

Investor Presentation
Roth Investor Conference

March 13-14, 2017

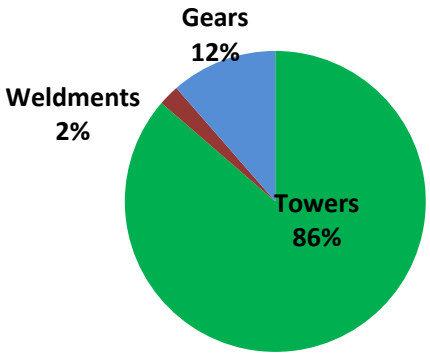
Broadwind® ENERGY

Industry Data and Forward-Looking Statements Disclaimer

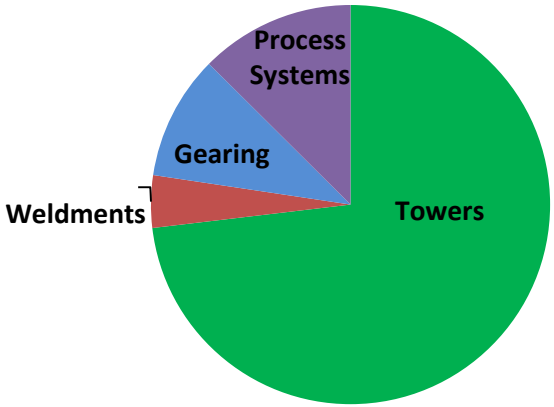
- Broadwind obtained the industry and market data used throughout this presentation from our own research, internal surveys and studies conducted by third parties, independent industry associations or general publications and other publicly available information. Independent industry publications and 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 February 23, 2017 for a reconciliation of certain non-GAAP measures presented in this presentation.

Broadwind Energy

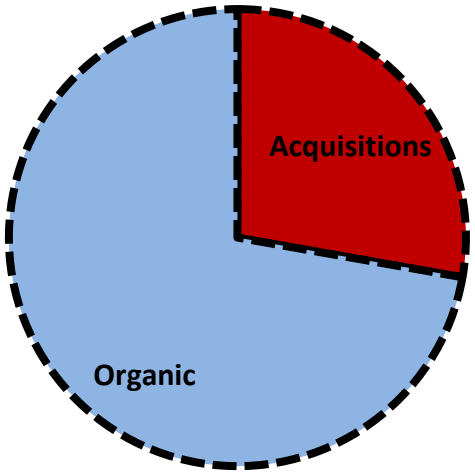
2016 Revenue $181M



2017 Revenue Guidance $210-220M



3 Yr. Strategy: Double 2016 Revenue $360M



Towers and Weldments

- Leading wind tower manufacturer
- Capacity 500 towers, expanding to 550
- Have produced towers for every major OEM in industry
- Leveraging welding competencies in broader energy markets

Gearing

- 90-year history
- Precision gearing manufacturer (>1 meter diameter)
- Gearbox and loose gearing expertise
- Wind replacement gearing, oil & gas, mining, other industrial applications

Process Systems

- Recent Red Wolf acquisition
- Organic growth of CNG business

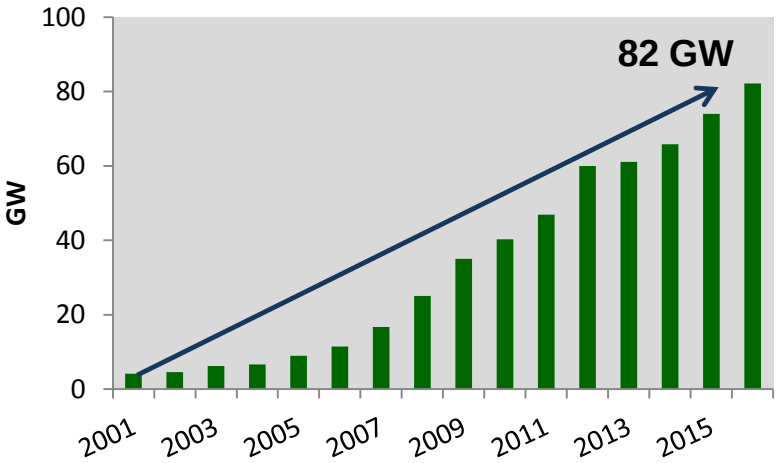
2016 Highlights

- 2016 was **1st profitable year** in Company history
- **Orders** of $275M nearly **triple** 2015 orders of $94M
- More than **doubled** gross profit margin
- Cost reductions of $9M **exceeded plan** by $1M
- **Strong cash balance** of $22M at year end



