



Investor Presentation August 2020



Safe harbor

Use of Forward-Looking Statements

This presentation 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 financial performance and guidance, including revenues, gross margin, operating results, expenses and costs; 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; the anticipated market adoption of Enphase's new products and technologies; the capabilities and performance of our technology and products, including product scalability, the ability to operate without a grid, the ability to optimize and customize products, load disaggregation, monitoring, and management, and reduction in installation, logistics and supply chain times; the capacity and availability of our products; our expectations as to the impact of the COVID-19 pandemic; our performance in operations, including product quality, safety, reliability, cost management, and customer service 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 at <http://investor.enphase.com/sec.cfm>, or on the SEC website at www.sec.gov. All forward-looking statements in this presentation 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 presentation 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

- The Company has presented certain non-GAAP financial measures in this presentation. 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. Reconciliation of each non-GAAP financial measure to the most directly comparable GAAP financial measure can be found in the Appendix to this presentation. Non-GAAP financial measures presented by the Company include non-GAAP gross margin, operating expenses, income from operations, and adjusted 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 the Company's 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. 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.

- 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 the Company's current operating performance and a comparison to its past operating performance:
 - Stock-based compensation expense. The Company excludes stock-based compensation expense from its non-GAAP measures primarily because they are non-cash in nature. Moreover, the impact of this expense is significantly affected by the Company's stock price at the time of an award over which management has limited to no control.
 - Restructuring and asset impairment charges. The Company excludes restructuring charges due to the nature of the expenses being unplanned and arising outside the ordinary course of continuing operations. These costs primarily consist of fees paid for restructuring-related management consulting services, cash-based severance costs related to workforce reduction actions, asset write-downs of property and equipment and lease loss reserves, and other contract termination costs resulting from restructuring initiatives.
 - Reserve for non-recurring legal matter. This item represents a charge taken for the potential settlement cost related to a dispute with a vendor. This item is excluded as it relates to a specific matter and is not reflective of the Company's ongoing financial performance.
 - Acquisition related expenses and amortization. This item represents expenses incurred related to the Company's acquisition of SunPower's microinverter business, 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 the Company's ongoing financial performance.
 - Adjusted free cash flow. This item represents cash flows from operating activities excluding payments for the acquisition reported in operating activities less purchases of property and equipment. The Company believes the adjusted free cash flow is the best measure of how much cash the business generates after accounting for capital expenditures.

The leading microinverter company in the world



Founded In 2006, with 675 employees as of June 30, 2020



More than 28 million microinverters shipped, representing over 8 GW



More than 38 MWh of energy storage systems shipped



Headquartered in Fremont, California with offices globally



Over 1.2 million systems in over 130 countries as of June 30, 2020



First full year of GAAP profitability in 2019 with net income of \$161.1 million



Our customers are installers, homeowners and module partners



2019 Revenue of \$624.3 million and 1983 MW DC shipped



Management has deep semiconductor and solar expertise



Badri Kothandaraman
President and CEO

Former COO At Enphase, Exec VP at Cypress Semiconductor for memory and IoT products

B.Tech from IIT Madras and Masters in Materials Science from U.C. Berkeley

Attended the Stanford Executive Program and holds 8 US patents



Eric Branderiz
Chief Financial Officer

20+ years of Semiconductor, Energy and Solar Industry Finance and Operations experience

Former Tesla VP, Corporate Controller, and Chief Accounting Officer

Former SVP, and Chief Accounting Officer at Sunpower & Spansion

CPA, Bachelor's Degree in Business Commerce with Accounting Concentration from University of Alberta



Raghu Belur
Chief Products Officer

Co-founder of Enphase

Developed High-speed Optical Communication Technology for Cerent (Acquired by Cisco)

Master's degree in EE from Texas A&M and MBA from Berkeley's Haas School of Business



David Ranhoff
Chief Commercial Officer

Seasoned Executive In Solar and Semiconductor manufacturing

Key leadership roles in Solar at GCLPoly Solar, SunEdison and Solaicx

Former CEO of Credence Systems, a Semiconductor equipment manufacturer

BSEE From Northeastern University and attended the Stanford Executive Program



Jeff McNeil
Chief Operating Officer

Seasoned Executive in Semiconductor and Disk drive industry with 35 years experience

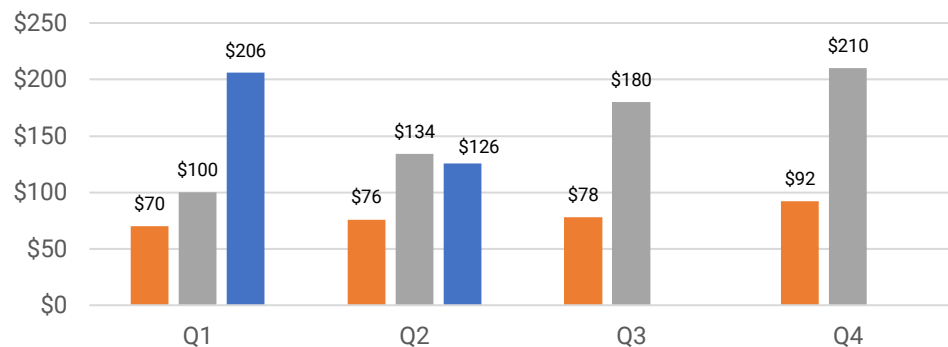
SVP Operations at Cypress, Transformed Supply Chain Management

