



Q4 | YE 2020

ORMAT TECHNOLOGIES, INC. EARNINGS CALL

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FEBRUARY 25, 2021

SAFE HARBOR STATEMENT AND NON-GAAP METRICS

THIS PRESENTATION INCLUDES FORWARD-LOOKING STATEMENTS, AND THE DISCLAIMER SHOULD BE READ CAREFULLY

FORWARD-LOOKING STATEMENTS

This presentation, and information provided during any discussion accompanying this presentation, may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements involve estimates, expectations, projections, goals, objectives, assumptions and risks, and activities, events and developments that may or will occur in the future. When used in or during the course of this presentation, the words “may”, “will”, “could”, “should”, “expects”, “plans”, “anticipates”, “believes”, “estimates”, “predicts”, “projects”, “thinks”, “forecasts”, “guidance”, “continue”, “goal”, “outlook”, “potential,” “prospect” or “target”, or the negative of these terms or other comparable terminology are intended to identify forward-looking statements, although not all forward-looking statements contain such words or expressions. Such forward-looking statements include, but are not limited to:

statements about Ormat Technologies, Inc.’s and its affiliates’ (“Ormat”) business strategy;

statements about Ormat’s competitive strengths;

statements about Ormat’s development and operation of electricity generation, storage and energy management assets, including distributed energy resources;

statements about Ormat’s other plans, expectations, objectives and targets;

statements about Ormat’s views on market and industry developments and economic conditions, and the growth of the markets in which Ormat conducts its business; and

statements about the growth and diversification of Ormat’s customer base and Ormat’s future revenues, expenses, earnings, capital expenditures, regional market penetration, electricity generation, and other operational performance metrics, including statements about “target” or “targeted” amounts for 2022 and 2023 growth (MW) or 2022 and 2023 operational performance metrics such as growth (MW) and adjusted EBITDA, among others.

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These risks, uncertainties and other factors include, but are not limited to, the risks, uncertainties and other factors described in Ormat Technologies, Inc.’s Form 10-K filed with the SEC on March 02, 2020 and from time to time, in Ormat’s quarterly reports on Form 10-Q that are filed with the SEC.

NON-GAAP METRICS

RECONCILIATION TO US GAAP FINANCIAL INFORMATION

This presentation includes certain “non-GAAP financial measures” within the meaning of Regulation G under the Securities Exchange Act of 1934, as amended, including EBITDA and Adjusted EBITDA. The presentation of these non-GAAP financial measures is not intended as a substitute for financial information prepared and presented in accordance with GAAP and such non-GAAP financial measures should not be considered as a measure of liquidity or as an alternative to cash flow from operating activities, net income or any other measures of performance prepared and presented in accordance with GAAP. Such non-GAAP financial measures may be different from non-GAAP financial measures used by other companies.

The appendix slides in this presentation reconcile the non-GAAP financial measures included in the presentation to the most directly comparable financial measures prepared and presented in accordance with U.S. GAAP .

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2020 HIGHLIGHTS



DELIVERED SOLID
FINANCIAL PERFORMANCE



DEMONSTRATED
BUSINESS RESILIENCE



COMMITTED TO
A SUSTAINABLE FUTURE



CONTINUED TO DRIVE
PROFITABLE GROWTH



01 | FINANCIAL PERFORMANCE

SOLID FINANCIAL PERFORMANCE

FY 20

Revenues
\$705.3M
(5.5%)

Gross margin
39.2%
+310 bps

Adjusted EBITDA⁽¹⁾
\$420.2M
+9.3%

EPS/Adjusted EPS^(1,2,3)
\$1.65
(4.1%)/13.0%

Q4 20

Revenues
\$179.4M
(6.8%)

Gross margin
41.8%
+310 bps

Adjusted EBITDA⁽¹⁾
\$109.2M
+6.9%

EPS⁽²⁾
\$0.39
+62.5%

(1) For key financial results and non -GAAP financial measures reconciliation please see the appendix slides.

(2) EPS refers to earnings per diluted share

(3) Net income attributable to the Company's stockholders was \$85.5M, or \$1.65 per diluted share, compared to \$88.1M, or \$1.72 per diluted share in 2019. The decline is mainly impacted by a non-recurring tax benefit recorded in 2019. Excluding this tax benefit of \$13.3M, Net income attributable to the Company's stockholders and diluted share in 2020 over 2019 increased by 14.3% and 13%, respectively.

