

# Canadian Solar 2Q25 Earnings Call

**August 21, 2025**

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# FY2025 Q2 Overview

## Key Financial Metrics

**7.9 GW** Total module shipments<sup>(1)</sup>

**2.2 GWh** Total storage shipments<sup>(1)</sup>

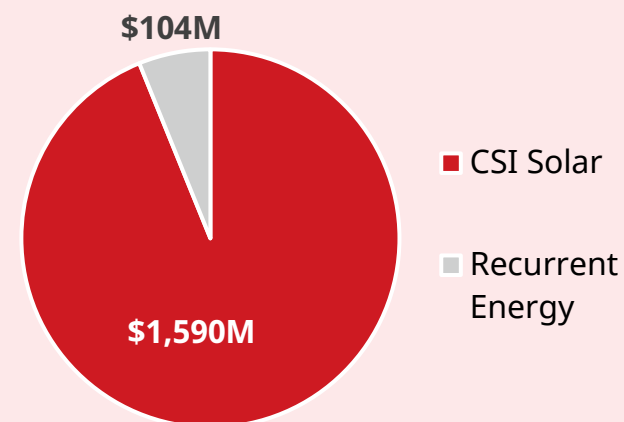
**\$1.7 billion** Revenue

**29.8%** Gross margin

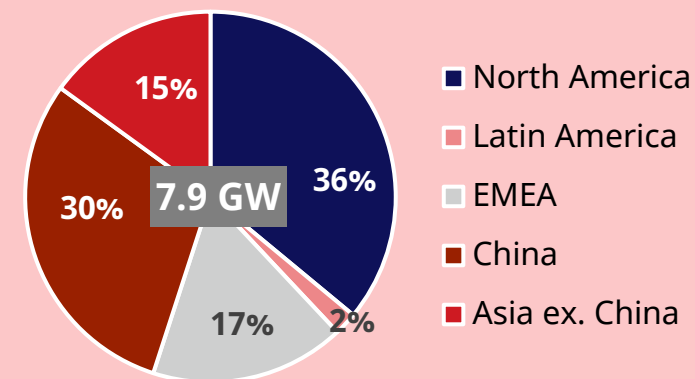
**\$7 million** Net income to CSIQ<sup>(2)</sup>

**\$0.08** Diluted loss per share to CSIQ<sup>(2)</sup>

## Revenue Breakdown



## Shipment Breakdown



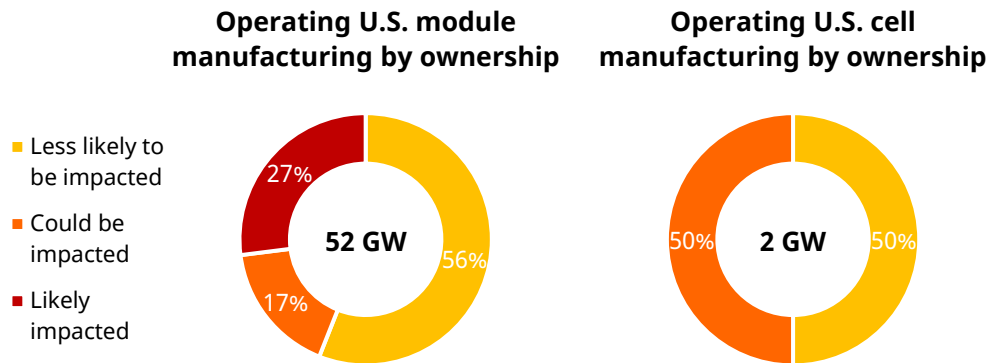
(1) Including shipments to the Company's own projects.

(2) Including \$30 million and \$0.45 positive HLBV impact to net income to CSIQ and diluted earnings per share to CSIQ, respectively. Diluted loss per share to CSIQ includes \$0.19 per share preferred dividend impact.

