cash and cash equivalents	146,729	106,150	84,070	74,032	90,014
Restricted cash	3,588	3,417	944	928	946
Marketable securities	----	27,137	44,059	59,163	61,786
Trade receivables, net	47,366	46,685	56,145	72,737	84,898
Prepaid expenses and other accounts receivable	20,733	24,233	18,613	21,340	17,276
Inventories	79,907	87,400	85,514	81,550	68,434
Total Current Assets	298,323	295,022	289,345	309,750	323,354
Fixed Assets, net	17,272	21,428	26,213	27,831	30,377
Long Term Assets:					
Marketable securities	----	25,290	43,151	52,446	53,955
Prepaid expenses and lease deposits	601	510	440	399	437
Deferred tax assets, net	----	6,565	6,486	6,296	4,127
Intangible assets, net	779	758	737	716	695
Total Assets	316,975	349,573	366,372	397,438	412,945
Current Liabilities:					
Trade payables, net	67,180	61,977	45,138	48,481	40,282
Employees and payroll accruals	7,898	12,864	12,358	10,092	11,975
Warranty Liabilities	10,587	11,862	13,510	14,114	8,719
Deferred Revenues	2,175	1,983	2,642	3,859	15,103
Accrued expenses and other accounts payable	8,459	7,169	7,797	10,725	2,421
Total Current Liabilities	96,299	95,855	81,445	87,271	78,500
Long Term Liabilities:					
Warranty Liabilities	25,317	29,032	33,149	37,078	41,305
Deferred Revenues	9,760	11,427	13,266	14,684	16,059
Lease incentive obligation	2,374	2,320	2,265	2,297	2,135
Total Long Term Liabilities	37,451	42,779	48,680	54,059	59,499
Stockholders' Equity:					
Common stock	4	4	4	4	4
Additional paid-in capital	289,004	292,681	296,480	299,214	302,587
Accumulated other comprehensive income (loss)	(225)	(293)	417	271	120
Accumulated deficit	(105,558)	(81,453)	(60,654)	(43,381)	(27,765)
Total stockholders' equity	183,225	210,939	236,247	256,108	274,946
Total liabilities and stockholders' equity	316,975	349,573	366,372	397,438	412,945

P&L GAAP

									Fiscal Year ended, June 30		
	CQ'4 14	CQ'1 15	CQ'2 15	CQ'3 15	CQ'4 15	CQ'1 16	CQ'2 16	CQ'3 16	2014	2015	2016
Revenues	66,969	73,290	86,399	98,420	115,054	124,832	125,205	128,484	133,217	325,078	489,843
Cost of revenues	52,939	57,509	62,698	70,149	81,527	86,250	84,471	86,609	111,246	243,295	337,887
Gross profit	14,030	15,781	23,701	28,271	33,527	38,582	40,734	41,875	21,971	81,783	151,956
Gross Margin %	20.9%	21.5%	27.4%	28.7%	29.1%	30.9%	32.5%	32.6%	16.5%	25.2%	31.0%
Operating expenses:											
Research and development, net	5,059	4,768	5,490	6,701	6,991	8,299	8,709	9,935	18,256	22,018	33,231
Sales and marketing	5,461	5,658	6,422	7,432	8,244	8,833	8,826	10,036	17,792	24,973	34,833
General and administrative	1,159	1,121	1,990	2,265	3,418	2,188	3,460	3,664	4,294	6,535	12,133
Total operating expenses	11,679	11,547	13,902	16,398	18,653	19,320	20,995	23,635	40,342	53,526	80,197
Operating income (loss)	2,351	4,234	9,799	11,873	14,874	19,262	19,739	18,240	(18,371)	28,257	71,759
Financial expenses (Income)	(516)	458	3,436	1,699	72	959	(2,029)	(390)	2,787	5,077	(471)
Other expenses	----	----	----	104	----	----	----	----	----	104	----
Income (Loss) before taxes on income	2,867	3,776	6,363	10,070	14,802	18,303	21,768	18,630	(21,158)	23,076	72,230
Taxes on income (tax benefit)	347	401	398	809	370	(5,802)	969	3,014	220	1,955	(4,379)
Net income (loss)	2,520	3,375	5,965	9,261	14,432	24,105	20,799	15,616	(21,378)	21,121	76,609

Cash Flow

\$,000	Three Months Ended				Sep 30, 2016
	Sep. 30, 2015	Dec. 31, 2015	Mar. 31, 2016	Jun 30, 2016	
Cash flows from operating activities:					
Net income	14,432	24,105	20,799	17,273	15,616
<u>Adjustments to reconcile net income to net cash provided by operating activities:</u>					
Depreciation	738	891	972	1,162	1,271
Amortization of intangible assets	21	21	21	21	21
Amortization of premiums on available-for-sale marketable securities	----	35	174	323	332
Stock-based compensation	1,832	2,225	2,632	2,400	3,100
Realized losses on Cash Flow Hedges	1	(3)	2	----	----
<u>Changes in assets and liabilities:</u>					
Inventories	(5,956)	(7,496)	2,006	4,090	13,120
Prepaid expenses and other accounts receivable	11,811	(5,307)	6,682	(3,194)	4,176
Trade receivables, net	(11,928)	660	(9,413)	(16,590)	(12,102)
Deferred tax assets, net	----	(6,527)	(100)	247	2,180
Trade payables	(13,500)	(5,201)	(16,853)	3,354	(8,200)
Employees and payroll accruals	1,044	5,029	(556)	(2,239)	1,879
Warranty obligations	4,025	4,990	5,765	4,533	5,216
Deferred revenues	1,970	1,476	2,496	2,636	(63)
Accrued expenses and other accounts payable	1,467	(1,740)	770	3,243	(2,015)
Lease incentive obligation	(11)	(54)	(55)	32	(162)
Net cash provided by operating activities	5,946	13,104	15,342	17,291	24,369
Cash flows from investing activities:					
Purchase of property and equipment	(3,292)	(2,344)	(5,909)	(3,094)	(3,815)
Purchase of intangible assets	(800)	----	----	----	----
Decrease (increase) in restricted cash	51	171	2,473	16	(18)
Decrease (increase) in short and long-term lease deposits	73	(36)	(14)	80	(29)
Investment in available-for-sale marketable securities	----	(52,860)	(36,023)	(30,129)	(19,928)
Maturities of available-for-sale marketable securities	----	----	1,000	5,350	15,304
Net cash used in investing activities	(3,968)	(55,069)	(38,473)	(27,777)	(8,486)
Cash flows from financing activities:					
Proceeds from issuance of shares upon exercise of options	17	1,455	1,167	334	273
Net cash provided by financing activities	17	1,455	1,167	334	273
Increase (decrease) in cash and cash equivalents	1,995	(40,510)	(21,964)	(10,152)	16,156
Cash and cash equivalents at the beginning of the period	144,750	146,729	106,150	84,070	74,032
Effect of exchange rate differences on cash and cash equivalents	(16)	(69)	(116)	114	(174)
Cash and cash equivalents at the end of the period	146,729	106,150	84,070	74,032	90,014