REVENUES BY SEGMENT

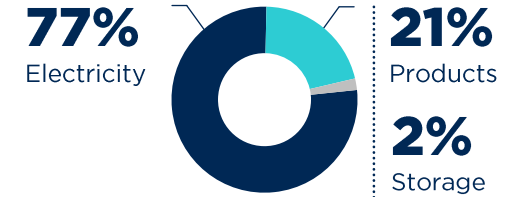
FY 20

Total
\$705.3
(5.5%)

Electricity
\$541.4M
+0.2%

Products
\$148.1M
(22.5%)

Storage
\$15.8M
+7.6%



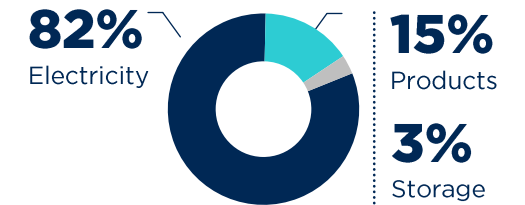
Q4 20

Total
\$179.4
(6.8%)

Electricity
\$146.2M
+1.3%

Products
\$27.4M
(37.5%)

Storage
\$5.8M
+36.2%



GROSS MARGIN BY SEGMENT

FY 20

Total
39.2%
+310 bps

Electricity
44.6%
+250 bps

Products
22.4%
-120 bps

Storage
11.1%
NA

Q4 20

Total
41.8%
+310 bps

Electricity
45.2%
+160 bps

Products
29.8%
+160 bps

Storage
13.0%
NA

ADJUSTED EBITDA⁽¹⁾ BY SEGMENT

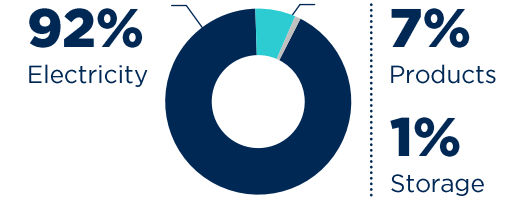
FY 20

Total
\$420.2
+9.3%

Electricity
\$388.6M
+10.6%

Products
\$28.4M
(15.7%)

Storage
\$3.2M
NA



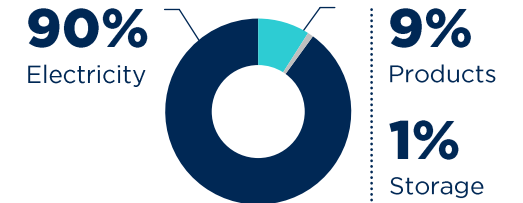
Q4 20

Total
\$109.2
+6.9%

Electricity
\$97.8M
+5.4%

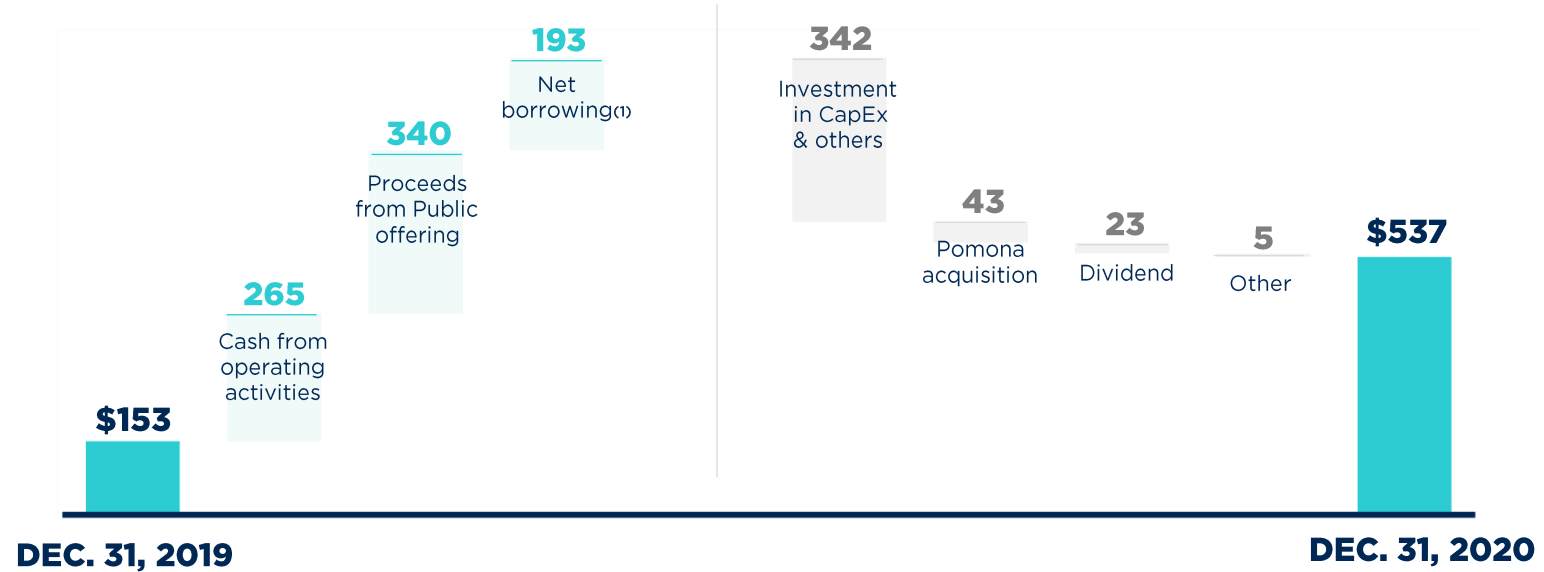
Products
\$9.7M
3.4%

Storage
\$1.7M
NA



(1) For key financial results and non -GAAP financial measures reconciliation please see the appendix slides

