

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): November 2, 2023



TPI Composites, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of Incorporation)

001-37839
(Commission File Number)

20-1590775
(I.R.S. Employer Identification No.)

**9200 E. Pima Center Parkway, Suite 250
Scottsdale, Arizona 85258**
(Address of Principal Executive Offices) (Zip Code)

(480) 305-8910
(Registrant's telephone number, including area code)

Not applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01	TPIC	NASDAQ Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On November 2, 2023, TPI Composites, Inc. (the Company) issued a press release announcing its financial results for the three months ended September 30, 2023. A copy of the Company's press release is furnished herewith as Exhibit 99.1 to this current report on Form 8-K and is incorporated by reference herein. The Company also posted a presentation to its website at www.tpicomposites.com under the tab "Investors" providing information regarding its results of operations and financial condition for the three months ended September 30, 2023. The information contained in the presentation is incorporated by reference herein. The presentation is being furnished herewith as Exhibit 99.2 to this current report on Form 8-K. The Company's website and the information contained therein is not part of this disclosure.

The information in Item 2.02 of this current report on Form 8-K (including Exhibits 99.1 and 99.2) is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. The information in Item 2.02 of this current report on Form 8-K (including Exhibits 99.1 and 99.2) shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

[99.1 – Press Release dated November 2, 2023](#)

[99.2 – Presentation dated November 2, 2023](#)

104 – Cover page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TPI Composites, Inc.

Date: November 2, 2023

By: /s/ Ryan Miller
Ryan Miller
Chief Financial Officer

TPI Composites, Inc. Announces Third Quarter 2023 Earnings Results

SCOTTSDALE, Ariz., Nov. 02, 2023 (GLOBE NEWSWIRE) -- TPI Composites, Inc. (Nasdaq: TPIC), today reported financial results for the third quarter ended September 30, 2023.

"I was pleased with the results of our focus on cash flow and liquidity in the quarter as we finished with \$161 million of unrestricted cash. Our team executed numerous cash flow initiatives to help us navigate a quarter that included a \$22.6 million charge related to the bankruptcy of an automotive customer as well as an incremental \$13.5 million charge for the warranty campaign we announced in the second quarter. To finish the quarter with \$161 million of cash is a testament to our team's relentless emphasis on execution in a challenging market and economic climate," said Bill Siwek, President, and CEO of TPI Composites.

"The entire TPI team has worked tirelessly on our quality improvement initiatives, and we have made excellent progress during the quarter to mature our quality system under the leadership of Neil Jones, the Chief Quality Officer of TPI Composites. We understand that operators of wind turbines have high expectations for the longevity and performance of our wind blades and we plan to deliver to those expectations."

"While the wind industry continues to face a challenging near-term macro environment, our focus is on quality and preserving our balance sheet. We are confident that with our liquidity position we have ample runway to get through this rough patch in the industry while being positioned to meet the projected growth anticipated by our customers. TPI plays a significant role in the wind value chain in the United States and across the globe and we are ready and look forward to increasing our role when the wind market turns for the better."

Third Quarter 2023 Continuing Operations Results

- Net Sales totaled \$372.9 million for the three months ended September 30, 2023, a decrease of 3.0% over the same period last year
- Net loss from continuing operations attributable to common stockholders was \$72.8 million for the three months ended September 30, 2023, compared to a loss of \$21.8 million in the same period last year
- Adjusted EBITDA was a loss of \$27.4 million for the three months ended September 30, 2023, a decrease of \$32.5 million over the same period last year

KPIs from continuing operations

	3Q'23	3Q'22
Sets ¹	666	570
Estimated megawatts ²	2,892	2,542
Utilization ³	85%	75%
Dedicated manufacturing lines ⁴	37	36
Manufacturing lines installed ⁵	37	36

1. Number of wind blade sets (which consist of three wind blades) produced worldwide during the period.

2. Estimated megawatts of energy capacity to be generated by wind blade sets produced during the period.

3. Utilization represents the percentage of wind blades produced during the period compared to the total potential wind blade capacity of manufacturing lines installed during the period.

