

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 8-K

Current Report
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 4, 2021

SunPower Corporation
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-34166
(Commission File Number)

94-3008969
(I.R.S. Employer
Identification No.)

51 Rio Robles, San Jose, California 95134
(Address of principal executive offices, with zip code)

(408) 240-5500
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of exchange on which registered
Common Stock, \$0.001 par value per share	SPWR	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.01

Entry into a Material Definitive Agreement

On October 4, 2021, SunPower Corporation (the “Company”) acquired all of the issued and outstanding membership interests (the “Blue Raven Interests”) of Blue Raven Solar Holdings, LLC, a Delaware limited liability company (“Blue Raven”), and thirty-five percent (35%) of the issued and outstanding membership interests in Albatross Software LLC, a Delaware limited liability company (“Albatross”) (such interests, the “Albatross Interests” and together with the Blue Raven Interests, the “Interests”) pursuant to that certain Securities Purchase Agreement, dated as of October 4, 2021 (the “Purchase Agreement”), by and among the Company, Falcon Acquisition HoldCo, Inc., a Delaware corporation and wholly owned subsidiary of the Company (together with its successors, “AcquisitionCo,” and collectively with the Company, “Purchaser”), Peterson Partners VII, L.P., a Delaware limited partnership, Jenny Lynn Lee, as Trustee of The Keyhole Canyon Trust, dated July 28, 2021, Michael R. Cahill, as Trustee of The Skein Trust, dated July 13, 2021, Michael R. Cahill, as Trustee of The Gosling Trust, dated July 13, 2021, Jeffrey Lee, Benjamin Peterson (“Peterson”) and Michael Rands (“Rands” and collectively, “Principal Sellers”), The Church of Jesus Christ of Latter-day Saints, a Utah corporation sole (the “Charitable Seller” and collectively with Principal Sellers, “Sellers”), and Peterson Partners VII, L.P., a Delaware limited partnership, solely in its capacity as Sellers’ representative (“Seller Representative”).

Consideration

Pursuant to the Purchase Agreement, the Company agreed to pay to the Sellers up to \$145 million in initial cash consideration, which amount is subject to a customary working capital adjustment. The Purchase Agreement also provides that the Company will make certain cash payments to Blue Raven employees and service providers, which are included in the aggregate purchase price, in accordance with retention agreements entered into between such individuals and Blue Raven. Additionally, Peterson and Rands have agreed to defer portions of the amounts to be paid to them at closing, which amounts shall be paid on the 18-month anniversary of the closing, subject to certain conditions, including that each of Peterson and Rands continue to be employed by Blue Raven on the 18-month anniversary of the closing.

The Company has also agreed to make an additional cash payment of up to \$20 million (the “Contingent Payment”) based on Blue Raven’s revenue for the period beginning on September 13, 2021 and ending June 19, 2022. The Contingent Payment will increase linearly from \$0 up to a maximum of \$20 million upon Blue Raven’s achievement of a minimum of 75% of the aggregate revenue amounts agreed to among the parties.

Representations, Warranties and Covenants

The Purchase Agreement contains customary representations, warranties and covenants from each of Purchaser and Sellers relating to Blue Raven, Albatross and matters related to the sale of the Interests. The Company has obtained a representation and warranty insurance policy to insure against certain losses arising from breaches of, or inaccuracies in, the representations and warranties of the Sellers. The policy is subject to a retention amount, exclusions, policy limits and certain other terms and conditions.

The Purchase Agreement contains representations and warranties that Purchaser and Sellers made to and solely for the benefit of each other. These representations and warranties are subject to materiality standards which may differ from what may be viewed as material by investors and shareholders, and, in certain cases, were used for the purpose of allocating risk among the parties rather than establishing matters as facts. The assertions embodied in those representations and warranties are qualified by information in disclosure schedules to the Purchase Agreement, which contain information that modifies and creates exceptions to the representations and warranties in the Purchase Agreement.

Other Agreements

Additional agreements were entered into simultaneously with the Purchase Agreement, including an Amended and Restated Software License and Services Agreement, dated October 4, 2021, by and between Albatross and Blue Raven (the “License Agreement”), pursuant to which Albatross has granted Blue Raven an exclusive, worldwide, perpetual, royalty-free, irrevocable, non-transferable (except as permitted by the License Agreement) license for Albatross’s customer relationship management software platform. The License Agreement contains customary representations, warranties and covenants from each of Albatross and Blue Raven. The License Agreement is terminable by either party, provided, however, that the license granted to Blue Raven shall survive termination of the License Agreement.

