

Canadian Solar 1Q24 Earnings Call

May 9, 2024

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FY2024 Q1 Overview

Key Quarterly Financial Metrics

\$1.3 billion
Revenue

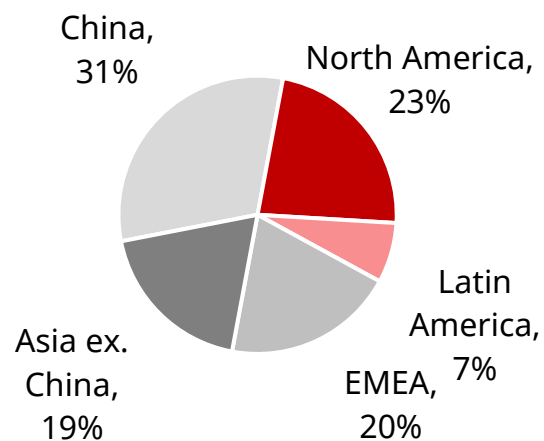
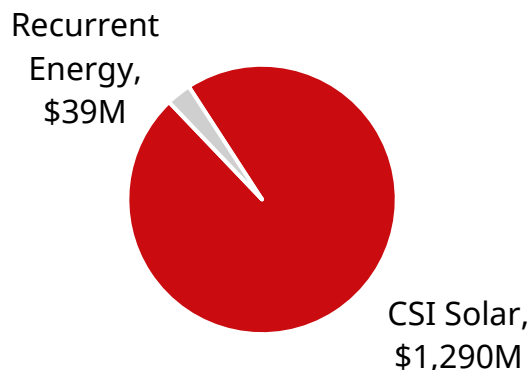
19.0%
Gross margin

\$156 million
EBITDA

\$12 million
Net income

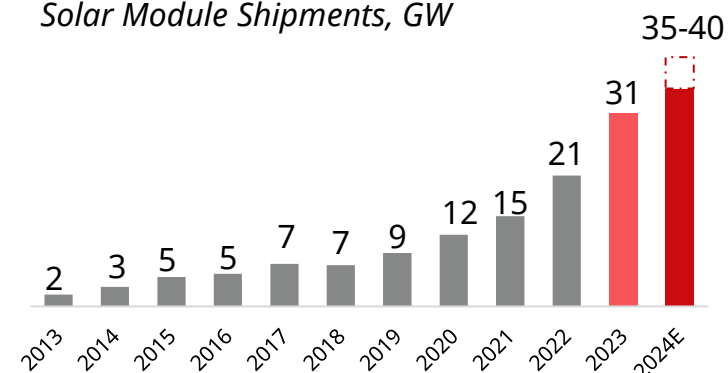
\$0.19
Diluted earnings per share to CSIQ

Revenue and Shipment Breakdown

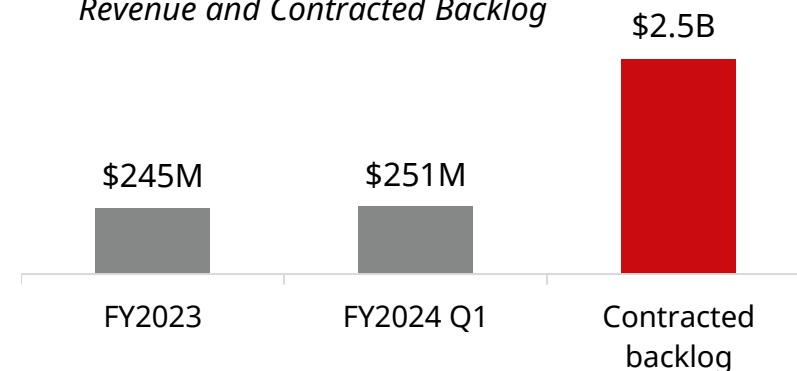


Solar and Battery Energy Storage Scale

Solar Module Shipments, GW



Utility-scale Battery Energy Storage Revenue and Contracted Backlog



*As of March 31, 2024.

