



NYSE: SUP

**First Quarter 2013
Earnings Conference Call
May 3, 2013**

Superior Industries International





Forward Looking Statements

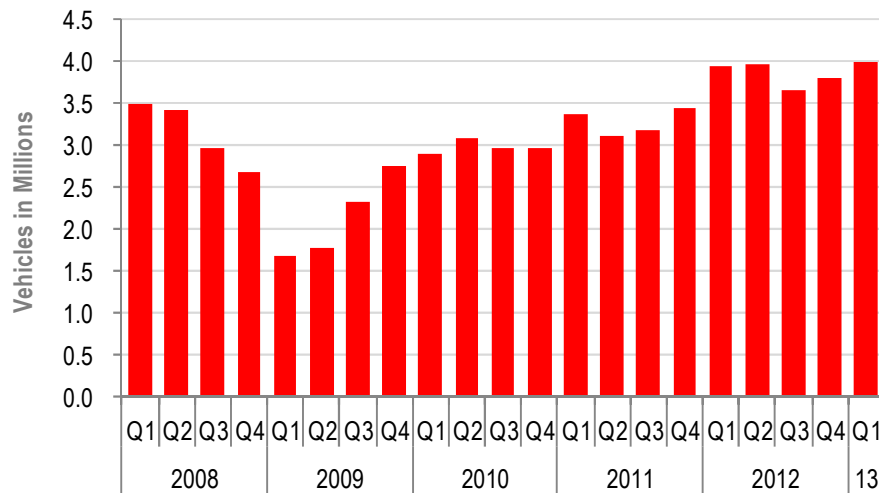
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North American Vehicle Production vs. Superior Shipments

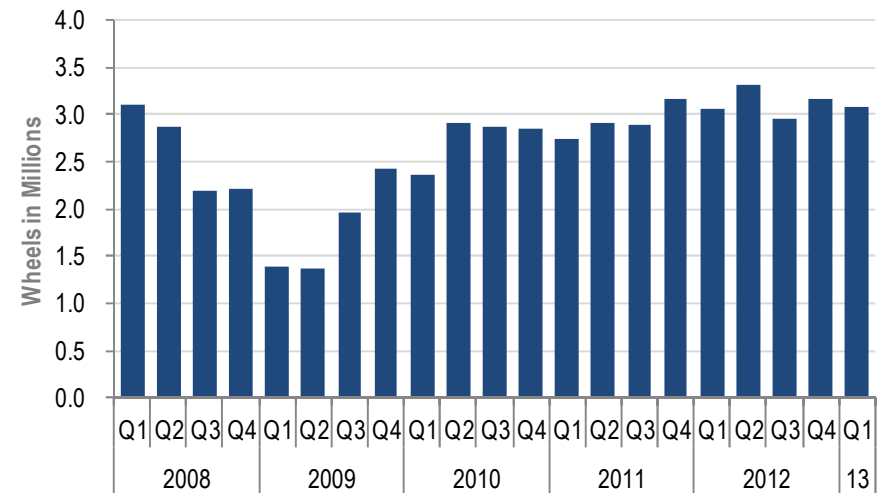
Strongest quarter of NA production since 2Q06, slightly eclipsing 1Q/2Q 2012. SUP shipments flat with the prior year but still strong for the quarter.

