

# 2Q 2021 RESULTS SUPPLEMENTAL SLIDES

August 12, 2021



**maxeon**



# 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 pricing trends, demand and growth projections; (b) potential disruptions to our operations and supply chain that may result from epidemics or natural disasters, including the duration, scope and impact on the demand for our products and the pace of recovery from the COVID-19 pandemic; (c) anticipated product launch timing and our expectations regarding ramp, customer acceptance and demand, upsell and expansion opportunities; (d) our expectations and plans for short- and long-term strategy, including our anticipated areas of focus and investment, market expansion, product and technology focus, and projected growth and profitability; (e) our liquidity, substantial indebtedness, and ability to obtain additional financing or renegotiate our existing financing arrangements; (f) our technology outlook, including anticipated fab utilization and expected ramp and production timelines for the Company's Maxeon 5 and 6, next-generation Maxeon 7 and Performance line solar panels, expected cost reduction, and future performance; (g) our strategic goals and plans, including partnership discussions with respect to the Company's next generation technology, and our relationships with existing customers, suppliers and partners, and our ability to achieve and maintain them; (h) expectations regarding our future performance and revenues resulting from contracted orders, bookings, backlog, and pipelines in our sales channels; (i) expected demand and market traction for Maxeon as a result of anticipated product launches; (j) our third quarter fiscal year 2021 guidance, including shipments, revenue, gross profit, non-GAAP gross profit, operating expenses, non-GAAP operating expenses, Adjusted EBITDA, capital investments, restructuring charges, out-of-market polysilicon cost, and related assumptions; (k) our expectations regarding the potential outcome, or financial or other impact on our business, as a result of the Spin-off from SunPower Corporation; and (l) our projected effective tax rate and changes to the valuation allowance related to our deferred tax assets. 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 20-F, particularly under the heading "Risk Factors". All forward-looking statements 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.

## SECOND QUARTER HIGHLIGHTS

- 2Q results on plan; bookings support significant 3Q growth
- Cash flow from operations bolsters balance sheet
- US manufacturing capacity expansion plan accelerated
  - 3 GW cell / module factory, site selection underway
  - Loan Guarantee application under review by Department of Energy
  - Pending successful loan guarantee and enabling legislation, production as early as 2023
  - 1.8GW Malaysia / Mexicali capacity on track for early 2022 shipments

# PROGRESS ON THREE PILLARS OF STRATEGY

## Leading Panel Innovation

### Maxeon 7

- Successful performance milestones achieved in Fab4 ahead of pilot line installation

### Maxeon 6

- Last Maxeon 2 cell produced
- First Maxeon 6 panels on track to ship in 2021

## Focused Utility-Scale Approach

### US

- Shipments to Primergy's Gemini project in 2022
- US expansion plan accelerated with application for DOE LGP

### ROW

- PPA pricing shifting positively
- Bookings support significant 2022 shipments

## Differentiated Global DG Brand and Channel

### Channel

- Record DG sales in Europe
- Strongest growth in Italy, France and the Netherlands

### Beyond the Panel

- Performance line AC panels launched
- Targeting AC panels to be about 20% of non-US sales by end of 2021

