



# nexttracker™

Q3 FY2024 Earnings Presentation  
Jan 31, 2024

# Forward-Looking Statements

## Cautionary Note About Forward-Looking Statements

This presentation is made by NextTracker Inc. (the "Company") and contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that involve substantial risks and uncertainties. All statements other than historical factual information are forward-looking statements, including without limitation statements regarding: our financial and operating outlook and guidance; our strategies, mission, plans, objectives and goals; the market demand for our products, solutions and services; our ability to compete with existing and new competitors in existing and new markets; estimates of the cost of solar, the Company's carbon offsets, installation and operations savings, energy yields, and improvements to leveraged cost of energy; projections regarding the U.S. and global demand for solar and addressable market and market size; macro-economic trends; panel availability; growth opportunities and plans for future operations, products and services; the expansion of our US manufacturing and production volumes; and any other statements that address events or developments that we intend or believe will or may occur in the future. Terminology such as "will," "may," "should," "could," "would," "believe," "anticipate," "intend," "plan," "expect," "estimate," "project," "target," "possible," "potential," "forecast" and "positioned" and similar references to future periods are intended to identify forward-looking statements, although not all forward-looking statements are accompanied by such words. Forward-looking statements are based on assumptions and assessments made by our management in light of their experience and perceptions of historical trends, current conditions, expected future developments and other factors they believe to be appropriate, and speak only as of the date of this presentation.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or other events to be materially different from any future results, performance or other events expressed or implied by the forward-looking statements. Given these uncertainties, you should not place undue reliance on forward-looking statements. Our actual future results, performance or other events may be materially different from what we expect. Important factors that could cause actual results, performance or other events to differ materially from our expectations include: the demand for solar energy and, in turn, our products; competitive pressures within the solar tracker industry; competition from conventional and other renewable energy sources; variability in our results of operations, including as a result of fluctuations in our customers' businesses as well as seasonal weather-related disruptions; the reduction, elimination or expiration of government incentives for or regulations mandating the use of, renewable energy and solar energy, including the IRA 45X vendor tax credit rebates; our reliance on our suppliers and any problems with our suppliers or disruptions in our supply chain, and supply chain capacity; changes in the global trade environment, including the imposition of import tariffs; an increase in interest rates, or a reduction in the availability of tax equity or project debt financing, impacting the ability of project developers and owners to finance the cost of a solar energy system; a loss of one or more of our significant customers, their inability to perform under their contracts, or their default in payment to us; defects or performance problems in our products; delays, disruptions or quality control problems in our product development operations; severe weather events, natural disasters and other catastrophic events; our continued expansion into new markets; electric utility industry policies and regulations; decreases in the price of electricity; our failure to protect our intellectual property and trade secrets or to successfully defend against third-party claims of infringement; and cybersecurity or other data incidents.

For a further description of the risks and uncertainties that could cause actual results to differ from those expressed in these forward-looking statements, as well as risks relating to the business of the Company in general, see the Company's periodic filings with the Securities and Exchange Commission (the "SEC"), including its Annual Report on Form 10-K for the year ended March 31, 2023, our Quarterly Report on Form 10-Q for the quarter period ended September 29, 2023, and any current and periodic reports filed thereafter. Except as required by law, the Company assumes no obligation and does not intend to update these forward-looking statements or to conform these statements to actual results or to changes in the Company's expectations, even if new information becomes available in the future.

## Industry and Market Data

Market data and industry information used throughout this presentation are based on management's knowledge of the industry and the good faith estimates of management. We also relied, to the extent available, upon management's review of independent industry surveys and publications and other publicly available information prepared by a number of third-party sources. All of the market data and industry information used in this presentation involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. Although we believe that these sources are reliable as of their respective dates, we cannot guarantee the accuracy or completeness of this information, and we have not independently verified this information. Projections, assumptions and estimates of our future performance and the future performance of the industry in which we operate are necessarily subject to a high degree of uncertainty and risk due to a variety of factors. These and other factors could cause results to differ materially from those expressed in our estimates and beliefs and in the estimates prepared by independent parties.

