Solaris Energy Infrastructure, Inc. (NYSE: SEI)

Third Quarter 2026 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 Third Quarter 2026 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 Tompsett.

Before we begin, I'd like to remind you that some of the statements we will make today are forward-looking 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.

I would like to point out that our earnings release and today's conference call will contain discussion of non-GAAP financial measures. 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. Additionally, we 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'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.

Solaris' transformation into a comprehensive power infrastructure solutions provider is driving record results in the near term and positioning Solaris for significant long term value creation.

We are creating value for all stakeholders. The behind-the-meter power solutions we provide benefits our customers, the communities in which they operate and state and national interests. By serving large new loads without adding demand to the grid, we help keep electricity rates lower for households and businesses and support the reliability of the broader grid. For our shareholders, that value is already showing up in our results. Our quarterly adjusted EBITDA has more than doubled over the last year and we expect 2027 to be more than double 2026, with further growth beyond that. We are executing strategically, commercially, operationally and financially, and that performance is reflected in our results and our outlook. Last week, we signed our largest and longest power contract to date, a 15-year, 900 MW contract with a leading industrial and technology investment-grade customer, which we will discuss later in the call. Our near-term execution is driving this quarter's results and we are again raising both near-term and longer-term guidance.

Our significant progress across multiple aspects of our business, combined with our track record of operational reliability, continues to support our ability to provide value to our customers. Our power services capabilities now span site preparation, power engineering, installation and commissioning, and operations and maintenance. This allows our diverse set of customers to contract for any combination of the services we deliver – from full turnkey solutions to select services. Our customers also have large geographic footprints, giving them the flexibility to develop projects and move equipment to the most favorable locations, and our power solutions can be deployed wherever they need them.

Having these capabilities in-house also helps us navigate potential industry bottlenecks and streamline project execution to meet our customers' time-to-power goals, while also improving quality of service and driving efficiencies.

For example, through the acquisition of GESA and targeted recruiting, we have added talent with decades of experience in sourcing, installation, and operations and maintenance of various types of power generation assets. This helps us confidently manage and optimize the entire power stack, which can include multiple forms of generation to drive the best outcomes for our customers.

Speed to power and high reliability remain key drivers of the development of our bespoke power grids. As the market matures and grows, we believe the power market evolution will focus on continued operational efficiencies for these grids. Solaris will drive the application of technologies and equipment that will further improve efficiency and utilization, which positions our assets and services for the long term.

Solaris has successfully delivered power for superintelligence loads for over two years for our power customers. Our bespoke grid solutions are designed to work as standalone solutions or as complements to the larger power grid and can be engineered for a customer's specific needs. We have supported, and can continue to support, a wide range of load profiles, including today's challenging superintelligence loads. We have integrated our power assets to complement the larger power grid and believe we will be positioned to provide future grid resiliency and overall efficiency benefits.

Our services businesses also extend our reach beyond our own generation capacity. We now offer a wide range of services and product offerings to third parties. Today, in addition to the 1 gigawatt of owned capacity we currently operate, we operate an additional 3 gigawatts of third-party-owned power globally. The customers for our services and equipment also extend far beyond technology companies to now include a broad range of utility, IPP, OEM, government and industrial customers supporting additional long-term growth. This model has global reach and allows us to broaden our customer mix and access geographically diverse end markets.

Our expanded capabilities have supported another step change for Solaris to generate attractive returns. We continue to see robust power demand and opportunities to deploy generation and balance of plant solutions, and our growing services business adds a capital light opportunity to participate in global power generation growth. As we look forward at opportunities to continue to expand our capabilities, we are encouraged by potential organic and inorganic possibilities.

With that, I'll turn it over to Amanda to discuss our commercial progress.

Amanda Brock, *Co-CEO*

Thank you, Bill, and good morning, everyone.

We are very pleased to highlight that last week we entered into a new agreement with one of our existing customers, a leading, investment-grade, diversified industrial and technology company, to provide them approximately 900 megawatts of power generation, associated balance of plant equipment, and operations and maintenance services. Our balance of plant scope includes emissions control and distribution equipment. The agreement has an initial 15-year term, with an option to extend for an additional 15 years, making it the longest tenor contract we have signed to date. Equipment under this contract is not site specific and can be deployed to various geographic locations.