4. Number of wind blade manufacturing lines that are dedicated to our customers under long-term supply agreements at the end of the period.

5. Number of wind blade manufacturing lines installed and either in operation, startup or transition during the period.

Third Quarter 2023 Financial Results from Continuing Operations

Net sales for the three months ended September 30, 2023, decreased 3.0% to \$372.9 million as compared to \$384.4 million in the same period in 2022 due to following:

- Net sales of wind blades, tooling and other wind related sales (collectively "Wind") increased by \$6.4 million, or 1.8%, to \$362.2 million for the three months ended September 30, 2023, as compared to \$355.8 million in the same period in 2022. The increase in Wind sales for the three months ended September 30, 2023, as compared to the same period in 2022, was primarily due to an increase in the number of wind blades produced, favorable foreign currency fluctuations, and an increase in tooling sales in preparation for manufacturing line startups and transitions. The increase in wind blade volume was primarily driven by lower production in the prior comparative period due to a temporary production stoppage in the third quarter of 2022 in one of our Mexico plants as a customer implemented a blade redesign and a brief labor disruption in Türkiye in the third quarter of 2022 as we worked with the union to resolve inflationary pressures on wages. These higher blade sales were partially offset by lower average sales prices due to the impact of raw material and logistic cost reductions on our blade prices.
- Automotive sales decreased by \$7.9 million to \$2.6 million for the three months ended September 30, 2023, as compared to \$10.5 million in the same period in 2022. This reduction is mainly due to a decrease in the number of composite bus bodies produced due to Proterra's bankruptcy during the third quarter of 2023. In addition, sales of other automotive products decreased due to our customers' supply chain constraints and delays in transitions of new product launches.
- Field service, inspection, and repair service ("Field Services") sales decreased by \$10.1 million to \$8.0 million for the three months ended September 30, 2023, as compared to \$18.1 million in the same period in 2022. Field Services sales declined primarily due to a reduction in technicians deployed to revenue generating projects due to an increase in time spent on non-revenue inspection and repair activities.

Net loss from continuing operations attributable to common stockholders was \$72.8 million for the three months ended September 30, 2023, compared to a loss of \$21.8 million in the same period in 2022.

The net loss from continuing operations per common share was \$1.71 for the three months ended September 30, 2023, compared to a net loss per common share of \$0.52 for the same period in 2022.

Adjusted EBITDA for the three months ended September 30, 2023, was a loss of \$27.4 million as compared to adjusted EBITDA of \$5.1 million during the same period in 2022. The decrease in adjusted EBITDA during the three months ended September 30, 2023, as compared to the same period in 2022, was primarily due to \$22.6

million of credit losses and charges related to the bankruptcy of Proterra and an incremental \$13.5 million warranty charge related to the warranty campaign we announced in the second quarter.

On September 30, 2023 and December 31, 2022, we had unrestricted cash, cash equivalents and short-term investments totaling \$160.6 million and \$133.6 million, respectively. Net cash provided by operating activities improved by \$14.3 million for the three months ended September 30, 2023, as compared to the same period in 2022, primarily due to improvements in working capital and contract assets, partially offset by higher incurred warranty costs.

Net cash provided by investing activities improved by \$7.2 million for the three months ended September 30, 2023, as compared to the same period in 2022, primarily due to the sale our Taicang, China facility partially offset by higher capital expenditures in preparation for manufacturing line start-ups and transitions. Capital expenditures were \$9.2 million for the three months ended September 30, 2023, as compared to \$3.5 million during the same period in 2022. Our capital expenditures primarily related to machinery and equipment and improvements to our existing facilities.

