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Description

SolarEdge Technologies designs, develops, and sells direct current (DC) optimized inverter systems for solar photovoltaic (PV) installations worldwide. SolarEdge has invented an intelligent inverter solution that has changed the way power is harvested and managed in a solar photovoltaic (PV) system. 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.

Since beginning commercial shipments in 2010, SolarEdge has shipped over 16.2 Gigawatt ("GW") of its DC optimized inverter systems and its products have been installed in solar PV systems in 133 countries.

SolarEdge's mission is to become the leading provider of inverter solutions across all PV market segments and broaden the availability of clean, renewable solar energy.

Its SolarEdge system consists of power optimizers, inverters, communication and smart energy management solutions, and a cloud based monitoring platform. The company's products are used in a range of solar market segments, such as residential, commercial, and small utility-scale solar installations. It also provides pre-sales support, ongoing trainings, and technical support and after installation services; and lithium-ion cells, batteries, and energy storage solutions for various industries, including energy storage systems, residential and commercial solar systems, uninterruptible power supplies, electric vehicles, aerospace, marine, and others.

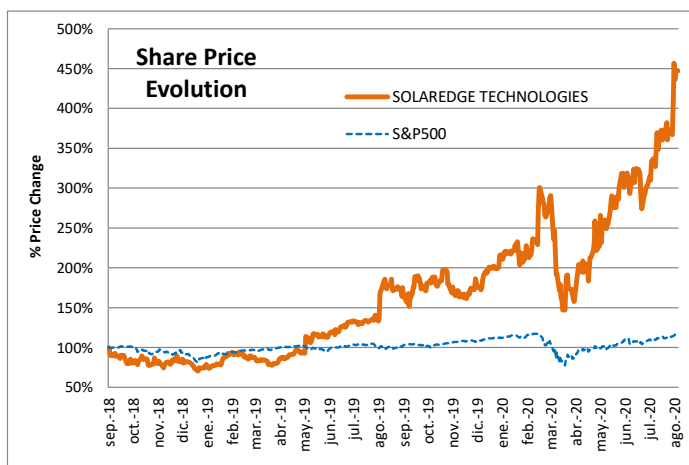
The company sells its products to the providers of solar PV systems; and solar installers and distributors, electrical equipment wholesalers, and PV module manufacturers, as well as engineering, procurement, and construction firms.

SolarEdge Technologies was founded in 2006 and is headquartered in Herzliya, Israel.

NEXT QUARTERLY EARNINGS RELEASED	06/11/2020
YEAR END CLOSING DATE	30/06/2020

Link to Investor Relations

<https://investors.solareedge.com/>



COMPANY	SOLAREEDGE TECHNOLOGIES			USD
ISIN Code	US83417M1045			
FISCAL YEAR END	30/06/2020			
SECTOR GICS	Technology /Solar			
MARKET CAPITALIZATION	10,133.4 Millions USD			
CURRENT PRICE	211.5	Price Upside Analysis		
TARGET PRICE	289.9	37%	BUY	
PE	Current Year	Next Year	In 2 Years	
	69.1	45.8	34.9	
RATIOS	ROE	% DVY	EV/EBITDA	
	18%	0.0%	44.9	
	BETA	WACC	DEBT/EQY	
	1.4	11.5%	18.2%	
PRICE CHANGE	Last Month	3 Month	12 Month	
	SOLAREEDGE TECHNOLOGIES	24.0%	42.0%	143.7%
	S&P500	4.1%	8.8%	13.0%
QUANT Q-SCORE	Historic	Forecast	Global	
Q-SCORE	7 /10	6 /10	7 /10	
QUALITY COMPANY	OPTIMAL	FINE	OPTIMAL	

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SECTION 1. FINANCIAL STATEMENTS

Financial Statements: Profit and Loss Account

• Closed years and Forecast for the next 3 years.

PROFIT AND LOSS ACCOUNT (P/L)	Historic						Forecast			
	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Amounts in Millions										
REVENUES (1)	133.2	325.1	490.0	607.0	937.2	1,425.7	1,910.4	2,559.9	3,430.3	
% Increase in Revenues		144.0%	50.7%	23.9%	54.4%	52.1%	34.0%	34.0%	34.0%	
COGS & General Expenses	149.6	294.6	414.0	508.8	785.2	1,199.2	1,604.0	2,149.4	2,880.2	
EBITDA (2)	-16.4	30.5	75.9	98.2	152.0	226.5	306.3	410.5	550.1	
Margin Ebitda/Revenues % (2)/(1)	-12.3%	9.4%	15.5%	16.2%	16.2%	15.9%	16.0%	16.0%	16.0%	
Depreciation & Amortization	2.0	2.3	4.9	7.2	12.6	36.6	66.6	128.5	261.5	
EBIT (3)	-18.4	28.3	71.0	91.1	139.4	189.9	239.8	282.0	288.5	
Margin EBIT/Revenues % (3)/(1)	-13.8%	8.7%	14.5%	15.0%	14.9%	13.3%	12.6%	11.0%	8.4%	
Financial Expenses (+)	2.0	0.7	0.6	0.5	0.6	4.8	15.4	32.4	69.1	
Financial Income (-) and Other	0.8	4.5	0.7	-9.7	1.7	6.5	-51.3	-119.8	-275.6	
PROFIT BEFORE TAX (PBT) (4)	-21.2	23.1	69.7	100.2	137.1	178.6	275.7	369.4	495.0	
Margin PBT/Revenues % (4)/(1)	-15.9%	7.1%	14.2%	16.5%	14.6%	12.5%	14.4%	14.4%	14.4%	
Other Adjustments to Net Income	0.2									
Corporate Tax (5)		2.0	6.3	16.1	8.3	32.1	49.6	66.5	89.1	
% Effective Corporate Tax (5)/(4)		8.5%	9.0%	16.0%	6.0%	17.9%	18.0%	18.0%	18.0%	
NET PROFIT (6)	-21.4	21.1	63.5	84.2	128.8	146.5	226.1	302.9	405.9	
Margin Net Profit / Revenues % (6)/(1)	-16.0%	6.5%	13.0%	13.9%	13.7%	10.3%	11.8%	11.8%	11.8%	
% net earnings growth		198.8%	200.4%	32.7%	53.1%	13.8%	54.3%	34.0%	34.0%	
Amounts in Millions										
Dividends Paid (out of Net Profit) (7)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
% Pay out (7)/(6)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Dividend Yield		0.0%	0.0%	0.0%	0.0%	0.0%				
Number of Shares (Millions)		11.9	41.0	42.2	45.2	47.9	48.9	50.0	51.1	
Earnings per Share (EPS)		1.77	1.55	1.99	2.85	3.06	4.62	6.06	7.95	
EPS Growth			-13%	29%	43%	7%	51%	31%	31%	

Financial Statements: Balance Sheet

• Closed years and Forecast for the next 3 years.

