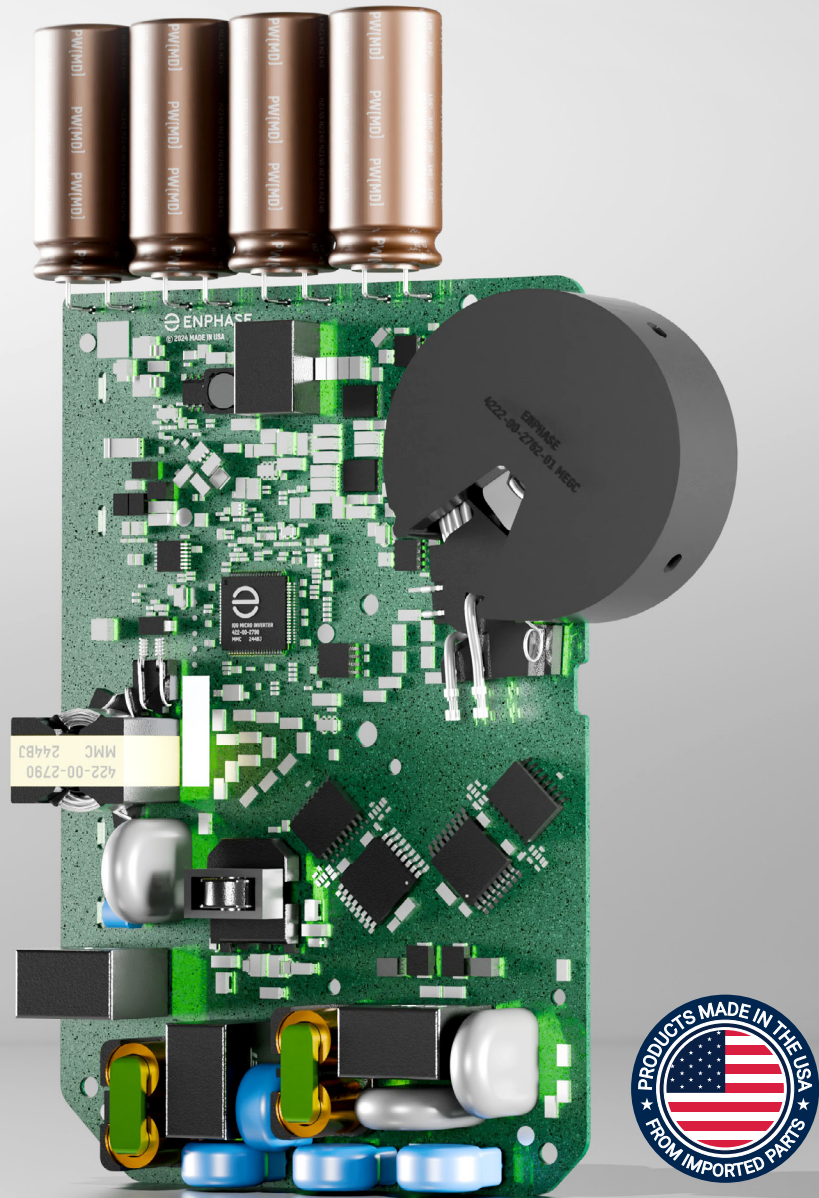




CEO Letter to Shareholders 2024



IQ9™ Microinverter with GaN
Enphase Energy's next-generation product



CEO Letter to Shareholders 2024



IQ Battery 5Ps and IQ8P-3P, IQ8HC, and IQ8X Microinverters are assembled at our contract manufacturing facilities in the United States



Badri Kothandaraman
President and CEO

Dear fellow shareholders,

We had a tough year. The solar industry, like many sectors tied to long-term investment and policy, was hit hard by rising interest rates, shifting regulations, and declining consumer confidence. At Enphase, we felt it across our core markets. Our revenue fell by 42%, compared to 2023. Channel inventory swelled, installers grew cautious, and demand cooled.

The slowdown began quietly in 2023 and turned into a full-blown pullback by mid-2024. In the United States, the shift to Net Energy Metering (NEM) 3.0 in California – our largest state market – combined with high interest rates made solar paybacks less attractive. In Europe, utility prices declined, policy uncertainty increased, and several of our partners, including long-time distributors and installers, exited the business entirely.

For those of us who have seen cycles before, this one felt familiar but not any easier. I believe we managed the year with discipline and grit. We exited 2024 with healthy gross margins, generated nearly half a billion dollars in free cash flow, and maintained a strong balance sheet, including approximately \$1.72 billion in cash, cash equivalents, restricted cash and marketable securities. We remained profitable while many in the industry did not.

“I am proud of our team’s ongoing dedication to developing technology and products that further enable energy independence, while serving our communities and improving the environment.”

This did not happen by luck. We made hard decisions early. We cut shipments to distributors to allow the channel inventory to normalize. We maintained pricing discipline rather than chase short-term volume. We continued investing in the long game – new markets, smarter products, deeper installer training, and U.S. manufacturing capacity that gave us both resilience and margin.

Throughout it all, we stayed true to the three values that Enphase was built upon: innovation, quality, and customer experience. Those values are in our products, our reliability, the loyalty of our installers, and our ability to bounce back. I am proud of our team’s ongoing dedication to developing technology and products that further enable energy independence, while serving our communities and improving the environment.

The U.S. presidential election in late 2024 brought volatility to clean energy stocks. Speculation around the future of the investment tax credit (ITC) and the Inflation Reduction Act (IRA) has created uncertainty. But our focus remains unchanged – we build for durability, not transient times.

In the pages ahead, I will share what we have learned, where we are focused, and why we believe Enphase is better-positioned than ever to thrive in the years ahead.

Our 2024 performance



“These margins reflected the strength of our pricing and cost discipline, our commitment to operational efficiency, and our ability to extract real leverage from our U.S.-based manufacturing.”

Staying disciplined in a reset year

2024 was, without question, a year of recalibration. Our full-year revenue was \$1.33 billion, a 42% decline from \$2.29 billion in 2023. This drop reflected not a failure of fundamentals, but in part a deliberate move to align supply with lower demand. We shipped 6.5 million microinverters in 2024, down from 15.5 million in 2023, and delivered 521.0 megawatt (MW) hours of IQ® Batteries in 2024, compared to 351.6 MW hours in 2023.

We held the line on profitability in 2024 despite the top-line headwinds. Our non-GAAP gross margin stood at 40.0% and rose to 48.9%¹ when factoring in the benefits from the IRA – a direct outcome of our strategic shift toward the domestic manufacturing of microinverters and batteries in the United States. Our GAAP gross margin was 47.3% in 2024. These margins reflected the strength of our pricing and cost discipline, our commitment to operational efficiency, and our ability to extract real leverage from our U.S.-based manufacturing.

We also maintained strong cash flow. We generated approximately \$480.1 million in free cash flow during the year and exited 2024 with approximately \$1.72 billion in cash, cash equivalents, restricted cash and marketable securities, slightly above our year-end balance in 2023. In a year where many companies shrank, we preserved balance sheet strength and optionality.

In July 2023, our Board of Directors authorized a \$1.0 billion share repurchase program, a reflection of our long-term confidence in the business and our disciplined capital allocation approach. Over the course of 2024, we repurchased 4.54 million shares, representing 3.4% of shares outstanding, at an average price of \$86.15, for an aggregate amount of \$391.4 million. We view this as a prudent use of capital, aligned with our belief in creating long-term shareholder value per share.

A tougher global market: revenue composition and regional pressure

In 2024, 70% of our revenue came from the United States, with the remaining 30% generated internationally. Both segments faced distinct but significant challenges.

In the United States, revenue fell 36% year-over-year, driven by persistently high interest rates, elevated inventory across our channel partners, and the

transition to NEM 3.0 in California. This policy shift, coupled with higher financing costs, extended system payback periods and dampened near-term demand, particularly in the first half of the year.

Still, there were encouraging signs. Channel inventory began to normalize in the second half of 2024. More importantly, the adoption of NEM 3.0 improved steadily, and by the end of 2024, approximately 66% of our California installs were under the new program. The learning curve has been real, but we and our installer partners have been adapting with resilience and agility.

“While Europe remains a vital strategic market, the business environment in 2024 reminded us that each region brings its own set of complexities.”

In Europe, the revenue decline was more pronounced – down 57% compared to 2023. The demand environment weakened as utility rates dropped, policy frameworks shifted, and customers became more cautious. Elevated inventory in the channel further stressed distributors and installers, leading in some cases to financial strain and business closures, similar to the United States. While Europe remains a vital strategic market, the business environment in 2024 reminded us that each region brings its own set of complexities.

While Europe presented challenges in 2024, our approach to focus on what we can control remained consistent. In a landscape where economic growth slowed and consumer confidence wavered, we leaned into our strengths – deepening installer relationships, introducing targeted products, and tightening alignment with regional partners. These efforts help to build the foundation for growth when the cycle turns.

We remain deeply committed to our four core European markets: the Netherlands, France, Germany, and the United Kingdom. Each offers a distinct opportunity, and we have positioned ourselves accordingly.

In the Netherlands, the market continues its evolution from traditional solar to solar-plus-storage systems, an important shift that minimizes grid penalty risks and enables participation in residential energy markets. This change aligns perfectly with our product strategy and strengthens the value of our full energy system offering.

