

## Operational Metrics

KPI's \$,000									12 months ended, Dec 31		
	CQ'1 15	CQ'2 15	CQ'3 15	CQ'4 15	CQ'1 16	CQ'2 16	CQ'3 16	CQ'4 16	2014	2015	2016
Revenues	86,399	98,420	115,054	124,832	125,205	124,752	128,484	111,513	215,392	424,705	489,954
% Y/Y	183%	121%	72%	70%	45%	27%	12%	-11%	124%	97%	15%
% Q/Q	18%	14%	17%	8%	0%	0%	3%	-13%			
Gross profit \$	23,701	28,271	33,527	38,582	40,734	39,113	41,875	39,025	44,764	124,081	160,747
% Y/Y	280%	224%	139%	144%	72%	38%	25%	1%	293%	177%	30%
% Q/Q	50%	19%	19%	15%	6%	-4%	7%	-7%			
Gross Margin	27.4%	28.7%	29.1%	30.9%	32.5%	31.4%	32.6%	35.0%	21%	29%	32.8%
% Y/Y	35%	47%	39%	44%	19%	9%	12%	13%	75%	41%	12.3%
% Q/Q	27%	5%	1%	6%	5%	-4%	4%	7%			
Operating income (loss)	9,799	11,873	14,874	19,262	19,739	17,884	18,240	15,147	(400)	55,808	71,010
% Y/Y	N\A	N\A	533%	355%	101%	51%	23%	-21%	NA	NA	27%
% Q/Q	131%	21%	25%	30%	2%	-9%	2%	-17%			
Net income (loss)	5,965	9,261	14,432	24,105	20,799	17,273	15,616	9,765	(2,385)	53,763	63,453
% Y/Y	N\A	N\A	473%	614%	249%	87%	8%	-59%	NA	N\A	18%
% Q/Q	77%	55%	56%	67%	-14%	-17%	-10%	-37%			
Optimizer shipped (units)	945,586	1,138,362	1,460,277	1,373,407	1,417,469	1,487,393	1,645,708	1,259,150	2,236,987	4,917,632	5,809,720
Inverter shipped (units)	38,630	44,222	54,195	59,080	52,333	57,981	63,360	56,757	104,435	196,127	230,431
MW shipped	248	284	356	416	416	427	466	413	601	1,303	1,723

## Balance Sheet

\$,000	Sep 30, 2015	Dec 31, 2015	Mar 31, 2016	Jun 30, 2016	Sep 30, 2016	Dec 31, 2016
<b>Current Assets:</b>						
Cash and cash equivalents	146,729	106,150	84,070	74,032	90,014	104,683
Restricted cash	3,588	3,417	944	928	946	897
Marketable securities	----	27,137	44,059	59,163	61,786	74,465
Accounts receivables, net	47,366	46,685	56,145	72,737	84,898	71,041
Prepaid expenses and other accounts receivable	20,733	24,233	18,613	21,340	17,276	21,347
Inventories	79,907	87,400	85,514	81,550	68,434	67,363
<b>Total Current Assets</b>	<b>298,323</b>	<b>295,022</b>	<b>289,345</b>	<b>309,750</b>	<b>323,354</b>	<b>339,796</b>
Property, equipment and intangible assets, net	18,051	22,186	26,950	28,547	31,072	37,381
<b>Long Term Assets:</b>						
Marketable securities	----	25,290	43,151	52,446	53,955	44,262
Prepaid expenses and lease deposits	601	510	440	399	437	489
Deferred tax assets, net	----	6,565	6,486	6,296	4,127	2,815
<b>Total Assets</b>	<b>316,975</b>	<b>349,573</b>	<b>366,372</b>	<b>397,438</b>	<b>412,945</b>	<b>424,743</b>
<b>Current Liabilities:</b>						
Trade payables, net	67,180	61,977	45,138	48,481	40,282	34,001
Employees and payroll accruals	7,898	12,864	12,358	10,092	11,975	13,018
Warranty Liabilities	10,587	11,862	13,510	14,114	8,719	8,648
Deferred Revenues	2,175	1,983	2,642	3,859	15,103	13,616
Accrued expenses and other accounts payable	8,459	7,169	7,797	10,725	2,421	1,202
<b>Total Current Liabilities</b>	<b>96,299</b>	<b>95,855</b>	<b>81,445</b>	<b>87,271</b>	<b>78,500</b>	<b>70,485</b>
<b>Long Term Liabilities:</b>						
Warranty Liabilities	25,317	29,032	33,149	37,078	41,305	44,759
Deferred Revenues	9,760	11,427	13,266	14,684	16,059	18,660
Lease incentive obligation	2,374	2,320	2,265	2,297	2,135	2,061
<b>Total Long Term Liabilities</b>	<b>37,451</b>	<b>42,779</b>	<b>48,680</b>	<b>54,059</b>	<b>59,499</b>	<b>65,480</b>
<b>Stockholders' Equity:</b>						
Common stock	4	4	4	4	4	4
Additional paid-in capital	289,004	292,681	296,480	299,214	302,587	307,098
Accumulated other comprehensive income (loss)	(225)	(293)	417	271	120	(324)
Accumulated deficit	(105,558)	(81,453)	(60,654)	(43,381)	(27,765)	(18,000)
<b>Total stockholders' equity</b>	<b>183,225</b>	<b>210,939</b>	<b>236,247</b>	<b>256,108</b>	<b>274,946</b>	<b>288,778</b>
<b>Total liabilities and stockholders' equity</b>	<b>316,975</b>	<b>349,573</b>	<b>366,372</b>	<b>397,438</b>	<b>412,945</b>	<b>424,743</b>

