

FIRST SOLAR Q1'19 EARNINGS CALL

May 2, 2019



LEADING THE WORLD'S
SUSTAINABLE ENERGY FUTURE



IMPORTANT INFORMATION

Cautionary Note Regarding Forward Looking Statements

This presentation contains forward-looking statements which are made pursuant to safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All statements in this presentation, other than statements of historical fact, are forward-looking statements. These forward-looking statements include, but are not limited to, statements concerning: effects resulting from certain module manufacturing changes and associated restructuring activities; our business strategy, including anticipated trends and developments in and management plans for our business and the markets in which we operate; our financial guidance for 2019, future financial results, operating results, net sales, revenues, gross margin, operating expenses, operating income, earnings per share, net cash balance, capital expenditures, products, projected costs (including estimated future module collection and recycling costs), warranties, shipments, booking opportunities, solar module technology and cost reduction roadmaps, restructuring, product reliability, investments in unconsolidated affiliates, and capital expenditures; our ability to continue to reduce the cost per watt of our solar modules; our ability to expand manufacturing capacity worldwide; our ability to reduce the costs to construct photovoltaic (“PV”) solar power systems; research and development (“R&D”) programs; sales and marketing initiatives; the impact of U.S. tax reform; and competition. These forward-looking statements are often characterized by the use of words such as “estimate,” “expect,” “anticipate,” “project,” “plan,” “intend,” “seek,” “believe,” “forecast,” “foresee,” “likely,” “may,” “should,” “goal,” “target,” “might,” “will,” “could,” “predict,” “continue” and the negative or plural of these words and other comparable terminology. Forward-looking statements are only predictions based on our current expectations and our projections about future events and therefore speak only as of the date of this presentation. You should not place undue reliance on these forward-looking statements. We undertake no obligation to update any of these forward-looking statements for any reason, whether as a result of new information, future developments or otherwise. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from those expressed or implied by these statements. These factors include, but are not limited to: structural imbalances in global supply and demand for PV solar modules; the market for renewable energy, including solar energy; our competitive position and other key competitive factors; reduction, elimination, or expiration of government subsidies, policies, and support programs for solar energy projects; the impact of public policies, such as tariffs or other trade remedies imposed on solar cells and modules; our ability to execute on our long-term strategic plans; our ability to execute on our solar module technology and cost reduction roadmaps; our ability to improve the wattage of our solar modules; interest rate fluctuations and both our and our customers' ability to secure financing; the creditworthiness of our offtake counterparties and the ability of our offtake counterparties to fulfill their contractual obligations to us; the ability of our customers to perform under their contracts with us; our ability to attract new customers and to develop and maintain existing customer and supplier relationships; our ability to successfully develop and complete our systems business projects; our ability to convert existing production facilities to support new product lines, such as Series 6 module manufacturing; general economic and business conditions, including those influenced by U.S., international, and geopolitical events; environmental responsibility, including with respect to cadmium telluride (“CdTe”) and other semiconductor materials; claims under our limited warranty obligations; changes in, or the failure to comply with, government regulations and environmental, health, and safety requirements; effects resulting from pending litigation, including the class action lawsuit against us; future collection and recycling costs for solar modules covered by our module collection and recycling program; our ability to protect our intellectual property; our ability to prevent and/or minimize the impact of cyber-attacks or other breaches of our information systems; our continued investment in R&D; the supply and price of components and raw materials, including CdTe; our ability to attract and retain key executive officers and associates; and the matters discussed under the captions “Risk Factors” and “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” of our most recent Annual Report on Form 10-K, as supplemented by our other filings with the Securities and Exchange Commission.

