



nexttracker™

Q2 FY2024 Earnings Presentation
October 25, 2023

Forward-Looking Statements

Cautionary Note About Forward-Looking Statements

This presentation is made by Nextracker 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 leveled 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 regulators mandating the use of, renewable energy and solar energy, including the IRA tracking manufacturing tax credits; 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; the impact of the COVID-19 pandemic on our business, financial results and financial condition; 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 June 30, 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.

Q2 FY2024 Highlights

Q2 Revenue

\$ 573M

23% Y/Y Growth

Q2 Adj. EBITDA

\$ 110M

164% Y/Y Growth

- **Record revenue and profits**; Significant margin expansion due to strategic supply chain repositioning and continued pricing discipline
- Record backlog; robust customer wins across multiple continents
- Launched **Next Gen Tech Suite** with 3 new innovations that provides enhanced functionality in hail protection, undulating terrain, and fast-changing atmospheric conditions
- Continued U.S. and global manufacturing **supply chain capacity expansion** with strategic partners

Raised FY24 Full Year Guidance

- FY24 Revenue raised by \$50M from previous mid-pt. to \$2.35B at mid-pt.
- FY24 Adj. EBITDA raised by \$100M to \$415M 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 definition of metrics and reconciliations of each non-GAAP financial measure to most directly comparable financial measure stated in accordance with GAAP.



Business & Product Highlights

Nextracker Strengthens Global Supply Chain



US: Asteelflash/USI – Fremont, California **New electronics manufacturing line**

Asteelflash expanded dedicated capacity for production of Nextracker's patented power controller (SPC) and high voltage power supply.



US: Unimacts – Las Vegas, Nevada **New steel manufacturing facility**

New manufacturing facility owned and operated by Unimacts to produce critical steel components exclusively for Nextracker.



India: over 10 suppliers and manufacturing facilities

Manufacturing facilities to produce a diverse range of components in multiple regions in India, including Mundra, Rajkot, Nashik, Pune, and Mumbai; in-line with India's *Make-in-India* program.



Next-Gen Tech Suite Increases Market Opportunities



First generation Hail Stow delivered in 2020

NX Horizon Hail Pro

Comprehensive Hail-Stowing Solution
Hardware, Software, Service

Leverages NX Horizon with Integrated UPS

Automatic stowing using weather service information, hail readiness services, and where desired, Hail Pro-75™ for stowing at up to 75 degrees for extreme hail locations.

Watch our [short video](#) to learn more



First generation NX Horizon XTR delivered in 2019

NX Horizon XTR-1.5

Doubling the undulation capability of our terrain-following tracker

By far the most deployed undulating tracker

- Reduce or eliminate grading
- Save construction costs
- Reduce project risk
- Minimize environmental impact

Watch our [short video](#) to learn more



First generation TrueCapture delivered in 2017

TrueCapture Zonal Diffuse

Expanded TrueCapture's yield optimization and control software with Zonal Diffuse

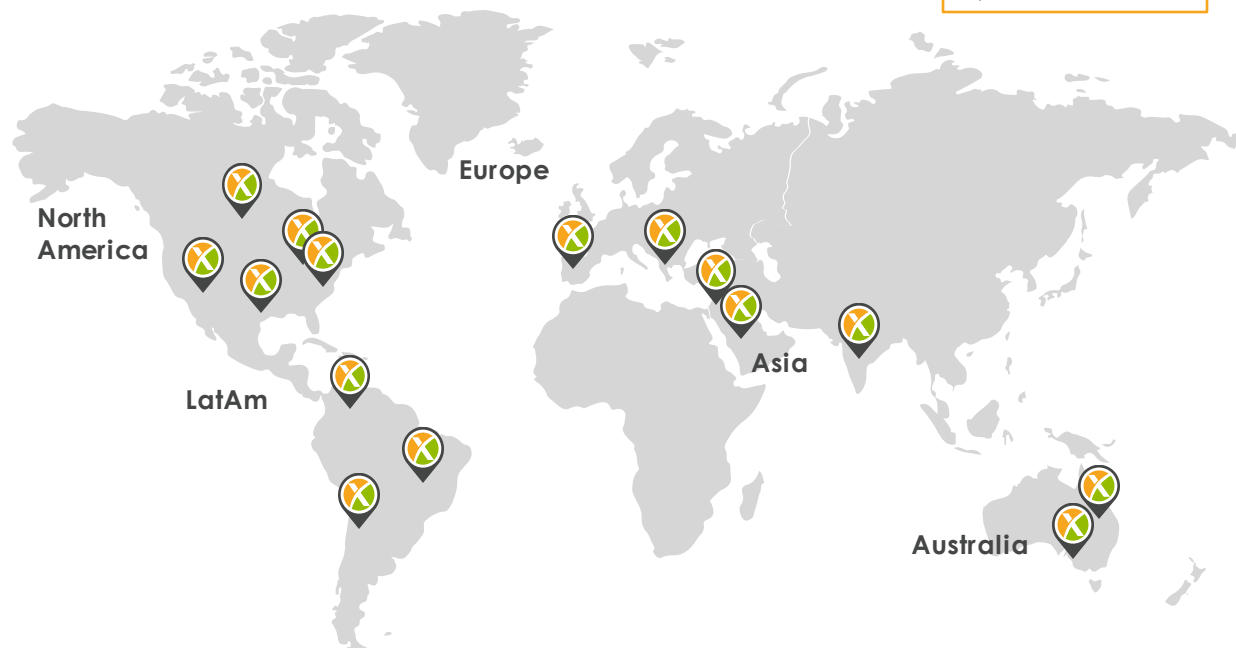
New tech which enhances energy generation during rapidly changing irradiance conditions

