Q4 and FY 2023 Tigo Energy, Inc. Earnings Call Transcript

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February 13, 2024, Q4 and FY 2023 Tigo Energy, Inc. Earnings Call

Corporate Participants

Zvi Alon Tigo Energy Inc; Chairman and CEO
Bill Roeschlein Tigo Energy Inc; CFO

Conference Call Participants

Philip Shen Roth MKM; Analyst
Eric Stine Craig-Hallum; Analyst
Gus Richard Northland Capital; Analyst

Presentation

Operator

Good afternoon and welcome to Tigo Energy's Fiscal Fourth Quarter and Full Year 2023 Earnings Conference call.

At this time all participants are in listen only mode. After the speaker's presentation there'll be a question-and-answer session.

Joining us from Tigo is Zvi Alon, CEO and Bill Roeschlein, CFO. As a reminder, this call is being recorded. I would now like to turn the call over to Bill Roeschlein, the chief financial officer.

Bill Roeschlein Tigo Energy Inc; CFO

Thank you, operator.

We would like to remind everyone that some of the matters we'll discuss on this call, including our expected business outlook and anticipated costs, and marketing trends statements about our current and future inventory levels. Its impact on future financial results, inventory supply, and its impact on our customer shipments and our revenue for the fiscal fourth quarter and full year 2023. Our ability to penetrate new markets and expand our market share including expansion and international markets. Expand our continued expansion of investments in our product portfolio are all forward looking statements, and as such are subject to unknown unknown risks and uncertainties, including but not limited to do those factors described in today's press release and discussing the risk factors section of our quarterly report on form 10-Q for the quarter ended December 30, 2023. And other reports we may file with the SEC from time to time.

The risks and uncertainties that could cause actual results to differ materially from those expressed on this call. These forward-looking statements are made only as of the date when made during a call, we will reference certain non-GAAP financial measures. We include non-GAAP to GAAP reconciliations in a press release furnished as an exhibit to our form 8-K. Non-GAAP financial measures provided should not be considered as a substitute for or superior to the measures of financial performance prepared in accordance with GAAP.

Finally, I'd like to remind everyone that today's conference call is being webcast and a recording will be made available for replay at Tigo's Investor Relations website at investorstigoenergy.com. I would like to now turn the call over to Tigo CEO, Zvi Alon. Zvi.

Zvi Alon Tigo Energy Inc; Chairman and CEO

Thank you, Bill.

To begin today's discussion, I will give some background on our company recent performance and market trends before turning the call over to our CFO Bill Roeschlein. He will discuss our financial results for the quarter and the year in more depth as well as provider outlook for 2024. After that, I will show some closing remarks before opening the call for questions.

All right let's begin. For those of you who may be new to our story, Tigo Energy is a global provider of intelligent solar and energy storage solutions. Founded in 2007. Our mission is to deliver smart hardware software solutions that enhance safety, increased energy yield and low operating costs for residential, commercial and utility scale systems. Tigo's offerings include three main product categories. Tigo's TS4 MLPE, GO ESS energy and storage solutions in our energy intelligence or AI software platform.

Our Tigo TS4 is our largest selling product consisting of a series of flexibly designed MLP solutions to meet particular needs of the board base of installers. Our superior MLP design provides a number of important benefits to customers. First, our MLP has an energy efficient design that operates on an as needed duty cycle, which optimizes the MPPT of solo strings when compared to solutions requiring constant optimization and high duty cycle hours. Our design is so efficient in fact, that it is housed in a plastic casing instead of a metal one that uses a heatsink. Second, our MLP solution provides customers with a higher reliability product and a very low failure rate. High reliability is driven by the low component count duty cycle and design.

Third, our MLP are quick and easy to install. In about 10 seconds each, you will literally clip the MLP to the back of the panel and connect the wires. And lastly, we provide flexibility. Tigo products are certified to work with more than 1,600 builders across all market segments including the resi, C&I and utility marketplaces today, while operating in seven continents.

