Q1 2018 Earnings Call

May 4, 2018

Broadwind ENERGY

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- 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 4, 2018 for a reconciliation of certain non-GAAP measures presented in this presentation.

Q1 2018 Highlights

- Order intake recovering
- Successful ramp up of tower facilities following near shut down in Q4 17
- Q1 18 revenue of $30 million up 69% sequentially as tower production recovers
- Customer diversification efforts on track
- Initiated restructuring plan following exit of CNG business
- Eric Blashford appointed COO

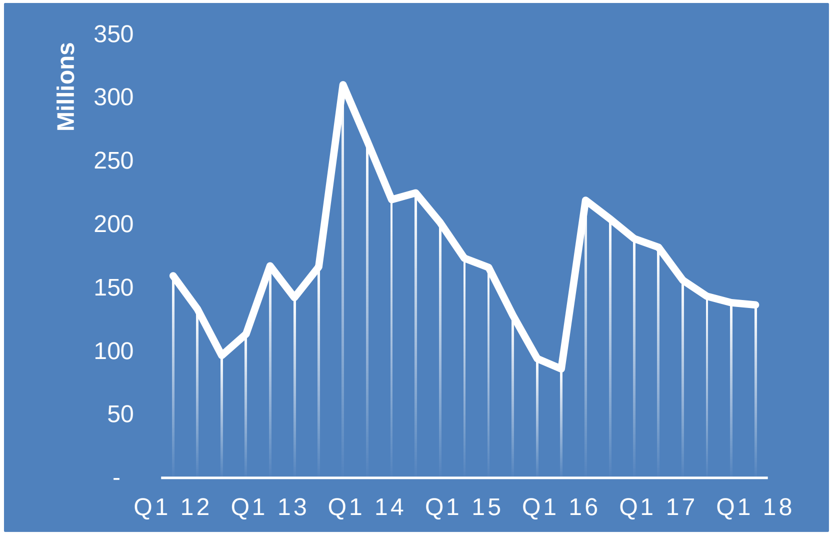
Orders and Backlog ($ Millions)

Orders

	Q1 2017	Q1 2018	YTD 2018 Book:Bill
Towers & Heavy Fabrications	29.1	**7.8**	**.47**
Gearing	7.3	**15.4**	**1.75**
Process Systems	3.6	**4.9**	**1.13**
Total	40.0	**28.1**	**.94**

- Initial tower order following inventory correction that began in Q2 17
- Rising demand for heavy fabrications for mining in 2018
- Strong Gearing orders from oil & gas customers
- Process Systems - timing of acquisition

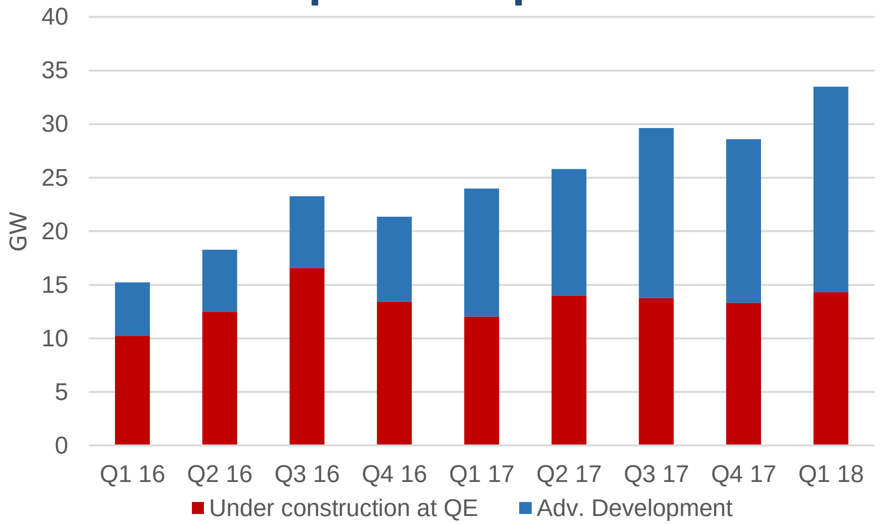
Backlog



- 3/31/18 backlog $136M
- Current multi-year tower order booked in 2016 supports baseload production through 2019 ~$50 M per year

