



Q4 2019 Earnings Call

February 27, 2020

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Legal Disclaimer

This presentation contains forward-looking statements within the meaning of the federal securities law. 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,” “target,” “projects,” “contemplates,” “believes,” “estimates,” “predicts,” “potential” or “continue” or the negative of these terms or other similar words. Forward-looking statements contained in this presentation include, but are not limited to, statements about: (i) growth of the wind energy market and our addressable market; (ii) 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; (iii) 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; (iv) changes in domestic or international government or regulatory policy, including without limitation, changes in trade policy; (v) the sufficiency of our cash and cash equivalents to meet our liquidity needs; (vi) our ability to attract and retain customers for our products, and to optimize product pricing; (vii) our ability to effectively manage our growth strategy and future expenses, including our startup and transition costs; (viii) competition from other wind blade and wind blade turbine manufacturers; (ix) the discovery of defects in our products; (x) 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 in wind energy markets; (xi) our ability to successfully open new manufacturing facilities and expand existing facilities on time and on budget; (xii) the impact of the accelerated pace of new product and wind blade model introductions on our business and our results of operations; (xiii) our ability to successfully expand our transportation business and execute upon our strategy of entering new markets outside of wind energy; (xiv) the potential impact of the Coronavirus on our business and results of operations; (xv) worldwide economic conditions and their impact on customer demand; (xvi) our ability to maintain, protect and enhance our intellectual property; (xvii) 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; (xviii) the attraction and retention of qualified employees and key personnel; (xix) our ability to maintain good working relationships with our employees, and avoid labor disruptions, strikes and other disputes with labor unions that represent certain of our employees; (xx) our ability to procure adequate supplies of raw materials and components to fulfill our wind blade volume commitments to our customers and (xxi) the potential impact of one or more of our customers becoming bankrupt or insolvent, or experiencing other financial problems.

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, 2019.

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 total billings, EBITDA, adjusted EBITDA, net cash (debt) and free cash flow. We define total billings as the total amounts we have invoiced our customers for products and services for which we are entitled to payment under the terms of our long-term supply agreements or other contractual agreements. We define EBITDA as net income (loss) plus interest expense (including losses on the extinguishment of debt and net of interest income), income taxes and depreciation and amortization. We define Adjusted EBITDA as EBITDA plus any share-based compensation expense, plus or minus any realized gains or losses from foreign currency remeasurement and any realized gains or losses on the sale of assets and asset impairments. 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

- Q4 and Full Year 2019 Highlights
- Q4 and Full Year 2019 Financial Highlights
- Guidance for 2020
- Q&A
- Appendix
 - Non-GAAP Information

February 27, 2020

Q4 and Full Year 2019 Highlights



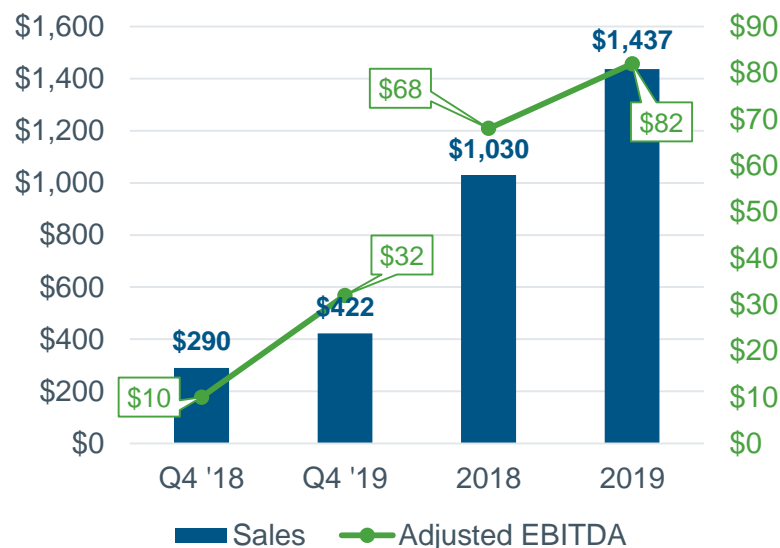
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Q4 and Full Year 2019 Highlights