In addition to our MLPE solutions, the go -- the Tigo GO energy storage systems product line or GO ESS is our line of products that provide energy storage solutions based on modular components that are intuitive and flexible to install and are optimized to work together. GO ESS includes the GO inverter, a hybrid inverter that can be configured with the battery and automatic transfer switch in a DC coupled architecture. The GO battery, which provides high density and high surge power with up to six modules of five-kilowatt hour incremented building blocks and two and a half kilowatt continuous power per module.

The GO ATS or Automatic Transfer Switch, a central hub for managing power loads and sources including solar battery systems or generator. And last but not least, the GO EV charger, the newly launched smart charging station for electric vehicles that is available as both a single phase or three phase charger and up to 22 kilowatts and can be wall mounted or outdoor -- indoor or outdoor.

Overall GO ESS enables dynamic customizable interaction between the energy source and loads with a maximum of flexibility for energy utilization preferences and is compatible with the Tigo MLP product. Moreover, the system includes the battery can be commissioned in about 10 minutes.

Lastly, our EI or energy intelligent products make up Tigo's AI software platform. Our AI products including monitoring fleet management and our flagship predict plus software platform. We have integrated in scape for this plus offering in particular, as it is a unique software offering that provides customers with the ability to both accurately predict production and consumption of energy with near real time window segments and manage energy demand and load balancing the ROI and profitability.

Our predict plus software solutions enables utilities and VPPs to manage the so-called duck curve challenges posted by changes in demand and generation throughout the day. We anticipate the district product categories will continue to constitute the main products for Tigo moving forward, and we expect to continue investing in the growth, especially for our GO ESS and AI solutions. We believe that the opportunity for the solar energy storage sources is large and doable, both in the United States as well as internationally.

Turning now to the review of our current or our recent operational results and demand outlook. As we discussed on our last call, our business faced all the push outs and cancellation that ramped most significantly than expected through the second half of last year, largely driven by elevated inventory levels in the channel. In the fourth quarter, these headwinds created significant uncertainties and limited our performance, resulting in the $9.2 million in revenue and an adjusted EBITDA loss of $11.6 million.

In response, we made what we believe was several prudent restructuring steps in the quarter, which included reducing staff levels by 15% to better align our cost structure with the current environment. However, when viewed holistically, 2023 was a transformational year highlighted by goals for Tigo. Our team drove overall revenue goals of 78.6% $245.2 million for the full year. Our international expansion was particularly successful is about EMEA business more than doubled in revenue, and our APAC business grew more than 50% in 2023.

Also, we deployed our 10 million Tigo TS4 device significant milestone for our business and indicator of how far Tigo is done. We made significant progress across our product categories as well as we had a successful year converting new customers to our TS4 platforms, including the GoodWe, SolaX Power and Intercraft Solar as a new licensee for our rapid shut down technology.

TS4 revenue goes 69% to $119 million compared to $70 million in 2022, which we believe was driven by the market realization of our technologies significant advantages. Also, our GO ESS solution grew steadily last year in the first full year of availability in the market, in part because successful launch in the German market, the U.S. market, GO ESS presented only 29% of our 2023 revenue, but 22% of our 2023 bookings, which encourages us that we'll see continued GO ESS progress in the first quarter of 2024 as well.

For our AI software solutions, we notched several wings, including our increased collaboration with EDF Renewables in Israel, for them to utilize our Predict Plus technology. During the year we expanded the Predict plus software platform, including improved profit analysis modules, advanced algorithms for production and load forecasting. And the new billing module for IPP and virtual power suppliers. Our [ARR] grew to a currently represented $800,000 per year.

Lastly, we launched the Green Glove Service program in 2023 to provide a premium support experience for first timers retention and our new existing commercial installers of Tigo systems. This program is expected to enhance customer confidence in the safety, security and reliability of Tigo product, installations and features, six design inspection along with an on call and post installation support services.

We already have many customers who have signed up for the service and several completed the full cycle and received the Green Glove certification for those sites. Early feedback has been overwhelmingly positive. This effort will continue to enhance the market service while increasing the usage of the Tigo product.

