

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 16, 2021



ENPHASE ENERGY, INC.
(Exact name of registrant as specified in its charter)

Delaware

(State or other Jurisdiction of Incorporation)

001-35480

(Commission File No.)

20-4645388

(IRS Employer Identification No.)

47281 Bayside Parkway
Fremont, CA 94538

(Address of principal executive offices, including zip code)

(877) 774-7000

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.00001 par value per share	ENPH	Nasdaq Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure.

On November 16, 2021, Enphase Energy, Inc. (the "Company") will host its Investor Day in San Francisco, CA. A copy of the presentation used by management in conjunction with Investor Day is furnished with this Current Report as Exhibit 99.1 and is incorporated into this Item 7.01 by reference.

The information in Item 7.01 of this Form 8-K and the exhibit 99.1 attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or subject to the liabilities of that Section or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"), and shall not be incorporated by reference in any registration statement or other document filed under the Securities Act or the Exchange Act, whether made before or after the date hereof, regardless of any general incorporation language in such filings, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
99.1	Presentation for Investor Day on November 16, 2021 (such exhibit is furnished and not filed)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: November 16, 2021

ENPHASE ENERGY, INC.

By: /s/ Eric Branderiz

Eric Branderiz

Executive Vice President and Chief Financial Officer



Transformation

Solar to Energy

INVESTOR DAY
NOVEMBER 16, 2021



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 our anticipated financial performance and guidance, including revenues, gross margin, operating results, expenses and costs; our business strategies, including results of investments and acquisitions, and the expected size, trends and developments in markets in which we target and operate and in those to which we plan to expand; the anticipated capabilities, performance, and market adoption of Enphase's new technologies, products and product features; the expected capacity of components and the availability of our products; our planned sustainability efforts; our performance in operations, including in logistics, product quality, cost management, and by our suppliers; our anticipated performance in customer service and that by installers of our products; and our expectations as to the impact and evolving effects of the ongoing COVID-19 pandemic. Any statements that are not of historical fact, may be forward-looking statements. Words used such as "anticipates," "believes," "continues," "designs," "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 that 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 <https://investor.enphase.com/sec-filings> 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 income (loss), adjusted EBITDA, and 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 "GAAP to non-GAAP Reconciliation" 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.
- Tariff refunds. This item represents approved tariff refunds, and interest income earned on those refunds, by the U.S. Customs and Border Protection that qualify for the tariff exclusion on Chinese imported microinverter products that fit the dimensions and weight limits within a Section 301 tariff exclusion under U.S. note 20(c)(4)(A) to subchapter II of chapter 99 of the Harmonized Tariff Schedule of the United States. Approved refunds relate to tariffs previously paid from September 24, 2018 to March 31, 2020 and are excluded from the non-GAAP measures as the refunds are non-recurring in nature for tariff costs incurred in the past and are not reflective of the Company's ongoing financial performance.
- 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.
- Acquisition related expenses and amortization. This item represents expenses incurred related to the Company's business acquisition, 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.
- 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.
- Non-recurring debt prepayment fees and non-cash interest expense. This item consists primarily of amortization of debt issuance costs, accretion of debt discount and non-recurring debt settlement costs, because these expenses do not represent a cash outflow for the Company except in the period the financing was secured or when the financing was settled, and such amortization expense or settlement of debt costs is not reflective of the Company's ongoing financial performance.
- Loss on partial settlement of convertible notes. This item is reflected in other income (expense), net and represents (i) the difference between the carrying value and the fair value of the settled convertible notes and (ii) the inducement loss for the difference between the value of the shares issued to settle the convertible notes and the value of the shares that would have been issued under the original conversion terms with respect to the repurchased Notes due 2025, which is non-cash in nature and is not reflective of the Company's ongoing financial performance.
- Change in fair value of derivatives. This item is reflected in other income (expense), net and represents changes in fair value of the conversion option in the convertible notes due 2025, as well as the convertible note hedge and warrant transactions, which is non-cash in nature and is not reflective of the Company's ongoing financial performance.
- Non-GAAP income tax adjustment. This item represents the amount adjusted to the Company's GAAP tax provision or benefit to present the non-GAAP tax amount based on cash tax expense and reserves.
- Adjusted EBITDA. When calculating Adjusted EBITDA, in addition to adjustments described above, the Company excludes the impact of cash interest expense, net of interest income, income tax provision (benefit) and depreciation and amortization.
- Free cash flow. This item represents net cash flows from operating activities plus deemed repayment of convertible notes attributable to accreted debt discount reported in operating activities and payments for acquisition reported in operating activities less purchases of property and equipment.



Badri Kothandaraman

Chief Executive Officer



Agenda

Strategy	Badri Kothandaraman Chief Executive Officer
Installer Perspective	Raul Vergara Cutler Bay, Chief Executive Officer
Product Innovation	Raghu Belur Chief Product Officer
Installer Perspective	Suleman Khan Swell, Chief Executive Officer
ESG	Lisan Hung General Counsel
Financial Update	Eric Branderiz Chief Financial Officer
Q&A	Management
Lunch	
Demonstrations	Digital Platform Network Operations Center Enphase Home Portable Energy System Product Displays

Transformation

Solar to Energy

Great
Technology

Innovative
Products

Massive
Market



2021 So Far

What worked well

 **2,095 Employees¹**
Globally with HQ in Fremont, California

 **\$1.37 Billion Revenue²**
77% Increase from 2020

 **900+ Installers¹**
In our Enphase Installer Network (EIN)

 **245 MWh²**
IQ Battery shipments

 **Both Acquisitions**
Doing well and fully integrated

 **40% Gross Margin³**
Disciplined pricing and cost

 **39 Million+¹**
Microinverters shipped, representing approx. 12 GW

Challenges

 Shipping and supply constraints

 **1.7 Million+ Systems⁴**
In more than 130 countries

 New products



IQ8H™ is our highest power IPIM microinverter with peak power of 384VA



¹ As of Sept. 30, 2021

² Total for the year assumes Q1'21 to Q3'21 actual and mid-point of Q4'21 guidance

³ Non-GAAP gross margin assumes Q1'21 to Q3'21 actual and mid-point of Q4'21 guidance.

Refer to Appendix for reconciliation to the most comparable GAAP measure.

⁴ Includes Enphase systems as of Sept. 30, 2021, grossed up for non-managed and unconnected systems

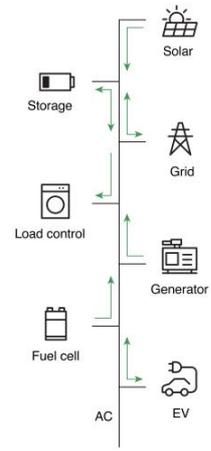
Our Core Competencies



Semiconductors



Software



Ensemble™

OUR CORE COMPETENCIES

Semiconductors

55nm digital ASIC enabling microgrids

Blazing fast response times

Software-defined power

Analog ASICs for more integration



The Swift ASIC in IQ8™ can respond quickly to changing grid conditions, 1000x faster than IQ7™

