

SUNPOWER®

Capital Markets Day
2019



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. 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

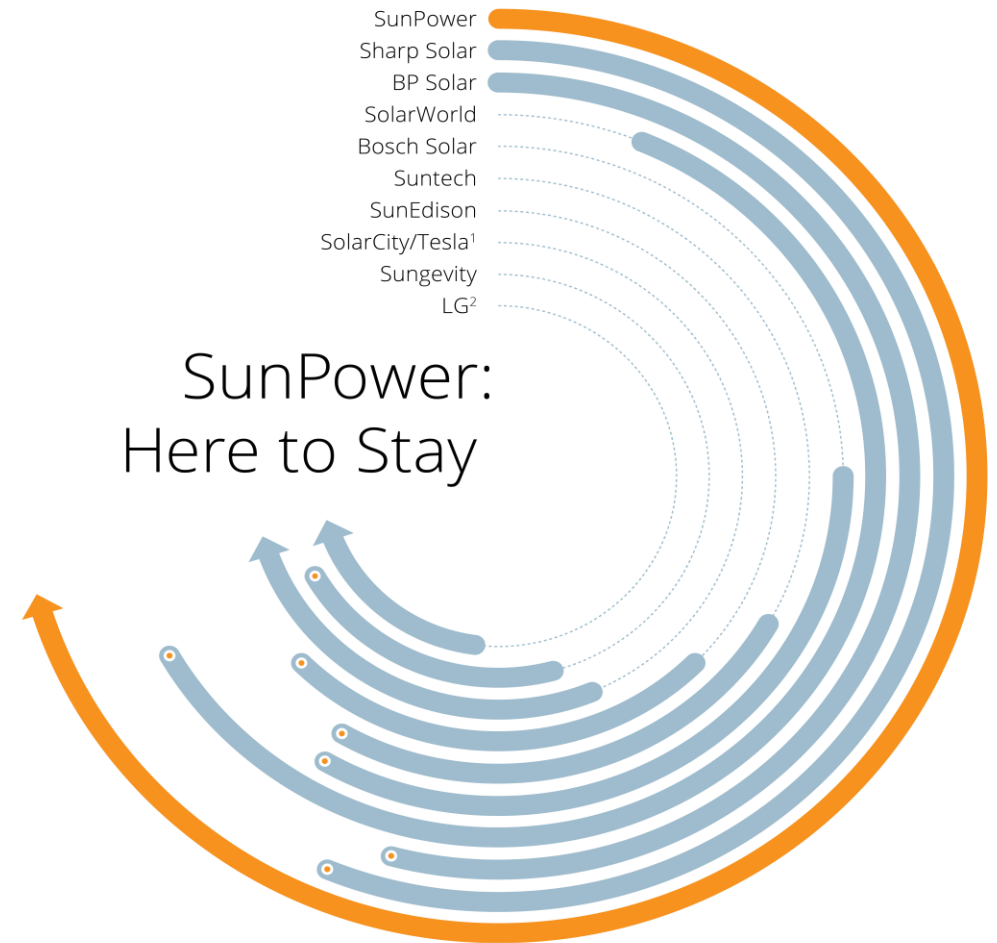
Innovation Leader

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

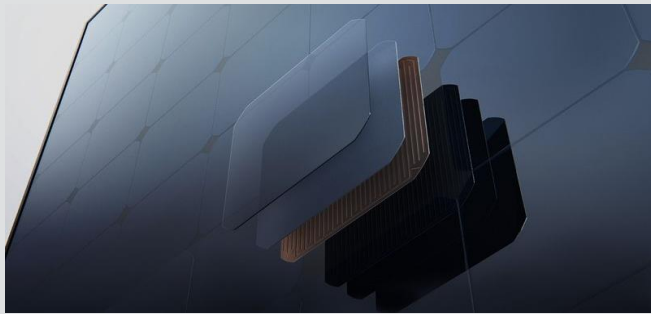


1 Tesla acquired SolarCity on 11/21/2017.
2 LG launched their first solar panel in mass production in 2010.

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

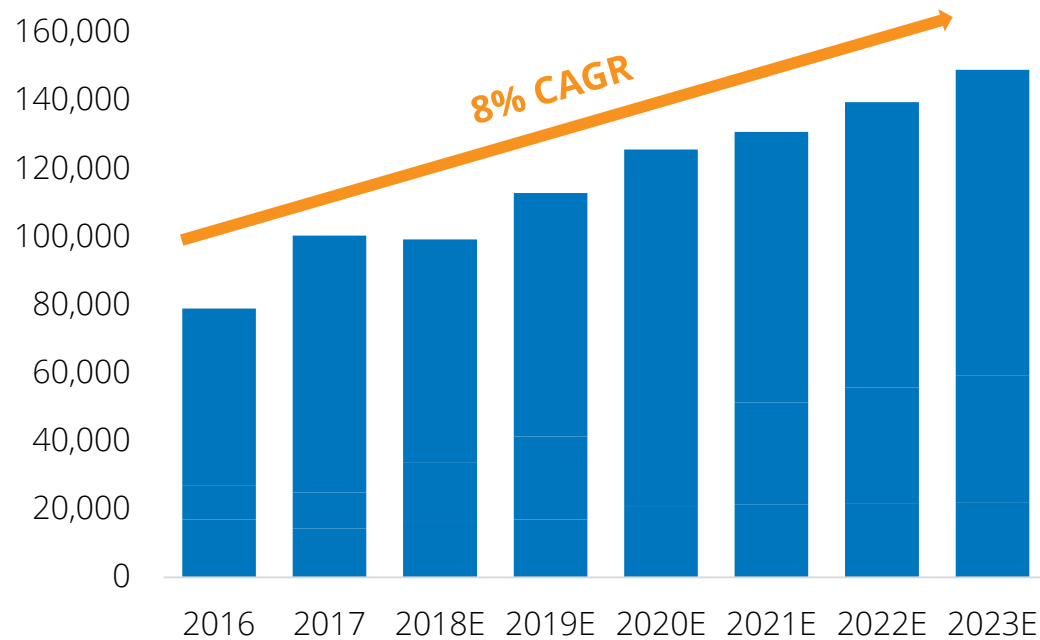
	SPT	SPES Commercial	SPES Residential	SPWR
Revenue Growth (CAGR)	10-20%	10-20%	10-20%	10-20%
Gross Margin	>15%	>15%	>20%	~20%
Opex	<7%	<10%	<10%	<10%
Adjusted EBITDA	>10%	7-10%	>10%	>10%

INDUSTRY OVERVIEW

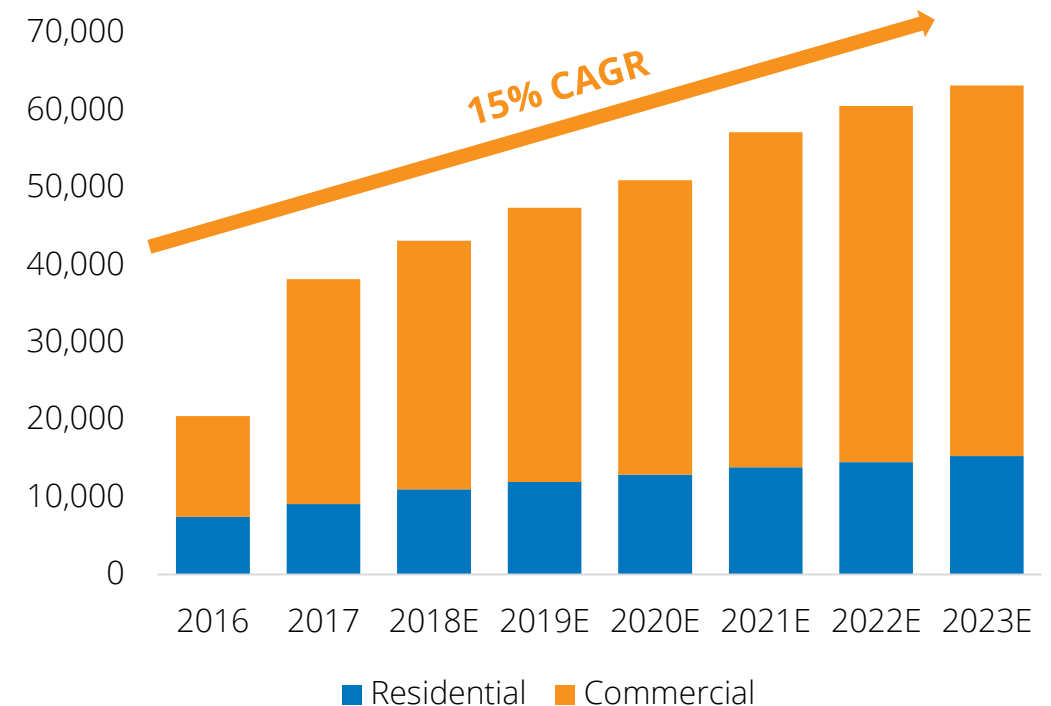
INDUSTRY OVERVIEW

Long-Term Global Trends

Forecasted Global Solar Deployment (MW)*



Forecasted Global Solar Deployment – DG (MW)*



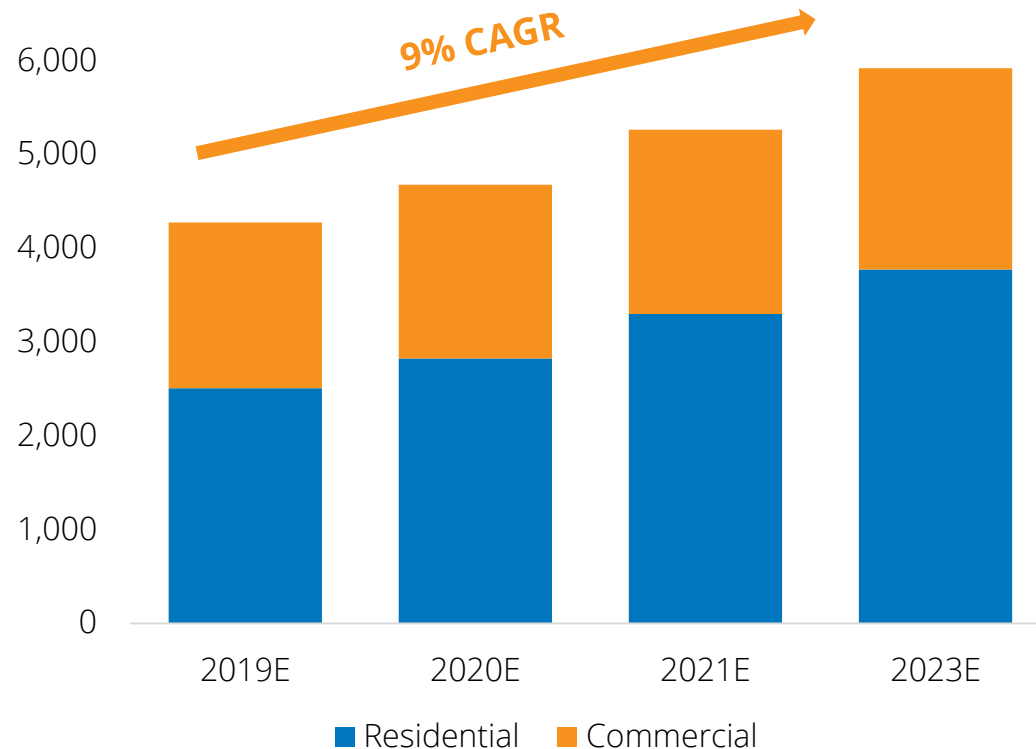
■ Residential ■ Commercial

*SunPower / Third Party estimates – 12/2018

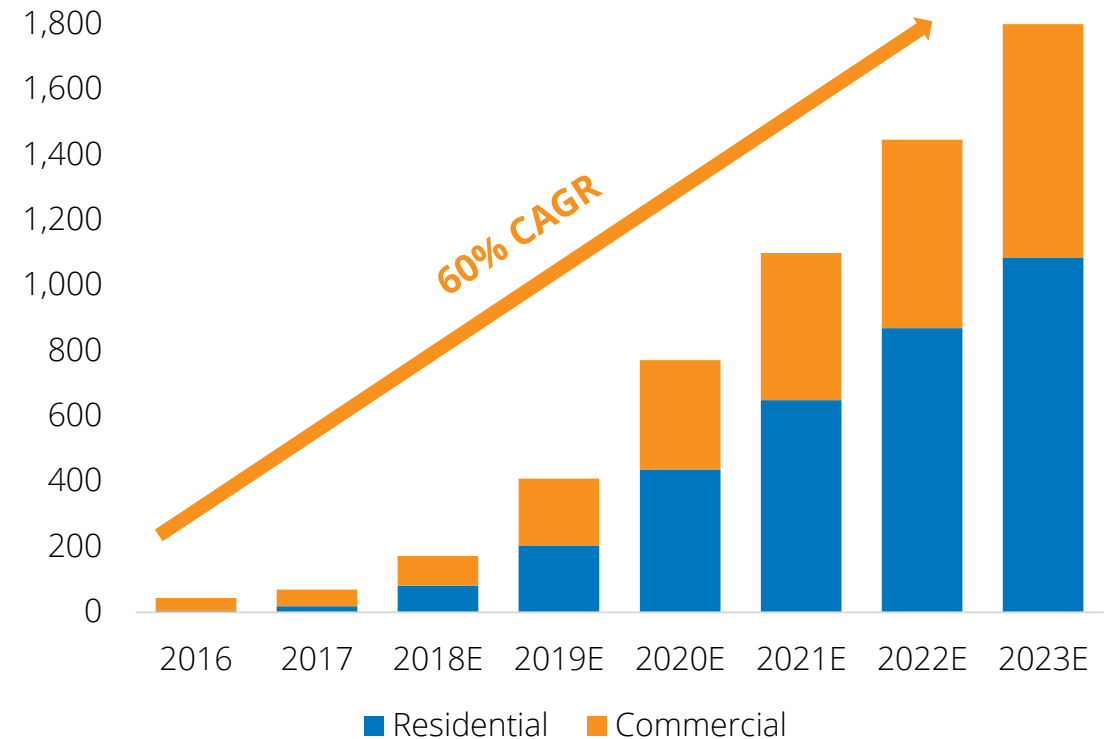
INDUSTRY OVERVIEW

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



Capital Markets Day

MANAVENDRA SIAL

EVP and Chief Financial Officer

MARCH 2019

Compelling Value Proposition

- Business model transformed – 3 strong franchises
- Shift focus towards high-growth DG markets
- Industry tailwinds and SPWR technology drives volume expansion
- Increasing margins through innovation: NGT, P-Series, Storage + Services
- Simplified P+L, delivered balance sheet, reduced overhead structure

