

Second Quarter 2023 Conference Call Presentation

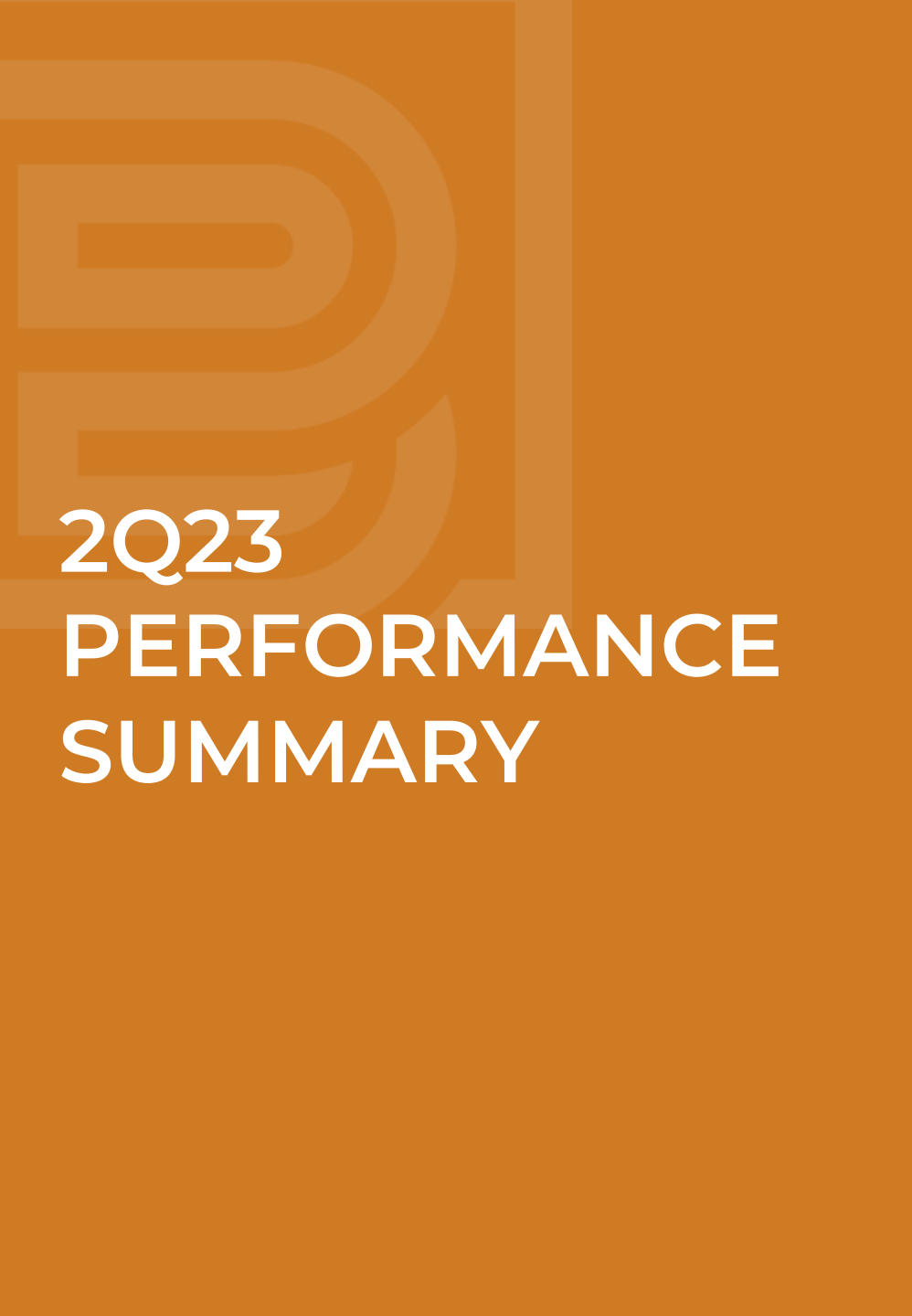
August 14, 2023

SAFE HARBOR STATEMENT



This document contains “forward looking statements”—that is, statements related to future, not past, events—as defined in Section 21E of the Securities Exchange Act of 1934, as amended, that reflect our current expectations regarding our future growth, results of operations, financial condition, cash flows, performance, business prospects and opportunities, as well as assumptions made by, and information currently available to, our management. Forward looking statements include any statement that does not directly relate to a current or historical fact. We have tried to identify forward looking statements by using words such as “anticipate,” “believe,” “expect,” “intend,” “will,” “should,” “may,” “plan” and similar expressions, but these words are not the exclusive means of identifying forward looking statements.

Our forward-looking statements may include or relate to our beliefs, expectations, plans and/or assumptions with respect to the following, many of which are, and will be, amplified by the COVID-19 pandemic: (i) the impact of global health concerns, including the impact of the current COVID-19 pandemic on the economies and financial markets and the demand for our products; (ii) state, local and federal regulatory frameworks affecting the industries in which we compete, including the wind energy industry, and the related extension, continuation or renewal of federal tax incentives and grants and state renewable portfolio standards as well as new or continuing tariffs on steel or other products imported into the United States; (iii) our customer relationships and our substantial dependency on a few significant customers and our efforts to diversify our customer base and sector focus and leverage relationships across business units; (iv) the economic and operational stability of our significant customers and suppliers, including their respective supply chains, and the ability to source alternative suppliers as necessary, in light of the COVID-19 pandemic; (v) our ability to continue to grow our business organically and through acquisitions, and the impairment thereto by the impact of the COVID-19 pandemic; (vi) the production, sales, collections, customer deposits and revenues generated by new customer orders and our ability to realize the resulting cash flows; (vii) information technology failures, network disruptions, cybersecurity attacks or breaches in data security, including with respect to any remote work arrangements implemented in response to the COVID-19 pandemic; (viii) the sufficiency of our liquidity and alternate sources of funding, if necessary; (ix) our ability to realize revenue from customer orders and backlog; (x) our ability to operate our business efficiently, comply with our debt obligations, manage capital expenditures and costs effectively, and generate cash flow; (xi) the economy, including its stability in light of the COVID-19 pandemic, and the potential impact it may have on our business, including our customers; (xii) the state of the wind energy market and other energy and industrial markets generally and the impact of competition and economic volatility in those markets; (xiii) the effects of market disruptions and regular market volatility, including fluctuations in the price of oil, gas and other commodities; (xiv) competition from new or existing industry participants including, in particular, increased competition from foreign tower manufacturers; (xv) the effects of the change of administrations in the U.S. federal government; (xvi) our ability to successfully integrate and operate acquired companies and to identify, negotiate and execute future acquisitions; (xvii) the potential loss of tax benefits if we experience an “ownership change” under Section 382 of the Internal Revenue Code of 1986, as amended; (xviii) our ability to utilize various relief options enabled by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act); (xix) the limited trading market for our securities and the volatility of market price for our securities; and (xx) the impact of future sales of our common stock or securities convertible into our common stock on our stock price. These statements are based on information currently available to us and are subject to various risks, uncertainties and other factors that could cause our actual growth, results of operations, financial condition, cash flows, performance, business prospects and opportunities to differ materially from those expressed in, or implied by, these statements including, but not limited to, those set forth under the caption “Risk Factors” in Part I, Item 1A of our most recently filed Form 10-K and our other filings with the Securities and Exchange Commission (the “SEC”). We are under no duty to update any of these statements. You should not consider any list of such factors to be an exhaustive statement of all of the risks, uncertainties or other factors that could cause our current beliefs, expectations, plans and/or assumptions to change. Accordingly, forward-looking statements should not be relied upon as a predictor of actual results.



