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Nexttracker, Inc. (NXT)

Roth Conference

CORPORATE PARTICIPANTS

Howard J. Wenger

President & Director, Nextracker, Inc.

Mary Lai

Vice President-Investor Relations, Nextracker, Inc.

OTHER PARTICIPANTS

Philip Shen

Analyst, ROTH Capital Partners LLC

MANAGEMENT DISCUSSION SECTION

Philip Shen

Analyst, ROTH Capital Partners LLC

Okay. Let's get started with the next one. Up next, I have Nextracker. Howard Wenger, President, he is joining us today. So thank you for coming to our conference. Howard, you guys have had an incredible journey going IPO not too long ago. But for the benefit of the audience, can we start with just a quick introduction of the company, what the company does and how you go about it? Thanks.

Howard J. Wenger

President & Director, Nextracker, Inc.

Sure. So Nextracker our founded in 2013. We are a solar tracking company, meaning we provide all the hardware to track the sun for large-scale solar and also distributed generation projects. With our technology, you can produce more than 30% or up to 30% more annual energy than a fixed-tilt system. We build in a lot of intelligence in software and in hardware. We were part of Flex. The company was sold to Flex in 2015 and we just spun out of Flex in January. So we're fully independent company and we've grown historically at a CAGR of about 30% for the last six years. And in our last guidance, the midpoint of our guidance was about \$2.45 billion in revenue for our fiscal year 2024, which is ending at the end of this month.

QUESTION AND ANSWER SECTION

Philip Shen

Analyst, ROTH Capital Partners LLC

Q

Thanks, Howard. So you guys are the dominant player in the tracker market. So you guys see utility-scale, solar is roughly 25 to 30 gigawatts a year. I'm guessing you guys have close to 45% to 50% market share. I know the official numbers don't say that, but that's my – my guess is it's north of 40%, let's put it that way. Does that sound about right?

Howard J. Wenger

President & Director, Nextracker, Inc.

A

Well, we can't comment on the market share. We rely on third parties. We think that we're doing well in the marketplace. We had a really good year after going public in February of 2023. We've had three reporting quarters. We've met or beat expectations every quarter, raised guidance. So things are going well. We've had a good run so far, Phil.

Philip Shen

Analyst, ROTH Capital Partners LLC

Q

Okay. Yeah. So all through last year, you guys booked roughly \$1 billion a quarter. I know you give us information to kind of triangulate to that number. So our rough estimate is maybe 4-ish billion dollars for bookings, all throughout last year. Tell me if I'm wrong or where do we need to be nudged?

Howard J. Wenger

President & Director, Nextracker, Inc.

A

So what we talk about is how we manage the company annually, because in the large-scale solar business, projects are typically \$100 million to \$300 million investments each. These are really big projects that can move quarter-to-quarter in terms of when we ship.

So revenue can shift quarter-to-quarter. So we really focus on annual numbers and that includes our backlog. We have significantly over \$3 billion in backlog as reported last quarter, 300 – sorry, \$3 billion bookings in our backlog. Phil is really good and Roth is really good under his leadership in triangulating what our bookings are. We do not report that. And so we'll leave you to your own conclusions, Phil.

Philip Shen

Analyst, ROTH Capital Partners LLC

Q

Okay. Fair enough. Thank you. Appreciate that. And well, so the question next is, what kind of – we've been writing a bunch about how things are kind of slowing down for some US utility-scale players out there. We did a survey two weeks ago. I think a quarter of the 20 respondents, 24 volumes – COD is going to be lower now than they were three months ago for their same pipeline.

They said nine out of 20 respondents sent for their 25 CODs, it's lower now versus three months ago. So there's a little bit of slowdown. So thus far, you guys have been able to avoid showing any of that slowdown. My guess is because you maybe winning some market share. But at some point because of your market share, being so big and high, the market, kind of, friction, I wonder, might impact you guys. So what are your thoughts on that? Do

you see that happening already or do you think there are still enough share to be won to be able to offset that?
Thanks.

