



Annual Meeting of Stockholders 2020

Enphase Energy, Inc.
May 20, 2020



Agenda

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Welcome and introductions

Call to order

Presentation of Affidavit of Mailing, Availability of the List of Stockholders of Record and Announcement of Quorum

Review of proposals

Proposal-related questions and answers

Preliminary voting results

Adjournment

2

Company presentation

Company-related questions and answers

Board of directors



Steve Gomo

Former CFO of NetApp
Chairperson of Audit
Committee



Ben Kortlang

Founding Partner of G2VP and
Partner in Kleiner Perkins' Green
Growth Fund

Chairperson of Nominating and
Corporate Governance and
member of Audit Committee



Joseph Malchow

Founding Partner of HNVR
Technology Investment
Management



Badri Kothandaraman

President and CEO of
Enphase Energy



Richard Mora

Former CEO of Landis+Gyr
Member of Audit Committee
and Compensation Committee



Thurman John Rodgers

Founder and former President
and CEO of Cypress
Semiconductor

Chairperson of Compensation
Committee and member of
Nominating and Corporate
Governance

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Safe harbor

Use of Forward-Looking Statements

This presentation contains forward-looking statements made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995, including but not limited to statements concerning financial performance and guidance, including revenues, gross margin, operating results, expenses and costs; our business strategies, including our operations and anticipated trends and developments in markets in which we operate and in the markets in which we plan to expand; the anticipated market adoption of Enphase's energy management system; the capabilities and performance of our technology and products, including product scalability, the ability to operate without a grid, the ability to optimize and customize products, load disaggregation, monitoring, and management, and reduction in installation, logistics and supply chain times; the capacity and availability of our products; our expectations as to the impact of the COVID-19 pandemic; our performance in operations, including product quality, safety, reliability, cost management, and customer service are based upon current expectations that involve risks and uncertainties. Any statements that are not of historical fact, may be forward-looking statements. Words used such as "anticipates," "believes," "continues," "designed," "estimates," "expects," "goal," "intends," "likely," "may," "ongoing," "plans," "projects," "pursuing," "seeks," "should," "will," "would" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these words. All forward-looking statements are based on our current assumptions, expectations and beliefs, and involve substantial risks and uncertainties that may cause results, performance or achievement to materially differ from those expressed or implied by these forward-looking statements. Therefore, you should not place undue reliance on our forward-looking statements. A detailed discussion of risk factors that affect our business is included in the filings we make with the Securities and Exchange Commission (SEC) from time to time, including our most recent reports on Form 10-K and Form 10-Q, particularly under the heading "Risk Factors." Copies of these filings are available on the Enphase website at <http://investor.enphase.com/sec.cfm>, or on the SEC website at www.sec.gov. All forward-looking statements in this presentation are based on information currently available to us, and we assume no obligation to update these forward-looking statements in light of new information or future events.

Industry Information

Information regarding market and industry statistics in this presentation is based on information available to us that we believe is accurate. It is generally based on publications that are not produced for purposes of economic analysis.

Non-GAAP Financial Metrics

- The Company has presented certain non-GAAP financial measures in this presentation. Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial position, or cash flows that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with generally accepted accounting principles in the United States of America, or GAAP. Reconciliation of each non-GAAP financial measure to the most directly comparable GAAP financial measure can be found in the Appendix to this presentation. Non-GAAP financial measures presented by the Company include non-GAAP gross margin, operating expenses, income (loss) from operations, net income (loss) and adjusted free cash flow.
- These non-GAAP financial measures do not reflect a comprehensive system of accounting, differ from GAAP measures with the same captions and may differ from non-GAAP financial measures with the same or similar captions that are used by other companies. In addition, these non-GAAP measures have limitations in that they

do not reflect all of the amounts associated with the Company's results of operations as determined in accordance with GAAP. As such, these non-GAAP measures should be considered as a supplement to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. The Company uses these non-GAAP financial measures to analyze its operating performance and future prospects, develop internal budgets and financial goals, and to facilitate period-to-period comparisons. Enphase believes that these non-GAAP financial measures reflect an additional way of viewing aspects of its operations that, when viewed with its GAAP results, provide a more complete understanding of factors and trends affecting its business.