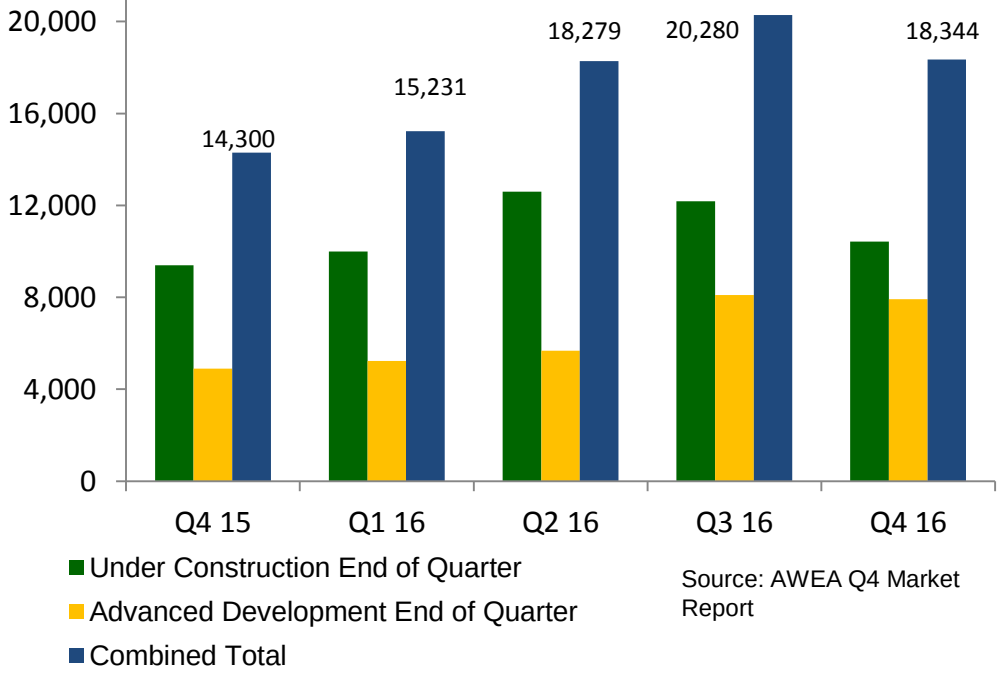
>90% of BWEN 2016 revenue from wind energy

Cumulative Installations – U.S.



Source: AWEA Q4 Market Report

Wind Power Capacity Under Construction/Advanced Development



Source: AWEA Q4 Market Report

- Over 82 GW currently installed in the U.S.
- 8.2 GW added in 2016 – wind now provides 5.5% of electrical power in the U.S.
- >18 GW under construction or in advanced development at end of 2016
- Commercial/Industrial customers signed 39% of power purchase agreements in 2016, including GM, Amazon, Microsoft, Avery Dennison and others.

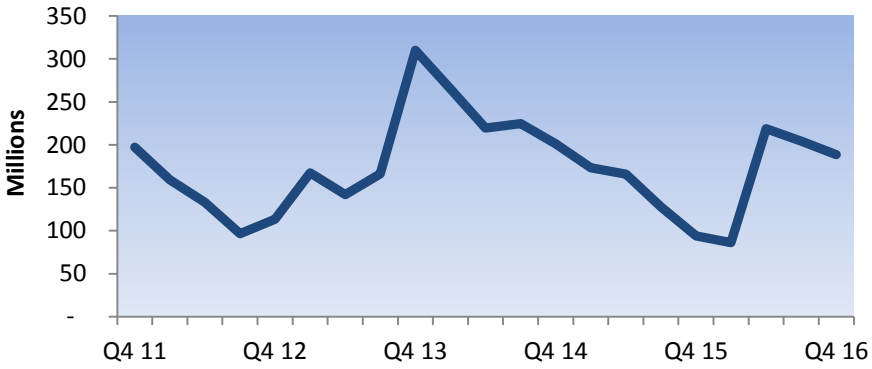
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Orders and Backlog

