

# 3Q 2020 EARNINGS SUPPLEMENTARY SLIDES

November 19, 2020

The Maxeon logo is displayed in a white rounded rectangular box. The word "maxeon" is written in a bold, lowercase, sans-serif font. The letters are dark blue or black, with the 'x' and 'e' having a unique, slightly irregular shape. The background of the slide is a photograph of a large, curved building with a corrugated metal facade and a roof covered in solar panels. The sky is blue with some clouds.

**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 upstream 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; (f) our expectations regarding the potential outcome, or financial or other impact on our business, as a result of the recently completed spin-off from SunPower Corporation; (g) expectations regarding our future performance based on bookings, backlog, and pipelines in our sales channels; and (h) our fourth quarter fiscal 2020 guidance, including GAAP revenue, gross margin, Adjusted EBITDA, out of market polysilicon costs, capital expenditures and MW deployed, and related assumptions. A detailed discussion of these factors and other risks that affect our business is included in Maxeon's registration statement on Form 20-F on file with the Securities and Exchange Commission (SEC), particularly under the heading "Risk Factors." 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.

# Q3 HIGHLIGHTS

## Spin-off from SunPower completed

- Maxeon successfully recapitalized for future growth

## Recovery from COVID continuing

- Sales channel fully adapted to remote selling
- Channel installation capacity recovered
- Monitoring 2<sup>nd</sup> wave closely into end of year

## Strong sequential growth Q2 → Q3

- 25% revenue growth, significantly improved gross margins
- Growth driven by global DG platform, accounting for > 70% of total revenue

# DISTRIBUTED GENERATION BUSINESS

## DG business is near-term profit driver for Maxeon

- Sequential revenue growth ~35% led by demand in Europe and the U.S.
- MAXN volume to Europe equivalent to U.S.

## Continuing to improve European DG platform

- Solid demand in core markets: Italy, Benelux, France, Germany
- Expanding footprint in new markets: Greece, Hungary, Cyprus, Bulgaria, Lithuania
- Nearly doubled pan-European market share over last two years
- New distributor incentive program rolling out in Q4

## Driving product innovation:

- IBC technology refresh, first Max 6 line ramps (late 2021), two lines running early 2022
- First AC module shipments, 1H-21 market expansion and Performance Series versions

# LARGE SCALE (POWER PLANT) BUSINESS

## Strong market demand in China at better ASPs

- Agreement with HSPV JV to shift MAXN allocation through first half 2021
- Reminder: module sales in China fulfilled by HSPV directly

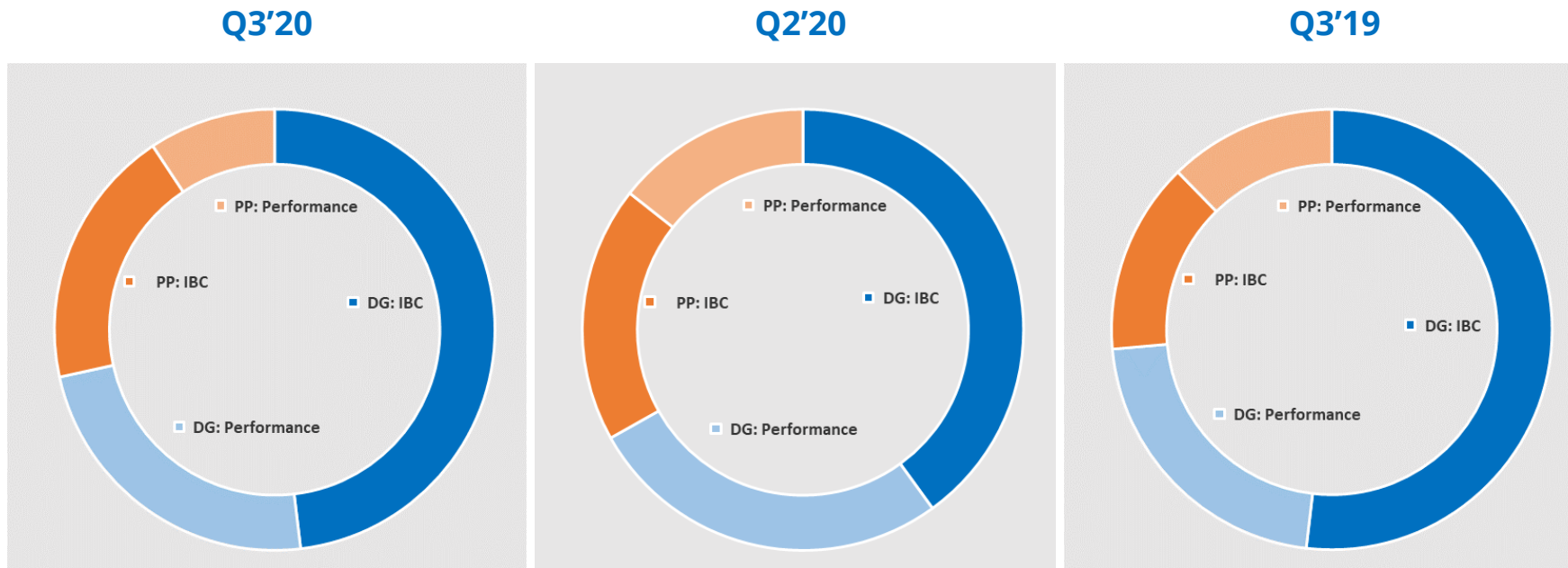
## Supply chain disruptions impacting near-term competitiveness

