FIRST SOLAR 2019 GUIDANCE CALL

December 11, 2018

First Solar®

LEADING THE WORLD'S SUSTAINABLE ENERGY FUTURE



IMPORTANT INFORMATION

Cautionary Note Regarding Forward Looking Statements

The 2019 Guidance conference call and this presentation contain forward-looking statements which are made pursuant to safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements concerning: effects on our financial statements and guidance 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; future financial results, operating results, revenues, net sales, gross margin, operating expenses, operating income, earnings per share, net cash balance, shipments, products, projected costs (including estimated future legal and production ramp and start-up costs), solar module technology and cost reduction roadmaps, restructuring and capital expenditures; our ability to continue to reduce the cost per watt of our solar modules; the impact of public policies, such as tariffs or other trade remedies imposed on solar cells and 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 and our ability to improve the conversion efficiency of our solar modules; and sales and marketing initiatives. 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 conversion efficiency of our solar modules; interest rate fluctuations and both our and our customers' ability to secure financing; 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 research and development; 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 and our subsequently filed Quarterly Reports on Form 10-Q, as supplemented by our other filings with the Securities and Exchange Commission.

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AGENDA

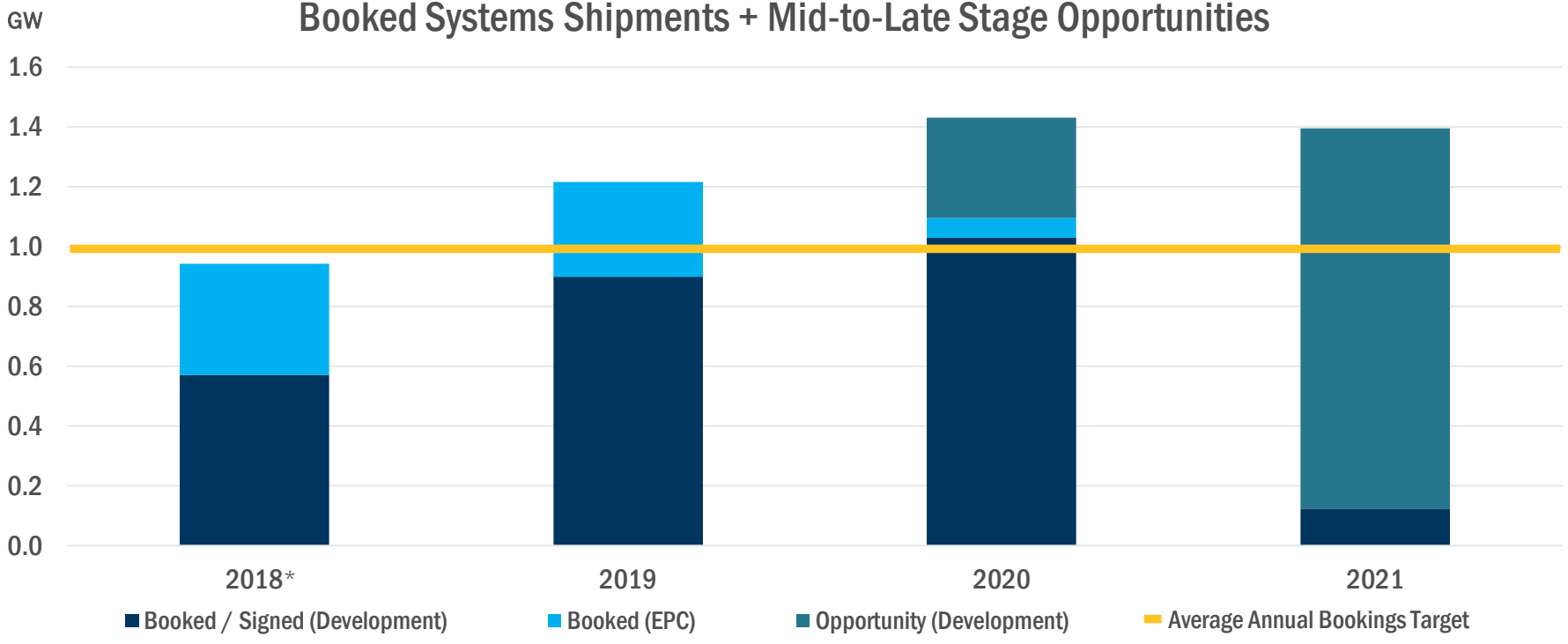
- Business Outlook
- Capacity & Production Roadmaps
- 2019 Financial Guidance
- Q&A





