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

Form 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2026

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 001-35480

ENPHASE

Enphase Energy, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**20-4645388**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

47281 Bayside Parkway
Fremont, CA 94538
(Address of principal executive offices, including zip code)

(707) 774-7000
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

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 (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an "emerging growth company." See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of July 20, 2026, there were 132,144,648 shares of the registrant's common stock outstanding, $0.00001 par value per share.

ENPHASE ENERGY, INC.

FORM 10-Q FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2026

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

ENPHASE ENERGY, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except par value)
(Unaudited)

	As of	
	June 30, 2026	December 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	$ 529,344	$ 474,318
Marketable securities	408,364	1,038,536
Accounts receivable, net of allowances of $651 and $580 at June 30, 2026 and December 31, 2025, respectively	273,607	229,881
Inventory	285,022	288,047
Prepaid expenses and other current assets	454,200	576,078
Total current assets	1,950,537	2,606,860
Property and equipment, net	136,449	136,804
Intangible assets, net	13,081	22,288
Goodwill	213,231	214,760
Other assets	316,290	222,677
Deferred tax assets, net	289,671	306,403
Total assets	$ 2,919,259	$ 3,509,792
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 124,591	$ 203,039
Accrued liabilities	188,516	217,366
Deferred revenues, current	224,272	180,524
Warranty obligations, current	27,784	29,038
Debt, current	—	632,183
Total current liabilities	565,163	1,262,150
Long-term liabilities:		
Deferred revenues, non-current	358,233	337,923
Warranty obligations, non-current	175,422	185,005
Other liabilities	65,769	65,497
Debt, non-current	572,836	572,194
Total liabilities	1,737,423	2,422,769
Commitments and contingencies (Note 12)		
Stockholders' equity:		
Common stock, $0.00001 par value, 300,000 shares authorized; and 132,131 shares and 131,080 shares issued and outstanding at June 30, 2026 and December 31, 2025, respectively	1	1
Additional paid-in capital	1,364,654	1,289,164
Accumulated deficit	(175,223)	(203,896)
Accumulated other comprehensive income (loss)	(7,596)	1,754
Total stockholders' equity	1,181,836	1,087,023
Total liabilities and stockholders' equity	$ 2,919,259	$ 3,509,792

See Notes to Condensed Consolidated Financial Statements.

ENPHASE ENERGY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net revenues	$ 291,854	$ 363,153	$ 574,754	$ 719,237
Cost of revenues	116,840	192,660	299,347	380,503
Gross profit	175,014	170,493	275,407	338,734
Operating expenses:				
Research and development	45,658	45,421	90,525	95,595
Sales and marketing	45,545	50,708	93,632	99,656
General and administrative	31,334	34,035	64,589	68,070
Restructuring and asset impairment charges	958	3,322	4,785	6,484
Total operating expenses	123,495	133,486	253,531	269,805
Income from operations	51,519	37,007	21,876	68,929
Other income, net				
Interest income	12,154	14,911	24,779	31,943
Interest expense	(327)	(815)	(960)	(2,862)
Other income (expense), net	(1,447)	(8,898)	2,344	(8,912)
Total other income, net	10,380	5,198	26,163	20,169
Income before income taxes	61,899	42,205	48,039	89,098
Income tax provision	(25,820)	(5,153)	(19,366)	(22,316)
Net income	$ 36,079	$ 37,052	$ 28,673	$ 66,782
Net income per share:				
Basic	$ 0.27	$ 0.28	$ 0.22	$ 0.51
Diluted	$ 0.27	$ 0.28	$ 0.22	$ 0.50
Shares used in per share calculation:				
Basic	131,963	131,031	131,652	131,447
Diluted	135,122	135,219	132,788	135,719

See Notes to Condensed Consolidated Financial Statements.

ENPHASE ENERGY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Net income	$ 36,079	$ 37,052	$ 28,673	$ 66,782
Other comprehensive income:				
Foreign currency translation adjustments	(1,196)	6,785	(6,459)	9,804
Marketable securities				
Change in net unrealized gain (loss), net of income tax benefit (provision) of $190 and $939 for the three and six months ended June 30, 2026 and ($37) and ($376) for the three and six months ended June 30, 2025, respectively	(584)	185	(2,891)	1,908
Comprehensive income	$ 34,299	$ 44,022	$ 19,323	$ 78,494

See Notes to Condensed Consolidated Financial Statements.

ENPHASE ENERGY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Common stock and paid-in capital				
Balance, beginning of period	$ 1,319,470	$ 1,128,164	$ 1,289,165	$ 1,084,574
Issuance of common stock from exercise of equity awards	4,171	5,302	4,171	5,369
Payment of withholding taxes related to net share settlement of equity awards	(2,540)	(2,864)	(21,226)	(14,974)
Stock-based compensation expense	43,554	53,896	92,545	109,529
Balance, end of period	$ 1,364,655	$ 1,184,498	$ 1,364,655	$ 1,184,498
Accumulated deficit				
Balance, beginning of period	$ (211,302)	$ (315,856)	$ (203,896)	$ (245,206)
Repurchase of common stock	—	(29,993)	—	(129,957)
Net income	36,079	37,052	28,673	66,782
Excise tax on net stock repurchases	—	(424)	—	(840)
Balance, end of period	$ (175,223)	$ (309,221)	$ (175,223)	$ (309,221)
Accumulated other comprehensive income (loss)				
Balance, beginning of period	$ (5,816)	$ (1,610)	$ 1,754	$ (6,352)
Foreign currency translation adjustments	(1,196)	6,785	(6,459)	9,804
Change in net unrealized gain (loss) on marketable securities, net of tax	(584)	185	(2,891)	1,908
Balance, end of period	$ (7,596)	$ 5,360	$ (7,596)	$ 5,360
Total stockholders' equity, ending balance	$ 1,181,836	$ 880,637	$ 1,181,836	$ 880,637

See Notes to Condensed Consolidated Financial Statements.

ENPHASE ENERGY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Six Months Ended June 30,	
	2026	**2025**
Cash flows from operating activities:		
Net income	$ 28,673	$ 66,782
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	41,011	40,000
Discount from sale of AMPTC generated	16,450	—
Amortization (accretion) of investments purchased at a premium (discount)	5,292	2,278
Provision for credit losses	141	192
Asset impairment	79	1,565
Non-cash interest expense	960	2,507
Change in fair value of debt securities and tax equity fund	2,576	9,141
Stock-based compensation	92,545	109,529
Deferred income taxes	18,076	8,963
Changes in operating assets and liabilities:		
Accounts receivable	(35,674)	10,441
Inventory	3,025	(8,012)
Prepaid expenses and other assets	29,356	(139,814)
Accounts payable, accrued and other liabilities	(115,649)	91,444
Warranty obligations	(10,837)	13,197
Deferred revenues	67,170	(133,170)
Net cash provided by operating activities	143,194	75,043
Cash flows from investing activities:		
Purchases of marketable securities	(29,006)	(485,132)
Maturities and sales of marketable securities	650,060	578,218
Purchases of property and equipment	(34,292)	(22,867)
Issuance of loan receivables	(1,000)	—
Investment in tax equity fund	—	(8,344)
Receipts of loan receivables	10,085	—
Issuance of secured revolving credit facility	(29,000)	—
Net cash provided by investing activities	566,847	61,875
Cash flows from financing activities:		
Settlement of Notes due 2026	(632,500)	—
Settlement of Notes due 2025	—	(102,168)
Proceeds from issuances of common stock under employee equity plans	4,171	5,369
Payments of withholding taxes related to net share settlement of equity awards	(21,226)	(14,974)
Repurchases of common stock	—	(129,957)
Net cash used in financing activities	(649,555)	(241,730)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(5,460)	11,232
Net increase (decrease) in cash, cash equivalents and restricted cash	55,026	(93,580)
Cash, cash equivalents and restricted cash — Beginning of period	474,318	464,116
Cash and cash equivalents — End of period	$ 529,344	$ 370,536
Supplemental disclosures of non-cash investing activities:		
Purchases of property and equipment through tenant improvement allowance	$ —	$ 855
Purchases of property and equipment included in accounts payable	$ 8,588	$ 4,560

See Notes to Condensed Consolidated Financial Statements.

1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

Description of Business

Enphase Energy, Inc. (the "Company") is a global energy technology company. The Company delivers smart, easy-to-use solutions that manage solar generation, storage and communication on one platform.

Basis of Presentation and Consolidation

The accompanying condensed consolidated financial statements are presented in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). The condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation. Certain prior period amounts have been reclassified to conform to the current period presentation.

Unaudited Interim Financial Information

These accompanying unaudited condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("SEC") for interim financial reporting. In the opinion of management, these unaudited condensed consolidated financial statements reflect all adjustments, consisting of normal recurring items, considered necessary to present fairly the Company's financial condition, results of operations, comprehensive income, stockholders' equity and cash flows for the interim periods indicated. The results of operations for the three and six months ended June 30, 2026 are not necessarily indicative of the operating results for the full year.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Significant estimates and assumptions reflected in the financial statements include revenue recognition, allowance for credit losses, stock-based compensation, income tax provision, inventory valuation, government grants, accrued warranty obligations, fair value of debt securities, convertible notes, fair value of acquired intangible assets and goodwill, useful lives of acquired intangible assets and property and equipment, incremental borrowing rate for right-of-use assets and lease liability. These estimates are based on information available as of the date of the financial statements; therefore, actual results could differ materially from those estimates due to risks and uncertainties.

The year-end condensed consolidated balance sheet data was derived from audited consolidated financial statements but does not include all disclosures required by U.S. GAAP. The Company filed audited consolidated financial statements, which included all information and notes necessary for such a complete presentation, in conjunction with its Annual Report on Form 10-K for the year ended December 31, 2025 filed with the SEC on February 17, 2026 (the "Form 10-K").

Summary of Significant Accounting Policies

There have been no changes to the Company's significant accounting policies as described in Note 2, "Summary of Significant Accounting Policies", of the notes to consolidated financial statements included in Part II, Item 8 of the Form 10-K.

Recently Issued Accounting Pronouncements

Not Yet Effective

In November 2024, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2024-03, "Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures" ("ASU 2024-03"), which requires additional disclosure of certain costs and expenses within the notes to the financial statements. ASU 2024-03 will be effective for fiscal years beginning after December 15, 2026, and interim periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact from ASU 2024-03 on its condensed consolidated financial statements disclosures.

In September 2025, the FASB issued ASU 2025-06, “Targeted Improvements to the Accounting for Internal-Use Software” (“ASU 2025-06”), which simplifies the capitalization guidance by removing all references to software development project stages so that the guidance is neutral to different software development methods. ASU 2025-06 is effective for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted. ASU 2025-06 permits an entity to apply the new guidance using a prospective, retrospective or modified transition approach. The Company is currently evaluating the impact from ASU 2025-06 on its condensed consolidated financial statements.

In December 2025, the FASB issued ASU 2025-10, “Accounting for Government Grants Received by Business Entities” (“ASU 2025-10”), which establishes the accounting and presentation for government grants received by a business entity. ASU 2025-10 is effective for annual reporting periods beginning after December 15, 2028, and interim reporting periods within those annual reporting periods. Early adoption is permitted. ASU 2025-10 permits an entity to apply the new guidance using a modified prospective basis, a modified retrospective basis or a full retrospective basis. The Company is currently evaluating the impact from ASU 2025-10 on its condensed consolidated financial statements.

In December 2025, the FASB issued ASU 2025-12, “Codification Improvements” (“ASU 2025-12”), which addresses various improvements across a wide range of topics in the FASB Accounting Standards Codification to correct, clarify, and otherwise enhance the guidance. ASU 2025-12 is effective for fiscal years beginning after December 15, 2026, including interim reporting periods within those fiscal years. Early adoption is permitted, and the transition method may vary on an issue-by-issue basis. The Company is currently evaluating the impact from ASU 2025-12 on its condensed consolidated financial statements and related disclosures.

2. REVENUE RECOGNITION

Disaggregated Revenue

The Company has one major business activity, which is the design, manufacture and sale of solutions for the solar photovoltaic (“PV”) industry. Disaggregated revenue by primary geographical market and timing of revenue recognition for the Company’s single product line were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(In thousands)			
Primary geographical markets:				
United States	$ 226,846	$ 271,330	$ 460,751	$ 534,568
International	65,008	91,823	114,003	184,669
Total	$ 291,854	$ 363,153	$ 574,754	$ 719,237
Timing of revenue recognition:				
Products delivered at a point in time	$ 262,796	$ 329,065	$ 516,778	$ 651,951
Products and services delivered over time	29,058	34,088	57,976	67,286
Total	$ 291,854	$ 363,153	$ 574,754	$ 719,237

Contract Balances

Accounts receivable, and contract assets and contract liabilities from contracts with customers, were as follows:

	June 30, 2026	December 31, 2025
	(In thousands)	
Accounts receivable	$ 273,607	$ 229,881
Long-term accounts receivable (Other assets)	$ 46,131	$ —
Short-term contract assets (Prepaid expenses and other current assets)	$ 34,814	$ 35,976
Long-term contract assets (Other assets)	$ 135,150	$ 115,067
Short-term contract liabilities (Deferred revenues, current)	$ 224,272	$ 180,524
Long-term contract liabilities (Deferred revenues, non-current)	$ 358,233	$ 337,923

The Company receives payments from customers based upon contractual payment terms. Accounts receivable are recorded in an amount that reflects the consideration that is expected to be received in exchange for those goods or services when the right to consideration becomes unconditional.

Contract assets include deferred product costs and commissions associated with the deferred revenue and will be amortized along with the associated revenue. The Company had no asset impairment charges related to contract assets for the six months ended June 30, 2026.

Significant changes in the balances of contract assets (prepaid expenses and other assets) in the six months ended June 30, 2026 were as follows (in thousands):

Contract Assets	
Contract assets, beginning of period	$ 151,043
Amount recognized	(19,477)
Increased due to billings	38,398
Contract assets, end of period	$ 169,964

Contract liabilities are recorded as deferred revenue on the condensed consolidated balance sheets and include payments received in advance of performance obligations under the contract and are realized when the associated revenue is recognized under the contract.

As of June 30, 2026, contract liabilities include approximately $105.8 million cash prepayments or billings under the Investment Tax Credit Five Percent Safe Harbor method for products to be delivered in the third and fourth quarters of 2026, and approximately $45.6 million cash prepayments or billings under the Physical Work Test beginning-of-construction method for products to be delivered through the second quarter of 2031.

Significant changes in contract liabilities (deferred revenue) in the six months ended June 30, 2026 were as follows (in thousands):

Contract Liabilities	
Contract liabilities, beginning of period	$ 518,447
Revenue recognized	(123,141)
Increased due to billings	187,199
Contract liabilities, end of period	$ 582,505

Remaining Performance Obligations

Estimated revenue expected to be recognized in future periods related to performance obligations that were unsatisfied or partially unsatisfied at the end of the reporting period were as follows:

	June 30, 2026
	(In thousands)
Fiscal year:	
2026 (remaining six months)	$ 167,786
2027	110,291
2028	110,644
2029	91,655
2030	60,268
Thereafter	41,861
Total	$ 582,505

3. INVENTORY

Inventory consisted of the following:

	June 30, 2026	December 31, 2025
	(In thousands)	
Raw materials	$ 93,016	$ 102,512
Work-in-process	998	8,353
Finished goods	191,008	177,182
Total inventory	$ 285,022	$ 288,047

4. GOODWILL AND INTANGIBLE ASSETS

The Company's goodwill was as follows:

	June 30, 2026	December 31, 2025
	(In thousands)	
Goodwill, beginning of period	$ 214,760	$ 211,571
Currency translation adjustment	(1,529)	3,189
Goodwill, end of period	$ 213,231	$ 214,760

The Company's purchased intangible assets were as follows:

	June 30, 2026			December 31, 2025		
	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
	(In thousands)					
Intangible assets:						
Indefinite-lived intangibles	$ 286	$ —	$ 286	$ 286	$ —	$ 286
Intangible assets with finite lives:						
Developed technology	47,725	(44,874)	2,851	47,683	(42,242)	5,441
Customer relationships	51,146	(44,922)	6,224	51,114	(42,000)	9,114
Trade-names	37,700	(33,980)	3,720	37,700	(30,253)	7,447
Total purchased intangible assets	$ 136,857	$ (123,776)	$ 13,081	$ 136,783	$ (114,495)	$ 22,288

During the three and six months ended June 30, 2026, intangible assets increased by less than $0.1 million due to the impact of foreign currency translation.

Amortization expense related to finite-lived intangible assets was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(In thousands)			
Developed technology	$ 1,248	$ 1,619	$ 2,580	$ 3,212
Customer relationships	1,370	1,574	2,882	3,109
Trade-names	1,860	1,885	3,727	3,770
Total amortization expense	$ 4,478	$ 5,078	$ 9,189	$ 10,091

Amortization of developed technology is recorded to cost of revenues, amortization of customer relationships and trade-names are recorded to sales and marketing expense, and amortization of certain customer relationships is recorded as a reduction to revenue.

The expected future amortization expense of intangible assets is presented below:

	June 30, 2026
	(In thousands)
Fiscal year:	
2026 (remaining six months)	$ 8,762
2027	4,033
Total	$ 12,795

5. CASH EQUIVALENTS AND MARKETABLE SECURITIES

Cash equivalents and marketable securities consisted of the following:

	June 30, 2026					
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Cash Equivalents	Marketable Securities
	(In thousands)					
Money market funds	$ 55,122	$ —	$ —	$ 55,122	$ 55,122	$ —
Certificates of deposit	6,201	—	—	6,201	—	6,201
Commercial paper	2,946	—	(1)	2,945	—	2,945
Corporate notes and bonds	146,564	85	(189)	146,460	—	146,460
U.S. Government agency securities	253,288	15	(545)	252,758	—	252,758
Total	$ 464,121	$ 100	$ (735)	$ 463,486	$ 55,122	$ 408,364

	December 31, 2025					
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Cash Equivalents	Marketable Securities
	(In thousands)					
Money market funds	$ 186,677	$ —	$ —	$ 186,677	$ 186,677	$ —
Certificates of deposit	14,506	9	—	14,515	—	14,515
Commercial paper	27,886	9	(2)	27,893	14,985	12,908
Corporate notes and bonds	371,895	1,493	(5)	373,383	—	373,383
U.S. Treasuries	93,613	26	—	93,639	29,885	63,754
U.S. Government agency securities	572,311	1,669	(4)	573,976	—	573,976
Total	$ 1,266,888	$ 3,206	$ (11)	$ 1,270,083	$ 231,547	$ 1,038,536

The following table summarizes the contractual maturities of the Company’s cash equivalents and marketable securities as of June 30, 2026:

	Amortized Cost	Fair Value
	(In thousands)	
Due within one year	$ 300,595	$ 300,579
Due within one to three years	163,526	162,907
Total	$ 464,121	$ 463,486

All available-for-sale securities have been classified as current based on management's intent and ability to use the funds in current operations.

