

SHOALS

TECHNOLOGIES GROUP, INC.

First Quarter 2021 Update

DISCLAIMER

Forward-Looking Statements and Other Information

This presentation contains forward-looking statements, as the term is used within federal securities law. All statements other than those of historical fact which appear in this presentation, including (without limitation) statements regarding the Company's possible or assumed future results of operations, business strategies, technology developments, financing and investment plans, dividend policy, competitive position, industry and regulatory environment, potential growth opportunities and the effects of competition are forward-looking statements. Additional indicators that a statement is forward-looking may include the use of descriptors or qualifiers, such as: "anticipate," "believe," "could," "seek," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "will," "would" or similar expressions and the negatives of those terms.

The following is a summary of some of the material risks and uncertainties that could materially adversely affect Shoals Technologies Group, Inc.'s (the "Company's) business, financial condition and results of operations. You should read this summary together with the more detailed description of each risk factor contained in the Company's Annual Report on Form 10-K. (i) demand for solar energy projects does not continue to grow or grows at a slower rate than we anticipate, our business will suffer: (ii) existing electric utility industry policies and regulations, and any subsequent changes, may present technical, regulatory and economic barriers to the purchase and use of solar energy systems that may significantly reduce demand for our products or harm our ability to compete; (iii) our industry has historically been cyclical and experienced periodic downturns; (iv) if we fail to, or incur significant costs in order to, obtain, maintain, protect, defend or enforce our intellectual property and other proprietary rights, our business and results of operations could be materially harmed; (v) if we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed; (vi) if our trademarks and trade names are not adequately protected, we may not be able to build name recognition in our markets of interest, and our competitive position may be harmed; (vii) we may need to defend ourselves against third-party claims that we are infringing, misappropriating or otherwise violating others' intellectual property rights, which could divert management's attention, cause us to incur significant costs, and prevent us from selling or using the technology to which such rights relate; (viii) we may experience delays, disruptions or quality control problems in our manufacturing operations; (ix) the interruption of the flow of components and materials from international vendors could disrupt our supply chain, including as a result of the imposition of additional duties, tariffs and other charges on imports and exports; (x) we face risks related to actual or threatened health epidemics, such as the COVID-19 pandemic, and other outbreaks, which could significantly disrupt our manufacturing and operations; (xi) the viability and demand for solar energy and the demand for our products are impacted by many factors outside of our control, which makes it difficult to predict our future prospects; (xii) a loss of one or more of our significant customers, their inability to perform under their contracts, or their default in payment could harm our business and negatively impact revenue, results of operations and cash flow; (xiii) the reduction, elimination or expiration of government incentives for, or regulations mandating the use of, renewable energy and solar energy specifically could reduce demand for solar energy systems and harm our business; (xiv) a drop in the price of electricity sold may harm our business, financial condition, results of operations and prospects; (xv) an increase in interest rates, or a reduction in the availability of tax equity or project debt capital in the global financial markets could make it difficult for end customers to finance the cost of a solar energy system and could reduce the demand for our products; (xvi) defects or performance problems in our products could result in loss of customers, reputational damage and decreased revenue, and we may face warranty, indemnity and product liability claims arising from defective products; and (xvii) certain provisions in our certificate of incorporation and our bylaws that may delay or prevent a change of control or changes in our management.

These forward-looking statements are only predictions. They relate to future events, performance, and variables, and involve risks and uncertainties both known and unknown. It is possible that levels of activity, performance or achievements will materially differ from what is implied by the forward-looking statements contained within this presentation and associated materials and explication. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, you should not rely on these forward-looking statements as guarantees of future events, or implications of certainty. The forward-looking statements in this presentation represent the Company's expectations as of the date the presentation was created. The Company anticipates that subsequent events and developments will cause its expectations to change. The Company undertakes no obligation to update any forward-looking statement to reflect events or developments after the date on which the statement is made or to reflect the occurrence of unanticipated events except to the extent required by applicable law. You should, therefore, not rely on these forward-looking statements as representing the Company's views as of any date after the date of this presentation.



DISCLAIMER

Non-GAAP Financial Information

This presentation includes unaudited financial measures that exclude items and therefore are not in accordance with U.S. generally accepted accounting principles ("GAAP"), including Adjusted EBITDA and Adjusted Net Income.

