



NYSE: SUP

**Second Quarter 2013
Earnings Conference Call
August 2, 2013**

Superior Industries International





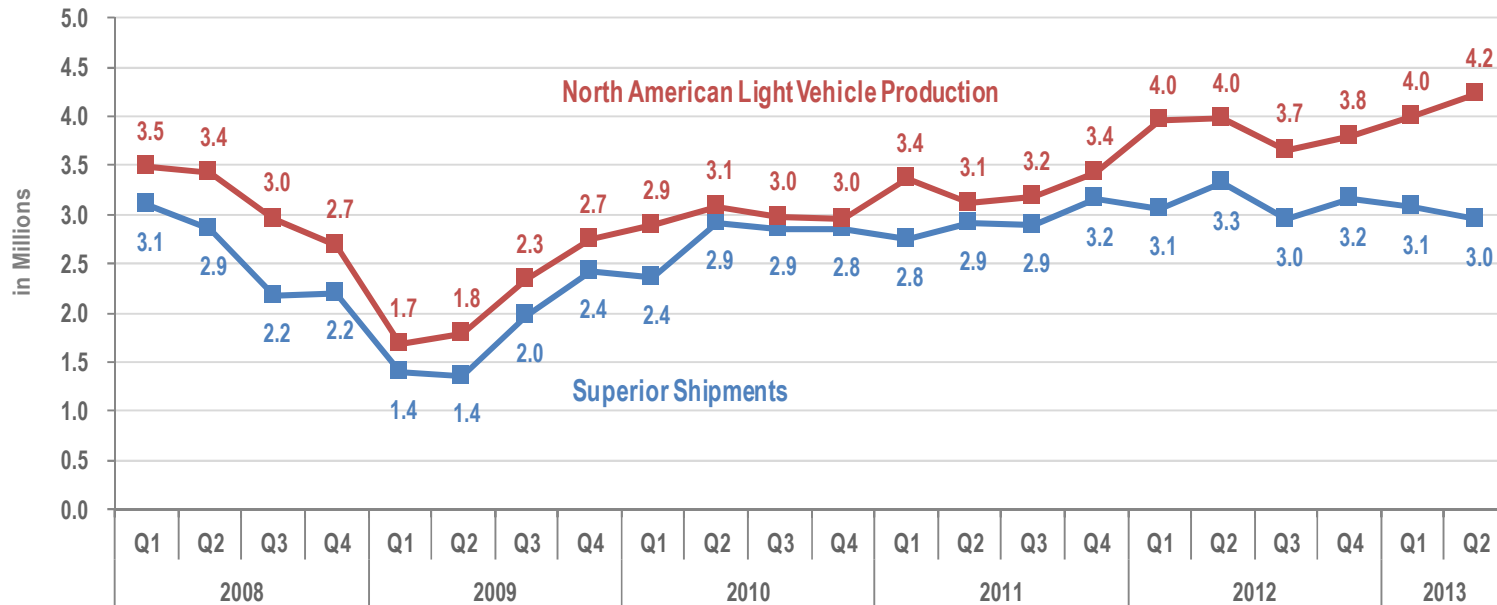
Forward Looking Statements

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

2Q13 was the strongest quarter of NA production since 2Q02. The SUP shipment decline of 11% compares to an exceptionally strong 2Q12.