OUR CORE COMPETENCIES

Software

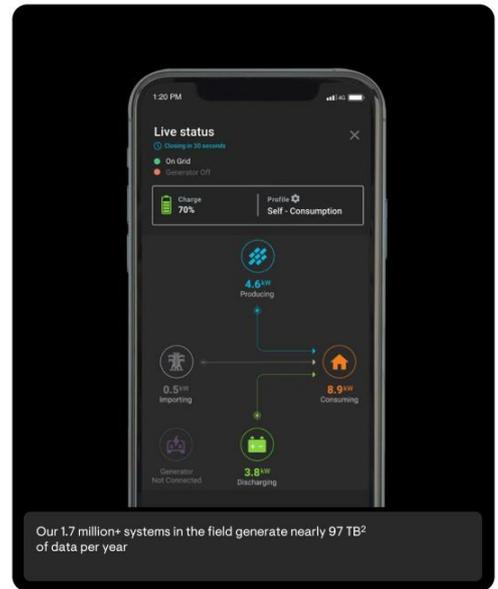
Autonomous decision making of DERs

IQ System Controller¹ for on-site control

Seamlessly transfers control between grid forming and grid following resources

Enphase Cloud control for user settings

Full-fledged IoT system



Our 1.7 million+ systems in the field generate nearly 97 TB² of data per year



¹Includes the IQ Gateway
²Enphase internal data

OUR CORE COMPETENCIES

Ensemble™

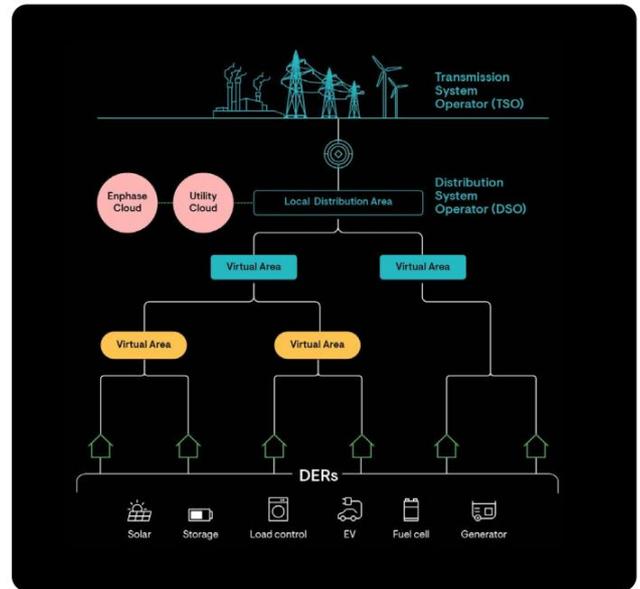
Distributed architecture

Hierarchical control

A virtual area is a cluster of home(s)

AC marketplace

DER selection based on marginal cost



Customer Experience

Quality

Microinverter failure rate of 0.05%¹ is a reality
Added focus on battery quality
Head start with LFP and 15-year limited warranty
Network Operations Centre

Service

Target NPS > 70; 1 minute wait times
24x7 operations worldwide
Outage response teams
Fleet analytics



Global Supply Chain

3 CM Factories for microinverters; well diversified globally

Adding CMs near customers for efficiency

Capacity at 5M micros/Qtr; can be increased

Tapping feeders near our CMs for logistics

2 cell pack suppliers > 720 MWh a year

Globalization efforts on batteries underway



Gross Margin

Pricing

Value-based pricing discipline
Microinverters: grid-forming, quality, service, power
Storage: all-in-one, LFP, modular, genset integration
Load control and up to 15-year limited warranty¹
Modest price increases to counter increase in CPI²

Cost

Alive and well on purchasing and negotiation
Microinverters: DC connectors, ASICs, semis, passives
Storage: Battery management and power conversion
Navigating macro supply and logistics issues today



Spending

OPEX

Executive team and core architects in Fremont
Product teams in Bangalore, Christchurch, Austin, Montreal
Service and Sales teams globally
New product, software and marketing investments in 2022

CAPEX

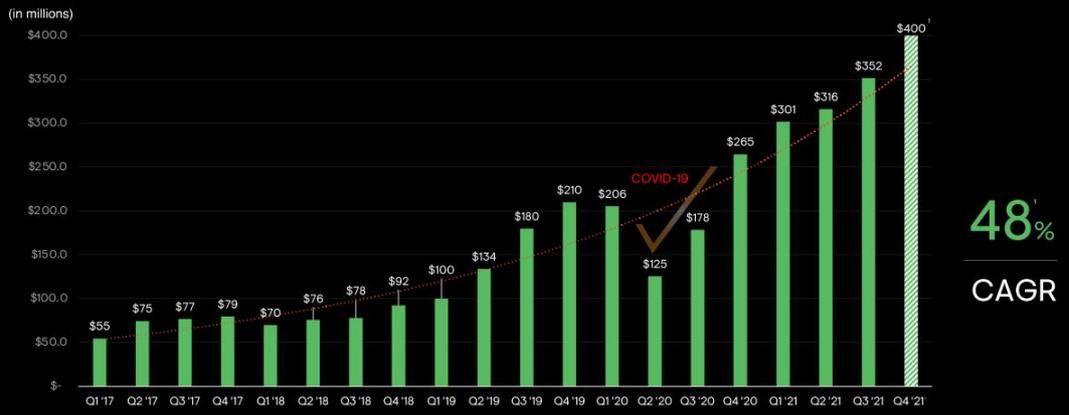
Technology-focused spending
No deviation from CM model
Continue globalization of supply chain



Our Strategy

Build best-in-class home energy systems and deliver them to homeowners through our installer and distribution partners, enabled by a comprehensive digital platform

