



Q2 EARNINGS REPORT

August 2025

Disclaimer

Forward-Looking Statements

This presentation contains forward-looking statements that are based on our management's beliefs and assumptions and on information currently available to our management. Forward-looking statements include information concerning our possible or assumed future results of operations; expectations regarding the utility-scale solar market; project delays; regulatory environment; the effects of strategic pricing actions, volume discounts and customer mix in our key markets; pipeline and orders; business strategies, plans and expectations, including sales and marketing goals; technology developments; financing and investment plans; warranty and liability accruals and estimates of loss or gains; estimates of potential loss related to the wire insulation shrinkback matter (as defined below); litigation strategy and expected benefits or results from the current intellectual property and wire insulation shrinkback litigation; potential growth opportunities, including opportunities associated with our entry into new markets; production and capacity at our plants; and potential repurchases under the Company's Repurchase Program (as defined below). Forward-looking statements include statements that are not historical facts and can be identified by terms such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "seek," "should," "will," "would" or similar expressions and the negatives of those terms..

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Some of the key factors and scenarios that could cause actual results to differ from our expectations include, among others, If demand for solar energy projects diminishes, we may not be able to grow; if we fail to accurately estimate the potential losses related to the wire insulation shrinkback matter, or fail to recover the costs and expenses incurred by us from the supplier; the interruption of the flow of raw materials from international vendors has disrupted our supply chain, including as a result of the imposition of additional duties, tariffs, and other charges on imports and exports; the imposition of trade restrictions, import tariffs, anti-dumping, and countervailing duties; we have modified, and in the future may modify, our business strategy to abandon lines of business or implement new lines of business, and modifying our business strategy could have an adverse effect on our business and financial results; amounts included in our backlog and awarded orders may not result in actual revenue or translate into profits; defects or performance problems in our products or their parts, whether due to manufacturing, installation, or use, including those related to the wire insulation shrinkback matter, have a high consequence of failure and can lead to equipment and systems failure, physical injury or death; we have experienced, and may experience in the future, delays, disruptions, quality control, or reputational problems in our manufacturing operations in part due to our vendor concentration; if we fail to retain our key personnel and attract additional qualified personnel; our products are primarily manufactured and shipped from our production facilities in Tennessee, and any damage or disruption at these facilities may harm our business; we may face difficulties with respect to the planned consolidation and relocation of our Tennessee-based manufacturing and distribution operations, and may not realize the benefits thereof; safety issues may subject us to penalties, negatively impact customer relationships, result in higher operating costs, and negatively impact employee morale and turnover; the market for our products is competitive, and we face increased competition as new and existing competitors introduce EBOS system solutions and components; macroeconomic conditions, including high inflation, high interest rates, and geopolitical instability, impact our business and financial results; we are subject to risks associated with the patent infringement complaints that we filed with the U.S. International Trade Commission ("ITC") and District Courts; if we fail to, or incur significant costs in order to obtain, maintain, protect, defend, or enforce our intellectual property portfolio and other proprietary rights, including the patents we are asserting in ongoing patent infringement litigation; acquisitions, joint ventures, and/or investments and the failure to integrate acquired businesses could disrupt our business; a loss of one or more of our significant customers, their inability to perform under their contracts, or their default in payment could harm our business; a significant drop in the price of electricity may harm our business; the unauthorized access to our information technology systems or the disclosure of personal or sensitive data or confidential information, whether through a breach of our computer system or otherwise, could severely disrupt our business; failure of our information technology systems, including those managed by third parties, whether intentional or inadvertent, could lead to delays in our business operations and, if significant or extreme, affect our results of operations; our expansion outside the U.S. could subject us to additional business, financial, regulatory, and competitive risks; our indebtedness could adversely affect our financial flexibility, restrict our current and future operations, and our competitive position; existing electric utility industry, federal, state, and municipal renewable energy and solar energy policies and regulations, including zoning and siting laws, and any subsequent changes, present technical, regulatory, and economic barriers to the purchase and use of solar energy systems that may significantly reduce demand for our products or harm our ability to compete; changes in tax laws or regulations that are applied adversely to us, or our customers could materially adversely affect our business, financial condition, results of operations, and prospects; and the market price of our Class A common stock may decline and may continue to be subject to significant volatility.

These and other important risk factors are described more fully in the Company's most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q and other documents filed with the Securities and Exchange Commission and could cause actual results to vary from expectations. Given these uncertainties, you should not place undue reliance on forward-looking statements. Also, forward-looking statements represent our management's beliefs and assumptions only as of the date of this report. You should read this report with the understanding that our actual future results may be materially different from what we expect.

Except as required by law, we assume no obligation to update these forward-looking statements, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

Disclaimer

Non-GAAP Financial Information

This presentation includes Adjusted Gross Profit, Adjusted Gross Profit Percentage, Adjusted EBITDA, Adjusted Net Income, and Adjusted Diluted Earnings per Share ("EPS"), which are unaudited financial measures that exclude items and therefore are not in accordance with U.S. generally accepted accounting principles ("GAAP"). These are presented as supplemental measures of the Company's performance.

