



Q2 2024 Earnings Call

August 8th, 2024



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& Electrify*



Legal Disclaimer

This presentation contains 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 (the Exchange Act). All statements other than statements of historical facts contained in this presentation, including statements regarding our future results of operations and financial position, business strategy and plans and objectives of management for future operations, are forward-looking statements. In many cases, you can identify forward-looking statements by terms such as “may,” “should,” “expects,” “plans,” “anticipates,” “could,” “intends,” “targets,” “projects,” “contemplates,” “believes,” “estimates,” “predicts,” “potential” or “continue” or the negative of these terms or other similar words. Forward-looking statements contained in this release include, but are not limited to, statements about: i. competition from other wind blade and wind turbine manufacturers; ii. the discovery of defects in our products and our ability to estimate the future cost of warranty campaigns; iii. the current status of the wind energy market and our addressable market; iv. our ability to absorb or mitigate the impact of price increases in resin, carbon reinforcements (or fiber), other raw materials and related logistics costs that we use to produce our products; v. our ability to absorb or mitigate the impact of wage inflation in the countries in which we operate; vi. our ability to procure adequate supplies of raw materials and components to fulfill our wind blade volume commitments to our customers; vii. the potential impact of the increasing prevalence of auction-based tenders in the wind energy market and increased competition from solar energy on our gross margins and overall financial performance; viii. our future financial performance, including our net sales, cost of goods sold, gross profit or gross margin, operating expenses, ability to generate positive cash flow and ability to achieve or maintain profitability; ix. changes in domestic or international government or regulatory policy, including without limitation, changes in trade policy and energy policy; x. changes in global economic trends and uncertainty, geopolitical risks, and demand or supply disruptions from global events; xi. changes in macroeconomic and market conditions, including the potential impact of any pandemic, risk of recession, rising interest rates and inflation, supply chain constraints, commodity prices and exchange rates, and the impact of such changes on our business and results of operations; xii. the sufficiency of our cash and cash equivalents to meet our liquidity needs; xiii. the increasing cost and availability of additional capital, should such capital be needed; xiv. our ability to attract and retain customers for our products, and to optimize product pricing; xv. our ability to effectively manage our growth strategy and future expenses, including our startup and transition costs; xvi. our ability to successfully expand in our existing wind

energy markets and into new international wind energy markets, including our ability to expand our field service inspection and repair services business; xvii. our ability to keep up with market changes and innovations; xviii. our ability to successfully open new manufacturing facilities and expand existing facilities on time and on budget; xix. the impact of the pace of new product and wind blade model introductions on our business and our results of operations; xx. Our projected sales and costs, including materials costs and capital expenditures, during the current fiscal year; xxi. our ability to maintain, protect and enhance our intellectual property; xxii. our ability to comply with existing, modified, or new laws and regulations applying to our business, including the imposition of new taxes, duties, or similar assessments on our products; xxiii. the attraction and retention of qualified associates and key personnel; xxiv. our ability to maintain good working relationships with our associates, and avoid labor disruptions, strikes and other disputes with labor unions that represent certain of our associates; xxv. the potential impact of one or more of our customers becoming bankrupt or insolvent or experiencing other financial problems; xxvi. our projected business model during the current fiscal year, including with respect to the number of wind blade manufacturing lines we anticipate; and xxvii. our ability to service our current debt and comply with any covenants related to such debt. These forward-looking statements are only predictions.

These statements relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other important factors that may cause our actual results, levels of activity, performance or achievements to materially differ from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. 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. Further information on the factors, risks and uncertainties that could affect our financial results and the forward-looking statements in this presentation are included in our filings with the Securities and Exchange Commission and will be included in subsequent periodic and current reports we make with the Securities and Exchange Commission from time to time, including in our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the Securities and Exchange Commission.

The forward-looking statements in this presentation represent our views as of the date of this presentation. We anticipate that subsequent events and

developments will cause our views to change. However, while we may elect to update these forward-looking statements at some point in the future, we undertake 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 our views as of any date after the date of this presentation. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, or investments we may make.

This presentation includes unaudited non-GAAP financial measures including EBITDA, adjusted EBITDA, net cash (debt) and free cash flow. We define EBITDA, a non-GAAP financial measure, as net income or loss from continuing operations plus interest expense net, income taxes, depreciation and amortization, preferred stock dividends and accretion less gain on extinguishment on series A preferred stock. We define adjusted EBITDA as EBITDA plus any share-based compensation expense, plus or minus any foreign currency losses or income, plus or minus any losses or gains from the sale of assets and asset impairments, plus any restructuring charges. We define net cash (debt) as total unrestricted cash and cash equivalents less the total principal amount of debt outstanding. We define free cash flow as net cash flow from operating activities less capital expenditures. We present non-GAAP measures when we believe 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.