- Zonal mapping of diffuse cloud conditions
- Trackers respond in real-time
- Increased energy generation
- Enhances project owner returns

Q2 Global Wins Driven by Strong Demand



Record Backlog²
Significantly Over \$3 Billion



1. The pins represent the approx. geographies of multiple projects of EPC agreements and VCAs signed in the quarter. EPC stands for 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.



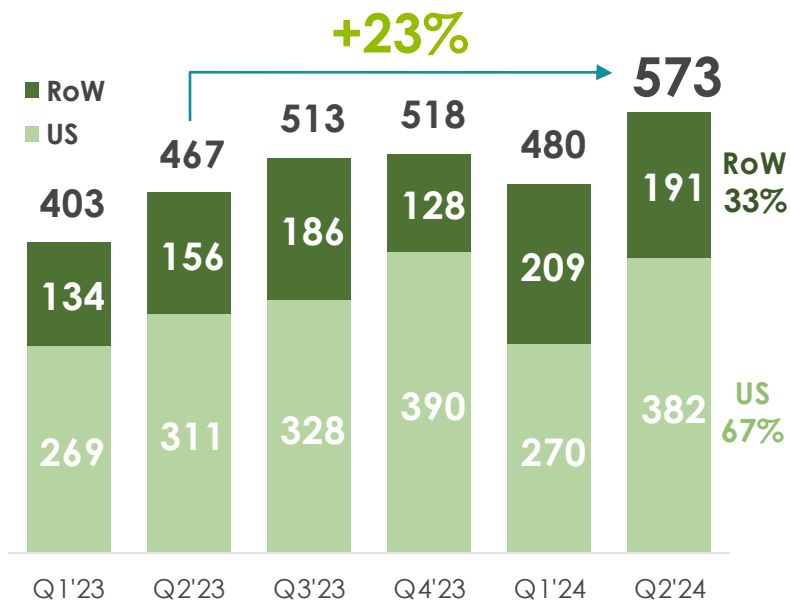
Q2 Financial Results

Q2 FY2024 Financial Highlights

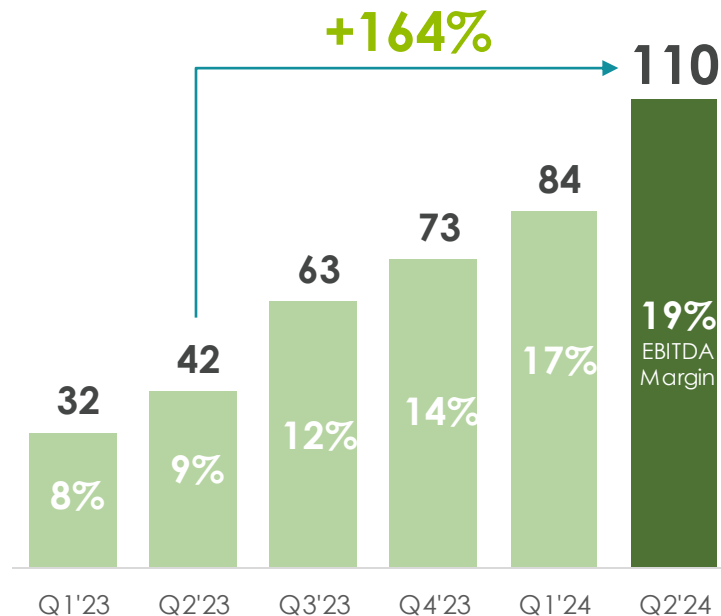
3rd Consecutive Quarter of Growth YoY Since IPO

Revenue (\$M)

U.S. +23% Y/Y • RoW +23% Y/Y



Adj. EBITDA (\$M) & Margin %



Strong Execution in Q2; Building Track Record

Key Highlights

- Significant margin expansion Y/Y due to structural enhancements to supply chain and continued pricing discipline
- Results exclude possible benefits related to IRA tracker manufacturing tax credits

Non-GAAP P&L (\$M, except % and per share amounts)	Q2'23	Q1'24	Q2'24
Revenue	467	480	573
Gross Profit	65	116	152
<i>Gross Margin</i>	<i>14%</i>	<i>24%</i>	<i>27%</i>
Operating Income	42	82	112
<i>Operating Margin</i>	<i>9%</i>	<i>17%</i>	<i>20%</i>
Net Income	29	71	96
Earnings Per Share	N/A	\$0.48	\$0.65
Adj. EBITDA	42	84	110
Adj. EBITDA Margin	9%	17%	19%

Table above represents GAAP revenue and non-GAAP metrics in fiscal year quarters.

