

Q3 FY2025

SHAREHOLDER LETTER

January 28, 2025

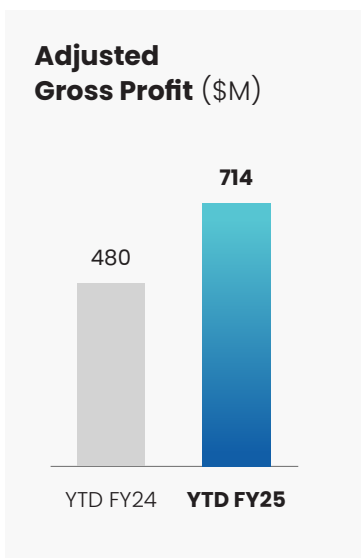
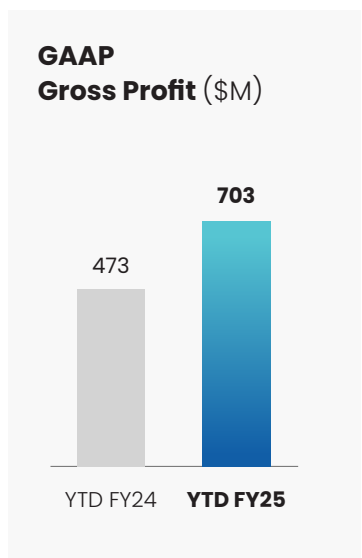
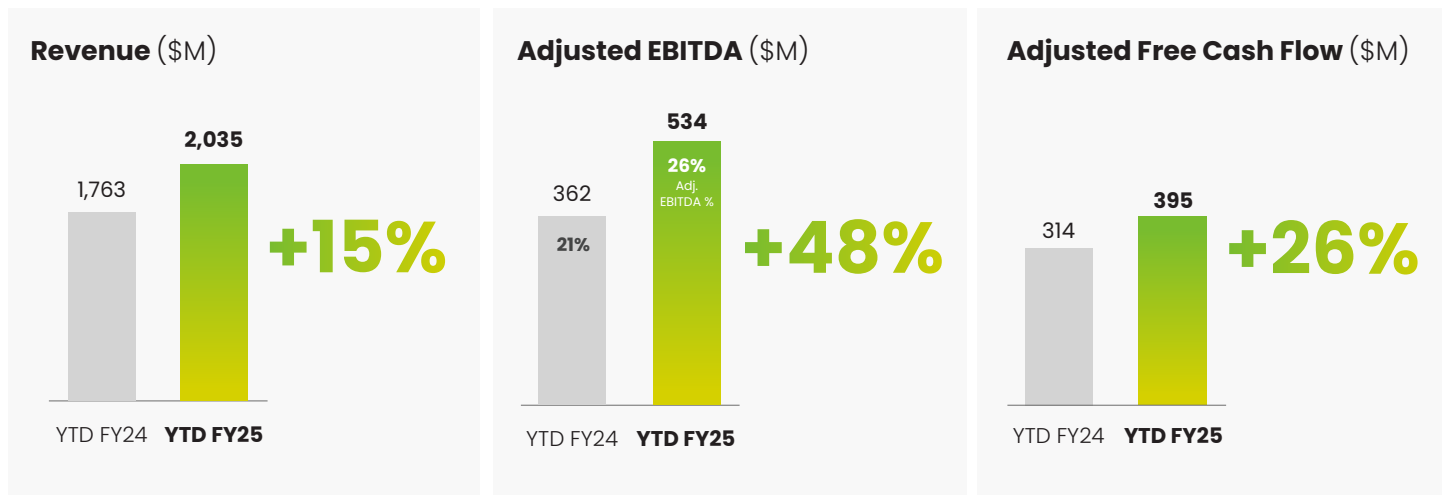


Winneke Solar Farm powering Melbourne Water's Water Treatment Plant in Melbourne's northeast, featured technology: Nextracker NX Horizon-XTR™ all terrain tracker



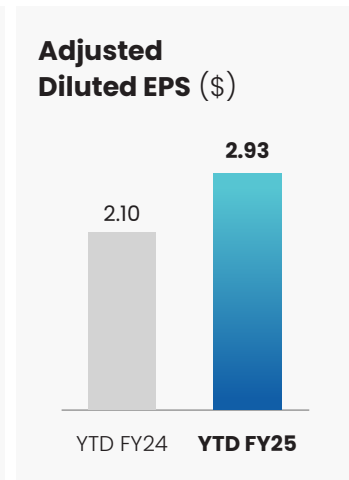
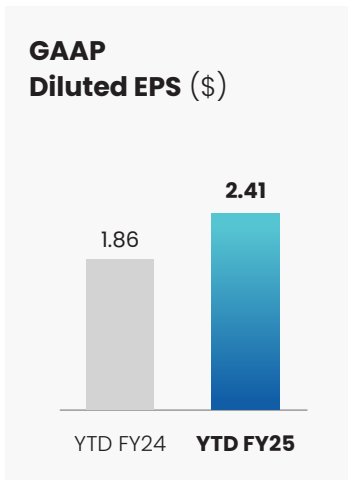
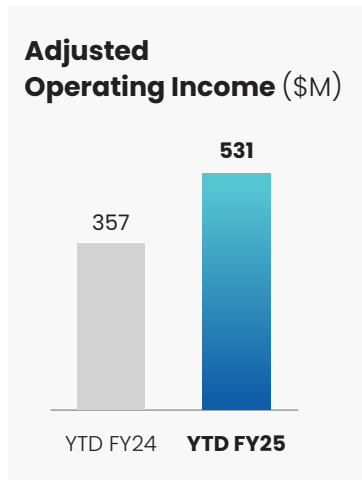
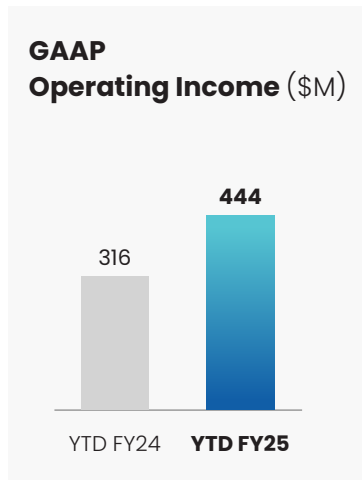
Financial Highlights

YTD Performance Through Q3 FY25



YTD Financial Highlights

- 15% revenue growth YoY
- Adjusted gross profit of \$714 million; adjusted EBITDA of \$534 million (see IRA 45X credits disclosure)
- Total backlog* increased QoQ, now significantly over \$4.5 billion
- \$694 million in total cash and cash equivalents, approximately \$550 million net of debt, and \$1.6 billion total liquidity
- Adjusted free cash flow of \$395 million



See Appendix for reconciliation of each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP.

YTD 9 months ended December 31, 2024

QoQ and YoY change percentages are calculated using rounded numbers in thousands.

