

Investor Presentation

December 2017

Broadwind® ENERGY

Industry Data and Forward-Looking Statements Disclaimer

- Broadwind obtained the industry and market data used throughout this presentation from our own research, internal surveys and studies conducted by third parties, independent industry associations or general publications and other publicly available information. Independent industry publications and surveys generally state that they have obtained information from sources believed to be reliable, but do not guarantee the accuracy or completeness of such information. Forecasts are particularly likely to be inaccurate, especially over long periods of time. We are not aware of any misstatements in the industry data we have presented herein, but estimates involve risks and uncertainties and are subject to change based on various factors beyond our control.
- This presentation contains "forward-looking statements", as defined in Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include any statement that does not directly relate to a current or historical fact. Our forward-looking statements may include or relate to our beliefs, expectations, plans and/or assumptions with respect to the following: (i) 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; (ii) our customer relationships and efforts to diversify our customer base and sector focus and leverage customer relationships across business units; (iii) our ability to continue to grow our business organically and through acquisitions; (iv) the sufficiency of our liquidity and alternate sources of funding, if necessary; (v) our ability to realize revenue from customer orders and backlog; (vi) our ability to operate our business efficiently, manage capital expenditures and costs effectively, and generate cash flow; (vii) the economy and the potential impact it may have on our business, including our customers; (viii) 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; (ix) the effects of market disruptions and regular market volatility, including fluctuations in the price of oil, gas and other commodities; (x) the effects of the recent change of administrations in the U.S. federal government; (xi) our ability to successfully integrate and operate the business of Red Wolf Company, LLC and to identify, negotiate and execute future acquisitions; and (xii) the potential loss of tax benefits if we experience an "ownership change" under Section 382 of the Internal Revenue Code of 1986, as amended. These statements are based on information currently available to us and are subject to various risks, uncertainties and other factors. 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.
- This presentation contains non-GAAP financial information. We believe that certain non-GAAP financial measures may provide users of this financial information with meaningful comparisons between current results and results in prior operating periods. We believe that these non-GAAP financial measures can provide additional meaningful reflection of underlying trends of the business because they provide a comparison of historical information that excludes certain infrequently occurring or non-operational items that impact the overall comparability. Non-GAAP financial measures should be viewed in addition to, and not as an alternative to, our reported results prepared in accordance with GAAP. Please see our earnings release dated October 31, 2017 for a reconciliation of certain non-GAAP measures presented in this presentation.

Introduction to Broadwind Energy



Towers and Weldments

- Leading US wind tower manufacturer with plants strategically located in Texas and Wisconsin
- Current capacity – 550 towers per year
- Have produced towers for every major OEM in industry
- Leveraging welding competencies in broader markets



Gearing

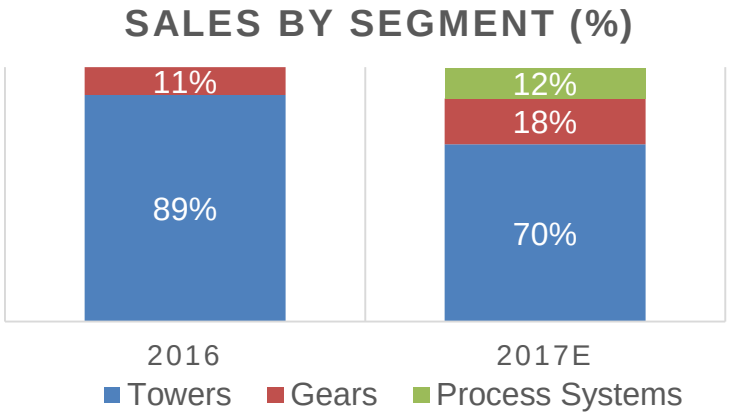
- 90-year history
- Large precision custom gearing manufacturer
- Gearbox and loose gearing expertise
- Key markets: oil & gas, wind, steel, mining, and other industrial



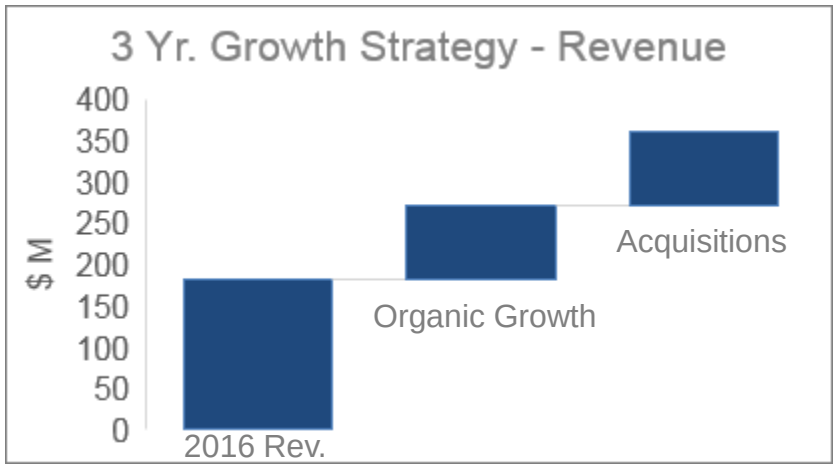
Process Systems

- Kitting (3000+ components), fabrication and assembly for natural gas turbines
- Fabrication and assembly for complex skid and compression packages
- Growth focused on diversification of markets and customer base

3 Year Strategy: Double Revenue and EBITDA Margins



	2015	2016	9 mos 2017
Revenue $M	199.2	180.8	129.0
EBITDA $M	(0.4)	9.6	6.7
EBITDA %	*Neg*	*5.3*	*5.2*
EPS	(.83)	.09	.25



- Organic growth of existing and acquired businesses
- Acquisition focus on Clean Tech and bolt-on to existing businesses
- Expand margins through improved commercial and operational execution

