

iSun, Inc
iSun Inc. Q4/FY21 Financial Results
April 18, 2022**Corporate Participants:**

Tyler Barnes - Investor Relations Consultant, iSun Energy, Inc.
Jeffrey Peck - Chairman and Chief Executive Officer, iSun Energy, Inc.
John Sullivan - Chief Financial Officer, iSun Energy, Inc.

Analysts:

Jeffrey Campbell - Alliance Global Partners
Justin Clare – ROTH Capital Partners, LLC
Noel Parks - Tuohy Brothers Investment Research Inc.
Joseph Osha – Guggenheim Partners

PRESENTATION:**Operator**

Good afternoon, ladies and gentlemen, and welcome to the iSun Energy Fourth Quarter and Full Year 2021 Financial Results. At this time all participants have been placed on a listen-only mode, and we will open the floor for your questions and comments after the presentation.

It is now my pleasure to turn the floor over to your host, Tyler Barnes, Head of Investor Relations. Sir, the floor is yours.

Tyler Barnes

Thank you, and good afternoon. We are pleased to welcome you to iSun conference call where we will discuss financial and operating results for the fourth quarter and full-year 2021. Jeffrey Peck, Chairman and Chief Executive Officer will provide an update on the deployment of iSun's recently completed solar platform and illustrate how the platform both addresses opportunities within the solar marketplace and creates value for shareholders.

John Sullivan, Chief Financial Officer will provide an overview of the fourth quarter and full-year 2021 financial results and operating performance. After our prepared remarks today, we will open the lines to address any of your questions. As a reminder, the earnings release and updated investor presentation, which can be found in iSun's website include financial disclosures and reconciliations for non-GAAP financial measures that should help you analyze results.

Comments and answers to questions during the call will include forward-looking statements that refer to management's expectations for future predictions. These statements are made as of the date of this call and management is under no obligation to update these forward-looking statements in the future. They are subject to risks and uncertainties that could cause actual results to differ from management's expectations.

With that, I will now turn it over to our CEO, Jeff Peck.

Jeff Peck – Chief Executive Officer, iSun, Inc.

Thank you, Tyler. Good afternoon, everyone. It is my pleasure to be speaking with all of you today. And I'm really excited about the progress I've been made in 2021. As we execute on our mission to accelerate the adoption of solar energy, between climate related and geopolitical events, we remind entirely of the importance of our work and of our industry. And we have never been more inspired to fulfill our mission for prouder of our progress.

2021 was a transformational year for iSun. And I'd like to thank our entire team for their commitment, dedication, and focus on executing on our strategy. Despite COVID related industry headwinds, we delivered on our promises. Specifically, we execute on our growth strategy. We transformed iSun into a solar company, uniquely capable of accelerating the adoption of clean energy across all industry segments.

We did this by combining the strength of our traditional C&I business with an innovative solar carport and EV infrastructure company. Then adding a world-class team, providing solar development, design, and engineering services to support utility scale project origination and EPC. And finally, adding a mission driven residential solar company to items now full suite of services.

While building a solar company ready to meet and accelerate the demand of the solar industry in each segment, we remain focused on our promise to grow revenues. In 2021, iSun was able to exceed our guidance by more than doubling our 2020 revenues. We also continue to serve our customers and growing our backlog. As we close out 2021 we accumulated a backlog of contracted projects and generated new demand that supports our 2022 guidance and beyond.

Additionally, our newly acquired solar development and engineering team has contracted with several solar asset owners to develop an engineer solar projects. In just six months, we have built a pipeline of 550 megawatts of projects that we are moving through the development process and towards construction. These projects range in size from 500 kilowatts to over 100 megawatts. As these projects achieved notice-to-proceed they will be added to our EPC backlog. This helps deliver on our promise to grow our backlog, expand geographically, as well as providing iSun opportunities for asset ownership.

With our expansion in the EV infrastructure, we delivered on our promise to accelerate the adoption of EVs. I believe when we look back, 2021 will be the year when the transition to electric vehicles took hold. The debate is over the electrification of our auto fleet is upon us. They need to expand the infrastructure and improve the customer experience is happening now. In Q4 2021, iSun signed a multi-year contract to design and provide 1,780 solar carports throughout the United States.

