

Investor Presentation

September 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 May 2, 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

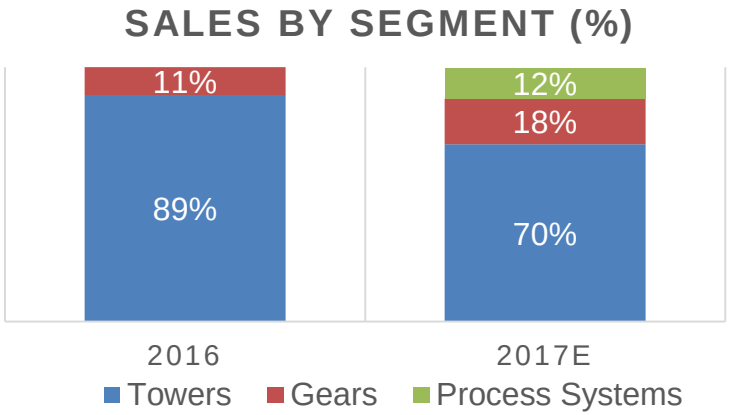
- 90-year history
- Large precision custom gearing manufacturer
- Gearbox and loose gearing expertise
- Key markets: oil & gas, wind, steel, mining, and other industrial



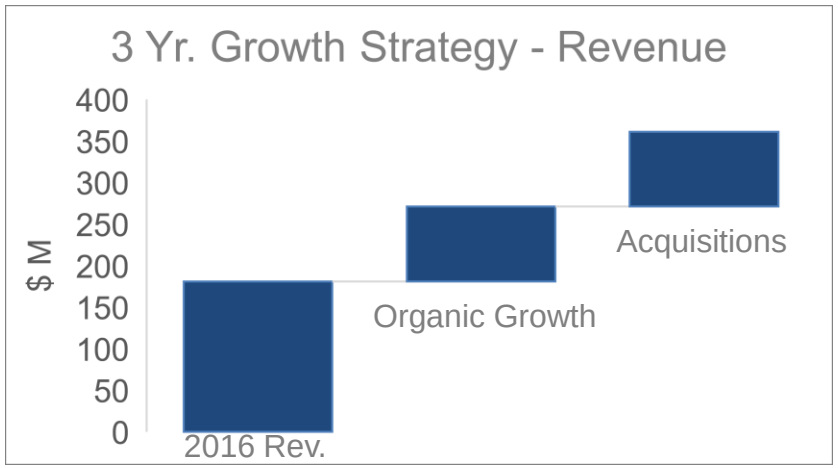
Process Systems

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

3 Year Strategy: Double 2016 Revenue and EBITDA Margins



	2015	2016	1H 2017
Revenue $M	199.2	180.8	99.4
EBITDA $M	(0.4)	9.6	5.9
EBITDA %	*Neg*	*5.3*	*6.0*
EPS	(.83)	.09	.39



- 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

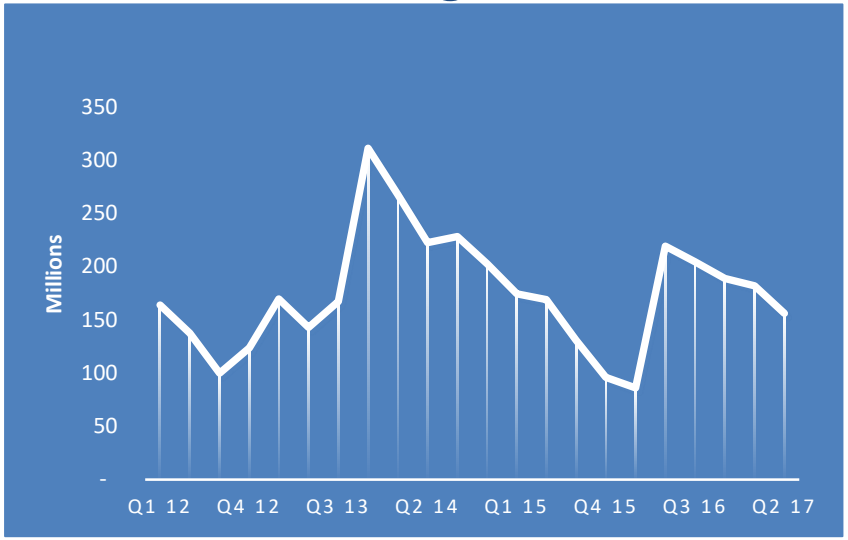
Orders and Backlog

Orders – $M

	FY 2016	2016 B2B	YTD 2017	YTD 2017 B2B
Towers & Weldments	260.8	*1.64*	30.6	*.37*
Gearing	14.2	*.69*	19.0	*1.91*
Process Systems	n/a	*n/a*	8.1	*1.29*
Total	**275.0**	***1.53***	**57.6**	***.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

