



# Acquisition of Mobile Energy Rentals

July 9, 2024



**SOI**  
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**NYSE**



# Transaction Overview

## Mobile Energy Rentals Overview (“MER”)

- Premier provider of distributed power solutions serving the energy and commercial & industrial end-markets
- Current fleet of mission-critical distributed power equipment is fully-utilized
- Fleet scaling from 153 MW today to 478 MW by the end of Q3 2025 via purchase orders for new generation assets from Solar Turbines
- Purchase multiple of ~4.0x contracted run-rate Adjusted EBITDA<sup>1</sup>



<b>Purchase Price</b>	\$200 million
<b>Consideration</b>	\$140 million in Solaris equity (~16.5 million Class B shares) plus \$60 million in cash
<b>Financing</b>	\$300 million in committed financing from Banco Santander, Texas Capital Securities, and Woodforest National Bank <ul style="list-style-type: none"> <li>• \$250 million + \$50 million delayed draw</li> </ul>
<b>Investment Plan</b>	~\$308 million on-order to purchase 358 MW of Solar mobile turbines to be delivered through the end of Q3 2025 <sup>2</sup>
<b>Closing</b>	Expected end of Q3 2024, subject to shareholder vote, regulatory approvals, and other customary closing conditions
<b>Pro Forma Ownership</b>	Management, insiders, and MER’s founders and management team will collectively own >50% of Solaris post-close
<b>New Company Name</b>	At closing, SOI name to be changed to Solaris Energy Infrastructure, Inc. (NYSE: SEI) to reflect the Company’s evolution

(1) Adjusted EBITDA defined as EBITDA plus stock-based compensation and other non-cash items.

(2) 33 MW of investment plan purchases have been paid for and received to-date.



## Transaction Highlights and Strategy



### Scale, End-Market Diversity and Contractual Profile

- Leverage to high-growth end-markets, including data centers, other commercial & industrial applications and energy (upstream, midstream and downstream)
- Pro forma business mix expected to be >50% distributed power infrastructure



### Compelling Valuation and Capital Redeployment Opportunity

- Upfront purchase multiple and primary capital investment drive return opportunity
- Reinvesting Solaris' cash flow to fund turbine fleet expansion



### Experienced and Aligned Management Team

- MER team will integrate with Solaris, leveraging their long and successful track-record
- MER team will own in aggregate ~27% of Solaris pro forma, enhancing shareholder alignment
- Similar cultures and business philosophies



### Synergies with Our Business

- Synergies include Solaris' engineering, manufacturing, and field service support functions
- Ability to leverage Solaris' existing corporate and other support infrastructure



### Committed to Growing Shareholder Value

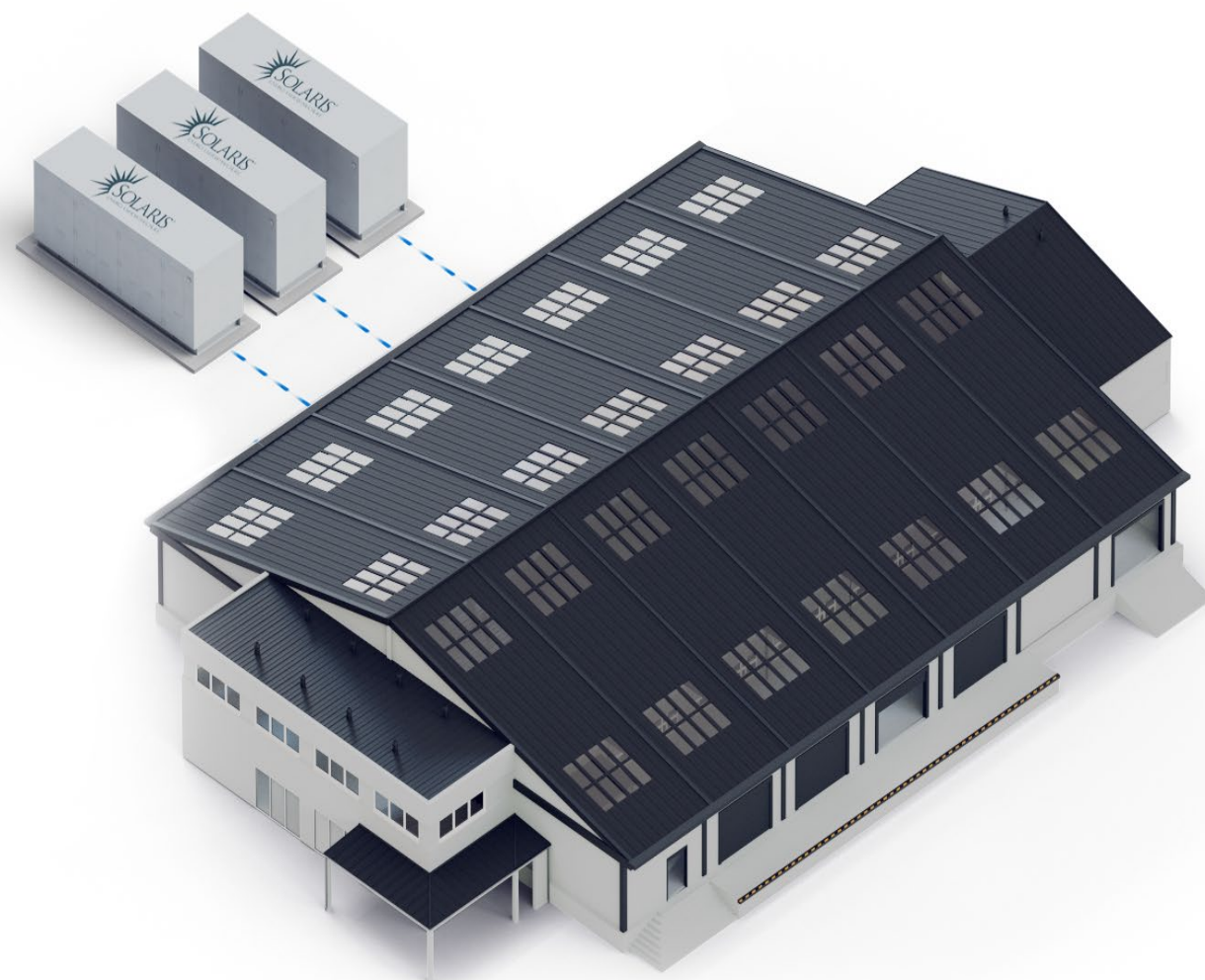
- Conservative pro forma financial profile, with <2.0x leverage at closing<sup>1</sup> with further deleveraging as new equipment is placed into service
- Continue to prioritize shareholder returns through dividends and buybacks

(1) Based on run-rate Adjusted EBITDA for Solaris + MER.

# Distributed Power Can Address Demand Growth Bottlenecks

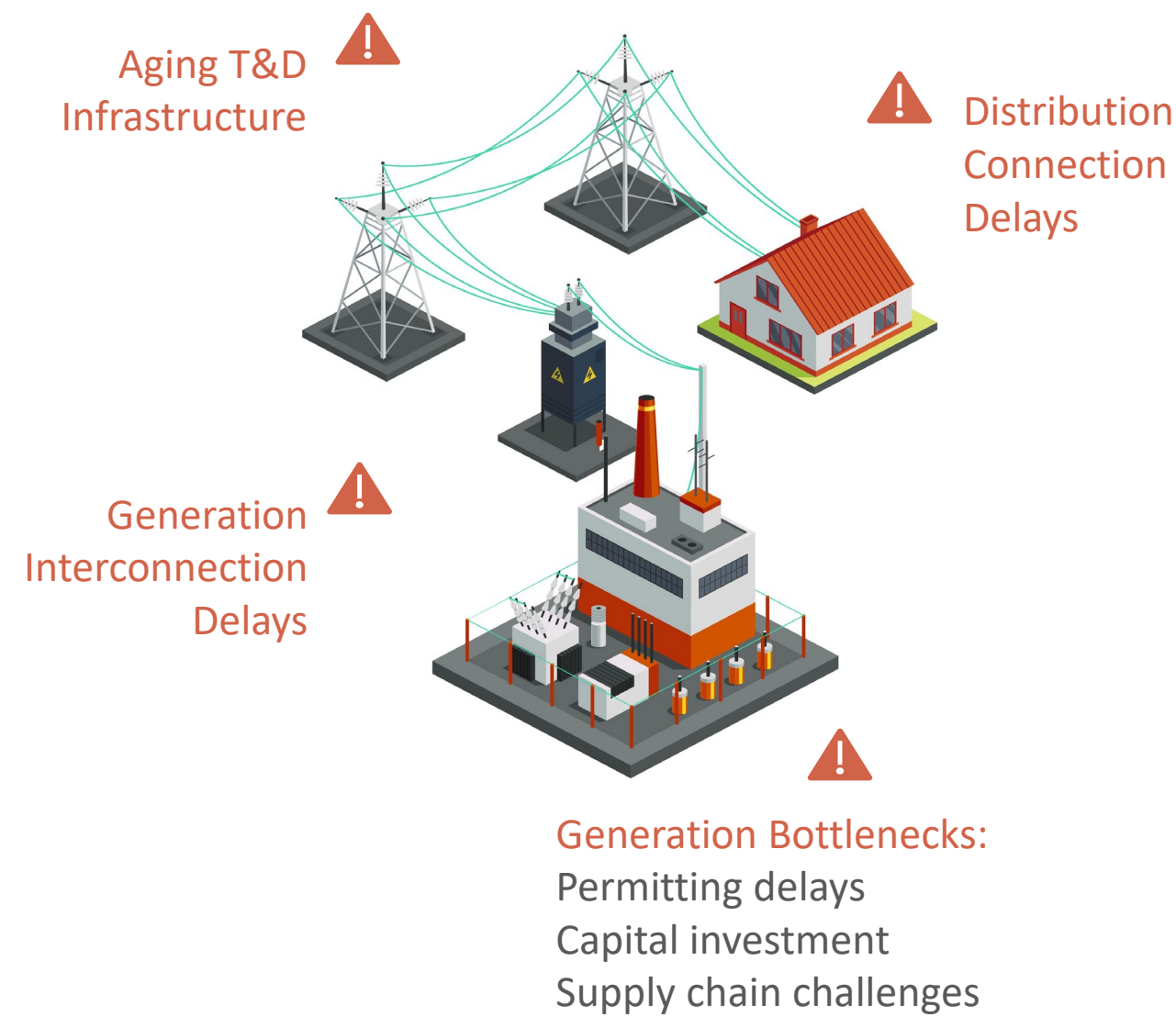
Grid constraints lead to multiple points of opportunity along the value chain

