SUPERIOR INDUSTRIES

Celebrating 60 Years

Fourth Quarter and Full Year 2018 Earnings Conference Call

March 7, 2019

Forward-Looking Statements and Non-GAAP Financial Measures

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 2019 Outlook included herein, the Company’s ability to integrate European operations, and the Company’s strategic and operational initiatives, product mix and overall cost improvement 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 Annual Report on Form 10-K for the year ended December 31, 2017 and other 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 press release. 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 webcast and 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 Superior has defined as earnings before interest income and expense, income taxes, depreciation, amortization, restructuring charges and other closure costs and impairments of long-lived assets and investments, acquisition and integration costs, CEO separation related costs, and Accounts Receivable factoring fees, and “Value-Added Sales,” which we define as net sales less pass-through charges primarily for the value of aluminum. Adjusted EBITDA and Value-Added Sales are not calculated in accordance with GAAP.

Management believes the non-GAAP financial measures discussed 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 Item 10(e) of Regulation S-K, we have not quantitatively reconciled differences between Adjusted EBITDA presented in our updated 2019 Outlook to net income, the most comparable GAAP measure, as Superior is unable to quantify certain amounts that would be required to be included in net income without unreasonable efforts and due to the inherent uncertainty regarding such variables. Superior also believes that such a reconciliation would imply a degree of precision that could potentially be confusing or misleading to investors. However, the magnitude of these amounts may be significant.

Full Year 2018 Highlights

Key Metrics

21.0M UNITS SHIPPED	**$1.5B** NET SALES
$797M VALUE-ADDED SALES(1)	**$26.0M** NET INCOME
$186M ADJUSTED EBITDA(1)	**$37.98** VALUE-ADDED SALES / WHEEL(1)

Highlights versus 2017

- Net sales up 36% driven by an additional five months of European operations and higher aluminum prices
- Shipments up 23% and Value-Added Sales up 29% due to additional five months of European operations, partially offset by lower shipments in the second half of 2018
- Value-Added Sales per wheel up $1.71 as shift continues towards production of larger, more complex wheels
- Adjusted EBITDA growth driven by addition of European operations partially offset by lower volumes in the second half of 2018
- Strong cash from operations of $156M; after capex of $78M, $78M of cash flow available for dividends, debt reduction, and the purchase of shares from minority holders

(1) Value-Added Sales and Adjusted EBITDA are non-GAAP financial measures; see appendix for reconciliations to the most comparable GAAP measures

2018 Vehicle Production and Shipment Trends

NORTH AMERICAN LIGHT VEHICLE PRODUCTION

↓ 0.6% (1)

SUPERIOR NORTH AMERICAN SHIPMENTS

↓ 0.6% (2)

Superior's North American Shipments

- Shipment decline in line with overall market – strong first half offset by softer Q4
- Q4 decline driven by lower industry production volume at Superior's primary OEM customers

EUROPEAN LIGHT VEHICLE PRODUCTION

↓ 2.1% (1)

SUPERIOR EUROPEAN SHIPMENTS

↑ 0.2% (3)

Superior's European Shipments

- Higher demand on major European platforms where SUP participates driving volumes
- Increased capacity of European plants enabling gains in market share

Outperformance in Europe compared to market tempers softness in North America

(1) Source: IHS Automotive; Europe based on Western and Central Europe as reported by IHS on January 17th, 2019
(2) Based on full calendar year 2018 shipments, adjusted for one additional week of shipments during 2017 and units produced in Europe and shipped to North America for assembly
(3) Excludes sales to aftermarket customers and units produced in Europe and shipped to North America for assembly

