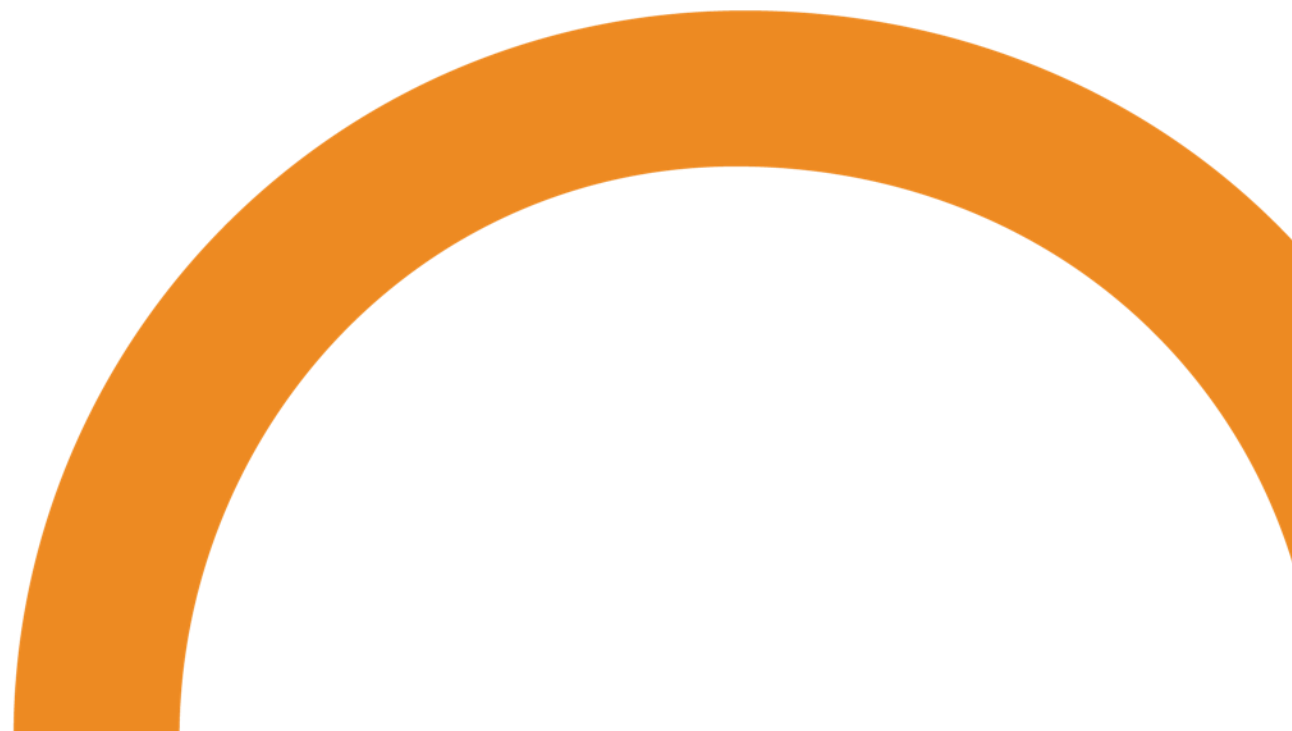


MAY 5, 2021

# First Quarter 2021 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) our plans and objectives for existing and future project development and construction; (b) our technological evolution and research and development activities; (c) our expectations and plans regarding product demand, solar market forecasts, market traction, growth, and volume, including forecasts as they relate to regulatory and public policy developments; (d) estimates regarding the future performance and reliability of our products; (e) financial guidance for 2021 and onward, including the timing and impact of COVID-19 on our operations; (f) plans to improve execution and performance in our business; (g) our plans and expectations for our products and planned products and services, including anticipated markets and demand and cost impacts; (h) managing working capital; (i) residential leasing; (j) project development and construction; and (k) securing financing for our residential lease program and other projects. 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) competition in the solar and general energy industry and downward pressure on selling prices and wholesale energy pricing; (2) our liquidity, substantial indebtedness, and ability to obtain additional financing for our projects and customers; (3) changes in

public policy, including the imposition and applicability of tariffs; (4) regulatory changes and the availability of economic incentives promoting use of solar energy; (5) challenges inherent in constructing projects; (6) challenges in executing transactions key to our strategic plans, including regulatory and other challenges that may arise; (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) fluctuations in our operating results; (9) potential disruptions to our operation and supply chain that may result from epidemics or natural disasters; (10) appropriately forecasting product demand and containing manufacturing and logistics difficulties that could arise; (11) challenges managing our joint ventures and partnerships, including our ability to successfully manage acquired assets and supplier relationships; and (12) fluctuations or declines in the performance of our solar panels and other products and solutions. 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 report on Form 10-K, 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](https://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.