# ESG FOCUS

- Inaugural Sustainability Report Published in June, aligned with GRI and SASB



- Building on 2020 commitment to UN Global Compact



**moxeon**  
POWERING POSITIVE CHANGE™

Sustainability Report  
2020

# OUR VISION FOR MAXEON IN MID-2022

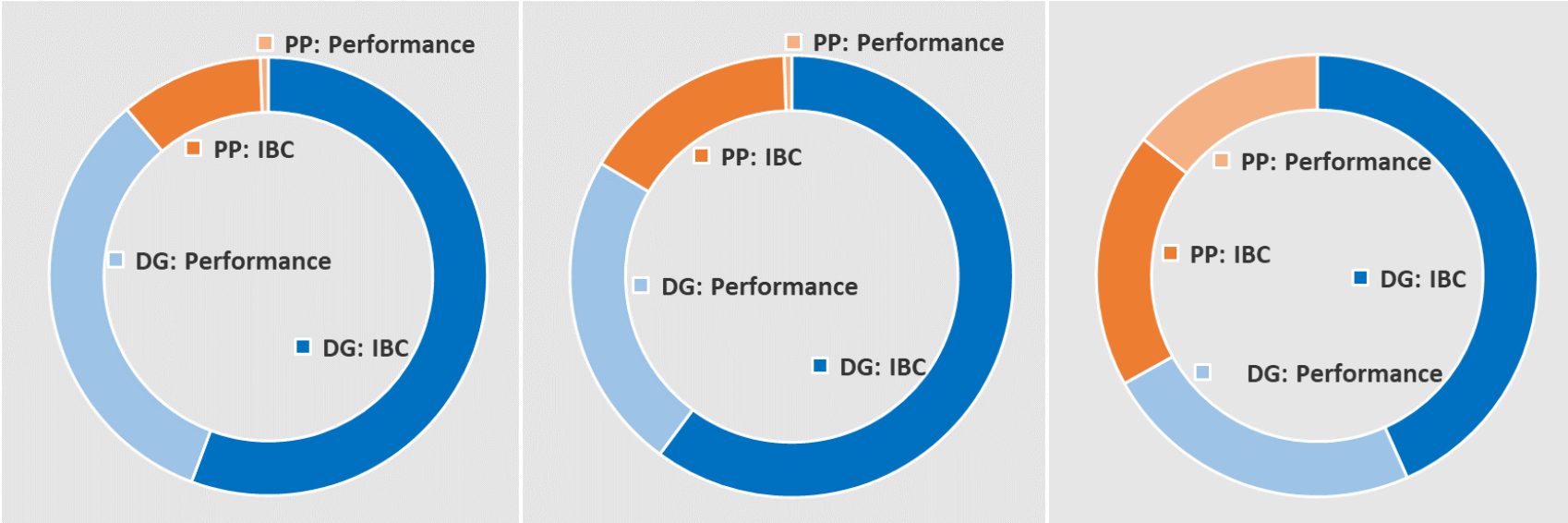
## Growth Resumed

- Maxeon 6 conversion complete
- Maxeon 7 pilot production
- AC modules > 20% of DG revenue
- U.S. Performance line ramping
- Maxeon Air shipping in volume

## Costs Reduced

- Factory optimization complete
- Supply chain normalization
- Separation Opex done
- Fab 3 volume leverage
- Poly contract end in sight