France continues to be a long-term strategic anchor for us. With strong market leadership and solar penetration already in place, we believe we are well-positioned to benefit as the market shifts toward home energy management. As feed-in tariffs phase out, the economics of combining solar and storage become more attractive, and our solutions are ideally suited to meet that demand.

“With every product introduced and every installer relationship formed, we are investing in the future, brick by brick.”

Germany stands out as our biggest opportunity in the region. We started shipping IQ Battery 5P with FlexPhase in early 2025 to serve both single-phase and three-phase backup needs. In late 2024, we made initial shipments of our IQ® EV Charger 2 into Europe, and are excited to release our IQ® Balcony Solar solution in the first half of 2025. These compact, efficient products are built specifically for smaller systems, and we estimate they can expand our addressable market in Germany by approximately 400 MW per year. It is a case where product-market fit meets perfect timing.

And finally, the United Kingdom is a steady performer, not a flashy one. Our growth here continues to track well as we integrate with strong regional energy providers (REPs), laying the groundwork for sustained expansion and stronger grid engagement.

We also expanded in several other European markets, including Belgium, Luxembourg, Italy, Austria, Switzerland, Poland, Spain, and Portugal. While these countries may not yet contribute meaningfully to our top line, we view them as important chapters in our long-term growth story. In each of these markets, we are not playing for the next quarter – we are building for the next cycle. With every product introduced and every installer relationship formed, we are investing in the future, brick by brick.

Beyond Europe, we made steady and meaningful progress across other international regions in 2024. Our strategy remains clear: we plan thoughtfully, grow deliberately, and scale when conditions are right.

In Australia, the market softened in 2024 amid weaker consumer sentiment. Despite the broader slowdown, we maintained steady engagement with our installer base and continued to see interest in our Enphase® Energy Systems powered by IQ8™ Microinverters and the IQ Battery 5P.

In Brazil, we began shipping IQ8P™ Microinverters into a residential market that is quickly evolving toward higher-powered modules. As demand for smart, resilient home energy systems increases in Latin America, we are positioning Enphase as a reliable and high-performance alternative.

India was a bright spot. Sales of IQ8P and IQ8HC™ Microinverters ramped steadily throughout the year, and in December, we began shipping the IQ Battery 5P into India. Demand has been growing rapidly, and we are encouraged by early signs of strong product-market fit across both urban and rural areas.



The IQ8HC Microinverter has peak output AC power of 384 W

“Our MLPE architecture not only maximizes energy harvest on shaded or multi-faceted roofs, but also delivers superior fire safety, remote monitoring, and industry-leading warranties.”

In Southeast Asia, we extended our reach by initiating shipments of IQ8P Microinverters to Vietnam and Malaysia, while also building momentum in Thailand and the Philippines. These are long-term markets where quality, reliability, and scalability matter. We believe Enphase is well-positioned to deliver on all three.

We are particularly optimistic about Japan. The residential solar market, estimated at 1.3 gigawatts (GW), is characterized by complex roof structures, smaller system sizes, and an unwavering demand for safety, reliability, and long-term performance. This is precisely where Enphase microinverters shine. Our module-level power electronics (MLPE) architecture not only maximizes energy harvest on shaded or multi-faceted roofs, but also delivers superior fire safety, remote monitoring, and industry-leading warranties – all qualities that deeply resonate in a market known for its engineering precision and high consumer expectations. We began pilot installations in 2024 and plan to commence shipments of our IQ8HC Microinverters in the first half of 2025. Japan may be a complex market, but that is what makes it such a compelling opportunity for Enphase.

In every one of these countries, our goal is the same: serve the customer, build trust with our partners, and earn the right to grow. It is not about how fast we enter – it is about how enduring we will stay.



IQ Battery 5P line at our Salcomp contract manufacturing facility in Arlington, Texas

Executing with precision: supply chain stability and IRA advantage

One of the quiet successes of 2024 was the resilience and efficiency of our global supply chain. While much of the industry faced volatility, our microinverter supply operations remained remarkably stable throughout the year, giving us confidence in our ability to scale our IQ Battery line heading into 2025.

“Our operations team delivered, our partners performed, and our supply chain proved to be not only durable, but also strategic.”

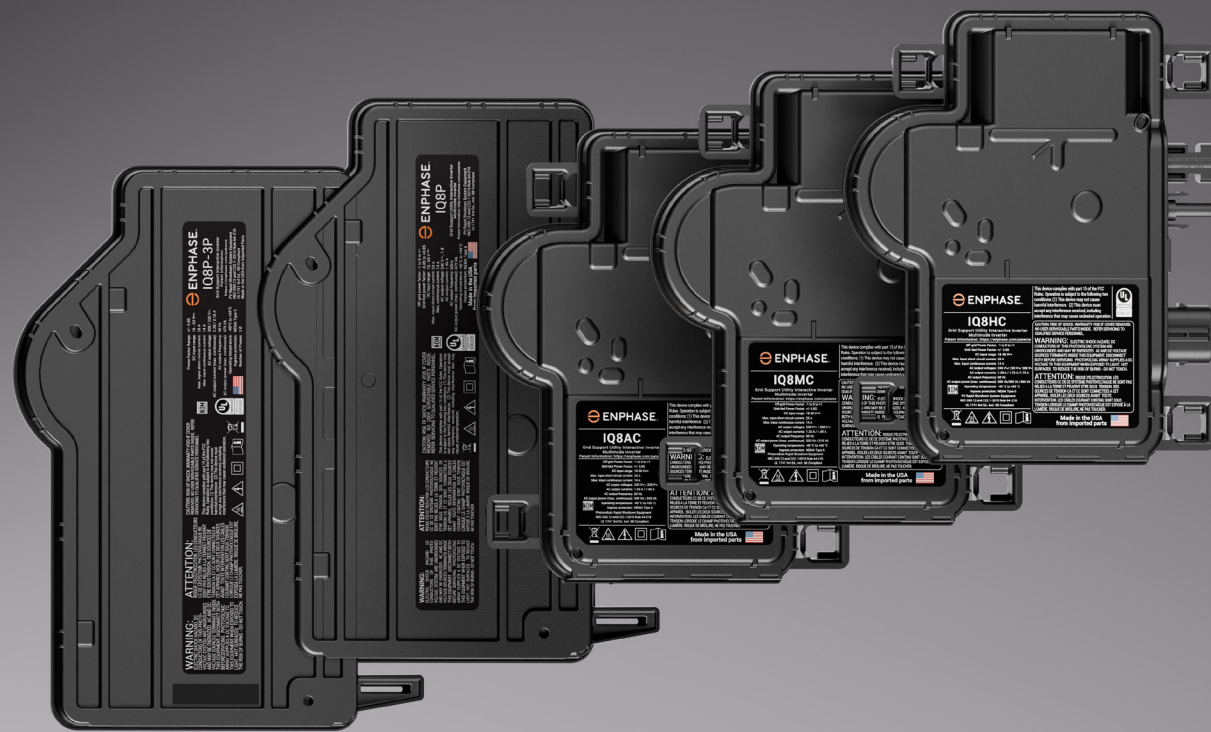
At the heart of our execution is a globally distributed but tightly coordinated manufacturing network. We currently operate four major contract manufacturing locations for microinverters – Flex South Carolina, Salcomp Texas, Flex China, and Salcomp India, with a total capacity of 7.25 million units per quarter, of which 5 million are in the United States. This scale allows us to pivot swiftly between geographies while maintaining cost control and quality assurance.

We are especially proud of our domestic manufacturing initiatives. In 2024, we began producing the IQ Battery 5P at our U.S. facilities using domestically manufactured inverters, battery management systems, and packaging, while continuing to source cell packs from China. This hybrid model gives us the flexibility to meet both production targets and policy requirements – an increasingly important balance in today’s regulatory landscape.

We also took full advantage of the IRA’s 45X production tax credit in 2024, shipping approximately 3.9 million microinverters from U.S. contract manufacturing facilities that qualified under the program. These included the IQ8HC Microinverter, IQ8X™ Microinverter, IQ8P-3P™ Commercial Microinverter, and the IQ Battery 5P. With higher domestic content than previous generations, these products, when paired with other U.S.-made solar components, helped our customers qualify for the IRA’s domestic content bonus credit.

The bottom line is this – we executed with precision. Our operations team delivered, our partners performed, and our supply chain proved to be not only durable, but also strategic.

Our smartest microinverters yet



IQ8 family of microinverters deliver up to 480 W peak AC power

Scaling globally with the IQ8 Microinverter family

In 2024, we significantly broadened the global reach of our IQ8 Microinverter platform, with shipments extending to 57 countries by year-end. This expansion was not just about presence – it was about fit. We are now active across a diverse range of geographies, from North America and Europe to Asia, Latin America, and the Caribbean. And we are not done yet. Looking ahead to 2025, we plan to further expand into additional countries across Europe and Asia, continuing to build momentum around the world.

“Our strategy is not just to be everywhere, but to offer the right product in the right market at the right time.”

Our IQ8 Microinverters, with peak output power of 480 W (AC), are now shipping into small-commercial and grid-tied markets across South Africa, Mexico, Brazil, India, Thailand, the Philippines, France, Spain, Colombia, Panama, Costa Rica, Vietnam, Malaysia, and 13 Caribbean nations. These devices are engineered for high-performance energy harvesting and can handle a continuous DC current of 14 amps, making them an ideal match for today’s higher-powered solar modules.