**Onsite Distributed Power – Fast, Reliable, and Efficient Primary & Backup Solution**



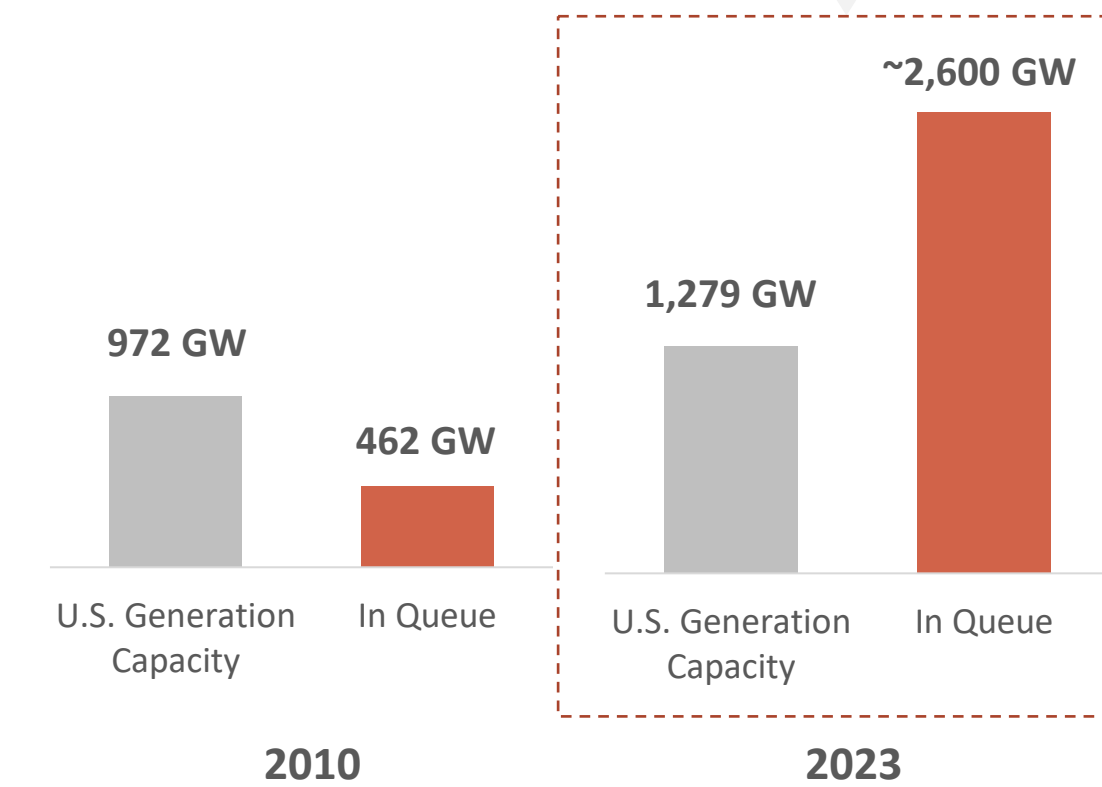
**VS.**

**Reliance on Grid Alone can be Challenging; High Disruption/Delay Risk**



**The lead time to procure utility power for new hyperscale data centers across 22 U.S. markets ranges from 2.5 to 7 years<sup>(1)</sup>**

**Capacity waiting for grid connectivity up 30% in 2023 YoY, and ~six-fold since 2010<sup>2</sup>**

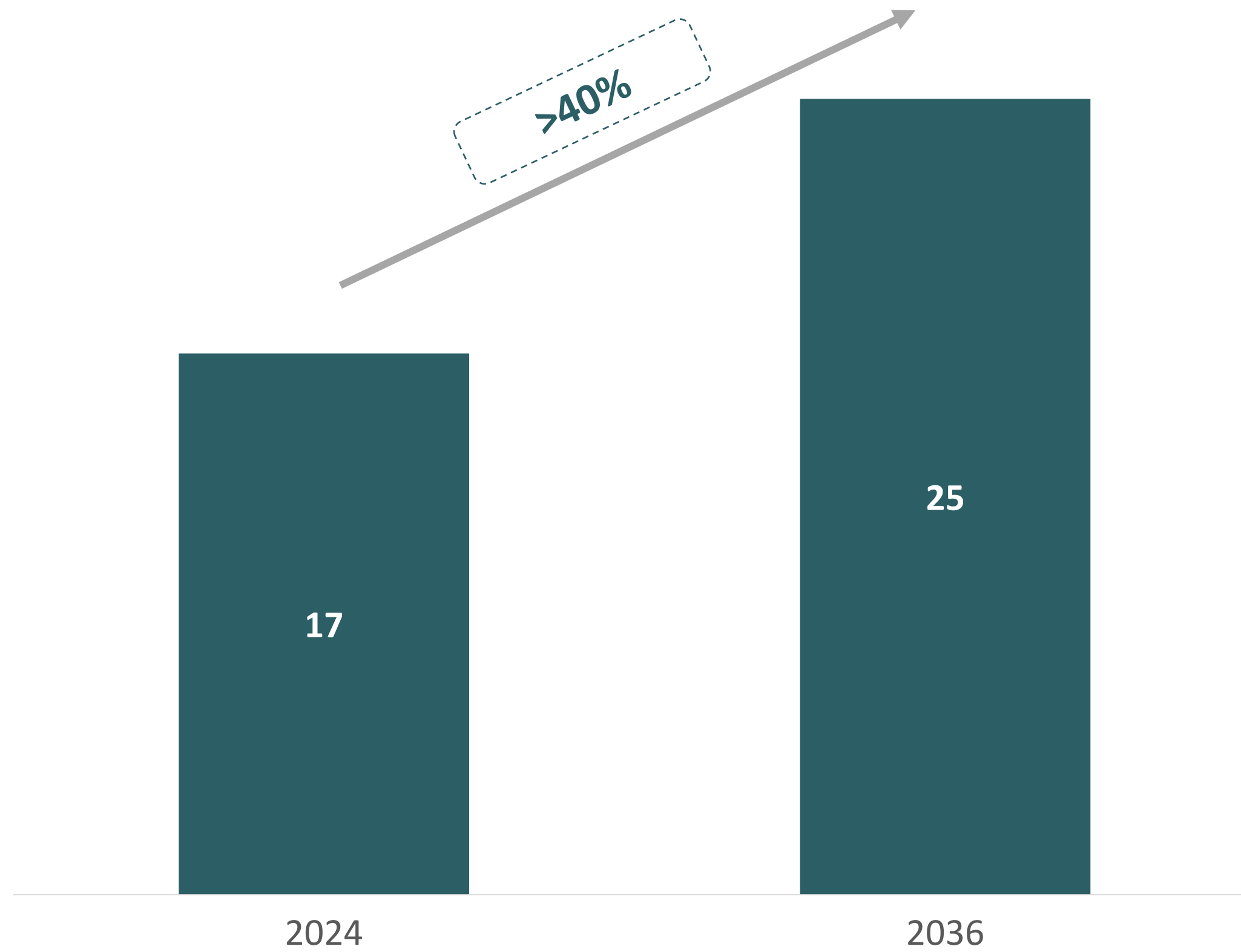


(1) TD Cowen research report “Data Centers, Generative AI & Power Constraints: The Path Forward” dated May 28, 2024.  
 (2) Lawrence Berkley National Laboratory report “Queued Up: 2024 Edition” dated April 2024.

