

Supplemental Operating Performance Information

July 26, 2022

Enphase Q2'22 Supplemental Information

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

Operating Metrics & Revenue Detail	Metric	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22
Microinverter System Shipments	Units, k	2,362	2,600	3,034	2,839	3,349
Microinverter System Shipments	MW (DC)	796	913	1,082	1,029	1,213
Enphase Storage System Shipments	MWh	43.4	65.4	100.2	120.4	132.4
Total Revenue		\$ 316.1	\$ 351.5	\$ 412.7	\$ 441.3	\$ 530.2

Revenue by Geography

United States	\$ 254.6	\$ 267.6	\$ 338.9	\$ 369.5	\$ 422.6
International	\$ 61.5	\$ 83.9	\$ 73.8	\$ 71.8	\$ 107.6

Supplementary Income Statement Information

	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22
Gross Profit (GAAP)	\$ 127.8	\$ 140.4	\$ 163.3	\$ 177.0	\$ 219.0
Stock-based compensation	1.1	2.9	2.4	2.5	3.1
Acquisition related amortization	-	-	0.2	1.3	1.5
Gross Profit (Non-GAAP)	\$ 128.9	\$ 143.3	\$ 165.9	\$ 180.8	\$ 223.6
Gross Margin (GAAP)	40.4%	39.9%	39.6%	40.1%	41.3%
Stock-based compensation	0.4%	0.9%	0.6%	0.6%	0.6%
Acquisition related amortization	0.0%	0.0%	0.0%	0.3%	0.3%
Gross Margin (Non-GAAP)	40.8%	40.8%	40.2%	41.0%	42.2%
Income from Operations (GAAP)	\$ 59.4	\$ 37.4	\$ 57.7	\$ 61.8	\$ 94.0
Stock-based compensation	15.3	46.9	37.2	47.8	53.1
Acquisition related expenses & amortization	2.5	1.6	2.8	4.9	5.3
Income from Operations (Non-GAAP)	\$ 77.2	\$ 85.9	\$ 97.7	\$ 114.5	\$ 152.4
Income from Operations (Non-GAAP) Margin	24.4%	24.4%	23.7%	25.9%	28.7%
Income Tax Benefit (Provision) (GAAP)	\$ (7.0)	\$ (3.9)	\$ 2.0	\$ (5.6)	\$ (15.2)
Non-GAAP income tax adjustment	5.2	1.4	(2.4)	3.2	12.5
Income Tax Benefit (Provision) (Non-GAAP)	\$ (1.8)	\$ (2.5)	\$ (0.4)	\$ (2.4)	\$ (2.7)
Net Income (GAAP)	\$ 39.4	\$ 21.8	\$ 52.6	\$ 51.8	\$ 77.0
Stock-based compensation	15.3	46.9	37.2	47.8	53.1
Acquisition related expenses & amortization	2.5	1.6	2.8	4.9	5.3
Non-cash interest expense	12.3	12.5	12.5	2.0	2.0
Loss on partial settlement of convertible notes	-	-	0.1	-	-
Non-GAAP income tax adjustment	5.2	1.4	(2.4)	3.2	12.5
Net Income (Non-GAAP)	\$ 74.7	\$ 84.2	\$ 102.8	\$ 109.7	\$ 149.9
Weighted Avg Basic Shares Outstanding (GAAP)	000s 135,094	134,721	134,920	134,327	135,196
RSU/PSU/Options	4,554	4,379	4,221	3,661	3,042
2023 Convert	900	900	900	900	900
2024 Convert + Warrants	88	90	65	-	-
2025 Convert + Warrants	897	1,130	1,374	1,654	512
2026 Convert	-	-	-	2,057	2,057
2028 Convert	-	-	-	2,018	2,018
Elimination of 2024, 2025, 2026, and 2028 Convert Shares covered by hedges	(602)	(704)	(800)	(5,328)	(4,075)
Weighted Avg Diluted shares Outstanding (Non-GAAP)	000s 140,931	140,516	140,680	139,289	139,650
Net Income per Share, Diluted (GAAP)	\$ 0.28	\$ 0.15	\$ 0.37	\$ 0.37	\$ 0.54
Net Income per Share, Diluted (Non-GAAP)	\$ 0.53	\$ 0.60	\$ 0.73	\$ 0.79	\$ 1.07

Supplementary Balance Sheet Information

	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22
Cash, cash equivalents and marketable securities	\$ 1,312.3	\$ 1,394.1	\$ 1,016.7	\$ 1,063.5	\$ 1,247.8
Debt (GAAP) *	\$ 1,014.1	\$ 1,026.3	\$ 1,037.6	\$ 1,284.2	\$ 1,286.2
Add: Debt discount and issuance costs *	302.2	289.7	277.1	30.5	28.5
Debt (Non-GAAP)	\$ 1,316.3	\$ 1,316.0	\$ 1,314.7	\$ 1,314.7	\$ 1,314.7

Supplementary Cash Flow Information

	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22
Cash flow from Operations (GAAP)	\$ 65.7	\$ 113.4	\$ 97.2	\$ 102.4	\$ 200.7
Add: Repayment of convertible notes due 2024 and 2025 attributable to debt discount	-	-	0.1	-	-
Less: Purchases of property and equipment	(16.5)	(12.7)	(13.2)	(12.3)	(8.7)
Free cash flow (Non-GAAP)	\$ 49.2	\$ 100.7	\$ 84.1	\$ 90.1	\$ 192.0

*In Q1'22, the Debt (GAAP) balance increased and debt discounts and issuance costs decreased as a result of the adoption of ASU 2020-06 on January 1, 2022.

This supplemental information contains forward-looking statements, including statements related to Enphase Energy's expectations as to revenue, storage shipments, gross margin, and operating expenses for the third quarter of 2022. These forward-looking statements are based on Enphase Energy'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 Enphase Energy's most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q and other documents filed with the SEC from time to time 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.

Financial Outlook	Q3'22
GAAP	
Revenue	\$590 - \$630
Storage Shipments (MWh)	130 - 145
Gross Margin	38.0% - 41.0%
Operating Expenses	\$137.0 - \$141.0

Non-GAAP	
Revenue	\$590 - \$630
Storage Shipments (MWh)	130 - 145
Gross Margin	39.0% - 42.0%
Operating Expenses	\$77.0 - \$81.0