Trademarks included herein are the property of the owners thereof and are used for reference purposes only. Such use should not be construed as an endorsement of the solutions and services described herein.

## Non-GAAP Financial Measures

We present adjusted EBITDA, adjusted EBITDA margin, adjusted free cash flow, and adjusted EPS as supplemental measures of performance that are neither required by, nor presented in accordance with, accounting principles generally accepted in the United States of America ("GAAP"). We present these non-GAAP financial measures because we believe they assist investors and analysts in comparing our performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. In addition, we may use Adjusted EBITDA as a factor in evaluating management's performance when determining incentive compensation and to evaluate the effectiveness of our business strategies.

Among other limitations, these measures do not reflect our cash expenditures or future capital expenditures or contractual commitments (including under the Tax Receivable Agreement), do not reflect the impact of certain cash or non-cash charges resulting from matters we consider not to be indicative of our ongoing operations and do not reflect the associated income tax expense or benefit related to those charges. In addition, other companies in our industry may calculate these measures differently from us, which further limits their usefulness as comparative measures. Because of these limitations, non-GAAP financial measures should not be considered in isolation or as substitutes for performance measures calculated in accordance with GAAP. We compensate for these limitations by relying primarily on our GAAP results and using non-GAAP financial measures on a supplemental basis. You should review the reconciliations of these non-GAAP measures to the most directly comparable GAAP measure included as an appendix to this presentation and not rely on any single financial measure to evaluate our business.

# Q3 FY2024 Financial Highlights

Q3 Revenue

**\$ 710M**

38% Y/Y Growth

Q3 Adj. EBITDA

**\$ 168M**

168% Y/Y Growth

- **Record revenue and profits;** strong execution, significant revenue growth of 38% YoY, and further optimization of our re-architected supply chain
- **Record backlog;** continued demand strength globally, achieved 10 GW milestone in India, Middle East, and Africa regions for projects in operation or under fulfillment
- **High-quality balance sheet** with liquidity of approx. \$800M and **strong adjusted free cash flow generation** of over \$300M YTD

## Raised FY24 Full Year Guidance

- FY24 Revenue raised by \$100M to \$2.45B at mid-pt
- FY24 Adj. EBITDA raised by \$73M to \$488M at mid-pt

Backlog includes executed contracts or purchase orders with deposits and specific bills of materials for EPCs, and Volume Commitment Agreements (VCAs) with customer deposits on portfolios of specific projects.  
See Appendix for reconciliation of each non-GAAP financial measure to most directly comparable financial measure stated in accordance with GAAP.



