

**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): May 5, 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 May 5, 2022, TPI Composites, Inc. (the Company) issued a press release announcing its financial results for the three months ended March 31, 2022. 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 March 31, 2022. 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 May 5, 2022](#)

[99.2 – Presentation dated May 5, 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: May 5, 2022

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

TPI Composites, Inc. Announces First Quarter 2022 Earnings Results – Cost Mitigation Efforts and Transition Efficiencies Drive Solid Results

SCOTTSDALE, Ariz., May 05, 2022 (GLOBE NEWSWIRE) -- TPI Composites, Inc. (Nasdaq: TPIC), today reported financial results for the first quarter ended March 31, 2022.

“We finished the first quarter ahead of our expectations driven by our ability to produce more sets than planned while also benefitting from the team’s acute focus on driving out costs,” said Bill Siwek, President and CEO of TPI Composites. “Although the broader macro environment for the wind industry remains challenging, our results for this quarter demonstrate TPI’s operational execution efficiencies and cost containment efforts.

“From an operational standpoint, we are at or ahead of our plan for 2022. Around the globe, we’ve worked closely with our customers to navigate the current challenges to meet their capacity needs and deliver on time. Transitions were a bright spot in the first quarter, especially in our China and India facilities. Strategic collaboration with ample planning has allowed for a much faster transition process.

“We had another solid quarter of growth in our service business. Our expansion in the European market is going as planned, including the opening of a new training center in Spain, the establishment of a new entity in the UK, and the signing of several significant new agreements.

“Our transportation business progressed again in the first quarter with some exciting development programs. We extended the program with the passenger EV platform for an additional quarter and added another geography on the significant program we announced in the fourth quarter of last year. We also added development agreements with multiple blue-chip OEMs in the Class 8 and “last mile delivery” segment.

“While we recognize the progress we’ve made operationally in our facilities so far in 2022, the wind industry continues to face supply chain, logistic, and cost headwinds. Our focus on executing what is in our control was on display in the first quarter as is evident by our performance. We remain keen to keep that same focus for the balance of 2022 and beyond and be ready to grow with our customers when demand begins to rebound,” concluded Mr. Siwek.

KPIs	1Q’22	1Q’21
Sets ¹	602	814
Estimated megawatts ²	2,644	3,072
Utilization ³	65%	77%
Dedicated manufacturing lines ⁴	43	50
Manufacturing lines installed ⁵	43	52

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.

First Quarter 2022 Financial Results

Net sales for the three months ended March 31, 2022, decreased by \$19.8 million or 4.9% to \$384.9 million as compared to \$404.7 million in the same period in 2021. Net sales of wind blades decreased by \$24.6 million or 6.5% to \$354.6 million for the three months ended March 31, 2022, as compared to \$379.2 million in the same period in 2021. The decrease was primarily driven by a 26% decrease in the number of wind blades produced due to a reduction in contracted manufacturing lines and transitions of existing lines along with currency fluctuations, which were partially offset by a higher average sales price due to the mix of wind blade models produced. Additionally, there was an increase in our field service, inspection and repair service sales during the three months ended March 31, 2022, as compared to the same period in 2021, due to an increase in demand for such services. The fluctuating U.S. dollar against the Euro in our Turkey operations and the Chinese Renminbi in our China operations had an unfavorable impact of 2.2% on consolidated net sales for the three months ended March 31, 2022, as compared to the 2021 period. Total cost of goods sold for the three months ended March 31, 2022, was \$386.5 million and included \$5.5 million of costs related to lines in startup and \$10.1 million of costs related to lines in transition during the period. This compares to total cost of goods sold for the three months ended March 31, 2021, of \$397.4 million and included \$4.6 million of costs related to lines in startup and \$9.8 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 two percentage points during the three months ended March 31, 2022, as compared to the same period in 2021, driven primarily by an increase in direct material costs and foreign currency fluctuations. Included in the cost of sales for the three months ended March 31, 2022, is approximately \$7.1 million in non-restructuring related operating costs that were associated with certain manufacturing facilities in Newton, Iowa; Dafeng, China; and Juarez, Mexico, where production has stopped. The fluctuating U.S. dollar against the Euro, Chinese Renminbi and Mexican Peso had an unfavorable impact of 2.8% on consolidated cost of goods sold for the three months ended March 31, 2022 as compared to the 2021 period.

