

SUNPOWER®

Capital Markets Day  
2019



# SUNPOWER®

## Capital Markets Day

**TOM WERNER**

CEO and Chairman of the Board

**MARCH 2019**

## 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 regarding demand and pricing trends, market share, growth, pipeline, product adoption trends, profitability, margin, and financial performance in each of our business lines; (b) our upstream and technology outlook, including expected ramp and production timelines and capacity for our next generation technology and Performance Series, expected cost reduction and fab utilization, and future performance; (c) our expectations regarding policy changes and their impact on our business; (d) our plans for acquired assets, including those from Solar World Americas, and their impact on our performance and financial statements; (e) our plans to optimize our corporate structure, improve operational focus, cost structure and transparency, align into upstream and downstream business units and change our segment reporting, and the timing and impact of these initiatives on our financial performance and results of operations; (f) our expectations and plans regarding geographic, market, and product focus; (g) our strategic goals and plans, and our ability to achieve them; (h) our fourth quarter fiscal 2018 guidance, including GAAP revenue, gross margin, and net loss, as well as non-GAAP revenue, gross margin, Adjusted EBITDA, and MW deployed; and (i) full year fiscal 2018 guidance, including GAAP and non-GAAP revenue, GAAP and non-GAAP gross margin, operational expenditures, Adjusted EBITDA, capital expenditures, and gigawatts deployed, and assumptions underlying such guidance, as well as expected year-over-year and 2019 improvement.

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 pursuant to Section 201 and trade actions and the outcome of the exemption process; (4) regulatory changes and the availability of economic incentives promoting use of solar energy; (5) challenges inherent in constructing certain of our large projects; (6) 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; (7) fluctuations in our operating results; (8) appropriately sizing our manufacturing capacity and containing manufacturing difficulties that could arise; (9) challenges managing our acquisitions, joint ventures and partnerships, including our ability to successfully manage acquired assets and supplier relationships; and (11) our ability to successfully implement actions to meet our cost reduction targets, reduce capital expenditures, and implement our restructuring initiatives, including plans to streamline our business and focus investment and realign our manufacturing operations and business segments.

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](http://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.

## OVERVIEW

# Schedule

- Strategic update – Tom Werner, CEO SunPower
- Financial update – Manu Sial, CFO SunPower
- SunPower Technologies (SPT) – Jeff Waters, CEO
- SunPower Energy Services (SPES) – NA C&I, Nam Nguyen
- SunPower Energy Services (SPES) – NA Residential, Norm Taffe
- QA session
- Buffet lunch with executives

## OUR STRENGTHS

# Leadership and Innovation

SunPower continues to deliver the best solar solutions and services, backed by more than 30 years of industry leadership.