Recognition of Our Industry-leading ESG Standards



Top 3%
Environment*

Top 4%
Sustainable
Procurement*

Top 5%
Overall*



Lead Manager

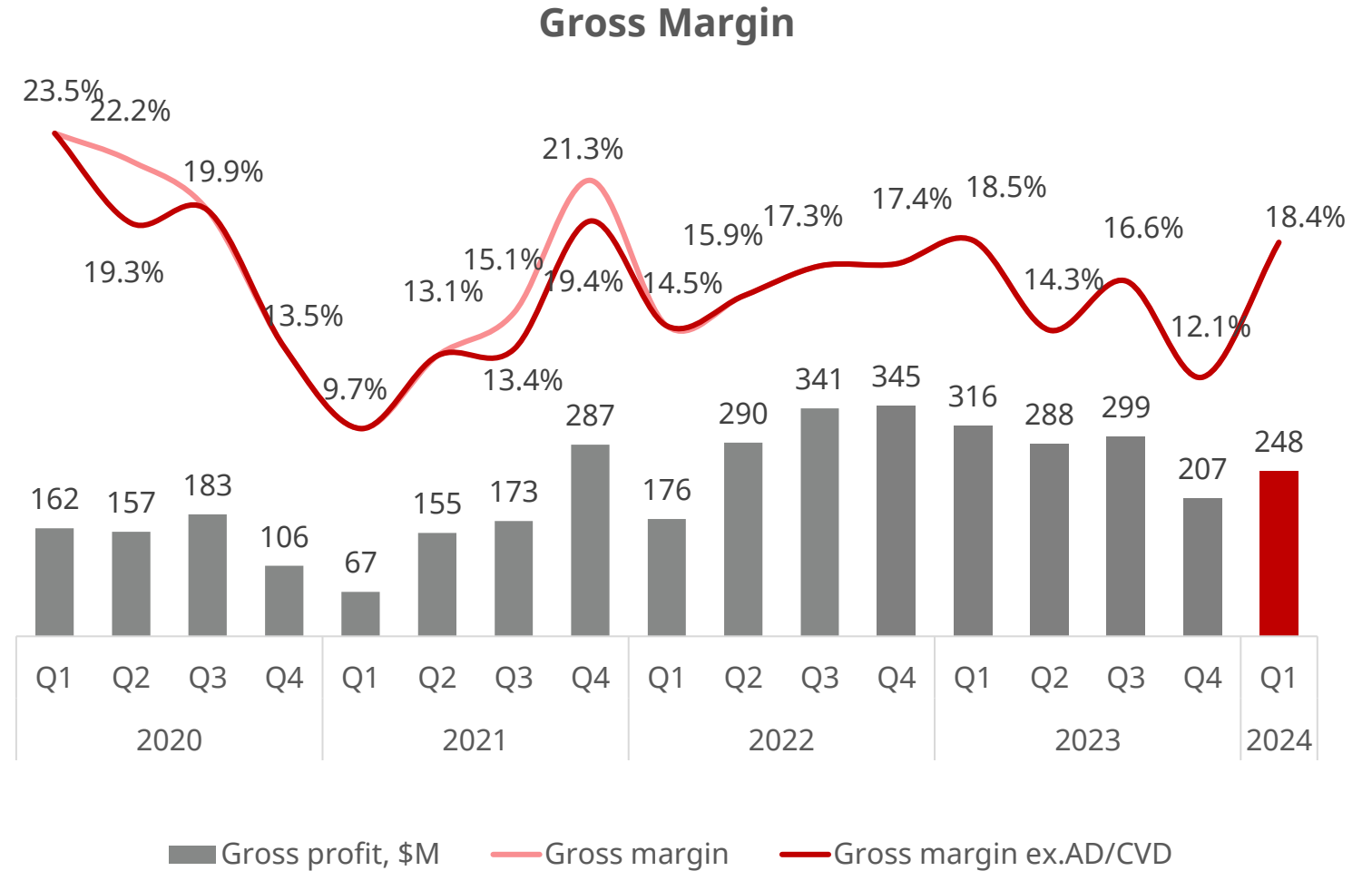
Issuer	Canadian Solar
Size	JPY 18.5 billions (\$120 million)
Maturity	September 2026
Use of proceeds	Solar and battery storage
External reviewer	Japan Credit Rating Agency ('A-' and 'Green 1')