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SYSTEMS PIPELINE UPDATE

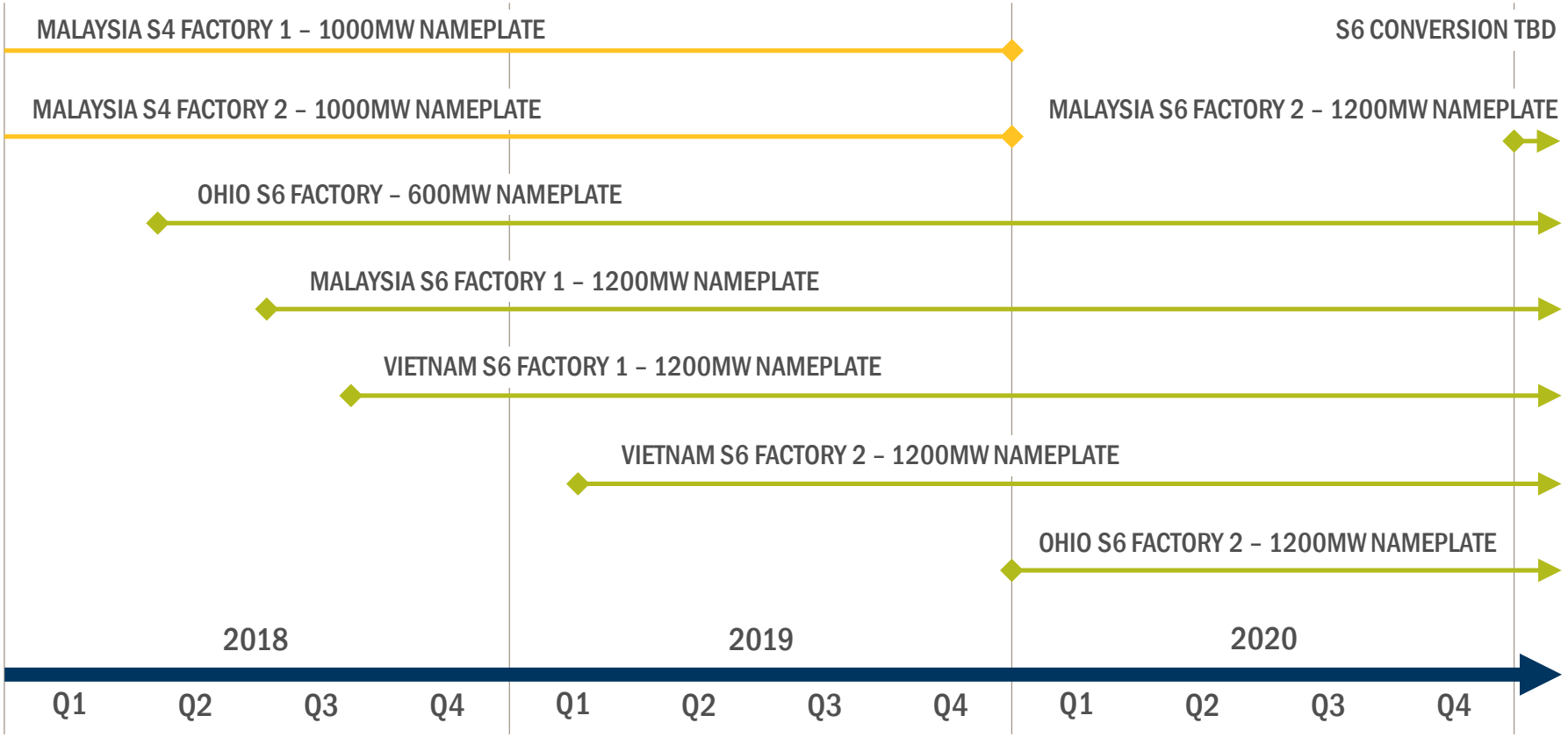


Total Systems Pipeline of $4GW_{DC}$; Including $2.4GW_{DC}$ Booked or Signed

*Includes year-to-date shipments and forecasted remaining shipments for 2018.