- BOM materials (polysilicon, glass) supply constrained, spot prices increasing
- Logistics/supply constraints and cost increases also impacting sales outside China

## HSPV continuing to ramp capital-efficient product supply base

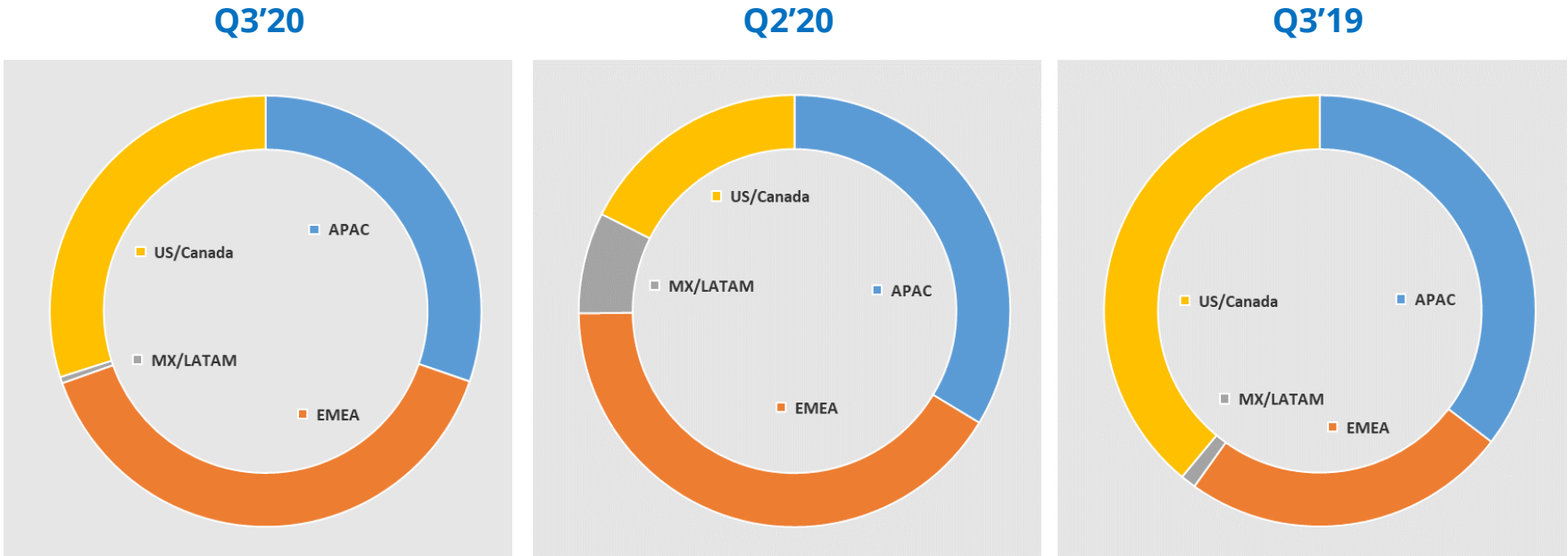
- First 3 GW Smartfab at full ramp by end of year
- Flexible offtake allocation enables disciplined approach for MAXN
- Later 2021: Economies of scale, technology improvements and supply chain balance

