

Third Quarter 2015
Earnings Conference Call

November 3, 2015

Safe Harbor

Use of Forward-Looking Statements

- This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended, including, but not limited to, statements related to Enphase Energy's financial performance, market demands for its Microinverters, advantages of its technology, market trend and future financial performance.
- These forward-looking statements are based on Enphase's current expectations and are inherently subject to risks and uncertainties. They should not be considered guarantees of future results, which could differ materially from the results set forth in, contemplated by, or underlying this presentation.
- Factors that could cause actual results to differ materially from the Company's expectations are described in the reports filed by the Company with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934 and we encourage you to review our filing carefully, especially the sections entitled "Risk Factors" in our report on form 10-K for the year ended December 31, 2014, which is on file with the SEC and available on the SEC's website at www.sec.gov. Additional information will also be set forth in those sections in Enphase Energy's Quarterly Report on Form 10-Q for the quarter ended June 30, 2015 and on Form 10-Q for the quarter ended September 30, 2015, which will be filed with the SEC in the fourth quarter of 2015, as well as the section entitled "Forward Looking Statements" in the Press Release of the company, dated November 3, 2015, entitled "Enphase Energy Reports Financial Results for the Third Quarter of 2015" and attached as exhibit number 99.1 to the Form 8-K filed with the SEC on November 3, 2015.
- Enphase Energy undertakes no duty or obligation to update any forward-looking statements contained in this presentation as a result of new information, future events or changes in its expectations.

Use of Non-GAAP Financial Measures

- Financial measures in this presentation are non-GAAP unless otherwise noted. Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial position, or cash flows that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with generally accepted accounting principles in the United States of America, or GAAP. As such, these non-GAAP measures should be considered as a supplement to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP.
- Reconciliation of each non-GAAP financial measure to the most directly comparable GAAP financial measure can be found in the tables at the end of this presentation.
- The Company uses these non-GAAP financial measures to analyze its operating performance and future prospects, develop internal budgets and financial goals, and to facilitate period-to-period comparisons. Enphase believes that these non-GAAP financial measures reflect an additional way of viewing aspects of its operations that, when viewed with its GAAP results, provide a more complete understanding of factors and trends affecting its business.

Enphase from Start-Up to #1



Founded by
Raghu Belur and
Martin Fornage
in California

Enphase listed on
NASDAQ under
symbol ENPH

**Approximately 10
million** units shipped,
representing over 2GW



2006

2007

2008 ~ 2011

2012

2013

2014

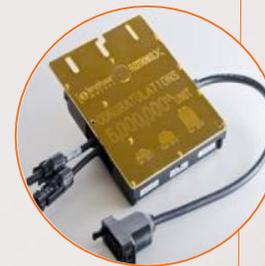
2015



**First microinverter
system** introduced



1 million units shipped,
Enphase expands globally



Fourth-generation
technology introduced



Fifth-generation
technology announced

Third Quarter 2015 Highlights

- Revenue of **\$102.9M**, up 4% year-over-year
- Shipped **219MW (AC)** or 258MW (DC), up 28% year-over-year
- Non-GAAP gross margin of **30.9%**
- Non-GAAP operating income of **\$4.9 million**
- Non-GAAP net income of **\$3.8 million**
- Non-GAAP diluted earnings per share of **\$0.08**



Third Quarter 2015 Business Highlights

Announced Agreement with SolarWorld to Develop AC Modules

- Agreement includes developing a new generation of integrated AC solar modules for the worldwide market
- Pairs Enphase's S-series microinverters with Solar World's Sunmodules
- Addresses demand by reducing capital and labor costs, as well as simplifying the supply chain and logistics

Launched Next Generation Envoy-S Product

- Serves as the control of the Enphase® Home Energy Solution
- Provides energy usage insights, remote update capabilities and load management
- Works with all Enphase microinverters; features consumption monitoring, revenue-grade metering, integrated Wi-Fi, optional cellular connectivity

Announced Australia and New Zealand are First Markets to Receive Enphase® Home Energy Solution

- Australia and New Zealand are one of the most storage-ready regions in the world
- Enphase Home Energy Solution is an integrated solution combining solar generation, energy control and energy storage
- Solution delivers a high return on investment and greater reliability to system owner

