

IR Presentation

May 2017



McGinness Hills, Nevada, US



Green energy you can rely on

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Information provided during this presentation may contain statements relating to current expectations, estimates, forecasts and projections about future events that are forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995.

These forward-looking statements generally relate to the company's plans, objectives and expectations for future operations, and are based on management's current estimates and projections of future results or trends. Actual future results may differ materially from those projected as a result of certain risks and uncertainties.

For a discussion of such risks and uncertainties, please see risk factors as described in the Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 1, 2017.

In addition, during this presentation, statements may be made that include a financial measure defined as non-GAAP financial measures by the Securities and Exchange Commission, such as EBITDA and adjusted EBITDA. These measures may be different from non-GAAP financial measures used by other companies. The presentation of this financial information is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP.

Management of Ormat Technologies believes that EBITDA and adjusted EBITDA may provide meaningful supplemental information regarding liquidity measurement that both management and investors benefit from referring to this non-GAAP financial measures in assessing Ormat Technologies' liquidity, and when planning and forecasting future periods. This non-GAAP financial measures may also facilitate management's internal comparison to the company's historical liquidity.

EBITDA and Adjusted EBITDA are not a measurement of financial performance or liquidity under accounting principles generally accepted in the United States of America 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 accounting principles generally accepted in the United States of America. EBITDA and Adjusted EBITDA are presented because we believe they are frequently used by securities analysts, investors and other interested parties in the evaluation of a company's ability to service and/or incur debt. However, other companies in our industry may calculate EBITDA and Adjusted EBITDA differently than we do.

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Introduction

Market leader with proven track record in the geothermal sector

Our mission is to become a leading global renewable energy provider

52

Years of
experience



663 \$M

FY 2016
Revenues



Own & Operate

727 MW



324 \$M

FY 2016
Adj. EBITDA



1,180

Employees



Why Geothermal



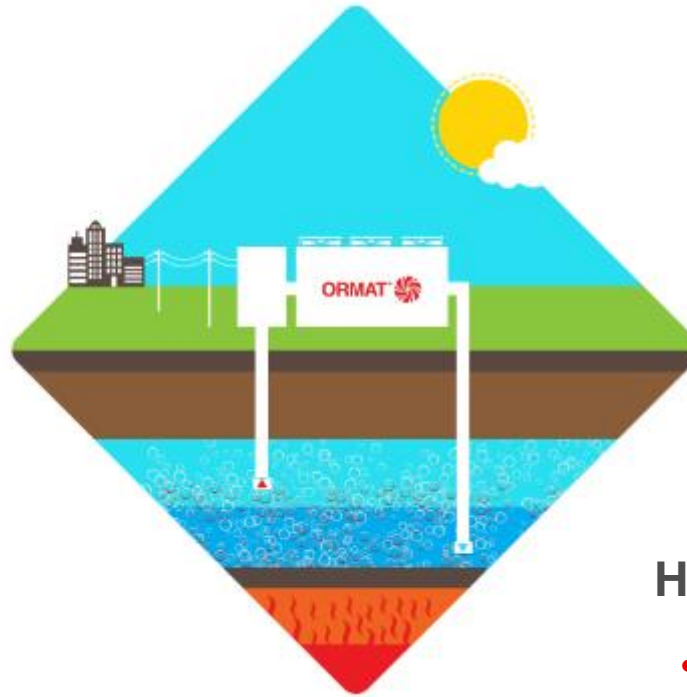
Renewable

- Supporting legislation
- Growing demand



Global growth potential

- Estimated 10X the installed capacity



Competitive

- Firm & flexible
- Cost effective

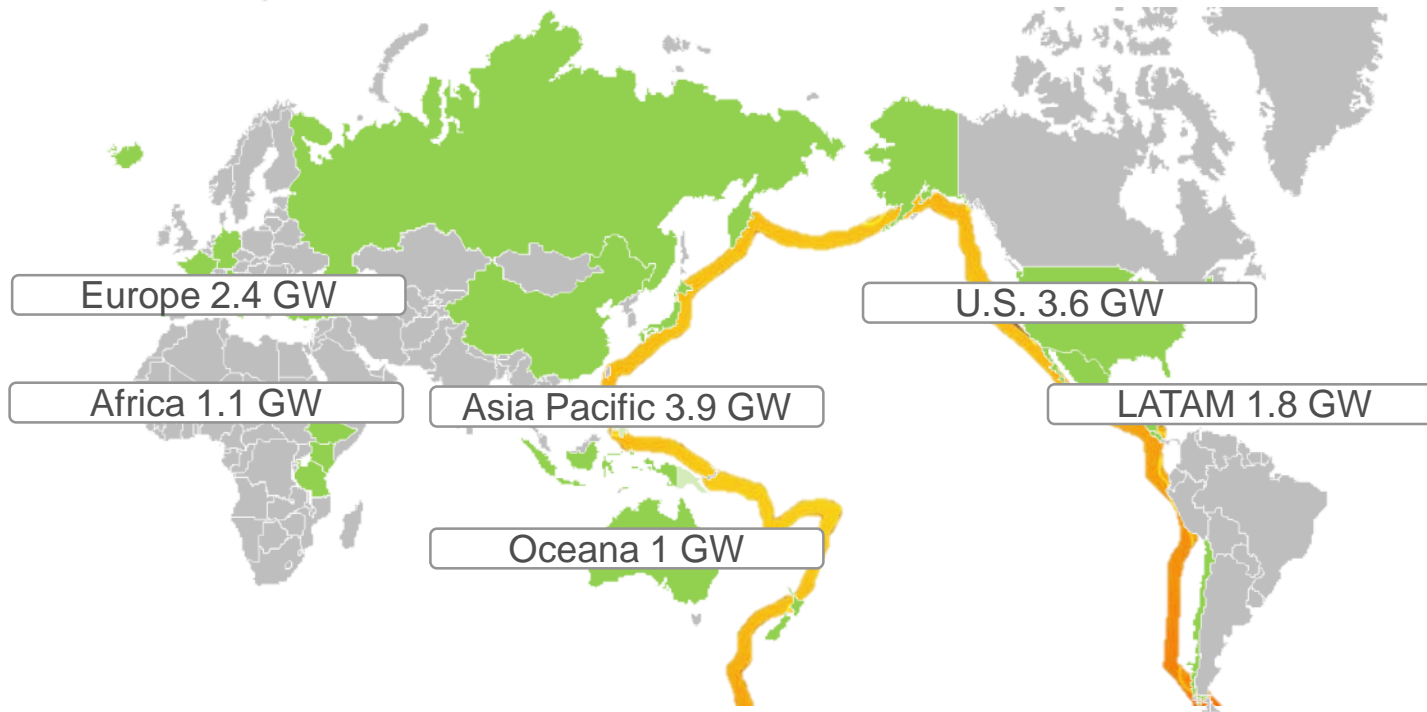


High entry barriers

- Niche market
- Capital intensive
- Expertise

Market Opportunities for Geothermal Growth

Industry estimate: potential is over 10x the global installed capacity of 13.8 GW

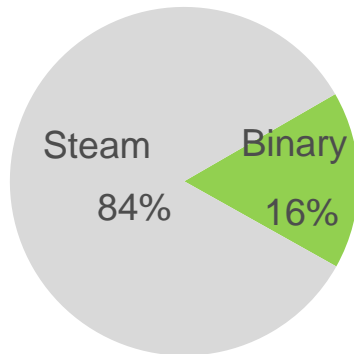


Source: Hydrothermal Geothermal Resources Potential, EMERGING ENERGY RESEARCH, LLC. Global "Geothermal Markets and Strategies: 2009–2020", May 2009.
"Geothermal Power Generation in the World 2005–2010 Update Report" Ruggero Bertani Enel Green Power, via Dalmazia 15 – 00198 Roma (Italy) April 2010. 2015
Annual U.S. & Global Geothermal Power Production Report GEA Feb.2016,2016 International Development - Interim Report, GEA Report Oct, 2016.

