

BROADWIND | THINK BIG.

Fourth Quarter 2022 Conference Call Presentation

March 9, 2023

SAFE-HARBOR STATEMENT

This release 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.

4Q22 PERFORMANCE SUMMARY

PERFORMANCE UPDATE
Fourth Quarter 2022

4Q22 Performance
Three months ended Dec. 31 2022

- **Commercial execution.** Broad-based y/y revenue and Adjusted EBITDA growth across each reporting segment
- **Order and backlog growth.** 4Q22 orders increased 270% y/y; near record backlog of $297.2 million as of 12/31/22
- **Improved margin outlook.** Will complete lower-margin project activity in backlog in Q1 '23; improved demand, operating leverage, price discipline support margin expansion in 2023
- **Improved asset utilization.** 50% of optimal tower capacity is booked for the full-year 2023 and 2024
- **Improved balance sheet.** Total cash and availability of $40.1 million, +$25.2 million on a y/y basis – sufficient liquidity to support business growth
- **Favorable policy outlook.** IRA-related policy visibility provides significant, incremental tax benefits for qualifying projects; OEM activity beginning to improve

Targeted commercial expansion, improved operational execution

Record orders and backlog entering 2023

Strategic Progress Points
As of March 2023

New business development. $175 million in new wind tower orders with major global OEM (announced Jan-23)

Revenue mix diversification. Increased non-wind revenue by 45% since 2018 – supports risk mitigation

Asset optimization. More than half of optimal wind tower capacity booked through year-end 2024

Record, high-margin backlog. IRA 45x tax credit supports improved project economics on backlog

Disciplined capital allocation. More than $40 million in cash and liquidity to support growth entering 2023; net leverage of 0.7x

CONSOLIDATED FINANCIAL DATA

Fourth Quarter 2022

Demand recovery underway within Wind market, while other, diverse end-markets remain stable entering 2023

+54% y/y revenue growth, supported by increased demand across all segments

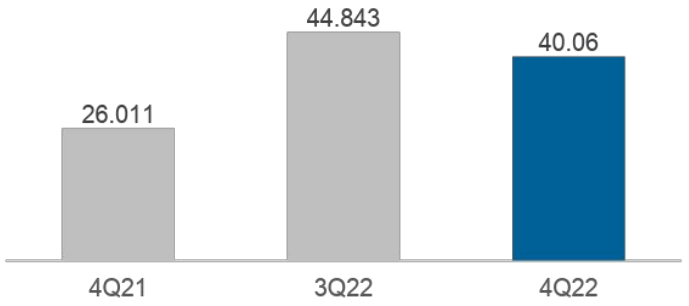
Gross profit margin **increased +270 bps y/y to 6.4%;** includes completion of a portion of competitively priced tower order in 4Q22, the remainder of which will be completed in 1Q23

Generated y/y growth in Adjusted EBITDA in **all reporting segments**

Improved demand expected to drive **increased operating leverage** in 2023

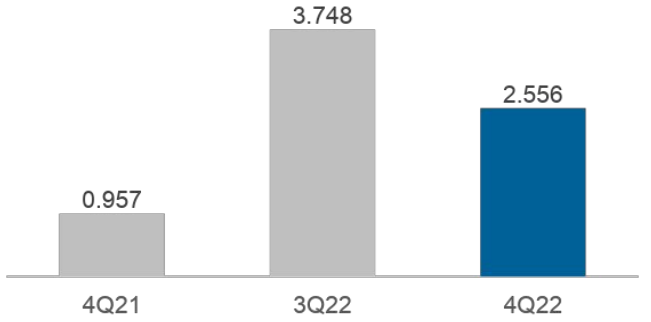
Total Revenue

($MM)



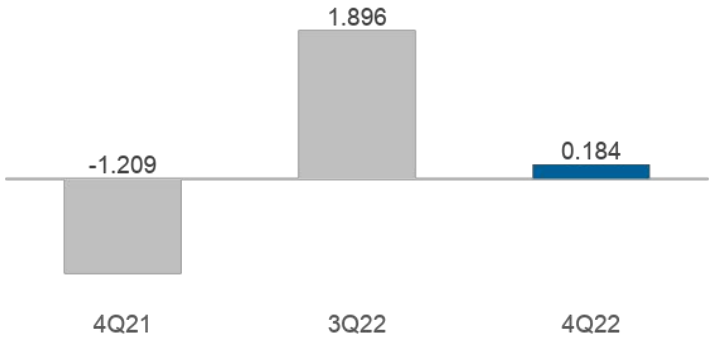
Gross Profit

($MM)



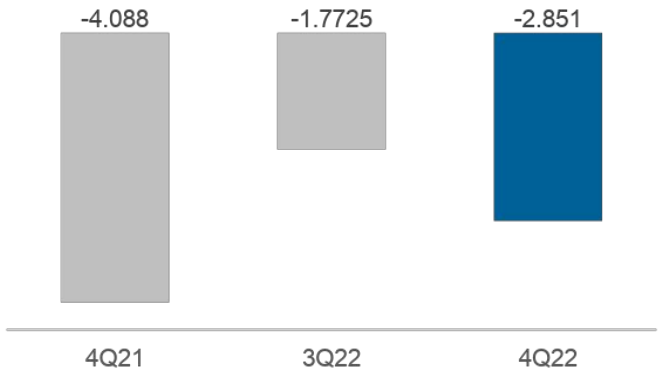
Adjusted EBITDA

($MM)



