

**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): February 24, 2022

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.)

8501 N. Scottsdale Rd, Gainey Center II, Suite 100
Scottsdale, Arizona 85253
(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 February 24, 2022, TPI Composites, Inc. (the Company) issued a press release announcing its financial results for the three months and twelve months ended December 31, 2021. 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 and twelve months ended December 31, 2021. 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 February 24, 2022](#)

[99.2 – Presentation dated February 24, 2022](#)

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: February 24, 2022

By: /s/ Adan Gossar
Adan Gossar
Interim Chief Financial Officer

TPI Composites, Inc. Announces Fourth Quarter and Full Year 2021 Earnings Results – Achieves Record Net Sales for the Full Year

SCOTTSDALE, Ariz., Feb. 24, 2022 (GLOBE NEWSWIRE) -- TPI Composites, Inc. (Nasdaq: TPIC), today reported financial results for the fourth quarter and full year ended December 31, 2021.

“We achieved record net sales in 2021 despite the ongoing challenges the broader wind industry faced, including supply chain costs and constraints, logistics costs and the lingering effects of COVID,” said Bill Siwek, President and CEO of TPI Composites. “Our results of operations for 2021 and the fourth quarter were adversely impacted by approximately \$52 million and \$40 million, respectively, primarily due to deferral of revenue relating to extensions of our customer contracts and estimates of costs to complete these contracts under ASC 606. However, these factors did not impact our 2021 billings, which exceeded expectations for 2021 and the fourth quarter. We manage our business on a billings basis as it reflects our actual cashflow and working capital requirements.

“While we are seeing the macro headwinds persist into 2022, we continue to focus on the execution of what is in our control while navigating the near-term operating environment and working collaboratively with our customers to leverage our global footprint and our local supply chains. When demand does rebound, we will be ready to efficiently and cost-effectively meet their needs.

“The activity and associated conversations around offshore wind have picked up relative to this time last year, and we remain optimistic about our future in offshore wind.

“We have experienced strong traction in the transportation side of our business. Our customers, several of whom are new to TPI, are seeing the benefit of our capabilities and ability to collaborate to develop innovative composite solutions at an accelerated pace. In the fourth quarter, we won our first program commitment of meaningful size for a passenger EV platform, a major milestone for TPI. We have also entered into several new development agreements with multiple customers which we expect will turn into longer-term production agreements in the future.

“As we look to 2022, we expect the operating environment to continue to be challenged. With that said, the long-term drivers for wind both domestically and globally remain intact and we are well positioned to capture that growth in the future,” concluded Mr. Siwek.

KPIs	4Q'21	4Q'20	FY'21	FY'20
Sets ¹	768	988	3,255	3,544
Estimated megawatts ²	3,219	3,525	12,989	12,080
Utilization ³	71%	92%	76%	81%
Dedicated manufacturing lines ⁴	54	53	54	53
Manufacturing lines installed ⁵	54	55	54	55

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 invoiced 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.

Fourth Quarter 2021 Financial Results

Net sales for the three months ended December 31, 2021, decreased by \$76.1 million or 16.3% to \$389.5 million as compared to \$465.6 million in the same period in 2020. Net sales of wind blades decreased by \$83.2 million or 18.7% to \$362.3 million for the three months ended December 31, 2021, as compared to \$445.5 million in the same period in 2020. The decrease was primarily driven by a decline in the number of wind blades produced and foreign currency fluctuations. Additionally, when comparing our net sales during the three months ended December 31, 2021 against the comparable prior year period, our current year net sales were negatively impacted by the removal of five contracted manufacturing lines that expired in China at the end of 2020 as well as a further reduction of contracted manufacturing lines in China in 2021, which was partially offset by the adverse impact that the COVID-19 pandemic had on our net sales in the prior year period. These reductions in contracted manufacturing lines in China at the end of 2020 and during 2021, and production delays due to carbon and other raw material shortages that were sourced by a customer, were the primary drivers of the 22% decrease in the number of wind blades produced year over year. The fluctuating U.S. dollar against the Euro and Turkish Lira in our Turkey operations and the Chinese Renminbi in our China operations had an unfavorable impact of 1.9% on consolidated net sales for the three months ended December 31, 2021, as compared to the 2020 period.