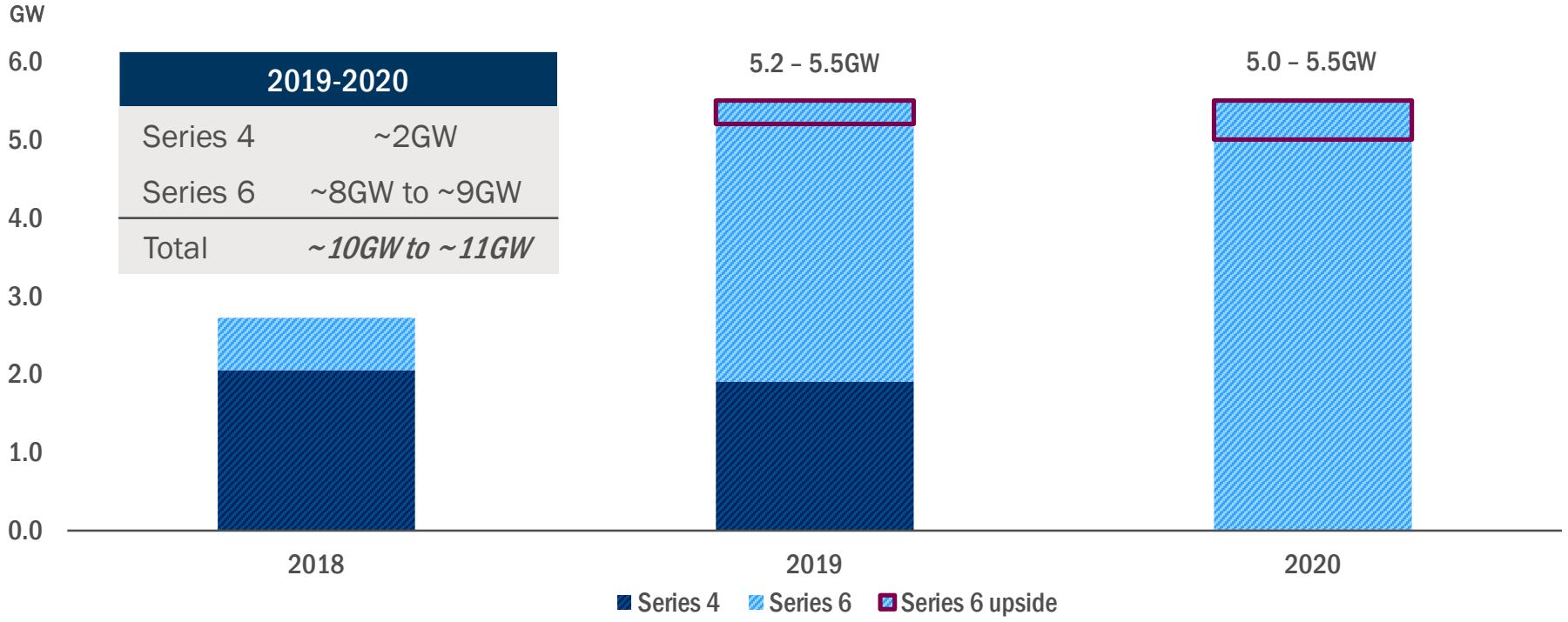
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UPDATED CAPACITY ROADMAP AS OF DEC 11, 2018



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MODULE PRODUCTION VOLUME AS OF DEC 11, 2018



Series 6 Production Growing to >5GW by 2020

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FINANCIAL GUIDANCE

2019 GUIDANCE: CERTAIN ASSUMPTIONS AS OF DECEMBER 11, 2018

PRODUCTION VOLUME:	• 5.2 – 5.5GW$_{DC}$ • Series 6: 3.2 – 3.5GW; Series 4: ~2GW
VOLUME SOLD:	• >5GW$_{DC}$ • Module: ~4GW; Systems: >1GW
NET SALES MIX:	• ~40 - 45% module • ~55 - 60% systems
SERIES 6 EXPANSION:	• Ramp Cost (COGS): $20 - $30M • Plant Start-Up (OPEX): $90 - $100M
SAFE HARBOR:	• $325 to $375M of investment • Preserves 30% ITC for ~5 gigawatts of projects

