



NYSE: SUP

**Third Quarter 2013
Earnings Conference Call
November 1st , 2013**

Superior Industries International





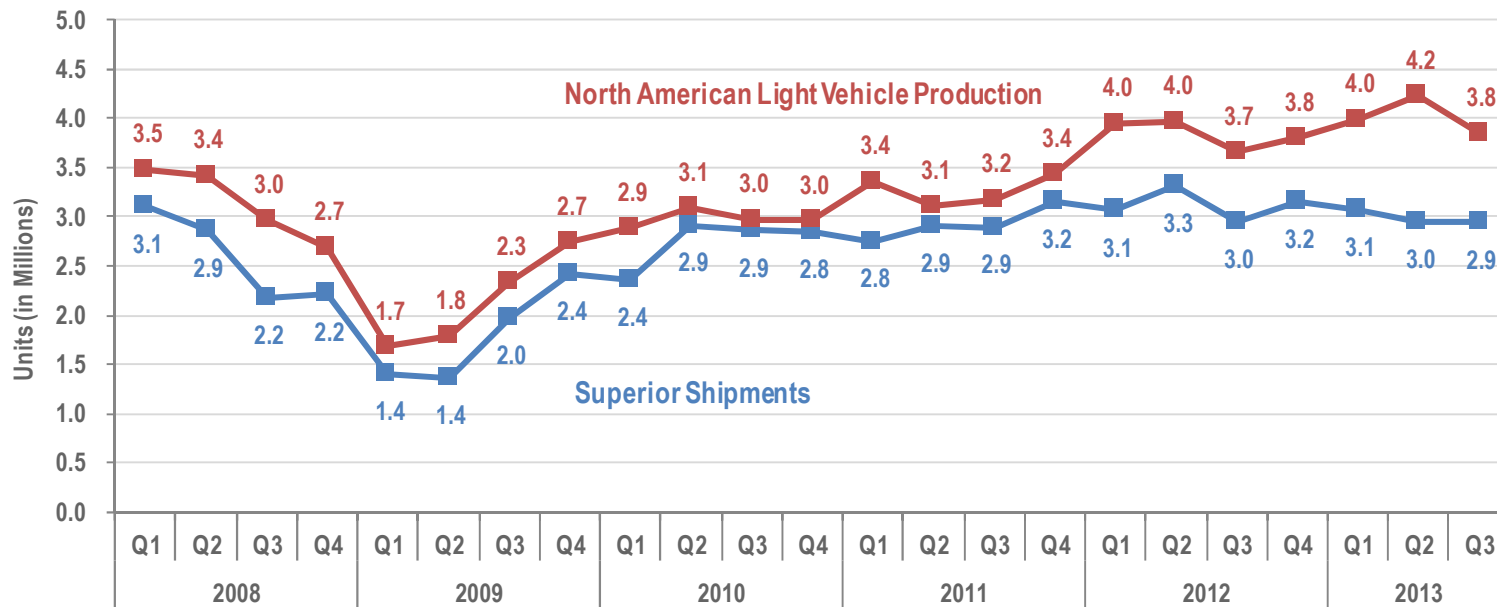
Forward Looking Statements

Any forward-looking statements made in this webcast or contained in this presentation are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Actual results could differ materially because of issues and uncertainties that need to be considered in evaluating our financial outlook. We assume no obligation to update publicly any forward-looking statements. Conditions, issues and uncertainties that may be discussed from time-to-time include, but are not limited to, global competition, product pricing and mix, domestic and foreign market demand, commodity prices including metal, energy and foreign currency, manufacturing capacity including plans to construct a new manufacturing facility, productivity, capital investment, operating and manufacturing challenges, and our strategic and operating plans. Please refer to the company's SEC filings, including our 2012 Annual Report on Form 10-K, for a complete discussion on forward-looking statements and risk factors that may cause actual events to differ from these forward-looking statements.



North American Vehicle Production vs. Superior Shipments

3Q13 was the strongest 3rd quarter of NA production in the last decade. Superior's shipments were relatively flat.