Total cost of goods sold for the three months ended December 31, 2021, was \$429.5 million and included \$5.0 million of costs related to lines in startup and \$6.8 million of costs related to lines in transition during the period. This compares to total cost of goods sold for the three months ended December 31, 2020, of \$433.3 million and included \$6.0 million of costs related to lines in startup and \$7.1 million of costs related to lines in transition during the period. Total cost of goods sold as a percentage of net sales increased by approximately seventeen percentage points during the three months ended December 31, 2021, as compared to the same period in 2020, driven primarily by increases in direct material costs and direct labor costs. The fluctuating U.S. dollar against the Euro, Turkish Lira, Chinese Renminbi and Mexican Peso had a favorable impact of 2.2% on consolidated cost of goods sold for the three months ended December 31, 2021, as compared to the 2020 period.

General and administrative expenses for the three months ended December 31, 2021, totaled \$5.4 million, or 1.4% of net sales, compared to \$7.9 million, or 1.7% of net sales, for the same period in 2020. The decrease as a percentage of net sales was primarily driven by our continued focus on reducing costs.

Income taxes reflected a benefit of \$3.3 million for the three months ended December 31, 2021, as compared to a provision of \$9.3 million for the same period in 2020. The decrease in the provision was primarily due to the changes in the earnings mix by jurisdiction, unrecognized tax benefits and valuation allowance in the comparable periods.

Net loss attributable to common stockholders for the three months ended December 31, 2021, was \$93.3 million as compared to net income of \$5.2 million in the same period in 2020. The decrease in net income was primarily due to the reasons set forth above. The diluted net loss per common share was \$2.39 for the three months ended December 31, 2021, compared to diluted net income per common share of \$0.14 for the three months ended December 31, 2020.

Adjusted EBITDA for the three months ended December 31, 2021, decreased to (\$28.3) million as compared to \$40.8 million during the same period in 2020. Adjusted EBITDA margin decreased to (7.3%) as compared to 8.8% during the same period in 2020.

Capital expenditures were \$7.0 million for the three months ended December 31, 2021, as compared to \$12.2 million during the same period in 2020. Our capital expenditures primarily relate to machinery and equipment at our new facilities and expansion and improvements to our existing facilities.

We ended the quarter with \$242.2 million of unrestricted cash and cash equivalents, and net cash was \$167.5 million as compared to net debt of \$88.1 million as of December 31, 2020. We provided \$2.0 million of cash from operating activities and had negative free cash flow of \$4.3 million during the three months ended December 31, 2021.

2022 Guidance

For the full year ending December 31, 2022, we expect:

Guidance	Full Year 2022
Dedicated Manufacturing Lines	43
Wind Blade Set Capacity	3,710
Utilization %	80% to 85%
Average Sales Price per Blade	\$170,000 to \$180,000
Capital Expenditures	\$25 million to \$30 million

Conference Call and Webcast Information

TPI Composites will host an investor conference call this afternoon, Thursday, February 24th 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 1-877-407-9208, or for international callers, 1-201-493-6784. 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 13726573. The replay will be available until March 3, 2022. 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 the only independent manufacturer of composite wind blades for the wind energy market with a global manufacturing footprint. TPI delivers high-quality, cost-effective composite solutions through long-term relationships with leading OEMs in the wind and transportation markets. TPI is headquartered in Scottsdale, Arizona and operates factories in the U.S., China, Mexico, Turkey and India. TPI operates additional engineering development centers in Denmark and Germany.