Howard J. Wenger

President & Director, Nextracker, Inc.

A

First of all, what we do is we pull back and look at the macro demand for solar power and it's strong still globally in the key markets. The US being the number one market in the world for large-scale outside of China, and that's both in volume and also the economics are superior in the United States. And so what we're seeing is actually increased levels of development, meaning more investment from development and owners in large-scale solar. We're seeing our pipeline is actually growing over time. It's strong. There are headwinds and tailwinds we talk about. There are a number of headwinds that can cause a particular project in an owner's portfolio to move to the right and be delayed. It can be a high-voltage transformer or switchgear or not getting an interconnection agreement or not getting final approval to move forward.

So things can move. We've seen some projects pull forward. And for us, I guess, being the market share leader, we have about 34% global market share in tracking. We have – and the third of our businesses outside of the United States, we have a diversified enough portfolio that we're managing to and so far, the results speak for themselves. We've been up and into the right and growing. We still see strong demand. It's a dynamic market. We're paying a lot of attention to the headwinds and the tailwinds.

We had on our last call in February. We're going to have our next call – we're targeting to May.

Philip Shen

Analyst, ROTH Capital Partners LLC

Q

Yeah.

Howard J. Wenger

President & Director, Nextracker, Inc.

A

And so that will be our annual call where we give an annual forward-look and look back...

Philip Shen

Analyst, ROTH Capital Partners LLC

Q

Because your fiscal year is ending March.

Howard J. Wenger

President & Director, Nextracker, Inc.

A

March 31st. Correct. And so there will be more color and since we're annually driven on our outlook for the coming months. But I hope that's been helpful.

Philip Shen

Analyst, ROTH Capital Partners LLC

Q

Yeah. Thank you, Howard. So do you think the mix of your bookings might shift to become a little bit more international, if you ask me, possibly slowdown a bit? Or can you comment on that mix at all?

Howard J. Wenger

President & Director, Nextracker, Inc.

A

We're really happy we are the leader in on four continents, and we're really happy with the progress in some international markets, namely Europe, India, portions of Latin America are coming up, and Australia, where we have over half of the tracker is in Australia and other parts of Oceania are now developing projects. So there is – we're seeing both demand being strong internationally and in the US. And sure, it can shift from one to the other.

One more data point. We've typically been between 25% of our business international, plus or minus, and 50%. The trend in what we've signaled over the last couple of earnings calls is one-third international, two-thirds US. And what we said in our last call is we see that continuing.

Philip Shen

Analyst, ROTH Capital Partners LLC

Q

Okay. That makes continuing for – is that bookings mix or is that revenue mix?

Howard J. Wenger

President & Director, Nextracker, Inc.

A

We talk about revenue.

Philip Shen

Analyst, ROTH Capital Partners LLC

Q

Okay. Yeah. What do you think the bookings are?

Howard J. Wenger

President & Director, Nextracker, Inc.

A

I can't remember if I gave any color on that. But I would say it's quite consistent.

Philip Shen

Analyst, ROTH Capital Partners LLC

Q

Consistent [indiscernible] (00:08:57).

Howard J. Wenger

President & Director, Nextracker, Inc.

A

Yeah.

Philip Shen

Analyst, ROTH Capital Partners LLC

Q

Okay.

Howard J. Wenger

President & Director, Nextracker, Inc.

A

Yeah.

Philip Shen

Analyst, ROTH Capital Partners LLC

Q

Thank you.

Howard J. Wenger

President & Director, Nextracker, Inc.

Yes.

A

Philip Shen

Analyst, ROTH Capital Partners LLC

So we've written that some EPCs have shared with us that you guys might be playing a different game in the recent years, meaning you've booked a lot of these volume commitment orders and basically you're pulling the demand through the EPCs, whereas some others might still be going to the EPCs direct, trying to win their business. If you've gone to the asset owner and they then engage the EPC, then the EPC has no choice. And so what percentage of your revenue these days do you think is from the asset owner themselves?

