First Solar Q3'22 Earnings Call

October 27, 2022

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: demand for our technology, 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 2022, including future financial results, operating results, net sales, gross margin, gross profit, gross loss, operating expenses, operating income, earnings per share, loss per share, net cash balance, capital expenditures, shipments, gain on sale of businesses, net, tax expense, after-tax gain on sale of businesses, non-operating income, income (loss) before taxes, net income, net loss, and implied loss per share; bookings, booking opportunities, expected module shipments; our ability to upgrade and expand manufacturing capacity worldwide; the anticipated sale of our Luz del Norte project in Chile; our ability to continue expanding our manufacturing footprint; research and development (“R&D”) programs; the ability of our updated contracting structure to provide ASP upsides and gross margin risk mitigation and a meaningful benefit to our current contracted backlog ASPs; our energy yield; our expectations regarding the expansion of our domestic capacity and the dedicated R&D innovation center; our expectations regarding our work with partners; and our belief about recently passed legislation.

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,” “contingent” 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 our forward-looking statements. These factors include, but are not limited to: structural imbalances in global supply and demand for PV solar modules; our competitive position and other key competitive factors; the market for renewable energy, including solar energy; the reduction, elimination, expiration or introduction 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; the passage of legislation intended to encourage renewable energy investments through tax credits; interest rate fluctuations and both our and our customers’ ability to secure financing; changes in the exchange rates between the functional currencies of our subsidiaries and other currencies in which assets and liabilities are denominated; our ability to execute on our long-term strategic plans; the loss of any of our large customers, or the ability of our customers and counterparties to perform under their contracts with us; our ability to execute on our solar module technology and cost reduction roadmaps; our ability to improve the wattage of our solar modules; the creditworthiness of our offtake counterparties and the ability of our offtake counterparties to fulfill their contractual obligations to us; the satisfaction of conditions precedent in our sales agreements; 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; 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; future collection and recycling costs for solar modules covered by our module collection and recycling program; supply chain disruption, including the availability of shipping containers, port congestion, canceled shipments by logistic providers, and the cost of fuel, demurrage, and detention charges, all of which may be exacerbated by the COVID-19 pandemic and the Russia-Ukraine conflict; 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 research and development; the supply and price of components and raw materials, including CdTe; our ability to convert existing or construct production facilities to support new product lines; our ability to attract and retain key executive officers and associates; the severity and duration of the COVID-19 pandemic, including its potential impact on our business, financial condition, and results of operations; 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 and our subsequently filed Quarterly Reports on Form 10-Q, as supplemented by our other filings with the Securities and Exchange Commission. You should carefully consider the risks and uncertainties described in these reports.

Third Quarter 2022 Update

Bookings, Production, Shipments	▪ Year to date bookings of 43.7 GW; 16.6 GW since previous earnings call ▪ Q3 2022 production of approximately 2.4 GW ▪ Q3 2022 shipments of approximately 2.8 GW
Manufacturing Performance Metrics[1]	▪ 112% fleet-wide capacity utilization; 114% when adjusted for planned downtime ▪ 26.6 MWs produced per day and 97.6% manufacturing yield ▪ 465 average watts per module and 97% bin distribution from 460 to 470 watts per module
Manufacturing Capacity and Technology	▪ Ohio and India manufacturing plant construction on schedule ▪ Recently announced additional 4.4 GW of U.S. manufacturing capacity ▪ Today announced $270m dedicated Research & Development facility in Perrysburg, Ohio
Strategic	▪ Completed sale of Australia and Japan O&M businesses ▪ Signed sale and purchase agreement for the Luz del Norte project in Chile

