

# 4Q 2021 RESULTS SUPPLEMENTAL SLIDES

March 24, 2022



**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, natural disasters or military conflicts, including the duration, scope and impact on the demand for our products, market disruptions from the war in Ukraine, 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 ability to meet short term and long term material cash requirements including our obligations under the polysilicon supply agreement, our ability to complete an equity or debt offering at favorable terms, if at all, and our overall liquidity, substantial indebtedness and ability to obtain additional financing; (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) our first quarter and annual fiscal year 2022 guidance, including shipments, revenue, gross profit (loss), non-GAAP gross profit (loss), operating expenses, non-GAAP operating expenses, Adjusted EBITDA, capital expenditures, out-of-market polysilicon cost and expected demand recovery and market traction for Maxeon s a result of anticipated product launches; and (j) our projected effective tax rate and changes to the valuation allowance related to our deferred tax assets. The forward-looking statements can be also identified by terminology such as "may," "might," "could," "will," "aims," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates" and similar statements. 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.

# FOURTH QUARTER HIGHLIGHTS

- Transformation initiatives progressing, effective management of Q4 supply chain cost pressure
- Renegotiated SunPower module supply contract aligns pricing with market value and expands TAM
- US utility-scale sales effort drives > 700 MW of incremental bookings with significant prepayments

