Q3 2017 Earnings Call

November 8, 2017

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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) 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) the sufficiency of our cash and cash equivalents to meet our liquidity needs; (v) our ability to attract and retain customers for our products, and to optimize product pricing; (vi) competition from other wind blade manufacturers; (vii) the discovery of defects in our products; (viii) our ability to successfully expand in our existing markets and into new international markets; (ix) worldwide economic conditions and their impact on customer demand; (x) our ability to effectively manage our growth strategy and future expenses; (xi) our ability to maintain, protect and enhance our intellectual property; (xii) our ability to comply with existing, modified or new laws and regulations applying to our business; (xiii) the attraction and retention of qualified employees and key personnel; and (xiv) 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, 2016.

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 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 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

- Q3 2017 Highlights
- Industry Update
- Q3 and Year to Date 2017 Financial Highlights
- Guidance for 2017
- Q&A
- Appendix - Non-GAAP Information

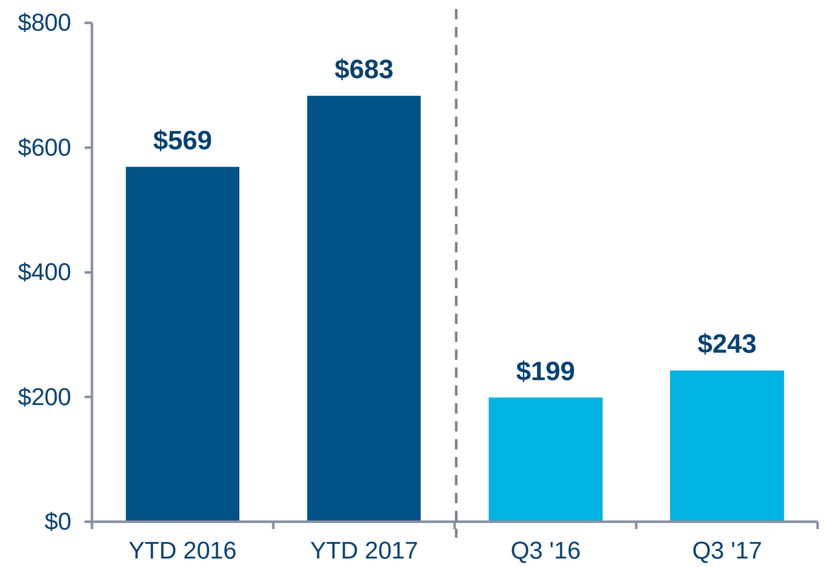
Q3 2017 Highlights

Q3 2017 Highlights

Q3 2017 Highlights and Recent Company News

- Operating results and year-over-year increases compared to the third quarter 2016
  - Net sales were up 22.3% to $243.4 million for the quarter
  - Total billings were up 30.8% to $256.4 million for the quarter
  - Net income for the quarter increased to $20.4 million versus $2.8 million in Q3 2016
  - Adjusted EBITDA for the quarter increased by 53.4% to $30.1 million
  - Adjusted EBITDA margin for the quarter was up 250 bps to 12.4%
- Signed a multiyear supply agreement with Senvion for two manufacturing lines in Taicang Port, China
- Signed a five-year supply agreement with Proterra to become the supplier of composite bus bodies for their Catalyst® zero-emission electric transit buses
- Hired Joe Kerkhove as Senior Vice President, Strategic Markets to lead business development initiatives to expand the application of TPI's advanced composite technologies to adjacent strategic markets such as transportation and aerospace

GAAP Net Sales ($ in millions)