(1) Data from September 1, 2022 through September 30, 2022

Manufacturing and R&D expansion

Recent Investment

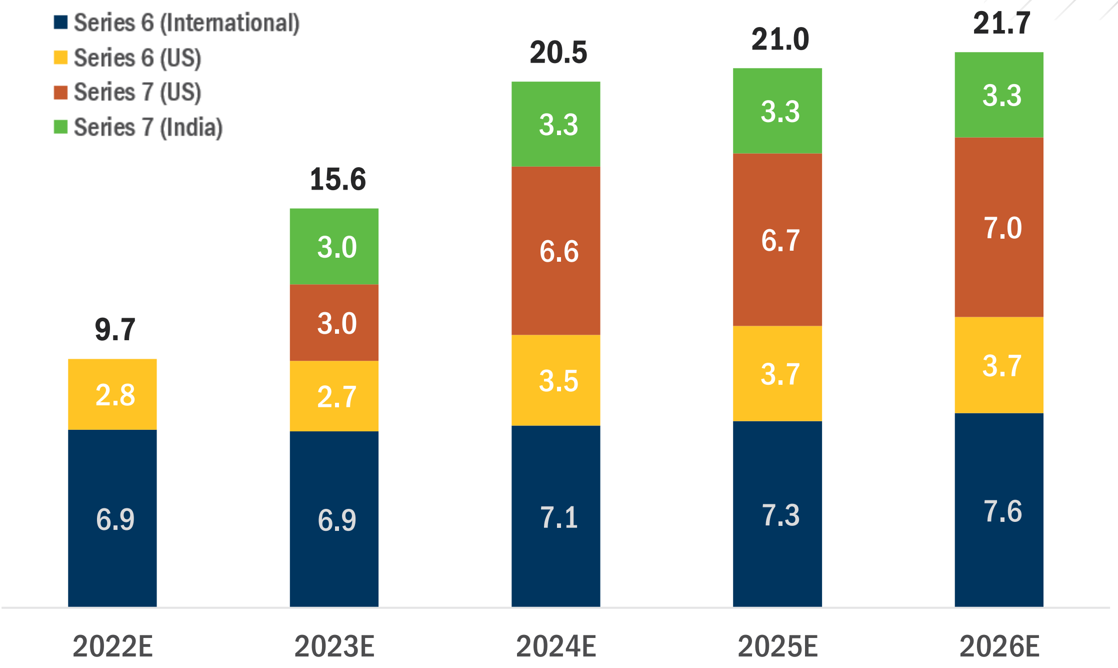
August 30, 2022

- $200m to upgrade Ohio manufacturing capacity by 0.9 GW
- $1 billion for new 3.5 GW greenfield plant, to be located in located in the US Southeast

October 27, 2022

- $270m for dedicated R&D line in Perrysburg, Ohio

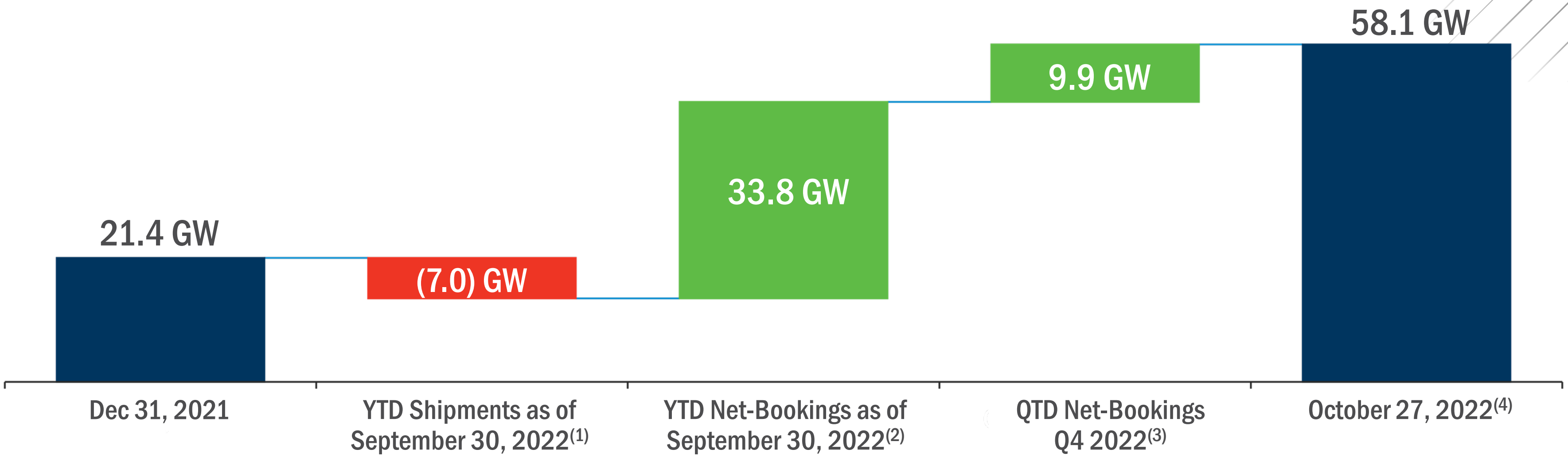
Year-End Nameplate Manufacturing Capacity (GW)



Approximately $1.5 billion of new investment announced since last earnings call

Numbers may not tie due to rounding

Expected Module Shipments (GW_{DC}):



The above table presents the actual module shipments for 2022 through September 30, 2022, new module volume net-bookings through October 27, 2022, and the expected module shipments beyond September 30, 2022. A module is considered to be shipped when the delivery process to a customer commences and the module leaves one of our facilities or the module has been recognized as revenue. Expected module shipments do not have a direct correlation to expected revenues as expected module shipments do not consider the timing of when all revenue recognition criteria are met.