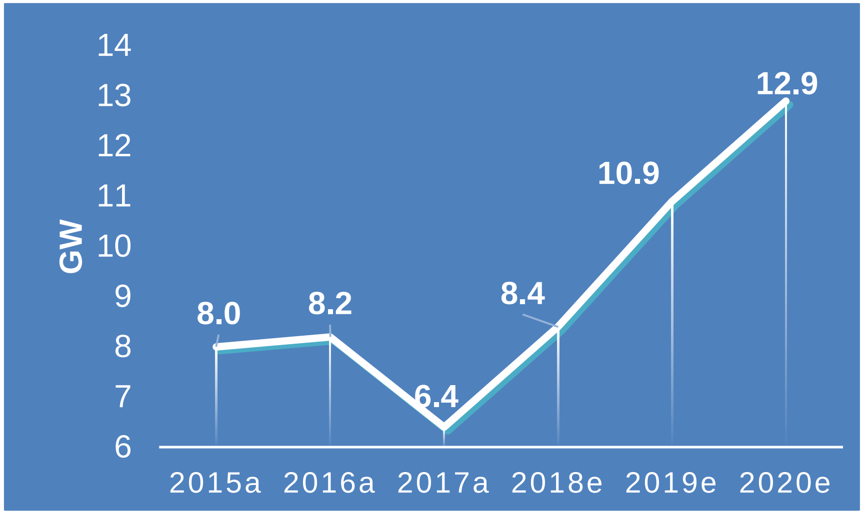
US Wind Market Update

Development Pipeline - GW



Source: AWEA Q4 2017 Market Report

Forecast – GW Installations

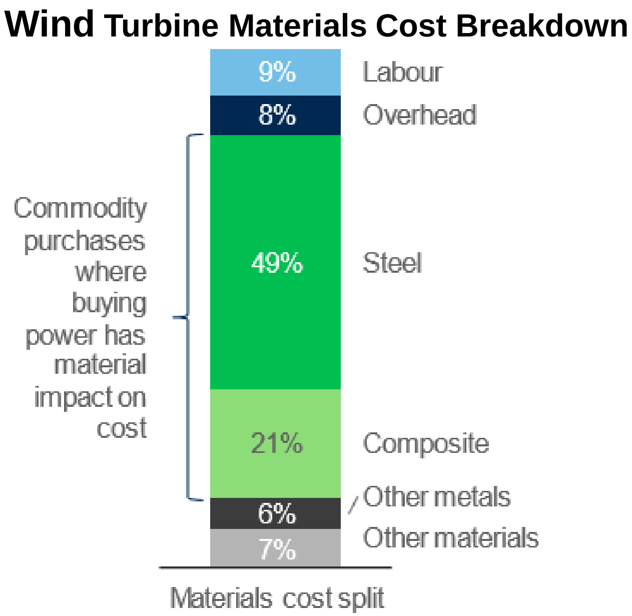


***Source**: MAKE Global Wind Market Outlook Update – Q1 2018 Forecast*

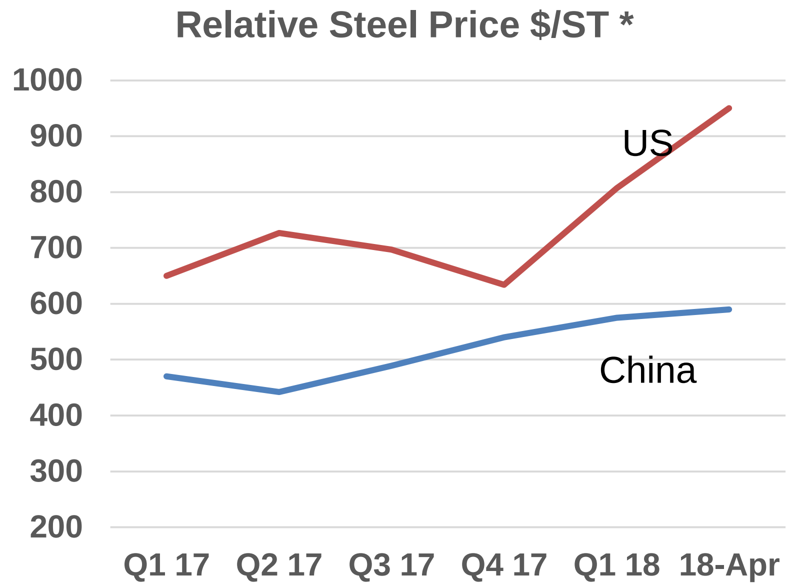
- Wind development pipeline remains robust – 40% increase vs. Q1 2017
- Adv. dev means turbines ordered, PPA signed or utility owned
- The majority of pipeline projects will qualify for 100% or 80% PTC