# Industry Impact of the One Big Beautiful Bill Act



- **Solar:** According to Wood Mackenzie, **up to 23 GW** of operating module capacity could be impacted by 45X FEOC restrictions:



- **Storage:** U.S. manufacturers **face rising costs and 45X credit qualification challenges** due to Chinese supply chain dominance in cell components, high tariff exposure, and increasingly stringent FEOC material requirements.

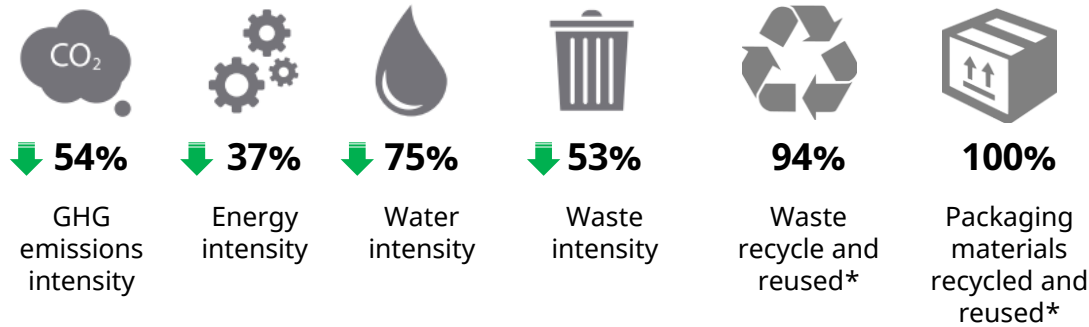
- According to S&P Global, demand outlook will be impacted by differing tax credit phase-downs schedules and FEOC requirements:

	Solar	Energy Storage	Distributed Generation
Short Term	<ul style="list-style-type: none"> <li>• Short window of tax credits without FEOC restrictions</li> </ul>	<ul style="list-style-type: none"> <li>• Steady growth with temporary tariff stability</li> </ul>	<ul style="list-style-type: none"> <li>• Project tax credits still accessible to third-party ownership (TPO)</li> </ul>
Medium Term	<ul style="list-style-type: none"> <li>• Tax credit phase-down and FEOC restrictions to reduce outlook, with some mitigation from inventory stockpiling</li> </ul>	<ul style="list-style-type: none"> <li>• Increasing FEOC thresholds to reduce outlook (prolonged stockpiling not optimal for batteries)</li> </ul>	<ul style="list-style-type: none"> <li>• Phase-down of tax credits and trend away from net metering to reduce outlook</li> </ul>
Long Term	<ul style="list-style-type: none"> <li>• Higher capex due to tax credit expiration, offset slightly by hardware cost declines</li> <li>• Strong demand driven by rising electricity prices and long-term power demand from datacenters</li> </ul>	<ul style="list-style-type: none"> <li>• Project tax credits available through 2035 but with strict FEOC rules</li> <li>• New supply chains needed to support demand</li> </ul>	<ul style="list-style-type: none"> <li>• Potential rebound in community solar and C&amp;I</li> <li>• Potential residential upside if BESS costs decline</li> </ul>

Source: Wood Mackenzie, S&P Global.

# 2024 Sustainability Report

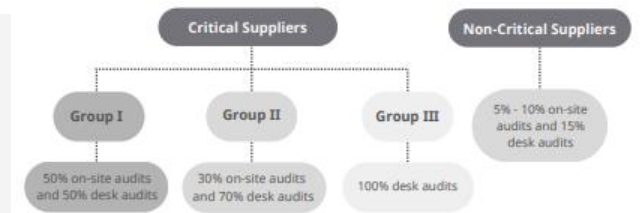
## Reduction in Environmental Footprint (2017 vs. 2024)



## Responsible Supply Chain Management

**Responsible Business Alliance**  
Advancing Sustainability Globally

RBA VAP Audits  
**Silver-level recognition (Suqian solar cell factory) (2025)**  
**Silver-level recognition (Thailand solar module factory) (2023)**