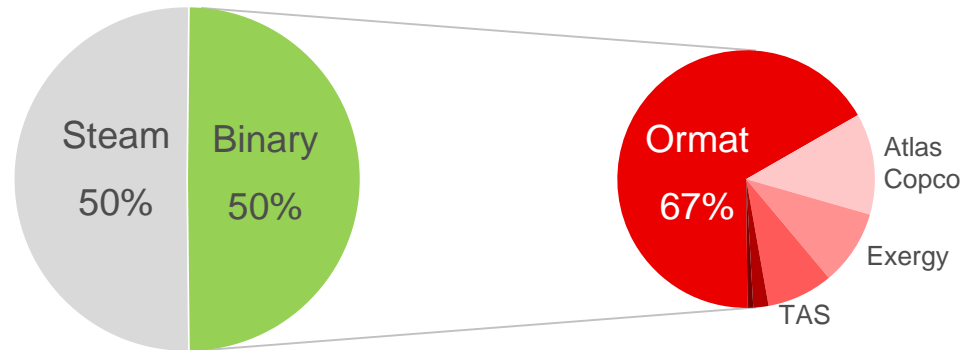
Geothermal Market

Leading the Geothermal binary market with 80% market share

**Total Global Installed Capacity
(13.8 GW) by Technology Type (%)**



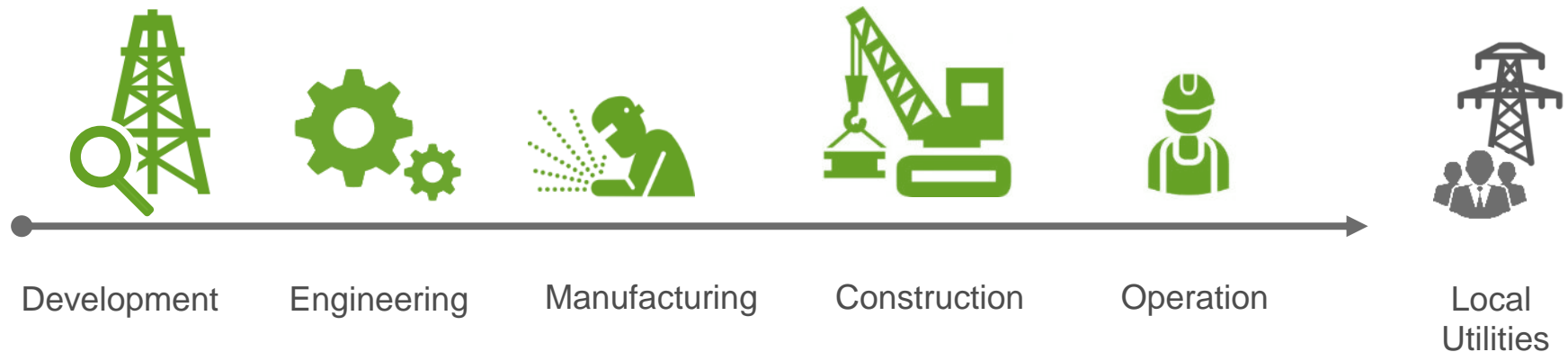
**5-Year Total Global Installed Capacity
(2.1GW) by Technology Type (%)**



Source: Annual U.S. & Global Geothermal Power Production Report GEA Feb.2016,2016 International Development - Interim Report, GEA Report Oct, 2016 & Ormat analysis

The Only Vertically Integrated Geothermal Player

Electricity Segment



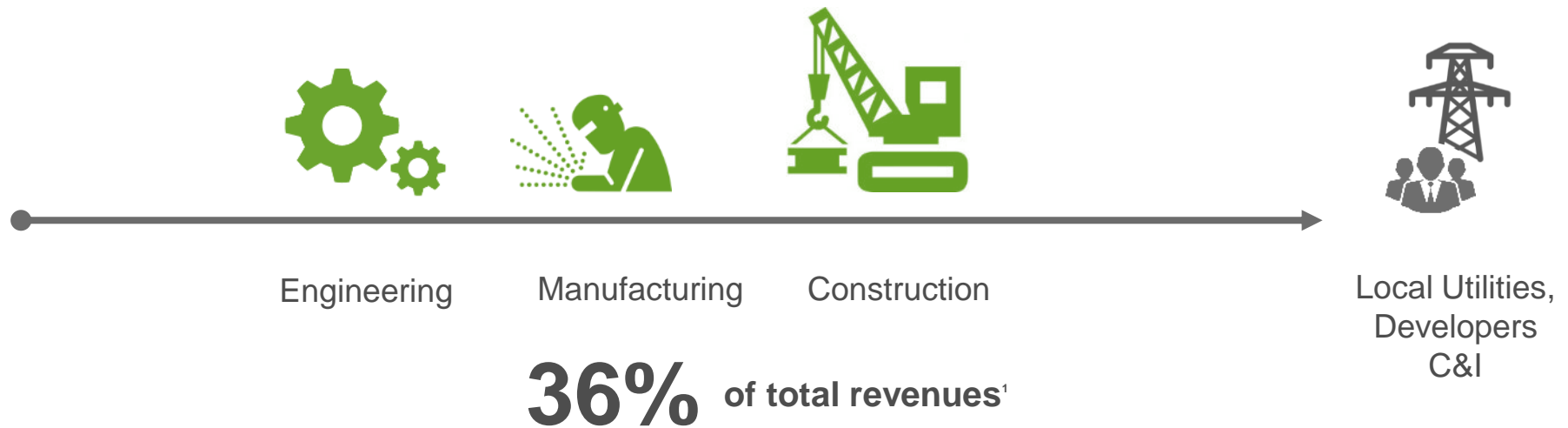
64% of total revenues¹

(1) Five years average (2012-2016)

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The Only Vertically Integrated Geothermal Player

Products Segment



(1) Five years average (2012-2016)

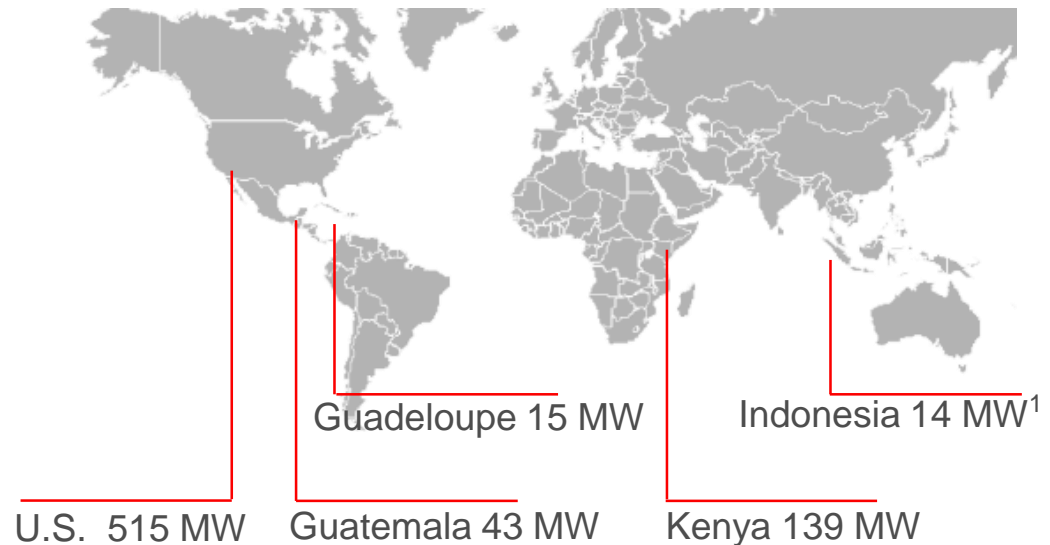
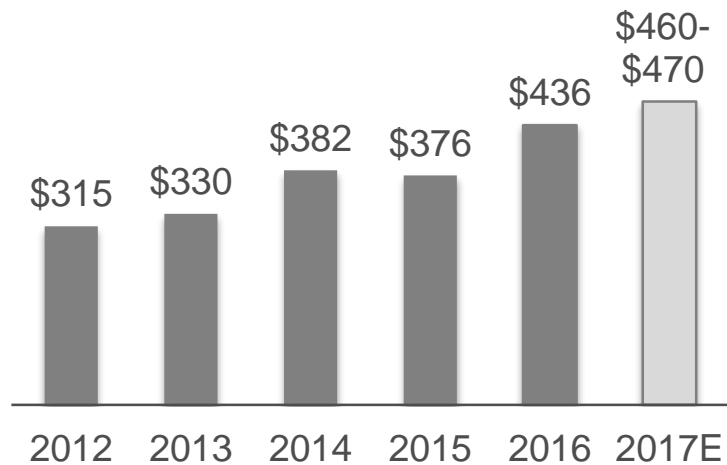
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Electricity Segment Overview