Income taxes reflected a provision of \$2.9 million for the three months ended March 31, 2022, as compared to a benefit of \$7.1 million for the same period in 2021. The increase in the provision was primarily due to the changes in the earnings mix by jurisdiction and an increase in U.S. valuation allowance.

Net loss attributable to common stockholders for the three months ended March 31, 2022, was \$29.9 million as compared to net loss of \$1.8 million in the same period in 2021. The decrease in net income was primarily due to the reasons set forth above along with \$14.1 million of preferred stock dividends and accretion. The diluted net loss per common share was \$0.71 for the three months ended March 31, 2022, compared to diluted net loss per common share of

\$0.05 for the three months ended March 31, 2021.

Adjusted EBITDA for the three months ended March 31, 2022, decreased to \$6.1 million as compared to \$13.1 million during the same period in 2021. Adjusted EBITDA margin decreased to 1.6% as compared to 3.2% during the same period in 2021.

Capital expenditures were \$5.5 million for the three months ended March 31, 2022, as compared to \$18.8 million during the same period in 2021. 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 \$130.9 million of unrestricted cash and cash equivalents, and net cash was \$79.2 million as compared to net cash of \$167.5 million as of December 31, 2021. Net cash provided by operating activities decreased by \$87.8 million for the three months ended March 31, 2022, as compared to the same period in 2021. This was in-line with our plan and was primarily as a result of an increase in our operating loss, an increase in accounts receivables due to delayed payments from a customer, an increase in contract assets, which was the result of increased procurement of customer specific materials in order to minimize the risk of potential production disruptions that may occur given the recent COVID-19 impacts in China and geopolitical uncertainties, including the ongoing Russia and Ukraine war, and a decrease in accounts payables. Net cash used by financing activities increased by \$41.8 million for the three months ended March 31, 2022, as compared to the same period in 2021, primarily as a result of increased repayments of outstanding borrowings.

2022 Guidance

For the full year ending December 31, 2022, we reiterate our guidance:

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, May 5th 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 1-877-869-3847, or for international callers, 1-201-689-8261. A replay will be available two hours after the call and can be accessed by dialing 1-877-660-6853, or for international callers, 1-201-612-7415. The passcode for the live call and the replay is 13729393. The replay will be available until May 19, 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 and global service training centers in the U.S. and Spain.

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)

<i>(in thousands, except per share data)</i>	Three Months Ended March 31,	
	2022	2021
Net sales	\$ 384,870	\$ 404,680
Cost of sales	370,954	383,056
Startup and transition costs	15,543	14,354
Total cost of goods sold	386,497	397,410
Gross profit (loss)	(1,627)	7,270
General and administrative expenses	7,860	8,922
Loss on sale of assets and asset impairments	959	1,297
Restructuring charges, net	2,393	258
Loss from operations	(12,839)	(3,207)
Other income (expense):		
Interest expense, net	(769)	(2,704)
Foreign currency income (loss)	210	(3,727)
Miscellaneous income	542	739
Total other expense	(17)	(5,692)
Loss before income taxes	(12,856)	(8,899)
Income tax benefit (provision)	(2,944)	7,102
Net loss	(15,800)	(1,797)
Preferred stock dividends and accretion	(14,132)	-
Net loss attributable to common stockholders	\$ (29,932)	\$ (1,797)
Weighted-average common shares outstanding:		
Basic	41,899	36,601
Diluted	41,899	36,601
Net loss per common share:		
Basic	\$ (0.71)	\$ (0.05)
Diluted	\$ (0.71)	\$ (0.05)
<u>Non-GAAP Measures (unaudited):</u>		
EBITDA	\$ (334)	\$ 5,414
Adjusted EBITDA	\$ 6,117	\$ 13,095