6. OTHER FINANCIAL INFORMATION

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist of the following:

	June 30, 2026	December 31, 2025
	(In thousands)	
Prepaid income tax	$ 123,371	$ 354,080
Grant receivable	182,938	76,621
Loan receivable	40,939	48,324
Short-term contract assets	34,814	35,976
Other	72,138	61,077
Total prepaid expenses and other current assets	$ 454,200	$ 576,078

Accrued Liabilities

Accrued liabilities consist of the following:

	June 30, 2026	December 31, 2025
	(In thousands)	
Customer rebates and sales incentives	$ 52,810	$ 79,585
Liability due to supply and service agreements	76,562	62,789
Duties and tariffs	5,172	30,499
Freight	8,517	8,034
Salaries, commissions, incentive compensation and benefits	14,629	9,529
Income tax payable	2,049	4,919
Operating lease liabilities	9,103	8,211
VAT payable	5,114	2,226
Liabilities related to restructuring accruals	715	190
Other	13,845	11,384
Total accrued liabilities	$ 188,516	$ 217,366

7. GOVERNMENT GRANTS

Government grants represent benefits provided by federal, state, or local governments that are not subject to the scope of Accounting Standards Codification ("ASC") 740. The Company recognizes a grant when it has reasonable assurance that it will comply with the grant's conditions and that the grant will be received. Government grants that are not related to long-lived assets are considered income-based grants, which are recognized as a reduction to the related cost of activities that generated the benefit.

In August 2022, the United States enacted the Inflation Reduction Act of 2022 ("IRA"), which includes credits under the Advanced Manufacturing Production Tax Credit ("AMPTC"), to incentivize clean energy component sourcing and production, including for the production of microinverters in the United States. The IRA provides for an AMPTC on microinverters of 11 cents per alternating current watt basis. The AMPTC on microinverters decreases by 25% each year beginning in 2030 and ending after 2032. The Company recognized credits under AMPTC as a reduction to cost of revenues in the condensed consolidated statements of operations for the microinverters manufactured in the United States and sold to customers. Such credit is also reflected as an increase to grant receivable or prepaid income tax on the Company's condensed consolidated balance sheets within prepaid expenses and other current assets.

The following table presents the benefits recognized from AMPTC in the three and six months ended June 30, 2026 and 2025.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands)			
Transactions recorded to cost of revenues:				
AMPTC generated	$ 71,133	$ 61,041	$ 130,945	$ 114,671
Discount from sale of AMPTC generated during 2025(1)	—	—	(18,905)	—
Adjustments to record AMPTC generated in period at fair value	(6,211)	—	(11,431)	—
Net benefit from AMPTC reducing cost of revenues	$ 64,922	$ 61,041	$ 100,609	$ 114,671

(1) In March 2026, the Company entered into an agreement for the sale of $235.0 million of AMPTC it generated during 2025 at 93% of face value, resulting in a discount of approximately $16.5 million. The Company also incurred approximately $2.5 million in transaction-related fees.

In June 2026, the Company entered into a tax credit transfer agreement whereby the Company agreed to sell $150.0 million of AMPTC generated during 2026 at 93% of face value. Associated with this agreement, the Company sold $37.5 million of AMPTC generated in the first quarter of 2026 for approximately $34.9 million and incurred approximately $0.5 million in transaction-related fees.

8. WARRANTY OBLIGATIONS

The Company's warranty obligation activities were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(In thousands)			
Warranty obligations, beginning of period	$ 204,207	$ 203,447	$ 214,043	$ 192,889
Accruals for warranties issued during period	6,026	7,609	11,284	14,918
Expense (benefit) from changes in estimates	(302)	5,509	(7,705)	13,230
Settlements	(4,782)	(6,677)	(10,260)	(13,259)
Increase due to accretion expense	3,370	3,246	6,882	6,306
Change in discount rate[1]	(3,332)	(5,715)	(3,332)	(5,715)
Change in profit element and risk premium[1]	—	—	(3,526)	781
Other	(1,981)	(1,333)	(4,180)	(3,064)
Warranty obligations, end of period	203,206	206,086	203,206	206,086
Less: warranty obligations, current	(27,784)	(33,136)	(27,784)	(33,136)
Warranty obligations, non-current	$ 175,422	$ 172,950	$ 175,422	$ 172,950

(1) Refer to Note 9, "Fair Value Measurements," for additional information about the monetary impact for changes in discount rate and changes in the profit element and risk premium.

Changes in Estimates

On a quarterly basis, the Company uses the best and most complete underlying information available, following a consistent, systematic and rational methodology to determine its warranty obligations. The Company considers all available evidence to assess the reasonableness of all key assumptions underlying its estimated warranty obligations for each generation of microinverter, battery and related accessories. The changes in estimates discussed below resulted from consideration of new or additional information becoming available and subsequent developments. Changes in estimates included in the table above were comprised of the following:

In the three months ended June 30, 2026, the Company recorded $0.3 million in warranty benefit from changes in estimates, primarily due to $0.1 million change in replacement costs and $0.2 million change in return rate expected to be claimed under the Company's warranty over time. In the three months ended June 30, 2025, the Company recorded $5.5 million in warranty expense from changes in estimates, of which $3.7 million related to continuing analysis of field performance data and diagnostic root-cause failure analysis primarily for prior generation products and $1.8 million related to an increase in product replacement costs primarily for estimated additional tariff costs.

In the six months ended June 30, 2026, the Company recorded $7.7 million in warranty benefit from changes in estimates, primarily due to change in replacement costs from lower tariff costs to be incurred. In the six months ended June 30, 2025, the Company recorded $13.2 million in warranty expense from changes in estimates, of which $7.7 million related to an increase in product replacement costs primarily for estimated additional tariff costs and $5.5 million related to continuing analysis of field performance data and diagnostic root-cause failure analysis primarily for prior generation products.

9. FAIR VALUE MEASUREMENTS

The accounting guidance defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance.

The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. An asset's or liability's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Three levels of inputs may be used to measure fair value:

- Level 1 - Valuations based on quoted prices in active markets for identical assets or liabilities that the Company is able to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of such assets or liabilities do not entail a significant degree of judgment.
- Level 2 - Valuations based on one or more quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.
- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The following table presents assets and liabilities measured at fair value on a recurring basis using the above input categories:

	June 30, 2026			December 31, 2025		
	(In thousands)					
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets:						
Cash equivalents:						
Money market funds	$ 55,122	$ —	$ —	$ 186,677	$ —	$ —
Commercial paper	—	—	—	—	14,985	—
U.S. Treasuries	—	—	—	—	29,885	—
Marketable securities:						
Certificates of deposit	—	6,201	—	—	14,515	—
Commercial paper	—	2,945	—	—	12,908	—
Corporate notes and bonds	—	146,460	—	—	373,383	—
U.S. Treasuries	—	—	—	—	63,754	—
U.S. Government agency securities	—	252,758	—	—	573,976	—
Other current assets:						
Investments in debt securities	—	—	29,353	—	—	—
Other assets:						
Investments in debt securities	—	5,705	52,890	—	6,300	55,046
Investment in equity instruments	—	—	5,000	—	—	5,000
Investment in tax equity fund	—	—	475	—	—	754
Total assets measured at fair value	$ 55,122	$ 414,069	$ 87,718	$ 186,677	$ 1,089,706	$ 60,800
Liabilities:						
Warranty obligations:						
Current	$ —	$ —	$ 23,311	$ —	$ —	$ 23,259
Non-current	—	—	162,136	—	—	169,963
Total warranty obligations measured at fair value	—	—	185,447	—	—	193,222
Total liabilities measured at fair value	$ —	$ —	$ 185,447	$ —	$ —	$ 193,222

Notes due 2028

The Company carries the Notes due 2028 (as defined in Note 11, "Debt") at face value less unamortized debt issuance costs on its condensed consolidated balance sheets. The fair value as of June 30, 2026 was determined based on the closing trading price per $100 principal amount as of the last day of trading for the period. The Company considers the fair value of the Notes due 2028 to be a Level 2 measurement as they are not actively traded. As of June 30, 2026, the carrying amount and fair value of the Notes due 2028 was as follows:

	Carrying Amount	Fair Value
	(In thousands)	
Notes due 2028	$ 572,836	$ 534,750

Investments in debt securities

Investments in debt securities are recorded in “Other current assets” and “Other assets” on the condensed consolidated balance sheets. The changes in the balance of investments in debt securities were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(In thousands)			
Balance at beginning of period	$ 61,346	$ 65,157	$ 61,346	$ 64,834
Secured revolving credit facility	29,000	—	29,000	—
Fair value adjustments included in other income (expense), net	(2,398)	(9,464)	(2,398)	(9,141)
Balance at end of period	$ 87,948	$ 55,693	$ 87,948	$ 55,693

In September 2021, the Company invested approximately $13.0 million in secured convertible promissory notes issued by the stockholders of a privately-held company. In February 2026, the notes were amended to extend the maturity date and modify certain other contractual terms. The notes are classified as debt securities, and the Company has elected the fair value option, with changes in fair value recognized in “Other income (expense), net” in the condensed consolidated statements of operations. The fair value option was elected to reduce the operational complexity of accounting for embedded features that would otherwise require bifurcation as a separate unit of account. The notes are categorized as Level 3 within the fair value hierarchy, as the valuation incorporates significant unobservable inputs. The fair value of $10.2 million and $11.0 million as of June 30, 2026 and December 31, 2025, respectively, was estimated using a discounted cash flow methodology, which included assumptions related to implied yield and estimated duration.

In July 2023, the Company invested approximately $15.0 million in a secured convertible promissory note issued by the stockholders of a privately-held company. In July 2026, the notes were amended to extend the maturity date and modify certain other contractual terms. The notes are classified as debt securities, and the Company has elected the fair value option, with changes in fair value recognized in “Other income (expense), net” in the condensed consolidated statements of operations. The fair value option was elected to reduce the operational complexity of accounting for embedded features that would otherwise require bifurcation as a separate unit of account. The notes are categorized as Level 3 within the fair value hierarchy, as the valuation incorporates significant unobservable inputs. The fair value of $14.5 million as of both June 30, 2026 and December 31, 2025 was determined using discounted cash flow methodology, which included assumptions related to implied yield and estimated duration.

Loan receivables

The loan receivables represent financing arrangements provided to certain direct and indirect customers. These loan receivables have contractual maturities ranging from one to three years and are recorded on an amortized cost basis. Interest income is accrued and recognized based on the stated coupon rate, included in “Other income (expense), net” on the condensed consolidated statements of operations. The principal outstanding under the loan receivables were as follows:

	June 30, 2026
	(In thousands)
Current	$ 40,939
Non-current	1,500
Loan receivables	$ 42,439

There was no activity in the allowance for credit losses related to loan receivables during the three and six months ended June 30, 2026.

Variable Interest Entities

The Company holds a non-controlling variable interest in a residential solar and storage finance entity and has extended financing to that entity and one of its wholly owned special-purpose subsidiaries (together, the "Investee"). The Company has determined that the Investee is a variable interest entity ("VIE"). The Company is not the primary beneficiary of the Investee because it does not have the power to direct the activities that most significantly impact the Investee's economic performance and accordingly does not consolidate the Investee.

The following arrangements were in place as of June 30, 2026:

Arrangement	Origination Date	Rate	Maturity	Fair Value	
				(In thousands)	
Non-controlling equity investment (19.99%)	October 23, 2025	—	—	$	5,000
$1.5 million secured loan receivable — Loan 1	August 12, 2025	15% (cash)	December 31, 2027	$	1,712
$1.0 million secured loan receivable — Loan 2	March 15, 2026	15% (cash)	December 31, 2026	$	1,044
$30.0 million secured revolving credit facility (drawn: $29.0 million)	April 10, 2026	9% PIK	April 30, 2027	$	29,353

The Company elected the fair value option for these instruments and measures them at fair value at each reporting date in accordance with ASC 820. The fair value option was elected to eliminate measurement inconsistencies that would otherwise arise from applying different accounting bases across its variable interests in the Investee. The Company has classified these instruments as Level 3 measurements as their fair values are estimated using significant unobservable inputs. The fair values were determined using the discounted cash flow methodology, including key unobservable inputs: (i) market yield reflecting the credit risk, (ii) projected cash flows, and (iii) estimated timing and amount of distributions on the equity investment.

The Company's maximum exposure to loss is limited to the carrying amounts above. On July 3, 2026, the Company amended the secured revolving credit facility agreement (the "Credit Agreement") to increase available aggregate principal amount from $30.0 million to $50.0 million, subject to borrowing base availability, satisfaction of conditions precedent, and lender approval mechanics under the Credit Agreement, as defined. Advances under the Credit Agreement are restricted to permitted expenditures, as defined. The outstanding balance under the Credit Agreement will increase over time as payment in kind ("PIK") interest at 9.0% per annum is capitalized quarterly to the principal balance prior to maturity.

Changes in fair value of the equity investment and Credit Agreement, and interest income on loan receivables (accounted for at amortized cost), are recognized within Other income (expense), net, in the condensed consolidated statements of operations. Loan 2 and the secured revolving credit facility are included within Prepaid expenses and other current assets and Loan 1 and the non-controlling equity investment are included in Other long-term assets.

Warranty Obligations

Fair Value Option for Warranty Obligations Related to Products Sold Since January 1, 2014

The Company made an irrevocable election to account for all eligible warranty obligations associated with products sold since January 1, 2014 at fair value. This election was made to reflect the underlying economics of the time value of money for an obligation that will be settled over an extended period of up to 25 years. The Company estimates the fair value of warranty obligations by calculating the warranty obligations in the same manner as for sales prior to January 1, 2014 and applying an expected present value technique to that result. The expected present value technique, an income approach, converts future amounts into a single current discounted amount. In addition to the key estimates of return rates and replacement costs, the Company used certain Level 3 inputs, which are unobservable and significant to the overall fair value measurement. Such additional assumptions are based on the Company's credit-adjusted risk-free rate ("discount rate") and compensation comprised of a profit element and risk premium required of a market participant to assume the obligation.

The following table provides information regarding changes in non-financial liabilities related to the Company's warranty obligations measured at fair value on a recurring basis using significant unobservable inputs designated as Level 3 for the periods indicated:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(In thousands)			
Balance at beginning of period	$ 185,454	$ 180,053	$ 193,222	$ 170,916
Accruals for warranties issued during period	6,018	7,597	11,268	14,896
Changes in estimates	(273)	3,250	(6,963)	7,876
Settlements	(3,808)	(4,920)	(7,923)	(9,818)
Increase due to accretion expense	3,370	3,246	6,882	6,306
Change in profit element and risk premium	—	—	(3,526)	781
Change in discount rate	(3,332)	(5,715)	(3,332)	(5,715)
Other	(1,982)	(1,332)	(4,181)	(3,063)
Balance at end of period	$ 185,447	$ 182,179	$ 185,447	$ 182,179

Quantitative and Qualitative Information about Level 3 Fair Value Measurements

As of June 30, 2026 and December 31, 2025, the significant unobservable inputs used in the fair value measurement of the Company's liabilities designated as Level 3 were as follows:

			Percent Used (Weighted Average)	
Item Measured at Fair Value	Valuation Technique	Description of Significant Unobservable Input	June 30, 2026	December 31, 2025
Warranty obligations for products sold since January 1, 2014	Discounted cash flows	Profit element and risk premium	14.9%	17.5%
		Credit-adjusted risk-free rate	7.5%	7.3%

Sensitivity of Level 3 Inputs - Warranty Obligations

Each of the significant unobservable inputs is independent of the other. The profit element and risk premium are estimated based on the requirements of a third-party participant willing to assume the Company's warranty obligations, which decreased in the six months ended June 30, 2026, contributing to a $3.5 million change in warranty benefit captured in "Change in profit element and risk premium" in the table above. The discount rate is determined by reference to the Company's own credit standing at the fair value measurement date, which increased in the three and six months ended June 30, 2026 and 2025 due to the increase in the risk free rate and market spreads, contributing to the $3.3 million and $5.7 million, respectively, change in warranty benefit captured in "Change in discount rate" in the table above. Under the expected present value technique, increasing the profit element and risk premium input by 100 basis points would result in a $1.4 million increase to the liability. Decreasing the profit element and risk premium by 100 basis points would result in a $1.4 million reduction to the liability. Increasing the discount rate by 100 basis points would result in a $12.4 million decrease to the liability. Decreasing the discount rate by 100 basis points would result in a $13.9 million increase to the liability.

10. RESTRUCTURING AND ASSET IMPAIRMENT CHARGES

2026 Restructuring Plan

In January 2026, the Company implemented a restructuring plan (the "2026 Restructuring Plan") designed to better align its workforce and cost structure with its business needs, strategic priorities and ongoing commitment to profitable growth.

The following table presents the details of the Company's restructuring charges under the 2026 Restructuring Plan:

	Three Months Ended June 30, 2026	Six Months Ended June 30, 2026
	(In thousands)	
Employee severance and benefits	$ 989	$ 4,445
Contract termination charges	(12)	300
Asset impairment	(19)	40
Total restructuring and asset impairment charges	$ 958	$ 4,785

The following table provides information regarding changes in the Company's accrued restructuring balances under the 2026 Restructuring Plan for the periods indicated:

	Employee Severance and Benefits	Contract Termination Charges	Asset Impairment	Total
		(In thousands)		
Balance as of December 31, 2025	$ —	$ —	$ —	$ —
Charges	4,445	300	40	4,785
Cash payments and receipts, net	(3,578)	(300)	—	(3,878)
Non-cash settlement and other	(152)	—	(40)	(192)
Balance as of June 30, 2026	$ 715	$ —	$ —	$ 715

11. DEBT

The following table provides information regarding the Company's debt:

	June 30, 2026	December 31, 2025
	(In thousands)	
Convertible notes		
Notes due 2028	$ 575,000	$ 575,000
Less: unamortized debt issuance costs	(2,164)	(2,806)
Carrying amount of Notes due 2028	572,836	572,194
Notes due 2026	—	632,500
Less: unamortized debt issuance costs	—	(317)
Carrying amount of Notes due 2026	—	632,183
Total carrying amount of debt	572,836	1,204,377
Less: debt, current	—	(632,183)
Debt, non-current	$ 572,836	$ 572,194

The following table presents the total amount of interest cost recognized in the condensed consolidated statement of operations relating to the Company's notes:

	Three Months Ended June 30,		
	2026	2025	
	Notes due 2028	Notes due 2028	Notes due 2026
	(In thousands)		
Amortization of debt issuance costs	$ 327	$ 327	$ 502

	Six Months Ended June 30,				
	2026		2025		
	Notes due 2028	Notes due 2026	Notes due 2028	Notes due 2026	Notes due 2025
	(In thousands)				
Contractual interest expense	$ —	$ —	$ —	$ —	$ 43
Amortization of debt discount	—	—	—	—	803
Amortization of debt issuance costs	643	317	643	987	75
Total interest cost recognized	$ 643	$ 317	$ 643	$ 987	$ 921

Convertible Senior Notes due 2028

On March 1, 2021, the Company issued $575.0 million aggregate principal amount of its 0.0% convertible senior notes due 2028 (the "Notes due 2028"). The Notes due 2028 will not bear regular interest, and the principal amount of the Notes due 2028 will not accrete. The Notes due 2028 are general unsecured obligations and are governed by an indenture between the Company and U.S. Bank National Association, as trustee. The Notes due 2028 will mature on March 1, 2028, unless earlier repurchased by the Company or converted at the option of the holders. The Company received approximately $566.4 million in net proceeds, after deducting the initial purchasers' discount, from the issuance of the Notes due 2028.

