



**SUPERIOR
INDUSTRIES**

**A Leader in the North American
Aluminum Wheel Industry**

Investor Presentation

August 2016

Non-GAAP Financial Measures and Forward-Looking Statements



Forward-Looking Statements

This webcast and presentation contain statements that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include all statements that do not relate solely to historical or current facts and can generally be identified by the use of future dates or words such as "may," "should," "could," "will," "expects," "seeks to," "anticipates," "plans," "believes," "estimates," "intends," "predicts," "projects," "potential" or "continue" or the negative of such terms and other comparable terminology. These statements also include, but are not limited to the 2016 outlook and projections for reported net sales, value-added sales, adjusted EBITDA, adjusted EBITDA margin, income before income taxes, capital expenditures, the effective tax rate, the change in working capital, and the Company's strategic and operational initiatives, and are based on current expectations, estimates and projections about the Company's business based, in part, on assumptions made by management. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements due to numerous factors, risks and uncertainties discussed in the Company's Securities and Exchange Commission filings and reports, including the Company's most recent Annual Report on Form 10-K, Quarterly Report on Form 10-Q, and our reports from time to time filed with the Securities and Exchange Commission. You are cautioned not to unduly rely on such forward looking statements when evaluating the information presented in this presentation. Such forward-looking statements speak only as of the date on which they are made and the Company does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of this presentation.

Use of Non-GAAP Financial Measures

In addition to the results reported in accordance with GAAP included throughout this presentation, this presentation refers to "Adjusted EBITDA," which we have defined as earnings before interest, taxes, depreciation, amortization, restructuring charges and impairments of long-lived assets and investments and "Value-Added Sales," which we define as net sales less pass-through charges primarily for the value of aluminum. Adjusted EBITDA as a percentage of value-added sales is a key measure that is not calculated according to GAAP. Adjusted EBITDA as a percentage of value-added sales is defined as adjusted EBITDA divided by value-added sales.

Management believes the non-GAAP financial measures used in this presentation are useful to both management and investors in their analysis of the Company's financial position and results of operations. Further, management uses these non-GAAP financial measures for planning and forecasting future periods. This non-GAAP financial information is provided as additional information for investors and is not in accordance with or an alternative to GAAP. These non-GAAP measures may be different from similar measures used by other companies.

For reconciliations of these non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP, see the appendix of this presentation.

In reliance on the safe harbor provided under section 10(e) or Regulation S-K, we have not quantitatively reconciled differences between Value-Added Sales, EBITDA and EBITDA margins, as well as their corresponding GAAP measures, presented in our 2016 Outlook, due to the inherent uncertainty regarding variables affecting the comparison of these forward-looking measures. However, the magnitude of difference between these non-GAAP measures and their corresponding GAAP measures may be significant.

Agenda

- Company Overview

- Market Conditions and Dynamics

- Evolution of the Business

- Growth Initiatives

- 2016 Financial Outlook

- Superior Investment Thesis

Kerry Shiba
EVP and CFO

Superior – North American Leader in Aluminum Wheels

- North American market share and capacity leader in aluminum wheels for light vehicles
 - 12.2M wheels sold 2Q16 LTM; ~20% NA market share
 - 100% of business is with global OEMs
 - 98% of wheels sold into North America
- NYSE listed (SUP) since 1969
- Manufacturing footprint
 - Four facilities in Mexico and one in Arkansas
 - Opened new facility in Mexico in 2015
- Continuous dividend payout since 1982
- Strong Balance Sheet



Core Strategic and Financial Priorities



Enhance Market Position As a Best-in-Class Wheel Supplier

- ✓ Strengthen current customer relationships
- ✓ Develop culture of continuous improvement
- ✓ Invest in new and enhanced finishing capabilities

Generate Top-Line Profitable Growth

- ✓ Continue winning higher-value add wheels
- ✓ Expand customer base through new global OEM relationships
- ✓ Increase capacity through manufacturing arrangement with Asian supplier

