

S&P Global
Market Intelligence

Nexttracker Inc. NasdaqGS:NXT

Earnings Call

Tuesday, July 29, 2025 10:00 PM GMT

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Presentation

Operator

Good afternoon, everyone, and thank you for standing by. My name is Jason, and I will be your conference operator today. Today's call is being recorded. I would like to welcome everyone to Nextracker's First Quarter Fiscal Year 2026 Earnings Call. After the speaker's remarks, there will be a Q&A session. At this time, for opening remarks, I'd like to pass the call over to Ms. Sarah Lee, Head of Investor Relations. Sarah, you may begin.

Sarah Lee

Thank you, and good afternoon, everyone. Welcome to Nextracker's First Quarter Fiscal Year 2026 Earnings Call. I'm Sarah Lee, Nextracker's Head of Investor Relations, and I'm joined by Dan Shugar, our CEO and Founder; Howard Wenger, our President; and Chuck Boynton, our CFO.

Following brief prepared remarks, we will transition to a Q&A session. As a reminder, there will be a replay of this call posted on the IR website along with the earnings press release and shareholder letter. Today's call contains statements regarding our business, financial performance and operations, including our business and our industry that may be considered forward-looking statements, and such statements involve risks and uncertainties that may cause actual results to differ materially from our expectations.

Those statements are based on current beliefs, assumptions and expectations and speak only as of the current date. For more information on those risks and uncertainties, please review our earnings press release, shareholder letter and our SEC filings including our most recently filed quarterly report on Form 10-Q and annual report on Form 10-K, which are available on our IR website at investors.nextracker.com.

This information is subject to change, and we undertake no obligation to update any forward-looking statements as a result of new information, future events or changes in our expectations. Please note, we will provide GAAP and non-GAAP measures on today's call. The full non-GAAP to GAAP reconciliations can be found in the appendix to the press release and the shareholder letter as well as the financial section of the IR website.

Now I will turn the call over to our CEO and founder. Dan?

Daniel S. Shugar

Co-Founder, CEO & Director

Good afternoon, everyone, and thank you for joining us. I'm pleased to report our strong start to fiscal year '26, building on the momentum we established last year. Nextracker continues to deliver consistent growth and strong financial performance, driven by technological leadership, operational excellence and relentless focus on customer value. We delivered robust financial results across all key metrics. Q1 revenue grew 20% year-over-year to \$864 million, and adjusted EBITDA increased 23% to \$215 million. Our backlog hit a new record of over \$4.75 billion, reflecting healthy global demand and an increasingly strong competitive position. We also continued to generate solid cash flow and strengthen our balance sheet.

We're particularly pleased with our strong Q1 performance, considering the evolving U.S. policy environment. Our ability to consistently execute in challenging conditions speaks to the strength of our team, differentiated products and the quality of our customer relationships. One of the most impactful developments in the quarter was the passage of the OBBBA reconciliation bill, which addressed a significant portion of the uncertainty surrounding solar manufacturing and investment tax spreads.

While further clarification is expected, particularly around treasury cuts and safe harbor provisions, we believe Nextracker is well positioned by virtue of our deep backlog and highly flexible U.S. supply chain. We've worked tirelessly with our suppliers to open and expand over 25 manufacturing facilities across the United States. The Federal Energy Regulatory Commission reported that solar accounted for more than 80% of new U.S. generation capacity in 2024.

Globally, solar contributed more than twice as much incremental electricity as the next largest energy source. And looking forward, the International Energy Agency predicts that solar will become the largest source of global electricity supply within the next decade. These powerful trends reinforce our conviction that solar and Nextracker, in particular, will play a central role in the future of energy. We're scaling our platform to address this rapidly expanding opportunity and announced this morning's 3 strategic acquisitions in the fields of robotics and AI.