The initial conversion rate for the Notes due 2028 is 3.5104 shares of common stock per $1,000 principal amount of the Notes due 2028 (which represents an initial conversion price of approximately $284.87 per share). Upon conversion, the Company will settle conversions of the Notes due 2028 through payment or delivery, as the case may be, of cash, shares of its common stock or a combination of cash and shares of its common stock, at the Company's election.

The Company may redeem for cash all or any portion of the Notes due 2028, at the Company's election, on or after September 6, 2024, if the last reported sale price of the Company's common stock has been greater than or equal to 130% of the conversion price then in effect for the Notes due 2028 (*i.e.,* $370.33, which is 130% of the current conversion price for the Notes due 2028) for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period ending on, and including, the trading day immediately preceding the date on which the Company provides notice of redemption. The redemption price will equal 100% of the principal amount of the Notes due 2028 to be redeemed, plus accrued and unpaid special interest, if any to, but excluding, the relevant redemption date. No sinking fund is provided for the Notes due 2028.

The Notes due 2028 may be converted on any day prior to the close of business on the business day immediately preceding September 1, 2027, in multiples of $1,000 principal amount, at the option of the holder only under any of the following circumstances: (1) during any calendar quarter commencing after the calendar quarter ending on June 30, 2021 (and only during such calendar quarter), if the last reported sale price of the Company's common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price for the Notes due 2028 on each applicable trading day; (2) during the five business day period after any five consecutive trading day period (the "Measurement Period") in which the "trading price" (as defined in the relevant indenture) per $1,000 principal amount of notes for each trading day of the Measurement Period was less than 98% of the product of the last reported sale price of the Company's common stock and the conversion rate for the Notes due 2028 on each such trading day; (3) if the Company calls any or all of the Notes due 2028 for redemption, at any time prior to the close of business on the scheduled trading day immediately preceding the redemption date; or (4) upon the occurrence of specified corporate events. On and after September 1, 2027 until the close of business on the second scheduled trading day immediately preceding the maturity date of March 1, 2028, holders of the Notes due 2028 may convert their notes at any time, regardless of the foregoing circumstances. Upon the occurrence of a fundamental change (as defined in the relevant indenture), holders may require the Company to repurchase all or a portion of their Notes due 2028 for cash at a price equal to 100% of the principal amount of the notes to be repurchased plus any accrued and unpaid special interest, if any, to, but excluding, the fundamental change repurchase date.

As of June 30, 2026, the sales price of the Company's common stock was not greater than or equal to $370.33 (130% of the notes conversion price) for at least 20 trading days (whether consecutive or not) during a period of 30 consecutive trading days preceding the quarter-ended June 30, 2026. As a result, the Notes due 2028 are not convertible at the holders' option. Accordingly, the Company classified the net carrying amount of the Notes due 2028 of $572.8 million as Debt, non-current on the condensed consolidated balance sheet as of June 30, 2026. As of June 30, 2026, the unamortized deferred issuance cost for the Notes due 2028 was $2.2 million on the condensed consolidated balance sheet.

Notes due 2028 Hedge and Warrant Transactions

In connection with the offering of the Notes due 2028, the Company entered into privately-negotiated convertible note hedge transactions ("Notes due 2028 Hedge") pursuant to which the Company has the option to purchase a total of approximately 2.0 million shares of its common stock (subject to anti-dilution adjustments), which is the same number of shares initially issuable upon conversion of the Notes due 2028, at a price of $284.87 per share. The total cost of the convertible note hedge transactions was approximately $161.6 million. The convertible note hedge transactions are expected generally to reduce potential dilution to the Company's common stock upon any conversion of the Notes due 2028 and/or offset any cash payments the Company is required to make in excess of the principal amount of converted notes, as the case may be.

Additionally, the Company separately entered into privately-negotiated warrant transactions (the "2028 Warrants") whereby the Company sold warrants to acquire approximately 2.0 million shares of the Company's common stock (subject to anti-dilution adjustments) at an initial strike price of $397.91 per share. The Company received aggregate proceeds of approximately $123.4 million from the sale of the 2028 Warrants. If the market value per share of the Company's common stock, as measured under the 2028 Warrants, exceeds the strike price of the 2028 Warrants, the 2028 Warrants will have a dilutive effect on the Company's earnings per share, unless the Company elects, subject to certain conditions, to settle the 2028 Warrants in cash. Taken together, the purchase of the Notes due 2028 Hedge and the sale of the 2028 Warrants are intended to reduce potential dilution from the conversion of the Notes due 2028 and to effectively increase the overall conversion price from $284.87 to $397.91 per share. The 2028 Warrants are only exercisable on the applicable expiration dates in accordance with the Notes due 2028 Hedge. Subject to the other terms of the 2028 Warrants, the first expiration date applicable to the Notes due 2028 Hedge is June 1, 2028, and the final expiration date applicable to the Notes due 2028 Hedge is July 27, 2028.

Given that the transactions meet certain accounting criteria, the Notes due 2028 Hedge and the 2028 Warrants transactions were recorded in stockholders' equity, and they were not accounted for as derivatives and are not remeasured each reporting period.

Convertible Senior Notes due 2026

On March 2, 2026, the Company settled all of its outstanding 0.0% convertible senior notes due 2026 (the "Notes due 2026") for cash consideration of $632.5 million, representing payment of the full principal amount. No shares of the Company's common stock were issued in connection with the settlement, as the conversion value of the Notes due 2026 was less than the principal amount outstanding. As a result of the settlement, there were no Notes due 2026 outstanding as of June 30, 2026.

Notes due 2026 Hedge and Warrant Transactions

In connection with the issuance of the Notes due 2026, the Company entered into privately negotiated convertible note hedge transactions (the "Notes due 2026 Hedge"). The Notes due 2026 Hedge was intended to reduce potential dilution to the Company's common stock upon any conversion of the Notes due 2026 and/or to offset any cash payments the Company would have been required to make in excess of the principal amount upon conversion. The Notes due 2026 Hedge expired on March 2, 2026 in connection with the settlement of the Notes due 2026. No value was realized from the Notes due 2026 Hedge at expiration, as the applicable strike price exceeded the market price of the Company’s common stock.

Additionally, the Company separately entered into privately-negotiated warrant transactions, including in connection with the issuance of additional Notes due 2026 upon the initial purchasers’ exercise of their over-allotment option (the “2026 Warrants”), whereby the Company sold warrants to acquire approximately 2.1 million shares of the Company’s common stock (subject to anti-dilution adjustments) at an initial strike price of $397.91 per share. If the market value per share of the Company’s common stock, as measured under the 2026 Warrants, exceeds the strike price of the 2026 Warrants, the 2026 Warrants will have a dilutive effect on the Company’s earnings per share, unless the Company elects, subject to certain conditions, to settle the 2026 Warrants in cash. The 2026 Warrants are only exercisable on the applicable expiration dates in accordance with the 2026 Warrants. Subject to the other terms of the 2026 Warrants, the first expiration date applicable to the Warrants was June 1, 2026, and the final expiration date applicable to the 2026 Warrants is July 27, 2026.

Given that the transactions meet certain accounting criteria, the Notes due 2026 Hedge and the 2026 Warrants transactions were recorded in stockholders’ equity, and they were not accounted for as derivatives and are not remeasured each reporting period.

12. COMMITMENTS AND CONTINGENCIES

Operating Leases

The Company leases office facilities under noncancellable operating leases that expire on various dates through 2034, some of which may include options to extend the leases for up to 12 years.

The components of lease expense were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(In thousands)			
Operating lease costs	$ 2,686	$ 4,106	$ 5,467	$ 6,923

The components of right of use assets and lease liabilities were as follows:

	June 30, 2026	December 31, 2025
	(In thousands, except years and percentage data)	
Operating leases:		
Operating lease, right of use asset, net (Other assets)	$ 35,720	$ 34,573
Operating lease liabilities, current (Accrued liabilities)	$ 9,103	$ 8,211
Operating lease liabilities, non-current (Other liabilities)	31,426	31,195
Total operating lease liabilities	$ 40,529	$ 39,406
Supplemental lease information:		
Weighted average remaining lease term	5.1 years	5.6 years
Weighted average discount rate	6.2%	6.3%

Supplemental cash flow and other information related to operating leases were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(In thousands)			
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows from operating leases	$ 3,025	$ 2,186	$ 5,870	$ 4,317
Non-cash investing activities:				
Lease liabilities arising from obtaining right-of-use assets	$ 3,220	$ —	$ 5,969	$ 7,260

Undiscounted cash flows of operating lease liabilities as of June 30, 2026 were as follows:

	Lease Amounts
	(In thousands)
Year:	
2026 (remaining six months)	$ 5,917
2027	10,105
2028	9,362
2029	7,195
2030	6,600
Thereafter	9,019
Total lease payments	48,198
Less: imputed lease interest	(7,669)
Total lease liabilities	$ 40,529

Purchase Obligations

The Company has contractual obligations related to component inventory that it and its contract manufacturers procure on its behalf in accordance with its production forecast as well as other inventory related purchase commitments. As of June 30, 2026, these purchase obligations totaled approximately $236.1 million.

Litigation

The Company is subject to various legal proceedings and claims that have arisen in the ordinary course of business and that have not been fully resolved. An accrual for a loss contingency is recognized when it is probable and the amount of loss or recovery can be reasonably estimated. The outcome of litigation is inherently uncertain. If one or more legal matters were resolved against the Company in a reporting period for amounts above management's expectations, the Company's business, results of operations, financial position and cash flows for that reporting period could be materially adversely affected. As of June 30, 2026, in the opinion of management, there was not at least a reasonable possibility the Company may have incurred a material loss, or a material loss greater than a recorded accrual, concerning loss contingencies for asserted legal and other claims.

Tariff Contingencies

On February 20, 2026, the United States Supreme Court issued a ruling in *Learning Resources, Inc. v. Trump* invalidating certain tariffs previously imposed under the International Emergency Economic Powers Act ("IEEPA"). Following this ruling, the U.S. Court of International Trade directed U.S. Customs and Border Protection ("CBP") to establish a process for the submission and review of refund claims related to the affected IEEPA tariffs.

On April 20, 2026, CBP launched an online portal through which companies may submit refund requests for eligible IEEPA tariffs.

The Company received refunds and associated interest of approximately $41.0 million and $11.0 million in the three months ended June 30, 2026 and in July 2026, respectively, from CBP related to tariffs paid during fiscal 2025 and the first quarter of fiscal 2026, of which $45.4 million was recognized as a reduction to cost of revenues during the three and six months ended June 30, 2026, $1.6 million was recognized as interest income in the three and six months ended June 30, 2026, and $5.0 million was capitalized as a cost of inventory as of June 30, 2026.

The Company has submitted additional refund claims for tariffs previously paid and continues to evaluate the recoverability of these amounts. As the approval and timing of such refunds remain uncertain and are contingent upon CBP's review and validation process, the Company has not recognized a receivable as of June 30, 2026 and will not recognize such amounts until they are realized or realizable. The ultimate impact of any future approved refunds, if any, could be material.

Separately, on February 20, 2026, the same day the Supreme Court invalidated the IEEPA tariffs, the President issued a proclamation imposing a temporary import surcharge under Section 122 of the Trade Act of 1974 (the "Section 122"). Unlike the IEEPA tariffs discussed above, which were imposed under emergency economic powers authority and applied at varying country-specific rates, the Section 122 tariffs were imposed pursuant to a statute that authorizes a temporary import surcharge of up to 15% ad valorem for a period not exceeding 150 days under specified balance-of-payments circumstances. On May 7, 2026, the U.S. Court of International Trade held that the Section 122 tariff proclamation was invalid. The government has appealed the ruling, and the Federal Circuit has issued a temporary stay pending appeal. If the Section 122 proclamation is ultimately held invalid and refund mechanisms are established, the Company may be eligible to recover some or all of the Section 122 duties paid. However, the outcome of the appeal and the availability, timing and amount of any potential refunds remain uncertain and are subject to further judicial and administrative proceedings. No receivable for potential Section 122 tariff refunds has been recognized as of June 30, 2026. The authority for Section 122 tariffs expired on July 24, 2026, unless extended by Congress. On July 23, 2026, following an investigation initiated on June 2, 2026 under Section 301 of the Trade Act of 1974, the Administration announced new tariffs ranging from 10% to 12.5% on imports from 60 trading partners. It is uncertain whether additional tariffs or other trade restrictions may be imposed under alternative statutory authorities, whether such measures would withstand legal challenge, and whether any refund process will be available with respect to duties previously paid.

13. STOCKHOLDERS' EQUITY

In July 2023, the board of directors authorized a share repurchase program (the "2023 Repurchase Program") pursuant to which the Company was authorized to repurchase up to $1.0 billion of the Company's common stock. The Company may repurchase shares of common stock from time to time through solicited or unsolicited transactions in the open market, in privately negotiated transactions or pursuant to a Rule 10b5-1 plan.

During the three months ended June 30, 2026, there were no repurchases of common stock. During the three months ended June 30, 2025, the Company repurchased and subsequently retired 702,948 shares of common stock from the open market at an average cost of $42.67 per share for a total of $30.0 million.

During the six months ended June 30, 2026, there were no repurchases of common stock. During the six months ended June 30, 2025, the Company repurchased and subsequently retired 2,297,053 shares of common stock from the open market at an average cost of $56.58 per share for a total of $130.0 million.

As of June 30, 2026, $268.7 million remained available for share repurchases under the 2023 Repurchase Program. In July 2026, the board of directors authorized an extension of the term of the 2023 Repurchase Program. The expiration date of the 2023 Repurchase Program was extended from July 26, 2026 to July 26, 2029, unless terminated earlier by the board of directors. All other terms of the 2023 Repurchase Program remain unchanged.

14. STOCK-BASED COMPENSATION

Stock-based Compensation Expense

Stock-based compensation expense for all stock-based awards, which includes shares purchased under the Company's employee stock purchase plan ("ESPP"), restricted stock units ("RSUs") and performance stock units ("PSUs"), expected to vest is measured at fair value on the date of grant and recognized ratably over the requisite service period.

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The following table summarizes the components of total stock-based compensation expense included in the condensed consolidated statement of operations for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(In thousands)			
Cost of revenues	$ 3,666	$ 4,311	$ 7,250	$ 8,550
Research and development	17,569	20,481	36,403	42,128
Sales and marketing	12,363	16,657	27,080	33,053
General and administrative	9,782	12,368	21,660	25,210
Restructuring	174	79	152	588
Total	$ 43,554	$ 53,896	$ 92,545	$ 109,529

The following table summarizes the various types of stock-based compensation expense for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(In thousands)			
RSUs and PSUs	$ 41,562	$ 52,666	$ 88,930	$ 106,842
ESPP	1,992	1,230	3,615	2,687
Total	$ 43,554	$ 53,896	$ 92,545	$ 109,529

As of June 30, 2026, there was $259.7 million of total unrecognized stock-based compensation expense related to unvested equity awards, which are expected to be recognized over a weighted-average period of 2.2 years.

Equity Awards Activity

Stock Options

No stock options were granted during the six months ended June 30, 2026 and 2025. Stock option activity during the period, as well as stock options outstanding as of June 30, 2026, were immaterial.

Restricted Stock Units

The following table summarizes RSU activity:

	Number of Shares Outstanding	Weighted-Average Fair Value per Share at Grant Date	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value[1]
	(In thousands)		(Years)	(In thousands)
Outstanding at December 31, 2025	3,800	$ 69.01	1.5	$ 121,780
Granted	942	$ 40.11		
Vested	(829)	$ 95.06		$ 34,079
Canceled	(340)	$ 61.54		
Outstanding at June 30, 2026	3,573	$ 56.05	1.5	$ 175,939
Expected to vest at June 30, 2026	3,573	$ 56.05	1.5	$ 175,939

(1) The intrinsic value of RSUs vested is based upon the value of the Company’s stock when vested. The intrinsic value of RSUs outstanding and expected to vest as of June 30, 2026 is based on the closing price of the last trading day during the period ended June 30, 2026. The Company’s stock fair value used in this computation was $49.24 per share.

Performance Stock Units

The following table summarizes PSU activity:

	Number of Shares Outstanding	Weighted-Average Fair Value per Share at Grant Date	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value[(1)]
	(In thousands)		*(Years)*	*(In thousands)*
Outstanding at December 31, 2025	1,640	$ 110.34	1.1	$ 52,541
Granted	1,343	$ 48.02		
Vested	(554)	$ 64.95		$ 23,368
Canceled	(247)	$ 213.56		
Outstanding at June 30, 2026	2,182	$ 71.79	1.5	$ 107,406
Expected to vest at June 30, 2026	2,182	$ 71.79	1.5	$ 107,406

(1) The intrinsic value of PSUs vested is based upon the value of the Company’s stock when vested. The intrinsic value of PSUs outstanding and expected to vest as of June 30, 2026 is based on the closing price of the last trading day during the period ended June 30, 2026. The Company’s stock fair value used in this computation was $49.24 per share.

15. INCOME TAXES

For the three months ended June 30, 2026, the Company recognized an income tax provision of $25.8 million, on an income before income taxes of $61.9 million, compared to an income tax provision of $5.2 million, on income before income taxes of $42.2 million for the three months ended June 30, 2025. For the six months ended June 30, 2026, the Company recognized an income tax provision of $19.4 million, on an income before income taxes of $48.0 million, compared to an income tax provision of $22.3 million, on income before income taxes of $89.1 million for the six months ended June 30, 2025.

The income tax provision for the three months ended June 30, 2026 was calculated using the annualized effective tax rate method and includes the cumulative rate catch-up which represents the tax effects resulting from remeasurement of annualized effective tax rate based on the higher forecasted annual pre-tax income. The adjustment also includes tax expense related to the tariff refund. The tax benefit associated with the impact of AMPTC under Section 45X of the Internal Revenue Code of 1986, as amended (the “Code”), is offset by the tax expense from the cumulative rate catch-up adjustment in the current quarter, profitable foreign jurisdictions, and tax effects of IEEPA tariff refund. AMPTC is generated based on qualifying production and shipment activity and are therefore directly related to the Company’s pretax income; however, the AMPTC is treated as permanent items for income tax accounting purposes and is excluded from the calculation of the annualized effective tax rate.

For the six months ended June 30, 2026, the income tax provision was calculated using the annualized effective tax rate method and primarily reflects tax benefits attributable to the impact of AMPTC under Section 45X of the Code, offset by income in profitable foreign jurisdictions and tax expense related to equity-based compensation shortfalls and the tax effects of the IEEPA tariff refund.

For the three and six months ended June 30, 2025, the income tax provision was calculated using the annualized effective tax rate method and was primarily due to tax expense in U.S. and foreign jurisdictions that are profitable, tax expense from equity compensation shortfalls, and prior year true up adjustments.

