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SolarEdge Technologies

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Safe Harbor

Use of Forward-Looking Statements and Non-GAAP Measures

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

Forward-looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Given these uncertainties, you should not place undue reliance on forward-looking statements. Forward-looking and other statements regarding our sustainability efforts and aspirations are not an indication that these statements are necessarily material to investors or requiring disclosure in our filing with the Securities and Exchange Commission ("SEC"). In addition, historical, current and forward-looking sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve and assumptions that are subject to change in the future, including future rule-making. Also, forward-looking statements represent our management's beliefs and assumptions only as of the date of this presentation. Important factors that could cause actual results to differ materially from our expectations include: future demand for renewable energy including solar energy solutions; our ability to forecast demand for our products accurately and to match production to such demand as well as our customers' ability to forecast demand based on inventory levels; macroeconomic conditions in our domestic and international markets, as well as inflation concerns, rising interest rates, and recessionary concerns; the retail price of electricity derived from the utility grid or alternative energy sources; interest rates and supply of capital in the global financial markets in general and in the solar market specifically; competition, including introductions of power optimizer, inverter and solar photovoltaic system monitoring products by our competitors; developments in alternative technologies or improvements in distributed solar energy generation; historic cyclicality of the solar industry and periodic downturns; product quality or performance problems in our products; shortages, delays, price changes, or cessation of operations or production affecting our suppliers of key components; delays, disruptions, and quality control problems in manufacturing; our dependence upon a small number of outside contract manufacturers and limited or single source suppliers; capacity constraints, delivery schedules, manufacturing yields, and costs of our contract manufacturers and availability of components; disruption in our global supply chain and rising prices of oil and raw materials as a result of the conflict between Russia and Ukraine; performance of distributors and large installers in selling our products; consolidation in the solar industry among our customers and distributors; our ability to manage effectively the growth of our organization and expansion into new markets; our ability to recognize expected benefits from restructuring plans; any unauthorized access to, disclosure, or theft of personal information or unauthorized access to our network or other similar cyber incidents; our ability to integrate acquired businesses; disruption to our business operations due to the evolving state of war in Israel and political conditions related to the Israeli government's plans to significantly reduce the Israeli Supreme Court's judicial oversight; our dependence on ocean transportation to timely deliver our products in a cost-effective manner; fluctuations in global currency exchange rates; the impact of evolving legal and regulatory requirements, including emerging environmental, social and governance requirements; existing and future responses to and effects of pandemics, epidemics, or other health crises; changes to net metering policies or the reduction, elimination or expiration of government subsidies and economic incentives for on-grid solar energy applications; federal, state, and local regulations governing the electric utility industry with respect to solar energy; changes in tax laws, tax treaties, and regulations or the interpretation of them, including the Inflation Reduction Act; changes in the U.S. trade environment, including the imposition of import tariffs; business practices and regulatory compliance of our raw material suppliers; our ability to maintain our brand and to protect and defend our intellectual property; volatility of our stock price; our customers' financial stability, creditworthiness, and debt leverage ratio; our ability to retain key personnel and attract additional qualified personnel; our ability to effectively design, launch, market, and sell new generations of our products and services; our ability to retain, and events affecting, our major customers; our ability to service our debt; and the other factors set forth under "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023, filed on February 26, 2024, and in other documents we file from time to time with the SEC that disclose risks and uncertainties that may affect our business. The preceding list is not intended to be an exhaustive list of all of our forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that future results, levels of activity, performance and events and circumstances reflected in the forward-looking statements will be achieved or will occur. Except as required by law, we assume no obligation to update these forward-looking statements, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

Included in this presentation are certain financial measures that are not calculated in accordance with U.S. generally accepted accounting principles ("GAAP") that are designed to supplement, and not substitute, SolarEdge's financial information presented in accordance with GAAP. These measures include but are not limited to non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses, including as percentage of revenues, non-GAAP operating income, non-GAAP financial income, non-GAAP other income, non-GAAP income tax benefit, non-GAAP equity method investments income, non-GAAP net income, non-GAAP net basic earnings per share, and non-GAAP diluted earnings per share. The non-GAAP measures, as defined by SolarEdge, may not be comparable to similar non-GAAP measures presented by other companies. The Non-GAAP measures are presented in this presentation because we believe that they provide investors with a means of evaluating and understanding how SolarEdge's management evaluates the company's operating performance. The presentation of such measures, which may include adjustments to exclude non-recurring items, should not be construed as an inference of SolarEdge's future results, cash flows, or leverage will be unaffected by other non-recurring items. Refer to Appendix A for reconciliation of these non-GAAP measures to the most comparable GAAP measures.

Key Metrics Q2/2024

65.8K

Inverters Shipped

2.0M

Power Optimizers
Shipped

128.4MW/h

Batteries Capacity Shipped

0.9GW

Systems Shipped

\$265.4M

GAAP Revenues

Second Quarter Financial Results

- / GAAP revenues of \$265.4M
- / Revenues from solar segment of \$241.2M
- / Revenues from energy storage and "all other" segments of \$23.9M
- / GAAP gross margin of (4.1%)
- / Non-GAAP gross margin* of 0.2%
- / Gross margin from sales of solar segment 1.3%
- / Operating loss from solar segment of \$(105.1)M
- / Non-GAAP operating loss* of \$(114.3)M
- / GAAP net loss of \$(130.8)M
- / Non-GAAP net loss* of \$(101.2)M
- / GAAP net diluted loss per share of \$(2.31)
- / Non-GAAP net diluted loss per share* of \$(1.79)
- / Cash used in operations of \$(44.8)M
- / Total cash and investments, net of debt, \$165.3M

* Non-GAAP financial measures; see reconciliation in Appendix

Quarterly GAAP Financial Results

USD in millions*	Q2 23	Q1 24	Q2 24
Revenues	991.3	204.4	265.4
Gross margin	32.0%	(12.8%)	(4.1%)
Operating expenses	166.9	147.5	149.2
Operating income (loss)	150.4	(173.7)	(160.2)
Net income (loss)	119.5	(157.3)	(130.8)
Net diluted income (loss) per share	2.03	(2.75)	(2.31)