- As presented in the "Reconciliation of Non-GAAP Financial Measures" page, each of the non-GAAP financial measures excludes one or more of the following items for purposes of calculating non-GAAP financial measures to facilitate an evaluation of the Company's current operating performance and a comparison to its past operating performance:
 - Stock-based compensation expense. The Company excludes stock-based compensation expense from its non-GAAP measures primarily because they are non-cash in nature. Moreover, the impact of this expense is significantly affected by the Company's stock price at the time of an award over which management has limited to no control.
 - Restructuring and asset impairment charges. The Company excludes restructuring charges due to the nature of the expenses being unplanned and arising outside the ordinary course of continuing operations. These costs primarily consist of fees paid for restructuring-related management consulting services, cash-based severance costs related to workforce reduction actions, asset write-downs of property and equipment and lease loss reserves, and other contract termination costs resulting from restructuring initiatives.
 - Reserve for non-recurring legal matter. This item represents a charge taken for the potential settlement cost related to a dispute with a vendor. This item is excluded as it relates to a specific matter and is not reflective of the Company's ongoing financial performance.
 - Acquisition related expenses and amortization. This item represents expenses incurred related to the Company's acquisition of SunPower's microinverter business, which are non-recurring in nature, and amortization of acquired intangible assets, which is a non-cash expense. Acquisition related expenses and amortization of acquired intangible assets are not reflective of the Company's ongoing financial performance.
 - Non-recurring debt prepayment fees and non-cash interest. This item consists primarily of amortization of debt issuance costs, accretion of debt discount and non-recurring debt settlement costs, because these expenses does not represent a cash outflow for the Company except in the period the financing was secured or when the financing was settled, and such amortization expense or settlement of debt costs is not reflective of the Company's ongoing financial performance.
 - Adjusted free cash flow. This item represents cash flows from operating activities excluding payments for the acquisition reported in operating activities less purchases of property and equipment. The Company believes the adjusted free cash flow is the best measure of how much cash the business generates after accounting for capital expenditures.

Company presentation



The leading microinverter company in the world

-  Founded In 2006, with 635 employees as of March 31, 2020
-  More than 27 million microinverters shipped, representing over 7 GW
-  More than 36 MWh of energy storage systems shipped
-  Headquartered in Fremont, California with offices globally
-  Over 1.1 million systems in over 130 countries as of March 31, 2020
-  First full year of GAAP profitability in 2019 with net income of \$161.1 million
-  Our customers are installers, homeowners and module partners
-  2019 Revenue of \$624.3 million and 1983 MW DC shipped