Forward-Looking Statements

This release contains forward-looking statements which are made pursuant to safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements, among other things, concerning: growth of the wind energy and electric vehicle markets and our addressable markets for our products and services; the impact of the COVID-19 pandemic on our business, effects on our financial statements and our financial outlook; our business strategy, including anticipated trends and developments in and management plans for our business and the wind industry and other markets in which we operate; our projected annual revenue growth; competition; future financial results, operating results, revenues, gross margin, operating expenses, profitability, products, projected costs, warranties, our ability to improve our operating margins, and capital expenditures. These forward-looking statements are often characterized by the use of words such as "estimate," "expect," "anticipate," "project," "plan," "intend," "seek," "believe," "forecast," "foresee," "likely," "may," "should," "goal," "target," "might," "will," "could," "predict," "continue" and the negative or plural of these words and other comparable terminology. 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) 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. 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 December 31,		Year Ended December 31,	
	2021	2020	2021	2020
<i>(in thousands, except per share data)</i>				
Net sales	\$ 389,463	\$ 465,571	\$ 1,732,583	\$ 1,670,137
Cost of sales	417,671	420,249	1,713,331	1,561,432
Startup and transition costs	11,838	13,076	50,832	44,606
Total cost of goods sold	429,509	433,325	1,764,163	1,606,038
Gross profit (loss)	(40,046)	32,246	(31,580)	64,099
General and administrative expenses	5,427	7,850	29,246	33,496
Loss on sale of assets and asset impairments	3,112	2,229	13,110	7,748
Restructuring charges, net	19,886	3,746	23,762	4,089
Income (loss) from operations	(68,471)	18,421	(97,698)	18,766
Other income (expense):				
Interest expense, net	(5,565)	(2,990)	(13,622)	(10,399)
Foreign currency loss, net	(17,398)	(1,891)	(23,671)	(19,986)
Miscellaneous income	881	983	2,203	3,876
Total other expense	(22,082)	(3,898)	(35,090)	(26,509)
Income (loss) before income taxes	(90,553)	14,523	(132,788)	(7,743)
Income tax provision	3,276	(9,338)	(26,760)	(11,284)
Net income (loss)	(87,277)	5,185	(159,548)	(19,027)
Preferred stock dividends and accretion	(6,040)	-	(6,040)	-
Net loss attributable to common stockholders	\$ (93,317)	\$ 5,185	\$ (165,588)	\$ (19,027)
Weighted-average common shares outstanding:				
Basic	39,101	36,062	37,415	35,532
Diluted	39,101	38,100	37,415	35,532
Net income (loss) per common share:				
Basic	\$ (2.39)	\$ 0.14	\$ (4.43)	\$ (0.54)
Diluted	\$ (2.39)	\$ 0.14	\$ (4.43)	\$ (0.54)
Non-GAAP Measures (unaudited):				
EBITDA	\$ (69,794)	\$ 30,504	\$ (66,573)	\$ 52,323
Adjusted EBITDA	\$ (28,258)	\$ 40,776	\$ 2,377	\$ 94,498

**TABLE TWO - CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)**

<i>(in thousands)</i>	December 31,		December 31,	
	2021		2020	
Assets				
Current assets:				
Cash and cash equivalents	\$	242,165	\$	129,857
Restricted cash		10,053		339
Accounts receivable		157,804		132,768
Contract assets		188,323		216,928
Prepaid expenses		19,280		29,507
Other current assets		22,584		27,921
Inventories		11,533		10,839
Assets held for sale		8,529		-
Total current assets		660,271		548,159
Noncurrent assets:				
Property, plant, and equipment, net		169,578		209,001
Operating lease right of use assets		137,192		158,827
Other noncurrent assets		40,660		40,270
Total assets	\$	1,007,701	\$	956,257
Liabilities and Stockholders' Equity				
Current liabilities:				
Accounts payable and accrued expenses	\$	336,697	\$	295,992
Accrued warranty		42,020		50,852
Current maturities of long-term debt		66,438		32,551
Current operating lease liabilities		22,681		26,099
Contract liabilities		1,274		614
Total current liabilities		469,110		406,108
Noncurrent liabilities:				
Long-term debt, net of debt issuance costs and current maturities		8,208		184,316
Noncurrent operating lease liabilities		146,479		155,925
Other noncurrent liabilities		10,978		8,873
Total liabilities		634,775		755,222
Series A Preferred Stock		250,974		-
Total stockholders' equity		121,952		201,035
Total liabilities, mezzanine equity and stockholders' equity	\$	1,007,701	\$	956,257
Non-GAAP Measure (unaudited):				
Net cash (debt)	\$	167,519	\$	(88,061)

