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 financial performance and guidance, including revenues, gross margin, operating results, expenses and costs; our business strategies, including our operations and anticipated trends and developments in markets in which we operate and in the markets in which we plan to expand; the anticipated market adoption of Enphase's energy management system; the capabilities and performance of our technology and products, including product scalability, the ability to operate without a grid, the ability to optimize and customize products, load disaggregation, monitoring, and management, and reduction in installation, logistics and supply chain times; the capacity and availability of our products; our performance in operations, including product quality, safety, reliability, cost management, and customer service are based upon current expectations that involve risks and uncertainties. Any statements that are not of historical fact, may be forward-looking statements. Words used such as “anticipates,” “believes,” “continues,” “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 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 http://investor.enphase.com/sec.cfm, 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 expenses, income (loss) from operations, net loss and adjusted free cash flow.
- These non-GAAP financial measures do not reflect a comprehensive system of accounting, differ from non-GAAP financial 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 financial 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 “Reconciliation of Non-GAAP Financial Measures” table in the Appendix to this presentation, 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.
  - Restructuring 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.
  - 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.
  - Acquisition related expenses and amortization. Acquisition related expenses and amortization are non-cash in nature, and amortization of acquired intangible assets is not reflective of the Company's ongoing financial performance.
  - Non-recurring debt prepayment fees and non-cash interest. This item consists primarily of amortization of debt issuance costs and non-recurring debt settlement costs, because these expenses does 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.
  - Adjusted free cash flow. This item represents cash flows from operating activities excluding payments for the acquisition reported in operating activities less purchases of property and equipment. The Company believes the adjusted free cash flow is the best measure of how much cash the business generates after accounting for capital expenditures.

This presentation is being made exclusively to qualified institutional buyers ("QIBs") as defined in Rule 144A ("Rule 144A") under the U.S. Securities Act of 1933, as amended (the "Securities Act"). The securities described herein have not been and will not be registered under the Securities Act and may not be offered or sold in the United States except to QIBs in reliance on Rule 144A or pursuant to another exemption from, or transaction not subject to, the registration requirements of the Securities Act. This document does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities in any jurisdiction where such offer or sale is not permitted. Any purchaser of such securities will be deemed to have made certain representations and acknowledgments, including, without limitation, that the purchaser is a "qualified institutional buyer" as defined in Rule 144A under the Securities Act.
Agenda

Badri Kothandaraman  
Chief Executive Officer

Raghu Belur  
Chief Product Officer

Arthur Souritzidis  |  Marc Jones  
CEO - Momentum Solar  |  CEO - Sunpro Solar

Eric Branderiz  
Chief Financial Officer

Q & A

Product Demos  
Fremont HQ
Badri Kothandaraman
Chief Executive Officer
2019 Financial Performance

$619M¹ Revenue

$122M² Operating Income

+96% YoY

+495% YoY

¹Assumes midpoint of Q4'19 guidance
²All numbers are Non-GAAP. Refer to appendix for GAAP reconciliation
We did a few things well and need to make other things better

A Look Back At 2019

Exceeded financial target of 30-20-10

Introduced new generation IQ™ products

Further improved quality and customer service

Forecasting 500Ku Microinverters from Flex Mexico in Q4'19

Fixed supply chain issues

Strong growth in North America

Growth in International

1 Assumes midpoint of Q4'19 guidance
Our Core Differentiation

Semiconductor

Software

Ensemble™

Predictive Control

Software-Defined Architecture

Energy Management Technology

SOLAR
GRID
LOADS
STORAGE
AC
GENERATOR

Home Energy Management

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Operational Excellence

Customer Experience

Quality

5X\textsuperscript{1}
Better than M Series

Customer Service

54\%\textsuperscript{1}
Worldwide NPS

500 dppm
Reliability Target

30 sec
Wait Time Target

Laser Focus on Quality and Customer Service

\textsuperscript{1}5X refers to actual results of IQ 7\textsuperscript{TM} Microinverters as of Q3’19, NPS refers to Net Promoter Score as of Q3’19
Operational Excellence

Gross Margin Management

**Price**

- Value Based Pricing
  - Performance, Quality, Service

- Product Segmentation
  - IQ 7/7+/7X/7A™

**Cost**

- Product Innovation
  - ASIC, Transformers, FETs, Connectors

- Supply Chain Optimization
  - Tariff, Expedites, Procurement, CM

Product Innovation, Maximizing Value, Multi-sourcing
Scalable Business Model

CAPEX Lite

- No Big Factories
- Estimated CAPEX spending $25M for 2020 doubles capacity
- Ramping Flex-Mexico capacity from 500K to 1M Microinverters per quarter from Q4’19 to Q4’20
- Capacity of 3.5M Microinverters and 120MWh Storage Per Quarter in Q4’20