## Q1 EARNINGS

# Strong Execution; Well Positioned for Growth

*Expanded TAM<sup>1</sup>, retired debt ahead of plan*



### Robust bookings and backlog growth

- Residential bookings growth of 25%
- CIS<sup>1</sup> bookings + 50% YoY, backlog 275MW



### Strong Q1-21 Execution

- RLC<sup>3</sup> Q1'21 GM% at 22%
- Retired recourse debt early



### 2022 Tailwinds

- Executing on TAM expansion strategy
- Biden Infra plan impact incremental

1 TAM = Total Addressable Market

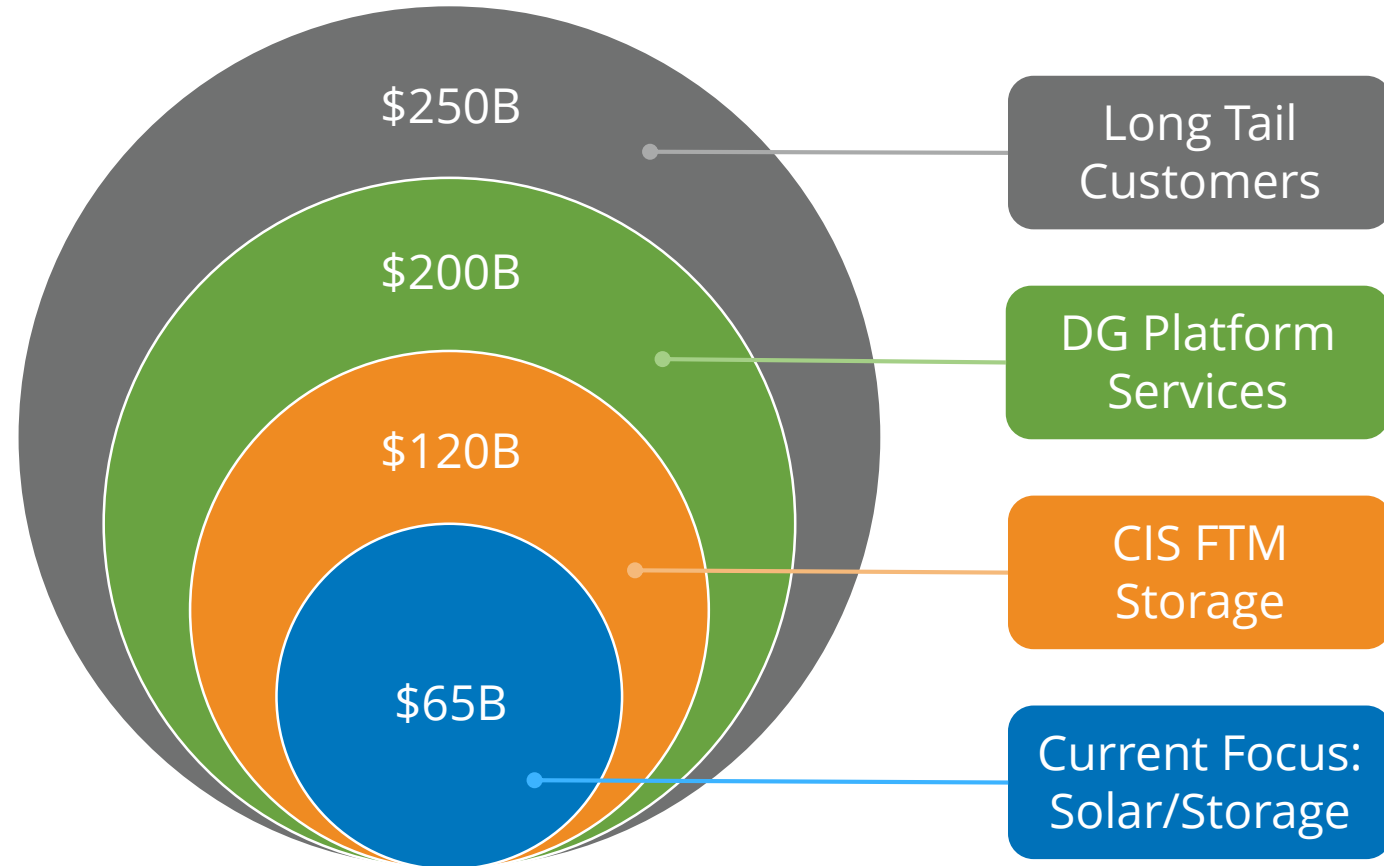
2 Blended bookings - RLC / CIS

3 C&I Solutions (CIS), Residential Light Commercial (RLC)

## Q1 EARNINGS

# Progress on TAM Expansion Initiatives

*10x Opportunity - Additional Growth Initiatives Underway*



### May Update

- Expanding platform and financing for SPWR dealers
- Partnerships to expand to wider install network
- Extending SPWR servicing platform to loans
- SunStrong ownership of commercial projects
- Storage solutions capability: 3<sup>rd</sup> party developers
- >20MWh backlog + >400MWh pipeline
- Expanding New Homes efforts to Multi-Family
- CIS storage: >80MWh awarded, 800MWh pipeline