Revenue



Started shipping
IQ7™ Microinverters



Started shipping
IQ™ Batteries

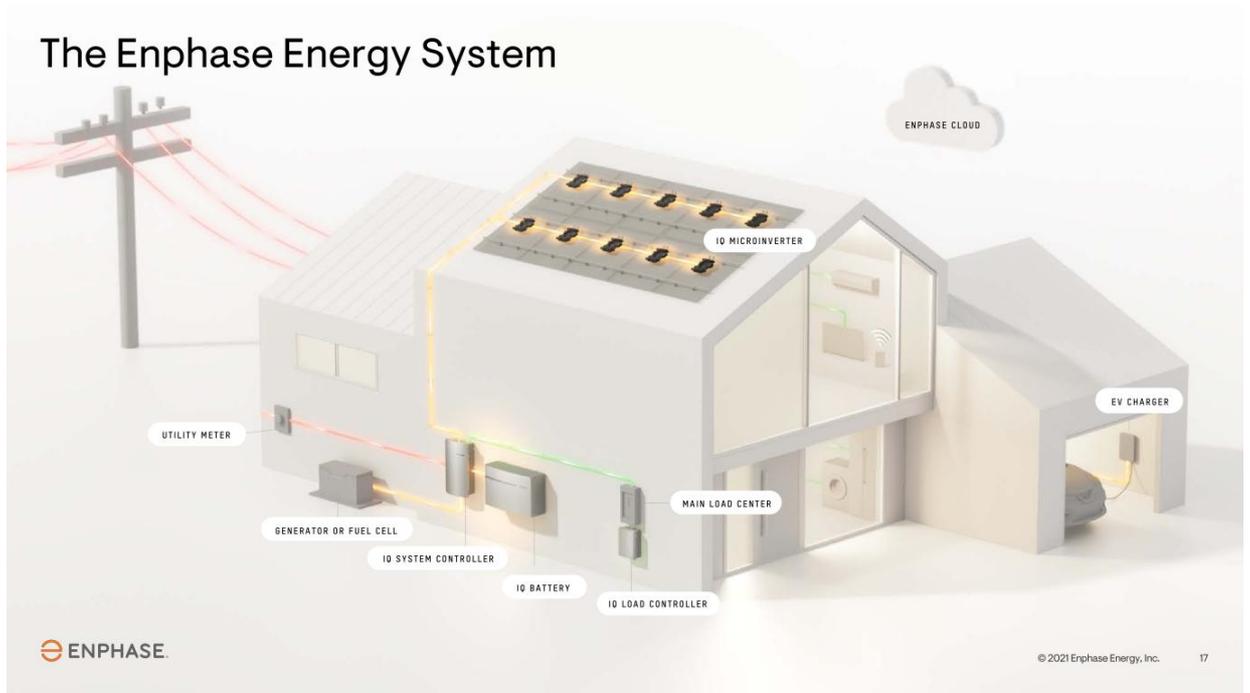


Scheduled to ship
IQ8™ Microinverters



¹ Assumes mid-point of Q4'21 guidance

The Enphase Energy System



Solar

Leverage increasing global TAM

Strong performance in US; Europe 2X¹ from 2020 to 2021

Added Italy, Brazil in 2021; Japan 2023

Ship IQ8™ Dec'21 and IQ8D™ Mar'22

Innovate further with IQ9™ and IQ9D™

RESIDENTIAL

2022 SAM²

\$4.8B

2025 SAM²

\$6.2B

COMMERCIAL

2022 SAM²

\$0.2B

2025 SAM²

\$2.0B



¹Enphase internal data

²Wood Mackenzie data with Enphase estimate and internal pricing assumptions



IQ8H™ which caters to 1 panel produces 384W AC, weighing 1.08kg
 IQ8D™ which caters to 2 panels produces 640W AC, weighing 1.55kg

Storage

IQ Battery™ 3/10 (T) shipping now
US, Germany, Belgium; 1,000+ certified US installers

IQ Battery 5P in 2022 worldwide
2X power and lower cost (7.68 kW peak power for 5 kWh)

Next generation IQ Battery in 2023
Focus on energy density: big step down in cost

RESIDENTIAL

2022 SAM²

\$2.3B

2025 SAM²

\$4.5B



¹ Compared to IQ Battery 3/10 (T)

² Wood Mackenzie data with Enphase estimate, Enphase internal pricing assumptions and \$0.7B retrofit storage market per year



THE ENPHASE ENERGY SYSTEM

Portable Energy System

Launching in US and India 1H'22

Energy security plus Energy-On-The-Go

High quality cloud-connected device

Roadmap: Integrate into Ensemble™ platform

RESIDENTIAL

2022 SAM¹

\$0.5B

2025 SAM¹

\$2.5B

 ENPHASE.

¹Enphase internal data



THE ENPHASE ENERGY SYSTEM

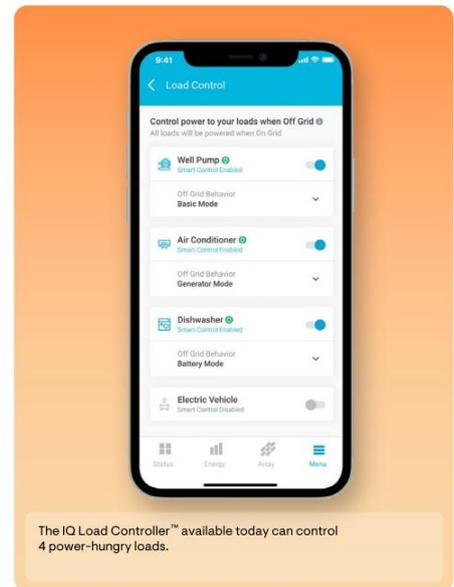
IQ Load Controller™

Strategic—makes every install a "whole home backup"

Today: 4—circuit load control

Basic and smart control options through Enphase App

2022: Target 12—circuit control and 24—circuit monitoring



EV Charger

EVs in US growing at CAGR of 40%¹

Acquiring ClipperCreek: High-quality, Versatile support

1 in 7.5² non-Tesla vehicles is a ClipperCreek charger

Accretive to our installers plus DTC

Roadmap: Reduce costs; add smarts, V2X³

RESIDENTIAL

2022 SAM⁴

\$0.2B

2025 SAM⁴

\$6B



¹ US data for all EVs calculated from S&P Global Platts
² ClipperCreek internal data
³ Refers to vehicle-to-grid and vehicle-to-home
⁴ Enphase and ClipperCreek internal data without TSLA, S&P Global Platts and Harrison Research



AC Fuel Cell

Made by Upstart Power and powered by IQ8™

Resilience Adder: Turns on, tops up battery and turns off

Reliable, low maintenance and low emissions

Grid-tied capability and ITC eligible

RESIDENTIAL

2022 SAM²

\$0.1B

2025 SAM²

\$1.5B



¹ Compared to a standard ICE engine. Upstart internal data
² Enphase internal data



Generator Integration

Enables glitch-free transition for homeowners

User-configurable options through the app

AC-coupled architecture doesn't limit output power

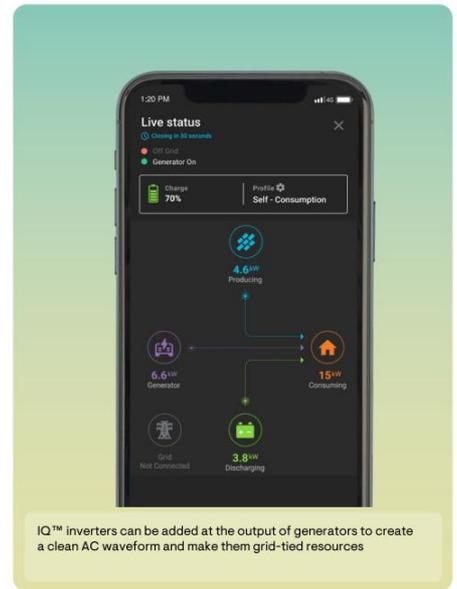
Compatible with the installed base of HSB generators

KEY SPECIFICATIONS

Usable Power	Gen. Type	Start type	Integration
11.5 kW AC	HSB AC ¹ (most models)	2-wire, Utility Sense	Ensemble, Mobile App



¹ Home Standby AC Generators



IQ™ inverters can be added at the output of generators to create a clean AC waveform and make them grid-tied resources

Grid Services

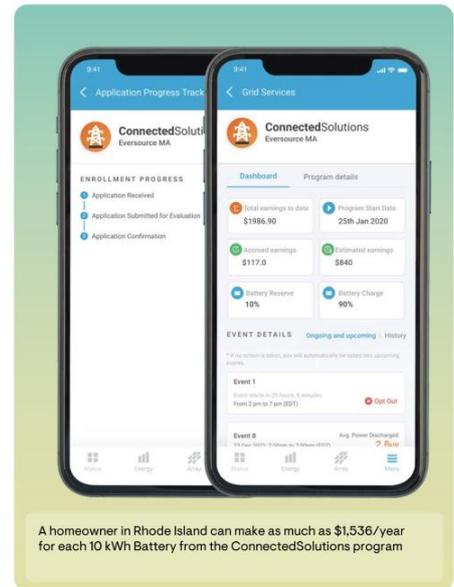
Getting started: 8+ programs in pipeline¹

Business models: Aggregators and utilities

Mainly on batteries today, other DERs to follow

Enrollment, opt in/out and tracking for homeowners via app

Grid services manager software for utilities to manage fleet



Our Data

2021 ¹ 5-min reporting	2025 ² 1-min reporting
1.7 M+ sites	4.8 M+ sites
39 M+ devices	100 M+ devices
62 B+ data points per day	800 B+ data points per day
97 TB+ data per year	1350 TB+ data per year