Transformed Business Model

Pre-Transformation

- Utility scale power plant development
- 8Point3 (accounting)
- Residential leases and C&I leaseback arrangements on balance sheet
- Non-controlling interests (NCI)
- Non-recourse project financing and complex financing arrangements
- Multiple non-core businesses impacting P+L and balance sheet

Current / Future

- Exited PP development
- Deconsolidated leases from financials
- Monetized non core assets: (8point3, PP development, micro-inverters)
- Continued investment in innovative solar solutions

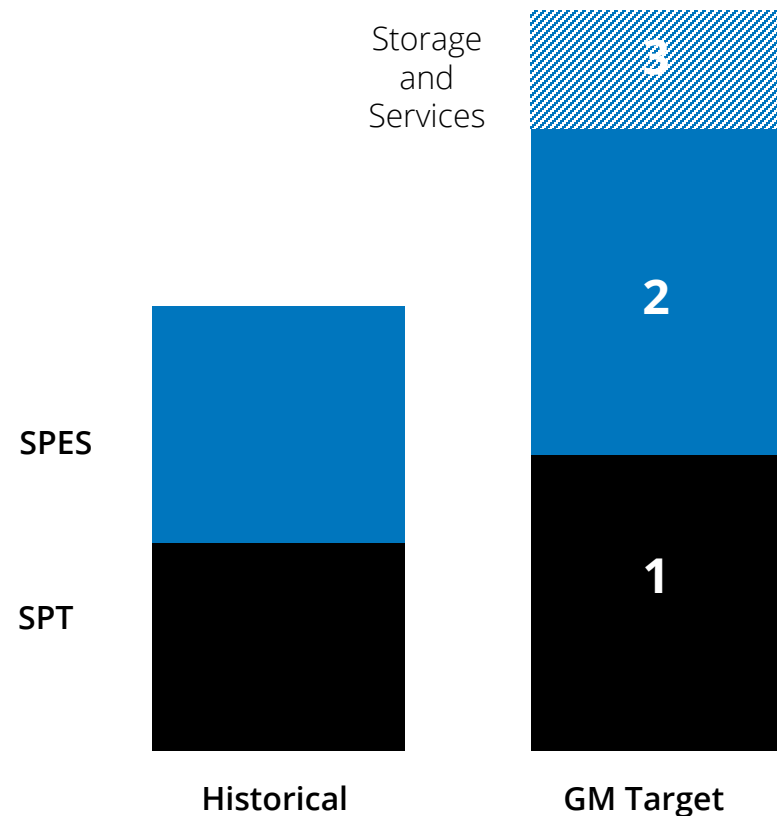


- Three valuable franchises – Technology, NA Residential, NA Commercial
- Simpler and more transparent financials

Shift Towards High-Margin, High-Growth DG and Services

	Power Plant Development	Distributed Generation (DG)	DG + Storage / Services
Growth Rates	+	++	+++
Margin	Low	Mid-high teens	> 20%
Up-Front Development Timing	6-12 months	0-3 months	0-3 months
Capital Intensity	High	Low	Low
Working Capital Cycle	Multi-Year	6-9 Months	<6 months
Offtaker Concentration	Concentrated	Diversified	Diversified

Expanding GM\$/watt From Technology Leadership, Scale and Cost Initiatives



1

- Maxeon® 5 (NGT) – low cost, high efficiency
- P-Series volume and capacity expansion
- Sustain pricing premium

2

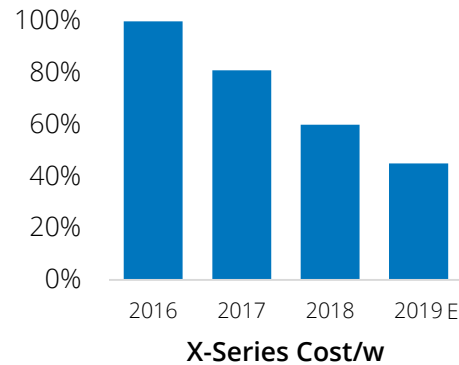
- Leverage Maxeon® 5 system economics
- Scale – Installed base (2.5GW), cost initiatives
- Improving residential lease economics

3

- Executing on commercial storage
- Residential storage in 2H'19
- Adjacent high-margin services

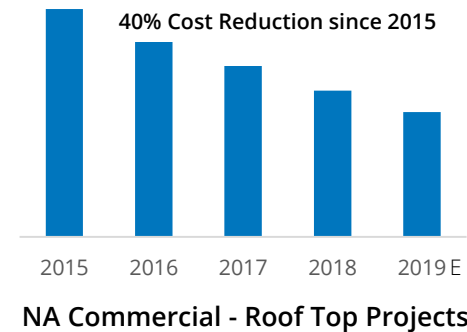
Expanding GM\$/watt: Cost Initiatives

Product Cost Improvements



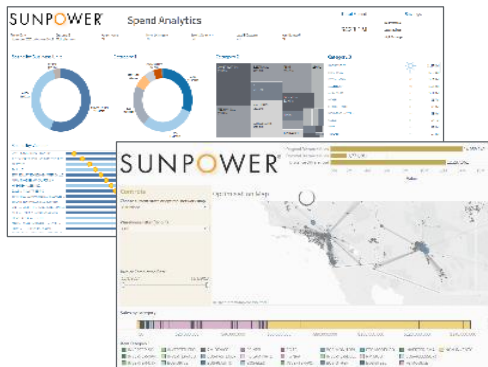
- Module efficiency improvement
- Lean initiatives: fewer process steps and line run rate increase
- IBC / P Series scale and cost roadmap

EPC Operational Excellence



- Contract Management operating system
- Cost optimized product design
- Highest Health & Safety record in the industry

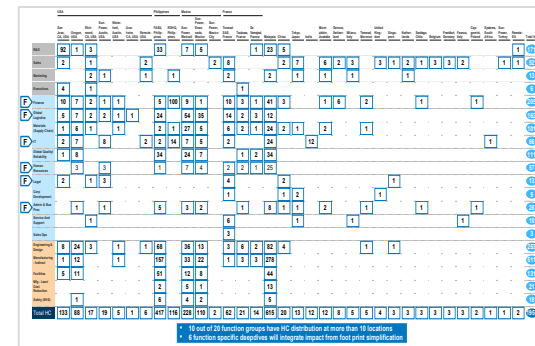
Supply Chain Efficiencies



- Reduce last mile delivery costs
- US warehouse consolidation
- Procurement spend analytics and supplier forums

Spend Analysis

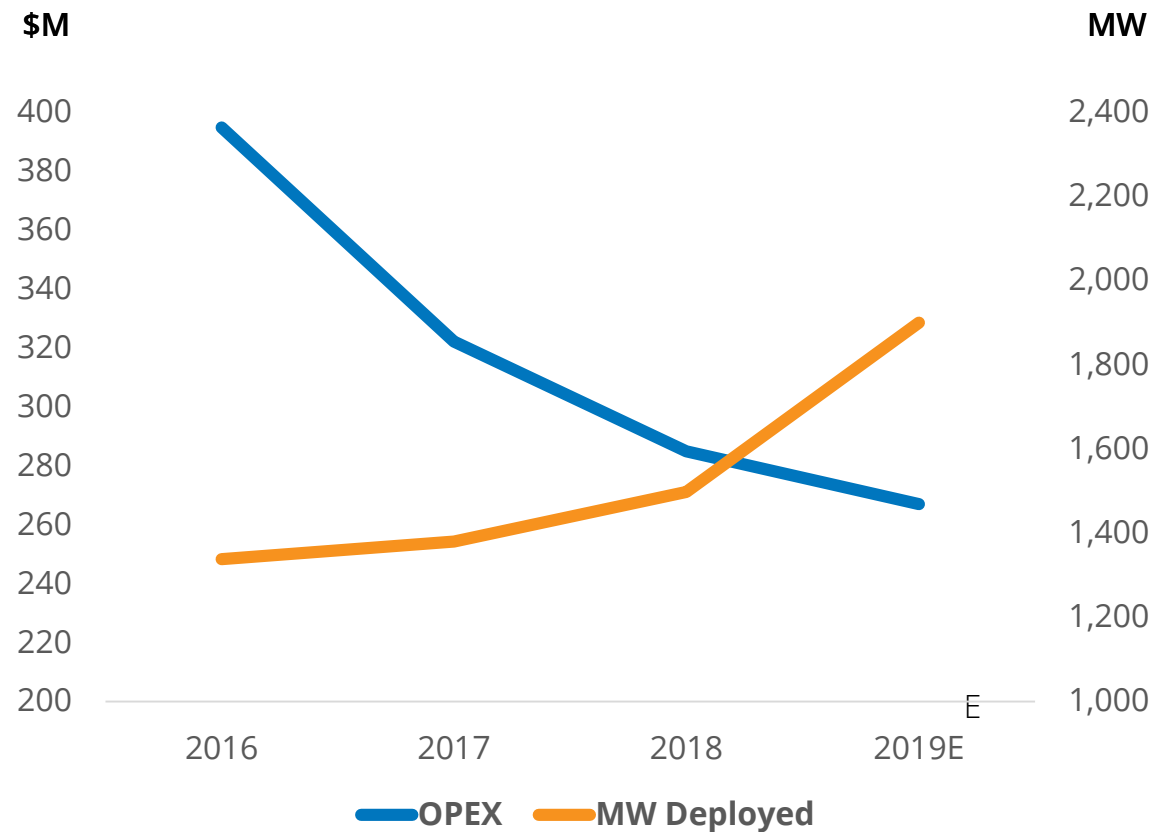
Spend Rationalization



- Factory overhead spend optimization
- Executing on third party spend reduction
- Process efficiencies through digital

Global Plant Indirect Labor Analysis

Lowered Break Even Point Through Reduced Overhead Structure



>25% opex reduction since 2016

- Current opex supports high margin DG business
- Corporate opex <2% of sales, and shrinking

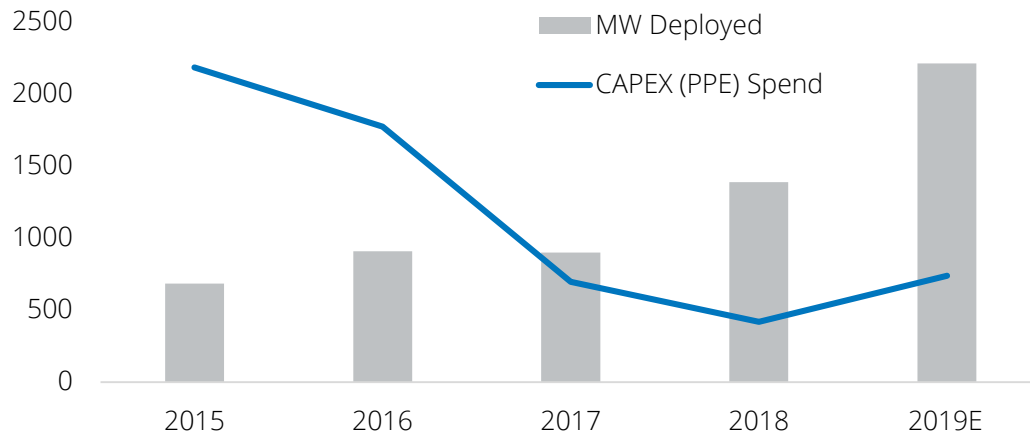
Optimizing business overhead structure

- Foot print reduction; exit non-core business and markets
- Investing in digital (on-line design and on-line ordering)

Reduced Capital Intensity

SPT

Capital Efficient growth in MW deployed



- >70% reduction in capex\$ / watt
- Constructing NGT at significantly lower capex/watt,
- P-Series JV ramp up without capital expenditure from SPWR

SPES

Leveraging partnerships with pools of long term capital



Asset
Management



Supported by capital light structured solutions for both
NA Residential and NA Commercial

- Lease structure for Residential to capture cash upfront
- C&I forward flow where project is sold at Notice to Proceed

Safe Harbor Program

Opportunity to safe harbor modules ahead of ITC step down

- Extends applicability of 30% ITC and preserves project economic value
- Expands margins for future SPES projects given system cost roadmaps
- Modules deployed across SPES Residential and Commercial Projects

