Aug 1, 2023

2nd Quarter 2023 Supplementary Slides

Safe Harbor Statement

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, but not limited to, statements regarding: (a) expectations regarding demand and our future performance based on bookings, backlog, demand, installations, and pipelines in our sales channels and for our products, and our ability to meet consumer demand; (b) our plans and expectations with respect to our strategic partnerships and initiatives, and the anticipated impacts on our business and financial results; (c) our strategic plans and areas of investment and focus, and expectations for the results thereof, including improved customer experience, development of new products and services, lease and loan funding capacity, and cost savings; (d) expectations for performance against our key strategic pillars, including anticipated impacts on our business and financial performance; (e) our expectations regarding projected demand and growth in 2023 and beyond, and our positioning for future success; (f) our expectations for industry trends and factors, and the impact thereof on our business and strategic plans; (g) the timing and execution of restructuring plans; and (h) our fiscal 2023 guidance, including customer growth, Adjusted EBITDA per customer before platform investment, platform investment, Adjusted EBITDA, and assumptions related to each.

These forward-looking statements are based on our current assumptions, expectations and beliefs and involve substantial risks and uncertainties that may cause results, performance or achievement to materially differ from those expressed or implied by these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to: (1) regulatory changes and the availability of economic incentives promoting use of solar energy; (2) potential disruptions to our operations and supply chain that may result from epidemics or natural disasters, and other factors; (3) competition in the solar and general energy industry, supply chain constraints, interest rates, inflation, and pricing pressures; (4) changes in public policy, including the imposition and applicability of tariffs and duties; (5) our dependence on sole- or limited-source supply relationships, including for our solar panels and other components of our products; (6) risks related to the introduction of new or enhanced products, including potential technical challenges, lead times, and our ability to match supply with demand while maintaining quality, sales, and support standards; (7) the success of our ongoing research and development efforts and our ability to commercialize new products and services, including products and services developed through strategic partnerships; (8) our liquidity, indebtedness, and ability to obtain additional financing for our projects and customers; and (9) challenges managing our acquisitions, joint ventures, and partnerships, including our ability to successfully manage acquired assets and supplier relationships. A detailed discussion of these factors and other risks that affect our business is included in filings we make with the Securities and Exchange Commission (SEC) from time to time, including our most recent reports on Form 10-K and Form 10-Q, particularly under the heading "Risk Factors." Copies of these filings are available online from the SEC or on the SEC Filings section of our Investor Relations website at investors.sunpower.com. All forward-looking statements in this press release are based on information currently available to us, and we assume no obligation to update these forward-looking statements in light of new information or future events.

Today's Agenda

1. **CEO Update**
   Peter Faricy, Chief Executive Officer
2. **Financial Update**
   Beth Eby, Chief Financial Officer
3. **Q&A**

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Business Highlights

Difficult market conditions in Q2, but with positive momentum in June/July.

20,400

Customers added in Q2, 3% YoY growth.

20,000

Backlog of retrofit home customers. Another 39,000 in the New Homes channel backlog, including multifamily.[1]

$1,000

Adjusted EBITDA per Customer before Platform Investment.[2]

11%

Q2 YoY New Homes bookings growth. (July >100%)

49%

Q2 SunVault® storage bookings attach rate in CA within SunPower Direct channel.