 **Energy production per home**
Irradiance, Lat/Long, Shading
Efficiency, Panel-level Granularity

 **Energy consumption per home**
Power, Current profile
Energy independence, Savings

 **System vitals and Events**
Critical parameters
State changes

 **Installer stats and Performance**
EIN Tier, Business Vitals
NPS, Cycle Times etc.

 **Homeowner profile**
Consumption, Home Size
Appliances, Tariff, Incentives

 **Errors and Notifications**
Faults and Returns
Account settings

 **Global weather data**
Storm Alerts
Wildfire Alerts

 **Grid performance**
Voltage, Frequency
Outage Incidents

Opportunities

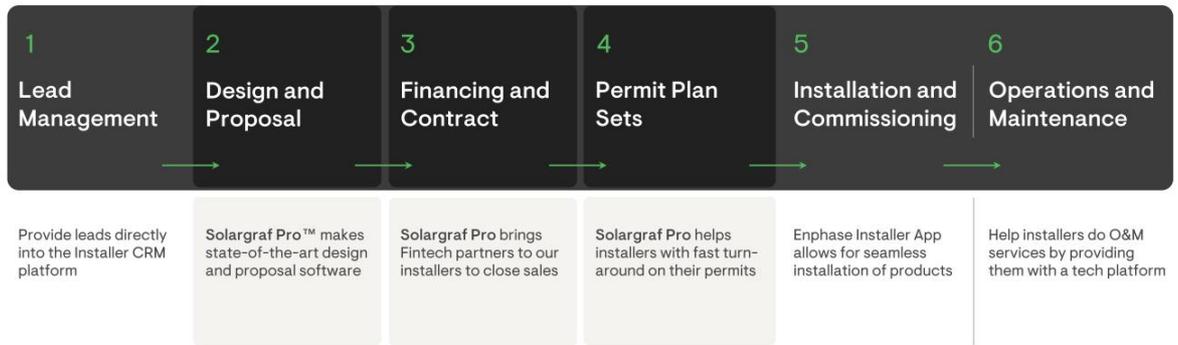
 Homeowners	 Installers	 Grid Operators	 Internal Operations	 New Services
Intelligent home energy management	Quick, accurate full system designs	Real-time improved grid services	Accurate models for prediction of failures	Production and consumption forecasting
Grid quality and outage prediction	Auto panel placement and SLD generation	Improving localized power quality	Automation of the returns business process	Weather service for better alerts and warnings
Panel cleaning and shading alerts	Quick site setup and fully automated permits	Load shifting to match renewable generation	Preventive maintenance alerts	Appliance signature and failure prediction
Tariff selection, efficient off-grid usage and savings	Better lead generation and qualification	Efficient and controlled recovery from outages	Learning AHJ Database for high-quality permits	Efficient O&M with scheduling and dispatching
Grid services to improve system ROI	Optimized site visits	Vehicle-To-Grid management	ROI-based system upgrade to add more resources	Transactive energy marketplace

The Enphase Installer Platform Vision

Reduce installation soft costs

Integrate all services for installers

Focus on ease of doing business for installers



Solargraf Pro™

Design and Proposal



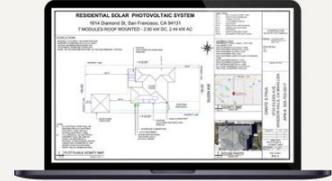
900+ installers today¹
Launching Q1'22: Shading, 3D, Storage
Battery sizing: modes and appliances
Comprehensive tariffs and incentives
Roadmap: SLDs, AHJ design rule checks

Financing and Contract



Brings Fintech partners into proposals through APIs
Provides choices for diverse consumer needs
Enables easy loan approval process at point of sale
Allows for e-signing of contracts

Permit Plan Sets



Covers all 50 states and AHJs
Supports solar, storage, generator, EVs
Target 24-hour turnaround time to installer
AHJ learning database for quality
2022: Full automation and self-service

Just The Beginning

Great Technology

Over 300
patents

Innovative Products

Home Energy systems
and digital platform

Massive Market

\$23 Billion SAM¹
by 2025



¹Wood Mackenzie and Enphase internal data



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Raul Vergara

Chief Executive Officer
Cutler Bay Solar Solutions



About Us

Founded in 2013 with 3 employees; 50 employees today

South Florida HQ; family owned and operated

Install locations in South Florida with expansion plans into Central Florida

Dedication to fantastic customer experience

Heavy involvement in rooftop solar activism and education in South Florida community

Turnkey solar solutions for homeowners

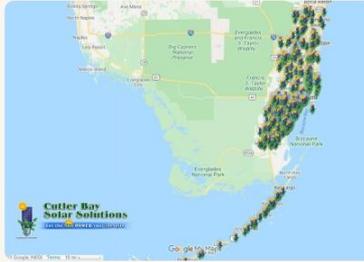


Installations

978 Solar Systems
35,719 microinverters

972 IQ Batteries™
3.3 MWh of storage

100% Energized
By Enphase



Thank you!



Raghu Belur

Chief Product Officer



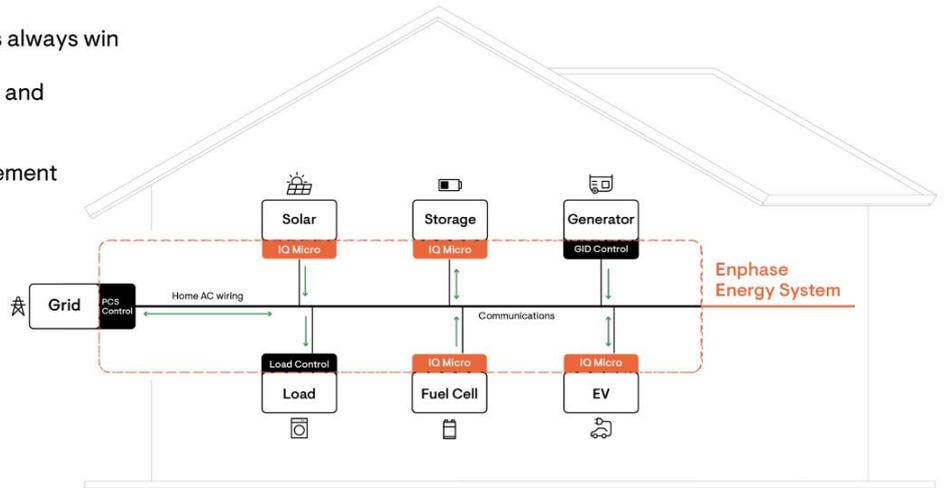
Ensemble™

Distributed architectures always win

AC architecture is simple and universal

IQ8™ is a foundational element

Hierarchical control:
Primary, Secondary
and Tertiary control



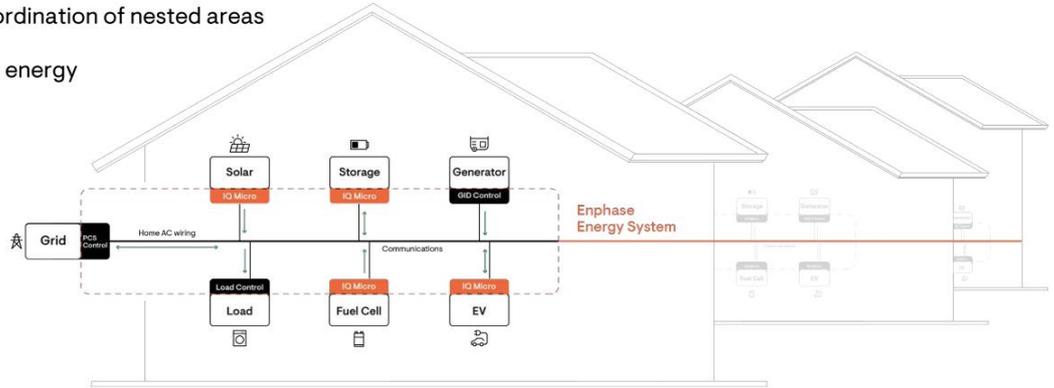
Ensemble™

Ensemble is a generalized solution

Architecture is extensible beyond a single home

Enables coordination of nested areas

Transactive energy



Best-in-Class Power Density

High power microinverters for 600 W single and dual modules
50% more power density compared to IQ8™