Stable, well managed, cash generating assets

- Global operation of 727 MW in 20 sites
- 93% geothermal; 7% REG
- Weighted average PPA life -15 years

Annual Revenue (\$million)

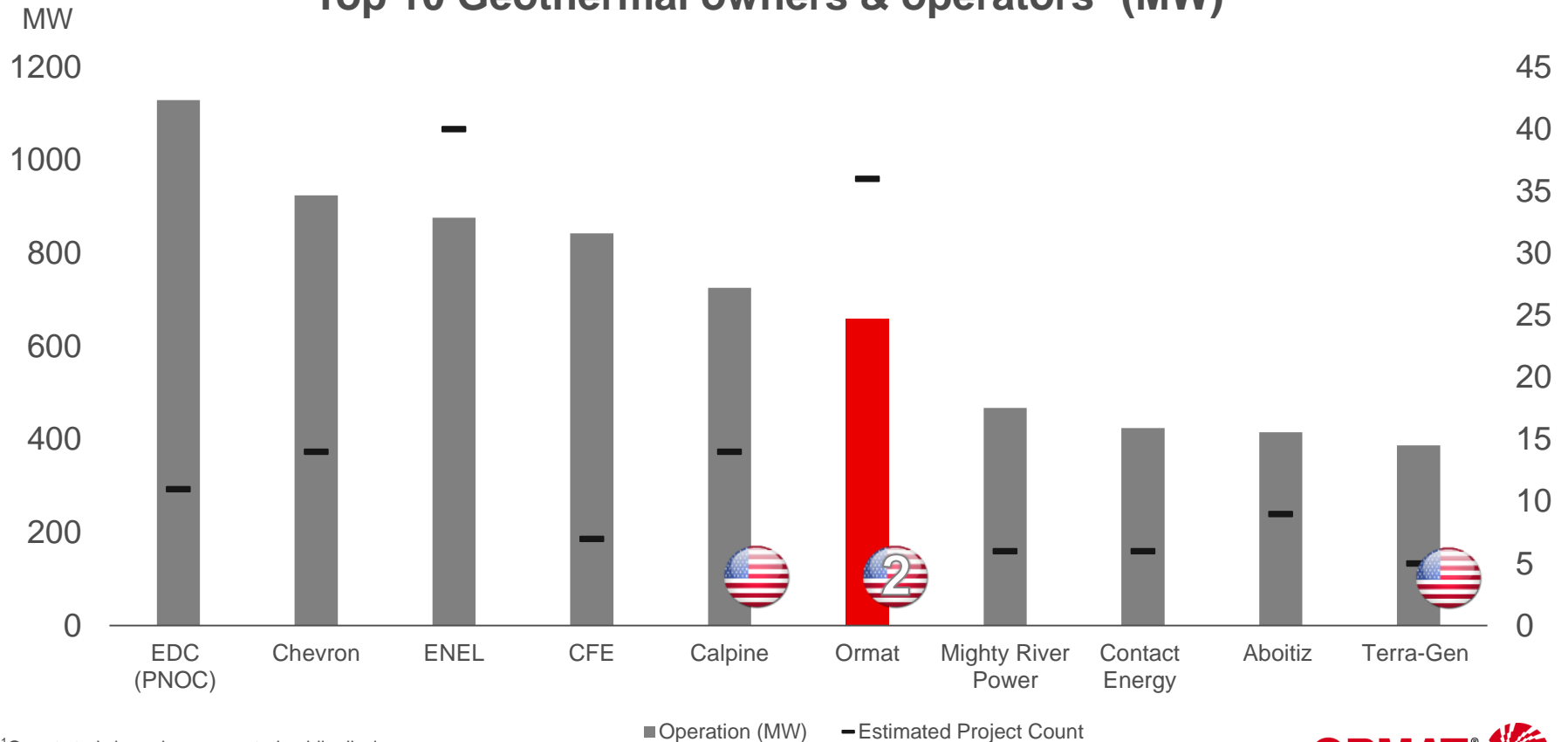


¹In March 2017, the first unit of the Sarulla geothermal power plant in Indonesia with a total generating capacity of approx. 110 MW commenced commercial operation. Ormat's share in the Sarulla Consortium is 12.75%.

Market Share - Electricity Segment

Most active global developer - with over 400 MW developed in the last decade

Top 10 Geothermal owners & operators¹ (MW)



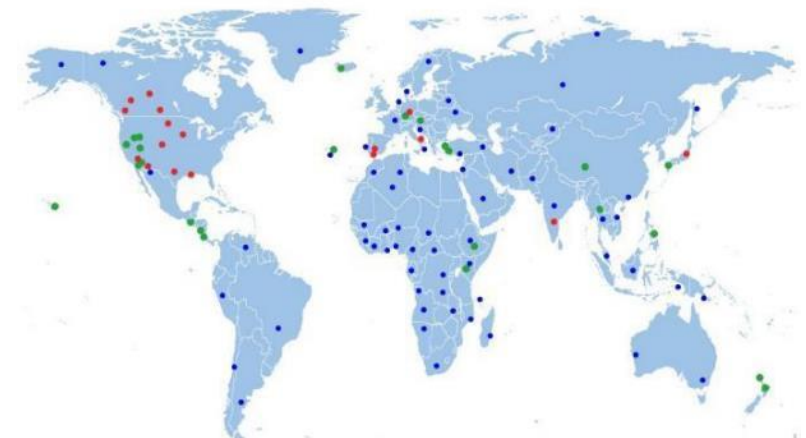
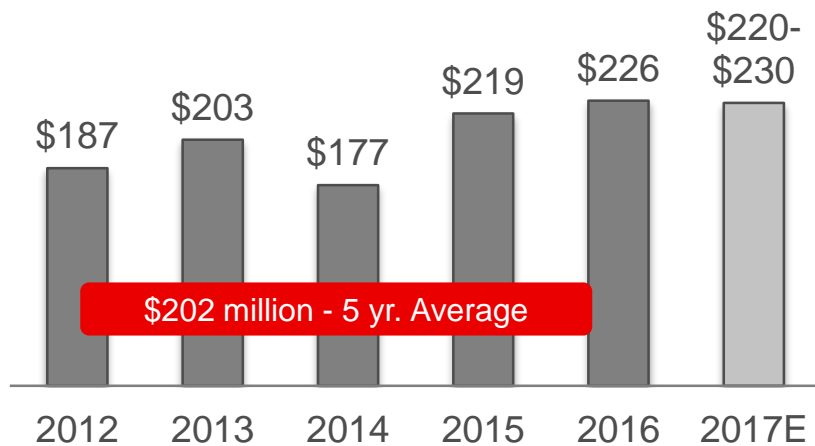
¹Ormat study based on presented public disclosure;

Product Segment Overview

Built over 150 power plants and installed over 2,200 MW of Geothermal & REG

- Backlog of approximately \$207 million¹
 - Signed new contracts for a total of \$30 million
 - Improvement in costs, technology and delivery lead-time enabled backlog increase

Revenue from 3rd Party Sales (\$million)