Fourth Quarter and Full Year 2018 Financial Summary

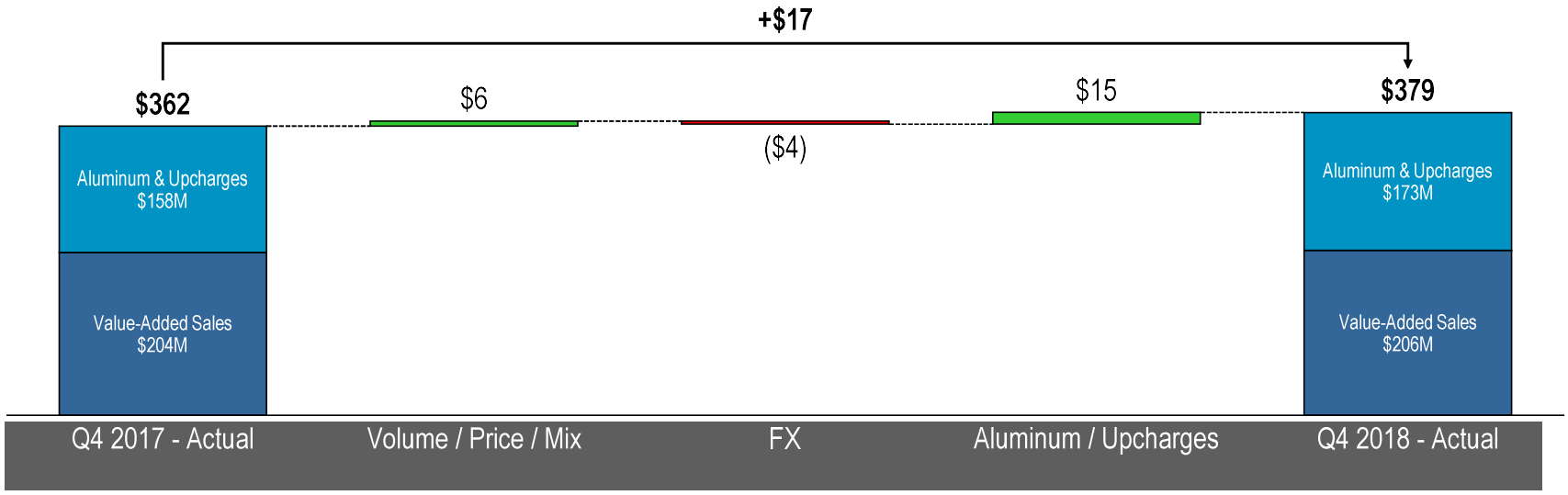
($ in millions, except Earnings per Share)

	Three Months		Twelve Months	
Units	**4Q 2018**	**4Q 2017**	**FY 2018**	**FY 2017**
North America	2,643	2,889	11,282	11,473
Europe	2,524	2,474	9,709	5,535
Global	**5,167**	**5,363**	**20,991**	**17,008**
Net Sales				
North America	$ 193.7	$ 191.2	$ 800.4	$ 732.5
Europe	185.1	170.6	701.4	375.6
Global	**$ 378.8**	**$ 361.8**	**$ 1,501.8**	**$ 1,108.1**
Valued-Added Sales (1)				
North America	$ 94.0	$ 99.3	$ 388.2	$ 390.2
Europe	112.3	104.2	409.0	226.6
Global	**$ 206.3**	**$ 203.5**	**$ 797.2**	**$ 616.8**
Net Income	**$ 8.2**	**$ (4.6)**	**$ 26.0**	**$ (6.2)**
Adjusted EBITDA (1)	**$ 45.6**	**$ 48.9**	**$ 185.6**	**$ 140.1**
Diluted Earnings Per Share	**$ 0.61**	**$ (0.50)**	**$ 0.29**	**$ (1.01)**

(1) Value-Added Sales and Adjusted EBITDA are non-GAAP financial measures; see appendix for reconciliations to the most comparable GAAP measures

Fourth Quarter 2018 Year-over-Year Sales Comparison

($ and units in millions)