GaN allows for high power and fast switching of AC FETs
Has > 1000x less resistance than silicon for given voltage

2x switching frequency reduces transformer size by 30%

New gate driver ASIC reduces part count

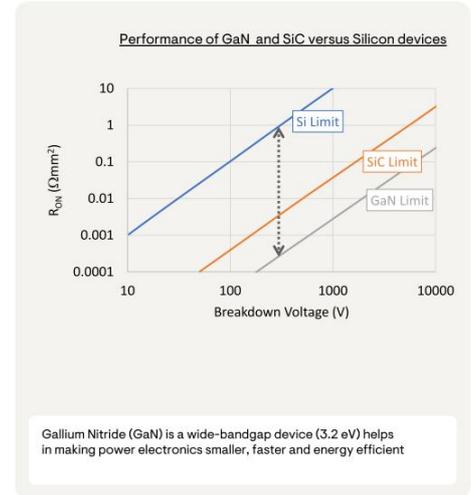
New features: variable frequency and 3φ microgrid forming

KEY SPECIFICATIONS¹

	Max Power	Power density	Switching frequency
IQ9	500 WAC	1.5x IQ8	~200 kHz
IQ9D	960 WAC	1.5x IQ8	~200 kHz



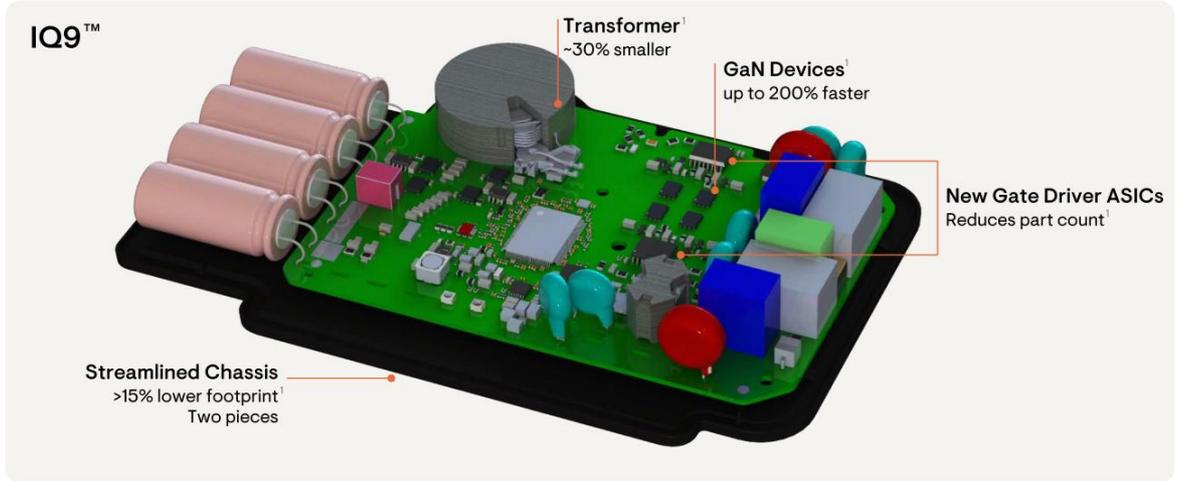
¹ Target specifications subject to change



Best-in-Class Power Density



Best-in-Class Power Density



Minimizing Overhead From Cell Pack to Product



Minimizing Overhead From Cell Pack to Product



THE NEXT GENERATION IQ BATTERY™

Integrating Power Conversion with Battery Management

IQ9D-BAT Inverter™

Enabler for the next generation IQ Battery™

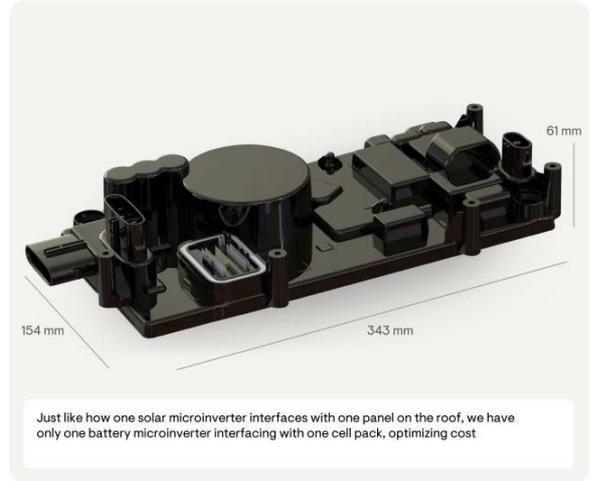
Combined battery and power management

Single board replaces seven from before

Single firmware image

KEY SPECIFICATIONS¹

Max Power	Peak Power
1500 W	3000 W



¹Target specifications subject to change

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Meter Collar

Microgrid Interconnect Device (MID) in the Collar

Simplifies and speeds up installs, while improving quality

Enables storage for meter-main-combo homes without rewiring

Pre-installed CTs reduces installation errors

Requires utility approval

KEY SPECIFICATIONS

Rating	Compliance	Communication
200A	UL414	CAN



EV Charger

EVs globally growing nearly 30% per year till 2025¹

Smart charging will be a requirement (source, rate, duration)

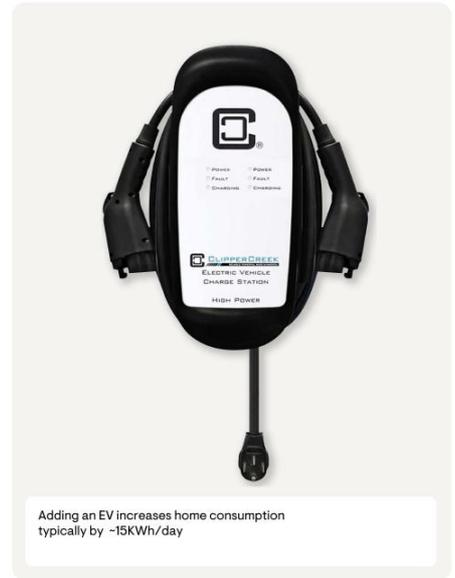
Bi-directional V2H and V2G adds resiliency to home and grid

Ongoing debate on charging via the EV's AC or DC port

Integration into Ensemble™ will enhance customer experience

KEY SPECIFICATIONS

Power	Grid Compliance	Bi-Directional	Integration
9.6KW	IEEE1547	AC/DC port	Ensemble