## P&L GAAP

									12 months ended, Dec 31		
	CQ'1 15	CQ'2 15	CQ'3 15	CQ'4 15	CQ'1 16	CQ'2 16	CQ'3 16	CQ'4 16	2014	2015	2016
Revenues	86,399	98,420	115,054	124,832	125,205	124,752	128,484	111,513	215,392	424,705	489,954
Cost of revenues	62,698	70,149	81,527	86,250	84,471	85,639	86,609	72,488	170,628	300,624	329,207
Gross profit	<b>23,701</b>	<b>28,271</b>	<b>33,527</b>	<b>38,582</b>	<b>40,734</b>	<b>39,113</b>	<b>41,875</b>	<b>39,025</b>	<b>44,764</b>	<b>124,081</b>	<b>160,747</b>
Gross Margin %	27.4%	28.7%	29.1%	30.9%	32.5%	31.4%	32.6%	35.0%	20.8%	29.2%	32.8%
Operating expenses:											
Research and development, net	5,490	6,701	6,991	8,299	8,709	9,232	9,935	10,344	19,261	27,481	38,220
Sales and marketing	6,422	7,432	8,244	8,833	8,826	8,930	10,036	10,408	21,131	30,931	38,200
General and administrative	1,990	2,265	3,418	2,188	3,460	3,067	3,664	3,126	4,772	9,861	13,317
Total operating expenses	<b>13,902</b>	<b>16,398</b>	<b>18,653</b>	<b>19,320</b>	<b>20,995</b>	<b>21,229</b>	<b>23,635</b>	<b>23,878</b>	<b>45,164</b>	<b>68,273</b>	<b>89,737</b>
Operating income (loss)	<b>9,799</b>	<b>11,873</b>	<b>14,874</b>	<b>19,262</b>	<b>19,739</b>	<b>17,884</b>	<b>18,240</b>	<b>15,147</b>	<b>(400)</b>	<b>55,808</b>	<b>71,010</b>
Financial expenses (Income)	3,436	1,699	72	959	(2,029)	527	(390)	3,179	1,038	6,166	1,287
Other expenses	----	104	----	----	----	----	----	----	----	104	----
Income (Loss) before taxes on income	<b>6,363</b>	<b>10,070</b>	<b>14,802</b>	<b>18,303</b>	<b>21,768</b>	<b>17,357</b>	<b>18,630</b>	<b>11,968</b>	<b>(1,438)</b>	<b>49,538</b>	<b>69,723</b>
Taxes on income (tax benefit)	398	809	370	(5,802)	969	84	3,014	2,203	947	(4,225)	6,270
Net income (loss)	<b>5,965</b>	<b>9,261</b>	<b>14,432</b>	<b>24,105</b>	<b>20,799</b>	<b>17,273</b>	<b>15,616</b>	<b>9,765</b>	<b>(2,385)</b>	<b>53,763</b>	<b>63,453</b>

