

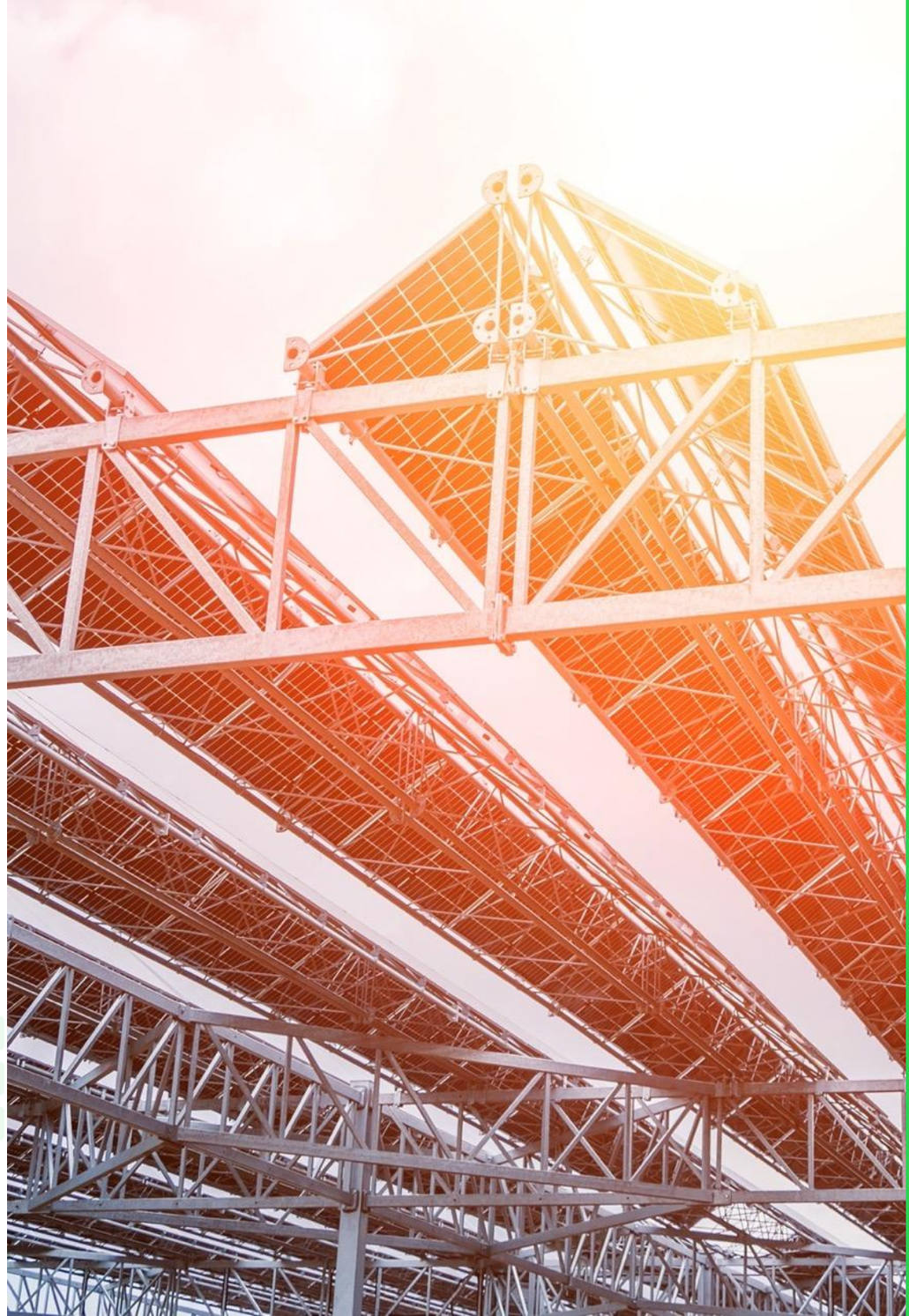
Shoals 2024 Investor Day

September 5, 2024

Welcome & Opening Remarks



Matt Tractenberg
VP, Finance & Investor Relations



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, among others, information concerning our possible or assumed future results of operations, including our future financial guidance; expectations regarding the utility scale solar market and our share thereof; project delays; regulatory environment; pipeline and orders; business strategies; technology developments; financing and investment plans, including our share repurchase program; warranty, litigation and liability accruals and estimates of loss or gains; litigation strategy and expected benefits or results from the current intellectual property and wire insulation shrinkback litigation; potential growth opportunities, including international growth, production and capacity at our plants; and the effects of competition. 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 that could cause actual results to differ from our expectations include, among others, if demand for solar energy projects does not continue to grow or grows at a slower rate than we anticipate, including as a result of industry project delays, we may not be able to achieve our anticipated level of growth and our business will suffer; 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, our profit margins, financial results, business and prospects could be materially adversely impacted; defects or performance problems in our products or their parts, including those related to the wire insulation shrinkback matter, could result in loss of customers, reputational damage and decreased revenue, and may have a material adverse effect on our business, financial condition and results of operations; we may experience delays, disruptions, quality control or reputational problems in our manufacturing operations in part due to our vendor concentration; if we or our suppliers face disputes with labor unions, we may not be able to achieve our anticipated level of growth and our business could suffer; if we fail to retain our key personnel and attract additional qualified personnel, our business strategy and prospects could suffer; 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; unsatisfactory safety performance 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 may face increased competition as new and existing competitors introduce EBOS system solutions and components, which could negatively affect our results of operations and market share; current macroeconomic events, including high inflation, high interest rates, a potential recession, uncertainty surrounding the election cycle and geopolitical instability could impact our business and financial results; our industry has historically been cyclical and experienced periodic downturns; 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; we are subject to risks associated with legal proceedings and claims, including the patent infringement complaints that we filed with the U.S. International Trade Commission (the "ITC") and two District Courts, the securities and derivative litigation initiated in 2024, and other legal proceedings and claims, which may or may not arise in the normal course of our business; if we fail to, or incur significant costs in order to, obtain, maintain, protect, defend or enforce our intellectual property and other proprietary rights, including those that are subject to the patent infringement complaints we filed with the ITC and two District Courts, our business and results of operations could be materially harmed; a loss of one or more of our significant customers, their inability to perform under their contracts, or their default in payment could harm or business and negatively impact revenue, results of operations, and cash flow; we may not repurchase all shares authorized for repurchase under our share Repurchase Program, we cannot guarantee that the Repurchase Program will enhance long-term stockholder value, and share repurchases could increase the volatility of the price of our Class A common stock; and our expansion outside the U.S. could subject us to additional business, financial, regulatory and competitive risks.

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, Free Cash Flow and Net Debt, 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 margin 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 margin. We expect to continue to exclude these items in future disclosures of this non-GAAP measure 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, Free Cash Flow and Net Debt

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 plus (i) interest expense, net, (ii) income tax expense, (iii) depreciation expense, (iv) amortization of intangibles, (v) equity-based compensation, (vi) wire insulation shrinkback expenses, and (vii) wire insulation shrinkback litigation expenses. We define Adjusted Net Income as net income attributable to Shoals Technologies Group, Inc. plus (i) net income impact from assumed exchange of Class B common stock to Class A common stock as of the beginning of the earliest period presented, (ii) adjustment to the provision for income tax, (iii) amortization of intangibles, (iv) amortization / write-off of deferred financing costs, (v) equity-based compensation, (vi) wire insulation shrinkback expenses, and (vii) wire insulation shrinkback litigation expenses, all net of applicable income taxes. We define Free Cash Flow as Net Cash Provided by (used in) Operating Activities plus Net Cas Used in Investing Activities plus Distributions to non-controlling interest. We define Net Debt as Total Long-Term Debt minus Cash and Cash Equivalents.

Adjusted Gross Profit, Adjusted Gross Profit Percentage, Adjusted EBITDA, Adjusted Net Income, Free Cash Flow and Net Debt 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, Free Cash Flow and Net Debt 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 and Adjusted Net Income: (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 and Adjusted Net Income to measure our compliance with certain covenants.

Among other limitations, Adjusted Gross Profit, Adjusted Gross Profit Percentage, Adjusted EBITDA, Adjusted Net Income, Free Cash Flow and Net Debt 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, Free Cash Flow and Net Debt 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 to Adjusted EBITDA, and net income attributable to Shoals Technologies Group, Inc. to Adjusted Net Income, Free Cash Flow to Net Cash Provided by (Used in) Operating Activities, and Net Debt to Total Long-Term Debt 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.

Today's Agenda

All times in CT

8:30 AM **Welcome & Opening Remarks**
Matt Tractenberg | VP, Finance & Investor Relations

Deliver a Clear Strategy Focused on Value Creation
Brandon Moss | Chief Executive Officer

Execute Our Proven Commercial Strategy
Jeff Tolnar | President
Lindsey Williams | VP, Marketing
Karen Bazela | VP, Sales
Gary Uren | SVP and GM, International
Troy Renken | VP, Product & Engineering

Commercial Excellence Panel
Moderator: Stephen LaFleur | Senior Director, Sales
Bru Weber | Blue Ridge Power
Steve Newby | Radiance Solar

10:25 AM **Q&A Session**

10:45 AM **Break**

10:55 AM **Build the Foundation for Future Growth**
Brandon Moss | Chief Executive Officer
Dana Wooters | Director, Operations
James Hart | Chief People Officer
Inez Lund | Chief Accounting Officer

***Create Shareholder Value*: Long-Term Financial Outlook**
Dominic Bardos | Chief Financial Officer

Closing Remarks
Brandon Moss | Chief Executive Officer

12:00 PM **Q&A Session**

12:30 PM **Leadership Luncheon**

Introduction to Shoals Video

Deliver a Clear Strategy Focused on Value Creation



Brandon Moss
Chief Executive Officer



Shoals Snapshot (NASDAQ: SHLS)

Key Stats

Portland, TN	1996	~$1.0B	$489M	47	U.S.
Headquarters	Founded	Market Cap[1]	2023 Revenue	Patents Granted	Manufactured Products

Strong Market Presence in Utility Scale Solar

>70 GW	Installed vs. U.S. Solar Installation of **180GW[2]**
Leading	Market Share
16	Countries outside of U.S. with Shoals Products
306	U.S. Projects since IPO
~120 MW	Average Project Size Per Site Since IPO

Participated in ~30% of U.S. solar projects over past 3 years, representing ~50% of installed capacity (MW)



(1) As of 9'3'24.
(2) Since Company's inception.

Deep Customer Relationships with Industry Leaders

(Select Major Customers)

Today's Panelists

ENGINEERING, PROCUREMENT & CONSTRUCTION (EPC)

Blue Ridge Power

radiance solar

res

BLATTNER COMPANY

Moss

ENERGIX RENEWABLES

BURNS McDONNELL

IEA

SIGNAL ENERGY CONSTRUCTORS

SOLV ENERGY

PSC Primoris

DEVELOPER

Invenergy

NEXTera ENERGY RESOURCES

ENGIE

FPL

edp Renewables

aes

RWE

Ørsted

SILICON RANCH

lightsource bp

bp

Connecting All Parts of the Solar Field

Electrical Balance of Systems (EBOS) connects major components of the solar field and is typically the last part of project to be installed

TRACKERS / RACKING



MODULES



INVERTERS



Electrical Balance of Systems (EBOS)



Selected Publicly Traded Companies

ARRAY TECHNOLOGIES

nextracker

First Solar

solaredge

SMA

shoals INVENTING SIMPLE®

First Installed → Last Installed

We are the Central Nervous System of the Solar Field

Building on a Robust Legacy

Consistent growth since 1996 with significant growth acceleration beginning in 2018







OEM for automotive industry

Introduced technology to solar industry

Captured significant share in explosive U.S. utility-scale solar market

January 2021 IPO

Revenue *(Illustrative 1996-2018)*

1996 2001 2006 2011 2016 2021

Starting from a Strong Position as an Industry Pioneer

Leading from a Position of Strength

Accomplished IPO Financial Objectives

Financial Goals at IPO	2021 – 2023
Grow Faster than the Market	**Shoals – 52% CAGR** **Solar Market –** 31% CAGR **Peers[1] –** 21% CAGR
Deliver 30%+ EBITDA Margin	**35.5% Adj. EBITDA Margin** 590bps improvement
Minimize Capital Intensity	**~2% of sales** $17.9M on cumulative CAPEX from 2021-2023

Executing Next Phase of Growth

Go-forward Areas of Continued Focus

- Execute our proven commercial strategy
  - Near-term: Protect & grow our market leading solar business
  - Long-Term: Accelerate diversification into new markets that support electrification
- Build foundation for future growth
  - Drive operational excellence
  - Build organizational capacity
- Sustain profitability while compounding shareholder value

Capitalizing on Our Value Proposition and Strong Foundation as We Begin Next Phase of Our Journey

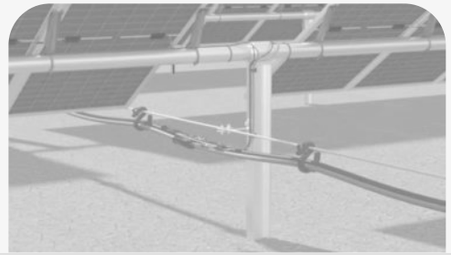
(1) Peers include Array Technologies, SolarEdge Technologies, Enphase Energy, First Solar, Canadian Solar, Sunpower Corp., Bloom Energy Corp, Soltec Power Holdings.

Entering the Next Phase of Growth

Consistent growth since 1996 with significant growth acceleration beginning in 2018



OEM for automotive industry



Introduced technology to solar industry



Captured significant share in explosive U.S. utility-scale solar market

January 2021
IPO

1996 2001 2006 2011 2016 2021

Building on strong core market share, pursuing adjacent markets and reinvesting to drive commercial excellence and expand operational capabilities



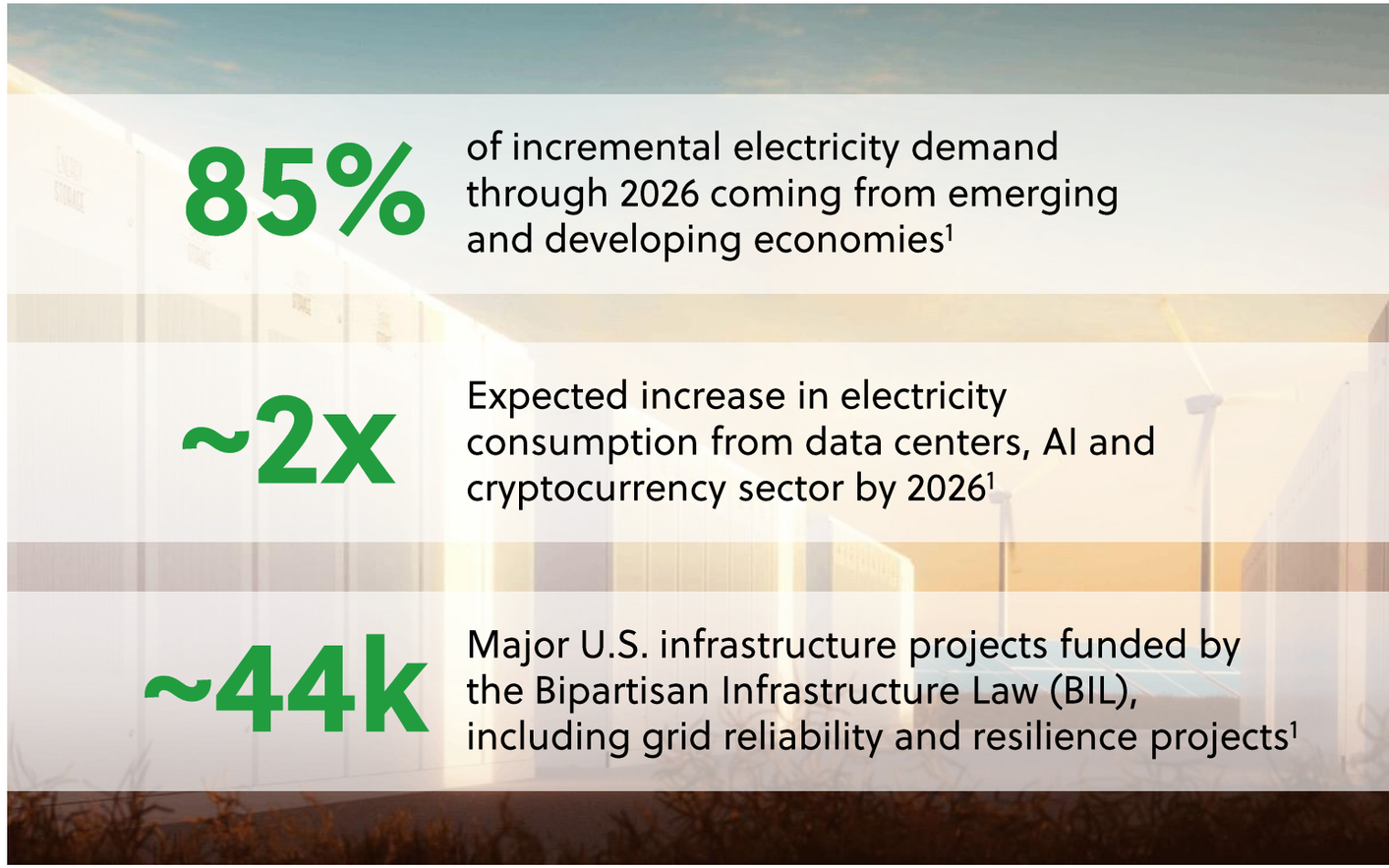
Go-forward

Repositioning the Company for Sustainable and Profitable Growth

Well-Positioned in an Essential Global Industry

Global demand for electricity continues to increase, driven by:

- Growing demand from emerging and developing economies
- Rapid proliferation of data centers, driven by growth in Artificial Intelligence
- Increased domestic manufacturing in the U.S. and ongoing electrification of the transportation and building sectors
- Shift from fossil fuels to renewable energy



85% of incremental electricity demand through 2026 coming from emerging and developing economies[1]

~2x Expected increase in electricity consumption from data centers, AI and cryptocurrency sector by 2026[1]

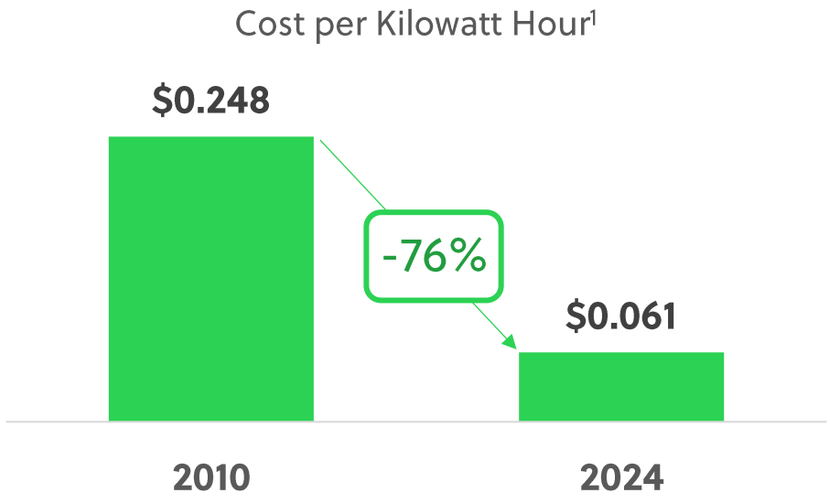
~44k Major U.S. infrastructure projects funded by the Bipartisan Infrastructure Law (BIL), including grid reliability and resilience projects[1]

Rising Electricity Demand Creates Secular Tailwind for Ongoing Renewable Energy Development

(1) International Energy Agency, "Electricity 2024: Analysis and forecast to 2026".

Facilitating Development of Much-Needed Solar Capacity

Solar has become THE cost-effective option for meeting growing demand...



U.S. weighted average levelized cost of electricity (LCOE) for utility-scale solar declined 76% between 2010 and 2024[1]

...but practical impediments have impeded new Solar installations

- Availability of skilled labor
- Lengthy interconnection and permitting queue
- High interest rates challenge economics
- Availability of utility equipment

Shoals is Uniquely Positioned to Address Industry Challenges and Facilitate Ongoing Solar Development

(1) Lazard's Levelized Cost of Energy Analysis 2024.