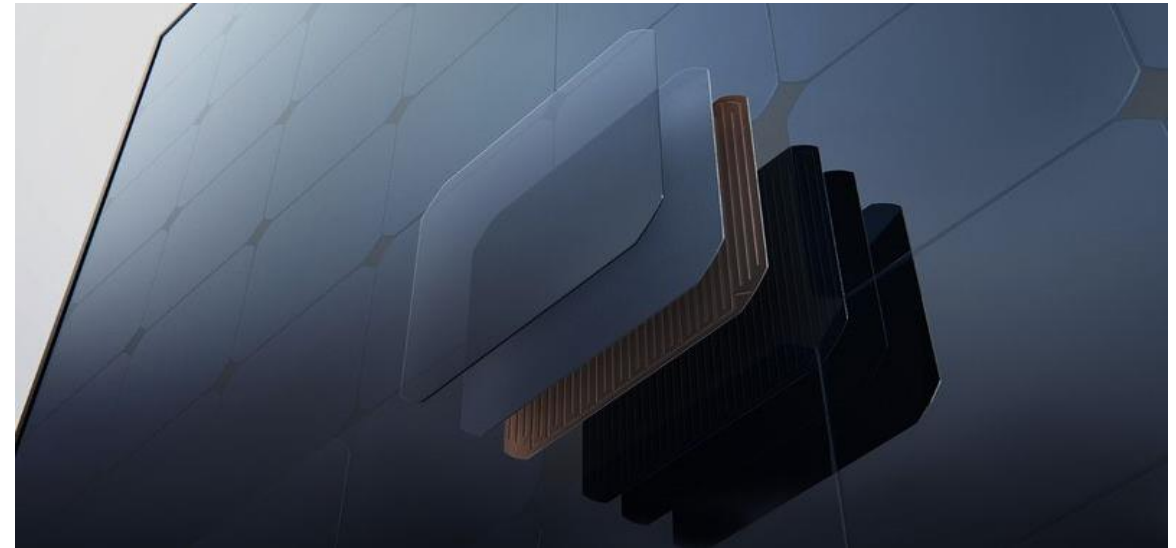
>200 MW of SPWR modules to be now deployed in 2019 as safe harbor inventory

- Additional volume through 2021
- Supply chain certainty and quality assurance given SPWR modules
- Module production and supply chain activities under way

Minimal use of SPWR Capital

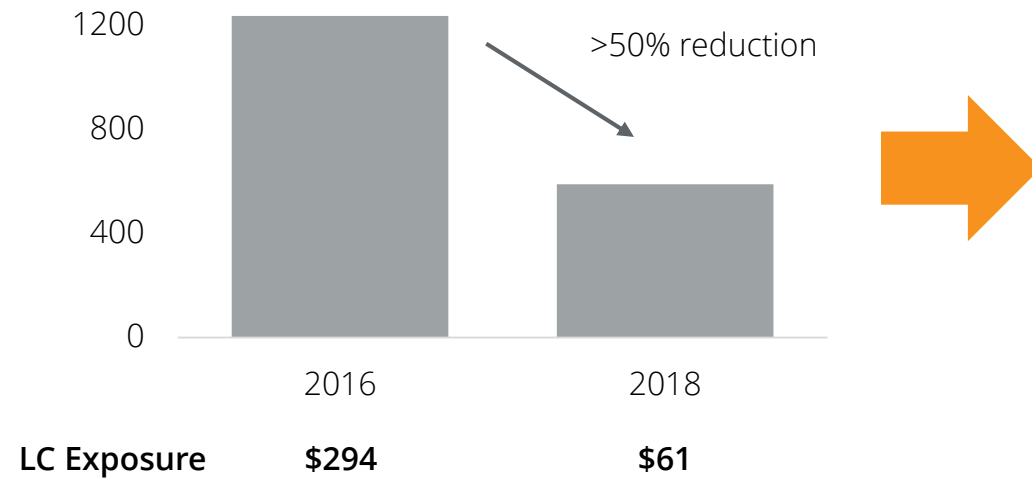
- On going discussions to finance inventory

Safe harbor included in current 2019 guidance



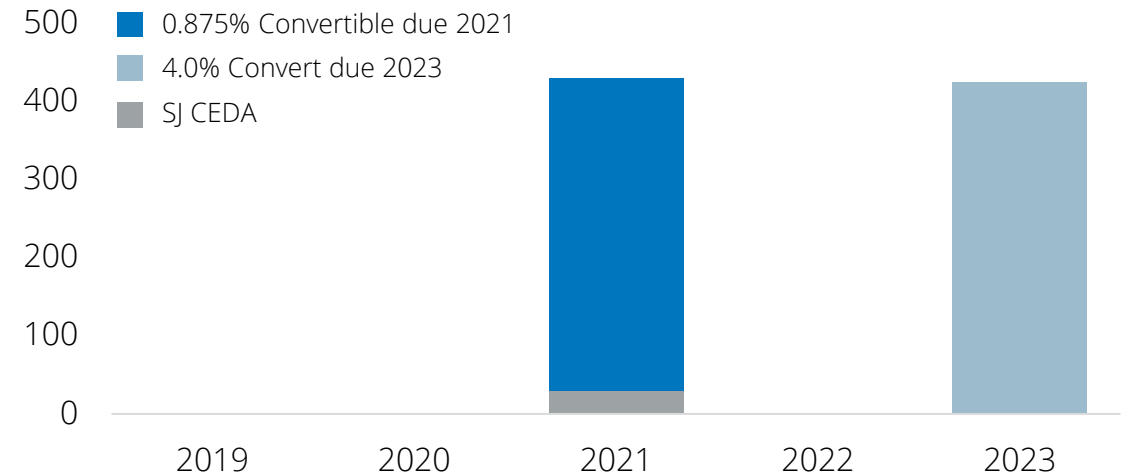
Deleveraging the Balance Sheet

Net Debt¹



- Materially lowered net debt and simplified balance sheet
- Nearing end point of legacy poly contract and other obligations
- Strong operational execution to support liability management

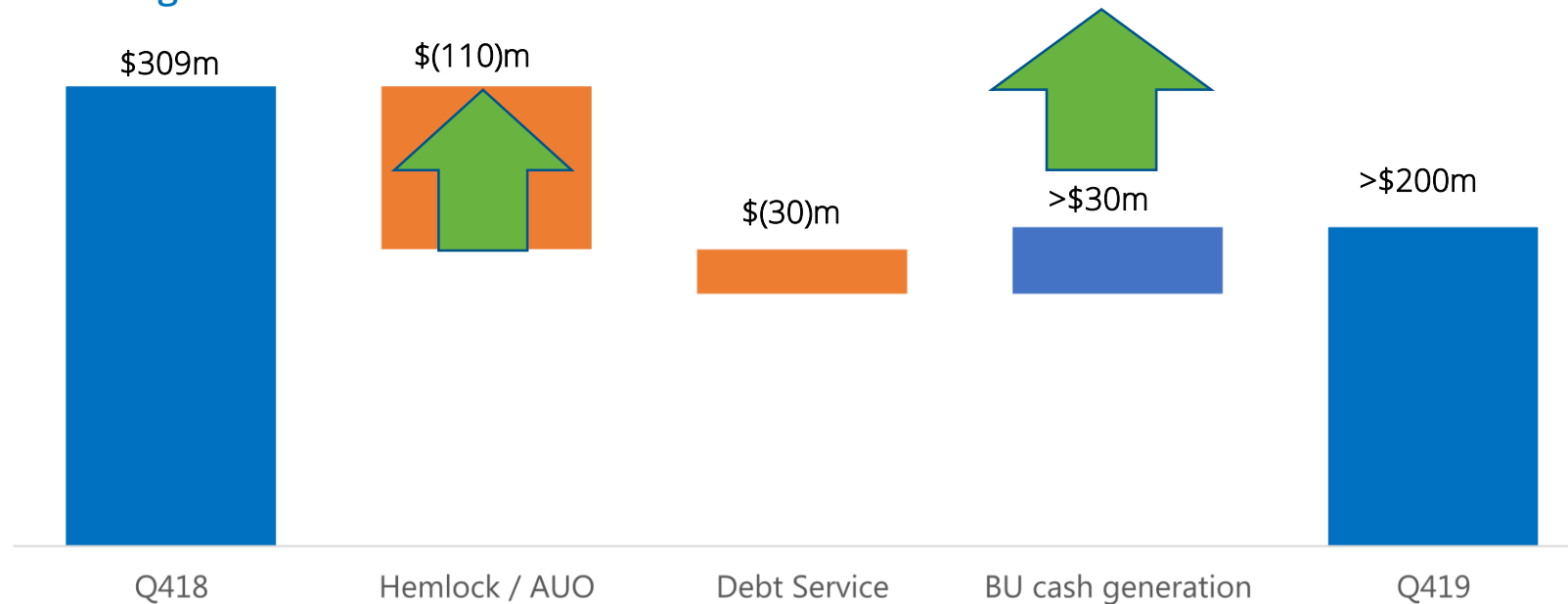
Corporate Debt Maturity Schedule



¹ Net debt comprises of total debt net of cash and cash equivalents

Business Units to Generate Operating Cash in 2H'19

2019 Cash Bridge



- Nearing end point of legacy poly contract and other obligations
- Investing in Maxeon 5 (NGT)

1. Includes Hemlock poly obligation
2. Includes NGT capex spend and minimal capital needs to Safe Harbor inventory

On Track to Achieve Target Model

	February earnings call	3/27/19 Update
GW Deployed	1.9 – 2.1 GW	Plus safe harbor volume
GAAP Revenue	\$1.8 - \$1.9 billion	Affirmed
Non-GAAP Revenue	\$1.9 - \$2.0 billion	Affirmed
Non-GAAP Opex	<\$280m	<\$270m
Adjusted EBITDA	\$80-\$110m	Affirmed
Capital Expenditures	~\$75m	~\$65m
BU Operating Cash	2 nd half break even	2 nd half generation
Storage	Deploying Commercial	+ Residential in 2H'19
NGT deployment	100 MW	Initial ramp started Q1

SPWR Target Model

	SPT	SPES C&I	SPES Resi	SPWR
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Capital Markets Day

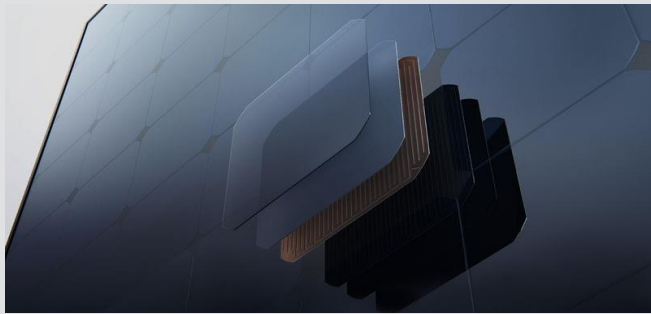
JEFF WATERS

CEO, SunPower Technologies

MARCH 2019

The Transformation: Innovation and DG Focus

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- Strong demand – MW up 50% 2019
- Cost reduction – system / scale
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- Services – 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

Winning Strategy

Analog Semiconductors

An Ideal Target Market

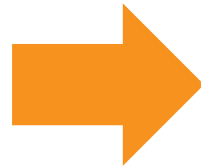
- Many smaller customers, geographically diverse
- Pay for performance, features, quality
- Mid-sized market that's growing

Target Market Strategy

- Valued innovation
- Service excellence
- Strong brand; scalable customer engagement

Adjacent Market Strategy

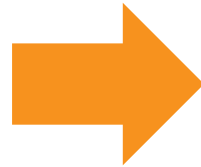
- Safely partner with cost-leading competitors in lower-value segments/markets
- Options: License, out-source production, JV
- Leverage OpEx, supply chain, brand



SunPower Technologies

Solar Distributed Generation (DG)

Residential and Commercial



SUNPOWER®
MAXEON®



Solar Power Plant (PP)

SUNPOWER®
PERFORMANCE

OUR VISION

SunPower Technologies



Continuous Innovation

- Decades of experience, customization and optimization
- Maxeon and Performance Series



Bringing Meaningful Value to Meaningful Markets

- More power + Better reliability + Better Service = Price Premium
- Distributed Generation (Maxeon) and Power Plant JV (P-Series)
- Leverages SPES customer knowledge in North America



Leading to Significant Growth in Value

- Dramatic improvement in capacity, capital intensity, and profitability.