Net Income (Loss)

($MM)



HEAVY FABRICATIONS SEGMENT

Fourth Quarter 2022

Organic share gains position us to drive above-market growth into a secular domestic onshore wind recovery

+61% y/y segment revenue growth, supported by increasingly stable backlog of project work

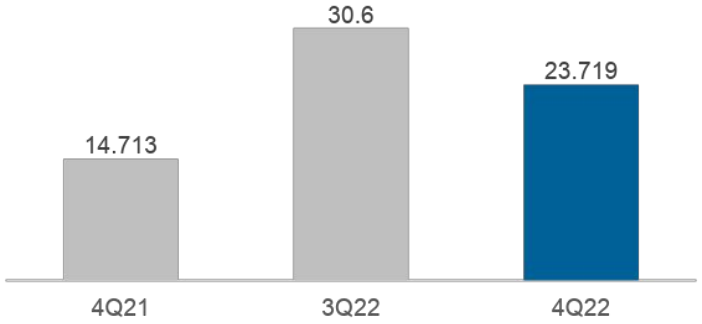
Segment EBITDA burdened by new tower model start-up costs and production of lower-margin order which will be completed in Q1 ' 23

Orders and backlog benefited from **$175 million in new orders** with major OEM announced in Jan-23

Anticipated, additional new tower awards **to further support operating leverage**

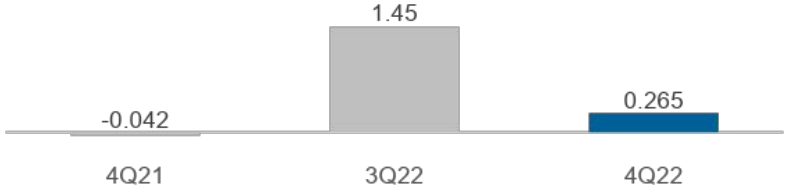
Segment Revenue

($MM)



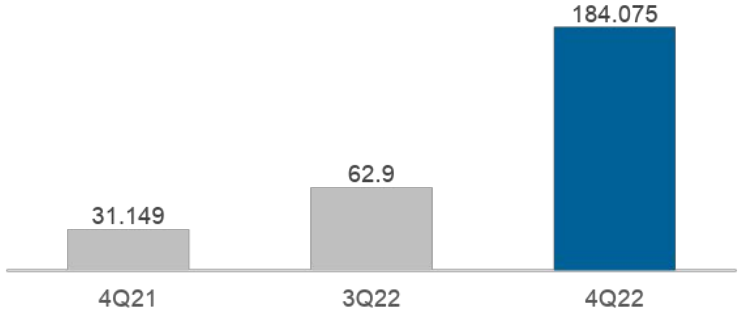
Segment EBITDA

($MM)



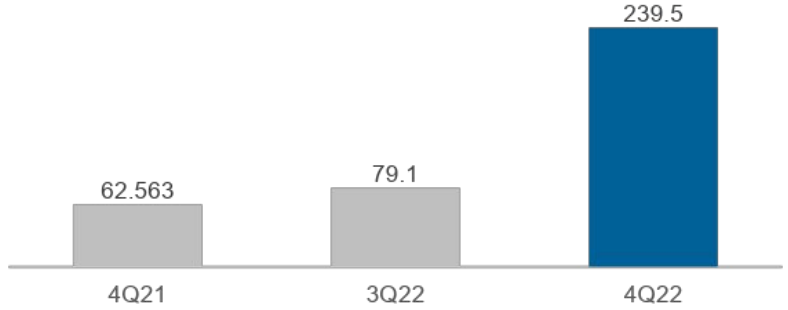
Segment Orders

($MM)



Segment Backlog at Quarter-End

($MM)



GEARING SEGMENT
Fourth Quarter 2022

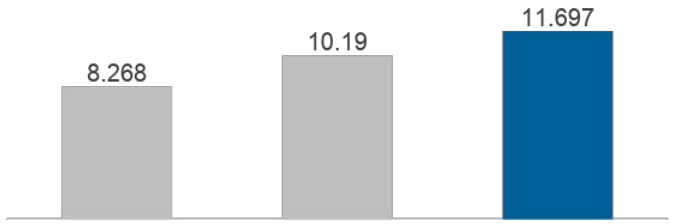
Focused on driving segment EBITDA margin to within a low-to-mid teens % range through improved utilization, higher-margin project work

+41% y/y segment revenue growth, supported by demand growth within energy, industrial and steel markets