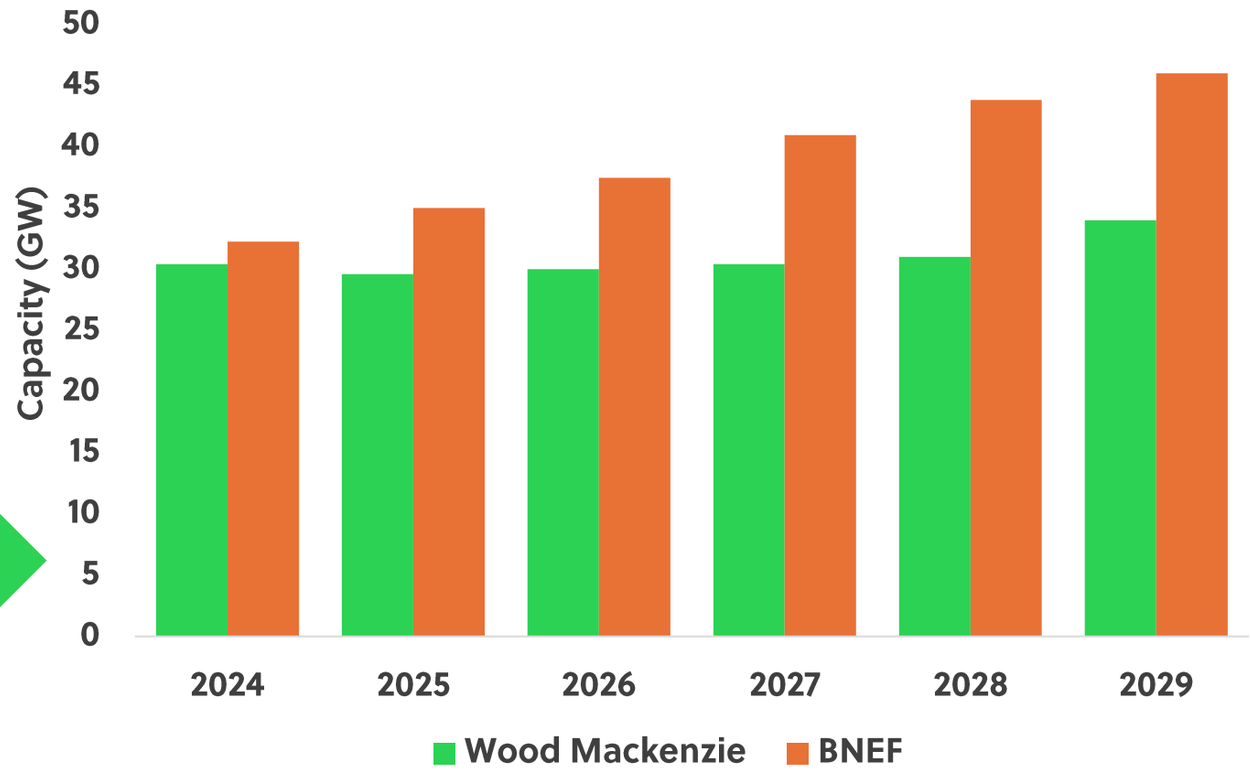
Capitalizing on Multi-Year Growth in Solar Development

Demand for renewable energy remains strong, driven by global commitments to reducing greenhouse gas emissions

Solar MUST be part of the solution

185 – 235 GW New U.S. utility-scale solar capacity coming online between 2024 & 2029[1]

U.S. Utility-Scale Solar Installations and Forecasts[1]

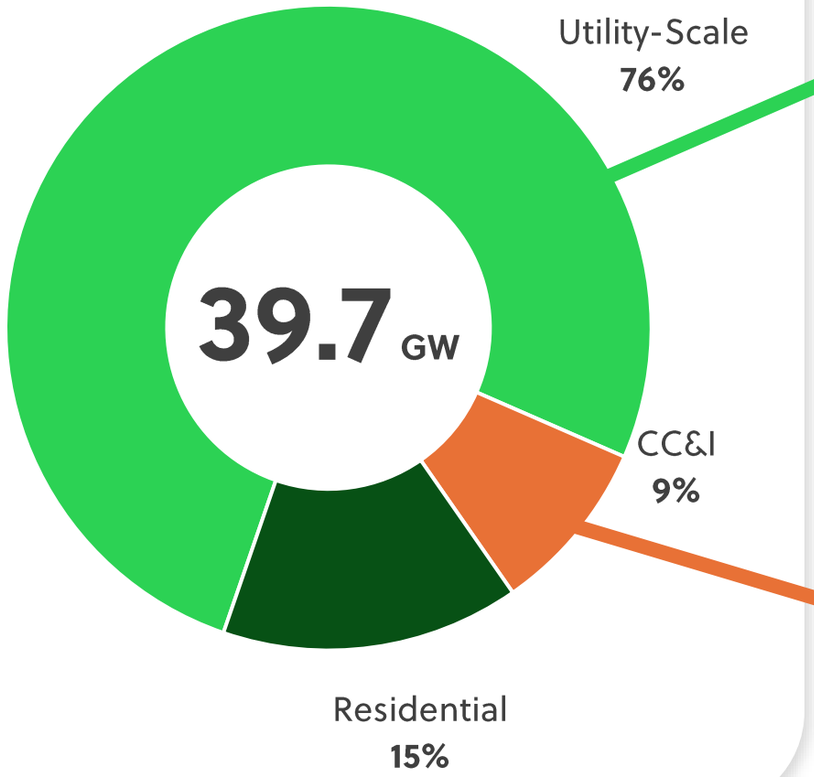


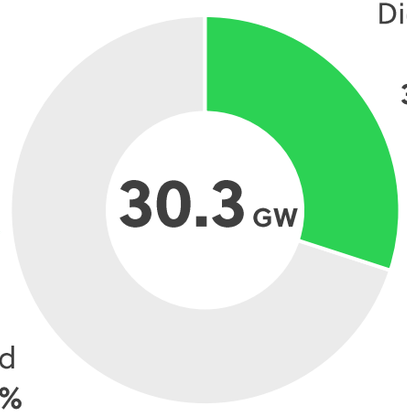
Solar is Essential to Meeting Increased Electricity Demand while Achieving Decarbonization Targets

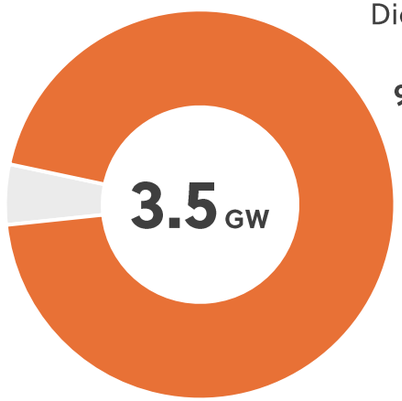
(1) Wood Mackenzie and BNEF base case forecasts.

Large Opportunity to Grow Share in U.S. Solar Market

2024 U.S. Solar Installations by Segment[1]







Growth Opportunity

9.1 GW

Incremental sales opportunity in utility-scale through expanded sales coverage

3.3 GW

Incremental sales opportunity in CC&I with standardized products

12.4 GW

+$300M expansion of SAM

(1) Based on Wood Mackenzie U.S. Solar Market Insight: Q2 2024 - Data. All amounts are approximate and for illustrative purposes only.

Growth and Diversification Strategy

Shoals' Ansoff Growth Matrix



Market Development

Accelerate growth in international markets by:

- Localizing operations
- Upgrading teams
- Investing in products that align with market needs

Diversification

Develop (or acquire) **products for industries where prefabrication can lower installation costs** and help customers complete projects faster

- **Battery Energy Storage Solutions (BESS)**
- **Data Center**

Market Penetration

Expand customer relationships to **address 30% of U.S. utility-scale projects that we historically did not quote**

Product Development

Expand into growing Community, Commercial and Industrial ("CC&I") and OEM Markets with standardized configurations

Key Highlights

Market Penetration | U.S. Utility Scale

- Large, untapped opportunity
- *Historically engaged with only 70% of GWs installed*

Market Development | International

- Large and growing market
- *Going "local" to access opportunities*

Product Development | CC&I & OEM

- Fast growing vertical
- Deployed new team to accelerate growth
- *Introducing standardized configurations*

Diversification | BESS & Data Center

- Reignite Shoals innovation
- *Expanding presence outside of solar over time*

Why Do We Win?

1

Industry pioneer with proven track record of strong execution and consistency

2

Uniquely-positioned to lead the **large and growing electrification market** with scalable, custom solutions, deep industry expertise and unparalleled value proposition

3

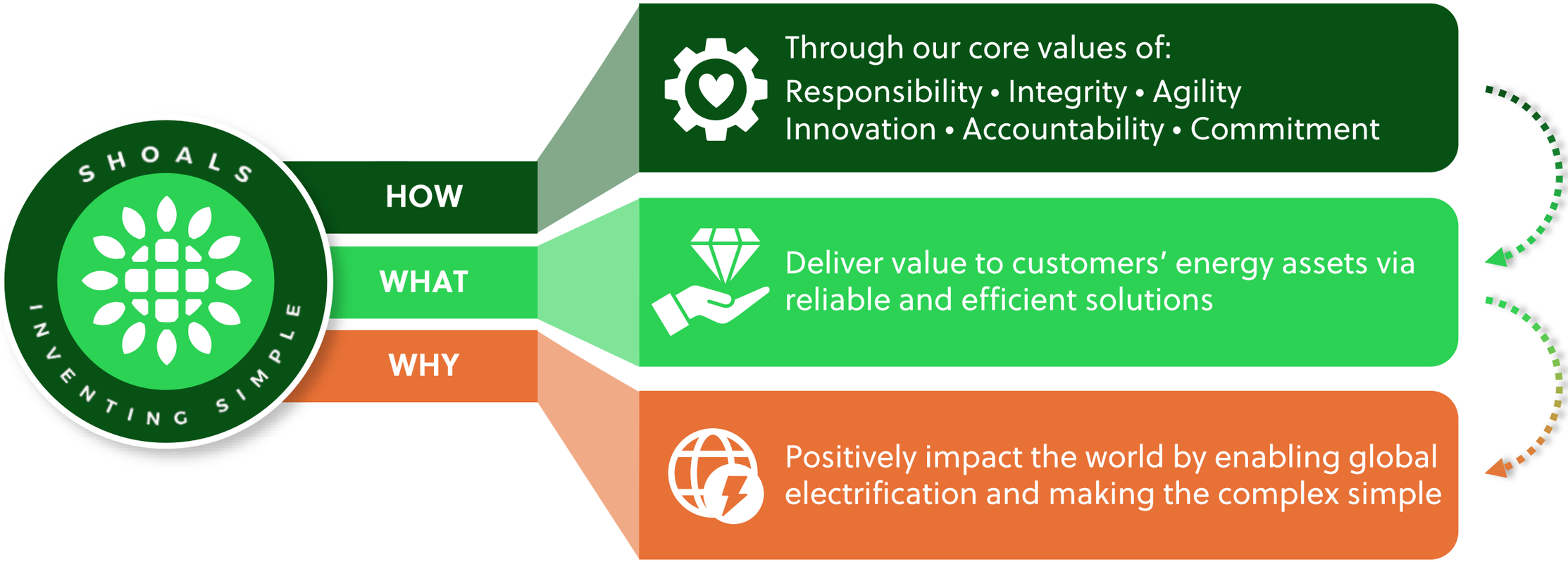
Clear strategy in place to protect & grow our core and diversify into new markets while building operational foundation for future growth

4

Experienced leadership team driving profitable growth, leveraging strong cash generation and strategic investments in attractive markets, foundational operational capabilities and organizational capacity



Purpose & Winning Aspiration are Fueled by Our Operating Principles



Execution of Our Strategy Led by Management Team with Deep Industry Expertise



Brandon Moss
CHIEF EXECUTIVE OFFICER



Dominic Bardos
CHIEF FINANCIAL OFFICER



Jeff Tolnar
PRESIDENT



James Hart
CHIEF PEOPLE OFFICER



Inez Lund
CHIEF ACCOUNTING OFFICER



Gary Uren
SVP & GM, INTERNATIONAL



Kirsten Moen
CHIEF OPERATINNG OFFICER

Engaged Management Team Committed to Driving Outperformance

Clear Strategy for Long-Term Profitable Growth

Execute Our Proven Commercial Strategy

Protect & Grow Our Market Leading Domestic Solar Business

Diversify into New Markets that Support Electrification

Build the Foundation for Future Growth

Drive Operational Excellence to Enable Growth

Build Organizational Capacity to Support Growth

Solidify Shoals Way of Working

Making the Complex Simple through Highly Engineered Solutions

"TRADITIONAL" METHODS

- **Expensive Skilled Labor** → Electrical installation cost = **~1.5X** product cost[1]
- \+ **Complex Installation** → **100k+** connection points
- \+ **On-site Engineering** → **~10%** of EBOS cost = engineering[2]
- \+ **Multiple Suppliers** → **15+** different suppliers
- \+ **Components** → **200+** discrete parts

VS

Higher Cost, Increased Complexity

Customers need to find additional expensive labor and on-site engineering & installation ***after ordering parts***

SHOALS PLUG-N-PLAY SOLUTIONS



\+

Deep Industry Expertise & Consultative Approach

Efficient Process with a Unique, Plug-n-Play Solution

We aggregate the supply chain, bringing all pieces & parties together with ***a proven process***

(1) Wood Mackenzie Interactive US Solar PV System Cost Model H1 2024, 2024 "AC Electrical and DC Electrical Labor" cost per watt compared to 2024 EBOS cost per watt for 100MWdc Utility Array with Bifacial Module & Central Inverter.
(2) Wood Mackenzie Interactive US Solar PV System Cost Model H1 2024, 2024 Electrical engineering cost per watt compared to 2024 EBOS cost per watt for 100MW Utility Array with Bifacial Module, Central Inverter

Creating an Unmatched Experience for Our Customers

Our **consultative engineering capability** creates a unique relationship with our customers. We become a critical part of their business, delivering **custom manufactured solutions every time**

Initial Consultation	Design Custom Solution	Manufacture Solutions	Delivery	Installation (by EPC)	Aftercare Support
1	2	3	4	5	6

Full cycle from project identification to interconnection: 24 - 30 months



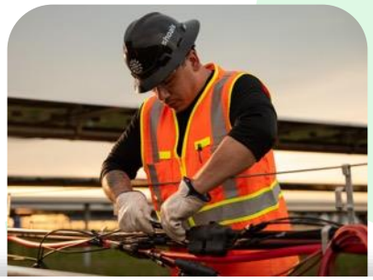
Upfront engineering application expertise



Blueprint & design confirmation



Remove complexity from the field



Timely delivery of plug-n-play solutions



Operations and Maintenance support

Secured Favorable Initial Ruling in ITC Case Against Voltage, LLC

Outcome from Initial ITC Ruling

- **Intellectual Property is both valid and protected**
- **Competitive position is strengthened**
- **American workers are key beneficiaries**
- **Pursuit of appropriate legal remedies continues**

WHAT'S NEXT

- Commission review will be finalized by December 30th
- ITC ruling becomes binding 60 days following the Commissions review
- Following final disposition, plan to resume the currently stayed District Court case in Middle District of North Carolina against Voltage, on the same subject matter, to pursue monetary damages

Continue to Prioritize Protecting Valuable Portfolio Against Infringement and Investing in and Protecting American Jobs, Manufacturing and Intellectual Property

Clear Strategy for Long-Term Profitable Growth

Execute Our Proven Commercial Strategy

Protect & Grow Our Market Leading Domestic Solar Business

Diversify into New Markets that Support Electrification

Build the Foundation for Future Growth

Drive Operational Excellence to Enable Growth

Build Organizational Capacity to Support Growth

Solidify Shoals Way of Working

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Execute Our Proven Commercial Strategy

Elevate Commercial Excellence



Jeff Tolnar
President

Driving Commercial Excellence to Fuel Long-Term Growth

Key Accomplishments

MARKETING

Anchored by Voice of Customer

- ✓ Enhanced customer outreach
- ✓ Aligned marketing with sales and product teams
- ✓ Deliverable-focused marketing efforts
  - Revamped website
  - Produced International and multi-language tear sheets
  - Created new product case studies showcasing value proposition

SALES

Elevated Commercial Approach

- ✓ Aligned dedicated teams for different end markets
  - Domestic Utility-Scale
  - CC&I
  - International
- ✓ Implemented sales pods to increase customer touchpoints
- ✓ Leveraging data to identify leads and proactively reach out to accounts

PRODUCT

Reignited Product Innovation

- ✓ Integrated Voice of Customer into new product development
- ✓ Transformed from engineering to product line management
- ✓ Established stage gate process
- ✓ Invested in talent to have right team in place to fuel innovation

Made Strategic Investments to Build on Strong Commercial Excellence Foundation

Go-Forward Initiatives to Continue to Elevate Commercial Excellence

Solidifying and scaling recently launched products

Expanding our customer care focus to be proactive

Establishing training center of excellence for our internal team and customers

Leveraging data-driven approach to proactively reach existing and new customers







Clear Strategy for Long-Term Profitable Growth

Execute Our Proven Commercial Strategy

Protect & Grow Our Market Leading Domestic Solar Business

Diversify into New Markets that Support Electrification

Build the Foundation for Future Growth

Drive Operational Excellence to Enable Growth

Build Organizational Capacity to Support Growth

Solidify Shoals Way of Working

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Execute Our Proven Commercial Strategy

Listen to the Voice of Customer



Lindsey Williams
VP, Marketing

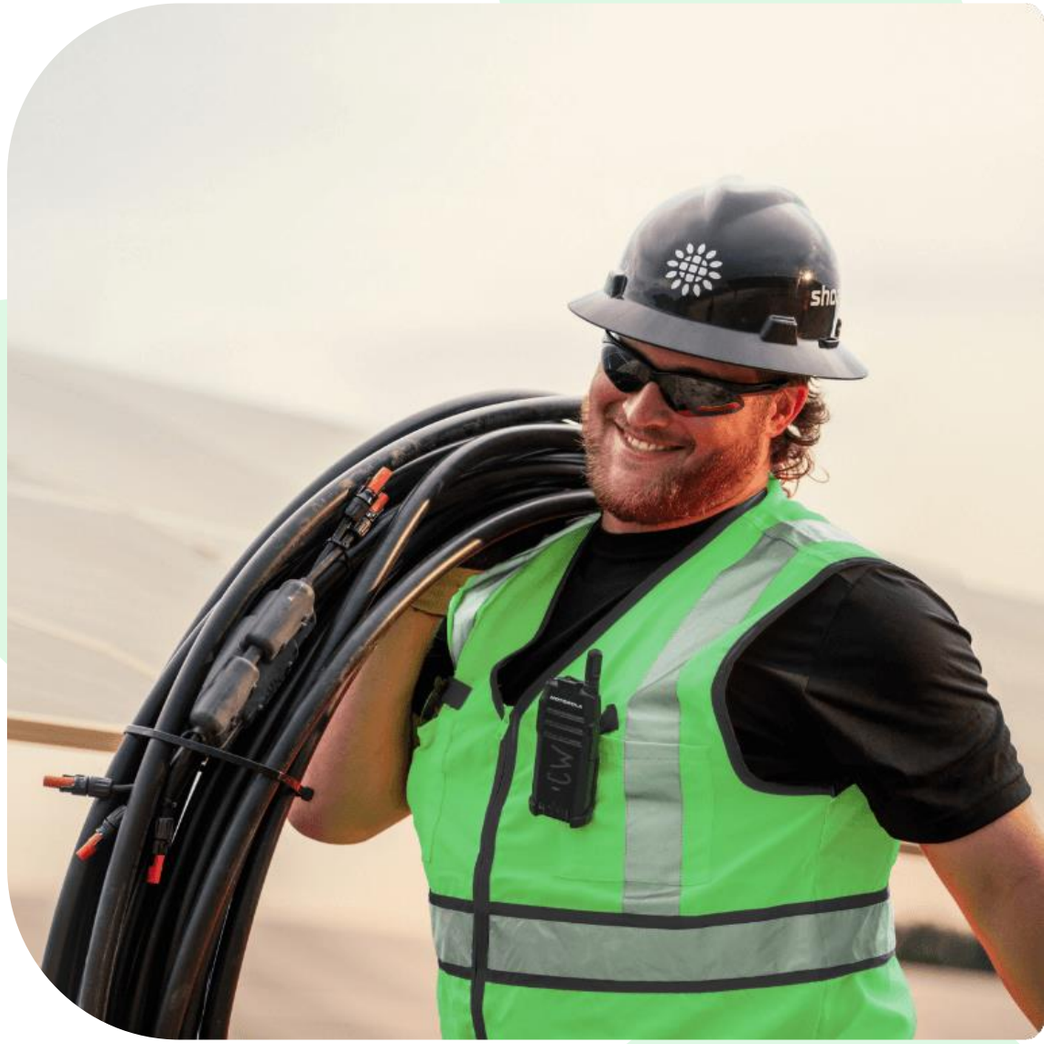


Key Messages | Listen to the Voice of Customer

1. Building on **strong, customer-centric foundation** as we develop an operating model that enables us to scale

2. Creating consistent processes to understand the **Voice of the Customer** and produce **data-driven insights**

3. Developing a **structured approach to implement customer insights** to inform new product development and enable best-in-class customer service



Creating an Industry Leading Brand

Industry leading brands have clear, defining characteristics

- ✓ Consistency
- ✓ Superior Quality
- ✓ Unparalleled Customer Service
- ✓ Customer Loyalty

Shoals has a clear, core identity that stems from our founding in 1996 that we connect to across the organization

✓ Executed brand exercise and identified two archetypes

THE REBEL

Bold and revolutionary, stemming from our inception as a disruptive, start-up operation

THE HERO

Continuously striving to make a difference; **connecting to bigger theme of electrification**

- ✓ Provide an **experience for our customers**: upfront engineering application expertise, on-site installation and aftercare support
- ✓ Focus on **cultivating relationships** and solving our customers' problems



We Continuously Embed Our Brand into Our Customers' Business Model

Elevating Voice of Customer Initiatives

Completed initial **NPS survey**

Resulted in NPS of **63**

Leveraging **Voice of Customer** to design specifically for different market needs

Expanding touchpoints with our customers and continuous improvement at all levels

- Obtaining feedback upon ordering, delivery and post sale

Leveraging customer feedback to continually improve customer service, enable new product development and enhance existing products





Driving Continuous Improvement to Provide a Best-in-Class Customer Experience

Key Themes from NPS Survey

Positive Attributes

- ✓ Product Quality
- ✓ Partnership
- ✓ Customer Service

Areas for Improvement

- Flexibility
- Lead Times
- New Product Timing Uncertainty

Great customer service and getting quotes back in a timely manner

UTILITY-SCALE SOLAR INSTALLER

Shoals consistently provides high-quality products and services that meet or exceed my expectations

END USER

Incredible customer service and attention to detail

END USER

Quick responses, feels like a partnership, and provides all the information necessary for our teams to incorporate designs

CC&I SCALE SOLAR INSTALLER

I've been working with Shoals for the past 7 years, their dedication to quality is top notch

UTILITY-SCALE SOLAR INSTALLER

All communication has been quick and very informative, all material has arrived on site on or ahead of schedule. We have had no issues with shipments or material arriving damaged

UTILITY-SCALE SOLAR INSTALLER

Strong Customer Relationships are the Backbone of Our Success

Structured Approach in Implementing Customer Feedback

Building on core strengths by leveraging customer feedback to continually improve the customer experience and elevate our brand in the marketplace



Improving the customer experience by investing in commercial team talent, structure and capabilities



Enhancing existing products with a focus on packaging flexibility and creating standardized products for certain markets



Investing in new product development to meet customer needs; developing processes to give customers more visibility into the new product roadmap