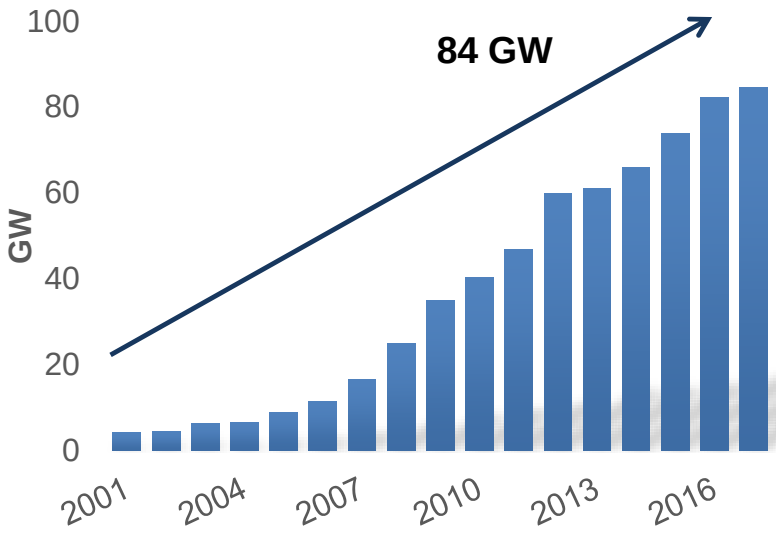
Backlog – $M



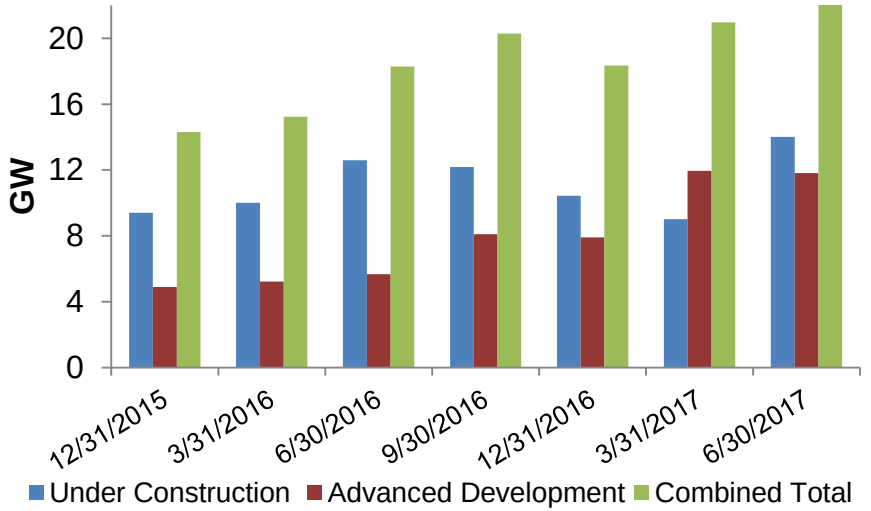
- 6/30/17 backlog $156M
- Curve heavily impacted by PTC dynamics
- Industry slowdown in new order intake following PTC qualification boom