This transition to electric vehicles will accelerate residential and commercial adoption of solar energy. As consumers transition to electric vehicles, they will often charge the vehicles at home or work, residential and commercial customers will see their electric bills dramatically increase. This will drive demand in both areas as consumers look to lower and future proof against rising electricity rates. Our residential and small commercial brands SunCommon has seen increasing customer demand, which we believe will accelerate in the coming years. SunCommon was built to scale with their digital marketing, low customer acquisition costs and people first customer service.

SunCommon will help us meet and accelerate the growing demand of residential and commercial customers. Another quality of SunCommon that we admired was their status as a B Corp, and their commitment to values driven business practices. With the help of their team, iSun has engaged with our stakeholders to begin the process of formalizing our values in a comprehensive ESG policy.

iSun has made substantial progress throughout 2021 in executing on our growth strategy through acquisitions. During the acquisition process, we placed a premium on leaders that were excellent operators, and who shared our values and commitment to serve the communities in which we operate. I'd like to take a moment and recognize the leadership team we've assembled. We're excited to welcome Daniel Dus, President of iSun Utility, and James Moore, President of iSun Residential to the team.

Daniel previously led the U.S. renewables business for the \$100 billion Adani Group, the largest solar company in the world in terms of operating and contracted solar assets. James co-founded SunCommon serving as Co-President growing SunCommon to one of the largest residential solar companies in the Northeast.

We appreciate the opportunity to learn from their years of experience. Together with Executive Vice President of Commercial and Industrial, Kip Myrick, our team will have an unparalleled wealth of experience in solar and the leadership required to execute on the solar industry's generational opportunity. The fourth quarter of 2021 provided our first opportunity to see our team work together in a collaborative manner. And we are thrilled with the results.

We're excited to grow these synergies and drive efficiencies through our development, design, and engineering services, our supply chain, and our proven installation expertise to new and existing customers and see what we can accomplish with our platform in a full calendar year. iSun's mission is to accelerate the adoption of proven technological innovations capable of improving lives. This has been our approach to the business for the last 50 years from the cleanrooms that enabled silicon chip production to the telecommunication installation services that connected industries and consumers to the internet. iSun has enabled the most important technological transformations of the last century.

For all the innovations we've helped advance and then have provided as much with opportunities to make more meaningful impact than the current duration of our mission, helping accelerate the nation's adoption of solar energy. This is a generational opportunity. Decarbonization and EV adoption are projected to drive electricity demand. Current projection by the U.S. Department of Energy suggests that solar deployment will shoulder a significant share of this increase in demand.

In 2021, solar share between 3% and 4% of U.S. electricity demand. And even by the most conservative estimates, the U.S. Department of Energy projects that this figure will increase to 37% to 42% by 2035, an increase of over 1,100%. iSun is uniquely positioned to meet this demand as it arises in each segment of the solar energy industry.

Over the last year, iSun has assembled a platform capable of addressing this generational opportunity, presented by decarbonization and EV adoption. Now that it is complete, iSun can serve each segment of the solar marketplace, residential, commercial, industrial, and utility with a comprehensive suite of services encompassing each stage of the solar development process. By serving each segment, iSun's combination of skills will drive and grow our backlog, generate new demand, and create efficiencies throughout the organization.

As I stated earlier, our development and engineering team works directly with customers who want to invest in solar assets. On a fee-for-service basis, we guide them through the entire development process from land origination and control, rapidly diligence project sites, vetting technical feasibilities, executing internal engineering packages, and negotiating PPAs and running the finance process. This creates immediate development services revenues and provides iSun with EPC rights as projects achieved in order to proceed, while maximizing the value of the solar asset for our customer. Being involved throughout the entire process provides us with a differentiating advantage over our competition.

Another example of driving efficiencies is our combination of skillsets. SunCommon's digital marketing has created low customer acquisition costs. We often come across residential and commercial customers who want renewable solar energy but are unable to have solar where they live or work. iSun with our combined internal skills can now convert that last customer to a community solar customer.

Our development and engineering team working closely with solar asset owners can develop community solar projects. SunCommon can provide those customers to the community solar asset and our industrial group will provide the EPC work. The buying power created by our utility group or assist by providing internal savings on the equipment and materials to construct this asset.