*Our backlog is defined as executed EPC or VCA contracts or purchase orders with deposits of cash paid or financial equivalents, identified named project sites, product and volume requirements, and ship dates.

Dear Nextracker Shareholder,

We are pleased to share the results of our third quarter of fiscal year 2025. On our earnings conference call, we will provide short opening remarks and a Q&A session. We look forward to speaking with you on our call, held on January 28 at 2:00 p.m. PT.

Q3 and YTD FY25 Results

We are very pleased with the continued execution by our global team, driving customer service, product innovation, and exceptional financial performance across the board.

Year to date (YTD) FY25 revenue was up 15% to approximately \$2.0 billion with Q3 at \$679 million. We remain on track to deliver another strong quarter to close out the year.

Geographic mix was in line with our outlook for Q3, with 66% of sales in the U.S. and 34% in Rest of World.

Our YTD adjusted EBITDA was up 48%. Our Q3 adjusted EBITDA expanded to \$186 million, an 11% increase compared

to last year, representing an adjusted EBITDA margin of 27% (please see 45X disclosure).

The company continues to generate strong free cash flow of \$135 million of adjusted free cash flow in Q3 and \$395 million YTD, compared with prior year amounts of \$62 million and \$314 million, respectively.

We continue to see robust demand for our products globally in all major markets. We had a very strong bookings quarter with significant additions to our backlog, which gives us confidence in increasing our outlook for the year and continuing to build a solid foundation for FY26 and beyond.

See Appendix for reconciliation of each non-GAAP financial measure to the most directly comparative financial measure stated in accordance with GAAP.

YTD Revenue +15% YoY

\$2.0 Billion

YTD Adjusted EBITDA +48% YoY

\$534 Million

Total backlog significantly over

\$4.5 Billion

NX Horizon™ at Bannerton Farm,
Victoria, Australia. (110 MW)

Business Highlights

- **Record backlog** increased to significantly greater than \$4.5 billion, supported by robust demand in all key regions for the company with meaningful contributions from new products
- **Expanded manufacturing and supply chain network** to over 70 manufacturing partners operating more than 90 facilities across 19 countries, totaling over 50 GW/year of capacity, enabling local content with superior on-time delivery and customer satisfaction
- Shipped the **first 100% U.S. domestic content solar trackers***
- Deployed newly launched products and features at scale, including:
 - **NX Horizon Hail Pro™**: Industry-leading 75-degree stow capability to mitigate against hail risk
 - **NX Horizon Hail Pro™**: Automated stowing software for proactive storm response
 - **NX Horizon-XTR™**: Feature doubles XTR's ability to conform to sloping terrain
 - **NX Anchor™**: Advanced foundations solutions solving challenging geotechnical conditions
- Launched significant expansion of R&D and innovation capability:
 - Expanded **U.S. R&D facility** and **Customer Center of Excellence**
 - Partnered with **UC Berkeley** and launched **CAL-NEXT Center for Solar Energy Research**, a \$6.5 million commitment to advance solar technology
 - Inaugurated the **India R&D Center for Solar Excellence in Hyderabad**
 - Expanded **Center for Solar Excellence in Brazil**

*Per U.S. Treasury Guidance



Steel worker at Nextracker-dedicated Las Vegas, Nevada fabrication facility



NX Horizon™ solar tracker paired with NX Navigator monitoring software help protect the system in extreme weather



Nextracker applications engineer provides technology overview to visiting Ohlone College students at Fremont Center for Solar Excellence R&D facility



Nextracker Center for Solar Excellence R&D facility in Sorocaba, Brazil

Fiscal Year 2025 Outlook

We are reaffirming FY25 revenue outlook and raising our FY25 profit outlook.

We expect revenue to be in the range of \$2.8 billion to \$2.9 billion, adjusted EBITDA to be in the range of \$700 million to \$740 million, and adjusted diluted EPS to be in the range of \$3.75 to \$3.95 per share.

For the full FY25, we expect U.S. revenue mix to be approximately two-thirds of the total.

We are excited about our continued execution, maintaining pricing discipline while driving costs down.

We manage our business on an annual and multi-year basis, which is consistent with the nature of the utility-scale solar power industry with large-scale projects spanning multiple quarters and multiple geographies.

We believe our products, culture, strategy, team, and market position continue to deliver strong value for customers.

Based on the progress we've made in the past quarter and our backlog growing to significantly greater than \$4.5 billion, we expect continued growth in FY26.

Our confidence stems from strong customer demand for our industry-leading products, our global team's proven execution and support capabilities, robust bookings momentum driving record backlog growth, and our solid financial position enabling ongoing innovation and strategic investments.

We are grateful to our customers, partners, and shareholders for their support as we deliver clean renewable power, local manufacturing, and jobs to meet rapidly increasing demand for electricity.



Dan Shugar
Founder & CEO

A handwritten signature in black ink that reads "Dan Shugar".



Howard Wenger
President

A handwritten signature in black ink that reads "Howard Wenger".



Chuck Boynton
CFO

A handwritten signature in black ink that reads "Charles D. Boynton".

Outlook Summary

	Updated Outlook	Previous Outlook
Revenue	\$2.8 – \$2.9B	\$2.8 – \$2.9B
GAAP Net Income	\$467 – \$497M	\$378 – \$408M
GAAP Diluted EPS	\$3.11 – \$3.31	\$2.50 – \$2.70
Adjusted EBITDA	\$700 – \$740M	\$625 – \$665M
Adjusted Diluted EPS WASO 150M	\$3.75 – \$3.95	\$3.10 – \$3.30

- Increasing Adjusted EBITDA range by \$75 million at the midpoint to \$720 million, which excludes approximately \$120 million for stock-based compensation, acquisition related costs, and net intangible amortization.
- Increasing Adjusted Diluted EPS at the midpoint by \$0.65 to \$3.85 and excludes approximately \$0.64 for stock-based compensation, acquisition related costs, and net intangible amortization.
- Expected FY25 adjusted income tax rate of approximately 20%.
- Expected net interest and other income of \$0 million to \$5 million.

Wright Solar Power Plant (250 MW) featuring Nexttracker's NX Horizon-XTR™ + half cut cell bifacial pv technology, TrueCapture™ optimization software with Split Boost™



Nexttracker delivers Saudi Arabia's first terrain-following tracker at scale on ACWA's 1173 MWp Al Khafah (PIF 3) project, Dec 2024

Customer Wins, Bookings, and Backlog

Nexttracker continues to enjoy strong repeat business, representing over 80% of revenue, while also expanding our geographic reach and winning new customers.

We operate our business on an annual and multi-year basis to reflect the nature of large-scale projects. As we scale our business long-term, we will continue to pursue a healthy backlog, which is commensurate with how we manage our business.

Q3 marks our eighth consecutive quarter of sequential growth in backlog as a public company, and a record total backlog of significantly over \$4.5 billion.