As we turn to 2024, we believe that the ongoing inventory question cycle is nearing completion, and the distribution inventory weeks will normalize by the end of Q1. Also, as noted, last quarter monitoring services registration or kill once a solar panel system installation has been completed for the end customer and provides us with an indication of the level of product sale to. The number of customers that signed up for the entire quarter for the Tigo module level monitoring services continued. A similar pace was Q3, which indicates to us and demand remains stable.

As we look further into 2024, overall outlook for EMEA in 2024 is continued growth, elevate at a more moderate pace compared to 2023. In the Americas, high interest rates and net metering policies still have a potential to delay the recovery until the second half of the year at the macro level. Although we do expect to gain a real traction with the expanding list of [TPOs] serving the market and that could be significant catalyst for growth for us in the region.

We believe that there is still significant runway for expansion to new geographies as well as giving us confidence that we can continue increasing our international footprint in 2024.

Overall, as we navigate an uncertain beginning of 2024, we are managing our business to be both cautious and responsive. We are cautiously optimistic that we are nearing the end of the industry wide inventory rebalancing cycle but will remain responsive to the macroeconomics environment. We also remain committed to our three major initiatives in 2024. One, cost effectiveness, we will continue to sell advantages of using the Tigo products to lower the electrical balance of system costs in the solar installation.

Two, market expansion. We will continue our market penetration of underserved markets, especially in new geographies, such as South America, Asia Pacific and Eastern Europe. These regions represent under tapped geographies where rapid shutdown is gaining traction. And we believe we are positioned well to capture the additional market share in that -- in these areas.

Three, product to the expansion. As mentioned previously, our GO ESS product represents 9% of our business while our EI software platform represents a nominal percent of our business today. And we see both product lines is a highly under penetrated areas for growth for our business. Further improving and growing this product is an important part of our strategy for 2024.

With that, I will turn the call over to Bill to discuss the fourth quarter and full year 2023 financial results in 2024 outlook in greater details. Bill.

Bill Roeschlein Tigo Energy Inc; CFO

Thanks, Zvi.

Revenue for the fourth quarter 2023 decreased 70% to 9.2 million, with 30.9 million the prior year period. By geography, EMEA revenue was 3.7 million or 40% of total revenues. America's revenue was 3.4 million or 37% of total revenues, and APAC was 2.1 million or 23% of total revenues for the quarter. GO ESS represented 14% of total revenues in the quarter compared to 8.4% last quarter, and 7.3% in the prior year comparable period. Revenue for the full year 2023 increased 79% to 145.2 million from 81.3 million in the prior year period.

By geography, EMEA revenue was 109.3 million or 75% of total revenues. America's revenue was 25.2 million or 17% of total revenues. And APAC revenue was 10.8 million or 7% of total revenue for the year. GO ESS for the year represented 9.2% of total revenues in the year compared to 4%. In the full year 2022. Gross profit in the fourth quarter of 2023 was 2.9 million or 31.1% of revenue, compared to 10 million or 32.2% of revenue, the comparable year ago period.

On a sequential quarter basis, gross margins increased by 6.8 gross margin points, due primarily to lower warranty costs, and the sale of fully reserved inventories. Gross profit in the full year 2023 was 51.3 million or 35.3% of revenue, compared to 24.8 million or 30.5% of revenue in the comparable year ago period. On an annual basis gross margins increased by 4.8 gross margin points. The year-over-year increase was primarily due to cost-down initiatives and leveraging our fixed costs across a larger revenue base.

Total operating expenses for the fourth quarter were 16.4 million and for -- compared to 7.8 million in the prior year period. The increase was primarily driven by higher headcount expenses, compared to the year ago period. Total operating expenses for the full year of 2023 were 59.6 million compared to 25.7 million in the prior year period. The yearly increase was driven primarily by higher headcount expenses, and legal consulting and compliance costs associated with our transition to becoming a public company.