Core strategy intact despite 2H 2017 tower inventory correction

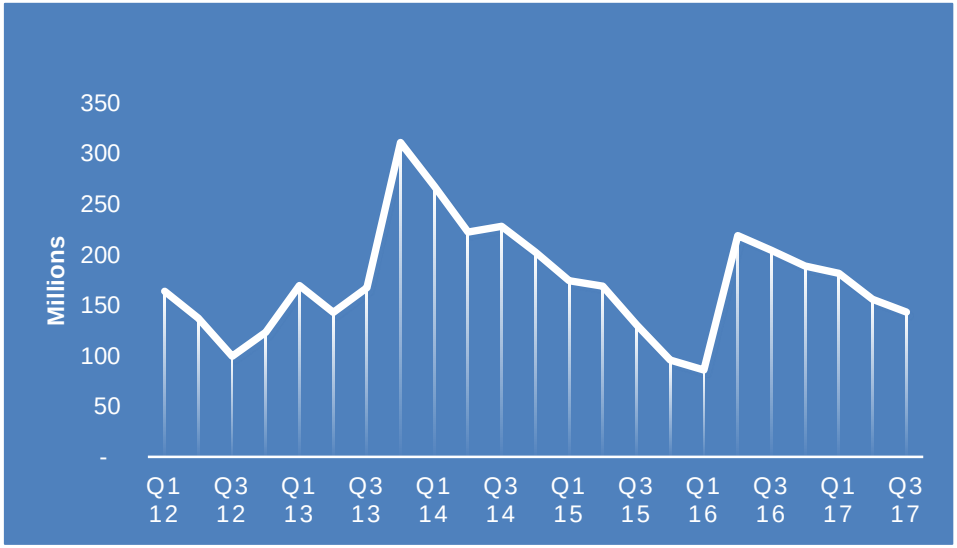
Orders and Backlog

Orders – $M

	FY 2016	2016 B2B	9 mos 2017	9 mos 2017 B2B
Towers & Weldments	260.8	*1.64*	32.3	*.33*
Gearing	14.2	*.69*	29.5	*1.69*
Process Systems	n/a	*n/a*	13.4	*1.09*
Total	**275.0**	***1.53***	**72.3**	***.58***

- Break in tower order demand due to industry fundamentals and dynamics with key customer
- Strong gearing orders from oil & gas customers
- Process Systems includes Red Wolf and CNG

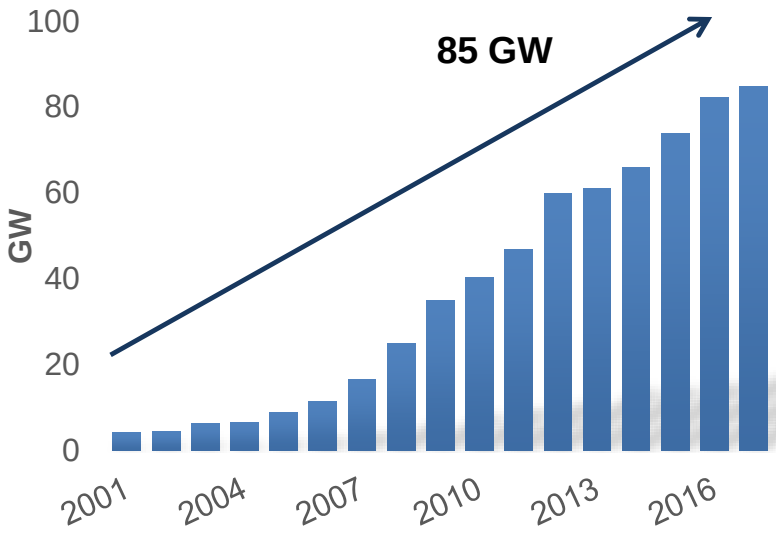
Backlog – $M



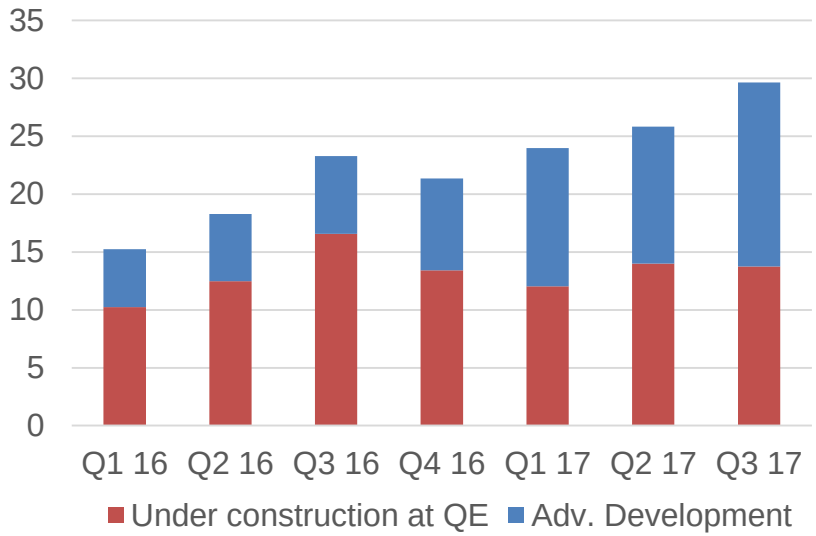
- 9/30/17 backlog $143M
- Curve heavily impacted by PTC dynamics
- Industry slowdown in new order intake following PTC qualification boom

