

**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 5, 2020



**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 November 5, 2020, TPI Composites, Inc. (the Company) issued a press release announcing its financial results for the three months ended September 30, 2020. 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](http://www.tpicomposites.com) under the tab "Investors" providing information regarding its results of operations and financial condition for the three months ended September 30, 2020. 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 5, 2020](#)

[99.2 – Presentation dated November 5, 2020](#)

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

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**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 5, 2020

By: /s/ Bryan Schumaker  
Bryan Schumaker  
Chief Financial Officer

## TPI Composites, Inc. Announces Third Quarter 2020 Earnings Results – Net Sales Increase by 23.5% - Net Income of \$42.4 million and Adjusted EBITDA of \$49.1 million – Provides 2020 Guidance

SCOTTSDALE, Ariz., Nov. 05, 2020 (GLOBE NEWSWIRE) -- TPI Composites, Inc. (Nasdaq: TPIC), the only independent manufacturer of composite wind blades with a global footprint, today reported financial results for the third quarter ended September 30, 2020.

### Highlights

#### For the quarter ended September 30, 2020:

- Net sales of \$474.1 million
- Net income of \$42.4 million or \$1.13 per diluted share
- EBITDA of \$27.2 million
- Adjusted EBITDA of \$49.1 million

KPIs	Q3'20	Q3'19
Sets <sup>1</sup>	1,038	858
Estimated megawatts <sup>2</sup>	3,576	2,491
Utilization <sup>3</sup>	93%	88%
Dedicated manufacturing lines <sup>4</sup>	55	52
Manufacturing lines installed <sup>5</sup>	54	48

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 at the end of 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 at the end of the period.

“We achieved strong revenue and Adjusted EBITDA growth in the third quarter attributable to increased production and high utilization,” said Bill Siwek, President and CEO of TPI Composites. “We also have benefited from a strong demand environment from our customer base and improved operational execution.”

“Strong current demand prospects in the U.S. and other emerging markets, driven by the economics of wind as well as the acceleration of energy transition and decarbonization initiatives, give us confidence in our global wind strategy as we continue to serve our customers in an efficient and cost-effective manner across our global manufacturing footprint.”

“We are also seeing strong performance out of our field services business. While still a relatively small piece of the overall business, we continue to build out the pipeline as we see a path to more significant revenue and margin contribution over time.”

“We are still closely monitoring the COVID-19 pandemic and preparing for potential resurgences in all of our geographies as we have seen a recent upturn in the number of positive cases in several of the regions where we operate. However, as of today, we continue to operate all of our plants near or above capacity as we continue to make up for lost production during the first half of the year, and therefore we are pleased to provide 2020 guidance.”

Guidance	Q4 2020	Full Year 2020
Net Sales	\$435 million to \$455 million	\$1.64 billion to \$1.66 billion
Adjusted EBITDA	\$36 million to \$46 million	\$90 million to \$100 million

“We remain encouraged by the growth opportunities in the wind and transportation markets and will continue to leverage our global footprint and scale to continue our profitable growth over the coming years,” concluded Mr. Siwek.

### Third Quarter 2020 Financial Results

Net sales for the three months ended September 30, 2020 increased by \$90.3 million or 23.5% to \$474.1 million compared to \$383.8 million in the same period in 2019. Net sales of wind blades increased by \$97.9 million or 27.8% to \$450.1 million for the three months ended September 30, 2020 as compared to \$352.2 million in the same period in 2019. The increase was primarily driven by a 20% increase in the number of wind blades produced during the three months ended September 30, 2020 compared to the same period in 2019 as a result of increased production at our China, Mexico, Iowa, and India facilities. This increase was also due to a higher average sales price due to the mix of wind blade models produced during the three months ended September 30, 2020 compared to the same period in 2019. The fluctuating U.S. dollar against the Euro in our Turkey operations and the Chinese Renminbi in our China operations had a favorable impact of 0.7% on consolidated net sales for the three months ended September 30, 2020 as compared to the same period in 2019. Although our net sales increased for the three months ended September 30, 2020 compared to the same period in 2019, we estimate that our net sales were adversely impacted by approximately \$8 million, based on several wind blade sets, which we had forecasted to produce in the period under non-cancellable purchase orders associated with our long-term contracts but were unable to do so as a result of the COVID-19 pandemic.