2Q23
PERFORMANCE
SUMMARY

PERFORMANCE UPDATE

Second Quarter 2023



Investment Thesis

Building a platform for profitable growth

- ✓ We have **increasing revenue, the highest order and backlog levels in a decade** and **historic policy support** to support an improved outlook for our business
- ✓ Our **diversification strategy** allowed us to operate through the global pandemic and policy-driven pause in wind turbine demand to grow our customer base and expand our market, ready to emerge a leaner, stronger company
- ✓ **We are developing our own proprietary Clean Fuels products** to support the world's energy transition
- ✓ Our strategy has us **well positioned to capitalize** on the long-awaited, long-term, policy support provided by the IRA of 2022
- ✓ We have the capacity, expertise and relations to capitalize on an IRA-fueled **wind investment cycle** that we expect to begin in 2024

Targeted commercial expansion, improved operational execution

Driving profitable growth in 2023

Strategic Progress Points

As of August 2023

Raising full-year 2023 Adjusted EBITDA guidance.

Sustained demand strength together with improved mix and tax credit benefits, supporting improved outlook

Improved balance sheet optionality. Reduced net leverage to 2.0x as of June 30, 2023; more than \$15 million of cash and availability at the end of the second quarter 2023

Margin expectations recalibrated higher. IRA tax credits, together with improved operational execution, have positioned us to drive materially higher margin realization in 2023

Near-record backlog. Backlog remains at near record high levels as of June 30, 2023; IRA AMP credit supports improved project economics in backlog

Expect to generate GAAP net income for FY23. Strong backlog, healthy demand activity, improved sales mix all support a transition to profitability for the full-year 2023

CONSOLIDATED FINANCIAL PERFORMANCE

Year-over-year organic growth in revenue, margin realization and profitability



Strong backlog supported by broad-based demand recovery across diverse end-markets; Raising full-year 2023 guidance for the second time this year

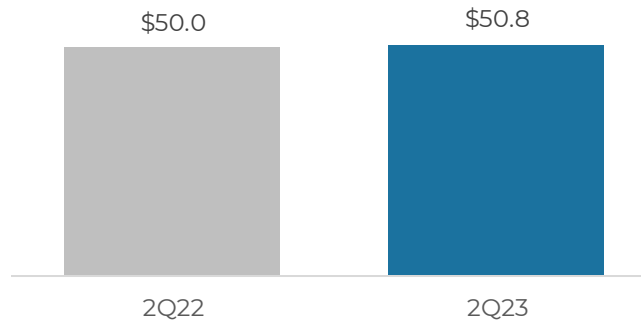
Strong y/y revenue growth in both Gearing and Industrial Solutions segments offset lower wind-related revenue

Gross margin increased by more than +1160 bps y/y to 16.4%, while Adjusted EBITDA increased +980 bps y/y to 10.5%

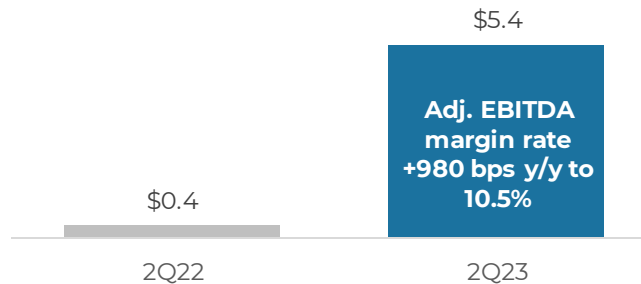
Delivered \$4.1 million y/y increase in GAAP Net Income

Anticipate acceleration in cash conversion into the second half of 2023, given timing of customer payment cycles

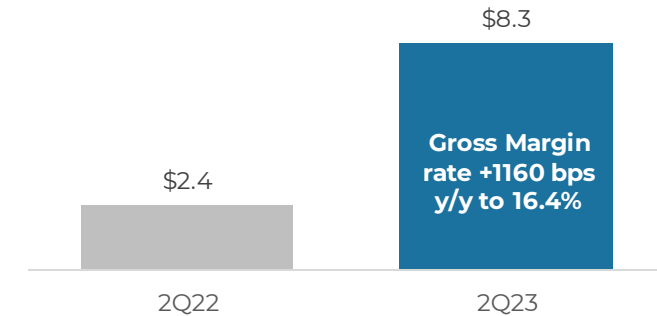
Total Revenue
(\$MM)



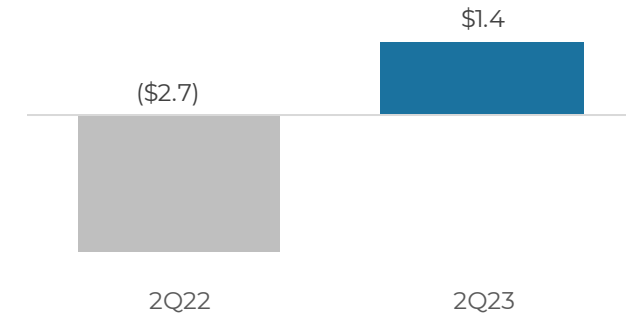
Adjusted EBITDA
(\$MM)



Gross Profit
(\$MM)



GAAP Net Income (Loss)
(\$MM)



HEAVY FABRICATIONS SEGMENT

Second Quarter 2023



Improved sales mix, AMP credits and operational execution support improved margin realization

Segment revenue declined 5% y/y, while segment Adjusted EBITDA increased by 315%

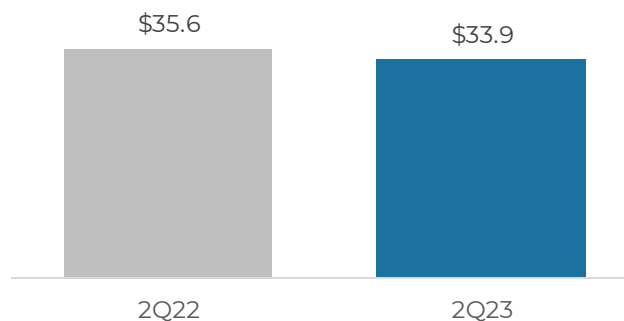
Segment EBITDA margin increased 1126 bps y/y to 14.6% in 2Q23

Sold 138 wind tower sections in 2Q23; anticipate acceleration in onshore wind activity in 2024-2025, as customers seek to capitalize on IRA benefits

Segment backlog of \$206 million as of 6/30/23 – remains at near-record levels

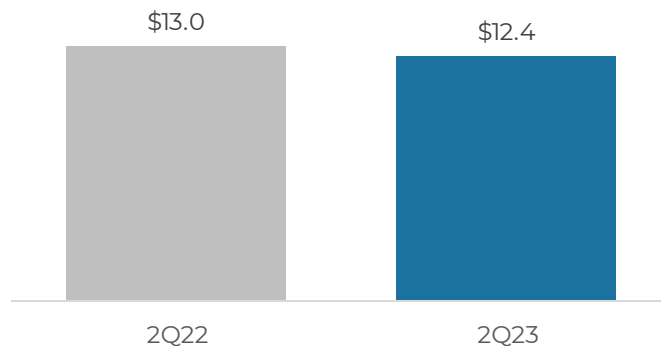
Segment Revenue

(\$MM)