108%

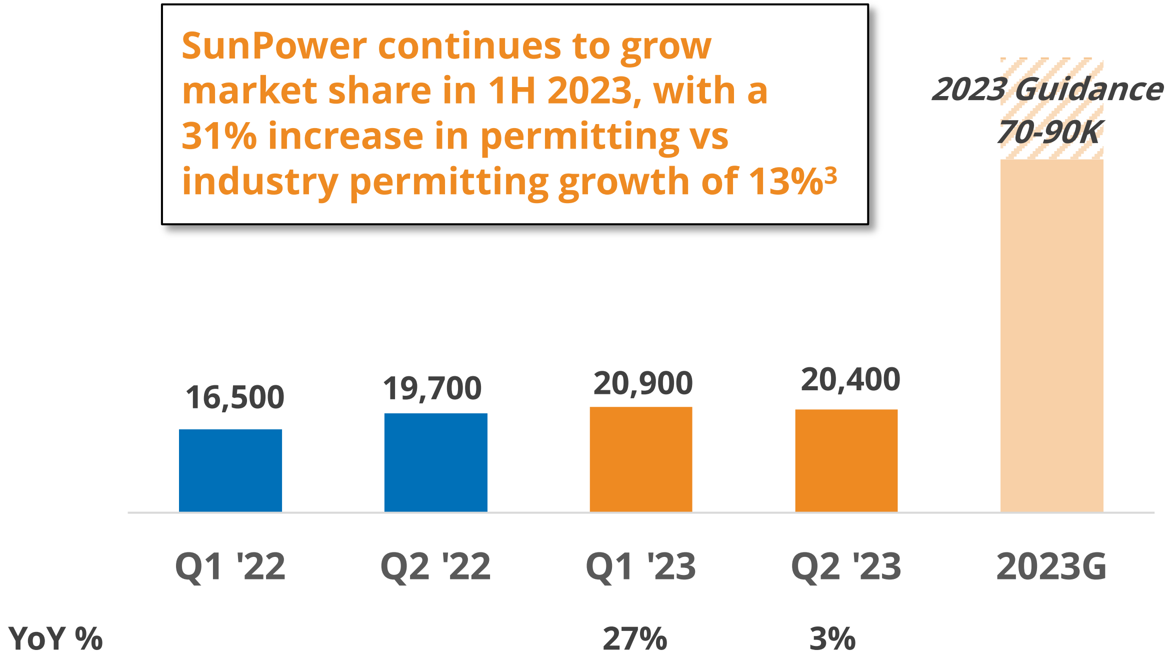
YoY Q2 growth for SunPower Financial™ lease volumes.

1. Backlog calculated as of July 2023.
2. Platform Investment = primarily Product, Digital, and Corporate. Corporate includes Legacy non-Residential results.

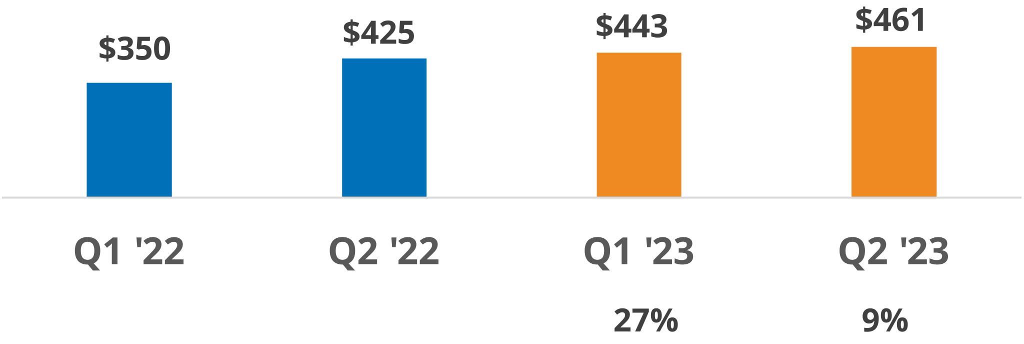
Topline Growth Slowed in Q2

More than 50% of FY 2023 guidance has been achieved in 1H.

New Customers[1] 2023 vs 2022



Revenue[2] 2023 vs 2022



1. Retrofit (existing homes) and New Homes new customers. Figures are rounded to nearest 100 for presentation.
2. Beginning in the second quarter of fiscal 2023, we are no longer excluding non-GAAP adjustments related to "Results of operations of businesses exited/to be exited" from our non-GAAP results, with the exception of certain charges related to our legacy power plant and development projects sold in fiscal 2018 and 2019. All comparative periods have been adjusted to reflect the current presentation. Totals may not foot due to rounding.
3. Ohm Analytics data, June 2023.

Reduced 2023 Guidance

Higher interest rates have had a more significant impact on demand than expected.