AC Fuel Cell

Solid Oxide Fuel Cell with IQ8™ power management

Resiliency Adder: Energy device tops up IQ™ batteries

Easy install, modular, and scalable

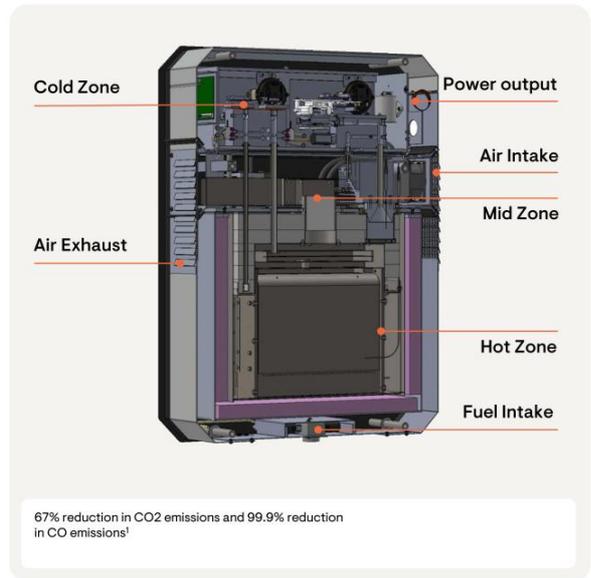
Ongoing focus to optimize cost and power

KEY SPECIFICATIONS¹

Power	Cycles	Fuel efficiency
1.25KW	250	2-3x



¹ Compared to a standard ICE engine. Upstart Internal data

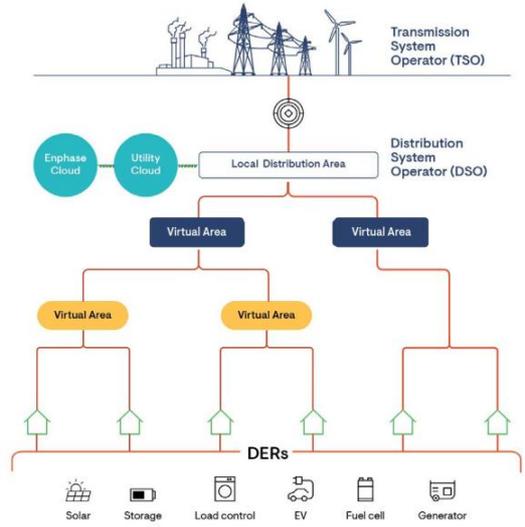


Grid Services

60%¹ increased demand due to EV and electrification

Intelligent and connected DERs

Distributed cloud architecture more scalable, safer, and less expensive



We Have It All

Great
Technology

Over 300
patents

AC
Architecture

Simple and
Universal

Innovative
Products

Home energy systems
and digital platform



Suleman Khan

Chief Executive Officer
Swell



About Us

Launched in 2015 as a **Residential Energy Storage Platform**

- Sales, installation & financing of ES / PV+ES systems (via DTC & Channel)
- VPP Aggregator-Operator interfacing between homeowners and utilities

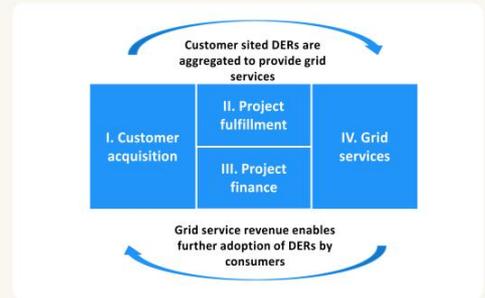
100+ employees across four business units

- Customer Acquisition
- Project Fulfillment
- Project Finance
- Grid Services

Swell enables **aggregated virtual power plants (“VPPs”)** that provide capacity and grid balancing services for utilities

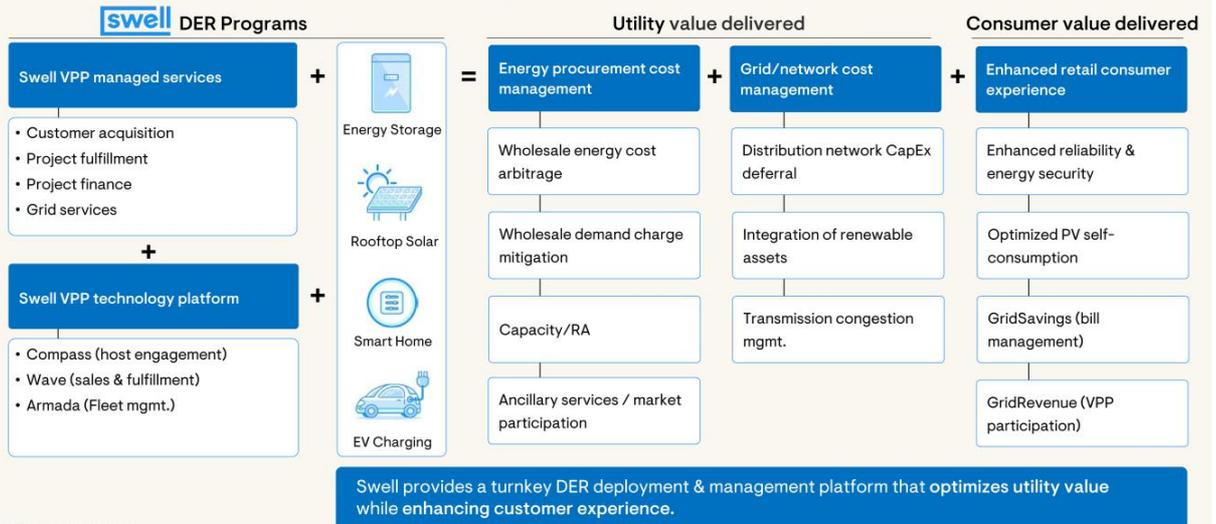
- Swell currently has utility grid services contracts to deploy DER systems to **15,000 homes (341 MWh) across 9 VPPs in 3 states**

Signed multi-year partnership agreement with Enphase to provide solar + storage solutions together with Swell’s VPP programs



SWELL

A platform for the mass deployment and management of DERs providing VPP enablement services to utilities and partners powered by an end-to-end technology platform.



Case Studies

Swell OC VPP | VPP Homes: 2,000

The Need

The decommissioning of the San Onofre nuclear plant led to diminished capacity for SCE in the Irvine, CA area.

The Solution

SCE has commissioned Swell to establish a 20 MWh Virtual Power Plant to restore a portion of this lost capacity.



Swell Nalu VPP VPP Homes: 6,000

The Need

Hawaiian electric companies (HECO) sought to procure grid services from customer-sited renewable generation in response to orders from the Hawai'i Public Utilities Commission.



Swell 805 VPP | VPP Homes: 6,000

The Need

The decommissioning of the Aliso Canyon gas storage facility led to diminished capacity for SCE in Ventura and Santa Barbara Counties, CA. SCE was directed by the California state senate to procure non-gas resources in order to re-establish this lost capacity.

The Solution

SCE has commissioned Swell to establish a 60 MWh Virtual Power Plant to restore a portion of this lost capacity.



The Solution

Using residential customer-sited DERs, Swell is offering three distinct grid services: capacity reduce (discharging during peak times), capacity build (charging from excess wind energy), and frequency regulation.

Swell's Virtual Power Plants enable utilities to benefit from customer-sited PV and Energy Storage to address critical capacity needs and growing distribution grid challenges.