BALANCE SHEET (B/S)	Historic						Forecast			
	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Amounts in Millions										
Cash and Banks	9.8	144.8	104.7	163.2	191.6	223.9	300.0	402.0	538.7	
Accounts Receivable	19.3	35.4	71.0	109.5	173.6	298.4	376.8	504.9	676.6	
Inventories	25.5	74.0	67.4	83.0	141.5	170.8	261.3	350.2	469.2	
Other Current Assets	14.8	36.3	96.7	121.0	171.4	239.7	108.9	108.9	108.9	
CURRENT ASSETS (1)	69.3	290.4	339.8	476.7	678.1	932.8	1,047.0	1,366.0	1,793.4	
Material Fixed Assets	12.3	22.1	50.7	72.5	191.1	304.5	435.8	623.6	892.4	
Non-Material Fixed Assets	0.4	0.5	3.3	9.2	92.8	229.9	537.0	1,254.4	2,930.4	
Other Fixed Assets	0.0	0.0	44.3	103.1	74.3	119.2	120.4	121.6	122.8	
Depreciation and Amortization	6.9	7.4	13.4	20.2	71.8	91.7	158.2	286.7	548.3	
FIXED ASSETS (2)	5.7	15.2	84.9	164.6	286.4	561.9	1,251.4	2,286.3	4,493.9	
TOTAL ASSETS (1)+(2)	75.0	305.7	424.7	641.3	964.5	1,494.6	2,298.4	3,652.3	6,287.3	
Accounts Payable	36.8	80.7	34.0	69.5	107.1	157.1	351.5	471.1	631.2	
Short Term Debt (5)	16.8	1.0	1.2	1.3	16.6	25.5	26.0	89.2	184.3	
Other Current Liabilities	19.3	23.9	35.3	59.0	102.0	254.1	38.1	5.7	0.9	
CURRENT LIABILITIES (3)	72.9	105.6	70.5	129.8	225.7	436.7	415.6	566.0	816.4	
Long Term Debt (6)	3.4	0.0	0.0	0.0	3.5	32.8	37.7	43.4	49.9	
Non Current Liabilities (7)	17.7	33.1	65.5	114.1	164.5	213.5	807.3	1,702.3	3,674.4	
Total Debt ST+LT (5)+(6)+(7)	37.9	34.1	66.7	115.4	184.7	271.7	871.0	1,834.9	3,908.7	
Total Liabilities (LT+CURRENT) (8)=(3)+(6)+(7)	94.1	138.7	136.0	243.8	393.7	683.0	1,260.7	2,311.7	4,540.7	
SHAREHOLDERS' EQUITY (4)	-19.1	166.9	288.8	397.5	570.7	811.7	1,037.7	1,340.6	1,746.5	
TOTAL SH. EQUITY + LIABILITIES (8)+(4)	75.0	305.7	424.7	641.3	964.5	1,494.6	2,298.4	3,652.3	6,287.3	
Number of Shares (in Millions)		11.9	41.0	42.2	45.2	47.9	48.9	50.0	51.1	
Share prices as of the end of Year		28.2	12.4	37.6	35.1	211.5				
Buy-Back amount in millions			-820.4	-14.7	-113.6	-94.2				

Financial Statements: Free Cash Flow

• Closed years and Forecast for the next 3 years.

NET CHANGE IN CASH	Historic							Forecast		
	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Amounts in Millions										
Net Profit	-21.2	23.1	69.7	100.2	137.1	178.6	275.7	369.4	495.0	
Net Change from Operations (Estimated)	-17.8	12.1	82.5	136.7	189.1	259.0	380.8	559.8	822.9	
Net Change From Investments (Estimated)	-3.1	-13.9	-86.5	-84.8	-152.6	-152.9	-192.7	-242.8	-306.1	
Net Change From Financial Operations (Est.)	17.6	136.9	2.6	7.2	-7.9	-70.0	-246.9	-870.7	-3,070.6	
NET CHANGE IN CASH (ESTIMATED)	-3.4	135.0	-1.5	59.1	28.6	36.1	-22.7	-576.4	-3,130.1	

FREE CASH FLOW	Historic							Forecast		
	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Amounts in Millions										
FREE CASH FLOW FROM OPERATIONS	-17.8	12.1	82.5	136.7	189.1	259.0	380.8	559.8	822.9	
CAPITAL EXPENDITURES	3.0	11.8	21.1	21.4	38.6	72.6	133.7	246.3	453.9	
FREE CASH FLOW	-20.8	0.3	61.4	115.3	150.5	186.4	247.1	313.4	369.0	

SECTION 2. RATIO ANALYSIS

• Closed years and Forecast for the next 3 years.

TOTAL RATIO SCORING		
TOTAL RATIO HISTORIC SCORING:	7 / 10	FORECAST SCORING: 6 / 10

LIQUIDITY RATIOS	Historic							Forecast		
	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Amounts in Millions										
Current Assets (1)	69.3	290.4	339.8	476.7	678.1	932.8	1,047.0	1,366.0	1,793.4	
Current Liabilities (2)	72.9	105.6	70.5	129.8	225.7	436.7	415.6	566.0	816.4	
CURRENT or SOLVENCY RATIO (1)/(2)	0.9	2.8	4.8	3.7	3.0	2.1	2.5	2.4	2.2	
DIAGNOSTIC: Is it bigger than 1,5?	NO	YES	YES	YES	YES	YES	YES	YES	YES	
Cash and Banks (1)	9.8	144.8	104.7	163.2	191.6	223.9	300.0	402.0	538.7	
Accounts Receivable (2)	19.3	35.4	71.0	109.5	173.6	298.4	376.8	504.9	676.6	
Current Liabilities (3)	72.9	105.6	70.5	129.8	225.7	436.7	415.6	566.0	816.4	
TREASURY RATIO (1)+(2)/(3)	0.4	1.7	2.5	2.1	1.6	1.2	1.6	1.6	1.5	
DIAGNOSTIC: Is it bigger than 1?	NO	YES	YES	YES	YES	YES	YES	YES	YES	
Shareholders' Equity	-19.1	166.9	288.8	397.5	570.7	811.7	1,037.7	1,340.6	1,746.5	
Total Shareholders' Equity+Liabilities	75.0	305.7	424.7	641.3	964.5	1,494.6	2,298.4	3,652.3	6,287.3	
SHAREHOLDERS EQUITY/TOTAL LIABILITIES	-25%	55%	68%	62%	59%	54%	45%	37%	28%	
DIAGNOSTIC: Is it bigger than 40%?	NO	YES	YES	YES	YES	YES	YES	NO	NO	