- Slight shift of demand toward PTC-expiration year
- 2021 outlook strengthening with 80% PTC qualifications of 10 GW
- Post-PTC uncertainty remains for 2022 and beyond

Tariff and Trade Uncertainties



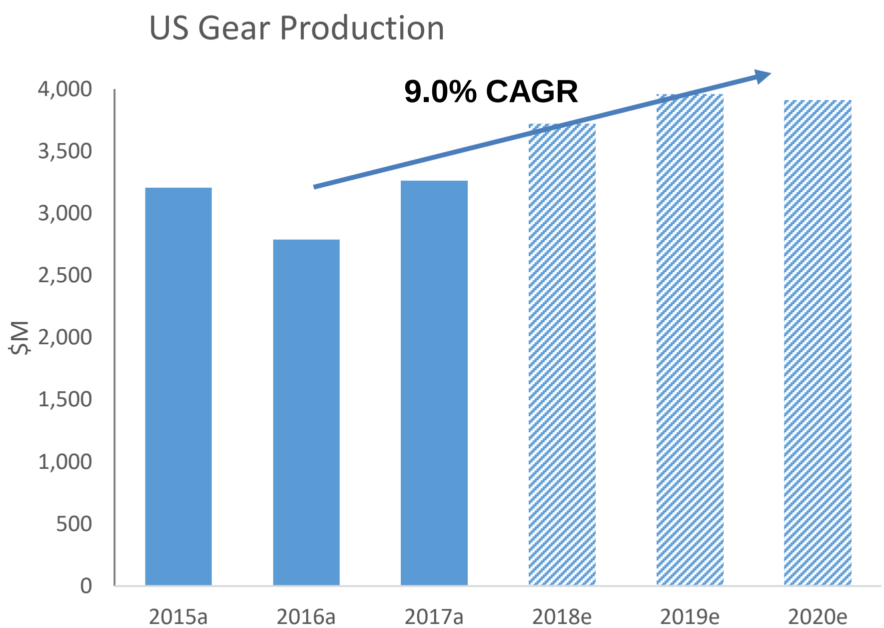
Note: Materials cost breakdown based on 2MW turbine
Source: MAKE



Source: Platts

- Steel accounts for nearly half of material content of a wind turbine
- Fluctuating US vs Chinese steel prices influence tower sourcing for US OEM's – depending on location of windfarm and shipping costs (also highly variable)
- Steel price differential on ~200 ton/tower material content ranges from $16k (low in Q4 2017) to $75k (recent prices)
- Section 232 announcement has triggered domestic steel price spike; final tariff/quota outcome remains highly uncertain – to-date countries accounting for ~ 65% of steel imports are exempted