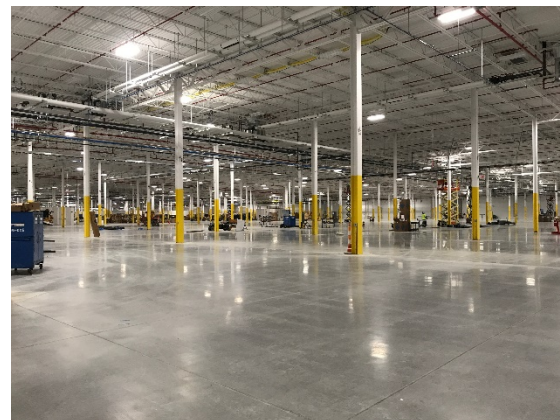
AGENDA

- Business & Technology Update
- Q1'19 Financial Results
- 2019 Guidance
- Q&A

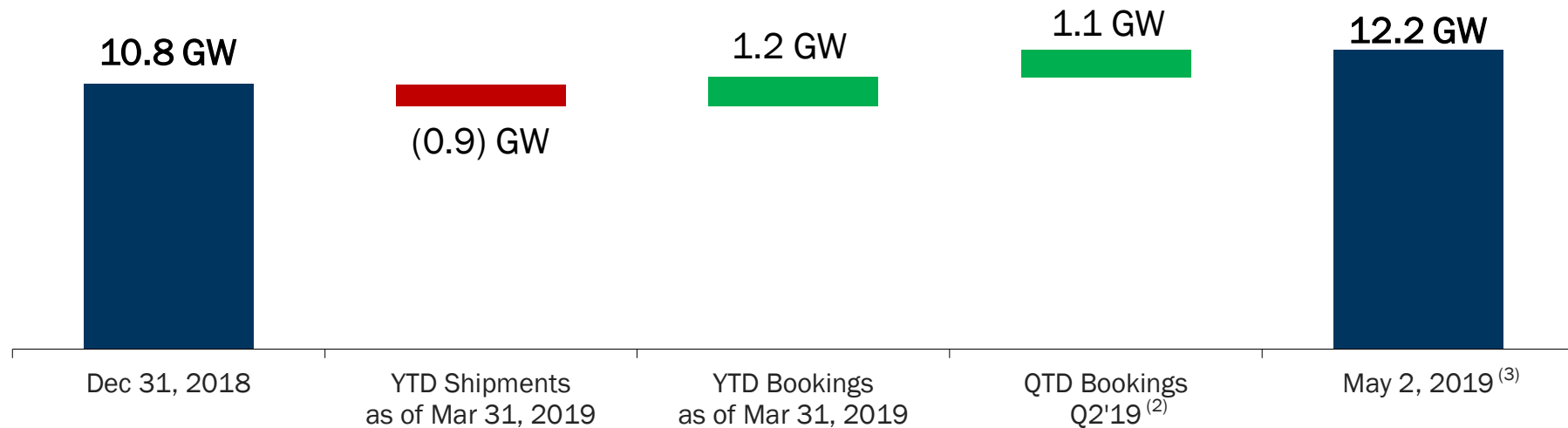


SERIES 6 OPERATIONS UPDATE

METRIC	Fleet Apr '19 vs Feb '19	DMT2 vs PGT First 3M production
MWs Produced per Day	34%	125%
Capacity Utilization Percentage	21 pts	33 pts
Yield Percentage	2 pts	32 pts
Watts per Module	6 W	19 W
ARC Utilization	15 pts	48 pts