We expect approximately 87% of our backlog to be recognized over the next 8 quarters.

U.S. Business

In Q3, we achieved record new U.S. bookings in the quarter, which further highlights the Company's leading position in the industry.

Our differentiated value-driven products along with strategic alignment with both EPC partners and developers and owners continued to drive our bookings momentum.

Pricing for Nextracker was stable in Q3, and the company continues to manage costs well. Pricing and costs vary by region, customer, project size and location, soil condition, panel types, and other factors.

Project timing in Q3 was stable on a portfolio basis, with some projects accelerating and some pushing out. We are seeing a very small amount of Safe Harbor orders requested by our customers.

Rest of World

In Q3, we also achieved record Rest of World bookings, which represent more than 25% of our total bookings.

In Q3, we signed contracts in 14 different countries globally and signed 15 new projects each with a capacity in the range of 100 to 750 MW in Australia, Brazil, Chile, Europe, India, Peru, and Saudi Arabia.

The international pipeline continues to grow and we are seeing more countries installing solar.

Nextracker Center for Solar Excellence R&D facility in Sorocaba, Brazil



NX Horizon™ smart solar tracker technology on the Helios Valgas power plant in Minas Gerais, Brazil. (662 MW)

Industry Update

Powering Progress

The next four years are set to witness a significant surge in electricity demand to power data centers and artificial intelligence (AI), industrial onshoring, and transportation electrification. All energy sources will be needed to feed a growing economy, but solar plus storage is best positioned to rapidly deliver cost effective, reliable, low carbon power.

The numbers speak for themselves. The U.S. set a new record in 2024 by adding over 40 GW of solar generation capacity¹. This figure surpassed 2023 new solar generating capacity of 32 GW² and doubled 2022 capacity of 20 GW³. In Q3 2024 alone, solar accounted for 64% of all new electricity-generation capacity added to the U.S. grid¹.

Looking ahead, U.S. electricity demand is projected to increase by an average of 9% by 2028 according to an ICF analysis⁴, while another report by DOE⁵ forecasts electricity demand to grow between 15-20% in the next decade.

¹ U.S. Solar Markets Insight Q4 2024 – SEIA/Wood Mackenzie

² Solar Market Insight Report 2023 Year in Review – SEIA/Wood Mackenzie

³ U.S. Solar Market Insight 2022 Year in Review – SEIA/Wood Mackenzie

⁴ Rising demand: How utilities can navigate surging electricity needs, September, 2024 – ICF

⁵ Pathways to Commercial Liftoff Topic Brief: How Clean Energy is the Solution to Rising Electricity Demand, August, 2024 – U.S. Department of Energy

Solar Plus Storage: Positioned for Sustainable Growth

We believe solar energy remains our most viable solution for new power generation capacity and energy as strong electricity demand growth threatens to overwhelm our energy system. The Lawrence Berkeley National Laboratory reports that nearly 2,600 gigawatts (GW) of energy and storage capacity are currently seeking grid interconnection, with solar, wind, and battery storage accounting for over 95% of this capacity. Solar energy represents the largest share of generation capacity in these queues, with 1,086 GW of solar projects actively seeking connection.

Cost, reliability, availability of supply chain, and speed of construction are key drivers of the growing adoption of solar and storage solutions. Solar energy continues to be the most affordable source of new-build electricity, while significant reductions in battery costs, coupled with a fivefold increase in battery power in recent years, are propelling U.S. battery storage capacity toward 30 GW by the end of 2025. As utilities and power companies scramble to update their growth strategies, solar is uniquely positioned with a wealth of shovel-ready projects. Solar and storage systems offer critical benefits, including backup power during outages, grid stabilization, and improved management of peak demand.



The Eleven Mile (300 MW) solar plus storage power plant in Pinal County, Arizona, features NX Horizon™ solar trackers

Scalable and Cost-Effective

While the final numbers get tallied for 2024, it is clear that major markets around the world are poised to shatter the records set in 2023 as solar installations continue to experience double-digit growth. As the demand for electricity continues to grow, solar energy stands out as the scalable and cost-effective solution.

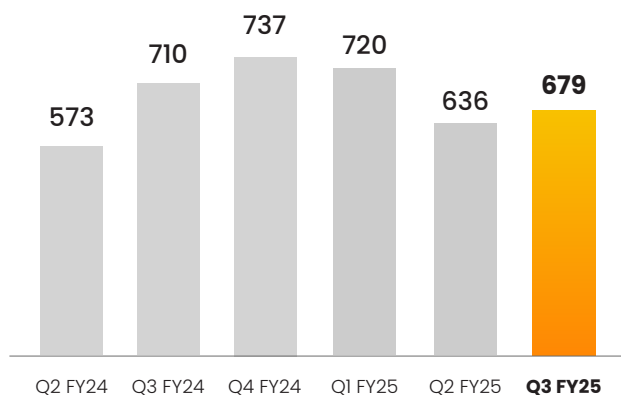
With the right partnerships and policies, solar can power progress toward a new industrial and manufacturing revolution, avoid higher electricity prices, minimize the strain on the national grid and minimize carbon emissions while building a more resilient energy system for the future.



NX Horizon™ smart solar tracker featured at Janauba Solar Power Plant, Brazil (1.3 GW)

Financial Results

Revenue (\$M)



-4% Q3 YoY

U.S. **-19%** YoY
RoW **+48%** YoY

YTD revenue increased 15% YoY to approximately \$2.0 billion while Q3 revenue declined 4% YoY to \$679 million. The geographic mix of total revenue for Q3 was 66% U.S. and 34% Rest of World.

Our adjusted EBITDA expanded to \$186 million, an 11% increase compared to this quarter last year, representing an adjusted EBITDA margin of 27%.

Revenue Mix

Revenue \$M, except %	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25	Q3 FY25
U.S.	382	556	494	511	462	450
YoY Change	23%	70%	27%	89%	21%	-19%
RoW	191	155	242	208	174	229
YoY Change	23%	-17%	89%	0%	-9%	48%
U.S. %	67%	78%	67%	71%	73%	66%
RoW %	33%	22%	33%	29%	27%	34%

We also generated \$135 million of adjusted free cash flow in the quarter and \$395 million of adjusted free cash flow YTD.

Our revenue mix is comprised of predominantly solar tracker system sales. In Q3, we again achieved significant YoY growth from sales of our TrueCapture™ software driven by a higher rate of commissioned projects. Looking forward, we continue to expect our software revenue to be approximately 2% of total revenue.