1. Guidance for customer growth is reduced to 70K-90K to reflect our most recent assessment of slower market conditions and top-of-funnel lead generation that have persisted into July.
   a) **CA NEM 3.0 bookings YoY** has modestly improved in June/July since a low point in May; a Q2 decline was expected given SunPower's **heavy pull-forward** of demand in Q1 under NEM 2.0 rules.
   b) **SunVault storage system sales for Q2 in CA** have grown 105% YoY in CA, with Q2 SPD attach rate at 49% and continuing to strengthen.
   c) **Bookings outside CA** are worse than our expectations earlier this year and a major driver of our decision to reduce guidance. Nevertheless, net bookings have been notably improved in June/July since a low point in May, including stronger results in NY, CT, and IL.
   d) **New Homes bookings** accelerated ahead of expectations in Q2 to set a new all-time record of 7,800, boosted by NEM 2.0 sales in April. Backlog of 39,000 positions SunPower to benefit from customer recognition in 2024.
   e) **Retrofit backlog plus expected New Homes execution covers >70% of 2H 2023** customer recognition at the midpoint of new guidance 70K-90K and we expect to recognize substantially all CA NEM 2.0 backlog before yearend. Outcome within this tighter range is dependent largely on incremental bookings in 2H.
2. Guidance for 2023 EBITDA, EBITDA/customer before Platform Investment (PI), and PI have been reduced to reflect lower gross margin from pricing mix, sales channel mix, inventory costs, and fixed SPRI costs over lower volumes. Reduced Platform Investment and other opex partially offset these impacts.
3. Cash from Operations is expected to improve in 2H 2023 with plans for inventory reduction, continued expansion of customer financing capacity, and liquidity in place.

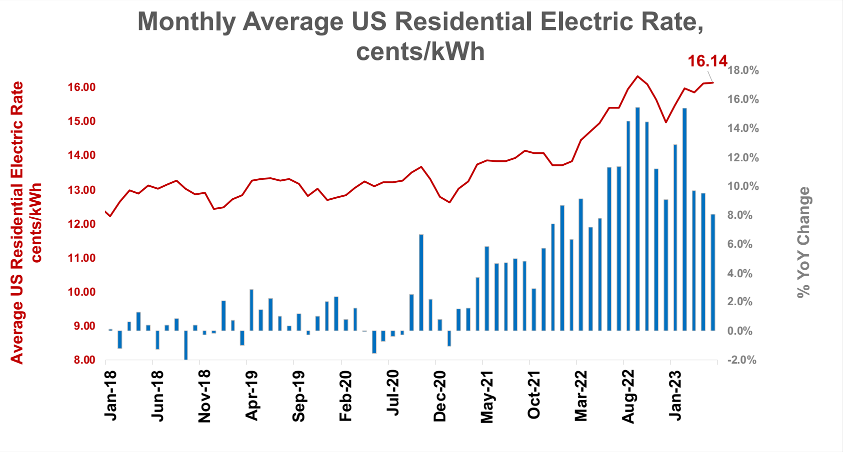
Retail Electric Costs Continue to Rise, Driving Solar Value Proposition

Heat waves this summer are driving utility bills to new peaks in the West, South-Central, TX.[1]

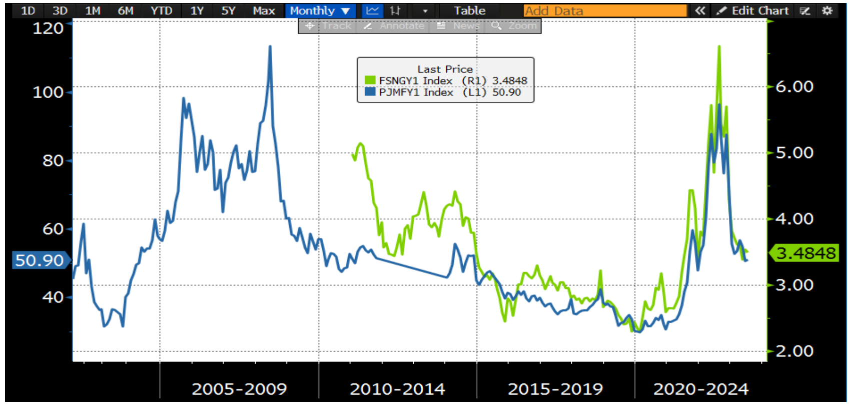
Residential solar value continues to strengthen

1. With low rooftop solar market penetration, incumbent electric utility rates are the distributed solar industry's main competition.
2. Natural gas and *bulk* electric costs trade together and have been highly volatile over the past year, rising as much as 250% at times, but have moderated significantly in recent months.
3. Average residential *retail* electric utility prices rose 8.0% YoY in May, with 10 states up more than 15%.
4. Summer heat waves are lifting retail electric bills despite lower fuel prices.[1]
5. *Retail* rates are likely to continue climbing in 2023 considering forward fuel hedging, the higher cost of capital, and the recovery of escalating investment in transmission and distribution system upgrades.[2]

Average U.S. retail electric prices rose 8.0% YoY in May 2023



Natural Gas and Wholesale Electricity Contracts (NYMEX NG and PJM Forward 1 Year), 2000-2023