A reconciliation of Adjusted EBITDA guidance, which is a forward-looking measure that is a non-GAAP measure, to the most closely comparable GAAP measure is not provided because we are unable to provide such reconciliation without unreasonable effort. The inability to provide a quantitative reconciliation is due to the uncertainty and inherent difficulty in predicting the occurrence, the financial impact and the periods in which the components of the applicable GAAP measure and non-GAAP adjustments may be recognized. The GAAP measure may include the impact of such items as non-cash share-based compensation, amortization of intangible assets and the tax effect of such items, in addition to other items we have historically excluded from Adjusted EBITDA. We expect to continue to exclude these items in future disclosures of these non-GAAP measures and may also exclude other similar items that may arise in the future.

Adjusted Gross Profit, Adjusted Gross Profit Percentage, Adjusted EBITDA, Adjusted Net Income, and Adjusted Diluted Earnings per Share ("EPS")

We define Adjusted Gross Profit as gross profit plus wire insulation shrinkback expenses. We define Adjusted Gross Profit Percentage as Adjusted Gross Profit divided by revenue. We define Adjusted EBITDA as net income (loss) plus/(minus) (i) interest expense, (ii) interest income, (iii) income tax expense, (iv) depreciation expense, (v) amortization of intangibles, (vi) equity-based compensation, (vii) gain on sale of assets (viii) wire insulation shrinkback expenses, and (ix) wire insulation shrinkback litigation expenses. We define Adjusted Net Income as net income (loss) plus (i) amortization of intangibles, (ii) amortization / write-off of deferred financing costs, (iii) equity-based compensation, (iv) gain on sale of asset, (v) wire insulation shrinkback expenses, and (vi) wire insulation shrinkback litigation expenses, all net of applicable income taxes. We define Adjusted Diluted EPS as Adjusted Net Income divided by the diluted weighted average shares of Class A common stock outstanding for the applicable period.

Adjusted Gross Profit, Adjusted Gross Profit Percentage, Adjusted EBITDA, Adjusted Net Income, and Adjusted Diluted EPS are intended as supplemental measures of performance that are neither required by, nor presented in accordance with, GAAP. We present Adjusted Gross Profit, Adjusted Gross Profit Percentage, Adjusted EBITDA, Adjusted Net Income, and Adjusted Diluted EPS 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 use Adjusted Gross Profit, Adjusted Gross Profit Percentage, Adjusted EBITDA, Adjusted Net Income, and Adjusted Diluted EPS: (i) as factors in evaluating management's performance when determining incentive compensation, as applicable; (ii) to evaluate the effectiveness of our business strategies; and (iii) because our credit agreement uses measures similar to Adjusted EBITDA, Adjusted Net Income and Adjusted Diluted EPS to measure our compliance with certain covenants.

Among other limitations, Adjusted Gross Profit, Adjusted Gross Profit Percentage, Adjusted EBITDA, Adjusted Net Income, and Adjusted Diluted EPS do not reflect our cash expenditures, or future requirements for capital expenditures or contractual commitments; do not reflect the impact of certain cash charges resulting from matters we consider not to be indicative of our ongoing operations; and may be calculated by other companies in our industry differently than we do or not at all, which may limit their usefulness as comparative measures.

Because of these limitations, Adjusted Gross Profit, Adjusted Gross Profit Percentage, Adjusted EBITDA, Adjusted Net Income, and Adjusted Diluted EPS should not be considered in isolation or as substitutes for performance measures calculated in accordance with GAAP. You should review the reconciliation of gross profit to Adjusted Gross Profit and Adjusted Gross Profit Percentage, net income (loss) to Adjusted EBITDA, and net income (loss) to Adjusted Net Income and Adjusted Diluted EPS below and not rely on any single financial measure to evaluate our business.

Please see the Appendix for the reconciliations of certain non-GAAP financial measures to the comparable GAAP measures.