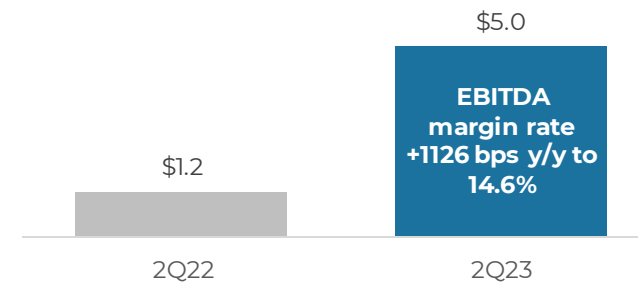
Segment Orders

(\$MM)



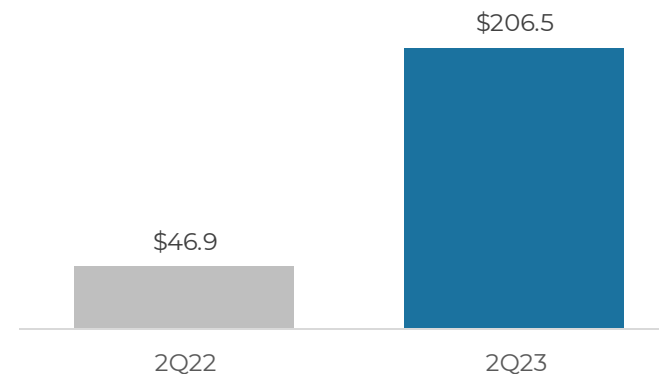
Segment EBITDA

(\$MM)



Segment Backlog at Quarter-End

(\$MM)



GEARING FABRICATIONS SEGMENT

Second Quarter 2023

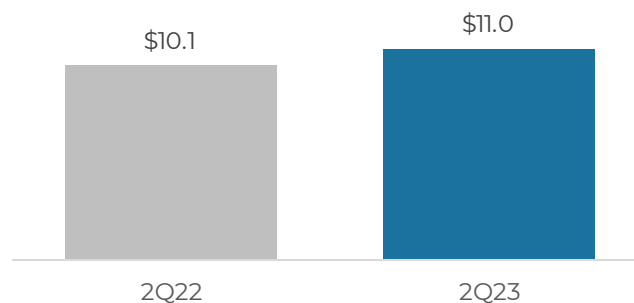


Solid y/y revenue growth and margin expansion primarily driven by customer activity within industrials markets

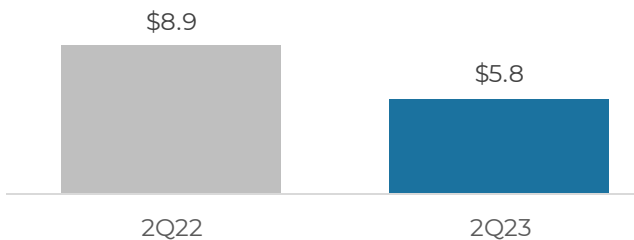
+9% y/y organic revenue growth;
Industrial end-market revenue increased by \$1.6 million y/y

Segment EBITDA increased \$0.9 million y/y in 2Q23, while segment EBITDA margin increased 800 bps y/y to 9.3% in 2Q23, given improved price realization

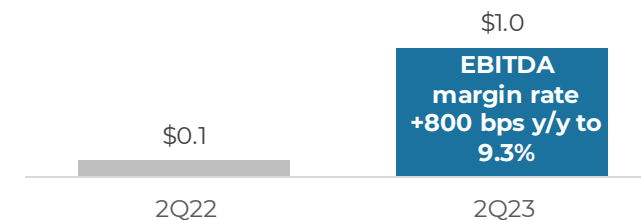
Segment Revenue
(\$MM)



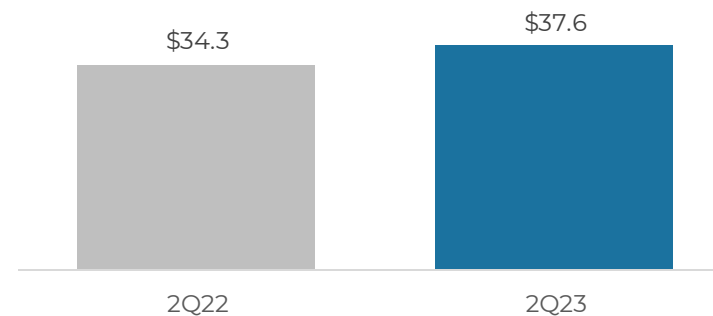
Segment Orders
(\$MM)



Segment EBITDA
(\$MM)



Segment Backlog at Quarter-End
(\$MM)



INDUSTRIAL SOLUTIONS SEGMENT

Second Quarter 2023



Continue to see demand acceleration within the natural gas turbine market, building on the market recovery evidenced in 2022

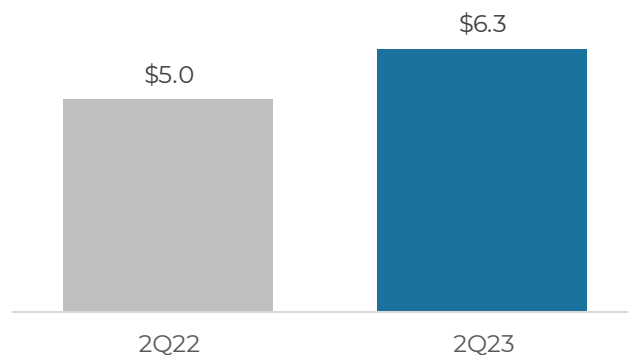
Strong organic revenue growth, supported by record backlog, which increased both on a y/y and q/q basis

For the broader industry, 2022 was the strongest year for gas turbine sales since 2016 – this momentum continues into 2023

Segment EBITDA increased \$0.8 million y/y in 2Q23, while segment EBITDA margin increased 1146 bps y/y to 15.5% in 2Q23

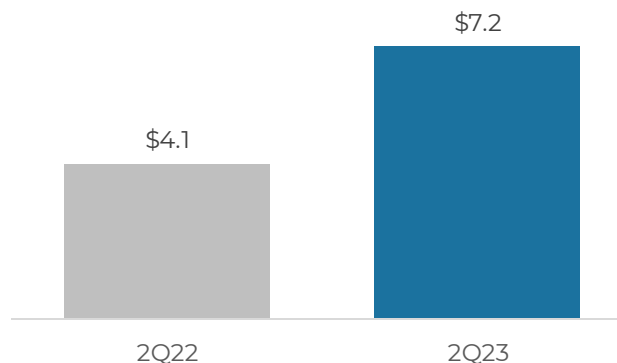
Segment Revenue

(\$MM)