Orders – $M

	Q4 2015	Q4 2016	Book : Bill Ratio	FY 2015	FY 2016	Book : Bill Ratio
Towers & Weldments	**2.8**	**29.4**	***.55***	**69.1**	**260.8**	***1.64***
Gearing	**2.1**	**2.9**	***.49***	**24.9**	**14.2**	***.69***
Total	**4.9**	**32.3**	***.55***	**94.0**	**275.0**	***1.53***

Order Backlog – $M



- $29M of new Towers & Weldments orders in Q416, up sharply from Q415
- Q4 16 Gearing orders up vs. PY – orders from mining and steel customers increased.
- Oil & Gas quotes are accelerating.

- Year-end backlog $189M
- $137M tower order booked in Q2 2016 extends backlog into 2019
- Strong industry dynamics and customer relationships leading to increased orders

Towers and Weldments

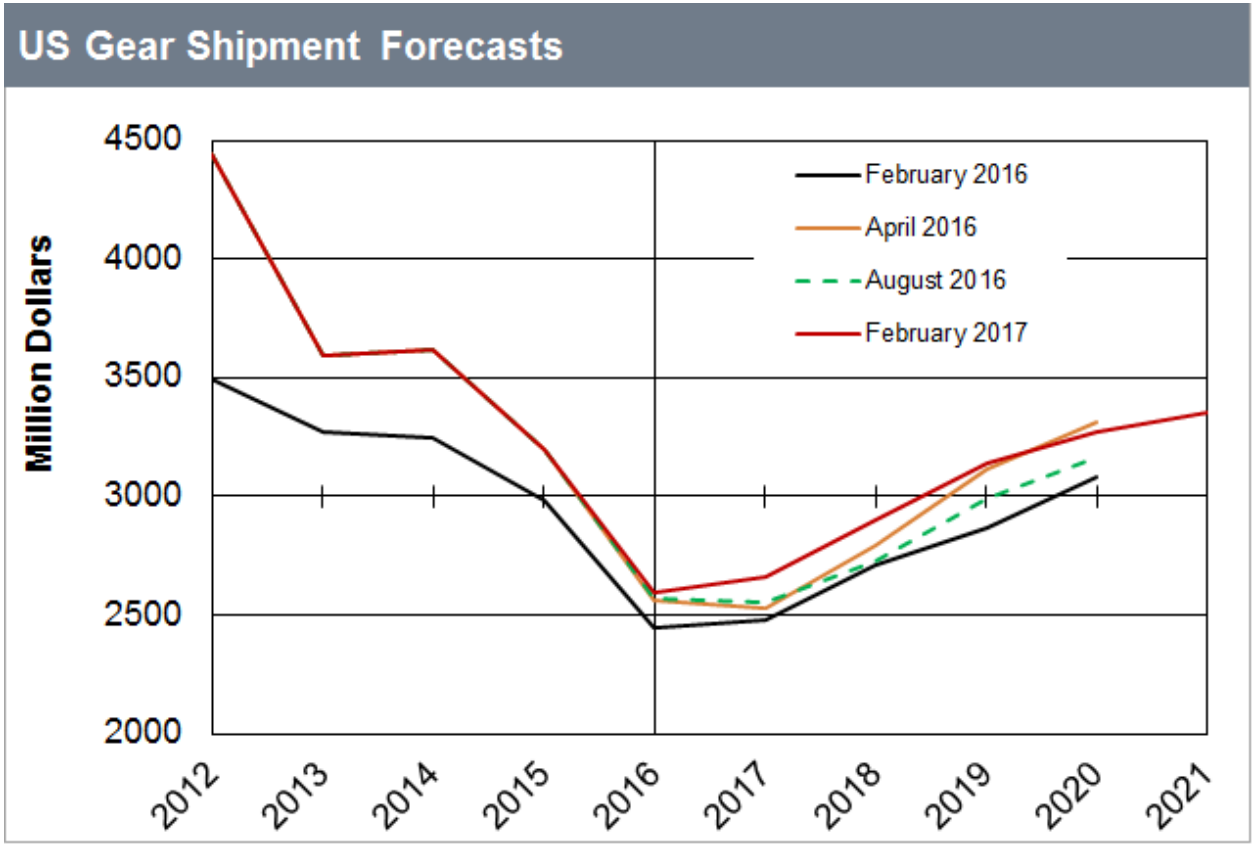
- Leading wind tower manufacturer in U.S.
- Have produced ~3000 >1MW towers for all major OEM's in U.S.
- Manitowoc, WI plant capacity ~350 towers
- Abilene, TX plant capacity ~150 towers, expanding to 200 towers
- 2015 operational problems behind us
- $7 Million investment underway to improve flow and increase capacity