We also introduced the IQ8P-3P Microinverter in 2024, our newest variant designed specifically for 208 V small commercial solar applications ranging from 20 to 200 kW. With peak output of up to 480 W AC and support for panels up to 650 W DC, the IQ8P-3P brings superior flexibility and intelligence to the global small-commercial market.

With every new variant, we are reinforcing the value proposition of our small commercial systems – high reliability, rapid shutdown compliance, and grid-forming capability, all deeply valued by installers and business owners. Our strategy is not just to be everywhere, but to offer the right product in the right market at the right time.

As part of this strategy, we are also preparing to introduce solutions aimed at social housing and balcony solar projects in Europe in 2025, further increasing our served addressable market across urban environments.

Smart charging arrives: launching the IQ EV Charger 2 in Europe

As the electric vehicle (EV) adoption accelerates, the home is transforming, not just into an energy consumer, but into a full-fledged energy hub. With an EV in the driveway, households suddenly require the management of a second battery and a significantly larger power load.

This is why our IQ EV Charger 2 plays such a critical role in the Enphase vision of an integrated home energy system. This next-generation, Wi-Fi-enabled smart charger is designed to work seamlessly with the Enphase Energy System, enabling smart features like solar self-consumption, green charging, and automated home energy optimization. It is more than a plug – it is an intelligent node in a broader, orchestrated energy network, all managed through the Enphase® App.

In late 2024, we made initial shipments of our IQ EV Charger 2 into Europe. The IQ EV Charger 2 is our most advanced residential charger to date. It supports up to 22 kW of three-phase charging and can operate either as a standalone charger or fully integrated with Enphase microinverters and batteries. When part of the complete Enphase system, it enables homeowners to optimize when and how they charge, lowering their electricity costs. In a world moving toward distributed, localized energy, that kind of control is no longer a luxury – it is a necessity.

“With IQ8 Microinverters, IQ Batteries, and our cloud-based orchestration platform, we are building more than hardware – we are creating a resilient, intelligent, distributed energy future.”

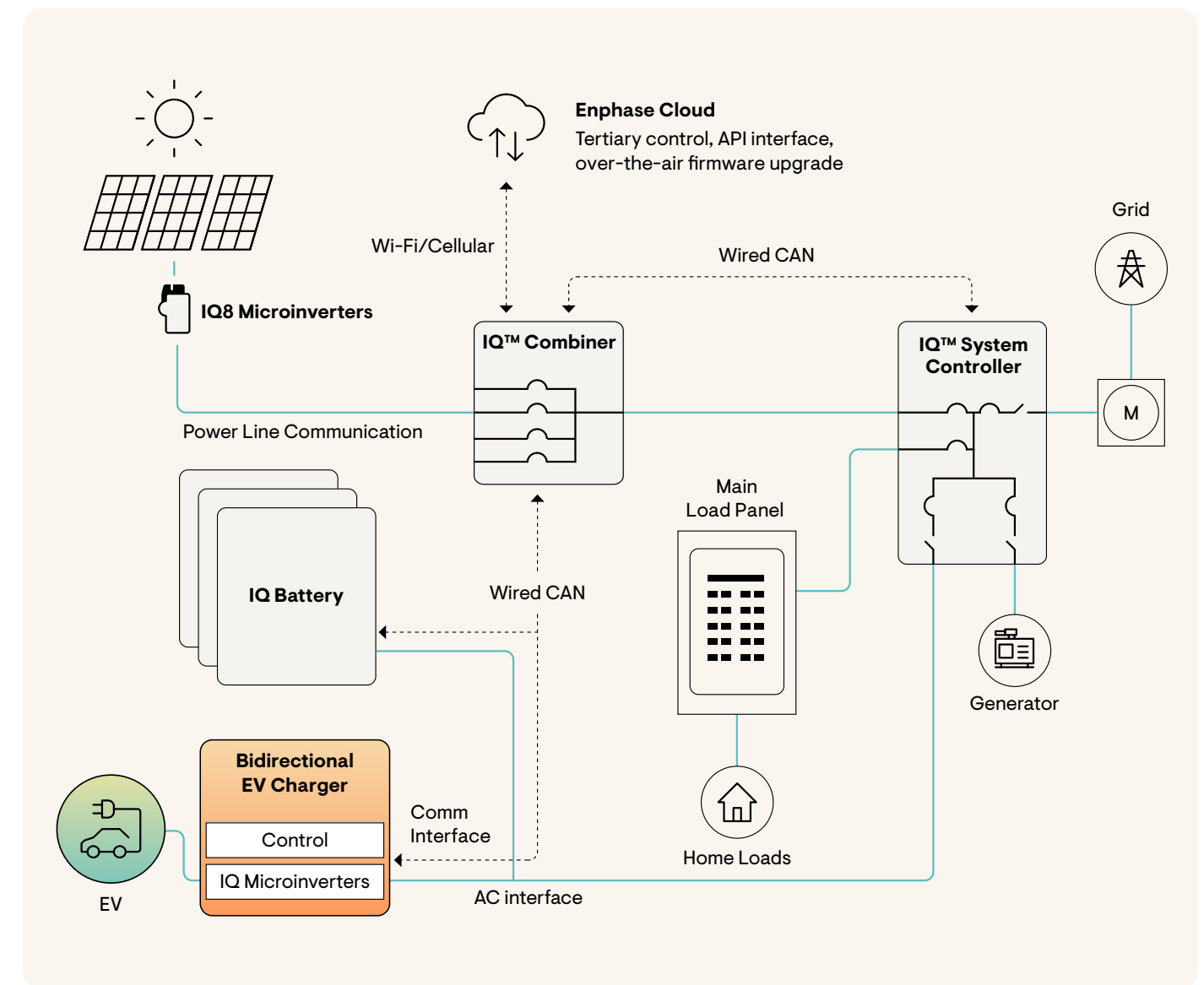
Our smart IQ® EV chargers, which we began selling in the United States and Canada in the fourth quarter of 2023, are also Wi-Fi enabled chargers integrated into the Enphase Energy System. This enables use cases such as self-consumption and green charging, and allows homeowners visibility into the operation of their system through their Enphase App.

For commercial customers, we launched the CS-100™ EV Charger in 2024, our most powerful model yet. With up to 19.2 kW of continuous power, it is built for fleet applications in the United States where scale, uptime, and smart energy integration are paramount. This marks our initial step into the growing fleet electrification space.

Looking ahead, our engineering team is developing a bi-directional EV charger capable of both vehicle-to-home (V2H) and vehicle-to-grid (V2G) energy flow. When launched, it will turn electric vehicles from passive consumers into active energy assets – capable of powering homes during outages, exporting electricity during peak pricing, or simply boosting resilience in an increasingly dynamic grid.

With IQ8 Microinverters, IQ Batteries, and our cloud-based orchestration platform, we are building more than hardware – we are creating a resilient, intelligent, distributed energy future.

The diagram below illustrates how our EV chargers integrate into the broader Enphase architecture.



DC Bi-directional EV chargers leverage the power of IQ8 Microinverters and Ensemble to seamlessly integrate into home energy management systems

IQ Batteries: powering resilience, expanding globally

In 2024, we shipped 521.0 megawatt hours of IQ Batteries, underscoring the rising global demand for clean, reliable, and intelligent home energy storage. Our batteries are AC-coupled and designed with safety, serviceability, and performance in mind. They feature LFP (lithium iron phosphate) chemistry, low-voltage DC operation, advanced thermal management, and built-in redundancy enabled by our microinverter architecture. With our IQ® Load Controller, homeowners gain control over which appliances receive power during a grid outage – supporting up to four configurable backup loads.

“Coupled with an industry-leading 15-year warranty, the IQ Battery 5P is not just a great product – it is the benchmark for home energy storage.”

