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DELTA REPORT

10-Q

TPIC - TPI COMPOSITES, INC

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1230
CHANGES	241
DELETIONS	647
ADDITIONS	342

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, March 31, 2023 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number 001-37839

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TPI Composites, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**20-1590775**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**

9200 E. Pima Center Parkway, Suite 250
Scottsdale, AZ 85258
(480) 305-8910
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01	TPIC	NASDAQ Global Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of October 31, 2023 April 30, 2024, there were 42,571,228 47,468,503 shares of common stock outstanding.

TPI COMPOSITES, INC. AND SUBSIDIARIES

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q, including statements regarding our future results of operations and financial position, business strategy and plans and objectives of management for future operations, are forward-looking statements. In many cases, you can identify forward-looking statements by terms such as “may,” “should,” “expects,” “plans,” “anticipates,” “could,” “intends,” “targets,” “projects,” “contemplates,” “believes,” “estimates,” “predicts,” “potential” or “continue” or the negative of these terms or other similar words. Forward-looking statements contained in this Quarterly Report on Form 10-Q include, but are not limited to, statements about:

- competition from other wind blade and wind blade turbine manufacturers;
- the discovery of defects in our products and our ability to estimate the future cost of warranty campaigns;
- the sufficiency of our cash and cash equivalents to meet our liquidity needs;
- the increasing cost and availability of additional capital, should such capital be needed;
- our projected sales and costs, including materials costs and capital expenditures, during the current fiscal year;
- our projected business model during the current fiscal year, including with respect to the number of wind blade manufacturing lines we anticipate;
- our ability to service our current debt and comply with any covenants related to such debt;
- the current status of the wind energy market and our addressable market;
- our ability to absorb or mitigate the impact of price increases in resin, carbon reinforcements (or fiber), other raw materials and related logistics costs that we use to produce our products;
- our ability to absorb or mitigate the impact of wage inflation in the countries in which we operate;
- our ability to procure adequate supplies of raw materials and components to fulfill our wind blade volume commitments to our customers;
- the potential impact of the increasing prevalence of auction based auction-based tenders in the wind energy market and increased competition from solar energy on gross margins and overall financial performance;
- our future financial performance, including our net sales, cost of goods sold, gross profit or gross margin, operating expenses, ability to generate positive cash flow ability to achieve or maintain profitability;
- changes in domestic or international government or regulatory policy, including without limitation, changes in trade policy and energy policy;
- changes in global economic trends and uncertainty, geopolitical risks, and demand or supply disruptions from global events;
- changes in macroeconomic and market conditions, including the potential impact of any pandemic, risk of recession, rising interest rates and inflation, supply chain constraints, commodity prices and exchange rates, and the impact of such changes on our business and results of operations;
- our ability to attract and retain customers for our products, and to optimize product pricing;
- our ability to effectively manage our growth strategy and future expenses, including our startup and transition costs;
- our ability to successfully expand in our existing wind energy markets and into new international wind energy markets, including our ability to expand our field servi inspection and repair services business;
- our ability to keep up with market changes and innovations;
- our ability to successfully open new manufacturing facilities and expand existing facilities on time and on budget;
- the impact of the pace of new product and wind blade model introductions on our business and our results of operations;
- our ability to identify and execute a strategic alternative to enable the growth of our automotive business;
- our ability to maintain, protect and enhance our intellectual property;

- our ability to comply with existing, modified or new laws and regulations applying to our business, including the imposition of new taxes, duties or similar assessme our products;
- the attraction and retention of qualified associates and key personnel;

- our ability to maintain good working relationships with our associates, and avoid labor disruptions, strikes and other disputes with labor unions that represent certai our associates; and
- the potential impact of one or more of our customers becoming bankrupt or insolvent, or experiencing other financial problems.

These forward-looking statements are only predictions. These statements relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other important factors that may cause our actual results, levels of activity, performance or achievements to materially differ from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. We have described in the “Risk Factors” section of our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 filed with the United States Securities and Exchange Commission (SEC) on February 22, 2023 February 22, 2024 the principal risks and uncertainties that we believe could cause actual results to differ from these forward-looking statements. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, you should not rely on these forward-looking statements as guarantees of future events.

The forward-looking statements in this Quarterly Report on Form 10-Q represent our views as of the date of this Quarterly Report on Form 10-Q. We anticipate that subsequent events and developments will cause our views to change. However, while we may elect to update these forward-looking statements at some point in the future, we undertake no obligation to update any forward-looking statement to reflect events or developments after the date on which the statement is made or to reflect the occurrence of unanticipated events except to the extent required by applicable law. You should, therefore, not rely on these forward-looking statements as representing our views as of any date after the date of this Quarterly Report on Form 10-Q. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, or investments we may make.

PART I. FINANCIAL INFORMATION

ITEM I. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

TPI COMPOSITES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
	(in thousands, except par value data)		(in thousands, except par value data)	
Assets				
Current assets:				
Cash and cash equivalents	$ 160,649	$ 133,546	$ 116,850	$ 161,059
Restricted cash	9,300	9,854	12,035	10,838
Accounts receivable	135,660	184,809	125,870	138,029
Contract assets	184,379	215,939	93,149	112,237
Prepaid expenses	27,321	29,119	18,536	17,621

Other current assets	34,484	26,052	41,003	34,564
Inventories	5,779	10,661	13,679	9,420
Assets held for sale			22,253	17,787
Current assets of discontinued operations	4,857	35,182	1,036	1,520
Total current assets	562,429	645,162	444,411	503,075
Property, plant and equipment, net	128,071	136,841	126,379	128,808
Operating lease right of use assets	134,732	152,312	135,858	136,124
Other noncurrent assets	30,219	27,861	39,205	36,073
Total assets	$ 855,451	$ 962,176	$ 745,853	$ 804,080
Liabilities, Mezzanine Equity and Stockholders' Equity				
Liabilities and Stockholders' Deficit				
Current liabilities:				
Accounts payable and accrued expenses	$ 247,562	$ 280,499	$ 220,300	$ 227,723
Accrued warranty	42,955	22,347	37,500	37,483
Current maturities of long-term debt	63,290	59,975	78,576	70,465
Current operating lease liabilities	21,912	22,220	22,373	22,017
Contract liabilities	1,792	17,100	10,234	24,021
Liabilities held for sale			2,834	1,897
Current liabilities of discontinued operations	7,954	54,440	1,950	2,815
Total current liabilities	385,465	456,581	373,767	386,421
Long-term debt, net of current maturities	128,834	1,198	431,038	414,728
Noncurrent operating lease liabilities	117,038	133,363	116,755	117,133
Other noncurrent liabilities	15,272	10,670	8,360	8,102
Total liabilities	646,609	601,812	929,920	926,384
Commitments and contingencies (Note 15)				
Mezzanine equity:				
Series A Preferred Stock, $0.01 par value, 400 shares authorized; 350 shares issued and outstanding at September 30, 2023 and December 31, 2022; liquidation preference of $488,625 at September 30, 2023 and $475,735 at December 31, 2022	356,679	309,877		
Stockholders' equity:				
Common shares, $0.01 par value, 100,000 shares authorized, 43,091 shares issued and 42,571 shares outstanding at September 30, 2023 and 100,000 shares authorized, 42,369 shares issued and 42,044 shares outstanding at December 31, 2022	431	424		
Commitments and contingencies (Note 12)				
Stockholders' deficit:				
Common shares, $0.01 par value, 100,000 shares authorized, 48,514 shares issued and 47,469 shares outstanding at March 31, 2024 and 100,000 shares authorized, 46,990 shares issued and 46,471 shares outstanding at December 31, 2023			485	470
Paid-in capital	351,448	407,570	433,924	431,335
Accumulated other comprehensive loss	(10,834)	(15,387)	(8,885)	(7,627)
Accumulated deficit	(478,748)	(334,569)	(597,816)	(536,348)
Treasury stock, at cost, 520 shares at September 30, 2023 and 325 shares at December 31, 2022	(10,134)	(7,551)		
Total stockholders' equity	(147,837)	50,487		
Total liabilities, mezzanine equity and stockholders' equity	$ 855,451	$ 962,176		

Treasury stock, at cost, 1,045 shares at March 31, 2024 and 519 shares at December 31, 2023	(11,775)	(10,134)
Total stockholders’ deficit	(184,067)	(122,304)
Total liabilities and stockholders’ deficit	$ 745,853	$ 804,080

See accompanying notes to our unaudited condensed consolidated financial statements.

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TPI COMPOSITES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2023	2022	2024	2023
	(in thousands, except per share data)				(in thousands, except per share data)	
Net sales	$ 372,860	$ 384,438	$ 1,158,197	$ 1,120,465	$ 299,062	$ 404,066
Cost of sales	379,219	380,729	1,203,867	1,099,368	307,084	399,381
Startup and transition costs	4,817	4,821	10,174	22,417	22,229	1,980
Total cost of goods sold	384,036	385,550	1,214,041	1,121,785	329,313	401,361
Gross loss	(11,176)	(1,112)	(55,844)	(1,320)		
Gross profit (loss)					(30,251)	2,705
General and administrative expenses	28,709	8,030	42,510	22,578	6,699	7,034
Loss on sale of assets and asset impairments	5,857	2,969	15,269	6,142	1,830	3,593
Restructuring charges, net	1,167	(189)	3,490	(390)	182	75
Loss from continuing operations	(46,909)	(11,922)	(117,113)	(29,650)	(38,962)	(7,997)
Other income (expense):						
Interest expense, net	(1,628)	(1,210)	(6,034)	(2,872)	(21,385)	(2,528)
Foreign currency income (loss)	(579)	8,207	(3,278)	14,306		
Foreign currency loss					(640)	(1,214)
Miscellaneous income	393	991	1,546	997	2,479	453
Total other income (expense)	(1,814)	7,988	(7,766)	12,431		
Total other expense					(19,546)	(3,289)

Loss from continuing operations before income taxes	(48,723)	(3,934)	(124,879)	(17,219)	(58,508)	(11,286)
Income tax provision	(8,040)	(2,852)	(12,205)	(11,678)	(3,289)	(3,860)
Net loss from continuing operations	(56,763)	(6,786)	(137,084)	(28,897)	(61,797)	(15,146)
Preferred stock dividends and accretion	(16,031)	(14,976)	(46,802)	(43,658)	—	(15,173)
Net loss from continuing operations attributable to common stockholders	(72,794)	(21,762)	(183,886)	(72,555)	(61,797)	(30,319)
Net income (loss) from discontinued operations	(52)	5,319	(7,095)	6,120	329	(6,981)
Net loss attributable to common stockholders	$ (72,846)	$ (16,443)	$ (190,981)	$ (66,435)	$ (61,468)	$ (37,300)
Weighted-average shares of common stock outstanding:						
Basic	42,570	41,984	42,448	41,950	47,204	42,284
Diluted	42,570	41,984	42,448	41,950	47,204	42,284
Net loss from continuing operations per common share:						
Basic	$ (1.71)	$ (0.52)	$ (4.33)	$ (1.73)	$ (1.31)	$ (0.72)
Diluted	$ (1.71)	$ (0.52)	$ (4.33)	$ (1.73)	$ (1.31)	$ (0.72)
Net income (loss) from discontinued operations per common share:						
Basic	$ (0.00)	$ 0.13	$ (0.17)	$ 0.15	$ 0.01	$ (0.16)
Diluted	$ (0.00)	$ 0.13	$ (0.17)	$ 0.15	$ 0.01	$ (0.16)
Net loss per common share:						
Basic	$ (1.71)	$ (0.39)	$ (4.50)	$ (1.58)	$ (1.30)	$ (0.88)
Diluted	$ (1.71)	$ (0.39)	$ (4.50)	$ (1.58)	$ (1.30)	$ (0.88)

See accompanying notes to our unaudited condensed consolidated financial statements.

TPI COMPOSITES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(Unaudited)

	Three Months Ended September 30,	Nine Months Ended September 30,	Three Months Ended March 31,

	2023	2022	2023	2022	2024	2023
	(in thousands)				(in thousands)	
Net loss from continuing operations attributable to common stockholders	$ (72,794)	$ (21,762)	$ (183,886)	$ (72,555)	$ (61,797)	$ (30,319)
Net income (loss) from discontinued operations	(52)	5,319	(7,095)	6,120	329	(6,981)
Net loss attributable to common stockholders	(72,846)	(16,443)	(190,981)	(66,435)	(61,468)	(37,300)
Other comprehensive income (loss):						
Foreign currency translation adjustments	(3,052)	(7,903)	(1,858)	28,120	(1,258)	2,010
Reclassification of foreign currency translation adjustments from disposition and exit of business activities, net of tax of $0	901	—	901	—		
Unrealized gain (loss) on hedging derivatives, net of taxes of $0 for each of the presented periods	318	(582)	2,261	1,574		
Reclassification of (gain) loss on hedging derivatives, net of taxes of $0 for each of the presented periods	3,307	(187)	3,249	(1,325)		
Comprehensive loss	$ (71,372)	$ (25,115)	$ (186,428)	$ (38,066)	$ (62,726)	$ (35,290)

See accompanying notes to our unaudited condensed consolidated financial statements.

TPI COMPOSITES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN MEZZANINE EQUITY AND STOCKHOLDERS’ EQUITY DEFICIT

(Unaudited)

	Nine Months Ended September 30, 2023								
	Series A Preferred Stock		Common		Paid-in	Accumulated other comprehensive	Accumulated	Treasury stock,	Total stockholders'
	Shares	Amount	Shares	Amount	capital	loss	deficit	at cost	equity
						(in thousands)			
Balance at December 31, 2022	350	$ 309,877	42,369	$ 424	$ 407,570	$ (15,387)	$ (334,569)	$ (7,551)	$ 50,487
Net loss	—	—	—	—	—	—	(22,127)	—	(22,127)
Preferred stock dividends	—	10,706	—	—	(10,706)	—	—	—	(10,706)
Other comprehensive income	—	—	—	—	—	2,010	—	—	2,010
Common stock repurchased for treasury	—	—	—	—	—	—	—	(2,549)	(2,549)

Issuances under share-based compensation plan	—	—	627	6	—	—	—	—	6
Share-based compensation expense	—	—	—	—	2,720	—	—	—	2,720
Accretion of Series A Preferred Stock	—	4,467	—	—	(4,467)	—	—	—	(4,467)
Capped call transactions	—	—	—	—	(18,590)	—	—	—	(18,590)
Balance at March 31, 2023	350	325,050	42,996	430	376,527	(13,377)	(356,696)	(10,100)	(3,216)
Net loss	—	—	—	—	—	—	(65,237)	—	(65,237)
Preferred stock dividends	—	11,118	—	—	(11,118)	—	—	—	(11,118)
Other comprehensive income	—	—	—	—	—	1,069	—	—	1,069
Common stock repurchased for treasury	—	—	—	—	—	—	—	(34)	(34)
Issuances under share-based compensation plan	—	—	93	1	—	—	—	—	1
Share-based compensation expense	—	—	—	—	3,926	—	—	—	3,926
Accretion of Series A Preferred Stock	—	4,480	—	—	(4,480)	—	—	—	(4,480)
Balance at June 30, 2023	350	340,648	43,089	431	364,855	(12,308)	(421,933)	(10,134)	(79,089)
Net loss	—	—	—	—	—	—	(56,815)	—	(56,815)
Preferred stock dividends	—	11,549	—	—	(11,549)	—	—	—	(11,549)
Other comprehensive income	—	—	—	—	—	1,474	—	—	1,474
Common stock repurchased for treasury	—	—	—	—	—	—	—	—	—

	Three Months Ended March 31, 2024								
	Series A Preferred Stock		Common		Paid-in capital	Accumulated other comprehensive loss	Accumulated deficit	Treasury stock, at cost	Total stockholders' deficit
	Shares	Amount	Shares	Amount					
	(in thousands)								
Balance at December 31, 2023	—	$ —	46,990	$ 470	$ 431,335	$ (7,627)	$ (536,348)	$ (10,134)	$ (122,304)
Net loss	—	—	—	—	—	—	(61,468)	—	(61,468)
Other comprehensive (loss)	—	—	—	—	—	(1,258)	—	—	(1,258)
Common stock repurchased for treasury	—	—	—	—	—	—	—	(1,641)	(1,641)
Issuances under share-based compensation plan	—	—	1,524	15	—	—	—	—	15
Share-based compensation expense	—	—	—	—	2,589	—	—	—	2,589
Balance at March 31, 2024	—	$ —	48,514	$ 485	$ 433,924	$ (8,885)	$ (597,816)	$ (11,775)	$ (184,067)

	Series A Preferred Stock Shares	Series A Preferred Stock Amount	Common Shares	Common Amount	Paid-in capital	Accumulated other comprehensive loss	Accumulated deficit	Treasury stock, at cost	Total stockholders' equity
Issuances under share-based compensation plan	—	—	2	—	—	—	—	—	—
Share-based compensation expense	—	—	—	—	2,624	—	—	—	2,624
Accretion of Series A Preferred Stock	—	4,482	—	—	(4,482)	—	—	—	(4,482)
Balance at September 30, 2023	350	$ 356,679	43,091	$ 431	$ 351,448	$ (10,834)	$ (478,748)	$ (10,134)	$ (147,837)

