

Operational Metrics

KPI's \$,000	CQ'3 15	CQ'4 15	CQ'1 16	CQ'2 16	CQ'3 16	CQ'4 16	CQ'1 17	CQ'2 17	12 months ended, Dec 31		
									2014	2015	2016
Revenues	115,054	124,832	125,205	124,752	128,484	111,513	115,054	136,099	215,392	424,705	489,954
% Y/Y	72%	70%	45%	27%	12%	-11%	-8%	9%	124%	97%	15%
% Q/Q	17%	8%	0%	0%	3%	-13%	3%	18%			
Gross profit \$	33,527	38,582	40,734	39,113	41,875	39,025	38,676	47,066	44,764	124,081	160,747
% Y/Y	139%	144%	72%	38%	25%	1%	-5%	20%	293%	177%	30%
% Q/Q	19%	15%	6%	-4%	7%	-7%	-1%	22%			
Gross Margin	29.1%	30.9%	32.5%	31.4%	32.6%	35.0%	33.6%	34.6%	21%	29%	33%
% Y/Y	39%	44%	19%	9%	12%	13%	3%	10%	75%	41%	12%
% Q/Q	1%	6%	5%	-4%	4%	7%	-4%	3%			
Operating income (loss)	14,874	19,262	19,739	17,884	18,240	15,147	12,004	19,115	(400)	55,808	71,010
% Y/Y	533%	355%	101%	51%	23%	-21%	-39%	7%	N\A	N\A	27%
% Q/Q	25%	30%	2%	-9%	2%	-17%	-21%	59%			
Net income (loss)	14,432	24,105	20,799	17,273	15,616	9,765	14,175	22,524	(2,385)	53,763	63,453
% Y/Y	473%	614%	249%	87%	8%	-59%	-32%	30%	N\A	N\A	18%
% Q/Q	56%	67%	-14%	-17%	-10%	-37%	45%	59%			
Optimizer shipped (units)	1,460,277	1,373,407	1,417,469	1,487,393	1,645,708	1,259,150	1,469,677	1,774,480	2,236,987	4,917,632	5,809,720
Inverter shipped (units)	54,195	59,080	52,333	57,981	63,360	56,757	57,761	75,020	104,435	196,127	230,431
MW shipped (MW)	356	416	416	427	466	413	455	563	601	1,262	1,723