Market and Industry Data

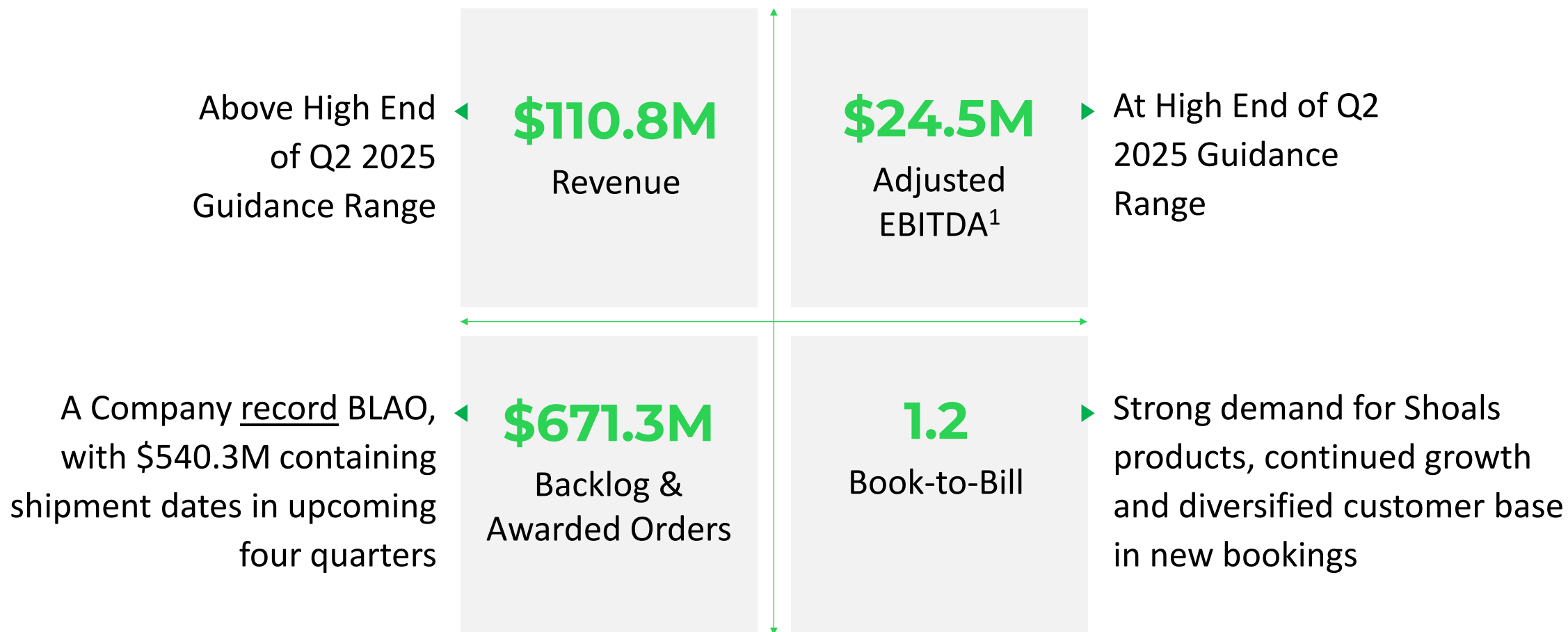
This presentation also contains information regarding the Company's market and industry that is derived from third-party research and publications. That information may rely upon a number of assumptions and limitations, and the Company has not independently verified its accuracy or completeness.

Agenda

- 01** | Second Quarter Highlights
- 02** | Current Events & Market Environment
- 03** | U.S. Utility Scale Solar
- 04** | Growth Opportunities (International, CC&I, OEM, & BESS)
- 05** | Financial Overview
- 06** | Financial Outlook



QUARTERLY HIGHLIGHTS



¹See Appendix for reconciliation of Non-GAAP measures.

CURRENT EVENTS & MARKET ENVIRONMENT

Tariffs & IRA

- Being a U.S. manufacturer provides us with a **strong competitive advantage**
- We continue to work hard alongside our EPC and developer customers to **adapt to the dynamic environment**
- Components coming from specific geographies remain in focus – we make purchases at time of purchase order

Strategy

- Robust portfolio of product offerings
- Commercial Team is executing our strategy and **driving share gains**
- New manufacturing facility will enable **visible operational improvements**
- Growth opportunities are beginning to contribute to our business **meaningfully**

Market

- Underlying fundamentals of the solar energy market **remain positive and compelling**
- LCOE for solar energy, with or without tax credits, **remains the clear winner** among renewable energy sources
- Speed of deployment of solar energy is **unmatched** compared to other renewable energy sources



U.S. UTILITY SCALE SOLAR

“The second quarter of 2025 was another solid period of growth within our core U.S. Utility Scale Solar market.”

Project calendars remain **tight**, with minimal excess capacity

Site preparation and tracker installation activity **gaining momentum**

Strong Underlying Fundamentals of U.S. Utility Scale Solar Market

1H 2025 construction **up 20% year-over-year**

AI / Data Centers, on-shoring of solar industry, and household consumption **underscore increased demand**



GROWTH OPPORTUNITIES

International

“Our international pipeline exceeds 20GW in our focus markets.”



CC&I

“Our CC&I business continues to gain momentum. We would expect in excess of \$10M in revenue this year.”



OEM

“Our OEM business is tracking ahead of expectations - our single customer continues to see strong demand.”



BESS

“A significant portion of our pipeline for these products serves data center and AI growth.”



Second Quarter Financial Snapshot

\$ Thousands (except for EPS)	Q2 2025	Q2 2024	\$ Change YoY	% Change YoY
Revenue	\$ 110,841	\$ 99,249	\$ 11,592	11.7%
Cost of Goods Sold	69,639	59,252	10,387	17.5%
Gross Profit	41,202	39,997	1,205	3.0%
Gross Profit %	37.2%	40.3%	(3.1)%	(7.8)%
Wire Insulation Shrinkback Expense	—	466	(466)	(100.0)%
Adjusted Gross Profit	\$ 41,202	\$ 40,463	\$ 739	1.8%
Adjusted Gross Profit %	37.2%	40.8%	(3.6)%	(8.8)%
Adjusted EBITDA	\$ 24,472	\$ 27,685	\$ (3,213)	(11.6)%
Adj EBITDA %	22.1%	27.9%	(5.8)%	(20.9)%
Adjusted Net Income	\$ 16,938	\$ 17,808	\$ (870)	(4.9)%
Adj. Net Income %	15.3%	17.9%	(2.7)%	(14.8)%
Adjusted Diluted EPS	\$ 0.10	\$ 0.10	—	(3.4)%

¹See Appendix for reconciliation of Non-GAAP measures.

