tpi COMPOSITES®

Q4 2017 Earnings Call

Legal Disclaimer

This presentation contains forward-looking statements within the meaning of the federal securities laws. 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 GE’s acquisition of LM Wind Power upon our business; (iii) 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; (iv) our ability to successfully expand our transportation business and execute upon our strategy of entering new markets outside of wind energy; (v) 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; (vi) the sufficiency of our cash and cash equivalents to meet our liquidity needs; (vii) our ability to attract and retain customers for our products, and to optimize product pricing; (viii) competition from other wind blade manufacturers; (ix) the discovery of defects in our products; (x) our ability to successfully expand in our existing markets and into new international markets; (xi) worldwide economic conditions and their impact on customer demand; (xii) our ability to effectively manage our growth strategy and future expenses; (xiii) our ability to maintain, protect and enhance our intellectual property; (xiv) our ability to comply with existing, modified or new laws and regulations applying to our business; (xv) the attraction and retention of qualified employees and key personnel; and (xvi) changes in domestic or international government or regulatory policy, including without limitation, changes in tax policy.

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, 2017.

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) attributable to the Company 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 gains or losses from foreign currency remeasurement. We define net cash (debt) as the total principal amount of debt outstanding less unrestricted cash and cash equivalents. We define free cash flow as net cash flow generated 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 2017 Highlights
- Industry Update
- Q4 and Full Year 2017 Financial Highlights
- Impact of ASC 606
- Impact of Tax Reform
- Guidance for 2018
- Q&A
- Appendix – Non-GAAP Information

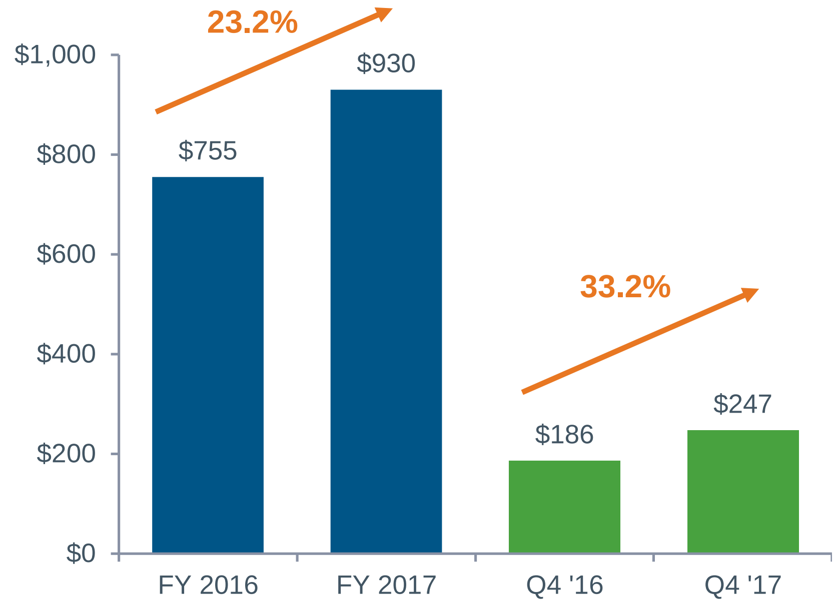
Q4 and Full Year 2017 Highlights

Q4 and Full Year 2017 Highlights

Q4 and Full Year 2017 Highlights and Recent Company News

- Operating results and year-over-year increases compared to 2016
  - Net sales were up 33.2% to $247.1 million for the quarter and 23.2% to $930.3 million for the year
  - Total billings were up 22.8% to $242.7 million for the quarter and 23.2% to $941.6 million for the year
  - Net income for the quarter improved to $5.9 million from a loss of $2.3 million and to $43.7 million in 2017 from $13.8 million in 2016
  - Adjusted EBITDA for the quarter increased by 75.0% to $25.1 million and by 53.5% to $101.5 million for the year
  - Adjusted EBITDA margin for the quarter was up 250 bps to 10.2% and up 210 bps to 10.9% for the year
- Entered into an agreement with Navistar to design and develop a Class 8 truck comprised of a composite tractor and frame rails
- Signed a five-year supply agreement with Proterra to become the supplier of composite bus bodies for their Catalyst® zero-emission electric transit buses