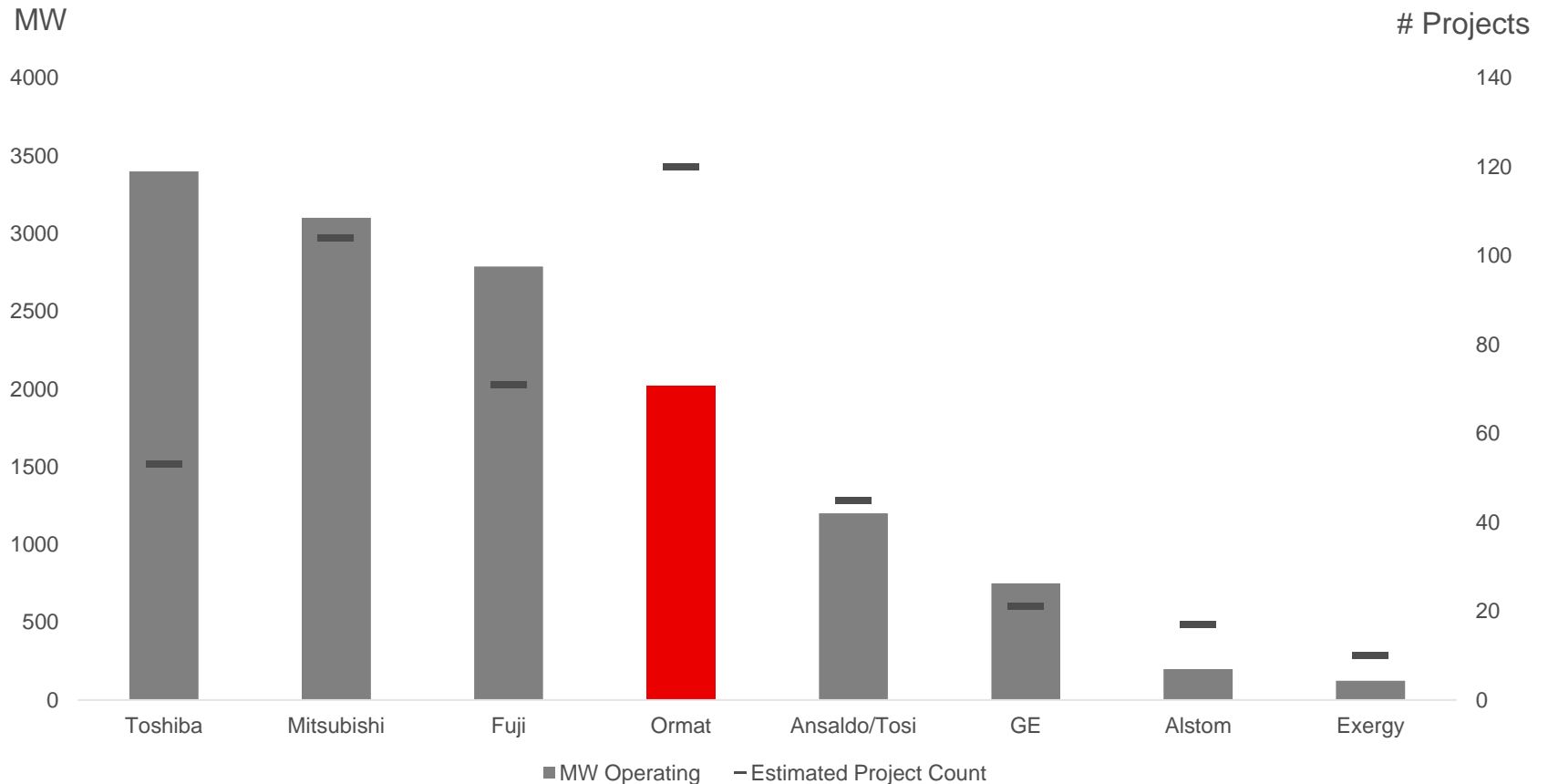
- Geothermal Power plants
- REG (Recovered Energy Generation)
- Remote Power Units

¹ The backlog is as of May 8, 2017 and it includes revenues for the period between April 1, 2017 and May 8, 2017

² EPC- Engineering Procurement and Construction

Market Share - Products Segment

Major Geothermal Equipment Suppliers (MW & Project Count)

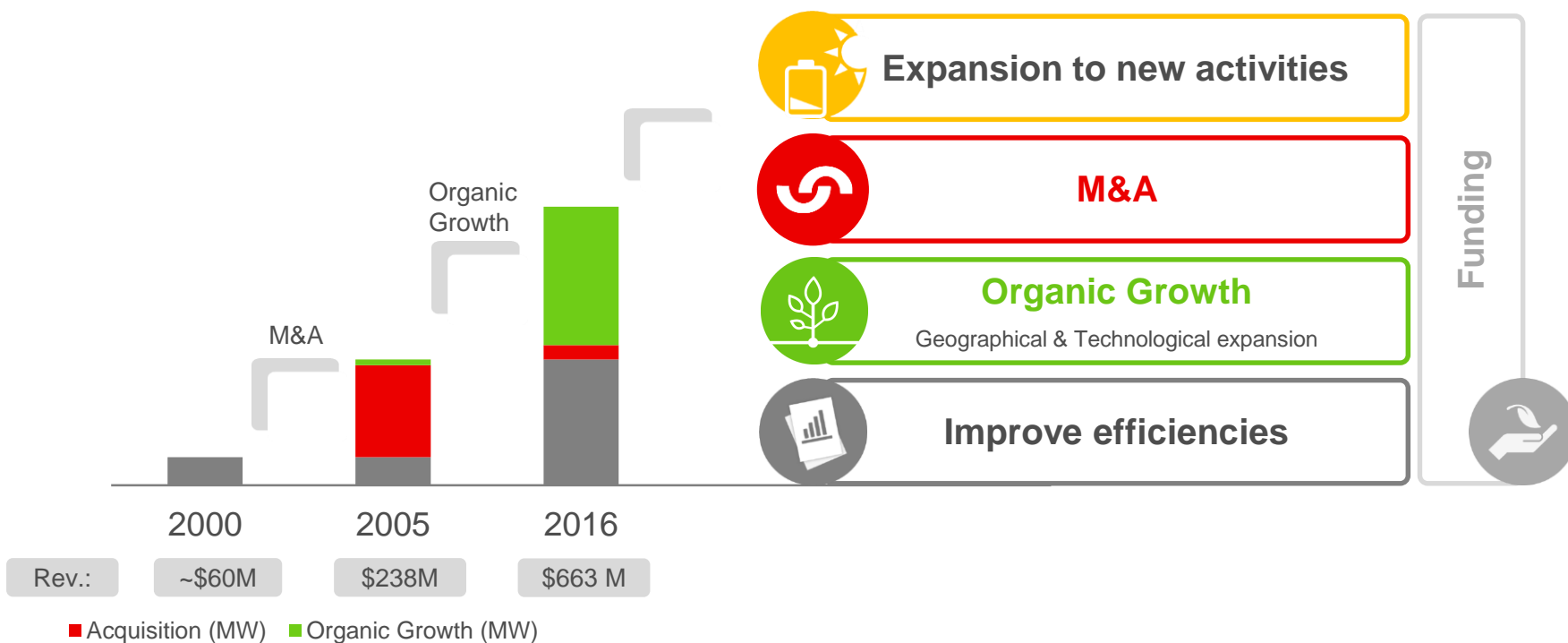


¹GEA 2015 Annual U.S. & Global Geothermal Power Production Report & Ormat study based on presented public disclosure for [Fuji](#), [Exergy](#), [Toshiba](#) & [Mitsubishi](#)