Total cost of goods sold for the three months ended September 30, 2020 was \$433.6 million and included \$5.2 million related to lines in startup and \$3.4 million of transition costs related to lines in transition during the quarter. This compares to total cost of goods sold for the three months ended September 30, 2019 of \$357.9 million and included \$13.1 million related to lines in startup and \$9.0 million of transition costs related to lines in transition during the quarter. Total cost of goods sold as a percentage of net sales decreased by approximately 2% during the three months ended September 30, 2020 as compared to the same period in 2019, driven primarily by the decrease in direct materials, the impact of savings in raw material costs, the decrease in startup and transition costs, and foreign currency fluctuations. The fluctuating U.S. dollar against the Euro, Turkish Lira, Chinese Renminbi and Mexican Peso had a favorable impact of 1.1% on consolidated cost of goods sold for the three months ended September 30, 2020 as compared to the same period in 2019.

General and administrative expenses for the three months ended September 30, 2020 totaled \$9.3 million, or 2.0% of net sales, compared to \$10.6 million, or 2.8% of net sales, for the same period in 2019. The decrease as a percentage of net sales in both periods was primarily driven by lower travel and training costs due to the COVID-19 pandemic.

Income taxes reflected a benefit of \$32.3 million for the three months ended September 30, 2020 as compared to a provision of \$18.8 million for the same period in 2019. The decrease in the provision during the three months ended September 30, 2020 was primarily due to the impact of a change in the forecasted annual effective tax rate and the earnings mix by jurisdiction in 2020 as compared to 2019.

Net income for the three months ended September 30, 2020 was \$42.4 million as compared to a net loss of \$4.6 million in the same period in 2019. The increase in the net income was primarily due to the reasons set forth above. During the quarter we were also impacted by a realized loss on foreign currency remeasurement of \$17.1 million primarily due to net Euro liability exposure against the Turkish Lira. In addition, we estimate that our net income during the three months ended September 30, 2020 was adversely impacted by approximately \$2 million, net of taxes based upon the forecasted gross margin on the wind blade sets we had forecasted to produce in the period under non-cancellable purchase orders associated with our long-term contracts but were unable to do so as a result of the COVID-19 pandemic. In addition, during the period we incurred \$4 million, net of taxes, of COVID-19 related costs associated with the health and safety of our associates and non-productive labor. The diluted net income per share was \$1.13 for the three months ended September 30, 2020, compared to a diluted net loss per share of \$0.13 for the three months ended September 30, 2019.

Adjusted EBITDA for the three months ended September 30, 2020 increased to \$49.1 million compared to \$27.5 million during the same period in 2019. Adjusted EBITDA margin increased to 10.4% compared to 7.2% during the same period in 2019. We estimate that our Adjusted EBITDA was adversely impacted for the three months ended September 30, 2020 by approximately \$8 million, based upon the forecasted Adjusted EBITDA margin on the forecasted wind blade sets which we were to produce in those periods but were unable to do so as a result of the COVID-19 pandemic and COVID-19 related costs associated with the health and safety of our associates and non-productive labor.

Capital expenditures were \$11.4 million for the three months ended September 30, 2020 compared to \$21.4 million during the same period in 2019. Our capital expenditures have primarily related to machinery and equipment for new facilities and expansion and improvements at existing facilities.

We ended the quarter with \$149.4 million of cash and cash equivalents and net debt was \$89.3 million as compared to \$71.8 million at December 31, 2019, and we had free cash flow during the three months ended September 30, 2020 of \$49.5 million.

## 2020 Guidance

On April 23, 2020, TPI announced the withdrawal of its fiscal year 2020 financial guidance first issued on February 27, 2020. We are now providing our full-year and fourth quarter 2020 financial guidance. These numbers could be impacted by COVID-19 due to (i) the rapidly evolving nature, magnitude and duration of the COVID-19 pandemic, (ii) the variety of measures implemented by governments around the world to address its effects and (iii) the impact on our manufacturing operations. Although our plants are currently operating near or above planned capacity, many of our manufacturing facilities are operating in regions with continued high levels of reported COVID-19 positive cases. As such, we may be required to reinstate temporary production suspensions or volume reductions at these manufacturing facilities or at our other manufacturing facilities to the extent there is a resurgence of COVID-19 cases in the regions where we operate or there is an outbreak of positive COVID-19 cases in any of our manufacturing facilities.