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SYSTEMS DEVELOPMENT PIPELINE HIGHLIGHTS





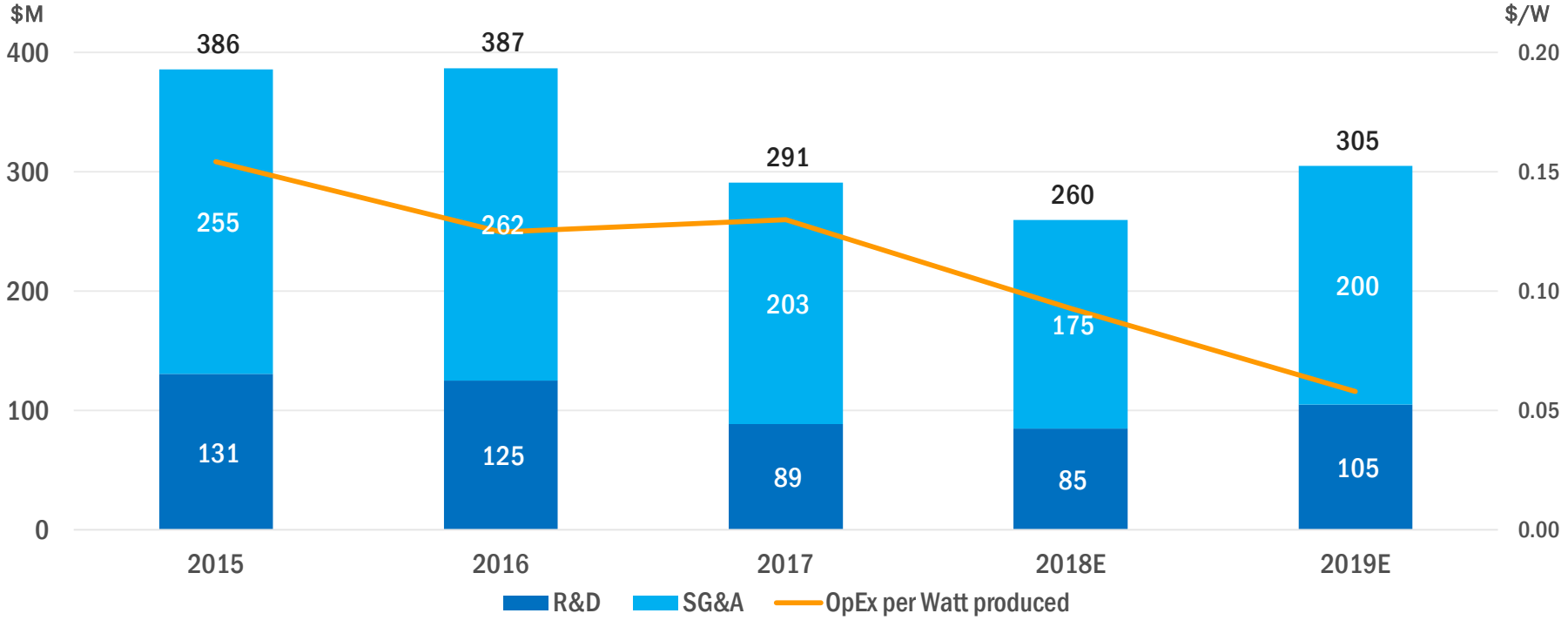
Expected Revenue Recognition: 2019	Project Size (MW AC)	PPA Offtaker or Owner	% of Revenue Recognized[1]
GA Solar 4, GA[2]	200	Origis Energy USA	6%
Rosamond, CA	150	Clearway Energy Group	48%
Sun Streams, AZ	150	SCE	0%
Sunshine Valley, NV	100	SCE	0%
Beryl, Australia	87	New Energy Solar	0%
Seabrook, SC	73	SCE&G[3]	0%
Ishikawa, Japan	59	Hokuriku Electric Power	0%
India Projects	40	Various	0%

~0.9GW$_{DC}$ of Systems Development Projects to be Recognized in 2019

1 – As of Sep 30, 2018 | 2 –Partial revenue recognition expected in 2019, remainder in 2020| 3 –SCE&G = South Carolina Electric & Gas

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EFFECTIVE OPEX MANAGEMENT



Lowering Operating Expense Per Watt and Increasing Investment in R&D

*2018 and 2019 operating expense based on mid-point of guidance range. Excludes restructuring and plant start-up.