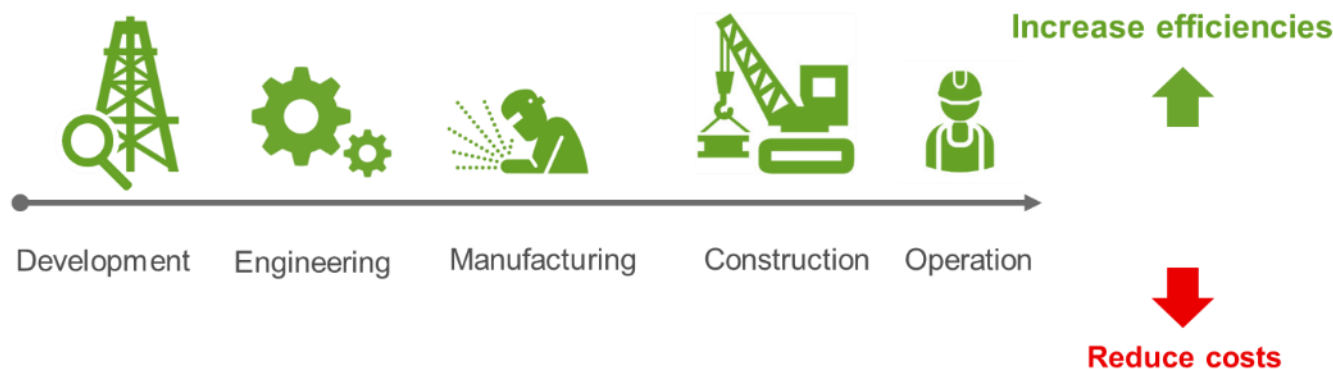
Most of the installed capacity presented in the chart is based on Steam technology while most of Ormat installed capacity is based on Binary technology

Increasing Shareholders Value

Proactive growth initiatives to accelerate profitable growth



Improve Efficiencies -The Numbers Tell It All

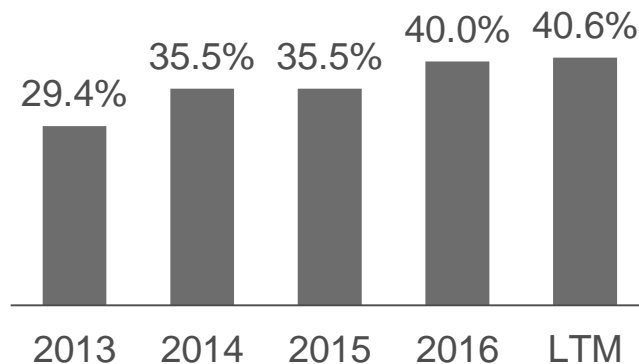


CapEx Reduction

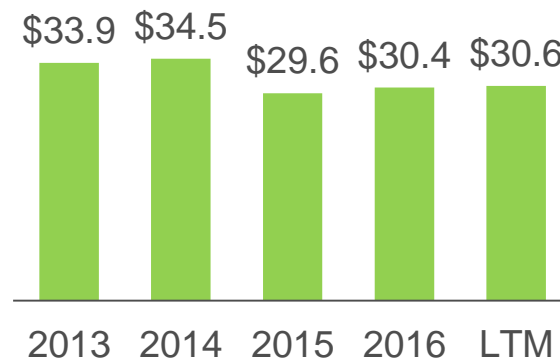
Reduction in equipment and construction cost

Reducing the CapEx/MW from \$4.5M-\$5M to \$4M-\$4.5M

Electricity Segment Gross Margin



Operating Cost ¹ (\$/MWh)



¹Operating cost excludes depreciation

Organic Growth - Market Growth Drivers



Energy Shortage



Supportive
Legislation



Leadership

Future Growth

- Expanding geographical footprint and diversifying technologies
 - 2016 - added 44 MW from Olkaria III, Kenya & Bouillante, Guadeloupe
 - March 2017 - added 14 MW from SIL, the first unit of the 330MW Sarulla geothermal project in Indonesia
- Expect to add between 200 MW and 210 MW by YE 2019



Project	Projected Capacity	Expected COD
Honduras, Platanares	35 MW	Q3 2017
U.S. - Tungsten	24 MW	Q4 2017
U.S. - Dixie Meadows	15 -20 MW	2018
Indonesia - Sarulla Project, NIL 1&2	28 MW ¹	2017& 2018
Kenya - Olkaria Repowering	10 MW	2018
Guadeloupe- Bouillante	10 MW	2018/2019
U.S - McGinness Hills Phase 3	48 MW	2018/2019

¹ Ormat's share is 12.75% in Sarulla
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Expansion to New Activities - Energy Storage Market

A growth engine that diversifies our technological, geographical & customer base

2015

- Outline strategy
- Target energy storage market
- Establish M&A team

2016

- Establish storage team
- Collaboration with Alevo to jointly build and own a first storage project

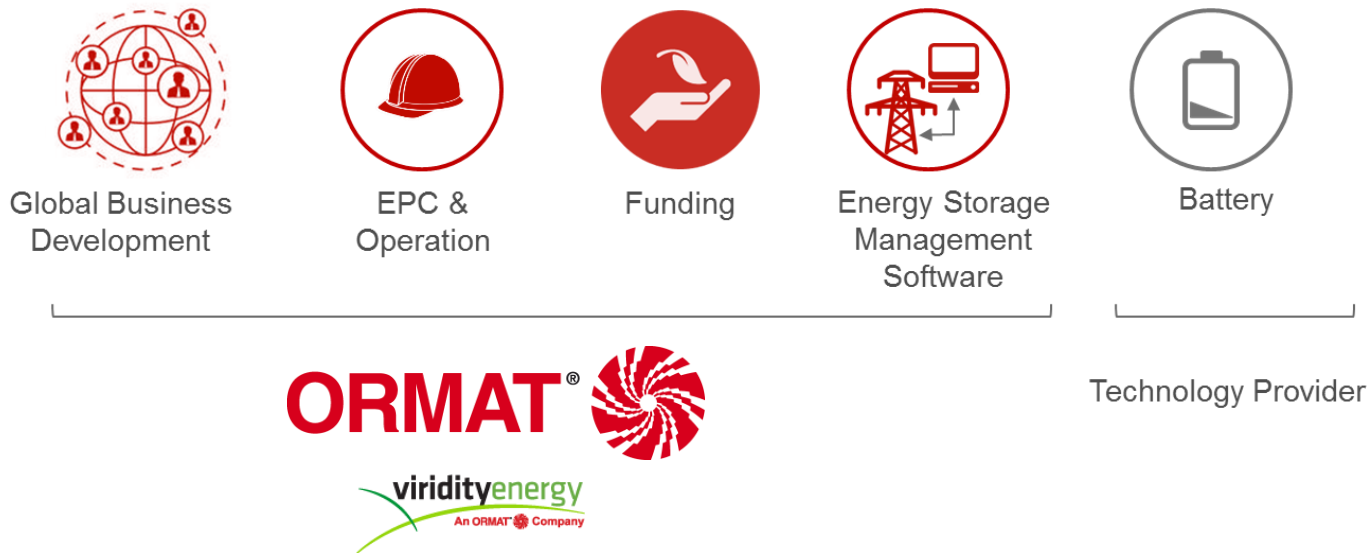
2017

- Viridity acquisition - a platform to develop and expand opportunities in the energy storage market

Becoming an EPC, Developer, Owner, Operator and Integrator in the Energy Storage Market

Expansion to New Activities - Energy Storage Market

- March 15, 2017 - closed the acquisition of substantially all the business and assets of Viridity Energy, Inc. for \$35 million
- Viridity acquisition - a platform to develop and expand opportunities in the energy storage market



Funding Our Growth

Strong balance sheet to support growth initiatives

- Cash on balance sheet
- Growing cash from our existing portfolio
- Access to capital
 - Project debt financing
 - Cash from equity transactions