2023 Guidance

Guidance for the full year ending December 31, 2023:

Guidance	Previous Full Year 2023	Updated Full Year 2023
Net Sales from Continuing Operations	\$1.525 to \$1.575 billion	~ \$1.5 billion
Adjusted EBITDA Margin % from Continuing Operations	Loss of (2-3%)	Loss of ~ (5%)
Utilization %	80% to 85% (based on 37 lines installed)	80% to 85% (based on 37 lines installed)
Capital Expenditures	\$40 to \$45 million	\$40 to \$45 million

Conference Call and Webcast Information

TPI Composites will host an investor conference call this afternoon, Thursday, November 2, at 5:00 pm ET. Interested parties are invited to listen to the conference call which can be accessed live over the phone by dialing 1-844-825-9789, or for international callers, 1-412-317-5180. A replay will be available two hours after the call and can be accessed by dialing 1-844-512-2921, or for international callers, 1-412-317-6671. The passcode for the live call and the replay is 10182802. The replay will be available until November 9, 2023. Interested investors and other parties may also listen to a simultaneous webcast of the conference call by logging onto the Investors section of the Company's website at www.tpicomposites.com. The online replay will be available for a limited time beginning immediately following the call.

About TPI Composites, Inc.

TPI Composites, Inc. is a global company focused on innovative and sustainable solutions to decarbonize and electrify the world. TPI delivers high-quality, cost-effective composite solutions through long-term relationships with leading OEMs in the wind and automotive markets. TPI is headquartered in Scottsdale, Arizona and operates factories in the U.S., Mexico, Türkiye and India. TPI operates additional engineering development centers in Denmark and Germany and global service training centers in the U.S. and Spain.

Forward-Looking Statements

This release 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). Forward-looking statements contained in this release include, but are not limited to, statements about: i. competition from other wind blade and wind blade 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 ability to identify and execute a strategic alternative to enable the growth of our automotive business; 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; and xxv. the potential impact of one or more of our customers becoming bankrupt or insolvent, or experiencing other financial problems.

These forward-looking statements are often characterized by the use of words 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 are only predictions based on our current expectations and our projections about future events. You should not place undue reliance on these forward-looking statements. We undertake no obligation to update any of these forward-looking statements for any reason. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance, or achievements to differ materially from those expressed or implied by these statements. These factors include, but are not limited to, the matters discussed in “Risk Factors,” in our Annual Report on Form 10-K and other reports that we will file with the SEC.

Non-GAAP Definitions

This press release includes unaudited non-GAAP financial measures, including EBITDA, adjusted EBITDA, net cash (debt) and free cash flow. We define EBITDA as net income (loss) from continuing operations 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, any foreign currency income or losses, any gains or losses on the sale of assets and asset impairments and any restructuring charges. We define net cash (debt) as the 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 Table Four for a reconciliation of certain non-GAAP financial measures to the comparable GAAP measures.

Investor Relations

480-315-8742

Investors@TPIComposites.com

TPI COMPOSITES, INC. AND SUBSIDIARIES
TABLE ONE - CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<i>(in thousands, except per share data)</i>				
Net sales	\$ 372,860	\$ 384,438	\$ 1,158,197	\$ 1,120,465
Cost of sales	379,219	380,729	1,203,867	1,099,368
Startup and transition costs	4,817	4,821	10,174	22,417
Total cost of goods sold	384,036	385,550	1,214,041	1,121,785
Gross loss	(11,176)	(1,112)	(55,844)	(1,320)
General and administrative expenses	28,709	8,030	42,510	22,578
Loss on sale of assets and asset impairments	5,857	2,969	15,269	6,142
Restructuring charges, net	1,167	(189)	3,490	(390)
Loss from continuing operations	(46,909)	(11,922)	(117,113)	(29,650)
Other income (expense):				
Interest expense, net	(1,628)	(1,210)	(6,034)	(2,872)
Foreign currency income (loss)	(579)	8,207	(3,278)	14,306
Miscellaneous income	393	991	1,546	997
Total other income (expense)	(1,814)	7,988	(7,766)	12,431
Loss from continuing operations before income taxes	(48,723)	(3,934)	(124,879)	(17,219)
Income tax provision	(8,040)	(2,852)	(12,205)	(11,678)
Net loss from continuing operations	(56,763)	(6,786)	(137,084)	(28,897)
Preferred stock dividends and accretion	(16,031)	(14,976)	(46,802)	(43,658)
Net loss from continuing operations attributable to common stockholders	(72,794)	(21,762)	(183,886)	(72,555)
Net income (loss) from discontinued operations	(52)	5,319	(7,095)	6,120
Net loss attributable to common stockholders	\$ (72,846)	\$ (16,443)	\$ (190,981)	\$ (66,435)
Weighted-average shares of common stock outstanding:				
Basic	42,570	41,984	42,448	41,950
Diluted	42,570	41,984	42,448	41,950