Operating loss for the fourth quarter totaled 13.5 million compared to an operating profit of 2.2 million in the prior year comparable period. Operating loss of full year's 2023 total 8.3 million compared to 900,000 in the prior year comparable period. Net loss for the fourth quarter total 14.8 million compared to net income of 900,000 in the prior year period. Net loss for the full year 2023, total 1 million compared to a net loss of 7 million for the full year of 2022.

Adjusted EBITDA loss in the fourth quarter totals 11.6 million compared to adjusted EBITDA of 2.7 million in the prior year period. Adjusted EBITDA in the full year total 1 million compared to an adjusted EBITDA of 2.5 million in the full year 2022. As a reminder, adjusted EBITDA represents operating profit as adjusted for depreciation, amortization, stock-based compensation, and M&A transaction expenses.

Primary shares outstanding were 58.8 million for the fourth quarter of 2023. Cash equivalents short and long term marketable securities totaled 33.2 million at December 31, 2023. Counts receivable net decreased in fourth quarter to 6.9 million or 68 days outstanding, compared to 20.4 million last quarter and 15.8 million in year ago comparable period. Inventories net were 61.8 million, compared with 57.4 million last quarter and 24.9 million in the year ago comparable period. Over the past several months, we have made substantial progress in reducing our inventory commitments and expect to destock our inventories to more normalized levels over the coming quarters.

Before I turn the call back over to Zvi, I'll now take a few minutes to provide our financial outlook in our 2024 first quarter. As a reminder, Tigo provides quarterly guidance for revenue as well as adjusted EBITDA. We believe these metrics to be key indicators for the overall performance of our business.

The following projections reflect our first quarter expectations and like the previously discussed industrywide macroeconomic uncertainties. Expect revenue in the first quarter ending March 31, 2024, to range between nine and 14 million. We expect adjusted EBITDA loss to range between 8 million and 12 million.

That completes my summary and I'd like to now turn the call back over to Zvi for final remarks.

Zvi.

Zvi Alon Tigo Energy Inc; Chairman and CEO

Thanks, Bill.

Although we are confident in our team's ability to manage the current market economics environment, and in the longer term goals perspective for our business, we look forward to providing additional updates in the coming quarters. With that, operator, please open the call for question.

Question and Answers

Operator

Thank you. (Operator Instruction) We'll pause for a moment while we compile the Q&A roster.

Our first question comes from Phil Shen. With Roth Capital Partners. Your line is open.

Philip Shen Roth MKM; Analyst

Hi, everyone, thanks for taking my questions. Wanted to get through the destocking outlook. And I think it's Zvi, you mentioned that you should be done by the end of Q1. I was wondering if you could talk through what the sellout was in Q4. And then, will you expect it to be in Q1?

Our checks suggest that your stock in Rotterdam still seems quite high. And so, how much longer do you think that gets worked through? And what kind of risk is there that this carries over into Q2? Thanks.

Zvi Alon Tigo Energy Inc; Chairman and CEO

Hi, Phil. Thanks for the question. First of all, for clarification, Rotterdam is our own inventory. That's part of the $61 million we mentioned that inventory we have. The inventory is the distribution continues to get depleted as I've highlighted.

Actually, I started -- I believe Tigo was the first one to actually highlight that back in September last year. And we are consistently continuing. Our rate of installations is steady, it did not come down. And as a result, we've seen a depletion, a lowering of the inventory at our distribution, both in Europe and other locations. And we indicated that we believe that we will get close to normal towards the end of Q1. And we are still maintaining that position.

I don't want to make any plea announcements here, but I can tell you we're very confident that the business is starting to turn around for us in the different versions.

Philip Shen Roth MKM; Analyst

Got it. Okay. Thank you.

Can you talk about from a cash flow standpoint? You know, you have 33 million of cash at the end of Q4 was 13-ish million of burn in Q4, I think. And then -- so what kind of cash could you generate from inventory in Q1? And what kind of burn overall should we expect for Q1? Thanks.

Bill Roeschlein Tigo Energy Inc; CFO

So, I can -- there's three factors of -- in liquidity. The first being the improved economic environment, which we all know about, which we -- like Zvi mentioned, we're seeing that improve. The second is that we have dramatically been able to reduce the amount of required purchases from our contract manufacturers, such that we can be in a position to convert the 61.4 million into cash.