\$110.8M

Q2 Revenue

37.2%

**Q2 Adjusted Gross
Profit %¹**

\$41.2M

**Q2 Adjusted
Gross Profit¹**

\$24.5M

**Q2 Adjusted EBITDA¹,
22.1% Adjusted EBITDA
Margin¹**

\$23.1M

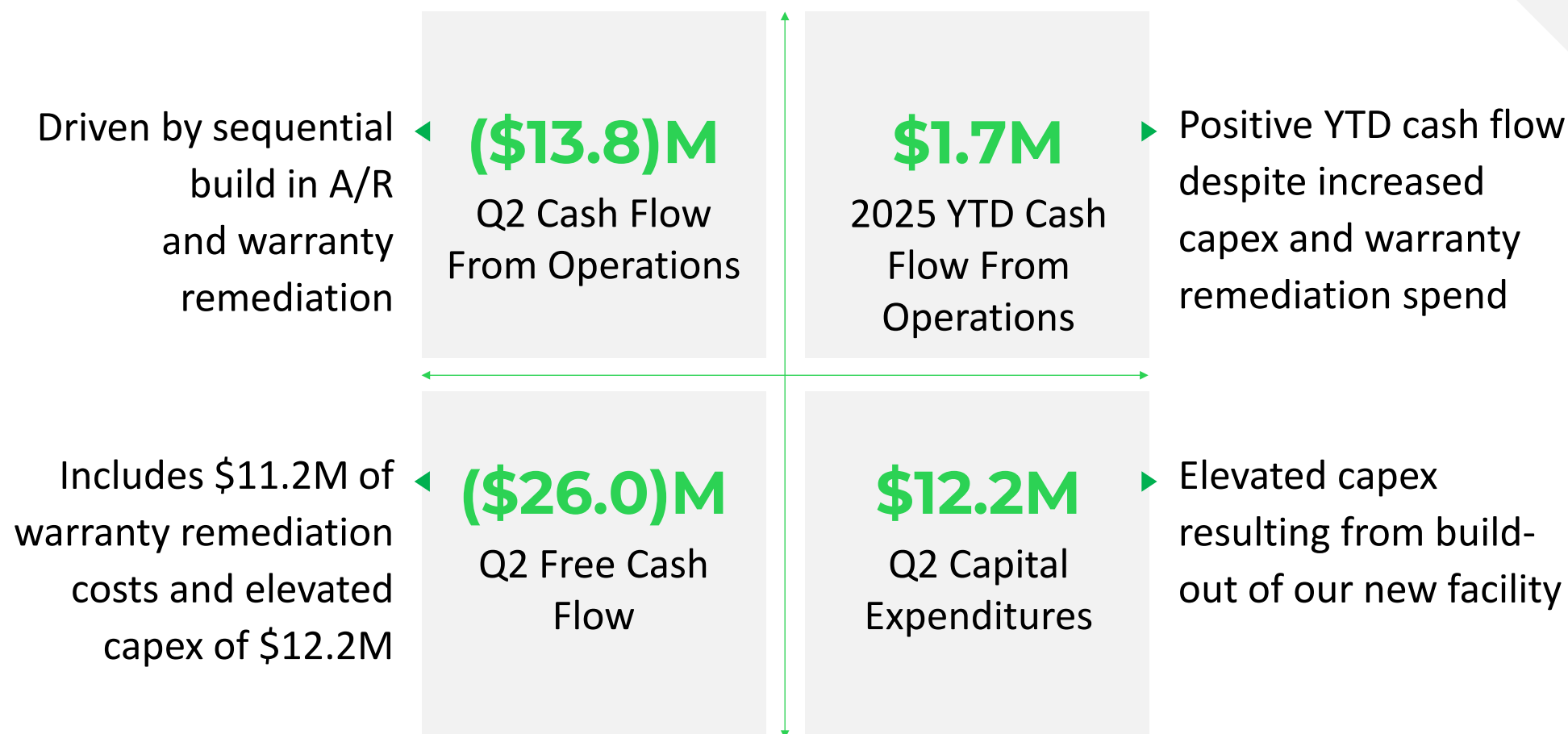
Q2 SG&A Expenses

\$16.9M

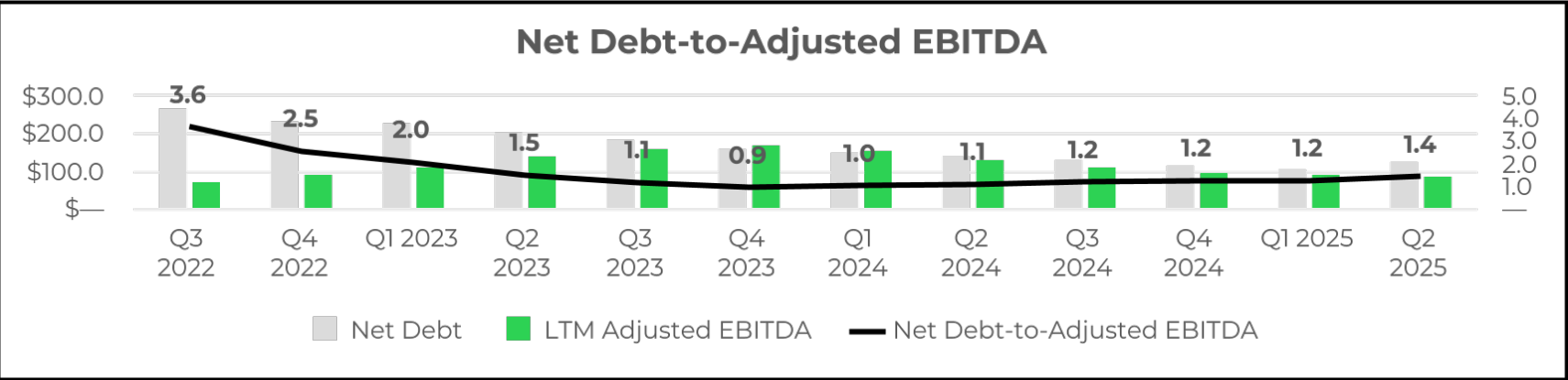
Q2 Adjusted Net Income¹



CASH FLOW



	Q2 2024	Q1 2025	Q2 2025
Cash & Cash Equivalents	\$3.2	\$35.6	\$4.7
Total Long-term Debt	\$146.8	\$141.8	\$131.8
Less: Cash & Cash Equivalents	\$3.2	\$35.6	\$4.7
Net Debt	\$143.6	\$106.1	\$127.1
Adjusted EBITDA	\$27.7	\$12.8	\$24.5