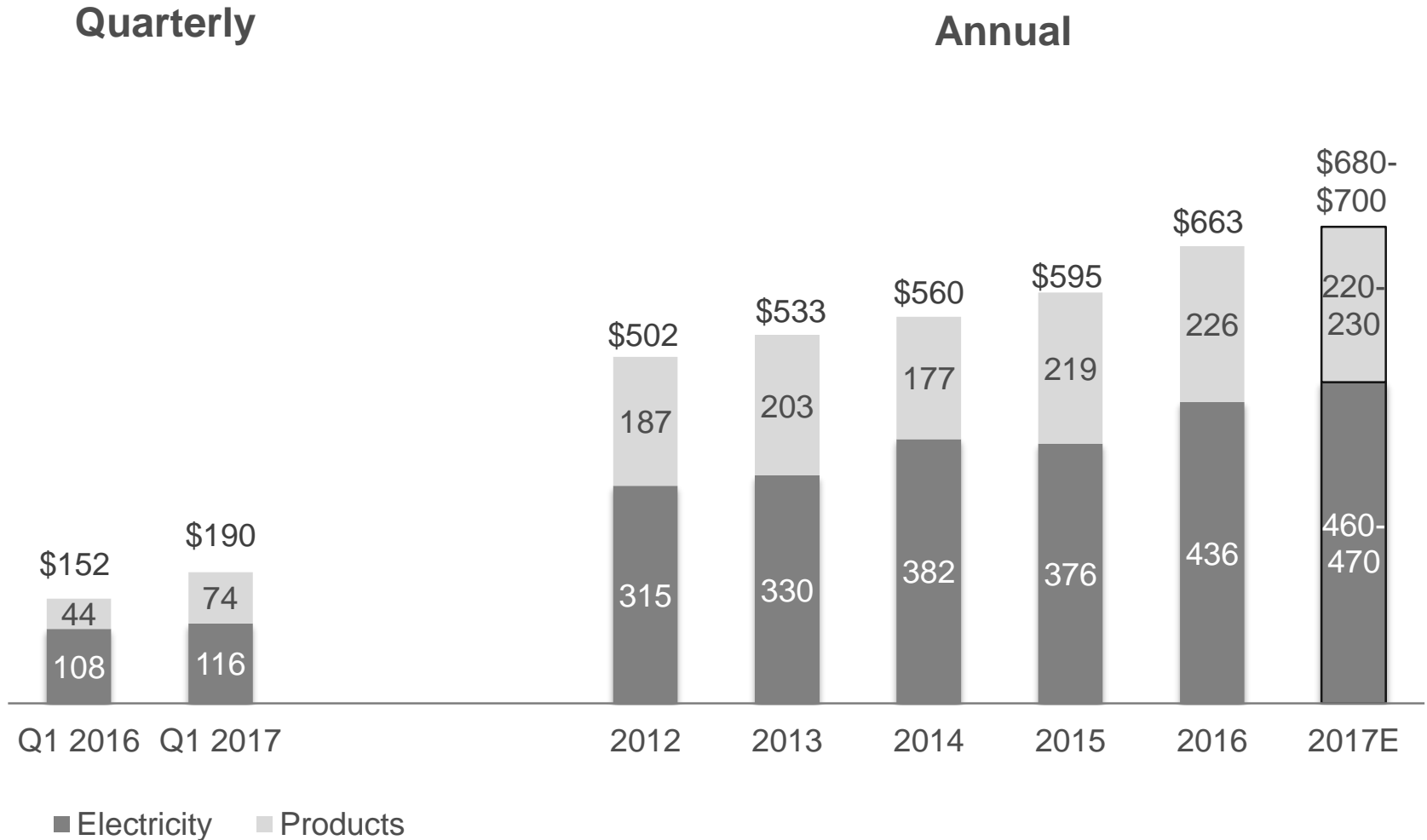
Portfolio Approach

Geographical & Technological Expansions

- Portfolio approach - diversification
 - Geographies
 - Technologies (Geothermal, REG, Solar, Storage)
- Additional risk mitigation aspects
 - Host country guarantee
 - Project finance (OPIC, ADB, DEG and AFDB)
 - Political Risk Insurance (MIGA)
 - Competitive pricing
 - Low incentive for breach of contract

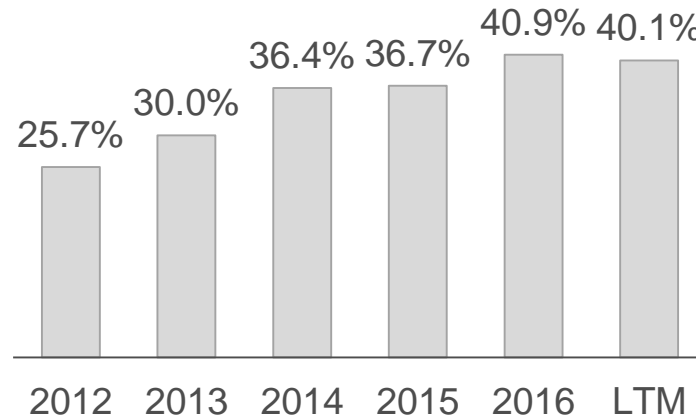


Strong Execution - Revenue (\$million)