* With the exception of gross margin and per share data

Quarterly Non-GAAP Financial Results**

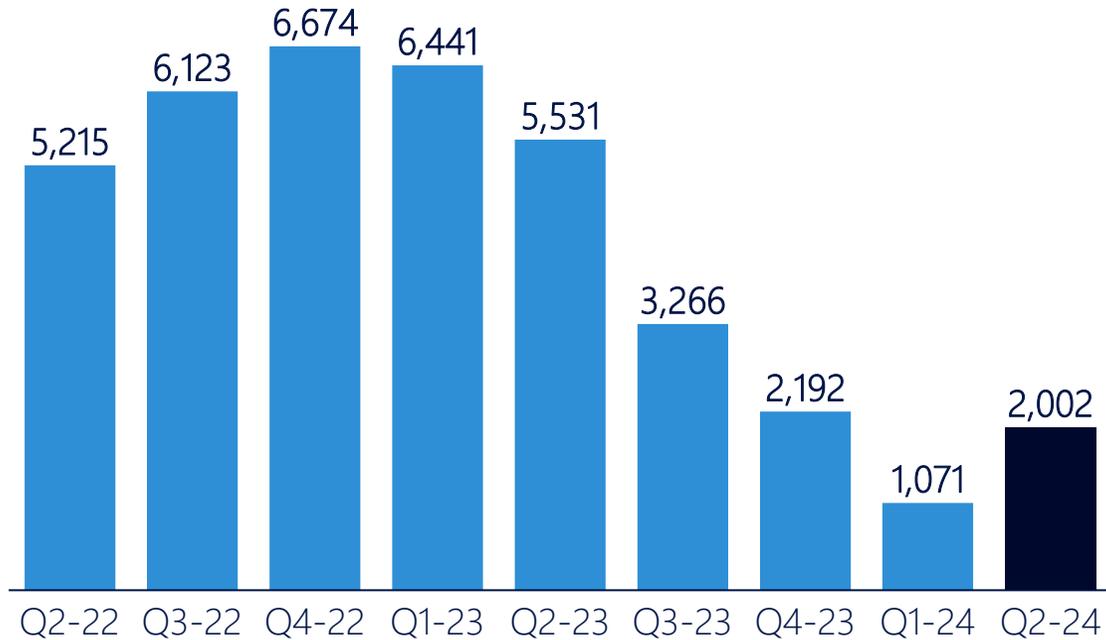
USD in millions*	Q2 23	Q1 24	Q2 24
Non-GAAP revenues	991.1	204.2	265.2
Non-GAAP gross margin	32.7%	(6.5%)	0.2%
Non-GAAP operating expenses	133.3	109.2	114.8
Non-GAAP operating income (loss)	191.0	(122.5)	(114.3)
Non-GAAP net income (loss)	157.4	(108.6)	(101.2)
Non-GAAP net diluted income (loss) per share	2.62	(1.90)	(1.79)

* With the exception of gross margin and per share data

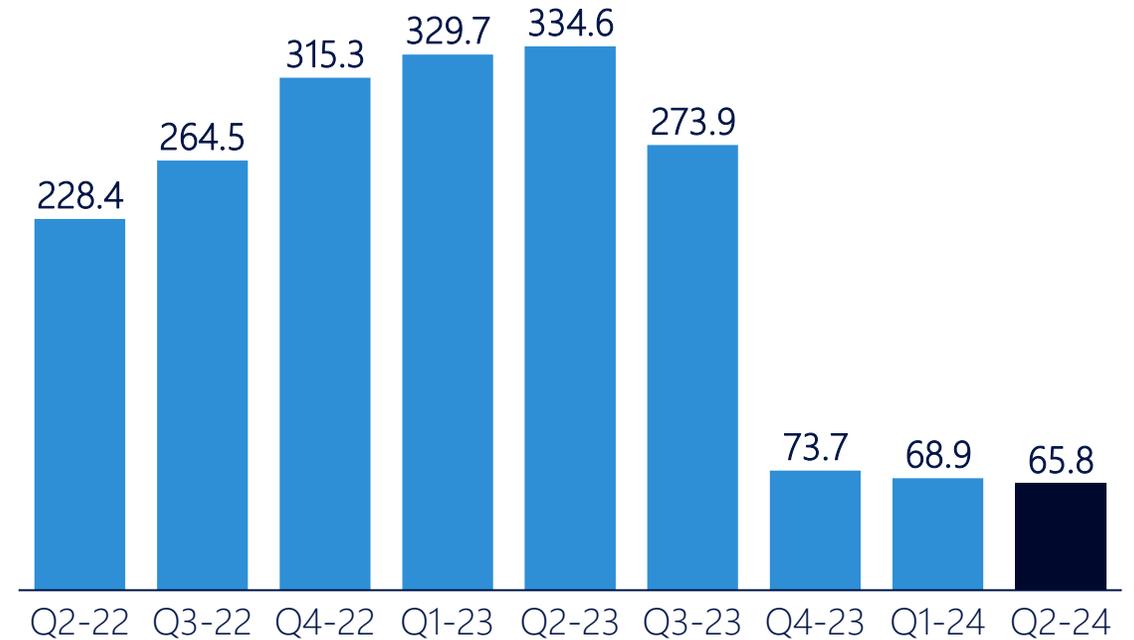
** See Appendix for reconciliations to most comparable GAAP measures

