

FEBRUARY 17, 2021

Fourth Quarter 2020 Supplementary Slides



FORWARD-LOOKING STATEMENTS

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 positioning for success, including the adequacy of our capitalization, expected lease values and gross margin per watt, and our intentions to repay debt; (b) our expectations regarding market growth and opportunity, demand and pricing trends, pipeline, storage and product adoption trends, and financial performance in each of our business lines; (c) expected areas of investment and focus, our ability to succeed in growth initiatives, and the anticipated results thereof; (d) projected financial performance, including revenue and EBITDA growth, margin growth, residential value creation, and improving finance economics; (e) our first quarter fiscal 2021 guidance, including revenue and net income (loss), as well as Adjusted EBITDA, MW recognized, gross margin per watt, residential value creation, and share of net realizable value, and related assumptions; (f) full year fiscal 2021 guidance, including revenue, Adjusted EBITDA, MW recognized, residential value creation, and share of net realizable value, and related assumptions and (g) our expectations for 2022 Adjusted EBITDA growth and related assumptions

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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) potential disruptions to our operations and supply chain that may result from epidemics or natural disasters, including impacts of the Covid-19 pandemic; (2) competition in the solar and general energy industry and downward pressure on selling prices and wholesale energy pricing; (3) regulatory changes and the availability of economic incentives promoting use of solar energy; (4) 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; (5) changes in public policy, including the imposition and applicability of tariffs; (6) our dependence on sole- or limited-source supply relationships, including our exclusive supply relationship with Maxeon Solar Technologies; (7) our liquidity, indebtedness, and ability to obtain additional

financing for our projects and customers; and (8) 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.

Q4 EARNINGS

Strong Q4'20 Execution; Well Capitalized for 2021+

41%

MWr
increase

Growth in New Customers

- 13,000 new resi customer adds
- 65% MWr growth in CIS³

~50%

DevCo GM/W
increase

Improvement in Unit Economics

- \$0.50 Devco GM/W
- Expect residential lease and loan value creation >50% in 2021

<2.5x

Net Debt:
2021 EBITDA¹

Reduction in Net Debt

- Expect debt repayment in '21
- Incremental 3.5M ENPH shares

¹ Net Recourse Debt defined as Gross recourse debt less unrestricted cash

² Definition of Residential lease value creation on slide 8

³ RLC = Residential and Light Commercial, CIS = Commercial & Industrial Solutions

Long-Term DG Sector Tailwinds



U.S residential solar market growth set to accelerate in 2021 and beyond



Significant New Homes adoption, increasing demand in financing solutions



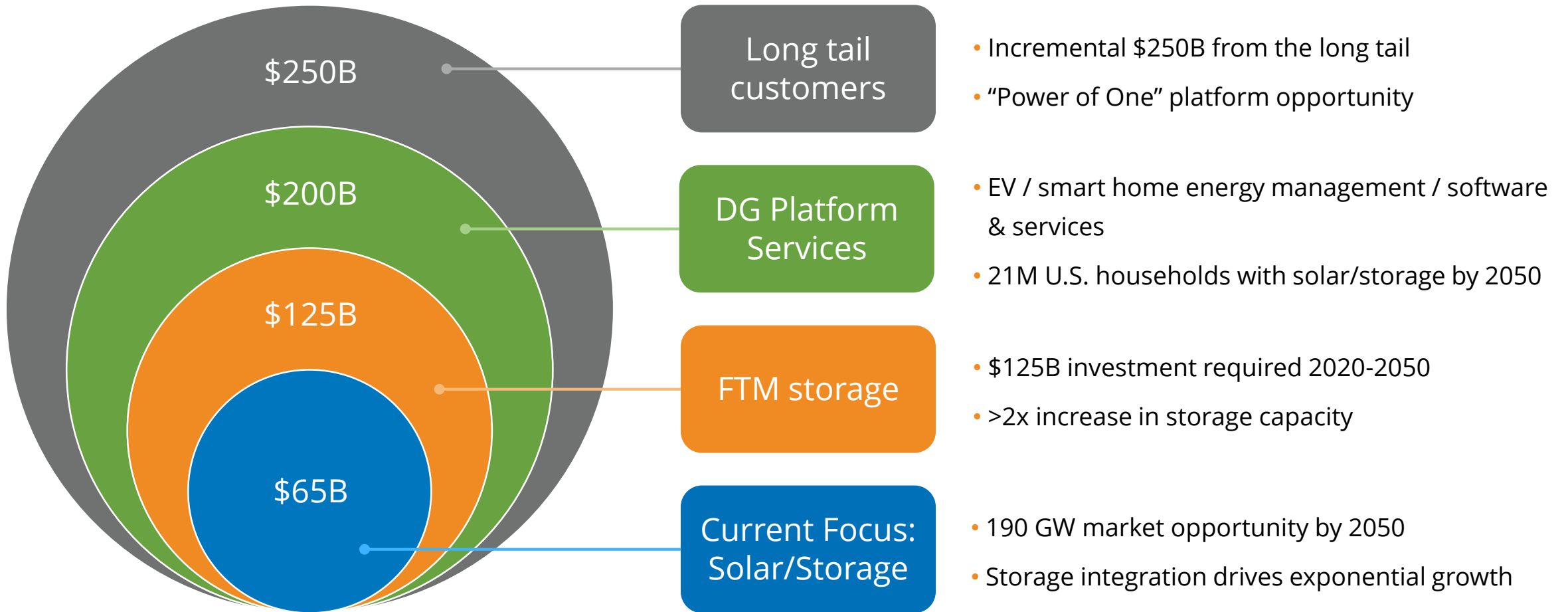
Rapidly accelerating DG storage attach rates to drive tremendous growth