	Monthly Residential Electric Price cents/kWh	May-23	May-22	% YoY	TAM (potential customers)	Cumulative TAM
1	Rhode Island	26.92	19.92	35.1%	0.3	0.3
2	New Hampshire	30.67	23.05	33.1%	0.4	0.7
3	Nevada	17.43	13.56	28.5%	0.8	1.6
4	Connecticut	31.32	24.83	26.1%	1.0	2.6
5	Massachusetts	29.01	23.94	21.2%	1.9	4.5
6	Pennsylvania	18.26	15.19	20.2%	2.9	7.4
7	Virginia	15.27	13.02	17.3%	2.1	9.5
8	Illinois	17.86	15.26	17.0%	3.7	13.2
9	Delaware	16.65	14.30	16.4%	0.3	13.5
10	District Of Columbia	17.08	14.77	15.6%	0.1	13.6
11	Montana	12.82	11.20	14.5%	0.4	14.0
12	Maine	29.26	25.76	13.6%	0.5	14.5
13	Maryland	16.08	14.22	13.1%	1.2	15.6
14	Ohio	15.49	13.73	12.8%	3.9	19.5
15	Florida	15.22	13.58	12.1%	6.7	26.2
16	Oregon	12.95	11.56	12.0%	1.3	27.6
17	Texas	14.49	13.10	10.6%	9.7	37.3
18	California	29.78	27.25	9.3%	10.0	47.3
19	North Carolina	13.22	12.14	8.9%	3.4	50.7
20	Arizona	14.30	13.22	8.2%	2.1	52.8
21	Washington	11.18	10.34	8.1%	2.3	55.1
22	**US Average**	16.14	14.94	8.0%		55.1
23	Wisconsin	17.33	16.10	7.6%	2.1	57.2
24	Mississippi	14.09	13.11	7.5%	1.0	58.3
25	Nebraska	11.88	11.08	7.2%	0.7	59.0
26	Minnesota	15.17	14.45	5.0%	1.7	60.6
27	Idaho	10.79	10.29	4.9%	0.6	61.2
28	West Virginia	14.63	13.98	4.6%	0.7	61.9
29	Missouri	12.46	11.95	4.3%	2.2	64.1
30	Michigan	18.56	17.83	4.1%	3.3	67.4
31	Colorado	14.37	13.81	4.1%	1.5	68.9
32	Wyoming	11.93	11.51	3.6%	0.2	69.1
33	Alaska	24.86	24.03	3.5%	0.2	69.3
34	South Carolina	14.38	13.97	2.9%	1.8	71.2
35	South Dakota	12.99	12.62	2.9%	0.3	71.5
36	New Mexico	13.30	12.94	2.8%	0.7	72.1

1. Sources: NBC News, July 23, 2023 "Relentless heat wave has people cranking up their air conditioners — and energy bills"
2. US Energy Information Agency (EIA) Electric Power Data Browser, Edison Electric Institute capex forecast Sept 2022, Bloomberg, LP

Progress in All Five Strategic Pillars in Q2 ‘23

Keeping our strategic edge through a challenging period.

1. **World class customer experience:**
   a. Highest-rated solar company. SunPower again held its position as the number one rated solar company in the U.S.[1]
   b. Increased Net Promoter Score (NPS) for customers one-year post-install to 51.

2. **Best, most affordable products:**
   a. SunVault ® storage system is now more powerful and more modular after launching a 19.5 kWh version and configuration up to 39 kWh, a nearly 50% increase in energy capacity.

3. **Growth:**
   a. Increasing solar plus storage adoption with a storage sales growing 58% YoY in the retrofit category, with an increase in California of 105% YOY to 49% attach rate under NEM 3.0 in the Direct channel in that state.
   b. Launched an all-electric, solar- and battery-powered microgrid community with KB Home and the Department of Energy.

4. **Digital innovation:**
   a. Added a new software mode for SunVault storage that maximizes self-consumption during periods of high grid TOU rates.

5. **World-class financial solutions:**
   a. SunPower launched lease products in three new states: TX, PA, and NM. All have a significant population of single-family homes eligible for the Energy Communities bonus credit, as defined by the Department of Treasury under the Inflation Reduction Act.

1. Based on average of BBB, Yelp, ConsumerAffairs, BestCompany, Google, SolarReviews and EnergySage reviews scores as of 7/1/23.