Units Shipped by Quarter

Power Optimizers

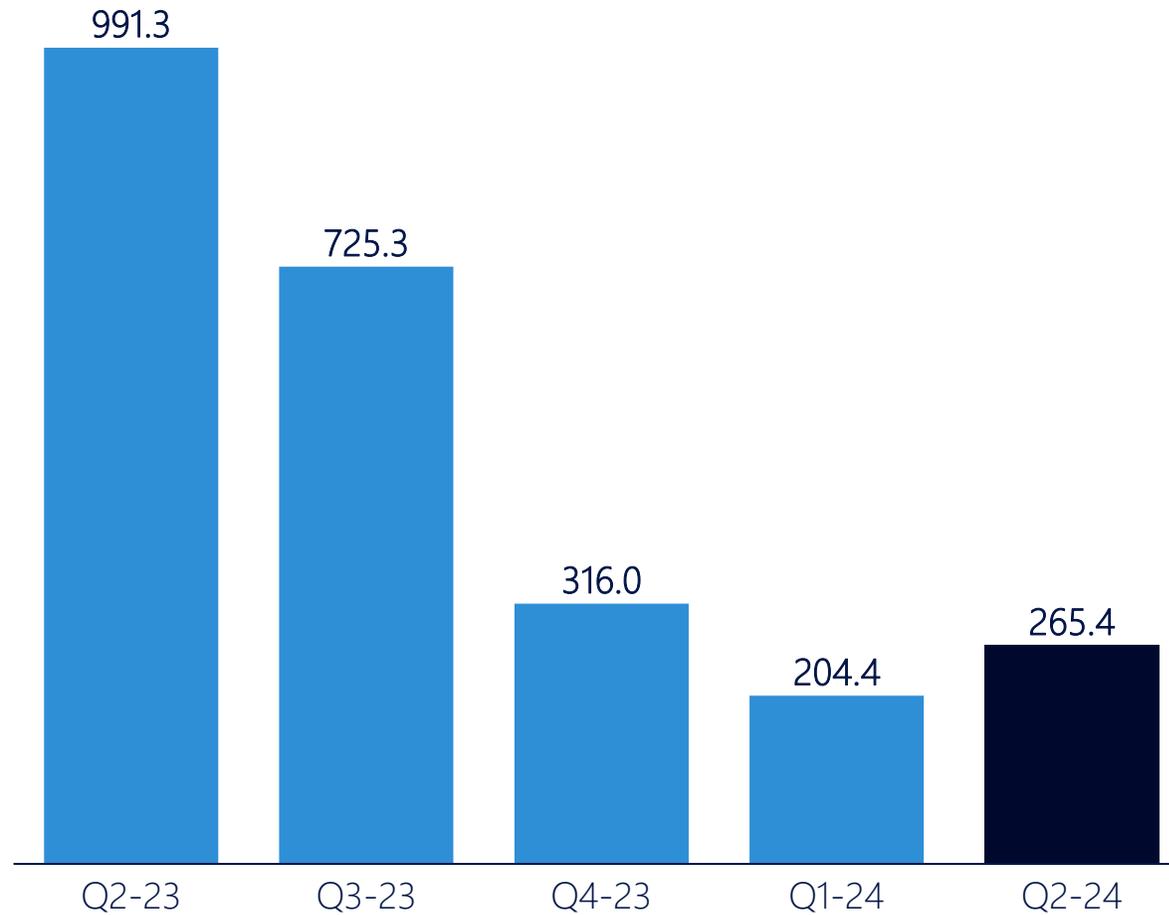


Inverters



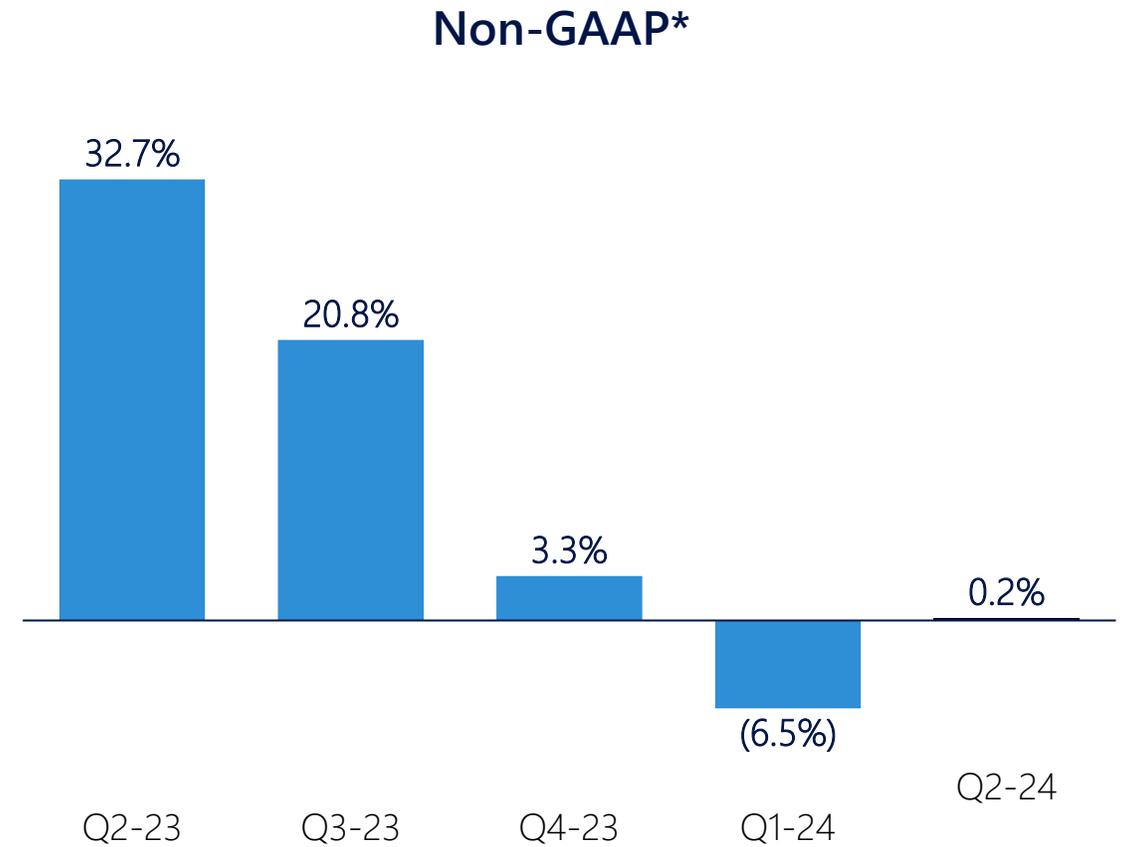
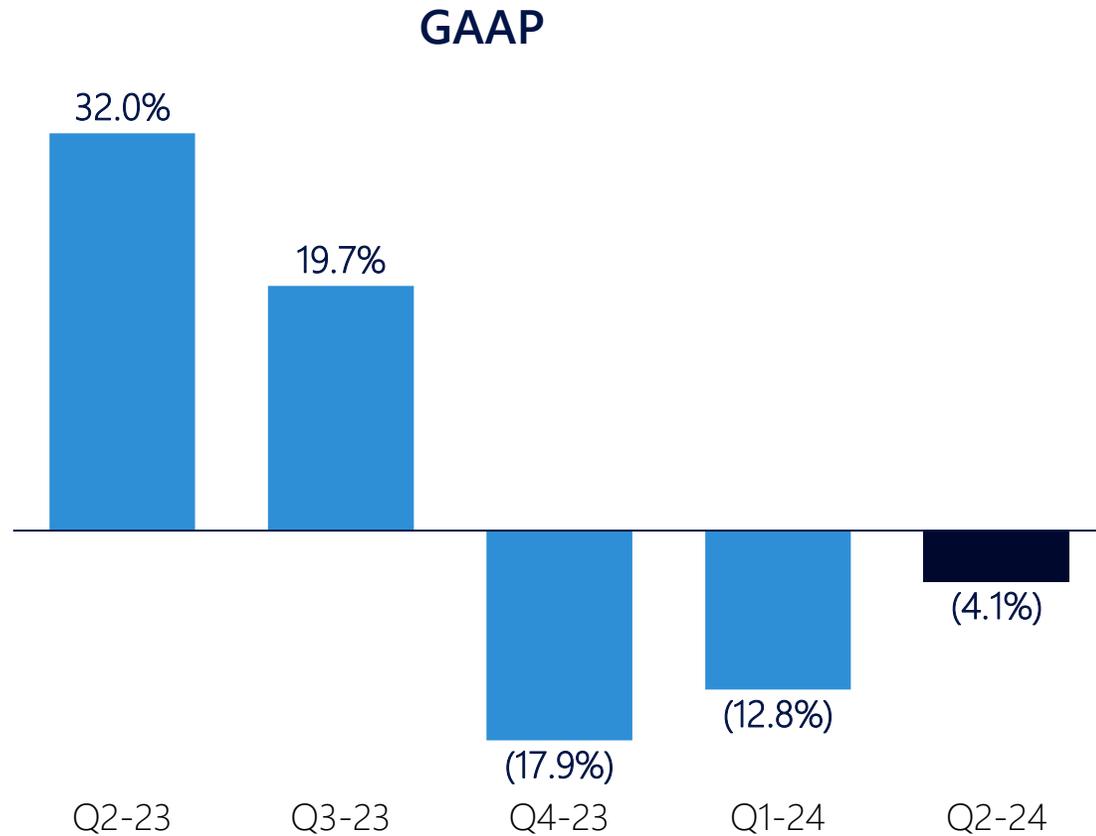
Units in thousands