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

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## Q1 EARNINGS

# Continued Residential Business Momentum

*Record Q1 Margin Performance; Confirms Confidence in 2H 2021 Forecasts*



12,000

Customers added  
in Q1



\$0.41/W

Residential value  
creation in Q1  
(55% full systems)



200 MW

New Homes in backlog  
including **Multi-Family**

363,000

Total customer  
base

22%

Gross Margin  
(up 780bps YoY)

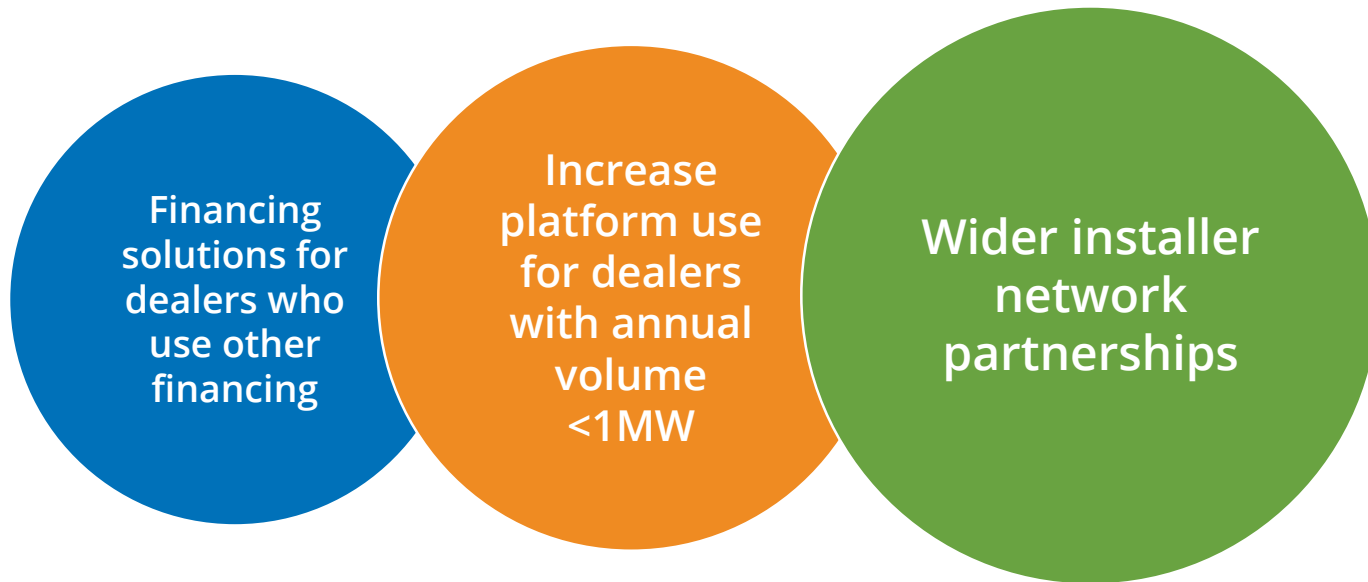
>\$50M

SunVault™ Storage annualized  
April bookings run rate

## Q1 EARNINGS

# Expanding Solutions to Long Tail Provides Upside

*Long tail represents 70% of the residential solar market<sup>1</sup>*



### Financing for dealers who use 3<sup>rd</sup> party financing

- 60% of SunPower residential cash products in Q1'21 financed by 3rd parties

### Expanding platform for SunPower “long tail” dealers

- 85% of dealers have annual SunPower residential volume <1MW
- 500 SunPower dealers in Q1'21

### Wider installer network – partnerships underway

- Leverage customer base
- Lower customer acquisition costs
- Potential to expand in adjacent markets

Source: Wood Mackenzie 2020 / Company estimates  
1 Typical long tail installer has annual volume of <1MW

