

**Q2 2022 Earnings Call**  
**August 3, 2022**



# 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. 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.



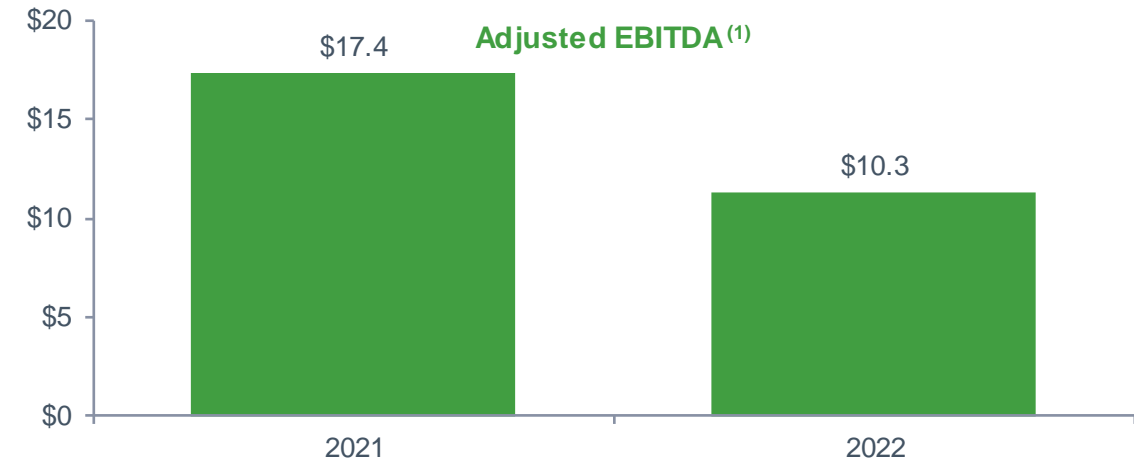
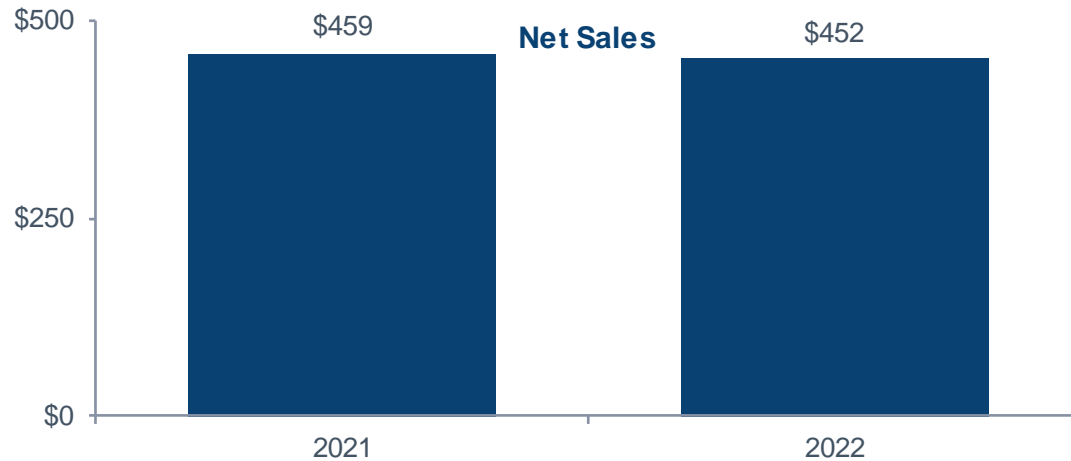
## Agenda

- Q2 2022 Highlights and Business Update
- Q2 2022 Financial Highlights and 2022 Guidance
- Wrap Up
- Q&A
- Appendix
  - Non-GAAP Financial Information