Quarterly GAAP Revenues



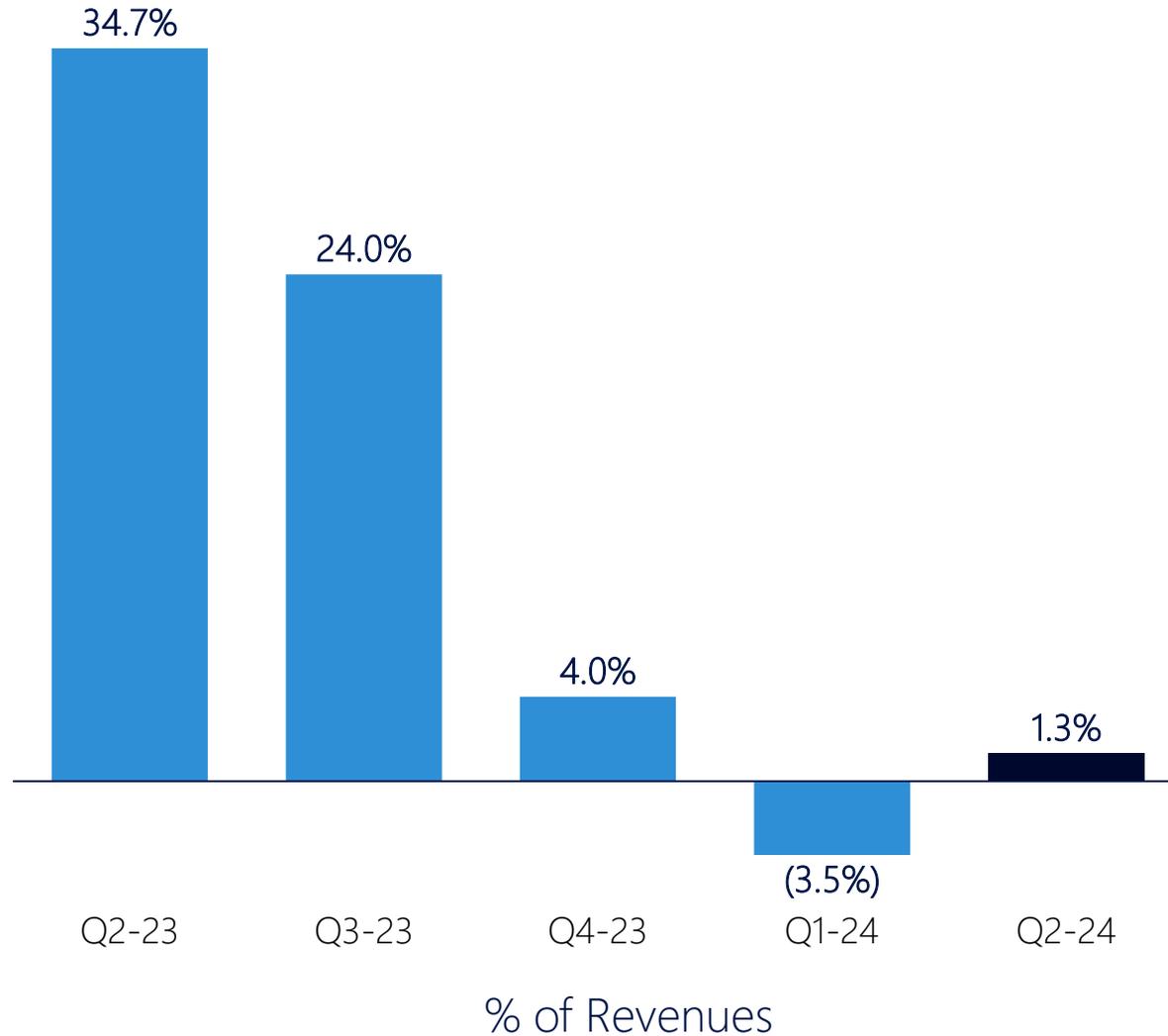
In USD millions

Gross Margin by Quarter

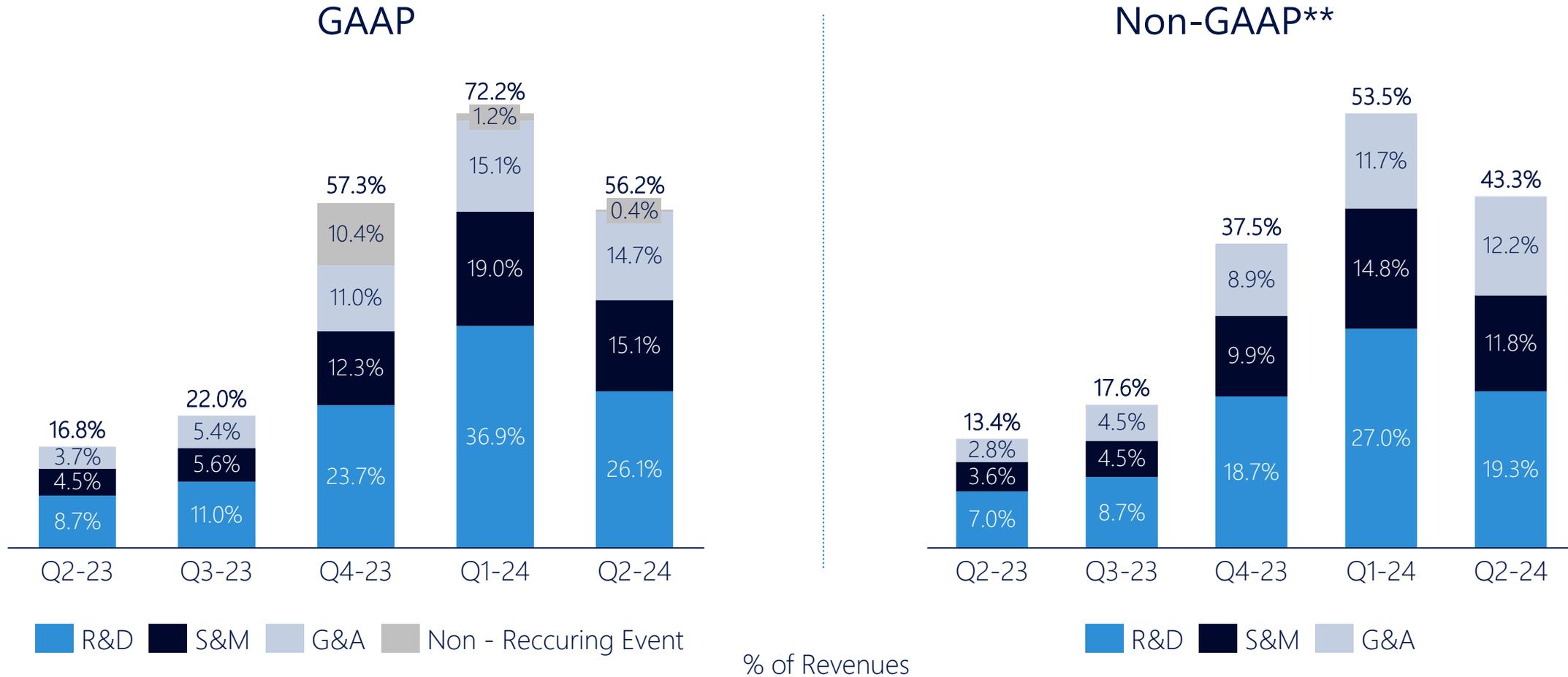


* Non-GAAP financial measures; see reconciliation in Appendix

