



Solaris Energy Infrastructure, Inc. (NYSE: SEI)

Fourth Quarter and Full Year 2025 Earnings Call Prepared Remarks

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Yvonne Fletcher, Senior Vice President of Finance and Investor Relations

Thank you, operator. Good morning and welcome to the Solaris Fourth Quarter and Full Year 2025 Earnings Conference Call. Joining us today are our Chairman and co-CEO Bill Zartler, our co-CEO and Director Amanda Brock, our President Kyle Ramachandran, and our CFO Steve Thompsett.

Before we begin, I'd like to remind you of our standard cautionary remarks regarding the forward-looking nature of some of the statements that we will make today. Such forward-looking statements may include comments regarding future financial results and reflect a number of known and unknown risks. Please refer to our press release issued yesterday along with other recent public filings with the Securities and Exchange Commission that outline those risks. We also encourage you to refer to our Earnings Supplement slide deck which was published last night on the Investor Relations section of our website under "Events & Presentations."

I would like to point out that our earnings release and today's conference call will contain discussion of non-GAAP financial measures, which we believe can be useful in evaluating our performance. The presentation of this additional information should not be considered in isolation or as a substitute for results prepared in accordance with GAAP. Reconciliations to comparable GAAP measures are available in our earnings release, which is posted in the News section on our website. For more details on the Company's earnings guidance, please refer to the Earnings Supplement slide deck published on our website.

I'll now turn the call over to our Chairman and Co-CEO, Bill Zartler.

Bill Zartler, *Chairman and Co-CEO*

Thank you, Yvonne, and thank you, everyone, for joining us this morning.

2025 marked a meaningful step forward for Solaris. We showed that we are successfully executing our strategy of growing and establishing a more diversified services and solutions business with accelerated earnings growth, improved long-term visibility, and multiple pathways for meaningful expansion.

Through new products, services, and targeted investments - both organic and inorganic - we've strengthened our engineering, manufacturing, and operational capabilities. This has positioned us to deliver, reliable integrated power solutions to meet our customers' rapidly escalating needs. Coming out of 2025, we're serving a much wider customer base, with active contracts and deployments now spanning multiple data centers, energy infrastructure, and diverse industrial and commercial end markets with generation, distribution and full turnkey power.

Our 2025 financial results highlight the success of our diversified strategy. Full year 2025 revenue nearly doubled year-over-year to \$622 million, while Adjusted EBITDA of \$244 million more than doubled. Both of our Power and Logistics segments contributed meaningfully to these results. This is just the beginning of additional step change growth that we believe will accelerate through 2026 and 2027.

Starting with our Power Solutions segment, which has become the primary growth engine for Solaris. Power now accounts for roughly 70% of our earnings and is heading to 90% contribution as we've consistently grown the business, expanded our capabilities and built on a strong track record of execution.

Solaris is capitalizing on the rapid demand growth for power, particularly to support data center compute needs. Our solutions have enabled customers to deploy power quickly and cost-effectively, while

delivering the operational reliability, high uptime, and efficiency they require - whether as an alternative or as a supplement to the grid.

We have strategically positioned Solaris across the power life cycle, from molecule to electron.

This integrated approach delivers true turnkey power for our customers. We can handle sourcing and delivery of clean natural gas at the right volumes and pressures, convert it through multiple generation sources, and manage the distribution, storage, and final delivery of electrons - all engineered as a cohesive system to meet the most complex and demanding load profiles.

Our strategy has translated into commercial success with both existing and new customers. In 2025, we significantly expanded our partnership with our initial major data center customer. We finalized a 15-year joint venture and upsized the associated long-term power agreement from approximately 500 to 900 MW, providing greater visibility with substantial committed capacity for years ahead.

We also acquired a specialty provider of voltage distribution and control equipment that has now been integrated into Solaris Power Solutions. This strategic acquisition has deepened our capabilities and accelerated market penetration, enabling us to deliver integrated equipment and engineered solutions to at least six different data centers across the U.S., as well as to numerous industrial and commercial sites.

Building on our success, I'm excited to highlight a significant new long-term contracted customer which further validates our strategy and reputation in the behind-the-meter power market. In early February, we announced a 10-year agreement, with a 5-year extension option, to provide a leading investment-grade, global technology company with over 500 MW of power generation tailored to their compute needs. The initial 10-year term begins January 1, 2027, with energization targeted to be phased in in the beginning of Q1 2027. This agreement validates our strategy of sourcing generation capacity in advance of a contract so that we can successfully deliver behind-the-meter power on aggressive timelines.