Source: WardsAuto (NA Light Vehicle Production)
Includes Passenger Cars, Light Trucks, and SUVs

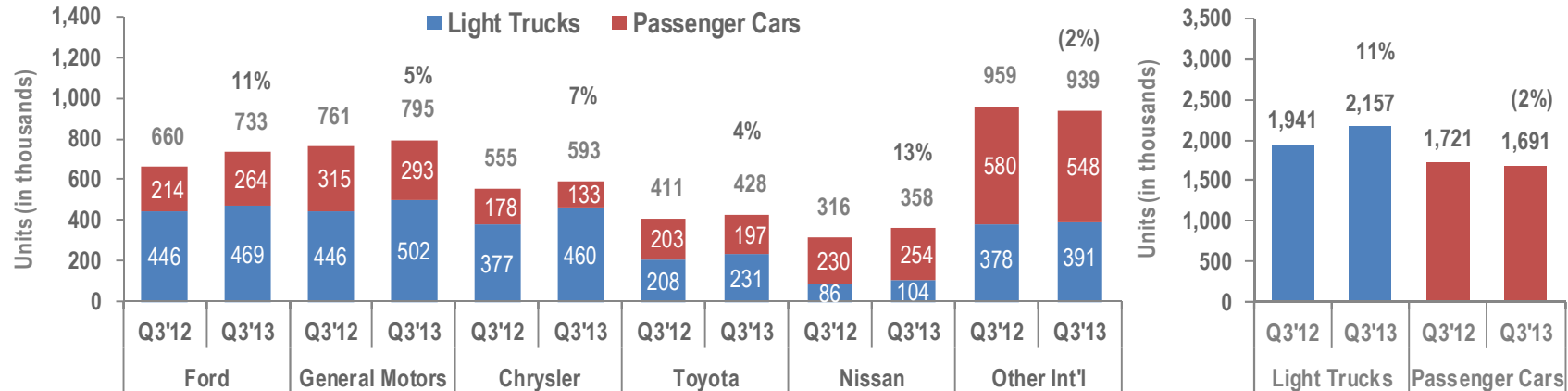
YOY Comparison	NA Light Vehicle Production	Superior Shipments
Q3'13	3.85	2.94
Q3'12	3.66	2.95
% Change	5.1%	(0.3%)

Units (in millions)



NA Vehicle Production – Year-over-Year Comparison

The top five OEM's posted year-over-year gains.