# TOTAL REVENUE BY END MARKET AND PRODUCT



Q2 FY21

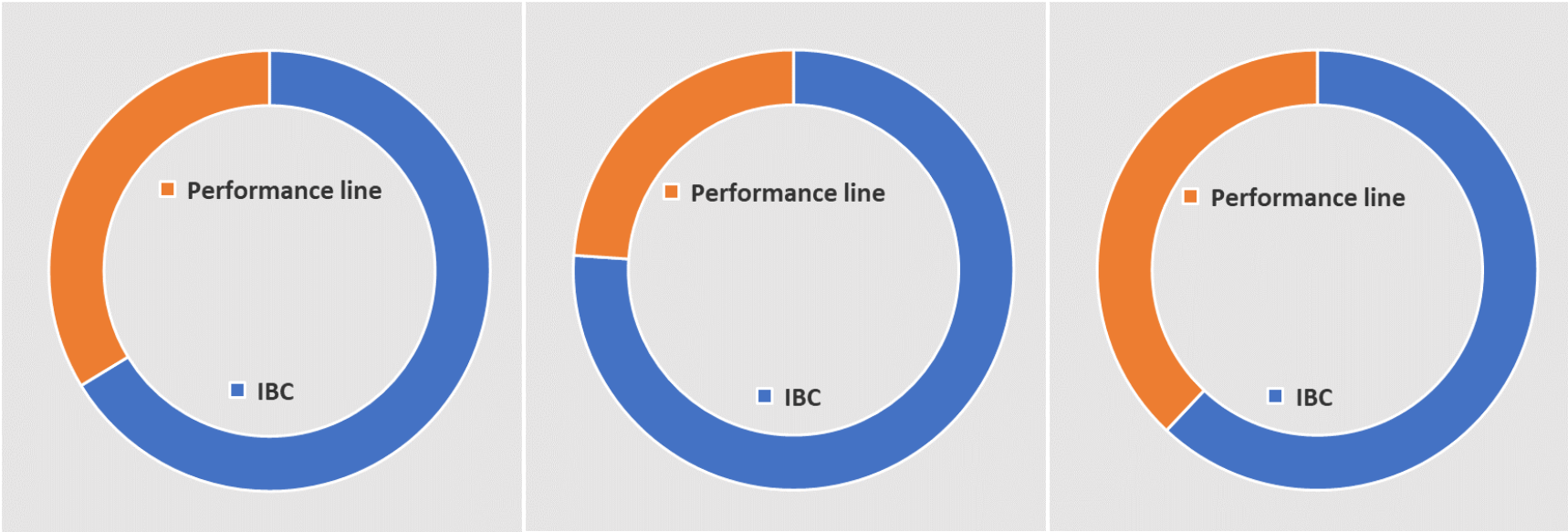
Q1 FY21

Q2 FY20

\$ Millions

<b>IBC</b>	\$98	\$100	\$66
<b>Performance</b>	\$58	\$38	\$44
<b>DG Rooftop</b>	\$156	\$138	\$110
<b>IBC</b>	\$19	\$26	\$31
<b>Performance</b>	\$1	\$1	\$24
<b>Large Scale (PP)</b>	\$20	\$27	\$55
<b>Total Revenue</b>	<b>\$176</b>	<b>\$165</b>	<b>\$165</b>