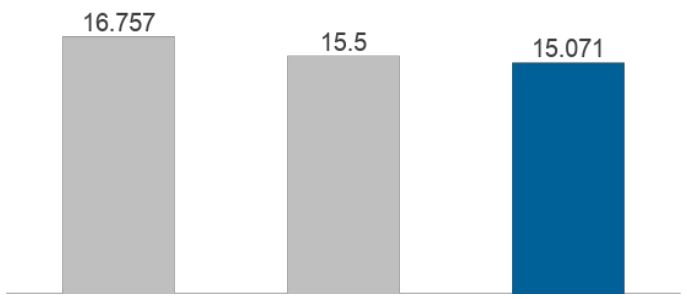
Focused on driving continued price discipline, improved mix and further operational excellence to drive sustained margin expansion

Segment backlog remains elevated, **+33%** on a y/y basis

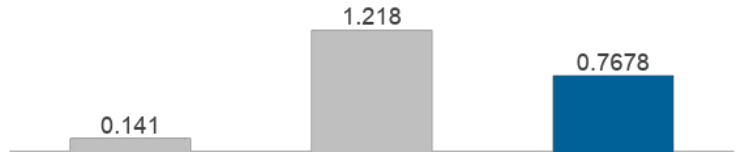
Segment Revenue
($MM)



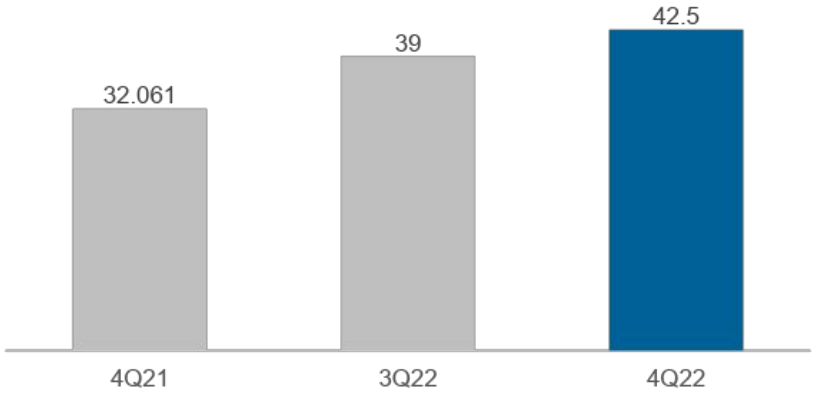
Segment Orders
($MM)



Segment EBITDA
($MM)



Segment Backlog at Quarter-End
($MM)



INDUSTRIAL SOLUTIONS SEGMENT

Fourth Quarter 2022

Seeing renewed strength in the natural gas turbine market, while benefiting from improved price realization and lower logistics expenses

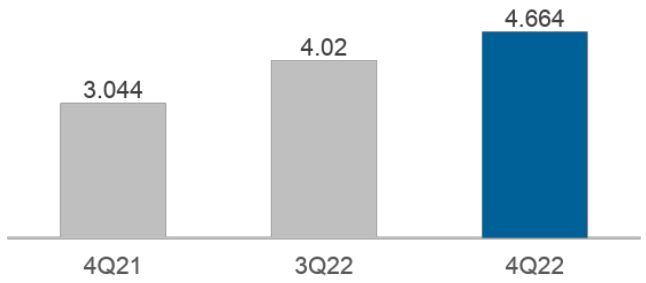
+53% y/y segment revenue growth, supported by improved demand in the global natural gas turbine market

Delivered 15% EBITDA margin in 4Q22, versus negative margin in the prior-year period

Segment backlog remains elevated, **+29%** on a y/y basis

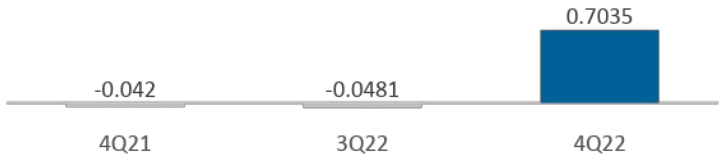
Segment Revenue

($MM)



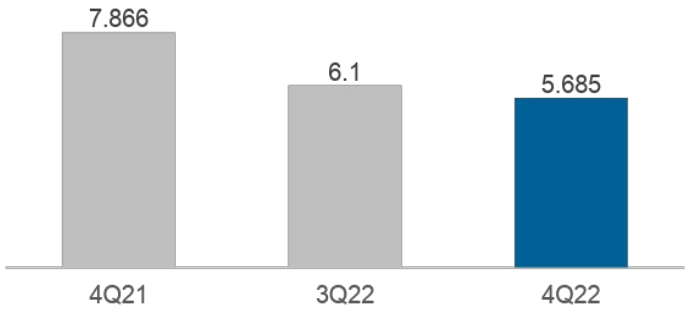
Segment EBITDA

($MM)



