

# Canadian Solar 1Q25 Earnings Call

**May 15, 2025**

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# FY2025 Q1 Overview

**Key Financial Metrics**

**6.9 GW** Total module shipments

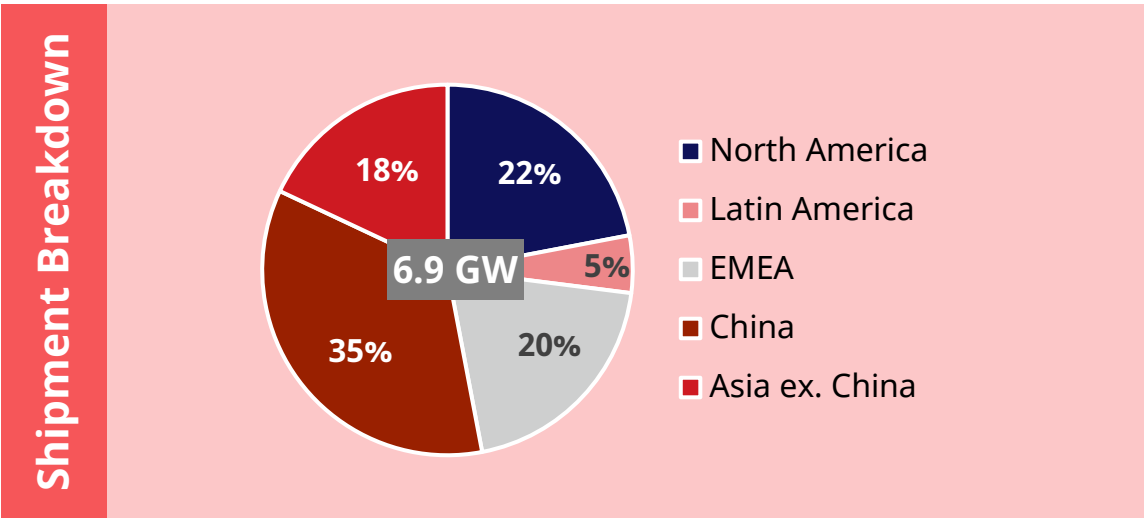
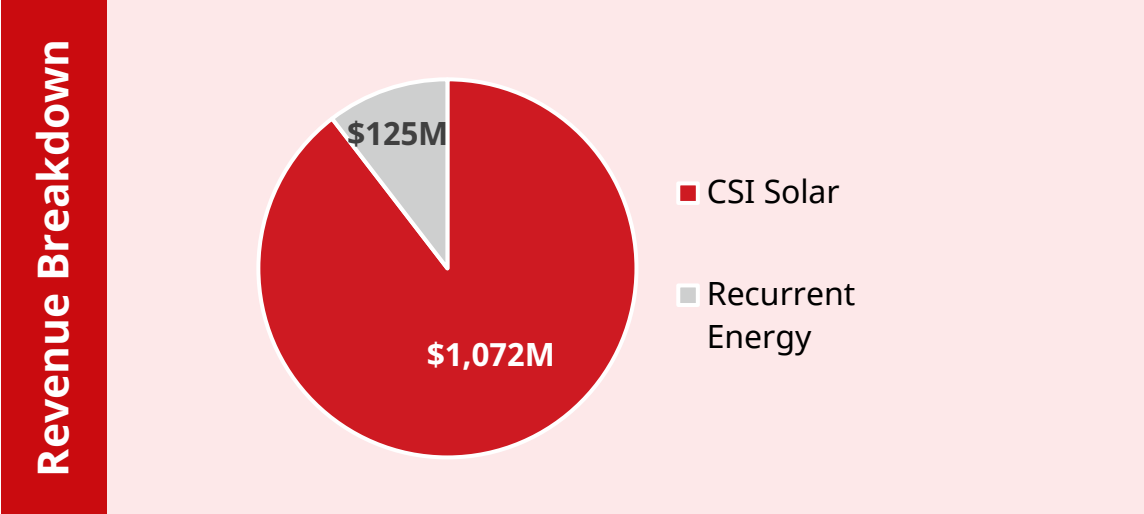
**0.8 GWh** Total storage shipments