Solar Segment Gross Margin by Quarter



Consolidated* Operating Expenses by Quarter

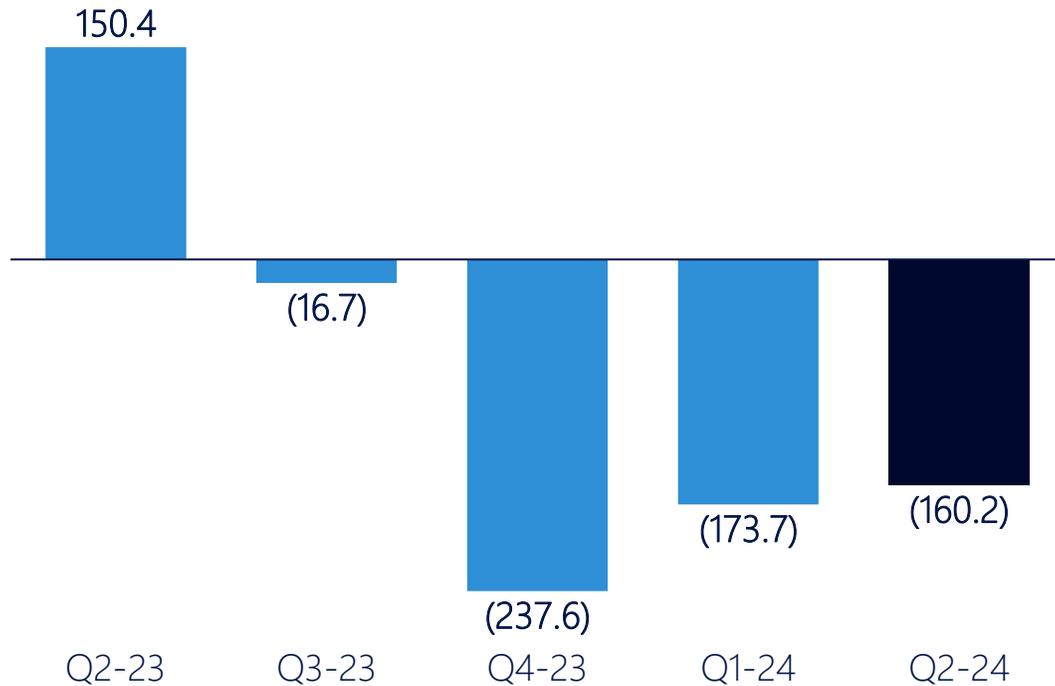


* For purposes of this presentation, "consolidated" refers to solar, energy storage, and "all other" segments