Nine Months Ended September 30, 2022

	Series A Preferred Stock		Common		Paid-in	Accumulated other comprehensive	Accumulated	Treasury stock,	Total stockholders'
	Shares	Amount	Shares	Amount	capital	loss	deficit	at cost	equity
						(in thousands)			
Balance at December 31, 2021	350	$ 250,974	37,418	$ 374	$ 451,440	$ (54,006)	$ (269,264)	$ (6,592)	$ 121,952
Net loss	—	—	—	—	—	—	(15,800)	—	(15,800)
Preferred stock dividends	—	9,605	—	—	(9,605)	—	—	—	(9,605)
Other comprehensive income	—	—	—	—	—	46,074	—	—	46,074
Common stock repurchased for treasury	—	—	—	—	—	—	—	(343)	(343)
Issuances under share-based compensation plan	—	—	106	1	—	—	—	—	1
Share-based compensation expense	—	—	—	—	3,279	—	—	—	3,279
Accretion of Series A Preferred Stock	—	4,527	—	—	(4,527)	—	—	—	(4,527)
Balance at March 31, 2022	350	265,106	37,524	375	440,587	(7,932)	(285,064)	(6,935)	141,031
Net loss	—	—	—	—	—	—	(5,510)	—	(5,510)
Preferred stock dividends	—	9,975	—	—	(9,975)	—	—	—	(9,975)
Other comprehensive income	—	—	—	—	—	(9,033)	—	—	(9,033)
Common stock repurchased for treasury	—	—	—	—	—	—	—	(45)	(45)
Issuances under share-based compensation plan	—	—	33	1	—	—	—	—	1
Share-based compensation expense	—	—	—	—	3,726	—	—	—	3,726
Accretion of Series A Preferred Stock	—	4,575	—	—	(4,575)	—	—	—	(4,575)
Balance at June 30, 2022	350	279,656	37,557	376	429,763	(16,965)	(290,574)	(6,980)	115,620
Net loss	—	—	—	—	—	—	(1,467)	—	(1,467)
Preferred stock dividends	—	10,361	—	—	(10,361)	—	—	—	(10,361)
Other comprehensive income	—	—	—	—	—	(8,672)	—	—	(8,672)

Common stock repurchased for treasury	—	—	—	—	—	—	—	—	—

	Three Months Ended March 31, 2023								
	Series A Preferred Stock		Common		Paid-in capital	Accumulated other comprehensive loss	Accumulated deficit	Treasury stock, at cost	Total stockholders' deficit
	Shares	Amount	Shares	Amount					
	(in thousands)								
Balance at December 31, 2022	350	$ 309,877	42,369	$ 424	$ 407,570	$ (15,387)	$ (334,569)	$ (7,551)	$ 50,487
Net loss	—	—	—	—	—	—	(22,127)	—	(22,127)
Preferred stock dividends	—	10,706	—	—	(10,706)	—	—	—	(10,706)
Other comprehensive income	—	—	—	—	—	2,010	—	—	2,010
Common stock repurchased for treasury	—	—	—	—	—	—	—	(2,549)	(2,549)
Issuances under share-based compensation plan	—	—	—	—	—	—	—	—	—
	—	—	627	6	—	—	—	—	6
Issuance of common stock from the exercise of warrants	—	—	4,664	46	—	—	—	—	46
Share-based compensation expense	—	—	—	—	3,726	—	—	—	3,726
	—	—	—	—	2,720	—	—	—	2,720
Accretion of Series A Preferred Stock	—	4,615	—	—	(4,615)	—	—	—	(4,615)
	—	4,467	—	—	(4,467)	—	—	—	(4,467)
Balance at September 30, 2022	350	$ 294,632	42,221	$ 42	$ 418,513	$ (25,637)	$ (292,041)	$ (6,980)	$ 94,277
Capped call transactions	—	—	—	—	(18,590)	—	—	—	(18,590)
Balance at March 31, 2023	350	$ 325,050	42,996	$ 430	$ 376,527	$ (13,377)	$ (356,696)	$ (10,100)	$ (3,216)

See accompanying notes to our unaudited condensed consolidated financial statements.

TPI COMPOSITES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2024	2023
	(in thousands)		(in thousands)	
Cash flows from operating activities:				
Net loss	$ (144,179)	$ (22,777)	$ (61,468)	$ (22,127)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation and amortization	29,798	34,175	8,900	9,722
Provision for credit losses	20,929	—		
Loss on sale of assets and asset impairments	16,748	7,093	1,492	5,770
Share-based compensation expense	9,278	10,781	2,589	2,668
Amortization of debt issuance costs	552	—	7,713	79
Paid-in-kind interest			11,017	—
Deferred income taxes	(1,937)	5,747	(2,273)	(267)
Changes in assets and liabilities:				
Accounts receivable	28,122	(36,880)	7,657	2,126
Contract assets and liabilities	3,179	(26,623)	4,736	(34,588)
Operating lease right of use assets and operating lease liabilities	(8,577)	(2,581)	244	(8,395)
Inventories	6,358	(3,838)	(5,469)	(2,514)
Prepaid expenses	3,637	212	(744)	(6,466)
Other current assets	(8,248)	(4,402)	(7,010)	(5,042)
Other noncurrent assets	5,824	2,227	(791)	4,608
Accounts payable and accrued expenses	(70,043)	(27,071)	(5,871)	(30,541)
Accrued warranty	20,608	(21,808)	17	626
Other noncurrent liabilities	2,043	650	257	480
Net cash used in operating activities	(85,908)	(85,095)	(39,004)	(83,861)
Cash flows from investing activities:				
Purchases of property, plant and equipment	(15,846)	(11,492)	(8,285)	(3,275)
Proceeds from sale of business	12,836	—		
Net cash used in investing activities	(3,010)	(11,492)	(8,285)	(3,275)
Cash flows from financing activities:				
Proceeds from issuance of convertible notes	132,500	—	—	132,500
Purchase of capped calls	(18,590)	—	—	(18,590)
Payments of debt issuance costs	(4,810)	—	—	(4,803)
Repayments of revolving and term loans	—	(8,109)		
Proceeds from working capital loans	33,927	25,044	52,009	34,741
Repayments of working capital loans	(35,479)	(20,701)	(44,556)	(33,982)
Principal repayments of finance leases	(1,038)	(5,055)	(297)	(578)

	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Net proceeds from (repayments of) other debt	5,102	(3,704)	(1,635)	1,007
Proceeds from exercise of stock options	—	48		
Repurchase of common stock including shares withheld in lieu of income taxes	(2,583)	(388)	(1,641)	(2,549)
Net cash provided by (used in) financing activities	109,029	(12,865)		
Net cash provided by financing activities			3,880	107,746
Impact of foreign exchange rates on cash, cash equivalents and restricted cash	700	(3,807)	333	730
Net change in cash, cash equivalents and restricted cash	20,811	(113,259)	(43,076)	21,340
Cash, cash equivalents and restricted cash, beginning of year	153,069	252,218	172,813	153,069
Cash, cash equivalents and restricted cash, end of period	$ 173,880	$ 138,959	$ 129,737	$ 174,409

See accompanying notes to our unaudited condensed consolidated financial statements.

TPI COMPOSITES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS - CONTINUED

(Unaudited)

	Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2024	2023
	(in thousands)		(in thousands)	
Supplemental cash flow information:				
Cash paid for interest	$ 8,151	$ 3,406	$ 4,799	$ 1,654
Cash paid for income taxes, net of refunds	15,742	19,908	9,484	3,344
Noncash investing and financing activities:				
Right of use assets obtained in exchange for new operating lease liabilities	2,344	11,628	6,633	786
Property, plant, and equipment obtained in exchange for new finance lease liabilities	197	—	170	197
Accrued capital expenditures in accounts payable	2,574	1,793	4,381	1,814
Paid-in-kind preferred stock dividends and accretion	46,802	43,658	—	15,173

Reconciliation of Cash, Cash Equivalents and Restricted Cash:	September 30, 2023	December 31, 2022	September 30, 2022	December 31, 2021	March 31, 2024	December 31, 2023	March 31, 2023	December 31, 2022
	(in thousands)				(in thousands)			
Cash and cash equivalents	$ 160,649	$ 133,546	$ 86,812	$ 216,236	$ 116,850	$ 161,059	$ 164,231	$ 133,546
Restricted cash	9,300	9,854	9,822	10,053	12,035	10,838	8,793	9,854
Cash and cash equivalents of discontinued operations	3,931	9,669	42,325	25,929	852	916	1,385	9,669

Total cash, cash equivalents and restricted cash shown in the condensed consolidated statements of cash flows	$ 173,880	$ 153,069	$ 138,959	$ 252,218	$ 129,737	$ 172,813	$ 174,409	$ 153,069

See accompanying notes to our unaudited condensed consolidated financial statements.

TPI COMPOSITES, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

Note 1. Significant Accounting Policies

Functional Currency Change from Turkish Lira to Euro for the Company's Turkish operations.

Effective January 1, 2022, the functional currency for our operations in Türkiye changed from the Turkish Lira to the Euro. Nonmonetary assets and liabilities were remeasured into Euros at the rate in effect on the date of the asset's or liability's inception and then translated into reporting currency based on the current exchange rate. The monetary assets and liabilities were remeasured into Euros at the rate in effect on the date of change and then translated into reporting currency based on the current exchange rate. The difference between the historical basis of nonmonetary assets and liabilities and the new basis of $44.9 million (increase in net assets) was recorded in the currency translation adjustment account. The amount recorded in the currency translation adjustment account for prior periods was not reversed upon the change in functional currency. The majority of the initial impact of the functional currency change was to property, plant and equipment and operating lease right of use assets with an offset to the currency translation adjustment account. See Note 1(b) to our Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2022 for further information on the functional currency change for our operations in Türkiye.

Note 2. Basis of Presentation

The condensed consolidated financial statements included herein have been prepared by us without audit, pursuant to the rules and regulations of the SEC and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2022 December 31, 2023 included in our Annual Report on Form 10-K. Although we believe the disclosures that are made are adequate to make the information presented herein not misleading, certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States (GAAP) have been condensed or omitted, as permitted by the SEC. The accompanying condensed consolidated financial statements reflect, in the opinion of our management, all normal recurring adjustments necessary to present fairly our financial position at September 30, 2023 March 31, 2024, and the results of our operations, comprehensive income (loss) and cash flows for the periods presented. Interim results for the three and nine months ended September 30, 2023 March 31, 2024 are not necessarily indicative of the results to be expected for the full year. Certain prior period amounts in the condensed consolidated financial statements and accompanying notes have been reclassified to conform to the current period's presentation.

The preparation of these condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The accompanying condensed consolidated financial statements include the accounts of TPI Composites, Inc. and all of our majority owned subsidiaries. All significant intercompany transactions and balances have been eliminated.

References to TPI Composites, Inc, the "Company," "we," "us" or "our" in these notes refer to TPI Composites, Inc. and its consolidated subsidiaries.

Recently Issued Accounting Pronouncements

Supplier Finance Programs

In September 2022, the FASB issued ASU 2022-04, *Liabilities - Supplier Finance Programs (Subtopic 405-50),* which requires the disclosure of the key terms of outstanding supplier finance programs and a roll forward of the related obligations. The new standard does not affect the recognition, measurement or financial statement presentation of supplier finance program obligations. We adopted this standard on January 1, 2023, except for the roll forward requirement, which becomes effective January 1, 2024. The new standard did not have a material impact on our condensed consolidated financial statements.

The Company has determined that no other recent accounting pronouncements apply to our operations or could otherwise have a material impact on our condensed consolidated financial statements.

Note 3. 2. Discontinued Operations

In December 2022, the Company we committed to a restructuring plan to rebalance our organization and optimize our global manufacturing footprint. Changing economic and geopolitical factors, including increased logistics costs and tariffs imposed on components of wind turbines from China, including wind blades, has had an adverse impact on demand and profitability for our wind blades manufactured in our Chinese facilities. In connection with our restructuring plan, we ceased production at our Yangzhou, China manufacturing facility as of December 31, 2022 and are in the final stages of shutting down our business operations in China. Our business operations in China comprised the entirety of our Asia reporting segment. This shut down has had a meaningful effect on our global manufacturing footprint and consolidated financial results. Accordingly, the historical results of our Asia reporting segment have been presented as discontinued operations in our Condensed Consolidated Statements of Operations and Condensed Consolidated Balance Sheets. During the three months ended September 30, 2023, we completed the sale of our Taicang, China operations and received net proceeds of $12.8 million resulting in a net gain on the sale of $0.4 million.

The following table presents the carrying amounts of major classes of assets and liabilities that were included in discontinued operations:

	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
	(in thousands)		(in thousands)	
Cash and cash equivalents	$ 3,931	$ 9,669	$ 852	$ 916
Accounts receivable	897	2,716		
Prepaid expenses	—	1,877		
Inventories	17	1,501		
Property, plant and equipment, net	—	17,678		
Other classes of assets that are not major	12	1,741	184	604
Total assets of discontinued operations	$ 4,857	$ 35,182	$ 1,036	$ 1,520
Accounts payable and accrued expenses	$ 4,385	$ 26,942	$ 1,116	$ 1,632
Accrued restructuring	3,359	17,764	834	1,183
Operating lease liabilities	—	9,524		
Other classes of liabilities that are not major	210	210		
Total liabilities of discontinued operations	$ 7,954	$ 54,440	$ 1,950	$ 2,815

The following table presents the components of net income (loss) from discontinued operations:

	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2023	2022	2024	2023
	(In thousands)		(In thousands)		(In thousands)	

Net sales	$ 749	$ 74,833	$ 2,950	$ 176,044	$ —	$ 2,167
Cost of sales	1,197	65,049	8,600	158,462	54	5,736
Startup and transition costs	—	—	—	7,994		
Total cost of goods sold	1,197	65,049	8,600	166,456		
Gross profit (loss)	(448)	9,784	(5,650)	9,588		
Gross loss					(54)	(3,569)
(Gain) loss on sale of assets and asset impairments	(442)	602	1,479	951	(338)	2,177
Restructuring charges, net	(57)	102	1,403	2,706	—	1,458
Income (loss) from discontinued operations	51	9,080	(8,532)	5,931	284	(7,204)
Other income (expense):						
Interest income, net	1	61	42	41		
Foreign currency income (loss)	(64)	3,155	(217)	7,152		
Miscellaneous income (expense)	(40)	282	1,612	1,127		
Total other income	(103)	3,498	1,437	8,320	45	223
Income (loss) before income taxes	(52)	12,578	(7,095)	14,251	329	(6,981)
Income tax provision	—	(7,259)	—	(8,131)	—	—
Net income (loss) from discontinued operations	$ (52)	$ 5,319	$ (7,095)	$ 6,120	$ 329	$ (6,981)

The following table presents summarized cash flows from discontinued operations:

	Three Months Ended March 31,	
	2024	2023
	(in thousands)	
Net cash used in operating activities from discontinued operations	$ (64)	$ (8,067)
Net cash used in investing activities from discontinued operations	—	(185)
Additional non-cash items related to operating activities from discontinued operations:		
Share-based compensation expense	—	115

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The following table presents summarized cash flows from discontinued operations:

	Nine Months Ended September 30,	
	2023	2022

		(in thousands)		
Net cash provided by (used in) operating activities from discontinued operations	$	(5,517)	$	18,460
Net cash used in investing activities from discontinued operations		(185)		(1,920)
Additional non-cash items related to operating activities from discontinued operations:				
Depreciation and amortization		—		4,844
Share-based compensation expense		135		505

The following is a summary of our restructuring liability activity related to discontinued operations for the periods presented:

	Severance	Other	Total	Severance	Other	Total
		(in thousands)			(in thousands)	
Balance at December 31, 2022	$ 15,757	$ 2,007	$ 17,764			
Balance at December 31, 2023				$ 317	$ 866	$ 1,183
Restructuring charges, net	(17)	1,475	1,458	—	—	—
Payments	(9,184)	(2,096)	(11,280)	(317)	(32)	(349)
Balance at March 31, 2023	6,556	1,386	7,942			
Restructuring charges, net	—	—	—			
Payments	(3,293)	(200)	(3,493)			
Balance at June 30, 2023	3,263	1,186	4,449			
Restructuring charges, net	—	(55)	(55)			
Payments	(971)	(64)	(1,035)			
Balance at September 30, 2023	$ 2,292	$ 1,067	$ 3,359			
Balance at March 31, 2024				$ —	$ 834	$ 834

Note 4. 3. Revenue From Contracts with Customers

For a detailed discussion of our revenue recognition policy, refer to the discussion in Note 1, *Summary of Operations and Summary of Significant Accounting Policies – (d) (c) Revenue Recognition*, to the Notes to Consolidated Financial Statements within our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

The following tables represent the disaggregation of our net sales by product for each of our reportable segments:

	Three Months Ended September 30, 2023					Three Months Ended March 31, 2024				
	U.S.	Mexico	EMEA	India	Total	U.S.	Mexico	EMEA	India	Total
			(in thousands)					(in thousands)		
Wind blade, tooling and other wind related sales	$ —	$ 156,077	$ 146,593	$ 59,561	$ 362,231	$ —	$ 152,361	$ 95,786	$ 40,758	$ 288,905
Automotive sales	2,619	—	—	—	2,619	5,016	—	—	—	5,016
Field service, inspection and repair services sales	4,565	784	2,661	—	8,010	4,202	97	842	—	5,141
Total net sales	$ 7,184	$ 156,861	$ 149,254	$ 59,561	$ 372,860	$ 9,218	$ 152,458	$ 96,628	$ 40,758	$ 299,062

	Three Months Ended September 30, 2022				
	U.S.	Mexico	EMEA	India	Total
			(in thousands)		
Wind blade, tooling and other wind related sales	$ 1,151	$ 163,833	$ 124,845	$ 65,967	$ 355,796

	U.S.	Mexico	EMEA	India	Total
Automotive sales	10,542	—	—	—	10,542
Field service, inspection and repair services sales	15,062	535	2,503	—	18,100
Total net sales	$ 26,755	$ 164,368	$ 127,348	$ 65,967	$ 384,438

	Nine Months Ended September 30, 2023				
	U.S.	Mexico	EMEA	India	Total
	(in thousands)				
Wind blade, tooling and other wind related sales	$ —	$ 477,306	$ 446,044	$ 189,207	$ 1,112,557
Automotive sales	20,130	—	—	—	20,130
Field service, inspection and repair services sales	19,034	1,173	5,303	—	25,510
Total net sales	$ 39,164	$ 478,479	$ 451,347	$ 189,207	$ 1,158,197

	Nine Months Ended September 30, 2022					Three Months Ended March 31, 2023				
	U.S.	Mexico	EMEA	India	Total	U.S.	Mexico	EMEA	India	Total
	(in thousands)					(in thousands)				
Wind blade, tooling and other wind related sales	$ 1,317	$ 483,199	$ 402,582	$ 158,102	$ 1,045,200	$ —	$ 154,462	$ 166,837	$ 66,293	$ 387,592
Automotive sales	34,059	—	—	—	34,059	10,261	—	—	—	10,261
Field service, inspection and repair services sales	33,593	3,550	4,061	2	41,206	5,359	178	676	—	6,213
Total net sales	$ 68,969	$ 486,749	$ 406,643	$ 158,104	$ 1,120,465	$ 15,620	$ 154,640	$ 167,513	$ 66,293	$ 404,066

For a further discussion regarding our operating segments, see Note 17, 14, *Segment Reporting*.