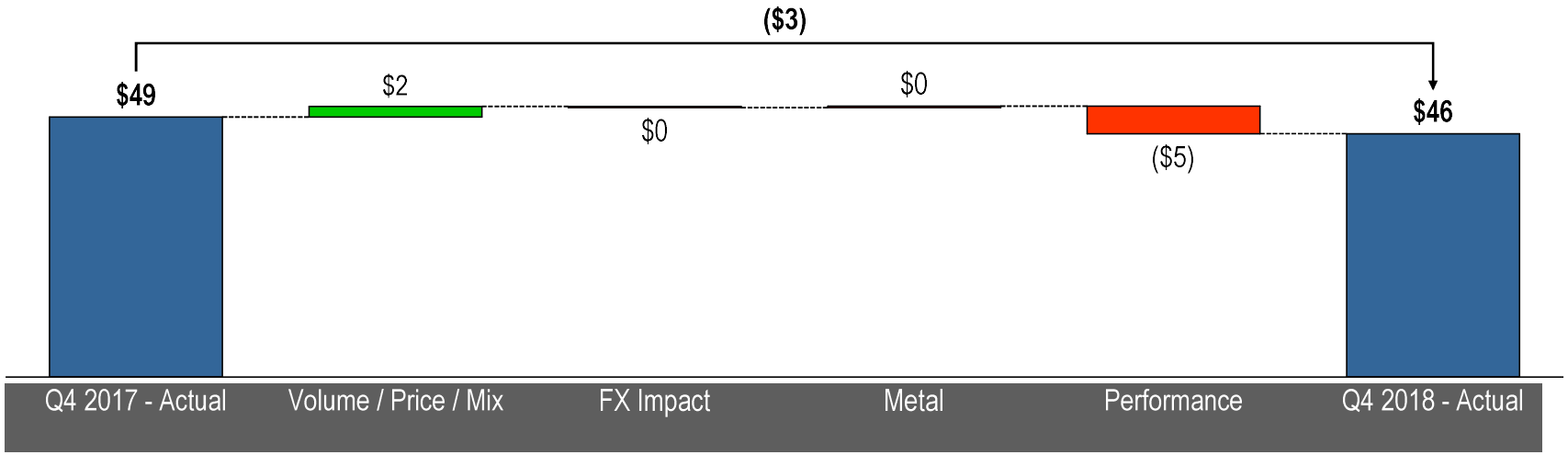


Units	5.4				5.2

- Volume / Price / Mix: Higher Value-Added Sales per wheel, slightly offset by lower volume
- FX: Driven primarily by weaker EUR/USD (1.18 to 1.14)
- Aluminum / Upcharges: Average aluminum price increased ~$0.10 / lb. from prior year

Fourth Quarter 2018 Year-over-Year Adj. EBITDA[(1)] Comparison

($ in millions)



Adj. EBITDA % of Value-Added Sales	24%	22%

- Volume / Price / Mix: Primarily Value-Added Sales per wheel improvement, partially offset by lower volumes
- Metal driven by timing of pass through contracts with customers
- Performance: North America plant inefficiencies

(1) Adjusted EBITDA is a non-GAAP financial measure; see appendix for a reconciliation to the most comparable GAAP measure

Fourth Quarter Cash Flow

Operating Cash Flow

- Generated $92M of operating cash compared to $47M in the prior year period
- Year-over-year improvement driven by favorable working capital