Create Long-Term Shareholder Value

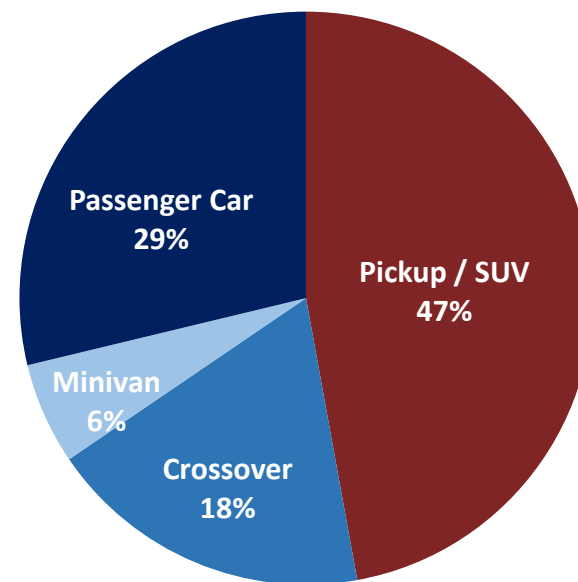
- ✓ Invest in projects with high return on invested capital
- ✓ Maintain prudent capital structure
- ✓ Continued balanced approach to capital allocation

Customers and Vehicle Segments

Customers



2015 Shipments by Vehicle Type



Stable Industry Outlook



| Industry Dynamics Impacting Production Levels | Today | Near-term Outlook |
|---|---------------|-------------------|
| Unemployment Rate / Wage Growth | + | + |
| Consumer Sentiment | + | + |
| Average Scrappage Rate / Vehicle Age | + | + |
| Gas Prices | + | + |
| Financing Availability and Cost | + | Neutral/Watch |
| Dealer Inventory Levels | Neutral/Watch | Neutral/Watch |
| Dealer Incentives | Watch | Watch |

Source: Equity research, Bureau of Labor Statistics, Consumer Sentiment Index, and U.S. Energy Information Administration

Market Dynamics – Wheels Provide Differentiation

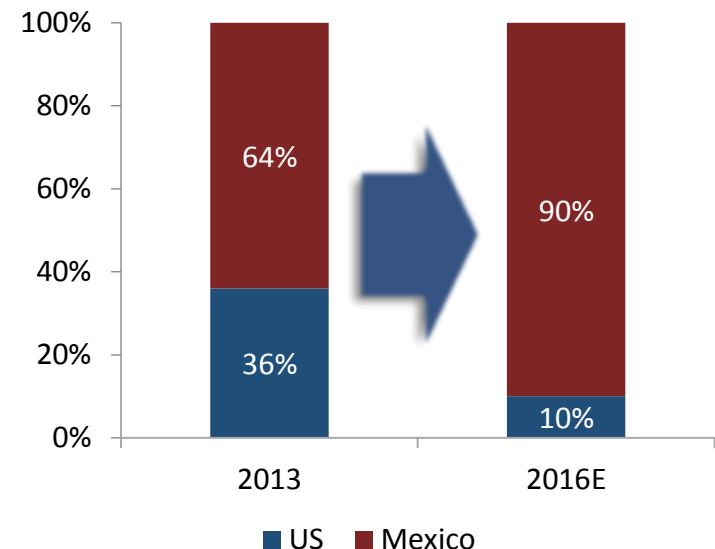


- Wheels increasingly customized by consumers and a key aesthetic differentiator for OEMs
- Aftermarket-like styling relevant to OEMs at OEM production levels and standards
- Wheel options per platform increasing, allowing OEMs to further segment the market
- Light weighting wheels critical to OEMs to meet fuel efficiency standards

Transformation of the Business

- Five out of eight board members appointed since December 2013
- New executive management team with 130 years of combined auto experience
- Opened new manufacturing facility in Mexico
- Relocated headquarters to Michigan
- Opened shared services facility in Mexico
- Completed tax restructuring and reduced effective tax rate
- Broadening product portfolio to address customer needs
- Pursuing numerous initiatives to drive higher operational efficiencies