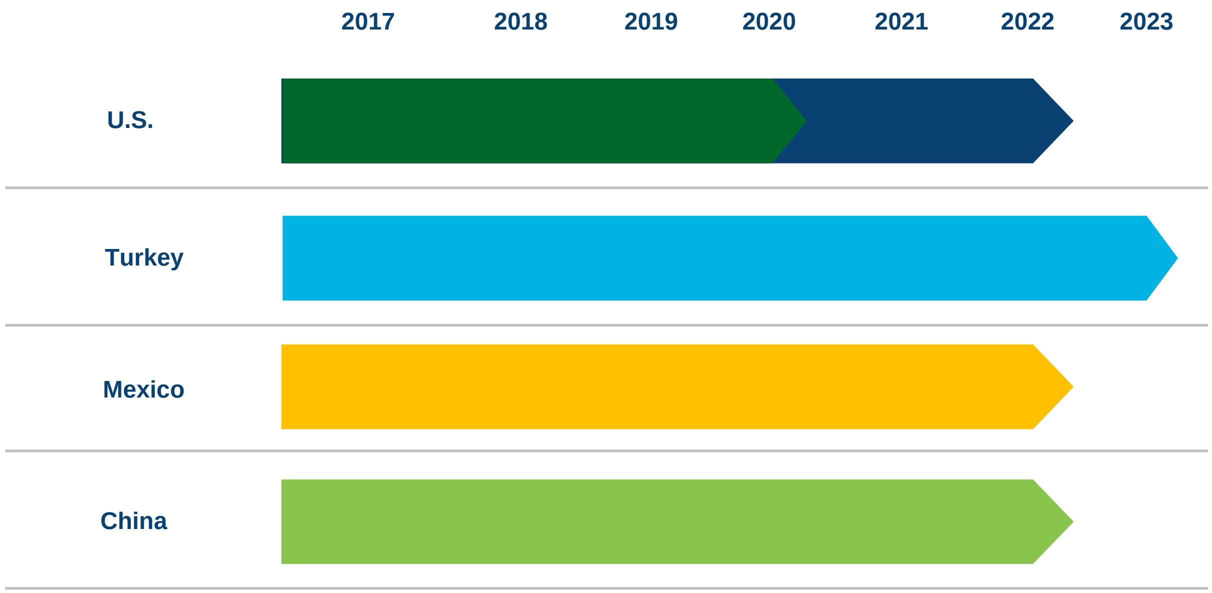


	YTD 2016	YTD 2017	Q3 '16	Q3 '17
Sets invoiced	**1,613**	**2,067**	**581**	**739**
Est. MW	**3,686**	**4,876**	**1,321**	**1,796**
Dedicated lines(1)	**38**	**48**	**38**	**48**
Lines installed(2)	**32**	**41**	**32**	**38**

(1) Number of wind blade manufacturing lines dedicated to our customers under long-term supply agreements
(2) Number of wind blade manufacturing lines installed that are either in operation, startup or transition

Existing Contracts Provide for ~ $4.4 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 $2.7 billion and encourage our customers to purchase additional volume up to, in the aggregate, an estimated total contract value of approximately $4.4 billion through the end of 2023(1)

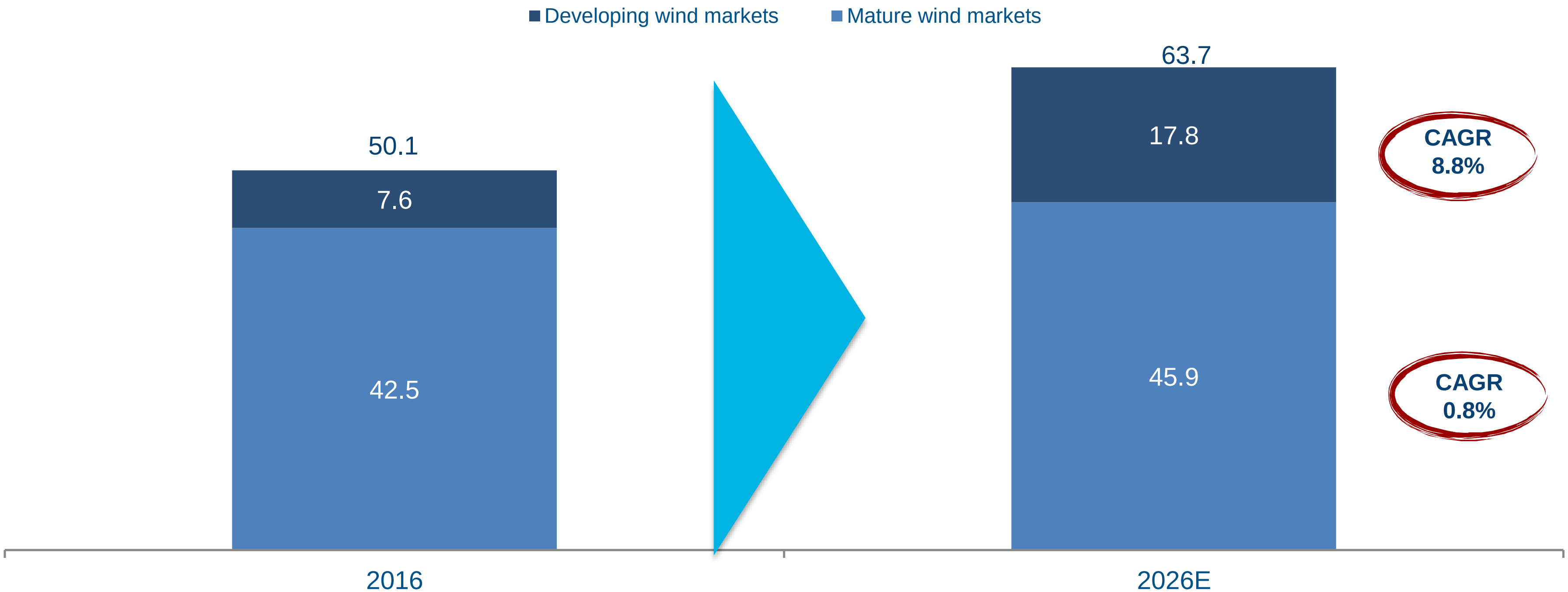
Note: Our contracts with some of our customers are subject to termination or reduction on short notice, generally with substantial penalties, and contain liquidated damages provisions, which may require us to make unanticipated payments to our customers or our customers to make payments to us.