The Company presents Adjusted EBITDA and Adjusted Net Income as supplemental measures of its performance. The Company defines Adjusted EBITDA as net income plus (i) interest expense, net, (ii) depreciation expense, (iii) amortization of intangibles, (iv) equity based compensation, (v) COVID-19 expenses, (vi) founder expenses and (vii) non-recurring and other expenses. The Company defines Adjusted Net Income as net income plus (i) amortization of intangibles, (ii) equity based compensation, (iii) COVID-19 expenses, (iv) founder expenses and (v) nonrecurring and other expenses.

The Company presents non-GAAP measures when it believes that the additional information is useful and meaningful to investors. Non-GAAP financial measures do not have any standardized meaning and are therefore unlikely to be comparable to similar measures presented by other companies. The presentation of non-GAAP financial measures is not intended to be a substitute for, and should not be considered in isolation from, the financial measures reported in accordance with GAAP. 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.



MANAGEMENT PRESENTERS



JASON WHITAKERPresident and CEO

20+ years of management and operational experience in manufacturing companies

Previously served as Shoals' Chief Technology Officer

Bachelor of Science in Mechanical Engineering from Tennessee Technological University



PHILIP GARTON
Chief Financial Officer

33 years of executive-level finance experience, including 19 years as the CFO for five private equity owned companies

Certified Public Accountant and Chartered Global Management Accountant

Doctor of Business Administration from the University of Florida, MBA from Cornell University, as well as MBA, BBA and BA from Southern Methodist University



Jeff Tolnar
SVP - EV Solutions

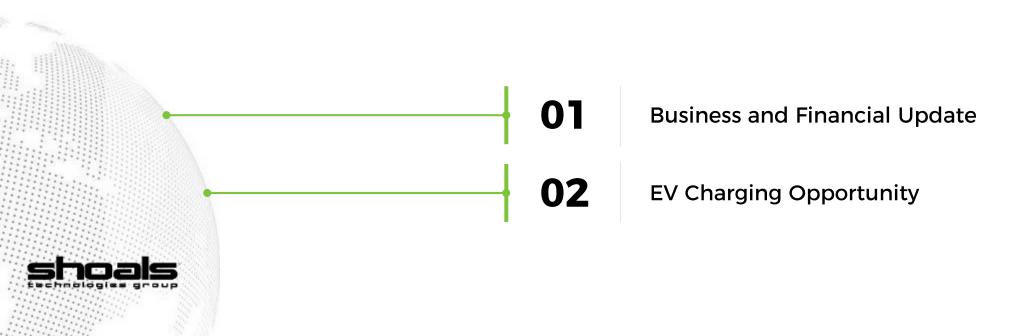
25 years of technology, energy and electric mobility executive experience

Previously Chief Commercial Officer for Shell | Greenlots and prior to that President of Software Solutions for Honeywell Homes & Buildings Technology

Bachelor of Science in Electrical Engineering Technology from Youngstown State University and MBA from Baker University



AGENDA







SHOALS BUSINESS UPDATE

Record 2020

Full year revenues and adjusted EBITDA up 21% and 66%, respectively(1)

Continued Momentum in Q1

System Solutions revenues up 46% versus prior year(2)

BLA Gaining Share

Converted 4 additional EPCs and developers to combine-as-you-go / BLA since January

Strong 2021 Order Book

Backlog and awarded orders up 42% versus prior year⁽³⁾

Mix Shift Driving Higher Margins

Gross margin increased 635 bps versus prior year to 41%, reflecting an increase in Systems Solutions revenues⁽⁴⁾

New Product Introductions on Schedule

IV Curve Benchmarking and Wire Management products currently testing with customers and on track for revenues in Q4

Accelerating EV Charging Market Entry Plans

Accelerating EV charging product launch from 2022 to Q4-2021

⁴⁾ Based on gross margins of 41.2% for the period ended March 31, 2021 compared with gross margins of 34.8% for the period ended March 31, 2020.



Based on revenues and adjusted EBITDA for the period ended December 31, 2020 of \$175.5 million and \$60.9 million, respectively, compared with revenues and adjusted EBITDA of \$144.5 million, respectively, for the period ended December 31, 2019. See Appendix for reconciliation of non-CAAP measures

⁽²⁾ Based on System Solutions revenues of \$33.4 million for the period ended March 31, 2021 compared with System Solutions revenues of \$22.8 million for the period ended March 31, 2020.