**\$1.2 billion** Revenue

**11.7%** Gross margin

**\$34 million** Net loss to CSIQ<sup>(1)</sup>

**\$0.69** Diluted loss per share to CSIQ<sup>(1)</sup>



(1) Including \$26 million and \$0.38 positive HLBV impact to net income to CSIQ and diluted earnings per share to CSIQ, respectively.

# Near-Term Challenges and Long-Term Opportunities

## Challenges and Risk Mitigation Strategies

### We are operating in an uncertain environment ...

Geopolitical uncertainty, including ongoing U.S. policy developments, reduce visibility across our business

### We continue to...

Actively monitor developments and prudently adjust our business operations in real-time

### We face challenges that test us both operationally and financially...

- Oversupply across the solar supply chain
- Fierce competition and low market pricing
- Tariffs and other cost-increasing trade policy

### Our strategy includes...

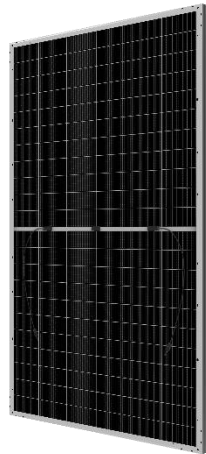
- Managing volumes in less profitable markets
- Leveraging a blended supply chain strategy
- Offering bundled sales to deliver more comprehensive value
- Differentiating through battery energy storage
- Controlling operating expenses and capital expenditures

## Opportunities

- Increasing clean energy demand driven by:
  - AI data centers
  - Cryptocurrency mining
  - Electrification of everything, including electric vehicles
  - Extreme weather events
- “Solar + storage” paradigm emerging, with storage demand accelerating globally
- Trend of reshoring domestic manufacturing
- Significant progress required to meet global climate targets: 5.5 TW by 2030 and 18 TW by 2050 (1.5°C Paris Agreement goal)

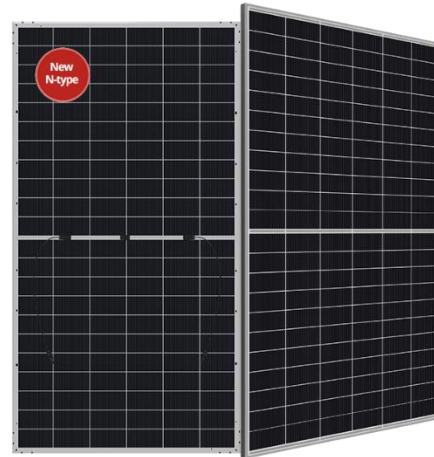
# Technology Leadership Across Both Solar and Storage

## Next Generation Solar Modules



### Anti-Hail Solar Module

- Module power up to 630 W and module efficiency up to 23.3%
- Tested up to ice ball of 55mm diameter according to IEC 61215 standard
- Lower temperature coefficient
- Increased energy yield in hot climate



### TOPCon 2.0 Solar Module

- Module power up to 660 W and module efficiency up to 24.4%
- Improved energy yield during 30-year lifetime
- Reduced BOS and LCOE
- Elevated quality through in-house material manufacturing capabilities

## Battery Energy Storage Milestones



### SolBank 3.0 Plus

- Power: 1.2 – 2.4 MW
- Capacity: 5.016 MWh
- Enhanced lifetime and energy density
- Advanced safety design
- Mirror design
- Installation and service efficiency