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

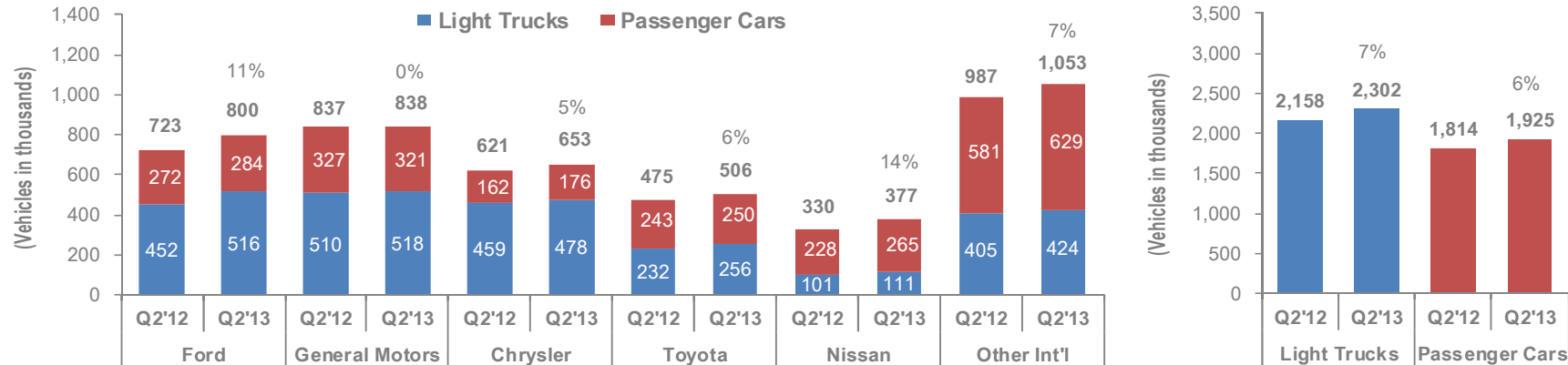
YOY Comparison	NA Light Vehicle Production	Superior Shipments
Q2'13	4.23	2.95
Q2'12	3.97	3.32
% Change	6.5%	(11.1%)

Units in millions



NA Vehicle Production – Year-over-Year Comparison

Ford and the international brands gained share at the expense of GM and Chrysler.

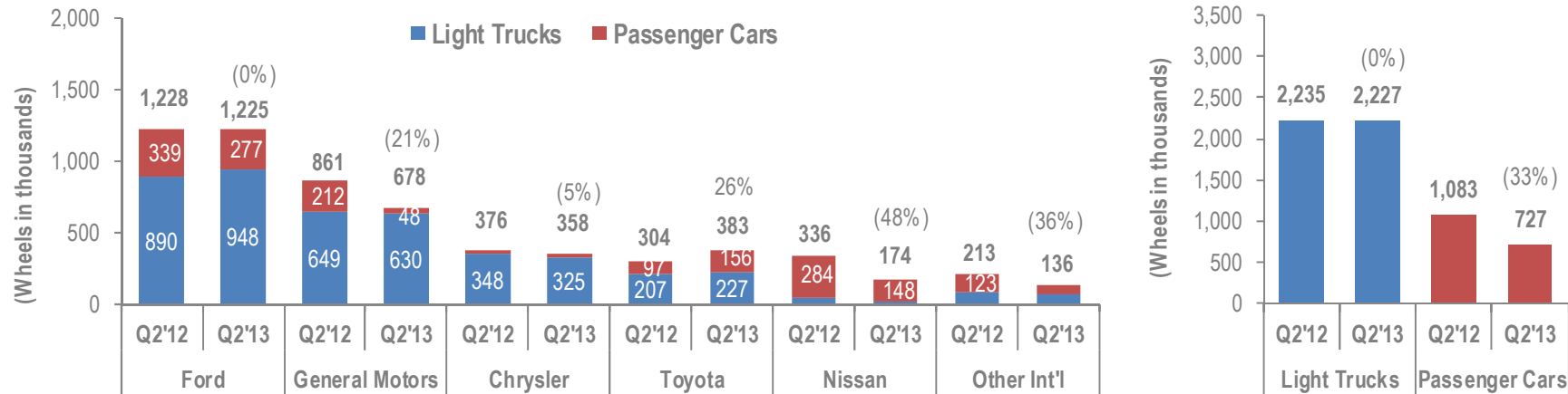


- **Ford posted 11% production increase and gain share at expense of GM and Chrysler - less than 100 bps of market share now separate Ford and GM**
 - Passenger cars +5% on Fusion, MKZ and new C-Max
 - Light Trucks +14% on Escape, F-Series and Explorer
- **GM production was flat compared to the prior year**
 - Passenger cars - 2% with largest decline on Malibu
 - Light trucks + 2% on GMT 900
- **Chrysler production + 5% compared to the prior year**
 - Passenger cars + 8% on Dodge Dart
 - Light Trucks + 4% on Dodge Ram; increases on all active Jeep programs offset by discontinued Liberty
- **Production for international brands + 8% in aggregate**
 - Toyota +6 % on Avalon, and all the light truck models
 - Nissan +14% overall on strong Altima and Note production; light truck growth on Pathfinder
 - BMW and VW + 11% and + 6% respectively