GAAP Net Sales ($ in millions)



	FY 2016	FY 2017	Q4 '16	Q4 '17
Sets invoiced	**2,154**	**2,736**	**541**	**669**
Est. MW	**4,920**	**6,602**	**1,234**	**1,726**
Dedicated lines[(1)]	**44**	**48**	**44**	**48**
Lines installed[(2)]	**33**	**41**	**33**	**41**

(1) Number of wind blade manufacturing lines dedicated to our customers under long-term supply agreements. Includes 7 lines under supply agreements that ended on December 31, 2017.

(2) Number of wind blade manufacturing lines installed that are either in operation, startup or transition

Existing Contracts Provide for ~ $4.6 Billion in Revenue through 2023[1]

Long-term Supply Agreements [1]

Long-term supply agreements provide for estimated minimum aggregate volume commitments from our customers of approximately $3.1 billion and encourage our customers to purchase additional volume up to, in the aggregate, an estimated total contract value of approximately $4.6 billion through the end of 2023[1]

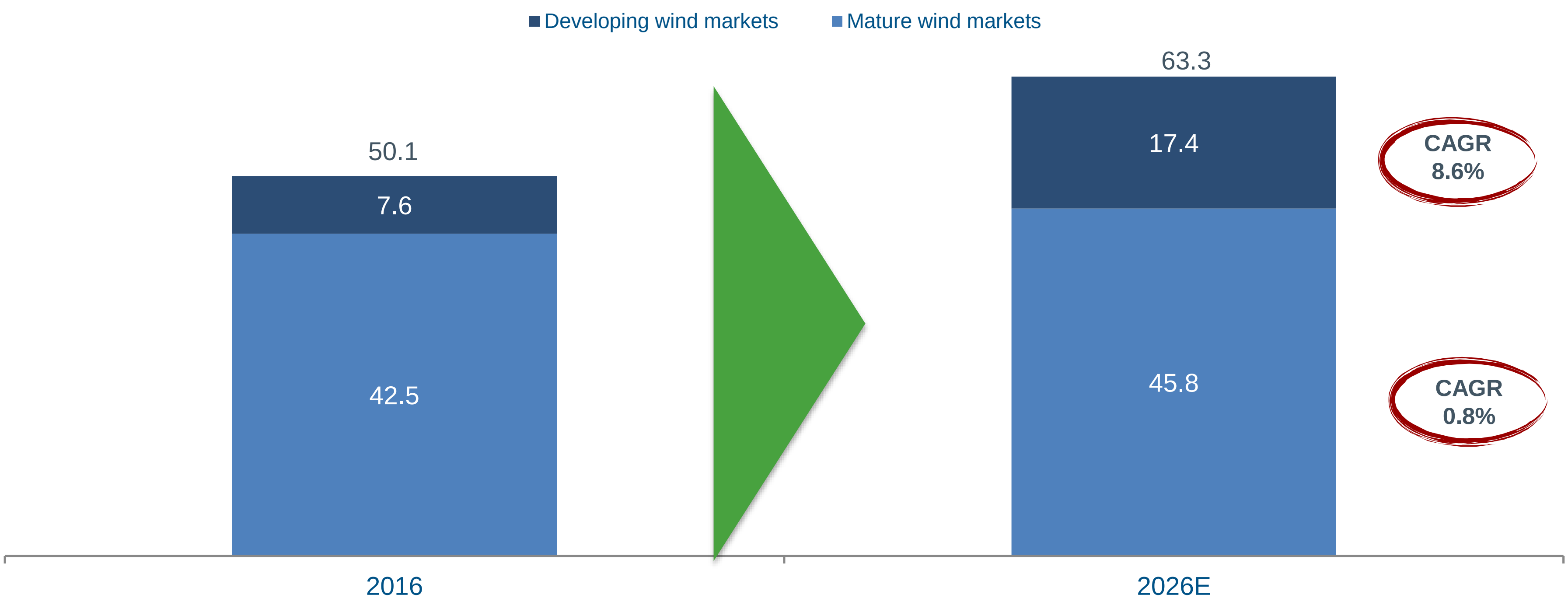
Note: Our contracts with some of our customers are subject to termination or reduction on short notice, generally with substantial penalties, and contain liquidated damages provisions, which may require us to make unanticipated payments to our customers or our customers to make payments to us.