Strong Customer-Centric Foundation + Continuous Implementation of Customer Feedback Enables Future Growth

Clear Strategy for Long-Term Profitable Growth

Execute Our Proven Commercial Strategy

Protect & Grow Our Market Leading Domestic Solar Business

Diversify into New Markets that Support Electrification

Build the Foundation for Future Growth

Drive Operational Excellence to Enable Growth

Build Organizational Capacity to Support Growth

Solidify Shoals Way of Working

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Gemini Video

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Execute Our Proven Commercial Strategy

Protect & Grow Our Market Leading Domestic Solar Business



Karen Bazela
VP, Sales



Key Messages | Protect & Grow Leading Domestic Solar Business

1. Leveraging **mission critical solutions** and **deep customer relationships** to win in domestic solar

2. Continuing to build on **leadership position in domestic utility-scale solar** by proactively addressing customer needs

3. **Expanding in CC&I and OEM** by leveraging deep customer relationships and a newly established team to deliver differentiated solutions



Market Leading Domestic Solar Business





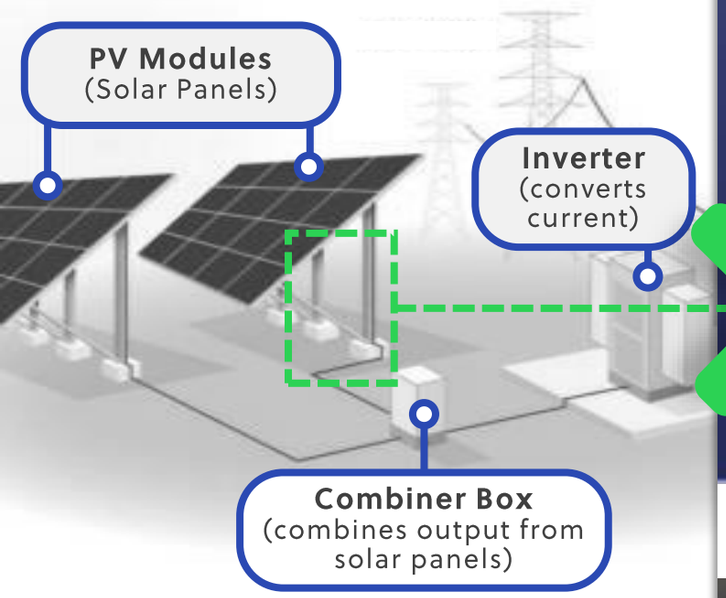


MARKET	Utility-Scale	Community, Commercial & Industrial (CC&I)	Solar Module Original Equipment Manufacturers
CUSTOMER TYPES	Provide complete EBOS system solutions to large-scale solar fields ▪ Owner/operator ▪ EPCs	Provide local businesses shared access to solar energy ▪ EPCs ▪ Commercial Owners ▪ Energy Service Companies (ESCOs)	Provide junction boxes to solar module (panel) OEMs ▪ Module manufacturers
MARKET ATTRIBUTES	Large scale solar projects (>20 MW)	Smaller scale projects (<20 MW)	Full range of projects supported by OEMs
PRODUCT ATTRIBUTES	Highly customizable to meet customer-specific needs	Standardized configurations with modular options	Junction boxes

Differentiated with Mission Critical Solutions

EBOS Solar Applications

Electrical components & systems that transfer power from solar panels to inverter, which allows power to be sent to grid



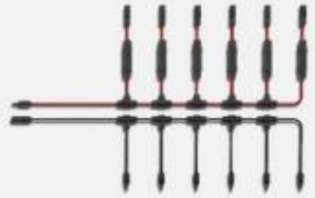
Big Lead Assembly ("BLA")



Proprietary above ground feeder cable

- Eliminates underground conduits and combiner boxes

Interconnect Harness



Pre-fabricated wire harnesses with inline fuses

- Eliminates measuring, cutting and crimping in the field
- Reduces individual wire runs

Plug-n-Play Connectors



Simple push connectors

- Speed installation
- Reduce errors

Making the complex simple: installable by general labor



Clear Priorities to Continue Growing Share in Domestic Solar Market



Pursuing Growth in Untapped Markets

- Pursuing opportunities in previously untapped space, where customers have historically wanted Shoals products



Deepening Existing Customer Relationships

- Designing and selling broader set of solutions that customers want and need
- Investing in customer care organization and improving customer responsiveness



Driving Commercial Excellence

- Enhancing account planning process
- Continuing to measure and track performance based on metrics



Increasing Marketing Capabilities

- Operationalizing Voice of Customer
- Investing in market research to drive data-driven insights

Utility-Scale Market Drivers

Leveraging unique value proposition to capitalize on electricity demand growth

KEY MARKET DRIVERS

~$760M TAM[1]

GROWING AT AN EXPECTED

Low Single Digit CAGR

FROM '23-'28[2]

Increasing electricity demand

- Additional 40 GW/year needed to meet demand, with consumption expected to increase 3% per year through 2030[2]
- Renewables expected to account for 95% of increase in global power capacity

MARKET CHALLENGES

Challenging supply chain dynamics

Increasing need for expensive skilled trade labor

SHOALS UNIQUE VALUE PROPOSITION

to Capture Growth & Address Industry Challenges

Significant Engineering Capabilities

Possess subject matter expertise required to design, specify and optimize highly customized solutions

Deep Customer Relationships

Highly collaborative process working with customers from prefabrication design to post installation maintenance

Industry-Leading, Plug-n-Play, Cost Efficient Solutions

Move assembly from field to factory, reducing customer need for skilled labor in the field

(1) Wood Mackenzie *US Solar Market Insight – Q2 2024.*
(2) Wood Mackenzie *Solar Market Insight Year in Review 2023 "Base Case" for Utility-Scale Solar.*

Utility-Scale Solar Accomplishments & Market Share

Investments in Our Utility-Scale Solar Business...

- **Doubled** sales team
- **Elevated** go-to-market strategy
- Offering customers **broader range** of solutions
- **Increasing** customer touchpoints

50% INCREASE
in quotes over the past year

...Resulted in Increased Market Share...

Sustaining **leading market share** in the Utility-Scale Solar Market

...with Room to Grow

- Continued focus on enhancing **customer relationships**
- Enabling more **sustainable processes**
- Investing in our **sales** and **customer care** organizations

Significant Opportunity to Drive Above-Market Growth

$2.2B TAM[1]

30%[3]
New Opportunity

70%
Shoals Served Addressable Market

Historical Addressable Market
Driving Growth through New EPC Relationships, MSAs, and Expanded Wallet Share

- Wallet share loss from '22 – '23 occurred in ~30% of top 20 accounts
  - Revenue from group was ~$40M in 2023
  - Current backlog & awarded orders (BL&AO) is ~$160M[2]
- New MSA with Blattner
- New MSA with top 10 EPC

Newly Opened Addressable Market
Pursuing Opportunities We Previously Did Not Bid

- 7% of MW were from one top EPC Shoals had no relationship with
  - In 2024, team quoted with this EPC 42 times for 11.4 GW of installed capacity and ~$300M potential revenue
  - Current BL&AO is ~$40M[2] with potential upside as additional awarded decisions are made
- 2% of MW were smaller projects (<20 MW), now addressed by CC&I team
  - In 2024, team quoted 203 times for 1.2 GW of installed capacity and ~$25M potential revenue

Domestic Utility-Scale Solar

(1) Represents three year go-forward opportunity. Wood Mackenzie *US Solar Market Insight – Q2 2024.*
(2) As at 6/30/24.
(3) Wood Mackenzie forecast as of Jule 25, 2024.

Community, Commercial & Industrial (CC&I) Market Drivers

Taking proven playbook for growth and deep relationships from utility-scale market to grow in CC&I

KEY MARKET DRIVERS

~$180M TAM[1]

GROWING AT AN EXPECTED

High Single Digit CAGR

FROM '23-'28[1]

Increasing desire from CC&I customers to have access to standard, plug-n-play solar solutions

MARKET CHALLENGES

Long product lead times due to lack of standardized solar solutions

Labor shortages

SHOALS UNIQUE VALUE PROPOSITION

to Capture Growth & Address Industry Challenges

Leading Reputation in Utility-Scale Solar

Reputation translates to CC&I market, with customers having desire to work with Shoals

Dedicated Sales and Customer Support Team

Newly created, highly experienced team dedicated on CC&I market

Shorter Customer Lead Times

Stock and standardized solutions drives shorter customer lead time

Multiple Distribution Models

Direct-to-customer and through distributers

(1) Wood Mackenzie *US Solar Market Insight – Q2 2024.*

Maturing Newly Established Sales Organization to Increase Focus on CC&I Market

New sales team with extensive solar and CC&I expertise, leveraging proven approach



Dedicated Focus

Created sales pods to integrate team in all steps pre- and post-sale



Relationship-oriented Approach

Leverage industry-leading reputation to develop strong customer relationships



Disciplined, Data-driven Process

Quarterly account planning reviews

Relationship scorecards to facilitate account management

Applying Data-Driven, Proven Playbook with Increased Focus to Deliver Accelerated Growth

Expanding Opportunity to Serve OEM Customers

KEY MARKET DRIVERS

Domestic Panel Capacity Increasing

- First Solar total bookings backlog of ~76 GW extending through 2030[1]
- Qcells completed Dalton, GA factory expansion with capacity to manufacture 30,000 solar panels per day[2]

CUSTOMER OVERVIEW

- Solar panel manufacturers

First Solar®

SHOALS SOLUTION OVERVIEW

Junction Boxes

- Tailored solutions specified to customer panel type

COMPETITIVE ADVANTAGES ENABLING OUR RIGHT TO WIN

Industry-Leading Customer Base

+

Long Tenure & Expertise

+

Fit-for-Purpose Technology

+

Dedicated Commercial Team

Long Track Record of Providing This Solution for >20 Years

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(1) First Solar Q2'24 Earnings Presentation.
(2) https://us.qcells.com/blog/qcells-north-america-completes-dalton-factory-expansion/.

Key Takeaways



Leveraging mission critical solutions and deep customer relationships to win in domestic solar

Continuing to build on leadership position in domestic utility-scale solar by proactively addressing customer needs

Expanding in CC&I and OEM by leveraging deep customer relationships and a newly established team to deliver differentiated solutions

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Execute Our Proven Commercial Strategy

Accelerate Growth in Our International Solar Business



Gary Uren
SVP and GM, International



Key Messages | Accelerate International Growth

1. Deploying the **right strategy, people and processes**
2. Driving a **focused, market-based approach**
3. Aligning **product solutions** and **capabilities** to markets
4. **Driving accountability** internationally and in the U.S.
5. **Localizing Shoals in attractive markets** building capabilities outside the U.S.



Addressing the Obstacles to Growth in International Markets

Significant Work Done Aligning with International Markets

Foundations of a Scalable Approach

Product Fit & Market Gaps	Cost of Doing Business	Talent & Skillset	Market Focus
Primary EBOS solution did not align with international installation practices and installer preferences ▪ Partial fit in Australia and LatAm, very limited fit in Europe ▪ New solutions move from ~30% fit to ~90% fit	U.S. manufacturing drove long lead times and higher transport costs; moving components from IEC markets to U.S. and back ▪ No entities in Spain and Australia, customers needed to transact in USD and be importer of record	Isolated sales teams lacked local support needed for success ▪ Limited marketing support ▪ Low accountability ▪ Traction issues with defining product management and system design needs	Opportunity to take a more disciplined, intentional approach to international market development ▪ Shifting from "inch deep and mile wide" approach
Work Done and in Progress			
Adapted product portfolio to suit International IEC markets, also additive to U.S. offering Building toolkit of solutions from one-size-fits-all	Completed Phase 1 localization of products; subsidiaries in execution phase Work in progress on Phase 2 product localization	Added product management and system design capability in region, closer to customers Aligning mindset, skills and tools	Created a rigid three-tier approach to market entry Based on analysis and defined by barriers to entry, attractiveness and risk

Implementing Significant Structural Changes Focused on Strategy, People and Processes

Investing in New Tool-Box of Solutions that are Flexible and Align with International Market Needs

Aligning Shoals Products to International Markets by:

1

Creating new designs for a broader range of market needs with products such as:

- Smart combiner boxes
- SuperJumper
- Trenched BLA



Smart combiner boxes, with connectivity to SCADA

2

Modifying existing designs for products such as:

- Standard and high-current combiner boxes
- Mini BLA and BLA+

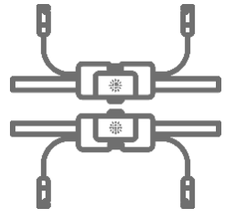


Standard & high-current combiner boxes

3

Maintaining existing designs for:

- Standard BLA



Standard BLA

Launched 5 new product families in June; since launch, 4x YoY increase in number and value of quotes

New Products are a Tool-Box of Solutions to Suit Various International Market Needs

Creating Accountable International Subsidiaries

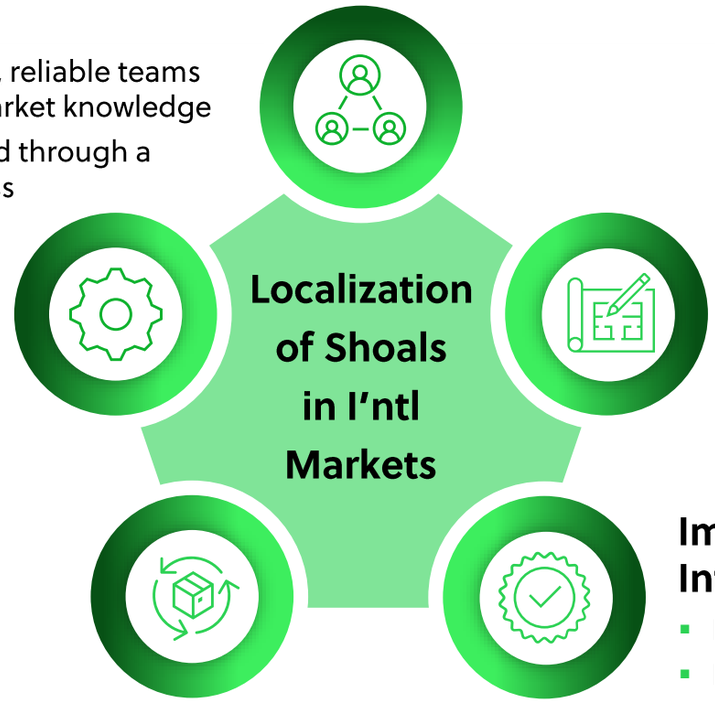
Aligning Shoals products and approach to international markets

- **Localizing skillsets and capabilities** closer to customer with a focus on Design and Product Management first
- **Improved cycle time** design, quotes and orders
- Moving **manufacturing closer to customers** through staged approach; Phase 1 complete
- **Establishing local subsidiaries** to build credibility, market presence and add more value
- **Selling in local currency** with IEC, metric products

Removing obstacles by pursuing an "in region, for region" approach

Ease of doing business factors

Spain and Australia Subsidiaries Expected to Launch in Q1 2025



People

- Accountable, reliable teams with local market knowledge
- Remunerated through a local business

Manufacturing

- Evaluating facilities to enable easier access to product, shorter lead times and lower costs

System Design

- In region system design capabilities

Improved Customer Interaction

- Invoiced in local currency
- Delivered FIS
- No longer required to be importer of record
- Improved cycle times

Products

- Locally manufactured products specifically designed to meet international market preferences

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Building High Performing, Accountable Teams

Key Focus Areas

Installing Accountable International Teams

- ✓ Developing team in Australia and Spain
- ✓ Added capability and accountable decision autonomy
- ✓ Capability to explore other locations using a now standard-work business model

Capitalizing on Shoals' Global Expertise and Best Practices

- ✓ Matrixed organization; U.S. and International teams
- ✓ Engaging closely and aligned with U.S. functional leaders



Developing the Right Skillset, Mindset Combined with In Region Knowledge of How to Win in International Markets

Enhancing Our Geographic Focus via Segmentation

Focus Markets

Evaluated and are actively pursuing via talent and growth investments

Southern Europe

Australia & Pacific Region

Development Markets

Not investing heavily today but are engaging for future growth

LatAm

Middle East

North Africa

Export Markets

Not a development priority but will export to support a customer relationship

Central & South Africa

Southeast Asia

Highest investment → Lowest investment

Key Objective

- Align resources to international markets where we have the **highest prospect of winning, with lowest risk**
- Ensure we are in **the right markets** at the **right time**

Ensuring Geographic Alignment of Products, Markets and Resources

Behind the Meter Opportunity in Australia

Behind the Meter for Mining & Resources; Additive to Utility-Scale Solar

- Australia is the 4th Largest mining country globally, with 350 mine sites; ~10% of greenhouse emissions
- Majority of mine sites are off the grid; most commonly using diesel generation ~41% and gas ~33%
- Australian government leading the charge with 2024 legislation a Future Made in Australia; an IRA-like policy, a key piece of this is the Solar Sunshot program
- Large Bank lenders recently announced a stop on lending to resource businesses not meeting Paris accords
- Shoals recently had meetings with Australian Politicians, Government Agencies and Ministerial policy advisors
- Evaluating potential manufacturing options in Australia

14% of GDP

10% of GHG

Diesel generator & gas replacement



Closer Look at Australia; Behind the Meter Solar, Resources Sector, Estimated ~10 – 14 GW

Key Partnership Announced in Kingdom of Saudi Arabia (KSA)

Kingdom of Saudi Arabia Vision 2030

- In 2023, energy minister set goal to produce 130 GW renewable energy annually by 2030; Vision2030
- To achieve targets ~6x increase at current pace
- Lack of skilled labor a risk to execution, a strong suite for Shoals
- Goal requires additional 20 GW capacity annually to meet ambitious target

About the Agreement

- KSA is a fast-growing market – now is the right time
- Shoals has the right solutions for arduous environment
- Executed MOU to work with United Utilities Environmental Services (UUES) in developing localized solar solutions for KSA, UAE and the region
- Jointly investing in commercial skillsets needed to develop opportunities and certify products with local power companies



Agreement with UUES a Blueprint for Future Success in International Markets

Key Takeaways



Deploying the right strategy, people and processes

Driving a focused, market-based approach

Aligning product solutions and capabilities to markets

Driving accountability internationally and in the U.S.

Localizing Shoals in attractive markets and building capabilities outside the U.S.

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Execute Our Proven Commercial Strategy

Reignite Shoals Innovation



Troy Renken
VP, Product & Engineering



Key Messages | Reignite Shoals Innovation

1. **Empowering engineering team** to drive outsized growth as we reignite innovation

2. Formalizing and implementing a **structured New Product Development process**

3. **Leveraging Voice of Customer** to gain unique insights to **drive new products** in targeted markets and geographies



Invested in Engineering Organization to Support Innovation

Key Focus Areas

- ✓ Reorganized function, transforming product and engineering into combined Product Line Management function
- ✓ Upgraded team to bring in industry-leading capabilities and skillsets
- ✓ Expanded IoT capabilities to focus on "connected" solutions
- ✓ Focused on regulatory strategy and in-house testing lab

Launched **6 new products** so far in 2024

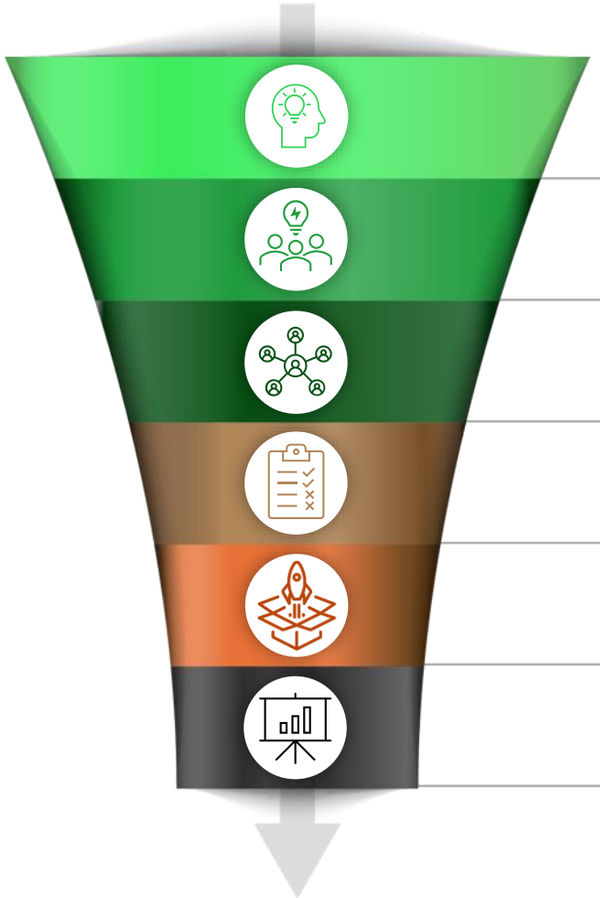
12 pending patent applications over last 12 months



Grew Engineering Prowess with Investments in Deep Expertise and Knowledge

Significantly Elevating Innovation Process with Structured Approach

Structured, stage-gate approach for new product development



Stage 0 – Conception
Vet new ideas / technologies and their business case

Stage 1 – Definition
Define product / solution and allocate resources

Stage 2 – Execution
Execute product design and evaluate prototypes

Stage 3 – Approval
Perform regulatory testing and pilot pre-production

Stage 4 – Launch
Production scale and launch product into market

Stage 5 – Retrospective
12 months post-launch, analyze areas for improvement

Implementing Voice of Customer
through entire New Product Development process

Strategically Innovating to Provide Customers with Solutions They Want and Need

Key Focus Areas for New Product Development

Field to Factory

- Develop pre-fabricated solutions in a clean, controlled environment that deliver
  - Superior quality
  - Highest reliability
  - Increased safety

  vs. field install processes subject to human error and ambient conditions that are highly variable

Plug-n-Play

- Easy to connect and simple to install
- No special tools needed
- Reduce need for expensive, skilled electricians

Sustainable Materials

- Replace Copper with Aluminum to deliver maximum value
  - Reduced material cost