(1) As of November 8, 2017. The chart depicts the term of the longest contract in each location. Includes revenue in 2017 for 7 manufacturing lines for GE that will not be extended beyond 2017 and revenue from the Proterra contract signed on November 8, 2017.

Industry Update

Onshore Global Market Growth

Annual installed global wind capacity (GW): 2016 – 2026E



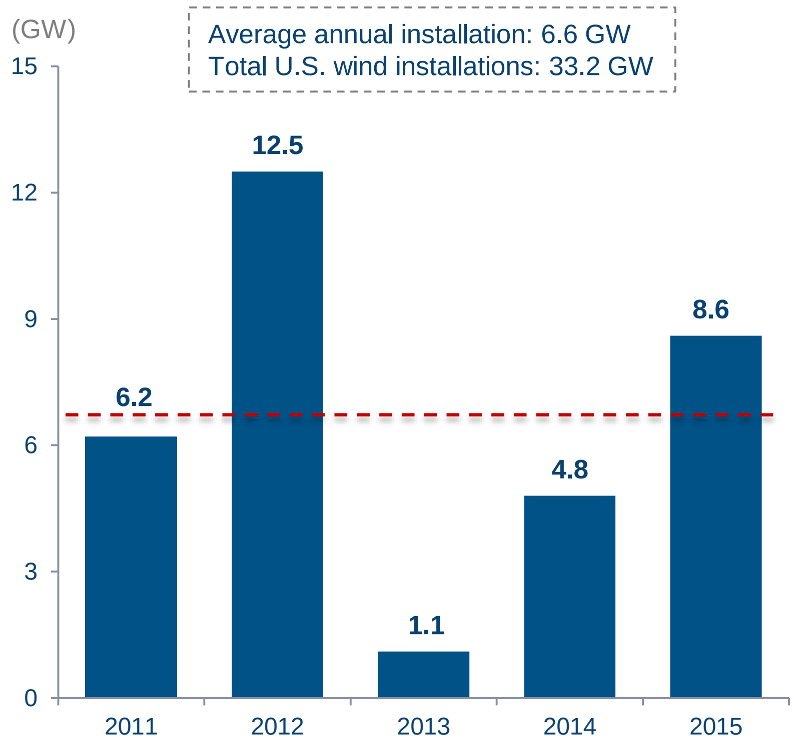
	2016	2026E
Mature wind market share	84.8%	72.1%
Developing markets market share	15.2%	27.9%