These technologies from autonomous inspection and robotic cleaning to 3D site mapping integrate directly with our control and monitoring systems to help customers optimize performance, reduce O&M costs and lower risk. This initiative exemplifies our strategy of combining breakthrough engineering with digital innovation to deliver more value across the full life cycle of the project. As we move beyond being the global leader in solar trackers and evolve into a broader technology platform for utility scale solar, we're excited to provide a more detailed look into our strategy at our upcoming Capital Markets Day on November 12 at our headquarters.

With that, I'll turn it over to our President, Howard Wenger, to go deeper into our Q1 performance and the exciting developments across our technology portfolio.

Howard J. Wenger

Director & President

Thank you, Dan. Q1 was another great quarter for Nextracker, marked by strong customer bookings and backlog and excellent operational delivery. This forward momentum continues to be driven by a flight to quality in the market. As Dan noted, our performance is especially encouraging given the ongoing U.S. policy dynamics and further underscores the strength of our global leadership position. According to Wood Mackenzie, Nextracker is now the #1 tracker provider worldwide for the tenth consecutive year, increasing our market share to 26% during 2024. We're in the leading market position in North America, Latin America and Oceania, which includes Australia. We are pleased to report we are also the top provider in Europe, highlighted by the flagship projects like the 550-megawatt Oricheio solar power plant in Greece, one of the largest in the region.

Moving to pricing, cost and project timing. In Q1, pricing for Nextracker was generally stable, and the company continued to manage costs well. Project timing was also stable and manageable on a portfolio basis with some projects accelerating and some pushing out consistent with previous quarters. Our backlog and large project portfolio provided excellent visibility and helped reduce uncertainty.

On the product side, we've continued to experience strong demand for our core NX Horizon tracker systems and TrueCapture technology. Our recently introduced Hail Pro system and expanded XTR tracker series are seeing rapid adoption with quarter-over-quarter sales up 43% and 22%, respectively. Hail Pro is winning in the market due to its ability to produce both hail damage risk and insurance costs. This is yet another example of innovation driven by customer feedback and in this case, the insurance industry.

We are pleased by the positive traction we are seeing as our technology platform expands to a more complete solution, including adding foundations in eBOS to our industry-leading tracker systems. Our foundation products and services continue to gain momentum with cumulative sales of NX Earth Truss now over 1 gigawatt. We are also excited by customer reaction to our new eBOS solutions which we began selling during the quarter. We are optimistic about our ability to significantly scale our eBOS production.

As Dan mentioned, we recently executed a series of strategic technology acquisitions, extending our platform and capabilities in robotics, automation and AI. This includes acquiring the company's Onsite Technology and Amir Robotics, and the IP from SenseHawk. These acquisitions complement our own internal efforts by incorporating ground-based robots and drones to provide incremental customer value across the full project life cycle. Onsite's autonomous inspection robots and field-based detection technologies are already in use and available for immediate sale to U.S. customers. We'll be providing detailed global rollout plans for these new products at a later date.

To lead us in this rapidly emerging area, we have appointed Dr. Francesco Borrelli as our new Chief AI and Robotics Officer. Dr. Borrelli is a globally recognized leader in AI and predictive model-based

control systems. He brings decades of experience in autonomous technologies, and he played a key role in developing our TrueCapture program. We're very excited about the potential of AI, robotics and automation to further enhance the full customer experience and help drive project life cycle value.

With that, I will now turn it over to our Chief Financial Officer, Chuck Boynton, to go over our financial results in more detail.

Charles D. Boynton
Chief Financial Officer

Thank you, Howard, and good afternoon, everyone. I'm pleased to share our financial results for our first quarter of fiscal year 2026. Q1 revenue was \$864 million, representing year-over-year growth of 20%. Q1 adjusted EBITDA expanded to \$215 million, a 23% increase year-over-year. This translates to an adjusted EBITDA margin of 25%, which was an increase of approximately 100 basis points compared to the previous year. Our adjusted gross margin was 33%. We recognized a 150 basis point benefit in Q1 for 45X related to historical shipments. We continue to believe that our gross margins should be in the low 30s with OpEx in the 9% to 10% range, yielding operating margins in the low 20s.