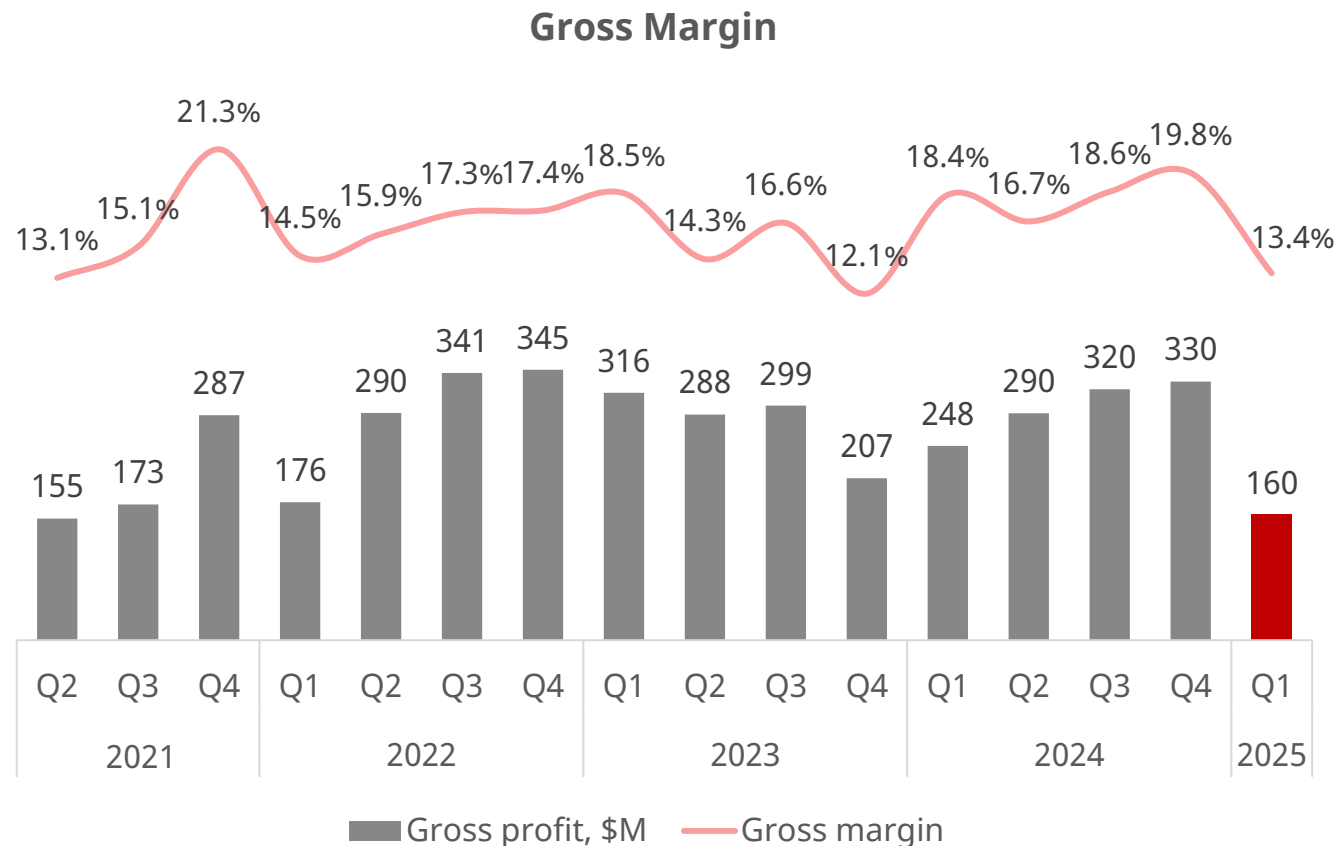
*Recognizing the innovative and outstanding design of EP Cube, Canadian Solar's residential energy storage solution*



# CSI Solar FY2025 Q1 Overview

## CSI Solar Q1 2025

- Module shipments: 6.9 GW
- Storage shipments: 0.8 GWh
- Revenue: \$1.2 billion
- Gross profit: \$160 million
- Gross margin: 13.4%
- Operating profit: \$2 million



Excluding the impact of intracompany eliminations.