And the third I'll mention is that we are in discussions with certain parties around credit facilities to enhance our balance sheet flexibility. To the combination of all three, we believe will provide us with ample, sufficient liquidity. As a general rule, given the guidance, 60% of the revenue is cost of goods sold. So, I leave it to you to calculate what that conversion to cash looks like. But it's essentially 60% of the nine to 14 million that we got it.

Philip Shen Roth MKM; Analyst

Okay, got it. Can you talk through timing of the credit facilities in those negotiations? And then, you know, are we talking about a $30 million credit line or maybe 70 million? What kind of ballpark could it be? Thanks.

Bill Roeschlein Tigo Energy Inc; CFO

I can't go beyond what I just -- what I mentioned at this point since they're fluid negotiations, sorry.

Philip Shen Roth MKM; Analyst

Okay. Back to the sell through, do you think sell through is at a bottom? You know, I think you've kind of talked through that a little bit already in you. So, you're talking about that things are improving. But can you give any quantification of -- remind us again, what your biggest market is in Netherlands or is it Germany, and some of the kind of metrics from some of the countries that can give us some confidence that you have that visibility. Thanks.

Zvi Alon Tigo Energy Inc; Chairman and CEO

Germany's the largest market. We have a fairly small footprint in Italy, in the Netherland, Eastern Europe, we have several countries. Czech Republic has been fairly strong supporter and provider of revenue for us. As far as the depletion of the inventory, we see basically, in all territories we see -- but in number of distributors, not just a small number is coming down. And also, the number of installations continues to the same pace in the different geographies. So, it's not in just one location, which gives us confidence by the numbers that we're tracking what we've seen now for the last four or five months, six months.

Philip Shen Roth MKM; Analyst

Okay. Got it. So, what do you think about the trajectory of revenue by quarter? So, you've given us Q1 official guidance. But with the seasonal strength that comes from Q2 and three.

What do you think we could see for Q2 and three without giving guidance? Maybe you can point us to some qualitative description of what the year might look like. Thanks.

Bill Roeschlein Tigo Energy Inc; CFO

I'll just start off by saying I think it's more than what's in your model, still.

Philip Shen Roth MKM; Analyst

Okay, great. Okay.

Zvi Alon Tigo Energy Inc; Chairman and CEO

This is very close that they [do].

Philip Shen Roth MKM; Analyst

Okay. And one other thing, some of our checks suggest, the Chinese are actually doing quite well. So, think of Sungrow, Huawei, grow wide, and their channeled material was cleared, has been cleared. And so, they're not dealing with that anymore. It seems like they're maintaining price.

But I've heard from distributors that their mix of their business, like the Chinese inverter mix of the overall European business is increasing. What are your thoughts on the competitive dynamics there? We're also hearing that some of them might be launching optimizers. That might challenge you guys, maybe like a Sungrow. Talk to us about the risks you see in the competitive dynamics. Thanks.

Zvi Alon Tigo Energy Inc; Chairman and CEO

Most welcome. So, first of all, the -- if you recall back in, I think, the summer last year, that promotion to try and drive market changes started by Huawei, there were one or two additional suppliers who tried the same. And we know, at least from facts we're collecting that that didn't produce the expected result. And they stopped and actually prices stabilized. And now it's really just depletion of inventory, which is really the key.

We do see, however, that the glut of Chinese suppliers is still dominating the market, and not necessarily with new products as much as just the depletion of the inventory. And as such, our optimizers work with pretty much all of them, and we don't prefer one or the other. Yes, Huawei has been pushing an MLP now for the last six or seven years, Sungrow might be a newcomer to the market. That was -- they announced it.

In both cases, the optimizers work only was the only with the one inverter and, as a matter of fact, not with all the inverters, only with a subset of the inverters. So, from a competitive perspective, we fail and see that our position is actually fairly good. In addition, I will say that we see an increase in demand for rapid shutdown, standalone, and specifically just in the residential, but also see, [deny] in larger scale systems. And we are the number one supplier in that space. And neither [solar], Huawei, and or Sungrow have a rapid shutdown solution only.