Guidance	Q4 2020	Full Year 2020
Net Sales	\$435 million to \$455 million	\$1.64 billion to \$1.66 billion
Adjusted EBITDA	\$36 million to \$46 million	\$90 million to \$100 million

## Conference Call and Webcast Information

TPI Composites will host an investor conference call this afternoon, Thursday, November 5, 2020 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 1-800-926-5124, or for international callers, 1-212-231-2914. 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 21971028. The replay will be available until November 12, 2020. 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](http://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: 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 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 realized gains or losses from foreign currency remeasurement, any realized gains or losses from the sale of assets and asset impairments and any restructuring costs. 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 below for a reconciliation of certain non-GAAP financial measures to the comparable GAAP measures as well as our Investor Presentation which can be found in the Investors section at [www.tpicomposites.com](http://www.tpicomposites.com).*

## Investor Relations

480-315-8742

[Investors@TPIComposites.com](mailto:Investors@TPIComposites.com)

**TABLE ONE - CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(UNAUDITED)**

<i>(in thousands, except per share data)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net sales	\$ 474,113	\$ 383,836	\$ 1,204,566	\$ 1,014,387
Cost of sales	425,064	335,778	1,141,183	904,135
Startup and transition costs	8,576	22,127	31,530	63,206
Total cost of goods sold	433,640	357,905	1,172,713	967,341
Gross profit	40,473	25,931	31,853	47,046
General and administrative expenses	9,263	10,608	25,646	27,801
Realized loss on sale of assets and asset impairments	2,160	3,354	5,518	10,561
Restructuring charges (reversals), net	45	(149)	343	3,725
Income from operations	29,005	12,118	346	4,959
Other income (expense):				
Interest income	15	43	55	125
Interest expense	(3,108)	(2,130)	(7,464)	(6,403)
Realized gain (loss) on foreign currency remeasurement	(17,127)	3,719	(18,095)	(1,050)
Miscellaneous income	1,259	517	2,893	2,235
Total other income (expense)	(18,961)	2,149	(22,611)	(5,093)
Income (loss) before income taxes	10,044	14,267	(22,265)	(134)
Income tax benefit (provision)	32,338	(18,838)	(1,946)	(14,713)
Net income (loss)	\$ 42,382	\$ (4,571)	\$ (24,211)	\$ (14,847)
Weighted-average common shares outstanding:				
Basic	35,546	35,131	35,354	35,024
Diluted	37,423	35,131	35,354	35,024
Net income (loss) per common share:				
Basic	\$ 1.19	\$ (0.13)	\$ (0.68)	\$ (0.42)
Diluted	\$ 1.13	\$ (0.13)	\$ (0.68)	\$ (0.42)
<b>Non-GAAP Measures (unaudited):</b>				
EBITDA	\$ 27,168	\$ 26,302	\$ 21,819	\$ 33,876
Adjusted EBITDA	\$ 49,131	\$ 27,470	\$ 53,722	\$ 53,816

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

<i>(in thousands)</i>	September 30, 2020		December 31, 2019	
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$	149,422	\$	70,282
Restricted cash		1,987		992
Accounts receivable		149,985		184,012
Contract assets		211,569		166,515
Prepaid expenses		15,950		10,047
Other current assets		21,794		29,843
Inventories		14,569		6,731
Total current assets		565,276		468,422
Noncurrent assets:				
Property, plant, and equipment, net		210,024		205,007
Operating lease right of use assets		168,590		122,351
Other noncurrent assets		41,794		30,897
Total assets	\$	985,684	\$	826,677

**Liabilities and Stockholders' Equity**

Current liabilities:			
Accounts payable and accrued expenses	\$	310,344	\$ 293,104
Accrued warranty		53,596	47,639
Current maturities of long-term debt		35,788	13,501
Current operating lease liabilities		25,569	16,629
Contract liabilities		2,010	3,008
Total current liabilities		427,307	373,881
Noncurrent liabilities:			
Long-term debt, net of debt issuance costs and current maturities		201,780	127,888
Noncurrent operating lease liabilities		165,551	113,883
Other noncurrent liabilities		9,594	5,975
Total liabilities		804,232	621,627
Total stockholders' equity		181,452	205,050
Total liabilities and stockholders' equity	\$	985,684	\$ 826,677

**Non-GAAP Measure (unaudited):**

Net debt	\$	(89,311)	\$ (71,779)
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**TPI COMPOSITES, INC. AND SUBSIDIARIES**  
**TABLE THREE - CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