OPEX Efficient

- Headcount
  - INDIA/CHINA: 35%
  - ANZ: 14%
  - EMEA: 4%
  - NA: 47%

1 Percentage of worldwide headcount as of Q3’19
2 Estimated CAPEX spending $25M for 2020 doubles capacity
3 Ramping Flex-Mexico capacity from 500K to 1M Microinverters per quarter from Q4’19 to Q4’20
Great technology and intellectual property

Great products enabling new vectors of profitable growth

Laying the financial foundation for the next decade
Residential Solar

Introduce Ensemble™, Enter New Regions, Focus on Tier 3/4 Installers

2022 SAM of 16GW: NA/LATAM 4.4GW, EMEA 4GW, Japan 3GW, APAC 4.6GW

$4B
2022 SAM

$2.5B
2019 SAM

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Europe Growth Plan

Target To Grow Revenue 2X By 2020

Double Sales Headcount in 6 Months

Transfer Top Talent to Europe

Enter 8 Countries in 2020

Focus Small Systems Social Housing Roofing

Grow Small and Medium Installer Base

Market To Homeowners and increase Awareness

Great Product-Market Fit, Time To Execute
New Vectors of Profitable Growth
Increasing SAM from $3.3B in 2019 to $12.5B in 2022

- Residential Solar
- Residential Storage
- Small Commercial Solar
- Offgrid Solar & Storage
Residential Storage

New Installs

$2B
2022 SAM$^{1}$

Enphase Installed Base

$1B
2022 SAM$^{2}$

$500M
2019 SAM$^{1}$

One-stop-shop, Reliable, Scalable, Simple, Safe

---

$^{1}$Source: GTM/Wood Mackenzie Research (Global Energy Storage Outlook 2019), IHS Research (IHS EMEA Report 2019), ENPH Estimates 2022 SAM of 3.6GWh: NA/LATAM 1.6GWh, EMEA 1GWh, APAC 900MWh

$^{2}$ENPH assumption: Retrofit opportunity of ~ 1.5M Enphase homes over 10 years
Small Commercial Solar


2022 SAM of 11GW: NA/LATAM 4.2GW, EMEA 3GW, APAC 3.8GW

Reliable, Rapid Shutdown Compliant, World Class Cost


2022 SAM of 11GW: NA/LATAM 4.2GW, EMEA 3GW, APAC 3.8GW
Offgrid Solar and Storage

Focus on Indian Market

Providing Farmers
Reliable Source of Energy

Reducing
Energy Poverty

Mitigating
Extreme Heat

Source: MNRE, Govt. of India; CEEW India; India Census Data 2011; Symphony Annual Report 2019; ENPH Estimates

1 Installed base of ~30M pumps in 2022. ENPH assumption: Convert 10% of installed base to solar per year for 0.5 - 3HP pumps
2 Total number of homes per 2011 census data is ~123M. ENPH assumption: Convert 3% of installed base to solar and storage every year
3 Installed base of ~20M air coolers in 2022. ENPH assumption: Convert 10% of installed base to solar every year
Recap
Increasing SAM from $3.3B in 2019 to $12.5B in 2022

Residential Solar $4B<sup>1</sup>
Residential Storage $3B<sup>1</sup>
Small Commercial Solar $1.5B<sup>1</sup>
Offgrid Solar & Storage $4B<sup>1</sup>

<sup>1</sup>All the numbers refer to 2022 SAM
Conclusion

Three Pillars of Differentiation: Semiconductor, Software and Ensemble™

Relentless Focus on Customer Experience and GM Management with a Scalable Business Model

Ensemble™ Enables New Vectors for Profitable Growth

SAM Expanding from $3.3B in 2019 to $12.5B in 2022
Raghu Belur
Chief Product Officer
The Power of Semiconductors, Software and Ensemble™

- **High Quality:**
  - Higher Efficiency, Fewer Components
  - IoT System, Over-the-air Upgrades

- **Safety:**
  - No High Voltage DC
  - Lithium Iron Phosphate Chemistry

- **Flexibility:**
  - Modular Design
  - AC Market Place

- **Exceptional Value:**
  - Grid Independence
  - AC Module

- **Supply Chain Efficiency:**
  - One Hardware Platform
  - Configurable SKUs

- **Low Cost:**
  - Resonant Architecture, Power Scaling
  - Semiconductor Integration