>90% of BWEN 2016 Revenue From Wind Energy

Cumulative Installations – US



Wind Power Capacity (GW) Under Construction/Advanced Development

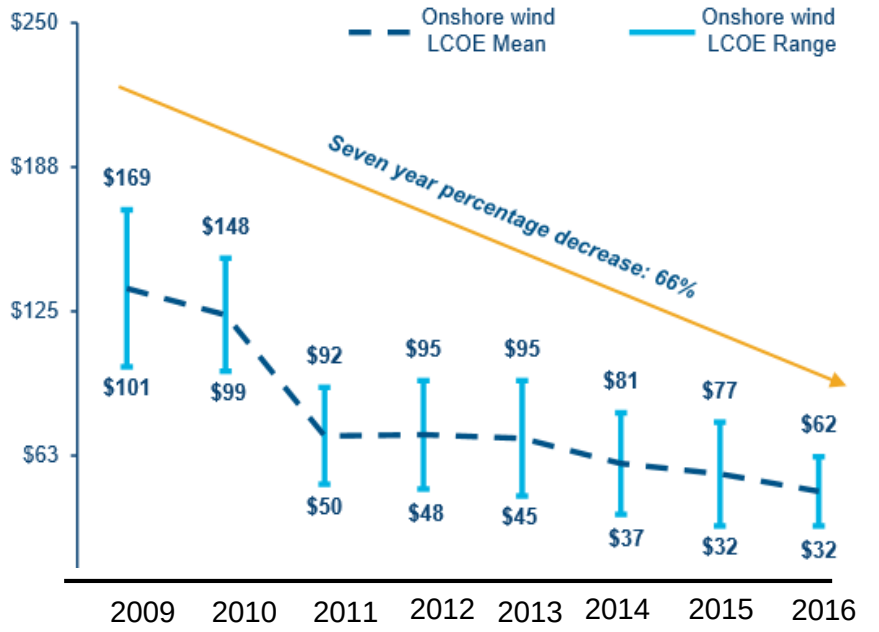


Source: AWEA Q2 17 Market Report

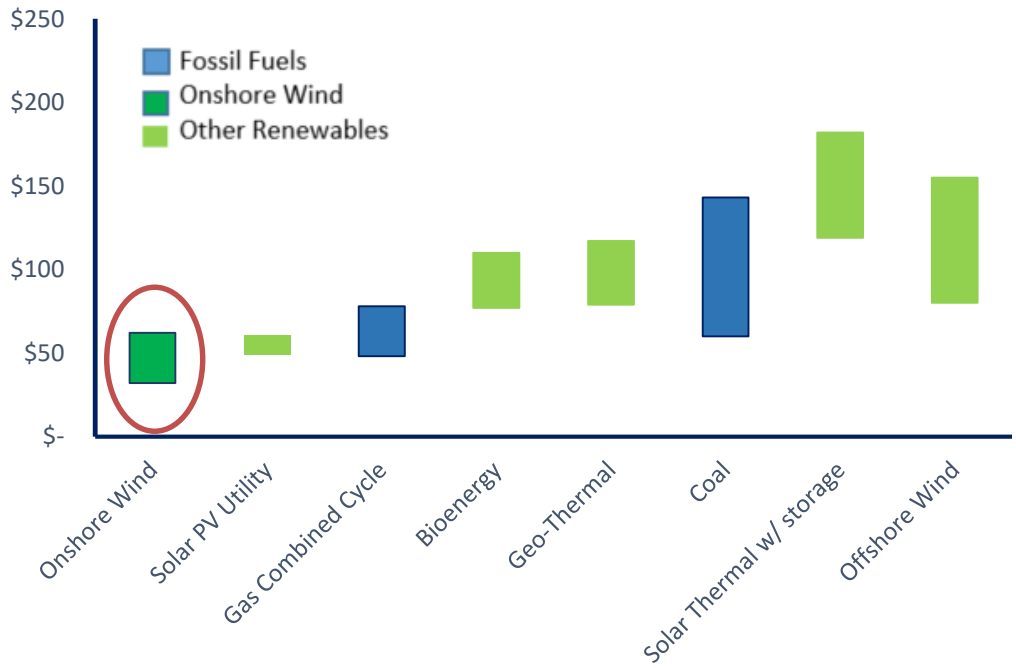
- Over 84 GW currently installed in the US
- 8.2 GW added in 2016 – wind provided 5.5% of electrical power in the US
- ~26 GW under construction or in advanced development at 6/30/17
- Growing demand from commercial/industrial customers
- PTC dynamics creating a 3-6 month pause in signed turbine contracts despite the high volume of development projects in the pipeline

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

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



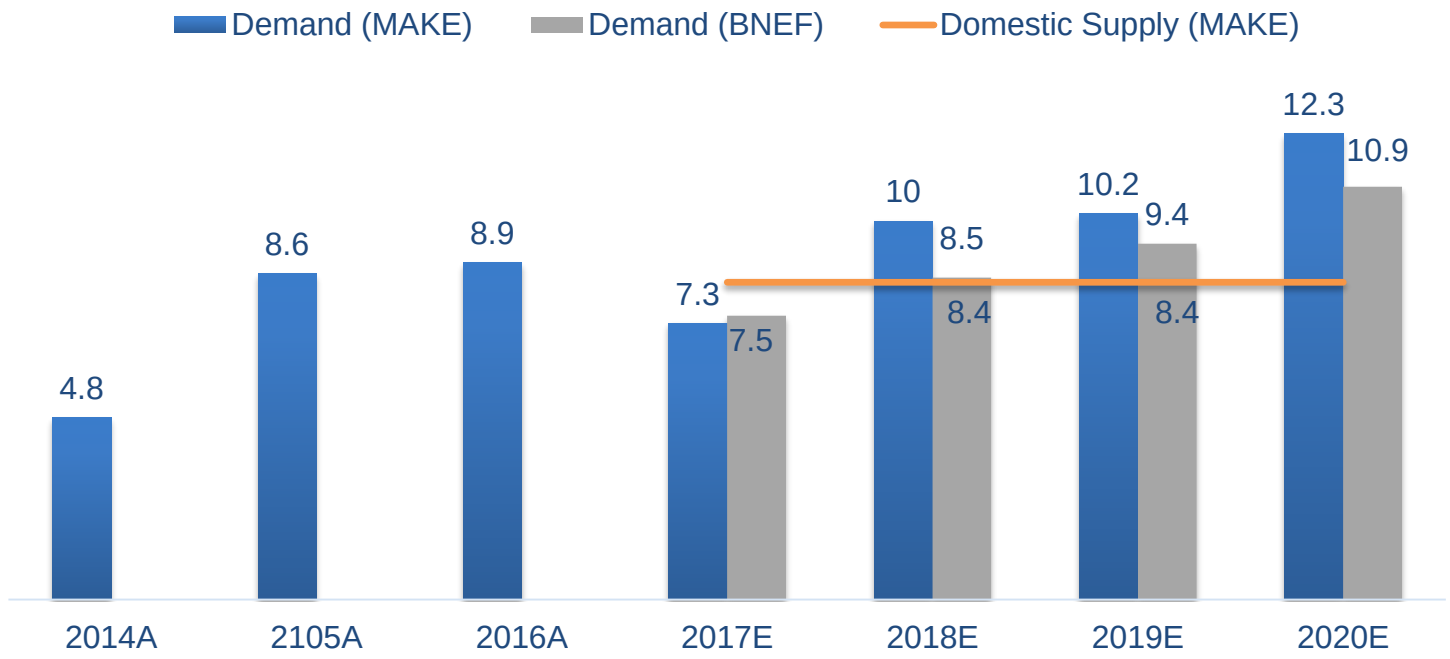
UNSUBSIDIZED Levelized Cost of Power Generation Ranges by Technology - ($/MWh)