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

<i>(in thousands)</i>	March 31, 2022	December 31, 2021
Assets		
Current assets:		

Cash and cash equivalents	\$	130,893	\$	242,165
Restricted cash		9,869		10,053
Accounts receivable		187,993		157,804
Contract assets		206,064		188,323
Prepaid expenses		29,654		19,280
Other current assets		24,595		22,584
Inventories		17,649		11,533
Assets held for sale		8,529		8,529
Total current assets		615,246		660,271
Noncurrent assets:				
Property, plant, and equipment, net		178,657		169,578
Operating lease right of use assets		160,532		137,192
Other noncurrent assets		41,753		40,660
Total assets	\$	996,188	\$	1,007,701
Liabilities and Stockholders' Equity				
Current liabilities:				
Accounts payable and accrued expenses	\$	316,477	\$	336,697
Accrued warranty		38,943		42,020
Current maturities of long-term debt		46,137		66,438
Current operating lease liabilities		22,652		22,681
Contract liabilities		1,274		1,274
Total current liabilities		425,483		469,110
Noncurrent liabilities:				
Long-term debt, net of current maturities		5,573		8,208
Noncurrent operating lease liabilities		148,189		146,479
Other noncurrent liabilities		10,805		10,978
Total liabilities		590,050		634,775
Total mezzanine equity		265,106		250,974
Total stockholders' equity		141,032		121,952
Total liabilities and stockholders' equity	\$	996,188	\$	1,007,701

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

	Three Months Ended	
	March 31,	
<i>(in thousands)</i>	2022	2021
Net cash provided by (used in) operating activities	\$ (81,054)	\$ 6,740
Net cash used in investing activities	(5,516)	(18,786)
Net cash provided by financing activities	(23,279)	18,471
Impact of foreign exchange rates on cash, cash equivalents and restricted cash	(1,607)	(49)
Cash, cash equivalents and restricted cash, beginning of period	252,218	130,196
Cash, cash equivalents and restricted cash, end of period	\$ 140,762	\$ 136,572

**TABLE FOUR - RECONCILIATION OF NON-GAAP MEASURES
(UNAUDITED)**

EBITDA and adjusted EBITDA are reconciled as follows:

(in thousands)

	Three Months Ended March 31,	
	2022	2021
Net loss attributable to common stockholders	\$ (29,932)	\$ (1,797)
Preferred stock dividends and accretion	14,132	-
Net loss	(15,800)	(1,797)
Adjustments:		
Depreciation and amortization	11,753	11,609
Interest expense, net	769	2,704
Income tax provision (benefit)	2,944	(7,102)
EBITDA	(334)	5,414
Share-based compensation expense	3,309	2,399
Foreign currency loss (income)	(210)	3,727
Loss on sale of assets and asset impairments	959	1,297
Restructuring charges, net	2,393	258
Adjusted EBITDA	\$ 6,117	\$ 13,095

Net cash is reconciled as follows:

(in thousands)

	March 31,	December 31,
	2022	2021
Cash and cash equivalents	\$ 130,893	\$ 242,165
Less total debt	(51,710)	(74,646)
Net cash	\$ 79,183	\$ 167,519

Free cash flow is reconciled as follows:

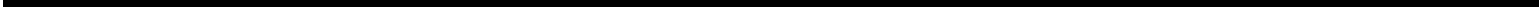
(in thousands)

	Three Months Ended March 31,	
	2022	2021
Net cash provided by (used in) operating activities	\$ (81,054)	\$ 6,740
Less capital expenditures	(5,516)	(18,786)
Free cash flow	\$ (86,570)	\$ (12,046)