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

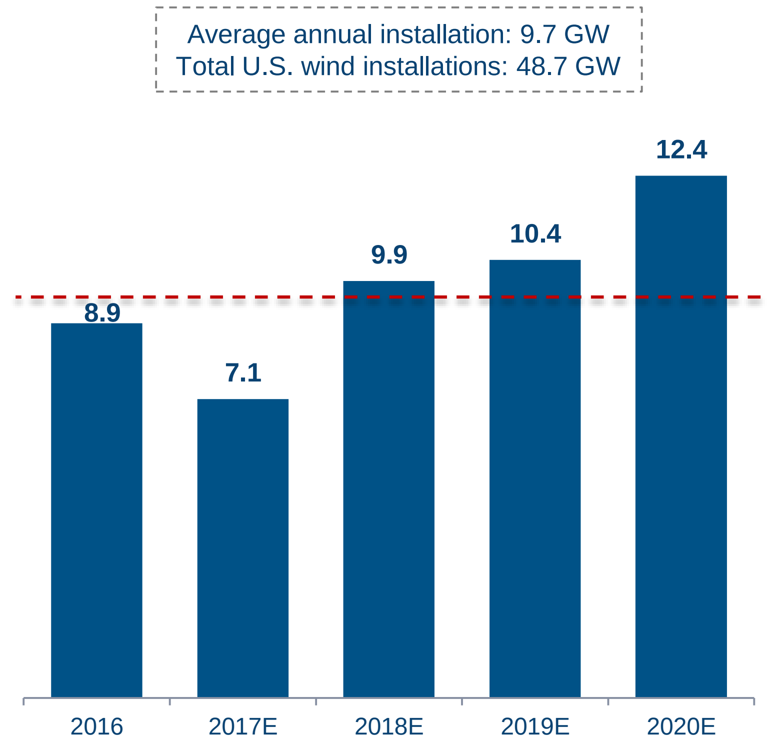
Source: MAKE Q2 2017 Global Wind Power Market Outlook Update
Note: Developing wind markets defined as fewer than 6 GW of 2016 installed capacity

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 Q2 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
- Decarbonization
- Vehicle electrification
- Energy access in developing and emerging economies

Q3 and Year to Date 2017 Financial Highlights

Q3 and Year to Date 2017 Financial Highlights
(unaudited)

($ in millions, except per share data and KPIs)	Q3 ’17	Q3 ’16	Δ	YTD ’17	YTD ’16	Δ
Select Financial Data						
Net Sales	$ 243.4	$ 198.9	*22.3%*	$ 683.1	$ 569.3	*20.0%*
Total Billings [(1)]	$ 256.4	$ 196.1	*30.8%*	$ 698.8	$ 566.8	*23.3%*
Net Income	$ 20.4	$ 2.8	*629.3%*	$ 37.8	$ 16.1	*134.8%*
Adjusted EBITDA [(1)]	$ 30.1	$ 19.6	*53.4%*	$ 76.4	$ 51.8	*47.5%*
Adjusted EBITDA Margin	*12.4%*	*9.9%*	*250 bps*	*11.2%*	*9.1%*	*210 bps*
Diluted Earnings per Share [(2)]	$ 0.58	$ 0.08	$ 0.50	$ 1.09	$ 0.88	$ 0.21
Net Debt [(1)]	$ (3.6)	$ 7.1	$ 10.6	$ (3.6)	$ 7.1	$ 10.6
Free Cash Flow [(1)]	$ 9.0	$ 13.1	$ (4.1)	$ 16.2	$ 9.1	$ 7.1
Capital Expenditures	$ 8.6	$ 4.7	$ 3.9	$ 35.3	$ 18.9	$ 16.4
Key Performance Indicators (KPIs)						
Sets Invoiced	739	581	*158*	2,067	1,613	*454*
Estimated Megawatts	1,796	1,321	*475*	4,876	3,686	*1,190*
Dedicated Wind Blade Manufacturing Lines	48	38	*10 lines*	48	38	*10 lines*
Wind Blade Manufacturing Lines Installed	38	32	*6 lines*	41	32	*9 lines*
Wind Blade Manufacturing Lines in Startup	10	2	*8 lines*	12	2	*10 lines*
Wind Blade Manufacturing Lines in Transition	—	—	*0 lines*	—	3	*3 lines*

(1) See pages 20 – 22 for reconciliations of non-GAAP financial data
(2) Based on net income attributable to common shareholders

Income Statement Summary
(unaudited)