Net loss from continuing operations per common share:

Basic	\$	(1.71)	\$	(0.52)	\$	(4.33)	\$	(1.73)
Diluted	\$	(1.71)	\$	(0.52)	\$	(4.33)	\$	(1.73)
Net income (loss) from discontinued operations per common share:								
Basic	\$	(0.00)	\$	0.13	\$	(0.17)	\$	0.15
Diluted	\$	(0.00)	\$	0.13	\$	(0.17)	\$	0.15
Net loss per common share:								
Basic	\$	(1.71)	\$	(0.39)	\$	(4.50)	\$	(1.58)
Diluted	\$	(1.71)	\$	(0.39)	\$	(4.50)	\$	(1.58)
<u>Non-GAAP Measures (unaudited):</u>								
EBITDA	\$	(37,513)	\$	6,895	\$	(89,047)	\$	14,983
Adjusted EBITDA	\$	(27,382)	\$	5,052	\$	(57,867)	\$	16,706

TPI COMPOSITES, INC. AND SUBSIDIARIES
TABLE TWO - CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

<i>(in thousands)</i>	September 30, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 160,649	\$ 133,546
Restricted cash	9,300	9,854
Accounts receivable	135,660	184,809
Contract assets	184,379	215,939
Prepaid expenses	27,321	29,119
Other current assets	34,484	26,052
Inventories	5,779	10,661
Current assets of discontinued operations	4,857	35,182
Total current assets	<u>562,429</u>	<u>645,162</u>
Noncurrent assets:		
Property, plant and equipment, net	128,071	136,841
Operating lease right of use assets	134,732	152,312
Other noncurrent assets	30,219	27,861
Total assets	<u>\$ 855,451</u>	<u>\$ 962,176</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 247,562	\$ 280,499
Accrued warranty	42,955	22,347
Current maturities of long-term debt	63,290	59,975
Current operating lease liabilities	21,912	22,220
Contract liabilities	1,792	17,100
Current liabilities of discontinued operations	7,954	54,440
Total current liabilities	<u>385,465</u>	<u>456,581</u>
Noncurrent liabilities:		
Long-term debt, net of current maturities	128,834	1,198
Noncurrent operating lease liabilities	117,038	133,363
Other noncurrent liabilities	15,272	10,670
Total liabilities	<u>646,609</u>	<u>601,812</u>
Total mezzanine equity	356,679	309,877
Total stockholders' equity	(147,837)	50,487
Total liabilities, mezzanine equity and stockholders' equity	<u>\$ 855,451</u>	<u>\$ 962,176</u>

TPI COMPOSITES, INC. AND SUBSIDIARIES
TABLE THREE - CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

<i>(in thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net cash used in operating activities	\$ (11,654)	\$ (25,934)	\$ (85,908)	\$ (85,095)
Net cash provided by (used in) investing activities	3,684	(3,482)	(3,010)	(11,492)
Net cash provided by (used in) financing activities	920	(139)	109,029	(12,865)
Impact of foreign exchange rates on cash, cash equivalents and restricted cash	(214)	4,842	700	(3,807)
Cash, cash equivalents and restricted cash, beginning of period	181,144	163,672	153,069	252,218
Cash, cash equivalents and restricted cash, end of period	\$ 173,880	\$ 138,959	\$ 173,880	\$ 138,959
<u>Non-GAAP Measure (unaudited):</u>				
Free cash flow	\$ (20,806)	\$ (29,416)	\$ (101,754)	\$ (96,587)