YE 2020 - CASH AND CASH EQUIVALENTS AND RESTRICTED CASH (\$M)



\$759M
SUCCESSFUL
RAISING OF
EQUITY AND DEBT

\$340M
PUBLIC
OFFERING
NET PROCEEDS⁽²⁾

\$290M
UNSECURED
BONDS ISSUANCE
 Effective fixed interest
 rate of 4.34%

\$128M
CREDIT FACILITY
EXTENSION
 Effective fixed interest
 rate of 4.7%

(1) For payment of principal due by period please see appendix slides

(2) Public offering of 4,772,500 shares closed in November 2020



ORMAT

02 | BUSINESS RESILIENCE IN THE FACE OF COVID-19

ORMAT DEMONSTRATED IT'S RESILIENT IN A CHALLENGING AND VOLATILE ENVIRONMENT

01

OPERATION

02

PUNA HAWAII

03

KENYA

04

PRODUCT SEGMENT

05

STORAGE UPDATE

01 ELECTRICITY OPERATION

Global portfolio reached 932 MW

Main generating capacity adjustments:

19MW addition from Steamboat Hills enhancement

8MW addition due to higher resource performance at Mammoth, McGinnis Hills, Tungsten, Neal Hot Springs and Raft River

9MW reduction due to lower resource performance at Ormesa, Don A. Campbell and Jersey Valley

Limited impact of COVID-19 on operations

3.1% decrease in generation
due to the OREG facilities and Olkaria complex;

Revenues remained generally unchanged
due to an increase in revenue/MWh from \$86.6/MWh in 2019 to \$89.6/MWh in 2020



**932
MW**

01 U.S.
647 MW

02 Guatemala
40 MW

03 Honduras
38 MW

04 Guadeloupe
15 MW

05 Kenya
150 MW

06 Indonesia
42 MW⁽¹⁾

(1) In the Sarulla complex, we include our 12.75% share only

02 PUNA, HAWAII

Nov. 2020
**Resumed operation
10 MW**

Feb. 2021
13 MW

Mid 2021
**Expect to reach
full operation**

Continue field recovery work

Insurance update

03 KENYA

Resolved all 3 tax assessments

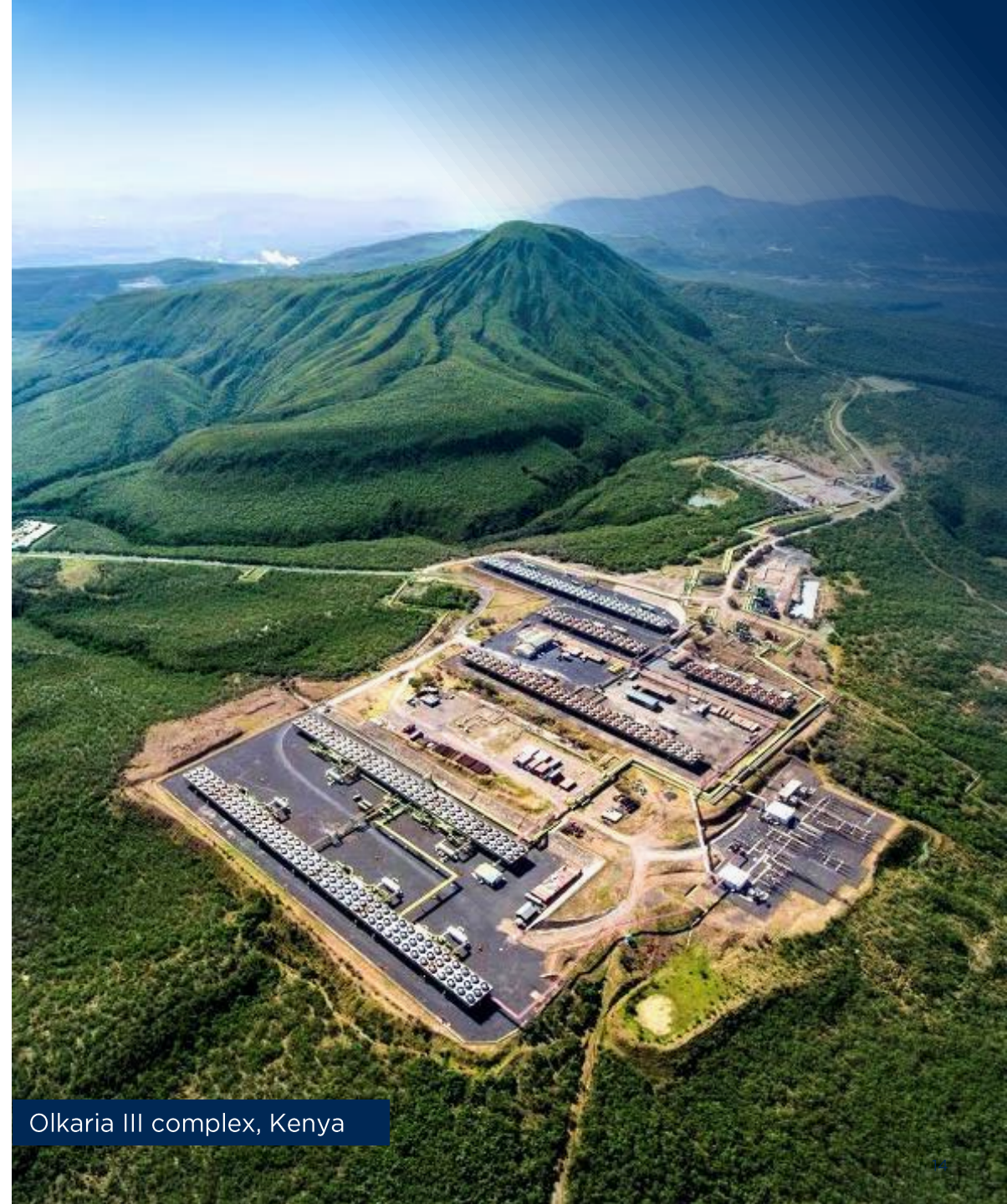
Three assessments of \$200M were favorably settled