On the cash side, we generated \$70 million in adjusted free cash flow during the quarter, down from the same period last year, primarily driven by growth investments in capital expenditures and working capital. We see strong cash generation throughout the year with over \$450 million of free cash flow. We exited the quarter with \$743 million in total cash with no debt. Our strong balance sheet and cash flow generation remain competitive advantages.

Moving on to our outlook. Looking ahead, our outlook assumes the current U.S. policy environment remains in effect and in addition, that permitting processes and time lines will remain consistent with historical levels. As Dan mentioned, we are closely monitoring potential updates to safe harbor provisions and other regulatory actions, which could impact project timing, customer investment behavior and our financial results. For the full year fiscal 2026, we expect revenue to be in the range of \$3.2 billion to \$3.45 billion, with relatively balanced quarterly revenue for the remainder of the year. Adjusted EBITDA to be in the range of \$750 million to \$810 million and adjusted diluted EPS to be in the range of \$3.96 to \$4.27 per share. Our increased outlook is grounded in several key factors, including the strength and diversity of our backlog, a continued flight to quality among solar developers and the deep capability and commitment of our global team. With that, we're happy to answer any questions you may have. Operator?

Question and Answer

Operator

[Operator Instructions] Our first question is from Dimple Gosai with Bank of America. Your line is now open.

Dimple Gosai

BofA Securities, Research Division

Can you please discuss what conversations have looked like with developers post the OBBB? Are they kind of in wait-and-see mode? And maybe you can also just expand on bookings momentum. I know you've grown from what you previously described as significantly higher than \$4.5 billion to \$4.7 billion this quarter. But is that pace of bookings picking up? Or any commentary there would really be helpful.

Howard J. Wenger

Director & President

Dimple, this is Howard Wenger. So we are in touch with our owner developers closely. And let me just start out by saying we're really happy with the company's performance and pleased with the quarter and the outlook for the year. And what we're hearing is that they're feeling good about their portfolios. And as you know, we team up with Tier 1 developers who are quite sophisticated. They're able to safe harbor their projects and perfect their projects. And we feel what we're hearing and what we're seeing is that our backlog is solid. No projects are dropping out. And we're looking forward to continuing to execute. And the sales team did a great job in the quarter. We had another sequential growth in our backlog quarter-over-quarter, 15th quarter in a row. And so we're seeing a good set of demand signals across the globe. So feeling very good about where we're at this moment.

Operator

Our next question is from Praneeth Satish with Wells Fargo.

Praneeth Satish

Wells Fargo Securities, LLC, Research Division

Maybe I'll touch on the new business here, the venture into AI and robotics. I know you'll probably offer more details at the Analyst Day. But just generally, are you planning to offer these solutions as a service with the recurring revenue stream? Or will this be primarily an equipment sale model? And then how do these robotic acquisitions integrate with your existing TrueCapture software? Are there any synergies here given that you'll have all these extra data points? And can this all be wrapped up as one service?

Daniel S. Shugar

Co-Founder, CEO & Director

Praneeth, Dan Shugar here. We're so excited about the suite of robotic technologies that we've just launched. In terms of the go-to-market, there's a range of solutions that we brought in today. For example, we have drones. We've actually -- we completed the acquisition of this technology multiple quarters ago. That's already being used. That's integrated into our existing TrueCapture technology, where from -- using the technology from SenseHawk that we acquired, we're using that to actually create a complete as build digital twin of the sites being used in our TrueCapture technology that's been implemented for a very long time, already in use, and that's happening. And that goes with our TrueCapture. We have these other technologies with robotic cleaning and with the Onsite Technologies, where we have both a ground-based robot and a stationary camera that detects a fire and other parameters on site. So how that's integrated in, we'll be getting into greater detail later. But these technologies are well long. They're either being offered commercially today or they're in a fairly advanced stage of productization.