*Among companies rated by EcoVadis within Canadian Solar's industry.

CSI Solar FY2024 Q1 Performance Overview

CSI Solar FY2024 Q1

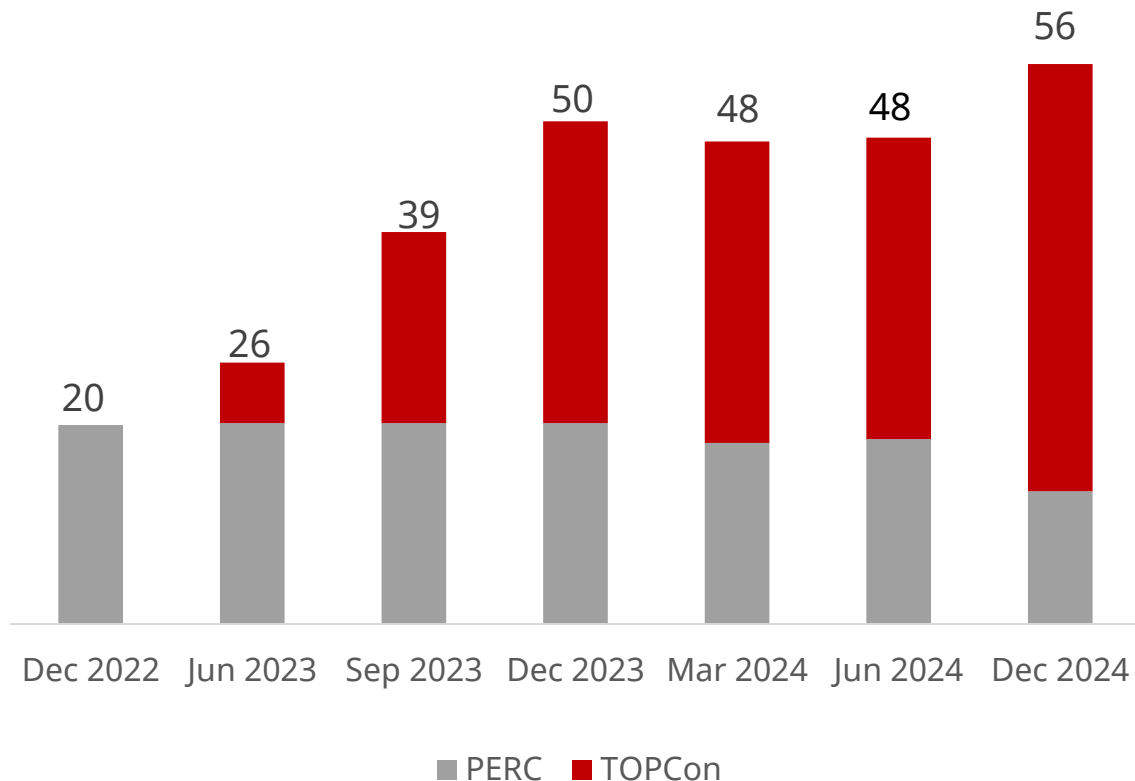
- ☀️ Module shipments: 6.3 GW
- ☀️ Storage shipments: 1.1 GWh
- ☀️ Revenue: \$1.3 billion
- ☀️ Gross profit: \$248 million
- ☀️ Gross margin: 18.4%
- ☀️ Operating profit: \$82 million



Excluding the impact of intercompany elimination.