    OR
  - Higher performance through lower voltage drop at comparable cost
- Reduced weight of materials for improved transport cost

Solutions Orientation

- Integrate discrete components into cable harnesses for best cost and longest life
- Provide pre-construction design and engineering, including specifying and optimizing
- Capture value from simplifying and optimizing installation process

Possess the Size, Scope and Engineering Expertise to Bring Value to Customers Across Many Markets

Leveraging Voice of the Customer for Innovation

SuperJumper

Background

- Cost-advantaged solution for Copper harnesses in long row sites



Voice of Customer Feedback

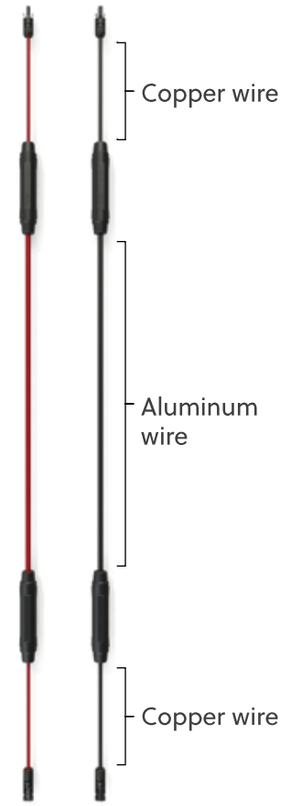
- EPCs wanted a cost-effective cable that would meet all requirements of a demanding solar field:
  - Improved cost
  - Simple installation
  - High reliability, long design life
  - Safety regulatory approved

CUSTOMER INSIGHT:

Identified value in offering alternate solution that would reduce voltage drop in long harnesses

Solution

- Replaces most Copper with Aluminum enabling reduced cost
- Installs the same as existing harness
- Reduced weight vs. 100% Copper
- Larger size Aluminum wire available with lower voltage drop



Leveraging Voice of the Customer for Innovation

Clustered Load Break Disconnect

Background

- Large solar fields have load break disconnect boxes spread out over many rows making it time consuming to service or troubleshoot the DC system



Voice of Customer Feedback

- Talking to owners, there was a strong preference to centralize the disconnect boxes at the end of rows or near the inverter
  - Faster time to find and reach the disconnect boxes
  - Reduces travel up and down rows where vegetation and wildlife can limit access

CUSTOMER INSIGHT:

Clustering the boxes is safer due to higher visibility of Lock Out – Tag Out safety measures

Solution

- Created product that "clusters" multiple load break disconnects in one box
- Enables workers to go to one central area to fix problems, rather than many different locations, driving greater productivity
- Delivers higher value due to fewer disconnect boxes, piles and hardware needed

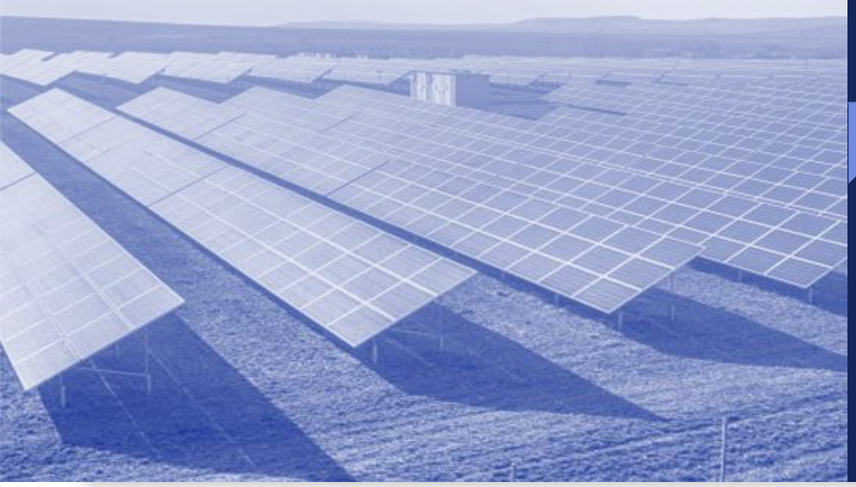


Leveraging Voice of the Customer for Innovation

2,000V EBOS

Background

- Due to their size, utility-scale solar field sites must manage sites with an extremely high number of potential failure points
- Reducing failure points is a constant effort in optimizing solar site designs



Voice of Customer Feedback

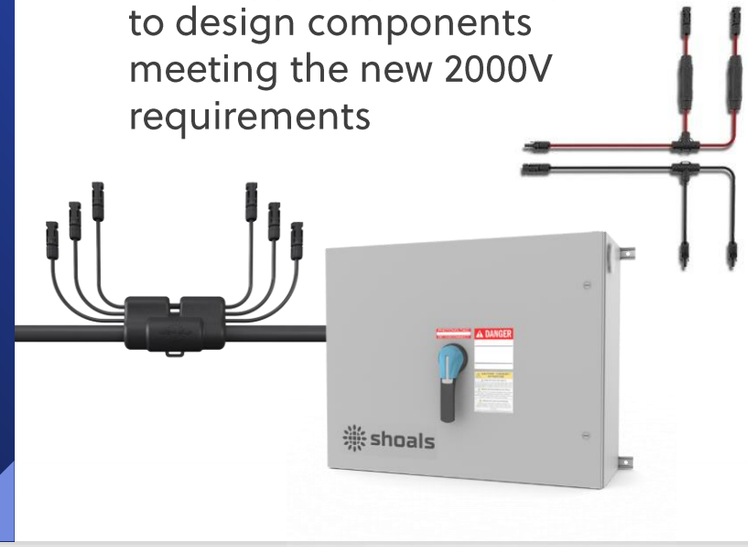
- EPCs are familiar with the historical trend of increased solar string design voltages – from 600V to 1000V to today's 1500V systems
- Higher string voltages enable consolidating equipment for higher power EBOS and inverters

CUSTOMER INSIGHT:

The higher 2000V system is more sensitive to leakage current which is a design strength of Shoals patented undermold-overmold products

Solution

- Collaborated with customers (EPCs & Owners) and solar industry manufacturers (solar module & inverter) to develop the first 2000V EBOS solution
- Required internal development and supplier partnerships to design components meeting the new 2000V requirements



Key Takeaways

People

Empowering engineering team to drive outsized growth as we reignite innovation

Process

Formalizing and implementing a structured New Product Development process

Product

Leveraging Voice of Customer to gain unique insights to drive new products in targeted markets and geographies



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Jeff Tolnar
President



Key Messages | Diversify into New Markets

1. Unique ability to **leverage existing Shoals technology and expertise to penetrate new markets**

2. **Early innings of our diversification strategy** as we pivot near-term focus from eMobility and invest in BESS and Data Center solutions

3. Focus on accelerating growth in new markets **with clear goals in place**



Key Markets for Diversification



Battery Energy Storage (BESS)

Recombiners and disconnects that tie together multiple DC power sources

- Leverages expertise in high power cabinets for DC power systems
- Fits use cases in utility-scale and C&I microgrids
- Enables flexibility and scale through standards-driven approach



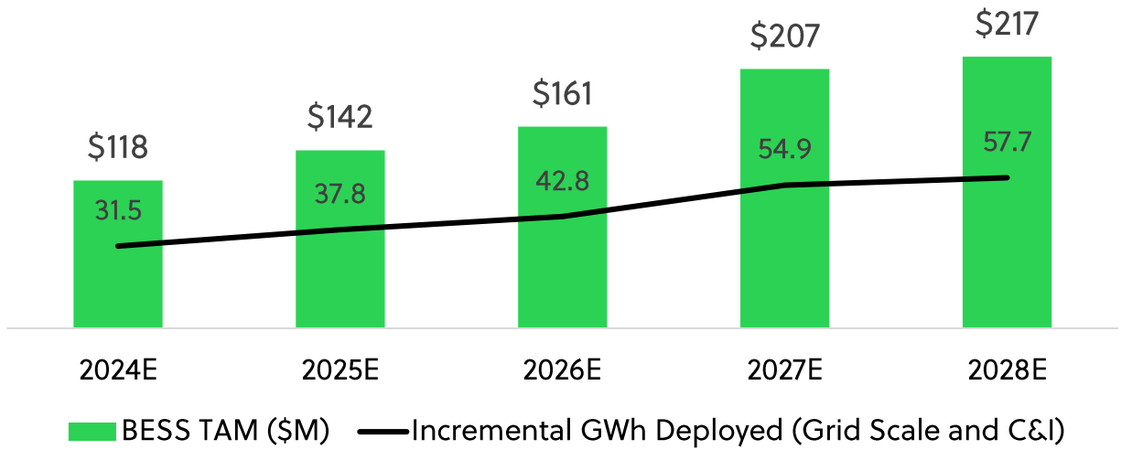
Data Center

Plug-n-play alternative to copper bus bars inside Data Centers

- Participates in rapid growth market segment
- Leverages power systems expertise in cabling systems and protection
- Launches disruptive product into market

Battery Energy Storage Market Overview

Increasing Amount of GWh Deployed Driving Growing Total Addressable Market[1]



- Energy storage for grid scale deployment and C&I microgrids has a **combined CAGR of ~16%[1]**
- Solidified the Shoals offering for BESS market in both grid scale and C&I segments

Expect Shoals **TAM to grow to >$210M by YE 2028[1]**

Well-Positioned to Capture Opportunity

- Leveraged expertise from Connect PV acquisition in 2021 to **build custom BESS combiners**
- Based on 2024 market research, determined that **customers want standardized solutions** that are predesigned, available and NRTL listed
- We are now **creating standardized BESS recombiners and disconnects**, leveraging our custom cabinet expertise

(1) Wood Mackenzie Power & Renewables U.S. Energy Storage Monitor Q1 2023 Report.

Investing in Battery Energy Storage (BESS) to Support Electrification

Solution Overview

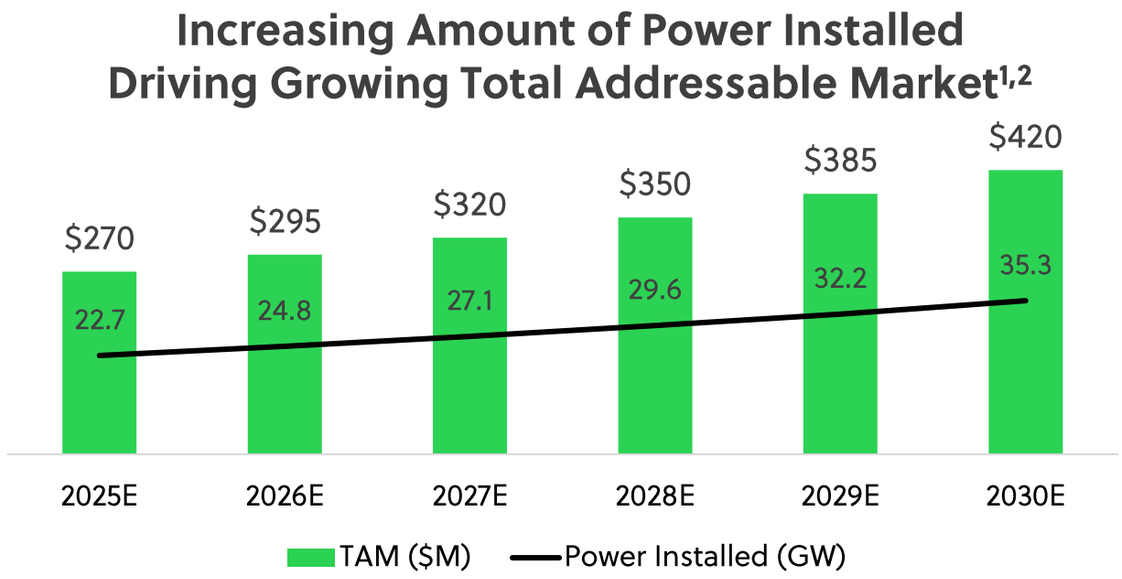


- **Simple, economical and flexible solutions** for standalone energy storage
- Coordinated fuse and disconnect **configurations for connecting multiple battery stacks** to the project's PCS
- Designed with **easy-to-install cable** routing and **easy-access fuses**

Strategic Initiatives

- Migrating bespoke BESS cabinet designs into standard formats to drive scale
- Creating BESS solution to fit multiple use cases
  - Utility-scale solar energy storage
  - Storage attached to Commercial & Industrial microgrids
  - Backup power source for high power EV charging
- Offering increases project wallet share for utility-scale, CC&I and International sales teams
- Shoals targeted revenue of:
  - ~$4k per MWh for disconnects
  - ~$14k per MWh for recombiners

Data Center Market Overview





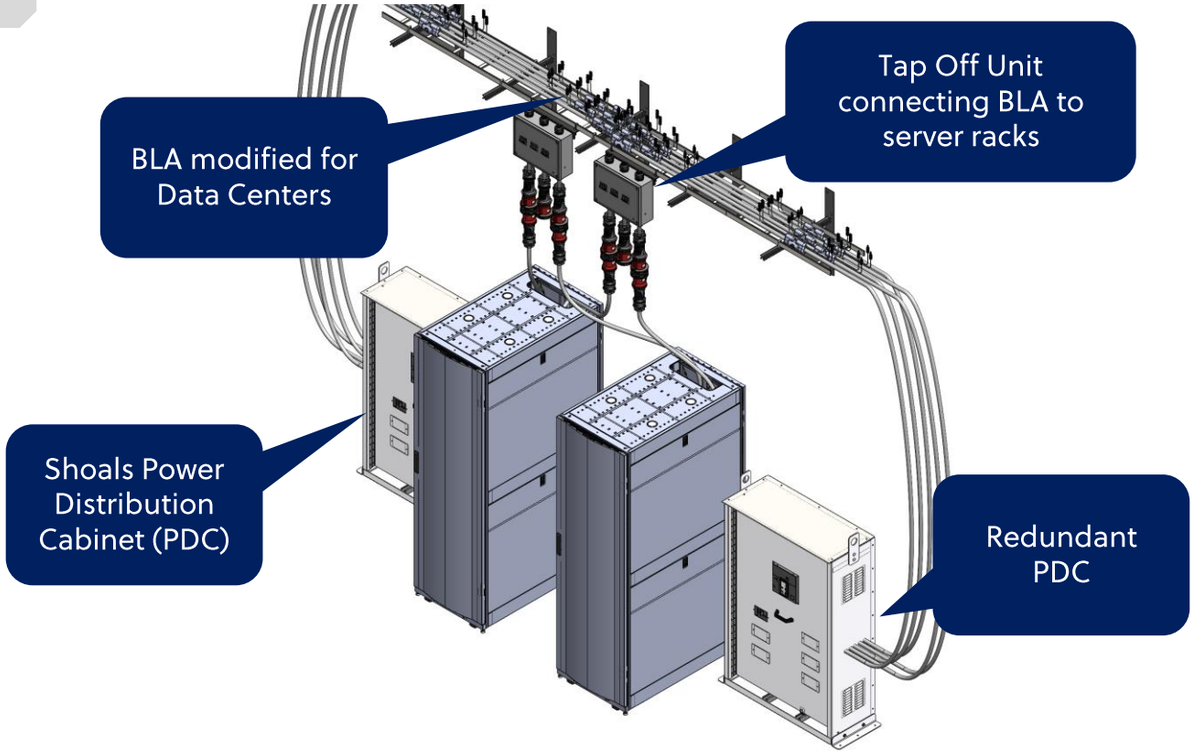
- Data Center power required is **growing at a CAGR of 9%[1]**
- Shoals addressable market focuses on **providing power to server racks at power levels amenable to BLA**
- At an estimate of ~$0.12 – $0.14/watt, this indicates Shoals **addressable market to be >$400M by 2030[2]**

Well-Positioned to Capture Data Center Opportunity Leveraging Existing BLA Technology

(1) S&P Global Market Intelligence Report 2024.
(2) 2024 FERC Report.

Introducing Our Data Center Products

Solution Overview



- New offerings within the Data Center focused on existing Shoals technology and expertise

Strategic Initiatives

- Completing Voice of Customer and technical evaluation
- Leveraging Shoals technology and knowledge in energy delivery and protection for both AC and DC power systems
  - Network racks typically require 240VAC at 24 or 48 amps
  - Data centers laid out in rows – similar to panels on trackers
- Developing new offerings within Data Center focused on replacement of traditional Copper bus bar power system
  - Creating BLA centric power distribution system to reduce material and labor costs
  - Plug-n-play approach for more rapid site activation
- Finalizing sales channels to this market
- Packaging a holistic solution to Data Center operators
  - Products **within the Data Center**
  - **Attached solar** to offset power needs
  - **BESS solutions** to couple storage as part of microgrid

Continuing to Diversify Our Revenue Stream by Leveraging Core Competencies Across Geographies & Markets

	Where We Were	Where We Are Going
End Markets	Domestic utility-scale solar	**Accelerating diversification** by penetrating new end markets with offerings for CC&I, BESS and Data Center
Geographies	Primarily U.S.	**Continuing to expand internationally** by growing presence in Australia and penetrating new markets (e.g., Europe, Middle East, LatAm)
Products	Targeted solutions for domestic utility-scale solar	**Adapting legacy solutions** and **creating new products** for international and adjacent markets

One Enterprise Approach as We Continue to Diversify Our Portfolio

Execute Our Proven Commercial Strategy Key Takeaways

Marketing

Implementing new processes around restructured team to enhance customer centricity and leverage Voice of Customer

Sales

Elevating go-to-market approach to expand customer relationships and drive long-term profitable growth

Product

Reigniting approach to innovation within solar and to expand into adjacent high growth markets



Value Added Engineering Video

Commercial Excellence Panel

Commercial Excellence Panel

Moderator



Stephen LaFleur

Senior Director, Sales

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Panelists



Bru Weber

Chief Commercial Officer

Blue Ridge Power



Steve Newby

Chief Executive Officer

radiance solar

Q&A Session

Break

Investing in Our Future Video

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Build the Foundation for Future Growth

Strengthen Operational Capabilities



Brandon Moss
Chief Executive Officer



Clear Strategy for Long-Term Profitable Growth

Execute Our Proven Commercial Strategy

Protect & Grow Our Market Leading Domestic Solar Business

Diversify into New Markets that Support Electrification

Build the Foundation for Future Growth

Drive Operational Excellence to Enable Growth

Build Organizational Capacity to Support Growth

Solidify Shoals Way of Working

Key Messages | Strengthen Operational Capabilities

1. **Early stages of operational excellence journey**, focused on driving greater operational efficiency and continuous improvement to serve our customer

2. **Building organizational capacity to support future growth** by elevating talent and culture

3. **Integrating the Shoals Way of Working throughout the organization** driven by clear operating principles, strong technology backbone and ongoing commitment to sustainability



Early Innings of Our Operational Excellence Journey to Accelerate Profitable Growth

Where We are Today

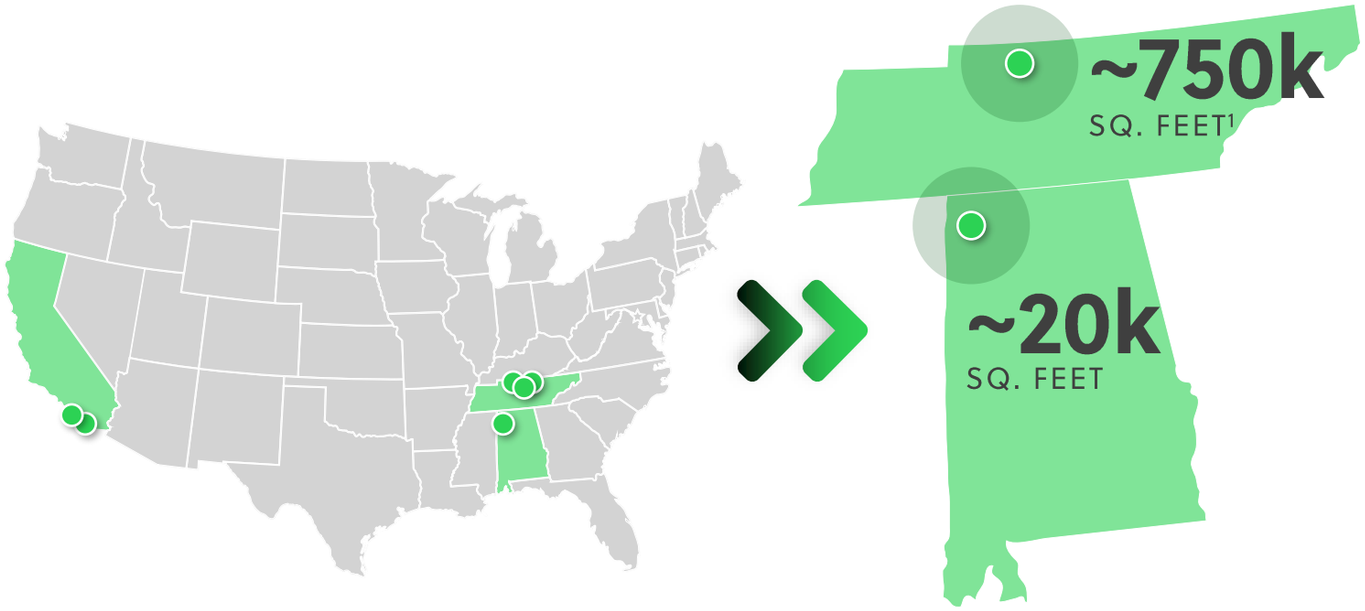
Evolving into more mature organization with an intentional focus on safety and operational excellence

- Standardizing processes and systems
- Establishing data-driven manufacturing approach to proactively understand capacity and meet customer demand
- Accelerating line and plant automation
- Finalizing key metrics to track, to drive business improvement



Significant Opportunity Ahead to Continue to Standardize, Streamline and Automate to Increase Efficiency

Enhancing Operations through Footprint Optimization



NEW SHOALS WAY CAMPUS

Consolidating **5 sites** across California and Tennessee into **1 Campus** in Portland, TN

KEY BENEFITS

- State-of-the-art, centralized manufacturing and distribution facility
- Increases production capacity and enhances operational efficiencies to meet future needs
- Drives estimated ~10% reduction in logistics costs
- Improves employee experience and value proposition, increases retention and attraction of top talent

Consolidating Operations to Reduce Complexity

(1) Campus in Portland, TN includes two facilities.