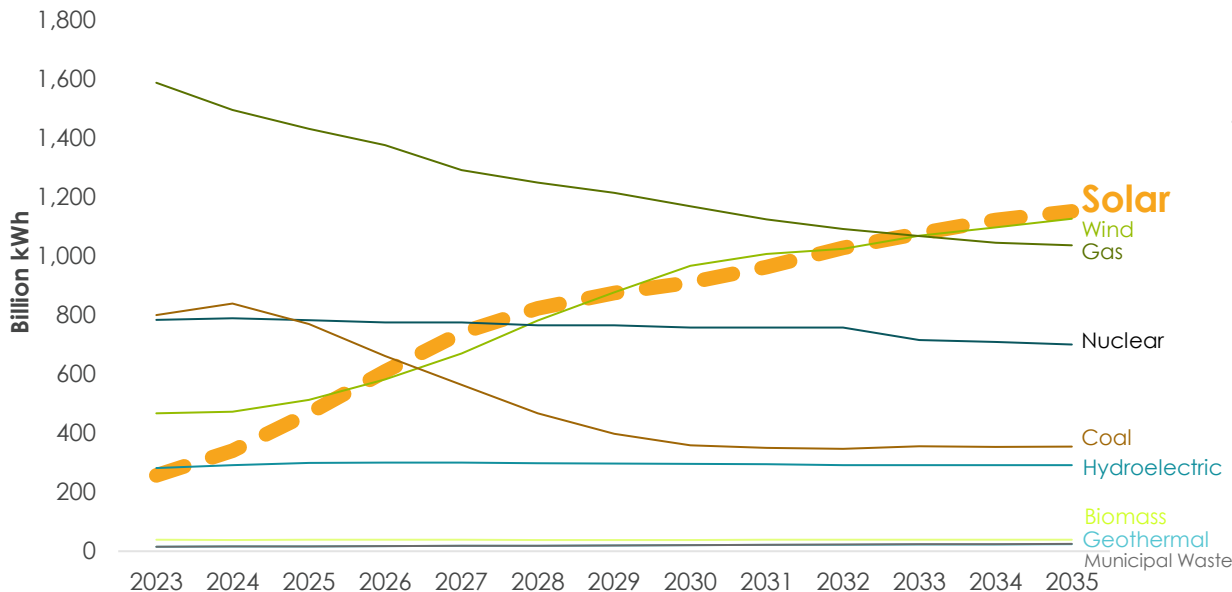


# Energy Market Overview

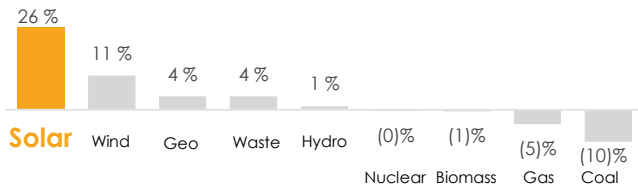
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# U.S. EIA: Solar is Fastest Growing Energy Source Today, Becomes Largest Source After 2033