Led a precedent setting FCC Certification for at-a-distance Wireless Power at Energous

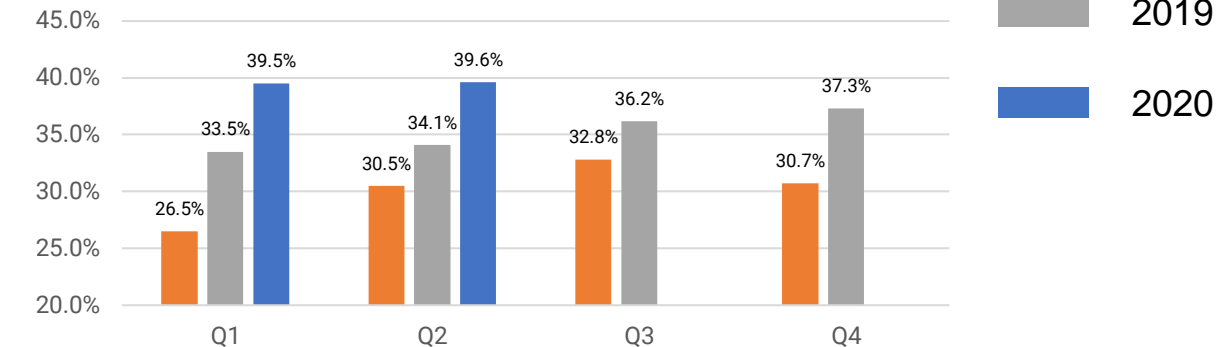
BS Chemical Eng. from San Jose State University