Q1 2022 Earnings Call
May 5, 2022

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Legal Disclaimer

This presentation contains forward-looking statements within the meaning of the federal securities law. All statements other than statements of historical facts contained in this presentation, including statements regarding our future results of operations and financial position, business strategy and plans and objectives of management for future operations, are forward-looking statements. In many cases, you can identify forward-looking statements by terms such as "may," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these terms or other similar words. Forward-looking statements contained in this presentation include, but are not limited to, statements about: i. 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. our ability to procure adequate supplies of raw materials and components in a cost-effective manner to fulfill our 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; x. changes in global economic trends and uncertainty, geopolitical risks, and demand or supply disruptions from global events; xi. the sufficiency of our cash and cash equivalents to meet our liquidity needs; xii. our ability to attract and retain customers for our products, and to optimize product pricing; xiii. our ability to effectively manage our growth strategy and future expenses, including our startup and transition costs; xiv. 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; xv. our ability to successfully open new manufacturing facilities and expand existing facilities on time and on budget; xvi. the impact of the accelerated pace of new product and wind blade model introductions on our business and our results of operations; xvii. our ability to successfully expand our transportation business and execute upon our strategy of entering new markets outside of wind energy; xviii. our ability to maintain, protect and enhance our intellectual property; xix. 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; xx. the attraction and retention of qualified employees and key personnel; xxi. 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; 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, 2021.

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

- Q1 2022 Highlights and Business Update
- Q1 2022 Financial Highlights and 2022 Guidance
- Wrap Up
- Q&A
- Appendix
 - Non-GAAP Financial Information

May 5, 2022

2022 Highlights and Business Update

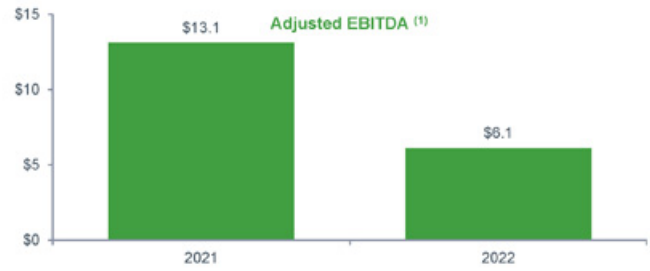
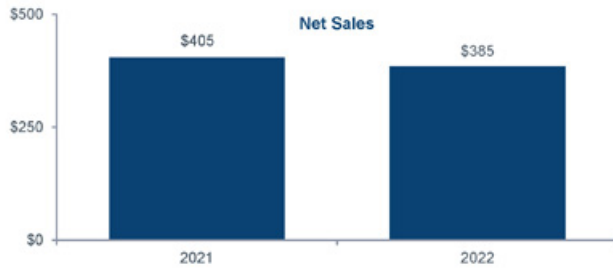


tpi

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First Quarter 2022 Highlights

Net Sales and Adjusted EBITDA (\$ in millions)



- Operating results and year-over-year comparisons to 2021:
 - Net sales decreased 4.9% to \$384.9 million for the quarter
 - Net loss attributable to common stockholders for the quarter was \$29.9 million
 - Adjusted EBITDA for the quarter was \$6.1 million
- Excellent operational execution including transitions and startups along with cost out initiatives
- Signed new development agreements in our Transportation segment
- Published 2021 ESG/Sustainability Report

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



Highlights of TPI's ESG Performance⁽¹⁾

E nvironmental

- ~9% decrease in emissions intensity
- Reduced process waste rate
- Initiated scope 3 emissions reporting