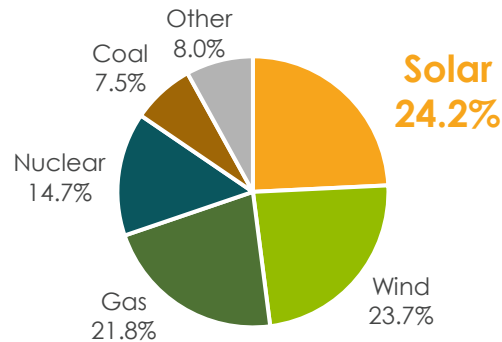
## Forecasted U.S. Generation by Source



## Forecasted U.S. Generation Growth (2023 - 2028 CAGR)

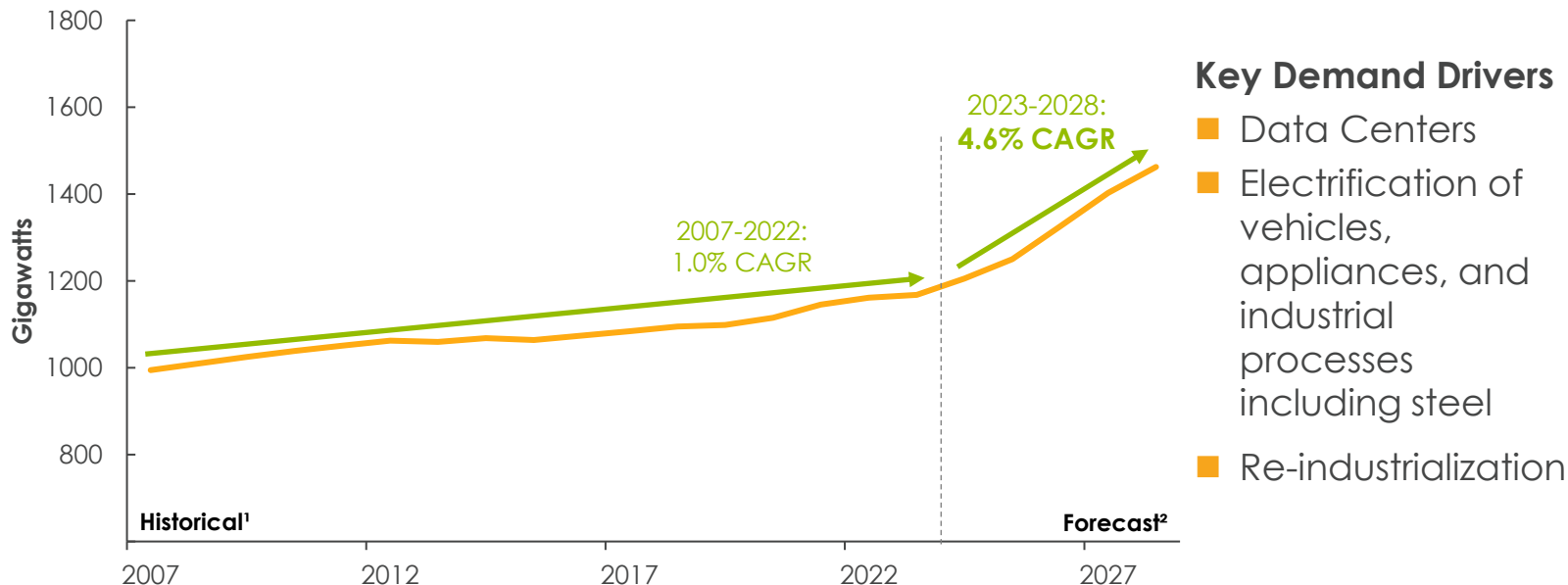


## Forecasted U.S. Generation by Source (2035)



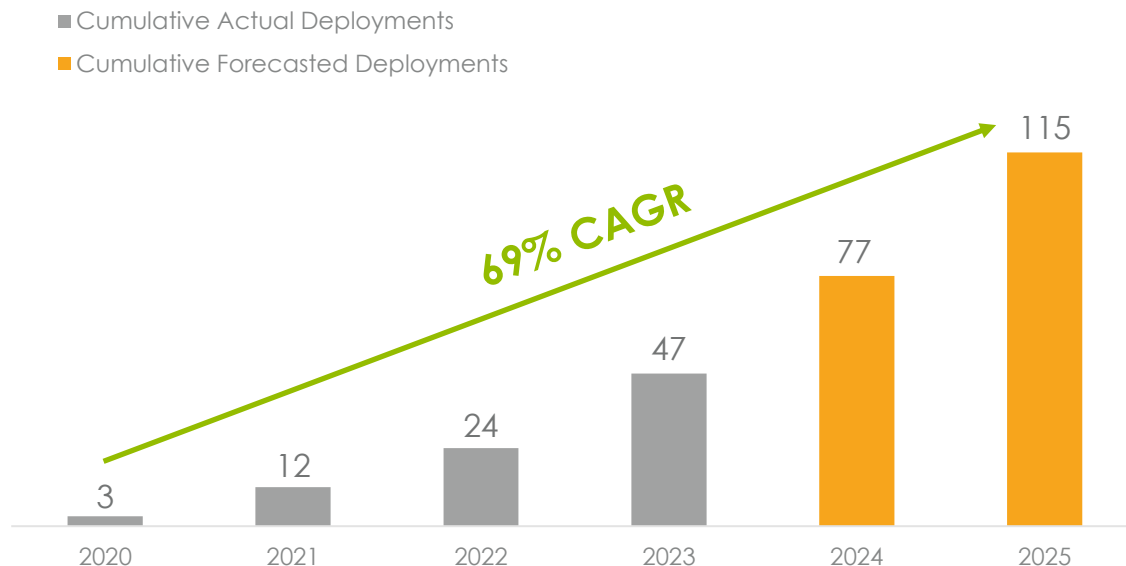
# Significant Power Generation Capacity Growth Needed to Meet Rising Energy Demand

## U.S. Electric Power Sector Generation Capacity – All Types (1990 – 2028)



# Energy Storage Capacity Increasing Significantly

## U.S. Annual Grid-Scale Market Outlook as of Dec. 2023 (GWh<sup>1</sup>)







# Business & Product Highlights

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# Q3 Global Wins Driven by Strong Demand