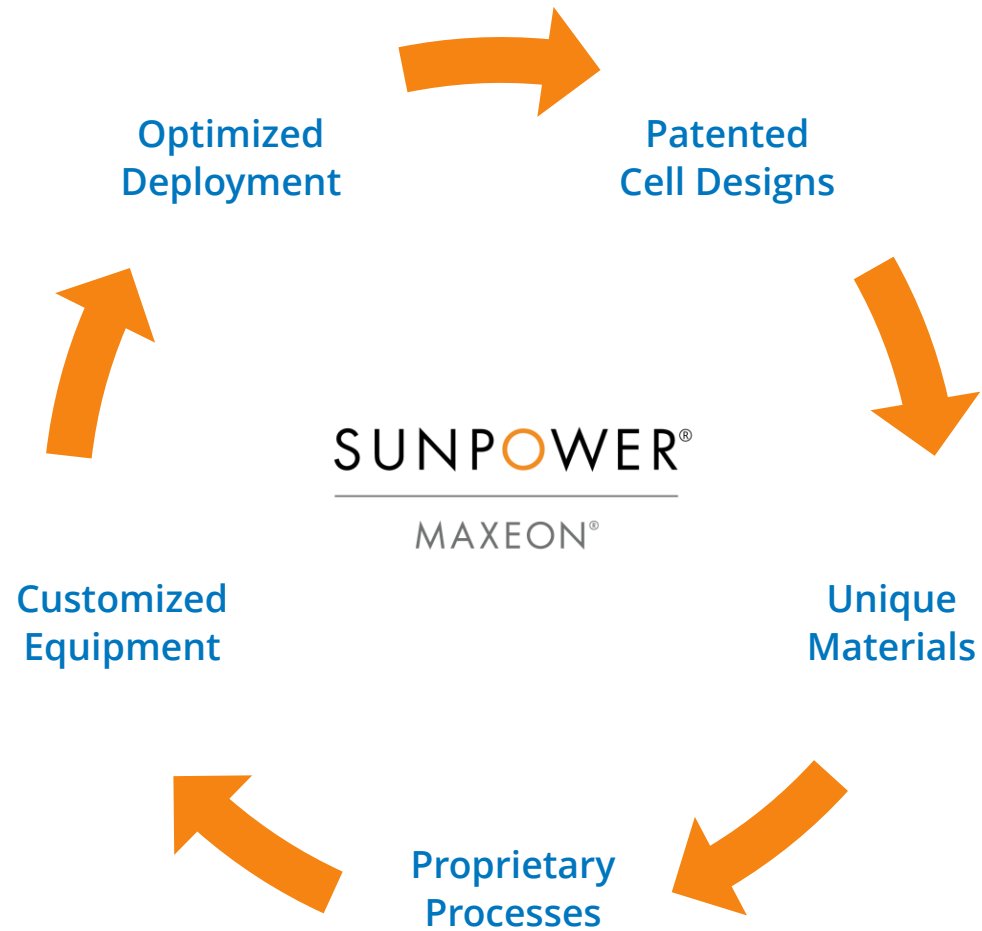
PROFIT MODEL

Target Model

Revenue Growth (CAGR)	10-20%	<ul style="list-style-type: none">• Build out of global channel• CapEx-efficient expansion
Gross Margin	>15%	<ul style="list-style-type: none">• Fab conversion to new technology (i.e. Maxeon® 5)• Premium ASP in DG
Opex	<7%	<ul style="list-style-type: none">• Scalable customer engagement• Volume scale with China JV
EBITDA	>10%	

CONTINUOUS INNOVATION

Unique and Proven Innovation Platform



CONTINUOUS INNOVATION

Maxeon® 5

Highest performance in the industry

- 25% cell efficiency, highest in commercial production
- First residential panel rated at > 400 Watts

Premium product at competitive costs

- Simplified process: fewer steps, reduced tool count
- Larger wafers > 50% lower cost per watt

Proven technology running on full-scale line

- Utilizes existing facilities (Malaysia), replacing Maxeon® 2
- 2x manufacturing capacity at half of the CapEx per watt



CONTINUOUS INNOVATION

Maxeon®: Why It Matters to Customers

More power per roof

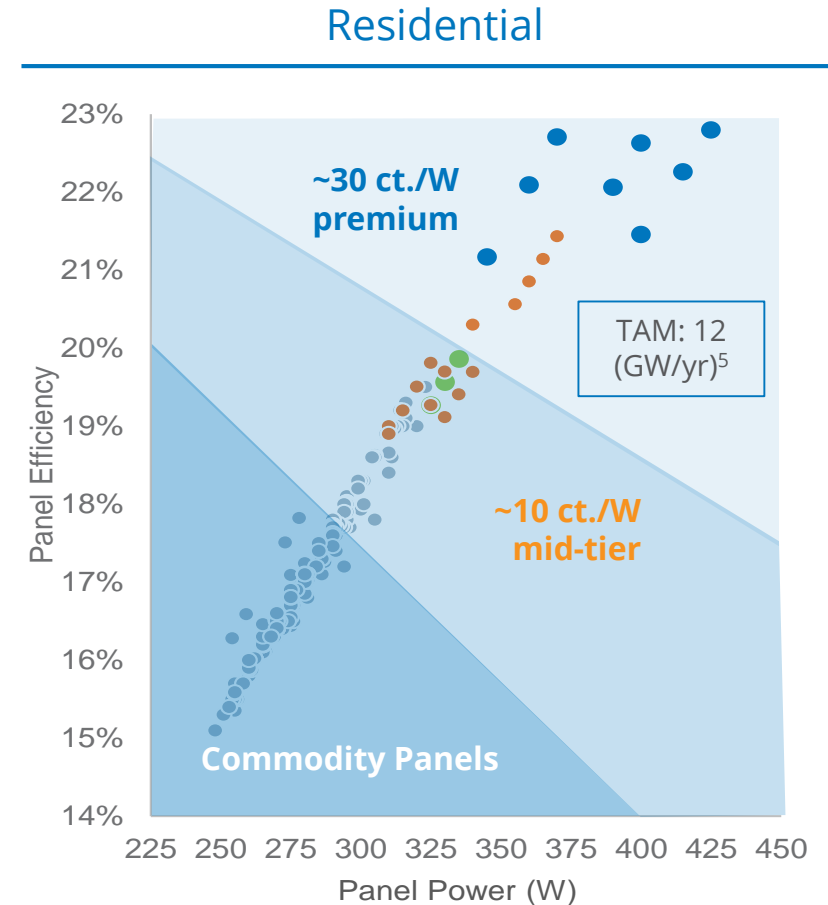
- Better efficiency leads to more power for equivalent sized panels

More lifetime energy in the same footprint

- Slower degradation
- 50% more energy in the same space over the first 25 years compared to conventional panels.¹

Industry's leading warranty

Commands \$0.30/watt pricing premium in Residential, and \$0.15/watt in Commercial



¹ SunPower 360W compared to a Conventional Panel on same sized arrays (260W, 16% efficient, approx. 1.6 m²), 4% more energy per watt (based on 3pty module characterization and PVSim), 0.75%/yr slower degradation (Campeau, Z. et al. "SunPower Module Degradation Rate," SunPower white paper, 2013).

CONTINUOUS INNOVATION

Performance Series: Why it Matters to Customers

Highest Efficiency (19%) at a Competitive Price

- Utilizes commodity PERC Cells
- Patented “Shingled” interconnection technology

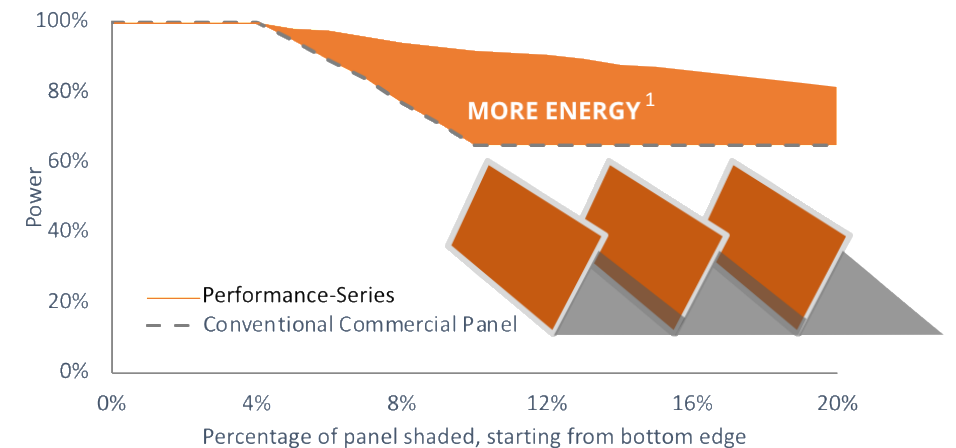
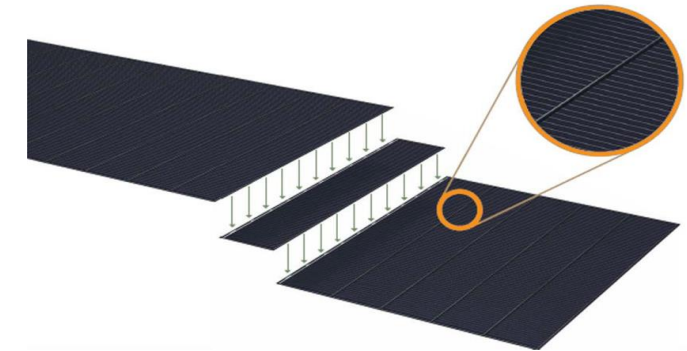
Reliability Advantages

- Highly resistant to a harsh environment
- Industry leading warranty

Enhanced Energy Yield

- Patented string design enhances energy yield
- Limits power loss due to shading and dirt build-up
- Enables closer row spacing, reduces installation cost

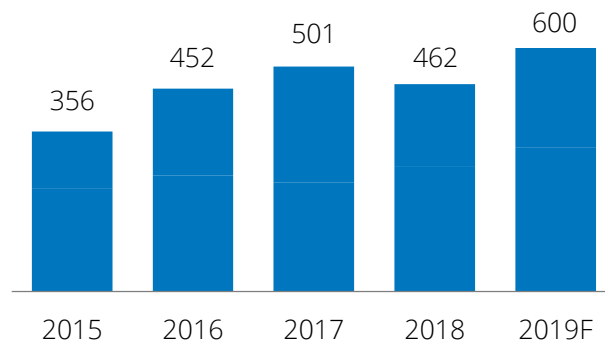
Commands \$0.04/watt pricing premium in Power Plant



REVENUE GROWTH

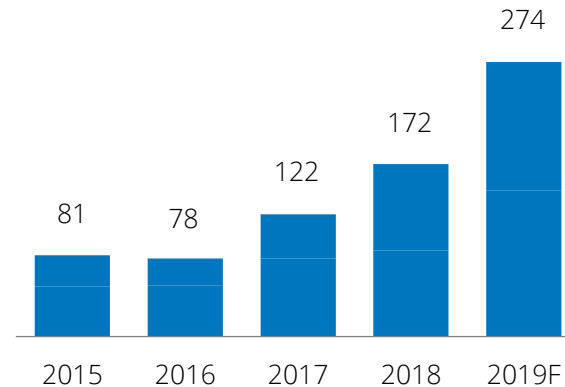
Global Footprint Enabling Significant Growth in DG

North America (14% CAGR)



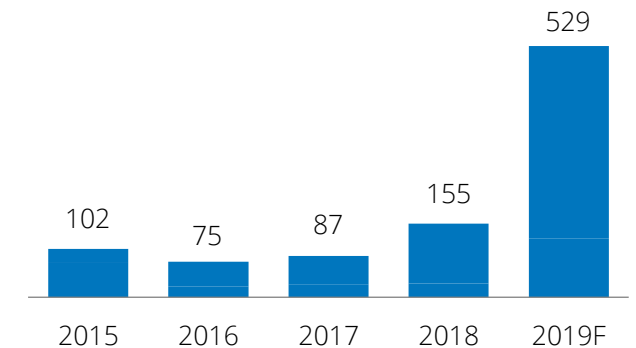
- Growth through SPES, and largest channel
- Upside through Safe Harboring

Europe (36% CAGR)



- Doubled market share since 2015
- Strongest dealer network in the region (450+)

APAC/ROW (51% CAGR)



- Australia up 8X over last two years with recently revitalized dealer channel (200+)
- Significant new account growth with new channel investment in SE Asia (10+ countries) and MENAT, Africa and Latin America

REVENUE GROWTH

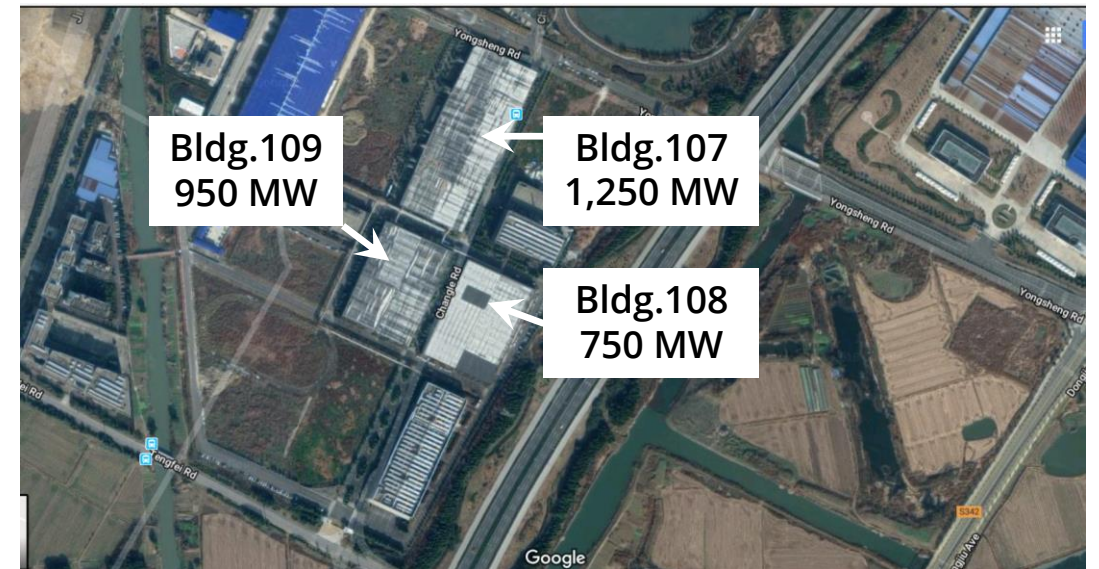
China Partnership Strategy for Power Plants