<i>(in thousands)</i>	<u>Three Months Ended</u> <u>September 30,</u>		<u>Nine Months Ended</u> <u>September 30,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Net cash provided by operating activities	\$ 60,870	\$ 64,253	\$ 33,865	\$ 62,735
Net cash used in investing activities	(11,398)	(22,455)	(53,428)	(60,194)
Net cash provided by (used in) financing activities	5,172	(8,088)	102,427	2,358
Impact of foreign exchange rates on cash, cash equivalents and restricted cash	(679)	(811)	(3,204)	(115)
Cash, cash equivalents and restricted cash, beginning of period	97,444	61,261	71,749	89,376
Cash, cash equivalents and restricted cash, end of period	<u>\$ 151,409</u>	<u>\$ 94,160</u>	<u>\$ 151,409</u>	<u>\$ 94,160</u>

**Non-GAAP Measure (unaudited):**

Free cash flow	\$	49,472	\$ 42,900	\$ (19,563)	\$ 3,643
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**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>	<u>Three Months Ended</u> <u>September 30,</u>		<u>Nine Months Ended</u> <u>September 30,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Net income (loss)	\$ 42,382	\$ (4,571)	\$ (24,211)	\$ (14,847)
Adjustments:				
Depreciation and amortization	14,031	9,948	36,675	27,732
Interest expense (net of interest income)	3,093	2,087	7,409	6,278
Income tax provision (benefit)	(32,338)	18,838	1,946	14,713
EBITDA	<u>27,168</u>	<u>26,302</u>	<u>21,819</u>	<u>33,876</u>
Share-based compensation expense	2,631	1,682	7,947	4,604
Realized loss (gain) on foreign currency remeasurement	17,127	(3,719)	18,095	1,050
Realized loss on sale of assets and asset impairments	2,160	3,354	5,518	10,561
Restructuring charges (reversals), net	45	(149)	343	3,725
Adjusted EBITDA	<u>\$ 49,131</u>	<u>\$ 27,470</u>	<u>\$ 53,722</u>	<u>\$ 53,816</u>

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 debt	

September 30,		December 31,	
2020		2019	
\$	149,422	\$	70,282
	(237,568)		(141,389)
	(1,165)		(672)
\$	(89,311)	\$	(71,779)

Free cash flow is reconciled as follows:

*(in thousands)*

Net cash provided by operating activities	
Less capital expenditures	
Free cash flow	

Three Months Ended September 30,		Nine Months Ended September 30,	
2020		2019	
\$	60,870	\$	64,253
	(11,398)		(21,353)
\$	49,472	\$	42,900

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

*(in thousands)*

Projected net loss	
Adjustments:	
Projected depreciation and amortization	
Projected interest expense (net of interest income)	
Projected income tax provision	
Projected EBITDA	
Projected share-based compensation expense	
Projected realized loss on foreign currency remeasurement	
Projected realized loss on sale of assets and asset impairments	
Projected restructuring charges	
Projected Adjusted EBITDA	

Q4 2020 Adjusted EBITDA Guidance Range <sup>(1)</sup>		FY 2020 Adjusted EBITDA Guidance Range <sup>(1)</sup>	
Low End	High End	Low End	High End
\$	(7,000)	\$	(4,000)
		\$	(31,000)
		\$	(28,000)
	11,500		48,000
	13,500		50,000
	2,500		10,000
	3,500		11,000
	25,500		27,500
	27,500		29,500
	32,500		54,500
	40,500		62,500
	2,000		10,000
	3,000		11,000
	-		18,000
	-		18,000
	1,500		7,500
	2,500		8,000
	-		-
	-		500
\$	36,000	\$	90,000
\$	46,000	\$	100,000

(1) All figures presented are projected estimates for the periods noted.