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)

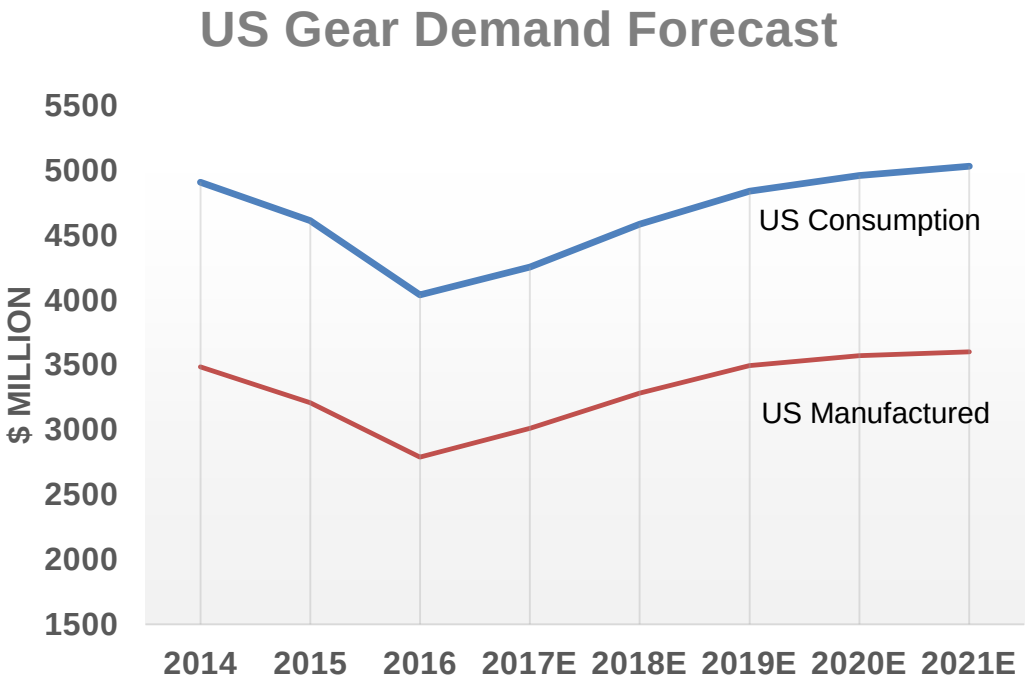
Towers and Weldments



- 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

$M	2013	2014	2015	2016	1H 2017
Towers Sold (units)	392	435	450	458	221
Revenue	159.5	184.9	170.9	160.2	83.2
OI	19.6	18.1	4.7	12.8	8.6
EBITDA	24.8	22.3	9.5	17.2	10.9

Gear Market Update – 2016 Inflection Point



Source: IHS Markit August 2017

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 1H 2017orders more than double 1H 2016

Broadwind: Geared For Industry



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

Sales By Industry 2014-2016





- Replacement Gearing - Wind
- Gearbox repair - Wind



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



- On and offshore drilling
- Frack and mud pumps

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

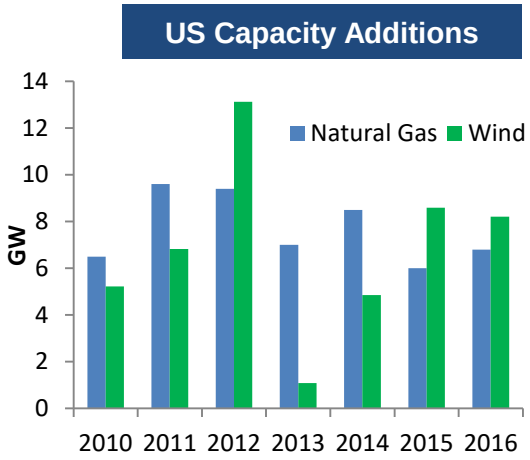
- Custom precision gear manufacturing with state of the art machinery
- Operational turnaround evident – focus on cost management and continuous improvement
- Plant capacity in place to support >$50M annual production rate
- 2017 focus:
  - Leverage expanded sales resources to improve capacity utilization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



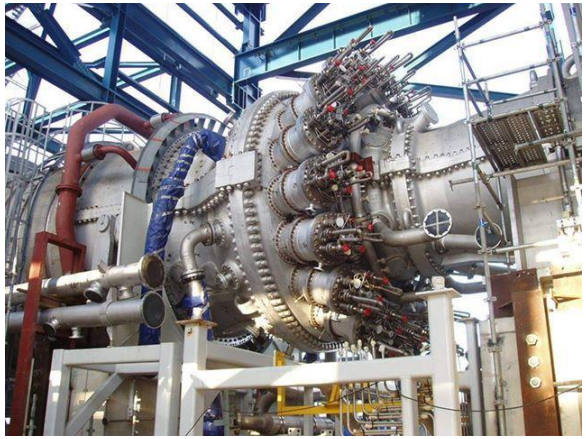
Gearing Financials

$M	2013	2014	2015	2016	1H 2017
Orders	34.5	41.9	24.9	14.2	19.0
Revenue	43.2	42.3	29.6	20.6	9.9
OI	(17.9)	(9.4)	(8.2)	(3.2)	(2.2)
EBITDA	(3.6)	(0.9)	(2.1)	(0.6)	(0.9)