Q4 and Full Year 2019 Highlights

- Operating results and year-over-year comparisons to 2018:
 - Net sales were up 45.5% to \$422.1 million for the quarter
 - Total billings were up 37.0% to \$417.7 million for the quarter
 - Net loss for the quarter was \$0.9 million compared to a net loss of \$8.8 million
 - Adjusted EBITDA for the quarter was \$31.8 million or 7.5% of net sales up 410 bps
- Grew global onshore market share to approximately 18%
- Stabilized our operations globally including in Matamoros and Yangzhou
- Our new plant in Chennai, India began operations earlier this year on time and on budget
- Executed a joint development agreement with GE to cooperatively develop advanced blade technology for future wind turbines
- Signed an agreement with Nordex to transition multiple lines in Turkey to longer blades and extended the end of the contract through 2022
- Acquired the former Euros team based in Berlin focused on blade design, tooling, materials, and process technology development
- Executed all of our transitions very well with ramp times significantly better than planned and overall costs less than budget.
- Executed an agreement with Workhorse to develop and produce a prototype chassis and cab structure for a purpose-built electric delivery vehicle
- Added key members to our senior leadership team to add depth and breadth in both wind and diversified markets as well as to spearhead our global service and recycling initiatives
- Continued to evolve our Board of Directors adding global automotive experience and additional diversity – we plan to continue this process in 2020.

Net Sales and Adjusted EBITDA (\$ in millions)



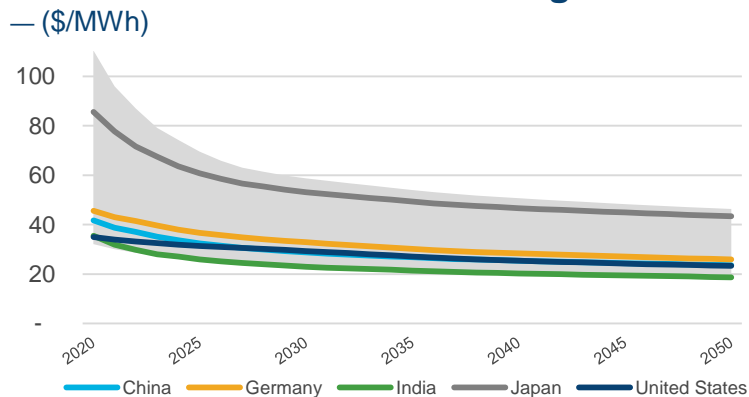
	<u>Q4 '18</u>	<u>Q4 '19</u>	<u>2018</u>	<u>2019</u>
Sets invoiced	689	942	2,423	3,178
Est. MW	1,927	2,943	6,560	9,324
Dedicated lines ⁽¹⁾	55	52	55	52
Lines installed ⁽²⁾	43	48	43	48

(1) Number of wind blade manufacturing lines dedicated to our customers under long-term supply agreements at the end of the period.

(2) Number of wind blade manufacturing lines installed that are either in operation, startup or transition at the end of the period.

Business and Wind Market Update

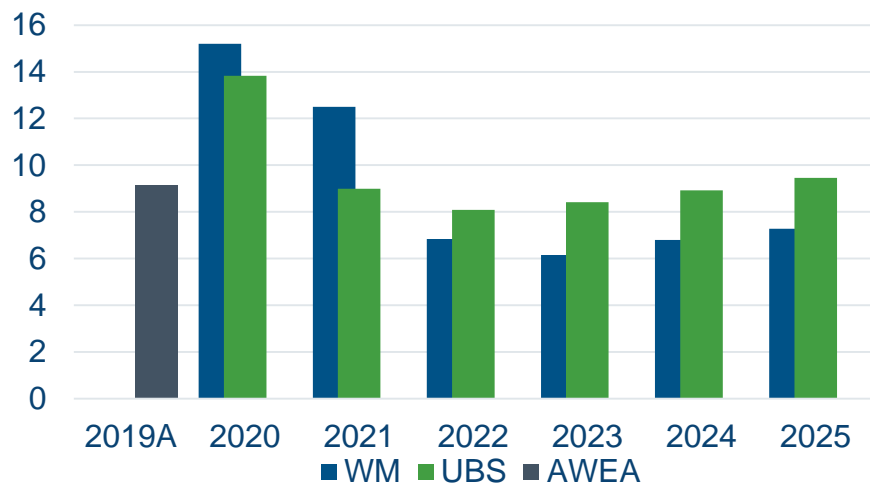
Onshore Wind Unsubsidized Levelized Cost of Power Generation Range Forecast — (\$/MWh)