## Capacity transformation initiatives on schedule

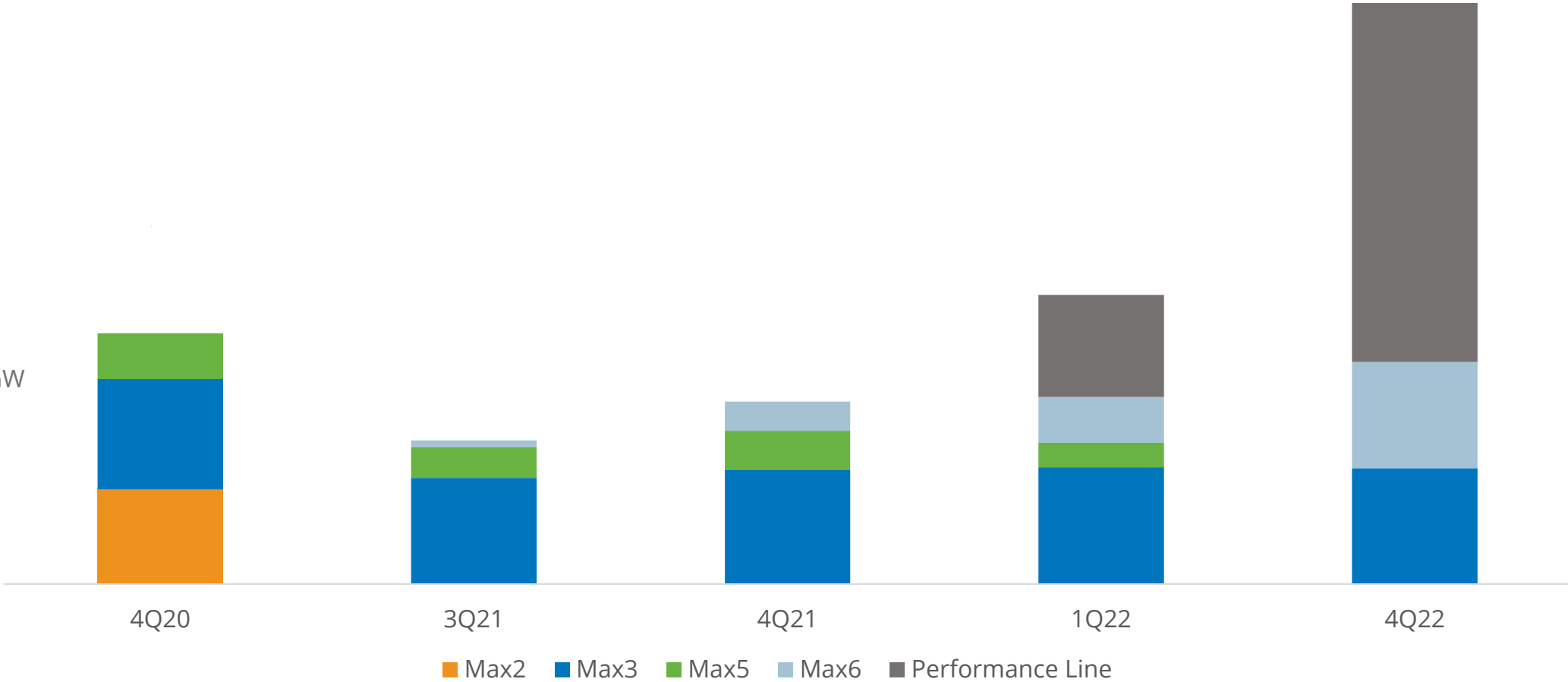


*From Upper Left clockwise: Installed Maxeon 6 Module; Maxeon 6 Modules ready for shipment; Completed Mexico ModCo; Operational Mexico Modco*

# >3X CAPACITY EXPANSION PLAN ON TRACK

3 GW

1 GW



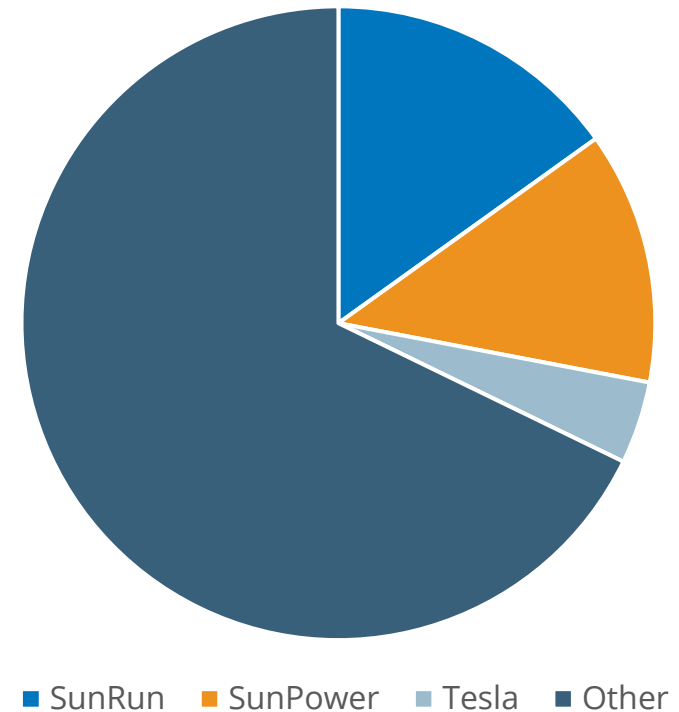
*Note: Capacity defined as internal maximum cell production available at end of quarter. Graph excludes access to Performance line output from HSPV joint venture, and United States Manufacturing facility under consideration.*

# SIGNIFICANT UNSERVED DEMAND FOR MAXEON IN US RESIDENTIAL

## *Opportunity for incremental sales through Maxeon channel starting January '23*

- ≈ 90% of US residential demand unserved through SunPower
- Majority of demand created by smaller installers without historic access to Maxeon products
- Opportunity drivers for Maxeon:
  - 201 safeguard tariffs
  - Competitor exits
  - Demand driven system size expansion

US Residential Market Share



Source: WoodMackensie 4Q20 PV Leaderboard 2020; SunRun share includes Vivint acquisition; SunPower share includes Blue Raven Acquisition

# PROGRESS ON THREE PILLARS OF STRATEGY

## Leading Panel Innovation

### Maxeon 6

- Product shipping in North America; Global launch with 40-year warranty scheduled for 2Q22
- 140MW online from Maxeon 2 Retrofit; Maxeon 5 retrofit commenced – on target for >500MW annualized capacity in 2022