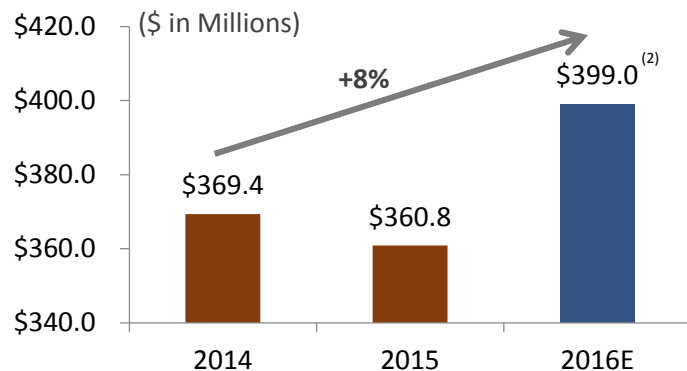
Superior Production Capacity by Country



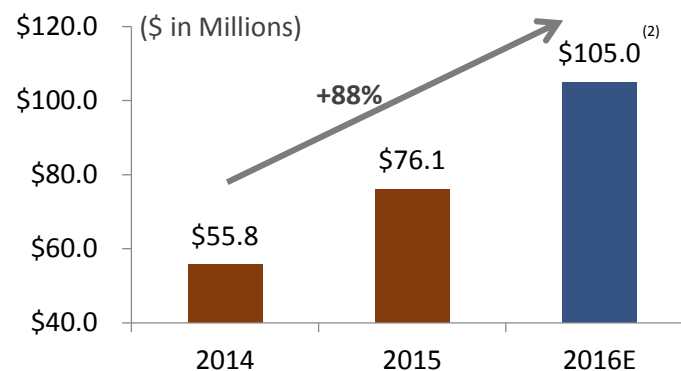
Key Financial Metrics



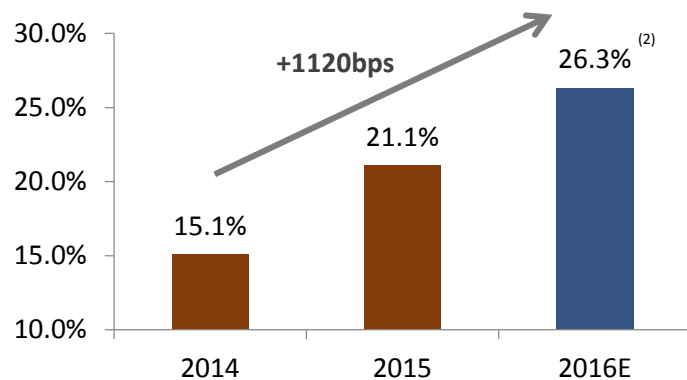
Value-Added Sales



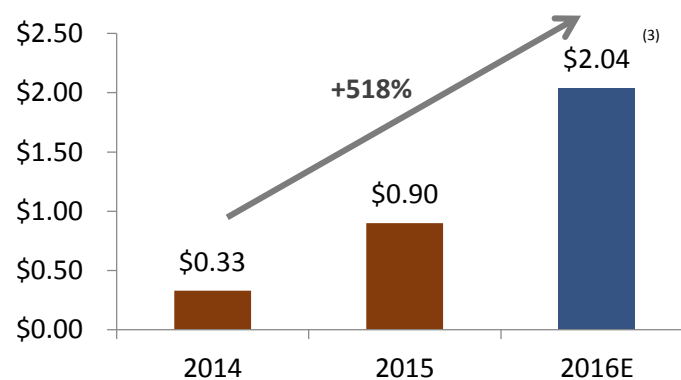
Adjusted EBITDA⁽¹⁾



Adjusted EBITDA Margin as % of Value-Added Sales⁽¹⁾



Earnings Per Share



⁽¹⁾ See Appendix for definition of EBITDA and reconciliation to GAAP measures; ⁽²⁾ Based on mid-point of 2016 guidance provided on 7/27/16; ⁽³⁾ Based on consensus estimates