Additionally, our participation early and throughout the process will help us more efficiently manage the labor needs of the project. As our team works collectively and collaboratively, we can drive down the total cost of solar assets, protect our Merger and accelerate the transition to solar energy.

As we know, it isn't always sunny in the solar industry. While the overall macro-opportunity remains strong, there are some headwinds and challenges for the industry. Recently, the U.S. Department of Commerce initiated an investigation for circumvention tariffs on solar products from Cambodia, Malaysia, Thailand, and Vietnam. This in addition to commodity inflation, supply chain constraints, and rising interest rates has created some uncertainty in the industry. These headwinds are the exact reason, we built iSun as a multi segment full service solar company.

The combination of skills and services will allow us to drag total project cost down and to serve the segment with the most market demand, 2022 marks iSun's 50th year of business. In that time, we have been through many industry and economic headwinds. We believe these capabilities afford us a unique position in the marketplace and represents a tremendous opportunity for shareholders.

We are monitoring each of these developments closely. And we'll continue to evaluate the impacts they will have on each of our divisions in our forecast for 2022. With that, I'd like to hand things over to our CFO, John Sullivan. As John will illustrate, we're encouraged by the initial operating performance on our platform and are excited to deploy these capabilities across a full calendar year. John?

John Sullivan – Chief Financial Officer, iSun, Inc.

Thank you, Jeff. 2021 was an exceptional and impactful year for iSun. We successfully de-SPAC'D, we expanded our geographic footprint with services provided in 13 states, successfully completed four acquisitions, and expanded our capabilities to serve the residential, commercial, industrial and utility segments. I'll focus our discussion on our full-year results. But we'll also discuss our fourth quarter results as well.

The fourth quarter provided us the first opportunity to fully evaluate the impact resulting from the execution of our strategic plan. iSun reported full-year 2021 revenue of \$45.3 million, representing a \$24.3 million or 115% increase over 2020. Revenue growth was driven by the continued execution of our large commercial and industrial backlog, which accounted for 49% of that growth, development and professional services contracts which accounted for 7% of that growth and residential installations which accounted for 60% of that growth.

In the fourth quarter, we reported revenue of \$27 million, representing a \$17.7 million or 190% increase over the same period in the prior-year. Gross profit for the year was \$6.4 million, representing a \$4 million or 173% increase over 2020.

Gross margin for the year was 14.1% compared to 11.1% in 2020. Gross profit for the fourth quarter was \$5.6 million, representing a \$3.8 million or 214% increase over 2020. Gross margin for the quarter was 20.7% compared to 19.1% in 2020.

As noted in previous calls, we experienced some margin contraction at the beginning of 2021 due to material and commodity pricing as well as inefficiencies resulting from labor shortages. Our margins began to improve in the third quarter as operations returned to a more normal pre-COVID environment. In the fourth quarter, we experienced an overall margin improvement due to the diversification of our revenue streams, which reduced our concentrations into one segment and insulated our margin from abnormal fluctuations. We anticipate this trend continuing as our revenue mix continues to evolve over a full-year in 2022.

Operating income for 2021 was a loss of \$10.6 million compared to a loss of \$1.7 million in 2020. In 2021, our focus was on constructing our platform capable of providing our full suite of services across the solar marketplace. We are poised to capitalize on that transformation in 2022. iSun reported a net loss of \$6.2 million or \$0.67 per share for 2021 compared to a net loss of \$1 million or \$0.24 per share in 2020.

EBITDA for 2021 was a loss of \$5.3 million compared to an EBITDA of \$0.4 million in 2020. After adjustments for one-time expenses incurred during 2021, adjusted EBITDA was a loss of \$3.9 million. As noted above, the fourth quarter was our first opportunity to measure the performance as a combined company, EBITDA for the fourth quarter of 2021 was a loss of \$0.5 million. More importantly, when adjusted for one-time expenses related to M&A transactions, our adjusted EBITDA was \$0.9 million. We are excited to see the continued results from deployment of our platform in 2022.

The demand for solar and electric vehicle infrastructure continues to increase across all customer groups. Our residential division has customer orders of approximately \$19.2 million expected to be completed within four to six months. Our commercial division has a contracted backlog of approximately \$9.3 million expected to be completed within six to eight months. Our industrial division has a contracted backlog of approximately \$73.8 million expected to be completed within 12 to 18 months. And our utility division has 550 megawatts of projects currently under development with an estimated commencement date late in the third quarter of 2022.