Our financial performance

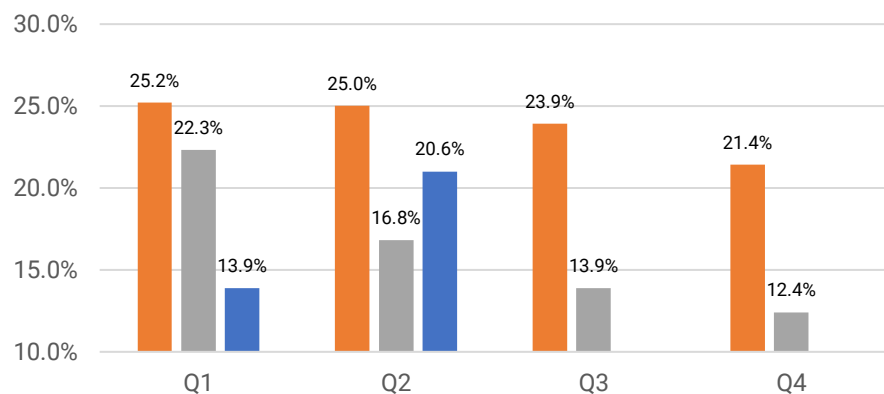
Quarterly revenue by year



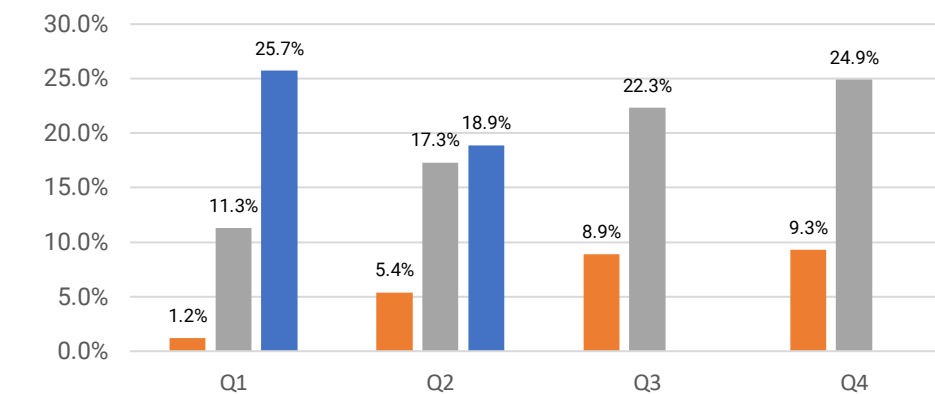
Quarterly gross margin % by year



Quarterly operating expense % by year



Quarterly operating income % by year



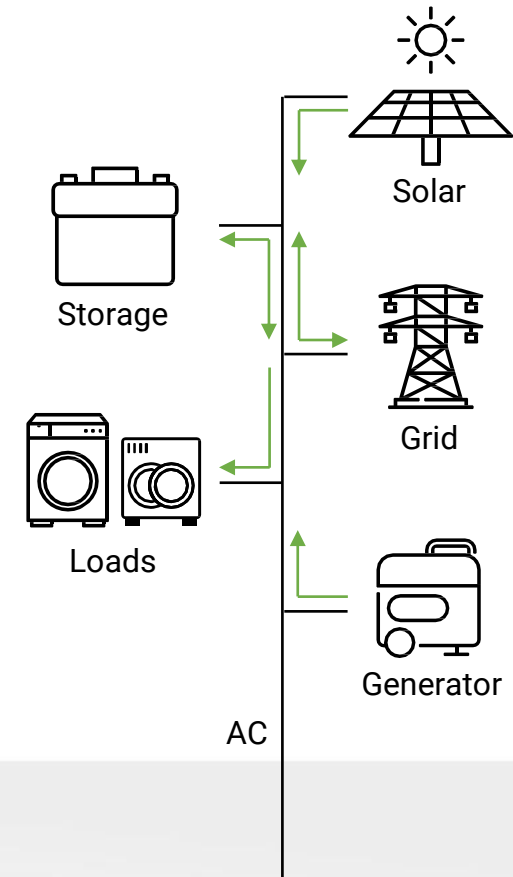
Our core differentiation



Semiconductor integration
and predictive control



Software-defined
architecture



Ensemble™ energy
management technology

The power of semiconductors, software and ensemble technology



High quality

Higher efficiency
IoT system

Safety

No high-voltage DC
LFP chemistry¹

Flexibility

Modular design
AC marketplace

Exceptional value

Grid independence
AC module

Supply chain efficiency

One hardware platform
Configurable SKUs

Low cost

Power scaling
Semiconductor integration

Great customer experience

One-stop-shop

Operational excellence

Customer experience

Laser focus on quality and customer service

Quality

8X¹

Better than M-series

500 dppm

Reliability target

Customer service

66%¹

Worldwide NPS

30 sec

Wait time target

Gross margin management

Product innovation, maximizing value, multi-sourcing

Price

**Value Based
Pricing**

Performance and quality

**Product
Segmentation**

IQ 7/7+/7X/7A™

Cost

**Product
Innovation**

ASIC, FETs and connectors

**Supply Chain
Optimization**

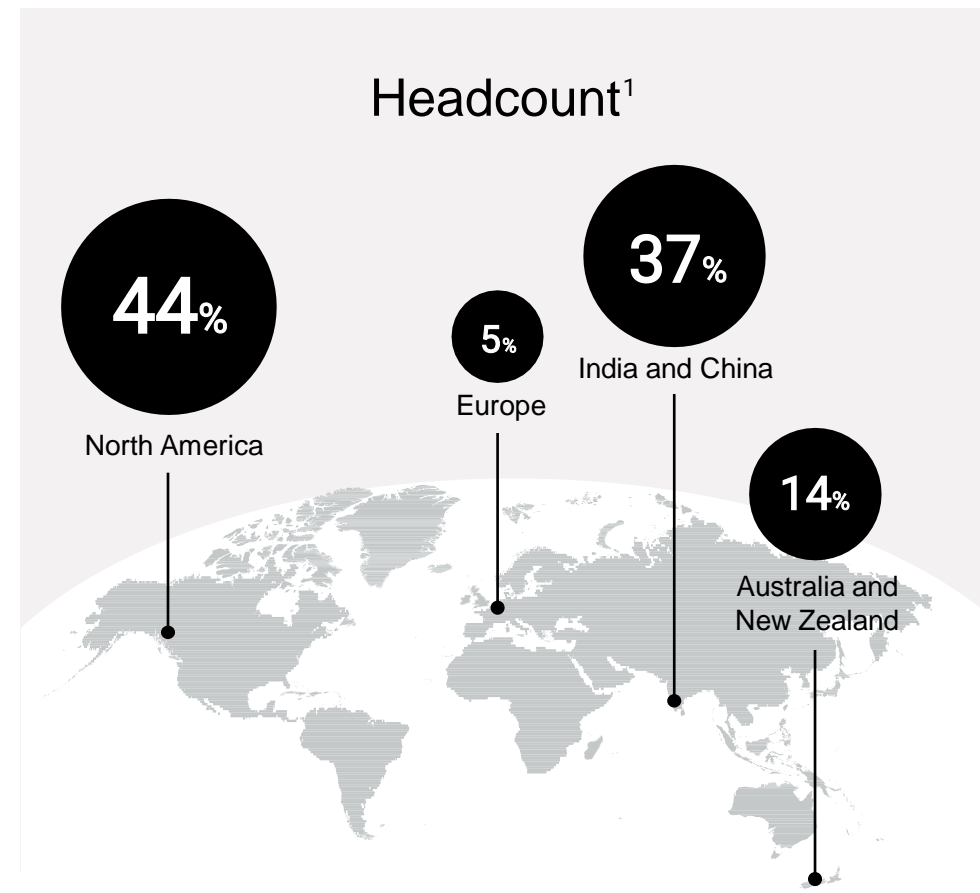
Tariff, procurement and CM

Our resilient business model

CAPEX lite



OPEX efficient



Our strategy:
Transform into a home energy
management systems company

New products will increase SAM from \$3.3B in 2019 to \$12.5B in 2022

	Residential solar ¹	Small commercial solar ²	Residential storage ³	Off-grid solar and storage ⁴
2022 SAM	\$4B	\$1.5B	\$3B	\$4B
2019 SAM	\$2.5B	\$300M	\$500M	n/a



