

Supplemental Operating Performance Information

July 27, 2021

All \$ figures in millions, except per share; other metrics specified below

Operating Metrics & Revenue Detail	Metric	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Guidance	Q3'21
Microinverter System Shipments	Units, k	1,088	1,443	2,292	2,453	2,362	GAAP	
Microinverter System Shipments	MW (DC)	355	478	767	830	796	Revenue	\$335 - \$355
Enphase Storage System Shipments	MWh	-	24	32	42	43	Storage Shipments (MWh)	60 - 70
Total Revenue		\$ 125.5	\$ 178.5	\$ 264.8	\$ 301.8	\$ 316.1	Gross Margin	37.0% - 40.0%
Safe Harbor Revenue		-	-	-	-	-	Operating Expenses	\$105 - \$108
Revenue by Geography								
United States		100.8	139.9	217.5	247.8	254.6	Non-GAAP	
International		24.7	38.6	47.3	54.0	61.5	Revenue	\$335 - \$355
Supplementary Income Statement Information								
Gross Profit (GAAP)		\$ 48.4	\$ 95.0	\$ 121.9	\$ 122.9	\$ 127.8	Storage Shipments (MWh)	60 - 70
Stock-based Compensation		1.3	1.2	0.5	1.0	1.1	Gross Margin	38.0% - 41.0%
Tariff Refunds		-	(23.0)	(15.9)	-	-	Operating Expenses	\$57 - \$60
Gross Profit (Non-GAAP)		\$ 49.7	\$ 73.2	\$ 106.5	\$ 123.9	\$ 128.9		
Gross Margin (GAAP)		38.5%	53.2%	46.0%	40.7%	40.4%		
Stock-based Compensation		1.1%	0.7%	0.2%	0.4%	0.4%		
Tariff Refunds		0.0%	-12.9%	-6.0%	0.0%	0.0%		
Gross Margin (Non-GAAP)		39.6%	41.0%	40.2%	41.1%	40.8%		
Income from Operations (GAAP)		\$ 10.9	\$ 51.8	\$ 79.1	\$ 61.4	\$ 59.4		
Stock-based Compensation		12.3	14.4	8.3	14.8	15.3		
Tariff Refunds		-	(23.0)	(15.9)	-	-		
Acquisition Related Expenses & Amortization		0.5	0.5	0.9	4.0	2.5		
Income from Operations (Non-GAAP)		\$ 23.7	\$ 43.7	\$ 72.4	\$ 80.2	\$ 77.2		
Income from Operations (Non-GAAP) Margin		18.9%	24.5%	27.3%	26.6%	24.4%		
Income Tax Benefit (Provision) (GAAP)		\$ 6.6	\$ (5.5)	\$ 1.6	\$ 33.4	\$ (7.0)		
Non-GAAP Income Tax Adjustment		(7.1)	5.1	(2.6)	(35.4)	5.2		
Income Tax Benefit (Provision) (Non-GAAP)		\$ (0.5)	\$ (0.4)	\$ (1.0)	\$ (2.0)	\$ (1.8)		
Net Income (GAAP)		\$ (47.3)	\$ 39.4	\$ 73.0	\$ 31.7	\$ 39.4		
Stock-based Compensation		12.3	14.4	8.2	14.8	15.3		
Tariff Refunds		-	(23.0)	(16.5)	-	-		
Acquisition Related Expenses & Amortization		0.5	0.5	0.9	4.0	2.5		
Non-Cash Interest Expense		5.4	5.4	5.3	7.2	12.3		
Change in Fair Value of Derivatives		59.7	-	-	-	-		
Loss on partial settlement of convertible notes		-	-	3.0	56.4	-		
Non-GAAP Income Tax Adjustment		(7.1)	5.1	(2.6)	(35.4)	5.2		
Net Income (Non-GAAP)		\$ 23.5	\$ 41.8	\$ 71.3	\$ 78.7	\$ 74.7		
Weighted Avg Basic Shares Outstanding (GAAP)	000s	125,603	126,109	126,980	131,303	135,094		
RSU/PSU/Options		6,228	6,330	6,200	5,735	4,554		
2023 Convert		900	900	900	900	900		
2024 Convert + Warrants		6,716	8,481	9,894	5,490	88		
2025 Convert + Warrants		-	-	2,016	3,014	897		
Elimination of In-the-Money 2024 and 2025 Convert Shares		(3,677)	(4,468)	(6,463)	(4,696)	(602)		
Weighted Avg Diluted shares Outstanding (Non-GAAP)	000s	135,770	137,352	139,527	141,746	140,931		
Net Income per Share, Diluted (GAAP)		\$ (0.38)	\$ 0.28	\$ 0.50	\$ 0.22	\$ 0.28		
Net Income per Share, Diluted (Non-GAAP)		\$ 0.17	\$ 0.30	\$ 0.51	\$ 0.56	\$ 0.53		
Supplementary Balance Sheet Information								
Cash and Cash Equivalents*		\$ 607.3	\$ 661.8	\$ 679.4	\$ 1,489.0	\$ 1,312.3		
Debt (GAAP)		\$ 355.5	\$ 360.1	\$ 330.9	\$ 1,002.2	\$ 1,014.1		
Add: Debt Discount and Issuance Cost		104.4	99.1	84.2	314.5	302.2		
Debt (Non-GAAP)		\$ 459.9	\$ 459.2	\$ 415.1	\$ 1,316.7	\$ 1,316.3		
Supplementary Cash Flow Information								
Cash flow from Operations (GAAP)		\$ 25.4	\$ 67.5	\$ 84.2	\$ 75.8	\$ 65.6		
Add: Repayment of Convertible Notes Due 2024 and 2025		-	-	3.1	15.6	-		
Attributable to Debt Discount		-	-	3.1	15.6	-		
Less: Purchase of Property and Equipment		(4.4)	(3.9)	(8.9)	(9.9)	(16.4)		
Free Cash Flow (Non-GAAP)		\$ 21.0	\$ 63.6	\$ 78.5	\$ 81.5	\$ 49.2		

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