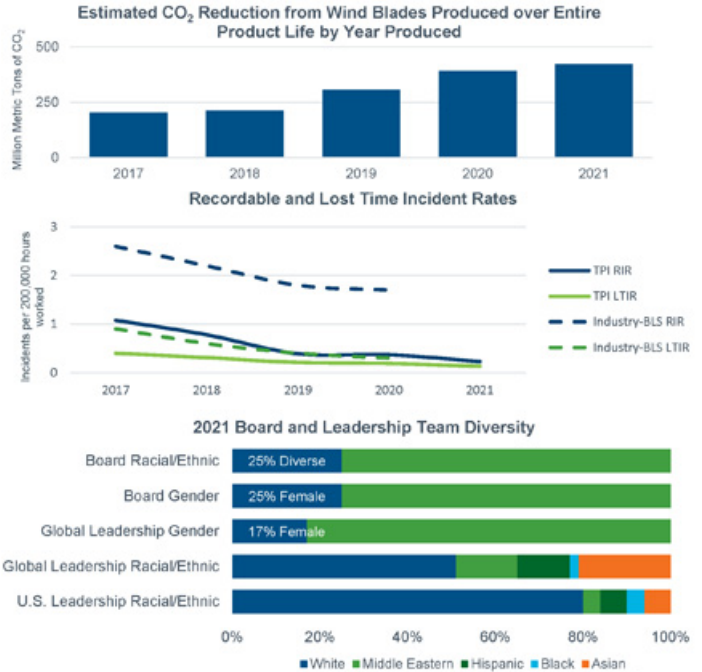
S ocial

- Reduced recordable incident rate by 38% and lost time incident rate by 32%
- Facilitated Diversity, Equity, and Inclusion (DE&I) survey with a 76% favorable score
- Increased gender diversity of global leadership team

G overnance

- Board committee oversight of ESG
- Expanded ESG metrics are included in our executive compensation plans

1. See [2021 ESG Report](#) for more details



TPI's ESG Efforts

Embracing and operationalizing Environmental, Social and Governance (ESG) practices into everything we do will reduce risk, increase associate satisfaction, and improve operational execution, financial performance, and governance

tpi

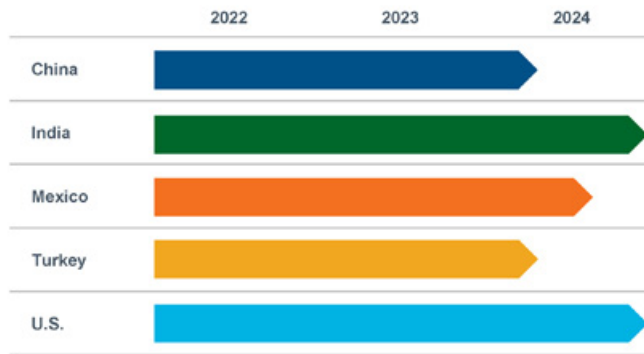
Our long-term ESG goals:

- Promote a zero-harm culture focused on eliminating unsafe behaviors
- Achieve 33% female and 33% racial and ethnically diverse persons on our Board of Directors by 2023
- Achieve 25% female representation on our Global Leadership Team by 2025
- Achieve 25% racial and ethnically diverse persons on our U.S. Leadership Team by 2025
- Become carbon neutral by 2030 with 100% of our energy being procured from renewable sources



Existing Contracts Provide for ~\$3.1 Billion in Potential Revenue through 2024

Supply Agreements ⁽¹⁾



Supply agreements provide for estimated minimum aggregate volume commitments from our customers of approximately \$1.9 billion and encourage our customers to purchase additional volume up to, in the aggregate, an estimated total potential revenue of approximately \$3.1 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 May 5, 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



Global Service



Transportation



Supply Chain



Wind Market



May 5, 2022

Q1 2022 Financial Highlights and 2022 Guidance

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First Quarter 2022 Financial Highlights

(unaudited)

Key Statement of Operations Data <i>(in thousands, except per share data)</i>	Three Months Ended March 31,		Change %
	2022	2021	
Net sales	\$ 384,870	\$ 404,680	-4.9%
Cost of sales	\$ 370,954	\$ 383,056	-3.2%
Startup and transition costs	\$ 15,543	\$ 14,354	8.3%
Total cost of goods sold	\$ 386,497	\$ 397,410	-2.7%
Gross profit (loss)	\$ (1,627)	\$ 7,270	-122.4%
General and administrative expenses	\$ 7,860	\$ 8,922	-11.9%
Foreign currency income (loss)	\$ 210	\$ (3,727)	105.6%
Income tax benefit (provision)	\$ (2,944)	\$ 7,102	-141.5%
Net loss	\$ (15,800)	\$ (1,797)	NM
Preferred stock dividends and accretion	\$ (14,132)	\$ -	NM
Net loss attributable to common stockholders	\$ (29,932)	\$ (1,797)	NM
Weighted-average common shares outstanding (diluted)	41,899	36,601	
Net loss per common share (diluted)	\$ (0.71)	\$ (0.05)	