MARGIN RATIOS	Historic							Forecast		
	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Amounts in Millions										
EBITDA (1)	-16.4	30.5	75.9	98.2	152.0	226.5	306.3	410.5	550.1	
Revenues (2)	133.2	325.1	490.0	607.0	937.2	1,425.7	1,910.4	2,559.9	3,430.3	
EBITDA MARGIN (1)/(2)	-12.3%	9.4%	16%	16%	16%	16%	16%	16%	16%	
DIAGNOSTIC: Is it bigger than 25%?	NO	NO	NO	NO	NO	NO	NO	NO	NO	
EBIT (1)	-18.4	28.3	71.0	91.1	139.4	189.9	239.8	282.0	288.5	
Revenues (2)	133.2	325.1	490.0	607.0	937.2	1,425.7	1,910.4	2,559.9	3,430.3	
EBIT MARGIN (1)/(2)	-13.8%	8.7%	14%	15%	15%	13%	13%	11%	8%	
DIAGNOSTIC: Is it bigger than 15%?	NO	NO	NO	YES	NO	NO	NO	NO	NO	
Net Profit (1)	-21.4	21.1	63.5	84.2	128.8	146.5	226.1	302.9	405.9	
Revenues (2)	133.2	325.1	490.0	607.0	937.2	1,425.7	1,910.4	2,559.9	3,430.3	
NET PROFIT / REVENUES (1)/(2)	-16.0%	6.5%	13%	14%	14%	10%	12%	12%	12%	
DIAGNOSTIC: Is it bigger than 10%?	NO	NO	YES	YES	YES	YES	YES	YES	YES	

LONG TERM SOLVENCY RATIOS	Historic			Historic Scoring: 6 / 10			Forecast			Scoring: 3 / 10		
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2020	2021	2022
Amounts in Millions												
Total Liabilities (1)	94.1	138.7	136.0	243.8	393.7	683.0	1,260.7	2,311.7	4,540.7			
Liabilities + Sh. Equity (2)	75.0	305.7	424.7	641.3	964.5	1,494.6	2,298.4	3,652.3	6,287.3			
LEVERAGE RATIO (1)/(2)	125.5%	45.4%	32%	38%	41%	46%	55%	63%	72%			
DIAGNOSTIC: Is it less than 50%?	NO	YES	YES	YES	YES	YES	NO	NO	NO			
Current Liabilities (1)	72.9	105.6	70.5	129.8	225.7	436.7	415.6	566.0	816.4			
Total Liabilities (2)	94.1	138.7	136.0	243.8	393.7	683.0	1,260.7	2,311.7	4,540.7			
TREASURY RATIO (1)+(2)/(3)	77.5%	76.1%	52%	53%	57%	64%	33%	24%	18%			
DIAGNOSTIC: Is it less than 50%?	NO	NO	NO	NO	NO	NO	YES	YES	YES			
EBITDA (1)	-16.4	30.5	75.9	98.2	152.0	226.5	306.3	410.5	550.1			
Total Liabilities (2)	94.1	138.7	136.0	243.8	393.7	683.0	1,260.7	2,311.7	4,540.7			
PAYBACK ABILITY RATIO (1)/(2)	-17.4%	22.0%	56%	40%	39%	33%	24%	18%	12%			
DIAGNOSTIC: Is it bigger than 30%?	NO	NO	YES	YES	YES	YES	NO	NO	NO			
Financial Debt Short + Long Term (1)	37.9	34.1	66.7	115.4	184.7	271.7	871.0	1,834.9	3,908.7			
Shareholders Equity (2)	-19.1	166.9	288.8	397.5	570.7	811.7	1,037.7	1,340.6	1,746.5			
FINANCIAL DEBT/SHAREHOLDERS EQUITY	-198.8%	20.4%	23%	29%	32%	33%	84%	137%	224%			
DIAGNOSTIC: Is it less than 50%?	YES	YES	YES	YES	YES	YES	NO	NO	NO			

TURNOVER RATIOS	Historic			Historic Scoring: 4 / 10			Forecast			Scoring: 5 / 10		
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2020	2021	2022
Amounts in Millions												
Accounts Receivable (1)	19.3	35.4	71.0	109.5	173.6	298.4	376.8	504.9	676.6			
Revenues (2)	133.2	325.1	490.0	607.0	937.2	1,425.7	1,910.4	2,559.9	3,430.3			
DAYS SALES OUTSTANDING (1)/(2)*365	52.8	39.8	52.9	65.9	67.6	76.4	72.0	72.0	72.0			
Inventory (1)	25.5	74.0	67.4	83.0	141.5	170.8	261.3	350.2	469.2			
Cost of Goods Sold (2)	149.6	294.6	414.0	508.8	785.2	1,199.2	1,604.0	2,149.4	2,880.2			
DAYS INVENTORY OUTSTANDING (1)/(2)*365	62.2	91.6	59.4	59.5	65.8	52.0	59.5	59.5	59.5			
Accounts Payable + Other Current Liabilities (1)	46.5	92.6	51.6	99.0	158.1	284.2	370.6	473.9	631.6			
COGS & General Expenses (2)	149.6	294.6	414.0	508.8	785.2	1,199.2	1,604.0	2,149.4	2,880.2			
DAYS PAYMENT OUTSTANDING (1)/(2)*365	113.4	114.8	45.5	71.0	73.5	86.5	84.3	80.5	80.0			
DIAGNOSTIC: PAYMENT DAYS>SALES DAYS?	YES	YES	NO	YES	YES	YES	YES	YES	YES			
Days Sales Outstanding (1)	52.8	39.8	52.9	65.9	67.6	76.4	72.0	72.0	72.0			
Days Inventory Outstanding (2)	62.2	91.6	59.4	59.5	65.8	52.0	59.5	59.5	59.5			
Days Payment Outstanding (3)	113.4	114.8	45.5	71.0	73.5	86.5	84.3	80.5	80.0			
CASH CONVERSION CYCLE (1)+(2)-(3)	1.6	16.6	66.8	54.4	59.9	41.9	47.1	51.0	51.4			
DIAGNOSTIC: The more negative, the better	NO	NO	NO	NO	NO	NO	NO	NO	NO			
Revenue (1)	133.2	325.1	490.0	607.0	937.2	1,425.7	1,910.4	2,559.9	3,430.3			
Assets (2)	75.0	305.7	424.7	641.3	964.5	1,494.6	2,298.4	3,652.3	6,287.3			
ASSET TURNOVER (1)/(2)	1.8	1.1	1.2	0.9	1.0	1.0	0.8	0.7	0.5			