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

<i>(in thousands)</i>	Three Months Ended December 31,		Year Ended December 31,	
	2021	2020	2021	2020
Net cash provided by (used in) operating activities	\$	2,716	\$	3,705
Net cash used in investing activities		(6,981)		(12,238)
Net cash provided by (used in) financing activities		150,639		(13,815)
Impact of foreign exchange rates on cash, cash equivalents and restricted cash		(13,314)		1,135
Cash, cash equivalents and restricted cash, beginning of period		119,158		151,409
Cash, cash equivalents and restricted cash, end of period	\$	252,218	\$	252,218
	\$	130,196	\$	130,196
Non-GAAP Measure (unaudited):				
Free cash flow	\$	(4,265)	\$	(8,533)
		\$	\$	(62,644)
				(28,096)

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

<i>(in thousands)</i>	Three Months Ended December 31,		Year Ended December 31,	
	2021	2020	2021	2020
EBITDA and adjusted EBITDA are reconciled as follows:				

Net income (loss) attributable to common stockholders	\$ (93,317)	\$ 5,184	\$ (165,588)	\$ (19,027)
Preferred stock dividends and accretion	6,040	-	6,040	-
Net income (loss)	(87,277)	5,184	(159,548)	(19,027)
Adjustments:				
Depreciation and amortization	15,194	12,992	52,593	49,667
Interest expense (net of interest income)	5,565	2,990	13,622	10,399
Income tax provision	(3,276)	9,338	26,760	11,284
EBITDA	(69,794)	30,504	(66,573)	52,323
Share-based compensation expense	1,140	2,405	8,407	10,352
Foreign currency loss, net	17,398	1,891	23,671	19,986
Loss on sale of assets and asset impairments	3,112	2,230	13,110	7,748
Restructuring charges, net	19,886	3,746	23,762	4,089
Adjusted EBITDA	\$ (28,258)	\$ 40,776	\$ 2,377	\$ 94,498

Free cash flow is reconciled as follows:

(in thousands)

Net cash provided by (used in) operating activities
Capital expenditures
Free cash flow

Three Months Ended December 31,		Year Ended December 31,	
2021	2020	2021	2020
\$ 2,716	\$ 3,705	\$ (25,525)	\$ 37,570
(6,981)	(12,238)	(37,119)	(65,666)
\$ (4,265)	\$ (8,533)	\$ (62,644)	\$ (28,096)

Net debt is reconciled as follows:

(in thousands)

Cash and cash equivalents
Less total debt, net of debt issuance costs
Less debt issuance costs
Net cash (debt)

December 31,	
2021	2020
\$ 242,165	\$ 129,857
(74,646)	(216,867)
-	(1,051)
\$ 167,519	\$ (88,061)



tpi COMPOSITES.