Demand for U.S. gearing remains healthy



**Excluding automotive*

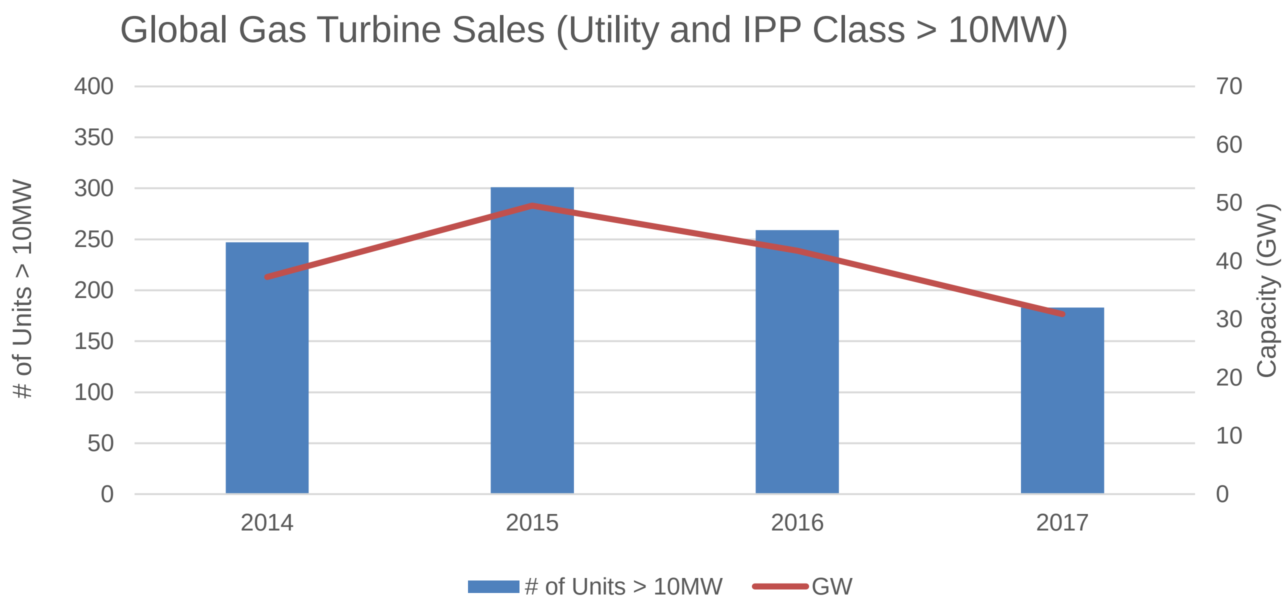
Sources: AGMA & IHS

	% market	2014-2017 CAGR	2017-2019 CAGR
Turbines & Power	10%	-6%	+5%
Oil & Gas	6%	-13%	+22%
Mining & Const	7%	-6%	+7%
Other Industrial	38%	+1.5%	+1%

Source: IHS Markit December 2017
Markets excluded: farm machinery, aerospace, railroad, shipbuilding and machine tools

- U.S. market reached inflection point in 2016
- For BWEN, oil and gas resurgence has dominated, but mining is becoming healthier as well
- Fracking equipment market strong – horsepower additions up 60% drives demands for gearboxes

Global Gas Turbine Market



Source: *McCoy Power Reports*

- Low power pricing environment has strained both new unit and aftermarket activity
- New unit deliveries in 2017 fell well short of PY and industry forecast
- Q1 18 orders up slightly – 10MW and 92 units, although not expected to be sustained
- Red Wolf focus on customer diversification outside of gas turbine OEM's

BWEN Consolidated Financial Results

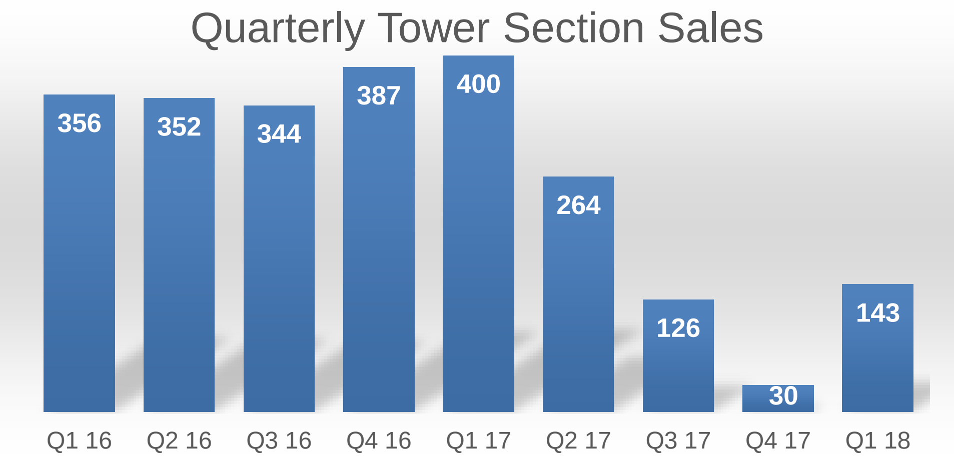
	Q1 17	Q4 17	Q1 18
Total Sales	$56.1	$17.8	**$30.0**
Gross Profit	6.4	(3.1)	**(.1)**
Gross Profit %	*11.4%*	*(17.5%)*	***(.4%)***
Operating Expense	4.8	3.6	**4.4**
Operating Income/(Loss)	1.6	(6.7)	**(4.5)**
% of sales	*2.9%*	*(37.6%)*	***(15.1%)***
Adj. EBITDA	3.9	(4.0)	**(1.6)**
% of sales	*7.0%*	*(22.2%)*	***(5.3%)***
EPS, Continuing	.43	(.45)	**(.32)**
$M except as noted otherwise			