(1) As of March 8, 2018. The chart depicts the term of the longest contract in each location..

Industry Update

Onshore Global Market Growth

Annual Installed Global Wind Capacity (GW): 2016 – 2026E



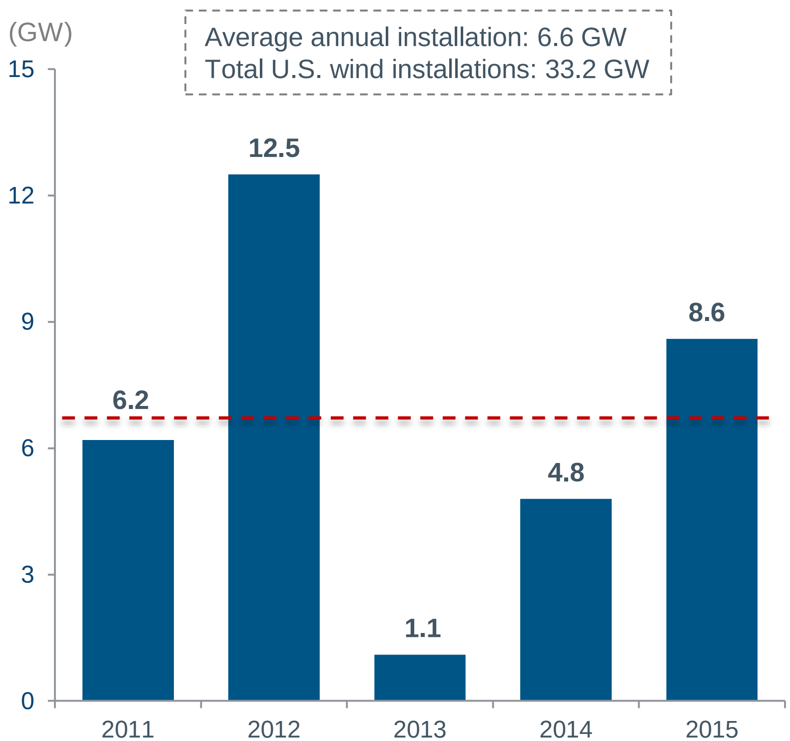
	2016	2026E
Mature wind market share	84.8%	72.1%
Developing markets market share	15.2%	27.9%

Annual installed wind capacity growth is propelled by an increase in developing wind markets, including Turkey and Mexico where TPI Composites is well positioned to succeed

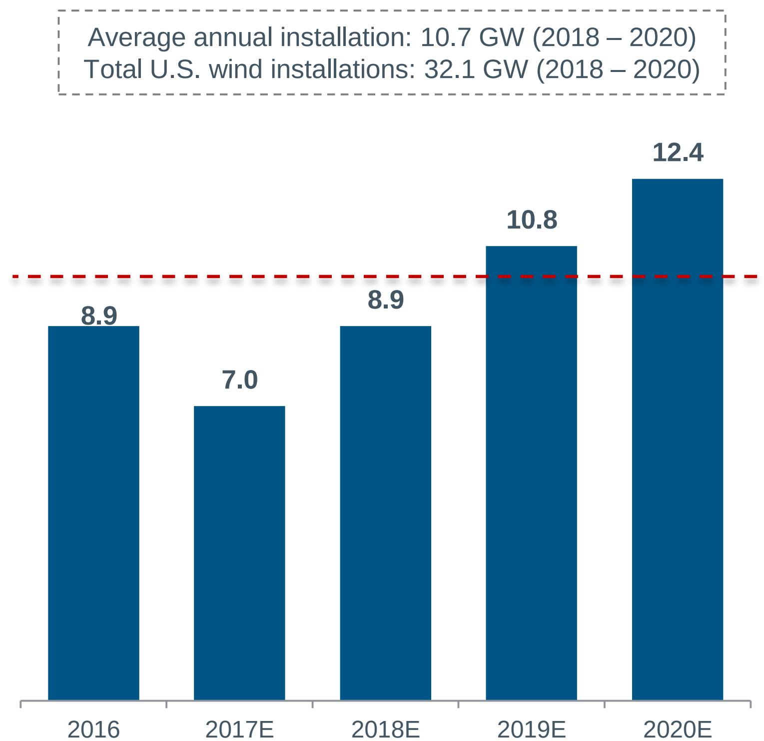
Source: MAKE Q4 2017 Global Wind Power Market Outlook Update
Note: Developing wind markets defined as fewer than 6 GW of 2016 installed capacity