SELF FINANCING RATIOS	Historic			Historic Scoring: 7 / 10			Forecast			Scoring: 8 / 10		
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2020	2021	2022
Amounts in Millions												
Free Cash Flow (1)	-20.84	0.29	61.40	115.28	150.47	186.44	247.06	313.42	369.02			
Dividends (2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
Revenues (3)	133.22	325.08	489.95	607.05	937.24	1,425.66	1,910.38	2,559.92	3,430.29			
SELF FINANCING OVER REVENUES (1)-(2)/(3)	-16%	0%	13%	19%	16%	13%	13%	12%	11%			
Is it bigger than 10%	NO	NO	YES	YES	YES	YES	YES	YES	YES			
Free Cash Flow (1)	-20.84	0.29	61.40	115.28	150.47	186.44	247.06	313.42	369.02			
Dividends (2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
Assets (3)	75.00	305.66	424.74	641.31	964.47	1,494.62	2,298.38	3,652.32	6,287.28			
SELF FINANCING OVER ASSETS (1)-(2)/(3)	-28%	0%	14%	18%	16%	12%	11%	9%	6%			
Is it bigger than 6%	NO	NO	YES	YES	YES	YES	YES	YES	NO			

RETURN ON ASSETS	Historic						Historic Scoring: 7 / 10	Forecast			Scoring: 6 / 10
	2014	2015	2016	2017	2018	2019	2020	2021	2022		
Amounts in Millions											
EBIT (1)	-18.4	28.3	71.0	91.1	139.4	189.9	239.8	282.0	288.5		
Total Assets (2)	75.0	305.7	424.7	641.3	964.5	1,494.6	2,298.4	3,652.3	6,287.3		
ROA (1)/(2)	-24%	9%	17%	14%	14%	13%	10%	8%	5%		
Is it bigger than 10%?	NO	NO	YES	YES	YES	YES	YES	NO	NO		
EBIT (1)	-18.4	28.3	71.0	91.1	139.4	189.9	239.8	282.0	288.5		
Assets (2)	75.0	305.7	424.7	641.3	964.5	1,494.6	2,298.4	3,652.3	6,287.3		
Current Liabilities (3)	72.9	105.6	70.5	129.8	225.7	436.7	415.6	566.0	816.4		
ROCE on EBIT (1)/(2-3)	-894%	14%	20%	18%	19%	18%	13%	9%	5%		
DIAGNOSTIC: Is it bigger than 15%?	NO	NO	YES	YES	YES	YES	NO	NO	NO		
Free Cash Flow (1)	-20.8	0.3	61.4	115.3	150.5	186.4	247.1	313.4	369.0		
Assets (2)	75.0	305.7	424.7	641.3	964.5	1,494.6	2,298.4	3,652.3	6,287.3		
Current Liabilities (3)	72.9	105.6	70.5	129.8	225.7	436.7	415.6	566.0	816.4		
ROCE on FCF (1)/(2-3)	-1014%	0%	17%	23%	20%	18%	13%	10%	7%		
DIAGNOSTIC: Is it bigger than 10%?	NO	NO	YES	YES	YES	YES	YES	YES	NO		
Cash Flow from Operations (1)	-17.8	12.1	82.5	136.7	189.1	259.0	380.8	559.8	822.9		
Assets (2)	75.0	305.7	424.7	641.3	964.5	1,494.6	2,298.4	3,652.3	6,287.3		
CASH FLOW OPERATIONS TO ASSETS (1)/(2)	-23.8%	3.9%	19.4%	21.3%	19.6%	17.3%	16.6%	15.3%	13.1%		
DIAGNOSTIC: Is it bigger than 10%?	NO	NO	YES	YES	YES	YES	YES	YES	YES		
Free Cash Flow (1)	-20.8	0.3	61.4	115.3	150.5	186.4	247.1	313.4	369.0		
Revenues (2)	133.2	325.1	490.0	607.0	937.2	1,425.7	1,910.4	2,559.9	3,430.3		
FCF OVER REVENUES (1)/(2)	-15.6%	0.1%	12.5%	19.0%	16.1%	13.1%	12.9%	12.2%	10.8%		
DIAGNOSTIC: Is it bigger than 8%?	NO	NO	YES	YES	YES	YES	YES	YES	YES		

RETURN ON EQUITY	Historic						Historic Scoring: 8 / 10	Forecast			Scoring: 10 / 10
	2014	2015	2016	2017	2018	2019	2020	2021	2022		
Amounts in Millions											
Net Profit (1)	-21.4	21.1	63.5	84.2	128.8	146.5	226.1	302.9	405.9		
Revenues (2)	133.2	325.1	490.0	607.0	937.2	1,425.7	1,910.4	2,559.9	3,430.3		
Total Assets (3)	75.0	305.7	424.7	641.3	964.5	1,494.6	2,298.4	3,652.3	6,287.3		
Shareholders' Equity (4)	-19.1	166.9	288.8	397.5	570.7	811.7	1,037.7	1,340.6	1,746.5		
Margin (5) = (1)/(2)	-16%	6%	13%	14%	14%	10%	12%	12%	12%		
Turnover (6) = (2)/(3)	1.78	1.06	1.15	0.95	0.97	0.95	0.83	0.70	0.55		
Operating Leverage (7) = (3)/(4)	-3.93	1.83	1.47	1.61	1.69	1.84	2.21	2.72	3.60		
ROE Dupont (5)*(6)*(7)	112%	13%	22%	21%	23%	18%	22%	23%	23%		
Is it bigger than 15%?	YES	NO	YES	YES	YES	YES	YES	YES	YES		

FINANCIAL LEVERAGE	Historic						Historic Scoring: 8 / 10	Forecast			Scoring: 10 / 10
	2014	2015	2016	2017	2018	2019	2020	2021	2022		
Amounts in Millions											
EBIT (1)	-18.4	28.3	71.0	91.1	139.4	189.9	239.8	282.0	288.5		
Profit Before Tax (2)	-21.2	23.1	69.7	100.2	137.1	178.6	275.7	369.4	495.0		
Total Assets (3)	75.0	305.7	424.7	641.3	964.5	1,494.6	2,298.4	3,652.3	6,287.3		
Shareholders' Equity (4)	-19.1	166.9	288.8	397.5	570.7	811.7	1,037.7	1,340.6	1,746.5		
PBT/EBIT (5)=(2)/(1)	1.15	0.82	0.98	1.10	0.98	0.94	1.1	1.3	1.7		
Assets / Shareh. Equity (6)=(3)/(4)	-3.93	1.83	1.47	1.61	1.69	1.84	2.2	2.7	3.6		
FINANCIAL LEVERAGE (5)*(6)	-4.5	1.5	1.4	1.8	1.7	1.7	2.5	3.6	6.2		
Is it bigger than 1%?	NO	YES	YES	YES	YES	YES	YES	YES	YES		

