

## Supplemental Operating Performance Information

February 9, 2021

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

Operating Metrics & Revenue Detail	Metric	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Guidance	Q1'21
Microinverter System Shipments	Units, k	2,113	2,012	1,088	1,443	2,292		
Microinverter System Shipments	MW (DC)	677	643	355	478	762		
<b>Total Revenue</b>		<b>\$ 210.0</b>	<b>\$ 205.5</b>	<b>\$ 125.5</b>	<b>\$ 178.5</b>	<b>\$ 264.8</b>	Revenue	\$280 - \$300
Safe Harbor Revenue		36.4	44.5	-	-	-	Gross Margin	37% - 40%
<b>Revenue by Geography</b>							Operating Expenses	\$64 - \$67
United States		195.3	179.6	100.8	139.9	217.5	<b>Non-GAAP</b>	
International		14.7	25.9	24.7	38.6	47.3	Revenue	\$280 - \$300
<b>Supplementary Income Statement Information</b>							Gross Margin	38% - 41%
<b>Gross Profit (GAAP)</b>		<b>\$ 77.9</b>	<b>\$ 80.7</b>	<b>\$ 48.4</b>	<b>\$ 95.0</b>	<b>\$ 121.9</b>	Operating Expenses	\$42 - \$45
Stock-based Compensation		0.5	0.6	1.3	1.2	0.5		
Tariff Refunds		-	-	-	(23.0)	(15.9)		
<b>Gross Profit (Non-GAAP)</b>		<b>\$ 78.4</b>	<b>\$ 81.3</b>	<b>\$ 49.7</b>	<b>\$ 73.2</b>	<b>\$ 106.5</b>		
<b>Gross Margin (GAAP)</b>		<b>37.1%</b>	<b>39.2%</b>	<b>38.5%</b>	<b>53.2%</b>	<b>46.0%</b>		
Stock-based Compensation		0.2%	0.3%	1.1%	0.7%	0.2%		
Tariff Refunds		0.0%	0.0%	0.0%	-12.9%	-6.0%		
<b>Gross Margin (Non-GAAP)</b>		<b>37.3%</b>	<b>39.5%</b>	<b>39.6%</b>	<b>41.0%</b>	<b>40.2%</b>		
<b>Income from Operations (GAAP)</b>		<b>\$ 44.4</b>	<b>\$ 44.7</b>	<b>\$ 10.9</b>	<b>\$ 51.8</b>	<b>\$ 79.1</b>		
Stock-based Compensation		6.2	7.5	12.3	14.4	8.3		
Tariff Refunds		-	-	-	(23.0)	(15.9)		
Restructuring & Asset Impairment Charges		1.1	-	-	-	-		
Acquisition Related Expenses & Amortization		0.6	0.6	0.5	0.5	0.9		
<b>Income from Operations (Non-GAAP)</b>		<b>\$ 52.3</b>	<b>\$ 52.8</b>	<b>\$ 23.7</b>	<b>\$ 43.7</b>	<b>\$ 72.4</b>		
<b>Income from Operations (Non-GAAP) Margin</b>		<b>25%</b>	<b>26%</b>	<b>19%</b>	<b>24%</b>	<b>27%</b>		
<b>Income Tax Benefit (Provision) (GAAP)</b>		<b>\$ 72.2</b>	<b>\$ 11.9</b>	<b>\$ 6.6</b>	<b>\$ (5.5)</b>	<b>\$ 1.6</b>		
Non-GAAP Income Tax Adjustment		(74.4)	(12.5)	(7.1)	5.1	(2.6)		
<b>Income Tax Benefit (Provision) (Non-GAAP)</b>		<b>\$ (2.1)</b>	<b>\$ (0.6)</b>	<b>\$ (0.5)</b>	<b>\$ (0.4)</b>	<b>\$ (1.0)</b>		
<b>Net Income (GAAP)</b>		<b>\$ 116.7</b>	<b>\$ 68.9</b>	<b>\$ (47.3)</b>	<b>\$ 39.4</b>	<b>\$ 73.0</b>		