LTM Adjusted EBITDA	\$135.2	\$91.4	\$88.2
Total Long-term Debt-to-Adjusted EBITDA	1.1	1.6	1.5
Net Debt-to-Adjusted EBITDA	1.1	1.2	1.4
Total Liquidity	\$56.1	\$93.9	\$72.9



¹ Net Debt equals Total Long-Term Debt minus Cash and Cash Equivalents

² Total Liquidity equals Cash and Cash Equivalents plus available borrowing capacity on Revolving Credit Facility minus Letters of Credit

“Our balance sheet remains **high quality**.”

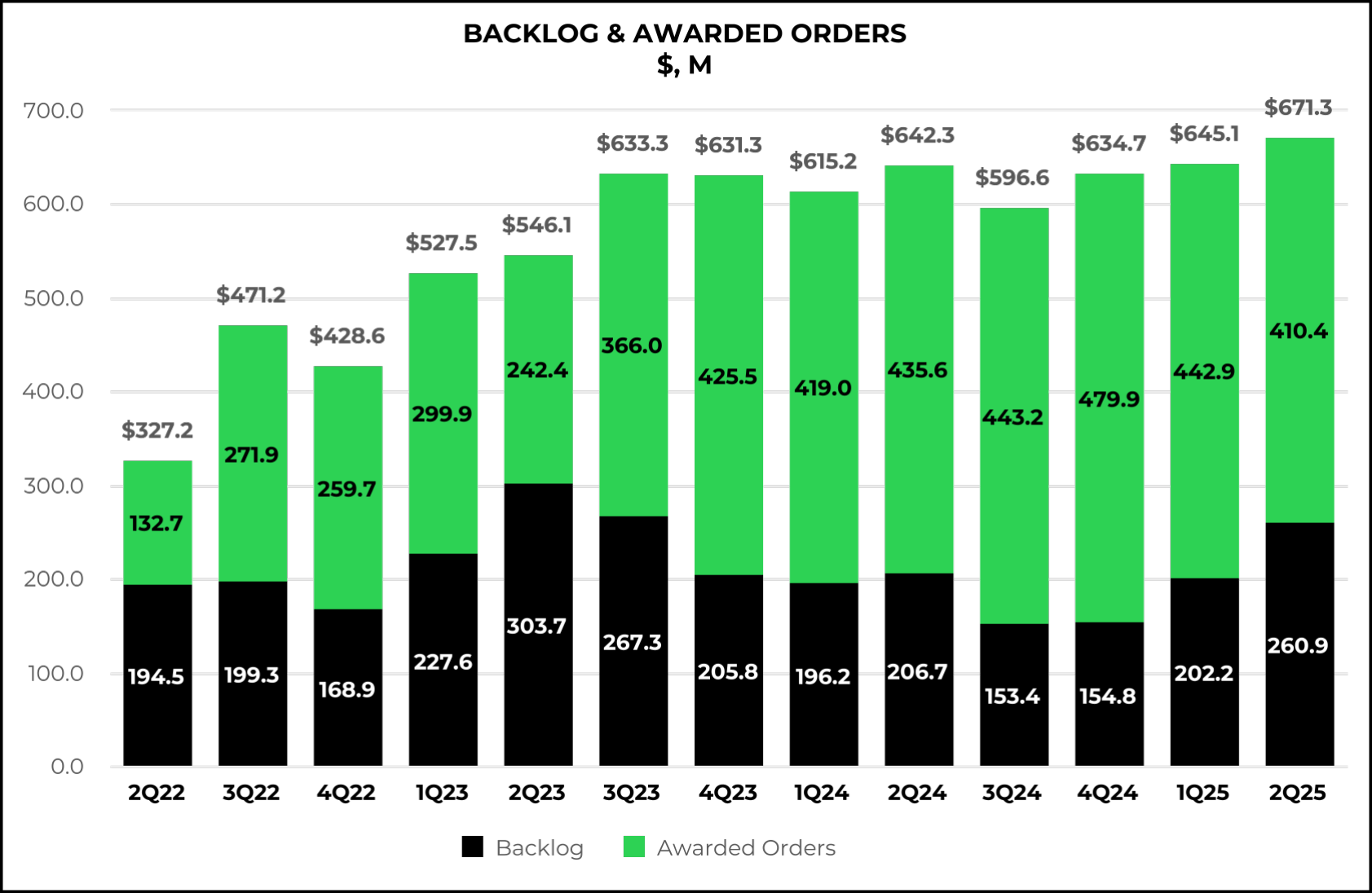
“We paid **\$10.0M** down on our revolver during Q2 2025.”