N-type TOPCon to Comprise Near 80% of Total Cell Capacity by Year End

Solar Cell Manufacturing Capacity Breakdown, GW



Manufacturing Capacity Expansion Roadmap

Capacity, GW	Country	Mar 2024A	Jun 2024E	Dec 2024E
Ingot	Total	20	20	50
	China	23	23	45
Wafer	Thailand	1	5	5
	Total	24	28	50
	China	36	36	44
Cell	Thailand	12	12	12
	U.S.*	-	-	-
	Total	48	48	56
	China	45	45	45
Module	Thailand	11	11	11
	U.S.	2	4	5
	Total	58	60	61
	China	45	45	45
	Thailand	11	11	11

*U.S. cell production expected to commence by the end of 2025.

e-STORAGE FY2024 Q1 Performance Overview

Contracted backlog*
\$2.5 billion

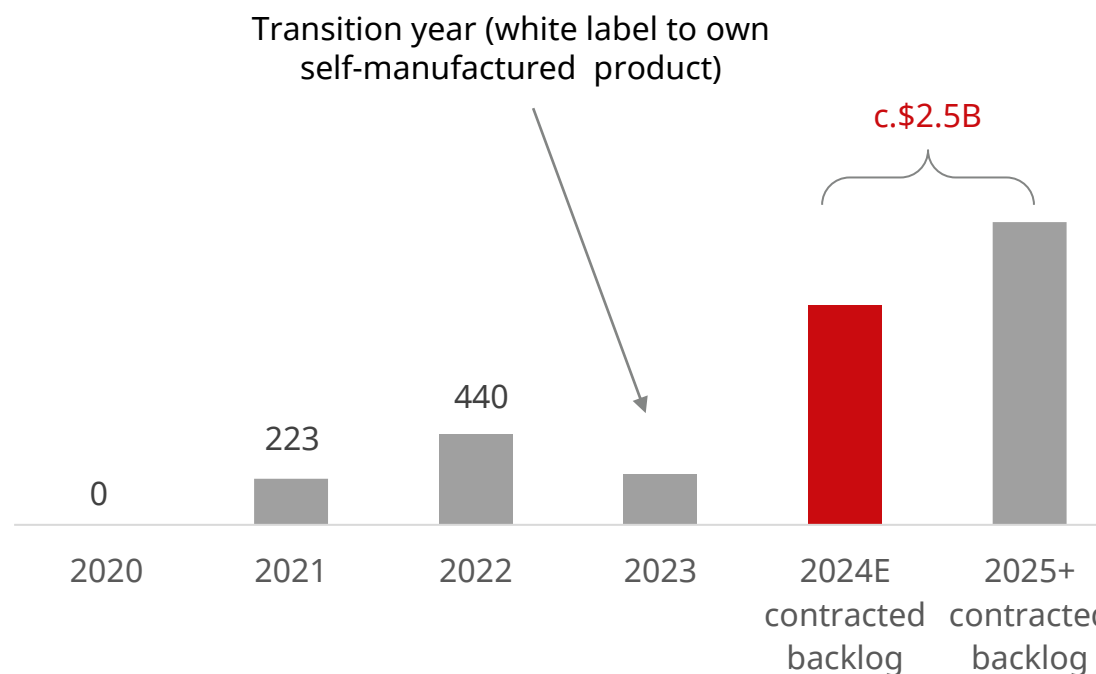
2024 shipments guidance
6.0 – 6.5 GWh

2025 year-end capacity
30 GWh

Total pipeline*
56 GWh

Operating projects contracted under LTSA*
3 GWh

Turnkey Utility-scale Battery Energy Storage Revenue, \$M



*As of March 31, 2024

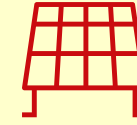
Focus on Closing BlackRock Transaction and Achieving Strategic Targets