Now turning to the balance sheet. With the execution of a significant transaction in Q4 of 2021, the company deployed a significant amount of cash to close the acquisition of SunCommon. Overall, the balance sheet remains healthy and increased total assets at December 31 2021 to \$103.7 million, compared to \$19.6 million at December 31 2020.

Current assets increased to \$24.1 million at December 31 2021 compared to \$8.5 million at December 31 2020. Receivables increased to \$14.3 million, which is supported by the \$27 million fourth quarter revenue. Collections remained strong with on hand cash of \$2.2 million at December 31 2021.

Total liabilities increased to \$43.9 million at December 31 2021 compared to \$11.7 million at December 31 2020. Stockholders' equity increased to \$59.9 million at December 31 2021, compared to \$7.9 million at December 31 2020. Included in our liabilities at December 31 2021 is a short-term bridge loan of approximately \$6 million that was utilized as part of the SunCommon transaction.

As previously announced, that loan was paid in full on March 14. With the positive results experienced in Q4, the increase in overall demand for solar solutions, we are confident that the company has built a platform capable of addressing the generational opportunity presented by decarbonization and EV adoption. Thank you. And with that, I'll open the line for questions. Operator?

Operator

Certainly, ladies and gentlemen, the floor is now open for questions. [Operator Instructions] Your first question is coming from Jeffrey Campbell from Alliance Global Partners. Your line is live.

Q: Good afternoon and first congratulations on the strong finish to 2021.

Jeffrey Peck - Chief Executive Officer, iSun Energy

Good afternoon, Jeff.

Q: I'll ask more questions today. First, can you talk a little bit about the large solar canopy order. First why did the client prefer the canopies versus the iSun mobility hub solution and second how did this morph into this large multi-year win that you ultimately arrived at?

Jeffrey Peck - Chief Executive Officer, iSun Energy

Sure, I can take that. Their preference was really based on user experience and part of the way consumers operate now. We all have our favorite gas stations where we go and fill up and as companies are out building their brand and their EV network, I think a lot of them have realized that the user experience be incredibly important. And so providing a canopy for them that met those needs was important in that. As we were working with that customer to help with their needs and focus really on the customer in the customer experience, it turned into a large multi-year order that will be rolled out through '22, '23 and '24.

Q: Okay, thank you. The press release noted, the first utility project from the greater than 550 megawatts in development is expected to commence late third quarter '22. I wanted to ask, was this progression already anticipated in current 2022 guidance?

Jeffrey Peck - Chief Executive Officer, iSun Energy

Yes, so our current guidance is that we will have a utility scale project out of our pipeline that totals 550 megawatts. We into state one of those will enter notice to proceed and have permits and begin the construction process, late Q3 or Q4.

Q: Okay, great. I appreciate that clarity. I noticed that the year-over-year, the solar assets on the balance sheet increased modestly in value. I wondered if the current effort with GreenSeed Investors and solar project partners remains the primary way iSun will acquire equity interest in future solar projects. Or if you have other avenues if you can consider, I guess there I'm sort of thinking about the development of professional services effort?

Jeffrey Peck - Chief Executive Officer, iSun Energy

Yes, absolutely. There are multiple ways that we can add to our solar assets on the balance sheet. One of those is through a green bond relationship that we have. The others could be through other partners who are looking to own assets, and that we're developing assets. And as we develop those, we'll, look at one that we want to put on balance sheet. And we can also develop some separately for our balance sheet as well.

Oftentimes, we meet a good customer who doesn't want to own the asset, but wants to use renewable energy and save some money on their electric bill. So that would be an opportunity for us to on balance sheet that and generate that recurring revenue as well.

Q: Okay. And finally, now that iSun has full exposure to the entirety or the PV solar project development type. Does iSun still have an appetite for M&A. And if so, what part of your business would you most like to accelerate through acquisition?