JV between SunPower (20%), DEC and TZS in Tianjin, China

Cap-Ex light engine that has quickly grown Performance-Series capacity

- Cell Fab producing 1.2GW Mono-PERC cells
- 2GW Module Factory for Performance-Series
- Option for SunPower to offtake 2/3 of total capacity
- Additional expansion in plans for as soon as 2020

SunPower planned offtake of ~900MW in 2019



CONTINUOUS INNOVATION

Winning Strategy

Maxeon® 5 delivering world's best panels for Distributed Generation, with a transformational effect on our business

- Making the world's best panel for DG even better, driving significant price premium
- Twice the capacity with ½ the CapEx per watt
- 50% lower cost per watt

Performance-Series and China JV enabling differentiated position in Power Plant

- Best performance driving price premium
- Low-CapEx approach to quickly access 1GW+ of new capacity

Strong and steady business model

SUNPOWER®
MAXEON®

SUNPOWER®
PERFORMANCE

Revenue Growth (CAGR)	10-20%
Gross Margin	>15%
Operating Expenses	<7%
EBITDA	>10%



Capital Markets Day

NAM NGUYEN

EVP, North America Commercial

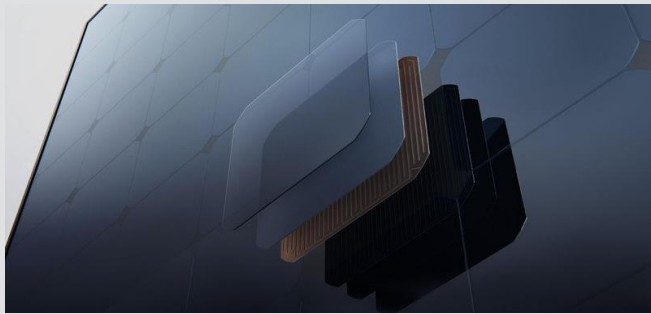
MARCH 27, 2019



SUNPOWER STRATEGIC OVERVIEW

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

NORTH AMERICA COMMERCIAL STRATEGY

Leading Distributed Generation Company Deploying Solar + Storage + Services



Largest solar installed base

Deliver predictable profit, leverage deep DG expertise, scale platform



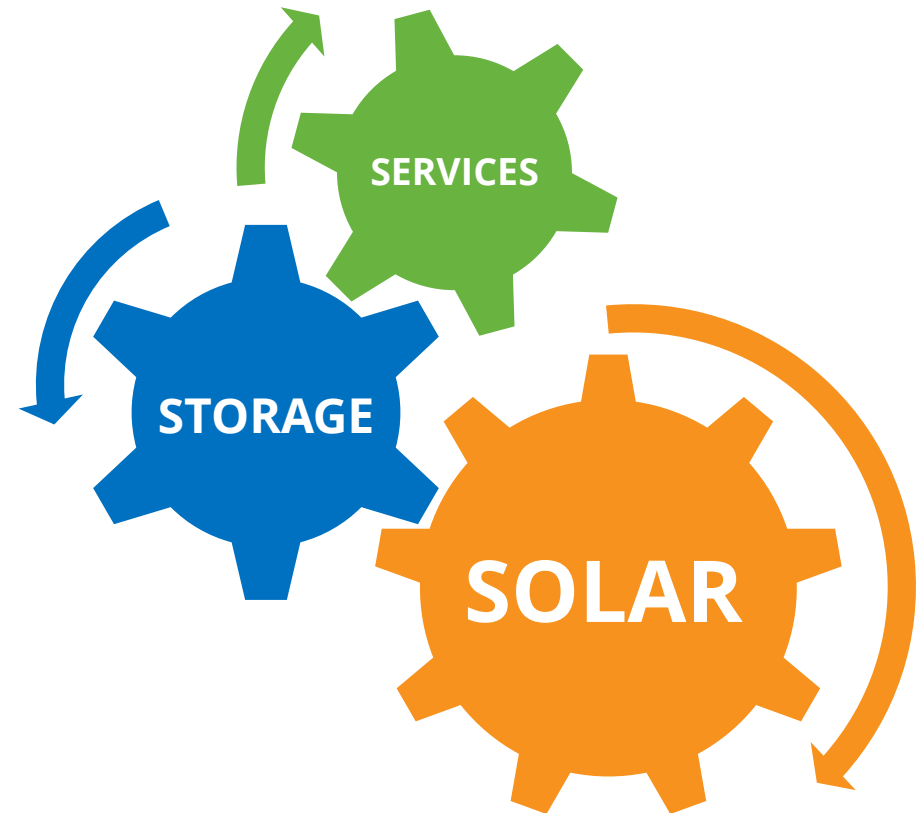
Storage integration drives higher value

Deploy software, expand services, leverage solar installed base



Expand services into energy ecosystem

\$160B annual C&I energy spend, recurring revenues & margins



PROFIT MODEL

Target Model

Revenue Growth (CAGR)	10-20%	<ul style="list-style-type: none">• Grow market share with strong channels to market• Leverage unmatched customer base, repeat orders• Deploy solar + storage integrated offering
Gross Margin	>15%	<ul style="list-style-type: none">• Increase storage and services deployment• Drive operational improvements (cost reductions, financing)
Operating Expenses	<10%	<ul style="list-style-type: none">• Deliver scalable platform, increasingly digitized
Adjusted EBITDA	7-10%	

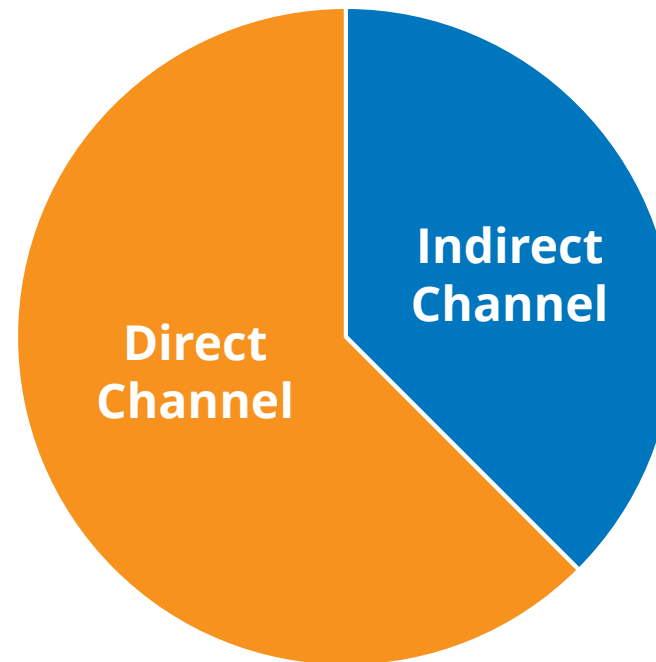
GROWTH

Strong Channels with #1 Market Share

1,000MW of World-Class Customers
Fortune 500, Education, Federal & Local Government

