



## Supplemental Operating Performance Information

October 27, 2020

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

Operating Metrics & Revenue Detail	Metric	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20
Shipments	Units, k	1,796	2,113	2,012	1,088	1,443
Shipments	MW (DC)	584	677	643	355	478
<b>Total Revenue</b>		<b>\$ 180.1</b>	<b>\$ 210.0</b>	<b>\$ 205.5</b>	<b>\$ 125.5</b>	<b>\$ 178.5</b>
Safe Harbor Revenue		8.0	36.4	44.5	-	-
<b>Revenue by Geography</b>						
United States		150.7	195.3	179.6	100.8	139.9
International		29.4	14.7	25.9	24.7	38.6

Supplementary Income Statement Information		Q3'19	Q4'19	Q1'20	Q2'20	Q3'20
<b>Gross Profit (GAAP)</b>		<b>\$ 64.7</b>	<b>\$ 77.9</b>	<b>\$ 80.7</b>	<b>\$ 48.4</b>	<b>\$ 95.0</b>
Stock-based Compensation		0.5	0.5	0.6	1.3	1.2
Tariff Refund		-	-	-	-	(23.0)
<b>Gross Profit (Non-GAAP)</b>		<b>\$ 65.2</b>	<b>\$ 78.4</b>	<b>\$ 81.3</b>	<b>\$ 49.7</b>	<b>\$ 73.2</b>
<b>Gross Margin (GAAP)</b>		<b>35.9%</b>	<b>37.1%</b>	<b>39.2%</b>	<b>38.5%</b>	<b>53.2%</b>
Stock-based Compensation		0.3%	0.2%	0.3%	1.1%	0.7%
Tariff Refund		0.0%	0.0%	0.0%	0.0%	-12.9%
<b>Gross Margin (Non-GAAP)</b>		<b>36.2%</b>	<b>37.3%</b>	<b>39.5%</b>	<b>39.6%</b>	<b>41.0%</b>
<b>Income from Operations (GAAP)</b>		<b>\$ 33.7</b>	<b>\$ 44.4</b>	<b>\$ 44.7</b>	<b>\$ 10.9</b>	<b>\$ 51.8</b>
Stock-based Compensation		5.4	6.2	7.5	12.3	14.4
Tariff Refund		-	-	-	-	(23.0)
Restructuring & Asset Impairment Charges		0.5	1.1	-	-	-
Acquisition Related Expenses & Amortization		0.6	0.6	0.6	0.5	0.5
<b>Income from Operations (Non-GAAP)</b>		<b>\$ 40.2</b>	<b>\$ 52.3</b>	<b>\$ 52.8</b>	<b>\$ 23.7</b>	<b>\$ 43.7</b>
<b>Income from Operations (Non-GAAP) Margin</b>		<b>22%</b>	<b>25%</b>	<b>26%</b>	<b>19%</b>	<b>24%</b>
<b>Income Tax Benefit (Provision) (GAAP)</b>		<b>\$ (0.3)</b>	<b>\$ 72.2</b>	<b>\$ 11.9</b>	<b>\$ 6.6</b>	<b>\$ (5.5)</b>
Non-GAAP Income Tax Adjustment		-	(74.4)	(12.5)	(7.1)	5.1
<b>Income Tax Benefit (Provision) (Non-GAAP)</b>		<b>\$ (0.3)</b>	<b>\$ (2.1)</b>	<b>\$ (0.6)</b>	<b>\$ (0.5)</b>	<b>\$ (0.4)</b>
<b>Net Income (GAAP)</b>		<b>\$ 31.1</b>	<b>\$ 116.7</b>	<b>\$ 68.9</b>	<b>\$ (47.3)</b>	<b>\$ 39.4</b>
Stock-based Compensation		5.4	6.2	7.5	12.3	14.4
Tariff Refund		-	-	-	-	(23.0)
Restructuring & Asset Impairment Charges		0.5	1.1	-	-	-
Acquisition Related Expenses & Amortization		0.6	0.6	0.6	0.5	0.5
Non-Recurring Debt Prepayment Fees & Non-Cash Interest		1.9	1.9	2.7	5.4	5.4
Change in Fair Value of Derivatives		-	-	(15.3)	59.7	-
Non-GAAP Income Tax Adjustment		-	(74.4)	(12.5)	(7.1)	5.1
<b>Net Income (Non-GAAP)</b>		<b>\$ 39.5</b>	<b>\$ 52.0</b>	<b>\$ 51.9</b>	<b>\$ 23.5</b>	<b>\$ 41.8</b>
<b>Weighted Avg Basic Shares Outstanding (GAAP)</b>	000s	<b>122,123</b>	<b>122,630</b>	<b>123,531</b>	<b>125,603</b>	<b>126,109</b>
RSU/PSU/Options		9,200	8,703	8,609	6,228	6,330
2023 Convert		900	900	900	900	900
2024 Convert + Warrants		1,388	639	5,064	6,716	8,481
Elimination of In-the-Money 2024 Convert Shares		(1,288)	(639)	(2,936)	(3,677)	(4,468)
<b>Weighted Avg Diluted shares Outstanding (Non-GAAP)</b>	000s	<b>132,323</b>	<b>132,233</b>	<b>135,168</b>	<b>135,770</b>	<b>137,352</b>
<b>Net Income per Share, Diluted (GAAP)</b>		<b>\$ 0.23</b>	<b>\$ 0.88</b>	<b>\$ 0.50</b>	<b>\$ (0.38)</b>	<b>\$ 0.28</b>
<b>Net Income per Share, Diluted (Non-GAAP)</b>		<b>\$ 0.30</b>	<b>\$ 0.39</b>	<b>\$ 0.38</b>	<b>\$ 0.17</b>	<b>\$ 0.30</b>