Increased Curtailments

Continued curtailments due to COVID-19

Overdue invoices payment

\$48.9M overdue as of Dec. 31, 2020, of which \$16.2M was paid in January and February 2021



Olkaria III complex, Kenya

04 PRODUCT BACKLOG

Reduction in 3rd parties' backlog

Backlog at \$33M⁽¹⁾

Continued impact of COVID-19

Company is in late stage of signing two mid size projects

Focusing manufacturing capacity on internal projects

Manufacturing our owned power plants to support organic growth

Intersegment revenue in 2020 \$113.2M

⁽¹⁾ Includes revenues for the period between January 1, 2021 and February 24, 2021; for backlog breakdown by contracts - see appendix slide



Ngawha geothermal power plant, New Zealand
successfully commissioned in January 2021

05 ENERGY STORAGE

Reached gross profitability

2020 gross profit - \$1.8M

2020 gross margin - 11%

Pushing for growth

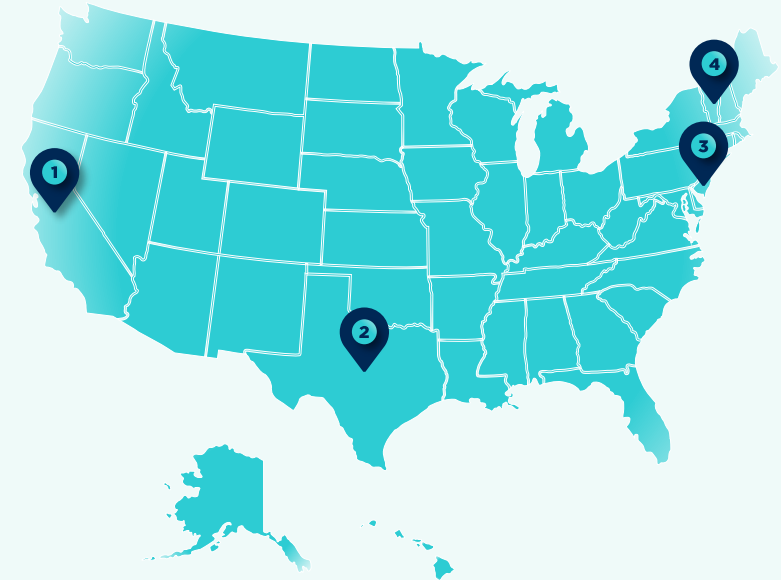
Commercial operation

10MW Rabbit Hill, Texas

M&A

20MW Pomona energy, California - under operation

25MW Upton County, Texas - under construction



**73
MW**

01 CA
20MW/80MWh

02 TX
10MW/10MWh

03 NJ
41MW/41MWh

04 VT
2MW/5MWh



ORMAT

03

**COMMITTED TO
A SUSTAINABLE FUTURE**

EMPLOYEES

COMMUNITY



ENVIRONMENT



ORMAT

04

DRIVING PROFITABLE GROWTH

ROBUST GROWTH PLAN

Increase solar and geothermal capacity significantly

Accelerate storage capacity to establish leading position in the U.S. storage sector

YE 2023 portfolio target:

1,455MW - 1,575MW

Total expected MW growth:

~ 50%

This growth plan is subject to obtaining all permits and regulatory approvals required as well as completing the development and construction of these power plants as planned.