DEBT QUALITY RATIOS	Historic						Historic Scoring: 9 / 10	Forecast			Scoring: 2 / 10
	2014	2015	2016	2017	2018	2019	2020	2021	2022		
Amounts in Millions											
ST Financial Debt (1)	16.8	1.0	1.2	1.3	16.6	25.5	26.0	89.2	184.3		
LT Financial Debt (2)+Other LT (7)	21.1	33.1	65.5	114.1	168.0	246.2	845.0	1,745.7	3,724.3		
Total Shareholders Equi+Liabilities (3)	75.0	305.7	424.7	641.3	964.5	1,494.6	2,298.4	3,652.3	6,287.3		
DEBT RATIO = (1)+(2)/(3)	51%	11%	16%	18%	19%	18%	38%	50%	62%		
Is it 40%-60%?	YES	NO	NO	NO	NO	NO	NO	YES	NO		
If less than 40%, conservative		CONSERV.	CONSERV.	CONSERV.	CONSERV.	CONSERV.	CONSERV.				
Net Profit (1)	-21.4	21.1	63.5	84.2	128.8	146.5	226.1	302.9	405.9		
ST + LT Financial Debt	37.9	34.1	66.7	115.4	184.7	271.7	871.0	1,834.9	3,908.7		
CAPACITY TO SERVICE DEBT	-56%	62%	95%	73%	70%	54%	26%	17%	10%		
Is it bigger than 40%?	NO	YES	YES	YES	YES	YES	NO	NO	NO		
Financial Expenses	2.0	0.7	0.6	0.5	0.6	4.8	15.4	32.4	69.1		
EBITDA	-16.4	30.5	75.9	98.2	152.0	226.5	306.3	410.5	550.1		
EFFECTIVE DEBT COST	-12.1%	2.3%	0.8%	0.5%	0.4%	2.1%	5.0%	7.9%	12.6%		
Is it smaller than 5%?	YES	YES	YES	YES	YES	YES	NO	NO	NO		

ALTMAN Z-SCORE	Historic						Historic Scoring: 8 / 10	Forecast			Scoring: 10 / 10
	2014	2015	2016	2017	2018	2019	2020	2021	2022		
Amounts in Millions											
Current Assets - Current Liabilities (1)	-3.7	184.8	269.3	346.9	452.4	496.0	631.4	800.0	977.0		
Shareholders' Equity (2)	-19.1	166.9	288.8	397.5	570.7	811.7	1,037.7	1,340.6	1,746.5		
EBITDA (3)	-16.4	30.5	75.9	98.2	152.0	226.5	306.3	410.5	550.1		
Short & Long Term Financial Debt (4)	37.9	34.1	66.7	115.4	184.7	271.7	871.0	1,834.9	3,908.7		
Market Capitalization (5)		335.3	508.7	1,585.0	1,587.8	10,133.4	10,640.1	11,172.1	11,730.7		
Asset Turnover (6)	1.78	1.06	1.15	0.95	0.97	0.95	0.83	0.70	0.55		
Assets (7)	75.0	305.7	424.7	641.3	964.5	1,494.6	2,298.4	3,652.3	6,287.3		
ALTMAN Z-SCORE		8.8	8.0	11.2	8.0	25.0	9.6	5.5	3.2		
DIAGNOSTIC: Is it bigger than 3?		YES	YES	YES	YES	YES	YES	YES	YES		

If Altman z-score bigger than 3, company will not default

PIOTROSKI F-SCORE	Historic						Historic Scoring: 5 / 10	Forecast			Scoring: 4 / 10
	2014	2015	2016	2017	2018	2019	2020	2021	2022		
Amounts in Millions											
EBITDA	-16.4	30.5	75.9	98.2	152.0	226.5	306.3	410.5	550.1		
ROA	-21.9%	10.0%	17.9%	15.3%	15.8%	15.2%	13.3%	11.2%	8.7%		
Cash Flow From Operations	-17.8	12.1	82.5	136.7	189.1	259.0	380.8	559.8	822.9		
Free Cash Flow	-20.8	0.3	61.4	115.3	150.5	186.4	247.1	313.4	369.0		
Net profit	-21.4	21.1	63.5	84.2	128.8	146.5	226.1	302.9	405.9		
Total Assets (1)	75.0	305.7	424.7	641.3	964.5	1,494.6	2,298.4	3,652.3	6,287.3		
Long Term Debt	21.1	33.1	65.5	114.1	168.0	246.2	845.0	1,745.7	3,724.3		
EBITDA/Revenues%	-12.3%	9.4%	15.5%	16.2%	16.2%	15.9%	16.0%	16.0%	16.0%		
Solvency (Current) Ratio	0.9	2.8	4.8	3.7	3.0	2.1	2.5	2.4	2.2		
Revenues (2)	133.2	325.1	490.0	607.0	937.2	1,425.7	1,910.4	2,559.9	3,430.3		
Asset Turnover (2)/(1)	1.78	1.06	1.15	0.95	0.97	0.95	0.83	0.70	0.55		
Number of Shares (in Millions)		11.9	41.0	42.2	45.2	47.9	48.9	50.0	51.1		
ROA > 0		1	1	1	1	1	1	1	1		
ROA _{t0} > ROA _{t-1}		1	1	0	1	0	0	0	0		
FCF > 0		1	1	1	1	1	1	1	1		
CFO > Net Profit		0	1	1	1	1	1	1	1		
(LT Debt/ Total Assets) _t < (LT Debt/ Total Assets) _{t-1}		1	0	0	1	1	0	0	0		
EBITDA _t > EBITDA _{t-1}		1	1	1	1	0	1	0	0		
Asset Turnover _{t0} > Asset Turnover _{t-1}		0	1	0	1	0	0	0	0		
Increase in Shares		1	0	0	0	0	0	0	0		
Increase Current Ratio		1	1	0	0	0	1	0	0		
PIOTROSKI F-SCORE		7	7	4	7	4	5	3	3		

Scoring: 7-9 Optimal; 4-6 Fine; 1-3 Poor

SECTION 3. VALUATION MODELS

VALUATION SUMMARY SOLAREDEGE TECHNOLOGIES 10-ago-20					
Amounts in Millions	Historical Multiple	Current Multiple	Company Intrinsic Value	# Shares Millions	Intrinsic Share Price
PBV MULTIPLE VALUATION (1)	2.8	12.5	21,805	47.9	455.0
PSALES MULTIPLE VALUATION (2)	1.7	7.1	24,382	47.9	508.8
PE MULTIPLE VALUATION (3)	15.9	69.1	17,256	47.9	360.1
PCF MULTIPLE VALUATION (4)	13.7	54.4	12,565	47.9	262.2
EV/EBITDA MULTIPLE VALUATION (5)	10.4	44.9	15,222	47.9	317.7
DCF VALUATION (6)			8,818	47.9	184.0
PE VALUATION TO PEERS (7)			13,504	47.9	281.8
EV/EBITDA VALUATION TO PEERS (8)			8,013	47.9	167.2
MEDIAN INTRINSIC VALUE FROM MODELS (3), (4), (5), (6)			16,239		289.9
STOCK MARKET VALUE			10,133	47.9	211.5