147 supplier ESG audits, including 31 on-site audits, in 2024

## Enhanced Transparency and Depth of Disclosures

Category	Calculation Method	Description	2024		2023	
			GHG emissions (tCO <sub>2</sub> e)	% of total	GHG emissions (tCO <sub>2</sub> e)	% of total
Category 1: Purchased goods and services	Average-data and spend-based methods	GHG emissions from the production of goods and services purchased	25,183,471	92.17%	19,902,975	90.57%
Category 2: Capital goods	Spend-based method	GHG emissions from the production of goods with an extended life (e.g., buildings, machinery, etc.)	17,383	0.06%	22,296	1.10%
Category 3: Fuel- and energy-related activities	Average-data method	GHG emissions from the extraction, production, and transportation of purchased fuels and energy	395,664	1.45%	390,340	1.78%
Category 4: Upstream transportation and distribution	Average-data and distance-based methods	GHG emissions from the transportation of raw materials and sold products, including emissions from segments of the journey for which we are responsible under freight terms	1,075,881	3.94%	865,076	3.94%
Category 5: Waste generated in operations	Waste-type specific method	GHG emissions from the management of waste generated in our operations	11,334	0.04%	10,672	0.05%
Category 6: Business travel	Spend-based method	GHG emissions from business travel	1,392	0.01%	1,228	0.01%
Category 7: Employee commuting	Distance-based method	GHG emissions from employees commuting to and back from work	8,873	0.03%	8,891	0.04%
Category 8: Downstream transportation and distribution	Distance-based method	GHG emissions from the transportation of the Company's products to customers, including from segments of the journey for which the Company is not responsible under freight terms	39,803	0.15%	137,516	0.63%
Category 12: End-of-life treatment of sold products	Waste-type specific method	GHG emissions from the disposal of our products at their end-of-life stage	575,537	2.11%	585,586	2.66%
Category 13: Downstream leased assets	Asset-specific method	GHG emissions from the scopes 1 and 2 activities of our lessees	14,917	0.05%	49,575	0.23%
<b>Total</b>			<b>27,324,256</b>	<b>100%</b>	<b>21,974,157</b>	<b>100%</b>

Disclosing all relevant scope 3 GHG emissions categories in alignment with the GHG Protocol, in addition to scope 1 and 2 emissions

## Recognitions and Initiatives

Corporate ESG Performance Prime  
ISS ESG

SILVER | Top 15%  
ecovadis Sustainability Rating MAR 2024  
68 / 100 90th percentile

Achilles

CDP

WE SUPPORT UN GLOBAL COMPACT

Environmental Finance Sustainable Debt Awards 2024 Winner Green project bond of the year