Record Backlog<sup>2</sup>  
Remains Significantly  
Over \$3 Billion

Select  
New Contracts<sup>1</sup>



1. The pins represent the approx. geographies of multiple projects of EPC agreements and VCAs signed in the quarter. EPC is Engineering, Procurement, and Construction. VCA is Volume Commitment Agreement, typically signed with project developers and owners.  
2. Backlog includes executed contracts or purchase orders with deposits and specific bills of materials for EPCs, and Volume Commitment Agreements (VCAs) with customer deposits on portfolios of specific projects.

# Achieved 10 GW Milestone in India, Middle East, Africa



Nextracker's NX Horizon flagship solar tracker

- Domestic content and manufacturing programs globally, including in India with over 80% of local content capabilities

- Achieved 10 GW of smart solar trackers operational or under fulfillment in India, Middle East, and Africa



Photo credit: ACWA Power

Sakaka Solar Plant featuring Nextracker's NX Horizon™ smart solar tracker

# Increasing Traction with Hardware & Software Innovation



- Differentiated products and technologies supported by over 500 patents issued and pending
- Strong traction with NX Horizon™ flagship and NX Horizon-XTR™ products, as well as software solutions including TrueCapture™ and NX Navigator™
- Proven product quality and reliability; successful track record of field deployments
- Continued investments in sales, engineering, and service teams to support our global customer base