Q

Howard J. Wenger

President & Director, Nextracker, Inc.

So we're working with both. Okay. We are very focused on EPCs and we're very focused on the owners. The EPCs have a lot of say in the value chain. They are our partners. We work hand in glove with them. We train them. We have a PowerworX program. They get certified on our product. They get on our platform. We train their legions of boots on the ground on how to use our product.

A

Thousands of construction workers work for these EPCs. And they're just an extreme focus for us is partnering with the EPCs. And they're the company that we typically ultimately contract with on each individual project. Now, in parallel, we have focused on owners and we've signed multiyear agreements with them where with some of the owners, it's their entire portfolio and it puts us in a partnership position with the owner. And the reason why the owner wants to do this is they're getting a lot of value in terms of guaranteed supply, certainty on pricing. We dedicate engineering for them. We value, engineer every system. So we're more like a partner to them. And we believe we have the best technology in tracking, in software and hardware, that it's not just about the upfront price, it's about the levelized cost of energy, and the owners are very focused on unlevered return on their investment.

So we're delivering lower installed cost [indiscernible] (00:11:17), lower installed O&M, operation and maintenance, and higher energy yield. And that appeals to owners and that's why there's sort of this self-selection between owners and Nextracker.

Philip Shen

Analyst, ROTH Capital Partners LLC

Great. And so when you think about that mix, like, do you think most of – like is there a majority of either bookings or revenue are coming from owners these days or do you think is it a minority?

Q

Howard J. Wenger

President & Director, Nextracker, Inc.

We'll look to provide more color in the next call...

A

Philip Shen

Analyst, ROTH Capital Partners LLC

Okay.

Q

Howard J. Wenger

President & Director, Nextracker, Inc.

...on that.

A

Philip Shen

Analyst, ROTH Capital Partners LLC

All right.

Q

Howard J. Wenger

President & Director, Nextracker, Inc.

Sorry. We are in a quiet period and...

A

Philip Shen

Analyst, ROTH Capital Partners LLC

Yeah. You're still here, so we thank you.

Q

Howard J. Wenger

President & Director, Nextracker, Inc.

Yeah. No, it's a pleasure to be here.

A

Philip Shen

Analyst, ROTH Capital Partners LLC

All right. So we wrote recently that Array might be lowering price. It took a couple of years maybe for the CEO to kind of put his cost down roadmap in place and they've seen some fruit of that now and so they may have the ability to lower price and then maintain a margin. And so, we wrote last year that you guys were doing a really good job winning a lot of share. And so they want to keep that price high. They maybe weren't ready yet. And so, we've heard from three players now, pricing is – keep becoming more competitive. Have you guys started to see that on the field?

Q

Howard J. Wenger

President & Director, Nextracker, Inc.

Well, first of all, we have significantly over \$3 billion in backlog, okay, with locked contracts, deposits, timing on project, specific projects, that gives us a lot of visibility for revenue going forward. Okay. We are very comfortable with our cost structure. We mobilized the supply chain.

A

Philip Shen

Analyst, ROTH Capital Partners LLC

And you've been consistently lowering cost structure...

[indiscernible] (00:13:08)

Q

Howard J. Wenger

President & Director, Nextracker, Inc.

We have been.

A

Philip Shen

Analyst, ROTH Capital Partners LLC

... time, because we all – how many co-founders are we? Five or four?

Q

Howard J. Wenger

President & Director, Nextracker, Inc.

There's six.

A

Philip Shen

Analyst, ROTH Capital Partners LLC

Six. Sorry.

Q

Howard J. Wenger

President & Director, Nextracker, Inc.

And all six are here.

A

Philip Shen

Analyst, ROTH Capital Partners LLC

All six are still there. Right.