Evidence of Continued Progress – Recent Customer Awards



**2015 GM Supplier of the Year award,
the first time in more than 10 years**



**2015 Toyota Quality Certificate
of Achievement Award**



**Mazda 2015 Supplier of
Excellence, a first for the Company**

Evolution of Wheel Offering and Capabilities



Sparkle Silver Wheel

Transformation
Initiatives



Diamond Turned with
Accent Windows



Premium Super
Chrome Paint



Bright Chrome
Vacuum Deposition



Premium Matte Finish
with Tinted Clear Coat



Two Tone Machined Finish



Mirror Finish

Financial Stability and Balanced Approach to Capital Allocation

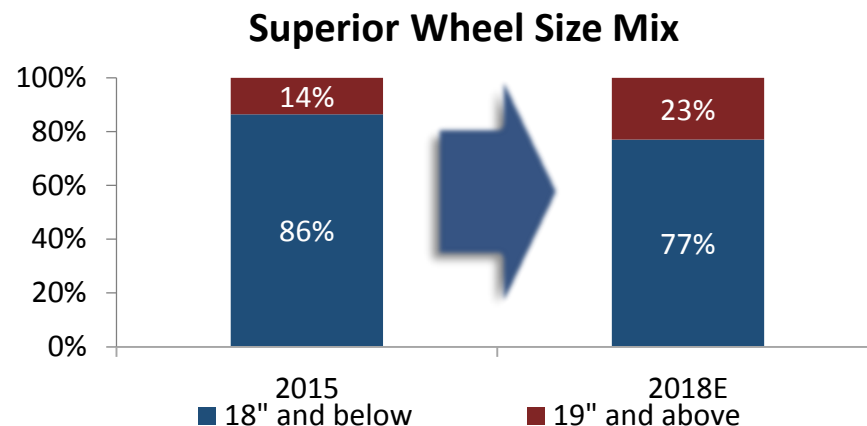


- Strong track record of both dividends and share repurchases
 - Returned nearly \$155M to shareholders over the last 5 years
 - Cash dividend since 1982 – currently approximately \$20M annually
 - \$50M stock repurchase program approved in January 2016; \$47.6M remaining
- Financial capacity to strategically pursue M&A prospects, JVs, and business alliances
- Clean balance sheet with no debt and \$38M of cash

Key Initiatives Driving Revenue Growth

Organic Growth

- Significant opportunities ahead:
 - Investing in finishing capabilities
 - Focusing on higher value-add products
 - Increasing capacity
 - Developing proprietary lightweight designs



Overseas Manufacturing Arrangement

- Established new manufacturing arrangement with Asian supplier
- Creates opportunity to provide additional support to our customers

Strategic Acquisitions

- Selectively evaluating acquisitions that add new customers, capabilities or geographies

Financial Performance Outlook for 2016



| Key Metrics | Prior Outlook (provided 4/19/16) | Current Outlook (provided 7/27/16) |
|----------------------------------|----------------------------------|------------------------------------|
| Unit Volume Growth | 3% - 6% | 6% - 8% |
| Net Sales | \$690 - \$710 million | \$710 - \$725 million |
| Value-Added Sales ⁽¹⁾ | \$380 - \$395 million | \$395 - \$403 million |
| Adjusted EBITDA | \$92 - \$98 million | \$102 - 108 million |
| Capital Expenditures | Approximately \$40M | Approximately \$40M |
| Working Capital | Net source of funds | Net use of funds |
| Effective Tax Rate | 25% - 27% range | 27% - 29% range |
| Dividend Payments | Approximately \$20M | Approximately \$20M |

⁽¹⁾ Value-added sales are defined as net sales less pass-through charges, primarily for the value of aluminum; see appendix for full reconciliation from GAAP

Superior Investment Thesis

- Early Stages of Evolution
 - New management team and Board of Directors
 - Revamping processes throughout organization
 - Improving production efficiency at all plants
- Investing in Future Growth
 - Adding new OEMs and strengthening existing customer relationships
 - Expanding finishing capabilities in Mexico
 - Winning larger, more complex, higher value-add wheel programs
 - Ongoing review of strategic M&A opportunities, JVs, and business alliances
- Market Trends Providing Opportunity for Superior
 - Increasing number of wheel SKUs per platform elevates relevance of local North American production
 - Innovative finishes, patented lighter wheels, and larger sizes are opportunities for Superior
- Financial Flexibility
 - Balanced approach to capital allocation
 - Capacity to prudently pursue high ROIC growth initiatives