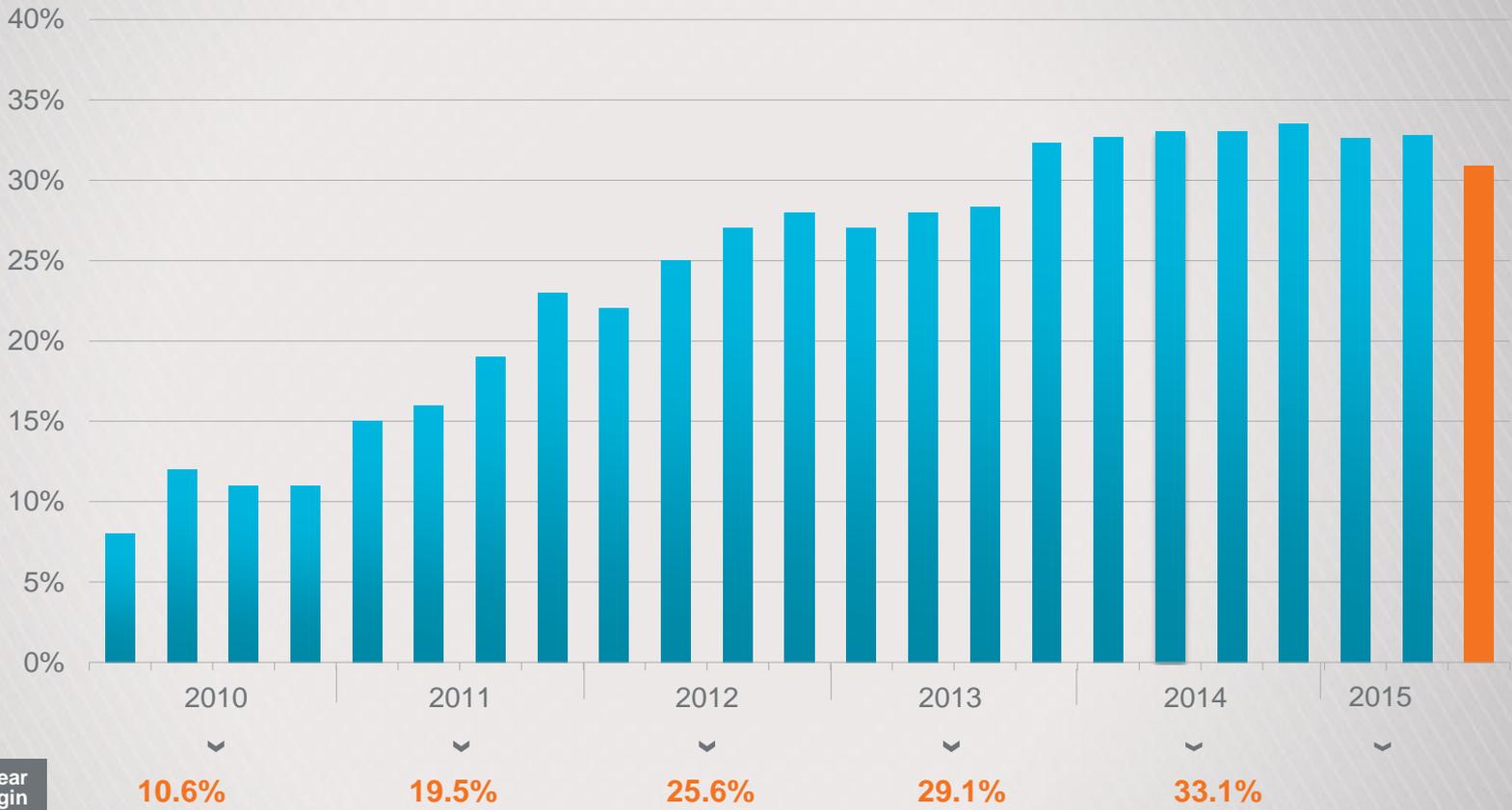
Third Quarter 2015 Financial Highlights (non-GAAP)