IQ 8™



IQ 8D™



Encharge™



Ensemble In-A-Box™

¹ Source: Wood Mackenzie Research (US PV Market Forecast) 2019, IHS Research (IHS EMEA Report 2019), SunWiz Research 2019, ENPH Estimates 2022 SAM of 16GW

² Source: Wood Mackenzie Research (US State DG Market Prospector) 2019, IHS Research (IHS EMEA Report 2019), ENPH Estimates 2022 SAM of 11GW

³ Source: Wood Mackenzie Research (Global Energy Storage Outlook 2019), IHS Research (IHS EMEA Report 2019), ENPH Estimates 2022 SAM of 3.6GWh; ENPH assumes retrofit opportunity of ~1.5M Enphase homes over 10 years

⁴ Source: MNRE, Govt. of India; CEEW India; India Census Data 2011; Symphony Annual Report 2019; ENPH Estimates SAM of \$2B for Solar Water Pumps, \$1.5B for Standalone Systems, and \$0.5B for Air Coolers

IQ 8™ residential microinverter

World's first grid-forming microinverter system



IQ 8™

Encharge™ storage system

One-stop-shop, reliable, scalable, simple, safe



Available in two
configurations

10.1kWh

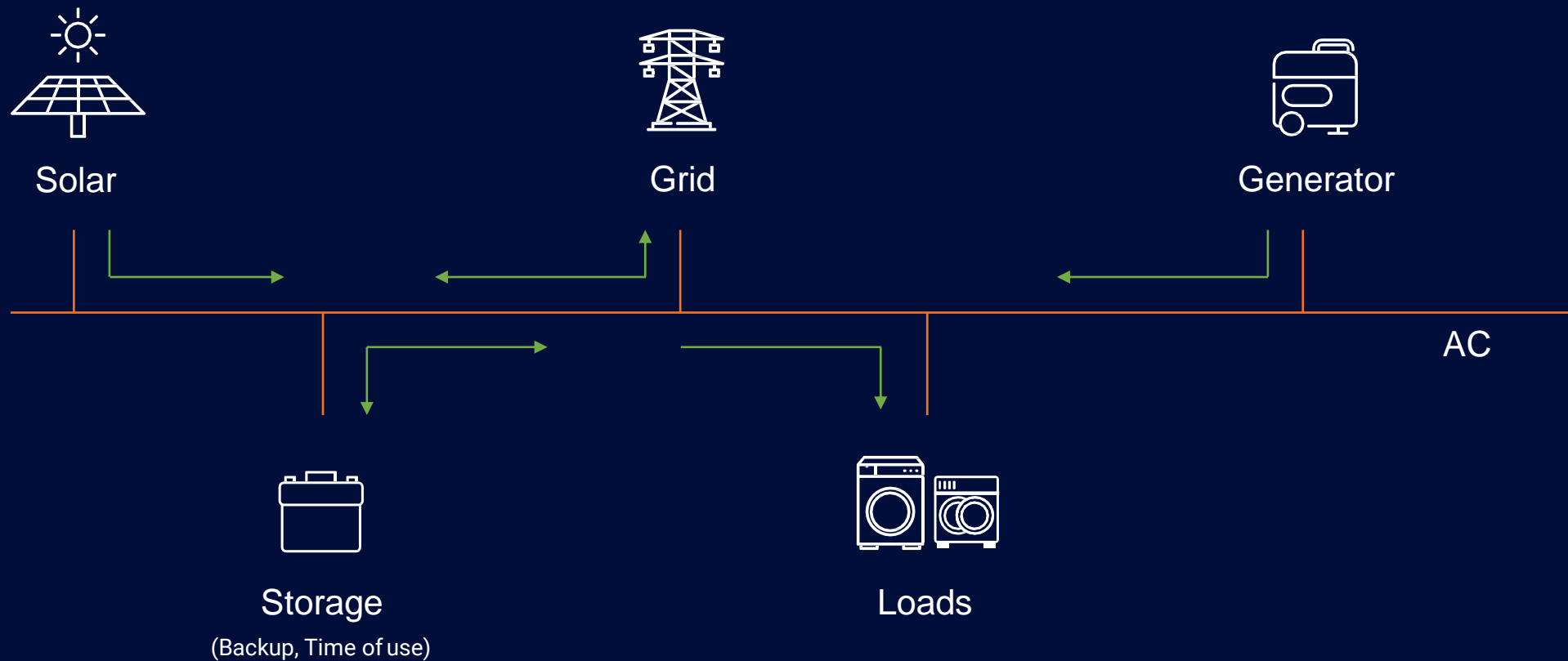


3.4kWh

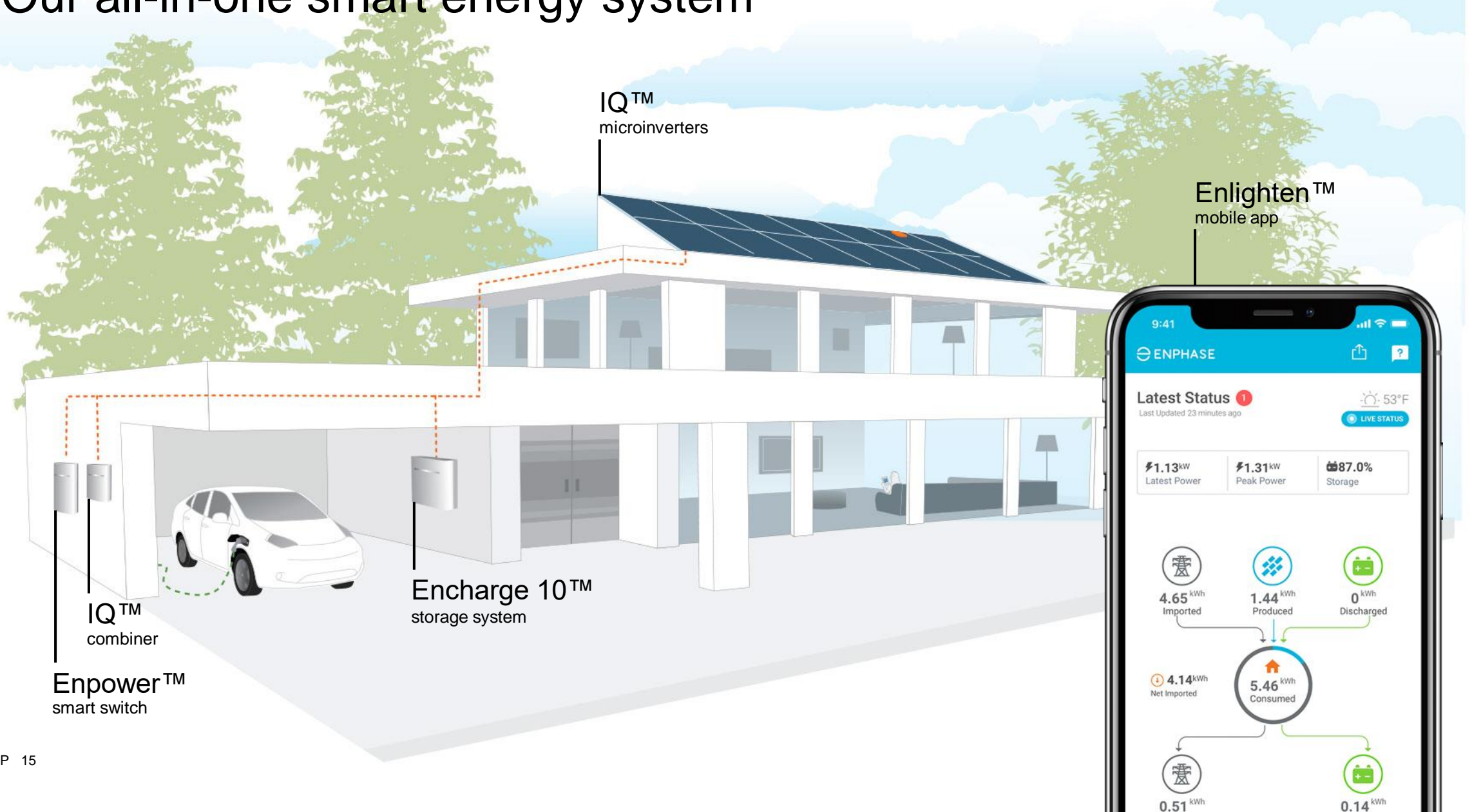


Ensemble™ enables energy management

Automatically manages energy resources in your home such as solar, storage, grid, loads and generator