# TOTAL REVENUE AND VOLUME BY PRODUCT



Q2 FY21

Q1 FY21

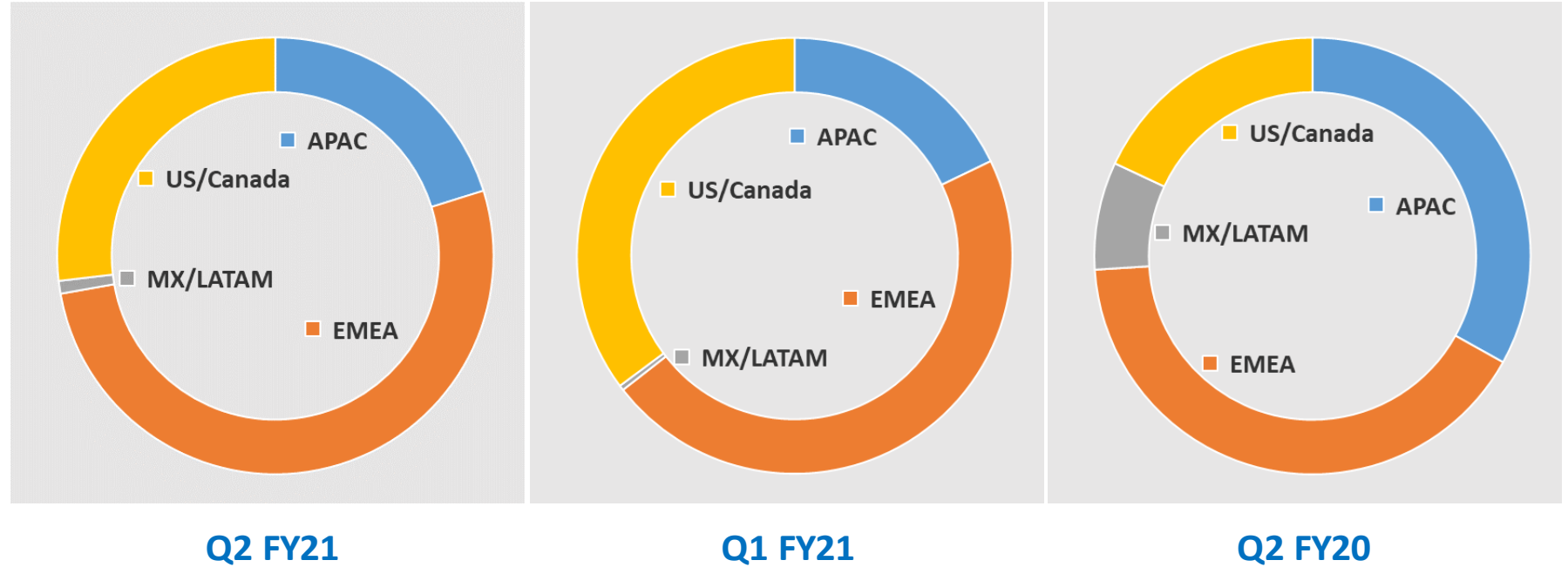
Q2 FY20

\$ Millions (above chart)

<b>IBC</b>	\$117	\$126	\$97
<b>Performance line</b>	\$59	\$39	\$68
<b>Total Revenue</b>	<b>\$176</b>	<b>\$165</b>	<b>\$165</b>
<b>IBC</b>	231	241	193
<b>Performance line</b>	203	138	235
<b>Total MW</b>	<b>434</b>	<b>379</b>	<b>428</b>



# TOTAL REVENUE BY GEOGRAPHY



\$ Millions			
<b>APAC</b>	\$35	\$29	\$55
<b>EMEA</b>	\$92	\$77	\$66
<b>MX/LATAM</b>	\$2	\$0	\$13
<b>US/Canada</b>	\$47	\$59	\$31
<b>Total Revenue</b>	<b>\$176</b>	<b>\$165</b>	<b>\$165</b>

# Q3 2021 OUTLOOK

(In millions, except shipments)	Outlook
Shipments, in MW	580 - 640 MW
Revenue	\$220 - \$240
Gross loss <sup>(1)</sup>	\$10 - \$20
Non-GAAP gross loss	\$10 - \$20
Operating expenses	\$36 ± \$2
Non-GAAP operating expenses	\$31 ± \$2
Adjusted EBITDA <sup>(1)</sup>	\$(30) - \$(40)
Capital investments <sup>(2)</sup>	\$55 - \$65
Out-of-market polysilicon cost <sup>(3)</sup>	\$20 - \$23
Restructuring charges <sup>(4)</sup>	\$3 - \$4

(1) Includes out-of-market (OOM) polysilicon cost.

(2) Directed mainly to upgrading to Maxeon 6 in Malaysia, equipment for our 1.8 GW Performance line capacity for the U.S. and Maxeon 7 pilot line investment.

(3) Higher forecast OOM in Q3'21 is due to higher estimated quantity of ancillary sales and higher estimated sale of modules

(4) We are in the process of closing our module factory in Toulouse, France resulting in anticipated restructuring charges. Additional restructuring charges are anticipated for the continued restructuring of our manufacturing network. The restructuring charges are included in operating expenses.

For additional details on the use of non-GAAP financial measures and a reconciliation to U.S. GAAP, please refer to Maxeon's Form 6-K, filed August 12, 2021.