EXPECTED MODULE SHIPMENTS⁽¹⁾ (GW_{DC}): SYSTEMS + THIRD-PARTY MODULE

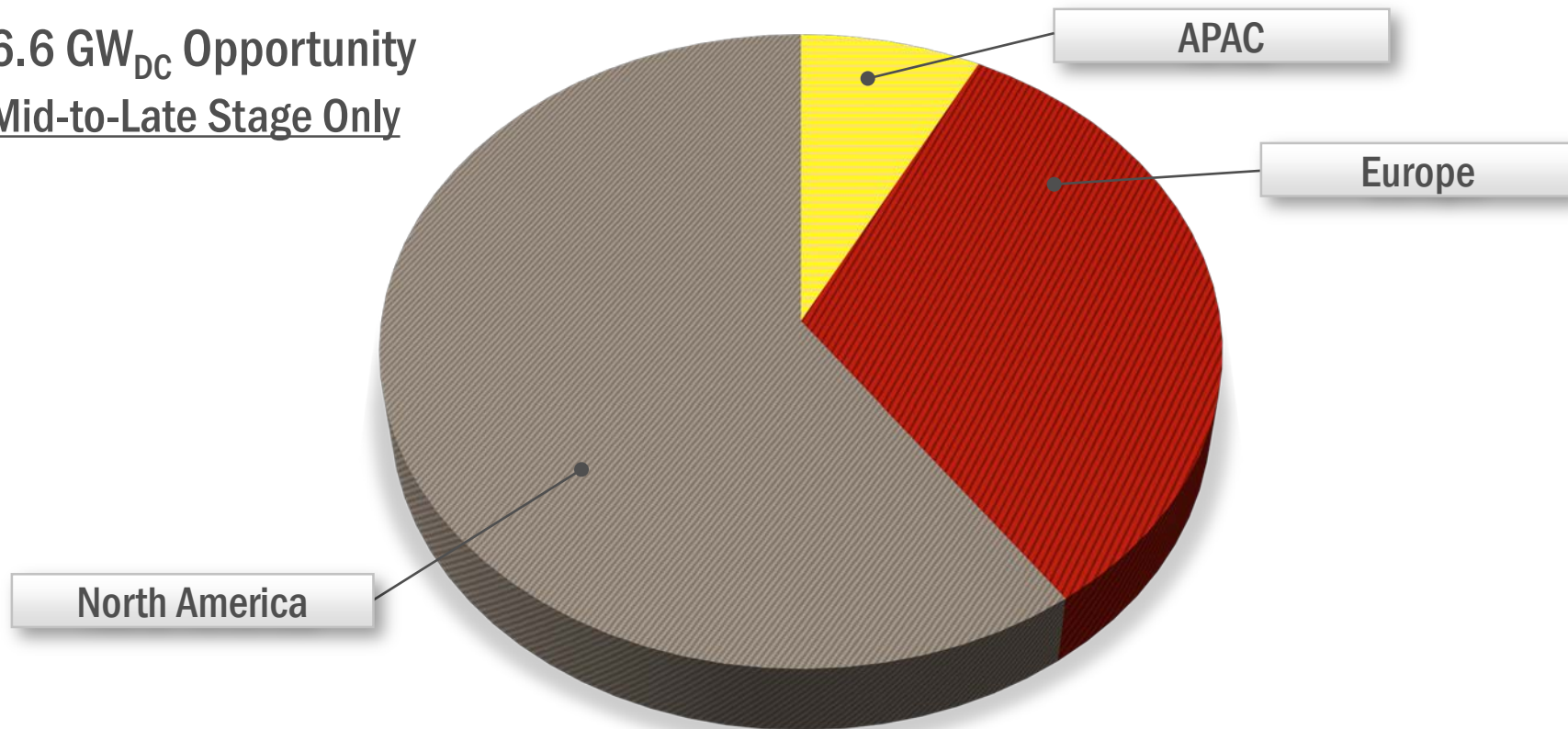


The above table presents the actual module shipments for 2019 through Mar 31, 2019, new module volume bookings through May 2, 2019, and the expected module shipments beyond May 2, 2019. A module is considered to be shipped when it leaves one of our manufacturing plants. Expected module shipments do not have a direct correlation to expected revenues as expected module shipments do not represent total systems revenues and do not consider the timing of when all revenue recognition criteria are met, including timing of module installation.