2023 GROWTH TARGET BY SEGMENTS



GEOHERMAL & SOLAR ENERGY

YE 2023 TARGET

1,182MW-1,202MW

MW ADDITION

250MW-270MW

MW GROWTH

27%-29%



ENERGY STORAGE

273MW-373MW

200MW-300MW

274%-411%

Change in MW growth is compared to a 932MW Geothermal & Solar portfolio and a 73 MW storage portfolio in YE 2020



GEOTHERMAL & SOLAR ENERGY PROJECTS UNDER DEVELOPMENT

GEOTHERMAL 10 PROJECTS 143-148 MW

SOLAR 4 PROJECTS 40 MW AC

Project	Projected Capacity (MW)	Expected COD	PPA
U.S - Heber Complex	11	H1 2022	✓
U.S - CD4	30	Q1 2022	✓
U.S - North Valley	30	2022	-
U.S - McGinness Hills Expansion	8	2021	✓
U.S. - Puna expansion	8	2022	✓
U.S - Dixie Meadows	15	2022	✓
U.S - Tungsten Mountain 2	11	H2 2022	✓
Guadeloupe - Bouillante	10	2023	-
Guatemala - Zunil	5	2022	✓
Indonesia - Ijen	15-20 ⁽¹⁾	2023	✓
U.S - Wister Solar	20 AC	H2 2021	✓
U.S. Steamboat Solar	10 AC	2022 & 2023 ⁽¹⁾	✓
U.S. - Tungsten Solar 2	4 AC	2022	✓
U.S. - Brady Solar	6 AC	2022	✓

(1) Ormat's share

(2) 5 AC in 2022 and 5AC in 2023



GEOTHERMAL PROSPECTS

GEOTHERMAL 41 PROSPECTS

Region	Location	# of sites
U.S.	Nevada	22
	California	4
	Oregon	2
	Utah	2
	New Mexico	1
CENTRAL AMERICA	Guatemala	2
	Honduras	1
AFRICA	Ethiopia	4
ASIA PACIFIC	New Zealand	1
	Indonesia	2



**ENERGY
STORAGE**
PROJECTS
UNDER
DEVELOPMENT

ENERGY STORAGE
5 PROJECTS
67 MW

Project	Projected Capacity (MW)	Expected COD	Type of contract
CA - Valecito	10	Q2 2021	Capacity PPA and Merchant
CA - Tierra Buena	5	Q4 2021	Capacity PPA and Merchant
TX - Upton	25	Q4 2021	Merchant
NJ - Andover	20	Q1 2022	Merchant
NJ - Howel	7	Q2 2022	Merchant