Lisan Hung

General Counsel



Achieving Long-Term Outperformance

Advancing a sustainable future for all

Developing technology and products to make energy accessible and reliable

Reducing environmental impact in our operations and designing products with smaller footprint

Expanding our portfolio with products that reduce the home energy carbon footprint

Committing to a robust approach

Continue responsible supply chain sourcing

Focus on enhancing our people and our communities

Increase transparency and accountability

Aligning with our Investment Community

Board oversight

Established ESG taskforce

Hired Director of ESG

Identified ESG guidelines and frameworks

Published inaugural ESG report and launched ESG web page

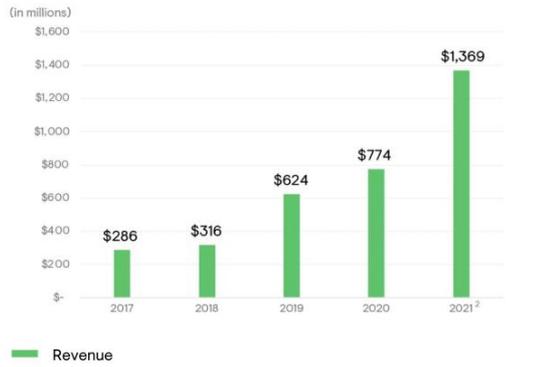


Eric Branderiz

Chief Financial Officer

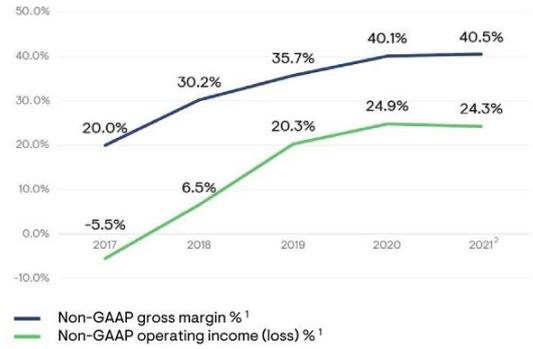


Revenue and Gross Margin



Revenue

48% Revenue CAGR



Non-GAAP gross margin %¹
 Non-GAAP operating income (loss) %¹

Consistently profitable

Retaining our baseline financial model based on current macro



¹Non-GAAP measures. Refer to Appendix for reconciliation to the most comparable GAAP measure
² 2021 assumes Q1'21 to Q3'21 actual and mid-point of Q4'21 guidance

EBITDA, Free Cash Flow, Cash And Debt



Sustainable cash generation model
Quick cash conversion cycle



Strong cash position
Access to capital markets when needed

- Best terms in history for green convertible notes issued in March 2021
- 5-year term at zero coupon and 70% conversion premium

Simple Capital Allocation Due To Scalable Business Model

Value Creating High Growth Stage

1. Invest in Organic Growth Sustain growth and retain competitiveness

CapEx Lite: Invest in capacity, global supply chain diversification and cost reduction

OpEx Lite: Invest in innovation, new products and new markets. Increased operating leverage through economies of scale.

2. Mergers and Acquisitions Accelerate Growth

Accretive bolt-on acquisitions such as the SunPower deal, Sofdesk, and DIN

Performance measured by ROI, IRR and payback

Value Distributing Stable and Mature Business

3. Debt Repayment

Convertible notes of \$102.2M due 2025, \$632.5M due 2026 and \$575M due 2028: can be settled in cash, shares or in combination

Raise debt vs. equity for any additional capital required to optimize WACC

4. Share Buyback When stock is undervalued vs. intrinsic value

Executed \$200M buyback in May 2021 for 1.7 million shares at \$117/share

\$500M Share buyback authorization with execution subject to BOD approval

Increasing Our 'Share Of Wallet' Per Home



¹ Enphase internal data and approximate estimates
² Exiting 2021 based on mid-point of Q4 '21 guidance
³ Refers to IQ7, IQ7+, IQ7X, IQ7A and IQ8, IQ8+, IQ8M, IQ8A, IQ8H with 20 micros per home
⁴ Assumes 10 kWh battery

Global Revenue Growth Framework

 Residential Solar	 Residential Storage	 Small Commercial Solar System	 Portable Energy System	 EV Charger
<p>Projecting to ship ~10.2Mu microinverters, ~3.5GW_{dc} in 2021¹</p> <p>SAM assumed to grow at a baseline of 15% CAGR from 2021 through 2025²</p> <p>Expect to grow faster than market based on product differentiation</p> <p>Microinverter capacity available at > 5Mu/Q exiting 2021³</p> <p>Qualify additional OEMs worldwide to ease logistics for customers</p> <p>Expect modest ASP decline through 2025</p> <p>Expect improvement in supply chain and logistics constraints through the first half of 2022</p>	<p>Projecting to ship ~245MWh in 2021¹</p> <p>2021 SAM 1.5GWh²</p> <p>SAM at 55% CAGR from 2021 through 2025²</p> <p>Battery cell pack capacity available at 180MWh/Q exiting 2021³</p> <p>Sales reaching current cell pack capacity in the second half of 2022</p> <p>Capacity upside with existing suppliers available as needed. Qualifying a third cell pack supplier in 2022</p> <p>Expect ASP decline through 2025</p> <p>IQ8™ enables smaller battery systems, accelerating market penetration</p>	<p>IQ8D™ product launch in Q1 2022 to serve small commercial projects of 20KW to 500KW</p> <p>Minimal revenue contribution in 2022 due to new market segment</p> <p>SAM of \$1.7B in 2023 and \$2B in 2025²</p> <p>Premium pricing with software defined platform for asset managers</p> <p>Post product proliferation, expect 5% per year market share capture</p>	<p>SAM of \$1.6B in 2023 and \$2.5B in 2025³</p> <p>General availability in 2H'2022</p> <p>Expect modest market share capture at launch</p> <p>Large market share capture opportunity with product differentiation: cloud connectivity, and Ensemble integration</p> <p>Direct-to-consumer product available on Enphase store in addition to stocking at our installers and distributor partners globally</p>	<p>Expect to acquire ClipperCreek at \$110M cash at close plus \$40M earn-outs in ENPH stock</p> <p>Projecting 2021 sales of ~21Ku sales in the U.S EV market⁴</p> <p>Expect U.S EV market at 40% CAGR from 2021 through 2025⁴</p> <p>Expect our U.S sales growth in-line with the market CAGR</p> <p>Post-close synergies include moving manufacturing to Enphase OEMs, leveraging our global installer and distribution network and entering new regions</p> <p>Will add cloud connectivity through Enphase App and V2X capabilities</p>



¹ 2021 assumes Q1'21 to Q3'21 actual and mid-point of Q4'21 guidance
² Wood Mackenzie data with Enphase estimate
³ Enphase internal data
⁴ Enphase/ClipperCreek internal data, based on S&P Global Platts for all EVs in US

Transformation

Full home electrification is inevitable

Great
Technology

Innovative
Products

Massive
Market

 ENPHASE

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Q&A



Appendix

GAAP To Non-GAAP Reconciliation

\$ in millions	2017	2018	2019	2020	2021 ¹
GAAP gross profit	\$ 56.0	\$ 94.4	\$ 221.2	\$ 346.0	\$ 545.1
Stock-based compensation	1.1	1.1	1.7	3.7	9.0
Tariff refunds	-	-	-	(38.9)	-
Non-GAAP gross profit	\$ 57.1	\$ 95.5	\$ 222.9	\$ 310.8	\$ 554.1
Non-GAAP gross margin % of revenue	20.0%	30.2%	35.7%	40.1%	40.5%