Roof, Carport, Ground Projects
Across 1,500+ Sites

47 States
with SunPower Installations



600MW Across Loyal Dealer Base
Regional, sub-1MW Customers

Complete SunPower solutions
to Install for End-Customers

250+ Dealers Nationwide
1,500+ Sites Across 42 States

1.6 GW of Installed Base

GROWTH

Unmatched Customer Base

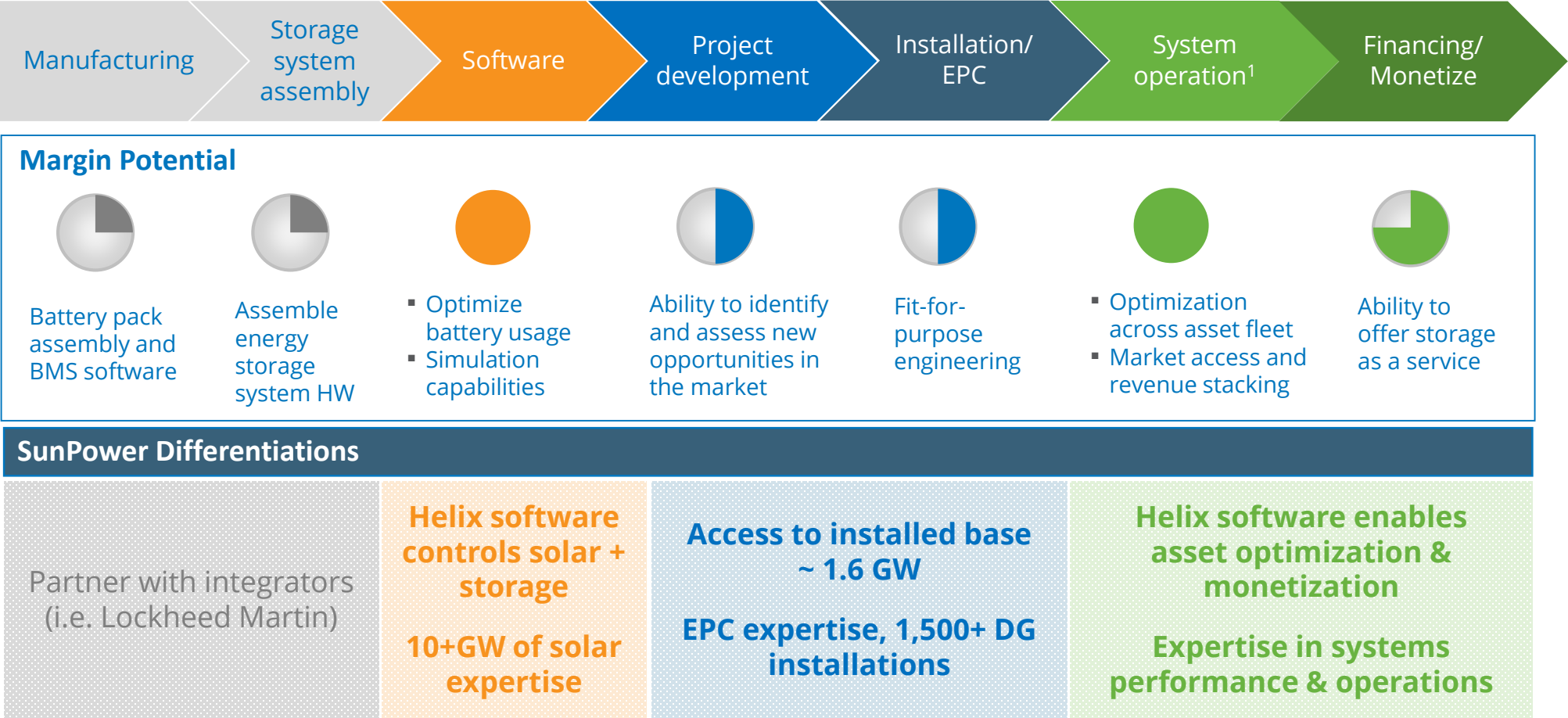


TOYOTA

16MW

6 sites in 3 states

Accelerating DG Innovation with Helix Storage



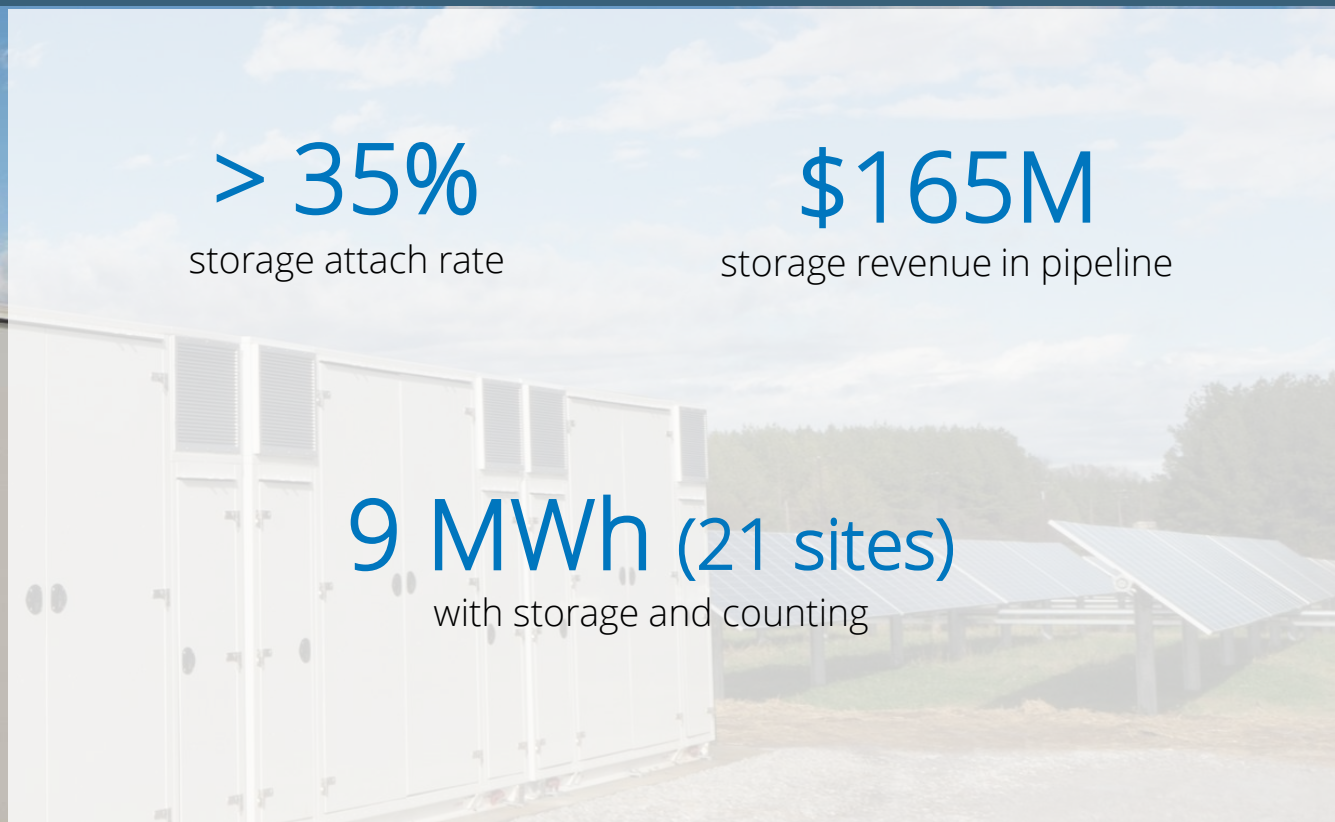
GROWTH & MARGIN

Delivering Helix Storage and Creating Value

Storage market > 700MW by 2023, SunPower positioned for rapid growth



Image courtesy of Lockheed Martin



> 35%

storage attach rate

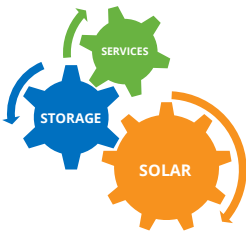
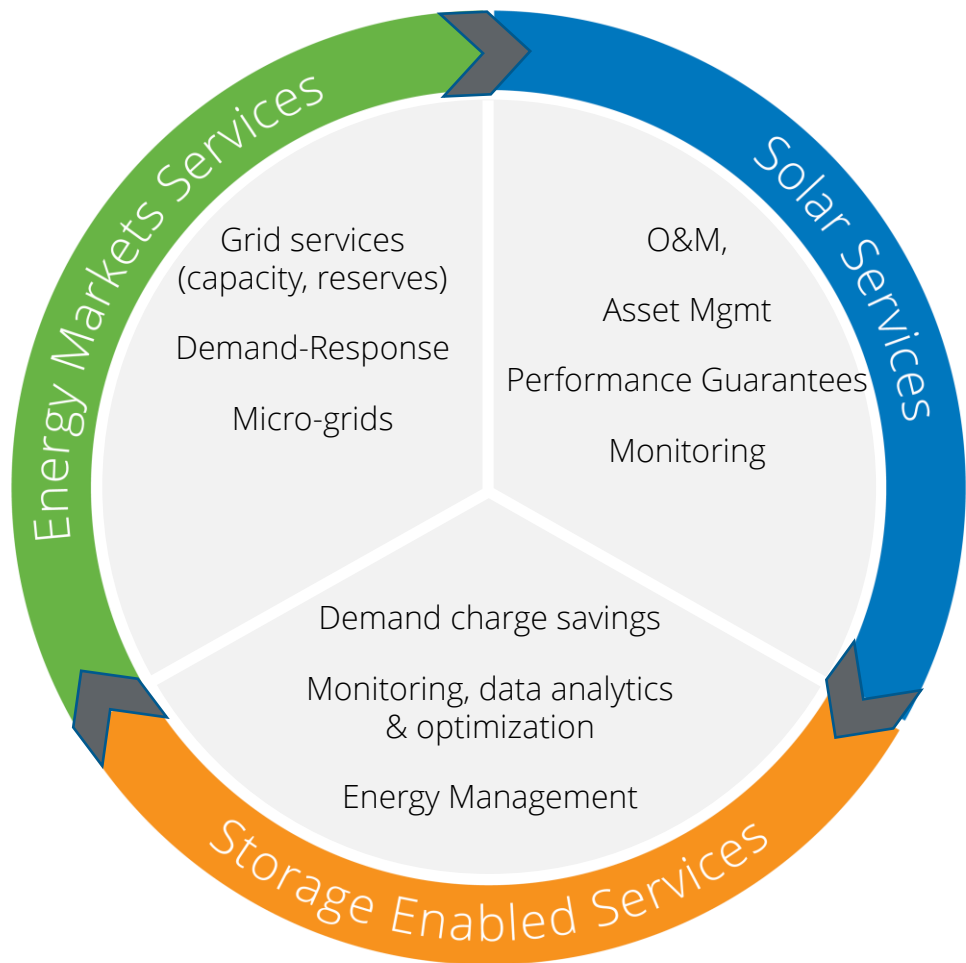
\$165M

storage revenue in pipeline

9 MWh (21 sites)

with storage and counting

Our Solar + Storage Platform Enables Services Model



Expand beyond solar market with Solar + Storage + Services platform



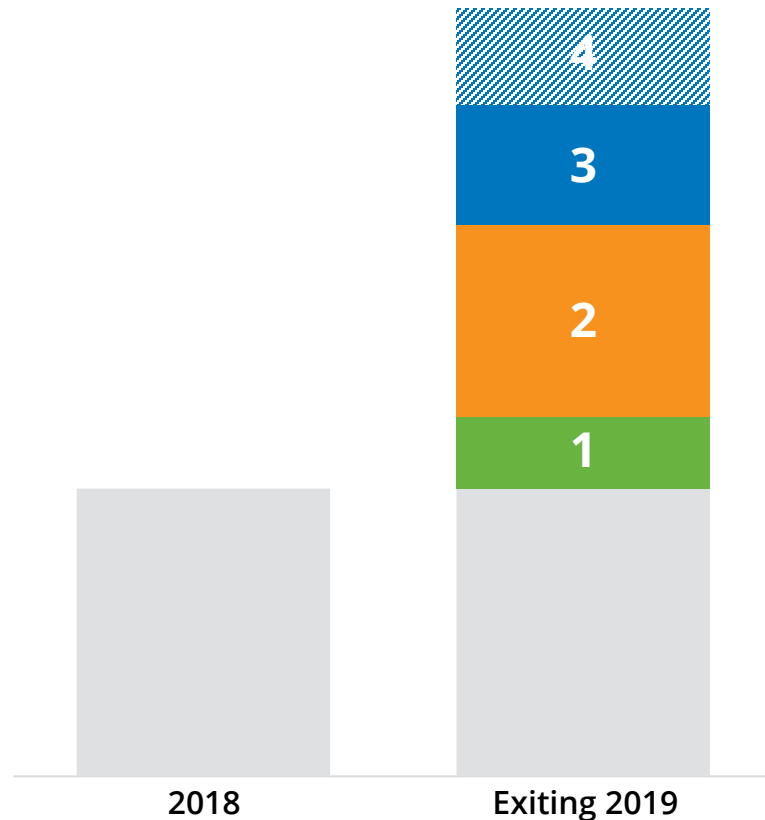
Unlock additional value for customers, dealers, asset owners



Access to \$160B in annual C&I energy spend (procurement, efficiency, management)

MARGIN

Expand Gross Margins with Innovation and Operational Improvements



1

- Increase storage attachment
- Achieve higher margin from software, installation and increasingly services

2

- Drive system cost reduction
- Deploy Helix complete solutions
- Leverage backlog to drive procurement

3

- Reduce OH COGS, including: transportation & logistics, inventory management
- Achieve OH absorption with scale

4

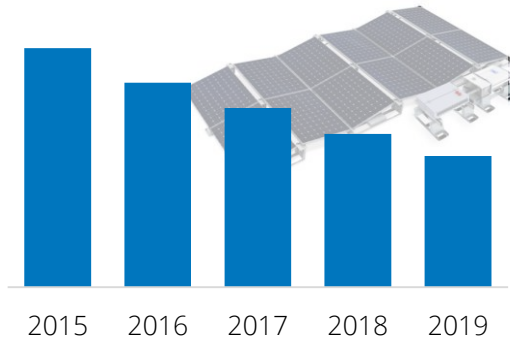
- Establish strong financing partnerships
- Obtain best-in-class cost of capital
- Drive lower transaction costs

MARGIN

Drive Margin Expansion Initiatives Through 2019

System Cost Reduction

- Achieved 40% cost reduction since 2015
- Helix® solution reduces installation costs
- Value engineering optimization



EPC Operational Efficiencies

- Flexible model with design-build EPC partners
- Strong positions with material and services buy-out
- Scale & efficiencies drive greater absorptions

Innovative Financing

- Competitive cost of capital
- Lower transaction costs
- Monetize portfolio at Notice to proceed

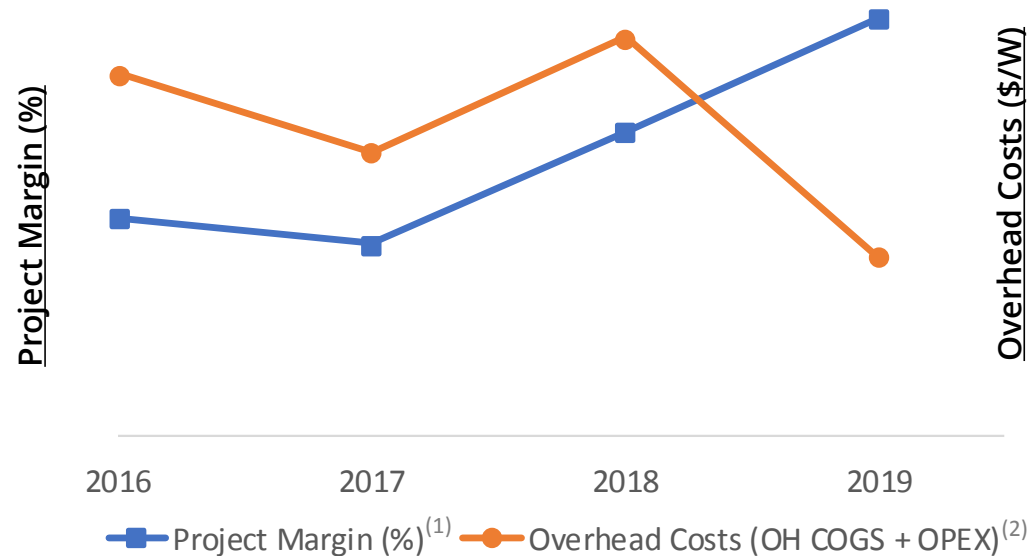


Supply Chain Efficiencies

- Competitive transportation & logistics tied to growth
- Increasing digitization (online design, online ordering)
- Data-driven analytics to drive efficiencies

PROFITS

Deliver Margin Improvements, Reduce Overhead Cost Structure



(1) Project margin % reflects revenues and costs associated with delivering a project, including system costs, direct EPC costs, development and transaction costs.

(2) Overhead costs reflect overhead COGS (transportation & logistics, inventory, EPC indirect costs) and operating expenses (sales & marketing, finance, legal, etc.)

Increase project margin (%) in last 3 years

- Deliver improvements in system cost reduction, financing and project execution
- Leverage leadership position to scale profitability
- Expect continued improvements in 2019

Optimize overhead cost structure, lower \$/W

- Growth in 2019 vs. market contraction in 2018
- Leverage scale and improved efficiencies with digital tools (online ordering, online design)
- Deliver cost reductions in supply chain, EPC and operating expenses

PROFIT MODEL

Target Model

Revenue Growth (CAGR)	10-20%	<ul style="list-style-type: none">• Grow market share with strong channels to market• Leverage unmatched customer base, repeat orders• Deploy solar + storage integrated offering
Gross Margin	>15%	<ul style="list-style-type: none">• Increase storage and services deployment• Drive operational improvements (cost reductions, financing)
Operating Expenses	<10%	<ul style="list-style-type: none">• Deliver scalable platform, increasingly digitized
Adjusted EBITDA	7-10%	