>90% of BWEN 2016 Revenue From Wind Energy

Cumulative Installations – US



Wind Power Capacity (GW) Under Construction/Advanced Development

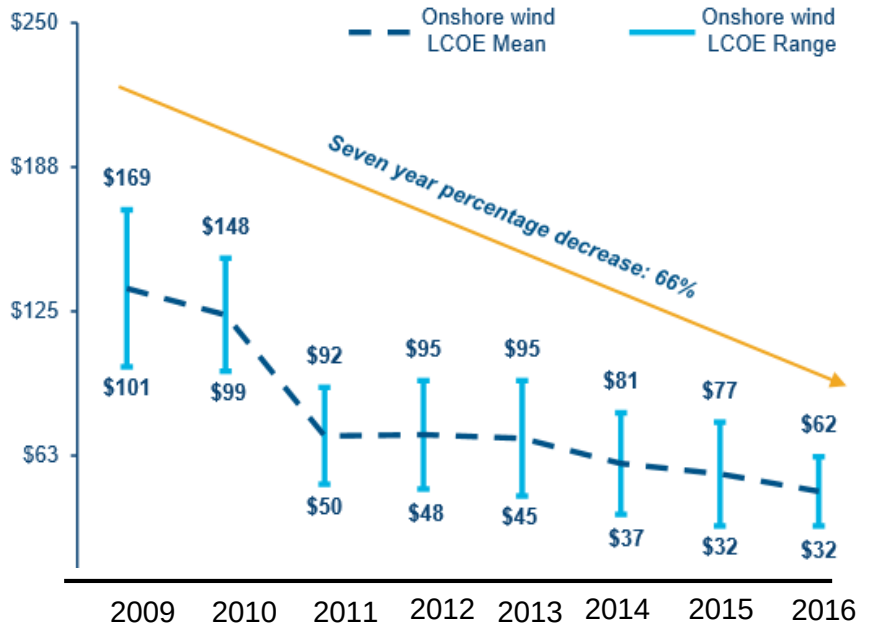


Source: AWEA Q3 17 Market Report

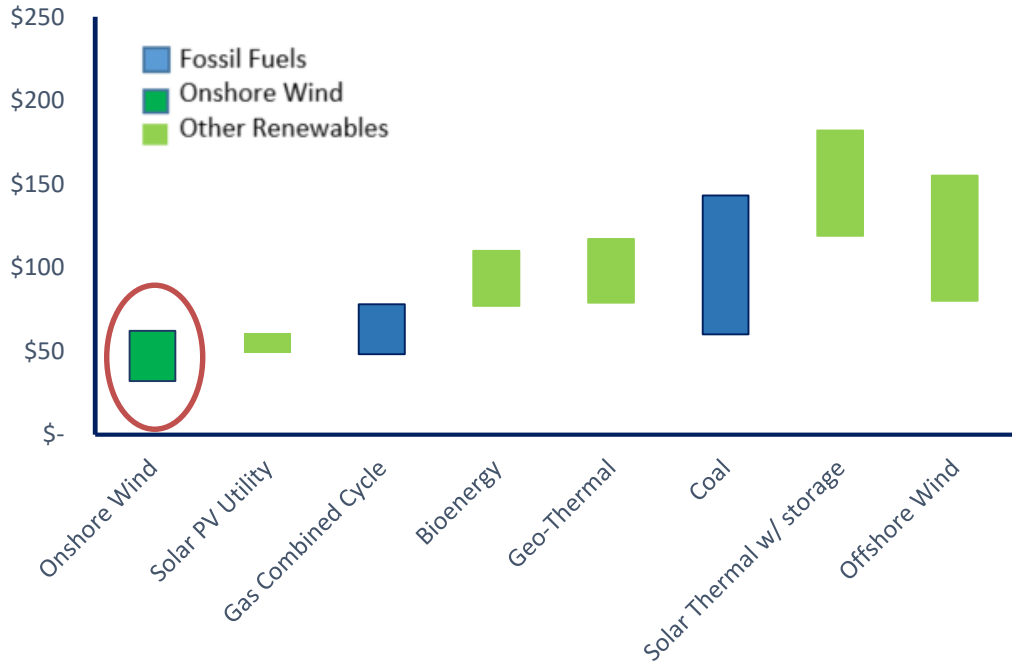
- Over 84 GW currently installed in the US
- 8.2 GW added in 2016 – wind provided 5.5% of electrical power in the US
- ~29 GW under construction or in advanced development at 6/30/17
- Growing demand from commercial/industrial customers
- PTC dynamics in 2017 causing delays and volatility – uncertainty of current tax legislation

As Costs Decline, Wind Energy is Becoming More Competitive with Conventional Power Generation

Global Onshore Wind Levelized Cost of Energy Over Time ($/MWh)



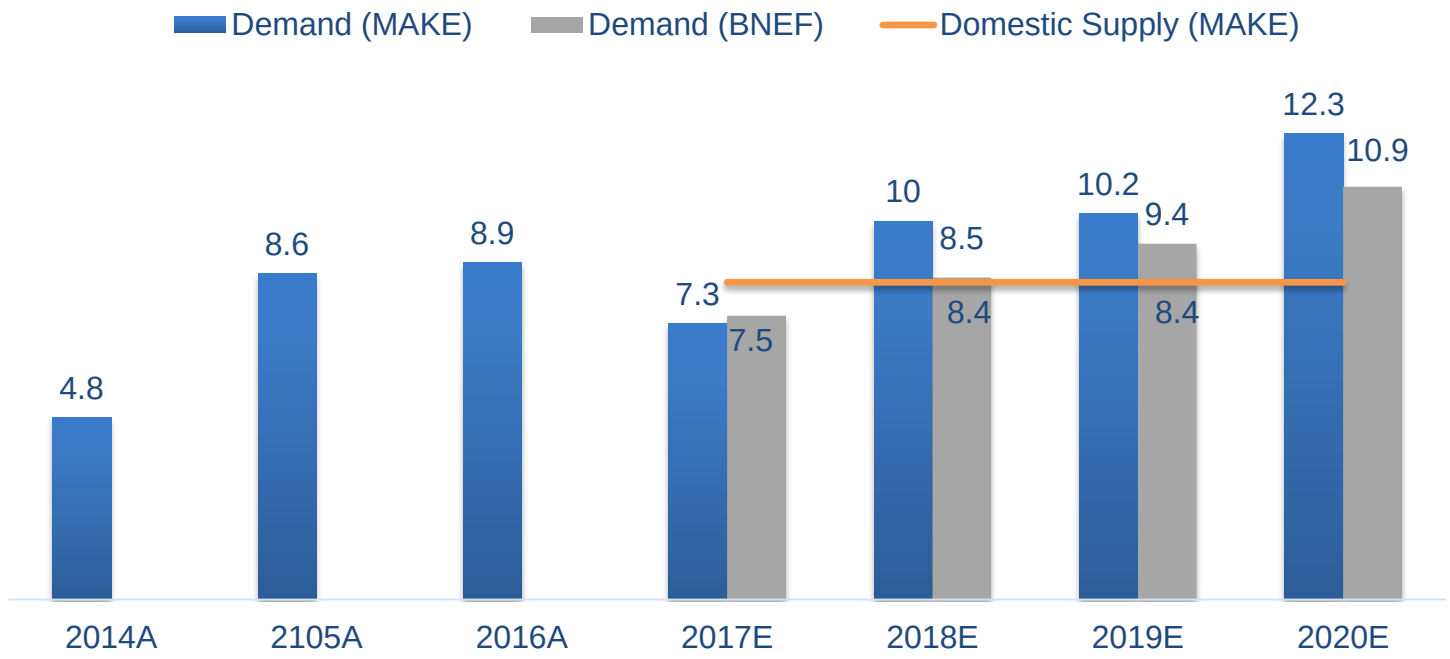
UNSUBSIDIZED Levelized Cost of Power Generation Ranges by Technology - ($/MWh)