Selectively Adding New Talent with Diverse Skillsets to Accelerate Our Strategy

Commercial



Gary Uren
SVP & GM, International
Joined: 2024
Experience: 30+ Years



Karen Bazela
VP, Sales
Joined: 2024
Experience: 20+ Years



Lindsey Williams
VP, Marketing
Joined: 2024
Experience: 15+ Years



Troy Renken
VP, Product & Engineering
Joined: 2023
Experience: 25+ Years

Operations



Dana Wooters
Director, Operations
Joined: 2024
Experience: 25+ Years



Kirsten Moen
Chief Operating Officer
Joined: 2024
Experience: 20+ Years

Shared Services



James Hart
Chief People Officer
Joined: 2023
Experience: 20+ Years



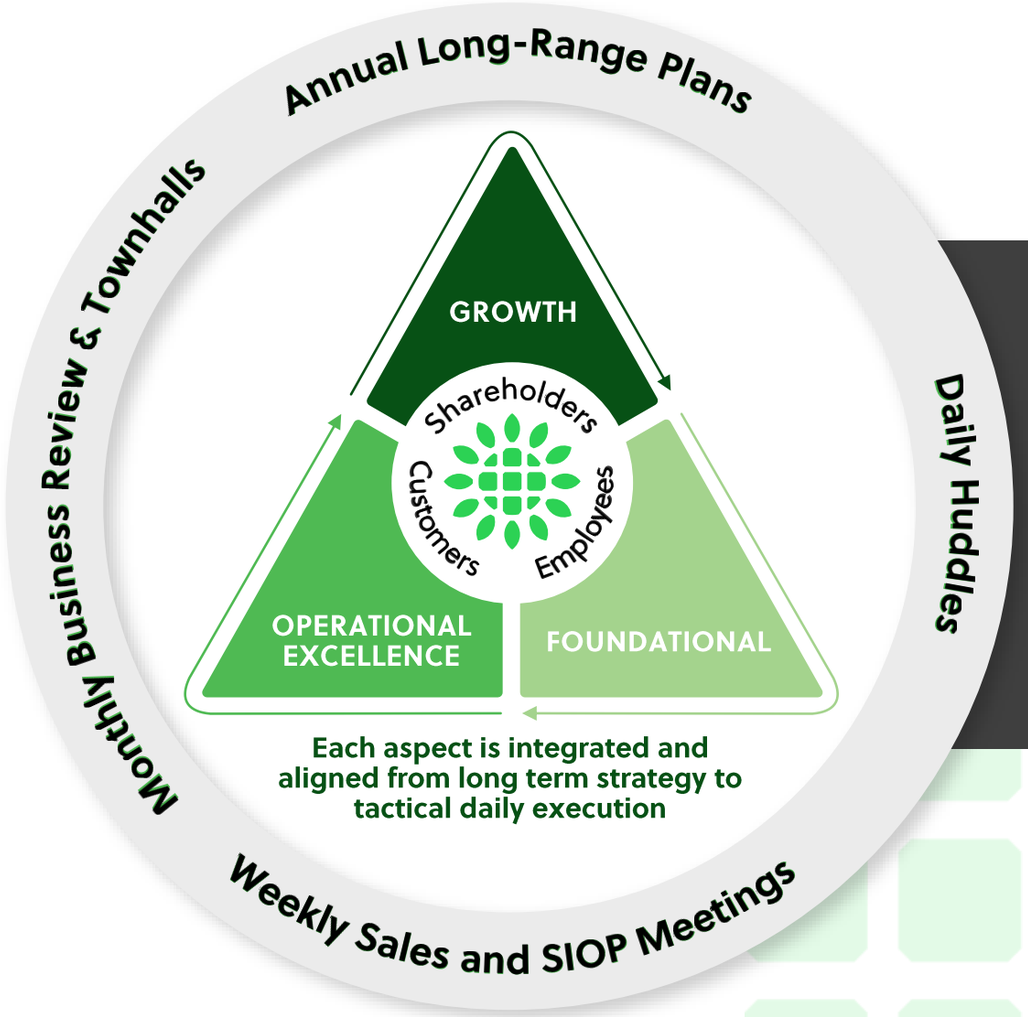
Matt Tractenberg
VP, Finance & Investor Relations
Joined: 2024
Experience: 20+ Years

Selected Previous Experience

Atkore
CISCO
EMERSON
enel
HAYWARD
SIEMENS

Brought in Industry Leaders With 175+ Years Cumulative Experience

The Shoals Way | Operating Model



- Standardize processes
- Align and empower organization
- Measure results
- Drive accountability

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Build Organizational Capacity to Support Growth

Solidify Shoals Way of Working

Operational Excellence Video

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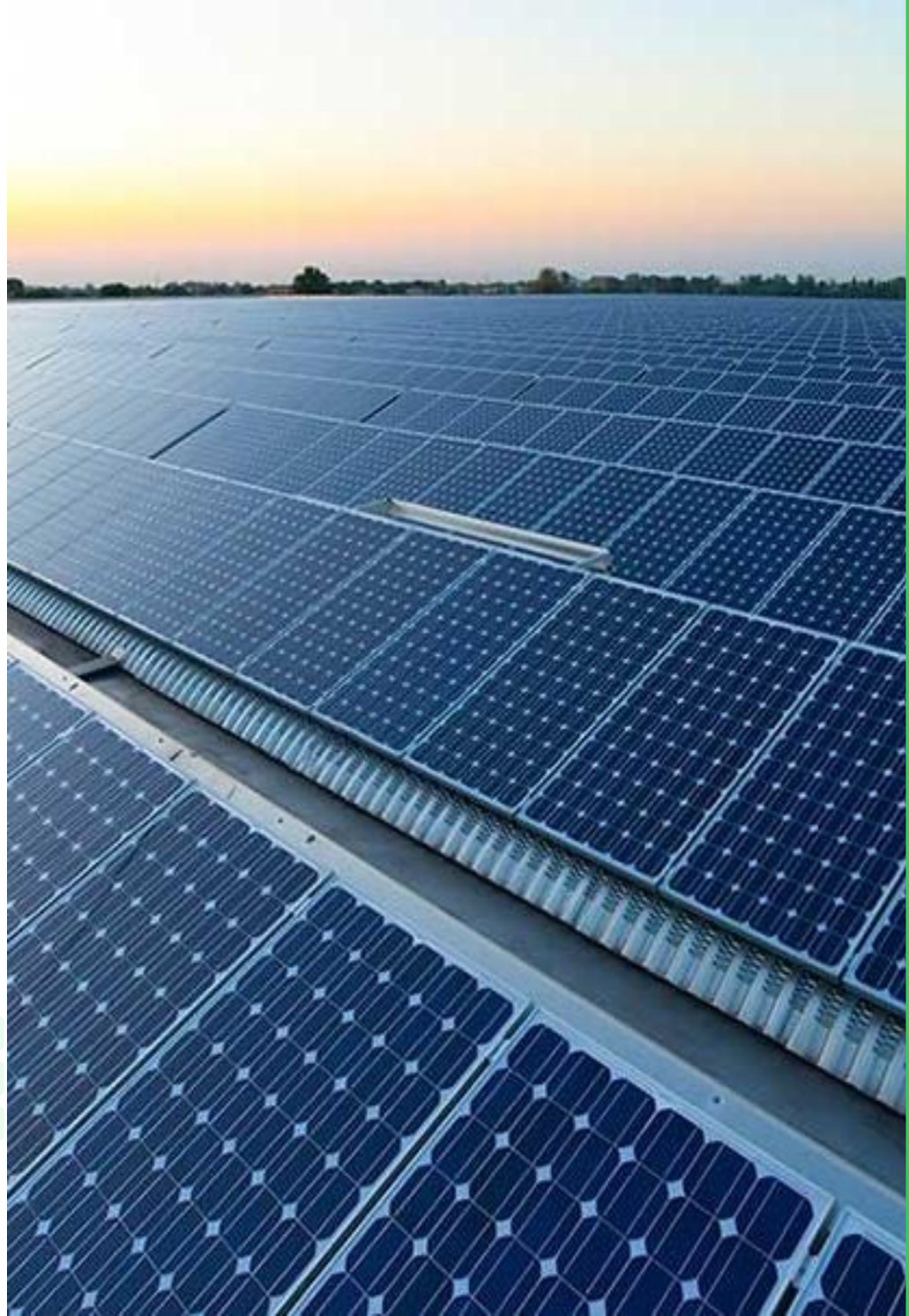
Build the Foundation for Future Growth

Drive Operational Excellence to Enable Growth



Dana Wooters
Director, Operations



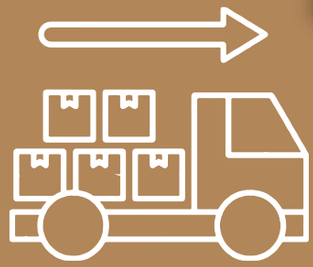
Maturing Internal Operations to Solidify Our Foundation and Enable Growth



Drive Manufacturing Excellence



Achieve World-Class Quality



Implement Supplier Management Programs

Delivering High Quality Customer Solutions Enabled by World-Class Operations

Driving Manufacturing Excellence

Managing Capacity

Taking data-driven approach to capacity planning

- **Leveraging new tools and increased rigor** to match capacity to demand

Expanding capacity through continuous improvement mindset

- **Driving efficiency** through Lean and Kaizen



Improving Efficiency

Standardizing labor models

- **Implementing best practices** to reduce cost



Deploying critical data systems to drive improvement

- Manufacturing Execution System
- Amper Process Monitoring

Increasing Automation

Leveraging automated equipment to improve efficiency, drive productivity and reduce labor costs

- Automating labor-intensive processes (e.g., window cutting and winding)
- Reducing opportunities for human error (e.g., Taymer vision system)



Driving Operational Improvements to Enable Growth Across Products and Markets

Automating Inefficient Processes to Drive Labor Savings

Background / Challenge

- **Manual process** to create "windows" at specific locations along the wire
- Employees needed to perforate insulation by **marking the window by hand with a pen** and then **manually cutting the insulation off** downstream
- **Problems with the current process:**
  - Two opportunities to miss the window, at wire cutting and downstream
  - Cutting insulation is costly and has ergonomic risks

Solution

- Implemented **in-line windowing cutting machine**
  - Automated tool to remove insulation at wire cutting



Before



After



Result / Outcomes

Reduces labor by 20% per window, leading to ~$700k savings over first 12 months

- **Removes need to identify and mark window** at wire cutting
  - Easier to see downstream, **reducing chance for error**
- **Lessens ergonomic risks** from operator using clippers

Driving a World-Class Standard of Quality

Maturing Our Quality Management Processes...

Shifting from Quality Control to Quality Assurance

Quality Control

- Focus on the **identification of defects** through excessive inspections
- **Reactive**
- **Product-based**

Quality Assurance

- Focus on the **prevention of defects** through strategic audits
- Use of **proactive tools**
- **Process-based** to reduce inspection points

...Supported by Foundational Capabilities

Developing Talent

- Defining and developing quality inspector certification program
- Implementing online video-based training material with in-person scenarios to demonstrate competency

Elevating Quality Management Processes

- Aligning with ISO 9001 standards

Implementing clear metrics to measure and manage performance



- Reduce Cost of Poor Quality (CoPQ) by 35% from 2023 baseline
  - Scrap
  - Rework
  - Customer Complaints
  - Internal Quality Incidents

Deploying Automated Tools to Reduce Human Error and Drive Cost Savings

Background / Challenge

- **Manual process** to measure wire length and identify window position
- Employees needed to **stretch out wire strands on floor next to a measuring tape to take measurements**
  - Safety risk to employees
  - Inefficient, requiring multiple employees to take each measurement
  - Subject to human error
  - Quality risk to customers

Solution

- Implemented **Automated Wire Measuring System**
  - Automated tool to measure length and identify variations in cable
- Improves **Safety, Quality and Efficiency**



Result / Outcomes

Initial capital investment led to 3x ROI in first 12 months and >$200k annual efficiency and productivity savings

- **Reduces risk of human error**
- **Minimizes tripping hazards** and **improves forklift traffic flow**
- **Decreases ergonomic risks** associated with manually measuring wire

Enhancing Shoals Robust Supplier Management Programs

Deploying Shoals Supplier Framework

Defined critical suppliers

Master Supplier Agreements including quality expectations established

Control of supplier process changes, including sub-suppliers

Validating Incoming Material Quality

Enhanced incoming inspection process

- Wires
- Combiner Boxes

Alignment on Certificate of Compliance expectations



Managing Supplier Performance

Supplier Scorecards to track performance

Periodic reviews with key suppliers to validate consistent performance

Conduct scheduled suppliers audit to ensure compliance with Shoals requirements

New Processes Enable Us to Remain Agile in Response to Global Market Conditions

Key Takeaways

Building operational capabilities to deliver on strategic plan

Advancing global manufacturing strategy

Delivering best-in-class quality

Implementing robust supply chain and inventory management function

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Solidify Shoals Way of Working

Culture Video

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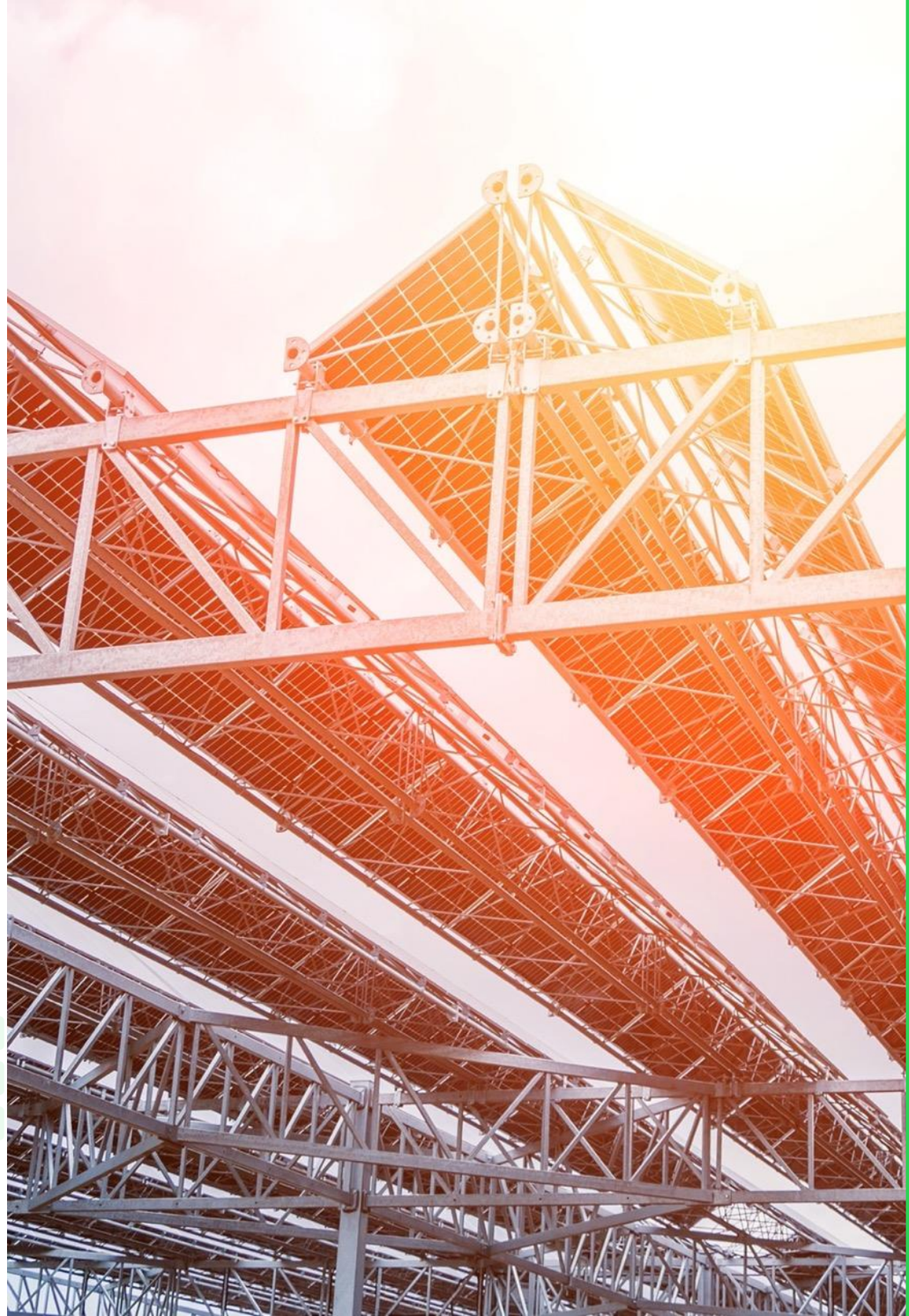
Build the Foundation for Future Growth

Build Organizational Capacity to Support Growth



James Hart
Chief People Officer



Key Messages | Build Organizational Capacity

1. **Entrepreneurial culture** focused on the customer and profitable growth

2. **Deep institutional knowledge** and **expertise** shared across the organization to increase scalability

3. **Early innings of our transformation** to be a recognized employer of choice

4. Clear strategy to **retain and attract** the best talent in the industry, building on the strength and commitment of our existing team



Talent is a Differentiator

Strategically Increasing Our Employee Base

2023 by the numbers

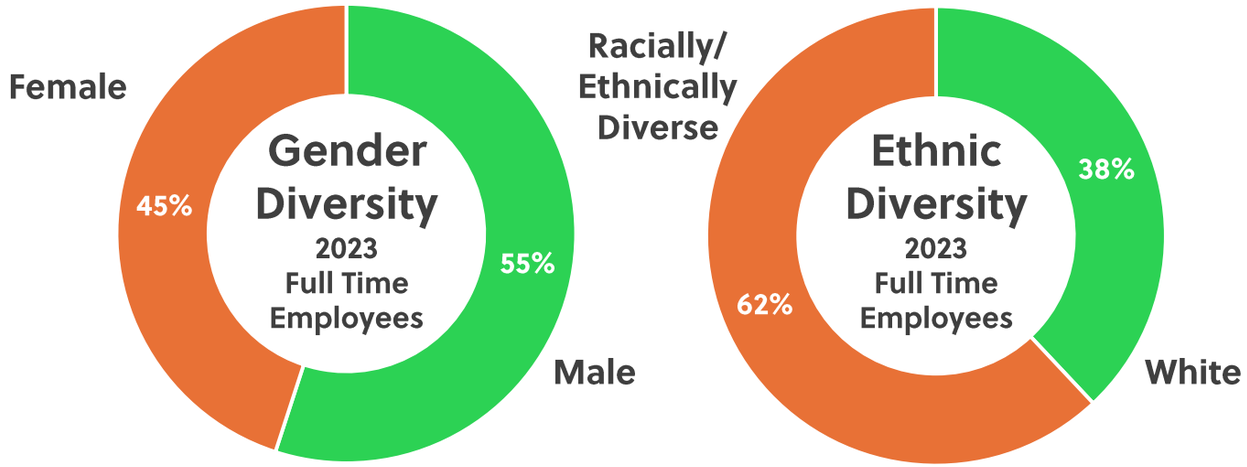
~1,250
Full-Time Employees

~180
Salaried Employees

~20
HR Team Members

~1,070
Hourly Employees

Focused on Increasing Diversity



Strategic Vision

Attract Top Talent, Empower them to do their best work and provide opportunity, while driving our mission and business goals

Building on Strong Employee Base by Focusing on Diversity and Bringing in New Perspectives

Clear Strategic Initiatives to Increase Employee Engagement and Drive Productivity & Growth

Retain & Attract Top Talent
through our unique employee value proposition

Nurture a High-Performance Culture

Invest in Talent Development
with focus on career progression and mobility opportunities

Recognize and Reward Strong Performance
aligned with stakeholder interests



Retaining and Attracting Top Talent



Strategically Filling Key Talent Roles

- Purposefully elevating talent and expertise across company
- Focus on hiring to fill key leadership roles

Investment in New Manufacturing Facility Will Drive Greater Employee Retention and Attraction

- Establish centralized employee facility that fosters collaboration, communication, connectivity, and development
- State-of-the-art facility with updated training areas and offices
- Improved employee experience and value proposition

Talent Retention & Attraction Initiatives

- Enhanced employee benefits package
- Increasing training and development programs
- Employee Resource Groups
- Committed to finding dedicated, high-performing employees
- Fit for purpose – right resources for the right jobs
- Developing strategic recruiting partnerships (e.g., high schools, technical colleges, etc.)