North American Light Vehicle Production



Source: Wards Automotive Group
Includes Passenger Cars, Light Trucks and SUVs

Superior Shipped Units



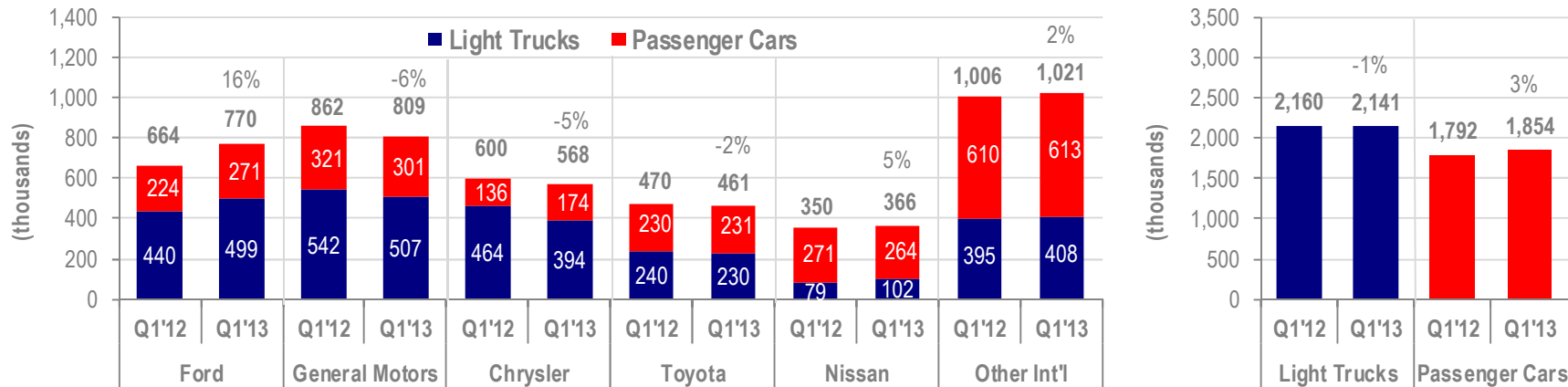
Source: Superior Internal data

<u>Description (all units in millions)</u>	<u>NA Light Vehicle Production</u>	<u>Superior Shipments</u>
- Q1 total units:	2012 2013	3.07 3.08
	2013 vs. 2012	+0.3%
	3.95	
	3.99	
	+1.1%	



NA Vehicle Production – Year-over-Year Comparison

Ford clearly led the year-over-year market improvement in 1Q13.

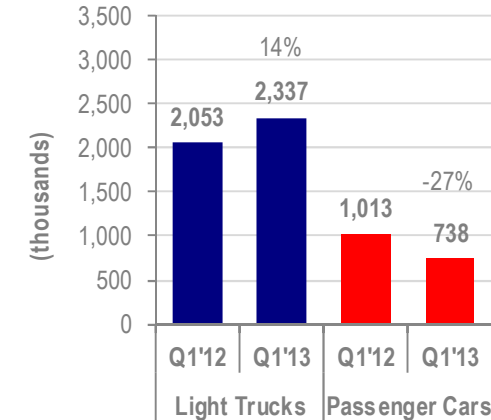
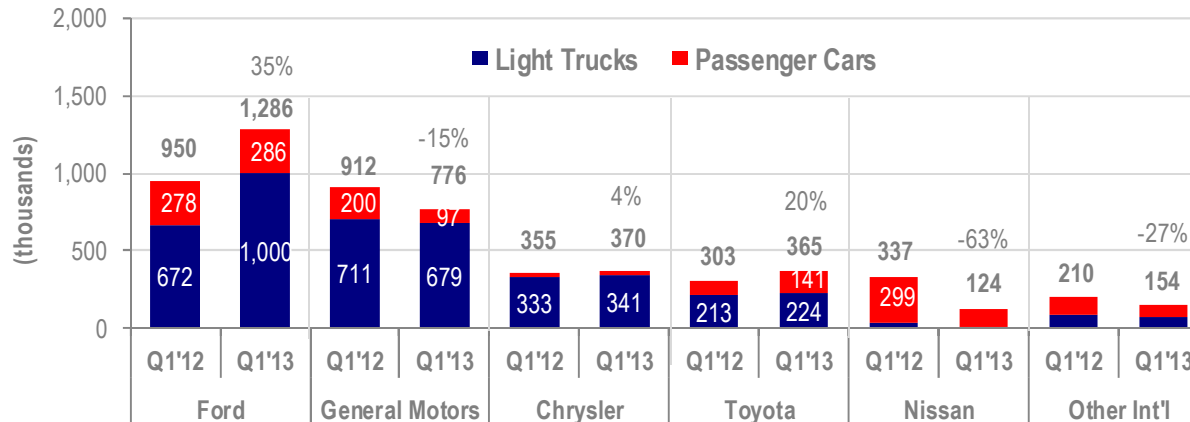


- **Our largest customer, Ford, led the market in 1Q13 at +16%**
 - Passenger cars (+21%) on Focus, MKZ and new C-Max and light trucks +14%
 - Light Trucks (+14%) F-Series, Explorer, Edge and Escape
- **GM and Chrysler both declined from prior year**
 - GM (-6%) – Decline about even in passenger cars and light trucks - Malibu, Camaro, Cadillac CTS and SRX, GMT-900, and Chevrolet Colorado
 - Chrysler (-5%) - Strong passenger car increases offset by weaker light truck output; passenger cars up on the Avenger, Charger and Dart. Light trucks down on the Jeep Liberty, Patriot and Grand Cherokee, Dodge Caravan and Fiat Freemont
- **Production for international brands increased slightly in aggregate**
 - Toyota (- 2%) - Down on most of the popular programs except the Avalon which was up almost three-fold.
 - Nissan (+ 5%) - Light truck growth strong at +28% overall on Pathfinder at +4x; passenger car -2% due to Maxima and Versa, with Sentra and Altima up
 - BMW and VW both up slightly



Superior Shipments – Year-over-Year Comparison

Superior maintained market share on a strong increase at Ford.