# Q3 Financial Results



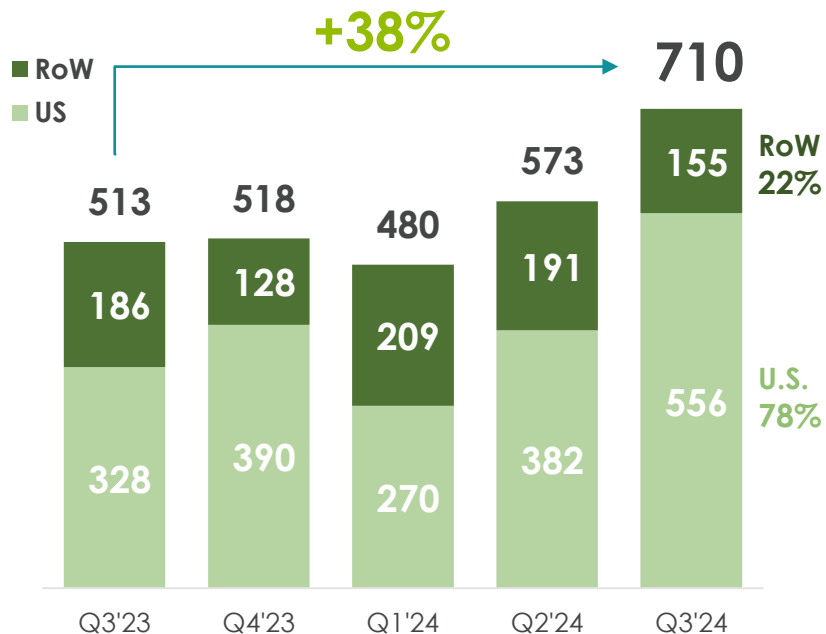


# Q3 FY2024 Financial Highlights

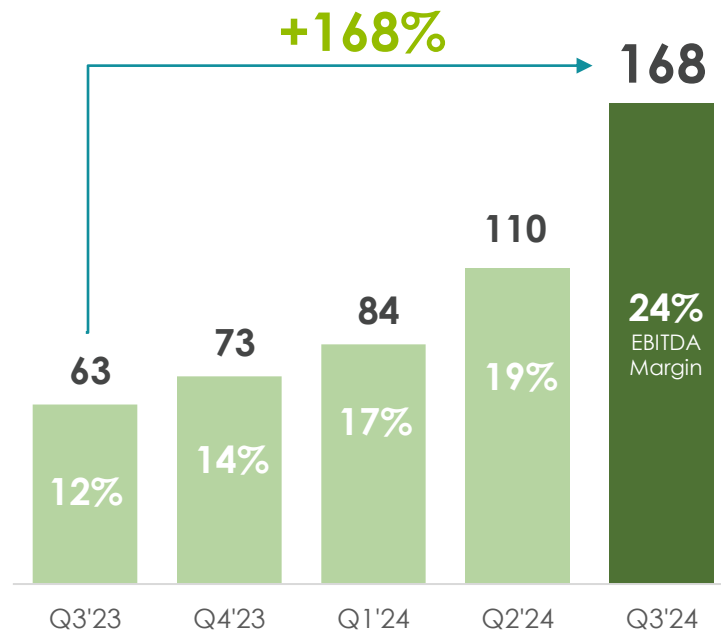
4th Consecutive Quarter of Growth YoY Since IPO

## Revenue (\$M)

U.S. +70% Y/Y • RoW -17% Y/Y



## Adj. EBITDA (\$M) & Margin %



# Strong Execution Continued in Q3

## Key Highlights

- Significant margin expansion and EBITDA acceleration Y/Y due to strong execution, supply chain optimization, and continued pricing discipline
- Results exclude anticipated future benefits related to IRA 45X tracker manufacturing tax credits

Non-GAAP P&L (\$M, except % and per share amounts)	Q3'23	Q2'24	Q3'24	Growth Y/Y
Revenue	513	573	710	38%
Gross Profit	83	152	212	157%
Gross Margin	16%	27%	30%	1,378 bps
Operating Income	60	112	162	171%
Operating Margin	12%	20%	23%	1,112 bps
Net Income	43	96	142	227%
Diluted EPS	N/A	\$0.65	\$0.96	N/A
Adj. EBITDA	63	110	168	168%
Adj. EBITDA Margin	12%	19%	24%	1,140 bps

# High-Quality Balance Sheet and Cash Flow Management

## Strong Capital Structure

- **Total liquidity of approx. \$800M**
- **Debt/Adj. EBITDA < 1x**
  - Limited debt, ~\$150M term loan with no significant repayments until FY 2028
- **YTD Adj. Free Cash Flow of \$314M**
  - NWC Management, customers deposits and adj. EBITDA driving strong free cash flow generation

Balance Sheet (\$M)	As of Mar. 31, 2023	As of Dec. 31, 2023
Cash	130	368
AR & Contract Assets	569	717
Inventories	138	203
Other Current Assets	35	132
<b>Current Assets</b>	<b>872</b>	<b>1,419</b>
<b>Non-Current Assets</b>	<b>547</b>	<b>676</b>
<b>TOTAL ASSETS</b>	<b>1,420</b>	<b>2,095</b>
AP and Accrued Expenses	271	445
Deferred Revenue	176	180
Other Current Liabilities	60	133
<b>Current Liabilities</b>	<b>507</b>	<b>758</b>
Long-Term Debt	147	145
Other Non-Current Liabilities	280	439
<b>Non-Current Liabilities</b>	<b>427</b>	<b>584</b>
<b>Equity</b>	<b>485</b>	<b>753</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>1,420</b>	<b>2,095</b>