	2013	2014	2015	2016
Towers Sold	392	435	450	458
Revenue	$ 159.5	$ 184.9	$ 170.9	$ 160.2
OI	19.6	18.1	4.7	12.8
EBITDA	24.8	22.3	9.5	17.2

Gearing Industry Update

The latest US gear shipment projection has become more optimistic

Note: historical revision from AGMA August 2016



Source: IHS Markit

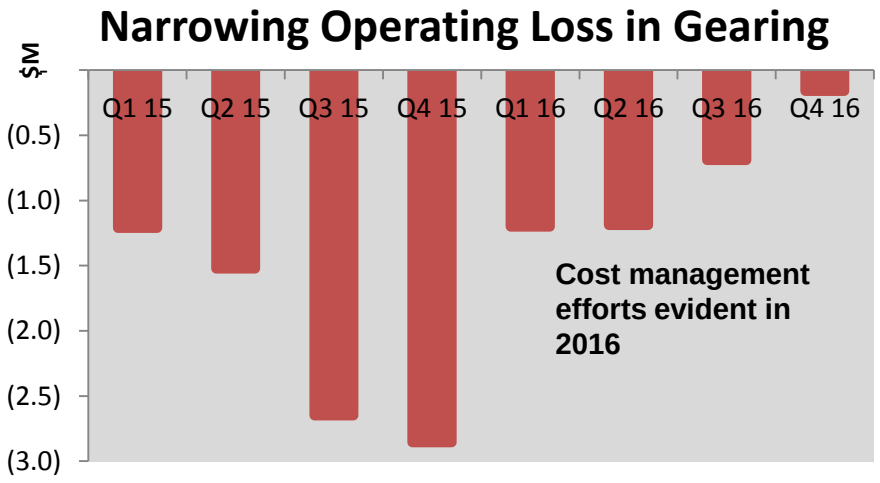
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Gearing

- 90+ year history
- Competencies in wind gearing, oil & gas, mining, steel and other industrial applications
- Completed 3-year restructuring in 2014: well positioned for rebound in oil & gas and mining
- 2017 focus: Expand sales efforts, continue aggressive cost management, continue cross-training to improve labor productivity



$M	2013	2014	2015	2016
Revenue	$ 43.2	$ 42.3	$ 29.6	$ 20.6
Op. loss	(17.9)	(9.4)	(8.2)	(3.2)
EBITDA	(3.6)	(0.9)	(2.1)	(0.6)



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Consolidated Financial Results

	2013	2014	2015	2016
Revenue-$M	$ 198.5	$225.8	$ 199.2	$ 180.8
Gross Profit-$M	14.6	19.7	7.9	18.1
-% (ex. Restructuring)	*5.0%*	*9.3%*	*4.0%*	*10.0%*
Operating Expense-$M	23.1	21.2	19.8	16.2
-% (ex. Restructuring)	*11.1%*	*9.3%*	*9.4%*	*9.0%*
Operating Income/(Loss)-$M	(8.5)	(1.5)	(11.9)	1.9
Non-GAAP Adj. EBITDA-$M	12.9	11.9	(0.4)	9.6
EPS, Continuing - $	(0.41)	(0.12)	(0.83)	0.09