TARGET PRICE ESTIMATED OFFERS % DIFFERENCE TO CURRENT MARKET PRICE	37%	BUY
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If price upside to target price is >25% BUY; If between 10% to 25%, HOLD; If less than 10%, SELL

VALUATION WITH PSALES	Historic						Forecast			
	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Amounts in Millions										
Revenues (1)	133.2	325.1	490.0	607.0	937.2	1,425.7	1,910.4	2,559.9	3,430.3	
Number of Shares (2)		11.9	41.0	42.2	45.2	47.9	1,047.0	1,366.0	1,793.4	
Share Price (3)		28.2	12.4	37.6	35.1	211.5				
Market Capitalization (4)=(2)*(3)		335.3	508.7	1,585.0	1,587.8	10,133.4				
PRICE TO SALES (5)=(4)/(1)		1.0	1.0	2.6	1.7	7.1				

PSALES VALUATION BY MULTIPLES				
Years	2019	2020	2021	2022
Historical PBV	1.7			
PBV (6)	7.1			
	(7)	(8)	(9)	(10)
Revenues	1,425.7	1,910.4	2,559.9	3,430.3
	(6)*(7)	(6)*(8)	(6)*(9)	(6)*(10)
Price to Sales Valuation	10,133	13,579	18,196	24,382
PSales Valuation AVG	2,415	3,236	4,337	5,811

Price per Share using PSales Valuation		
	Value	% Upside
PE Valuation Year (11)	24,382	
PE Valuation Avg (12)	5,811	
Number of Shares (Millions) (13)	47.9	
PE Valuation per Share Year (13)/(11)	508.8	140.6%
PE Valuation per Share Avg (13)/(12)	121.3	-42.7%
Market Price Current	211.5	

VALUATION WITH PBV	Historic						Forecast			
	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Amounts in Millions										
Shareholders' Equity (1)	-19.1	166.9	288.8	397.5	570.7	811.7	1,037.7	1,340.6	1,746.5	
Number of Shares (2)		11.9	41.0	42.2	45.2	47.9	48.9	50.0	51.1	
Share Price (3)		28.2	12.4	37.6	35.1	211.5	211.5			
Market Capitalization (4)=(2)*(3)		335.3	508.7	1,585.0	1,587.8	10,133.4	10,350.0			
PRICE TO BOOK VALUE (5)=(4)/(1)		2.0	1.8	4.0	2.8	12.5	10.0			

PBV VALUATION BY MULTIPLES				
Years	2019	2020	2021	2022
Historical PBV	2.8			
PBV (6)	12.5			
	(7)	(8)	(9)	(10)
Shareholders' Equity	811.7	1,037.7	1,340.6	1,746.5
	(6)*(7)	(6)*(8)	(6)*(9)	(6)*(10)
Book Value Valuation	10,133	12,956	16,737	21,805
PBV Valuation AVG	2,258	2,887	3,730	4,859

Price per Share using PBV Valuation		
	Value	% Upside
PBV Valuation Year (11)	21,805	
PBV Valuation Avg (12)	4,859	
Number of Shares (Millions) (13)	47.9	
PE Valuation per Share Year (13)/(11)	455.0	115.2%
PE Valuation per Share Avg (13)/(12)	101.4	-52.1%
Market Price Current	211.5	

VALUATION WITH PE	Historic						Forecast			
	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Amounts in Millions										
Net Profit (1)	-21.4	21.1	63.5	84.2	128.8	146.5	226.1	302.9	405.9	
Number of Shares (2)		11.9	41.0	42.2	45.2	47.9	48.9	50.0	51.1	
Share Price (3)		28.2	12.4	37.6	35.1	211.5				
Market Capitalization (4)=(2)*(3)		335.3	508.7	1,585.0	1,587.8	10,133.4				
PRICE EARNINGS (5)=(4)/(1)		15.9	8.0	18.8	12.3	69.1	45.8	34.9	26.6	

Price per Share using PE Valuation	Value	% Upside
PE Valuation Year (11)	28,067	
PE Valuation Avg (12)	6,444	
Number of Shares (Millions) (13)	47.9	
PE Valuation per Share Year (13)/(11)	585.7	177.0%
PE Valuation per Share Avg (13)/(12)	134.5	-36.4%
Market Price Current	211.5	

PE VALUATION BY MULTIPLES				
Years	2019	2020	2021	2022
Historical PE	15.9			
PE (6)	69.1			
	(7)	(8)	(9)	(10)
Net Profit	146.5	226.1	302.9	405.9
	(6)*(7)	(6)*(8)	(6)*(9)	(6)*(10)
Price Earnings Valuation (11)	10,133	15,631	20,946	28,067
PE Valuation AVG (12)	2,327	3,589	4,809	6,444

PEG	Historic						Forecast			
	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Amounts in Millions										
Net Profit (1)	-21.4	21.1	63.5	84.2	128.8	146.5	226.1	302.9	405.9	
PRICE EARNINGS (2)		15.9	8.0	18.8	12.3	69.1	45.8	34.9	26.6	
EPS Growth (3)			-13%	29%	43%	7%	51%	31%	31%	
PEG (2)/(3)				0.7	0.3	9.4	0.9	1.1	0.9	

VALUATION WITH PCF	Historic						Forecast			
	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Amounts in Millions										
Free Cash Flow (1)	-20.8	0.3	61.4	115.3	150.5	186.4	247.1	313.4	369.0	
Number of Shares (2)		11.9	41.0	42.2	45.2	47.9	48.9	50.0	51.1	
Share Price (3)		28.2	12.4	37.6	35.1	211.5				
Market Capitalization (4)=(2)*(3)		335.3	508.7	1,585.0	1,587.8	10,133.4				
PRICE TO CASH FLOW (5)=(4)/(1)		1,160.2	8.3	13.7	10.6	54.4	41.9	33.7	29.3	

Price per Share using PCF Valuation	Value	% Upside
PE Valuation Year (11)	20,057	
PE Valuation Avg (12)	5,073	
Number of Shares (Millions) (13)	47.9	
PE Valuation per Share Year (13)/(11)	418.6	97.9%
PE Valuation per Share Avg (13)/(12)	105.9	-49.9%
Market Price Current	211.5	

PCF VALUATION BY MULTIPLES				
Years	2019	2020	2021	2022
Historical PCF	13.7			
PCF (6)	54.4			
	(7)	(8)	(9)	(10)
Net Profit	186.4	247.1	313.4	369.0
	(6)*(7)	(6)*(8)	(6)*(9)	(6)*(10)
Price to Cash Flow Valuation	10,133	13,429	17,035	20,057
PCF Valuation AVG	2,563	3,397	4,309	5,073