- **Very strong shipment growth to Ford at +35%**
 - Light trucks +49% on Escape, F-Series, Explorer, Flex and Edge
 - Passenger cars up +3% on Fiesta, Taurus and MKZ
- **Shipments to GM down 15%**
 - Decline primarily reflects loss of Malibu – some gains on Chevy Volt / Impala, Buick Enclave and Cadillac ATS
 - GMT 900 was up 4% as platform nears its changeover to K2XX
- **Chrysler shipments at +4% is dominated by light trucks**
 - Increase on Dodge Ram and Chrysler Town and Country offset by losses on Jeep Grand Cherokee
- **International**
 - Toyota +20% on strong passenger car shipments – strong volume on redesigned Avalon
 - Nissan down 63% – on Altima, Sentra, Maxima and Versa
 - Sentra program ramped down in mid-2012
 - Maxima shipment decline reflect lower NA vehicle production rates
 - Volume on replacement Altima currently has not materialized



NA Production / Superior – Sequential Quarter Comparison

Superior's shipments declined sequentially against a market increase. Demand fluctuations are pointing towards some softening.

<u>Description (all units in millions)</u>	<u>NA Light Vehicle Production</u>	<u>Superior Shipments</u>
- Q4 total units: 2012	3.79	3.16
- Q1 total units: 2013	3.99	3.08
- Q4 2012 vs. Q1 2013	+5.2%	-2.5%

Market

- Many OEM's except Chrysler, VW and Mercedes posted sequential quarter gains
 - Ford (+7%) - Mostly on F-Series and MKZ
 - GM (+4%) – Due to GMT 900 build out and increased Acadia production
 - Chrysler (-3%) - On lower Dodge Caravan , Dart and Chrysler 300 production
 - International brands (+8%) - Led by 10% sequential improvements at Toyota and Nissan

Superior

- Sequential shipments decreased 2.5% on lower light truck shipments – passenger cars were up 4%
 - Toyota +19% on Avalon and Camry
 - Ford (+2%) - Up on F-Series, MKZ and Fiesta, partially offset by the Escape and Taurus
 - Chrysler (-13%) - Mostly on Jeep Grand Cherokee and Dodge Journey
 - GM (-4%) - Down on GMT 900 model year change over
 - Nissan at -37% on Altima, Maxima and Sentra



1Q13 Significant Highlights - Sales

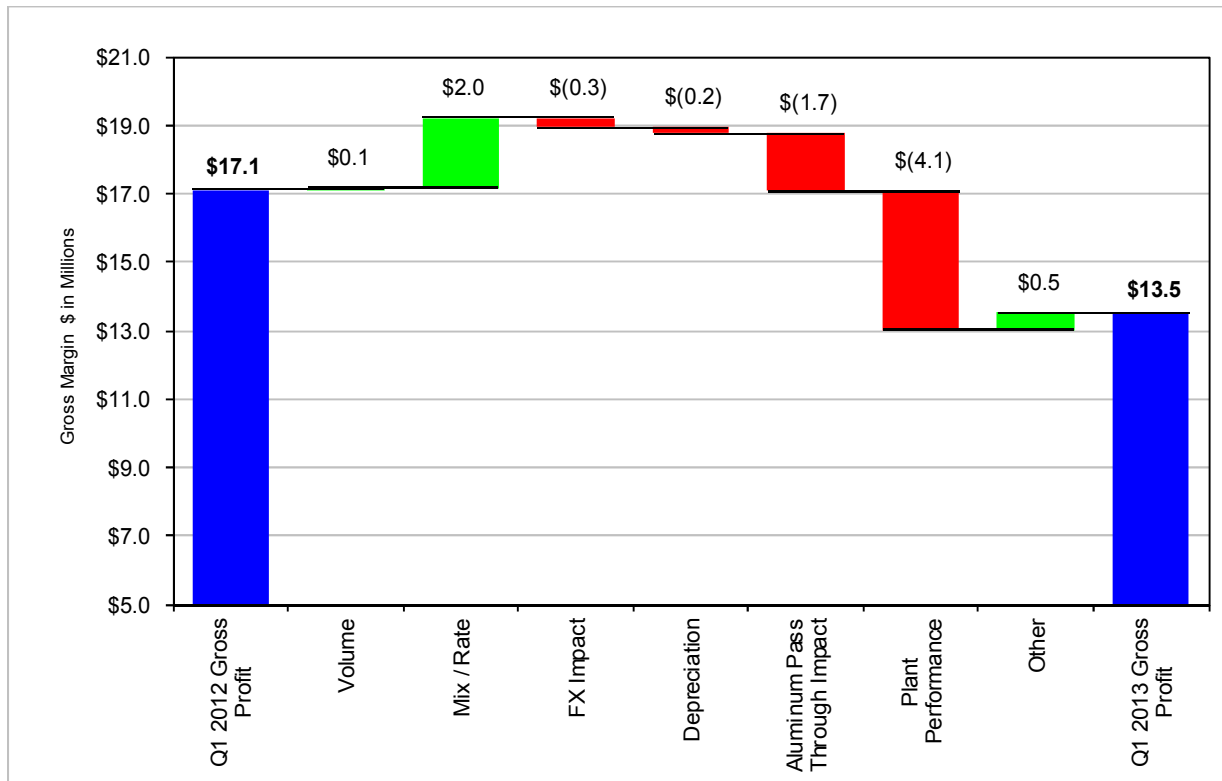
Volume was flat in 1Q13 compared to the prior year. Price/Mix was more favorable than prior year for the third quarter in a row.