SunPower Financial™ Expanding its Reach

New financing partnerships support surging customer preferences for leasing.

1. **Reached agreement in principle to provide leases and PPAs to ADT Solar customers.**
   a) SunPower Financial will act as the exclusive lessor for ADT Solar customers that choose to finance with a lease or power purchase agreement (PPA).
   b) Expected to launch this year. Negligible impact on 2023 EBITDA.
   c) Expected to add more than $250M of incremental financing in 2024, at gross margins in line with SPF's existing business.

2. **Pursuing the expansion of lease financing capacity to support sales trends into 2024.**
   a) ABS spreads continue to improve and facilities are in place to access ABS funding in the future.
   b) Leases currently enjoy pricing advantage due to lower interest rate sensitivity. Full-stack cost of capital including tax equity is <6.5%, competitive with peers.

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Responding to Challenging Q2 Market Conditions

Reducing Platform Investment and corporate overhead in response to near-term outlook.

$ all figures in million, unless specified

		Q2'22	Q2'23
	Metrics		
1	New residential customers added	19,700	20,400
2	Residential Adjusted EBITDA before Platform Investment $/customer[1,2]	$1,800	$1,000
3	Platform Investment[1,2]	$24	$23
	Financials		
	Adjusted Revenue (Non-GAAP) [1]	$425	$461
4	Adjusted Gross Margin (Non-GAAP)[1]	21.2%	13.7%
	Adjusted EBITDA (Non-GAAP)[1]	$12	($3)
5	Net Recourse Debt - $M	$218	$164
	SunPower share of SunStrong's lease renewal Net Retained Value[3]	$290	$280

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2. Platform Investment = primarily Product, Digital, and Corporate. Corporate includes Legacy non-Residential results.
3. SPWR's 51% ownership of SunStrong, with 90% lease renewal NRV based on a 6.0% discount rate for Q2 '23 (5.25% for Q2 '22). Sensitivity is ~$20M NRV per 25 bps discount rate.

1. Lower demand, driven by higher interest rates and in CA, higher cancellation rates following NEM 3.0.
2. Adjusted EBITDA/customer of $1,000 for Q2. Higher revenue per customer was offset by higher costs. In CA, some lease customer recognition delayed into Q3 by PTO ($7M or ~$350/cust). Still expect to recognize all NEM 2.0 backlog by yearend.
3. Reduced Platform Investment based on actions to match opex to challenging market conditions.
4. Adjusted Gross Margin declined, partially the result of higher costs of materials and labor and pricing pressure from increased supply in the market. Also, a 300-bps decline from the unusual step-up of amortization of pre-install expenses due to reduced cycle times as well as a $5M inventory write-down.
5. Ended Q2 with $114M cash on hand and $164M of net recourse debt, including $180M of drawn revolver. With $424M of inventory, plans are in place to bring inventory in line with 2H '23 demand.

FY 2023 Guidance[1]

Reduced mid-year update based on current market conditions.

	2022 Results[1]	2023 Guidance	2025 Target Model[2]
Customer Growth	84K	**70K-90K** *Prior: 90K-110K*	2x Market Growth[3]
Adjusted EBITDA/Customer before Platform Investment	$2,000	**$1,450-$1,650** *Prior: $2,450-$2,900*	$3,000-$4,000
Platform Investment (PI)[4]	$84M	**Reduction to $50M-$70M**	Restoration of delayed investments to support growth as market improves.
Adjusted EBITDA	$82M	**$55M-$75M** *Prior: $125M-$155M*	

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2. Refer to the SunPower 2022 Analyst Day deck for more detail on the 2025 Target Model.
3. Market growth = as projected by Wood MacKenzie, BNEF.
4. Platform Investment = primarily Product, Digital, and Corporate. Corporate includes Legacy non-Residential results. Refer to the SunPower 2022 Analyst Day deck for more detail on the 2025 Target Model and our anticipated investment capacity through 2025 (slides 78, 81, 82).

Outlook for 2024

Managing opex and investment to remain resilient and ready under volatile market conditions.