SOLAR MARKET GROWTH IS ACCELERATING

IHS has raised their estimate for 2021 to 2023 installations by over 30%⁽¹⁾

- LCOE continues to fall and solar is becoming the preferred source of generation in many geographies
- Expanding corporate sustainability mandates are creating incremental demand
- Two year ITC extension expanded universe of viable projects significantly
- Utilities responding to anticipated regulatory action by proactively procuring more renewables
- (1) Based on the change in cumulative installation forecast for the period 2021 through 2023.
- (2) IHS Markit PV Installations Tracker Q2-2020, June 2020 and Global PV Tracker Report, June 2020. Based on forecast of large commercial, small utility-scale and large utilityscale PV solar installations
- (3) IHS Markit PV Installations Tracker Q4-2020, January 2021. Based on forecast of large commercial, small utility-scale and large utility-scale PV solar installations.

\$ shoals

U.S. Ground Mounted PV Installations Over 1 MW (MW)



June 2020 Forecast⁽²⁾

January 2021 Forecast⁽³⁾

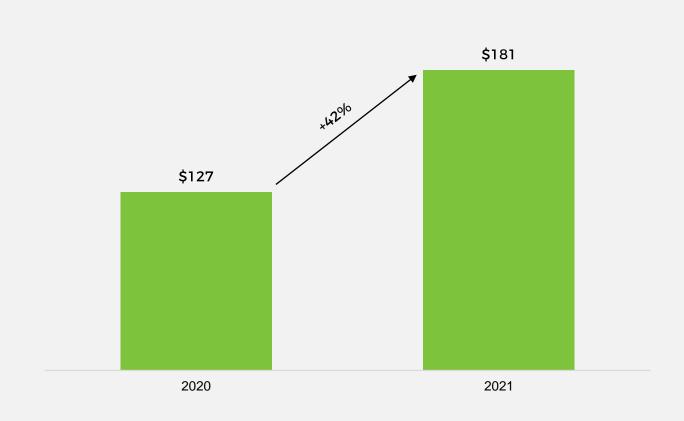
STRONG START TO 2021

First quarter quotes up 50% yearover-year

Average project size up ~25%

Backlog and awarded orders up 42% from the same time last year and up 15% from year end 2020

Backlog and Awarded Orders as of March 31st (\$mm)⁽¹⁾

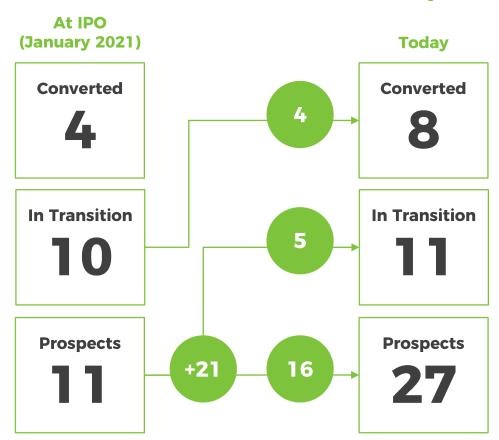


Backlog defined as signed purchase orders and take or pay contracts with volume commitments. Awarded orders defined as orders where we are in the process of documenting a contract but for which a contract has not yet been signed.



BLA CONTINUES TO GAIN SHARE

Major EPCs and Developers(1)