High-Quality Balance Sheet and Cash Flow Management

Strong Capital Structure

- Liquidity of **\$873M**
- Limited debt, **Debt/Adj. EBITDA < 1x**
 - Approx. \$150M term loan with no significant repayments until FY 2028
- NWC Management, customers deposits and Adj. EBITDA driving strong Adj. free cash flow generation, YTD **\$251M**

Balance Sheet (\$M)	As of Mar. 31, 2023	As of Sep. 29, 2023
Cash	130	373
AR & Contract Assets	569	651
Inventories	138	196
Other Current Assets	35	118
Current Assets	872	1,339
Non-Current Assets	547	695
TOTAL ASSETS	1,420	2,034
AP and Accrued Expenses	271	471
Deferred Revenue	176	236
Other Current Liabilities	60	66
Current Liabilities	507	772
Long-Term Debt	147	146
Other Non-Current Liabilities	280	441
Non-Current Liabilities	427	586
Equity	485	675
TOTAL EQUITY & LIABILITIES	1,420	2,034

Full Year FY2024 Guidance

REVENUE
RAISED
AT MID-PT

\$2.3-\$2.4B

24% Y/Y Growth at Midpoint
+\$50M mid-pt. vs. prior \$2.2 - \$2.4B

Adj. EBITDA^{1,3}
RAISED

\$390-\$440M

99% Y/Y Growth at Midpoint
+\$100M vs. prior \$290 - \$340M

Adj. EPS^{2,3}
RAISED

\$1.95-\$2.15

GAAP \$1.60 - \$1.80
vs. prior Adj. EPS \$1.45 - \$1.65
vs. prior GAAP EPS \$1.20 - \$1.40

Assumptions

- Interest and Other Expense \$15M - \$20M
- Adjusted Income Tax Rate 15% - 20%
- WASO of ~148M
- Excludes possible benefits related to IRA tracker manufacturing tax credits

1. Adjusted EBITDA excludes approximately \$63 million for stock-based compensation, and intangible amortization included in GAAP net income.
2. Non-GAAP earnings per share excludes \$0.35 for stock-based compensation expense and net intangible amortization included in GAAP earnings per share.
3. See Appendix for definition of metrics and reconciliations of each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP.



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APPENDIX

Reconciliation of GAAP to Non-GAAP Measures

\$M, except percentages and per share data

	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24
GAAP gross profit	50	65	82	90	114	149
Stock-based compensation expense	0	0	0	12	2	3
Intangible amortization	0	0	0	0	0	0
Non-GAAP gross profit	50	65	83	102	116	152
<i>Gross Margin</i>	12%	14%	16%	20%	24%	27%
GAAP operating income	30	39	59	41	74	94
Stock-based compensation expense	1	1	1	29	8	18
Intangible amortization	1	1	0	0	0	0
Legal costs	-	2	-	-	-	-
Other	-	(0)	-	-	-	-
Non-GAAP operating income	31	42	60	70	82	112
<i>Operating Margin</i>	8%	9%	12%	13%	17%	20%
GAAP net income	24	27	43	28	64	81
Stock-based compensation expense	1	1	1	29	8	18
Intangible amortization	1	1	0	0	0	0
Adjustment for taxes	(1)	(1)	(0)	(1)	(1)	(4)
Legal costs	-	2	-	-	-	-
Other	-	(0)	-	-	-	-
Non-GAAP net income	25	29	43	56	71	96

Reconciliation of GAAP to Non-GAAP Measures

\$M, except percentages and per share data

	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24
GAAP net income	24	27	43	28	64	81
Interest, net	(0)	(0)	(0)	2	1	(0)
Provision for income taxes	6	11	18	13	9	4
Depreciation expense	1	1	1	1	1	1
Intangible amortization	1	1	0	0	0	0
Stock-based compensation expense	1	1	1	29	8	18
Legal costs	-	2	-	-	-	-
Other	-	(0)	-	-	-	6
Adjusted EBITDA	32	42	63	73	84	110
<i>Adjusted EBITDA (% of revenue)</i>	8%	9%	12%	14%	17%	19%
Diluted earnings per share						
GAAP	N/A	N/A	N/A	N/A	\$0.43	\$0.55
Earnings per share attributable to Non-GAAP adjustments	N/A	N/A	N/A	N/A	\$0.05	\$0.10
Non-GAAP	N/A	N/A	N/A	N/A	\$0.48	\$0.65
Diluted shares used in computing per share amounts	N/A	N/A	N/A	N/A	147	147
Net cash provided by operating activities	3	50	20	35	226	27
Purchase of property and equipment	(0)	(1)	(1)	(1)	(1)	(1)
Proceeds from disposition of property and equipment	-	0	-	-	-	-
Adjusted free cash flow	2	49	19	35	225	26



Thank You

IR website: [Investors.NextTracker.com](https://investors.nexttracker.com)