Q

Howard J. Wenger

President & Director, Nextracker, Inc.

Yeah. Okay. Thank you. And so we're really maniacal about cost reduction scaling up. We work with the largest steel mills in America directly. We've scaled up. Again, we have more than 15 facilities in US now that we stood up. We can deliver up to 90% domestic content, okay, for our owner partners to realize the 10% bonus ITC. So we feel really good about our cost structure, ability to compete. It's a competitive world. Capitalism works. And so their...

[indiscernible] (00:13:48)

A

Howard J. Wenger

President & Director, Nextracker, Inc.

... is good. And it drives innovation, it drives cost reduction and it drives price reduction, which in solar, we want over time. You look, we've reduced the price of solar 10X in the last 15 years. Okay. That's why solar is the number one source of new power generation in the United States last year. It's because the cost and the price have come down. So pricing, it is competitive. It's a competitive field, always has been. And we're in position to keep competing. But we feel good about where we're at.

A

Philip Shen

Analyst, ROTH Capital Partners LLC

Okay. So I can push you now actually because...

Q

Howard J. Wenger

President & Director, Nextracker, Inc.

Yeah, push...

A

[indiscernible] (00:14:30)

Philip Shen

Analyst, ROTH Capital Partners LLC

Q

...but my question is on the field, in the room, like negotiation – at the negotiation table, are you hearing about some of this, hey, Array gave me a little bit of better number. Can you help a brother out? Give us another half penny or something. Are you getting into that kind of conversation yet with some of these customer negotiations?

Howard J. Wenger

President & Director, Nextracker, Inc.

A

Pricing comes up in every conversation we've had and there are competitors in our space and it is on the table always. It's nothing new.

Philip Shen

Analyst, ROTH Capital Partners LLC

Q

Nothing new.

Howard J. Wenger

President & Director, Nextracker, Inc.

A

Nothing new. And I'm not going to comment on their strategy or what they're doing.

Philip Shen

Analyst, ROTH Capital Partners LLC

Q

That's fair.

Howard J. Wenger

President & Director, Nextracker, Inc.

A

Yeah.

Philip Shen

Analyst, ROTH Capital Partners LLC

Q

I'm just wondering if you've been hearing it from others, from your customers. We can leave it. It's fine. Thank you, Howard, for entertaining those questions multiple times.

Howard J. Wenger

President & Director, Nextracker, Inc.

A

Well, I want to say that there's been talk about 45X in this context, the manufacturing incentive and how – one of our competitors say oh, we're giving that to our customers. I mean, I think and we think that's the wrong way to think about 45X. 45X is a government policy to incent companies like ours to bring in manufacturing into the United States so that it's competitive. It bridges the gap between internationally supplied parts and US manufactured parts. That was the intent of 45X.

Philip Shen

Analyst, ROTH Capital Partners LLC

Q

So you need to keep some of that or a lot of it in order to be able to keep...

[indiscernible] (00:15:59)

Howard J. Wenger

President & Director, Nextracker, Inc.

A

I'm not saying how much we're keeping or not. It's just part of the COGS equation, and it does enable us to localize our product and make it competitive with the international. And then there's a benefit of it being local. Our parts are really heavy. The trackers are really heavy. These tubes that are being incentivized by 45X, their 100 pounds, 150 pounds, 200 pounds each.

Philip Shen

Analyst, ROTH Capital Partners LLC

Q

Yeah.

Howard J. Wenger

President & Director, Nextracker, Inc.

A

When you stack them on a truck, you want the manufacturing local to where the projects are and that's what we've done. So there are some structural enhancements by localizing it. Our logistics costs have come way down. We're not shipping these tubes from Asia.

Philip Shen

Analyst, ROTH Capital Partners LLC

Q

Right. Right.

Howard J. Wenger

President & Director, Nextracker, Inc.

A

Yeah.