**tpi** COMPOSITES®

# Q3 2020 Earnings Call

November 5, 2020

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 Coronavirus on our business and results of operations; (ii) growth of the wind energy market and our addressable market; (iii) the potential impact of the increasing prevalence of auction-based tenders in the wind energy market and increased competition from solar energy on our gross margins and overall financial performance; (iv) our 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; (v) changes in domestic or international government or regulatory policy, including without limitation, changes in trade policy; (vi) the sufficiency of our cash and cash equivalents to meet our liquidity needs; (vii) our ability to attract and retain customers for our products, and to optimize product pricing; (viii) our ability to effectively manage our growth strategy and future expenses, including our startup and transition costs; (ix) competition from other wind blade and wind blade turbine manufacturers; (x) the discovery of defects in our products and our ability to estimate the future cost of warranty campaigns and product recalls; (xi) 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 in wind energy markets; (xii) our ability to successfully open new manufacturing facilities and expand existing facilities on time and on budget; (xiii) the impact of the accelerated pace of new product and wind blade model introductions on our business and our results of operations; (xiv) our ability to successfully expand our transportation business and execute upon our strategy of entering new markets outside of wind energy; (xv) worldwide economic conditions and their impact on customer demand; (xvi) our ability to maintain, protect and enhance our intellectual property; (xvii) 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; (xviii) the attraction and retention of qualified employees and key personnel; (xix) 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; (xx) our ability to procure adequate supplies of raw materials and components to fulfill our wind blade volume commitments to our customers and (xxi) 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, 2019.

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 realized gains or losses from foreign currency remeasurement, any realized gains or losses on the sale of assets and asset impairments and 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 2020 Highlights
- Q3 2020 Financial Highlights
- Wrap Up
- Q&A
- Appendix
  - Non-GAAP Financial Information



November 5, 2020

# Q3 2020 Highlights



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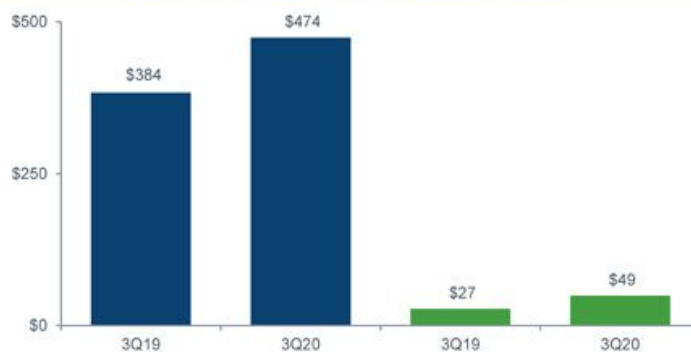
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## Q3 2020 Highlights

- Operating results and year-over-year comparisons to 2019:
  - Net sales were up 23.5% to \$474.1 million for the quarter
  - Net income for the quarter was \$42.4 million compared to net loss of \$4.6 million
  - Adjusted EBITDA for the quarter was \$49.1 million or 10.4% of net sales up 320 bps
- **GE:** extended our supply agreement in one of our Mexico plants by two years through 2022 and our supply agreement in Iowa through 2021. Added one additional manufacturing line in Mexico.
- **Nordex:** signed multi-year agreement for two manufacturing lines in our Chennai, India facility.
- **Vestas:** extended our Turkey agreement.
- Appointed Linda Hudson and Bavan Holloway to the Board.









### Net Sales and Adjusted EBITDA (\$ in millions)



Sets produced	858	1,038
Est. MW	2,491	3,576
Dedicated lines <sup>(1)</sup>	52	55
Lines installed <sup>(2)</sup>	48	54
Utilization <sup>(3)</sup>	88%	93%

- 1) Number of wind blade manufacturing lines dedicated to our customers under long-term supply agreements at the end of the period.
- 2) Number of wind blade manufacturing lines installed and either in operation, startup or transition at the end of the period.
- 3) Represents the percentage of wind blades invoiced during the period compared to the total potential wind blade capacity of manufacturing lines installed at the end of the period.

## TPI Operating Imperatives

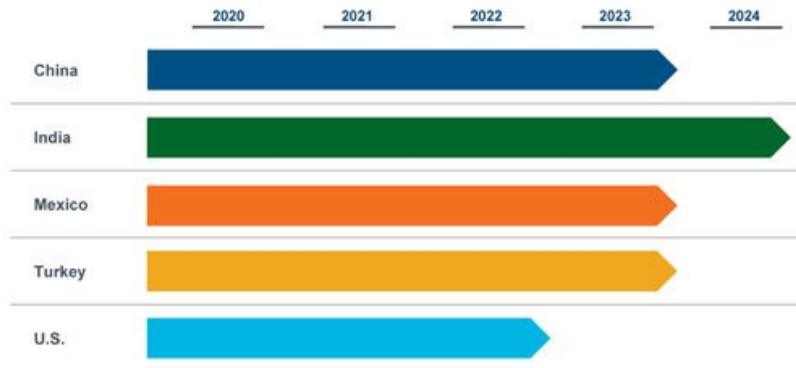
-  Relentless focus on operational excellence
-  Turn speed into a competitive advantage – cut transition and startup time in half
-  Innovate – continue to advance our composites technology
-  Partner more deeply with our customers
-  Reduce and balance cost of transitions with our customers
-  Apply scale to expand material capacity, continuity of supply, and drive cost down
-  Continue to build and develop world class team
-  Drive ESG vision