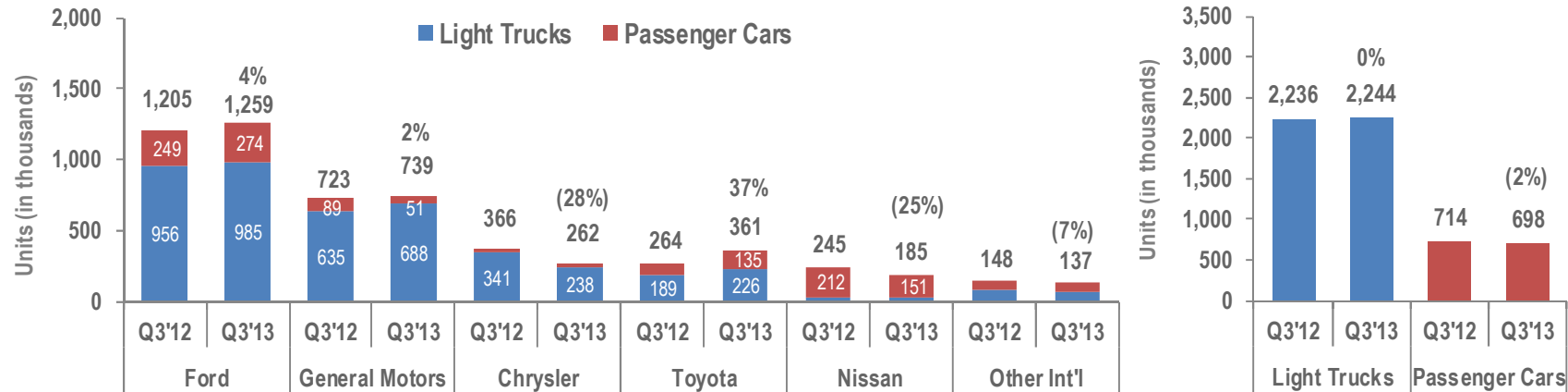


- **Ford posted 11% production increase and continues to gain share**
 - Passenger cars +24% on Fusion, MKZ and Focus
 - Light Trucks +5% on Explorer, Escape, Edge and F-Series
- **GM production was up 5% compared to the prior year**
 - Passenger cars (- 7%) on Malibu, CTS, Aveo and Volt
 - Light trucks +13% on strong GMT 900 / K2XX production
- **Chrysler production +7% compared to the prior year**
 - Passenger cars (-25%) on Chrysler 200, Dodge Avenger, Dart and Fiat 500
 - Light Trucks +22% on Dodge Ram; increases on all active Jeep programs offset by discontinued Liberty
- **Production for international brands +2% in aggregate**
 - Toyota +4 % on Avalon, and most of the light truck models
 - Nissan +10% passenger car growth on strong on Altima, Sentra and Note. Light truck growth of +21% on Pathfinder and Infinity Q60 production
 - BMW and VW (-12%) and (- 28%), respectively



Superior Shipments – Year-over-Year Comparison

Flat year-over-year volume mostly supported by Ford, GM and Toyota shipments.



- **Shipments to Ford +4% – Gains on both light trucks and passenger cars**
 - Passenger cars +10% on Fusion and MKZ
 - Light trucks +3% on F-Series, Flex and Explorer offset losses on Escape
- **Shipments to GM +2% – Decline in passenger car (-43%) still a result of Malibu – Light trucks +8%**
 - Cadillac ATS offset some of the losses of the Malibu program
 - GMT 900 / K2XX, one of our largest platforms, +12% as new model ramps up
- **Shipments to Chrysler (-28%) - Losses on Jeep brand and Dodge Journey outpaced gains on Dodge Ram and Chrysler Town and Country**
- **International +4% – Large increases at Toyota offset losses at Nissan, BMW and VW**
 - Toyota +37% on strong passenger car shipments – over 2x increases on redesigned Avalon – light trucks up on Highlander, Sienna, Tundra and Venza
 - Nissan (-25%) on Sentra, Maxima and Versa, offset some by new business on the Note
 - BMW (-10%) on X3 and VW (-42%) on the Jetta program



NA Production / Superior – Sequential Quarter Comparison

Shutdowns and model-year changeovers impacted vehicle production. Superior's shipments were relatively flat against a 9% market decline.

QOQ Comparison	NA Light Vehicle Production	Superior Shipments
Q3'13	3.85	2.94
Q2'13	4.23	2.95
% Change	(9.0%)	(0.4%)

Units (in millions)

Market

- **Nearly all OEM's except Mitsubishi posted lower production compared to 2Q13**
 - Ford (-8%) - Mostly on light trucks – Econoline and Escape
 - GM (-5%) - Down on Chevrolet Aveo, Cruz and Express - gains on ramp-up of K2XX
 - Chrysler (-9%) - On all passenger cars except Dodge Dart – light truck all lower except for Jeep Grand Cherokee
 - International brands (-11%) - Toyota -15% on all models – Nissan (-5%) on Altima and Versa and Infinity JX

Superior

- **Shipments were relatively flat**
 - Ford +3% - Increases on F-Series and Fusion
 - GM +9% - Reflects K2XX ramp-up
 - Chrysler (-27%) - Mostly on Jeep Compass, Dodge Journey, Caravan and Charger
 - Toyota (-6%) - Avalon down in line with production
 - Nissan +6% - Primarily due to Maxima shipments, partially offset by Altima