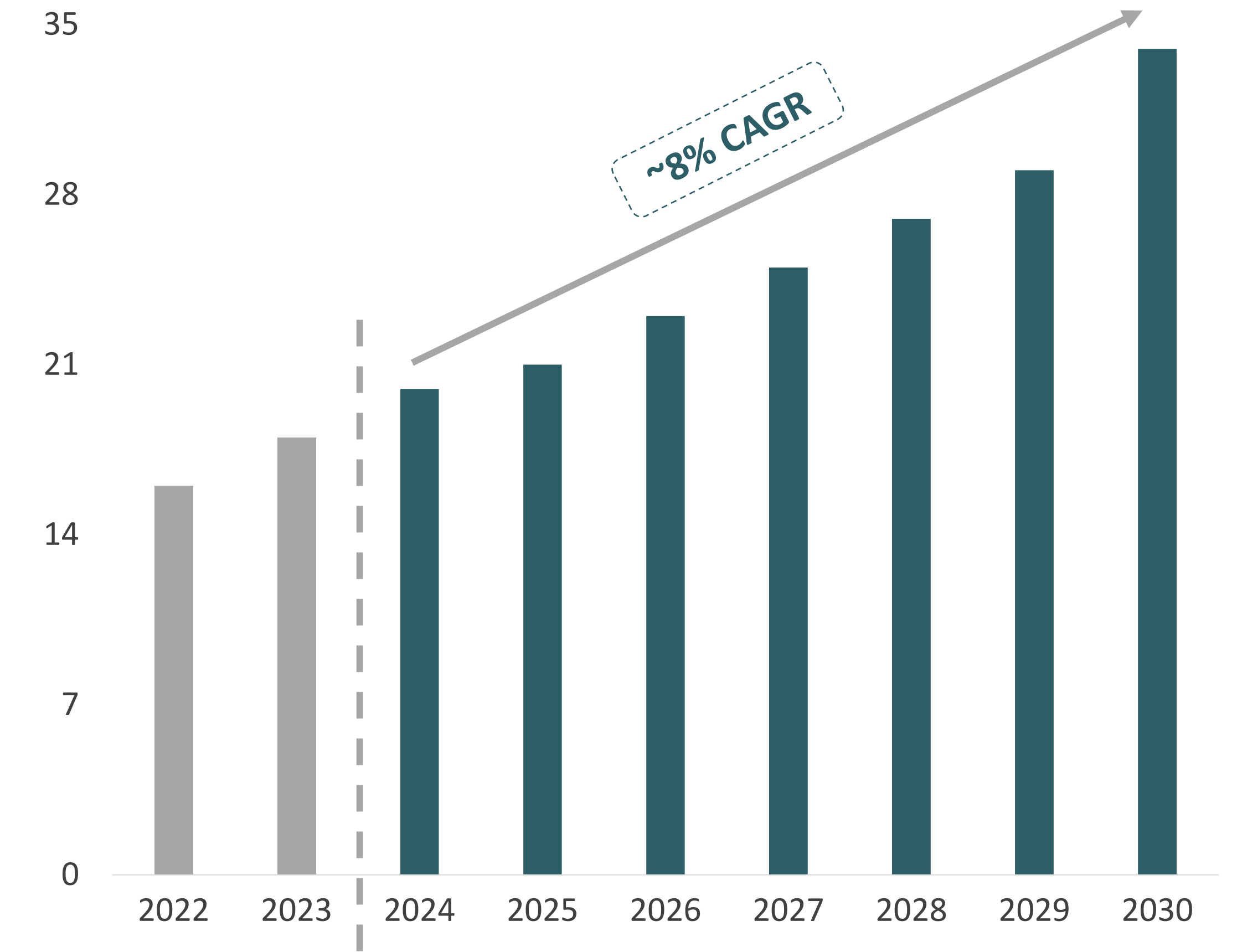


# Distributed Power Solutions Serve Fast Growing End-Markets

Permian Power Demand to Grow ~5 GW Over Next Decade<sup>(1)</sup>  
(GW)



U.S. Power Consumption Demand by Data Centers<sup>(2)</sup>  
(GW)



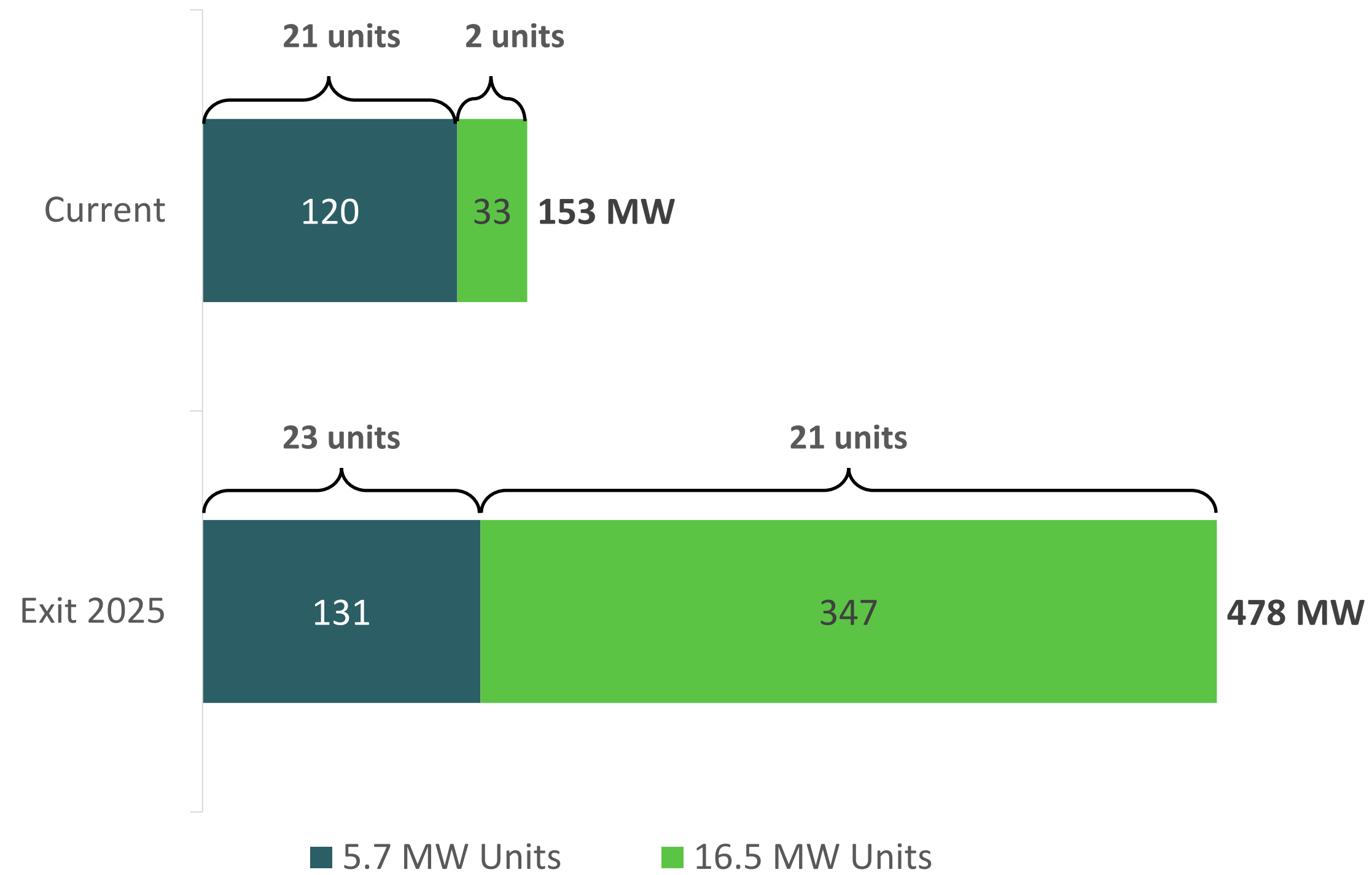
(1) S&P Global report “Electrifying the Permian Basin” prepared for ERCOT planning committee, dated March 22, 2023.

(2) McKinsey & Company article “Investing in the rising data center economy”, dated January 17, 2023.