- 2015 results impacted from production issues associated with a challenging contract
- 2016 shows dramatic improvement vs. 2015 – production issues resolved, eliminated $9M of manufacturing overhead and operating expense, 1st profitable year

** Reconciliation to non-GAAP measure included in Appendix*

Liquidity

	(In Millions) 12/31/2015	12/31/2016
Cash Assets	$ 12.7	**$ 21.9**
Accounts Receivable	9.8	**11.9**
Inventory	24.2	**21.2**
PPE	51.9	**54.6**
Other	11.3	**8.1**
Total Assets	*109.9*	***117.7***
Accounts Payable	13.8	**15.9**
Customer Deposits	9.9	**18.0**
Debt + Cap. Leases	5.8	**4.1**
Other	12.9	**11.1**
Total Liabilities	*42.4*	***49.1***
Equity	*67.5*	***68.6***

Strong Working Capital Management

	12/31/15	12/31/16
DSO	26	22
Inv. Turns	7.5	8.2
DPO	24	33
Cash Conv. (days)	28	0

*Operating Working Capital = Trade A/R + Inventories – Trade Payables – Customer Deposits

- Cash and short-term investments totaled $22M at 12/31/16; credit line undrawn
- FY 2016 Capex totaled $6.6M
- Year-end 2016 debt balance of $4.1M includes New Markets Tax Credit and capitalized leases

Strategy

MISSION:

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

VISION:

Over the next three years we will double our sales by growing our existing businesses and expanding our presence in clean tech. We will build lasting customer relationships and increase our profitability through improved commercial and operational execution.

FY16 Sales $180M
EBITDA 5%

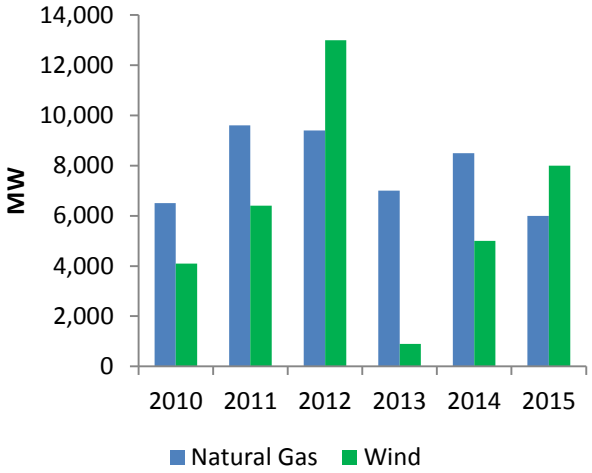
Acquisitions and Organic Growth



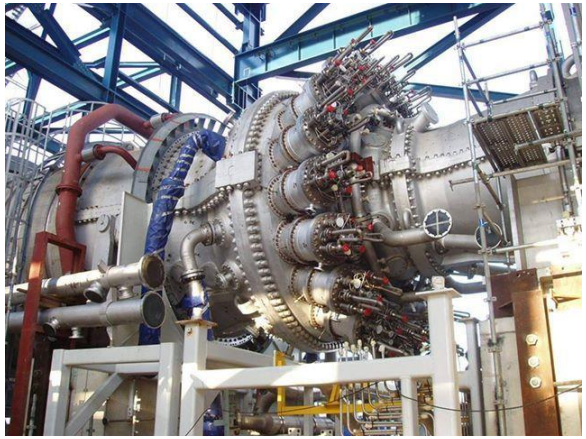
Sales $360M
EBITDA 10%

Acquisition focus on Clean Tech and bolt-on to existing business,
Organic growth of existing and acquired businesses

Red Wolf, A Broadwind Energy Company



Source: EIA



- ~$30 million 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
- Establishes base business platform to support "Broadwind Process Systems" vision