Philip Shen

Analyst, ROTH Capital Partners LLC

Q

So this morning, there were some news. There was an 8-K that indicated that the CFO is transitioning to a chief accounting officer role. We were expecting the CFO, Dave Bennett, to be here today. Unfortunately, he's not. So can you talk about the transition? The new CFO is Chuck Boynton, which I believe I know from his SunPower and 8point3 days. And so he was...

Howard J. Wenger

President & Director, Nextracker, Inc.

A

That's right.

Philip Shen

Analyst, ROTH Capital Partners LLC

Q

...he's been [indiscernible] (00:17:10) for many years. And so how did this come about? Dave seems great – I mean, seems great. Like what, he's been with you for the whole IPO ride. Why do you guys need to bring in a new CFO? Thanks.

Howard J. Wenger

President & Director, Nextracker, Inc.

A

Okay, I'll start with Dave. He's fantastic. He's a great human being. He was Chief Accounting Officer at Flex for 17 years, almost 17 years. He's going to be in that role now going forward at Nextracker. He's completely committed to the company and we're in great shape. What we're getting is a one plus one equals three powerhouse team with Chuck who has 20-plus years of CFO experience.

As you mentioned, a lot of solar experience and large-scale solar, 8point3, which is the company he was the CEO of, Mark Widmar, the current CEO of First Solar was a 50/50 joint venture partner. It was between First Solar and SunPower. So Chuck is highly strategic. He brings that bet and that experience to the fore for the company. And we feel that it's just the right time for our next phase of growth to combine. Chuck was on our board.

Philip Shen

Analyst, ROTH Capital Partners LLC

Q

Oh, he was. Okay.

Howard J. Wenger

President & Director, Nextracker, Inc.

A

He's on our board. He was Chair of our Audit Committee.

Philip Shen

Analyst, ROTH Capital Partners LLC

Q

Okay.

Howard J. Wenger

President & Director, Nextracker, Inc.

A

And so Chuck has tremendous experience. We know Chuck. He's coming in. He meshes well with Dan, our CEO.

Philip Shen

Analyst, ROTH Capital Partners LLC

Q

Well, is he recently the CFO of Logitech?

Howard J. Wenger

President & Director, Nextracker, Inc.

A

Correct.

Philip Shen

Analyst, ROTH Capital Partners LLC

Q

Okay. So he still is. Like, effective when is this CFO transition?

Howard J. Wenger

President & Director, Nextracker, Inc.

A

Well, it's been announced by both companies [ph] for (00:18:42) the SEC rules and so forth. He will join us officially onboard, coming into the office in May.

Philip Shen

Analyst, ROTH Capital Partners LLC

In May. May 1, May 31?

Q

Howard J. Wenger

President & Director, Nextracker, Inc.

Mid-May. We're not saying.

A

Philip Shen

Analyst, ROTH Capital Partners LLC

Okay.

Q

Howard J. Wenger

President & Director, Nextracker, Inc.

I'm getting Mary, our IR...

[indiscernible] (00:18:56)

A

Philip Shen

Analyst, ROTH Capital Partners LLC

Sometime in May.

Q

Howard J. Wenger

President & Director, Nextracker, Inc.

...is saying we're not being specific. There's a press release that gives some information. But it...

A

Philip Shen

Analyst, ROTH Capital Partners LLC

Is that in there, Mary? The date?

Q

Mary Lai

Vice President-Investor Relations, Nextracker, Inc.

Yes.

A

Philip Shen

Analyst, ROTH Capital Partners LLC

Okay. So some time...

Q

Howard J. Wenger

President & Director, Nextracker, Inc.

Not a specific date but it's May.

A

Philip Shen

Analyst, ROTH Capital Partners LLC

Yeah. You said May in the press release, the 8-K.

Q

Howard J. Wenger

President & Director, Nextracker, Inc.

Yes.

A

Philip Shen

Analyst, ROTH Capital Partners LLC

Great.