	Millions		Variance		
	<u>Q1 2013</u>	<u>Q1 2012</u>	<u>Amount</u>	<u>Percent</u>	
Volume (Wheels Shipped)	3.08	3.07	0.01	0.3%	
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Net Sales:					
Total	\$206.4	\$202.5	\$3.9	2%	
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Volume			\$0.6		
Project Development			(\$0.2)		
Sales Adjustments			\$1.2		
Clad Upcharge			\$0.4		
Price / Mix			\$1.9		
<hr/>					
Aluminum Content - Price			<div style="display: flex; align-items: center;"> { (\$3.1) } (\$0.9) </div>		
Aluminum Content - Weight		\$1.9		\$2.2	
Price / Mix Other				\$2.8	
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1Q13 Significant Highlights – Gross Profit

Gross Margin declined \$3.6M on flat volumes. Operating challenges in the U.S. continued, although there was sequential improvement at smaller U.S. facility.



- **Mix / Rate – Positive compared to 1Q12 and 4Q12**
- **FX Impact - Average Peso rate in 1Q13 was 3.4% stronger than the average rate in 1Q12**
- **Aluminum Pass Through - Timing impact from our commercial aluminum pass through agreements**
- **Plant Performance – Mostly labor, fringe, replacement tooling and other operating expenses related to our oldest Midwest facility.**
- **Mexico continues to operate smoothly overall.**

Capacity Utilization

- 1Q 2013 - 104% 3.2M units packed
- 1Q 2012 - 107% 3.1M units packed

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



1Q13 Income Statements – Other Comments

- **SG&A expense up slightly from 2012 but remains low at 3.5% of revenues**
 - 1Q13 = \$7.2M – 1Q12 = \$6.9M
 - Change reflects accounts receivable related adjustment

- **The effective tax rate for 1Q13 was 28 percent compared to 38 percent in 1Q12**
 - 2013 effective rate benefited from tax credits arising from tax law changes and settlement of Mexico tax audit
 - 2012 rate includes increased accrual for uncertain tax positions, partially offset by lower rate on deferred tax liabilities



Balance Sheet & Cash Flow Comments

- **Cash and short-term investments decreased \$17.2M during 1Q13 to end the quarter at \$190.2M – reflects net use of cash in operations**
- **Accounts Receivable increased \$15.3 compared to year end 2012 – reflects effect of shutdowns in last fiscal week of 2012.**
- **Net inventory increased \$6.2M (1/2 raw material) compared to year end 2012, while prepaid aluminum was up \$5.0M**
 - **Raw material (including prepaid aluminum) timing related**
 - **Finished goods and WIP units have increased to smooth out demand and production imbalance**
- **Capital expenditures = \$7.8M for 1Q13, more than 80% higher than in 1Q12**
 - **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**
- **Working capital and current ratio remained strong at \$345.3 and 6.1:1 at the end of 1Q13**



New Wheel Plant Update

- **Site selection chosen on land adjacent to one of our existing facilities in Chihuahua Mexico. A combination of government incentives and valuable local resources factored into the decision**
- **Expand on Superior's world-class operations to add shareholder value**
- **Position us to meet growing demand across North America**
- **Investment of approximately \$125 million to \$135 million**
- **Initial capacity to produce between 2 million and 2.5 million wheels a year**
- **Groundbreaking targeted for around the middle of 2013 and completion of construction anticipated about two years later**
- **Existing liquidity is adequate to fund the project, but the company is evaluating credit options.**