Superior Shipments – Year-over-Year Comparison

The volume decline reflects a variety of factors -- mix, program timing, customer shutdowns, demand fluctuations and more selective bidding. Most of the decline was in passenger car programs.



- **Flat shipments to Ford – light truck gains offset passenger car shortfall**
 - Passenger cars (-18%) on Fusion, Mustang, increase on MKZ help offset some of the decline
 - Light trucks +7% on Explorer, Expedition, Flex and F-Series
- **Shipments to GM (-21%) – overall decline focused on passenger car (Malibu)**
 - Some offsetting gains on Chevy Volt, Buick Enclave and Cadillac ATS
 - GMT 900, one of our largest platforms, was flat as platform changes over to K2XX
- **Chrysler shipments (-5%) - increase on Dodge Ram and Chrysler Town and Country offset by losses on Jeep brand**
- **International – nice increases at Toyota more than offset at Nissan, BMW and VW**
 - Toyota +26% on strong passenger car shipments – over 2x increases on redesigned Avalon
 - Nissan (-48%) on Altima, Sentra, Maxima and Versa
 - Sentra program ramped down in mid-2012
 - Maxima shipment decline in line with lower NA vehicle production rates
 - Volume on replacement Altima has been very slow to materialize
 - BMW (-24%) on X3 and VW (-15%) on the Jetta program



NA Production / Superior – Sequential Quarter Comparison

Superior’s shipments declined sequentially against a market increase. Model change-over and trim line mix impacted sales.

QOQ Comparison	NA Light Vehicle Production	Superior Shipments
Q2'13	4.23	2.95
Q1'13	3.99	3.08
% Change	6.0%	(4.2%)

Units in millions

Market

- **Nearly all OEM’s except Subaru and Mitsubishi posted sequential quarter gains**
 - Ford +4% - Mostly on Fusion and Econoline
 - GM +4% – Chevrolet Aveo and Express largest increases, but gains on several platforms
 - Chrysler +15% - On Dodge (Ram, Caravan, Journey), Chrysler (Town & Country, 200/300) and Jeep (Grand Cherokee, Wrangler)
 - International brands +5% - Led by +10% at Toyota on Corolla, RAV4

Superior

- **Sequential shipments declined (-4%) overall – International increase offset by domestic declines**
 - Ford (-5%) – Declines on several programs partially offset with growth on Fusion and Escape
 - GM (-13%) - Reflects GMT 900 / K2XX model change over and trim line mix impact
 - Chrysler (-3%) - Mostly on Jeep (Compass, Grand Cherokee) partially offset by increases on Dodge Journey and Chrysler Town & Country
 - Nissan +40% - Higher Altima and Note shipments
 - Toyota +5% - Growth on Avalon, Camry and Venza