In accordance with ASC 740-270, the Company computed its provision for income taxes based on a projected annual effective tax rate, excluding the effects of permanent items and losses generated in jurisdictions for which realization of the related tax benefits is not considered more likely than not. As a result, the Company’s effective tax rate may differ significantly from the U.S. federal statutory rate and may not be indicative of the Company’s annual effective tax rate.

In March 2026, the Company revoked its direct pay election and made a transfer election on its timely filed 2025 federal income tax return to sell $235.0 million of AMPTC generated during 2025 to a third party. In 2026, the Company also agreed to sell $150.0 million of AMPTC generated during 2026. The transfer election did not have a material impact on the income tax provision for the three and six months ended June 30, 2026. Refer to Note 7, "Government Grants" of the notes to condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information.

16. NET INCOME PER SHARE

Basic net income per share is computed by dividing net income by the weighted average number of shares of common stock outstanding during the period. Diluted net income per share is computed in a similar manner, but it also includes the effect of potential common shares outstanding during the period, when dilutive.

The following table presents the computation of basic and diluted net income per share for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(In thousands, except per share data)			
Numerator:				
Net income	$ 36,079	$ 37,052	$ 28,673	$ 66,782
Notes due 2028 and Notes due 2026 financing costs, net	247	625	—	1,230
Adjusted net income	$ 36,326	$ 37,677	$ 28,673	$ 68,012
Denominator:				
Weighted average common shares outstanding used for basic calculation	131,963	131,031	131,652	131,447
Effect of dilutive securities:				
Employee stock-based awards	1,141	113	1,136	197
Notes due 2026	—	2,057	—	2,057
Notes due 2028	2,018	2,018	—	2,018
Weighted average common shares outstanding used for diluted calculation	135,122	135,219	132,788	135,719
Basic and diluted net income per share:				
Net income per share, basic	$ 0.27	$ 0.28	$ 0.22	$ 0.51
Net income per share, diluted	$ 0.27	$ 0.28	$ 0.22	$ 0.50

Diluted earnings per share for the three months ended June 30, 2026 included the dilutive effect of potentially dilutive common shares by application of the treasury stock method for stock options, RSUs, PSUs, ESPP, and includes potentially dilutive common shares by application of the if-converted method for the Notes due 2028. Diluted earnings per share for the six months ended June 30, 2026 included the dilutive effect of potentially dilutive common shares by application of the treasury stock method for stock options, RSUs, PSUs, and ESPP. Diluted earnings per share for the three and six months ended June 30, 2025 includes the dilutive effect of potentially dilutive common shares by application of the treasury stock method for stock options, RSUs, PSUs, ESPP, and includes potentially dilutive common shares by application of the if-converted method for the Notes due 2026 and Notes due 2028. To the extent potential common shares are antidilutive, they are excluded from the calculation of diluted net income per share.

The Company under the relevant sections of the indenture, irrevocably may elect to settle principal in cash and any excess conversion value in cash or shares of the Company's common stock for the Notes due 2028. If and when the Company makes such election, there would be no adjustment to net income and the Company would use the average share price to determine the potential number of shares issuable upon an assumed conversion to be included in the diluted share count.

The Notes due 2026 were convertible at any time from September 1, 2025 until the close of business on the second scheduled trading day immediately preceding the maturity date of March 1, 2026. Upon conversion, the Company had elected, on August 28, 2025, to settle the Notes due 2026 with a combination settlement method, whereby the principal amount would have been settled in cash and any excess conversion value would have been settled in shares of the Company's common stock. As a result, after the election date, there was no adjustment to net income and the Company used the average share price to determine the potential number of shares issuable upon an assumed conversion to be included in the diluted share count.

The following outstanding shares of common stock equivalents were excluded from the calculation of diluted net income per share because their effect would have been antidilutive:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(In thousands)			
Employee stock-based awards	2,348	3,368	2,028	3,434
2025 Warrants	—	940	—	685
Notes due 2025	—	—	—	618
2026 Warrants	1,807	15,663	1,931	12,936
Notes due 2028	—	—	2,018	—
2028 Warrants	2,018	15,369	2,018	12,693
Total	6,173	35,340	7,995	30,366

17. SEGMENT INFORMATION

The Company's chief operating decision maker is the Chief Executive Officer (the "CEO"). The Company has one business activity, which entails the design, development, manufacture and sale of solutions for the PV industry. There are no segment managers who are held accountable for operations, operating results or plans for levels or components below the consolidated unit level. Accordingly, management has determined that the Company has a single operating and reportable segment. The primary measure of segment profit or loss is consolidated net income as presented below and is used by the CEO for the purpose of evaluating segment performance and allocation of budget to support business expansion, new product development and operational efficiencies.

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	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(In thousands)			
Net revenues	$ 291,854	$ 363,153	$ 574,754	$ 719,237
Less:				
Other cost of revenues[(1)]	220,260	247,799	433,528	483,454
Fair value of AMPTC generated	(64,922)	(61,040)	(119,514)	(114,671)
Loss from sale of AMPTC generated during 2025	—	—	18,905	—
Tariff refunds[(2)]	(43,411)	—	(43,411)	—
Stock-based compensation expense	43,554	53,896	92,545	109,529
Acquisition related expenses and amortization[(3)]	4,251	4,467	9,419	8,896
Other restructuring and asset impairment charges[(4)]	784	3,243	4,633	5,896
Other research and development[(5)]	28,089	24,940	54,122	53,467
Other sales and marketing[(6)]	30,533	31,174	61,102	60,877
Other general and administrative[(7)]	21,197	21,667	41,549	42,860
Income from operations	51,519	37,007	21,876	68,929
Total other income, net	10,380	5,198	26,163	20,169
Income before income taxes	61,899	42,205	48,039	89,098
Income tax provision	(25,820)	(5,153)	(19,366)	(22,316)
Net income	$ 36,079	$ 37,052	$ 28,673	$ 66,782

(1) Represents consolidated cost of revenue excluding stock-based compensation, acquisition related amortization, fair value of AMPTC generated, loss from sale of AMPTC generated during 2025 and IEEPA tariff refunds.

(2) Of the $45.4 million refunds recognized as a reduction to cost of revenues in the three and six months ended June 30, 2026, $43.4 million of the tariff costs incurred were previously recorded as a cost of revenues in prior periods.

(3) Represents costs incurred in connection with acquisition-related activities, which are not indicative of normal, recurring operating expenses, and acquisition related amortization.

(4) Represents consolidated restructuring and asset impairment charges excluding stock-based compensation.

(5) Represents consolidated research and development excluding stock-based compensation.

(6) Represents consolidated sales and marketing excluding stock-based compensation and acquisition related amortization.

(7) Represents consolidated general and administrative excluding stock-based compensation and acquisition related expenses.

Refer to Note 2, “Revenue Recognition”, for the table presenting net revenues (based on the destination of shipments).

18. RELATED PARTY TRANSACTIONS

In September 2025, the Company invested $6.3 million in cash to purchase convertible notes with an aggregate principal amount of $7.0 million issued by SunPower Inc. (“SunPower”) (formerly named “Complete Solaria, Inc.”). The SunPower notes are classified as debt securities, and the Company has elected the fair value option, with changes in fair value recognized in Other income (expense), net, in the condensed consolidated statements of operations. The CEO of SunPower also serves as a member of the Company’s Board of Directors, and therefore this transaction constitutes a related party transaction. The notes bear an interest rate of 7% per annum and mature on July 1, 2029. The initial conversion rate is 467.8363 shares of SunPower common stock per $1,000 principal amount of notes (equivalent to a conversion price of approximately $2.14 per share). The terms of the transaction were reviewed and approved by the Company’s Audit Committee and were determined to be on an arm’s-length basis.

On March 1, 2026 and April 9, 2026, the Company, in its capacity as a holder of the SunPower notes, executed a consent that allowed SunPower to issue up to $50.0 million of senior secured notes that can be secured by a first-priority lien on SunPower’s assets and can rank senior to the Company’s unsecured convertible notes. The consent was provided pursuant to the provisions of the existing indenture, which was not modified or amended, and such consent terminated after SunPower issued the $41.0 million of senior secured notes. The Company’s Audit Committee reviewed and approved the consent, and the Company believes the consent was provided on terms consistent with those offered to other note holders and on an arm’s-length basis.

On June 23, 2026, the Company entered into an Equity for Interest Exchange and Consent Agreement (the "Exchange Agreement") with SunPower, pursuant to which the Company agreed to exchange the cash interest payments due on July 1, 2026 and January 1, 2027 under the SunPower notes, totaling approximately $0.5 million, for shares of SunPower common stock (“Exchange Shares”). Under the Exchange Agreement, the number of Exchange Shares was determined by dividing the cash interest payments due by 80% of the 10-day volume-weighted average price of SunPower common stock as of the close of trading on June 29, 2026. The closing of this transaction occurred on July 1, 2026, at which time the Company received 874,064 restricted shares of SunPower common stock. The Company's Audit Committee reviewed and approved the Exchange Agreement, and the Company believes the terms are consistent with those offered to other note holders and continue to be on an arm's-length basis.

The Company holds a non-controlling variable interest in the Investee and has determined that the Investee is a VIE. The Company is not the primary beneficiary of the Investee because it does not have the power to direct the activities that most significantly impact the Investee’s economic performance and accordingly does not consolidate the Investee. Refer to Note 9, “Fair Value Measurements” of the notes to condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information.

19. SUBSEQUENT EVENTS

In July 2026, the Company amended the secured convertible promissory note with a fair value of $14.5 million, which was originally issued in July 2023 by the stockholders of a privately-held company. The amendment extended the maturity date and modified certain other contractual terms. Refer to Note 9, "Fair Value Measurements," for additional information.

On July 3, 2026, the Company amended the Credit Agreement with Investee. The amendment increased the available aggregate principal amount from $30.0 million to $50.0 million. Refer to Note 9, "Fair Value Measurements," for additional information.

In July 2026, the board of directors authorized an extension of the 2023 Repurchase Program for an additional three years until July 26, 2029. Refer to Note 13, "Stockholders’ Equity," for additional information.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

The following discussion and analysis of our financial condition and results of operations should be read together with our condensed consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q. This discussion contains forward-looking statements reflecting our current expectations and involves risks and uncertainties. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expect," "plan," "anticipate," "believe," "estimate," "predict," "intend," "potential," "aim" or "continue" or the negative of these terms or other comparable terminology. Such statements, include but are not limited to statements regarding: our expectations as to future financial performance, including revenue, cost of revenue, expenses, liquidity, cash requirements, and our ability to maintain and grow our profitability; the capabilities, performance and competitive advantage of our technology and products and planned changes; the timing of new product releases, and the anticipated market adoption of our current and future products; expectations regarding the development of our 1.25 megawatt ("MW") IQ® Solid-State Transformer ("IQ SST") product for data centers; our expectations regarding, and our ability to meet, demand for our products; our business strategies, including anticipated trends and operating conditions; growth of and development in markets in which we target, and our expansion into new and existing markets; our performance in operations, including our supply chain management and manufacturing operations and timelines; our product quality and customer service; our expectations regarding qualification of our products for domestic content credit under U.S. tax laws and our ability to meet Foreign Entity of Concern ("FEOC") requirements for our U.S. products; our expectations regarding macroeconomic events and geopolitical developments, including the effects of tariffs, which may impact our business operations, financial performance and the markets in which we, our suppliers, manufacturers and installers operate; our expectations regarding potential growth through engagement in the third-party ownership ("TPO") market; expectations regarding the increased variability in the timing of revenue recognition and cash flows related to safe harbor agreements; expectations regarding the commercial microinverter market opportunity in the United States; market risks associated with financial instruments and foreign currency exchange rates; and the importance of government incentives for solar products, including the impact of recent changes in the tax laws, rules and regulations. You should be aware that the forward-looking statements contained in this report are based on our current views and assumptions, and are subject to known and unknown risks, uncertainties and other factors that may cause actual events or results to differ materially. For a discussion identifying some of the important factors that could cause actual results to vary materially from those anticipated in the forward-looking statements, see below, those discussed in the section entitled "Risk Factors" herein and those included in our Annual Report on Form 10-K for the year ended December 31, 2025 filed on February 17, 2026 (the "Form 10-K"). Unless the context requires otherwise, references in this report to "Enphase," "we," "us" and "our" refer to Enphase Energy, Inc. and its consolidated subsidiaries.

Business Overview

We are a global energy technology company. We deliver smart, easy-to-use solutions that manage solar generation, storage and communication on one platform. Our intelligent microinverters work with virtually every solar panel made, and when paired with our smart technology, result in one of the industry's best-performing clean energy systems. As of June 30, 2026, we have shipped approximately 89.4 million microinverters, and more than 5.3 million Enphase residential and commercial systems have been deployed in over 165 countries.

The Enphase® Energy System brings a high technology, networked approach to solar generation plus energy storage, by leveraging our design expertise across power electronics, semiconductors and cloud-based software technologies. Our integrated approach to energy solutions maximizes a home's energy potential while providing advanced monitoring and remote maintenance capabilities. The Enphase Energy System uses a single technology platform for seamless management of the whole solution of IQ® Microinverters, IQ® Batteries, IQ® Load Controllers, and IQ® EV Charger, allowing rapid commissioning with the Enphase® Installer App, consumption monitoring with our IQ® Combiner™ device with our Enphase IQ® Gateway™ device, and our Enphase® App, a cloud-based energy management platform. System owners can use the Enphase App to monitor their home's solar generation, energy storage and consumption from any web-enabled device. Unlike some of our competitors, who utilize a traditional inverter, or offer separate components of solutions, we have built-in system redundancy in both photovoltaic generation and energy storage, eliminating the risk that comes with a single point of failure. Further, the nature of our cloud-based, monitored system allows for remote firmware and software updates, enabling cost-effective remote maintenance and ongoing utility compliance.

We sell primarily to solar distributors who combine our products with others, including solar module products and racking systems, and resell to installers in each target region. In addition to our solar distributors, we sell directly to select large installers, original equipment manufacturers (“OEMs”) and strategic partners. Our OEM customers include solar module manufacturers who integrate our microinverters with their solar module products and resell to both distributors and installers. Strategic partners include a variety of companies, including industrial equipment suppliers, module companies, energy suppliers and developers of third-party solar finance offerings (such as TPOs). We also sell certain products and services to homeowners primarily in support of our warranty services and legacy product upgrade programs, via our online store.

Events Affecting our Business and Operations

As we have a growing global footprint, we are subject to risk and exposure from the evolving macroeconomic environment, including the effects of military conflicts (including the Iran conflict), increased global inflationary pressures, tariffs and interest rates, fluctuations in foreign currency exchange rates, potential economic slowdowns or recessions, geopolitical pressures and potential regulatory changes, including the unknown impacts of current and future trade regulations. We continuously monitor the direct and indirect impacts of these circumstances on our business and financial results.

One Big Beautiful Bill Act. In July 2025, the One Big Beautiful Bill Act (the “OBBBA”) was enacted, introducing material changes to clean energy tax credit programs that are significant to our business and may impact our financial condition, results of operations and future prospects.

The OBBBA scales back the Investment Tax Credit (the “ITC”) available under Section 25D of the Internal Revenue Code of 1986, as amended (the “Code”), for residential solar and storage systems purchased through cash or loans. Under the new law, the Section 25D credit expired on December 31, 2025. In addition, the OBBBA imposes new timing requirements for eligibility under Section 48E of the Code, which governs ITCs for leased solar and storage systems. Specifically, solar-only projects that did not commence construction within 12 months of the OBBBA’s enactment must be placed in service by December 31, 2027 in order to remain eligible for the credit. Energy storage projects are not subject to this placed-in-service deadline; however, the ITC for storage systems will begin to phase down in 2034 — decreasing to 75% in 2034, 50% in 2035 and phasing out entirely by 2036.

The OBBBA also amends the domestic content bonus credit rules for Section 48E projects. Projects commencing construction after June 16, 2025 must meet a 45% domestic cost threshold, up from 40%.

Additionally, the OBBBA introduces new compliance requirements under the FEOC provisions for both Section 48E of the Code and the Advanced Manufacturing Production Tax Credit (“AMPTC”) under Section 45X of the Code. These provisions establish an escalating threshold of non-FEOC content that must be met by solar and storage projects beginning construction in 2026 and by manufactured components produced beginning in 2026.

In August 2025, U.S. Treasury Department and the Internal Revenue Service (“IRS”) issued revised “beginning of construction” guidance for clean energy tax credits that only applies to Section 48E projects above 1 MW.

In February 2026, the U.S. Treasury Department and the IRS issued guidance under the OBBBA’s FEOC provisions applicable to Sections 48E and 45X of the Code, including rules and interim safe harbors for determining whether projects or manufactured components receive material assistance from prohibited foreign entities. Treasury and the IRS have indicated that additional proposed regulations and safe harbor tables are expected, including guidance addressing ownership, effective control, debt, licensing arrangements and anti-circumvention matters, which could make the compliance requirements more restrictive over time.

These legislative and regulatory developments have impacted and may in the future negatively impact our eligibility for certain tax credits, the attractiveness of our offerings to solar and storage system lease providers, or the overall demand for our products. If we are unable to meet the revised domestic content or FEOC requirements, our ability to qualify for these incentives could be impaired, which may adversely affect our revenue, gross margins, business operations and competitive position.

In March 2026, we entered into an agreement for the sale of $235.0 million of AMPTC we generated during 2025 at 93% of face value, resulting in a discount of approximately $16.5 million. We also incurred approximately $2.5 million in transaction-related fees.

In June 2026, we entered into an agreement for the sale of up to $150.0 million of AMPTC we generated during 2026 at 93% of face value. Of such $150.0 million, in June 2026 we sold $37.5 million of AMPTC generated in the first quarter of 2026 for approximately $34.9 million and incurred approximately $0.5 million in transaction-related fees.

Trade Tariff Uncertainties. The impact of new or existing tariffs, trade restrictions or retaliatory actions on us, the solar industry and our customers continues to create uncertainty and adversely affect our business operations. On February 20, 2026, the United States Supreme Court issued a decision invalidating certain tariffs previously imposed under the International Emergency Economic Powers Act ("IEEPA"). Following this ruling, the U.S. Court of International Trade directed U.S. Customs and Border Protection ("CBP") to establish a process for the submission and review of refund claims related to eligible IEEPA tariffs. On April 20, 2026, CBP launched an online portal through which companies may submit refund requests for eligible IEEPA tariffs. We received refunds and associated interest of approximately $41.0 million and $11.0 million in the three months ended June 30, 2026 and in July 2026, respectively, from CBP related to tariffs paid during fiscal 2025 and the first quarter of fiscal 2026, of which $45.4 million was recognized as a reduction to cost of revenues during the three and six months ended June 30, 2026, $1.6 million was recognized as interest income in the three and six months ended June 30, 2026, and $5.0 million was capitalized as a cost of inventory as of June 30, 2026.

We have submitted additional refund claims for tariffs previously paid and continue to evaluate the recoverability of these amounts. As the approval and timing of such refunds remain uncertain and are contingent upon CBP's review and validation process, we have not recognized a receivable as of June 30, 2026 and will not recognize such amounts until they are realized or realizable. The ultimate impact of any future approved refunds, if any, could be material.