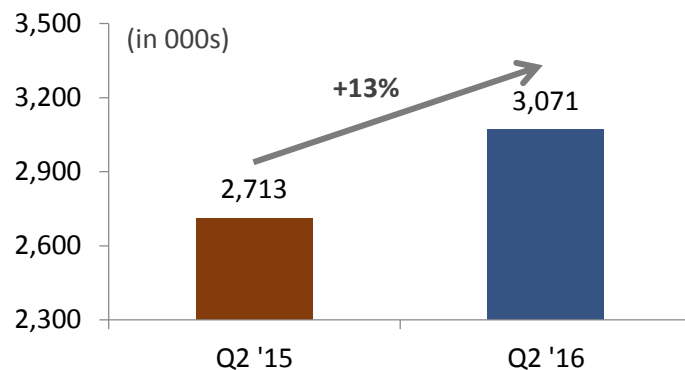
**SUPERIOR
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Appendix

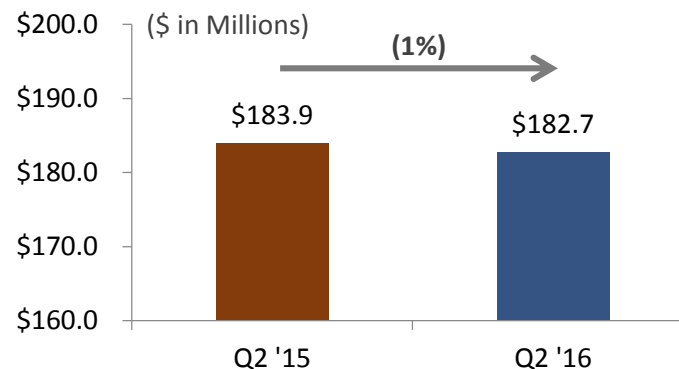
Second Quarter 2016 Summary Financial Highlights