Contract Assets and Liabilities

Contract assets consist of the amount of revenue recognized over time for performance obligations in production where control has transferred to the customer but the contract does not yet allow for the customer to be billed. Typically, customers are billed when the product finishes production and meets the technical specifications contained in the contract. The majority of the contract asset balance relates to materials procured based on customer specifications. The contract assets are recorded as current assets in the condensed consolidated balance sheets. Contract liabilities consist of advance payments in excess of revenue earned. The contract liabilities are recorded as current liabilities in the condensed consolidated balance sheets and are reduced as we record revenue over time.

These contract assets and liabilities are reported on the condensed consolidated balance sheets net on a contract-by-contract basis at the end of each reporting period.

Contract assets and contract liabilities consisted of the following: 12

	September 30, 2023	December 31, 2022	$ Change
	(in thousands)		
Gross contract assets	$ 197,939	$ 231,487	$ (33,548)

Less: reclassification from contract liabilities	(13,560)	(15,548)	1,988

	September 30, 2023	December 31, 2022	$ Change
		(in thousands)	
Gross contract liabilities	$ 15,352	$ 32,648	$ (17,296)
Less: reclassification to contract assets	(13,560)	(15,548)	1,988
Contract liabilities	$ 1,792	$ 17,100	$ (15,308)

Contract assets decreased and contract liabilities consisted of the following:

	March 31, 2024	December 31, 2023	$ Change
		(in thousands)	
Gross contract assets	$ 136,306	$ 121,483	$ 14,823
Less: reclassification from contract liabilities	(43,157)	(9,246)	(33,911)
Contract assets	$ 93,149	$ 112,237	$ (19,088)

	March 31, 2024	December 31, 2023	$ Change
		(in thousands)	
Gross contract liabilities	$ 53,391	$ 33,267	$ 20,124
Less: reclassification to contract assets	(43,157)	(9,246)	(33,911)
Contract liabilities	$ 10,234	$ 24,021	$ (13,787)

Gross contract assets increased by $31.6 14.8 million from December 31, 2022 December 31, 2023 to September 30, 2023 March 31, 2024, primarily due to a $12.8 million impairment of contract assets associated with our bus body supply agreement with Proterra, Inc. (Proterra), one of our customers an increase in our automotive business line that filed for bankruptcy customer specific material purchases and incremental unbilled production during the three months ended September 30, 2023, as well as a decrease in customer specific material purchases during the nine months ended September 30, 2023 March 31, 2024. Contract Gross contract liabilities net of the amounts reclassed to contract assets decreased increased by $15.3 20.1 million from December 31, 2022 December 31, 2023 to September 30, 2023 March 31, 2024, primarily due to an increase in customer advances during the three months ended March 31, 2024.

For the nine three months ended September 30, 2023 March 31, 2024, we recognized $17.1 13.8 million of revenue related to customer advances, which was included in the corresponding contract liability balance at the beginning of the period.

Performance Obligations

Remaining performance obligations represent the transaction price for which work has not been performed and excludes any unexercised contract options. The transaction price includes estimated variable consideration as determined based on the estimated production output within the range of the contractual guaranteed minimum volume obligations and production capacity.

As of September 30, 2023 March 31, 2024, the aggregate amount of the transaction price allocated to the remaining performance obligations to be satisfied in future periods was approximately $0.9 1.2 billion. This total transaction price excludes approximately $19.4 million of variable consideration related to one of our customer supply agreements, which has been constrained primarily due to uncertainty associated with production volume during the remaining term. Had the variable consideration not been constrained, approximately $12.8 million of the $19.4 million revenue would have been recognized as of September 30, 2023. We estimate the constraint will be resolved in subsequent periods when our customer provides additional information relevant to forecasted future production. We estimate that we will recognize the remaining performance obligations as revenue as follows:

	$	% of Total	$	% of Total
	(in thousands)		(in thousands)	
Year Ending December 31,				
Remainder of 2023	$ 265,094	31.2 %		
2024	486,194	57.1		
Remainder of 2024			$ 882,763	72.4 %
2025	99,868	11.7	335,952	27.6
Total remaining performance obligations	$ 851,156	100 %	$ 1,218,715	100 %

For the three and nine months ended September 30, 2023, March 31, 2024 and 2023, net revenue recognized from our performance obligations satisfied in previous periods decreased by $0.1 5.4 million and $15.6 4.3 million, respectively. For The decrease for the three months ended September 30, 2022, net revenue recognized from our performance obligations satisfied in previous periods increased by $0.3 million. For the nine months ended September 30, 2022, net revenue recognized from our performance obligations satisfied in previous periods decreased by $10.3 million. The decreases for the three and nine months ended September 30, 2023 March 31, 2024 primarily relate to changes in certain of our estimated total contract values and related direct costs to complete the performance obligations.

Note 5. 4. Significant Risks and Uncertainties

Our revenues and receivables are earned from a small number of customers. As such, our production levels are dependent on these customers' orders. See Note 16, 13, *Concentration of Customers*.

In January 2024, we will be required to start paying dividends quarterly in cash to the holders of our Series A Preferred Stock (the Series A Preferred Stockholders).

There have been numerous government initiatives over the past few years aimed at expanding the use of renewable energy, including the Inflation Reduction Act (IRA) in the U.S, and several policy initiatives in the European Union (EU) that are expected to accelerate the expansion of renewable energy and green technologies, simplify regulations, speed up permitting and promote cross-border projects to accelerate climate neutrality. Despite these favorable long-term policy trends, we expect reduced demand in the near term while the wind industry awaits clarity on the implementation guidance related to key components of the IRA, clarity around more robust policies in the EU, and industry headwinds caused by rising interest rates and inflation.

We maintain our U.S. cash in bank deposit and money market mutual fund accounts that, at times, exceed U.S. federally insured limits. U.S. bank accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) in an amount up to $250,000 during 2023 2024 and 2022. 2023. U.S. money market mutual fund accounts are not guaranteed by the FDIC. At September 30, 2023 March 31, 2024 and December 31,

TPI COMPOSITES, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

2022, December 31, 2023, we had $111.3 106.0 million and $124.4 116.0 million, respectively, of cash in bank deposit and money market mutual fund accounts in U.S. banks, which were in excess of FDIC limits. We have not experienced losses to date in any such accounts.

We also maintain cash in bank deposit accounts outside the U.S. that are not subject to FDIC limits. At September 30, 2023 March 31, 2024, this included $43.1 4.3 million in Türkiye, $4.6 1.2 million in India, $1.0 2.8 million in Mexico and $0.7 2.5 million in other countries. As of December 31, 2022 December 31, 2023, this included $2.4 40.6 million in Türkiye, $4.7 1.9 million in India, $1.4 1.2 million in Mexico and $0.7 1.3 million in other countries. We have not experienced losses to date in these accounts. In addition, at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, we had short-term deposits in interest bearing accounts in the U.S. of $9.3 12.0 million and $9.9 10.8 million, respectively, which are reported as restricted cash in our condensed consolidated balance sheets. In addition, at September 30, 2023 March 31, 2024 and

December 31, 2022 December 31, 2023, we had unrestricted cash and cash equivalents related to our discontinued operations of $3.9 0.9 million and $9.7 0.9 million, respectively.

Note 6. 5. Accrued Warranty

The warranty accrual activity for the periods noted consisted of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2023	2022	2024	2023
	(in thousands)				(in thousands)	
Warranty accrual at beginning of period	$ 49,288	$ 35,578	$ 22,347	$ 42,020	$ 37,483	$ 22,347
Accrual during the period	3,105	3,365	9,183	10,057	2,591	2,853
Cost of warranty services provided during the period	(22,500)	(15,778)	(36,334)	(28,177)	(10,605)	(4,264)
Changes in estimate for pre-existing warranties, including expirations during the period and foreign exchange impact	13,062	(2,953)	47,759	(3,688)	8,031	2,037
Warranty accrual at end of period	$ 42,955	$ 20,212	$ 42,955	$ 20,212	$ 37,500	$ 22,973

The increase in the change in estimate for pre-existing warranties during the three and nine months ended September 30, 2023 is primarily related to a single warranty campaign with a current customer.

Note 7. 6. Debt

Long-term debt, net of current maturities, consisted of the following:

	September 30, 2023	December 31, 2022
	(in thousands)	
5.25% Convertible senior unsecured notes—U.S.	$ 132,500	$ —
Unsecured financing—EMEA	48,793	43,556
Secured and unsecured working capital—India	13,695	15,246
Equipment finance leases—Mexico	1,270	1,909
Equipment finance leases—EMEA	54	443
Other equipment finance leases	70	19
Total debt—principal	196,382	61,173
Less: Debt issuance costs	(4,258)	—
Total debt, net of debt issuance costs	192,124	61,173
Less: Current maturities of long-term debt	(63,290)	(59,975)
Long-term debt, net of current maturities	$ 128,834	$ 1,198

	March 31, 2024	December 31, 2023
	(in thousands)	
11% Senior secured term loan—U.S. (1)	$ 406,058	$ 395,041
5.25% Convertible senior unsecured notes—U.S. (2)	132,500	132,500
Unsecured financing—EMEA	71,761	62,891
Secured and unsecured working capital—India	10,926	13,902
Equipment finance leases—Mexico	926	1,098
Equipment finance leases—EMEA	555	623

Other equipment finance leases	121	85
Total debt—principal	622,847	606,140
Less: Debt issuance costs	(3,786)	(4,023)
Less: Debt discount (3)	(109,447)	(116,924)
Total debt, net of debt issuance costs and debt discount	509,614	485,193
Less: Current maturities of long-term debt	(78,576)	(70,465)
Long-term debt, net of current maturities	$ 431,038	$ 414,728

Convertible Senior Unsecured Notes:

Convertible Notes and Indenture

In March 2023, we issued and sold an aggregate (1) As of March 31, 2024, includes principal balance of $132.5 393.0 million principal amount and $13.1 million of convertible paid in kind interest.

(2) The requirements were not satisfied as of March 31, 2024 and as a result, the 5.25% Convertible senior unsecured notes due in 2028 (the Notes) in a private offering to persons reasonably believed to “Convertible Notes”) will not be qualified institutional buyers pursuant to Rule 144A under eligible for optional conversion during the Securities Act second quarter of 1933, as amended (the Securities Act). The Notes consisted of a $115.0 million initial placement and an over-allotment option that provided the initial purchasers an option to purchase an additional $17.5 million principal amount of Notes, which was fully exercised. The net proceeds from the issuance of the Notes was $109.1 million, net of $4.8 million in debt issuance 2024.

costs and (3) Unamortized debt discount is related to our 11% senior secured term loan. The fair value of the senior secured term loan at issuance was $18.6 274.7 million, in cash used to purchase the capped call transactions discussed below. representing an initial $118.3 million discount. The debt issuance costs are discount is amortized to interest expense using the effective interest method over the term of the Notes. debt.

The Notes were issued pursuant to an Indenture, dated March 3, 2023 (the Indenture), between the Company and U.S. Bank Trust Company, National Association, as trustee. The Indenture includes customary covenants and sets forth certain events of default after which the Notes may be declared immediately due and payable and sets forth certain types of bankruptcy or insolvency events of default involving the Company after which the Notes become automatically due and payable. The Notes do not contain any specific financial covenants.

The Notes bear interest at a rate of 5.25% per year, payable semiannually in arrears on March 15 and September 15 of each year, beginning on September 15, 2023. The Notes will mature on March 15, 2028, unless earlier converted, redeemed, or repurchased.

The Notes are convertible into cash, shares of the Company’s common stock, par value $0.01 per share (the Common Stock) or a combination of cash and shares of Common Stock, at the Company’s election, at an initial conversion rate of 66.5425 shares of Common Stock per $1,000 principal amount of Notes, which is equivalent to an initial conversion price of approximately $15.03 per share of Common Stock. The conversion rate is subject to adjustment under certain circumstances in accordance with the terms of the Indenture.

Before September 15, 2027, noteholders will have the right to convert all or any portion of their Notes, in multiples of $1,000 principal amounts, only under the following circumstances:

- during any calendar quarter commencing after the calendar quarter ending on June 30, 2023, if the last reported sale price of our Common Stock for at least 20 trading days (whether or not consecutive) during the period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter, is greater than or equal to 130% of the applicable conversion price of the Notes on each such trading day;
- during the five-business day period immediately after any five consecutive trading day period in which the trading price per $1,000 principal amount of the Notes for each day of five consecutive trading day period was less than 98% of the product of the last reported sale price of our Common Stock and the applicable conversion rate of the Notes on such trading day;
- on a notice of redemption, at any time prior to the close of business on the scheduled trading day immediately preceding the redemption date, in which case we ma

- required to increase the conversion rate for the Notes so surrendered for conversion in connection with such redemption notice; or
- on the occurrence of specified corporate events.

On or after September 15, 2027, the Notes are convertible at the option of the noteholders at any time prior to the close of business on the second scheduled trading day immediately preceding the maturity date.

The Company may not redeem the Notes prior to March 20, 2026. The Company may redeem for cash all or any portion of the Notes, at its option, on or after March 20, 2026 and prior to the 51st scheduled trading day immediately preceding the maturity date, if the last reported sale price of the Common Stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which the Company provides notice of redemption at a redemption price equal to 100% of the principal amount of the Notes to be redeemed, plus any accrued and unpaid interest to, but excluding, the redemption date. No sinking fund is provided for the Notes, which means that the Company is not required to redeem or retire the Notes periodically.

We accounted for the issuance of the Notes as a single liability measured at its amortized cost, as no other embedded features require bifurcation and recognition as derivatives.

In connection with the issuance and sale of the Notes, the Series A Preferred Stockholders agreed to waive compliance with all covenants under the Certificate of Designations with respect to the Company's sale and issuance of the Notes and the Company's planned capital expenditures and incurrence of additional indebtedness of up to $17.0 million to acquire wind turbines that will provide renewable energy for our manufacturing facilities in Türkiye.

Capped Call Transactions

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TPI COMPOSITES, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

On February 28, 2023, in connection with the pricing of the Notes, the Company entered into privately negotiated capped call transactions (the Base Capped Call Transactions) with certain initial purchasers of the Notes or their respective affiliates and certain other financial institutions (the Option Counterparties). On March 1, 2023, in connection with the initial purchasers' exercise of their option to purchase additional Notes, the Company entered into additional privately negotiated capped call transactions with the Option Counterparties (the Additional Capped Call Transactions, and with the Base Capped Call Transactions, the Capped Call Transactions). The Capped Call Transactions initially cover, subject to customary anti-dilution adjustments, the number of shares of the Common Stock that underlie the Notes. The Capped Call Transactions are expected generally to reduce or offset the potential dilution to the Common Stock upon conversion of any Notes and/or offset any potential cash payments the Company is required to make in excess of the principal amount of converted Notes, as the case may be, with such reduction and/or offset subject to a cap. The initial cap price of the Capped Call Transactions was $23.12 per share, which represents a premium of 100% over the reported sale price of the Common Stock on The Nasdaq Global Market of $11.56 per share on February 28, 2023, and is subject to certain adjustments under the terms of the capped call transactions.