Non-GAAP Metric

Adjusted EBITDA ⁽¹⁾ (in thousands)	\$ 6,117	\$ 13,095	-53.3%
Adjusted EBITDA Margin	1.6%	3.2%	-160 bps

Key Performance Indicators (KPIs)

Sets produced	602	814	(212)
Estimated megawatts	2,644	3,072	(428)
Utilization	65%	77%	-1220 bps
Dedicated wind blade manufacturing lines	43	50	7 lines
Wind blade manufacturing lines installed	43	52	9 lines

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

Key Highlights

- 26% increase in the average selling price per blade
- 212 fewer sets produced compared to 2021
- Utilization of 65% compared to 77% in 2021

First Quarter 2022 Financial Highlights – Continued

(unaudited)

Key Balance Sheet Data <i>(in thousands)</i>	March 31, December 31,	
	2022	2021
Cash and cash equivalents	\$ 130,893	\$ 242,165
Accounts receivable	\$ 187,993	\$ 157,804
Contract assets	\$ 208,064	\$ 188,323
Operating lease right of use assets	\$ 160,532	\$ 137,192
Total operating lease liabilities - current and noncurrent	\$ 170,841	\$ 169,160
Accounts payable and accrued expenses	\$ 316,477	\$ 336,697
Total debt - current and noncurrent, net	\$ 51,710	\$ 74,646
Net cash	\$ 79,183	\$ 167,519

Key Cash Flow Data <i>(in thousands)</i>	Three Months Ended March 31,	
	2022	2021
Net cash provided by (used in) operating activities	\$ (81,054)	\$ 6,740
Capital expenditures	\$ 5,516	\$ 18,786
Free cash flow ⁽¹⁾	\$ (86,570)	\$ (12,046)

Key Highlights

- Net change in cash for the quarter was a reduction of approximately \$111 million and in-line with forecast.
- Net cash used in operating activities was primarily due to an increase of A/R of \$31 million, an increase in contract assets of \$15 million, and a decrease in A/P of \$19 million.
- Net cash used in financing activities was \$23 million primarily due to repayments of debt of \$21 million.

(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 per Blade	\$170,000 to \$180,000
Capital Expenditures	\$25 million to \$30 million