### Maxeon 7

- Production cell efficiencies in line with ambitious targets
- Module production scheduled for 2Q22

## Focused Utility-Scale Approach

### US

- First cells shipment from Malaysia delivered to Modco in Mexico
- First module shipments on schedule for 2Q22
- >700 MW of additional bookings secured in March from three customers, all with prepaids

### ROW

- 192MW Ayana project in India commissioned
- HSPV capacity increased to 8GW and assessing further expansion

## Differentiated Global DG Brand and Channel

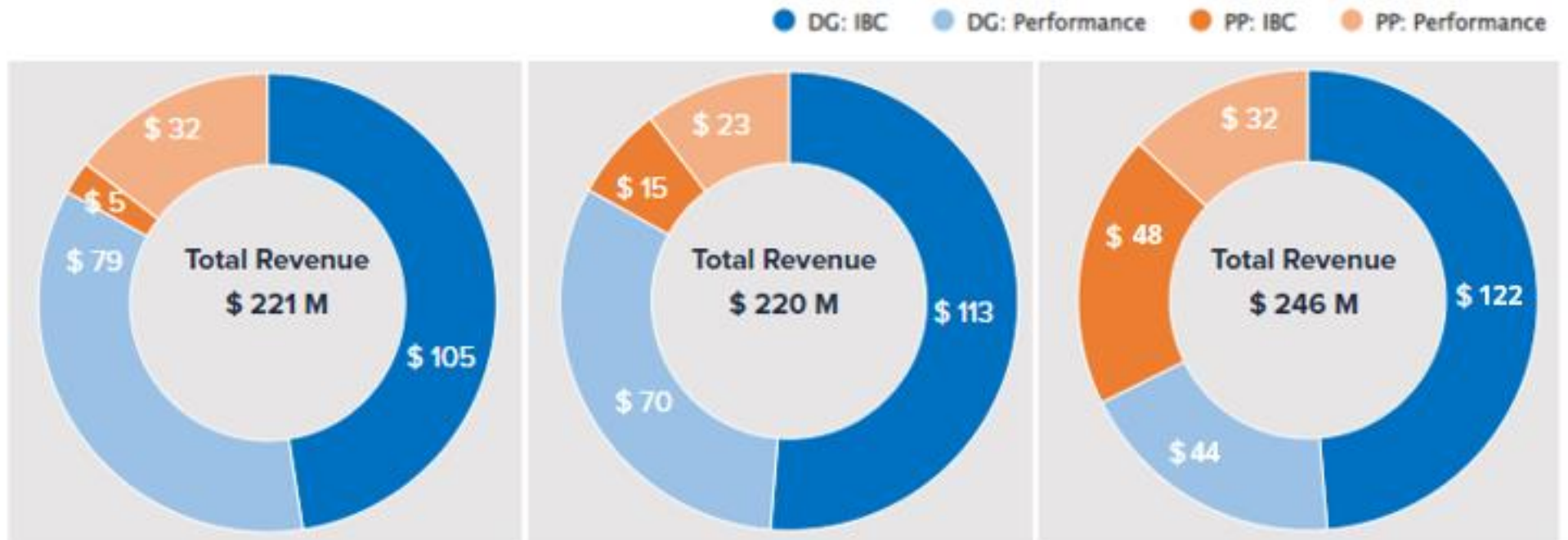
### Channel

- Record Europe DG Volume in 4Q21
- North America pricing updated to current market levels
- US Commercial DG sales effort launched; residential channel in development for 1Q23 launch

### Beyond the Panel

- France, Netherlands, UK and Australia exceeded 25% of AC panels in 4Q21
- 2022 storage launch on schedule