### Global Footprint

More than 10GW installed – Utility, C&I, Residential

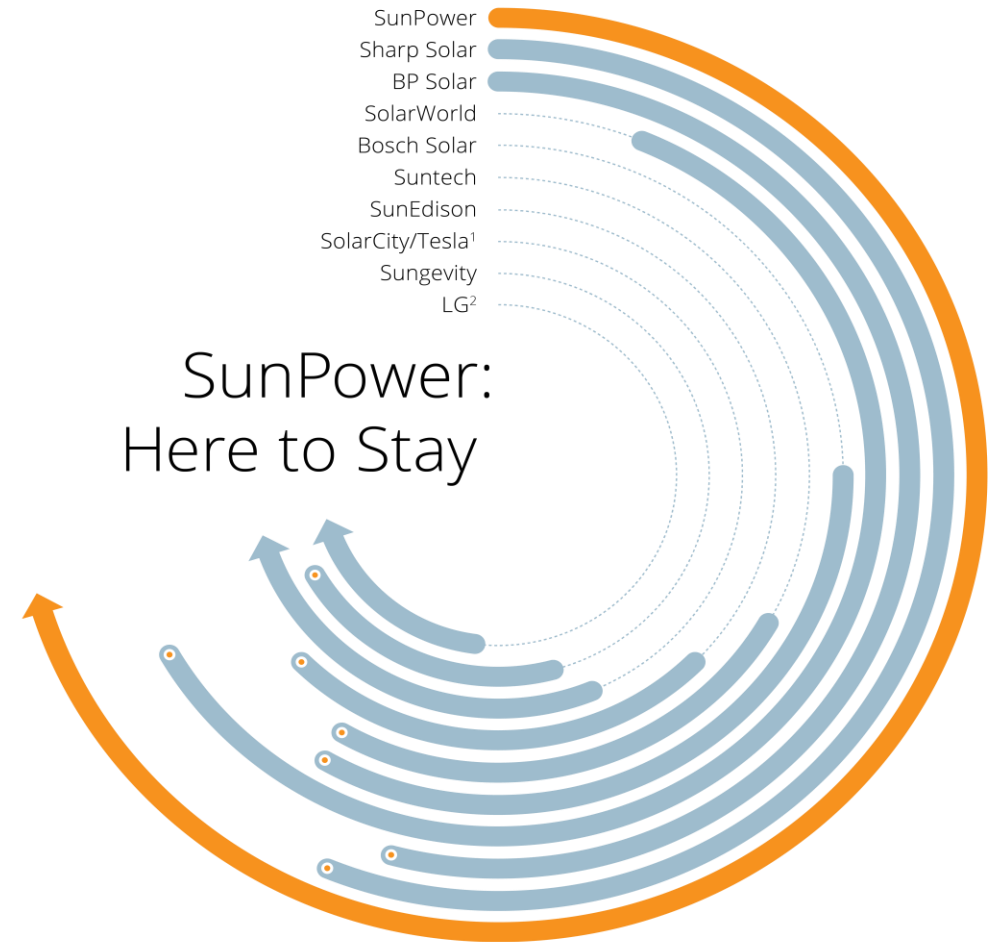
### Innovation Leader

Highest efficiency, highest quality panels and systems

### SunPower® Complete Confidence Warranty

25-year power, product and service coverage

## Our Purpose – Change the Way the Our World is Powered

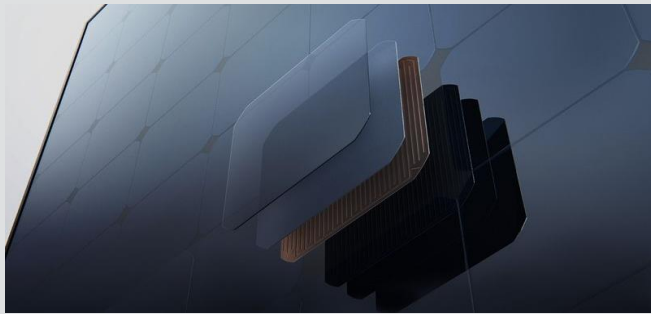


<sup>1</sup> Tesla acquired SolarCity on 11/21/2017.  
<sup>2</sup> LG launched their first solar panel in mass production in 2010.

## SUNPOWER STRATEGIC OVERVIEW

# The Transformation: Innovation and DG Focus

### Panel Technology and ROW Sales SPT Jeff Waters



- Extend panel innovation leadership
- DG margin expansion with Maxeon® 5 “NGT”
- Ramp PP volume with P-Series China JV
- Leverage capital light / low capex model

### NA Commercial SPES Nam Nguyen



- Strong demand – MW up 50% 2019
- Accelerate cost reduction – system / scale
- Drive Storage – software / installed base
- Expand Service offering – customer, grid

### NA Residential SPES Norm Taffe



- Leverage NGT panel advantage
- Expand powerful energy platform
- Exploit New Homes market leadership
- Extend offering to storage & services

Driving MW growth and higher gross margin \$/w across the platform

# Target Model

	SPT	SPES Commercial	SPES Residential	SPWR
Revenue Growth (CAGR)	10-20%	10-20%	10-20%	10-20%
Gross Margin	>15%	>15%	>20%	~20%
Opex	<7%	<10%	<10%	<10%
Adjusted EBITDA	>10%	7-10%	>10%	>10%