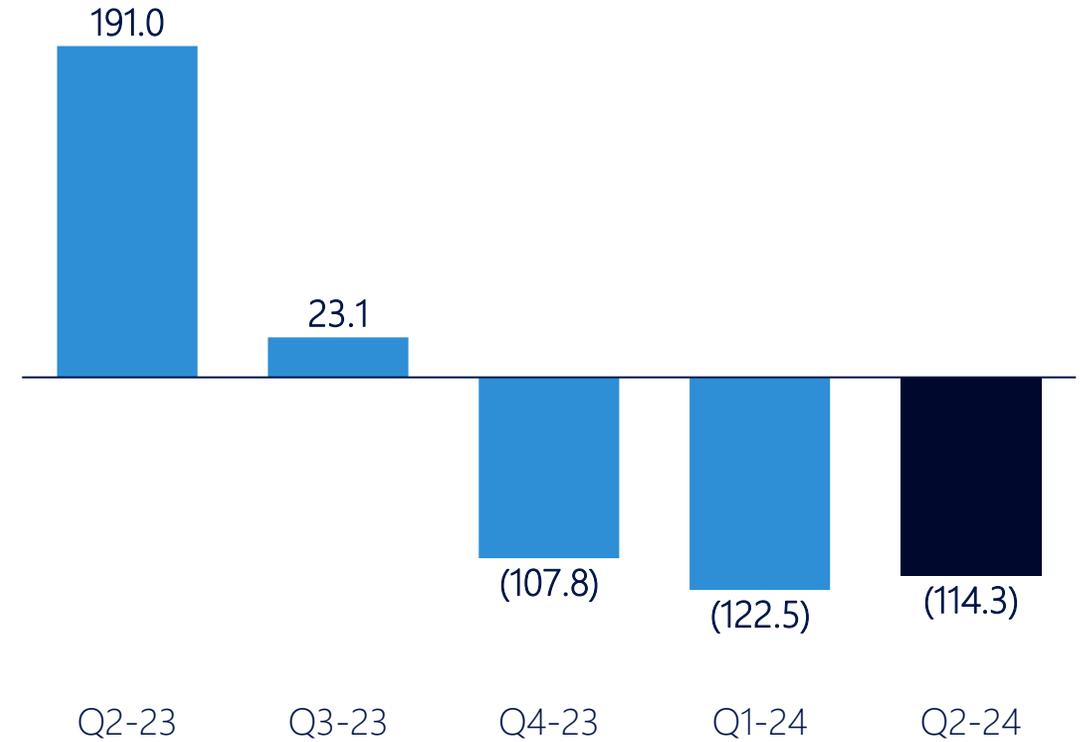
** Non-GAAP financial measures; see reconciliation in Appendix

Consolidated* Operating Income (loss) by Quarter

GAAP



Non-GAAP**

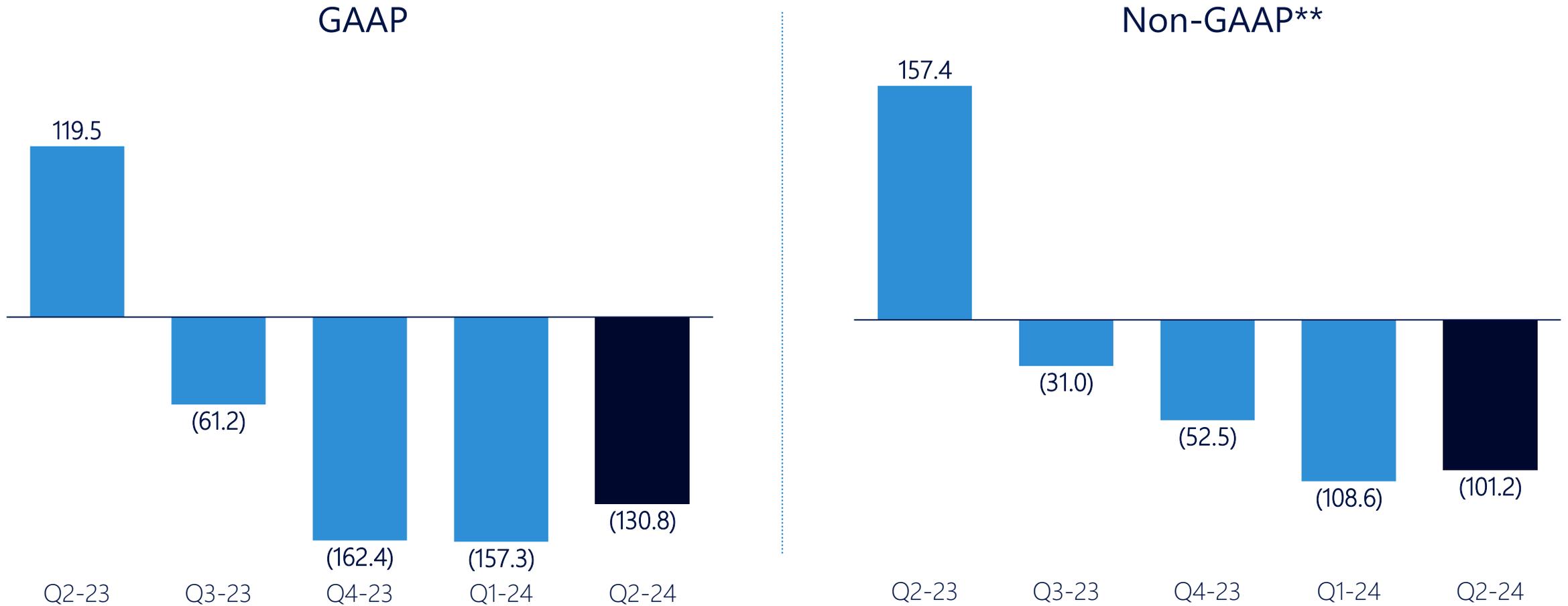


In USD millions

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

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

Consolidated* Net Income (loss) by Quarter



In USD millions

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

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

Balance Sheet & Cash flow

USD in millions	Q2 23	Q1 24	Q2 24
Cash and investments	1,487.0	949.9	813.9
Total Debt	633.5	633.6	648.6
Cash and Investments Net of Debt	853.5	316.3	165.3
Inventory	984.2	1,549.1	1,505.1
Capital Expenditures, Net	45.3	25.9	21.6
Cash Flow From (used in) Operations	(88.7)	(217.0)	(44.8)