Capital Markets Day

NORM TAFTE

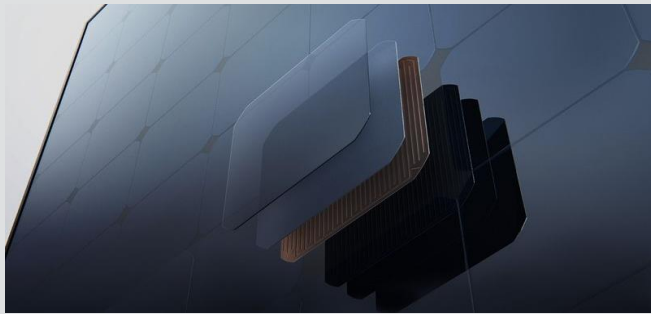
EVP, North America Residential

MARCH 2019

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

GROWING MARKET SHARE

Residential Sales Growth

#1 NA Residential Solar Panel supplier, #2 in NA Residential Sales

278

Megawatts installed in 2018

>20%

Revenue Growth in 2018

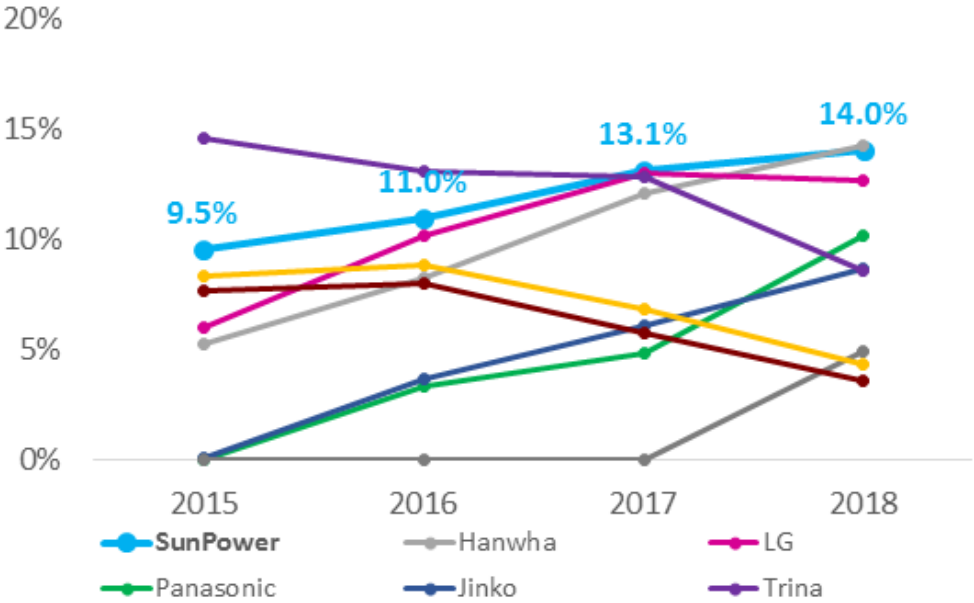
42%

Sold and installed by 30 Master Dealers

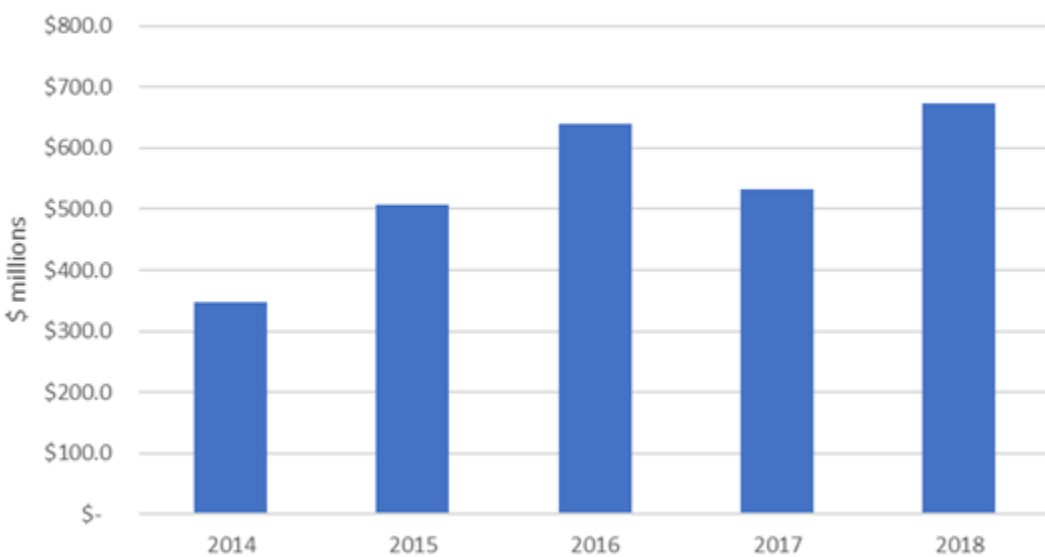
20%

Partner Sales from SunPower generated appointments

Top Residential Market Shares - Annual



NA RES Revenue

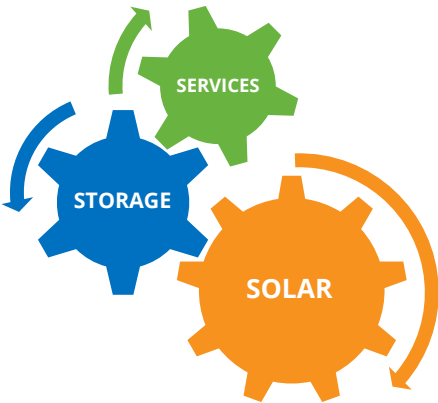


PROFIT MODEL

Target Model

Solar + Storage + Services

Revenue Growth (CAGR)	10-20%	<ul style="list-style-type: none">• New products, New Homes growth, storage
Gross Margin	>20%	<ul style="list-style-type: none">• Premium platform, software, storage and services
Operating Expenses	<10%	<ul style="list-style-type: none">• Scale, efficient channels, digitized operations
Adjusted EBITDA	>10%	<ul style="list-style-type: none">• Simplified, cash-based accounting



NORTH AMERICA RESIDENTIAL STRATEGY

The Power of One® Platform

Continue to expand a highly differentiated energy platform that delivers higher margins and increased customer and partner loyalty

Complete Premium Solutions

Equinox™, EnergyLink®, storage, financial products and services

Increasingly Powerful Capabilities

Digital tools, marketing, local lead gen, and an increasing array of services to complement our strong brand/reputation

Strong channels to market

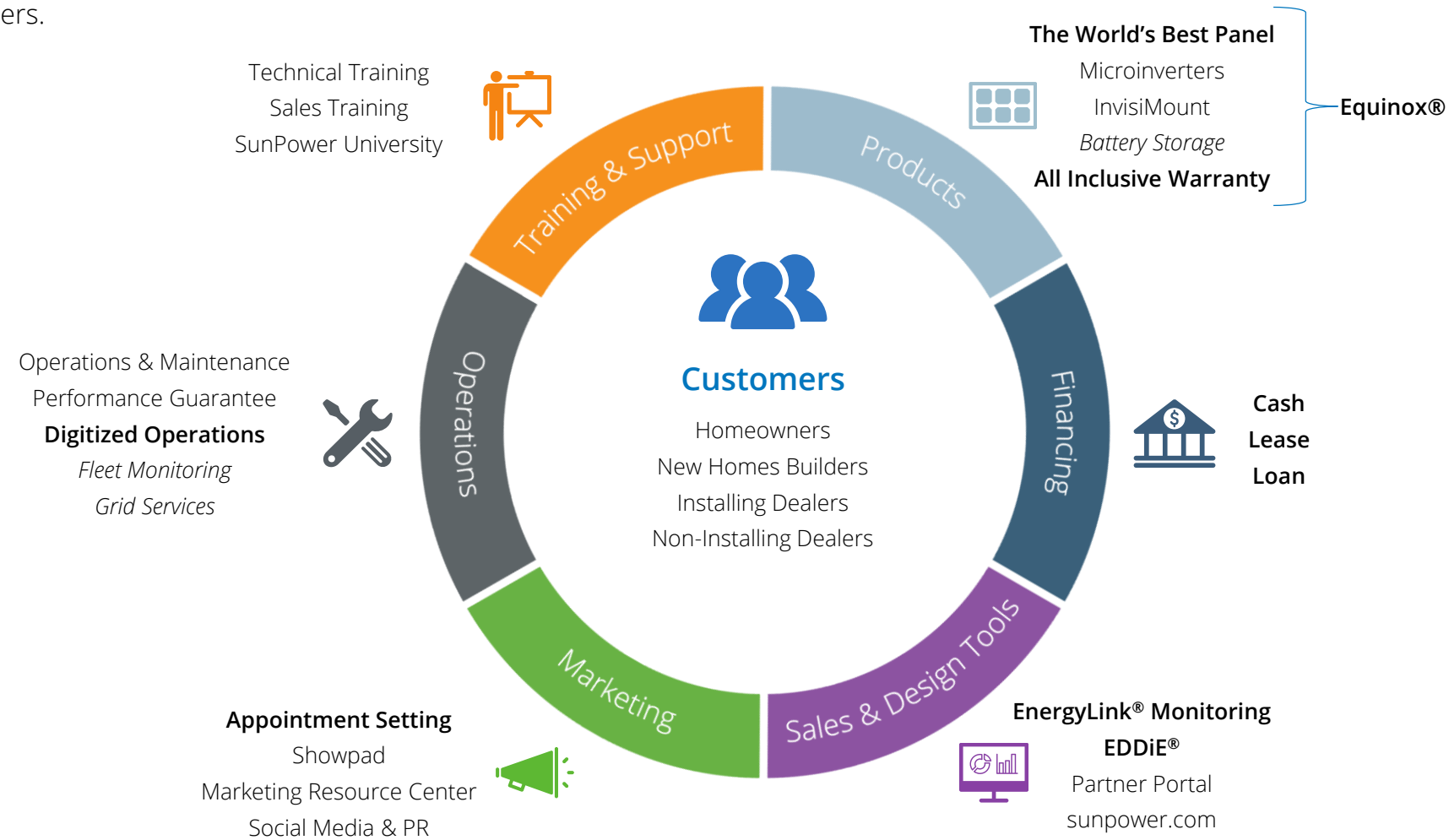
Premium loyal dealers, a growing 3rd-party sales network and a commanding position in New Homes



OUR PREMIUM ENERGY PLATFORM

The Power of One®

An ever-expanding collection of powerful capabilities for our customers and our partners.



DRIVES REVENUE GROWTH, IMPROVES GROSS MARGIN

SunPower® A-Series Solar Panels

The World's Best Solar Panels Just Got Better

More Power in less space

Features the highest power density on the market at **400 and 415 Watts**¹

Complete Solution

Built specifically for SunPower® Equinox™, with the industry's **most powerful microinverter**¹

Greater Lifetime Savings

Designed to deliver up to **60% more energy** over 25 years compared to conventional panels in the same space²

More Power in less space

Featuring the new **Maxeon Gen 5 solar cells**, our most innovative yet

¹ Based on survey of datasheet values from websites of top 20 manufacturers per IHS, as of January 2019.

² SPWR 360W panel compared to a Conventional Panel on same sized arrays (260W, 16% efficient, approx. 1.6 m²), 4% more energy per watt (based on 3pty module characterization and PVSIM), 0.75% / year slower degradation (Campeau, Z. et al. "SunPower Module Degradation Rate," SunPower white paper, 2013).



SUNPOWER®

IMPROVES GROSS MARGIN, LOWERS OPEX

SunPower Software

Going solar doesn't have to be complicated. Our advanced web application makes it easy to design, price and adjust solar solutions with customers in real time.

Sell and Deliver Solar Nationwide

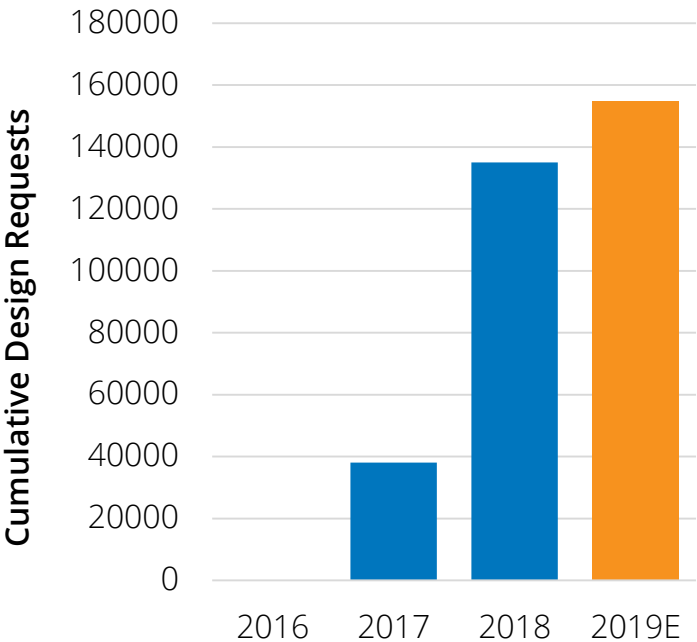
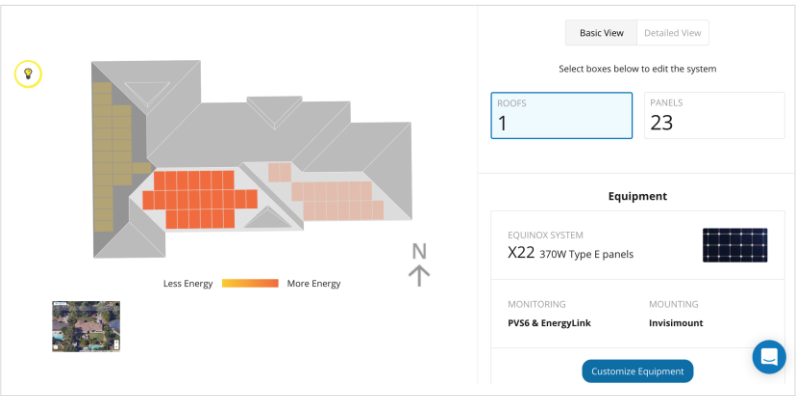
Unmatched ease of use and feature set are available exclusively to our dealer network.

Growing Services Revenue

Platform drives dealer demand for lead generation, design and operations services.

Scalable to Next-Generation Technologies

Now featuring third-party storage quoting, plus new homeowner offerings as they are released.