2Q13 Significant Highlights - Sales

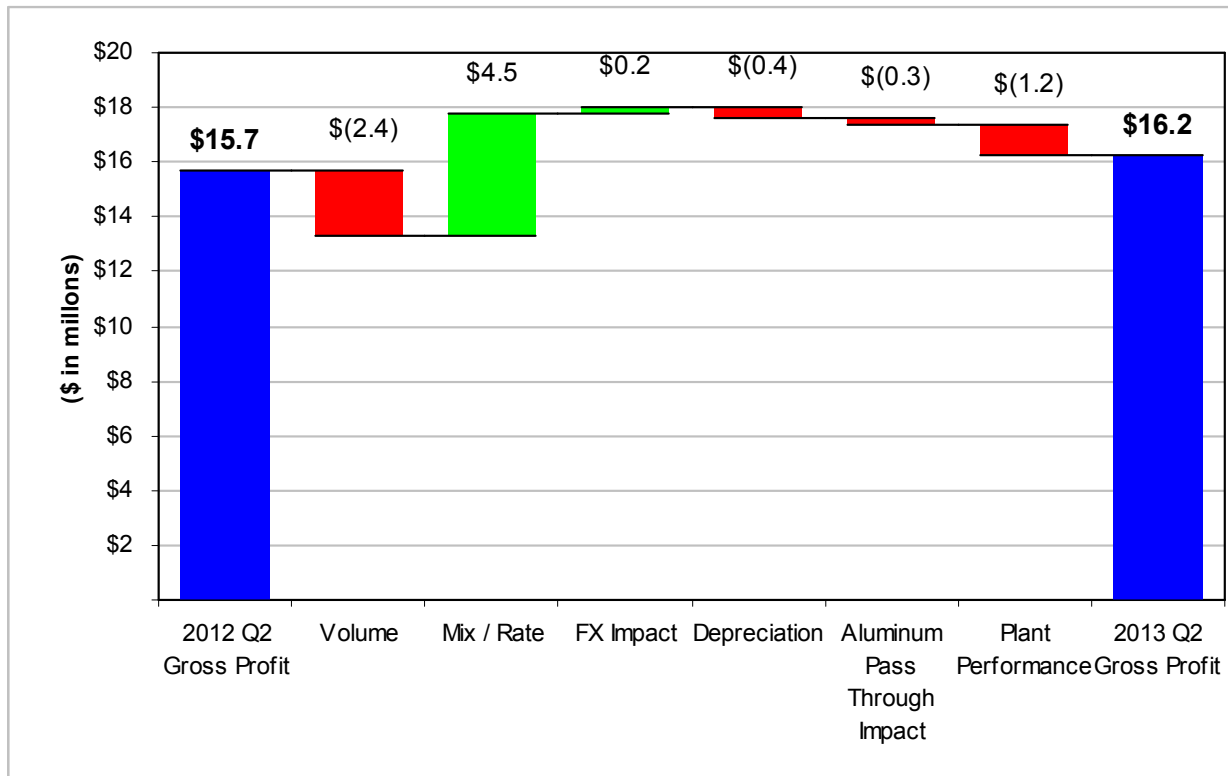
Volume decline had the largest impact on revenue. Price/Mix improved nicely over the prior year.

	Millions		Variance		Millions		Variance	
	<u>Q2 2013</u>	<u>Q2 2012</u>	<u>Amount</u>	<u>Percent</u>	<u>YTD 2013</u>	<u>YTD 2012</u>	<u>Amount</u>	<u>Percent</u>
Volume (Wheels Shipped)	2.95	3.32	(0.37)	-11%	6.03	6.38	(0.36)	-6%
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Net Sales:								
Total	\$199.0	\$215.1	(\$16.1)	-7%	\$405.4	\$417.5	(\$12.1)	-3%
Volume			(\$22.2)				(\$21.9)	
Project Development			\$1.0				\$0.7	
Sales Adjustments			\$0.8				\$1.9	
Clad Upcharge			(\$3.1)				(\$2.7)	
Price / Mix			\$7.4				\$9.9	
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Aluminum Content - Price			(\$3.4)	} (\$1.2)			(\$6.6)	} (\$2.1)
Aluminum Content - Weight		\$7.4	\$2.2				\$4.5	
FX Impact			\$2.1				\$2.2	
Price / Mix Other			\$6.5				\$9.8	
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2Q13 Significant Highlights – Gross Profit

Despite lower volumes, gross margin improvement reflects better product mix, production transfers to Mexico to use low cost capacity and solid improvement at our smaller U.S. facility.