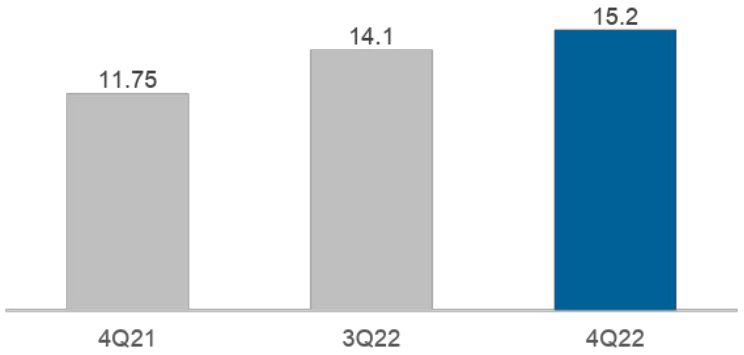
Segment Orders

($MM)



Segment Backlog at Quarter-End

($MM)



BALANCE SHEET UPDATE

As of December 31, 2022

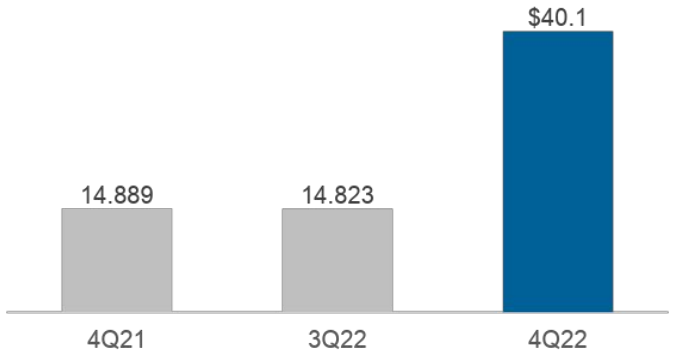
We had more than $40 million of cash and liquidity as of 12/31/22, given recent actions to further optimize working capital management

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

At 12/31/22, net leverage was 0.7x, well within our targeted range of at or below 2.0x

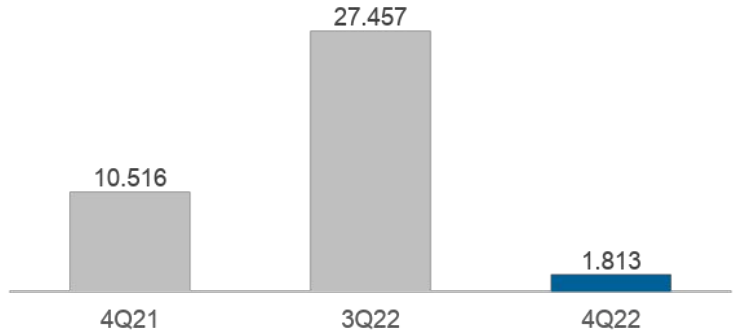
Cash and LOC Availability at Quarter-End

($MM)



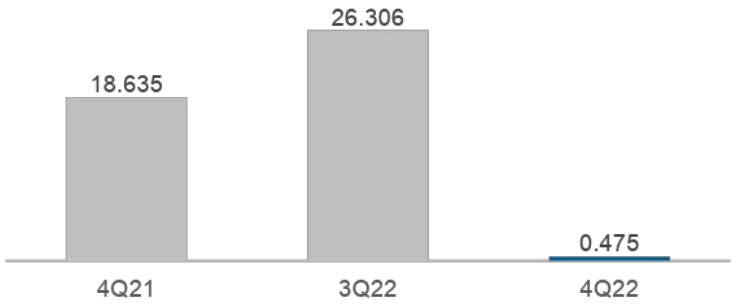
Net Debt Outstanding(1)

($MM)



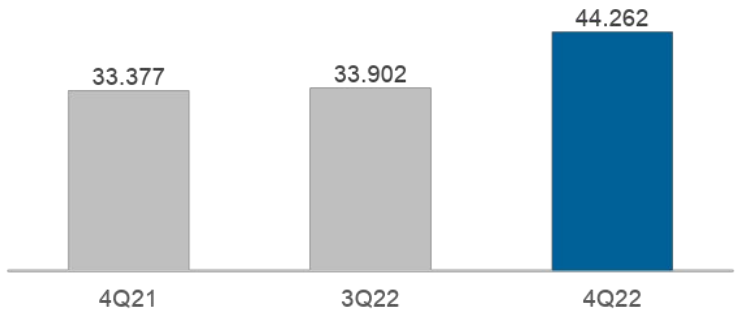
Operating Working Capital

($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

Risk-adjusted guidance implies significant y/y growth in revenue, EBITDA and margin realization