VALUATION WITH EV/EBITDA	Historic						Forecast			
	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Amounts in Millions										
EBITDA (1)	-16.4	30.5	75.9	98.2	152.0	226.5	306.3	410.5	550.1	
Long Term Debt + Short Term Debt (2)	37.9	34.1	66.7	115.4	184.7	271.7	871.0	1,834.9	3,908.7	
Cash at Banks (3)	9.8	144.8	104.7	163.2	191.6	223.9	300.0	402.0	538.7	
Number of Shares (4)		11.9	41.0	42.2	45.2	47.9	48.9	50.0	51.1	
Share Price (5)		28.2	12.4	37.6	35.1	211.5				
Market Capitalization (6)=(4)*(5)		335.3	508.7	1,585.0	1,587.8	10,133.4	10,350.0	10,571.1	10,797.1	
Enterprise Value (7)=(6)+(2)-(3)		224.7	470.7	1,537.2	1,580.8	10,181.2	10,920.9	12,004.0	14,167.0	
EV/EBITDA (8)=(7)/(1)		7.4	6.2	15.6	10.4	44.9	35.6	29.2	25.8	

Price per Share using EV/EBITDA Valuation	Value	% Upside
EV/EBITDA Valuation Year (14)	24,725	
EV/EBITDA Valuation Avg (15)	5,719	
Number of Shares (Millions) (13)	47.9	
EV/EBITDA Valuation p Share Year (14)/(11)	516.0	144.0%
EV/EBITDA Valuation p Share Avg (15)/(12)	119.4	-43.6%
Market Price Current	211.5	

EV/EBITDA VALUATION BY MULTIPLES				
Years	2019	2020	2021	2022
Historical EV/EBITDA	10.4			
EV/EBITDA (8)	44.9			
	(9)	(10)	(11)	(12)
EBITDA	226.5	306.3	410.5	550.1
	(8)*(9)	(8)*(10)	(8)*(11)	(8)*(12)
EV Value Estimated	10,181	13,770	18,452	24,725
EV Value Estimated AVG	2,355	3,185	4,268	5,719
Market Cap Estimated	10,133	13,199	17,019	21,355
EV/EBITDA Valuation per Share	211.5	269.7	340.4	418.3

VALUATION WITH DCF	Historic				Forecast				
	2016	2017	2018	2019	2020	2021	2022	2023	2024
Amounts in Millions									
FREE CASH FLOW (BBG)	61.4	115.3	150.5	186.4	247.1	313.4	369.0	373.5	237.6
WACC				11.5%					
Average Price to Cash Flow (5)				54.35					
Terminal Value (6)=(4)*(5)									12,912.8
Present Value FCF (7)					221.5	251.9	265.9	241.2	137.6
Present Value of Terminal Value (8)									7,476.5
Cash at banks				223.9					
INTRINSIC VALUE (9)=(7)+(8)				8,818.4					
Number of Shares (10)	41.0	42.2	45.2	47.9					
Intrinsic Value per Share (Po) (11)=(9)/(10)				184.0					

VALUATION COMPARED TO PEERS								
Company	Currency	Market Cap	PE	PBV	ROE	EV/EBITDA	Moat	Investment Style
SOLAREDEGE TECHNOLOGIES	USD	10,133	69.1	12.5	18.1%	44.9	Narrow	Mid Growth
Enphase Energy Inc	USD	9,178	50.2	24.8	69.5%	37.3	Narrow	Mid Growth
Canadian Solar Inc	USD	1,495	20.3	2.7	13.1%	11.7	None	Small Core
Vivint Solar Inc	USD	3,159	71.6	23.1	-48.5%	173.8	None	Small Growth
Daqo New Energy Corp	CNY	1,703	11.3	2.7	9.8%	7.6	Narrow	Small Growth
SMA Solar Technology AG	EUR	1,146	57.3	2.3	0.4%	10.1	None	Small Core
Hangzhou First Applied Materia	CNY	8,075	41.0	7.6	15.6%	39.4	Narrow	Large Growth
Shanghai Aiko Solar Energy Co	CNY	4,095	27.0	13.2	34.2%	17.4	Narrow	Mid Growth
Risen Energy Co Ltd	CNY	2,146	12.9	1.7	10.4%	11.8	None	Mid Core
Jiangsu Akcome Science & Techn	CNY	1,578	39.5	2.7	-32.3%		None	Mid Value
Beijing Jingyuntong Technology	CNY	1,445	12.1	1.4	5.2%		None	Mid Value
PEER VALUATION			PE			EV/EBITDA		
AVERAGE SECTOR (1)			34.3	AVERAGE SECTOR (10)		38.6		
MEDIAN SECTOR (2)			33.3	MEDIAN SECTOR (11)		14.6		
Company Net Profit (3)			405.9	EBITDA fy3 (12)		550.1		
Equity Value to Sector Median (4)=(2)*(3)			13,504	(13)=(11)*(12)		8,013		
Number of Shares (5)			47.9			47.9		
Intrinsic Share Price compared to Peers' Multiples (6)=(4)/(5)			281.8	(14)=(13)/(5)		167.2		
Current Share Price			211.5			211.5		
Upside Target in %			33%			-21%		

Price per Share using PE to Peers Valuation	Value	% Upside
PE Valuation Sector Median (7)=(2)*(3)	13,504	
PE Valuation Sector Average (8)=(1)*(3)	13,932	
Number of Shares (Millions) (5)	47.9	
PE Valuation per Share Median (7)/(5)	281.8	33.3%
PE Valuation per Share Avg (8)/(5)	290.7	37.5%
Current Share Price	211.5	

Price per Share using EV/EBITDA to Peers Valuation	Value	% Upside
EV/EBITDA Valuation Sector Median (13)=(11)*(12)	8,013	
EV/EBITDA Valuation Sector Average (15)=(10)*(12)	21,254	
Number of Shares (Millions) (5)	47.9	
EV/EBITDA Valuation per Share Median (7)/(5)	167.2	-20.9%
EV/EBITDA Valuation per Share Avg (8)/(5)	443.5	109.7%
Current Share Price	211.5	