3Q13 Significant Highlights - Sales

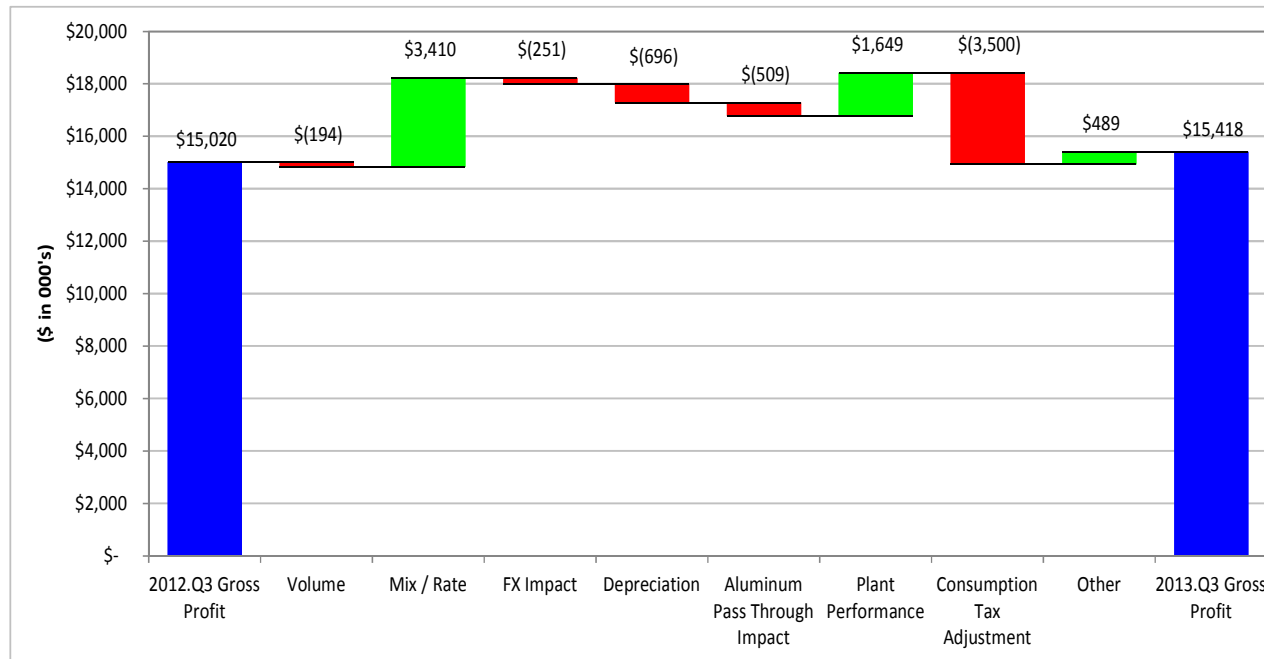
Price/Mix improved nicely for the quarter and the full year. However, net sales decreased due to lower aluminum prices and volumes

	Millions		Variance		Millions		Variance	
	Q3 2013	Q3 2012	Amount	Percent	YTD 2013	YTD 2012	Amount	Percent
Volume (Wheels Shipped)	2.94	2.95	(0.01)	0%	8.97	9.33	(0.36)	-4%
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Net Sales:								
Total	\$191.6	\$193.9	(\$2.3)	-1%	\$597.1	\$611.4	(\$14.3)	-2%
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Volume			(\$0.8)				(\$22.6)	
Project Development			\$0.0				\$0.8	
Sales Adjustments			\$1.1				\$3.1	
Clad Upcharge			(\$4.0)				(\$6.9)	
Price / Mix			\$1.4				\$11.3	
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Aluminum Content - Price			(\$4.0)	} (\$2.9)			(\$10.7)	} (\$5.2)
Aluminum Content - Weight		\$1.4	\$1.1				\$5.5	
FX Impact			(\$0.3)				\$2.1	
Price / Mix Other			\$4.6				\$14.4	
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3Q13 Significant Highlights – Gross Profit

Gross margins, excluding one-time items, improved \$3.9M or 2.1% on a more favorable mix and better cost performance.



- **Volume - Down slightly**
- **Mix / Rate – Reflects higher mix of premium wheel finishes and processes**
- **FX – 3Q13 average Peso rate 3% stronger than in 3Q12**
- **Aluminum Pass Through - Timing difference of aluminum adjustments with customers vs. suppliers**
- **Plant Performance – Performance much improved in the Midwest as Q312 was hampered by launches, equipment issues, high turnover and high capacity requirements**
- **Mexico continues to operate smoothly overall – focus on keeping plants filled but more critical maintenance downtime was required in 3Q13**
- **Favorable consumption tax adjustment due to audit settlement in 3Q12**
- **Capacity Utilization¹**
 - 3Q13 = 100%
 - 3Q12 = 102%

(1) Capacity is computed based on straight time with a standard mix and no provision for unplanned downtime.