U.S. Onshore Market Growth: 2011 – 2020E

U.S. Onshore Wind Market Growth - Capacity (2011 – 2015)



U.S. Onshore Wind Market Growth – Capacity (2016 – 2020E)



The U.S. wind market is expected to experience consistent near-term growth in light of the PTC phase out

Source: MAKE Q4 2017 Global Wind Power Market Outlook Update

Market Demand Drivers

- Overall competitiveness of wind energy
- Corporate and industrial demand
- Utilities being driven by consumer demand and sheer economics
- Offshore economics
- Repowering - globally
- Vehicle electrification
- Decarbonization of electric sector

Q4 and Full Year 2017 Financial Highlights

Q4 and Full Year 2017 Financial Highlights
(unaudited)

($ in millions, except per share data and KPIs)	Q4 '17	Q4 '16	Δ	Full Year '17	Full Year '16	Δ
Select Financial Data						
Net Sales	$ 247.1	$ 185.6	*33.2%*	$ 930.3	$ 754.9	*23.2%*
Total Billings (1)	$ 242.7	$ 197.6	*22.8%*	$ 941.6	$ 764.4	*23.2%*
Net Income (Loss)	$ 5.9	$ (2.3)	*NM*	$ 43.7	$ 13.8	*215.6%*
Diluted Earnings (Loss) per Share (2)	$ 0.17	$ (0.07)	$ 0.24	$ 1.25	$ 0.48	$ 0.77
Adjusted EBITDA (1)	$ 25.1	$ 14.3	*75.0%*	$ 101.5	$ 66.2	*53.5%*
Adjusted EBITDA Margin	*10.2%*	*7.7%*	*250 bps*	*10.9%*	*8.8%*	*210 bps*
Net Cash (Debt) (1)	$ 24.6	$ (6.4)	$ 30.9	$ 24.6	$ (6.4)	$ 30.9
Free Cash Flow (1)	$ 21.6	$ 14.3	$ 7.3	$ 37.8	$ 23.3	$ 14.5
Capital Expenditures	$ 9.5	$ 11.6	$ (2.1)	$ 44.8	$ 30.5	$ 14.3
Key Performance Indicators (KPIs)						
Sets Invoiced	669	541	*128*	2,736	2,154	*582*
Estimated Megawatts	1,726	1,234	*492*	6,602	4,920	*1,682*
Dedicated Wind Blade Manufacturing Lines	48	44	*4 lines*	48	44	*4 lines*
Wind Blade Manufacturing Lines Installed	41	33	*8 lines*	41	33	*8 lines*
Wind Blade Manufacturing Lines in Startup	9	3	*6 lines*	9	3	*6 lines*
Wind Blade Manufacturing Lines in Transition	—	3	*3 lines*	—	3	*3 lines*

(1) See pages 25 – 28 for reconciliations of non-GAAP financial data
(2) Based on net income (loss) attributable to common stockholders

Income Statement Summary
(unaudited)