Q4 2021 Earnings Call

February 24, 2022

Decarbonize
& Electrify

Legal Disclaimer

This presentation contains forward-looking statements within the meaning of the federal securities law. All statements other than statements of historical facts contained in this presentation, including statements regarding our future results of operations and financial position, business strategy and plans and objectives of management for future operations, are forward-looking statements. In many cases, you can identify forward-looking statements by terms such as "may," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these terms or other similar words. Forward-looking statements contained in this presentation include, but are not limited to, statements about: (i) the potential impact of the COVID-19 pandemic on our business and results of operations; (ii) competition from other wind blade and wind blade turbine manufacturers; (iii) the discovery of defects in our products and our ability to estimate the future cost of warranty campaigns; (iv) growth of the wind energy market and our addressable market; (v) 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; (vi) 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; (vii) 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; (viii) changes in domestic or international government or regulatory policy, including without limitation, changes in trade policy; (ix) changes in global economic trends and uncertainty, geopolitical risks, and demand or supply disruptions from global events (such as COVID-19); (x) the sufficiency of our cash and cash equivalents to meet our liquidity needs; (xi) our ability to attract and retain customers for our products, and to optimize product pricing; (xii) our ability to effectively manage our growth strategy and future expenses, including our startup and transition costs; (xiii) 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 and manufacture wind blades for offshore wind energy projects; (xiv) our ability to successfully open new manufacturing facilities and expand existing facilities on time and on budget; (xv) the impact of the accelerated pace of new product and wind blade model introductions on our business and our results of operations; (xvi) our ability to successfully expand our transportation business and execute upon our strategy of entering new markets outside of wind energy; (xvii) our ability to maintain, protect and enhance our intellectual property; (xviii) 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; (xix) the attraction and retention of qualified employees and key personnel; (xx) our ability to maintain good working relationships with our employees, and avoid labor disruptions, strikes and other disputes with labor unions that represent certain of our employees; (xxi) our ability to procure adequate supplies of raw materials and components to fulfill our wind blade volume commitments to our customers; and (xxii) 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, 2020.

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) 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

- 2021 Highlights and Business Update
- Q4 and Full Year 2021 Financial Highlights and 2022 Guidance
- Q&A
- Wrap Up
- Appendix
 - Non-GAAP Financial Information

February 24, 2022

2021 Highlights and Business Update

tpi

*Decarbonize
& Electrify*

2021 Highlights

- Operating results and year-over-year comparisons to 2020:
 - Net sales were up 3.7% to \$1.7 billion for the year
 - Net loss attributable to common stockholders for the year was \$165.6 million
 - Adjusted EBITDA for the year was \$2.4 million
- Started wind blade production at our Chennai, India facility for Nordex
- Added four lines in Matamoros, Mexico for Nordex
- Added four new lines in Yangzhou, China for Vestas
- Strong global service growth
- Continued progress on commercial vehicles and parts for multiple passenger EV platforms
- Strategic commitment by Oaktree of \$400 million with \$200 million potential follow-on investment



Existing Contracts Provide for ~\$3.5 Billion in Potential Revenue through 2024

Supply Agreements ⁽¹⁾



Supply agreements provide for estimated minimum aggregate volume commitments from our customers of approximately \$2.2 billion and encourage our customers to purchase additional volume up to, in the aggregate, an estimated total potential revenue of approximately \$3.5 billion through the end of 2024

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

(1) As of February 24, 2022. The chart depicts the term of the longest contract in each location.

Business Update



Global Operations

Headquarters

Wind Blade Manufacturing Facility

Transportation Manufacturing Facility

Tooling / Engineering / R&D Facility

Global Services



Supply Chain



Wind Market



February 24, 2022

Q4 2021 and Full Year Financial Highlights and 2022 Guidance

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Q4 2021 Financial Highlights *(unaudited)*

Key Statement of Operations Data <i>(in thousands, except per share data)</i>	Three Months Ended December 31,		Change %
	2021	2020	
Net sales	\$ 389,463	\$ 465,571	-16.3%
Cost of sales	\$ 417,671	\$ 420,249	-0.6%
Startup and transition costs	\$ 11,838	\$ 13,076	-9.5%
Total cost of goods sold	\$ 429,509	\$ 433,325	-0.9%
Gross profit (loss)	\$ (40,046)	\$ 32,246	NM
General and administrative expenses	\$ 5,427	\$ 7,850	-30.9%
Foreign currency loss, net	\$ (17,398)	\$ (1,891)	NM
Income tax provision	\$ 3,276	\$ (9,338)	135.1%
Net income (loss) attributable to common stockholders	\$ (93,317)	\$ 5,185	NM
Weighted-average common shares outstanding (diluted)	39,101	38,100	
Net income (loss) per common share (diluted)	\$ (2.39)	\$ 0.14	