# e-STORAGE Performance Overview and Outlook

Contracted backlog<sup>(1)</sup>  
**\$3.2 billion**

2025 shipments guidance  
**7 – 9 GWh**

2025 year-end BESS and battery cell capacity  
**30 GWh | 3 GWh**

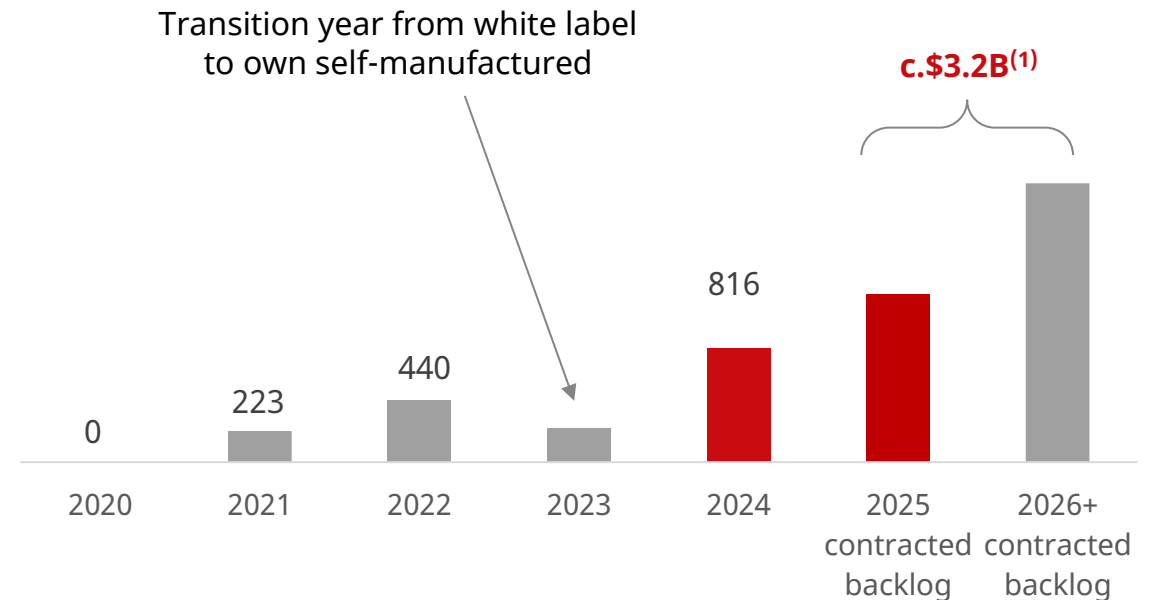
Total pipeline<sup>(1)</sup>  
**91 GWh**

Operating projects contracted under LTSA<sup>(1)</sup>  
**5.0 GWh**

(1) As of March 31, 2025.