# Full Year FY2024 Guidance

REVENUE  
RAISED

**\$2.425 - \$2.475B**

29% Y/Y Growth at Midpoint  
+\$100M mid-pt. vs. prior \$2.3 - \$2.4B

Adj. EBITDA<sup>1</sup>  
RAISED

**\$475 - \$500M\***

133% Y/Y Growth at Midpoint  
+\$73M mid-pt. vs. prior \$390 - \$440M

Adj. EPS<sup>2</sup>  
RAISED

**\$2.55 - \$2.75\***

GAAP \$2.53 - \$2.90

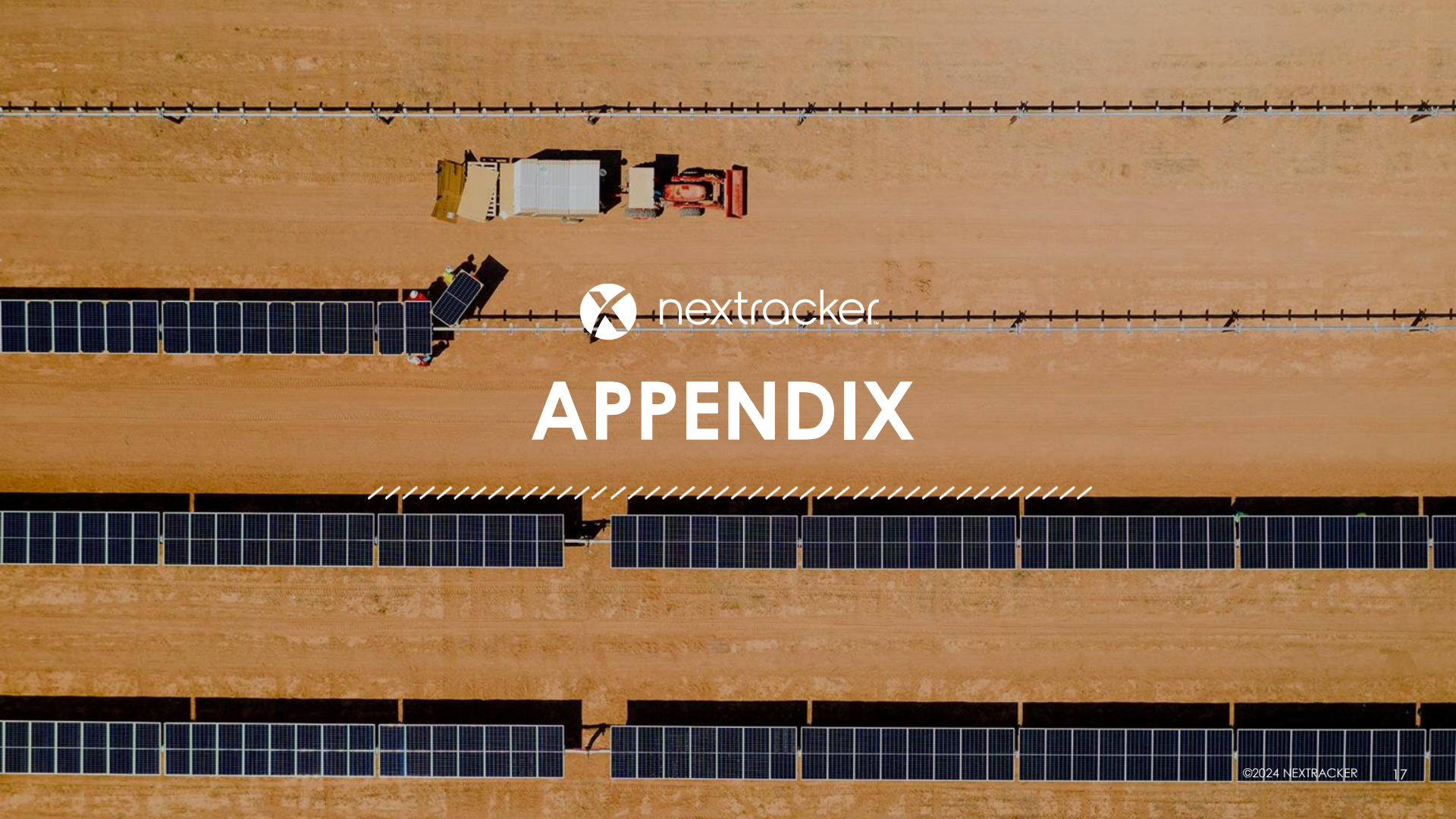
## FY24 Guidance Assumptions

- Interest and other income up to \$5M
- Adjusted income tax rate 15% - 20%
- WASO of ~148M