This follow-on agreement reflects the strength of our contracting strategy: high-quality counterparties, longer tenor, numerous locations and broad scope. We have a strong customer record of performance and continue to earn our customers' trust by providing the reliable power services they need and value.

During the quarter, we also signed multiple new services contracts with new and existing customers, including a 7-year operations and maintenance agreement and several site preparation and turbine refurbishment agreements through our new teams acquired with Omega and GESA.

Demand for reliable power remains high, with generation and balance of plant equipment continuing to be in short supply. Speed to compute continues to be an economic imperative for our customers, with a significant emphasis on prioritizing nearer term generation capacity. The quantum of compute the industry is looking for over time continues to outpace the availability of traditional infrastructure. Interconnection delays continue, ratepayer protection initiatives have gained momentum, and the regulatory and political environment for data centers accessing grid power is challenging. All of these factors are tailwinds for the growth of flexible, behind the meter bespoke grid power solutions like those we offer.

Solaris has a number of advantages we want to highlight.

We have high-quality customers. All of our long-term customers have investment-grade credit ratings and broad geographic footprints, giving them the flexibility to direct equipment and project development toward the most favorable locations. Our customer base is also increasingly diverse. As we look forward to when our currently contracted equipment and projects are fully operational, we estimate no one customer makes up more than 35% of our Adjusted EBITDA expectations. This combination of customer quality and diversity strengthens the durability of our cash flows.

Our most recent contract of 15 years now brings our weighted average contract tenor to approximately 11 years. The longer tenor and the quality of the counterparties provides assurance and visibility into long-term cash flows and returns on capital.

Our contractual scope also continues to grow. The bespoke nature of our grids and our ability to provide power to various locations for the long term, puts us in the position to deliver power generation, balance of plant, energy storage, fuel and fuel infrastructure, and operations and maintenance, and each added service increases our investment and return opportunity. As our customers' needs grow and the planning horizon extends, there will be an added focus on efficiency, interconnectivity and potentially other sources of generation capacity, and we will have the ability to evolve our current and future grids to fit their needs.

This is an exciting time for Solaris as we grow and transform our energy infrastructure business and continue to prove our capabilities as a leader in delivering power solutions. Importantly, we remain in active discussions with our existing and new customers to continue to expand our services, operations and turnkey power solutions businesses.

With that, I'll turn it over to Kyle.

Kyle Ramachandran, *President*

Thank you, and good morning, everyone.

Our power solutions operations and project development teams delivered a strong quarter: we increased deployment of our owned power, and we integrated two acquisitions that expand our capabilities and earnings.

Towards the end of the quarter, we energized an initial portion of two of our long-term projects. Both will contribute meaningfully to our growth over the coming quarters. At a third project, site construction remains on track, and we continue to expect to begin earning revenue on this project in the first quarter of 2027. Our recently signed 15-year contract is expected to begin energizing in the first half of 2027 and ramp through mid-2028. Across these 3+GW of currently underway projects, we expect to generate high-teens project-level returns on capital.

Executing at this pace requires solving the bottlenecks facing our industry, and the services capabilities Bill described is central to how we do that. One of the bottlenecks impacting our industry has been the availability of power generation capacity. Over the last 12 months, we have acquired an incremental 1 gigawatt of generation capacity with attractive delivery timelines, enabled by a combination of our deep industry relationships and global reach. This includes another 200 MW we have procured since our last update, which we were able to allocate under the new contract we announced last week and will start generating revenue in 2027. We currently have approximately 300 megawatts of unallocated capacity that is expected to be delivered and working under additional long-term contracts in 2029, and we have line of site to potential further capacity additions.

Human capital is another key limited resource. The acquisitions of Omega and GESA have helped us address this challenge. As we incorporated skill sets from our acquisitions and organically continued hiring and training to support our rapid growth, our headcount reached nearly 3,000 exiting the quarter. We are proactively working with trade schools, universities and trade organizations to ensure we are continually investing in growing talent.

Over time, we expect maintenance to become a potential bottleneck as well, as global power generation capacity expands. Through the acquisition of GESA, we are both derisking and we are preparing Solaris for third-party opportunities to earn revenue as the global generation installed base grows.

Our services acquisitions are performing better than anticipated, and we continue to see opportunities for additional value-add M&A. Our pipeline consists of opportunities that would help us further address the bottlenecks we have discussed or enable us to enhance efficiencies for our customers.