Responsible Business Alliance Advancing Sustainability Globally

SOLAR STEWARDSHIP INITIATIVE

SCIENCE BASED TARGETS DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

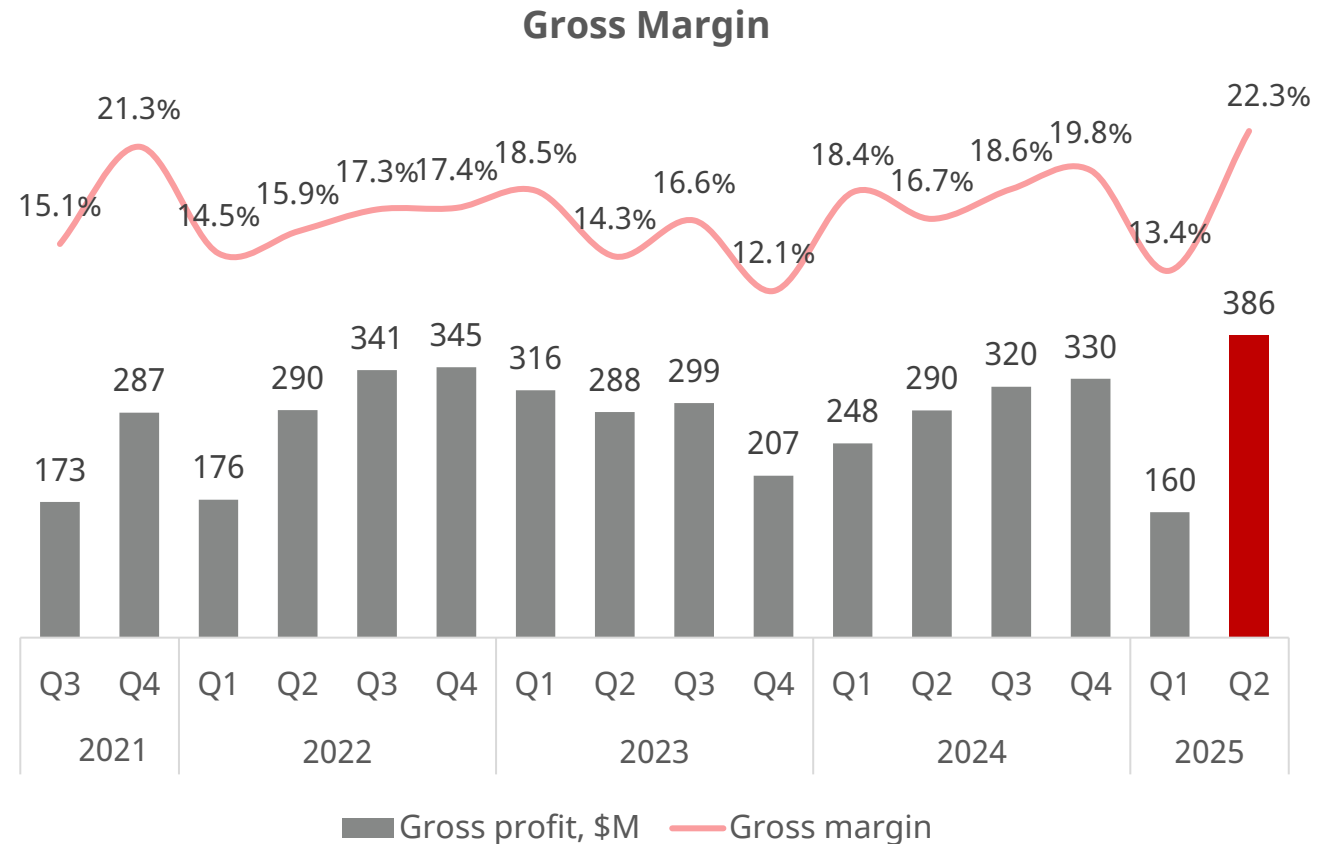
TIME 100 CLIMATE TIMECO<sub>2</sub>

\*Performance of 2024 and packaging materials recycled and reused during production processes.  
Source: Canadian Solar 2024 Sustainability Report.

# CSI Solar FY2025 Q2 Overview

## CSI Solar Q2 2025

- Module shipments: 7.9 GW
- Storage shipments: 2.2 GWh
- Revenue: \$1.7 billion
- Gross profit: \$386 million
- Gross margin: 22.3%
- Operating profit: \$121 million



Excluding the impact of intracompany eliminations.