Source: Lazard Levelized Cost of Energy Analysis (version 10.0)

- Cost of wind energy has declined more than 66% over the last 7 years
- Wind energy becoming a formidable competitor with conventional power generation
- Further cost reductions expected – taller towers, longer blades, improved capacity factors all contribute

US Wind Tower Supply/Demand Dynamics



Source: MAKE Consulting Q2 2017 Global Wind Power Market Outlook Update dated 6/7/17, Bloomberg New Energy Finance 1H 2017 North American Wind Market Outlook report dated 3/24/17

- Following weaker 2017, domestic tower production expected to be strong through 2020
- US supply is 8.4 GW or ~3800 towers (includes 2017 capacity additions)
- Imports provide additional supply especially in coastal areas
- MAKE demand est. 40 GW, Bloomberg demand est. 36 GW (2017-2020)

Towers and Weldments

- Leading US wind tower manufacturer
- Have produced >3000 multi-mw towers for all major OEM's in US: Vestas, GE, Siemens/Gamesa, Nordex, Goldwind
- Recent $7M investment improves flow and expands capacity to 550 towers – Manitowoc, WI 350 and Abilene, TX 200
- Continuous improvement culture
- Engineering experts partner with our customers to improve efficiencies and reduce costs
- Low Q4 2017 production reduces full year outlook

$M	2013	2014	2015	2016	9 mos 2017
Towers Sold (units)	392	435	450	458	263
Revenue	159.5	184.9	170.9	160.2	99.2
OI	19.6	18.1	4.7	12.8	7.2
EBITDA	24.8	22.3	9.5	17.2	10.7

Broadwind: Geared For Industry



- Replacement gears and gear boxes in steel processing plants
- Waste Processing
- Paper Industry



- Underground and surface mining
- Cone crushers, drive shafts, cab rotation, crawler shafts

Sales By Industry 2014-2016



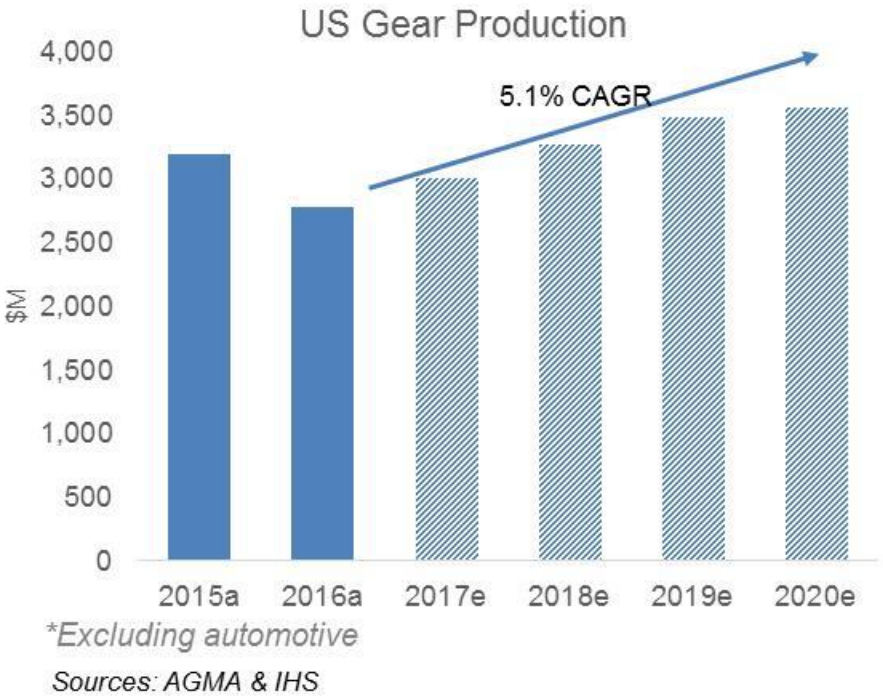


- Replacement Gearing - Wind
- Gearbox repair - Wind



- On and offshore drilling
- Frack and mud pumps

Gear Market Update – 2016 Inflection Point



US Gear Demand by Market	2014-2016 CAGR	2017-2019 CAGR
Turbines/Power	-11.5%	9.5%
Oil & Gas	-24.7%	17.4%
Mining	-19.8%	7.8%
Other Industrial	-7.5%	5.3%
US Total	-8.9%	6.2%

Source: IHS Markit August 2017

BWEN YTD 2017 orders up over 2.5x vs YTD 2016

Cost Management and Continuous Improvement Culture Leading to Operational Turnaround in Gearing