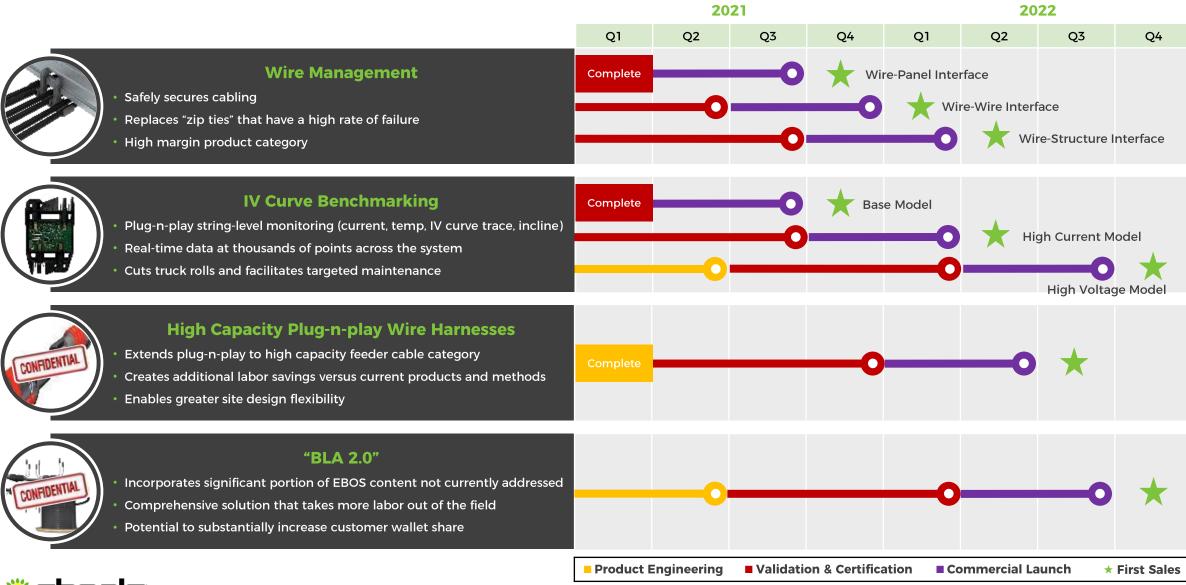


Highlights

- Doubled number of major EPC and developer customers in less than 3 months
- Converted two top solar EPCs during Q1
- Converted two top independent solar developers during Q1
- 21 new prospects identified since January with 5 placing orders within 90 days of first sales interaction
- Two international customers currently in-transition
- Prospecting additional six international customers

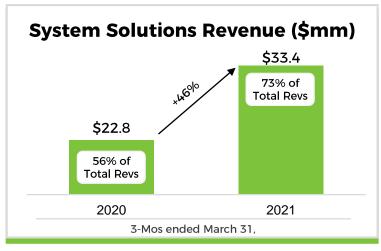


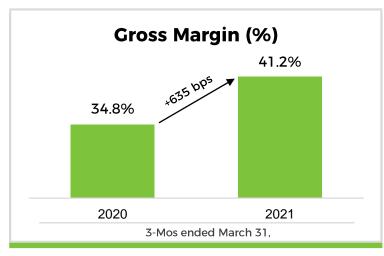
NEW PRODUCT INTRODUCTIONS ARE ON SCHEDULE

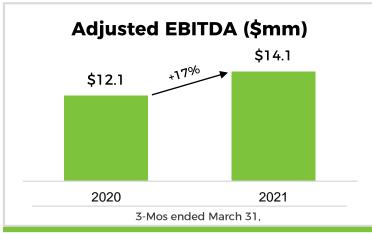


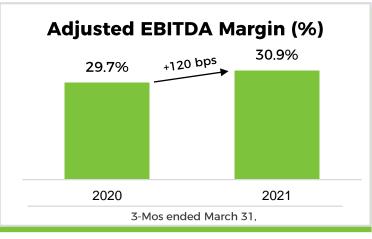
FIRST QUARTER FINANCIAL SNAPSHOT

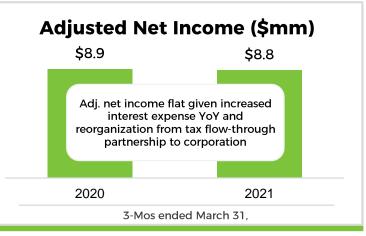










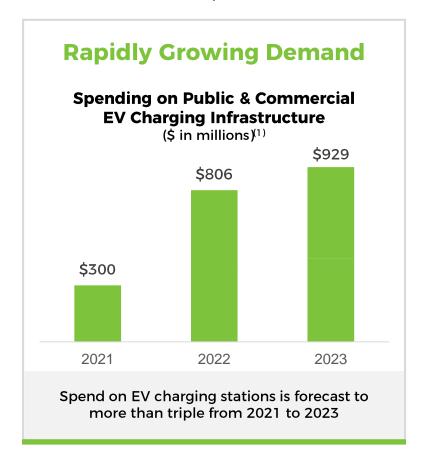


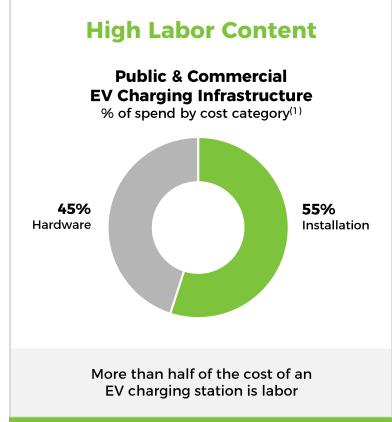
Note: See Appendix for reconciliation of non-GAAP measures.