Item 2.02 Results of Operations and Financial Condition.

On October 5, 2021, the Company posted an investor presentation relating to the Blue Raven acquisition on the Investors section of its website. The investor presentation, a copy of which is furnished as Exhibit 99.1 hereto, includes updates to the Company’s financial guidance for its third quarter ended October 3, 2021.

Item 7.01 Regulation FD Disclosure

On October 5, 2021, the Company issued a press release announcing the closing of the transactions contemplated under the Purchase Agreement. A copy of the press release is furnished as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated by reference into this Item 7.01.

Information in Item 2.02, Item 7.01, and Item 9.01 of this Current Report on Form 8-K and Exhibit 99.1 hereto shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 (the “Securities Act”) or the Exchange Act, except as expressly set forth by specific reference in such filing.

Forward-Looking Statements

The above information contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, but not limited to, statements regarding the Company’s plans and expectations for the impacts of its acquisition of Blue Raven on its business and financial results, and its financial guidance. These forward-looking statements are based on the Company’s 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) challenges managing our acquisitions, joint ventures and partnerships, including our ability to successfully manage acquired assets and supplier relationships and integrate Blue Raven into our organization; (2) regulatory changes and the availability of economic incentives promoting use of solar energy; and (3) changes in public policy, including the imposition and applicability of tariffs. A detailed discussion of these factors and other risks that affect the Company’s business is included in filings the Company makes with the Securities and Exchange Commission (the “SEC”) from time to time, including the Company’s 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 the Company’s Investor Relations website at investors.sunpower.com. All forward-looking statements in this Current Report on Form 8-K are based on information currently available to the Company, and the Company assumes no obligation to update these forward-looking statements in light of new information or future events.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits	
<u>Exhibit No.</u>	<u>Description</u>
99.1	Investor Presentation, dated October 5, 2021
99.2	Press Release, dated October 5, 2021
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

October 5, 2021

SUNPOWER CORPORATION

By: _____/S/ MANAVENDRA S. SIAL
Name: **Manavendra S. Sial**
Title: **Executive Vice President and Chief Financial Officer**

October 5, 2021

Announcement of Acquisition of Blue Raven Solar

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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) our expectations for our acquisition of Blue Raven, including impacts on our business and financial results, and our competitive positioning and positioning for future success; (b) our areas of investment and focus, and anticipated impacts on our business and financial results; (c) future plans for our commercial and industrial solutions business, including our expectations regarding market opportunity and growth potential, and our strategic plans and options with respect to the business; (d) expectations regarding our performance versus guidance for the third fiscal quarter of 2021; and (e) our expectations for fiscal 2022, including residential outlook, residential unit-level customer value, areas of investment, and related assumptions. 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) challenges in executing transactions key to our strategic plans, including regulatory and other challenges that may arise; (2) regulatory changes and the availability of economic incentives promoting use of solar energy; (3) potential disruptions to our operations and supply chain that may result from epidemics or natural disasters, including impacts of the Covid-19 pandemic; (4) competition in the

solar and general energy industry and downward pressure on selling prices and wholesale energy pricing; (5) 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; (6) changes in public policy, including the imposition and applicability of tariffs; (7) our dependence on sole- or limited-source supply relationships, including our exclusive supply relationship with Maxeon Solar Technologies; (8) 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; (9) our liquidity, indebtedness, and ability to obtain additional financing for our projects and customers; and (10) 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 presentation 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.

Increasing Our Residential Footprint

Complements existing dealer network while boosting sales and installation speed and volume

1. Today, we closed the acquisition of Blue Raven Solar for up to \$165m in cash, funded with operating cash and the sale of 1m of our Enphase shares for \$178m proceeds.
2. Blue Raven complements SunPower's dealer network, with minimal market overlap.
3. Allows us to move faster and serve more customers in new states with Direct sales & installs.
4. Day 1 margin accretive before synergies.