So, we still maintain that our position is going to continue to be fairly strong. And the fact that the two of them -- actually the latest one is Sungrow. Huawei has been around for quite some time, but the fact that they are jumping in is only to demonstrate that the MLPE market is vibrant, vivid and needed. And so, we believe as an independent supplier in this space, we will maintain our leverage.

Philip Shen Roth MKM; Analyst

Great, thanks very much, guys.

Zvi Alon Tigo Energy Inc; Chairman and CEO

Most welcome.

Operator

One moment for our next question.

Our next question comes from Eric Stine with Craig-Hallum. Your line is open.

Eric Stine Craig-Hallum; Analyst

Hi, Zvi. Hi, Bill.

Bill Roeschlein Tigo Energy Inc; CFO

Hi, Eric.

Zvi Alon Tigo Energy Inc; Chairman and CEO

Hi, Eric.

Eric Stine Craig-Hallum; Analyst

Hey. So, maybe I'll just get at some of the previous questions. Just ask them differently. I mean, do you have an estimate of how much maybe over the last quarter or two you have under shipped as you try to help the process of the channel clearing? Just trying to get an idea of kind of where true demand might be as we think about Q1 and then, obviously, improvement going forward.

Zvi Alon Tigo Energy Inc; Chairman and CEO

We normally did not measure it this way because we don't under-ship. We have plenty of inventory. And so, unless we will able to supply from existing backlog or new orders we have received, we did not under-ship. And so, whatever the shipment, it was the true demand.

Eric Stine Craig-Hallum; Analyst

Okay. Right.

Zvi Alon Tigo Energy Inc; Chairman and CEO

What we are –

Eric Stine Craig-Hallum; Analyst

So true demand, but a thought of what would it be. Let's say that the inventory was somewhat normalized. The $9 million you did this quarter, I mean, any thoughts you have, even from a high level, that $9 million would have been X, whatever that number may be. I'm just trying to get a sense of kind of that level set demand under a more normalized environment.

Zvi Alon Tigo Energy Inc; Chairman and CEO

We took more than a 50% haircut from the Q2 highs as a result of this environment. And so, I mean, just a really broad brushstroke would suggest at least 50% or more.

Eric Stine Craig-Hallum; Analyst

Okay, got it. I know you're not getting to Q2. I guess I'll have to take a look at where Phil's estimates are to get a line on that. But, okay, that helps. Maybe then just coming back to working capital, helpful what you're talking about -- yeah.

Zvi Alon Tigo Energy Inc; Chairman and CEO

As Bill said, better than his estimates.

Eric Stine Craig-Hallum; Analyst

Correct. Yes, I heard that. Loud and clear.

Bill Roeschlein Tigo Energy Inc; CFO

I'll add one more.

Eric Stine Craig-Hallum; Analyst

Okay.

Bill Roeschlein Tigo Energy Inc; CFO

I'll just add that we continue to make the investment and have purposely been very thoughtful in how we instituted our cost restructuring in the last quarter. And it's a reasonable number. It's in line with what our competitors have done. But in the same vein, it reflects our expectation is a much more promising outlook.

Eric Stine Craig-Hallum; Analyst

Right. Understood. And I would assume that if things, for whatever reason, don't play out that way, there would be more that you could do. I guess I'm curious. I mean, is that fair? Do you think there is more room if needed? Or do you feel like this kind of strikes a good balance between cutting costs here, near term, but also keeping the situation in place for growth, which you, obviously, expect to come going forward?

Bill Roeschlein Tigo Energy Inc; CFO

There are a couple of things. There is (inaudible) definitely grew our top line and our OpEx in 2023 and 79% growth for the year. So, things that we want to be cognizant of are that the market is turning, our product is selling, the monitoring solutions are steady, the end demand is steady, and we don't want to miss out. If the market turns one way or the other, we'll react. But there's still some questions about true demand. And as we get further along into this quarter, us along with others, we'll have some more commentary on where we think that is. But we know it's much higher than what we're guiding to right now.