Storage & electrification drives DG platform services opportunity

TAM expansion Remains Key Priority

10x increase in addressable growth opportunity



Source: Bloomberg New Energy Finance (2020) – Long Term Customer-Sited Solar and Storage Outlook 2020-2050

Our Priorities in 2021

1

Growth

Extending Our Core to Accelerate Growth

~35% revenue growth in 2021, trend continues in 2022¹

- **Resi:** storage, new homes, TAM expansion
- **C&I:** BTM storage, community solar

2

Profitability

Improving Our Execution to Strengthen the Core

~3X EBITDA growth in 2021 and >40% in 2022¹

- Residential gross margin and value creation expansion
- C&I storage pipeline to drive profitable growth

3

Adjacencies

Thoughtfully Deploying Capital for Longer Term Growth

Monetizing digital, storage, "Power of One"

- Extending resi platform to reach wider partner and customer base
- Well positioned for fast growing FTM storage market

1. SunPower company estimates

Q4 EARNINGS

Continued Residential Business Momentum

Q4'20 metrics: poised for continued profitable growth in 2021



13,000

Customers added
in Q4



\$0.46/W

Residential value
creation in Q4



180 MW

New Homes
in backlog

351,000

Total customer
base

24%

Gross Margin

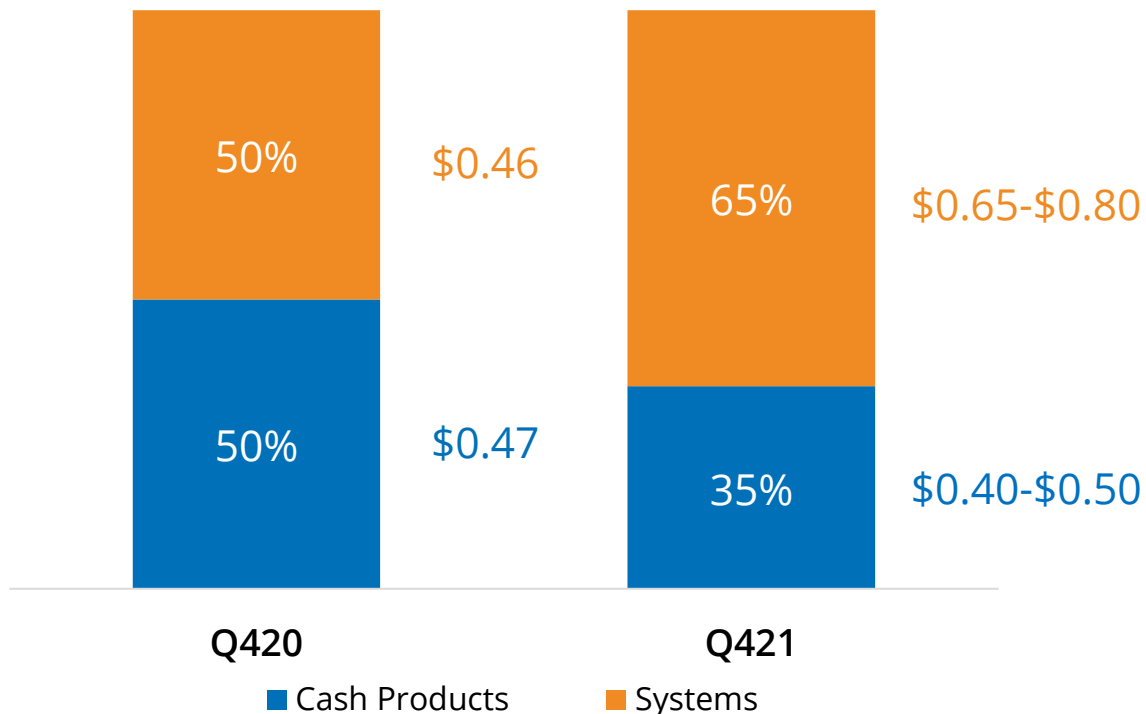
>20%

SunVault™ sales
attach rate

Q4 EARNINGS

Residential Unit Economics Continue to Improve

Residential Value Creation
Mix Shift from Cash Products + Improving Loan/Lease
Economics Will Drive Higher Value¹



- Mix shift from cash product drives improved residential unit economics
- Improving lease and loan economics should drive higher system value
- Our digital investments are focused on creating lifetime customer value and robust service business
- Excluding digital spending, Q4'20 opex was \$0.20/W