Blue Raven – SunPower’s Newest Bright Spot

Ahead of the curve on customer service and loan origination

\$136M

LTM Revenue

>10%

LTM EBITDA margin¹

20k

Cumulative customers at close,
with 6k added LTM

>100%

2015-2020 MW CAGR

40

MW deployed, LTM

14+

States in which Blue Raven operates

1. Preliminary estimate. This soon after the close of the quarter, the company is not able to provide a quantitative reconciliation of non-GAAP LTM EBITDA margin to the corresponding GAAP measure without unreasonable efforts.

2. Ratings on Google, Solar Reviews, EnergySage, Glassdoor, Indeed, Yelp, and others

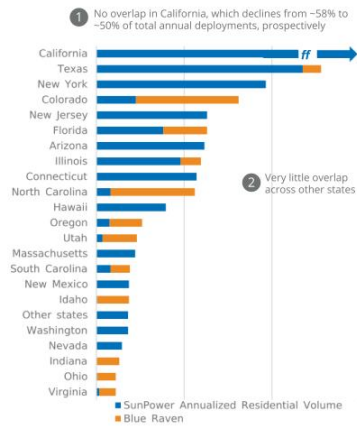
Key Business Highlights

1. Founded: 2014
2. Large geographic footprint, focusing on underpenetrated markets
3. Customer Satisfaction: 4.5/5 stars average rating across review platforms²
4. High quality loan origination with >90% credit acceptance and an average FICO 768
5. Efficient operators with expertise in local permitting in new markets and crews “install-ready” in under 4 weeks

A Leap Forward into New Territory and Digital Sales

Extends SunPower with Low Overlap of Existing Dealer Network

Increased Geographic Diversity



Strategic rationale

1. Add / enhance capabilities in 14+ states, particularly high-growth CO, NC.¹
2. Low overlap and minimal disruption of existing dealer network.
3. Direct model allows rapid movement into new territory.
4. Quicker direct adoption of storage, EV charging, services offerings into sales.
5. Expansion of SunPower digital and financial product offerings.
6. Reduced cost of project capital at larger scale, particularly for loans.
7. Other operating and scale efficiencies, including supply chain leverage.

1. Ranking by Solar Energy Industries Association

Considering Strategic Options for Commercial & Industrial Solutions

Optimizing capital sourcing and deployment

1. CIS TAM is expanding with Biden Plan tailwinds: Building retrofits, ITC extension, Direct Pay provisions.
2. Market leader with new, high growth opportunities: Community Solar, Front of the Meter storage.
3. CIS will be better positioned to succeed with an investor base that is optimally aligned with its strategic and financial goals.
4. SunPower is doubling down on the Residential business, cementing alignment with investors that expect more clarity of focus.
5. SunPower's capital is more efficiently deployed into Residential Product and Digital investment with higher gross margins and stronger growth.



Financial Update

Redeploying ENPH sale proceeds on Product & Digital investment

1. Focus on Residential and Light Commercial segment going forward.
2. Q4'21 Standalone RLC remains strong. Higher Product & Digital investment opex is offset by Blue Raven accretion.
3. Q3'21: Key guidance metrics are projected to be below the low end of the prior guidance ranges, primarily due to CIS project schedule delays and costs as well as performance of our Light Commercial business.
4. Strong sequential bookings growth from both RLC and CIS, and our cash position remains strong.
5. Residential outlook and Residential unit-level Customer Value expected to continue to grow in 2022 and beyond.¹
 - i. Planning to invest an incremental ~\$30-\$35m Product & Digital investment opex in 2022 (included in Adjusted EBITDA), funded with ENPH proceeds from Q3'21 sale (excluded from non-GAAP).
 - ii. SunVault bookings on track for \$100m run rate by year-end 2021



1. Customer Value creation is defined as Adjusted EBITDA of our Residential & Light Commercial business, excluding any products and digital investment plus change in SunPower's share of lease net retained value.

Thank You

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world is powered

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SunPower Acquires Blue Raven Solar, One of the Fastest Growing Residential Solar Providers in the U.S.

Acquisition complements SunPower's geographic presence; growing national footprint to accelerate high-growth residential solar business

Company exploring strategic alternatives for Commercial & Industrial Solutions business to double down on residential solar

SAN JOSE, Calif, October 5, 2021 — Today, SunPower Corp. (NASDAQ:SPWR), a leading solar technology and energy services provider, announced it acquired Blue Raven Solar, one of the fastest growing residential solar providers in the U.S. Blue Raven's growth trajectory and complementary geographic footprint is expected to provide SunPower a path to quickly expand the solar market to serve more customers in underpenetrated areas including the Northwest and Mid-Atlantic regions.