3Q13 Income Statements – Other Comments

- **3Q12 included a \$3.5M favorable consumption tax adjustment due to audit settlement**
- **SG&A expense - 3Q13 expense up \$2.3M from 2Q12 – mostly reflects \$1.1M of executive severance cost, higher medical cost and an unfavorable impact from certain accrual adjustments**
- **Foreign exchange loss – Slight foreign exchange loss compared to a minor gain last year due to a modest peso devaluation**
- **Effective tax rate for 3Q13 was 33% expense compared to 52% benefit in 3Q12**
 - **2013 rate primarily reflects the benefit of income tax credits and foreign income taxed at rates lower than U.S. statutory rates**
 - **2012 rate primarily reflects the benefit from FIN48 liability reversal for settlement of the 2004 Mexican tax audit**



Balance Sheet & Cash Flow Comments

- **Cash and short-term investments decreased \$20.9M during the year to end the quarter at \$186.5M**
- **Accounts Receivable increased \$21.5 compared to year-end 2012 – reflects effect of shutdowns in last fiscal week of 2012 which reduced year-end balance**
- **Net inventory declined \$4.2M compared to year-end 2012 - finished goods increase offset by decrease in raw materials**
- **Capital expenditures = \$26.3M for 3Q13 and \$43.4M 3Q13 YTD**
 - **Compares to \$5.6M in 3Q12 and \$14.3M 3Q12 YTD**
 - **Pace of spending for existing facilities will continue to exceed prior year**
 - **Investments being made in process improvements, equipment reliability and some debottlenecking**
 - **New wheel plant spending of \$19.7M YTD**
- **Other current liabilities increased by \$14.7 for non-cash accruals for the new wheel plant**
- **No dividend payments through 3Q13 (accelerated 2013 dividend payments into 2012), but announced 12.5% quarterly dividend increase (\$0.02/share) which was paid on October 18th**
- **Working capital and current ratio decreased but remained strong at \$318.9 and 4.9:1 at the end of 3Q13. Decrease primarily due the capital requirements for the new wheel plant**



New Manufacturing Facility Update

- **Building construction is progressing well**
 - Foundations in-place, walls and roof mostly erected
 - Critical path equipment such as electrical equipment on-order
- **Machinery and equipment decisions are almost finalized**
 - Negotiations completed for much of key equipment and orders placed for many items
 - Equipment selection focused on ensuring process capability to meet market requirements, but also to leverage “tried-and-true” designs to mitigate start-up and operational risk
- **Approximately 75% of the total project budget has been committed**
- **Cost estimates remain in \$125-\$135 million range**



Chihuahua Facility Expansion Update (continued)





Conclusion

- **NA auto production remains strong posting the highest third quarter in the last decade**
- **Superior's market share declined on a year-over-year basis, but improved sequentially**
- **Plant utilization rates still remained at high levels**
- **Mexico operations continue to run smoothly – additional shutdown days this year impacted 3Q13 margins, but focus is on keeping low cost facilities full**
- **Cost performance at U.S. facilities improved as capital put in place has addressed many equipment reliability and process issues**
- **New wheel plant construction progressing on schedule - will expand on success in Mexico, help to lower overall cost structure and provide more flexibility**
- **12.5% dividend increase instituted**
- **Liquidity remains strong despite capital investment pace**



3Q13 Quarter Income Statements

(US\$ in Thousands, except for per share amounts)

	3Q13	3Q12	Favorable (Unfavorable)	
			Amount	Percent
Unit Shipments	2,942,181	2,950,475	(8,294)	0%
Total Revenues	\$ 191,619	\$ 193,926	\$ (2,307)	-1%
Gross Profit	\$ 15,418	\$ 15,020	\$ 398	3%
% of Revenues	8.0%	7.7%	0.3%	
SG&A Expenses	(8,255)	(5,960)	(2,295)	-39%
% of Revenues	-4.3%	-3.1%	-1.2%	
Operating Income	7,163	9,060	(1,897)	-21%
% of Revenues	3.7%	4.7%	-0.9%	
Interest Income, net	413	357	56	16%
Foreign Exchange Gain (Loss)	(220)	455	(675)	-148%
Other Income (Expense), net	362	10	352	3520%
Income Before Income Taxes and Equity Earnings of JVs	7,718	9,882	(2,164)	-22%
Income Tax (Provision) Benefit	(2,547)	5,174	(7,721)	-149%
Net Income	\$ 5,171	\$ 15,056	\$ (9,885)	-66%
Income Per Share - Diluted	\$ 0.19	\$ 0.55	\$ (0.36)	