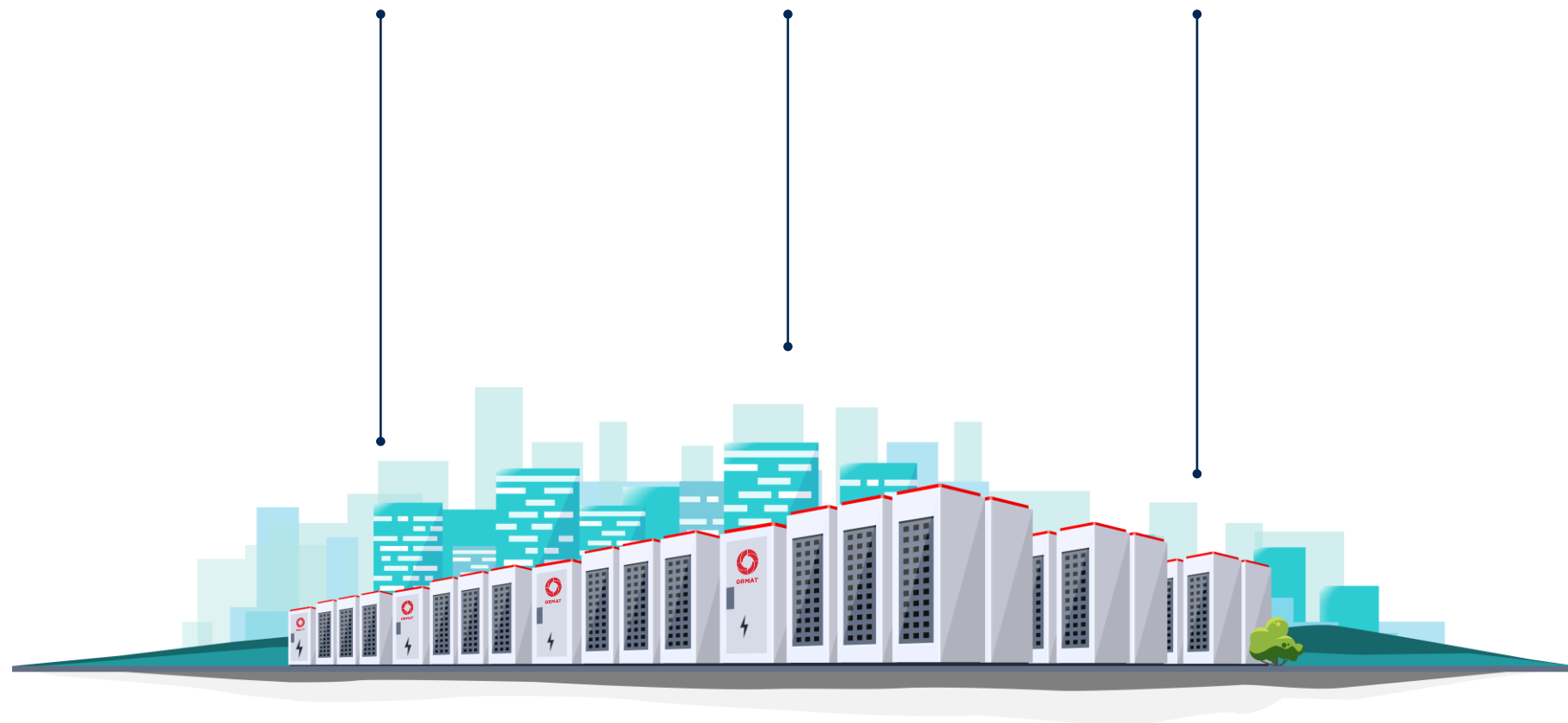


ENERGY STORAGE PIPELINE

1.2GW
potential capacity of
U.S. storage pipeline

33
named
prospects

200-300MW
expected addition
by YE 2023



MAINTAINING A STRONG CAPITAL POSITION TO SUPPORT ACCELERATED GROWTH

\$445M

2021 expected capital needs⁽¹⁾ to support future growth target

**Over
\$900M**

Cash, cash equivalents, restricted cash and available lines of credit

Access to various sources of capital

45%
Net debt to capitalization

2.4x
Net debt to Adj. EBITDA⁽²⁾

(1) For details on CapEx needs please see appendix slides

(2) For key financial results and non-GAAP financial measures reconciliation please see the appendix slides

2021 GUIDANCE

Total revenues
\$640-675M

Electricity revenues
\$570-580M

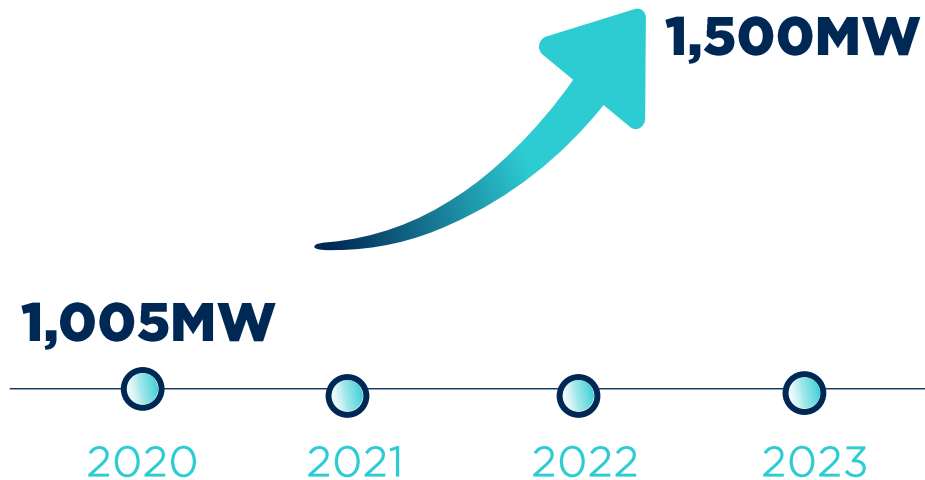
Products revenues
\$50-70M

Storage revenues
\$20-25M

Adjusted EBITDA
\$400-410M

TRANSITIONING TO ACCELERATED GROWTH IN STORAGE AND ELECTRICITY SEGMENTS

MW EXPECTATIONS



ADJUSTED EBITDA EXPECTATIONS



(1) For non -GAAP financial measures reconciliation please see the appendix slides

(2) Annual run-rate towards the end of 2022

THE WAY WE DELIVER SUSTAINABLE GROWTH

PROVEN IN GEOTHERMAL, APPLICABLE TO STORAGE AND TO NEW ACTIVITIES



Creating a greater profit potential
by applying vertical integration approach



Mitigating portfolio risk through diversification
Geothermal activity serves as a solid foundation for Storage activity



Maintaining a strong capital position
Strong cash flow and access to various sources of capital