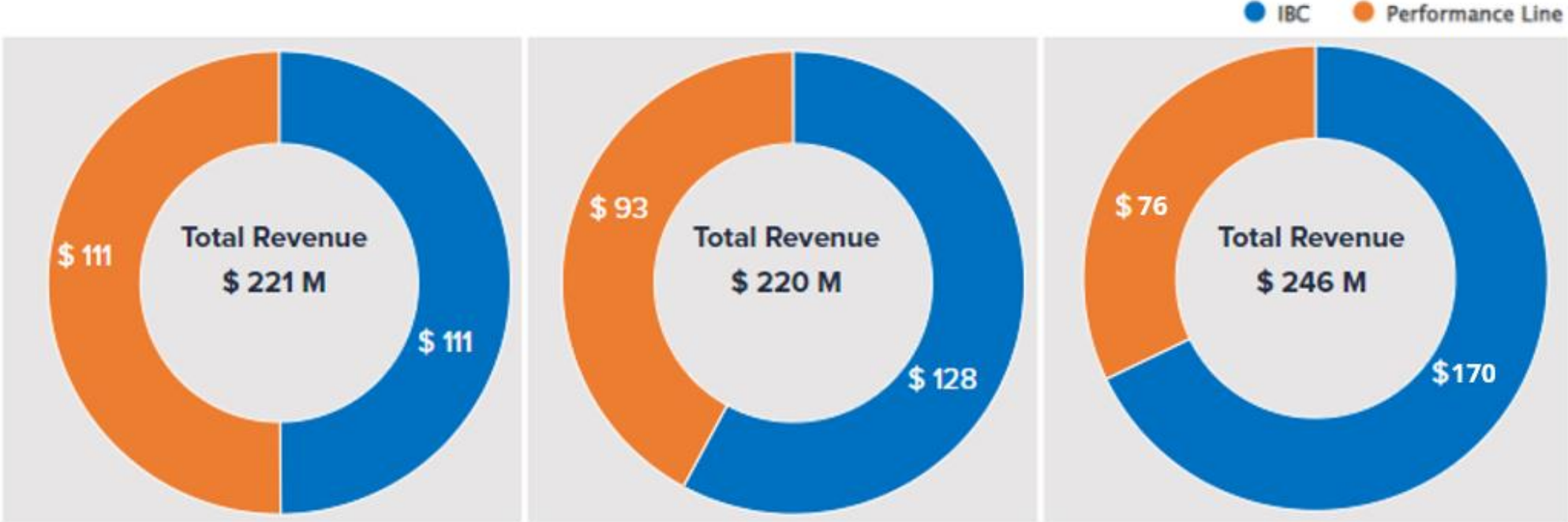
# Q4'21 TOTAL REVENUE BY END MARKET VS PRIOR QUARTERS



\$ Millions	Q4 FY21	Q3 FY21	Q4 FY20
DG: Rooftop	\$ 184	\$ 183	\$ 166
Large Scale (PP)	\$ 38	\$ 37	\$ 80
<b>Total Revenue</b>	<b>\$ 221</b>	<b>\$ 220</b>	<b>\$ 246</b>