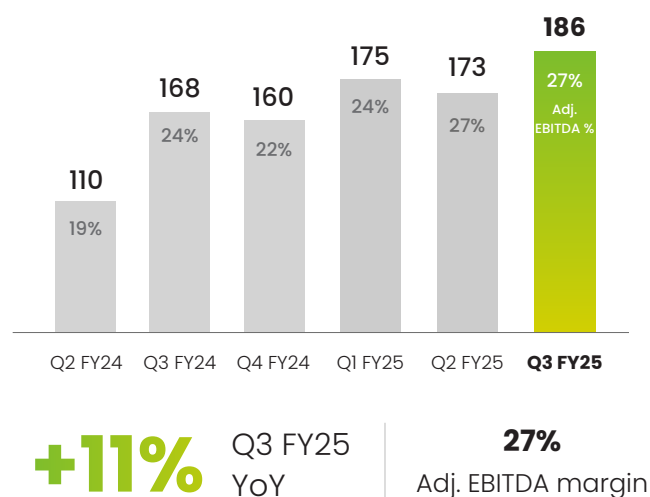
Smart solar panel featured on NX Horizon™ smart solar tracker



Profitability

\$M, except % and per share	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25	Q3 FY25
Adj. Gross Profit	152	212	222	241	228	245
YoY Change	135%	157%	118%	109%	50%	15%
Adj. Gross Margin	27%	30%	30%	34%	36%	36%
Adj. EBITDA	110	168	160	175	173	186
YoY Change	164%	168%	120%	109%	57%	11%
Adj. EBITDA Margin	19%	24%	22%	24%	27%	27%
Adj. Diluted EPS	0.65	0.96	0.96	0.93	0.97	1.03
YoY Change				94%	49%	7%

Adjusted EBITDA (\$M)



Q3 was a quarter of strong execution that exceeded our gross and operating margin targets. The execution benefits include higher TrueCapture™ revenue and higher 45X credits, partially offset by higher operating expenses.

Q3 adjusted EBITDA was \$186 million, an 11% increase from the prior year. Q3 adjusted EBITDA margin of 27% was up approximately 4 percentage points from the prior year, driven by 45X credits* of \$52 million, partially offset by increased operating expenses.

Adjusted gross margins for the quarter expanded by approximately 6 percentage points from the prior year to 36% primarily due to 45X as mentioned above.

Adjusted operating expense, which includes R&D expense, was approximately 10% of total revenue in Q3. Sequentially, we increased our investment in both SG&A and R&D.

See Appendix for reconciliation of each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP.

* Q3 FY25 and Q2 FY25 GAAP and adjusted results include approximately \$52 million and \$51 million, respectively, of IRA 45X advanced manufacturing tax credit vendor rebates (45X credits). Q3 FY24 results do not include 45X credits.

Technology featured: NX Horizon™ installed on full-scale wind tunnel test facility at the National Renewable Energy (NREL) Lab, Golden Colorado campus



FINANCIAL RESULTS

Q3 net interest and other income was \$10 million, primarily driven by FX gains, higher interest income on a higher average cash and cash equivalents balance, and tax related income.

Our Q3 adjusted effective tax rate of 19% benefited from an overall mix of profit at applicable tax rates across the regions we serve, executed tax credits

related to the two foundations company acquisitions, and the implementation of transfer pricing strategies.

At the end of Q3 FY25, the diluted share count was approximately 149 million shares, and adjusted diluted EPS was \$1.03, and did not include stock-based compensation expense, intangible amortization, adjustment for taxes and acquisition related costs of \$36 million in the quarter.

Quarterly Results

\$M, except % and per share	Q3 FY25	Q2 FY25	Q3 FY24	YoY Change	9mo FY25	YoY Change
Revenue	679	636	710	-4%	2,035	15%
Adj. Gross Profit	245	228	212	15%	714	49%
Adj. Gross Margin	36%	36%	30%	6 pts	35%	8 pts
Adj. SG&A	47	44	43	9%	135	35%
Adj. SG&A %	7%	7%	6%	1 pt	7%	1 pt
Adj. R&D	18	17	8	125%	49	103%
Adj. R&D %	3%	3%	1%	2 pts	2%	1 pt
Adj. Total Operating Expense	65	61	51	28%	183	48%
Adj. Total Operating Expense %	10%	10%	7%	3 pts	9%	2 pts
Adj. Operating Income	180	167	162	11%	531	49%
Adj. Operating Margin	27%	26%	23%	4 pts	26%	6 pts
Adj. EBITDA	186	173	168	11%	534	48%
Adj. EBITDA Margin	27%	27%	24%	4 pts	26%	6 pts
Adj. Net Income	154	145	142	8%	437	41%
Adj. Diluted EPS	\$1.03	\$0.97	\$0.96	7%	\$2.93	40%

See Appendix for reconciliation of each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP.

QoQ and YoY change percentages are calculated using rounded numbers in thousands.

Balance Sheet and Cash Flow

Our strong balance sheet, cash flow generation, and ample liquidity remain competitive advantages.

We closed the quarter with \$694 million in total cash; \$145 million in total debt, of which \$139 million is long-term.

We have a capital efficient business and remain focused on maintaining and improving our cash conversion cycle.

Operating cash flow was \$144 million in Q3 and capital expenditures were \$9 million, driving adjusted free cash flow of \$135 million in Q3 and \$395 million YTD.

Our debt to adjusted EBITDA (TTM) ratio is approximately 0.2x, with no significant debt maturities until fiscal 2028. Year to date, we have funded acquisitions of approximately \$145 million with existing cash.

In our capital allocation model, we are prioritizing growth that includes both organic and M&A business strategies. In looking at M&A, we have a disciplined approach, focusing on our core competencies, technological differentiation, and value for customers.

Total liquidity at the end of Q3 increased to \$1.6 billion.

\$M, except % & CCC days	Q3 FY25	Q2 FY25	Q3 FY24	QoQ Change	YoY Change
Ending Cash & Cash Equivalent Balance	694	562	368	23%	89%
Debt, Current & Long-Term	145	146	148	-1%	-2%
AR & Contract Assets	737	718	717	3%	3%
Inventories	217	179	203	21%	7%
AP & Accrued Expenses	450	484	445	-7%	1%
Net Working Capital	403	422	295	-5%	37%
Cash Conversion Cycle	65	65	52	0%	25%
Adj. Free Cash Flow Conversion	72%	82%	37%	-10 pts	35 pts
Cash From Operations	144	154	65	-6%	122%
Capital Expenditures	9	12	2	-26%	266%
Adjusted Free Cash Flow	135	142	62	-5%	116%

Adjusted free cash flow defined as cash from operations less capital expenditures.

NWC defined as current assets minus total cash minus current liabilities excluding current portion of long-term debt.

Adjusted free cash flow conversion defined as adjusted free cash flow divided by adjusted EBITDA.

QoQ and YoY change percentages are calculated using rounded numbers in thousands.



Wright Solar Power Plant (250 MW) featuring Nextracker's NX Horizon-XTR™ + half cut cell bifacial pv technology, TrueCapture™ optimization software with Split Boost™

About Nextracker

We at Nextracker vision a world powered by renewable energy where clean, affordable power is available for all. Our mission is to be the most trusted and valued renewable energy company by delivering intelligent, reliable, and productive solar power.