Process Systems



Source: EIA, McCoy Power Reports



- 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
- CNG product line serves new stations and virtual pipeline

Process Systems

$M	Q2 2016	Q2 2017	YTD 2016	YTD 2017
Orders	n/a	4.4	n/a	8.1
Revenue	n/a	3.0	n/a	6.3
Operating Loss	n/a	(1.1)	n/a	(1.9)
EBITDA*	n/a	(0.6)	n/a	(1.1)

* Reconciliation to non-GAAP measure included in Appendix



Q2 Results

- Process Systems includes Abilene-based CNG, and Red Wolf as of Feb 1, 2017
- Q2 Orders predominantly Red Wolf $4.1M
- Revenue reflects $1M customer imposed shipping curtailments at quarter-end
- No CNG units completed in Q2

2017 Objectives

- Seamless integration of Red Wolf into BWEN
- Grow Red Wolf business by expanding customer base and entering new markets
- Improve CNG product line performance

Consolidated Financial Results

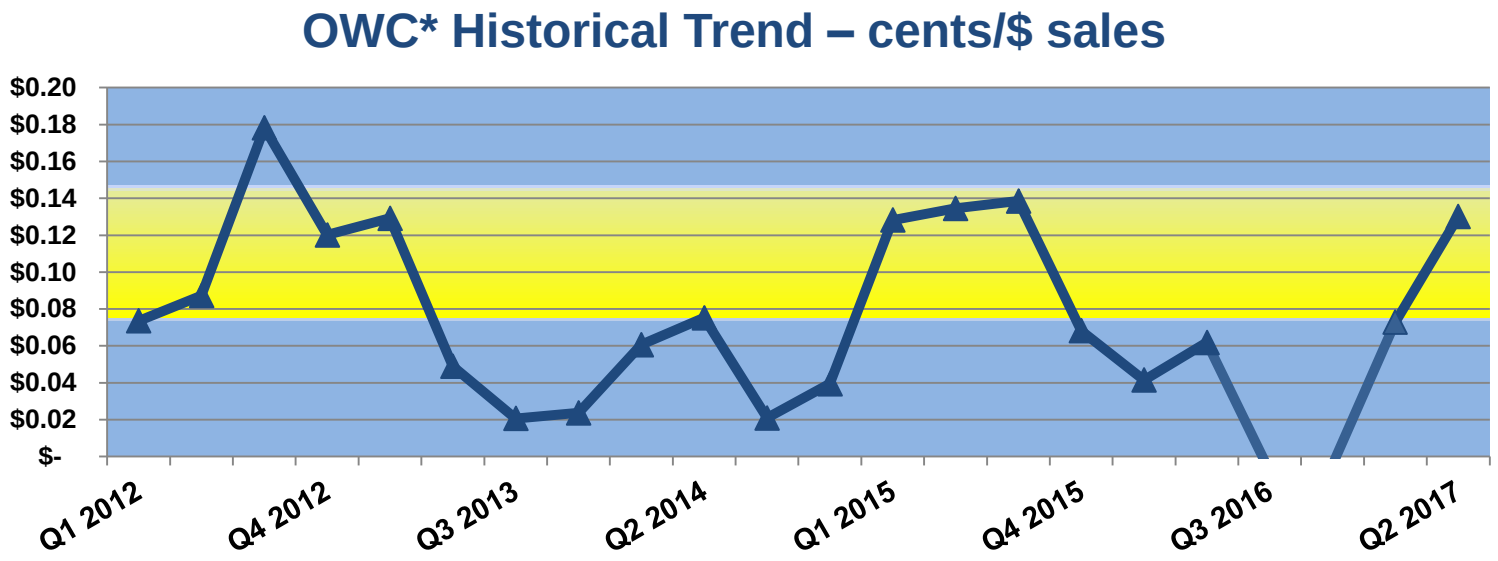
			6 months	
$M except EPS	2015	2016	2016	2017
Revenue	199.2	180.8	90.1	99.4
Gross Profit	7.9	18.1	8.1	10.2
-% (ex. Restructuring)	*4.0%*	*10.0%*	*9.0%*	*10.3%*
Operating Expense-$M	19.8	16.2	8.1	9.2
-% (ex. Restructuring)	*9.4%*	*9.0%*	*9.0%*	*9.2%*
Operating Income/(Loss)	(11.9)	1.9	(0.0)	1.1
Non-GAAP Adj. EBITDA	(0.4)	9.6	3.9	5.9
EPS, Continuing - $.00	(0.83)	0.09	(0.02)	.39*

*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)