Investing Activities

- Capital expenditures of $22M compared to $14M in the prior year period

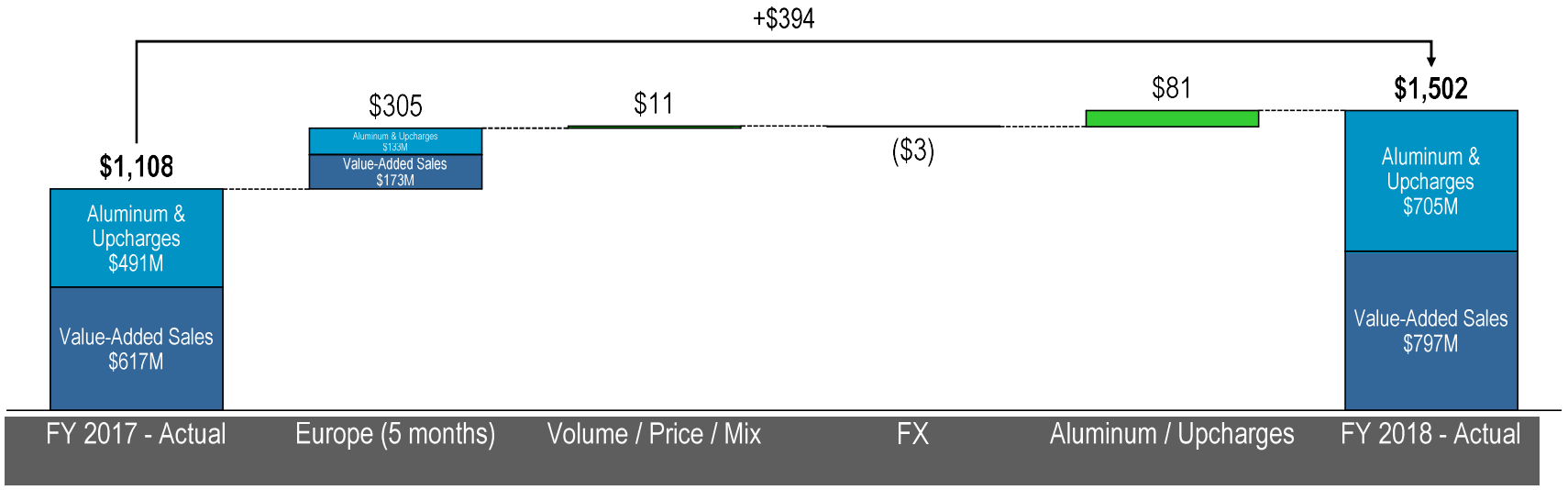
Financing Activities

- Paid dividends of $7M: Preferred $4M, Common $2M, and Minority Interest $1M
- Acquired an additional $6M of shares from minority stockholders of Superior Industries Europe AG(1)

(1) Formerly known as Uniwheels AG

Full Year 2018 Year-over-Year Sales Comparison

($ and units in millions)