Macro Factors

1. **Utility cost increase of retail electricity.** This continues to be impacted by industry plans for a steady increase in transmission and distribution infrastructure capex over the next three years.
2. **Stable interest rates?** The impact on consumer confidence and the value of solar should inflation continue to grow if interest rates stabilize.
3. **Lower equipment cost.** We expect increased panel and battery supply to result in continued price decreases over the next 12-24 months.
4. **Improved IRA adders?** We believe the path to take advantage of the domestic content and low-income IRA adders will become clearer in 2024.
5. **Recently improving sales trends.** Seeing bookings growth beginning to re-materialize this summer, especially where utility electric rates are relatively high or climbing rapidly. In CA, we continue to expect improvement for NEM 3.0 bookings by yearend, driven by high utility electric rates and higher battery attach rates.

SunPower Unique Factors

1. **Platform/opex investment management.** Investments needed to manage future rapid expansion will be matched to our expectation for stronger future market conditions.
2. **New Homes growth.** A backlog of 39,000 positions SunPower to benefit from customer recognition in 2024.
3. **GM collaboration.** Expect to begin EV charger sales and solar sales to GM Silverado customers in late 2023.
4. **Leasing.** The growing popularity of lease financing, IRA bonus tax credits, and SunPower's growing capacity to finance leases are expected to benefit sales.
5. **SunPower Financial expansion.** With the launch of ADT, we are expanding to new sources of customers beyond SunPower in 2024 and beyond.

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Appendix

Financials

GAAP revenue grew 11% year over year.

$ all figures in million, unless specified	Q2'22	Q2'23
GAAP Revenue (excludes sold C&I Solutions)	**$418**	**$464**
Adjusted Revenue (Non-GAAP)	**$425**	**$461**
Gross Margin (Non-GAAP)[1]	**21.2%**	**13.7%**
Operating Expense (Non-GAAP)[1]	**$81**	**$80**
Adjusted EBITDA (Non-GAAP)[1]	**$12**	**($3)**
Net Income (Loss) from Continuing Operations – (GAAP)[1]	**($42)**	**($30)**
Net Income (Loss) Attributable to Stockholders – (Non-GAAP)[1]	**$2**	**($23)**
Diluted Wtg. Avg. Shares Out. (GAAP)[2]	174	175
Diluted Wtg. Avg. Shares Out. (Non-GAAP)[3]	175	175
Diluted EPS (GAAP)	**($0.24)**	**($0.17)**
Diluted EPS (Non-GAAP)[2]	**$0.01**	**($0.13)**

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2. Diluted weighted average shares represent daily average of common shares currently outstanding, plus potential shares that may be issued for convertible notes and unvested RSUs. For Non-GAAP purposes, to the extent convertible notes are out of the money, they are excluded.
3. Refer to the company's press release dated Aug 1, 2023, for additional information on the GAAP to non-GAAP reconciliation.
4. Non-GAAP adjustments related to "Transition Costs" have been excluded from our non-GAAP results beginning with the second quarter of fiscal 2023, as well as all comparative periods presented. Transition Costs included in non-GAAP gross margin from continuing operations were $0.3 million and $0.1 million for the three months ended April 2, 2023 and July 3, 2022, respectively, and $3.1 million and $3.7 million included in non-GAAP net (loss) income from continuing operations and Adjusted EBITDA for the three months ended April 2, 2023 and July 3, 2022, respectively.

GAAP to Non-GAAP Reconciliation

Fewer reconciliation items with Transition Costs now included[1].

$ all figures in million, unless specified

	Q2'22	Q2'23[1]
GAAP net income (loss) from continuing operations attributable to stockholders[1]	**($42)**	**($30)**
Interest expense, net of interest income	6	7
Depreciation	4	14
Provision for income taxes	3	0
Unrealized (gain) loss on equity securities – Enphase	15	0
Results of operations of businesses exited[1]	7	0
Stock-based compensation	7	9
Acquisition-related costs	2	0
Amortization of intangible assets and software	3	3
Litigation	3	0
Transition costs[1]	0	0
1 Unrealized (gain) loss on swap valuation	0	(4)
Other non-recurring items[1]	4	0
Adjusted EBITDA (Non-GAAP)[1]	**$12**	**($3)**

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1. Other non-recurring items refer to transaction-related expenses, restructuring expenses, and equity income from unconsolidated investees.

Cash Position

Ended Q2 with $180M revolver draw.