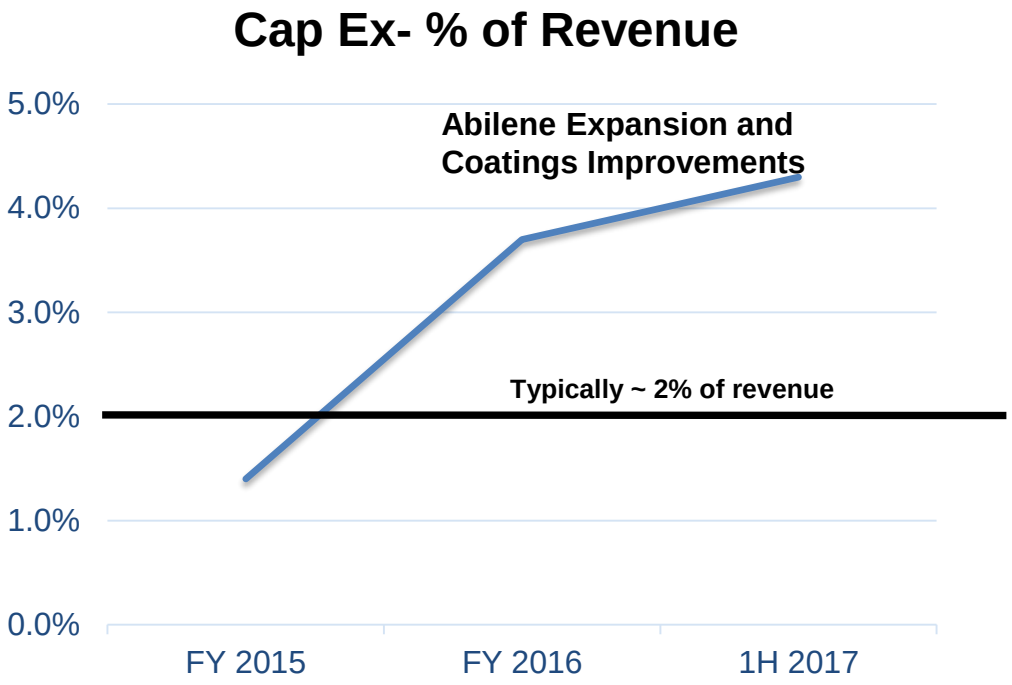


**OWC: Trade A/R + Inventories – Trade Payables – Customer Deposits*

- Q2 OWC back in “normal” range -- $.13/ dollar sales
- OWC increase driven by roll-off of customer deposits and timing of receipts
- 2H 17 OWC expected to decrease as receivables and inventory decrease related to lower tower production, partially offset by Gearing and Red Wolf

Balance Sheet and Capital Expenditures

	(In Millions)	
	12/31/2016	6/30/2017
Cash Assets	$ 21.9	$ 0.2
Accounts Receivable	11.9	21.5
Inventory	21.2	21.3
PPE	54.6	57.4
Other	8.1	24.6
Total Assets	*117.7*	125.0
Accounts Payable	15.9	14.6
Customer Deposits	18.0	5.2
Debt	2.6	16.3
Capital Leases	1.5	2.8
Other	11.1	11.5
Total Liabilities	*49.1*	50.4
Equity	*68.6*	*74.6*



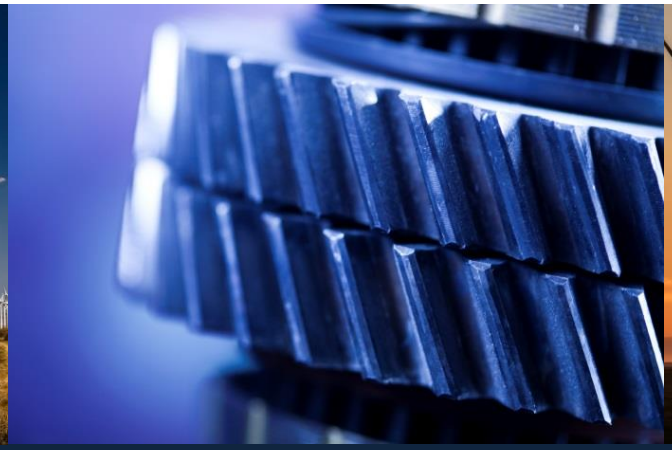
- 2016 cash balance deployed to acquire Red Wolf and fund capital investments
- Capital spending will normalize beginning in late 2017
- June 30, 2017 debt balance of $16M includes $3M forgivable New Markets Tax Credit
- $25M credit line will support operational cash needs

2017 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

- US Wind markets fundamentally strong
- Broadwind gearing gaining share in strong oil & gas market
- Strong balance sheet –good working capital management
- Surplus cash redeployed to diversify into gas turbine supply chain with Red Wolf acquisition
- Conservative capital structure supports operating needs
- >$200M NOL to shelter income for foreseeable future


Appendix

Consolidated	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Net Income/(Loss) from continuing operations	$ (688)	$ 42	$ 5,794	$ (316)
Interest Expense	217	152	356	306
Income Tax Provision/(Benefit)	(16)	(8)	(5,034)	(16)
Depreciation and Amortization	2,203	1,787	4,304	3,443
Share-based Compensation and Other Stock Payments	241	174	462	433
Restructuring Expense	-	-	-	-
Adjusted EBITDA (Non-GAAP)	$ 1,957	$ 2,147	$ 5,882	$ 3,850