# e-STORAGE Performance Overview and Outlook

Contracted backlog<sup>(1)</sup>

**\$3 billion**

2025 shipments guidance

**7 – 9 GWh**

June 2025 BESS and battery cell capacity

**10 GWh | 3 GWh**

2025 year-end BESS and battery cell capacity

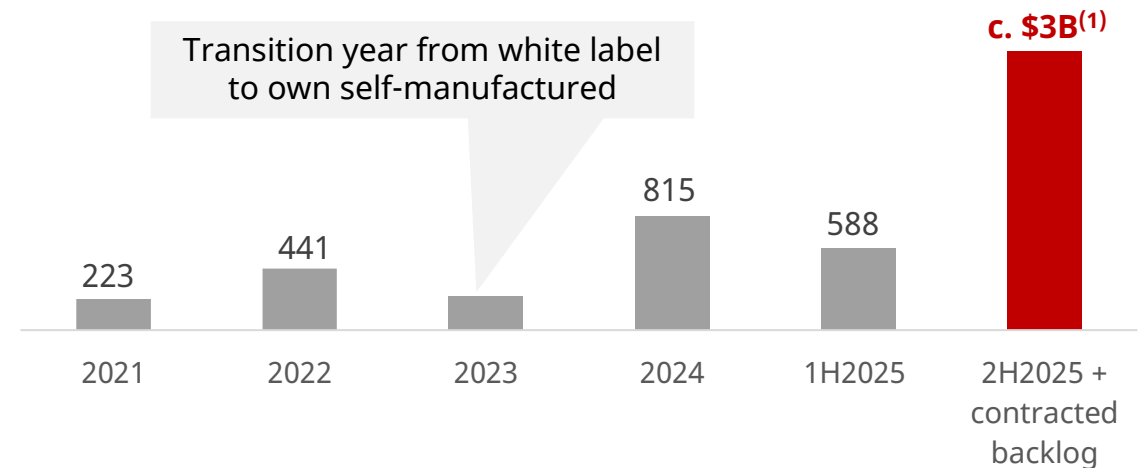
**15 GWh | 3 GWh**

2026 year-end BESS and battery cell capacity

**24 GWh | 9 GWh**

## Turnkey Utility-Scale Battery Energy Storage Annual Revenue<sup>(2)</sup>

*\$ in millions*



(1) As of June 30, 2025. Includes volumes allocated to the Company's own projects.

(2) Bar chart is illustrative and not drawn to precise scale.

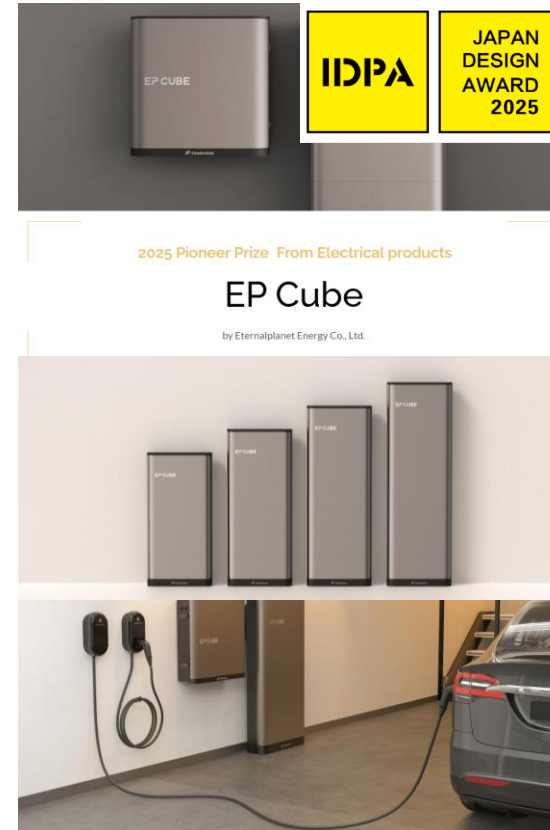
# Innovation in Energy Storage Solutions

## Highest Standards of Safety in Utility-Scale BESS



- ✓ Conducted under the **CSA C-800:25 \$9.7 Large-Scale Fire Testing (LSFT) protocol**
- ✓ **Witnessed and independently verified** by both **CSA Group**, the testing agency, and **Energy Safety Response Group (ESRG)**, a fire safety consultant

## Leading Design for Residential Applications



The modular energy storage system EP Cube allows flexible customisation of storage capacity and performance thanks to stackable battery modules. The capacity is fully customisable based on individual requirements. An integrated hybrid inverter supports both DC and AC coupling, which reduces energy losses and increases efficiency. The system also offers emergency power, self-consumption and time-dependent utilisation functions for PV systems. Settings can be customised and all data monitored in real time via an app.