Regulatory Clearances*

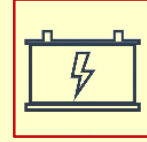


Targets and Ongoing Tasks

In operation by
2026



4 GW
Solar



2 GWh
BESS

Execute on NTP
and COD +

Drive ESG
strategy +






Capture AI
opportunity

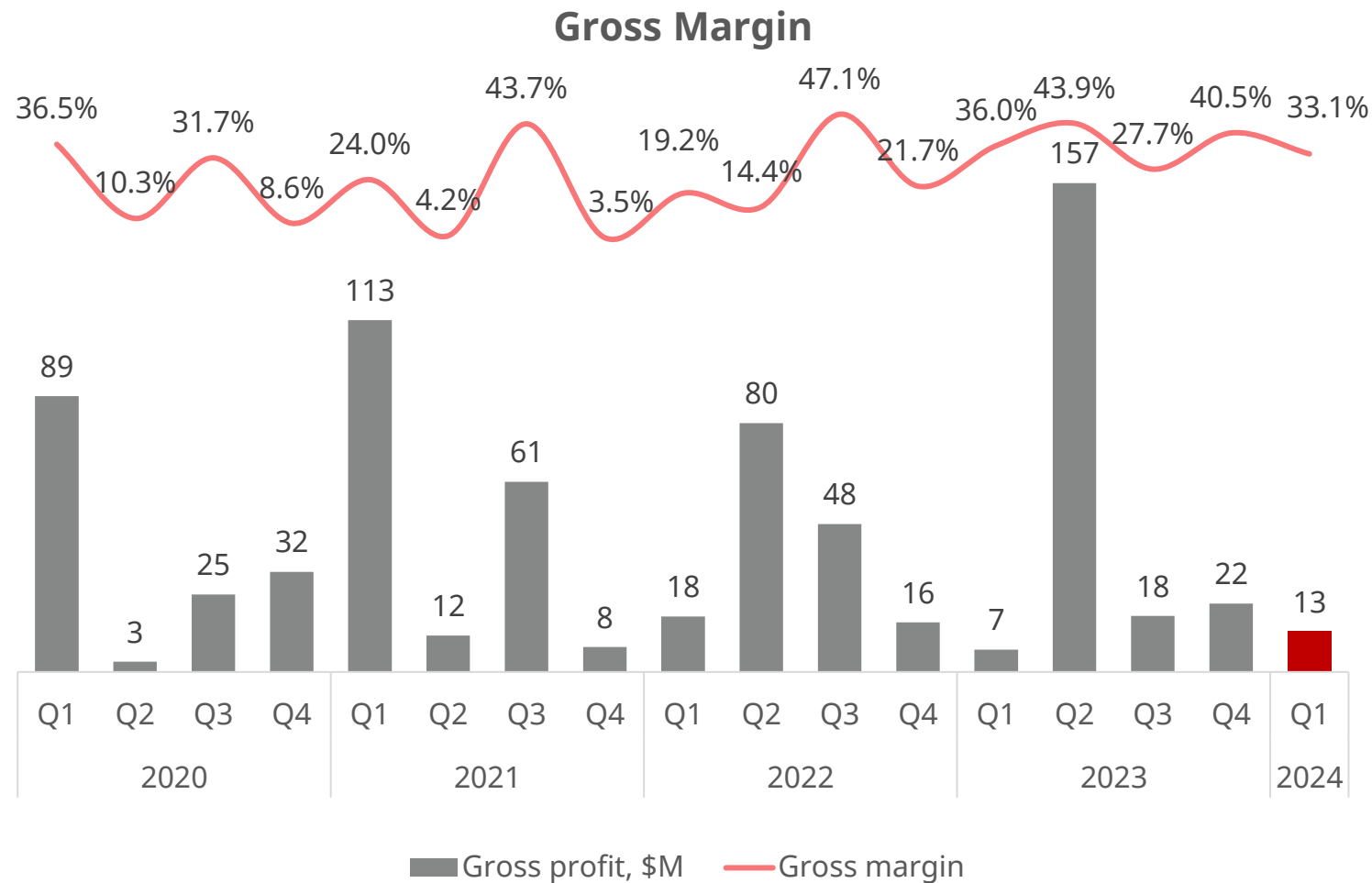
Transition to hybrid business model as developer plus long-term owner and operator of solar and energy storage assets

*Select geographies.