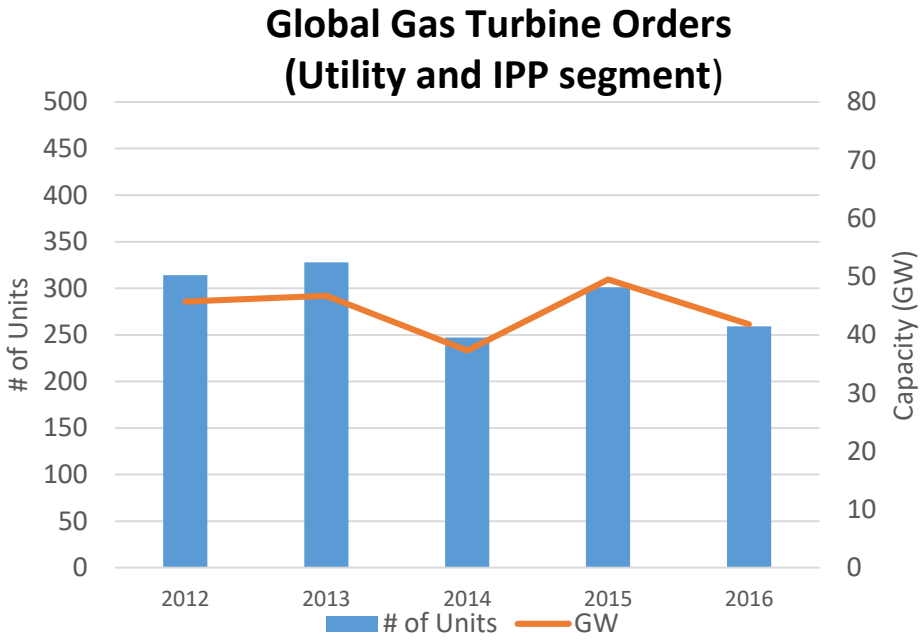
- Custom precision gear manufacturing with state of the art machinery
- Operational turnaround evident – focus on cost management and continuous improvement
- Plant capacity in place to support >$50M annual production rate
- 2017 focus:
  - Leverage expanded sales resources to improve capacity utilization
  - Continue aggressive cost management
  - Continue cross-training to improve labor productivity
  - Positive EBITDA for 2017, trending to positive OI by year-end



Gearing Financials

$M	2013	2014	2015	2016	9 mos 2017
Orders	34.5	41.9	24.9	14.2	29.5
Revenue	43.2	42.3	29.6	20.6	17.5
OI	(17.9)	(9.4)	(8.2)	(3.2)	(2.5
EBITDA	(3.6)	(0.9)	(2.1)	(0.6)	(0.6)

Global Gas Turbine Market



	9 Months		Memo: 2016
	2016	2017	Full Year
Units	195	139	259
GW	31	24	42

Sources: *McCoy Power Reports*

- Red Wolf sales concentrated in gas turbine market – new units and aftermarket
- New unit market deliveries running well behind 2016
- Industry overcapacity and excess inventories create a challenging near term environment
- Industry experts predicting ~3% annual growth rate 2018-2020

Process Systems

	Q3 2016	Q3 2017	9 mos 2016	9 mos 2017
Orders ($M)	n/a	**5.3**	n/a	**13.4**
Revenue ($M)	n/a	**6.1**	n/a	**12.3**
Operating Profit/(Loss) ($M)	n/a	**0.1**	n/a	**-1.8**
EBITDA* ($M)	n/a	**.4**	n/a	**-0.7**

* Reconciliation to non-GAAP measure included in Appendix



Red Wolf acquisition

- Contract manufacturer specialized in kitting, light fabrication, packaging/assembly and testing
- Diversifies BWEN into gas turbine install and upgrade market
- Adds new southeast regional geographic manufacturing presence in close proximity to leading Power Generation OEM's
- 2/3 of Red Wolf's sales support installed base vs. new units
- Leverage existing customer base and capabilities to expand business

Current Objectives

- Complete integration of Red Wolf into BWEN
- Grow Red Wolf business by expanding customer base and entering new markets
- Refine procurement process to support scaling up business

Consolidated Financial Results

			9 months	
$M except EPS	2015	2016	2016	2017
Revenue	199.2	180.8	132.7	129.0
Gross Profit	7.9	18.1	13.4	11.3
-% (ex. Restructuring)	*4.0%*	*10.0%*	*10.1%*	*8.7%*
Operating Expense-$M	19.8	16.2	12.1	12.0
-% (ex. Restructuring)	*9.4%*	*9.0%*	*9.1%*	*9.3%*
Operating Income/(Loss)	(11.9)	1.9	1.3	(0.7)
Non-GAAP Adj. EBITDA	(0.4)	9.6	7.1	6.7
EPS, Continuing - $.00	(0.83)	0.09	0.06	.25*

*includes one-time tax benefit of $.34/share

- 2015 results impacted from production issues associated with a challenging tower contract
- 2016 improvement vs. 2015 – production issues resolved, eliminated $9M of manufacturing overhead and operating expense
- 2016 1st profitable year
- 2H 2017 will be impacted by low tower production – inventory correction by key customer