We are actively working with this customer to deliver more services related to balance-of-plant equipment such as full power control, storage and delivery infrastructure, engineering, and site preparation. As we move forward expanding our scope, we will deploy additional capital which will provide Solaris with enhanced returns throughout the contracted period. We believe that we are well positioned to continue to work with this customer on behind the meter solutions to meet their growing compute needs.

Underscoring the opportunity ahead, the four largest global technology companies have recently guided to combined capital expenditures exceeding \$600 billion in 2026, focused primarily on data center infrastructure and compute. That's roughly a 70% increase from 2025 levels and nearly double the spending seen in 2024.

With data center and compute power investments accelerating rapidly, Solaris is exceptionally well-positioned to capitalize on the surging demand for reliable, scalable power. Our proven solutions enable us to partner effectively with leading technology companies who are contracting directly for behind-the-meter options to meet their urgent compute needs.

I would also like to highlight the continued performance of our Logistics Solutions segment, which is performing well and contributed over \$80 million of free cash flow in 2025. In the fourth quarter, we saw activity levels for both the industry and Solaris increase, with Solaris' success driven in part by increasing adoption of our top-fill systems. Our top-fill system utilization rate was in the mid 90s for the fourth quarter and is now nearing 100%. This momentum is expected to carry through the first half of 2026, supporting consistent utilization and margins while generating cash to fund our broader growth initiatives across the Company.

In summary, 2025 was a year of successful execution which positions Solaris for even greater success in 2026. We are extremely focused on delivering value for our customers and shareholders and we are excited about 2026 which is already shaping up as another year of significant growth, new opportunities, continued execution and results. With that, I'll turn it over to Amanda.

Amanda Brock, Co-CEO

Thank you, Bill, and thank you, everyone, for joining us this morning.

We want to spend a few minutes sharing with you how we see our opportunities evolving in the power sector.

2025 was a year of rapid change and significant tailwinds for the Company. Our customer base expanded and we grew our capabilities to meet our customers increased demand for turnkey behind the meter power. We focused not only on building on our proven track record in generation but also distribution, offering a comprehensive power solution which we refer to as “molecule to electron.”

We're strategically building our capabilities through organic growth and targeted acquisitions like HVMVLV, which Bill mentioned, which has already exceeded expectations since closing last summer. This brings in-house expertise to design, manufacture, refurbish, sell, and rent specialized control and distribution equipment – such as transformers, switchgear, E-houses - and this also deepens our engineering expertise across voltages and related applications.

The result is broader reach to data centers, industrials, utilities, and beyond, delivering tailored power solutions regardless of source or setup. For example, Solaris is now providing equipment and engineering support to customers where grid connections are delayed due to utility equipment and interconnection challenges. This type of diversification creates real value and expands our opportunity set significantly,

beyond just generation. We will continue to look for opportunities like this to expand our capabilities as a comprehensive provider of critical power infrastructure.

As we evaluate opportunities across the power spectrum, emissions controls is another area of focus where Solaris has invested both organically and inorganically to enhance our capabilities. We view being best-in-class in emissions management as essential to our own operations and customer priorities.

Organically, we've drawn on our growing internal engineering and manufacturing teams to refine and customize selective catalytic reduction, or SCR, designs for improved flexibility and mobility.

Additionally, we recently made a small inorganic investment in an SCR manufacturer, bolstering our ability to further integrate these technologies.

Our emissions control technologies are well-aligned with the EPA's recent "Subpart KKKKa" amendments to the New Source Performance Standards. These changes provide clarification and support for operating modular and mobile turbines in temporary applications for up to 24 months - bridging the gap before permanent behind-the-meter air permits or grid connections are secured. Combined with our vertical integration in emissions controls, this gives us significantly greater flexibility to deliver fast, reliable, and compliant deployments for our customers.

We are continuing to see strong regulatory tailwinds from ERCOT whose recent push to batch large-load studies for requests over 75 MW is a necessary step forward to clearing the ~230 GW queue backlog fueled by data center demand. However, it also spotlights the growing delays and scrutiny facing grid-based projects.

Our rapid deployment, behind-the-meter solutions mitigate these challenges for technology companies attempting to quickly deploy compute capability. Starting a project in island mode fully behind the meter can avoid significant delays associated with connecting to the grid.