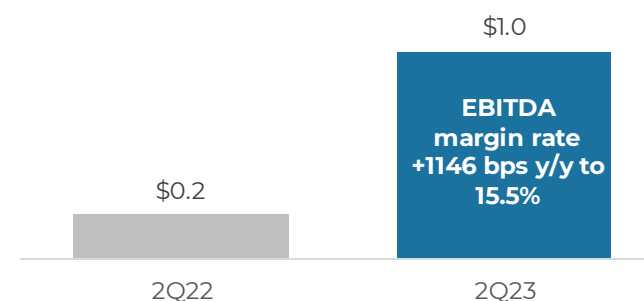
Segment Orders

(\$MM)



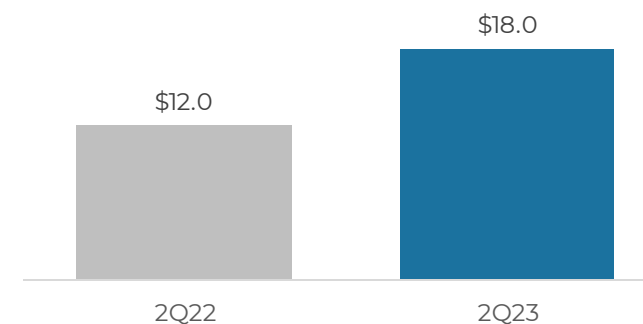
Segment EBITDA

(\$MM)



Segment Backlog at Quarter-End

(\$MM)



BALANCE SHEET UPDATE

Second Quarter 2023



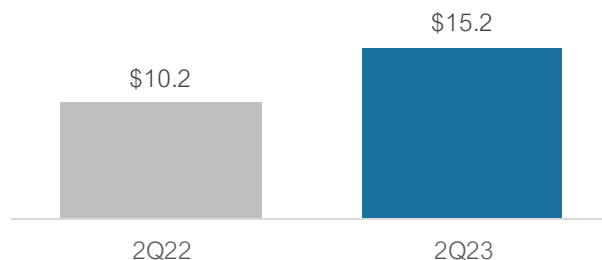
Maintaining stable liquidity profile sufficient to support the long-term growth of the business

As expected, we invested heavily in working capital in 1H23 to support Dec-22 record tower order; anticipate accelerating cash conversion on inventory investments as 2023 progresses

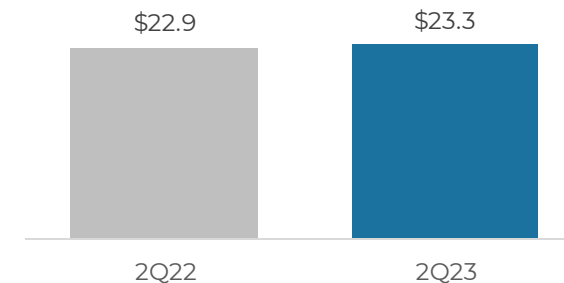
In 2023, capital allocation priorities will include debt reduction, organic investments in IP; and opportunistic investments in complementary, immediately accretive bolt-on acquisitions

Improved TTM Adjusted EBITDA generation resulted in net leverage of 2.0x as of June 30, 2023

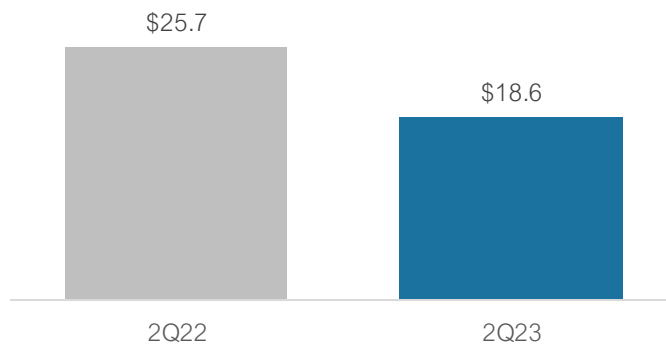
Cash and LOC Availability at Quarter-End (\$MM)



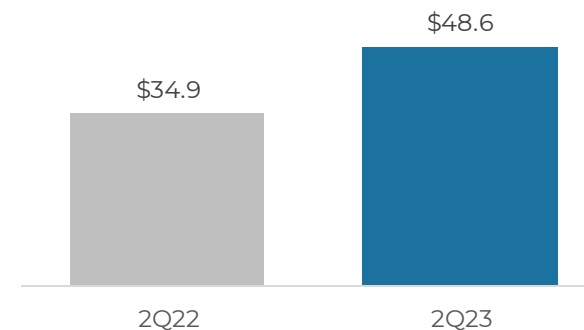
Net Debt Outstanding⁽¹⁾ (\$MM)



Operating Working Capital (\$MM)



Total Inventory (\$MM)



(1) On August 4, 2022, Broadwind entered into a \$35.0 million Senior Secured Revolving Credit Facility (the "Credit Facility"), including an optional \$10.0 million accordion feature, and a \$7.6 million Senior Secured Term Loan (the "Term Loan"). The Term Loan bears interest at SOFR +2.5%; the Credit Facility bears interest at SOFR +2.0-2.5%, subject to the level of excess availability on the Credit Facility.



FULL-YEAR 2023 FINANCIAL GUIDANCE

As of August 14, 2023

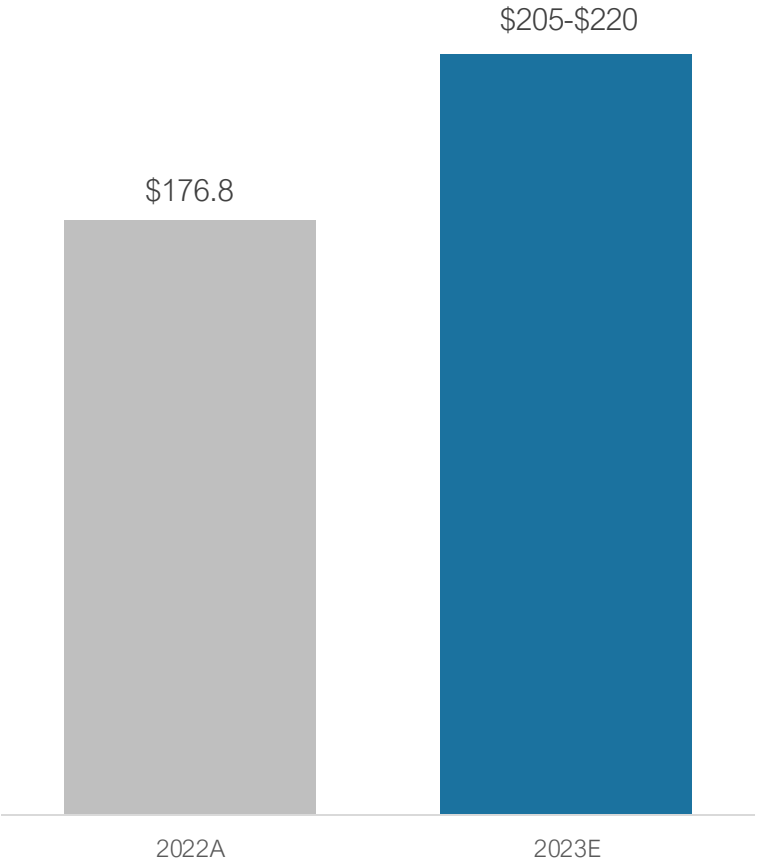
We are increasing our full-year 2023 Adjusted EBITDA guidance for the second time this calendar year

Increased guidance supported by targeted commercial growth within high-value, growth-oriented fabrications markets, together with a targeted focus on asset optimization and operational discipline