Jeffrey Peck - Chief Executive Officer, iSun Energy

Yes, there's a couple of acquisition candidates that we would be targeting smaller solar companies looking to grow their business, in areas that are ripe for expansion, that are run by grid operators where we can use the platform that's SunCommon has built and expand on it and grow a new territories. And then the other one would be the traditional electrical contractor that hasn't had a lot of exposure to solar, doesn't have a lot of solar customers, but operate in an area where building commercial and industrial and utility scale solar projects will be happening. And that may not have a transition plan for the business as it moves forward. So those would be the two key areas we'd be focused on.

Q: Ok. Thanks again. I appreciate the answers.

Jeffrey Peck - Chief Executive Officer, iSun Energy

Yes, thank you. Thank you very much, Jeff.

Operator

Thank you. Your next question is coming from Justin Claire from Roth Capital Partners. Your line is live.

Q: Hi, guys. Thanks for taking our questions.

Jeffrey Peck - Chief Executive Officer, iSun Energy

Hi, Justin, how are you?

Q: I'm good. So I guess first off here -- for the 2022 guidance, it looks like you're not making any changes. But I wanted to get a sense for the risk here related to the anti-circumvention case and the

module supply. So just wondering, could you talk about, how much of the planned volume in 2022 already has modules delivered or secure versus how much of the volume this year, do you still need to procure when looking at the modules? And then just how difficult is it right now to put in new orders, given the challenge with imports these days?

Jeffrey Peck - Chief Executive Officer, iSun Energy

Yes, so on the residential side, we've got a pretty good access to panels and equipment, industrial side and commercial most of that has been either pre-purchased by us or partners. The utility scale is a little different. We are -- I mean, we do have a projects that. We'll need some panels on that side. And we do have areas that we're looking at outside of the circumvention areas.

Q: Okay. So I understand correctly. So for the utility scale project that you're planning to start in Q3, you don't yet have modules procured. Is that -- if it is challenging to get those modules, could we see a delay there? Or would you anticipate starting on the construction that you are able to do without modules? Is there a possibility?

Jeffrey Peck - Chief Executive Officer, iSun Energy

Yes, hard to speculate what would happen if we were unable to get modules. I mean, we'll continue to assess the situation, we'll continue to drive the project forward. I think that there is desire to get projects moving and keep them moving. So hard to speculate exactly what we'd do if we couldn't get any modules. But like I said, we're out in the market. We're talking to a lot of suppliers outside of the tariff area. And we'll continue to monitor that and update the market as we have something more definitive.

Q: Okay, great. And then just considering the cost inflation that we've seen across the supply chain, and it sounds like module prices are going a bit higher. As a result of the anti-circumvention case. Can you just talk through, the potential impact to margins here? Or is there a risk to the downside for margins? Are you pretty comfortable with how things are evolving?

Jeffrey Peck - Chief Executive Officer, iSun Energy

Yes, right now, we're pretty comfortable with how things are evolving. We've -- we -- there is, all of the items that I talked about as headwinds, we specifically have a multi-segment companies to address that. We want to meet demand where it comes first. We've got panels in place on the residential and commercial side, a lot has been pre-purchased for industrial projects over the years. Other commodities are as a much smaller part of the overall project.

So, we think we can also utilize labor efficiencies by shifting people to projects as the demand arises there.

Q: Okay, sounds good. And then just one more for me. With the equity that you've raised from the ATM over the past couple of quarters. Just wondering, can you talk about your capital needs going forward here? Do you anticipate needing any more equity in the near-term? You already repaid the bridge loan here. So it seems like you're in a decent spot, but just wondering if you could talk through equity needs and maybe also any plans that you might have for debt restructuring.

John Sullivan - Chief Financial Officer, iSun, Inc.

Justin, I'll jump in here. This is John. So we are currently in active discussions with various partners to restructure our debt portfolio. When we conducted and completed the acquisitions throughout 2021. We're not actually able to bring in the collateral assets with each of those partners into our existing line of credit with our banking partner. So we're in active discussions to restructure that short-term line of credit. And once that's restructured that provides us with the working capital needs that can help fuel the growth for the 2022 guidance.

Q: Okay, great. I will pass it on. Thank you.

Operator

Thank you. Your next question is coming from Noel Parks from Tuohy Brothers. Your line is live.
Jeffrey Peck - Chief Executive Officer, iSun Energy

Q: Hi, good afternoon.