- Q1 18 sales down from Q1 17 but up 69% sequentially –tower production begins to ramp up and continued strength in Gearing sales
- Operating loss for Q1 18 due primarily to low tower volume but recovery is evident
- Adj. EBITDA loss of $1.6 million in Q1 18 – weak tower results, partially offset by improvements in other businesses, 17pp improvement sequentially

Towers and Heavy Fabrications

	Q1 2017	Q4 2017	Q1 2018
Orders ($M)	$29.1	$2.5	**$7.8**
Sections Sold (#)	400	9	**143**
Revenue ($M)	48.9	4.2	**16.8**
Operating Inc/(Loss) ($M)	5.8	(4.5)	**(1.5)**
-% of Sales	*12.0%*	*n/m*	***(9.0%)***
EBITDA* ($M)	7.0	(3.0)	**(.1)**
- % of Sales	*14.3%*	*n/m*	***n/m***

* Reconciliation to non-GAAP measure included in Appendix



Q1 Results

- Initial tower order received after very weak 2017, continued demand for mining fabrications
- Q1 18 sections sold significantly below prior year, but up sequentially as production restarts from near shut down
- Operating loss due to low tower volume, less favorable product mix and significant start-up costs

2018 Objectives

- Diversify tower customer base and grow heavy fabrications business
- Cost out to offset margin pressure
- Build capabilities and customer base for heavy fabrications

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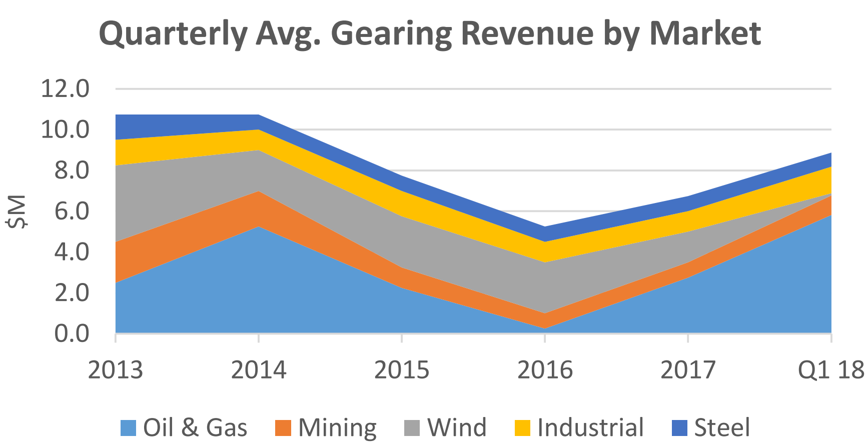
Gearing

	Q1 2017	Q4 2017	Q1 2018
Orders ($M)	$7.3	$7.4	**$15.4**
Revenue ($M)	3.9	8.5	**8.8**
Operating (Loss)/ Income ($M)	(1.5)	(.1)	**(.6)**
EBITDA* ($M)	(.9)	.6	**-**