"More than 100 million homeowners could save money by switching to solar today, and we are committed to enabling that transition quickly to benefit both customers and the planet," said Peter Faricy, CEO of SunPower. "SunPower and Blue Raven share a vision of powering the world with affordable, resilient, sustainable energy. This acquisition will enable us to bring the most powerful and efficient solar technology available to a new set of homeowners and accelerate our growth strategy."

The acquisition was made for cash consideration of up to \$165 million. Blue Raven CEO Ben Peterson will join SunPower's executive team, and the company expects to build upon Blue Raven's current employee and contractor relationships.

Since its founding in 2014, Blue Raven has built a profitable and high-growth business, achieving 93% revenue compound annual growth rate (CAGR) with a direct-to-consumer sales and installation model. Blue Raven currently conducts more than 90% of its volume in 14 states that account for only about 5% of SunPower's sales, creating a significant net-new geographic coverage opportunity for SunPower.

"We've always been focused on making it easy for customers to get access to high-quality renewable energy. SunPower offers the most advanced solar solutions and shares our passion for delivering an incredible customer experience," said Peterson. "Together we will provide even more compelling

reasons for homeowners to make the switch to clean, renewable energy. This is a clear win for our organizations and for homeowners everywhere we operate."

SunPower plans to combine its best-in-class products and digital marketing tools with Blue Raven's highly successful direct sales model to accelerate the go-to-market strategy and add new best practice capabilities to its national dealer network. In addition, SunPower expects that Blue Raven's volume will help expand its comprehensive suite of financial products and increase 2022 loan volume significantly.

SunPower to Focus on Residential and Light Commercial (RLC) Growth, Explore Alternatives for Commercial & Industrial Solutions (CIS) Business

Today SunPower also announced it will focus its efforts and investments in growing its Residential and Light Commercial business. As such, it is exploring strategic options for Commercial & Industrial Solutions — which serves corporations and the public sector — including new ownership. This path would optimize SunPower's capital deployment for RLC while enabling CIS to better take advantage of its growing addressable market and opportunities like community solar, front-of-meter storage and infrastructure legislation tailwinds.

"SunPower is doubling down on residential growth. By investing in residential market expansion and technology innovation, we can put solar on more homes and provide customers with an incredible experience when they choose renewable energy. This clarity and focus will enable us to lead the industry and deliver maximum value to our investors, partners and customers," said Faricy.

Management Conference Call Information

SunPower will host a joint conference call for analysts, investors and media to discuss the definitive transaction agreement at 5:30 a.m. PT on October 5. A live audio webcast of the conference call will be accessible at: <https://edge.media-server.com/mmc/p/o8cbs5h>

About Blue Raven Solar

Blue Raven Solar was founded in 2014 and has expanded to a national top selling solar brand. The company's mission is "to make homeowners' lives better by reducing their energy bills, increasing reliance on clean and abundant renewable energy and providing a world-class customer experience through a reliable sales process and a speedy, high-quality installation." Blue Raven Solar believes all homeowners should have equal opportunity to invest in simple, reliable, affordable, high-quality solar power. Visit Blue Raven Solar at www.blueravensolar.com and follow us on Instagram, Facebook, LinkedIn, and Twitter.

About SunPower

Headquartered in California's Silicon Valley, SunPower (NASDAQ:SPWR) is a leading Distributed Generation Storage and Energy Services provider in North America. SunPower offers the only solar + storage solution designed and warranted by one company that gives customers control over electricity consumption and resiliency during power outages while providing cost savings to homeowners, businesses, governments, schools and utilities. For more information, visit www.sunpower.com.

Forward Looking Statement

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, but not limited to, statements regarding: (a) our expectations for the impacts of the acquisition of Blue Raven on our business and financial results, our competitive positioning, and positioning for future success following the acquisition; (b) our ability to expand into new markets and increase adoption of our financial products, including impacts on loan volume; and (c) our future strategic plans and areas of focus and investment.

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) challenges managing our acquisitions, joint ventures and partnerships, including our ability to successfully manage acquired assets and supplier relationships and integrate Blue Raven into our organization; (2) regulatory changes and the availability of economic incentives promoting use of solar energy; and (3) changes in public policy, including the imposition and applicability of tariffs. 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.

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