Operator

Our next question is from Brian Lee with Goldman Sachs.

Brian K. Lee

Goldman Sachs Group, Inc., Research Division

Just had 2. One, Howard, going back to the comment around backlog. You said it did grow quarter-on-quarter. I know you changed kind of the language semantics a bit. So I wanted to confirm that, that was the case. It did grow. And I guess that implies bookings were \$900 million, maybe close to \$1 billion again. And curious if anything in the quarter you saw pauses from customers due to policy uncertainty or vice versa, any pull forwards to try to get ahead of the bill passage? And I had a follow-up.

Howard J. Wenger

Director & President

Got it. Brian. So yes, I want to confirm our backlog grew quarter-over-quarter. Your math, you can do the math in terms of -- and you just said it in terms of what we booked, at least and get in the ballpark. That's a number that we don't disclose, but yes, our backlog grew quarter-on-quarter for the 15th consecutive quarter for the company. Happy about that. And what we're seeing is the pipeline is actually growing for the company. As you know, we have a global business, and we're still roughly tracking on the 1/3, 2/3 as we grow, 2/3 being North America and 1/3 rest of the world. And we're not seeing pull-ins per se. And when we talk about North America and the U.S. in particular, we're not seeing pull-ins on projects like in a very broad systematic way. We're seeing some pull-ins. We're seeing some pushouts.

And those are -- I'd characterize those as normal because we have a broad portfolio of projects and just that's the way project schedules are. Some can pull in from one quarter to the next, some can push out. It's very normal fact pattern with respect to operations. Now there is -- we expect clarity on the treasury guidance coming up in a few weeks. That could change some customer behavior. We don't know, and we'll know then. And we are seeing some limited amount of safe harbor interest, and we're prepared to address that with our very robust supply chain and flex capacity. So hopefully, that gives you more color, and you had a follow-on, Brian.

Brian K. Lee

Goldman Sachs Group, Inc., Research Division

No, that's great. I appreciate all that color. Very helpful. And if you could bear with me just one more math question, and then I'll get out of here. On the IRA credit impact or the vendor rebate, I think it was 11 percentage points on gross margin this quarter. That was up significantly, like 300 to 400 basis points incremental versus what you've seen in prior quarters. What's kind of driving that? Because I did see international revenue growth was better than the U.S. this quarter.

So curious how that worked out this quarter to be such a higher impact and then how we should think about that number in relation to gross margin, maybe going forward? Is it going to stay at that level? Is it flat line? Does it go down?

Charles D. Boynton

Chief Financial Officer

Yes. Thanks, Brian. This is Chuck. So we did have a really strong quarter, 45x was a little higher than normal. I mentioned in the prepared remarks about 150 basis points. That's a little more than \$10 million incremental benefit. And that's really relating back to kind of vendor reconciliations going back the last couple of years. Looking forward, we expect it to be, call it, 9% to 10% of total revenue.

That's a little higher than it's been. That's partially driven by U.S. demand for U.S.-made products. So we're actually delivering more U.S. product to our customers. And with that, the costs are a little higher, but the 45x credit helps to offset that. So I do want to call out and say thank you to our operations team. They have just done a phenomenal job. Our on-time delivery is incredible, and we're delivering local around the world in the U.S., a real hallmark working with our manufacturing partners to deliver really compelling U.S.-made content that does generate a 45x credit benefit offsetting higher costs.

Operator

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Our next question is from Philip Shen with ROTH Capital Partners.

Philip Shen

ROTH Capital Partners, LLC, Research Division

First one is on your backlog. What percentage of the backlog is safe harbor? And then can you talk separately on what -- how much risk there is with the Trump executive order expected to be released August 18? And then finally, as it relates to the interior memo, where the Secretary has to review all the permitting for projects that touch federal land. When you look at your backlog, what kind of impact could that have depending on how they enforce that?