The cost of the Capped Call Transactions was $18.6 million and was recorded as a reduction to our additional paid-in-capital in our condensed consolidated balance sheets. The Capped Call Transactions will not be remeasured as long as they continue to meet the conditions for equity classification. As of September 30, 2023, the Capped Call Transactions were out-of-the-money.

Unsecured Financing – EMEA:

In April 2023, we entered into a credit agreement with a Turkish financial institution to provide up to 10.0 million Euro of unsecured financing, letters of credit and other non-cash items. During the three months ended September 30, 2023, we borrowed 9.5 million Euro against this credit facility. Interest on each borrowing accrues at a fixed rate in effect at the time of each borrowing and is payable monthly until the borrowing is repaid. As of September 30, 2023, there was 9.5 million Euro (approximately $10.1 million) outstanding under this credit agreement, and a weighted average interest rate on outstanding borrowings of 8.82%.

Secured and Unsecured Working Capital – India:

In June 2023, we entered into a working capital facility with an Indian financial institution to provide up to 1.25 billion Indian rupee (approximately $15.0 million as of September 30, 2023) of unsecured financing. During the nine months ended September 30, 2023, we borrowed 1.15 billion Indian rupee (approximately $14.1 million) against this credit facility. Interest on the unsecured borrowing accrues at a fixed rate in effect at the time of each borrowing and is payable monthly until the borrowing is repaid. As of September 30, 2023, there was 750 million Indian rupee (approximately $9.2 million) outstanding under this credit facility, and a weighted average interest rate on outstanding borrowings of 7.26%.

Note 8. 7. Share-Based Compensation Plans

During the nine three months ended September 30, 2023 March 31, 2024, we issued granted to certain employees an aggregate of 625,114 514,457 timed-based restricted stock units (RSUs), an additional 169,326 time-based RSUs with a guaranteed award value, 91,338 151,795 performance-based restricted stock units (PSUs) that vest upon achievement of annual, adjusted Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) targets measured from January 1, 2023 January 1, 2024 through December 31, 2025 December 31, 2026, 121,710 181,371 PSUs that vest upon achievement of certain cumulative total shareholder return (TSR) targets measured from January 1, 2023 January 1, 2024 through December 31, 2025 December 31, 2026 and 75,487 30,000 stock options. Of The RSUs that were granted during the 625,114 time-based RSUs, 90,396 of these vest 100% on the first anniversary of the grant date, and 534,718 of these period vest over a three-year period with 25% of the RSUs vesting on the first and second anniversary of the grant date, and 50% vesting on the third anniversary of the grant date. The 169,326 time-based RSUs with a guaranteed award value vest over a two-year period with 50% on the first and second anniversary of the grant date, respectively, and additional shares may be issued on the second anniversary of the grant date to maintain the guaranteed award value. Each of the time-based and performance-based RSU awards are subject to the recipient's continued service with us, the terms and conditions of our stock option and incentive plan and the applicable award agreement. Additionally, during the three months ended March 31, 2024, we issued

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TPI COMPOSITES, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited) shares related to previous RSU awards with a guaranteed value. These additional shares were issued on the second anniversary of the grant date to maintain the original guaranteed award value.

The share-based compensation expense recognized in the condensed consolidated statements of operations was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2023	2022	2024	2023
	(in thousands)				(in thousands)	
Cost of goods sold	$ 935	$ 746	$ 2,176	$ 2,236	$ 757	$ 73
General and administrative expenses	1,593	2,838	6,967	8,041	1,832	2,480
Total share-based compensation expense	$ 2,528	$ 3,584	$ 9,143	$ 10,277	$ 2,589	$ 2,553

The share-based compensation expense recognized by award type was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2023	2022	2024	2023
	(in thousands)				(in thousands)	
RSUs	$ 2,176	$ 2,989	$ 7,367	$ 8,396	$ 1,975	$ 2,049
Stock options	284	221	736	550	242	154
PSUs	68	374	1,040	1,331	372	350
Total share-based compensation expense	$ 2,528	$ 3,584	$ 9,143	$ 10,277	$ 2,589	$ 2,553

Note 9. 8. Leases

We have operating and finance leases for our manufacturing facilities, warehouses, offices, automobiles and certain of our machinery and equipment. Our leases have remaining lease terms of between one and 10 ten years, some of which may include options to extend the leases up to five ten years.

The components of lease cost were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(in thousands)			
Total operating lease cost	$ 9,993	$ 10,036	$ 30,140	$ 30,098

Finance lease cost				
Amortization of assets under finance leases	$ 987	$ 1,198	$ 3,035	$ 3,104
Interest on finance leases	25	57	90	249
Total finance lease cost	$ 1,012	$ 1,255	$ 3,125	$ 3,353

Total lease assets and liabilities were as follows:

	September 30, 2023	December 31, 2022
	(in thousands)	
Operating Leases		
Operating lease right of use assets	$ 134,732	$ 152,312
Current operating lease liabilities	$ 21,912	$ 22,220
Noncurrent operating lease liabilities	117,038	133,363
Total operating lease liabilities	$ 138,950	$ 155,583
Finance Leases		
Property, plant and equipment, gross	$ 35,850	$ 35,948
Less: accumulated depreciation	(27,763)	(24,272)
Total property, plant and equipment, net	$ 8,087	$ 11,676
Current maturities of long-term debt	$ 802	$ 1,174
Long-term debt, net of current maturities	592	1,197
Total finance lease liabilities	$ 1,394	$ 2,371

	Three Months Ended March 31,	
	2024	2023
	(in thousands)	
Total operating lease cost	$ 7,254	$ 10,025
Finance lease cost		
Amortization of assets under finance leases	$ 1,089	$ 1,009
Interest on finance leases	77	33
Total finance lease cost	$ 1,166	$ 1,042

Future minimum lease payments under noncancelable leases as of September 30, 2023 were as follows:

	Operating Leases	Finance Leases
	(in thousands)	
Year Ending December 31,		
Remainder of 2023	$ 9,327	$ 219
2024	32,463	813
2025	31,915	440

2026		30,471		27
2027		25,978		13
Thereafter		53,523		—
Total future minimum lease payments		183,677		1,512
Less: interest		(44,727)		(118)
Total lease liabilities	$	138,950	$	1,394

Supplemental cash flow information related to leases was as follows:

	Nine Months Ended September 30,			
	2023		2022	
	(in thousands)			
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows from operating leases	$	28,883	$	29,120
Operating cash flows from finance leases		82		249
Financing cash flows from finance leases		1,038		5,055

Other information related to leases was as follows:

	September 30, 2023	December 31, 2022
Weighted-Average Remaining Lease Term (In Years):		
Operating leases	5.9	6.4
Finance leases	1.8	2.1
Weighted-Average Discount Rate:		
Operating leases	8.4%	8.3%
Finance leases	5.0%	6.4%

As of September 30, 2023, we have additional leases related to our corporate office and field services facility totaling approximately $4.5 million which have not yet commenced, but which we expect will commence in the fourth quarter of 2023 with initial terms ranging from 7 to 8 years.

Note 10. Financial Instruments

Foreign Exchange Forward Contracts

To mitigate our exposure to fluctuations in exchange rates between the functional currencies of our subsidiaries and the other currencies in which they transact, we sometimes enter into foreign exchange derivative contracts, including forward contracts and option contracts. We do not use such contracts for speculative or trading purposes.

Mexican Peso

In May 2023, we purchased a series of call option contracts to mitigate cash flow variability associated with forecasted expenses in the Mexican Peso against changes in the U.S. Dollar to Mexican Peso exchange rate. A premium obligation of $3.2 million was incurred at hedge initiation, with payment deferred until December 2023. The premium is amortized against our earnings on a straight-line basis over a period of seven months, the period including the expiry dates of the purchased call option contracts, through cost of sales within our consolidated statements of operations. These foreign exchange call option contracts qualified for accounting as cash flow hedges in accordance with Accounting Standards Codification Topic 815, *Derivatives and Hedging,* and we designated them as such.

With regards to our foreign exchange call option contracts, for the three and nine months ended September 30, 2023, $0.5 million and $1.8 million, respectively, of premium amortization was recorded through cost of sales within our condensed consolidated statements of operations, as compared to $0.3 million and $1.2 million, respectively, in the comparative prior year periods.

As of September 30, 2023, the notional values associated with our foreign exchange call option contracts qualifying as cash flow hedges were approximately 0.8 billion Mexican Pesos (approximately $42.1 million). There were no outstanding foreign exchange call option contracts as of December 31, 2022.

The fair values and location of our financial instruments in our condensed consolidated balance sheets were as follows:

Financial Instrument	Condensed Consolidated Balance Sheet Line Item	September 30, 2023	December 31, 2022
		(in thousands)	
Foreign exchange forward contracts	Other current assets	$ 2,364	$ —

The following table presents the pretax amounts reclassified from accumulated other comprehensive loss into our condensed consolidated statements of operations:

Accumulated Other Comprehensive Loss Component	Condensed Consolidated Statement of Operations Line Item	Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
		(in thousands)			
Foreign exchange forward contracts	Cost of sales	$ (1,235)	$ (187)	$ (1,293)	$ (1,325)

Note 11. Restructuring Charges, Net

The following is a summary of our restructuring charges, net for the periods presented: Total lease assets and liabilities were as follows:

	Three Months Ended September 30, 2023			
	U.S.	Mexico	EMEA	Total
	(in thousands)			
Severance	$ 331	$ 216	$ 644	$ 1,191
Other restructuring costs	(24)	—	—	(24)
Total restructuring charges, net	$ 307	$ 216	$ 644	$ 1,167

	March 31, 2024	December 31, 2023
	(in thousands)	
Operating Leases		
Operating lease right of use assets	$ 135,858	$ 136,124
Current operating lease liabilities	$ 22,373	$ 22,017
Noncurrent operating lease liabilities	116,755	117,133
Total operating lease liabilities	$ 139,128	$ 139,150
Finance Leases		
Property, plant and equipment, gross	$ 36,764	$ 37,044
Less: accumulated depreciation	(30,068)	(29,316)
Total property, plant and equipment, net	$ 6,696	$ 7,728
Current maturities of long-term debt	$ 898	$ 1,035

Long-term debt, net of current maturities	704	771
Total finance lease liabilities	$ 1,602	$ 1,806

	Three Months Ended September 30, 2022			
	U.S.	Mexico	EMEA	Total
	(in thousands)			
Severance	$ —	$ (496)	$ 307	$ (189)
Other restructuring costs	—	—	—	—
Total restructuring charges, net	$ —	$ (496)	$ 307	$ (189)
	Nine Months Ended September 30, 2023			
	U.S.	Mexico	EMEA	Total
	(in thousands)			
Severance	$ 306	$ 316	$ 2,892	$ 3,514
Other restructuring costs	(24)	—	—	(24)
Total restructuring charges, net	$ 282	$ 316	$ 2,892	$ 3,490
	Nine Months Ended September 30, 2022			
	U.S.	Mexico	EMEA	Total
	(in thousands)			
Severance	$ 100	$ (1,041)	$ 307	$ (634)
Other restructuring costs	244	—	—	244
Total restructuring charges, net	$ 344	$ (1,041)	$ 307	$ (390)

The following is a summary of our restructuring liability activity for the periods presented: Supplemental cash flow information related to leases was as follows:

	U.S.	Mexico	EMEA	Total
	(in thousands)			
Balance at December 31, 2022	$ 457	$ —	$ 30	$ 487
Restructuring charges, net	(25)	100	—	75
Payments	(432)	(100)	(27)	(559)
Balance at March 31, 2023	—	—	3	3
Restructuring charges, net	—	—	2,248	2,248
Payments	—	—	(692)	(692)
Balance at June 30, 2023	—	—	1,559	1,559
Restructuring charges, net	307	216	644	1,167
Payments	(307)	(216)	(2,169)	(2,692)
Balance at September 30, 2023	$ —	$ —	$ 34	$ 34

	Three Months Ended March 31,	
	2024	2023
	(in thousands)	
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 7,064	$ 9,297
Operating cash flows from finance leases	77	33
Financing cash flows from finance leases	297	578

There was no material restructuring activity for our India segment for the three and nine months ended September 30, 2023 and 2022.

Note 12. 9. Income Taxes

For the three and nine months ended September 30, 2023 March 31, 2024, we reported an income tax provision of $8.0 3.3 million and $12.2 million, respectively, as compared to an income tax provision of $2.9 3.9 million and $11.7 million, respectively, in the comparative prior year period. The increase decrease during the three and nine months ended September 30, 2023 March 31, 2024, resulted primarily from the change in the mix of earnings of foreign jurisdictions.

23 No changes in tax law occurred during the three months ended March 31, 2024, which had a material impact on our income tax provision. We do not record a deferred tax liability related to unremitted earnings as we maintain our assertion to indefinitely reinvest our unremitted foreign earnings.

No changes in tax law occurred during the nine months ended September 30, 2023, which had a material impact on our income tax provision. During the three months ended September 30, 2023, we no longer assert permanent reinvestment on $43.0 million of unremitted earnings in one of our foreign subsidiaries that we expect to repatriate to the U.S. and consequently recognized a $4.3 million deferred tax liability. We continue to maintain our assertion to indefinitely reinvest the remaining earnings and profits in our foreign subsidiaries. Accordingly, no deferred tax liability has been accrued with respect to such remaining unremitted earnings.

Note 13. 10. Net Loss Per Common Share

The following table sets forth the computation of basic and diluted net loss per common share:

	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2023	2022	2024	2023
	(in thousands, except per share data)				(in thousands, except per share data)	
Numerator:						
Net loss from continuing operations	$ (56,763)	$ (6,786)	$ (137,084)	$ (28,897)	$ (61,797)	$ (15,146)
Preferred stock dividends and accretion	(16,031)	(14,976)	(46,802)	(43,658)	—	(15,173)
Net loss from continuing operations attributable to common stockholders	(72,794)	(21,762)	(183,886)	(72,555)	(61,797)	(30,319)
Net income (loss) from discontinued operations	(52)	5,319	(7,095)	6,120	329	(6,981)
Net loss attributable to common stockholders	$ (72,846)	$ (16,443)	$ (190,981)	$ (66,435)	$ (61,468)	$ (37,300)
Denominator:						
Basic weighted-average shares outstanding	42,570	41,984	42,448	41,950	47,204	42,284
Effect of dilutive awards	—	—	—	—	—	—
Diluted weighted-average shares outstanding	42,570	41,984	42,448	41,950	47,204	42,284
Loss from continuing operations per common share:						
Basic	$ (1.71)	$ (0.52)	$ (4.33)	$ (1.73)	$ (1.31)	$ (0.72)
Diluted	$ (1.71)	$ (0.52)	$ (4.33)	$ (1.73)	$ (1.31)	$ (0.72)

Income (loss) from discontinued operations per common share:						
Basic	$ (0.00)	$ 0.13	$ (0.17)	$ 0.15	$ 0.01	$ (0.16)
Diluted	$ (0.00)	$ 0.13	$ (0.17)	$ 0.15	$ 0.01	$ (0.16)
Loss per common share:						
Basic	$ (1.71)	$ (0.39)	$ (4.50)	$ (1.58)	$ (1.30)	$ (0.88)
Diluted	$ (1.71)	$ (0.39)	$ (4.50)	$ (1.58)	$ (1.30)	$ (0.88)
Dilutive shares excluded from the calculation due to net losses in the period	84	893	268	568	136	631
Anti-dilutive share-based compensation awards that would be excluded from the calculation if income was reported in the period	762	111	147	196	1,180	69

We use the if-converted method for calculating any potential dilutive effect of the Convertible Notes on diluted net loss per common share. The Convertible Notes would have a diluted impact on net income per share when the average price of our Common Stock for a given period exceeds the respective conversion price of the Convertible Notes. During the nine three months ended September 30, 2023, March 31, 2024 and 2023, we had 8,816,881 potentially issuable shares of Common Stock related to our Convertible Notes that were not included in the computation of diluted net loss per common share as the effect of including these shares in the calculation would have been anti-dilutive.

Note 14. 11. Stockholders' Equity Deficit

Accumulated Other Comprehensive Loss

The following tables presents the changes in accumulated other comprehensive loss (AOCL) by component:

	Nine Months Ended September 30, 2023			Three Months Ended March 31, 2024		
	Foreign currency translation adjustments	Foreign exchange forward contracts	Total AOCL	Foreign currency translation adjustments	Foreign exchange forward contracts	Total AOCL
	(in thousands)			(in thousands)		
Balance at December 31, 2022	$ (10,845)	$ (4,542)	$ (15,387)			
Balance at December 31, 2023				$ (7,627)	$ —	$ (7,627)
Other comprehensive income before reclassifications	2,010	—	2,010	(1,258)	—	(1,258)
Amounts reclassified from AOCL	—	—	—	—	—	—
Net tax effect	—	—	—	—	—	—
Net current period other comprehensive income	2,010	—	2,010	(1,258)	—	(1,258)
Balance at March 31, 2023	(8,835)	(4,542)	(13,377)			
Other comprehensive income (loss) before reclassifications	(816)	1,943	1,127			
Amounts reclassified from AOCL	—	(58)	(58)			

Net tax effect	—	—	—			
Net current period other comprehensive income (loss)	(816)	1,885	1,069			
Balance at June 30, 2023	(9,651)	(2,657)	(12,308)			
Other comprehensive income (loss) before reclassifications	(3,052)	318	(2,734)			
Amounts reclassified from AOCL	901	3,307	4,208			
Net tax effect	—	—	—			
Net current period other comprehensive income (loss)	(2,151)	3,625	1,474			
Balance at September 30, 2023	$ (11,802)	$ 968	$ (10,834)			
Balance at March 31, 2024				$ (8,885)	$ —	$ (8,885)

During the three months ended September 30, 2023, we reclassified $0.9 million from cumulative translation adjustments and reclassified $4.5 million of losses on net investment hedges from accumulated other comprehensive loss and included the amounts in determining net loss for the period as a result of the substantially complete liquidation of our China operations.