SECTION 4. SWOT ANALYSIS and INVESTMENT HIGHLIGHTS

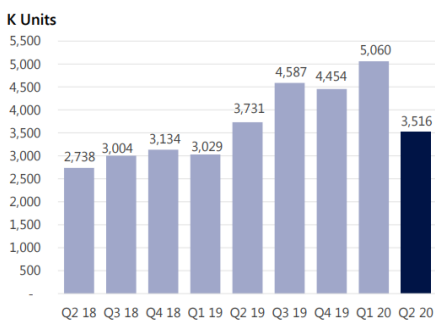
SWOT ANALYSIS

	Internal	
Positive	<p>Strengths</p> <ul style="list-style-type: none"> - Strong Brand Portfolio. This brand portfolio can be extremely useful if the organization wants to expand into new product categories. - Strong distribution network - Strong Free Cash Flow that provide resources in the hand of the company to expand into new projects. - It has a strong base of reliable supplier of raw material thus enabling the company to overcome any supply chain bottlenecks. - High level of customer satisfaction - Highly skilled workforce through successful training and learning programs. - Superb Performance in New Markets. 	<p>Weaknesses</p> <ul style="list-style-type: none"> - Days inventory is high compare to the competitors – making the company raise more capital to invest in the channel. This can impact the long term growth of SolarEdge Technologies, Inc. - The marketing of the products left a lot to be desired. Even though the product is a success in terms of sale but its positioning and unique selling proposition is not clearly defined which can lead to the attacks in this segment from the competitors. - Limited success outside core business. - Not very good at product demand forecasting leading to higher rate of missed opportunities compare to its competitors. - The current asset ratio and liquid asset ratios suggest that the company can use the cash more efficiently than what it is doing at present.
	<p>Opportunities</p> <ul style="list-style-type: none"> - Decreasing cost of transportation because of lower shipping prices can also bring down the cost of SolarEdge Technologies products. - Government green drive also opens an opportunity for procurement of SolarEdge Technologies, Inc. products by the state as well as federal government contractors. - Stable free cash flow provides opportunities to invest in adjacent product segments. With more cash in bank the company can invest in new technologies as well as in new products segments. - New trends in the consumer behavior can open up new market for the SolarEdge Technologies. 	<p>Threats</p> <ul style="list-style-type: none"> - As the company is operating in numerous countries it is exposed to currency fluctuations. - Imitation of the counterfeit and low quality product is also a threat to SolarEdge Technologies product especially in the emerging markets and low income markets. - Rising raw material can pose a threat to the SolarEdge Tech profitability. - Rising pay level especially movements such as \$15 an hour and increasing prices in the China can lead to serious pressure on profitability of SolarEdge Technologies - Increasing trend toward isolationism in the American economy can lead to similar reaction from other government thus negatively impacting the international sales.
	External	Negative

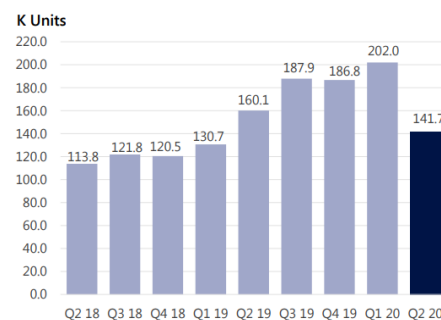
INVESTMENT HIGHLIGHTS

<https://investors.solaredge.com/static-files/58846737-ccd6-4c44-9879-7a88f5473b15>

Power optimizers shipped



Inverters shipped

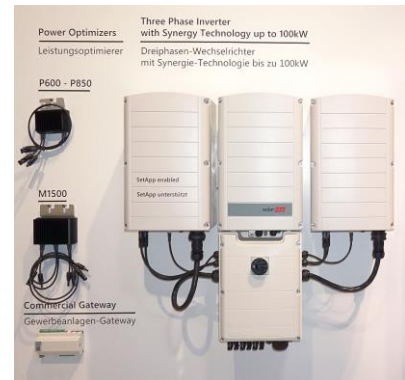


A power optimizer is a DC to DC converter technology developed to maximize the energy harvest from solar photovoltaic or wind turbine systems. They do this by individually tuning the performance of the panel or wind turbine through maximum power point tracking, and optionally tuning the output to match the performance of the string inverter. Power optimizers are especially useful when the performance of the power generating components in a distributed system will vary widely, such as due to differences in equipment, shading of light or wind, or being installed facing different directions or widely separated locations. Power optimizers for solar applications can be similar to microinverters in that both systems attempt to isolate individual panels in order to improve overall system performance. A smart module is a power optimizer integrated into a solar module. A microinverter essentially combines a power optimizer with a small inverter in a single enclosure that is used on every panel, while the power optimizer leaves the inverter in a separate box and uses only one inverter for the entire array. The claimed advantage to this "hybrid" approach is lower overall system costs, avoiding the distribution of electronics.

A solar inverter or PV inverter, is a type of electrical converter which converts the variable direct current (DC) output of a photovoltaic (PV) solar panel into a utility frequency alternating current (AC) that can be fed into a commercial electrical grid or used by a local, off-grid electrical network. It is a critical balance of system (BOS)-component in a photovoltaic system, allowing the use of ordinary AC-powered equipment. Solar power inverters have special functions adapted for use with photovoltaic arrays, including maximum power point tracking and anti-islanding protection.

Solar inverters may be classified into three broad types:

- a) Stand-alone inverters**, used in isolated systems where the inverter draws its DC energy from batteries charged by photovoltaic arrays. Many stand -alone inverters also incorporate integral battery chargers to replenish the battery from an AC source, when available. Normally these do not interface in any way with the utility grid, and as such, are not required to have anti-islanding protection.
- b) Grid-tie inverters**, which match phase with a utility-supplied sine wave. Grid-tie inverters are designed to shut down automatically upon loss of utility supply, for safety reasons. They do not provide backup power during utility outages.
- c) Battery backup inverters**, are special inverters which are designed to draw energy from a battery, manage the battery charge via an onboard charger, and export excess energy to the utility grid. These inverters are capable of supplying AC energy to selected loads during a utility outage, and are required to have anti-islanding protection.[clarification needed]
- d) Intelligent hybrid inverters**, manage photovoltaic array, battery storage and utility grid, which are all coupled directly to the unit. These modern all-in-one systems are usually highly versatile and can be used for grid-tie, stand-alone or backup applications but their primary function is self-consumption with the use of storage.



<https://investors.solaredge.com/static-files/ee930b78-cad5>

MW Shipped	2017	2018	2019	2020YTD
Total MW	2,461	3,919	5,618	3,292
Residential	1,658	2,263	3,279	1,664
Commercial	803	1,656	2,339	1,628
% of Total	100%	100%	100%	100%
Residential	67%	58%	58%	51%
Commercial	33%	42%	42%	49%

MW Shipped	Q3 18	Q4 18	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20	Q2 20
Total MW	1,083	1,052	1,144	1,335	1,498	1,641	1,850	1,442
Residential	583	619	641	744	955	940	1,027	637
Commercial	500	432	503	591	543	701	823	805
% of Total	100%	100%	100%	100%	100%	100%	100%	100%
Residential	54%	59%	56%	56%	64%	57%	56%	44%
Commercial	46%	41%	44%	44%	36%	43%	44%	56%

	2017	2018	2019	2020YTD
North America	1,322	1,887	2,260	1,329
Europe	862	1,368	2,513	1,389
ROW	277	664	845	574
	2,461	3,919	5,618	3,292

	Q3 18	Q4 18	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20	Q2 20
North America	480	547	429	441	602	788	926	404
Europe	370	337	510	663	721	620	641	748
ROW	232	168	205	231	175	234	283	290
	1,083	1,052	1,144	1,335	1,498	1,641	1,850	1,442

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