Stock-based Compensation		6.2	7.5	12.3	14.4	8.2		
Tariff Refunds		-	-	-	(23.0)	(16.5)		
Restructuring & Asset Impairment Charges		1.1	-	-	-	-		
Acquisition Related Expenses & Amortization		0.6	0.6	0.5	0.5	0.9		
Non-Recurring Debt Prepayment Fees & Non-Cash Interest		1.9	2.7	5.4	5.4	5.3		
Change in Fair Value of Derivatives		-	(15.3)	59.7	-	-		
Loss on partial settlement of Notes due 2024		-	-	-	-	3.0		
Non-GAAP Income Tax Adjustment		(74.4)	(12.5)	(7.1)	5.1	(2.6)		
<b>Net Income (Non-GAAP)</b>		<b>\$ 52.0</b>	<b>\$ 51.9</b>	<b>\$ 23.5</b>	<b>\$ 41.8</b>	<b>\$ 71.3</b>		
<b>Weighted Avg Basic Shares Outstanding (GAAP)</b>	000s	<b>122,630</b>	<b>123,531</b>	<b>125,603</b>	<b>126,109</b>	<b>126,980</b>		
RSU/PSU/Options		8,703	8,609	6,228	6,330	6,200		
2023 Convert		900	900	900	900	900		
2024 Convert + Warrants		639	5,064	6,716	8,481	9,894		
2025 Convert + Warrants		-	-	-	-	2,016		
Elimination of In-the-Money 2024 and 2025 Convert Shares		(639)	(2,936)	(3,677)	(4,468)	(6,463)		
<b>Weighted Avg Diluted Shares Outstanding (Non-GAAP)</b>	000s	<b>132,233</b>	<b>135,168</b>	<b>135,770</b>	<b>137,352</b>	<b>139,527</b>		
<b>Net Income per Share, Diluted (GAAP)</b>		<b>\$ 0.88</b>	<b>\$ 0.50</b>	<b>\$ (0.38)</b>	<b>\$ 0.28</b>	<b>\$ 0.50</b>		
<b>Net Income per Share, Diluted (Non-GAAP)</b>		<b>\$ 0.39</b>	<b>\$ 0.38</b>	<b>\$ 0.17</b>	<b>\$ 0.30</b>	<b>\$ 0.51</b>		
<b>Supplementary Balance Sheet Information</b>								
Cash and Cash Equivalents*		\$ 296.1	\$ 593.8	\$ 607.3	\$ 661.8	\$ 679.4		
<b>Debt (GAAP)</b>		<b>\$ 105.5</b>	<b>\$ 395.8</b>	<b>\$ 355.5</b>	<b>\$ 360.1</b>	<b>\$ 330.9</b>		
Add: Debt Discount and Issuance Cost		36.0	109.7	104.4	99.1	84.2		
Less: Convertible Debt Derivative		-	(45.1)	-	-	-		
<b>Debt (Non-GAAP)</b>		<b>\$ 141.5</b>	<b>\$ 460.4</b>	<b>\$ 459.9</b>	<b>\$ 459.2</b>	<b>\$ 415.1</b>		
<b>Supplementary Cash Flow Information</b>								
<b>Cash flow from Operations (GAAP)</b>		<b>\$ 102.3</b>	<b>\$ 39.2</b>	<b>\$ 25.4</b>	<b>\$ 67.5</b>	<b>\$ 84.2</b>		
Add: Repayment of Convertible Notes due 2024 Attributable to Debt Discount		-	-	-	-	3.1		
Less: Purchase of Property and Equipment		(7.4)	(3.4)	(4.4)	(3.9)	(8.9)		
<b>Free Cash Flow (Non-GAAP)</b>		<b>\$ 94.9</b>	<b>\$ 35.8</b>	<b>\$ 21.0</b>	<b>\$ 63.6</b>	<b>\$ 78.5</b>		

\*Quarter ended Q4'19 and Q1'20 Cash and cash equivalents include restricted cash of \$44.7 million

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