\$ in millions	Q3 '15	Q2 '15	Q3'14
Total Revenue	\$102.9	\$102.1	\$99.1
Gross Margin %	30.9%	32.7%	33.0%
Operating Expenses	\$26.9	\$30.3	\$28.0
Operating Income	\$4.9	\$3.0	\$4.8
Net Income	\$3.8	\$2.8	\$3.8
Earnings Per Share	\$0.08	\$0.06	0.08

Revenue Growth



Gross Margin (non-GAAP)



Operating Expense (non-GAAP)



Cash Flow and Balance Sheet **Highlights**

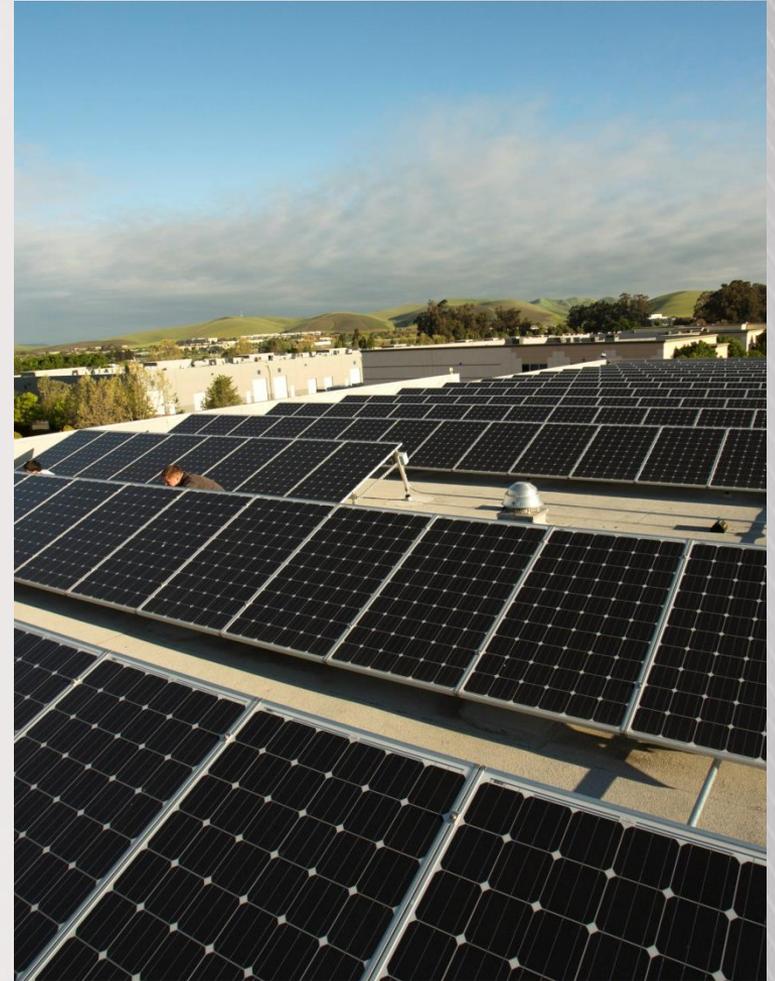
\$ in millions	Q3 '15	Q2 '15	Q3 '14
Cash Flow from Operations	(\$6.0)	(11.8)	\$11.2
Capital Expenditures	\$3.4	\$2.6	\$5.5
Depreciation	\$2.7	\$2.5	\$2.1
Cash	\$22.5	\$31.9	\$44.5
Total Debt	\$17.0	\$17.0	\$5.9

Fourth Quarter 2015 Outlook (non-GAAP)

Revenue \$62M - \$70M

Gross Margin 23% - 26%

Operating Expenses \$28M - \$30M



Reconciliation of Non-GAAP Financial Measures

	Reconciliation of GAAP to Non-GAAP Gross Margin												2015			2014			2013				
	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15
Gross Margin (GAAP)	8.3 %	12.1 %	10.9 %	10.7 %	14.7 %	16.2 %	19.1 %	22.9 %	21.8 %	24.4 %	26.8 %	27.9 %	26.8 %	28.0 %	28.1 %	32.1 %	32.4 %	32.7 %	32.8 %	33.3 %	32.3 %	32.3 %	30.6 %
Stock-based Compensation	—%	—%	—%	—%	—%	0.1 %	—%	—%	0.1 %	0.1 %	0.1 %	0.1 %	0.2 %	0.1 %	0.2 %	0.2 %	0.3 %	0.3 %	0.2 %	0.2 %	0.3 %	0.4 %	0.3 %
Gross Margin (Non-GAAP)	8.3 %	12.1 %	10.9 %	10.7 %	14.7 %	16.3 %	19.1 %	22.9 %	21.9 %	24.5 %	26.9 %	28.0 %	27.0 %	28.1 %	28.3 %	32.3 %	32.7 %	33.0 %	33.0 %	33.5 %	32.6 %	32.7 %	30.9 %