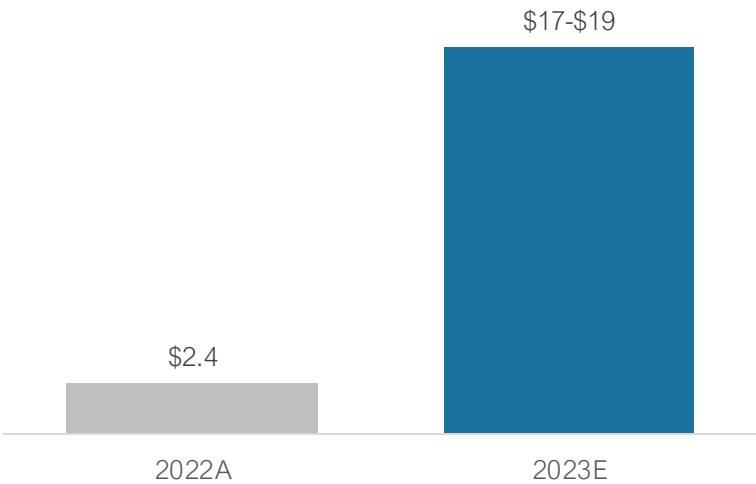
Assumes approximately 50% utilization at tower facilities, as if no additional tower orders are received in 2023; any additional new orders would be incremental to this guidance

Assumes no changes to IRS' 45x tax credit guidance

Total Revenue
(\$MM)



Total Adjusted EBITDA
(\$MM)





APPENDIX



CORPORATE OVERVIEW

We support the world's energy transition as a leading independent producer of wind towers, gearing, custom fabrications, clean fuel processing systems and supply chain solutions



Broadwind

is a precision manufacturer of technologically advanced, high-value components and solutions for industrial clients.

> **We are one of the leading independent wind tower manufacturers in the United States.**

Our most significant business serves the US domestic wind energy industry, with primary production facilities that are strategically located to meet our customers' project needs.

> **We also serve industrial customers in a diversified set of industrial markets including oil & gas, industrial, power generation, mining and construction.**

This strategic diversification allows us to leverage our manufacturing expertise to improve capacity utilization, expand our customer base and balance our exposure to the volatile demand in the US wind energy industry.

OUR BUSINESS

Building a platform sustained, profitable growth and long-term value creation



What we do

Precision manufacturing within wind sector and other diverse end-markets

Heavy Fabrications Segment	We provide large complex and precision fabrications to customers in a broad range of industrial markets, as well as proprietary clean fuel processing systems. Key products include wind towers, PRS units and industrial fabrications, which include components for mining, construction, marine, material handling and other applications	66% of 2022 Revenue
Gearing Segment	We provide custom gearing, gearboxes and heat treat services to a broad set of customers in diverse markets, including oil and gas production, surface and underground mining, wind energy, steel, material handling and other infrastructure markets	24% of 2022 Revenue
Industrial Solutions Segment	We provide supply chain solutions, inventory management, kitting and assembly services, primarily serving the combined cycle natural gas turbine and solar power generation markets	10% of 2022 Revenue

Our manufacturing base

Established Original Equipment Manufacturer (“OEM”) Relationships

 Manitowoc, WI Tower Manufacturing Industrial Fabrications Facility	 Abilene, TX Tower Manufacturing Industrial Fabrications Facility	 Cicero, IL Gear Manufacturing and Gearbox Repair Facility	 Pittsburgh, PA Gearbox Repair and Heat Treat Facility	 Sanford, NC Industrial Solutions and Gearbox Repair Facility
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Why we win

Unique Value Proposition

- ✓ Proven engineering, product development and technical capabilities
- ✓ Expertise in manufacturing large, complex fabrications, gearing, and proprietary clean fuel processing systems
- ✓ Integrated design, sourcing, fabrication, machining, coating, assembly
- ✓ Stringent testing and quality capabilities
- ✓ Targeted, multi-industry focus

Our customer base

Established OEM Relationships



TRANSFORMATIONAL NEW TOWER ORDER

Announced a \$175 million wind tower order to be fulfilled in 2023 and 2024



After a two-year hiatus, domestic onshore wind tower installation activity is gradually accelerating

During a period of evolving market conditions, we have continued to grow our share-of-wallet with long-term turbine OEM customers, while developing new relationships

Within our wind tower business, our primary objective is to grow in excess of the broader market through organic share gains, while building stable pipeline of profitable orders that support full utilization of our tower facilities in Texas and Wisconsin

\$175 million tower order announced in January 2023 supports at least 50% utilization across tower manufacturing system during the full-years 2023 and 2024



Transformational order advances core business development strategy

Reflects the successful expansion of this customer relationship that is expected to scale, over time



Order secures significant production capacity over multi-year period

Order secures ~50% of optimal tower production capacity across our facilities in 2023 and 2024



Anticipate ratable, paced utilization at both tower plants

Ordered tower sections will be produced at both the Company's Abilene and Manitowoc facilities



Order carries favorable economics, including the benefit of federal tax credit

Order will carry a favorable margin profile, one supportive of our strategic focus on profitable growth

INFLATION REDUCTION ACT IMPACT BENEFIT

At full utilization, IRA could provide up to ~\$30 million in incremental annual gross profit beginning in 2023



The IRA serves to materially enhance tower production economics beginning in 2023

The IRA, which passed into law in 2022, provides critical industries, including those supporting the energy transition, with tax credits designed to accelerate a generational shift in the energy production mix from fossil fuels toward renewable energy, including wind.

Included within **section 45x** of the IRA is a provision for a new advanced manufacturing tax credit

Theoretical IRA Benefit to Broadwind

Quantifying potential impact of the 45x advanced manufacturing credit

Annual tower production @ 100% utilization ⁽¹⁾	325 towers
Average MW per Tower ⁽²⁾	3.1 avg. MW per tower
Total Watts per MW	1,000,000
Cents Per Watt ⁽³⁾	\$0.03 per watt
Financial benefit of 45x credit per MW ⁽⁴⁾	\$30,000
Average benefit per tower ⁽⁵⁾	\$93,000

Theoretical annual gross profit benefit to Broadwind	\$30 million
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(1) Broadwind has an estimated 1,300 sections of annual optimal tower capacity; assuming each tower is four sections, the Company has the theoretical capacity to produce up to 325 towers
(2) Common OEM platforms range from 2.8 to 3.4 MW per tower

(3) As defined in the Inflation Reduction Act of 2022, section 45x (B)(2)(A)(i)
(4) \$0.03 x 1,000,000 watts per MW
(5) Assuming average MW per tower of 3.1

Broadwind is prepared to leverage the benefits of the IRA to create shareholder value

PASSAGE OF IRA SUPPORTS MULTI-YEAR INVESTMENT IN WIND

Inflation Reduction Act of 2022 supports multi-decade decarbonization of domestic energy grid



IRA provides transformative, long-term funding for the entire energy ecosystem, including wind and solar