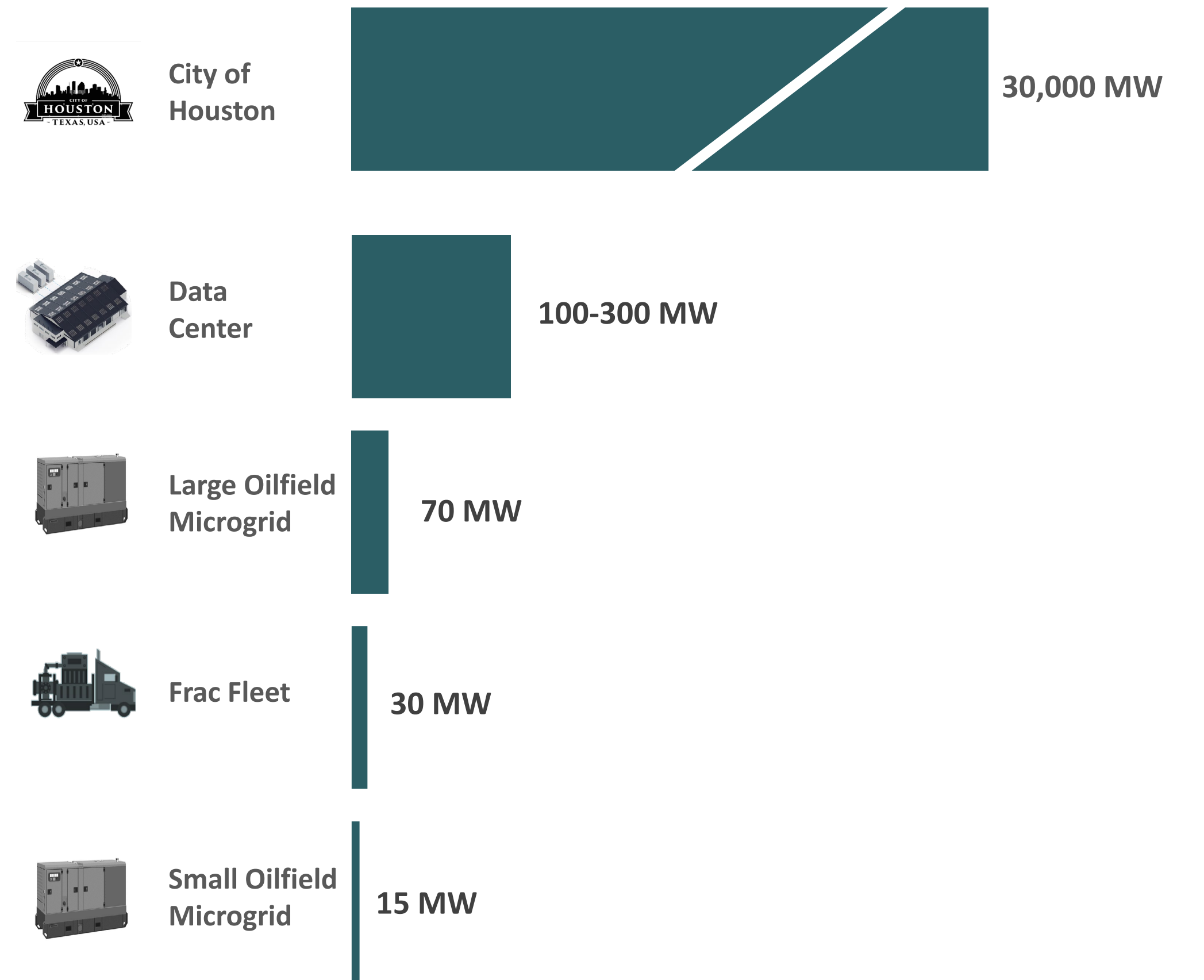


# MER Fleet Overview and Expansion Plan

MER has secured additional supply of mobile generation equipment



Illustrative scale of power end-markets

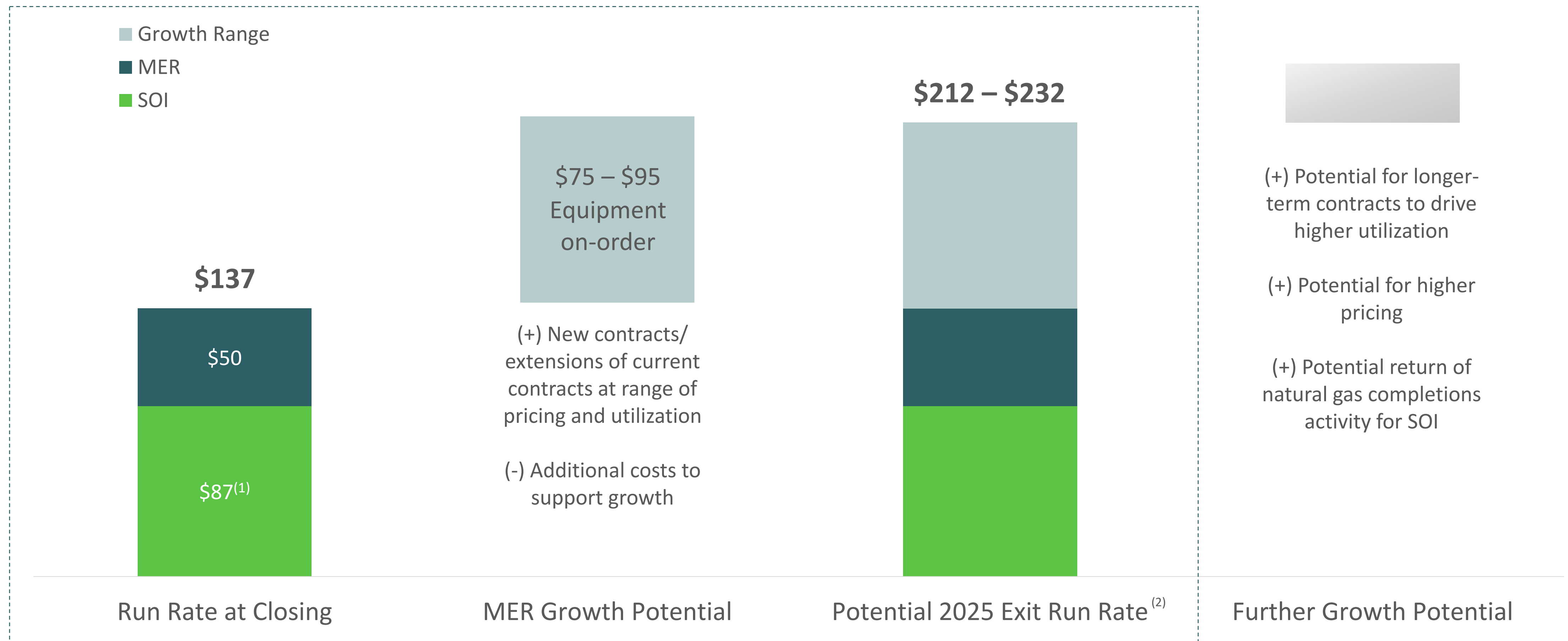




# Compelling Value Creation Opportunity

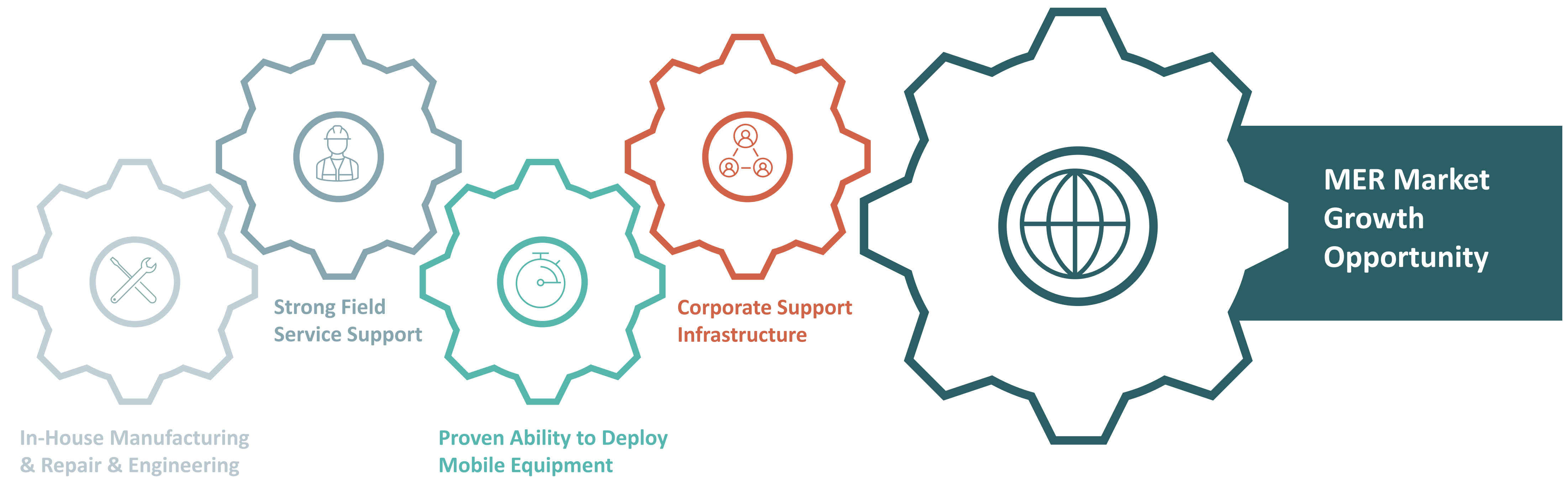
## Illustrative Range of Pro Forma Exit 2025 Adjusted EBITDA Outcomes

(\$ millions)



(1) 1H 2024 annualized Adjusted EBITDA.  
 (2) Estimated full-year EBITDA following completion of investment plan.