Third Quarter Guidance

- / Revenues to be within the range of \$260 million to \$290 million
- / Non-GAAP gross margin* expected to be within the range of negative 3% to positive 1%, including approximately 560 basis points of net IRA manufacturing tax credit
- / Non-GAAP operating expenses* to be within the range of \$111 million to \$116 million
- / Revenues from the solar segment to be within the range of \$245 million to \$280 million
- / Gross margin from the solar segment expected to be within the range of 0% to 4%, including approximately 590 basis points of net IRA manufacturing tax credit

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

Appendix

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



Reconciliation of GAAP to Non-GAAP

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

	Reconciliation of GAAP to Non-GAAP Gross profit (loss)				
	June 30, 2024	March 31, 2024	Three months ended December 31, 2023	September 30, 2023	June 30, 2023
Gross profit (loss) (GAAP)	(10,969)	(26,187)	(56,425)	142,817	317,305
Revenues from finance component	(246)	(234)	(230)	(215)	(202)
Discontinued operation	(757)	(434)	36,648	----	----
Stock-based compensation	6,218	5,968	5,468	5,882	5,923
Amortization of stock-based compensation capitalized in inventories	362	197	343	441	316
Amortization and depreciation of acquired asset	1,343	1,551	1,555	2,096	872
Restructuring charges	4,519	5,822	23,154	----	----
Gross profit (loss) (Non-GAAP)	470	(13,317)	10,513	151,021	324,214

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

	Reconciliation of GAAP to Non-GAAP Gross margin (loss)				
	June 30, 2024	March 31, 2024	Three months ended December 31, 2023	September 30, 2023	June 30, 2023
Gross margin (loss) (GAAP)	-4.1%	-12.8%	-17.9%	19.7%	32.0%
Revenues from finance component	0.0%	-0.1%	-0.1%	0.0%	0.0%
Discontinued operation	-0.3%	-0.2%	11.6%	0.0%	0.0%
Stock-based compensation	2.3%	2.9%	1.8%	0.8%	0.6%
Amortization of stock-based compensation capitalized in inventories	0.1%	0.1%	0.1%	0.0%	0.0%
Amortization and depreciation of acquired asset	0.5%	0.8%	0.5%	0.3%	0.1%
Restructuring charges	1.7%	2.8%	7.3%	0.0%	0.0%
Gross margin (loss) (Non-GAAP)	0.2%	-6.5%	3.3%	20.8%	32.7%

Reconciliation of GAAP to Non-GAAP

Reconciliation of GAAP to Non-GAAP Operating expenses

	Three months ended				
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Operating expenses (GAAP)	149,213	147,518	181,156	159,543	166,947
Stock-based compensation - R&D	(17,639)	(17,139)	(15,982)	(16,481)	(17,272)
Stock-based compensation - S&M	(8,149)	(7,911)	(7,347)	(7,739)	(7,822)
Stock-based compensation - G&A	(6,565)	(6,588)	(6,133)	(6,713)	(7,948)
Amortization and depreciation of acquired assets - R&D	(271)	(270)	(58)	(329)	(289)
Amortization and depreciation of acquired assets - S&M	(467)	(124)	(190)	(321)	(235)
Amortization and depreciation of acquired assets - G&A	(2)	(2)	(2)	(4)	17
Discontinued operation	---	47	(388)	---	---
Restructuring charges	(366)	(3,943)	---	---	---
Assets impairment	---	(1,732)	(30,790)	---	---
Gain (loss) from assets sales and disposal	(951)	(1,058)	(172)	---	---
Certain litigation and other contingencies	---	399	(1,786)	---	---
Acquisition costs	---	(9)	---	---	(135)
Operating expenses (Non-GAAP)	114,803	109,188	118,308	127,956	133,263

Reconciliation of GAAP to Non-GAAP Operating income (loss)

	Three months ended				
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Operating income (loss) (GAAP)	(160,182)	(173,705)	(237,581)	(16,726)	150,358
Revenues from finance component	(246)	(234)	(230)	(215)	(202)
Discontinued operation	(757)	(481)	37,036	---	---
Stock-based compensation	38,571	37,606	34,930	36,815	38,965
Amortization of stock-based compensation capitalized in inventories	362	197	343	441	316
Amortization and depreciation of acquired assets	2,083	1,947	1,805	2,750	1,379
Restructuring charges	4,885	9,765	23,154	---	---
Assets impairment	---	1,732	30,790	---	---
Loss (gain) from assets sales and disposal	951	1,058	172	---	---
Certain litigation and other contingencies	---	(399)	1,786	---	---
Acquisition costs	---	9	---	---	135
Operating income (loss) (Non-GAAP)	(114,333)	(122,505)	(107,795)	23,065	190,951

Reconciliation of GAAP to Non-GAAP

Reconciliation of GAAP to Non-GAAP Financial income (expense), net

	Three months ended				
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Financial income (expense), net (GAAP)	(865)	(7,064)	22,055	(7,901)	3,384
Non cash interest expense	3,636	3,536	3,422	3,284	3,105
Unrealized losses (gains)	----	----	----	----	----
Currency fluctuation related to lease standard	(1,523)	(1,276)	4,359	(2,788)	(2,107)
Financial income (expense), net (Non-GAAP)	<u>1,248</u>	<u>(4,804)</u>	<u>29,836</u>	<u>(7,405)</u>	<u>4,382</u>

Reconciliation of GAAP to Non-GAAP Other income (loss)

	Three months ended				
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Other income (loss) (GAAP)	18,551	----	291	(484)	----
Loss (gain) from sale of equity and debt investments	(1,970)	----	(291)	484	----
Loss (gain) from business combination	(1,125)	----	----	----	----
Gain from the repurchase of convertible notes	(15,456)	----	----	----	----
Loss (gain) from sale of marketable securities	----	----	----	----	----
Other income (loss) (Non-GAAP)	<u>----</u>	<u>----</u>	<u>----</u>	<u>----</u>	<u>----</u>

Reconciliation of GAAP to Non-GAAP Income tax benefit (expense)

	Three months ended				
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Income tax benefit (expense) (GAAP)	12,245	23,754	53,202	(36,065)	(34,232)
Uncertain tax positions	----	----	----	----	----
Income tax adjustment	(357)	(5,062)	(27,699)	(10,561)	(3,735)
Income tax benefit (expense) (Non-GAAP)	<u>11,888</u>	<u>18,692</u>	<u>25,503</u>	<u>(46,626)</u>	<u>(37,967)</u>

Reconciliation of GAAP to Non-GAAP equity method investment income (loss)