Furthermore, following the Supreme Court's decision, the Administration imposed a temporary import surcharge under Section 122 of the Trade Act of 1974 ("Section 122"). The surcharge was initially set at 10% ad valorem on all imports, and subsequently increased to 15%, the statutory maximum, with certain exceptions for specified commodities (e.g., electronics, critical minerals) and United States-Mexico-Canada Agreement qualified products. The surcharge took effect on February 24, 2026, for a maximum period of 150 days. On May 7, 2026, the U.S. Court of International Trade held that the Section 122 proclamation was invalid. The government has appealed the ruling, and the Federal Circuit issued a temporary stay pending appeal. On July 23, 2026, following an investigation initiated on June 2, 2026 under Section 301 of the Trade Act of 1974, the Administration announced new tariffs ranging from 10% to 12.5% on imports from 60 trading partners. These tariffs were announced shortly before the expiration of the Section 122 tariffs on July 24, 2026. The tariffs apply to many of the countries from whom we source materials and can include some products material to our business. The evolving legal status, and expiration of the Section 122 tariffs creates additional uncertainty regarding our tariff exposure and any potential recovery of Section 122 duties paid during the quarter. If the Section 122 proclamation is ultimately held invalid and refund mechanisms are established, we may be eligible to recover some or all of the Section 122 duties paid. However, the outcome of the appeal and the availability, timing and amount of any potential refunds remain uncertain and are subject to further judicial and administrative proceedings. No receivable for potential Section 122 tariff refunds has been recognized as of June 30, 2026.

We have moved a significant portion of our manufacturing to the United States while continuing to utilize contract manufacturing in China and India. However, certain critical components for our products are still sourced from outside the United States. For example, lithium iron phosphate ("LFP") battery cells used in our storage products are still supplied solely by two vendors located in China. Although we are in the process of searching for other vendors outside of China for future supplies, the expertise and industry for the LFP battery cell is primarily in China, and it will require significant effort to identify alternative, qualified suppliers with the right expertise to develop our battery cells.

An escalation in trade tensions or the implementation of broader tariffs, trade restrictions or retaliatory measures on our products or components originating from countries outside the United States could adversely impact our ability to source necessary components, manufacture products at competitive cost, or sell our products at prices customers are willing to pay. Any such developments could materially and adversely affect our business operations, results of operations and cash flows.

Safe Harbor Agreements. We executed agreements year-to-date through the safe harbor deadline with TPO customers for products totaling approximately $1,081.1 million, of which $202.4 million is under the ITC Five Percent Safe Harbor method and $878.6 million is under the Physical Work Test beginning-of-construction method. These arrangements are designed to support customers' qualification for ITC and have become an increasingly important growth channel for U.S. residential solar and battery adoption following the expiration of the residential ITC under Section 25D of the Code on December 31, 2025.

As of June 30, 2026, contract liabilities included in deferred revenues, current and deferred revenues, non-current on the condensed consolidated balance sheet includes approximately $105.8 million prepayments or billings under the ITC Five Percent Safe Harbor method for products to be delivered in the third and fourth quarters of 2026, and approximately $45.6 million prepayments or billings under the Physical Work Test beginning-of-construction method. Product deliveries and revenue recognition associated with these arrangements may occur over multiple periods through the second quarter of 2031 and are dependent on the timing of product shipment and satisfaction of performance obligations. As a result, the timing and structure of these safe harbor arrangements have contributed to increased variability in the timing of revenue recognition and cash flows between reporting periods.

Demand for Products. The prolonged softness in demand in the solar industry has continued to adversely impact certain distributors and installers, contributing to reduced liquidity, bankruptcies and business closures across the channel. These disruptions have negatively affected our revenue and profitability and could result in higher allowances for credit losses in the future. In Europe, the overall business environment across the region is still challenging, and is expected to remain constrained in 2026. In the United States, uncertainty related to changes in legislation, including from the OBBBA, which eliminated or reduced existing tax credits for clean energy programs, as well as evolving U.S. trade and tariff policies, may further contribute to market volatility and adversely impact customer demand for our products, pricing and our financial performance.

Products

The Enphase Energy System is a comprehensive portfolio of solar, storage and energy management hardware, software and services designed to support residential, commercial and small utility applications. While IQ Microinverters and IQ Batteries represent the most significant components of our revenue, our offering also includes a range of balance-of-system products, grid interconnection and control devices, power management software, monitoring platforms, and other services that together enable integrated energy solutions. Our products are designed to maximize energy production, simplify system design and installation, enhance reliability, and support a wide range of grid-connected, backup and off-grid use cases.

IQ Microinverters. We ship IQ8™ Microinverters into 58 countries worldwide. Our IQ8P™ Residential Microinverters and IQ8P-3P™ Commercial Microinverters, with peak output power of 480 W AC, are designed to maximize energy production and can manage a continuous DC current of 14 amperes, supporting higher powered solar modules through increased energy harvesting. The IQ8P-3P Commercial Microinverter is offered for commercial and industrial applications in North America, Mexico, Colombia, Panama, Costa Rica and 13 Caribbean countries. The IQ8P Residential Microinverter is offered for residential and small commercial applications in North America and for grid-tied applications in South Africa, Mexico, Brazil, India, Thailand, the Philippines, France, Spain, Switzerland, the United Kingdom, Italy, Portugal, Poland, Turkey, Colombia, Panama, Costa Rica, Vietnam, Malaysia, Australia, Fiji, and 13 Caribbean countries.

We began shipping our new IQ9N-3P™ Commercial Microinverter in December 2025. This is the first microinverter powered by advanced gallium nitride (“GaN”) technology and designed for three-phase 480Y/277 V (wye) grid configurations, without using external transformers. The IQ9N-3P Commercial Microinverter helps simplify design complexity, lowers installation and balance of system costs, and improves system efficiency for 480 V commercial projects.

In June 2026, we began shipping our new IQ9S-3P™ Commercial Microinverter, our most powerful microinverter, currently available across the United States. Built with GaN technology, the IQ9S-3P Commercial Microinverter supports high-wattage solar panels up to 770 W and connects directly to three-phase 480Y/277 V (wye) grid configurations without requiring external transformers. Together with the IQ9N-3P Commercial Microinverter, the IQ9S-3P Commercial Microinverter gives us a broader commercial portfolio for the U.S. 480 V three-phase market.

In June 2026, we also launched the IQ9N™ Microinverter for residential solar across the United States and key European markets and in July 2026, we launched the IQ9N Microinverter in Australia and New Zealand. Built with GaN technology, IQ9N Microinverters help enhance energy production from the latest high-power solar panels, and support 16 A of continuous DC current and 427 VA of continuous output power. IQ9N Microinverters are backward compatible with IQ7 and IQ8 Series Microinverters and also compatible with IQ Batteries, enabling homeowners and installers to expand existing Enphase systems.

In 2025, we released a software update in our Enphase IQ Gateway device that enables homeowners with existing legacy IQ7™ Microinverter-based systems to expand their solar capacity with IQ8 Microinverters. This software facilitates seamless interoperability between legacy and current system architectures and is available in North America, Europe, Australia, South Africa, the Philippines and other key markets.

We ship our IQ8HC™ Microinverters, IQ8X™ Microinverters, IQ8P-3P Commercial Microinverters, IQ9N-3P Commercial Microinverters, IQ9S-3P Commercial Microinverters, IQ9N Residential Microinverters, IQ® Battery 5Ps and IQ® Battery 10Cs supplied from manufacturing facilities in the United States with higher domestic content than previous models, that when paired with other U.S.-made solar equipment may qualify for the domestic content bonus tax credit under the Inflation Reduction Act of 2022.

In February 2026, we announced the introduction of Enphase Power Control™ software with our Enphase IQ Gateway device for IQ9™ and IQ8 Microinverter-based small commercial solar systems. Enphase Power Control™ software simplifies interconnections, reduces permitting complexity, and avoids costly utility upgrades, making it easier and more cost-effective to design and install small commercial microinverter systems. This software solution is designed to help installers reduce costs, simplify interconnection requirements, and enable projects that might otherwise not proceed due to unfavorable project economics.

IQ Batteries. We continue to scale our global footprint, by delivering advanced, grid-independent microinverter-based storage systems powered by our proprietary Ensemble OS™ software.

Our fourth-generation Enphase Energy System features the IQ® Battery 10C, IQ® Meter Collar and IQ® Combiner 6C. The IQ Battery 10C is designed to be 30% more energy-dense, occupy 60% less wall space, and cost less than previous models. The IQ Meter Collar simplifies whole-home backup by providing microgrid interconnection device functionality, while the IQ Combiner 6C further streamlines installation by consolidating interconnection equipment into one enclosure. Together, these components are designed to simplify the entire backup installation process and enhance reliability.

Our IQ Battery 10C is now shipping in the United States, including Puerto Rico and Bermuda. This battery provides a base capacity of 10 kWh and is designed to easily scale up to 80 kWh as a homeowner's energy requirements grow. Delivering 7.1 kVA continuous output and 90 A of PowerStart™ capability per 10 kWh unit, the IQ Battery 10C is engineered to seamlessly support heavy household loads like HVAC units and pool pumps, without requiring additional neutral-forming hardware.

We continue to expand the deployment of the IQ Battery 5P with FlexPhase™ technology, an AC-coupled, modular 5 kWh battery with 3.84 kVA of continuous power per unit, for both single-phase and three-phase applications. This product is currently shipping to Austria, Germany, Switzerland, Luxembourg, Poland, France, Spain, Portugal, the Netherlands, Greece, Romania, Croatia, Finland, Malta, Estonia, India, Belgium, Slovenia, Slovakia, Denmark, Latvia, Lithuania, Sweden, Hungary, Bulgaria, North Macedonia, and Australia. The standard IQ Battery 5P continues to ship in the United States, Cayman Islands, Australia, New Zealand, Puerto Rico, Mexico, Canada, the United Kingdom, Italy, France, the Netherlands, Luxembourg, Belgium, Romania and India. These Enphase IQ Batteries in Europe can be installed with both single-phase and three-phase third-party solar energy inverters, enabling homeowners to upgrade their existing home solar systems with a residential battery storage solution that reduces costs while providing increased self-reliance.

Our older Enphase IQ Battery 3T and IQ Battery 10T storage systems, have a usable capacity of 10.1 kWh and 3.4 kWh for the United States, and 10.5 kWh and 3.5 kWh for Europe and other international countries. We currently ship these IQ Battery storage systems customers in the United States, Puerto Rico, Canada, Mexico, Australia, New Zealand, Belgium, Germany, the United Kingdom, Italy, Austria, France, the Netherlands, Luxembourg, Finland, Switzerland, Spain, Portugal, Sweden, Denmark and Greece.

In October 2025, we announced support in the United States for complete off-grid system configurations that are capable of operating without a utility connection when needed. The system requires the IQ Battery 5P with embedded grid-forming microinverters, IQ8 Series Microinverters with Sunlight JumpStart™ technology and a third-party standby AC generator, which all work together to power the home.

In December 2025, we launched our PowerMatch™ technology, a battery software upgrade in Europe. PowerMatch intelligently adjusts IQ Battery output to match a home’s real-time power needs by activating only the microinverters needed, delivering more usable energy, higher efficiency, longer battery life and greater long-term savings. The efficiency gains achieved with this technology can improve battery performance by as much as 40%. In May 2026, we expanded PowerMatch technology to North America, making it available to homeowners with qualifying IQ Battery systems in the United States and Canada.

New Products in Development. In April 2026, we announced that we are developing our 1.25 MW IQ SST product for data centers, a distributed solid-state transformer platform designed to convert medium-voltage AC directly to low-voltage DC in a single stage. The IQ SST will be built as a supercluster of 342 power modules, with each module powered by our custom Kestrel ASIC and high-frequency GaN-based power platform. The architecture is designed to deliver native 800 V DC output for next-generation AI racks, fast response on the order of 1 to 3 milliseconds, built-in redundancy, and serviceability through hot-swappable modules. We expect full system demonstrations later this year.

Results of Operations

Net Revenues

	Three Months Ended June 30,		Change in		Six Months Ended June 30,		Change in	
	2026	2025	$	%	2026	2025	$	%
	(In thousands, except percentages)							
Net revenues	$ 291,854	$ 363,153	$ (71,299)	(20)%	$ 574,754	$ 719,237	$ (144,483)	(20)%

Three months ended June 30, 2026 and 2025

Net revenues decreased by $71.3 million, or 20%, in the three months ended June 30, 2026, as compared to the same period in 2025, driven primarily by a 40% decrease in IQ Batteries MWh shipped and product price decreases, partially offset by a 4% increase in microinverter units sold. During the three months ended June 30, 2026, we sold approximately 1.6 million microinverter units and shipped 113.8 MWh of IQ Batteries, as compared to approximately 1.5 million microinverter units and 190.9 MWh of IQ Batteries shipped in the three months ended June 30, 2025.

Net revenues in the United States were $226.9 million in the three months ended June 30, 2026, as compared to $271.3 million in the same period in 2025, a decrease of $44.4 million, or 16%, primarily due to the expiration of the federal residential clean energy tax credit under Section 25D of the Internal Revenue Code. Microinverter shipments that are associated with safe harbor transactions with customers were $84.3 million and $40.4 million in the three months ended June 30, 2026 and 2025, respectively.

Net revenues from international markets were $65.0 million in the three months ended June 30, 2026, as compared to $91.8 million in the same period in 2025, a decrease of $26.8 million, or 29%, primarily driven by lower shipments to customers in Europe driven by continued softening in demand and delayed purchasing activity. In addition, demand in certain European markets was impacted by macroeconomic conditions, regulatory and incentive framework transitions, and lower electricity prices compared to the same period in 2025, which reduced near-term installation activity and delayed project starts.

Six months ended June 30, 2026 and 2025

Net revenues decreased by $144.5 million, or 20%, in the six months ended June 30, 2026, as compared to the same period in 2025, driven primarily by a 40% decrease in IQ Batteries MWh shipped, 2% decrease in microinverter units sold and product price decreases. During the six months ended June 30, 2026, we sold approximately 3.0 million microinverter units and shipped 216.9 MWh of IQ Batteries, as compared to approximately 3.1 million microinverter units and 361 MWh of IQ Batteries shipped in the six months ended June 30, 2025.

Net revenues in the United States were $460.8 million in the six months ended June 30, 2026, as compared to $534.6 million in the same period in 2025, a decrease of $73.8 million, or 14%, primarily due to the expiration of the federal residential clean energy tax credit under Section 25D of the Internal Revenue Code. Microinverter shipments that are associated with safe harbor transactions with customers were $118.8 million and $94.7 million in the six months ended June 30, 2026 and 2025, respectively.

Net revenues from international markets were $114.0 million in the six months ended June 30, 2026, as compared to $184.7 million in the same period in 2025, a decrease of $70.7 million, or 38%, primarily driven by lower shipments to customers in Europe driven by continued softening in demand and delayed purchasing activity. In addition, demand in certain European markets was impacted by macroeconomic conditions, regulatory and incentive framework transitions, and lower electricity prices compared to the same period in 2025, which reduced near-term installation activity and delayed project starts.

Cost of Revenues and Gross Margin

	Three Months Ended June 30,		Change in		Six Months Ended June 30,		Change in	
	2026	2025	$	%	2026	2025	$	%
	(In thousands, except percentages)							
Cost of revenues	$ 116,840	$ 192,660	$ (75,820)	(39)%	$ 299,347	$ 380,503	$ (81,156)	(21)%
Gross profit	$ 175,014	$ 170,493	$ 4,521	3 %	$ 275,407	$ 338,734	$ (63,327)	(19)%
Gross margin	60.0 %	46.9 %			47.9 %	47.1 %		

Three months ended June 30, 2026 and 2025

Cost of revenues decreased by $75.8 million, or 39%, for the three months ended June 30, 2026, as compared to the same period in 2025. This decrease was primarily driven by $45.4 million IEEPA tariff refunds and a 40% decrease in IQ Batteries MWh shipped.

Gross margin increased by 13.1 percentage points in the three months ended June 30, 2026, as compared to the same period in 2025. The increase was primarily due to 15.6 percentage points from the IEEPA tariff refunds, partially offset by lower shipment volumes of IQ Batteries that resulted in unfavorable absorption of fixed manufacturing and supply chain costs over a lower revenue base.

Six months ended June 30, 2026 and 2025

Cost of revenues decreased by $81.2 million, or 21%, for the six months ended June 30, 2026, as compared to the same period in 2025. This decrease was primarily driven by $45.4 million IEEPA tariff refunds, a 40% decrease in IQ Batteries MWh shipped and a 2% decrease in microinverter units shipped.

This decrease in cost of revenues was partially offset by a $18.9 million loss from the sale of tax credits generated during 2025.

Gross margin increased by 0.8 percentage points in the six months ended June 30, 2026, as compared to the same period in 2025. The increase was primarily due to 7.9 percentage points from the IEEPA tariff refunds, partially offset by 3.3 percentage points from the sale of tax credits generated during 2025, and lower shipment volumes of microinverters and IQ Batteries, which resulted in unfavorable absorption of fixed manufacturing and supply chain costs over a lower revenue base.

Research and Development

	Three Months Ended June 30,		Change in		Six Months Ended June 30,		Change in	
	2026	2025	$	%	2026	2025	$	%
	(In thousands, except percentages)							
Research and development	$ 45,658	$ 45,421	$ 237	1 %	$ 90,525	$ 95,595	$ (5,070)	(5)%
Percentage of net revenues	16 %	13 %			16 %	13 %		

Three months ended June 30, 2026 and 2025

Research and development expense increased by $0.2 million, or 1%, in the three months ended June 30, 2026, as compared to the same period in 2025. The increase was primarily due to a $1.3 million increase in equipment and professional services for IQ SST and other next generation products, partially offset by actions in connection with the restructuring initiatives implemented at the beginning of 2026 that lowered personnel-related expenses as a result of a reduction in headcount by $1.1 million. The amount of research and development expenses may fluctuate from period to period due to the differing levels and stages of development activity for our products.

Six months ended June 30, 2026 and 2025

Research and development expense decreased by $5.1 million, or 5%, in the six months ended June 30, 2026, as compared to the same period in 2025. The decrease was primarily due to actions in connection with the restructuring initiatives implemented at the beginning of 2026 that lowered personnel-related expenses as a result of a reduction in headcount by $5.6 million, partially offset by higher professional services costs of $0.4 million. The amount of research and development expenses may fluctuate from period to period due to the differing levels and stages of development activity for our products.

Sales and Marketing

	Three Months Ended June 30,		Change in		Six Months Ended June 30,		Change in	
	2026	2025	$	%	2026	2025	$	%
	(In thousands, except percentages)							
Sales and marketing	$ 45,545	$ 50,708	$ (5,163)	(10)%	$ 93,632	$ 99,656	$ (6,024)	(6)%
Percentage of net revenues	16 %	14 %			16 %	14 %		

Three months ended June 30, 2026 and 2025

Sales and marketing expense decreased by $5.2 million, or 10%, in the three months ended June 30, 2026, as compared to the same period in 2025. The decrease was primarily due to actions in connection with the restructuring initiatives implemented at the beginning of 2026 that lowered personnel-related expenses by $4.4 million and professional services, advertising and corporate expenses by $0.7 million as a result of moving certain functions to more cost efficient regions and leveraging advanced artificial intelligence tools.