*Note: Totals may differ slightly due to rounding*

# Q4'21 TOTAL REVENUE BY PRODUCT VS PRIOR QUARTERS



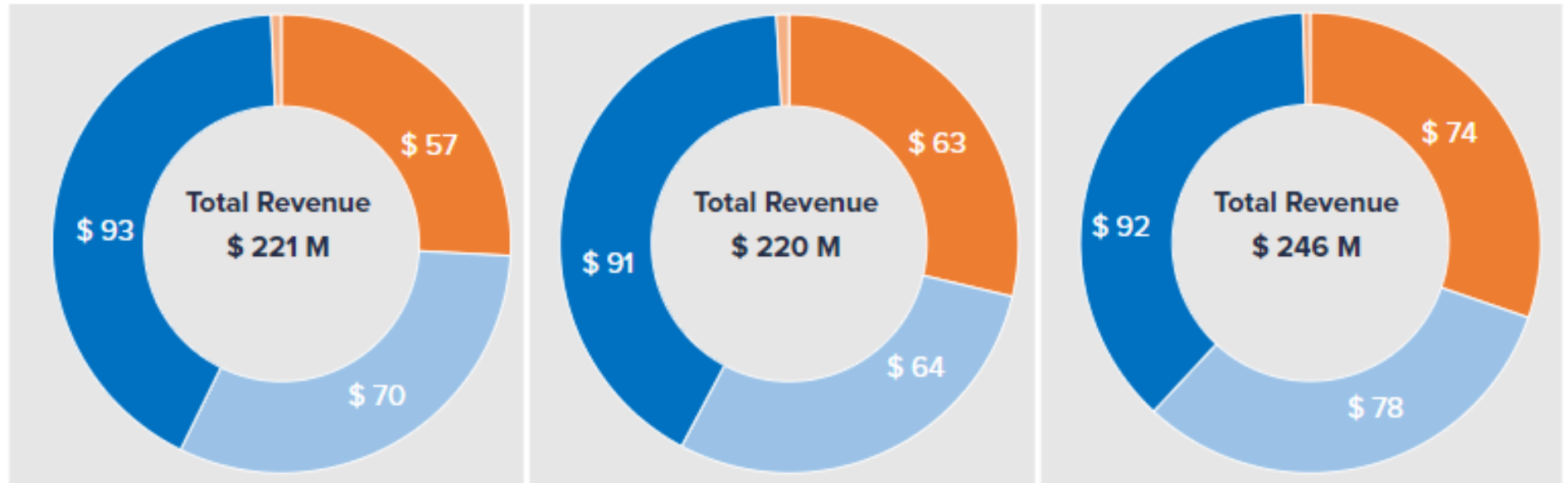
In Megawatts	Q4 FY21	Q3 FY21	Q4 FY20
IBC	214	245	343
Performance Line	363	320	312
Total MW	577	566	655

*Note: Totals may differ slightly due to rounding*



# Q4'21 TOTAL REVENUE BY GEOGRAPHY

● Americas 
 ● APAC 
 ● EMEA 
 ● LATAM



\$ Millions	Q4 FY21	Q3 FY21	Q4 FY20
APAC	\$ 70	\$ 64	\$ 78
EMEA	\$ 93	\$ 91	\$ 92
LATAM	\$ 2	\$ 2	\$ 1
AMERICAS	\$ 57	\$ 63	\$ 74
<b>Total Revenue</b>	<b>\$ 221</b>	<b>\$ 220</b>	<b>\$ 246</b>

*Note: Totals may differ slightly due to rounding*

# Q1 2022 OUTLOOK

<b>(In millions, except shipments)</b>	<b>Outlook</b>
Shipments, in MW	475 - 495 MW
Revenue	\$210 - \$220
Gross loss <sup>(1)</sup>	\$7 - \$13
Non-GAAP gross loss <sup>(1)</sup>	\$7 - \$13
Operating expenses	\$39 ± \$1
Non-GAAP operating expenses	\$35 ± \$1
Adjusted EBITDA <sup>(1)</sup>	\$(28) - \$(34)
Capital investments <sup>(2)</sup>	\$22 - \$26
Out-of-market polysilicon cost	\$11 - \$13

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

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

For additional details on the use of non-GAAP financial measures and a reconciliation to U.S. GAAP, please refer to Maxeon's Form 20-F, filed March 24, 2022.