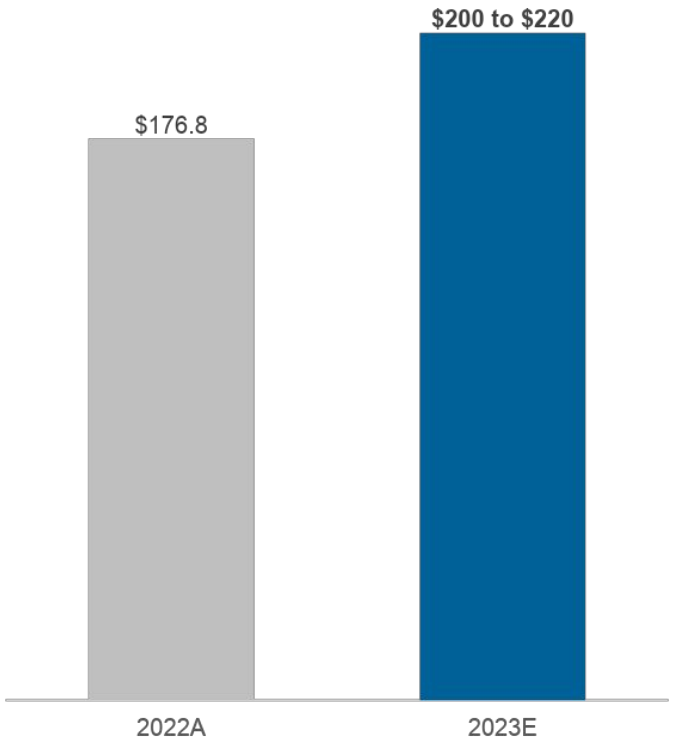
Risk-adjusted guidance reflects ratable demand recovery across both wind and non-wind markets in 2023

Assumes approximately 50% utilization at tower facilities as of March 2023, 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

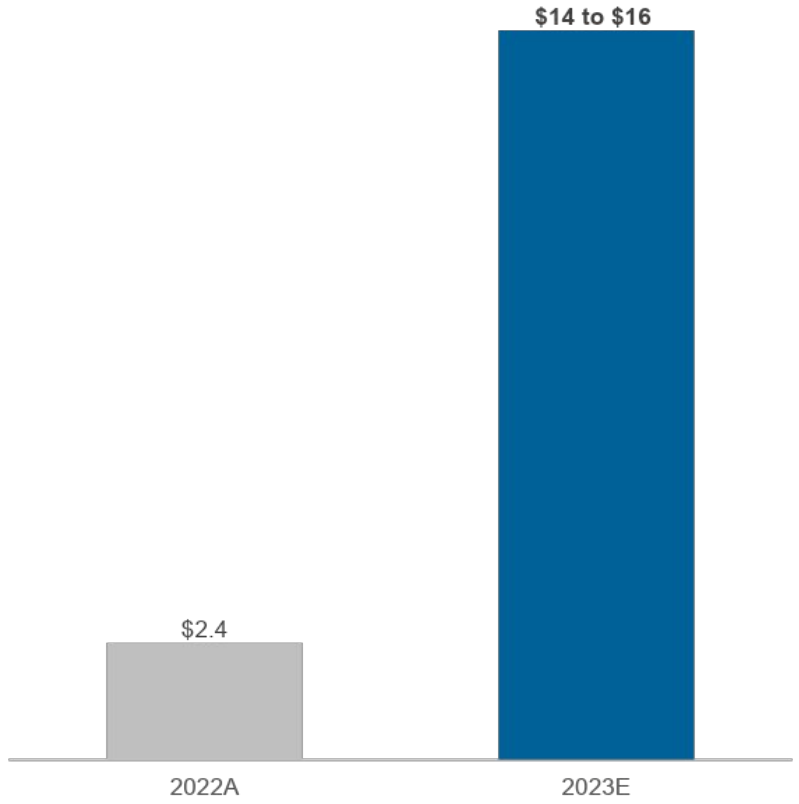
Total Revenue

($MM)



Total Adjusted EBITDA

($MM)



BUSINESS UPDATE

BROADWIND VISION 2025

Leveraging our precision manufacturing expertise to support energy transition technologies

We seek to be a tier-1 producer and supplier of customer-driven fabrications and solutions that support next-generation energy transition technologies

We are positioning Broadwind to capitalize on a multi-decade investment trend within wind, solar, clean fuels, power and infrastructure

Strategic Growth Priorities

High-growth energy transition market focus

Drive high-performance culture focused on long-term value creation
Culture of accountability focused on delivering quality, innovative solutions

Maximize precision manufacturing share within growing, high-value energy transition markets
Partner with leading global organizations to deliver next-generation fabrications and tooling

Pursue bolt-on acquisitions of complementary assets that expand capabilities and TAM
Enhance service capabilities, augment product offering and accelerate our leadership position

Secure pipeline of high-value backlog to support profitable growth
Grow share-of-wallet with new and existing customers across diverse end-markets

Drive operational excellence to support commercial success
Drive margin expansion through plant optimization, operational improvements, multi-year commercial wins

TRANSFORMATIONAL NEW TOWER ORDER

Announced $175 million in wind tower purchase orders 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 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



More than doubles total backlog as of 9/30/22
Order more than doubles current total backlog, when compared to 9/30/22