Daniel S. Shugar

Co-Founder, CEO & Director

Phil, Dan Shugar here. Howard and I will tag team on this. We were thinking about this in the preparation for this call, we were thinking as a run-up over the last, let's say, a year or even longer, what percentage was safe harbor. When we ask our Tier 1 customers, how do they feel about the integrity of their pipeline, their projects, they feel good about it because they safe harbor under the rules that exist. So I'd say -- so when you ask the question, I think a lot of projects in the United States benefit from that, but that's taking the longer view on the safe harbor. Howard, do you want to pick it up from there?

Howard J. Wenger

Director & President

Sure. I mean we heard on the Nextera call that they feel good about their portfolio through 2029. And that's -- they're indicative they're one of the leading developers in the country, but we -- and we work with them and others, Tier 1 customers like them who echo what Dan said, they feel very good about their pipelines. They're able to manage it from a safe harbor perspective. And so we believe that a very high percentage of our backlog, that's U.S. is safe harbor to answer your question directly. And the vast majority of it, okay? That's the way -- that's based on the information that we have.

As far as risk, again, I'd point to the Nextera call we don't -- it's early to digest what the interior department guidelines are and what the treasury is going to come out with in a few weeks. And so we're -- I think the industry is still digesting it. But there -- what we're hearing is that it's manageable. The early read on this is that it's manageable going forward and that they're through the OBBB, which was the bill that was passed, that provided -- that was actually a good outcome, we think, for -- based on our close proximity with customers that's providing the bridge that's needed to beyond the incentive platform that we've been on for the last couple of years. So that should give you -- I think we've answered your questions, Phil.

Operator

Our next question is from Julien Dumoulin-Smith with Jefferies.

Julien Patrick Dumoulin-Smith

Jefferies LLC, Research Division

Let me just continue on that same line of thinking here. Just first, a high-level question. I mean, how do you think about the cadence of the overall industry? If you think about both safe harbor dynamics that you're seeing on pull-in as well as potentially some of that safe harbor material falling off ['29, 2030]. How do you think about how that squares with the timing of orders and a potential eventual pickup with backlog activity, clearly not as meaningful here in the very near term. But how does it square with what you're expecting here in '25 through, call it, the next 4 years, timing-wise?

Howard J. Wenger

Director & President

So the connection was a little bit janky, there, but I think we got the gist of it, Julien. Thank you. So we think look, one thing that we did is under Dan's leadership, honestly and with the ops team working hand and glove for the last few years is really spin up the U.S. domestic supply chain. We are the first company

to come out with a 100% domestic tracker. We've only increased capacity since then. We have over 25 facilities feeding our U.S. business. And so we're in a really good position with a lot of flex capacity, very significant capacity. And the reason why we point that out is, should the rules dictate that, let's just say the safe harbor requirement goes up from 5% hypothetically, we don't know. But let's just say it was double to 10%. We're in position to serve our customers with additional safe harbor capability. And so yes, there could be some -- you can call it a pull in, you can call it whatever you want, but there could be additional shipments by Nextracker depending on the guidance that comes out.

Daniel S. Shugar

Co-Founder, CEO & Director

Yes. I'll just pile on to Howard's comments that the Federal Energy Regulatory Commission has math that shows last year, over 80% of the power capacity you saw in the United States was solar. And Lawrence Berkeley Lab, which is funded by the U.S. Department of Energy, calculated almost 7,000 projects are solar and solar plus storage. There's this incredible need for power in the United States, period. You see it dominating the news, the headlines.

People are talking about other ways to make power and there's limited availability of gas turbines, nuclear is way out there in terms of time frame. And solar is available, affordable and has no fuel risk. And so we also see now storage in ERCOT and California at incredible scale, keeping the lights on, you can look at the demand today and from last week online and see that with batteries, the solar power is available until 10, 11:00 p.m., when folks are going to sleep and the power drops. So we think that this is going to be an enduring story.