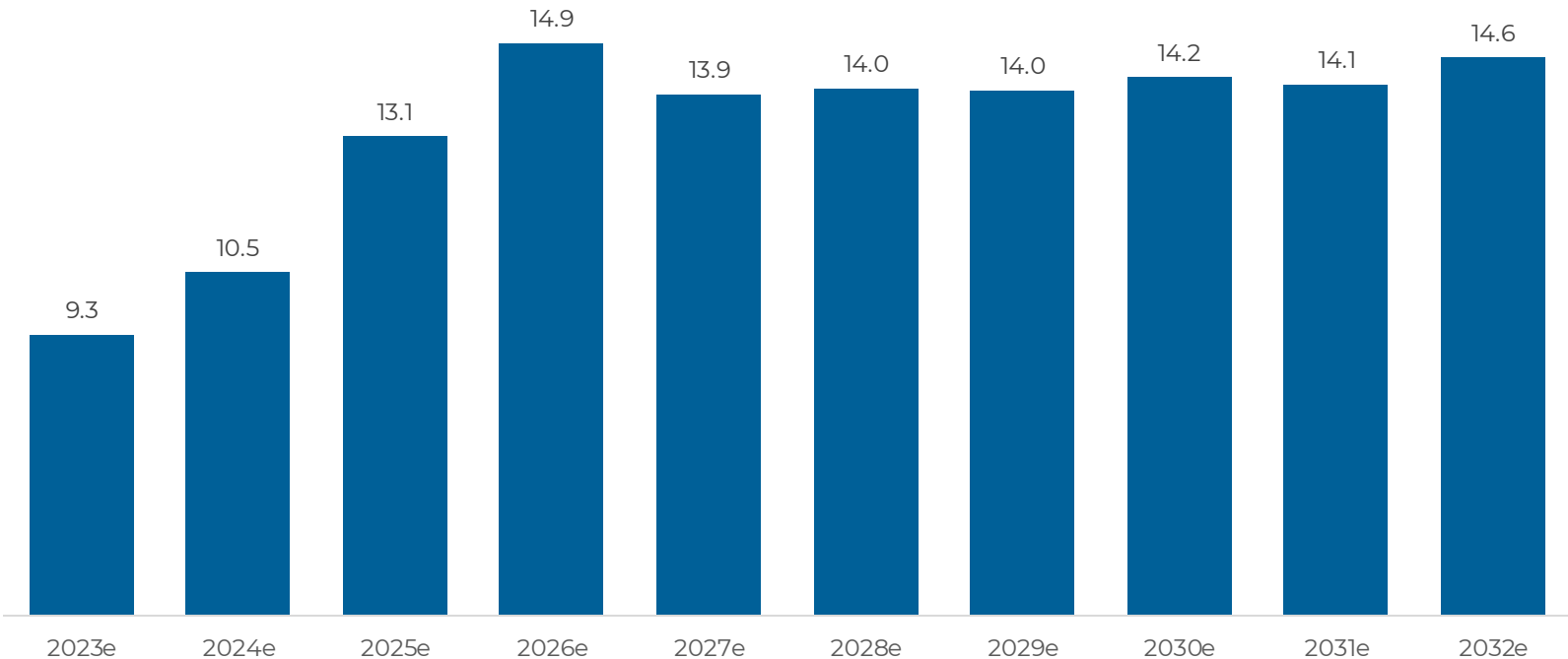
The passage of the IRA extends tax credit availability into the mid-2030s

The wind industry is poised to capitalize on available domestic content tax credits, providing long-term support for multi-year investments in both onshore and offshore wind development

We will seek to drive growth in excess of domestic onshore installation activity growth

United States Onshore Wind Development Forecast⁽¹⁾

(Total GW Installed Annually, Includes Repowering (2023-2032))



(1) Wood Mackenzie Power & Renewables – Wind Power Outlook – Updated August 2023

Broadwind is uniquely positioned to take advantage of the increased development activity driven by the IRA. Our Board and Management have deep knowledge of the wind market.

OUR EXPERIENCED, PROVEN MANAGEMENT TEAM

Leadership Team with extensive experience in clean tech manufacturing



Eric Blashford

Chief Executive Officer

Since 2020

Recent Experience

- Interim CFO 2021 – Aug. 2022
- COO 2018 - 2020
- President, Broadwind Towers 2014 - 2019



Tom Ciccone

Chief Financial Officer

Since Aug. 2022

Recent Experience

- Principal Accounting Officer 2021-Aug. 2022
- Corporate Controller, Assistant Treasurer, Assistant Secretary since 2017



Hayes Kennedy

Chief Human Resource Officer

Since 2020

Recent Experience

- Vice President of Human Resources, CHS (NASDAQ: CHSCP, CHSCO, CHSCN, CHSCM, CHSCL)
- Senior HR roles at The Gavilon Group LLC and ConAgra Foods



Daniel Schueller

President, Heavy Fabrications

Since 2019

Recent Experience

- President, Brad Foote Gear Works (2010-2013, 2016-2019)
- Manufacturing leadership experience at Bronto Skylift and Vactor Manufacturing



Gil Mayo

President, Industrial Solutions

Since 2017

Recent Experience

- General Manager, Broadwind Heavy Fabrications (2015-2017)
- Previous manufacturing leadership experience at Scott Fetzer Company

OUR EXPERIENCED BOARD OF DIRECTORS



Cary B. Wood

Independent Chair *(since 2021)*

Director since 2016

BS, Technology, Purdue University
MBA, Finance, Loyola University-Chicago
MS, Industrial Operations, Lawrence Technological University

Broadwind Board Experience

- **Independent Director**
- Chairman of Compensation Committee
- Financial Expert
- Served as Lead Director (2020-2021)

Positions Held:

- CEO - Grede Holdings LLC
- CEO - Angelica Corp.
- CEO, President - Sparton Corp.

Public Board Experience:

- Westell Technologies Inc. (2017 – Present)
- Sparton Corp. (2009-2016)
- VISHAY (2016-2018)

Background:

Manufacturing, Corporate Governance, Leadership, M&A and Business Turnaround, Operations, Risk Assessment and Management, Strategic Planning, Global Business, Public and Private Company Executive Leadership



Eric Blashford

Chief Executive Officer

Director since 2020

BSBA, Accounting, University of Akron
MBA, Kent State University
Licensed CPA (non-practicing)

Broadwind Board Experience

- **CEO since 2020**
- COO 2018 - 2020
- Joined Broadwind in 2014, led turnaround of Heavy Fabrications Division

Positions Held:

- Group President - Heico Companies
- Group President - Berkshire Hathaway / Scott Fetzer
- VP / GM -Waltco Truck Equipment Company

Background:

Manufacturing, Product Development, Accounting, Finance, Corporate Governance, M&A, Business Turnarounds, Operations, Strategic Planning, Public and Private Company Executive Leadership



Philip J. Christman

Director since 2018

BS, Mechanical Engineering, Indiana Institute of Technology
MBA, Ball State University

Broadwind Board Experience

- **Independent Director**
- Chair of Governance/Nominating Committee
- Member, Audit and Compensation Committees

Positions Held

- President of Operations – Navistar
- EVP Corporate Strategy – Navistar
- President Global Business – Navistar

Public Board Experience

- Allison Transmission Holdings (2022-Present)

Background:

Manufacturing, Corporate Governance, Leadership, Engineering, Government/Regulatory and Public Policy, Operations, Strategy, Business Turnaround and Global Business, Business Development and Technology

OUR EXPERIENCED BOARD OF DIRECTORS



David P. Reiland

Director since 2008

*BS, Financial Management, California State University
MBA, University of Southern California
Certified Public Accountant (CPA)*

Broadwind Board Experience

- **Independent Director**
- Chairman of Audit Committee
- Financial Expert
- Member of Governance/Nominating Committee
- Former Independent Chairman - Broadwind

Positions Held:

- President and CEO - Magnetek, Inc.
- Director of Magnetek
- Previously also CFO and Corporate Controller of Magnetek

Background:

Subject matter expert and background in Strategy Development and Execution, M&A and Divestitures; Operating and Financial Restructuring; SEC Reporting and SOX Compliance; Public and Private Capital Transactions

Mr. Reiland was employed by Magnetek, Inc., a developer and manufacturer of markets power and motion control systems, from 1986 until 2009 and served on its board until its acquisition by Columbus McKinnon Corp. in September 2015.