Towers and Weldments Segment	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Net Income	$ 2,024	$ 1,801	$ 6,028	$ 3,941
Interest Expense/(Benefit)	20	6	35	16
Income Tax Provision/(Benefit)	772	923	2,603	2,027
Depreciation and Amortization	1,070	1,094	2,162	2,060
Share-based Compensation and Other Stock Payments	58	37	115	75
Adjusted EBITDA (Non-GAAP)	$ 3,944	$ 3,861	$ 10,943	$ 8,119

Gearing Segment	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Net Loss	$ (638)	$ (1,194)	$ (2,175)	$ (2,401)
Interest Expense	2	3	6	7
Income Tax Provision/(Benefit)	2	1	4	2
Depreciation and Amortization	612	641	1,238	1,280
Share-based Compensation and Other Stock Payments	23	25	41	72
Adjusted EBITDA (Non-GAAP)	$ 1	$ (524)	$ (886)	$ (1,040)

Process Systems	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Net Income/(Loss)	$ (1,103)	$ -	$ (5,769)	$ -
Interest Expense	1	-	3	-
Income Tax Provision/(Benefit)	-	-	3,841	-
Depreciation and Amortization	467	-	801	-
Share-based Compensation and Other Stock Payments	10	-	15	-
Adjusted EBITDA (Non-GAAP)	$ (625)	$ -	$ (1,109)	$ -

Corporate and Other	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Net Income/(Loss)	$ (971)	$ (565)	$ 7,710	$ (1,856)
Interest Expense	194	143	312	283
Income Tax Provision/(Benefit)	(790)	(932)	(11,482)	(2,045)
Depreciation and Amortization	54	52	103	103
Share-based Compensation and Other Stock Payments	150	112	291	286
Adjusted EBITDA (Non-GAAP)	$ (1,363)	$ (1,190)	$ (3,066)	$ (3,229)

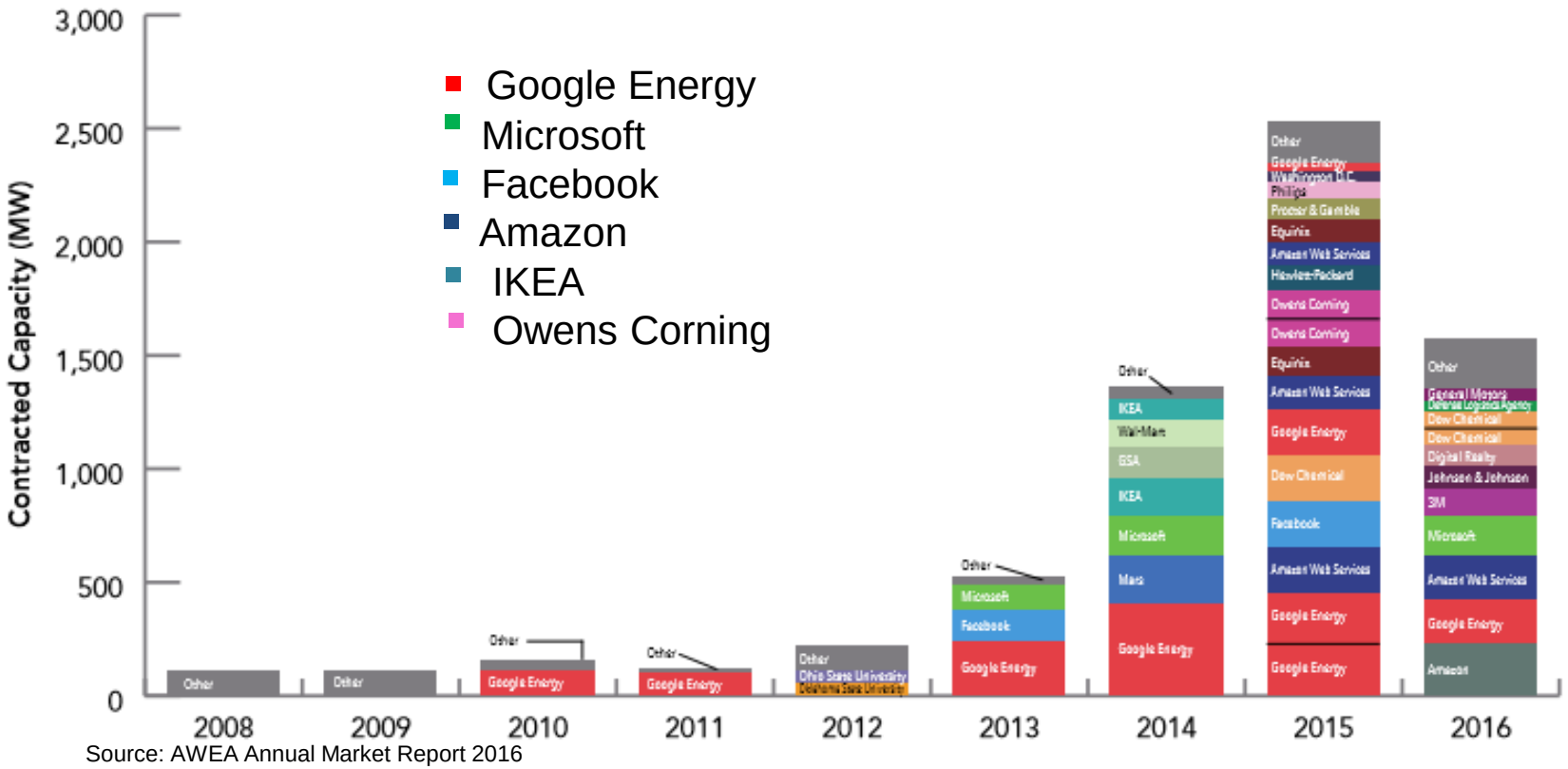
Broadwind Energy is a precision manufacturer of structures, equipment & components for clean tech and other specialized applications.