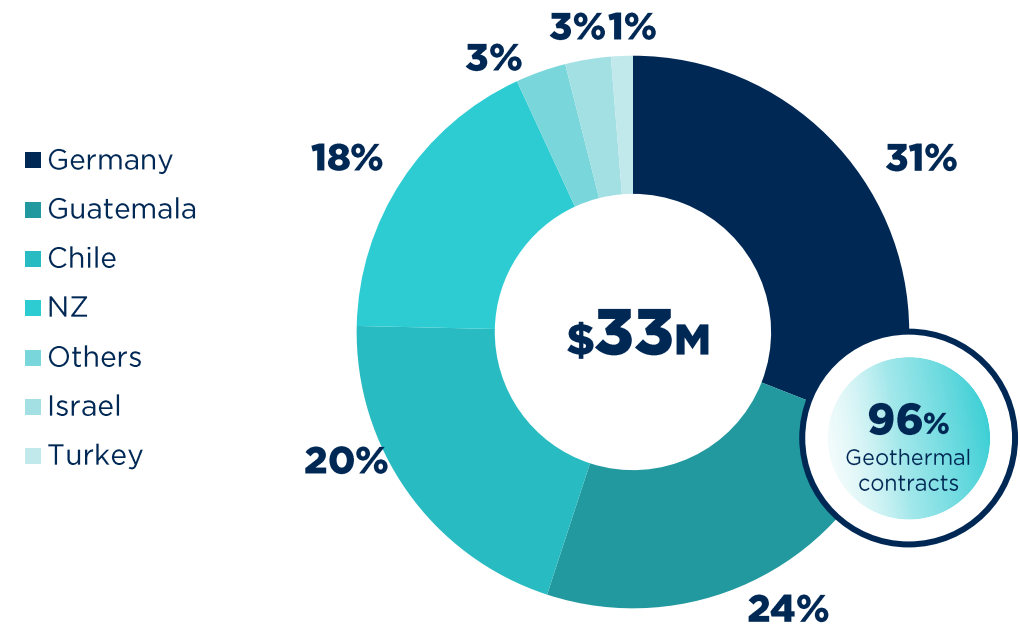
FULL COMMITMENT TO SUSTAINABLE GROWTH

THANK YOU!

SMADAR LAVI | VP CORPORATE FINANCE AND HEAD OF INVESTOR RELATIONS
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PRODUCTS SEGMENT THIRD-PARTY BACKLOG⁽¹⁾

CONTRACTS GEOGRAPHIC BREAKDOWN



PAYMENT OF PRINCIPAL DUE BY PERIOD (\$M)

AVERAGE INTEREST RATE: 4.7%

		Q1-2021	Q2-2021	Q3-2021	Q4-2021	Year 2021
Long-term non-recourse debt & limited recourse debt		8.1	9.5	8.6	9.8	35.9
Senior Secured Notes (non-recourse)		8.5	5.6	5.0	5.9	25.0
Long-term loans (full recourse)		0.0	4.7	8.4	4.7	17.8
Total		16.5	19.8	21.9	20.4	78.6

	Remaining Total	2021	2022	2023	2024	2025	Thereafter
Long-term non-recourse debt & limited recourse debt	329.4	35.9	36.4	36.5	36.6	36.5	147.6
Senior Secured Notes (non-recourse)	347.1	25.0	25.5	40.8	24.6	25.1	206.2
Total non-recourse debt (46%)	676.5	60.8	61.9	77.3	61.1	61.6	353.8
Long-term Loans (full-recourse)	70.3	9.4	9.4	9.4	9.4	9.4	23.4
Senior Unsecured Bonds (full-recourse)	729.1	8.4	265.9	47.9	47.9	47.9	311.0
Total full-recourse debt (54%)	799.3	17.8	275.3	57.3	57.3	57.3	334.5
Total ⁽¹⁾	1475.9	78.6	337.2	134.5	118.4	118.8	688.3

(1) Before classification of deferred financing costs in the amount of \$17.3M

(2) We assume lines of credit are renewed



EXPECTED CAPITAL NEEDS FOR 2021

CAPITAL NEEDS (\$M)	
Construction & Enhancements – fully released	200
Development enhancement and Exploration – not yet released	150
Maintenance CapEx (including drilling in Puna)	40
Storage activity	45
Enhancement of the production facilities	10
Total CapEx	\$445