Eric Stine Craig-Hallum; Analyst

Yes, yes. Understood. Maybe just last one for me. Working capital, obviously, as you laid out, we can back into how much you worked down that inventory here in Q1, but maybe just thinking about it longer term, I mean, it's obviously going to depend on what your sales expectations are, but do you have kind of a number that you think is the right number? I mean, clearly, as things kind of turned down in the second half, you were unable to shut off the, as you said, some of the automatic purchases from the contract manufacturer. Is there a number, whether it's a percentage of the $61 million, that you think is a more realistic level based on where the business stands today and the outlook?

Bill Roeschlein Tigo Energy Inc; CFO

Yes. We have been thinking about this frequently. And our inventory position of 61.4 change should be at $30 million or below. Thirty million or below gives us $50 million a quarter or $200 million in revenue and a one turn per quarter. So at least $30 million is where inventory levels should be, which would generate cash of $30 million, obviously, for us. From there, we can (inaudible).

But the fact that we're -- again, we're thinking -- that's how we're thinking of being able to support $50 million in revenue. But then, again, we don't want to come up short when the market turns. We want to be able to respond and take advantage of the market upturn.

Eric Stine Craig-Hallum; Analyst

Okay. That's helpful. Thank you.

Operator

(Operator Instructions). Our next question comes from Gus Richard with Northland. Your line is open.

Gus Richard Northland Capital; Analyst

Yes, thanks for taking the question.

I'm just wondering if you could talk a little bit about your market share as we went through this shortage period beginning of 2022. And as it was a shortage, your revenues ramped relative to your competitors a little bit faster. And then it's come down a little bit faster. And I'm wondering, is it a reasonable assumption that, before that surge in demand, that you had X percentage of market share relative to your competitors. Are you as [toting] to that level or coming back to that level? Could you just talk a little bit about that?

Bill Roeschlein Tigo Energy Inc; CFO

Sure. We don't look at every competitor in the landscape, and there is a lack of third-party data to tie that all together. But within MLPE, you look at [Sage], and we look at what they report. And we do note that, in 2022, they only had 23.8 million in MLPE units. And as we disclosed, we had 2.6 million. That was 11% of Sage's total. We also look at 2023 with some (inaudible) forecasting done by the analysts.

With Sage, it's somewhere around 17.3, 17.5-ish. And we sold almost 4.2 million units. That puts us at 24% of the MLPE units that Sage had. So, clearly, we've gained share.

Gus Richard Northland Capital; Analyst

Right. Now, post that bubble, are you going to maintain that share, you think? Or are you going to kind of go back to where you were before? Or is it somewhere in between? And then, I've done the math on this, it feels like your revenue is kind of stable around or sell out, if you will, demand around 20 million to 25 million, are those numbers correct? And what do you think your end state market share might be?

Bill Roeschlein Tigo Energy Inc; CFO

I don't know if I can give you full answers on those questions precisely. Again, I don't -- the -- again the potential third party reports that put the largest amount of share with Sage and Enphase, and but we are third, but a distant third. But as I just mentioned, we have gained share, and we believe will continue to gain share, as we've outlined in this call and in our release. And that, along with just the greenfield revenue coming from GO ESS and our software EI, that's completely new revenue. So, we went from 2.5 million in GO ESS to more than 13.5 million.

And so, that's 100% market share gain. I mean, that's all new stuff. So, the combination of our base business MLPE, as I mentioned, goes from 11% to 24%, and when tack on going from two and change to 13.5, that's very significant. So, I don't really see a world where we're not gaining share.

Gus Richard Northland Capital; Analyst

Okay. Thanks for taking my questions.

Zvi Alon Tigo Energy Inc; Chairman and CEO

Welcome.

Operator

Ladies and gentlemen, this concludes the Q&A portion of today's call. Thank you for joining us today for Tigo's fourth quarter and full-year 2023 earnings conference call. You may now disconnect.