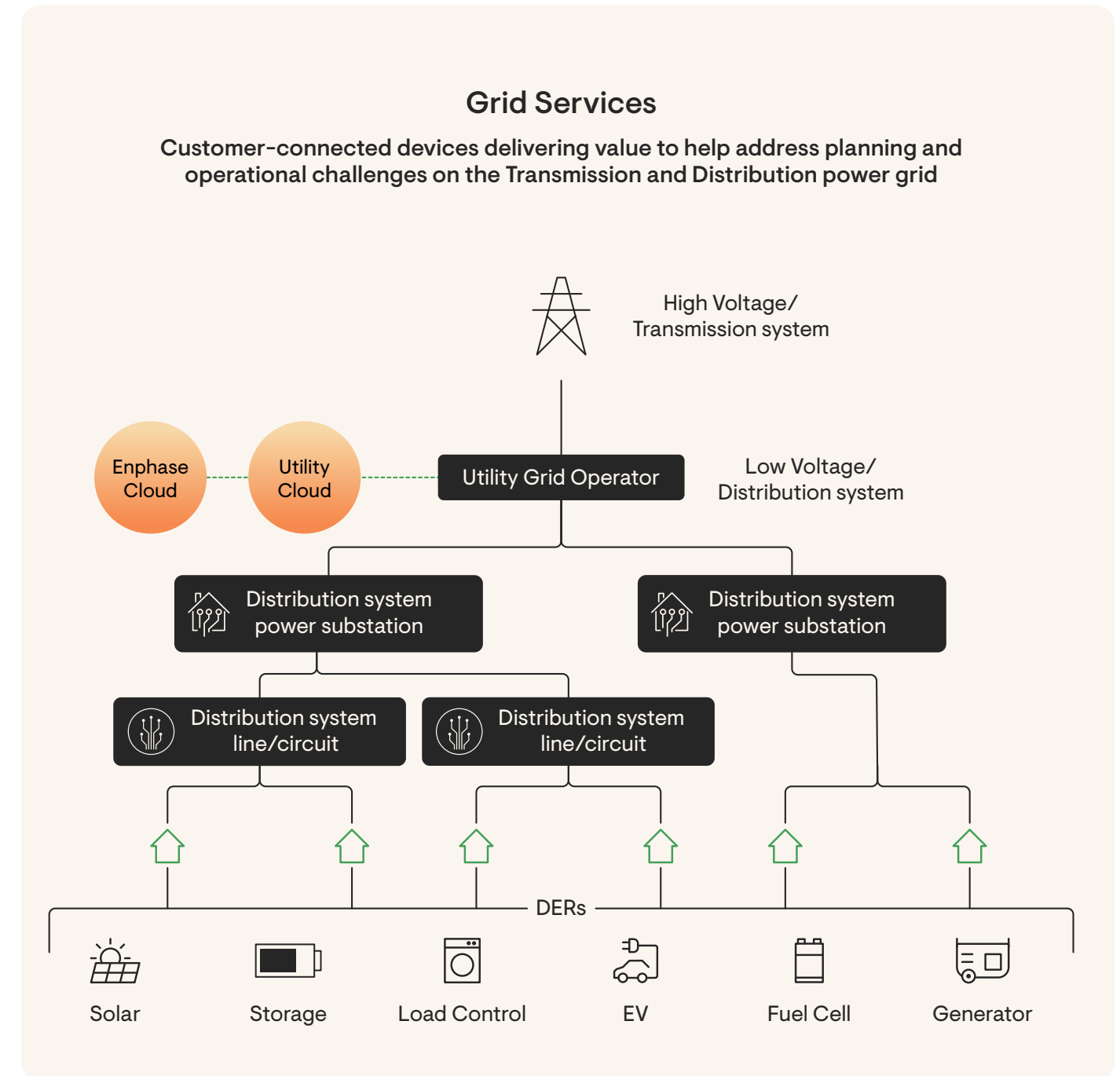
By the end of 2024, we were shipping IQ Batteries to customers across a wide range of global markets, including the United States, Puerto Rico, Canada, Mexico, Australia, New Zealand, Germany, Belgium, the United Kingdom, Italy, Austria, France, the Netherlands, Spain, Portugal, Luxembourg, Finland, Switzerland, Sweden, Denmark, and Greece.

The standout performer was our third-generation IQ Battery 5P, which continued to gain market traction throughout 2024. With 5 kilowatt hours (kWh) of modular capacity, it delivers the best power specs, fastest commissioning, and most installer-friendly experience of any battery in Enphase’s history. Coupled with an industry-leading 15-year limited warranty, the IQ Battery 5P is not just a great product – it is the benchmark for home energy storage. At the end of 2024, shipments of the IQ Battery 5P included markets such as India, Romania, and much of Western Europe, as battery adoption rates continued to climb.

We also began piloting the IQ Battery 5P with FlexPhase to customers in Germany, Austria, and Switzerland. This all-in-one AC-coupled system supports both single-phase and three-phase applications with backup, expanding our addressable market across diverse grid types and building codes.

On the portable power front, our IQ® PowerPack 1500 product made its commercial debut in the fourth quarter of 2024. This compact, 1.5 kWh solution integrates Enphase’s core technologies – power electronics, battery management, and software intelligence, into a smart, portable product capable of running appliances, charging devices, and providing backup power on-the-go. With clean, quiet operation and plug-and-play simplicity, the PowerPack 1500 is purpose-built for home backup, travel, and emergency preparedness. It is our first foray into the portable consumer market and we plan to scale this product family in 2025.

Finally, we continued to partner with aggregators and grid service providers across the United States, Canada, and Europe. These programs deploy from home batteries to help stabilize the grid during peak demand or extreme weather, reducing reliance on carbon-intensive peaker plants. In return, participating homeowners received financial incentives from their utility providers – a model that aligns clean energy with grid resilience and economic value. We expect grid service participation to expand meaningfully in 2025.





Enphase installer training session at the All Energy Australia 2024 conference

“For our IQ Batteries, we certified more than 10,300 installers globally since launch.”

Putting the customer first

In 2024, we sharpened our focus on what matters most – the customer experience. Our global Net Promoter Score (NPS) rose to 78, up from 76 in 2023. While it is just a number, we believe it reflects something deeper – a company-wide push to make every interaction smarter, faster, and more helpful for our customers and partners.

We embraced artificial intelligence (AI) and machine learning to improve our support systems. We added data scientists, upgraded our analytics, and built automation tools that could detect and resolve issues proactively. Our field engineers and technicians remained on the front lines, helping installers tackle complex projects and relaying insights back to our product and engineering teams. This vigorous cycle of learning from the field and applying it quickly continues to be a core Enphase advantage.

Quality and reliability have remained paramount. Our goal is simple: build the safest, most serviceable, resilient, and reliable energy systems in the world. We hold ourselves to rigorous internal standards. For microinverters, our manufacturing target is fewer than 500 defective parts per million (DPPM) – that is a failure rate of less than 0.05%, on an annualized basis. IQ Batteries and all Enphase components follow the same playbook. In 2024, we made significant strides toward consistently meeting these goals.

We also expanded our installer training ecosystem. By year-end, over 89,000 users were active on the Enphase University learning platform. We offered more than 533 courses, covering 75 unique certifications, available in 25 languages across the United States, Latin America, Europe, South Africa, Australia, and Asia Pacific.

For all our IQ Batteries, we certified more than 10,300 installers globally since launch. Training was delivered via 12 regional centers, and we operated three mobile vans equipped with live systems to reach remote installer communities across the United States and Puerto Rico. We also held in-person events across key countries including the United Kingdom, France, Spain, Italy, Germany, the Netherlands, Belgium, Poland, Sweden, Denmark, South Africa, India, Australia, Thailand, the Philippines, and Brazil, with further expansion planned for 2025.

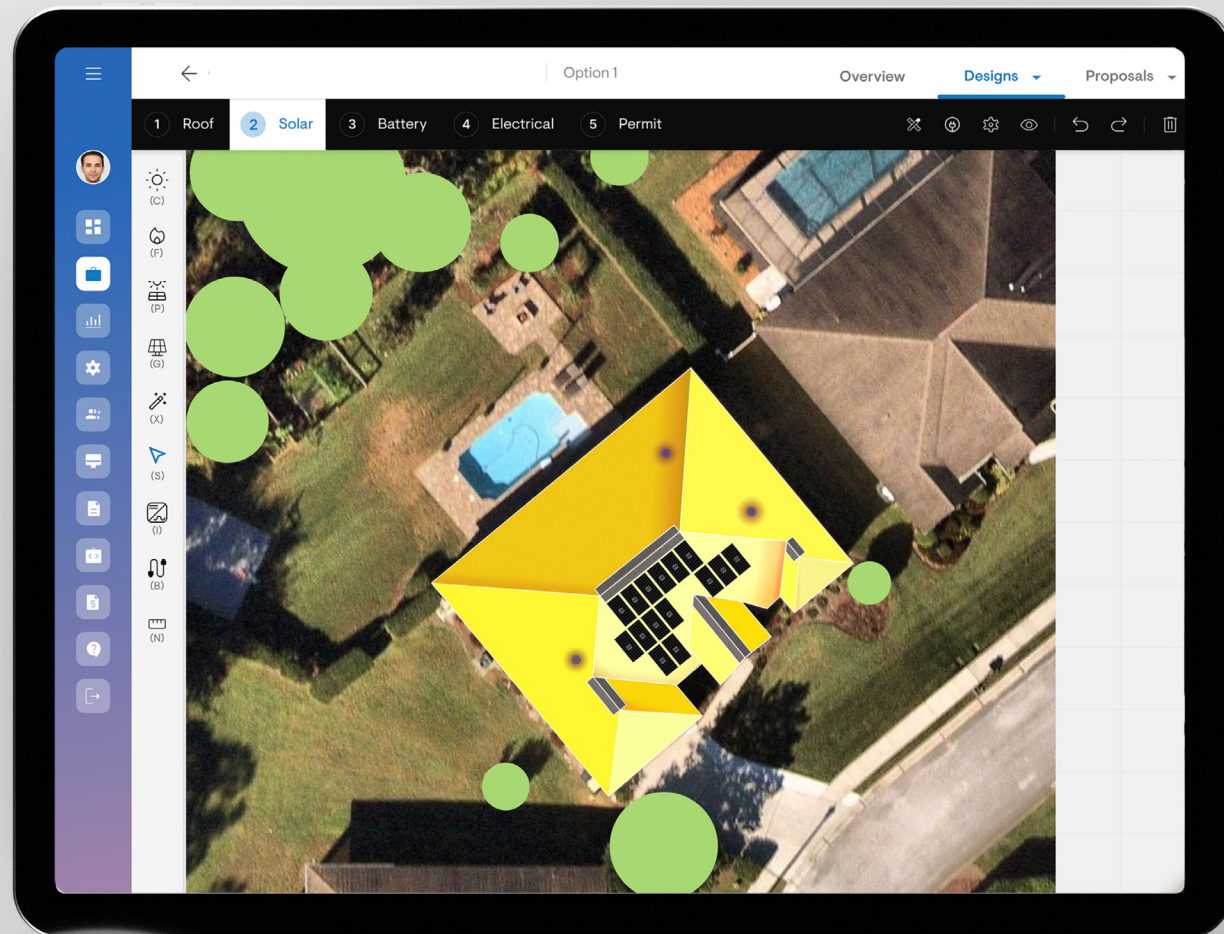
In addition, we built a growing online presence with our Enphase Training YouTube channel, which now has more than 5,980 subscribers and provides on-demand resources to supplement in-person learning.