	Three Months Ended December 31, 2017	Three Months Ended December 31, 2016	Change $	Change %	Year Ended December 31, 2017	Year Ended December 31, 2016	Change $	Change %
($ in thousands, except per share amounts)								
Net sales	$ 247,139	$ 185,574	$ 61,565	33.2%	$ 930,281	$ 754,877	$ 175,404	23.2%
Cost of sales	$ 208,285	$ 159,849	$ 48,436	30.3%	$ 776,944	$ 659,745	$ 117,199	17.8%
Startup and transition costs	$ 11,577	$ 6,678	$ 4,899	73.4%	$ 40,628	$ 18,127	$ 22,501	124.1%
Total cost of goods sold	$ 219,862	$ 166,527	$ 53,335	32.0%	$ 817,572	$ 677,872	$ 139,700	20.6%
Cost of goods sold %	*89.0%*	*89.7%*		*-70 bps*	*87.9%*	*89.8%*		*-190 bps*
Gross profit	$ 27,277	$ 19,047	$ 8,230	43.2%	$ 112,709	$ 77,005	$ 35,704	46.4%
Gross profit %	*11.0%*	*10.3%*		*70 bps*	*12.1%*	*10.2%*		*190 bps*
General and administrative expenses	$ 12,000	$ 9,738	$ 2,262	23.2%	$ 40,373	$ 33,892	$ 6,481	19.1%
General and administrative expenses %	*4.9%*	*5.2%*		*-30 bps*	*4.3%*	*4.5%*		*-20 bps*
Income from operations	$ 15,277	$ 9,309	$ 5,968	64.1%	$ 72,336	$ 43,113	$ 29,223	67.8%
Income before income taxes	$ 10,455	$ 174	$ 10,281	NM	$ 56,770	$ 20,837	$ 35,933	172.4%
Net income (loss)	$ 5,889	$ (2,256)	$ 8,145	NM	$ 43,690	$ 13,842	$ 29,848	215.6%
Net income attributable to preferred stockholders	$ -	$ -	$ -	NM	$ -	$ 5,471	$ (5,471)	-100.0%
Net income (loss) attributable to common stockholders	$ 5,889	$ (2,256)	$ 8,145	NM	$ 43,690	$ 8,371	$ 35,319	421.9%
Weighted-average common shares outstanding:								
Basic	34,008	33,737			33,844	17,530		
Diluted	35,198	33,737			34,862	17,616		
Net income (loss) per common share:								
Basic	$ 0.17	$ (0.07)	$ 0.24		$ 1.29	$ 0.48	$ 0.81	
Diluted	$ 0.17	$ (0.07)	$ 0.24		$ 1.25	$ 0.48	$ 0.77	
Non-GAAP Metrics								
Total billings (1)	$ 242,732	$ 197,645	$ 45,087	22.8%	$ 941,565	$ 764,424	$ 177,141	23.2%
EBITDA (1)	$ 20,860	$ 12,492	$ 8,368	67.0%	$ 89,934	$ 55,491	$ 34,443	62.1%
EBITDA margin	*8.4%*	*6.7%*		*170 bps*	*9.7%*	*7.4%*		*230 bps*
Adjusted EBITDA (1)	$ 25,086	$ 14,334	$ 10,752	75.0%	$ 101,529	$ 66,150	$ 35,379	53.5%
Adjusted EBITDA margin	*10.2%*	*7.7%*		*250 bps*	*10.9%*	*8.8%*		*210 bps*

(1) See pages 25 – 28 for reconciliations of Non-GAAP financial data

Key Balance Sheet and Cash Flow Data
(unaudited)

($ in thousands)	December 31, 2017		December 31, 2016	
Balance Sheet Data:				
Cash and cash equivalents	$	148,113	$	119,066
Restricted cash	$	3,849	$	2,259
Accounts receivable	$	121,576	$	67,842
Inventories	$	67,064	$	53,095
Inventories held for customer orders	$	64,858	$	52,308
Deferred revenue	$	81,048	$	69,568
Total debt-current and noncurrent, net	$	121,385	$	123,155
Net cash (debt)	$	24,557	$	(6,379)

($ in thousands)	Three Months Ended December 31, 2017		Three Months Ended December 31, 2016		Year Ended December 31, 2017		Year Ended December 31, 2016	
Cash Flow Data:								
Net cash provided by operating activities	$	31,140	$	25,865	$	82,663	$	53,841
Capital expenditures	$	9,516	$	11,590	$	44,828	$	30,507
Free cash flow	$	21,624	$	14,275	$	37,835	$	23,334

