



# First Solar Q2'24 Earnings Call

July 30, 2024



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 ability to upgrade and expand manufacturing capacity worldwide; increased research and development (“R&D”) programs and investment; production and delivery of our modules; our financial guidance for 2024, 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, 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; expected earnings cadence, volume sold, bookings, booking opportunities, expected module shipments; products and our business and financial objectives for 2024; the impact of the Inflation Reduction Act of 2022 including the total advanced manufacturing production credit available to us under Section 45X of the Internal Revenue Code; 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 investment in the expansion of our domestic and international 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, such as the Inflation Reduction Act of 2022, the impact of the Inflation Reduction Act of 2022 on our expected results of operations in future periods, which may be affected by technical guidance, regulations, subsequent amendments or interpretations of the law; 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; our ability to incorporate technology improvements into our manufacturing process, including the production of bifacial solar modules and the implementation of our Copper Replacement (“CuRe”) program; 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; 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 arising from and results of pending litigation; future collection and recycling costs for solar modules covered by our module collection and recycling program or otherwise as required by laws and regulations; supply chain disruptions, including demurrage and detention charges; our ability to protect our intellectual property; our ability to prevent and/or minimize the impact of cybersecurity incidents including breaches or outages 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 construct new production facilities to support new product lines in line with anticipated timing, evolving corporate governance and public disclosure regulations and expectations including with respect to environmental, social and governance matters; our ability to avoid manufacturing interruptions, including during the ramp of our manufacturing facilities; our ability to attract and retain key executive officers and associates; the severity and duration of public health threats, and the 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 Condition 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. You should carefully consider the risks and uncertainties described in these reports.

# Second Quarter 2024 Update



## Demand

- Year to date net bookings of 3.6 GW; 0.9 GW of net bookings since previous earning call
- Total bookings backlog of 75.9 GW extending through 2030
- Total bookings opportunities of 80.6 GW; 28.6 GW mid-to-late stage



## Manufacturing<sup>(1)</sup>

- Production: S6 2.5 GW / S7 1.2 GW
- Wattage: Top Bin S6 475 / S7 545; Average Bin S6 468 / S7 536
- Yield: S6 98% / S7 96%



## Technology

- World record CdTe research cell conversion efficiency of 23.1%
- Inaugurated the Jim Nolan Center for Solar Innovation in Ohio
- CuRe launch remains on track for Q4 2024



## Financial

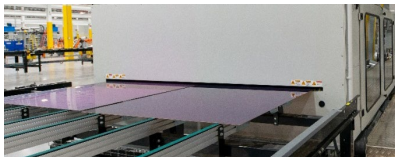
- Q2 2024 diluted EPS of \$3.25
- Q2 2024 gross cash<sup>(2)</sup> of \$1.8 billion, net cash<sup>(3)</sup> of \$1.2 billion

1) Data from April 1, 2024, through June 30, 2024

2) Defined as cash, cash equivalents, marketable securities, restricted cash and restricted cash equivalents