Balance Sheet

\$,000	<u>Sep 30, 2015</u>	<u>Dec 31, 2015</u>	<u>Mar 31, 2016</u>	<u>Jun 30, 2016</u>	<u>Sep 30, 2016</u>	<u>Dec 31, 2016</u>	<u>Mar 31, 2017</u>	<u>June 30, 2017</u>
Current Assets:								
Cash and cash equivalents	146,729	106,150	84,070	74,032	90,014	104,683	119,933	113,452
Restricted cash	3,588	3,417	944	928	946	897	991	1,097
Marketable securities	----	27,137	44,059	59,163	61,786	74,465	81,800	80,225
Accounts receivables, net	47,366	46,685	56,145	72,737	84,898	71,041	79,268	79,851
Prepaid expenses and other accounts receivable	20,733	24,233	18,613	21,340	17,276	21,347	26,561	34,109
Inventories	79,907	87,400	85,514	81,550	68,434	67,363	60,913	56,205
Total Current Assets	<u>298,323</u>	<u>295,022</u>	<u>289,345</u>	<u>309,750</u>	<u>323,354</u>	<u>339,796</u>	<u>369,466</u>	<u>364,939</u>
Long Term Assets:								
Marketable securities	----	25,290	43,151	52,446	53,955	44,262	44,893	79,954
Property, equipment and intangible assets, net	18,051	22,186	26,950	28,547	31,072	37,381	37,933	41,991
Prepaid expenses and lease deposits	601	510	440	399	437	489	594	640
Deferred tax assets, net	----	6,565	6,486	6,296	4,127	2,815	4,084	4,898
Total Long Term Assets	<u>298,323</u>	<u>54,551</u>	<u>77,027</u>	<u>87,688</u>	<u>89,591</u>	<u>84,947</u>	<u>87,504</u>	<u>127,483</u>
Total Assets	<u>316,975</u>	<u>349,573</u>	<u>366,372</u>	<u>397,438</u>	<u>412,945</u>	<u>424,743</u>	<u>456,970</u>	<u>492,422</u>
Current Liabilities:								
Trade payables, net	67,180	61,977	45,138	48,481	40,282	34,001	43,740	36,029
Employees and payroll accruals	7,898	12,864	12,358	10,092	11,975	13,018	11,767	14,286
Warranty Liabilities	10,587	11,862	13,510	14,114	15,103	13,616	12,895	12,501
Deferred Revenues	2,175	1,983	2,642	3,859	2,421	1,202	1,025	3,038
Accrued expenses and other accounts payable	8,459	7,169	7,797	10,725	8,719	8,648	9,189	12,842
Total Current Liabilities	<u>96,299</u>	<u>95,855</u>	<u>81,445</u>	<u>87,271</u>	<u>78,500</u>	<u>70,485</u>	<u>78,616</u>	<u>78,696</u>
Long Term Liabilities:								
Warranty Liabilities	25,317	29,032	33,149	37,078	41,305	44,759	48,230	52,839
Deferred Revenues	9,760	11,427	13,266	14,684	16,059	18,660	20,902	23,771
Lease incentive obligation	2,374	2,320	2,265	2,297	2,135	2,061	1,987	1,913
Total Long Term Liabilities	<u>37,451</u>	<u>42,779</u>	<u>48,680</u>	<u>54,059</u>	<u>59,499</u>	<u>65,480</u>	<u>71,119</u>	<u>78,523</u>
Stockholders' Equity:								
Common stock	4	4	4	4	4	4	4	4
Additional paid-in capital	289,004	292,681	296,480	299,214	302,587	307,098	311,081	316,867
Accumulated other comprehensive income (loss)	(225)	(293)	417	271	120	(324)	(25)	(367)
Accumulated deficit	(105,558)	(81,453)	(60,654)	(43,381)	(27,765)	(18,000)	(3,825)	18,699
Total stockholders' equity	<u>183,225</u>	<u>210,939</u>	<u>236,247</u>	<u>256,108</u>	<u>274,946</u>	<u>288,778</u>	<u>307,235</u>	<u>335,203</u>
Total liabilities and stockholders' equity	<u>316,975</u>	<u>349,573</u>	<u>366,372</u>	<u>397,438</u>	<u>412,945</u>	<u>424,743</u>	<u>456,970</u>	<u>492,422</u>

P&L GAAP

\$,000									12 months ended, Dec 31		
	CQ'3 15	CQ'4 15	CQ'1 16	CQ'2 16	CQ'3 16	CQ'4 16	CQ'1 17	CQ'2 17	2014	2015	2016
Revenues	115,054	124,832	125,205	124,752	128,484	111,513	115,054	136,099	215,392	424,705	489,954
Cost of revenues	81,527	86,250	84,471	85,639	86,609	72,488	76,378	89,033	170,628	300,624	329,207
Gross profit	<u>33,527</u>	<u>38,582</u>	<u>40,734</u>	<u>39,113</u>	<u>41,875</u>	<u>39,025</u>	<u>38,676</u>	<u>47,066</u>	<u>44,764</u>	<u>124,081</u>	<u>160,747</u>
Gross Margin %	29.1%	30.9%	32.5%	31.4%	32.6%	35.0%	33.6%	34.6%	20.8%	29.2%	32.8%
Operating expenses:											
Research and development, net	6,991	8,299	8,709	9,232	9,935	10,344	11,458	12,725	19,261	27,481	38,220
Sales and marketing	8,244	8,833	8,826	8,930	10,036	10,408	10,775	11,961	21,131	30,931	38,200
General and administrative	3,418	2,188	3,460	3,067	3,664	3,126	4,439	3,265	4,772	9,861	13,317
Total operating expenses	<u>18,653</u>	<u>19,320</u>	<u>20,995</u>	<u>21,229</u>	<u>23,635</u>	<u>23,878</u>	<u>26,672</u>	<u>27,951</u>	<u>45,164</u>	<u>68,273</u>	<u>89,737</u>
Operating income (loss)	<u>14,874</u>	<u>19,262</u>	<u>19,739</u>	<u>17,884</u>	<u>18,240</u>	<u>15,147</u>	<u>12,004</u>	<u>19,115</u>	<u>(400)</u>	<u>55,808</u>	<u>71,010</u>
Financial expenses (Income)	72	959	(2,029)	527	(390)	3,179	(1,410)	(3,595)	1,038	6,166	1,287
Other expenses	----	----	----	----	----	----	----	----	----	104	----
Income (Loss) before taxes on income	<u>14,802</u>	<u>18,303</u>	<u>21,768</u>	<u>17,357</u>	<u>18,630</u>	<u>11,968</u>	<u>13,414</u>	<u>22,710</u>	<u>(1,438)</u>	<u>49,538</u>	<u>69,723</u>
Taxes on income (tax benefit)	370	(5,802)	969	84	3,014	2,203	(761)	186	947	(4,225)	6,270
Net income (loss)	<u>14,432</u>	<u>24,105</u>	<u>20,799</u>	<u>17,273</u>	<u>15,616</u>	<u>9,765</u>	<u>14,175</u>	<u>22,524</u>	<u>(2,385)</u>	<u>53,763</u>	<u>63,453</u>