	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	Change $	Change %	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016	Change $	Change %
($ in thousands, except per share amounts)								
Net sales	$ 243,354	$ 198,938	$ 44,416	22.3%	$ 683,142	$ 569,303	$ 113,839	20.0%
Cost of sales	$ 198,141	$ 171,648	$ 26,493	15.4%	$ 568,659	$ 499,896	$ 68,763	13.8%
Startup and transition costs	$ 12,352	$ 5,088	$ 7,264	142.8%	$ 29,051	$ 11,449	$ 17,602	153.7%
Total cost of goods sold	$ 210,493	$ 176,736	$ 33,757	19.1%	$ 597,710	$ 511,345	$ 86,365	16.9%
Cost of goods sold %	*86.5%*	*88.8%*		*-230 bps*	*87.5%*	*89.8%*		*-230 bps*
Gross profit	$ 32,861	$ 22,202	$ 10,659	48.0%	$ 85,432	$ 57,958	$ 27,474	47.4%
Gross profit %	*13.5%*	*11.2%*		*230 bps*	*12.5%*	*10.2%*		*230 bps*
General and administrative expenses	$ 9,315	$ 14,065	$ (4,750)	-33.8%	$ 28,373	$ 24,154	$ 4,219	17.5%
General and administrative expenses %	*3.8%*	*7.1%*		*-330 bps*	*4.2%*	*4.2%*		*0 bps*
Income from operations	$ 23,546	$ 8,137	$ 15,409	189.4%	$ 57,059	$ 33,804	$ 23,255	68.8%
Income before income taxes	$ 20,769	$ 3,106	$ 17,663	568.7%	$ 46,315	$ 20,663	$ 25,652	124.1%
Net income	$ 20,398	$ 2,797	$ 17,601	629.3%	$ 37,801	$ 16,098	$ 21,703	134.8%
Net income attributable to preferred shareholders	$ -	$ 596	$ (596)	-100.0%	$ -	$ 5,471	$ (5,471)	-100.0%
Net income attributable to common shareholders	$ 20,398	$ 2,201	$ 18,197	826.8%	$ 37,801	$ 10,627	$ 27,174	255.7%
Weighted-average common shares outstanding:								
Basic	33,891	27,284			33,789	12,042		
Diluted	35,015	27,375			34,748	12,133		
Net income per common share:								
Basic	$ 0.60	$ 0.08	$ 0.52		$ 1.12	$ 0.88	$ 0.24	
Diluted	$ 0.58	$ 0.08	$ 0.50		$ 1.09	$ 0.88	$ 0.21	
Non-GAAP Metrics								
Total billings (1)	$ 256,404	$ 196,095	$ 60,309	30.8%	$ 698,833	$ 566,779	$ 132,054	23.3%
EBITDA (1)	$ 29,114	$ 11,272	$ 17,842	158.3%	$ 69,074	$ 42,999	$ 26,075	60.6%
EBITDA margin	*12.0%*	*5.7%*		*630 bps*	*10.1%*	*7.6%*		*250 bps*
Adjusted EBITDA (1)	$ 30,118	$ 19,632	$ 10,486	53.4%	$ 76,443	$ 51,816	$ 24,627	47.5%
Adjusted EBITDA margin	*12.4%*	*9.9%*		*250 bps*	*11.2%*	*9.1%*		*210 bps*

(1) See pages 20 - 22 for reconciliations of Non-GAAP financial data

Key Balance Sheet and Cash Flow Data

(unaudited)

($ in thousands)	September 30, 2017	December 31, 2016
Balance Sheet Data:		
Cash and cash equivalents	$ 139,065	$ 119,066
Restricted cash	$ 3,802	$ 2,259
Accounts receivable	$ 134,458	$ 67,842
Inventories	$ 60,593	$ 53,095
Inventories held for customer orders	$ 69,788	$ 52,308
Deferred revenue	$ 87,294	$ 69,568
Total debt-current and noncurrent, net	$ 133,637	$ 123,155
Net debt (1)	$ (3,568)	$ 6,379

	Three Months Ended September 30,		Nine Months Ended September 30,	
($ in thousands)	2017	2016	2017	2016
Cash Flow Data:				
Net cash provided by operating activities	$ 17,590	$ 17,801	$ 51,523	$ 27,976
Capital expenditures	$ 8,585	$ 4,673	$ 35,312	$ 18,917
Free cash flow (1)	$ 9,005	$ 13,128	$ 16,211	$ 9,059

(1) See page 22 for a reconciliation of net debt and free cash flow

Guidance for 2017

Guidance for 2017

	Previous	Updated
Total Billings [(1)]	$930M to $950M	$945M to $950M
Adjusted EBITDA	N/A	$95M to $100M
Sets	2,800 to 2,900	2,760 to 2,770
Average Selling Price per Blade	$105K to $110K	$105K to $110K
Estimated Megawatts	6,350 to 6,600	6,510 to 6,540
Dedicated Lines at Year-end 2017 [(2)]	41 to 45	41 to 45
Total Lines Installed at Year-end 2017 [(2)]	37	41
Lines in Transition during the Year [(2)]	5	4
Lines in Startup during the Year [(2)]	15	15
Startup and Transition Costs	$30M to $40M	$40M
Capital Expenditures	$75M to $85M	$70M to $75M
Effective Tax Rate	20% to 25%	20%
Depreciation and Amortization	$23M to $25M	$20M
Interest Expense	$11M to $12M	$12.5M
Income Tax Expense	$13M to $15M	$10.5M to $11.5M
Share-based Compensation	$6M to $7M	$7.2M