3) Defined as gross cash less debt

# Facilities Update



**Ohio Expansion and R&D Facility**  
Commissioned July 2024  
Incremental Manufacturing Capacity: 0.9 GW

**Alabama Manufacturing Facility**  
Expected Q3 2024  
Incremental Capacity: 3.5 GW

**Louisiana Manufacturing Facility**  
Expected 2H 2025  
Incremental Capacity: 3.5 GW

**Operational Total US Capacity: 7.1 GW**



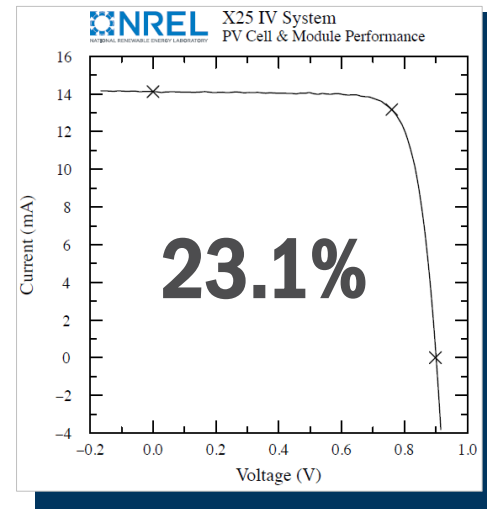
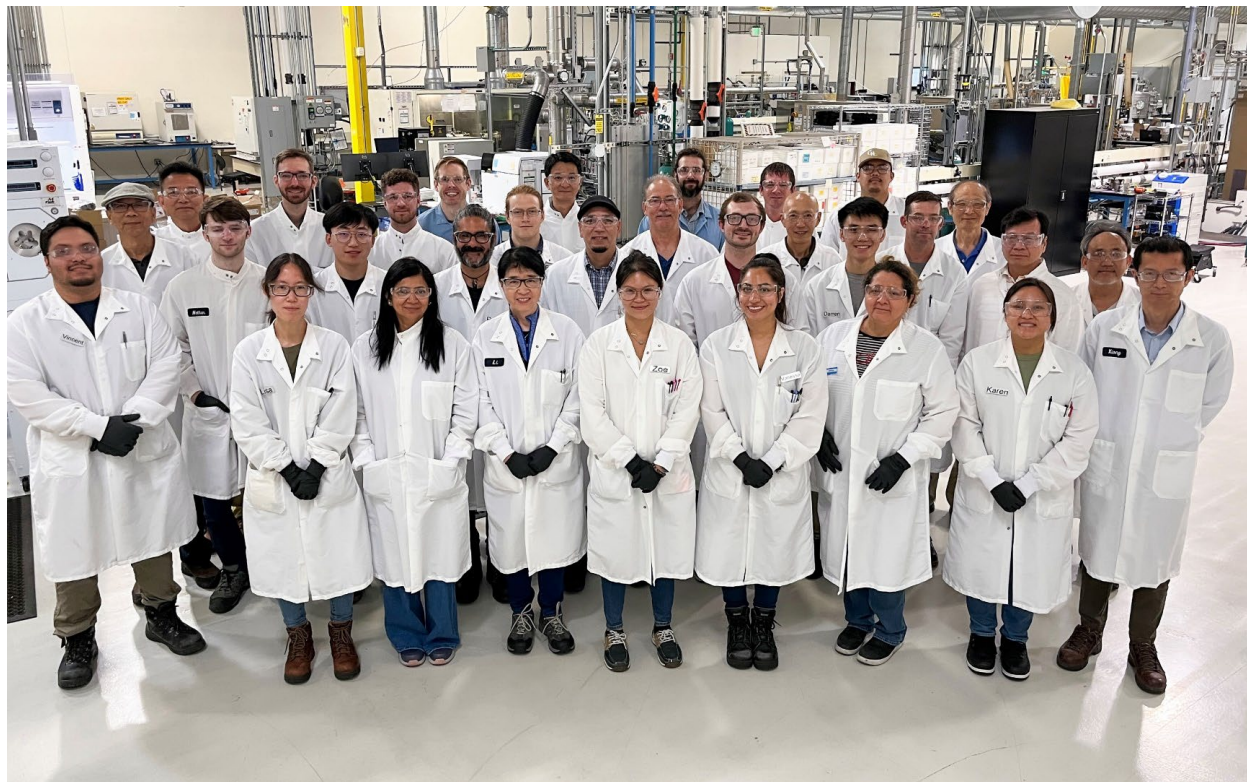
**Expected Total US Capacity: 10.6 GW**



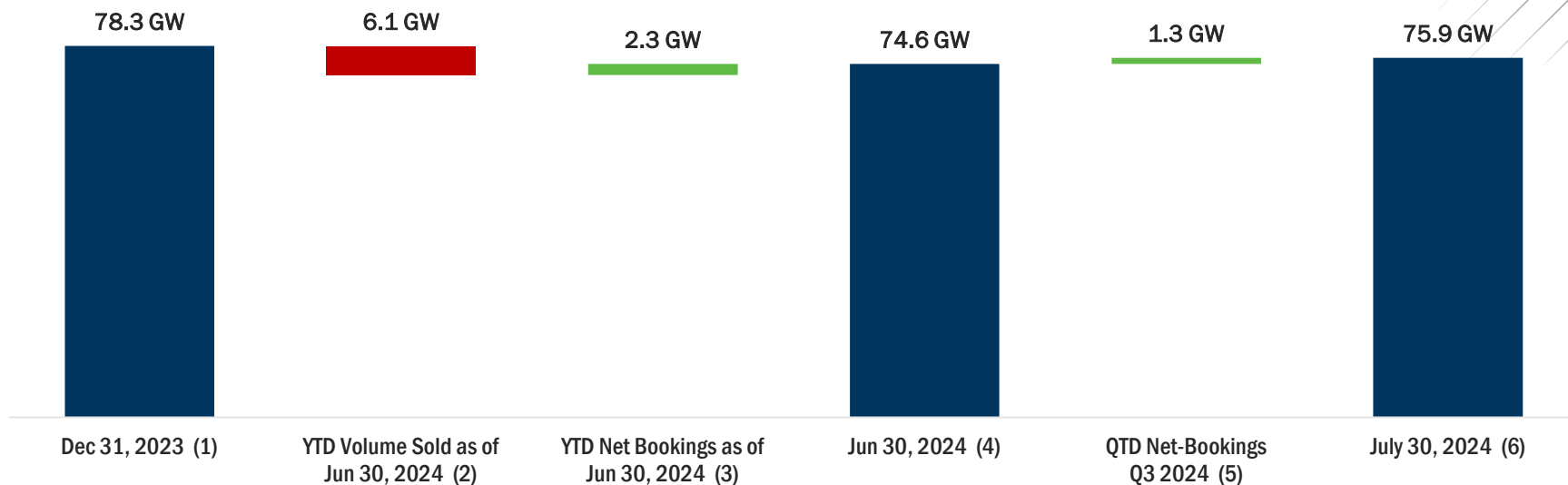
**Expected Total US Capacity: 14.1 GW**



# World Record CdTe Research Cell Technology



# Expected Module Volume Sold (GW<sub>DC</sub>):



The table above presents our expected module volume sold.