EV CHARGING IS A STRONG MARKET FOR SHOALS





Inefficient Means & Methods

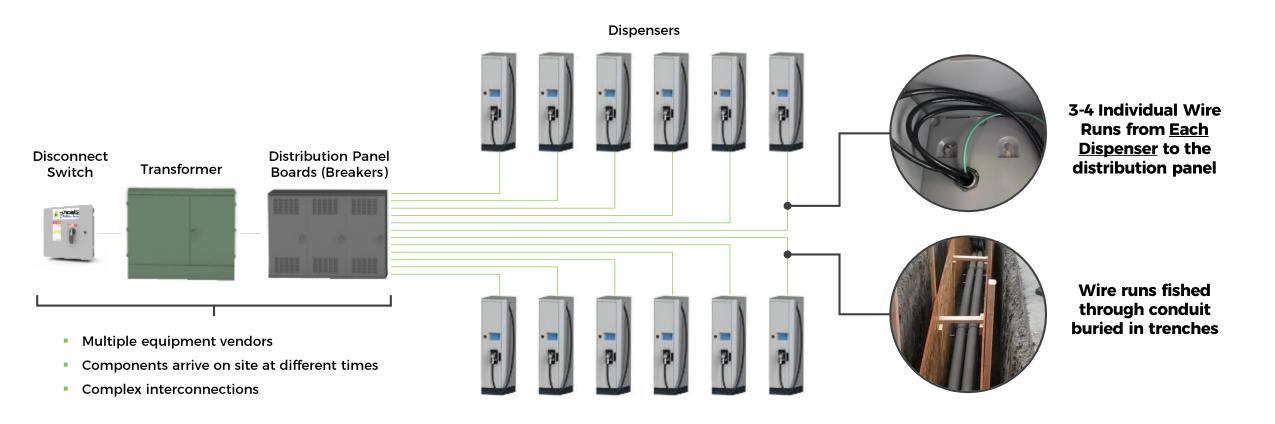
- Duplicative homeruns
- Expensive trenching / boring
- Wire run in underground conduit
- Fabrication of components in the field
- Complex interconnection of components
- Skilled labor and special tools

Time consuming and costly means and methods that require skilled labor

(1) Based on BloombergNEF Charging Infrastructure Forecast Model (CIFM 1.0.1), January 2021.



CONVENTIONAL EV CHARGING SYSTEMS



Commercial EV chargers require multiple components, often from different suppliers

Every dispenser is individually connected to the distribution panel with three to four homeruns

Wire runs are made through underground conduit that requires trenching across the site



SHOALS EV CHARGING SYSTEM SOLUTIONS

Shoals initial EV charging product line will include four product families introduced in two phases

01 SKID SOLUTIONS (PHASE I)



- Prefabricated pug-n-play transformer and distribution panel skids
- All components installed in the factory
- Modular Interlocking system
- Drastically reduces site preparation and installation time

02 RACEWAYS



03 EV-BLA (PHASE II)

- Trunk bus solution similar to solar BLA
- Eliminates individual homeruns from each dispenser
- Above-ground installation
- Reduces wire runs by up to 75%
- Utilizes plug-n-play connectors

- Above ground cable trays that eliminate the need for trenching
- Compatible with both conventional cabling and EV-BLA



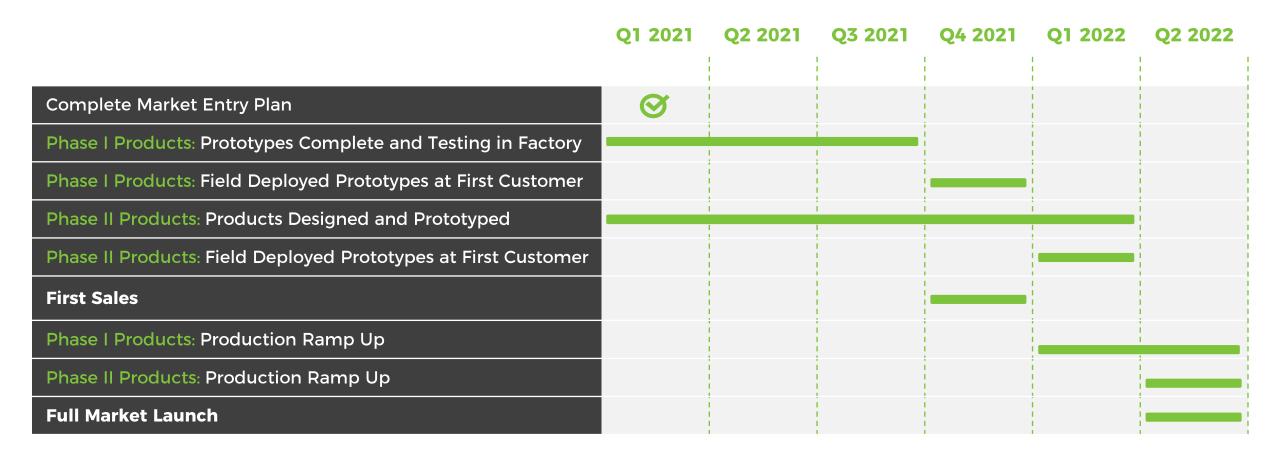
04 QUAD CHARGER (PHASE I)