We are a leading provider of intelligent, integrated solar tracker, foundations, and software solutions used in utility-scale and distributed generation solar power plants. Our product portfolio enables solar PV power plants to follow the sun's movement across the sky and optimize plant performance.

Nextracker Product Portfolio

Tracker Systems

Nextracker offers customers the industry's most comprehensive smart solar tracker portfolio, optimized for all panels. Designed with independent-row and windproof architecture, Nextracker solutions deliver greater flexibility to reliably configure systems on project sites for industry-leading performance and maximum energy output across a broad range of project sites and weather conditions. Backed by Nextracker's global asset management, digital O&M services, and with more than 100 GW shipped, Nextracker is the trusted global market leader.



NX Horizon™

Field-proven performance and reliability

[Learn More](#)

[Watch Video](#)

[Download Datasheet](#)

NX Horizon-XTR™

Advanced terrain following tracker

[Learn More](#)

[Watch Video](#)

[Download Case Study](#)

NX Horizon Hail Pro™

Industry-first solution to threat of hailstorms

[Watch Video](#)

[Download Datasheet](#)

Foundation Solutions

Nextracker's solar foundation systems are engineered to deliver high performance and reliability in all soil types – from hard rock to expansive soils. Advanced engineering and innovative design mitigate risk and ensure successful solar projects across all terrain while minimizing environmental impact and being light on land.



NX Anchor™

Unique blade pile and A-frame provide stability in soft and frost-prone soils

[Download Datasheet](#)

Earth Truss

Precision engineered for rocky and variable soils, eliminating the need for pre-drilling

[Download Datasheet](#)

NX Foundation System Services

Offering full suite of services for solar foundations

[Download Datasheet](#)

Nextracker Product Portfolio

Software & Controls

Our field-proven TrueCapture™ energy yield enhancement and NX Navigator™ advanced monitoring and control platforms make for the most advanced software ecosystem in the solar tracker sector. Validated by independent engineers and embraced by financial institutions and developers, they have been successfully deployed across tens of gigawatts of solar power systems worldwide. [Learn More](#)



Global Services

Nextracker offers a complete range of services including project design, training, asset management, and spare parts. Our global team applies a data and customer-centric approach, delivering support and value across the entire project life cycle. [Learn More](#)



A Global and Diversified Supply Chain

Nextracker's 100 GW+ shipments demonstrate the global scale of our supply chain.

Our annual global capacity remains over 50 GW, including over 30 GW of capacity in the U.S.

We have nearly 20 GW operational and under fulfillment in Latin America, and more than 15 GW in Middle East, India, and Africa regions combined.

We continue to expand our global supply chain network and are strategically positioned with more than 90 partnering facilities worldwide that manufacture and support our products and ongoing customer activities.

Robust supply chain with unparalleled capacity



100+ GW trackers shipped worldwide

40+ Countries served worldwide

90+ Facilities operated by 70 manufacturing partners

19 Countries with manufacturing partners

100% U.S. domestic content*

95% India domestic content

2024 Australia first domestic production

*Per U.S. Treasury Guidance

Go-to-Market Strategy and Operations

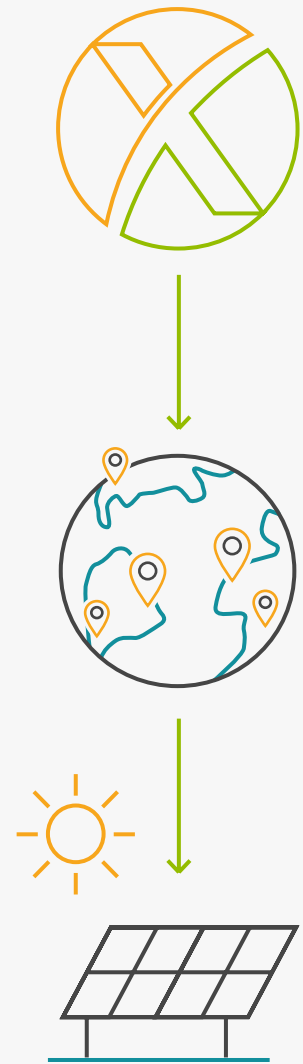
Nextracker provides intelligent, integrated utility scale solutions to customers through a capex-light manufacturing model, in which most of our components are produced by outside qualified vendors through contract manufacturing agreements. We have more than 70 manufacturing partners operating over 90 facilities located in 19 countries across five continents.

Our sales and marketing strategy is focused on building long-term relationships with key parties involved in developing, building, owning, and maintaining utility-scale solar projects. We educate those parties on the benefits of our solutions, including increased energy yield performance, superior constructability, reliability, ease of maintenance, and advanced software and sensor capabilities compared to competing products.

Our customers include engineering, procurement, and construction firms (EPCs), as well as solar project developers and owners.

We have regional sales leaders based in each market that are supported by local project engineering teams and other specialists to help customers evaluate our solutions and optimize system designs in the context of local market characteristics.

Our globally-diversified operational footprint places sales, engineering, and key support functions in close proximity to major tracker markets around the world.



Nextracker is a leading provider of integrated solar trackers, foundations, and software solutions used in ground-mounted utility-scale and distributed generation solar projects around the world. Our product portfolio enables solar PV power plants to follow the sun's movement across the sky and optimize plant performance. With power plants operating in more than forty countries worldwide, Nextracker offers solar tracker technologies that increase energy production while reducing costs for significant plant ROI.

For more information, visit www.nextracker.com.

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Forward Looking Statements

This shareholder letter 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 including statements under the heading “Fiscal Year 2025 Outlook” of this letter; 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; projections regarding the U.S. and global demand for solar and our addressable market and market size; macro-economic trends; panel availability; growth opportunities and plans for future operations, products and services; the expansion of our U.S. manufacturing and production volumes and domestic content capability; our bookings and backlog; our ability to integrate our recent acquisitions on the timelines we expect, and the expected benefits we expect for our customers and us; 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 shareholder letter.

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; policy changes in the renewable energy industry in light of the new U.S. presidential administration; the reduction, elimination or expiration of government incentives for or regulations mandating the use of, renewable energy and solar energy, the final rules and regulations applicable to IRA domestic content requirements and the accuracy of our interpretation of such requirements, 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 our business in general, see our periodic filings with the Securities and Exchange Commission (the "SEC"), including our Annual Report on Form 10-K for the fiscal year ended March 31, 2024, our Quarterly Report on Form 10-Q for the fiscal quarters ended June 28, 2024 and September 27, 2024, and when available, our Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 2024. Except as required by law, we assume no obligation and do not intend to update these forward-looking statements or to conform these statements to actual results or to changes in our expectations, even if new information becomes available in the future.

Use of Adjusted Financial Information

An explanation and reconciliation of non-GAAP financial measures to GAAP financial measures is presented in Schedules III, IV and V attached to this Shareholder Letter, and can be found, along with other financial information including the Q3 FY25 earnings press release, on the investor relations section of our website at investors.nextracker.com.