(1) Backlog as of December 31, 2023

(2) Volume sold from January 1, 2024, to June 30, 2024

(3) Net-bookings from January 1, 2024, to June 30, 2024

(4) Backlog as of June 30, 2024

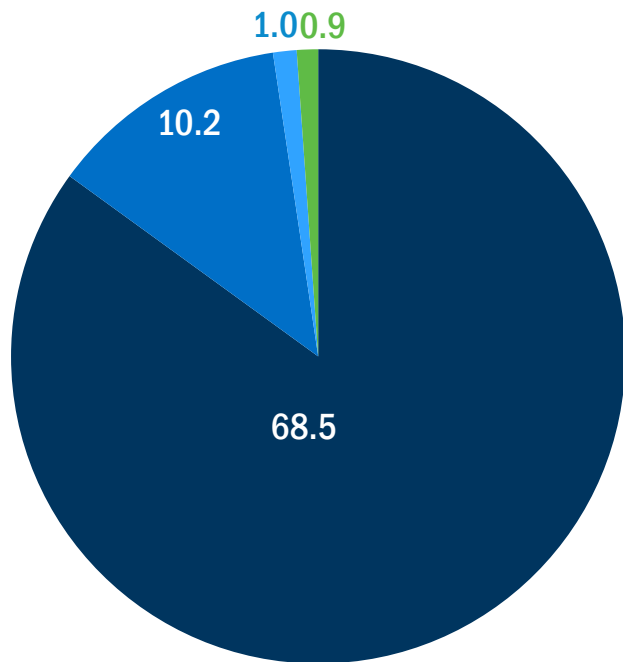
(5) Net-bookings from July 1, 2024, to July 30, 2024

(6) Backlog as of June 30, 2024, and net-bookings through July 30, 2024. Volume sold from July 1, 2024, to July 30, 2024, not deducted

Note: Volumes are rounded to the nearest hundred megawatts and may not add up due to rounding

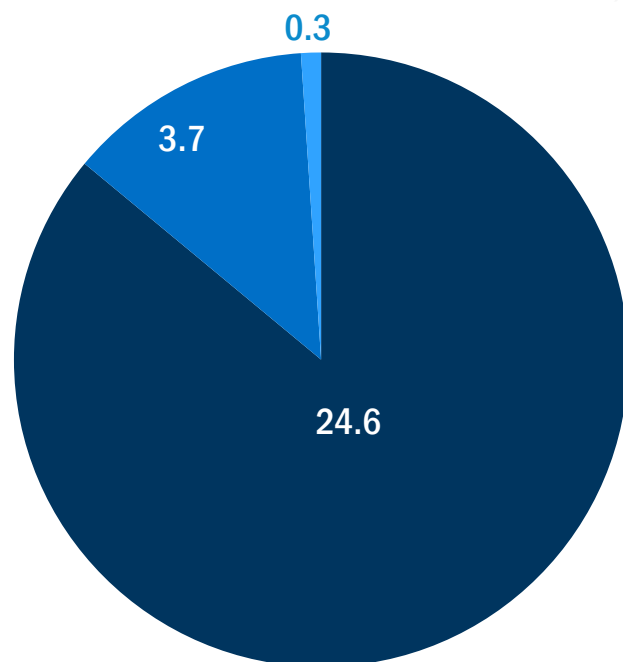
# Potential Booking Opportunities

Total bookings opportunities



80.6 GW Opportunity

Mid-to-Late stage opportunities



28.6 GW Opportunity

4.1 GW  
of opportunities  
confirmed,  
but not booked

# Income Statement Highlights

(In millions, except per share amounts)<sup>(1)</sup>

	Q2 2024A	Q1 2024A	Q2 2023A	QoQ Change	YoY Change
<b>Net sales</b>	<b>\$1,010</b>	<b>\$794</b>	<b>\$811</b>	<b>\$216</b>	<b>\$199</b>
<i>Gross profit %</i>	49.4%	43.6%	38.3%	5.8%	11.1%
Selling, general and administrative	47	46	46	1	1
Research and development	52	43	37	9	15
Production start-up	27	15	23	12	4
Litigation loss	—	—	36	—	(36)
<b>Operating income</b>	<b>373</b>	<b>243</b>	<b>169</b>	<b>130</b>	<b>204</b>
Income tax expense	(28)	(19)	(18)	(9)	(10)
<b>Net income</b>	<b>349</b>	<b>237</b>	<b>171</b>	<b>112</b>	<b>178</b>
<b>Net income per share - diluted</b>	<b>3.25</b>	<b>2.20</b>	<b>1.59</b>	<b>1.05</b>	<b>1.66</b>