	Reconciliation of GAAP to Non-GAAP Operating Expenses												2015			2014			2013					
	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	
	(In Millions)																							
Operating expenses (GAAP)	\$ 4.7	\$ 5.8	\$ 7.8	\$ 8.9	\$ 11.6	\$ 14.3	\$ 15.0	\$ 16.9	\$ 18.6	\$ 21.1	\$ 24.5	\$ 22.2	\$ 21.9	\$ 21.8	\$ 22.7	\$ 23.1	\$ 24.5	\$ 29.3	\$ 30.6	\$ 33.1	\$ 33.5	\$ 33.4	\$ 29.7	
Stock-based compensation	(0.1)	(0.1)	(0.3)	(0.3)	(0.4)	(0.5)	(0.6)	(0.7)	(0.7)	(1.0)	(1.4)	(1.5)	(1.3)	(1.4)	(1.9)	(1.7)	(1.9)	(2.3)	(2.3)	(2.5)	(2.7)	(3.0)	(3.0)	
Amortization of acquisition-related intangibles	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(0.1)	—	
Secondary offering expenses	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(0.4)	—	—	—	—	
Acquisition-related costs	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(0.2)	—	—	—	
Revaluation of contingent consideration	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(0.1)	1.0	0.7	
Severance costs	—	—	—	—	—	—	—	—	—	—	—	(0.4)	(0.2)	—	(0.4)	(0.1)	—	—	—	—	—	(1.0)	(0.5)	
Operating expenses (Non-GAAP)	\$ 4.6	\$ 5.7	\$ 7.5	\$ 8.6	\$ 11.2	\$ 13.8	\$ 14.4	\$ 16.2	\$ 17.9	\$ 20.1	\$ 23.1	\$ 20.3	\$ 20.4	\$ 20.4	\$ 20.4	\$ 21.3	\$ 22.6	\$ 27.0	\$ 27.9	\$ 30.4	\$ 30.7	\$ 30.3	\$ 26.9	

	Reconciliation of GAAP to Non-GAAP Income (Loss) from Operations												2015			2014			2013					
	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	
	(In Millions)																							
Income (loss) from operations (GAAP)	\$ (3.7)	\$ (4.5)	\$ (5.8)	\$ (6.7)	\$ (9.0)	\$ (9.5)	\$ (6.5)	\$ (3.8)	\$ (9.3)	\$ (7.5)	\$ (8.2)	\$ (6.2)	\$ (9.7)	\$ (5.5)	\$ (5.3)	\$ (1.6)	\$ (5.8)	\$ (2.5)	\$ 1.9	\$ 1.9	\$ (5.5)	\$ (0.4)	\$ 1.8	
Stock-based Compensation	0.1	0.1	0.3	0.3	0.4	0.5	0.6	0.7	0.7	1.0	1.4	1.6	1.4	1.5	2.1	1.9	2.0	2.5	2.5	2.7	3.0	3.3	3.3	
Amortization of acquisition-related intangibles	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	0.1	—	
Secondary offering expenses	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	0.4	—	—	—	—	
Acquisition-related costs	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	0.2	—	—	—	
Revaluation of contingent consideration	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	0.1	(1.0)	(0.7)	
Severance costs	—	—	—	—	—	—	—	—	—	—	—	0.4	0.2	—	0.4	0.1	—	—	—	—	—	1.0	0.5	
Income (loss) from operations (Non-GAAP)	\$ (3.6)	\$ (4.4)	\$ (5.5)	\$ (6.4)	\$ (8.6)	\$ (9.0)	\$ (5.9)	\$ (3.1)	\$ (8.6)	\$ (6.5)	\$ (6.8)	\$ (4.2)	\$ (8.1)	\$ (4.0)	\$ (2.8)	\$ 0.4	\$ (3.8)	\$ —	\$ 4.8	\$ 4.8	\$ (2.4)	\$ 3.0	\$ 4.9	