TPI COMPOSITES, INC. AND SUBSIDIARIES
TABLE FOUR - RECONCILIATION OF NON-GAAP MEASURES
(UNAUDITED)

EBITDA and adjusted EBITDA are reconciled as follows: <i>(in thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net loss attributable to common stockholders	\$ (72,846)	\$ (16,443)	\$ (190,981)	\$ (66,435)
Net loss (income) from discontinued operations	52	(5,319)	7,095	(6,120)
Net loss from continuing operations attributable to common stockholders	(72,794)	(21,762)	(183,886)	(72,555)
Preferred stock dividends and accretion	16,031	14,976	46,802	43,658
Net loss from continuing operations	(56,763)	(6,786)	(137,084)	(28,897)
Adjustments:				
Depreciation and amortization	9,582	9,619	29,798	29,330
Interest expense, net	1,628	1,210	6,034	2,872
Income tax provision	8,040	2,852	12,205	11,678
EBITDA	(37,513)	6,895	(89,047)	14,983
Share-based compensation expense	2,528	3,584	9,143	10,277
Foreign currency loss (income)	579	(8,207)	3,278	(14,306)
Loss on sale of assets and asset impairments	5,857	2,969	15,269	6,142
Restructuring charges, net	1,167	(189)	3,490	(390)
Adjusted EBITDA	\$ (27,382)	\$ 5,052	\$ (57,867)	\$ 16,706

Net cash (debt) is reconciled as follows: <i>(in thousands)</i>	September 30,	December 31,
	2023	2022
Cash and cash equivalents	\$ 160,649	\$ 133,546
Cash and cash equivalents of discontinued operations	3,931	9,669
Less total debt—principal	(196,382)	(61,173)
Net cash (debt)	\$ (31,802)	\$ 82,042

Free cash flow is reconciled as follows: <i>(in thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022

Net cash used in operating activities	\$	(11,654)	\$	(25,934)	\$	(85,908)	\$	(85,095)
Capital expenditures		(9,152)		(3,482)		(15,846)		(11,492)
Free cash flow	\$	(20,806)	\$	(29,416)	\$	(101,754)	\$	(96,587)

Q3 2023 Earnings Call
November 2, 2023



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 blade 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 ability to identify and execute a strategic alternative to enable the growth of our automotive business; 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; and xxv. 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, 2022, 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 as net income (loss) from continuing operations 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, any foreign currency income or losses, any gains or losses on the sale of assets and asset impairments and 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

- Q3 2023 Highlights and Business Update
- Q3 2023 Financial Highlights and 2023 Guidance
- Wrap Up
- Q&A
- Appendix
 - Non-GAAP Financial Information