Thomas A. Wagner

Director since 2011

*BS Engineering, Cornell University
MS Mechanics, Rensselaer Polytechnic Institute*

Broadwind Board Experience

- **Independent Director**
- Member of Compensation and Governance/Nominating Committees

Positions Held:

- Founder - Wagner Werks
- Chief Product Officer - Ogin, Inc., a wind-turbine design and supply company
- Head of Engineering - Nordic Windpower USA
- Chief Technology Officer - Gas Turbine Efficiency, PLC
- Vice President, Technology - Hess Microgen
- GM, Wind Technology - General Electric

Background:

Operations, Global business, Manufacturing, Engineering, Renewable Energy Business Development and Technology

Mr. Wagner has worked in the diversified energy industry for more than 45 years with assignments addressing Nuclear, Fossil and Renewable Power Generation. He has performed engineering design and lead large technical teams of several hundred engineers engaged in design and service functions that improved system reliability, reduced or eliminated environmental emissions and developed intellectual property.

OUR EXPERIENCED BOARD OF DIRECTORS



Sachin Shivaram

Director since 2022

BA, Harvard University

Mphil, University of Cambridge

JD, Yale Law School; (licensed to practice law in WI)

Broadwind Board Experience

- **Independent Director**
- Member of Audit and Governance/Nominating Committees

Positions Held:

- CEO - Wisconsin Aluminum Foundry
- President - Sierra Aluminum and Samuel Pressure Vessel Group, both divisions of Samuel, Son & Co.
- Director Mid-Continent, Tenaris
- Director Rig Services and Distribution, Tenaris

15+ years of leadership experience in precision manufacturing in the areas of sales, business development and general management

Background:

Manufacturing, Corporate Governance, M&A, Operations, Risk Assessment and Management, Government/Regulatory and Public Policy, Marketing and Sales, Strategy, Business Development and Technology, Business Turnaround and Global Business Development



Jeanette A. Press

Director since 2023

BBA in Accounting, Loyola University

Licensed CPA

Broadwind Board Experience

- **Independent Director**
- Member of Audit and Governance/Nominating Committees

Positions Held:

- CFO, Controller, and Principal Accounting Officer of CMC Materials
- Vice President Controller and Principal Accounting Officer of Univar Solutions
- Vice President Controller and Principal Accounting Officer of USG Corp.
- Senior Manager Audit, KPMG LLP

Background:

Financial expert, SEC Reporting and SOX Compliance; Public and Private Capital Transactions, Manufacturing, M&A, Divestitures, Risk Assessment and Management and Operating and Financial Restructuring

GOVERNANCE STRUCTURE SUPPORTS GOOD STEWARDSHIP

The Board designed Broadwind's governance structures to promote a culture of accountability and independence



Governance Practices

- ✓ Independent Chairman
- ✓ 6 of 7 directors are independent (all except CEO)
- ✓ Annually-elected directors
- ✓ Majority vote standard for uncontested election with a director resignation policy
- ✓ Plurality vote standard for contested elections
- ✓ Tax Benefit Preservation Rights Plan approved by 91% of votes cast at the 2022 Annual Meeting
- ✓ Shareholder Alignment: Directors and Officers own 5.1% of Broadwind stock



Environmental & Social Factors

- Broadwind is an energy transition pioneer, a company committed to advancing the profitable development and installation of renewables infrastructure.
- Over the last 5 years, **more than 60% of revenue has been derived from wind energy technologies**
- The Board regularly reviews ESG risks and opportunities with management.
- Our Board includes experts with substantial backgrounds in clean technologies and energy, such as Thomas Wagner, who is currently supporting the design of products with the capability to prevent environmental carbon release and has spent 45 years in the diversified energy industry, performed engineering design and leading large technical teams on projects that reduced or eliminated environmental emissions.

Broadwind's corporate governance structures enhance independent oversight, promote effective risk management, and strengthen our ability to achieve strategic objectives

APPENDIX

Balance Sheet



	June 30, 2023	December 31, 2022
ASSETS		
CURRENT ASSETS:		
Cash.....	\$ 2,095	\$ 12,732
Accounts receivable, net.....	28,796	17,018
AMP credit receivable.....	6,729	-
Contract assets.....	2,228	1,955
Inventories, net.....	48,555	44,262
Prepaid expenses and other current assets.....	3,143	3,291
Total current assets.....	91,546	79,258
LONG-TERM ASSETS:		
Property and equipment, net.....	46,787	45,319
Operating lease right-of-use assets, net.....	15,488	16,396
Intangible assets, net.....	2,395	2,728
Other assets.....	749	839
TOTAL ASSETS.....	\$ 156,965	\$ 144,540
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Line of credit and current portion of long-term debt.....	\$ 13,110	\$ 1,170
Current portion of finance lease obligations.....	1,590	2,008
Current portion of operating lease obligations.....	1,737	1,882
Accounts payable.....	28,419	26,255
Accrued liabilities.....	5,680	4,313
Customer deposits.....	30,360	34,550
Total current liabilities.....	80,896	70,178
LONG-TERM LIABILITIES:		
Long-term debt, net of current maturities.....	7,203	7,141
Long-term finance lease obligations, net of current portion.....	3,531	4,226
Long-term operating lease obligations, net of current portion.....	15,917	16,696
Other.....	20	26
Total long-term liabilities.....	26,671	28,089
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Preferred stock, \$0.001 par value; 10,000,000 shares authorized; no shares issued or outstanding.....	-	-
Common stock, \$0.001 par value; 30,000,000 shares authorized; 21,578,925 and 21,127,130 shares issued as of June 30, 2023 and December 31, 2022, respectively.....	22	21
Treasury stock, at cost, 273,937 shares as of June 30, 2023 and December 31, 2022, respectively.....	(1,842)	(1,842)
Additional paid-in capital.....	398,180	397,240
Accumulated deficit.....	(346,962)	(349,146)
Total stockholders' equity.....	49,398	46,273
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY.....	\$ 156,965	\$ 144,540