(1) We have not reconciled our expected Total billings to expected net sales as calculated under GAAP because we have not yet finalized calculations necessary to provide the reconciliation, including expected change in deferred revenue, and as such the reconciliation is not possible without unreasonable efforts.
(2) References to “Lines” represents wind blade manufacturing lines.

Q&A

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Save the Date

TPI Composites Investor Day

Friday, November 17, 2017

The Roosevelt Hotel New York
45 E 45th Street
New York, NY 10017

If you have any questions, please contact
arozmus@soleburyir.com or mlycouris@soleburyir.com.

Appendix - Non-GAAP Information

This presentation includes unaudited non-GAAP financial measures including total billings, EBITDA, adjusted EBITDA, net 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 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 September 30, 2017	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
Net sales	$ 243,354	$ 198,938	$ 683,142	$ 569,303
Change in deferred revenue:				
Blade-related deferred revenue at beginning of period [1]	(74,255)	(65,656)	(69,568)	(65,520)
Blade-related deferred revenue at end of period [1]	87,294	61,949	87,294	61,949
Foreign exchange impact [2]	11	864	(2,035)	1,047
Change in deferred revenue	13,050	(2,843)	15,691	(2,524)
Total billings	$ 256,404	$ 196,095	$ 698,833	$ 566,779

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

($ in thousands)	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
Net income	$ 20,398	$ 2,797	$ 37,801	$ 16,098
Adjustments:				
Depreciation and amortization	5,139	3,530	13,622	9,703
Interest expense (net of interest income)	3,206	4,636	9,137	12,633
Income tax provision	371	309	8,514	4,565
EBITDA	29,114	11,272	69,074	42,999
Share-based compensation expense	1,043	8,117	4,794	8,117
Realized loss (gain) on foreign currency remeasurement	(39)	243	2,575	700
Adjusted EBITDA	$ 30,118	$ 19,632	$ 76,443	$ 51,816

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:

	Three Months Ended September 30,		Nine Months Ended September 30,	
($ in thousands)	2017	2016	2017	2016
Blade-related deferred revenue at beginning of period	$ 74,255	$ 65,656	$ 69,568	$ 65,520
Non-blade related deferred revenue at beginning of period	-	-	-	-
Total current and noncurrent deferred revenue at beginning of period	$ 74,255	$ 65,656	$ 69,568	$ 65,520
Blade-related deferred revenue at end of period	$ 87,294	$ 61,949	$ 87,294	$ 61,949
Non-blade related deferred revenue at end of period	-	-	-	-
Total current and noncurrent deferred revenue at end of period	$ 87,294	$ 61,949	$ 87,294	$ 61,949

(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 debt is reconciled as follows:

($ in thousands)	September 30, 2017	December 31, 2016	September 30, 2016
Total debt, net of debt issuance costs	$ 133,637	$ 123,155	$ 110,922
Add debt issuance costs	1,860	2,290	2,947
Less cash and cash equivalents	(139,065)	(119,066)	(106,802)
Net debt	$ (3,568)	$ 6,379	$ 7,067

Free cash flow is reconciled as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
($ in thousands)	2017	2016	2017	2016
Net cash provided by operating activities	$ 17,590	$ 17,801	$ 51,523	$ 27,976
Less capital expenditures	(8,585)	(4,673)	(35,312)	(18,917)
Free cash flow	$ 9,005	$ 13,128	$ 16,211	$ 9,059

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

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

($ in thousands)	2017 Adjusted EBITDA Guidance Range [1] Low End	High End
Projected net income	$ 42,225	$ 46,225
Adjustments:		
Projected depreciation and amortization	20,000	20,000
Projected interest expense (net of interest income)	12,500	12,500
Projected income tax provision	10,500	11,500
Projected EBITDA	85,225	90,225
Projected share-based compensation expense	7,200	7,200
Projected realized loss on foreign currency remeasurement	2,575	2,575
Projected Adjusted EBITDA	$ 95,000	$ 100,000

(1) All figures presented are projected estimates for the full year ending December 31, 2017.

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