- Volume - Down 11%
- Mix / Rate – Reflects higher mix of premium wheel finishes
- FX – 2Q13 average Peso rate 7.5% stronger than in 2Q12
- Aluminum Pass Through - Timing difference of aluminum adjustments with customers vs. suppliers
- Plant Performance – Cost flexing did not fully absorb volume impact
- Mexico continues to operate smoothly overall – focus on keeping plants filled
- Solid improvement at smaller US facility
- Capacity Utilization¹
 - 2Q13 = 99%
 - 2Q12 = 106%

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



2Q13 Income Statements – Other Comments

- **SG&A expense - 2Q13 expense down \$400K from 2Q12 and remains low at 3.6% of revenues - generally reflects lower outside professional fees**
- **Interest income – generally reflects improved interest rates, partially due to mix between U.S. vs. Mexico**
- **Foreign exchange gain – Foreign exchange gain was up modestly over last year**
- **The effective tax rate for 2Q13 was 36 percent compared to 24 percent in 2Q12**
 - **2013 effective rate unfavorably impacted by non-deductible expenses**
 - **2012 reflects benefit from reversing FIN48 liability due to the expiration of the statute of limitations for the 2006 tax year in Mexico.**



Balance Sheet & Cash Flow Comments

- **Cash and short-term investments decreased slightly during 1H13 to end the quarter at \$206.5M**
- **Accounts Receivable increased \$8.1 compared to year-end 2012 – reflects effect of shutdowns in last fiscal week of 2012 which reduced year-end balance**
- **Net inventory declined \$1.7M compared to year-end 2012 - finished goods increase offset by decrease in raw material and WIP**
- **Capital expenditures = \$9.3M for 2Q13 and \$17.1M 1H13**
 - **Compares to \$4.4 in 2Q12 and \$8.7M 1H12**
 - **Pace of spending for existing facilities currently expected to continue to exceed prior year**
 - **Investments being made in process improvements, equipment reliability and some debottlenecking**
 - **Clear example of benefit is improved performance at smaller U.S. facility**
- **Lack of dividend payments (accelerated 2013 dividend into 2012) absorbed higher capital spending**
- **Change in operating cash flow reflects timing of payments – aluminum, Mexico value-added tax and other items**
- **Working capital and current ratio remained strong at \$347.6 and 6.7:1 at the end of 2Q13**



New Manufacturing Facility Update

- **Internal team in-place and fully dedicated to project**
- **Building construction is well underway**
 - Site preparation moving quickly despite rain delay
 - Foundations for building columns being put in place
 - Critical path equipment such as electrical equipment on-order
- **Machinery and equipment decisions proceeding with urgency**
 - Negotiations proceeding for certain 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
- **Cost estimates remain in \$125-\$135 million range**



Conclusion

- **NA auto production remains strong posting the highest quarter since 2Q02**
- **Superior's market share declined because of a variety of factors including customer and platform mix, program timing, capacity constraints and more selective quoting**
- **Plant utilization rates have declined but still remained at high levels**
- **Mexico operations continue to run smoothly - volume declines impacted 2Q13 margins, but focus is on keeping low cost facilities full**
- **Challenges continue to pressure margins at oldest U.S. facility - smaller Midwest operation showed nice year-over-year improvement**
- **New wheel plant construction progressing well - will expand on success in Mexico, help to lower overall cost structure and provide more flexibility**
- **Liquidity remains strong**



2Q13 Quarter Income Statements

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

	Q2 2013	Q2 2012	Favorable (Unfavorable) Amount	Percent
Unit Shipments	2,953,481	3,318,662	(365,181)	-11%
Total Revenues	\$ 198,993	\$ 215,053	\$ (16,060)	-7%
Gross Profit	\$ 16,237	\$ 15,716	\$ 521	3%
% of Revenues	8.2%	7.3%	0.9%	
SG&A Expenses	(7,090)	(7,490)	400	5%
% of Revenues	-3.6%	-3.5%	-0.1%	
Operating Income	9,147	8,226	921	11%
% of Revenues	4.6%	3.8%	0.8%	
Interest Income, net	441	216	225	104%
Foreign Exchange Gain (Loss)	319	(92)	411	-447%
Miscellaneous Inc/Exp	(36)	88	(124)	-141%
Income Before Income Taxes	9,871	8,438	1,433	17%
Income Tax (Provision) Benefit	(3,547)	(2,024)	(1,523)	-75%
Net Income	\$ 6,324	\$ 6,414	(90)	-1%
Income Per Share - Diluted	\$ 0.23	\$ 0.23	\$ -	