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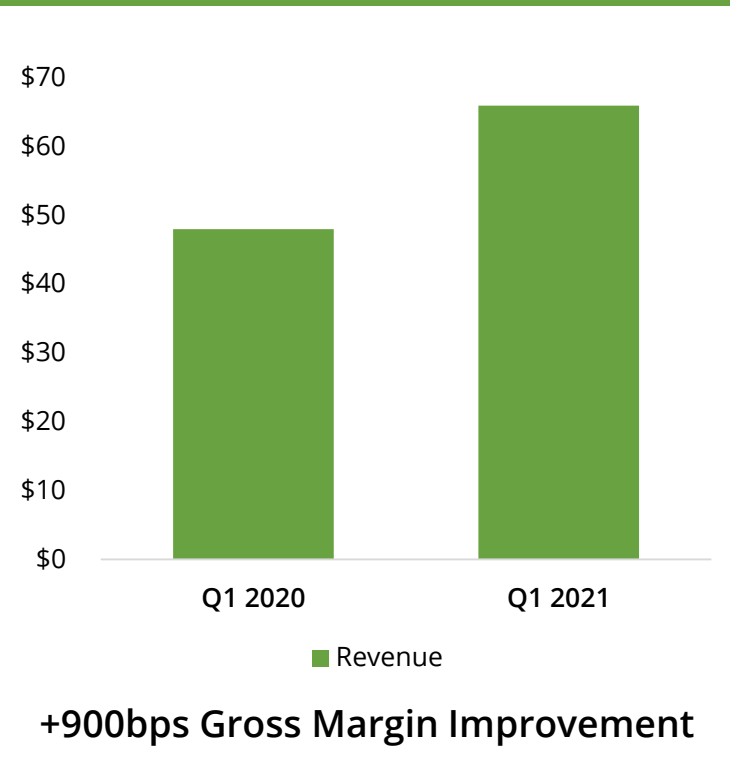
# Strong C&I Solutions Performance

## Core C&I

**>275 MW Solar**  
and  
**>250 MWh Storage**  
Contracted & Awarded  
Recognized in 2021-22



## Profitable Growth



## New Opportunities

**FTM Storage**  
>20 MWh under contract;  
>400 MWh awarded or shortlisted

**Community Solar**  
>115 MW Pipeline Secured



# CIS: Significant Opportunity in Platform Expansion

	Origination and Development	Storage Solutions and Services
Objective	Profitability	Invest to Grow
2021 YTD Accomplishments	<ul style="list-style-type: none"> <li>• Strong pipeline growth</li> <li>• Focus on cost reduction</li> <li>• Increasing focus on community solar</li> <li>• Joint development with financing partners</li> </ul>	<ul style="list-style-type: none"> <li>• Leading BTM provider                             <ul style="list-style-type: none"> <li>• &gt;125 MWh operating or under contract</li> </ul> </li> <li>• Investing in FTM capabilities                             <ul style="list-style-type: none"> <li>• &gt;20 MWh under contract</li> <li>• &gt;400 MWh awarded or shortlisted</li> </ul> </li> <li>• Focused group to develop solutions for C&amp;I pipeline                             <ul style="list-style-type: none"> <li>• Synergies with residential storage</li> <li>• Emerging platform to support 3<sup>rd</sup> party projects</li> </ul> </li> </ul>



## Q1 EARNINGS

# Q1'21 Financials: >100% EBITDA Growth vs. Q1'20

	Q1'21	Q4'20	Q1'20
<b>SPWR consolidated</b>			
Revenue - \$M	\$306	\$342	\$296
Revenue excluding legacy <sup>1</sup>	\$304	\$332	\$263
Adjusted EBITDA - \$M	\$19	\$39	\$(3)
Net Resource Debt - \$M	\$300	\$281	\$596
<b>Devco</b>			
MW Recognized	127	153	132
Gross Margin/W (Non-GAAP)	\$0.42	\$0.50	\$0.27
Opex/W	\$0.34	\$0.27	\$0.33
Opex/W (excl. digital & products)	\$0.27	\$0.21	\$0.25
<b>Powerco</b>			
Pipeline - \$M	\$644	\$637	\$386
SPWR share of Net Retained Value - \$M	\$216	\$211	\$186

### Devco: Q1'21 execution, strong run rate going into 2021

- GM/W up >50% year over year
- Strong bookings – residential (25% YoY), CIS (50% YoY)

### Powerco: Services pipeline ahead of 2021 analyst day targets

- Increasing TAM by adding commercial portfolio to SunStrong
- Increasing lifetime customer value through loan servicing

### Balance sheet: Net debt down ~\$50% from prior year

- Retired 8.5% CEDA loan early; 2021 converts retirement planned for June
- BU operating cash generation in Q1'21

<sup>1</sup> Metrics adjusted for legacy business including development, Oregon and margin previously in the company's SPT segment.