Outside of Power Solutions, our Logistics Solutions segment also continued to perform extremely well in the third quarter, and we expect a small increase in the fourth quarter, with momentum continuing in early 2027. The business continues to generate reliable cash flow, and that cash flow helps fund growth in our power business.

As we look forward to a strong finish to the year, we are proud of our team and the pace of our progress. We are executing on four major power contracts with investment-grade customers, we closed two acquisitions that expand our capabilities and continue to build a pipeline of value-add M&A. Meanwhile, our Logistics business continues to generate reliable cash flow that helps fund this growth. We are well positioned to build on this momentum.

With that, I'll turn the call over to Steve.

Steve Tompsett, *Chief Financial Officer*

Thank you and good morning, everyone.

Our third quarter delivered record revenue of $341 million, up 55% sequentially from the second quarter. Record Adjusted EBITDA of $136 million was up 26% sequentially, reflecting strong execution and commercial success across all business lines.

Adjusted EBITDA attributable to Solaris, excluding the EBITDA impact attributable to the non-controlling interest in our Stateline joint venture was $138 million. Net income was $35 million and adjusted pro forma net income excluding the impact of the non-owned portion of the Stateline JV was $43 million, or $0.45 per fully diluted share.

In Power Solutions, we averaged 820 megawatts of capacity earning revenue during the quarter. While our owned capacity was up 20% sequentially, the total was down 14% from the second

quarter due to the planned release of temporary third-party generation. Power Solutions segment revenue of $284 million was up 79% sequentially, and segment Adjusted EBITDA of $127 million increased 32%, driven by an increase in owned capacity and increased service revenue organically and through acquisitions.

In Logistics, we averaged 104 fully-utilized systems. Segment revenue of $57 million was down primarily due to lower last-mile transportation activity. Segment Adjusted EBITDA of $24 million was in-line with expectations and the prior quarter.

Looking ahead, we are again raising our outlook, increasing fourth quarter 2026 Adjusted EBITDA guidance to a range of $165 to $185 million, up from the prior range of $145 to $180 million. We are also increasing our first quarter 2027 Adjusted EBITDA guidance to a range of $220 to $260 million, up from $200 to $240 million, reflecting our visibility into our earnings trajectory.

Our long-term visibility has also improved. Contracted backlog now stands at over $16 billion of revenue, with a weighted-average term of 11 years. That is underpinned by 3.2 gigawatts of long-term power contracts. Together with the 300 MW of additional capacity, this gives us strong long-term earnings visibility of over $1.6 billion of annual run rate Adjusted EBITDA once all equipment is deployed under contract. Our expectations of future earnings continue to grow as our contracts expand, and we will continue to find additional opportunities.

Turning to capex, investments during the quarter totaled approximately $547 million, which was below our guidance due to timing of payments which are now expected in the fourth quarter. Overall project costs remain in-line with prior guidance, but total expected capital through 2029 has increased approximately $600 million to reflect the purchase of the additional 200 megawatts recently added as well as balance of plant required to support recent contracts.

To fund our ongoing growth, we added nearly $1.5 billion of additional liquidity to the balance sheet in October through a $1.25 billion senior unsecured notes offering and $200 million of additional bank commitments which brought total revolver capacity to $850 million. The upsized revolver is currently undrawn. With this incremental capital, we are fully funded to deliver our

contracted projects as well as the recently added capacity additions while retaining flexibility to grow opportunistically.

We continue to pair growth with capital returns. Our board approved a fourth quarter dividend of $0.12 per share. Once paid, it will represent our 33rd consecutive quarterly dividend.

Now before wrapping up, I'd like to share a leadership update. Our Chief Accounting Officer, Chris Wirtz, will soon transition to a new role as Vice President, Special Projects. In this new role, Solaris will continue to benefit from Chris's knowledge and experience while allowing him greater personal flexibility. On behalf of everyone at Solaris, I want to thank Chris for all he has done, and we are pleased that he will continue to be a valuable member of our accounting team. Joining us later this month as the new Chief Accounting Officer will be Jake Gobar, who brings more than 20 years of accounting and business expertise to the team. We look forward to welcoming Jake.

Looking ahead, our focus is on contract execution, continued growth of the business, and maximizing returns on capital. Over the coming quarters, our long-term projects will continue to ramp, and our services business will continue to grow. This underpins our raised guidance and our path to approximately $1.6 billion of run-rate Adjusted EBITDA.

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