(1) Actual, QoQ, and YoY amounts rounded to the nearest million and may not tie due to rounding



# Balance Sheet Highlights

Q2 2024A

<i>(In millions)</i> <sup>(1)</sup>	Q2 2024A	Q1 2024A	Q2 2023A	QoQ Change	YoY Change
Cash and marketable securities <sup>(2)</sup>	\$1,754	\$2,011	\$1,899	\$(257)	\$(145)
Accounts receivable	648	670	631	(22)	17
Inventories - current and noncurrent	1,302	1,236	1,013	66	289
Property, plant and equipment, net	5,139	4,916	4,020	223	1,119
<b>Total assets</b>	<b>11,014</b>	<b>10,761</b>	<b>8,997</b>	<b>253</b>	<b>2,017</b>
Deferred revenue - current and noncurrent	1,948	2,068	1,547	(120)	401
Debt - current and noncurrent	559	620	437	(61)	122
<b>Total liabilities</b>	<b>3,759</b>	<b>3,858</b>	<b>2,958</b>	<b>(99)</b>	<b>801</b>
<b>Total stockholders' equity</b>	<b>7,255</b>	<b>6,903</b>	<b>6,040</b>	<b>352</b>	<b>1,215</b>

(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, restricted cash and restricted cash equivalents

# 2024 Guidance as of July 30, 2024 <sup>(1)</sup>

	Prior	Current
Net Sales	\$4.4B to \$4.6B	Unchanged
Gross Margin (\$) <sup>(2)</sup>	\$2.0B to \$2.1B	Unchanged
Operating Expenses <sup>(3)</sup>	\$455M to \$485M	Unchanged
Operating Income <sup>(4)</sup>	\$1.5B to \$1.6B	Unchanged
Earnings Per Diluted Share	\$13.00 to \$14.00	Unchanged
Net Cash Balance <sup>(5)</sup>	\$0.6B to \$0.9B	Unchanged
Capital Expenditures	\$1.8B to \$2.0B	Unchanged
Volume Sold	15.6GW to 16.3GW	Unchanged

## Expected Earnings Cadence

“...following the aforementioned termination for convenience...we expect volume sold, revenue and net cash to be towards the bottom of our guidance range.”

“From a second half earnings cadence perspective, we expect our net sales and cost of sales profile, excluding the benefit of Section 45X tax credits, to be approximately 40% in the third quarter and 60% in the fourth quarter. We forecast Section 45X tax credits of approximately \$240 million in the third quarter and \$335 million in the fourth quarter. With an operating expense profile roughly evenly split across the remainder of the year, this results in a forecasted earnings per diluted share profile of approximately 40% in the third quarter and 60% in the fourth quarter.”

(1) The guidance figures presented are forward-looking statements that are subject to a variety of assumptions and estimates

(2) Assumes \$40 to \$60 million of ramp and underutilization costs and \$1.0 to \$1.05 billion of Section 45X tax credits

(3) Assumes \$70 to \$80 million of production start-up expenses

(4) Assumes \$110 to \$140 million of production start-up expenses, ramp and underutilization costs and \$1.0 to \$1.05 billion of Section 45X tax credits

(5) Defined as cash, cash equivalents, restricted cash, restricted cash equivalents, and marketable securities, less expected debt at the end of 2024

# Summary and Highlights



## Demand

- Year to date net bookings of 3.6 GW; 0.9 GW of net bookings since previous earning call
- Current contracted backlog of 75.9 GW
- Opportunity pipeline of 80.6 GW, including 28.6 GW mid-to-late stage



## Manufacturing and Technology

- Record Q2 production of 3.7 GW
- World record CdTe research cell conversion efficiency of 23.1%
- Ohio expansion completed, Alabama and Louisiana expansions on schedule
- Inaugurated the Jim Nolan Center for Solar Innovation in Ohio
- CuRe launch remains on track for Q4 2024



## Financial

- Q2 2024 diluted EPS of \$3.25
- Q2 2024 gross cash<sup>1</sup> of \$1.8 billion, net cash<sup>2</sup> of \$1.2 billion
- Reiterate full-year 2024 guidance

(1) Defined as cash, cash equivalents, marketable securities, restricted cash and restricted cash equivalents

(2) Defined as gross cash less debt



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