2017 Guidance and Priorities

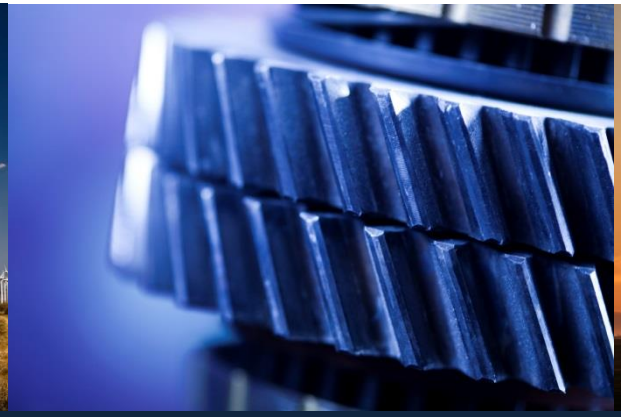
Guidance	Q1 2016	Q1 2017	% Change	FY 2016	FY 2017	% Change
Revenue	$46.8	**$54-56M**	*+15-19%*	$180.8	**$210-220M**	*+16-21%*
EBITDA*	1.7	**~$3M**	*+>75%*	$9.6	**$14-16M**	*+45-66%*

- Sell remaining 2017 tower capacity
- Reduce tower production costs through improved paint and welding
- Complete Tower plant expansion project
- Seamless integration of Red Wolf
- Expand commercial relationships in Gearing

* Income guidance highly uncertain pending third party determination of purchase accounting for Red Wolf – will update after Q1. Reconciliation to non-GAAP measure included in Appendix.

Investment Thesis

- **Wind markets fundamentally strong…oil and gas and mining recovering**
- **Strong balance sheet – negative net debt**
- **Trading at a discount relative to peers**
- **Surplus cash redeployed to diversify into gas turbine supply chain with Red Wolf acquisition**
- **Conservative capital structure supports growth objectives**
- **>$200 million NOL to shelter income for foreseeable future**


Appendix

Consolidated	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2016	2015	2016	2015
Net Income/(Loss) from continuing operations	$ 405	$ (10,726)	$ 1,335	$ (12,246)
Interest Expense	193	188	625	799
Income Tax Provision/(Benefit)	14	(25)	(2)	(36)
Depreciation and Amortization	1,776	2,319	6,914	9,180
Share-based Compensation and Other Stock Payments	126	(4)	753	893
Restructuring Expense	-	186	-	1,060
Adjusted EBITDA (Non-GAAP)	$ 2,514	$ (8,062)	$ 9,625	$ (350)

Towers and Weldments Segment	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2016	2015	2016	2015
Net Income/(Loss)	$ 1,772	$ (3,780)	$ 8,510	$ 3,096
Interest Expense	5	-	26	4
Income Tax Provision/(Benefit)	1,001	(1,598)	4,286	2,161
Depreciation and Amortization	1,100	992	4,166	3,954
Share-based Compensation and Other Stock Payments	11	6	165	112
Restructuring Expense	-	186	-	186
Adjusted EBITDA (Non-GAAP)	$ 3,889	$ (4,194)	$ 17,153	$ 9,513

Gearing Segment	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2016	2015	2016	2015
Net Loss	$ (159)	$ (2,841)	$ (3,258)	$ (8,243)
Interest Expense	-	6	9	35
Income Tax Provision/(Benefit)	(3)	(4)	4	(9)
Depreciation and Amortization	627	1,275	2,546	5,032
Share-based Compensation and Other Stock Payments	17	45	106	228
Restructuring Expense	-	-	-	874
Adjusted EBITDA (Non-GAAP)	$ 482	$ (1,519)	$ (593)	$ (2,083)

Corporate and Other	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2016	2015	2016	2015
Net Loss	$ (1,208)	$ (4,105)	$ (3,917)	$ (7,099)
Interest Expense	188	181	590	760
Income Tax Provision/(Benefit)	(984)	1,578	(4,292)	(2,188)
Depreciation and Amortization	49	52	202	194
Share-based Compensation and Other Stock Payments	98	(55)	482	553
Adjusted EBITDA (Non-GAAP)	$ (1,857)	$ (2,349)	$ (6,935)	$ (7,780)

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March 2017

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