# Q4 SELECTED GAAP FINANCIAL RESULTS

(\$ in thousands)	Q4 FY2021 Ended 01/02/22	Q3 FY2021 Ended 10/03/21	Q4 FY2020 Ended 01/03/21
<b><u>Selected GAAP Financial Data</u></b>			
<b>Revenue</b>	<b>221,479</b>	<b>220,488</b>	<b>245,564</b>
Cost of revenue <sup>1</sup>	232,024	237,196	238,251
<b>Gross (loss) profit<sup>1</sup></b>	<b>(10,545)</b>	<b>(16,708)</b>	<b>7,313</b>
<b>Operating loss<sup>1</sup></b>	<b>(46,063)</b>	<b>(49,347)</b>	<b>(25,492)</b>
Benefit from (provision for) income taxes	1,016	(174)	(4,737)
<b>GAAP net (loss) profit<sup>1</sup></b>	<b>(73,594)</b>	<b>(66,013)</b>	<b>3,475</b>
<b>GAAP net (loss) profit attributable to stockholders<sup>1</sup></b>	<b>(73,332)</b>	<b>(65,363)</b>	<b>3,458</b>

Source: MAXN Q4 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.

# Q4 FINANCIAL RESULTS: RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(\$ in thousands)	Q4 FY2021 Ended 01/02/22	Q3 FY2021 Ended 10/03/21	Q4 FY2020 Ended 01/03/21
<b>Selected Non-GAAP Financial Data</b>			
<b>GAAP net (loss) profit attributable to stockholders</b>	<b>(73,332)</b>	<b>(65,363)</b>	<b>3,458</b>
Interest expense, net	6,511	6,671	8,127
(Benefit from) provision for income taxes	(1,016)	174	4,737
Depreciation	11,930	10,999	9,068
Amortization	185	68	39
<b>EBITDA</b>	<b>(55,722)</b>	<b>(47,451)</b>	<b>25,429</b>
Impairment	5,058	-	-
Stock-based compensation	2,034	1,802	1,514
Restructuring (credits) charges and fees <sup>1</sup>	(378)	1,514	-
Remeasurement loss (gain) on physical delivery forward and prepaid forward	9,827	5,961	(43,969)
Loss on extinguishment of debt	-	5,075	-
<b>Adjusted EBITDA</b>	<b>(39,181)</b>	<b>(33,099)</b>	<b>(17,026)</b>

## Supplementary information affecting GAAP and Non-GAAP results

(\$ in thousands)	Financial statements item affected	Q4 FY2021 Ended 01/02/22	Q3 FY2021 Ended 10/03/21	Q4 FY2020 Ended 01/03/21
Incremental cost of above market polysilicon <sup>2</sup>	Cost of revenue	11,542	11,490	18,202
Loss on ancillary sales of excess polysilicon <sup>3</sup>	Cost of revenue	2,621	7,425	2,544

Source: MAXN Q4 FY2021.

<sup>1</sup> Amount represents restructuring charges and fees related to reorganization plans, excluding accelerated depreciation amounting to \$0.9 million included in the depreciation line.

<sup>2</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 beginning of each quarter, multiplied by the volume of modules sold within the quarter.

<sup>3</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 March 24, 2022.

# Q4 FINANCIAL RESULTS: RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(\$ in thousands)	Q4 FY2021 Ended 01/02/22	Q3 FY2021 Ended 10/03/21	Q4 FY2020 Ended 01/03/21
<b>Selected Non-GAAP Financial Data</b>			
<b>GAAP gross (loss) profit</b>	<b>(10,545)</b>	<b>(16,708)</b>	<b>7,313</b>
Stock-based compensation	489	355	344
<b>Non-GAAP gross (loss) profit</b>	<b>(10,056)</b>	<b>(16,353)</b>	<b>7,657</b>
<b>GAAP operating expenses</b>	<b>35,518</b>	<b>32,639</b>	<b>32,805</b>
Stock-based compensation	(1,545)	(1,447)	(1,170)
Restructuring charges and fees	(550)	(1,514)	-
<b>Non-GAAP operating expenses</b>	<b>33,423</b>	<b>29,678</b>	<b>31,635</b>

Source: MAXN Q4 FY2021.

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