Jeffrey Peck - Chief Executive Officer, iSun Energy

Good afternoon, Noel.

Q: Just had a few things. I'm sorry, if you touched on this already, I missed it. But could you talk about the labor market, labor availability, both in-house and among partners? Is there competition sort of poaching going on among vendors? And I'm just curious, I saw also in the 10-K it mentioned that about \$1.2 million of the year's G&A was acquisition related. And I wondered if there is any retention compensation in G&A from the acquisition.

Jeffrey Peck - Chief Executive Officer, iSun Energy

Let me address the labor market, labor markets been tight, it continues to be coming from COVID, we've got long standing employees, a lot of employees and a lot of partners who we've worked with in the past. So we haven't seen a lot of poaching, we haven't seen partners unavailable to work and also being serving multi-segments, we can shift employees from one project to another to meet the demand and meet schedules as they arise. And so we think the platform that we've developed will help us smooth out some of the labor challenges and also it will help us become an employer of choice for people who want to work in the industry and have exposure to the different segments.

Q: Great and the G&A, I just wondered if there had been a retention compensation in there this year?

Jeffrey Peck - Chief Executive Officer, iSun Energy

There was some small retention compensation that was included in 2021 numbers.

Q: Okay, great. I was also wondering by the different segments, residential and commercial, et cetera, just wondering if you saw any relative changes in the different business lines in terms of sales cycles or decisiveness among customers, any of them, the segment's getting more aggressive, any of them hanging back now, just since you pre-announced and gave guidance of course, we've had a lot of global turmoil, it's sort of shifted some thinking about I guess overall energy capital investments. So just any trends you can tease out there?

Jeffrey Peck - Chairman and Chief Executive Officer, iSun, Inc.

Yes, we've certainly seen on the residential side, additional demand as their electricity prices are fluctuating, changing from month to month in some of the utilities. So we've seen some of that. The other projects are sort of longer timeline projects, which aren't going to tend to be as reactive to short-term issues. So we haven't seen demand slowdown there, one of the good indicators for us is the number of projects that we're looking at for others in design and engineering services. And that's really the future demand that will drive into the company as we're developing those projects.

And that demand is strong as well, I think what people are realizing is that, oil prices are probably higher for longer, and the shift to renewables will probably accelerate here as well as the demand for energy. And so one of the ways to meet that, one of the things that we believe in is transitioning as much energy as we can to clean renewable energy with solar and battery backup, and we're seeing utilities and commercial companies and residential consumers, all sort of moving in that direction. And I think with global turmoil and high oil prices, we think we'll see that continue to accelerate.

Q: Right, I think you might have just touched on this. But do you have any thoughts or insights just on the role of, is there increasing expenditure you're seeing in terms of storage, sort of alongside solar installations, people looking to invest more in their storage capacity either in terms of to give themselves extra flexibility or just sort of sheer volume that they're looking or do in terms of hours, they're looking to give some extra resiliency?

Jeffrey Peck - Chairman and Chief Executive Officer, iSun, Inc.

Certainly on the residential side, we're seeing steady demand there. I think our attachment rate is between 30% and 35% on storage on the residential side, we're seeing projects continue to consider adding storage and I think that as the time of use rates, spreading and spreading amounts and then throughout the country, I think we'll see a surge in storage for those projects as well.

Q: And could you sort of characterize as everyone just heading down for the pretty additional battery type pads, are they looking into some of the -- I guess more capital intensive, more flexible other methods, things like gravity based storage et cetera.

Jeffrey Peck - Chairman and Chief Executive Officer, iSun, Inc.

No, we've seen traditional storage, mostly, traditional battery storage.

Q: Great, thanks a lot.

Jeffrey Peck - Chairman and Chief Executive Officer, iSun, Inc.

Thank you.

Operator

Thank you. Your next question is coming from Joseph Osha from Guggenheim Partners. Your line is live.

Q: Hello, gentlemen, thanks for the call.

Jeffrey Peck - Chairman and Chief Executive Officer, iSun, Inc.

Yes, thank you.

Q: Yes, I wanted to return to the residential business here a bit. And you alluded to lead times in the sort of four-to-six month range. So two questions there: first, are those lead times still going out on you and then secondly, are you encountering any point at which customers begin to push back if the lead times out past six months they say, call me later or people willing to accept longer lead times at this point?