By the end of 2024, we also expanded our Enphase Installer Network (EIN) to include trusted partners in the United States, Puerto Rico, Australia, the Netherlands, Belgium, France, Spain, the United Kingdom, Mexico, Brazil,

and India. The EIN is a highly curated group – installers are qualified based on quality, homeowner satisfaction, and service excellence. We onboarded approximately 1,902 new EIN members in 2024 alone through a deliberate vetting process centered on quality and reputation.

Building for the long haul: strengthening our digital tools for installers

Since 2019, we have been quietly building something big: a comprehensive, end-to-end digital platform to help our installer partners design and sell solar and battery systems more efficiently. In 2024, we made major strides with this effort, rolling out numerous enhancements to Solargraf, our cloud-based design, proposal, and permitting platform.



Solargraf design and proposal software incorporates AI algorithms for 3D and shading

“Whether you are a sole proprietor or an EPC company, Solargraf is built to scale with such business.”

The upgrades touched nearly every part of the system – smart designer, battery design tool, electrical planning, DIY permit plan sets, system expansion modeling, and even virtual power plant (VPP) support. These features are more than bells and whistles. They enable our installers to move faster, quote with greater confidence, and deliver a polished experience to homeowners.

Solargraf now offers one of the industry’s most comprehensive platforms, capable of handling everything from bankable production estimates and third-party integrated financing to Authorities Having Jurisdiction (AHJ)-ready plan sets and structural and electrical design. Whether you are a sole proprietor or a national engineering, procurement and construction (EPC) company, Solargraf is built to scale with such businesses.

At its core, Solargraf is about ease of doing business. It simplifies the sales process, reduces soft costs, and frees up time for installers to focus on what matters most - delivering a great customer experience. And we are just getting started. In 2025, we plan to expand Solargraf’s reach into commercial and industrial (C&I) projects, adding more functionality around financing, design, and operations.

As of today, Solargraf is live and accessible in the United States, Canada, Germany, Austria, the Netherlands, and Brazil. We expect to expand into France, Japan, and several more countries in 2025, making Solargraf a global tool for a global network.

Staying financially fit: disciplined execution in a tough year

In a year marked by macroeconomic volatility, policy shifts, and market contraction, we stayed true to our fundamentals. Financial discipline was the cornerstone of our 2024 strategy and it showed in our results.

We delivered 48.9% gross margin, 24.7% operating expense, and 24.2% operating income, all calculated as a percentage of revenue on a non-GAAP basis,¹ inclusive of the IRA benefit. We generated approximately \$480.1 million in free cash flow and exited the year with approximately \$1.72 billion in cash, cash equivalents, restricted cash and marketable securities – one of the strongest balance sheets in the solar industry.

Our GAAP net income for 2024 was \$102.7 million, translating to \$0.75 in diluted earnings per share. On a non-GAAP basis,¹ we posted \$321.0 million in net income and \$2.37 in diluted EPS. These results reflect our ability to adapt

¹Please reference Appendix for GAAP to Non-GAAP reconciliation.

our cost structure, protect margin integrity, and deliver meaningful profitability even amid revenue headwinds.

While our revenue declined in 2024, we preserved profitability, protected margins, and generated strong free cash flow – all signs of a resilient and well-managed business. We believe these results reflect not just what we did in 2024, but also how we have built our business over time with an emphasis on capital efficiency, customer value, and long-term durability.

Here is a snapshot of how our performance in 2024 compared to 2023, with 2019 included for context and perspective, in thousands except per share data and percentages:

	GAAP		
	2024	2023	2019
Revenue	\$ 1,330,383	\$ 2,290,786	\$ 624,333
Gross Margin	47.3 %	46.2 %	35.4 %
Operating Expense	41.5 %	26.7 %	19.0 %
Operating Income	\$ 77,292	\$ 445,741	\$ 102,729
Net Income	\$ 102,658	\$ 438,936	\$ 161,148
Basic EPS	\$ 0.76	\$ 3.22	\$ 1.38
Diluted EPS	\$ 0.75	\$ 3.08	\$ 1.23
Cash, cash equivalents, restricted cash and marketable securities	\$ 1,717,596	\$ 1,695,034	\$ 296,109
Net cash provided by operating activities	\$ 513,693	\$ 696,780	\$ 139,067

	Non-GAAP ¹		
	2024	2023	2019
Revenue	\$ 1,330,383	\$ 2,290,786	\$ 624,333
Gross Margin	48.9 %	47.1 %	35.7 %
Operating Expense	24.7 %	16.7 %	15.4 %
Operating Income	\$ 321,919	\$ 697,210	\$ 126,952
Net Income	\$ 321,044	\$ 613,241	\$ 124,205
Basic EPS	\$ 2.37	\$ 4.50	\$ 1.06
Diluted EPS	\$ 2.37	\$ 4.41	\$ 0.95
Cash, cash equivalents, restricted cash and marketable securities	\$ 1,717,596	\$ 1,695,034	\$ 296,109
Free Cash Flow	\$ 480,089	\$ 586,379	\$ 124,279

¹Please reference Appendix for GAAP to Non-GAAP reconciliation.

Delivering on 2024 priorities: clear goals, focused execution, steady progress

“We chose not to chase every opportunity – we chose to do fewer things, better. In a challenging year, that clarity helped us stay grounded.”

A year ago, I outlined three simple but foundational priorities: stay disciplined, deliver an outstanding customer experience, and keep innovating with focus. We chose not to chase every opportunity – we chose to do fewer things, better. In a challenging year, that clarity helped us stay grounded.

Customer experience improved meaningfully. We streamlined support, fixed issues faster, and expanded automation so that some problems could be prevented rather than solved after the fact. Our Net Promoter Score rose to 78 – our highest yet. That number reflects trust, and trust that was earned the long way: one customer, one conversation, one resolution at a time.

On the product side, we stayed intentional. We made progress on our next-generation energy systems – investments that won’t pay off overnight, but lay the groundwork for smarter, more resilient homes. We also introduced new products in areas like EV charging and portable backup power. These were not flashy moves, but they were meaningful steps forward – driven by real customer needs, not market hype.

Operationally, we remained disciplined. Growth was slower than we would have liked, but we stayed focused on the fundamentals: driving sell-through, supporting our installer network, managing costs, and protecting margins. We reduced product costs while maintaining quality, and we kept a close eye on spending. That approach did not yield spectacular top-line numbers, but it did deliver solid profit, which gives us strength for the long term.

By the end of 2024, we were 2,781 employees strong across the globe. I am proud of this team, not just for what they built, but for how they showed up. They stayed focused in a tough environment, made careful decisions, and never lost sight of the customer. The progress we made this year was not loud, but it was real – and it gives us a stronger foundation for what comes next.

Our strategic focus



“At the core of our innovation are our custom-designed application-specific ASICs, which allow our microinverters and batteries to convert energy efficiently, reliably, and intelligently.”

The world is undergoing a generational shift in how energy is produced and consumed. We are amidst a global transition from fossil-fuel-based power to sustainable, distributed, and renewable energy systems, with solar and storage increasingly being deployed “behind the meter,” at the point of consumption. At Enphase, we see this not just as a technological shift, but as a structural evolution in the role of the consumer. People are no longer just buying electricity – they are becoming prosumers who produce, store, and manage their own clean energy.

Our strategy is built on simplicity and focus. We design best-in-class solar and battery systems that help homeowners and small businesses generate, store, and use their own power. We work closely with our installer partners – the backbone of our business, who carry our products to market, manage inventory, and support end customers. We recognize the daily challenges they face from fragmented tools to soft costs and manual processes. This is why we are continuing to develop our fully integrated digital platform to streamline design, quoting, permitting, and sales, making their jobs easier and more profitable.

While our roots are in residential energy, we have steadily expanded our reach. We saw early on that our systems could serve not only homes, but also light commercial and industrial applications, especially as our technology matured to support higher power levels and three-phase compatibility. Today, our platform is being deployed in a wide range of scenarios – from apartment buildings to factories to solar carports – wherever intelligent, distributed power is needed.

This journey began in 2006, when Raghu Belur and Martin Fornage founded Enphase with a conviction that AC-coupled, distributed architectures offered the best path forward on cost, reliability, and scalability. Their vision led us to develop deep technical capabilities across semiconductor-based power conversion, software-defined energy management, and grid interoperability. At the core of our innovation are our custom-designed application-specific integrated circuits (ASICs), which allow our microinverters and batteries to convert energy efficiently, reliably, and intelligently.

Our systems integrate seamlessly with the utility grid and can operate independently when needed. Ensemble™ technology, our orchestration engine, manages the flow of energy across the entire home or building, balancing solar, storage, and consumption in real time. Whether the customer’s priority is savings, backup, self-consumption, or grid services, Enphase delivers one unified platform that adapts to meet these goals.