Channels for Disclosure of Information

Nextracker intends to announce material information to the public through the Nextracker Investor Relations website investors.nextracker.com, SEC filings, press releases, public conference calls, and public webcasts. Nextracker uses these channels to communicate with its investors, customers, and the public about the company, its offerings, and other issues. As such, Nextracker encourages investors, the media, and others to follow the channels listed above and to review the information disclosed through such channels.

Nextracker Inc.

Unaudited condensed consolidated statements of operations and comprehensive income

(In thousands, except per share data)

	Three-month periods ended	
	December 31, 2024	December 31, 2023
Revenue	\$ 679,363	\$ 710,426
Cost of sales	438,460	500,701
Gross profit	240,903	209,725
Selling, general and administrative expenses	70,573	48,356
Research and development	20,094	12,897
Operating income	150,236	148,472
Interest expense	3,798	3,227
Other income, net	(13,778)	(21,534)
Income before income taxes	160,216	166,779
Provision for income taxes	42,842	38,818
Net income and comprehensive income	117,374	127,961
Less: Net income attributable to non-controlling interests and redeemable non-controlling interests	2,091	86,565
Net income attributable to Nextracker Inc.	\$ 115,283	\$ 41,396

Earnings per share attributable to Nextracker Inc. common stockholders		
Basic	\$ 0.80	\$ 0.67
Diluted	\$ 0.79	\$ 0.87
Weighted-average shares used in computing per share amounts:		
Basic	143,664	62,109
Diluted	149,028	147,344

	Nine-month periods ended	
	December 31, 2024	December 31, 2023
Revenue	\$ 2,034,855	\$ 1,763,326
Cost of sales	1,331,717	1,290,747
Gross profit	703,138	472,579
Selling, general and administrative expenses	203,527	126,865
Research and development	55,806	29,270
Operating income	443,805	316,444
Interest expense	10,743	9,975
Other income, net	(16,292)	(18,464)
Income before income taxes	449,354	324,933
Provision for income taxes	89,922	51,918
Net income and comprehensive income	359,432	273,015
Less: Net income attributable to non-controlling interests and redeemable non-controlling interests	7,058	171,937
Net income attributable to Nextracker Inc.	\$ 352,374	\$ 101,078

Earnings per share attributable to Nextracker Inc. common stockholders		
Basic	\$ 2.46	\$ 1.78
Diluted	\$ 2.41	\$ 1.86
Weighted-average shares used in computing per share amounts:		
Basic	143,102	56,789
Diluted	149,134	147,160

Nexttracker Inc.
Unaudited condensed consolidated balance sheets
(In thousands)

	As of December 31, 2024	As of March 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 693,543	\$ 474,054
Accounts receivable, net of allowance of \$2,845 and \$3,872, respectively	457,918	382,687
Contract assets	279,027	397,123
Inventories	217,301	201,736
Other current assets	346,732	312,635
Total current assets	1,994,521	1,768,235
Property and equipment, net	47,985	9,236
Goodwill	370,613	265,153
Other intangible assets, net	47,503	1,546
Deferred tax assets	472,189	438,272
Other assets	50,748	36,340
Total assets	<u>\$ 2,983,559</u>	<u>\$ 2,518,782</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 377,466	\$ 456,639
Accrued expenses	72,863	82,410
Deferred revenue	297,007	225,539
Current portion of long-term debt	6,563	3,750
Other current liabilities	150,746	123,148
Total current liabilities	904,645	891,486
Long-term debt, net of current portion	138,770	143,967
Tax receivable agreement (TRA) liability	375,002	391,568
Other liabilities	140,182	99,733
Total liabilities	1,558,599	1,526,754
Total stockholders' equity	1,424,960	992,028
Total liabilities and stockholders' equity	<u>\$ 2,983,559</u>	<u>\$ 2,518,782</u>

Nexttracker Inc.
Unaudited condensed consolidated statements of cash flows
(In thousands)

	Three-month periods ended			Nine-month periods ended	
	December 31, 2024	September 27, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Cash flows from operating activities:					
Net income	\$ 117,374	\$ 117,264	\$ 127,961	\$ 359,432	\$ 273,015
Depreciation and amortization of intangible assets	4,416	2,942	1,118	8,299	3,138
Changes in working capital and other, net	22,050	33,575	(64,275)	50,736	41,328
Net cash provided by operating activities	143,840	153,781	64,804	418,467	317,481
Cash flows from investing activities:					
Purchases of property and equipment	(8,941)	(12,010)	(2,444)	(23,841)	(3,850)
Payment for business acquisitions, net of cash acquired	—	(34,510)	—	(144,675)	—
Net cash used in investing activities	(8,941)	(46,520)	(2,444)	(168,516)	(3,850)
Cash flows from financing activities:					
Repayment of bank borrowings	(938)	(938)	(2,813)	(2,813)	(2,813)
Net proceeds from issuance of Class A shares	—	—	—	—	552,009
Purchase of LLC common units from Yuma, Inc.	—	—	—	—	(552,009)
Payment of revolver issuance cost	(2,302)	—	—	(6,017)	—
TRA payment	—	(15,520)	—	(15,520)	—
Distribution to non-controlling interest holders	—	(798)	(64,365)	(6,112)	(64,365)
Net transfers to Flex	—	—	—	—	(8,335)
Other financing activities	—	—	(282)	—	(308)
Net cash used in financing activities	(3,240)	(17,256)	(67,460)	(30,462)	(75,821)
Net increase in cash and cash equivalents	131,659	90,005	(5,100)	219,489	237,810
Cash and cash equivalents beginning of period	561,884	471,879	372,918	474,054	130,008
Cash and cash equivalents end of period	\$ 693,543	\$ 561,884	\$ 367,818	\$ 693,543	\$ 367,818

	Three-month periods ended			Nine-month periods ended		Last twelve-month period ended
	December 31, 2024	September 27, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024
Adjusted free cash flow						
Net cash provided by operating activities	\$ 143,840	\$ 153,781	64,804	\$ 418,467	\$ 317,481	\$ 529,959
Purchases of property and equipment	(8,941)	(12,010)	(2,444)	(23,841)	(3,850)	(26,151)
Other financing	—	—	—	—	—	3,750
Adjusted free cash flow	\$ 134,899	\$ 141,771	\$ 62,360	\$ 394,626	\$ 313,631	\$ 507,558
Adjusted free cash flow conversion (1)	72.4%	82.1%	37.2%	73.9%	86.7%	97.3%

(1) Free cash flow conversion is calculated by dividing adjusted free cash flow by adjusted EBITDA for the same period. Refer to Schedule IV for the reconciliation of GAAP net income to adjusted EBITDA.