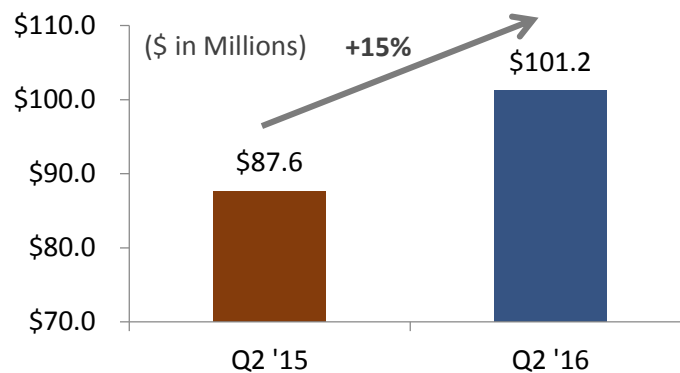
Units



Net Sales



Value-Added Sales⁽¹⁾

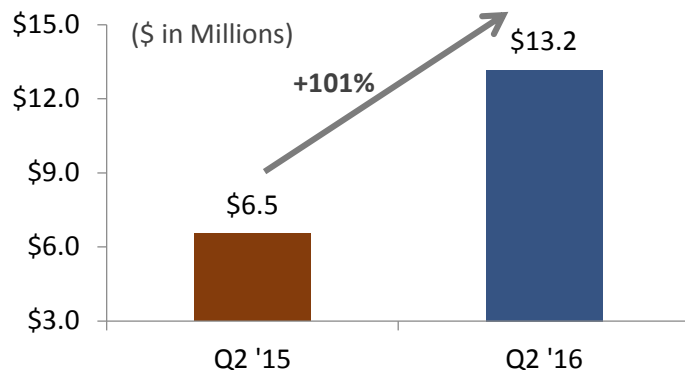


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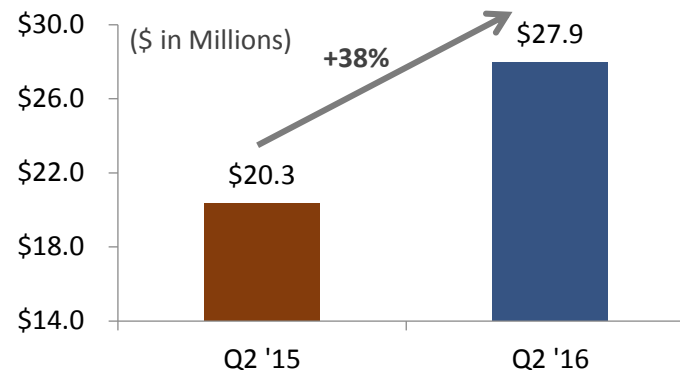
Second Quarter 2016 Summary Financial Highlights



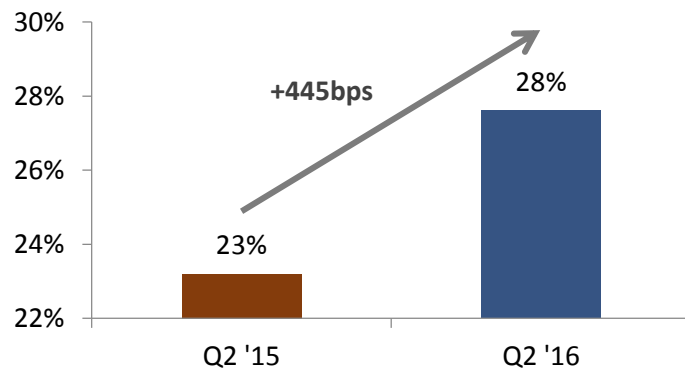
Net Income



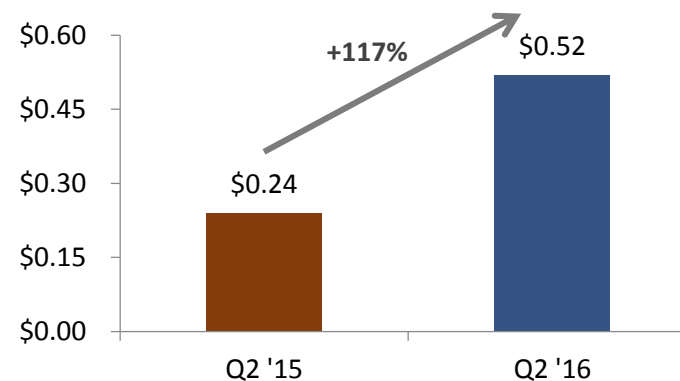
Adjusted EBITDA⁽¹⁾



Adjusted EBITDA Margin as % of Value-Added Sales⁽¹⁾



Earnings Per Share



⁽¹⁾ See appendix for full reconciliation from GAAP

Second Quarter and Year-to-Date Income Statements



(US\$ in Millions, except for units and per share amounts)

| | 2Q16 Actual | 2Q15 Actual | June YTD 2016 | June YTD 2015 |
|---|----------------|----------------|------------------|------------------|
| Unit Shipments | 3,070,827 | 2,713,483 | 6,250,876 | 5,251,828 |
| Net Sales | \$ 182.7 | \$ 183.9 | \$ 368.8 | \$ 357.7 |
| Value-Added Sales ⁽¹⁾ | \$ 101.2 | \$ 87.6 | \$ 203.5 | \$ 169.9 |
| Gross Profit | \$ 29.5 | \$ 19.9 | \$ 57.3 | \$ 31.1 |
| <i>% of Net Sales</i> | 16.2% | 10.8% | 15.5% | 8.7% |
| <i>% of Value-Added Sales</i> | 29.2% | 22.7% | 28.1% | 18.3% |
| SG&A Expenses | \$ (10.0) | \$ (8.9) | \$ (19.0) | \$ (16.4) |
| <i>% of Net Sales</i> | 5.5% | 4.8% | 5.2% | 4.6% |
| Operating Income | \$ 19.5 | \$ 11.0 | \$ 38.3 | \$ 14.7 |
| Interest Income, net | \$ 0.1 | \$ 0.1 | \$ 0.1 | \$ 0.1 |
| Other expenses, net | \$ (0.4) | \$ (0.4) | \$ (0.1) | \$ (0.5) |
| Income Before Income Taxes | \$ 19.2 | \$ 10.7 | \$ 38.3 | \$ 14.3 |
| Income Tax (Provision) Benefit | \$ (6.1) | \$ (4.2) | \$ (10.6) | \$ (3.4) |
| Net Income | \$ 13.2 | \$ 6.5 | \$ 27.6 | \$ 10.9 |
| Income Per Share - Diluted | \$ 0.52 | \$ 0.24 | \$ 1.08 | \$ 0.40 |
| Adjusted EBITDA ⁽²⁾ | \$ 27.9 | \$ 20.3 | \$ 56.0 | \$ 33.7 |
| <i>% of Net Sales</i> | 15.3% | 11.0% | 15.2% | 9.4% |
| <i>% of Value-Added Sales</i> | 27.6% | 23.2% | 27.5% | 19.8% |