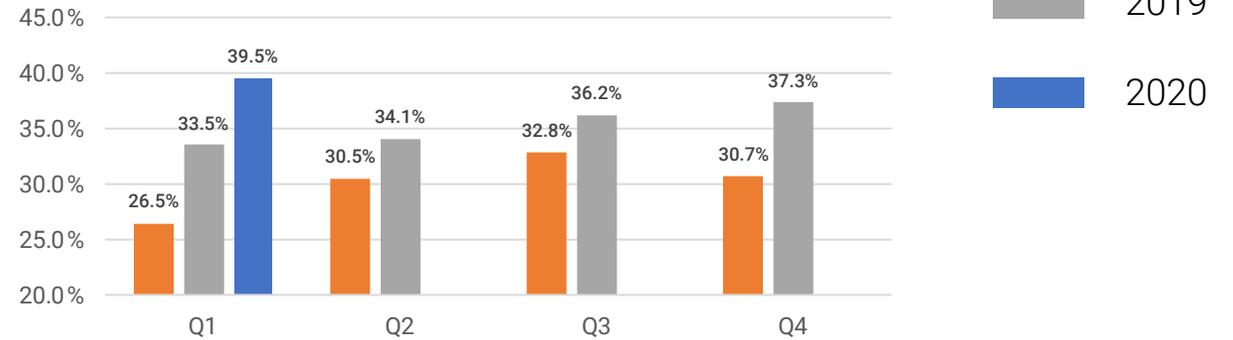


Our financial performance

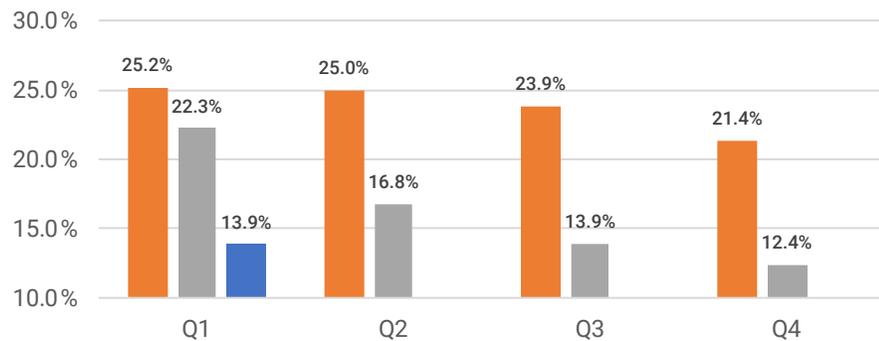
Quarterly revenue by year



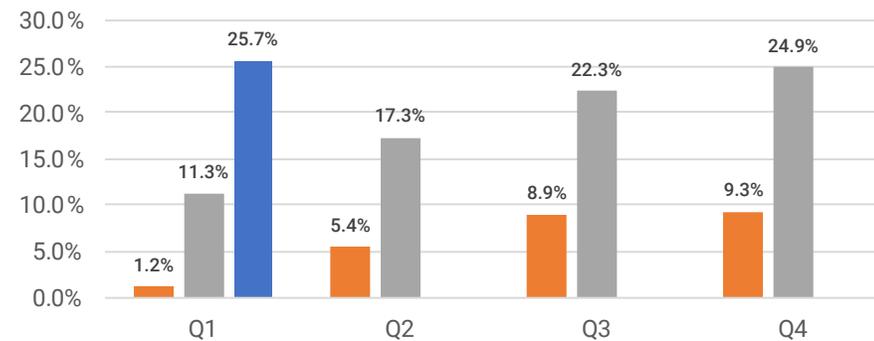
Quarterly gross margin % by year



Quarterly operating expense % by year



Quarterly operating income % by year



GAAP to Non-GAAP Reconciliation

\$ in millions	Q1'18	Q2'18	Q3'18	Q4'18	FY18	Q1'19	Q2'19	Q3'19	Q4'19	FY19	Q1'20
Gross profit (GAAP)	\$ 18.3	\$ 22.7	\$ 25.3	\$ 28.2	\$ 94.4	\$ 33.4	\$ 45.3	\$ 64.7	\$ 77.9	\$ 221.2	\$ 80.7
Stock-based compensation	0.2	0.4	0.3	0.1	1.1	0.2	0.4	0.5	0.5	1.7	0.6
Gross profit (Non-GAAP)	\$ 18.5	\$ 23.1	\$ 25.6	\$ 28.3	\$ 95.5	\$ 33.6	\$ 45.7	\$ 65.2	\$ 78.4	\$ 222.9	\$ 81.3
Gross margin (GAAP)	26.2%	29.9%	32.4%	30.5%	29.9%	33.3%	33.8%	35.9%	37.1%	35.4%	39.2%
Stock-based compensation	0.3%	0.6%	0.4%	0.2%	0.3%	0.2%	0.3%	0.3%	0.2%	0.3%	0.3%
Gross margin (Non-GAAP)	26.5%	30.5%	32.8%	30.7%	30.2%	33.5%	34.1%	36.2%	37.3%	35.7%	39.5%
Operating expenses (GAAP)	\$ 20.8	\$ 23.3	\$ 25.6	\$ 23.2	\$ 92.8	\$ 26.2	\$ 27.9	\$ 31.0	\$ 33.4	\$ 118.5	\$ 36.0