### Statement by the Jury

EP Cube impresses as an easily expandable energy storage system that can be installed in a space-saving manner thanks to its slim profile.

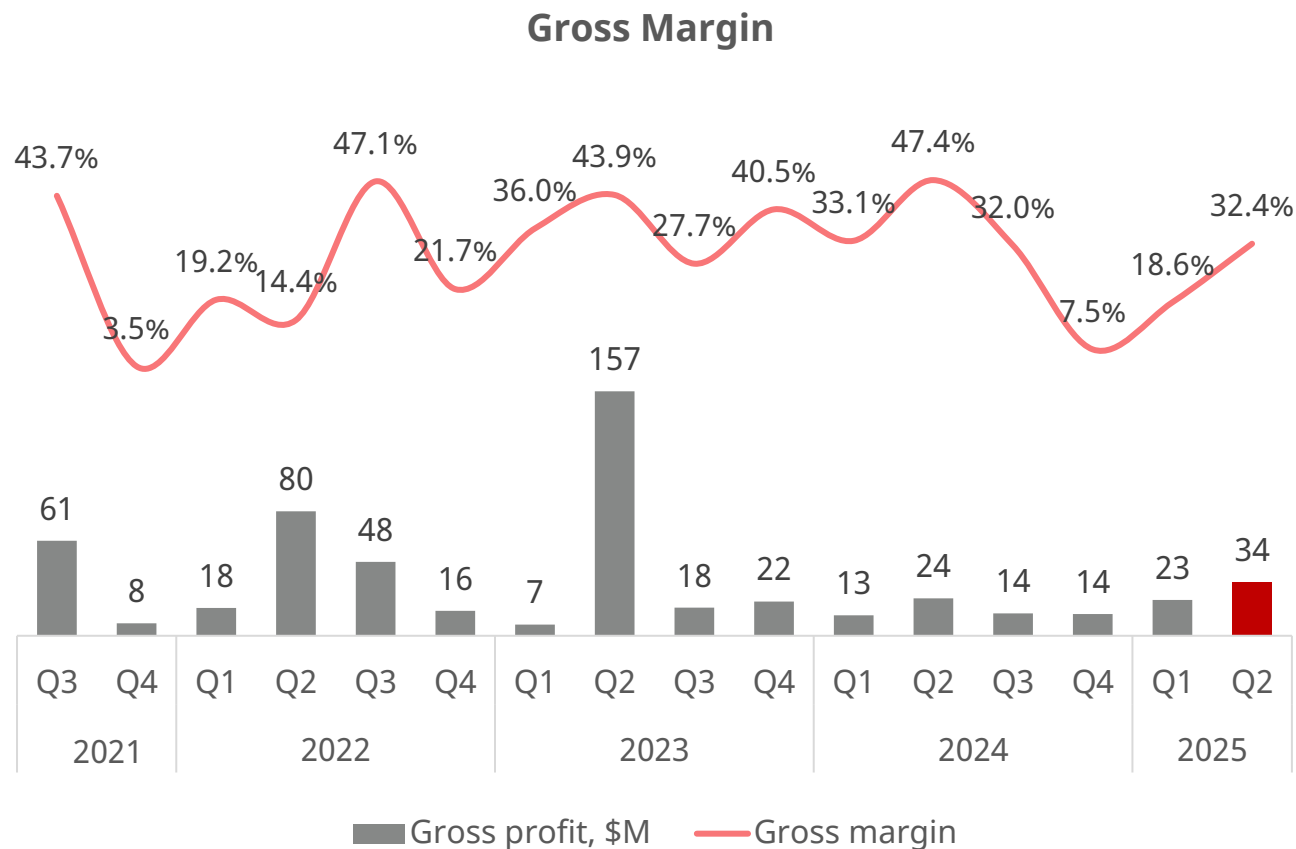


reddot winner 2025

# Recurrent Energy FY2025 Q2 Overview

## Recurrent Energy Q2 2025

- Project Sales: 213 MW
- Revenue: \$106 million
- Gross profit: \$34 million
- Gross margin: 32.4%
- Operating loss: \$74 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	547	427	5,024	<b>6,274</b>
EMEA	1,073	1,704**	872	4,767	<b>8,416</b>
Latin America	128**	823	352	5,666	<b>6,969</b>
Asia Pac ex. China & Japan	171	275	430	1,289	<b>2,165</b>
China	300	780**	-	2,100	<b>3,180</b>
Japan	52	33	80	127	<b>292</b>
<b>Total</b>	<b>2,000</b>	<b>4,162</b>	<b>2,161</b>	<b>18,973</b>	<b><u>27,296</u></b>

**c.8 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	600	200	600	20,644	<b>22,044</b>
EMEA	43	2,708	4,493	31,790	<b>39,034</b>
Latin America	-	-	1,320	1,385	<b>2,705</b>
Asia Pac ex. China & Japan	440	240	740	2,580	<b>4,000</b>
China	-	1,200	-	6,600	<b>7,800</b>
Japan	8	936	2,031	1,650	<b>4,625</b>
<b>Total</b>	<b>1,091</b>	<b>5,284</b>	<b>9,184</b>	<b>64,649</b>	<b><u>80,208</u></b>

**c.16 GWh with interconnection**

**Securing interconnection**

(1) All numbers are gross MWp, as of June 30, 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>	2Q24	3Q24	4Q24	1Q25	2Q25	qoq	yoy
<b>Net revenues</b>	<b>1,635</b>	<b>1,508</b>	<b>1,521</b>	<b>1,197</b>	<b>1,694</b>	<b>+42%</b>	<b>+4%</b>