This presentation also contains estimates and other information concerning our industry that are based on industry publications, surveys and forecasts. This information involves a number of assumptions and limitations, and we have not independently verified the accuracy or completeness of the information



Agenda

Q2 2024 Highlights and Business Update

Q2 2024 Financial Highlights and 2024 Guidance

Wrap Up

Q&A

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Q2 2024 Highlights and Business Update



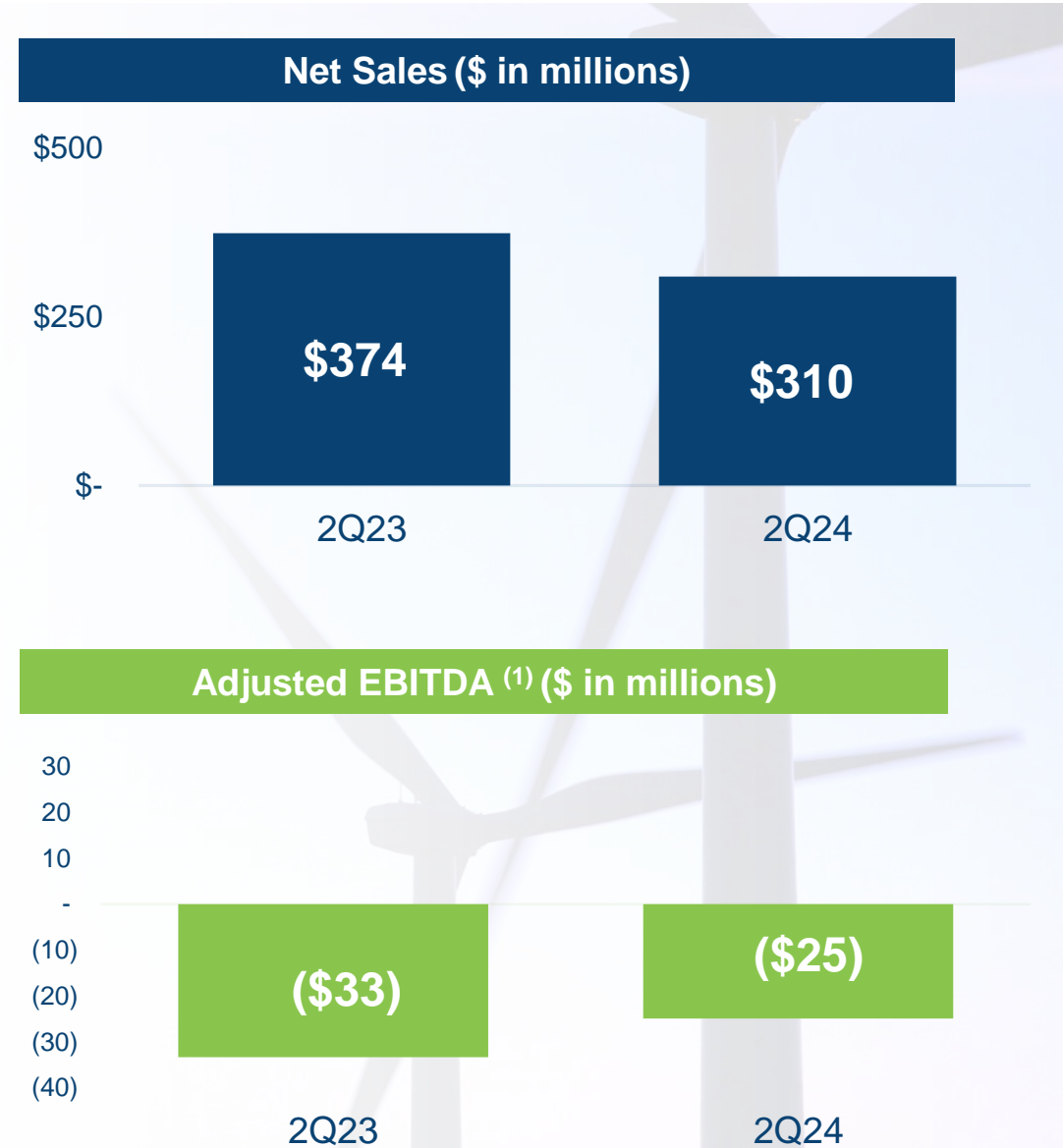
tpi Q2 2024 Continuing Operations

Q2 2024 operating results and year-over-year comparisons to Q2 2023:

- ✓ Net sales down 17.2% to \$310 million
- ✓ Net loss from continuing operations attributable to common stockholders was \$61.5 million compared to a loss of \$74.3 million in Q2 2023
- ✓ Adjusted EBITDA was a \$25 million loss compared to a loss of \$33 million in Q2 2023

Highlights:

- ✓ Second quarter financial performance impacted by the shutdown of the Nordex Matamoros plant
- ✓ Executed Automotive divestiture effective June 30, 2024
- ✓ Line startups and transitions progressing with a sharpened focus on quality related to new blade models
- ✓ Expect to achieve at least mid-single-digit adjusted EBITDA margins with positive free cash flow in the second half of 2024



(1) See Appendix for reconciliations of non-GAAP financial data

tpi Global Footprint

- Wind Blade Manufacturing
- Tooling / R&D / Engineering
- Global Services



Wind

- India and Türkiye continue to perform at high levels. Mexico operations poised for a turn to profitability in the second half
- LEAN focus driving operational efficiencies
- Line startups and transitions progressing with an intense focus on quality
- Supply chain remains stable

Global Services

- Quarterly revenue impacted by warranty campaign announced last year
- Expect technicians to transition to normal levels of revenue work in the second half of 2024

Market

- Remain optimistic about the long-term recovery of onshore wind, timing is still somewhat uncertain
- Interest rates, inflation, permitting, grid access and U.S. election uncertainty impacting some project timelines
- Strong demand for TPI in US in 2025; EU volumes for 2025 still uncertain



Q2 2024 Financial Highlights and 2024 Guidance





Q2 2024 Financial Highlights from Continuing Operations⁽¹⁾

Unaudited

Key Statement of Operations Data <i>(in thousands)</i>	Three Months Ended June 30,		Change %
	2024	2023	
Net sales	\$ 309,817	\$ 374,021	-17.2%
Net loss from continuing operations attributable to common stockholders	\$ (61,496)	\$ (74,294)	17.2%

Non-GAAP Metrics (1)


(in thousands, except percentage data)


Adjusted EBITDA	\$ (24,911)	\$ (33,291)	25.2%
Margin %	-8.0%	-8.9%	90 bps

Key Performance Indicators (KPIs)

Sets produced	473	661	-188
Estimated megawatts	2,024	2,910	-886
Utilization	63%	85%	-2200 bps
Dedicated wind blade manufacturing lines	38	37	1 line
Wind blade manufacturing lines installed	38	37	1 line
Wind blade ASP (in \$ thousands)	208	179	16.2%

Key Highlights

-  Sales down due to a decrease in the number of blades produced, startup and transition activities, expected market volume, and foreign currency fluctuations, partially offset by higher ASPs (mix) and higher tooling sales.

-  Adjusted EBITDA loss of \$24.9 million in Q2 2024 compared to adjusted EBITDA loss of \$33.3 million in Q2 2023:
 - + Absence of 2023 warranty charge
 - + Cost reduction initiatives
 - + Favorable foreign currency fluctuations
 - Sales reduction due to transitions and startups
 - Higher startup and transition costs
 - Nordex Matamoros losses
 - Inflation impact on production expenses and wages

(1) See Appendix for reconciliations of non-GAAP financial data


Q2 2024 Financial Highlights – Continued⁽¹⁾


Unaudited

Net Debt Reconciliation	June 30,	December 31,
<i>(in thousands)</i>	2024	2023
Cash and cash equivalents	\$ 101,861	\$ 161,059
Cash and cash equivalents of discontinued operations	726	916
Total debt, net of debt issuance costs and debt discount	(554,446)	(485,193)
Net debt	\$ (451,859)	\$ (323,218)

Key Cash Flow Data	Three Months Ended	
<i>(in thousands)</i>	June 30,	
	2024	2023
Net cash (used in) provided by operating activities	\$ (36,904)	\$ 9,607
Capital expenditures	(7,120)	(3,419)
Free cash flow	\$ (44,024)	\$ 6,188

Key **Highlights**

- 
 \$102 million of unrestricted cash on June 30, 2024

- 
 Q2 2024 Free cash flow (\$ millions):
 - (\$24.9) Adjusted EBITDA
 - (\$7.1) Capital expenditures
 - (\$5.8) Tax payments
 - (\$1.9) Interest payments
 - (\$4.3) Other working capital changes
 - (\$44.0)