	Nine Months Ended September 30, 2022			Three Months Ended March 31, 2023		
	Foreign currency translation adjustments	Foreign exchange forward contracts	Total AOCL	Foreign currency translation adjustments	Foreign exchange forward contracts	Total AOCL
	(in thousands)			(in thousands)		
Balance at December 31, 2021	$ (48,530)	$ (5,476)	$ (54,006)			
Balance at December 31, 2022				$ (10,845)	$ (4,542)	$ (15,387)
Other comprehensive income before reclassifications	43,369	3,345	46,714	2,010	—	2,010
Amounts reclassified from AOCL	—	(640)	(640)	—	—	—
Net tax effect	—	—	—	—	—	—
Net current period other comprehensive income	43,369	2,705	46,074	2,010	—	2,010
Balance at March 31, 2022	(5,161)	(2,771)	(7,932)			
Other comprehensive loss before reclassifications	(7,346)	(1,189)	(8,535)			
Amounts reclassified from AOCL	—	(498)	(498)			
Net tax effect	—	—	—			
Net current period other comprehensive loss	(7,346)	(1,687)	(9,033)			
Balance at June 30, 2022	(12,507)	(4,458)	(16,965)			
Other comprehensive loss before reclassifications	(7,903)	(582)	(8,485)			
Amounts reclassified from AOCL	—	(187)	(187)			
Net tax effect	—	—	—			
Net current period other comprehensive loss	(7,903)	(769)	(8,672)			
Balance at September 30, 2022	$ (20,410)	$ (5,227)	$ (25,637)			
Balance at March 31, 2023				$ (8,835)	$ (4,542)	$ (13,377)

Note 15. 12. Commitments and Contingencies

Legal Proceedings

From time to time, we are party to various lawsuits, claims, and other legal proceedings that arise in the ordinary course of business, some of which may not be covered by insurance. Upon resolution of any pending legal matters, we may incur charges in excess of presently established reserves. Our management does not believe that any such charges would, individually or in the aggregate, have a material adverse effect on our financial condition, results of operations or cash flows.

In January 2021, we received a complaint that was filed by the administrator for the Senvion GmbH (Senvion) insolvency estate in German insolvency court. The complaint asserts voidance against us in the aggregate amount of $13.3 million. The alleged voidance claims relate to payments that Senvion made to us for wind blades that we produced prior to Senvion filing for insolvency protection. We filed a response to these alleged voidance claims in August 2021 and filed a supplemental response in April 2022. We believe we have meritorious defenses to the alleged voidance claims. Due to the current procedural posture of this claim, we have determined that the ultimate outcome cannot be reasonably estimated at this time.

Collective Bargaining Agreements

Certain of our associates in Türkiye and Matamoros, Mexico are covered by collective bargaining agreements. Our collective bargaining agreement with our associates in Türkiye is in effect through December 2024. We have separate collective bargaining agreements for each of our Matamoros, Mexico manufacturing facilities. Our collective bargaining agreement at one of our Matamoros, Mexico manufacturing facilities is in effect through March 2025 and our collective bargaining agreement for our other facility in Matamoros, Mexico that we took over from Nordex is in effect through April 2025.

Proterra Bankruptcy

On August 7, 2023, we were notified that Proterra Inc. (Proterra), one of our customers in our automotive business line, filed for bankruptcy protection under Chapter 11 of the U.S. bankruptcy code, and Proterra rejected its bus body supply agreement with us as part of its bankruptcy reorganization. Net sales from this bus body supply agreement were less than 2% and 3% of our consolidated net sales for the nine-month periods ended September 30, 2023 and 2022, respectively. Our results of operations during the three months ended September 30, 2023 were adversely impacted by Proterra's bankruptcy as we recorded a charge for credit losses on contract assets of $12.8 million, a charge for credit losses on accounts receivable of $8.1 million, a charge for inventory of $1.7 million, an impairment charge of $0.7 million related to fixed assets, and severance charges totaling $0.4 million.

Note 16. 13. Concentration of Customers

Net sales from certain customers (in thousands) in excess of 10 percent of our total consolidated net sales are as follows:

	Three Months Ended September 30,				Nine Months Ended September 30,				Three Months Ended March 31,			
	2023		2022		2023		2022		2024		2023	
Customer	Net sales	% of Total	Net sales	% of Total	Net sales	% of Total	Net sales	% of Total	Net sales	% of Total	Net sales	% of Total
Vestas	$152,537	40.9%	$136,491	35.5%	$429,924	37.1%	$412,050	36.8%				
Nordex	99,702	26.7	120,003	31.2	353,286	30.5	355,629	31.7	$ 106,695	35.7 %	$ 139,009	34.4 %
GE	93,182	25.0	80,976	21.1	273,335	23.6	220,379	19.7	100,066	33.5	81,256	20.1
Vestas									63,700	21.3	143,662	35.6

TPI COMPOSITES, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

Trade accounts receivable from certain customers in excess of 10 percent of our total consolidated trade accounts receivable are as follows:

Customer	September 30, 2023 % of Total	December 31, 2022 % of Total	March 31, 2024 % of Total	December 31, 2023 % of Total
Nordex	60.5 %	65.2 %	62.7 %	61.4 %
Enercon	16.0	10.9	17.0	17.6
Vestas	11.9	7.7	11.3	7.4
GE			7.8	11.5

TPI COMPOSITES, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

Note 17. 14. Segment Reporting

Our operating segments are defined geographically into four geographic operating segments—(1) the U.S., (2) Mexico, (3) Europe, the Middle East and Africa (EMEA) and (4) India. For a detailed discussion of our operating segments, refer to the discussion in Note 22, *Segment Reporting*, to the Notes to Consolidated Financial Statements within our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

Our U.S. and India segments operate in the U.S. dollar. Our Mexico segment operates in its local currency and includes a U.S. parent company that operates in the U.S. dollar. Our EMEA segment operates in the Euro, effective January 1, 2022. Prior to this, our EMEA segment operated in the Turkish Lira. Euro.

The following tables set forth certain information regarding each of our segments:

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
	(in thousands)				(in thousands)	
Net sales by segment:						
U.S.	$ 7,184	$ 26,755	$ 39,164	$ 68,969	$ 9,218	$ 15,620
Mexico	156,861	164,368	478,479	486,749	152,458	154,640
EMEA	149,254	127,348	451,347	406,643	96,628	167,513
India	59,561	65,967	189,207	158,104	40,758	66,293
Total net sales	$ 372,860	$ 384,438	$ 1,158,197	$ 1,120,465	$ 299,062	$ 404,066
Net sales by geographic location:						
United States	$ 7,184	$ 26,755	$ 39,164	$ 68,969	$ 9,218	$ 15,620
Mexico	156,861	164,368	478,479	486,749	152,458	154,640
Türkiye	147,328	126,504	447,640	405,552	96,336	167,118

Spain	1,926	844	3,707	1,091	292	395
India	59,561	65,967	189,207	158,104	40,758	66,293
Total net sales	$ 372,860	$ 384,438	$ 1,158,197	$ 1,120,465	$ 299,062	$ 404,066
Income (loss) from continuing operations:						
U.S. (1)	$ (29,118)	$ (10,510)	$ (41,646)	$ (36,803)	$ (6,634)	$ (5,729)
Mexico	(35,808)	(21,030)	(121,521)	(59,002)	(27,263)	(21,701)
EMEA	10,803	11,019	28,875	54,738	(5,501)	15,668
India	7,214	8,599	17,179	11,417	436	3,765
Total loss from continuing operations	$ (46,909)	$ (11,922)	$ (117,113)	$ (29,650)	$ (38,962)	$ (7,997)

	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
	(in thousands)		(in thousands)	
Property, plant and equipment, net:				
U.S.	$ 24,126	$ 23,076	$ 10,603	$ 10,660
Mexico	51,562	56,495	49,035	49,921
EMEA	23,361	27,005	40,025	40,435
India	29,022	30,265	26,716	27,792
Total property, plant and equipment, net	$ 128,071	$ 136,841	$ 126,379	$ 128,808

(1) The losses from operations in our U.S. segment includes corporate general and administrative costs of $28.7 6.7 million and $42.5 million, respectively, for the three and nine months ended September 30, 2023 March 31, 2024, and $8.0 7.0 million and $22.6 million, respectively, in the comparative prior year periods. period.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our condensed consolidated financial statements and the related notes and other financial information appearing elsewhere in this Quarterly Report on Form 10-Q (Form 10-Q). 10-Q. Some of the information contained in this discussion and analysis or set forth elsewhere in this Quarterly Report on Form 10-Q, including information with respect to plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those described in or implied by these forward-looking statements as a result of *various factors, including those discussed below and elsewhere in this Quarterly Report on Form 10-Q or in our previously filed Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023, particularly those under the heading “Risk Factors.”*

OVERVIEW

Our Company

We are the only independent manufacturer of composite wind blades for the wind energy market with a global manufacturing footprint. We deliver high-quality, cost-effective composite solutions through long-term relationships with leading original equipment manufacturers (OEM) in the wind market. and automotive markets. We also provide field service inspection and repair services to our OEM customers and wind farm owners and operators, and supply high strength, lightweight and durable composite products to the automotive market. operators. We are headquartered in Scottsdale, Arizona and operate factories throughout in the United States, U.S., Mexico, Türkiye, and India. We operate additional engineering development centers in Denmark and Germany and a service services facility in Spain.

Our business operations are defined geographically into four geographic operating segments—(1) the United States (U.S.), (2) Mexico, (3) Europe, the Middle East and Africa (EMEA) and (4) India. See Note 17, 14, *Segment Reporting*, to our condensed consolidated financial statements for more details about our operating segments.

As previously announced in In December 2022, changing economic and geopolitical factors, including increased logistics costs and tariffs imposed on components of wind turbines from China, including wind blades, had an adverse impact on demand for our wind blades manufactured in our Chinese facilities. As a result, we the Company ceased production at our Yangzhou, China manufacturing facility as of December 31, 2022 and are in the final stages of shutting down our business operations in China. Our business operations in China, which comprised the entirety of our historically reported Asia reporting segment. Accordingly, the historical results of our Asia reporting segment have been presented as discontinued operations, refer to Note 2 – Discontinued Operations of the Notes to Consolidated Financial Statements in Part II, Item 8 of our financial statements. Annual Report on Form 10-K for the year ended December 31, 2023.

KEY TRENDS AND RECENT DEVELOPMENTS AFFECTING OUR BUSINESS

Geopolitical events around the world have accelerated regional needs for energy independence and security. Climate change also continues to drive the need for renewable energy solutions and net-zero carbon emissions. Over the course of the past few years, we have seen numerous government policy initiatives aimed at expanding the use of renewable energy, including the passing of the Inflation Reduction Act (IRA) IRA in the U.S. and several policy initiatives in the European Union (EU) EU that are expected to simplify regulations, speed up permitting and promote cross-border projects to accelerate climate neutrality. We expect these recent trends in governmental policy will enable long-term revenue growth in the wind industry. As the majority of our wind blades are installed in the U.S. and Europe, these policy trends are expected to have a material impact on our business and the pace of long-term growth. In recent months, we have also seen announcements from our customers of growing order backlogs that support our long-term growth expectations.

Despite these favorable long-term policy trends, we expect reduced demand in the near term while the wind industry awaits clarity on the implementation guidance related to key components of the IRA and clarity around more robust policies in the EU. In addition, permitting, transmission, transmission queues, the ability of the broader wind industry supply chain to ramp volume, rising elevated interest rates and inflation, and the cost and availability of capital are further factors limiting the timing of the wind market recovery. Specific to our customers, we currently We expect to have six manufacturing lines in startup and four manufacturing lines in transition and four lines in startup during 2024 as our customers prepare for anticipated stronger demand beginning in 2025, 2025. Four of the manufacturing lines in startup will be in Juarez, Mexico at a previously idle manufacturing facility and two of the manufacturing lines in startup will be in Türkiye where two longer blade lines will replace three blade lines due to space considerations. The four manufacturing lines in transition will all occur in one of our Matamoros, Mexico manufacturing facilities. For the other Matamoros, Mexico facility, which will is a four-line manufacturing facility we took over from Nordex in July 2021, we plan to exit this location at the end of the three-year contract on June 30, 2024. The impact utilization and output during 2024. Furthermore, we expect of all these changes, along with near term demand reductions from one of our customers to be down in the near term as they consider their existing inventory levels and contemplate changes in geographic demand, which are is expected to result in lower volumes 2024 sales down slightly from the underutilization of certain lines and a reduction in overall lines from that customer.
While the accelerated pace of new product introductions within the industry over the last five years and the push for larger turbines getting 2023. Sales are expected to market quicker has significantly reduced the levelized cost of wind energy, it is also a contributing factor to quality issues that have recently surfaced in the wind industry. As we disclosed during the second quarter of 2023, we recorded a charge for a change in estimate for warranties of $32.7 million, which was primarily related to a single warranty campaign with a current customer.

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During the three months ended September 30, 2023, we recorded an additional $13.5 million charge for a change in estimate due to a revision in estimated costs related to the charge we recorded in the second quarter of 2023.
As we disclosed be lower in the first quarter half of 2023, the year as we started to see increased inspection work through the ten lines in startup and repair costs due to enhanced customer inspection criteria requirements. With transition. In the quality issues in second half of the wind industry that have been in the public eye over the past couple of quarters, most of our customers, and some of their customers, are requiring additional quality control checks and measures that are adding cost and time to the production process, which increased our manufacturing costs by $3.9 million and $13.6 million in the three and nine months ended September 30, 2023, respectively, and is expected to

increase our manufacturing costs by $16.9 million for the full year, 2023. Additionally, we have diverted many of our field services technicians from revenue-generating work to warranty inspection and repair, which further impacted our overall financial results during the three and nine months ended September 30, 2023, and will continue to impact our overall financial results for the balance of 2023. Overall, we expect our field service sales to be down about 40% these ten lines in 2023 as compared to 2022 as our technicians focus on the warranty inspection startup and repair activities. transition will achieve serial production levels resulting in mid-single digit adjusted EBITDA margins and positive free cash flow.

Our results of operations for the three and nine months ended September 30, 2023 have also been adversely impacted by the performance of our the Matamoros, Mexico manufacturing facility that we took over from Nordex in July 2021. During the three months ended September 30, 2023, production was temporarily paused due to extreme heat and humidity issues at this facility. Net sales for the three and nine months ended September 30, 2023 were negatively impacted by approximately $6.0 million and $14.8 million, respectively, due to lost production days. As of September 30, 2023, production has recommenced at this facility. We experienced a loss from operations of $5.8 million $9.5 million and $25.6 million $6.7 million at this facility for the

three and nine months ended September 30, 2023, respectively, March 31, 2024 and a 2023, respectively. The increase in this loss from operations was primarily due to a 27% decrease in the volume of $10.7 million wind blades produced due to environmental conditions including extreme cold temperatures and $28.3 million, respectively, for the comparative prior year periods. humidity issues at this facility affecting production. The loss from operations for the nine three months ended September 30, 2023 March 31, 2024, was reduced by the impact of a positive cumulative catch-up adjustment of approximately $2.2 million during the first quarter $5.6 million as a result of a modification to our customer contract that resulted in changes change in certain of our estimated total contract values and related costs to complete the performance obligations. In addition, we recorded a positive cumulative catch-up adjustment obligations over the remaining term of approximately $5.2 million during the third quarter as a result of additional fees received from our customer related to the temporary production pause.
During the nine months ended September 30, 2023, the overall pricing for the raw materials that we source has decreased compared to the same period in 2022. With our contract structure and shared cost approach with our customers, we expect to have a net benefit from this reduction in material pricing in 2023 as compared to 2022. contract.

Ongoing inflationary pressures have caused and may continue to cause many of our production expenses to increase, which adversely impacts our results of operations. The governments government of Mexico and increased minimum wages 20% effective January 1, 2024. The government of Türkiye increased minimum wages approximately 20% and 55%, respectively, 49% effective January 1, 2023 and there may be further wage increases enacted throughout the year. Further, in May 2023 we agreed to an amendment to our collective bargaining agreement with our associates in Türkiye which resulted in significant increased wages for these associates. During the nine months ended September 30, 2023, these total wage increases in Türkiye have increased our labor costs at these facilities by approximately 70%, net of favorable foreign currency fluctuations, compared the same period in 2022. January 1, 2024. While our customer contracts allow us to pass a portion of these increases to our customers, we will not be able to recover 100% of the increases increased labor costs caused by this wage inflation. If our manufacturing facilities in these countries continue to experience wage inflation at these levels and the increased costs in local currency are not offset with favorable foreign currency fluctuations or productivity improvements, such elevated wages will have a material impact on our results of operations.