**\*FY24 adj. EBITDA and adj. EPS guidance exclude  
IRA 45X tax credit vendor rebates**

- Expect to recognize a reduction to GAAP cost of sales in the range of \$50M - \$80M in Q4 FY24





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# APPENDIX

# Reconciliation of GAAP to Non-GAAP Measures

In millions, except percentages and per share data	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24
<b>GAAP gross profit</b>	<b>82</b>	<b>90</b>	<b>114</b>	<b>149</b>	<b>210</b>
Stock-based compensation expense	0	12	2	3	2
Intangible amortization	0	0	0	0	0
<b>Non-GAAP gross profit</b>	<b>83</b>	<b>102</b>	<b>116</b>	<b>152</b>	<b>212</b>
GAAP gross margin	16%	17%	24%	26%	30%
Non-GAAP gross margin	16%	20%	24%	27%	30%
<b>GAAP operating income</b>	<b>59</b>	<b>41</b>	<b>74</b>	<b>94</b>	<b>148</b>
Stock-based compensation expense	1	29	8	18	13
Intangible amortization	0	0	0	0	0
Legal costs and other	-	-	-	-	-
<b>Non-GAAP operating income</b>	<b>60</b>	<b>70</b>	<b>82</b>	<b>112</b>	<b>162</b>
GAAP operating margin	11%	8%	15%	16%	21%
Non-GAAP operating margin	12%	13%	17%	20%	23%
<b>GAAP net income</b>	<b>43</b>	<b>28</b>	<b>64</b>	<b>81</b>	<b>128</b>
Stock-based compensation expense	1	29	8	18	13
Intangible amortization	0	0	0	0	0
Adjustment for taxes	(0)	(1)	(1)	(4)	1
Legal costs and other	-	-	-	-	-
<b>Non-GAAP net income</b>	<b>43</b>	<b>56</b>	<b>71</b>	<b>96</b>	<b>142</b>

# Reconciliation of GAAP to Non-GAAP Measures

In millions, except percentages and per share data	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24
<b>GAAP net income</b>	<b>43</b>	<b>28</b>	<b>64</b>	<b>81</b>	<b>128</b>
Interest, net	(0)	2	1	(0)	(0)
Provision for income taxes	18	13	9	4	39
Depreciation expense	1	1	1	1	1
Intangible amortization	0	0	0	0	0
Stock-based compensation expense	1	29	8	18	13
Legal costs and other	-	-	-	-	-
Other tax related income, net	-	-	-	6	(13)
<b>Adjusted EBITDA</b>	<b>63</b>	<b>73</b>	<b>84</b>	<b>110</b>	<b>168</b>
<i>Adjusted EBITDA (% of revenue)</i>	<i>12%</i>	<i>14%</i>	<i>17%</i>	<i>19%</i>	<i>24%</i>
<b>Diluted earnings per share</b>					
<b>GAAP</b>	<b>N/A</b>	<b>N/A</b>	<b>\$0.43</b>	<b>\$0.55</b>	<b>\$0.87</b>
Earnings per share attributable to Non-GAAP adjustments	N/A	N/A	\$0.05	\$0.10	\$0.09
<b>Non-GAAP</b>	<b>N/A</b>	<b>N/A</b>	<b>\$0.48</b>	<b>\$0.65</b>	<b>\$0.96</b>
Diluted shares used in computing per share amounts	N/A	N/A	147	147	147
<b>Net cash provided by operating activities</b>	<b>20</b>	<b>35</b>	<b>226</b>	<b>27</b>	<b>65</b>
Purchase of property and equipment	(1)	(1)	(1)	(1)	(2)
Proceeds from disposition of property and equipment	-	-	-	-	-
<b>Adjusted free cash flow</b>	<b>19</b>	<b>35</b>	<b>225</b>	<b>26</b>	<b>62</b>





**Thank You**

IR website: [Investors.Nextracker.com](https://Investors.Nextracker.com)