Reconciliation to non-GAAP measure included in Appendix

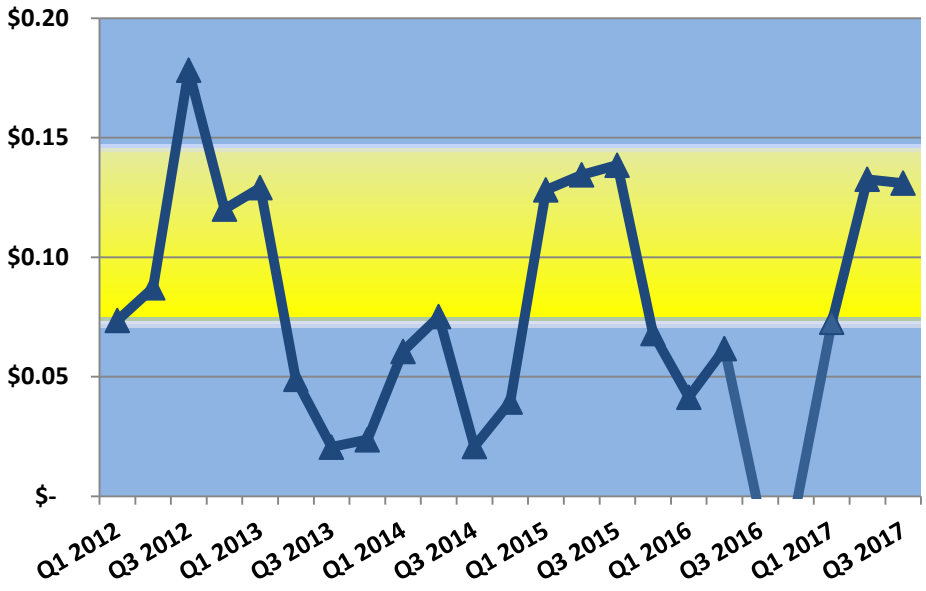
Operating Working Capital (OWC)

OWC* Management

	12/31/16	3/31/17	6/30/17	9/30/17
DSO	22	39	45	**29**
Inv. Turns	8.2	7.7	7.4	**7.7**
DPO	33	36	34	**21**
Cash Conv. (days)	0	28	50	**48**
OWC $M	-.8	16.3	23.0	**15.5**

*__Operating Working Capital = Trade A/R + Inventories – Trade Payables – Customer Deposits__

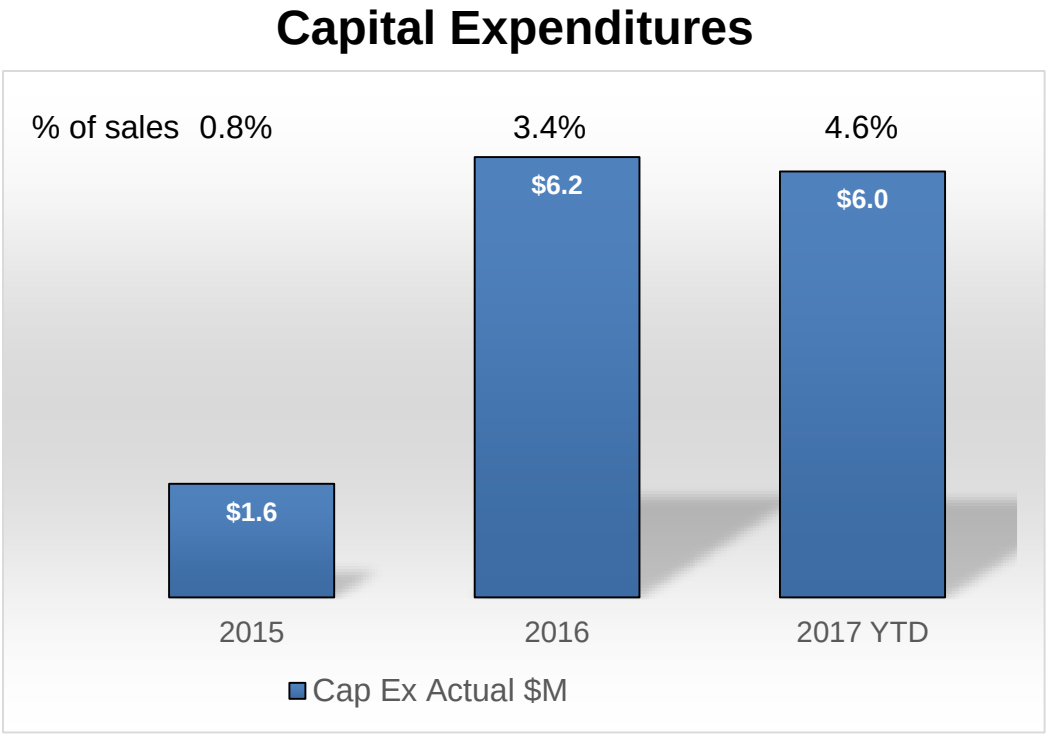
OWC* Historical Trend – cents/$ sales



- Q3 OWC cents/$ sales flat compared to Q2 17
- OWC dollars decreased as expected, due to lower sales and the timing of customer receipts

Balance Sheet and Capital Expenditures

(In Millions)	12/31/2016	6/30/2017	9/30/2017
Cash Assets	$ 21.9	$ 0.2	$ 0.0
Accounts Receivable	11.9	21.5	9.3
Inventory	21.2	21.3	15.4
PPE	54.6	57.4	56.5
Other	8.1	24.6	24.1
Total Assets	*117.7*	125.0	105.3
Accounts Payable	15.9	14.6	7.1
Customer Deposits	18.0	5.2	2.1
Debt + Cap. Leases	4.1	19.1	12.9
Other	11.1	11.5	10.4
Total Liabilities	*49.1*	50.4	32.5
Equity	*68.6*	*74.6*	*72.8*



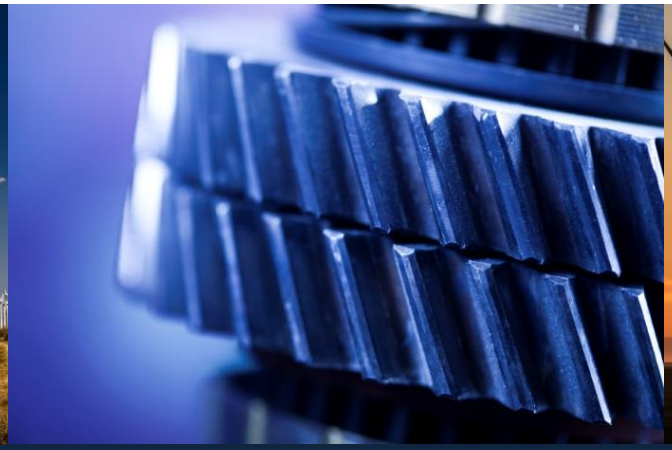
- Q3 Debt declined by $6M due to working capital reduction
- CIBC (previously The Private Bank) $25M credit line had $12M of additional availability at quarter-end
- Capital expenditures totaled $1.7M in Q3 17, $6.0M YTD – above normal 2% of sales run rate due to Abilene expansion