## Solaris' Scale and Infrastructure Position MER for Rapid Growth







# Sources & Uses and Capital Priorities

## Illustrative Transaction Sources & Uses (\$mm)<sup>1</sup>

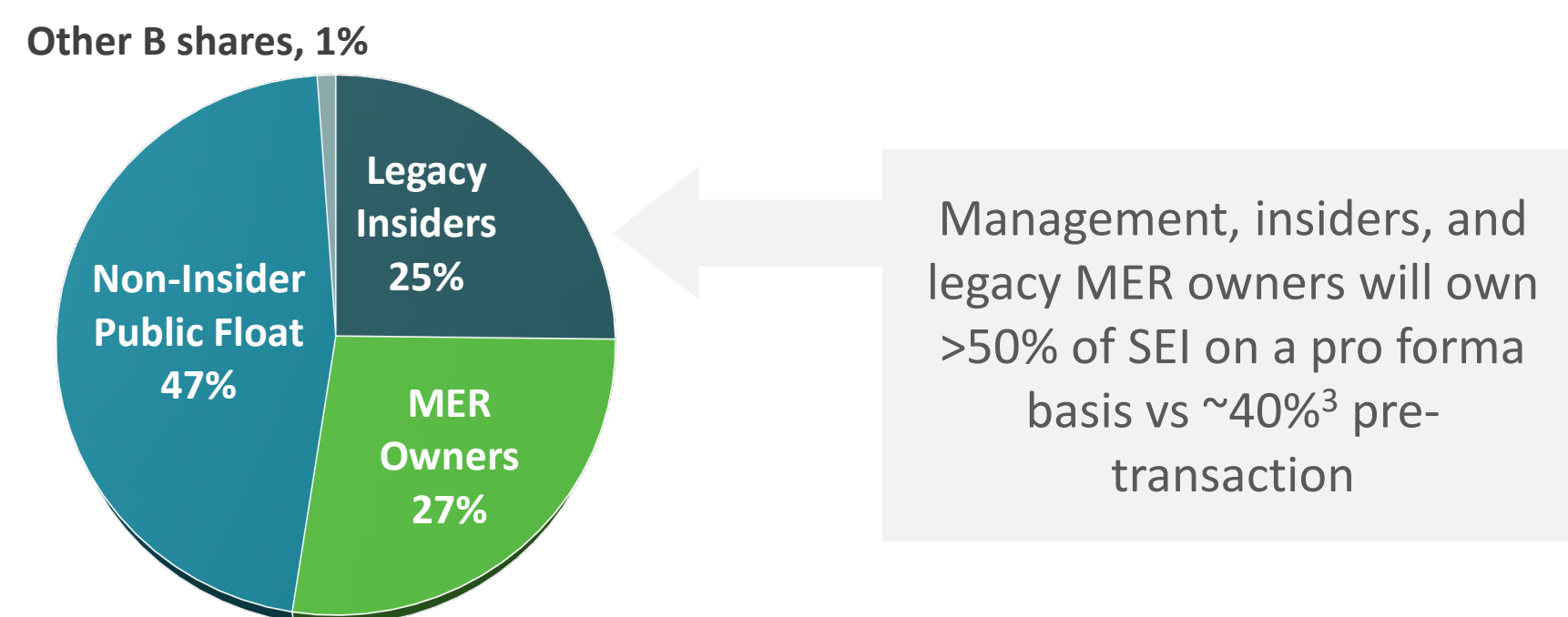
### At Closing

<u>Sources</u>		<u>Uses</u>	
Debt Financing	\$250	Solaris Shares Issued to MER Owners	\$140
Solaris Shares Issued to MER Owners	140	Cash to MER Owners	60
		<b>Purchase Price</b>	<b>\$200</b>
		Est. Growth Capital Reimbursement	175
		Fees <sup>2</sup>	15
<b>Total Sources</b>	<b>\$390</b>	<b>Total Uses</b>	<b>\$390</b>

### Post-Closing

<u>Sources</u>		<u>Uses</u>	
Additional Debt Financing and Cash Flow from Operations	\$134	Additional Growth Capital Spending	\$134
<b>Total Sources</b>	<b>\$134</b>	<b>Total Uses</b>	<b>\$134</b>

## Pro Forma Equity Ownership (Class A + B Shares)



(1) Assumes a closing on or before September 30, 20224.  
 (2) Includes estimated transaction expenses and financing fees.  
 (3) Includes SOI employees and Yorktown's ownership as of June 2024.

## Capital Allocation Priorities



### Balance Sheet

- Targeting leverage of <2.0x post-close



### Organic Investment

- Reinvest free cash flow into additional mobile generation assets at attractive returns and contractual profiles



### Shareholder Returns

- Maintain current \$0.48/share annualized dividend
- Opportunistic share repurchases (\$15mm remaining in current authorization)



### Inorganic Investment



# Renaming as Solaris Energy Infrastructure, Inc.

NYSE: SEI

Providing distributed power to diverse and growing end-markets and all-electric material handling equipment to the oilfield

## Combined **End-Market Exposure Opportunities**

### Oilfield

Upstream

Midstream

Downstream

### Commercial & Industrial

Data Centers

Utilities

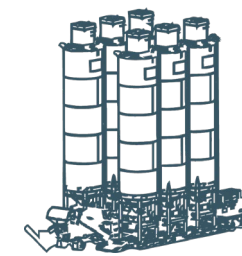
Manufacturing

Healthcare

Grocery

Hospitality

## Combined **Mobile Product Offering**



Electric Sand & Fluid Handling Equipment



16.5 MW Power Generation



Small Scale Diesel Power Generators

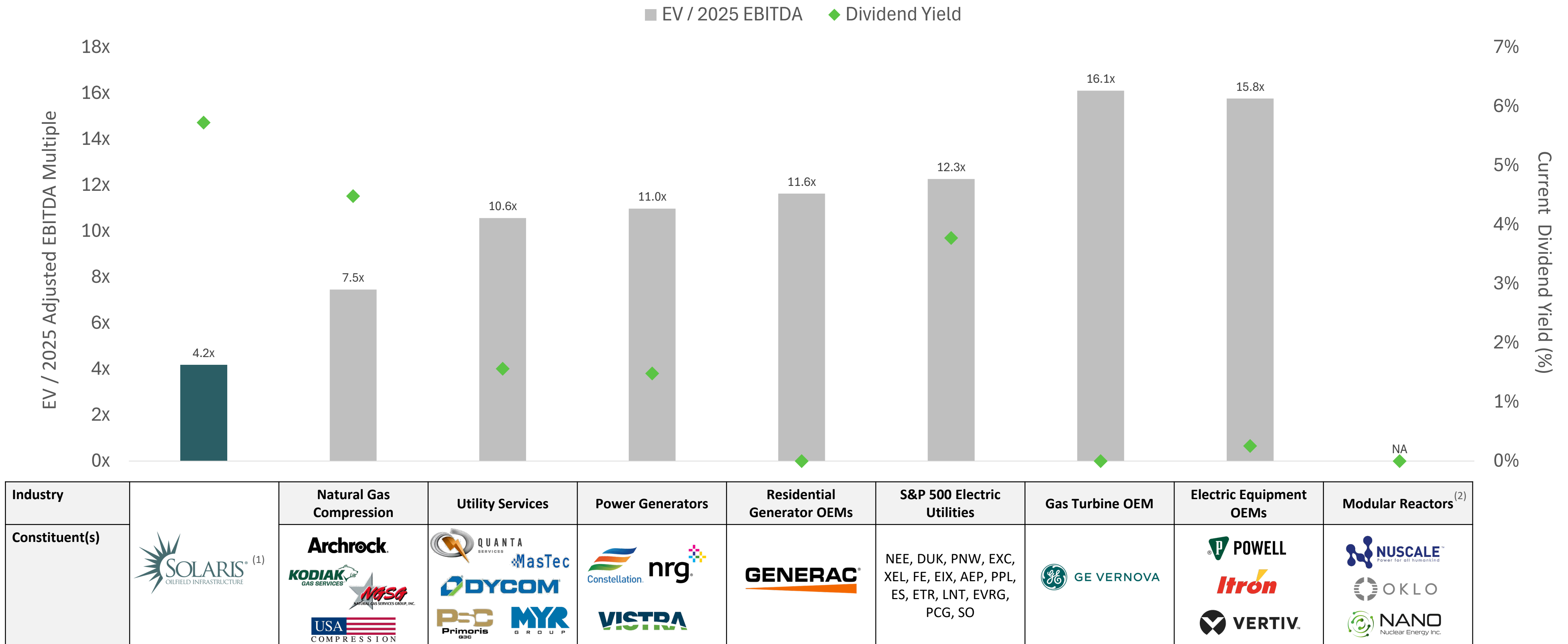


5.7 MW Power Generation



# Combined Company Presents a Unique and Attractive Way to Play Electrification

Selected Publicly-Traded Comparables: EV / 2025 Consensus Adjusted EBITDA Multiple and Current Dividend Yield (As of July 5, 2024)



Source: Bloomberg.