Our all-in-one smart energy system



IQ 8D™ commercial microinverter

One 640W_{AC} microinverter supports two 400W_{DC} panels



IQ 8D™

50%

Greater power density¹

500 dppm

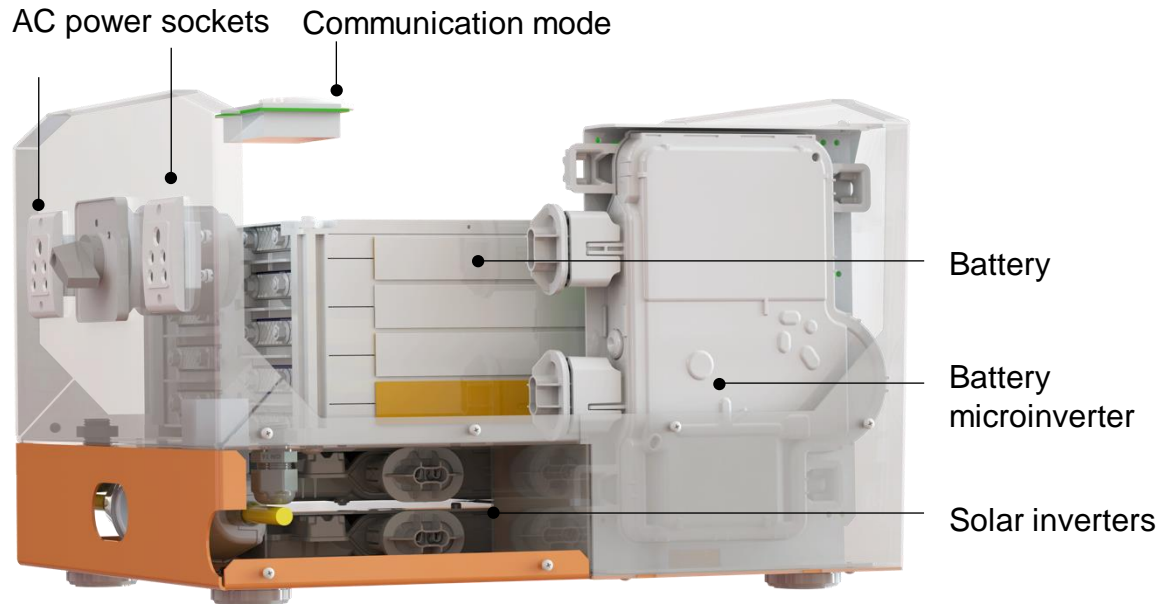
Reliability target

97.5%

Efficiency

Off-grid solar and storage

Supports multiple applications for existing developed markets and the emerging Indian market



Ensemble-in-a-Box™



2

Solar panel inputs

1.2kWh

LFP¹ battery

Smart phone

Connectivity

AC

Power sockets

Baseline financial model

35%

Gross
Margin

Pricing Management

New Products

Cost Reductions

15%

Operating
Expenses¹

Executive Leadership in the U.S.

Core Teams in India & New Zealand

No Compromise on Innovation

20%

Operating
Income¹

Sustainable Profitability

Strong Cash Generating Model

Revenue growth framework



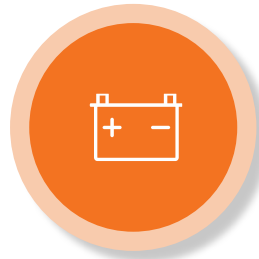
Residential
Solar

\$2K¹ revenue per home now

17% SAM CAGR to 2022

IQ 8™ brings added value

Continue share gain in NA,
Grow Europe, Enter Japan



Residential
Storage

Adds over \$8K revenue² per
home

~8-10% ENPH attach³ on new
homes in US by Q4'20

\$80M retrofit revenue for every
1% of ENPH installed base

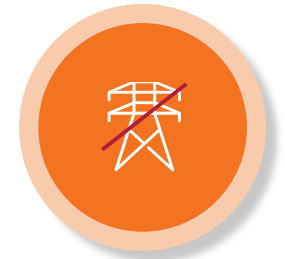


Small
Commercial Solar

\$1.5B SAM in 2022

Product coming soon

Targeting similar market share
as residential by 2022



Off-Grid
Solar and Storage

Blue Ocean Opportunity

Product coming soon

¹ENPH Assumption: ASP of \$100 per Microinverter system and 20 Microinverters per home

²ENPH Assumption: \$8K for 10KWh of Storage and Smart Switch

³ENPH Estimate

Conclusion

We are transforming into a home energy management systems company

Reinforce remarkable
customer experiences

“Customer first” approach
World-class NPS
Industry-leading reliability

Introduce new products
and expand our markets

New products expand SAM nearly
4x by 2022 from 2019

Leverage digital
transformation

End-to-end customer life cycle
management platform



Appendix

Enphase financials - GAAP

P&L - GAAP (\$ in MUSD)	Q1'17 ACT	Q2'17 ACT	Q3'17 ACT	Q4'17 ACT	FY17 ACT	Q1'18 ACT	Q2'18 ACT	Q3'18 ACT	Q4'18 ACT	FY18 ACT	Q1'19 ACT	Q2'19 ACT	Q3'19 ACT	Q4'19 ACT	FY19 ACT	Q1'20 ACT	Q2'20 ACT
Revenues	\$ 54.8	\$ 74.7	\$ 77.0	\$ 79.7	\$ 286.2	\$ 70.0	\$ 75.9	\$ 78.0	\$ 92.3	\$ 316.2	\$ 100.2	\$ 134.1	\$ 180.1	\$ 210.0	\$ 624.3	\$ 205.5	\$ 125.5
Cost of good sold	(47.7)	(61.2)	(60.6)	(60.7)	(230.1)	(51.7)	(53.2)	(52.7)	(64.1)	(221.7)	(66.8)	(88.8)	(115.4)	(132.2)	(403.1)	(124.9)	(77.1)
Gross profit	7.1	13.5	16.5	19.0	56.0	18.3	22.7	25.3	28.2	94.4	33.3	45.3	64.7	77.9	221.2	80.7	48.4
Gross Margin %	12.9%	18.1%	21.4%	23.8%	19.6%	26.2%	29.9%	32.4%	30.5%	29.9%	33.3%	33.8%	35.9%	37.1%	35.4%	39.2%	38.5%
Operating expenses	(29.1)	(22.8)	(22.4)	(21.1)	(95.4)	(20.8)	(23.3)	(25.6)	(23.2)	(92.8)	(26.2)	(27.9)	(31.0)	(33.4)	(118.5)	(36.0)	(37.5)
% of Revenue	53%	31%	29%	27%	33%	30%	31%	33%	25%	29%	26%	21%	17%	16%	19%	17%	30%
Operating income	(22.1)	(9.2)	(5.9)	(2.1)	(39.4)	(2.5)	(0.6)	(0.4)	5.0	1.6	7.1	17.4	33.7	44.4	102.7	44.7	10.9
% of Revenue	-40%	-12%	-8%	-3%	-14%	-4%	-1%	0%	5%	1%	7%	13%	19%	21%	16%	22%	9%
Cash flows from operations	(24.5)	0.2	(2.2)	(1.9)	(28.4)	3.4	4.1	6.8	1.9	16.1	17.1	14.8	5.0	102.3	139.1	39.2	25.4
Cash*	30.0	31.0	28.9	29.1	29.1	53.3	58.5	116.2	106.2	106.2	78.1	206.0	203.0	296.1	296.1	593.8	607.3