Six months ended June 30, 2026 and 2025

Sales and marketing expense decreased by $6.0 million, or 6%, in the six months ended June 30, 2026, as compared to the same period in 2025. The decrease was primarily due to actions in connection with the restructuring initiatives implemented at the beginning of 2026 that lowered personnel-related expenses by $4.8 million and professional services, advertising and corporate expenses by $1.2 million as a result of moving certain functions to more cost efficient regions and leveraging advanced artificial intelligence tools.

General and Administrative

	Three Months Ended June 30,		Change in		Six Months Ended June 30,		Change in	
	2026	2025	$	%	2026	2025	$	%
	(In thousands, except percentages)							
General and administrative	$ 31,334	$ 34,035	$ (2,701)	(8)%	$ 64,589	$ 68,070	$ (3,481)	(5)%
Percentage of net revenues	11 %	9 %			11 %	9 %		

Three months ended June 30, 2026 and 2025

General and administrative expense decreased by $2.7 million, or 8%, in the three months ended June 30, 2026, as compared to the same period in 2025. The decrease was primarily due to actions in connection with the restructuring initiatives implemented at the beginning of 2026 that lowered personnel-related expenses by $1.9 million and lowered equipment and other corporate costs by $0.8 million.

Six months ended June 30, 2026 and 2025

General and administrative expense decreased by $3.5 million, or 5%, in the six months ended June 30, 2026, as compared to the same period in 2025. The decrease was primarily due to actions in connection with the restructuring initiatives implemented at the beginning of 2026 that lowered personnel-related expenses by $3.2 million and lowered equipment and other corporate costs by $0.3 million.

Restructuring and Asset Impairment Charges

	Three Months Ended June 30,		Change in		Six Months Ended June 30,		Change in	
	2026	2025	$	%	2026	2025	$	%
	(In thousands, except percentages)							
Restructuring and asset impairment charges	$ 958	$ 3,322	$ (2,364)	(71)%	$ 4,785	$ 6,484	$ (1,699)	(26)%
Percentage of net revenues	0.3 %	0.9 %			0.8 %	0.9 %		

Three months ended June 30, 2026 and 2025

Restructuring and asset impairment charges of $1.0 million in the three months ended June 30, 2026, primarily consisted of employee related expenses. Restructuring charges of $3.3 million in the three months ended June 30, 2025, primarily consisted of $1.5 million of asset impairment charges, $1.0 million of employee related expenses and $0.8 million of contract termination charges.

Six months ended June 30, 2026 and 2025

Restructuring and asset impairment charges of $4.8 million in the six months ended June 30, 2026, primarily consisted of $4.4 million of employee related expenses, $0.3 million of contract termination charges and $0.1 million of asset impairment. Restructuring charges of $6.5 million in the six months ended June 30, 2025, primarily consisted of $4.4 million of employee related expenses, $1.5 million of asset impairment charges and $0.6 million of contract termination charges.

Other Income, Net

	Three Months Ended June 30,		Change in		Six Months Ended June 30,		Change in	
	2026	2025	$	%	2026	2025	$	%
	(In thousands, except percentages)							
Interest income	$ 12,154	$ 14,911	$ (2,757)	(18)%	$ 24,779	$ 31,943	$ (7,164)	(22)%
Interest expense	(327)	(815)	488	(60)%	(960)	(2,862)	1,902	(66)%
Other income (expense), net	(1,447)	(8,898)	7,451	(84)%	2,344	(8,912)	11,256	(126)%
Total other income, net	$ 10,380	$ 5,198	$ 5,182	100 %	$ 26,163	$ 20,169	$ 5,994	30 %

Three months ended June 30, 2026 and 2025

Interest income of $12.2 million decreased in the three months ended June 30, 2026, as compared to $14.9 million in the three months ended June 30, 2025, primarily due to lower average cash, cash equivalents and marketable securities, and lower interest rates.

Interest expense, net, of $0.3 million in the three months ended June 30, 2026, primarily included amortization of debt issuance costs with our 0.0% convertible senior notes due 2028 (the “Notes due 2028”). Interest expense of $0.8 million in the three months ended June 30, 2025, primarily included $0.8 million for the amortization of debt issuance costs with our 0.0% convertible senior notes due 2026 (the “Notes due 2026”) and the Notes due 2028, and other interest.

Other expense, net, of $1.4 million in the three months ended June 30, 2026, primarily consisted of $2.6 million non-cash expense related to change in the fair value of debt securities and a $0.4 million net foreign currency loss from remeasurement of monetary assets and liabilities, partially offset by $1.6 million tariff interest refund. Other expense, net, of $8.9 million in the three months ended June 30, 2025, primarily consisted of $9.5 million non-cash expense related to change in the fair value of debt securities and $0.1 million change in tax equity, partially offset by $0.7 million net gain due to foreign currency denominated monetary assets and liabilities.

Six months ended June 30, 2026 and 2025

Interest income of $24.8 million decreased in the six months ended June 30, 2026, as compared to $31.9 million in the six months ended June 30, 2025, primarily due to lower average cash, cash equivalents and marketable securities, and lower interest rates.

Interest expense of $1.0 million in the six months ended June 30, 2026, primarily included amortization of debt issuance costs with the Notes due 2026 and the Notes due 2028. Interest expense of $2.9 million in the six months ended June 30, 2025, primarily included the coupon interest, debt discount amortization with the Notes due 2025, and amortization of debt issuance costs with the Notes due 2025, Notes due 2026 and Notes due 2028, and other interest.

Other income, net of $2.3 million in the six months ended June 30, 2026, primarily consisted of $1.6 million tariff interest refund, $1.4 million realized gain from sale of marketable securities, $1.7 million gain related to the sale of patents, and $0.4 million net foreign currency gain from remeasurement of monetary assets and liabilities, partially offset by $2.4 million non-cash expense related to change in the fair value of debt securities and $0.2 million decrease in the fair value of our tax equity fund investment. Other expense, net, of $8.9 million in the six months ended June 30, 2025, primarily consisted of $9.1 million non-cash expense related to change in the fair value of debt securities and $0.1 million in realized loss on investments, partially offset by $0.3 million net gain due to foreign currency denominated monetary assets and liabilities.

Income Tax Provision

	Three Months Ended June 30,		Change in		Six Months Ended June 30,		Change in	
	2026	2025	$	%	2026	2025	$	%
	(In thousands, except percentages)							
Income tax provision	$ (25,820)	$ (5,153)	$ (20,667)	401 %	$ (19,366)	$ (22,316)	$ 2,950	(13)%

Three months ended June 30, 2026 and 2025

For the three months ended June 30, 2026, we recorded an income tax provision of $25.8 million, as compared to an income tax provision of $5.2 million in the same period in 2025. This $20.7 million change primarily reflects the cumulative rate catch-up adjustment in the current quarter and tax effects related to the IEEPA tariff refund.

The income tax provision for the three months ended June 30, 2026 was calculated using the annualized effective tax rate method and primarily reflects tax benefits associated with the impact of the AMPTC. While AMPTC is directly related to qualifying production and shipment activity and pretax income, it is treated as permanent items for income tax accounting purposes and is excluded from the annualized effective tax rate calculation. As a result, our effective tax rate for the period reflects the impact of these permanent benefits and may not be indicative of the statutory tax rate or expected annual effective tax rate.

The benefits from the AMPTC were offset by tax expense from the cumulative rate catch up adjustment in the current quarter, profitable foreign jurisdictions and tax effects of the IEEPA tariff refund. We continue to apply the interim income tax methodology prescribed by ASC 740-270.

Six months ended June 30, 2026 and 2025

For the six months ended June 30, 2026, we recorded an income tax provision of $19.4 million, as compared to an income tax provision of $22.3 million in the same period in 2025. This $3.0 million change primarily reflects the lower profitability in current-year period, principally in the United States, and tax effects related to the IEEPA tariff refund.

The income tax provision for the six months ended June 30, 2026 was calculated using the annualized effective tax rate method and primarily reflects tax benefits associated with the impact of the AMPTC. While AMPTC is directly related to qualifying production and shipment activity and pretax income, it is treated as permanent items for income tax accounting purposes and is excluded from the annualized effective tax rate calculation. As a result, our effective tax rate for the period reflects the impact of these permanent benefits and may not be indicative of the statutory tax rate or expected annual effective tax rate.

These benefits were partially offset by tax expense in profitable foreign jurisdictions and tax expense related to equity-based compensation shortfalls, which were generally consistent with the prior-year period, and tax effects of the IEEPA tariff refund. We continue to apply the interim income tax methodology prescribed by ASC 740-270.

Liquidity and Capital Resources

Sources of Liquidity

As of June 30, 2026, we had $1.4 billion in net working capital, including cash, cash equivalents and marketable securities of $937.7 million, of which $766.8 million was held in the United States. Our cash, cash equivalents and marketable securities primarily consist of U.S. Government agency securities and treasuries, money market mutual funds, corporate notes and bonds, commercial paper and certificates of deposit, and both interest-bearing and non-interest-bearing deposits, with the remainder held in various foreign subsidiaries. We consider amounts held outside the United States to be accessible and have provided for the estimated withholding tax liability on the repatriation of our foreign earnings.

	Six Months Ended June 30,		Change in	
	2026	2025	$	%
	(In thousands, except percentages)			
Cash, cash equivalents and marketable securities	$ 937,708	$ 1,530,184	$ (592,476)	(39)%
Total debt	$ 572,836	$ 1,202,719	$ (629,883)	(52)%

Our cash, cash equivalents and marketable securities decreased by $592.5 million from June 30, 2025 to June 30, 2026, primarily due to payoff of the Notes due 2026, investments in private and public companies, issuance of loan receivables and payments of withholding taxes related to net share settlement of equity awards, partially offset by cash generated from operations and the sale of AMPTC we generated during 2025 and the first quarter of 2026.

Total carrying amount of debt decreased by $629.9 million from June 30, 2025 to June 30, 2026, primarily due to the payoff of the Notes due 2026, partially offset by accretion of issuance costs.

We expect our principal short-term cash requirements (over the next 12 months) to include working capital, strategic investments, acquisitions, repurchases of common stock and payments of withholding taxes for net share settlement of employee equity awards, payments on our outstanding debt, and purchases of property and equipment. We plan to fund any cash requirements for the next 12 months from our existing cash, cash equivalents and marketable securities on hand, and cash generated from operations.

For the long-term period (beyond 12 months), we plan to continue growing cash flows from operations and sale of AMPTC to support our business operations and strategic investment plans. We regularly evaluate our liquidity position, debt obligations and anticipated cash needs. As part of this ongoing assessment, we may pursue additional financing through the issuance of equity or debt, as necessary, to support our operational and investment needs.

We anticipate that access to the debt market will be more constrained compared to prior periods due to elevated interest rates and recent policy changes to solar tax incentives following the enactment of the OBBBA. Our ability to secure debt or any other additional financing that we may choose to, or need to, obtain, will depend on various factors including our development efforts, business plans, operating performance and prevailing capital market conditions.

Repurchase of Common Stock. In July 2023, our board of directors authorized the 2023 Repurchase Program pursuant to which we could repurchase up to $1.0 billion of our common stock. Repurchases were funded from available working capital and marketable securities and were executed from time to time, subject to general business and market conditions and other investment opportunities, through open market purchases or privately negotiated transactions, including under Rule 10b5-1 plans. As of June 30, 2026, $268.7 million remained available for share repurchases under the 2023 Repurchase Program. In July 2026, our board of directors authorized an extension of the term of the 2023 Repurchase Program. The expiration date of the 2023 Repurchase Program was extended from July 26, 2026 to July 26, 2029, unless terminated earlier by the board of directors. All other terms of the 2023 Repurchase Program remain unchanged.

Convertible Notes. As of June 30, 2026, our aggregate principal convertible notes obligations were the Notes due 2028 of $575.0 million. Upon any conversion of the Notes due 2028, we expect to pay cash equal to the principal amount, and at our election, we will pay or deliver cash and/or shares of our common stock for any conversion premium.

Operating Leases. We have entered into various non-cancelable operating leases primarily for our facilities with original lease periods expiring through the year 2034, with the most significant leases relating to our offices in Fremont and Petaluma, California, Arlington, Texas and Bengaluru, India. As of June 30, 2026, we had total operating lease obligations of $40.5 million recorded on our condensed consolidated balance sheet.

Other Material Cash Requirements. As of June 30, 2026, we had open purchase obligations of $236.1 million related to component inventory that we and our primary contract manufacturers procure on our behalf in accordance with our production forecast as well as other inventory related purchase commitments. The timing of purchases in future periods could differ materially from estimates presented above due to fluctuations in demand requirements related to varying sales levels as well as changes in economic conditions.

Cash Flows. The following table summarizes our cash flows for the periods presented:

	Six Months Ended June 30,	
	2026	2025
	(In thousands)	
Net cash provided by operating activities	$ 143,194	$ 75,043
Net cash provided by investing activities	566,847	61,875
Net cash used in financing activities	(649,555)	(241,730)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(5,460)	11,232
Net increase (decrease) in cash, cash equivalents and restricted cash	$ 55,026	$ (93,580)

Cash Flows from Operating Activities

Cash flows from operating activities consisted of our net income adjusted for certain non-cash reconciling items, such as stock-based compensation expense, discount from the sale of AMPTC generated during 2025, asset impairment, non-cash interest expense, change in the fair value of debt securities, deferred income taxes, depreciation and amortization, amortization (accretion) of premium (discount) on marketable securities, provision for credit losses, and changes in our operating assets and liabilities. Net cash provided by operating activities increased by $68.2 million for the six months ended June 30, 2026, as compared to the same period in 2025, primarily due to net cash proceeds of $218.1 million and $34.9 million we received in March 2026 and June 2026, respectively, for the sale of $235.0 million and $37.5 million, respectively, of AMPTC contributing to a favorable change in working capital, partially offset by $207.1 million higher cash outflows from accounts payable, accrued expenses and other current liabilities.

Cash Flows from Investing Activities

For the six months ended June 30, 2026, net cash provided by investing activities of $566.8 million was primarily from the net maturities of $621.1 million of marketable securities and $10.0 million of repayments from a loan receivable, partially offset by $34.3 million used in purchases of test and assembly equipment for U.S. manufacturing related facility improvements and information technology enhancements, $29.0 million used in the issuance of a secured revolving credit facility and $1.0 million used for the issuance of a loan receivable.

For the six months ended June 30, 2025, net cash provided by investing activities of $61.9 million was primarily from the maturities of $93.1 million of marketable securities, net of purchases, partially offset by $22.9 million used in purchases of test and assembly equipment for U.S. manufacturing related facility improvements and information technology enhancements, including capitalized costs related to internal-use software and $8.3 million used in an investment in a tax equity fund.

Cash Flows from Financing Activities

For the six months ended June 30, 2026, net cash used in financing activities of approximately $649.6 million was primarily from payment of $632.5 million towards the settlement of the Notes due 2026 and payment of $21.2 million in employee withholding taxes related to net share settlement of employee equity awards, partially offset by net proceeds from purchases under our employee stock purchase plan of $4.2 million.

For the six months ended June 30, 2025, net cash used in financing activities of approximately $241.7 million was primarily from payment of $130.0 million used to repurchase our common stock under the 2023 Repurchase

Program, $102.2 million towards the settlement of the Notes due 2025, and payment of $15.0 million in employee withholding taxes related to net share settlement of employee equity awards, partially offset by net proceeds from purchases under our employee stock purchase plan of $5.4 million.

Critical Accounting Policies and Estimates

Our condensed consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). In connection with the preparation of our condensed consolidated financial statements, we are required to make assumptions and estimates about future events and apply judgments that affect the reported amounts of assets, liabilities, revenue, expenses and related disclosures. We base our assumptions, estimates and judgments on historical experience, current trends and other factors that management believes to be relevant at the time our condensed consolidated financial statements are prepared. On a regular basis, we review the accounting policies, assumptions, estimates and judgments to ensure that our condensed consolidated financial statements are presented fairly and in accordance with U.S. GAAP. However, because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates. To the extent that there are material differences between these estimates and actual results, our future financial statement presentation, financial condition, results of operations and cash flows will be affected.

We consider an accounting policy to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made, and if different estimates that reasonably could have been used, or changes in the accounting estimates that are reasonably likely to occur periodically, could materially impact the condensed consolidated financial statements. There have been no changes to our critical accounting policies as described in the Form 10-K.

Adoption of New and Recently Issued Accounting Pronouncements

For a discussion of adoption of new and recently issued accounting pronouncements, refer to Note 1, "Description of Business and Basis of Presentation", of the notes to condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes in our market risk compared to the disclosures in Part II, Item 7A, "Quantitative and Qualitative Disclosures About Market Risk", in the Form 10-K. Also see the section entitled "Risk Factors" in Part I, Item 1A in the Form 10-K.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2026. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), includes, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Based on the evaluation of our disclosure controls and procedures as of June 30, 2026, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective.

Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Changes in Internal Control

There were no changes in our internal control over financial reporting identified in management's evaluation pursuant to Rules 13a-15(d) or 15d-15(d) of the Exchange Act during the period covered by this Quarterly Report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we might be subject to various legal proceedings relating to claims arising out of our operations. The outcome of litigation is inherently uncertain. If one or more legal matters were resolved against us in a reporting period for amounts above management's expectations, our business, results of operations, financial position and cash flows for that reporting period could be materially adversely affected. Except as described in this Item 1, we are not currently involved in any material legal proceedings, the ultimate disposition of which could have a material adverse effect on our operations, financial condition or cash flows.

Securities Class Action Lawsuits

On July 15, 2024, a putative class action complaint was filed against us, our chief executive officer and our chief financial officer (collectively, the "Initial Defendants") in the United States District Court for the Northern District of California, captioned Hayes v. Enphase Energy, Inc., Case No. 3:24-cv-04249 (the "Securities Class Action"), purportedly on behalf of a class of individuals who purchased or otherwise acquired our common stock between December 12, 2022 and April 25, 2023. The Securities Class Action alleges that Initial Defendants made false and/or misleading statements in violation of Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5 promulgated thereunder. The complaint seeks unspecified monetary damages and other relief.

On or about July 29, 2024, six additional stockholders filed motions to be appointed lead plaintiff and have their selection of counsel appointed as lead counsel in the Securities Class Action. The Court held a hearing on the lead plaintiff motions on September 5, 2024, and appointed Lon D. Praytor as lead plaintiff on March 31, 2025. On April 17, 2025, movant Andrey Ponomarchuk filed a motion for reconsideration of the Court's order appointing Praytor as lead plaintiff. Lead plaintiff Praytor filed an amended complaint on May 21, 2025, alleging violations of Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5 promulgated thereunder by Enphase and our chief executive officer, purportedly on behalf of a class of individuals who purchased or otherwise acquired our common stock between February 7, 2023 and April 25, 2023 and removing our chief financial officer as a defendant (the remaining defendants referred herein as "Hayes Defendants"). Hayes Defendants filed a motion to dismiss on July 2, 2025. Lead plaintiff filed his opposition on August 15, 2025, and Hayes Defendants filed their reply on September 15, 2025. A hearing on the motion to dismiss is currently scheduled for September 17, 2026.