- Prefabricated skidded dispenser with four charge points
- Designed to install at the intersection of four parking spots
- Reduces placement (fewer pads), cabling and interconnection costs
- Ideal solution for fleets

Targeting 20-30% reduction in installed cost versus conventional solutions



EV BUSINESS MARKET ENTRY TIMELINE



Accelerating EV charging product launch from 2022 to Q4-2021



GO-TO-MARKET STRATEGY LOW OPEX-HIGH COVERAGE SALES MODEL

Target Customers

Engineering Procurement Companies (EPCs)

Charge Point Operators (CPOs)

Description

- Design and install EV charging stations
- Often responsible for purchasing system components
- Strong desire to reduce time-on-site and labor costs
- Several are already Shoals solar customers
- Own and operate charging stations
- Maintain approved equipment vendor lists
- Strong desire to reduce installed cost of charging stations
- Strong desire to reduce ongoing maintenance costs of charging stations

Limited investment in sales resources required to achieve broad market coverage



EV BUSINESS POTENTIAL

	YE2021	YE2025
Number of Addressable Chargers in the U.S. (Points) ⁽¹⁾	233,273	489,697
Points Added in the U.S. During 2022 Through 2025 ⁽¹⁾		256,424
Average Shoals Addressable Spend per Point(2)		\$5,000
Implied 2022-2025 U.S. Market Opportunity		\$1.3B

Bloomberg forecast prepared prior to Biden administration's announcement of new incentives for EVs and EV infrastructure

EV Charging solutions can be a significant business for Shoals

(2) Shoals management estimate.



⁽¹⁾ Based on BloombergNEF Charging Infrastructure Forecast Model (CIFM 1.0.1), January 2021. Assumes all U.S. chargers except Home chargers are addressable by Shoals equipment.



RECONCILIATION OF NON-GAAP MEASURES

Three Months Ended March 31,

·		2021		2020	
Reconciliation to Adjusted EBITDA					
Net Income	\$	(8,334)	\$	9,295	
Interest Expense	·	3,709	·	272	
Income tax expense		(1,475)		-	
Depreciation expense		405		326	
Amortization of intangibles		1,996		1,996	
Loss on debt repayment		15,990		-	
Equity-based compensation		1,392		-	
COVID-19 expenses ⁽¹⁾		55		-	
Non-recurring and other expenses ⁽²⁾		339		182	
Adjusted EBITDA	\$	14,077	\$	12,071	
Reconciliation to Adjusted Net Income					
Net income (loss) attributable to Shoals Technologies Group, Inc.	\$	(2,859)	\$	9,295	
Net income (loss) impact from pro forma conversion of Class B common shares					
to Class A common shares(3)		(5,475)		-	
Adjustment to the provision for income tax ⁽⁴⁾		1,134		(2,072)	
Tax effected net income (loss)		(7,200)		7,218	
Amortization of intangibles		1,996		1,996	
Amortization of deferred finance fees		370		9	
Loss on debt repayment		15,990		-	
Equity-based compensation		1,392		-	
COVID-19 expenses(1)		55		-	
Non-recurring and other expenses ⁽²⁾		339		182	
Tax impact of adjustments ⁽⁵⁾		(4,171)		(475)	
Adjusted Net Income	\$	8,771	\$	8,930	

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, premium pay during the pandemic to hourly workers and direct legal costs associated with the pandemic. Represents certain costs associated with non-recurring professional services, Oaktree's expenses and other costs.

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



Reflects net income (loss) to Class A common shares from pro forma exchange of corresponding shares of our Class B common shares held by our founder and management.

Shoals Technologies Group, Inc. will be subject to U.S. Federal income taxes, in addition to state and local taxes with respect to its allocable share of any net taxable income of Shoals Parent, LLC. The adjustment to the provision for income tax reflects the effective tax rates below, assuming Shoals Technologies Group, Inc. owns 100% of the units in Shoals Parent, LLC.