\$ in millions	2017	2018	2019	2020	2021 ¹
GAAP operating income (loss)	\$ (39.4)	\$ 1.6	\$ 102.7	\$ 186.4	\$ 191.6
Stock-based compensation	6.8	11.4	19.5	42.5	129.9
Tariff refunds	-	-	-	(38.9)	-
Reserve for non-recurring legal matter	-	1.8	-	-	-
Restructuring and asset impairment charges	16.9	4.1	2.6	-	-
Acquisition related expenses and amortization	-	1.6	2.2	2.5	11.3
Non-GAAP operating income (loss)	\$ (15.7)	\$ 20.5	\$ 127.0	\$ 192.5	\$ 332.8
Non-GAAP operating income (loss) % of revenue	-5.5%	6.5%	20.3%	24.9%	24.3%

APPENDIX

GAAP To Non-GAAP Reconciliation

\$ in millions	2017	2018	2019	2020	2021 ¹
GAAP net income (loss)	\$ (45.2)	\$ (11.6)	\$ 161.1	\$ 134.0	\$ 119.2
Interest expense, net	7.9	9.6	7.2	18.8	45.5
Depreciation and amortization	9.0	9.7	14.1	18.1	26.7
Income tax provision (benefit)	0.1	1.4	(71.0)	(14.6)	(29.1)
Stock-based compensation	6.8	11.4	19.5	42.5	129.9
Tariff refunds	-	-	-	(39.6)	-
Restructuring and asset impairment charges	16.9	4.1	2.6	-	-
Acquisition-related expenses	-	0.7	-	0.3	5.5
Reserve for non-recurring legal matter	-	1.8	-	-	-
Non-recurring debt prepayment fees	-	-	6.0	-	-
Loss on partial settlement of convertible notes	-	-	-	3.0	56.4
Change in fair value of derivatives	-	-	-	44.3	-
Adjusted EBITDA	\$ (4.5)	\$ 27.1	\$ 139.5	\$ 206.8	\$ 354.1
\$ in millions	2017	2018	2019	2020	2021¹
Cash flow from operations	\$ (28.4)	\$ 16.1	\$ 139.1	\$ 216.3	\$ 326.9
Purchases of property and equipment	(4.1)	(4.1)	(14.8)	(20.5)	(59.2)
Deemed repayment of convertible notes due 2024 and notes due 2025 attributable to accreted debt discount	-	-	-	3.1	15.6
Payments for acquisition reported in cash flows from operating activities	-	10.0	-	-	-
Free cash flow	\$ (32.5)	\$ 22.0	\$ 124.3	\$ 198.9	\$ 283.3



¹2021 assumes Q1'21 to Q3'21 actual and mid-point of Q4'21 guidance

SAM Market Data

Residential Solar ¹						Small Commercial Solar ¹						
	2021	2022	2023	2024	2025	CAGR		2021	2022	2023	2024	2025
SAM (MW)	13,215	15,779	19,266	22,245	24,158	16%	SAM (MW)	-	1,057	9,085	10,720	11,473
NA	4,629	5,249	5,769	6,923	7,961	15%	NA	-	852	892	877	935
LATAM	634	686	1,296	1,509	1,766	29%	LATAM	-	205	1,567	1,839	2,917
EUR	4,609	5,091	5,387	5,705	5,719	6%	EUR	-	-	1,815	2,764	2,798
APAC	3,343	4,553	6,854	8,108	8,711	27%	APAC	-	-	5,011	5,240	5,723
SAM (\$ in millions)	\$4,192	\$4,756	\$5,520	\$6,054	\$6,244	16%	SAM (\$ in millions)	-	\$294	\$1,776	\$1,994	\$2,027
NA	\$1,451	\$1,963	\$1,932	\$1,861	\$2,033	9%	NA	-	\$162	\$161	\$150	\$152
LATAM	\$202	\$269	\$362	\$413	\$459	23%	LATAM	-	\$43	\$309	\$344	\$359
EUR	\$1,471	\$1,544	\$1,552	\$1,561	\$1,487	0%	EUR	-	-	\$319	\$518	\$498
APAC	\$1,067	\$1,381	\$1,974	\$2,219	\$2,265	21%	APAC	-	-	\$988	\$982	\$1,018
Residential Storage ²						Portable Energy System ³						
	2021	2022	2023	2024	2025	CAGR		2021	2022	2023	2024	2025
SAM (MWh)	1,478	2,811	5,398	6,770	8,916	57%	SAM (Mj)	-	0.26	0.98	1.25	1.64
NA	831	1,905	2,817	2,990	3,648	45%	NA	-	0.19	0.53	0.66	0.88
LATAM	85	178	259	387	480	54%	EUR	-	0.06	0.32	0.42	0.54
EUR	418	552	1,012	1,622	1,948	47%	LATAM	-	0.00	0.05	0.07	0.09
APAC	143	178	1,310	1,772	2,839	111%	APAC	-	0.01	0.08	0.11	0.14
SAM (\$ in millions)	\$1,005	\$1,625	\$2,807	\$3,168	\$3,843	40%	SAM (\$ in millions)	-	\$452	\$1,599	\$1,048	\$2,483
NA	\$965	\$1,101	\$1,465	\$1,399	\$1,572	29%	NA	-	\$328	\$880	\$1,048	\$1,360
LATAM	\$58	\$100	\$135	\$181	\$207	38%	EUR	-	\$102	\$504	\$608	\$784
EMEA	\$284	\$319	\$526	\$759	\$840	31%	LATAM	-	-	\$85	\$111	\$141
APAC	\$97	\$102	\$681	\$829	\$1,224	88%	APAC	-	\$22	\$130	\$163	\$198
NON-TLSA EV Charger ^{4,5}						EV Charger with TLSA ⁴						
	2021	2022	2023	2024	2025	CAGR		2021	2022	2023	2024	2025
TAM (Mj)	1.8	2.3	3.1	4.1	5.2	30%	TAM (Mj)	0.4	0.6	0.8	1.2	1.6
US	0.2	0.3	0.5	0.8	1.2	63%	US	0.4	0.6	0.8	1.2	1.6
EUR	1.6	2.0	2.6	3.2	4.0	25%	EUR	1.8	2.2	2.8	3.5	4.3
SAM (Mj)	0.2	0.3	3.1	4.1	5.2	137%	TAM (\$ in millions)	\$1,946	\$2,338	\$3,125	\$4,840	\$6,845
US	0.2	0.3	0.5	0.8	1.2	63%	US	\$373	\$491	\$717	\$1,212	\$1,865
EUR	-	-	2.6	3.2	4.0	63%	EUR	\$1,573	\$1,847	\$2,407	\$3,628	\$4,979
SAM (\$ in millions)	\$149	\$245	\$2,715	\$4,254	\$5,985	152%	CAGR	37%	50%	33%		
US	\$149	\$245	\$476	\$880	\$1,354	74%						
EUR	-	-	\$2,239	\$3,374	\$4,631							
Storage Retrofit	\$650	\$650	\$650	\$650								
Fuel Cell	\$87	\$1,319	\$1,336	\$1,636								
TOTAL SAM	\$5,346	\$8,020	\$16,386	\$19,404	\$22,768							



¹Wood Mackenzie and Enphase internal estimates and pricing assumptions
²Excludes retrofit opportunities
³Enphase internal estimates
⁴S&P Platts, Harrison Research and ENPH/ClipperCreek internal estimates
⁵Excludes estimated TLSA vehicles from Harrison Research



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