We have a very compelling manufacturing and jobs made in the U.S.A., energy dominance, facts on the ground situation. We see policymakers responding to that. So we see the U.S. market despite a lot of fluidity as it's been up and to the right. Our backlog reflects that, our bookings reflect that, and our revenues reflect that. Meanwhile, we're continuing to expand overseas.

As Howard mentioned, we achieved leadership in Europe as the #1 provider in Europe. And we saw our total market share globally increased from 23% in 2023 to 26% in 2024. That's a double-digit increase globally. So we're really focused on serving the global market being a global manufacturer provides tremendous strength.

Julien Patrick Dumoulin-Smith

Jefferies LLC, Research Division

Can I follow up on micro here just with respect to the diversification comment from last quarter, about 1/3 over 5 years. Obviously, you guys have a Analyst Day target out in November here. Can you speak a little bit more greatly to the different pieces that you're expecting on diversification? I know you've kind of said there are a couple of them out there in the market this point, et cetera. But any broader or more specific sense you can start to feather into that 1/3 here as a preview.

Daniel S. Shugar

Co-Founder, CEO & Director

Your connection is quite spotty, but we'll speak to the growth in non-tracker technologies. So let's do a quick review. We acquired a machine learning company about 10 years ago called BrightBox. We built a fantastic software business that created tremendous value for customers, helped with stickiness with our tracker overall value proposition and improves the yield of trackers. It also demonstrated that Nextracker knows how to work with companies that we acquire and get the technology integrated in a way that's accretive.

Then last summer, we acquired the 2 foundation companies, and we've introduced those products in a major launch. That suite of products is going very well with incredible customer uptake. We're ahead of plan from a sales standpoint, and we're integrating the ops, very pleased with how that's going. So far, that -- those technologies have been focused in the United States. We do plan on launching the foundation technologies in selected international markets next year. The TrueCapture software suite I mentioned a moment ago, has been offered globally for many years and in fact, is on the uptake internationally.

Now the last quarter, we announced the acquiring an electrical balance of system provider Bentek and launching in the electrical balance system category with the suite of products. That's -- we're really focused initially in the United States, but we'll be at the correct time, ramping that internationally as well. And the acquisitions and new businesses we announced today in robotics, both the on-site evaluation with drones and the clean robotic technology and the Onsite technology which serves both the EPC and owner asset management class.

We're going to be rolling that out both geographically and from a product diversification standpoint over time. And we'll definitely be unpacking that further at the Capital Markets Day in November.

Operator

Our next question is from Ben Kallo with Baird.

Benjamin Joseph Kallo

Robert W. Baird & Co. Incorporated, Research Division

Just maybe we talked a lot about safe harboring. But if you could have any color on past the ITC expiration, any kind of product development there? And it's a long way away, but how you guys think about that if how purchase agreements will respond in time to make projects go forward or pencil out? And then just maybe another question that you've talked a little bit about, but on the robotics and AI acquisitions, do you think this is like an add-on to the customer wallet? Or should we think about it -- maybe the question is how you price it? Is it against costs? Or is it an additional cost on top of a project?

Howard J. Wenger
Director & President

Thanks, Ben. This is Howard. So on Part 1, past the ITC, look, let's just step back and take stock of where solar has been over the last 30, 40 years, right? We first had to validate that it was reliable and technically sound. We've done that as an industry. We then had to prove that it could economically compete. We've done that to the point now where if you go to the Middle East, solar power is now \$15 per megawatt hour, \$0.015 per kilowatt hour. Okay? That's an unsubsidized market, free market.

Nextracker has -- was the first company to be in the Middle East. We're there. We have an office. We are in a great position. We can compete in that market and when we have a differentiated value proposition that we just keep building with these acquisitions and our own internal organic efforts. And so what you're seeing is that solar power, as Dan mentioned, is the fastest-growing, most impactful new energy technology going in, in the United States and around the world. If you look past the ITC, if we're on a level playing field, the industry can compete. When you add storage to the equation, it's really an unbeatable firm power, dispatchable power combination.