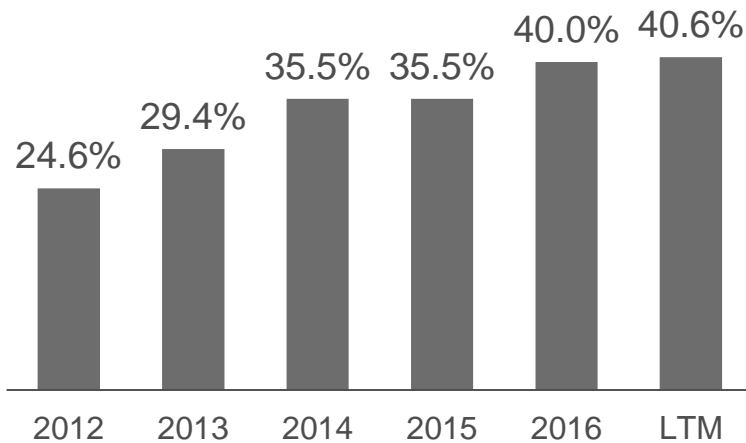


Gross Margin

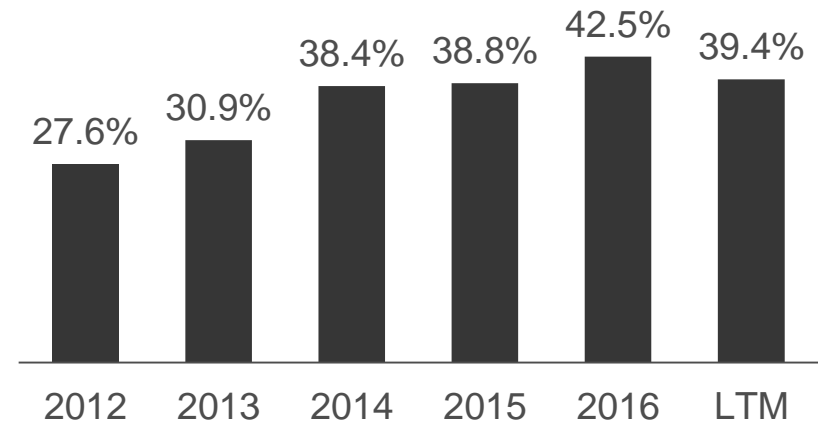
Combined



Electricity Segment



Product Segment

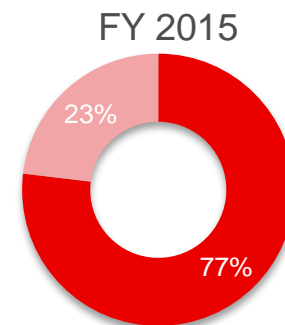
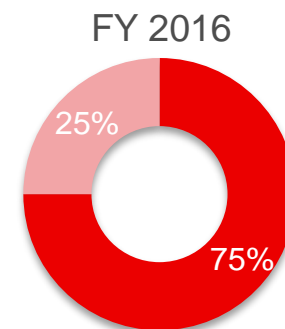
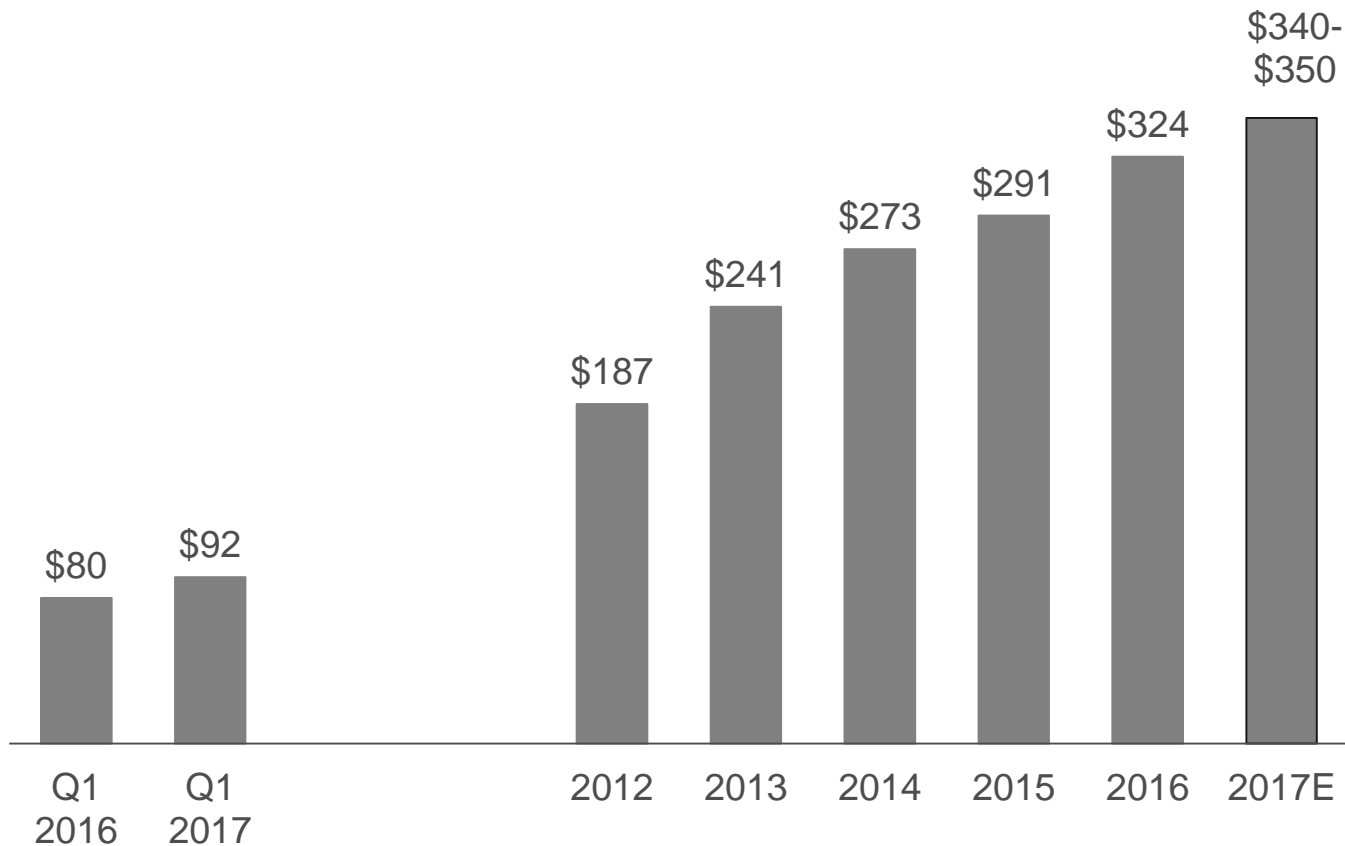


Strong Execution - Adjusted EBITDA (\$million)

Quarterly

Annual

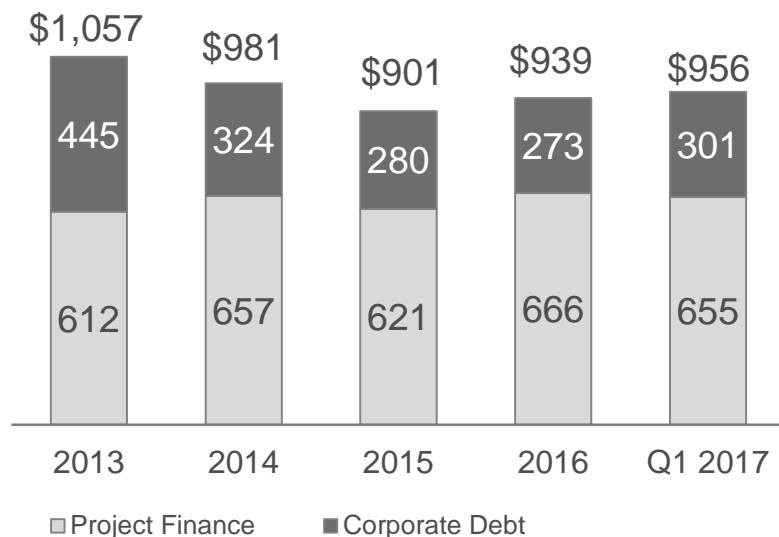
By Segments



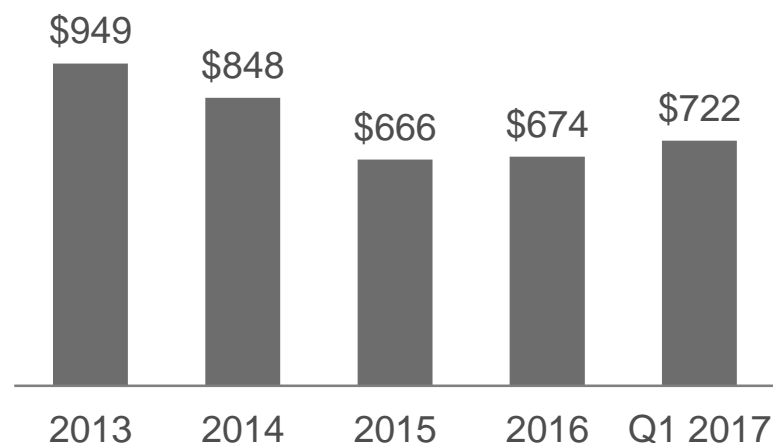
■ Electricity ■ Products

Well Positioned to Support Growth - Organic & M&A

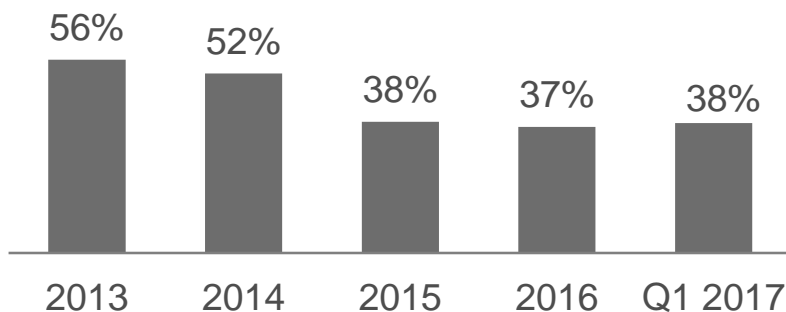
Total Debt (\$ million)



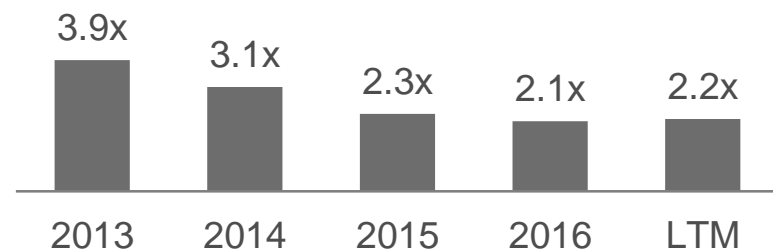
Net Debt (\$ million)



Net Debt to Capital



Net Debt to Adjusted EBITDA (<3)



Investment Highlights



Sustainable growth

- Market leader
- Substantial and growing cash flow from operation
- Potential for accelerated growth from new activities
- Global regulatory support



Efficient operation

- Efficient operation - new management focus
- Improving margins



Well positioned to fund growth

- Strong balance sheet
- Access to various sources of capital

Thank you!