Nexttracker Inc.
Reconciliation of GAAP to Non-GAAP Financial measures
(In thousands, except percentages and per share data)

	Three-month periods ended											
	December 31, 2024		September 27, 2024		June 28, 2024		March 31, 2024		December 31, 2023		September 29, 2023	
GAAP gross profit & margin	\$ 240,903	35.5%	\$ 224,795	35.4%	\$ 237,440	33.0%	\$ 340,470	46.2%	\$ 209,725	29.5%	\$ 149,110	26.0%
Stock-based compensation expense	3,084		2,481		3,780		3,096		2,497		3,245	
Intangible amortization	880		896		88		87		63		62	
Advanced manufacturing tax credit vendor rebate	—		—		—		(121,405)		—		—	
Adjusted gross profit & margin	\$ 244,867	36.0%	\$ 228,172	35.9%	\$ 241,308	33.5%	\$ 222,248	30.2%	\$ 212,285	29.9%	\$ 152,417	26.6%
GAAP operating income & margin	\$ 150,236	22.1%	\$ 133,475	21.0%	\$ 160,094	22.2%	\$ 270,674	36.8%	\$ 148,472	20.9%	\$ 94,092	16.4%
Stock-based compensation expense	26,980		29,885		21,901		16,889		13,037		18,216	
Intangible amortization	1,780		1,875		88		87		63		62	
Acquisition related costs	1,038		2,177		1,480		—		—		—	
Advanced manufacturing tax credit vendor rebate	—		—		—		(121,405)		—		—	
Adjusted operating income & margin	\$ 180,034	26.5%	\$ 167,412	26.3%	\$ 183,563	25.5%	\$ 166,245	22.6%	\$ 161,572	22.7%	\$ 112,370	19.6%
GAAP net income & margin	\$ 117,374	17.3%	\$ 117,264	18.5%	\$ 124,794	17.3%	\$ 223,200	30.3%	\$ 127,961	18.0%	\$ 81,409	14.2%
Stock-based compensation expense	26,980		29,885		21,901		16,889		13,037		18,216	
Intangible amortization	1,780		1,875		88		87		63		62	
Adjustment for taxes	6,550		(6,274)		(9,644)		23,567		841		(3,656)	
Acquisition related costs	1,038		2,177		1,480		—		—		—	
Advanced manufacturing tax credit vendor rebate	—		—		—		(121,405)		—		—	
Adjusted net income & margin	\$ 153,722	22.6%	\$ 144,927	22.8%	\$ 138,619	19.3%	\$ 142,338	19.3%	\$ 141,902	20.0%	\$ 96,031	16.7%
GAAP net income & margin	\$ 117,374	17.3%	\$ 117,264	18.5%	\$ 124,794	17.3%	\$ 223,200	30.3%	\$ 127,961	18.0%	\$ 81,409	14.2%
Interest, net	(1,865)		455		(1,292)		988		(198)		(86)	
Provision for income taxes	42,842		19,928		27,152		59,864		38,818		3,999	
Depreciation expense	2,636		1,067		853		1,138		1,055		912	
Intangible amortization	1,780		1,875		88		87		63		62	
Stock-based compensation expense	26,980		29,885		21,901		16,889		13,037		18,216	
Acquisition related costs	1,038		2,177		1,480		—		—		—	
Advanced manufacturing tax credit vendor rebate	—		—		—		(121,405)		—		—	
Other tax related income, net	(4,413)		—		—		(21,138)		(12,945)		5,686	
Adjusted EBITDA & margin	\$ 186,372	27.4%	\$ 172,651	27.2%	\$ 174,976	24.3%	\$ 159,623	21.7%	\$ 167,791	23.6%	\$ 110,198	19.2%
GAAP selling, general and administrative expenses	\$ 70,573	10.4%	\$ 72,127	11.3%	\$ 60,827	8.4%	\$ 56,706	7.7%	\$ 48,356	6.8%	\$ 47,872	8.3%
Intangible amortization	900		979		—		—		—		—	
Stock-based compensation expense	21,482		25,417		15,287		11,476		5,163		14,971	
Acquisition related costs	1,038		2,177		1,480		—		—		—	
Adjusted selling, general and administrative expenses	\$ 47,153	6.9%	\$ 43,554	6.9%	\$ 44,060	6.1%	\$ 45,230	6.1%	\$ 43,193	6.1%	\$ 32,901	5.7%
GAAP research and development	\$ 20,094	3.0%	\$ 19,193	3.0%	\$ 16,519	2.3%	\$ 13,090	1.8%	\$ 12,897	1.8%	\$ 7,146	1.2%
Stock-based compensation expense	2,414		1,987		2,834		2,317		5,377		—	
Adjusted research and development	\$ 17,680	2.6%	\$ 17,206	2.7%	\$ 13,685	1.9%	\$ 10,773	1.5%	\$ 7,520	1.1%	\$ 7,146	1.2%

Schedule IV

GAAP operating expenses	\$ 90,667	13.3%	\$ 91,320	14.4%	\$ 77,346	10.7%	\$ 69,796	9.5%	\$ 61,253	8.6%	\$ 55,018	9.6%
Intangible amortization	900		979		—		—		—		—	
Stock-based compensation expense	23,896		27,404		18,121		13,793		10,540		14,971	
Acquisition costs	1,038		2,177		1,480		—		—		—	
Adjusted operating expenses	\$ 64,833	9.5%	\$ 60,760	9.6%	\$ 57,745	8.0%	\$ 56,003	7.6%	\$ 50,713	7.1%	\$ 40,047	7.0%
Diluted earnings per share												
GAAP	\$ 0.79		\$ 0.79		\$ 0.84		\$ 1.51		\$ 0.87		\$ 0.55	
Earnings per share attributable to Non-GAAP adjustments	0.24		0.18		0.09		(0.55)		0.09		0.10	
Adjusted	<u>\$ 1.03</u>		<u>\$ 0.97</u>		<u>\$ 0.93</u>		<u>\$ 0.96</u>		<u>\$ 0.96</u>		<u>\$ 0.65</u>	
Diluted shares used in computing per share amounts	149,028		149,079		149,233		148,144		147,344		147,141	