Source: BloombergNEF New Energy Outlook 2019

- COVID-19 Impact
- Q4 Performance
 - Yangzhou, China Update
 - Matamoros, Mexico Update
 - Chennai, India Update

U.S. Wind Market Forecast (GW)

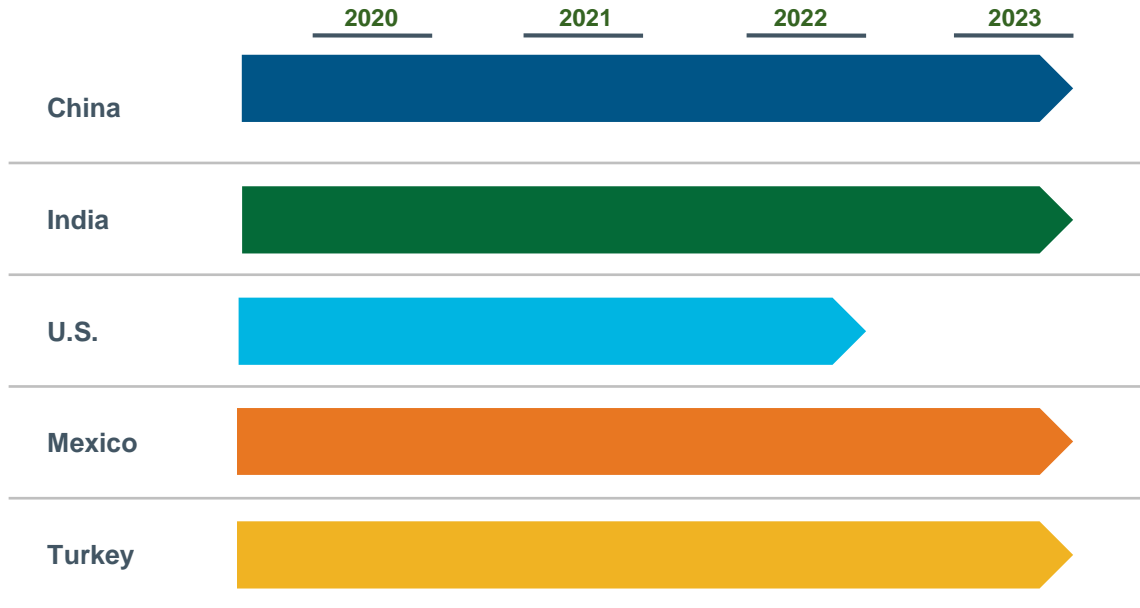


Source: Wood Mackenzie, "Q4 2019 Global Wind Power Market Outlook Update", UBS Securities LLC, AWEA



Existing Contracts Provide for ~\$5.2 Billion in Potential Revenue through 2023

Long-term Supply Agreements ⁽¹⁾



Long-term supply agreements provide for estimated minimum aggregate volume commitments from our customers of approximately \$2.8 billion and encourage our customers to purchase additional volume up to, in the aggregate, an estimated total potential revenue of approximately \$5.2 billion through the end of 2023

Note: Our contracts with certain of our customers are subject to termination or reduction on short notice, generally with substantial penalties, and contain liquidated damages provisions, which may require us to make unanticipated payments to our customers or our customers to make payments to us.

(1) As of February 27, 2020. The chart depicts the term of the longest contract in each location; Iowa blade contract expires at the end of 2020; does not include 2 lines under an agreement for 2020 in China.