Nurturing a High-Performance Culture

Giga-Week fosters collaboration, strengthens team connections and builds a foundation of operational excellence

GIGAWEEK

strengthening connections and enabling growth

Preserve entrepreneurial mindset, while empowering leaders and creating accountability

Focus on cultivating continuous feedback environment

- Meetings with executives hosted during Giga-Week, including "First Cup" open coffee chats with CEO

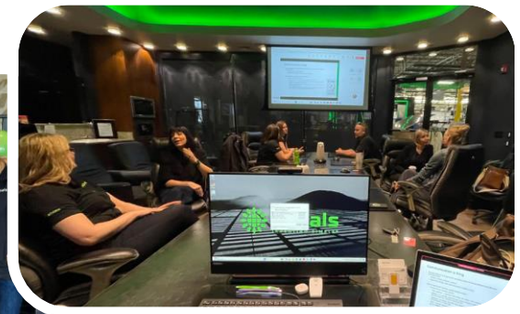
Ensure alignment across the organization

- Dedicated time to align on strategic initiatives, OKRs, discuss project updates, share learnings and address roadblocks

Host Lunch & Learn Sessions and Town Halls

- Foster continuous learning environment and employee connection during in-person presentations











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Investing in Talent Development

Building on a strong foundation by taking additional steps as we mature as an organization



Enhancing Our Talent Portfolio

- **Creating clear paths** for development and career advancement based on individual talent and business needs
- **Identifying high potentials**
  - Building individual development plans to ensure we are maximizing skills and strengthening any gaps
  - Driving increased employee engagement and retention
- **Focusing on succession planning**
  - Identifying and developing key talent to prepare individuals for specific key roles

Investing in Training Programs across Organization

- **Developing and implementing programs** that support operational excellence in our manufacturing process
- Recently launched **Supervisor Training**
- Introducing **English as a second language** courses in late 2024

Focused Talent Development Initiatives to Drive Higher Retention & Enable a More Resilient Organization

Recognizing and Rewarding Strong Performance

Salaried Workforce Incentives

- **Incentives Aligned with Company Performance**
  - Annual and long-term incentive plans tied to performance of organization
  - Realigned annual incentive plans to include Company and individual performance
- **Equity Ownership**
  - IPO grants to employees in 2021
  - 100% of leaders (Directors and above) have been granted restricted stock units

Full Workforce Rewards

- **Equitable and Competitive Compensation**
  - Base pay benchmarking
  - Market leader for total rewards
- **Employee Recognition**
- **Benefits & Well-Being**
- **Strong working conditions with focused investments in facility upgrades**



When We Win, We Win Together

Key Takeaways

Continuing to strive for more and become an employer of choice

Entrepreneurial culture focused on the customer and profitable growth

Deep institutional knowledge and expertise shared across the organization to increase scalability

Early innings of our transformation to be a recognized employer of choice

Clear strategy to retain and attract the best talent in the industry, building on the strength and commitment of our existing team



I love the culture here. *I really feel like management has an open-door policy. I really love that even though Shoals is public, we still feel like a smaller company because management is so accessible.*

Shoals Employee, CAD Product Designer

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Solidify Shoals Way of Working

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Shoals Way of Working Video

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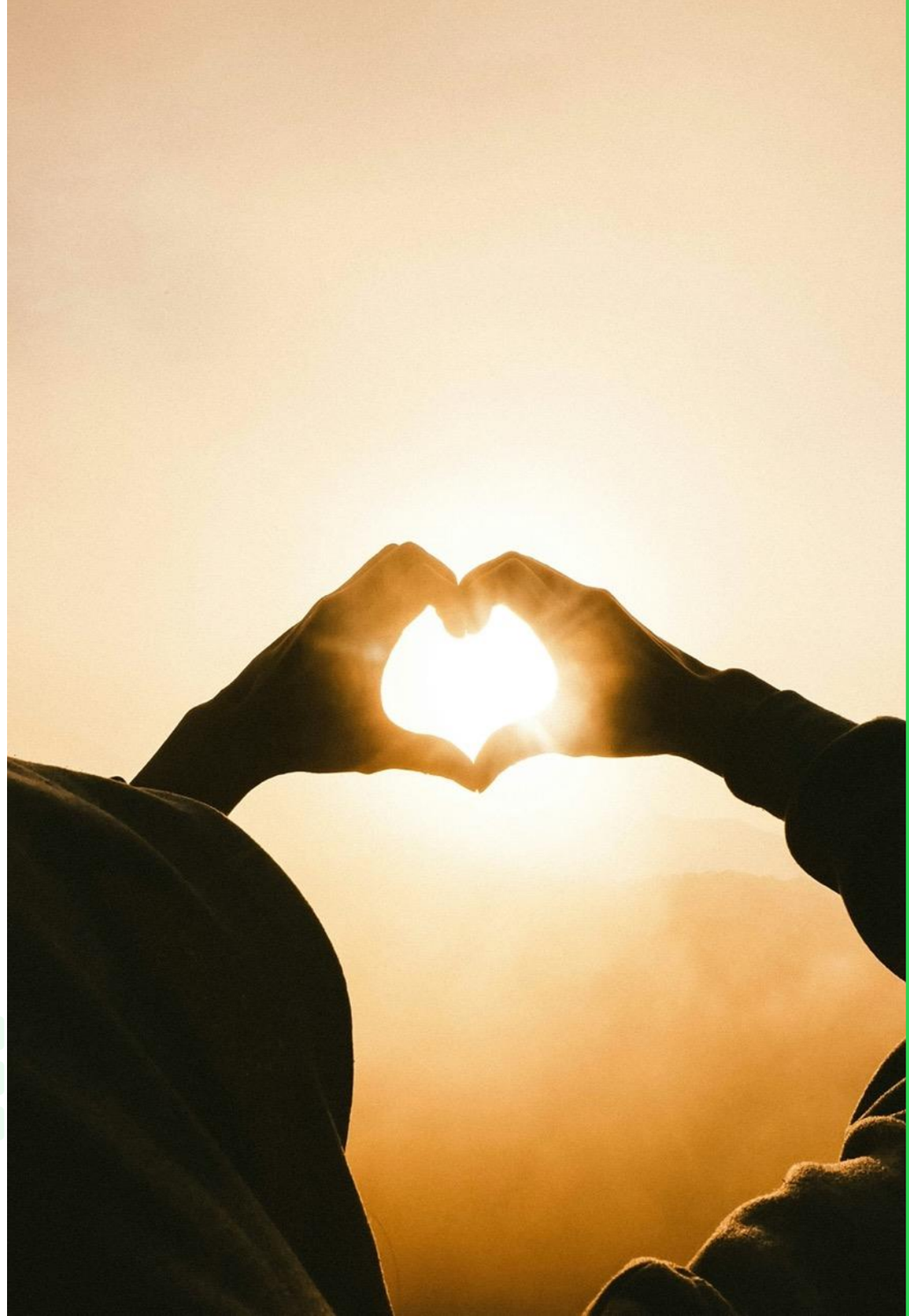
Build the Foundation for Future Growth

Solidify the Shoals Way of Working



Inez Lund
Chief Accounting Officer

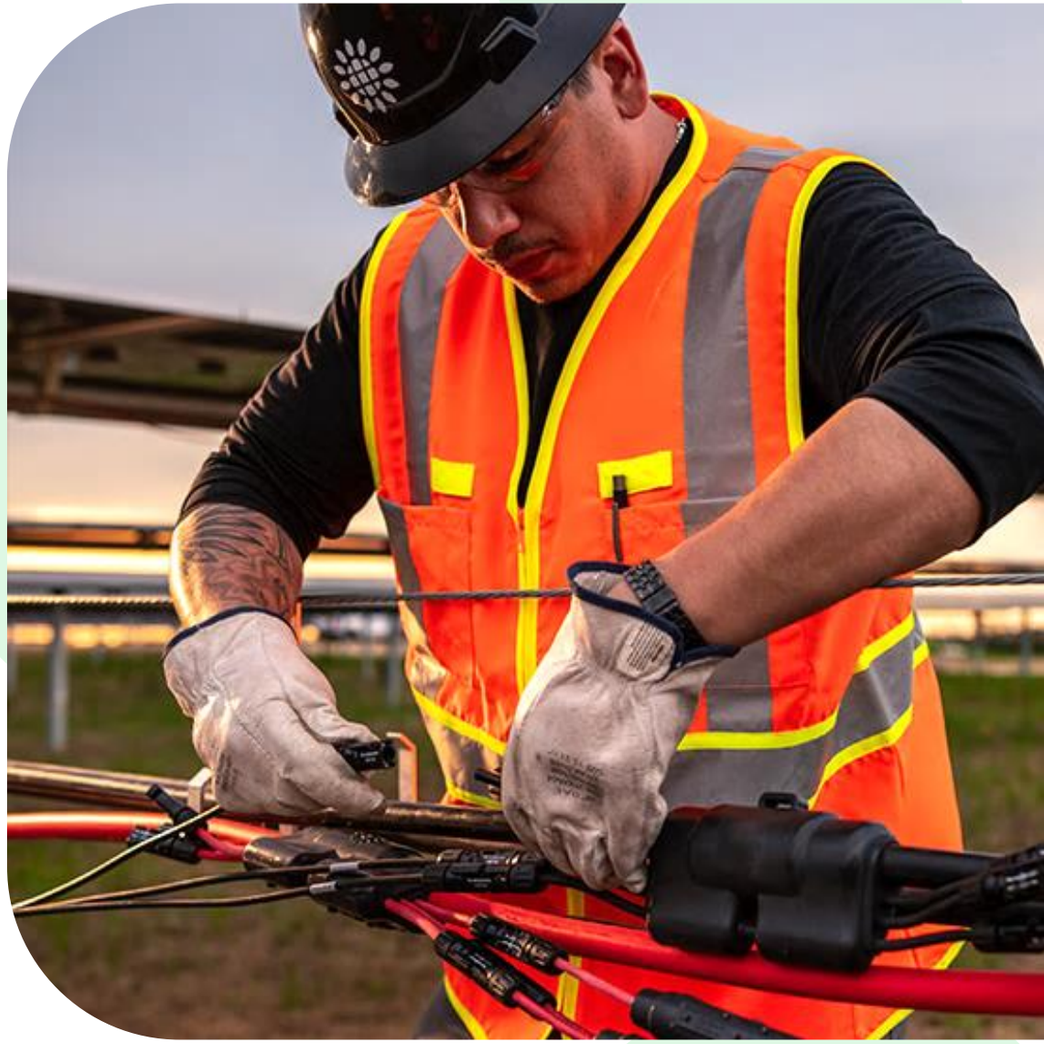


Key Messages | Solidify the Shoals Way of Working

1. Institutionalizing the **Shoals Way of Working** to drive a values-driven approach throughout the organization

2. Delivering **greater efficiency** and **operational excellence** through digital back bone and standardized operating system

3. Enhancing and elevating **sustainability initiatives** to align with and accelerate the Shoals growth strategy



The Shoals Way

Our Values and Supporting Operating Principles

Responsibility
We integrate quality and safety into everything



Integrity
We do the right thing, in the right way, for the right reason



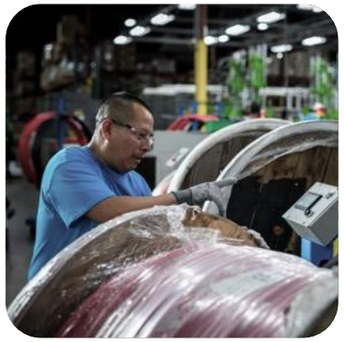
Agility
We are quick and flexible at our core



Innovation
We lead from the front by simplifying the complex



Accountability
We hold ourselves accountable and we never quit – period



Commitment
We care for our people and the planet by investing locally and globally



Operating Principles are Key to Delivering Value to Our Customers' Energy Assets

Building Technology Backbone to Enable Data-Driven Decisions

Current State

- Manually controlled processes
  - Lower visibility into supply chain and inventory planning
- Limited integration abilities with enterprise and operations systems
- Restricted access to inventory checks, order entry, production schedule and quality data

Future State: Leveraging Technology to Make Data-Driven Decisions

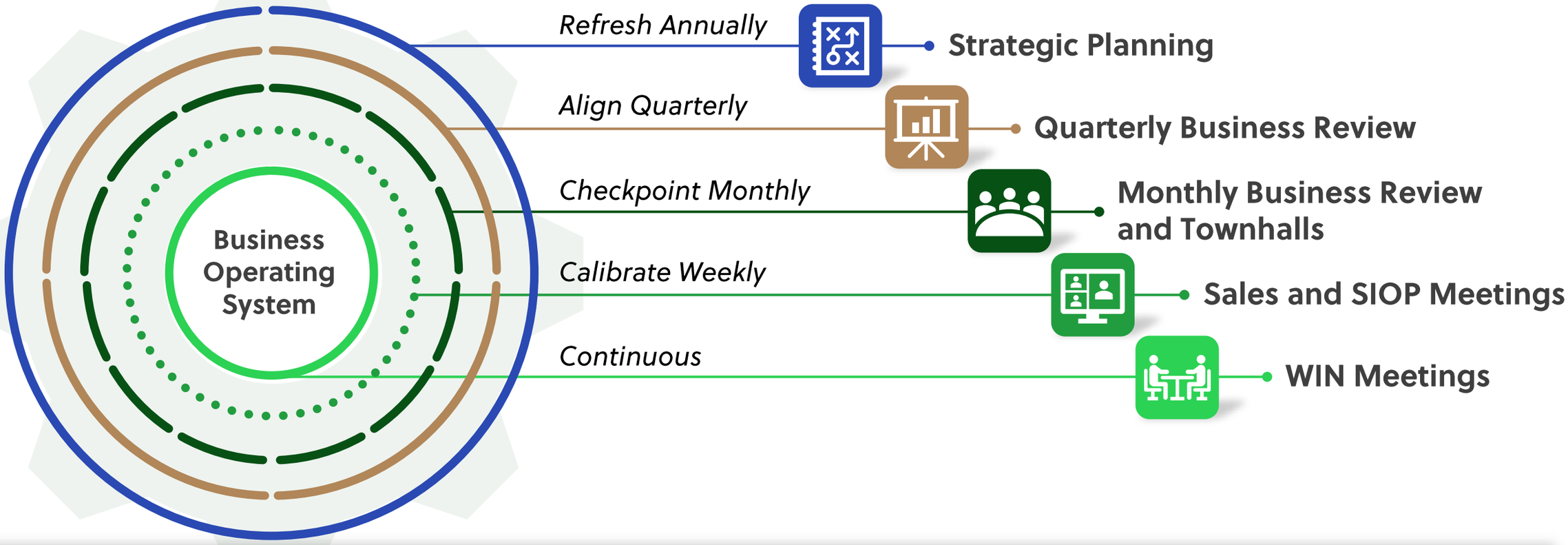
- Building **"single source of truth"** and eliminating silos
- **Increasing data visibility** between production, labor demand / plant schedule, quality tracking and performance metrics
- **Integrating supply and operations systems** to enable greater understanding of inventory, accurate scheduling of materials, shop floor capacity and labor availability
- **Tracking plant floor IOT data** and time on job costs
- Creating **greater visibility into quality control** and integrated repair, maintenance and outage scheduling



Putting the Customer at the Center of Decision Making to Create an Industry-Leading Experience

Standardizing the Shoals Business Operating System

Integrated, ongoing planning and execution cycle that enables agile decision-making and mitigates risk



Each Aspect is Integrated and Aligned from Long-Term Strategy to Tactical Daily Execution

Maturing Sustainability Rigor and Implementation Efforts

Developing key metrics to track progress and manage business as a sustainability-driven company

2021

- Established ESG Working Group
- Initiated materiality assessment

2022

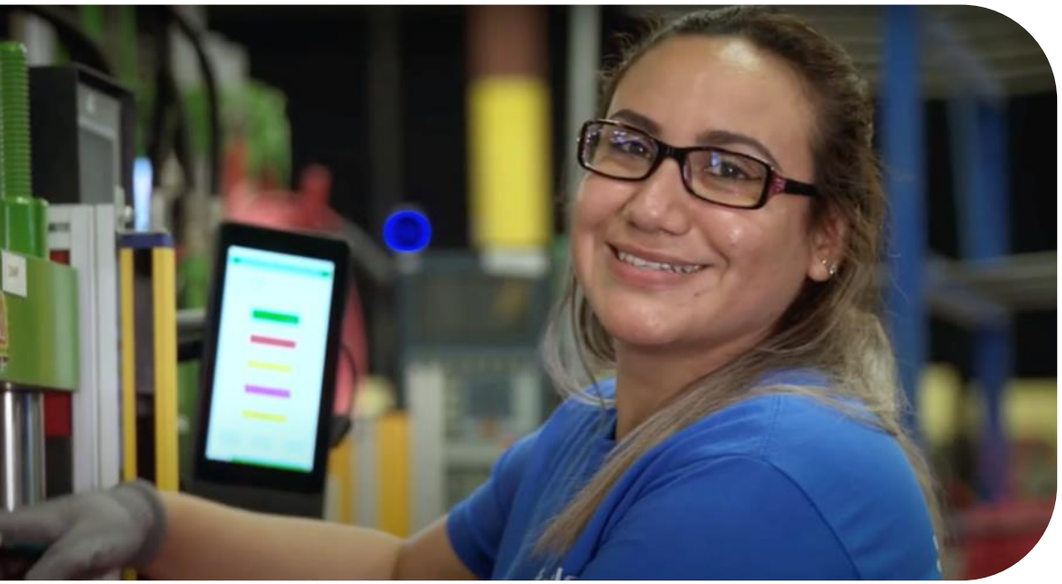
- Published inaugural annual ESG report

2023

- Appointed first Director of Sustainability
- Conducted inaugural GHG inventory
- Refreshed materiality assessment
- Updated company-wide compliance program
- Upgraded letter grade for MSCI sustainability score from BB to BBB

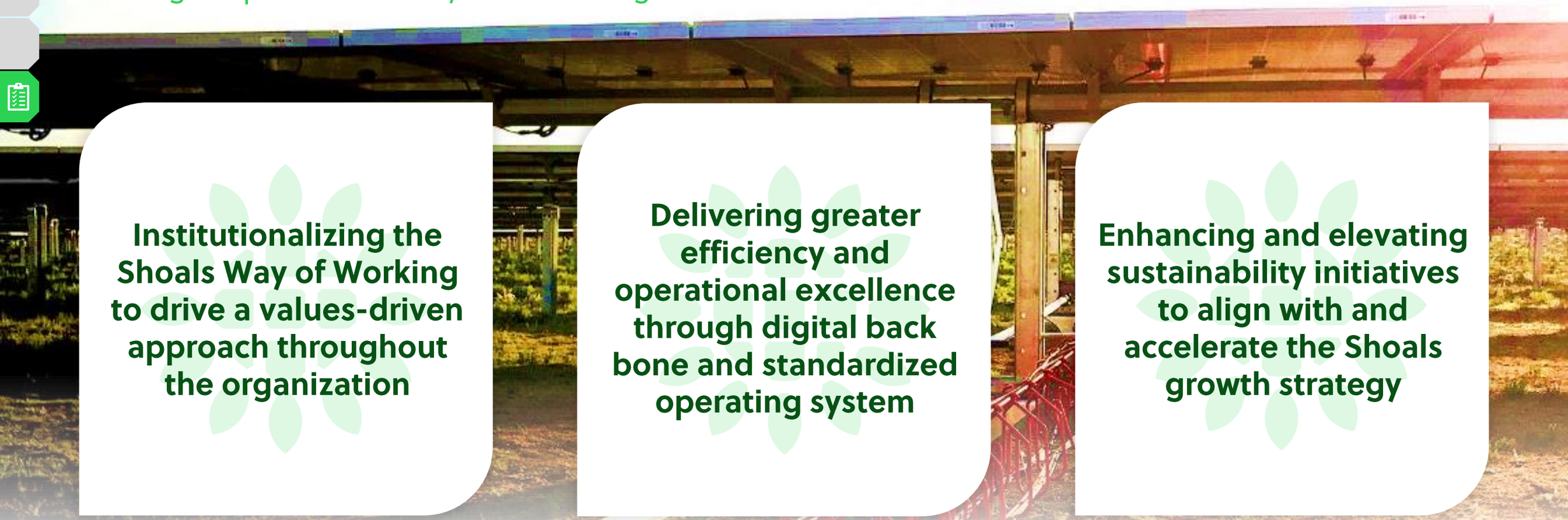
2024+

- Published Scope 1 & 2 emissions for first time and started reporting under TCFD framework
- Implemented software to create ESG data hub to track and analyze key ESG metrics
- Created Sustainability Committee with cross-functional members to spread ESG principles across the company
- Incorporating climate risks into annual ERM process
- RFP for on-site solar project



Key Takeaways

Building our processes and systems to fuel growth



Institutionalizing the Shoals Way of Working to drive a values-driven approach throughout the organization

Delivering greater efficiency and operational excellence through digital back bone and standardized operating system

Enhancing and elevating sustainability initiatives to align with and accelerate the Shoals growth strategy

Responsibility | Integrity | Agility | Innovation | Accountability | Commitment

Create Shareholder Value: Long-Term Financial Outlook



Dominic Bardos
Chief Financial Officer



Key Messages

1. Proven track record of **exceptional financial results**, providing a strong base to execute our next phase of growth with **continued operational and financial rigor**

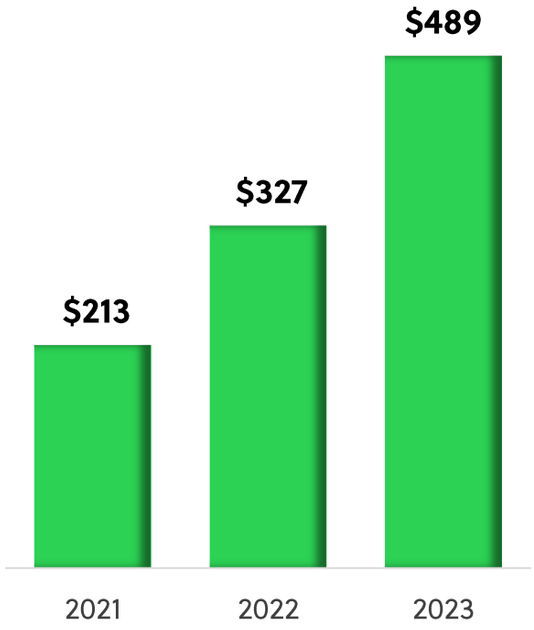
2. **Significant cash flow generation** and **strong balance sheet** enable further investment in core and higher growth opportunities; strategic M&A is potential accelerant of strategy

3. Well positioned to achieve **long-term financial targets** as we continue balanced focus on organic growth, strong margin, ROIC and capital allocation