Non-GAAP Metric

Adjusted EBITDA ⁽¹⁾ (in thousands)	\$ (28,258)	\$ 40,776	-169.3%
Adjusted EBITDA Margin	-7.3%	8.8%	-1610 bps

Key Performance Indicators (KPIs)

Sets produced	768	968	(220)
Estimated megawatts	3,219	3,525	(306)
Utilization	71%	92%	-2140 bps
Dedicated wind blade manufacturing lines	54	53	1 line
Wind blade manufacturing lines installed	54	55	1 line

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



Key Highlights

- 17% increase in the average selling price per blade
- 220 fewer sets produced in 2021 compared to 2020
- Utilization of 71% compared to 92% in 2020
- General and administrative expenses at 1.4% of net sales as we continue to focus on cost out initiatives

Full Year 2021 Financial Highlights (unaudited)

Key Statement of Operations Data <i>(in thousands, except per share data)</i>	Year Ended December 31,		Change %
	2021	2020	
Net sales	\$ 1,732,583	\$ 1,670,137	3.7%
Cost of sales	\$ 1,713,331	\$ 1,561,432	9.7%
Startup and transition costs	\$ 50,832	\$ 44,606	14.0%
Total cost of goods sold	\$ 1,764,163	\$ 1,606,038	9.8%
Gross profit (loss)	\$ (31,580)	\$ 64,099	-149.3%
General and administrative expenses	\$ 29,246	\$ 33,496	-12.7%
Foreign currency loss, net	\$ (23,671)	\$ (19,986)	-18.4%
Income tax provision	\$ (26,760)	\$ (11,284)	-137.1%
Net income (loss) attributable to common stockholders	\$ (165,588)	\$ (19,027)	NM
Weighted-average common shares outstanding (diluted)	37,415	35,532	
Net income (loss) per common share (diluted)	\$ (4.43)	\$ (0.54)	

Non-GAAP Metric

Adjusted EBITDA ⁽¹⁾ (in thousands)	\$ 2,377	\$ 94,498	-97.5%
Adjusted EBITDA Margin	0.1%	5.7%	-560 bps

Key Performance Indicators (KPIs)

Sets produced	3,255	3,544	(289)
Estimated megawatts	12,989	12,080	909
Utilization	76%	81%	-460 bps
Dedicated wind blade manufacturing lines	54	53	1 line
Wind blade manufacturing lines installed	54	55	1 line

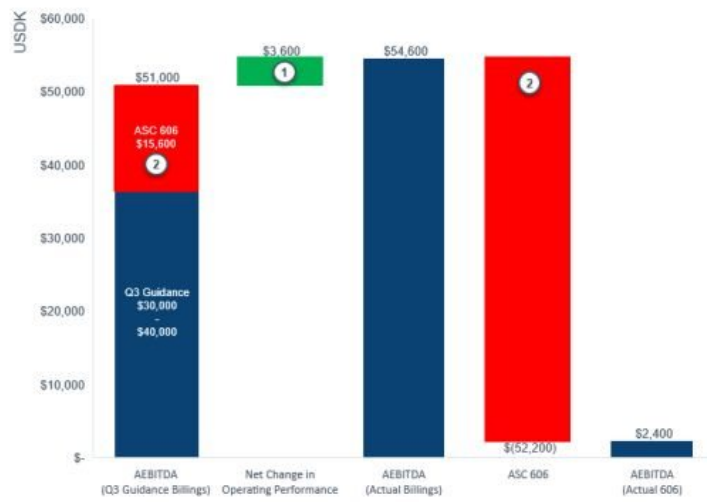
(1) See Appendix for reconciliations of non-GAAP financial data.



Key Highlights

- Net sales of wind blades increased by 2% due to 16% increase in ASP per blade
- 289 fewer sets produced in 2021 than in 2020
- Utilization of 76% compared to 81% in 2020
- General and administrative expenses at 1.7% of net sales as we continue to focus on cost out initiatives

2021 Adj. EBITDA Evolution Since Q3 Earnings



1 Improved operating performance compared to guidance during the fourth quarter

2 Primarily due to a delay of revenue recognized relating to extensions of our customer contracts and estimates of costs to complete these contracts under ASC 606. The delayed revenue will be recognized over the extended terms.