TPI Operating Imperatives



- Relentless focus on operational excellence



- Turn speed into a competitive advantage – cut transition and startup time in half



- Continue to advance our composites technology



- Partner more deeply with our customers



- Reduce and balance cost of transitions with our customers



- Apply scale to expand material capacity, continuity of supply, and drive cost down



- Continue to build and develop world class team



- Drive ESG vision

February 27, 2020

Q4 and Full Year 2019 Financial Highlights



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Q4 and Full Year 2019 Financial Highlights ⁽¹⁾

(unaudited)

(\$ in millions, except per share data and KPIs)

	Three Months Ended December 31,			Year Ended December 31,		
	2019	2018	Change	2019	2018	Change
Select Financial Data						
Net Sales	\$ 422.1	\$ 290.1	45.5%	\$ 1,436.5	\$ 1,029.6	39.5%
Total Billings	\$ 417.7	\$ 304.8	37.0%	\$ 1,387.2	\$ 1,006.5	37.8%
Net Income (Loss)	\$ (0.9)	\$ (8.8)	90.3%	\$ (15.7)	\$ 5.3	-397.6%
Diluted Earnings (Loss) Per Share	\$ (0.02)	\$ (0.26)	\$ 0.24	\$ (0.45)	\$ 0.15	\$ (0.60)
Adjusted EBITDA	\$ 31.8	\$ 9.8	226.4%	\$ 81.9	\$ 68.2	20.2%
Adjusted EBITDA Margin	7.5%	3.4%	410 bps	5.7%	6.6%	-90 bps
Net Debt	\$ (71.8)	\$ (53.2)	\$ (18.6)	\$ (71.8)	\$ (53.2)	\$ (18.6)
Free Cash Flow	\$ (21.0)	\$ (22.5)	\$ 1.5	\$ (17.3)	\$ (55.9)	\$ 38.6
Capital Expenditures	\$ 15.3	\$ 2.1	\$ 13.3	\$ 74.4	\$ 52.7	\$ 21.7

Key Performance Indicators (KPIs)

Sets	942	689	253	3,178	2,423	755
Estimated Megawatts	2,943	1,927	1,016	9,324	6,560	2,764
Utilization	96%	81%	1500 bps	79%	71%	800 bps
Dedicated Manufacturing Lines	52	55	3 lines	52	55	3 lines
Manufacturing Lines Installed	48	43	5 lines	48	43	5 lines
Manufacturing Lines In Operation	43	32	11 lines	24	12	12 lines
Manufacturing Lines in Startup	3	7	4 lines	14	16	2 lines
Manufacturing Lines in Transition	2	4	2 lines	10	15	5 lines

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

Income Statement Summary ⁽¹⁾

(unaudited)