On December 13, 2024, another putative class action complaint was filed naming us, our chief executive officer and our chief products officer (collectively, "Trustees Defendants") in the United States District Court for the Northern District of California, captioned Trustees of the Welfare and Pension Funds of Local 464A v. Enphase Energy, Inc., Case No. 4:24-cv-09038 (the "Pension Fund Action"), purportedly on behalf of a class of individuals who purchased or otherwise acquired our common stock between April 25, 2023 and October 22, 2024. The Pension Fund Action alleges that Trustees Defendants made false and/or misleading statements in violation of Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5 promulgated thereunder. The complaint seeks unspecified monetary damages and other relief.

On or about February 11, 2025, several additional stockholders moved to be appointed lead plaintiff in the Pension Fund Action and have their selection of counsel appointed as lead counsel. On August 20, 2025, the Court appointed HANSAINVEST Hanseatische Investment-GMBH as lead plaintiff. Lead plaintiff filed its amended complaint on October 20, 2025. Trustees Defendants' filed their motion to dismiss on December 12, 2025. Lead plaintiff filed its opposition on February 10, 2026, and Trustees Defendants filed their reply on March 27, 2026. The Court vacated the previously scheduled hearing on the motion to dismiss, but has not yet issued a decision. We dispute the allegations in each of the above-referenced lawsuits and intend to defend the matters vigorously.

On February 17, 2026, a putative class action complaint was filed naming us, our chief executive officer, and our chief financial officer (together "Tripathi Defendants") in the United States District Court for the Northern District of California, captioned *Tripathi v. Enphase Energy, Inc., et al.*, Case No. 4:26-cv-01380 (the "Tripathi Action"), purportedly on behalf of a class of individuals who purchased or otherwise acquired our common stock between April 22, 2025 and October 28, 2025. The Tripathi Action alleges that Tripathi Defendants made false and/or misleading statements in violation of Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5 promulgated thereunder. The complaint seeks unspecified monetary damages and other relief. On July 7, 2026, the Court appointed Heather Stith as lead plaintiff and approved her selection of lead counsel in the Tripathi Action. The plaintiff's amended complaint is due on September 8, 2026, and our motion to dismiss is due on November 9, 2026.

We dispute the allegations in each of the above-referenced lawsuits and intend to defend the matters vigorously.

Shareholder Derivative Lawsuits

On July 16, 2024, a shareholder derivative lawsuit was filed purportedly on our behalf against the Initial Defendants, our non-employee directors and us (as nominal defendant) in the United States District Court for the Northern District of California, captioned Ibarra v. Kothandaraman, et al., Case No. 3:24-cv-04278 (the “Ibarra Action”). The Ibarra Action asserts claims for breaches of fiduciary duty, unjust enrichment, abuse of control, gross mismanagement, waste of corporate assets, and violations of Sections 14(a), 10(b) and 20(a) of the Exchange Act, and contribution under Sections 10(b) and 21D of the Exchange Act based on the purported dissemination of substantially the same allegedly false and misleading statements asserted in the Securities Class Action. The Ibarra Action is seeking unspecified damages and other relief, including reforms and improvements to our corporate governance and internal procedures.

On September 5, 2024, another shareholder derivative lawsuit was filed purportedly on our behalf against the Initial Defendants, our non-employee directors and us (as nominal defendant) in the United States District Court for the Northern District of California, captioned Isaac v. Kothandaraman, et al., Case No. 4:24-cv-06257 (the “Isaac Action”), containing substantially the same allegations as those in the Ibarra Action. On September 20, 2024, the Court consolidated the Isaac and Ibarra Actions for all purposes into one action under the title In re Enphase Energy, Inc. Stockholder Derivative Litigation (the “Derivative Action”).

On October 11, 2024, the Court granted the parties’ stipulation to stay the Derivative Action until all motions to dismiss the Securities Class Action are decided.

On December 31, 2024, a shareholder derivative lawsuit was filed purportedly on our behalf against Trustees Defendants, our non-employee directors and us (as nominal defendant) in the United States District Court for the Northern District of California, captioned Hirani v. Kothandaraman, et al., Case No. 4:24-cv-09532 (the “Hirani Action”). The Hirani Action asserts claims for breaches of fiduciary duty, unjust enrichment, abuse of control, gross mismanagement, waste of corporate assets, and violations of Sections 14(a), 10(b) and 20(a) of the Exchange Act, and contribution under Sections 10(b) and 21D of the Exchange Act based on the purported dissemination of substantially the same allegedly false and misleading statements asserted in the Pension Fund Action. The Hirani Action is seeking unspecified damages and other relief, including reforms and improvements to our corporate governance and internal procedures.

On January 17, 2025, another shareholder derivative lawsuit was filed purportedly on our behalf against Defendants II, our non-employee directors and us (as nominal defendant) in the United States District Court for the Northern District of California, captioned Hanowski v. Kothandaraman, et al., Case No. 4:25-cv-000652 (the “Hanowski Action”). The Hanowski Action asserts claims substantially similar to those asserted in the Hirani Action, also based on the same allegedly false and misleading statements asserted in the Pension Fund Action. The Hanowski Action is seeking unspecified damages and other relief, including reforms and improvements to our corporate governance and internal procedures.

On January 31, 2025, the plaintiffs in the Hirani and Hanowski Actions filed a motion to relate their actions to the Pension Fund Action, which the Court approved on February 18, 2025. On March 7, 2025, the Court granted the parties’ stipulation to consolidate the Hirani and Hanowski Actions for all purposes into one action under the title In re Enphase Energy, Inc. 2025 Shareholder Derivative Litigation (the “Derivative II Action”). On May 8, 2025, the Court stayed the Derivative II Action pending resolution of all motion(s) to dismiss in the Pension Fund Action. On January 28, 2026, purported shareholder Ahmed Ibrahim filed a motion to intervene in the Derivative II Action. On February 25, 2026, Trustees Defendants and Plaintiff Hanowski filed responses to Ibrahim’s intervention motion. Ibrahim filed his reply on March 6, 2026. On March 12, 2026, proposed intervenors Edwin Isaac and Edna Martin filed a separate motion to intervene. On March 13, 2026, Hanowski filed an administrative motion seeking permission to file a sur-reply to Ibrahim’s reply brief. Ibrahim opposed the sur-reply motion on March 16, 2026. On March 26, 2026, Ibrahim and Trustees Defendants filed responses to the Isaac and Martin motion to intervene. The following day, the Court granted Hanowski’s motion for leave to file a sur-reply. On April 2, 2026, Isaac and Martin filed their reply in support of their motion to intervene. On April 9, 2026, the Court denied both motions to intervene, and the case remains stayed.

On April 23, 2026, purported shareholder Terrence Collins filed a derivative lawsuit in the Court of Chancery for the State of Delaware against our non-employee directors and certain of our executives captioned Collins v. Kothandaraman, et al., Case No. 2026-0519 (the “Collins Action”). The Collins Action alleges that the defendants purportedly breached their fiduciary duties in connection with allowing the issuance of the statements challenged in the Securities Class Action, the Pension Fund Action, and the Tripathi Action, as well as in connection with purported sales of stock. The Collins Action seeks unspecified damages and other relief, including reforms and improvements to our corporate governance and internal procedures.

We dispute the allegations in each of the above-referenced lawsuits and intend to defend the matters vigorously.

The pending lawsuits and any other related lawsuits are subject to inherent uncertainties, and the actual defense and disposition costs will depend upon many unknown factors. We could be forced to expend significant resources in the defense of the pending lawsuits and any additional lawsuits, and we may not prevail. In addition, we may incur substantial legal fees and costs in connection with such lawsuits.

Item 1A. Risk Factors

Investing in our securities involves a high degree of risk. Before investing in our securities, you should consider carefully the information contained in this Quarterly Report on Form 10-Q and in the Form 10-K, including the risk factors identified in Part I, Item 1A thereof. This Quarterly Report on Form 10-Q contains forward-looking statements that involve risks and uncertainties. See “Forward-Looking Statements” in “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” above. Our actual results could differ materially from those contained in the forward-looking statements. Any of the risks discussed in the Form 10-K, in other reports we file with the Securities and Exchange Commission and other risks we have not anticipated or discussed, could have a material adverse impact on our business, financial condition or results of operations. Except as set forth below, there has been no material change to our risk factors from those disclosed in Part I, Item 1A in the Form 10-K.

Changes in the United States trade environment, including the imposition of import tariffs, have and could adversely affect the amount or timing of our revenue, results of operations or cash flows.

Our business is dependent upon the availability of raw materials and components for assembly. During 2025, the United States imposed significant new tariffs on nearly all products and components imported into the United States and pursued a new approach to trade policy that included renegotiating or terminating pre-existing bilateral or multi-lateral trade agreements, enacting sweeping new tariffs on all imports, and imposing additional “reciprocal” tariffs on targeted imports from specified countries. A subset of our products is sourced from China and India, and certain components necessary to manufacture our products in the United States, including our microinverters, batteries and related accessories, are imported from China, India, Taiwan, Vietnam and Japan, among other countries.

On February 20, 2026, the U.S. Supreme Court ruled that tariffs imposed by the U.S. under IEEPA were invalid. The U.S. Supreme Court did not address refunds or remedies but instead remanded the matter to the Court of International Trade to address remedies. In response, the President issued an executive order rescinding the IEEPA tariffs and directing agencies to take measures to cease collection of the tariffs. However, a presidential proclamation was issued imposing a temporary import surcharge under Section 122. The surcharge was initially set at 10% ad valorem on all imports, and subsequently increased to 15%, the statutory maximum, with certain exceptions for specified commodities (e.g., electronics, critical minerals) and United States-Mexico-Canada Agreement qualified products. The surcharge took effect on February 24, 2026, for a maximum period of 150 days. On May 7, 2026, the U.S. Court of International Trade held that the Section 122 proclamation was invalid on the basis that it did not satisfy the statutory requirements of the Trade Act of 1974. The government has appealed the ruling, and the Federal Circuit issued a temporary stay pending appeal. With the expiration of the Section 122 tariffs, on July 23, 2026, the Administration announced new tariffs ranging from 10% to 12.5% on 60 trading partners as part of an investigation under Section 301 of the Trade Act of 1974 (“Section 301”) that began on June 2, 2026. The tariffs apply to many of the countries from who we source materials and can include some products material to our business. The evolving legal status, and expiration of the Section 122 tariffs creates additional uncertainty regarding our tariff exposure and any potential recovery of Section 122 duties paid during the quarter. The ultimate impact of these newly enacted and potential future tariffs or other restrictions on international trade will depend on various factors, including the ultimate level of tariffs, the duration such tariffs remain in place, and how other countries respond to U.S. tariffs. Due to broad uncertainty regarding the timing, content and extent of any regulatory changes in the United States or abroad, we cannot predict the impact, if any, that these changes could have to our business, financial condition and results of operations. If the Section 122 tariffs are ultimately invalidated and not replaced, we may benefit from reduced tariff costs on imported components; however, any replacement tariffs imposed under alternative statutory authorities, such as Section 301 or Section 232 of the Trade Expansion Act of 1962 or Section 338 of the Tariff Act of 1930, could result in tariff rates that are equal to or higher than the current Section 122 surcharge and could remain in effect for significantly longer periods.

We have moved a significant portion of our manufacturing to the United States, while retaining limited contract manufacturing in China and India. However, certain components necessary for our products are still required to be imported from outside the United States. For example, LFP battery cells used in our storage products are still supplied solely by two vendors in China. Although we are in the process of searching for other vendors outside of China for future supplies, the expertise and industry for the LFP battery cell is primarily in China, and it will require significant effort to identify alternative, qualified suppliers with the right expertise to develop our battery cells. The resulting environment of retaliatory trade or other practices or additional trade restrictions or barriers, if implemented on a range of products or components that we source from outside the United States, could harm our ability to obtain necessary product components or to sell our products at prices customers are willing to pay, which could have a material adverse effect on our business, prospects, results of operations and cash flows.

Trade disputes, trade restrictions, tariffs and other geopolitical tensions between the United States and other countries may also exacerbate unfavorable macroeconomic conditions including inflationary pressures, foreign exchange volatility, financial market instability, and economic recessions or downturns, which may also negatively impact customer demand for our products or services, delay purchases or renewals, limit expansion opportunities with customers, limit our access to capital, or otherwise negatively impact our business and operations. Ongoing tariff, trade restrictions and macroeconomic uncertainty has and may continue to contribute to volatility in the price of our common stock.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Stock Repurchase Program

In July 2023, our board of directors authorized the 2023 Repurchase Program pursuant to which we could repurchase up to $1.0 billion of our common stock. As of June 30, 2026, $268.7 million remained available for repurchasing shares under the 2023 Repurchase Program. Purchases may be completed from time to time in the open market or privately negotiated transactions, including under Rule 10b5-1 plans. In July 2026, our board of directors authorized an extension of the term of the 2023 Repurchase Program. The expiration date of the 2023 Repurchase Program was extended from July 26, 2026 to July 26, 2029, unless terminated earlier by the board of directors. All other terms of the 2023 Repurchase Program remain unchanged.

The following table provides information about our repurchases of our common stock during the three months ended June 30, 2026 (in thousands, except per share amounts):

Period Ended	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Programs
April 2026	—	$ —	—	$ 268,680
May 2026	—	$ —	—	$ 268,680
June 2026	—	$ —	—	$ 268,680
Total	—		—	

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Rule 10b5-1 Trading Plans

During the three months ended June 30, 2026, none of our directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted or terminated any “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as those terms are defined in Item 408 of Regulation S-K.

Item 6. Exhibits

A list of exhibits filed with this report or incorporated herein by reference is found in the Exhibit Index below.

Exhibit Number	Exhibit Description	Incorporation by Reference				Filed Herewith
		Form	SEC File No.	Exhibit	Filing Date	
3.1	Amended and Restated Certificate of Incorporation of Enphase Energy, Inc.	8-K	001-35480	3.1	4/6/2012	
3.2	Certificate of Amendment of the Amended and Restated Certificate of Incorporation of Enphase Energy, Inc.	10-Q	001-35480	3.1	8/9/2017	
3.3	Certificate of Amendment of the Amended and Restated Certificate of Incorporation of Enphase Energy, Inc.	10-Q	001-35480	2.1	8/6/2018	
3.4	Certificate of Amendment of the Amended and Restated Certificate of Incorporation of Enphase Energy, Inc.	8-K	001-35480	3.1	5/27/2020	
3.5	Certificate of Amendment of the Amended and Restated Certificate of Incorporation of Enphase Energy, Inc.	S-8	333-256290	4.5	5/19/2021	
3.6	Amended and Restated Bylaws of Enphase Energy, Inc.	8-K	001-35480	3.1	4/8/2022	
10.1	Amended and Restated 2021 Equity Incentive Plan and forms of agreement thereunder.	8-K	001-35480	10.1	5/15/2026	
10.2#	Sublease Agreement between Salcomp Manufacturing USA Inc. and Enphase Energy, Inc. effective as of November 8, 2025.[+]					X
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a).					X
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a).					X
32.1*	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, as amended.					X
101.INS	XBRL Instance Document.					X
101.SCH	XBRL Taxonomy Extension Schema Document.					X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.					X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.					X
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.					X
101.PRE	XBRL Taxonomy Extension Presentation Document.					X
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibits 101).					X

Pursuant to Item 601(b)(10) of Regulation S-K, certain portions of this exhibit have been omitted by means of marking such portions with asterisks because we have determined that the information is both not material and is the type that we customarily and actually treat as private or confidential.

+ Certain schedules (or similar attachments) have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Registrant undertakes to furnish supplemental copies of any of the omitted schedules upon request by the SEC.

* The certifications attached as Exhibit 32.1 accompany this Quarterly Report on Form 10-Q pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act, and shall not be deemed “filed” by Enphase Energy, Inc. for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall they be deemed incorporated by reference in any filing.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Quarterly Report on Form 10-Q to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: July 28, 2026

Enphase Energy, Inc.

By: /s/ Mandy Yang

Mandy Yang
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)
(Duly Authorized Officer)

[*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) is the type that the registrant treats as private or confidential.

Exhibit 10.2

SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT ("Sublease") is made and entered into to be effective as of the 8th day of November 2025 (the "Effective Date") between SALCOMP MANUFACTURING USA INC., a Texas corporation (hereinafter called "Sublessor"), Enphase Energy, Inc. (hereinafter called "Sublessee"):

W I T N E S S E T H:

WHEREAS, [*], a Delaware limited liability company (hereinafter called the "Prime Lessor"), as Landlord, and [*], a Delaware limited liability company (the "Prime Sublessor"), as Tenant, have previously entered into that certain Lease Agreement dated October 23, 2020 (the "Prime Lease") concerning the lease of certain real property located at 2400 Centennial Drive, Arlington, Texas and more particularly described in the Prime Lease (the "Project") ;

WHEREAS, Prime Sublessor, as Sublandlord, and Sublessor, as Subtenant, have previously entered into that certain Sublease dated January 5, 2023 (the "Prime Sublease") concerning the subleasing of a portion of the Project as depicted in the Prime Sublease and shown on Exhibit C attached hereto and made a part of for all purposes (the "Premises");

WHEREAS, Sublessee desires to sublease from Sublessor, and Sublessor desires to sublease to Sublessee, the Premises (the "Subleased Premises").

NOW, THEREFORE, in consideration of the promises and mutual covenants and agreements herein set forth, and for other good and valuable consideration, the receipt and sufficiency of which the parties hereby acknowledge, Sublessor and Sublessee hereby agree as follows:

ARTICLE I

PRIME LEASE

1.01 Sublease Subject to Prime Lease and Prime Sublease. This Sublease shall be subject and subordinate to the Prime Lease, a copy of which is attached hereto as Exhibit A and made a part hereof for all purposes as if fully set forth herein, and to the Prime Sublease, a copy of which is attached hereto as Exhibit B and made a part hereof for all purposes as if fully set forth herein.

1.02 Compliance with Prime Sublease. Sublessor represents and warrants to Sublessee that Sublessor shall perform and observe the covenants, conditions, and terms of the Prime Sublease on the part of the "Subtenant" as defined in the Prime Lease to be performed and observed with respect to the Subleased Premises . Neither party shall do anything that would create a breach of any of the terms or conditions of the Prime Sublease or permit the Prime Sublease to be cancelled or terminated. In the event of the expiration or earlier termination of the Prime Sublease for any reason whatsoever, this Sublease shall automatically terminate.

1.03 Services. Sublessee hereby acknowledges and agrees that the only services, amenities and rights to which Sublessee is entitled under this Sublease are those to which Sublessor is entitled under the Prime Sublease with respect to the Subleased Premises (subject to all the provisions, restrictions and conditions imposed of the Prime Sublease). Sublessor shall in no event be liable to Sublessee for Prime Lessor's or Prime Sublessor's failure to provide any such services, amenities and rights nor shall any such failure be construed as a breach hereof by Sublessor or an eviction of Sublessee or entitle Sublessee to an abatement of any of the rentals under this Sublease, except and only to the extent that Sublessor receives an abatement under the Prime Sublease with respect thereto, and then only the extent allocable to the Subleased Premises.