Full Year 2021 Financial Highlights – Continued

(unaudited)

Key Balance Sheet Data	December 31,	
	2021	2020
<i>(in thousands)</i>		
Cash and cash equivalents	\$ 242,165	\$ 129,857
Accounts receivable	\$ 157,804	\$ 132,768
Contract assets	\$ 188,323	\$ 216,928
Operating lease right of use assets	\$ 137,192	\$ 158,827
Total operating lease liabilities - current and noncurrent	\$ 169,160	\$ 182,024
Accounts payable and accrued expenses	\$ 336,697	\$ 295,992
Total debt - current and noncurrent, net	\$ 74,646	\$ 216,867
Net cash (debt) ⁽¹⁾	\$ 167,519	\$ (88,061)

Key Cash Flow Data	Year Ended December 31,	
	2021	2020
<i>(in thousands)</i>		
Net cash provided by (used in) operating activities	\$ (25,525)	\$ 37,570
Capital expenditures	\$ 37,119	\$ 65,666
Free cash flow ⁽¹⁾	\$ (62,644)	\$ (28,096)

Key Highlights

- Net cash position is strong after the Oaktree financing and working capital management

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





2022 Guidance

Dedicated Manufacturing Lines	43
Wind Blade Set Capacity	3,710
Utilization %	80% to 85%
Average Sales Price per Blade	\$170,000 to \$180,000
Capital Expenditures	\$25 million to \$30 million



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Q&A

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Wrap Up

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Wrap Up

- Manage business through near-term challenges facing the industry
- Position TPI as the preferred global solution provider to our customers
- Thanks to our associates for their commitment and dedication to TPI and our mission to decarbonize and electrify

February 24, 2022

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

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Non-GAAP Reconciliations (unaudited)

EBITDA and adjusted EBITDA are reconciled as follows:

(in thousands)	December 31,		December 31,	
	2021	2020	2021	2020
Net income (loss) attributable to common stockholders	\$ (93,317)	\$ 5,184	\$ (185,588)	\$ (19,027)
Preferred stock dividends and accretion	\$ 6,040	\$ -	\$ 6,040	\$ -
Net income (loss)	\$ (87,277)	\$ 5,184	\$ (159,548)	\$ (19,027)
Adjustments:				
Depreciation and amortization	15,194	12,992	52,593	49,667
Interest expense (net of interest income)	5,065	2,990	13,622	10,399
Income tax provision	(3,278)	9,338	26,780	11,284
EBITDA	(69,794)	30,504	(66,573)	82,323
Share-based compensation expense	1,140	2,405	8,407	10,352
Foreign currency loss, net	17,388	1,891	23,671	19,986
Loss on sale of assets and asset impairments	3,112	2,230	13,110	7,748
Restructuring charges, net	19,888	3,748	23,782	4,089
Adjusted EBITDA	\$ (28,258)	\$ 40,778	\$ 2,377	\$ 94,408

Net debt is reconciled as follows:

(in thousands)	December 31,	
	2021	2020
Cash and cash equivalents	\$ 242,165	\$ 129,857
Less total debt, net of debt issuance costs	(74,646)	(216,867)
Less debt issuance costs	-	(1,051)
Net cash (debt)	\$ 167,519	\$ (88,061)

Free cash flow is reconciled as follows:

(in thousands)	Three Months Ended December 31,		Year Ended December 31,	
	2021	2020	2021	2020
Net cash provided by (used in) operating activities	\$ 2,716	\$ 3,705	\$ (25,526)	\$ 37,570
Less capital expenditures	(5,961)	(12,238)	(37,119)	(65,666)
Free cash flow	\$ (4,265)	\$ (8,533)	\$ (62,644)	\$ (28,096)