(1) Value-Added Sales excludes aluminum and upcharges

(2) Adjusted for Rogers closure cost; 2Q16 (\$0.1M), 2Q15 (\$1.1M); 1H16 (\$0.6M), 1H15 (\$2.5M)

Unaudited

Year-to-Date Summary Statement of Cash Flow



Unaudited

| (US\$ in Millions) | June YTD <u>2016</u> | June YTD <u>2015</u> |
|---|-------------------------|-------------------------|
| Net Income (Loss) | \$ 27.6 | \$ 10.9 |
| Depreciation | 17.3 | 17.0 |
| Accounts Receivable | (2.9) | (1.0) |
| Inventories | (12.8) | 5.2 |
| Prepaid Aluminum | (2.1) | (4.0) |
| Accounts Payable | 0.6 | (0.2) |
| Other Operations Related Items | (3.2) | (2.7) |
| Cash Flow from Operations | 24.5 | 25.2 |
| Cash Dividends | (9.2) | (9.6) |
| Capital Expenditures | (17.7) | (23.3) |
| Proceeds from Exercise of Stock Options | 0.9 | 6.5 |
| Stock Repurchase | (13.1) | (7.5) |
| Net Change in Maturing Investments | 0.2 | 2.6 |
| All Other | (0.1) | 0.9 |
| Net Increase (Decrease) | (14.5) | (5.2) |
| Cash - Beginning | 52.0 | 62.5 |
| Cash - Ending | <u>\$ 37.5</u> | <u>\$ 57.3</u> |

Summary Balance Sheet



(US\$ in Millions)

ASSETS

Cash & Cash Equivalents
Short Term Investments
Accounts Receivable, net
Inventories, net
Prepaid Aluminum
Other Current Assets
Total Current Assets

| | June <u>2016</u> | December <u>2015</u> |
|----|---------------------|-------------------------|
| \$ | 37.5 | \$ 52.0 |
| | 0.8 | 1.0 |
| | 112.4 | 112.6 |
| | 73.9 | 61.8 |
| | 14.5 | 12.4 |
| | 14.6 | 6.1 |
| | <u>253.7</u> | <u>245.8</u> |

Property, Plant & Equipment
Investments
Deferred Taxes
Other Assets
Total Assets

| | | |
|----|--------------|--------------|
| | 223.9 | 234.6 |
| | 2.0 | 2.0 |
| | 25.3 | 25.6 |
| | 33.0 | 31.9 |
| \$ | <u>537.8</u> | <u>539.9</u> |

LIABILITIES & EQUITY

Accounts Payable
Other Current Liabilities
Total Current Liabilities

| | | |
|----|-------------|-------------|
| \$ | 21.0 | \$ 20.9 |
| | 48.2 | 52.9 |
| | <u>69.2</u> | <u>73.9</u> |

Non-Current Liabilities
Shareholders' Equity
Total Liabilities & Equity

| | | |
|----|--------------|--------------|
| | 60.4 | 52.2 |
| | 408.2 | 413.9 |
| \$ | <u>537.8</u> | <u>539.9</u> |

Unaudited

Value-Added Sales and Adjusted EBITDA Reconciliation



SUPERIOR INDUSTRIES INTERNATIONAL, INC. Non-GAAP Financial Measures (Dollars in Thousands)