So we feel in our engagement with very large owner developers who -- their companies and their investors are pouring billions of dollars into them. Why? Because they have a durable value proposition that can compete is to provide energy to the fast-growing electricity markets in the U.S., and they just needed a bridge. And so we're in the middle of that bridge right now. We think we're in good stead with the OBBB. We're going to get more guidelines. But beyond that, we're -- it's durable, and it's unstoppable, and we feel really good about it. And that's from an industry and company perspective for solar power.

Okay. AI and pricing, so right now, the way we're thinking about it, especially when you think about Onsite, who's out in the market and has robots and customers in 7 states in a couple of dozen sites, it's real technology being deployed and being paid for. It's done -- what we're migrating towards is more of a robot as a service model, where there's recurring revenue for those services, and it's in addition to the services that we provide today. But it's part of our whole platform development and constellation. Dan talked about tracker, which is core, and we're investing a lot in tracker. We've tripled our R&D spend in the last 3 years. A lot of that going to our core tracker technology, okay? And then we're building around that with these additional acquisitions, including the robotics.

Operator

Our next question is from Dylan Nassano with Wolfe Research.

Dylan Thomas Nassano

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Wolfe Research, LLC

Just on backlog, can you give us an update on how much of current backlog you expect to ship over, call it, the coming 6 to 8 quarters? I think that's a metric you've shared before. And then a quick follow-up on Bentek. When you're talking about building out the eBOS capacity, are you looking to actually expand the current product offering beyond the products you currently make to potentially compete more directly with some of the leading eBOS players?

Charles D. Boynton
Chief Financial Officer

Dylan, this is Chuck. It really hasn't changed much. It was a metric we used to publish. We stopped because it kind of was the same each quarter, call it, high 80s, low 90s would be shipped over the next 8-ish quarters. Not much movement there, and we stopped disclosing that because it just wasn't that meaningful.

And the second question on Bentek products, we'll have Howard answer that.

Howard J. Wenger
Director & President

Okay. We offer 2 product lines through Bentek. They cover 100% of the use cases currently in the solar industry. And one is based on combiner box approach and one's based on a [truck plus] approach with load break disconnects. And so we are -- one of the reasons why we really like Bentek was that they had a robust product development effort. They have new products in their pipeline. We're helping them bring those to the market, and we expect to be adding to the products, point A, to what is offered today. And point B, we're working with them to scale so that we can better match the volume that Nextracker has.

We have an incredible footprint in the U.S. and then first U.S. and then the rest of the world. So there's a lot of what we -- upside to the eBOS business for Nextracker.

Operator

Our next question is from Ameet Thakkar with BMO.

Ameet Ishwar Thakkar
BMO Capital Markets Equity Research

I just wanted to ask you, maybe pivoting away from the executive order, but on section the Section 232 tariff specification. I was just wondering what sort of kind of feedback you've got from your customers on that and kind of given your ability to kind of maybe work with a greater array of different solar modules that might be better positioned to kind of respond to that? Have you seen kind of -- any kind of additional interest as a result of that?

Daniel S. Shugar
Co-Founder, CEO & Director

Yes. We're flexible to work with a wide range of solar panels. Nextracker has spent a lot of -- contribute a lot to making these panels compatible with our tracker. If you actually pull the specifications of solar panel, you'll see that almost every panel has a 400-millimeter hole in the frame. That came from Nextracker about 12 years ago, 13 years ago. And so we have a very strong product management function that closely coordinates with their counterparts of these module companies. It's great to see the growth in the solar panel manufacturing industry here in the United States. There's over 30 companies that have actually made and shipped solar panels in the U.S., which is kind of staggering from where it was 5 years ago. So it's great to see that and to see the expansion of both legacy players and new players. So we're very excited about that growth.