(1) See page 27 for the reconciliations of net cash (debt) and free cash flow

Impact of ASC 606

Estimated Impact of ASC 606

(in thousands except per share amounts)	2018 Guidance Under ASC 606		Year Ended December 31, 2017		Year Ended December 31, 2016	
	Low End of Range	High End of Range	As Reported	Estimated Restatement under ASC 606	As Reported	Estimated Restatement under ASC 606
Net Sales	$1,000,000	$1,050,000	$930,281	$955,000	$754,877	$770,000
EPS – Fully Diluted	$0.38	$0.42	$1.25	$1.12	$0.48	$1.05
Adjusted EBITDA	$75,000	$80,000	$101,529	$99,000	$66,150	$77,000

Impact of Tax Reform

Impact of Tax Reform

- We expect to have no cash taxes in the U.S. in 2018 or 2019 due to the utilization of foreign tax credits and NOLs which includes the estimated impact of taxes on approximately $74.3M of net foreign earnings and profits (repatriation tax)
- We expect no direct future impact from the BEAT provisions
- We expect a nominal benefit of the immediate expensing of capital expenditures given the relatively small amount in the U.S.
- After 2019 we expect tax reform to have an overall positive impact to TPI as a result of lower tax rates in the U.S. once our NOLs are fully utilized

Effective Tax Rate

- Adjusting our guidance for 2018 from 25% to a range of 40% to 42%
  - Under our operating and tax structure, the majority of our operating results in China and Mexico are taxed in the U.S.
  - We are structured this way to take advantage of the NOLs we've generated in the U.S. and as a more efficient way to manage our global cash.
  - However, we are unable to currently recognize the benefit of NOLs generated in the U.S. due to the valuation allowance recorded against this asset in the U.S. as required under U.S. GAAP.
  - We will generate U.S. tax losses in 2018 as a result of the startups for Vestas in Matamoros, Senvion in China and Proterra in Iowa.
  - The inability to recognize the benefit of the U.S. tax losses in 2018 will result in our reported effective tax rate for 2018 being higher than originally anticipated.

Guidance for 2018

tpi COMPOSITES®

Key Guidance Metrics

	2018 Guidance Previous	2018 Guidance Updated	2018 Guidance ASC 606
Total Billings[1]	$1.0B – $1.05B	$1.0B – $1.05B	$1.0B – $1.05B
Net Sales	DNP	DNP	$1.0B – $1.05B
Adjusted EBITDA	$70M - $75M	$70M - $75M	$75M – $80M
Earnings per Share - FD	DNP	DNP	$0.38 - $0.42
Sets	2,500 – 2,550	2,500 – 2,550	
Average Selling Price per Blade	$125K – $130K	$125K -– $130K	
Non-Blade Billings	$75M – $80M	$75M – $80M	
G&A Costs as a % of Billings (incl. SBC)	4% – 5%	4% – 5%	
Estimated MW	6,950 – 7,100	6,950 – 7,100	
Dedicated Lines - EOY	51 – 55	51 – 55	
Share-Based Compensation	$10M – $11M	$10M -– $11M	
Depreciation & Amortization	$30M – $35M	$30M – $35M	
Net Interest Expense	$11.5M – $12.5M	$11.5M – $12.5M	
Capital Expenditures	$70M – $75M	$85M – $90M	
Effective Tax Rate	25%	40% – 42%	

Note: All reference to lines is to wind blade manufacturing lines

(1) We have not reconciled our total expected billings for 2018 to expected net sales under GAAP because we have not yet finalized calculations necessary to provide the reconciliation, including expected changes in deferred revenue, and as such the reconciliation is not possible without unreasonable efforts.

Startup and Transition Guidance Metrics

	2018				
	Q1	Q2	Q3	Q4	TOTAL
Lines Installed – end of period	41	40	47	47	47
Lines in Startup – during period	6	6	8	8	12
Lines in Transition – during period	7	10	10	5	14
Startup & Transition Costs	$16M– $17M	$19M – $20M	$14M – $15M	$9M – $10M	$58M – $62M

Note: References to “lines” above relate to wind blade manufacturing lines

Q&A

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) attributable to the Company 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 gains or losses from foreign currency remeasurement. We define net cash (debt) as the total principal amount of debt outstanding less unrestricted cash and cash equivalents. We define free cash flow as net cash flow generated 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:

($ in thousands)	Three Months Ended December 31, 2017	Three Months Ended December 31, 2016	Year Ended December 31, 2017	Year Ended December 31, 2016
Net sales	$ 247,139	$ 185,574	$ 930,281	$ 754,877
Change in deferred revenue:				
Blade-related deferred revenue at beginning of period (1)	(87,294)	(61,949)	(69,568)	(65,520)
Blade-related deferred revenue at end of period (1)	81,048	69,568	81,048	69,568
Foreign exchange impact (2)	1,839	4,452	(196)	5,499
Change in deferred revenue	(4,407)	12,071	11,284	9,547
Total billings	$ 242,732	$ 197,645	$ 941,565	$ 764,424

Net income is reconciled to EBITDA and adjusted EBITDA as follows:

($ in thousands)	Three Months Ended December 31, 2017	Three Months Ended December 31, 2016	Year Ended December 31, 2017	Year Ended December 31, 2016
Net income (loss)	$ 5,889	$ (2,256)	$ 43,690	$ 13,842
Adjustments:				
Depreciation and amortization	7,256	3,194	20,878	12,897
Interest expense (net of interest income)	3,149	4,637	12,286	17,270
Loss on extinguishment of debt	-	4,487	-	4,487
Income tax provision	4,566	2,430	13,080	6,995
EBITDA	20,860	12,492	89,934	55,491
Share-based compensation expense	2,330	1,785	7,124	9,902
Realized loss on foreign currency remeasurement	1,896	57	4,471	757
Adjusted EBITDA	$ 25,086	$ 14,334	$ 101,529	$ 66,150

Note: Footnote references on the following page

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

(1) Total billings is reconciled using the blade-related deferred revenue amounts at the beginning and the end of the period as follows:

($ in thousands)	Three Months Ended December 31, 2017	Three Months Ended December 31, 2016	Year Ended December 31, 2017	Year Ended December 31, 2016
Blade-related deferred revenue at beginning of period	$ 87,294	$ 61,949	$ 69,568	$ 65,520
Non-blade related deferred revenue at beginning of period	-	-	-	-
Total current and noncurrent deferred revenue at beginning of period	$ 87,294	$ 61,949	$ 69,568	$ 65,520
Blade-related deferred revenue at end of period	$ 81,048	$ 69,568	$ 81,048	$ 69,568
Non-blade related deferred revenue at end of period	-	-	-	-
Total current and noncurrent deferred revenue at end of period	$ 81,048	$ 69,568	$ 81,048	$ 69,568

(2) Represents the effect of the difference in the exchange rate used by our various foreign subsidiaries on the invoice date versus the exchange rate used at the period-end balance sheet date.

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

Net cash (debt) is reconciled as follows:

($ in thousands)	December 31, 2017	December 31, 2016
Total debt, net of debt issuance costs	$ 121,385	$ 123,155
Add debt issuance costs	2,171	2,290
Less cash and cash equivalents	(148,113)	(119,066)
Net cash (debt)	$ 24,557	$ (6,379)

Free cash flow is reconciled as follows:

	Three Months Ended December 31,		Year Ended December 31,	
($ in thousands)	2017	2016	2017	2016
Net cash provided by operating activities	$ 31,140	$ 25,865	$ 82,663	$ 53,841
Less capital expenditures	(9,516)	(11,590)	(44,828)	(30,507)
Free cash flow	$ 21,624	$ 14,275	$ 37,835	$ 23,334

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

A reconciliation of the low end and high end of projected net income under ASC 606 to projected EBITDA and projected adjusted EBITDA is as follows:

	2018 Adjusted EBITDA Guidance Range [1]	
($ in thousands)	**Low End**	**High End**
Projected net income	$ 12,000	$ 15,000
Adjustments:		
Projected depreciation and amortization	32,500	32,500
Projected interest expense (net of interest income)	12,000	12,000
Projected income tax provision	8,000	10,000
Projected EBITDA	64,500	69,500
Projected share-based compensation expense	10,500	10,500
Projected realized loss on foreign currency remeasurement	-	-
Projected Adjusted EBITDA	$ 75,000	$ 80,000

(1) All figures presented are projected estimates for the full year ending December 31, 2018.

tpi COMPOSITES®