Our IQ8 Microinverters are the most advanced we have ever built. Fully software-defined and inherently bi-directional, they are designed for a world where energy flows in all directions. At the heart of each unit is our custom ASIC, enabling real-time response to changing grid conditions and eliminating the traditional need to match battery and inverter power. Features like Sunlight Backup allow systems to keep producing even when the grid is down.

“IQ Balcony Solar is built on our AC-coupled architecture, allowing users to plug one to four panels directly into a standard wall outlet – no permits, rewiring, or installers required.”

The IQ8 family is built for versatility and performance. With AC outputs from 245 W to 480 W and support for up to 14 amps of DC current, IQ8 Microinverters are compatible with today’s high-power solar modules – up to 650 W – and ready for what is next. This range gives installers and system designers flexibility without trade-offs. High efficiency helps prevent thermal issues, even in tough environments. Our IQ8P Microinverter model fits especially well in markets like Latin America and India, where higher-wattage panels are favored to reduce installation complexity and system cost.

We have extended that same thinking to small commercial rooftops. The IQ8P-3P Microinverter is built for 20 to 200 kW installations like gas stations, schools, churches, and local businesses. These sites need reliability and safety, but without complexity. With the IQ8P-3P, we offer module-level control, faster commissioning, improved fire safety, and easy expansion – all with the same plug-and-play simplicity our residential customers love.

But solar should not be limited to those with big rooftops. Millions of renters and apartment dwellers have been left out of the clean energy transition. That is why we are launching IQ Balcony Solar in 2025 – a solution built for balconies, patios, and carports, where traditional rooftop solar does not fit. It is solar designed for access, not just ownership.

IQ Balcony Solar is built on our AC-coupled architecture, allowing users to plug one to four panels directly into a standard wall outlet – no permits, rewiring, or installers required. We offer pre-wired kits that include the IQ Microinverters and IQ® Balcony Gateway, making setup fast and monitoring seamless through the Enphase App.

To boost resilience, we have added a backup outlet that stays active during outages – enough to power essentials like Wi-Fi, lights, or a refrigerator. It is a small system with a big impact: clean energy, day-to-day savings, and sunlight backup for people who have never had access to solar before.

We plan to launch IQ Balcony Solar across Europe and Asia in 2025, with regional variants tailored to local codes and infrastructure. But this is more than a product; it is the start of a new category. Plug-and-play solar is simple enough for anyone and scalable enough for the world. We are just getting started.

Our IQ9™ Microinverter family, currently expected to be introduced in 2025, will mark a major leap in both capability and market coverage. Designed to support higher DC input currents (up to 18 amps), higher AC voltages, and three-phase compatibility, the IQ9 Microinverter is purpose-built for the demands of small commercial systems with support for 480 V, the most common commercial voltage in the United States. The first IQ9 Microinverters will be designed to deliver peak output power from 427 W to 548 W, ready to match the most powerful residential and commercial solar panels. These microinverters use Gallium Nitride (GaN) transistors to achieve higher output at lower cost, and we have implemented a suite of mechanical, magnetic, and thermal innovations to push performance even further.



IQ Balcony Solar harnesses solar energy from panels installed on apartment balconies

Looking beyond IQ9 Microinverters, we are already engineering the next generation platform. IQ10™ Microinverters will be our most advanced platform yet, built on a new ASIC architecture designed for automotive-grade security, ultra-low power loss, and unprecedented integration. The chip will be manufactured on 22 nm CMOS process, enabling a new level of performance while keeping size and cost down. IQ10 Microinverters are expected to operate at switching frequencies up to 1 megahertz (MHz), and will support split-phase, three-phase, and neutral-forming capabilities. This product line is designed to power the next wave of Enphase technologies – from smart inverters to bi-directional EV chargers. We plan to introduce it in 2026.

“With these next-generation products, we are investing not just in what is possible today but in what our customers will need five and ten years from now.”

On the storage side, we have made great strides as well. Our IQ Battery 5P, introduced in 2023, brought a meaningful increase in both power and energy density, allowing homeowners to run heavy appliances like air conditioners and pool pumps without compromise. It also integrates seamlessly with NEM 3.0 in California, exporting intelligently based on time-of-use pricing, and is built around a rugged CAN-based control system for reliability.

In 2025, we plan to launch our IQ® Battery 10C, the fourth generation of Enphase storage. It is designed to be 30% more energy-dense, occupy 60% less wall space, and cost less than previous models. All of this is enabled by an all-new system architecture featuring four microinverters providing up to 7 kW power along with integrated battery management and advanced thermal control. The battery also benefits from improved battery cell chemistry and tighter integration with our U.S.-based manufacturing partners – a move we made in 2024 to help qualify for IRA incentives and enhance supply chain resilience.

With these next-generation products, we are investing not just in what is possible today but in what our customers will need five and ten years from now. This mindset is guiding our roadmap, and it is the standard we hold ourselves to every day.

With our fourth-generation battery system, we have taken another step toward making clean backup power easier to install, easier to scale, and easier to own. We expect to launch the IQ Battery 10C in 2025 alongside two key innovations: the IQ® Meter Collar Microgrid Interconnection Device (MID) and the new IQ® Combiner 6C. Together, these components simplify the entire backup installation process, eliminating the need for bulky current transformers (CTs) and high-current wiring that often add time, cost, and complexity to a job. For homeowners and installers, the difference is meaningful – what used to require four boxes on a wall for a 10 kWh battery system can now be done with just two.



Looking ahead, we expect to launch our fifth-generation IQ Battery in 2026. This next wave of storage will build on our modular, AC-coupled architecture, and take full advantage of the power conversion technology in our upcoming IQ10 Microinverters. The result will be a battery platform capable of serving virtually any electrical system in the world from single-phase homes to complex commercial facilities, while also driving down cost and reducing system size.

This is how we think about progress: not just in terms of watt-hours and efficiency curves, but in how seamlessly our systems fit into people’s lives and businesses. Fewer boxes, fewer steps, more value.



The IQ EV Charger 2 is designed to work seamlessly as part of the Enphase Energy System or as a standalone charger

“But the IQ EV Charger 2 is more than just a smarter plug – it is a steppingstone to a future where vehicles are also energy resources.”

EVs are changing the energy landscape. As ownership grows rapidly, particularly in Europe and the United States, households are becoming larger consumers of electricity, with up to 80% of EV charging happening at home. This surge in demand creates a natural intersection between EVs, solar, and stationary storage. In fact, we estimate that every new EV on the road will require an additional 10 - 15 kWh of storage and 2 - 3 kilowatt-peak (kWp) of solar to be integrated seamlessly into the grid. It is a shift that makes distributed energy resources (DERs) not just desirable, but essential.

In 2023, we launched our first IQ EV Charger, building on our 2021 acquisition of ClipperCreek, a brand known for quality and reliability. In late 2024, we made initial shipments of our next-generation IQ EV Charger 2 into Europe. Designed for both single- and three-phase installations, it includes dynamic load balancing, MID-certified metering, Open Charge Point Protocol (OCPP) support and is fully integrated with the Enphase Energy System via the Enphase App. Advanced features like green charging allow homeowners to maximize solar usage, while intelligent scheduling helps reduce costs during peak utility rates.

But the IQ EV Charger 2 is more than just a smarter plug – it is a steppingstone to a future where vehicles are also energy resources. Our product is designed to be AC bi-directional capable, and in 2024, we successfully demonstrated its V2H functionality by integrating it with our Ensemble technology. We also showcased the potential for V2G, where EVs could one day supply power back to the grid during peak demand. However, additional regulatory approvals and ecosystem readiness are required before these capabilities can be broadly deployed. Even so, these demonstrations highlight powerful new use cases – resilience, self-consumption, and grid participation – that could transform how homeowners think about energy.

Looking forward, we are working closely with automotive OEMs to bring fully certified bi-directional charging to market in 2026, using the same Enphase architecture that already powers our inverters and batteries. With the IQ EV Charger family, we are not only meeting current demand, but are also building a platform for the future of integrated home energy and mobility, one that is smarter, more resilient, and more cost-effective for families around the world.

At Enphase, we believe the future of energy is intelligent, distributed, and collaborative. This is why we are working closely with utilities and aggregators to enable homeowners to participate in grid services programs where energy is no longer just consumed, but shared. Across the United States, Canada, and Europe, we have helped homeowners use their IQ Batteries to discharge energy back to the grid during times of peak demand, receiving incentives or rebates in return. For utilities, this reduces dependence on expensive, polluting peaker plants. For homeowners, it means the possibility of turning their energy systems into income-generating assets. These programs are a win-win and we expect to see them expand significantly in 2025 and beyond.



A typical Home Energy Management System in Europe

“As our energy systems become more distributed and dynamic, the role of intelligent coordination behind the scenes becomes critical.”

Our Ensemble technology is built to support this kind of orchestration. It integrates solar, batteries, and third-party systems like generators with plug-and-play ease. In long-duration outages, especially in winter months, generators are still critical. Ensemble supports them without requiring an external automatic transfer switch (ATS), simplifying setup while ensuring seamless operation. The entire system is managed through the Enphase App, giving homeowners resilience without complexity.

The real magic, though, happens in our Home Energy Management System (HEMS). It is where solar generation, battery charging, EV load control, and third-party appliances like heat pumps are intelligently coordinated, minute by minute, watt by watt. Our AI-powered optimization engine ensures energy is used when it is cheapest, cleanest, or most valuable. Already, it is adapting to dynamic tariffs in Europe and helping customers navigate the intricacies of NEM 3.0 in California.