Operator

Our next question is from Joseph Osha with Guggenheim.

Joseph Amil Osha*Guggenheim Securities, LLC, Research Division*

Two questions for you. First, looking at Bentek, I'm wondering if we might see you start to use that platform to do a completely custom harnesses without insulation piercing connectors, what the thought might be there? And then secondly, looking at some of these acquisitions you've just completed, we do see some companies out there like Terabase, they're really seeking to sort of automate the whole assembly process and all of that. Do I kind of sense that you're maybe moving that direction with these acquisitions that you're making?

Howard J. Wenger*Director & President*

I'll do Part A and Dan will do Part B. This is Howard. So for Bentek, we're not -- as I mentioned before, we're able to provide both platforms that are predominantly used in the U.S., large-scale solar industry for wiring systems. And we're not, at this time, prepared to talk about some of the development that we're doing, including the area that you discussed, which is on the custom harnesses. But thank you for the question. Dan, do you want to talk about?

Daniel S. Shugar*Co-Founder, CEO & Director*

Yes. So you asked about Terabase, which is a great company that has a sort of field factory assembly, installation process. We're supporting Terabase 100% with everything we can do to help that. There's also another dozen companies working on the field factory or installation or automation for installation. And we're supporting pretty much all of the above, folks that are coming and asking how -- for specific things to facilitate field factory installation to make labor more efficient, safer. We think all of that's good. We think it's a hard problem. There's multiple ways to approach it. And so we are supporting all the leaders that we're engaged with in that particular activity, and we think that's the right approach. And there's a lot of -- we've seen progress and a lot of opportunity for future progress.

In our robotic programs that we've announced, these things attach basically separate buckets, okay? We're going after things that validate -- that support the EPC to validate installation quality, identify deviations to support the EPC on more efficient punchlist items. We're doing it to then create a digital 3D map of the job site that supports adaptive tracking. We think what we're doing is unique in this area, and our TrueCapture really delivers the results and expectations we're creating. We have unique robotic technology. We've acquired with Amir Robotics on cleaning.

Nexttracker was a very early mover on robotic cleaning. For the last 7 years, we've been supporting our customers in the Middle East to empirically evaluate how robotic cleaning technologies have worked. We've worked with a bunch of companies. We understand the tech. We've really leaned in. And so that really improves more yield gain. And then with the OnSight Technologies acquisition, it's really supporting a higher durability and reliability of the solar power assets by inspecting things like the connectors and electrical valve system and then providing feedback on -- and also reducing risk on where these are going.

I'd like to pull back for a second and just talk about where these -- why we did these robotic cleaning -- or excuse me, robotic category acquisition. It was really customer-driven, a lot as is a lot of our technology. We actually didn't really believe in robotic cleaning. If you went back 10 years ago, we didn't think it was very cost effective. But we saw our customers in areas that are very dry and that have high dust storms really showed us the need. You can have a major dust storm and see array performance degrade significantly in a short amount of time. We saw the need for robotic cleaning. And so similarly -- and we really then worked to find who are the best teams in these areas.

And the Amir Robotics team is incredible, has legacy in robotic cleaning, fantastic domain expertise, and we really focus on the key team. Similarly, with OnSight Technologies, the team there really came from operations and maintenance of solar power. They have specific domain expertise. And we just love how the team was thinking about it. It wasn't a robot in search of a solution. What they came up with was a need that was solved by a robotic technology that significantly lowered the cost, improved reliability and reduce risk on the job site.

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So these are our values at Nextracker. Customer demand drives then how we come up with solutions to lower the levelized cost of energy, improve durability of the system.

With that question, that concludes our call today.

Thank you all very much. As Howard mentioned, big picture, very excited about our progress. We're off to an amazing start in Q1 and look forward to welcoming you all at our Capital Markets Day in November.

Operator

That concludes the conference call. Thank you for your participation. Enjoy the rest of your day.

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