Cash Flow

\$,000	Three Months Ended							
	Sep. 30, 2015	Dec. 31, 2015	Mar. 31, 2016	Jun 30, 2016	Sep 30, 2016	Dec 31, 2016	March 31, 2017	
Cash flows from operating activities:								
Net income	14,432	24,105	20,799	17,273	15,616	9,765	14,175	22,524
<u>Adjustments to reconcile net income to net cash provided by operating activities:</u>								
Depreciation	738	891	972	1,162	1,271	1,431	1,484	1,574
Amortization of intangible assets	21	21	21	21	21	36	36	36
Amortization of premiums on available-for-sale marketable securities	----	35	174	323	332	349	383	408
Stock-based compensation	1,832	2,225	2,632	2,400	3,100	3,500	3,612	4,034
Deferred tax assets, net	----	(6,527)	(100)	247	2,180	1,472	(1,333)	(772)
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	6,453	4,700
Prepaid expenses and other accounts receivable	11,811	(5,307)	6,682	(2,644)	4,176	(4,543)	(4,583)	(7,964)
Trade receivables, net	(11,928)	660	(9,413)	(16,590)	(12,102)	13,657	(8,070)	(329)
Trade payables	(13,500)	(5,201)	(16,853)	3,354	(8,200)	(6,264)	9,734	(7,727)
Employees and payroll accruals	1,044	5,029	(556)	(2,239)	1,879	1,117	(1,272)	2,478
Warranty obligations	4,025	4,990	5,765	4,533	5,216	1,967	2,750	4,215
Deferred revenues	1,970	1,476	2,496	2,636	(63)	1,398	2,060	4,875
Accrued expenses and other accounts payable	1,467	(1,740)	770	3,437	(2,015)	16	311	3,647
Lease incentive obligation	(11)	(54)	(55)	32	(162)	(74)	(74)	(74)
Net cash provided by operating activities	5,946	13,104	15,342	18,035	24,369	24,729	25,666	31,625
Cash flows from investing activities:								
Purchase of property and equipment	(3,292)	(2,344)	(5,909)	(4,145)	(3,815)	(7,210)	(1,872)	(5,739)
Purchase of intangible assets	(800)	----	----	----	----	(600)	----	----
Decrease (increase) in restricted cash	51	171	2,473	16	(18)	49	(94)	(106)
Decrease (increase) in short and long-term lease deposits	73	(36)	(14)	80	(29)	(48)	(66)	(62)
Investment in available-for-sale marketable securities	----	(52,860)	(36,023)	(29,628)	(19,928)	(20,930)	(24,070)	(50,036)
Maturities of available-for-sale marketable securities	----	----	1,000	5,350	15,304	17,478	15,665	16,009
Net cash used in investing activities	(3,968)	(55,069)	(38,473)	(28,327)	(8,486)	(11,261)	(10,437)	(39,934)
Cash flows from financing activities:								
Proceeds from issuance of shares upon exercise of options	17	1,455	1,167	334	273	1,011	371	1,752
Net cash provided by financing activities	17	1,455	1,167	334	273	1,011	371	1,752
Increase (decrease) in cash and cash equivalents	1,995	(40,510)	(21,964)	(10,152)	16,156	14,479	15,600	(6,557)
Cash and cash equivalents at the beginning of the period	144,750	146,729	106,150	84,070	74,032	90,014	104,683	119,933
Effect of exchange rate differences on cash and cash equivalents	(16)	(69)	(116)	114	(174)	190	(350)	76
Cash and cash equivalents at the end of the period	146,729	106,150	84,070	74,032	90,014	104,683	119,933	113,452