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

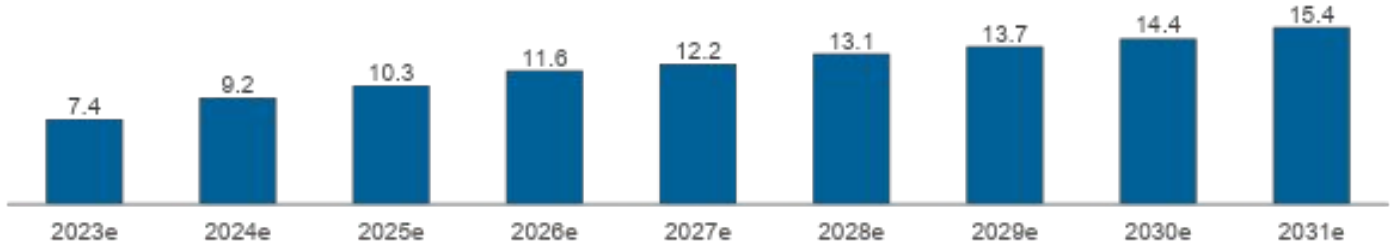
The passage of the IRA extends tax credit availability into the mid-2030s

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

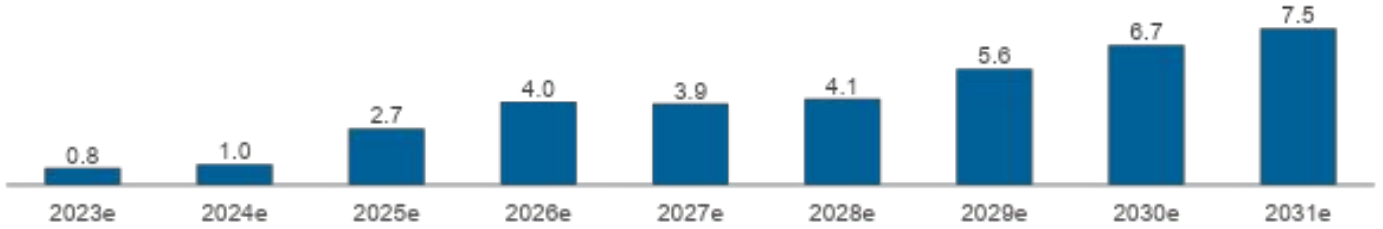
United States Onshore Wind Development Forecast(1)

(Total GW Installed Annually, Excludes Repowering (2023-2030)



United States Offshore Wind Development Forecast(1)

(Total GW Installed Annually, 2023 to 2030)



(1) All forecast data sourced from Wood Mackenzie as of March 2023

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 for which this order qualifies.

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	1,000,0000
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**

(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)(iii)
(4) $0.03 x 1,000,000 watts per MW
(5) Assuming average MW per tower of 3.1

APPENDIX

CORPORATE OVERVIEW

Leading U.S. based precision manufacturer supporting the clean energy transition

Why We Win

Unique Value Proposition

- Proven engineering and technical capabilities
- Expertise in manufacturing large, complex fabrications
- Integrated design, sourcing, fabrication, machining, coating, assembly
- Stringent testing and quality capabilities
- Targeted, multi-industry focus

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
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
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

Our Customer Base

Established OEM Relationships

SIEMENS Gamesa RENEWABLE ENERGY · GE · NORDEX We've got the power. · KONECRANES · Ingersoll Rand · WEIR · CATERPILLAR