Q

Howard J. Wenger

President & Director, Nextracker, Inc.

So could be the first or mid or later.

A

Philip Shen

Analyst, ROTH Capital Partners LLC

Okay. What...

Q

Howard J. Wenger

President & Director, Nextracker, Inc.

We're excited. I mean, we think it's really good news.

A

Philip Shen

Analyst, ROTH Capital Partners LLC

What was the catalyst for this? Did it come from the board or Dave raised his hand and say, hey, you know what, I prefer the CAO role?

Q

Howard J. Wenger

President & Director, Nextracker, Inc.

I'm not going to get into that. It just was a natural progression. Dave coming from Flex, Chief Accounting Officer...

A

Philip Shen

Analyst, ROTH Capital Partners LLC

Yeah.

Q

Howard J. Wenger

President & Director, Nextracker, Inc.

...haven't been a CFO before.

A

Philip Shen

Analyst, ROTH Capital Partners LLC

Yeah.

Q

Howard J. Wenger

President & Director, Nextracker, Inc.

...came in, did a great job.

A

Philip Shen

Analyst, ROTH Capital Partners LLC

I thought he did a great job.

Q

Howard J. Wenger

President & Director, Nextracker, Inc.

He did a great job and you will continue to see Dave and interact with Dave.

A

Philip Shen

Analyst, ROTH Capital Partners LLC

Oh, he will still [indiscernible] (00:19:46) IR?

Q

Howard J. Wenger

President & Director, Nextracker, Inc.

He will still work in IR. If I have my say, he still will.

A

Philip Shen

Analyst, ROTH Capital Partners LLC

Yeah.

Q

Howard J. Wenger

President & Director, Nextracker, Inc.

And he'll be in the room on our earnings call.

A

Philip Shen

Analyst, ROTH Capital Partners LLC

So, Mary, what do you – what's your say?

Q

Mary Lai

Vice President-Investor Relations, Nextracker, Inc.

He'll be involved.

A

Philip Shen

Analyst, ROTH Capital Partners LLC

Okay, great.

Q

Howard J. Wenger

President & Director, Nextracker, Inc.

Mary says he will be involved. Okay.

A

Philip Shen

Analyst, ROTH Capital Partners LLC

Okay, good. Any questions out there in the audience? [ph] Mark (00:20:06)?

Q

Q

Yes. Just specifically with the AI industry and their critical needs for energy, do you have anything to announce how much in partnership you are with any of the big AI players for building out their energy needs?

Howard J. Wenger

President & Director, Nextracker, Inc.

A

Yeah, the question has to do with AI and how that's driving power...

Q

Those datacenters. Yeah.

Howard J. Wenger

President & Director, Nextracker, Inc.

A

...for datacenters. And it's so true. It's amazing. Datacenters were typically around 50 megawatts-ish. Now they're towards 500 megawatts. I mean, these datacenters need as much energy and power as a city now. It's quite remarkable. Even, I read recently that the state of Georgia said that their power demand is going to double because of datacenters. So it's a big deal.

Many of the owners that we work with serve companies that are building these datacenters. There's no question that it's a driver for solar. And these high-tech companies want clean energy and they want it economically. They can get solar power at a lower cost. And of course, it's clean than the competing sources of energy. So in most states, you can have bilateral contracts with the owner of independent power producers that have solar power plants and sell directly to companies that own the datacenters for serving those datacenter.

Philip Shen

Analyst, ROTH Capital Partners LLC

Q

What percentage of your 2024 shipments do you think are going to owners that have a PPA with the datacenter?

Howard J. Wenger

President & Director, Nextracker, Inc.

A

Wow. That's a great question. I would venture to say, I don't know the answer.

Philip Shen

Analyst, ROTH Capital Partners LLC

Q

I want to listen to the venture. Yeah.

Howard J. Wenger

President & Director, Nextracker, Inc.

A

But this is just a...