* Reconciliation to non-GAAP measure included in Appendix



Q1 Results

- Orders continue to be strong primarily from oil & gas customers
- Revenue more than double Q1 17
- Generated small positive EBITDA during Q1 18

2018 Objectives

- Optimize production flow through plants
- Continue diversification of customer base
- Achieve consistent operating pattern
- Generate positive operating income

Process Systems

	Q1 2017	Q4 2017	Q1 2018
Orders ($M)	$3.6	$2.4	**$4.9**
Revenue ($M)	3.3	5.1	**4.4**
Operating Profit/(Loss) ($M)	(.8)	(.5)	**(.9)**
EBITDA* ($M)	(.5)	-	**(.3)**

* Reconciliation to non-GAAP measure included in Appendix

Q1 Results

- Process Systems includes Abilene-based CNG and fabrications, and Red Wolf as of Feb 1, 2017
- Operating loss worse due to low productivity
- Initiated restructuring plan for Abilene fabrications facility and exit of CNG business

2018 Objectives

- Progress Red Wolf customer diversification
- Expand share with existing customers
- Exit CNG

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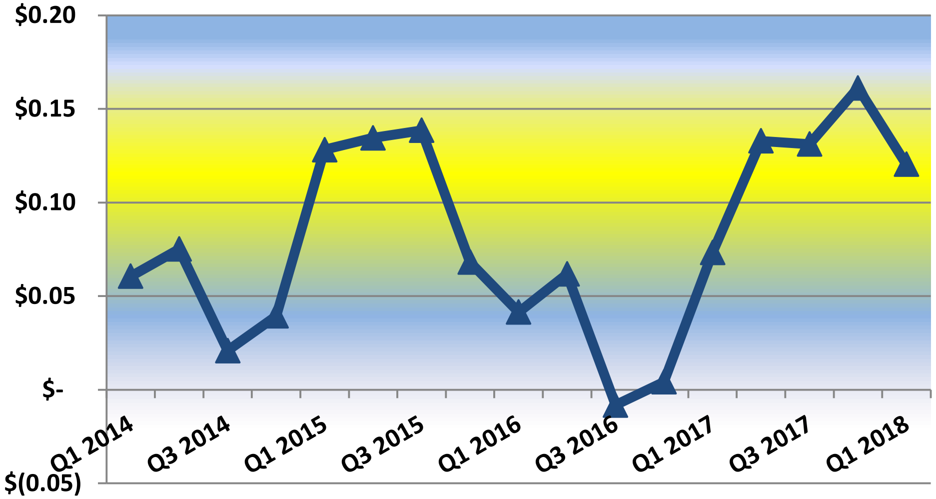
Operating Working Capital (OWC)

OWC* Management

	12/31/17	3/31/18
DSO	70	48
Inv. Turns	5.0	5.4
DPO	44	42
Cash Conv. (days)	48	44
OWC $M	11.4	14.3

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

OWC* Historical Trend – cents/$ sales

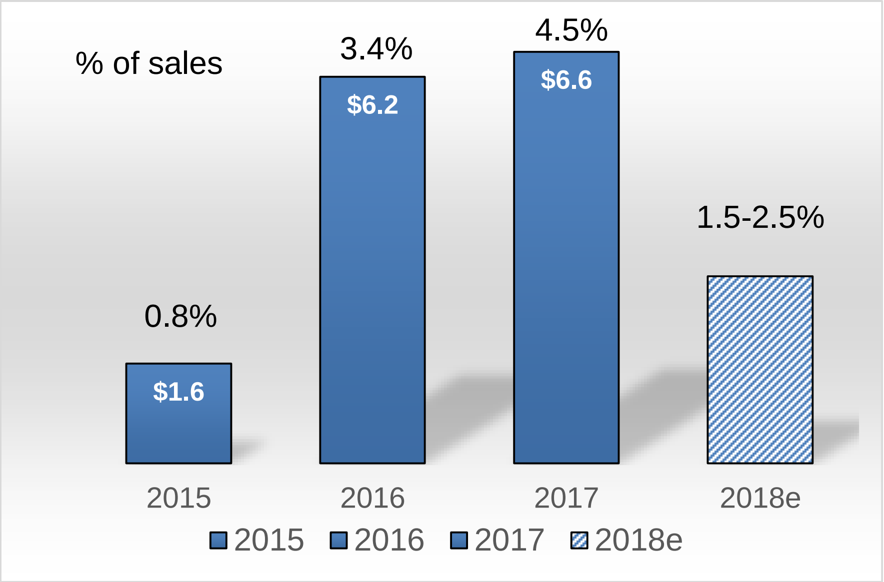


- Reduction in AR past dues since year end
- Inventory turns improving because of elevated production levels