	Three Months Ended December 31,		Change		Year Ended December 31,		Change	
	2019	2018	\$	%	2019	2018	\$	%
<i>(\$ in thousands, except per share amounts)</i>								
Net sales	\$ 422,113	\$ 290,057	\$ 132,056	45.5%	\$ 1,436,500	\$ 1,029,624	\$ 406,876	39.5%
Cost of sales	\$ 386,484	\$ 256,258	\$ 130,226	50.8%	\$ 1,290,619	\$ 882,075	\$ 408,544	46.3%
Startup and transition costs	\$ 4,827	\$ 21,234	\$ (16,407)	-77.3%	\$ 68,033	\$ 74,708	\$ (6,675)	-8.9%
Total cost of goods sold	\$ 391,311	\$ 277,492	\$ 113,819	41.0%	\$ 1,358,652	\$ 956,783	\$ 401,869	42.0%
<i>Cost of goods sold %</i>	<i>92.7%</i>	<i>95.7%</i>		<i>-300 bps</i>	<i>94.6%</i>	<i>92.9%</i>		<i>170 bps</i>
Gross profit	\$ 30,802	\$ 12,565	\$ 18,237	145.1%	\$ 77,848	\$ 72,841	\$ 5,007	6.9%
<i>Gross profit %</i>	<i>7.3%</i>	<i>4.3%</i>		<i>300 bps</i>	<i>5.4%</i>	<i>7.1%</i>		<i>-170 bps</i>
General and administrative expenses	\$ 12,115	\$ 11,634	\$ 481	4.1%	\$ 39,916	\$ 43,542	\$ (3,626)	-8.3%
<i>General and administrative expenses %</i>	<i>2.9%</i>	<i>4.0%</i>		<i>-110 bps</i>	<i>2.8%</i>	<i>4.2%</i>		<i>-140 bps</i>
Realized loss on sale of assets and asset impairments	\$ 7,556	\$ 4,581	\$ 2,975	64.9%	\$ 18,117	\$ 4,581	\$ 13,536	295.5%
Restructuring charges, net	\$ 202	\$ -	\$ 202	NM	\$ 3,927	\$ -	\$ 3,927	NM
Income (loss) from operations	\$ 10,929	\$ (3,650)	\$ 14,579	399.4%	\$ 15,888	\$ 24,718	\$ (8,830)	-35.7%
Income (loss) before income taxes	\$ 7,541	\$ (5,524)	\$ 13,065	236.5%	\$ 7,407	\$ 2,246	\$ 5,161	229.8%
Net income (loss)	\$ (861)	\$ (8,848)	\$ 7,987	90.3%	\$ (15,708)	\$ 5,279	\$ (20,987)	-397.6%
Weighted-average common shares outstanding:								
Basic	35,174	34,606			35,062	34,311		
Diluted	35,174	34,606			35,062	36,002		
Net income (loss) per common share:								
Basic	\$ (0.02)	\$ (0.26)	\$ 0.24		\$ (0.45)	\$ 0.15	\$ (0.60)	
Diluted	\$ (0.02)	\$ (0.26)	\$ 0.24		\$ (0.45)	\$ 0.15	\$ (0.60)	
Non-GAAP Metrics								
Total billings	\$ 417,692	\$ 304,786	\$ 112,906	37.0%	\$ 1,387,235	\$ 1,006,541	\$ 380,694	37.8%
EBITDA	\$ 20,133	\$ 3,814	\$ 16,319	427.9%	\$ 54,009	\$ 42,308	\$ 11,701	27.7%
<i>EBITDA margin</i>	<i>4.8%</i>	<i>1.3%</i>		<i>350 bps</i>	<i>3.8%</i>	<i>4.1%</i>		<i>-30 bps</i>
Adjusted EBITDA	\$ 31,823	\$ 9,751	\$ 22,072	226.4%	\$ 81,914	\$ 68,173	\$ 13,741	20.2%
<i>Adjusted EBITDA margin</i>	<i>7.5%</i>	<i>3.4%</i>		<i>410 bps</i>	<i>5.7%</i>	<i>6.6%</i>		<i>-30 bps</i>

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

Key Balance Sheet and Cash Flow Data ⁽¹⁾

(unaudited)

<i>(\$ in thousands)</i>	December 31,	
	2019	2018
Balance Sheet Data:		
Cash and cash equivalents	\$ 70,282	\$ 85,346
Restricted cash	\$ 992	\$ 3,555
Restricted cash - noncurrent	\$ 475	\$ 475
Accounts receivable	\$ 184,012	\$ 176,815
Contract assets	\$ 166,515	\$ 116,708
Operating lease right of use assets	\$ 122,351	\$ -
Total operating lease liabilities - current and noncurrent	\$ 130,512	\$ -
Total debt-current and noncurrent, net	\$ 141,389	\$ 137,623
Net debt	\$ (71,779)	\$ (53,155)

<i>(\$ in thousands)</i>	Three Months Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
Cash Flow Data:				
Net cash provided by (used in) operating activities	\$ (5,651)	\$ (20,453)	\$ 57,084	\$ (3,258)
Capital expenditures	\$ 15,316	\$ 2,052	\$ 74,408	\$ 52,688
Free cash flow	\$ (20,967)	\$ (22,505)	\$ (17,324)	\$ (55,946)

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

February 27, 2020

Guidance for 2020

GE56.9 SET-1422
TPI-24284

2020 Guidance

	2020 Guidance
Net Sales	\$1.55 billion to \$1.65 billion
Adjusted EBITDA ⁽¹⁾	\$100 million to \$125 million
Wind Blade Utilization %	80% to 85%
Wind Blade Set Capacity	4,380
Average Selling Price per Blade	\$140,000 to \$145,000
Non-Blade Sales	\$75 million to \$100 million
Capital Expenditures	\$80 million to \$90 million
Startup Costs	\$17 million to \$20 million