- (1) Expected Module Shipments includes systems projects and contracted 3rd party module-only sales. Systems projects include (a) under sales agreement, (b) executed PPA not under sales agreement and (c) no PPA and not under sales agreement, but electricity to be sold on an open contract basis.
- (2) Reflects new bookings from Apr 1, 2019 to May 2, 2019, reduced by 0.1GW of debookings.
- (3) Balance includes remaining shipment volumes as of Mar 31, 2019 and bookings through May 2, 2019. Shipments from Apr 1 to May 2, 2019 not deducted.

POTENTIAL BOOKING OPPORTUNITIES: BY GEOGRAPHY

6.6 GW_{DC} Opportunity
Mid-to-Late Stage Only





Q1 2019 FINANCIAL RESULTS

KEY INCOME STATEMENT DATA

	Q1'19	Q/Q	Y/Y
(in millions, except gross profit % and net income per share data)			
(Unaudited)			
Net sales	\$ 532.0	(23)%	(6)%
Gross profit %	—%	-14.2 ppt	-30.5 ppt
Selling, general and administrative	45.4	(12)%	10%
Research and development	21.9	2%	8%
Production start-up	9.5	(5.1)	(27.6)
Operating loss	(76.6)	(87.6)	(150.9)
Other income, net	3.5	(28.6)	(14.4)
Income tax benefit	1.4	(3.0)	13.0
Equity in earnings, net of tax	(0.2)	(0.7)	1.5
Net loss	\$ (67.6)	\$ (119.7)	\$ (150.6)
Share count - Diluted	105.0	(1)%	(1)%
Net loss per share - Diluted	\$ (0.64)	\$ (1.13)	\$ (1.42)

KEY BALANCE SHEET AND CASH FLOW DATA

	Q1'19	Q4'18	Q/Q
(in millions)			
(Unaudited)			
Assets & Liabilities			
Cash, cash equivalents, marketable securities, and restricted cash	\$ 2,310.4	\$ 2,967.7	\$ (395.9)
Accounts receivable trade, net	301.7	128.3	173.4
Accounts receivable, unbilled and retainage	367.1	458.2	(91.1)
Inventories — current	459.5	387.9	71.6
Balance of systems parts	59.9	56.9	3.0
PV solar power systems, net	305.6	308.6	(3.0)
Project assets — current and noncurrent	572.3	498.4	73.9
Long-term debt — current and noncurrent	570.7	466.8	103.9
Cash Flow			
Net cash used in operating activities	\$ (303.4)	\$ (185.5)	\$ (117.9)

2019 GUIDANCE AS OF MAY 2, 2019

	Prior	Current
Net Sales	\$3.25B to \$3.45B	\$3.5B to \$3.7B
Gross Margin (%) ¹	19.5% to 20.5%	18% to 19%
Operating Expenses ²	\$375M to \$395M	\$370M to \$390M
Operating Income	\$260M to \$310M	Unchanged
Earnings Per Share	\$2.25 to \$2.75	Unchanged
Net Cash Balance ³	\$1.6B to \$1.8B	\$1.7B to \$1.9B
Capital Expenditures	\$650M to \$750M	Unchanged
Shipments	5.4GW to 5.6GW	Unchanged

1. Includes \$45 to \$55 million of ramp costs (\$35 to \$45 million previously)

2. Includes \$70 to \$80 million of production start-up expense (\$75 to \$85 million previously)

3. Defined as cash, restricted cash and marketable securities less expected debt at the end of 2019



SERIES 6

SUMMARY & HIGHLIGHTS



BOOKINGS:

- 1.1 GW_{DC} booked since previous earnings call in February
- 2.3 GW_{DC} booked year-to-date 2019
- 6.6 GW_{DC} of mid-to-late stage opportunities



SERIES 6:

- Fleet efficiency, throughput, yield and cost improving
- Vietnam 2 factory matched fleet average watts per module within 3 months of operations



FINANCIALS:

- Raise net sales guidance to \$3.5 to \$3.7 billion
- Maintain 2019 EPS guidance of \$2.25 to \$2.75
- 2019 year end Net Cash guidance of \$1.7 to \$1.9 billion



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