Note 1: Definition of Residential Value Creation

GM\$/W (-) Opex\$/W excluding products and digital investment

(+) NRV\$/W for SPWR share (leases only) = Residential value

Strong C&I Solutions Performance

Platform

Core C&I

>275 MW Contracted / Awarded

Community Solar

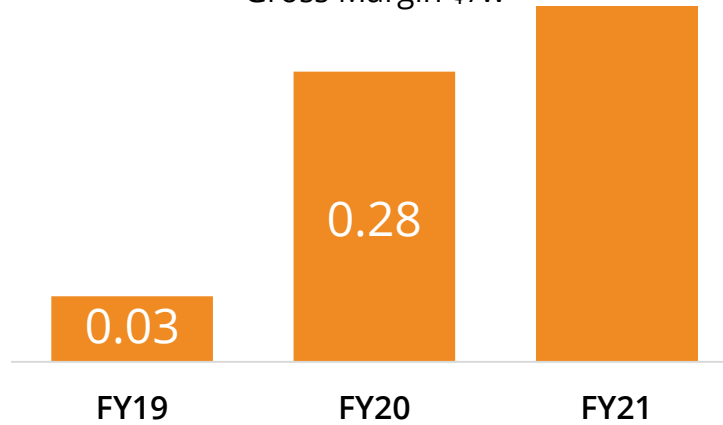
>90 MW Pipeline Secured



Profitability

>\$0.40 GM \$/w
in Q4 on 33 MW

Gross Margin \$/w



Storage

>30% sales attach rate

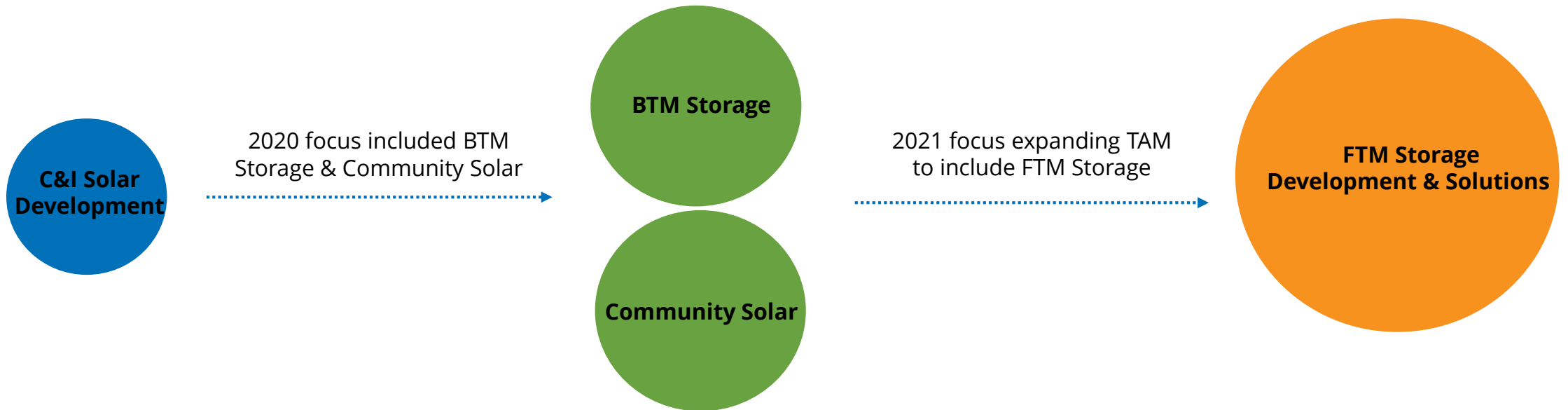
18 MWh COD in '20



Q4 EARNINGS

Well Positioned For Rapidly Evolving C&I Landscape

SPWR has C&I installed base, development & software capability to drive faster growth in 2021+



Strong Heritage

#1
U.S. commercial
solar
three years running*

8 out of 10
of the top U.S. corporate solar users
choose SunPower*

35+ Year
track record
of successful solar projects

Strategic Initiatives

Expand TAM (BTM Storage,
Community Solar & FTM Storage)

Aggressively build robust pipeline

Deliver best in class solar and
storage solutions

Credentials

Strong origination and
development capability

Existing deal flow, customer base
and expanded partnerships

Robust Helix operating platform

Q4 EARNINGS

Q4'20 Financial Summary: Beat EBITDA Guidance

	Q4'20	Q3'20	Q4'19
SPWR consolidated			
Revenue - \$M	\$342	\$275	\$405
Revenue excl legacy ¹ - \$M	\$332	\$265	\$327
Adjusted EBITDA ¹ - \$M	\$39	\$9	\$57
Adjusted EBITDA excl legacy ¹ - \$M	\$43	\$12	(\$8)
Cash Balance - \$M	\$233	\$325	\$423
Net Recourse Debt - \$M	\$281	\$428	\$466
Devco			
MW Recognized	153	108	188
Gross Margin/W (Non-GAAP)	\$0.50	\$0.34	\$0.45
Opex/W	\$0.27	\$0.31	\$0.23
Opex/W (excl. digital & products)	\$0.21	\$0.23	\$0.17
