

Supplemental Operating Performance Information

October 26, 2021

Enphase Q3'21 Supplemental Information

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

Operating Metrics & Revenue Detail	Metric	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21
Microinverter Systems Shipments	Units, k	1,443	2,292	2,453	2,362	2,600
Microinverter System Shipments	MW (DC)	478	767	830	796	913
Enphase Storage System Shipments	MWh	24	32	42	43	65
Total Revenue		\$ 178.5	\$ 264.8	\$ 301.8	\$ 316.1	\$ 351.5
Safe Harbor Revenue		-	-	-	-	-
Revenue by Geography						
United States		139.9	217.5	247.8	254.6	267.6
International		38.6	47.3	54.0	61.5	83.9

Supplementary Income Statement Information		Q3'20	Q4'20	Q1'21	Q2'21	Q3'21
Gross Profit (GAAP)		\$ 95.0	\$ 121.9	\$ 122.9	\$ 127.8	\$ 140.4
Stock-based Compensation		1.2	0.5	1.0	1.1	2.9
Tariff Refunds		(23.0)	(15.9)	-	-	-
Gross Profit (Non-GAAP)		\$ 73.2	\$ 106.5	\$ 123.9	\$ 128.9	\$ 143.3
Gross Margin (GAAP)		53.2%	46.0%	40.7%	40.4%	39.9%
Stock-based Compensation		0.7%	0.2%	0.4%	0.4%	0.9%
Tariff Refunds		-12.9%	-6.0%	0.0%	0.0%	0.0%
Gross Margin (Non-GAAP)		41.0%	40.2%	41.1%	40.8%	40.8%
Income from Operations (GAAP)		\$ 51.8	\$ 79.1	\$ 61.4	\$ 59.4	\$ 37.4
Stock-based Compensation		14.4	8.3	14.8	15.3	46.9
Tariff Refunds		(23.0)	(15.9)	-	-	-
Acquisition Related Expenses & Amortization		0.5	0.9	4.0	2.5	1.6
Income from Operations (Non-GAAP)		\$ 43.7	\$ 72.4	\$ 80.2	\$ 77.2	\$ 85.9
Income from Operations (Non-GAAP) Margin		24.5%	27.3%	26.6%	24.4%	24.4%
Income Tax Benefit (Provision) (GAAP)		\$ (5.5)	\$ 1.6	\$ 33.4	\$ (7.0)	\$ (3.9)
Non-GAAP Income Tax Adjustment		5.1	(2.6)	(35.4)	5.2	1.4
Income Tax Benefit (Provision) (Non-GAAP)		\$ (0.4)	\$ (1.0)	\$ (2.0)	\$ (1.8)	\$ (2.5)
Net Income (GAAP)		\$ 39.4	\$ 73.0	\$ 31.7	\$ 39.4	\$ 21.8
Stock-based Compensation		14.4	8.2	14.8	15.3	46.9
Tariff Refunds		(23.0)	(16.5)	-	-	-
Acquisition Related Expenses & Amortization		0.5	0.9	4.0	2.5	1.6
Non-Cash Interest Expense		5.4	5.3	7.2	12.3	12.5
Loss on partial settlement of convertible notes		-	3.0	56.4	-	-
Non-GAAP Income Tax Adjustment		5.1	(2.6)	(35.4)	5.2	1.4
Net Income (Non-GAAP)		\$ 41.8	\$ 71.3	\$ 78.7	\$ 74.7	\$ 84.2
Weighted Avg Basic Shares Outstanding (GAAP)	000s	126,109	126,980	131,303	135,094	134,721
RSU/PSU/Options		6,330	6,200	5,735	4,554	4,379
2023 Convert		900	900	900	900	900
2024 Convert + Warrants		8,481	9,894	5,490	88	90
2025 Convert + Warrants		-	2,016	3,014	897	1,130
Elimination of In-the-Money 2024 and 2025 Convert Shares		(4,468)	(6,463)	(4,696)	(602)	(704)
Weighted Avg Diluted shares Outstanding (Non-GAAP)	000s	137,352	139,527	141,746	140,931	140,516
Net Income per Share, Diluted (GAAP)		\$ 0.28	\$ 0.50	\$ 0.22	\$ 0.28	\$ 0.15
Net Income per Share, Diluted (Non-GAAP)		\$ 0.30	\$ 0.51	\$ 0.56	\$ 0.53	\$ 0.60

Supplementary Balance Sheet Information		Q3'20	Q4'20	Q1'21	Q2'21	Q3'21
Cash, Cash Equivalents and Marketable Securities		\$ 661.8	\$ 679.4	\$ 1,489.0	\$ 1,312.3	\$ 1,394.1
Debt (GAAP)		\$ 360.1	\$ 330.9	\$ 1,002.2	\$ 1,014.1	\$ 1,026.3
Add: Debt Discount and Issuance Cost		99.1	84.2	314.5	302.2	289.7
Debt (Non-GAAP)		\$ 459.2	\$ 415.1	\$ 1,316.7	\$ 1,316.3	\$ 1,316.0

Supplementary Cash Flow Information		Q3'20	Q4'20	Q1'21	Q2'21	Q3'21
Cash flow from Operations (GAAP)		\$ 67.5	\$ 84.2	\$ 75.8	\$ 65.7	\$ 113.4
Add: Repayment of Convertible Notes Due 2024 and 2025		-	3.1	15.6	-	-
Attributable to Debt Discount		-	-	-	-	-
Less: Purchase of Property and Equipment		(3.9)	(8.9)	(9.9)	(16.5)	(12.7)
Free Cash Flow (Non-GAAP)		\$ 63.6	\$ 78.5	\$ 81.5	\$ 49.2	\$ 100.7

Guidance	Q4'21
GAAP	
Revenue	\$390 - \$410
Storage Shipments (MWh)	90 - 100
Gross Margin	37.0% - 40.0%
Operating Expenses	\$119 - \$122
Non-GAAP	
Revenue	\$390 - \$410
Storage Shipments (MWh)	90 - 100
Gross Margin	38.0% - 41.0%
Operating Expenses	\$67 - \$70

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.