Powering all of this is our IQ® Gateway, the local brain of the system. It speaks to the cloud, integrates energy forecasts, and coordinates operations in real time. In late 2025, we plan to take another leap forward with the launch of IQ Gateway 2. This next-generation device is expected to offer enhanced cybersecurity, faster software response, and the ability to interface with even more advanced third-party systems. Homeowners will gain deeper control, including the ability to disconnect from the grid and prioritize battery and EV use during emergencies or peak price periods. With the IQ Gateway 2, we are not just building smarter energy systems, we are also giving families more independence, more resilience, and a stronger voice in how their energy is used.

As our energy systems become more distributed and dynamic, the role of intelligent coordination behind the scenes becomes critical. This is where HEMS software comes in. It does more than just optimize the flow of electricity within a home. It opens the door for homeowners to participate in grid services, earn incentives, and support the broader energy transition – all with minimal effort on their part.

Traditionally, utilities could only engage with specific assets, like a battery or a thermostat on an isolated basis. But with HEMS, we enable coordinated orchestration of everything – solar, batteries, EV chargers, heat pumps, and more. The result is a faster, more reliable response to utility needs and more value delivered to homeowners, without disrupting comfort or control.

This is the foundation we are laying: become the intelligent site manager “behind the meter”, and ultimately the technical aggregator across entire portfolios of homes. With deep, native knowledge of the Enphase ecosystem and the power of our AI-based forecasting and optimization engine, we are



“With every product we ship, every problem we solve, and every upgrade we make, we are quietly preparing for a future where energy is not just clean and reliable, but intelligent and effortless.”

building a platform that makes clean energy smarter, more useful, and more valuable, not just for individuals, but for the grid at large.

In 2024, we rolled out the IQ PowerPack 1500— or what we like to call our “Ensemble-in-a-box.” It brings together our microinverters, batteries, and software in a rugged, portable unit that delivers 1.5 kW of continuous power (and 3.0 kW surge). Whether it is during power outages or off-grid travel, it is designed to be rolled out, plugged in, and put to work— no installation is required. The PowerPack 1500 can be recharged from a wall outlet, solar panels, or even a car. But what sets it apart is its versatility: from urban apartments to remote cabins, we are finding use cases beyond what we originally envisioned. That is the sign of a good product – when customers uncover what it can truly be capable of.

We are just getting started. We are working toward future versions that can connect directly to a home’s main panel and integrate more deeply with the Enphase Energy System. In Europe, we see the PowerPack 1500 as a natural companion to our balcony solar product, enabling apartment dwellers to store and use their own solar power with ease. In India, it has the potential to bring reliable electricity to regions where infrastructure remains a challenge. But for the product to scale globally, it must also be cost-effective. That is not easy – but we believe that thoughtful engineering, operational efficiency, and relentless iteration will get us there. That is the kind of challenge we enjoy.

Looking ahead, artificial intelligence will play a central role in how we operate. We are embedding AI technologies across departments, not because it is trendy, but because we believe it solves real problems. Our approach is thoughtful – we adopt new tools where we see immediate value, particularly in two areas that go to the heart of what we do.

The first area is in energy management. AI allows us to better understand how households behave – how they use energy, how they interact with our systems, and how we can serve them more efficiently. This means smarter forecasting, improved optimization, and better software-driven decisions. The second area is in customer experience. While we remain firm believers in the power of human support, we also see the opportunity for AI to enhance our service – to anticipate issues before they arise, reduce wait times, and guide users intuitively through setup and troubleshooting. We believe this hybrid model of human plus machine will shape the next chapter of how we serve our homeowners and installers.

With every product we ship, every problem we solve, and every upgrade we make, we are quietly preparing for a future where energy is not just clean and reliable, but intelligent and effortless.

Our 2025 priorities



Our 2025 playbook: focused, differentiated, and disciplined

As we look ahead to 2025, our strategy centers around three priorities: putting the customer first, introducing differentiated products globally, and maintaining operational excellence. These are the levers we believe will drive durable growth, strong cash generation, and continued leadership in our industry.

“While we cannot control the broader market, we can control how we execute, and we intend to do so with the same rigor and resilience that brought us through 2024.”

We begin with the customer. “Customer first” has always been our north star. In 2025, we plan to further improve the customer experience by enhancing commissioning speed, increasing system reliability, and reducing time to resolution. Our goal is to raise our Net Promoter Score above 78. We are investing in data science and AI to better detect and resolve issues before they reach the customer – fixing software bugs, reducing false alerts, and accelerating updates. We will continue to measure ourselves by the metrics that matter: Net Promoter Score, call wait times, and product quality and reliability.

In 2025, on the product front, we are preparing to launch some of our most differentiated offerings. Leading the way is our fourth-generation IQ Battery 10C, paired with the new IQ Meter Collar and IQ Combiner 6C, designed to simplify installation while enabling smarter load control and more powerful backup capabilities. We are ramping our three-phase battery system in Germany, Austria, and Switzerland, where demand for backup is strong. In Europe, we expect to introduce our IQ Balcony Solar solution, a plug-and-play system designed for apartment dwellers and renters, making solar more accessible than ever before. Meanwhile, our IQ9 Microinverters will be engineered for the next generation of high-powered solar modules and will serve both residential and small-commercial markets globally. We look forward to their launch in 2025. In Japan and other international markets, we are expanding the reach of our microinverter portfolio, which is particularly well-suited to regions with complex roof structures, and a preference for compact, module-level technology.

None of this works without disciplined execution. Our commitment to operational excellence means staying lean, efficient, and responsive to market conditions. We will continue to focus on sell-through rather than simply sell-in, carefully managing inventory levels while supporting our partners with world-class training, tools, and service. In preparation for potential changes to U.S. manufacturing incentives and domestic sourcing policy, we are building the regional capacity and supplier relationships needed to stay ahead of the curve.

We approach 2025 with humility, clarity, and conviction. While we cannot control the broader market, we can control how we execute, and we intend to do so with the same rigor and resilience that brought us through 2024.

Enphase Energy System

Make, use, save, and sell your own power



The Enphase App



Final thoughts: built for the long run

We came through 2024 stronger, wiser, and more focused than ever.

Despite one of the toughest demand cycles our industry has seen, we generated strong free cash flow, maintained profitability, and helped normalize channel inventory across our partners. In a year when many companies shrank into survival mode, we stayed anchored to our principles: innovate relentlessly, deliver quality without compromise, and treat customer experience as a first-order mission, not as an afterthought.

Since our founding, Enphase has shipped over 80 million microinverters and 1.69 GWh of IQ Batteries. More than 4.7 million systems powered by Enphase technology are now deployed in over 160 countries, helping prevent an estimated 72 million metric tons of carbon emissions.¹ Those are not just numbers – they represent energy independence, resilience, and progress for families, small businesses, and communities around the world.

Looking ahead, we are optimistic about what 2025 will bring. Our product roadmap is rich, with next-generation microinverters, batteries, and bidirectional EV solutions on the horizon. Our geographic expansion continues, especially in Europe, Asia-Pacific, and Latin America. Our U.S. manufacturing scale-up is not just helping margins, it is becoming a cornerstone of our competitiveness. The United States remains our #1 market, and we are deeply focused on accelerating growth with targeted investments, new products, and continued support for our installer base.

But what excites me most is the depth of talent and discipline in our company. We are more focused than ever on operational excellence – tight execution, cost control, and superior customer outcomes. These are the muscles we have developed over the years. In 2025, we will keep flexing them.

We are also building for a future where energy is more distributed, intelligent, and resilient. Centralized grids are straining under rising demand and volatility. Around the world, energy markets are shifting – from top-down infrastructure to bottom-up intelligence. Homeowners, businesses, and vehicles are becoming both consumers and suppliers. In that future, Enphase does not just have a seat at the table – we are helping to shape the table itself.

The trend is clear. The opportunity is enormous. And our strategy is simple: make energy smarter, cleaner, and yours.

To everyone who helped us navigate the past year: our employees, our customers, our partners, and you, our shareholders – thank you for your ongoing support. We are building Enphase for the long run. And I have never been more confident in where we are headed.

To be continued,

Badri Kothandaraman
President and CEO

April 4, 2025

¹Estimate based on Enphase managed systems data as of December 31, 2024 grossed up for non-managed systems based on cumulative production records; CO₂e calculations based on the U.S. Environmental Protection Agency (U.S. EPA) GHG calculator.