(1) Solaris multiple represents current EV and 1H 2024 annualized Adjusted EBITDA.

(2) Each peer has negative Adjusted EBITDA estimates.

## Key Takeaways



Acquisition of **Mission-Critical** Distributed Power Infrastructure which Remains in **Short Supply**



Materially **Diversifies and Scales** Solaris By Adding a New Product Line and Multiple New End-Markets



**Experienced and Aligned Management Teams** with Material Ownership of Combined Business



**Operational Synergies** with Solaris Engineering, Manufacturing, Field Services and Corporate Infrastructure



**Compelling Valuation on Contracted Adj. EBITDA** with **Attractive Returns** Expected on Equipment On-Order



**Committed to Growth** While Maintaining the Dividend and a Conservative Financial Profile



# Solaris Q2 2024 Financial Update



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## Q2 2024 Financial Update



**\$70 - \$75  
Million**

Revenue



**\$20 - \$21  
Million**

Adj. EBITDA



**\$16 Million**

Total Debt at  
Quarter End



**\$11 Million**

Net Debt at  
Quarter End



# Appendix






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# MER Fleet Overview

*Solar Turbine’s mobile units are purpose-built for on-demand, distributed generation capacity that is both economic and environmentally-friendly. They are designed for projects where fast setup and reliable operations are critical.*

	 <b>Solar T60 MPU</b>	 <b>Solar SMT60</b>	 <b>Solar SMT130</b>
	<div style="border: 1px dashed black; padding: 5px; display: inline-block;">           ~153 MW owned capacity<sup>1</sup>            ~325 MW remaining capacity on-order         </div>		
<b>Fleet Count</b>	15 (owned)	6 (owned) / 2 (on-order)	2 (owned) / 19 (on-order)
<b>Power Capacity</b>	5.7 MW	5.7 MW	16.5 MW
<b>Heat Rate<sup>2</sup></b>	10,830 Btu/kWh	10,830 Btu/kWh	9,630 Btu/kWh
<b>Fuel</b>	Dual fuel capable (natural gas & diesel) with wide fuel flexibility (field gas, CNG, LPG, etc.)		
<b>NOx Emissions</b>	15 ppm	15 ppm	9 ppm
<b>Transportation</b>	Highly Mobile – Can be transported highway / rugged terrain / ocean & air freight		
<b>Set-up time</b>	< 4 hours	< 4 hours	< 12 hours
<b>Maintenance Interval</b>	Extended Maintenance Intervals – Overhaul every ~30,000 hours (3.5 – 4 years)		
<b>Scalability</b>	Highly scalable with ability to combine multiple units to achieve power needs		

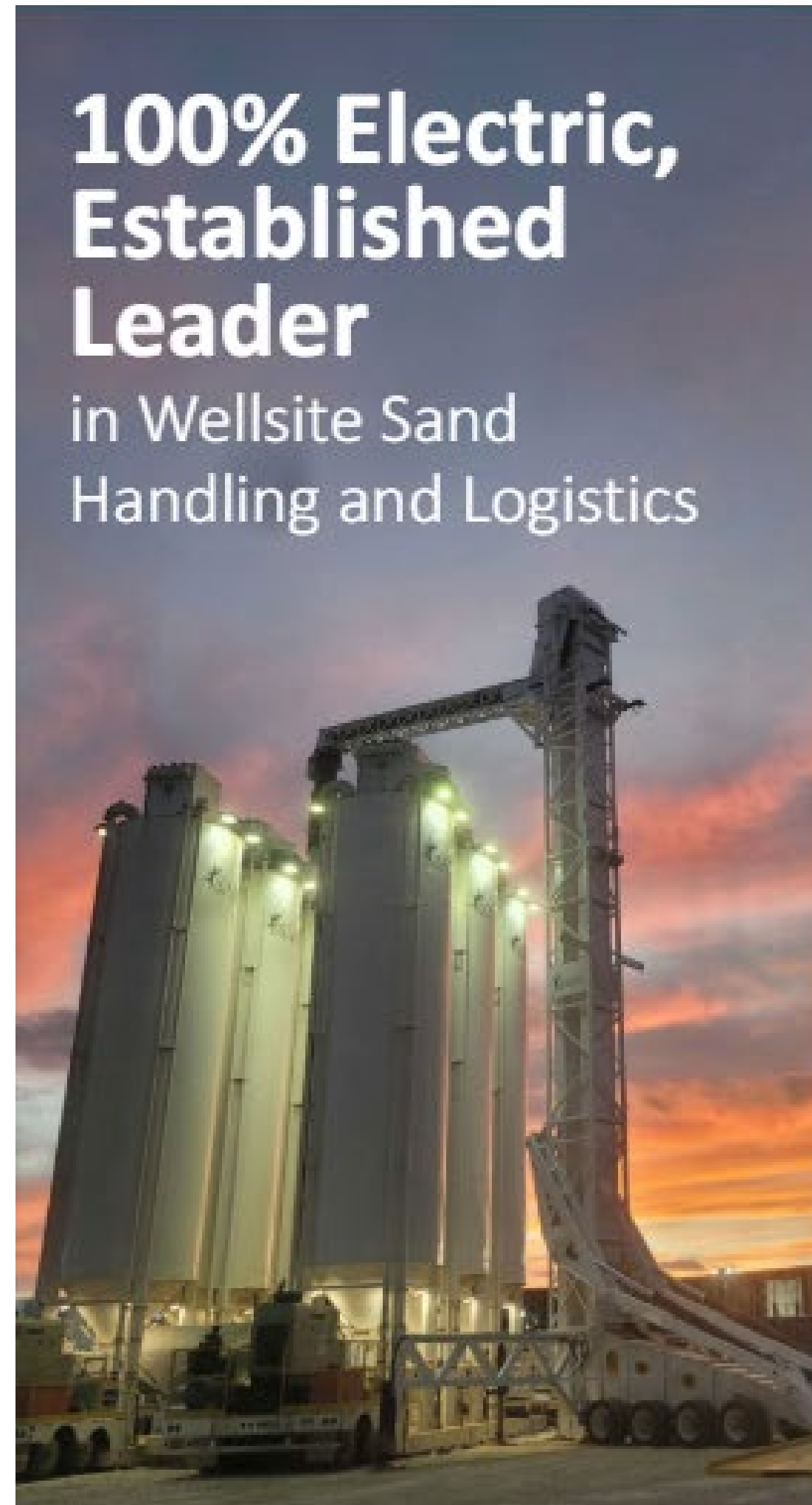
(1) 33 MW of investment plan purchases have been paid for and received to-date.

(2) ISO: 15°C (59°F, sea level).