Balance Sheet and Capital Expenditures

	(In Millions) 3/31/2017	12/31/2017	3/31/2018
Cash Assets	$ 0.3	$ 0.1	**$ -**
Accounts Receivable	23.7	13.6	**15.9**
Inventory	25.8	19.3	**22.3**
PPE	56.0	55.7	**53.7**
Other	25.9	23.7	**23.3**
Total Assets	*131.7*	*112.4*	***115.2***
Accounts Payable	19.5	11.8	**13.9**
Customer Deposits	13.6	9.8	**10.0**
Debt + Cap Leases	10.5	16.7	**21.2**
Other	13.0	8.1	**8.4**
Total Liabilities	*56.6*	*46.4*	***53.5***
Equity	*75.1*	*66.0*	***61.7***

Capital Expenditures (net)



- Cash applied to balance on credit line
- CIBC (previously The Private Bank) $25M credit line had $10M of additional availability at quarter-end
- Capital expenditures minimal in 2018– Abilene tower facility expansion complete in 2017

2018 Priorities

- Customer diversification
- Manufacturing footprint reduction
- Restructure systems to support changing sales mix
- CI to offset margin compression
- Manage through steel escalation risk

Appendix

Consolidated	Three Months Ended March 31,	
	2018	2017
Net (Loss)/Income from continuing operations.............	$ (4,811)	$ 6,482
Interest Expense...	298	139
Income Tax Provision/(Benefit)...............................	(27)	(5,018)
Depreciation and Amortization................................	2,357	2,101
Share-based Compensation and Other Stock Payments.....	429	222
Restructuring Costs..	151	-
Adjusted EBITDA (Non-GAAP)........................	$ (1,603)	$ 3,926

Towers and Heavy Fabrications Segment	Three Months Ended March 31,	
	2018	2017
Net (Loss)/Income..	$ (1,115)	$ 4,003
Interest Expense/(Benefit)..................................	31	15
Income Tax (Benefit)/Provision.............................	(419)	1,831
Depreciation and Amortization...............................	1,255	1,092
Share-based Compensation and Other Stock Payments....	143	58
Adjusted EBITDA (Non-GAAP).....................	$ (105)	$ 6,999

Gearing Segment	Three Months Ended March 31,	
	2018	2017
Net Income/(Loss)...	$ (631)	$ (1,537)
Interest Expense..	3	4
Income Tax Provision/(Benefit)............................	3	2
Depreciation and Amortization...............................	590	625
Share-based Compensation and Other Stock Payments....	66	19
Adjusted EBITDA (Non-GAAP)...........................	$ 31	$ (887)

Appendix

Process Systems	**Three Months Ended March 31,**	
	2018	**2017**
Net Income/(Loss)…………………………………………..	$ (644)	$ (699)
Interest Expense………………………………………………..	1	1
Income Tax Provision/(Benefit)………………………….	(253)	(125)
Depreciation and Amortization……………………………	451	334
Share-based Compensation and Other Stock Payments….	28	6
Restructuring Expense	152	-
Adjusted EBITDA (Non-GAAP)………………………	$ (265)	$ (483)

Corporate and Other	**Three Months Ended March 31,**	
	2018	**2017**
Net(Loss)/Income………………………………………	$ (2,421)	$ 4,715
Interest Expense…………………………………………	263	119
Income Tax Provision/(Benefit)…………………………	642	(6,726)
Depreciation and Amortization…………………………	61	51
Share-based Compensation and Other Stock Payments….	192	138
Adjusted EBITDA (Non-GAAP)………………………	$ (1,263)	$ (1,703)

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