Our Manufacturing Base

Established OEM Relationships



Manitowoc, WI
Tower Manufacturing
Industrial Fabrications
Facility



Abilene, TX
Tower Manufacturing
Industrial Fabrication
Facility



Cicero, IL
Gear Manufacturing
and Gearbox Repair
Facility



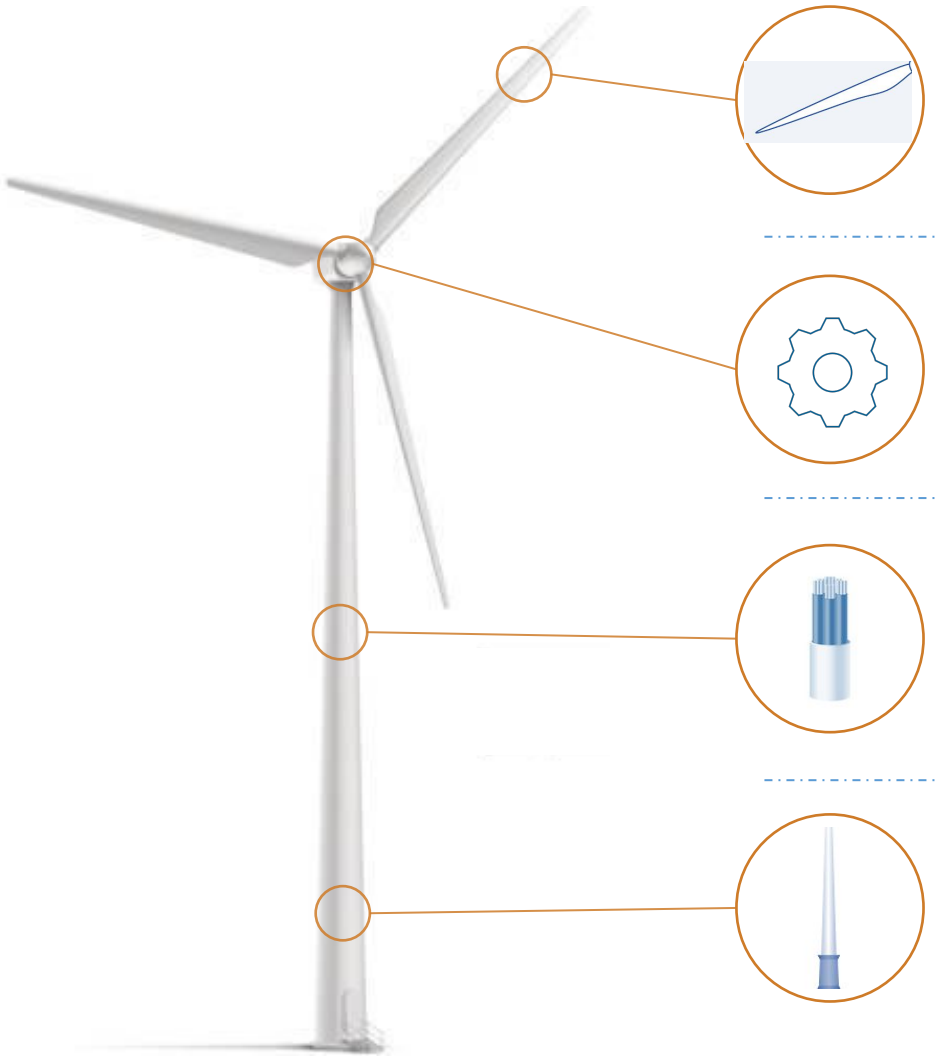
Pittsburgh, PA
Gearbox Repair and
Heat Treat Facility



Sanford, NC
Industrial Solutions and
Gearbox Repair Facility

INDEPENDENT WIND ENERGY MANUFACTURERS

Broadwind is a Key Link in the Value Chain



Wind Blade

tpi COMPOSITES

LM WIND POWER

Gearing / Nacelle

BROADWIND

winergy

ZF

moventas

Sumitomo Drive Technologies

Power Cables / System

Prysmian Group

amsc

kerite ESP CABLE

Tower

BROADWIND

ARCOSA

MARMEN

Gestamp Renewables

EXHIBIT A

Orders, Revenues and Operating Income (Loss) Consolidated and by Segment

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
ORDERS:				
Heavy Fabrications	$ 184,075	$ 31,150	$ 294,097	$ 93,246
Gearing	15,071	16,757	53,597	46,081
Industrial Solutions	5,685	7,866	20,333	19,698
Total orders	$ 204,831	$ 55,773	$ 368,027	$ 159,025
REVENUES:				
Heavy Fabrications	$ 23,720	$ 14,713	$ 117,206	$ 101,994
Gearing	11,697	8,268	42,588	28,583
Industrial Solutions	4,663	3,044	17,804	15,402
Corporate and Other	(20)	(14)	(839)	(360)
Total revenues	$ 40,060	$ 26,011	$ 176,759	$ 145,619
OPERATING PROFIT/(LOSS):				
Heavy Fabrications	$ (1,032)	$ (1,341)	$ (1,044)	$ (3,214)
Gearing	116	(504)	43	(2,593)
Industrial Solutions	487	(217)	120	(386)
Corporate and Other	(1,673)	(1,913)	(5,726)	(6,401)
Total operating loss	$ (2,102)	$ (3,975)	$ (6,607)	$ (12,594)

EXHIBIT B

GAAP to Non-GAAP Consolidated Adjusted EBITDA Reconciliation

Consolidated	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
Net (Loss) Income	$ (2,851)	$ (4,090)	$ (9,730)	$ 2,847
Interest Expense	863	313	3,218	1,129
Income Tax Provision	(1)	(76)	35	25
Depreciation and Amortization	1,478	1,577	6,060	6,336
Share-based Compensation and Other Stock Payments	695	1,067	2,861	2,872
Adjusted EBITDA (Non-GAAP)	$ 184	$ (1,209)	$ 2,444	$ 13,209

Heavy Fabrications Segment	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
Net (Loss) Income	$ (926)	$ 367	$ (1,935)	$ 6,996
Interest Expense	338	149	1,585	530
Income Tax (Benefit) Provision	(330)	(1,742)	(579)	382
Depreciation	852	941	3,446	3,844
Share-based Compensation and Other Stock Payments	331	244	1,028	975
Adjusted EBITDA (Non-GAAP)	$ 265	$ (41)	$ 3,545	$ 12,727

Gearing Segment	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
Net Income (Loss)	$ (5)	$ (554)	$ (190)	$ 1,280
Interest Expense	117	30	249	62
Income Tax Provision	4	20	7	30
Depreciation and Amortization	471	472	1,978	1,855
Share-based Compensation and Other Stock Payments	192	173	589	531
Adjusted EBITDA (Non-GAAP)	$ 779	$ 141	$ 2,633	$ 3,758