-CSI Solar	1,731	1,716	1,670	1,190	1,732	+45%	+0%
-Recurrent Energy	50	45	188	125	106	-15%	+110%
-Elimination	(146)	(253)	(337)	(118)	(144)		
<b>Gross margin</b>	<b>17.2%</b>	<b>16.4%</b>	<b>14.3%</b>	<b>11.7%</b>	<b>29.8%</b>	<b>+1810 bp</b>	<b>+1260 bp</b>
-CSI Solar margin	16.7%	18.6%	19.8%	13.4%	22.3%	+890 bp	+560 bp
-Recurrent Energy margin	47.4%	32.0%	7.5%	18.6%	32.4%		
Selling and distribution expenses	132	136	132	91	109	+21%	-17%
General and admin expenses	101	100	220	106	253	+139%	+150%
R&D expenses	25	30	30	24	25	+2%	-3%
Other operating income	(24)	(19)	(38)	(26)	(9)		
<b>Total operating expenses</b>	<b>234</b>	<b>247</b>	<b>344</b>	<b>195</b>	<b>378</b>	<b>+93%</b>	<b>+61%</b>
<b>Operating income (loss)</b>	<b>48</b>	<b>0</b>	<b>(127)</b>	<b>(55)</b>	<b>127</b>		
Net interest expense	(19)	(20)	(9)	(28)	(35)		
Net FX gain or (loss)	13	(4)	(10)	(14)	(13)		
Income tax (expense) or benefit	(5)	20	12	23	(34)		
<b>Net income (loss)</b>	<b>27</b>	<b>(6)</b>	<b>(135)</b>	<b>(77)</b>	<b>45</b>		
<b>Net income (loss) attributable to Canadian Solar Inc.</b>	<b>4</b>	<b>(14)</b>	<b>34</b>	<b>(34)</b>	<b>7</b>		
<b>Diluted Earnings (loss) per Share</b>	<b>0.02</b>	<b>(0.31)</b>	<b>0.48</b>	<b>(0.69)</b>	<b>(0.08)<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. -\$0.08/share is calculated from total loss of \$5M (includes Recurrent Energy redeemable preferred shares dividends of \$12M, or an EPS effect of 19 cents) divided by 67.2 million diluted shares.