## Turnkey Utility-Scale Battery Energy Storage Annual Revenue

*\$ in millions*



# Expanding e-STORAGE's Global Footprint

## *228 MW / 912 MWh MWh Diego de Almagro Sur Project in Chile*

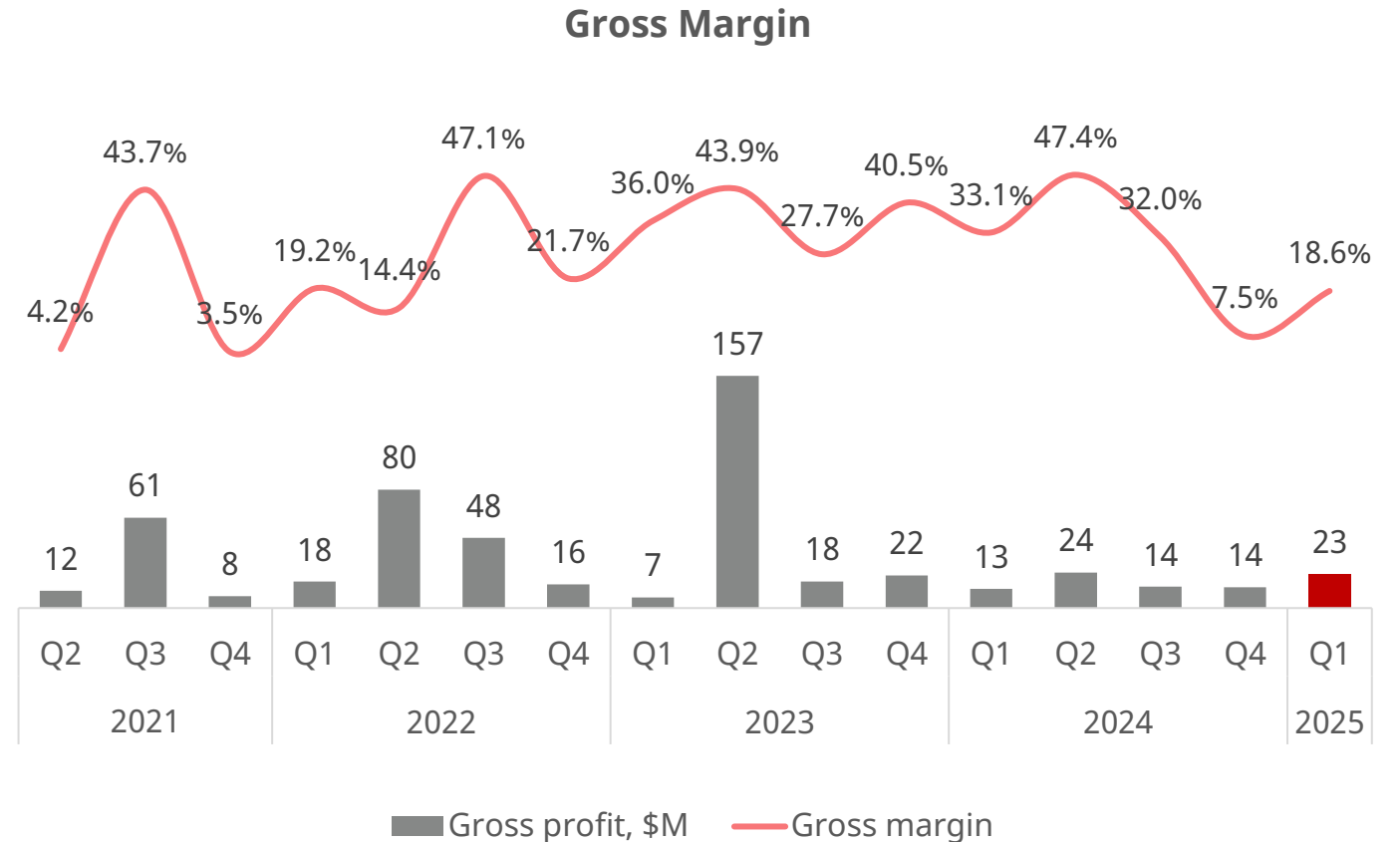


**José Ignacio Escobar, CEO of Colbún,** commented, "This agreement with e-STORAGE positions us as one of the leading companies in Chile's energy storage market, ensuring a continuous and secure supply of renewable energy for our industrial clients. This project, together with the other battery systems we are developing in the north of the country, will complement the storage capacity we already have through our reservoirs in the south. It is aligned with our vision of driving a responsible energy transition, where renewable energy must be not only sustainable, but also secure, continuous, and competitive."

# Recurrent Energy FY2025 Q1 Overview

## Recurrent Energy Q1 2025

- Project Sales: 114 MW
- Revenue: \$125 million
- Gross profit: \$23 million
- Gross margin: 18.6%
- Operating loss: \$12 million



Excluding the impact of intra-group elimination.