As previously disclosed, we were notified on August 7, 2023 that Proterra Inc. (Proterra), one of our customers in our We have made significant investments to expand the automotive business line, filed for bankruptcy protection under Chapter 11 of the U.S. bankruptcy code, and Proterra rejected its bus body supply agreement with us as part of its bankruptcy reorganization. Net sales from this bus body supply agreement were less than 2% and 3% of our consolidated net sales for the nine-month periods ended September 30, 2023 and 2022, respectively. However, our results of operations during the three months ended September 30, 2023 were adversely impacted by Proterra's bankruptcy. We recorded a charge for credit losses on contract assets of $12.8 million, a charge for credit losses on accounts receivable of $8.1 million, a charge for inventory of $1.7 million, an impairment charge of $0.7 million related to fixed assets, and severance charges totaling $0.4 million.
We continue to last several years. While we believe there is an increasing demand for composite products for electric vehicles, and we have made significant investments intend to expand prioritize capital for growth in the wind blade business in the near term. As a result, we are in the process of exploring strategic alternatives to ensure our automotive business during the last several years. From 2018 is sufficiently funded to 2022, we invested approximately $81 million in our automotive business, and experienced significant losses and operational challenges during this expansion. execute on its growth strategies. We expect to invest an additional $10 million to $15 million complete this process no later than June 30, 2024, which could result in this business in 2023 and we expect to continue to operate at a loss for material non-cash impairment of the year. We expect to launch three new production programs in the fourth quarter of 2023 that include the production of large structural panels for a commercial truck, a full battery enclosure for a commercial truck and high voltage battery pack thermal barriers for a light-duty truck. We continue to explore strategic alternatives for our automotive business to enable us to scale faster and remain focused on improving these operations.

business's assets.

KEY METRICS USED BY MANAGEMENT TO MEASURE PERFORMANCE

In addition to measures of financial performance presented in our condensed consolidated financial statements in accordance with GAAP, we use certain other financial measures and operating metrics to analyze our performance. These “non-GAAP” financial measures consist of EBITDA, adjusted EBITDA, free cash flow and net cash (debt), which help us evaluate growth trends, establish budgets, assess operational efficiencies, oversee our overall liquidity, and evaluate our overall financial performance. The key operating metrics consist of wind blade sets produced, estimated megawatts of energy capacity to be generated by wind blade sets produced, utilization, dedicated manufacturing lines, and manufacturing lines installed, and weighted-average sales price (ASP) per wind blade, all of which help us evaluate our operational performance. Weighted-average sales price per wind blade represents the average sales price during the period for a single wind blade that we manufacture for our customers. We believe that these measures are useful to investors in evaluating our performance. For a detailed discussion of our key financial measures and our key operating metrics, refer to the discussion in “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Metrics Used By Management To Measure Performance” included in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

KEY FINANCIAL MEASURES

	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2023	2022	2024	2023
	(in thousands)				(in thousands)	
Net sales	$ 372,860	$ 384,438	$ 1,158,197	$ 1,120,465	$ 299,062	$ 404,066
Net loss from continuing operations	(56,763)	(6,786)	(137,084)	(28,897)	(61,797)	(15,146)
EBITDA (1)	(37,513)	6,895	(89,047)	14,983	(28,223)	964
Adjusted EBITDA (1)	(27,382)	5,052	(57,867)	16,706	(22,982)	8,399
Capital expenditures (2)			15,846	11,492	8,285	3,275
Free cash flow (1)(2)			(101,754)	(96,587)	(47,289)	(87,136)

	September 30, 2023	December 31, 2022
	(in thousands)	
Total debt—principal	$ 196,382	$ 61,173
Net cash (debt) (1)	(31,802)	82,042

	March 31, 2024	December 31, 2023
	(in thousands)	
Total debt, net of debt issuance costs and debt discount	$ 509,614	$ 485,193
Net debt (1)	(391,912)	(323,218)

(1) See below for more information and a reconciliation of EBITDA, adjusted EBITDA, free cash flow and net cash (debt) to net loss from continuing operations attributable to common stockholders, net cash provided by (used in) operating activities and total debt, net of debt issuance costs, respectively, the most directly comparable financial measures calculated and presented in accordance with GAAP.

(2) Capital expenditures and free cash flow include amounts from discontinued operations. Refer to Condensed Consolidated Statements of Cash Flows for more information.

The following tables reconcile our non-GAAP key financial measures to the most directly comparable GAAP measures:

EBITDA and adjusted EBITDA are reconciled as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2023	2022	2024	2023
	(in thousands)				(in thousands)	
Net loss attributable to common stockholders	$ (72,846)	$ (16,443)	$ (190,981)	$ (66,435)	$ (61,468)	$ (37,300)
Net loss (income) from discontinued operations	52	(5,319)	7,095	(6,120)	(329)	6,981
Net loss from continuing operations attributable to common stockholders	(72,794)	(21,762)	(183,886)	(72,555)	(61,797)	(30,319)
Preferred stock dividends and accretion	16,031	14,976	46,802	43,658	—	15,173
Net loss from continuing operations	(56,763)	(6,786)	(137,084)	(28,897)	(61,797)	(15,146)
Adjustments:						
Depreciation and amortization	9,582	9,619	29,798	29,330	8,900	9,722
Interest expense, net	1,628	1,210	6,034	2,872	21,385	2,528
Income tax provision	8,040	2,852	12,205	11,678	3,289	3,860
EBITDA	(37,513)	6,895	(89,047)	14,983	(28,223)	964
Share-based compensation expense	2,528	3,584	9,143	10,277	2,589	2,553
Foreign currency loss (income)	579	(8,207)	3,278	(14,306)		
Foreign currency loss					640	1,214
Loss on sale of assets and asset impairments	5,857	2,969	15,269	6,142	1,830	3,593
Restructuring charges, net	1,167	(189)	3,490	(390)	182	75
Adjusted EBITDA	$ (27,382)	$ 5,052	$ (57,867)	$ 16,706	$ (22,982)	$ 8,399

Free cash flow is reconciled as follows:

	Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2024	2023
	(in thousands)		(in thousands)	
Net cash used in operating activities	$ (85,908)	$ (85,095)	$ (39,004)	$ (83,861)
Capital expenditures	(15,846)	(11,492)	(8,285)	(3,275)
Free cash flow	$ (101,754)	$ (96,587)	$ (47,289)	$ (87,136)

Net cash (debt) is reconciled as follows:

	September 30,	December 31,	March 31,	December 31,

	2023	2022	2024	2023
	(in thousands)		(in thousands)	
Cash and cash equivalents	$ 160,649	$ 133,546	$ 116,850	$ 161,059
Cash and cash equivalents of discontinued operations	3,931	9,669	852	916
Less total debt—principal	(196,382)	(61,173)		
Net cash (debt)	$ (31,802)	$ 82,042		
Total debt, net of debt issuance costs and debt discount			(509,614)	(485,193)
Net debt			$ (391,912)	$ (323,218)

KEY OPERATING METRICS

	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2023	2022	2024	2023
Sets	666	570	1,982	1,792	488	655
Estimated megawatts	2,892	2,542	8,750	7,908	2,050	2,948
Utilization	85 %	75 %	84 %	78 %	67 %	84 %
Dedicated manufacturing lines	37	36	37	36	36	37
Manufacturing lines installed	37	36	37	36	36	37
Wind blade ASP (in $ thousands)					$ 183	$ 195

RESULTS OF OPERATIONS

The following table summarizes our operating results as a percentage of net sales for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 that have been derived from our condensed consolidated statements of operations:

	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2023	2022	2024	2023
Net sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	101.7	99.0	103.9	98.1	102.7	98.8
Startup and transition costs	1.3	1.3	0.9	2.0	7.4	0.5
Total cost of goods sold	103.0	100.3	104.8	100.1	110.1	99.3
Gross loss	(3.0)	(0.3)	(4.8)	(0.1)		
Gross profit (loss)					(10.1)	0.7
General and administrative expenses	7.7	2.1	3.7	2.0	2.2	1.7
Loss on sale of assets and asset impairments	1.6	0.8	1.3	0.5	0.6	0.9
Restructuring charges, net	0.3	(0.1)	0.3	0.0	0.1	0.0

	Three Months Ended September 30, 2023	2022	Nine Months Ended September 30, 2023	2022	Three Months Ended March 31, 2024	2023
Loss from continuing operations	(12.6)	(3.1)	(10.1)	(2.6)	(13.0)	(1.9)
Total other income (expense)	(0.5)	2.1	(0.7)	1.1		
Total other expense					(6.6)	(0.8)
Loss before income taxes	(13.1)	(1.0)	(10.8)	(1.5)	(19.6)	(2.7)
Income tax provision	(2.1)	(0.8)	(1.0)	(1.1)	(1.1)	(1.0)
Net loss from continuing operations	(15.2)	(1.8)	(11.8)	(2.6)	(20.7)	(3.7)
Preferred stock dividends and accretion	(4.3)	(3.9)	(4.1)	(3.9)	—	(3.8)
Net loss attributable to common stockholders from continuing operations	(19.5)	(5.7)	(15.9)	(6.5)	(20.7)	(7.5)
Net income (loss) from discontinued operations	0.0	1.4	(0.6)	0.6	0.1	(1.7)
Net loss attributable to common stockholders	(19.5)%	(4.3)%	(16.5)%	(5.9)%	(20.6)%	(9.2)%

Net sales

Consolidated discussion

The following table summarizes our net sales by product/service for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change		Three Months Ended March 31,		Change	
	2023	2022	$	%	2023	2022	$	%	2024	2023	$	%
	(in thousands)				(in thousands)				(in thousands)			
Wind blade, tooling and other wind related sales	$ 362,231	$ 355,796	$ 6,435	1.8%	$ 1,112,557	$ 1,045,200	$ 67,357	6.4%	$ 288,905	$ 387,592	$ (98,687)	(25.5)%
Automotive sales	2,619	10,542	(7,923)	(75.2)	20,130	34,059	(13,929)	(40.9)	5,016	10,261	(5,245)	(51.1)

Field service, inspection and repair services sales	8,010	18,100	(10,090)	(55.7)	25,510	41,206	(15,696)	(38.1)	5,141	6,213	(1,072)	(17.3)
Total net sales	$ 372,860	$ 384,438	$ (11,578)	(3.0)%	$ 1,158,197	$ 1,120,465	$ 37,732	3.4%	$ 299,062	$ 404,066	$ (105,004)	(26.0)%

The increase decrease in net sales of wind blades, tooling and other wind related sales (collectively, "Wind") Wind) for the three months ended September 30, 2023 March 31, 2024, as compared to the same period in 2022, 2023, was primarily due to an increase a 25% decrease in the number of wind blades produced due to the number of lines that we are starting up or transitioning, expected volume declines based on market activity levels, and lower average sales prices of wind blades due to changes in the mix of wind blade models produced. This decrease was partially offset by favorable foreign currency fluctuations, and an increase in tooling sales in preparation for manufacturing line startups and transitions. The increase decrease in wind blade volume was primarily driven by lower production in automotive sales for the prior comparative period due to a temporary production stoppage in the third quarter of 2022 in one of our Mexico plants as a customer implemented a blade redesign and a brief labor disruption in Türkiye in the third quarter of 2022 as we worked with the union to resolve inflationary pressures on wages. These higher blade sales were partially offset by lower average sales prices due to the impact of raw material and logistic cost reductions on our blade prices. The increase in net sales of Wind during the nine three months ended September 30, 2023 March 31, 2024, as compared to the same period in 2022, was also due to an increase in the number of wind blades produced, favorable foreign currency fluctuations, and an increase in tooling sales, partially offset by lower average sales prices, and a decrease in other wind related sales for mold decommissioning services. The decrease in automotive sales for the three and nine months ended September 30, 2023 2023, was primarily due to a decrease in the number sales of composite bus bodies produced as a result of Proterra's Proterra's bankruptcy during the third quarter of 2023, the rejection of our bus body supply agreement during Proterra's bankruptcy proceedings, and a decrease partially offset by an increase in sales of other automotive products due to our customers' supply chain constraints and delays in transitions the launch of a new product launches. line. The decrease in field

service, inspection and repair services (collectively, "Field Services") Field Services) sales for the three and nine months ended September 30, 2023 March 31, 2024, as compared to the same periods period in 2022, 2023, was primarily due to a reduction in technicians deployed to revenue generating projects due to an increase in time spent on non-revenue generating inspection and repair activities. The fluctuating U.S. dollar against the Euro in our Türkiye operations had a favorable impact of 2.9% and 0.7% 0.4% on consolidated net sales for the three and nine months ended September 30, 2023 March 31, 2024, respectively, as compared to the same periods period in 2022. 2023.

Segment discussion

The following table summarizes our net sales by our four geographic operating segments for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

Three Months Ended	Nine Months Ended	Three Months Ended

	September 30, 2023	September 30, 2022	Change $	Change %	September 30, 2023	September 30, 2022	Change $	Change %	March 31, 2024	March 31, 2023	Change $	Change %
	(in thousands)				(in thousands)				(in thousands)			
U.S.	$ 47,184	$ 526,755	$ (19,571)	(73.1)%	$ 6439,164	$ 6968,969	$ (29,805)	(43.2)%	$ 9,218	$ 15,620	$ (6,402)	(41.0)%
Mexico	156,861	164,368	(7,507)	(4.6)	478,479	486,749	(8,270)	(1.7)	152,458	154,640	(2,182)	(1.4)
EMEA	149,254	127,348	21,906	17.2	451,347	406,643	44,704	11.0	96,628	167,513	(70,885)	(42.3)
India	59,561	65,967	(6,406)	(9.7)	189,207	158,104	31,103	19.7	40,758	66,293	(25,535)	(38.5)
Total net sales	$ 372,860	$ 384,438	$ (11,578)	(3.0)%	$ 1,158,197	$ 1,120,465	$ 237,732	3.4%	$ 299,062	$ 404,066	$ (105,004)	(26.0)%

U.S. Segment

The following table summarizes our net sales by product/service for the U.S. segment for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

	Three Months Ended September 30, 2023	2022	Change $	Change %	Nine Months Ended September 30, 2023	2022	Change $	Change %
	(in thousands)				(in thousands)			
Wind blade, tooling and other wind related sales	$ —	$ 1,151	$ (1,151)	NM	$ —	$ 1,317	$ (1,317)	NM
Automotive sales	2,619	10,542	(7,923)	(75.2)	20,130	34,059	(13,929)	(40.9)
Field service, inspection and repair services sales	4,565	15,062	(10,497)	(69.7)	19,034	33,593	(14,559)	(43.3)
Total net sales	$ 7,184	$ 26,755	$ (19,571)	(73.1)%	$ 39,164	$ 68,969	$ (29,805)	(43.2)%

NM – not meaningful

	Three Months Ended March 31, 2024	2023	Change $	Change %

	(in thousands)			
Automotive sales	5,016	10,261	(5,245)	(51.1)%
Field service, inspection and repair services sales	4,202	5,359	(1,157)	(21.6)
Total net sales	$ 9,218	$ 15,620	$ (6,402)	(41.0)%

The decrease in the U.S. segment's automotive sales for the three and nine months ended September 30, 2023 March 31, 2024, as compared to the same periods period in 2022, 2023, was primarily due to a decrease in the number sales of composite bus bodies produced as a result of Proterra's Proterra's bankruptcy during the third quarter of 2023, the rejection of our bus body supply agreement during Proterra's bankruptcy proceedings, and a decrease partially offset by an increase in sales of other automotive products. products due to the launch of a new product line. The decrease in the U.S. segment's Field Services sales for the three and nine months ended September 30, 2023 March 31, 2024, was primarily due to a reduction in technicians deployed to revenue generating projects due to an increase in time spent on non-revenue generating inspection and repair activities.

Mexico Segment

The following table summarizes our net sales by product/service for the Mexico segment for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Change $	Change %	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	Change $	Change %	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	Change $	Change %
	(in thousands)				(in thousands)				(in thousands)			
Wind blade, tooling and other wind related sales	$ 156,077	$ 163,833	$ (7,756)	(4.7)%	$ 477,306	$ 483,199	$ (5,893)	(1.2)%	$ 152,361	$ 154,462	$ (2,101)	(1.4)%
Field service, inspection and repair services sales	784	535	249	46.5	1,173	3,550	(2,377)	(67.0)	97	178	(81)	(45.5)
Total net sales	$ 156,861	$ 164,368	$ (7,507)	(4.6)%	$ 478,479	$ 486,749	$ (8,270)	(1.7)%	$ 152,458	$ 154,640	$ (2,182)	(1.4)%

The decrease in the Mexico segment's net sales of Wind for the three and nine months ended September 30, 2023 March 31, 2024, as compared to the same periods period in 2022, 2023, was primarily due to lower a 10% net decrease in the number of wind blades produced across our Mexico manufacturing facilities, partially offset by higher average sales prices of wind blades in Mexico due to changes in the mix of wind blade models produced and the impact of inflation on wind blade prices. The change in volume was primarily associated with decreased production at one of our Matamoros, Mexico manufacturing facilities due to the impact transition of raw material and logistic cost reductions on our several of the manufacturing lines at this facility to larger wind blade prices, and models during the three months ended March 31, 2024. The change in volume was also due to a 27% decrease in other the number of wind related sales for mold decommissioning services blades produced at the Matamoros, Mexico facility that we took over from Nordex in the prior comparative period. July 2021 due to environmental conditions including extreme cold temperatures and humidity issues at this facility. This decrease was partially offset by an a combined 23% increase in the number of wind blades produced due to at our facilities in Juarez, Mexico and a temporary production stoppage in the third quarter of 2022 in one of our Mexico plants as a customer implemented a blade redesign, and an $6.1 million increase in tooling sales in preparation for manufacturing line startups and transitions. The decrease in the Mexico segment's Field Services sales for the nine months ended September 30, 2023 as compared to the same period in 2022, was primarily due to a reduction in technicians deployed to revenue generating projects due to an increase in time spent on non-revenue generating inspection and repair activities.