IR@ormat.com



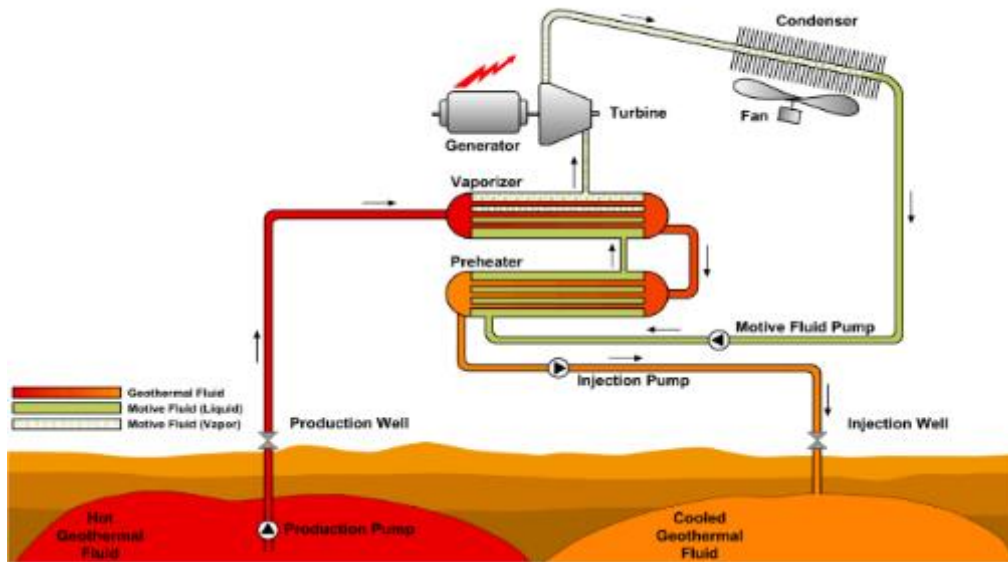
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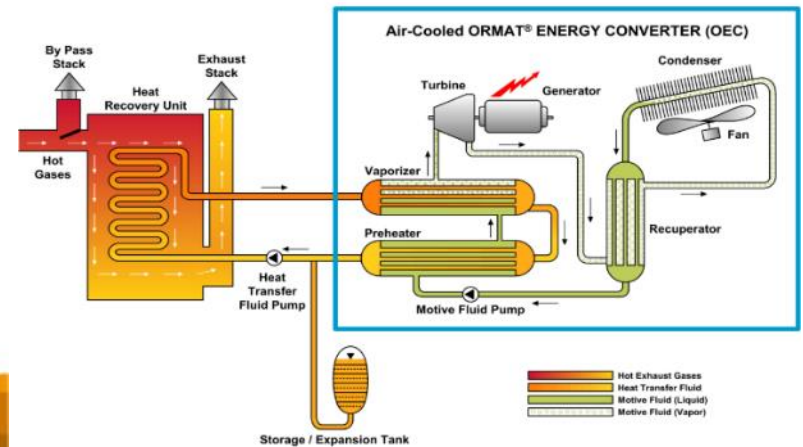
Green energy you can rely on

Same Technology- Different Applications

Air-Cooled Binary Geothermal Power Plant



Recovered Energy Generation (REG) System



Expansion to New Activities - Long-Term Growth

Leveraging our capabilities to exploit growth opportunities

What activities



Solar PV and /or
Storage solutions

Why



Growing global
demand driven by
legislation and/or
energy shortage

Why Ormat



Capabilities and
global presence to
provide reliable
integration solutions

Reconciliation of EBITDA Adjusted EBITDA and Additional Cash Flows Information

Ormat Technologies, Inc. and Subsidiaries

Reconciliation of EBITDA, Adjusted EBITDA and Additional Cash Flows Information for the Three Month Periods Ended March 31, 2017 and 2016 (Unaudited)

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 cost, (vi) stock-based compensation, (vii) gain from extinguishment of liability, and (viii) gain on sale of subsidiary and property, plant and equipment. EBITDA and Adjusted EBITDA are not a measurement of financial performance or liquidity under accounting principles generally accepted in the United States of America 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 accounting principles generally accepted in the United States of America. EBITDA and Adjusted EBITDA are presented because we believe they are frequently used by securities analysts, investors and other interested parties in the evaluation of a company's ability to service and/or incur debt. However, other companies in our industry may calculate EBITDA and Adjusted EBITDA differently than we do.

The following tables reconcile net cash provided by (used in) operating activities and net income to EBITDA and Adjusted EBITDA for the three month periods ended March 31, 2017 and 2016.

	Three Months Ended March 31	
	2017	2016
	(in thousands)	
Net cash provided by operating activities.....	\$ 71,463	\$ 27,044
Adjusted for:		
Interest expense, net (excluding amortization of deferred financing costs).....	13,405	14,127
Interest income.....	(244)	(320)
Income tax provision	10,886	9,509
Adjustments to reconcile net income or loss to net cash provided by operating activities (excluding depreciation and amortization).....	(4,669)	30,082
EBITDA.....	\$ 90,841	\$ 80,442
Mark-to-market gains or losses from accounting for derivatives	(1,523)	(1,746)
Stock-based compensation	1,713	842
Merger and acquisition transaction cost	800	147
Write-off of unsuccessful exploration activities	—	557
Adjusted EBITDA.....	\$ 91,831	\$ 80,242
Net cash used in investing activities.....	\$ (128,738)	\$ (44,620)
Net cash provided by (used in) financing activities.....	\$ 1,199	\$ (19,845)

Reconciliation of EBITDA Adjusted EBITDA and Additional Cash Flows Information

	Three Months Ended March 31	
	2017	2016
	(in thousands)	
Net income	\$ 39,735	\$ 30,945
Adjusted for:		
Interest expense, net (including amortization of deferred financing costs)	14,679	15,703
Income tax provision	10,886	9,509
Depreciation and amortization.....	25,541	24,285
EBITDA	\$ 90,841	\$ 80,442
Mark-to-market gains or losses from accounting for derivatives	(1,523)	(1,746)
Stock-based compensation	1,713	842
Merger and acquisition transaction cost	800	147
Write-off of unsuccessful exploration activities	—	557
Adjusted EBITDA	\$ 91,831	\$ 80,242

Reconciliation of EBITDA Adjusted EBITDA and Additional Cash Flows Information

	Three Months Ended December 31		Twelve Months Ended December 31	
	2016	2015	2016	2015
	(in thousands)		(in thousands)	
Net cash provided by operating activities.....	\$ 1,258	\$ 67,060	\$ 159,285	\$ 190,025
Adjusted for:				
Interest expense, net (excluding amortization of deferred financing costs).....	13,284	16,231	60,553	63,802
Interest income.....	(140)	(191)	(971)	(297)
Income tax provision	2,450	11,438	31,837	(15,258)
Adjustments to reconcile net income or loss to net cash provided by operating activities (excluding depreciation and amortization).....	58,386	(16,169)	48,208	40,530
EBITDA.....	\$ 75,238	\$ 78,369	\$ 298,912	\$ 278,802
Mark-to-market gains or losses from accounting for derivatives	(478)	(1,385)	319	1,409
Stock-based compensation	1,774	878	5,157	3,955
Gains or losses on sale of subsidiary and property, plant and equipment	—	—	(686)	—
Gains or losses from extinguishment of debt	—	—	5,780	1,710
Termination fees	—	—	—	—
Impairment of long-lived assets	—	—	—	—
Merger and acquisition transaction cost	100	—	335	3,800
Settlement expenses	—	—	11,000	—
Write-off of unsuccessful exploration activities	303	1,220	3,017	1,579
Adjusted EBITDA.....	\$ 76,937	\$ 79,082	\$ 323,834	\$ 291,255
Net cash used in investing activities.....	\$ (33,342)	\$ (14,433)	\$ (158,531)	\$ (90,971)
Net cash provided by (used in) financing activities.....	\$ 172,232	\$ (38,249)	\$ 43,541	\$ 46,635