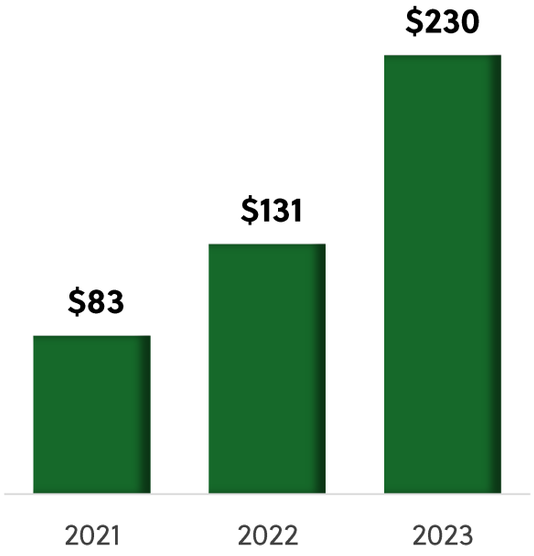


Significant Accomplishments Since IPO

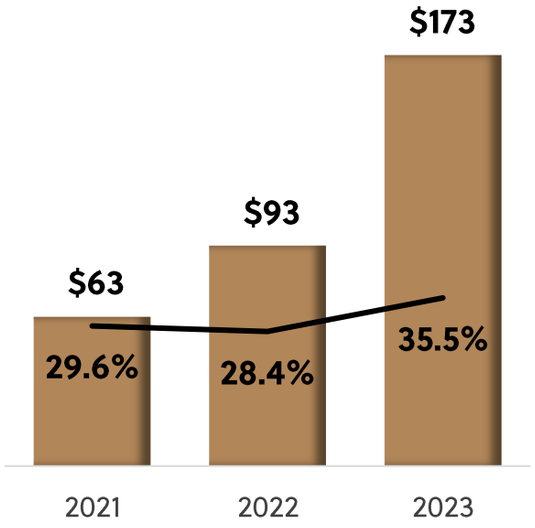
Revenue ($M)



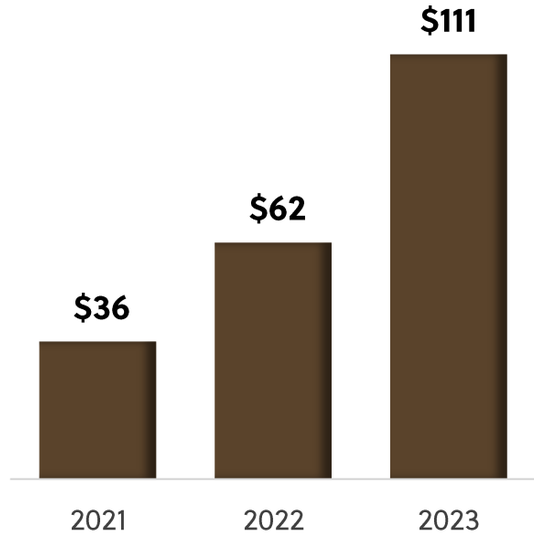
Adj. Gross Profit ($M)



Adj. EBITDA ($M) and Margin (%)



Adj. Net Income ($M)



KEY DRIVERS

- Increased domestic demand for solar EBOS
- Strong market share driven by resonant value proposition

- Solid revenue growth
- Efficient management of cost of goods sold

- Higher gross profits
- Disciplined management of SG&A investments

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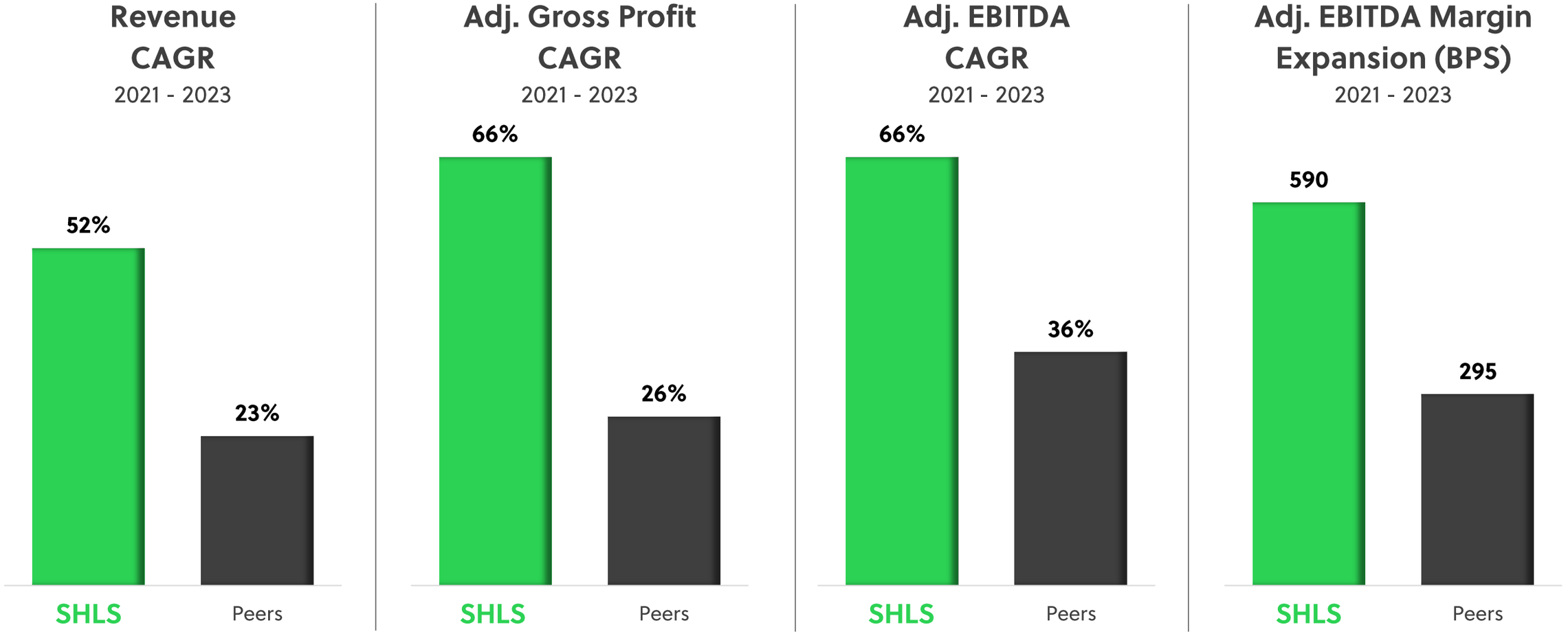
See Appendix for reconciliation of Non-GAAP measures.

Delivered Strong Performance Relative to Peers[1]



Expect to Continue to Drive Outperformance and Create Value for Shareholders

See Appendix for reconciliation of non-GAAP measures.
(1) Peers include Array Technologies, SolarEdge Technologies, Enphase Energy, First Solar, Canadian Solar, Sunpower Corp., Bloom Energy Corp, Soltec Power Holdings.

Warranty Update

What Happened

- Wire sold to Shoals from Prysmian Cables and Systems was defective
- After product installation, wire harnesses began exhibiting "insulation shrinkback"
- On October 31, 2023, filed suit against Prysmian to recover damages



Remediation

- Determined that defective wire lots were sold between 2020 and approximately 2022
- Identified ~300 sites that may potentially have harnesses manufactured with this wire, representing ~30% of total harnesses manufactured during this time period

Current Status

- Sites with known shrinkback are planned to be remediated by mid-year 2025
- Remediation work is in partnership with customers to minimize disruptions

WHAT'S NEXT

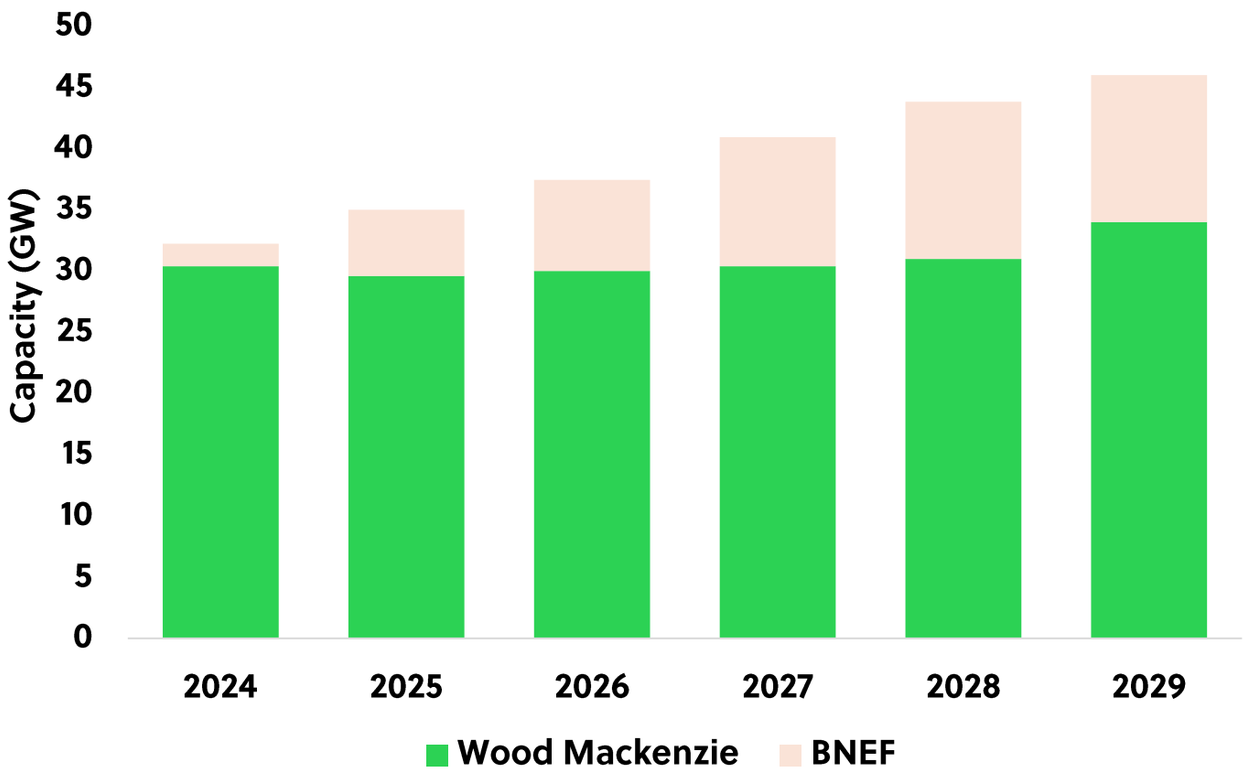
1. Continue to analyze all incoming information and remediation projections
2. Currently, **remediation range remains $59.7M - $184.9M**, based on assumptions and information to date related to
   - Labor cost to repair and replace impacted harnesses
   - Estimated failure rates
   - Materials replacement cost
   - Planned remediation method
   - Other assumptions

Our Customers Remain Our Top Priority

As of June 30, 2024, the estimate of potential losses remains unchanged from the estimate provided as of December 31, 2023.The estimated range is based on several assumptions. While our wire insulation shrinkback warranty liability represents our best estimate of the range of expected losses at any given time, the Company remains in the early stages of the identification, repair and replacement process and may increase or decrease its estimated warranty liability from its current estimate as additional information becomes available. Such increase or decrease may be material.

Key Financial Assumptions for 2027E Targets

U.S. Utility-Scale Solar Installations and Forecasts[1]



Key Assumptions

Industry Growth Capacity
- Wood Mackenzie base case

Market Share Gains
- Mid-single digit

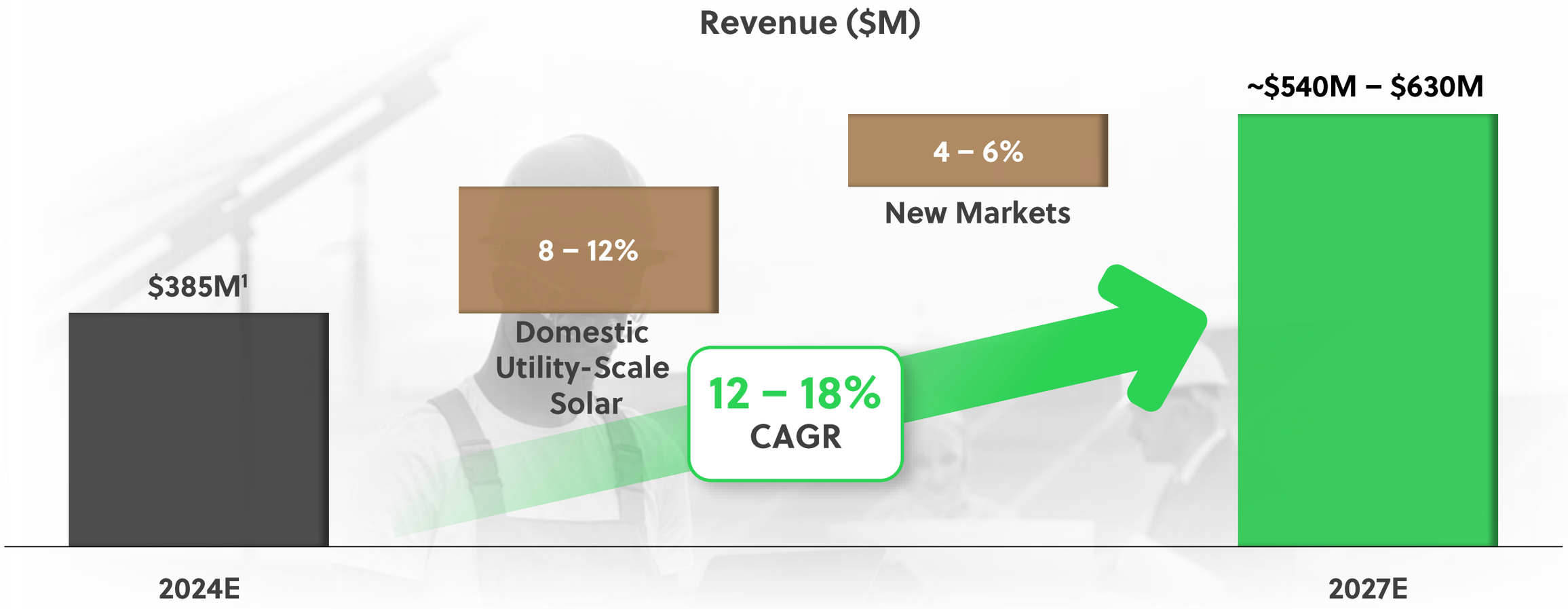
Pricing
- Price pressure offset by productivity gains

Operating Leverage
- Diligent cost control driving moderate operating leverage

Expected Annual Capex Spend
- $20M ±

(1) Wood Mackenzie and BNEF base case forecasts.

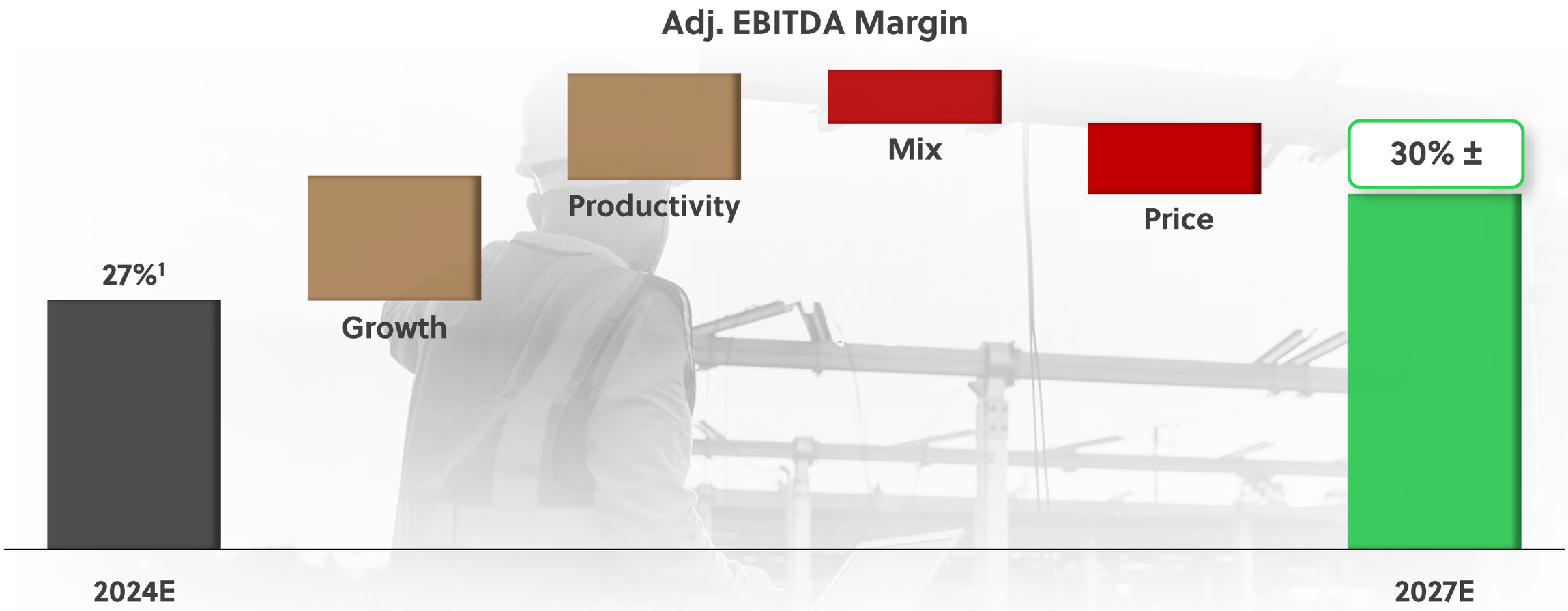
Driving Organic Growth



Executing Clear Strategy Focused on Growing Our Core and Diversifying into High Growth Adjacencies

(1) Based on midpoint of FY guidance provided on Q2'24 earnings call.

Multiple Levers to Expand Adj. EBITDA Margin



Driving Operational Excellence and Continuous Improvement

(1) Based on midpoint of FY guidance provided on Q2'24 earnings call.

Confident in Ability to Achieve 2027 Financial Targets



12 – 18%
REVENUE GROWTH CAGR (2024E[1] – 2027E)

42% ±
GROSS MARGIN

30% ±
ADJ. EBITDA MARGIN

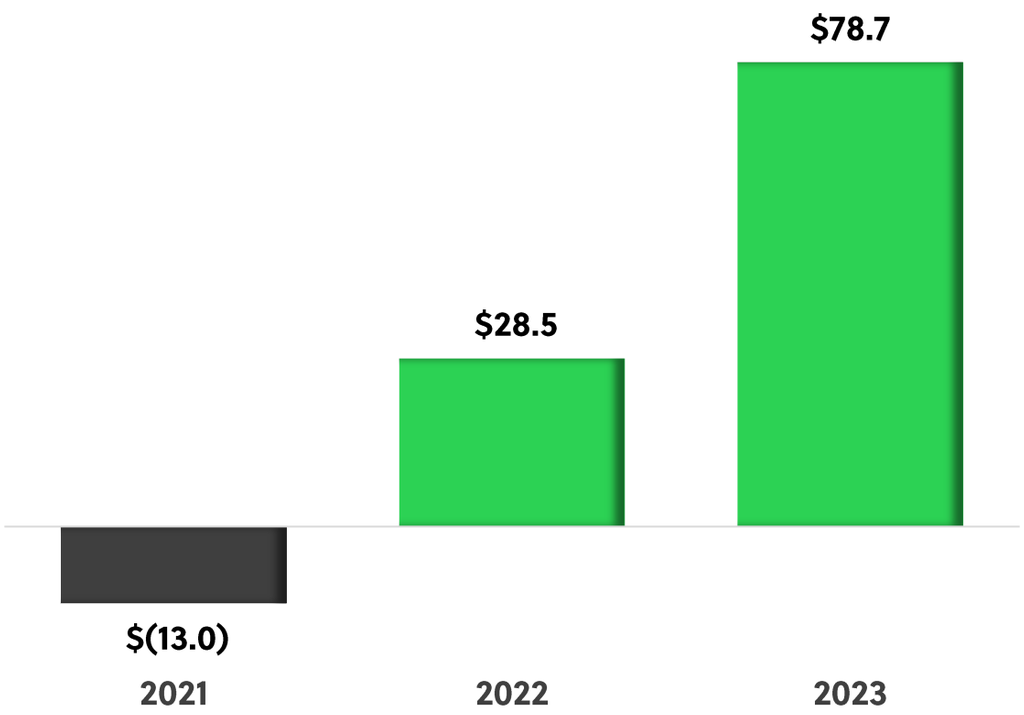
$20M ±
ANNUAL CAPEX

Well-Positioned to Drive Long-Term Outperformance and Create Value for All Stakeholders

A reconciliation of Adjusted EBITDA margin guidance, which is a forward-looking measure that is 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 margin and Free Cash Flow. We expect to continue to exclude these items in future disclosures of this non-GAAP measure and may also exclude other similar items that may arise in the future. (1) Based on midpoint of FY guidance provided on Q2'24 earnings call.