Stock-based compensation	(1.4)	(3.9)	(3.7)	(1.4)	(10.4)	(3.0)	(4.2)	(5.0)	(5.6)	(17.8)	(6.9)
Restructuring and asset impairment charges	-	-	(2.6)	(1.5)	(4.1)	(0.4)	(0.7)	(0.5)	(1.1)	(2.6)	-
Reserve for non-recurring legal matter	(1.8)	-	-	-	(1.8)	-	-	-	-	-	-
Acquisition related expenses and amortization	-	(0.4)	(0.7)	(0.5)	(1.6)	(0.5)	(0.5)	(0.5)	(0.6)	(2.2)	(0.6)
Operating expenses (Non-GAAP)	\$ 17.7	\$ 19.0	\$ 18.6	\$ 19.7	\$ 75.0	22.3	22.5	25.0	26.1	\$ 95.9	28.5
Income (loss) from operations (GAAP)	\$ (2.5)	\$ (0.6)	\$ (0.4)	\$ 5.0	\$ 1.6	\$ 7.1	\$ 17.4	\$ 33.7	\$ 44.4	\$ 102.7	\$ 44.7
Stock-based compensation	1.6	4.3	4.1	1.5	11.4	3.3	4.6	5.5	6.2	19.4	7.5
Restructuring and asset impairment charges	-	-	2.6	1.5	4.1	0.4	0.7	0.5	1.1	2.6	-
Reserve for non-recurring legal matter	1.8	-	-	-	1.8	-	-	-	-	-	-
Acquisition related expenses and amortization	-	0.4	0.7	0.5	1.6	0.5	0.5	0.5	0.6	2.2	0.6
Income (loss) from operations (Non-GAAP)	\$ 0.9	\$ 4.1	\$ 7.0	\$ 8.6	\$ 20.5	11.3	23.2	40.2	52.3	\$ 127.0	52.8