# Q2 2022 Highlights and Business Update

# Second Quarter 2022 Highlights

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

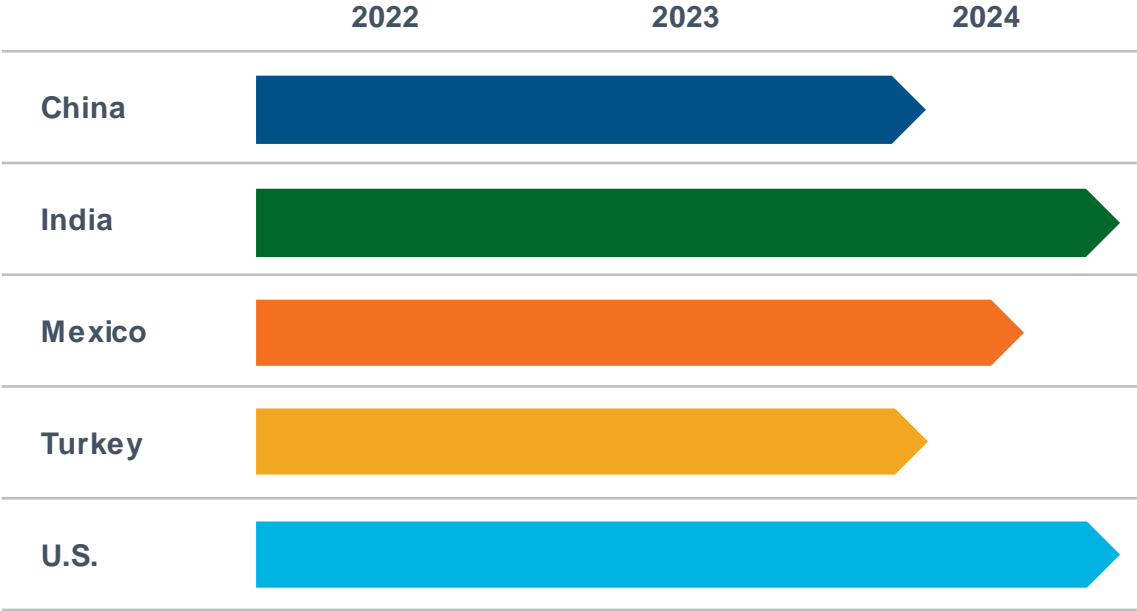


- Operating results and year-over-year comparisons to 2021:
  - Net sales decreased 1.4% to \$452.4 million for the quarter
  - Net loss for the quarter was \$5.5 million compared to \$39.8 million in the same quarter last year
  - Net loss attributable to common stockholders for the quarter was \$20.1 million compared to \$39.8 million in the same quarter last year
  - Adjusted EBITDA for the quarter was \$10.3 million including approximately \$8 million of non-recurring shut down costs
- Strong operational execution including transitions and startups along with cost out initiatives
- Generated \$19.4 million of free cash flow during the quarter

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

# Existing Contracts Provide for ~\$2.7 Billion in Potential Revenue through 2024

## Supply Agreements <sup>(1)</sup>



**Supply agreements provide for estimated minimum aggregate volume commitments from our customers of approximately \$1.5 billion and encourage our customers to purchase additional volume up to, in the aggregate, an estimated total potential revenue of approximately \$2.7 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 August 3, 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



# Q2 2022 Financial Highlights and 2022 Guidance



# Second Quarter 2022 Financial Highlights

(unaudited)

Key Statement of Operations Data <i>(in thousands, except per share data)</i>	Three Months Ended June 30,		Change
	2022	2021	%
Net sales	\$ 452,368	\$ 458,841	-1.4%
Cost of sales	\$ 441,098	\$ 440,416	0.2%
Startup and transition costs	\$ 10,047	\$ 10,099	-0.5%
Total cost of goods sold	\$ 451,145	\$ 450,515	0.1%
Gross profit	\$ 1,223	\$ 8,326	-85.3%
General and administrative expenses	\$ 6,688	\$ 6,712	-0.4%
Foreign currency income (loss)	\$ 9,886	\$ (6,504)	NM
Income tax provision	\$ (6,754)	\$ (28,890)	76.6%
Net loss	\$ (5,510)	\$ (39,797)	86.2%
Preferred stock dividends and accretion	\$ (14,550)	\$ -	NM
Net loss attributable to common stockholders	\$ (20,060)	\$ (39,797)	49.6%
Weighted-average common shares outstanding	41,968	36,881	
Net loss per common share:	\$ (0.48)	\$ (1.08)	