Value-Added Sales

| | Quarter Ended | | Six Months Ended | |
|--|-------------------|------------------|-------------------|-------------------|
| | June 26, 2016 | June 28, 2015 | June 26, 2016 | June 28, 2015 |
| Net Sales | \$ 182,709 | \$ 183,940 | \$ 368,774 | \$ 357,669 |
| Less: | | | | |
| Aluminum value and outside service providers | (81,519) | (96,307) | (165,245) | (187,773) |
| Value-added sales | <u>\$ 101,190</u> | <u>\$ 87,633</u> | <u>\$ 203,529</u> | <u>\$ 169,896</u> |

Value-added sales is a key measure that is not calculated according to GAAP. Value-added sales represent net sales less the value of aluminum and services provided by outside service providers (OSP's) that are included in net sales. Arrangements with our customers allow us to pass on changes in aluminum prices and OSP costs; therefore, fluctuations in the underlying aluminum price and the use of OSP's generally do not directly impact our profitability. Accordingly, value-added sales is worthy of being highlighted for the benefit of users of our financial statements. Our intent is to allow users of the financial statements to consider our net sales information both with and without the aluminum and OSP cost components thereof.

Adjusted EBITDA

| | Quarter Ended | | Six Months Ended | |
|--|------------------|------------------|------------------|------------------|
| | June 26, 2016 | June 28, 2015 | June 26, 2016 | June 28, 2015 |
| Net Income | \$ 13,165 | \$ 6,534 | \$ 27,628 | \$ 10,868 |
| Adjusting Items: | | | | |
| - Interest (income), net | (79) | (57) | (111) | (142) |
| - Income tax provision | 6,082 | 4,200 | 10,640 | 3,439 |
| - Depreciation | 8,637 | 8,497 | 17,281 | 17,024 |
| - Closure costs (excluding depreciation) | 143 | 1,133 | 609 | 2,488 |
| | <u>14,783</u> | <u>13,773</u> | <u>28,419</u> | <u>22,809</u> |
| Adjusted EBITDA | <u>\$ 27,948</u> | <u>\$ 20,307</u> | <u>\$ 56,047</u> | <u>\$ 33,677</u> |

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Value-Added Sales and Adjusted EBITDA Reconciliation



SUPERIOR INDUSTRIES INTERNATIONAL, INC.

Non-GAAP Financial Measure

(Dollars in Thousands)

Value Added Sales

Net Sales

Less

- Aluminum value
- Pass-through outsourcing costs charged to customers

Value added sales

Value-added sales is a key measure that is not calculated according to GAAP. Value-added sales represent net sales less the value of aluminum and services provided by outside service providers (OSP's) that are included in net sales. Arrangements with our customers allow us to pass on changes in aluminum prices and OSP costs; therefore, fluctuations in the underlying aluminum price and the use of OSP's generally do not directly impact our profitability. Accordingly, value-added sales is worthy of being highlighted for the benefit of users of our financial statements. Our intent is to allow users of the financial statements to consider our net sales information both with and without the aluminum and OSP cost components thereof.

Adjusted EBITDA

Net Income

Adjusting Items:

- Interest income, net
- Provision for Income Taxes
- Depreciation
- Restructuring and closure costs
- Impairment of Long-lived Assets

Adjusted EBITDA

| Twelve Months Ended | |
|----------------------|----------------------|
| December 27, 2015 | December 28, 2014 |
| \$ 727,946 | \$ 745,447 |
| (321,975) | (330,756) |
| (45,125) | (45,336) |
| (367,100) | (376,092) |
| <u>\$ 360,846</u> | <u>\$ 369,355</u> |

| Twelve Months Ended | |
|----------------------|----------------------|
| December 27, 2015 | December 28, 2014 |
| \$ 23,944 | \$ 8,803 |
| (103) | (1,095) |
| 11,339 | 6,899 |
| 34,530 | 35,582 |
| 6,343 | 3,064 |
| - | 2,500 |
| <u>52,109</u> | <u>46,950</u> |
| <u>\$ 76,053</u> | <u>\$ 55,753</u> |

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