



Supplemental Operating Performance Information October 26, 2023

Enphase Energy, Inc. Q3'23 Supplemental Information

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

Operating Metrics & Revenue Detail	Metric	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23
IQ Microinverter Shipments	Units, k	4,343	4,874	4,831	5,198	3,905
IQ Microinverter Shipments	MW (DC)	1,709	1,937	1,957	2,121	1,586
IQ Battery Shipments	MWh	133.6	122.1	102.4	82.3	86.2
Net Revenues		\$ 634.7	\$ 724.7	\$ 726.0	\$ 711.1	\$ 551.1

Net Revenues by Geography

United States	\$ 451.8	\$ 518.0	\$ 473.0	\$ 417.6	\$ 350.5
International	\$ 182.9	\$ 206.7	\$ 253.0	\$ 293.5	\$ 200.6

Supplementary Income Statement Information	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23
Gross Profit (GAAP)	\$ 267.9	\$ 310.7	\$ 326.4	\$ 323.3	\$ 262.0
Stock-based compensation	3.2	4.3	3.7	3.4	2.7
Acquisition related amortization	1.4	2.1	1.8	1.9	1.9
Gross Profit (Non-GAAP)	\$ 272.5	\$ 317.1	\$ 331.9	\$ 328.6	\$ 266.6

Gross Margin (GAAP)	42.2 %	42.9 %	45.0 %	45.5 %	47.5 %
Stock-based compensation	0.5 %	0.6 %	0.5 %	0.5 %	0.6 %
Acquisition related amortization	0.2 %	0.3 %	0.2 %	0.2 %	0.3 %
Gross Margin (Non-GAAP)	42.9 %	43.8 %	45.7 %	46.2 %	48.4 %

Income from Operations (GAAP)	\$ 135.4	\$ 157.0	\$ 167.7	\$ 170.3	\$ 118.0
Stock-based compensation	52.3	63.6	59.7	54.2	43.8
Acquisition related expenses and amortization	5.6	7.0	5.5	5.8	5.8
Restructuring and asset impairment charges	0.6	1.8	0.7	0.2	—
Income from Operations (Non-GAAP)	\$ 193.9	\$ 229.4	\$ 233.6	\$ 230.5	\$ 167.6
Income from Operations (Non-GAAP) Margin	30.5 %	31.7 %	32.2 %	32.4 %	30.4 %

Income Tax Provision (GAAP)	\$ (19.4)	\$ (14.4)	\$ (32.1)	\$ (27.4)	\$ (23.4)
Non-GAAP income tax adjustment	0.1	(15.9)	(22.5)	(13.8)	(23.9)
Income Tax Provision (Non-GAAP)	\$ (19.3)	\$ (30.3)	\$ (54.6)	\$ (41.2)	\$ (47.3)

Net Income (GAAP)	\$ 114.8	\$ 153.8	\$ 146.9	\$ 157.1	\$ 114.0
Stock-based compensation	\$ 52.3	\$ 63.6	\$ 59.7	\$ 54.2	\$ 43.8
Acquisition related expenses and amortization	\$ 5.6	\$ 7.0	\$ 5.5	\$ 5.8	\$ 5.8
Restructuring and asset impairment charges	\$ 0.6	\$ 1.8	\$ 0.7	\$ 0.2	\$ —
Non-cash interest expense	\$ 2.1	\$ 2.1	\$ 2.0	\$ 2.1	\$ 2.1
Non-GAAP income tax adjustment	\$ 0.1	\$ (15.9)	\$ (22.5)	\$ (13.8)	\$ (23.9)
Net Income (Non-GAAP)	\$ 175.5	\$ 212.4	\$ 192.3	\$ 205.6	\$ 141.8

Weighted Average Basic Shares Outstanding (GAAP)	000s	135,633	136,167	136,689	136,607	136,165
RSU/PSU/Options		3,344	3,123	2,434	1,760	1,307
2023 Convert		900	900	900	900	750
2025 Convert + Warrants		2,010	2,046	1,888	1,756	1,566
2026 Convert		2,057	2,057	2,057	2,057	2,057
2028 Convert		2,018	2,018	2,018	2,018	2,018
Elimination of 2025, 2026, and 2028 Convert Shares covered by hedges		(5,328)	(5,328)	(5,328)	(5,328)	(5,328)
Weighted Average Diluted Shares Outstanding (Non-GAAP)	000s	140,634	140,983	140,658	139,770	138,535

Net Income per Share, Diluted (GAAP)	\$ 0.80	\$ 1.06	\$ 1.02	\$ 1.09	\$ 0.80
Net Income per Share, Diluted (Non-GAAP)	\$ 1.25	\$ 1.51	\$ 1.37	\$ 1.47	\$ 1.02

Supplementary Balance Sheet Information	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23
Cash, cash equivalents and marketable securities	\$ 1,417.3	\$ 1,612.8	\$ 1,778.4	\$ 1,800.5	\$ 1,783.9
Debt (GAAP)	\$ 1,288.3	\$ 1,290.4	\$ 1,292.4	\$ 1,294.5	\$ 1,291.6
Add: Debt discount and issuance costs	\$ 26.4	\$ 24.3	\$ 22.3	\$ 20.2	\$ 18.1
Debt (Non-GAAP)	\$ 1,314.7	\$ 1,314.7	\$ 1,314.7	\$ 1,314.7	\$ 1,309.7

Supplementary Cash Flow Information	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23
Cash flow from Operations (GAAP)	\$ 188.0	\$ 253.7	\$ 246.2	\$ 269.2	\$ 145.8
Less: Purchases of property and equipment	\$ (8.9)	\$ (16.4)	\$ (22.4)	\$ (44.0)	\$ (23.8)
Free Cash Flow (Non-GAAP)	\$ 179.1	\$ 237.3	\$ 223.8	\$ 225.2	\$ 122.0

Financial Outlook	Q4'23
GAAP	
Net Revenues	\$300.0 - \$350.0
Storage Shipments (MWh)	80 - 100
Gross Margin after net IRA benefit	46.0% - 49.0%
Gross Margin before net IRA benefit	38.0% - 41.0%
Operating Expenses	\$142.0 - \$146.0

Non-GAAP	
Net Revenues	\$300.0 - \$350.0
Storage Shipments (MWh)	80 - 100
Gross Margin after net IRA benefit	48.0% - 51.0%
Gross Margin before net IRA benefit	40.0% - 43.0%
Operating Expenses	\$85.0 - \$89.0

This supplemental information contains forward-looking statements, including statements related to Enphase Energy's expectations as to revenue, storage shipments, gross margin before and after net IRA benefit, and operating expenses for the fourth quarter of 2023. 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.