	Three months ended				
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Equity method investments income (loss) (GAAP)	(567)	(296)	(350)	----	----
Loss from equity method investments	567	296	350	----	----
Equity method investments income (loss) (Non-GAAP)	<u>----</u>	<u>----</u>	<u>----</u>	<u>----</u>	<u>----</u>

Reconciliation of GAAP to Non-GAAP

	Reconciliation of GAAP to Non-GAAP Net income (loss)				
	June 30, 2024	March 31, 2024	Three months ended December 31, 2023	September 30, 2023	June 30, 2023
Net income (loss) (GAAP)	(130,818)	(157,311)	(162,383)	(61,176)	119,510
Revenues from finance component	(246)	(234)	(230)	(215)	(202)
Discontinued operation	(757)	(481)	37,036	----	----
Stock-based compensation	38,571	37,606	34,930	36,815	38,965
Amortization of stock-based compensation capitalized in inventories	362	197	343	441	316
Amortization and depreciation of acquired assets	2,083	1,947	1,805	2,750	1,379
Restructuring charges	4,885	9,765	23,154	----	----
Assets impairment	----	1,732	30,790	----	----
Loss (gain) from assets sales and disposal	951	1,058	172	----	----
Certain litigation and other contingencies	----	(399)	1,786	----	----
Acquisition costs	----	9	----	----	135
Non cash interest expense	3,636	3,536	3,422	3,284	3,105
Unrealized losses (gains)	----	----	----	----	----
Currency fluctuation related to lease standard	(1,523)	(1,276)	4,359	(2,788)	(2,107)
Loss (gain) from sale of equity and debt investments	(1,970)	----	(291)	484	----
Loss (gain) from business combination	(1,125)	----	----	----	----
Gain from the repurchase of convertible notes	(15,456)	----	----	----	----
Income tax adjustment	(357)	(5,062)	(27,699)	(10,561)	(3,735)
equity method adjustments	567	296	350	----	----
Net income (loss) (Non-GAAP)	(101,197)	(108,617)	(52,456)	(30,966)	157,366

Reconciliation of GAAP to Non-GAAP

	Reconciliation of GAAP to Non-GAAP Net basic earnings (loss) per share				
	June 30, 2024	March 31, 2024	Three months ended December 31, 2023	September 30, 2023	June 30, 2023
Net basic earnings (loss) per share (GAAP)	(2.31)	(2.75)	(2.85)	(1.08)	2.12
Revenues from finance component	0.00	(0.01)	(0.01)	0.00	(0.01)
Discontinued operation	(0.02)	(0.01)	0.65	---	---
Stock-based compensation	0.69	0.66	0.62	0.65	0.70
Amortization of stock-based compensation capitalized in inventories	0.00	0.01	0.00	0.00	0.00
Amortization and depreciation of acquired assets	0.04	0.03	0.04	0.05	0.03
Restructuring charges	0.08	0.17	0.40	---	---
Assets impairment	---	0.03	0.54	---	---
Loss (gain) from assets sales and disposal	0.02	0.02	0.01	---	---
Certain litigation and other contingencies	---	(0.01)	0.03	---	---
Acquisition costs	---	0.00	---	---	0.00
Non cash interest expense	0.07	0.06	0.06	0.06	0.05
Unrealized losses (gains)	---	---	---	---	---
Currency fluctuation related to lease standard	(0.04)	(0.02)	0.07	(0.05)	(0.03)
Loss (gain) from sale of equity and debt investments	(0.03)	---	0.00	0.01	---
Loss (gain) from business combination	(0.02)	---	---	---	---
Gain from the repurchase of convertible notes	(0.27)	---	---	---	---
Income tax adjustment	(0.01)	(0.09)	(0.49)	(0.19)	(0.07)
equity method adjustments	0.01	0.01	0.01	---	---
Net basic earnings (loss) per share (Non-GAAP)	(1.79)	(1.90)	(0.92)	(0.55)	2.79

Reconciliation of GAAP to Non-GAAP

	Reconciliation of GAAP to Non-GAAP Net diluted earnings (loss) per share				
	June 30, 2024	March 31, 2024	Three months ended December 31, 2023	September 30, 2023	June 30, 2023
Net diluted earnings (loss) per share (GAAP)	(2.31)	(2.75)	(2.85)	(1.08)	2.03
Revenues from finance component	0.00	(0.01)	(0.01)	0.00	(0.01)
Discontinued operation	(0.02)	(0.01)	0.65	----	----
Stock-based compensation	0.69	0.66	0.62	0.65	0.62
Amortization of stock-based compensation capitalized in inventories	0.00	0.01	0.00	0.00	0.00
Amortization and depreciation of acquired assets	0.04	0.03	0.04	0.05	0.03
Restructuring charges	0.08	0.17	0.40	----	----
Assets impairment	----	0.03	0.54	----	----
Loss (gain) from assets sales and disposal	0.02	0.02	0.01	----	----
Certain litigation and other contingencies	----	(0.01)	0.03	----	----
Acquisition costs	----	----	----	----	0.00
Non cash interest expense	0.07	0.06	0.06	0.06	0.04
Currency fluctuation related to lease standard	(0.04)	(0.02)	0.07	(0.05)	(0.03)
Loss (gain) from sale of equity and debt investments	(0.03)	----	0.00	0.01	----
Loss (gain) from business combination	(0.02)	----	----	----	----
Gain from the repurchase of convertible notes	(0.27)	----	----	----	----
Uncertain tax positions	----	----	----	----	----
Income tax adjustment	(0.01)	(0.09)	(0.49)	(0.19)	(0.06)
equity method adjustments	0.01	0.01	0.01	----	----
Net diluted earnings (loss) per share (Non-GAAP)	(1.79)	(1.90)	(0.93)	(0.55)	2.62

	Reconciliation of GAAP to Non-GAAP Number of shares				
	June 30, 2024	March 31, 2024	Three months ended December 31, 2023	September 30, 2023	June 30, 2023
Number of shares used in computing net diluted earnings (loss) per share (GAAP)	56,687,006	57,140,126	56,916,831	56,671,504	59,183,666
Stock-based compensation	----	----	----	----	986,527
Number of shares used in computing net diluted earnings (loss) per share (Non-GAAP)	56,687,006	57,140,126	56,916,831	56,671,504	60,170,193

Thank you

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