1.4X

Net Debt-to-Adjusted EBITDA

Compared to
3.6X
in Q3 2022





\$671.3M

As of June 30, 2025
in **record backlog & awarded orders**

\$260.9M

As of June 30, 2025
in backlog

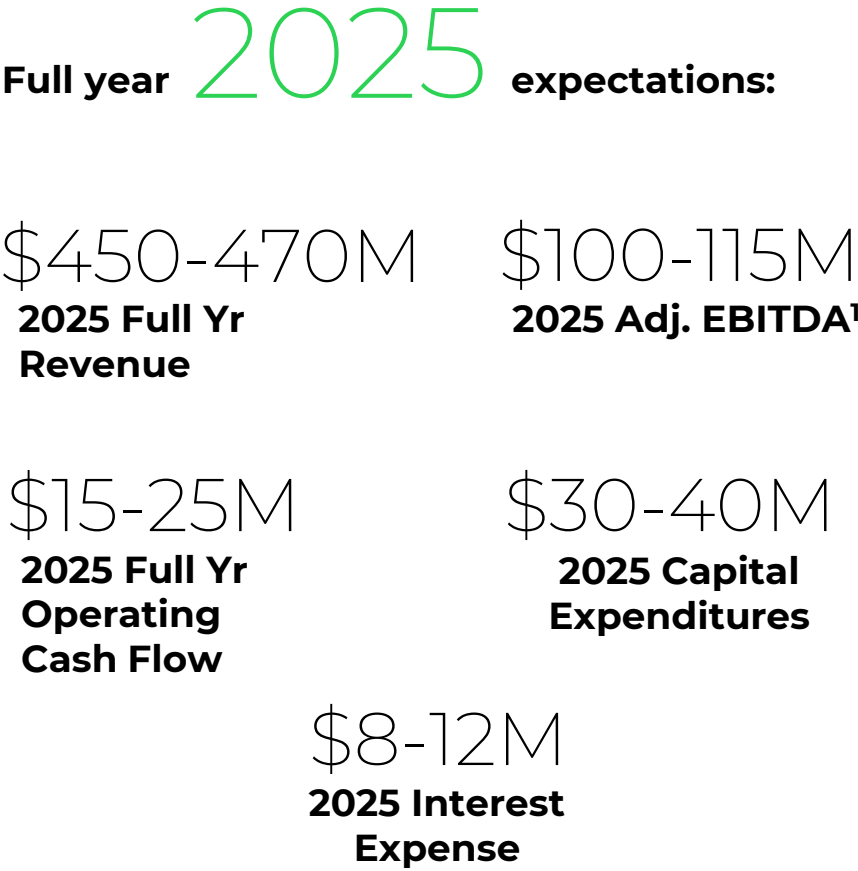
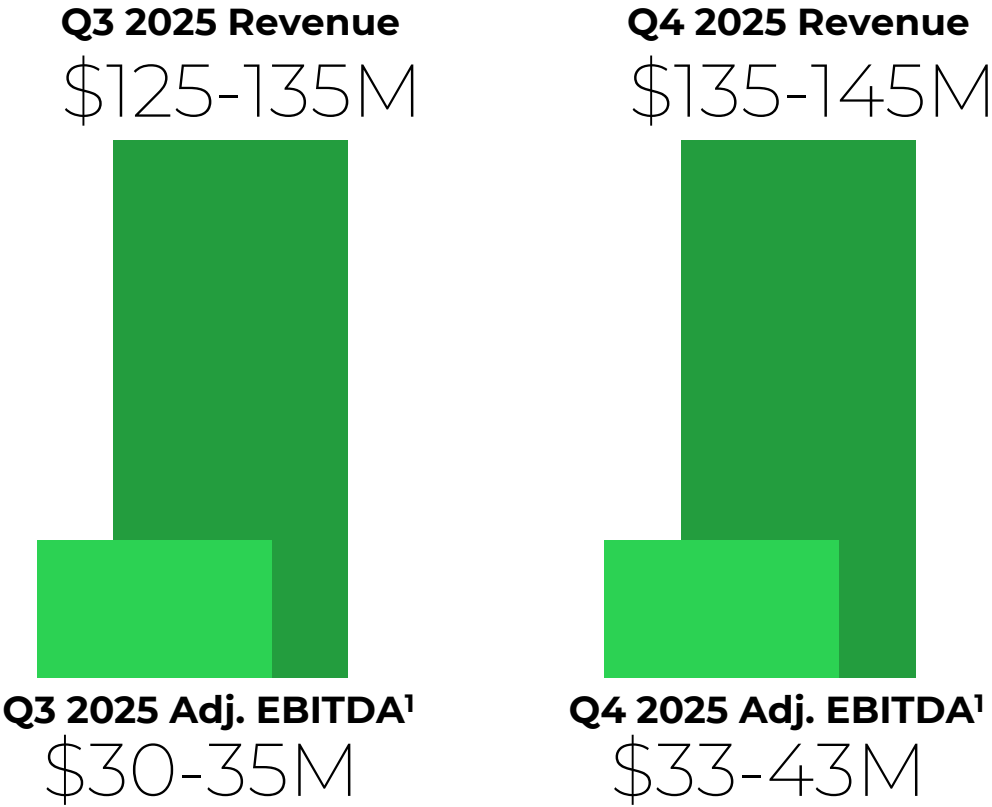
An increase of
29% qoq