# Q2 SELECTED GAAP FINANCIAL RESULTS

(\$ in thousands)	Q2 FY2021 Ended 07/04/21	Q1 FY2021 Ended 04/04/21	Q2 FY2020 Ended 06/28/20
<b>Selected GAAP Financial Data</b>			
<b>Revenue<sup>1</sup></b>	<b>175,895</b>	<b>165,417</b>	<b>165,011</b>
Cost of revenue <sup>1</sup>	178,707	164,366	173,036
<b>Gross (loss) profit<sup>1</sup></b>	<b>(2,812)</b>	<b>1,051</b>	<b>(8,025)</b>
<b>Operating loss<sup>1</sup></b>	<b>(40,881)</b>	<b>(36,156)</b>	<b>(35,942)</b>
Benefit from (provision for) income taxes	1,217	(2,262)	(1,879)
<b>GAAP net loss<sup>1</sup></b>	<b>(77,423)</b>	<b>(38,716)</b>	<b>(46,202)</b>
<b>GAAP net loss attributable to stockholders<sup>1</sup></b>	<b>(77,011)</b>	<b>(38,814)</b>	<b>(46,585)</b>

Source: MAXN Q2 FY2021

<sup>1</sup> The Company's GAAP and Non-GAAP results were impacted by the effects of certain items. Refer to supplementary information in the following page.

# Q2 FINANCIAL RESULTS: RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(\$ in thousands)	Q2 FY2021 Ended 07/04/21	Q1 FY2021 Ended 04/04/21	Q2 FY2020 Ended 06/28/20
<b>Selected Non-GAAP Financial Data</b>			
<b>GAAP net loss attributable to stockholders</b>	<b>(77,011)</b>	<b>(38,814)</b>	<b>(46,585)</b>
Interest expense, net	7,054	7,612	6,318
(Benefit from) provision for income taxes	(1,217)	2,262	1,879
Depreciation	9,681	9,217	11,794
Amortization	65	65	1,847
EBITDA	(61,428)	(19,658)	(24,747)
Stock-based compensation	1,891	1,504	1,924
Restructuring charges	5,161	859	-
Remeasurement loss (gain) on prepaid forward	27,035	(8,355)	-
<b>Adjusted EBITDA</b>	<b>(27,341)</b>	<b>(25,650)</b>	<b>(22,823)</b>

## Supplementary information affecting GAAP and Non-GAAP results

(\$ in thousands)	Financial statements item affected	Q2 FY2021 Ended 07/04/21	Q1 FY2021 Ended 04/04/21	Q2 FY2020 Ended 06/28/20
Incremental cost of above market polysilicon <sup>1</sup>	Cost of revenue	12,538	11,618	6,345
Loss on ancillary sales of excess polysilicon <sup>2</sup>	Cost of revenue	2,498	1,720	1,993

Source: MAXN Q2 FY2021.

<sup>1</sup> Relates to the difference between our contractual cost for the polysilicon under the long-term fixed supply agreements with our supplier and the price of polysilicon available in the market as derived from publicly available information at the time, multiplied by the volume of modules sold within the quarter.

<sup>2</sup> In order to reduce inventory and improve working capital, we have periodically elected to sell polysilicon inventory procured under the long-term fixed supply agreements in the market at prices below our purchase price, thereby incurring a loss.

For additional details on the use of non-GAAP financial measures and a reconciliation to U.S. GAAP, please refer to Maxeon's Form 6-K, filed August 12, 2021.



# Q2 FINANCIAL RESULTS: RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(\$ in thousands)	Q2 FY2021 Ended 07/04/21	Q1 FY2021 Ended 04/04/21	Q2 FY2020 Ended 06/28/20
<b>Selected Non-GAAP Financial Data</b>			
<b>GAAP gross (loss) profit</b>	<b>(2,812)</b>	<b>1,051</b>	<b>(8,025)</b>
Stock-based compensation	183	223	633
<b>Non-GAAP gross (loss) profit</b>	<b>(2,629)</b>	<b>1,274</b>	<b>(7,392)</b>
<b>GAAP operating expenses</b>			
<b>GAAP operating expenses</b>	<b>38,069</b>	<b>37,207</b>	<b>27,917</b>
Stock-based compensation	(1,708)	(1,281)	(1,291)
Restructuring charges	(5,161)	(859)	-
<b>Non-GAAP operating expenses</b>	<b>31,200</b>	<b>35,067</b>	<b>26,626</b>

Source: MAXN Q2 FY2021.

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