The growing demand for power, combined with these regulatory tailwinds, our demonstrated track record of execution and our expanded capabilities have accelerated our ongoing discussions with multiple end users to deploy more capacity. We're in advanced negotiations to contract our remaining open capacity and are actively pursuing new capacity additions to support incremental opportunities. Simply put, we believe we have more demand than we have capacity and are actively exploring innovative ways to access new capacity to ensure we can meet the growing needs of all our existing and potential new partners.

We are particularly encouraged by the accelerated pace of these opportunities and the credibility we've earned through nearly two years of successful, at-scale operations - including the rapid commissioning of multiple large data centers. This proven foundation gives us a clear edge as we scale further and continue to grow in the coming years.

With that, I will turn the call over to Kyle for a detailed financial review.

Kyle Ramachandran, *President*

Thanks, Bill and Amanda, and good morning, everyone.

Solaris' fourth quarter demonstrated solid execution in our Power Solutions segment, as well as continued execution and strong free cash flow generation in our Logistics Solutions segment. For the full year, growth was tremendous across the Power Solutions platform, and we're excited to continue to grow this segment as well as the total company.

2025 was also a year in which we strategically positioned Solaris for growth from a financing perspective. We strengthened the balance sheet by raising capital through two convertible bond issuances, established financing for our joint venture partnership with a key customer, and repaid our 2024 Term Loan. The combination of these activities has driven significant interest cost savings and financial flexibility for the company. As a result of these recent financings and the ongoing cash flow generation from the business, we are currently fully funded for all our expected deliveries to reach the 2,200 MW of power generation we expect to have, pro forma for all scheduled equipment deliveries. This leaves our secured borrowing capacity outside of the JV completely available as an option to fund future growth outside of our planned deliveries.

Our financial profile has also improved significantly with our recent commercial success. Adding a new investment-grade customer for a minimum 10-year term for over 500 MW adds significant visibility to our earnings and cash flow profile, providing additional financial flexibility.

Turning now to a review of our fourth quarter results and our outlook for the next two quarters.

During the fourth quarter, Solaris generated revenue of nearly \$180 million and Adjusted EBITDA of \$69 million on a consolidated basis. Our Adjusted EBITDA increased slightly from the prior quarter and nearly doubled as compared to the same quarter of 2024, driven by the acceleration of our Power Solutions segment. During the quarter, Logistic Solutions benefited from an increase in completions activity as well as the continued adoption of our top-fill solution, which more than offset a modest decline in Power Solutions due to a less favorable project mix and related timing impacts on costs.

We generated revenue from approximately 780 MW of capacity during the fourth quarter, relatively flat with the prior quarter. Segment Adjusted EBITDA for the Power Solutions segment was \$53 million, a modest decrease from the third quarter due to costs associated with timing and mix impact as owned generation units rotated off a utility resiliency project and into planned refurbishment before being redeployed under a long-term contract in the first quarter of 2026. This impact was more than offset by an increase in the continued selective use of third-party power generation capacity as activity continued to ramp at our second data center site, which also contributed to a lower margin mix.

We expect Power Segment Adjusted EBITDA for the first quarter to increase by more than 20%, as both owned and third-party leased capacity generating revenue should increase.

In our Logistics segment, we averaged 93 fully-utilized systems, an increase of 11% from the third quarter. Fourth Quarter Segment Adjusted EBITDA was approximately \$23 million. We expect our Logistics Segment Adjusted EBITDA to remain relatively flat for the next two quarters.

Netting these factors and considering corporate and other expenses, Total Adjusted EBITDA guidance for the first quarter is now \$72-77 million, up from the prior guidance of \$70-75 million and a sequential increase from the fourth quarter. We are also introducing our second quarter 2026 Total Adjusted EBITDA guidance of \$76-84 million.

Accounting for expected longer-term tenor on our fully-delivered 2,200 MW generation capacity and our recent acquisition, we continue to expect pro forma total company earnings of over \$600 million, before considering any additional project scope or growth with our existing customers or new opportunities.

Finally, I'd like to introduce and welcome Steve Tompsett, who officially joined earlier this month as Solaris' new Chief Financial Officer. Steve brings a strong record as a financial executive, with deep expertise in capital markets, building and leading high-performing finance and accounting teams, and guiding companies through periods of significant transformation and growth. Many members of our management team, board, employees and investors have worked with Steve before, and we are confident he will exemplify the Solaris culture and deliver substantial value to the Company. I am excited to continue as President of the company and will be able to allocate increased focus on our strategic priorities of advancing our overall growth strategy, strengthening operations, and driving long-term value for our stakeholders.

With that, we'd be happy to take your questions.