\$540.3M

to deliver in **Future Four Quarters**

\$131.0M

Beyond Q2 2026



¹A reconciliation of Adjusted EBITDA guidance which is a forward-looking measure that is non-GAAP, to the most closely comparable GAAP measure is not provided because we are unable to provide such reconciliation without unreasonable effort. The inability to provide a quantitative reconciliation is due to the uncertainty and inherent difficulty in predicting the occurrence, the financial impact and the periods in which the components of the applicable GAAP measures and non-GAAP adjustments may be recognized. The GAAP measures may include the impact of such items as non-cash share-based compensation, amortization of intangible assets and the tax effect of such items, in addition to other items we have historically excluded from Adjusted EBITDA. We expect to continue to exclude these items in future disclosures of these non-GAAP measures and may also exclude other similar items that may arise in the future.

“As we’ve said this year, our customers remain constructive, fundamentals are solid and improving, and **we are in a competitive position of strength.**”

Key fundamentals of our industry amidst rapidly shifting policy and regulatory framework:

- + Our customers, and theirs, are seasoned, sophisticated, and proactive
- + While customers wait for policy clarity and guidance, they waste no time pushing forward with projects
- + Power is in high demand from end customers – utilities, hyperscalers, and industrial expansion
- + Project economics will not materially change in the short-run and, in the long-run, will require adjustments – not drastic cuts



“We want to thank our shareholders and customers for their continued trust, and our employees for their hard work and dedication.”



Q&A



Appendix



Non-GAAP Reconciliations, Adjusted Gross Profit

Adjusted Gross Profit	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenue	\$ 110,841	\$ 99,249	\$ 191,202	\$ 190,056
Cost of revenue	69,639	59,252	121,860	113,599
Gross profit	\$ 41,202	\$ 39,997	\$ 69,342	\$ 76,457
Gross profit percentage	37.2%	40.3%	36.3%	40.2%
Wire insulation shrinkback expenses (a)	—	466	—	466
Adjusted gross profit	\$ 41,202	\$ 40,463	\$ 69,342	\$ 76,923
Adjusted gross profit percentage	37.2%	40.8%	36.3%	40.5%

(a) For the three and six months ended June 30, 2025, represents no wire insulation shrinkback warranty expenses related to the identification, repair and replacement of a subset of wire harnesses presenting unacceptable levels of wire insulation shrinkback, nor any inventory write-downs of wire in connection with wire insulation shrinkback. For the three and six months ended June 30, 2024 represents, \$0.5 million of inventory write-downs of wire in connection with the identification, repair and replacement of a subset of wire harnesses presenting unacceptable levels of wire insulation shrinkback. We consider expenses incurred in connection with the identification, repair and replacement of the impacted wire harnesses distinct from normal, ongoing service identification, repair and replacement expenses that would be reflected under ongoing warranty expenses within the operation of our business, which we do not exclude from our non-GAAP measures. In the future, we also intend to exclude from our non-GAAP measures the benefit of liability releases, if any. We believe excluding expenses from these discrete liability events provides investors with a better view of the operating performance of our business and allows for comparability through periods.