- **Great Customer Experience:**
  - One-stop-shop

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Ensemble™ Energy Management Technology

Automatically manages energy resources in your home such as solar, storage, grid, loads and generator

- **SOLAR**
- **GRID**
- **GENERATOR**
- **STORAGE** (Backup, Time of Use)
- **LOADS**
Enlighten™ Cloud

Wireless

Wireless

WiFi/Cellular

Power Line Communication

IQ 6™/IQ 7™

1

IQ™ combiner

3

Enpower™ switch

Main Load Panel

Generator

Home Loads

Encharge™ storage system

IQ 8™

Encharge™ Storage System Makes The System Always-On™
IQ 8™ Residential Microinverter

World’s First Grid Forming Microinverter System
Encharge™ Storage System
Available In Two Configurations

One-stop-shop, Reliable, Scalable, Simple, Safe

10.1kWh

3.4kWh
Gearing up for Ensemble™ 2.0

Addition of IQ 8™ Grid-Independent Solar Significantly Improves Performance
IQ 8D™ Commercial Microinverter

One 640W_{AC} Microinverter Supports Two 400W_{DC} Panels

50% Greater Power Density\(^1\)

500 dppm Reliability Target

97.5% Efficiency

\(^1\) Power Density in W/cm\(^3\) compared to IQ 8™
Supports Multiple Applications for the Indian Market

1 Lithium Iron Phosphate
Solar Water Pump

Problem
Farmers in India have unreliable and intermittent grid power
Current solutions with Variable Frequency Drive (VFD) and Inverters are inefficient

Current Solutions

1. Utility Grid → Solar Water Pump
2. Solar Panels → Controller (VFD) → Solar Water Pump
3. Solar Panels → Switch → String Inverter → Utility Grid

Enphase Solution

- Ensemble Integrates VFD and Inversion Functions
- Rugged, Simple and Safe

Ensemble-In-A-Box™
Air Cooler

Problem
No viable solution for extreme heat in certain regions of India
Both grid and diesel generators are unreliable

Current Solutions

<table>
<thead>
<tr>
<th></th>
<th>Utility Grid</th>
<th>Air Cooler</th>
<th>Diesel Generator</th>
<th>Air Cooler</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
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</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
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</tbody>
</table>

Enphase Solution

Ensemble Helps Provide a Reliable Source of Energy
Rugged, Simple and Safe

Solar Panels → Ensemble-In-A-Box™ → Air Cooler
Standalone System

Problem
Over 300 million\(^1\) people in Asia, mainly in India, are living in energy poverty. Current solutions with DC systems are inefficient.

Current Solutions

- Solar Panels
- DC System with Lead Acid Battery
- DC Appliances

Enphase Solution

- Solar Panels
- Ensemble-In-A-Box\(^\text{TM}\)
- Standard AC Appliances

Ensemble Helps Provide a Viable Source of Energy
Rugged, Simple and Safe

\(^{1}\) Bloomberg New Energy Finance Report, 2018
Recap

Increasing SAM from $3.3B in 2019 to $12.5B in 2022

Residential Solar

IQ 8™
$4B\textsuperscript{1}

Residential Storage

Encharge™
$3B\textsuperscript{1}

Small Commercial Solar

IQ 8D™
$1.5B\textsuperscript{1}

Offgrid Solar & Storage

Ensemble In-A-Box™
$4B\textsuperscript{1}

\textsuperscript{1}All the numbers refer to 2022 SAM
Ensemble™

It’s a game changer...
Conclusion

Semiconductors Bring Greater Efficiencies in Integration

Software Defined Architecture Creates Flexible and Future Proof Designs

Ensemble™ Enables New Categories of Products

One-stop-shop for Home Energy Management
Introducing Two of Our Top Customers

Arthur Souritzidis  
Founder and Chief Executive Officer

Marc Jones  
Founder and Chief Executive Officer
Introducing Momentum Solar

- Founded in 2009
- Enabling customers to take control over rising energy costs by generating cleaner, price-protected power
- Industry leading growth; recognized by Deloitte and Inc.500 as fastest growing residential solar company in the nation
- Over 2,000 employees with operations in New Jersey, New York, California, Florida, Texas, Pennsylvania and Connecticut
- Focus on customer experience, forward thinking in terms of technology and very successful in their markets
Current # of States 7
Current # of Offices 17

Strategic Partnership
Optimal Performance
Durable Equipment
Long-term Warranties
Simplified O&m
Best-in-class Monitoring
Installation Efficiency
Product Innovation
Supply Chain Management