# Existing Contracts Provide for ~\$5.1 Billion in Potential Revenue through 2024

## Long-term Supply Agreements <sup>(1)</sup>



Long-term supply agreements provide for estimated minimum aggregate volume commitments from our customers of approximately \$2.9 billion and encourage our customers to purchase additional volume up to, in the aggregate, an estimated total potential revenue of approximately \$5.1 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 November 5, 2020. The chart depicts the term of the longest contract in each location and does not include 2 lines operating under a short-term agreement for 2020 in China.



November 5, 2020

# Q3 2020 Financial Highlights

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# Key Statement of Operations and Performance Indicator Data

(unaudited)

Key Statement of Operations Data <i>(in thousands, except per share data)</i>	Three Months Ended September 30,		Change %
	2020	2019	
Net sales	\$ 474,113	\$ 383,836	23.5%
Cost of sales	\$ 425,064	\$ 335,778	26.6%
Startup and transition costs	\$ 8,576	\$ 22,127	-61.2%
Total cost of goods sold	\$ 433,640	\$ 357,905	21.2%
Gross profit	\$ 40,473	\$ 25,931	56.1%
General and administrative expenses	\$ 9,263	\$ 10,608	-12.7%
Realized gain (loss) on foreign currency remeasurement	\$ (17,127)	\$ 3,719	NM
Income tax benefit (provision)	\$ 32,338	\$ (18,838)	NM
Net income (loss)	\$ 42,382	\$ (4,571)	NM
Weighted-average common shares outstanding (diluted)	37,423	35,131	
Net income (loss) per common share (diluted)	\$ 1.13	\$ (0.13)	
<b>Non-GAAP Metric</b>			
Adjusted EBITDA <sup>(1)</sup> <i>(in thousands)</i>	\$ 49,131	\$ 27,470	78.9%
Adjusted EBITDA Margin	10.4%	7.2%	320 bps
<b>Key Performance Indicators (KPIs)</b>			
Sets produced	1,038	858	180
Estimated megawatts	3,576	2,491	1,085
Utilization	93%	88%	500 bps
Dedicated wind blade manufacturing lines	55	52	3 lines
Wind blade manufacturing lines installed	54	48	6 lines

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

## Key Highlights

- Net sales of wind blades increased by 27.8%
- 20% increase in the number of wind blades produced year over year
- Adjusted EBITDA of 10.4%
- Adjusted EBITDA was negatively impacted by approximately \$8 million associated with the production volume lost and other costs related to COVID-19
- Realized loss on foreign currency remeasurement of \$17.1 million primarily due to net Euro liability exposure against the Turkish Lira



## Key Balance Sheet and Cash Flow Data

(unaudited)

Key Balance Sheet Data <i>(in thousands)</i>	September 30, December 31,	
	2020	2019
Cash and cash equivalents	\$ 149,422	\$ 70,282
Accounts receivable	\$ 149,985	\$ 184,012
Contract assets	\$ 211,569	\$ 166,515
Operating lease right of use assets	\$ 168,590	\$ 122,351
Total operating lease liabilities - current and noncurrent	\$ 191,120	\$ 130,512
Accounts payable and accrued expenses	\$ 310,344	\$ 293,104
Total debt - current and noncurrent, net	\$ 237,568	\$ 141,389
Net debt <sup>(1)</sup>	\$ (89,311)	\$ (71,779)

### Key Highlights

- Strong free cash flow during the quarter translated into \$149 million of cash and cash equivalents
- Net debt reduction of \$53.2 million from Q2
- Significant cushion on debt covenants
- Continued focus on cash conversion cycle

Key Cash Flow Data <i>(in thousands)</i>	Three Months Ended September 30,	
	2020	2019
Net cash provided by operating activities	\$ 60,870	\$ 64,253
Capital expenditures	\$ 11,398	\$ 21,353
Free cash flow <sup>(1)</sup>	\$ 49,472	\$ 42,900

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



## Guidance

	Q4 2020	Full Year 2020
Net Sales <sup>(1)</sup>	\$435 million to \$455 million	\$1.64 billion to \$1.66 billion
Adjusted EBITDA <sup>(1, 2)</sup>	\$36 million to \$46 million	\$90 million to \$100 million

(1) These numbers could be significantly impacted by COVID-19.  
(2) See Appendix for reconciliations of non-GAAP financial data.