May 5, 2022

Wrap Up



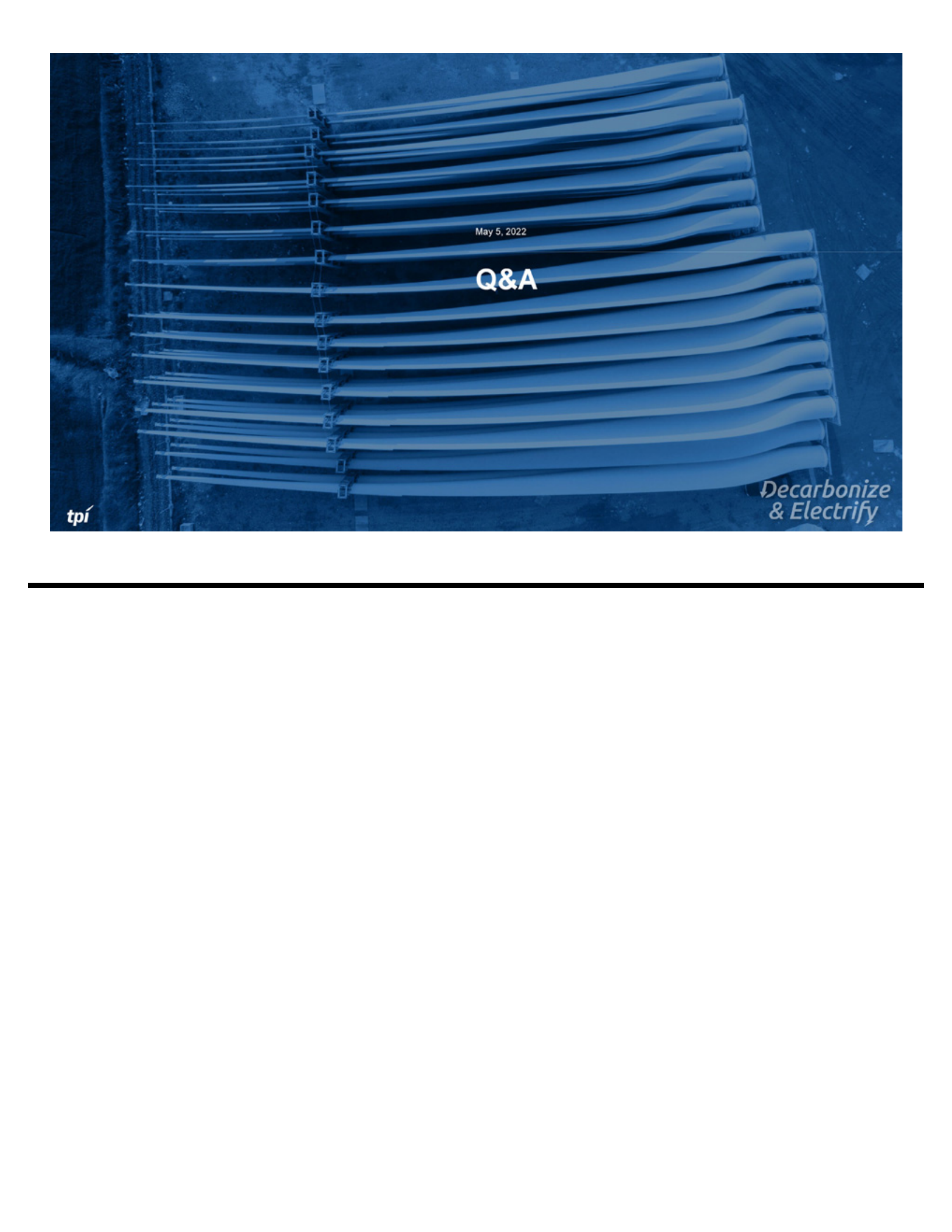
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Wrap Up

- 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



May 5, 2022

Q&A

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May 5, 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)	Three Months Ended March 31,	
	2022	2021
Net loss attributable to common stockholders	\$ (29,932)	\$ (1,797)
Preferred stock dividends and accretion	14,132	-
Net loss	(15,800)	(1,797)
Adjustments:		
Depreciation and amortization	11,753	11,609
Interest expense, net	769	2,704
Income tax provision (benefit)	2,944	(7,102)
EBITDA	(334)	5,414
Share-based compensation expense	3,309	2,399
Foreign currency loss (income)	(210)	3,727
Loss on sale of assets and asset impairments	959	1,297
Restructuring charges, net	2,393	258
Adjusted EBITDA	\$ 6,117	\$ 13,095

Net cash (debt) is reconciled as follows:

(in thousands)	March 31, December 31,	
	2022	2021
Cash and cash equivalents	\$ 130,893	\$ 242,165
Less total debt	(51,710)	(74,646)
Net cash (debt)	\$ 79,183	\$ 167,519

Free cash flow is reconciled as follows:

(in thousands)	March 31,	
	2022	2021
Net cash provided by (used in) operating activities	\$ (81,054)	\$ 6,740
Less capital expenditures	(5,516)	(18,786)
Free cash flow	\$ (86,570)	\$ (12,046)