(1) See Appendix for reconciliations of non-GAAP financial data

Sales from Continuing Operations

\$1.3 billion to \$1.4 billion

Adjusted EBITDA Margin % from Continuing Operations

Approximately 1%

Utilization Percentage

75% to 80% on 34 lines

Capital Expenditures

\$25 million to \$30 million



Wrap Up



Market:

- Long term prospects continue to be promising
- Structural foundation for sustained onshore growth is in place and robust
- Market recovery likely pushed to back half of 2025 or into 2026
- Election uncertainty, interest rates, permitting and grid access impacting some project timelines

Operational:

- Automotive divestiture and Nordex Matamoros contract concluded
- Renewed focus on LEAN to drive waste reduction across the business
- Quality improvement initiatives have been successful
- Line startups and transitions progressing with a sharpened focus on quality

Financial:

- Adjusted EBITDA and cash flow return to positive in second half of 2024
- End 2024 on run rate to achieve Adjusted EBITDA levels of at least \$100 million in 2025

People:

- Thanks to our associates for their commitment and dedication to TPI and our mission to decarbonize and electrify the world





Q&A





Appendix – Non-GAAP Financial Information

This presentation includes unaudited non-GAAP financial measures including EBITDA, adjusted EBITDA, net cash (debt) and free cash flow. We define EBITDA, a non-GAAP financial measure, as net income or loss from continuing operations plus interest expense net, income taxes, depreciation and amortization, preferred stock dividends and accretion less gain on extinguishment on series A preferred stock. We define adjusted EBITDA as EBITDA plus any share-based compensation expense, plus or minus any foreign currency losses or income, plus or minus any losses or gains from the sale of assets and asset impairments, plus any restructuring charges. We define net cash (debt) as total unrestricted cash and cash equivalents less the total principal amount of debt outstanding. We define free cash flow as net cash flow from operating activities less capital expenditures. We present non-GAAP measures when we believe 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.

We provide forward-looking statements in the form of guidance in our quarterly earnings releases and during our quarterly earnings conference calls. This guidance is provided on a non-GAAP basis and cannot be reconciled to the closest GAAP measures without unreasonable effort because of the unpredictability of the amounts and timing of events affecting the items we exclude from non-GAAP measures. For example, stock-based compensation is unpredictable for our performance-based awards, which can fluctuate significantly based on current expectations of future achievement of performance-based targets. Amortization of intangible assets and restructuring costs are all impacted by the timing and size of potential future actions, which are difficult to predict. In addition, from time to time, we exclude certain items that occur infrequently, which are also inherently difficult to predict and estimate. It is also difficult to predict the tax effect of the items we exclude and to estimate certain discrete tax items, like the resolution of tax audits or changes to tax laws. As such, the costs that are being excluded from non-GAAP guidance are difficult to predict and a reconciliation or a range of results could lead to disclosure that would be imprecise or potentially misleading. Material changes to any one of the exclusions could have a significant effect on our guidance and future GAAP results.

See below for a reconciliation of certain non-GAAP financial measures to the comparable GAAP measures.



Non-GAAP Reconciliations

Unaudited

EBITDA and adjusted EBITDA are reconciled as follows:

<i>(in thousands)</i>	Three Months Ended June 30,	
	2024	2023
Net loss attributable to common stockholders	\$ (91,089)	\$ (80,835)
Net loss from discontinued operations	29,593	6,541
Net loss from continuing operations attributable to common stockholders	(61,496)	(74,294)
Preferred stock dividends and accretion	-	15,598
Net loss from continuing operations	(61,496)	(58,696)
Adjustments:		
Depreciation and amortization	7,334	9,643
Interest expense, net	22,428	1,876
Income tax provision	2,412	287
EBITDA	(29,322)	(46,890)
Share-based compensation expense	1,162	3,968
Foreign currency (income) loss	(132)	1,564
Loss on sale of assets and asset impairments	3,083	5,819
Restructuring charges, net	298	2,248
Adjusted EBITDA	\$ (24,911)	\$ (33,291)

Net cash (debt) is reconciled as follows:

<i>(in thousands)</i>	June 30,	December 31,
	2024	2023
Cash and cash equivalents	\$ 101,861	\$ 161,059
Cash and cash equivalents of discontinued operations	726	916
Total debt, net of debt issuance costs and debt discount	(554,446)	(485,193)
Net debt	\$ (451,859)	\$ (323,218)