Jeffrey Peck - Chairman and Chief Executive Officer, iSun, Inc.

We're not seeing the lead time stretch beyond those times, sort of six months and yes, I think six months is, as you get longer than six months, I think you start to see displeasure and unhappiness among customers, if you extend past that. I also think that customers understand the difficulties in supply chain in really every industry. And so once they're in the queue, and once they have somebody selected, and they've made the decision to go to solar, they don't, we haven't seen people canceling in greater numbers than typical, based on some of these longer lead times.

Q: I don't really -- it kind of sounds like you're saying past six months is kind of the -- kind of the point where people start [reconsidering].

Jeffrey Peck - Chairman and Chief Executive Officer, iSun, Inc.

Exactly.

Q: And then just return to storage and kind of to echo Justin's line of inquiry on the module. So I mean, how are you finding procuring cells here, especially given some of the more recent disruptions out of Asia? How's that impacting your ability to get cells?

Jeffrey Peck - Chairman and Chief Executive Officer, iSun, Inc.

Well, we've been in the business a while, we have a lot of relationships that we're out leveraging. We haven't seen products canceled thus far due to lack of modules. We have sufficient supply for resi and commercial, most of the industrial products we do, pre-purchase those for tax equity.

Q: I was referring to batteries, not solar cells, I was referring to batteries.

Jeffrey Peck - Chairman and Chief Executive Officer, iSun, Inc.

No, we haven't, we haven't seen any disruption in our battery supplies thus far, good availability for what we need for residential or typical, I should say.

Q: Okay, I heard from another vendor recently that the new order times for batteries. Sorry, I should have said batteries rather than cells, we're confusing are out kind of 35, 40 weeks, would that be a fair characterization as to what lead times look for you guys on batteries at this point?

Jeffrey Peck - Chairman and Chief Executive Officer, iSun, Inc.

We haven't seen them out that far. But I think it probably depends on where they're sourcing those and the vendors and I think the relationship with those vendors, we haven't seen them out 35 weeks now.

Q: Okay, and then my last question, and I'll go away, I promise. We're hearing a lot of discussion out there right now, given higher input costs. And what's happening in financing side about price discovery, and what that's going to look like, what would you say in particular on the residential and then also sort of the C&I side, what's been the willingness of customers to absorb higher pricing at this point?

Jeffrey Peck - Chairman and Chief Executive Officer, iSun, Inc.

Yes, so far, we haven't seen a drop in demand based on some higher pricing. Certainly the higher comparable energy costs helps offset that and as that higher energy cost sort of seeps into the utility pricing, I think that the consumer will look at potentially higher prices in solar and still realize that it still provides a great value.

Q: Okay, would you be willing, if I asked you to choose generic residential customer, a generic C&I customer and say, where is pricing relative to where it was a year ago and present terms, is there a marker you could put out there for us?

Jeffrey Peck - Chairman and Chief Executive Officer, iSun, Inc.

Not sure, I understood that question.

Q: Sorry, that's me asking a simple question more complicated. What does pricing look like year-on-year for you guys?

Jeffrey Peck - Chairman and Chief Executive Officer, iSun, Inc.

I think it depends on the segment. We have seen pricing increases comparable with inflationary pressures. I guess that's how I would categorize it, we haven't seen thus far and some of the industrial projects PPA adjustments yet. I anticipate moving forward, we'll see PPA adjustments which will make some of those larger scale projects easier, more easily built as the costs enter the supply chain. The cost of utilities, I think will be adjusted as we move forward.

Q: Okay, thanks very much. I appreciate your answers.

Jeffrey Peck - Chairman and Chief Executive Officer, iSun, Inc.

Thank you.

Operator

Thank you. That concludes our Q&A session. I will now hand the conference back to management for closing remarks. Please go ahead.

Jeffrey Peck - Chairman and Chief Executive Officer, iSun, Inc.

Thank you. I'd like to thank everybody for joining us on the call today and we look forward to providing the investment community with updates in further calls. Thank you very much for joining us.

Operator

Thank you, ladies and gentlemen. This concludes today's event. You may disconnect at this time and have a wonderful day. Thank you for your participation.