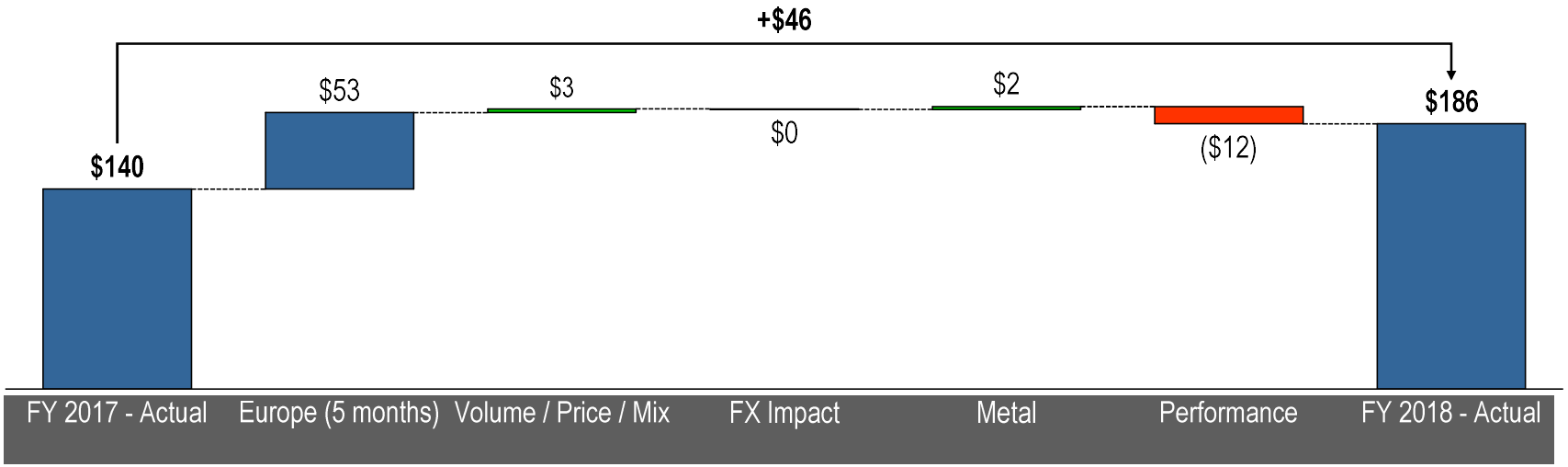


Units	17.0					21.0

- Volume / Price / Mix: Higher Value-Added Sales per wheel, partially offset by lower volume
- FX: Driven primarily by weaker EUR/USD in final 7 months of 2018 (1.17 to 1.15)
- Aluminum / Upcharges: Average aluminum price increased ~$0.15 / lb. from prior year

Full Year 2018 Year-over-Year Adj. EBITDA[(1)] Comparison

($ in millions)



Adj. EBITDA % of Value-Added Sales: 23% → 23%

- Volume / Price / Mix: Primarily driven by improved wheel mix of larger diameter wheels, partially offset by lower volumes in both regions
- Metal driven by timing of pass through contracts with customers
- Performance: First half favorable performance offset by higher electrical and launch costs in Q3 and North America production inefficiencies in Q4

(1) Adjusted EBITDA is a non-GAAP financial measure; see appendix for a reconciliation to the most comparable GAAP measure

Full Year Cash Flow, Liquidity, and Capital Allocation

Operating Cash Flow

- Generated $156M of operating cash
- Strong cash flow driven by additional 5 months of European operations and favorable working capital, including implementation of A/R factoring program in North America

Investing Activities

- Capital expenditures of $78M compared to $71M in the prior year period due to additional five months of European operations

Financing Activities

- Total dividends of $29M: Preferred $19M (extra dividend paid in 2018 due to timing of business days), Common $9M, and Minority Interest $1M
- Acquired an additional $39M of shares from minority shareholders of Superior Industries Europe AG(1)

(1) Formerly known as Uniwheels AG

Liquidity / Debt Structure

Total Cash & Short-Term Investments	**$48**	Maturity
U.S. $160M Revolving Credit Facility	-	May 2022
30M EUR EU Revolving Credit Facility	-	Jul 2020
Term Loan B	383	May 2024
European Equipment Loan	16	Mar 2024
Total Senior Secured Debt	**$399**	
Senior Unsecured Notes (250M EUR)	$286	Jun 2025
Total Debt	**$685**	
Net Debt	**$637**	

- Cash and unused amounts under revolvers totaling $239M
- Funded debt primarily maturing in 2024/2025
- Debt reduction / investment in the business remain top priorities

Full Year 2019 Financial Outlook

Key Metrics	2019 Outlook
Unit Volume (000s)	19,850 – 20,300
Net Sales	$1.42B – $1.47B
Value-Added Sales(1)	$765M – $805M
Adjusted EBITDA(2)	$170M – $185M
Capital Expenditures	Approx. $85M
Cash Flow from Operations	$125M – $145M

(1) Value-added sales is a non-GAAP financial measure; see appendix for a reconciliation to the most comparable GAAP measure and Use of Non-GAAP Financial Measures on slide 2
(2) Adjusted EBITDA is a non-GAAP financial measure; see Use of Non-GAAP Financial Measures on slide 2

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Appendix

Fourth Quarter and Year-to-Date 2018 Income Statement

($ in millions, except Earnings per Share)