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2019 GUIDANCE AS OF DECEMBER 11, 2018

	2019 Guidance
Net Sales	$3.25B to $3.45B
Gross Margin (%)[1]	20% to 21%
Operating Expenses[2]	$390M to $410M
Operating Income	$260M to $310M
Earnings Per Share	$2.25 to $2.75
Net Cash Balance[3]	$1.6B to $1.8B
Capital Expenditures	$650M to $750M
Shipments	5.4GW to 5.6GW

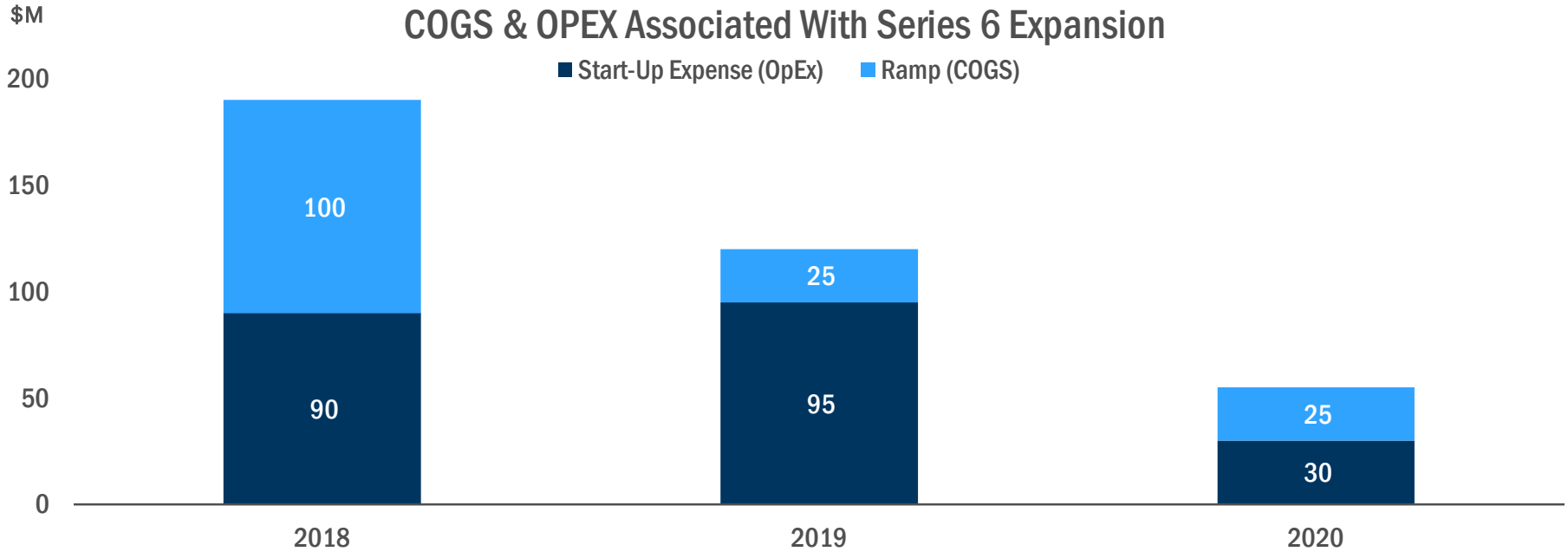
- $20M to $30M of ramp impact included in COGS
- $90M to $100M of plant start-up included in Operating Expenses



1 – Includes $20 to $30M of ramp cost. 2 – Includes $90 to $100M of plant start-up expense. 3 – Cash, marketable securities and restricted cash less expected debt at the end of 2019.

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SERIES 6 INVESTMENT 2018 TO 2020



Capex ($M)	~$700	$600 -$650	$100 - $150

Investment Enables 6.6GW of Series 6 Nameplate Capacity by Year End 2020

*2019 ramp costs and start-up expense based on mid-point of guidance range.

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GUIDANCE CALL SUMMARY

2019 OUTLOOK

- Strong bookings and pipeline anchoring Series 6 capacity expansion
- Systems business >1GW, including 0.9GW of development & select 3rd party EPC
- Module sales growing to ~4GW
- Operating Expense discipline leveraging fixed cost base

2019 GUIDANCE

- Solid revenue growth; guidance of $3.25 to $3.45 billion
- EPS guidance of $2.25 to $2.75
- Includes $110 to $130 million of Series 6 ramp costs and start up expenses
- Maintaining strong balance sheet throughout Series 6 transition

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