

Supplemental Operating Performance Information

February 8, 2022

Enphase Q4'21 Supplemental Information

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

Operating Metrics & Revenue Detail	Metric	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21
Microinverter Systems Shipments	Units, k	2,292	2,453	2,362	2,600	3,034
Microinverter System Shipments	MW (DC)	767	830	796	913	1,082
Enphase Storage System Shipments	MWh	31.7	42.0	43.4	65.4	100.2
Total Revenue		\$ 264.8	\$ 301.8	\$ 316.1	\$ 351.5	\$ 412.7
	Operating Expenses					

Revenue by Geography

United States	217.5	247.8	254.6	267.6	338.9
International	47.3	54.0	61.5	83.9	73.8

Supplementary Income Statement Information

	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	
Gross Profit (GAAP)	\$ 121.9	\$ 122.9	\$ 127.8	\$ 140.4	\$ 163.3	
Stock-based Compensation	0.5	1.0	1.1	2.9	2.4	
Tariff Refunds	(15.9)	-	-	-	-	
Acquisition related amortization	-	-	-	-	0.2	
Gross Profit (Non-GAAP)	\$ 106.5	\$ 123.9	\$ 128.9	\$ 143.3	\$ 165.9	
Gross Margin (GAAP)	46.0%	40.7%	40.4%	39.9%	39.6%	
Stock-based Compensation	0.2%	0.4%	0.4%	0.9%	0.6%	
Tariff Refunds	-6.0%	0.0%	0.0%	0.0%	0.0%	
Acquisition related amortization	0.0%	0.0%	0.0%	0.0%	0.0%	
Gross Margin (Non-GAAP)	40.2%	41.1%	40.8%	40.8%	40.2%	
Income from Operations (GAAP)	\$ 79.1	\$ 61.4	\$ 59.4	\$ 37.4	\$ 57.7	
Stock-based Compensation	8.3	14.8	15.3	46.9	37.2	
Tariff Refunds	(15.9)	-	-	-	-	
Acquisition related expenses & amortization	0.9	4.0	2.5	1.6	2.8	
Income from Operations (Non-GAAP)	\$ 72.4	\$ 80.2	\$ 77.2	\$ 85.9	\$ 97.7	
Income from Operations (Non-GAAP) Margin	27.3%	26.6%	24.4%	24.4%	23.7%	
Income Tax Benefit (Provision) (GAAP)	\$ 1.6	\$ 33.4	\$ (7.0)	\$ (3.9)	\$ 2.0	
Non-GAAP Income Tax Adjustment	(2.6)	(35.4)	5.2	1.4	(2.4)	
Income Tax Benefit (Provision) (Non-GAAP)	\$ (1.0)	\$ (2.0)	\$ (1.8)	\$ (2.5)	\$ (0.4)	
Net Income (GAAP)	\$ 73.0	\$ 31.7	\$ 39.4	\$ 21.8	\$ 52.6	
Stock-based Compensation	8.2	14.8	15.3	46.9	37.2	
Tariff Refunds	(16.5)	-	-	-	-	
Acquisition related expenses & amortization	0.9	4.0	2.5	1.6	2.8	
Non-Cash Interest Expense	5.3	7.2	12.3	12.5	12.5	
Loss on partial settlement of convertible notes	3.0	56.4	-	-	0.1	
Non-GAAP Income Tax Adjustment	(2.6)	(35.4)	5.2	1.4	(2.4)	
Net Income (Non-GAAP)	\$ 71.3	\$ 78.7	\$ 74.7	\$ 84.2	\$ 102.8	
Basic Shares Outstanding (GAAP)	000s	126,980	131,303	135,094	134,721	134,920
RSU/PSU/Options		6,200	5,735	4,554	4,379	4,221
2023 Convert		900	900	900	900	900
2024 Convert + Call Spread		9,894	5,490	88	90	65
2025 Convert + Call Spread		2,016	3,014	897	1,130	1,374
Diluted shares Outstanding (GAAP)	000s	145,990	146,442	141,533	141,220	141,480
Weighted Avg Basic Shares Outstanding (GAAP)	000s	126,980	131,303	135,094	134,721	134,920
RSU/PSU/Options		6,200	5,735	4,554	4,379	4,221
2023 Convert		900	900	900	900	900
2024 Convert + Warrants		9,894	5,490	88	90	65
2025 Convert + Warrants		2,016	3,014	897	1,130	1,374
Elimination of In-the-Money 2024 and 2025 Convert Shares		(6,463)	(4,696)	(602)	(704)	(800)
Weighted Avg Diluted shares Outstanding (Non-GAAP)	000s	139,527	141,746	140,931	140,516	140,680
Net Income per Share, Diluted (GAAP)	\$ 0.50	\$ 0.22	\$ 0.28	\$ 0.15	\$ 0.37	
Net Income per Share, Diluted (Non-GAAP)	\$ 0.51	\$ 0.56	\$ 0.53	\$ 0.60	\$ 0.73	

Supplementary Balance Sheet Information	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21
Cash, Cash Equivalents and Marketable Securities	\$ 679.4	\$ 1,489.0	\$ 1,312.3	\$ 1,394.1	\$ 1,016.7

Debt (GAAP)	\$ 330.9	\$ 1,002.2	\$ 1,014.1	\$ 1,026.3	\$ 1,037.6
Add: Debt Discount and Issuance Cost	84.2	314.5	302.2	289.7	277.1
Debt (Non-GAAP)	\$ 415.1	\$ 1,316.7	\$ 1,316.3	\$ 1,316.0	\$ 1,314.7

Supplementary Cash Flow Information	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21
Cash flow from Operations (GAAP)	\$ 84.2	\$ 75.8	\$ 65.7	\$ 113.4	\$ 97.2
Add: Repayment of Convertible Notes Due 2024 and 2025					
Attributable to Debt Discount	3.1	15.6	-	-	0.1
Less: Purchase of Property and Equipment	(8.9)	(9.9)	(16.5)	(12.7)	(13.2)
Free Cash Flow (Non-GAAP)	\$ 78.5	\$ 81.5	\$ 49.2	\$ 100.7	\$ 84.1

Guidance

GAAP	Q1'22
Revenue	\$420 - \$440
Storage Shipments (MWh)	110 - 120
Gross Margin	37.0% - 40.0%
Operating Expenses	\$130.5 - \$133.5

Non-GAAP

Revenue	\$420 - \$440
Storage Shipments (MWh)	110 - 120
Gross Margin	38.0% - 41.0%
Operating Expenses	\$67.5 - \$70.5

This supplemental information contains forward-looking statements, including statements related to Enphase Energy's expectations as to projected revenue, gross margin, and operating expenses. These forward-looking statements are based on the Company's current expectations and inherently involve significant risks and uncertainties. Enphase Energy's actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of certain risks and uncertainties including those risks described in more detail in the Company's most recent Annual Report on Form 10-K and other documents on file with the SEC and available on the SEC's website at www.sec.gov. Enphase Energy undertakes no duty or obligation to update any forward-looking statements contained in this release as a result of new information, future events or changes in its expectations, except as required by law.