Supplementary Balance Sheet Information		Q3'19	Q4'19	Q1'20	Q2'20	Q3'20
Cash and Cash Equivalents*		\$ 203.0	\$ 296.1	\$ 593.8	\$ 607.3	\$ 661.8
<b>Debt (GAAP)</b>		<b>\$ 104.1</b>	<b>\$ 105.5</b>	<b>\$ 395.8</b>	<b>\$ 355.5</b>	<b>\$ 360.1</b>
Add: Debt Discount and Issuance Cost		37.6	36.0	109.7	104.4	99.1
Less: Convertible Debt Derivative		-	-	(45.1)	-	-
<b>Debt (Non-GAAP)</b>		<b>\$ 141.7</b>	<b>\$ 141.5</b>	<b>\$ 460.4</b>	<b>\$ 459.9</b>	<b>\$ 459.2</b>

Supplementary Cash Flow Information		Q3'19	Q4'19	Q1'20	Q2'20	Q3'20
<b>Cash flow from Operations (GAAP)</b>		<b>\$ 5.0</b>	<b>\$ 102.3</b>	<b>\$ 39.2</b>	<b>\$ 25.4</b>	<b>\$ 67.5</b>
Less: Purchase of Property and Equipment		(4.2)	(7.4)	(3.4)	(4.4)	(3.9)
<b>Free Cash Flow (Non-GAAP)</b>		<b>\$ 0.8</b>	<b>\$ 94.9</b>	<b>\$ 35.8</b>	<b>\$ 21.0</b>	<b>\$ 63.6</b>

\*Quarter ended Q4'19 and Q1'20 Cash and cash equivalents include restricted cash of \$44.7 million

\*\*Excludes \$16m of requested tariff refund that has not yet been approved

Guidance	Q4'20
<b>GAAP</b>	
Revenue	\$245 - \$260
Gross Margin**	37% - 40%
Operating Expenses	\$51 - \$54
<b>Non-GAAP</b>	
Revenue	\$245 - \$260
Gross Margin**	38% - 41%
Operating Expenses	\$35 - \$38

This supplemental information contains forward-looking statements, including statements related to Enphase Energy's expectations as to projected revenue, gross margin, and operating expenses. These forward-looking statements are based on the Company's current expectations and inherently involve significant risks and uncertainties. Enphase Energy's actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of certain risks and uncertainties including those risks described in more detail in the Company's most recent Annual Report on Form 10-K and other documents on file with the SEC and available on the SEC's website at www.sec.gov. Enphase Energy undertakes no duty or obligation to update any forward-looking statements contained in this release as a result of new information, future events or changes in its expectations, except as required by law.