Non-GAAP Reconciliations, Adjusted EBITDA

Adjusted EBITDA	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net income (loss)	\$ 13,855	\$ 11,802	\$ 13,573	\$ 16,576
Interest expense	2,236	3,265	4,651	7,740
Interest income	(76)	(202)	(194)	(315)
Income tax expense	3,117	3,716	5,414	6,164
Depreciation expense	1,439	1,283	2,830	2,389
Amortization of intangibles	1,896	1,896	3,792	3,792
Equity-based compensation	2,593	4,087	5,254	9,110
Gain on sale of asset	(3,134)	—	(3,134)	—
Wire insulation shrinkback expenses ^(a)	—	466	—	466
Wire insulation shrinkback litigation expenses ^(b)	2,546	1,372	5,075	2,221
Adjusted EBITDA	<u>\$ 24,472</u>	<u>\$ 27,685</u>	<u>\$ 37,261</u>	<u>\$ 48,143</u>

(a) For the three and six months ended June 30, 2025, represents no wire insulation shrinkback warranty expenses related to the identification, repair and replacement of a subset of wire harnesses presenting unacceptable levels of wire insulation shrinkback, nor any inventory write-downs of wire in connection with wire insulation shrinkback. For the three and six months ended June 30, 2024 represents \$0.5 million of inventory write-downs of wire in connection with the identification, repair and replacement of a subset of wire harnesses presenting unacceptable levels of wire insulation shrinkback. We consider expenses incurred in connection with the identification, repair and replacement of the impacted wire harnesses distinct from normal, ongoing service identification, repair and replacement expenses that would be reflected under ongoing warranty expenses within the operation of our business, which we do not exclude from our non-GAAP measures. In the future, we also intend to exclude from our non-GAAP measures the benefit of liability releases, if any. We believe excluding expenses from these discrete liability events provides investors with a better view of the operating performance of our business and allows for comparability through periods.

(b) For the three and six months ended June 30, 2025, represents \$2.5 million and \$5.1 million, respectively, of expenses incurred in connection with the lawsuit initiated by the Company against the supplier of the defective wire. For both the three and six months ended June 30, 2024, represents \$1.3 million and \$2.2 million of expenses incurred in connection with the lawsuit initiated by the Company against the supplier of the defective wire. We consider this litigation distinct from ordinary course legal matters given the expected magnitude of the expenses, the nature of the allegations in the Company's complaint, the amount of damages sought, and the impact of the matter underlying the litigation on the Company's financial results. In the future, we also intend to exclude from our non-GAAP measures the benefit of recovery, if any. We believe excluding expenses from these discrete litigation events provides investors with a better view of the operating performance of our business and allows for comparability through periods.



Non-GAAP Reconciliations, Adjusted Net Income

Adjusted Net Income	Three Months Ended June 30,				Six Months Ended June 30,			
	2025		2024		2025		2024	
Net income (loss)	\$	13,855	\$	11,802	\$	13,573	\$	16,576
Amortization of intangibles		1,896		1,896		3,792		3,792
Amortization / write-off of deferred financing costs		156		155		311		2,781
Equity-based compensation		2,593		4,087		5,254		9,110
Gain on sale of asset		(3,134)		—		(3,134)		—
Wire insulation shrinkback expenses ^(a)		—		466		—		466
Wire insulation shrinkback litigation expenses ^(b)		2,546		1,372		5,075		2,221
Tax impact of adjustments ^(c)		(974)		(1,970)		(2,734)		(4,501)
Adjusted Net Income	\$	16,938	\$	17,808	\$	22,137	\$	30,445

(a) For the three and six months ended June 30, 2025, represents no wire insulation shrinkback warranty expenses related to the identification, repair and replacement of a subset of wire harnesses presenting unacceptable levels of wire insulation shrinkback, nor any inventory write-downs of wire in connection with wire insulation shrinkback. For the three and six months ended June 30, 2024 represents \$0.5 million of inventory write-downs of wire in connection with the identification, repair and replacement of a subset of wire harnesses presenting unacceptable levels of wire insulation shrinkback. We consider expenses incurred in connection with the identification, repair and replacement of the impacted wire harnesses distinct from normal, ongoing service identification, repair and replacement expenses that would be reflected under ongoing warranty expenses within the operation of our business, which we do not exclude from our non-GAAP measures. In the future, we also intend to exclude from our non-GAAP measures the benefit of liability releases, if any. We believe excluding expenses from these discrete liability events provides investors with a better view of the operating performance of our business and allows for comparability through periods.

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(c) Shoals Technologies Group, Inc. is subject to U.S. Federal income taxes, in addition to state and local taxes. Represents the estimated tax impact of all Adjusted Net Income add-backs, excluding those which represent permanent differences between book versus tax.



Non-GAAP Reconciliations, Adjusted Diluted EPS

Adjusted Diluted EPS	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Diluted weighted average shares outstanding	<u>167,562</u>	<u>170,100</u>	<u>167,238</u>	<u>170,252</u>
Adjusted Net Income	\$ 16,938	\$ 17,808	\$ 22,137	\$ 30,445
Adjusted Diluted EPS	\$ 0.10	\$ 0.10	\$ 0.13	\$ 0.18



THANK YOU!



Please reach out to
investors@shoals.com with any
further questions.