Powerco			
Pipeline - \$M	\$637	\$575	\$374
SPWR share of Net Retained Value - \$M	\$211	\$198	\$205

Note 1: Metrics adjusted for legacy business including development, Oregon and margin previously in the company's SPT segment

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Devco: Q4'20 execution, strong run rate going into 2021

- GM/W up ~50% sequentially
- Opex <\$0.30/W, \$0.21/W excluding investment in digital and products
- Residential value creation continuing to increase, Q420 \$0.46/w vs Q320 \$0.30

Powerco: Increasing share in project economics, customer ownership

- New residential fund improves SPWR economics
- Services pipeline at \$637M, growing 2021 Services revenue to expected ~\$50M
- Continue to lower cost of capital

Balance sheet: Net debt of ~\$285M, ahead of CMD targets

- 2021 convertible notes tender complete
- Business unit cash generation at \$35M, both RLC and CIS generating cash
- Investing in growth: TAM, digital, software, platform expansion

2021 – 2022 EARNINGS GUIDANCE

'21 Better than CMD, >40% Adj EBITDA Growth in '22

SunPower	Q1'21	FY'21 Capital Markets Day	FY'21
Revenue (\$ millions)	\$270 - 330	>30% growth	~35%
Adjusted EBITDA (\$ millions)	\$10 - 20		At or better than CMD
GAAP Net Income	(\$20) - (\$10)		
Devco			
SPWR MWr	115 - 145	>20% growth	~25%
Devco GM\$W	\$0.36 - 0.40	\$0.45/W	\$0.45 - 0.50
Powerco			
SPWR share of NRV (\$M)	\$212 - 220	~\$250 ²	at CMD

2021

- MW split: 85% residential, 15% C&I (Q1'21 / FY 2021)
- Powerco services: revenue ~\$50M, Margin ~\$10M

2022

- Ramp of SunVault™, increasing TAM
- C&I: significant community solar install ramp