# One of the Industry's Largest and Most Mature Global Solar and Battery Energy Storage Project Development Pipelines

**Solar Project Development Pipeline – MWp<sup>(1)</sup>**

Region	Under Construction	Backlog	Advanced Dev.	Early-Stage Dev.	Total
North America	276	565	532	5,187	<b>6,560</b>
EMEA	969	1,881**	1,263	5,155	<b>9,268</b>
Latin America	128**	823	31	5,639	<b>6,621</b>
Asia Pac ex. China & Japan	171	277	430	1,289	<b>2,167</b>
China	300	850**	-	850	<b>2,000</b>
Japan	32	53	80	99	<b>264</b>
<b>Total</b>	<b>1,876</b>	<b>4,449</b>	<b>2,336</b>	<b>18,219</b>	<b><u>26,880</u></b>

**c.9 GW with interconnection**

**Securing interconnection**

**Battery Energy Storage Project Development Pipeline – MWh<sup>(1)</sup>**

Region	Under Construction	Backlog	Advanced Dev.	Early-Stage Dev.	Total
North America	1,400	800	0	20,496	<b>22,696</b>
EMEA	43	3,552	3,337	30,218	<b>37,150</b>
Latin America	-	1,365	400	-	<b>1,765</b>
Asia Pac ex. China & Japan	440	240	740	1,580	<b>3,000</b>
China	-	1,200	-	5,300	<b>6,500</b>
Japan	8	719	1,791	2,040	<b>4,558</b>
<b>Total</b>	<b>1,891</b>	<b>7,876</b>	<b>6,268</b>	<b>59,634</b>	<b><u>75,669</u></b>

**c.16 GWh with interconnection**

**Securing interconnection**

(1) All numbers are gross MWp, as of March 31, 2025.

(2) Including 63 MWp under construction and 551 MWp in backlog that are owned by or already sold to third parties.

# Quarterly Income Statement Highlights

<i>\$ in millions except per share data</i>	1Q24	2Q24	3Q24	4Q24	1Q25	qoq	yoy
<b>Net revenues</b>	<b>1,329</b>	<b>1,635</b>	<b>1,508</b>	<b>1,521</b>	<b>1,197</b>	<b>-21%</b>	<b>-10%</b>
-CSI Solar	1,342	1,731	1,716	1,670	1,190	-29%	-11%
-Recurrent Energy	39	50	45	188	125	-34%	+218%
-Elimination	(52)	(146)	(253)	(337)	(118)		
<b>Gross margin</b>	<b>19.0%</b>	<b>17.2%</b>	<b>16.4%</b>	<b>14.3%</b>	<b>11.7%</b>	<b>-260 bp</b>	<b>-730 bp</b>
-CSI Solar margin	18.4%	16.7%	18.6%	19.8%	13.4%	-640 bp	-500 bp
-Recurrent Energy margin	33.1%	47.4%	32.0%	7.5%	18.6%		
Selling and distribution expenses	89	132	136	132	91	-31%	+3%
General and admin expenses	95	101	100	220	106	-52%	+12%
R&D expenses	34	25	30	30	24	-20%	-29%
Other operating income	(14)	(24)	(19)	(38)	(26)		
<b>Total operating expenses</b>	<b>204</b>	<b>234</b>	<b>247</b>	<b>344</b>	<b>195</b>	<b>-43%</b>	<b>-4%</b>
<b>Operating income (loss)</b>	<b>49</b>	<b>48</b>	<b>0</b>	<b>(127)</b>	<b>(55)</b>		
Net interest expense	(1)	(19)	(20)	(9)	(28)		
Net FX gain or (loss)	(4)	13	(4)	(10)	(14)		
Income tax (expense) or benefit	(10)	(5)	20	12	23		
<b>Net income (loss)</b>	<b>36</b>	<b>27</b>	<b>(6)</b>	<b>(135)</b>	<b>(77)</b>		
<b>Net income (loss) attributable to Canadian Solar Inc.</b>	<b>12</b>	<b>4</b>	<b>(14)</b>	<b>34</b>	<b>(34)</b>		
<b>Diluted Earnings (loss) per Share</b>	<b>0.19</b>	<b>0.02</b>	<b>(0.31)</b>	<b>0.48</b>	<b>(0.69)<sup>(1)</sup></b>		

Note: Elimination effect from intracompany sales not included in segment margin. Please refer to 6-K for further details.