P&L HIGHLIGHTS

	Q4 2020	Q4 2019	Change (%)	FY 2020	FY 2019	Change (%)
GAAP MEASURES						
Revenues (\$M)						
Electricity	146.2	144.4	1.3 %	541.4	540.3	0.2 %
Product	27.4	43.8	(37.5) %	148.1	191.0	(22.5) %
Energy Storage	5.8	4.3	36.2 %	15.8	14.7	7.6 %
Total Revenues	179.4	192.4	(6.8) %	705.3	746.0	(5.5) %
Gross margin (%)						
Electricity	45.2 %	43.6 %	+160 bps	44.6 %	42.1 %	+250 bps
Product	29.8 %	28.2 %	+160 bps	22.4 %	23.6 %	-120 bps
Energy Storage	13.0 %	(19.0) %		11.1 %	(21.8) %	
Gross margin (%)	41.8 %	38.7 %	+310 bps	39.2 %	36.1 %	+310 bps
Operating income (\$M)	53.2	54.5	-2.3 %	214.0	193.8	10.4 %
Net income attributable to the Company's stockholders	20.7	12.6	64.2 %	85.5	88.1	-3.0 %
Diluted EPS (\$)	0.39	0.24	62.5 %	1.65	1.72	(4.1) %
						%
NON-GAAP MEASURES ⁽¹⁾						
						%
Adjusted Net income attributable to the Company's stockholders	20.7	12.6	64.2 %	85.5	74.8	14.3 %
Adjusted Diluted EPS (\$)	0.39	0.24	62.5 %	1.65	1.46	13.0 %
Adjusted EBITDA1 (\$M)	109.2	102.2	6.9 %	420.2	384.3	9.3 %

(1) Reconciliation in the next slide



RECONCILIATION OF EBITDA AND ADJUSTED EBITDA

	Three Months Ended December 31, 2020 2019 (Dollars in thousands)		Twelve-Months Ended December 31, 2020 2019 (Dollars in thousands)	
Net income	23,532	14,127	101,806	93,543
Adjusted for:				
Interest expense, net (including amortization of deferred financing costs)	18,891	17,248	76,236	78,869
Income tax provision (benefit)	21,728	25,477	67,003	45,613
Adjustment to investment in an unconsolidated company: our proportionate share in interest expense, tax and depreciation and amortization in Sarulla	1,278	5,205	11,549	13,089
Depreciation and amortization	39,643	36,260	151,371	143,242
EBITDA	105,072	98,317	407,965	374,356
Mark-to-market gains or losses from accounting for derivative	420	507	(1,192)	(1,402)
Stock-based compensation	2,770	2,127	9,830	9,358
Loss from extinguishment of liability	—	468	—	468
Merger and acquisition transaction costs	910	733	2,279	1,483
Settlement expenses	—	—	1,277	—
Adjusted EBITDA	109,172	102,152	420,159	384,263

We calculate EBITDA as net income before interest, taxes, depreciation and amortization. We calculate Adjusted EBITDA as net income before interest, taxes, depreciation and amortization, adjusted for (i) termination fees, (ii) impairment of long-lived assets, (iii) write-off of unsuccessful exploration activities, (iv) any mark-to-market gains or losses from accounting for derivatives, (v) merger and acquisition transaction costs, (vi) stock-based compensation, (vii) gain or loss from extinguishment of liabilities, (viii) gain or loss on sale of subsidiary and property, plant and equipment and (ix) other unusual or non-recurring items. EBITDA and Adjusted EBITDA are not measurements of financial performance or liquidity under accounting principles generally accepted in the United States, or U.S. GAAP, and should not be considered as an alternative to cash flow from operating activities or as a measure of liquidity or an alternative to net earnings as indicators of our operating performance or any other measures of performance derived in accordance with U.S. GAAP. Our Board of Directors and senior management use EBITDA and Adjusted EBITDA to evaluate our financial performance. However, other companies in our industry may calculate EBITDA and Adjusted EBITDA differently than we do. The above table reconciles net income to EBITDA and Adjusted EBITDA for the three and Twelve-Month periods ended December 31, 2020 and 2019.

RECONCILIATION OF ADJUSTED NET INCOME ATTRIBUTABLE TO THE COMPANY'S STOCKHOLDERS AND EPS

	Three Months Ended December 31		Twelve Months Ended December 31	
	2020	2019	2020	2019
Net income attributable to Company's stockholders (\$M)	20.7	12.6	85.5	88.1
One-time tax items (\$M)	-	-	-	(13.3)
Adjusted Net income attributable to the Company's stockholders (\$M)	20.7	12.6	85.5	74.8
Weighted average number of shares diluted used in computation of earnings per share to the Company's stockholders (\$M)	53.6	51.5	51.9	51.2
Diluted Adjusted EPS (\$)	0.39	0.24	1.65	1.46

Adjusted Net Income attributable to the Company's stockholders and Adjusted EPS are adjusted for one-time expense items that are not representative of our ongoing business and operations. The use of Adjusted Net income attributable to the Company's stockholders and Adjusted EPS is intended to enhance the usefulness of our financial information by providing measures to assess the overall performance of our ongoing business. The above table reconciles Net income attributable to the Company's stockholders and Adjusted EPS for the three-month and 12-month periods ended December 31, 2020 and 2019.