# Quarterly Cash Flow and Balance Sheet Highlights

<i>\$ in millions</i>	2Q24	3Q24	4Q24	1Q25	2Q25
<b>Working capital days</b>	<b>24</b>	<b>56</b>	<b>45</b>	<b>102</b>	<b>14</b>
<b>Operating cash inflow (outflow)</b>	<b>(429)</b>	<b>(231)</b>	<b>66</b>	<b>(264)</b>	<b>189</b>
Cash and equivalents	1,620	2,169	1,701	1,577	1,856
Restricted cash	572	659	563	457	408
Property, plant and equipment, net	3,080	3,334	3,175	3,220	3,308
Solar power and battery energy storage systems, net	1,267	1,722	1,977	2,189	1,981
Project Assets	1,244	1,355	1,284	1,373	1,719
<b>Total assets</b>	<b>12,137</b>	<b>13,780</b>	<b>13,512</b>	<b>13,896</b>	<b>14,812</b>
Short-term borrowings <sup>(1)</sup>	2,036	2,503	1,873	2,121	2,275
Convertible notes – current	-	-	229	229	-
Financing liabilities – current	-	-	-	-	-
Long-term borrowings	1,624	2,244	2,732	3,023	3,455
Green bonds and convertible notes – non-current	375	389	147	199	438
Financing liabilities – non-current	76	79	77	81	82
<b>Total debt</b>	<b>4,111</b>	<b>5,215</b>	<b>5,058</b>	<b>5,653</b>	<b>6,250</b>
<b>Net debt<sup>(2)</sup></b>	<b>1,919</b>	<b>2,387</b>	<b>2,794</b>	<b>3,619</b>	<b>3,986</b>
Non-GAAP EBITDA	174	129	(3)	72	260
<b>Net debt / EBITDA (trailing 12 months)</b>	<b>3.4x</b>	<b>4.3x</b>	<b>6.1x</b>	<b>9.7x</b>	<b>8.7x</b>
Net interest expense	19	20	9	28	35
<b>EBITDA / net interest coverage (trailing 12 months)</b>	<b>11.6x</b>	<b>9.7x</b>	<b>9.2x</b>	<b>4.9x</b>	<b>5.0x</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 August 21, 2025

	FY2025 Q2 Actual	FY2025 Q3 Guidance	FY2024 Actual	FY2025 Guidance	FY2024-25E yoy Δ%
<b>Solar Module Shipments (DC)</b>	7.9 GW	5.0 – 5.3 GW	31.1 GW	25 – 27 GW <sup>(2)</sup>	c. -20%
<b>Utility Scale Battery Energy Storage Shipments (DC)</b>	2.2 GWh	2.1 – 2.3 GWh <sup>(1)</sup>	6.6 GWh <sup>(3)</sup>	7 – 9 GWh <sup>(3)</sup>	c. +21%
<b>Revenue</b>	\$1.7B	\$1.3B – \$1.5B	\$6.0B	\$5.6B – \$6.3B	c. -1%
<b>Gross Margin</b>	29.8%	14% – 16%	16.7%	n/a	n/a

- Q3 margins reflect rising solar manufacturing costs and normalizing storage margins
- Full year module volume guidance range narrowed, driven by reduced exposure to less profitable markets
- Full year revenue guidance range lowered due to project sales delays and more conservative module ASP projections

(1) Including around 250 MWh to the Company's own projects.

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

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

# Thank You

## Let's Connect

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