Unaudited

	Three Months		Twelve Months	
	4Q 2018	4Q 2017	YTD 2018	YTD 2017
	Actual	Actual	Actual	Actual
Unit Shipments (000s)	5,167	5,363	20,991	17,008
Net Sales	$378.8	$361.8	$1,501.8	$1,108.1
Value-Added Sales [1]	206.3	203.5	797.2	616.8
Gross Profit[2]	36.3	39.7	163.5	102.9
SG&A[2]	(17.1)	(25.9)	(77.7)	(81.4)
Income from Operations	$19.2	$13.8	$85.8	$21.5
Interest Expense, net	(12.7)	(11.6)	(50.1)	(40.0)
Other (Expense) Income, net	(0.1)	3.0	(6.9)	13.2
Change in Fair Value of Preferred Derivative	7.0	2.1	3.5	6.2
Income Before Income Taxes	$13.4	$7.3	$32.3	$0.9
Income Tax Provision	(5.2)	(11.7)	(6.3)	(6.9)
Consolidated Net Income (Loss)	$8.2	($4.4)	$26.0	($6.0)
Less: Net Income Attributable to Noncontrolling Interest	-	(0.2)	-	(0.2)
Net Income (Loss) Attributable to Superior	$8.2	($4.6)	$26.0	($6.2)
Diluted Earnings (Loss) Per Share	$0.61	($0.50)	$0.29	($1.01)
Adjusted EBITDA [1]	$45.6	$48.9	$185.6	$140.1
% of Value-Added Sales	*22.1%*	*24.0%*	*23.3%*	*22.7%*

[1] Value-Added Sales and Adjusted EBITDA are non-GAAP financial measures; see appendix for a reconciliation to the most comparable GAAP measure

[2] Includes acquisition-related items

Summary Balance Sheet

($ in millions)

Unaudited

ASSETS	12/31/2018	12/31/2017
Cash & Short Term Investments	**$48.2**	$47.1
Accounts Receivable, net	**104.6**	160.2
Inventories, net	**175.6**	174.0
Income Taxes Receivable	**6.8**	6.9
Other Current Assets	**35.2**	29.2
Total Current Assets	**$370.4**	$417.4
Property, Plant & Equipment, net	**532.8**	536.7
Goodwill	**291.4**	304.8
Intangibles	**168.4**	203.5
Deferred Income Taxes, net	**42.1**	54.3
Other Assets	**46.5**	34.6
Total Assets	**$1,451.6**	$1,551.3
LIABILITIES & EQUITY		
Accounts Payable	**$107.3**	$118.4
Accrued Expenses	**65.7**	68.8
Current Portion of Long-term Debt	**3.0**	4.0
Income Taxes Payable	**2.5**	3.9
Total Current Liabilities	**$178.5**	$195.1
Long-term Debt (Less Current Portion)	**661.4**	679.6
Non-Current Liabilities	**80.1**	86.2
Redeemable Preferred Shares	**144.5**	144.7
European Noncontrolling Redeemable Equity	**13.8**	-
Shareholders' Equity	**373.3**	393.8
Noncontrolling Interest	-	51.9
Total Shareholders' Equity	**$373.3**	$445.7
Total Liabilities & Equity	**$1,451.6**	$1,551.3

Fourth Quarter and Year-to-Date 2018 Statement of Cash Flow

($ in millions)