Appendix

Enphase Energy, Inc. reconciliation of GAAP financial measures to non-GAAP financial measures

In thousands, except per share data and percentages

	Year ended		
	2024	2023	2019
Gross profit (GAAP)	\$ 629,138	\$ 1,058,388	\$ 221,245
Stock-based compensation	14,538	13,357	1,650
Acquisition related amortization	7,469	7,580	-
Gross profit (Non-GAAP)	\$ 651,145	\$ 1,079,325	\$ 222,895
Gross margin (GAAP)	47.3 %	46.2 %	35.4 %
Stock-based compensation	1.0	0.6	0.3
Acquisition related amortization	0.6	0.3	-
Gross margin (Non-GAAP)	48.9 %	47.1 %	35.7 %
Operating expenses (GAAP)	\$ 551,846	\$ 612,647	\$ 118,516
Stock-based compensation	(196,554)	(199,500)	(17,791)
Acquisition related expenses and amortization	(12,911)	(15,317)	(2,183)
Restructuring and asset impairment charges	(13,154)	(15,715)	(2,599)
Operating expenses (Non-GAAP)	\$ 329,227	\$ 382,115	\$ 95,943
Operating expense % of revenue	24.7 %	16.7 %	15.4 %
Income from operations (GAAP)	\$ 77,292	\$ 445,741	\$ 102,729
Stock-based compensation	211,093	212,857	19,441
Acquisition related expenses and amortization	20,380	22,897	2,183
Restructuring and asset impairment charges	13,154	15,715	2,599
Income from operations (Non-GAAP)	\$ 321,919	\$ 697,210	\$ 126,952
Net income (GAAP)	\$ 102,658	\$ 438,936	\$ 161,148
Stock-based compensation	211,093	212,857	19,441
Acquisition related expenses and amortization	20,380	22,897	2,183
Restructuring and asset impairment charges	13,154	15,715	2,599
Non-cash interest expense	8,650	8,380	13,205
Non-GAAP income tax adjustment	(34,891)	(85,544)	(74,371)
Net income (Non-GAAP)	\$ 321,044	\$ 613,241	\$ 124,205

Enphase Energy, Inc. reconciliation of GAAP financial measures to non-GAAP financial measures (continued)

In thousands, except per share data and percentages

	Year ended		
	2024	2023	2019
Net income per share, basic (GAAP)	\$ 0.76	\$ 3.22	\$ 1.38
Stock-based compensation	1.56	1.56	0.17
Acquisition related expenses and amortization	0.15	0.17	0.02
Restructuring and asset impairment charges	0.10	0.12	0.02
Non-cash interest expense	0.06	0.06	0.11
Non-GAAP income tax adjustment	(0.26)	(0.63)	(0.64)
Net income per share, basic (Non-GAAP)	\$ 2.37	\$ 4.50	\$ 1.06
Shares used in per share calculation, basic and diluted (GAAP and Non-GAAP)	135,167	136,376	116,713
Net income per share, diluted (GAAP)	\$ 0.75	\$ 3.08	\$ 1.23
Stock-based compensation	1.56	1.57	0.15
Acquisition related expenses and amortization	0.15	0.16	0.02
Restructuring and asset impairment charges	0.10	0.11	0.02
Non-cash interest expense	0.06	0.06	0.10
Non-GAAP income tax adjustment	(0.26)	(0.57)	(0.57)
Net income per share, diluted (Non-GAAP)¹	\$ 2.37	\$ 4.41	\$ 0.95
Shares used in per share calculation (GAAP)	140,004	143,290	131,644
Shares used in per share calculation (Non-GAAP)	135,641	139,214	131,193
Income-based government grants (GAAP)	\$ 157,538	\$ 53,470	\$ -
Incremental cost for manufacturing in U.S.	(38,351)	(11,603)	-
Net IRA benefit (Non-GAAP)	\$ 119,187	\$ 41,867	\$ -
Net cash provided by operating activities (GAAP)	\$ 513,693	\$ 696,780	\$ 139,067
Purchases of property and equipment	(33,604)	(110,401)	(14,788)
Free cash flow (Non-GAAP)	\$ 480,089	\$ 586,379	\$ 124,279

¹ Calculation of non-GAAP diluted net income per share for the year ended December 31, 2023 and 2019 excludes convertible notes due 2023 interest expense, net of tax of less than \$0.1 million and approximately \$0.9 million, respectively, from non-GAAP net income.



The IQ PowerPack 1500 supports off-grid adventures, such as camping

Use of forward-looking statements

This document contains forward-looking statements made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995, including but not limited to statements concerning our future financial performance; our business strategies, including our operations and anticipated trends and developments in markets in which we operate and in the markets in which we plan to expand; our expectations as to the impact and evolving current geopolitical issues and macroeconomic trends; the anticipated release, shipment, and market adoption of Enphase's new products and technologies; the capabilities, performance and benefits of our technology and products, including future products, features and services, and the reduction of commissioning times for installers; the ability to optimize and customize products, load disaggregation, monitoring and management; our performance in operations, including manufacturing, product capacity, training, and customer service; and statements concerning manufacturing strategies and potential for market growth. These statements are based upon current expectations that involve risks and uncertainties. Any statements that are not of historical fact, may be forward-looking statements. Words used such as "anticipates," "believes," "continues," "designed," "estimates," "expects," "goal," "intends," "likely," "may," "ongoing," "plans," "projects," "pursuing," "seeks," "should," "will," "would" and similar expressions are intended to identify forward looking statements, although not all forward-looking statements contain these words. All forward-looking statements are based on our current assumptions, expectations and beliefs, and involve substantial risks and uncertainties that may cause results, performance or achievement to materially differ from those expressed or implied by these forward-looking statements. Therefore, you should not place undue reliance on our forward-looking statements. A detailed discussion of risk factors that affect our business is included in the filings we make with the Securities and Exchange Commission (SEC) from time to time, including our most recent reports on Form 10-K and Form 10-Q, particularly under the heading "Risk Factors." Copies of these filings are available on the Enphase website, or on the SEC website. All forward-looking statements in this document are based on information currently available to us, and we assume no obligation to update these forward-looking statements in light of new information or future events.

Industry Information

Information regarding market and industry statistics in this document is based on information available to us that we believe is accurate. It is generally based on publications that are not produced for purposes of economic analysis.

Non-GAAP Financial Metrics

- We have presented certain non-GAAP financial measures in this document. Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial position, or cash flows that either exclude or include 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 (GAAP). Reconciliation of each non-GAAP financial measure to the most directly comparable GAAP financial measure can be found in the accompanying tables to this document. Non-GAAP financial measures presented by us include non-GAAP gross profit, gross margin, operating expenses, income from operations, net income, net income per share (basic and diluted) and free cash flow.
- These non-GAAP financial measures do not reflect a comprehensive system of accounting, differ from GAAP measures with the same captions and may differ from non-GAAP financial measures with the same or similar captions that are used by other companies. In addition, these non-GAAP measures have limitations in that they do not reflect all of the amounts associated with our results of operations as determined in accordance with 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. We use these non-GAAP financial measures to analyze our operating performance and future prospects, develop internal budgets and financial goals, and to facilitate period-to-period comparisons. We believe that these non-GAAP financial measures reflect an additional way of viewing aspects of our operations that, when viewed with our GAAP results, provide a more complete understanding of factors and trends affecting our business.

As presented in the "Reconciliation of Non-GAAP Financial Measures" page, each of the non-GAAP financial measures excludes one or more of the following items for purposes of calculating non-GAAP financial measures to facilitate an evaluation of our current operating performance and a comparison to our past operating performance:

- Stock-based compensation expense. We exclude stock-based compensation expense from our non-GAAP measures primarily because they are non-cash in nature. Moreover, the impact of this expense is significantly affected by our stock price at the time of an award over which management has limited to no control.
- Acquisition related expenses and amortization. This item represents expenses incurred related to our business acquisitions, which are non-recurring in nature, and amortization of acquired intangible assets, which is a non-cash expense. Acquisition related expenses and amortization of acquired intangible assets are not reflective of our ongoing financial performance.
- Restructuring and asset impairment charges. We exclude restructuring and asset impairment charges due to the nature of the expenses being unusual and arising outside the ordinary course of continuing operations. These costs primarily consist of fees paid for cash-based severance costs and asset write-downs of property and equipment and acquired intangible assets, and other contract termination costs resulting from restructuring initiatives.
- Non-cash interest expense. This item consists primarily of amortization of debt issuance costs and accretion of debt discount because these expenses do not represent a cash outflow for us except in the period the financing was secured and such amortization expense is not reflective of our ongoing financial performance.
- Non-GAAP income tax adjustment. This item represents the amount adjusted to our GAAP tax provision or benefit to present the non-GAAP tax amount based on cash tax expense and reserves for periods prior to 2023. Effective January 1, 2023, we updated our methodology of computing the non-GAAP income tax adjustment from reporting cash tax expense and reserves to the projected non-GAAP annualized effective tax rate as we utilized most of our net operating loss and tax credit carryforwards in the year ended December 31, 2022, and became a significant cash taxpayer in the United States. Going forward, we will exclude the income tax effects of GAAP adjustments such as stock-based compensation, amortization of purchased intangibles, and other non-recurring items that are not reflective of our ongoing financial performance.
- Non-GAAP net income per share, diluted. We exclude the dilutive effect of in-the-money portion of convertible senior notes as they are covered by convertible note hedge transactions that reduce potential dilution to our common stock upon conversion of the Notes due 2025, Notes due 2026 and Notes due 2028, and includes the dilutive effect of employee's stock-based awards and the dilutive effect of warrants. We believe these adjustments provide useful supplemental information to the ongoing financial performance.
- Net IRA benefit. This item represents the advanced manufacturing production tax credit ("AMPTC") from the IRA for manufacturing microinverters in the United States, partially offset by the incremental manufacturing cost incurred in the United States relative to manufacturing in Mexico, India, and China. The AMPTC is accounted for by us as an income-based government grants that reduces cost of revenues in the consolidated statements of operations.
- Free cash flow. This item represents net cash flows from operating activities less purchases of property and equipment.

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1-800-PROXIES (1-800-776-9437) the United States or
1-201-299-4446 from foreign countries

Independent registered public accounting firm

Deloitte & Touche LLP

Stock exchange listing

Enphase Energy, Inc. common stock trades on the NASDAQ Global Market under the symbol ENPH
Financial and investor information is available on the company's investor relations website at investor.enphase.com