# Solaris Snapshot (NYSE: SOI)



**3 Offerings Available per Wellsite**

VS

1 per Wellsite in Prior Cycle

**~55% Higher Earnings Power per Frac Crew<sup>(1)</sup>**

VS

Prior Cycle

**Positioned for Strong Free Cash Flow Generation, Providing an Attractive Opportunity**

VS

Broader Energy Market

**45%**  
of Market Capitalization Returned to Shareholders Since 2018 Through Dividends and Share Repurchases

**\$0.48**  
Annualized Dividend

**20%**  
Inside Ownership; Founder-Run

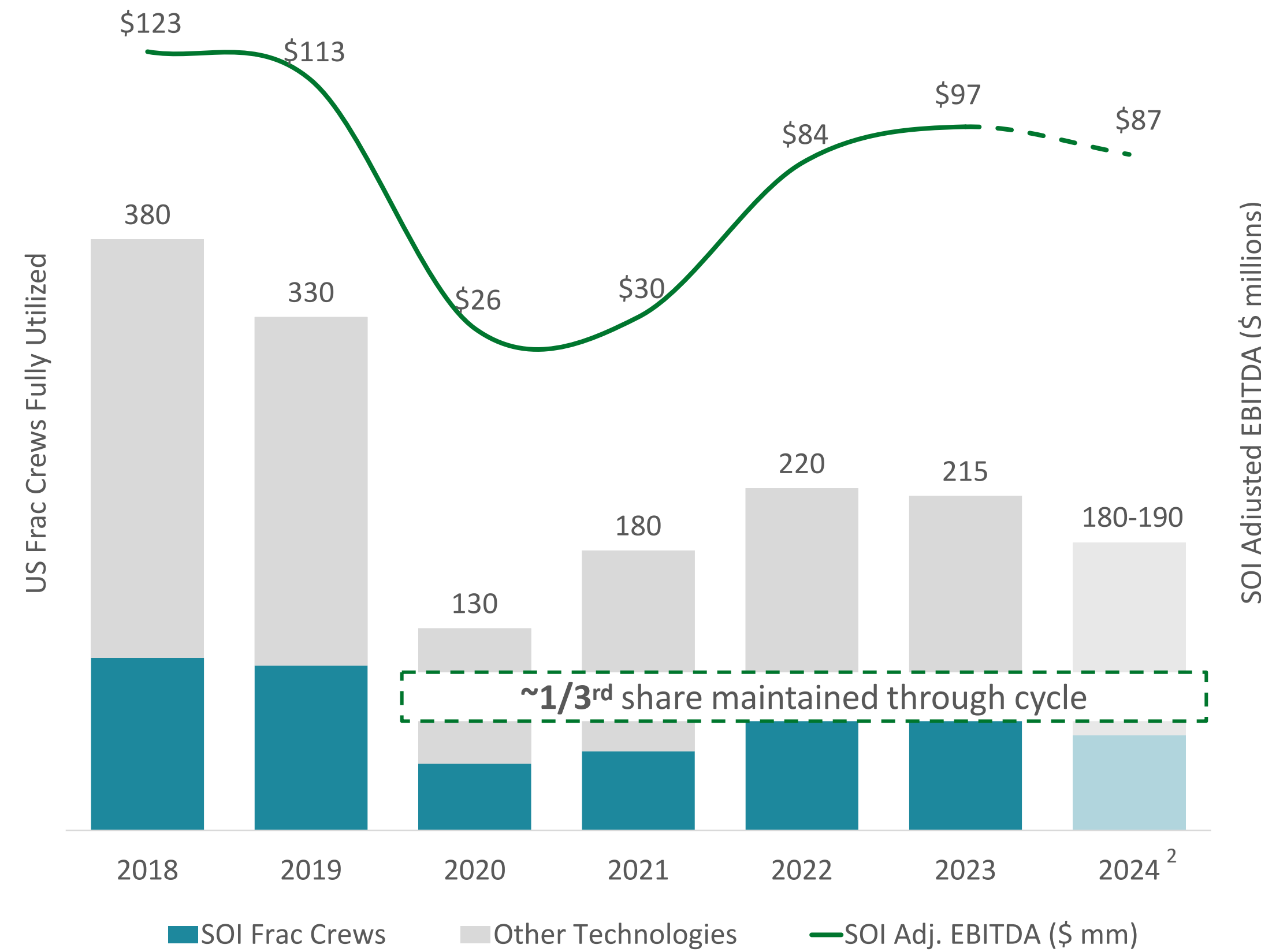
**20%**  
Per-Share Dividend Growth Through-Cycle; No Cuts

(1) Annualized total gross margin per frac crew followed in Q1 2024 as compared to 2019, excluding transloading.

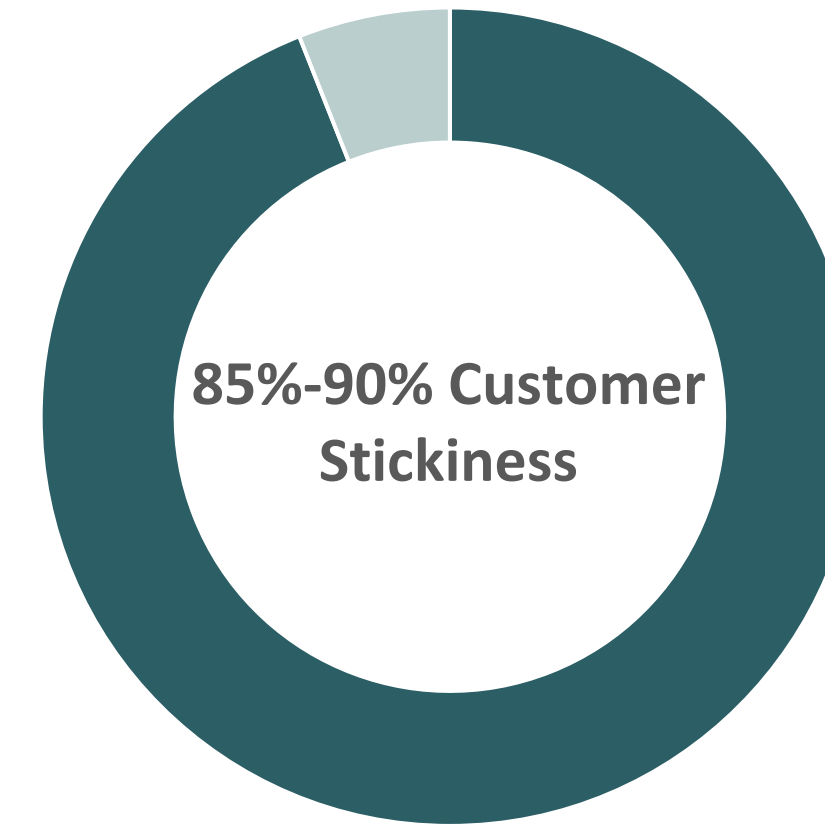


# Solaris Has Maintained a Leading Market Position Throughout the Cycle

## Expanded Solaris Offering Drives Higher Earnings Power<sup>1</sup>



## High Customer Renewal Rates<sup>3</sup>



### Select Operator Customers<sup>4</sup>



### Select Service Customers<sup>4</sup>



(1) Approximate average fully utilized US frac fleet count used to estimate total addressable market for well site sand storage systems  
 (2) 1H 2024 Adj. EBITDA annualized  
 (3) Defined as % of working days driven by customers who have been consistent customers  
 (4) Includes direct and indirect customers



# All-Electric, Integrated Offering Drives Efficiency in the Low-Pressure Completions Value Chain

Operations supported by field service and real-time monitoring through Solaris software suite



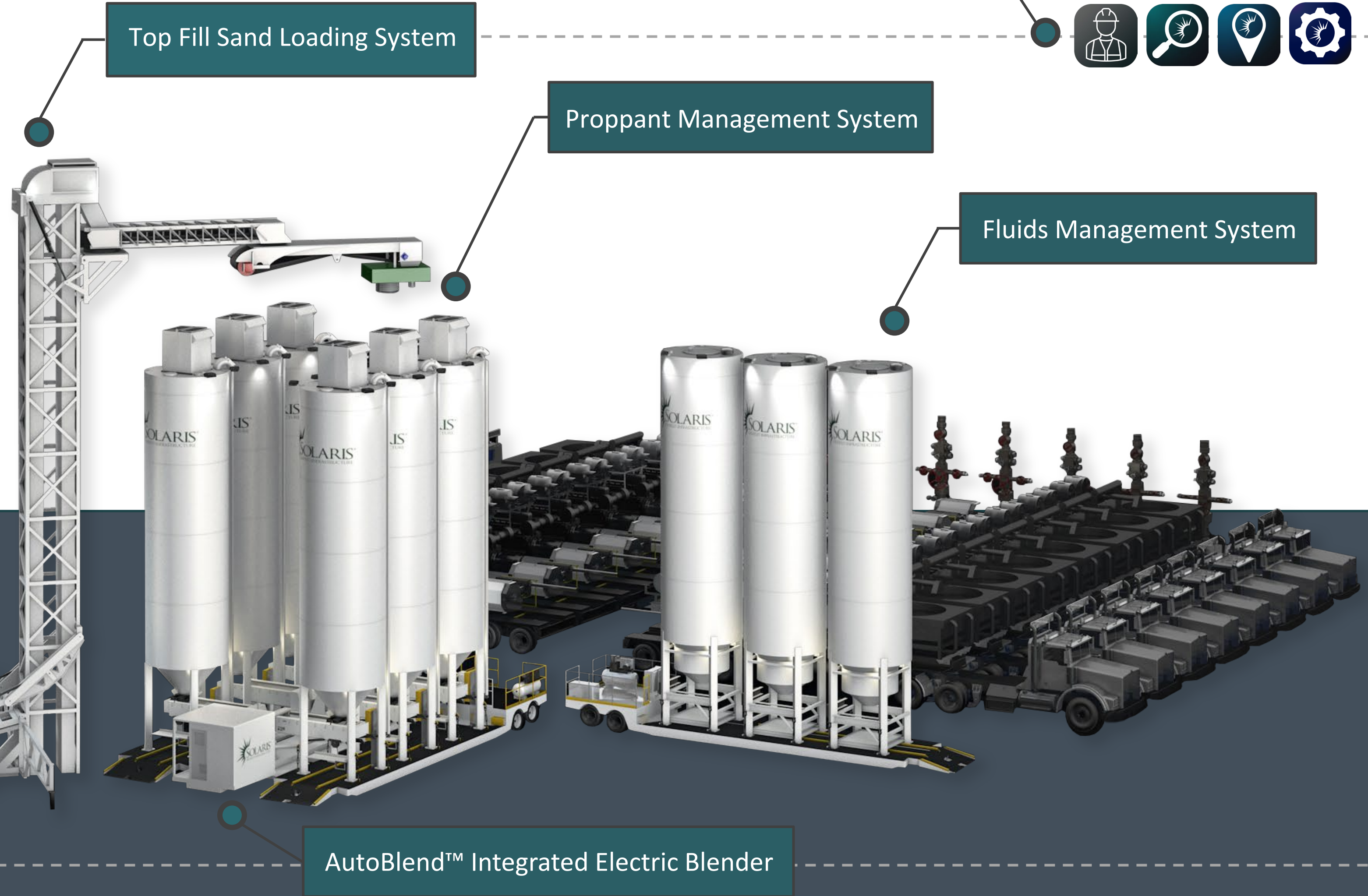
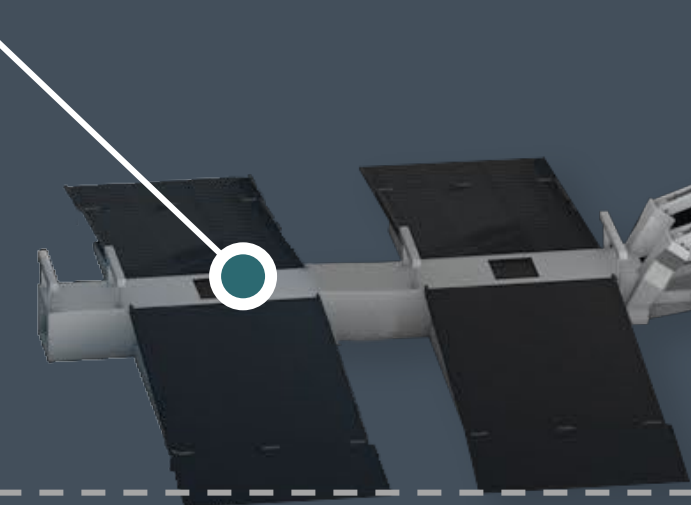
- Internal equipment design and manufacturing capability supports quick and cost-effective support of customers' efficiency initiatives
- System power options include Solaris-owned generating capacity, tie-in to grid or customers' onsite distributed power