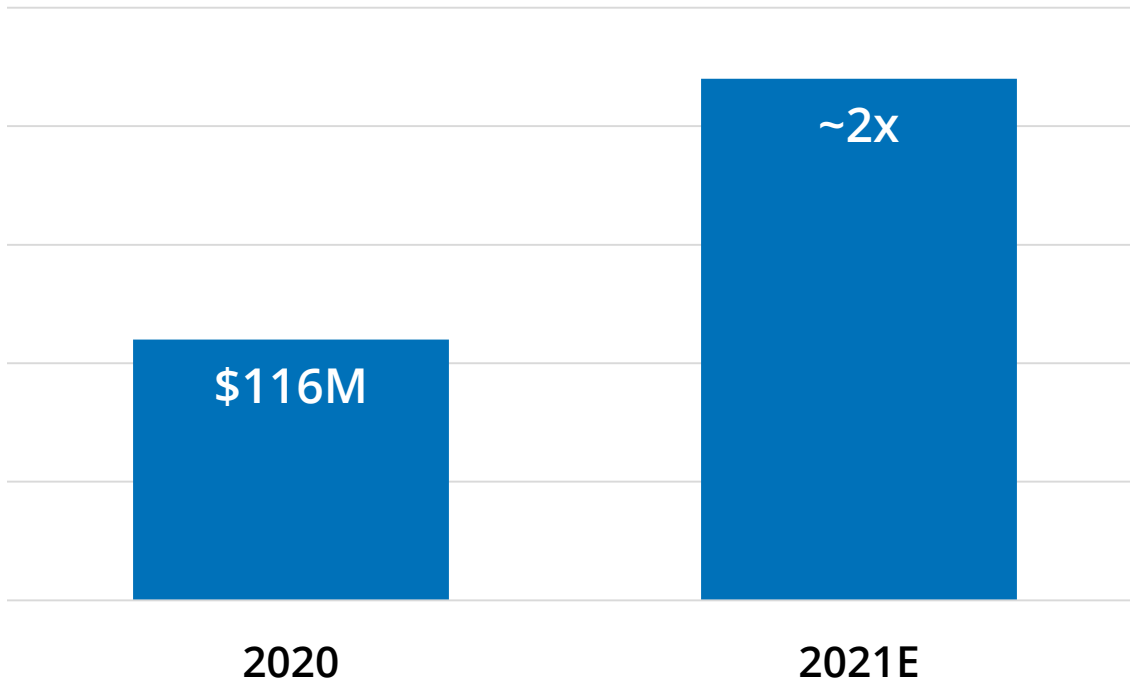
<sup>2</sup> MWr comparison to Q1'20: Residential +10%, CIS +34%, Light Com down YOY

## Q1 EARNINGS

# Strong SunPower Value Creation in 2021 and Beyond<sup>1</sup>

*~2x Growth in 2021, ~90% of Value Creation from Day 1 Cash Margin*

### SunPower Value Creation



- Residential: 60% of 2021 MWr / 85% of 2021 value
- Residential growing faster than commercial
- Residential value creation expansion driven by
  - Increasing full / financed systems sales
  - Further opportunities to lower cost of capital

<sup>1</sup> Definition: Adjusted EBITDA of RLC and CIS excluding any products and digital investment + Net Retained Value for SPWR share (including leases)

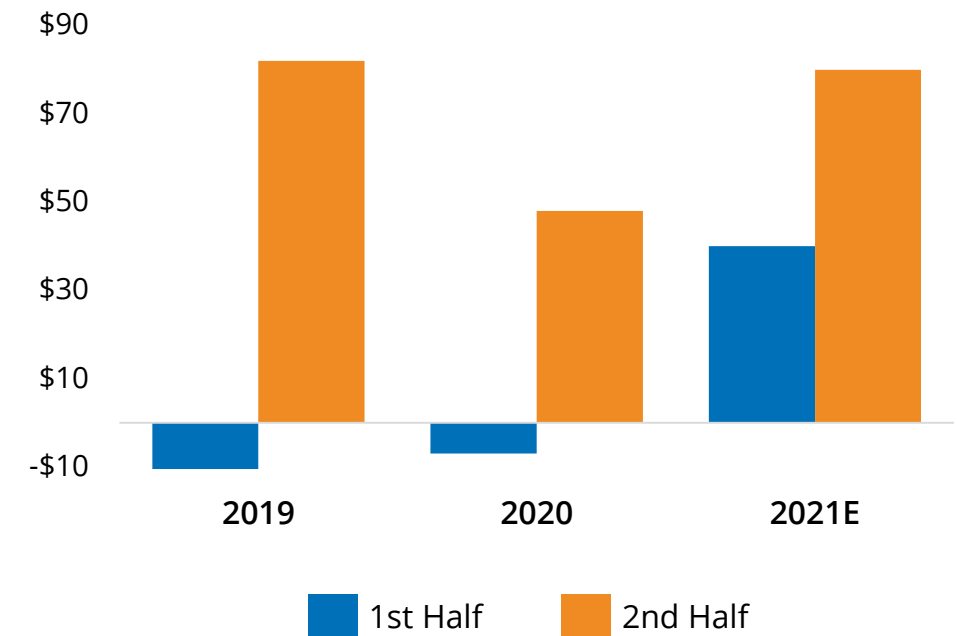
## Q1 EARNINGS

# Reiterating '21 Guidance, >40% Adj EBITDA Growth in '22

SunPower	Q2'21	FY'21
Revenue (\$ millions)	\$295 - 345	~35%
Adjusted EBITDA (\$ millions)	\$16 - 27	at or better than CMD
GAAP Net Income	\$(12) - (1)	
<b>SPWR MWr</b>		
SPWR MWr	120 - 150	~25%
Devco GM\$W	\$0.43 - 0.47	\$0.46 - 0.50
<b>SPWR share of NRV (\$M)</b>		
SPWR share of NRV (\$M)	\$217 - 223	at CMD