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

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Q&A

February 27, 2020

Appendix – Non-GAAP Information

This presentation includes unaudited non-GAAP financial measures including total billings, EBITDA, adjusted EBITDA, net cash (debt) and free cash flow. We define total billings as the total amounts we have invoiced our customers for products and services for which we are entitled to payment under the terms of our long-term supply agreements or other contractual agreements. We define EBITDA as net income (loss) plus interest expense (including losses on the extinguishment of debt and net of interest income), income taxes and depreciation and amortization. We define Adjusted EBITDA as EBITDA plus any share-based compensation expense, plus or minus any realized gains or losses from foreign currency remeasurement and any realized gains or losses on the sale of assets and asset impairments. 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 below for a reconciliation of certain non-GAAP financial measures to the comparable GAAP measures.

Non-GAAP Reconciliations

(unaudited)

Net sales is reconciled to total billings as follows:

	Three Months Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
<i>(\$ in thousands)</i>				
Net sales	\$ 422,113	\$ 290,057	\$ 1,436,500	\$ 1,029,624
Change in gross contract assets	(1,961)	9,515	(43,405)	(15,011)
Foreign exchange impact	(2,460)	5,214	(5,860)	(8,072)
Total billings	\$ 417,692	\$ 304,786	\$ 1,387,235	\$ 1,006,541

Net income (loss) is reconciled to EBITDA and adjusted EBITDA as follows:

	Three Months Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
<i>(\$ in thousands)</i>				
Net income (loss)	\$ (861)	\$ (8,848)	\$ (15,708)	\$ 5,279
Adjustments:				
Depreciation and amortization	10,848	7,349	38,580	26,429
Interest expense (net of interest income)	1,744	1,989	8,022	10,236
Loss on extinguishment of debt	—	—	—	3,397
Income tax provision (benefit)	8,402	3,324	23,115	(3,033)
EBITDA	20,133	3,814	54,009	42,308
Share-based compensation expense	1,077	824	5,681	7,795
Realized loss on foreign currency remeasurement	3,057	532	4,107	13,489
Realized loss on sale of assets and asset impairments	7,556	4,581	18,117	4,581
Adjusted EBITDA	\$ 31,823	\$ 9,751	\$ 81,914	\$ 68,173

Non-GAAP Reconciliations *(continued)* *(unaudited)*

Net debt is reconciled as follows:

<i>(\$ in thousands)</i>	December 31,		September 30,	
	2019	2018	2019	
Cash and cash equivalents	\$ 70,282	\$ 85,346	\$ 92,085	
Less total debt, net of debt issuance costs	(141,389)	(137,623)	(142,652)	
Less debt issuance costs	(672)	(878)	(723)	
Net debt	\$ (71,779)	\$ (53,155)	\$ (51,290)	

Free cash flow is reconciled as follows:

<i>(\$ in thousands)</i>	Three Months Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
Net cash provided by (used in) operating activities	\$ (5,651)	\$ (20,453)	\$ 57,084	\$ (3,258)
Less capital expenditures	(15,316)	(2,052)	(74,408)	(52,688)
Free cash flow	\$ (20,967)	\$ (22,505)	\$ (17,324)	\$ (55,946)

Non-GAAP Reconciliations *(continued)* *(unaudited)*

A reconciliation of the low end and high end ranges of projected net income to projected EBITDA and projected adjusted EBITDA for the full year 2020 is as follows:

	2020 Guidance Range ⁽¹⁾	
	Low End	High End
<i>(\$ in thousands)</i>		
Projected net income	\$ 16,000	\$ 26,000
Adjustments:		
Projected depreciation and amortization	50,000	55,000
Projected interest expense (net of interest income)	11,000	13,000
Projected income tax provision	10,000	15,000
Projected EBITDA	87,000	109,000
Projected share-based compensation expense	5,000	6,000
Projected realized loss on sale of assets and asset impairments	8,000	10,000
Projected Adjusted EBITDA	\$ 100,000	\$ 125,000

⁽¹⁾ All figures presented are projected estimates for the full year ending December 31, 2020.

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