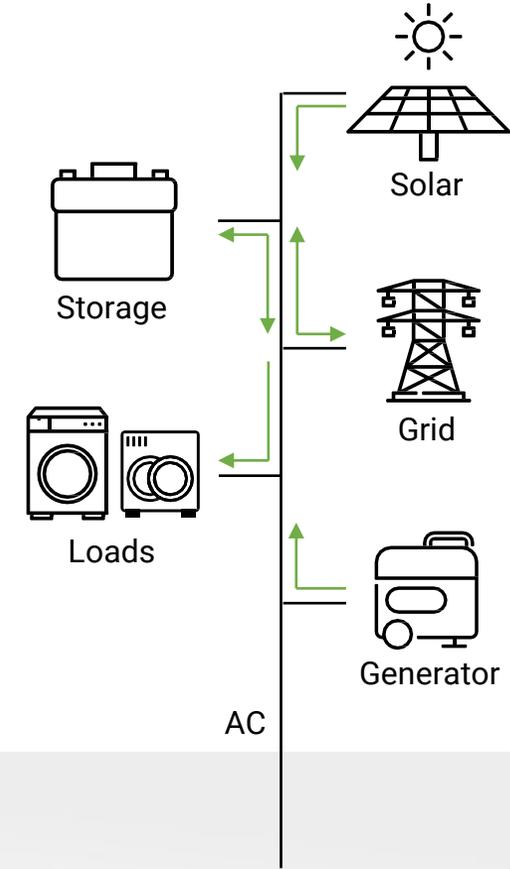
Our core differentiation



**Semiconductor integration
and predictive control**



**Software-defined
architecture**



**Ensemble™ energy
management technology**

The power of semiconductors, software and ensemble technology



High quality

Higher efficiency
IoT system

Safety

No high-voltage DC
LFP chemistry¹

Flexibility

Modular design
AC marketplace

Exceptional value

Grid independence
AC module

Supply chain efficiency

One hardware platform
Configurable SKUs

Low cost

Power scaling
Semiconductor integration

Great customer experience

One-stop-shop

Operational excellence

Customer experience

Laser focus on quality and customer service

Quality

8X¹

Better than M-series