	Reconciliation of GAAP to Non-GAAP Net Income (Loss)												2015			2014			2013					
	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15									
	(In Millions)																							
Net income (loss) (GAAP)	\$ (10.2)	\$ (11.4)	\$ (8.9)	\$ (7.7)	\$ (10.4)	\$ (6.4)	\$ (6.3)	\$ (2.8)	\$ (6.2)	\$ (3.0)	\$ 0.8	\$ 0.4	\$ (6.3)	\$ (0.6)	\$ 0.6									
Stock-based Compensation	0.7	1.0	1.4	1.6	1.4	1.5	2.1	1.9	2.0	2.5	2.5	2.7	3.0	3.3	3.3									
Amortization of acquisition-related intangibles	—	—	—	—	—	—	—	—	—	—	—	—	—	0.1	—									
Secondary offering expenses	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—									
Acquisition-related costs	—	—	—	—	—	—	—	—	—	—	—	—	—	0.2	—									
Revaluation of contingent consideration	—	—	—	—	—	—	—	—	—	—	—	—	—	0.1	(1.0)	(0.7)								
Severance costs	—	—	—	0.4	0.2	—	0.4	0.1	—	—	—	—	—	—	1.0	0.5								
Non-cash interest expense	0.9	3.0	0.1	0.8	0.1	0.1	0.1	0.1	0.1	—	0.1	0.2	—	—	0.1									
(Gains) losses from convertible preferred stock revaluation	(0.6)	0.1	—	—	—	—	—	—	—	—	—	—	—	—	—									
Net income (loss) (Non-GAAP)	\$ (9.2)	\$ (7.3)	\$ (7.4)	\$ (4.9)	\$ (8.7)	\$ (4.8)	\$ (3.7)	\$ (0.7)	\$ (4.1)	\$ (0.5)	\$ 3.8	\$ 3.5	\$ (3.2)	\$ 2.8	\$ 3.8									

	Reconciliation of GAAP to Non-GAAP Net Income (Loss) per Diluted Share												2015			2014			2013		
	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15						
Net income (loss) per share, diluted (GAAP)	\$ (5.97)	\$ (0.29)	\$ (0.22)	\$ (0.19)	\$ (0.25)	\$ (0.15)	\$ (0.15)	\$ (0.07)	\$ (0.15)	\$ (0.07)	\$ 0.02	\$ 0.01	\$ (0.14)	\$ (0.01)	\$ 0.01						
Stock-based Compensation	0.41	0.02	0.04	0.04	0.04	0.03	0.05	0.05	0.05	0.06	0.06	0.06	0.07	0.07	0.07						
Amortization of acquisition-related intangibles	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—						
Secondary offering expenses	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—						
Acquisition-related costs	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—						
Revaluation of contingent consideration	—	—	—	—	—	—	—	—	—	—	—	—	—	(0.02)	(0.01)						
Severance costs	—	—	—	0.01	—	—	0.01	—	—	—	—	—	—	0.02	0.01						
Non-cash interest expense	0.55	0.08	—	0.02	—	—	—	—	—	—	—	—	—	—	—						
(Gains) losses from convertible preferred stock revaluation	(0.37)	—	—	—	—	—	—	—	—	—	—	—	—	—	—						
Net income (loss) per share, diluted (Non-GAAP)	\$ (5.38)	\$ (0.19)	\$ (0.18)	\$ (0.12)	\$ (0.21)	\$ (0.12)	\$ (0.09)	\$ (0.02)	\$ (0.10)	\$ (0.01)	\$ 0.08	\$ 0.07	\$ (0.07)	\$ 0.06	\$ 0.08						



The enphase Promise:

We make solar simple
and energy smart.

The logo consists of a white lowercase letter 'e' inside a square bracket, followed by the word 'enphase' in a sans-serif font, and the word 'ENERGY' in a smaller, all-caps sans-serif font below it.