- 2021 guidance includes incremental investment in digital / FTM storage
- Q2'21: RLC: 20% sequential growth expected; timing of certain project milestones to impact CIS
- CMD – Capital Markets Day – September 2020

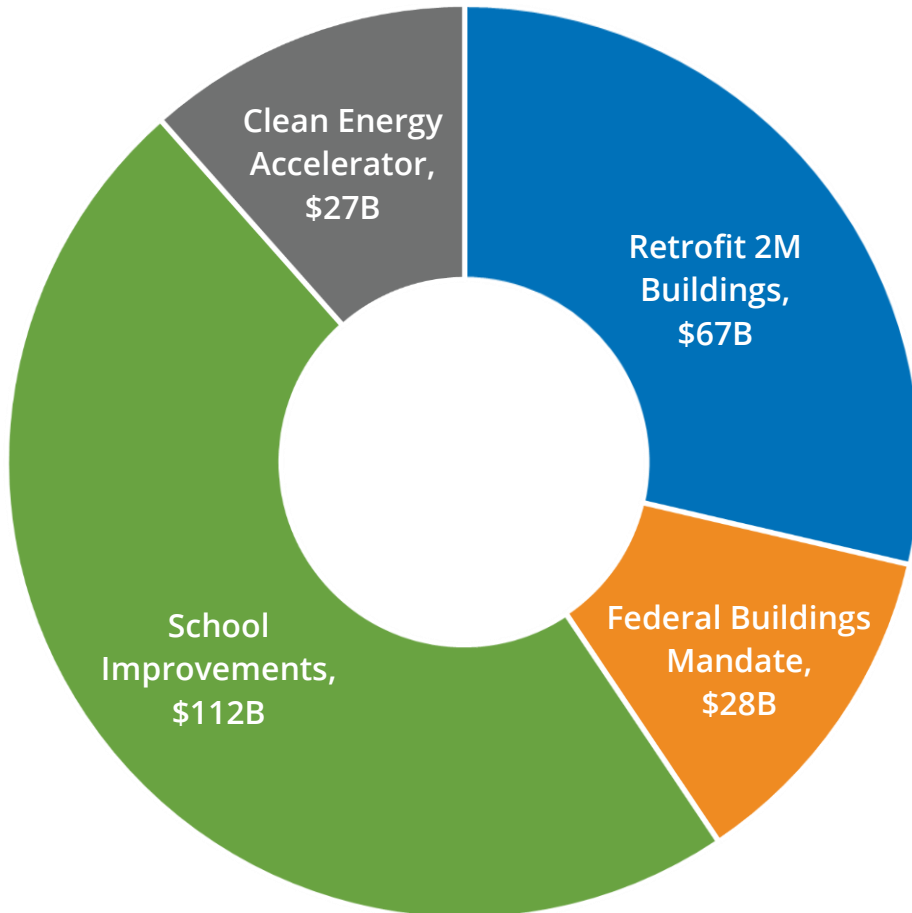
Significantly Better Adjusted EBITDA Linearity in 2021  
(in millions)