Philip Shen

Analyst, ROTH Capital Partners LLC

Q

Rough guess.

Howard J. Wenger

President & Director, Nextracker, Inc.

Rough guess.

A

Philip Shen

Analyst, ROTH Capital Partners LLC

Can I guess first? 30%?

Q

Howard J. Wenger

President & Director, Nextracker, Inc.

That's funny you say that. I was going to say 25%. So we're...

A

Philip Shen

Analyst, ROTH Capital Partners LLC

But then that's probably rising, right?

Q

Howard J. Wenger

President & Director, Nextracker, Inc.

It's rising. There's no question. And we could be low.

A

Philip Shen

Analyst, ROTH Capital Partners LLC

Then you see your pipeline for 25 and 6. I mean, do you see that in the mix kind of growing higher? Because this is a huge trend on the street right now, AI and the power demands that go with AI. And so this might be an interesting thing for you guys to calculate, estimate, and then talk about on your Q4 call.

Q

Howard J. Wenger

President & Director, Nextracker, Inc.

No question, it's a driver. It's a driver and we're paying attention.

A

Philip Shen

Analyst, ROTH Capital Partners LLC

Okay. [ph] Roma (00:22:19)?

Q

Microphone.

A

Philip Shen

Analyst, ROTH Capital Partners LLC

Mic, please. Thanks.

Q

Howard J. Wenger

President & Director, Nextracker, Inc.

A

I'll repeat the question.

Philip Shen

Analyst, ROTH Capital Partners LLC

We have 50 seconds.

Q

Q

Okay. Firstly, if you could just very shortly explain what the trackers are? How it fits in, in setting up a solar system? Secondly, we know that the greatest challenge today for solar is it's still too expensive for homeowners. It's an enormous amount of money.

Howard J. Wenger

President & Director, Nextracker, Inc.

Okay. I'll take that second one first. These guys are US utility scales or utility-scale solar, so they don't sell directly to the homeowner. And most or actually a lot of solar in the US that's for residential actually is economic on monthly basis. A lot of people can get monthly savings. And in California – yeah.

A

Philip Shen

Analyst, ROTH Capital Partners LLC

So those numbers, we can talk more about that later. As for the tracker, we have 10 seconds to explain what tracker...

Q

Howard J. Wenger

President & Director, Nextracker, Inc.

What I'll say is photovoltaics or solar power is amazing. This is a solar cell. Light hits it. Power comes out. No emissions, no moving parts, no water, less warranted for 30 years. Amazing technology. I've worked in it for 40 years, this field. What we do is we put these panels on a structure and we track the sun from east to west and we produce 30%, up to 30% more energy by tracking. And we also protect the field in case of high wind or hail, things like that. That's what we do. And our systems are generally mounted on fields that can be 10 square miles in dimension, huge solar fields. That's what Nextracker does.

A

Q

What percentage of industrial solar [indiscernible] (00:24:08) use trackers?

Howard J. Wenger

President & Director, Nextracker, Inc.

What percentage of industrial solar uses trackers? It's about, I would say, around 70% or 80%. It's predominantly trackers now in volume.

A

Philip Shen

Analyst, ROTH Capital Partners LLC

In the US, it's got to be 90-plus percent.

Q

Howard J. Wenger

President & Director, Nextracker, Inc.

It's probably 90% in the US. I'm talking about globally.

A

Philip Shen

Analyst, ROTH Capital Partners LLC

Yeah, yeah.

Q

Howard J. Wenger

President & Director, Nextracker, Inc.

[indiscernible] (00:24:38)

A

Philip Shen

Analyst, ROTH Capital Partners LLC

Thank you, [ph] Roma (00:24:39).

Unverified Participant

Thank you for the session. Thank you.

Philip Shen

Analyst, ROTH Capital Partners LLC

Thank you, Howard. Appreciate it.

Howard J. Wenger

President & Director, Nextracker, Inc.

Thanks, Phil.

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