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November 5, 2020

# Wrap Up



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## Wrap Up

- Our priority is the health and safety of our associates and their families as well as the communities in which they live
- Continue to execute on our wind pipeline – approximately \$950 million added in potential contract value
- Exciting progress in global service and clean transportation
- Continue to manage liquidity
- Overall mission
  - Establishing 18GW of global wind blade capacity to drive \$2 billion of annual wind revenue along with \$500 million of annual transportation revenue over time and achieve double digit Adjusted EBITDA levels
  - Expect the future for wind energy will continue to strengthen
  - Plan to review and update our long-term goals to better reflect the opportunity we expect to see in wind long-term



November 5, 2020

# Q&A

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## 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 realized gains or losses from foreign currency remeasurement, any realized gains or losses on the sale of assets and asset impairments and 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)

Net income (loss) is reconciled to EBITDA and adjusted EBITDA as follows:

(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net income (loss)	\$ 42,382	\$ (4,571)	\$ (24,211)	\$ (14,847)
Adjustments:				
Depreciation and amortization	14,031	9,948	36,675	27,732
Interest expense (net of interest income)	3,093	2,067	7,409	6,278
Income tax provision (benefit)	(32,338)	18,838	1,946	14,713
EBITDA	27,168	26,302	21,819	33,876
Share-based compensation expense	2,631	1,662	7,947	4,604
Realized loss (gain) on foreign currency remeasurement	17,127	(3,719)	18,095	1,050
Realized loss on sale of assets and asset impairments	2,160	3,354	5,518	10,561
Restructuring charges (reversals), net	45	(149)	343	3,725
Adjusted EBITDA	\$ 49,131	\$ 27,470	\$ 53,722	\$ 53,816

Net debt is reconciled as follows:

(in thousands)	September 30,	December 31,	September 30,
	2020	2019	2019
Cash and cash equivalents	\$ 149,422	\$ 70,282	\$ 92,085
Less total debt, net of debt issuance costs	(237,568)	(141,389)	(142,652)
Less debt issuance costs	(1,165)	(672)	(723)
Net debt	\$ (89,311)	\$ (71,779)	\$ (51,290)

Free cash flow is reconciled as follows:

(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net cash provided by operating activities	\$ 60,870	\$ 64,253	\$ 33,865	\$ 62,735
Less capital expenditures	(11,398)	(21,353)	(53,428)	(59,092)
Free cash flow	\$ 49,472	\$ 42,900	\$ (19,563)	\$ 3,643



## Non-GAAP Reconciliations (continued)

(unaudited)

A reconciliation of the low end and high end ranges of projected net loss to projected EBITDA and projected adjusted EBITDA for the fourth quarter 2020 and the full year 2020 is as follows:

(in thousands)	Q4 2020 Adjusted EBITDA Guidance Range <sup>(1)</sup>		FY 2020 Adjusted EBITDA Guidance Range <sup>(1)</sup>	
	Low End	High End	Low End	High End
Projected net loss	\$ (7,000)	\$ (4,000)	\$ (31,000)	\$ (28,000)
Adjustments:				
Projected depreciation and amortization	11,500	13,500	48,000	50,000
Projected interest expense (net of interest income)	2,500	3,500	10,000	11,000
Projected income tax provision	25,500	27,500	27,500	29,500
Projected EBITDA	32,500	40,500	54,500	62,500
Projected share-based compensation expense	2,000	3,000	10,000	11,000
Projected realized loss on foreign currency remeasurement	-	-	18,000	18,000
Projected realized loss on sale of assets and asset impairment	1,500	2,500	7,500	8,000
Projected restructuring charges	-	-	-	500
Projected Adjusted EBITDA	\$ 36,000	\$ 46,000	\$ 90,000	\$ 100,000

(1) All figures presented are projected estimates for the periods noted.