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EMEA Segment

The following table summarizes our net sales by product/service for the EMEA segment for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change		Three Months Ended March 31,		Change	
	2023	2022	$	%	2023	2022	$	%	2024	2023	$	%
	(in thousands)				(in thousands)				(in thousands)			
Wind blade, tooling and other wind related sales	$ 146,593	$ 124,845	$ 21,748	17.4%	$ 446,044	$ 402,582	$ 43,462	10.8%	$ 95,786	$ 166,837	$ (71,051)	(42.6)%
Field service, inspection and repair services sales	2,661	2,503	158	6.3	5,303	4,061	1,242	30.6	842	676	166	24.6

Total net sales	$149,254	$127,348	$21,906	17.2%	$451,347	$406,643	$44,704	11.0%	$96,628	$167,513	$(70,885)	(42.3)%

The increase decrease in the EMEA segment's net sales of Wind for the three and nine months ended September 30, 2023 March 31, 2024, as compared to the same periods period in 2022, 2023, was primarily due to an increase a 42% decrease in the number of wind blades produced due to reduced market demand for one of our customers' wind blade models at one of our Türkiye manufacturing facilities and the transition of certain manufacturing lines to a brief labor disruption different customers' wind blade model at our other Türkiye facility, as well as lower average sales prices of wind blades in Türkiye due to such changes in the third quarter mix of 2022 as we worked with the union to resolve inflationary pressures on wages, favorable foreign currency fluctuations, and higher average sales prices due to the impact of inflation on wind blade prices. models produced. The increase decrease was partially offset by an adverse cumulative catch-up adjustment as a result of changes in certain of our estimated costs to complete our performance obligations. The increase in the EMEA segment's Field Services sales for the three and nine months ended September 30, 2023 as compared to the same periods in 2022, was primarily due to an increase in demand for such services in this region and the commencement of our service center in Spain during 2022. favorable foreign currency fluctuations. The fluctuating U.S. dollar relative to the Euro had a favorable impact of 7.3% and 1.8% 1.2% on the EMEA segment's net sales respectively, during for the three and nine months ended September 30, 2023 March 31, 2024, as compared to the same periods period in 2022.

2023.

India Segment

The following table summarizes our net sales by product/service for the India segment for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2023	2022	$	%	2023	2022	$	%
	(in thousands)				(in thousands)			
Wind blade, tooling and other wind related sales	$ 59,561	$ 65,967	$ (6,406)	(9.7)%	$ 189,207	$ 158,102	$ 31,105	19.7%
Field service, inspection and repair services sales	—	—	—	NM	—	2	(2)	NM
Total net sales	$ 59,561	$ 65,967	$ (6,406)	(9.7)%	$ 189,207	$ 158,104	$ 31,103	19.7%

	Three Months Ended March 31,		Change	
	2024	2023	$	%
	(in thousands)			
Wind blade, tooling and other wind related sales	$ 40,758	$ 66,293	$ (25,535)	(38.5)%
Total net sales	$ 40,758	$ 66,293	$ (25,535)	(38.5)%

The decrease in the India segment's net sales of Wind during for the three months ended September 30, 2023 March 31, 2024, as compared to the same period in 2022, 2023, was primarily due to a 23% decrease in the number of wind blades produced due to a decrease in market demand for one of our customers' wind blades models produced at this facility, and lower average sales prices due to the impact of raw material and logistic cost reductions on our blade prices,and was partially offset by an increase in the number of wind blades produced. The increase in the India segment's net sales of Wind during the nine months ended September 30, 2023, as compared to the same period in 2022, was primarily due to an increase in the number of wind blades produced due to the transition of two of our manufacturing lines from one type of wind blade to a new type of wind blade during the prior comparative period, partially offset by lower average sales prices due to the impact of raw material and logistic cost reductions on our blade prices.

Total cost of goods sold

The following table summarizes our total cost of goods sold for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Change $	Change %	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	Change $	Change %	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	Change $	Change %
	(in thousands)				(in thousands)				(in thousands)			
Cost of sales	$ 379,219	$ 380,729	$ (1,510)	(0.4)%	$ 1,203,867	$ 1,099,368	$ 104,499	9.5%	$ 307,084	$ 399,381	$ (92,297)	(23.1)%
Startup costs									6,363	—	6,363	NM
Transition costs	4,817	4,821	(4)	(0.1)	10,174	22,417	(12,243)	(54.6)	15,866	1,980	13,886	NM
Total startup and transition costs	4,817	4,821	(4)	(0.1)	10,174	22,417	(12,243)	(54.6)	22,229	1,980	20,249	NM
Total cost of goods sold	$ 384,036	$ 385,550	$ (1,514)	(0.4)	$ 1,214,041	$ 1,121,785	$ 92,256	8.2	$ 329,313	$ 401,361	$ (72,048)	(18.0)
% of net sales	103.0%	100.3%		2.7%	104.8%	100.1%		4.7%	110.1%	99.3%		10.8%

NM – not meaningful

Total cost of goods sold as a percentage of net sales increased by approximately 2.7% and 4.7% during 10.8% for the three and nine months ended September 30, 2023 March 31, 2024, respectively, as compared to the same periods period in 2022, 2023, primarily driven by an increase in startup and transition costs associated with four manufacturing lines in startup in Juarez, Mexico at a previously idle manufacturing facility, two manufacturing lines in transition at one of $13.1 million and $47.8 million, respectively, of total warranty costs our Türkiye facilities where two longer blade models will replace three blade models due to changes space considerations, and four manufacturing lines in previous estimates primarily associated with a single campaign with a current customer, an transition at one of our Matamoros, Mexico manufacturing facilities. The increase in operating costs cost of goods sold as a percentage of net sales was also due to additional quality control measures implemented in certain of our manufacturing facilities, increased labor costs in Türkiye and Mexico as a result of wage increases, an $8.0 million increase in warranty costs due to changes in estimates, and continued cost challenges at facilities in Matamoros, Mexico, and unfavorable foreign currency fluctuations. including a $9.5 million loss from operations at our facility that we took over from Nordex in July 2021. These unfavorable items were partially offset by reduced startup and transition costs and cost savings initiatives. favorable foreign currency fluctuations. The fluctuating U.S. dollar against the Euro, Turkish Lira, and Mexican Peso and Indian Rupee had a combined unfavorable impact of 0.7% and a combined favorable impact of 0.5% 4.3% on consolidated cost of goods sold for the three and nine months ended September 30, 2023 March 31, 2024, respectively, as compared to the same periods period in 2022. 2023.

General and administrative expenses

The following table summarizes our general and administrative expenses for the three and nine months ended September 30, 2023 March 31, 2024 and 2022:

2023:

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change		Three Months Ended March 31,		Change	
	2023	2022	$	%	2023	2022	$	%	2024	2023	$	%
	(in thousands)				(in thousands)				(in thousands)			
General and administrative expenses	$ 28,709	$ 8,030	$ 20,679	NM	$ 42,510	$ 22,578	$ 19,932	88.3%	$ 6,699	$ 7,034	$ (335)	(4.8)%
% of net sales	7.7%	2.1%	5.6%		3.7%	2.0%		1.7%	2.2%	1.7%		0.5%

General and administrative expenses as a percentage of net sales increased by 5.6% and 1.7% remained relatively flat during the three and nine months ended September 30, 2023 March 31, 2024, respectively, as compared to the same periods period in 2022, and was primarily driven by $20.9 million of credit losses on contract assets and accounts receivable from the Proterra bankruptcy impacting our automotive business. 2023.

Loss on sale of assets and asset impairments

The following table summarizes our loss on sale of assets and asset impairments for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

Three Months Ended	Nine Months Ended

	September 30,		Change		September 30,		Change	
	2023	2022	$	%	2023	2022	$	%
	(in thousands)				(in thousands)			
Loss on sale of receivables	$ 5,153	$ 2,944	$ 2,209	75.0 %	$ 14,543	$ 6,072	$ 8,471	139.5 %
Loss on sale of other assets	704	25	679	NM	726	70	656	NM
Total loss on sale of assets and asset impairments	$ 5,857	$ 2,969	$ 2,888	97.3	$ 15,269	$ 6,142	$ 9,127	148.6
% of net sales	1.6 %	0.8 %		0.8 %	1.3 %	0.5 %		0.8 %

	Three Months Ended March 31,		Change	
	2024	2023	$	%
	(in thousands)			
Loss on sale of receivables	$ 1,387	$ 3,564	$ (2,177)	(61.1)%
Loss on sale of other assets	443	29	414	NM
Total loss on sale of assets and asset impairments	$ 1,830	$ 3,593	$ (1,763)	(49.1)
% of net sales	0.6 %	0.9 %		(0.3)%

The increase decrease in loss on sale of assets and asset impairments for the three and nine months ended September 30, 2023 March 31, 2024, as compared to the same periods period in 2022, 2023, was primarily due to an increase a decrease in the volume of receivables sold through our accounts receivable financing arrangements with certain of our customers, and an increase in the agreed-upon discount rates, as well as an increase in asset impairments in our automotive business from the Proterra bankruptcy during the third quarter of 2023.

Restructuring charges, net

The following table summarizes our restructuring charges, net for the three and nine months ended September 30, 2023 and 2022:

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2023	2022	$	%	2023	2022	$	%
	(in thousands)				(in thousands)			
Restructuring charges, net	$ 1,167	$ (189)	$ 1,356	NM	$ 3,490	$ (390)	$ 3,880	NM
% of net sales	0.3 %	0.0 %		0.3 %	0.3 %	0.0 %		0.3 %

The increase in restructuring charges, net for the three and nine months ended September 30, 2023, as compared to the same periods in 2022 was primarily due to an increase in severance costs at one of our Türkiye facilities, and severance costs at our Rhode Island facility.

customers.

Income (loss) from operations

Segment discussion

The following table summarizes our income (loss) from operations by our four geographic operating segments for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

Three Months Ended	Nine Months Ended	Three Months Ended

	September 30,		Change		September 30,		Change		March 31,		Change	
	2023	2022	$	%	2023	2022	$	%	2024	2023	$	%
	(in thousands)				(in thousands)				(in thousands)			
U.S.	$ (29,118)	$ (10,510)	$ (18,608)	(177.1)%	$ (41,646)	$ (36,803)	$ (4,843)	(13.2)%	$ (6,634)	$ (5,729)	$ (905)	(15.8)%
Mexico	(35,808)	(21,030)	(14,778)	(70.3)	(121,521)	(59,002)	(62,519)	(106.0)	(27,263)	(21,701)	(5,562)	(25.6)
EMEA	10,803	11,019	(216)	(2.0)	28,875	54,738	(25,863)	(47.2)	(5,501)	15,668	(21,169)	(135.1)
India	7,214	8,599	(1,385)	(16.1)	17,179	11,417	5,762	50.5	436	3,765	(3,329)	(88.4)
Total loss from continuing operations	$ (46,909)	$ (11,922)	$ (34,987)	NM	$ (117,113)	$ (29,650)	$ (87,463)	NM				
Total income (loss) from continuing operations									$ (38,962)	$ (7,997)	$ (30,965)	NM
% of net sales	(12.6)%	(3.1)%		(9.5)%	(10.1)%	(2.6)%		NM	(13.0)%	(1.9)%		(11.1)%

U.S. Segment

The increase in the loss from operations in the U.S. segment for the three and nine months ended September 30, 2023 March 31, 2024, as compared to the same periods period in 2022 2023 was primarily due to credit losses and asset impairment charges impacted by increased travel expenses in our automotive business as a result of Proterra's bankruptcy during the third first quarter of 2023, the rejection 2024 and recoveries of our bus body supply agreement during Proterra's bankruptcy proceedings, increased labor costs, and a decrease COVID-19-related relief for payroll tax credits in the volume of field service, inspection and repair services, prior comparative period that were not in the current period, partially offset by a decrease recoveries of accounts receivable in non-restructuring the current period that were previously written off to bad debt expense related operating costs at our Newton, Iowa manufacturing facility. to Proterra's bankruptcy.

Mexico Segment

The increase in loss from operations in the Mexico segment for the three and nine months ended September 30, 2023 March 31, 2024, as compared to the same periods period in 2022 2023, was primarily due to a 10% decrease in the volume of wind blades produced, increased startup and transition costs, increased labor costs, increased warranty costs and additional quality control measures implemented in certain manufacturing facilities, increased labor costs, continued cost challenges at our facilities in Matamoros, Mexico, and unfavorable foreign currency fluctuations. These unfavorable items were partially offset by reduced startup and transition costs, and additional fees received from our customer related to the temporary production pause at one of our Matamoros, Mexico facilities. higher average sales prices. The fluctuating U.S. dollar relative to the Mexican Peso had an unfavorable impact of 3.0% and 2.1% on the Mexico segment's cost of goods sold for the three and nine months ended September 30, 2023 March 31, 2024, respectively, as compared to the same periods period in 2022. 2023.

EMEA Segment

The decrease change in income loss from operations in the EMEA segment for the three and nine months ended September 30, 2023 March 31, 2024, as compared to income from operations in the same period in 2022 2023 was primarily due to a 42% decrease in the volume of wind blades produced, increased startup and transition costs, inflation impacting operating costs that we were not able to pass on to our customers, and increased labor costs as a result of wage increases in Türkiye, and an adverse cumulative catch-up adjustment as a result of changes in certain of our estimated costs to complete our performance obligations. rkiye. This decrease was partially offset by an increase in the volume of wind blades produced due to a brief labor disruption in Türkiye in the third quarter of 2022 as we worked with the union to resolve inflationary pressures on wages, an increase in wind blade prices, a decrease in startup and transition costs cost savings initiatives, and favorable foreign currency fluctuations. The fluctuating U.S. dollar relative to the Turkish Lira and Euro had a favorable impact of 3.5% and 5.1% 18.9% on the EMEA segment's cost of goods sold, respectively, for the three and nine months ended September 30, 2023 March 31, 2024, as compared to the same period in 2022. 2023.

India Segment

The decrease in income from operations in the India segment for the three months ended September 30, 2023 March 31, 2024, as compared to the same period in 2022, 2023, was primarily due to lower average sales prices due to the impact of raw material and logistic cost reductions on our blade prices and was partially offset by an increase in the number of wind blades produced. The increase in income from operations in the India segment for the nine months ended September 30, 2023, as compared to the same period in 2022, was primarily due to an increase a 23% decrease in the volume of wind blades produced and operational efficiencies as the facility was ramping up production in early 2022.

lower average sales prices.

Other income (expense)

The following table summarizes our total other income (expense) for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2023	2022	$	%	2023	2022	$	%
	(in thousands)				(in thousands)			
Interest expense, net	$ (1,628)	$ (1,210)	$ (418)	(34.5)%	$ (6,034)	$ (2,872)	$ (3,162)	(110.1)%
Foreign currency income (loss)	(579)	8,207	(8,786)	(107.1)	(3,278)	14,306	(17,584)	(122.9)

Miscellaneous income (expense)	393	991	(598)	(60.3)	1,546	997	549	55.1
Total other income (expense)	$ (1,814)	$ 7,988	$ (9,802)	(122.7)	$ (7,766)	$ 12,431	$ (20,197)	(162.5)
% of net sales	-0.5 %	2.1 %		(2.6)%	-0.7 %	1.1 %		(1.8)%

	Three Months Ended March 31,		Change	
	2024	2023	$	%
	(in thousands)			
Interest expense, net	$ (21,385)	$ (2,528)	$ (18,857)	NM
Foreign currency loss	(640)	(1,214)	574	47.3 %
Miscellaneous income	2,479	453	2,026	NM
Total other expense	$ (19,546)	$ (3,289)	$ (16,257)	NM
% of net sales	-6.6 %	-0.8 %		5.8 %

The increase in total Total other expense as a percentage of net sales increased by 5.8% for the three and nine months ended September 30, 2023 March 31, 2024, as compared to the same periods period in 2022, was 2023, primarily due to foreign currency fluctuations and an increase in interest expense net due and non-cash amortization of debt discount related to the refinancing and issuance of $132.5 million our 11% senior secured term loan in the fourth quarter of convertible senior unsecured notes. 2023.

Income taxes

The following table summarizes our income taxes for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change		Three Months Ended March 31,		Change	
	2023	2022	$	%	2023	2022	$	%	2024	2023	$	%
	(in thousands)				(in thousands)				(in thousands)			
Income tax provision	$ (8,040)	$ (2,852)	$ (5,188)	(181.9)%	$ (12,205)	$ (11,678)	$ (527)	(4.5)%	$ (3,289)	$ (3,860)	$ 571	14.8 %
Effective tax rate	(2.2)%	(0.7)%		(1.5)%	(1.1)%	(1.0)%		(0.1)%	(1.1)%	(1.0)%		(0.1)%

See Note 12, 9, *Income Taxes*, to our condensed consolidated financial statements for more details about our income taxes for the three and nine months ended September 30, 2023 and 2022. March 31, 2024.