## Q1 EARNINGS

# SunPower Well Positioned to Capitalize on Biden Plan

>\$225 Billion Market Expansion Opportunity provides upside



## SunPower Positioning

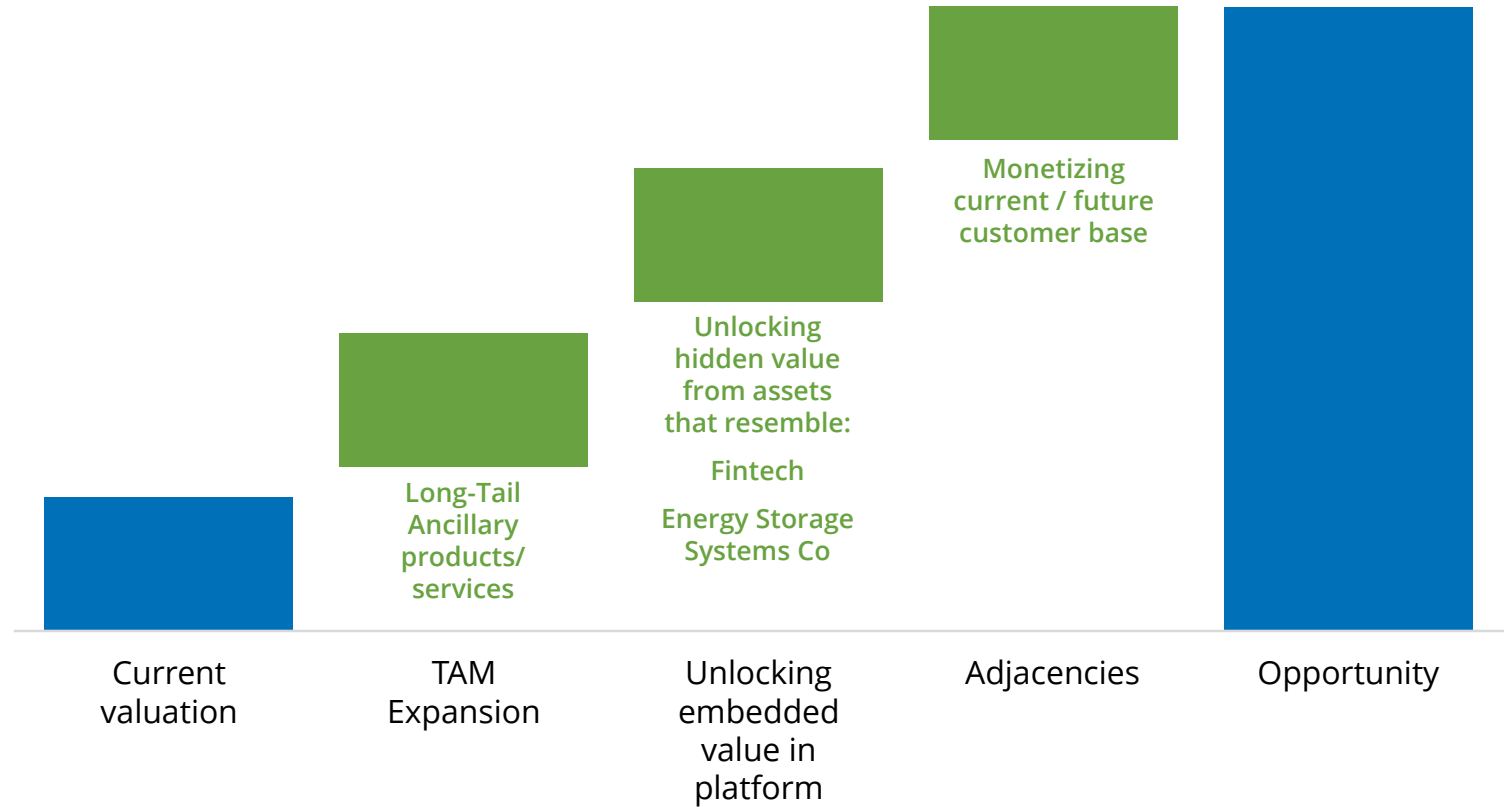
- **Resi cash & loan segment:** ITC extension positive for cash / loan & ITC refundability expands the cash / loan TAM
- **Light Commercial:** ITC refundability reduces financing bottlenecks, stand alone storage increases TAM
- **Resi / Commercial:** Stand alone storage opportunity positive for >3GW installed base (including installed base of financing partners)
- Market Leader in **federal buildings** (>150MW installs) + **education sector** (>150MW installs)
- Ongoing **single family / multi-family affordable housing focus:** strong tailwinds from 2M buildings retrofit mandate

# Summary: Building Value in Evolving DG Landscape

## Well Positioned for the Future

- Strong industry position
- Strong balance sheet
- Industry leading installed base

## Road Ahead



# APPENDIX

## Q1 EARNINGS

## Q1'21 Financial Overview

\$ millions, except percentages and per share data	Q1'21	Q4'20	Q1'20*
<b>Revenue (Non-GAAP)</b>	<b>\$306</b>	<b>\$342</b>	<b>\$296</b>
RLC	\$238	\$258	\$232
C&I Solutions	\$66	\$80	\$51
Others	\$2	\$4	\$13
<b>Gross Margin (Non-GAAP)</b>	<b>18.7%</b>	<b>22.3%</b>	<b>12.1%</b>
RLC	22.2%	23.9%	14.4%
C&I Solutions	6.4%	17.8%	-2.6%
<b>Non-GAAP Operating Expense</b>	<b>\$44</b>	<b>\$41</b>	<b>\$43</b>
<b>Adjusted EBITDA</b>	<b>\$19</b>	<b>\$39</b>	<b>\$(3)</b>
Taxes Rate (non-GAAP)	(20.4)%	0.5%	(0.2)%
<b>Net Income (Loss) – GAAP</b>	<b>\$(48)</b>	<b>\$412</b>	<b>\$22</b>
<b>Net Income (Loss) – (Non-GAAP)</b>	<b>\$9</b>	<b>\$27</b>	<b>\$(15)</b>
Diluted Wtg. Avg. Shares Out. (GAAP)	171	200	177
Diluted Wtg. Avg. Shares Out. (Non-GAAP)	192	193	169
<b>Diluted EPS (GAAP)</b>	<b>\$(0.28)</b>	<b>\$2.08</b>	<b>\$0.12</b>
<b>Diluted EPS (Non-GAAP)</b>	<b>\$0.05</b>	<b>\$0.14</b>	<b>\$(0.09)</b>