Recurrent Energy FY2024 Q1 Performance Overview

Recurrent Energy FY2024 Q1

-  Project sales: 5 MW
-  Revenue: \$39 million
-  Gross profit: \$13 million
-  Gross margin: 33.1%
-  Operating loss: \$21 million



One of the Largest and Most Mature Global Solar and Storage Project Pipelines

Solar Development Project Pipeline – MWp*

Region	In Construction	Backlog	Advanced Pipeline	Early-Stage Pipeline	Total
North America	424	212	1,432	4,281	6,349
EMEA	47**	2,377	2,408	5,110	9,942
Latin America	896**	867	83	2,832	4,678
Asia Pac ex. China & Japan	-	173	718	1,418	2,309
China	100	1,220**	-	1,460	2,780
Japan	32	164	14	30	240
Total	1,499	5,013	4,655	15,131	<u>26,298</u>

c.11 GW with interconnection

Securing interconnection

Battery Energy Storage Development Project Pipeline – MWh

Region	In Construction	Backlog	Advanced Pipeline	Early-Stage Pipeline	Total
North America	-	1,600	2,180	15,084	18,864
EMEA	-	150	6,057	18,174	24,381
Latin America	-	1,725	800	-	2,525
Asia Pac ex. China & Japan	8	440	400	1,240	2,088
China	400	-	-	6,000	6,400
Japan	-	8	767	900	1,675
Total	408	3,923	10,204	41,398	<u>55,933</u>

c.15 GWh with interconnection

Securing interconnection

*All numbers are gross MWp

** Including 388 MWp in construction and 159 MWp in backlog that are owned by or already sold to third parties

As of March 31, 2024

Quarterly Income Statement Highlights

<i>\$ in millions except per share data</i>	1Q23	2Q23	3Q23	4Q23	1Q24	qoq	yoy
Net revenues	1,701	2,364	1,846	1,702	1,329	-22%	-22%
-CSI Solar	1,709	2,014	1,806	1,701	1,342	-21%	-21%
-Recurrent Energy	20	360	64	54	39	-27%	+97%
-Elimination	(28)	(10)	(24)	(53)	(52)		
Gross margin	18.7%	18.6%	16.7%	12.5%	19.0%	+650 bp	+30 bp
-CSI Solar margin	18.5%	14.3%	16.6%	12.1%	18.4%	+630 bp	-10 bp
-Recurrent Energy margin	36.0%	43.9%	27.7%	40.5%	33.1%		
Selling and distribution expenses	88	88	100	94	89	-6%	+0%
General and admin expenses	79	139	114	108	95	-13%	+20%
R&D expenses	17	23	29	32	34	+9%	+98%
Other operating income	(12)	(34)	(18)	(21)	(14)		
Total operating expenses	172	216	225	213	204	-4%	+18%
Operating income	146	224	83	1	49	+8,405%	-66%
Net interest expense	(12)	(21)	(11)	(18)	(1)		
Net FX gain or (loss)	(13)	34	(17)	0	(4)		
Income tax (expense) or benefit	(29)	(46)	11	5	(10)		
Net income (loss)	107	198	62	(3)	36	+1,232%	-66%
Net income (loss) attributable to Canadian Solar Inc.	84	170	22	(1)	12	+991%	-85%
Diluted Earnings (loss) per Share	1.19	2.39	0.32	(0.02)	0.19*	+1,050%	-84%

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

*Diluted EPS excludes the effect of convertible bonds, as they were anti-dilutive. \$0.19/share is calculated from total earnings of \$12M divided by diluted shares of 66.6 million shares.