Net loss from continuing operations

The following table summarizes our net loss from continuing operations for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2023	2022	$	%	2023	2022	$	%
		(in thousands)				(in thousands)		
Net loss from continuing operations	$ (56,763)	$ (6,786)	$ (49,977)	NM	$ (137,084)	$ (28,897)	$ (108,187)	NM

	Three Months Ended March 31,		Change	
	2024	2023	$	%
		(in thousands)		
Net loss from continuing operations	$ (61,797)	$ (15,146)	$ (46,651)	NM

The increase in the net loss from continuing operations for the three and nine months ended September 30, 2023 March 31, 2024, as compared to the same periods period in 2022, 2023, was primarily due to the reasons set forth above, primarily increased warranty costs and additional quality control measures implemented at certain of our Mexico facilities, credit losses and asset impairment charges in our automotive business as a result of Proterra's bankruptcy during the third quarter of 2023, and increased labor costs and inflation impacts on operating costs at our Türkiye facilities that we were not able to pass on to our customers. above.

Net income (loss) from discontinued operations

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The following table summarizes our net income (loss) from discontinued operations for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2023	2022	$	%	2023	2022	$	%
		(in thousands)				(in thousands)		
Net income (loss) from discontinued operations	$ (52)	$ 5,319	$ (5,371)	(101.0)%	$ (7,095)	$ 6,120	$ (13,215)	NM

	Three Months Ended March 31,		Change	
	2024	2023	$	%
		(in thousands)		
Net income (loss) from discontinued operations	$ 329	$ (6,981)	$ 7,310	104.7%

The change in net income (loss) from discontinued operations for the three and nine months ended September 30, 2023 March 31, 2024, as compared to the same periods period in 2022, 2023, was primarily due to the closure of production at our Yangzhou, China facility at the end of 2022. During the three months ended September 30, 2023, we completed the sale of our Taicang, China facility, received proceeds of $12.8 million, and recorded a net gain on the sale of $0.4 million.

LIQUIDITY AND CAPITAL RESOURCES

Our primary needs for liquidity have been, and in the future will continue to be, capital expenditures, purchases of raw materials, new facility startup costs, costs related to our the Matamoros, Mexico manufacturing facility that we took over from Nordex in July 2021, the impact of line start ups and transitions, working capital, debt service costs, dividend payments to Series A Preferred Stockholders, warranty costs and restructuring costs associated with the optimization of our global footprint. Our capital expenditures have been primarily related to machinery and equipment for new facilities or facility expansions. Historically, we have funded our working capital needs through cash flows from operations, the proceeds received from our credit facilities and from term debt, and proceeds received from the issuance of stock.

In March 2023, we issued and sold an aggregate of $132.5 million principal amount of 5.25% convertible senior unsecured notes due in 2028, the full amount of which is outstanding as of September 30, 2023. The net proceeds from the issuance of the Notes was $109.1 million, net of $4.8 million in debt issuance costs and $18.6 million in cash used to purchase the capped call transactions discussed further in Note 7, *Debt*. The Notes mature on March 15, 2028 unless repurchased, redeemed, or converted in accordance with their terms prior to such date. The requirements were not satisfied as of September 30, 2023 and as a result, the Notes were not eligible for optional conversion during the third quarter of 2023. We intend to use the net proceeds from the issuance of the Notes for working capital, capital expenditures, and/or general corporate purposes, including the repayment of debt. We intend to allocate an amount equal to the net proceeds from this issuance to finance or refinance, in whole or in part, projects that support the transition to a low-carbon economy, especially those that support the generation of renewable energy and the electrification of transport (the eligible green projects).

We had net proceeds under all of our various financing arrangements of $111.6 million $5.5 million for the nine three months ended September 30, 2023 March 31, 2024 as compared to net repayments proceeds under our financing arrangements of $12.5 million $110.3 million in the comparable period of 2022, 2023, primarily due to the issuance of the Notes. Convertible Notes in the prior comparative period. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, we had $192.1 million $509.6 million and $61.2 million $485.2 million in outstanding indebtedness, net of issuance costs and debt discount, respectively. As of September 30, 2023 March 31, 2024, we had an aggregate of $85.0 million $60.0 million of remaining capacity for cash and non-cash financing, including $80.9 million $55.0 million of remaining availability for cash borrowing under our various credit facilities. Based upon current and anticipated levels of operations, we believe that cash on hand, available credit facilities, and cash flow from operations and our option to issue additional Series A Preferred Stock will be adequate to fund our working capital and capital expenditure requirements and to make required payments of principal and interest on our indebtedness over the next twelve months.

We anticipate that any new facilities and future facility expansions will be funded through cash flows from operations, the incurrence of other indebtedness and other potential sources of liquidity. The Certificate of Designations for the Series A Preferred Stock 11% senior secured term loan contains certain covenants and consent rights including, but not limited to, obtaining approval from the Series A Preferred Stockholders to incur amount of indebtedness, above $80.0 million (excluding the Notes), capital expenditure limitations, a U.S. cash on hand balance requirement of $40.0 million through September 30, 2024 and $50.0 million in the U.S., an individual limit of $10.0 million for any single capital expenditure project, an annual total capital expenditure limit of $30.0 million, and compliance with a fixed charge coverage ratio target effective December 2023. The Series A Preferred Stockholders agreed to waive compliance with all covenants under the Certificate of Designations with respect to the Company's sale and issuance of the Notes and the Company's planned capital expenditures and incurrence of additional indebtedness of up to $17.0 million to acquire wind turbines that will provide renewable energy for our manufacturing facilities in Türkiye. thereafter.

At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, we had unrestricted cash, cash equivalents and short-term investments totaling $160.6 million $116.8 million and $133.5 million $161.1 million, respectively. The September 30, 2023 March 31, 2024 balance includes $49.4 million $10.8 million of cash located outside of the

United States, including $43.1 million $4.3 million in Türkiye, $4.6 million $1.2 million in India, $1.0 million $2.8 million in Mexico and $0.7 million $2.5 million in other countries. The December 31, 2023 balance included $45.0 million of cash located outside of the U.S., $40.6 million in Türkiye, $1.9 million in India, $1.2 million in Mexico and $1.3 million in other countries. In addition to these amounts, at September 30, 2023 both March 31, 2024 and December 31,

2023 we had $3.9 million $0.9 million of unrestricted cash and cash equivalents related to our discontinued operations. At December 31, 2022, we had unrestricted cash and cash equivalents related to our discontinued operations of $9.7 million, all located which is held outside of the U.S.

Our ability to repatriate funds from China related to our discontinued operations to the U.S. is subject to a number of restrictions imposed by the Chinese government. After all assets and liabilities related to our discontinued operations have been disposed of and/or sold, and after all legal and Chinese-statutory requirements have been met, our subsidiaries in China may distribute any remaining shareholders' equity, including retained earnings, to our subsidiary in Switzerland. During the three months ended September 30, 2023, we completed the sale of our Taicang, China operations and our subsidiary in Switzerland received proceeds of $12.8 million.

Financing Facilities

Our total principal amount of debt outstanding as of September 30, 2023 March 31, 2024 was $196.4 million $622.8 million, including our convertible senior notes, secured and unsecured financing, working capital and term loan agreements and equipment finance leases. See Note 7, 6, *Debt*, to our condensed consolidated financial statements for more details on our debt balances.

Cash Flow Discussion

The following table summarizes our key cash flow activity for the nine three months ended September 30, 2023 March 31, 2024 and 2022: 2023:

	Nine Months Ended September 30,			Three Months Ended March 31,		
	2023	2022	$ Change	2024	2023	$ Change
	(in thousands)			(in thousands)		
Net cash used in operating activities	$ (85,908)	$ (85,095)	$ (813)	$ (39,004)	$ (83,861)	$ 44,857
Net cash used in investing activities	(3,010)	(11,492)	8,482	(8,285)	(3,275)	(5,010)
Net cash provided by (used in) financing activities	109,029	(12,865)	121,894			
Net cash provided by financing activities				3,880	107,746	(103,866)
Impact of foreign exchange rates on cash, cash equivalents and restricted cash	700	(3,807)	4,507	333	730	(397)
Net change in cash, cash equivalents and restricted cash	$ 20,811	$ (113,259)	$ 134,070	$ (43,076)	$ 21,340	$ (64,416)

Operating Cash Flows

Net cash used in operating activities increased decreased by $0.8 million $44.9 million for the nine three months ended September 30, 2023 March 31, 2024, as compared to the same period in 2022, 2023, primarily as due to a result of increased operating losses and payments for China restructuring activities, offset reduction in wind blade inventory included in contract assets driven by working capital improvements initiatives and a decrease higher payments in contract assets. the prior comparative period related to restructuring activities associated with the shutdown of our China operations at the end of 2022. This was partially offset by an increase in net losses during the current period and cash paid for income taxes.

Investing Cash Flows

Net cash used in investing activities decreased increased by $8.5 million $5.0 million for the nine three months ended September 30, 2023 March 31, 2024, as compared to the same period in 2022, 2023, primarily as a result of due to capital expenditures for the proceeds from the sale startup and transition of our Taicang, China facility in the current period, partially offset by increased capital expenditures manufacturing lines at our existing manufacturing facilities in preparation for upcoming manufacturing line transitions. Mexico and Türkiye.

Financing Cash Flows

Net cash provided by financing activities increased decreased by $121.9 million $103.9 million for the nine three months ended September 30, 2023 March 31, 2024, as compared to the same period in 2022, 2023, primarily as a result of due to the proceeds from the issuance of Convertible Notes in the Notes. prior comparative period.

We are not presently involved in any off-balance sheet arrangements, including transactions with unconsolidated special-purpose or other entities that would materially affect our financial position, results of operations, liquidity or capital resources, other than our accounts receivable assignment agreements described below. Furthermore, we do not have any relationships with special-purpose or other entities that provide off-balance sheet financing; liquidity, market risk or credit risk support; or engage in leasing or other services that may expose us to liability or risks of loss that are not reflected in the condensed consolidated financial statements and related notes.

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Our segments enter into accounts receivable assignment agreements with various financial institutions. Under these agreements, the financial institution buys, on a non-recourse basis, the accounts receivable amounts related to our segments' customers at an agreed-upon discount rate.

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The following table summarizes certain key details of each of the accounts receivable assignment agreements in place as of September 30, 2023 March 31, 2024:

Year Of Initial Agreement	Segment(s) Related To	Current Annual Discount Interest Rate
2014	Mexico	LIBOR plus 0.75%
2019	Asia and Mexico	LIBOR plus 1.00%
2020	EMEA	EURIBOR plus 1.95%
2020	India	LIBOR plus 1.00%
2020	U.S.	SOFR plus 0.29%
2021	Mexico	SOFR plus 0.29%
2022	EMEA	EURIBOR plus 1.97%

As the receivables are purchased by the financial institutions under the agreements noted above, the receivables are removed from our condensed consolidated balance sheet. During the three and nine months ended September 30, 2023 March 31, 2024, $278.2 million and $785.9 million, respectively, $95.0 million of receivables were sold under the accounts receivable assignment agreements described above as compared to $245.0 million and $697.6 million, respectively, $224.4 million in the comparative prior year period.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

There have been no significant changes to our critical accounting policies as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

RECENT ACCOUNTING PRONOUNCEMENTS

See Note 2, *Basis of Presentation*, under the heading "Recently Issued Accounting Pronouncements" to our condensed consolidated financial statements for a discussion of recent accounting pronouncements.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk in the ordinary course of our business. These market risks are principally limited to changes in foreign currency exchange rates and commodity prices.

Foreign Currency Exchange Rate Risk. We conduct international operations in Mexico, Türkiye, India and Europe. Our results of operations are subject to both currency transaction risk and currency translation risk. We incur currency transaction risk whenever we enter into either a purchase or sale transaction using a currency other than the functional currency of the transacting entity. With respect to currency translation risk, our financial condition and results of operations are measured and recorded in the relevant functional currency and then translated into U.S. dollars for inclusion in our condensed consolidated financial statements. In recent years, exchange rates between these foreign currencies and the U.S. dollar have fluctuated significantly and may do so in the future. A hypothetical change of 10% in the exchange rates for the countries above would have resulted in a change to income from operations of approximately $7.2 million $3.9 million for the nine three months ended September 30, 2023 March 31, 2024.

Commodity Price Risk. We are subject to commodity price risk under agreements for the supply of our raw materials. We have not hedged our commodity price exposure. We generally lock in pricing for most of our key raw materials for 12 months which protects us from price increases within that period, which we believe helps to mitigate the impact of raw material price increases. As many of our raw material supply agreements have meet or release clauses, if raw materials prices decrease, we are able to benefit from the reductions in price.

Resin, resin systems, and carbon fiber are the primary commodities for which we do not have fixed pricing. Approximately 59% 53% of the resin and resin systems, and approximately 91% 71% of the carbon fiber, we use is purchased under contracts either controlled or borne by two of our customers and therefore they receive/bear 100% of any decrease or increase in resin and carbon fiber costs further limiting our exposure to price fluctuations.

Taking into account the contractual obligations of our customers to share with us the cost savings or increases resulting from a change in the current forecasted price of resin and resin systems we believe that a 10% change in the current forecasted price of resin and resin systems for the customers in which we are exposed to fluctuating prices would have an impact to income from operations of

approximately $6.2 million $5.6 million for the full year 2023. three months ended March 31, 2024. With respect to our other customer supply agreements, our customers typically receive approximately 70% of the cost savings or increases resulting from a change in the price of resin, resin systems.

Interest Rate Risk. As of September 30, 2023 March 31, 2024, all remaining secured and unsecured financing and finance lease obligations are fixed rate instruments and are not subject to fluctuations in interest rates.

Item 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed in our reports under the Securities Exchange Act of 1934, as amended (the Exchange Act), is recorded, processed, summarized, and reported within the time period specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

As required by Rule 13a-15(b) promulgated under the Exchange Act, our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the design and operating effectiveness as of September 30, 2023 March 31, 2024 of our disclosure controls and procedures, as defined in Rule 13a-15(e) promulgated under the Exchange Act. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of September 30, 2023 March 31, 2024.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the three months ended September 30, 2023 March 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

See Note 15, 12, *Commitments and Contingencies*, under the heading "Legal Proceedings" to our condensed consolidated financial statements for a discussion of legal proceedings and other related matters.

Item 1A. RISK FACTORS

There have been no material changes to the Risk Factors (Part I, Item 1A) in our Annual Report on Form 10-K for the year ended December 31, 2022, as amended by our disclosure to the Risk Factors (Part II, Item 1A) in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2023 December 31, 2023, which could materially affect our business, financial condition, and/or future results.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Unregistered Sales of Equity Securities

Not applicable.

Issuer Purchases of Equity Securities

Not applicable.

Use of Proceeds

Not applicable.

Item 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

Item 5. OTHER INFORMATION

None.

Item 6. EXHIBITS

Exhibit Number	Exhibit Description
31.1*	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data file because its XBRL tags are embedded within the Inline XBRL document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (formatted as Inline XBRL with applicable taxonomy extension information contained in Exhibits 101.*)

* Filed herewith.

** The certifications furnished in Exhibits 32.1 and 32.2 hereto are deemed to accompany this Quarterly Report on Form 10-Q and will not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, except to the extent that the Registrant specifically incorporates it by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TPI COMPOSITES, INC.

Date: November 2, 2023 May 2, 2024

By: /s/ Ryan Miller

Ryan Miller

Chief Financial Officer

(Principal Financial Officer)

Exhibit 31.1

CERTIFICATION

I, William E. Siwek, certify that:

1. I have reviewed this quarterly report on Form 10-Q of TPI Composites, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2023 May 2, 2024

By: /s/ William E. Siwek

William E. Siwek

Chief Executive Officer

(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Ryan Miller, certify that:

1. I have reviewed this quarterly report on Form 10-Q of TPI Composites, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2023 May 2, 2024

By: /s/ Ryan Miller
Ryan Miller
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

Certification Pursuant To
18 U.S.C. Section 1350,
As Adopted Pursuant To
Section 906 of the Sarbanes-Oxley Act of 2002

I, William E. Siwek, Chief Executive Officer of TPI Composites, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. the report on Form 10-Q of TPI Composites, Inc. for the nine three months ended September 30, 2023 March 31, 2024 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78m or 78o(d)); and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of TPI Composites, Inc.

Date: November 2, 2023 May 2, 2024

By: /s/ William E. Siwek
William E. Siwek
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

Certification Pursuant To
18 U.S.C. Section 1350,
As Adopted Pursuant To
Section 906 of the Sarbanes-Oxley Act of 2002

I, Ryan Miller, Chief Financial Officer of TPI Composites, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. the report on Form 10-Q of TPI Composites, Inc. for the nine three months ended September 30, 2023 March 31, 2024 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78m or 78o(d)); and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of TPI Composites, Inc.

Date: November 2, 2023 May 2, 2024

By: /s/ Ryan Miller
Ryan Miller
Chief Financial Officer
(Principal Financial Officer)

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