(1) Diluted EPS excludes the effect of convertible bonds, as they were anti-dilutive. -\$0.69/share is calculated from total loss of \$46M (includes Recurrent Energy redeemable preferred shares dividends of \$12M, or an EPS effect of 18 cents) divided by 67.0 million diluted shares.

# Quarterly Cash Flow and Balance Sheet Highlights

<i>\$ in millions</i>	1Q24	2Q24	3Q24	4Q24	1Q25
Working capital days	63	24	56	45	102
Operating cash inflow (outflow)	(291)	(429)	(231)	66	(264)
<b>Cash and equivalents</b>	<b>2,077</b>	<b>1,620</b>	<b>2,169</b>	<b>1,701</b>	<b>1,577</b>
<b>Restricted cash</b>	<b>817</b>	<b>572</b>	<b>659</b>	<b>563</b>	<b>457</b>
Short-term borrowings <sup>(1)</sup>	2,180	2,036	2,503	2,120	2,121
Convertible notes – current	-	-	-	229	229
Financing liabilities – current	-	-	-	-	-
Long-term borrowings	1,588	1,624	2,244	2,485	3,023
Green bonds and convertible notes – non-current	380	375	389	147	199
Financing liabilities – non-current	42	76	79	77	81
<b>Total debt</b>	<b>4,190</b>	<b>4,111</b>	<b>5,215</b>	<b>5,058</b>	<b>5,653</b>
<b>Net debt<sup>(2)</sup></b>	<b>1,296</b>	<b>1,919</b>	<b>2,387</b>	<b>2,794</b>	<b>3,619</b>
Non-GAAP EBITDA	156	174	129	(3)	72
<b>Net debt / EBITDA (trailing 12 months)</b>	<b>1.8x</b>	<b>3.4x</b>	<b>4.3x</b>	<b>6.1x</b>	<b>9.7x</b>
Net interest expense	1	19	20	9	28
<b>EBITDA / net interest coverage (trailing 12 months)</b>	<b>14.5x</b>	<b>11.6x</b>	<b>9.7x</b>	<b>9.2x</b>	<b>4.9x</b>

(1) Includes current portion of long-term borrowings on project assets

(2) Net debt includes cash and equivalent and restricted cash

# Guidance as of May 15, 2025

	FY2025 Q1 Actual	FY2025 Q2 Guidance	FY2024 Actual	FY2025 Guidance	FY2024-25E yoy Δ%
<b>Solar Module Shipments (DC)</b>	6.9 GW	7.5 – 8.0 GW <sup>(1)</sup>	31.1 GW	25 – 30 GW <sup>(3)</sup>	c. -12%
<b>Utility Scale Battery Energy Storage Shipments (DC)</b>	0.8 GWh	2.4 – 2.6 GWh	6.6 GWh <sup>(3)</sup>	7 – 9 GWh <sup>(4)</sup>	c. +21%
<b>Revenue</b>	\$1.2B	\$1.9B – \$2.1B	\$6.0B	\$6.1B – \$7.1B	c. +10%
<b>Gross Margin</b>	11.7%	23% – 25% <sup>(2)</sup>	16.7%	n/a	n/a

- Q2 margin bolstered by strong e-STORAGE volumes and mix of North America module shipments
- Reducing module volumes to less profitable markets in the second half
- Second half storage volume expectations impacted by trade negotiations

(1) Including around 500 MW to the Company's own projects.

(2) Including approximately 6% margin contribution from deconsolidation of U.S. project.

(3) Including around 1 GW to the Company's own projects.

(4) Including around 1 GWh to the Company's own projects.

# Thank You

## Let's Connect

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