Top Fill Sand Loading System

Proppant Management System

Fluids Management System

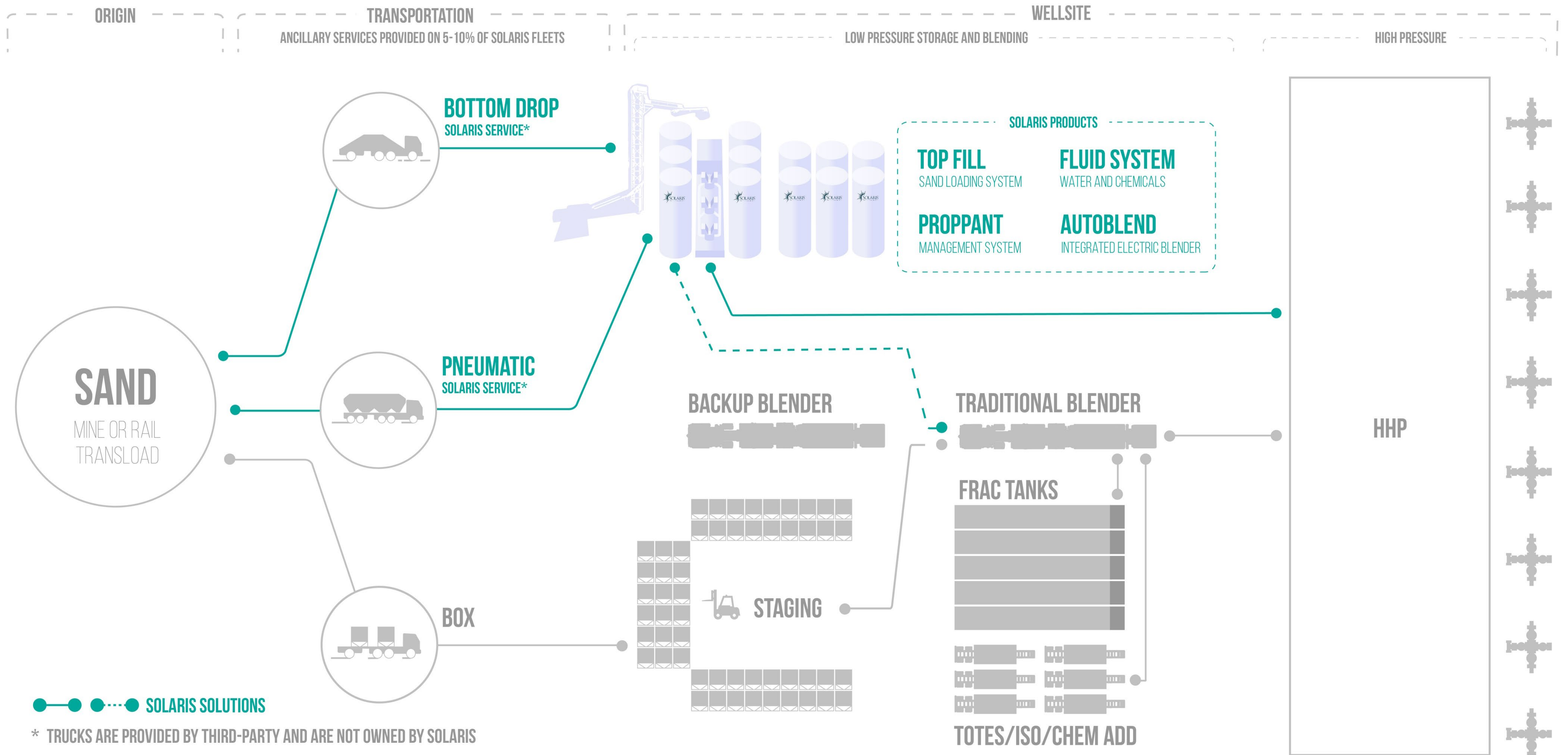
Logistics Management



AutoBlend™ Integrated Electric Blender



# Solaris' All-Electric, Integrated Offering Drives Efficiency in the Low-Pressure Completions Value Chain





# Disclaimer

## Forward-Looking Statements

The information in this presentation includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Examples of forward-looking statements include, but are not limited to, Solaris's proposed transaction with the equity holders of MER, Solaris's ability to consummate the transaction, the benefits of the transaction and Solaris's future financial performance following the transaction, as well as Solaris's financing plans, strategy, future operations, financial position, estimated revenues, and losses, projected costs, prospects, plans and objectives of management, and the other risks discussed in Part I, Item 1A. "Risk Factors" in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 and Part I, Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023, each filed with the U.S. Securities Exchange Commission (the "SEC"). Solaris' SEC filings are available publicly on the SEC's website at [www.sec.gov](http://www.sec.gov). Forward-looking statements are based on our current expectations and assumptions regarding our transaction with MER, our business, the economy and other future conditions. Because forward-looking statements relate to the future, by their nature, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. As a result, our actual results may differ materially from those contemplated by the forward-looking statements. Factors that could cause our actual results to differ materially from the results contemplated by such forward-looking statements include, but are not limited to the factors discussed or referenced in our filings made from time to time with the SEC. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

## Additional Information About the Proposed Transaction and Where to Find It

In connection with the proposed transaction, the Company will file a proxy statement with the SEC. Additionally, the Company will file other relevant materials with the SEC in connection with its proposed transaction with the equity holders of MER. The materials to be filed by the Company with the SEC may be obtained free of charge at the SEC's web site at [www.sec.gov](http://www.sec.gov). Investors and security holders of the Company are urged to read the proxy statement and the other relevant materials when they become available before making any voting or investment decision with respect to the proposed transaction because they will contain important information about the transaction and the parties to the transaction.

## Participants in the Solicitation

The Company, MER and their respective directors, executive officers, other members of their management and their employees, under SEC rules, may be deemed to be participants in the solicitation of proxies of Company stockholders in connection with the proposed transaction. Investors and security holders may obtain more detailed information regarding the names, affiliations and interests of certain of the Company's executive officers and directors in the solicitation by reading the Company's Definitive Proxy Statement on Schedule 14A for its 2024 Annual Meeting of Stockholders, which was filed with the SEC on April 4, 2024, and the proxy statement and other relevant materials filed with the SEC in connection with the transaction when they become available. Information concerning the interests of the Company's and Mobile Energy Rentals LLC's participants in the solicitation, which may, in some cases, be different than those of the Company's stockholders generally, will be set forth in the proxy statement relating to the transaction when it becomes available.

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# Disclaimer

## About Non-GAAP Measures

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Although management believes the aforementioned non-GAAP financial measures are good tools for internal use and the investment community in evaluating Solaris’ overall financial performance, the foregoing non-GAAP financial measures should not be considered as a substitute for or superior to other measures of financial performance prepared in accordance with GAAP. However, no reconciliations of these non-GAAP measure to their most directly comparable GAAP measures are available without unreasonable efforts. This is due to the inherent difficulty of forecasting the timing or amount of various reconciling items that would impact the most directly comparable forward-looking GAAP financial measures, that have not yet occurred, are out of our control and/or cannot be reasonably predicted given we have not completed any reporting processes for the periods presented.

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