DRIVES REVENUE GROWTH, IMPROVES GROSS MARGIN

Storage Opportunity

Significant incremental revenue and margin potential

Residential storage adoption is just beginning

- Becoming economic as costs come down and policy changes

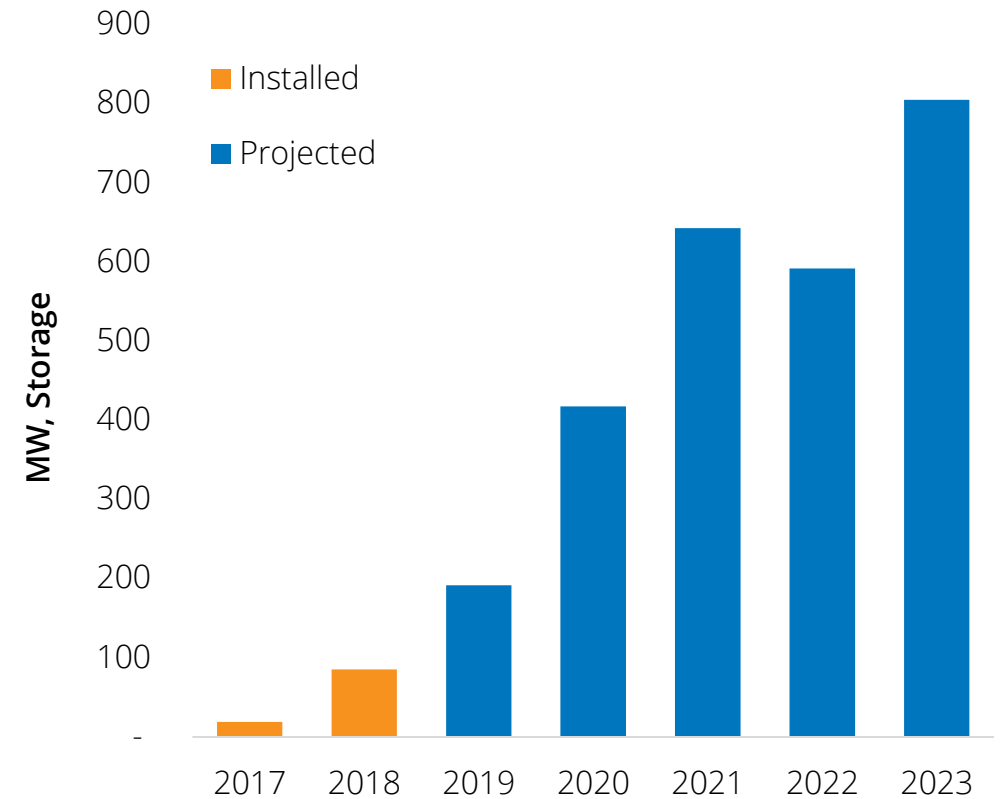
Revenue growth opportunity

- As much as 40% more revenue per customer sale
- Opportunity to upgrade our 240,000 existing customers.

Key element of our Equinox evolution

- Leveraging market-leading Commercial storage SW technology
- Another important element in our differentiated platform

Sales of Residential Storage (US)*

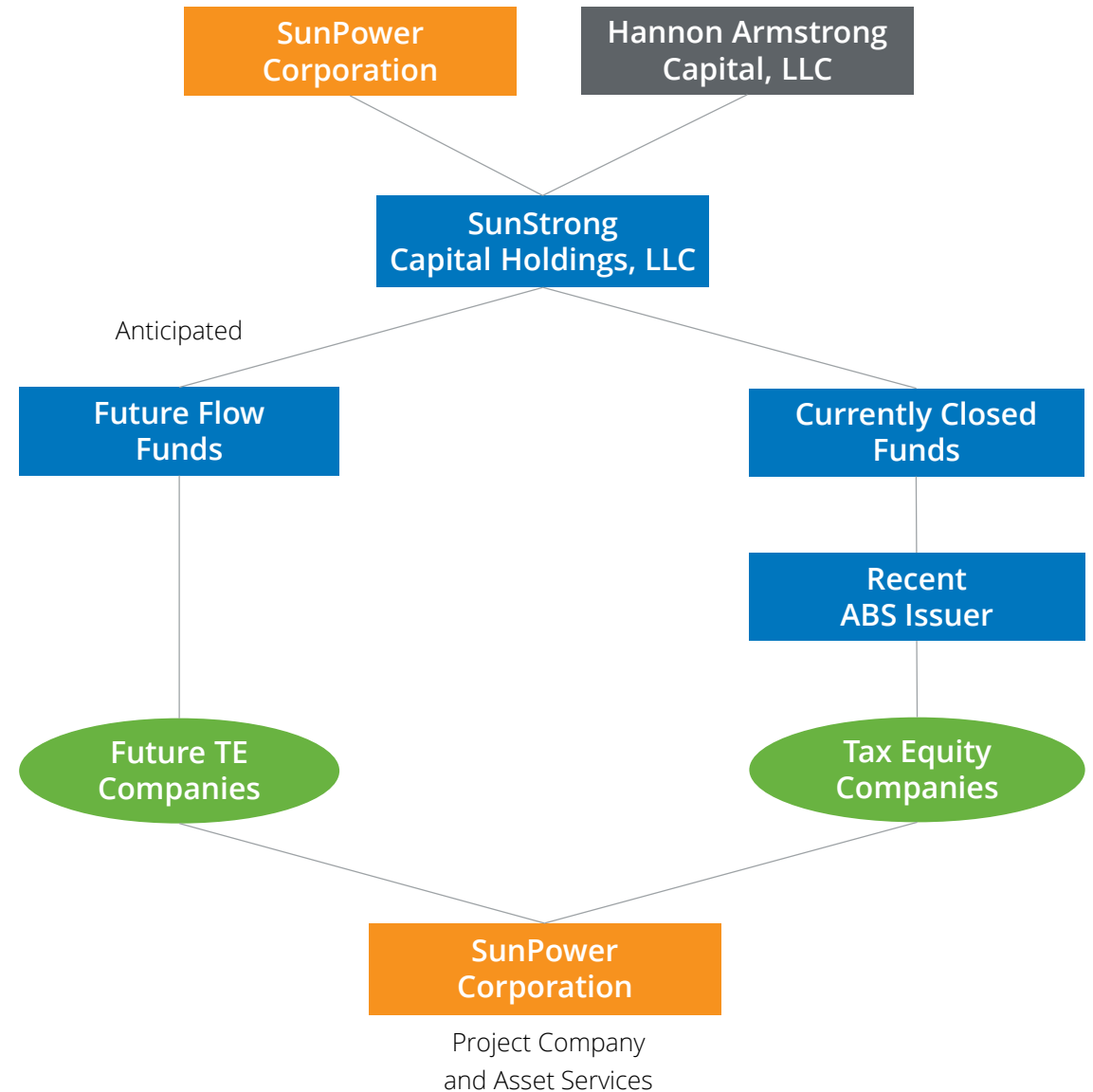


IMPROVES GROSS MARGIN, LOWERS OPEX

SunStrong Joint Venture Structure

SunStrong is an independent, de-consolidated entity for both sponsors.

- Joint venture **improves SunPower's cost of capital** and **removes debt from SunPower's balance sheet**
- Structure is designed to hold existing SunPower-developed assets and provide a vehicle for acquisition of forward flow projects
- SunPower Capital Services will provide **O&M and asset management services** to the joint venture
- 2 directors and 1 Co-CEO appointed from each Sponsor
- SunPower has a 50% voting interest and **51% economic equity interest in the residul value of the assets**; Hannon Armstrong has a 50% voting interest and 49% economic equity interest



DRIVES REVENUE, IMPROVES GROSS MARGIN, LOWERS OPEX

North American Dealer Network

An extensive U.S. dealer network allows SunPower to provide localized sales, installation and support in more than 40 states.

>75%

Of our sales come from dealers
that only sell SunPower

Installing and Non-Installing Dealers

Provide high-quality solar installation services and meet customer satisfaction requirements.

Elite Dealers

Equipped with advanced training and exceed expectations for customer satisfaction, installation quality and system performance.

Master Dealers

The best of the best, hand-selected and trained by SunPower to deliver unparalleled expertise and customer service.

SUNPOWER®
Elite Dealer

SUNPOWER®
by Solar Inc.

DRIVES REVENUE, IMPROVES GROSS MARGIN, LOWERS OPEX

SunPower Master Dealers

Our most exclusive dealer program (fewer than 10% of dealers are chosen) and a key ingredient in our continued growth.

Cost-Effective Branding

Master Dealers are co-branded with SunPower, providing a sense of focus in our larger network and aligning multiple marketing budgets under a single brand.

Increased Revenue

Master Dealers sell 100% SunPower products and are growing 2x faster than our broader dealer channel.

Better Customer Experience

Master Dealers are held to the highest possible standards, including sales and technical training, Net Promoter Score, and required installation volume.

30

SunPower
Co-Branded Master Dealers

42%

Q4 Volume from
Co-Branded Master Dealers



SUNPOWER®

DRIVES REVENUE GROWTH

U.S. State Expansion

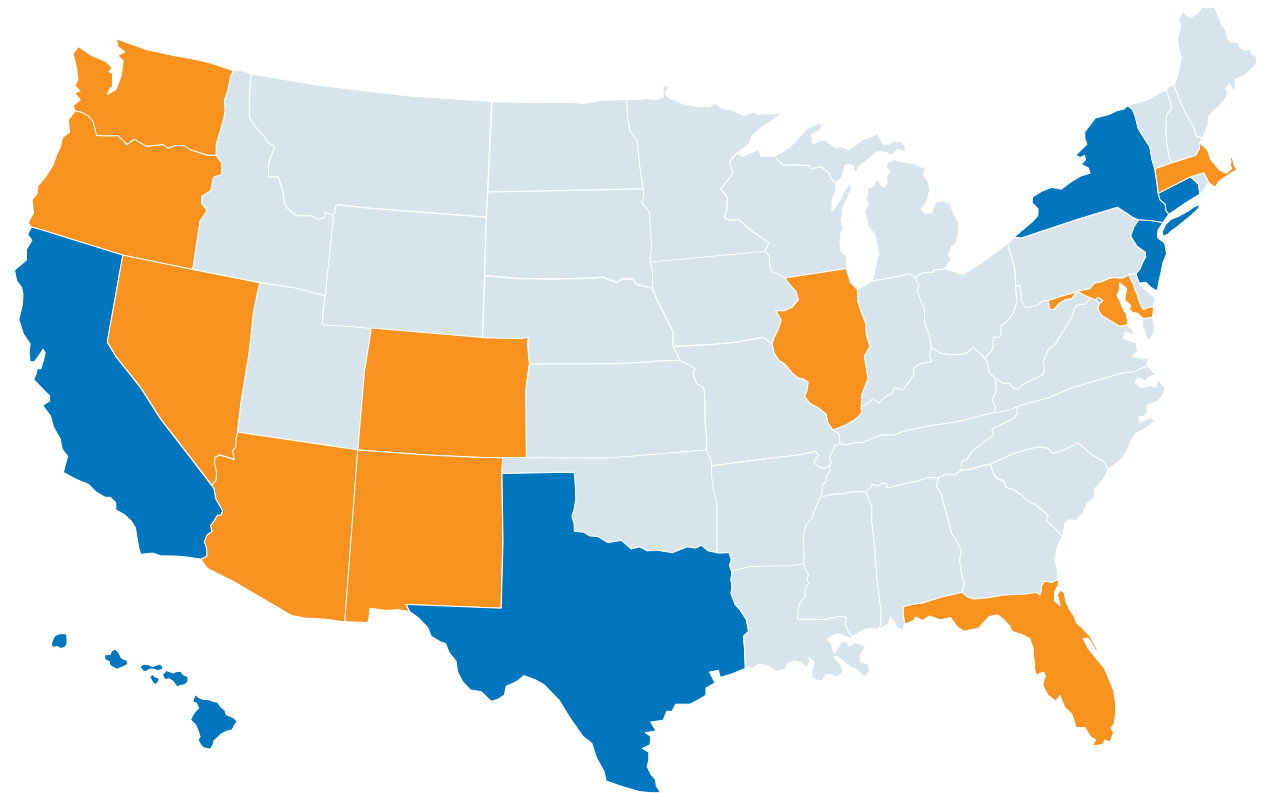
SunPower is well established with significant share in key markets and prepared for near-term growth.

Key States

- California
- Connecticut
- Hawaii
- New York
- New Jersey
- Texas

Growth States

- Arizona
- Colorado
- Florida
- Illinois
- Maryland
- Massachusetts
- New Mexico
- Nevada
- Oregon
- Washington



DRIVES REVENUE GROWTH, IMPROVES GROSS MARGIN

Commanding New Homes Position

SunPower is the solar of choice for top U.S. home builders.



58%

2018 New Homes
Market Share

33,000+

New Homes
Currently Under Contract

18 out of 20

Top California Homebuilders
Under Contract

65%

Year-Over-Year
Growth



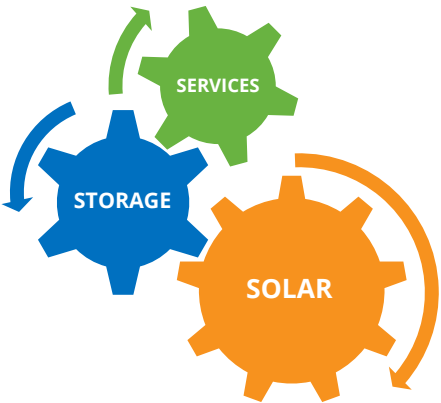
SUNPOWER®

PROFIT MODEL

Target Model

Solar + Storage + Services

Revenue Growth (CAGR)	10-20%	<ul style="list-style-type: none">• Entering new states to expand footprint• Positioned to benefit most from CA New Home mandate• Adoption of storage means more \$/install
Gross Margin	>20%	<ul style="list-style-type: none">• Differentiated products/sales channels deliver a premium• A-series, New Homes growth drive increased margin• Expanding platform to enable growing service business
Operating Expenses	<10%	<ul style="list-style-type: none">• Infrastructure in place to support growth• Powerful operations platform, increasingly digitized• Expect to maintain OPEX levels while growing
Adjusted EBITDA	>10%	





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Capital Markets Day

Question and Answer

MARCH 2019

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Capital Markets Day
2019