Robust Free Cash Flow Generation

Free Cash Flow ($M)



Key Drivers

- Asset light business
  - Historically, only 1-2% of sales went into capital equipment
- Responsible working capital management
- Diligent expense management
- Investment in automation

Free Cash Flow Generation Supports Further Deleveraging and Investment into the Business

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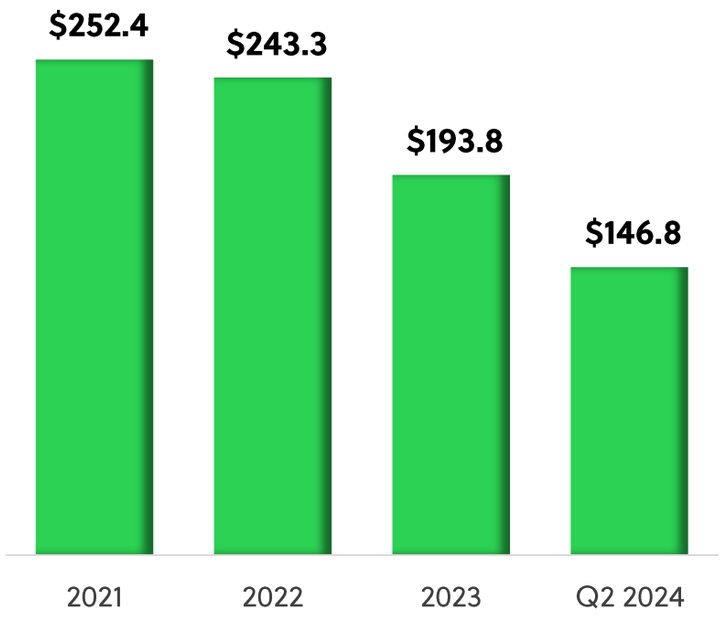
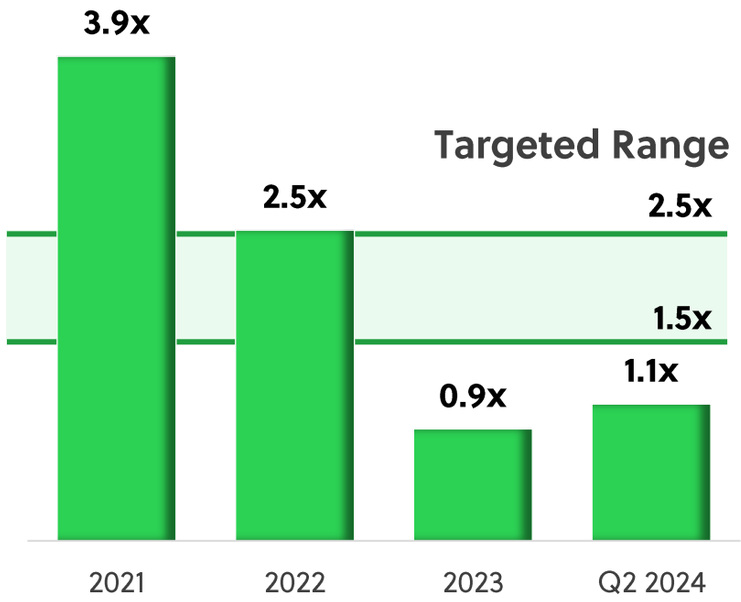
See Appendix for reconciliation of non-GAAP measures.

Strong and Flexible Balance Sheet

Total Long-Term Debt ($M)



Net Debt[1] to Adj. EBITDA



Long-Term Debt Maturity[2] ($M)



Ability to Generate Significant Free Cash Flow and De-Lever Quickly

See Appendix for reconciliation of non-GAAP measures.
(1) Net Debt equals Total Long-Term Debt minus Cash and Cash Equivalents.
(2) As of Q2 2024 Earnings.

Balanced Capital Allocation Framework Driving Value Creation

Go-Forward Priorities

1. **Organic Reinvestment**
   - Alignment of investment with growth opportunity in coming years
     - Investments in technology, automation and people
2. **Maintain Strong Balance Sheet**
   - Maintain appropriate borrowing capacity to enable flexibility
3. **Inorganic Investment**
   - Pursue strategic M&A opportunities to accelerate our diversification into new markets
4. **Return Capital to Shareholders**
   - Programmatic application of opportunities to drive shareholder value



Allocating Significant FCF through Disciplined Capital Allocation Priorities to Create Value for Shareholders

Supplementing Organic Growth with M&A to Accelerate Growth Strategy

Strategic Filters

- Diversify end-markets
- International expansion
- Complementary products



Financial Considerations

- Accretive returns
- Clear revenue and/or cost synergies

Rigorous Screening Process and Dedicated Team for Identifying Strategic M&A Opportunities

Value Creation Algorithm Positions Shoals for Success in Any Environment

Protect & Grow Core

Domestic Utility-Scale

8 – 12%
2024E – 2027E Revenue CAGR[1]

Diversify into New Markets

International

CC&I

OEM

Battery Energy Storage (BESS)

Data Center

4 – 6%
2024E – 2027E Revenue CAGR[1]

12 – 18%
2024E – 2027E Revenue CAGR[1]

Drive Operational Excellence

Footprint Optimization

Increased Use of Automation

Productivity Enhancement

42% ±
2027E Gross Margin

Optimize Balance Sheet and Fuel FCF

Asset Light Business Model

Working Capital Improvements

Strong Cash Position

Manage Net Leverage

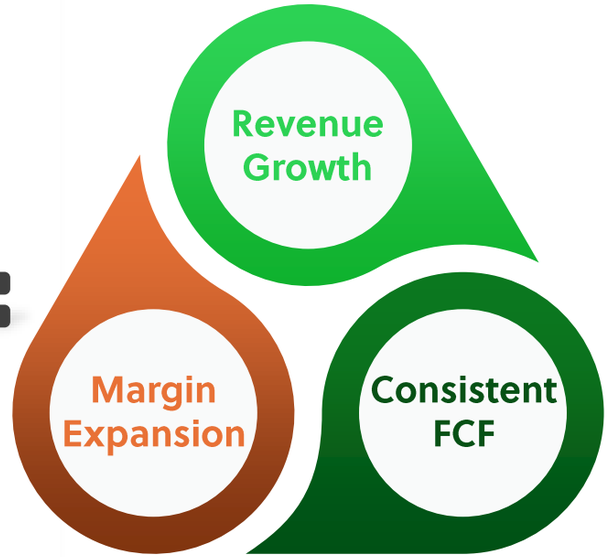
Disciplined Capital Allocation

Reinvest for Growth

M&A

Return Capital to Shareholders

Long-Term Shareholder Value



(1) 2024E (base year) based on midpoint of FY guidance provided on Q2'24 earnings call.

Key Takeaways

Proven track record of exceptional financial results, providing a strong base to execute our next phase of growth with continued operational and financial rigor

Significant cash flow generation and strong balance sheet enable further investment in core and higher growth opportunities; strategic M&A is potential accelerant of strategy

Well positioned to achieve long-term financial targets as we continue balanced focus on organic growth, strong margin, ROIC and capital allocation

Closing Remarks



Brandon Moss
Chief Executive Officer



Why Invest in Shoals?

1

Industry pioneer with proven track record of strong execution and consistency

2

Well-positioned to capture growing electrification market opportunity with scalable, custom solutions, deep industry expertise and unparalleled value proposition

3

Clear strategy in place to protect & grow our core and diversify into new markets while building operational foundation for future growth

4

Execution-focused leadership driving profitable growth leveraging strong cash generation and strategic investments in **high growth markets, foundational operational capabilities and organizational capacity**

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Q&A Session

Appendix

Non-GAAP Reconciliation, Adjusted Gross Profit

Adjusted Gross Profit	Year Ended December 31,		
$, thousands	2023	2022	2021
Revenue	**$ 488,939**	**$ 326,940**	**$ 213,212**
Cost of revenue	320,635	195,629	130,567
Gross profit	**$ 168,304**	**$ 131,311**	**$ 82,645**
Gross profit percentage	34.4%	40.2%	38.8%
Wire insulation shrinkback expenses (a)	61,705	-	-
Adjusted gross profit	**$ 230,009**	**$ 131,311**	**$ 82,645**
Adjusted gross profit percentage	47.0%	40.2%	38.8%

(a) For the year ended December 31, 2023 represents, (i) $59.1 million 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, and (ii) $2.6 million of inventory write-downs of the defective red wire. We consider expenses incurred in connection with the identification, repair and replacement of the impacted wire harnesses as well as the write-down of related inventory distinct from normal, ongoing service identification, repair and replacement expenses that would be reflected under ongoing warranty expenses within the operation of our business and normal write-downs of inventory, 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. See Note 9 - Warranty Liability, in our consolidated financial statements included in our Annual Report on Form 10-K for more information.

Non-GAAP Reconciliation, Adjusted EBITDA

Adjusted EBITDA	Year Ended December 31,		
$, thousands	2023	2022	2021
Net income	$ 42,661	$ 143,013	$ 3,944
Interest expense, net	24,100	18,538	14,549
Income tax expense	12,274	8,987	86
Depreciation expense	2,612	1,858	1,701
Amortization of intangibles	7,917	8,651	8,352
Payable pursuant to the TRA adjustment (b)	-	6,675	1,663
Gain on termination of TRA	-	(110,883)	-
Loss on debt repayment	-	-	15,990
Equity-based compensation	20,862	16,108	11,286
Acquisition-related expenses	-	42	2,349
COVID-19 expenses (c)	-	-	339
Non-recurring and other expenses (d)	-	-	2,598
Wire insulation shrinkback expenses (a)	61,705	-	-
Wire insulation shrinkback litigation expenses (e)	1,260	-	-
Adjusted EBITDA	**$ 173,391**	**$ 92,989**	**$ 62,857**

(a) For the year ended December 31, 2023 represents, (i) $59.1 million 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, and (ii) $2.6 million of inventory write-downs of the defective red wire. We consider expenses incurred in connection with the identification, repair and replacement of the impacted wire harnesses as well as the write-down of related inventory distinct from normal, ongoing service identification, repair and replacement expenses that would be reflected under ongoing warranty expenses within the operation of our business and normal write-downs of inventory, 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. See Note 9 - Warranty Liability, in our consolidated financial statements included in our Annual Report on Form 10-K for more information.

(b) Represents an adjustment to eliminate the adjustment of the payable pursuant to the TRA.

(c) Represents costs incurred as a direct impact from the COVID-19 pandemic, disinfecting and reconfiguration of facilities, medical professionals to conduct daily screenings of employees and direct legal costs associated with the pandemic.

(d) Represents certain costs associated with non-recurring professional services, our prior private equity owners' expenses and other costs.

Non-GAAP Reconciliation, Adjusted Net Income

Adjusted Net Income	Year Ended December 31,		
$, thousands	2023	2022	2021
Net income attributable to Shoals Technologies Group, Inc.	$ 39,974	$127,611	$ 2,348
Net income impact from assumed exchange of Class B common stock to Class A common stock (f)	2,687	15,402	1,596
Adjustment to the provision for income tax (g)	(653)	(3,726)	(456)
Tax effected net income	42,008	139,287	3,488
Amortization of intangibles	7,917	8,651	8,352
Amortization of deferred financing costs	2,165	1,365	1,230
Payable pursuant to the TRA adjustment (b)	-	6,675	1,663
Loss on debt repayment	-	(110,883)	-
Gain on termination of TRA	-	-	15,990
Loss on debt repayment	20,862	16,108	11,286
Equity-based compensation	-	42	2,349
Acquisition-related expenses	-	-	339
COVID-19 expenses (c)	-	-	2,598
Wire insulation shrinkback expenses (a)	61,705	-	-
Wire insulation shrinkback litigation expenses (e)	1,260	-	-
Tax impact of adjustments (h)	(24,604)	1,158	(11,381)
Adjusted Net Income	**$ 111,313**	**$ 62,403**	**$ 35,914**

(a) For the year ended December 31, 2023 represents, (i) $59.1 million 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, and (ii) $2.6 million of inventory write-downs of the defective red wire. We consider expenses incurred in connection with the identification, repair and replacement of the impacted wire harnesses as well as the write-down of related inventory distinct from normal, ongoing service identification, repair and replacement expenses that would be reflected under ongoing warranty expenses within the operation of our business and normal write-downs of inventory, 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. See Note 9 - Warranty Liability, in our consolidated financial statements included in our Annual Report on Form 10-K for more information.

(b) Represents an adjustment to eliminate the adjustment of the payable pursuant to the TRA.

(c) Represents costs incurred as a direct impact from the COVID-19 pandemic, disinfecting and reconfiguration of facilities, medical professionals to conduct daily screenings of employees and direct legal costs associated with the pandemic.

(d) Represents certain costs associated with non-recurring professional services, our prior private equity owners' expenses and other costs.

(e) For the year ended December 31, 2023 represents $1.3 million of expenses incurred in connection with the lawsuit initiated by the Company against the supplier of the defective red 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. See Note 16 - Commitments and Contingencies, in our consolidated financial statements included in our Annual Report on Form 10-K for more information.

(f) Reflects net income to Class A common stock from assumed exchange of corresponding shares of our Class B common stock held by our founder and management.

(g) Shoals Technologies Group, Inc. is subject to U.S. Federal income taxes, in addition to state and local taxes. The adjustment to the provision for income tax reflects the effective tax rates assuming Shoals Technologies Group, Inc. owned 100% of the units in Shoals Parent LLC prior to March 10, 2023.

(h) Represents the estimated tax impact of all Adjusted Net Income add-backs, excluding those which represent permanent differences between book versus tax

Non-GAAP Reconciliation, Free Cash Flow

Free Cash Flow	Year Ended December 31,		
$, thousands	2023	2022	2021
Net cash provided by (used in) operating activities	$ 91,955	$ 39,455	$ (4,083)
Net cash used in investing activities	(10,847)	(3,657)	(17,035)
Distributions to non-controlling interest	(2,628)	(7,762)	(4,837)
Free Cash Flow	**$ 78,480**	**$ 78,480**	**$ 78,480**

Non-GAAP Reconciliation, Net Debt

	Q2 2023	Q1 2024	Q2 2024
Cash & Cash Equivalents	$5.9	$15.2	$3.2
Term Loan Facility	$194.3	$0.0	$0.0
Revolving Credit Facility	$20.0	$168.8	$146.8
Total Long-term Debt	$214.3	$168.8	$146.8
Less: Cash & Cash Equivalents	$5.9	$15.2	$3.2
Net Debt	$208.4	$153.5	$143.6
Adjusted EBITDA	$48.2	$20.5	$27.7
LTM Adjusted EBITDA	$143.0	$155.7	$135.2
Total Long-term Debt-to-Adjusted EBITDA	**1.5**	**1.1**	**1.1**
Net Debt-to-Adjusted EBITDA	**1.5**	**1.0**	**1.1**
Total Liquidity	**$135.4**	**$46.5**	**$56.1**

(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

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Speaker Bios



Brandon Moss

Chief Executive Officer

Brandon Moss joined Shoals as CEO in July of 2023. He has over 20 years' experience in the electrical industry. He most recently served as Group President at Southwire Company, a global leader in wire and cable manufacturing. During his tenure at Southwire, he formed the Tools, Components, and Assembled Solutions business helping Southwire diversify.

Over his career he has demonstrated success in developing corporate strategy, managing autonomous business units, business development, M&A and has led global manufacturing and supply chains. Prior to Southwire, Brandon Moss held a variety of commercial roles at both Lutron Electronics and Stanley Black & Decker.

He earned a Masters of Business Administration at Wake Forest University and a Bachelor's degree in Marketing from Miami University.



Dominic Bardos

Chief Financial Officer

Dominic Bardos joined the Company as CFO in October of 2022. He has over 30 years of global finance and accounting experience across multiple industries including retail, restaurant, consumer services, entertainment and hospitality. Prior to joining the Company, he served as Chief Financial Officer of Holley Inc. (NYSE: HLLY), a manufacturer and distributor of performance automotive products. Prior to Holley, he served as Vice President of Finance for Tractor Supply Company (Nasdaq: TSCO) from 2018 to 2021, as Chief Financial Officer for Cambridge Franchise Holdings from 2017 to 2018, and in several leadership positions at ServiceMaster (NYSE: SERV), including as the divisional Chief Financial Officer for its largest international division Terminix from 2014 to 2017.

Dominic Bardos' experience also includes leadership positions in financial planning & analysis, strategic sourcing, supply chain, and customer service operations in large organizations such as Caesars Entertainment (Nasdaq: CZR), Hilton Hotels, and Harrah's Entertainment.

Dominic Bardos earned a Master of Business Administration in Finance and a Bachelor's degree in Management from the University of Memphis, Fogelman College of Business & Economics.



Jeff Tolnar

President

Jeff Tolnar takes on the President role after successfully launching the eMobility business unit within Shoals. In this role, he and his team are responsible for company growth, operational excellence, technology development and product innovation.

Prior to joining Shoals, Jeff Tolnar was most recently Chief Commercial Officer for Shell | Greenlots where he was responsible for growth of the company's electric mobility solutions. Prior to Shell, he served as President of Global Software Solutions for Honeywell's Homes, Buildings and Utilities businesses and was also President of Elster Solutions a global leader in electronic metering solutions.

Jeff Tolnar holds a Bachelor of Science degree in Electrical Engineering Technology from Youngstown State University and a Master of Business Administration from Baker University.



Karen Bazela

VP, Sales

Karen Bazela joined Shoals in January 2024 as the Vice President of Sales. Prior to that, she held the position of Region Sales Head-East at Siemens. Karen has also worked at Southwire Company, where she held various roles including Vice President of Customer Service and Specialty Distribution, Vice President of Speed Services, and Vice President of Retail Sales. In these roles, she developed customer service strategies, managed teams, and implemented strategies for faster product delivery.

Karen Bazela completed her Bachelor of Business Administration degree in Business Management at the University of West Georgia in 2001. Karen then pursued their Master of Business Administration degree at the University of Georgia - Terry College of Business from 2017 to 2019.



Gary Uren

SVP and GM, International

Gary Uren joined Shoals in March 2024 as Senior Vice President and General Manager of International. Gary Uren is a growth-oriented business leader, corporate strategist, and M&A practitioner with over 35 years of experience in the global Electrical & Electronics manufacturing arena. He has senior international business and corporate development expertise, having led businesses in the Americas, Asia Pacific, Europe, and the Middle East, also completing more than 25 acquisitions and divestitures in 8 countries.

Gary Uren has also played leading roles in take-public and take-private transactions in the USA and Australia (NYSE, NASDAQ and ASX). He is a respected industry consultant and was most recently the CEO of Legend Corporation, an engineered electrical & electronics solutions provider, and formerly the head of Corporate Development & Strategy at Atkore International (NYSE: ATKR), a leading electrical raceway business that was initially sponsored by Clayton Dubilier & Rice. Prior to these roles he was the President for EMEA & APAC at Tyco International and Managing Director/Country Manager in APAC for Legrand SNC.

Gary is a dual national of Australia and the USA, living in San Francisco. Gary holds a master's degree in international business from Southern Cross University, Australia.



Troy Renken

VP, Product & Engineering

Troy Renken joined Shoals as Vice President Engineering in September 2023. He has over 20 years' experience in Engineering and Product Development leadership experience for both publicly traded companies and start-ups. He most recently served as Vice President Engineering for Hayward Industries, a global leader in residential and commercial swimming pool equipment. During the course of his 5 year tenure at Hayward, he led the transition of the company's products to the most innovative in the pool industry including gas heaters, salt chlorinators, variable speed pumps, and IoT automation controls.

Prior to Hayward, Troy Renken provided technical leadership for start-ups in the rechargeable microbattery and medical power tool space, in each case developing disruptive technologies that changed traditional hearing instrument products and orthopedic surgery procedures. His engineering leadership was developed over a 10 year career at Emerson Electric in various technical roles.

He earned a Bachelor's degree in Electrical Engineering at Trine University.



Lindsey Williams

VP, Marketing

Lindsey Williams joined Shoals in February 2024 as Vice President of Marketing. She is an experienced marketing leader with a strong commitment to simplifying the energy transition to maximize its impact.

With 15 years of expertise in strategic marketing, Lindsey has successfully spearheaded various marketing functions, including performance management, demand generation, product marketing, events, marketing operations, and channel programs. She has extensive background in the clean energy industry, with previous roles at Centrica Business Solutions and Enel.

She earned a Bachelor's degree in Business Management from Washington College.



Stephen LaFleur

Senior Director, Sales

Stephen LaFleur joined Shoals in June of 2021 coming from over a decade of utility scale PV experience. Building on the foundations of excellence and true partnership, Mr. LaFleur focuses on supporting IPPs by designing and building best in class solar power plants.

He received his Bachelor's degree in International Business from Appalachian State University.



Dana Wooters

Director, Operations

Dana Wooters joined Shoals in February 2024 and serves as Director of Operations. He has over 30 years' experience in manufacturing elastomeric products for the automotive, medical, appliance, and printing industries.

He was most recently the Vice President of Operations for Toyo Automotive Parts, a wholly owned subsidiary of Toyo Tires. During his tenure at Toyo, he successfully improved aspects of the business (safety, quality, delivery performance, and overall profitability) through relentless application of lean manufacturing principles and problem solving. Over the last 18 years, Dana Wooters has successfully managed single and multiple-site manufacturing operations, improving customer satisfaction and bottom-line performance. Prior to Toyo Tires, Dana Wooters held plant management and engineering roles at Quality Synthetic Rubber, Vernay Laboratories, Lexington Connector Seals, and Freudenberg-NOK.

He earned a Bachelor of Mechanical Engineering at Georgia Institute of Technology.



James Hart

Chief People Officer

James Hart joined Shoals as Chief People Officer in November of 2024. He has over 20 years' experience, with a proven track record in developing and implementing human resources strategies that drive organizational success.

Prior to joining Shoals, he served as vice president of people at Cardlytics, where he led the people and culture function for the organization. Prior to Cardlytics, James Hart held a variety of roles in human resources and sales at Southwire.

James earned a Masters of Business Administration and Bachelor's degree in Management at University of West Georgia, and is a veteran of United States Air Force.



Inez Lund

Chief Accounting Officer

Inez Lund has been our Chief Accounting Officer since March 1, 2024. From December 2021 until March 2024, Inez served as the Company's Controller and served as the Company's Tax Director from May 2021 until December 2021. She is a certified public accountant, with over 30 years of experience in various accounting and tax roles.

Before joining the Company, Inez was Senior Manager, Global Compliance and Reporting at Ernst & Young LLP. She earned a master's degree in professional accountancy and a bachelor's degree in accounting from University of Nebraska, Lincoln.



Matt Tractenberg

VP, Finance & Investor Relations

Matt Tractenberg joined Shoals in April 2024 as the Vice President of Finance and Investor Relations. He has been a senior executive providing finance, communications, and investor relations services to public companies for more than 20 years. His experience includes more than 60 M&A transactions and a diverse history of capital market activity including both debt and equity raises.

He joins Shoals from EV charging and energy management provider Wallbox NV (NYSE: WBX), where he was Vice President of Investor Relations. Prior to Wallbox, Matt served as Senior Vice President of Investor Relations at Q4, a technology and advisory services firm that offered investor relations support to large enterprise customers, and as Vice President, Head of Investor Relations for paper and packaging manufacturer WestRock (NYSE: WRK).

Matt Tractenberg earned his MBA in financial management and markets and his BA in accountancy from Arizona State University's W.P. Carey School of Business.