\*Excludes the impact of discontinued operations resulting from the spin off of Maxeon Solar Technologies in Q3'2020

Note: Refer to the company's press release dated May 5, 2021 for additional information on the GAAP to non-GAAP reconciliation

## Q1 EARNINGS

# Q1'21 Cash Bridge

<b>Opening cash</b>	<b>233</b>	
Debt repayment	0	Debt repayment in Q2, CEDA loan already done
Transactions and legacy <sup>1</sup>	1	Cash from legacy development projects
Corporate items <sup>2</sup>	(25)	Corp opex, interest and taxes
BU cash generation <sup>2</sup>	5	Operating cash model; significant improvements YOY
<b>Ending cash</b>	<b>\$213</b>	

\$ all figures in million, unless specified

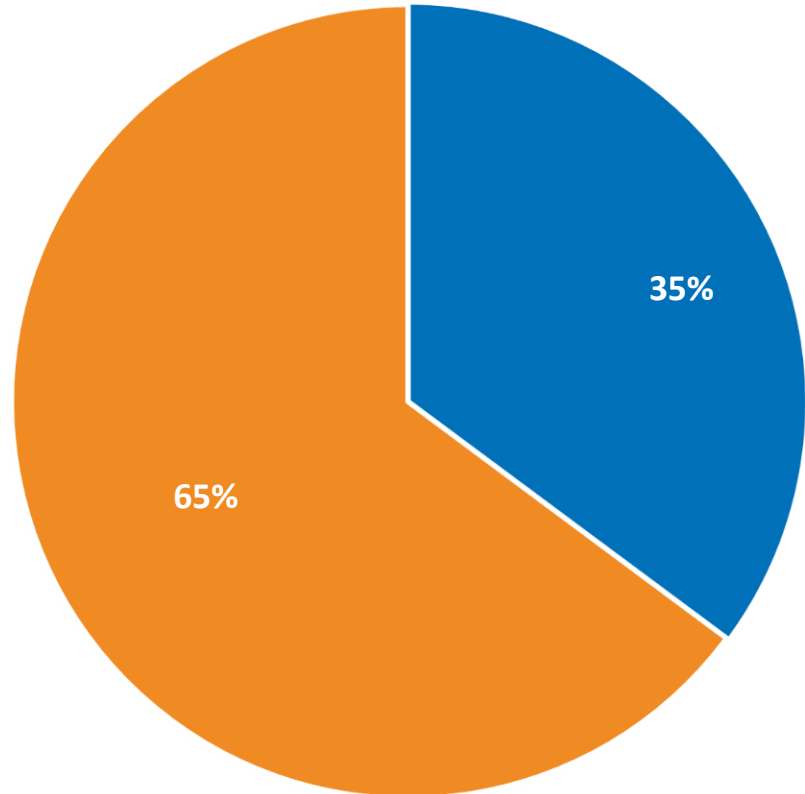
1 Legacy includes development and Oregon

2 Cash generated at RLC and CIS; corporate includes includes withhold to cover impact for RSU related taxes

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# Digital and Products Capital Spend - 2021



■ Infrastructure   ■ Digital & Products Programs

## Infrastructure

- Technology licenses
- Cloud computing investment
- Quality assurance programs

## Digital & Product Programs

- mySunPower™ customer portal
- SunVault™ storage solution
- SunPower Design Studio / Dealer portal

## Q1 EARNINGS

# GAAP to Non-GAAP Reconciliation

in millions	QTD		
	Q1'21	Q4'20	Q1'20
<b>GAAP net income attributable to stockholders</b>	(48)	412	22
Interest expense, net of interest income	7	8	9
Depreciation and amortization	3	4	5
Provision for income taxes	(5)	19	1
Unrealized (gain) loss on equity securities – Enphase	45	(416)	(48)
<b>1</b> Results of operations of legacy business to be exited	7	-	-
Restructuring charges	4	-	2
Stock-based compensation	5	6	5
<b>2</b> Other non-recurring items	1	6	1
<b>Adjusted EBITDA</b>	<b>19</b>	<b>39</b>	<b>(3)</b>

- 1 Results of operations of legacy business to be exited refers to the operating results as well as accelerated depreciation charges at our Oregon manufacturing operations that we announced to close and will fully exit after completion of wind-down activities by June 2021.
- 2 Adjustments relate to non-recurring charges for litigation expenses offset by gain on sale of property, plant and equipment.

Note: Refer to the company's press release dated May 5, 2021 for additional information on the GAAP to non-GAAP reconciliation

THANK YOU

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our world is powered