APPENDIX

Income Statement



	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Revenues.....	\$ 50,843	\$ 50,012	\$ 99,716	\$ 91,856
Cost of sales.....	42,510	47,618	84,407	87,450
Gross profit.....	8,333	2,394	15,309	4,406
OPERATING EXPENSES:				
Selling, general and administrative.....	5,952	4,122	11,478	8,024
Intangible amortization.....	165	184	333	367
Total operating expenses.....	6,117	4,306	11,811	8,391
Operating income (loss).....	2,216	(1,912)	3,498	(3,985)
OTHER EXPENSE, net:				
Interest expense, net.....	(751)	(776)	(1,239)	(1,121)
Other, net.....	(22)	-	(24)	21
Total other expense, net.....	(773)	(776)	(1,263)	(1,100)
Net income (loss) before provision for income taxes.....	1,443	(2,688)	2,235	(5,085)
Provision for income taxes.....	28	15	51	22
NET INCOME (LOSS).....	\$ 1,415	\$ (2,703)	\$ 2,184	\$ (5,107)
NET INCOME (LOSS) PER COMMON SHARE - BASIC:				
Net income (loss).....	\$ 0.07	\$ (0.13)	\$ 0.10	\$ (0.26)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING - BASIC.....	21,091	20,244	20,981	19,977
NET INCOME (LOSS) PER COMMON SHARE - DILUTED:				
Net income (loss).....	\$ 0.07	\$ (0.13)	\$ 0.10	\$ (0.26)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING - DILUTED.....	21,409	20,244	21,390	19,977

APPENDIX

Statement of Cash Flows



	Six Months Ended June 30,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss).....	\$ 2,184	\$ (5,107)
Adjustments to reconcile net cash used in operating activities:		
Depreciation and amortization expense.....	3,167	3,095
Deferred income taxes.....	(5)	(9)
Change in fair value of interest rate swap agreements.....	-	2
Share-based compensation.....	409	580
Allowance for doubtful accounts.....	16	30
Common stock issued under defined contribution 401(k) plan.....	648	613
Loss on disposal of assets.....	48	3
Changes in operating assets and liabilities:		
Accounts receivable.....	(11,794)	(7,389)
AMP credit receivable.....	(6,729)	-
Employee retention credit receivable.....	-	497
Contract assets.....	(273)	(2,194)
Inventories	(4,293)	(1,552)
Prepaid expenses and other current assets.....	147	596
Accounts payable	1,776	9,698
Accrued liabilities.....	1,367	656
Customer deposits.....	(4,190)	(7,789)
Other non-current assets and liabilities.....	75	6
Net cash used in operating activities.....	(17,447)	(8,264)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment.....	(3,977)	(1,697)
Proceeds from disposals of property and equipment.....	15	-
Net cash used in investing activities.....	(3,962)	(1,697)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from line of credit, net.....	11,991	10,687
Proceeds from long-term debt.....	618	125
Payments on long-term debt.....	(607)	(107)
Principal payments on finance leases.....	(1,113)	(1,003)
Shares withheld for taxes in connection with issuance of restricted stock....	(117)	(544)
Net cash provided by financing activities.....	10,772	9,158
NET DECREASE IN CASH.....	(10,637)	(803)
CASH beginning of the period.....	12,732	852
CASH end of the period.....	\$ 2,095	\$ 49

APPENDIX

GAAP to Non-GAAP Reconciliation



Consolidated	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net Income (Loss).....	\$ 1,415	\$ (2,703)	\$ 2,184	\$ (5,107)
Interest Expense.....	751	776	1,239	1,121
Income Tax Provision.....	28	15	51	22
Depreciation and Amortization.....	1,562	1,576	3,167	3,095
Share-based Compensation and Other Stock Payments.....	567	708	1,060	1,232
Proxy Contest-Related Expenses.....	1,036	-	1,755	-
Adjusted EBITDA (Non-GAAP).....	\$ 5,359	\$ 372	\$ 9,456	\$ 363

Heavy Fabrications Segment	Three Months Ended June 30,		Six Ended June 30,	
	2023	2022	2023	2022
Net Income (Loss).....	\$ 3,736	\$ (302)	\$ 6,326	\$ (778)
Interest Expense.....	137	455	277	595
Income Tax (Benefit) Provision.....	(5)	(74)	54	(201)
Depreciation.....	856	862	1,714	1,741
Share-based Compensation and Other Stock Payments.....	241	256	452	472
Adjusted EBITDA (Non-GAAP).....	\$ 4,965	\$ 1,197	\$ 8,823	\$ 1,829

Gearing Segment	Three Months Ended June 30,		Six Ended June 30,	
	2023	2022	2023	2022
Net Income (Loss).....	\$ 273	\$ (630)	\$ 774	\$ (766)
Interest Expense.....	67	43	140	90
Income Tax Provision.....	8	2	15	2
Depreciation and Amortization.....	556	554	1,152	1,030
Share-based Compensation and Other Stock Payments.....	117	160	233	278
Adjusted EBITDA (Non-GAAP).....	\$ 1,021	\$ 129	\$ 2,314	\$ 634

Industrial Solutions Segment	Three Months Ended June 30,		Six Ended June 30,	
	2023	2022	2023	2022
Net Income (Loss).....	\$ 681	\$ (32)	\$ 1,210	\$ (257)
Interest Expense.....	128	52	211	66
Income Tax Provision.....	13	9	21	11
Depreciation and Amortization.....	92	98	186	201
Share-based Compensation and Other Stock Payments.....	57	73	101	134
Adjusted EBITDA (Non-GAAP).....	\$ 971	\$ 200	\$ 1,729	\$ 155

Corporate and Other	Three Months Ended June 30,		Six Ended June 30,	
	2023	2022	2023	2022
Net Loss.....	\$ (3,275)	\$ (1,739)	\$ (6,126)	\$ (5,917)
Interest Expense.....	419	226	611	481
Income Tax Provision (Benefit).....	12	78	(39)	(408)
Depreciation and Amortization.....	58	62	115	212
Share-based Compensation and Other Stock Payments.....	152	219	274	1,155
Proxy Contest-Related Expenses.....	1,036	-	1,755	-
Adjusted EBITDA (Non-GAAP).....	\$ (1,598)	\$ (1,154)	\$ (3,410)	\$ (4,477)

APPENDIX

Segment-Level Data



	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
ORDERS:				
Heavy Fabrications.....	\$ 12,363	\$ 12,989	\$ 32,599	\$ 47,149
Gearing.....	5,813	8,941	18,206	23,003
Industrial Solutions.....	7,185	4,116	14,158	8,587
Total orders.....	<u>\$ 25,361</u>	<u>\$ 26,046</u>	<u>\$ 64,963</u>	<u>\$ 78,739</u>
REVENUES:				
Heavy Fabrications.....	\$ 33,944	\$ 35,575	\$ 65,537	\$ 62,847
Gearing.....	10,977	10,115	22,943	20,700
Industrial Solutions.....	6,270	5,049	11,692	9,121
Corporate and Other.....	(348)	(727)	(456)	(812)
Total revenues.....	<u>\$ 50,843</u>	<u>\$ 50,012</u>	<u>\$ 99,716</u>	<u>\$ 91,856</u>
OPERATING PROFIT/(LOSS):				
Heavy Fabrications.....	\$ 3,867	\$ 78	\$ 6,657	\$ (383)
Gearing.....	348	(585)	929	(697)
Industrial Solutions.....	843	32	1,465	(177)
Corporate and Other.....	(2,842)	(1,437)	(5,553)	(2,728)
Total operating profit (loss).....	<u>\$ 2,216</u>	<u>\$ (1,912)</u>	<u>\$ 3,498</u>	<u>\$ (3,985)</u>



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IR CONTACT

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