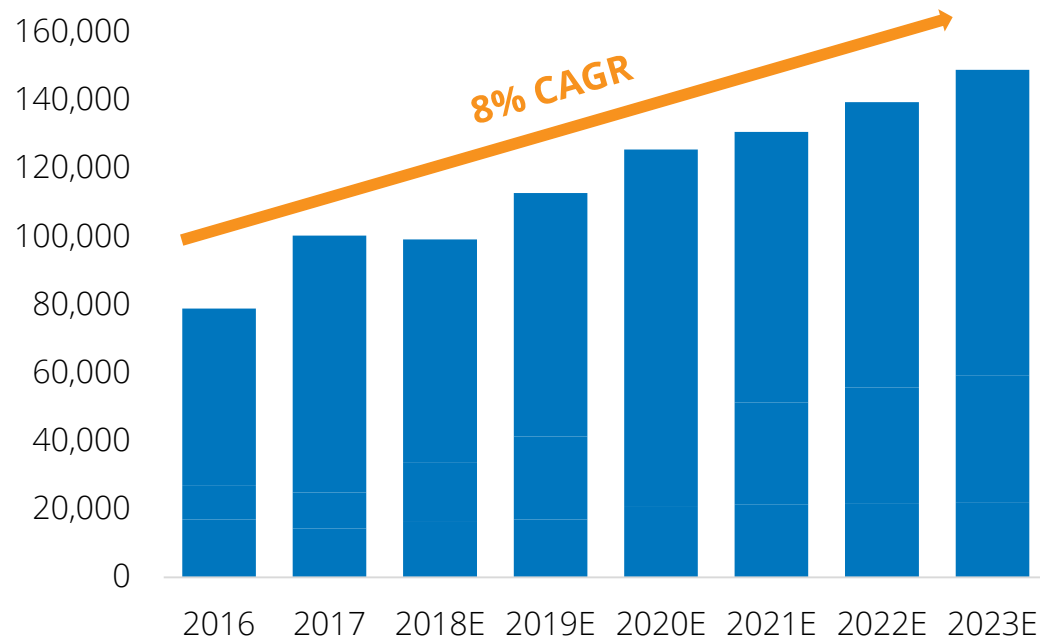
# INDUSTRY OVERVIEW



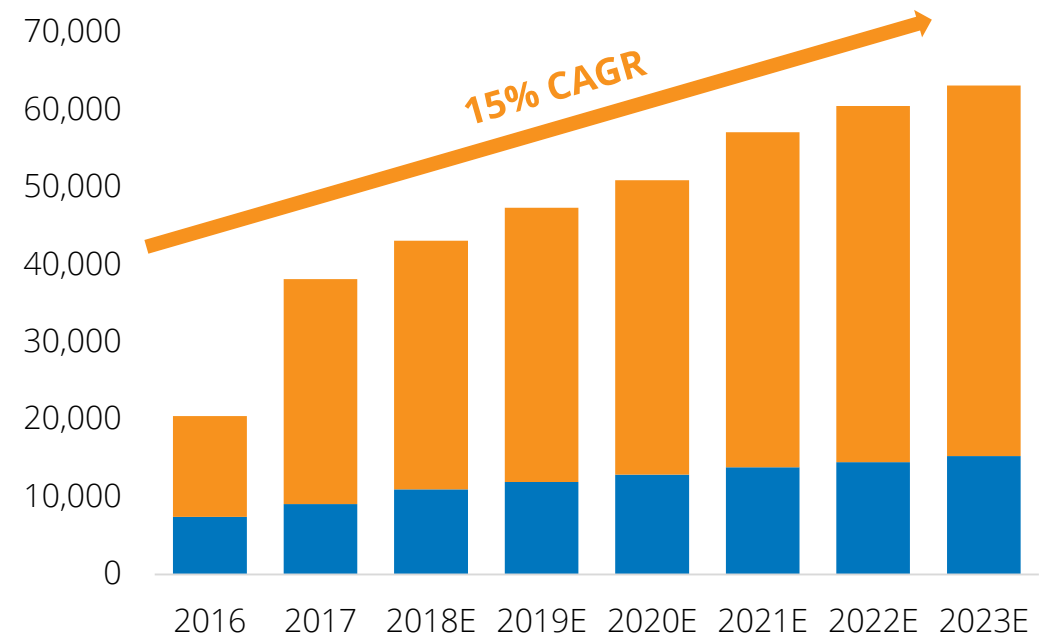
## INDUSTRY OVERVIEW

# Long-Term Global Trends

### Forecasted Global Solar Deployment (MW)\*



### Forecasted Global Solar Deployment - DG (MW)\*



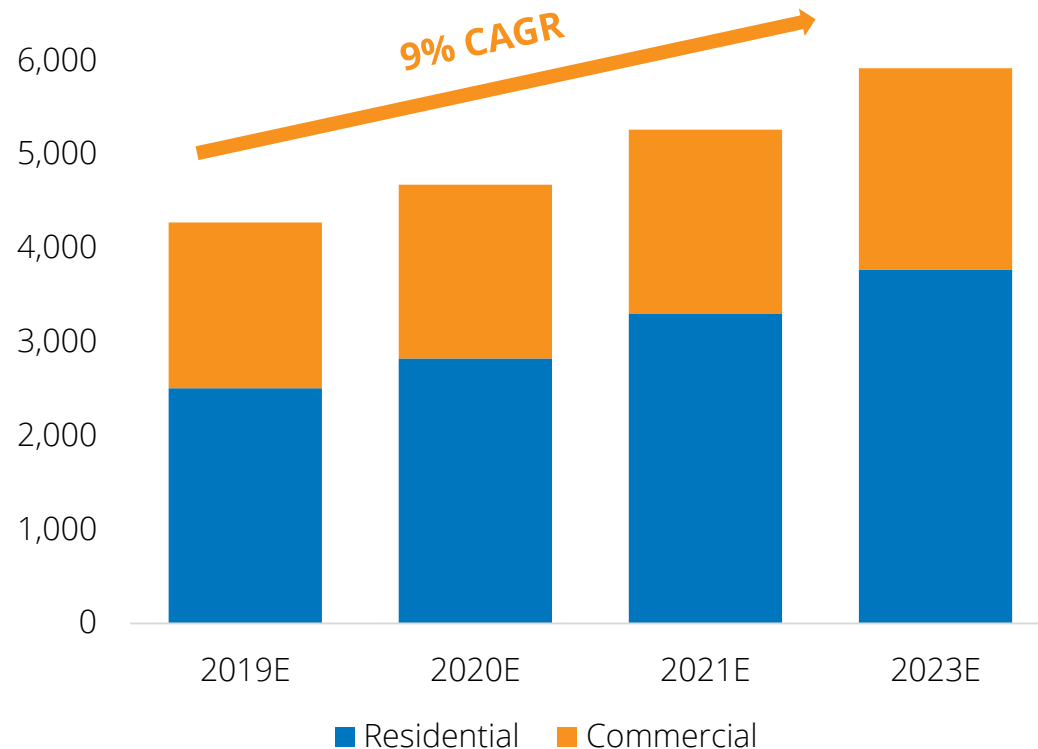
■ Residential ■ Commercial