(1) Reflects shipments from Jan 1, 2022 to September 30, 2022

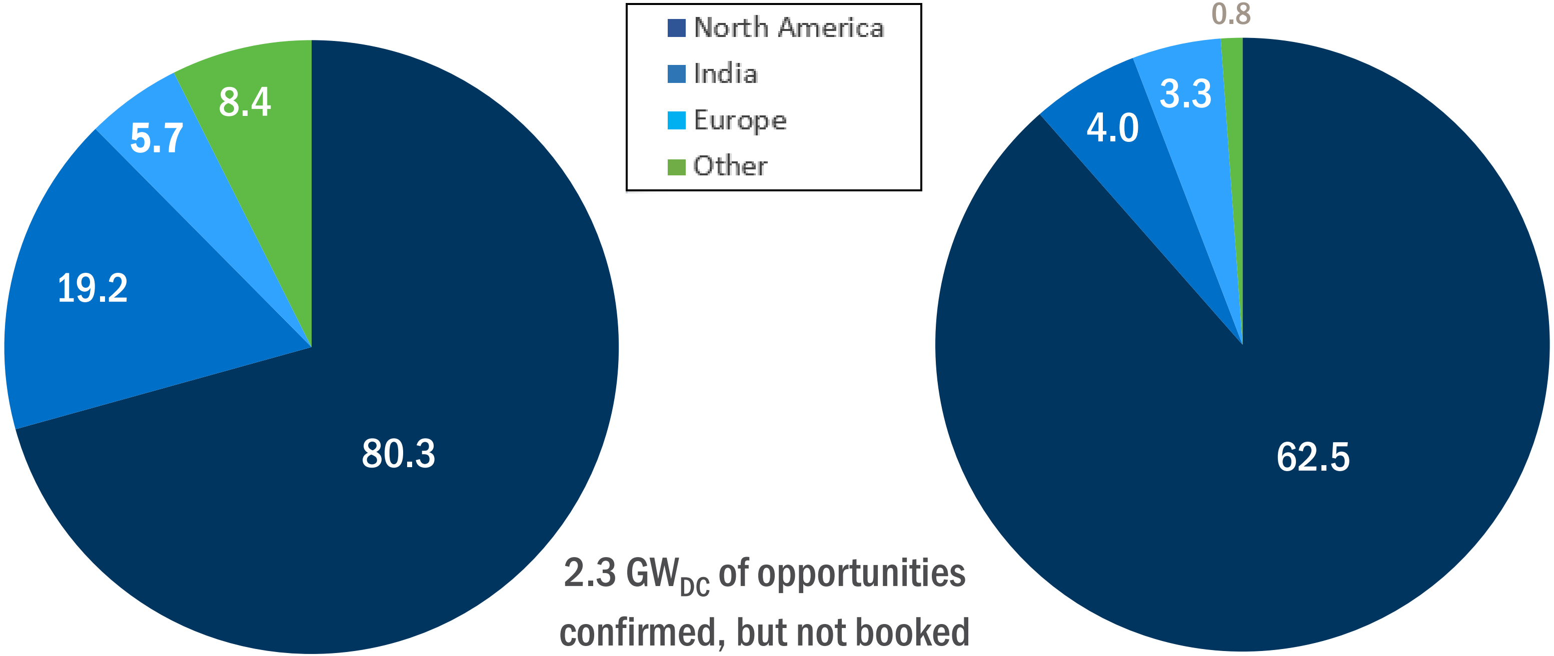
(2) Reflects bookings from Jan 1, 2022 to September 30, 2022

(3) Reflects bookings from October 1, 2022 to October 27, 2022

(4) Balance includes remaining shipment volumes as of September 30, 2022 and net-bookings through October 27, 2022. Shipments from October 1 to October 27, 2022 not deducted.