Quarterly Cash Flow and Balance Sheet Highlights

<i>\$ in millions</i>	1Q23	2Q23	3Q23	4Q23	1Q24
Working capital days	9	9	5	(1)	63
Operating cash inflow (outflow)	47	290	158	190	(291)
Cash and equivalents	848	2,011	1,921	1,939	2,077
Restricted cash	1,227	1,239	1,072	1,008	817
Short-term borrowings	1,665	1,757	1,596	1,729	2,093
Long-term borrowings on project assets – current	97	142	110	76	87
Financing liabilities – current	50	42	6	-	-
Finance lease liabilities – current	36	49	63	88	87
Long-term borrowings	863	1,013	1,072	1,266	1,588
Green bonds and convertible notes*	258	260	382	389	380
Financing liabilities – non-current	-	-	17	28	42
Finance lease liabilities – non-current	30	37	81	72	61
Total debt	2,999	3,300	3,327	3,648	4,338
Net debt**	2,151	1,289	1,406	1,709	2,261
Non-GAAP EBITDA	216	338	139	100	156
Net debt / EBITDA (trailing 12 months)	2.8x	1.4x	1.6x	2.0x	3.1x
Net interest expense	12	21	11	18	1
EBITDA / net interest coverage (trailing 12 months)	22.1x	22.7x	15.7x	12.7x	14.5x

*Beginning 3Q23, green bonds are classified under “Green bonds and convertible notes”.

**Net debt does not include restricted cash.

Chief Financial Officer Transition



Mr. Xinbo Zhu brings more than 20 years of experience across corporate finance, strategy, risk management, and operations to the Company, having held numerous key positions within Canadian Solar. Most recently, he served as Chief Supply and Risk Officer of Recurrent Energy, overseeing global procurement efforts, and chaired Recurrent Energy's Investment Committee.

Mr. Zhu joined Canadian Solar in 2014 as Special Assistant to the CEO, responsible for corporate strategy. Previously, he was Vice President of Operations and Project Finance of Canadian Solar's project development business before it was rebranded as Recurrent Energy in 2023. Mr. Zhu also served as Finance Controller of Canadian Solar from 2018 to 2020, having been Finance Controller of the project development business from 2016 to 2018. Before joining Canadian Solar, he worked at multinational companies, including Vishay, American Power Conversion, and Royal Philips Electronics.

Mr. Zhu earned his MBA from Rotman School of Management, University of Toronto, and his M.S. in electronic engineering and B.S. with double majors in telecommunication engineering and mechanical engineering from Shanghai Jiao Tong University. He is a Canadian citizen and has lived and worked in various countries across North America and Asia.

Guidance as of May 9, 2024

	FY2024 Q1 Actual	FY2024 Q2 Guidance
Solar Module Shipments (DC)	6.3 GW	7.5 – 8.0 GW*
Utility Scale Battery Energy Storage Shipments (DC)	1.1 GWh	1.4 – 1.6 GWh*
Revenue	\$1.3B	\$1.5B – \$1.7B
Gross Margin	19.0%	16% – 18%

	FY2023 Actual	FY2024 Guidance	FY2023-24E yoy Δ%
	30.7 GW	35 – 40 GW	c. +22%
	1.9 GWh	6.0 – 6.5 GWh	c. +230%
	\$7.6B	\$7.3B - \$8.3B	c. +3%
	16.8%	n/a	n/a

- 🌟 Strategic management of volume in Q2, as market prices remain challenging
- 🌟 Continued momentum in e-STORAGE performance, with projected revenue and profitability contributions in the second half to surpass those of the first half
- 🌟 Updated full year shipment and revenue guidance reaffirms commitment to profitable growth, as the Company navigates a challenging macroenvironment

*Including around 100 MW of solar and 800 MWh BESS to the Company's own projects



Thank you

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