\*SunPower / Third Party estimates - 12/2018

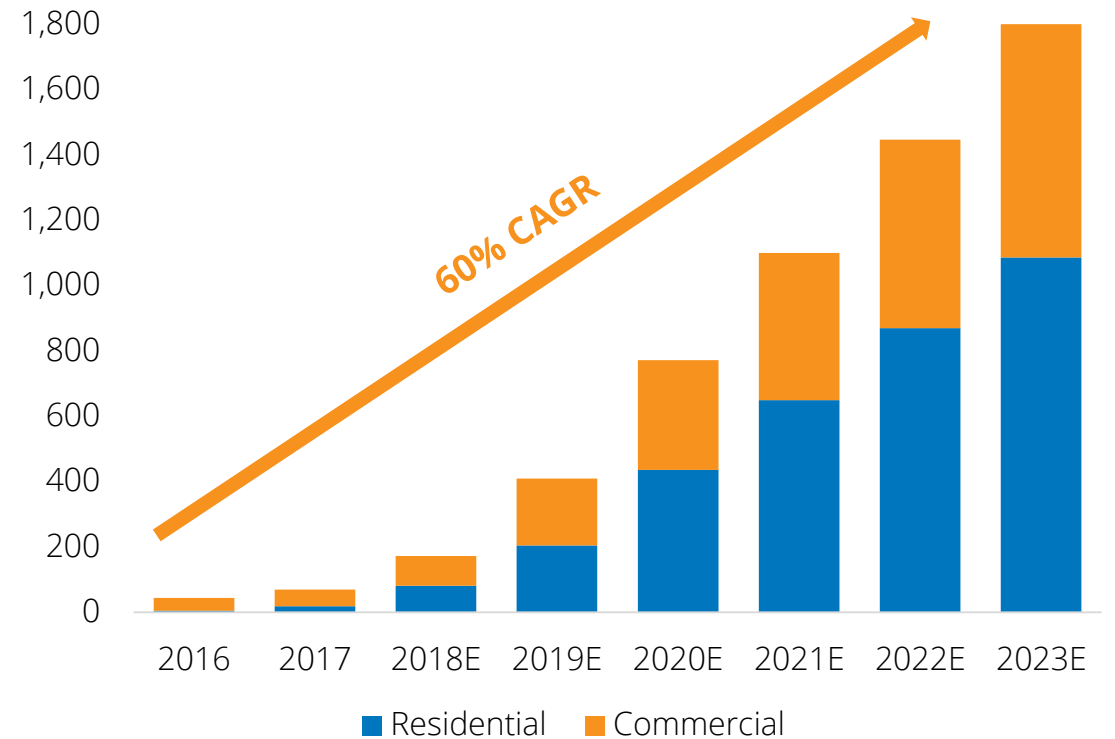
## INDUSTRY OVERVIEW

# U.S. DG Demand and Storage Opportunities

### Forecasted U.S. Solar Deployments - DG (MW)\*



### U.S. Behind the Meter Energy Storage Deployments (MW)\*



\*Wood Mackenzie - 3/2019, 11/2018