$ all figures in million, unless specified

Opening Cash	$116
Cash from Operations	($33)
Revolving Loan	$85
Interest	($5)
Dealer investment	($8)
CIS Closing Net Working Capital	($31)
Corporate items and others[1]	($10)
Ending Cash	**$114**

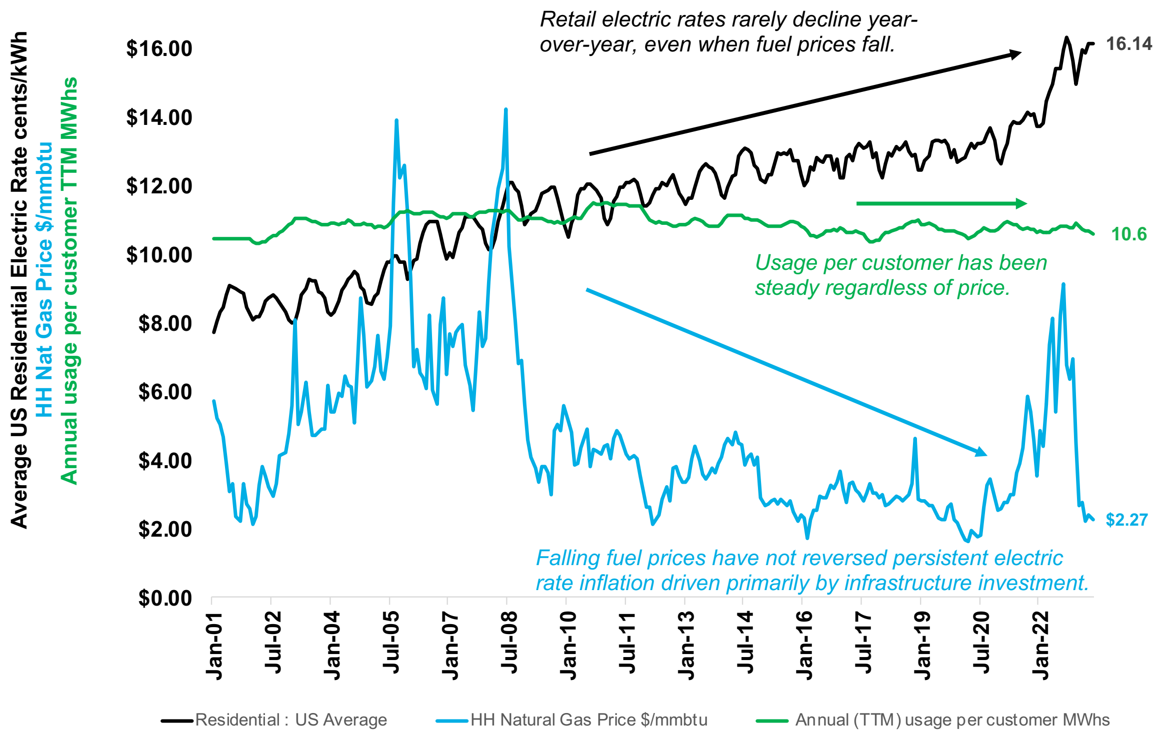
1. We now expect negative operating cash generation in 2023 due to lower volumes and gross margins as a result of softer pricing power against panel inventory.
2. Capex investment in 2023 expected ~$55-$65M, largely for digital, product development.
3. We believe we have adequate liquidity in place for the next 12 months.
4. We have plans in place to match inventory to lower demand levels in the 2H of 2023.

1. Corporate items and others includes CIS working capital and Legacy development cost.

The Value of Residential Solar is Likely to Keep Growing

Utility electric rates rarely decline, even when fuel costs do.

Impact of Natural Gas Price Volatility on Retail Electric Rates, 2001-2023[1]



Retail electric price inflation is persistent and driven mostly by infrastructure investment

1. Since 2001, retail electric rates have accelerated upward YoY when fuel prices rise and then they remain higher as utilities continue to recover escalating costs of infrastructure investment, labor, and cost of capital. *This has remained true through multiple recessions and interest rate cycles.*
2. The largest share of a typical utility bill (>50%) is attributed to long-term investment in transmission, distribution, and generating infrastructure, along with their cost of capital. In contrast, variable fuel costs typically make up a minority of the overall bill.
3. The U.S. electric utility industry is projecting more than $450B of capital investment from 2022-2024, **an increase of 20%** over the prior 3-year period. This includes “a significant and growing amount of capital resources on adaptation, hardening, and resilience (AHR) initiatives,” such as undergrounding power lines, installing cement poles, and elevating or relocating transformers.”[2]

1. Source: US Energy Information Agency (EIA) Electric Power Data Browser
2. Edison Electric Institute capex forecast Sept 2022

Thank You

Changing the way our world is powered