Unaudited

	Three Months Ended		Twelve Months Ended	
	4Q18	4Q17	YTD 2018	YTD 2017
Net income (loss)	**$8.2**	($4.4)	**$26.0**	($6.0)
Depreciation and amortization	**23.1**	23.7	**95.1**	69.3
Income tax, non-cash changes	**13.4**	13.1	**(1.0)**	(3.4)
Stock-based compensation	**(0.8)**	1.6	**2.1**	2.6
Debt amortization	**1.0**	1.1	**3.9**	7.3
Other non-cash items	**1.4**	1.8	**5.6**	1.2
Changes in operating assets and liabilities:				
Accounts receivable	**39.9**	12.2	**42.8**	4.6
Inventories	**15.8**	6.4	**(6.1)**	(1.3)
Other assets and liabilities	**1.8**	(8.5)	**(7.8)**	(8.2)
Accounts payable	**(0.6)**	6.3	**(9.1)**	1.4
Income taxes	**(11.4)**	(6.8)	**4.6**	(3.8)
Cash Flow Provided by Operating Activities	**$91.8**	**$46.5**	**$156.1**	**$63.7**
Capital Expenditures	**(22.2)**	(14.1)	**(77.7)**	(71.0)
Acquisition of UNIWHEELS, net of cash acquired	**-**	(5.5)	**-**	(706.7)
Proceeds from sales and maturities of investments	**0.6**	-	**0.6**	-
Proceeds from sale of property, plant and equipment	**-**	-	**-**	0.1
Cash Flow (Used) by Investing Activities	**($21.6)**	**($19.6)**	**($77.1)**	**($777.6)**
Purchase of non-controlling redeemable shares	**(5.7)**	**-**	**(39.1)**	**-**
Proceeds from the Issuance of Long-term Debt	**-**	**-**	**-**	975.6
Proceeds from the Issuance of Redeemable Preferred Shares	**-**	**-**	**-**	150.0
Debt Repayment	**(2.5)**	(3.9)	**(7.9)**	(334.1)
Cash Dividends	**(7.1)**	(6.1)	**(28.8)**	(19.5)
Stock Repurchase	**-**	-	**-**	(5.0)
Payments Related to Tax Withholdings for Stock-Based Compensation	**-**	(0.2)	**(0.6)**	(1.7)
Proceeds from Exercise of Stock Options	**-**	-	**0.1**	-
Preferred Stock Issuance Costs	**-**	-	**-**	(3.7)
Deferred Financing Costs Paid	**-**	(1.2)	**-**	(31.6)
Net (Payments) Borrowings on Revolving Credit Facility	**(18.6)**	-	**-**	(28.9)
Cash Flow (Used) Provided by Financing Activities	**($33.9)**	**($11.4)**	**($76.3)**	**$701.1**
Effect of Exchange Rate on Cash	**(0.3)**	0.5	**(1.6)**	1.4
Net Change in Cash	**$36.0**	**$16.0**	**$1.1**	**($11.4)**
Cash - Beginning	**11.5**	**30.4**	**46.4**	**57.8**
Cash - Ending	**$47.5**	**$46.4**	**$47.5**	**$46.4**

Reconciliation of Earnings per Share Calculation

($ in millions, except Earnings per Share)

Unaudited

	Three Months		Twelve Months	
	4Q 2018	4Q 2017	YTD 2018	YTD 2017
Basic EPS Calculation				
Net Income (Loss) Attributable to Superior	**$ 8.2**	$ (4.6)	**$ 26.0**	$ (6.2)
Less: Accretion of Preferred Stock	**(4.1)**	(4.1)	**(17.0)**	(9.3)
Less: Redeemable Preferred Stock Dividends	**(3.9)**	(3.8)	**(15.5)**	(9.6)
Add: Preferred Stock Modification	**15.3**	-	**15.3**	-
Less: European Noncontrolling Redeemable Equity Dividends	**(0.2)**	-	**(1.5)**	-
Numerator	**$ 15.3**	$ (12.5)	**$ 7.3**	$ (25.1)
Denominator: Weighted Avg. Shares Outstanding	**25.0**	24.9	**25.0**	24.9
Basic Earnings (Loss) Per Share	**$ 0.61**	**$ (0.50)**	**$ 0.29**	**$ (1.01)**
Diluted EPS Calculation				
Net Income (Loss) Attributable to Superior	**$ 8.2**	$ (4.6)	**$ 26.0**	$ (6.2)
Less: Accretion of Preferred Stock	**(4.1)**	(4.1)	**(17.0)**	(9.3)
Less: Redeemable Preferred Stock Dividends	**(3.9)**	(3.8)	**(15.5)**	(9.6)
Add: Preferred Stock Modification	**15.3**	-	**15.3**	-
Less: European Noncontrolling Redeemable Equity Dividends	**(0.2)**	-	**(1.5)**	-
Numerator	**$ 15.3**	$ (12.5)	**$ 7.3**	$ (25.1)
Weighted Avg. Shares Outstanding-Basic	**25.0**	24.9	**25.0**	24.9
Dilutive Stock Options and Restricted Stock Units	**0.1**	-	**0.2**	-
Denominator: Weighted Avg. Shares Outstanding	**25.1**	24.9	**25.2**	24.9
Diluted Earnings (Loss) Per Share	**$ 0.61**	**$ (0.50)**	**$ 0.29**	**$ (1.01)**