## Non-GAAP Metric

Adjusted EBITDA <sup>(1)</sup> (in thousands)	\$ 10,288	\$ 17,361	-40.7%
Adjusted EBITDA Margin	2.3%	3.8%	-150 bps

## Key Performance Indicators (KPIs)

Sets produced	783	843	(60)
Estimated megawatts	3,410	3,303	107
Utilization	84%	82%	230 bps
Dedicated wind blade manufacturing lines	43	50	7 lines
Wind blade manufacturing lines installed	43	51	8 lines

## Key Highlights

- 12% increase in the average selling price per blade
- 60 fewer sets produced compared to 2021
- 3% increase in estimated megawatts produced
- Utilization of 84% compared to 82% in 2021
- Adjusted EBITDA includes \$8M of non-recurring shut down costs

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

# Second Quarter 2022 Financial Highlights – Continued

(unaudited)

<b>Key Balance Sheet Data</b>	<b>June 30,</b>	<b>December 31,</b>
<i>(in thousands)</i>	<b>2022</b>	<b>2021</b>
Cash and cash equivalents	\$ 155,020	\$ 242,165
Accounts receivable	\$ 194,913	\$ 157,804
Contract assets	\$ 193,567	\$ 188,323
Operating lease right of use assets	\$ 154,629	\$ 137,192
Total operating lease liabilities - current and noncurrent	\$ 163,708	\$ 169,160
Accounts payable and accrued expenses	\$ 311,856	\$ 336,697
Total debt - current and noncurrent, net	\$ 62,306	\$ 74,646
Net cash <sup>(1)</sup>	\$ 92,714	\$ 167,519

<b>Key Cash Flow Data</b>	<b>Three Months Ended</b>	
<i>(in thousands)</i>	<b>2022</b>	<b>2021</b>
Net cash provided by (used) in operating activities	\$ 21,893	\$ (9,995)
Less capital expenditures	\$ (2,494)	\$ (8,273)
Free cash flow <sup>(1)</sup>	\$ 19,399	\$ (18,268)

## Key Highlights

- \$155 million of unrestricted cash as of June 30, 2022
- Generated \$19.4 million of free cash flow during the three months ended June 30, 2022 due to tight cost controls, management of working capital, and constraining unnecessary capital expenditures

(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	\$15 million to \$20 million – down from \$25 million to \$30 million

# Wrap up





## Wrap Up

- Manage business through near-term challenges facing the industry
- Focus on liquidity and cost management/reduction
- 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

# Q&A

# 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.

# Non-GAAP Reconciliations

(unaudited)

EBITDA and adjusted EBITDA are reconciled as follows:

(in thousands)	Three Months Ended June 30,	
	2022	2021
Net loss attributable to common stockholders	\$ (20,060)	\$ (39,797)
Preferred stock dividends and accretion	14,550	-
Net loss	(5,510)	(39,797)
Adjustments:		
Depreciation and amortization	11,696	12,501
Interest expense, net	913	2,691
Income tax provision	6,754	28,890
EBITDA	13,853	4,285
Share-based compensation expense	3,748	2,925
Foreign currency loss (income)	(9,886)	6,504
Loss on sale of assets and asset impairments	2,563	1,451
Restructuring charges, net	10	2,196
Adjusted EBITDA	\$ 10,288	\$ 17,361

Net cash is reconciled as follows:

(in thousands)	June 30, December 31,	
	2022	2021
Cash and cash equivalents	\$ 155,020	\$ 242,165
Less total debt	(62,306)	(74,646)
Net cash	\$ 92,714	\$ 167,519

Free cash flow is reconciled as follows:

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net cash provided by (used in) operating activities	\$ 21,893	\$ (9,995)	\$ (59,161)	\$ (3,255)
Less capital expenditures	(2,494)	(8,273)	(8,010)	(27,059)
Free cash flow	\$ 19,399	\$ (18,268)	\$ (67,171)	\$ (30,314)