Near Term Priorities

- Navigate through the impact of 2H tower inventory correction
- Progress growth/diversification strategy
  - Commission Abilene plant expansion
  - Add machining capabilities for weldments
  - Red Wolf market expansion initiatives
  - Controlled Gearing revenue growth to achieve profitability
  - Evaluate bolt-on acquisitions

Investment Thesis

- Medium term US Wind markets fundamentally strong, short term weakness driving share price below tangible book value
- Broadwind gearing gaining share in strong oil & gas market
- Strong balance sheet –good working capital management
- Conservative capital structure supports operating needs
- >$200M NOL to shelter income for foreseeable future


Appendix

Consolidated	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Net Income/(Loss) from continuing operations	$ (2,049)	$ 1,245	$ 3,745	$ 929
Interest Expense	228	125	584	431
Income Tax Provision/(Benefit)	(22)	0	(5,056)	(16)
Depreciation and Amortization	2,267	1,695	6,571	5,138
Share-based Compensation and Other Stock Payments	439	195	900	628
Adjusted EBITDA (Non-GAAP)	$ 863	$ 3,260	$ 6,744	$ 7,110

Towers and Weldments Segment	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Net Income	$ (901)	$ 2,797	$ 5,127	$ 6,738
Interest Expense/(Benefit)	28	5	63	21
Income Tax Provision/(Benefit)	(600)	1,259	2,003	3,285
Depreciation and Amortization	1,121	1,007	3,283	3,066
Share-based Compensation and Other Stock Payments	197	79	312	154
Adjusted EBITDA (Non-GAAP)	$ (155)	$ 5,147	$ 10,788	$ 13,264

Gearing Segment	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Net Loss	$ (393)	$ (697)	$ (2,568)	$ (3,099)
Interest Expense	3	1	9	8
Income Tax Provision/(Benefit)	(7)	5	(2)	7
Depreciation and Amortization	610	638	1,847	1,918
Share-based Compensation and Other Stock Payments	72	17	113	89
Adjusted EBITDA (Non-GAAP)	$ 285	$ (36)	$ (601)	$ (1,077)

Process Systems	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Net Income/(Loss)	$ 124	$ -	$ (1,817)	$ -
Interest Expense	1	-	4	-
Income Tax Provision/(Benefit)	(22)	-	(10)	-
Depreciation and Amortization	477	-	1,278	-
Share-based Compensation and Other Stock Payments	18	-	34	-
Adjusted EBITDA (Non-GAAP)	$ 598	$ -	$ (511)	$ -

Corporate and Other	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Net Income/(Loss)	$ (879)	$ (855)	$ 3,003	$ (2,710)
Interest Expense	196	119	508	402
Income Tax Provision/(Benefit)	607	(1,264)	(7,047)	(3,308)
Depreciation and Amortization	59	50	163	154
Share-based Compensation and Other Stock Payments	152	99	441	385
Adjusted EBITDA (Non-GAAP)	$ 135	$ (1,851)	$ (2,932)	$ (5,077)

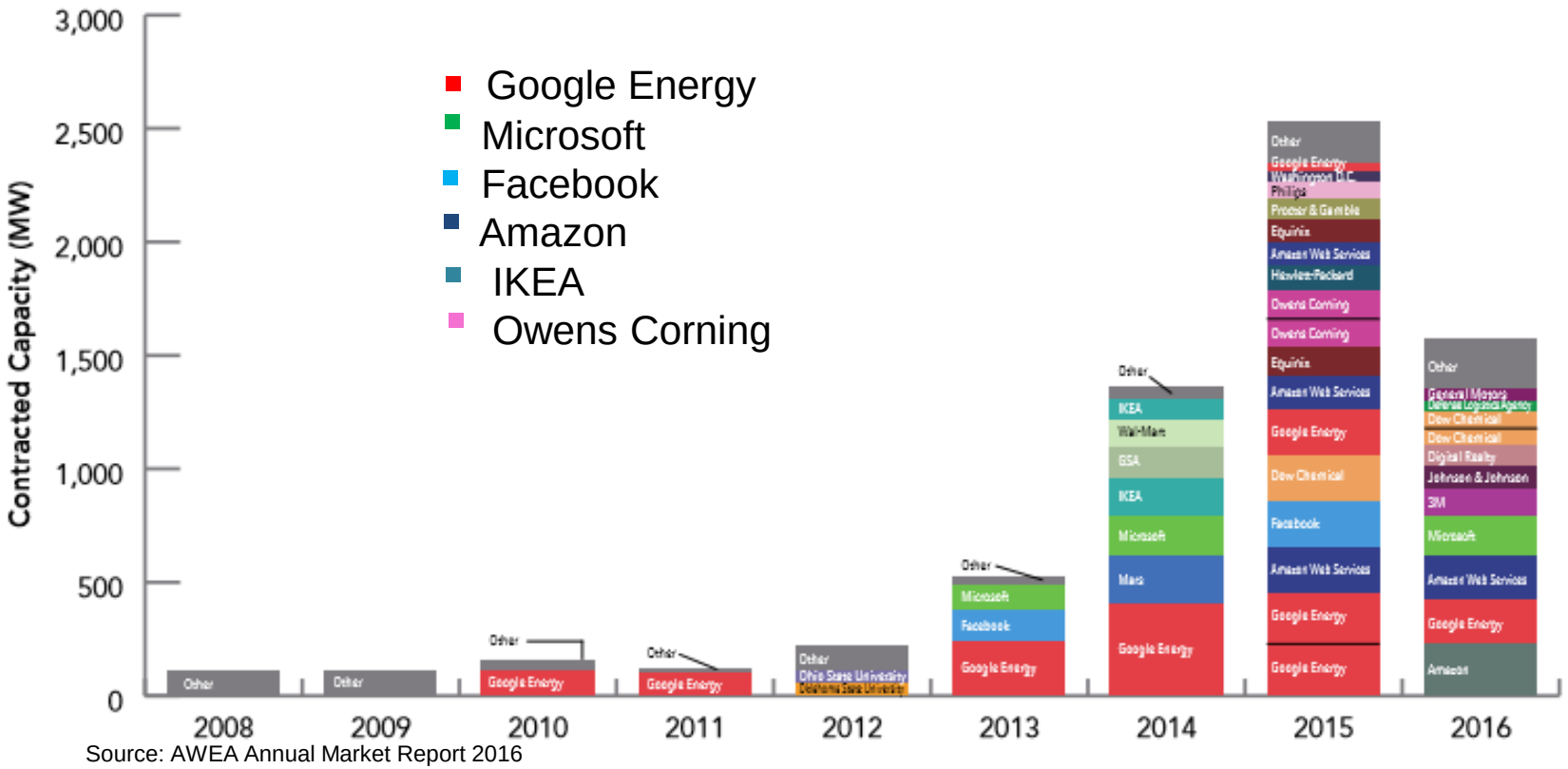
Broadwind Energy is a precision manufacturer of structures, equipment & components for clean tech and other specialized applications.