500 dppm

Reliability target

Customer service

64%¹

Worldwide NPS

30 sec

Wait time target

Gross margin management

Product innovation, maximizing value, multi-sourcing

Price

Value Based Pricing

Performance and quality

Product Segmentation

IQ 7/7+/7X/7A™

Cost

Product Innovation

ASIC, FETs and connectors

Supply Chain Optimization

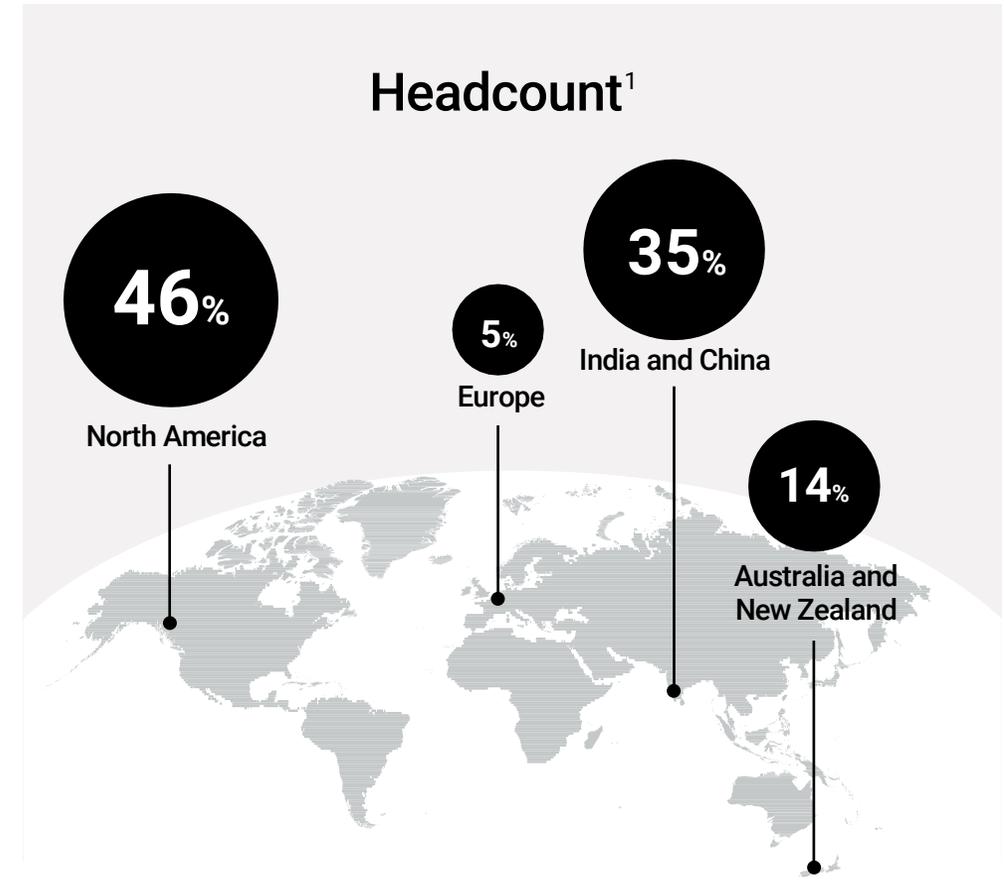
Tariff, procurement and CM

Our resilient business model

CAPEX lite



OPEX efficient

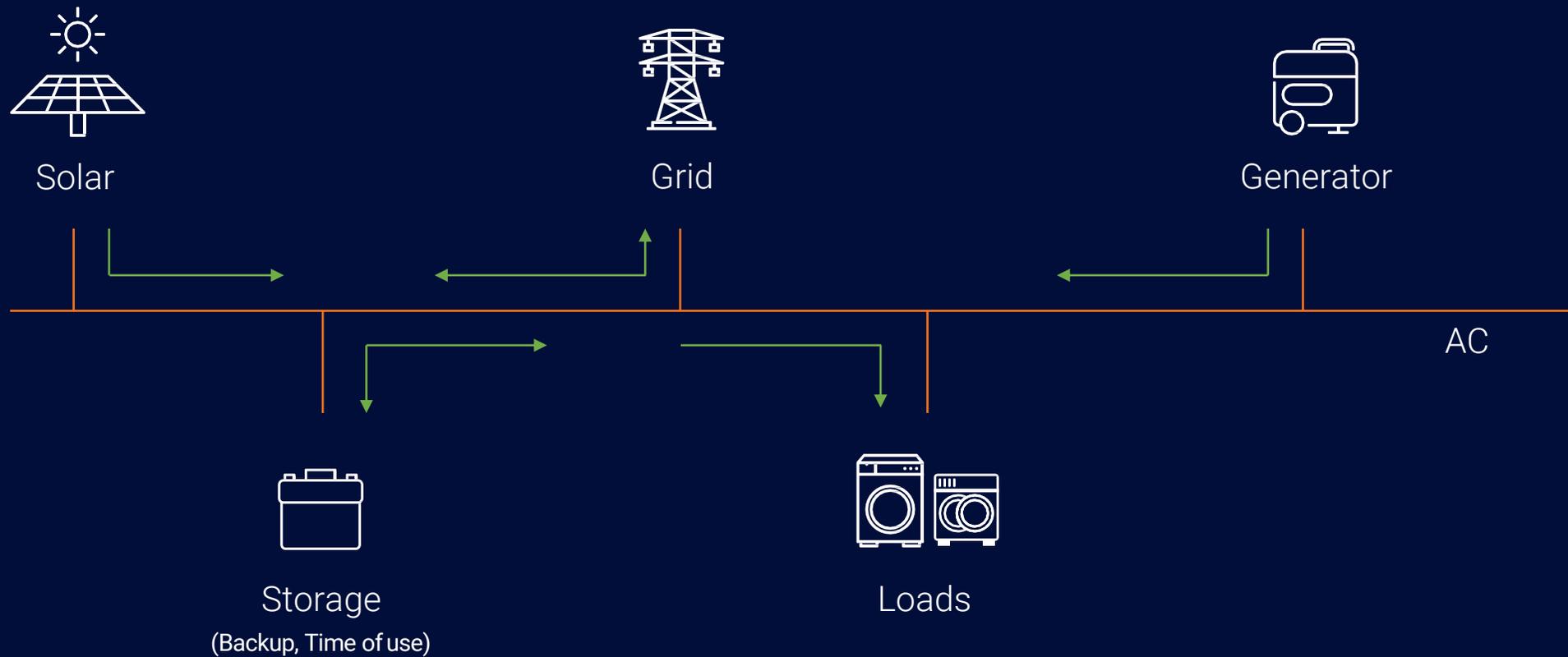


Our strategy

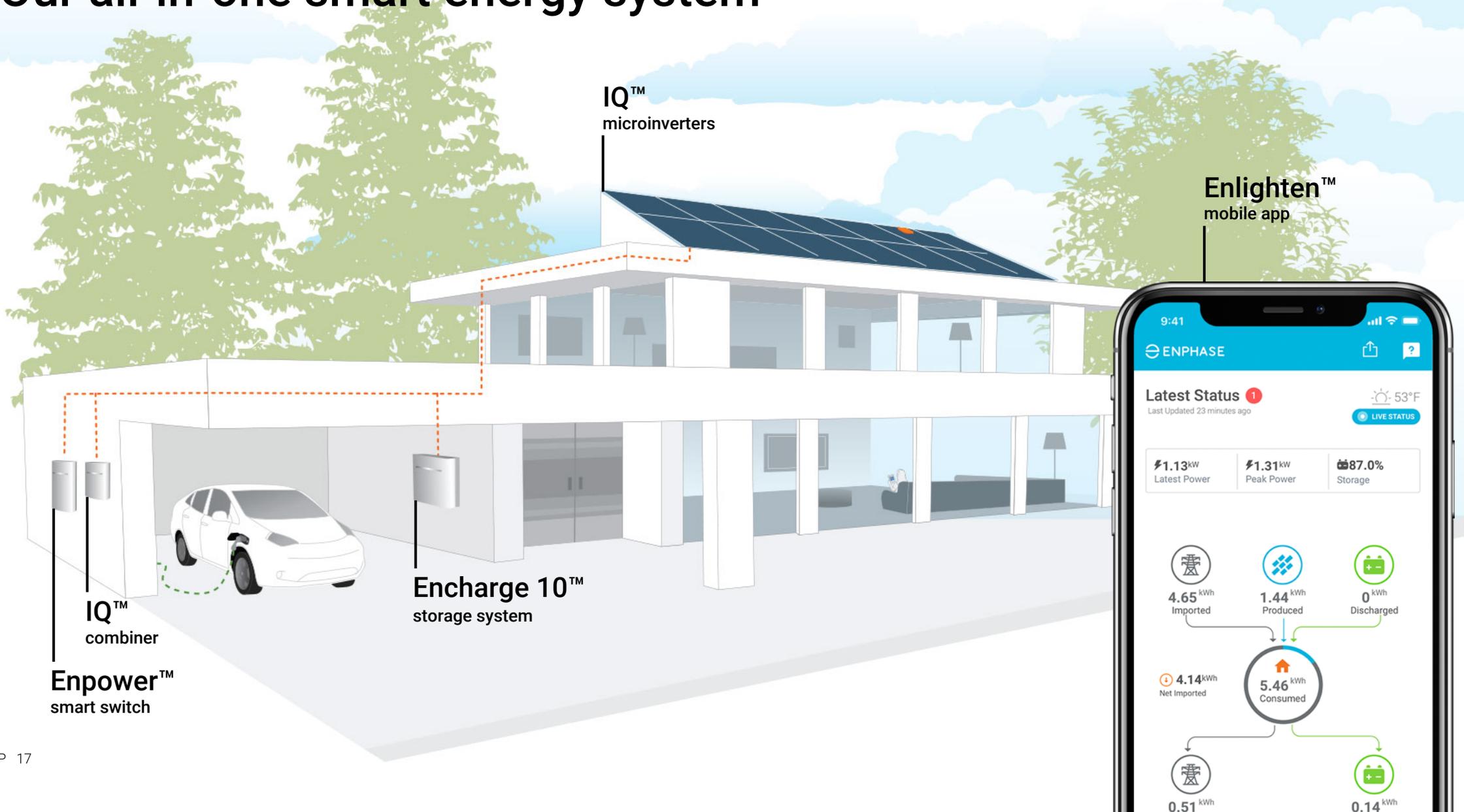
Transform into a home energy
management systems company

Ensemble™ enables energy management

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



Our all-in-one smart energy system



New products will increase SAM from \$3.3B in 2019 to \$12.5B in 2022

	Residential solar	Small commercial solar	Residential storage	Off-grid solar and storage
2022 SAM	\$4B	\$1.5B	\$3B	\$4B
2019 SAM	\$2.5B	\$300M	\$500M	n/a



IQ 8™



IQ 8D™



Encharge™



Ensemble In-A-Box™

Conclusion

We are transforming into a home energy management systems company

Reinforce remarkable customer experiences

“Customer first” approach
World-class NPS
Industry-leading reliability

Introduce new products and expand our markets

New products expand SAM nearly 4x by 2022 from 2019

Leverage digital transformation

End-to-end customer life cycle management platform



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