Schedule IV

	Nine-month periods ended					
	December 31, 2024			December 31, 2023		
GAAP gross profit & margin	\$	703,138	34.6%	\$	472,579	26.8%
Stock-based compensation expense		9,345			7,668	
Intangible amortization		1,864			188	
Adjusted gross profit & margin	\$	714,347	35.1%	\$	480,435	27.2%
GAAP operating income & margin	\$	443,805	21.8%	\$	316,444	17.9%
Stock-based compensation expense		78,766			39,895	
Intangible amortization		3,743			188	
Acquisition related costs		4,695			—	
Adjusted operating income & margin	\$	531,009	26.1%	\$	356,527	20.2%
GAAP net income & margin	\$	359,432	17.7%	\$	273,015	15.5%
Stock-based compensation expense		78,766			39,895	
Intangible amortization		3,743			188	
Adjustment for taxes		(9,368)			(4,040)	
Acquisition related costs		4,695			—	
Adjusted net income & margin	\$	437,268	21.5%	\$	309,058	17.5%
GAAP net income & margin	\$	359,432	17.7%	\$	273,015	15.5%
Interest, net		(2,702)			1,136	
Provision for income taxes		89,922			51,918	
Depreciation expense		4,556			2,950	
Intangible amortization		3,743			188	
Stock-based compensation expense		78,766			39,895	
Acquisition related costs		4,695			—	
Other tax related income, net		(4,413)			(7,259)	
Adjusted EBITDA & margin	\$	533,999	26.2%	\$	361,843	20.5%
GAAP selling, general and administrative expenses	\$	203,527	10.0%	\$	126,865	7.2%
Intangible amortization		1,879			—	
Stock-based compensation expense		62,186			26,849	
Acquisition related costs		4,695			—	
Adjusted selling, general and administrative expenses	\$	134,767	6.6%	\$	100,016	5.7%
GAAP research and development	\$	55,806	2.7%	\$	29,270	1.7%
Stock-based compensation expense		7,235			5,377	
Adjusted research and development	\$	48,571	2.4%	\$	23,893	1.4%
GAAP operating expenses	\$	259,333	12.7%	\$	156,135	8.9%
Intangible amortization		1,879			—	
Stock-based compensation expense		69,421			32,226	
Acquisition costs		4,695			—	
Adjusted operating expenses	\$	183,338	9.0%	\$	123,909	7.0%
Diluted earnings per share						
GAAP	\$	2.41		\$	1.86	
Earnings per share attributable to Non-GAAP adjustments		0.52			0.24	
Adjusted	\$	2.93		\$	2.10	
Diluted shares used in computing per share amounts		149,134			147,160	

Nextracker Inc.

Notes

To supplement Nextracker's unaudited selected financial data presented consistent with U.S. Generally Accepted Accounting Principles ("GAAP"), the Company discloses certain non-GAAP financial measures that exclude certain charges and gains, including adjusted earnings before interest, taxes, depreciation, and amortization ("Adjusted EBITDA"), adjusted EBITDA margin, adjusted gross profit, adjusted gross margin, adjusted operating income, adjusted operating margin, adjusted net income, adjusted diluted earnings per share, adjusted free cash flow, adjusted free cash flow conversion, adjusted selling, general and administrative expense, adjusted research and development, and adjusted total operating expense. These supplemental measures exclude certain legal and other charges, stock-based compensation expense and intangible amortization, other discrete events as applicable and the related tax effects. These non-GAAP measures are not in accordance with or an alternative for GAAP and may be different from non-GAAP measures used by other companies. We believe that these non-GAAP measures have limitations in that they do not reflect all the amounts associated with Nextracker's results of operations as determined in accordance with GAAP and that these measures should only be used to evaluate Nextracker's results of operations in conjunction with the corresponding GAAP measures. The presentation of this additional information is not meant to be considered in isolation or as a substitute for the most directly comparable GAAP measures. We compensate for the limitations of non-GAAP financial measures by relying upon GAAP results to gain a complete picture of the Company's performance.

In calculating non-GAAP financial measures, we exclude certain items to facilitate a review of the comparability of the Company's operating performance on a period-to-period basis because such items are not, in our view, related to the Company's ongoing operational performance. We use non-GAAP measures to evaluate the operating performance of our business, for comparison with forecasts and strategic plans, for calculating return on investment, and for benchmarking performance externally against competitors. In addition, management's incentive compensation is determined using certain non-GAAP measures. Since we find these measures to be useful, we believe that investors benefit from seeing results "through the eyes" of management in addition to seeing GAAP results. We believe that these non-GAAP measures, when read in conjunction with the Company's GAAP financials, provide useful information to investors by offering:

- the ability to make more meaningful period-to-period comparisons of the Company's ongoing operating results;
- the ability to better identify trends in the Company's underlying business and perform related trend analysis;
- a better understanding of how management plans and measures the Company's underlying business; and
- an easier way to compare the Company's operating results against analyst financial models and operating results of competitors that supplement their GAAP results with non-GAAP financial measures.

The following are explanations of each of the adjustments that we incorporate into non-GAAP measures, as well as the reasons for excluding each of these individual items in the reconciliations of these non-GAAP financial measures:

Stock-based compensation expense consists of non-cash charges for the estimated fair value of unvested restricted share unit and stock option awards granted to employees. The Company believes that the exclusion of these charges provides for more accurate comparisons of its operating results to peer companies due to the varying available valuation methodologies, subjective assumptions, and the variety of award types. In addition, the Company believes it is useful to investors to understand the specific impact stock-based compensation expense has on its operating results.

Intangible amortization consists primarily of non-cash charges that can be impacted by, among other things, the timing and magnitude of acquisitions. The Company considers its operating results without these charges when evaluating its ongoing performance and forecasting its earnings trends, and therefore excludes such charges when presenting non-GAAP financial measures. The Company believes that the assessment of its operations excluding these costs is relevant to its assessment of internal operations and comparisons to the performance of its competitors.

The 45X Advanced Manufacturing Production Tax Credit ("45X Credit") which was established as part of the Inflation Reduction Act (IRA), is a per-unit tax credit earned over time for each clean energy component domestically produced and sold by a manufacturer. The 45X Credit was eligible for domestic parts manufactured after January 1, 2023. The Company has executed agreements with certain suppliers to ramp up its U.S. manufacturing

footprint. These suppliers produce 45X Credit eligible parts, including torque tubes, and structural fasteners, that will then be incorporated into a solar tracker. The Company has contractually agreed with these suppliers to share a portion of the credit related to Nextracker's purchases. The Company accounts for these credits as a reduction of the purchase price of the parts acquired from the vendor and therefore a reduction of inventory until the part is sold, at which point the Company recognizes such credit as a reduction of cost of sales on the unaudited condensed consolidated statements of operations and comprehensive income. During the fourth quarter of fiscal 2024, the Company determined the amount of the 45X vendor rebates it expects to receive in accordance with the vendor contracts and recognized a cumulative reduction to cost of sales of \$121.4 million related to 45X Credit vendor rebates earned on production of eligible components shipped to projects starting on January 1, 2023 through March 31, 2024. The Company believes that the assessment of its operations excluding the benefit from the vendor credits provides a more consistent comparison of its performance given the cumulative nature of the amount recorded in the fiscal fourth quarter. Beginning in the first quarter of fiscal year 2025, these 45X credit vendor rebates are not excluded from our non-GAAP financial measures.

Acquisition costs consist primarily of nonrecurring transaction costs for business acquisitions.

Adjustment for taxes relates to the tax effects of the various adjustments that we incorporate into non-GAAP measures to provide a more meaningful measure on non-GAAP net income and certain adjustments related to non-recurring settlements of tax contingencies or other non-recurring tax charges, when applicable.