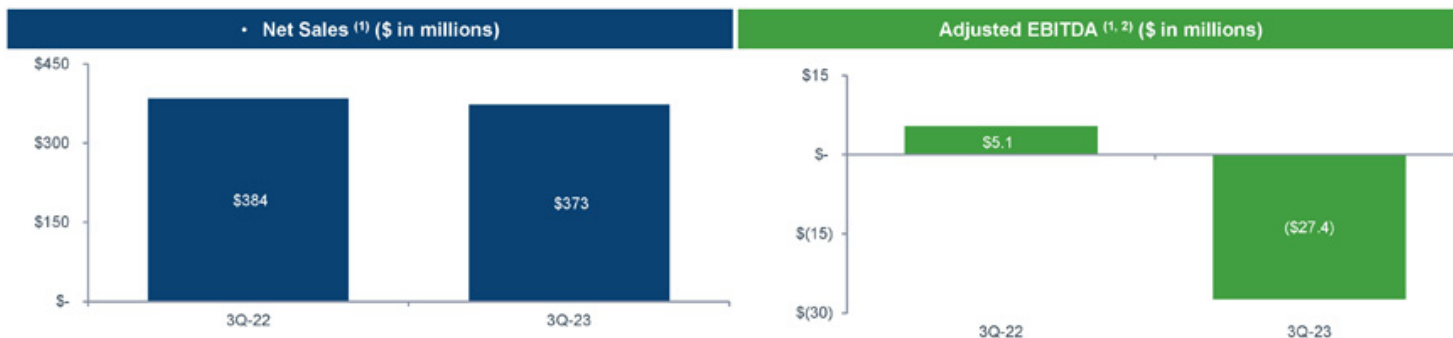
Q3 2023 Highlights and Business Update



Decarbonize & Electrify

November 2, 2023 | 4

Q3 2023 Continuing Operations Highlights



Q3 2023 operating results and year-over-year comparisons to Q3 2022:

- Net sales down 3% to \$373 million
- Net loss attributable to common stockholders was (\$72.8) million compared to (\$21.8) million in Q3 2022
- Adjusted EBITDA was a (\$27.4) million loss compared to \$5.1 million in Q3 2022

Highlights:

- Executed working capital initiatives and sold a facility in China to achieve \$161 million unrestricted cash balance at quarter end
- Remain confident in our liquidity position and ability to execute and attain our long-term financial targets



(1) Prior year results were restated due to discontinued operations to be comparable
(2) See Appendix for reconciliations of non-GAAP financial data.

Business Update



Global Operations



Headquarters



Wind Blade Manufacturing Facility



Automotive Manufacturing Facility



Tooling / Engineering / R&D Facility



Global Services



Global Service



Automotive



Supply Chain



Wind Market



Q3 2023 Financial Highlights and 2023 Guidance



Decarbonize & Electrify

November 2, 2023 | 7

Q3 2023 Financial Highlights from Continuing Operations ⁽¹⁾

(unaudited)

Key Statement of Operations Data <i>(in thousands)</i>	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2022	Change %	2023	2021	Change %
Net sales	\$372,860	\$384,438	-3.0%	\$1,158,197	\$1,120,465	3.4%
Net loss from continuing operations attributable to common stockholders	\$ (72,794)	\$ (21,762)	NM	\$ (183,886)	\$ (72,555)	-153.4%
Non-GAAP Metric						
Adjusted EBITDA ⁽²⁾ (in thousands)	\$ (27,382)	\$ 5,052	NM	\$ (57,867)	\$ 16,706	NM
Adjusted EBITDA Margin	-7.3%	1.3%	-860 bps	-5.0%	1.5%	-650 bps
Key Performance Indicators (KPIs)						
Sets produced	666	570	96	1,982	1,792	190
Estimated megawatts	2,892	2,542	350	8,750	7,906	842
Utilization	85%	75%	1000 bps	84%	78%	600 bps
Dedicated wind blade manufacturing lines	37	36	1 line	37	36	1 line
Wind blade manufacturing lines installed	37	36	1 line	37	36	1 line

Key Highlights

- Sets produced increased primarily due to work stoppages in Türkiye (union negotiations in 2022) and a pause in production in Mexico (customer blade redesign in 2022)
- Utilization of 85% compared to 75% in Q2 of 2022
- Adjusted EBITDA loss of (\$27.4) million compared to adjusted EBITDA of \$5.1 million in Q3 of 2022:
 - Proterra bankruptcy impact
 - Warranty campaign updated estimate
 - Inflation impacting wage rates and production expenses
 - Higher costs for quality control measures
 - + Cost reduction initiatives
 - + Net favorable foreign currency fluctuations
 - + Favorable cumulative catch-up adjustment

(1) Prior year results were restated due to discontinued operations to be comparable

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



Q3 2023 Financial Highlights – Continued ⁽¹⁾

(unaudited)