Q3 Potential Booking Opportunities

Total Booking Opportunities	Mid-to-Late Stage Booking Opportunities



2.3 GW_{DC} of opportunities confirmed, but not booked

113.6 GW_{DC} Opportunity

70.6 GW_{DC} Opportunity

Income Statement Highlights

(In millions, except per share amounts) [1]	Q3 2022A	Q2 2022A	Q3 2021A	QoQ Change	YoY Change
Net sales	**$629**	**$621**	**$584**	**$8**	**$45**
Gross profit (loss) %	*3.3%*	*(3.7%)*	*21.4%*	*7.0%*	*(18.1%)*
Selling, general and administrative	46	39	43	7	3
Research and development	29	25	25	4	4
Production start-up	20	13	3	7	17
Gain on sales of businesses, net[2]	6	245	(2)	(239)	8
Operating (loss) income	**(68)**	**145**	**51**	**(213)**	**(119)**
Income tax benefit (expense)	13	(84)	(1)	97	14
Net (loss) income	**(49)**	**56**	**45**	**(105)**	**(94)**
Net (loss) income per share - diluted	**(0.46)**	**0.52**	**0.42**	**(0.98)**	**(0.88)**

(1) Actual, QoQ, and YoY amounts rounded to the nearest million and may not tie due to rounding
(2) Reflects gains associated with the sales of our international O&M operations (Q3'22), our Japan project development business (Q2'22), and certain purchase price adjustments on the sales of North American O&M and U.S. project development business recorded in Q3'21

Balance Sheet Highlights

(In millions) [1]	Q3 2022A	Q2 2022A	Q3 2021A	QoQ Change	YoY Change
Cash and marketable securities[2]	$1,937	$1,853	$1,940	84	(3)
Accounts receivable[3]	361	490	273	(129)	88
Inventories - current and noncurrent	1,050	1,049	884	1	166
Property, plant and equipment, net	3,124	2,989	2,506	135	618
PV solar power systems, net	154	156	230	(2)	(76)
Project assets - current and noncurrent	28	30	335	(2)	(307)
Total assets	**7,493**	**7,419**	**7,269**	**74**	**224**
Long-term debt - current and noncurrent	260	175	279	85	(19)
Total liabilities	**1,664**	**1,524**	**1,439**	**140**	**225**
Total stockholders' equity	**5,828**	**5,986**	**5,830**	**(158)**	**(2)**

(1) Actual, QoQ, and YoY amounts rounded to the nearest million and may not tie due to rounding
(2) Includes cash and cash equivalents, marketable securities, and restricted cash
(3) Includes accounts receivable trade, net and unbilled, net

2022 Guidance as of October 27, 2022

	Prior	Current
Net Sales	$2.55B to $2.8B	$2.6B to $2.7B
Gross Profit (1,2)	$115M to $165M	$75M to $110M
Operating Expenses(3)	$350M to $365M	$345M to $360M
Operating Income(2,4,5)	$5M to $70M	$(30)M to $20M
Earnings (Loss) Per Share	$(0.25) to $0.25	$(0.65) to $(0.35)
Net Cash Balance(6)	$1.3B to $1.5B	$1.6B to $2.0B
Capital Expenditures	$850M to $1.1B	$800M to $1.0B
Shipments	8.9GW to 9.4GW	9.1GW to 9.4GW


Photo © Swinerton Renewable

(1) Includes $10 million to $15 million of underutilization losses
(2) Includes $45 million to $50 million of losses associated with a legacy systems business asset in Chile
(3) Includes $80 million to $85 million of production start-up expense
(4) Includes $90 million to $100 million of production start-up expense and underutilization losses
(5) Includes $245 million pre-tax gain related to the sale of the Japan project development and O&M platforms
(6) Defined as cash, cash equivalents, marketable securities, and restricted cash less expected debt at the end of 2022

Summary & Highlights

Financial

- Q3 2022 loss per share of 46 cents
- Reduce FY 2022 earnings guidance primarily to reflect unforeseen logistics costs
- Year-end 2022 net-cash guidance midpoint raised by $400 million

Operational

- Q3 2022 production of 2.4 GW, and shipments of 2.8 GW
- Previously announced 3.5 GW U.S. greenfield factory
- Today announced $270m investment in dedicated R&D line in Perrysburg, Ohio

Bookings

- 16.6 GW bookings since prior earnings
- Year-to-date bookings of 43.7 GW and current contracted backlog of 58.1 GW
- Portfolio average ASP increased approximately 1.2 cents per watt from Q2 to Q3

First Solar®

LEADING THE WORLD'S SUSTAINABLE ENERGY FUTURE