# TOTAL REVENUE BY END MARKET AND PRODUCT



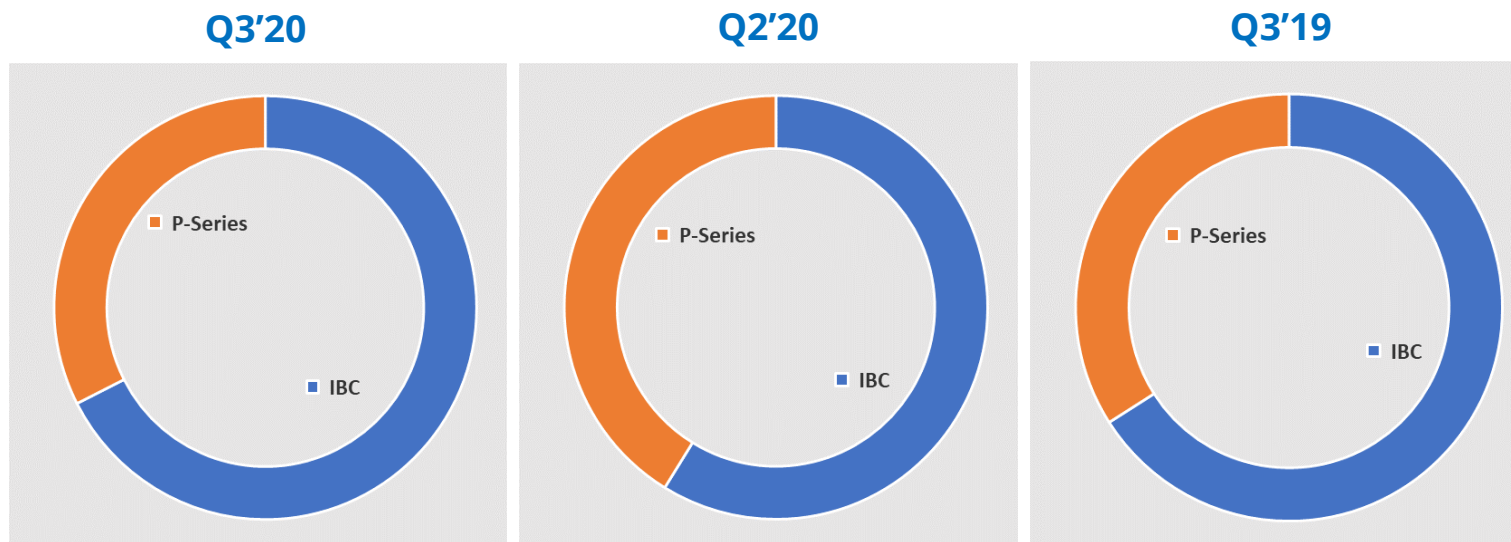
\$ Millions	Q3'20	Q2'20	Q3'19
<b>IBC</b>	\$100	\$66	\$161
<b>Performance</b>	\$48	\$44	\$67
<b>DG Rooftop</b>	<b>\$148</b>	<b>\$110</b>	<b>\$228</b>
<b>IBC</b>	\$40	\$31	\$44
<b>Performance</b>	\$19	\$24	\$38
<b>Large Scale (PP)</b>	<b>\$59</b>	<b>\$55</b>	<b>\$82</b>
<b>Total Revenue</b>	<b>\$207</b>	<b>\$165</b>	<b>\$310</b>

# TOTAL REVENUE BY GEOGRAPHY



\$ Millions	Q3'20	Q2'20	Q3'19
APAC	\$63	\$56	\$110
EMEA	\$81	\$68	\$76
MX/LATAM	\$1	\$13	\$4
US/Canada	\$62	\$29	\$121
<b>Total Revenue</b>	<b>\$207</b>	<b>\$165</b>	<b>\$310</b>

# TOTAL REVENUE AND VOLUME BY PRODUCT



\$ Millions (above chart)	Q3'20	Q2'20	Q3'19
<b>IBC</b>	\$139	\$97	\$204
<b>P-Series</b>	\$68	\$68	\$105
<b>Total Revenue</b>	<b>\$207</b>	<b>\$165</b>	<b>\$310</b>
<b>IBC</b>	272	192	326
<b>P-Series</b>	259	235	306
<b>Total MW</b>	<b>530</b>	<b>427</b>	<b>631</b>



# Q4 2020 GUIDANCE

## **Module shipments:** 550 to 690 MW

- Driven by strong rooftop demand in core markets including US and Europe

## **Revenue:** \$210 to \$260 million

## **Gross profit:** \$1 to \$7 million

- Out-of-market polysilicon cost ~\$20 million

## **Adjusted EBITDA:** Loss (\$15) to (\$20) million

- Out-of-market polysilicon cost impact of ~\$20 million

## **Capex:** \$20 to \$35 million

- Directed mainly to upgrading Maxeon's manufacturing facilities