Unaudited



June 2013 YTD Income Statements

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

	YTD June 2013	YTD June 2012	Favorable (Unfavorable) Amount	Percent
Unit Shipments	6,028,930	6,384,399	(355,469)	-6%
Total Revenues	\$ 405,434	\$ 417,510	\$ (12,076)	-3%
Gross Profit	\$ 29,755	\$ 32,824	\$ (3,069)	-9%
% of Revenues	7.3%	7.9%	-0.5%	
SG&A Expenses	(14,299)	(14,375)	76	-1%
% of Revenues	-3.5%	-3.4%	-0.1%	
Operating Income	15,456	18,449	(2,993)	-16%
% of Revenues	3.8%	4.4%	-0.6%	
Interest Income, net	876	516	360	70%
Foreign Exchange Gain (Loss)	430	112	318	284%
Miscellaneous Inc/Exp	(16)	225	(241)	-107%
Income Before Income Taxes	16,746	19,302	(2,556)	-13%
Income Tax (Provision) Benefit	(5,488)	(6,155)	667	-11%
Net Income	\$ 11,258	\$ 13,147	(1,889)	-14%
Income Per Share - Diluted	\$ 0.41	\$ 0.48	\$ (0.07)	

Unaudited



Summary Balance Sheets

(US\$ in Millions)

	June 2013	December 2012	Increase (Decrease)
<u>ASSETS</u>			
Cash & Equivalents	\$ 202.5	\$ 203.4	\$ (0.9)
S-T Investments	4.0	4.0	-
Accounts Receivable, net	106.6	98.5	8.1
Inventories, net	70.2	71.9	(1.7)
Prepaid Aluminum	10.7	10.7	-
Other Current Assets	14.8	16.4	(1.6)
Total Current Assets	408.8	404.9	3.9
Property, Plant & Equipment	149.8	147.5	2.3
Investments	4.6	4.6	-
Other Assets	47.0	42.6	4.4
Total Assets	\$ 610.2	\$ 599.6	\$ 10.6
<u>LIABILITIES & EQUITY</u>			
Accounts Payable	\$ 32.2	\$ 32.4	\$ (0.2)
Other Current Liabilities	29.0	34.2	(5.2)
Total Current Liabilities	61.2	66.6	(5.4)
Non-Current Liabilities	70.0	66.1	3.9
Shareholders' Equity	479.0	466.9	12.1
Total Liabilities & Equity	\$ 610.2	\$ 599.6	\$ 10.6

Unaudited



Summary Cash Flow Statements

(US\$ in Millions)

	2013	2012	Increase
	<u>Actual</u>	<u>Actual</u>	<u>(Decrease)</u>
Net Income (Loss)	\$ 11.3	\$ 13.1	\$ (1.8)
Depreciation	14.0	12.9	1.1
Deferred Income Taxes & FIN 48	0.5	3.8	(3.3)
Accounts Receivable	(8.5)	(10.5)	2.0
Inventories	2.4	(0.8)	3.2
Prepaid Aluminum	0.1	4.8	(4.7)
Accounts Payable and Accrued Liabilities	(4.1)	12.8	(16.9)
Other Operations Related Items	(0.3)	(1.5)	1.2
Cash Flow from Operations	15.4	34.6	(19.2)
Cash Dividends	-	(8.7)	8.7
Capital Expenditures	(17.1)	(8.7)	(8.4)
Proceeds from Exercise of Stock Options	1.1	0.4	0.7
Net Change in Maturing Investments	-	0.3	(0.3)
All Other	(0.2)	1.8	(2.0)
Net Increase (Decrease)	(0.8)	19.7	(20.5)
Cash - Beginning	203.4	187.8	15.6
Cash - Ending	\$ 202.6	\$ 207.5	\$ (4.9)

Unaudited