www.BWEN.com

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



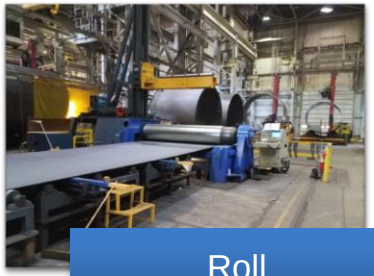
Source: AWEA Annual Market Report 2016

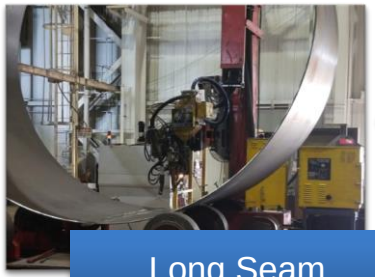
- 39% of MW contracted in 2016 through PPA's were signed by Fortune 500 companies, universities and government agencies
- Emergent and sustained demand market for wind industry

Making a Wind Tower – More than Metal Bending


Steel Plate Prepped


Bevel

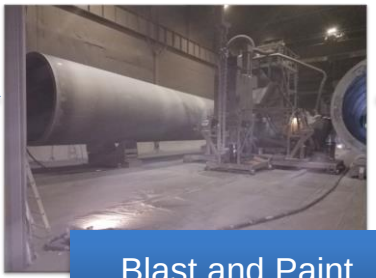

Roll


Long Seam


Flange Fit Up


Circ Weld


Clip and Clean


Blast and Paint


Assembly

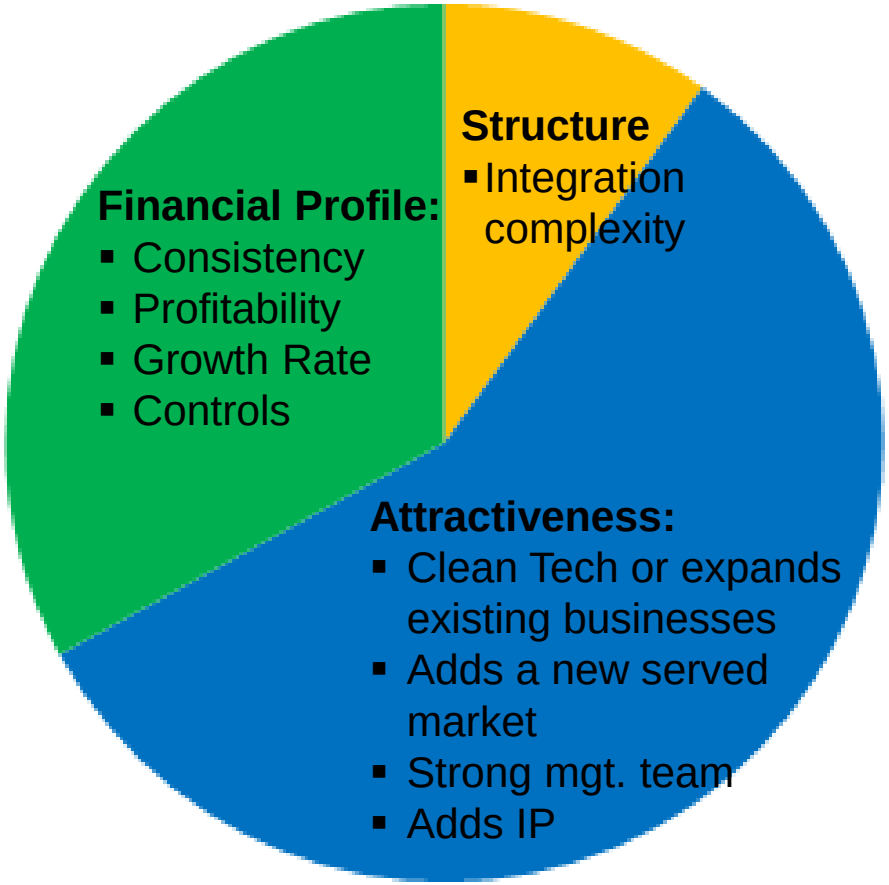
M&A Overview & Selection Criteria

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