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

Enphase financials - Non-GAAP

P&L - Non-GAAP (\$ in MUSD)	Q1'17 ACT	Q2'17 ACT	Q3'17 ACT	Q4'17 ACT	FY17 ACT	Q1'18 ACT	Q2'18 ACT	Q3'18 ACT	Q4'18 ACT	FY18 ACT	Q1'19 ACT	Q2'19 ACT	Q3'19 ACT	Q4'19 ACT	FY19 ACT	Q1'20 ACT	Q2'20 ACT
Revenues	\$ 54.8	\$ 74.7	\$ 77.0	\$ 79.7	\$ 286.2	\$ 70.0	\$ 75.9	\$ 78.0	\$ 92.3	\$ 316.2	\$ 100.2	\$ 134.1	\$ 180.1	\$ 210.0	\$ 624.3	\$ 205.5	\$ 125.5
Cost of good sold	(47.5)	(60.9)	(60.2)	(60.4)	(229.0)	(51.5)	(52.8)	(52.4)	(64.0)	(220.6)	(66.6)	(88.4)	(114.9)	(131.6)	(401.4)	(124.3)	(75.8)
Gross profit	7.3	13.8	16.8	19.3	57.1	18.5	23.1	25.6	28.3	95.5	33.6	45.7	65.2	78.4	222.9	81.3	49.7
Gross Margin %	13.3%	18.4%	21.8%	24.2%	20.0%	26.5%	30.5%	32.8%	30.7%	30.2%	33.5%	34.1%	36.2%	37.3%	35.7%	39.5%	39.6%
Operating expenses	(20.2)	(17.8)	(16.9)	(18.0)	(72.8)	(17.7)	(19.0)	(18.6)	(19.7)	(75.0)	(22.3)	(22.5)	(25.0)	(26.1)	(95.9)	(28.5)	(26.0)
% of Revenue	37%	24%	22%	23%	25%	25%	25%	24%	21%	24%	22%	17%	14%	12%	15%	14%	21%
Operating income	(12.9)	(4.0)	(0.1)	1.3	(15.7)	0.9	4.1	7.0	8.6	20.5	11.3	23.2	40.2	52.3	127.0	52.8	23.7
% of Revenue	-24%	-5%	0%	2%	-5%	1%	5%	9%	9%	6%	11%	17%	22%	25%	20%	26%	19%
Adj Free Cash Flow	(28.0)	0.1	(2.3)	(2.4)	(32.6)	2.3	3.6	11.9	4.1	22.0	16.4	12.3	0.8	94.8	124.3	35.9	21.0
Cash*	30.0	31.0	28.9	29.1	29.1	53.3	58.5	116.2	106.2	106.2	78.1	206.0	203.0	296.1	296.1	593.8	607.3