EXHIBIT B

GAAP to Non-GAAP Consolidated Adjusted EBITDA Reconciliation

Industrial Solutions Segment	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
Net (Loss) Income	$ 410	$ (196)	$ (130)	$ 488
Interest Expense	74	13	221	56
Income Tax Provision	1	(34)	22	21
Depreciation and Amortization	98	110	397	425
Share-based Compensation and Other Stock Payments	112	64	295	211
Adjusted EBITDA (Non-GAAP)	$ 695	$ (43)	$ 805	$ 1,201

Corporate and Other	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
Net Loss	$ (2,330)	$ (3,707)	$ (7,475)	$ (5,917)
Interest Expense	334	121	1,163	481
Income Tax Provision (Benefit)	324	1,680	585	(408)
Depreciation and Amortization	57	54	239	212
Share-based Compensation and Other Stock Payments	60	586	949	1,155
Adjusted EBITDA (Non-GAAP)	$ (1,555)	$ (1,266)	$ (4,539)	$ (4,477)

EXHIBIT C
Consolidated Statement of Cash Flows

	Twelve Months Ended December 31	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss) income	$ (9,730)	$ 2,847
Adjustments to reconcile net cash provided by (used in) operating activit		
Depreciation and amortization expense	6,060	6,336
Paycheck Protection Program loan forgiveness	-	(9,151)
Deferred income taxes	(13)	(2)
Change in fair value of interest rate swap agreements	(27)	23
Stock-based compensation	944	1,541
Allowance for doubtful accounts	(30)	(426)
Common stock issued under defined contribution 401(k) plan	1,244	1,193
Loss (gain) on disposal of assets	3	(33)
Changes in operating assets and liabilities:		
Accounts receivable	(3,186)	1,961
Employee retention credit receivable	497	(497)
Contract assets	(820)	1,117
Inventories	(10,885)	(6,653)
Prepaid expenses and other current assets	(629)	133
Accounts payable	9,926	(1,736)
Accrued liabilities	686	(2,676)
Customer deposits	22,468	(6,737)
Other non-current assets and liabilities	135	(66)
Net cash provided by (used in) operating activities	16,643	(12,826)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(3,098)	(1,707)
Proceeds from disposals of property and equipment	-	33
Net cash used in investing activities	(3,098)	(1,674)
CASH FLOWS FROM FINANCING ACTIVITIES:		
(Payments on) proceeds from line of credit, net	(6,350)	5,105
Payments for deferred financing costs	(470)	-
Proceeds from long-term debt	8,113	817
Payments on long-term debt	(863)	(161)
Principal payments on finance leases	(1,776)	(1,672)
Shares withheld for taxes in connection with issuance of restricted stock	(549)	(1,423)
Proceeds from sale of common stock, net	230	9,314
Net cash (used in) provided by financing activities	(1,665)	11,980
NET INCREASE (DECREASE) IN CASH	11,880	(2,520)
CASH beginning of the period	852	3,372
CASH end of the period	$ 12,732	$ 852
Supplemental cash flow information:		
Interest paid	$ 1,638	$ 741
Income taxes paid	$ 23	$ 102
Non-cash investing and financing activities:		
Equipment additions via finance lease	$ 3,882	$ 2,757
Non-cash purchases of property and equipment	$ 134	$ 18

EXHIBIT D

Consolidated Balance Sheet

	December 31, 2022	December 31, 2021
ASSETS		
CURRENT ASSETS:		
Cash	$ 12,732	$ 852
Accounts receivable, net	17,018	13,802
Employee retention credit receivable	-	497
Contract assets	1,955	1,136
Inventories, net	44,262	33,377
Prepaid expenses and other current assets	3,291	2,661
Total current assets	79,258	52,325
LONG-TERM ASSETS:		
Property and equipment, net	45,319	43,655
Operating lease right-of-use assets	16,396	18,029
Intangible assets, net	2,728	3,453
Other assets	839	585
TOTAL ASSETS	$ 144,540	$ 118,047
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Line of credit and current portion of long-term debt	$ 1,170	$ 6,650
Current portion of finance lease obligations	2,008	2,060
Current portion of operating lease obligations	1,882	1,775
Accounts payable	26,255	16,462
Accrued liabilities	4,313	3,654
Customer deposits	34,550	12,082
Total current liabilities	70,178	42,683
LONG-TERM LIABILITIES:		
Long-term debt, net of current maturities	7,141	177
Long-term finance lease obligations, net of current portion	4,226	2,481
Long-term operating lease obligations, net of current portion	16,696	18,405
Other	26	167
Total long-term liabilities	28,089	21,230
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; 21,127,130 and 19,859,650 shares issued as of December 31, 2022 and December 31, 2021, respectively	21	20
Treasury stock, at cost, 273,937 shares as of December 31, 2022 and December 31, 2021, respectively	(1,842)	(1,842)
Additional paid-in capital	397,240	395,372
Accumulated deficit	(349,146)	(339,416)
Total stockholders' equity	46,273	54,134
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 144,540	$ 118,047



IR CONTACT

Please contact our investor relations team at Investor@BWEN.com