2020 New Offices in Existing Markets (Q1)
Jacksonville, Florida
Weslaco, Texas
San Diego, California

2020 New Markets (Q1)
Phoenix, Arizona
Boston, Massachusetts
Charleston, South Carolina

Year-End Employee Count

2016
NJ - 362

2017
NJ - NY - FL - CA - 618

2018
NJ - NY - FL - CA - TX - PA - CT - 1,166

2019 (As of November)
NJ - NY - FL - CA - TX - PA - CT - 2,253
Founded in 2008

Sunpro Solar is one of the leading providers of rooftop solar for Gulf Coast and Southeast regions


Approximately 1100 employees with operations in Louisiana, Mississippi, Arkansas, Tennessee, Oklahoma, Texas, Georgia, South Carolina and Florida

Focus on customer experience, forward thinking in terms of technology, and very successful in their markets
100% Energized by Enphase Inverters

Revenue

- 2016: $17,106,761
- 2017: $40,774,969
- 2018: $74,526,000
- 2019: $236,000,000

50 MW Installed in 2019

170,000 Enphase Inverters
Eric Branderiz
Chief Financial Officer
New Baseline Financial Model

35% Gross Margin

Pricing Management
New Products
Cost Reductions

15% Operating Expenses¹

Executive Leadership in the U.S.
Core teams in India & New Zealand
No Compromise on Innovation

20% Operating Income¹

Sustainable Profitability
Strong Cash Generating Model

¹ All numbers are Non-GAAP
**Revenue Growth Framework**

- **Residential Solar**
  - $2K¹ revenue per home now
  - 17% SAM CAGR to 2022
  - IQ 8™ brings added value
  - Continue share gain in NA, Grow Europe, Enter Japan

- **Residential Storage**
  - Adds Over $8K revenue² per home
  - ~5% ENPH attach³ on new homes in US by Q4’20
  - $80M retrofit revenue for every 1% of ENPH installed base

- **Small Commercial Solar**
  - $1.5B SAM in 2022
  - 2020 Product launch
  - Targeting similar market share as residential by 2022

- **Offgrid Solar & Storage**
  - Blue Ocean Opportunity
  - 2020 Product launch

---

¹ENPH Assumption: ASP of $100 per Microinverter system and 20 Microinverters per home
²ENPH Assumption: $8K for 10KWh of Storage and Smart Switch
³ENPH Estimate
Strong Balance Sheet

Adjusted FCF

2019 assumes midpoint of Q4’19 guidance. Refer to Appendix for adjusted FCF reconciliation to the most comparable GAAP measure. 2019 ending cash is subject to prepayments received for the ITC safe harbor product shipments we will make in Q1’20.
Conclusion

35-15-20
Our New Baseline Financial Model

Revenue Growth Framework Built on Ensemble™

Strong Balance Sheet and Healthy Free Cash Flow Generation

Laying The Financial Foundation For The Next Decade
Appendix
GAAP to Non-GAAP Reconciliation

$ in Millions

<table>
<thead>
<tr>
<th></th>
<th>Q1’19</th>
<th>Q2’19</th>
<th>Q3’19</th>
<th>Q4’19</th>
<th>FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income (loss) from operations (GAAP)</td>
<td>$7.1</td>
<td>$17.4</td>
<td>$33.7</td>
<td>$40.3</td>
<td>$98.5</td>
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<tr>
<td>Stock-based compensation expenses, restructuring and acquisition related amortization</td>
<td>$4.2</td>
<td>$5.8</td>
<td>$6.5</td>
<td>$7.0</td>
<td>$23.5</td>
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<tr>
<td>Income (loss) from operations (Non-GAAP)</td>
<td>$11.3</td>
<td>$23.2</td>
<td>$40.2</td>
<td>$47.3</td>
<td>$122.0</td>
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$ in Millions

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities</td>
<td>$(28)</td>
<td>$16</td>
<td>$90</td>
</tr>
<tr>
<td>Payments for acquisition reported in cash flows from operating activities</td>
<td>-</td>
<td>10</td>
<td>-</td>
</tr>
<tr>
<td>Purchases of property and equipment</td>
<td>(4)</td>
<td>(4)</td>
<td>(10)</td>
</tr>
<tr>
<td>Adjusted free cash flow</td>
<td>$(33)</td>
<td>$22</td>
<td>$80</td>
</tr>
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</table>

¹Assumes midpoint of guidance for Q4’19
Thank You