www.BWEN.com

Corporate and Other Buyers are Becoming a Significant Demand Driver for US Wind



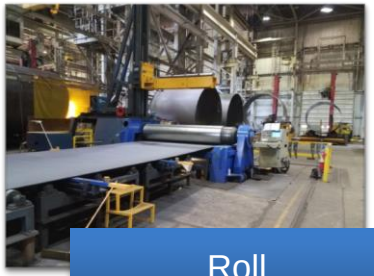
Source: AWEA Annual Market Report 2016

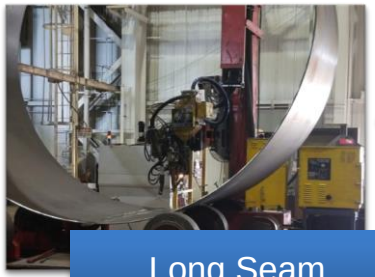
- 39% of MW contracted in 2016 through PPA's were signed by Fortune 500 companies, universities and government agencies
- Emergent and sustained demand market for wind industry

Making a Wind Tower – More than Metal Bending


Steel Plate Prepped


Bevel

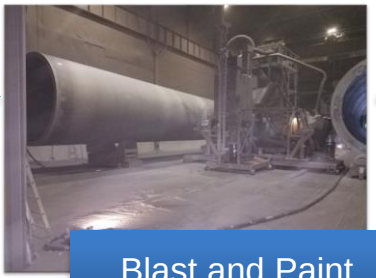

Roll


Long Seam


Flange Fit Up


Circ Weld


Clip and Clean


Blast and Paint


Assembly

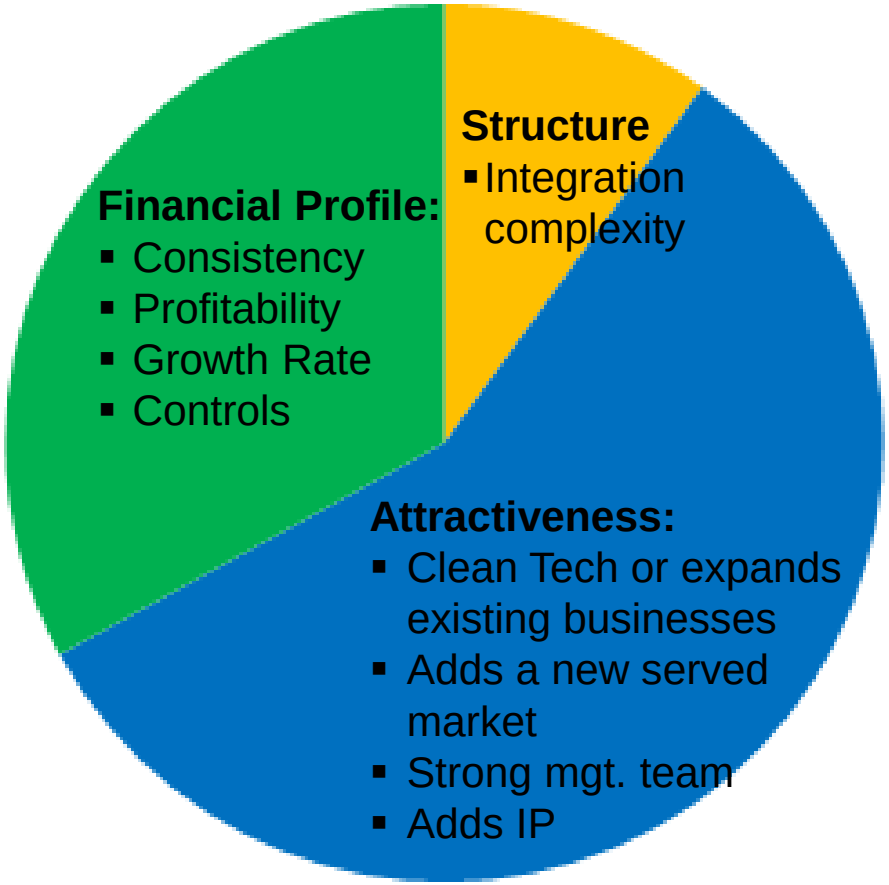
M&A Overview & Selection Criteria

Key Objectives:

- Add scale
- Diversify industry and customer mix
- Unlock value of NOL's

Gating Factors:

- >75% of income generated in US
- Estimated timing for accretive results <12 mos.
- Diversifies BWEN customer risk



Half of plan period revenue growth from inorganic transactions