1.04 Exercise of Rights and Remedies Under Prime Sublease. Sublessee shall not have the right to institute any action or proceeding against Prime Lessor or Prime Sublessor for the enforcement of the Prime Sublease. If Prime Lessor or Prime Sublessor shall default in the performance of any of its obligations under the Prime Lease or Prime Sublease, Sublessor shall, upon the written request of Sublessee and at Sublessee's sole cost and expense, use its diligent good faith efforts to enforce the Prime Lease and/or Prime Sublease (as applicable) and obtain Prime Lessor's and/or Prime Sublessor's (as applicable) compliance with its obligations thereunder.

ARTICLE II

DEMISE AND DESCRIPTION

2.01 Demise of Subleased Premises. Subject to and upon the terms and conditions set forth herein, Sublessor hereby subleases to Sublessee, and Sublessee hereby subleases from Sublessor for the term and the purposes herein set forth, all of Sublessor's right, title and interest in and to the use and occupancy of the Subleased Premises arising under the Prime Sublease.

2.02 Condition of the Subleased Premises. Sublessee is leasing the Subleased Premises "as-is", and, by taking possession of the Subleased Premises shall be deemed to have accepted the Subleased Premises as in good order and condition. Sublessee shall maintain the Subleased Premises in good repair and tenantable condition during the continuance of this Sublease in accordance with the requirements of the Subtenant for the Premises under the Prime Sublease.

ARTICLE III

TERM; SURRENDER OF POSSESSION

3.01 Term and Termination. The "Term" of this Sublease shall commence on November 8, 2025 (the "Commencement Date") and shall expire upon the expiration or earlier termination of the Prime Sublease.

3.02 Surrender of the Subleased Premises. Upon the expiration or termination of this Sublease, Sublessee must: (i) surrender to Sublessor any keys, electronic ID cards, and other access devices to the Subleased Premises at the place then fixed hereunder for payment of rent and other charges hereunder to Sublessor or such other place designated by Sublessor; (ii) remove all of

Sublessee's trade fixtures and other personal property from the Subleased Premises; (iii) surrender the Subleased Premises in "broom clean" condition and in compliance with the terms and conditions of the Prime Sublease pertaining to surrender of the Subleased Premises (if the Term of this Sublease expires or terminates prior to the expiration or termination of the Prime Sublease, then those surrender obligations that apply to the Subleased Premises at the expiration or earlier termination of the Prime Sublease shall still apply with respect to Sublessee's surrender obligations under this Sublease); (iv) except for reasonable wear and tear resulting from normal use, surrender the Subleased Premises and fixtures in the same condition in which Sublessee received them; and (v) deliver the Subleased Premises to Sublessor free and clear of any and all hazardous materials and substances so that the condition of the Subleased Premises conforms at such time with all applicable environmental laws, ordinances, rules and regulations. In the event of holdover, Sublessee will be obligated to pay each month during the holdover period a monthly installment of Rent equal to the monthly installment of holdover Rent required to be paid by Sublessor, as subtenant, under the Prime Sublease. No holding over by Sublessee shall extend the Term. If Sublessee remains in possession beyond the expiration of the Term, Sublessee will indemnify, defend, and hold Sublessor harmless against any loss, liability, damage, cost, or expense (including attorneys' fees and costs of litigation), or any claim therefor, sustained by Sublessor by reason of such holding over, incurred by Sublessor in connection with the exercise by Sublessor of its remedies against Sublessee, claimed by Prime Sublessor pursuant to the Prime Sublease or otherwise resulting from any inability or delay in delivering possession to Prime Sublessor. The foregoing indemnity shall survive the expiration or earlier termination of this Sublease.

ARTICLE IV

RENT

4.01 Base Rent. Sublessee hereby agrees to pay "Base Rent" for the Subleased Premises in the monthly installments as set forth below:

From	To	Rate/Month	Total Rent
11/8/2025	1/31/2026	$ 152,388	$ 426,686
2/1/2026	1/31/2027	$ 156,959	$ 1,883,508
2/1/2027	1/31/2028	$ 161,668	$ 1,940,016
2/1/2028	1/31/2029	$ 166,518	$ 1,998,216
2/1/2029	1/31/2030	$ 171,514	$ 2,058,168
2/1/2030	1/31/2031	$ 176,659	$ 2,119,908
			$ 10,426,502

If the Commencement Date does not fall on the first day of a calendar month, the first installment of Base Rent shall be prorated based on the actual number of days remaining in the month in which the Commencement Date occurs.

4.02 Additional Rent. Sublessee shall also pay to Sublessor monthly as "Additional Rent" the Sublessee's proportionate share of the other amounts payable monthly by Sublessor for the Subleased Premises as set forth in the Prime Sublease.

4.03 Payment of Rentals. Each monthly installment of Base Rent and Additional Rent (together, "Rent") due to Sublessor under this Sublease shall be payable in advance, without notice, by Sublessee at least five (5) business days prior to the first day of each calendar month during the Term at Sublessor's address set forth below in Section 10.02 or at such other place as Sublessor shall designate in writing from time to time. In the event Sublessee is late in the payment of Rent, Sublessor shall have all of the rights and remedies available to Sublessor under the Prime Sublease.

ARTICLE V

USE; ACCESS

5.01 The Subleased Premises shall be used for the Permitted Uses (as defined in the Prime Sublease). Sublessee shall conduct its business, occupy the Subleased Premises and comply with all laws, ordinances, orders, rules and regulations as required by the Prime Sublease, and shall not use the Subleased Premises in any way that will conflict with the Prime Sublease nor with any law, statute, ordinance, or governmental rule, regulation, or requirement of duly constituted public authorities now in force or which may be hereafter enacted or promulgated.

5.02 Sublessee shall permit Sublandlord to access the Subleased Premises at reasonable times and upon reasonable advance notice to inspect and examine the Subleased Premises for compliance with the terms of this Sublease. At Sublessee's option, Sublandlord and its agents and/or employees shall be accompanied by personnel designated by Sublessee during any such access to the Subleased Premises, and Sublandlord and its agents and/or employees shall at all times while on the Subleased Premises comply with any health, safety, and environmental policies imposed by Sublessee and communicated to Sublandlord in writing.

5.03 Sublessee shall keep the Subleased Premises free and clear of all liens arising out of Sublessee's operations on or about the Subleased Premises and any contractors, subcontractors, vendors, or suppliers supplying work or material to the Subleased Premises in connection with work being performed by or at the request of Sublessee or Sublessee's contractors.

5.04 Sublessee shall be solely responsible for payment of all utilities and related charges servicing the Subleased Premises, including without limitation electricity, gas, water, sewer, internet, waste disposal, and any other utility or service used in or supplied to the Subleased Premises, whether billed directly by the provider or invoiced by Sublessor.

5.05 Sublessee shall, at its sole cost and expense, be responsible for all maintenance, repair, and janitorial services required to keep the Subleased Premises (including all fixtures, systems, and equipment located therein) in good order, condition, and repair, reasonable wear and tear excepted. Sublessee shall maintain any existing third party service contracts covering the Subleased Premises or shall engage comparable service providers to ensure the continuation of routine maintenance and repair services without interruption. Sublessor shall have no obligation to maintain or repair the Subleased Premises or any part thereof during the Term, except to the extent required under the Prime Sublease.

ARTICLE VI

QUIET ENJOYMENT

Provided Sublessee has performed all of the terms, covenants agreements and conditions of this Sublease, including the payment of Rent and all other sums due hereunder, Sublessee shall peaceably and quietly hold and enjoy the Subleased Premises against Sublessor and all persons claiming by, through or under Sublessor, for the term herein described, subject to the provisions and conditions of this Sublease and of the Prime Sublease.

ARTICLE VII

ASSIGNMENT AND SUBLETTING

Sublessee shall not, without the prior written consent of Sublessor and Lessor, assign, transfer, mortgage, pledge, hypothecate or encumber this Sublease or any interest herein or sublet the Subleased Premises or any part thereof, except as otherwise permitted under the Prime Sublease. Any such assignment or subletting without such consent by Sublessor shall be void. Any such consent by Sublessor to any such assignment or subletting shall not release Sublessee from any of Sublessee's obligations hereunder or be deemed to be a consent to any subsequent assignment, subletting, occupation or use by another person.

ARTICLE VIII

INDEMNIFICATION,

SUBLESSEE'S INSURANCE REQUIREMENT

8.01 INDEMNITY. (A) SUBLESSEE SHALL INDEMNIFY SUBLESSOR FOR AND DEFEND SUBLESSOR FROM AND AGAINST ALL CLAIMS (INCLUDING COSTS AND EXPENSES AND REASONABLE LEGAL FEES FOR DEFENDING SUCH CLAIMS) RAISED BY THIRD PARTIES, EXCEPT TO THE EXTENT RESULTING FROM SUBLESSOR’S OR ITS AGENTS’ NEGLIGENT ACTS OR OMISSIONS OR WILLFUL MISCONDUCT OR A BREACH BY SUBLESSOR OF THIS SUBLEASE OR THE PRIME SUBLEASE, TO THE EXTENT ARISING OUT OF OR OTHERWISE RELATING TO (I) SUBLESSEE’S USE OR OCCUPANCY OF THE SUBLEASED PREMISES; OR (II) ANY ACT OR OMISSION BY SUBLESSEE THAT

WOULD CONSTITUTE A BREACH OR DEFAULT BY SUBLESSEE IN THE PERFORMANCE OF ITS OBLIGATIONS UNDER THIS SUBLEASE AND/OR THE PRIME SUBLEASE.

(B) SUBLESSOR SHALL INDEMNIFY SUBLESSEE FOR AND DEFEND SUBLESSEE FROM AND AGAINST ALL CLAIMS (INCLUDING COSTS AND EXPENSES AND REASONABLE LEGAL FEES FOR DEFENDING SUCH CLAIMS) RAISED BY THIRD PARTIES, EXCEPT TO THE EXTENT OF SUBLESSEE'S OR ITS AGENTS' NEGLIGENT ACTS OR OMISSIONS OR WILLFUL MISCONDUCT OR A BREACH BY SUBLESSEE OF THIS SUBLEASE OR THE PRIME SUBLEASE, TO THE EXTENT ARISING OUT OF OR OTHERWISE RELATING TO (I) THE NEGLIGENCE OR WILLFUL MISCONDUCT OF SUBLESSOR OR ITS AGENTS, OR (II) A BREACH BY SUBLESSOR OF THIS SUBLEASE OR THE PRIME SUBLEASE.

8.02 Insurance Requirement. Sublessee shall maintain, at all times during this Sublease, insurance meeting all of the requirements of Article IX of the Prime Lease. Sublessee shall provide Sublessor with a certificate of Sublessee's insurance prior to Sublessee's occupancy of the Subleased Premises and shall upon Sublessor's request make a copy of Sublessee's insurance policies available to Sublessor for its review to confirm the required coverages. Sublessor and Lessor shall be named as additional insureds on Sublessee's liability policy. All insurance policies required to be maintained by Sublessee hereunder must be written by insurance companies reasonably satisfactory to Sublessor.

8.03 Survival. The provisions of this Article VIII shall survive any expiration or termination of this Sublease.

ARTICLE IX

DEFAULTS AND REMEDIES

If Sublessee fails and neglects to fully perform any of the covenants contained herein, then it shall be in default of this Sublease. Upon such default, Sublessor shall have all other rights available to Prime Lessor under the Prime Sublease.

ARTICLE X

MISCELLANEOUS

10.01 Amendment. No amendment, modification or alteration of the terms hereof shall be binding unless the same shall be in writing, dated subsequent to the date hereof and duly executed by the parties hereto.

10.02 Notices. All notices, consents, requests, instructions, approvals and other communications provided for herein and all legal process in regard hereto shall be validly given, made or served, if in writing and given by (a) hand delivery and shall be deemed given on the date of delivery, (b) registered or certified mail and shall be deemed given the third day following the date of mailing, or (c) overnight delivery by reputable overnight delivery service such as Federal Express or UPS and shall be deemed given the following day. All notices shall be addressed to the parties as follows (or to any other address that Sublessor or Sublessee shall designate in writing):

<u>If to Sublessor</u>:

Salcomp Manufacturing USA Corp
2400 Centennial Drive
Arlington, TX 76011

Attn: [*]
Co-Chief Executive Officer
Email: [*]

<u>If to Sublessee</u>:

Enphase Energy, Inc.
47281 Bayside Parkway
Fremont, CA 94538

Attn: [*]
SVP, Operations and Manufacturing
Email: [*]

10.03 <u>Successors and Assigns</u>. This Sublease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns in accordance with the terms of this Sublease.

10.04 <u>Time of the Essence</u>. Time is of the essence in the performance by Sublessee of its obligations hereunder.

10.05 <u>Brokerage Commissions</u>. Sublessor and Sublessee hereby represent and warrant each to the other that they have not employed any agents, brokers or other such parties in connection with this Sublease, and each agrees that they shall hold the other harmless from and against any and all claims of all other agents, brokers or other such parties claiming by, through or under the respective indemnifying party.

10.06 <u>Entire Agreement</u>. The terms and provisions of all Schedules and Exhibits described herein and attached hereto are hereby made a part hereof for all purposes. This Sublease constitutes the entire agreement of the parties with respect to the subject matter hereof, and all prior correspondence, memoranda, agreements or understandings (written or oral) with respect hereto are merged into and superseded by this Sublease.

10.07 <u>Authority</u>. Each party hereto warrants, represents and covenants to the other that (a) it has full right and authority to execute, deliver and perform this Sublease, (b) the person executing this Sublease on behalf of the representing party was authorized to do so and (c) upon request, the representing party will deliver satisfactory evidence of the due authorization, execution and delivery of this Sublease by such party.

10.08 Severability. If any term or provision of this Sublease, or the application thereof to any person or circumstance, shall to any extent be invalid or unenforceable, the remainder of this Sublease, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each provision of this Sublease shall be valid and shall be enforceable to the extent permitted by law.

10.09 Counterparts. This Sublease may be executed in counterparts, each of which shall be deemed an original and such counterparts together shall constitute one and the same instrument. Any signature transmitted via facsimile (or other electronic means) or other electronic signature shall be deemed an original and be binding upon the parties hereto (it being agreed that facsimile or other electronic signatures shall have the same force and effect as an original signature).

10.10 Prime Lessor's and Prime Sublessor’s Consent Required. Sublessee acknowledges that, pursuant to the provisions of the Prime Lease and the Prime Sublease, Sublessor is required to obtain the Prime Lessor's and the Prime Sublessor’s written consent to this Sublease, and accordingly, that the effectiveness of this Sublease, including all obligations of Sublessor and Sublessee hereunder, is expressly subject to Sublessor obtaining such consent. If Sublessor has not obtained and delivered written consent of both the Prime Lessor and Prime Sublessor to this Sublease, Sublessee shall have the right to terminate this Sublease immediately upon written notice to Sublessor at any time prior to such delivery.

10.11 Exhibits. The Exhibits attached hereto is incorporated into and made a part of this Sublease for all purposes.

10.12 Only Sublessor/Sublessee Relationship. Nothing contained in this Sublease will be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent, partnership, joint venture or any association between Sublessor and Sublessee, it being expressly understood and agreed that nothing contained in this Sublease will be deemed to create any relationship between Sublessor and Sublessee other than the relationship of sublessor and sublessee.

10.13 SB17 - Designated Countries. Sublessee represents, warrants, and certifies to Sublessor that it (a) does not meet any of the ownership, control, or headquarters criteria listed in Subchapter H, Chapter 5 of the Texas Property Code (“Subchapter H”), including Section 5.253 thereof, (b) is not a governmental entity of a Designated Country (as defined in Subchapter H), (c) is not an individual prohibited from purchasing, acquiring, owning or leasing real property under Subchapter H, (d) is not an Organization (as defined in Subchapter H) or a Company (as defined in Subchapter H) that is (1) headquartered in a Designated Country, (2) directly or indirectly held or controlled by the government of a Designated Country, (3) owned by or the majority of stock or other ownership interest of which is held or controlled by individuals described in Subdivision (4) of Section 5.253 of Subchapter H, or (4) designated by the Governor of the State of Texas under Section

5.254 of Subchapter H, and (e) has not otherwise been designated by the Governor of the State of Texas as being prohibited from purchasing, acquiring, owning or leasing real property under Subchapter H. If the foregoing representations are untrue at any time during the Term, Sublessee shall notify Sublessor immediately in writing, and default under this Sublease will be deemed to immediately have occurred, without the necessity of notice delivered by or to Sublessee. SUBLESSEE HEREBY AGREES TO DEFEND (WITH COUNSEL REASONABLY ACCEPTABLE TO SUBLESSOR), INDEMNIFY AND HOLD HARMLESS SUBLESSOR FROM AND AGAINST ANY AND ALL LOSSES ARISING FROM OR RELATED TO ANY SUCH BREACH OF THE FOREGOING CERTIFICATIONS, REPRESENTATIONS, WARRANTIES AND COVENANTS. The provisions of this Section shall survive the termination or earlier expiration of the Term.

IN WITNESS WHEREOF, the undersigned Sublessor and Sublessee have executed this Sublease effective as of the date and year first written above.

SUBLESSOR:

SALCOMP MANUFACTURING USA CORP.,
a Texas corporation

By: /s/ Kenny Wilson
Name: Kenny Wilson
Title: Co-Chief Executive Officer

SUBLESSEE:

ENPHASE ENERGY, INC.,
a Delaware corporation

By: /s/ Mandy Yang
Name: Mandy Yang
Title: EVP, Chief Financial Officer

Exhibits:

Exhibit A – Prime Lease
Exhibit B – Prime Sublease
Exhibit C – Depiction of the Subleased Premises

Exhibit 31.1

CERTIFICATION

I, Badrinarayanan Kothandaraman, certify that:

1. I have reviewed this Form 10-Q of Enphase Energy, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:
    a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: July 28, 2026

/s/ BADRINARAYANAN KOTHANDARAMAN

Badrinarayanan Kothandaraman
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Mandy Yang, certify that:

1. I have reviewed this Form 10-Q of Enphase Energy, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:
    a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: July 28, 2026

/s/ MANDY YANG
Mandy Yang
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), Badrinarayanan Kothandaraman, President and Chief Executive Officer of Enphase Energy, Inc. (the “Company”), and Mandy Yang, Executive Vice President and Chief Financial Officer of the Company, each hereby certifies that, to the best of his or her knowledge:

1. The Company’s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2026, to which this Certification is attached as Exhibit 32.1 (the “Periodic Report”), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and

2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 28, 2026	July 28, 2026
/s/ BADRINARAYANAN KOTHANDARAMAN	/s/ MANDY YANG
Badrinarayanan Kothandaraman	Mandy Yang
President and Chief Executive Officer (Principal Executive Officer)	Executive Vice President and Chief Financial Officer (Principal Financial Officer)

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002, has been provided to Enphase Energy, Inc. and will be retained by it and furnished to the Securities and Exchange Commission or its staff upon request.