Key Balance Sheet Data <i>(in thousands)</i>	September 30, December 31,	
	2023	2022
Cash and cash equivalents	\$ 160,649	\$ 133,546
Cash and cash equivalents of discontinued operations	3,931	9,669
Total debt — principal	196,382	61,173
Net cash (debt)	\$ (31,802)	\$ 82,042

Key Cash Flow Data <i>(in thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net cash used in operating activities	\$ (11,654)	\$ (25,934)	\$ (85,908)	\$ (85,095)
Capital expenditures	(9,152)	(3,482)	(15,846)	(11,492)
Free cash flow	\$ (20,806)	\$ (29,416)	\$ (101,754)	\$ (96,587)

Key Highlights

- \$161 million of unrestricted cash on September 30, 2023
- Free cash flow use of (\$20.8) million in the third quarter:
 - Focusing on working capital in a challenging environment
 - Continuing to invest in capital expenditures to support line startups and transitions
 - Expect a modest cash burn over the balance of the year as we satisfy warranty commitments, implement quality improvement initiatives and invest in growth

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





2023 TPI Guidance

Previous Full Year 2023	Updated Full Year 2023
Sales from Continuing Operations	Sales from Continuing Operations
\$1.525 billion to \$1.575 billion	~ \$1.5 billion
Adjusted EBITDA Margin % from Continuing Operations	Adjusted EBITDA Margin % from Continuing Operations
Loss of (2-3%)(¹)	Loss of ~ (5%) (¹)
Utilization %	Utilization %
85% to 90% on 37 lines	80% to 85% on 37 lines
Capital Expenditures	Capital Expenditures
\$40 million to \$45 million	\$40 million to \$45 million

⁽¹⁾ Includes approximately 250-300 basis points of contract related costs in excess of revenue related to the Company's facility in Matamoros, Mexico that was taken over from Nordex in July 2021.

Wrap Up





Wrap Up

- Working tirelessly on our quality improvement initiatives
- Focusing on what we can control as we manage cash flow and our business through short-term challenges
- Remain very bullish on the energy transition
- Positioned to capitalize on the significant growth the industry expects in the coming years
- Thanks to our associates for their commitment and dedication to TPI and our mission to decarbonize and electrify



Q&A



Decarbonize & Electrify

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 as net income (loss) from continuing operations 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, any foreign currency income or losses, any gains or losses on the sale of assets and asset impairments and 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:

(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net loss attributable to common stockholders	\$ (72,846)	\$ (16,443)	\$(190,981)	\$(66,435)
Net loss (income) from discontinued operations	52	(5,319)	7,095	(6,120)
Net loss from continuing operations attributable to common stockholders	(72,794)	(21,762)	(183,886)	(72,555)
Preferred stock dividends and accretion	16,031	14,976	46,802	43,658
Net loss from continuing operations	(56,763)	(6,786)	(137,084)	(28,897)
Adjustments:				
Depreciation and amortization	9,582	9,619	29,798	29,330
Interest expense, net	1,628	1,210	6,034	2,872
Income tax provision	8,040	2,852	12,205	11,678
EBITDA	(37,513)	6,895	(89,047)	14,983
Share-based compensation expense	2,528	3,584	9,143	10,277
Foreign currency loss (income)	579	(8,207)	3,278	(14,306)
Loss on sale of assets and asset impairments	5,857	2,969	15,269	6,142
Restructuring charges, net	1,167	(189)	3,490	(390)
Adjusted EBITDA	\$ (27,382)	\$ 5,052	\$ (57,867)	\$ 16,706

Net cash (debt) is reconciled as follows:

(in thousands)	September 30, December 31,	
	2023	2022
Cash and cash equivalents	\$ 160,649	\$ 133,546
Cash and cash equivalents of discontinued operations	3,931	9,669
Less total debt—principal	(196,382)	(61,173)
Net cash (debt)	\$ (31,802)	\$ 82,042