Adjusting Items to EPS

($ in millions, except Earnings per Share)

Unaudited

Before Tax Impact on Net Income	Three Months		Twelve Months	
	4Q 2018	4Q 2017	YTD 2018	YTD 2017
Inventory Step-up	$ -	$ (1.3)	$ -	$ (12.1)
M&A, integration and CEO separation costs	(2.9)	(7.2)	(11.2)	(32.1)
Factoring fees	(0.5)	-	(0.5)	-
Non-Recurring Interest	-	-	-	(12.2)
Foreign Exchange M&A Gains	-	-	-	8.2
Change in Fair Value of Preferred Derivative	7.0	2.1	3.5	6.2
Total Before Tax Impact on Net Income	$ 3.6	$ (6.4)	$ (8.2)	$ (42.0)
After Tax Impact on Net Income	$ 4.0	$ (5.2)	$ (6.8)	$ (35.9)
Preferred Stock Modification	15.3	-	15.3	-
Total Impact on Numerator for Earnings Per Share	$ 19.3	$ (5.2)	$ 8.5	$ (35.9)
Weighted Average Shares Outstanding - Basic	25.0	24.9	25.0	24.9
Impact on Earnings (Loss) Per Share	$ 0.77	$ (0.21)	$ 0.34	$ (1.44)

Reconciliation of Non-GAAP Financial Measures

Unaudited

Value-Added Sales	Three Months		Twelve Months	
	4Q 2018	4Q 2017	YTD 2018	YTD 2017
Net Sales	$ 378.8	$ 361.8	$ 1,501.8	$ 1,108.1
Less:				
Aluminum Value and Outside Service Provider Costs	(172.5)	(158.3)	(704.6)	(491.3)
Value-Added Sales	$ 206.3	$ 203.5	$ 797.2	$ 616.8

Adjusted EBITDA	Three Months		Twelve Months	
	4Q 2018	4Q 2017	YTD 2018	YTD 2017
Net Income (Loss) Attributable to Superior	$ 8.2	$ (4.4)	$ 26.0	$ (6.0)
Adjusting Items:				
- Interest Expense, net	12.7	11.6	50.1	40.0
- Income Tax Provision	5.2	11.8	6.3	6.9
- Depreciation	16.7	17.4	68.7	54.2
- Amortization	6.4	6.1	26.3	15.2
- M&A, integration and CEO separation costs and factoring fees	3.4	8.5	11.7	35.9
- Change in Fair Value of Preferred Derivative	(7.0)	(2.1)	(3.5)	(6.2)
- Closure Costs (Excluding Accelerated Depreciation)	-	-	-	0.1
	$ 37.4	$ 53.3	$ 159.6	$ 146.1
Adjusted EBITDA	$ 45.6	$ 48.9	$ 185.6	$ 140.1

Outlook for Full Year 2019 Value-Added Sales	Outlook Range	
Net Sales Outlook	$ 1,420.0	$ 1,470.0
Less: Aluminum Value and Outside Service Provider Costs	(655.0)	(705.0)
Value-Added Sales Outlook	$ 765.0	$ 805.0

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