Conclusion

- **NA auto production remains strong posting the highest quarter since 2Q06**
- **Superior's market share reflects strong Ford production – will continue to be affected by a variety of factors including capacity, customer mix, program timing and more selective quoting**
- **Plant utilization rates remained at high levels in 1Q13.**
- **Mexico operations continue to run smoothly, while challenges continue to pressure margins at our oldest Midwest facility - some stabilization and improvements starting to show at our smaller Midwest operation**
- **Pushing ahead with the new wheel plant, which will expand on success in Mexico, help to lower overall cost structure and provide more flexibility**
- **Liquidity remains strong**



1Q13 Quarter Income Statements

(US\$ in Thousands, except for per share amounts)			Favorable (Unfavorable)	
	Q1 2013	Q1 2012	Amount	Percent
Unit Shipments	3,075,445	3,065,737	9,708	0%
Total Revenues	\$ 206,441	\$ 202,457	\$ 3,984	2%
Gross Profit	\$ 13,518	\$ 17,108	\$ (3,590)	-21%
% of Revenues	6.5%	8.4%	-1.9%	
SG&A Expenses	(7,209)	(6,885)	(324)	-5%
% of Revenues	-3.5%	-3.4%	-0.1%	
Operating Income	6,309	10,223	(3,914)	-38%
% of Revenues	3.1%	5.0%	-2.0%	
Interest Income, net	435	300	135	45%
Foreign Exchange Gain (Loss)	111	203	(92)	-45%
Miscellaneous Inc/Exp	20	138	(118)	-86%
Income Before Income Taxes	6,875	10,864	(3,989)	-37%
Income Tax (Provision) Benefit	(1,941)	(4,131)	2,190	53%
Net Income	\$ 4,934	\$ 6,733	(1,799)	-27%
Income Per Share - Diluted	\$ 0.18	\$ 0.25	\$ (0.07)	

Unaudited



Summary Balance Sheets

(US\$ in Millions)

	March 2013	December 2012	Increase (Decrease)
<u>ASSETS</u>			
Cash & Equivalents	\$ 186.2	\$ 203.4	\$ (17.2)
S-T Investments	4.0	4.0	-
Accounts Receivable, net	113.8	98.5	15.3
Inventories, net	78.1	71.9	6.2
Prepaid Aluminum	15.6	10.6	5.0
Other Current Assets	14.7	16.5	(1.8)
Total Current Assets	412.4	404.9	7.5
Property, Plant & Equipment	153.3	147.5	5.8
Investments	4.6	4.6	-
Other Assets	43.3	42.6	0.7
Total Assets	\$ 613.6	\$ 599.6	\$ 14.0
<u>LIABILITIES & EQUITY</u>			
Accounts Payable	\$ 32.6	\$ 32.4	\$ 0.2
Other Current Liabilities	34.5	34.2	0.3
Total Current Liabilities	67.1	66.6	0.5
Non-Current Liabilities	67.7	66.1	1.6
Shareholders' Equity	478.8	466.9	11.9
Total Liabilities & Equity	\$ 613.6	\$ 599.6	\$ 14.0

Unaudited



Summary Cash Flow Statements

	March 2013 <u>Actual</u>	March 2012 <u>Actual</u>	Increase <u>(Decrease)</u>
Net Income (Loss)	\$ 4.9	\$ 6.7	\$ (1.8)
Depreciation	7.0	6.6	0.4
Deferred income taxes and (FIN 48)	-	(1.2)	1.2
Accounts Receivable	(14.8)	(6.4)	(8.4)
Inventories	(5.8)	(2.8)	(3.0)
Prepaid Aluminum	(5.0)	1.0	(6.0)
Accounts Payable	(0.8)	1.2	(2.0)
Other Operations Related Items	1.9	4.8	(3.0)
Cash Flow from Operations	(12.6)	10.0	(22.6)
Cash Dividends	-	(4.3)	4.3
Capital Expenditures	(7.8)	(4.3)	(3.5)
Proceeds from Exercise of Stock Options	0.4	0.4	0.0
Net Change in Maturing Investments	-	0.3	(0.3)
All Other	2.8	3.3	(0.5)
Net Increase (Decrease)	(17.2)	5.4	(22.6)
Cash - Beginning	203.4	187.8	
Cash - Ending	\$ 186.2	\$ 193.2	

Unaudited