Unaudited



September 2013 YTD Income Statements

(US\$ in Thousands, except for per share amounts)

	2013		2012		Favorable (Unfavorable)	
	Amount	Percent	Amount	Percent	Amount	Percent
Unit Shipments	8,971,111		9,334,874		(363,763)	-4%
Total Revenues	\$ 597,053		\$ 611,436		\$ (14,383)	-2%
Gross Profit	\$ 45,173		\$ 47,844		\$ (2,671)	-6%
% of Revenues	7.6%		7.8%		-0.3%	
SG&A Expenses	(22,554)		(20,335)		(2,219)	-11%
% of Revenues	-3.8%		-3.3%		-0.5%	
Operating Income	22,619		27,509		(4,890)	-18%
% of Revenues	3.8%		4.5%		-0.7%	
Interest Income, net	1,289		873		416	48%
Foreign Exchange Gain (Loss)	210		568		(358)	-63%
Other Income (Expense), net	346		235		111	47%
Income Before Income Taxes	24,464		29,185		(4,721)	-16%
Income Tax (Provision) Benefit	(8,035)		(981)		(7,054)	-719%
Net Income	\$ 16,429		\$ 28,204		(11,775)	-42%
Income Per Share - Diluted	\$ 0.60		\$ 1.03		\$ (0.43)	

Unaudited



Summary Balance Sheets

(US\$ in Millions)

	September <u>2013</u>	December <u>2012</u>	Increase <u>(Decrease)</u>
<u>ASSETS</u>			
Cash & Cash Equivalents	\$ 182.7	\$ 203.4	\$ (20.7)
Short Term Investments	3.8	4.0	\$ (0.2)
Accounts Receivable, net	120.0	98.5	21.5
Inventories, net	67.7	71.9	(4.2)
Prepaid Aluminum	10.8	10.7	0.1
Other Current Assets	16.1	16.4	(0.3)
Total Current Assets	401.1	404.9	(3.8)
Property, Plant & Equipment	186.8	147.5	39.3
Investments	4.6	4.6	-
Deferred Taxes	17.3	17.0	0.3
Other Assets	29.2	25.6	3.6
Total Assets	\$ 639.0	\$ 599.6	\$ 39.4
<u>LIABILITIES & EQUITY</u>			
Accounts Payable	\$ 33.4	\$ 32.4	\$ 1.0
Other Current Liabilities	48.9	34.2	14.7
Total Current Liabilities	82.3	66.6	15.7
Non-Current Liabilities	69.7	66.1	3.6
Shareholders' Equity	487.0	466.9	20.1
Total Liabilities & Equity	\$ 639.0	\$ 599.6	\$ 39.4

Unaudited



Summary Cash Flow Statements

(US\$ in Millions)

	9 Months September <u>2013</u>	9 Months September <u>2012</u>	Increase <u>(Decrease)</u>
Net Income (Loss)	\$ 16.4	\$ 28.2	\$ (11.8)
Depreciation	21.4	19.5	1.9
Deferred Income Taxes & FIN 48	0.8	(14.9)	15.7
Accounts Receivable	(21.6)	(0.5)	(21.1)
Inventories	5.3	(5.5)	10.8
Prepaid Aluminum	(0.2)	5.2	(5.4)
Accounts Payable and Accrued Liabilities	2.0	22.8	(20.8)
Other Operations Related Items	(3.4)	(6.6)	3.2
Cash Flow from Operations	20.7	48.2	(27.5)
Cash Dividends	-	(13.1)	13.1
Capital Expenditures	(43.4)	(14.3)	(29.1)
Proceeds from Exercise of Stock Options	1.8	0.8	1.0
Net Change in Maturing Investments	0.2	0.1	0.1
All Other	-	5.4	(5.4)
Net Increase (Decrease)	(20.7)	27.1	(47.8)
Cash - Beginning	203.4	187.8	15.6
Cash - Ending	\$ 182.7	\$ 214.9	\$ (32.2)

Unaudited