## Cash Flow

\$,000	Three Months Ended					Dec 31, 2016
	Sep. 30, 2015	Dec. 31, 2015	Mar. 31, 2016	Jun 30, 2016	Sep 30, 2016	
<b>Cash flows from operating activities:</b>						
Net income	14,432	24,105	20,799	17,273	15,616	9,765
<u>Adjustments to reconcile net income to net cash provided by operating activities:</u>						
Depreciation	738	891	972	1,162	1,271	1,431
Amortization of intangible assets	21	21	21	21	21	36
Amortization of premiums on available-for-sale marketable securities	----	35	174	323	332	349
Stock-based compensation	1,832	2,225	2,632	2,400	3,100	3,500
Deferred tax assets, net	----	(6,527)	(100)	247	2,180	1,472
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	902
Prepaid expenses and other accounts receivable	11,811	(5,307)	6,682	(3,194)	4,176	(4,543)
Trade receivables, net	(11,928)	660	(9,413)	(16,590)	(12,102)	13,657
Trade payables	(13,500)	(5,201)	(16,853)	3,354	(8,200)	(6,264)
Employees and payroll accruals	1,044	5,029	(556)	(2,239)	1,879	1,117
Warranty obligations	4,025	4,990	5,765	4,533	5,216	1,967
Deferred revenues	1,970	1,476	2,496	2,636	(63)	1,398
Accrued expenses and other accounts payable	1,467	(1,740)	770	3,243	(2,015)	16
Lease incentive obligation	(11)	(54)	(55)	32	(162)	(74)
<b>Net cash provided by operating activities</b>	<b>5,946</b>	<b>13,104</b>	<b>15,342</b>	<b>17,291</b>	<b>24,369</b>	<b>24,729</b>
<b>Cash flows from investing activities:</b>						
Purchase of property and equipment	(3,292)	(2,344)	(5,909)	(3,094)	(3,815)	(7,210)
Purchase of intangible assets	(800)	----	----	----	----	(600)
Decrease (increase) in restricted cash	51	171	2,473	16	(18)	49
Decrease (increase) in short and long-term lease deposits	73	(36)	(14)	80	(29)	(48)
Investment in available-for-sale marketable securities	----	(52,860)	(36,023)	(30,129)	(19,928)	(20,930)
Maturities of available-for-sale marketable securities	----	----	1,000	5,350	15,304	17,478
<b>Net cash used in investing activities</b>	<b>(3,968)</b>	<b>(55,069)</b>	<b>(38,473)</b>	<b>(27,777)</b>	<b>(8,486)</b>	<b>(11,261)</b>
<b>Cash flows from financing activities:</b>						
Proceeds from issuance of shares upon exercise of options	17	1,455	1,167	334	273	1,011
<b>Net cash provided by financing activities</b>	<b>17</b>	<b>1,455</b>	<b>1,167</b>	<b>334</b>	<b>273</b>	<b>1,011</b>
Increase (decrease) in cash and cash equivalents	1,995	(40,510)	(21,964)	(10,152)	16,156	14,479
Cash and cash equivalents at the beginning of the period	144,750	146,729	106,150	84,070	74,032	90,014
Effect of exchange rate differences on cash and cash equivalents	(16)	(69)	(116)	114	(174)	190
<b>Cash and cash equivalents at the end of the period</b>	<b>146,729</b>	<b>106,150</b>	<b>84,070</b>	<b>74,032</b>	<b>90,014</b>	<b>104,683</b>