1 Profitable Q1'21 compared to Q1'20

2 SPWR share of NRV at 51%

FOURTH QUARTER 2020 SUPPLEMENTARY SLIDES APPENDIX

February 17, 2021

Q4 EARNINGS

Q4'20 Financial Overview

\$ millions, except percentages and per share data	Q4'20	Q3'20	Q4'19	FY'20	FY'19
Revenue (Non-GAAP)*	\$342	\$275	\$405	\$1,130	\$1,220
RLC	\$258	\$198	\$257	\$848	\$864
C&I Solutions	\$80	\$74	\$88	\$255	\$243
Others	\$4	\$3	\$60	\$27	\$113
Gross Margin (Non-GAAP)*	22.3%	14.0%	22.5%	15.7%	15.4%
RLC	23.9%	17.6%	17.3%	18.4%	12.6%
C&I Solutions	17.8%	6.9%	2.2%	11.3%	2.9%
Non-GAAP Operating Expense	\$41	\$35	\$44	\$156	\$176
Adjusted EBITDA	\$39	\$9	\$57	\$40	\$59
Tax Rate (non-GAAP)	0.5%	45.8%	21.2%	26.4%	87.0%
Net Income (Loss) – GAAP*	\$412	\$109	\$47	\$599	\$207
Net Income (Loss) – (Non-GAAP)	\$27	(\$6)	\$36	(\$12)	(\$18)
Diluted Wtg. Avg. Shares Out. (GAAP)	200	199	178	197	170
Diluted Wtg. Avg. Shares Out. (Non-GAAP)	193	170	156	170	145
Diluted EPS (GAAP)*	\$2.08	\$0.57	\$0.29	\$3.11	\$1.31
Diluted EPS (Non-GAAP)	\$0.14	(\$0.04)	\$0.23	(\$0.07)	(\$0.13)

*Financial results exclude the impact of discontinued operations resulting from the spin off of Maxeon Solar Technologies during Q3 2020 and represents only DevCo

Note: Information concerning non-GAAP measures, including GAAP to non-GAAP reconciliations, can be found in the company's February 17, 2021 press release and this presentation available on the company's website

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Q4 EARNINGS

Q4'20 Residential Value Creation to EBITDA Bridge

	MWr	\$/W	\$
Residential Value Creation	86	\$0.46	\$40
Lease Net retained value			(\$2)
CVAR / Other	33		\$4
RLC EBITDA Excluding Digital and Product Opex¹	119		\$43

1 Refer to Q420 published metric sheet in Company's investor Relations website

2. Data subject to rounding

Q4 EARNINGS

Q4'20 Cash Bridge

Opening cash (SPWR)	325	
Convert repayment	(239)	2021 convertible debt repayment
Transactions and legacy ¹	133	Sale of 1 million ENPH shares, legacy (including development)
Corporate items	(21)	Corp opex, interest and taxes
BU cash generation ²	35	Both business units generated cash
Ending cash (SPWR)	\$233	

1 Legacy includes development and Oregon

2 Cash generated at RLC and CIS

Q4 EARNINGS

GAAP to Non-GAAP Reconciliation

in millions	QTD			YTD	
	Q4'20	Q3'20	Q4'19	Q4'20	Q4'19
GAAP net income attributable to stockholders	412	109	47	599	207
Interest expense, net or interest income	8	7	8	32	34
Depreciation and amortization	4	6	8	21	36
Provision for income taxes	19	37	6	58	17
Unrealized (gain) loss on equity securities – Enphase	(416)	(155)	(28)	(690)	(156)
1 Loss (gain) on business divestitures	0	0	0	(11)	(143)
Transaction-related expenses	0	0	2	2	5
Impairment of property, plant and equipment	0	0	(3)	(1)	26
Stock-based compensation	6	4	6	19	20
2 Other non-recurring items	6	0	11	11	13
Adjusted EBITDA	39	9	57	40	59

- 1 Adjustments relate to the gain on sale of commercial sale-leaseback portfolio in fiscal 2019 and O&M business in Q2'20.
- 2 Adjustments relate to non-recurring charges on gain on repayment of convertible debt, litigation expenses, construction revenue on solar service contracts, and restructuring.

Note: Refer to the company's press release dated February 17, 2021 for additional information on the GAAP to non-GAAP reconciliation

THANK YOU

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our world is powered

