



# Solaredge stock news headlines

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Struggling next-generation energy company SolarEdge Technologies (SEDG 6.33%) gave investors a reason to be sunny and cheerful on Thursday with its latest news. The company announced it was shutting down one of its less significant businesses, and the market reacted by sending the stock price nearly 9% higher. This was in sharp contrast to the slumping S& P 500 index, which ended the day 0.4% lower.

Before market open, SolarEdge announced that it is ceasing all activity in its energy storage division. This will affect roughly 500 workers, the bulk of whom are in South Korea. The solar company expects the move will save it around \$7.5 million in expenses every quarter. Assets related to the business are intended to be sold; these include the manufacturing facilities in its possession.

In the press release announcing the measure, SolarEdge quoted its interim CEO Ronen Faier as saying that it represents the "continued execution of two of our main priorities: financial stability through cost reduction, return to cash flow positivity and profitability; and focus on our core business lines of solar, PV-attached storage and energy management capabilities."

In what's surely not a coincidence, the announcement comes not long after SolarEdge reported its third-quarter results. It wasn't a fruitful period for the company, to say the least. Revenue was perilously close to the bottom end of management's guidance, and was down 64% year over year to boot. Meanwhile, GAAP net income plunged sharply to a loss of over \$1.2 billion from the year-ago quarter's loss of \$62 million.

SolarEdge's current focus, sensibly enough, is to focus on its core business of providing a suite of solar energy offerings. Yet competition is heavy in this industry, and it hasn't scaled enough to make room for numerous profitable businesses. Investors should be very cautious not only with this stock, but with the solar sector generally.

Eric Volkman has no position in any of the stocks mentioned. The Motley Fool recommends SolarEdge Technologies. The Motley Fool has a disclosure policy.

SolarEdge Technologies, Inc. SEDG shares are trading higher. The company announced plans to cease all activities of its energy storage division and reduce its workforce by about 500 employees. Here's what you need to know.



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What To Know: In a new press release Wednesday, SolarEdge stated it was shutting down its energy storage division to prioritize its solar operations. The move will result in a workforce reduction of approximately 500 employees, largely located in South Korea.

The closure is expected to result in quarterly operating expense savings of approximately \$7.5 million, with full savings anticipated to be realized by the second half of 2025. In addition, the company plans to sell assets related to its storage division, including manufacturing facilities for battery cells and packs.

"The decision to close our Energy Storage division was the result of a thoughtful analysis of our portfolio of businesses and product lines, industry trends, and the competitive environment," said interim CEO Ronen Faier.

"The measures also represent continued execution of two of our main priorities: financial stability through cost reduction, return to cash flow positivity and profitability; and focus on our core business lines of solar, PV-attached storage and energy management capabilities. I wish to thank our Energy Storage division employees for all of their efforts in building this business."

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