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

GAAP to Non-GAAP reconciliation

\$ in MUSD	Q1'17	Q2'17	Q3'17	Q4'17	FY17	Q1'18	Q2'18	Q3'18	Q4'18	FY18	Q1'19	Q2'19	Q3'19	Q4'19	FY19	Q1'20	Q2'20
Gross profit (GAAP)	\$ 7.0	\$ 13.5	\$ 16.5	\$ 19.0	\$ 56.0	\$ 18.3	\$ 22.7	\$ 25.3	\$ 28.2	\$ 94.4	\$ 33.4	\$ 45.3	\$ 64.7	\$ 77.9	\$ 221.2	\$ 80.7	\$ 48.4
Stock-based compensation	0.2	0.2	0.3	0.3	1.1	0.2	0.4	0.3	0.1	1.1	0.2	0.4	0.5	0.5	1.7	0.6	1.3
Gross profit (Non-GAAP)	\$ 7.3	\$ 13.8	\$ 16.8	\$ 19.3	\$ 57.1	\$ 18.5	\$ 23.1	\$ 25.6	\$ 28.3	\$ 95.5	\$ 33.6	\$ 45.7	\$ 65.2	\$ 78.4	\$ 222.9	\$ 81.3	\$ 49.7
Gross margin (GAAP)	12.9%	18.1%	21.4%	23.8%	19.6%	26.2%	29.9%	32.4%	30.5%	29.9%	33.3%	33.8%	35.9%	37.1%	35.4%	39.2%	38.5%
Stock-based compensation	0.4%	0.3%	0.4%	0.4%	0.4%	0.3%	0.6%	0.4%	0.2%	0.3%	0.2%	0.3%	0.3%	0.2%	0.3%	0.3%	1.1%
Gross margin (Non-GAAP)	13.3%	18.4%	21.8%	24.2%	20.0%	26.5%	30.5%	32.8%	30.7%	30.2%	33.5%	34.1%	36.2%	37.3%	35.7%	39.5%	39.6%
Operating expenses (GAAP)	\$ 29.1	\$ 22.8	\$ 22.4	\$ 21.1	\$ 95.4	\$ 20.8	\$ 23.3	\$ 25.6	\$ 23.2	\$ 92.8	\$ 26.2	\$ 27.9	\$ 31.0	\$ 33.4	\$ 118.5	\$ 36.0	\$ 37.5
Stock-based compensation	(1.7)	(1.4)	(1.4)	(1.2)	(5.7)	(1.4)	(3.9)	(3.7)	(1.4)	(10.4)	(3.0)	(4.2)	(5.0)	(5.6)	(17.8)	(6.9)	(11.0)
Restructuring and asset impairment charges	(7.2)	(3.6)	(4.1)	(2.0)	(16.9)	-	-	(2.6)	(1.5)	(4.1)	(0.4)	(0.7)	(0.5)	(1.1)	(2.6)	-	-
Reserve for non-recurring legal matter	-	-	-	-	-	(1.8)	-	-	-	(1.8)	-	-	-	-	-	-	-
Acquisition related expenses and amortization	-	-	-	-	-	-	(0.4)	(0.7)	(0.5)	(1.6)	(0.5)	(0.5)	(0.5)	(0.6)	(2.2)	(0.6)	(0.5)
Operating expenses (Non-GAAP)	\$ 20.2	\$ 17.8	\$ 16.9	\$ 18.0	\$ 72.8	\$ 17.7	\$ 19.0	\$ 18.6	\$ 19.7	\$ 75.0	22.3	22.5	25.0	26.1	\$ 95.9	28.5	26.0
Income (loss) from operations (GAAP)	\$(22.1)	\$ (9.2)	\$ (5.9)	\$(2.1)	\$(39.4)	\$ (2.5)	\$ (0.6)	\$ (0.4)	\$ 5.0	\$ 1.6	\$ 7.1	\$ 17.4	\$ 33.7	\$ 44.4	\$ 102.7	\$ 44.7	\$ 10.9
Stock-based compensation	1.9	1.6	1.7	1.4	6.7	1.6	4.3	4.1	1.5	11.4	3.3	4.6	5.5	6.2	19.4	7.5	12.3
Restructuring and asset impairment charges	7.2	3.6	4.1	2.0	16.9	-	-	2.6	1.5	4.1	0.4	0.7	0.5	1.1	2.6	-	-
Reserve for non-recurring legal matter	-	-	-	-	-	1.8	-	-	-	1.8	-	-	-	-	-	-	-
Acquisition related expenses and amortization	-	-	-	-	-	-	0.4	0.7	0.5	1.6	0.5	0.5	0.5	0.6	2.2	0.6	0.5
Income (loss) from operations (Non-GAAP)	\$(12.9)	\$ (4.0)	\$ (0.1)	\$ 1.3	\$(15.7)	\$ 0.9	\$ 4.1	\$ 7.0	\$ 8.6	\$ 20.5	11.3	23.2	40.2	52.3	\$ 127.0	52.8	23.7
Cash flows from operating activities	\$(24.5)	\$ 0.2	\$ (2.2)	\$(1.9)	\$(28.4)	\$ 3.4	\$ 4.1	\$ 6.8	\$ 1.9	\$ 16.1	\$ 17.1	\$ 14.8	\$ 5.0	\$ 102.3	\$ 139.1	\$ 39.2	\$ 25.4
Payments for acquisition reported in cash flows from operating activities	-	-	-	-	-	-	-	6.0	4.0	10.0	-	-	-	-	-	-	-
Purchases of property and equipment	(3.5)	(0.0)	(0.1)	(0.5)	(4.1)	(1.0)	(0.4)	(0.9)	(1.8)	(4.2)	(0.7)	(2.5)	(4.2)	(7.4)	(14.8)	(3.4)	(4.4)
Adjusted free cash flow	\$(28.0)	\$ 0.1	\$ (2.3)	\$(2.4)	\$(32.6)	\$ 2.3	\$ 3.6	\$ 11.9	\$ 4.1	\$ 22.0	\$ 16.4	\$ 12.3	\$ 0.8	\$ 94.9	\$ 124.3	\$ 35.8	\$ 21.0



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